KONECRANES®
Lifting Businesses™

SATISFACTORY ORDER INTAKE, SECOND QUARTER OPERATING PROFIT LOWER THAN LAST YEAR

Interim Report
January–June 2013

Q2

SATISFACTORY ORDER INTAKE, SECOND QUARTER OPERATING PROFIT LOWER THAN LAST YEAR

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

SECOND QUARTER HIGHLIGHTS

- Order intake EUR 503.0 million (553.7), -9.2 percent; Service +5.3 percent and Equipment -14.1 percent.
- Order book EUR 1,079.4 million (1,122.8) at end-June, 3.9 percent lower than a year ago, 0.4 percent lower than at end-March 2013.
- Sales EUR 519.9 million (562.5), -7.6 percent; Service -1.1 percent and Equipment -12.7 percent.
- Operating profit EUR 17.2 million (35.1), 3.3 percent of sales (6.2), was burdened by lower sales and additional project costs of approximately EUR 8 million.
- Earnings per share (diluted) EUR 0.19 (0.40).
- Net cash flow from operating activities EUR -32.3 million (16.6).
- Net debt EUR 269.6 million (275.2) and gearing 63.0 percent (64.3).
- EUR 30 million cost savings plan announced in a separate stock exchange release on July 24, 2013.

MARKET OUTLOOK

Demand is expected to be stable or slightly lower compared to the second quarter of 2013. However, due to the timing of large crane projects, the quarterly Equipment order intake may fluctuate.

FINANCIAL GUIDANCE

Based on the order book and the near-term demand outlook, the year 2013 sales are expected to be stable or slightly higher than in 2012. We expect the 2013 operating profit, excluding restructuring costs, to be approximately on the same level as in 2012.

The clear second half 2013 earnings recovery incorporated in the financial guidance is based on the good order intake during the first half of 2013, product mix in the order book as well as the announced restructuring actions. The financial guidance includes an assumption of a continued satisfactory order intake in the third quarter of 2013.

JANUARY–JUNE HIGHLIGHTS

- Order intake EUR 1,085.7 million (1,088.3), -0.2 percent; Service +2.2 percent and Equipment -0.6 percent.
- Sales EUR 1,015.8 million (1,036.5), -2.0 percent; Service +0.0 percent and Equipment -3.8 percent.
- Operating profit excluding restructuring costs EUR 40.3 million (59.0), 4.0 percent of sales (5.7).
- Restructuring costs EUR 4.3 million (0.0).
- Operating profit including restructuring costs EUR 36.1 million (59.0), 3.5 percent of sales (5.7).
- Earnings per share (diluted) EUR 0.38 (0.64).
- Net cash flow from operating activities EUR -0.1 million (28.6).

KEY FIGURES

	Second quarter			First half year				
	4–6/2013	**4–6/2012**	**Change %**	**1–6/2013**	**1–6/2012**	**Change %**	**R12M**	**1–12/2012**
Orders received, MEUR	503.0	553.7	-9.2	1,085.7	1,088.3	-0.2	1,967.5	1,970.1
Order book at end of period, MEUR				1,079.4	1,122.8	-3.9		942.7
Sales total, MEUR	519.9	562.5	-7.6	1,015.8	1,036.5	-2.0	2,150.8	2,171.5
EBITDA excluding restructuring costs, MEUR	28.3	45.9	-38.3	61.6	79.6	-22.6	161.8	179.7
EBITDA excluding restructuring costs, %	5.4%	8.2%		6.1%	7.7%		7.5%	8.3%
Operating profit excluding restructuring costs, MEUR	17.2	35.1	-50.8	40.3	59.0	-31.7	119.5	138.3
Operating margin excluding restructuring costs, %	3.3%	6.2%		4.0%	5.7%		5.6%	6.4%
EBITDA, MEUR	28.3	45.9	-38.3	57.6	79.6	-27.7	154.8	176.8
EBITDA, %	5.4%	8.2%		5.7%	7.7%		7.2%	8.1%
Operating profit, MEUR	17.2	35.1	-50.8	36.1	59.0	-38.9	109.5	132.5
Operating margin, %	3.3%	6.2%		3.5%	5.7%		5.1%	6.1%
Profit before taxes, MEUR	15.8	32.9	-52.1	31.3	53.4	-41.4	102.1	124.2
Net profit for the period, MEUR	11.1	23.1	-52.0	22.0	37.5	-41.4	69.3	84.8
Earnings per share, basic, EUR	0.19	0.40	-51.8	0.38	0.65	-41.2	1.20	1.47
Earnings per share, diluted, EUR	0.19	0.40	-51.7	0.38	0.64	-41.1	1.20	1.46
Gearing, %				63.0%	64.3%			39.3%
Return on capital employed %, Rolling 12 Months (R12M)							14.1%	18.4%
Free cash flow, MEUR	-48.3	3.7		-26.7	4.3		70.6	101.6
Average number of personnel during the period				12,056	11,777	2.4		11,917

PRESIDENT AND CEO PEKKA LUNDMARK

"As already announced in June, our second quarter result was short of the previous year's corresponding period, and it did not meet our expectations. The low delivery volume did not come as a surprise since the weak order intake at the end of 2012 now came through in deliveries. The result, however, was further burdened by unexpected high realized and estimated costs of EUR 8 million in certain heavy industrial crane projects. We expect a clear earnings recovery towards the year-end on the basis of the order intake during the first half of 2013, product mix in the order book as well as the announced restructuring actions.

The key positive element in the quarter was the all-time high order intake in our service business. Even though our order intake was reasonably good also in the equipment business, we cannot base our plans on the expectation that the world economy would provide a lot help to our growth. The tough pricing environment is also expected to continue. Our overall cost is too high for our volume outlook, and, therefore, we are now planning actions to lower our cost base by EUR 30 million by the end of 2014. In addition, we are preparing several initiatives in order to further rationalize our supply chain to push down our variable product cost. There is potential for savings in our non-personnel related spending as well, but, unfortunately, effects to personnel cannot be avoided.

Lowering fixed cost and improving supply chain efficiency are necessary in our current situation, but they are by no means our only way to improve profitability. The development of technology increasing differentiation from the competition and improving pricing power is intensifying. A good example is the recently launched Automated Rubber Tired Gantry (ARTG) crane that makes the automation of existing container yards a viable alternative. Second example is our new family of services, TRUCONNECT®, that provides real-time usage and condition monitoring of customers' equipment. Another major initiative is to create a totally new product family mainly for emerging markets. What is typical for these products is that they offer a good set of basic features without ever compromising safety or quality. The third investment area is the renewal of our ways of working and fragmented information systems. This program is currently about halfway and it offers a substantial potential for the internal productivity improvement. What is common to the above three strategic initiatives is that they all require new skills. The development of competence of our personnel will therefore, be the key in all of them."

KONECRANES PLC INTERIM REPORT JANUARY–JUNE 2013

MARKET REVIEW

In January–June 2013, the U.S. economic data continued to be stronger than in the most of other regions. American factory output, measured by the purchasing managers' index, expanded almost throughout the first half of the year. The U.S. manufacturing capacity utilization rate improved from the fall of 2012, but it leveled off toward the end of the period.

In the Eurozone, the January–June 2013 manufacturing activity remained downbeat, but moved a step closer to stabilization at the end of the second quarter according to the PMI surveys in the region. Correspondingly, the manufacturing capacity utilization in the European Union declined on year-on-year basis, but has been steady since the fourth quarter of 2012.

Purchasing managers' indexes in Brazil, Russia, India and China signaled expansion of the industrial output at the beginning of 2013, but the growth lost its momentum by the end of the first half. In China, HSBC PMI pointed to a contracting industrial activity at the end of the period. Overall, the world's manufacturing sector activity, according to the aggregated JPMorgan Global Manufacturing PMI, improved from the latter half of 2012. However, the overall rate of increase remained modest and below the long-run survey average.

Compared to the previous year, the demand for lifting equipment and lift trucks decreased on a global basis among industrial customers in January–June 2013. Demand remained on a weak level in Western Europe, China and India. In North America, demand for process cranes slumped after the solid progress in 2012. The demand development was most positive in the Middle East and South East Asia.

The global container traffic grew by about 3 percent in the first months of 2013. The project activity with container ports was satisfactory. The demand was robust for automated solutions that provide higher productivity and lower costs for large terminals. Geographically, the most active markets were North America, South East Asia, Australia, and Africa. Demand was sluggish in Europe. The demand for shipyard cranes continued to be concentrated in Brazil.

The demand for lifting equipment services was overall stable with the regional development reflecting the differences in manufacturing capacity utilization rates.

The trend in steel and copper prices remained downward in the first half of 2013. The EUR was relatively stable against the USD during the first half.

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

ORDERS RECEIVED

January–June orders received totaled EUR 1,085.7 million (1,088.3), representing a decrease of 0.2 percent compared to a year ago. Orders received grew by 2.2 percent in Service, but fell by 0.6 percent in Equipment compared to a year before. Orders received increased in Asia-Pacific, while they declined in the Americas and EMEA regions. Acquisitions had an immaterial impact on orders received in January–June.

The second-quarter order intake declined by 9.2 percent from a year ago and totaled EUR 503.0 million (553.7). Order intake grew in Service by 5.3 percent while it decreased in Equipment by 14.1 percent. Orders received increased in Asia-Pacific, while they declined in the Americas and EMEA regions.

ORDER BOOK

The value of the order book at end-June totaled EUR 1,079.4 million. The order book decreased by 3.9 percent from last year's comparison figure of EUR 1,122.8 million and by 0.4 percent from end-March 2013 when it stood at EUR 1,084.0 million. Service accounted for EUR 177.7 million (16 percent) and Equipment for EUR 901.7 million (84 percent) of the total end-June order book.

SALES

Group sales in January–June decreased by 2.0 percent from a year ago and totaled EUR 1,015.8 million (1,036.5). Sales in Service were stable, while they declined by 3.8 percent in Equipment. Acquisitions had an immaterial impact on sales in the first half of 2013.

Second quarter sales fell by 7.6 percent from a year ago and totaled EUR 519.9 million (562.5). Sales in Service declined by 1.1 percent and in Equipment by 12.7 percent.

At the end-June, the regional breakdown, calculated for a rolling 12 months, was as follows: EMEA 48 (49), Americas 35 (31) and APAC 18 (20) percent.

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a slight negative effect on the orders and sales in January–June. The reported order intake fell by 0.2 percent, whereas it grew by 0.4 percent at comparable currency rates. Reported sales declined by 2.0 percent and by 1.5 percent at comparable currency rates.

The reported order intake rose in Service by 2.2 percent and by 3.1 percent at comparable currency rates. In Equipment, the reported order intake decreased by 0.6 percent and by 0.1 percent at comparable currency rates. The

NET SALES BY REGION, MEUR

	4–6/2013	4–6/2012	1–6/2013	1–6/2012	Change percent	Change % at comparable currency rates	R12M	1–12/2012
EMEA	257.3	270.0	481.3	500.0	-3.7	-3.7	1,025.0	1,043.7
AME	169.7	188.6	360.7	337.3	6.9	8.1	744.4	721.0
APAC	92.9	104.0	173.8	199.2	-12.8	-12.0	381.5	406.9
Total	**519.9**	**562.5**	**1,015.8**	**1,036.5**	**-2.0**	**-1.5**	**2,150.8**	**2,171.5**

reported sales were stable in Service and rose by 0.9 percent at comparable currency rates. The corresponding figures in Equipment sales were -3.8 percent and -3.5 percent.

The currency rates continued to have a slight negative effect on the orders and sales in the second quarter in a year-on-year comparison. The reported order intake fell by 9.2 percent and by 8.3 percent at comparable currency rates. Reported sales declined by 7.6 percent and by 6.8 percent at comparable currency rates.

In the second quarter, the reported order intake in Service rose by 5.3 percent and by 6.7 percent at comparable currency rates. In Equipment, the reported order intake decreased by 14.1 percent and by 13.4 percent at comparable currency rates. In Service, the reported sales decreased by 1.1 percent, but increased by 0.1 percent at comparable currency rates. The corresponding figures in Equipment sales were -12.7 percent and -12.3 percent.

FINANCIAL RESULT

The consolidated operating profit in January–June totaled EUR 36.1 million (59.0). Operating profit decreased by EUR 22.9 million. The consolidated operating margin fell to 3.5 percent (5.7). The operating profit includes restructuring costs of EUR 4.3 million (0.0), booked in the first quarter of 2013, due to the restructuring of operations within the Business Area Equipment. The operating margin in Service rose to 7.4 percent (7.0), whereas in Equipment it declined to 2.6 percent (5.8).

The consolidated operating profit in the second quarter totaled EUR 17.2 million (35.1). The consolidated operating margin in the second quarter declined to 3.3 percent (6.2). The operating margin in Service fell to 7.2 percent (7.9) in Equipment to 2.3 percent (6.1).

In January–June, The Equipment operating margin fell due to the lower sales, adverse sales mix effects, and intense competitive situation. In addition, the Business Area Equipment's operating profit in the second quarter includes costs and provisions of approximately EUR 8 million due to the execution issues of mainly heavy-duty industrial crane projects. Furthermore, some deliveries within both business areas were postponed until the second half of 2013, which affected the fixed cost absorption during the second quarter.

In January–June, depreciation and impairments totaled EUR 21.5 million (20.6). The amortization arising from the purchase price allocations of acquisitions represented EUR 6.3 million of this (7.4).

In January–June, the share of the result of associated companies and joint ventures was EUR 2.3 million (2.3).

Net financial expenses in January–June totaled EUR 7.0 million (7.9). Net interest expenses were EUR 4.7 million (5.6) of this and the remainder was mainly attributable to unrealized exchange rate differences related to the hedging of future cash flows that are not included in the hedge accounting.

The January–June profit before taxes was EUR 31.3 million (53.4).

Income taxes in January–June were EUR -9.3 million (-15.9). The Group's effective tax rate was 29.8 percent (29.8).

Net profit for January–June was EUR 22.0 million (37.5).

Diluted earnings per share for January–June were EUR 0.38 (0.64).

On a rolling twelve-month basis, the return on capital employed was 14.1 percent (17.2) and the return on equity 16.2 percent (18.3).

BALANCE SHEET

The consolidated balance sheet, which at end-June 2013 stood at EUR 1,538.7 million, was EUR 78.7 million less than on June 30, 2012. Total equity at the end of the report period was EUR 427.9 million (427.8). Total equity attributable to the equity holders of the parent company on June 30 was EUR 421.5 million (421.8) or EUR 7.29 per share (7.37).

Since the end-March 2013, net working capital increased by EUR 113.2 million to EUR 340.3 million at the end-June. Net working capital rose due to the dividend payment in April, and the lower advance payments and accounts payable.

CASH FLOW AND FINANCING

Net cash from operating activities in January–June was EUR -0.1 million (28.6) representing EUR -0.00 per diluted share (0.50). Net cash from operations in the second quarter was EUR -32.3 million (16.6).

Cash flow from capital expenditures in January–June amounted to EUR -26,9 million (-26,3). Cash flow from capital expenditures in the second quarter was to EUR -16,2 million (-13,3).

Cash flow before financing activities was EUR -35.0 million (0.2) in January–June. Cash flow before financing activities in the second quarter was EUR -55.9 million (1.0).

Interest-bearing net debt increased to EUR 269.6 million from EUR 155.0 million at the end-March, but decreased from EUR 275.2 million a year ago. Solidity was 32.1 percent (30.1) and gearing 63.0 percent (64.3).

The Group's liquidity remained healthy. At the end of the second quarter, cash and cash equivalents amounted to EUR 107.8 million (167.9). None of the Group's EUR 200 million committed back-up financing facility was in use at the end of the period.

CAPITAL EXPENDITURE

January–June capital expenditure, excluding acquisitions and investments in associated companies, amounted to EUR 33.8 million (17.2). This amount consisted of the investments in machines, equipment, properties, and information technology.

Most of the increase in capital expenditure is related to the new ERPs for both business areas for further development and implementation of harmonized processes, to increase operational transparency and improve decision-making, as well as to reduce the overall IT system fragmentation. The first installations have been made, and most parts are expected to be completed within the next 2 years.

A new crane manufacturing plant in Jejuri near Pune, India, was taken into use during the first quarter of 2013. Total investment amounted to approximately EUR 15 million. All manufacturing operations in India will be consolidated into the new facility during 2013. In addition to India, the factory is well placed to serve the markets in Asia, Middle East, and Africa.

Capital expenditure, including acquisitions and investments in associated companies, was EUR 44.3 million (18.0).

ACQUISITIONS

Capital expenditure on acquisitions and investments in associated companies was EUR 10.5 million (0.8). The net assets of the acquisitions were recorded at EUR 10.5 million. Goodwill booked from the acquisitions was insignificant.

In the first quarter, Konecranes acquired a crane service company in France.

In the second quarter, Konecranes closed the transaction on collaboration with the KION Group in the container handling lift truck business. Based on the collaboration agreement, Konecranes became a long-term supplier of the container handling lift trucks to the worldwide distribution network of Linde Material Handling, which is wholly owned by KION Group. In addition, Konecranes acquired certain assets from Linde Material Handling, including the product rights to container handling lift trucks. The transaction will increase the global competitiveness of Konecranes' container handling lift truck activities and will improve the economies of scale in R&D and manufacturing.

PERSONNEL

In January–June, the Group employed an average of 12,056 people (11,777). On June 30, the headcount was 11,941 (11,924) cutting down 140 employees during the second quarter. At end-June, the number of personnel by Business Area was as follows: Service 6,221 employees (6,060), Equipment 5,663 employees (5,805) and Group staff 57 (59). The Group had 6,294 employees (6,190) working in EMEA, 2,709 (2,630) in the Americas and 2,938 (3,104) in the APAC region.

BUSINESS AREAS

SERVICE

	4–6/2013	4–6/2012	1–6/2013	1–6/2012	Change percent	R12M	1–12/2012
Orders received, MEUR	193.4	183.7	379.5	371.3	2.2	743.3	735.0
Order book, MEUR	177.7	155.6	177.7	155.6	14.2		147.2
Contract base value, MEUR	185.1	181.1	185.1	181.1	2.2		177.9
Net sales, MEUR	217.9	220.4	426.3	426.1	0.0	884.2	884.0
EBITDA, MEUR	19.5	20.5	38.8	36.1	7.7	90.1	87.3
EBITDA, %	8.9%	9.3%	9.1%	8.5%		10.2%	9.9%
Depreciation and amortization, MEUR	-3.9	-3.1	-7.5	-6.1	23.7	-14.1	-12.7
Impairments, MEUR	0.0	0.0	0.0	0.0		0.0	0.0
Operating profit (EBIT), MEUR	15.6	17.4	31.3	30.0	4.4	76.0	74.6
Operating profit (EBIT), %	7.2%	7.9%	7.4%	7.0%		8.6%	8.4%
Restructuring costs, MEUR	0.0	0.0	0.0	0.0		0.0	0.0
Operating profit (EBIT) excluding restructuring costs, MEUR	15.6	17.4	31.3	30.0	4.4	76.0	74.6
Operating profit (EBIT) excluding restructuring costs, %	7.2%	7.9%	7.4%	7.0%		8.6%	8.4%
Capital employed, MEUR	191.0	180.4	191.0	180.4	5.8		166.6
ROCE%						40.9%	41.8%
Capital expenditure, MEUR	9.4	2.3	11.7	5.1	130.9	19.2	12.5
Personnel at the end of period	6,221	6,060	6,221	6,060	2.7		6,119

January–June orders received totaled EUR 379.5 million (371.3) showing an increase of 2.2 percent. New orders grew in the Americas, but declined in EMEA and Asia-Pacific. Crane Service was the best-performing business unit; orders for parts remained at the previous year's level. The order book increased by 14.2 percent to EUR 177.7 million (155.6) from a year before and by 4.5 percent from end-March 2013. Sales were stable at EUR 426.3 million (426.1). Operating profit was EUR 31.3 million (30.0) and the operating margin 7.4 percent (7.0).

The second quarter order intake increased by 5.3 percent and totaled EUR 193.4 million (183.7). New orders returned to year-on-year growth in EMEA. Crane Service outperformed within the business area, while the parts orders grew only slightly relative to the comparison period. The second quarter sales totaled EUR 217.9 million (220.4), which was 1.1 percent less than a year ago. The second quarter operating profit was EUR 15.6 million (17.4) and the operating margin 7.2 percent (7.9). Operating profit fell due to the lower volume and the higher fixed costs.

The total number of equipment included in the maintenance contract base amounted to 434,219 at end-June compared to 419,607 a year before, and 429,616 at end-March 2013. The annual value of the contract base increased to EUR 185.1 million from EUR 181.1 million a year before, but decreased from EUR 186.7 million at end-March 2013 due to currency changes.

The number of service technicians at end-June was 3,996, which is 57 or 1.4 percent more than at the end of June 2012.

EQUIPMENT

	4–6/2013	4–6/2012	1–6/2013	1–6/2012	Change percent	R12M	1–12/2012
Orders received, MEUR	339.6	395.3	762.8	767.5	-0.6	1,335.7	1,340.4
Order book, MEUR	901.7	967.2	901.7	967.2	-6.8		795.6
Net sales, MEUR	328.2	376.1	644.1	669.5	-3.8	1,387.3	1,412.7
EBITDA, MEUR	14.5	30.6	30.3	53.0	-42.8	87.0	109.7
EBITDA, %	4.4%	8.1%	4.7%	7.9%		6.3%	7.8%
Depreciation and amortization, MEUR	-7.1	-7.7	-13.7	-14.3	-4.6	-27.8	-28.4
Impairments, MEUR	0.0	0.0	-0.2	0.0		-3.1	-2.9
Operating profit (EBIT), MEUR	7.4	23.0	16.5	38.7	-57.4	56.2	78.4
Operating profit (EBIT), %	2.3%	6.1%	2.6%	5.8%		4.1%	5.5%
Restructuring costs, MEUR	0.0	0.0	-4.3	0.0		-10.0	-5.8
Operating profit (EBIT) excluding restructuring costs, MEUR	7.4	23.0	20.7	38.7	-46.4	66.2	84.2
Operating profit (EBIT) excluding restructuring costs, %	2.3%	6.1%	3.2%	5.8%		4.8%	6.0%
Capital employed, MEUR	420.4	467.9	420.4	467.9	-10.2		406.2
ROCE%						12.7%	18.8%
Capital expenditure, MEUR	8.6	6.5	22.1	12.1	82.6	39.1	29.1
Personnel at the end of period	5,663	5,805	5,663	5,805	-2.4		5,973

January–June orders received totaled EUR 762.8 million (767.5) showing a decrease of 0.6 percent. Orders grew in Asia-Pacific, but fell in the Americas and EMEA. Orders for industrial cranes accounted to approximately 35 percent of the orders received and were lower than a year ago. Components, including light lifting systems, generated approximately 25 percent of the new orders and were at a last year's level. The combined orders for port cranes and lift trucks amounted to approximately 40 percent of the orders received and were higher than a year ago.

The order book decreased by 6.8 percent from a year ago and by 1.3 percent from the end-March 2013 to EUR 901.7 million (967.2). Sales decreased by 3.8 percent to EUR 644.1 million (669.5). The operating profit, excluding restructuring costs of EUR 4.3 million booked in the first quarter, was EUR 20.7 million (38.7) and the operating margin 3.2 percent (5.8). Operating profit including restructuring costs was EUR 16.5 million (38.7) and operating margin 2.6 percent (5.8). The Equipment operating margin fell due the lower sales, adverse sales mix effects and intense competitive situation. In addition, the Business Area Equipment's operating profit in the second quarter includes costs and provisions of approximately EUR 8 million due to the execution issues of mainly heavy-duty industrial crane projects. Furthermore, some deliveries were postponed until the second half of 2013, which affected fixed cost absorption during the second quarter.

The second quarter order intake fell by 14.1 percent and totaled EUR 339.6 million (395.3). Orders grew in Asia-Pacific but fell in the Americas and EMEA. The value of new orders declined in all business units, except Port Cranes. The second quarter sales totaled EUR 328.2 million (376.1) and were 12.7 percent lower than a year ago. The second quarter operating profit was EUR 7.4 million (23.0), and the operating margin 2.3 percent (6.1).

Group overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR –11.8 million (–9.7) representing 1.2 percent of sales (0.9).

ADMINISTRATION

The resolutions of Konecranes Annual General Meeting and Board of Directors' organizing meeting have been published in the stock exchange releases dated March 21, 2013.

Timo Leskinen has been appointed Senior Vice President, Human Resources of Konecranes Plc. He will be responsible for all Human Resources (competence development and administration) and Corporate Responsibility (Health, Safety, and Environment) matters for Konecranes. Mr. Leskinen will be a member of the Konecranes Group Executive Board and will report to Pekka Lundmark, President & CEO. Mr. Leskinen will start in his new position on August 1, 2013.

SHARE CAPITAL AND SHARES

The company's registered share capital on June 30, 2013 totaled EUR 30.1 million. On June 30, 2013, the number of shares including treasury shares totaled 63,272,342. On June 30, 2013, Konecranes Plc was in possession of 5,471,722 own shares, which corresponds to 8.6 percent of the total number of shares and which at that date had a market value of EUR 119.9 million.

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

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–June, 509,310 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009A and 2009B.

At end-June 2013, Konecranes Plc's stock options 2009 entitled the holders to subscribe to a total of 1,544,851 shares. The option programs include approximately 200 company's key persons.

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

EMPLOYEE SHARE SAVINGS PLAN

Based on the interest shown by the Group employees, the Board decided to launch a new plan period. The new plan period began on July 1, 2013 and will end on June 30, 2014. The maximum savings amount per participant during one month is 5 percent of the gross salary and the minimum is EUR 10.

Each participant will receive one free matching share for every two acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the plan period until the end of the designated holding period, February 15, 2017, and if his or her employment has not ended before this date for the reasons related to the employee. The total amount of all savings of the commencing plan period may not exceed EUR 8.5 million.

Approximately 1,650 Konecranes employees signed up for the Plan commencing July 1, 2013, which represents an increase of approximately 150 employees from a year ago. The number of new shares to be issued or own shares held by the Company to be transferred under the terms and conditions of the Plan may be a maximum total number of 500,000 shares, which corresponds to 0.8 percent of all of the Company's shares.

MARKET CAPITALIZATION AND TRADING VOLUME

The closing price for Konecranes Plc's shares on the NASDAQ OMX Helsinki on June 30, 2013 was EUR 21.91. The volume-weighted average share price in January–June 2013 was EUR 25.97, the highest price being EUR 28.89 in February and the lowest EUR 20.45 in June. In January–June, the trading volume on the NASDAQ OMX Helsinki totaled 32.2 million Konecranes Plc's shares, corresponding to a turnover of approximately EUR 835.5 million. The average daily trading volume was 261,588 shares representing an average daily turnover of EUR 6.8 million.

In addition, according to Fidessa, approximately 30.4 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–June 2013.

On June 30, 2013, the total market capitalization of Konecranes Plc's shares was EUR 1,386 million including treasury shares. The market capitalization was EUR 1,266 million excluding treasury shares.

RISKS AND UNCERTAINTIES

Principal short-term risks and uncertainties of the Group derive from a potential renewed downturn in the world economy due, for example, to the sovereign credit crisis. A decrease in the demand for Konecranes' products and services may have a negative effect on the Group's pricing power and may result in a decrease in profits, possible impairment of goodwill and other assets, or in inventory obsolescence.

A renewed shortage of credit may cause difficulties for Konecranes' customers, suppliers, and financial and other counterparties. The risk may be realized as a shortage of supplies or defaulting liabilities. A significant share of Konecranes' business is derived from the emerging markets. This has had a negative impact on the aging structure of accounts receivable, and may increase the need for higher provisions for doubtful accounts.

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

Group's other risks have remained unchanged and the pivotal risks are presented in the Annual Report 2012.

MARKET OUTLOOK

Demand is expected to be stable or slightly lower compared to the second quarter of 2013. However, due to the timing of large crane projects, the quarterly Equipment order intake may fluctuate.

FINANCIAL GUIDANCE

Based on the order book and the near-term demand outlook, the year 2013 sales are expected to be stable or slightly higher than in 2012. We expect the 2013 operating profit, excluding restructuring costs, to be approximately on the same level as in 2012.

The clear second half 2013 earnings recovery incorporated in the financial guidance is based on the good order intake during the first half of 2013, product mix in the order book as well as the announced restructuring actions. The financial guidance includes an assumption of a continued satisfactory order intake in the third quarter of 2013.

Helsinki, July 24, 2013
Konecranes Plc
Board of Directors

Disclaimer

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

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

SUMMARY FINANCIAL STATEMENTS AND NOTES

Accounting principles

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

The introduction of IFRS 11 reclassified one company as joint operation and did not have material impact on financial statements. The standard is adopted retroactively. IFRS 11 uses the principle of control as described in IFRS 10 to define joint control. Joint Arrangements are classified into Joint Operations and Joint Ventures. In Joint Operations the parties with joint control have rights to the assets and obligations for the liabilities of the arrangement. Joint Operations are accounted for showing each party's interest in the assets, liabilities, revenues and expenses and / or its relative share of jointly controlled assets, liabilities, revenue and expense, if any. In Joint Ventures the parties with joint control have rights to the net assets of the arrangement. Joint Ventures are accounted for using the equity method.

In 2012 the change increased sales by EUR 1.3 million, depreciation by EUR 0.8 million, other operating expenses by EUR 0,1 million, operating profit by EUR 0.4 million and net profit by EUR 0.1 million. In balance sheet the change mainly increased the retained earnings of 2012 by EUR 2.6 million (EUR 2.4 million in 2011), and increased the short term liabilities by EUR 9.8 million, fixed assets by EUR 5.5 million and inventories by 7.0 million. Prior periods are restated in the Group and in the Equipment business segment.

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

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

CONSOLIDATED STATEMENT OF INCOME

EUR million	4–6/2013	4–6/2012	1–6/2013	1–6/2012	Change %	1–12/2012
Sales	**519.9**	**562.5**	**1,015.8**	**1,036.5**	**-2.0**	**2,171.5**
Other operating income	0.6	0.6	1.1	1.3		2.3
Depreciation and impairments	-11.1	-10.9	-21.5	-20.6		-44.4
Other operating expenses	-492.2	-517.2	-959.3	-958.2		-1,996.9
Operating profit	**17.2**	**35.1**	**36.1**	**59.0**	**-38.9**	**132.5**
Share of associates' and joint ventures' result	1.7	1.7	2.3	2.3		3.8
Financial income and expenses	-3.1	-3.8	-7.0	-7.9		-12.1
Profit before taxes	**15.8**	**32.9**	**31.3**	**53.4**	**-41.4**	**124.2**
Taxes	-4.7	-9.8	-9.3	-15.9		-39.4
NET PROFIT FOR THE PERIOD	**11.1**	**23.1**	**22.0**	**37.5**	**-41.4**	**84.8**
Net profit for the period attributable to:						
Shareholders of the parent company	11.1	22.9	21.9	37.0		84.2
Non-controlling interest	0.0	0.2	0.1	0.4		0.7
Earnings per share, basic (EUR)	0.19	0.40	0.38	0.65	-41.2	1.47
Earnings per share, diluted (EUR)	0.19	0.40	0.38	0.64	-41.1	1.46

Consolidated statement of comprehensive income

EUR million	4–6/2013	4–6/2012	1–6/2013	1–6/2012		1–12/2012
Net profit for the period	**11.1**	**23.1**	**22.0**	**37.5**		**84.8**
Items that can be reclassified into profit or loss						
Cash flow hedges	3.5	-2.2	0.0	0.2		2.0
Exchange differences on translating foreign operations	-11.8	11.1	-3.8	7.8		-1.1
Income tax relating to items that can be reclassified into profit or loss	-0.8	0.5	0.0	-0.1		-0.5
Items that cannot be reclassified into profit or loss						
Actuarial gains and losses (IAS 19)	0.0	-0.5	0.0	-0.9		-11.7
Income tax relating to items that cannot be reclassified into profit or loss	0.0	0.1	0.0	0.0		3.1
Other comprehensive income for the period, net of tax	**-9.2**	**9.0**	**-3.9**	**7.1**		**-8.1**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1.9**	**32.1**	**18.1**	**44.6**		**76.7**
Total comprehensive income attributable to:						
Shareholders of the parent company	1.9	31.6	17.9	44.1		76.1
Non-controlling interest	-0.1	0.5	0.2	0.5		0.6

CONSOLIDATED BALANCE SHEET

EUR million

ASSETS	30.6.2013	30.6.2012	31.12.2012
Non-current assets			
Goodwill	109.1	116.0	112.8
Intangible assets	92.6	77.8	76.6
Property, plant and equipment	142.4	136.8	138.7
Advance payments and construction in progress	50.1	49.2	57.6
Investments accounted for using the equity method	39.4	36.2	37.5
Available-for-sale investments	0.9	0.9	0.9
Long-term loans receivable	0.2	0.2	0.2
Deferred tax assets	59.5	48.7	53.8
Total non-current assets	**494.3**	**465.8**	**478.2**
Current assets			
Inventories			
Raw material and semi-manufactured goods	168.6	166.8	167.1
Work in progress	174.0	209.5	180.7
Advance payments	31.7	22.1	22.0
Total inventories	374.2	398.4	369.8
Accounts receivable	374.5	427.4	442.1
Loans receivable	0.0	0.2	0.1
Other receivables	32.7	27.6	29.2
Current tax assets	16.4	10.3	11.3
Deferred assets	138.8	119.8	100.2
Cash and cash equivalents	107.8	167.9	145.3
Total current assets	**1,044.4**	**1,151.6**	**1,098.1**
TOTAL ASSETS	**1,538.7**	**1,617.5**	**1,576.3**

CONSOLIDATED BALANCE SHEET

EUR million

EQUITY AND LIABILITIES	**30.6.2013**	**30.6.2012**	**31.12.2012**
Equity attributable to equity holders of the parent company			
Share capital	30.1	30.1	30.1
Share premium account	39.3	39.3	39.3
Fair value reserves	-1.4	-2.8	-1.4
Translation difference	-1.5	11.2	2.5
Paid in capital	50.7	44.1	44.8
Retained earnings	282.5	262.8	257.1
Net profit for the period	21.9	37.0	84.2
Total equity attributable to equity holders of the parent company	**421.5**	**421.8**	**456.5**
Non-controlling interest	6.3	6.1	6.2
Total equity	**427.9**	**427.8**	**462.6**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	130.4	201.2	205.7
Other long-term liabilities	77.4	64.7	75.2
Deferred tax liabilities	22.0	24.7	22.3
Total non-current liabilities	**229.8**	**290.6**	**303.2**
Provisions	**42.9**	**48.7**	**44.5**
Current liabilities			
Interest-bearing liabilities	247.3	242.3	121.8
Advance payments received	205.2	197.6	217.2
Progress billings	1.9	1.8	2.5
Accounts payable	136.1	154.5	157.4
Other short-term liabilities (non-interest bearing)	35.5	30.5	30.2
Current tax liabilities	12.1	7.9	21.1
Accruals	200.1	215.7	215.9
Total current liabilities	**838.2**	**850.3**	**766.0**
Total liabilities	**1,110.9**	**1,189.6**	**1,113.6**
TOTAL EQUITY AND LIABILITIES	**1,538.7**	**1,617.5**	**1,576.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity holders of the parent company Share capital	Share premium account	Cash flow hedges	Translation difference
Balance at 1 January, 2013	**30.1**	**39.3**	**-1.4**	**2.5**
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			0.0	-4.0
Balance at 30 June, 2013	**30.1**	**39.3**	**-1.4**	**-1.5**
Balance at 1 January, 2012 reported	**30.1**	**39.3**	**-2.9**	**3.5**
Changes in accounting principles (IFRS 11)				
Balance at 1 January, 2012 restated	**30.1**	**39.3**	**-2.9**	**3.5**
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			0.2	7.8
Balance at 30 June, 2012	**30.1**	**39.3**	**-2.8**	**11.2**

EUR million	Equity attributable to equity holders of the parent company Paid in capital	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January, 2013	**44.8**	**341.2**	**456.5**	**6.2**	**462.6**
Options exercised	5.9	0.0	5.9		**5.9**
Dividends paid to equity holders		-60.6	-60.6		**-60.6**
Share based payments recognized against equity		1.8	1.8		**1.8**
Business combinations		0.0	0.0		**0.0**
Total comprehensive income		22.0	17.9	0.2	**18.1**
Balance at 30 June, 2013	**50.7**	**304.4**	**421.5**	**6.3**	**427.9**
Balance at 1 January, 2012 reported	**43.7**	**316.2**	**429.9**	**5.5**	**435.4**
Changes in accounting principles (IFRS 11)		2.4	2.4		**2.4**
Balance at 1 January, 2012 restated	**43.7**	**318.7**	**432.3**	**5.5**	**437.8**
Options exercised	0.4	0.0	0.4		**0.4**
Dividends paid to equity holders		-57.2	-57.2		**-57.2**
Share based payments recognized against equity		2.3	2.3		**2.3**
Business combinations		-0.1	-0.1		**-0.1**
Total comprehensive income		36.1	44.1	0.5	**44.6**
Balance at 30 June, 2012	**44.1**	**299.8**	**421.8**	**6.1**	**427.8**

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1–6/2013	1–6/2012	1–12/2012
Cash flow from operating activities			
Net income	22.0	37.5	84.8
Adjustments to net income			
Taxes	9.3	15.9	39.4
Financial income and expenses	7.0	7.9	12.1
Share of associates' and joint ventures' result	-2.3	-2.3	-3.8
Dividend income	0.0	0.0	-0.1
Depreciation and impairments	21.5	20.6	44.4
Profits and losses on sale of fixed assets	-0.1	0.0	-0.1
Other adjustments	1.2	1.4	3.5
Operating income before change in net working capital	**58.7**	**81.0**	**180.2**
Change in interest-free short-term receivables	18.7	2.3	-4.9
Change in inventories	-3.4	-41.6	-19.3
Change in interest-free short-term liabilities	-40.2	12.6	52.4
Change in net working capital	**-25.0**	**-26.7**	**28.2**
Cash flow from operations before financing items and taxes	**33.8**	**54.3**	**208.4**
Interest received	1.7	2.5	5.9
Interest paid	-6.5	-7.2	-15.1
Other financial income and expenses	0.7	-2.7	-5.4
Income taxes paid	-29.7	-18.2	-35.2
Financing items and taxes	**-33.8**	**-25.7**	**-49.8**
NET CASH FROM OPERATING ACTIVITIES	**-0.1**	**28.6**	**158.6**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-8.3	-4.3	-7.1
Capital expenditures	-26.9	-26.3	-59.3
Proceeds from sale of fixed assets	0.2	2.0	2.4
Dividends received	0.0	0.1	0.2
NET CASH USED IN INVESTING ACTIVITIES	**-34.9**	**-28.5**	**-63.8**
Cash flow before financing activities	**-35.0**	**0.2**	**94.7**
Cash flow from financing activities			
Proceeds from options exercised and share issues	5.9	0.4	1.1
Proceeds from long-term borrowings	2.2	74.9	79.8
Repayments of long-term borrowings	0.0	-2.1	0.0
Proceeds from (+), payments of (-) short-term borrowings	50.9	76.5	-46.9
Change in long-term receivables	0.0	0.0	0.0
Change in short-term receivables	0.0	0.1	0.3
Dividends paid to equity holders of the parent	-60.6	-57.2	-57.2
NET CASH USED IN FINANCING ACTIVITIES	**-1.6**	**92.6**	**-22.9**
Translation differences in cash	-1.0	1.7	0.0
CHANGE OF CASH AND CASH EQUIVALENTS	**-37.5**	**94.4**	**71.8**
Cash and cash equivalents at beginning of period	145.3	73.5	73.5
Cash and cash equivalents at end of period	107.8	167.9	145.3
CHANGE OF CASH AND CASH EQUIVALENTS	**-37.5**	**94.4**	**71.8**

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

FREE CASH FLOW

EUR million	1–6/2013	1–6/2012	1–12/2012
Net cash from operating activities	-0.1	28.6	158.6
Capital expenditures	-26.9	-26.3	-59.3
Proceeds from sale of fixed assets	0.2	2.0	2.4
Free cash flow	**-26.7**	**4.3**	**101.6**

SEGMENT INFORMATION

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1–6/2013	% of total	1–6/2012	% of total	1–12/2012	% of total
Service [1)]	379.5	33	371.3	33	735.0	35
Equipment	762.8	67	767.5	67	1,340.4	65
./. Internal	-56.6		-50.4		-105.2	
Total	**1,085.7**	**100**	**1,088.3**	**100**	**1,970.1**	**100**

[1)] *Excl. Service Contract Base*

Order book total [2)]	30.6.2013	% of total	30.6.2012	% of total	31.12.2012	% of total
Service	177.7	16	155.6	14	147.2	16
Equipment	901.7	84	967.2	86	795.6	84
./. Internal	0.0		0.0		0.0	
Total	**1,079.4**	**100**	**1,122.8**	**100**	**942.7**	**100**

[2)] *Percentage of completion deducted*

Sales by Business Area	1–6/2013	% of total	1–6/2012	% of total	1–12/2012	% of total
Service	426.3	40	426.1	39	884.0	38
Equipment	644.1	60	669.5	61	1,412.7	62
./. Internal	-54.5		-59.1		-125.3	
Total	**1,015.8**	**100**	**1,036.5**	**100**	**2,171.5**	**100**

Operating profit (EBIT) by Business Area excluding restructuring costs	1–6/2013 MEUR	EBIT %	1–6/2012 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	31.3	7.4	30.0	7.0	74.6	8.4
Equipment	20.7	3.2	38.7	5.8	84.2	6.0
Group costs and eliminations	-11.8		-9.7		-20.5	
Total	**40.3**	**4.0**	**59.0**	**5.7**	**138.3**	**6.4**

Operating profit (EBIT) by Business Area including restructuring costs	1–6/2013 MEUR	EBIT %	1–6/2012 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	31.3	7.4	30.0	7.0	74.6	8.4
Equipment	16.5	2.6	38.7	5.8	78.4	5.5
Group costs and eliminations	-11.8		-9.7		-20.5	
Total	**36.1**	**3.5**	**59.0**	**5.7**	**132.5**	**6.1**

SEGMENT INFORMATION

Capital Employed and ROCE%	30.6.2013 MEUR		30.6.2012 MEUR		31.12.2012 MEUR	ROCE %
Service	191.0		180.4		166.6	41.8
Equipment	420.4		470.5		408.8	18.8
Unallocated Capital Employed	194.2		220.3		214.5	
Total	**805.5**		**871.2**		**789.9**	**18.4**

Business segment assets	30.6.2013 MEUR		30.6.2012 MEUR		31.12.2012 MEUR	
Service	372.8		352.6		353.6	
Equipment	880.5		961.0		910.1	
Unallocated items	285.4		303.9		312.6	
Total	**1,538.7**		**1,617.5**		**1,576.3**	

Business segment liabilities	30.6.2013 MEUR		30.6.2012 MEUR		31.12.2012 MEUR	
Service	181.8		172.1		187.0	
Equipment	460.2		490.5		501.3	
Unallocated items	468.9		527.0		425.3	
Total	**1,110.9**		**1,189.6**		**1,113.6**	

Personnel by Business Area (at the end of the period)	30.6.2013	% of total	30.6.2012	% of total	31.12.2012	% of total
Service	6,221	52	6,060	51	6,119	50
Equipment	5,663	47	5,805	49	5,973	49
Group staff	57	0	59	0	55	0
Total	**11,941**	**100**	**11,924**	**100**	**12,147**	**100**

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1–6/2013	% of total	1–6/2012	% of total	1–12/2012	% of total
Europe-Middle East-Africa (EMEA)	481.3	47	500.0	48	1,043.7	48
Americas (AME)	360.7	36	337.3	33	721.0	33
Asia-Pacific (APAC)	173.8	17	199.2	19	406.9	19
Total	**1,015.8**	**100**	**1,036.5**	**100**	**2,171.5**	**100**

Personnel by region (at the end of the period)	30.6.2013	% of total	30.6.2012	% of total	31.12.2012	% of total
Europe-Middle East-Africa (EMEA)	6,294	53	6,190	52	6,269	52
Americas (AME)	2,709	23	2,630	22	2,724	22
Asia-Pacific (APAC)	2,938	25	3,104	26	3,154	26
Total	**11,941**	**100**	**11,924**	**100**	**12,147**	**100**

NOTES

KEY FIGURES	30.6.2013	30.6.2012	Change %	31.12.2012
Earnings per share, basic (EUR)	0.38	0.65	-41.2	1.47
Earnings per share, diluted (EUR)	0.38	0.64	-41.1	1.46
Return on capital employed %, Rolling 12 Months (R12M)	14.1	17.2	-18.0	18.4
Return on equity %, Rolling 12 Months (R12M)	16.2	18.3	-11.5	18.8
Equity per share (EUR)	7.29	7.37	-1.1	7.97
Current ratio	1.2	1.2	0.0	1.4
Gearing %	63.0	64.3	-2.0	39.3
Solidity %	32.1	30.1	6.6	34.0
EBITDA, EUR million	57.6	79.6	-27.7	176.8
Investments total (excl. acquisitions), EUR million	33.8	17.2	96.8	41.7
Interest-bearing net debt, EUR million	269.6	275.2	-2.0	181.8
Net working capital, EUR million	340.3	350.8	-3.0	295.5
Average number of personnel during the period	12,056	11,777	2.4	11,917
Average number of shares outstanding, basic	57,557,638	57,203,658	0.6	57,227,652
Average number of shares outstanding, diluted	57,787,923	57,509,366	0.5	57,516,909
Number of shares outstanding	57,800,620	57,229,886	1.0	57,291,310

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

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

NOTES

The period end exchange rates*:	30.6.2013	29.6.2012	Change %	31.12.2012
USD - US dollar	1.308	1.259	-3.7	1.319
CAD - Canadian dollar	1.371	1.287	-6.1	1.314
GBP - Pound sterling	0.857	0.807	-5.9	0.816
CNY - Chinese yuan	8.028	8.001	-0.3	8.221
SGD - Singapore dollar	1.655	1.597	-3.5	1.611
SEK - Swedish krona	8.777	8.773	-0.1	8.582
NOK - Norwegian krone	7.885	7.533	-4.5	7.348
AUD - Australian dollar	1.417	1.234	-12.9	1.271

The period average exchange rates*:	30.6.2013	29.6.2012	Change %	31.12.2012
USD - US dollar	1.313	1.297	-1.2	1.285
CAD - Canadian dollar	1.334	1.304	-2.2	1.284
GBP - Pound sterling	0.851	0.823	-3.3	0.811
CNY - Chinese yuan	8.130	8.194	0.8	8.106
SGD - Singapore dollar	1.633	1.640	0.4	1.605
SEK - Swedish krona	8.530	8.881	4.1	8.702
NOK - Norwegian krone	7.518	7.573	0.7	7.475
AUD - Australian dollar	1.295	1.256	-3.0	1.240

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

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	30.6.2013	30.6.2012	31.12.2012
For own commercial obligations			
Guarantees	370.9	383.6	349.5
Leasing liabilities			
Next year	31.3	32.0	33.0
Later on	61.7	69.4	68.8
Other	1.2	0.0	1.4
Total	**465.1**	**485.0**	**452.6**

Leasing contracts comply with normal practices in the countries concerned.

Contingent liabilities relating to litigation

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

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

NOTES

FINANCIAL INSTRUMENTS

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

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

Classification of financial instruments within the IFRS 7 fair value hierarchy: level 2 for all values as at 30 June 2013. There were no changes for classification within the fair value hierarchy.

Derivatives are initially recorded in the balance sheet at fair value and subsequently measured at fair value at each balance sheet date. All derivatives are carried as assets when fair value is positive and liabilities when fair value is negative. Derivative instruments that are not designated as hedges (hedge accounting) are measured at fair value, and the change in fair value is recognized in the consolidated statement of income. When the derivative is designated as a hedge (hedge accounting) the effective part of the change in fair value is recognized in other comprehensive income. Any ineffective part is recognized in the consolidated statement of income.

The foreign exchange forward contracts are measured based on closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

NOTES

CARRYING AMOUNT OF FINANCIAL ASSETS AND LIABILITIES IN THE BALANCE SHEET

EUR million Financial assets	Financial assets/liabilities at fair value through income statement	Loans and receivables	Available-for-sale financial assets	Financial assets/liabilities measured at amortized cost	Total carrying amounts by balance sheet item	Total Fair value
Non-current financial assets						
Long-term interest-bearing receivables	0.0	0.2	0.0	0.0	0.2	0.2
Other financial assets	0.0	0.0	0.9	0.0	0.9	0.9
Current financial assets						
Short-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Account and other receivables	0.0	407.2	0.0	0.0	407.2	407.2
Derivative financial instruments	5.0	0.0	0.0	0.0	5.0	5.0
Cash and cash equivalents	0.0	107.8	0.0	0.0	107.8	107.8
Total	**5.0**	**515.2**	**0.9**	**0.0**	**521.2**	**521.2**
Financial liabilities						
Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	128.3	128.3	128.3
Derivative financial instruments	2.0	0.0	0.0	0.0	2.0	2.0
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	247.2	247.2	247.2
Derivative financial instruments	3.1	0.0	0.0	0.0	3.1	3.1
Account and other payables	0.0	0.0	0.0	171.5	171.5	171.5
Total	**5.1**	**0.0**	**0.0**	**547.0**	**552.2**	**552.2**

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	**30.6.2013** Nominal value	**30.6.2013** Fair value	**30.6.2012** Nominal value	**30.6.2012** Fair value	**31.12.2012** Nominal value	**31.12.2012** Fair value
Foreign exchange forward contracts	665.7	2.4	464.2	-8.5	504.8	3.4
Currency options	8.8	-0.1	4.5	-0.1	19.7	0.0
Interest rate swaps	100.0	-2.0	100.0	-2.5	100.0	-3.0
Electricity derivatives	3.0	-0.4	2.0	-0.2	1.9	-0.2
Total	**777.4**	**-0.1**	**570.8**	**-11.2**	**626.5**	**0.3**

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

NOTES

ACQUISITIONS

Konecranes completed one small acquisition in crane service business during January - March 2013 when it acquired service business assets and operations of S.E.T.E.M in Bordeaux, France.

In May 2013 Konecranes and the KION Group, one of the leading global manufacturers of industrial trucks, closed the transaction announced on 18 February 2013 to collaborate in the container handling lift truck business. Based on the collaboration agreement, Konecranes with immediate effect becomes long-term supplier of container handling lift trucks to the worldwide distribution network of Linde Material Handling, which is wholly owned by KION Group. Both companies will continue to offer a full range of container handling lift trucks, including reach stackers, empty container handlers and laden container handlers. In addition, Konecranes acquired certain assets including the product rights and inventories for container handling lift trucks from Linde Material Handling.

The fair values of the identifiable assets and liabilities of the acquired businesses at the date of acquisition are summarized below.

EUR million	30.6.2013 Recognized on acquisition	30.6.2013 Fair value adjustments	30.6.2013 Acquired carrying value
Intangible assets			
Clientele	7.9	7.9	0.0
Technology	0.8	0.8	0.0
Other intangible assets	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0
Inventories	2.8	0.3	2.5
Account receivables and other assets	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	0.0
Total assets	**11.5**	**8.9**	**2.5**
Deferred tax liabilities	0.5	0.5	0.0
Long- and short-term interest bearing debts	0.0	0.0	0.0
Account payables and other current liabilities	0.5	0.5	0.0
Total liabilities	**1.0**	**1.0**	**0.0**
Net assets	**10.5**	**7.9**	**2.5**
Purchase consideration transferred	**10.5**		
Goodwill	**0.0**		
Cash outflow on acquisition			
Purchase consideration, paid in cash	8.3		
Transactions costs*	0.4		
Cash and cash equivalents in acquired companies	0.0		
Net cash flow arising on acquisition	**8.7**		
Purchase consideration:			
Purchase consideration, paid in cash	8.3		
Purchase consideration, liabilities assumed	2.2		
Contingent consideration liability	0.0		
Total purchase consideration	**10.5**		

**Transaction costs of EUR 0.4 million have been expensed and are included in other operating expenses.*

QUARTERLY FIGURES

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Sales	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**
Other operating income	0.6	0.5	0.6	0.3	0.6	0.7
Depreciation and impairments	-11.1	-10.2	-10.7	-10.2	-10.9	-9.7
Restructuring costs	0.0	-4.3	-5.8	0.0	0.0	0.0
Other operating expenses	-492.2	-463.0	-552.9	-483.0	-517.2	-441.0
Operating profit	**17.2**	**18.8**	**36.4**	**37.0**	**35.1**	**24.0**
Share of associates' and joint ventures' result	1.7	0.6	1.5	0.1	1.7	0.6
Financial income and expenses	-3.1	-3.9	-4.2	0.0	-3.8	-4.1
Profit before taxes	**15.8**	**15.5**	**33.7**	**37.1**	**32.9**	**20.5**
Taxes	-4.7	-4.6	-11.4	-12.0	-9.8	-6.1
Net profit for the period	**11.1**	**10.9**	**22.3**	**25.0**	**23.1**	**14.4**

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Goodwill	109.1	113.3	112.8	116.2	116.0	115.8
Intangible assets	92.6	75.4	76.6	73.9	77.8	77.2
Property, plant and equipment	142.4	149.6	138.7	137.2	136.8	133.0
Other	150.2	146.4	150.0	150.9	135.3	130.7
Total non-current assets	**494.3**	**484.8**	**478.2**	**478.1**	**465.8**	**456.7**
Inventories	374.2	373.5	369.8	420.0	398.4	392.7
Receivables and other current assets	562.4	564.7	582.9	634.7	585.3	545.3
Cash and cash equivalents	107.8	217.4	145.3	112.0	167.9	108.7
Total current assets	**1,044.4**	**1,155.6**	**1,098.1**	**1,166.6**	**1,151.6**	**1,046.6**
Total assets	**1,538.7**	**1,640.4**	**1,576.3**	**1,644.7**	**1,617.5**	**1,503.3**

EQUITY AND LIABILITIES	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Total equity	**427.9**	**424.3**	**462.6**	**450.8**	**427.8**	**394.4**
Non-current liabilities	229.8	306.2	303.2	294.4	290.6	215.3
Provisions	42.9	46.8	44.5	48.3	48.7	50.8
Advance payments received	205.2	228.4	217.2	286.5	197.6	199.4
Other current liabilities	633.0	634.7	548.9	564.7	652.8	643.4
Total liabilities	**1,110.8**	**1,216.1**	**1,113.6**	**1,193.9**	**1,189.6**	**1,109.0**
Total equity and liabilities	**1,538.7**	**1,640.4**	**1,576.3**	**1,644.7**	**1,617.5**	**1,503.3**

QUARTERLY FIGURES

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Operating income before change in net working capital	28.7	30.0	51.4	47.8	46.6	34.5
Change in net working capital	-39.0	14.0	39.5	15.5	-18.3	-8.4
Financing items and taxes	-22.0	-11.8	-5.9	-18.3	-11.7	-14.0
Net cash from operating activities	**-32.3**	**32.2**	**84.9**	**45.0**	**16.6**	**12.0**
Cash flow from investing activities	**-23.6**	**-11.3**	**-15.7**	**-19.6**	**-15.6**	**-12.8**
Cash flow before financing activities	**-55.9**	**20.9**	**69.2**	**25.4**	**1.0**	**-0.8**
Proceeds from options exercised and share issues	0.8	5.1	0.4	0.3	0.4	0.0
Change of interest-bearing debt	9.6	43.6	-35.1	-81.1	112.8	36.6
Dividends paid to equity holders of the parent	-60.6	0.0	0.0	0.0	-57.2	0.0
Net cash used in financing activities	**-50.2**	**48.6**	**-34.7**	**-80.8**	**56.0**	**36.6**
Translation differences in cash	-3.5	2.5	-1.2	-0.5	2.3	-0.6
Change of cash and cash equivalents	**-109.6**	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Cash and cash equivalents at beginning of period	217.4	145.3	111.8	167.7	108.7	73.5
Cash and cash equivalents at end of period	107.8	217.4	145.1	111.8	167.9	108.7
Change of cash and cash equivalents	**-109.6**	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Free Cash Flow	**-48.3**	**21.7**	**71.2**	**26.1**	**3.7**	**0.7**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service [1)]	193.4	186.1	181.3	182.4	183.7	187.6
Equipment	339.6	423.2	269.7	303.2	395.3	372.1
./. Internal	-30.0	-26.6	-27.2	-27.6	-25.2	-25.2
Total	**503.0**	**582.7**	**423.8**	**458.0**	**553.7**	**534.6**

[1)] *Excl. Service Contract Base*

Order book by Business Area	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	177.7	170.0	147.2	154.9	155.6	146.7
Equipment	901.7	914.0	795.6	930.2	967.2	928.9
Total	**1,079.4**	**1,084.0**	**942.7**	**1,085.1**	**1,122.8**	**1,075.6**

Sales by Business Area	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	217.9	208.4	239.0	218.9	220.4	205.8
Equipment	328.2	315.9	401.6	341.6	376.1	293.4
./. Internal	-26.2	-28.3	-35.5	-30.7	-33.9	-25.2
Total	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Operating profit (EBIT) by Business Area excluding restructuring costs	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	15.6	15.8	23.8	20.8	17.4	12.6
Equipment	7.4	13.3	23.5	21.9	23.0	15.7
Group costs and eliminations	-5.8	-6.0	-5.2	-5.7	-5.3	-4.4
Total	**17.2**	**23.1**	**42.2**	**37.0**	**35.1**	**24.0**

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	7.2%	7.6%	10.0%	9.5%	7.9%	6.1%
Equipment	2.3%	4.2%	5.9%	6.4%	6.1%	5.4%
Group EBIT % total	**3.3%**	**4.7%**	**7.0%**	**7.0%**	**6.2%**	**5.1%**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

Personnel by Business Area (at the end of the period)	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	6,221	6,241	6,119	6,114	6,060	5,981
Equipment	5,663	5,782	5,973	5,936	5,805	5,714
Group staff	57	58	55	57	59	61
Total	**11,941**	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

Sales by market	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	257.3	224.0	289.4	254.3	270.0	230.1
Americas (AME)	169.7	191.0	204.5	179.1	188.6	148.7
Asia-Pacific (APAC)	92.9	80.9	111.2	96.4	104.0	95.2
Total	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Personnel by region (at the end of the period)	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	6,294	6,301	6,269	6,263	6,190	6,164
Americas (AME)	2,709	2,708	2,724	2,653	2,630	2,546
Asia-Pacific (APAC)	2,938	3,072	3,154	3,191	3,104	3,046
Total	**11,941**	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at KÄMP Kansallissali (address Aleksanterinkatu 44 A, 2. floor) at 11.00 a.m. Finnish time. The Interim Report will be presented by Konecranes' President and CEO Pekka Lundmark and CFO Teo Ottola.

A live webcast of the conference will begin at 11.00 a.m. at www.konecranes.com. Please see the stock exchange release dated July 5, 2013 for the conference call details.

NEXT REPORT

Konecranes' January–September 2013 interim report will be published on October 23, 2013.

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Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity-enhancing lifting solutions as well as services for lifting equipment and machine tools of all makes. In 2012, Group sales totaled EUR 2,170 million. The Group has 11,900 employees at 626 locations in 48 countries. Konecranes is listed on the NASDAQ OMX Helsinki (symbol: KCR1V).

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