

A large white gantry crane with "KONECRANES" and "40LT 2" markings is lifting a container. The crane is positioned over a stack of various colored shipping containers (blue, yellow, orange, green, white) at a port. The sky is clear and blue.

Q3 2011 INTERIM REPORT

October 20, 2011
Pekka Lundmark, President and CEO
Teo Ottola, CFO

HIGHLIGHTS OF Q3/11

- **Positives**

- Order book of more than EUR 1 billion, second highest in history
- Orders grew in all regions
- ROCE still at 19 percent

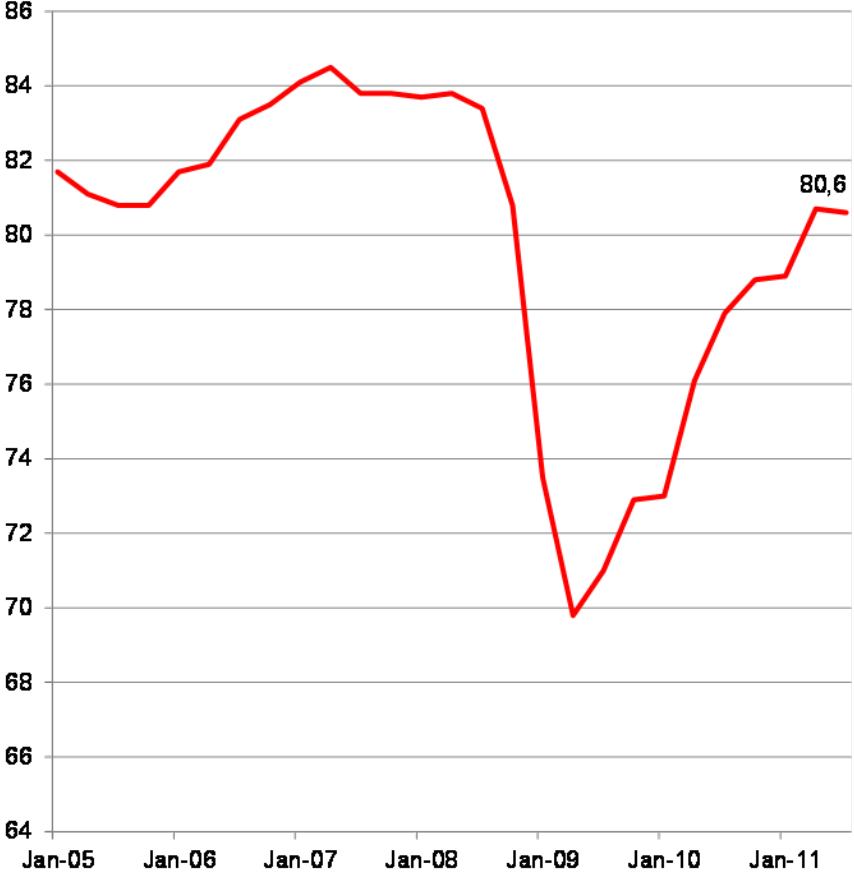
- **Negatives**

- Weaker than expected performance in Service
 - Covering costs of expanded Service branch network
 - Adverse sales mix effect due to slower demand for spare parts
 - Execution bottlenecks in Modernizations
- Equipment operating profit down Y/Y
 - Lower than expected deliveries affecting fixed cost absorption
 - Prices improving, but still slightly lagging cost inflation

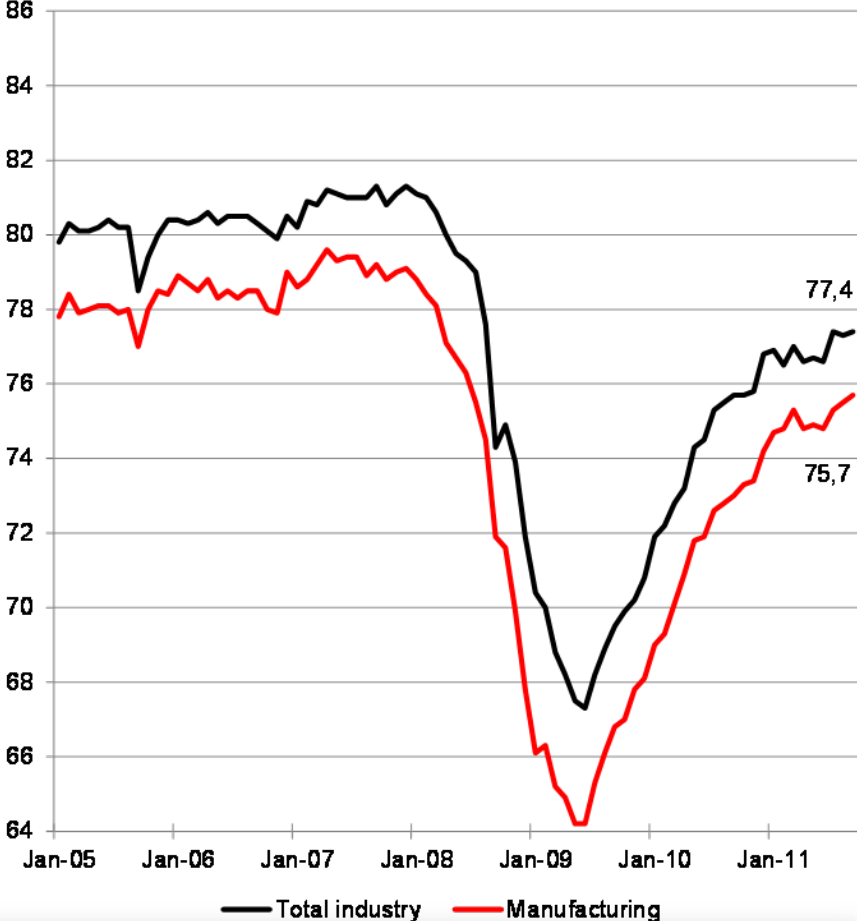
Q3 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

CAPACITY UTILISATION: EU27 and USA

Capacity utilisation of manufacturing in EU



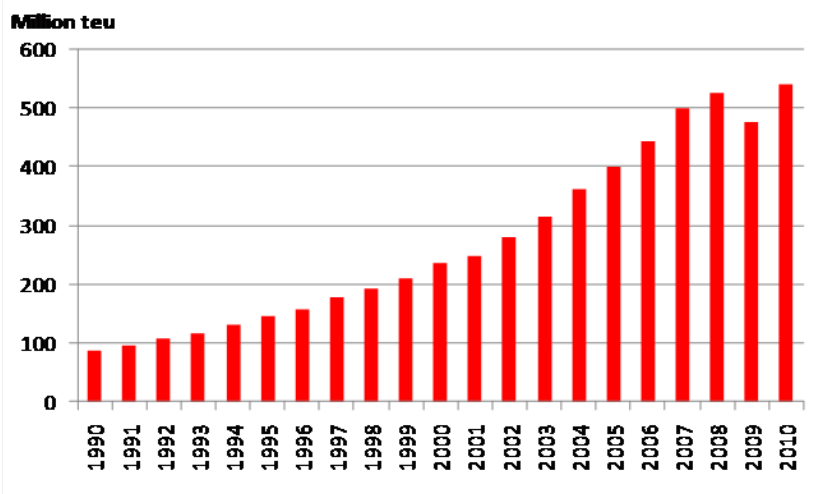
Capacity utilisation in the USA



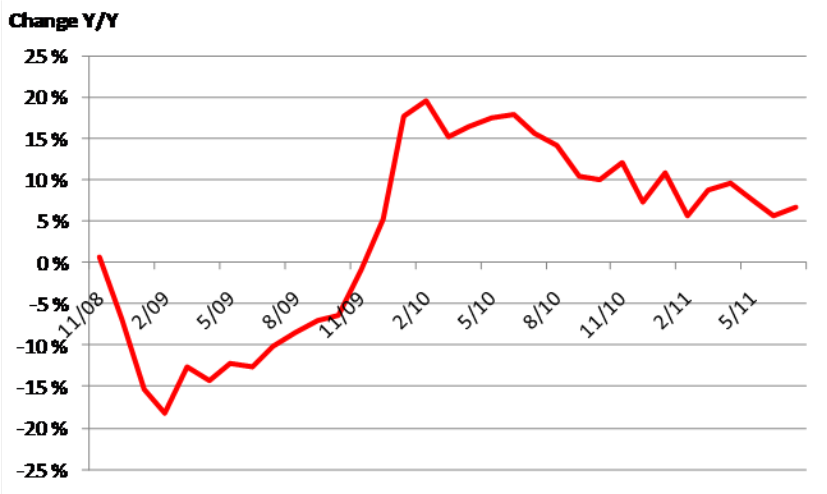
SOURCES: Eurostat (latest data point Q3/11), Federal Reserve Bank of St. Louis (latest data point September 2011)

CONTAINER TRAFFIC

Annual container handling volume



Monthly container handling volume



SOURCES: Drewry Container Annual 2009/2010, Drewry Container Port Insight (latest data point July 2011)

MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF OCTOBER 20, 2011






Market outlook

- Forecasting the demand continues to be challenging due to the macroeconomic uncertainties caused by the budget deficits and the level of public debt in Europe and the US.
- We have started to see signs of a weakening demand, but the level of new inquiries is still reasonably good.

Financial guidance

- We forecast the 2011 operating profit, excluding possible restructuring costs, to be approximately on the same level as in 2010. Sales are expected to be higher than in 2010.
- Business Area Service operating profit in 2011 is expected to fall short of 2010 level. The 2011 operating profit of the Business Area Equipment is forecasted to increase from 2010.

NO NEW ACQUISITIONS IN Q3/11

- Koman Gruas – Crane and service company in Chile 
 - WMI Cranes – One of the leading manufacturers of heavy-duty cranes in India 
 - Zeiss Staplerservice – Operations of lift truck service company in Austria 
 - Schneider Werkzeugmaschinen – entry to MTS business in Germany
 - Eleve – Service business assets of Spanish company 
 - Saudi Cranes – Saudi Arabian crane manufacturer 
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- Capex on acquisitions EUR 77.7 million in 9M/11
 - Acquisitive impact approximately 5% on orders and 4% on sales in 9M/11

GROUP ORDERS AND NET SALES

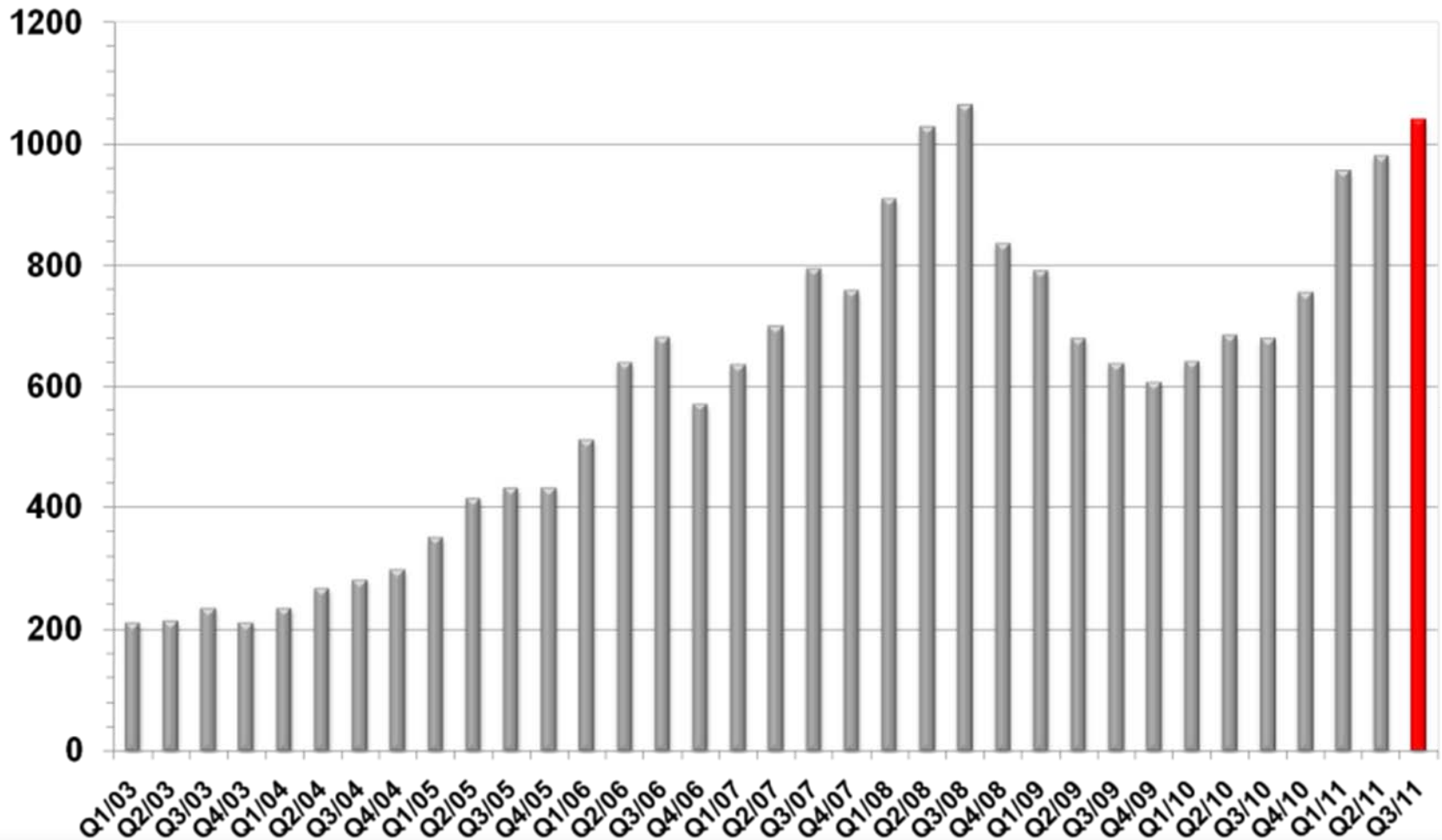
Q3 Orders: 458.5 (373.4) MEUR, +22.8% | Net sales: 450.9 (393.6) MEUR, +14.6%



GROUP ORDER BOOK

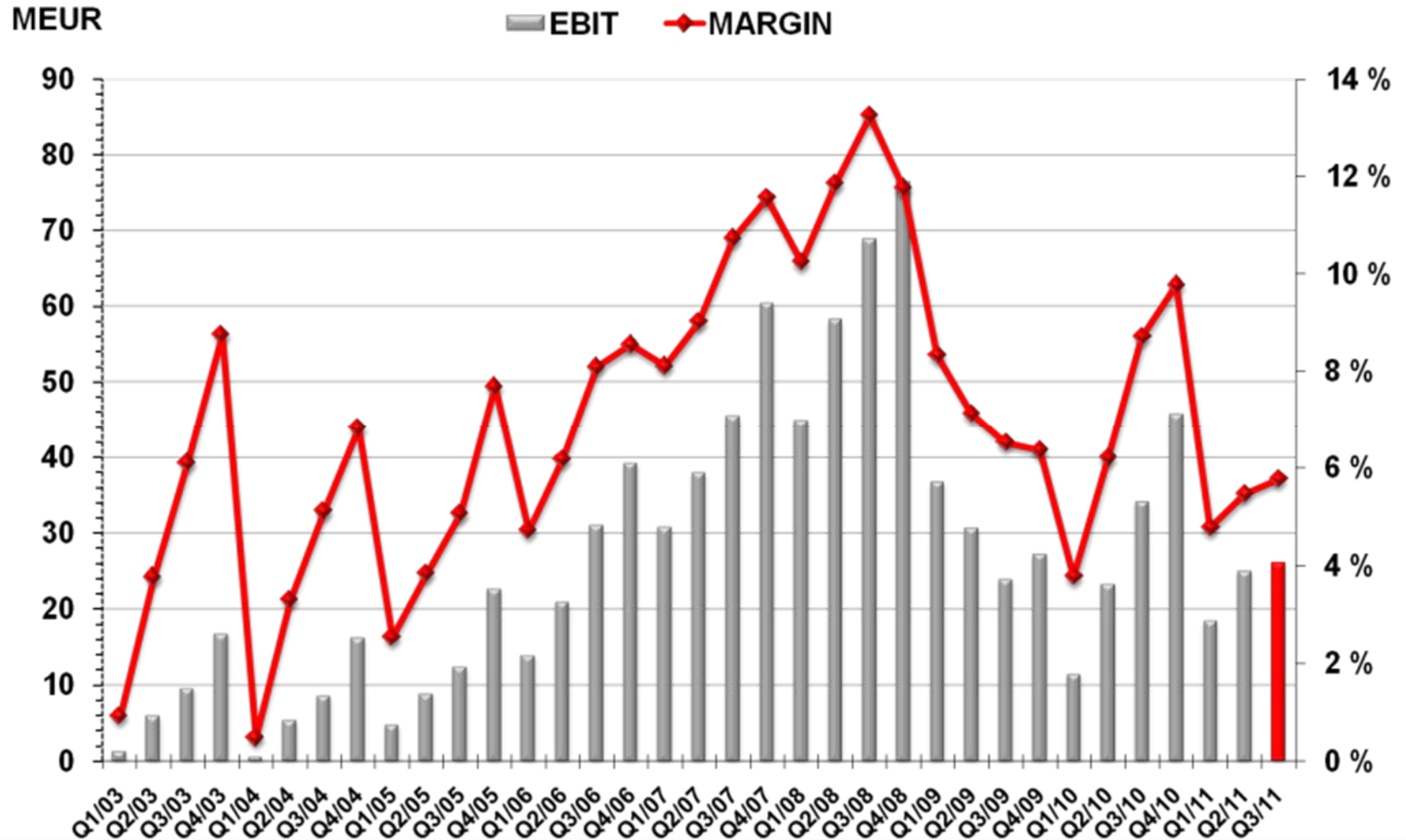
Q3 Order book: 1,040.1 (679.7) MEUR, +53.0%

MEUR



GROUP EBIT & MARGIN

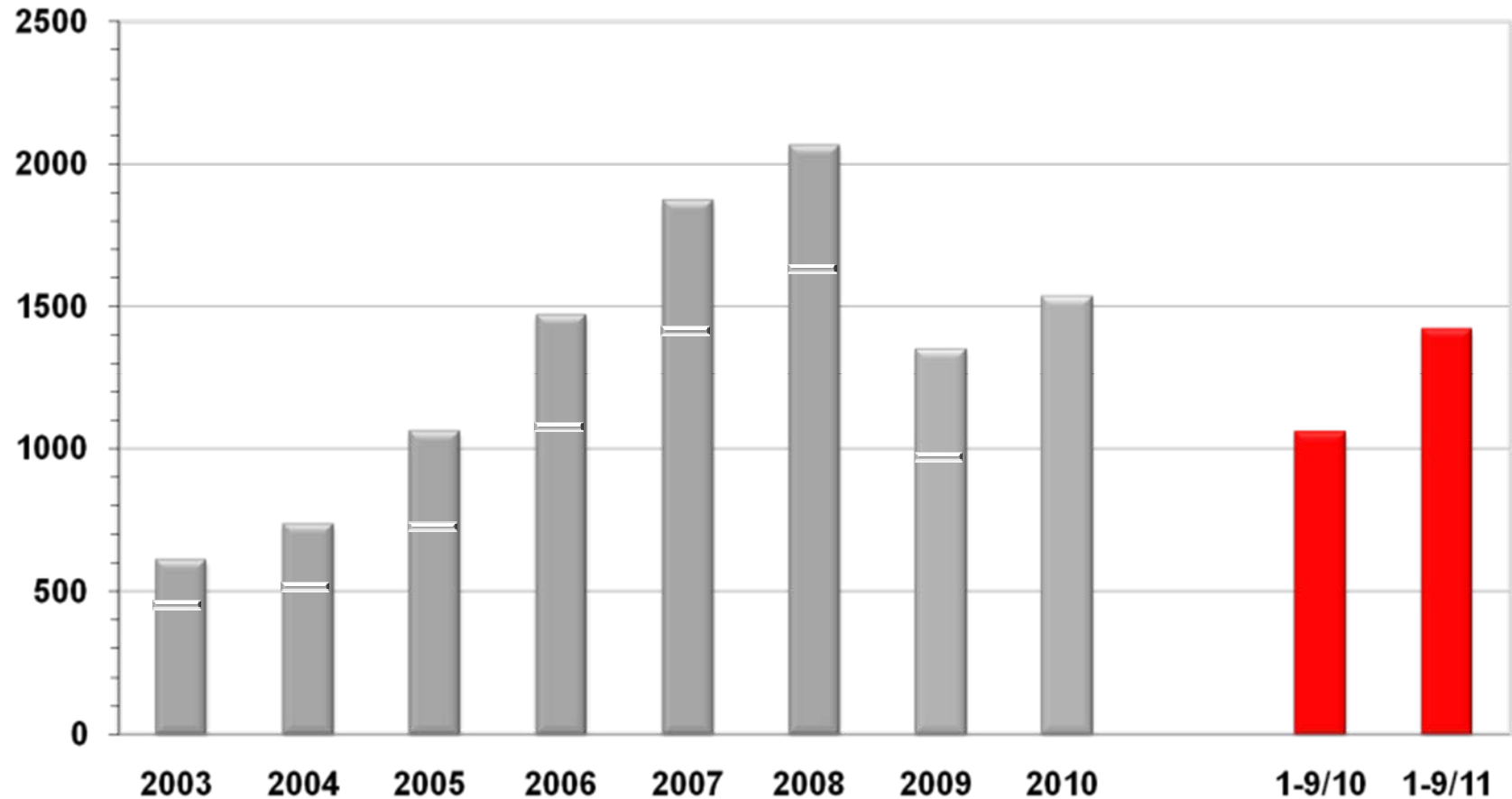
Q3 EBIT: 26.0 (34.3) MEUR, -24.0% | MARGIN: 5.8% (8.7%), excluding restructuring costs



GROUP ORDERS RECEIVED

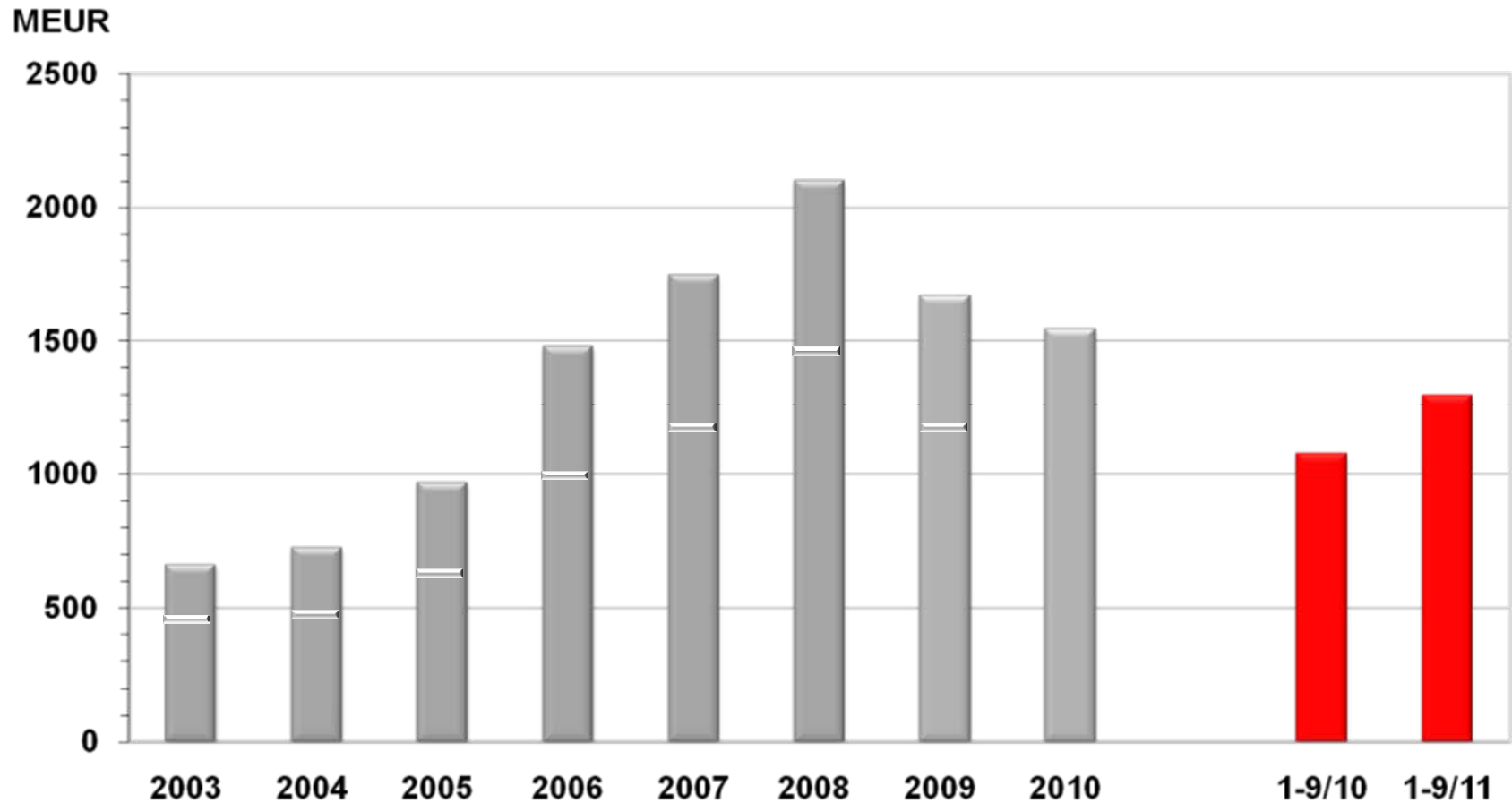
1-9/11 Orders: 1,422.2 (1,058.3) MEUR, +34.4%

MEUR



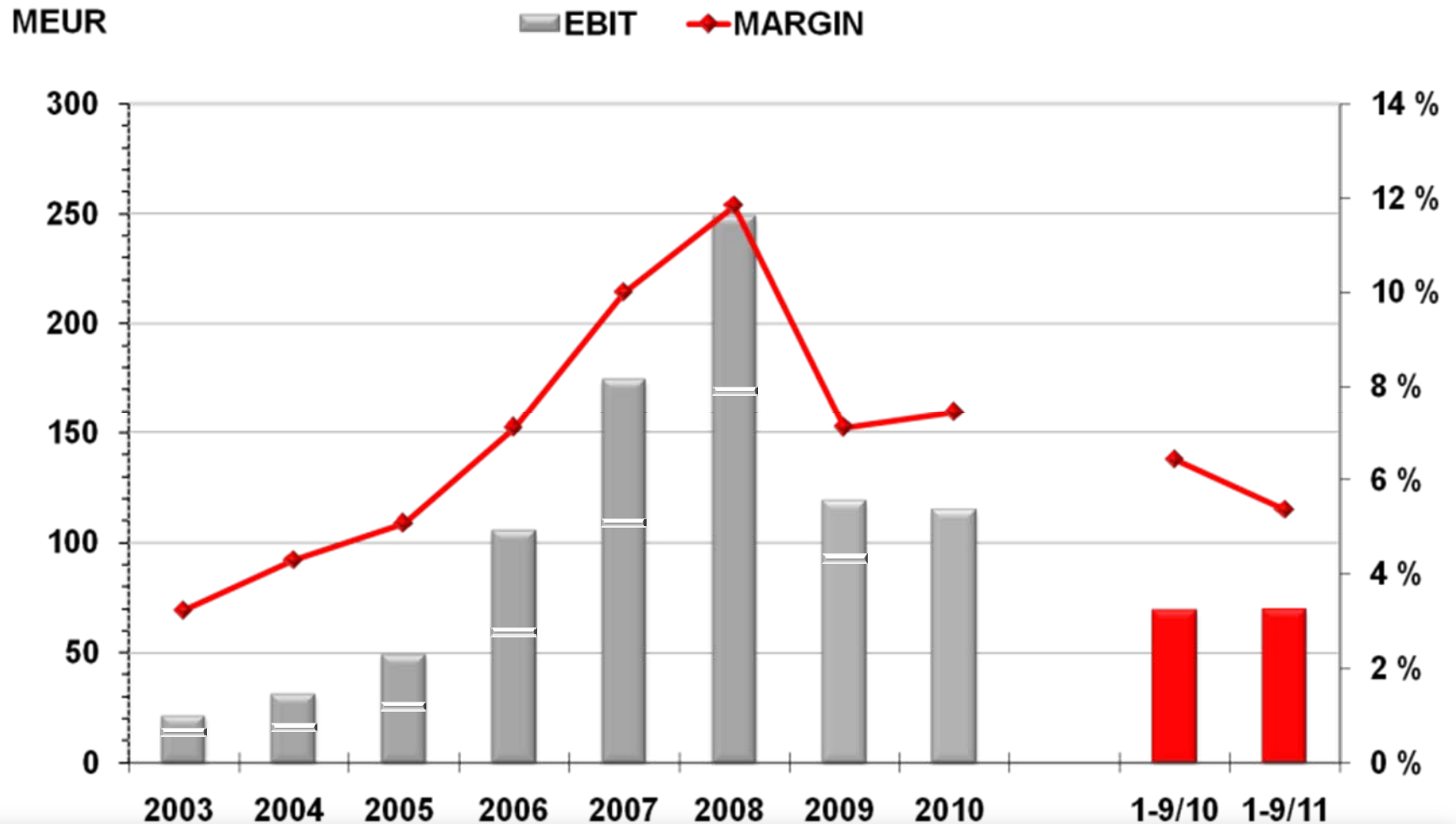
GROUP NET SALES

1-9/11 Net sales: 1,298.2 (1,076.9) MEUR, +20.6%

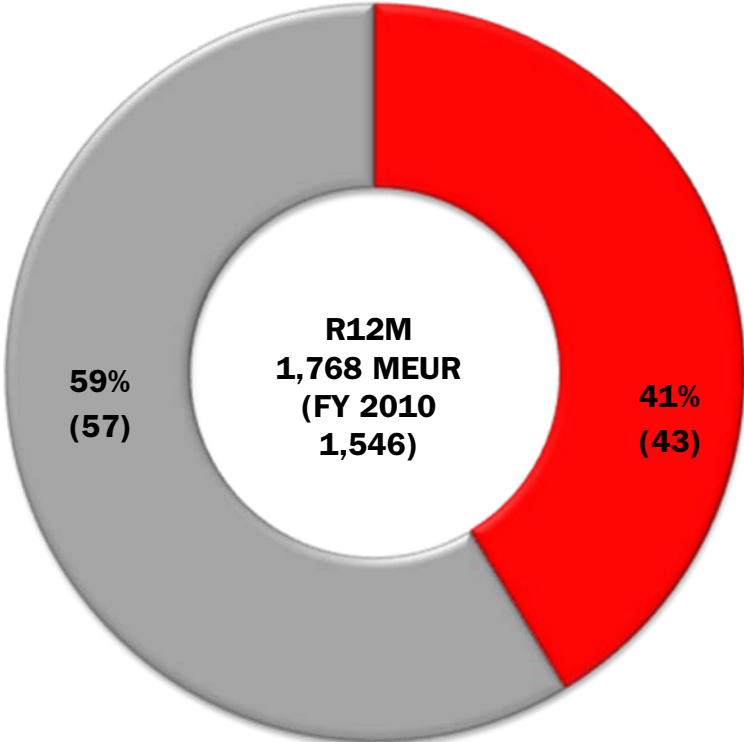


GROUP EBIT & MARGIN

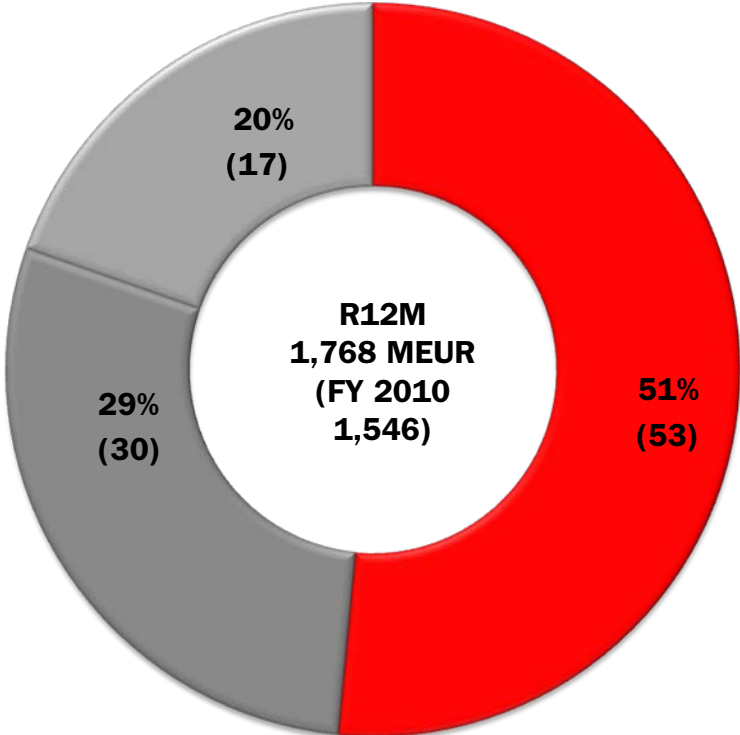
1-9/11 EBIT: 69.7 (69.2) MEUR, +0.7% | MARGIN: 5.4% (6.4%), excluding restructuring costs



SALES SPLIT BY BUSINESS AREA & REGION (R12M)

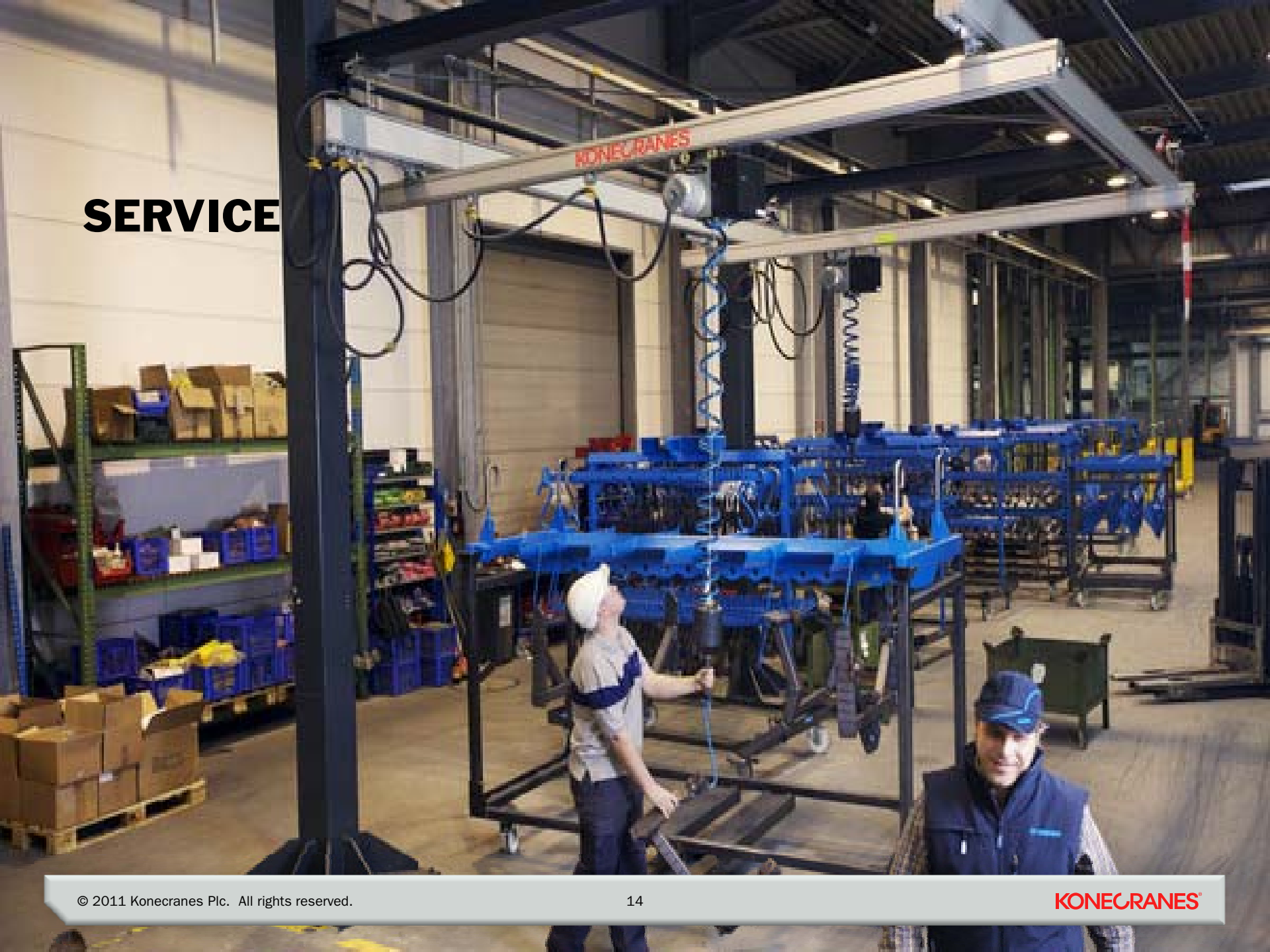


■ SERVICE ■ EQUIPMENT



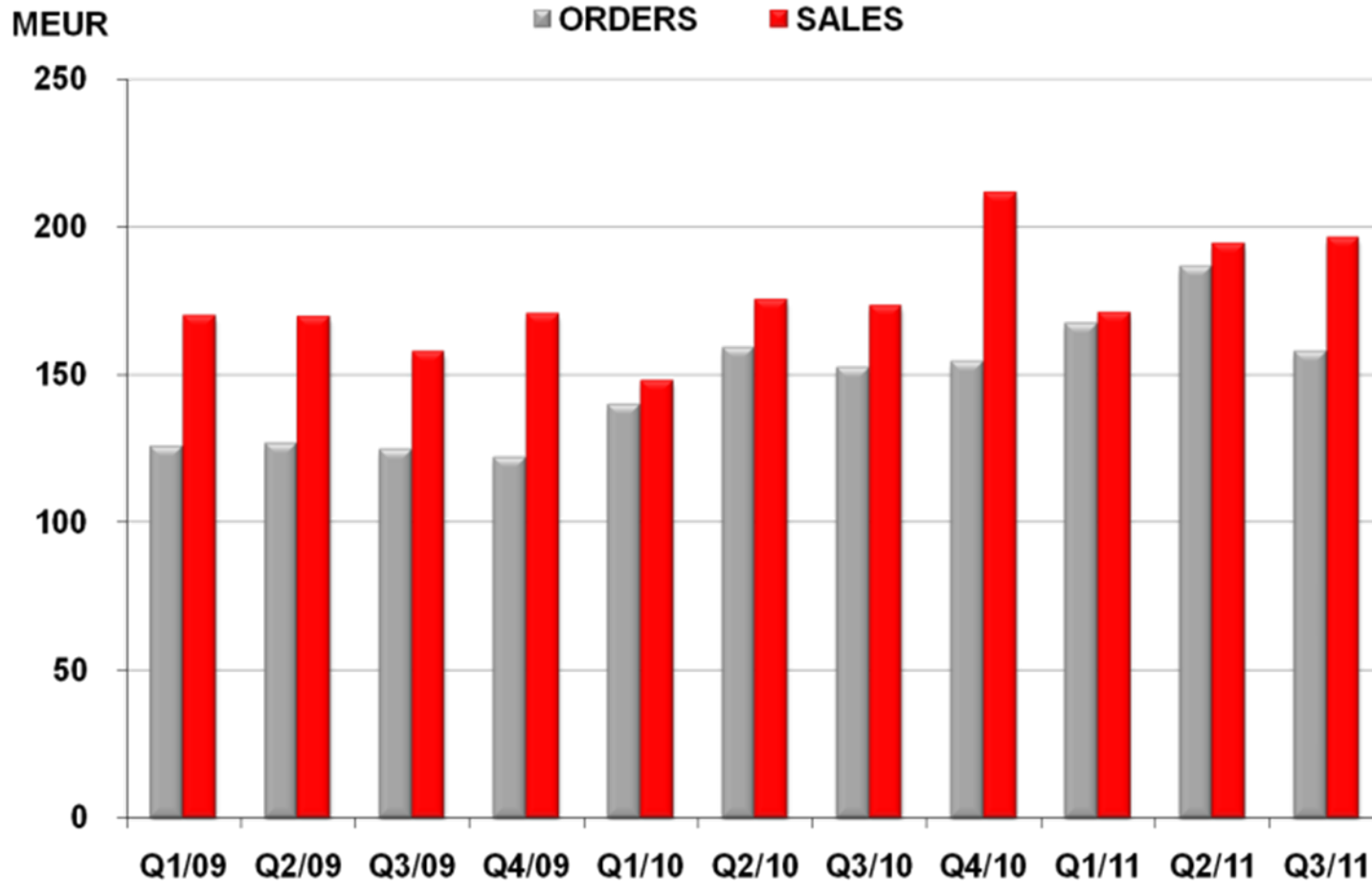
■ EMEA ■ AME ■ APAC

SERVICE



SERVICE ORDERS AND NET SALES

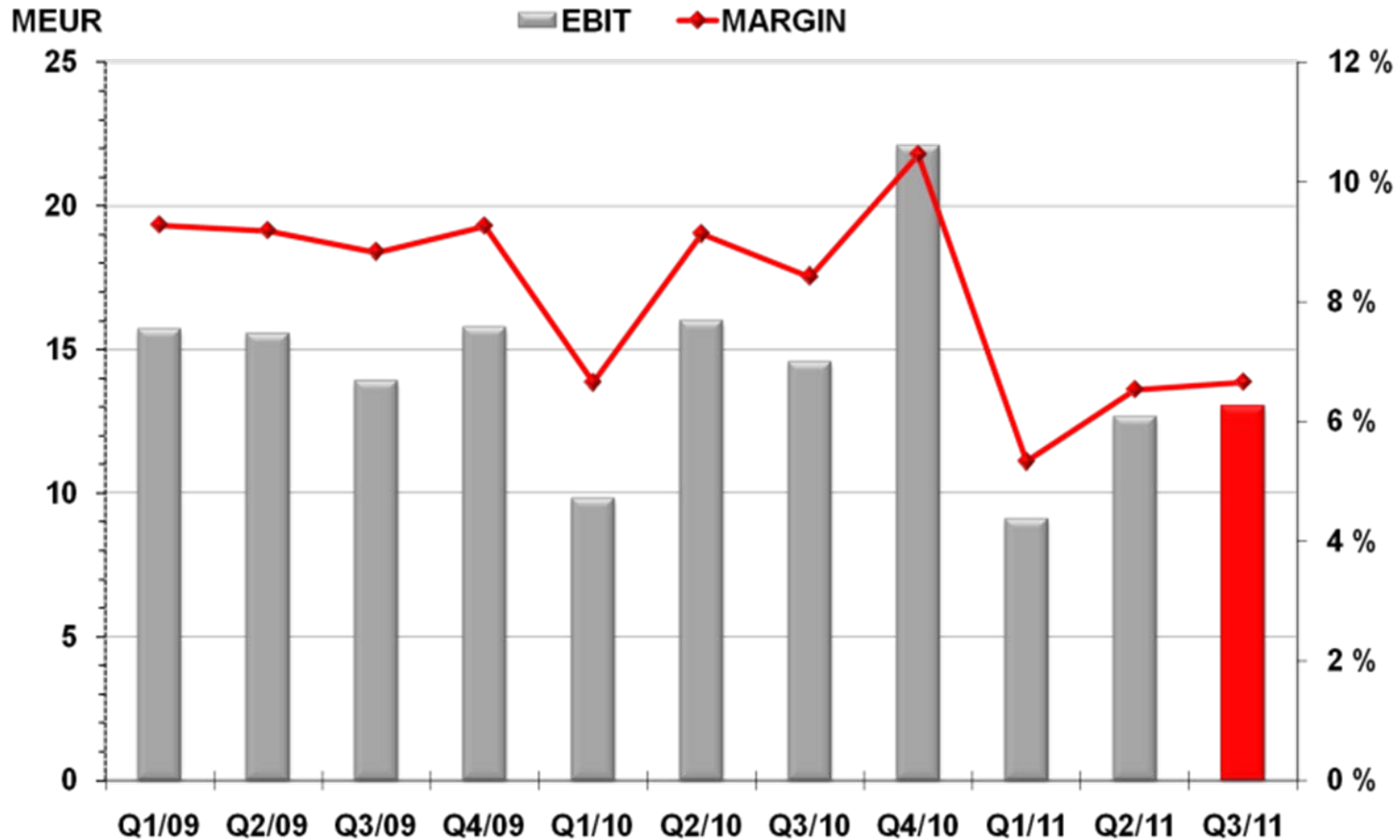
Q3 Orders: 157.8 (152.4) MEUR +3.5% | Sales: 196.2 (173.2) MEUR +13.2%



- Orders grew in all regions
- Modernization orders fell Y/Y and Q/Q, demand for parts stable

SERVICE EBIT & MARGIN

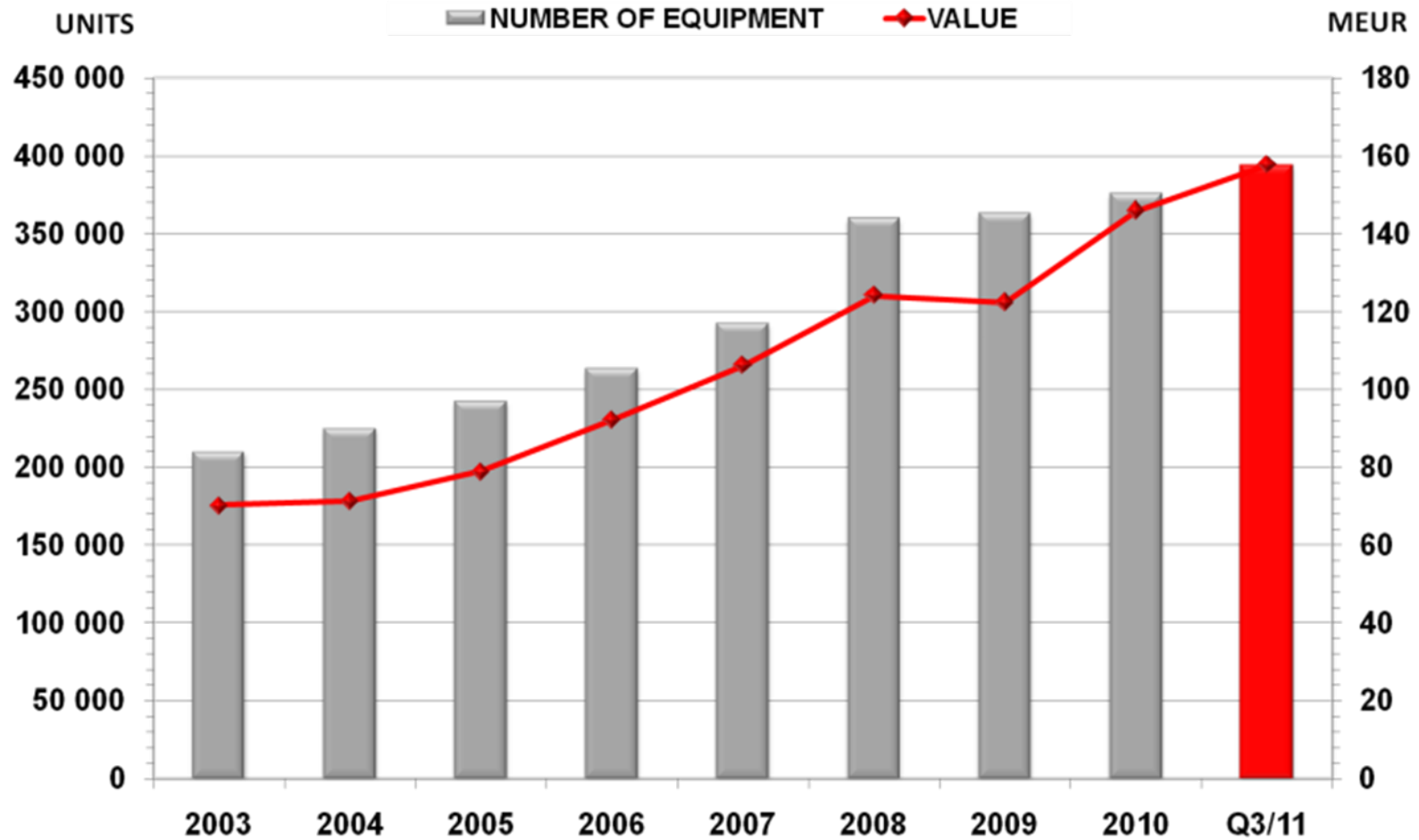
Q3 EBIT: 13.0 (14.6) MEUR, -10.6% | MARGIN: 6.6% (8.4%)



- EBIT fell due to costs of expanded branch network, adverse sales mix effects and execution bottlenecks in Modernizations

SERVICE CONTRACT BASE

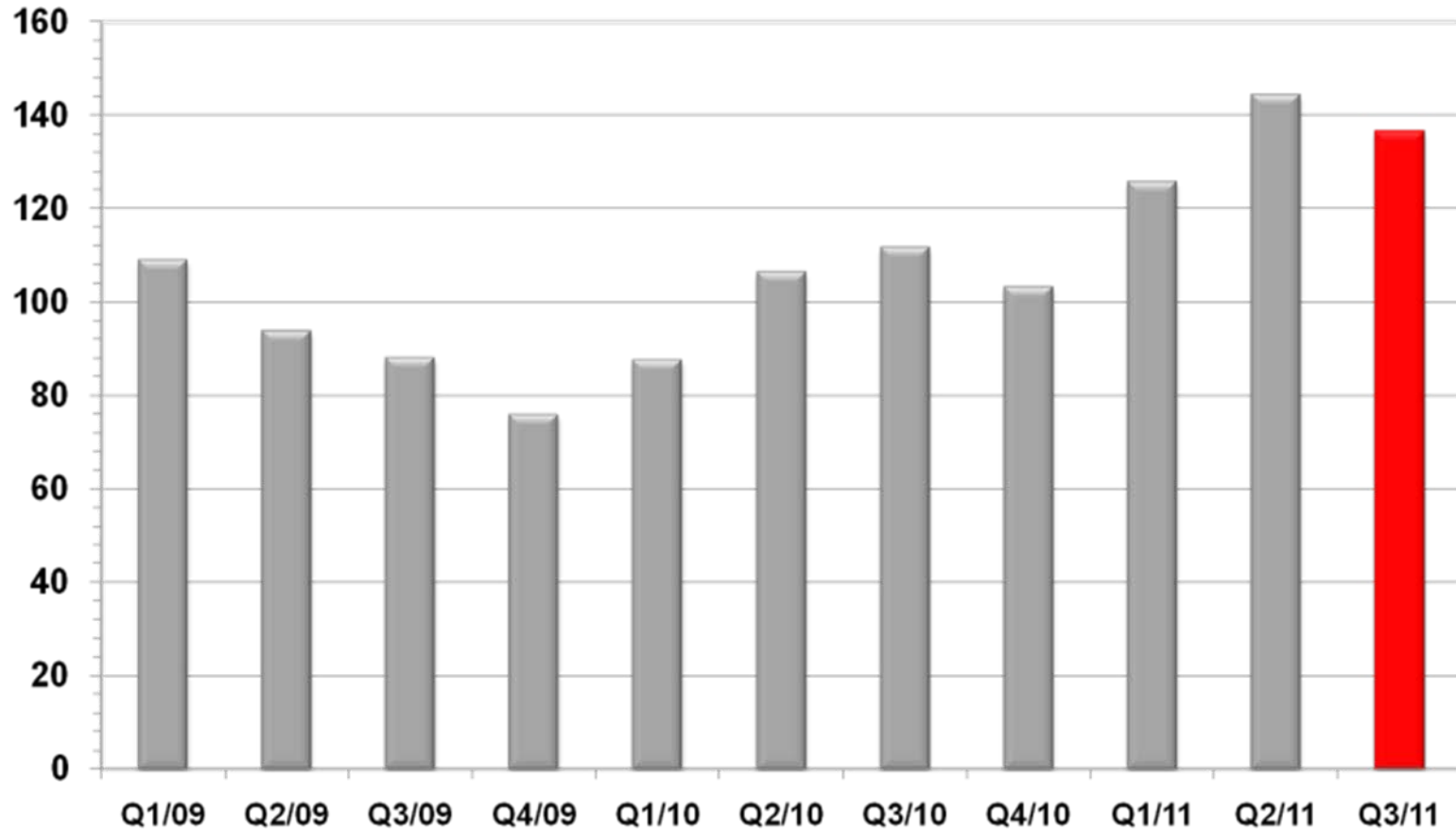
Q3 CB: 394 (377) thousand units, +4.7% | Annual value 158 (147) MEUR, +7.5%



SERVICE ORDER BOOK

Q3 Order book: 136.5 (111.7) MEUR, +22.2%

MEUR

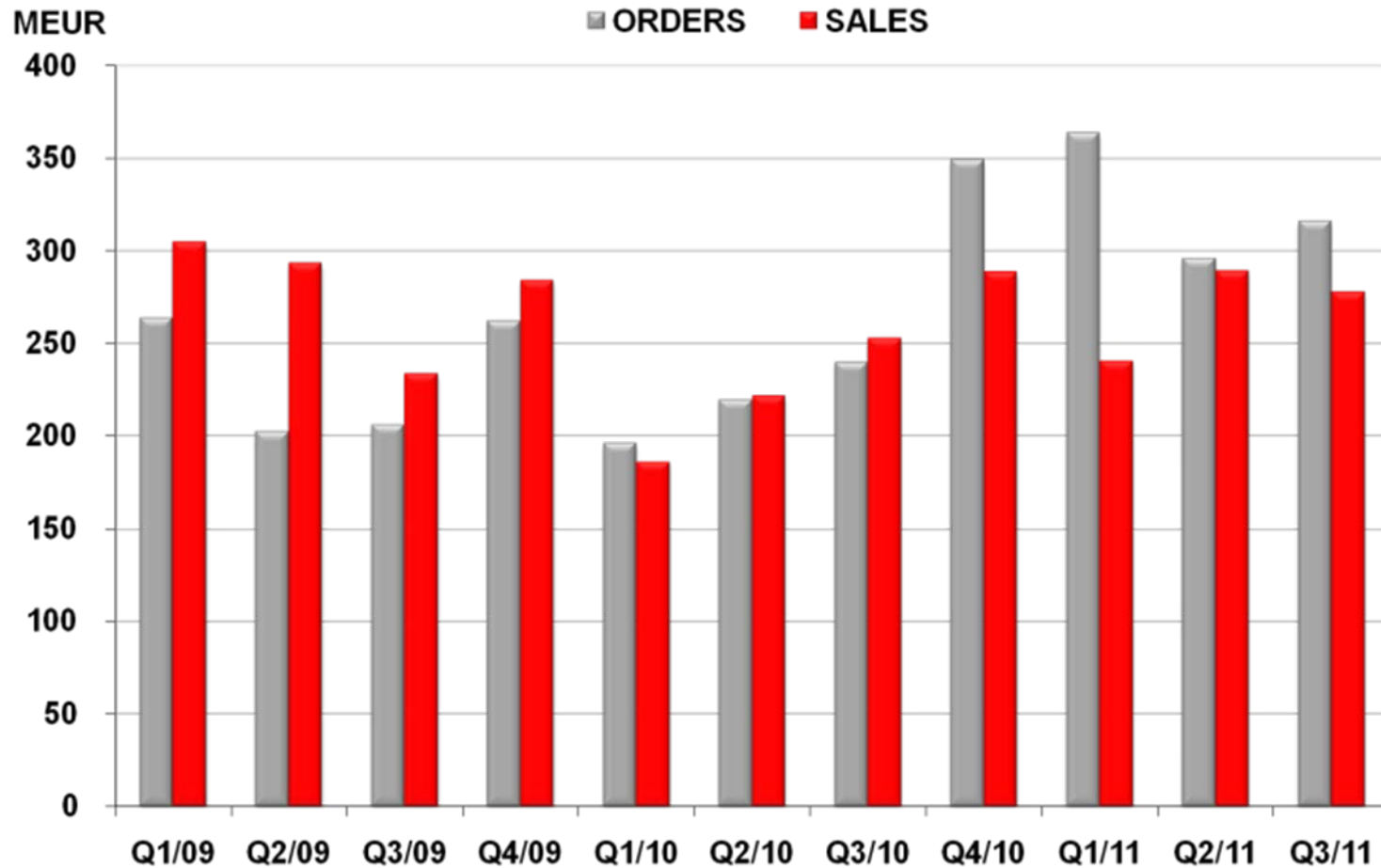


EQUIPMENT



EQUIPMENT ORDERS AND NET SALES

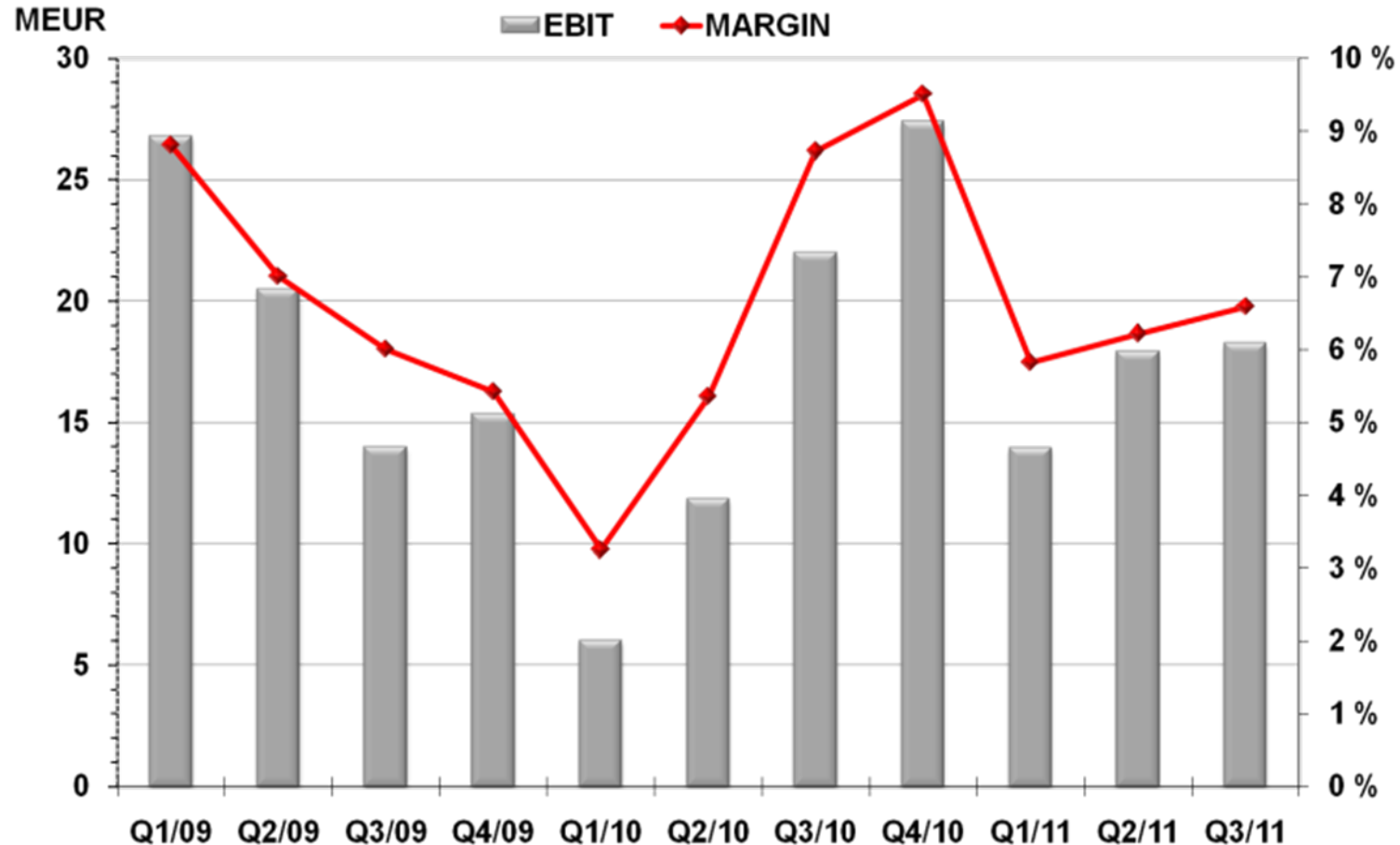
Q3 Orders: 315.9 (240.0) MEUR, +31.7% | Net sales: 277.6 (252.6) MEUR, +9.9%



- Orders grew in all regions
- Orders up in Industrial Cranes, Components and Port Cranes, down in Lift Trucks

EQUIPMENT EBIT & MARGIN

Q3 EBIT: 18.3 (22.0) MEUR, -17.0% | MARGIN: 6.6% (8.7%), excluding restructuring costs

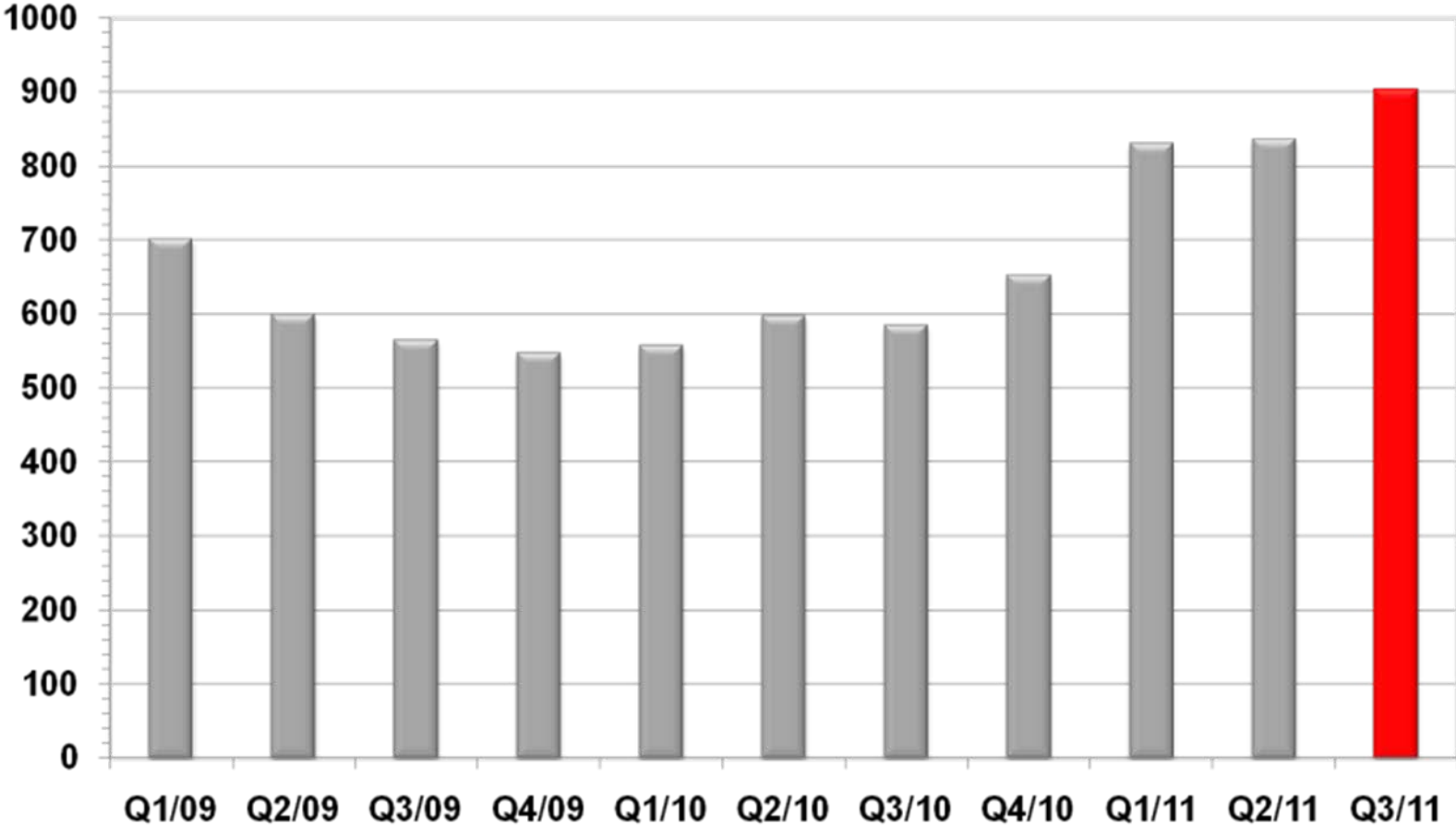


- Lower than expected deliveries affecting fixed cost absorption
- Prices improving, but still slightly lagging cost inflation

EQUIPMENT ORDER BOOK

Q3 Order book: 903.6 (585.6) MEUR, +54.3%

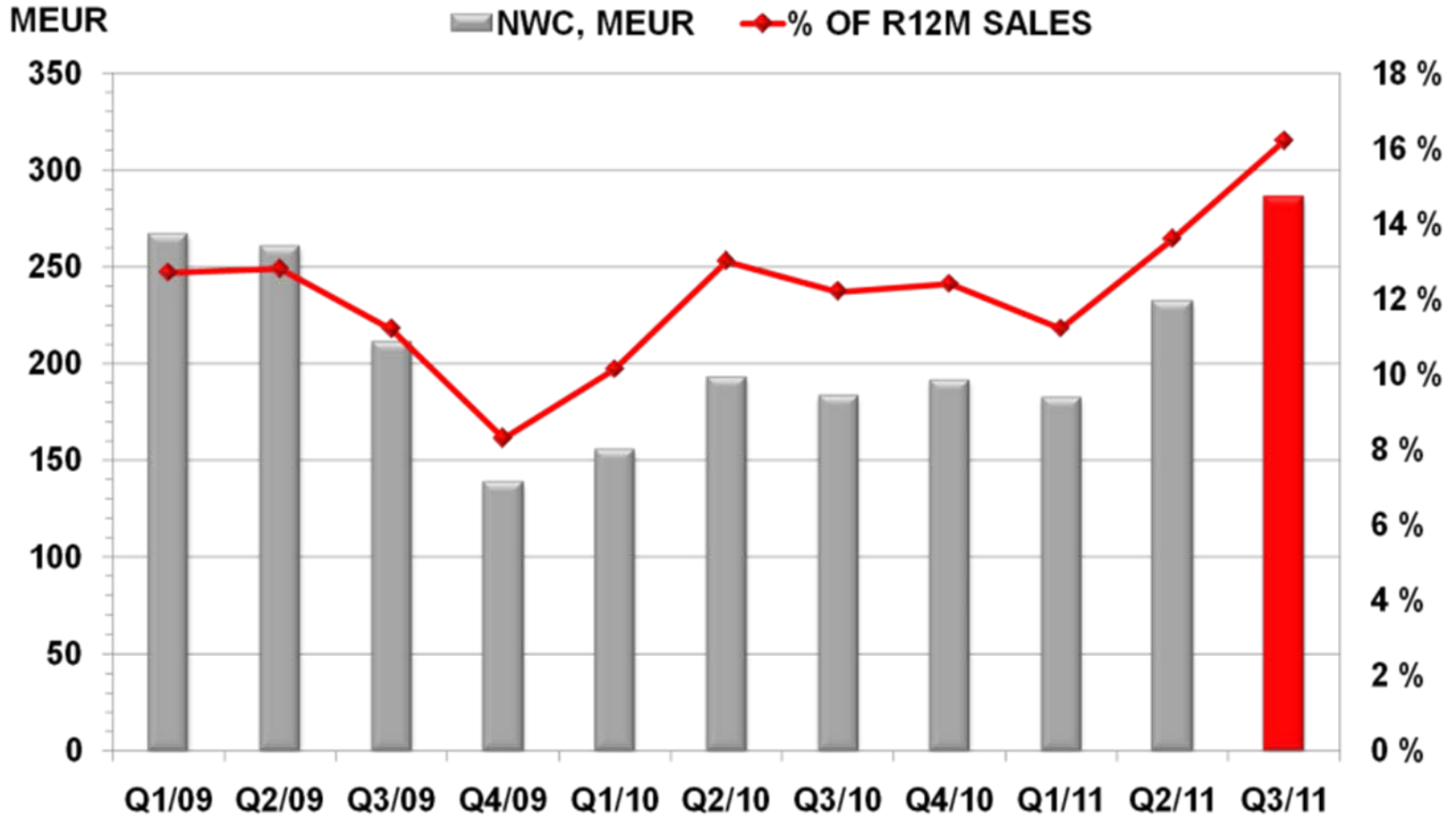
MEUR



BALANCE SHEET AND CASH FLOW

NET WORKING CAPITAL

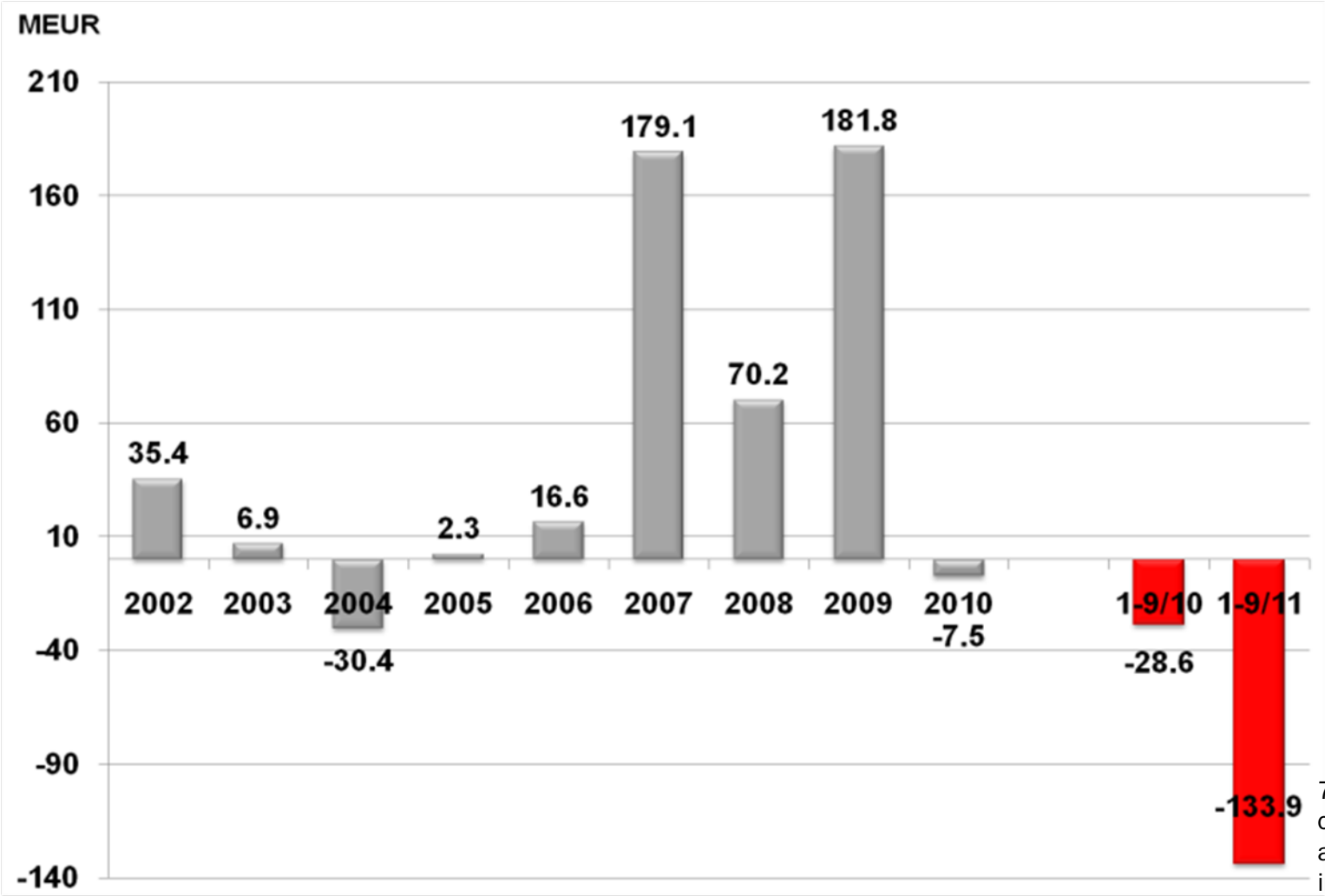
Q3 NWC: 286.1 (183.3) MEUR | 16.2% (12.2%) of R12M sales



* Q1/11 excl. dividend liability of EUR 60 million

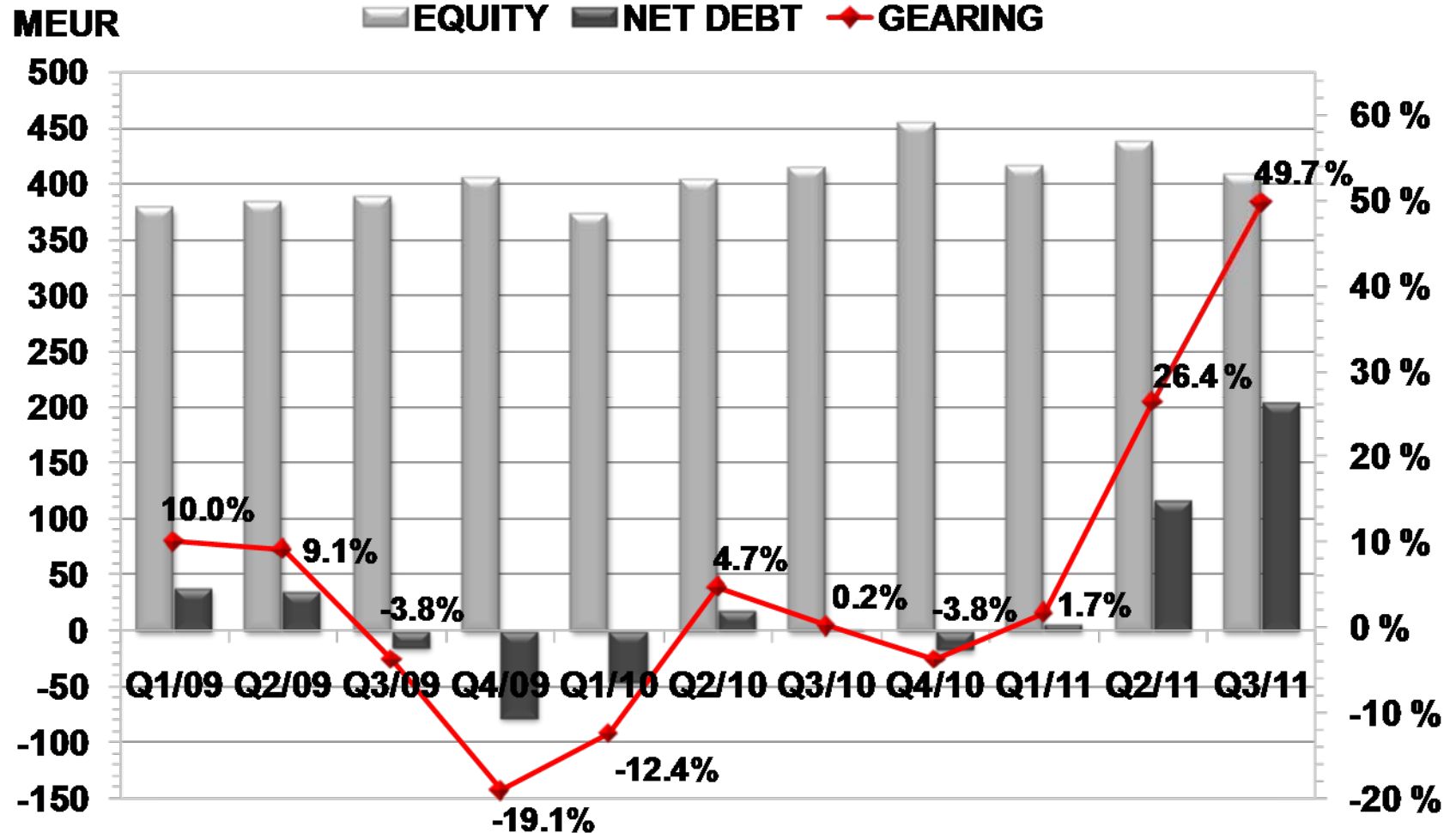
** Q1/10 excl. dividend liability of EUR 53 million

CASH FLOW BEFORE FINANCING ACTIVITIES

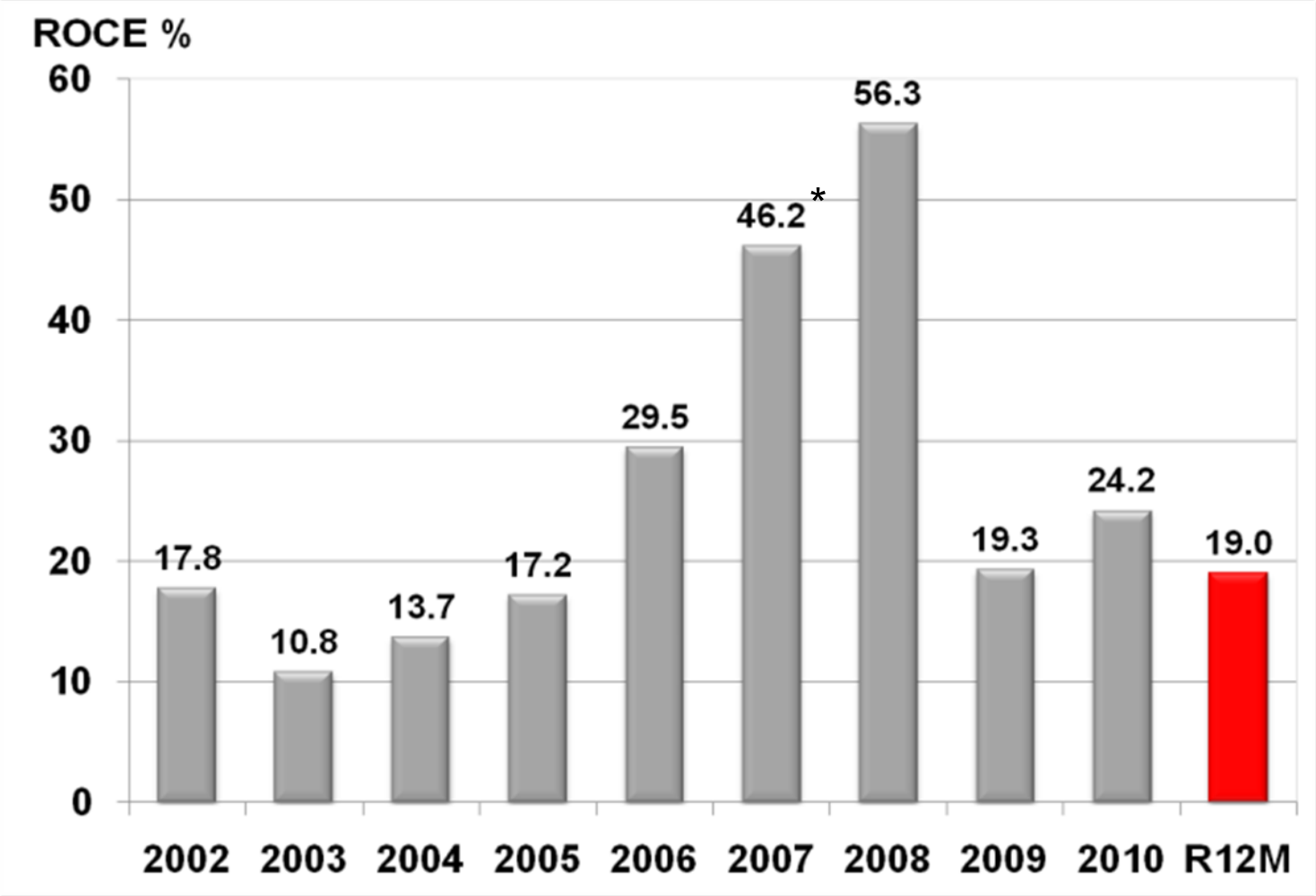


GEARING

Q3 Equity: 409.2 (415.7) MEUR | Net debt: 203.3 (0.7) MEUR | Gearing: 49.7% (0.2%)



RETURN ON CAPITAL EMPLOYED



*) The 2007 ROCE including capital gain was 50.4%

APPENDIXES

STATEMENT OF INCOME

MEUR	1-9/2011	1-9/2010	% Change
Sales	1 298.2	1 076.9	20.6
Other operating income	2.2	2.4	
Depreciation and impairments	-27.3	-23.1	
Other operating expenses	-1 203.4	-989.6	
Operating profit	69.7	66.6	4.7
Share of associates' and joint ventures' result	2.7	1.3	
Financial income and expenses	-12.2	-2.0	
Profit before taxes	60.1	65.9	-8.8
Taxes	-18.2	-19.6	
Net profit for the period	42.0	46.3	-9.3

BALANCE SHEET

MEUR	September 30, 2011	September 30, 2010	MEUR	September 30, 2011	September 30, 2010
Non-current assets	424.0	338.1	Equity	409.2	415.7
Inventories	357.9	279.6	Non-current liabilities	171.5	114.4
Other current assets	510.5	419.8	Provisions	45.4	53.2
Cash and cash equivalents	113.5	103.3	Current liabilities	779.9	557.4
Total assets	1,406.0	1,140.7	Total equity and liabilities	1,406.0	1,140.7

CASH FLOW STATEMENT

	MEUR	1-9/2011	1-9/2010
Operating income before change in net working capital		98.6	89.7
Change in net working capital		-87.8	-15.1
Financing items and taxes		-41.9	-48.4
Net cash from operating activities		-31.2	-26.2
Cash flow from investing activities		-102.7	-54.8
Cash flow before financing activities		-133.9	-28.6
Proceeds from options exercised and share issues		24.5	1.1
Purchase of treasury shares		-43.3	0.0
Change in interest-bearing debt		230.3	38.3
Dividends paid to equity holders of the parent		-60.0	-53.0
Net cash used in financing activities		151.5	-13.6
Translation differences in cash		-2.4	7.9
Change of cash and cash equivalents		15.1	-34.3
Cash and cash equivalents at beginning of period		98.5	137.5
Cash and cash equivalents at end of period		113.5	103.3
Change of cash and cash equivalents		15.1	-34.3

KEY FIGURES

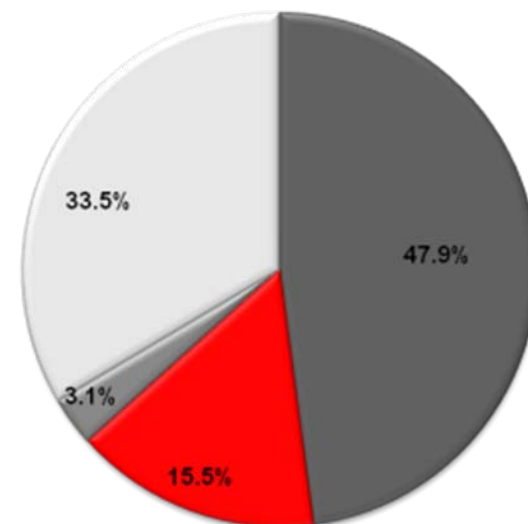
	MEUR	September 30, 2011	September 30, 2010	% Change
Earnings per share, basic, EUR		0.71	0.80	-11.1
Earnings per share, diluted, EUR		0.70	0.80	-11.5
Return on capital employed %, R12M		19.0	14.8	
Return on equity %, R12M		17.9	10.3	
Equity per share, EUR		7.06	6.97	1.3
Current ratio		1.2	1.3	-7.7
Gearing (%)		49.7	0.2	
Solidity (%)		32.6	42.9	
EBITDA, MEUR		97.0	89.7	8.1
Investments total (excl. acquisitions), MEUR		22.5	11.3	98.4
Interest-bearing net debt, MEUR		203.3	0.7	
Net working capital, MEUR		286.1	183.3	56.0
Personnel at end of period		11,427	9,795	16.7
Personnel on average during the period		10,834	9,677	12.0
Average number of shares outstanding, basic		59,582,689	58,909,006	1.1
Average number of shares outstanding, diluted		60,162,574	59,205,578	1.6
Number of shares outstanding		57,198,971	58,959,664	-3.0

THE LARGEST SHAREHOLDERS

Largest shareholders on September 30, 2011	Number of shares	% of all shares
1 Htt kcr Holding Oy Ab	6,870,568	10.9
2 Varma Mutual Pension Insurance Company	2,940,275	4.7
3 Nordea Investment Management, total	2,114,221	3.3
4 Gustavson Stig, Chairman of the Board of Konecranes	2,069,778	3.3
5 Ilmarinen Mutual Pension Insurance Company	1,244,590	2.0
6 OP Investment Funds	965,885	1.5
7 The State Pension Fund	876,000	1.4
8 Nordstjernan Ab	709,356	1.1
9 Sigrid Juselius Foundation	638,500	1.0
10 Mandatum Life Insurance Company Ltd.	572,606	0.9
Konecranes Plc's treasury shares *	6,042,456	9.6
Nominee registered shares	21,155,239	33.5
Other shareholders	17,041,953	17.3
Total number of shares	63,241,427	100.0

*) Konecranes Plc is in possession of 5,524,760 own shares directly and 517,696 own shares indirectly through KCR Management Oy.

Market cap EUR 869 million excluding treasury shares



- Finnish companies and organizations
- Finnish households
- Foreign owners
- Nominee registered

-> According to the flagging notification on October 13, 2011, BlackRock Inc. holds 3,110,058 (4.92%) Konecranes Plc shares.

Trading information

- Listing: NASDAX OMX Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- 1 – 9/11 average daily trading volume 489,755 shares, EUR 12.5 million

THANK YOU!

KONECRANES



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