

Order intake, operating profit
and cash flow improved in
the second quarter

Interim Report
January–June 2014

Q2



Order intake, operating profit and cash flow improved in the second quarter

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

SECOND QUARTER HIGHLIGHTS

- Order intake EUR 523.5 million (503.0), +4.1 percent; Service -4.2 percent and Equipment +7.3 percent.
- Order book EUR 1,029.9 million (1,079.4) at end-June, 4.6 percent lower than a year ago, 9.8 percent higher than at end-March 2014.
- Sales EUR 481.6 million (519.9), -7.4 percent; Service -2.9 percent and Equipment -10.1 percent.
- Operating profit excluding restructuring costs EUR 21.6 million (17.2), 4.5 percent of sales (3.3).
- Restructuring costs EUR 0.9 million (0.0).
- Operating profit including restructuring costs EUR 20.7 million (17.2), 4.3 percent of sales (3.3).
- Earnings per share (diluted) EUR 0.20 (0.19).
- Net cash flow from operating activities EUR 42.1 million (-32.3).
- Net debt EUR 256.5 million (269.6) and gearing 64.7 percent (63.0).

MARKET OUTLOOK

The growth in industrial production and container throughput has improved to some extent. The purchasing managers' indexes are giving a reason for cautious optimism in developed countries. However, the near-term market outlook in emerging markets still remains uncertain. Continued contract base growth bodes well for the future of the service business. The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

FINANCIAL GUIDANCE

The sales in 2014 are expected to be approximately at the same level as in 2013. We expect the 2014 operating profit, excluding restructuring costs, to be approximately at the same level or to improve slightly from 2013.

JANUARY–JUNE HIGHLIGHTS

- Order intake EUR 962.8 million (1,085.7), -11.3 percent; Service -2.3 percent and Equipment -15.6 percent.
- Sales EUR 908.9 million (1,015.8), -10.5 percent; Service -3.7 percent and Equipment -14.7 percent.
- Operating profit excluding restructuring costs EUR 37.2 million (40.3), 4.1 percent of sales (4.0).
- Restructuring costs EUR 1.3 million (4.3).
- Operating profit including restructuring costs EUR 35.9 million (36.1), 4.0 percent of sales (3.5).
- Earnings per share (diluted) EUR 0.35 (0.38).
- Net cash flow from operating activities EUR 17.2 million (-0.1).

Key figures

	Second quarter			First half year			R12M	1-12/2013
	4-6/2014	4-6/2013	Change %	1-6/2014	1-6/2013	Change %		
Orders received, MEUR	523.5	503.0	4.1	962.8	1,085.7	-11.3	1,797.9	1,920.8
Order book at end of period, MEUR				1,029.9	1,079.4	-4.6		893.5
Sales total, MEUR	481.6	519.9	-7.4	908.9	1,015.8	-10.5	1,992.6	2,099.6
EBITDA excluding restructuring costs, MEUR	32.7	28.3	15.6	57.8	61.6	-6.2	150.8	154.6
EBITDA excluding restructuring costs, %	6.8%	5.4%		6.4%	6.1%		7.6%	7.4%
Operating profit excluding restructuring costs, MEUR	21.6	17.2	25.4	37.2	40.3	-7.7	112.3	115.5
Operating margin excluding restructuring costs, %	4.5%	3.3%		4.1%	4.0%		5.6%	5.5%
EBITDA, MEUR	31.9	28.3	12.5	56.5	57.6	-1.8	139.5	140.5
EBITDA, %	6.6%	5.4%		6.2%	5.7%		7.0%	6.7%
Operating profit, MEUR	20.7	17.2	20.3	35.9	36.1	-0.4	84.4	84.5
Operating margin, %	4.3%	3.3%		4.0%	3.5%		4.2%	4.0%
Profit before taxes, MEUR	17.1	15.8	8.3	29.8	31.3	-4.9	74.0	75.5
Net profit for the period, MEUR	11.7	11.1	5.6	20.4	22.0	-7.2	47.8	49.4
Earnings per share, basic, EUR	0.20	0.19	4.2	0.35	0.38	-8.3	0.82	0.85
Earnings per share, diluted, EUR	0.20	0.19	4.4	0.35	0.38	-8.1	0.82	0.85
Gearing, %				64.7%	63.0%			42.1%
Return on capital employed, %							11.3%	11.6%
Free cash flow, MEUR	30.1	-48.3		-2.5	-26.7		88.1	64.0
Average number of personnel during the period				11,879	12,056	-1.5		11,987

President and CEO Pekka Lundmark

“I am pleased with the order intake in the second quarter that clearly exceeded EUR 500 million. This was a much-needed recovery after three quarters of orders at EUR 400–450 million, which kept the delivery volumes low in the first half of 2014. Despite the fact that the sales in the second quarter were EUR 38 million lower than last year, operating profit, excluding restructuring costs, increased by EUR 4.4 million. This was due to a good project execution, higher gross margin in both service and equipment businesses, and lower fixed costs.

Even though the operating profit, excluding restructuring costs, of EUR 21.6 million improved both compared to the

second quarter last year and the first quarter this year, we are naturally not at all satisfied with the absolute amount. First, we are not going to limit our cost-reduction efforts to the already implemented measures. Still more can be done with product costs as well as fixed cost efficiency. Second, we target volume growth. The second-quarter order intake was promising, but one good quarter is not enough. The launches of several new products this year are one key tool for us to increase volume, alongside continuously strengthening efforts to improve sales management.”

Konecranes Plc

Interim report January–June 2014

MARKET REVIEW

In terms of the macroeconomic data for the first half of 2014, developed countries outperformed emerging countries. American factory output, measured by the Purchasing Managers' Index (PMI), continued in the expansive territory. The U.S. manufacturing capacity utilization rate continued to increase as well.

According to the PMI surveys in the Europe, the January–June 2014 manufacturing activity remained upbeat following the turnaround in mid-2013. The UK was the brightest spot while France fell back into contraction in the second quarter. In terms of the manufacturing capacity utilization in the European Union, there was an uptick compared to the previous year's corresponding period.

The first half-year's Purchasing Managers' Indexes were weak in the BRIC countries. PMIs in Brazil and Russia pointed to a contraction of manufacturing output, while the conditions were stable in China, and the signs of moderate growth could be observed in India.

Overall, the activity in the world's manufacturing sector, according to the aggregated JPMorgan Global Manufacturing PMI, continued to increase at moderate pace in January–June 2014.

Compared to the previous year, the demand for cranes and hoists weakened among industrial customers on a global basis. Demand for standard duty cranes and hoists held up better than the demand for heavy-duty cranes. Demand for heavy-duty cranes suffered from the low investment activity within the process industries. Demand for lift trucks continued to improve globally.

The global container traffic grew by approximately 4 percent in January–June 2014. The project activity with container ports was satisfactory. After a low number of contract awards in the first quarter, the orders placed for container handling equipment increased across the continents in the second quarter.

The demand for lifting equipment services and parts grew moderately. The demand in North America recovered after the first quarter, which was somewhat held back by the adverse weather conditions.

Compared to the previous year, the steel price was stable, while the copper price continued its downward trend in January–June 2014. The EUR strengthened moderately against the USD in the year-on-year comparison.

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 962.8 million (1,085.7), representing a decrease of 11.3 percent compared to a year ago. Orders received decreased by 2.3 percent in Service and by 15.6 percent in Equipment compared to the year before. However, Service orders grew at comparable currency rates. Orders received rose in EMEA but fell in the Americas and APAC. Acquisitions had an immaterial impact on the orders received in January–June.

The second-quarter order intake increased by 4.1 percent from a year ago and totaled EUR 523.5 million (503.0). Order intake declined in Service by 4.2 percent, while it rose in Equipment by 7.3 percent. Orders received increased in the Americas and EMEA, while they declined in Asia-Pacific.

ORDER BOOK

The value of the order book at end-June totaled EUR 1,029.9 million. The order book decreased by 4.6 percent from the last year's comparison figure of EUR 1,079.4 million, but increased by 9.8 percent from end-March 2014 when it stood at EUR 937.9 million. Service accounted for EUR 164.4 million (16 percent) and Equipment for EUR 865.5 million (84 percent) of the total end-June order book.

SALES

Group sales in January–June decreased by 10.5 percent from a year ago and totaled EUR 908.9 million (1,015.8). Sales in Service fell by 3.7 percent and in Equipment by 14.7 percent. Acquisitions had an immaterial impact on sales in the first half of 2014.

Second quarter sales fell by 7.4 percent from a year ago and totaled EUR 481.6 million (519.9). Sales in Service declined by 2.9 percent and in Equipment by 10.1 percent.

At the end-June, the regional breakdown, calculated for a rolling 12-month period, was as follows: EMEA 46 (48), Americas 36 (35) and APAC 18 (18) percent.

NET SALES BY REGION, MEUR

	4-6/2014	4-6/2013	1-6/2014	1-6/2013	Change percent	Change % at comparable currency rates	R12M	1-12/2013
EMEA	217.5	257.3	418.3	481.3	-13.1	-11.8	916.8	979.8
AME	177.4	169.7	330.6	360.7	-8.4	-3.8	722.7	752.9
APAC	86.6	92.9	160.0	173.8	-7.9	-1.8	353.1	366.9
Total	481.6	519.9	908.9	1,015.8	-10.5	-7.3	1,992.6	2,099.6

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a negative effect on the orders and sales in January–June. The reported decrease in order intake in January–June was 11.3 percent, whereas the corresponding figure at comparable currency rates was 8.4 percent. Reported sales declined by 10.5 percent and by 7.3 percent at comparable currency rates.

The reported order intake fell in Service by 2.3 percent, but rose by 2.0 percent at comparable currency rates. In Equipment, the reported order intake decreased by 15.6 percent and by 13.3 percent at comparable currency rates. The reported sales declined by 3.7 percent in Service, but rose by 0.5 percent at comparable currency rates. The corresponding figures in Equipment sales were -14.7 percent and -12.1 percent.

The currency rates continued to have a negative effect on the orders and sales in the second quarter in a year-on-year comparison. The reported order intake rose by 4.1 percent and by 7.8 percent at comparable currency rates. Reported sales declined by 7.4 percent and by 4.1 percent at comparable currency rates.

In the second quarter, the reported order intake in Service fell by 4.2 percent and by 0.1 percent at comparable currency rates. In Equipment, the reported order intake increased by 7.3 percent and by 10.7 percent at comparable currency rates. In Service, the reported sales decreased by 2.9 percent, but increased by 1.3 percent at comparable currency rates. The corresponding figures in Equipment sales were -10.1 percent and -7.3 percent.

FINANCIAL RESULT

The consolidated operating profit in January–June totaled EUR 35.9 million (36.1). Operating profit decreased by EUR 0.1 million. The consolidated operating margin rose to 4.0 percent (3.5). The operating profit includes restructuring costs of EUR 1.3 million (4.3) due to the cost savings program of EUR 30 million announced in 2013. The operating margin in Service rose to 7.8 percent (7.4), whereas in Equipment, it declined to 2.2 percent (2.6).

In the first half of 2014, operating margin in Service improved due to the higher gross margin and the restructuring actions executed in 2013. The operating margin in Equipment was affected by the sales decrease. In addition, Business Area Equipment incurred unrealized currency losses of approximately EUR 2 million due to the depreciation of the Ukrainian Hryvnia in the first quarter. On the other hand, sales mix and lower fixed costs contributed positively to the operating margin in Equipment.

The consolidated operating profit in the second quarter totaled EUR 20.7 million (17.2). The consolidated operating margin in the second quarter improved to 4.3 percent (3.3). The operating margin in Service rose to 7.5 percent (7.2) in Equipment to 3.4 percent (2.3).

In the second quarter of 2014, Business Areas Equipment incurred extra costs of approximately EUR 1 million due to the transfers of production from the factory in Ukraine. The operating profit in the second quarter of the previous year included costs of approximately EUR 8 million due to the execution issues of the mainly heavy-duty industrial crane projects.

In January–June, depreciation and impairments totaled EUR 20.6 million (21.5). The amortization arising from the purchase price allocations of acquisitions represented EUR 3.5 million of this (6.3).

In January–June, the share of the result of associated companies and joint ventures was EUR 2.5 million (2.3).

Net financial expenses in January–June totaled EUR 8.6 million (7.0). Net interest expenses were EUR 6.1 million (4.7) of this and the remainder was mainly attributable to the exchange rate differences related to cash and loans in foreign currencies.

The January–June profit before taxes was EUR 29.8 million (31.3).

Income taxes in January–June were EUR -9.4 million (-9.3). The Group's effective tax rate was 31.5 percent (29.8).

Net profit for January–June was EUR 20.4 million (22.0).

Diluted earnings per share for January–June were EUR 0.35 (0.38).

On a rolling twelve-month basis, the return on capital employed was 11.3 percent (14.1) and the return on equity 11.6 percent (16.2).

BALANCE SHEET

The consolidated balance sheet, which at end-June 2014 stood at EUR 1,512.0 million, was EUR 26.7 million less than on June 30, 2013. Total equity at the end of the report period was EUR 396.1 million (427.9). Total equity attributable to the equity holders of the parent company on June 30 was EUR 396.1 million (421.5) or EUR 6.84 per share (7.29).

Net working capital at the end of June 2014 totaled EUR 308.1 million, which was EUR 23.0 million less than at end-March, adjusted for the dividends paid in April and EUR 32.2 million less than a year ago. Compared to previous year, net working capital decreased due to the lower inventories and receivables as well as the higher advance payments received.

CASH FLOW AND FINANCING

Net cash from operating activities in January–June was EUR 17.2 million (-0.1) representing EUR 0.30 per diluted share (-0.00). Net cash from operations in the second quarter was EUR 42.1 million (-32.3).

Cash flow from capital expenditures in January–June amounted to EUR -21.4 million (-26.9). Cash flow from capital expenditures in the second quarter was EUR -13.0 million (-16.2).

Cash flow before financing activities was EUR -7.6 million (-35.0) in January–June. Cash flow before financing activities in the second quarter was EUR 25.1 million (-55.9).

Interest-bearing net debt increased to EUR 256.5 million from EUR 221.5 million at the end-March, but decreased from EUR 269.6 million a year ago. Solidity was 30.5 percent (32.1) and gearing 64.7 percent (63.0).

The Group's liquidity remained healthy. At the end of the second quarter, cash and cash equivalents amounted to EUR 149.9 million (107.8). EUR 50.0 million of Group's EUR 300.0 million committed back-up financing facilities were in use at the end of the period.

CAPITAL EXPENDITURE

January–June capital expenditure, excluding acquisitions and joint arrangements, amounted to EUR 25.5 million (33.8). This amount consisted of the investments in machines, equipment, properties, and information technology.

Capital expenditure, including acquisitions and joint arrangements, was EUR 25.5 million (44.3).

ACQUISITIONS

Capital expenditure on acquisitions and joint arrangements was EUR 0.0 million (10.5).

In June, Konecranes completed the acquisition of the remaining shares of Jiangsu Three Horses Crane Manufacture Co. Ltd. ("SANMA") and now owns 100 percent of the company. In November 2009, Konecranes announced that it had finalized the acquisition of a majority holding (65 percent) in SANMA. The acquisition is an important step for Konecranes, and SANMA will continue as one of Konecranes' power brands in China. Konecranes will also continue to develop the unit as a part of its global supply organization. The purchase price of the minority share totaled to EUR 8.3 million, which reduced equity by the same amount.

PERSONNEL

In January–June, the Group employed an average of 11,879 people (12,056). On June 30, the headcount was 11,895 (11,941). At end-June, the number of personnel by Business Area was as follows: Service 6,220 employees (6,221), Equipment 5,624 employees (5,663) and Group staff 51 (57). The Group had 6,213 employees (6,294) working in EMEA, 2,803 (2,709) in the Americas and 2,879 (2,938) in the APAC region.

Business areas

SERVICE

	4-6/2014	4-6/2013	1-6/2014	1-6/2013	Change percent	R12M	1-12/2013
Orders received, MEUR	185.3	193.4	370.7	379.5	-2.3	707.1	715.9
Order book, MEUR	164.4	177.7	164.4	177.7	-7.5		128.1
Contract base value, MEUR	186.6	185.1	186.6	185.1	0.8		178.2
Net sales, MEUR	211.6	217.9	410.6	426.3	-3.7	873.4	889.1
EBITDA, MEUR	19.7	19.5	39.3	38.8	1.2	90.0	89.6
EBITDA, %	9.3%	8.9%	9.6%	9.1%		10.3%	10.1%
Depreciation and amortization, MEUR	-3.9	-3.9	-7.5	-7.5	-0.4	-14.5	-14.6
Impairments, MEUR	0.0	0.0	0.0	0.0		-7.2	-7.2
Operating profit (EBIT), MEUR	15.9	15.6	31.8	31.3	1.5	68.3	67.8
Operating profit (EBIT), %	7.5%	7.2%	7.8%	7.4%		7.8%	7.6%
Restructuring costs, MEUR	-0.9	0.0	-1.0	0.0		-13.8	-12.8
Operating profit (EBIT) excluding restructuring costs, MEUR	16.7	15.6	32.8	31.3	4.8	82.1	80.6
Operating profit (EBIT) excluding restructuring costs, %	7.9%	7.2%	8.0%	7.4%		9.4%	9.1%
Capital employed, MEUR	193.4	191.0	193.4	191.0	1.3		187.5
ROCE%						35.5%	38.3%
Capital expenditure, MEUR	6.8	9.4	8.8	11.7	-24.3	17.2	20.1
Personnel at the end of period	6,220	6,221	6,220	6,221	0.0		6,151

January–June orders received totaled EUR 370.7 million (379.5), showing a decrease of 2.3 percent. However, at constant currencies, the orders received grew by 2.0 percent. New orders grew in EMEA but declined in the Americas and Asia-Pacific. Parts outperformed Crane Service in terms of the order intake. The order book decreased by 7.5 percent to EUR 164.4 million (177.7) from a year before, but increased by 9.9 percent from end-March 2014. Sales fell by 3.7 percent to EUR 410.6 million (426.3). Operating profit, excluding restructuring costs of EUR 1.0 million (0.0), was EUR 32.8 million (31.3) and the operating margin 8.0 percent (7.4). Operating profit including restructuring costs was EUR 31.8 million (31.3) and the operating margin 7.8 percent (7.4). The operating margin improved due to higher gross margin and the restructuring actions executed in 2013.

The second-quarter order intake decreased by 4.2 percent and totaled EUR 185.3 million (193.4). New orders declined

due to the Americas and EMEA whereas APAC posted growth. Parts orders continued to grow faster than order intake in Crane Service. The second-quarter sales totaled EUR 211.6 million (217.9), which was 2.9 percent less than a year ago. The second-quarter operating profit, excluding restructuring costs of EUR 0.9 million (0.0), was EUR 16.7 million (15.6) and the operating margin 7.9 percent (7.2). The second-quarter operating profit including restructuring costs was EUR 15.9 million (15.6) and the operating margin 7.5 percent (7.2).

The total number of equipment included in the maintenance contract base amounted to 447,730 at end-June compared to 434,219 a year before, and 439,056 at end-March 2014. The annual value of the contract base increased to EUR 186.6 million from EUR 185.1 million a year before and from EUR 182.5 million at end-March 2014.

The number of service technicians at end-June was 3,995, which is 1 person less than at the end of June 2013.

EQUIPMENT

	4-6/2014	4-6/2013	1-6/2014	1-6/2013	Change percent	R12M	1-12/2013
Orders received, MEUR	364.2	339.6	643.5	762.8	-15.6	1,200.3	1,319.6
Order book, MEUR	865.5	901.7	865.5	901.7	-4.0		765.3
Net sales, MEUR	295.2	328.2	549.5	644.1	-14.7	1,234.6	1,329.2
EBITDA, MEUR	17.1	14.5	25.1	30.3	-17.1	66.4	71.6
EBITDA, %	5.8%	4.4%	4.6%	4.7%		5.4%	5.4%
Depreciation and amortization, MEUR	-7.1	-7.1	-12.8	-13.7	-6.0	-23.3	-24.1
Impairments, MEUR	0.0	0.0	0.0	-0.2		-9.5	-9.7
Operating profit (EBIT), MEUR	10.1	7.4	12.3	16.5	-25.5	33.6	37.8
Operating profit (EBIT), %	3.4%	2.3%	2.2%	2.6%		2.7%	2.8%
Restructuring costs, MEUR	0.0	0.0	-0.3	-4.3		-12.6	-16.6
Operating profit (EBIT) excluding restructuring costs, MEUR	10.1	7.4	12.5	20.7	-39.5	46.1	54.3
Operating profit (EBIT) excluding restructuring costs, %	3.4%	2.3%	2.3%	3.2%		3.7%	4.1%
Capital employed, MEUR	382.4	420.4	382.4	420.4	-9.0		378.1
ROCE%						8.4%	9.6%
Capital expenditure, MEUR	9.5	8.6	16.7	22.1	-24.5	40.2	45.6
Personnel at the end of period	5,624	5,663	5,624	5,663	-0.7		5,626

January–June orders received totaled EUR 643.5 million (762.8), showing a decrease of 15.6 percent. Orders grew in EMEA, but fell in the Americas and APAC. 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 25 percent of the new orders and were below last year's level. The combined orders for port cranes and lift trucks amounted to approximately 40 percent of the orders received and were lower than a year ago.

The order book decreased by 4.0 percent from a year ago, but increased by 9.8 percent from the end-March 2014 to EUR 865.5 million (901.7). Sales decreased by 14.7 percent to EUR 549.5 million (644.1). The operating profit, excluding restructuring costs of EUR 0.3 million (4.3), was EUR 12.5 million (20.7) and the operating margin 2.3 percent (3.2). Operating profit including restructuring costs was EUR 12.3 million (16.5) and operating margin 2.2 percent (2.6). The Equipment operating margin was affected by the sales de-

crease. In addition, Business Area Equipment incurred unrealized currency losses of approximately EUR 2 million due to the depreciation of the Ukrainian Hryvnia in the first quarter. On the other hand, sales mix and lower fixed costs contributed positively to the operating margin in Equipment.

The second-quarter order intake grew by 7.3 percent and totaled EUR 364.2 million (339.6). Orders grew in the Americas and EMEA but fell in Asia-Pacific. In terms of the business units, orders received grew in Port Cranes and Lift Trucks. The second-quarter sales totaled EUR 295.2 million (328.2) and were 10.1 percent lower than a year ago. The second-quarter operating profit was EUR 10.1 million (7.4), and the operating margin 3.4 percent (2.3). In the second quarter of 2014, Business Areas Equipment incurred extra costs of approximately EUR 1 million due to the transfers of production from the factory in Ukraine. The operating profit in the second quarter of the previous year included costs of approximately EUR 8 million due to the execution issues of the mainly heavy-duty industrial crane projects.

Group overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR -8.2 million (-11.8) representing 0.9 percent of sales (1.2).

ADMINISTRATION

The resolutions of the Konecranes Annual General Meeting and the Board of Directors' organizing meeting have been published in the stock exchange releases dated March 27, 2014.

On June 30, 2014, Konecranes had a loan receivable of EUR 227,610 including the accrued interest 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 at the President & CEO in 2006. A tax appeal has been pending against the imposed payment. The tax appeal has been rejected and the loan will be repaid in full during the third quarter of 2014.

SHARE CAPITAL AND SHARES

On June 30, 2014, the registered share capital of the company totaled EUR 30.1 million. On June 30, 2014, the number of shares including treasury shares totaled 63,272,342. On June 30, 2014, Konecranes Plc was in possession of 5,334,621 own shares, which corresponds to 8.4 percent of the total number of shares and which, at that date, had a market value of EUR 125.8 million.

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

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–June, 109,641 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009A.

At end-June 2014, Konecranes Plc's stock options 2009 entitled the holders to subscribe to a total of 1,378,250 shares. The option programs include approximately 200 company's key persons.

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

EMPLOYEE SHARE SAVINGS PLAN

Approximately 1,600 Konecranes employees signed up for the Plan Period that commenced on July 1, 2014. 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

On June 30, 2014, the closing price for Konecranes Plc's shares on the NASDAQ OMX Helsinki was EUR 23.58. The volume-weighted average share price in January–June 2014 was EUR 24.24, the highest price being EUR 27.60 in January and the lowest EUR 21.57 in April. In January–June, the trading volume on the NASDAQ OMX Helsinki totaled 27.4 million Konecranes Plc's shares, corresponding to a turnover of approximately EUR 663.3 million. The average daily trading volume was 224,254 shares representing an average daily turnover of EUR 5.4 million.

In addition, according to Fidessa, approximately 31.7 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–June 2014.

On June 30, 2014, the total market capitalization of Konecranes Plc's shares was EUR 1,492.0 million including treasury shares. The market capitalization was EUR 1,366,2 million excluding treasury shares.

EVENTS AFTER THE END OF THE REPORTING PERIOD

In July, Konecranes and Nordic Investment Bank signed a EUR 50-million loan agreement to finance the R&D activities in 2014–2017. The seven-year-maturity loan to Konecranes' R&D program will assist the company in focusing on new business opportunities in two important areas: Industrial Internet and next generation mid-market products.

RISKS AND UNCERTAINTIES

Konecranes operates in emerging countries that entail political, economic, and regulatory uncertainties. Adverse changes in the operating environment of these countries may result in currency losses, elevated delivery costs or loss of assets. The operations in emerging countries have had a negative impact on the aging structure of accounts receivable, and may increase credit losses or the need for higher provisions for doubtful accounts.

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

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

Konecranes delivers projects in its Industrial Crane Solutions and Port Cranes business units, which involve the risks related to, for example, engineering and project execution. 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 the existing orders. Konecranes intends to avoid incurring costs of major projects under construction in excess of advance payments. However, it is possible that the cost-related commitments in some projects temporarily exceed the amount of advance payments.

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

MARKET OUTLOOK

The growth in industrial production and container throughput has improved to some extent. The purchasing managers' indexes are giving a reason for the cautious optimism in developed countries. However, the near-term market outlook in emerging markets still remains uncertain. Continued contract base growth bodes well for the future of the service business. The quarterly Equipment order intake may fluctuate due to the timing of large port crane projects.

FINANCIAL GUIDANCE

The sales in 2014 are expected to be approximately at the same level as in 2013. We expect the 2014 operating profit, excluding restructuring costs, to be approximately at the same level or to improve slightly from 2013.

Helsinki, July 23, 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 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 the pending and future acquisitions and restructurings.

Summary financial statements and notes

Accounting principles

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

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

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

Consolidated statement of income

EUR million	4-6/2014	4-6/2013	1-6/2014	1-6/2013	Change %	1-12/2013
Sales	481.6	519.9	908.9	1,015.8	-10.5	2,099.6
Other operating income	1.1	0.6	1.6	1.1		1.6
Depreciation and impairments	-11.1	-11.1	-20.6	-21.5		-56.0
Other operating expenses	-450.8	-492.2	-853.9	-959.3		-1,960.6
Operating profit	20.7	17.2	35.9	36.1	-0.4	84.5
Share of associates' and joint ventures' result	1.5	1.7	2.5	2.3		3.9
Financial income and expenses	-5.1	-3.1	-8.6	-7.0		-13.0
Profit before taxes	17.1	15.8	29.8	31.3	-4.9	75.5
Taxes	-5.4	-4.7	-9.4	-9.3		-26.1
NET PROFIT FOR THE PERIOD	11.7	11.1	20.4	22.0	-7.2	49.4
Net profit for the period attributable to:						
Shareholders of the parent company	11.6	11.1	20.2	21.9		49.1
Non-controlling interest	0.1	0.0	0.2	0.1		0.3
Earnings per share, basic (EUR)	0.20	0.19	0.35	0.38	-8.3	0.85
Earnings per share, diluted (EUR)	0.20	0.19	0.35	0.38	-8.1	0.85

Consolidated statement of comprehensive income

EUR million	4-6/2014	4-6/2013	1-6/2014	1-6/2013	1-12/2013
Net profit for the period	11.7	11.1	20.4	22.0	49.4
Items that can be reclassified into profit or loss					
Cash flow hedges	-2.1	3.5	-4.1	0.0	5.0
Exchange differences on translating foreign operations	4.7	-11.8	1.2	-3.8	-18.8
Income tax relating to items that can be reclassified into profit or loss	0.4	-0.8	0.8	0.0	-1.0
Items that cannot be reclassified into profit or loss					
Re-measurement gains (losses) on defined benefit plans	0.7	0.0	1.0	0.0	-3.0
Income tax relating to items that cannot be reclassified into profit or loss	-0.2	0.0	-0.2	0.0	0.9
Other comprehensive income for the period, net of tax	3.6	-9.2	-1.3	-3.9	-16.9
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	15.3	1.9	19.1	18.1	32.5
Total comprehensive income attributable to:					
Shareholders of the parent company	15.1	1.9	19.0	17.9	32.3
Non-controlling interest	0.2	-0.1	0.1	0.2	0.2

Consolidated balance sheet

EUR million

ASSETS	30.6.2014	30.6.2013	31.12.2013
Non-current assets			
Goodwill	102.1	109.1	101.6
Intangible assets	90.4	92.6	87.0
Property, plant and equipment	143.8	142.4	144.5
Advance payments and construction in progress	43.9	50.1	48.2
Investments accounted for using the equity method	42.8	39.4	40.4
Available-for-sale investments	1.0	0.9	1.0
Long-term loans receivable	0.0	0.2	0.2
Deferred tax assets	61.2	59.5	59.8
Total non-current assets	485.2	494.3	482.7
Current assets			
Inventories			
Raw material and semi-manufactured goods	150.2	168.6	148.6
Work in progress	192.4	174.0	161.4
Advance payments	16.2	31.7	15.5
Total inventories	358.9	374.2	325.5
Accounts receivable	347.1	374.5	368.8
Loans receivable	0.2	0.0	0.0
Other receivables	23.3	32.7	25.6
Current tax assets	14.2	16.4	10.7
Deferred assets	133.2	138.8	136.6
Cash and cash equivalents	149.9	107.8	132.2
Total current assets	1,026.8	1,044.4	999.4
TOTAL ASSETS	1,512.0	1,538.7	1,482.0

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	30.6.2014	30.6.2013	31.12.2013
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	-0.7	-1.4	2.6
Translation difference	-15.0	-1.5	-16.3
Paid in capital	52.1	50.7	51.0
Retained earnings	270.0	282.5	282.3
Net profit for the period	20.2	21.9	49.1
Total equity attributable to equity holders of the parent company	396.1	421.5	438.1
Non-controlling interest	0.1	6.3	6.4
Total equity	396.1	427.9	444.5
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	172.0	130.4	133.0
Other long-term liabilities	79.5	77.4	80.3
Deferred tax liabilities	18.3	22.0	18.1
Total non-current liabilities	269.8	229.8	231.4
Provisions	41.9	42.9	47.5
Current liabilities			
Interest-bearing liabilities	234.6	247.3	186.7
Advance payments received	213.5	205.2	175.2
Progress billings	1.5	1.9	5.8
Accounts payable	107.9	136.1	147.5
Other short-term liabilities (non-interest bearing)	31.2	35.5	28.7
Current tax liabilities	12.4	12.1	14.7
Accruals	203.0	200.1	200.1
Total current liabilities	804.1	838.2	758.6
Total liabilities	1,115.8	1,110.9	1,037.5
TOTAL EQUITY AND LIABILITIES	1,512.0	1,538.7	1,482.0

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company			
	Share capital	Share premium account	Cash flow hedges	Translation difference
Balance at 1 January, 2014	30.1	39.3	2.6	-16.3
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			-3.3	1.3
Balance at 30 June, 2014	30.1	39.3	-0.7	-15.0
Balance at 1 January, 2013	30.1	39.3	-1.4	2.5
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			0.0	-4.0
Balance at 30 June, 2013	30.1	39.3	-1.4	-1.5

EUR million	Equity attributable to equity holders of the parent company				Total equity
	Paid in capital	Retained earnings	Total	Non-controlling interest	
Balance at 1 January, 2014	51.0	331.4	438.1	6.4	444.5
Options exercised	1.1	0.0	1.1		1.1
Dividends paid to equity holders		-60.8	-60.8		-60.8
Share based payments recognized against equity		0.5	0.5		0.5
Acquisitions		-1.9	-1.9	-6.4	-8.3
Total comprehensive income		21.0	19.0	0.1	19.1
Balance at 30 June, 2014	52.1	290.2	396.1	0.1	396.1
Balance at 1 January, 2013	44.8	341.2	456.5	6.2	462.6
Options exercised	5.9	0.0	5.9		5.9
Dividends paid to equity holders		-60.6	-60.6		-60.6
Share based payments recognized against equity		1.8	1.8		1.8
Total comprehensive income		22.0	17.9	0.2	18.1
Balance at 30 June, 2013	50.7	304.4	421.5	6.3	427.9

Consolidated cash flow statement

EUR million	1-6/2014	1-6/2013	1-12/2013
Cash flow from operating activities			
Net income	20.4	22.0	49.4
Adjustments to net income			
Taxes	9.4	9.3	26.1
Financial income and expenses	8.6	7.0	13.0
Share of associates' and joint ventures' result	-2.5	-2.3	-3.9
Dividend income	0.0	0.0	-0.1
Depreciation and impairments	20.6	21.5	56.0
Profits and losses on sale of fixed assets	-0.6	-0.1	1.9
Other adjustments	-0.4	1.2	2.4
Operating income before change in net working capital	55.5	58.7	144.8
Change in interest-free short-term receivables	28.9	18.7	16.5
Change in inventories	-34.2	-3.4	32.6
Change in interest-free short-term liabilities	-11.6	-40.2	-21.1
Change in net working capital	-16.9	-25.0	28.0
Cash flow from operations before financing items and taxes	38.7	33.8	172.8
Interest received	1.3	1.7	3.7
Interest paid	-7.3	-6.5	-13.2
Other financial income and expenses	0.0	0.7	1.0
Income taxes paid	-15.3	-29.7	-44.1
Financing items and taxes	-21.4	-33.8	-52.6
NET CASH FROM OPERATING ACTIVITIES	17.2	-0.1	120.2
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-6.2	-8.3	-11.6
Divestment of Businesses, net of cash	1.2	0.0	0.0
Capital expenditures	-21.4	-26.9	-57.7
Proceeds from sale of fixed assets	1.7	0.2	1.5
Dividends received	0.0	0.0	0.1
NET CASH USED IN INVESTING ACTIVITIES	-24.8	-34.9	-67.8
Cash flow before financing activities	-7.6	-35.0	52.5
Cash flow from financing activities			
Proceeds from options exercised and share issues	1.1	5.9	6.2
Proceeds from long-term borrowings	50.0	2.2	5.0
Repayments of long-term borrowings	-10.1	0.0	0.0
Proceeds from (+), payments of (-) short-term borrowings	45.2	50.9	-9.8
Change in short-term receivables	0.0	0.0	0.1
Dividends paid to equity holders of the parent	-60.8	-60.6	-60.6
NET CASH USED IN FINANCING ACTIVITIES	25.5	-1.6	-59.1
Translation differences in cash	-0.2	-1.0	-6.5
CHANGE OF CASH AND CASH EQUIVALENTS	17.7	-37.5	-13.1
Cash and cash equivalents at beginning of period	132.2	145.3	145.3
Cash and cash equivalents at end of period	149.9	107.8	132.2
CHANGE OF CASH AND CASH EQUIVALENTS	17.7	-37.5	-13.1

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

FREE CASH FLOW

EUR million	1-6/2014	1-6/2013	1-12/2013
Net cash from operating activities	17.2	-0.1	120.2
Capital expenditures	-21.4	-26.9	-57.7
Proceeds from sale of fixed assets	1.7	0.2	1.5
Free cash flow	-2.5	-26.7	64.0

Segment information

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1-6/2014	% of total	1-6/2013	% of total	1-12/2013	% of total
Service ¹⁾	370.7	37	379.5	33	715.9	35
Equipment	643.5	63	762.8	67	1,319.6	65
./. Internal	-51.4		-56.6		-114.7	
Total	962.8	100	1,085.7	100	1,920.8	100

¹⁾ Excl. Service Contract Base

Order book total ²⁾	30.6.2014	% of total	30.6.2013	% of total	31.12.2013	% of total
Service	164.4	16	177.7	16	128.1	14
Equipment	865.5	84	901.7	84	765.3	86
./. Internal	0.0		0.0		0.0	
Total	1,029.9	100	1,079.4	100	893.5	100

²⁾ Percentage of completion deducted

Sales by Business Area	1-6/2014	% of total	1-6/2013	% of total	1-12/2013	% of total
Service	410.6	43	426.3	40	889.1	40
Equipment	549.5	57	644.1	60	1,329.2	60
./. Internal	-51.2		-54.5		-118.7	
Total	908.9	100	1,015.8	100	2,099.6	100

Operating profit (EBIT) by Business Area excluding restructuring costs	1-6/2014 MEUR	EBIT %	1-6/2013 MEUR	EBIT %	1-12/2013 MEUR	EBIT %
Service	32.8	8.0	31.3	7.4	80.6	9.1
Equipment	12.5	2.3	20.7	3.2	54.3	4.1
Group costs and eliminations	-8.2		-11.8		-19.4	
Total	37.2	4.1	40.3	4.0	115.5	5.5

Operating profit (EBIT) by Business Area including restructuring costs	1-6/2014 MEUR	EBIT %	1-6/2013 MEUR	EBIT %	1-12/2013 MEUR	EBIT %
Service	31.8	7.8	31.3	7.4	67.8	7.6
Equipment	12.3	2.2	16.5	2.6	37.8	2.8
Group costs and eliminations	-8.2		-11.8		-21.1	
Total	35.9	4.0	36.1	3.5	84.5	4.0

Segment information

Capital Employed and ROCE%	30.6.2014 MEUR	30.6.2013 MEUR	31.12.2013 MEUR	ROCE %
Service	193.4	191.0	187.5	38.3
Equipment	382.4	420.4	378.1	9.6
Unallocated Capital Employed	226.9	194.2	198.6	
Total	802.8	805.5	764.2	11.6

Business segment assets	30.6.2014 MEUR	30.6.2013 MEUR	31.12.2013 MEUR
Service	361.5	372.8	359.3
Equipment	854.0	880.5	860.2
Unallocated Capital Employed	296.5	285.4	262.6
Total	1,512.0	1,538.7	1,482.0

Business segment liabilities	30.6.2014 MEUR	30.6.2013 MEUR	31.12.2013 MEUR
Service	168.0	181.8	171.8
Equipment	471.6	460.2	482.1
Unallocated Capital Employed	476.2	468.9	383.7
Total	1,115.9	1,110.9	1,037.5

Personnel by Business Area (at the end of the period)	30.6.2014	% of total	30.6.2013	% of total	31.12.2013	% of total
Service	6,220	52	6,221	52	6,151	52
Equipment	5,624	47	5,663	47	5,626	48
Group staff	51	0	57	0	55	0
Total	11,895	100	11,941	100	11,832	100

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1-6/2014	% of total	1-6/2013	% of total	1-12/2013	% of total
Europe-Middle East-Africa (EMEA)	418.3	46	481.3	47	979.8	47
Americas (AME)	330.6	36	360.7	36	752.9	36
Asia-Pacific (APAC)	160.0	18	173.8	17	366.9	17
Total	908.9	100	1,015.8	100	2,099.6	100

Personnel by region (at the end of the period)	30.6.2014	% of total	30.6.2013	% of total	31.12.2013	% of total
Europe-Middle East-Africa (EMEA)	6,213	52	6,294	53	6,246	53
Americas (AME)	2,803	24	2,709	23	2,711	23
Asia-Pacific (APAC)	2,879	24	2,938	25	2,875	24
Total	11,895	100	11,941	100	11,832	100

Notes

KEY FIGURES	30.6.2014	30.6.2013	Change %	31.12.2013
Earnings per share, basic (EUR)	0.35	0.38	-8.3	0.85
Earnings per share, diluted (EUR)	0.35	0.38	-8.1	0.85
Return on capital employed %, Rolling 12 Months (R12M)	11.3	14.1	-19.9	11.6
Return on equity %, Rolling 12 Months (R12M)	11.6	16.2	-28.4	10.9
Equity per share (EUR)	6.84	7.29	-6.2	7.56
Current ratio	1.2	1.2	0.0	1.2
Gearing %	64.7	63.0	2.7	42.1
Solidity %	30.5	32.1	-5.0	34.0
EBITDA, EUR million	56.5	57.6	-1.8	140.5
Investments total (excl. acquisitions), EUR million	25.5	33.8	-24.5	65.7
Interest-bearing net debt, EUR million	256.5	269.6	-4.9	187.3
Net working capital, EUR million	308.1	340.3	-9.5	289.4
Average number of personnel during the period	11,879	12,056	-1.5	11,987
Average number of shares outstanding, basic	57,878,977	57,557,638	0.6	57,683,620
Average number of shares outstanding, diluted	58,023,967	57,787,923	0.4	57,876,949
Number of shares outstanding	57,937,721	57,800,620	0.2	57,828,080

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*:	27.6.2014	30.6.2013	Change %	31.12.2013
USD - US dollar	1.362	1.308	-4.0	1.379
CAD - Canadian dollar	1.456	1.371	-5.8	1.467
GBP - Pound sterling	0.800	0.857	7.2	0.834
CNY - Chinese yuan	8.469	8.028	-5.2	8.349
SGD - Singapore dollar	1.702	1.655	-2.8	1.741
SEK - Swedish krona	9.196	8.777	-4.6	8.859
NOK - Norwegian krone	8.368	7.885	-5.8	8.363
AUD - Australian dollar	1.446	1.417	-2.0	1.542

The period average exchange rates*:	27.6.2014	30.6.2013	Change %	31.12.2013
USD - US dollar	1.371	1.313	-4.2	1.328
CAD - Canadian dollar	1.504	1.334	-11.3	1.368
GBP - Pound sterling	0.822	0.851	3.6	0.849
CNY - Chinese yuan	8.451	8.130	-3.8	8.164
SGD - Singapore dollar	1.729	1.633	-5.6	1.662
SEK - Swedish krona	8.950	8.530	-4.7	8.649
NOK - Norwegian krone	8.275	7.518	-9.2	7.802
AUD - Australian dollar	1.500	1.295	-13.6	1.377

*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	30.6.2014	30.6.2013	31.12.2013
For own commercial obligations			
Guarantees	354.9	370.9	377.6
Leasing liabilities			
Next year	31.5	31.3	30.5
Later on	66.9	61.7	70.0
Other	1.3	1.2	1.7
Total	454.7	465.1	479.8

Leasing contracts comply with normal practices in the countries concerned.

Contingent liabilities relating to litigation

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

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

Notes

FINANCIAL INSTRUMENTS

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

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

Classification of financial instruments within the IFRS 7 fair value hierarchy: level 2 for all values as of 30 June 2014. There were no changes for classification within the fair value hierarchy.

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

CARRYING AMOUNT OF FINANCIAL ASSETS AND LIABILITIES IN THE BALANCE SHEET

EUR million

	Financial assets/ liabilities at fair value through income statement	Loans and receivables	Available- for-sale financial assets	Financial assets/liabili- ties measured at amortized cost	Total carrying amounts by balance sheet item	Total Fair value
Financial assets 30.6.2014						
Non-current financial assets						
Long-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Other financial assets	0.0	0.0	1.0	0.0	1.0	1.0
Current financial assets						
Short-term interest-bearing receivables	0.0	0.2	0.0	0.0	0.2	0.2
Account and other receivables	0.0	370.4	0.0	0.0	370.4	370.4
Derivative financial instruments	5.6	0.0	0.0	0.0	5.6	5.6
Cash and cash equivalents	0.0	149.9	0.0	0.0	149.9	149.9
Total	5.6	520.5	1.0	0.0	527.1	527.1

Financial liabilities 30.6.2014

Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	172.0	172.0	172.0
Derivative financial instruments	2.1	0.0	0.0	0.0	2.1	2.1
Other payables	0.0	0.0	0.0	1.9	1.9	1.9
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	234.6	234.6	234.6
Derivative financial instruments	4.6	0.0	0.0	0.0	4.6	4.6
Account and other payables	0.0	0.0	0.0	139.0	139.0	139.0
Total	6.8	0.0	0.0	547.6	554.4	554.4

Notes

EUR million	Financial assets/ liabilities at fair value through income statement	Loans and receivables	Available- for-sale financial assets	Financial assets/liabili- ties measured at amortized cost	Total carrying amounts by balance sheet item	Total Fair value
Financial assets 30.6.2013						
Non-current financial assets						
Long-term interest-bearing receivables	0.0	0.2	0.0	0.0	0.2	0.2
Other financial assets	0.0	0.0	0.9	0.0	0.9	0.9
Current financial assets						
Short-term interest-bearing receivables	0.0	0.0	0.0	0.0	0.0	0.0
Account and other receivables	0.0	407.2	0.0	0.0	407.2	407.2
Derivative financial instruments	5.0	0.0	0.0	0.0	5.0	5.0
Cash and cash equivalents	0.0	107.8	0.0	0.0	107.8	107.8
Total	5.0	515.2	0.9	0.0	521.2	521.2
Financial liabilities 30.6.2013						
Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	128.3	128.3	128.3
Derivative financial instruments	2.0	0.0	0.0	0.0	2.0	2.0
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	247.2	247.2	247.2
Derivative financial instruments	3.1	0.0	0.0	0.0	3.1	3.1
Account and other payables	0.0	0.0	0.0	171.5	171.5	171.5
Total	5.1	0.0	0.0	547.0	552.2	552.2

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	30.6.2014 Nominal value	30.6.2014 Fair value	30.6.2013 Nominal value	30.6.2013 Fair value	31.12.2013 Nominal value	31.12.2013 Fair value
Foreign exchange forward contracts	719.3	1.5	665.7	2.4	625.9	6.7
Currency options	21.8	0.0	8.8	-0.1	0.0	0.0
Interest rate swaps	100.0	-2.1	100.0	-2.0	100.0	-1.8
Electricity derivatives	2.5	-0.5	3.0	-0.4	2.9	-0.5
Total	843.6	-1.2	777.4	-0.1	728.8	4.4

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 AND DIVESTMENTS

In June Konecranes completed the acquisition of the remaining shares of Jiangsu Three Horses Crane Manufacture Co. Ltd. ("SANMA") and now owns 100 percent of the company. In November 2009, Konecranes announced that it had finalized the acquisition of a majority holding (65 percent) in SANMA. Transaction decreased Konecranes equity attributable to the equity holders of the parent company by EUR 1.9 million and the non-controlling interest by EUR 6.4 million.

In May Konecranes sold two minor service operations, one in Belgium and one in Germany. The disposal of these two operations resulted EUR 0.6 million profit reported in the other operating income of the statement of income.

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Sales	481.6	427.3	580.9	502.9	519.9	495.9
Other operating income	0.8	0.5	0.1	0.3	0.6	0.5
Depreciation and impairments	-11.1	-9.5	-9.5	-8.3	-11.1	-10.2
Restructuring costs	-0.9	-0.4	-3.1	-23.6	0.0	-4.3
Other operating expenses	-449.6	-402.7	-528.7	-462.6	-492.2	-463.0
Operating profit	20.7	15.2	39.7	8.8	17.2	18.8
Share of associates' and joint ventures' result	1.5	1.0	1.0	0.6	1.7	0.6
Financial income and expenses	-5.1	-3.5	-4.8	-1.1	-3.1	-3.9
Profit before taxes	17.1	12.7	35.9	8.3	15.8	15.5
Taxes	-5.4	-4.0	-13.8	-2.9	-4.7	-4.6
Net profit for the period	11.7	8.7	22.1	5.3	11.1	10.9

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Goodwill	102.1	102.0	101.6	102.3	109.1	113.3
Intangible assets	90.4	85.5	87.0	89.8	92.6	75.4
Property, plant and equipment	143.8	143.2	144.5	138.7	142.4	149.6
Other	148.8	148.8	149.5	145.4	150.2	146.4
Total non-current assets	485.2	479.5	482.7	476.2	494.3	484.8
Inventories	358.9	353.8	325.5	368.5	374.2	373.5
Receivables and other current assets	518.0	566.0	541.6	556.3	562.4	564.7
Cash and cash equivalents	149.9	141.5	132.2	101.1	107.8	217.4
Total current assets	1,026.8	1,061.3	999.4	1,025.8	1,044.4	1,155.6
Total assets	1,512.0	1,540.8	1,482.0	1,502.1	1,538.7	1,640.4

EQUITY AND LIABILITIES	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Total equity	396.1	388.7	444.5	429.1	427.9	424.3
Non-current liabilities	269.8	222.0	231.4	235.0	229.8	306.2
Provisions	41.9	45.7	47.5	45.8	42.9	46.8
Advance payments received	213.5	227.5	175.2	210.2	205.2	228.4
Other current liabilities	590.7	656.9	583.4	581.9	633.0	634.7
Total liabilities	1,115.9	1,152.1	1,037.5	1,072.9	1,110.8	1,216.1
Total equity and liabilities	1,512.0	1,540.8	1,482.0	1,502.1	1,538.7	1,640.4

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Operating income before change in net working capital	30.2	25.3	50.6	35.5	28.7	30.0
Change in net working capital	26.8	-43.7	36.9	16.1	-39.0	14.0
Financing items and taxes	-14.9	-6.5	-7.9	-10.9	-22.0	-11.8
Net cash from operating activities	42.1	-24.9	79.6	40.7	-32.3	32.2
Cash flow from investing activities	-17.0	-7.8	-17.5	-15.3	-23.6	-11.3
Cash flow before financing activities	25.1	-32.7	62.1	25.4	-55.9	20.9
Proceeds from options exercised and share issues	0.6	0.5	0.3	0.1	0.8	5.1
Change of interest-bearing debt	41.4	43.7	-29.3	-28.6	9.6	43.6
Dividends paid to equity holders of the parent	-60.8	0.0	0.0	0.0	-60.6	0.0
Net cash used in financing activities	-18.7	44.2	-29.0	-28.5	-50.2	48.6
Translation differences in cash	2.1	-2.3	-2.0	-3.6	-3.5	2.5
Change of cash and cash equivalents	8.5	9.2	31.2	-6.7	-109.6	72.0
Cash and cash equivalents at beginning of period	141.5	132.2	101.1	107.8	217.4	145.3
Cash and cash equivalents at end of period	149.9	141.5	132.2	101.1	107.8	217.4
Change of cash and cash equivalents	8.5	9.2	31.2	-6.7	-109.6	72.0
Free Cash Flow	29.8	-32.6	61.8	28.9	-48.3	21.7

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service ¹⁾	185.3	185.4	165.5	170.9	193.4	186.1
Equipment	364.2	279.2	280.3	276.6	339.6	423.2
./. Internal	-26.0	-25.3	-23.5	-34.6	-30.0	-26.6
Total	523.5	439.3	422.2	412.9	503.0	582.7

¹⁾ Excl. Service Contract Base

Order book by Business Area	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service	164.4	149.6	128.1	169.9	177.7	170.0
Equipment	865.5	788.3	765.3	849.0	901.7	914.0
Total	1,029.9	937.9	893.5	1,018.9	1,079.4	1,084.0

Sales by Business Area	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service	211.6	199.0	247.6	215.2	217.9	208.4
Equipment	295.2	254.3	364.9	320.3	328.2	315.9
./. Internal	-25.2	-25.9	-31.6	-32.5	-26.2	-28.3
Total	481.6	427.3	580.9	502.9	519.9	495.9

Operating profit (EBIT) by Business Area excluding restructuring costs	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service	16.7	16.1	28.6	20.7	15.6	15.8
Equipment	10.1	2.5	17.3	16.3	7.4	13.3
Group costs and eliminations	-5.2	-3.0	-3.0	-4.6	-5.8	-6.0
Total	21.6	15.6	42.8	32.4	17.2	23.1

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service	7.9%	8.1%	11.5%	9.6%	7.2%	7.6%
Equipment	3.4%	1.0%	4.7%	5.1%	2.3%	4.2%
Group EBIT % total	4.5%	3.6%	7.4%	6.4%	3.3%	4.7%

Quarterly figures

QUARTERLY SEGMENT INFORMATION

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

	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service	6,220	6,223	6,151	6,219	6,221	6,241
Equipment	5,624	5,637	5,626	5,658	5,663	5,782
Group staff	51	51	55	57	57	58
Total	11,895	11,911	11,832	11,934	11,941	12,081

Sales by market

	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Europe-Middle East-Africa (EMEA)	217.5	200.8	266.5	232.1	257.3	224.0
Americas (AME)	177.4	153.1	210.1	182.1	169.7	191.0
Asia-Pacific (APAC)	86.6	73.4	104.3	88.7	92.9	80.9
Total	481.6	427.3	580.9	502.9	519.9	495.9

Personnel by region (at the end of the period)

	Q2/2014	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Europe-Middle East-Africa (EMEA)	6,213	6,235	6,246	6,287	6,294	6,301
Americas (AME)	2,803	2,783	2,711	2,725	2,709	2,708
Asia-Pacific (APAC)	2,879	2,893	2,875	2,922	2,938	3,072
Total	11,895	11,911	11,832	11,934	11,941	12,081

ANALYST AND PRESS BRIEFING

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

A live webcast of the conference will begin at 11.00 a.m. at www.konecranes.com. Please see the stock exchange release dated July 4, 2014 for the conference call details.

NEXT REPORT

Konecranes' January–September 2014 interim report will be published on October 22, 2014.

KONECRANES PLC

Miikka Kinnunen
Director, Investor Relations

ADDITIONAL INFORMATION

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 2013, Group sales totaled EUR 2,100 million. The Group has 11,900 employees at 600 locations in 48 countries. Konecranes is listed on the NASDAQ OMX Helsinki (symbol: KCR1V).

www.konecranes.com

