

Group Communications and Investor Relations
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PRESS RELEASE
8 February, 2001
10.00 a.m

KCI KONECRANES GROUP 2000 FINANCIAL RESULTS

**KCI Konecranes confirms continuing good growth.
Earnings growth confirmed with very good Q4 results.
Favourable development to continue.**

- New orders grew with 41.9 % to EUR 764.4 million
- Sales grew 18.8 % to EUR 703.0 million
- Orders on hand all time high EUR 308.8 million, growth 73.1 %
- Operating income (EBIT) up 23.4 %
- Net income up 7.4 %

ORDERS RECEIVED MEUR	1-12/2000	1-12/1999	Change %
Maintenance Services	300.9	234.4	28.4
Standard Lifting Equipment	256.9	215.0	19.5
Special Cranes	284.4	138.9	104.8
Internal	-77.8	-49.5	-
Orders Received total	764.4	538.7	41.9
Order book	308.8	178.4	73.1
SALES			
Maintenance Services	342.0	274.9	24.5
Standard Lifting Equipment	253.4	218.7	15.9
Special Cranes	189.6	157.5	20.4
Internal Sales	-82.0	-59.6	-
Sales total	703.0	591.5	18.8
Income from operations (EBITA)	43.7	34.8	25.6
Goodwill amortisation	4.1	2.6	53.1
Operating income (EBIT)	39.6	32.1	23.4
Financial income and expenses	-5.6	-1.9	-
Income before taxes and minority interest	34.0	30.2	12.6
Net income	23.4	21.8	7.4
Earnings per share (EUR)	1.59	1.48	7.4

Future prospects:

The results for the year 2000 confirm the strong momentum gained in all Business Areas. New products gain market share, penetration into new markets is successful, industry consolidation trends benefit KCI Konecranes.

The prospects for the year 2001 indicate confirmation and improvement of favourable developments, especially the order intake, of the year 2000. Sales and earnings growth is largely fuelled by new products and increased market share, with less exposure to market volatility.

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BUSINESS DEVELOPMENT

The demand for the Group's products increased considerably in all Business Areas and Group Sales showed a clear growth. Among geographical regions, only Asian demand remained low. The operating income grew significantly and also the earnings per share developed favourably.

Order Intake and Order Backlog

The order intake was EUR 764.4 million, with a growth of 41.9 %, compared to EUR 538.7 million for the previous year. Disregarding currency rate changes, the growth rate was 34 %. Order intake does not include the value of maintenance agreements. The value of the order backlog (excluding the value of service contracts) grew to an all time high of EUR 308.8 million, which is 73.1 % higher compared to one year ago. Special Cranes' order backlog more than doubled. The order backlog also increased in all the other Business Areas and the number of cranes under maintenance agreement developed in a favourable way. The average monetary value of maintenance agreements per unit increased significantly.

Sales

Group sales was EUR 703.0 million, which is 18.8 % (11.6 % disregarding currency exchange rates changes) higher than the 1999 sales of EUR 591.5 million. Sales growth was strong in America and Europe, but weak in Asia. The sales growth was a consequence of organic growth on one hand and several acquisitions (most important among which was the acquisition of the maintenance operations of Noell Service und Maschinentechnik in Germany) on the other. Remaining non-core activities in Great Britain were sold. In the beginning of 2001 the loss-making service unit in France was sold. Associated costs burden year 2000 result. The net effect on sales of acquisitions and disinvestments was an increase of EUR 35 million.

Profitability

Group operating income was EUR 39.6 million up 23.4 % from the year 1999 level of EUR 32.1 million. The margin was 5.6 % of Group Sales, compared to 5.4 % in 1999. The operating income before goodwill amortisation (EBITA) was EUR 43.7 million, up 25.6 % from EUR 34.8 million in 1999. The margin was 6.2% of sales

compared to 5.9% in 1999. The operating income includes one-time gains of EUR 10.8 million under "Other operating income" from the disposal of shares in VACON Oyj and one-time charges under "Other operating expenses" of EUR 8.8 million for restructuring measures. The charges relate mainly to measures intended to increase productivity, which has been made possible through the introduction of new products within Standard Lifting Equipment, as well as divested operations. In the review by Business Area the one-time gains and charges have been reported under Group overheads.

Income before taxes totalled EUR 34.0 million, which is 12.6 % higher, compared to the previous year's level pretax earnings of EUR 30.2 million. The fast growth burdened the result with an increase in financial costs of EUR 3.7 million.

Taxes for the year were EUR 10.7 million corresponding to a tax rate of 31.4 %. In 1999 the tax rate was 28 %. The increase relates mainly to an increase in the corporate tax rate in Finland from 28 % to 29 % and increasing goodwill amortisations.

Return on capital employed was 19.4 % (1999: 21.7 %) and return on equity was 16.4 % (1999: 16.3 %). The small decrease was caused mainly by an increase in working capital, which in turn was a consequence of the fast growth.

Balance Sheet and Financing

Free cash flow was used for dividends (EUR 10.4 million), for net investments in fixed assets (EUR 10.4 million), and for fixed assets included in company acquisitions (EUR 26.8 million, up with EUR 25.4 million compared to 1999). Net working capital increased with EUR 41.4 million. The growth relates to general operational growth, which led to increases in both receivables and inventories.

Group net borrowings stood at EUR 85.3 million at year end compared to EUR 48.8 million in 1999, giving a gearing of 57.7 % (1999: 35.8 %). The gearing number decreased clearly during the fourth quarter of the year. In November the Group launched a serial bond. The bond has a compound maximum value of EUR 100 million. In the first round of marketing the bond was sold up to a total level of EUR 25 million. There was no further marketing of the bond during year 2000. The unused portion of the Group's USD 100 million stand-by credit was USD 60 million. Solidity, although lower than a year before, stayed at 35.8 % (42.2 % at year-end 1999).

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GROUP STRUCTURE

The Group continued to make selected acquisitions. In January 2000 we bought the crane operations of the German company Kulicke in Berlin and its two service companies in Schwedt and Berlin-Köpenick. These operations were included into Group figures as of the beginning of year 2000. In March the Group made an agreement in which it acquired the service business of Noell Service und Maschinentechnik GmbH in Germany. With the Noell acquisition the Group strengthened remarkably its presence in the maintenance business, especially in Germany and also in some harbours outside Germany. The acquired activities were consolidated into Group numbers as of April 1, 2000. At the beginning of April the crane related after market activities of the German Donges Stahlbau GmbH were acquired and integrated into the German maintenance services organisation.

A Crane and service company Gruas Mexico S.A. de C.V. was acquired in April. Gruas Mexico was previously KCI Konecranes Mexican licensee and the Group already held a minority share of 10 % in the company. The company was included in Group numbers as of April 1, 2000.

In USA, the crane and maintenance operations of the company F.T. Crowe were acquired. The acquisition was completed in July and the operations were integrated with the operations of Konecranes Inc..

In September the Group acquired the crane and service company Cranex Sp.z.o.o. in Gdansk, Poland. Cranex was included in Group numbers as of September 1, 2000.

In October, the Group's associated Italian company Prim S.p.A acquired the crane business assets of Marte S.p.a. The Group owns 25 % of the shares of Prim.

At the end of the fiscal year the Group acquired 50 % of the share capital of Tepas-Mestari Oy from Outokumpu Engineering Oy. The company supplies plant maintenance services in Western Finland. Previously the Group held a 50 % stake in the company and the company is now a wholly owned subsidiary.

At the very end of the fiscal year the Group acquired the after-market operational assets of harbour crane maker Caillard in Le Havre, France from Rolls-Royce Power Engineering Plc of Great Britain.

In the beginning of the year the Group sold the remaining non-core maintenance activities in Great Britain. These activities were mainly related to testing and fabrication and they were included in Group numbers until the end of March. Minor capital gains were booked after the sale. These acquisitions and divestments had a net effect on sales of an increase of approximately EUR 35 million. Early in January 2001 the Group sold its loss-making French subsidiary Cogeran Konecranes S.A. (before Copas Konecranes S.A.) specialising in non-core maintenance for nuclear power plant cranes. The loss from the divestment was booked in the financial statements of year 2000.

In the listing of Vacon Oyj, in December 2000, the Group disposed of 1,884,650 Vacon shares. The Group's ownership in Vacon Oyj decreased from 22.6 % to 10.0 %. The gains from the sales, EUR 10.8 million, were booked in the Group's operating income as described under "Profitability" in this report.

The Group will continue its active acquisition policy.

PORT SERVICES

During the fiscal year a new operative unit "KCI Konecranes Port Services" concentrating on maintenance services for harbour and shipyard cranes was established. The new unit operates in collaboration with Maintenance Services but is managed under Konecranes VLC, the harbour and shipyard crane subsidiary. The Port Service activities are experiencing fast growth through the acquisitions of Noell and Caillard. Total sales (running rate at the beginning of 2001) for the whole new Port Services unit will approximate EUR 60 million.

R&D and TRAINING

Total direct R&D costs were EUR 6.9 million. R&D efforts are mainly related to the development of hoists, electrical and electronical components and other key components. The R&D costs were approximately 5.3 % of corresponding sales. The costs for the new wire rope hoist product line focus increasingly on production development and marketing, which burden the Business Area result.

The big training effort for Maintenance Services technicians continued during the year 2000. Approximately 100,000 productive hours were consumed in training and human resources development in Maintenance Services alone. Also

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other Business Areas increased their training efforts, especially in new product technology. The KCI Konecranes Academy, with its focus on middle management and experts continued according to plan. The year 2000 was the fourth year of operation for the Academy. The educational and developmental executive level program, which is produced together with the IMD of Lausanne, Switzerland, received widespread support, and the program will continue. The Group also continued its sponsorships for university level studies for employees. During the year this led to 16 persons receiving their MSc (Eng) degrees in Finland.

THE OMNIMAN DEVELOPMENT PROJECT

The Omniman, the computer based enterprise resource planning systems project, was discontinued in April because of severe problems and uncertainties relating to the software itself, its functionality and its main contractor, Baan from the Netherlands. All units, which had attempted to switch over to the Baan software switched back to the use of previous systems. In negotiations with the vendor he has not presented any acceptable proposals on how he intends to fulfil the original delivery requirements. The Group has therefore initiated measures aimed at damage recovery. The balance sheet includes receivables related to license, development and implementation fees and costs paid to the vendors.

THE COMPANY'S OWN SHARES

At year-end 2000, the Parent Company held 300,000 of its own shares with a total acquisition cost of EUR 7.5 million. This represents 2.00 % of the total amount of shares and voting rights. The Parent Company's ownership of its own shares did not change during the fiscal year.

SHARES AND SHAREHOLDERS

The 2000 closing share price was EUR 27.00 (1999: EUR 38.18). During year 2000 the highest share price was EUR 39.90 (1999: EUR 38.30), the average price was EUR 32.67 (1999: EUR 30.24) and the lowest share price was EUR 25.10 (1999: EUR 23.05).

The share price decreased with 29.28 % during year 2000. HEX general index decreased by 10.60 %, the HEX portfolio index by 24.86 % and the HEX Metal & engineering index by 16.16 %.

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7,378,629 KCI Konecranes' shares were traded at Helsinki Exchanges during year 2000. This represents 49.19 % of the company's outstanding shares. In monetary terms trading was EUR 241 million, which was the 32nd largest trading at Helsinki Exchanges.

Total market capitalisation at year-end was EUR 405 million (1999: EUR 573 million), the 39th largest market value of companies listed on Helsinki Exchanges. Earnings per share was EUR 1.59 (1999: EUR 1.48).

At the end of 2000 the non-Finland based shareholding was 66.04 % (1999: 61.22%). The percentage of shares registered in the name of a nominee was 61,90 % (1999: 60.76 %).

Dividend Proposal

Traditionally approximately one third of net profits has been paid as dividends.

The Board of Directors proposes to the AGM that a dividend of EUR 0.71 per share will be paid for the fiscal year 2000. The dividend will be paid to persons, who are entered as shareholders in the share register on the record date March 13, 2001. Dividend payment day is March 20, 2001.

BUSINESS REVIEW BY BUSINESS AREA

Maintenance Services

Order intake increased with 28.4 % over 1999 and sales increased 24.5%.

The number of cranes in the maintenance agreement base continued to grow at a healthy pace. At year end, the number of cranes totalled 187,183, up 12 % year-on-year. The average money value of maintenance agreements per crane grew even faster, with 19 % as a consequence of focusing more towards larger process cranes. This segment within the agreement base grew rapidly.

Germany recorded the fastest growth, following several acquisitions in that market. The most prominent acquisition was the buy-out of the maintenance activities of Noell Service und Maschinentechnik.

At the beginning of year 2000 remaining non-core activities in the British maintenance services company were sold. Disregarding acquisitions and disposals, the organic sales growth was 17 %.

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The operating income amounted to EUR 21.3 million, up 9,8 % from the previous year. The performance of acquired companies improved during the second part of the year, as restructuring and integration measures started to bite. However, the performance did not yet achieve Group goals. After the end of the fiscal year 2000, in January 2001, a French subsidiary specialising in nuclear power station crane maintenance was divested. That unit had been a loss maker for several years. The costs associated with the disposal were included in year 2000 results.

The number of cranes in the maintenance agreement base is the best indicator for long term prospects in this Business Area.

The positive trends for maintenance agreements, both in numbers and quality, together with acquired operations support a continuous good sales growth for 2001.

Completed rationalisation and new activities in harbour crane maintenance support margins improvements. New maintenance products further support this development.

Standard Lifting Equipment

Order Intake grew with 19.5 % over 1999 and sales with 15.9 %.

Generally, the development was very good in Europe, good in America and still less than satisfactory in Asia. In Italy, the Group achieved a particularly strong progress. Integration work in recently acquired companies progressed in full accordance with plans.

The operating income was EUR 22.5 million, indicating a growth of 4.7 %. The result was burdened with extra costs for launching of the new product platform. These costs amounted to EUR 1.7 million.

The prospects for sales growth and lower unit costs have improved significantly. Performance will continue to improve as sales of the new product platform gains momentum. Market prospects as a whole remain stable and the expectations for sales growth and margins improvement during 2001 are favourable. The few uncertainties that can be seen relate to the general investment climate in the USA and to the speed and size of the Asian recovery.

Special Cranes

The year 2000 marked a total success for KCI Konecranes Special Cranes Business Area. The order intake grew with 104.8 % over that of 1999. Sales grew with 20.4 %.

Special cranes always need a fairly long time (often more than 12 months) between order and commissioning. Sales growth therefore follow the order increase with a certain time lag. Orders on hand reached an all-time-high, and at year end the amount was 116 % higher than one year earlier. The orders growth was very fast within harbour and shipyard cranes but orders for industrial heavy duty cranes also had a strong growth. Among Regions, only Asia-Pacific recorded modest numbers.

The success is mainly related to our modern product range. New control equipment provide users with improved accuracy and hence better productivity. New controls also facilitate improved reliability. Modern design tools feature substantial weight savings. For large steel structures, such as cranes, less weight equals less cost.

The operating income was EUR 13.8 million, up 11.3 % from the previous year. At the beginning of the year, orders on hand were low and production capacity partly under-utilised. The margin percentage improved considerably during the last quarter, as orders matured into shipments. In spite of a very good development during the second part of the year, the result stayed short of Group targets.

Prospects for the year 2001 are extraordinary: Orders-on-hand run record high and we have already secured a good growth for the whole of 2001, both in sales and margins. Orders-on-hand are presently accumulating for 2002 and 2003, which clearly indicates a continuation of the favourable development. Our thoroughly modern product range combine low production costing with superior economic benefits for the customer. Our global, yet focused sales network have laid the foundations for a lasting success.

STIG GUSTAVSON, PRESIDENT AND CEO

The year 2000 was a year full of achievements. The Asian economic crisis, which for one year diverted the Group from its growth track, prompted the Group to speed up its development. In the year 2000 we scored.

Let me comment on some of our major areas of achievement:

Our achievements in Maintenance Services have been remarkable. During the second quarter, we were forced to discontinue work on our much-needed administrative computer ERP-tool, the Omniman. The Omniman was the only Group development effort, which did not give a positive contribution.

In spite of this setback, maintenance achieved an organic growth of 17 %, and a total growth with acquisitions of an impressive 24,5 %.

The number of cranes in our maintenance agreement base grew, but this time also the average value per crane increased with 19 %.

We are very proud of our R&D achievements. Early on, we understood the benefits of new technology in control design. Now we have achieved the next level, where not only old controls are replaced, but where all other benefits of the digital revolution have been incorporated into products. We speak here about benefits for the whole crane structure (cranes can be built lighter), benefits for the design and commissioning time, benefits for crane reliability etc. As can be seen in our figures, customer reactions are very, very encouraging.

We have achieved an important breakthrough in one of the world's most demanding large crane markets: Germany. Germany being the home base for several of our best competitors, we earlier concentrated on other markets. Now, with quality products and impeccable service we

made a concentrated effort. Although our German presence still is young, I do not hesitate to describe our venture a success.

The markets in 2000 were flat. The Group's exposure to market conditions is not very high – major developments such as the Asian crisis and the collapse of the Soviet Union apart. Maintenance Services is a very steady growth business, and our equipment sales growth is based on penetration growth rather than market growth.

A flat market also usually fuels opportunities for industry consolidation, again with benefits to be gained for the Group.

Activity levels at year end and early 2001 further support our strong confidence in a very good development in 2001 and beyond.

Future prospects

The results for the year 2000 confirm the strong momentum gained in all Business Areas. New products gain market share, penetration into new markets is successful, industry consolidation trends benefit KCI Konecranes.

The prospects for the year 2001 indicate confirmation and improvement of favourable developments, especially the order intake, of the year 2000. Sales and earnings growth is largely fuelled by new products and increased market share, with less exposure to market volatility.

Helsinki 7 February, 2001
The Board of Directors

FORMAL STATEMENT

Certain statements in this report are forward looking and are based on management's expectation at the time they are made. Therefore they involve risks and uncertainties and are subject to change due to changes in general economic conditions or industry conditions.

DEVELOPMENT BY BUSINESS AND MARKET AREAS

Order Intake by Business Area

	2000	% of 2000	1999	% of 1999
	MEUR	total	MEUR	total
Maintenance Services	300.9 ¹⁾	36	234.4 ¹⁾	40
Standard Lifting				
Equipment	256.9	30	215.0	36
Special Cranes	284.4	34	138.9	24
./. Internal	<u>-77.8</u>		<u>-49.5</u>	
Total	764.4 ¹⁾	100	538.7 ¹⁾	100

1) Excl. Service Contract Base

Order Book²⁾

	2000	1999
	MEUR	MEUR
Total	308.8	178.4

2) Percentage of completion deducted

Sales by Business Area

	2000	% of 2000	1999	% of 1999
	MEUR	total	MEUR	total
Maintenance Services	342.0	44	274.9	42
Standard Lifting				
Equipment	253.4	32	218.7	34
Special Cranes	189.6	24	157.5	24
./. Internal	<u>-82.0</u>		<u>-59.6</u>	
Total	703.0	100	591.5	100

Sales by Market

	2000	% of 2000	1999	% of 1999
	MEUR	total	MEUR	total
Nordic and Central				
Europe	156.6	22	150.7	26
EU (excl. Nordic)	200.9	29	172.5	29
Americas	284.4	40	214.9	36
Asia-Pacific	<u>61.1</u>	<u>9</u>	<u>53.4</u>	<u>9</u>
Total	703.0	100	591.5	100

Personnel by Business Area (at the End of the Period)

	2000	% of 2000 total	1999	% of 1999 total
Maintenance Services	2,501	56	2,261	56
Standard Lifting Equipment	1,178	26	1,134	28
Special Cranes	673	15	542	13
Group Staff	111	3	107	3
Total Company	4,463	100	4,044	100

Investments

	2000 MEUR	1999 MEUR
Total (excl. Acquisitions)	14.7	12.9

FINANCIAL PERFORMANCE
Statement of Income

	2000 MEUR	1999 MEUR
Sales	703.0	591.5
Other operating income ¹⁾	14.0	2.8
Share of result of participating interest undertakings	-0.1	0.0
Depreciation and reduction in value	-16.0	-13.8
Other operating expenses ²⁾	-661.3	-548.4
Operating profit	39.6	32.1
Financial income and expenses ³⁾	-5.6	-1.9
Income before taxes	34.0	30.2
Taxes	-10.6	-8.4
Net income	23.4	21.8

1) Includes 10.8 MEUR profit from the sale of shares in Vacon Oyj.

2) Includes 8.8 MEUR one-time restructuring costs and charges.

3) Financial income and expenses

	2000 MEUR	1999 MEUR
Dividend income	0.2	0.2
Interest income from current assets	2.2	5.5
Other financial income	0.7	0.3
Interest expenses	-8.3	-7.6
Other financial expenses	-0.4	-0.3
Total	-5.6	-1.9

Operating Income by Business Area (MEUR)

	2000 Sales	2000 Operating Income	% of 2000 total	1999 Sales	1999 Operating Income	% of 1999 total
Maintenance Services	342.0	21.3	37	274.9	19.4	37
Standard Lifting Equipment	253.4	22.5	39	218.7	21.5	40
Special Cranes	189.6	13.8	24	157.5	12.4	23
Group costs	-	-14.4		-	-18.9	
Consolidation items	<u>-82.0</u>	<u>-3.6</u>		<u>-59.6</u>	<u>-2.3</u>	
Total	703.0	39.6	100	591.5	32.1	100

CONSOLIDATED BALANCE SHEET

ASSETS	31.12.2000	31.12.1999
	MEUR	MEUR
Non-current assets		
INTANGIBLE ASSETS		
Development expenses	0.0	0.4
Intangible rights	3.4	2.7
Goodwill	20.4	3.5
Group goodwill	8.8	10.3
Advance payments	0.5	11.9
	33.1	28.8
TANGIBLE ASSETS		
Land	4.0	3.9
Buildings	23.6	23.9
Machinery and equipment	28.6	27.8
Advance payments and construction in progress	2.3	1.3
	58.5	56.9
INVESTMENTS		
Participating interests	1.5	2.0
Other shares and similar rights of ownership	5.0	2.8
Own shares	7.5	7.5
	14.0	12.3
Current assets		
INVENTORIES		
Raw materials and semi-manufactured goods	42.0	35.7
Work in progress	47.2	35.3
Advance payments	3.8	6.8
	93.0	77.8
LONG-TERM RECEIVABLES		
Loans receivable	0.0	1.2
Other receivables	0.6	0.3
Deferred assets	0.2	0.0
	0.8	1.5
SHORT-TERM RECEIVABLES		
Accounts receivable	152.2	132.9
Amounts owed by participating interest undertakings	2.5	1.7
Loans receivable	0.1	0.1
Other receivables	21.2	5.2
Deferred tax assets	4.3	2.3
Deferred assets	59.2	22.8
	239.5	165.1
CASH IN HAND AND AT BANKS	11.2	10.0
Total current assets	344.4	254.3
TOTAL ASSETS	450.0	352.3

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2000 MEUR	31.12.1999 MEUR
Equity		
Share capital	30.0	30.0
Share premium account	20.5	20.5
Reserve for own shares	7.5	7.5
Equity share of untaxed reserves	3.9	4.1
Translation difference	-3.8	-2.9
Retained earnings	73.9	62.7
Net income for the period	23.4	21.8
	155.3	143.7
Minority share	0.1	0.1
Provisions	15.5	9.8
Liabilities		
LONG-TERM DEBT		
Bonds	25.0	0.0
Loans from credit institutions	10.4	44.2
Pension loans	3.0	3.5
Bond with warrants	0.1	0.1
Other loans	2.7	2.5
Deferred tax liability	2.3	2.7
	43.4	53.0
CURRENT LIABILITIES		
Loans from credit institutions	43.0	0.0
Pension loans	0.5	0.5
Advance payments received	29.7	21.6
Accounts payable	55.3	46.4
Amounts owed to participating interest undertakings	0.1	0.5
Other short-term liabilities	27.6	18.4
Accruals	79.6	58.3
	235.7	145.7
Total liabilities	279.1	198.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	450.0	352.3
Interest-bearing debts	96.5	60.0

Contingent Liabilities and Pledged Assets (MEUR)

	2000	1999
CONTINGENT LIABILITIES		
For own debts		
Mortgages on land and buildings	10.0	9.8
For own commercial obligations		
Pledged assets	0.6	0.2
Guarantees	125.1	111.0
For associated company's debt		
Guarantees	0.7	0.0
For others		
Guarantees	0.2	0.2
OTHER CONTINGENT AND FINANCIAL LIABILITIES		
Leasing liabilities		
Next year	9.1	6.3
Later on	7.8	8.8
Other liabilities	<u>0.5</u>	<u>0.5</u>
Total	154.0	136.8

Leasing contracts follow the normal practices in corresponding countries.

Total by Category

Mortgages on land and buildings	10.0	9.8
Pledged assets	0.6	0.2
Guarantees	126.0	111.2
Other liabilities	<u>17.4</u>	<u>15.6</u>
Total	154.0	136.8

Notional Amounts of Derivative Financial Instruments (MEUR)

	2000	1999
Foreign exchange forward contracts	486.2	570.0
Interest rate swap	25.0	0.0
Currency options	<u>0.0</u>	<u>60.0</u>
Total	511.2	630.0

Derivatives are used for currency and interest rate hedging only. The notional amounts do not represent amounts exchanged by the parties and are thus not a measure of the exposure. A clear majority of the transactions relate to closed positions, and these contracts set off each other. The hedged orderbook and equity represent approximately one half of the total notional amounts.

CONSOLIDATED CASHFLOW	2000 MEUR	1999 MEUR
Operating income ¹⁾	28.0	31.5
Depreciation	16.0	13.8
Financial income and expenses	-8.2	-6.6
Taxes	-12.6	-7.7
Free cashflow	23.2	31.0
Increase in current assets	-56.5	-21.8
Increase (-), decrease (+) in inventories	-12.4	2.5
Increase (+), decrease (-) in current liabilities	41.5	-16.5
Cashflow from operations	-4.2	-4.8
Capital expenditure and advance payments to machines	-11.2	-10.9
Capital expenditure and advance payments to intangible and financial assets	-5.1	-8.7
Fixed assets of acquired companies	-22.7	1.0
Purchase of own shares	0.0	-7.5
Disposals of fixed assets	15.9	2.4
Investments total	-23.1	-23.8
Cashflow before financing	-27.3	-28.6
Change of long-term debt		
Increase (+), decrease (-)	-9.3	43.8
Change of short-term interest-bearing debt		
Increase (+), decrease (-)	48.5	-6.3
Dividend paid	-10.4	-10.7
External financing	28.8	26.7
Correction items ²⁾	-0.3	0.1
Net financing	1.2	-1.7
Cash in hand and at banks at 1.1.	10.0	11.7
Cash in hand and at banks at 31.12	11.2	10.0
Change in cash	1.2	-1.7

1) Operating income after depreciation has been corrected by the result of associated companies and the profit / loss of disposal of assets.

2) Translation difference in cash in hand and at banks.

KCI KONECRANES GROUP 1996-2000

Business development		2000	1999	1998	1997	1996
Order intake	MEUR	764.4	538.7	542.8	526.8	449.4
Order book	MEUR	308.8	178.4	194.8	217.5	176.0
Net sales	MEUR	703.0	591.5	597.0	517.3	412.2
of which outside Finland	MEUR	644.2	538.3	542.3	461.5	348.5
Export from Finland	MEUR	217.8	180.7	213.0	167.9	118.2
Personnel on average		4,244	4,050	3,968	3,720	3,351
Capital expenditure	MEUR	14.7	12.9	15.1	16.6	9.3
as a percentage of net sales	%	2.1	2.2	2.5	3.2	2.2
Research and development costs	MEUR	6.9	7.8	7.2	7.1	6.9
as % of Standard Lifting Equipment 1)	%	2.7	3.6	3.5	3.7	4.5
as % of Group net sales	%	1.0	1.3	1.2	1.4	1.7

Profitability

Net sales	MEUR	703.0	591.5	597.0	517.3	412.2
Income from operations (before goodwill amortization)	MEUR	43.7	34.8	44.5	39.8	35.2
as percentage of net sales	%	6.2	5.9	7.5	7.7	8.5
Operating income	MEUR	39.6	32.1	42.6	39.0	34.9
as percentage of net sales	%	5.6	5.4	7.1	7.5	8.5
Income before extraordinary items	MEUR	34.0	30.2	43.3	39.4	35.0
as percentage of net sales	%	4.8	5.1	7.2	7.6	8.5
Income before taxes	MEUR	34.0	30.2	43.3	39.4	35.0
as percentage of net sales	%	4.8	5.1	7.2	7.6	8.5
Net income	MEUR	23.4	21.8	31.4	27.9	23.4
as percentage of net sales	%	3.3	3.7	5.3	5.4	5.7

Key figures and balance sheet

Shareholders' equity	MEUR	155.3	143.7	131.2	112.6	92.4
Balance Sheet	MEUR	450.0	352.3	308.3	290.7	239.4
Return on equity	%	16.4	16.3	25.7	27.2	28.1
Return on capital employed	%	19.4	21.7	32.6	36.2	36.3
Current ratio		1.4	1.7	1.3	1.3	1.4
Solidity	%	35.8	42.2	47.0	43.9	41.7
Gearing	%	57.7	35.8	7.2	1.3	8.1

Shares in figures

Earnings per share	EUR	1.59	1.48	2.09	1.86	1.56
Equity per share	EUR	10.06	9.27	8.75	7.50	6.16
Dividend per share	EUR	0.80*	0.71	0.71	0.63	0.50
Dividend/earnings	%	50.3	48.0	34.2	33.9	32.4
Effective dividend yield	%	3.0	1.9	1.8	2.1	2.1
Price/earnings		17.0	25.8	18.5	16.3	15.7
Trading low / high	EUR	25.10/ 39.90	23.05 / 38.30	26.07 / 53.48	23.88 / 39.52	13.62 / 24.89
Average share price	EUR	32.67	30.24	37.50	33.00	16.85
Year-end market capitalization	MEUR	405.0	572.7	580.2	454.1	365.8
Number traded	(1000)	7,379	13,198	8,039	5,992	9,254
Stock turnover	%	49.2	88.0	53.6	39.9	61.7

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* The Board's proposal to the AGM
1) R&D serves mainly Standard Lifting Equipment

CALCULATION OF KEY FIGURES

Return on equity:	$\frac{\text{Income before extraordinary items - taxes}}{\text{Equity - own shares (average during the period)}} * 100$
Return on capital employed:	$\frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts - own shares (average during the period)}} * 100$
Current ratio:	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Solidity:	$\frac{\text{Shareholders' equity - own shares}}{\text{Total amount of equity and liabilities - advance payment received - own shares}} * 100$
Gearing:	$\frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Shareholders equity + minority share - own shares}} * 100$
Earnings per share:	$\frac{\text{Net income +/- extraordinary items}}{\text{Number of shares - number of own shares}}$
Equity per share:	$\frac{\text{Shareholders' equity in balance sheet - own shares}}{\text{Number of shares - number of own shares}}$
Effective dividend yield:	$\frac{\text{Dividend per share}}{\text{Share price at the end of financial year}} * 100$
Price per earnings:	$\frac{\text{Share price at the end of financial year}}{\text{Earnings per share}}$
Year -end market capitalization:	Number of shares multiplied by the share price at the end of year
Average number of personnel:	Calculated as average of number of personnel in quarters

Note!

The numbers are rounded to nearest EUR 0,1 million. The key figures are calculated from exact data.

Dividend Proposal

Traditionally approximately one third of net profits has been paid as dividends.

The Board of Directors proposes to the AGM that a dividend of EUR 0.71 per share will be paid for the fiscal year 2000. The dividend will be paid to persons, who are entered as shareholders in the share register on the record date March 13, 2001. Dividend payment day is March 20, 2001

Teleconference

An international teleconference will be arranged today on 8 February, 2001 at 4.00 p.m. Finnish time (2.00 p.m. London time). The dial-in number is +44-(0)20 8781 0598. (Please call in at 3.50 p.m.) The graphics of the presentation are attached to the report on the Internet. A reply of the teleconference will be available for two working days at +44-(0)20 8288 4459, code 600 642.

Internet

This report is also available on the Internet at www.kcigroup.com. An audio recording of Mr Gustavson's presentation at the teleconference will be available on the Internet (under Results 2000) later on 8 February. To listen to the recording you will need a Java-enabled browser, Netscape Navigator 3.0+ or Microsoft Internet Explorer 3.0+ recommended. Optimal sound quality can be achieved by using version 4 or either Netscape or IE.

Next report

Interim report 1st quarter, will be published on 3 May, 2001 at 10.00 a.m. Finnish time (8.00 a.m. London time).

Further information

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Enclosure

8 pages of charts

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