INDUSTRIAL CRANES
COMPONENTS
NUCLEAR CRANES
PORT CRANES
LIFTTRUCKS
CRANE SERVICE
MACHINE TOOL SERVICE
PORT SERVICE
MODERNIZATIONS
PARTS

KONECRANES®
Lifting Businesses™

Q2

Order growth in Service, signs of growth also in Equipment

Interim Report
January–June 2010

Order growth in Service, signs of growth also in Equipment

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

SECOND QUARTER HIGHLIGHTS

- Order intake EUR 364.4 million (309.6), +17.7 percent: Service +25.9 percent and Equipment +8.4 percent.
- Order book EUR 685.2 million (680.6) at end June, 0.7 percent higher than a year ago, 6.8 percent higher than at end-March 2010.
- Sales EUR 377.0 million (431.6), -12.6 percent: Service +3.4 percent and Equipment -24.4 percent.
- Operating profit before restructuring costs EUR 23.4 million (30.7), 6.2 percent (7.1) of sales.
- Restructuring costs EUR 2.7 million (1.9).
- Operating profit, including restructuring costs, EUR 20.7 million (28.8), 5.5 percent of sales (6.7).
- Earnings per share (diluted) EUR 0.25 (0.33).
- Net cash flow from operating activities EUR -6.3 million (34.4).
- Net debt EUR 19.0 million (35.5) and gearing 4.7 percent (9.1).

JANUARY-JUNE HIGHLIGHTS

- Order intake EUR 684.9 million (679.3), +0.8 percent: Service +18.6 percent and Equipment –10.9 percent.
- Sales EUR 683.3 million (873.7), -21.8 percent: Service -4.7 percent and Equipment -31.8 percent.
- Operating profit before restructuring costs EUR 35.0 million (67.5), 5.1 percent (7.7) of sales.
- Restructuring costs EUR 2.7 million (1.9).
- Operating profit, including restructuring costs, EUR 32.3 million (65.6), 4.7 percent of sales (7.5).
- Earnings per share (diluted) EUR 0.41 (0.76).
- Net cash flow from operating activities EUR -5.8 million (67.0).

FUTURE PROSPECTS

Konecranes reiterates the previous guidance for the year 2010 for sales and operating profit, but changes the Equipment demand outlook as a result of improved market situation. The new guidance is:

The demand for maintenance services is supported by higher capacity utilization within customer industries. The improved industrial production and container handling volumes have increased customers' willingness to invest in new equipment too, but the decision-making is still conditional on the sustainability of economic growth. Price competition is likely to remain.

Growing demand will support our sales and profitability already during the second half of 2010. However, due to the low first half year sales we expect full year 2010 sales to be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs.

The previous statement on future prospects from April 28, 2010 was:

"Konecranes expects the market uncertainty to continue. However, the demand outlook for maintenance services has improved as a result of higher capacity utilization within customer industries. The demand for new equipment is expected to remain generally on a low level, and to suffer because of overcapacity at customers. Price competition is likely to remain. A high degree of fluctuation between quarters may continue due to the timing of orders.

Due to the lower order book compared to a year ago, our forecast is that sales in 2010 will be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs."

Key figures

	Second quarter			First half year			
	4-6/ 2010	**4-6/ 2009**	**Change %**	**1-6/ 2010**	**1-6/ 2009**	**R12M**	**2009**
Orders received, MEUR	364.4	309.6	17.7	684.9	679.3	1,354.5	1,348.9
Order book at end of period, MEUR	685.2	680.6	0.7	685.2	680.6		607.0
Sales total, MEUR	377.0	431.6	-12.6	683.3	873.7	1,480.9	1,671.3
Operating profit excluding restructuring costs, MEUR	23.4	30.7	-23.8	35.0	67.5	86.3	118.8
Operating margin excluding restructuring costs, %	6.2	7.1		5.1	7.7	5.8	7.1
Operating profit including restructuring costs, MEUR	20.7	28.8	-28.0	32.3	65.6	64.6	97.9
Operating margin including restructuring costs, %	5.5	6.7		4.7	7.5	4.4	5.9
Profit before taxes, MEUR	20.8	27.4	-24.3	33.2	62.8	59.0	88.6
Net profit for the period, MEUR	14.5	19.6	-25.8	23.3	44.9	40.9	62.5
Earnings per share, basic, EUR	0.26	0.33	-23.6	0.41	0.77	0.72	1.08
Earnings per share, diluted, EUR	0.25	0.33	-23.9	0.41	0.76	0.72	1.08
Gearing, %				4.7	9.1		-19.1
Return on capital employed %, Rolling 12 Months (R12M)						12.7	19.3
Average number of personnel during the period				9,638	9,820		9,811

President and CEO Pekka Lundmark:

”Our second quarter development met our own expectations. Our service business has now clearly returned to growth after a slow 2009. Our new, widened portfolio of services has been well received by our customers, and it provides a good platform for further growth in 2011. Also our equipment businesses have started to see signs of a recovering demand, but mostly at the smaller end of the equipment range. At industrial customers the demand for small cranes and components has increased, and the same is true for lifttrucks for port operators. Large individual orders of heavy equipment are still missing. Geographically, the major Western European markets are still slow, while most other parts of the world look quite promising. Our delivery volumes recovered from the exceptionally low level in the first quarter. Gross margins have held up quite well, since our cost reduction measures have been able to offset most of the price pressure that is visible especially in small standard equipment. This provides upside potential for our profits once the volumes grow.”

Konecranes Plc
January–June 2010 interim report

Changes in reporting method

Konecranes changed its structure from the beginning of 2010 so that Business Areas Standard Lifting and Heavy Lifting were merged into one Business Area: Equipment. External segment reporting was also changed to match with the operational structure of the group. From 2010, Konecranes reports two segments, Service and Equipment. While the number of segments was reduced from three to two, Konecranes discloses more information than before about the segments on a quarterly basis. The new information includes EBITDA, depreciation and impairments, capital employed, ROCE and capital expenditure.

To further improve the transparency of segment profitability, the allocation of Group costs into the business areas has been redefined. Previously, centralized Market Operations, procurement, R&D and IT costs were reported as unallocated group costs. From 2010 these costs are allocated to the business areas. The reporting of centralized legal, marketing & communications, finance, HR and general management costs remain unchanged and these will continue to be shown as unallocated group costs. Additionally, the reporting of elimination of internal margins (consolidation items) in inventories has changed as a result of fewer segments and internal margins within the business areas being incorporated in the operating profit of the respective business area.

Konecranes published the 2009 comparison figures related to the segment reporting change in a stock exchange release on February 24, 2010.

In addition, unrealized exchange rate differences relating to the hedging of trade receivables and payables that are not included in IFRS hedge accounting have been reported as part of net sales and cost of goods sold above the operating profit from 2010. Previously these items were reported in financial income and expenses. It is not possible to recalculate accurately the impact of this change on 2009 numbers as a result of which restating of the 2009 numbers has not been done for this change. However, it is estimated that the change would only have a minor impact on the segment operating profits in 2009. There would not be any change in profit before taxes in 2009.

Market review

The turnaround in the global economy that started in the autumn of 2009 continued in the first half of 2010. Further fuelled by easy monetary policies and low interest rates, global macro indicators improved on a broad basis and in many cases even exceeded expectations. Growth rates in the emerging markets continued to exceed those in the developed countries.

The second quarter economic news flow was dominated by the concerns regarding public finances in several, mainly South European countries. As a result, several countries announced tough measures to reduce their budget deficits. Despite the increased turbulence in the financial markets, macroeconomic indicators remained mostly positive. Some Chinese economic indicators lost momentum as the government took measures to cool down the economic growth.

Industrial capacity utilization improved both in Europe and the USA in the first half, but was still low by historical standards and reached the previous trough of late 2001 only towards the end of the second quarter. Purchasing managers' indexes were buoyant across the globe, all pointing to expanding business activity although at moderating pace towards the end of the second quarter.

Demand for new equipment continued to suffer from overcapacity across customer segments. Demand for heavy industrial cranes was affected by the lack of major industrial investments in process industries while the demand for lighter industrial cranes and components was supported by livelier activity in general manufacturing. After a quiet start into the year, the increase in shipping volumes resulted in higher inquiries from container ports towards the end of the second quarter. New inquiries from energy, steel and paper & pulp sectors increased as well. Intense price competition persisted due to the overcapacity in the crane manufacturing industry.

Demand for services relating to lifting equipment and machine tools improved due to higher capacity utilization within customer industries. Customers have continued to show a growing interest to outsource maintenance.

The market prices for steel, copper and sea freight increased in the first half, but leveled off towards the end of the second quarter. The US dollar appreciated clearly against EUR 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 684.9 million (679.3), representing an increase of 0.8 percent compared with a year before. Orders received rose in Service by 18.6 percent, but declined in Equipment by 10.9 percent. Orders received rose in Americas and Asia-Pacific, but decreased in Europe-Middle East-Africa due to lower Equipment orders in the region.

In January-June, orders from emerging markets accounted for more than a third of total orders compared with more than 30 percent in 2009.

Second-quarter order intake rose by 17.7 percent from a year ago and totaled EUR 364.4 million (309.6). Order intake increased in Service by 25.9 and in Equipment by 8.4 percent. Similar to the first half performance, second quarter orders received rose in AME and APAC, but decreased in EMEA due to lower Equipment orders in Western Europe.

Order book

The value of the order book at end June totaled EUR 685.2 million. The order book increased by 0.7 percent from last year's comparison figure of EUR 680.6 million and by 6.8 percent from end-March 2010 when it stood at EUR 641.3 million. Service accounted for EUR 106.5 million (15 percent) and Equipment for EUR 598.3 million (85 percent) of the total end-June order book.

Sales

Group sales in January-June decreased by 21.8 percent from a year ago and totaled EUR 683.3 million (873.7). Sales in Service decreased by 4.7 percent and in Equipment by 31.8 percent.

Second-quarter sales declined by 12.6 percent from a year ago and totaled EUR 377.0 million (431.6). Sales rose in Service by 3.4 percent, but fell in Equipment by 24.4 percent.

Acquisitions contributed about 3 percent to sales in the first half of 2010.

At end June, calculated for a rolling 12 months, the regional breakdown was as follows: EMEA 55 (57), Americas 29 (28) and APAC 16 (15) percent.

Net sales by region, MEUR

	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	Change percent	Change at comparable currency rate	R12M	2009
EMEA	189.9	236.3	362.9	482.7	-24.8	-26.4	808.1	928.0
AME	123.8	121.2	210.4	254.0	-17.2	-19.1	436.0	479.5
APAC	63.3	74.0	110.0	137.0	-19.7	-24.3	236.8	263.8
Total	**377.0**	**431.6**	**683.3**	**873.7**	**-21.8**	**-24.0**	**1,480.9**	**1,671.3**

Currency rate effect

In a year-on-year comparison, the currency rates had a positive effect on orders and sales in January-June. The reported order intake rose by 0.8 percent, but declined by 1.8 percent at comparable currency rates. Reported sales declined by 21.8 percent and by 24.0 percent at comparable currency rates.

Of the regions, the currency rate impact on sales in EMEA was positive with the reported decrease being 24.8 percent compared with a decrease at comparable currency rates of 26.4 percent. In the Americas, the reported sales decline of 17.2 percent was less than the decline of 19.1 percent at comparable currency rates. The corresponding figures in APAC were -19.7 percent and -24.3 percent.

In January-June the currency rates did not have any significant impact on the Group's operating margin compared with the same period a year earlier.

Financial result

The consolidated operating profit in January-June totaled EUR 32.3 million (65.6). Operating profit decreased by EUR 33.3 million. Operating profit includes EUR 2.7 million (1.9) restructuring costs booked in the second quarter due to the announced closure of the assembly plant in Windsor, WI, USA. The consolidated operating margin declined to 4.7 percent (7.5). The operating margin in Service declined to 8.0 percent (9.0) and in Equipment to 3.7 percent (7.7).

The consolidated operating profit in the second quarter totaled EUR 20.7 million (28.8) including restructuring costs of EUR 2.7 million (1.9). The consolidated operating margin in the second quarter declined to 5.5 percent (6.7). The operating margin in Service rose to 9.1 percent (8.8), but declined in Equipment to 4.2 percent (6.6).

The implemented cost savings lowered fixed costs compared to a year ago, which partly offset the under absorption of the cost base caused by the decline in Group sales. Procurement cost savings and adjustment of production capacity offset the product price pressure.

The share of the result of associated companies and joint ventures was EUR 1.1 million (-1.4).

Net financial expenses totaled EUR 0.2 million (1.4). Net interest expenses were EUR 1.2 million (1.3). The remainder was mainly attributable to exchange rate differences related to the depreciation of EUR.

The January-June profit before taxes was EUR 33.2 million (62.8).

Income taxes in January-June were EUR -9.9 million (-17.9). The Group's effective tax rate was 29.8 percent (28.5).

Net profit for January-June was EUR 23.3 million (44.9).

Diluted earnings per share for January-June were EUR 0.41 (0.76).

On a rolling twelve-month basis, return on capital employed was 12.7 percent (42.7) and return on equity 10.3 percent (40.8).

Balance sheet

The consolidated balance sheet, which at end June stood at EUR 1,145.5 million, was EUR 32.1 million more than at June 30, 2009 and EUR 85.1 million more than at year-end 2009. Total equity at the end of the report period was EUR 405.1 million (385.4). Total equity attributable to equity holders of the parent company at June 30 was EUR 399.5 million (382.6) or EUR 6.78 per share (6.51).

From end-March 2010, net working capital increased by EUR 90.5 million to EUR 193.0 million at end June. Net working capital rose due to the dividend payment in April, higher work in progress and receivables as well as lower advances received.

Cash flow and financing

Net cash from operating activities in January-June was EUR -5.8 million (67.0), representing EUR -0.10 per diluted share (1.13). Net cash from operations in the second quarter was EUR -6.3 million (34.4). Cash flow before financing activities was EUR -49.8 million (53.3) in January-June. Cash flow before financing activities in the second quarter was EUR -15.3 million (25.7).

Interest-bearing net debt increased to EUR 19.0 million from EUR -46.6 million at end March, but decreased from EUR 35.5 million a year ago. The solidity was 41.9 percent (41.1) and gearing 4.7 percent (9.1).

The Group's liquidity remained healthy. At the end of the second quarter, cash and cash equivalents amounted to EUR 95.1 million (96.9). 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 9.3 million (9.6). This amount consisted mainly of replacement or capacity expansion investments in machines, equipment and information technology. Capital expenditure including acquisitions and investments in associated companies was EUR 39.0 million (12.5).

Acquisitions

Capital expenditure on acquisitions and investments in associated companies was EUR 29.7 million (2.9). During January -June, Konecranes made three small acquisitions, which related to the Machine Tool Service (MTS) business in Denmark and in the United Kingdom. The net assets of the acquired companies were recorded at EUR 1.5 million and goodwill of EUR 1.1 million was booked from the acquisitions.

Konecranes and the Japanese hoist, crane and material handling equipment company Kito Corporation ("Kito") entered into a strategic alliance. The alliance agreement was signed by representatives of the two companies on March 23, 2010. To fully utilize the global market potential and mutually complement each other, Konecranes will enter into an agreement to sell Kito manual products while Kito will sell wire rope hoists made by Konecranes. The distribution and license agreements are expected to be concluded in the near future.

To reinforce the strategic alliance, Konecranes purchased 29,750 shares (22.0% of the share capital and voting rights) in Kito on March 24, 2010. The total value of the stake purchased amounted to approximately JPY 3.3 billion (EUR 27 million). Furthermore, Kito repurchased 10.0% of the share capital on March 24, 2010. Post the share purchase by Konecranes and the Kito share buyback, Konecranes has approximately 24.4% of the voting rights in Kito.

The shareholding has been included in investments accounted for using the equity method in the balance sheet on March 31. Kito will be included in Konecranes' statement of income as an associated company. The benefits of the alliance are not expected to have a material impact on Konecranes' net sales and operating profit in 2010.

As part of the strategic alliance, Konecranes aims to transfer the hoist distribution business of the Japanese subsidiary MHS Konecranes to Kito in the near future. As a part of the transaction, Konecranes on June 4, 2010, finalized the agreement to increase its ownership in MHS Konecranes to 100% by acquiring the remaining 35% stake from Meidensha Corporation.

Personnel

In January-June, the Group employed an average of 9,638 people (9,820). At 30 June, the headcount was 9,570 (9,691). At end June, the number of personnel by Business Area were as follows: Service 4,938 employees (5,210), Equipment 4,583 employees (4,429) and Group staff 49 (52). The Group had 5,431 employees (5,778) working in EMEA, 2,170 (2,410) in the Americas and 1,969 (1,503) in the APAC region.

Konecranes announced on June 3, 2010, that it will close its assembly plant in Windsor, WI, USA by the end of October 2010. Low equipment demand in the developed markets, closer integration of Morris Material Handing Inc's (P&H) activities into Konecranes' operations and widening usage of corporate-wide products have reduced production volumes at the Windsor plant in 2010. A plan has been prepared to cease operations at the Windsor factory and to relocate the remaining activities to the other Konecranes locations in the USA. The personnel in Windsor are 47 of which 27 will be offered jobs in the other locations leading to a reduction of 20 positions.

Business Areas

Service

	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	Change percent	R12M	2009
Orders received	159.1	126.4	298.9	252.0	18.6	545.3	498.4
Order book	106.5	93.9	106.5	93.9	13.4		75.9
Contract base value	145.7	124.2	145.7	124.2	17.3		121.3
Net sales	175.2	169.5	323.2	339.2	-4.7	651.3	667.2
EBITDA	18.8	17.2	31.1	35.3	-11.7	64.4	68.6
EBITDA, %	10.7	10.2	9.6	10.4		9.9	10.3
Depreciation and amortization	-2.8	-2.3	-5.3	-4.6	14.5	-11.0	-10.3
Operating profit (EBIT) excluding restructuring costs	16.0	15.5	25.8	31.3	-17.4	55.5	61.0
Operating profit (EBIT) excluding restructuring costs, %	9.1	9.2	8.0	9.2		8.5	9.1
Restructuring costs	0.0	-0.6	0.0	-0.6		-2.0	-2.7
Operating profit (EBIT)	16.0	14.9	25.8	30.6	-15.7	53.5	58.3
Operating profit (EBIT), %	9.1	8.8	8.0	9.0		8.2	8.7
Capital employed	151.1	156.4	151.1	156.4	-3.4		130.7
ROCE%						34.8	43.8
Capital expenditure	3.2	1.2	4.1	2.9	43.2	9.0	7.7
Personnel at the end of period	4,938	5,210	4,938	5,210	-5.2		4,991

January-June orders received totaled EUR 298.9 million (252.0), showing an increase of 18.6 percent. Demand for maintenance services grew in all regions. Order intake increased across several business units with particular strength in Modernization. Also, demand for spare parts was strong. The order book increased by 13.4 percent to EUR 106.5 million (93.9) from a year before and by 21.4 percent from end-March 2010. Sales decreased by 4.7 percent to EUR 323.2 million (339.2). Operating profit was EUR 25.8 million (30.6) and the operating margin 8.0 percent (9.0). The January-June 2009 operating profit included EUR 0.6 million restructuring costs booked in the second quarter.

The second quarter order intake increased by 25.9 percent and totaled EUR 159.1 million (126.4). Similar to the first half, demand grew in all regions and was particularly strong in Modernization and Parts Business Units as a result of higher capacity utilization among customer industries. Second-quarter sales totaled EUR 175.2 million (169.5), which was 3.4 percent more than a year ago. Second-quarter operating profit was EUR 16.0 million (14.9), and the operating margin 9.1 percent (8.8).

The total number of equipment included in the maintenance contract base amounted to 371,387 at end June, compared with 373,547 a year before and 367,124 at end-March 2010. The annual value of the contract base increased to EUR 145.7 million from EUR 124.2 million a year before and from EUR 131.7 million at end-March 2010. Approximately a half of the increase in the value of the contract base was attributable to currency changes.

The number of service technicians at end-June was 3,172, which is 188 or 5.6 percent less than at the end of June 2009.

Equipment

	4-6/ 2010	4-6/ 2009	1-6/ 2010	1-6/ 2009	Change percent	R12M	2009
Orders received	219.6	202.6	415.7	466.5	-10.9	883.8	934.6
Order book	598.3	599.0	598.3	599.0	-0.1		547.8
Net sales	221.6	293.0	407.5	597.6	-31.8	924.9	1,115.1
EBITDA	14.3	23.2	25.0	54.0	-53.7	50.4	79.5
EBITDA,%	6.5	7.9	6.1	9.0		5.5	7.1
Depreciation and amortization	-5.1	-3.9	-9.8	-8.0	22.1	-22.7	-21.0
Operating profit (EBIT) excluding restructuring costs	11.9	20.5	17.9	47.3	-62.1	47.3	76.7
Operating profit (EBIT) excluding restructuring costs,%	5.4	7.0	4.4	7.9		5.1	6.9
Restructuring costs	-2.7	-1.3	-2.7	-1.3		-19.6	-18.2
Operating profit (EBIT)	9.2	19.2	15.3	46.0	-66.9	27.7	58.5
Operating profit (EBIT),%	4.2	6.6	3.7	7.7		3.0	5.2
Capital employed	234.7	274.9	234.7	274.9	-14.6		208.7
ROCE%						10.9	22.9
Capital expenditure	1.9	2.4	5.1	6.0	-14.6	16.1	17.0
Personnel at the end of period	4,583	4,429	4,583	4,429	3.5		4,742

January-June orders received totaled EUR 415.7 million (466.5), showing a decline of 10.9 percent. Order intake rose in the Americas and APAC, but fell in EMEA. Orders for Industrial Cranes accounted for approximately a half of the orders received and were lower than a year ago. Components generated approximately 30 percent of the new orders and were above last year's level. The combined orders for the other business units (Nuclear Cranes, Port Cranes and Lift Trucks) amounted to approximately 20 percent of the orders received and were lower compared to the comparison period due to the lack of large single orders in Port Cranes, which boosted last year's figure.

The order book decreased by 0.1 percent from a year before, but increased by 7.2 percent from the end-March 2010 to EUR 598.3 million (599.0). Sales decreased by 31.8 percent to EUR 407.5 million (597.6). Operating profit was EUR 15.3 million (46.0) and the operating margin 3.7 percent (7.7). The January-June operating profit includes EUR 2.7 million (1.3) restructuring costs.

The second quarter order intake rose by 8.4 percent and totaled EUR 219.6 million (202.6). Similar to the first half, second quarter order intake rose in Americas and APAC, but fell in EMEA due to lower orders from Western Europe. The share of industrial cranes was higher in the second quarter than in the first quarter. The value of new orders was higher than a year ago in all business units except Port Cranes. Second-quarter sales totaled EUR 221.6 million (293.0) and were 24.4 percent less than a year ago. Second-quarter operating profit was EUR 9.2 million (19.2), and the operating margin 4.2 percent (6.6). Profitability weakened due to declining volumes. The negative profit impact from lower volumes could not be fully offset by the cost savings actions. The April-June operating profit includes EUR 2.7 million (1.3) restructuring costs.

Group overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR –8.8 million (-11.1), representing 1.3 percent of sales (1.3).

Administration

Konecranes Annual General Meeting was held March 25, 2010. The meeting approved the company's annual accounts for the fiscal year 2009 and discharged the members of the Board of Directors and Managing Director from liability.

Payment of dividend

The AGM approved the Board's proposal that a dividend of EUR 0.90 per share is paid from the distributable assets of the parent company. The dividend was paid on 59,426,320 shares and amounted to EUR 53,483,688. The dividend was paid on April 9, 2010.

Composition of the Board of Directors

The AGM approved the proposal of the Nomination and Compensation Committee that eight (8) members of the Board of Directors be elected. The Board members elected at the AGM in 2009 i.e. Mr Svante Adde, Mr Tomas Billing, Mr Kim Gran, Mr Stig Gustavson, Mr Tapani Järvinen, Mr Matti Kavetvuo, Ms Malin Persson and Mr Mikael Silvennoinen were re-elected.

Compensation of the Board of Directors

The AGM confirmed the annual compensation to the Board members:

Chairman of the Board: EUR 100,000
Vice Chairman of the Board: EUR 64,000
Other Board Members: EUR 40,000

In addition, compensation of EUR 1,500 per meeting will be paid for attendance at Board Committee meetings.

Election of the auditors and their remuneration

The AGM confirmed that Ernst & Young Oy continues as the Company's external auditor. The remuneration of the auditor will be paid according to the auditor's reasonable invoice.

Amendment of the Articles of Association

The AGM decided to amend Section 9 of the Articles of Association so that notice to the General Meeting shall be delivered no less than three weeks before the General Meeting, however no less than 9 days prior to the record date of the General Meeting. The AGM also approved that the notice, by decision by the Board of Directors, can be delivered by publishing the notice on the Company's website or in national newspapers, or by sending written notices to the shareholders by mail. Furthermore, the AGM confirmed that the General Meeting may, in addition to the Company's domicile, be held in Helsinki, Espoo or Vantaa.

Authorization of the Board of Directors to decide on the issuance of shares as well as on the issuance of special rights entitling to shares

The amount of shares to be issued based on this authorization shall not exceed 9,000,000 shares, which corresponds to approximately 14.5 percent of all of the shares in the Company.

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 24 September 2011.

Authorization of the Board of Directors to repurchase the Company's own shares

The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.7 percent of all of the shares in the Company.

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 24 September 2011.

Authorization of the Board of Directors to decide on the transfer of the Company's own shares

The authorization is limited to a maximum of 6,000,000 shares, which corresponds to approximately 9.7 percent of all of the shares in the Company.

This authorization shall be effective until the next Annual General Meeting of Shareholders, however no longer than until 24 September 2011.

Donation for philanthropic purposes

The AGM decided to grant a donation to one or more Finnish Universities in the amount of EUR 1,250,000 to thereby support education and research within the fields of technology, economy, or art. This amount will reduce equity once it will be paid.

Board of Directors' organizing meeting

In its first meeting held after the Annual General Meeting, the Board of Directors elected Mr Stig Gustavson to continue as Chairman. Mr Svante Adde was elected Chairman of the Audit Committee, and Mr Kim Gran, Mr Tapani Järvinen and Mr Mikael Silvennoinen as Committee members. Mr Matti Kavetvuo was elected Chairman of the Nomination and Compensation Committee, and Mr Tomas Billing, Mr Stig Gustavson, and Ms Malin Persson were elected as Committee members.

With the exception of Mr Stig Gustavson, the Board members are deemed to be independent of the company under the Finnish Corporate Governance Code. All Board members are independent of significant shareholders of the company.

Share capital and shares

The company's registered share capital at June 30, 2010 totaled EUR 30.1 million. At June 30, 2010, the number of shares including treasury shares and the shares owned by KCR Management Oy totaled 62,002,120. At June 30, 2010, Konecranes held a total of 2,530,600 treasury shares, excluding the shares owned by KCR Management Oy, which corresponds to 4.1 percent of the total number of shares and which at that date had a market value of EUR 54.4 million. Konecranes conveyed 12,000 own shares on April 29, 2010, as sale against contribution in kind.

Shares registered under stock option rights

Pursuant to Konecranes' stock option plans, 129,200 new shares were subscribed and registered in the Finnish Trade Register during the first half. As a result of these subscriptions, the total number of Konecranes shares (including treasury shares and the shares owned by KCR Management Oy) rose to 62,002,120.

The subscription period for the options under Konecranes 2001B stock option plan ended on March 31, 2010. The last lot of the shares subscribed under the 2001B stock option plan was registered in the Finnish Trade Register on May 5, 2010.

The stock options issued under Konecranes Plc's ongoing stock option plans (2007 and 2009) at end-June 2010 entitle holders to subscribe a total of 3,390,000 shares, which would increase the total number of Konecranes shares (including treasury shares and the shares owned by KCR Management Oy) to 65,392,120. The option programs include approximately 210 key persons.

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

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

Market capitalization and trading volume

The closing price for Konecranes Plc's shares on June 30, 2010 was EUR 21.49. The volume-weighted average share price in January-June was EUR 21.99, the highest price being EUR 25.28 in April and the lowest EUR 19.08 in January. In January–June, the trading volume totaled 55.6 million Konecranes Plc shares, corresponding to a turnover of approximately EUR 1,222 million. The average daily trading volume was 451,751 shares, representing an average daily turnover of EUR 9.9 million.

On June 30, 2010, the total market capitalization of Konecranes Plc's shares was EUR 1,332.4 million including treasury shares held by the company and the shares held by KCR Management Oy. The market capitalization was EUR 1,266.9 million excluding the treasury shares and the shares held by KCR Management Oy.

Flagging notifications

On February 24, 2010, HTT 2 Holding Oy Ab informed Konecranes that their holding had exceeded 5 percent. HTT 2 Holding Oy Ab held 3,129,500 shares, which was 5.06 percent of Konecranes' shares and votes on February 24, 2010.

On April 9, 2010, BlackRock, Inc. informed Konecranes that their holding had exceeded 10 percent. BlackRock, Inc. held 6,228,000 shares, which was 10.05 percent of Konecranes' shares and votes on April 9, 2010.

On June 4, 2010, BlackRock, Inc. informed Konecranes that their holding had decreased below 10 percent. BlackRock, Inc. held 6,181,787 shares, which was 9.97 percent of Konecranes' shares and votes on April 9, 2010.

On June 23, 2010, Konecranes received a disclosure according to which the combined holding of HTT 2 Holding Oy Ab, K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Rönnäs Invest AG had exceeded 10 percent. The combined ownership of the shareholders mentioned in the disclosure amounted to 6,207,968 shares on June 23, 2010, which is 10.01 percent of the shares and votes in Konecranes Plc. All the shareholders mentioned in the disclosure will in practice cooperate in matters concerning their ownership in Konecranes. HTT 2 Holding Oy Ab is a subsidiary of Hartwall Capital Oy Ab.

Events after the end of the reporting period

On July 2, 2010, HTT 2 Holding Oy Ab informed Konecranes that their holding had exceeded 10 percent. HTT 2 Holding Oy Ab held 6,215,568 shares, which was 10.02 percent of Konecranes' shares and votes on July 2, 2010. K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Rönnäs Invest AG, who will in practice cooperate with HTT 2 Holding Oy Ab in matters concerning their ownership in Konecranes Plc, held 6,357,968 shares on July 2, 2010, which is 10.25 percent of the shares and votes in Konecranes Plc.

Risks and uncertainties

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

The supply chain has been downsized due to the weak demand for products and it is possible that once demand picks up again, Konecranes and its suppliers may not be able to respond to this instantly, which may result in delays of deliveries and increased costs as a consequence. In addition to Konecranes' own assembly operations, the lack of raw materials and components may cause bottlenecks.

The economic growth, particularly in China, has had an inflatory impact on raw material prices, which may affect Konecranes' profits if product sales prices cannot be adjusted correspondingly due to intense competition, for example. On the other hand, Konecranes serves several producers whose propensity to invest can increase due to improved profitability on higher raw material prices.

Challenges in financing may lead customers to postpone projects or even to cancel existing orders. A renewed downturn in the world economy would increase postponement of deliveries and cancellations of orders. Advance payments are an integral part of Konecranes' project business and they have played a crucial role in mitigating the adverse effects from postponements of certain deliveries and minor cancellations. Konecranes intends to avoid incurring costs of major projects under construction in excess of advance payments. Konecranes aims to continue a strict policy in these regards.

Currency rate fluctuations have increased and may significantly affect the company's performance. The USD/EUR exchange rate has the largest impact on financial performance through a combination of the translational effect and transactional exposure.

Future prospects

Konecranes reiterates the previous guidance for the year 2010 for sales and operating profit, but changes the Equipment demand outlook as a result of improved market situation. The new guidance is:

The demand for maintenance services is supported by higher capacity utilization within customer industries. The improved industrial production and container handling volumes have increased customers' willingness to invest in new equipment too, but the decision-making is still conditional on the sustainability of economic growth. Price competition is likely to remain.

Growing demand will support our sales and profitability already during the second half of 2010. However, due to the low first half year sales we expect full year 2010 sales to be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs.

The previous statement on future prospects from April 28, 2010 was:

"Konecranes expects the market uncertainty to continue. However, the demand outlook for maintenance services has improved as a result of higher capacity utilization within customer industries. The demand for new equipment is expected to remain generally on a low level, and to suffer because of overcapacity at customers. Price competition is likely to remain. A high degree of fluctuation between quarters may continue due to the timing of orders.

Due to the lower order book compared to a year ago, our forecast is that sales in 2010 will be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs."

Helsinki, July 22, 2010
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. As of January 1, 2010 Konecranes applied one amended standard: IFRS 3, Business Combinations (Revised). In revised IFRS 3 the acquisition-related costs will be expensed through statement of income at time that such services are received. This is a significant difference from former practice in which such costs were included in the cost of the business combination and therefore included in the calculation of goodwill. The other year 2010 standards will have immaterial impact on future financial statements.

Konecranes is introducing also new reporting segments. From the beginning of 2010, Konecranes will report two Business Areas: Service and Equipment. Previously the number of reporting segments was three: Service, Standard Lifting and Heavy Lifting. More information than before will be provided for each segment, and the allocation of Group costs into the segments has been redefined to improve transparency. The comparison figures in year 2009 have been changed accordingly.

Otherwise Konecranes applies the same accounting policies as were applied in the 2009 annual financial statements.

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	4-6/2010	4-6/2009	1-6/2010	1-6/2009	Change %	1-12/2009
Sales	**377.0**	**431.6**	**683.3**	**873.7**	-21.8	**1,671.3**
Other operating income	0.8	0.8	1.6	1.5		2.9
Depreciation and impairments	-8.0	-6.5	-15.3	-13.3		-32.5
Other operating expenses	-349.0	-397.0	-637.3	-796.2		-1,543.8
Operating profit	**20.7**	**28.8**	**32.3**	**65.6**	-50.8	**97.9**
Share of associates' and joint ventures' result	0.9	-1.4	1.1	-1.4		-2.2
Financial income and expenses	-0.9	0.0	-0.2	-1.4		-7.1
Profit before taxes	**20.8**	**27.4**	**33.2**	**62.8**	-47.1	**88.6**
Taxes	-6.2	-7.8	-9.9	-17.9		-26.1
NET PROFIT FOR THE PERIOD	**14.5**	**19.6**	**23.3**	**44.9**	-48.1	**62.5**
Net profit for the period attributable to:						
Shareholders of the parent company	15.1	19.8	24.0	45.2		63.6
Minority interest	-0.5	-0.2	-0.7	-0.3		-1.1
Earnings per share, basic (EUR)	0.26	0.33	0.41	0.77	-46.8	1.08
Earnings per share, diluted (EUR)	0.25	0.33	0.41	0.76	-47.0	1.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/2010	4-6/2009	1-6/2010	1-6/2009	Change %	1-12/2009
Net profit for the period	**14.5**	**19.6**	**23.3**	**44.9**	-48.1	**62.5**
Other comprehensive income for the period, net of tax						
Exchange differences on translating foreign operations	17.2	-4.9	29.0	0.2		-1.1
Cash flow hedges	-2.2	2.4	-6.3	2.2		1.9
Income tax relating to components of						
Other comprehensive income	0.6	-0.6	1.6	-0.6		-0.5
Other comprehensive income for the period, net of tax	**15.6**	**-3.1**	**24.4**	**1.8**		**0.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**30.1**	**16.5**	**47.7**	**46.7**	2.1	**62.8**
Total comprehensive income attributable to:						
Shareholders of the parent company	30.5	16.7	47.9	47.1		64.0
Minority interest	-0.4	-0.2	-0.3	-0.4		-1.2

Consolidated balance sheet

EUR million ASSETS	30.6.2010	30.6.2009	31.12.2009
Non-current assets			
Goodwill	73.9	59.5	71.5
Intangible assets	65.3	61.1	65.8
Property, plant and equipment	99.4	75.5	91.3
Advance payments and construction in progress	15.9	10.1	11.8
Investments accounted for using the equity method	32.8	8.2	4.5
Available-for-sale investments	1.6	2.0	1.8
Long-term loans receivable	3.0	2.5	2.7
Deferred tax assets	43.7	33.7	37.3
Total non-current assets	**335.7**	**252.7**	**286.7**
Current assets			
Inventories			
Raw material and semi-manufactured goods	120.5	156.2	125.0
Work in progress	156.7	154.8	114.3
Advance payments	11.1	11.6	8.9
Total inventories	288.3	322.6	248.2
Accounts receivable	263.6	298.5	265.4
Loans receivable	2.6	3.9	2.9
Other receivables	27.2	25.5	23.5
Deferred assets	132.9	113.4	96.1
Cash and cash equivalents	95.1	96.9	137.5
Total current assets	**809.8**	**860.7**	**773.7**
TOTAL ASSETS	**1,145.5**	**1,113.4**	**1,060.4**

Consolidated balance sheet

EUR million EQUITY AND LIABILITIES	30.6.2010	30.6.2009	31.12.2009
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	-2.3	2.5	2.3
Translation difference	10.2	-17.1	-18.4
Paid in capital	10.3	8.7	9.0
Retained earnings	288.0	273.9	276.6
Net profit for the period	24.0	45.2	63.6
Total equity attributable to equity holders of the parent company	**399.5**	**382.6**	**402.5**
Minority interest	5.6	2.8	4.6
Total equity	**405.1**	**385.4**	**407.1**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	38.1	34.3	38.6
Other long-term liabilities	57.9	56.4	56.1
Deferred tax liabilities	17.2	18.6	18.6
Total non-current liabilities	**113.2**	**109.3**	**113.3**
Provisions	**59.3**	**42.9**	**61.1**
Current liabilities			
Interest-bearing liabilities	81.7	104.4	26.9
Advance payments received	178.4	175.2	156.7
Progress billings	11.7	21.1	18.9
Accounts payable	87.7	73.3	83.7
Other short-term liabilities (non-interest bearing)	17.5	17.6	13.8
Accruals	190.8	184.2	178.7
Total current liabilities	**567.8**	**575.9**	**478.9**
Total liabilities	**740.4**	**728.0**	**653.3**
TOTAL EQUITY AND LIABILITIES	**1,145.5**	**1,113.4**	**1,060.4**

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company				
	Share capital	Share premium account	Share issue	Cash flow hedge	Translation difference
Balance at 1 January, 2010	**30.1**	**39.3**	**0.0**	**2.3**	**-18.4**
Option exercised					
Share issue					
Dividends paid to equity holders					
Share based payments recognized against equity					
Business combinations					
Total comprehensive income				-4.7	28.6
Balance at 30 June, 2010	**30.1**	**39.3**	**0.0**	**-2.3**	**10.2**
Balance at 1 January, 2009	**30.1**	**39.3**	**0.1**	**0.9**	**-17.4**
Option exercised					
Share issue			-0.1		
Dividends paid to equity holders					
Share based payments recognized against equity					
Employee benefit scheme for executive management*					
Change of control in associated company**					
Total comprehensive income				1.6	0.3
Balance at 30 June, 2009	**30.1**	**39.3**	**0.0**	**2.5**	**-17.1**

EUR million	Equity attributable to equity holders of the parent company				
	Paid in capital	Retained earnings	Total	Minority interest	Total equity
Balance at 1 January, 2010	**9.0**	**340.2**	**402.5**	**4.6**	**407.1**
Option exercised	1.3		1.3		**1.3**
Share issue			0.0		**0.0**
Dividends paid to equity holders		-53.5	-53.5	0.5	**-53.0**
Share based payments recognized against equity		1.8	1.8		**1.8**
Business combinations		-0.6	-0.6	0.8	**0.2**
Total comprehensive income		24.0	47.9	-0.3	**47.7**
Balance at 30 June, 2010	**10.3**	**312.0**	**399.5**	**5.6**	**405.1**
Balance at 1 January, 2009	**7.3**	**338.5**	**398.8**	**1.9**	**400.7**
Option exercised	1.4		1.4		**1.4**
Share issue			-0.1		**-0.1**
Dividends paid to equity holders		-53.3	-53.3		**-53.3**
Share based payments recognized against equity		1.6	1.6		**1.6**
Employee benefit scheme for executive management*		-8.4	-8.4	1.3	**-7.1**
Change of control in associated company**		-4.6	-4.6		**-4.6**
Total comprehensive income		45.2	47.1	-0.4	**46.7**
Balance at 30 June, 2009	**8.7**	**319.1**	**382.6**	**2.8**	**385.4**

* Consolidation of KCR Managment Oy (incentive arrangement for Konecranes Group executive management)

** Increase of Konecranes' influence in the management of associated company ZAO Zaporozhje Kran in Ukraine.

Consolidated cash flow statement

EUR million	1-6/2010	1-6/2009	1-12/2009
Cash flow from operating activities			
Net income	23.3	44.9	62.5
Adjustments to net income			
Taxes	9.9	17.9	26.1
Financial income and expenses	0.4	1.4	7.5
Share of associates' and joint ventures' result	-1.1	1.4	2.2
Dividend income	-0.2	0.0	-0.4
Depreciation and impairments	15.3	13.3	32.5
Profits and losses on sale of fixed assets	0.0	0.4	0.6
Other adjustments	0.9	0.0	1.8
Operating income before change in net working capital	**48.5**	**79.3**	**132.9**
Change in interest-free short-term receivables	5.9	112.1	171.8
Change in inventories	-20.3	15.0	94.9
Change in interest-free short-term liabilities	2.2	-94.0	-111.9
Change in net working capital	**-12.2**	**33.1**	**154.8**
Cash flow from operations before financing items and taxes	**36.3**	**112.4**	**287.7**
Interest received	1.4	0.5	1.2
Interest paid	-2.2	-2.9	-4.6
Other financial income and expenses	-6.1	1.2	-1.6
Income taxes paid	-35.2	-44.2	-59.6
Financing items and taxes	**-42.1**	**-45.4**	**-64.6**
Net cash from operating activities	**-5.8**	**67.0**	**223.0**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-5.2	-2.8	-12.3
Divestment of Group companies, net of cash	0.0	0.6	-0.4
Acquisition of shares in associated companies	-27.0	0.0	0.0
Investments in other shares	0.0	-0.1	-0.2
Capital expenditures	-12.9	-11.8	-29.7
Proceeds from sale of fixed assets	0.9	0.5	0.9
Dividends received	0.2	0.0	0.4
Net cash used in investing activities	**-44.0**	**-13.6**	**-41.2**
Cash flow before financing activities	**-49.8**	**53.3**	**181.8**
Cash flow from financing activities			
Proceeds from options exercised and share issues	1.1	1.3	1.7
Related Party net investment to Konecranes Plc shares	0.0	-7.1	-7.1
Proceeds from long-term borrowings	0.0	102.4	132.6
Repayments of long-term borrowings	-1.9	-177.3	-207.2
Proceeds from (+), payments of (-) short-term borrowings	46.1	80.9	-8.4
Change in long-term receivables	-0.3	-0.6	-0.9
Change in short-term receivables	0.8	-3.5	-2.6
Dividends paid to equity holders of the parent	-53.0	-53.3	-53.3
Net cash used in financing activities	**-7.3**	**-57.2**	**-145.2**
Translation differences in cash	14.7	-0.1	0.0
Change of cash and cash equivalents	**-42.4**	**-4.0**	**36.6**
Cash and cash equivalents at beginning of period	137.5	100.9	100.9
Cash and cash equivalents at end of period	95.1	96.9	137.5
Change of cash and cash equivalents	**-42.4**	**-4.0**	**36.6**

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.

Segment information

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	**1-6/2010**	% of total	**1-6/2009**	% of total	**1-12/2009**	% of total
Service [1]	298.9	42	252.0	35	498.4	35
Equipment	415.7	58	466.5	65	934.6	65
./. Internal	-29.7		-39.3		-84.1	
Total	**684.9**	**100**	**679.3**	**100**	**1,348.9**	**100**

1) Excl. Service Contract Base

Order book total [2]	**30.6.2010**	% of total	**30.6.2009**	% of total	**31.12.2009**	% of total
Service	106.5	15	93.9	14	75.9	12
Equipment	598.3	85	599.0	86	547.8	88
./. Internal	-19.5		-12.2		-16.8	
Total	**685.2**	**100**	**680.6**	**100**	**607.0**	**100**

2) Percentage of completion deducted

Sales by Business Area	**1-6/2010**	% of total	**1-6/2009**	% of total	**1-12/2009**	% of total
Service	323.2	44	339.2	36	667.2	37
Equipment	407.5	56	597.6	64	1,115.1	63
./. Internal	-47.4		-63.1		-111.1	
Total	**683.3**	**100**	**873.7**	**100**	**1,671.3**	**100**

Operating profit (EBIT) by Business Area	**1-6/2010**		**1-6/2009**		**1-12/2009**	
excluding restructuring costs	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	25.8	8.0	31.3	9.2	61.0	9.1
Equipment	17.9	4.4	47.3	7.9	76.7	6.9
Group costs and eliminations	-8.8		-11.1		-18.9	
Total	**35.0**	**5.1**	**67.5**	**7.7**	**118.8**	**7.1**

Operating profit (EBIT) by Business Area	**1-6/2010**		**1-6/2009**		**1-12/2009**	
including restructuring costs	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	25.8	8.0	30.6	9.0	58.3	8.7
Equipment	15.3	3.7	46.0	7.7	58.5	5.2
Group costs and eliminations	-8.8		-11.1		-18.9	
Total	**32.3**	**4.7**	**65.6**	**7.5**	**97.9**	**5.9**

Capital Employed and ROCE%	**1-6/2010**	**1-6/2009**	**1-12/2009**	
	MEUR	MEUR	MEUR	ROCE %
Service	151.2	156.4	130.7	43.8
Equipment	234.7	274.9	208.7	22.9
Unallocated Capital Employed	139.2	92.9	133.2	
Total	**524.9**	**524.1**	**472.6**	**19.3**

Personnel by Business Area (at the end of the period)	**30.6.2010**	% of total	**30.6.2009**	% of total	**31.12.2009**	% of total
Service	4,938	52	5,210	54	4,991	51
Equipment	4,583	48	4,429	46	4,742	48
Group staff	49	1	52	1	49	1
Total	**9,570**	**100**	**9,691**	**100**	**9,782**	**100**

Segment information

2. GEOGRAPHICAL SEGMENTS

EUR million **Sales by market**	**1-6/2010**	% of total	**1-6/2009**	% of total	**1-12/2009**	% of total
Europe-Middle East-Africa (EMEA)	362.9	53	482.7	55	928.0	56
Americas (AME)	210.4	31	254.0	29	479.5	29
Asia-Pacific (APAC)	110.0	16	137.0	16	263.8	16
Total	**683.3**	**100**	**873.7**	**100**	**1,671.3**	**100**

Personnel by region **(at the end of the period)**	**30.6.2010**	% of total	**30.6.2009**	% of total	**31.12.2009**	% of total
Europe-Middle East-Africa (EMEA)	5,431	57	5,778	60	5,533	57
Americas (AME)	2,170	23	2,410	25	2,236	23
Asia-Pacific (APAC)	1,969	21	1,503	16	2,013	21
Total	**9,570**	**100**	**9,691**	**100**	**9,782**	**100**

Notes

KEY FIGURES	30.6.2010	30.6.2009	Change %	31.12.2009
Earnings per share, basic (EUR)	0.41	0.77	-46.8	1.08
Earnings per share, diluted (EUR)	0.41	0.76	-47.0	1.08
Return on capital employed %, Rolling 12 Months (R12M)	12.7	42.7	-70.3	19.3
Return on equity %, Rolling 12 Months (R12M)	10.3	40.8	-74.8	15.5
Equity per share (EUR)	6.78	6.51	4.1	6.84
Current ratio	1.3	1.4	-7.1	1.4
Gearing %	4.7	9.1	-48.4	-19.1
Solidity %	41.9	41.1	1.9	45.1
EBITDA, EUR million	47.6	78.9	-39.7	130.4
Investments total (excl. acquisitions), EUR million	9.3	9.6	-3.6	25.7
Interest-bearing net debt, EUR million	19.0	35.5	-46.4	-77.7
Net working capital, EUR million	193.0	260.8	-26.0	138.8
Average number of personnel during the period	9,638	9,820	-1.9	9,811
Average number of shares outstanding, basic	58,885,076	59,064,201	-0.3	58,922,323
Average number of shares outstanding, diluted	59,171,039	59,134,828	0.1	59,085,936
Number of shares outstanding	58,953,824	58,771,424	0.3	58,812,624

The period end exchange rates*:	30.6.2010	30.6.2009	Change %	31.12.2009
USD - US dollar	1.226	1.410	15.0	1.441
CAD - Canadian dollar	1.281	1.617	26.2	1.513
GBP - Pound sterling	0.819	0.854	4.4	0.888
CNY - Chinese yuan	8.338	9.633	15.5	9.835
SGD - Singapore dollar	1.709	2.049	19.9	2.019
SEK - Swedish krona	9.574	10.960	14.5	10.252
NOK - Norwegian krone	7.978	9.040	13.3	8.300
AUD - Australian dollar	1.418	1.746	23.1	1.601

The period average exchange rates*:	30.6.2010	30.6.2009	Change %	31.12.2009
USD - US dollar	1.330	1.331	0.1	1.395
CAD - Canadian dollar	1.375	1.606	16.8	1.585
GBP - Pound sterling	0.872	0.895	2.7	0.891
CNY - Chinese yuan	9.078	9.093	0.2	9.529
SGD - Singapore dollar	1.858	1.987	6.9	2.024
SEK - Swedish krona	9.796	10.865	10.9	10.618
NOK - Norwegian krone	8.008	8.890	11.0	8.726
AUD - Australian dollar	1.487	1.883	26.7	1.773

*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	30.6.2010	30.6.2009	31.12.2009
For own commercial obligations			
Guarantees	365.2	212.4	212.0
Leasing liabilities			
Next year	30.4	30.4	27.7
Later on	69.8	73.1	71.3
Other	0.1	0.2	0.2
Total	**465.5**	**315.9**	**311.1**

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.

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	30.6.2010 Nominal value	30.6.2010 Fair value	30.6.2009 Nominal value	30.6.2009 Fair value	31.12.2009 Nominal value	31.12.2009 Fair value
Foreign exchange forward contracts	202.4	-5.4	196.2	4.3	129.5	2.6
Electricity derivatives	2.0	0.0	1.7	-0.3	2.1	-0.2
Total	**204.4**	**-5.4**	**197.9**	**4.0**	**131.6**	**2.5**

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.

Notes

ACQUISITIONS

During January -June, Konecranes made three small acquisitions which related to machine tool service (MTS) business in Denmark and in the United Kingdom.

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

EUR million	**30.6.2010** Recognized on acquisition	**30.6.2010** Carrying value
Intangible assets	1.2	0.0
Tangible assets	0.1	0.1
Inventories	0.1	0.1
Account receivables and other assets	0.3	0.3
Cash and bank	0.3	0.3
Total assets	**1.9**	**0.7**
Deferred tax liabilities	0.2	0.0
Accounts payable	0.1	0.1
Other liabilities	0.2	0.2
Total liabilities	**0.4**	**0.3**
Net assets	**1.5**	**0.5**
Acquisition costs	**2.5**	
Goodwill	1.1	
Cash outflow on acquisition		
Acquisition costs	2.5	
Liabilities assumed	-1.0	
Acquisition costs paid in cash	**1.5**	
Cash and cash equivalents of acquired companies	-0.3	
Net cash flow arising on acquisition	**1.2**	

Acquisition of associated company:

On March 23, 2010 Konecranes purchased 29,750 shares (22.0% of the share capital and voting rights) in the Japanese hoist, crane and material handling equipment company Kito Corporation (”Kito”). The purchase price for the shares in Kito was JPY 111,800 per share. The total value of the stake purchased amounted to approximately JPY 3.3 billion (EUR 27 million). The purchase was financed with existing cash reserves.

Furthermore, Kito repurchased 10.0% of the share capital on March 24, 2010. Post the share purchase by Konecranes and the Kito share buyback, Konecranes has approximately 24.4% of the voting rights in Kito.

Increase in ownership interest of a subsidiary:

In June 04, 2010 Konecranes finalized the agreement to increase its ownership in Japanese company MHS Konecranes Co., Ltd. to 100% by acquiring the remaining 35% stake from Meidensha Corporation. The purchase price was recognized as decrease of minority interest and retained earnings.

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Sales	**377.0**	**306.3**	**428.9**	**368.7**	**431.6**	**442.1**
Other operating income	0.8	0.8	1.1	0.4	0.8	0.7
Depreciation and impairments	-8.0	-7.3	-11.8	-7.4	-6.5	-6.8
Restructuring costs	-2.7	0.0	-5.1	-13.9	-1.9	0.0
Other operating expenses	-346.4	-288.2	-390.9	-337.7	-395.1	-399.2
Operating profit	**20.7**	**11.6**	**22.2**	**10.2**	**28.8**	**36.8**
Share of associates' and joint ventures' result	0.9	0.1	-0.2	-0.7	-1.4	0.0
Financial income and expenses	-0.9	0.7	-3.4	-2.3	0.0	-1.5
Profit before taxes	**20.8**	**12.4**	**18.6**	**7.2**	**27.4**	**35.4**
Taxes	-6.2	-3.7	-5.2	-3.0	-7.8	-10.1
Net profit for the period	**14.5**	**8.8**	**13.4**	**4.2**	**19.6**	**25.3**

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
ASSETS						
Goodwill	73.9	72.8	71.5	64.4	59.5	58.4
Intangible assets	65.3	66.5	65.8	60.5	61.1	61.3
Property, plant and equipment	99.4	96.1	91.3	76.6	75.5	72.7
Other	97.2	89.5	58.1	54.8	56.5	48.8
Total non-current assets	**335.7**	**324.9**	**286.7**	**256.3**	**252.7**	**241.2**
Inventories	288.3	271.1	248.2	303.0	322.6	356.7
Receivables and other current assets	426.4	395.5	387.9	400.5	441.3	468.3
Cash and cash equivalents	95.1	121.1	137.5	88.5	96.9	116.0
Total current assets	**809.8**	**787.8**	**773.7**	**792.1**	**860.7**	**941.0**
Total assets	**1,145.5**	**1,112.7**	**1,060.4**	**1,048.4**	**1,113.4**	**1,182.2**
EQUITY AND LIABILITIES						
Total equity	**405.1**	**373.7**	**407.1**	**389.1**	**385.4**	**379.7**
Non-current liabilities	113.2	111.8	113.3	93.5	109.3	180.4
Provisions	59.3	58.6	61.1	54.9	42.9	46.9
Advance payments received	178.4	183.4	156.7	157.3	175.2	197.1
Other current liabilities	389.5	385.3	322.2	353.6	400.6	378.2
Total liabilities	**740.4**	**739.0**	**653.3**	**659.3**	**728.0**	**802.6**
Total equity and liabilities	**1,145.5**	**1,112.7**	**1,060.4**	**1,048.4**	**1,113.4**	**1,182.2**

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Operating income before change in net working capital	29.2	19.3	36.4	17.2	35.4	43.9
Change in net working capital	-23.0	10.8	64.4	57.4	23.6	9.5
Financing items and taxes	-12.5	-29.6	-10.8	-8.4	-24.6	-20.8
Net cash from operating activities	**-6.3**	**0.5**	**89.9**	**66.2**	**34.4**	**32.6**
Cash flow from investing activities	**-9.0**	**-35.0**	**-18.4**	**-9.2**	**-8.7**	**-5.0**
Cash flow before financing activities	**-15.3**	**-34.5**	**71.5**	**57.0**	**25.7**	**27.6**
Proceeds from options exercised and share issues	0.2	0.9	0.2	0.2	0.6	0.7
Related Party net investment to Konecranes shares	0.0	0.0	0.0	0.0	-7.1	0.0
Change of interest-bearing debt	34.6	10.0	-24.1	-64.2	-36.9	38.8
Dividends paid to equity holders of the parent	-53.0	0.0	0.0	0.0	0.0	-53.3
Net cash used in financing activities	**-18.2**	**10.9**	**-23.9**	**-64.0**	**-43.4**	**-13.8**
Translation differences in cash	7.6	7.1	1.5	-1.4	-1.4	1.3
Change of cash and cash equivalents	**-26.0**	**-16.5**	**49.1**	**-8.4**	**-19.1**	**15.1**
Cash and cash equivalents at beginning of period	121.1	137.5	88.5	96.9	116.0	100.9
Cash and cash equivalents at end of period	95.1	121.1	137.5	88.5	96.9	116.0
Change of cash and cash equivalents	**-26.0**	**-16.5**	**49.1**	**-8.4**	**-19.1**	**15.1**

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service [1]	159.1	139.8	121.8	124.5	126.4	125.6
Equipment	219.6	196.2	262.2	205.9	202.6	263.9
./. Internal	-14.3	-15.4	-22.9	-22.0	-19.5	-19.8
Total	**364.4**	**320.6**	**361.1**	**308.5**	**309.6**	**369.7**

1) Excl. Service Contract Base

Order book by Business Area	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	106.5	87.7	75.9	88.1	93.9	109.1
Equipment	598.3	558.2	547.8	565.6	599.0	701.9
./. Internal	-19.5	-4.6	-16.8	-15.3	-12.2	-19.0
Total	**685.2**	**641.3**	**607.0**	**638.4**	**680.6**	**792.0**

Sales by Business Area	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	175.2	148.0	170.5	157.6	169.5	169.7
Equipment	221.6	185.8	284.0	233.5	293.0	304.6
./. Internal	-19.8	-27.6	-25.6	-22.4	-30.9	-32.2
Total	**377.0**	**306.3**	**428.9**	**368.7**	**431.6**	**442.1**

Operating profit (EBIT) by Business Area excluding restructuring costs	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	16.0	9.8	15.8	13.9	15.6	15.7
Equipment	11.9	6.0	15.4	14.0	20.5	26.8
Group costs and eliminations	-4.5	-4.3	-3.9	-3.9	-5.4	-5.7
Total	**23.4**	**11.6**	**27.3**	**24.0**	**30.7**	**36.8**

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	9.1 %	6.6 %	9.3 %	8.8 %	9.2 %	9.3 %
Equipment	5.4 %	3.3 %	5.4 %	6.0 %	7.0 %	8.8 %
Group EBIT % total	**6.2 %**	**3.8 %**	**6.4 %**	**6.5 %**	**7.1 %**	**8.3 %**

Personnel by Business Area (at the end of the period)	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	4,938	4,926	4,991	5,033	5,210	5,494
Equipment	4,583	4,586	4,742	4,334	4,429	4,317
Group staff	49	50	49	52	52	55
Total	**9,570**	**9,562**	**9,782**	**9,419**	**9,691**	**9,866**

Sales by market	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Europe-Middle East-Africa (EMEA)	189.9	173.0	244.2	201.0	236.3	246.4
Americas (AME)	123.8	86.6	113.7	111.9	121.2	132.7
Asia-Pacific (APAC)	63.3	46.7	71.1	55.7	74.0	63.0
Total	**377.0**	**306.3**	**428.9**	**368.7**	**431.6**	**442.1**

Personnel by region (at the end of the period)	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Europe-Middle East-Africa (EMEA)	5,431	5,466	5,533	5,646	5,778	5,626
Americas (AME)	2,170	2,171	2,236	2,298	2,410	2,654
Asia-Pacific (APAC)	1,969	1,925	2,013	1,475	1,503	1,586
Total	**9,570**	**9,562**	**9,782**	**9,419**	**9,691**	**9,866**

Analyst and press briefing

An analyst and press conference will be held at G.W. Sundmans' Auditorium (address Eteläranta 16) at 12.00 p.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 with the possibility to ask questions through web will begin at 12.00 p.m. at www.konecranes.com. An on-demand version of the webcast will be available on the company's website later the same day.

Next report

Konecranes' January-September 2009 interim report will be published on October 21. 2010.

KONECRANES PLC

Miikka Kinnunen
Director, Investor Relations

For further information, please contact:

Mr Pekka Lundmark.
President and CEO.
tel. +358 20 427 2000

Mr Teo Ottola.
Chief Financial Officer.
tel. +358 20 427 2040

Mr Miikka Kinnunen.
Director. Investor Relations.
tel. +358 20 427 2050

Mr Mikael Wegmüller.
Vice President.
Marketing and Communications.
tel. +358 20 427 2008

Distribution

Media
NASDAQ OMX Helsinki
www.konecranes.com

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 2009, Group sales totaled EUR 1.671 million. The Group has 9.600 employees, at 545 locations in 43 countries. Konecranes is listed on NASDAQ OMX Helsinki Ltd (symbol: KCR1V).