SOLID PERFORMANCE IN SERVICE, EQUIPMENT MARKET UNCERTAINTY CONTINUES

Financial Statements Bulletin 2013

Q4

SOLID PERFORMANCE IN SERVICE, EQUIPMENT MARKET UNCERTAINTY CONTINUES

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

FOURTH QUARTER HIGHLIGHTS

- Order intake EUR 422.2 million (423.8), -0.4 percent; Service -8.7 percent and Equipment +3.9 percent.
- Service contract base value EUR 178.2 million (177.9), +0,2 percent; +4.8 percent at comparable currency rates.
- Order book EUR 893.5 million (942.7) at year-end, -5.2 percent compared with a year before.
- Sales EUR 580.9 million (605.1), -4.0 percent; Service +3.6 percent and Equipment -9.2 percent.
- Operating profit excluding restructuring costs EUR 42.8 million (42.2), 7.4 percent (7.0) of sales.
- Restructuring costs EUR 3.1 million (5.8).
- Operating profit including restructuring costs EUR 39.7 million (36.4), 6.8 percent of sales (6.0).
- Earnings per share (diluted) EUR 0.38 (0.39).
- Net cash flow from operating activities EUR 79.6 million (84.9).
- Net debt EUR 187.3 million (181.8) and gearing 42.1 percent (39.3).

FULL-YEAR 2013 HIGHLIGHTS

- Orders received EUR 1,920.8 million (1,970.1), -2.5 percent; Service -2.6 percent and Equipment -1.5 percent.
- Sales EUR 2,099.6 million (2,171.5), -3.3 percent; Service +0.6 percent and Equipment -5.9 percent.
- Operating profit excluding restructuring costs EUR 115.5 million (138.3), 5.5 percent (6.4) of sales.
- Restructuring costs EUR 30.9 million (5.8).
- Operating profit including restructuring costs EUR 84.5 million (132.5), 4.0 percent of sales (6.1).
- Earnings per share (diluted) EUR 0.85 (1.46).
- Net cash flow from operating activities EUR 120.2 million (158.6).
- Dividend proposed by Board of Directors is EUR 1.05 (1.05) per share.

MARKET OUTLOOK

The growth in industrial production and container traffic is moderate and below the historical averages. The near-term investment outlook within manufacturing and process industries, as well as container handling, remains uncertain. However, there are certain positive macroeconomic signs in the developed world also outside the US.

FINANCIAL GUIDANCE

The order book at year-end 2013 was below the previous year, which will affect the company's sales and operating profit in the beginning of the year. Due to the market uncertainty, it is too early to estimate the full-year 2014 sales development. The ongoing restructuring actions and improving project execution are expected to have a positive impact on profitability.

KEY FIGURES

	Fourth quarter			January–December		
	10–12/2013	**10–12/2012**	**Change %**	**1–12/2013**	**1–12/2012**	**Change %**
Orders received, MEUR	422.2	423.8	-0.4	1,920.8	1,970.1	-2.5
Order book at end of period, MEUR				893.5	942.7	-5.2
Sales total, MEUR	580.9	605.1	-4.0	2,099.6	2,171.5	-3.3
EBITDA excluding restructuring costs, MEUR	52.3	52.9	-1.2	154.6	179.7	-14.0
EBITDA excluding restructuring costs, %	9.0%	8.7%		7.4%	8.3%	
Operating profit excluding restructuring costs, MEUR	42.8	42.2	1.4	115.5	138.3	-16.5
Operating margin excluding restructuring costs, %	7.4%	7.0%		5.5%	6.4%	
EBITDA, MEUR	49.9	50.0	-0.3	140.5	176.8	-20.5
EBITDA, %	8.6%	8.3%		6.7%	8.1%	
Operating profit, MEUR	39.7	36.4	9.0	84.5	132.5	-36.2
Operating margin, %	6.8%	6.0%		4.0%	6.1%	
Profit before taxes, MEUR	35.9	33.7	6.4	75.5	124.2	-39.2
Net profit for the period, MEUR	22.1	22.3	-0.9	49.4	84.8	-41.7
Earnings per share, basic, EUR	0.38	0.39	-2.3	0.85	1.47	-42.1
Earnings per share, diluted, EUR	0.38	0.39	-2.2	0.85	1.46	-42.0
Dividend per share, EUR				1.05*	1.05	0.0
Gearing, %				42.1%	39.3%	
Return on capital employed %				11.6%	18.4%	
Free cash flow, MEUR	61.8	71.2		64.0	101.6	
Average number of personnel during the period				11,987	11,917	0.6

** The Board's proposal to the AGM*

PRESIDENT AND CEO PEKKA LUNDMARK

"As expected, the fourth quarter was clearly the best quarter during the year 2013. We exceeded the previous year's operating profit despite the fact that our sales were EUR 24 million lower than a year ago. This shows that our cost programs are delivering the expected results. Also, net working capital development was good, giving a strong cash flow in the quarter. As a whole, the year 2013 did not meet our targets. We delivered an excellent annual average growth of 14 percent during the years 2003–2012, but in 2013 we saw that growth come to a halt. The full-year result was behind our expectations due to the equipment business, even though our service business result continued to improve.

Our issue is now clearly the volume. Our cost-savings programs will continue in 2014, and there is further potential in project execution and supply chain management. As our cost base is developing in the right direction, any additional volume would now give very good leverage on the bottom line. But we are, of course, not only waiting for a market recovery to give us the growth. We are making significant investments in new product development and sales management systems with an aim to continue to increase our market share regardless of the economy that drives the market size development. We have recently launched several new exiting products, and there is more in the pipeline for the year 2014."

2013 BOARD OF DIRECTORS' REPORT

MARKET REVIEW

In terms of the macroeconomic development, 2013 was very much a repetition of 2012 as the U.S. outperformed most of the other regions. American economic activity in the manufacturing sector, measured by the purchasing managers' index (PMI), expanded almost throughout the year. The momentum even improved in the second half of the year. The U.S. manufacturing capacity utilization rate was relatively stable compared with the previous year.

According to the PMI surveys, the Eurozone manufacturing activity was downbeat January–June, but expanded slightly in the second half of the year. While the second-half increase was modest, it was generally interpreted as a potential turning point as it followed a contraction of activity that lasted for two years. The manufacturing capacity utilization in the European Union was below the previous year on average. However, some signs of a small uptick could be observed towards the end of 2013.

Following a slowdown in 2012, the economic growth in emerging markets was expected to accelerate and to provide an impetus to the global economy in 2013. Purchasing managers' indexes in Brazil, Russia, India and China (BRIC countries) signaled expansion of the industrial output at the beginning of 2013. However, PMIs in the BRIC countries lost momentum by the end of first half of the year leading to downgrades in growth forecasts. The Chinese PMI data pointed again to a slow rise in manufacturing output towards the end of the year, but the signs of this in the real economy were still scarce.

Overall, the world's manufacturing sector activity, according to the aggregated JPMorgan Global Manufacturing PMI, increased modestly in 2013, but gained steam towards the end of the year.

Compared to the previous year, the demand for lifting equipment decreased on a global basis among industrial customers in 2013. Demand for process cranes was particularly weak due to the reduced investments within the mining & metals and pulp & paper industries. Geographically, demand remained on a weak level in Western Europe, China, and India. In North America, demand for industrial cranes slumped after the solid progress in 2012, while the demand for crane components remained stable. The demand development was positive in the Middle East, while it softened in Australia and South East Asia.

The global container traffic grew by about 3 percent in 2013, and the project activity with container ports was satisfactory. The orders for new automated port solutions decreased from the previous year as several new automated container terminals were already under construction. 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 industrial production growth rates. As for the largest markets, demand increased in North America whereas the European demand was stable.

The trend in steel and copper prices remained downward in 2013. After relatively stable development during the first half of the year, the EUR appreciated somewhat against the USD in the second half.

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

ORDERS RECEIVED

In 2013, the orders received fell by 2.5 percent to EUR 1,920.8 million (1,970.1). Orders received declined by 2.6 percent in Service and by 1.5 percent in Equipment. The decline in new orders was almost entirely attributable to negative currency changes. Orders received decreased in the Americas and EMEA regions, while they increased in Asia-Pacific mainly due to a large port crane order received from Indonesia in the first quarter. Acquisitions had an immaterial impact on the orders received in January–December.

The fourth quarter order intake decreased by 0.4 percent from a year before to EUR 422.2 million (423.8). Order intake fell by 8.7 percent in Service but grew by 3.9 percent in Equipment. Orders received grew in EMEA, but declined in the Americas and APAC.

ORDER BOOK

The value of the order book at year-end 2013 totaled EUR 893.5 million (942.7), which is 5.2 percent lower than at the end of 2012. The order book decreased by 12.3 percent from the third quarter when it stood at EUR 1,018.9 million. Service accounted for EUR 128.1 million (14 percent) and Equipment for EUR 765.3 million (86 percent) of the total end-December order book.

NET SALES BY REGION, MEUR

	10–12/2013	10–12/2012	1–12/2013	1–12/2012	Change percent	Change % at comparable currency rates
EMEA	266.5	289.4	979.8	1,043.7	-6.1	-5.1
AME	210.1	204.5	752.9	721.0	4.4	7.9
APAC	104.3	111.2	366.9	406.9	-9.8	-6.0
Total	**580.9**	**605.1**	**2,099.6**	**2,171.5**	**-3.3**	**-1.0**

SALES

Group sales in the full-year 2013 decreased by 3.3 percent and totaled EUR 2,099.6 million (2,171.5). Sales in Service increased by 0.6 percent but decreased in Equipment by 5.9 percent. Acquisitions had an immaterial impact on sales in January–December.

Fourth-quarter sales fell by 4.0 percent from the corresponding period in 2012 to EUR 580.9 million (605.1). Sales in Service increased by 3.6 percent but decreased in Equipment by 9.2 percent.

In 2013, the regional breakdown was as follows: EMEA 47 (48), Americas 36 (33) and APAC 17 (19) percent.

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a negative effect on the orders and sales in January–December. The reported order intake declined by 2.5 percent and by 0.1 percent at comparable currency rates. Reported sales decreased by 3.3 percent and by 1.0 percent at comparable currency rates.

In Service, the reported January–December order intake decreased by 2.6 percent but increased by 0.4 percent at comparable currencies. In Equipment, the orders decreased by 1.5 percent in reported terms, but increased by 0.5 percent at comparable currencies. Service sales grew by 0.6 percent in reported terms and by 3.6 percent at comparable currencies. In Equipment, the corresponding figures were -5.9 percent and -4.1 percent.

The currency rates continued to have a negative effect on the orders and sales in the fourth quarter in a year-on-year comparison. In the fourth quarter, the reported order intake declined by 0.4 percent, whereas the growth at comparable currencies was 3.5 percent. The reported sales decreased by 4.0 percent but were approximately unchanged at comparable currencies.

In the fourth quarter, the reported order intake in Service fell by 8.7 percent and by 4.2 percent at comparable currency rates. In Equipment, the reported order intake increased by 3.9 percent and by 7.2 percent at comparable currency rates. In Service, the reported sales increased by 3.6 percent and by 8.7 percent at comparable currency rates. The corresponding figures in Equipment sales were -9.2 percent and -5.7 percent.

FINANCIAL RESULT

The consolidated operating profit in full-year 2013 totaled EUR 84.5 million (132.5), decreasing in total by EUR 48.0 million. The operating profit includes restructuring costs of EUR 30.9 million (5.8) booked in the first, third and fourth quarter of 2013, of which EUR 12.8 million (0.0) related to the Business Area Service and EUR 16.6 million (5.8) to the Business Area Equipment. The consolidated operating margin fell to 4.0 percent (6.1). The operating margin in Service decreased to 7.6 percent (8.4), and in Equipment to 2.8 percent (5.5).

In Service, the operating profit excluding restructuring improved due to the higher volume and the restructuring actions executed in 2013. In Equipment, the operating margin was burdened by lower sales, adverse sales mix effects, and an intense competitive situation in addition to the restructuring costs. Furthermore, the Business Area Equipment's operating profit includes costs and provision due to project execution issues, mostly in the second quarter, which was burdened by extra costs of approximately EUR 8 million related to heavy-duty industrial crane projects.

The consolidated operating profit in the fourth quarter totaled EUR 39.7 million (36.4). The operating profit includes restructuring costs of EUR 3.1 million (5.8), of which EUR 2.0 million (0.0) related to the Business Area Service and EUR 1.1 million (5.8) to the Business Area Equipment. The consolidated operating margin in the fourth quarter rose to 6.8 percent (6.0). The operating margin in Service improved to 10.7 percent (10.0) and it was unchanged in Equipment at 4.4 percent (4.4).

Service's operating profit excluding restructuring improved due to the higher volume and the restructuring actions executed in 2013. In addition to the restructuring costs, the Equipment operating margin was affected by lower sales, adverse sales mix effects and certain extra costs related to project execution.

In 2013, the depreciation and impairments totaled EUR 56.0 million (44.4).

Goodwill of EUR 4.5 million (2.9) as well as intangible and tangible assets of EUR 12.4 million (0.0) were written off due to impairment related to the restructuring of operations. In 2013, the amortization arising from purchase price allocations for acquisitions represented EUR 8.5 million (14.8) of the depreciation and impairments.

In 2013, the share of the result of associated companies and joint ventures was EUR 3.9 million (3.8).

Net financial expenses in January–December totaled EUR 13.0 million (12.1). Net interest expenses accounted for EUR 9.1 million (10.8) of the above, and the remainder was mainly attributable to the unrealized exchange rate differences related to the hedging of future cash flows that are not included in the hedge accounting.

The January–December profit before taxes was EUR 75.5 million (124.2).

The income taxes in January–December were EUR 26.1 million (39.4). The Group's effective tax rate was 34.5 percent (31.7). The Group's tax rate increased due to goodwill impairments and not booking deferred tax assets from certain loss-making subsidiaries.

The January–December net profit was EUR 49.4 million (84.8).

In 2013, the basic earnings per share were EUR 0.85 (1.47), and diluted earnings per share were EUR 0.85 (1.46).

In 2013, the return on capital employed was 11.6 percent (18.4) and return on equity 10.9 percent (18.8).

BALANCE SHEET

The year-end 2013 consolidated balance sheet amounted to EUR 1,482.0 million (1,576.3). Total equity at the end of the reporting period was EUR 444.5 million (462.6). Total equity attributable to equity holders of the parent company at year-end 2013 was EUR 438.1 million (456.5) or EUR 7.56 per share (7.97).

Net working capital at year-end 2013 totaled EUR 289.4 million, which was EUR 45.6 million less than at the end of the third quarter and EUR 6.1 million less than at the year-end 2012. Compared to the previous year-end, net working capital fell due to lower inventories and accounts receivable.

CASH FLOW AND FINANCING

Net cash from the operating activities in full-year 2013 was EUR 120.2 million (158.6), representing EUR 2.08 per diluted share (2.76). In the fourth quarter, net cash flow from operating activities was EUR 79.6 million (84.9).

Cash flow from capital expenditures amounted to EUR -57.7 million (-59.3). Cash flow from capital expenditures in the fourth quarter was to EUR -18.2 million (-13.9).

Cash flow before financing activities was EUR 52.5 million (94.7). Cash flow before financing activities in the fourth quarter was EUR 62.1 million (69.2).

Interest-bearing net debt was EUR 187.3 million (181.8) at the end of 2013. Solidity was 34.0 percent (34.0) and gearing 42.1 percent (39.3).

The Group's liquidity remained healthy. At the end of the year 2013, cash and cash equivalents amounted to EUR 132.2 million (145.3). None of the Group's EUR 200 million committed back-up financing facility was used at the end of the period.

Konecranes paid dividends to its shareholders that amounted to EUR 60.6 million or EUR 1.05 per share in April 2013.

CAPITAL EXPENDITURE

In 2013, the capital expenditure, excluding acquisitions and joint arrangements, amounted to EUR 65.7 million (41.7). This amount consisted of investments in machinery, equipment, properties, and information technology. Capital expenditure including acquisitions and joint arrangements was EUR 80.1 million (43.3).

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, for increasing operational transparency, and improving decision-making, as well as for reducing 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 were consolidated into the new facility during 2013.

The fourth quarter capital expenditure excluding acquisitions was EUR 16.1 million (18.1) and including acquisitions was EUR 16.1 million (18.1).

ACQUISITIONS

In 2013, the capital expenditure on acquisitions and joint arrangements was EUR 14.5 million (1.6) of which 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.

In the third quarter, Konecranes acquired approximately 30.5 percent of the shares in Estonian Konesko A/S, whose main activity is manufacturing of electric motors and whose key customer is Konecranes. Prior to the acquisition, Konecranes held 19 percent of the shares in the company. Furthermore, Konecranes sold a small machine tool service business unit in Heilbronn, Germany, to the management of the unit.

PERSONNEL

In January–December, the Group employed an average of 11,987 people (11,917). On December 31, the headcount was 11,832 (12,147). At year-end 2013, the number of personnel by Business Area was as follows: Service 6,151 employees (6,119), Equipment 5,626 employees (5,973) and Group staff 55 (55). The Group had 6,246 employees (6,269) working in EMEA, 2,711 (2,724) in the Americas and 2,875 (3,154) in the APAC region.

In 2013, the Group headcount decreased by 315 due to the restructuring programs. In January, Business Area Equipment announced restructuring actions, with targeted annual cost savings of approximately EUR 10 million affecting approximately 140 employees globally. In July, Konecranes expanded actions to improve efficiency and reduce costs by approximately EUR 30 million annually. The considered actions are estimated to impact a maximum 600 people through redundancies, temporary lay-offs, and early retirement by the end of 2014.

As a company, Konecranes focuses on value-based leadership with entrepreneurial spirit. In practice, this means that well-implemented and understood values are the foundations of our operations. Trust and entrepreneurship are not only encouraged, but demanded from our leaders.

Konecranes' total service commitment is delivered by thousands of Konecranes employees around the world. To ensure the best in class service, Konecranes continued to invest, in 2013, significant financial and time resources to ensure that our employees have the best skills around the world.

As a company, we want to provide a great place to work. As proof of this, our employee satisfaction has remained on an industry high level, and participation in the employee satisfaction survey continued to be above the 85 percent level. Even in the uncertain economic environment, our employees appreciate the company culture, values, and the entrepreneurial efficiency of our organization. In our company, everyone can be an owner trough the Employee Share Saving Plan.

In 2013, the Group's personnel expenses totaled EUR 598.2 million (598.7).

BUSINESS AREAS

SERVICE

	10–12/2013	10–12/2012	1–12/2013	1–12/2012	Change percent
Orders received, MEUR	165.5	181.3	715.9	735.0	-2.6
Order book, MEUR	128.1	147.2	128.1	147.2	-12.9
Contract base value, MEUR	178.2	177.9	178.2	177.9	0.2
Net sales, MEUR	247.6	239.0	889.1	884.0	0.6
EBITDA, MEUR	30.5	27.3	89.6	87.3	2.6
EBITDA, %	12.3%	11.4%	10.1%	9.9%	
Depreciation and amortization, MEUR	-3.3	-3.5	-14.6	-12.7	14.8
Impairments, MEUR	-0.7	0.0	-7.2	0.0	
Operating profit (EBIT), MEUR	26.6	23.8	67.8	74.6	-9.1
Operating profit (EBIT), %	10.7%	10.0%	7.6%	8.4%	
Restructuring costs, MEUR	-2.0	0.0	-12.8	0.0	
Operating profit (EBIT) excluding restructuring costs, MEUR	28.6	23.8	80.6	74.6	8.0
Operating profit (EBIT) excluding restructuring costs, %	11.5%	10.0%	9.1%	8.4%	
Capital employed, MEUR	187.5	166.6	187.5	166.6	12.6
ROCE%			38.3%	41.8%	
Capital expenditure, MEUR	1.3	5.5	20.1	12.5	60.1
Personnel at the end of period	6,151	6,119	6,151	6,119	0.5

The orders in full-year 2013 totaled EUR 715.9 million (735.0), showing a decrease of 2.6 percent. However, at constant currencies, orders received grew by 0.4 percent. New orders declined in all regions. Orders in Crane Service and Parts business units grew from the previous year's level. The order book fell to EUR 128.1 million (147.2) at year-end representing a decrease of 12.9 percent.

Sales rose by 0.6 percent to EUR 889.1 million (884.0). The operating profit, excluding restructuring costs of EUR 12.8 million (0.0), was EUR 80.6 million (74.6) and the operating margin 9.1 percent (8.4). Operating profit including restructuring costs was EUR 67.8 million (74.6) and 7.6 percent of sales (8.4). The operating profit excluding restructuring costs improved due to the higher volume and the restructuring actions executed in 2013.

The fourth quarter order intake fell by 8.7 percent from the previous year and totaled EUR 165.5 million (181.3). Orders were lower than a year ago in all regions. Order intake decreased in Crane Service, but increased in Parts.

Fourth-quarter sales totaled EUR 247.6 million (239.0), representing a year-on-year increase of 3.6 percent. The fourth quarter operating profit, excluding restructuring costs of EUR 2.0 million (0.0) was EUR 28.6 million (23.8) and 11.5 percent of the sales (10.0). The fourth quarter operating profit including restructuring costs was EUR 26.6 million (23.8) and 10.7 percent of the sales (10.0). The operating profit excluding restructuring improved due to the higher volume and the restructuring actions executed in 2013.

The annual value of the contract base increased to EUR 178.2 million (177.9) at year-end 2013. At year-end 2013, the total number of items of equipment included in the maintenance contract base was 433,501 (418,560).

The number of service technicians at year-end 2013 was 3,993 (3,935), which is 58 or 1.5 percent more than at the year-end 2012.

EQUIPMENT

	10–12/2013	10–12/2012	1–12/2013	1–12/2012	Change percent
Orders received, MEUR	280.3	269.7	1,319.6	1,340.4	-1.5
Order book, MEUR	765.3	795.6	765.3	795.6	-3.8
Net sales, MEUR	364.9	401.6	1,329.2	1,412.7	-5.9
EBITDA, MEUR	22.3	27.8	71.6	109.7	-34.8
EBITDA, %	6.1%	6.9%	5.4%	7.8%	
Depreciation and amortization, MEUR	-6.1	-7.2	-24.1	-28.4	-15.2
Impairments, MEUR	0.0	-2.9	-9.7	-2.9	
Operating profit (EBIT), MEUR	16.2	17.8	37.8	78.4	-51.8
Operating profit (EBIT), %	4.4%	4.4%	2.8%	5.5%	
Restructuring costs, MEUR	-1.1	-5.8	-16.6	-5.8	
Operating profit (EBIT) excluding restructuring costs, MEUR	17.3	23.5	54.3	84.2	-35.5
Operating profit (EBIT) excluding restructuring costs, %	4.7%	5.9%	4.1%	6.0%	
Capital employed, MEUR	378.1	406.2	378.1	406.2	-6.9
ROCE%			9.6%	18.8%	
Capital expenditure, MEUR	14.8	12.6	45.6	29.1	56.6
Personnel at the end of period	5,626	5,973	5,626	5,973	-5.8

The orders in full-year 2013 totaled EUR 1,319.6 million (1,340.4), showing a decrease of 1.5 percent. Orders grew in Asia-Pacific due to a large port crane order received from Indonesia in the first quarter, but they fell in the Americas and EMEA. Orders for industrial cranes accounted for approximately 35 percent of the orders received and were lower than a year ago. Components and light lifting systems generated approximately 30 percent of the new orders and were lower than a year ago. The combined orders for port cranes and lift trucks amounted to approximately 35 percent of the orders received and were higher than a year ago. The order book decreased by 3.8 percent from the previous year to EUR 765.3 million (795.6).

Sales decreased by 5.9 percent to EUR 1,329.2 million (1,412.7). Operating profit before restructuring costs of EUR 16.6 million (5.8) was EUR 54.3 million (84.2), and the operating margin was 4.1 percent (6.0). Operating profit after restructuring costs was EUR 37.8 million (78.4) and 2.8 percent of sales (5.5). The Equipment operating margin excluding restructuring costs fell due to the lower sales, adverse sales mix effects, and intense competitive situation. In addition, the Business Area Equipment's operating profit includes costs and provision due to project execution issues, mostly in the second quarter, which was burdened by extra costs of approximately EUR 8 million related to heavy-duty industrial crane projects.

The fourth quarter order intake rose by 3.9 percent and totaled EUR 280.3 million (269.7). The fourth quarter order intake increased in EMEA and the Americas, but fell in APAC. Compared to a year ago, orders for industrial cranes and lift trucks grew, while orders for components, light lifting systems, and port cranes fell.

The fourth quarter sales totaled EUR 364.9 million (401.6) and were 9.2 percent lower than a year ago. The fourth quarter operating profit, before restructuring costs of EUR 1.1 million (5.8) was EUR 17.3 million (23.5), and the operating margin 4.7 percent (5.9). The fourth quarter operating profit including restructuring costs was EUR 16.2 million (17.8), and the operating margin 4.4 percent (4.4). The fourth quarter operating profit excluding restructuring costs fell due to lower volume, adverse sales mix effects and certain extra costs related to project execution.

Group overheads

Unallocated Group overhead costs in 2013 were EUR 19.4 million (20.5), representing 0.9 percent of sales (0.9).

ADMINISTRATION

Decisions of the Annual General Meeting

The Annual General Meeting of Konecranes Plc was held on March 21, 2013. The meeting approved the Company's annual accounts for the fiscal year 2012 and discharged the members of the Board of Directors and Managing Director from liability. The AGM approved the Board's proposal that a dividend of EUR 1.05 per share is paid from the distributable assets of the parent Company.

The AGM approved the proposal of the Nomination and Compensation Committee that the number of members of the Board of Directors shall be eight (8). The Board members elected at the AGM in 2013 were Mr. Svante Adde, Mr. Stig Gustavson, Mr. Tapani Järvinen, Mr. Matti Kavetvuo, Ms. Nina Kopola, Mr. Bertel Langenskiöld, Ms. Malin Persson, and Mr. Mikael Silvennoinen.

The AGM confirmed the annual compensation to the Board members as per following:

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

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

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

The AGM authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares. The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.5 percent of all the shares in the Company. The authorization is effective until the end of the next Annual General Meeting, however, no longer than until September 21, 2014. The Board of Directors did not use this authorization in 2013.

The AGM authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act. The amount of shares to be issued based on this authorization shall not exceed 6,000,000 shares, which corresponds to approximately 9.5 percent of all the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the following paragraph. The authorization is effective until the end of the next Annual General Meeting, however, no longer than until September 21, 2014. However, the authorization for incentive arrangements is valid until March 21, 2018. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2012. The Board of Directors did not use this authorization in 2013.

The AGM authorized the Board of Directors to decide on the transfer of the Company's own shares. The authorization is limited to a maximum of 6,000,000 shares, which corresponds to approximately 9.5 percent of all the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the previous paragraph. This authorization is effective until the next Annual General Meeting of Shareholders, however, no longer than until September 21, 2014. However, the authorization for incentive arrangements is valid until March 21, 2018. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2012. The Board of Directors did not use this authorization in 2013.

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

The Board of Directors is authorized to decide on the issue of new shares or on the transfer of own shares held by the Company to such participants in the Plan who, according to the terms and conditions of the Plan, are entitled to receive free shares, as well as to decide on the share issue without payment also to the Company itself. The number of new shares to be issued or own shares held by the Company to be transferred may be a maximum total number of 500,000 shares, which corresponds to 0.8 percent of all of the Company's shares. The authorization concerning the share issue is valid until March 21, 2018. This authorization is in addition to the authorizations in the previous items. This authorization replaces the authorization for the Share Savings Plan given by the Annual General Meeting 2012. The Board of Directors did not use this authorization in 2013.

The decisions are explained in more detail in the release covering the resolutions of the AGM, which is available on the company's website at www.konecranes.com.

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. Tapani Järvinen, Ms. Malin Persson and Mr. Mikael Silvennoinen as Committee members. Mr. Bertel Langenskiöld was elected Chairman of the Nomination and Compensation Committee, and Mr. Stig Gustavson, Mr. Matti Kavetvuo and Ms. Nina Kopola 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. Mr. Gustavson is deemed dependent of the company based on the Board's overall evaluation relating to his former and current positions in Konecranes combined with his substantial voting rights in the Company.

With the exception of Mr. Bertel Langenskiöld, the Board members are independent of significant shareholders of the company. Mr. Langenskiöld is not independent of significant shareholders of the company based on his current position as the Managing Director of Hartwall Capital Oy Ab. HTT KCR Holding Oy Ab holds more than 10 percent of Konecranes Plc's shares and votes. HTT KCR Holding Oy Ab is a subsidiary of Hartwall Capital Oy Ab. In addition, HTT KCR Holding Oy Ab, K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Ronnas Invest AG will in practice co-operate in matters concerning their ownership in Konecranes Plc.

Changes in the Group Management

Mr. Timo Leskinen was appointed Senior Vice President, Human Resources, and a member of the Konecranes Group Executive Board as of August 1, 2013. He is responsible for all Human Resources (competence development and administration) and Corporate Responsibility (Health, Safety and Environment) matters for Konecranes.

In December, Konecranes announced that Mr. Hannu Rusanen, Executive Vice President and Head of Business Area Equipment, is leaving the Company. The recruitment process for the new Head of Business Area Equipment is ongoing.

Other issues

At the end of the year 2013, Konecranes had a loan receivable of EUR 225,336 from the President & CEO Pekka Lundmark with the interest rate of 1.533 percent. The loan relates to a tax payment resulting from the incentive scheme directed to the President & CEO in 2006. There is a tax appeal pending against the imposed payment, and the loan is valid until the appeal is resolved.

Konecranes complies with the Finnish Corporate Governance Code 2010 approved by the Board of the Securities Market Association. Konecranes has issued a Corporate Governance Statement based on recommendation 54 of the Code, which can be reviewed on the corporate website of Konecranes at www.konecranes.com.

SHARE CAPITAL AND SHARES

The company's registered share capital totaled EUR 30.1 million on December 31, 2013 and the number of shares including treasury shares was 63,272,342.

On December 31, 2013, Konecranes Plc was in the possession of 5,444,262 own shares, which corresponds to 8.6 percent of the total number of shares having a market value of EUR 140.8 million on that date.

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

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–December, 536,770 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009A and 2009B.

At end-December 2013, Konecranes Plc's stock options 2009 entitled the holders to subscribe to a total of 1,486,891 shares. The option programs include approximately 200 key persons.

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

PERFORMANCE SHARE PLAN

The Board of Directors resolved to amend the performance share plan launched in 2012 so that the two three-year discretionary periods, 2013–2015 and 2014–2016, will follow the discretionary periods started in 2012. The performance criterion for the discretionary period 2013–2015 is the cumulative Earnings per Share (EPS) of the fiscal years 2013–2015.

The target group of the plan consists of approximately 150 people during the discretionary period 2013–2015. The rewards to be paid on the basis of the discretionary period correspond to the value of an approximate maximum total number of 700,000 Konecranes Plc shares. If the targets determined by the Board of Directors are achieved, the reward payout may be a half of the maximum reward. The maximum reward payout requires that the targets are clearly exceeded.

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 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 was EUR 25.86 on December 31, 2013. The volume-weighted average share price in January–December was EUR 25.30, the highest price being EUR 28.89 in February and the lowest EUR 20.45 in June. In January–December, the trading volume on the NASDAQ OMX Helsinki totaled 51.6 million of Konecranes Plc's shares, corresponding to a turnover of approximately EUR 1,305.6 million. The average daily trading volume was 206,413 shares, representing an average daily turnover of EUR 5.2 million.

In addition, approximately 53.5 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in 2013 according to Fidessa.

On December 31, 2013, the total market capitalization of Konecranes Plc's shares on the NASDAQ OMX Helsinki was EUR 1,636 million including treasury shares. The market capitalization was EUR 1,495 million excluding the treasury shares.

FLAGGING NOTIFICATIONS AND OTHER ANNOUNCEMENTS BY SHAREHOLDERS

No flagging notifications or other disclosures concerning changes in holdings were received in 2013.

RESEARCH AND DEVELOPMENT

In 2013, Konecranes' research and product development expenditure totaled EUR 25.6 (25.8) million, representing 1.2 (1.2) percent of sales. R&D expenditure includes product development projects aimed at improving the quality and cost efficiency of both products and services.

In 2013, the main focus for the company's R&D activities was developing its service and equipment offering to enable real-time visibility to equipment and advanced predictive maintenance. In addition, work on Konecranes' offering for emerging markets continued.

In 2013, the scope of TRUCONNECT® Remote Services was broadened, and the equipment base under remote monitoring and service grew rapidly. Analysis of the data collected and making efficient use of it were important topics for further development.

Konecranes launched Agilon, an innovative solution for materials management in manufacturing. Agilon is a patented materials inventory and management system that quickly and automatically stores, picks, and replenishes items weighing up to 25 kg, with a robot handling both the components transfer and refill orders. Agilon is currently available in Finland.

The CXT NEO crane, a high-technology crane package developed especially for the developed markets, was introduced. The CXT NEO crane package includes various advanced features and TRUCONNECT remote monitoring equipment as standard. The development of the CXT NEO crane's intelligent features will continue, and it will be brought from the current markets, Germany and Switzerland, into new geographical areas.

Konecranes introduced its Automated RTG system (ARTG) to the container handling industry. The system is built around Konecranes' market-leading 16-wheel RTG, including a complete package of truck guidance infrastructure, a Remote Operating Station with a specially developed Graphical User Interface (GUI), and an IT system that interfaces with the customer's Terminal Operating System (TOS). The system provides RTG terminal operators an incremental opportunity towards automation by upgrading existing yard infrastructure.

CORPORATE RESPONSIBILITY

During 2013, Konecranes continued the improvement and harmonization of global occupational safety requirements and instructions. Proactive safety management continued to show as a rise in the number of safety observations and near hit reports made by Konecranes' personnel during 2013.

The response rate to Employee Satisfaction Survey 2013 stayed approximately at the previous year's level at 85 percent. When compared to benchmark data, the results continued to be positive.

The roll-out of environmental e-learning that outlines the fundamentals of Konecranes' environmental aspects and how to manage the environmental impacts continued. Several Konecranes units continued or established energy efficiency programs which targeted lowering the use of different forms of energy.

The roll-out of the internal Code of Conduct online training continued, and the completion rate at the end of 2013 was approximately 90 percent.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 30, 29,441 treasury shares were transferred to the subscribers pursuant to the Konecranes Plc's stock options 2009A. After the subscription and delivery of the shares, Konecranes Plc holds 5,414,821 treasury shares Stock options issued under Konecranes Plc's ongoing stock option plans entitle their holders to subscribe for a total of 1,457,450 shares.

RISKS AND UNCERTAINTIES

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 credit losses or the need for higher provisions for doubtful accounts.

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

One of the key strategic initiatives of Konecranes is oneKONECRANES. This involves major capital expenditure for information systems. A failure to extract business benefits from the new processes and systems may lead to an impairment of assets or decrease in profitability.

Konecranes delivers projects in its Industrial Crane Solutions and Port Cranes business units, which involve risks related to engineering and project execution, for example. A failure to plan or manage these projects may lead to higher-than-estimated costs or disputes with customers.

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.

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

LITIGATION

Various legal actions, claims, and other proceedings are pending against the Group in different countries. These actions, claims, and other proceedings are typical for this industry and are consistent with the 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, auto liability, and other matters involving general liability claims.

While the final outcome of these proceedings cannot be predicted with certainty, Konecranes' opinion is, 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 effect on the financial condition of the Group.

MARKET OUTLOOK

The growth in industrial production and container traffic is moderate and below the historical averages. The near-term investment outlook within manufacturing and process industries, as well as container handling, remains uncertain. However, there are certain positive macroeconomic signs in the developed world also outside the US.

FINANCIAL GUIDANCE

The order book at year-end 2013 was below the previous year, which will affect the company's sales and operating profit in the beginning of the year. Due to the market uncertainty, it is too early to estimate the full-year 2014 sales development. The ongoing restructuring actions and improving project execution are expected to have a positive impact on profitability.

BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

The parent company's non-restricted equity is EUR 203,354,966.48, the net income of which for the year is EUR 61,701,102.44. The Group's non-restricted equity is EUR 366,150,000.

According to the Finnish Companies Act, the distributable funds of the company are calculated based on the parent company's non-restricted equity. For the purpose of determining the amount of the dividend, the Board of Directors has assessed the liquidity of the parent company and the economic circumstances subsequent to the end of fiscal year.

Based on such assessments the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.05 be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity.

A pdf version of the Konecranes' full audited financial statements, including the report of the Board of Directors, will be available on the web on March 5, 2014, and the printed version during week 12.

Helsinki, February 5, 2014
Konecranes Plc
Board of Directors

Disclaimer

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

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development, and profitability,
- expectations regarding market demand for the company's products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and Konecranes' ability to achieve the set targets and synergies,
- expectations regarding competitive conditions,
- expectations regarding cost savings,
- and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions, are forward-looking statements. These statements are based on current expectations, decisions and plans, and currently known facts. Therefore, they involve risks and uncertainties, which may cause the 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,
- 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 a 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 the 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 been subject to audit.

CONSOLIDATED STATEMENT OF INCOME

EUR million	10–12/2013	10–12/2012	1–12/2013	1–12/2012	Change %
Sales	**580.9**	**605.1**	**2,099.6**	**2,171.5**	**-3.3**
Other operating income	0.1	0.6	1.6	2.3	
Depreciation and impairments	-10.2	-13.6	-56.0	-44.4	
Other operating expenses	-531.1	-555.7	-1,960.6	-1,996.9	
Operating profit	**39.7**	**36.4**	**84.5**	**132.5**	**-36.2**
Share of associates' and joint ventures' result	1.0	1.5	3.9	3.8	
Financial income and expenses	-4.8	-4.2	-13.0	-12.1	
Profit before taxes	**35.9**	**33.7**	**75.5**	**124.2**	**-39.2**
Taxes	-13.8	-11.4	-26.1	-39.4	
NET PROFIT FOR THE PERIOD	**22.1**	**22.3**	**49.4**	**84.8**	**-41.7**
Net profit for the period attributable to:					
Shareholders of the parent company	21.9	22.2	49.1	84.2	
Non-controlling interest	0.2	0.1	0.3	0.7	
Earnings per share, basic (EUR)	0.38	0.39	0.85	1.47	-42.1
Earnings per share, diluted (EUR)	0.38	0.39	0.85	1.46	-42.0

Consolidated statement of comprehensive income

EUR million	10–12/2013	10–12/2012	1–12/2013	1–12/2012	
Net profit for the period	**22.1**	**22.3**	**49.4**	**84.8**	
Items that can be reclassified into profit or loss					
Cash flow hedges	0.4	-1.2	5.0	2.0	
Exchange differences on translating foreign operations	-5.3	-4.0	-18.8	-1.1	
Income tax relating to items that can be reclassified into profit or loss	-0.1	0.3	-1.0	-0.5	
Items that cannot be reclassified into profit or loss					
Remeasurement gains (losses) on defined benefit plans	-3.8	12.5	-3.0	-11.7	
Income tax relating to items that cannot be reclassified into profit or loss	1.3	-3.1	0.9	3.1	
Other comprehensive income for the period, net of tax	**-7.5**	**4.4**	**-16.9**	**-8.1**	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**14.6**	**26.7**	**32.5**	**76.7**	
Total comprehensive income attributable to:					
Shareholders of the parent company	14.5	26.7	32.3	76.1	
Non-controlling interest	0.1	0.0	0.2	0.6	

CONSOLIDATED BALANCE SHEET

EUR million

ASSETS	**31.12.2013**	**31.12.2012**
Non-current assets		
Goodwill	101.6	112.8
Intangible assets	87.0	76.6
Property, plant and equipment	144.5	138.7
Advance payments and construction in progress	48.2	57.6
Investments accounted for using the equity method	40.4	37.5
Available-for-sale investments	1.0	0.9
Long-term loans receivable	0.2	0.2
Deferred tax assets	59.8	53.8
Total non-current assets	**482.7**	**478.2**
Current assets		
Inventories		
Raw material and semi-manufactured goods	148.6	167.1
Work in progress	161.4	180.7
Advance payments	15.5	22.0
Total inventories	325.5	369.8
Accounts receivable	368.8	442.1
Loans receivable	0.0	0.1
Other receivables	25.6	29.2
Current tax assets	10.7	11.3
Deferred assets	136.6	100.2
Cash and cash equivalents	132.2	145.3
Total current assets	**999.4**	**1,098.1**
TOTAL ASSETS	**1,482.0**	**1,576.3**

CONSOLIDATED BALANCE SHEET

EUR million

EQUITY AND LIABILITIES	31.12.2013	31.12.2012
Equity attributable to equity holders of the parent company		
Share capital	30.1	30.1
Share premium account	39.3	39.3
Fair value reserves	2.6	-1.4
Translation difference	-16.3	2.5
Paid in capital	51.0	44.8
Retained earnings	282.3	257.1
Net profit for the period	49.1	84.2
Total equity attributable to equity holders of the parent company	**438.1**	**456.5**
Non-controlling interest	6.4	6.2
Total equity	**444.5**	**462.6**
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	133.0	205.7
Other long-term liabilities	80.3	75.2
Deferred tax liabilities	18.1	22.3
Total non-current liabilities	**231.4**	**303.2**
Provisions	**47.5**	**44.5**
Current liabilities		
Interest-bearing liabilities	186.7	121.8
Advance payments received	175.2	217.2
Progress billings	5.8	2.5
Accounts payable	147.5	157.4
Other short-term liabilities (non-interest bearing)	28.7	30.2
Current tax liabilities	14.7	21.1
Accruals	200.1	215.9
Total current liabilities	**758.6**	**766.0**
Total liabilities	**1,037.5**	**1,113.6**
TOTAL EQUITY AND LIABILITIES	**1,482.0**	**1,576.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent company			
EUR million	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			4.0	-18.7
Balance at 31 December, 2013	**30.1**	**39.3**	**2.6**	**-16.3**
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			1.5	-1.0
Balance at 31 December, 2012	**30.1**	**39.3**	**-1.4**	**2.5**

	Equity attributable to equity holders of the parent company				
EUR million	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	6.2	0.0	6.2		**6.2**
Dividends paid to equity holders		-60.6	-60.6		**-60.6**
Share based payments recognized against equity		3.3	3.3		**3.3**
Acquisitions		0.5	0.5		**0.5**
Total comprehensive income		47.0	32.3	0.2	**32.5**
Balance at 31 December, 2013	**51.0**	**331.4**	**438.1**	**6.4**	**444.5**
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	1.1	0.0	1.1		**1.1**
Dividends paid to equity holders		-57.2	-57.2		**-57.2**
Share based payments recognized against equity		4.3	4.3		**4.3**
Acquisitions		-0.1	-0.1		**-0.1**
Total comprehensive income		75.5	76.1	0.6	**76.7**
Balance at 31 December, 2012	**44.8**	**341.2**	**456.5**	**6.2**	**462.6**

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1–12/2013	1–12/2012
Cash flow from operating activities		
Net income	49.4	84.8
Adjustments to net income		
Taxes	26.1	39.4
Financial income and expenses	13.0	12.1
Share of associates' and joint ventures' result	-3.9	-3.8
Dividend income	-0.1	-0.1
Depreciation and impairments	56.0	44.4
Profits and losses on sale of fixed assets	1.9	-0.1
Other adjustments	2.4	3.5
Operating income before change in net working capital	**144.8**	**180.2**
Change in interest-free short-term receivables	16.5	-4.9
Change in inventories	32.6	-19.3
Change in interest-free short-term liabilities	-21.1	52.4
Change in net working capital	**28.0**	**28.2**
Cash flow from operations before financing items and taxes	**172.8**	**208.4**
Interest received	3.7	5.9
Interest paid	-13.2	-15.1
Other financial income and expenses	1.0	-5.4
Income taxes paid	-44.1	-35.2
Financing items and taxes	**-52.6**	**-49.8**
NET CASH FROM OPERATING ACTIVITIES	**120.2**	**158.6**
Cash flow from investing activities		
Acquisition of Group companies, net of cash	-11.6	-7.1
Capital expenditures	-57.7	-59.3
Proceeds from sale of fixed assets	1.5	2.4
Dividends received	0.1	0.2
NET CASH USED IN INVESTING ACTIVITIES	**-67.8**	**-63.8**
Cash flow before financing activities	**52.5**	**94.7**
Cash flow from financing activities		
Proceeds from options exercised and share issues	6.2	1.1
Proceeds from long-term borrowings	5.0	79.8
Proceeds from (+), payments of (-) short-term borrowings	-9.8	-46.9
Change in short-term receivables	0.1	0.3
Dividends paid to equity holders of the parent	-60.6	-57.2
NET CASH USED IN FINANCING ACTIVITIES	**-59.1**	**-22.9**
Translation differences in cash	-6.5	0.0
CHANGE OF CASH AND CASH EQUIVALENTS	**-13.1**	**71.8**
Cash and cash equivalents at beginning of period	145.3	73.5
Cash and cash equivalents at end of period	132.2	145.3
CHANGE OF CASH AND CASH EQUIVALENTS	**-13.1**	**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	1–12/2013	1–12/2012
Net cash from operating activities	120.2	158.6
Capital expenditures	-57.7	-59.3
Proceeds from sale of fixed assets	1.5	2.4
Free cash flow	**64.0**	**101.6**

SEGMENT INFORMATION

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1–12/2013	% of total	1–12/2012	% of total
Service [1]	715.9	35	735.0	35
Equipment	1,319.6	65	1,340.4	65
./. Internal	-114.7		-105.2	
Total	**1,920.8**	**100**	**1,970.1**	**100**

[1] *Excl. Service Contract Base*

Order book total [2]	31.12.2013	% of total	31.12.2012	% of total
Service	128.1	14	147.2	16
Equipment	765.3	86	795.6	84
./. Internal	0.0		0.0	
Total	**893.5**	**100**	**942.7**	**100**

[2] *Percentage of completion deducted*

Sales by Business Area	1–12/2013	% of total	1–12/2012	% of total
Service	889.1	40	884.0	38
Equipment	1,329.2	60	1,412.7	62
./. Internal	-118.7		-125.3	
Total	**2,099.6**	**100**	**2,171.5**	**100**

Operating profit (EBIT) by Business Area excluding restructuring costs	1–12/2013 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	80.6	9.1	74.6	8.4
Equipment	54.3	4.1	84.2	6.0
Group costs and eliminations	-19.4		-20.5	
Total	**115.5**	**5.5**	**138.3**	**6.4**

Operating profit (EBIT) by Business Area including restructuring costs	1–12/2013 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	67.8	7.6	74.6	8.4
Equipment	37.8	2.8	78.4	5.5
Group costs and eliminations	-21.1		-20.5	
Total	**84.5**	**4.0**	**132.5**	**6.1**

SEGMENT INFORMATION

Capital Employed and ROCE%	31.12.2013 MEUR	ROCE %	31.12.2012 MEUR	ROCE %
Service	187.5	38.3	166.6	41.8
Equipment	378.1	9.6	408.8	18.8
Unallocated Capital Employed	198.6		214.5	
Total	**764.2**	**11.6**	**789.9**	**18.4**

Business segment assets	31.12.2013 MEUR	31.12.2012 MEUR
Service	359.3	353.6
Equipment	860.2	910.1
Unallocated items	262.6	312.6
Total	**1,482.0**	**1,576.3**

Business segment liabilities	31.12.2013 MEUR	31.12.2012 MEUR
Service	171.8	187.0
Equipment	482.1	501.3
Unallocated items	383.7	425.3
Total	**1,037.5**	**1,113.6**

Personnel by Business Area (at the end of the period)	31.12.2013	% of total	31.12.2012	% of total
Service	6,151	52	6,119	50
Equipment	5,626	48	5,973	49
Group staff	55	0	55	0
Total	**11,832**	**100**	**12,147**	**100**

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1–12/2013	% of total	1–12/2012	% of total
Europe-Middle East-Africa (EMEA)	979.8	47	1,043.7	48
Americas (AME)	752.9	36	721.0	33
Asia-Pacific (APAC)	366.9	17	406.9	19
Total	**2,099.6**	**100**	**2,171.5**	**100**

Personnel by region (at the end of the period)	31.12.2013	% of total	31.12.2012	% of total
Europe-Middle East-Africa (EMEA)	6,246	53	6,269	52
Americas (AME)	2,711	23	2,724	22
Asia-Pacific (APAC)	2,875	24	3,154	26
Total	**11,832**	**100**	**12,147**	**100**

NOTES

KEY FIGURES	31.12.2013	31.12.2012	Change %
Earnings per share, basic (EUR)	0.85	1.47	-42.0
Earnings per share, diluted (EUR)	0.85	1.46	-41.9
Return on capital employed %	11.6	18.4	-37.0
Return on equity %	10.9	18.8	-42.0
Equity per share (EUR)	7.56	7.97	-5.1
Current ratio	1.2	1.4	-14.3
Gearing %	42.1	39.3	7.1
Solidity %	34.0	34.0	0.0
EBITDA, EUR million	140.5	176.8	-20.5
Investments total (excl. acquisitions), EUR million	65.7	41.7	57.7
Interest-bearing net debt, EUR million	187.3	181.8	3.0
Net working capital, EUR million	289.4	295.5	-2.1
Average number of personnel during the period	11,987	11,917	0.6
Average number of shares outstanding, basic	57,683,620	57,227,652	0.8
Average number of shares outstanding, diluted	57,876,949	57,516,909	0.6
Number of shares outstanding	57,828,080	57,291,310	0.9

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*:	31.12.2013	31.12.2012	Change %
USD - US dollar	1.379	1.319	-4.3
CAD - Canadian dollar	1.467	1.314	-10.5
GBP - Pound sterling	0.834	0.816	-2.1
CNY - Chinese yuan	8.349	8.221	-1.5
SGD - Singapore dollar	1.741	1.611	-7.5
SEK - Swedish krona	8.859	8.582	-3.1
NOK - Norwegian krone	8.363	7.348	-12.1
AUD - Australian dollar	1.542	1.271	-17.6

The period average exchange rates*:	31.12.2013	31.12.2012	Change %
USD - US dollar	1.328	1.285	-3.2
CAD - Canadian dollar	1.368	1.284	-6.1
GBP - Pound sterling	0.849	0.811	-4.5
CNY - Chinese yuan	8.164	8.106	-0.7
SGD - Singapore dollar	1.662	1.605	-3.4
SEK - Swedish krona	8.649	8.702	0.6
NOK - Norwegian krone	7.802	7.475	-4.2
AUD - Australian dollar	1.377	1.240	-9.9

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

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	31.12.2013	31.12.2012
For own commercial obligations		
Guarantees	377.6	349.5
Leasing liabilities		
Next year	30.5	33.0
Later on	70.0	68.8
Other	1.7	1.4
Total	**479.8**	**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

IMPAIRMENTS

Restructuring actions and closure of certain parts of business units have lead to additional impairment testing in two business units: Port Service and Light Lifting, which includes 2012 tested CGU Suomen Teollisuusosa and CGU Konecranes Light Lifting. As a result of the testing a total of EUR 4.5 million of Goodwill was written off (Business Unit Port Service EUR 3.5 million and Business Unit Ligth Lifting EUR 1.0 million). At the same time, Intangible Assets (mainly customer relations and technology in India, Austria, UK and Morocco) were written off due to impairment by EUR 10.8 million and tangible assets by EUR 1.6 million.

FINANCIAL INSTRUMENTS

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

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

Classification of financial instruments within the IFRS 7 fair value hierarchy: level 2 for all values as of 31 December 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 the closing date's observable spot exchange rates and the quoted yield curves of the respective currencies. Interest rate swaps are measured based on present value of the cash flows, which are discounted based on the quoted yield curves.

NOTES

CARRYING AMOUNT OF FINANCIAL ASSETS AND LIABILITIES IN THE BALANCE SHEET

EUR million Financial assets 31.12.2013	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	1.0	0.0	1.0	1.0
Current financial assets						
Short-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Account and other receivables	0.0	394.4	0.0	0.0	394.4	394.4
Derivative financial instruments	12.1	0.0	0.0	0.0	12.1	12.1
Cash and cash equivalents	0.0	132.2	0.0	0.0	132.2	132.2
Total	**12.1**	**526.8**	**1.0**	**0.0**	**539.9**	**539.9**

Financial liabilities 31.12.2013						
Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	133.0	133.0	133.0
Derivative financial instruments	1.8	0.0	0.0	0.0	1.8	1.8
Other payables	0.0	0.0	0.0	2.0	2.0	2.0
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	186.7	186.7	186.7
Derivative financial instruments	5.9	0.0	0.0	0.0	5.9	5.9
Account and other payables	0.0	0.0	0.0	176.2	176.2	176.2
Total	**7.7**	**0.0**	**0.0**	**497.8**	**505.5**	**505.5**

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	**31.12.2013** Nominal value	**31.12.2013** Fair value	**31.12.2012** Nominal value	**31.12.2012** Fair value
Foreign exchange forward contracts	625.9	6.7	504.8	3.4
Currency options	0.0	0.0	19.7	0.0
Interest rate swaps	100.0	-1.8	100.0	-3.0
Electricity derivatives	2.9	-0.5	1.9	-0.2
Total	**728.8**	**4.4**	**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.

ACQUISITIONS

Konecranes completed one small acquisition in the 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.

NOTES

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

EUR million	31.12.2013 Recognized on acquisition	31.12.2013 Fair value adjustments	31.12.2013 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*	0.8		
Cash and cash equivalents in acquired companies	0.0		
Net cash flow arising on acquisition	**9.1**		
Purchase consideration:			
Purchase consideration, paid in cash	8.3		
Purchase consideration, liabilities assumed	0.0		
Contingent consideration liability	2.2		
Total purchase consideration	**10.5**		

**Transaction costs of EUR 0.8 million have been expensed and are included in other operating expenses.*

In September 2013, Konecranes acquired 30.5% of Konesko A/S in Estonia for which the previous ownership was 19%. The company has been classified and consolidated as a joint operation in 2013 (2012 restated) according to the IFRS11 standard.

DIVESTMENTS 2013

During the third quarter of 2013, Konecranes sold small Machine Tool Service business unit in Heilbronn Germany to the management of the unit. The disposal resulted a loss of 0.9 M€ to the statement of income.

QUARTERLY FIGURES

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Sales	**580.9**	**502.9**	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**
Other operating income	0.1	0.3	0.6	0.5	0.6	0.3	0.6	0.7
Depreciation and impairments	-9.5	-8.3	-11.1	-10.2	-10.7	-10.2	-10.9	-9.7
Restructuring costs	-3.1	-23.6	0.0	-4.3	-5.8	0.0	0.0	0.0
Other operating expenses	-528.7	-462.6	-492.2	-463.0	-552.9	-483.0	-517.2	-441.0
Operating profit	**39.7**	**8.8**	**17.2**	**18.8**	**36.4**	**37.0**	**35.1**	**24.0**
Share of associates' and joint ventures' result	1.0	0.6	1.7	0.6	1.5	0.1	1.7	0.6
Financial income and expenses	-4.8	-1.1	-3.1	-3.9	-4.2	0.0	-3.8	-4.1
Profit before taxes	**35.9**	**8.3**	**15.8**	**15.5**	**33.7**	**37.1**	**32.9**	**20.5**
Taxes	-13.8	-2.9	-4.7	-4.6	-11.4	-12.0	-9.8	-6.1
Net profit for the period	**22.1**	**5.3**	**11.1**	**10.9**	**22.3**	**25.0**	**23.1**	**14.4**

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Goodwill	101.6	102.3	109.1	113.3	112.8	116.2	116.0	115.8
Intangible assets	87.0	89.8	92.6	75.4	76.6	73.9	77.8	77.2
Property, plant and equipment	144.5	138.7	142.4	149.6	138.7	137.2	136.8	133.0
Other	149.5	145.4	150.2	146.4	150.0	150.9	135.3	130.7
Total non-current assets	**482.7**	**476.2**	**494.3**	**484.8**	**478.2**	**478.1**	**465.8**	**456.7**
Inventories	325.5	368.5	374.2	373.5	369.8	420.0	398.4	392.7
Receivables and other current assets	541.6	556.3	562.4	564.7	582.9	634.7	585.3	545.3
Cash and cash equivalents	132.2	101.1	107.8	217.4	145.3	112.0	167.9	108.7
Total current assets	**999.4**	**1,025.8**	**1,044.4**	**1,155.6**	**1,098.1**	**1,166.6**	**1,151.6**	**1,046.6**
Total assets	**1,482.0**	**1,502.1**	**1,538.7**	**1,640.4**	**1,576.3**	**1,644.7**	**1,617.5**	**1,503.3**

EQUITY AND LIABILITIES	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Total equity	**444.5**	**429.1**	**427.9**	**424.3**	**462.6**	**450.8**	**427.8**	**394.4**
Non-current liabilities	231.4	235.0	229.8	306.2	303.2	294.4	290.6	215.3
Provisions	47.5	45.8	42.9	46.8	44.5	48.3	48.7	50.8
Advance payments received	175.2	210.2	205.2	228.4	217.2	286.5	197.6	199.4
Other current liabilities	583.4	581.9	633.0	634.7	548.9	564.7	652.8	643.4
Total liabilities	**1,037.5**	**1,072.9**	**1,110.8**	**1,216.1**	**1,113.6**	**1,193.9**	**1,189.6**	**1,109.0**
Total equity and liabilities	**1,482.0**	**1,502.1**	**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	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Operating income before change in net working capital	50.6	35.5	28.7	30.0	51.4	47.8	46.6	34.5
Change in net working capital	36.9	16.1	-39.0	14.0	39.5	15.5	-18.3	-8.4
Financing items and taxes	-7.9	-10.9	-22.0	-11.8	-5.9	-18.3	-11.7	-14.0
Net cash from operating activities	**79.6**	**40.7**	**-32.3**	**32.2**	**84.9**	**45.0**	**16.6**	**12.0**
Cash flow from investing activities	**-17.5**	**-15.3**	**-23.6**	**-11.3**	**-15.7**	**-19.6**	**-15.6**	**-12.8**
Cash flow before financing activities	**62.1**	**25.4**	**-55.9**	**20.9**	**69.2**	**25.4**	**1.0**	**-0.8**
Proceeds from options exercised and share issues	0.3	0.1	0.8	5.1	0.4	0.3	0.4	0.0
Change of interest-bearing debt	-29.3	-28.6	9.6	43.6	-35.1	-81.1	112.8	36.6
Dividends paid to equity holders of the parent	0.0	0.0	-60.6	0.0	0.0	0.0	-57.2	0.0
Net cash used in financing activities	**-29.0**	**-28.5**	**-50.2**	**48.6**	**-34.7**	**-80.8**	**56.0**	**36.6**
Translation differences in cash	-2.0	-3.6	-3.5	2.5	-1.2	-0.5	2.3	-0.6
Change of cash and cash equivalents	**31.2**	**-6.7**	**-109.6**	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Cash and cash equivalents at beginning of period	101.1	107.8	217.4	145.3	111.8	167.7	108.7	73.5
Cash and cash equivalents at end of period	132.2	101.1	107.8	217.4	145.1	111.8	167.9	108.7
Change of cash and cash equivalents	**31.2**	**-6.7**	**-109.6**	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Free Cash Flow	**28.9**	**28.9**	**-48.3**	**21.7**	**71.2**	**26.1**	**3.7**	**0.7**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service [1)]	165.5	170.9	193.4	186.1	181.3	182.4	183.7	187.6
Equipment	280.3	276.6	339.6	423.2	269.7	303.2	395.3	372.1
./. Internal	-23.5	-34.6	-30.0	-26.6	-27.2	-27.6	-25.2	-25.2
Total	**422.2**	**412.9**	**503.0**	**582.7**	**423.8**	**458.0**	**553.7**	**534.6**

[1)] *Excl. Service Contract Base*

Order book by Business Area	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	128.1	169.9	177.7	170.0	147.2	154.9	155.6	146.7
Equipment	765.3	849.0	901.7	914.0	795.6	930.2	967.2	928.9
Total	**893.5**	**1,018.9**	**1,079.4**	**1,084.0**	**942.7**	**1,085.1**	**1,122.8**	**1,075.6**

Sales by Business Area	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	247.6	215.2	217.9	208.4	239.0	218.9	220.4	205.8
Equipment	364.9	320.3	328.2	315.9	401.6	341.6	376.1	293.4
./. Internal	-31.6	-32.5	-26.2	-28.3	-35.5	-30.7	-33.9	-25.2
Total	**580.9**	**502.9**	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Operating profit (EBIT) by Business Area excluding restructuring costs	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	28.6	20.7	15.6	15.8	23.8	20.8	17.4	12.6
Equipment	17.3	16.3	7.4	13.3	23.5	21.9	23.0	15.7
Group costs and eliminations	-3.0	-4.6	-5.8	-6.0	-5.2	-5.7	-5.3	-4.4
Total	**42.8**	**32.4**	**17.2**	**23.1**	**42.2**	**37.0**	**35.1**	**24.0**

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	11.5%	9.6%	7.2%	7.6%	10.0%	9.5%	7.9%	6.1%
Equipment	4.7%	5.1%	2.3%	4.2%	5.9%	6.4%	6.1%	5.4%
Group EBIT % total	**7.4%**	**6.4%**	**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)	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	6,151	6,219	6,221	6,241	6,119	6,114	6,060	5,981
Equipment	5,626	5,658	5,663	5,782	5,973	5,936	5,805	5,714
Group staff	55	57	57	58	55	57	59	61
Total	**11,832**	**11,934**	**11,941**	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

Sales by market	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	266.5	232.1	257.3	224.0	289.4	254.3	270.0	230.1
Americas (AME)	210.1	182.1	169.7	191.0	204.5	179.1	188.6	148.7
Asia-Pacific (APAC)	104.3	88.7	92.9	80.9	111.2	96.4	104.0	95.2
Total	**580.9**	**502.9**	**519.9**	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Personnel by region (at the end of the period)	Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	6,246	6,287	6,294	6,301	6,269	6,263	6,190	6,164
Americas (AME)	2,711	2,725	2,709	2,708	2,724	2,653	2,630	2,546
Asia-Pacific (APAC)	2,875	2,922	2,938	3,072	3,154	3,191	3,104	3,046
Total	**11,832**	**11,934**	**11,941**	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

KONECRANES GROUP 2009–2013

BUSINESS DEVELOPMENT		2013	2012	2011	2010	2009
Orders received	MEUR	1,920.8	1,970.1	1,896.1	1,536.0	1,348.9
Order book	MEUR	893.5	942.7	991.8	756.2	607.0
Net sales	MEUR	2,099.6	2,171.5	1,896.4	1,546.3	1,671.3
of which outside Finland	MEUR	2,025.1	2,081.5	1,796.6	1,457.4	1,575.1
Export from Finland	MEUR	653.7	638.9	570.7	427.2	488.4
Personnel on average		11,987	11,917	10,998	9,739	9,811
Personnel on 31 December		11,832	12,147	11,651	10,042	9,782
Capital expenditure	MEUR	65.7	41.7	32.4	22.3	25.7
as a percentage of net sales	%	3.1%	1.9%	1.7%	1.4%	1.5%
Research and development costs	MEUR	25.6	25.8	29.6	21.5	22.0
as % of net sales	%	1.2%	1.2%	1.6%	1.4%	1.3%
PROFITABILITY						
Net sales	MEUR	2,099.6	2,171.5	1,896.4	1,546.3	1,671.3
Operating profit (including restructuring costs)	MEUR	84.5	132.5	106.9	112.4	97.9
as percentage of net sales	%	4.0%	6.1%	5.6%	7.3%	5.9%
Income before taxes	MEUR	75.5	124.2	95.8	111.3	88.6
as percentage of net sales	%	3.6%	5.7%	5.1%	7.2%	5.3%
Net income (incl. non-controlling interest)	MEUR	49.4	84.8	64.9	78.2	62.5
as percentage of net sales	%	2.4%	3.9%	3.4%	5.1%	3.7%
KEY FIGURES AND BALANCE SHEET						
Equity (incl. non-controlling interest)	MEUR	444.5	462.6	435.4	456.2	407.1
Balance Sheet	MEUR	1,482.0	1,576.3	1,447.5	1,175.5	1,060.4
Return on equity	%	10.9	18.8	14.6	18.1	15.5
Return on capital employed	%	11.6	18.4	17.1	24.2	19.3
Current ratio		1.2	1.4	1.3	1.4	1.4
Solidity	%	34.0	34.0	34.2	44.7	45.1
Gearing	%	42.1	39.3	50.5	-3.8	-19.1

KONECRANES GROUP 2009–2013

SHARES IN FIGURES		2013	2012	2011	2010	2009
Earnings per share, basic	EUR	0.85	1.47	1.11	1.35	1.08
Earnings per share, diluted	EUR	0.85	1.46	1.10	1.34	1.08
Equity per share	EUR	7.56	7.97	7.52	7.64	6.84
Cash flow per share	EUR	2.08	2.77	-0.35	0.97	3.79
Dividend per share	EUR	1.05*	1.05	1.00	1.00	0.90
Dividend / earnings	%	123.4	71.4	90.1	74.1	83.3
Effective dividend yield	%	4.1	4.1	6.9	3.2	4.7
Price / earnings		30.4	17.4	13.1	22.9	17.7
Trading low / high**	EUR	20.45/28.89	14.34/26.67	13.18/34.17	19.08/32.04	10.61/22.04
Average share price**	EUR	25.30	21.39	22.83	23.84	16.66
Share price on 31 December**	EUR	25.86	25.55	14.54	30.89	19.08
Year-end market capitalization	MEUR	1,495.4	1,463.8	831.7	1,821.3	1,122.1
Number traded***	(1,000)	105,051	206,014	220,567	145,005	151,422
Stock turnover	%	181.7	359.6	385.6	245.9	257.5
Average number of shares outstanding, basic	(1,000)	57,684	57,228	58,982	58,922	58,922
Average number of shares outstanding, diluted	(1,000)	57,877	57,517	59,362	59,274	59,086
Number of shares outstanding, at end of the period	(1,000)	57,828	57,291	57,199	58,960	58,813

** The Board's proposal to the AGM*

*** Source: NASDAQ OMX Helsinki*

**** Source: Fidessa*

CALCULATION OF KEY FIGURES

Key figure	Numerator	Denominator	
Return on equity (%):	Net profit for the period	Total equity (average during the period)	X 100
Return on capital employed (%):	Income before taxes + interest paid + other financing cost	Total amount of equity and liabilities - non-interest bearing debts (average during the period)	X 100
Current ratio:	Current assets	Current liabilities	
Solidity (%):	Shareholders' equity	Total amount of equity and liabilities - advance payment received	X 100
Gearing (%):	Interest-bearing liabilities - liquid assets - loans receivable	Total equity	X 100
Earnings per share:	Net profit for the shareholders of the parent company	Average number of shares outstanding	
Earnings per share, diluted:	Net profit for the shareholders of the parent company	Average fully diluted number of shares outstanding	
Equity per share:	Equity attributable to the shareholders of the parent company	Number of shares outstanding	
Cash flow per share:	Net cash flow from operating activities	Average number of shares outstanding	
Effective dividend yield (%):	Dividend per share	Share price at the end of financial year	X 100
Price per earnings:	Share price at the end of financial year	Earnings per share	

Year-end market capitalization: Number of shares outstanding multiplied by the share price at the end of year

Average number of personnel: Calculated as average of number of personnel in quarters

Number of shares outstanding: Total number of shares - treasury shares

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at restaurant Savoy's Salikabinetti (address Eteläesplanadi 14) at 11.00 a.m., Finnish time. The 2013 financial statements 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 on January 15, 2014 for the conference call details.

NEXT REPORT

Konecranes' January–March 2014 interim report will be published on April 24, 2014.

Konecranes PLC

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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 2013, Group sales totaled EUR 2,100 million. The Group has 11,800 employees at 600 locations in 48 countries. Konecranes is listed on the NASDAQ OMX Helsinki (symbol: KCR1V).

www.konecranes.com