KONECRANES®
Lifting Businesses™

Service continued to improve, Equipment result low on delivery volumes, guidance specified for 2014

Interim Report
January–March 2014

Q1

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Service continued to improve, Equipment result low on delivery volumes, guidance specified for 2014

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

FIRST QUARTER HIGHLIGHTS

- Order intake EUR 439.3 million (582.7), -24.6 percent; Service -0.4 percent and Equipment -34.0 percent. Orders up from Q4/2013 but down from the all time high Q1/2013.
- Order book EUR 937.9 million (1,084.0) at the end of March, 13.5 percent lower than a year ago, 5.0 percent higher than at the end of 2013.
- Sales EUR 427.3 million (495.9), -13.8 percent; Service -4.5 percent and Equipment -19.5 percent.
- Operating profit before restructuring costs EUR 15.6 million (23.1), 3.6 percent of sales (4.7).
- Restructuring costs EUR 0.4 million (4.3).
- Operating profit including restructuring costs EUR 15.2 million (18.8), 3.6 percent of sales (3.8).
- Earnings per share (diluted) EUR 0.15 (0.19).
- Net cash flow from operating activities EUR -24.9 million (32.2).
- Net debt EUR 221.5 million (155.0) and gearing 57.0 percent (36.5).

MARKET OUTLOOK

The growth in industrial production and container traffic continues at moderate pace 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 some positive macroeconomic signs mainly in the developed countries.

NEW FINANCIAL GUIDANCE

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.

PREVIOUS 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

	1–3/2014	1–3/2013	Change percent	R12M	1–12/2013
Orders received, MEUR	439.3	582.7	-24.6	1,777.4	1,920.8
Order book at end of period, MEUR	937.9	1,084.0	-13.5		893.5
Sales total, MEUR	427.3	495.9	-13.8	2,031.0	2,099.6
EBITDA excluding restructuring costs, MEUR	25.1	33.3	-24.7	146.4	154.6
EBITDA excluding restructuring costs, %	5.9%	6.7%		7.2%	7.4%
Operating profit excluding restructuring costs, MEUR	15.6	23.1	-32.5	108.0	115.5
Operating margin excluding restructuring costs, %	3.6%	4.7%		5.3%	5.5%
EBITDA, MEUR	24.7	29.2	-15.6	136.0	140.5
EBITDA, %	5.8%	5.9%		6.7%	6.7%
Operating profit, MEUR	15.2	18.8	-19.4	80.9	84.5
Operating margin, %	3.6%	3.8%		4.0%	4.0%
Profit before taxes, MEUR	12.7	15.5	-18.4	72.7	75.5
Net profit for the period, MEUR	8.7	10.9	-20.3	47.2	49.4
Earnings per share, basic, EUR	0.15	0.19	-20.9	0.81	0.85
Earnings per share, diluted, EUR	0.15	0.19	-20.8	0.81	0.85
Gearing, %	57.0%	36.5%			42.1%
Return on capital employed, %				11.4%	11.6%
Free cash flow, MEUR	-32.6	21.7		9.8	64.0
Average number of personnel during the period	11,872	12,114	-2.0		11,987

President and CEO Pekka Lundmark

"I am satisfied with most aspects of our service business in the first quarter of 2014. Costs are well under control, sales margins continue to trend up, and now also new orders and contract base returned to growth, when adjusted for negative currency changes. The new services from our "Industrial Internet" strategy are gradually adding more digital content, making our offering increasingly relevant for the safety and productivity of our customers' operations. We now have a solid platform for growth in this business.

As expected, our equipment business suffered from low delivery volumes in the quarter. Cost reductions have lowered our break-even point. These measures kept the operating profit positive even with the low volume and the hits as a result of the situation in the Ukraine. Of course, in absolute terms, the result was far from our expectations. I expect the lowered cost level to result in a good leverage, should the slight positive signs on the market turn into higher volumes.

We launched a revolutionary new Rubber Tired Gantry (RTG) crane in the beginning of April. Named "BOXHUNTER", this crane combines latest technology, radical innovation and an attractive price point. We have high expectations for this product especially in the large numbers of growing mid-sized container terminals in the emerging markets."

Konecranes Plc
Interim report January–March 2014

MARKET REVIEW

In terms of the macroeconomic data for the first quarter of 2014, developed countries outperformed emerging countries. American factory output, measured by the purchasing managers' index (PMI), continued in the expansive territory despite the adverse weather conditions. The U.S. manufacturing capacity utilization rate continued to increase as well.

According to the PMI surveys in the Eurozone, the January–March 2014 manufacturing activity remained upbeat following the turnaround in mid-2013. Correspondingly, there was a clear sequential uptick in the manufacturing capacity utilization in the European Union. The EU capacity utilization was also up on a year-on-year basis.

The BRIC countries started the year 2014 on a weak note based on the purchasing managers' indexes. PMIs in China and Russia pointed to a contraction of manufacturing output, while the conditions were stable in Brazil, 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–March 2014.

Compared to the previous year, the demand for cranes and hoists weakened among industrial customers on a global basis, with North America and China being the weakest markets in the first quarter of 2014. In Europe, markets were approximately at previous year's level. Demand continued to trend up in the Middle East. Sequentially, the demand trends were similar as in the year-on-year comparison.

The global container traffic grew by approximately 2 percent in January–March 2014. The project activity with container ports was satisfactory although the amount of contract awards was low.

The demand for lifting equipment services grew moderately with EMEA outperforming the Americas. The demand in North America was somewhat held back by the adverse weather conditions.

The steel price was stable, while the copper price continued its downward trend in January–March 2014. The EUR continued to strengthen moderately against the USD during the first quarter.

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

ORDERS RECEIVED

Orders received in January–March totaled EUR 439.3 million (582.7), representing a decrease of 24.6 percent. Orders received decreased by 0.4 percent in Service and by 34.0 percent in Equipment compared to the year before. However, Service orders grew at comparable currency rates. The comparison period included a port crane order in excess of EUR 100 million from Indonesia. Orders received rose in EMEA but fell in the Americas and APAC. Acquisitions had an immaterial impact on the orders received in January–March.

The order intake in the first quarter increased by 4.0 percent compared to the fourth quarter of 2013. Orders received grew by 12.0 percent in Service, whereas they fell by 0.4 percent in Equipment. Orders grew in all regions.

ORDER BOOK

The value of the order book at the end of March totaled EUR 937.9 million. The order book increased by 5.0 percent from the year-end 2013 when it stood at EUR 893.5 million, but it decreased by 13.5 percent from the last year's comparison figure of EUR 1,084.0 million. Service accounted for EUR 149.6 million (16 percent) and Equipment for EUR 788.3 million (84 percent) of the total end-March order book.

SALES

Group sales in January–March decreased by 13.8 percent to EUR 427.3 million (495.9). Sales in Service fell by 4.5 percent and in Equipment by 19.5 percent. However, the decline in Service sales was entirely attributable to negative currency changes. Acquisitions had an immaterial impact on the sales in the first quarter of 2014.

At end-March, the regional breakdown, calculated on a rolling 12 months basis, was as follows: EMEA 47 (47), Americas 35 (35) and APAC 18 (18) percent.

NET SALES BY REGION, MEUR

	1–3/2014	1–3/2013	Change percent	Change % at comparable currency rates	R12M	1–12/2013
EMEA	200.8	224.0	-10.3	-9.1	956.7	979.8
AME	153.1	191.0	-19.8	-16.2	715.0	752.9
APAC	73.4	80.9	-9.3	-2.6	359.3	366.9
Total	**427.3**	**495.9**	**-13.8**	**-10.8**	**2,031.0**	**2,099.6**

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a negative effect on orders and sales in January–March. The reported decrease in order intake in January–March was 24.6 percent, whereas the corresponding figure at comparable currency rates was 22.4 percent. Reported sales fell by 13.8 percent or by 10.8 percent at comparable currency rates. The reported order book decreased by 13.5 percent or by 8.9 percent at comparable currency rates.

The reported order intake decreased in Service by 0.4 percent but increased by 4.1 percent at comparable currency rates. In Equipment, the reported order intake decreased by 34.0 percent or by 32.5 percent at comparable currency rates. The reported sales decreased in Service by 4.5 percent or by 0.3 percent at comparable currency rates. The corresponding figures in Equipment sales were -19.5 percent and -17.1 percent.

FINANCIAL RESULT

The consolidated operating profit in January–March totaled EUR 15.2 million (18.8). Operating profit decreased by EUR 3.6 million and the consolidated operating margin fell to 3.6 percent (3.8). The operating profit includes restructuring costs of EUR 0.4 million (4.3) due to the cost savings program of EUR 30 million announced in 2013. The operating margin in Service rose to 8.0 percent (7.6), while it fell in Equipment to 0.9 percent (2.9).

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

In January–March, depreciation and impairments totaled EUR 9.5 million (10.4). The amortization arising from purchase price allocations for acquisitions represented EUR 1.7 million (3.4) of the depreciation and impairments.

In January–March, the share of the result of associated companies and joint ventures was EUR 1.0 million (0.6).

In January–March, financial income and expenses totaled EUR -3.5 million (-3.9). Net interest expenses accounted for EUR 3.1 million (2.4) of this and the remainder was mainly attributable to the exchange rate differences related to cash and loans in foreign currencies.

January–March profit before taxes was EUR 12.7 million (15.5).

Income taxes in January–March were EUR 4.0 million (4.6). The Group's effective tax rate was 31.5 percent (29.8).

January–March net profit was EUR 8.7 million (10.9).

In January–March, the basic earnings per share were EUR 0.15 (0.19) and the diluted earnings per share were EUR 0.15 (0.19).

On a rolling twelve-month basis, the return on capital employed was 11.4 percent (17.8) and the return on equity 11.6 percent (19.9).

BALANCE SHEET

The end-March 2014 consolidated balance sheet amounted to EUR 1,540.8 million (1,640.4). Total equity at the end of the report period was EUR 388.7 million (424.3). On March 31, the total equity attributable to the equity holders of the parent company was EUR 382.5 million (417.9) or EUR 6.61 per share (7.24).

Net working capital at the end of March 2014 totaled EUR 270.4 million, which was EUR 19.0 million less than at the year-end 2013, but EUR 43.2 million more than a year ago. The net working capital, adjusted for unpaid dividends, which were reported in the accruals on March 31, amounted to EUR 331.2 million (287.8). Compared to previous year, net working capital rose due to lower accounts payable.

CASH FLOW AND FINANCING

Net cash from operating activities in January–March was EUR -24.9 million (32.2), representing EUR -0.43 per diluted share (0.56). Cash flow from capital expenditures amounted to EUR -8.5 million (-10.6). Cash flow before financing activities was EUR -32.7 million (20.9).

At the end of March 2014, interest-bearing net debt was EUR 221.5 million compared to EUR 187.3 million at the end of 2013, and compared to EUR 155.0 million a year ago. The solidity was 29.6 percent (30.0) and the gearing 57.0 percent (36.5).

At the end of the first quarter, cash and cash equivalents amounted to EUR 141.5 million (217.4). In February, Konecranes signed a new EUR 100 million five-year Revolving Credit Facility with its core relationship banks. None of the Group's committed back-up financing facilities, EUR 300 million in total, were in use at the end of the period.

CAPITAL EXPENDITURE

Capital expenditure in January–March, excluding acquisitions and joint arrangements, amounted to EUR 9.2 million (15.8). This amount consisted mainly of the replacement or capacity expansion investments in property, machines, equipment, and information technology.

Capital expenditure including acquisitions and joint arrangements was EUR 9.2 million (16.8).

ACQUISITIONS

In January–March, the capital expenditure on acquisitions and joint arrangements was EUR 0.0 million (1.0).

PERSONNEL

In the first quarter, the Group employed an average of 11,872 people (12,114). On March 31, the headcount was 11,911 (12,081). At the end of March, the number of personnel by Business Area was as follows: Service 6,223 employees (6,241), Equipment 5,637 employees (5,782) and Group staff 51 (58). The Group had 6,235 employees (6,301) working in EMEA, 2,783 (2,708) in the Americas and 2,893 (3,072) in the APAC region.

From year-end 2012, headcount has been reduced by approximately 575 persons through the restructuring actions. During the same time period, personnel has increased by approximately 200 people by taking on certain duties that were previously subcontracted or that were performed by rented workforce. Additionally, approximately 140 employees have been recruited mainly in the growing areas of Middle East, Africa and the Americas.

Business areas

SERVICE

	1–3/2014	1–3/2013	Change percent	R12M	1–12/2013
Orders received, MEUR	185.4	186.1	-0.4	715.2	715.9
Order book, MEUR	149.6	170.0	-12.0		128.1
Contract base value, MEUR	182.5	186.7	-2.3		178.2
Net sales, MEUR	199.0	208.4	-4.5	879.7	889.1
EBITDA, MEUR	19.6	19.4	1.0	89.8	89.6
EBITDA, %	9.8%	9.3%		10.2%	10.1%
Depreciation and amortization, MEUR	-3.6	-3.6	-0.1	-14.6	-14.6
Impairments, MEUR	0.0	0.0		-7.2	-7.2
Operating profit (EBIT), MEUR	16.0	15.8	1.3	68.0	67.8
Operating profit (EBIT), %	8.0%	7.6%		7.7%	7.6%
Restructuring costs, MEUR	-0.2	0.0		-12.9	-12.8
Operating profit (EBIT) excluding restructuring costs, MEUR	16.1	15.8	2.3	80.9	80.6
Operating profit (EBIT) excluding restructuring costs, %	8.1%	7.6%		9.2%	9.1%
Capital employed, MEUR	193.6	161.8	19.7		187.5
ROCE%				38.3%	38.3%
Capital expenditure, MEUR	2.0	2.2	-9.2	19.9	20.1
Personnel at the end of period	6,223	6,241	-0.3		6,151

January–March orders received fell by 0.4 percent to EUR 185.4 million (186.0). However, at constant currencies, orders received grew by 4.1 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 intake increased by 12.0 percent compared to the fourth quarter of 2013 with all the regions generating higher orders received. The order book decreased by 12.0 percent from the year before to EUR 149.6 million (170.0).

Sales in the reporting period fell by 4.5 percent to EUR 199.0 million (208.4). The decline in sales was almost entirely attributable to negative currency changes. The operating profit, excluding restructuring costs of EUR 0.2 million (0.0), was EUR 16.1 million (15.8) and the operating margin 8.1 percent (7.6). The operating profit including restructuring costs was EUR 16.0 million (15.8) and the operating margin 8.0 percent (7.6). The operating margin improved due to higher gross margin and the restructuring actions executed in 2013.

At the end of March, the total number of equipment included in the maintenance contract base increased to 439,056 from 429,616 a year before and from 433,501 at year-end 2013. The annual value of the contract base decreased to EUR 182.5 million from EUR 186.7 million a year before due to currency changes, but it increased from EUR 178.2 million at year-end 2013.

The number of service technicians at the end of March was 4,021, which is 11 or 0.3 percent more than at the end of March 2013.

EQUIPMENT

	1–3/2014	1–3/2013	Change percent	R12M	1–12/2013
Orders received, MEUR	279.2	423.2	-34.0	1,175.7	1,319.6
Order book, MEUR	788.3	914.0	-13.8		765.3
Net sales, MEUR	254.3	315.9	-19.5	1,267.6	1,329.2
EBITDA, MEUR	8.0	15.8	-49.4	63.8	71.6
EBITDA, %	3.1%	5.0%		5.0%	5.4%
Depreciation and amortization, MEUR	-5.8	-6.5	-11.6	-23.4	-24.1
Impairments, MEUR	0.0	-0.2		-9.5	-9.7
Operating profit (EBIT), MEUR	2.2	9.1	-75.5	30.9	37.8
Operating profit (EBIT), %	0.9%	2.9%		2.4%	2.8%
Restructuring costs, MEUR	-0.3	-4.3		-12.6	-16.6
Operating profit (EBIT) excluding restructuring costs, MEUR	2.5	13.3	-81.4	43.5	54.3
Operating profit (EBIT) excluding restructuring costs, %	1.0%	4.2%		3.4%	4.1%
Capital employed, MEUR	380.2	374.0	1.7		378.1
ROCE%				8.2%	9.6%
Capital expenditure, MEUR	7.1	13.6	-47.3	39.2	45.6
Personnel at the end of period	5,637	5,782	-2.5		5,626

January–March orders received totaled EUR 279.2 million (423.2), showing a decrease of 34.0 percent. Orders grew in EMEA but fell in the Americas and APAC. The comparison period included a port crane order in excess of EUR 100 million from Indonesia. Orders for industrial cranes accounted for approximately 40 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 below last year's level. The combined orders for port cranes and lift trucks amounted to approximately 30 percent of the orders received and were lower than a year ago.

The order intake decreased by 0.4 percent compared to the fourth quarter of 2013. Orders grew in Asia-Pacific but fell in EMEA and the Americas. The decline was attributable mainly to Industrial Cranes and Port Cranes. The order book decreased by 13.8 percent from a year before to EUR 788.3 million (914.0), but was 3.0 percent higher than at year-end 2013.

Sales fell by 19.5 percent to EUR 254.3 million (315.9). The operating profit, excluding restructuring costs of EUR 0.3 million (4.3), was EUR 2.5 million (13.3) and the operating margin 1.0 percent (4.2). Operating profit including restructuring costs was EUR 2.2 million (9.1) and operating margin 0.9 percent (2.9). The Equipment operating margin was affected by lower sales. In addition, Business Area Equipment incurred unrealized currency losses of approximately EUR 2 million due to the depreciation of the Ukrainian Hryvnia. On the other hand, the sales mix contributed positively to the operating margin in Equipment.

Group Overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR –3.0 million (–6.0), representing 0.7 percent of sales (1.2).

ADMINISTRATION

Decisions of the Annual General Meeting

The Annual General Meeting of Konecranes Plc was held on March 27, 2014. The meeting approved the Company's annual accounts for the fiscal year 2013 and discharged the members of the Board of Directors and the Managing Director from liability. The AGM approved the Board's proposal to pay a dividend of EUR 1.05 per share from the distributable assets of the parent company.

The AGM approved the proposal of the Nomination and Compensation Committee that the number of the members of the Board of Directors shall be eight (8). The Board members elected at the AGM in 2014 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 follows:

- 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. However, the Chairman of the Audit Committee is 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 of the Company's own shares as a pledge. 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 of the shares in the Company. The authorization is effective until the end of the next Annual General Meeting, however no longer than until 26 September 2015.

The AGM authorized the Board of Directors to decide on the issuance of shares as well as on the issuance of special rights entitling to shares referred to in Chapter 10 of 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 of 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 item. The authorization is effective until the end of the next Annual General Meeting, but no longer than until 26 September 2015. However, the authorization for incentive arrangements is valid until 26 March 2019. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 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 item. This authorization is effective until the next Annual General Meeting of Shareholders, but no longer than until 26 September 2015. However, the authorization for incentive arrangements is valid until 26 March 2019. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 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 that 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 of the Plan who, according to the terms and conditions of the Plan, are entitled to receive free shares, as well as to decide on a 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 amount in the aggregate to a total maximum 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 26 March 2019. This authorization is an addition to the authorizations in the previous items. This authorization replaces the authorization for the Share Savings Plan given by the Annual General Meeting 2013.

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.

Changes in the Group Management

Ryan Flynn will return to Konecranes and he has been appointed Executive Vice President and Head of Business Area Equipment. Mr. Flynn will be a member of the Konecranes Group Executive Board and will report to Pekka Lundmark, President & CEO. Mr. Flynn will start in his new position on June 1, 2014. Mr. Flynn succeeds Hannu Rusanen who has announced that he is leaving Konecranes to pursue other interests.

SHARE CAPITAL AND SHARES

On March 31, 2014 the company's registered share capital totaled EUR 30.1 million. On March 31, 2014, the number of shares including treasury shares totaled 63,272,342. On March 31, 2014, Konecranes Plc was in possession of 5,397,921 own shares, which corresponds to 8.5 percent of the total number of shares and which had on that date a market value of EUR 124.9 million.

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

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–March, 46,341 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009A.

At end-March 2014, Konecranes Plc's stock options 2009 entitled the holders to subscribe to a total of 1,440,550 shares. The option programs include approximately 200 company's key persons.

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

EMPLOYEE SHARE SAVINGS PLAN

Based on the interest shown by the Group employees, the Board decided to launch a new Plan Period. The new plan period will begin on July 1, 2014 and end on June 30, 2015. The maximum savings amount per participant during one month is 5 percent of 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, 2018, 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. The terms and conditions of the Plan Period 2014–2015 are unchanged from the previous Plan Periods.

PERFORMANCE SHARE PLAN

The Board of Directors resolved that the performance criterion for the discretionary period 2014–2016 is the cumulative Earnings per Share (EPS) of the financial years 2014–2016. The criterion is unchanged from the discretionary period 2013–2015.

The target group of the plan consists of approximately 185 people during the discretionary period 2014–2016. The rewards to be paid on the basis of the discretionary period correspond to the value of an approximate maximum total of 700,000 Konecranes Plc shares. If the target determined by the Board of Directors is attained, the reward payout may be a half of the maximum reward. The maximum reward payout requires the target to be clearly exceeded.

MARKET CAPITALIZATION AND TRADING VOLUME

The closing price for Konecranes Plc's shares on the NASDAQ OMX Helsinki on March 31, 2014 was EUR 23.13. The volume-weighted average share price in January–March 2013 was EUR 25.12, the highest price being EUR 27.60 in January and the lowest EUR 22.63 in March. In January–March, the trading volume on the NASDAQ OMX Helsinki totaled 13.0 million Konecranes Plc's shares corresponding to a turnover of approximately EUR 327.7 million. The average daily trading volume was 210,389 shares representing an average daily turnover of EUR 5.3 million.

In addition, according to Fidessa, approximately 15.6 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–March 2014.

On March 31, 2014, the total market capitalization of Konecranes Plc's shares was EUR 1,463.5 million including treasury shares. The market capitalization was EUR 1,338.6 million excluding treasury shares.

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 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. 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, for example, to the 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 traffic continues at moderate pace 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 some positive macroeconomic signs mainly in the developed countries.

NEW FINANCIAL GUIDANCE

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.

PREVIOUS 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.

Helsinki, April 24, 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 actual results to materially differ from the results currently expected by the company. Such factors include, but are not limited to,
- general economic conditions, including fluctuations in exchange rates and interest levels,
- the competitive situation, especially significant products or services developed by our competitors,
- industry conditions,
- the company's own operating factors, including the success of production, product development, project management, quality, and timely delivery of our products and services and their continuous development,
- the success of pending and future acquisitions and restructurings.

Summary financial statements and notes

Accounting principles

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

The 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	1–3/2014	1–3/2013	Change percent	1–12/2013
Sales	**427.3**	**495.9**	**-13.8**	**2,099.6**
Other operating income	0.5	0.5		1.6
Depreciation and impairments	-9.5	-10.4		-56.0
Other operating expenses	-403.2	-467.1		-1,960.6
Operating profit	**15.2**	**18.8**	**-19.4**	**84.5**
Share of associates' and joint ventures' result	1.0	0.6		3.9
Financial income and expenses	-3.5	-3.9		-13.0
Profit before taxes	**12.7**	**15.5**	**-18.4**	**75.5**
Taxes	-4.0	-4.6		-26.1
NET PROFIT FOR THE PERIOD	**8.7**	**10.9**	**-20.3**	**49.4**
Net profit for the period attributable to:				
Shareholders of the parent company	8.6	10.8		49.1
Non-controlling interest	0.0	0.1		0.3
Earnings per share, basic (EUR)	0.15	0.19	-20.9	0.85
Earnings per share, diluted (EUR)	0.15	0.19	-20.8	0.85

Consolidated statement of comprehensive income

EUR million	1–3/2014	1–3/2013		1–12/2013
Net profit for the period	**8.7**	**10.9**		**49.4**
Items that can be reclassified into profit or loss				
Cash flow hedges	-2.0	-3.5		5.0
Exchange differences on translating foreign operations	-3.5	8.0		-18.8
Income tax relating to items that can be reclassified into profit or loss	0.4	0.9		-1.0
Items that cannot be reclassified into profit or loss				
Re-measurement gains (losses) on defined benefit plans	0.3	0.0		-3.0
Income tax relating to items that cannot be reclassified into profit or loss	-0.1	0.0		0.9
Other comprehensive income for the period, net of tax	**-4.9**	**5.4**		**-16.9**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**3.7**	**16.2**		**32.5**
Total comprehensive income attributable to:				
Shareholders of the parent company	3.9	16.0		32.3
Non-controlling interest	-0.1	0.2		0.2

Consolidated balance sheet

EUR million

ASSETS	31.3.2014	31.3.2013	31.12.2013
Non-current assets			
Goodwill	102.0	113.3	101.6
Intangible assets	85.5	75.4	87.0
Property, plant and equipment	143.2	149.6	144.5
Advance payments and construction in progress	47.2	52.9	48.2
Investments accounted for using the equity method	41.3	38.2	40.4
Available-for-sale investments	1.0	0.9	1.0
Long-term loans receivable	0.2	0.2	0.2
Deferred tax assets	59.0	54.3	59.8
Total non-current assets	**479.5**	**484.8**	**482.7**
Current assets			
Inventories			
Raw material and semi-manufactured goods	150.0	161.8	148.6
Work in progress	186.5	190.2	161.4
Advance payments	17.3	21.5	15.5
Total inventories	353.8	373.5	325.5
Accounts receivable	358.5	385.6	368.8
Loans receivable	0.0	0.1	0.0
Other receivables	23.3	30.5	25.6
Current tax assets	10.2	15.2	10.7
Deferred assets	174.1	133.4	136.6
Cash and cash equivalents	141.5	217.4	132.2
Total current assets	**1,061.3**	**1,155.6**	**999.4**
TOTAL ASSETS	**1,540.8**	**1,640.4**	**1,482.0**

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	**31.3.2014**	**31.3.2013**	**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	1.0	-4.0	2.6
Translation difference	-19.6	10.3	-16.3
Paid in capital	51.5	49.9	51.0
Retained earnings	271.6	281.6	282.3
Net profit for the period	8.6	10.8	49.1
Total equity attributable to equity holders of the parent company	**382.5**	**417.9**	**438.1**
Non-controlling interest	6.2	6.4	6.4
Total equity	**388.7**	**424.3**	**444.5**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	122.6	206.9	133.0
Other long-term liabilities	80.4	78.2	80.3
Deferred tax liabilities	19.0	21.1	18.1
Total non-current liabilities	**222.0**	**306.2**	**231.4**
Provisions	**45.7**	**46.8**	**47.5**
Current liabilities			
Interest-bearing liabilities	240.6	165.7	186.7
Advance payments received	227.5	228.4	175.2
Progress billings	0.6	1.9	5.8
Accounts payable	115.1	149.5	147.5
Other short-term liabilities (non-interest bearing)	31.5	27.6	28.7
Current tax liabilities	11.5	20.1	14.7
Accruals	257.5	270.0	200.1
Total current liabilities	**884.3**	**863.0**	**758.6**
Total liabilities	**1,152.1**	**1,216.1**	**1,037.5**
TOTAL EQUITY AND LIABILITIES	**1,540.8**	**1,640.4**	**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			-1.6	-3.4
Balance at 31 March, 2014	**30.1**	**39.3**	**1.0**	**-19.6**
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			-2.7	7.8
Balance at 31 March, 2013	**30.1**	**39.3**	**-4.0**	**10.3**

EUR million	Equity attributable to equity holders of the parent company: Paid in capital	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January, 2014	**51.0**	**331.4**	**438.1**	**6.4**	**444.5**
Options exercised	0.5	0.0	0.5		**0.5**
Dividends paid to equity holders		-60.8	-60.8		**-60.8**
Share based payments recognized against equity		0.8	0.8		**0.8**
Total comprehensive income		8.9	3.9	-0.1	**3.7**
Balance at 31 March, 2014	**51.5**	**280.3**	**382.5**	**6.2**	**388.7**
Balance at 1 January, 2013	**44.8**	**341.2**	**456.5**	**6.2**	**462.6**
Options exercised	5.1	0.0	5.1		**5.1**
Dividends paid to equity holders		-60.6	-60.6		**-60.6**
Share based payments recognized against equity		0.9	0.9		**0.9**
Total comprehensive income		10.8	16.0	0.2	**16.2**
Balance at 31 March, 2013	**49.9**	**292.4**	**417.9**	**6.4**	**424.3**

Consolidated cash flow statement

EUR million	1–3/2014	1–3/2013	1–12/2013
Cash flow from operating activities			
Net income	8.7	10.9	49.4
Adjustments to net income			
Taxes	4.0	4.6	26.1
Financial income and expenses	3.5	3.9	13.0
Share of associates' and joint ventures' result	-1.0	-0.6	-3.9
Dividend income	0.0	0.0	-0.1
Depreciation and impairments	9.5	10.4	56.0
Profits and losses on sale of fixed assets	0.1	0.2	1.9
Other adjustments	0.5	0.5	2.4
Operating income before change in net working capital	**25.3**	**30.0**	**144.8**
Change in interest-free short-term receivables	-26.4	30.3	16.5
Change in inventories	-30.3	2.8	32.6
Change in interest-free short-term liabilities	13.0	-19.1	-21.1
Change in net working capital	**-43.7**	**14.0**	**28.0**
Cash flow from operations before financing items and taxes	**-18.4**	**44.0**	**172.8**
Interest received	0.7	0.9	3.7
Interest paid	-3.9	-3.3	-13.2
Other financial income and expenses	1.4	0.7	1.0
Income taxes paid	-4.7	-10.1	-44.1
Financing items and taxes	**-6.5**	**-11.8**	**-52.6**
NET CASH FROM OPERATING ACTIVITIES	**-24.9**	**32.2**	**120.2**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-0.1	-0.8	-11.6
Capital expenditures	-8.5	-10.6	-57.7
Proceeds from sale of fixed assets	0.8	0.1	1.5
Dividends received	0.0	0.0	0.1
NET CASH USED IN INVESTING ACTIVITIES	**-7.8**	**-11.3**	**-67.8**
Cash flow before financing activities	**-32.7**	**20.9**	**52.5**
Cash flow from financing activities			
Proceeds from options exercised and share issues	0.5	5.1	6.2
Proceeds from long-term borrowings	0.0	1.0	5.0
Repayments of long-term borrowings	-9.5	0.0	0.0
Proceeds from (+), payments of (-) short-term borrowings	53.2	42.5	-9.8
Change in short-term receivables	0.0	0.0	0.1
Dividends paid to equity holders of the parent	0.0	0.0	-60.6
NET CASH USED IN FINANCING ACTIVITIES	**44.2**	**48.6**	**-59.1**
Translation differences in cash	-2.3	2.5	-6.5
CHANGE OF CASH AND CASH EQUIVALENTS	**9.2**	**72.0**	**-13.1**
Cash and cash equivalents at beginning of period	132.2	145.3	145.3
Cash and cash equivalents at end of period	141.5	217.4	132.2
CHANGE OF CASH AND CASH EQUIVALENTS	**9.2**	**72.0**	**-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	1–3/2014	1–3/2013	1–12/2013
Net cash from operating activities	-24.9	32.2	120.2
Capital expenditures	-8.5	-10.6	-57.7
Proceeds from sale of fixed assets	0.8	0.1	1.5
Free cash flow	**-32.6**	**21.7**	**64.0**

Segment information

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1–3/2014	% of total	1–3/2013	% of total	1–12/2013	% of total
Service [1)]	185.4	40	186.1	31	715.9	35
Equipment	279.2	60	423.2	69	1,319.6	65
./. Internal	-25.3		-26.6		-114.7	
Total	**439.3**	**100**	**582.7**	**100**	**1,920.8**	**100**

[1)] *Excl. Service Contract Base*

Order book total [2)]	31.3.2014	% of total	31.3.2013	% of total	31.12.2013	% of total
Service	149.6	16	170.0	16	128.1	14
Equipment	788.3	84	914.0	84	765.3	86
./. Internal	0.0		0.0		0.0	
Total	**937.9**	**100**	**1,084.0**	**100**	**893.5**	**100**

[2)] *Percentage of completion deducted*

Sales by Business Area	1–3/2014	% of total	1–3/2013	% of total	1–12/2013	% of total
Service	199.0	44	208.4	40	889.1	40
Equipment	254.3	56	315.9	60	1,329.2	60
./. Internal	-25.9		-28.3		-118.7	
Total	**427.3**	**100**	**495.9**	**100**	**2,099.6**	**100**

Operating profit (EBIT) by Business Area excluding restructuring costs	1–3/2014 MEUR	EBIT %	1–3/2013 MEUR	EBIT %	1–12/2013 MEUR	EBIT %
Service	16.1	8.1	15.8	7.6	80.6	9.1
Equipment	2.5	1.0	13.3	4.2	54.3	4.1
Group costs and eliminations	-3.0		-6.0		-19.4	
Total	**15.6**	**3.6**	**23.1**	**4.7**	**115.5**	**5.5**

Operating profit (EBIT) by Business Area including restructuring costs	1–3/2014 MEUR	EBIT %	1–3/2013 MEUR	EBIT %	1–12/2013 MEUR	EBIT %
Service	16.0	8.0	15.8	7.6	67.8	7.6
Equipment	2.2	0.9	9.1	2.9	37.8	2.8
Group costs and eliminations	-3.0		-6.0		-21.1	
Total	**15.2**	**3.6**	**18.8**	**3.8**	**84.5**	**4.0**

Segment information

Capital Employed and ROCE%	31.3.2014 MEUR		31.3.2013 MEUR		31.12.2013 MEUR	ROCE %
Service	193.6		161.8		187.5	38.3
Equipment	380.2		374.0		378.1	9.6
Unallocated Capital Employed	178.1		261.1		198.6	
Total	**751.9**		**796.9**		**764.2**	**11.6**

Business segment assets	31.3.2014 MEUR		31.3.2013 MEUR		31.12.2013 MEUR	
Service	354.7		377.6		359.3	
Equipment	894.7		915.1		860.2	
Unallocated Capital Employed	291.5		347.7		262.6	
Total	**1,540.8**		**1,640.4**		**1,482.0**	

Business segment liabilities	31.3.2014 MEUR		31.3.2013 MEUR		31.12.2013 MEUR	
Service	161.0		215.8		171.8	
Equipment	514.4		541.2		482.1	
Unallocated Capital Employed	433.1		459.1		383.7	
Total	**1,108.6**		**1,216.1**		**1,037.5**	

Personnel by Business Area (at the end of the period)	31.3.2014	% of total	31.3.2013	% of total	31.12.2013	% of total
Service	6,223	52	6,241	52	6,151	52
Equipment	5,637	47	5,782	48	5,626	48
Group staff	51	0	58	0	55	0
Total	**11,911**	**100**	**12,081**	**100**	**11,832**	**100**

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1–3/2014	% of total	1–3/2013	% of total	1–12/2013	% of total
Europe-Middle East-Africa (EMEA)	200.8	47	224.0	45	979.8	47
Americas (AME)	153.1	36	191.0	39	752.9	36
Asia-Pacific (APAC)	73.4	17	80.9	16	366.9	17
Total	**427.3**	**100**	**495.9**	**100**	**2,099.6**	**100**

Personnel by region (at the end of the period)	31.3.2014	% of total	31.3.2013	% of total	31.12.2013	% of total
Europe-Middle East-Africa (EMEA)	6,235	52	6,301	52	6,246	53
Americas (AME)	2,783	23	2,708	22	2,711	23
Asia-Pacific (APAC)	2,893	24	3,072	25	2,875	24
Total	**11,911**	**100**	**12,081**	**100**	**11,832**	**100**

Notes

KEY FIGURES	31.3.2014	31.3.2013	Change %	31.12.2013
Earnings per share, basic (EUR)	0.15	0.19	-20.9	0.85
Earnings per share, diluted (EUR)	0.15	0.19	-20.8	0.85
Return on capital employed %, Rolling 12 Months (R12M)	11.4	17.8	-36.0	11.6
Return on equity %, Rolling 12 Months (R12M)	11.6	19.9	-41.7	10.9
Equity per share (EUR)	6.61	7.24	-8.7	7.56
Current ratio	1.1	1.3	-15.4	1.2
Gearing %	57.0	36.5	56.2	42.1
Solidity %	29.6	30.0	-1.3	34.0
EBITDA, EUR million	24.7	29.2	-15.4	140.5
Investments total (excl. acquisitions), EUR million	9.2	15.8	-41.9	65.7
Interest-bearing net debt, EUR million	221.5	155.0	43.0	187.3
Net working capital, EUR million	270.4	227.2	19.0	289.4
Average number of personnel during the period	11,872	12,114	-2.0	11,987
Average number of shares outstanding, basic	57,849,496	57,360,808	0.9	57,683,620
Average number of shares outstanding, diluted	58,054,089	57,643,376	0.7	57,876,949
Number of shares outstanding	57,874,421	57,727,342	0.3	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*:	28.3.2014	29.3.2013	Change %	31.12.2013
USD - US dollar	1.376	1.281	-6.9	1.379
CAD - Canadian dollar	1.519	1.302	-14.3	1.467
GBP - Pound sterling	0.827	0.846	2.2	0.834
CNY - Chinese yuan	8.547	7.960	-6.9	8.349
SGD - Singapore dollar	1.735	1.590	-8.3	1.741
SEK - Swedish krona	8.931	8.355	-6.4	8.859
NOK - Norwegian krone	8.246	7.512	-8.9	8.363
AUD - Australian dollar	1.489	1.231	-17.3	1.542

The period average exchange rates*:	28.3.2014	29.3.2013	Change %	31.12.2013
USD - US dollar	1.370	1.321	-3.6	1.328
CAD - Canadian dollar	1.512	1.331	-11.9	1.368
GBP - Pound sterling	0.828	0.851	2.8	0.849
CNY - Chinese yuan	8.356	8.221	-1.6	8.164
SGD - Singapore dollar	1.738	1.635	-6.0	1.662
SEK - Swedish krona	8.855	8.497	-4.1	8.649
NOK - Norwegian krone	8.348	7.429	-11.0	7.802
AUD - Australian dollar	1.528	1.271	-16.8	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	31.3.2014	31.3.2013	31.12.2013
For own commercial obligations			
Guarantees	376.6	335.6	377.6
Leasing liabilities			
Next year	30.5	31.3	30.5
Later on	66.6	67.3	70.0
Other	1.3	1.4	1.7
Total	**475.1**	**435.7**	**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 31 March 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 31.3.2014**	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	381.8	0.0	0.0	381.8	381.8
Derivative financial instruments	6.9	0.0	0.0	0.0	6.9	6.9
Cash and cash equivalents	0.0	141.5	0.0	0.0	141.5	141.5
Total	**6.9**	**523.5**	**1.0**	**0.0**	**531.4**	**531.4**

Financial liabilities 31.3.2014						
Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	122.6	122.6	122.6
Derivative financial instruments	1.9	0.0	0.0	0.0	1.9	1.9
Other payables	0.0	0.0	0.0	2.1	2.1	2.1
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	240.6	240.6	240.6
Derivative financial instruments	5.4	0.0	0.0	0.0	5.4	5.4
Account and other payables	0.0	0.0	0.0	146.6	146.6	146.6
Total	**7.3**	**0.0**	**0.0**	**511.9**	**519.3**	**519.3**

Notes

EUR million **Financial assets 31.3.2013**	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	0.9	0.0	0.9	0.9
Current financial assets						
Short-term interest-bearing receivables	0.0	0.1	0.0	0.0	0.1	0.1
Account and other receivables	0.0	416.1	0.0	0.0	416.1	416.1
Derivative financial instruments	3.5	0.0	0.0	0.0	3.5	3.5
Cash and cash equivalents	0.0	217.4	0.0	0.0	217.4	217.4
Total	**3.5**	**633.8**	**0.9**	**0.0**	**638.1**	**638.1**

Financial liabilities 31.3.2013						
Non-current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	206.9	206.9	206.9
Derivative financial instruments	2.6	0.0	0.0	0.0	2.6	2.6
Other payables	0.0	0.0	0.0	1.4	1.4	1.4
Current financial liabilities						
Interest-bearing liabilities	0.0	0.0	0.0	165.7	165.7	165.7
Derivative financial instruments	10.4	0.0	0.0	0.0	10.4	10.4
Account and other payables	0.0	0.0	0.0	177.1	177.1	177.1
Total	**13.0**	**0.0**	**0.0**	**551.1**	**564.0**	**564.0**

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	**31.3.2014** Nominal value	**31.3.2014** Fair value	**31.3.2013** Nominal value	**31.3.2013** Fair value	**31.12.2013** Nominal value	**31.12.2013** Fair value
Foreign exchange forward contracts	607.6	2.2	646.9	-6.6	625.9	6.7
Currency options	0.0	0.0	37.6	-0.1	0.0	0.0
Interest rate swaps	100.0	-1.9	100.0	-2.6	100.0	-1.8
Electricity derivatives	2.7	-0.7	2.8	-0.2	2.9	-0.5
Total	**710.3**	**-0.4**	**787.3**	**-9.5**	**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.

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

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

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

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

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

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

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

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

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

[1)] *Excl. Service Contract Base*

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

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

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

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service	8.1%	11.5%	9.6%	7.2%	7.6%
Equipment	1.0%	4.7%	5.1%	2.3%	4.2%
Group EBIT % total	**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)	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Service	6,223	6,151	6,219	6,221	6,241
Equipment	5,637	5,626	5,658	5,663	5,782
Group staff	51	55	57	57	58
Total	**11,911**	**11,832**	**11,934**	**11,941**	**12,081**

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

Personnel by region (at the end of the period)	Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Europe-Middle East-Africa (EMEA)	6,235	6,246	6,287	6,294	6,301
Americas (AME)	2,783	2,711	2,725	2,709	2,708
Asia-Pacific (APAC)	2,893	2,875	2,922	2,938	3,072
Total	**11,911**	**11,832**	**11,934**	**11,941**	**12,081**

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 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 April 7, 2014 for the conference call details.

NEXT REPORT

Konecranes Plc's January–June 2014 interim report will be published on July 23, 2014.

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