

Strong order intake, Service
result continued to improve,
Equipment result weak

Interim Report
January–March 2015

Q1



Strong order intake, Service result continued to improve, Equipment result weak

Figures in brackets, unless otherwise stated, refer to the same period a year earlier.

FIRST QUARTER HIGHLIGHTS

- Order intake EUR 518.8 million (439.3), +18.1 percent; Service +5.2 percent and Equipment +25.4 percent.
- Service contract base value EUR 210.7 million (182.5), +15.5 percent; +3.9 percent at comparable currency rates.
- Order book EUR 1,111.1 million (937.9) at the end of March, 18.5 percent higher than a year ago, 13.4 percent higher than at the end of 2014.
- Sales EUR 474.9 million (427.3), +11.1 percent; Service +13.5 percent and Equipment +8.3 percent.
- Operating profit before restructuring costs EUR 14.2 million (15.6), -9.0 percent, 3.0 percent of sales (3.6).
- Restructuring costs EUR 2.3 million (0.4).
- Operating profit including restructuring costs EUR 11.8 million (15.2), 2.5 percent of sales (3.6).
- Earnings per share (diluted) EUR 0.10 (0.15).
- Net cash flow from operating activities EUR -54.4 million (-24.9).
- Net debt EUR 199.4 million (221.5) and gearing 46.8 percent (57.0).

MARKET OUTLOOK

European customers are still cautious about investing, but the number of inquiries is increasing. In the U.S., the market outlook remains generally positive, but the industrial production indicators are suggesting some softening of the growth rate. The near-term market outlook in emerging markets remains uncertain. Continued contract base growth bodes well for the future of the service business. The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

FINANCIAL GUIDANCE

Based on the order book, service contract base, and the near-term demand outlook, the year 2015 sales are expected to be higher than in 2014. We expect the 2015 operating profit, excluding restructuring costs, to improve from 2014.

Key figures

	1-3/2015	1-3/2014	Change percent	R12M	1-12/2014
Orders received, MEUR	518.8	439.3	18.1	1,983.0	1,903.5
Order book at end of period, MEUR	1,111.1	937.9	18.5		979.5
Sales total, MEUR	474.9	427.3	11.1	2,059.0	2,011.4
EBITDA excluding restructuring costs, MEUR	25.8	25.1	2.9	162.9	162.2
EBITDA excluding restructuring costs, %	5.4%	5.9%		7.9%	8.1%
Operating profit excluding restructuring costs, MEUR	14.2	15.6	-9.0	117.7	119.1
Operating margin excluding restructuring costs, %	3.0%	3.6%		5.7%	5.9%
EBITDA, MEUR	24.6	24.7	-0.2	158.9	159.0
EBITDA, %	5.2%	5.8%		7.7%	7.9%
Operating profit, MEUR	11.8	15.2	-21.9	112.5	115.8
Operating margin, %	2.5%	3.6%		5.5%	5.8%
Profit before taxes, MEUR	8.1	12.7	-36.4	102.8	107.4
Net profit for the period, MEUR	5.6	8.7	-35.5	71.5	74.6
Earnings per share, basic, EUR	0.10	0.15	-35.4	1.23	1.28
Earnings per share, diluted, EUR	0.10	0.15	-35.3	1.23	1.28
Gearing, %	46.8%	57.0%			33.3%
Return on capital employed, %				15.6%	17.0%
Free cash flow, MEUR	-62.6	-32.6		79.5	109.4
Average number of personnel during the period	11,944	11,872	0.6		11,920

President and CEO Pekka Lundmark

“The uneven development between our two businesses continued in the first quarter. Service business performed well across the board and the steady profit growth that we have seen since 2011 continued. Our service contract base now stands at EUR 211 million, 15.5 percent up from a year ago. Coupled with a promising funnel of new opportunities, new information systems, and new service product introductions, this bodes well for the future of the business.

Equipment business had a challenging quarter. Seasonally low delivery volume coupled with unfavorable product mix,

and the fact that the currency tailwind was not yet visible in the result due to hedging lowered the result below last year's level. Better performance is expected for the rest of the year since the order book of the business is almost all-time high, pushing delivery volumes up in the coming quarters. The earlier announced EUR 30-million cost-saving program that will be implemented by the end of the first quarter 2016 is also gaining momentum. In addition, the weaker euro will start to support the result of the Equipment business quarter by quarter.”

Konecranes Plc

Interim report January–March 2015

MARKET REVIEW

In January–March, emerging economies struggled, while industrial production in the euro area saw a slight upturn. At the same time, the U.S. economic data was still generally positive, but some signs of weaker momentum could be observed in business conditions.

American factory output, measured by the purchasing managers' index (PMI), continued in the expansive territory, although the rate of growth softened toward the end of the first quarter of 2015. The U.S. manufacturing capacity utilization rate was above the level of the previous year's corresponding period.

According to the PMI surveys in the Eurozone, manufacturing production growth accelerated slightly in January–March 2015, but the overall rate of expansion remained only modest. Correspondingly, there was a small sequential uptick in the manufacturing capacity utilization in the European Union. The EU capacity utilization was also slightly up on a year-on-year basis.

Based on the January–March purchasing managers' indexes, manufacturing activity worsened further in the BRIC countries. PMIs in Brazil and Russia pointed to a contraction of manufacturing output, while the conditions were stable in China, and the signs of modest growth could be observed in India.

Overall, the activity in the world's manufacturing sector, according to the aggregated JPMorgan Global Manufacturing PMI, continued to increase at moderate pace in January–March 2015.

Compared to the previous year, the demand for cranes and hoists weakened among industrial customers in Europe, Middle East, and Asia, whereas the demand improved in North America. The demand for heavy-duty cranes continued to suffer from the low investment activity within the process industries. Demand for lift trucks was strong across the globe with the exception of Middle East and Africa.

The global container traffic grew by approximately 3 percent in January–March 2015. The demand for yard cranes was strong. Orders were received from the U.S., Canada, Poland, Spain, Indonesia, and Congo.

The demand for lifting equipment services grew moderately with Asia-Pacific growing the fastest followed by the Americas and EMEA.

Raw material prices, including steel, copper, and oil, continued to be under downward pressure in January–March 2015 and were clearly down on year-on-year basis. The appreciation of the USD against the EUR continued during the reporting period.

Note: Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

ORDERS RECEIVED

Orders received in January–March totaled EUR 518.8 million (439.3), representing an increase of 18.1 percent. Orders received increased by 5.2 percent in Service and by 25.4 percent in Equipment compared to the year before. At comparable currency rates, the order intake in Service decreased from the previous year due to lower modernization orders. Group orders received rose in the Americas and APAC but fell in EMEA.

The order intake in the first quarter increased by 1.1 percent compared to the fourth quarter of 2014. Orders received declined by 2.8 percent in Service, whereas they grew by 1.4 percent in Equipment. Group orders rose in the Americas and APAC but fell in EMEA.

ORDER BOOK

The value of the order book at the end of March totaled EUR 1,111.1 million. The order book increased by 13.4 percent from the year-end 2014 when it stood at EUR 979.5 million and by 18.5 percent from the last year's comparison figure of EUR 937.9 million. Service accounted for EUR 174.3 million (16 percent) and Equipment for EUR 936.8 million (84 percent) of the total end-March order book.

SALES

Group sales in January–March increased by 11.1 percent to EUR 474.9 million (427.3). Sales in Service grew by 13.5 percent and in Equipment by 8.3 percent. Most of the sales growth was attributable to favorable currency rate changes.

At end-March, the regional breakdown, calculated on a rolling 12 months basis, was as follows: EMEA 46 (47), Americas 37 (35) and APAC 17 (18) percent.

NET SALES BY REGION, MEUR

	1-3/2015	1-3/2014	Change percent	Change % at comparable currency rates	R12M	1-12/2014
EMEA	201.2	200.8	0.2	-0.8	946.4	946.0
AME	189.4	153.1	23.7	6.6	763.7	727.5
APAC	84.3	73.4	14.9	2.6	348.9	338.0
Total	474.9	427.3	11.1	2.6	2,059.0	2,011.4

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a positive effect on the orders and sales in January–March. The reported increase in order intake in January–March was 18.1 percent, whereas the corresponding figure at comparable currency rates was 9.5 percent. Reported sales grew by 11.1 percent or by 2.6 percent at comparable currency rates. The reported order book increased by 18.5 percent or by 8.7 percent at comparable currency rates.

The reported order intake increased in Service by 5.2 percent but decreased by 4.2 percent at comparable currency rates. In Equipment, the reported order intake increased by 25.4 percent or by 17.5 percent at comparable currency rates. The reported sales increased in Service by 13.5 percent or by 3.5 percent at comparable currency rates. The corresponding figures in Equipment sales were +8.3 percent and +0.8 percent.

FINANCIAL RESULT

The consolidated operating profit in January–March totaled EUR 11.8 million (15.2). Operating profit decreased by EUR 3.3 million and the consolidated operating margin fell to 2.5 percent (3.6). The operating profit includes restructuring costs of EUR 2.3 million (0.4) due to the cost savings program of EUR 30 million announced in 2014. The operating margin in Service rose to 8.3 percent (8.0), while it fell in Equipment to -1.2 percent (0.9).

Service's operating margin improved due to the volume growth and higher gross margin. The Equipment operating margin was affected by unfavorable sales mix. In addition, Business Area Equipment incurred unrealized currency losses of approximately EUR 1 million (2) due to the depreciation of the Ukrainian Hryvnia. Moreover, amortization related to new IT systems increased from the previous year.

In January–March, depreciation and impairments totaled EUR 12.8 million (9.5). This included restructuring costs of EUR 1.1 million (0.0). The amortization arising from purchase

price allocations for acquisitions represented EUR 1.4 million (1.7) of the depreciation and impairments.

In January–March, the share of the result of associated companies and joint ventures was EUR 1.3 million (1.0).

In January–March, financial income and expenses totaled EUR -5.1 million (-3.5). Net interest expenses accounted for EUR 2.7 million (3.1) of this and the remainder was mainly attributable to exchange rate differences related to cash and loans in foreign currencies.

January–March profit before taxes was EUR 8.1 million (12.7).

Income taxes in January–March were EUR 2.5 million (4.0). The Group's effective tax rate was 30.5 percent (31.5).

January–March net profit was EUR 5.6 million (8.7).

In January–March, the basic earnings per share were EUR 0.10 (0.15) and the diluted earnings per share were EUR 0.10 (0.15).

On a rolling twelve-month basis, the return on capital employed was 15.6 percent (11.4) and the return on equity 16.3 percent (11.6).

BALANCE SHEET

The end-March 2015 consolidated balance sheet amounted to EUR 1,592.5 million (1,540.8). The total equity at the end of the report period was EUR 425.7 million (388.7). On March 31, the total equity attributable to the equity holders of the parent company was EUR 425.6 million (382.5) or EUR 7.27 per share (6.61).

Net working capital at the end of March 2015 totaled EUR 280.4 million, which was EUR 14.7 million more than at the year-end 2014, and EUR 10.0 million more than a year ago. The net working capital, adjusted for unpaid dividends, which were reported in the accruals on March 31, amounted to EUR 341.9 million (331.2). Compared to previous year, net working capital rose mainly due to the higher inventories and lower advance payments received.

CASH FLOW AND FINANCING

Net cash from operating activities in January–March was EUR -54.4 million (-24.9), representing EUR -0.94 per diluted share (-0.43). Cash flow from capital expenditures amounted to EUR -8.8 million (-8.5). Cash flow before financing activities was EUR -62.6 million (-32.7).

At the end of March 2015, interest-bearing net debt was EUR 199.4 million compared to EUR 149.5 million at the end of 2014, and compared to EUR 221.5 million a year ago. The solidity was 30.2 percent (29.6) and the gearing 46.8 percent (57.0).

At the end of the first quarter, cash and cash equivalents amounted to EUR 147.6 million (141.5). None of the Group's committed back-up financing facilities, EUR 300 million in total, were in use at the end of the period.

CAPITAL EXPENDITURE

Capital expenditure in January–March, excluding acquisitions and joint arrangements, amounted to EUR 6.7 million (9.2). This amount consisted mainly of the replacement or capacity expansion investments in property, machines, equipment, and information technology.

Capital expenditure including acquisitions and joint arrangements was EUR 6.7 million (9.2).

ACQUISITIONS

There were no acquisitions during the reporting period or comparison period.

PERSONNEL

In the first quarter, the Group employed an average of 11,944 people (11,872). On March 31, the headcount was 11,905 (11,911). At the end of March, the number of personnel by Business Area was as follows: Service 6,307 employees (6,223), Equipment 5,544 employees (5,637) and Group staff 54 (51). The Group had 6,217 employees (6,235) working in EMEA, 2,889 (2,783) in the Americas, and 2,799 (2,893) in the APAC region.

Business areas

SERVICE

	1–3/2015	1–3/2014	Change percent	R12M	1–12/2014
Orders received, MEUR	195.0	185.4	5.2	760.4	750.8
Order book, MEUR	174.3	149.6	16.5		152.6
Contract base value, MEUR	210.7	182.5	15.5		196.0
Net sales, MEUR	225.8	199.0	13.5	921.9	895.1
EBITDA, MEUR	24.1	19.6	23.4	107.9	103.3
EBITDA, %	10.7%	9.8%		11.7%	11.5%
Depreciation and amortization, MEUR	-4.4	-3.6	21.2	-17.1	-16.4
Impairments, MEUR	-1.1	0.0		-1.1	0.0
Operating profit (EBIT), MEUR	18.6	16.0	16.8	89.6	86.9
Operating profit (EBIT), %	8.3%	8.0%		9.7%	9.7%
Restructuring costs, MEUR	-1.3	-0.2		-3.3	-2.2
Operating profit (EBIT) excluding restructuring costs, MEUR	19.9	16.1	23.7	92.9	89.1
Operating profit (EBIT) excluding restructuring costs, %	8.8%	8.1%		10.1%	10.0%
Capital employed, MEUR	219.9	193.6	13.6		200.2
ROCE%				43.3%	44.8%
Capital expenditure, MEUR	2.5	2.0	21.8	20.9	20.5
Personnel at the end of period	6,307	6,223	1.3		6,285

January–March orders received grew by 5.2 percent to EUR 195.0 million (185.4). At comparable currency rates, order intake decreased from the previous year due to the lower modernization orders. The order book increased by 16.5 percent from the year before to EUR 174.3 million (149.6). Sales in the reporting period rose by 13.5 percent to EUR 225.8 million (199.0). Sales grew in the Americas and Asia-Pacific but declined in EMEA. Parts sales continued to grow faster than field service sales.

The operating profit, excluding restructuring costs of EUR 1.3 million (0.2), was EUR 19.9 million (16.1) and the operating margin 8.8 percent (8.1). The operating profit includ-

ing restructuring costs was EUR 18.6 million (16.0) and the operating margin 8.3 percent (8.0). The operating margin improved due to the volume growth and higher gross margin.

At the end of March, the total number of equipment included in the maintenance contract base increased by 2.3 percent to 449,077 (439,056). The annual value of the contract base increased by 15.5 percent to EUR 210.7 million (182.5). At comparable currency rates, the value of the contract base rose by 3.9 percent.

The number of service technicians at the end of March was 4,019, which is 2 persons less than at the end of March 2014.

EQUIPMENT

	1-3/2015	1-3/2014	Change percent	R12M	1-12/2014
Orders received, MEUR	350.1	279.2	25.4	1,333.4	1,262.5
Order book, MEUR	936.8	788.3	18.8		826.9
Net sales, MEUR	275.4	254.3	8.3	1,242.8	1,221.7
EBITDA, MEUR	3.8	8.0	-53.0	67.4	71.6
EBITDA, %	1.4%	3.1%		5.4%	5.9%
Depreciation and amortization, MEUR	-7.1	-5.8	22.7	-27.3	-26.0
Impairments, MEUR	0.0	0.0		0.0	0.0
Operating profit (EBIT), MEUR	-3.3	2.2	-250.7	40.1	45.6
Operating profit (EBIT), %	-1.2%	0.9%		3.2%	3.7%
Restructuring costs, MEUR	-1.0	-0.3		-1.8	-1.0
Operating profit (EBIT) excluding restructuring costs, MEUR	-2.3	2.5	-193.6	41.9	46.7
Operating profit (EBIT) excluding restructuring costs, %	-0.8%	1.0%		3.4%	3.8%
Capital employed, MEUR	402.6	380.2	5.9		353.5
ROCE%				10.2%	12.5%
Capital expenditure, MEUR	4.2	7.1	-41.2	36.6	39.6
Personnel at the end of period	5,544	5,637	-1.6		5,639

January–March orders received totaled EUR 350.1 million (279.2), showing an increase of 25.4 percent. Orders grew in the Americas and APAC but were at the previous year's level in EMEA. Orders for industrial cranes accounted for approximately 30 percent of the orders received and were higher than a year ago. Components generated approximately 25 percent of the new orders and were below last year's level. The combined orders for port cranes and lift trucks amounted to approximately 45 percent of the orders received and were higher than a year ago.

The order intake increased by 1.4 percent compared to the fourth quarter of 2014. Orders grew in the Americas and Asia-Pacific but fell in EMEA. The growth was attributable mainly to Port Cranes and Lift Trucks. The order book

increased by 18.8 percent from a year before to EUR 936.8 million (788.3).

Sales grew by 8.3 percent to EUR 275.4 million (254.3). The operating profit, excluding restructuring costs of EUR 1.0 million (0.3), was EUR -2.3 million (2.5) and the operating margin -0.8 percent (1.0). Operating profit including restructuring costs was EUR -3.3 million (2.2) and operating margin -1.2 percent (0.9). The Equipment operating margin was affected by unfavorable sales mix. In addition, Business Area Equipment incurred unrealized currency losses of approximately EUR 1 million (2) due to the depreciation of the Ukrainian Hryvnia. Moreover, amortization related to new IT systems increased from the previous year.

Group Overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR –3.4 million (–3.0), representing 0.7 percent of sales (0.7).

ADMINISTRATION

Decisions of the Annual General Meeting

The Annual General Meeting of Konecranes Plc was held on March 26, 2015. The meeting approved the Company's annual accounts for the fiscal year 2014 and discharged the members of the Board of Directors and the Managing Director from liability. The AGM approved the Board's proposal to pay a dividend of EUR 1.05 per share from the distributable assets of the parent company.

The AGM approved the proposal of the Nomination and Compensation Committee that the number of the members of the Board of Directors shall be eight (8). The Board members elected at the AGM in 2015 were Mr. Svante Adde, Mr. Stig Gustavson, Mr. Ole Johansson, Mr. Matti Kavetvuo, Ms. Nina Kopola, Mr. Bertel Langenskiöld, Ms. Malin Persson and Mr. Christoph Vitzthum.

The AGM confirmed the annual compensation to the Board members as follows:

- Chairman of the Board: EUR 105,000
- Vice Chairman of the Board: EUR 67,000
- Other Board members EUR 42,000

In addition, a compensation of EUR 1,500 per meeting will be paid for attending Board Committee meetings. However, the Chairman of the Audit Committee is entitled to a compensation of EUR 3,000 per attended Audit Committee meeting. Furthermore, the AGM approved that 50 percent of the annual remuneration will be paid in Konecranes shares.

The AGM confirmed that Ernst & Young Oy will continue as the Company's external auditor.

The AGM authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance of the Company's own shares as a pledge. The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.5 percent of all of the shares in the Company. The authorization is effective until the end of the next Annual General Meeting, however no longer than until September 25, 2016.

The AGM authorized the Board of Directors to decide on the issuance of shares as well as on the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act. The amount of shares to be issued based on this authorization shall not exceed 6,000,000 shares, which corresponds to approximately 9.5 percent of all of the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the following paragraph. The authorization is

effective until the end of the next Annual General Meeting, however no longer than until September 25, 2016. However, the authorization for incentive arrangements is valid until March 25, 2020. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2014.

The AGM authorized the Board of Directors to decide on the transfer of the Company's own shares. The authorization is limited to a maximum of 6,000,000 shares, which corresponds to approximately 9.5 percent of all the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the previous paragraph. This authorization is effective until the next Annual General Meeting of Shareholders, however no longer than until September 25, 2016. However, the authorization for incentive arrangements is valid until March 25, 2020. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2014.

The AGM authorized the Board of Directors to decide on a directed share issue without payment needed for the implementation of the Share Savings Plan that the Annual General Meeting 2012 decided to launch.

The Board of Directors is authorized to decide on the issue of new shares or on the transfer of the own shares held by the Company to such participants of the Plan who, according to the terms and conditions of the Plan, are entitled to receive free shares, as well as to decide on a share issue without payment also to the Company itself. The number of new shares to be issued or own shares held by the Company to be transferred may amount in the aggregate to a total maximum of 500,000 shares, which corresponds to 0.8 percent of all of the Company's shares. The authorization concerning the share issue is valid until March 25, 2020. This authorization is addition to the authorizations in the previous items. This authorization replaces the authorization for the Share Savings Plan given by the Annual General Meeting 2014.

The AGM authorized the Board of Directors to decide on one or several donations of a maximum aggregate amount of EUR 250,000 to one or more Finnish Universities or research centers to thus support education or research. The Board of Directors is entitled to decide on practical matters relating to a donation, for example nomination of recipients and the detailed terms of a donation. The authorization shall be valid until December 31, 2015.

In its first meeting held after the Annual General Meeting, the Board of Directors elected Mr. Stig Gustavson to continue as Chairman. Mr. Ole Johansson was elected Vice Chairman of the Board. Mr. Svante Adde was elected Chairman of the Audit Committee, and Mr. Ole Johansson, Ms. Nina Kopola, and Ms. Malin Persson as Committee members. Mr. Bertel Langenskiöld was elected Chairman of the Nomination and Compensation Committee, and Mr. Stig Gustavson, Mr. Matti Kavetvuo, and Mr. Christoph Vitzthum were elected as Committee members.

SHARE CAPITAL AND SHARES

On March 31, 2015 the company's registered share capital totaled EUR 30.1 million. On March 31, 2015, the number of shares including treasury shares totaled 63,272,342. On March 31, 2015, Konecranes Plc was in possession of 4,676,635 own shares, which corresponds to 7.4 percent of the total number of shares and which had on that date a market value of EUR 137.5 million.

All shares carry one vote per share and equal rights to dividends.

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–March, 596,773 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009B.

At end-March 2015, Konecranes Plc's stock options 2009 entitled the holders to subscribe to a total of 775,271 shares. The option programs include approximately 200 company's key persons.

The terms and conditions of the stock option programs are available on the Konecranes' website at www.konecranes.com.

EMPLOYEE SHARE SAVINGS PLAN

On the basis of interest shown by the Group employees, the Board decided to launch a new Plan Period. The new Plan Period will begin on July 1, 2015 and end on June 30, 2016. The maximum savings amount per participant during one month is 5 percent of the gross salary and the minimum is EUR 10.

Each participant will receive one free matching share for every two acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the plan period until the end of the designated holding period, February 15, 2019, and if his or her employment has not ended before this date for reasons attributable to the employee. The total amount of all savings of the commencing plan period may not exceed EUR 8.5 million. The terms and conditions of the Plan Period 2015–2016 are unchanged from the previous Plan Periods.

PERFORMANCE SHARE PLAN

The Board of Directors resolved that the earning during the three-year discretionary period beginning on January 1, 2015 will be based on the Group's cumulative EPS excluding restructuring costs.

The target group of the Plan consists of approximately 180 people. The rewards to be paid on the basis of the discretionary period beginning on January 1, 2015 correspond to the value of an approximate maximum total of 700,000 Konecranes Plc's shares. If the targets determined by the Board of Directors are achieved, the reward payout will be a half of the maximum reward. The maximum reward payout requires that the targets have been clearly exceeded.

The Board of Directors decided on a directed share issue related to the reward payment for the performance periods 2012 and 2012–2014 of Konecranes Performance Share Plan 2012. In the share issue, 55,007 Konecranes Plc shares held by the company were conveyed without consideration to the key employees participating in the plan in accordance with the terms and conditions of the plan.

MARKET CAPITALIZATION AND TRADING VOLUME

The closing price for Konecranes Plc's shares on the Nasdaq Helsinki on March 31, 2015 was EUR 29.40. The volume-weighted average share price in January–March 2015 was EUR 29.48, the highest price being EUR 33.08 in March and the lowest EUR 23.40 in January. In January–March, the trading volume on the Nasdaq Helsinki totaled 13.8 million Konecranes Plc's shares corresponding to a turnover of approximately EUR 405.8 million. The average daily trading volume was 222,074 shares representing an average daily turnover of EUR 6.5 million.

In addition, according to Fidessa, approximately 18.5 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–March 2015.

On March 31, 2015, the total market capitalization of Konecranes Plc's shares was EUR 1,860.2 million including treasury shares. The market capitalization was EUR 1,722.7 million excluding treasury shares.

FLAGGING NOTIFICATIONS

On February 5, 2015, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Harris Associates L.P in Konecranes Plc has decreased below 5 percent. Harris Associates L.P held 3,158,600 Konecranes Plc's shares on February 4, 2015, which is 4.99 percent of Konecranes Plc's shares and votes.

EVENTS AFTER THE END OF THE REPORTING PERIOD

President and CEO Pekka Lundmark has decided to leave Konecranes to pursue his career outside the company. The Board of Directors of Konecranes Plc has begun the search for a new President and CEO. Mr. Lundmark will leave the company in early September 2015 after the release of the January–June interim report and related activities thereto are completed. Until then, Mr. Lundmark will continue as the President and CEO.

On April 20, 2015, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Harris Associates L.P in Konecranes Plc has exceeded 5 percent. Harris Associates L.P held 3,200,000 Konecranes Plc's shares on April 17, 2015, which is 5.06 percent of Konecranes Plc's shares and votes.

RISKS AND UNCERTAINTIES

Konecranes operates in emerging countries that entail political, economic, and regulatory uncertainties. Adverse changes in the operating environment of these countries may result in currency losses, elevated delivery costs, or loss of assets. Konecranes operates a crane factory in Zaporozhye, Ukraine. The value of the total assets related to the Zaporozhye factory amounted to approximately EUR 11 million on March 31, 2015.

The operations in emerging countries have had a negative impact on the aging structure of accounts receivable and may increase credit losses or the need for higher provisions for doubtful accounts.

Konecranes has made several acquisitions and expanded organically into the new countries. A failure to integrate the acquired business or grow newly established operations may result in an impairment of goodwill and other assets.

One of the key strategic initiatives of Konecranes is oneKONECRANES. This initiative involves a major capital expenditure for the information systems. Higher-than-expected development or implementation costs or a failure to extract business benefits from the new processes and systems may lead to an impairment of assets or decrease in profitability.

Konecranes delivers projects, which involve the risks related to, for example, engineering and project execution including Konecranes' suppliers. A failure to plan or manage these projects may lead to higher-than-estimated costs or disputes with customers.

Challenges in financing, e.g., due to currency fluctuations, may force customers to postpone projects or even to cancel the existing orders. Konecranes intends to avoid incurring costs for major projects under construction in excess of advance payments. However, it is possible that the cost-related commitments in some projects temporarily exceed the amount of advance payments.

The Group's other risks are presented in the Annual Report.

MARKET OUTLOOK

European customers are still cautious about investing, but the number of inquiries is increasing. In the U.S., the market outlook remains generally positive, but the industrial production indicators are suggesting some softening of the growth rate. The near-term market outlook in emerging markets remains uncertain. Continued contract base growth bodes well for the future of the service business. The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

FINANCIAL GUIDANCE

Based on the order book, service contract base, and the near-term demand outlook, the year 2015 sales are expected to be higher than in 2014. We expect the 2015 operating profit, excluding restructuring costs, to improve from 2014.

Helsinki, April 29, 2015
Konecranes Plc
Board of Directors

Disclaimer

It should be noted that certain statements in this report, which are not historical facts, including, without limitation, those regarding

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development and profitability,
- expectations regarding market demand for the company's products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and Konecranes' ability to achieve the set targets and synergies,
- expectations regarding competitive conditions,
- expectations regarding cost savings,
- and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions, are forward-looking statements. These statements are based on current expectations, decisions and plans and currently known facts. Therefore, they involve risks and uncertainties, which may cause actual results to materially differ from the results currently expected by the company. Such factors include, but are not limited to,
- general economic conditions, including fluctuations in exchange rates and interest levels,
- the competitive situation, especially significant products or services developed by our competitors,
- industry conditions,
- the company's own operating factors, including the success of production, product development, project management, quality, and timely delivery of our products and services and their continuous development,
- the success of pending and future acquisitions and restructurings.

Summary financial statements and notes

Accounting principles

The presented financial information is prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU.

The figures presented in the tables below have been rounded to one decimal, which should be taken into account when reading the sum figures.

The numbers stated in this bulletin have not been subject to audit.

Consolidated statement of income

EUR million	1-3/2015	1-3/2014	Change percent	1-12/2014
Sales	474.9	427.3	11.1	2,011.4
Other operating income	0.3	0.5		2.8
Depreciation and impairments	-12.8	-9.5		-43.1
Other operating expenses	-450.6	-403.2		-1,855.2
Operating profit	11.8	15.2	-21.9	115.8
Share of associates' and joint ventures' result	1.3	1.0		3.7
Financial income and expenses	-5.1	-3.5		-12.1
Profit before taxes	8.1	12.7	-36.4	107.4
Taxes	-2.5	-4.0		-32.8
NET PROFIT FOR THE PERIOD	5.6	8.7	-35.5	74.6
Net profit for the period attributable to:				
Shareholders of the parent company	5.6	8.6		74.4
Non-controlling interest	0.0	0.0		0.2
Earnings per share, basic (EUR)	0.10	0.15	-35.4	1.28
Earnings per share, diluted (EUR)	0.10	0.15	-35.3	1.28

Consolidated statement of comprehensive income

EUR million	1-3/2015	1-3/2014	1-12/2014
Net profit for the period	5.6	8.7	74.6
Items that can be reclassified into profit or loss			
Cash flow hedges	-17.1	-2.0	-14.0
Exchange differences on translating foreign operations	31.6	-3.5	19.9
Income tax relating to items that can be reclassified into profit or loss	3.4	0.4	2.8
Items that cannot be reclassified into profit or loss			
Re-measurement gains (losses) on defined benefit plans	2.6	0.3	-16.7
Income tax relating to items that cannot be reclassified into profit or loss	-0.6	-0.1	4.7
Other comprehensive income for the period, net of tax	20.0	-4.9	-3.3
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	25.6	3.7	71.2
Total comprehensive income attributable to:			
Shareholders of the parent company	25.6	3.9	71.2
Non-controlling interest	0.0	-0.1	0.1

Consolidated balance sheet

EUR million

ASSETS	31.3.2015	31.3.2014	31.12.2014
Non-current assets			
Goodwill	110.3	102.0	104.8
Intangible assets	98.0	85.5	101.2
Property, plant and equipment	155.8	143.2	150.5
Advance payments and construction in progress	32.2	47.2	30.0
Investments accounted for using the equity method	44.1	41.3	43.1
Available-for-sale investments	1.0	1.0	1.0
Long-term loans receivable	0.0	0.2	0.0
Deferred tax assets	77.5	59.0	70.0
Total non-current assets	518.9	479.5	500.4
Current assets			
Inventories			
Raw material and semi-manufactured goods	173.1	150.0	165.1
Work in progress	202.3	186.5	159.1
Advance payments	15.5	17.3	11.3
Total inventories	390.8	353.8	335.5
Accounts receivable	365.9	358.5	364.9
Loans receivable	0.0	0.0	0.0
Other receivables	22.9	23.3	24.5
Current tax assets	9.6	10.2	13.4
Deferred assets	136.7	174.1	140.7
Cash and cash equivalents	147.6	141.5	97.9
Total current assets	1,073.6	1,061.3	977.0
TOTAL ASSETS	1,592.5	1,540.8	1,477.4

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	31.3.2015	31.3.2014	31.12.2014
Equity attributable to equity holders of the parent company			
Share capital	30.1	30.1	30.1
Share premium account	39.3	39.3	39.3
Fair value reserves	-22.3	1.0	-8.6
Translation difference	35.3	-19.6	3.7
Paid in capital	64.0	51.5	52.2
Retained earnings	273.6	271.6	258.1
Net profit for the period	5.6	8.6	74.4
Total equity attributable to equity holders of the parent company	425.6	382.5	449.2
Non-controlling interest	0.1	6.2	0.1
Total equity	425.7	388.7	449.2
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	164.8	122.6	167.2
Other long-term liabilities	96.7	80.4	97.3
Deferred tax liabilities	19.5	19.0	18.5
Total non-current liabilities	281.0	222.0	283.0
Provisions	49.0	45.7	45.2
Current liabilities			
Interest-bearing liabilities	182.3	240.6	80.2
Advance payments received	184.6	227.5	202.7
Progress billings	0.6	0.6	1.5
Accounts payable	141.4	115.1	137.1
Other short-term liabilities (non-interest bearing)	22.7	31.5	26.0
Current tax liabilities	6.6	11.5	18.9
Accruals	298.8	257.5	233.5
Total current liabilities	836.9	884.3	699.9
Total liabilities	1,166.9	1,152.1	1,028.1
TOTAL EQUITY AND LIABILITIES	1,592.5	1,540.8	1,477.4

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company			
	Share capital	Share premium account	Cash flow hedges	Translation difference
Balance at 1 January, 2015	30.1	39.3	-8.6	3.7
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			-13.7	31.6
Balance at 31 March, 2015	30.1	39.3	-22.3	35.3
Balance at 1 January, 2014	30.1	39.3	2.6	-16.3
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			-1.6	-3.4
Balance at 31 March, 2014	30.1	39.3	1.0	-19.6

EUR million	Equity attributable to equity holders of the parent company				Total equity
	Paid in capital	Retained earnings	Total	Non-controlling interest	
Balance at 1 January, 2015	52.2	332.5	449.2	0.1	449.2
Options exercised	11.8	0.0	11.8		11.8
Dividends paid to equity holders		-61.5	-61.5		-61.5
Share based payments recognized against equity		0.6	0.6		0.6
Acquisitions		0.0	0.0		0.0
Total comprehensive income		7.7	25.6	0.0	25.6
Balance at 31 March, 2015	64.0	279.2	425.6	0.1	425.7
Balance at 1 January, 2014	51.0	331.4	438.1	6.4	444.5
Options exercised	0.5	0.0	0.5		0.5
Dividends paid to equity holders		-60.8	-60.8		-60.8
Share based payments recognized against equity		0.8	-4.2		-4.2
Acquisitions		0.0	0.0		0.0
Total comprehensive income		8.9	3.9	-0.1	3.7
Balance at 31 March, 2014	51.5	280.3	382.5	6.2	388.7

Consolidated cash flow statement

EUR million	1–3/2015	1–3/2014	1–12/2014
Cash flow from operating activities			
Net income	5.6	8.7	74.6
Adjustments to net income			
Taxes	2.5	4.0	32.8
Financial income and expenses	5.1	3.5	12.2
Share of associates' and joint ventures' result	-1.3	-1.0	-3.7
Dividend income	0.0	0.0	-0.1
Depreciation and impairments	12.8	9.5	43.1
Profits and losses on sale of fixed assets	-0.2	0.1	-0.3
Other adjustments	1.9	0.5	-1.7
Operating income before change in net working capital	26.4	25.3	157.0
Change in interest-free short-term receivables	39.1	-26.4	21.9
Change in inventories	-35.3	-30.3	4.4
Change in interest-free short-term liabilities	-62.8	13.0	0.6
Change in net working capital	-58.9	-43.7	26.9
Cash flow from operations before financing items and taxes	-32.6	-18.4	183.8
Interest received	0.8	0.7	3.1
Interest paid	-3.5	-3.9	-13.4
Other financial income and expenses	-8.5	1.4	5.0
Income taxes paid	-10.7	-4.7	-30.1
Financing items and taxes	-21.8	-6.5	-35.4
NET CASH FROM OPERATING ACTIVITIES	-54.4	-24.9	148.4
Cash flow from investing activities			
Acquisition of Group companies, net of cash	0.0	-0.1	-6.2
Divestment of Businesses, net of cash	0.0	0.0	1.2
Capital expenditures	-8.8	-8.5	-42.0
Proceeds from sale of fixed assets	0.6	0.8	3.0
Dividends received	0.0	0.0	0.1
NET CASH USED IN INVESTING ACTIVITIES	-8.2	-7.8	-43.9
Cash flow before financing activities	-62.6	-32.7	104.5
Cash flow from financing activities			
Proceeds from options exercised and share issues	11.8	0.5	1.2
Proceeds from long-term borrowings	0.0	0.0	50.0
Repayments of long-term borrowings	-3.6	-9.5	-15.7
Proceeds from (+), payments of (-) short-term borrowings	98.8	53.2	-114.0
Change in short-term receivables	0.0	0.0	0.2
Dividends paid to equity holders of the parent	0.0	0.0	-60.8
NET CASH USED IN FINANCING ACTIVITIES	106.9	44.2	-139.0
Translation differences in cash	5.3	-2.3	0.3
CHANGE OF CASH AND CASH EQUIVALENTS	49.7	9.2	-34.3
Cash and cash equivalents at beginning of period	97.9	132.2	132.2
Cash and cash equivalents at end of period	147.6	141.5	97.9
CHANGE OF CASH AND CASH EQUIVALENTS	49.7	9.2	-34.3

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the reporting period.

FREE CASH FLOW

EUR million	1-3/2015	1-3/2014	1-12/2014
Net cash from operating activities	-54.4	-24.9	148.4
Capital expenditures	-8.8	-8.5	-42.0
Proceeds from sale of fixed assets	0.6	0.8	3.0
Free cash flow	-62.6	-32.6	109.4

Segment information

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1-3/2015	% of total	1-3/2014	% of total	1-12/2014	% of total
Service ¹⁾	195.0	36	185.4	40	750.8	37
Equipment	350.1	64	279.2	60	1,262.5	63
./. Internal	-26.2		-25.3		-109.9	
Total	518.8	100	439.3	100	1,903.5	100

¹⁾ Excl. Service Contract Base

Order book total ²⁾	31.3.2015	% of total	31.3.2014	% of total	31.12.2014	% of total
Service	174.3	16	149.6	16	152.6	16
Equipment	936.8	84	788.3	84	826.9	84
./. Internal	0.0		0.0		0.0	
Total	1,111.1	100	937.9	100	979.5	100

²⁾ Percentage of completion deducted

Sales by Business Area	1-3/2015	% of total	1-3/2014	% of total	1-12/2014	% of total
Service	225.8	45	199.0	44	895.1	42
Equipment	275.4	55	254.3	56	1,221.7	58
./. Internal	-26.3		-25.9		-105.4	
Total	474.9	100	427.3	100	2,011.4	100

Operating profit (EBIT) by Business Area excluding restructuring costs	1-3/2015 MEUR	EBIT %	1-3/2014 MEUR	EBIT %	1-12/2014 MEUR	EBIT %
Service	19.9	8.8	16.1	8.1	89.1	10.0
Equipment	-2.3	-0.8	2.5	1.0	46.7	3.8
Group costs and eliminations	-3.4		-3.0		-16.7	
Total	14.2	3.0	15.6	3.6	119.1	5.9

Operating profit (EBIT) by Business Area including restructuring costs	1-3/2015 MEUR	EBIT %	1-3/2014 MEUR	EBIT %	1-12/2014 MEUR	EBIT %
Service	18.6	8.3	16.0	8.0	86.9	9.7
Equipment	-3.3	-1.2	2.2	0.9	45.6	3.7
Group costs and eliminations	-3.4		-3.0		-16.7	
Total	11.8	2.5	15.2	3.6	115.8	5.8

Segment information

Capital Employed and ROCE%	31.3.2015 MEUR	31.3.2014 MEUR	31.12.2014 MEUR	ROCE %
Service	219.9	193.6	200.2	44.8
Equipment	402.6	380.2	353.5	12.5
Unallocated Capital Employed	150.2	178.1	143.0	
Total	772.7	751.9	696.7	17.0

Business segment assets	31.3.2015 MEUR	31.3.2014 MEUR	31.12.2014 MEUR
Service	395.9	354.7	383.5
Equipment	896.5	894.7	837.4
Unallocated Capital Employed	300.1	291.5	256.4
Total	1,592.5	1,540.8	1,477.4

Business segment liabilities	31.3.2015 MEUR	31.3.2014 MEUR	31.12.2014 MEUR
Service	176.0	161.0	183.3
Equipment	493.9	514.4	484.0
Unallocated Capital Employed	496.9	433.1	360.8
Total	1,166.9	1,108.6	1,028.1

Personnel by Business Area (at the end of the period)	31.3.2015	% of total	31.3.2014	% of total	31.12.2014	% of total
Service	6,307	53	6,223	52	6,285	52
Equipment	5,544	47	5,637	47	5,639	47
Group staff	54	0	51	0	58	0
Total	11,905	100	11,911	100	11,982	100

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1-3/2015	% of total	1-3/2014	% of total	1-12/2014	% of total
Europe-Middle East-Africa (EMEA)	201.2	42	200.8	47	946.0	47
Americas (AME)	189.4	40	153.1	36	727.5	36
Asia-Pacific (APAC)	84.3	18	73.4	17	338.0	17
Total	474.9	100	427.3	100	2,011.4	100

Personnel by region (at the end of the period)	31.3.2015	% of total	31.3.2014	% of total	31.12.2014	% of total
Europe-Middle East-Africa (EMEA)	6,217	52	6,235	52	6,240	52
Americas (AME)	2,889	24	2,783	23	2,858	24
Asia-Pacific (APAC)	2,799	24	2,893	24	2,884	24
Total	11,905	100	11,911	100	11,982	100

Notes

KEY FIGURES	31.3.2015	31.3.2014	Change %	31.12.2014
Earnings per share, basic (EUR)	0.10	0.15	-35.4	1.28
Earnings per share, diluted (EUR)	0.10	0.15	-35.3	1.28
Return on capital employed %, Rolling 12 Months (R12M)	15.6	11.4	36.8	17.0
Return on equity %, Rolling 12 Months (R12M)	16.3	11.6	40.5	16.7
Equity per share (EUR)	7.27	6.61	10.0	7.75
Current ratio	1.2	1.1	9.1	1.3
Gearing %	46.8	57.0	-17.9	33.3
Solidity %	30.2	29.6	2.0	35.2
EBITDA, EUR million	24.6	24.7	-0.2	159.0
Investments total (excl. acquisitions), EUR million	6.7	9.2	-27.2	60.0
Interest-bearing net debt, EUR million	199.4	221.5	-10.0	149.5
Net working capital, EUR million	280.4	270.4	3.7	265.7
Average number of personnel during the period	11,944	11,872	0.6	11,920
Average number of shares outstanding, basic	58,008,475	57,849,496	0.3	57,908,972
Average number of shares outstanding, diluted	58,099,609	58,054,089	0.1	58,034,096
Number of shares outstanding	58,540,700	57,874,421	1.2	57,943,927

Interest-bearing net debt: Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)

Net working capital: Non interest-bearing current assets + deferred tax assets -
Non interest-bearing current liabilities - deferred tax liabilities
- provisions

Notes

The period end exchange rates*:	29.3.2015	28.3.2014	Change %	31.12.2014
USD - US dollar	1.086	1.376	26.7	1.214
CAD - Canadian dollar	1.358	1.519	11.8	1.406
GBP - Pound sterling	0.730	0.827	13.3	0.779
CNY - Chinese yuan	6.748	8.547	26.7	7.536
SGD - Singapore dollar	1.486	1.735	16.7	1.606
SEK - Swedish krona	9.318	8.931	-4.1	9.393
NOK - Norwegian krone	8.645	8.246	-4.6	9.042
AUD - Australian dollar	1.394	1.489	6.8	1.483

The period average exchange rates*:	29.3.2015	28.3.2014	Change %	31.12.2014
USD - US dollar	1.127	1.370	21.6	1.329
CAD - Canadian dollar	1.396	1.512	8.2	1.466
GBP - Pound sterling	0.743	0.828	11.4	0.806
CNY - Chinese yuan	7.028	8.356	18.9	8.186
SGD - Singapore dollar	1.528	1.738	13.8	1.682
SEK - Swedish krona	9.382	8.855	-5.6	9.098
NOK - Norwegian krone	8.726	8.348	-4.3	8.352
AUD - Australian dollar	1.431	1.528	6.8	1.472

*Konecranes applies a weekly calendar in its financial reporting. The presented exchange rates are determined by rates on the last Friday of the period.

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	31.3.2015	31.3.2014	31.12.2014
For own commercial obligations			
Guarantees	432.1	376.6	404.8
Leasing liabilities			
Next year	34.4	30.5	32.9
Later on	75.0	66.6	68.5
Other	0.4	1.3	0.2
Total	542.0	475.1	506.3

Leasing contracts comply with normal practices in the countries concerned.

Contingent liabilities relating to litigation

Various legal actions, claims and other proceedings are pending against the Group in various countries. These actions, claims and other proceedings are typical for this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty, Konecranes is of the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

IMPAIRMENTS

Restructuring actions in Machine Tool Service business during the first quarter of 2015 have led to an impairment of Intangible Assets (mainly customer relations in the United Kingdom and Norway) were written off due to impairment by EUR 1.1 million.

Notes

FINANCIAL INSTRUMENTS

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 – quoted prices in active markets for identical financial instruments
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the financial instrument that are not based on observable market data (unobservable inputs)

Classification of financial instruments within the IFRS 7 fair value hierarchy: level 2 for all values as of 31 March 2015. There were no changes for classification within the fair value hierarchy.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income. The foreign exchange forward contracts are measured based on the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

CARRYING AMOUNT OF FINANCIAL ASSETS AND LIABILITIES IN THE BALANCE SHEET

EUR million

	Financial assets/ liabilities at fair value through income statement	Loans and receivables	Available- for-sale financial assets	Financial assets/liabili- ties measured at amortized cost	Total carrying amounts by balance sheet item	Total Fair value
Financial assets 31.3.2015						
Non-current financial assets						
Long-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	0.0	0.0	1.0	0.0	1.0	1.0
Current financial assets						
Short-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Account and other receivables	0.0	388.8	0.0	0.0	388.8	388.8
Derivative financial instruments	11.3	0.0	0.0	0.0	11.3	11.3
Cash and cash equivalents	0.0	147.6	0.0	0.0	147.6	147.6
Total	11.3	536.4	1.0	0.0	548.7	548.7

Financial liabilities 31.3.2015

Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	164.8	164.8	164.8
Derivative financial instruments	1.8	0.0	0.0	0.0	1.8	1.8
Other payables	0.0	0.0	0.0	4.0	4.0	4.0
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	182.3	182.3	182.3
Derivative financial instruments	26.0	0.0	0.0	0.0	26.0	26.0
Account and other payables	0.0	0.0	0.0	164.1	164.1	164.1
Total	27.8	0.0	0.0	515.1	542.8	542.8

Notes

EUR million	Financial assets/ liabilities at fair value through income statement	Loans and receivables	Available- for-sale financial assets	Financial assets/liabili- ties measured at amortized cost	Total carrying amounts by balance sheet item	Total Fair value
Financial assets 31.3.2014						
Non-current financial assets						
Long-term interest-bearing receivables	0.0	0.2	0.0	0.0	0.2	0.2
Other financial assets	0.0	0.0	1.0	0.0	1.0	1.0
Current financial assets						
Short-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Account and other receivables	0.0	381.8	0.0	0.0	381.8	381.8
Derivative financial instruments	6.9	0.0	0.0	0.0	6.9	6.9
Cash and cash equivalents	0.0	141.5	0.0	0.0	141.5	141.5
Total	6.9	523.5	1.0	0.0	531.4	531.4
Financial liabilities 31.3.2014						
Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	122.6	122.6	122.6
Derivative financial instruments	1.9	0.0	0.0	0.0	1.9	1.9
Other payables	0.0	0.0	0.0	2.1	2.1	2.1
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	240.6	240.6	240.6
Derivative financial instruments	5.4	0.0	0.0	0.0	5.4	5.4
Account and other payables	0.0	0.0	0.0	146.6	146.6	146.6
Total	7.3	0.0	0.0	511.9	519.3	519.3

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	31.3.2015 Nominal value	31.3.2015 Fair value	31.3.2014 Nominal value	31.3.2014 Fair value	31.12.2014 Nominal value	31.12.2014 Fair value
Foreign exchange forward contracts	736.5	-14.0	607.6	2.2	663.1	-9.4
Currency options	60.4	-0.2	0.0	0.0	35.8	-0.2
Interest rate swaps	100.0	-1.8	100.0	-1.9	100.0	-2.0
Electricity derivatives	1.9	-0.5	2.7	-0.7	2.2	-0.5
Total	898.8	-16.5	710.3	-0.4	801.0	-12.1

Derivatives are used for hedging currency and interest rate risks, as well as the risk of electricity price fluctuations. The Company applies hedge accounting on the derivatives used to hedge cash flows in large projects in Business Area Equipment and to interest rates of certain long-term loans.

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Sales	474.9	608.1	494.4	481.6	427.3
Other operating income	0.3	0.5	0.9	0.8	0.5
Depreciation and impairments	-11.7	-11.6	-10.9	-11.1	-9.5
Restructuring costs	-2.3	-1.6	-0.3	-0.9	-0.4
Other operating expenses	-449.4	-550.0	-449.6	-449.6	-402.7
Operating profit	11.8	45.5	34.5	20.7	15.2
Share of associates' and joint ventures' result	1.3	0.9	0.4	1.5	1.0
Financial income and expenses	-5.1	-4.8	1.3	-5.1	-3.5
Profit before taxes	8.1	41.6	36.1	17.1	12.7
Taxes	-2.5	-12.1	-11.4	-5.4	-4.0
Net profit for the period	5.6	29.5	24.7	11.7	8.7

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Goodwill	110.3	104.8	104.3	102.1	102.0
Intangible assets	98.0	101.2	88.2	90.4	85.5
Property, plant and equipment	155.8	150.5	149.8	143.8	143.2
Other	154.8	144.0	153.2	148.8	148.8
Total non-current assets	518.9	500.4	495.5	485.2	479.5
Inventories	390.8	335.5	375.2	358.9	353.8
Receivables and other current assets	535.2	543.6	514.1	518.0	566.0
Cash and cash equivalents	147.6	97.9	102.2	149.9	141.5
Total current assets	1,073.6	977.0	991.5	1,026.8	1,061.3
Total assets	1,592.5	1,477.4	1,487.0	1,512.0	1,540.8

EQUITY AND LIABILITIES	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Total equity	425.7	449.2	431.6	396.1	388.7
Non-current liabilities	281.0	283.0	266.1	269.8	222.0
Provisions	49.0	45.2	45.8	41.9	45.7
Advance payments received	184.6	202.7	222.5	213.5	227.5
Other current liabilities	652.3	497.2	521.1	590.7	656.9
Total liabilities	1,166.9	1,028.1	1,055.5	1,115.9	1,152.1
Total equity and liabilities	1,592.5	1,477.4	1,487.0	1,512.0	1,540.8

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Operating income before change in net working capital	26.4	56.6	44.9	30.2	25.3
Change in net working capital	-58.9	17.3	26.4	26.8	-43.7
Financing items and taxes	-21.8	-7.5	-6.5	-14.9	-6.5
Net cash from operating activities	-54.4	66.4	64.8	42.1	-24.9
Cash flow from investing activities	-8.2	-10.2	-8.9	-17.0	-7.8
Cash flow before financing activities	-62.6	56.2	55.9	25.1	-32.7
Proceeds from options exercised and share issues	11.8	0.1	0.0	0.6	0.5
Change of interest-bearing debt	95.2	-57.4	-107.2	41.4	43.7
Dividends paid to equity holders of the parent	0.0	0.0	0.0	-60.8	0.0
Net cash used in financing activities	106.9	-57.3	-107.2	-18.7	44.2
Translation differences in cash	5.3	-3.1	3.6	2.1	-2.3
Change of cash and cash equivalents	49.7	-4.2	-47.7	8.5	9.2
Cash and cash equivalents at beginning of period	97.9	102.2	149.9	141.5	132.2
Cash and cash equivalents at end of period	147.6	97.9	102.2	149.9	141.5
Change of cash and cash equivalents	49.7	-4.2	-47.7	8.5	9.2
Free Cash Flow	-62.6	56.0	55.9	30.1	-32.6

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service ¹⁾	195.0	200.5	179.6	185.3	185.4
Equipment	350.1	345.1	274.0	364.2	279.2
./. Internal	-26.2	-32.3	-26.2	-26.0	-25.3
Total	518.8	513.3	427.4	523.5	439.3

¹⁾ Excl. Service Contract Base

Order book by Business Area	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	174.3	152.6	166.2	164.4	149.6
Equipment	936.8	826.9	860.0	865.5	788.3
Total	1,111.1	979.5	1,026.2	1,029.9	937.9

Sales by Business Area	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	225.8	258.6	225.9	211.6	199.0
Equipment	275.4	377.2	295.1	295.2	254.3
./. Internal	-26.3	-27.7	-26.5	-25.2	-25.9
Total	474.9	608.1	494.4	481.6	427.3

Operating profit (EBIT) by Business Area excluding restructuring costs	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	19.9	31.4	24.9	16.7	16.1
Equipment	-2.3	20.5	13.6	10.1	2.5
Group costs and eliminations	-3.4	-4.9	-3.7	-5.2	-3.0
Total	14.2	47.1	34.8	21.6	15.6

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	8.8%	12.1%	11.0%	7.9%	8.1%
Equipment	-0.8%	5.4%	4.6%	3.4%	1.0%
Group EBIT % total	3.0%	7.7%	7.0%	4.5%	3.6%

Quarterly figures

QUARTERLY SEGMENT INFORMATION

Personnel by Business Area (at the end of the period)

	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	6,307	6,285	6,259	6,220	6,223
Equipment	5,544	5,639	5,666	5,624	5,637
Group staff	54	58	55	51	51
Total	11,905	11,982	11,980	11,895	11,911

Sales by market

	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Europe-Middle East-Africa (EMEA)	201.2	296.7	231.0	217.5	200.8
Americas (AME)	189.4	218.6	178.3	177.4	153.1
Asia-Pacific (APAC)	84.3	92.9	85.1	86.6	73.4
Total	474.9	608.1	494.4	481.6	427.3

Personnel by region (at the end of the period)

	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Europe-Middle East-Africa (EMEA)	6,217	6,240	6,241	6,213	6,235
Americas (AME)	2,889	2,858	2,822	2,803	2,783
Asia-Pacific (APAC)	2,799	2,884	2,917	2,879	2,893
Total	11,905	11,982	11,980	11,895	11,911

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at the restaurant Savoy's Salikabinetti (address: Eteläesplanadi 14) at 11.00 a.m. Finnish time. The Interim Report will be presented by Konecranes' President and CEO Pekka Lundmark and CFO Teo Ottola.

A live webcast of the conference will begin at 11.00 a.m. at www.konecranes.com. Please see the stock exchange release dated April 9, 2015 for the conference call details.

NEXT REPORT

Konecranes Plc's January–June 2014 interim report will be published on July 17, 2015.

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Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity-enhancing lifting solutions as well as services for lifting equipment and machine tools of all makes. In 2014, Group sales totaled EUR 2,011 million. The Group has 12,000 employees at 600 locations in 48 countries. Konecranes is listed on Nasdaq Helsinki (symbol: KCR1V).

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