

# KONECRANES®

Konecranes Plc

## Listing of EUR 250,000,000 Senior Guaranteed Unsecured Fixed Rate Notes Due 2022

### The notes are represented by units in denominations of EUR 1,000

Konecranes Plc (the "**Company**" or the "**Issuer**") resolved on June 2, 2017 to issue senior guaranteed and unsecured notes with a principal amount of EUR 250,000,000 (the "**Notes**") based on the authorization given by the Company's Board of Directors on April 26, 2017. The Notes were offered for subscription in a minimum amount of EUR 100,000 through a book-building procedure that was carried out on June 2, 2017 (the "**Offering**"). The Notes bear interest at the rate of 1.75 % per annum. The maturity of the Notes is on June 9, 2022, unless the Issuer prepays or redeems the Notes in accordance with the terms and conditions of the Notes.

The Company has applied for the listing of the Notes on the Official List of NASDAQ OMX Helsinki Ltd. (the "**Helsinki Stock Exchange**"). Public trading in the Notes is expected to commence on or about July 7, 2017 under the trading code "KCRJ175022".

This listing prospectus (the "**Listing Prospectus**" or the "**Prospectus**") contains information on the Offering and the Notes. The Prospectus has been prepared solely for the purpose of admission to listing of the Notes on the Helsinki Stock Exchange (the "**Listing**") and does not constitute any offering of the Notes.

An investment in the Notes involves certain risks, see "*Risk Factors*" in the Prospectus.

Besides filing this Prospectus with the Finnish Financial Supervisory Authority (the "**FIN-FSA**") and the application to the Helsinki Stock Exchange, neither the Company nor the Lead Managers (as defined hereafter) have taken any action, nor will they take any action to render the public offer of the Notes or their possession, or the distribution of this Prospectus or any other documents relating to the Notes admissible in any other jurisdiction than Finland requiring special measures to be taken for the purpose of public offer.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and the Notes may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of any U.S. person (as such terms are defined in Regulation S under the Securities Act).

*Lead Managers:*

Nordea



## CERTAIN INFORMATION

This Listing Prospectus has been drawn up in accordance with the Finnish Securities Market Act (14.12.2012/746, as amended) (the "**Finnish Securities Market Act**"), the Decree of the Finnish Ministry of Finance on the Listing Prospectus referred to in Chapters 3 to 5 of the Finnish Securities Market Act (20.12.2012/1019, as amended), the Commission Regulation (EC) No 809/2004, as amended, in application of the Annexes IV, V, VI and XXII thereof, and the regulations and guidelines of the FIN-FSA. The FIN-FSA, which is the competent authority for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the "**Prospectus Directive**") and the relevant implementing measures in Finland, has approved the Listing Prospectus (journal number FIVA 48/02.05.04/2017) but assumes no responsibility for the correctness of the information contained herein.

In this Listing Prospectus, "**Konecranes**", the "**Konecranes Group**" and the "**Group**" refer to Konecranes Plc and its subsidiaries and associated companies, on a consolidated basis. All references to the "**Issuer**" and the "**Company**" refer to Konecranes Plc, except where the context may otherwise require. This Listing Prospectus has been prepared in English only. However, the summary of this Listing Prospectus has been translated into Finnish.

This Listing Prospectus should be read in conjunction with all documents which are deemed to be incorporated herein by reference and shall be read and construed on the basis that such documents are incorporated and form part of this Listing Prospectus. See "*Information Incorporated by Reference*".

Nordea Bank AB (publ), OP Corporate Bank plc and Skandinaviska Enskilda Banken AB (publ) (jointly the "**Lead Managers**") have acted exclusively for Konecranes as the arrangers and lead managers of the Offering and the Listing. The Lead Managers have not and are not acting for anyone else in connection with the Offering and the Listing and will not be responsible to anyone other than Konecranes for providing the protections afforded to their respective clients nor for providing any advice in relation to the Listing or the contents of this Listing Prospectus.

Investors should rely only on the information contained in this Listing Prospectus. Neither Konecranes nor the Lead Managers have authorised anyone to provide any information or give any statements other than those provided in the Listing Prospectus. The Lead Managers assume no responsibility, except for statutory liability, for the accuracy or completeness of the information in this Listing Prospectus and, accordingly, disclaim to the fullest extent permitted by law, any and all liability which they might otherwise be found to have in respect of this Listing Prospectus or any such statement. Delivery of this Listing Prospectus nor any sale made by reference thereto, shall not, under any circumstances, create any implication that there has been no change in the affairs of Konecranes since the date of the Listing Prospectus or that the information herein is correct as of any time subsequent to the date of the Listing Prospectus. However, if a fault or omission is discovered in the Listing Prospectus before the admission of the Notes for listing on the Helsinki Stock Exchange and such fault or omission may be of material importance to investors, the Listing Prospectus shall be supplemented in accordance with the Finnish Securities Market Act. Unless otherwise stated, any estimates with respect to market development relating to Konecranes Group or its industry are based upon the reasonable estimates of the Company's management. Nothing contained in this Listing Prospectus is, or shall be relied upon as, a promise or representation by Konecranes or the Lead Managers as to the future. Investors are advised to inform themselves of any stock exchange releases published by Konecranes since the date of this Listing Prospectus.

In making an investment decision, each investor should rely on their examination, analysis and enquiry of Konecranes and the terms and conditions of the Notes, including the risks and merits involved. Neither Konecranes, nor the Lead Managers, nor any of their respective affiliated parties or representatives, has made or is making any representation to any offeree or subscriber of the Notes regarding the legality of the investment by such person. Investors should make their independent assessment of the legal, tax, business, financial and other consequences of an investment in the Notes.

This Listing Prospectus has been prepared solely in connection with the listing of the Notes on the Helsinki Stock Exchange. It does not constitute an offer of securities for sale, or a solicitation of an offer to buy any securities, anywhere in the world.

The distribution of this Listing Prospectus may, in certain jurisdictions, be restricted by law, and this Listing Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No actions have been taken to register or qualify the Notes, or otherwise to permit a public offering of the Notes, in any jurisdiction outside of Finland. Konecranes and the Lead Managers expect persons into whose possession this Listing Prospectus comes to inform themselves of and observe all such restrictions. Neither Konecranes nor the Lead Managers accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Notes is aware of such restrictions. In particular the Notes may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or any other jurisdiction in which it would not be permissible to offer the Notes and this Listing Prospectus may not be sent to any person in the beforementioned jurisdictions.

The Notes are governed by Finnish law and any dispute arising in relation to the Notes shall be settled exclusively by Finnish courts in accordance with Finnish law.

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## SUMMARY

*Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).*

*This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".*

<b>Section A — Introduction and warnings</b>		
<b>A.1</b>	<b>Warning</b>	<p>This summary should be read as an introduction to the Prospectus. Any decision to invest in the Notes should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under applicable law, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Konecranes assumes civil liability in respect of this summary and its translation only if it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes issued by the Company.</p>
<b>A.2</b>	<b>Consent by the person responsible for drawing up the prospectus to the use of the prospectus</b>	Not applicable.

<b>Section B — Issuer</b>		
<b>B.1</b>	<b>Legal and commercial name</b>	Konecranes Plc in English, Konecranes Abp in Swedish and Konecranes Oyj in Finnish.
<b>B.2</b>	<b>Domicile/Legal form/Legislation /Country of incorporation</b>	The domicile of Konecranes Plc is Hyvinkää, Finland. Konecranes Plc is a public limited liability company incorporated in Finland and operating under Finnish law.
<b>B.4b</b>	<b>Known trends affecting the Issuer and the Issuer's industries</b>	Konecranes' operations are affected by market conditions in the manufacturing industry, including the general manufacturing, metal production, power generation, automotive, pulp and paper, raw materials, and chemical industries, and container transportation industry. Konecranes is affected both by the ability and need for companies in these industries to invest in new lifting equipment and the demands for maintenance and other services. Customers generally invest in new equipment either to expand capacity or replace old equipment. Investment in new lifting equipment is cyclical and varies across different industries depending on the economic environment for that industry. As a result, Konecranes' operations are affected by the global manufacturing market and the transportation industry.

B.5	Group	<p>Konecranes is the parent company of the Konecranes Group and it is not dependent on other entities within the group. The following table lists Konecranes Groups' subsidiaries, which sales or total assets exceeded 5% of the Group level sales or total assets on March 31, 2017.</p> <table><thead><tr><th>Name</th><th>Location</th></tr></thead><tbody><tr><td>Konecranes Finance Corporation</td><td>Finland</td></tr><tr><td>Konecranes Finland Corporation</td><td>Finland</td></tr><tr><td>Konecranes Global Corporation</td><td>Finland</td></tr><tr><td>Konecranes GmbH</td><td>Germany</td></tr><tr><td>Konecranes Holding GmbH</td><td>Germany</td></tr><tr><td>Konecranes Inc.</td><td>United States</td></tr><tr><td>Konecranes Lifttrucks AB</td><td>Sweden</td></tr><tr><td>Morris Material Handling , Inc.</td><td>United States</td></tr><tr><td>Terex MHPS GmbH</td><td>Germany</td></tr></tbody></table>	Name	Location	Konecranes Finance Corporation	Finland	Konecranes Finland Corporation	Finland	Konecranes Global Corporation	Finland	Konecranes GmbH	Germany	Konecranes Holding GmbH	Germany	Konecranes Inc.	United States	Konecranes Lifttrucks AB	Sweden	Morris Material Handling , Inc.	United States	Terex MHPS GmbH	Germany																																								
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B.9	Profit forecasts and estimates	<p>In its interim report for the first quarter of 2017, Konecranes has published the following information on the outlook for 2017:</p> <p><u>Market Outlook</u></p> <p>Economic indicators related to manufacturing industries have strengthened, which appears to improve customers’ willingness to proceed with their investment plans. Demand situation in Europe is gradually improving. Business activity in the North American manufacturing industry remains mixed. Demand in emerging markets is showing signs of bottoming out. Global container throughput growth has improved and the prospects for small and medium-sized orders related to container handling have somewhat strengthened.</p> <p><u>Financial Guidance</u></p> <p>The sales in 2017 are expected to be close to the comparable combined company sales in 2016 (EUR 3,278 million). We expect the adjusted EBITA to total EUR 195–215 million in 2017 (comparable combined company adjusted EBITA was EUR 184 million in 2016).</p>																																																												
B.10	Qualifications in the audit reports	Not applicable. The audit reports on historical financial information incorporated by reference into this Prospectus do not include any qualifications.																																																												
B.12	<p>No material adverse change and no significant change statements</p> <p>Selected consolidated financial information</p>	<p>There have been no material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements.</p> <p>There has been no significant change in the financial or trading position of the Issuer since March 31, 2017.</p> <table><thead><tr><th></th><th colspan="2">January 1 – March 31, 2017 (unaudited)</th><th colspan="2">For the year ended December 31, 2016 (audited)</th></tr><tr><th></th><th>2016 (unaudited)</th><th>2015 (audited)</th><th>2016 (audited)</th><th>2015 (audited)</th></tr></thead><tbody><tr><td colspan="5"><b>CONSOLIDATED STATEMENT OF INCOME</b></td></tr><tr><td></td><td colspan="2"><i>(EUR in millions)</i></td><td colspan="2"><i>(EUR in millions)</i></td></tr><tr><td>Sales</td><td>683.0</td><td>458.6</td><td>2,118.4</td><td>2,126.2</td></tr><tr><td>Other operating income <sup>1)</sup></td><td>220.4</td><td>0.3</td><td>14.4</td><td>1.4</td></tr><tr><td>Materials, supplies and subcontracting</td><td>-272.6</td><td>-193.5</td><td>-979.7</td><td>-969.9</td></tr><tr><td>Personnel cost</td><td>-254.2</td><td>-162.8</td><td>-658.3</td><td>-661.5</td></tr><tr><td>Depreciation and impairments</td><td>-28.3</td><td>-14.0</td><td>-53.7</td><td>-54.0</td></tr><tr><td>Other operating expenses <sup>2)</sup></td><td>-122.5</td><td>-88.2</td><td>-356.2</td><td>-379.1</td></tr><tr><td>Operating profit</td><td>225.9</td><td>0.3</td><td>84.9</td><td>63.0</td></tr><tr><td>Share of associates' and joint ventures' result</td><td>-0.6</td><td>1.2</td><td>6.0</td><td>4.8</td></tr></tbody></table>		January 1 – March 31, 2017 (unaudited)		For the year ended December 31, 2016 (audited)			2016 (unaudited)	2015 (audited)	2016 (audited)	2015 (audited)	<b>CONSOLIDATED STATEMENT OF INCOME</b>						<i>(EUR in millions)</i>		<i>(EUR in millions)</i>		Sales	683.0	458.6	2,118.4	2,126.2	Other operating income <sup>1)</sup>	220.4	0.3	14.4	1.4	Materials, supplies and subcontracting	-272.6	-193.5	-979.7	-969.9	Personnel cost	-254.2	-162.8	-658.3	-661.5	Depreciation and impairments	-28.3	-14.0	-53.7	-54.0	Other operating expenses <sup>2)</sup>	-122.5	-88.2	-356.2	-379.1	Operating profit	225.9	0.3	84.9	63.0	Share of associates' and joint ventures' result	-0.6	1.2	6.0	4.8
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Gain on disposal of investment in associated company	0.0	0.0	5.8	0.0
Financial income <sup>3)</sup>	19.4	6.7	1.0	7.8
Financial expenses	-23.0	-15.3	-35.6	-20.3
<b>Profit before taxes</b>	<b>221.7</b>	<b>-7.1</b>	<b>62.1</b>	<b>55.4</b>
Taxes	-28.8	2.0	-24.5	-24.6
<b>PROFIT FOR THE PERIOD</b>	<b>192.9</b>	<b>-5.1</b>	<b>37.6</b>	<b>30.8</b>
<b>Profit for the period attributable to:</b>				
Shareholders of the parent company	193.5	-5.1	37.6	30.8
Non-controlling interest	-0.6	0.0	0.0	0.0
Earnings per share, basic (EUR)	2.50	-0.09	0.64	0.53
Earnings per share, diluted (EUR)	2.50	-0.09	0.64	0.53
<sup>1)</sup> Other operating income includes gain on disposal of EUR 218.4 million of STAHL CraneSystems. In 2016 other operating income includes the insurance indemnity of EUR 10.0 million and returned funds of EUR 0.3 million related to identity theft.				
<sup>2)</sup> Other operating expenses for 1–3/2017 include transaction costs related to terminated merger plan with Terex and the acquisition of Terex MHPS up to EUR 4.2 million (EUR 10.7 million in 1–3/2016 and 47.0 million in 1–12/2016).				
<sup>3)</sup> Financial income includes gains of EUR 14.3 million which are mostly related to the purchase price adjustments of the MHPS acquisition.				
	<b>January 1 – March 31,</b>		<b>For the year ended</b>	
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(audited)</b>
<b>CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME</b>	<b>(EUR in millions)</b>		<b>(EUR in millions)</b>	
<b>Profit for the period</b>	<b>192.9</b>	<b>-5.1</b>	<b>37.6</b>	<b>30.8</b>
<b>Items that can be reclassified into profit or loss</b>				
Cash flow hedges	-19.1	8.4	30.1	-0.6
Exchange differences on translating foreign operations	-0.4	-5.1	0.8	16.3
Share of associates' other comprehensive income	0.0	-0.6	-3.8	3.8
Income tax relating to items that can be reclassified into profit or loss	3.8	-1.7	-6.0	0.1
<b>Items that cannot be reclassified into profit or loss</b>				
Re-measurement gains (losses) on defined benefit plans	0.0	2.7	-11.9	6.0
Income tax relating to items that cannot be reclassified into profit or loss	0.0	-0.5	3.0	-1.4
<b>Other comprehensive income for the period, net of tax</b>	<b>-15.7</b>	<b>3.3</b>	<b>12.2</b>	<b>24.2</b>

<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>177.2</b>	<b>-1.8</b>	<b>49.8</b>	<b>55.0</b>
<b>Total comprehensive income attributable to:</b>					
Shareholders of the parent company		177.3	-1.8	49.8	55.0
Non-controlling interest		-0.1	0.0	0.0	0.0
		<b>As at March 31, 2017 (unaudited)</b>	<b>2016 (unaudited)</b>	<b>As at December 31, 2016 (audited)</b>	<b>2015 (audited)</b>
<b>CONSOLIDATED BALANCE SHEET</b>		<i>(EUR in millions)</i>		<i>(EUR in millions)</i>	
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill		925.9	105.7	86.2	107.6
Intangible assets		658.8	103.0	98.1	108.7
Property, plant and equipment		294.4	136.2	128.1	142.5
Advance payments and construction in progress		12.3	22.1	17.4	24.0
Investments accounted for using the equity method		71.0	50.8	8.9	50.2
Other non-current assets		1.0	1.0	1.0	1.0
Deferred tax assets		128.0	68.6	57.0	71.7
<b>Total non-current assets</b>		<b>2,091.5</b>	<b>487.3</b>	<b>396.6</b>	<b>505.7</b>
<b>Current assets</b>					
Inventories					
Raw material and semi-manufactured goods		276.1	158.0	131.8	157.9
Work in progress		326.0	208.5	140.3	201.0
Advance payments		28.1	10.0	9.7	6.4
Total inventories		630.2	376.5	281.8	365.2
Accounts receivable		511.6	330.0	379.3	377.3
Other receivables		36.6	27.1	23.2	24.9
Loans receivable		17.0	0.0	0.0	0.0
Income tax receivables		20.8	13.3	12.1	10.1
Receivable arising from percentage of completion method		81.9	70.3	83.8	77.3
Other Financial assets		8.2	16.1	31.1	7.5
Deferred assets		66.8	36.7	29.1	36.0
Cash and cash equivalents		423.6	118.2	167.4	80.8
<b>Total current assets</b>		<b>1,796.9</b>	<b>988.1</b>	<b>1,007.8</b>	<b>979.2</b>
<b>Assets held for sale</b>		<b>0.0</b>	<b>0.0</b>	<b>125.5</b>	<b>0.0</b>
<b>TOTAL ASSETS</b>		<b>3,888.3</b>	<b>1,475.4</b>	<b>1,529.9</b>	<b>1,484.9</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent company</b>					
Share capital		30.1	30.1	30.1	30.1
Share premium		39.3	39.3	39.3	39.3
Paid in capital		752.7	66.5	66.5	66.5
Fair value reserves		-0.3	-2.4	15.0	-9.1
Translation difference		20.5	15.0	20.8	20.1





		Profits and losses on sale of fixed assets and businesses	-217.3	0.1	3.4	1.2
		Other adjustments	4.0	-1.3	5.5	-2.8
		<b>Operating income before change in net working capital</b>	<b>41.0</b>	<b>13.1</b>	<b>147.4</b>	<b>115.5</b>
		Change in interest-free current receivables	78.2	32.4	-50.3	27.2
		Change in inventories	-68.9	-17.7	61.3	-17.4
		Change in interest-free current liabilities	71.0	-18.7	29.8	-37.4
		<b>Change in net working capital</b>	<b>80.3</b>	<b>-4.0</b>	<b>40.9</b>	<b>-27.6</b>
		<b>Cash flow from operations before financing items and taxes</b>	<b>121.3</b>	<b>9.1</b>	<b>188.3</b>	<b>87.9</b>
		Interest received	4.4	2.1	8.8	5.8
		Interest paid	-7.9	-4.2	-19.3	-15.6
		Other financial income and expenses	-16.3	-3.0	-38.5	-12.5
		Income taxes paid	-7.9	-7.1	-29.6	-26.3
		<b>Financing items and taxes</b>	<b>-27.7</b>	<b>-12.2</b>	<b>-78.6</b>	<b>-48.6</b>
		<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>93.6</b>	<b>-3.1</b>	<b>109.6</b>	<b>39.3</b>
		<b>Cash flow from investing activities</b>				
		Acquisition of Group companies, net of cash	-722.0	0.0	-0.2	-0.3
		Divestment of Businesses, net of cash	222.5	0.0	0.0	0.1
		Proceeds from disposal of associated company	0.0	0.0	47.8	0.0
		Capital expenditures	-5.7	-4.4	-27.3	-43.3
		Proceeds from sale of property, plant and equipment	0.1	0.6	1.5	2.6
		<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-505.2</b>	<b>-3.8</b>	<b>21.7</b>	<b>-40.8</b>
		<b>Cash flow before financing activities</b>	<b>-411.6</b>	<b>-6.9</b>	<b>131.4</b>	<b>-1.5</b>
		<b>Cash flow from financing activities</b>				
		Proceeds from non-current borrowings	1,052.0	0.0	0.0	14.3
		Repayments of non-current borrowings	-200.7	-1.5	-4.6	-2.1
		Proceeds from (+), payments of (-) current borrowings	-211.5	46.9	47.5	38.8
		Change in loans receivable	-0.3	0.0	0.0	0.0
		Acquired non controlling interest	0.0	-0.3	-0.3	-5.9
		Dividends paid to equity holders of the parent	0.0	0.0	-61.7	-61.5

NET CASH USED IN FINANCING ACTIVITIES		639.5	45.1	-19.1	-16.3
Translation differences in cash		1.5	-0.8	1.1	0.6
CHANGE OF CASH AND CASH EQUIVALENTS		229.4	37.4	113.4	-17.2
Cash and cash equivalents at beginning of period		194.1	80.8	80.8	97.9
Cash and cash equivalents in assets held for sale		0.0	0.0	26.8	0.0
Cash and cash equivalents at end of period		423.6	118.2	167.4	80.8
CHANGE OF CASH AND CASH EQUIVALENTS		229.4	37.4	113.4	-17.2
The effect of changes in exchange rates has been eliminated by converting the beginning balance at rates current on the last day of the reporting.					
		January 1 – March 31, 2017                      2016 (unaudited)            (unaudited)		For the year ended December 31, 2016                      2015 (unaudited)            (unaudited)	
FREE CASH FLOW (alternative performance measure)		(EUR in millions)		(EUR in millions)	
Net cash from operating activities		93.6	-3.1	109.6	39.3
Capital expenditures		-5.7	-4.4	-27.3	-43.3
Proceeds from sale of property, plant and equipment		0.1	0.6	1.5	2.6
Free cash flow		88.0	-6.9	83.9	-1.4
		As t March 31, 2017                      2016 (unaudited)            (unaudited)		For the year ended December 31, 2016                      2015 (audited)                (audited)	
KEY FIGURES					
Earnings per share, basic (EUR)		2.50	-0.09	0.64	0.53
Earnings per share, diluted (EUR)		2.50	-0.09	0.64	0.53
Alternative Performance Measures:					
Return on capital employed, %, Rolling 12 Months (R12M)		22.4	7.4	10.3	9.5
Adjusted return on capital employed, %, Rolling 12 Months (R12M)		10.8	16.5	19.2*)	17.0*)
Return on equity, %, Rolling 12 Months (R12M)		30.2	4.9	8.3	6.8
Equity per share (EUR)		15.66	6.68	7.58	7.79
Interest-bearing net debt / Equity, %		42.8	52.7	29.1	44.6

		Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	2.5	1.2	0.7*)	1.2*)
		Equity to asset ratio, %	35.5	30.3	32.9	34.8
		Investments total (excl. acquisitions), EUR million	12.1	6.2	33.8	49.3
		Interest-bearing net debt, EUR million	535.6	206.9	129.6	203.2
		Net working capital, EUR million	259.2	269.7	304.3	317.4
		Average number of personnel during the period	13,924	11,748	11,398	11,934
		Average number of shares outstanding, basic	77,278,217	58,739,886	58,748,217	58,542,309
		Average number of shares outstanding, diluted	77,278,217	58,739,886	58,748,217	58,542,090
		Number of shares outstanding	78,421,906	58,751,279	58,751,009	58,732,429
		*) Unaudited key figure.				
		<b>Calculation of key ratios</b>				
		Some of the measures presented above are alternative performance measures. The formulas to calculate these alternative measures to the nearest IFRS measures are presented below. Konecranes uses alternative performance measures because it believes that these alternative measures are used by certain investors and these alternative performance measures may improve the understanding of the financial results and performance of Konecranes. Alternative performance measures used by companies may differ from company to company and they may not be comparable to other similarly titled figures of other companies. Konecranes presents Alternative Performance Measures to reflect the underlying business performance and to enhance comparability between financial periods. Alternative Performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS.				
		Return on equity, %	=	$\frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}}$	x 100	
		Return on capital employed, %	=	$\frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$	x 100	
		Adjusted return on capital employed, %	=	$\frac{\text{Adjusted EBITA}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$	x 100	
		Equity to asset ratio, %	=	$\frac{\text{Shareholders' equity}}{\text{Total amount of equity and liabilities - advance payment received}}$	x 100	
		Interest-bearing net debt / Equity, %	=	$\frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Total equity}}$	x 100	
		Equity per share	=	$\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$		

Net working capital	=	Non interest-bearing current assets + deferred tax assets (excluding Purchase Price Allocation) - Non interest-bearing current liabilities - deferred tax liabilities (excluding Purchase Price Allocation) - provisions		
Interest-bearing net debt	=	Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)		
Average number of personnel	=	Calculated as average of number of personnel in quarters		
Number of shares outstanding	=	Total number of shares - treasury shares		
EBITDA	=	Operating profit + Depreciation, amortization and impairments		
EBITA	=	Operating profit + Amortization and impairment of Purchase Price Allocations		
		<b>January 1 – March 31,</b>	<b>For the year ended</b>	
		<b>2017</b>	<b>2016</b>	<b>December 31,</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>	<b>2016</b>
				<b>(unaudited)</b>
				<b>2015</b>
				<b>(unaudited)</b>
				<b>d</b>
				<b>d</b>
<b>Reconciliation of adjusted EBITDA, EBITA and Operating profit (EBIT)</b>				
		<i>(EUR in millions)</i>		<i>(EUR in millions)</i>
<b>Adjusted EBITDA</b>		<b>48.6</b>	<b>27.1</b>	<b>191.6</b>
Transaction costs		-4.2	-10.7	-47.0
Restructuring costs (excluding impairments)		-6.7	-2.1	-16.4
Unwarranted payments due to identity theft		0.0	0.0	0.0
Insurance indemnity related to identity theft		0.0	0.0	10.2
Release of MHPS purchase price allocation in inventories		-1.8	0.0	0.0
Gain on disposal of Stahl CraneSystems		218.4	0.0	0.0
<b>EBITDA</b>		<b>254.2</b>	<b>14.3</b>	<b>138.5</b>
Depreciation, amortization and impairments		-28.3	-14.0	-53.7
<b>Operating profit (EBIT)</b>		<b>225.9</b>	<b>0.3</b>	<b>84.9</b>
<b>Adjusted EBITA</b>		<b>30.6</b>	<b>15.8</b>	<b>144.8</b>
Purchase price allocation amortization		-9.8	-1.0	-4.0
<b>Adjusted Operating profit (EBIT)</b>		<b>20.8</b>	<b>14.8</b>	<b>140.8</b>
Transaction costs		-4.2	-10.7	-47.0
Restructuring costs		-7.2	-3.8	-19.2
Unwarranted payments due to identity theft		0.0	0.0	0.0
Insurance indemnity and returned funds related to identity theft		0.0	0.0	10.2
				0.0

		Release of MHPS purchase price allocation in inventories	-1.8	0.0	0.0	0.0
		Gain on disposal of Stahl CraneSystems	218.4	0.0	0.0	0.0
		<b>Operating profit (EBIT)</b>	<b>225.9</b>	<b>0.3</b>	<b>84.9</b>	<b>63.0</b>
			<b>As at March 31, 2017</b>		<b>As at December 31, 2016</b>	
			<b>(unaudited)</b>		<b>(unaudited)</b>	
			<b>(unaudited)</b>		<b>(unaudited)</b>	
		<b>Interest-bearing net debt</b>	<b>(EUR in millions)</b>		<b>(EUR in millions)</b>	
		Non current interest bearing liabilities	794.7	57.1	54.2	59.2
		Current interest bearing liabilities	181.6	268.0	269.5	224.8
		Net debt in assets held for sale	0.0	0.0	-26.7	0.0
		Loans receivables	-17.1	0.0	0.0	0.0
		Cash and cash equivalents	-423.6	-118.2	-167.4	-80.8
		<b>Interest-bearing net debt</b>	<b>535.6</b>	<b>206.9</b>	<b>129.6</b>	<b>203.2</b>
		<b>Net working capital</b>				
		Net working capital in balance sheet	259.2	269.7	271.1	317.4
		Net working capital in asset held for sale	0.0	0.0	33.2	0.0
		<b>Net working capital</b>	<b>259.2</b>	<b>269.7</b>	<b>304.3</b>	<b>317.4</b>
<b>B.13</b>	<b>Recent events materially relevant to evaluation of the Issuer's solvency</b>	<p>On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation its Material Handling &amp; Port Solutions ("MHPS") segment (the "MHPS acquisition") against consideration consisting of cash and class B shares and to terminate the previously announced business combination agreement. On January 4, 2017, Konecranes completed the MHPS acquisition and paid EUR 786.1 million in cash and 19.6 million in newly issued Konecranes class B shares. Konecranes Finance Corporation has significant financial indebtedness following the MHPS acquisition, including the unsecured EUR 1.5 billion loan arrangement entered into on August 1, 2016. This financing was originally in the form of fixed-term loans for three and five years in the amounts of EUR 300 and 600 million, a bridging loan arrangement of EUR 200 million, and a committed revolving credit facility of EUR 400 million. The bridging loan arrangement of EUR 200 million was repaid on January 31, 2017. At the date of this Prospectus the EUR 300 million three-year loan has been fully repaid and the EUR 600 million five-year loan has been repaid with EUR 246 million into EUR 354 million. The committed revolving credit facility of EUR 400 million remains available and, at the date of this Prospectus, it is undrawn. The issue proceeds of the Notes were utilized for EUR 200 million repayment of the three-year loan and EUR 50 million repayment of the five-year loan. The Issuer has guaranteed the Konecranes Finance Corporation's obligations under these financing arrangements.</p> <p>On November 30, 2016, Konecranes signed an agreement with Columbus McKinnon Corporation ("Columbus McKinnon") regarding the divestment of the STAHL CraneSystems business ("STAHL divestment"). On January 31, 2017, Konecranes completed the STAHL divestment. Konecranes received cash proceeds of EUR 232.2 million from the transaction. Additionally, Columbus McKinnon assumed unfunded pension liabilities that were at EUR 67 million as of December 31, 2016. Konecranes reported a pre-tax capital gain of EUR 218.4 million from the STAHL divestment in other operating income in January–March 2017.</p>				

B.14	Dependency of the Issuer on other entities within the group	The Issuer is a parent company of the Konecranes Group and it is not dependent on other entities within the group.												
B.15	Description of the Issuer's principal activities	Konecranes is a manufacturer and servicer of cranes, lifting equipment and machine tools, 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. Konecranes has three business areas: Service, Industrial Equipment and Port Solutions. The Service business carries out operations relating to industrial service and component parts. The Industrial Equipment business area includes the operations relating to industrial cranes and components and the Port Solutions business comprises all port crane and lift truck operations, including the service and parts businesses relating thereto.												
B.16	Description of whether the Issuer is directly or indirectly owned or controlled and by whom and nature of such control	Not applicable. To the extent known to Konecranes, Konecranes is not directly or indirectly owned or controlled by any person.												
B.17	Issuer ratings	Not applicable.												
B.18	A description of the nature and scope of the guarantee.	Konecranes Finance Corporation has granted a guarantee as for its own debt (Fi: <i>omavelkainen takaus</i> ) for the obligations and liabilities of the Issuer under the Notes (the " <b>Guarantee</b> "). The Guarantee is subject to certain limitations as required by the application of the mandatory provisions of the Companies Act (Fi: <i>osakeyhtiölaki, 624/2006</i> ) regulating unlawful distribution of assets, as provided in Chapter 13, Section 1 of the Finnish Companies Act, and/or other applicable mandatory provisions of Finnish corporate law.												
B.19	Information about the guarantor	<p>The business name of the guarantor is Konecranes Finance Corporation (the "<b>Guarantor</b>") and it is domiciled in Hyvinkää, Finland. The Guarantor is a private limited liability company organized under the laws of Finland and registered under business identity code 0762658-3.</p> <p>The Guarantor is a wholly-owned subsidiary of Konecranes Plc. The Guarantor provides services to other Group companies related to financial administration, internal auditing, corporate acquisitions, investor relations and Group financing and its ability to generate cash flow depends on the other Group companies. The Guarantor's earnings comprise sales of the aforementioned services, net revenues from financing operations and dividend income. The Guarantor serves also as a holding and administration company in functions of consolidated structure. The following table lists the Guarantor's directly owned subsidiaries, which sales or total assets exceeded 5% of the Group level sales or total assets on March 31, 2017.</p> <table><tr><th>Name</th><th>Location</th></tr><tr><td>Konecranes Finland Corporation</td><td>Finland</td></tr><tr><td>Konecranes GmbH</td><td>Germany</td></tr><tr><td>Konecranes Holding GmbH</td><td>Germany</td></tr><tr><td>Konecranes Inc.</td><td>United States</td></tr><tr><td>Konecranes Lifttrucks AB</td><td>Sweden</td></tr></table>	Name	Location	Konecranes Finland Corporation	Finland	Konecranes GmbH	Germany	Konecranes Holding GmbH	Germany	Konecranes Inc.	United States	Konecranes Lifttrucks AB	Sweden
Name	Location													
Konecranes Finland Corporation	Finland													
Konecranes GmbH	Germany													
Konecranes Holding GmbH	Germany													
Konecranes Inc.	United States													
Konecranes Lifttrucks AB	Sweden													

	Morris Material Handling , Inc. Terex MHPS GmbH	United States Germany
	<b>Recent events</b>	
	<p>On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation its Material Handling &amp; Port Solutions ("MHPS") segment (the "MHPS acquisition") against consideration consisting of cash and class B shares and to terminate the previously announced business combination agreement. On January 4, 2017, Konecranes completed the MHPS acquisition and paid EUR 786.1 million in cash and 19.6 million in newly issued Konecranes class B shares. The Guarantor has significant financial indebtedness following the MHPS acquisition, including the unsecured EUR 1.5 billion loan arrangement entered into on August 1, 2016. This financing was originally in the form of fixed-term loans for three and five years in the amounts of EUR 300 and 600 million, a bridging loan arrangement of EUR 200 million, and a committed revolving credit facility of EUR 400 million. The bridging loan arrangement of EUR 200 million was repaid on January 31, 2017. At the date of this Prospectus the EUR 300 million three-year loan has been fully repaid and the EUR 600 million five-year loan has been repaid with EUR 246 million into EUR 354 million. The committed revolving credit facility of EUR 400 million remains available and, at the date of this Prospectus, it is undrawn. The issue proceeds of the Notes were utilized for EUR 200 million repayment of the three-year loan and EUR 50 million repayment of the five-year loan. The Issuer has guaranteed the Guarantor's obligations under these financing arrangements.</p>	
	<b>No significant change in the trading position</b>	
	<p>Except for the MHPS acquisition and the financing arrangement relating to the same, there has been no significant change in the financial or trading position of the Guarantor since December 31, 2016.</p>	
	<b>Prospects</b>	
	<p>There has been no material adverse changes in the prospects of the Guarantor since the date of its last published audited financial statements.</p>	
	<b>Financial information</b>	
	<p>The information in this summary has been derived from the Guarantor's audited financial statements for the financial years ended December 31, 2015 and December 31, 2016, which have been incorporated by reference into this Prospectus. The audited financial statements of the Guarantor as of and for the years ended December 31, 2015 and December 31, 2016 have been prepared in accordance with the applicable Finnish Accounting Standards (FAS). The Guarantor has not prepared consolidated financial statements pursuant to Chapter 6 Section 1(4) of the Finnish Accounting Act (1336/1997, as amended), because the financial statements of the Guarantor and its subsidiaries are consolidated in the financial statements of the Issuer. The following information should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements and related notes.</p>	
		<b>For the year ended December 31,</b>
		<b>2016                      2015</b>
		<b>(audited)                      (audited)</b>
	<b>INCOME STATEMENT</b>	<b>(EUR)</b>
	<b>Turnover</b>	<b>2,357,510.70                      2,209,368.93</b>
	<b>Staff costs</b>	<b>2,223,801.96                      1,875,219.31</b>



Depreciation and amortization	29,142.52	23,762.95
Other operating costs	746,175.49	381,087.83
<b>Operating profit (-loss)</b>	<b>-641,609.27</b>	<b>-70,701.16</b>
Financial income and expenses:	22,304,578.38	129,472,597.99
<b>Profit/loss before appropriations and taxes</b>	<b>21,662,969.11</b>	<b>129,401,896.83</b>
Appropriations		
Group contributions received and issued	-11,000,000.00	500,000.00
Income taxes		
Taxes for the accounting period	-345,645.24	-284,243.54
Change in deferred taxes	60,000.00	0.00
Total income tax	-285,645.24	-284,243.54
Other direct taxes	7,720.38	11,504.83
<b>Profit (-loss) for the accounting period</b>	<b>10,385,044.25</b>	<b>129,629,158.12</b>
As at December 31,		
	<b>2016</b>	<b>2015</b>
	(audited)	(audited)
<b>BALANCE SHEET</b>	(EUR)	
<b>ASSETS</b>		
<b>Intangible assets</b>		
Other capitalised long-term expenses	15,121,726.52	1,103,765.29
	<b>15,121,726.52</b>	<b>1,103,765.29</b>
<b>Tangible assets</b>		
Land	52,060.00	52,060.00
Buildings and structures	124,384.61	146,859.07
Machinery and equipment	2,400.00	4,000.00
Prepayments	0.00	0.00
	<b>178,844.61</b>	<b>202,919.07</b>
<b>Investments</b>		
Holdings in Group companies	223,041,695.73	230,452,922.66
Holdings in associated companies	789,129.82	28,782,938.99
Other shares and interests	4,721,122.81	4,721,122.81
	<b>228,551,948.36</b>	<b>263,956,984.46</b>
<b>Long-term receivables</b>		
Loan receivables from Group companies	275,722,305.75	288,278,278.44
Loan receivables	138,498.39	0.00
	<b>275,860,804.14</b>	<b>288,278,278.44</b>
<b>Short-term receivables</b>		
Receivables from Group companies		
Other receivables	12,063,407.51	15,027,884.82
Accrued credits and deferred charges	37,080,874.88	37,146,569.73
Accrued credits and deferred charges	31,688,497.35	6,925,716.69
Loan receivables	101,997.00	0.00
Deferred tax assets	60,000.00	0.00
	<b>80,994,776.74</b>	<b>59,100,171.24</b>
<b>Cash and cash equivalents</b>	<b>56,004,176.27</b>	<b>15,795,110.32</b>
	<b>656,712,276.64</b>	<b>628,437,228.82</b>

<b>LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	22,000,000.00	22,000,000.00
Share premium reserve	24,247,895.55	24,247,895.55
Retained earnings	29,671,450.73	57,342,292.61
Dividend distribution	-29,000,000.00	-57,300,000.00
Profit/loss for accounting period	10,385,044.25	129,629,158.12
Advance dividend	0.00	-100,000,000.00
	<b>57,304,390.53</b>	<b>75,919,346.28</b>
<b>APPROPRIATIONS</b>		
Depreciation reserve	0.00	0.00
<b>CREDITORS</b>		
<b>Long-term</b>		
Loans from financial institutions	50,000,000.00	50,000,000.00
Other liabilities to Group companies	257,141,998.47	167,023,443.55
	<b>307,141,998.47</b>	<b>217,023,443.55</b>
<b>Short-term</b>		
Loans from financial institutions	214,865,748.91	44,986,751.50
Liabilities to Group companies		
Other liabilities	27,566,558.61	58,051,762.78
Accruals and deferred income	26,400,321.29	119,698,649.02
Accounts payable	1,646.52	1,394.18
Accruals and deferred income	23,131,612.31	11,449,037.08
Other liabilities	300,000.00	101,306,844.43
	<b>292,265,887.64</b>	<b>335,494,438.99</b>
	<b>656,712,276.64</b>	<b>628,437,228.82</b>
<b>For the year ended December 31,</b>		
	<b>2016</b>	<b>2015</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>CASH FLOW STATEMENT</b>		
<i>(EUR in thousands)</i>		
<b>Operations</b>		
Operating revenue	-642	-71
Adjustments to operating revenue <sup>1</sup>		
Depreciation and amortization	29	24
Financial income and expenses	-6,071	-7,522
Appropriations	500	800
Taxes	-218	-190
<b>Cash flow from operating activities</b>	<b>-6,402</b>	<b>-6,959</b>
<b>Change in working capital</b>		
Increase (-) or decrease (+) in non-interest-bearing receivables	-829	-115
Increase (+) or decrease (-) in non-interest-bearing liabilities	561	60
Increase (-) or decrease (+) in interest-bearing receivables	15,520	-56,150
<b>Cashflow from operations</b>	<b>8,850</b>	<b>-63,164</b>
Acquisitions	-43,409	-3,539

		Capital expenditures and prepayments	0	-82
		Capitalized long-term expenses	-13,401	-760
		Income from other divestments	48,463	0
		Cashflow from investments	-8,347	-4,381
		<b>Cashflow before financing</b>	<b>503</b>	<b>-67,545</b>
		Increase in interest-bearing liabilities (+)	1,271,140	1,130,397
		Decrease (-) in interest-bearing liabilities	-1,142,934	-1,147,949
		Dividends received	40,500	137,963
		Dividends paid	-129,000	-57,300
		<b>Cashflow from financing</b>	<b>39,706</b>	<b>63,111</b>
		<b>Change in liquid assets</b>	<b>40,209</b>	<b>-4,434</b>
		Cash in hand and at bank on 1 January 2016 (1 January 2015)	15,795	20,229
		Cash in hand and at bank on 31 December 2016 (31 December 2015)	56,004	15,795
		<b>Change in balance sheet liquid assets</b>	<b>40,209</b>	<b>-4,434</b>
		<sup>1)</sup> Adjustments include depreciation and other non-monetary items, conversion of accrual-based items to cash-based items, and items that are processed elsewhere in the cashflow, e.g. profits and losses on sales of tangible and intangible assets.		

Section C — Securities		
C.1	Type and class of securities	Senior guaranteed unsecured notes with an aggregate principal amount of EUR 250,000,000. The ISIN code of the Notes is FI4000266606.
C.2	Currency of the securities issue	The currency of the Offering is euro.
C.5	Restrictions on the free transferability of the securities	Not applicable. Each Note will be freely transferable after it has been registered into the respective book-entry account.
C.8	Rights attached to the securities; ranking	The holders of the Notes have the right to attend the Noteholders' Meeting or the procedure in writing.  The Notes constitute direct, guaranteed and unsecured obligations of the Issuer ranking <i>pari passu</i> among themselves and at least <i>pari passu</i> with the unsecured obligations of the Issuer, save for obligations which are preferred by mandatory provisions of law.
C.9	Interest and yield; name of representative of debt security holders	The Notes bear fixed interest at the rate of 1.75 %, per annum.  The interest on the Notes will be paid annually in arrears commencing on June 9, 2018 and thereafter on each June, 9 ("Interest Payment Date") until June 9, 2022 (the "Repayment Date").  Interest shall accrue for each interest period from and including the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each

		<p>consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends on the Repayment Date.</p> <p>Interest in respect of the Notes shall be calculated on the "actual/actual ICMA" basis as specified by the International Capital Market Association.</p> <p>The effective yield of the Notes at the issue price of 99.697% is 1.814% % per annum.</p>
<b>C.10</b>	<b>Explanation on how the interest amount is affected by value of the underlying instrument</b>	Not applicable. The Notes have no derivative component in the interest payment.
<b>C.11</b>	<b>Admission to trading</b>	The Company has made an application for the admission of the Notes to public trading on the Helsinki Stock Exchange, and the Listing is expected to take place on or about July 7, 2017.

<b>Section D — Risks</b>		
<b>D.2</b>	<b>Risks specific to the issuer, its operating environment and business</b>	<p>There are risks relating to the Company as an issuer and to its operating environment and business as well as to the Offering and the Notes issued thereunder. The risk factors relating to the Company as an issuer and to its operating environment and business are listed below. This listing is not exhaustive and additional risks and uncertainties not presently known to the Company, or that the Company currently believes are immaterial, could also impair the Company's business, results of operations and financial condition or an investment in the Company.</p> <p>The risks relating to the Company's business operations include the following factors:</p> <ul style="list-style-type: none"> <li>– Konecranes' business is subject to global economic conditions.</li> <li>– Konecranes' business is affected by the cyclical nature of the lifting industry and its customers' industries.</li> <li>– Failure or delays and revenue shortfalls in large projects may adversely affect Konecranes' financial condition.</li> <li>– A failure to meet the customers' expectations or product liability requirements and defects in serial production may have an adverse effect on Konecranes' reputation and financial standing.</li> <li>– Konecranes operates in a highly competitive industry.</li> <li>– Konecranes operates in emerging countries and the operating environment contains risks.</li> <li>– The discontinuation of key customers' relationship and the failure of Konecranes' customers to secure financing to purchase Konecranes' products could affect Konecranes' financial standing.</li> <li>– Konecranes may be adversely impacted by work stoppages and other labor matters.</li> <li>– Konecranes is reliant on the continued protection of its intellectual property and the availability of such protection.</li> <li>– Konecranes is exposed to political, economic and other risks that arise from operating a multinational business.</li> </ul>

		<ul style="list-style-type: none"> <li>– Konecranes relies on senior management and key professional personnel.</li> <li>– Konecranes may not succeed in integration of acquired businesses and may fail to implement a growth strategy.</li> <li>– Production and manufacturing may be adversely affected by extraordinary events.</li> <li>– Fluctuations in raw material prices could adversely affect Konecranes' operational results.</li> <li>– Delivery and quality of Konecranes' products are contingent on the capabilities of Konecranes' suppliers.</li> <li>– Konecranes' information technology systems may be subject to disruptions or breaches of security.</li> <li>– Konecranes faces litigation risks in connection with its products, services and operations.</li> <li>– Health, safety and environmental regulations may subject Konecranes to significant costs and liabilities.</li> <li>– Konecranes sells its products in a number of countries and is consequently exposed to currency fluctuations.</li> <li>– Konecranes is required to obtain and comply with government permits and approvals.</li> <li>– Konecranes is subject to contractual and compliance risks.</li> <li>– Konecranes' operations are subject to risks related to compliance and illegal activities, which could affect Konecranes' reputation and financial standing.</li> <li>– Konecranes may fail to realize all of the anticipated benefits of the acquisition of Material Handling &amp; Port Solutions ("MHPS") segment (the "<b>MHPS acquisition</b>") from Terex Corporation, or those benefits may take longer to realize than expected. Konecranes may also encounter significant difficulties in integrating its existing business and the acquired business.</li> <li>– Konecranes is subject to risks resulting from the actions of agents and other third parties.</li> <li>– Konecranes may not succeed in execution of its strategy or manage its growth effectively.</li> <li>– The unaudited comparable combined financial information in this Prospectus is presented for illustrative purposes only and concerns an assumed situation and does not therefore reflect the true financial position or result of Konecranes during financial year 2016.</li> <li>– Changes in assumptions underlying the carrying value of certain assets could result in impairment of such assets.</li> </ul> <p>The risks relating to the Company's financing include the following factors:</p> <ul style="list-style-type: none"> <li>– Konecranes may not be able to receive financing at competitive terms or at all and its costs of financing may increase.</li> <li>– Covenants in the agreements governing Konecranes' credit arrangements may restrict Konecranes' ability to operate its business in all circumstances.</li> <li>– Future changes in accounting standards may affect Konecranes' financial position.</li> <li>– Realization of credit or counterparty risk may affect Konecranes' financial standing.</li> </ul>
<b>D.3</b>	<b>Risks specific to the securities</b>	<p>There are risks relating the Company as an issuer and to its operating environment and business as well as to the Offering and the Notes issued thereunder. The risk factors relating to the Offering and the Notes issued thereunder are listed below.</p>

		<p>This listing is not exhaustive and additional risks and uncertainties not presently known to the Company, or that the Company currently believes are immaterial, could also impair the Company's business, results of operations and financial condition or an investment in the Company.</p> <p>The risks relating to the Offering and the Notes include the following factors:</p> <ul style="list-style-type: none"> <li>– The Notes may not be a suitable investment for all investors.</li> <li>– Active trading market for the Notes may not develop.</li> <li>– Since the Notes bear interest at a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes.</li> <li>– Absence of rating.</li> <li>– Laws and practices applicable to the Notes may change.</li> <li>– Legal investment considerations may restrict certain investments.</li> <li>– The Notes carry no voting rights at the Issuer's General Meetings of Shareholders.</li> <li>– Investors are exposed to credit risk in respect of the Issuer.</li> <li>– Potential future secured creditors will have prior claim to Konecranes' assets that constitute their collateral as compared to holders of the Notes.</li> <li>– Konecranes may be able to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the holders of Notes.</li> <li>– Konecranes may incur additional debt without the consent of the holders of the Notes.</li> <li>– Konecranes' possible extensive indebtedness may have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price and value of the Notes.</li> <li>– The Issuer may have right or obligation to redeem and purchase the Notes prior to maturity.</li> <li>– The Issuer may not be able to finance the repurchase of Notes following a Change of Control or upon the Noteholders' demand in case of excess secured indebtedness.</li> <li>– The Issuer has a right to voluntarily redeem and purchase the Notes prior to maturity.</li> <li>– The Issuer is not obliged to compensate for withholding tax or similar on the Notes.</li> <li>– Amendments to the Notes bind all holders of Notes.</li> <li>– Rights to payments that have not been claimed within 3 years are prescribed.</li> <li>– The completion of the transactions relating to the Notes is reliant on Euroclear Finland Ltd's operations and systems.</li> </ul> <p>The risks relating to the Guarantee include the following factors:</p> <ul style="list-style-type: none"> <li>– The Guarantor has significant financial indebtedness. The Guarantor may not be able to generate enough cash flow from operations to service its indebtedness and may face additional liquidity challenges in the future, which could reduce the Guarantor's ability to fulfil its obligations under the Notes.</li> <li>– The Guarantee may cover less than all amounts payable under Notes.</li> <li>– The Guarantee includes a release mechanism taking effect upon the refinancing of the acquisition debt.</li> </ul>
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<i>Section E — Offer</i>		
<b>E.2b</b>	<b>Reasons for the Offering and use of proceeds</b>	The aggregate net proceeds to the Company from the Offering, after deduction of the fees and expenses payable by Konecranes, will be approximately EUR 248.1 million. The proceeds of the Offering received by the Issuer were on-lent to Konecranes Finance Corporation for the purpose of being used in prepayment of existing financial indebtedness of Konecranes Finance Corporation.
<b>E.3</b>	<b>Terms and conditions of the Offering</b>	<p>Issuer: Konecranes Plc, a public limited company incorporated in Finland.</p> <p>Lead Managers: Nordea Bank AB (publ), OP Corporate Bank plc and Skandinaviska Enskilda Banken AB (publ).</p> <p>Aggregate principal amount: EUR 250,000,000.</p> <p>Issue date: June 9, 2017</p> <p>Repayment Date: June 9, 2022</p> <p>Interest payment dates: Annually in arrears commencing on June 9, 2018 and thereafter each June 9.</p> <p>Interest: 1.75 % per annum</p> <p>Repayment: At par, bullet, on Repayment Date.</p> <p>Voluntary Redemption: The Issuer may voluntarily redeem the Notes at their nominal amount together with any accrued but unpaid interest during the three-month period immediately preceding the Repayment Date and prior to that period for a make-whole amount together with any accrued but unpaid interest.</p> <p>Denominations: Minimum subscription is EUR 100,000 and the denomination of each book-entry unit is EUR 1,000.</p> <p>Use of proceeds: Refinancing of existing financial indebtedness of the Konecranes Group.</p> <p>Status: Senior, guaranteed, unsecured, unsubordinated.</p> <p>Rating: N/A.</p> <p>Covenants, mandatory repurchase and events of default: negative pledge, change of control, excess secured indebtedness, non-payment, cross-default, ceasing of business, winding-up and insolvency.</p> <p>Listing: The Listing of the Notes is expected to take place on or about July 7, 2017.</p> <p>Clearing: The Notes are issued in dematerialised form in the Infinity system of Euroclear Finland Ltd. The registered address of Euroclear Finland Ltd is Urho Kekkosen katu 5 C, FI-00100, Helsinki.</p> <p>Applicable law: Finnish law.</p> <p>ISIN code: FI4000266606.</p>
<b>E.4</b>	<b>Material interests</b>	<p>Interests of the Lead Managers: Business interest normal in the financial markets.</p> <p>The proceeds of the Offering received by the Issuer were used for refinancing a part of the existing financial indebtedness of Konecranes Finance Corporation. The proceeds of the Offering received by the Issuer were on-lent to Konecranes Finance Corporation for the purpose of being used for the prepayment of existing term loan(s) including in an aggregate amount of approximately EUR 82.5 million in prepayment of term loan(s) provided by some of the Lead Managers or companies belonging to the same consolidated groups with the Lead Managers.</p>
<b>E.7</b>	<b>Estimated expenses charged to the investor</b>	Not applicable. There are no expenses charged to the investors by the Company.

## TIIVISTELMÄ

Tiivistelmät laaditaan tiedonantovelvollisuuksien mukaisesti ”Osatekijöittäin”. Nämä Osatekijät on numeroitu jaksoiksi A – E (A.1 – E.7).

Tämä tiivistelmä sisältää kaikki ne Osatekijät, jotka on sisällytettävä tällaisia arvopapereita ja tällaista liikkeeseenlaskijaa varten laadittuun tiivistelmään. Koska kaikkien Osatekijöiden käsittelyä ei vaadita, Osatekijöiden numeroinnissa voi olla aukkoja.

Vaikka Osatekijä olisikin sisällytettävä tiivistelmään arvopapereiden tai liikkeeseenlaskijan tyyppin vuoksi, on mahdollista, että Osatekijän osalta ei ole annettavissa mitään relevanttia tietoa. Tällaisessa tapauksessa tiivistelmään on sisällytetty Osatekijästä lyhyt kuvaus sekä maininta ”ei sovelleta”.

<b>Jakso A – Johdanto ja varoitukset</b>		
<b>A.1</b>	<b>Varoitus</b>	<p>Tätä tiivistelmää tulee pitää Esitteen johdantona. Sijoittajan tulee perustaa Velkakirjoja koskeva sijoituspäätöksensä Esitteessä esitettyihin tietoihin kokonaisuutena.</p> <p>Jos tuomioistuimessa pannaan vireille Esitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi sovellettavan lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan Esitteen käännöskustannuksista. Konecranes vastaa siviilioikeudellisesti tästä tiivistelmästä ja sen käännöksestä vain, jos tiivistelmä on harhaanjohtava, epätarkka tai epä johdonmukainen luettuna yhdessä Esitteen muiden osien kanssa tai jos tiivistelmässä ei anneta yhdessä Esitteen muiden osien kanssa keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat sijoittamista Yhtiön Velkakirjoihin.</p>
<b>A.2</b>	<b>Esitteen laatimisesta vastaavan suostumus esitteen käyttöön</b>	Ei sovellu.

<b>Jakso B – Liikkeeseenlaskija</b>		
<b>B.1</b>	<b>Virallinen nimi ja muu liiketoiminnassa käytetty toiminimi</b>	Konecranes Oyj suomeksi, Konecranes Plc englanniksi ja Konecranes Abp ruotsiksi.
<b>B.2</b>	<b>Asuinpaikka/ oikeudellinen muoto/sovellettava laki/liikkeeseenlaskijan perustamismaa</b>	Konecranesin kotipaikka on Hyvinkää, Suomi. Konecranes on julkinen osakeyhtiö, joka on perustettu Suomessa ja sen toimintaan sovelletaan Suomen lakia.



B.4b	Merkittävimmät mahdolliset tiedossa olevat suuntaukset	Konecranesin toimintoihin vaikuttaa tehdasteollisuuden markkinatilanne, muun muassa yleinen tuotanto, metallinvalmistus, sähkövoimantuotanto, auto-, sellu- ja paperi-, raaka-aine- ja kemikaaliteollisuus sekä konttiliikenneteollisuus. Kyseisillä toimialoilla toimivien yhtiöiden mahdollisuudet ja tarve investoida nostolaitteisiin sekä niiden kysyntä huolto- ja muille palveluille vaikuttavat Konecranesiin. Asiakkaat investoivat tavallisesti uusiin laitteisiin joko lisätäkseen kapasiteettiaan tai korvatakseen vanhoja laitteita. Uusin nostolaitteisiin investointi on syklistä ja vaihtelee toimialoittain riippuen kyseisen toimialan taloudellisesta tilanteesta. Tästä johtuen globaalin teollisuuden markkinatilanne ja kuljetusala vaikuttavat Konecranesin toimintaan.																				
B.5	Konserni	<p>Konecranes Oyj on Konecranes-konsernin emoyhtiö eikä se ole riippuvainen konsernin muista yhtiöistä. Konecranesin tytäryhtiöt, joiden myynti tai taseen loppusumma ylittää 5% konsernin myynnistä tai taseen loppusummasta on lueteltu seuraavassa taulukossa:</p> <table><tr><td><b>Nimi</b></td><td><b>Sijainti</b></td></tr><tr><td>Konecranes Finance Oy</td><td>Suomi</td></tr><tr><td>Konecranes Finland Oy</td><td>Suomi</td></tr><tr><td>Konecranes Global Oy</td><td>Suomi</td></tr><tr><td>Konecranes GmbH</td><td>Saksa</td></tr><tr><td>Konecranes Holding GmbH</td><td>Saksa</td></tr><tr><td>Konecranes Inc.</td><td>Yhdysvallat</td></tr><tr><td>Konecranes Lifttrucks AB</td><td>Ruotsi</td></tr><tr><td>Morris Material Handling , Inc.</td><td>Yhdysvallat</td></tr><tr><td>Terex MHPS GmbH</td><td>Saksa</td></tr></table>	<b>Nimi</b>	<b>Sijainti</b>	Konecranes Finance Oy	Suomi	Konecranes Finland Oy	Suomi	Konecranes Global Oy	Suomi	Konecranes GmbH	Saksa	Konecranes Holding GmbH	Saksa	Konecranes Inc.	Yhdysvallat	Konecranes Lifttrucks AB	Ruotsi	Morris Material Handling , Inc.	Yhdysvallat	Terex MHPS GmbH	Saksa
<b>Nimi</b>	<b>Sijainti</b>																					
Konecranes Finance Oy	Suomi																					
Konecranes Finland Oy	Suomi																					
Konecranes Global Oy	Suomi																					
Konecranes GmbH	Saksa																					
Konecranes Holding GmbH	Saksa																					
Konecranes Inc.	Yhdysvallat																					
Konecranes Lifttrucks AB	Ruotsi																					
Morris Material Handling , Inc.	Yhdysvallat																					
Terex MHPS GmbH	Saksa																					
B.9	Tulosennuste ja -arvio	<p>Konecranes on julkaissut seuraavat tiedot vuoden 2017 näkymästä vuoden 2017 ensimmäisen vuosineljänneksen osavuositarkastuksissaan:</p> <p><u>Markkinanäkymät</u></p> <p>Valmistusteollisuuteen liittyvät taloudelliset indikaattorit ovat vahvistuneet, mikä näyttää lisäävän asiakkaiden halukkuutta edetä investointisuunnitelmissaan. Euroopassa kysyntä paranee asteittain. Pohjois-Amerikassa valmistusteollisuuden tuotantotoiminta on edelleen vaihtelevaa. Kehittyvillä markkinoilla kysyntä osoittaa toipumisen merkkejä. Maailmanlaajuisen konttiliikenteen kasvu on nopeutunut, ja näkymät pienten ja keskisuurten kontinkäsittelyyn liittyvien tilausten suhteen ovat jonkin verran parantuneet.</p> <p><u>Taloudellinen ohjeistus</u></p> <p>Vuoden 2017 liikevaihdon odotetaan olevan lähellä vertailukelpoisen yhdistetyn yhtiön liikevaihtoa vuonna 2016 (3 278 miljoonaa euroa). Odotamme oikaistun EBITA:n olevan 195–215 miljoonaa euroa vuonna 2017 (vertailukelpoisen yhdistetyn yhtiön oikaistu EBITA oli 184 miljoonaa euroa vuonna 2016).</p>																				
B.10	Tilintarkastuskertomuksessa esitetyt muistutukset	Ei sovelleta. Tilintarkastuskertomukset eivät sisällä huomautuksia.																				
B.12	Ei merkittäviä kielteisiä muutoksia eikä merkittäviä muutoksia Keskeiset taloudelliset tiedot	<p>Liikkeeseenlaskijan tulevaisuudennäkymissä ei ole tapahtunut merkittäviä kielteisiä muutoksia viimeisen tarkastetun ja julkaistun tilinpäätöksen päivämäärän jälkeen.</p> <p>Liikkeeseenlaskijan taloudellisessa tai liiketoiminnallisessa asemassa ei ole tapahtunut merkittäviä muutoksia 31.3.2017 jälkeen.</p>																				

		1.1 – 31.3.		1.1 – 31.12	
		2017	2016	2016	2015
		(tilintarkasta -maton)	(tilintarkasta -maton)	(tilintar- kastettu )	(tilintar- kastettu)
<b>KONSERNIN TUOSLASKELMA</b>		(Miljoonaa euroa)		(Miljoonaa euroa)	
<b>Liikevaihto</b>		<b>683,0</b>	<b>458,6</b>	<b>2 118,4</b>	<b>2 126,2</b>
Liiketoiminnan muut tuotot <sup>1)</sup>		220,4	0,3	14,4	1,4
Aineet, tavarat ja ulkopuoliset palvelut		-272,6	-193,5	-979,7	-969,9
Henkilöstökulut		-254,2	-162,8	-658,3	-661,5
Poistot ja arvonalentumiset		-28,3	-14,0	-53,7	-54,0
Liiketoiminnan muut kulut <sup>2)</sup>		-122,5	-88,2	-356,2	-379,1
<b>Liikevoitto</b>		<b>225,9</b>	<b>0,3</b>	<b>84,9</b>	<b>63,0</b>
Osuus osakkuusyhtiöiden ja yhteisyritysten tuloksista		-0,6	1,2	6,0	4,8
Osakkuusyhtiösjoiituksen myyntivoitto		0,0	0,0	5,8	0,0
Rahoitustuotot <sup>3)</sup>		19,4	6,7	1,0	7,8
Rahoituskulut		-23,0	-15,3	-35,6	-20,3
<b>Voitto ennen veroja</b>		<b>221,7</b>	<b>-7,1</b>	<b>62,1</b>	<b>55,4</b>
Verot		-28,8	2,0	-24,5	-24,6
<b>TILIKAUDEN VOITTO</b>		<b>192,9</b>	<b>-5,1</b>	<b>37,6</b>	<b>30,8</b>
<b>Tilikauden voiton jakautuminen:</b>					
Emoyhtiön omistajille		193,5	-5,1	37,6	30,8
Määräysvallattomille omistajille		-0,6	0,0	0,0	0,0
Laimentamaton osakekohtainen tulos (EUR)		2,50	-0,09	0,64	0,53
Laimennusvaikutuksella oikaistu osakekohtainen tulos (EUR)		2,50	-0,09	0,64	0,53
<p>1) Liiketoiminnan muut tuotot sisältävät STAHL CraneSystemsin liiketoiminnan myyntivoiton 218,4 milj. euroa. Vuonna 2016 Konecranes sai 10,0 milj. euron vakuutuskorvauksen ja palautuneita varoja 0,3 milj. euroa liittyen identiteettivarkauteen.</p> <p>2) Liiketoiminnan muut kulut 1–3/2017 sisältävät peruttuun Terex-yhdistymissuunnitelmaan ja Terex MHPS-liiketoiminnan oston liittyviä transaktiokuluja 4,2 milj. euroa (10,7 milj. euroa 1–3/2016 ja 47,0 milj. euroa 1–12/2016).</p> <p>3) Rahoitustuotot sisältävät 14,3 milj. euroa tuottoja, jotka liittyvät enimmäkseen MHPS kauppahinnan oikaisuihin.</p>					
		1.1. – 31.3.		1.1. – 31.12.	
		2017	2016	2016	2015
		(tilintarkasta- maton)	(tilintarkas- tamaton)	(tilintar- kastettu)	(tilintar- kastettu)
<b>KONSERNIN LAAJA TUOSLASKELMA</b>		(Miljoonaa euroa)		(Miljoonaa euroa)	
<b>Tilikauden voitto</b>		<b>192,9</b>	<b>-5,1</b>	<b>37,6</b>	<b>30,8</b>
<b>Erät, jotka voidaan esittää tulosvaikutteisina</b>					
Rahavirran suojaukset		-19,1	8,4	30,1	-0,6
Ulkomaiseen yksikköön liittyvät muuntoerot		-0,4	-5,1	0,8	16,3
Osuus osakkuusyhtiöiden laajasta tuloksesta		0,0	-0,6	-3,8	3,8
Verot eristä, jotka voidaan esittää tulosvaikutteisina		3,8	-1,7	-6,0	0,1
<b>Erät, joita ei voida esittää tulosvaikutteisina</b>					

Etuuspohjaisten järjestelyiden uudelleenarvostuserät	0,0	2,7	-11,9	6,0
Verot eristä, joita ei voida esittää tulosvaikutteisina	0,0	-0,5	3,0	-1,4
<b>Tilikauden muut laajan tuloksen erät verojen jälkeen</b>	<b>-15,7</b>	<b>3,3</b>	<b>12,2</b>	<b>24,2</b>
<b>TILIKAUDEN LAAJA TULOS YHTEENSÄ</b>	<b>177,2</b>	<b>-1,8</b>	<b>49,8</b>	<b>55,0</b>
<b>Tilikauden laajan tuloksen jakautuminen:</b>				
Emoyhtiön omistajille	177,3	-1,8	49,8	55,0
Määräysvallattomille omistajille	-0,1	0,0	0,0	0,0
	<b>31.3.</b>		<b>31.12.</b>	
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>(tilintarkasta maton)</b>	<b>(tilintarkasta maton)</b>	<b>(tilintarkastettu)</b>	<b>(tilintarkastettu)</b>
<b>KONSERNIN TASE</b>	<i>(Miljoonaa euroa)</i>		<i>(Miljoonaa euroa)</i>	
<b>VARAT</b>				
<b>Pitkäaikaiset varat</b>				
Liikearvo	925,9	105,7	86,2	107,6
Aineettomat hyödykkeet	658,8	103,0	98,1	108,7
Aineelliset hyödykkeet	294,4	136,2	128,1	142,5
Ennakkomaksut ja keskeneräiset hankinnat	12,3	22,1	17,4	24,0
Sijoitukset				
pääomaosuusmenetelmää käyttäen	71,0	50,8	8,9	50,2
Muut pitkäaikaiset varat	1,0	1,0	1,0	1,0
Laskennallinen verosaaminen	128,0	68,6	57,0	71,7
<b>Pitkäaikaiset varat yhteensä</b>	<b>2 091,5</b>	<b>487,3</b>	<b>396,6</b>	<b>505,7</b>
<b>Lyhytaikaiset varat</b>				
Vaihto-omaisuus				
Aineet, tarvikkeet ja puolivalmisteet	276,1	158,0	131,8	157,9
Keskeneräiset työt	326,0	208,5	140,3	201,0
Ennakkomaksut	28,1	10,0	9,7	6,4
Vaihto-omaisuus yhteensä	630,2	376,5	281,8	365,2
Myyntisaamiset	511,6	330,0	379,3	377,3
Muut saamiset	36,6	27,1	23,2	24,9
Lainasaamiset	17,0	0,0	0,0	0,0
Kauden verotettavaan tuloon perustuvat verosaamiset	20,8	13,3	12,1	10,1
Osatuloutussaaminen	81,9	70,3	83,8	77,3
Muut rahoitusvarat	8,2	16,1	31,1	7,5
Siirtosaamiset	66,8	36,7	29,1	36,0
Rahat ja pankkisaamiset	423,6	118,2	167,4	80,8
<b>Lyhytaikaiset varat yhteensä</b>	<b>1 796,9</b>	<b>988,1</b>	<b>1 007,8</b>	<b>979,2</b>
<b>Myytävänä olevat varat</b>	<b>0,0</b>	<b>0,0</b>	<b>125,5</b>	<b>0,0</b>
<b>VARAT YHTEENSÄ</b>	<b>3 888,3</b>	<b>1 475,4</b>	<b>1 529,9</b>	<b>1 484,9</b>
<b>OMA PÄÄOMA JA VELAT</b>				
<b>Emoyhtiön osakkeenomistajille kuuluva oma pääoma</b>				
Osakepääoma	30,1	30,1	30,1	30,1
Ylikurssirahasto	39,3	39,3	39,3	39,3

Sijoitetun vapaan oman pääoman rahasto	752,7	66,5	66,5	66,5
Arvonmuutos- ja suojausrahasto	-0,3	-2,4	15,0	-9,1
Muuntoero	20,5	15,0	20,8	20,1
Muu rahasto	32,2	30,1	31,7	29,9
Edellisten tilikausien voitto	159,6	218,7	204,4	248,4
Tilikauden voitto	193,5	-5,1	37,6	30,8
<b>Emoyhtiön osakkeenomistajille kuuluva oma pääoma yhteensä</b>	<b>1 227,7</b>	<b>392,2</b>	<b>445,4</b>	<b>455,9</b>
Määräysvallattomien omistajien osuus	22,9	0,1	0,1	0,1
<b>Oma pääoma yhteensä</b>	<b>1 250,7</b>	<b>392,2</b>	<b>445,5</b>	<b>456,0</b>
<b>Velat</b>				
<b>Pitkäaikaiset velat</b>				
Korolliset velat	794,7	57,1	54,2	59,2
Muut pitkäaikaiset velat	289,3	89,2	40,0	92,3
Varaukset	19,2	16,7	17,1	17,8
Laskennallinen verovelka	173,5	19,9	12,5	19,8
<b>Pitkäaikaiset velat yhteensä</b>	<b>1 276,8</b>	<b>182,8</b>	<b>123,8</b>	<b>189,1</b>
<b>Lyhytaikaiset velat</b>				
Korolliset velat	181,6	268,0	269,5	224,8
Saadut ennakot	364,0	181,8	170,6	176,4
Laskutetut ennakot	0,0	0,0	1,5	0,4
Ostovelat	184,6	101,1	99,1	139,1
Varaukset	97,5	31,7	40,5	35,1
Muut velat (korottomat)	45,5	37,2	31,4	31,9
Muut rahoitusvelat	5,2	6,4	18,2	11,4
Kauden verotettavaan tuloon perustuvat verovelat	56,1	7,4	14,7	12,8
Jälkikustannusvaraukset	168,7	114,1	125,2	111,8
Siirtovelat	257,7	152,6	95,6	96,2
<b>Lyhytaikaiset velat yhteensä</b>	<b>1 360,9</b>	<b>900,4</b>	<b>866,2</b>	<b>839,8</b>
<b>Myytävänä oleviin varoihin liittyvät velat</b>	<b>0,0</b>	<b>0,0</b>	<b>94,4</b>	<b>0,0</b>
<b>Velat yhteensä</b>	<b>2 637,7</b>	<b>1 083,2</b>	<b>1 084,5</b>	<b>1 028,9</b>
<b>OMA PÄÄOMA JA VELAT YHTEENSÄ</b>	<b>3 888,3</b>	<b>1 475,4</b>	<b>1 529,9</b>	<b>1 484,9</b>
	<b>1.1. – 31.3.</b>		<b>1.1. – 31.12.</b>	
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>(tilintarkasta</b>	<b>(tilintarkasta</b>	<b>(tilintar-</b>	<b>(tilintar-</b>
	<b>-maton)</b>	<b>-maton)</b>	<b>kastettu</b>	<b>kastettu</b>
			<b>)</b>	<b>)</b>
<b>KONSERNIN RAHAVIRTUALASKELMA</b>	<i>(Miljoonaa euroa)</i>		<i>(Miljoonaa euroa)</i>	
<b>Liiketoiminnan rahavirrat</b>				
Tilikauden voitto	192,9	-5,1	37,6	30,8
Oikaisut tilikauden voittoon				
Verot	28,8	-2,0	24,5	24,6
Rahoitustuotot ja -kulut	3,6	8,6	34,6	12,5
Osuus osakkuusyritysten ja yhteisyritysten tuloksista	0,6	-1,2	-11,8	-4,8
Osinkotuotot	0,0	0,0	0,0	-0,1
Poistot ja arvonalentumiset	28,3	14,0	53,7	54,0

Käyttöomaisuuden ja liiketoimintojen myyntivoitot ja -tappiot	-217,3	0,1	3,4	1,2
Muut oikaisut	4,0	-1,3	5,5	-2,8
<b>Liikevoitto ennen käyttö pääoman muutosta</b>	<b>41,0</b>	<b>13,1</b>	<b>147,4</b>	<b>115,5</b>
Korottomien lyhytaikaisten liikesaamisten muutos	78,2	32,4	-50,3	27,2
Vaihto-omaisuuden muutos	-68,9	-17,7	61,3	-17,4
Korottomien lyhytaikaisten velkojen muutos	71,0	-18,7	29,8	-37,4
<b>Käyttöpääoman muutos</b>	<b>80,3</b>	<b>-4,0</b>	<b>40,9</b>	<b>-27,6</b>
<b>Liiketoiminnan rahavirrat ennen rahoituseriä ja maksettuja tuloveroja</b>	<b>121,3</b>	<b>9,1</b>	<b>188,3</b>	<b>87,9</b>
Korkotuotot	4,4	2,1	8,8	5,8
Korkokulut	-7,9	-4,2	-19,3	-15,6
Muut rahoitustuotot ja -kulut	-16,3	-3,0	-38,5	-12,5
Maksetut verot	-7,9	-7,1	-29,6	-26,3
<b>Rahoituserät ja maksetut tuloverot</b>	<b>-27,7</b>	<b>-12,2</b>	<b>-78,6</b>	<b>-48,6</b>
<b>LIIKETOIMINNAN NETTORAHAVIRTA</b>	<b>93,6</b>	<b>-3,1</b>	<b>109,6</b>	<b>39,3</b>
<b>Investointeihin käytetyt nettorahavarat</b>				
Tytäryhtiöiden hankinta vähennettynä hankintahetken rahavaroilla	-722,0	0,0	-0,2	-0,3
Liiketoimintojen myynti vähennettynä myyntihetken rahavaroilla	222,5	0,0	0,0	0,1
Osakkuusyhtiöosakkeiden myynnistä saadut maksut	0,0	0,0	47,8	0,0
Käyttöomaisuusinvestoinnit	-5,7	-4,4	-27,3	-43,3
Aineellisten hyödykkeiden myynnit ja muut erät	0,1	0,6	1,5	2,6
<b>INVESTOINTIEN NETTORAHAVIRTA</b>	<b>-505,2</b>	<b>-3,8</b>	<b>21,7</b>	<b>-40,8</b>
<b>Kassavirta ennen rahoituksen rahavirtoja</b>	<b>-411,6</b>	<b>-6,9</b>	<b>131,4</b>	<b>-1,5</b>
<b>Rahoitukseen käytetyt rahavarat</b>				
Pitkäaikaisten lainojen nostot	1 052,0	0,0	0,0	14,3
Pitkäaikaisten lainojen takaisinmaksut	-200,7	-1,5	-4,6	-2,1
Lyhytaikaisten lainojen nostot(+), takaisinmaksut (-)	-211,5	46,9	47,5	38,8
Lainasaamisten muutos	-0,3	0,0	0,0	0,0
Hankittu määräysvallattomien omistajien osuus	0,0	-0,3	-0,3	-5,9
Maksetut osingot emoyhtiön omistajille	0,0	0,0	-61,7	-61,5
<b>RAHOITUKSEN NETTORAHAVIRTA</b>	<b>639,5</b>	<b>45,1</b>	<b>-19,1</b>	<b>-16,3</b>
Rahavarojen muuntoerot	1,5	-0,8	1,1	0,6
<b>RAHAVAROJEN MUUTOS</b>	<b>229,4</b>	<b>37,4</b>	<b>113,4</b>	<b>-17,2</b>

Rahavarat tilikauden alussa	194,1	80,8	80,8	97,9
Rahavarat myytävänä olevissa varoissa	0,0	0,0	26,8	0,0
Rahavarat tilikauden lopussa	423,6	118,2	167,4	80,8
<b>RAHAVAROJEN MUUTOS</b>	<b>229,4</b>	<b>37,4</b>	<b>113,4</b>	<b>-17,2</b>
<i>Yhdistettyjen taloudellisten tietojen kohdalla valuuttakurssimuutosten vaikutus on eliminoitu rahavirtalaskelmaa laadittaessa muuntamalla alkava tase raportointikauden päättymispäivän kurssin mukaan.</i>				
	<b>1.1. – 31.3.</b>		<b>1.1. – 31.12.</b>	
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>(tilintarkasta- maton)</b>	<b>(tilintarkasta- maton)</b>	<b>(tilintar- kas- tamaton)</b>	<b>(tilintar- kas- tamaton)</b>
<b>VAPAA KASSAVIRTA (vaihtoehtoinen tunnusluku)</b>	<i>(Miljoonaa euroa)</i>		<i>(Miljoonaa euroa)</i>	
Liiketoiminnan nettorahavirta	93,6	-3,1	109,6	39,3
Käyttöomaisuusinvestoinnit	-5,7	-4,4	-27,3	-43,3
Aineellisten hyödykkeiden myynnit ja muut erät	0,1	0,6	1,5	2,6
<b>Vapaa kassavirta</b>	<b>88,0</b>	<b>-6,9</b>	<b>83,9</b>	<b>-1,4</b>
	<b>31.3.</b>		<b>1.1. – 31.12.</b>	
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>(tilintarkasta- maton)</b>	<b>(tilintarkasta- maton)</b>	<b>(tilintar- -kas- tettu)</b>	<b>(tilintar- kastettu)</b>
<b>TUNNUSLUKUJA</b>				
Laimentamaton osakekohtainen tulos (EUR)	2,50	-0,09	0,64	0,53
Laimennusvaikutuksella oikaistu osakekohtainen tulos (EUR)	2,50	-0,09	0,64	0,53
<b>Vaihtoehtoiset tunnusluvut:</b>				
Sijoitetun pääoman tuotto %, liukuva 12 kk	22,4	7,4	10,3	9,5
Oikaistu sijoitetun pääoman tuotto %, liukuva 12 kk	10,8	16,5	19,2*)	17,0*)
Oman pääoman tuotto %, liukuva 12 kk	30,2	4,9	8,3	6,8
Oma pääoma / osake (EUR)	15,66	6,68	7,58	7,79
Korollinen nettovelka/ Oma Pääoma, %	42,8	52,7	29,1	44,6
Nettovelka / Oikaistu EBITDA, liukuva 12 kk	2,5	1,2	0,7*)	1,2*)
Omavaraisuusaste, %	35,5	30,3	32,9	34,8
Investoinnit, yhteensä (ilman yritysostoja), miljoonaa euroa	12,1	6,2	33,8	49,3
Korollinen nettovelka, miljoonaa euroa	535,6	206,9	129,6	203,2

		Nettokäyttöpääoma, miljoonaa euroa	259,2	269,7	304,3	317,4
		Henkilöstö keskimäärin kauden aikana	13 924	11 748	11 398	11 934
		Ulkona olevien osakkeiden keskimääräinen kappalemäärä, laimentamaton	77 278 217	58 739 886	58 748 217	58 542 309
		Ulkona olevien osakkeiden keskimääräinen kappalemäärä, laimennettu	77 278 217	58 739 886	58 748 217	58 542 090
		Ulkona olevien osakkeiden kappalemäärä tilikauden lopussa	78 421 906	58 751 279	58 751 009	58 732 429
		*) Tilintarkastamaton tunnusluku.				
		<b>Tunnuslukujen laskenta</b>				
		Osa yllä esitetyistä luvuista ovat vaihtoehtoisia tunnuslukuja. Näiden tunnuslukujen laskentakaavat on esitetty alla olevissa taulukoissa. Konecranes katsoo tarkoituksenmukaiseksi julkaista tilinpäätöksessään joitakin tiettyjen sijoittajien käytössä olevia vaihtoehtoisia tunnuslukuja IFRS-tunnuslukujen lisäksi antaakseen paremman käsityksen Konecranesin liiketoiminnan ja rahoitusaseman kehittymisestä. Vaihtoehtoiset tunnusluvut voivat vaihdella yhtiöiden välillä ja eivät välttämättä ole vertailtavissa muiden yhtiöiden käyttämiin samannimisiin lukuihin. Konecranes esittää vaihtoehtoisia tunnuslukuja kuvaamaan liiketoimintansa taloudellista kehitystä ja parantaakseen vertailukelpoisuutta eri kausien välillä. Vaihtoehtoisia tunnuslukuja ei tule pitää korvaavina mittareina verrattuna IFRS-tilinpäätösnormistossa määriteltyihin tunnuslukuihin.				
		Oman pääoman tuotto (%)	=	$\frac{\text{Tilikauden voitto}}{\text{Taseen oma pääoma (keskim. kauden aikana)}}$	x	100
		Sijoitetun pääoman tuotto (%)	=	$\frac{\text{Voitto ennen veroja + maksetut korot ja muut rahoituskulut}}{\text{Taseen loppusumma - korottomat velat (keskim.vuoden aikana)}}$	x	100
		Oikaistu sijoitetun pääoman tuotto (%)	=	$\frac{\text{Oikaistu EBITA}}{\text{Taseen loppusumma - korottomat velat (keskim.vuoden aikana)}}$	x	100
		Omavaraisuusaste, %	=	$\frac{\text{Oma pääoma}}{\text{Taseen loppusumma - saadut ennakot}}$	x	100
		Nettovelkaantumisaste, %	=	$\frac{\text{Korolliset velat - rahat ja pankkisaamiset - lainasaamiset}}{\text{Oma pääoma}}$	x	100
		Oma pääoma/osake	=	$\frac{\text{Emoyhtiön omistajille kuuluva oma pääoma}}{\text{Ulkona olevien osakkeiden kappalemäärä}}$		
		Nettokäyttöpääoma	=	$\text{Korottomat lyhytaikaiset varat + laskennalliset verosaamiset (ilman kauppahinnan allokaatiota) - korottomat lyhytaikaiset velat - laskennalliset verovelat (ilman kauppahinnan allokaatiota) - varaukset}$		
		Korollinen nettovelka	=	$\text{Korolliset velat (pitkäaikaiset ja lyhytaikaiset) - rahat ja pankkisaamiset -}$		

			lainasaamiset (pitkäaikaiset ja lyhytaikaiset)			
	Henkilöstö keskimäärin	=	Vuosineljänneksistä laskettujen lukumäärien keskiarvo.			
	Ulkona olevien osakkeiden kappalemäärä	=	Kaikki osakkeet - omat osakkeet			
	Käyttökate (EBITDA)	=	Liikevoitto + poistot ja arvonalentumiset			
	EBITA	=	Liikevoitto + Kauppahinnan allokatiopoistot ja -arvonalentumiset			
			<b>1.1. – 31.3. 2017</b>	<b>2016</b>	<b>1.1. – 31.12. 2016</b>	<b>2015</b>
			(tilintarkasta- maton)	(tilintarkasta- maton)	(tilintarkasta- maton)	(tilintarkasta- maton)
	<b>Oikaistun käyttökateen (EBITDA) ja liikevoiton (EBIT) täsmäytys</b>		<i>(Miljoonaa euroa)</i>		<i>(Miljoonaa euroa)</i>	
	<b>Oikaistu käyttökate (EBITDA)</b>		<b>48,6</b>	<b>27,1</b>	<b>191,6</b>	<b>166,5</b>
	Transaktiokulut		-4,2	-10,7	-47,0	-17,2
	Uudelleenjärjestelykulut (ilman arvonalentumisia)		-6,7	-2,1	-16,4	-15,2
	Identiteetti-varkaudella aikaansaadut aiheuttomat maksut		0,0	0,0	0,0	-17,0
	Vakuutuskorvaus identiteettivarkaudesta ja palautuneet varat		0,0	0,0	10,2	0,0
	MHPS kauppahinta-allokoinnin purku vaihto-omaisuudesta		-1,8	0,0	0,0	0,0
	Stahl CraneSystemsin myyntivoitto		218,4	0,0	0,0	0,0
	<b>Käyttökate (EBITDA)</b>		<b>254,2</b>	<b>14,3</b>	<b>138,5</b>	<b>117,1</b>
	Poistot ja arvonalentumiset		-28,3	-14,0	-53,7	-54,0
	<b>Liikevoitto (EBIT)</b>		<b>225,9</b>	<b>0,3</b>	<b>84,9</b>	<b>63,0</b>
	<b>Oikaistu EBITA</b>		<b>30,6</b>	<b>15,8</b>	<b>144,8</b>	<b>122,8</b>
	Kauppahinnan allokatiopoistot		-9,8	-1,0	-4,0	-5,0
	<b>Oikaistu liikevoitto (EBIT)</b>		<b>20,8</b>	<b>14,8</b>	<b>140,8</b>	<b>117,7</b>
	Transaktiokulut		-4,2	-10,7	-47,0	-17,2
	Uudelleenjärjestelykulut (ilman arvonalentumisia)		-7,2	-3,8	-19,2	-20,5
	Identiteettivarkaudella aikaansaadut aiheuttomat maksut		0,0	0,0	0,0	-17,0
	Vakuutuskorvaus identiteettivarkaudesta ja palautuneet varat		0,0	0,0	10,2	0,0
	MHPS kauppahinta-allokoinnin purku vaihto-omaisuudesta		-1,8	0,0	0,0	0,0
	Stahl CraneSystemsin myyntivoitto		218,4	0,0	0,0	0,0
	<b>Liikevoitto (EBIT)</b>		<b>225,9</b>	<b>0,3</b>	<b>84,9</b>	<b>63,0</b>



		31.3.		31.12.		
		2017	2016	2016	2015	
		(tilintarkasta- maton)	(tilintarkasta- maton)	(tilintar- kastamat on)	(tilintar- kastamat on)	
		<b>Korollinen nettovelka</b>		<b>Korollinen nettovelka</b>		
		<i>(Miljoonaa euroa)</i>		<i>(Miljoonaa euroa)</i>		
		Pitkäaikaiset korolliset velat	794,7	57,1	54,2	59,2
		Lyhytaikaiset korolliset velat	181,6	268,0	269,5	224,8
		Myytävinä olevien varojen nettovelka	0,0	0,0	-26,7	0,0
		Lainasaamiset	-17,1	0,0	0,0	0,0
		Rahat ja pankkisaamiset	-423,6	-118,2	-167,4	-80,8
		<b>Korollinen nettovelka</b>	<b>535,6</b>	<b>206,9</b>	<b>129,6</b>	<b>203,2</b>
		<b>Nettokäyttöpääoma</b>		<b>Nettokäyttöpääoma</b>		
		Nettokäyttöpääoma taseessa	259,2	269,7	271,1	317,4
		Myytävinä olevien varojen nettokäyttöpääoma	0,0	0,0	33,2	0,0
		<b>Nettokäyttöpääoma</b>	<b>259,2</b>	<b>269,7</b>	<b>304,3</b>	<b>317,4</b>
B.13	Viimeaikaiset tapahtumat, jotka ovat ratkaisevia arvioitaessa Liikkeeseenlas kijan maksukykyä	Konecranes allekirjoitti 16.5.2016 sopimuksen Terex Corporationin ("Terex") Material Handling & Port Solutions ("MHPS") -liiketoimintasegmentin ostamisesta ("MHPS-kauppa") käteis- ja B-sarjan osakevastiketta vastaan sekä aiemmin ilmoitetun liiketoimintojen yhdistymissopimuksen irtisanomisesta. Konecranes sai MHPS-kaupan päätökseen 4.1.2017 ja maksoi 786,1 miljoonaa euroa käteisvastiketta sekä 19,6 miljoonaa kappaletta uusia Konecranesin B-sarjan osakkeita. Konecranes Finance Oy:llä on MHPS-kaupan myötä merkittävä velkamäärä, joka sisältää 1.8.2016 voimaan tulleen vakuudettoman 1 500 miljoonan euron lainajärjestelyn. Rahoitus muodostui alun perin 300 ja 600 miljoonan euron suuruisista, maturiteetiltaan kolmen ja viiden vuoden lainoista, 200 miljoonan euron suuruisesta bridge-lainajärjestelystä sekä 400 miljoonan euron suuruisesta valmiusluotosta. 200 miljoonan euron suuruinen bridge-lainajärjestely maksettiin takaisin 31.1.2017. Tämän Esitteen päivämäärällä 300 miljoonan suuruinen kolmen vuoden määräaikainen laina on maksettu kokonaisuudessaan takaisin ja 600 miljoonan euron suuruista viiden vuoden määräaikaista lainaa on maksettu vapaaehtoisesti takaisin 246 miljoonalla eurolla 354 miljoonaan euroon. 400 miljoonan euron suuruinen valmiusluotto pysyy voimassa, ja tämän Esitteen päivämäärällä sitä ei ole nostettu. Velkakirjojen liikkeeseenlaskusta saaduista varoista 200 miljoona euroa käytettiin kolmen vuoden lainan takaisinmaksuun ja 50 miljoonaa euroa viiden vuoden lainan takaisinmaksuun. Liikkeeseenlaskija on antanut omavelkaisen takauksen Konecranes Finance Oy:n velvoitteista näiden rahoitusjärjestelyiden mukaisesti.  Konecranes allekirjoitti 30.11.2016 Columbus McKinnon Corporationin ("Columbus McKinnon") kanssa sopimuksen koskien STAHL CraneSystems -liiketoiminnan myymistä ("STAHL-kauppa"). Konecranes sai STAHL-kaupan päätökseen 31.1.2017. Konecranes sai transaktiosta 232,2 miljoonan euron kauppahinnan. Lisäksi Columbus McKinnonille siirtyi kattamattomia eläkevastuita, jotka olivat 67 miljoonan euron suuriset 31.12.2016. Konecranes ilmoitti 218,4 miljoonan suuruisen veroja edeltävän myyntivoiton STAHL-kaupasta tammi-maaliskuussa 2017.				
B.14	Liikkeeseenlas kijan riippuvuus muista	Liikkeeseenlaskija on Konecranes-konsernin emoyhtiö, eikä se ole riippuvainen muista konserniin kuuluvista yhtiöistä.				

	<b>konserniin kuuluvista yksiköistä</b>																	
<b>B.15</b>	<b>Kuvaus liikkeeseenlaskijan päätoimialoista</b>	Konecranes on nostolaittevalmistaja ja -huoltaja, ja sen asiakkaita ovat muun muassa koneenrakennus- ja prosessiteollisuus, telakat, satamat ja terminaalit. Yritys toimittaa asiakkailleen toimintaa tehostavia nostoratkaisuja ja huoltopalveluita kaikille nosturimerkeille ja työstökoneille. Konecranesilla on kolme liiketoiminta-aluea: Kunnossapito-, Teollisuuslaitteet- ja Satamaratkaisuliiketoiminta-alueet. Kunnossapito-liiketoiminta-alue harjoittaa teolliskunnossapito- ja komponenttiliitännäistä toimintaa. Teollisuuslaitteet-liiketoiminta-alueeseen sisältyy teollisuusnostureihin ja komponentteihin liittyvää toimintaa, ja Satamaratkaisut-liiketoiminta-alueeseen sisältyy kaikki satamanosturi- ja trukkitoiminnot, mukaan lukien niiden huolto ja varaosat.																
<b>B.16</b>	<b>Kuvaus siitä, onko liikkeeseenlaskija suoraan tai välillisesti jonkun omistuksessa tai määräysvallassa ja mikä tämä taho on sekä määräysvallan luonteesta</b>	Ei sovelleta. Siltä osin kuin Konecranes on tietoinen, Konecranes ei ole suoraan tai välillisesti kenenkään omistuksessa tai määräysvallassa.																
<b>B.17</b>	<b>Liikkeeseenlaskijan luottoluokitukset</b>	Ei sovelleta.																
<b>B.18</b>	<b>Kuvaus takauksen luonteesta ja soveltamisalasta</b>	Konecranes Finance Oy on myöntänyt omavelkaisen takauksen Liikkeeseenlaskijan Velkakirjojen alaisille velvoitteille (" <b>Takaus</b> "). Takausta rajoittavat soveltuva laitonta varojenjakotapaa sääntelevä osakeyhtiölain (624/2006) 13 luvun 1 § sekä muut soveltuvat Suomen yhtiöoikeudelliset, pakottavat säännökset.																
<b>B.19</b>	<b>Tietoa takaajasta</b>	<p>Takaajan toiminimi on Konecranes Finance Oy ja sen kotipaikka on Hyvinkää, Suomi. Takaaja on Suomen lain alainen yksityinen osakeyhtiö, jonka y-tunnus on 0762658-3.</p> <p>Takaaja on Konecranes Oyj:n täysin omistama tytäryhtiö. Takaaja tuottaa konsernin muille yhtiöille taloudelliseen hallintoon, sisäiseen tilintarkastukseen, yrityshankintoihin, sijoittajasuhteisiin ja konsernin rahoitukseen liittyviä palveluita, ja sen kassavirta on riippuvainen muista konserniyhtiöistä. Takaajan tulos koostuu edellä mainittujen palvelujen myynnistä, rahoitustoiminnan nettotuloista sekä osinkotuloista. Takaaja toimii konsernirakenteessa myös holding- ja hallintoyhtiönä. Takaajan tytäryhtiöt, joiden myynti tai taseen loppusumma ylittää 5% konsernin myynnistä tai taseen loppusummasta on lueteltu seuraavassa taulukossa:</p> <table><tr><td><b>Nimi</b></td><td><b>Sijainti</b></td></tr><tr><td>Konecranes Finland Oy</td><td>Suomi</td></tr><tr><td>Konecranes GmbH</td><td>Saksa</td></tr><tr><td>Konecranes Holding GmbH</td><td>Saksa</td></tr><tr><td>Konecranes Inc.</td><td>Yhdysvallat</td></tr><tr><td>Konecranes Lifttrucks AB</td><td>Ruotsi</td></tr><tr><td>Morris Material Handling, Inc.</td><td>Yhdysvallat</td></tr><tr><td>Terex MHPS GmbH</td><td>Saksa</td></tr></table>	<b>Nimi</b>	<b>Sijainti</b>	Konecranes Finland Oy	Suomi	Konecranes GmbH	Saksa	Konecranes Holding GmbH	Saksa	Konecranes Inc.	Yhdysvallat	Konecranes Lifttrucks AB	Ruotsi	Morris Material Handling, Inc.	Yhdysvallat	Terex MHPS GmbH	Saksa
<b>Nimi</b>	<b>Sijainti</b>																	
Konecranes Finland Oy	Suomi																	
Konecranes GmbH	Saksa																	
Konecranes Holding GmbH	Saksa																	
Konecranes Inc.	Yhdysvallat																	
Konecranes Lifttrucks AB	Ruotsi																	
Morris Material Handling, Inc.	Yhdysvallat																	
Terex MHPS GmbH	Saksa																	

### Viimeaikaiset tapahtumat

Konecranes allekirjoitti 16.5.2016 sopimuksen Terex Corporationin ("Terex") Material Handling & Port Solutions ("MHPS") -liiketoimintasegmentin ostamisesta ("MHPS-kauppa") käteis- ja B-sarjan osakevastiketta vastaan sekä aiemmin ilmoitetun liiketoimintojen yhdistymissopimuksen irtisanomisesta. Konecranes sai MHPS-kaupan päätökseen 4.1.2017 ja maksoi 786,1 miljoonaa euroa käteisvastiketta sekä 19,6 miljoonaa kappaletta uusia Konecranesin B-sarjan osakkeita.

Takaajalla on MHPS-kaupan myötä merkittävä velkamäärä, joka sisältää 1.8.2016 voimaan tulleen vakuudettoman 1 500 miljoonan euron lainajärjestelyn. Rahoitus muodostui alun perin 300 ja 600 miljoonan euron suuruisista, maturiteetiltaan kolmen ja viiden vuoden lainoista, 200 miljoonan euron suuruisesta bridge-lainajärjestelystä sekä 400 miljoonan euron suuruisesta valmiusluotosta. 200 miljoonan euron suuruinen bridge-lainajärjestely maksettiin takaisin 31.1.2017. Tämän Esitteen päivämäärällä 300 miljoonan suuruinen kolmen vuoden määräaikainen laina on maksettu kokonaisuudessaan takaisin ja 600 miljoonan euron suuruisesta viiden vuoden määräaikaista lainaa on maksettu vapaaehtoisesti takaisin 246 miljoonalla eurolla 354 miljoonaan euroon. 400 miljoonan euron suuruinen valmiusluotto pysyy voimassa, ja tämän Esitteen päivämäärällä sitä ei ole nostettu. Velkakirjojen liikkeeseenlaskusta saaduista varoista 200 miljoonaa euroa käytettiin kolmen vuoden lainan takaisinmaksuun ja 50 miljoonaa euroa viiden vuoden lainan takaisinmaksuun. Liikkeeseenlaskija on antanut omavelkaisen takauksen Konecranes Finance Oy:n velvoitteista näiden rahoitusjärjestelyiden mukaisesti.

### Ei merkittäviä muutoksia liiketoiminnallisessa asemassa

MHPS-hankintaa ja siihen liittyvää rahoitusjärjestelyä lukuun ottamatta, Takaajan taloudellisessa tai liiketoiminnallisessa asemassa ei ole tapahtunut merkittäviä muutoksia 31.12.2016 jälkeen.

### Tulevaisuudennäkymät

Takaajan tulevaisuudennäkymissä ei ole tapahtunut oleellisia haitallisia muutoksia viimeisimmän julkaistun ja tilintarkastetun tilinpäätöksen jälkeen.

### Taloudelliset tiedot

Tämän tiivistelmän tiedot on johdettu Takaajan tilintarkastetuista tilinpäätöksistä vuosilta 2015 ja 2016, jotka on sisällytetty viittaamalla tähän Esitteeseen ja jotka on laadittu soveltuvan FAS-tilinpäätösstandardin mukaisesti. Takaaja ei ole valmistellut konsernitiilinpäätöksiä kirjanpitolain (1336/1997 muutoksineen) 6 luvun 1.4 §:n mukaisesti, koska Takaajan ja sen tytäryhtiöiden tilinpäätökset ovat osa Liikkeeseenlaskijan konsolidoitua tilinpäätöstä. Alla olevat tiedot tulee lukea kokonaisuudessaan näiden tilinpäätösten ja liitetietojen yhteydessä.

	1.1.–31.12.	
	2016	2015
	(tilintarkastettu)	(tilintarkastettu)
<b>TULOSLASKELMA</b>	(euroa)	
<b>Liikevaihto</b>	<b>2 357 510,70</b>	<b>2 209 368,93</b>
Henkilöstökulut	2 223 801,96	1 875 219,31
Poistot ja arvonalentumiset	29 142,52	23 762,95
Liiketoiminnan muut kulut	746 175,49	381 087,83
<b>Liikevoitto (-tappio)</b>	<b>-641 609,27</b>	<b>-70 701,16</b>
Rahoitustuotot ja -kulut:	22 304 578,38	129 472 597,99
<b>Voitto (tappio) ennen tilinpäätössiirtoja ja veroja</b>	<b>21 662 969,11</b>	<b>129 401 896,83</b>
Tilinpäätössiirrot		
Saadut ja annetut konserniavustukset	-11 000 000,00	500 000,00
Tuloverot		

Tilikauden verot	-345 645,24	-284 243,54
Laskennallisten verojen muutos	60 000,00	0,00
Tulovero yhteensä	-285 645,24	-284 243,54
Muut välittömät verot	7 720,38	11 504,83
<b>Tilikauden voitto (-tappio)</b>	<b>10 385 044,25</b>	<b>129 629 158,12</b>
<b>31.12.</b>		
	<b>2016</b>	<b>2015</b>
	<b>(tilintarkastettu)</b>	<b>(tilintarkastettu)</b>
<b>TASE</b>	<i>(euroa)</i>	
<b>VASTAAVAA</b>		
<b>Aineettomat hyödykkeet</b>		
Muut pitkävaikutteiset menot	15 121 726,52	1 103 765,29
	<b>15 121 726,52</b>	<b>1 103 765,29</b>
<b>Aineelliset hyödykkeet</b>		
Maa-alueet	52 060,00	52 060,00
Rakennukset ja rakennelmat	124 384,61	146 859,07
Koneet ja kalusto	2 400,00	4 000,00
Ennakkomaksut	0,00	0,00
	<b>178 844,61</b>	<b>202 919,07</b>
<b>Sijoitukset</b>		
Osuudet saman konsernin yrityksissä	223 041 695,73	230 452 922,66
Osuudet omistusyhteisyhteisöissä	789 129,82	28 782 938,99
Muut osakkeet ja osuudet	4 721 122,81	4 721 122,81
	<b>228 551 948,36</b>	<b>263 956 984,46</b>
<b>Pitkäaikaiset saamiset</b>		
Lainasaamiset saman konsernin yrityksiltä	275 722 305,75	288 278 278,44
Lainasaamiset	138 498,39	0,00
	<b>275 860 804,14</b>	<b>288 278 278,44</b>
<b>Lyhytaikaiset saamiset</b>		
Saamiset saman konsernin yrityksiltä		
Muut saamiset	12 063 407,51	15 027 884,82
Siirtosaamiset	37 080 874,88	37 146 569,73
Siirtosaamiset	31 688 497,35	6 925 716,69
Lainasaamiset	101 997,00	0,00
Laskennalliset verosaamiset	60 000,00	0,00
	<b>80 994 776,74</b>	<b>59 100 171,24</b>
<b>Rahat ja pankkisaamiset</b>	<b>56 004 176,27</b>	<b>15 795 110,32</b>
	<b>656 712 276,64</b>	<b>628 437 228,82</b>
<b>VASTATTAVAA</b>		
<b>Oma pääoma</b>		
Osakepääoma	22 000 000,00	22 000 000,00
Ylikurssirahasto	24 247 895,55	24 247 895,55
Edellisten tilikausien voitto	29 671 450,73	57 342 292,61
Osingonjako	-29 000 000,00	-57 300 000,00
Tilikauden voitto (tappio)	10 385 044,25	129 629 158,12
Ennakko-osinko	0,00	-100 000 000,00
	<b>57 304 390,53</b>	<b>75 919 346,28</b>
<b>TILINPÄÄTÖSSIIRTOJEN KERTYMÄ</b>		

	Kertynyt poistovero	0,00	0,00
	<b>VIERAS PÄÄOMA</b>		
	<b>Pitkäaikainen</b>		
	Lainat rahoituslaitoksilta	50 000 000,00	50 000 000,00
	Muut velat, saman konsernin yrityksille	257 141 998,47	167 023 443,55
		<b>307 141 998,47</b>	<b>217 023 443,55</b>
	<b>Lyhytaikainen</b>		
	Lainat rahoituslaitoksilta	214 865 748,91	44 986 751,50
	Velat saman konsernin yrityksille		
	Muut velat	27 566 558,61	58 051 762,78
	Siirtovelat	26 400 321,29	119 698 649,02
	Ostovelat	1 646,52	1 394,18
	Siirtovelat	23 131 612,31	11 449 037,08
	Muut velat	300 000,00	101 306 844,43
		<b>292 265 887,64</b>	<b>335 494 438,99</b>
		<b>656 712 276,64</b>	<b>628 437 228,82</b>
		<b>31.12.</b>	
		<b>2016</b>	<b>2015</b>
		<b>(tilintarkastettu)</b>	<b>(tilintarkastettu)</b>
	<b>RAHOITUSLASKELMA</b>	<i>(1000 euroa)</i>	
	<b>Liiketoiminta</b>		
	Liiketulos	-642	-71
	Oikaisut liikelokseen <sup>1</sup>		
	Poistot ja arvonalentumiset	29	24
	Rahoitustuotot ja kulut	-6 071	-7 522
	Tilinpäätössiirrot	500	800
	Verot	-218	-190
	<b>Tulorahoitus</b>	<b>-6 402</b>	<b>-6 959</b>
	<b>Käyttöpääoman muutos</b>		
	Korottomien saamisten lisäys / vähennys (- / +)	-829	-115
	Korottomien velkojen lisäys / vähennys (- / +)	561	60
	Korollisten saamisten lisäys / vähennys (- / +)	15 520	-56 150
	<b>Liiketoiminnan kassavirta</b>	<b>8 850</b>	<b>-63 164</b>
	Yrityshankinnat	-43 409	-3 539
	Käyttöomaisuusinvestoinnit ja investointien ennakkomaksut	0	-82
	Aktivoidut pitkävaikutteiset menot	-13 401	-760
	Luovutustulos muista sijoituksista	48 463	0
	Investointien kassavirta	-8.347	-4.381
	<b>Kassavirta ennen rahoitusta</b>	<b>503</b>	<b>-67.545</b>
	Korollisten velkojen lisäys (+)	1 271 140	1 130 397
	Korollisten velkojen vähennys (-)	-1 142 934	-1 147 949
	Saadut osingot	40 500	137 963
	Maksetut osingot	-129 000	-57 300

		<b>Rahoituksen kassavirta</b>	<b>39 706</b>	<b>63 111</b>
		<b>Laskelman mukainen likvidien varojen muutos</b>	<b>40 209</b>	<b>-4 434</b>
		Rahat ja pankkitallennukset 1.1.2016 (1.1.2015)	15 795	20 229
		Rahat ja pankkitallennukset 31.12.2016 (31.12.2015)	56 004	15 795
		<b>Taseen mukainen likvidien varojen muutos</b>	<b>40 209</b>	<b>-4 434</b>
		<sup>1)</sup> Oikaisut sisältävät poistot ja muut ei-rahamääräiset erät, suoriteperusteisten erien muuttaminen kassaperusteisiksi sekä erät, jotka käsitellään muualla kassavirrassa esim. aineellisten ja aineettomien hyödykkeiden myyntivoitot ja -tappiot		

<b>Jakso C – Arvopaperit</b>		
<b>C.1</b>	<b>Arvopapereiden tyyppi ja laji</b>	Senior-statuksinen vakuudeton velkakirjalaina, jolla on takaus ja jonka kokonaisnimellismäärä on 250 000 000 euroa. Velkakirjojen ISIN-koodi on FI4000266606.
<b>C.2</b>	<b>Arvopapereiden liikkeeseenlaskun valuutta</b>	Velkakirjojen Liikkeeseenlaskun valuutta on euro.
<b>C.5</b>	<b>Arvopapereiden vapaata luovutettavuutta koskevat rajoitukset</b>	Ei sovelleta. Velkakirjat ovat vapaasti luovutettavissa sen jälkeen, kun ne on kirjattu asianomaiselle arvo-osuustilille.
<b>C.8</b>	<b>Arvopapereiden etuoikeusjärjestys</b>	Velkakirjojen haltijoilla on oikeus osallistua Velkakirjanhaltijoiden kokoukseen tai kirjalliseen menettelyyn. Velkakirjat ovat Liikkeeseenlaskijan suoria, takauksellisia ja vakuudettomia velvoitteita, jotka ovat samanarvoisia keskenään ja jotka ovat etuoikeusjärjestyksessä vähintään samalla sijalla Liikkeeseenlaskijan vakuudettomien velvoitteiden kanssa, lukuun ottamatta niitä velvoitteita, joilla on etuoikeus pakottavan lain nojalla.
<b>C.9</b>	<b>Korko ja tuotto; velkapaperien haltijoiden edustajan nimi</b>	Velkakirjoille maksetaan kiinteää vuotuista korkoa, joka on 1,75 % vuodessa. Velkakirjoille kertyvä korko maksetaan vuosittain takautuvasti alkaen 9.6.2018 ja tämän jälkeen 9.6. kunakin vuonna ("Koronmaksupäivä") 9.6.2022 saakka ("Takaisinmaksupäivä"). Velkakirjojen kulloinkin maksamatta olevalle pääomalle kertyy korkoa kultakin korkokaudelta korkokauden ensimmäinen päivä mukaan lukien ja korkokauden viimeinen päivä pois lukien. Ensimmäinen korkokausi alkaa Liikkeeseenlaskupäivänä ja päättyy ensimmäisenä Koronmaksupäivänä. Kukin seuraava korkokausi alkaa edeltävänä Koronmaksupäivänä ja päättyy seuraavana Koronmaksupäivänä. Viimeinen korkokausi päättyy Takaisinmaksupäivänä. Velkakirjoihin sovellettava koronlaskuperuste on International Capital Market Associationin määrittelemä "actual/actual ICMA"-laskentaperuste. Velkakirjojen efektiivinen tuotto on emissiohinnalla 99,697% 1,814% vuodessa.
<b>C.10</b>	<b>Tiedot siitä, kuinka kohde-etuuden arvo</b>	Ei sovelleta. Velkakirjoille maksettava korko ei sisällä johdannaislementtejä.

	<b>vaikuttaa koron määrään</b>	
<b>C.11</b>	<b>Ottaminen kaupankäynnin kohteeksi</b>	Yhtiö on hakenut Velkakirjojen ottamista julkisen kaupankäynnin kohteeksi Helsingin Pörssissä. Velkakirjat listataan Helsingin Pörssiin arviolta 7.7.2017.

<b>Jakso D – Riskit</b>		
<b>D.2</b>	<b>Liikkeeseenlaskijaan, sen toimintaympäristöön ja liiketoimintaan liittyvät riskit</b>	<p>Yhtiöön liikkeeseenlaskijana ja sen toimintaympäristöön ja liiketoimintaan sekä Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyy riskitekijöitä. Yhtiöön liikkeeseenlaskijana ja sen toimintaympäristöön ja liiketoimintaan liittyvät riskitekijät on lueteltu jäljempänä. Tämä luettelo ei ole tyhjentävä, ja myös riskit tai epävarmuustekijät, joista Yhtiö ei tällä hetkellä ole tietoinen tai joita se juuri nyt pitää epäolennaisina, saattavat vaikuttaa haitallisesti Yhtiön liiketoimintaan, tulokseen ja taloudelliseen asemaan tai Yhtiöön tehtyyn sijoitukseen.</p> <p>Yhtiön liiketoimintaan liittyvät riskit sisältävät seuraavat tekijät:</p> <ul style="list-style-type: none"> <li>– Globaalit taloudelliset olosuhteet vaikuttavat Konecranesin liiketoimintaan.</li> <li>– Nostoteollisuuden sekä Yhtiön asiakkaiden toimialojen syklinen luonne vaikuttavat Konecranesin liiketoimintaan.</li> <li>– Epäonnistumiset tai viivästykset sekä tuottoalijäämät suurissa projekteissa voivat vaikuttaa haitallisesti Konecranesin taloudelliseen tilanteeseen.</li> <li>– Epäonnistumiset asiakkaiden odotusten tai tuotevastuuväitelmien täyttämässä sekä sarjatuotannon virheet saattavat vaikuttaa haitallisesti Konecranesin maineeseen ja taloudelliseen asemaan.</li> <li>– Kilpailu Konecranesin toimialalla on hyvin intensiivistä.</li> <li>– Konecranes toimii kehittyvissä maissa ja toimintaympäristö on riskialtis.</li> <li>– Avainasiakkaiden menetys ja Konecranesin asiakkaiden epäonnistuminen hankkia rahoitusta Konecranesin tuotteiden ostamista varten voivat vaikuttaa Konecranesin taloudelliseen asemaan.</li> <li>– Lakot ja muut työselkkaukset voivat vaikuttaa haitallisesti Konecranesiin.</li> <li>– Konecranes on riippuvainen immateriaalioikeuksiensa jatkuvasta suojaamisesta ja tällaisen suojauksen saatavuudesta.</li> <li>– Konecranes on altis kansainvälisen liiketoiminnan harjoittamisen yhteydessä ilmeneville poliittisille, taloudellisille ja muille riskeille.</li> <li>– Konecranes on riippuvainen avainhenkilöstöstään ja johdostaan.</li> <li>– Konecranes ei välttämättä kykene tehokkaasti integroimaan hankkimiaan liiketoimintoja ja voi epäonnistua kasvustrategiassaan.</li> <li>– Odottamattomat tapahtumat voivat vaikuttaa haitallisesti valmistukseen ja tuotantoon.</li> <li>– Raaka-aineiden hinnanvaihtelut voivat vaikuttaa haitallisesti Konecranesin operatiiviseen tulokseen.</li> <li>– Konecranesin tuotteiden toimitus ja laatu ovat riippuvaisia Konecranesin toimittajista.</li> <li>– Konecranesin tietotekniikkajärjestelmät voivat joutua häiriöiden tai tietoturvaloukkauksien kohteeksi.</li> <li>– Konecranesin tuotteisiin, palveluihin ja toimintoihin liittyy oikeudenkäyntiriskejä.</li> </ul>

		<ul style="list-style-type: none"> <li>– Terveys-, turvallisuus- ja ympäristösääntely voivat aiheuttaa Konecranesille huomattavia kustannuksia ja velvollisuuksia.</li> <li>– Konecranes toimii useissa maissa ja tästä johtuen valuuttakurssien vaihtelut vaikuttavat Konecranesiin.</li> <li>– Konecranesin tulee hankkia ja noudattaa hallinnollisia lupia ja hyväksyntöjä.</li> <li>– Konecranesiin kohdistuu sopimus- ja compliance riskejä.</li> <li>– Konecranesin toimintoihin kohdistuu compliance-liitännäisiä ja laittomiin toimiin liittyviä riskejä, jotka voivat vaikuttaa Konecranesin maineeseen ja taloudelliseen asemaan.</li> <li>– Konecranes ei välttämättä pysty realisoimaan kaikkia odotettuja hyötyjä Material Handling &amp; Port Solutions ("MHPS") –segmentin hankintaansa Terex Corporationiltä liittyen, tai odotettujen hyötyjen realisointi voi kestää odotettua kauemmin. Konecranesillä saattaa myös olla huomattavia vaikeuksia integroida sen nykyinen liiketoiminta hankittuun liiketoimintaan.</li> <li>– Konecranesiin kohdistuu asiamiesten ja muiden kolmansien osapuolien toimiin liittyviä riskejä.</li> <li>– Konecranes ei välttämättä onnistu strategiansa toimeenpanossa tai pysty ohjaamaan kasvuaan tehokkaasti.</li> <li>– Tässä Esitteessä esitetyt tilintarkastamattomat vertailukelpoiset yhdistetyt taloudelliset tiedot ovat tarkoitettu ainoastaan havainnollistaviksi ja liittyvät oletettuun asemaan, eivätkä sen takia heijasta Konecranesin todellista taloudellista tilannetta tai tilikauden 2016 tulosta.</li> <li>– Muutokset tiettyjen omaisuuserien kirjanpitoarvojen taustalla olevissa oletamuksissa voivat johtaa sellaisten omaisuuserien arvon alentumiseen.</li> </ul> <p>Yhtiön rahoitukseen liittyvät riskit sisältävät seuraavat tekijät:</p> <ul style="list-style-type: none"> <li>– Konecranes ei välttämättä saa rahoitusta kilpailukykyisin ehdoin tai lainkaan ja sen rahoituskustannukset voivat nousta.</li> <li>– Konecranesin luottojärjestelyjä koskeviin sopimuksiin sisältyvät kovenantit saattavat rajoittaa Konecranesin kykyä harjoittaa liiketoimintaansa kaikissa tilanteissa.</li> <li>– Tulevat tilinpäätösstandardien muutokset saattavat vaikuttaa Konecranesin taloudelliseen asemaan.</li> <li>– Luotto- tai vastapuoliriskin toteutuminen voi vaikuttaa Konecranesin taloudelliseen asemaan.</li> </ul>
<b>D.3</b>	<b>Arvopapereille ominaiset riskit</b>	<p>Yhtiöön Liikkeeseenlaskijana ja sen toimintaympäristöön ja liiketoimintaan sekä Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyy riskitekijöitä. Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyvät riskit on lueteltu jäljempänä. Tämä luettelo ei ole tyhjentävä, ja myös riskit tai epävarmuustekijät, joista Yhtiö ei tällä hetkellä ole tietoinen tai joita se juuri nyt pitää epäolennaisina, saattavat vaikuttaa haitallisesti Yhtiön liiketoimintaan, tulokseen ja taloudelliseen asemaan tai Yhtiöön tehtyyn sijoitukseen.</p> <p>Liikkeeseenlaskuun ja sen kohteena oleviin Velkakirjoihin liittyvät riskit sisältävät seuraavat tekijät:</p> <ul style="list-style-type: none"> <li>– Velkakirjat eivät välttämättä sovellu sijoituskohteeksi kaikille sijoittajille.</li> <li>– Velkakirjoille ei välttämättä muodostu aktiivisia jälkimarkkinoita.</li> <li>– Koska Velkakirjoille on asetettu kiinteä korko, markkinakorkojen muutoksilla voi olla haitallinen vaikutus Velkakirjojen arvoon.</li> <li>– Ei luottoluokitusta.</li> <li>– Velkakirjoihin liittyvät lait ja käytännöt voivat muuttua.</li> </ul>



		<ul style="list-style-type: none"> <li>– Sijoitusten laillisuutta koskevat säädökset saattavat rajoittaa joitakin sijoituksia.</li> <li>– Velkakirjat eivät anna äänioikeutta Liikkeeseenlaskijan yhtiökokouksissa.</li> <li>– Sijoittajat kantavat Liikkeeseenlaskijaa koskevan luottoriskin.</li> <li>– Mahdollisilla tulevilla vakuusvelkojilla on Velkakirjojen haltijoihin verrattuna parempi oikeus Konecranesin omaisuuteen, joka on heillä vakuutena.</li> <li>– Velkakirjat eivät rajoita Liikkeeseenlaskijan oikeutta sulautua, toteuttaa liiketoimintakauppoja tai muutoin toteuttaa merkittäviä transaktioita, joilla saattaa olla olennaisen haitallisia vaikutuksia Velkakirjoihin ja niiden haltijoihin.</li> <li>– Konecranes voi ottaa lisävelkaa ilman Velkakirjojen haltijoiden suostumusta.</li> <li>– Konecranesin mahdollisella laajalla velkaantuneisuudella voi olla haitallinen vaikutus Liikkeeseenlaskijan kykyyn suoriutua Velkakirjojen mukaisista velvoitteistaan samoin kuin Velkakirjojen markkinahintaan ja arvoon.</li> <li>– Liikkeeseenlaskijalla on oikeus tai velvollisuus lunastaa tai ostaa Velkakirjat ennen niiden erääntymistä.</li> <li>– Liikkeeseenlaskija ei välttämättä kykene rahoittamaan Velkakirjojen takaisinostoa määräysvallan vaihtumisen tai liiallisesta vakuudellisesta velkaantumisesta johtuvan Velkakirjan haltijoiden vaatimuksen yhteydessä.</li> <li>– Liikkeeseenlaskijalla voi olla oikeus vapaaehtoisesti lunastaa tai ostaa Velkakirjat ennen niiden erääntymistä.</li> <li>– Liikkeeseenlaskijalla ei ole velvollisuutta hyvittää Velkakirjoihin liittyviä ennakonpidätyksiä.</li> <li>– Velkakirjoihin tehtävät muutokset sitovat kaikkia Velkakirjojen haltijoita.</li> <li>– Oikeus vastaanottaa maksuja Velkakirjojen perusteella lakkaa, mikäli niitä ei ole kolmen vuoden sisällä vaadittu.</li> <li>– Velkakirjoihin liittyvien transaktioiden toteutuminen on riippuvainen Euroclear Finland Oy:n toiminnasta ja järjestelmästä.</li> </ul> <p>Takaukseen liittyvät riskit sisältävät seuraavat tekijät:</p> <ul style="list-style-type: none"> <li>– Takaajan velkaantumistaso on huomattava. Takaaja ei välttämättä pysty tuottamaan tarvittavaa rahavirtaa toiminnoistaan hoitamaan velkaantumistaan ja saattaa kohdata lisää likviditeettihaasteita tulevaisuudessa, mikä voi vähentää Takaajan kykyä täyttää Velkakirjojen alaisia velvollisuuksiaan.</li> <li>– Takaas saattaa kattaa pienemmän määrän kuin Velkakirjojen alla maksettavaksi tulevat määrät.</li> <li>– Takaas sisältää vapautusmekanismin, joka tulee voimaan hankintavelan uudelleenrahoituksen yhteydessä.</li> </ul>
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<i>Jakso E – Tarjous</i>		
<b>E.2b</b>	<b>Syyt tarjoamiseen ja varojen käyttö, jos muu kuin voiton tavoittelu ja/tai tietyiltä riskeiltä suojautuminen</b>	Liikkeeseenlaskun kokonaisnettotuotot Yhtiölle sille maksettavaksi tulevien maksujen ja kulujen jälkeen tulevat olemaan noin 248,1 miljoonaa euroa. Liikkeeseenlaskijan Liikkeeseenlaskusta saamat tuotot lainattiin edelleen Konecranes Finance Oy:lle sen olemassa olevien lainojen takaisinmaksua varten.

<b>E.3</b>	<b>Tarjousehdot</b>	<p>Liikkeeseenlaskija: Konecranes Oyj, suomalainen julkinen osakeyhtiö.</p> <p>Pääjärjestäjät: Nordea Bank AB (publ), Suomen sivuliike, OP Yrityspankki Oyj ja Skandinaviska Enskilda Banken AB (publ).</p> <p>Lainan yhteenlaskettu nimellisarvo: 250 000 000 euroa.</p> <p>Liikkeeseenlaskupäivä: 9.6.2017</p> <p>Takaisinmaksupäivä: 9.6.2022</p> <p>Koronmaksupäivät: Vuosittain jälkikäteisesti 9.6.2018 alkaen ja tästä lähtien kunakin 9.6.</p> <p>Korko: 1,75 % vuodessa</p> <p>Takaisinmaksu: Nimellisarvosta, kertalyhenteisesti, Takaisinmaksupäivänä</p> <p>Vapaaehtoinen lunastus: Liikkeeseenlaskija voi lunastaa Velkakirjat vapaaehtoisesti nimellisarvosta yhdessä kertyneen koron kanssa Takaisinmaksupäivää välittömästi edeltävän kolmen kuukauden ajanjakson aikana ja ennen kyseistä ajanjaksoa make-whole summasta yhdessä kertyneen mutta maksamattoman koron kanssa.</p> <p>Merkinnät: Minimimerkintä on 100 000 euroa ja arvo-osuuden yksikkökoko on 1 000 euroa.</p> <p>Varojen käyttötarkoitus: Konecranes-konsernin olemassa olevien lainojen uudelleenrahoitus.</p> <p>Lainan etuoikeusasema: Senior-statuksellinen, takauksellinen, vakuudeton, alistamaton.</p> <p>Luottoluokitus: Ei sovellu.</p> <p>Kovenantit ja ennenaikaisen takaisinoston ja eräännyttämisen edellytykset: vakuudenannon rajoitus, määräysvallan vaihtuminen, liiallinen vakuudellinen velkaantuminen, maksurikkomus, ristiineräännyttäminen, liiketoiminnan lakkaaminen, selvitystila, insolvenssi.</p> <p>Listaaminen: Velkakirjat listataan Helsingin Pörssiin arviolta 7.7.2017.</p> <p>Selvitys: Velkakirjat lasketaan liikkeeseen arvo-osuuksina Euroclear Finland Oy:n Infinity-järjestelmässä. Euroclear Finland Oy:n rekisteröity osoite on Urho Kekkosen katu 5 C, 00100 Helsinki.</p> <p>Sovellettava laki: Suomen laki.</p> <p>ISIN-koodi: FI4000266606.</p>
<b>E.4</b>	<b>Olennaiset intressit</b>	<p>Pääjärjestäjien intressit: Finanssimarkkinoilla normaali liiketoiminnallinen intressi.</p> <p>Liikkeeseenlaskijan Liikkeeseenlaskusta saamat tuotot käytettiin Konecranes Finance Oy:n velkojen osittaiseen uudelleenrahoittamiseen. Liikkeeseenlaskijan saama tuotto liikkeeseenlaskusta lainattiin edelleen Konecranes Finance Oy:lle olemassa olevien määräaikaisten lainojen takaisinmaksuun, sisältäen noin 82,5 miljoonan euron kokonaissumman Pääjärjestäjien tai Pääjärjestäjien kanssa samaan konserniin kuuluvien yhtiöiden myöntämien määräaikaisten velkojen takaisinmaksuun.</p>
<b>E.7</b>	<b>Arvioidut kustannukset, jotka veloitetaan sijoittajalta</b>	<p>Ei sovelleta. Yhtiö ei veloita kustannuksia sijoittajilta.</p>

## RISK FACTORS

*Investors considering investment in the Notes should carefully review the information contained in this Prospectus and, in particular, the risk factors described below and in the stock exchange releases to be published by the Issuer after the Listing. Factors possibly affecting the investment decision are also discussed elsewhere in this Prospectus. Should one or more of the risks described herein, or any other risk, materialise, it may have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. This description is based on the information known and assessed at the time of preparing this Prospectus, and, therefore, the description of the risk factors is not necessarily exhaustive. The risks involved in an investment in the Notes are not limited to those identified below and the sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. All investors should make their own evaluations of the risks associated with an investment in the Notes and consult with their own professional advisers if they consider it necessary.*

The capitalised words and expressions in this section shall have the meanings defined in "Terms and Conditions of the Notes".

### **Risks related to the Issuer's business operations**

#### ***Konecranes' business is subject to global economic conditions.***

Demand for Konecranes' products and services is affected by the conditions of the global economy, as well as regional economies in which Konecranes operates. During the last few years, financial markets in the United States, Europe and Asia have experienced substantial disruption affecting, among other things, prevailing interest rates, residential and non-residential construction spending, capital expenditure allocations, diminished liquidity and credit availability, rating downgrades of certain investments and declining valuations of others, which has, in some instances, resulted in decreases in product demand by Konecranes' customers. Such economic developments may also affect Konecranes' business in a number of other ways. Declining demand may drive Konecranes to offer its products at reduced prices, which would have a negative impact on its profitability. In addition, the tightening of credit in financial markets may adversely affect the ability of Konecranes' customers and suppliers to obtain financing for significant purchases and operations and could result in a decrease in, or cancellation of, orders for Konecranes' products and services. Reduced revenues as a result of decreased demand may also reduce Konecranes' planned growth and otherwise hinder its ability to improve its performance in connection with its long term strategy.

Due to the recent global economic volatility, the current level of global economic activity, particularly in developed countries, remains dependent on highly accommodative governmental macroeconomic policies and is subject to downturn in the event such policies are withdrawn or otherwise changed, which may unfavorably affect the investment climate and consumer demand. Global economic activity is also influenced by a large number of other economic and sociopolitical variables, including oil and raw material prices, governmental economic policies, public spending and allocations for infrastructure, investor sentiment and confidence in the financial markets, currency fluctuations or a combination of the above factors. Further, the global political atmosphere is associated with uncertainty. For example, the impacts of Brexit remains still to be seen, but the growth of the United Kingdom's economy might slow down in connection with the separation of the EU, which could affect the economic development in Europe as well. A risk for further exits from the Eurozone prevails and the risk for general breakup of the Eurozone cannot be excluded. The inauguration of the newly elected president of the United States creates uncertainty regarding the economic and foreign political approaches of the United States. Due to the generally uncertain market conditions, companies are postponing their decision-making and are unwilling to invest. An economic downturn or change in industrial and manufacturing investment activity due to globally uncertain market conditions could result in reduced sales of Konecranes' products and services, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

#### ***Konecranes' business is affected by the cyclical nature of the lifting industry and its customers' industries.***

Many of the end users of Konecranes products are in highly cyclical industries, such as manufacturing, metals, power generation, petrochemicals and pulp and paper, which are sensitive to changes in general economic conditions, the level of industrial investment and replacement or repair cycles. Capital expenditure on industrial cranes varies with the development of industrial production and production capacity, while demand for port

equipment generally follows trends in global transportation and, over the shorter term, port investment cycles. Demand for maintenance services is driven by customers' capacity utilization rates. In addition to risks related to sales volumes, competition and adverse changes in demand can also result in overcapacity and affect market prices.

Fluctuations in the rate and volume of orders for lifting systems and equipment reflect the capital investment decisions of Konecranes customers, which is directly related to the level of production in their facilities. During economic downturns, customers tend to delay new purchases. Customer purchasing habits therefore depend to a certain extent on the general level of economic activity in the various industries in which Konecranes' customers operate and other factors beyond Konecranes' control. Consequently, significant fluctuations in Konecranes' revenues and net income may be precipitated by developments in customer purchasing habits. If there is deterioration in the general economy, or in the industries in which Konecranes' customers operate, this could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Failure or delays and revenue shortfalls in managing large projects may adversely affect Konecranes' financial condition.***

Konecranes' Business Area Industrial Equipment and Business Area Port Solutions participate in project-related businesses, wherein certain customer contracts comprise discrete, large project-based purchases. As with any project-related business, there is the potential for delays within any particular customer project. Projects involve significant risks, including if the project is not executed and/or completed in accordance with the agreed schedule, and Konecranes has, from time to time, incurred significant losses on single projects. For example, dependency on certain third-party logistics providers (e.g. shipping lines) in transportation of large-sized port equipment may cause delays of deliveries. In the past, Konecranes' customers have been subject to delays and project cancellations as a result of changing market requirements. Konecranes customers may cancel their orders, change production quantities or delay production in accordance with unforeseen disruptions to a particular project's timetable or a project's cancellation. In addition, high-quality products play an important role in managing the business risks. However, a risk for defects in quality of Konecranes' products is related to the complex customer projects and when realized, may cause further delays in completion of the projects.

Any significant future cancellations or deferrals of product orders could harm Konecranes' margins, increase write-offs and restrict Konecranes' ability to fund its operations, while the variation and delays of project timelines and estimates may impact the amount of revenue received in a particular period. Moreover, orders may fluctuate substantially from year-to-year, which could result in unpredictability of revenue and, in the short term, revenue shortfalls or declines. Such delays, failures and cancellations as well as fluctuations can cause losses, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***A failure to meet the customers' expectations or product liability requirements and defects in serial production may have an adverse effect on Konecranes' reputation and financial standing.***

The quality and safety of Konecranes' products is critical to the success of its business. Konecranes' produces both key components with high added value as well as serial production products. All Konecranes' products are designed to meet the expectations of the customers as regards their standard and quality and Konecranes' R&D function has a central role in this. Konecranes' products are also designed to satisfy the applicable legal and regulatory requirements as well as the standards established by a number of regulatory and testing bodies. However, there can be no assurance that Konecranes' products will in all circumstances meet all of the aforementioned expectations and/or requirements or that the R&D function of Konecranes is sufficient in this respect. In addition, components produced in serial production are exposed to a risk of defects in the entire production, which could have severe financial consequences. Further, the consequences of quality or safety issues due to disruptions in supply chains or problems in production capacity and continuity caused by human error or equipment fault could be severe and could adversely affect Konecranes' financial standing. A failure to meet the customers' expectations or product liability requirements as well as the defects in serial production could have an adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes operates in a highly competitive industry.***

The lifting industry is highly competitive. To compete successfully, Konecranes' products must excel in terms of quality, reliability, productivity, price, features, ease of use, safety and comfort, and Konecranes must provide

excellent customer service. The greater financial resources of certain competitors or their benefit from state subsidies or trade protection measures may put Konecranes at a competitive disadvantage. In addition, low-cost competition from developing markets could also result in decreased demand for Konecranes' products. In particular, in recent years, Konecranes has observed the increasing frequency of duplications of certain components produced in-house by Konecranes, which is becoming a routine feature of the industry in which Konecranes operates. Such "copycat" products may have the effect of increasing competition where Konecranes believes it has a competitive advantage. While such "copycat" products may also have less reliable performance, they could be mixed with original Konecranes products and, thus, affecting customers' perception of original Konecranes products. If competition in the lifting industry intensifies or if Konecranes' current competitors lower their prices for competing products, Konecranes may lose sales or be required to lower the prices it charges for its products.

If Konecranes is unable to provide continued technological and other improvements to its products that are offered at competitive prices and that meet Konecranes' customers' expectations, demand for Konecranes' products could be substantially adversely affected. Failure to compete effectively with lifting solutions competitors or low-cost producers could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes operates in emerging countries and the operating environment contains risks.***

Konecranes has operations and personnel, manufacturing and supplier networks in a number of emerging markets, that have developing legal and economic systems, which adds greater uncertainty to Konecranes' operations in those markets. Emerging markets may be subject to greater economic and political instability, in addition to greater exposure to social unrest and infrastructure complications, than more mature markets, including nationalization of property without fair compensation or other loss of assets, corruption and extortion, and greater regulation of production and pricing. Furthermore, emerging markets may not possess the full business, legal and regulatory infrastructure that would generally exist in more mature economies, which may impact Konecranes' ability to contend with any of the foregoing as the business environment and political situation in emerging countries and the differences of the legislation, its interpretation and official practices, including deficiencies in the legal system, administrative proceedings and mechanisms of legal enforcement, may give rise to significant risks for Konecranes. Moreover, expansion into these developing markets may require the adaptation of products to meet local requirements or preferences which may take longer or be more costly than anticipated. A failure to develop the business in the emerging countries could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The discontinuation of key customers' relationship and the failure of Konecranes' customers to secure financing to purchase Konecranes' products could affect Konecranes' financial standing.***

Konecranes' results of operations are highly contingent on the full and timely payment by its customers. The credit risk of Konecranes' customers may be adversely affected by a number of factors outside of the control of Konecranes, including, among others, market volatility, industry consolidation, economic conditions, interest rates, currency fluctuations, diminished liquidity and credit availability. Key customers may not continue to purchase Konecranes' products or purchase them on terms as favorable as in the past or at all. Measures instituted addressing customer payments, including advance payments, letters of credit, payment guarantees and credit insurance, may not be sufficient to mitigate the impact on Konecranes' financial standing of a customer's failure to issue timely or adequate payment, where applicable. If Konecranes' customers are not successful in generating sufficient revenue or are precluded from securing financing, they may not be able to pay, or may delay payment of, Konecranes' products or accounts receivable owed. These risks are particularly acute in emerging markets, where, for example, due to currency fluctuation, customers may be forced to postpone projects or even to cancel existing orders. A significant reduction in key customers' purchases, the failure of key customers to pay amounts due on a timely basis, or at all, or the discontinuation of key customers' relationship with Konecranes could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Financing conditions of customers may affect their abilities to purchase Konecranes' products. Significant portions of Konecranes' sales are financed by third-party finance companies on behalf of Konecranes' customers. The availability of financing by third parties is affected by general economic conditions and the credit worthiness of customers. Deterioration in either of the foregoing conditions could negatively impact the ability of Konecranes'

customers to obtain the resources they need to purchase equipment. In the event Konecranes' customers are unable to obtain sufficient financing—particularly in light of ongoing volatility in certain regional economies—such customers may need to cancel existing orders. The failure of Konecranes' customers to secure financing to purchase Konecranes' products could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes may be adversely impacted by work stoppages and other labor matters.***

As of March 31, 2017, Konecranes employed approximately 16,900 people worldwide. As Konecranes' business is labor intensive, maintaining good relationships with its employees, unions and other employee representatives is crucial to Konecranes' operations. As a result, any deterioration of the relationships with its employees, increased costs of EU and international labor, including the costs of employee benefits plans, labor disputes, work stoppages or union organizing activity could delay or impede production, lead to costly work stoppages and loss of productivity, or required elevated outlays from Konecranes. Following the acquisition of Material Handling & Port Solutions ("MHPS") segment (the "**MHPS acquisition**") from Terex Corporation, Konecranes intends to carry out restructuring actions, subject to applicable works council negotiations, which may result in work stoppages or other labor matters. Konecranes cannot assure that future issues with its employees or labor unions will be resolved favorably or that it will not encounter future strikes, further unionization efforts or other types of conflicts with labor unions or employees. Any of these factors could limit Konecranes' flexibility in dealing with its workforce or could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes is reliant on the continued protection of its intellectual property and availability of such protection.***

Konecranes relies on continued research and development in the field of lifting equipment and technology to retain a competitive advantage in the products and services it provides and it further relies on a combination of patents, trademarks and other intellectual property rights, nondisclosure agreements and other measures to protect its proprietary rights. As Konecranes continues to expand into new markets, it must continue to maintain a protected portfolio of intellectual property rights.

Increasing duplication of products, differences in the protections available between countries and the costs associated with the protection of intellectual property rights are significant challenges to Konecranes in managing protection for its intellectual property. However, active management of intellectual property rights is essential to protecting the technological advancements Konecranes makes in its effort to meet market developments and customer expectations. Protection for intellectual property rights is not always available. The availability varies between countries and may be restricted due to prior registrations. Konecranes is increasingly reliant on Industrial Internet-based offering, to differentiate it from its competition and to reduce the number and impact of product faults in the longer term. There can be no assurance that sufficient protection for intellectual property rights with respect to all new technologies will be available.

There are risks that the measures Konecranes has taken and takes as part of its active management of its intellectual rights may not be adequate to protect Konecranes' intellectual property. Konecranes' competitors may independently develop, or license from third parties, technologies that are equivalent or superior to those currently employed by Konecranes. In addition, the laws of, and their enforcement in, several of the jurisdictions in which Konecranes operates may not protect Konecranes' intellectual property rights to the same extent as the laws of the European Union or the United States. Any substantial infringement of Konecranes' intellectual property could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes is exposed to political, economic and other risks that arise from operating a multinational business.***

Konecranes operates production facilities in 17 countries and hosts sales and service locations in 50 countries. In addition, Konecranes sells its products to customers located in over 100 countries. These multinational operations are subject to a number of risks. Such risks include:

- trade protection measures and currency exchange controls;
- labor unrest;

- global and regional economic conditions;
- political instability and trade protectionism;
- trade embargos and other trade restrictions;
- terrorist activities and the U.S., European and international response thereto;
- sanctions and restrictions on the transfer of funds into or out of a country;
- export duties and quotas;
- domestic and foreign customs and tariffs;
- currency fluctuations;
- current and changing regulatory environments;
- difficulties protecting intellectual property;
- transportation delays and interruptions and elevated delivery costs;
- costs and difficulties in integrating, staffing and managing operations, especially in developing markets;
- identity theft and other fraudulent actions;
- capabilities of distribution channels; and
- current and changing tax laws, in particular in Finland, the European Union and the United States.

Any of these factors could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes relies on senior management and key professional personnel.***

Konecranes' success is dependent on the availability, expertise and competence of its senior management team. The loss of key employees or senior officers, or an inability to attract, retain and maintain additional senior management could prevent Konecranes from implementing its business strategy. Konecranes' future performance also depends upon its ability to identify, attract, develop, and retain professional personnel, including highly skilled technicians, highly capable project managers, and customer-centric and effective sales managers. Konecranes competes with other companies to recruit and hire from a limited pool of potential employees with the required skill set and/or industry experience. In addition, the training of new employees requires a large amount of time and resources. The loss of such personnel and any resulting loss of existing or potential customers to any such competitor could harm Konecranes' business. If Konecranes cannot attract, train and retain qualified personnel or retain key members of its senior management, this could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes may not succeed in integration of acquired businesses and may fail to implement a growth strategy.***

Konecranes has consummated many acquisitions in the past and anticipates making additional acquisitions in the future. Konecranes' ability to realize the anticipated benefits of these transactions will depend largely on its ability to successfully integrate acquired businesses. Growth is complex and expensive and may present a number of risks and challenges, including:

- Konecranes may be unable to realize anticipated synergies, savings and market growth;
- Konecranes may be unable to effectively integrate companies, technologies, IT systems, product lines or other acquired entities;
- Konecranes may lose key employees, customers or suppliers;
- Konecranes may face the unanticipated loss of revenue or increase in operating or other costs;
- Konecranes may have to assume debt to finance organic or acquisitive growth;

- Konecranes may face higher-than-expected development or implementation costs or may fail to extract business benefits from new processes and systems which may lead to an impairment of assets or decrease in profitability; and
- Konecranes may have to navigate the demands of an unfamiliar market, which may comprise local regulations that may be more onerous than the regulations to which Konecranes is subject in its existing geographic markets.

A failure to successfully implement a growth strategy with respect to increasing production, sales, the expansion of Konecranes' distribution platform and/or any such other element of Konecranes' growth strategy for any reason, including those described above, could result in an impairment of goodwill and other assets and reduced profitability, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Production and manufacturing may be adversely affected by extraordinary events.***

Production at Konecranes' facilities could be adversely affected by extraordinary events, including fire, explosion, release of high-temperature steam or water, structural collapse, machinery failure, chemical spill, mechanical failure, extended or extraordinary maintenance, road construction or closures of primary access routes, earthquake, flood, windstorm or other severe weather conditions. Although Konecranes carries insurance covering losses at these facilities and insurance to cover interruptions in Konecranes' business, that insurance is subject to limitations such as deductibles and maximum liability amounts and therefore may not cover all losses, including loss of revenue, resulting from the adverse extraordinary events. Konecranes could experience significant losses if any of its manufacturing facilities were damaged or ceased operation for any other reason, and there can be no assurance that Konecranes would be able to completely or partially use other production facilities or otherwise to compensate for or mitigate the effects of any such shutdowns. If any of Konecranes' operations, and in particular its two gearbox production facilities in Finland, its lift truck factory in Sweden, its crane component factory in Wetter, Germany, its mobile harbor crane factory in Düsseldorf, Germany, as well as its straddle carrier factory in Würzburg, Germany, were disrupted as a result of equipment failures, natural disasters, work stoppages, power outages or for any such other reason outside the control of Konecranes, such operational interruptions could compromise Konecranes' production capacity, increase costs and delay delivery of units in production. Production capacity limits could cause Konecranes to reduce or delay sales efforts until production capacity is available, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Fluctuations in raw material prices could adversely affect Konecranes' operational results.***

Konecranes' principal materials and components used in Konecranes' various manufacturing processes include steel, castings, forgings, bearings, motors, electric controls and cables, engines, tires, hydraulics, drive trains, and a variety of other commodities and fabricated or manufactured items. Extreme movements in the cost of these materials and components may affect Konecranes' financial performance. Konecranes may be unable to pass these additional costs on to its customers in a timely manner, or at all, which could result in lower margins, customer loss, or revenue reductions to the extent Konecranes' customers do not agree to price increases, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Delivery and quality of Konecranes' products are contingent on the capabilities of Konecranes' suppliers.***

Konecranes is subject to risks associated with some of its key suppliers for certain essential components for its products. Delays in key suppliers' capabilities to provide Konecranes with necessary materials and components may delay production at a number of Konecranes' manufacturing locations, or may require Konecranes to seek alternative supply sources. Delays in obtaining supplies may result from a number of factors affecting Konecranes' suppliers, including capacity constraints, labor disputes, suppliers' impaired financial condition, suppliers' allocations to other purchasers, weather emergencies or acts of war or terrorism. Further, risks associated with quality and defects in the components received from suppliers are incidental to subcontracted components for Konecranes' manufacturing and production process and may also result in production delays at Konecranes' manufacturing locations or may require seeking alternative supply sources, which it may not be able to obtain in a timely manner and at commercially competitive terms.



Any significant delay in receiving supplies from these key suppliers, combined with an inability to timely source alternative suppliers, could impair Konecranes' ability to deliver products to its customers and, accordingly, could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes' information technology systems may be subject to disruptions or breaches of security.***

Konecranes' information technology ("IT") function is responsible for all IT services, applications and assets used by companies within its group. Konecranes' operations depend on the availability, reliability, quality, confidentiality and integrity of its IT system, which is hosted and managed through a cloud-based service provided by a third party, to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers and other business partners), and to manage or support a variety of critical business processes and activities. Konecranes has not provided a redundancy for its IT system, and there is no assurance that the third party's service provides for such redundancy either. Konecranes' IT system may be damaged, disrupted or shut down due to attacks by computer hackers, computer viruses, employee error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances Konecranes' recovery planning may be ineffective or inadequate. A failure of or breach in IT security could engender disruptions to production and delivery and could expose Konecranes and its customers, distributors and suppliers to risks of misuse of information or systems, the compromise of confidential information, manipulation and destruction of data, fraudulent actions, defective products, production downtimes, operations disruptions and financial loss. In addition, such breaches in security could result in litigation, regulatory action and potential liability, as well as the costs and operational consequences of implementing further data protection measures. Any and all information security risks and incidents may adversely affect Konecranes' business performance and may lead to higher total project costs, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes faces litigation risks in connection with its products, services and operations.***

Consistent with a global industrial business encompassing a wide range of products and services and operating across multiple jurisdictions, Konecranes is subject to various legal actions, claims and other proceedings in various countries. These claims may involve contractual disputes, warranty claims, product liability, employment and other matters and may arise well after the underlying event occurred. In particular, Konecranes is exposed to possible claims for personal injury or death and property damage resulting from the products that Konecranes sells. In addition, like many industrial manufacturers, Konecranes is involved in asbestos-related litigation.

Konecranes maintains insurance through a combination of self-insured retentions, partly significant with respect to historical MHPS liabilities, and excess insurance coverage. There can be no assurance that existing or future claims will not exceed the amount of Konecranes' excess insurance coverage. In addition, Konecranes cannot give any assurance that insurance will continue to be available on economically reasonable terms or that Konecranes' insurers would not require it to increase its self-insurance amounts. Claims brought against Konecranes that are not covered by insurance or that are in excess of insurance coverage could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Health, safety and environmental regulations may subject Konecranes to significant costs and liabilities.***

Konecranes is subject to health, safety and environmental regulations in the jurisdictions in which it operates. The environmental, health, hygiene and safety regulations with which Konecranes must comply relate primarily to industrial safety, emissions or discharge of chemicals or dangerous substances (including industrial waste); their use, production, traceability, handling, transport, storage and elimination or exposure to such substances; and the remediation of industrial sites and environmental cleanup. Konecranes is also subject to strict requirements with respect to safety standards applied to its products and manufacturing sites.

In addition, increasing laws and regulations dealing with the environmental aspects of the products Konecranes manufactures can result in significant expenditures in designing and manufacturing new forms of equipment that comply with such laws and regulations.

Regulation has typically become broader and stricter over time, and enforcement has tended to increase. Complying with applicable regulation requires Konecranes regularly to incur significant expense. A violation of these rules could lead to fines or other civil, administrative or criminal sanctions, including the withdrawal of permits and licenses necessary to continue doing business. Konecranes cannot predict the amounts of any increases in capital expenditure or operating expenses that it may incur to comply with applicable regulatory requirements. Any of the foregoing could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes sells its products in a number of countries and is consequently exposed to currency fluctuations.***

Konecranes reports its financial results in euro and is consequently subject to currency translation risk because a significant portion of its sales are denominated in currencies other than the euro, principally in the U.S. dollar. Because Konecranes' operating costs are primarily denominated in euro, Konecranes incurs foreign currency translation risk. The value of the U.S. dollar has fluctuated significantly against the euro in recent years, including periods in which the value of the U.S. dollar has significantly declined against the euro. Foreign exchange fluctuations have a direct accounting impact on Konecranes' consolidated financial statements, as a result of settlement risk impacting income and expenses incurred in foreign currencies and risks relating to the conversion into euros of the balance sheets and income statements of Konecranes' operations outside the Eurozone. Konecranes hedges some of its net foreign currency exposure by using foreign currency loans and derivatives. However, there can be no assurances that these hedging measures will shield Konecranes from significant foreign currency risk exposure and consequent risks. Therefore, Konecranes may not be able to effectively manage currency risks, and volatility in currency exchange rates may have a material adverse effect on Konecranes' consolidated financial statements and affect comparability of Konecranes' results between financial periods. Accordingly, there is a risk that significant movements in currency exchange rates will have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Konecranes also incurs foreign currency translation risk to the extent that its subsidiaries' assets, liabilities, revenues and expenses are recorded in currencies other than euro. In order to prepare its consolidated financial statements, Konecranes must translate those assets, liabilities, revenues and expenses into euro at then applicable exchange rates. Consequently, increases and decreases in the value of the euro versus other currencies will affect the amount of these items in Konecranes' consolidated financial statements, even if their value has not changed in their original currency. These translations could result in significant changes to Konecranes' results of operations from period to period. Konecranes hedges some of this currency translation risk by matching foreign currency assets with loans denominated in the same currency and by entering into derivative transactions, but significant and sustained movements in exchange rates could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes is required to obtain and comply with government permits and approvals.***

Konecranes is required to obtain and comply with numerous permits, approvals, licenses and certificates from the respective government authorities of each jurisdiction in which it operates. The process of obtaining and renewing necessary permits can be lengthy and complex and can sometimes result in the establishment of permit conditions that make the project or activity for which the permit was sought unprofitable or otherwise unattractive. In addition, such permits or approvals may be subject to denial, revocation or modification under various circumstances. Failure to obtain or comply with the conditions of permits or approvals, or failure to comply with applicable laws or regulations, may result in the delay or temporary suspension of Konecranes' operations and sales or the curtailment of delivery and may subject Konecranes to penalties and other sanctions. Although various regulators routinely renew existing licenses, renewal could be denied or jeopardized by various factors, including failure to provide adequate financial assurance for closure; failure to comply with environmental, health and safety laws and regulations or permit conditions; local community, political or other opposition; and executive, legislative or regulatory action. Konecranes' costs or inability to obtain and comply with the permits and approvals required for Konecranes' operations could negatively impact its operations and cash flow, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes is subject to contractual and compliance risks.***

Konecranes is dependent on various contracts both with customers and suppliers. Further, Konecranes must comply with a wide range of laws and regulations both on national and international level. In the normal course of its business activities, Konecranes may become and may be involved in legal proceedings, for example, regarding contractual responsibility, employers' liabilities, anti-trust, anti-bribery and anti-corruption matters and penal issues, and is subject to customary tax and administrative audits. As Konecranes' customers are proposing new sales conditions, the individual contracts are becoming more extensive resulting in increasing risks related to exceptional conditions. Long-term delivery contracts are also typical for the industry, which exposes Konecranes for risks related to sanctions and regulatory environment. Changes in international trade restrictions and various countries' competition and anti-bribery legislation pose a risk that requires continuous follow-up and the development of self-monitoring functions. Cases that are technically or contractually unclear may also involve claims for compensation addressed to Konecranes. Adverse changes in the regulatory environment or non-compliance with applicable laws and regulations, possible sanctions and the failure to sufficiently protect the business operations contractually may have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes' operations are subject to risks related to compliance and illegal activities, which could affect Konecranes' reputation and financial standing.***

Konecranes' operations are subject to risks related to compliance and illegal activities such as fraud, misconduct or criminal acts, which could result in administrative sanctions and fines and harm Konecranes' reputation. Effective internal control over financial reporting is necessary for Konecranes to provide reliable financial reports and, together with adequate disclosure controls and procedures, they are designed to prevent fraud, including misappropriation of Konecranes' assets.

In connection with the preparation of Konecranes' consolidated financial statements as of December 31, 2015 and 2014, Konecranes and its independent auditor identified a material weakness of internal control, which had resulted in unauthorized disbursements of EUR 17.0 million to unknown persons as a result of an identity theft.

Konecranes has worked to remediate the weakness and has taken numerous steps to remediate the underlying causes of being subject to such risks. These include the following:

- engaging a firm of forensic auditors to review the circumstances leading to the identity theft, which culminated in the transfer of funds to the unknown persons by the subsidiary;
- reviewing the design and operation of its process level and transaction level controls in relation to cash management at its subsidiaries;
- reviewing the access rights to and controls over the subsidiaries' electronic banking-systems, which are used to make cash disbursements; and
- conducting training sessions at its subsidiaries to reinforce control awareness.

Konecranes is committed to operate in compliance with applicable laws and regulations and having internal control and procedures in place to avoid risks related to compliance and illegal activities. However, there can be no assurance that such internal control and procedures enable Konecranes to avoid non-compliance and illegal activities entirely in the future. Illegal activities and any non-compliance could increase Konecranes' costs or lead to fines, administrative sanctions or other penalties that undermine Konecranes' reputation and have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes may fail to realize all of the anticipated benefits of the acquisition of Material Handling & Port Solutions ("MHPS") segment (the "MHPS acquisition") from Terex Corporation, or those benefits may take longer to realize than expected. Konecranes may also encounter significant difficulties in integrating its existing business and the acquired business.***

Konecranes expects synergies of EUR 140 million to be implemented on a run-rate basis within three years of the MHPS acquisition. The ability of Konecranes to realize the anticipated benefits of the transaction will depend, to a large extent, on its ability to integrate its existing and the acquired businesses. The combination of two independent businesses is a complex, costly and time-consuming process. As a result, Konecranes will be required

to devote significant management attention and resources to integrating the business practices and operations. The integration process may disrupt the businesses and, if implemented ineffectively, would restrict the realization of the expected benefits. In addition, the realization of anticipated benefits of the MHPS acquisition may be limited by a change in law or regulatory environment, including tax laws and regulations. The failure to meet the challenges involved in integrating the existing and the acquired businesses and to realize the anticipated benefits of the transaction could cause an interruption of or a loss of momentum in the activities of Konecranes, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

In addition, the overall transition and integration of the businesses may result in material unanticipated problems, expenses, liabilities and competitive responses. The difficulties of combining the operations include, among others:

- the diversion of management's attention to integration matters, resulting in possible performance shortfalls;
- difficulties in achieving anticipated cost savings, synergies (including sourcing synergies), business opportunities and growth prospects from the combination;
- difficulties in the integration of operations and systems;
- conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures;
- difficulties in the assimilation of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- risks of losing customer relationships;
- challenges in keeping existing customers and obtaining new customers;
- challenges in attracting and retaining key personnel;
- higher than anticipated transaction costs;
- higher interest rates on debt resulting in increased interest expense; and
- coordinating a geographically dispersed organization.

Many of these factors will be outside of the control of Konecranes and any one of these factors could result in increased costs, decreases in the amount of expected revenues and diversion of management's time and energy, which could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. In addition, even if the operations of the existing and acquired businesses of Konecranes are integrated successfully, the full benefits of the transaction may not be realized, including the synergies, cost savings or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame, or at all. Additional unanticipated costs may be incurred in the integration of the existing and acquired businesses of Konecranes. All of these factors could have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes is subject to risks resulting from the actions of agents and other third parties.***

Konecranes sources components of its products and spare-parts from suppliers located throughout the world and relies on third parties by, inter alia, sub-contracting components. Agents, distributors and licensees have a central role in the distribution of Konecranes' products. The contractual arrangements with agents and other third parties expose Konecranes to political, economic, regulatory and reputational risks, including anti-trust and anti-corruption risks. Konecranes can provide no assurance that these third parties will conduct their businesses in compliance with the applicable laws, regulations or standards, which could lead to adverse effects, for example, in contractual relationships and expose Konecranes to various risks. Despite Konecranes' efforts to mitigate such risks through internal policies and guidelines as well as contractual arrangements, the non-compliance by third parties of, for example, anti-corruption regulations or neglect of applicable standards is beyond Konecranes' control, but could, for example, have negative implications for Konecranes' reputation, production and quality or result in invalid contracts or other damage, which could have a material adverse effect on Konecranes' business,

financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Konecranes may not succeed in execution of its strategy or manage its growth effectively.***

Konecranes' future growth depends on the successful realization of its strategy, including the integration of the MHPS business. The Issuer's ability to realize its strategy and otherwise grow its business depends on several different factors, many of which are outside the Issuer's control, and most importantly, on the Issuer's ability to continue providing added value to clients through high-quality products and selection, which is supported by in-depth expertise and tailored services. In addition, the Issuer may fail to utilize efficiently a flexible production and service platform.

Further, Konecranes continuously assesses potential investments and divestments to develop its business. Although Konecranes has been able to grow organically and through acquisitions in the past years, there can be no assurance that Konecranes will find suitable acquisition targets and ways to grow organically also in the future. In addition to the investments into new target companies, Konecranes may also pursue its strategic goals by divesting certain business segments in part or in whole. There can be no assurance that any strategic decision to invest in new target companies or to divest a part of Konecranes' business made by Konecranes' management would prove profitable and any of these strategic decisions proving unprofitable could have a material adverse effect on Konecranes' results of operations.

Materialization of any of the abovementioned risks could adversely affect Konecranes' strategy implementation which may, in turn, have a material adverse effect on Konecranes' business, financial condition and results of operations and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The unaudited comparable combined financial information in this Prospectus is presented for illustrative purposes only and concerns an assumed situation and does not therefore reflect the true financial position or result of Konecranes during financial year 2016.***

The unaudited comparable combined financial information in this Prospectus is presented for illustrative purposes only. The financial information contains comparisons to combined financial information on an unaudited basis estimated by the management for year 2016. This financial information has been prepared to reflect the financial results of the combined operations following the MHPS acquisition as if they had been operating as such for the full financial year 2016. The comparable combined company's operations comprise Konecranes' operations without the divested STAHL CraneSystems business, but including the acquired MHPS business. The comparable combined financial information is based on a hypothetical situation and should not be viewed as pro forma financial information as differences in accounting principles have not been taken into account. The unaudited combined financial information is based on Konecranes Group's financial statements for the financial year 2016 (adjusted for restructuring costs, transaction costs and received insurance indemnity) according to IFRS and Terex Corporation's ("Terex") MHPS segment unaudited special purpose carve-out financial information for the financial year 2016 (adjusted for non-recurring items such as restructuring costs and impairments of goodwill and trademarks) according to USGAAP. The corporation allocations of Terex Group have been adjusted in MHPS income statement to illustrate the situation as if the Group had been combined at the beginning of 2016.

As the financial information for MHPS has been prepared on a carve-out basis, this does not necessarily reflect what its results of operations would have been, had MHPS operated as an independent company and had it presented stand-alone financial information under IFRS during the period presented. Moreover, the carve-out financial information may not be indicative of MHPS' future performance of the operative activities aggregated within Konecranes. Konecranes is unable to present a reconciliation of the combined financial information as MHPS' financials have been calculated according to USGAAP and using different accounting principles than Konecranes and as Terex has categorized MHPS as a discontinued operation in 2016. Comparable combined financial information concerns therefore an assumed situation and does not therefore reflect the true financial position or result of the Company during financial year 2016.

***Changes in assumptions underlying the carrying value of certain assets could result in impairment of such assets.***

As of March 31, 2017, Konecranes had EUR 925.9 million in goodwill. However, the assumptions surrounding testing may have a notable impact on the value of goodwill on the relevant testing date. Changes in assumptions

underlying the carrying value of these assets could result in impairment of such assets, which, in turn, could have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

#### **Risks relating to the Issuer's financing**

***Konecranes may not be able to receive financing at competitive terms or at all and its costs of financing may increase.***

Uncertainty in the financial market may mean that the price of the financing needed by Konecranes to carry out its business will increase and that it will be less readily available. Konecranes aims to reduce the risk relating to the availability of financing by using credit agreements of varying maturities, by applying committed revolving credit facilities and by maintaining Konecranes' reputation as a trustworthy debtor among its creditors. It is possible that Konecranes could – at any given point in time – encounter difficulties in raising funds and, as a result, lack the access to liquidity it needs, which in turn may have an adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

Konecranes' ability to make scheduled payments on its debt is subject to general economic, financial, competitive, market, regulatory and other factors that may be beyond its control. Konecranes also depends – to some extent – on cash flow from its subsidiaries, which may not, at all times, be able to make distributions and other payments to due to, among other things, applicable tax laws. There can be no assurances that Konecranes' operations will continue to generate sufficient cash flow to allow it to service its debt, to fund its working capital, pension programs, capital expenditure and research and development requirement and to engage in future acquisitions. Failure to do so could have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

A portion of Konecranes' indebtedness bears interest at variable rates. An increase in the interest rates on Konecranes' indebtedness will increase its costs of financing which in turn could have an adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Covenants in the agreements governing Konecranes' credit arrangements may restrict Konecranes' ability to operate its business in all circumstances.***

Konecranes has entered into various credit arrangements and some of them include standard covenants that apply, among other things, to certain key financial indicators, incurrence of additional indebtedness and the use of collateral by the Company. Konecranes' ability to satisfy these covenants may be affected by events beyond its control and there can be no assurances that it will be able to comply with such covenants in the future. In the event that Konecranes fails to comply with these covenants and in order to avoid an event of default, Konecranes would be required to obtain a waiver from its creditors, renegotiate its agreements governing its indebtedness or repay or refinance borrowings, which could have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes. No assurances can be given that Konecranes would be able to renegotiate or refinance these agreements on terms that are acceptable to it, if at all.

***Future changes in accounting standards may affect Konecranes' financial position.***

Future changes in the IFRS accounting standards may lead to increase in the reported leverage of Konecranes. Although Konecranes' current loans provide for debt covenants to be assessed based on current accounting standards, a change in said standards may affect Konecranes' position when renewing or acquiring further financing. The occurrence of any such events could have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Realization of credit or counterparty risk may affect Konecranes' financial standing.***

Konecranes' results of operations is dependent on the customers' ability to make full and timely payments. The financial and operational challenges faced by customers may affect Konecranes' ability to collect its trade receivables that have fallen due in full or in time or at all, which may correspondingly cause credit losses and may have a materially adverse effect on Konecranes' cash flows. Due to the uncertain economic climate, using credit insurance to cover all of Konecranes' credits risks is difficult. Further, customers' failures to fulfil their payment obligations towards Konecranes may have a materially detrimental effect on the availability or terms of the Konecranes' credit insurance.

Subsequent to the downturn of the global economy, many banks, insurance companies and other companies may still face financial difficulties as well, which in turn may lead to corporate restructurings, public ownership of companies and bankruptcy. Although the Issuer aims to manage its counterparty risk, it is possible that one or more of the Issuer's financing counterparties may encounter serious financial difficulties or bankruptcy. Should the counterparty risk be realized, Konecranes may incur expenses relating to, inter alia, the restructuring of its credit arrangements on potentially less favorable terms. In addition, realized counterparty risks may force Konecranes to acquire alternative financing to fulfil its obligations under its existing financing arrangements, and such financing may not necessarily be available at commercially acceptable terms or at all. Realization of the credit or counterparty risk may have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

**Risks relating to the Notes**

***The Notes may not be a suitable investment for all investors.***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or referred to in the Prospectus;
- ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

***Active trading market for the Notes may not develop.***

The Notes constitute a new issue of securities and there has been no prior public market for the Notes. Although application has been made to list the Notes on the Helsinki Stock Exchange, there can be no assurance that such application will be approved. Further, even if the listing application is approved, there can be no assurance that a liquid public market for the Notes will develop, and even if such a market were to develop, neither the Issuer nor the Lead Managers are under any obligation to maintain such a market. In the absence of a secondary market, Notes may be difficult to sell at a satisfactory market price and the investor should be aware that he may realize a loss upon sale if Notes are sold prior to the redemption date. Even if the Notes are listed on an exchange, trading in the Notes will not always take place. Thus, it may be difficult and costly for the holder of the Notes to sell Notes within a short time frame, or at all, and it may be difficult for the holder to obtain a price that is equivalent to the price obtainable for securities that are traded in a liquid secondary market.

The liquidity and the market price for the Notes can be expected to vary with changes in market and economic conditions, the financial condition and prospects of the Issuer and other factors that generally influence the market prices of securities. Such fluctuations may significantly affect the liquidity and the market price of the Notes, which may trade at a discount to the price at which the holder of Notes invested in the Notes.

***Since the Notes bear interest at a fixed interest rate, movements in market interest rates can adversely affect the value of the Notes.***

The Notes bear interest on its outstanding principal amount at a fixed interest rate. A holder of a security with a fixed interest rate is exposed to the risk that the value of such security could fall as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed interest rate is fixed during the life of such security or during a certain period of time, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. If the market interest rate increases, the value of such a security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the value of a security with a fixed interest rate typically increases, until the yield of such a security is approximately equal to the market interest rate. Consequently, the holders of Notes should be aware that movements of the market interest rate can adversely affect the value of the Notes and can lead to losses for the holders of Notes if they sell their Notes.

***Absence of rating.***

Neither the Notes nor the Issuer has been assigned any credit ratings at the request or with the cooperation of the Issuer in the rating process. Accordingly, investors are not able to refer to any such independent credit rating when evaluating factors that may affect the value of the Notes. The absence of such credit rating may reduce the liquidity of the Notes as investors often times base part of their decision making related to buying notes on the credit rating.

***Laws and practices applicable to the Notes may change.***

The Notes are issued under Finnish law in force on the issue date. Any new statutes, ordinances and regulations, amendments to the legislation or changes in application of the law (including any amendments to or changes in application of tax laws or regulations) after the issue date may affect the Notes and/or have a material adverse effect on the Issuer, which could affect the Issuer's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

***The Notes carry no voting rights at the Issuer's General Meetings of Shareholders.***

The Notes carry no voting rights with respect to the General Meetings of Shareholders of the Issuer. Consequently, in the Issuer's General Meetings of Shareholders the holders of Notes cannot influence any decisions by the Issuer to redeem the Notes or any decisions by the Issuer's shareholders concerning, for instance, the capital structure of the Issuer, which could impact the Issuer's ability to make payments on the Notes.

***Investors are exposed to credit risk in respect of the Issuer.***

Investors in the Notes are exposed to a credit risk in respect of the Issuer. The investor's possibility to receive interest payments and payments of principal under the Notes is thus dependent on the Issuer's ability to fulfil its payment obligations, which in turn is to a large extent dependent on developments in Konecranes' business and Konecranes' financial performance.

***Potential future secured creditors will have prior claim to Konecranes' assets that constitute their collateral as compared to holders of the Notes.***

The Notes will not be secured by any assets. The Terms and Conditions permit the Issuer to incur additional secured indebtedness in the future subject to certain limitations. In the event of any liquidation of assets of the Issuer in any bankruptcy, liquidation or dissolution, holders of secured indebtedness will have a prior claim to those assets that constitute their collateral. In any of the foregoing events, it cannot be assured that there will be sufficient assets to pay amounts due on the Notes.



***Konecranes may be able to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Notes and the holders of Notes.***

The Issuer and its subsidiaries may be able to merge, effect asset sales or otherwise effect significant transactions. In the event the Issuer was to enter into any such transaction, holders of Notes may be materially and adversely affected.

***Konecranes may incur additional debt without the consent of the holders of the Notes.***

Konecranes may be able to incur additional debt in the future. Although the credit agreements of Konecranes as well as Condition 9 (*Negative pledge*) and 10 (*Excess Secured Indebtedness*) contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and debt incurred in compliance with these restrictions could be substantial and secured. Incurring additional debt permitted under the Terms and Conditions may reduce the amount recoverable by the holders of Notes upon winding-up or insolvency of the Issuer.

***Konecranes' possible extensive indebtedness may have an adverse effect on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price and value of the Notes.***

Konecranes requires, and expects to continue to require, a significant amount of liquidity and capital resources to finance its business. Possible extensive indebtedness, whether secured or unsecured, may have a significant effect on the operations of Konecranes, such as (i) limit Konecranes' ability to raise additional finance on corresponding or more favorable financial and other terms than currently in force in order to finance its future working capital needs, investments, acquisitions or other general operative needs; (ii) require that a considerable part of the cash flow from operating activities of Konecranes be used for payments of the principle and interests of the debts, which would reduce the assets and cash flows available for operating activities and development of the operations; (iii) make Konecranes more exposed to unfavorable financial conditions than its competitors, which could weaken the Issuer's competitiveness and (iv) expose Konecranes to increases in interest rate levels. Although Konecranes currently generates sufficient funds from operating cash flows to satisfy its debt service requirements and its capacity to obtain new financing is adequate, there can be no assurance that it will maintain such cash flows and adequate financial structure in the future.

If any payment default or other event of default occurs, the Issuer's lenders may elect to declare all of the Issuer's outstanding borrowings, together with accrued interest and fees, to be immediately due and payable. In such circumstances, the lenders under the Issuer's credit agreements also have the right to terminate any commitments to provide further financing. If the Issuer is unable to repay outstanding borrowings when due, the lenders under the credit agreements will have the right to proceed against any collateral granted to them to secure the debt, which collateral is pursuant to the Terms and Conditions permitted to exist and be granted within the limits set out in Condition 9 (*Negative pledge*) and 10 (*Excess Secured Indebtedness*).

Should any of the above factors materialize, this could have a material adverse effect on Konecranes' business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes as well as on the market price and value of the Notes.

***The Issuer may have right or obligation to redeem and purchase the Notes prior to maturity.***

As specified in the Terms and Conditions, the holders of Notes are entitled to demand premature repayment of the Notes in case of an Event of Default (see Condition 11 (*Events of Default*)), a Change of Control (see Condition 8 (*Change of Control*)) or excess secured indebtedness (see Condition 10 (*Excess Secured Indebtedness*)). Such premature repayment may have a material adverse effect on the Issuer's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes of such holders of Notes who elect not to exercise their right to get their Notes prematurely repaid as well as the market price and value of such Notes.

In addition, as specified in the Terms and Conditions, the Issuer may at any time agree on purchases of any Notes in any manner and at any price prior to maturity from the secondary market. Only if such purchases are made through a tender offer, such offer must be available to all holders of Notes on equal terms. The Issuer is entitled to retain, resell or nullify such Notes it has purchased at its discretion. Consequently, a holder of Notes offering Notes to the Issuer in connection with such purchases may not receive the full invested amount. Furthermore, a holder of Notes may not have the possibility to participate in such purchases. The purchases – whether through tender

offer or otherwise – may have a material adverse effect on the Issuer's business, financial condition, results of operations and future prospects and, thereby, on the Issuer's ability to fulfil its obligations under the Notes to such holders who do not participate in the purchases as well as the market price and value of such Notes.

Furthermore, in case at least 75% of the aggregate nominal principal amount of the Notes has been repurchased pursuant to a demand by the holders of Notes based on a Change of Control or excess secured indebtedness, the Issuer is entitled to prepay also the remaining outstanding Notes at a price per Note equal to the nominal amount of the Note together with accrued but unpaid interest by notifying the holders of Notes of such prepayment. Such early repayment initiated by the Issuer may incur financial losses or damage, among other things, to such holders of Notes who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

***The Issuer may not be able to finance the repurchase of Notes following a Change of Control or upon the Noteholders' demand in case of excess secured indebtedness.***

Upon a Change of Control and Clause 10 (*Excess Secured Indebtedness*) of the Terms and Conditions, the holders of Notes are entitled to demand repurchase of the Notes at a price per Note equal to its nominal amount plus accrued interest to the date of such repurchase. The source for any repurchase required as a result of any such event will be available cash or cash generated from operating activities or other sources, including borrowings, sales of assets, sales of equity or funds provided by subsidiaries of the Issuer. If a Change of Control or excess secured indebtedness occur, there can be no assurance that the Issuer will have or will be able to generate sufficient funds to repurchase the Notes that have been requested to be repurchased.

***The Issuer has a right to voluntarily redeem and purchase the Notes prior to maturity.***

As specified in the Terms and Conditions, in addition to the right for the Issuer to redeem remaining Notes in case at least 75 percent of the aggregate nominal principal amount of the Notes has been repurchased pursuant to a demand by the holders of Notes based on a Change of Control or Excess Secured Indebtedness, the Issuer is entitled to redeem the Notes at any time prior to maturity in full (see Condition 5.2 (*Voluntary Total Redemption*)). Before the date falling three months prior to the maturity date, such voluntary redemption of Notes can only be made by way of a make-whole call and thereafter at the redemption price being equal to the nominal amount together with accrued but unpaid interest.

Any such early redemption by the Issuer may incur financial losses or damage, among other things, to such holders of Notes who had prepared themselves to have the amount of the Notes invested until the contractual final maturity of the Notes.

***The Issuer is not obliged to compensate for withholding tax or similar on the Notes.***

In the event of any withholding tax, public levy or similar is imposed in respect of payments to holders of Notes on amounts due pursuant to the Notes, the Issuer is neither obliged to gross-up or otherwise compensate holders of Notes for the lesser amounts the holders of Notes will receive as a result of the imposition of withholding tax or similar nor entitled to a premature redemption of the Notes.

***Amendments to the Notes bind all holders of Notes.***

The Terms and Conditions may be amended in certain circumstances, with the required consent of a defined majority of the holders of Notes. The Terms and Conditions contain provisions for calling meetings of the holders of the Notes or arranging procedures in writing to consider matters affecting the interests of the holders of Notes generally. These provisions permit defined majorities to bind all holders of Notes including holders of Notes who did not attend and vote at the relevant meeting or participate in the procedure in writing and holders of Notes who voted in a manner contrary to the majority.

***Rights to payments that have not been claimed within 3 years are prescribed.***

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall be prescribed. Such prescription may incur financial losses to such holders of Notes who have not claimed payment under the Notes within three (3) years.

***The completion of the transactions relating to the Notes is reliant on Euroclear Finland Ltd's operations and systems.***

The Notes are issued in the book-entry securities system of Euroclear Finland Ltd, and consequently, no physical securities will be issued. The Notes are dematerialized securities and title to the Notes is recorded and transfers of the Notes are affected only through the relevant entries in the book-entry system and registers maintained by Euroclear Finland Ltd and its account operators. Therefore, timely and successful completion of transactions relating to the Notes depends on the fact that the book-entry securities system is operational. Any malfunction or delay in the book-entry securities systems or failure by any party to the system may result in the transaction not to take place as expected or to be delayed, which may cause financial losses or damage to the holders of Notes whose rights depended on the timely and successful completion of the transaction. The Issuer or any other third party will not assume any responsibility for the timely and full functionality of the book-entry securities system.

### **Risks relating to the Guarantee**

***The Guarantor has significant financial indebtedness. The Guarantor may not be able to generate enough cash flow from operations to service its indebtedness and may face additional liquidity challenges in the future, which could reduce the Guarantor's ability to fulfil its obligations under the Notes.***

The Guarantor has significant financial indebtedness following the MHPS acquisition, including the unsecured EUR 1.5 billion loan arrangement entered into on August 1, 2016. This financing was originally in the form of fixed-term loans for three and five years in the amounts of EUR 300 and 600 million, a bridging loan arrangement of EUR 200 million, and a committed revolving credit facility of EUR 400 million. The bridging loan arrangement of EUR 200 million was repaid on January 31, 2017. At the date of this Prospectus the EUR 300 million three-year loan has been fully repaid and the EUR 600 million five-year loan has been repaid with EUR 246 million into EUR 354 million. The committed revolving credit facility of EUR 400 million remains available and, at the date of this Prospectus, it is undrawn. The issue proceeds of the Notes were utilized for EUR 200 million repayment of the three-year loan and EUR 50 million repayment of the five-year loan. The Issuer has guaranteed the Guarantor's obligations under these financing arrangements.

The Guarantor's ability to make payments on, and to refinance, this indebtedness and its ability to fund planned capital expenditures, working capital, acquisitions and other general corporate purposes depends on the Guarantor's ability to generate cash in the future. The Guarantor's earnings comprise sales of services to the Group companies, net revenues from financing operations and dividend income. The Issuer has generally guaranteed all of the Guarantor's liabilities. Due to the dependency on the other Group companies, the ability of the Guarantor to generate cash flow is mainly beyond the Guarantor's control. This depends on a certain extent on the general economic, financial, competitive, legislative, regulatory and other factors affecting the Group companies' business. If the Guarantor does not generate sufficient cash flow from operations or if future borrowings are not available to the Guarantor in an amount sufficient to pay its indebtedness, including payments of principal, or to fund liquidity needs, the Guarantor may be forced to refinance all or a portion of this indebtedness, on or before the maturity dates thereof, sell assets, reduce or delay capital expenditures, seek to raise additional capital or take other similar actions. These actions may not be possible on commercially reasonable terms or at all. The Guarantor's ability to refinance indebtedness will depend on its financial condition at the time, the restrictions in the instruments governing indebtedness and other factors, including market conditions. An inability to generate sufficient cash flow to satisfy debt service obligations, or to refinance or restructure obligations on commercially reasonable terms or at all, could have a material adverse effect on the business, financial condition and results of operations of the Guarantor and, thereby, on the Guarantor's ability to fulfil its obligations under the Notes as well as the market price and value of the Notes.

***The Guarantee may cover less than all amounts payable under the Notes.***

Under Finnish law if a company undertakes a transaction with or for the benefit of a direct or indirect parent company on terms that deviate to the detriment of the company from arms' length terms, then this may be construed as unlawful profit distribution. The Guarantee contains a wording purporting to limit the amount of liabilities guaranteed thereunder to the extent required to avoid a breach of the rules regulating profit distribution and to ensure that to the extent the Guarantee would be in compliance therewith, the Guarantee would be enforceable. Accordingly, the amount actually guaranteed under the Guarantee may be less than the amounts payable under the Notes. The proceeds from the Offering have been on-lent by the Issuer to the Guarantor and used by the Guarantor in prepayment of its existing external terms loans. As a condition for the Issuer on-lending the proceeds to the Guarantor, the Guarantor has agreed to grant the Guarantee.

If the Issuer could not repay the Notes and a court was to render a judgment that the scope of the Guarantee would be less than the amounts payable under the Notes, the holders of the Notes could find it difficult or impossible to recover the amounts owed to them under the Notes.

***The Guarantee includes a release mechanism taking effect upon the refinancing of the acquisition debt.***

According to the terms of the Guarantee, the Guarantee will be released upon the refinancing in full of the debt relating to the acquisition of Material Handling & Port Solutions segment from Terex Corporation, provided that the borrower under the new financing arrangement will be the Issuer and further provided that at the time of the release there are no guarantee arrangements in place by the Issuer for the payment obligations of the Guarantor exceeding in the aggregate EUR 300,000,000 (or its equivalent in other currencies). In the event that the terms of the Guarantee are fulfilled, no consent from the Noteholders is required to effect the release. The release of the Guarantee could have a material adverse effect on the market price and value of the Notes.

## **RESPONSIBILITY REGARDING THE PROSPECTUS**

The Issuer has furnished the information in this Prospectus and accepts responsibility for the completeness and accuracy of the information presented herein. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## **INFORMATION DERIVED FROM THIRD PARTY SOURCES**

No information in this Prospectus has been derived from third party sources.

## **AVAILABILITY OF THE PROSPECTUS**

This Prospectus is available as of July 7, 2017 at the website of the Company at [www.konecranes.com/investors](http://www.konecranes.com/investors) and at the offices of the Company at Koneenkatu 8, FI-05801 Hyvinkää, Finland. In addition, the Prospectus is available as of July 7, 2017 at the service point of the Helsinki Stock Exchange at Fabianinkatu 14, FI-00100 Helsinki.

For the avoidance of doubt, other than the parts of the documents incorporated by reference (see "*Information incorporated by reference*") the contents of Konecranes' website or any other website do not form a part of this Prospectus, and prospective investors should not rely on such information in making their decision to invest in the Notes.

## **NO CREDIT RATING**

The Issuer or the Notes have not been assigned any credit ratings at the request or with the co-operation of the Issuer in any rating process.

## **FORWARD-LOOKING STATEMENTS**

Certain statements in the Prospectus, including but not limited to certain statements set forth under "*Summary*", "*Risk Factors*", "*Information about the Issuer*" and "*Financial Information and Prospects*" are based on the beliefs of Konecranes' corporate management as well as assumptions made by and information currently available to it, and such statements may constitute forward-looking statements. The words "believe", "expect", "anticipate", "intend" or "plan" and similar expressions identify such forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Konecranes, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Examples of these risks, uncertainties and other factors include, but are not limited to those discussed in section "*Risk Factors*" in the Prospectus including the following: general economic and business conditions; changes in the competitive market situation; ability to obtain financing on terms that are favourable or consistent with Konecranes' expectations; the impact of changes in operating and financing costs, including changes in interest rate level; legislative and judicial developments; and fluctuations in the market price of the Notes. The above examples are not exhaustive and new risks emerge from time to time. In addition to factors that may be described elsewhere in this Prospectus, the factors discussed under "*Risk Factors*" could cause Konecranes' actual results of operations or its financial condition to differ materially from those expressed in any forward-going statement. Should one or more of these or other risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the actual results of operations or financial condition of Konecranes or its ability to fulfil its obligations under the Notes could differ materially from those described herein as anticipated, believed, estimated or expected.

The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements contained herein unless required to do so by applicable legislation.

## **OTHER INFORMATION**

Financial information set forth in a number of tables in this Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Prospectus reflect calculations based

upon the underlying information prior to rounding and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

In this Prospectus, references to "euro" or "EUR" are to the currency of the member states of the EU participating in the European Economic and Monetary Union and references to "U.S. dollar" or "USD" are to the lawful currency of the United States.

## TERMS AND CONDITIONS OF THE NOTES

### KONECRANES PLC EUR 250,000,000 GUARANTEED NOTES DUE 2022

#### ISIN CODE FI4000266606

The Board of Directors of Konecranes Plc (the “**Issuer**”) has in its meeting on 26 April 2017 authorised an issuance of notes referred to in Paragraph 1 of Section 34 of the Finnish Act on Promissory Notes (622/1947, as amended, in Finnish “*velkakirjalaki*”) (the “**Notes**”) and authorised the President and CEO to decide on the definitive terms and conditions of the Notes, which are as specified below.

The arrangers of the issue of the Notes are Nordea Bank AB (publ), OP Corporate Bank plc and Skandinaviska Enskilda Banken AB (publ) (the “**Arrangers**”).

#### 1. Amount and issuance of the Notes

The principal amount of the Notes is two hundred and fifty million euros (EUR 250,000,000) or a higher amount as may be determined by the Issuer. The Issuer may later create and issue further notes having the same terms and conditions as the Notes, as further set out below under Condition 19 (*Further Issues*).

The Notes will be issued in dematerialised form in the Infinity book-entry securities system of Euroclear Finland Ltd (“**EFi**”) (or any system replacing or substituting the Infinity book-entry securities system in accordance with the rules and decisions of EFi) in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of EFi, and cannot be physically delivered.

The issuer agent (in Finnish “*liikkeeseenlaskijan asiamies*”) of the Notes referred to in the rules of EFi (the “**Issuer Agent**”) and the paying agent of the Notes (the “**Paying Agent**”) is OP Corporate Bank plc.

The issue date of the Notes is 9 June 2017 (the “**Issue Date**”).

The Notes will be offered for subscription in a minimum amount of EUR 100,000. The principal amount of each book-entry unit relating to the Notes (in Finnish “*arvo-osuuden yksikkökoko*”) is EUR 1,000. The maximum number of the Notes is two hundred and fifty thousand (250,000) or a higher number if the Issuer decides to increase the maximum principal amount of the Notes. Each Note will be freely transferable after it has been registered into the respective book-entry account.

#### 2. Subscription of the Notes

The Notes shall be offered for subscription mainly to institutional investors, subject to relevant selling restrictions, in a book-building procedure (*private placement*). The subscription period shall commence and end on 2 June 2017 (the “**Subscription Date**”).

Bids for subscription shall be submitted to (i) Nordea Bank AB (publ) c/o Nordea Bank AB (publ), Finnish Branch, Satamaradankatu 5, 00020 NORDEA, Finland, tel. +358 9 369 50880 (ii) OP Corporate Bank plc, Gebhardinaukio 1, 00510 Helsinki, Finland, telephone +358 (0)10 252 7970; or (iii) Skandinaviska Enskilda Banken AB (publ) Eteläesplanadi 18, 00101 Helsinki, tel. +358 9 616 28560, during regular business hours on the Subscription Date.

Subscriptions made are irrevocable. All subscriptions remain subject to the final acceptance by the Issuer. The Issuer may, in its sole discretion, reject a subscription in part or in whole. The Issuer shall decide on the procedure in the event of over-subscription. After the final allocation and acceptance of the subscriptions by the Issuer, each investor that has submitted a subscription shall be notified by the Arrangers whether and, where applicable, to what extent such subscription is accepted.

Subscriptions shall be paid for as instructed in connection with the subscription.

Notes subscribed and paid for shall be created by EFi and routed by the Issuer Agent to the book-entry securities system to be recorded to the respective book-entry accounts of the subscribers on a date advised in connection with the issuance of the Notes in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as rules and decisions of EFi.

### 3. Issue Price

The issue price of the Notes is 99.697 per cent.

### 4. Interest

The Notes bear fixed interest at the rate of 1.75 per cent per annum.

Interest on the Notes will be payable annually in arrears commencing on 9 June 2018 and thereafter on each 9 June (each an “**Interest Payment Date**”) until the Notes have been repaid in full. Interest shall accrue for each interest period from (and including) the first day of the interest period to (but excluding) the last day of the interest period on the principal amount of Notes outstanding from time to time. The first interest period commences on the Issue Date and ends on the first Interest Payment Date. Each consecutive interest period begins on the previous Interest Payment Date and ends on the following Interest Payment Date. The last interest period ends when the Notes have been repaid in full.

Interest in respect of the Notes will be calculated on the basis of the actual number of days elapsed in the relevant interest period divided by 365 or, in the case of a leap year, 366 (Actual / Actual ICMA).

### 5. Redemption

#### 5.1 Redemption at Maturity

The Notes shall be repaid in full at their nominal principal amount on 9 June 2022 (the “**Redemption Date**”), to the extent the Issuer has not prepaid or redeemed the Notes in accordance with Condition 5.2 (*Voluntary Total Redemption*), 8 (*Change of Control*), 10 (*Excess Secured Indebtedness*) or 11 (*Events of Default*) below.

#### 5.2 Voluntary Total Redemption

The Issuer may, at any time having given, not less than thirty (30) nor more than sixty (60) days’ notice (an “**Optional Redemption Notice**”) to the Issuer Agent and to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*), (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all, but not part, of the aggregate principal amount of the Notes on the relevant date (the “**Optional Redemption Date**”) specified for redemption in the relevant Optional Redemption Notice at a redemption price equal to:

- (a) in the case of an Optional Redemption Date occurring before the date falling three (3) months prior to the Redemption Date, the Make-Whole Redemption Amount; or
  - (b) in the case of an Optional Redemption Date occurring on or after the date falling three (3) months prior to the Redemption Date, 100 per cent of their outstanding principal amount;
- in each case together with accrued but unpaid interest up to (but excluding) the relevant Optional Redemption Date.

For the purpose of this Condition 5.2 (*Voluntary Total Redemption*):

- (i) “**Make-Whole Redemption Amount**” shall be calculated by the Issuer or on behalf of the Issuer by such a person as the Issuer shall designate and will be the greater of (x) 100 per cent of the principal amount of the Notes to be redeemed and (y) the sum of the then present values of each remaining scheduled payment of principal and interest up to, but excluding, the Redemption Date (for the avoidance of doubt, not including any interest accrued on the Notes to, but excluding, the relevant Optional Redemption Date) discounted to the relevant Optional Redemption Date on an annual basis at the Make-Whole Redemption Rate plus the Make-Whole Redemption Margin;
- (ii) “**Make-Whole Redemption Margin**” means 0.35 per cent;
- (iii) “**Make-Whole Redemption Rate**” means, with respect to the relevant Optional Redemption Date, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for the Reference Date;
- (iv) “**Reference Bond**” means OBL #175 0.000% due 04/08/2022;



- (v) **“Reference Bond Price”** means (a) the average of five (5) Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations; or (b) if the Issuer obtains fewer than five (5) such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations;
- (vi) **“Reference Date”** means the third (3<sup>rd</sup>) Business Day prior to the Optional Redemption Date;
- (vii) **“Reference Bond Dealer”** means each of the banks selected by the Issuer, or their affiliates, which are (a) primary government securities dealers, and their respective successors, or (b) market makers in pricing corporate bond issues; and
- (viii) **“Reference Bond Dealer Quotations”** mean, with respect to each Reference Bond Dealer and the relevant Optional Redemption Date, the arithmetic average, as determined by the Issuer or on behalf of the Issuer by such person as the Issuer shall designate, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at 11.00 a.m. (Brussels time) on the Reference Date quoted by such Reference Bond Dealer.

## 6. Status, Security and Guarantee

The Notes constitute direct, unsubordinated, unsecured and unconditional obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other present and future unsecured and unsubordinated indebtedness of the Issuer, save for such indebtedness as may be preferred by provisions of law that are both mandatory and of general application.

The payment of the principal and interest in respect of the Notes and all other monies payable by the Issuer in respect of the Notes will be unconditionally and irrevocably guaranteed by Konecranes Finance Oy (the **“Guarantor”**) as for its own debt (in Finnish *“omavelkainen takaus”*) as provided in the guarantee undertaking by the Guarantor, dated 9 June 2017 (the **“Guarantee”**).

The Guarantee is a direct, unconditional and unsecured obligation of the Guarantor and ranks and will rank *pari passu* with all other outstanding unsecured senior obligations of the Guarantor, present and future, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

## 7. Payments

Interest on and principal of the Notes shall be paid in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as the rules and decisions of EFi.

Should the payment date of interest or principal fall on a date which is not a Business Day, the payment of the amount due will be postponed to the following Business Day. The postponement of the payment date shall not have an impact on the amount payable.

In these terms and conditions, **“Business Day”** shall mean a day on which banks in Helsinki are open for general business and on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

## 8. Change of Control

If, after the Issue Date, a Change of Control (as defined below) occurs, the Issuer shall promptly notify the holders of Notes (the **“Noteholders”**) of such event in accordance with Condition 14 (*Notices and Right to Information*).

The Issuer shall on the Prepayment Date (as defined below) prepay the nominal principal amount of and accrued interest on the Notes, but without any premium or penalty, held by the Noteholders who have required prepayment of the Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes accrues until the Prepayment Date (excluding the Prepayment Date).

If Notes representing more than seventy-five (75) per cent of the aggregate nominal principal amount of the Notes have been prepaid pursuant to this Condition 8, the Issuer is entitled to prepay also the remaining outstanding Notes at their nominal principal amount with accrued interest but without any premium or penalty by notifying the Noteholders in accordance with Condition 14 (*Notices and Right to Information*) no later than fifteen (15) Business

Days after the Prepayment Date. Such prepayment may occur at the earliest on the tenth (10<sup>th</sup>) Business Day and at the latest on the sixtieth (60<sup>th</sup>) Business Day following the date of publication of such notice.

For the purposes of this Condition 8:

- (a) “**Change of Control**” means that any person or a group of persons acting in concert, directly or indirectly, gains control (as defined below) of the Issuer or the Guarantor;
- (b) “**Prepayment Date**” means the date falling forty-five (45) Business Days after the publication of the notice referred to in the first paragraph of this Condition 8;
- (c) “**control**” means (i) the direct or indirect ownership of more than fifty (50) per cent of the total voting rights represented by the shares in the Issuer or the Guarantor (being votes which are capable of being cast at general meetings of shareholders), or (ii) the power to appoint or remove the majority of the members of the board of directors of the Issuer or the Guarantor; and
- (d) “**acting in concert**” means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition by any of them, either directly or indirectly, of shares in the Issuer or the Guarantor, to obtain or consolidate control of the Issuer or the Guarantor.

## 9. Negative Pledge

So long as any Note remains outstanding, the Issuer shall not, and the Issuer shall procure that neither the Guarantor nor any of its Subsidiaries will, create any mortgage, charge, lien, pledge or other security interest to secure any other notes, bonds or other similar debt securities issued after the issuance of the Notes that would be capable of being listed on a stock exchange or subject to trading in a regulated market or a multilateral trading facility (nor create any such security interest to secure any guarantee or indemnity over such notes or other securities), unless the granting of such security interest is required under Finnish law or other law governing such notes, bonds or other debt securities or guarantee or indemnity over such notes or other securities, or unless prior to or simultaneously therewith the Issuer’s obligations under the Notes either (a) are secured equally and rateably therewith or (b) have the benefit of such other security interest or other arrangement (whether or not it includes the granting of a security interest) as shall be approved by a resolution of the Noteholders (as referred to in Condition 13 (*Noteholders’ Meeting and Procedure in Writing*)).

In these terms and conditions a “**Subsidiary**” shall mean a subsidiary within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended, in Finnish “*kirjanpitolaki*”).

## 10. Excess Secured Indebtedness

If the Issuer, the Guarantor or any their Subsidiaries encumbers or has encumbered its present or future assets, rights or receivables by placing any real estate or other mortgage, pledge, lien, security or other right of pledge or other similar arrangement which secures the obligation of a natural person or legal person as security and, on or after the Issue Date, the aggregate amount of such secured obligations exceeds twenty (20) per cent. of the Issuer’s total consolidated assets at any given time, as evidenced by the then latest consolidated financial statements of the Issuer, the Issuer shall promptly notify the Noteholders of such event in accordance with Condition 14 (*Notices and Right to Information*).

The Issuer shall on the date falling forty-five (45) Business Days after the publication of the notice referred to in the above paragraph of this Condition 10 (the “**Prepayment Date**”) prepay the nominal principal amount of and accrued interest on the Notes, but without any premium or penalty, held by the Noteholders who have required prepayment of the Notes held by them by a written notice to be given to the Issuer no later than fifteen (15) Business Days before the Prepayment Date. Interest on the Notes accrues until the Prepayment Date (excluding the Prepayment Date).

If Notes representing more than seventy-five (75) per cent. of the aggregate nominal principal amount of the Notes have been prepaid pursuant to this Condition 10 on the Prepayment Date, the Issuer is entitled to prepay also the remaining outstanding Notes at their nominal principal amount with accrued interest but without any premium or penalty by notifying the relevant Noteholders in accordance with Condition 14 (*Notices and Right to Information*) no later than fifteen (15) Business Days after the Prepayment Date. Such prepayment may be

effected at the earliest on the tenth (10<sup>th</sup>) Business Day and at the latest on the sixtieth (60<sup>th</sup>) Business Day following the date of publication of such notice.

## 11. Events of Default

If an Event of Default (as defined below) occurs, any Noteholder may by a written notice to the Issuer declare the nominal principal amount of such Note together with the interest and any other amounts then accrued on such Note to be prematurely due and payable at the earliest on the tenth (10<sup>th</sup>) Business Day from the date such notice was received by the Issuer provided that an Event of Default is continuing on the date of receipt of the notice and on the specified early repayment date. Interest accrues until the early repayment date (excluding the early repayment date). An Event of Default is continuing if it has not been remedied or waived.

Each of the following events shall constitute an **Event of Default**:

- (a) **Non-Payment:** Any amount of interest on or principal of the Notes has not been paid within five (5) Business Days from the relevant due date, unless the failure to pay is caused by a reason referred to in Condition 15 (*Force Majeure*) below, provided that such payment is made immediately after such reason has ceased to exist.
- (b) **Negative Pledge:** The Issuer does not comply with its obligations under Condition 9 (*Negative Pledge*).
- (c) **Cross Default:** Any outstanding Indebtedness (as defined below) of the Issuer or any of its Material Subsidiaries (as defined below) in a minimum amount of fifteen million euros (EUR 15,000,000) or its equivalent in any other currency is accelerated prematurely because of an event of default, howsoever described, or if any such Indebtedness is not repaid on the due date thereof nor within any applicable grace period, if any, or if any security given by the Issuer or any of its Material Subsidiaries for any such Indebtedness becomes enforceable by reason of an event of default, howsoever described. A Noteholder shall not be entitled to demand repayment under this paragraph (c) if the Issuer or any of its Material Subsidiaries has *bona fide* contested the existence of the occurrence of an Event of Default under this paragraph (c) as long as it has not been finally and adversely adjudicated against the Issuer or the Material Subsidiary, as applicable, without any appeal period.
- (d) **Cessation of Business:** The Issuer or the Guarantor ceases to carry on its current business in its entirety.
- (e) **Winding-up:** An order is made or an effective resolution is passed for the winding-up (in Finnish "*selvitystila*"), liquidation or dissolution of the Issuer or any of its Material Subsidiaries except for (i) actions which are frivolous (in Finnish "*perusteeton*") or vexatious (in Finnish "*oikeuden väärinkäyttö*"), or (ii) in the case a Material Subsidiary, on a voluntary solvent basis.
- (f) **Insolvency:** (i) the Issuer or any of its Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due; (ii) the Issuer or any of its Material Subsidiaries makes a general assignment or an arrangement or composition with or for the benefit of its creditors (excluding any Noteholder in its capacity as such), or (iii) an application is filed for the Issuer or any of its Material Subsidiaries being subject to bankruptcy (in Finnish "*konkurssi*") or re-organisation proceedings (in Finnish "*yhtymänsaneeraus*"), or for the appointment of an administrator or liquidator of any of the Issuer's or its Material Subsidiaries' assets, save for any such applications that are contested in good faith and discharged, stayed or dismissed within forty-five (45) days.

In respect of an Event of Default as specified in paragraphs (b)–(f) above, the Issuer shall notify each Noteholder in accordance with Condition 14 (*Notices and Right to Information*) without undue delay after becoming aware of the respective Event of Default.

For the purposes of this Condition 11:

- (a) **"Group"** shall mean a group within the meaning of Chapter 1, Section 6 of the Bookkeeping Act (1336/1997, as amended, in Finnish "*kirjanpitolaki*");
- (b) **"Indebtedness"** means interest bearing debt including guarantees (whether principal, premium, interest or other amounts) in respect of any notes, bonds or other debt securities or any borrowed money of the Issuer or any of its Material Subsidiaries;

- (c) **"Material Subsidiary"** means the Guarantor and, at any time, any Subsidiary of the Issuer:
- (i) whose net sales (consolidated in the case of a Subsidiary which itself has Subsidiaries) or whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than ten (10) per cent. of the consolidated net sales or the consolidated total assets of the Issuer's Group taken as a whole, all as calculated by reference to the then most recent audited financial statements (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then most recent audited consolidated financial statements of the Issuer's Group; or
  - (ii) to which is transferred the whole or substantially the whole of the sales or assets and undertakings of a Subsidiary which, immediately prior to such transfer, was a Material Subsidiary.

## 12. Taxation

All payments in respect of the Notes by or on behalf of the Issuer or the Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of Finland or any political subdivision of, or any authority in, or of, Finland having power to tax, unless the withholding or deduction of the Taxes is required by law. In such case, the Issuer or the Guarantor, as applicable, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer or the Guarantor will not be obligated to make any additional payments to the Noteholders in respect of such withholding or deduction.

## 13. Noteholders' Meeting and Procedure in Writing

- (a) The Issuer may convene a meeting of the Noteholders (a "**Noteholders' Meeting**") or request a procedure in writing among the Noteholders (a "**Procedure in Writing**") to decide on amendments of these terms and conditions or other matters as specified below. EFi must be notified of the Noteholders' Meeting or a Procedure in Writing in accordance with the rules of EFi.
- (b) Notice of a Noteholders' Meeting and the initiation of a Procedure in Writing shall be published in accordance with Condition 14 (*Notices and Right to Information*) no later than ten (10) days prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing. The notice shall specify the time, place and agenda of the Noteholders' Meeting or the last day and address for replies in the Procedure in Writing (or if the voting is to be made electronically, instructions for such voting) as well as any action required on the part of a Noteholder to attend the Noteholders' Meeting or to participate in the Procedure in Writing. No matters other than those referred to in the notice of Noteholder's Meeting or initiation of the Procedure in Writing may be resolved upon at the Noteholders' Meeting or the Procedure in Writing.
- (c) Only those who, according to the register kept by EFi in respect of the Notes, were registered as Noteholders on the fifth (5th) Business Day prior to the Noteholders' Meeting or the last day for replies in the Procedure in Writing on the list of Noteholders to be provided by EFi in accordance with Condition 14 (*Notices and Right to Information*), or proxies authorised by such Noteholders, shall, if holding any of the principal amount of the Notes at the time of the Noteholders' Meeting or the last day for replies in the Procedure in Writing, be entitled to vote at the Noteholders' Meeting or in the Procedure in Writing and shall be recorded in the list of the Noteholders present in the Noteholders' Meeting or participating in the Procedure in Writing.
- (d) A Noteholders' Meeting shall be held in Helsinki and its chairman shall be appointed by the Issuer.
- (e) A Noteholders' Meeting or a Procedure in Writing shall constitute a quorum only if two (2) or more Noteholders holding fifty (50) per cent or more of the principal amount of the Notes outstanding attend or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Notes outstanding, attends the Noteholders' Meeting or provide/provides replies in the Procedure in Writing.

Any holdings of the Notes by the Issuer and any companies belonging to its Group are not included in the assessment whether or not a Noteholders' Meeting or a Procedure in Writing shall constitute a quorum.

- (f) If, within thirty (30) minutes after the time specified for the start of the Noteholders' Meeting, a quorum is not present, any consideration of the matters to be dealt with at the Noteholders' Meeting may, at the request of the Issuer, be adjourned for consideration at a meeting to be convened on a date no earlier than ten (10) days and no later than forty-five (45) days after the original Noteholders' Meeting at a place to be determined by the Issuer.

Correspondingly, if by the last day to reply to the Procedure in Writing constitutes no quorum, the time for replies may be extended as determined by the Issuer.

The adjourned Noteholders' Meeting or the extended Procedure in Writing shall constitute a quorum if two (2) or more Noteholders holding ten (10) per cent or more of the principal amount of the Notes outstanding or one (1) Noteholder holding one hundred (100) per cent of the principal amount of the Notes outstanding, are/is present or provide/provides replies in the Procedure in Writing.

- (g) Notice of an adjourned Noteholders' Meeting or, in the Procedure in Writing, information regarding the extended time for replies shall be given in the same manner as notice of the original Noteholders' Meeting or the Procedure in Writing. The notice shall also state the conditions for the constitution of a quorum.
- (h) Voting rights of Noteholders shall be determined according to the principal of the Notes held. The Issuer and any companies belonging to its Group shall not hold voting rights at the Noteholders' Meeting or in the Procedure in Writing.
- (i) Subject to Condition 13 (l) below, resolutions shall be carried by a majority of more than fifty (50) per cent of the votes cast.
- (j) When consent from the Noteholders representing the requisite majority, pursuant to Condition 13 (i) or Condition 13 (l), as applicable, has been received in the Procedure in Writing, the relevant decision shall be deemed to be adopted even if the time period for replies in the Procedure in Writing has not yet expired.
- (k) A representative of the Issuer and a person authorised to act for the Issuer may attend and speak at a Noteholders' Meeting.
- (l) A Noteholders' Meeting or a Procedure in Writing is entitled to make the following decisions that are binding on all the Noteholders:

- (i) to amend the terms and conditions of the Notes;
- (ii) to grant a temporary waiver on the terms and conditions of the Notes;

However, consent of at least seventy-five (75) per cent of the aggregate principal amount of the outstanding Notes is required to:

- (iii) decrease the principal of or interest on the Notes;
- (iv) extend the maturity of the Notes;
- (v) amend the conditions for the constitution of a quorum at a Noteholders' Meeting or in the Procedure in Writing; or
- (vi) amend the majority requirements of the Noteholders' Meeting or the Procedure in Writing.

The consents can be given at a Noteholders' Meeting, in the Procedure in Writing or by other verifiable means.

The Noteholders' Meeting and the Procedure in Writing can authorise a named person to take necessary action to enforce the decisions of the Noteholders' Meeting or of the Procedure in Writing.

- (m) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be binding on all the Noteholders irrespective of whether they have been present at the Noteholders' Meeting or participated in the Procedure in Writing, and irrespective of how and if they have voted.
- (n) Resolutions passed at a Noteholders' Meeting or in the Procedure in Writing shall be notified to the Noteholders in accordance with Condition 14 (*Notices and Right to Information*). In addition, the Noteholders are obliged to notify subsequent transferees of the Notes of the resolutions of the Noteholders' Meeting or in the Procedure in Writing. Furthermore, EFi must be notified of the resolutions passed at the Noteholders' Meeting and in the Procedure in Writing in accordance with the rules of EFi.

The Issuer shall have the right to amend the technical procedures relating to the Notes in respect of payments or other similar matters without the consent of the Noteholders, a Noteholders' Meeting or a Procedure in Writing. For the sake of clarity, any resolution at a Noteholders' Meeting or in the Procedure in Writing, which extends or increases the obligations of the Issuer or the Guarantor, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Guarantor, shall be subject to the consent of the Issuer or the Guarantor (as applicable).

## **14. Notices and Right to Information**

Noteholders shall be advised of matters relating to the Notes by a stock-exchange release, a notice published on the official website of the Issuer or by a notice published in Helsingin Sanomat or any other national daily newspaper selected by the Issuer. Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this paragraph.

The Issuer may also deliver notices on the Notes in writing directly to Noteholders at the address appearing on the list of Noteholders provided by EFi in accordance with the below paragraph (or e.g. through EFi's book-entry system or account operators of the book-entry system). Any such notice shall be deemed to have been received by the Noteholders on the fourth (4<sup>th</sup>) Business Day following dispatch.

Notwithstanding any secrecy obligation, the Issuer shall, subject to the rules of EFi and applicable laws, be entitled to obtain information of the Noteholders from EFi and EFi shall be entitled to provide such information to the Issuer. Furthermore, the Issuer shall, subject to the rules of EFi and applicable laws, be entitled to acquire from EFi a list of the Noteholders, provided that it is technically possible for EFi to maintain such a list. The Issuer shall at the request of the Issuer Agent pass on such information to the Issuer Agent.

Address for notices to the Issuer is as follows:

Konecranes Oyj  
Koneenkatu 8  
05830 Hyvinkää, Finland

For the attention of: Tomi Hintikka

## **15. Force Majeure**

The Issuer, the Guarantor, the Arrangers, the Issuer Agent or the Paying Agent shall not be responsible for any losses of the Noteholders resulting from:

- (a) action of any authorities, war or threat of war, rebellion or civil unrest;
- (b) disturbances in postal, telephone or electronic communications or the supply of electricity which are due to circumstances beyond the reasonable control of the Issuer, the Guarantor, the Arrangers, the Issuer Agent or the Paying Agent and that materially affect operations of any of them;
- (c) any interruption of or delay in any functions or measures of the Issuer, the Guarantor, the Arrangers, the Issuer Agent or the Paying Agent as a result of fire or other similar disaster;
- (d) any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of the Issuer, the Guarantor, the Arrangers, the Issuer Agent or the Paying Agent even if it only affects part of the employees of any of them and whether any of them is involved therein or not; or
- (e) any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of the Issuer, the Guarantor, the Arrangers, the Issuer Agent or the Paying Agent.

## **16. Prescription**

In case any payment under the Notes has not been claimed within three (3) years from the original due date thereof, the right to such payment shall become void.

## **17. Listing**

An application will be made to have the Notes listed on the Helsinki Stock Exchange maintained by Nasdaq Helsinki Ltd.

## **18. Purchases**

The Issuer may at any time purchase Notes in any manner and at any price. If purchases are made by tender, tenders must be available to all Noteholders alike.

The Issuer shall be entitled to cancel, dispose of or hold the Notes purchased in accordance with the first paragraph of this Condition 18.

#### **19. Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, the issue price and/or the minimum subscription amount thereof) by increasing the maximum principal amount of the Notes or otherwise. For the avoidance of doubt, this Condition 19 shall not limit the Issuer's right to issue any other notes.

#### **20. Information**

Copies of the documents relating to the Notes shall be available for inspection during office hours at the office of the Issuer at Konecranes Oyj, Koneenkatu 8, 05830 Hyvinkää, and at Nordea Bank AB (publ) c/o Nordea Bank AB (publ), Finnish Branch, Satamaradankatu 5, 00020 Helsinki, OP Corporate Bank plc, Gebhardinaukio 1, FI-000510 Helsinki and Skandinaviska Enskilda Banken AB (publ) Eteläesplanadi 18, 00130 Helsinki.

#### **21. Applicable Law and Jurisdiction**

The Notes shall be governed by Finnish law.

Any disputes relating to the Notes shall be settled in the first instance at the District Court of Helsinki (in Finnish "*Helsingin käräjäoikeus*"). However, this paragraph shall not limit the right of the Noteholders to take proceedings against the Issuer in any other court of competent jurisdiction if and to the extent permitted by applicable law.

## ADDITIONAL INFORMATION ON THE ISSUE OF THE NOTES

Form of the Notes:	Securities in dematerialised, book-entry form issued in the Infinity-book-entry securities system maintained by Euroclear Finland Ltd.
ISIN Code of the Notes:	FI4000266606
Depository and settlement system:	Euroclear Finland Ltd, Urho Kekkosen katu 5 C, FI-00100, Helsinki, Infinity-system of Euroclear Finland Ltd.
Rate of interest on the Notes:	1.75% per annum.
Issue price and effective yield of the Notes:	Issue price of 99.697%, resulting in effective yield of 1.814% per annum.
Issuing Agent:	OP Corporate Bank plc, Gebhardinaukio 1, FI-00510 Helsinki.
Publication date and investors:	The result of the Offering was announced on June 2, 2017 and the Notes were allocated mainly to institutional investors.
Listing:	The Notes are expected to be listed on the Helsinki Stock Exchange on or about July 7, 2017.
Estimated time of Listing:	On or about July 7, 2017.
Interests of the participants of the Offering:	<p>Interests of the Lead Managers: Business interest normal in the financial markets.</p> <p>In addition, the Lead Managers and/or companies belonging to the same consolidated groups with some of the Lead Managers are lenders under the Term and Revolving Credit Facilities Agreement dated August 1, 2016 relating originally to EUR 1.5 billion facilities. The proceeds from the Offering the Issuer were used for refinancing a part of the existing financial indebtedness of Konecranes Finance Corporation. The net proceeds of the Offering received by the Issuer were on-lent to Konecranes Finance Corporation for the purpose of being used in prepayment of existing term loan(s) under the before-mentioned facilities agreement including in an aggregate amount of approximately EUR 82.5 million in prepayment of term loan(s) provided by some of the Lead Managers or companies belonging to the same consolidated groups with the Lead Managers.</p> <p>The Lead Managers and their respective affiliates may also hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of customers, in equity securities of the Issuer and arrange issuance of commercial paper by the Issuer.</p>
Estimated net amount of the proceeds:	Approximately EUR 248.1 million.
Estimated cost of issue and listing:	Approximately EUR 1.1 million.
Use of proceeds:	Refinancing of existing financial indebtedness of the Konecranes Group.
Date of the entry of the Notes to the book-entry system	Notes subscribed and paid for have been entered by the Issuing Agent to the respective book-entry accounts of the subscribers on June 9, 2017 in accordance with the Finnish legislation governing book-entry system and book-entry accounts as well as regulations and decisions of Euroclear Finland Ltd.



## Guarantee

Konecranes Finance Corporation has granted a guarantee to secure the Issuer's obligations under the Notes.

### ADDITIONAL INFORMATION ON THE GUARANTEE

*The following description is partly based on and must be read in conjunction with the Terms and Conditions of the Notes. To the extent there is any discrepancy between the Terms and Conditions of the Notes and the following description, the Terms and Conditions of the Notes will prevail. Capitalised terms used have the same meaning as defined in the Terms and Conditions of the Notes.*

#### **Guarantor**

A description of Konecranes Finance Corporation is presented under "*Information about the Guarantor*".

#### **Guarantee**

Konecranes Finance Corporation has granted a guarantee as for its own debt (Fi: *omavelkainen takaus*) for the obligations and liabilities of the Issuer under the Notes (the "**Guarantee**"). The Guarantee is subject to certain limitations as required by the application of the mandatory provisions of the Companies Act (Fi: *osakeyhtiölaki*, 624/2006) regulating unlawful distribution of assets, as provided in Chapter 13, Section 1 of the Finnish Companies Act, and/or other applicable mandatory provisions of Finnish corporate law.

## INFORMATION ABOUT THE ISSUER

### Overview

Konecranes is a public company limited by shares organized under the laws of Finland and is domiciled in Hyvinkää. The legal and commercial name of Konecranes is Konecranes Plc (Konecranes Abp in Swedish and Konecranes Oyj in Finnish). The registered office of Konecranes is located at Koneenkatu 8, FI-05801 Hyvinkää, Finland and its telephone number for this address is (+358) 204-2711. Konecranes is registered in the Finnish Trade Register under the business identity code 0942718-2.

According to article 2 of Konecranes' Articles of Association, the Company's branch of industry is to carry on purchasing, sales, imports, exports, planning, manufacture and repairs of equipment for materials handling and to let on lease and rent such equipment, and to provide consulting, research, product development and marketing services. The company's branch of industry is also to carry on factory maintenance and maintenance services. For its branch of industry the company may own and rent real estate and own securities and carry on trade in securities and in real estate. The business can be carried on directly in the company, in subsidiary and affiliated companies and in joint ventures. In its capacity as parent company, the company may attend to administration of the group, consolidated financing, marketing and other consolidated duties and it may own immaterial rights and carry on licensing of these.

Konecranes is a manufacturer and servicer of cranes, lifting equipment and machine tools, 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.

The history of Konecranes dates back to 1910 when its predecessor operated as an electrical motor repair shop and later began constructing overhead cranes in 1933. The business of Konecranes was actually started on April 15, 1994, when Konecranes acquired KONE Corporation's Crane Division. Konecranes has changed significantly since that time. Much of its growth has been organic, although it has a strong acquisition track record as well. In the past ten years, Konecranes has expanded its business through acquisitions, including in India, Saudi Arabia and various European countries. On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation its Material Handling & Port Solutions ("MHPS") segment (the "**MHPS acquisition**") against consideration consisting of cash and class B shares and to terminate the previously announced business combination agreement. Konecranes completed the MHPS acquisition on January 4, 2017.

As Konecranes has expanded its operations, its business has become increasingly international in scope, with its products being manufactured by its own facilities in the Americas, Europe, Africa, the Middle East, and Asia, as well as through global subcontracted networks, and sold worldwide.

Following the MHPS acquisition, Konecranes reports three business areas: Service, Industrial Equipment and Port Solutions as of January 1, 2017. The new Business Area Service includes only the operations relating to industrial service and component parts. The new Business Area Industrial Equipment includes the operations relating to industrial cranes and components. The new Business Area Port Solutions comprises all port cranes and lift trucks operations including service and parts businesses relating thereto. Earlier, Konecranes reported two segments: Business Area Service and Business Area Equipment. The previous Business Area Service included all service and parts operations of Konecranes.

### Organizational Structure

Konecranes is the parent company of the Konecranes Group and it is not dependent on other entities within the group. The following table lists Konecranes Groups' subsidiaries, which sales or total assets exceeded 5% of the Group level sales or total assets on March 31, 2017.

<b>Name</b>	<b>Location</b>
Konecranes Finance Corporation	Finland
Konecranes Finland Corporation	Finland
Konecranes Global Corporation	Finland
Konecranes GmbH	Germany
Konecranes Holding GmbH	Germany
Konecranes Inc.	United States

Konecranes Lifttrucks AB  
Morris Material Handling , Inc.  
Terex MHPS GmbH

Sweden  
United States  
Germany

## History

Konecranes was formed on April 15, 1994 when KONE Corporation, a Finland-based multinational industrial group founded in 1910, as part of certain structural changes which involved disposing of all of its operations excluding its elevator business, sold the operations of its crane division to a group of institutional investors and members of the crane division's senior management. Until 1994, Konecranes' operations formed the crane division of KONE Corporation. Konecranes (at the time named KCI Konecranes International Oy) was listed on the Helsinki Stock Exchange in 1996.

The first electric overhead traveling cranes and electric wire rope hoists were produced and delivered in the 1930s. Port cranes were added to the product range in 1947. In early 1960s, Konecranes signed the first preventive maintenance contract with one of its customers. Lift trucks were added to the product range through the acquisition of SMV Lifttrucks AB of Markaryd, Sweden, in 2014. In 2011, Konecranes launched the first products under TRUCONNECT® remote services.

Konecranes' business areas have been built up in part from a number of companies with long operating histories brought together as a result of a series of strategic acquisitions during a period of over 40 years designed to create a global presence in each of its principal market segments. Beginning in the early 1970s, Konecranes grew both organically and through acquisitions of other crane manufacturers in order to expand market access for its crane equipment and services and to allow increased economies of scale in crane production. Beginning in the 1980s, acquisitions were undertaken primarily in order to access previously installed crane bases to which maintenance services could be delivered and to apply Konecranes' production technologies to acquired crane producers to improve production efficiencies. In 1990s, Konecranes experienced high organic growth in the United States, the United Kingdom and Germany and continued with several bolt-on acquisitions.

In 2002, Konecranes was the first foreign crane company in China to receive a complete range of business licenses including import and export. Important industry consolidation took place in Germany in 2005 and in the USA in 2006 as Konecranes acquired R. Stahl Fördertechnik (later referred to as STAHL CraneSystems, divested in early 2017), a significant player in the field of specialized lifting applications, and Morris Materials Handling, Inc., a recognised player in the maintenance service and overhead crane industry.

Since late 2000s, Konecranes has enforced its presence in Asia and various emerging countries through acquisitions and organic growth. In 2009, Konecranes acquired majority of Sanma Crane manufacture Co. Ltd ("**Sanma**"), one of the leading hoist and crane manufacturers in China. In 2014, Konecranes increased its ownership in Sanma to 100% and the Chinese hoist and crane manufacturer was further divested early in 2017. In 2010, Konecranes and Kito Corporation (Japan) entered into a strategic alliance. The alliance was dismantled in 2016 and Konecranes disposed of its approximately 23% shareholding in Kito. In 2011, Konecranes acquired 100% of the shares in WMI Cranes Ltd. The acquisition marked an important step in strengthening Konecranes' position in Indian market. The same year, Konecranes acquired Saudi Arabian crane manufacturer Saudi Cranes & Steel Works Factory Company Limited. Furthermore, Konecranes has strengthened its presence in various South East Asian countries with organic establishment of sales offices and service branches during the last years.

On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation its Material Handling & Port Solutions ("**MHPS**") segment (the "**MHPS acquisition**") against consideration consisting of cash and class B shares and to terminate the previously announced business combination agreement. On November 30, 2016, Konecranes signed an agreement with Columbus McKinnon Corporation regarding the divestment of the STAHL CraneSystems business ("**STAHL divestment**"). The divestment related to the European Commission's approval of Konecranes' acquisition of Terex Corporation's MHPS business. Konecranes completed the STAHL divestment on January 31, 2017 receiving cash proceeds of EUR 232.2 million from the transaction.

Konecranes completed the MHPS acquisition on January 4, 2017. MHPS is a supplier of industrial cranes, crane components, and services under the Demag brand, as well as port technology with a broad range of the manual, semiautomated and automated solutions under several brands, such as Gottwald. With the MHPS acquisition, Konecranes aims to add critical mass and scope to its global service organization, reach scale benefits and synergies in industrial lifting, combine complementary port segment technological and marketing capabilities into complete product offering to better compete in global markets, create a truly global footprint through the

combination of complementary geographic presence, create critical mass for future technology development and leverage Konecranes' IT infrastructure.

### **Vision and strategic focus areas**

Konecranes' vision is to know in real time how millions of lifting devices perform and to use this knowledge around the clock to make its customers' operations safer and more productive.

Konecranes' strategic focus areas for the next 2-3 years are as follows:

#### *Growth performance: Customer experience*

Konecranes targets growth with an improved customer experience. Konecranes will aim for operations and offering that customers perceive as highly beneficial and value adding. Business Area Service will strive for customer consultation, expansion of the global network and maintenance contract base. Business Area Industrial Equipment and Business Area Port Solutions will keep on building on technologies, and expanding market coverage with need-based customer offering. Konecranes sees sales and account management highly important in all operations.

#### *Profitability performance: Realizing full potential*

Konecranes expects synergies of EUR 140 million to be implemented on a run-rate basis within three years of the MHPS acquisition. Synergies of EUR 35 million are expected to be implemented on a run-rate basis by the end of 2017. One-time integration expenses are estimated to total at EUR 130 million, with expected EUR 60 million of capex. According to the initial estimates, the sources of synergy benefits are as follows: commercial synergies EUR 15-25 million, technology and product platforms EUR 20-30 million, manufacturing operations EUR 50-70 million, service operations EUR 15-20 million, and organizational and support functions synergies EUR 15-20 million. During 2017, Konecranes has integrated most of MHPS' service operations in the U.S.A. and reached certain savings related to procurement. The Company is planning its MHPS integration activities for 2017 and is developing plans for integration activities in 2018-19.

The Company will pursue an organization, which is operationally best in class. In practice, this means end-to-end accountability for the results, growing business and passion for continuous improvement. Achieving these will enable Konecranes to invest in the future and to create more value to its stakeholders.

#### *Technology performance: Engineering capabilities*

Konecranes is a technology company and forerunner in its field. The Company has heavily invested in digitalization of its products, and developed a service offering based on industrial internet, marketed as Lifecycle Care in Real Time. The Company believes that excellent engineering capabilities and enhancing the technology performance in its service and product offering will set it apart from the competition. Konecranes wants to be the source of great innovations.

#### *People performance: Lifting people*

Safety comes always first. Konecranes will strive for development of skills and collaboration among its employees. This includes developing expertise and knowledge for technology, service and material handling. Konecranes wants to be known for lifting its people and making sure they have a safe working environment.

### **Employees**

On December 31, 2016, the number of Konecranes employees was 10,951 people (11,887 on December 31, 2015). After the first quarter of 2017, the headcount was 16,896 (11,609 in 2015). During January-March the personnel increased by approximately 6,000 people net because of the MHPS acquisition and the divestments of STAHL CraneSystems and Sanma.

At the end of March, the number of personnel by Business Area was as follows: Service 7,432 employees (6,132 in 2016), Industrial Equipment 6,142 employees (4,617 in 2016), Port Solutions 3,263 employees (803 in 2016) and Group staff 59 (57 in 2016). The Group had 10,068 employees (6,168 in 2016) working in EMEA, 3,385 (2,883 in 2016) in the Americas, and 3,443 (2,558 in 2016) in the APAC region.

In 2016, Konecranes had employees represented by labor unions in approximately 42% of the countries it operates in. Coverage of employee representation in these countries varies from a few individual persons to a majority of the personnel being represented. Konecranes also enters into employment contracts and collective agreements in those countries in which such relationships are mandatory or customary. The provisions of such agreements correspond in each case with the required or customary terms in the relevant jurisdiction. Konecranes believes that its relationship with its employees and the unions that represent them is good.

### **Recent events**

On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation its Material Handling & Port Solutions ("**MHPS**") segment (the "**MHPS acquisition**") against consideration consisting of cash and class B shares and to terminate the previously announced business combination agreement. On January 4, 2017, Konecranes completed the MHPS acquisition and paid EUR 786.1 million in cash and 19.6 million in newly issued Konecranes class B shares. In connection with the closing of the MHPS acquisition, the unsecured EUR 1.5 billion loan arrangement agreed on August 1, 2016 became available and was drawn resulting in significant financial indebtedness for the Guarantor. This financing was originally in the form of fixed-term loans for three and five years in the amounts of EUR 300 and 600 million, a bridging loan arrangement of EUR 200 million, and a committed revolving credit facility of EUR 400 million. The bridging loan arrangement of EUR 200 million was repaid on January 31, 2017. At the date of this Prospectus the EUR 300 million three-year loan has been fully repaid and the EUR 600 million five-year loan has been repaid with EUR 246 million into EUR 354 million. The committed revolving credit facility of EUR 400 million remains available and, at the date of this Prospectus, it is undrawn. The issue proceeds of the Notes were utilized for EUR 200 million repayment of the three-year loan and EUR 50 million repayment of the five-year loan. The Issuer has guaranteed the Guarantor's obligations under these financing arrangements.

On November 30, 2016, Konecranes signed an agreement with Columbus McKinnon Corporation ("**Columbus McKinnon**") regarding the divestment of the STAHL CraneSystems business ("**STAHL divestment**"). On January 31, 2017, Konecranes completed the STAHL divestment. Konecranes received cash proceeds of EUR 232.2 million from the transaction. Additionally, Columbus McKinnon assumed unfunded pension liabilities that were at EUR 67 million as of December 31, 2016. Konecranes reported a pre-tax capital gain of EUR 218.4 million from the STAHL divestment in other operating income in January–March 2017.

## MARKET OVERVIEW

### General

Konecranes' operations are affected by market conditions in the manufacturing industry, including the general manufacturing, metal production, power generation, automotive, pulp and paper, raw materials, and chemical industries, and container transportation industry. Konecranes is affected both by the ability and need for companies in these industries to invest in new lifting equipment and the demands for maintenance and other services.

Customers generally invest in new equipment either to expand capacity or replace old equipment. Investment in new lifting equipment is cyclical and varies across different industries depending on the economic environment for that industry. As a result, Konecranes' operations are affected by the global manufacturing market and the transportation industry.

Konecranes believes increasing demand for higher productivity, safety and ecological-efficiency presents growth opportunities for new lifting equipment sales.

### Markets and Geographic Presence

#### *Europe, Middle East and Africa (or EMEA)*

The EMEA was Konecranes' largest sales region in 2016. The Konecranes customer base in EMEA is diverse, covering both mature and developing markets. Konecranes largest markets in the region are Germany, the United Kingdom, France, Finland, Sweden, Russia, Poland, Austria, Turkey, South Africa, Saudi Arabia and the U.A.E. At the end of March 2017, Konecranes employed approximately 10,100 people in approximately 300 locations, and operated 22 manufacturing plants in the region as well as an extensive subcontract network for crane steel structure fabrication. Konecranes' key brands in EMEA are Konecranes, Demag, Donati, SWF Krantechnik and Verlinde. The largest market segments are general manufacturing, logistics, power, waste-to-energy, automotive, and steel.

#### *Americas (or AME)*

The AME was Konecranes' second largest sales region in 2016. The largest markets in the Americas for Konecranes are the United States, Canada, Mexico, Chile, Brazil and Peru. Konecranes had approximately 3,400 employees in approximately 200 locations, and operated seven manufacturing plants in the region at the end of March 2017. Konecranes' key brands in the Americas are Konecranes, Demag, R&M, Crane Pro Parts and P&H (licensed through Morris Material Handling). The U.S. market is the most developed region in terms of outsourced crane services. General manufacturing, logistics, steel, and automotive are the largest market segments in the Americas.

#### *Asia Pacific (or APAC)*

The APAC was Konecranes' third largest sales region in 2016. Konecranes operates in the Asia Pacific region and is one of the market leaders in industrial cranes and crane services. In the region, Konecranes' largest markets are China, India, Indonesia, Australia, Singapore and Thailand. Konecranes had seven manufacturing plants in APAC, approximately 140 locations and approximately 3,400 employees at the end of March 2017. The key brands for the region are Konecranes, Demag, SWF Krantechnik, Verlinde and Morris Crane Systems. General manufacturing remains the largest customer segment in APAC, followed (in no particular order) by ports, logistics, paper, power, metal, and waste-to-energy.

## **BUSINESS OVERVIEW**

### **Overview**

As of 1 January 2017, Konecranes reports three business areas: Service, Industrial Equipment and Port Solutions. The new Business Area Service includes only the operations relating to industrial service and parts. The new Business Area Industrial Equipment includes the operations relating to industrial cranes and components. The new Business Area Port Solutions comprises all port cranes and lift trucks operations including service and parts businesses relating thereto.

### **Business areas, products and services**

#### ***Business Area Service***

Konecranes provides specialized maintenance services and spare parts for all types and makes of industrial cranes and hoists. Konecranes provides services also to machine tools in certain countries. The objective of Konecranes' services is to improve the safety and productivity of its customers' operations.

#### ***Maintenance through Lifecycle Care***

Konecranes provides crane maintenance services through Lifecycle Care program including five service programs ranging from on-demand services, inspections and preventive maintenance, to long-term maintenance and operation of customers' lifting equipment. The service program selected and the scope of the service agreement is based on the customer's need and relationship with Konecranes. Based on maintenance findings and upon customer request, Konecranes will recommend and provide repairs, spare parts, retrofits, consultation services and modernizations.

- Inspections and preventive maintenance identifies risks and improvement opportunities and supports compliance with regulations and standards.
- Corrective maintenance and retrofits services address safety and productivity issues and strive to capitalize on improvement opportunities. The services are carried out after a fault is detected and it is aimed at restoring the customer's crane to a condition in which it can perform its intended function.
- Konecranes offers a variety of consultation services, providing professional advice to customers to secure the safety and productivity of their lifting equipment. Some of the consultation services Konecranes offers include crane reliability studies, gear reducer inspections, magnetic wire rope inspections, crane runway condition and alignment studies for rail guided cranes, crane operator trainings, and compliance gap analysis to determine gaps or non-conformance with the customer's compliance programs.
- Modernization services aim to prolong the economic service life of equipment and to achieve increased capacity, speed, duty or load control.

#### ***Business Area Industrial Equipment***

Business Area Industrial Equipment offers hoists, cranes and material handling solutions for a wide range of customers, including industries like General Manufacturing, Waste-to-Energy, Paper and Forest, Automotive and Metals Production. Products are marketed through a multi-brand portfolio that includes Konecranes and the brands Demag, SWF Krantechnik, Verlinde, R&M, Morris Crane Systems and Donati.

#### ***Standard Cranes***

Standard cranes, which are built from standardized modules, largely comprise overhead cranes used in general manufacturing operations. Standard cranes typically require relatively limited engineering specification as they have been pre-engineered and are offered through Konecranes' proprietary design configuration system.

#### ***Process Cranes***

Process cranes are application-specific cranes tailored to a specific customer need and characterized by high, often continuous, daily use. Process cranes usually have a high level of automation and can be uniquely designed to be fit for purpose in high duty capacity lifting applications. Typical process crane users include the paper and steel industries, in addition to waste-to-energy incinerator plants.

### *Hoists*

Hoists are the core lifting devices used in cranes to facilitate the movement of materials in a factory, to secure an object and position it, or to move products through production processes. Hoists can be operated electrically, pneumatically or manually and can either be integrated as components in industrial cranes or used as lifting devices in non-crane applications (for example, wind turbines, oil and gas, entertainment, marine). Konecranes manufactures two types of commonly used hoists, electric wire rope hoists and electric chain hoists, which can be used both in ordinary operating environments as well as explosion proof configuration for highly flammable conditions.

### *Business Area Port Solutions*

Business Area Port Solutions offers a full range of container handling equipment, shipyard handling equipment and heavy-duty lift trucks, backed by a complete range of services. Products are marketed under the Konecranes brand, with some product groups marketed under the labels Konecranes Gottwald, Konecranes Noell and Konecranes Liftace.

### *Container Handling Cranes*

Container handling cranes comprise heavy cranes typically needed in seaports and intermodal terminals for handling containers. For loading and unloading ships, Konecranes delivers Ship-to-Shore cranes and Mobile Harbor Cranes. For handling containers in container yards in ports and terminals, Konecranes delivers Rubber Tired Gantry cranes, Rail Mounted Gantry cranes, Automated Stacking Cranes, Straddle Carriers and Automated Guided Vehicles. The container yard systems delivered by Konecranes can be highly automated, large projects.

### *Heavy Duty Lift Trucks*

Konecranes manufactures heavy fork lifts ranging from 10 to 80 tons lifting capacity, in addition to laden container handling reach stackers and empty container handlers.

### *Recast historical segment financial information*

The following tables include a recasting of Konecranes' historical segment financial information, on an unaudited basis for all four of the quarters of 2016 separately, as well as for full year 2016, and the segment financial information for the first quarter of 2017.

As of April 2017, Konecranes present adjusted EBITA as a new Alternative Performance Measure (Alternative Performance Measure (APM) is a financial measure other than financial measure defined or specified in IFRS). Adjusted EBITA is defined as adjusted operating profit + amortization of the fair value adjustments identified in the Purchase Price Allocation (PPA) of acquisitions. The Issuer presents non-IFRS adjusted EBITA because it believes that these figures and similar measures are widely used by certain investors, securities analysts and other interest parties as supplemental measures of performance and liquidity. The non-IFRS key figures may not be comparable to other similarly titled figures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Issuer's financial information as reported under IFRS. In addition, Konecranes' management believes that the adjusted EBITA is relevant to understanding the comparable financial performance when comparing the result for the current period with the previous periods.

### **Recast historical segment information, unaudited**

#### **EUR million**

<b>Orders received by Business Area</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	<b>Q1-Q4/2016</b>
Service <sup>1</sup>	246.3	179.0	175.1	190.9	182.8	727.9
Industrial Equipment	270.7	201.0	191.6	218.1	210.7	821.5
Port Solutions	247.1	254.8	91.4	117.5	69.7	533.4



./. Internal	-29.1	-39.8	-37.9	-46.4	-38.1	-162.2
<b>Total</b>	<b>743.5</b>	<b>595.1</b>	<b>420.3</b>	<b>480.2</b>	<b>425.1</b>	<b>1,920.7</b>

<sup>1</sup>Excl. Service Contract Base

<b>Order book by Business Area</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	
Service	217.6	158.1	177.9	177.3	166.2	
Industrial Equipment	575.2	399.4	426.7	429.3	419.6	
Port Solutions	811.6	480.5	383.0	436.7	449.8	
<b>Total</b>	<b>1,604.5</b>	<b>1,038.0</b>	<b>987.7</b>	<b>1,043.3</b>	<b>1,035.6</b>	

<b>Sales by Business Area</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	<b>Q1-Q4/2016</b>
Service	284.6	254.3	220.3	231.0	209.1	914.8
Industrial Equipment	249.6	233.1	199.1	210.3	187.5	830.1
Port Solutions	181.3	163.0	145.5	132.4	102.3	543.2
./. Internal	-32.5	-37.1	-47.4	-44.9	-40.3	-169.7
<b>Total</b>	<b>683.0</b>	<b>613.3</b>	<b>517.6</b>	<b>528.8</b>	<b>458.6</b>	<b>2,118.4</b>

<b>Adjusted EBITA by Business Area</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	<b>Q1-Q4/2016</b>
Service	33.1	35.1	23.5	25.6	16.0	100.2
Industrial Equipment	-0.5	8.5	6.7	2.2	-1.8	15.7
Port Solutions	2.6	16.7	13.5	14.3	5.9	50.5
Group costs and eliminations	-4.5	-7.2	-4.9	-5.1	-4.4	-21.5
<b>Total</b>	<b>30.6</b>	<b>53.1</b>	<b>38.9</b>	<b>37.0</b>	<b>15.8</b>	<b>144.8</b>

<b>Adjusted EBITA margin by Business Area</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	<b>Q1-Q4/2016</b>
Service	11.6 %	13.8 %	10.7 %	11.1 %	7.7 %	11.0 %
Industrial Equipment	-0.2%	3.6 %	3.4 %	1.1 %	-0.9 %	1.9 %
Port Solutions	1.4%	10.3 %	9.3 %	10.8 %	5.8 %	9.3 %
<b>Group adjusted EBITA margin total</b>	<b>4.5%</b>	<b>8.7 %</b>	<b>7.5 %</b>	<b>7.0 %</b>	<b>3.4 %</b>	<b>6.8 %</b>

<b>Operating profit (EBIT) by Business Area</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	<b>Q1-Q4/2016</b>
Service	27.5	32.1	19.1	24.0	15.1	90.2
Industrial Equipment	-4.6	6.7	5.0	-0.6	-5.3	6.0
Port Solutions	-1.2	16.4	13.1	13.9	5.5	49.0
Group costs and eliminations	204.2	-24.2	-12.3	-8.7	-15.0	-60.3
<b>Total</b>	<b>225.9</b>	<b>31.0</b>	<b>25.0</b>	<b>28.6</b>	<b>0.3</b>	<b>84.9</b>

<b>Reconciliation of adjusted EBITA</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	<b>Q1-Q4/2016</b>
<b>Adjusted EBITA</b>	<b>30.6</b>	<b>53.1</b>	<b>38.9</b>	<b>37.0</b>	<b>15.8</b>	<b>144.8</b>
Purchase price allocation amortization	-9.8	-1.0	-1.0	-1.0	-1.0	-4.0
<b>Adjusted Operating profit (EBIT)</b>	<b>20.8</b>	<b>52.1</b>	<b>37.9</b>	<b>36.0</b>	<b>14.8</b>	<b>140.8</b>
Transaction costs	-4.2	-16.9	-7.9	-11.5	-10.7	-47.0
Restructuring costs	-7.2	-4.2	-5.4	-5.9	-3.8	-19.2
Insurance indemnity and returned funds related to identity theft	0.0	-0.1	0.3	10.0	0.0	10.2
Release of MHPS purchase price allocation in inventories	-1.8	0.0	0.0	0.0	0.0	0.0
Gain on disposal of Stahl Cranesystems	218.4	0.0	0.0	0.0	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>225.9</b>	<b>31.0</b>	<b>25.0</b>	<b>28.6</b>	<b>0.3</b>	<b>84.9</b>

### **Comparable combined company segment financial information**

The following tables present comparable combined company segment financial information on an unaudited basis estimated by the management for all four quarters of 2016 separately, as well as for full year 2016, and the segment financial information for the first quarter of 2017. This financial information has been prepared to reflect the financial results of the combined company as if it had been operating as such for the full financial year of 2016. The comparable combined company's operations comprise Konecranes' operations without the divested STAHL CraneSystems business, but including the acquired MHPS business. STAHL CraneSystems' sales outside the Konecranes Group totaled approximately EUR 130 million and the EBITDA was approximately EUR 26 million in 2016. Combined financial information concerns an assumed situation and does not therefore reflect the true financial position or result of the company during the period presented.

The unaudited combined comparable financial information for 2016 is presented for illustrative purposes only. The comparable combined financial information for 2016 is based on a hypothetical situation and should not be viewed as pro forma financial information as differences in accounting principles have not been taken into account. The unaudited combined financial information for 2016 is based on Konecranes Group's financial statements for the financial year 2016 (adjusted for restructuring costs with EUR 19.2 million, for transaction costs with EUR 47.0 million and received insurance indemnity with EUR 10.2 million) according to IFRS and Terex Corporation's MHPS segment unaudited special purpose carve-out financial information for the financial year 2016 (adjusted for non-recurring items such as restructuring costs and impairments of goodwill and trademarks) according to USGAAP. The corporation allocations of Terex Group have been adjusted in MHPS income statement to illustrate the situation as if the Group had been combined at the beginning of 2016.

The identified main differences of Konecranes' accounting principles when compared with Terex Corporation's accounting principles relate to the stock valuation and stock obsolescence provision, in which Konecranes has a slightly more conservative policy, personnel costs related to the defined benefit plans, in which USGAAP amortizes the accumulated actuarial gains and losses in profit and loss statement, revenue recognition according to the percentage of completion method (which was not used by Terex Corporation), timing of the recognition of provisions, which USGAAP generally recognizes earlier than IFRS, and recognition of deferred taxes due to the differences in the accounting principles.

As the 2016 financial information for MHPS has been prepared on a carve-out basis by the financial management of MHPS and based on the reporting of Terex, this does not necessarily reflect what its results of operations would have been, had MHPS operated as an independent company and had it presented stand-alone financial information under IFRS during the period presented. Moreover, the carve-out financial information may not be indicative of MHPS' future performance of the operative activities aggregated within Konecranes. Konecranes is unable to present a reconciliation of the combined financial information for 2016 as MHPS' financials have been calculated according to USGAAP and using different accounting principles than Konecranes and as Terex has categorized MHPS as a discontinued operation in 2016.

The exchange rates used for the consolidation of the unaudited comparable combined company segment information are the same as in Konecranes' financial report for the year ended December 31, 2016.

#### Comparable combined company segment information, unaudited

##### EUR million

Orders received by Business Area	Q1/2017	Q4/2016	Q3/2016	Q2/2016	Q1/2016	Q1-Q4/2016
Service <sup>1</sup>	246.3	240.4	241.2	254.6	245.2	981.4
Industrial Equipment	270.7	296.7	275.9	300.8	275.6	1 148.9
Port Solutions	247.1	421.1	203.0	249.7	171.4	1 045.2
./. Internal	-29.6	-36.7	-34.8	-43.4	-35.3	-150.2
<b>Total</b>	<b>734.5</b>	<b>921.5</b>	<b>685.3</b>	<b>761.6</b>	<b>656.9</b>	<b>3,025.3</b>

<sup>1</sup>Excl. Service Contract Base

Order book by Business Area <sup>2</sup>	Q1/2017	Q4/2016	Q3/2016	Q2/2016	Q1/2016
Service	217.6	200.3	227.2	226.1	211.9
Industrial Equipment	575.2	540.9	555.1	550.2	530.1
Port Solutions	811.6	766.4	685.6	761.8	755.6
<b>Total</b>	<b>1604.5</b>	<b>1,507.7</b>	<b>1,467.9</b>	<b>1,538.1</b>	<b>1,497.5</b>

<sup>2</sup>MHPS' order book includes deliveries for the next 12 months only.

Sales by Business Area	Q1/2017	Q4/2016	Q3/2016	Q2/2016	Q1/2016	Q1-Q4/2016
Service	284.6	334.3	295.5	304.1	280.2	1 214.1
Industrial Equipment	249.6	319.4	275.2	282.8	253.4	1 130.8
Port Solutions	181.3	351.6	277.6	242.0	220.3	1 091.4
./. Internal	-32.5	-34.2	-44.5	-41.7	-37.5	-158.0
<b>Total</b>	<b>683.0</b>	<b>971.0</b>	<b>803.8</b>	<b>787.3</b>	<b>716.4</b>	<b>3,278.4</b>

Adjusted EBITA by Business Area	Q1/2017	Q4/2016	Q3/2016	Q2/2016	Q1/2016	Q1-Q4/2016
Service	33.1	51.1	37.4	37.7	27.2	153.4
Industrial Equipment	-0.5	9.6	3.0	-4.9	-13.8	-6.1
Port Solutions	2.6	28.7	10.2	13.8	0.0	52.7
Group costs and eliminations	-4.5	-3.6	-3.6	-4.0	-4.8	-16.0

<b>Total</b>	<b>30.6</b>	<b>85.7</b>	<b>47.1</b>	<b>42.6</b>	<b>8.7</b>	<b>184.1</b>
<b>Adjusted EBITA margin by Business Area</b>	<b>Q1/2017</b>	<b>Q4/2016</b>	<b>Q3/2016</b>	<b>Q2/2016</b>	<b>Q1/2016</b>	<b>Q1-Q4/2016</b>
Service	11.6%	15.3 %	12.7 %	12.4 %	9.7 %	12.6 %
Industrial Equipment	-0.2%	3.0 %	1.1 %	-1.7 %	-5.4 %	-0.5 %
Port Solutions	1.4%	8.2 %	3.7 %	5.7 %	0.0 %	4.8 %
<b>Group adjusted EBITA margin total</b>	<b>4.5%</b>	<b>8.8 %</b>	<b>5.9 %</b>	<b>5.4 %</b>	<b>1.2 %</b>	<b>5.6 %</b>

### ***Manufacturing***

As of March 31, 2017, Konecranes had seven manufacturing plants in Americas ("**AME**"), 22 manufacturing plants in Europe, Middle East and Africa ("**EMEA**") and seven manufacturing plants in Asia Pacific ("**APAC**").

Konecranes complements its own manufacturing by outsourcing components and finished goods from an established global network of suppliers. Konecranes regularly upgrades its global manufacturing facilities and invests in tooling, equipment and technology.

Konecranes manufacturing operations are highly integrated. Although raw materials and some components such as steel, castings, forgings, mechanical and electrical components and subassemblies, AC drives, cables, engines, hydraulics and tires are purchased from third-party suppliers, Konecranes is able to produce many of the components used in the manufacturing of its products. For instance, Konecranes manufactures, among others, reduction gears, electric motors, rope drums and wheels. These products are also sold as spare parts for repairs. Additionally, Konecranes designs and manufactures spare parts as necessary for its customers. Konecranes' factories manufacturing industrial cranes and port cranes have extensive steel working capabilities including cutting, welding and surface treatment.

In addition to the design and production of key components, Konecranes has software-related knowhow for crane controls and automation. The combination of these capabilities enables solution synergies across the equipment businesses, root cause based trouble-shooting, deep vertical view and clear responsibility in project deliveries. Konecranes possesses global pool of lifting expertise across industries.

### **Distribution**

Cranes sold under the Konecranes and Demag brands are typically sold directly to end-users, while power-branded products are sold to distributors and independent crane builders. Konecranes' group power brands include Demag, Donati, R&M, SWF Krantechnik, Verlinde and Morris Crane Systems. Konecranes distributes its products through a global network of dealers and direct sales to customers, through its approximately 640 sales and service locations worldwide, with approximately 200 locations in the Americas; approximately 300 locations in Europe the Middle East and Africa; and approximately 140 locations in Asia and the Pacific.

#### ***Distribution in Business Area Service***

Konecranes delivers on-site maintenance services to its customers through its extensive network of inspectors, technicians and technical specialists. Service branches provide a local presence in most industrial markets supported by regional and global distribution centers, training centers and technical support centers. Konecranes is rolling out globally an advanced IT system, which systematically stores the service history for each maintained lifting device, provides its customers with maintenance and usage information, enabling a consultative approach to maintenance, brings global service processes to local use, and makes material management transparent and efficient.

#### ***Distribution in Business Area Industrial Equipment and Business Area Port Solutions***

A portion of the revenues of Business Area Industrial Equipment and Business Area Port Solutions come from project-related businesses, producing cranes for large customer-specific, project-based purchases.

Konecranes employs its own sales teams, focusing on true sales excellence by way of strong sales management and leveraging the benefits of its wide product offering to meet the varied needs of its vast customer base, as complemented by the comprehensive service offering described above.

Konecranes has direct sales to customers in its industrial cranes and heavy port equipment businesses as well as lift trucks in certain countries. In most of the countries in which Konecranes operates, lift trucks are distributed through dealers. Konecranes' power brands distribute crane components through OEM crane builders and dealers. Konecranes believes that its diversified distribution network ensures a wide market and geographic coverage, which extends to over 100 countries.

## Customers

In 2016, Konecranes' largest customer accounted for less than 2% of its net sales and Konecranes' top ten customers in the aggregate accounted for less than 10% of its net sales.

Approximately 70% of Konecranes' customers are in the industrial production sector, including general manufacturing, metals, power generation, petrochemicals and pulp and paper. In general, Konecranes' customers' need for services and new equipment is linked to industrial production volume and capacity utilization.

The remaining approximately 30% of Konecranes' customers are container ports and terminals. Their propensity to buy services and new equipment is generally related to world trade and container volumes.

In more detail, Konecranes' sales by customer segment was in 2016 as follows: general manufacturing 34%, logistics 23%, metals production 9%, distributors, construction and engineering 8%, power 8%, transportation equipment 6%, paper and forest 4%, raw material 4% and chemicals 3%.

## Investments and divestments

On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation its Material Handling & Port Solutions ("**MHPS**") segment (the "**MHPS acquisition**") against consideration consisting of cash and class B shares and to terminate the previously announced business combination agreement. On January 4, 2017, Konecranes completed the MHPS acquisition and paid EUR 786.1 million in cash and 19.6 million in newly issued Konecranes class B shares. During 2017, there still can be purchase price adjustments, as well as adjustments to the preliminary purchase price allocation.

MHPS is a supplier of industrial cranes, crane components, and services under the Demag brand, as well as port technology with a broad range of the manual, semiautomated and automated solutions under several brands, such as Gottwald. According to unaudited special purpose carve-out financial information (USGAAP), the sales of MHPS were USD 1,418 million (EUR 1,280 million) and the adjusted EBITDA was USD 104 million (EUR 94 million) in 2016. Out of the total of EUR 140 million p.a. synergies targeted on the EBIT level within three years on a run-rate basis, EUR 35 million is expected to be implemented on a run-rate basis by the end of 2017. One-time integration expenses are expected to be EUR 130 million, with expected EUR 60 million of capex. However, at the date of this Prospectus, Konecranes has not made any decisions on specific future investments.

On November 30, 2016, Konecranes signed an agreement with Columbus McKinnon Corporation ("**Columbus McKinnon**") regarding the divestment of the STAHL CraneSystems business ("**STAHL divestment**"). On January 31, 2017, Konecranes completed the STAHL divestment. Konecranes received cash proceeds of EUR 232.2 million from the transaction. Additionally, Columbus McKinnon assumed unfunded pension liabilities that were at EUR 67 million as of December 31, 2016. Konecranes reported a pre-tax capital gain of EUR 218.4 million from the STAHL divestment in other operating income in January–March 2017.

STAHL CraneSystems is a global supplier of hoisting technology and crane components. The business is well known for its capability to build engineered system solutions. Its customers include distributors, crane builders, as well as EPC companies. STAHL CraneSystems is headquartered in Künzelsau, Germany.

On March 7, 2017, Konecranes agreed to divest Sanma Hoists & Cranes Co., Ltd. ("**Sanma**") to Jingjiang Hongcheng Crane Components Manufacturing Works. The agreement included Sanma's manufacturing machinery for CD/MD hoists and related inventory. Konecranes reported a pre-tax capital gain of EUR 0.4 million in other operating income in January–March 2017. With this divestment, Konecranes streamlined its product and brand portfolio in Chinese market due to its earlier MHPS acquisition.

## **Intellectual Property**

Konecranes owns or uses under license a number of intellectual property rights, including patents, trademarks, trade secrets, trade names, utility models and design rights, that are used in its operations and takes actions to protect these intellectual property rights.

Konecranes and its subsidiaries use several trademarks and trade names, most notably "KONECRANES", "KONECRANES | GOTTWALD", "KONECRANES | LIFTACE", "KONECRANES | NOELL", "LIFTING BUSINESSES", "C- symbol", "AGILON", "BOXHUNTER", "BOXPORTER", "CXT", "SMARTON", "TRUCONNECT" and "UNITON". Furthermore, Konecranes and its subsidiaries use trademarks and trade names of Konecranes or its subsidiaries such as "Donati", "Morris Crane Systems", "R&M Materials Handling Inc. ", "SWF Krantechnik", "Demag" and "Verlinde".

Konecranes has a number of patents that it uses in connection with its operations, and most of its products also contain proprietary technology. Many of these patents and related proprietary technology are important to the production and sale of particular products.

## **Environment**

Konecranes generates hazardous and non-hazardous waste in the normal course of its manufacturing operations. As a result, it is subject to a wide range of environmental laws and regulations. All of its employees are required to obey applicable health, safety and environmental laws and regulations and to observe the proper safety rules and environmental practices in work situations. These laws and regulations govern actions that may have adverse environmental effects, such as discharges to air and water, and require compliance with certain practices when handling and disposing of hazardous and non-hazardous wastes. These laws and regulations would also impose liability for the costs of, and damages resulting from, cleaning up sites, past spills, disposals and other releases of hazardous substances, should any of such events occur. Konecranes is committed to complying with these standards and monitoring its workplaces to determine if equipment, machinery and facilities meet specified safety standards. Konecranes is dedicated to seeing that safety and health hazards are adequately addressed through appropriate work practices, training and procedures. For example, Konecranes continues to reduce lost time injuries in the workplace, setting the goal for lost time accident frequency to fewer than three accidents per million hours worked, in addition Konecranes works toward a world-class level of safety practices in the industry.

Konecranes is dedicated to product safety when designing and manufacturing its equipment. Konecranes' equipment is designed to meet all applicable laws, regulations and industry standards for use in their markets, including in hazardous and nuclear environments. Konecranes continually incorporates safety improvements in its products.

Konecranes works hard to develop its environmental management, which enables comprehensive target setting and monitoring of results. Energy efficiency, waste disposal, recycling and chemicals management are essential for Konecranes. In addition to Konecranes internal systems, Konecranes strives to facilitate the use and operation of Konecranes equipment in an environmentally conscious manner. Konecranes is aware of the impact of greenhouse gas emissions on global warming and is increasing its production of products that have lower greenhouse gas emissions in response to both regulatory initiatives and anticipated market demand trends. For example, Konecranes offers hybrid, diesel fuel saver and electric options to power its rubber tyred gantry cranes.

Increasing laws and regulations dealing with the environmental aspects of the products Konecranes manufactures can result in significant expenditures in designing and manufacturing new equipment that satisfy such new laws and regulations. Compliance with laws and regulations regarding safety and the environment has required, and will continue to require, Konecranes to make expenditures. Konecranes currently does not expect that these expenditures will have a material adverse effect on its business or results of operations.

## **Materials**

Konecranes purchases various raw materials and manufactured components used in its production processes from global, regional and local suppliers. Key raw materials and components used by Konecranes' products include steel, aluminum, fabricated metal and other ferrous and non-ferrous metals for building of the frames of its products, as well as petroleum-based products and resins, chemicals, molded plastic components, castings, rubber and various electronic and mechanical components for other production processes. These raw materials and components range from unformed materials to finished, manufactured components. Unformed materials include a

variety of steel products, which are then cut or formed to shape and machined in Konecranes' production facilities. Finished, manufactured components are generally ready-to-assemble components, which are made either to Konecranes' specifications or to supplier-developed specifications.

Konecranes maintains global strategic sourcing models and supply chain management systems to meet its production needs. It sources certain components from a limited group of single suppliers in order to ensure timely supply, competitive pricing and consistent quality. Konecranes suppliers are selected after a careful evaluation taking into consideration their production capabilities, pricing, timeliness of delivery, quality and financial condition, and Konecranes periodically reassesses its supplier pool.

Konecranes has frame supply agreements with its key suppliers delivering the components and materials of substantial importance for Konecranes' operations. Under the frame agreements with key suppliers, Konecranes' subsidiaries can place purchase orders to the suppliers with regards to the quantity of components and materials needed.

### **Insurances**

Konecranes purchases insurance for risks which cannot be internally managed efficiently and where insurance markets offer acceptable terms and conditions. The objective is to ensure that hazard risks, whether related to physical assets, such as buildings, intellectual assets, such as the Konecranes brand, or potential liabilities, such as product liabilities, are insured optimally taking into account both cost and retention levels. Konecranes purchases both annual insurance policies for specific risks as well as multi-line and/or multi-year insurance policies where available.

Konecranes's management believes that Konecranes and its subsidiaries maintain insurance coverage that reflects the requirements and the size of the parent company, business areas and subsidiaries concerned. However, insurance may not cover all damages, in addition to which insurance policies are subject to customary limitations. Konecranes maintains various types of global insurances as well as certain other global corporate insurances.

In addition, Konecranes maintains various local insurance policies that are mandatory at the local level, such as employer liability, workers compensation and auto liability insurance, as well as specific insurance policies covering compliance with local regulations.

### **Legal proceedings**

Konecranes is involved in a limited number of legal proceedings arising in the ordinary course of its business. The disputed interests in such proceedings vary but are in no case material with a view to Konecranes' turnover or financial position. There are no governmental, legal, arbitration or administrative proceedings against or affecting the Company or any of its subsidiaries (and no such proceedings are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which have or may have in the recent past, individually or in the aggregate, significant effects on the profitability or the financial position of the Company or of the Company and its subsidiaries taken as a whole.

### **Agreements outside the ordinary course of business**

The Issuer has not, outside the ordinary course of its business, entered into any material contracts which could result in Konecranes or any of its subsidiaries or associated companies being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to the holders of the Notes.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of Konecranes' consolidated financial information as at and for the financial years ended December 31, 2016 and December 31, 2015 and for the first quarter of 2017 and 2016. The information in this summary has been derived from Konecranes' audited consolidated financial statements for the financial year ended December 31, 2016 and from Konecranes' unaudited interim report for Q1/2017, which have been incorporated into this Prospectus by reference. This information should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements and related notes. Konecranes' consolidated financial statements have been prepared in accordance with the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union. The information presented in the below table for the financial years ended December 31, 2016 and December 31, 2015 has been audited.

	January 1 – March 31,		For the year ended	
	2017	2016	December 31,	2015
	(unaudited)	(unaudited)	2016	2015
	(audited)	(audited)	(audited)	(audited)
<b>CONSOLIDATED STATEMENT OF INCOME</b>	<i>(EUR in millions)</i>		<i>(EUR in millions)</i>	
<b>Sales</b>	<b>683.0</b>	<b>458.6</b>	<b>2,118.4</b>	<b>2,126.2</b>
Other operating income <sup>1)</sup>	220.4	0.3	14.4	1.4
Materials, supplies and subcontracting	-272.6	-193.5	-979.7	-969.9
Personnel cost	-254.2	-162.8	-658.3	-661.5
Depreciation and impairments	-28.3	-14.0	-53.7	-54.0
Other operating expenses <sup>2)</sup>	-122.5	-88.2	-356.2	-379.1
<b>Operating profit</b>	<b>225.9</b>	<b>0.3</b>	<b>84.9</b>	<b>63.0</b>
Share of associates' and joint ventures' result	-0.6	1.2	6.0	4.8
Gain on disposal of investment in associated company	0.0	0.0	5.8	0.0
Financial income <sup>3)</sup>	19.4	6.7	1.0	7.8
Financial expenses	-23.0	-15.3	-35.6	-20.3
<b>Profit before taxes</b>	<b>221.7</b>	<b>-7.1</b>	<b>62.1</b>	<b>55.4</b>
Taxes	-28.8	2.0	-24.5	-24.6
<b>PROFIT FOR THE PERIOD</b>	<b>192.9</b>	<b>-5.1</b>	<b>37.6</b>	<b>30.8</b>
<b>Profit for the period attributable to:</b>				
Shareholders of the parent company	193.5	-5.1	37.6	30.8
Non-controlling interest	-0.6	0.0	0.0	0.0
Earnings per share, basic (EUR)	2.50	-0.09	0.64	0.53
Earnings per share, diluted (EUR)	2.50	-0.09	0.64	0.53

<sup>1)</sup> Other operating income includes gain on disposal of EUR 218.4 million of STAHL CraneSystems. In 2016 other operating income includes the insurance indemnity of EUR 10.0 million and returned funds of EUR 0.3 million related to identity theft.

<sup>2)</sup> Other operating expenses for 1–3/2017 include transaction costs related to terminated merger plan with Terex and the acquisition of Terex MHPS up to EUR 4.2 million (EUR 10.7 million in 1–3/2016 and 47.0 million in 1–12/2016).

<sup>3)</sup> Financial income includes gains of EUR 14.3 million which are mostly related to the purchase price adjustments of the MHPS acquisition.

	January 1 – March 31,		For the year ended	
	2017	2016	December 31,	2015
	(unaudited)	(unaudited)	2016	2015
	(audited)	(audited)	(audited)	(audited)
<b>CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME</b>	<i>(EUR in millions)</i>		<i>(EUR in millions)</i>	
<b>Profit for the period</b>	<b>192.9</b>	<b>-5.1</b>	<b>37.6</b>	<b>30.8</b>

<b>Items that can be reclassified into profit or loss</b>				
Cash flow hedges	-19.1	8.4	30.1	-0.6
Exchange differences on translating foreign operations	-0.4	-5.1	0.8	16.3
Share of associates' other comprehensive income	0.0	-0.6	-3.8	3.8
Income tax relating to items that can be reclassified into profit or loss	3.8	-1.7	-6.0	0.1
<b>Items that cannot be reclassified into profit or loss</b>				
Re-measurement gains (losses) on defined benefit plans	0.0	2.7	-11.9	6.0
Income tax relating to items that cannot be reclassified into profit or loss	0.0	-0.5	3.0	-1.4
<b>Other comprehensive income for the period, net of tax</b>	<b>-15.7</b>	<b>3.3</b>	<b>12.2</b>	<b>24.2</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>177.2</b>	<b>-1.8</b>	<b>49.8</b>	<b>55.0</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent company	177.3	-1.8	49.8	55.0
Non-controlling interest	-0.1	0.0	0.0	0.0
<b>As at March 31,</b>			<b>As at December 31,</b>	
<b>2017</b>	<b>2016</b>		<b>2016</b>	<b>2015</b>
<b>(unaudited)</b>	<b>(unaudited)</b>		<b>(audited)</b>	<b>(audited)</b>
<b>CONSOLIDATED BALANCE SHEET</b>				
<i>(EUR in millions)</i>			<i>(EUR in millions)</i>	
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	925.9	105.7	86.2	107.6
Intangible assets	658.8	103.0	98.1	108.7
Property, plant and equipment	294.4	136.2	128.1	142.5
Advance payments and construction in progress	12.3	22.1	17.4	24.0
Investments accounted for using the equity method	71.0	50.8	8.9	50.2
Other non-current assets	1.0	1.0	1.0	1.0
Deferred tax assets	128.0	68.6	57.0	71.7
<b>Total non-current assets</b>	<b>2,091.5</b>	<b>487.3</b>	<b>396.6</b>	<b>505.7</b>
<b>Current assets</b>				
<b>Inventories</b>				
Raw material and semi-manufactured goods	276.1	158.0	131.8	157.9
Work in progress	326.0	208.5	140.3	201.0
Advance payments	28.1	10.0	9.7	6.4
Total inventories	630.2	376.5	281.8	365.2
Accounts receivable	511.6	330.0	379.3	377.3
Other receivables	36.6	27.1	23.2	24.9
Loans receivable	17.0	0.0	0.0	0.0
Income tax receivables	20.8	13.3	12.1	10.1
Receivable arising from percentage of completion method	81.9	70.3	83.8	77.3
Other Financial assets	8.2	16.1	31.1	7.5
Deferred assets	66.8	36.7	29.1	36.0
Cash and cash equivalents	423.6	118.2	167.4	80.8



<b>Total current assets</b>	<b>1,796.9</b>	<b>988.1</b>	<b>1,007.8</b>	<b>979.2</b>
<b>Assets held for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>125.5</b>	<b>0.0</b>
<b>TOTAL ASSETS</b>	<b>3,888.3</b>	<b>1,475.4</b>	<b>1,529.9</b>	<b>1,484.9</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent company</b>				
Share capital	30.1	30.1	30.1	30.1
Share premium	39.3	39.3	39.3	39.3
Paid in capital	752.7	66.5	66.5	66.5
Fair value reserves	-0.3	-2.4	15.0	-9.1
Translation difference	20.5	15.0	20.8	20.1
Other reserve	32.2	30.1	31.7	29.9
Retained earnings	159.6	218.7	204.4	248.4
Net profit for the period	193.5	-5.1	37.6	30.8
<b>Total equity attributable to equity holders of the parent company</b>	<b>1,227.7</b>	<b>392.2</b>	<b>445.4</b>	<b>455.9</b>
Non-controlling interest	22.9	0.1	0.1	0.1
<b>Total equity</b>	<b>1,250.7</b>	<b>392.2</b>	<b>445.5</b>	<b>456.0</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest-bearing liabilities	794.7	57.1	54.2	59.2
Other long-term liabilities	289.3	89.2	40.0	92.3
Provisions	19.2	16.7	17.1	17.8
Deferred tax liabilities	173.5	19.9	12.5	19.8
<b>Total non-current liabilities</b>	<b>1,276.8</b>	<b>182.8</b>	<b>123.8</b>	<b>189.1</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	181.6	268.0	269.5	224.8
Advance payments received	364.0	181.8	170.6	176.4
Progress billings	0.0	0.0	1.5	0.4
Accounts payable	184.6	101.1	99.1	139.1
Provisions	97.5	31.7	40.5	35.1
Other short-term liabilities (non-interest bearing)	45.5	37.2	31.4	31.9
Other financial liabilities	5.2	6.4	18.2	11.4
Income tax liabilities	56.1	7.4	14.7	12.8
Accrued costs related to delivered goods and services	168.7	114.1	125.2	111.8
Accruals	257.7	152.6	95.6	96.2
<b>Total current liabilities</b>	<b>1,360.9</b>	<b>900.4</b>	<b>866.2</b>	<b>839.8</b>
<b>Liabilities directly attributable to assets held for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>94.4</b>	<b>0.0</b>
<b>Total liabilities</b>	<b>2,637.7</b>	<b>1,083.2</b>	<b>1,084.5</b>	<b>1,028.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,888.3</b>	<b>1,475.4</b>	<b>1,529.9</b>	<b>1,484.9</b>

	January 1 – March 31,		For the year ended	
	2017	2016	2016	2015
	(unaudited)	(unaudited)	(audited)	(audited)
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<i>(EUR in millions)</i>		<i>(EUR in millions)</i>	

<b>Cash flow from operating activities</b>				
Profit for the period	192.9	-5.1	37.6	30.8
Adjustments to net income				
Taxes	28.8	-2.0	24.5	24.6
Financial income and expenses	3.6	8.6	34.6	12.5
Share of associates' and joint ventures' result	0.6	-1.2	-11.8	-4.8
Dividend income	0.0	0.0	0.0	-0.1
Depreciation and impairments	28.3	14.0	53.7	54.0
Profits and losses on sale of fixed assets and businesses	-217.3	0.1	3.4	1.2
Other adjustments	4.0	-1.3	5.5	-2.8
<b>Operating income before change in net working capital</b>	<b>41.0</b>	<b>13.1</b>	<b>147.4</b>	<b>115.5</b>
Change in interest-free current receivables	78.2	32.4	-50.3	27.2
Change in inventories	-68.9	-17.7	61.3	-17.4
Change in interest-free current liabilities	71.0	-18.7	29.8	-37.4
<b>Change in net working capital</b>	<b>80.3</b>	<b>-4.0</b>	<b>40.9</b>	<b>-27.6</b>
<b>Cash flow from operations before financing items and taxes</b>	<b>121.3</b>	<b>9.1</b>	<b>188.3</b>	<b>87.9</b>
Interest received	4.4	2.1	8.8	5.8
Interest paid	-7.9	-4.2	-19.3	-15.6
Other financial income and expenses	-16.3	-3.0	-38.5	-12.5
Income taxes paid	-7.9	-7.1	-29.6	-26.3
<b>Financing items and taxes</b>	<b>-27.7</b>	<b>-12.2</b>	<b>-78.6</b>	<b>-48.6</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>93.6</b>	<b>-3.1</b>	<b>109.6</b>	<b>39.3</b>
<b>Cash flow from investing activities</b>				
Acquisition of Group companies, net of cash	-722.0	0.0	-0.2	-0.3
Divestment of Businesses, net of cash	222.5	0.0	0.0	0.1
Proceeds from disposal of associated company	0.0	0.0	47.8	0.0
Capital expenditures	-5.7	-4.4	-27.3	-43.3
Proceeds from sale of property, plant and equipment	0.1	0.6	1.5	2.6
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-505.2</b>	<b>-3.8</b>	<b>21.7</b>	<b>-40.8</b>
<b>Cash flow before financing activities</b>	<b>-411.6</b>	<b>-6.9</b>	<b>131.4</b>	<b>-1.5</b>
<b>Cash flow from financing activities</b>				
Proceeds from non-current borrowings	1,052.0	0.0	0.0	14.3
Repayments of non-current borrowings	-200.7	-1.5	-4.6	-2.1
Proceeds from (+), payments of (-) current borrowings	-211.5	46.9	47.5	38.8
Change in loans receivable	-0.3	0.0	0.0	0.0
Acquired non controlling interest	0.0	-0.3	-0.3	-5.9
Dividends paid to equity holders of the parent	0.0	0.0	-61.7	-61.5
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>639.5</b>	<b>45.1</b>	<b>-19.1</b>	<b>-16.3</b>
Translation differences in cash	1.5	-0.8	1.1	0.6

<b>CHANGE OF CASH AND CASH EQUIVALENTS</b>	<b>229.4</b>	<b>37.4</b>	<b>113.4</b>	<b>-17.2</b>
Cash and cash equivalents at beginning of period	194.1	80.8	80.8	97.9
Cash and cash equivalents in assets held for sale	0.0	0.0	26.8	0.0
Cash and cash equivalents at end of period	423.6	118.2	167.4	80.8
<b>CHANGE OF CASH AND CASH EQUIVALENTS</b>	<b>229.4</b>	<b>37.4</b>	<b>113.4</b>	<b>-17.2</b>

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

	<b>January 1 – March 31,</b>		<b>For the year ended</b>	
	<b>2017</b>	<b>2016</b>	<b>December 31,</b>	
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>2016</b>	<b>2015</b>
			<b>(unaudited)</b>	<b>(unaudited)</b>
<b>FREE CASH FLOW (alternative performance measure)</b>	<i>(EUR in millions)</i>		<i>(EUR in millions)</i>	
Net cash from operating activities	93.6	-3.1	109.6	39.3
Capital expenditures	-5.7	-4.4	-27.3	-43.3
Proceeds from sale of property, plant and equipment	0.1	0.6	1.5	2.6
<b>Free cash flow</b>	<b>88.0</b>	<b>-6.9</b>	<b>83.9</b>	<b>-1.4</b>

	<b>As t</b>		<b>For the year ended</b>	
	<b>March 31,</b>		<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(audited)</b>	<b>(audited)</b>
<b>KEY FIGURES</b>				
Earnings per share, basic (EUR)	2.50	-0.09	0.64	0.53
Earnings per share, diluted (EUR)	2.50	-0.09	0.64	0.53
<b>Alternative Performance Measures:</b>				
Return on capital employed, %, Rolling 12 Months (R12M)	22.4	7.4	10.3	9.5
Adjusted return on capital employed, %, Rolling 12 Months (R12M)	10.8	16.5	19.2*)	17.0*)
Return on equity, %, Rolling 12 Months (R12M)	30.2	4.9	8.3	6.8
Equity per share (EUR)	15.66	6.68	7.58	7.79
Interest-bearing net debt / Equity, %	42.8	52.7	29.1	44.6
Net debt / Adjusted EBITDA, Rolling 12 Months (R12M)	2.5	1.2	0.7*)	1.2*)
Equity to asset ratio, %	35.5	30.3	32.9	34.8
Investments total (excl. acquisitions), EUR million	12.1	6.2	33.8	49.3
Interest-bearing net debt, EUR million	535.6	206.9	129.6	203.2
Net working capital, EUR million	259.2	269.7	304.3	317.4

Average number of personnel during the period	13,924	11,748	11,398	11,934
Average number of shares outstanding, basic	77,278,217	58,739,886	58,748,217	58,542,309
Average number of shares outstanding, diluted	77,278,217	58,739,886	58,748,217	58,542,090
Number of shares outstanding	78,421,906	58,751,279	58,751,009	58,732,429

<sup>\*)</sup> Unaudited key figure.

### Calculation of key ratios

Some of the measures presented above are alternative performance measures. The formulas to calculate these alternative measures to the nearest IFRS measures are presented below. Konecranes uses alternative performance measures because it believes that these alternative measures are used by certain investors and these alternative performance measures may improve the understanding of the financial results and performance of Konecranes. Alternative performance measures used by companies may differ from company to company and they may not be comparable to other similarly titled figures of other companies. Konecranes presents Alternative Performance Measures to reflect the underlying business performance and to enhance comparability between financial periods. Alternative Performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS.

Return on equity, %	=	$\frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}} \times 100$
Return on capital employed, %	=	$\frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}} \times 100$
Adjusted return on capital employed, %	=	$\frac{\text{Adjusted EBITA}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}} \times 100$
Equity to asset ratio, %	=	$\frac{\text{Shareholders' equity}}{\text{Total amount of equity and liabilities - advance payment received}} \times 100$
Interest-bearing net debt / Equity, %	=	$\frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Total equity}} \times 100$
Equity per share	=	$\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$
Net working capital	=	$\text{Non interest-bearing current assets + deferred tax assets (excluding Purchase Price Allocation) - interest-bearing current liabilities - deferred tax liabilities (excluding Purchase Price Allocation) - provisions}$
Interest-bearing net debt	=	$\text{Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)}$

Average number of personnel	=	Calculated as average of number of personnel in quarters
Number of shares outstanding	=	Total number of shares - treasury shares
EBITDA	=	Operating profit + Depreciation, amortization and impairments
EBITA	=	Operating profit + Amortization and impairment of Purchase Price Allocations

	January 1 – March 31,		For the year ended December 31,	
	2017	2016	2016	2015
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Reconciliation of adjusted EBITDA, EBITA and Operating profit (EBIT)</b>	<i>(EUR in millions)</i>		<i>(EUR in millions)</i>	
<b>Adjusted EBITDA</b>	<b>48.6</b>	<b>27.1</b>	<b>191.6</b>	<b>166.5</b>
Transaction costs	-4.2	-10.7	-47.0	-17.2
Restructuring costs (excluding impairments)	-6.7	-2.1	-16.4	-15.2
Unwarranted payments due to identity theft	0.0	0.0	0.0	-17.0
Insurance indemnity related to identity theft	0.0	0.0	10.2	0.0
Release of MHPS purchase price allocation in inventories	-1.8	0.0	0.0	0.0
Gain on disposal of Stahl CraneSystems	218.4	0.0	0.0	0.0
<b>EBITDA</b>	<b>254.2</b>	<b>14.3</b>	<b>138.5</b>	<b>117.1</b>
Depreciation, amortization and impairments	-28.3	-14.0	-53.7	-54.0
<b>Operating profit (EBIT)</b>	<b>225.9</b>	<b>0.3</b>	<b>84.9</b>	<b>63.0</b>
<b>Adjusted EBITA</b>	<b>30.6</b>	<b>15.8</b>	<b>144.8</b>	<b>122.8</b>
Purchase price allocation amortization	-9.8	-1.0	-4.0	-5.0
<b>Adjusted Operating profit (EBIT)</b>	<b>20.8</b>	<b>14.8</b>	<b>140.8</b>	<b>117.7</b>
Transaction costs	-4.2	-10.7	-47.0	-17.2
Restructuring costs	-7.2	-3.8	-19.2	-20.5
Unwarranted payments due to identity theft	0.0	0.0	0.0	-17.0
Insurance indemnity and returned funds related to identity theft	0.0	0.0	10.2	0.0
Release of MHPS purchase price allocation in inventories	-1.8	0.0	0.0	0.0
Gain on disposal of Stahl CraneSystems	218.4	0.0	0.0	0.0
<b>Operating profit (EBIT)</b>	<b>225.9</b>	<b>0.3</b>	<b>84.9</b>	<b>63.0</b>

	As at March 31,		As at December 31,	
	2017	2016	2016	2015
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Interest-bearing net debt</b>	<i>(EUR in millions)</i>		<i>(EUR in millions)</i>	
Non current interest bearing liabilities	794.7	57.1	54.2	59.2
Current interest bearing liabilities	181.6	268.0	269.5	224.8
Net debt in assets held for sale	0.0	0.0	-26.7	0.0
Loans receivables	-17.1	0.0	0.0	0.0

Cash and cash equivalents	-423.6	-118.2	-167.4	-80.8
<b>Interest-bearing net debt</b>	<b>535.6</b>	<b>206.9</b>	<b>129.6</b>	<b>203.2</b>
<b>Net working capital</b>				
Net working capital in balance sheet	259.2	269.7	271.1	317.4
Net working capital in asset held for sale	0.0	0.0	33.2	0.0
<b>Net working capital</b>	<b>259.2</b>	<b>269.7</b>	<b>304.3</b>	<b>317.4</b>

## FINANCIAL INFORMATION AND PROSPECTS

### Historical financial information

The audited consolidated financial statements of Konecranes as of and for the years ended December 31, 2016 and December 31, 2015 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The audited consolidated financial statements of Konecranes as at and for the years ended December 31, 2016 and December 31, 2015 have been incorporated into this Prospectus by reference. The audited financial statements of the Guarantor as of and for the years ended December 31, 2015 and December 31, 2016 have been prepared in accordance with the applicable Finnish Accounting Standards (FAS) and have been incorporated into this Prospectus by reference. See "*Information Incorporated by Reference*". Except for the financial statements mentioned above, the information included in this Prospectus has not been audited.

### No significant change in the Issuer's financial or trading position

There has been no significant change in the financial or trading position of the Issuer since March 31, 2017.

### Prospects

There have been no material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements.

In its interim report for the first quarter of 2017, Konecranes has published the following information on the outlook for 2017:

#### Market Outlook

Economic indicators related to manufacturing industries have strengthened, which appears to improve customers' willingness to proceed with their investment plans. Demand situation in Europe is gradually improving. Business activity in the North American manufacturing industry remains mixed. Demand in emerging markets is showing signs of bottoming out. Global container throughput growth has improved and the prospects for small and medium-sized orders related to container handling have somewhat strengthened.

#### Financial Guidance

The sales in 2017 are expected to be close to the comparable combined company sales in 2016 (EUR 3,278 million). We expect the adjusted EBITA to total EUR 195–215 million in 2017 (comparable combined company adjusted EBITA was EUR 184 million in 2016).

## BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

### General

In its decision making and administration, Konecranes applies the Finnish Companies Act and other legal regulations and rules governing public limited companies in Finland and the Company's articles of association. Konecranes also follows Nasdaq Helsinki Ltd's rules and recommendations as applicable to listed companies. As a Finnish listed company, Konecranes complies with the Finnish Corporate Governance Code 2015 as published by the Finnish Securities Market Association. Konecranes deviates from Recommendations 5 and 6 of the code. Konecranes signed on May 16, 2016 an agreement to acquire from Terex Corporation ("**Terex**") its Material Handling and Ports Solutions ("**MHPS**") business segment. The acquisition was completed on January 4, 2017. As an important part of the agreed acquisition arrangements and since Terex became a significant shareholder in Konecranes, the EGM of Konecranes, held on September 15, 2016, resolved to approve new Articles of Association for Konecranes.

Under the Articles of Association Terex or any member of Terex Group, as is designated by Terex to the Company, is entitled to nominate up to two (2) board members depending on the ownership percentage of Terex in Konecranes class B shares. The class B shares carry same one vote per share as ordinary shares in most voting situations. However, the class B shares carry no voting rights, when electing board members other than the up to two board members nominated by Terex, in certain other matters relating to directors, in share issuances pursuant to preemptive subscription rights of shareholders and when approving a transfer of class B shares by Terex. In case Terex Group's ownership of the Company's class B shares represents less than ten per cent (10%) of the outstanding shares, Terex's right to nominate board members ceases. The term of the Terex designee board members is not determined. Further, the class B shares are associated with a consent clause meaning that the consent of Konecranes' Board is required to acquire class B shares and certain restrictions on Terex' rights to acquire additional Konecranes ordinary shares prevail. All Konecranes ordinary shares held by Terex Group are required to be converted to class B shares. In certain circumstances, an owner of class B shares has the right to demand the conversion of its class B shares into ordinary shares (for example, upon a change of control in Konecranes).

On May 23, 2017 Terex sold 7,000,000 shares in Konecranes (the "**Share Sale**"), corresponding to approximately 8.9 percent of all outstanding shares in Konecranes (excluding treasury shares). Based on a conversion request by Terex, the Board of Directors of Konecranes decided to convert the 7,000,000 class B shares sold by Terex in the Share Sale to class A shares in accordance with paragraph 20 of the Articles of Association. Due to the shareholding of Terex falling below 10 percent of all outstanding Konecranes shares in the Share Sale, the members appointed by Terex to Konecranes' Board of Directors, being Mr. David A. Sachs and Mr. Oren G. Shaffer, resigned from the Board of Directors as of May 23, 2017.

Pursuant to the provisions of the Finnish Companies Act and the Issuer's articles of association, responsibility for the control and management of Konecranes is divided, as applicable, between the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer (CEO). Shareholders participate in the control and management of Konecranes through resolutions passed at General Meetings of shareholders. General Meetings of Shareholders are generally convened upon notice given by the Board of Directors. In addition, General Meetings of Shareholders are held when requested in writing by an auditor of the Issuer or by shareholders representing at least one-tenth of all the outstanding shares of the Issuer.

### Board of Directors

The Board of Directors decides on a business strategy for Konecranes, appointment and dismissal of the President and CEO, the deputy to the President and CEO and other senior management, Group structure, acquisitions and divestments, financial matters and investments. It shall also continuously review and monitor the operations and performance of Group Companies, risk management and Konecranes' compliance with applicable laws, as well as any other issues determined by the Board of Directors. The Board shall keep itself informed of issues and business activities of major strategic importance to the Company on an ongoing basis. The Board of Directors convenes in 6 – 8 regular meetings a year. At the date of this Prospectus, the Board of Directors of the Issuer consists of the following persons:

<b>Name:</b>	<b>Background:</b>
<b>Christoph Vitzthum</b> Born 1969, M. Sc. (Econ.)	Nordstjernan AB, Member of the Board (2017–) East Office of Finnish Industries, Member of the Board (2014–)



<b>Chairman of the Board (2016–)</b> <b>Member of the Board (2015–)</b> <b>Chairman of the Nomination Committee (2017–), Member of the Human Resources Committee (2017–)</b>	EVA (Elinkeinoelämän valtuuskunta), Delegation Member (2014–) Finnish Food and Drink Industries' Federation, Member of the Board (2014 –) Finnish-Swedish Chamber of Commerce, Member of the Board (2014–) Varma Mutual Pension Insurance Company, Member of the Supervisory Board (2015–) Fazer Group, President and Chief Executive Officer (2013–) Oras Invest Ltd, Member of the Board (2013–) Wärtsilä Corporation: President Services, Executive Vice President (2009 – 2013) President Power Plants, Executive Vice President (2006 – 2009) Vice President, Finance & Control, Marine Division (1999 – 2002) Business Controller, Power Plants Division (1997 – 1999) Wärtsilä Propulsion, President (2002 – 2006)
<b>Ole Johansson</b> Born 1951, B. Sc. (Econ.)  <b>Vice Chairman of the Board (2017–)</b> <b>Member of the Board (2015–)</b> <b>Member of the Nomination Committee (2017–), Member of the Audit Committee (2015–)</b>	Kelonia Oy Ab, Member of the Supervisory Board (2016–) Hartwall Capital Oy Ab, Chairman of the Board (2015–) Aker Arctic Technology Inc, Chairman of the Board (2014–) Svenska Handelsbanken AB, Member of the Board (2011–) Wärtsilä Corporation, President and Chief Executive Officer (2000 – 2011) Wärtsilä NSD Oy, President and Chief Executive Officer (1998 – 2000)
<b>Bertel Langenskiöld</b> Born 1950, M. Sc. (Eng.)  <b>Member of the Board (2012–)</b> <b>Chairman of the Human Resources Committee (2017–)</b>	Kähns Holding AB, Member of the Board (2012 –) Hartwall Capital Oy Ab, Managing Director (2011 – 2015) Metso Paper and Fiber Technology, President (2009 – 2011) Metso Paper, President (2007 – 2008) Metso Paper's Fiber Business Line, President (2006 – 2007) Metso Minerals, President (2003 – 2006) Fiskars Corporation, President and Chief Executive Officer (2001 – 2003) Tampella Power/Kvaerner Pulping, Power Division, President (1994 – 2000)
<b>Malin Persson</b> Born 1968, M. Sc. (Eng.)  <b>Member of the Board (2005–)</b> <b>Member of the Audit Committee (2012–)</b>	Ahlström Capital Oy, Member of the Board (2014 –) Hexatronic Scandinavia AB, Member of the Board (2014 –) Magnora AB, Member of the Board (2014 –) Mekonomen Group AB, Member of the Board (2015 –) Peab AB, Member of the Board (2016 –) Presscise AB, Member of the Board (2015 –) Ricardo Plc, Board Member (2016 –) Kongsberg Automotive AB, Member of the Board (2014–) Getinge Group, Member of the Board (2014–) Accuracy AB, Chief Executive Officer and Owner (2013–) Becker Industrial Coatings AB, Member of the Board (2012–) Hexpol AB, Member of the Board (2007–) The Chalmers University of Technology Foundation, President and Chief Executive Officer (2013 – 2014) Volvo Technology Corporation, President and Chief Executive Officer (2007 – 2012) AB Volvo, Vice President, Corporate Strategy and Business Development (2000 – 2007) Volvo Logistics AB, Vice President, Business and Logistics Development (1997 – 2000)
<b>Janina Kugel</b> Born 1970, M. Sc. (Econ.)	Siemens AG: Chief Human Resources Officer and Member of the Managing Board (2015–)

<b>Member of the Board (2016–)</b> <b>Member of the Human Resources Committee (2017–)</b>	Corporate Vice President, Human Resources (2013 – 2015) Director, Corporate Development Executive (2005 – 2009) Director, Strategy and Business Transformation (2001 – 2004) OSRAM, Chief Human Resources Officer (2012 – 2013) Accenture, Management Consultant (1997 – 2000)
<b>Ulf Liljedahl</b> Born 1965, B. Sc. (Econ. And Business Administration)  <b>Member of the Board (2016–)</b> <b>Chairman of the Audit Committee (2017–)</b>	Volito AB, President and Chief Executive Officer (2015–) Bulten AB, Chairman of the Board (2015–) Peab AB, Chairman of the External Nomination Committee (2015–) Husqvarna AB, Senior Vice President and Chief Financial Officer (2011 – 2015) Cardo AB, Executive Vice President and Chief Financial Officer (2007 – 2011)

## Board committees

Board committees provide assistance to the Board of Directors, preparing matters for which the Board is responsible. The Board of Directors appoints an Audit Committee, Nomination Committee and Human Resources Committee from among its members. Every year after the Annual General Meeting, the Board of Directors appoints each committee's Chairperson and members.

### *Audit Committee*

As at the date of this Prospectus, the Audit Committee consists of Ulf Liljedahl (chairman), Ole Johansson and Malin Persson. All members of the Audit Committee are independent of the Issuer and the majority of members are independent of major shareholders. The Audit Committee assists the Board of Directors in its responsibilities relating to the appropriate arrangement of the control of the company accounts and finances pursuant to the Companies Act.

According to the Corporate Governance Code, the members of the Committee must be sufficiently qualified to perform the responsibilities of the Committee.

The Audit Committee monitors the reporting process of financial statements, supervises the financial reporting process, monitors the financial position of the company by reviewing annual financial statements and, to the extent appropriate, interim financial statements, oversees the quality and integrity of the financial statements and related disclosures, monitors the efficiency and adequacy of the company's internal control, internal audit and risk management systems, reviews the description of the main features of the internal control and risk management systems pertaining to the financial reporting process, which is included in the company's corporate governance statement, reviews and monitors plans and reports of the internal audit function, approves the annual plan, issues instructions and reviews the operations of the Internal Audit function, evaluates the independence of the statutory auditor or audit firm, particularly the provision of related services to the company to be audited, prepares the proposal for resolution on the election of external auditors, reviews the external Audit Plan, monitors the statutory audit of the financial statements and consolidated financial statements and reviews all material reports from the auditor addressed to Konecranes Plc and its subsidiary companies and prepares and makes recommendations and proposals for action to the Board resulting from listed tasks to the extent the Audit Committee finds necessary.

### *Nomination Committee*

The Nomination Committee is responsible for preparing matters pertaining to the appointment and remuneration of the Board of Directors of Konecranes. The Nomination Committee prepares and presents to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting, a proposal for the number of the members of the Board within the limits of the Articles of Association of the Company, a proposal for the election of the members of the Board and a proposal for the remuneration of the members of the Board.

As at the date of this Prospectus, the Nomination Committee consists of Christoph Vitzthum (chairman), Ole Johansson and Ulf Liljedahl.

### ***Human Resources Committee***

The Human Resources Committee is responsible for assisting and providing guidance and recommendations to the Board of Directors of Konecranes in fulfilling its oversight and other responsibilities in relation to, inter alia, the operative structure and selection of senior management, evaluation and compensation of the President and CEO and group executive board members, talent management, diversity management, retention and succession planning of senior management, general principles for compensation, long and short term incentive compensation plans and share-based incentive plans, human resources, corporate responsibility and safety strategies and performance.

At the date of this Prospectus, the Human Resources Committee consists of Bertel Langenskiöld (chairman), Janina Kugel and Christoph Vitzthum.

### **CEO and Group Executive Board**

The Company's Board of Directors appoints the Chief Executive Officer (CEO). The CEO is responsible for the daily management of the Company's administration according to the guidelines and instructions given by the Board. In addition, the CEO is responsible for ensuring that the Company's accounting has been carried out according to applicable laws and that the Company's financial affairs have been organized in a reliable manner. The CEO manages the Company's daily business and is responsible for controlling and steering the business areas and functions. At the date of this Prospectus, the CEO of the Company is Panu Routila.

In Konecranes' operative management, the CEO is assisted by the Group Executive Board. The tasks and responsibilities of the Group Executive Board include assisting the President and CEO in relation to the Issuer's management system strategy preparation and decision-making. The Group Executive Board generally convene once a month. At the date of this Prospectus and the Group Executive Board consist of the following persons:

<b>Name:</b>	<b>Background:</b>
<b>Panu Routila</b> Born 1964, M. Sc. (Econ.)  <b>President and Chief Executive Officer</b> Joined Konecranes in 2015. Member of the Group Executive Board as of 2015.	Ahlström Capital Oy, President and Chief Executive Officer (2008 – 2015) Alteams Oy, Kuusakoski Group, Chief Executive Officer (2002 – 2008) Drawn Copper Products, Outokumpu Group: Director (1997 – 2002) Controller (1995 – 1997)
<b>Teo Ottola</b> Born 1968, M. Sc. (Econ.)  <b>Chief Financial Officer, Deputy Chief Executive Officer</b> Joined Konecranes in 2007. Member of the Group Executive Board as of 2007.	Elcoteq SE, Chief Financial Officer (2004 – 2007) Elcoteq Network Oyj: Senior Vice President, Business Control and Accounting (1999 – 2004) Group Business Controller (1998 – 1999) Elcoteq Lohja Oy, Business Controller (1996 – 1998) Rautaruukki Oy, Financial Planner (1992 – 1996)
<b>Fabio Fiorino</b> Born 1967, B. Eng., P. Eng., MBA  <b>Executive Vice President, Business Area Service</b> Joined Konecranes in 1995. Member of the Group Executive Board as of 2012.	Konecranes: Executive Vice President, Business Area Service, Chief Customer Officer (2012 – 2016) Executive Vice President, Head of Business Area Service (2011 – 2012) Vice President, Head of Service, Region Americas (2010 – 2011) VP, Business Development, Latin America (1998 – 1999) R&M Materials Handling, Inc. / Drivecon, Inc., President (1999 – 2006) / (2002 – 2006) Marketing Manager (1995 – 1998) AECL, Mechanical/Project Engineer (1989 – 1994)
<b>Mikko Uhari</b> Born 1957, Lic. Sc. (Eng.)	Konecranes: Executive Vice President, Strategy and Technology and Executive Vice President, Industrial Equipment (2016 – 2017)

<p><b>Executive Vice President, Industrial Equipment</b>  Joined Konecranes in 1997.  Member of the Group Executive Board as of 1997.</p>	<p>Executive Vice President, Strategy and Technology (2012 – 2016)  Executive Vice President, Head of Market Operations (2011 – 2012)  Executive Vice President, Head of Business Area Equipment (2010 – 2011)  President, New Equipment Business Areas (2005 – 2009)  President, Special Cranes (Heavy Lifting) (2004 – 2005)  President, Harbour and Shipyard Cranes (1997 – 2003)</p>
<p><b>Mika Mahlberg</b>  Born 1963, M. Sc. (Eng.)</p> <p><b>Executive Vice President, Business Area Port Solutions</b>  Joined Konecranes in 1997.  Member of the Group Executive Board as of 2017.</p>	<p>Konecranes:  Vice President, Head of Business Unit Port Cranes (2008 – 2016)  Director, VLC Cranes (2006 – 2007)  Director, STS Cranes (2000 – 2006)  Project Manager, Harbour and Shipyard Cranes (1997 – 2000)</p>
<p><b>Juha Pankakoski</b>  Born 1967, M. Sc. (Eng.), eMBA</p> <p><b>Executive Vice President, Technologies, Chief Digital Officer</b>  Joined Konecranes in 2004.  Member of the Group Executive Board as of 2015.</p>	<p>Konecranes:  Vice President, Head of Business Unit Parts (2010 – 2014)  Director, Corporate Business Process Development (2008 – 2010)  Director, Supply Operations (2004 – 2008)  Tellabs, Inc.:  Vice President, Supply Chain Operations (2003 – 2004)  Regional Director, EMEA Operations (2002 – 2003)  Director, Operations (2000 – 2002)  Plant Manager (1998 – 2000)  Phillips Medical Systems, Operations Manager (1997 – 1998)</p>
<p><b>Susanna Schneeberger</b>  Born 1973, M. Sc., MBA</p> <p><b>Executive Vice President, Strategy</b>  Joined Konecranes in 2017.  Member of the Group Executive Board as of 2017.</p>	<p>Terex Material Handling &amp; Port Solutions, Vice President and Managing Director (2015 – 2016)  Trelleborg AB:  Director, Strategic Business Development (Group) (2007 – 2012)  Vice President, Sales &amp; Marketing (Trelleborg Industrial Solutions) (2012 – 2015)  IXOS Software AG / OpenText, Director, Strategy &amp; Markets, Head of European Marketing (2002 – 2006)  IconMedialab AG, Management Consultant, Project Manager and Engagement Manager (2000 – 2002)  International Masters Publishers / Meister Verlag AG, Product Division Manager and Project Manager New Business (1997 – 2000)</p>
<p><b>Timo Leskinen</b>  Born 1970, M. Sc. (Psy.)</p> <p><b>Senior Vice President, Human Resources</b>  Joined Konecranes in 2013.  Member of the Group Executive Board as of 2013.</p>	<p>Fiskars Corporation, Vice President, Human Resources (2009 – 2013)  Nokia Services, Director, Human Resources (2008 – 2009)  Nokia Customer and Market Operations, Director, Human Resources (2006 – 2007)  Nokia Ventures Organization:  Head of Operations (2004 – 2006)  Human Resources Manager (2000 – 2004)  MPS, Human Resources Consultant (1999 – 2000)</p>
<p><b>Sirpa Poitsalo</b>  Born 1963, LL. M.</p> <p><b>Senior Vice President, General Counsel</b>  Joined Konecranes in 1988.  Member of Group Executive Board as of 2016.</p>	<p>Konecranes:  Member of the Senior Management Team (2013 – 2016)  Member of the Extended Management team (2009 – 2013)  Member of the Executive Board (1999 – 2009)  Assistant General Counsel (1997 – 1998)  KCI Konecranes / Kone Corporation: Legal Counsel (1988 – 1997)</p>

**Business address**

The business address of the members of the Board of Directors, CEO and Group Executive Board is Konecranes Plc, Koneenkatu 8, 05801 Hyvinkää, Finland.

**Absence of conflicts of interest**

Mr. Ole Johansson, Ms. Janina Kugel, Mr. Bertel Langenskiöld, Mr. Ulf Liljedahl and Mr. Christoph Vitzthum, are deemed to be independent of the company and any significant shareholders. While Ms. Malin Persson has served as director of the company for more than ten consecutive years, she is deemed to be independent of the company since her independence is not compromised by this or any other factor according to the Board's overall evaluation. She is also deemed to be independent of significant shareholders.

**Auditors**

The consolidated financial statements of the Company for the financial years ended 31 December 2016 and 31 December 2015 incorporated in this Prospectus by reference have been audited by Ernst & Young Oy under the supervision of principal auditor Kristina Sandin, Authorized Public Accountant. The business address of the principal auditor and Ernst & Young Oy is Alvar Aallon katu 5 C, 00100 Helsinki.

## SHARE CAPITAL AND OWNERSHIP STRUCTURE

As at the date of this Prospectus, the Issuer has issued a total of 78,921,906 shares divided into 73,771,906 Series A shares and 5,150,000 Series B shares and has a registered share capital of EUR 30,072,660 which is fully paid. According to Article 10 of the Issuer's articles of association, at the General Meeting of Shareholders, each Series A share carries one (1) vote and each Series B share carries one (1) vote, although Series B shares are subject to some voting and transfer restrictions. The Issuer's Series A shares are publicly listed on Nasdaq Helsinki but the Series B shares will not be applied for public trading. The Series B shares were issued as share consideration in addition to the cash consideration payable to Terex Corporation for the purchase of Terex Corporation's Material Handling & Port Solutions (MHPS) business.

On the basis of registered shareholders as per June 30, 2017 in respect of class A shares, the nine largest shareholders are listed below with their respective ownership participation percentage. As at June 30, 2017, the Issuer held 500,000 treasury shares, which corresponds to approximately 0.63 per cent of the shares and votes in the Company.

Shareholder	No. of shares	Shareholding, %
Hartwall Capital	6,870,568	8.71
Terex Corporation (unlisted Class B shares)	5,150,000	6.53
Solidium Oy	2,486,170	3.15
Stig Gustavson and family	2,193,955	2.78
Varma Mutual Pension Insurance Company	1,190,275	1.51
Ilmarinen Mutual Pension Insurance Company	978,217	1.24
The Local Government Pensions Institution	891,042	1.13
Samfundet Folkhälsan i Svenska Finland	535,600	0.68
Konecranes Abp	500,000	0.63
The State Pension Fund	480,000	0.61
Others	57,646,079	73.04
<b>Total</b>	<b>78,921,906</b>	<b>100.00</b>

On June 22, 2017, Konecranes received a notification under Chapter 9, Section 5 of the Securities Market Act (746/2012), according to which the total holding of BlackRock Investment Management (UK) Limited in Konecranes Plc's shares and votes had fallen below 10%, being 9.96%. On June 21, 2017, Blackrock Inc.'s total holding through shares and financials instruments amounted to 11.85% of Konecranes Plc's shares and votes.

To the extent known to the Issuer, the Issuer is not directly or indirectly owned or controlled by any person for the purposes of Chapter 2, Section 4 of the Finnish Securities Markets Act (14.12.2012/746), and the Issuer is not aware of any arrangement the operation of which may result in a change of control of the Issuer.

## INFORMATION ABOUT THE GUARANTOR

### General

The business name of the guarantor is Konecranes Finance Corporation (the "**Guarantor**") and it is domiciled in Hyvinkää, Finland. The Guarantor is a private limited liability company organized under the laws of Finland and registered under business identity code 0762658-3. The Guarantor was registered in the Finnish Trade Register on July 12, 1989. Its registered address is Koneenkatu 8, FI-05830 Hyvinkää, and telephone number is (+358) 204-2711. As at the date of this Prospectus, the Guarantor has a total of 11,000,000 ordinary shares and its share capital is EUR 22,000,000.

According to the articles of association of the Guarantor, the Guarantor's field of activity includes financing, consulting and investment operations, although not banking operations, group structure development tasks, collection services, financial leasing, credit information operations as well as the selling and marketing of goods and expert and support services related to financing and investment activities. The Guarantor's field of activity also includes operating in the metal and electrical engineering industry, particularly manufacturing lifting and moving equipment, marketing and selling as well as other related industrial and business operations. In the furtherance of these purposes, the Guarantor may own and rent real estate as well as own and trade securities and real estate. The Guarantor's field of activity also includes carrying out factory repairs and providing maintenance services.

The Guarantor is a wholly-owned subsidiary of Konecranes Plc. The Guarantor provides services to other Group companies related to financial administration, internal auditing, corporate acquisitions, investor relations and Group financing and its ability to generate cash flow depends on the other Group companies. The Issuer has generally guaranteed all of the Guarantor's liabilities. The Guarantor's earnings comprise sales of the aforementioned services, net revenues from financing operations and dividend income. The Guarantor serves also as a holding and administration company in functions of consolidated structure. The following table lists the Guarantor's directly owned subsidiaries, which sales or total assets exceeded 5% of the Group level sales or total assets on March 31, 2017.

<b>Name</b>	<b>Location</b>
Konecranes Finland Corporation	Finland
Konecranes GmbH	Germany
Konecranes Holding GmbH	Germany
Konecranes Inc.	United States
Konecranes Lifttrucks AB	Sweden
Morris Material Handling , Inc.	United States
Terex MHPS GmbH	Germany

### Board of directors, management and auditors

As a private limited liability company incorporated in Finland, the Guarantor's decision making and administration is governed by the Finnish Companies Act (624/2006, as amended) and its articles of association.

The Board of Directors supervises the Guarantor's operations and management, deciding on significant matters concerning the company strategy, investments, organization and finance. The Board of Directors convenes as needed. At the date of this Prospectus, the Board of Directors of the Guarantor consists of Panu Routila, Teo Ottola, Sirpa Poitsalo and Timo Leskinen. For more information on the background of the members of the Board of Directors, please see section "*Board of Directors, Management and Auditors – CEO, Group Executive Board and Senior Management of the Issuer*".

Teo Ottola has acted as CEO of the Guarantor since September 2007.

The business address of the members of the Board of Directors and CEO is Koneenkatu 8, FI-05830 Hyvinkää.

As auditor for the Guarantor for the financial years ended December 31, 2015 and December 31, 2016 incorporated in this Prospectus by reference have been audited by Ernst & Young under the supervision of principal auditor Kristina Sandin, Authorized Public Accountant for the financial year ended December 31, 2015 and Toni Halonen,

Authorized Public Accountant for the financial year ended December 31, 2016.. The business address of the principal auditor and Ernst & Young is Alvar Aallon katu 5 C, 00100 Helsinki.

### Absence of conflicts of interest

The members of the Board of Directors or the CEO do not have any conflicts of interest between their duties relating to the Guarantor and their private interests and/or their other duties.

### Recent events

On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation its Material Handling & Port Solutions ("MHPS") segment (the "**MHPS acquisition**") against consideration consisting of cash and class B shares and to terminate the previously announced business combination agreement. On January 4, 2017, Konecranes completed the MHPS acquisition and paid EUR 786.1 million in cash and 19.6 million in newly issued Konecranes class B shares. In connection with the closing of the MHPS acquisition, the unsecured EUR 1.5 billion loan arrangement agreed on August 1, 2016 became available and was drawn resulting in significant financial indebtedness for the Guarantor. This financing was originally in the form of fixed-term loans for three and five years in the amounts of EUR 300 and 600 million, a bridging loan arrangement of EUR 200 million, and a committed revolving credit facility of EUR 400 million. The bridging loan arrangement of EUR 200 million was repaid on January 31, 2017. At the date of this Prospectus the EUR 300 million three-year loan has been fully repaid and the EUR 600 million five-year loan has been repaid with EUR 246 million into EUR 354 million. The committed revolving credit facility of EUR 400 million remains available and, at the date of this Prospectus, it is undrawn. The issue proceeds of the Notes were utilized for EUR 200 million repayment of the three-year loan and EUR 50 million repayment of the five-year loan. The Issuer has guaranteed the Guarantor's obligations under these financing arrangements.

### Financial Information

The information in this summary has been derived from the Guarantor's audited financial statements for the financial years ended December 31, 2015 and December 31, 2016, which have been incorporated by reference into this Prospectus. The audited financial statements of the Guarantor as of and for the years ended December 31, 2015 and December 31, 2016 have been prepared in accordance with the applicable Finnish Accounting Standards (FAS). The Guarantor has not prepared consolidated financial statements pursuant to Chapter 6 Section 1(4) of the Finnish Accounting Act (1336/1997, as amended), because the financial statements of the Guarantor and its subsidiaries are consolidated in the financial statements of the Issuer. The following information should be read in conjunction with, and is qualified in its entirety by reference to, such financial statements and related notes.

The turnover of the Guarantor for the financial year 2016 was EUR 2.36 million and the profit for the financial year 2016 was EUR 10.39 million.

Except for the MHPS acquisition and the financing arrangement relating to the same, there has been no significant change in the financial or trading position of the Guarantor since December 31, 2016. See "*Information on Guarantor – Recent events*" for further information.

There has been no material adverse changes in the prospects of the Guarantor since the date of its last published audited financial statements.

	<b>For the year ended December 31,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(audited)</b>	<b>(audited)</b>
<b>INCOME STATEMENT</b>	<i>(EUR)</i>	
<b>Turnover</b>	<b>2,357,510.70</b>	<b>2,209,368.93</b>
Staff costs	2,223,801.96	1,875,219.31
Depreciation and amortization	29,142.52	23,762.95
Other operating costs	746,175.49	381,087.83
<b>Operating profit (-loss)</b>	<b>-641,609.27</b>	<b>-70,701.16</b>
Financial income and expenses:	22,304,578.38	129,472,597.99
<b>Profit/loss before appropriations and taxes</b>	<b>21,662,969.11</b>	<b>129,401,896.83</b>
Appropriations		



Group contributions received and issued	-11,000,000.00	500,000.00
Income taxes		
Taxes for the accounting period	-345,645.24	-284,243.54
Change in deferred taxes	60,000.00	0.00
Total income tax	-285,645.24	-284,243.54
Other direct taxes	7,720.38	11,504.83
<b>Profit (-loss) for the accounting period</b>	<b>10,385,044.25</b>	<b>129,629,158.12</b>

	As at December 31,	
	2016 (audited)	2015 (audited)
<b>BALANCE SHEET</b>	<i>(EUR)</i>	
<b>ASSETS</b>		
<b>Intangible assets</b>		
Other capitalised long-term expenses	15,121,726.52	1,103,765.29
	<b>15,121,726.52</b>	<b>1,103,765.29</b>
<b>Tangible assets</b>		
Land	52,060.00	52,060.00
Buildings and structures	124,384.61	146,859.07
Machinery and equipment	2,400.00	4,000.00
Prepayments	0.00	0.00
	<b>178,844.61</b>	<b>202,919.07</b>
<b>Investments</b>		
Holdings in Group companies	223,041,695.73	230,452,922.66
Holdings in associated companies	789,129.82	28,782,938.99
Other shares and interests	4,721,122.81	4,721,122.81
	<b>228,551,948.36</b>	<b>263,956,984.46</b>
<b>Long-term receivables</b>		
Loan receivables from Group companies	275,722,305.75	288,278,278.44
Loan receivables	138,498.39	0.00
	<b>275,860,804.14</b>	<b>288,278,278.44</b>
<b>Short-term receivables</b>		
Receivables from Group companies		
Other receivables	12,063,407.51	15,027,884.82
Accrued credits and deferred charges	37,080,874.88	37,146,569.73
Accrued credits and deferred charges	31,688,497.35	6,925,716.69
Loan receivables	101,997.00	0.00
Deferred tax assets	60,000.00	0.00
	<b>80,994,776.74</b>	<b>59,100,171.24</b>
<b>Cash and cash equivalents</b>	<b>56,004,176.27</b>	<b>15,795,110.32</b>
	<b>656,712,276.64</b>	<b>628,437,228.82</b>
<b>LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital	22,000,000.00	22,000,000.00
Share premium reserve	24,247,895.55	24,247,895.55
Retained earnings	29,671,450.73	57,342,292.61
Dividend distribution	-29,000,000.00	-57,300,000.00
Profit/loss for accounting period	10,385,044.25	129,629,158.12
Advance dividend	0.00	-100,000,000.00
	<b>57,304,390.53</b>	<b>75,919,346.28</b>
<b>APPROPRIATIONS</b>		
Depreciation reserve	0.00	0.00

## CREDITORS

### Long-term

Loans from financial institutions	50,000,000.00	50,000,000.00
Other liabilities to Group companies	257,141,998.47	167,023,443.55
	<b>307,141,998.47</b>	<b>217,023,443.55</b>

### Short-term

Loans from financial institutions	214,865,748.91	44,986,751.50
Liabilities to Group companies		
Other liabilities	27,566,558.61	58,051,762.78
Accruals and deferred income	26,400,321.29	119,698,649.02
Accounts payable	1,646.52	1,394.18
Accruals and deferred income	23,131,612.31	11,449,037.08
Other liabilities	300,000.00	101,306,844.43
	<b>292,265,887.64</b>	<b>335,494,438.99</b>
	<b>656,712,276.64</b>	<b>628,437,228.82</b>

	For the year ended December 31,	
	2016 (audited)	2015 (audited)
<b>CASH FLOW STATEMENT</b>	<i>(EUR in thousands)</i>	
<b>Operations</b>		
Operating revenue	-642	-71
Adjustments to operating revenue <sup>1</sup>		
Depreciation and amortization	29	24
Financial income and expenses	-6,071	-7,522
Appropriations	500	800
Taxes	-218	-190
<b>Cash flow from operating activities</b>	<b>-6,402</b>	<b>-6,959</b>
<b>Change in working capital</b>		
Increase (-) or decrease (+) in non-interest-bearing receivables	-829	-115
Increase (+) or decrease (-) in non-interest-bearing liabilities	561	60
Increase (-) or decrease (+) in interest-bearing receivables	15,520	-56,150
<b>Cashflow from operations</b>	<b>8,850</b>	<b>-63,164</b>
Corporate acquisitions	-43,409	-3,539
Fixed asset investments and investment prepayments	0	-82
Activated capitalized long-term expenses	-13,401	-760
Income from other divestments	48,463	0
Cashflow from investments	-8,347	-4,381
<b>Cashflow before financing</b>	<b>503</b>	<b>-67,545</b>
Increase in interest-bearing liabilities (+)	1,271,140	1,130,397
Decrease (-) in interest-bearing liabilities	-1,142,934	-1,147,949
Dividends received	40,500	137,963
Dividends paid	-129,000	-57,300
<b>Cashflow from financing</b>	<b>39,706</b>	<b>63,111</b>

<b>Change in calculated liquid assets</b>	<b>40,209</b>	<b>-4,434</b>
Cash in hand and at bank on 1 January 2016 (1 January 2015)	15,795	20,229
Cash in hand and at bank on 31 December 2016 (31 December 2015)	56,004	15,795
<b>Change in balance sheet liquid assets</b>	<b>40,209</b>	<b>-4,434</b>

<sup>1)</sup> Adjustments include depreciation and other non-monetary items, conversion of accrual-based items to cash-based items, and items that are processed elsewhere in the cashflow, e.g. profits and losses on sales of tangible and intangible assets.

## **TAXATION**

*The following is a general description addressing only the Finnish withholding tax treatment of income arising from the Notes. This summary is based on the laws and regulations in full force and effect in Finland as at the date of this Prospectus, which may be subject to change in the future, potentially with retroactive effect. Investors should be aware that the comments below are of a general nature and do not constitute legal or tax advice and should not be understood as such. The comments below relate only to the position of persons who are the absolute beneficial owners of the Notes. Prospective investors are therefore advised to consult their own qualified advisors so as to determine, in the light of their individual situation, the tax consequences of the acquisition, holding, redemption, sale or other disposition of the Notes.*

### **Non-resident holders of Notes**

Payments made by or on behalf of the Issuer to persons not resident in Finland for tax purposes and who do not engage in trade or business through a permanent establishment or a fixed place of business in Finland may be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

### **Resident holders of the Notes**

#### ***Corporates***

Payments made by or on behalf of the Issuer to corporates resident in Finland for tax purposes may be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Republic of Finland or by any municipality or other political subdivision or taxing authority thereof or therein.

#### ***Individuals and estates***

Payments made under the Notes should not be subject to withholding according to the Act on Withholding on Interest Income (Laki korkotulon lähdeverosta 1341/1990, as amended). Payments of interest or interest compensation (secondary market compensation, in Finnish "jälkimarkkinahyvyitys") made to individuals or estates are generally subject to advance withholding of income tax according to the Prepayment Act (Ennakkoperintälaki 1118/1996, as amended). The withholding liability should primarily lie with a possible paying agent or other intermediary (such as a financial institution) effecting the payment to the Noteholder, if the paying agent or intermediary is resident in Finland for tax purposes or the payment is made through a Finnish permanent establishment of a non-resident paying agent or intermediary.

### **Transfer taxation**

A transfer of the Notes is not subject to Finnish transfer taxation.

## **ARRANGEMENTS WITH THE LEAD MANAGERS**

Nordea Bank AB (publ), OP Corporate Bank plc and Skandinaviska Enskilda Banken AB (publ) are acting as Lead Managers of the Offering. The Company has entered into agreements with the Lead Managers with respect to certain services to be provided by the Lead Managers in connection with the Offering.

The Lead Managers and companies belonging to the same consolidated groups with the Lead Managers may have performed and may in the future perform investment or other banking services for the Company in the ordinary course of business.

In addition, Lead Managers and/or companies belonging to the same consolidated groups with some of the Lead Managers are lenders under the Term and Revolving Credit Facilities Agreement dated August 1, 2016 relating originally to EUR 1.5 billion facilities. The proceeds from the Offering the Issuer were used for refinancing a part of the existing financial indebtedness of Konecranes Finance Corporation. The net proceeds of the Offering received by the Issuer were on-lent to Konecranes Finance Corporation for the purpose of being used in prepayment of existing term loan(s) under the before-mentioned facilities agreement including in an aggregate amount of approximately EUR 82.5 in prepayment of term loan(s) provided by some of the Lead Managers or companies belonging to the same consolidated groups with the Lead Managers.

The Lead Managers and their respective affiliates may also hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of customers, in equity securities of the Issuer and arrange issuance of commercial paper by the Issuer.

## **LEGAL MATTERS**

Certain legal matters in connection with the Offering have been passed upon for Konecranes by Roschier, Attorneys Ltd.

## INFORMATION INCORPORATED BY REFERENCE

The Company's financial results for the first quarter of 2017, for the financial years ended 31 December 2016 and 31 December 2015 as well as the Guarantor's financial results for the financial years ended 31 December 2016 and 31 December 2015 are incorporated in and form part of the Prospectus by reference. The non-incorporated information in the documents incorporated by reference is not relevant for investors or can be found elsewhere in the Prospectus. The referenced documents are available for inspection at the offices of the Company at Koneenkatu 8, FI-05801 Hyvinkää, Finland, as well as on the Company's website at, [www.konecranes.com/reports-and-result-presentations](http://www.konecranes.com/reports-and-result-presentations).

Document	Information by reference
Interim financial statements, Q1/2017, pages 16 - 38	Issuer's Interim Financial Statements for January - March 2017
Annual Report 2016, pages 71 - 116	Issuer's Financial Statements for the year 2016
Annual Report 2016, pages 128 - 130	Auditor's Report of the Issuer for the year 2016
Annual Report 2015, pages 71 - 112	Issuer's Financial Statements for the year 2015
Annual Report 2015, page 126	Auditor's Report of the Issuer for the year 2015
Annual Report 2016, pages 6 – 21	Guarantor's Financial Statements for the year 2016
Annual Report 2016, pages 24 – 25	Auditor's Report of the Guarantor for the year 2016
Annual Report 2015, pages 5 – 20	Guarantor's Financial Statements for the year 2015
Annual Report 2015, page 23	Auditor's Report of the Guarantor for the year 2015

## DOCUMENTS ON DISPLAY AND AVAILABLE INFORMATION

In addition to the documents incorporated by reference, (i) the Company's and Guarantor's Finnish language articles of association and extract from the Finnish Trade Register, and (ii) a copy of the Guarantee, may be inspected at the head office of the Company, Konecranes Plc, Koneenkatu 8, FI-05801 Hyvinkää, Finland on weekdays from 9:00 am to 4:00 pm Finnish time. In order to ensure best possible service, persons wishing to examine the documents referred to in this section are kindly requested to notify the Company of their visit in advance by telephone (+358) 204-2711.

The Company will publish annual reports, including audited consolidated financial statements, quarterly interim financial information and other information as required by the Finnish Securities Market Act and the rules of the Helsinki Stock Exchange. Such information will be available on the Company's website at [www.konecranes.com/investors](http://www.konecranes.com/investors).

## **THE COMPANY**

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Koneenkatu 8  
FI-05801 Hyvinkää  
Finland

## **LEAD MANAGERS**

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## **LEGAL ADVISER TO THE COMPANY**

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FI-00100 Helsinki  
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