INDUSTRIAL CRANES
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LIFTTRUCKS
CRANE SERVICE
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PARTS

KONECRANES®
Lifting Businesses™

Growth in orders and sales, operating profit on previous year's level

Q4

Financial Statements Bulletin 2011

GROWTH IN ORDERS AND SALES, OPERATING PROFIT ON PREVIOUS YEAR'S LEVEL

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

Fourth quarter highlights

- Order intake EUR 473.9 million (477.7), -0.8 percent: Service +18.7 percent and Equipment -9.5 percent.
- Order book EUR 991.8 million (756.2) at year-end, +31.2 percent compared with a year before.
- Sales EUR 598.2 million (469.4), +27.4 percent: Service +11.1 percent and Equipment +36.7 percent.
- Operating profit before restructuring costs EUR 47.5 million (45.8), 7.9 percent (9.8) of sales.
- Restructuring costs EUR 10.3 million (0.0).
- Operating profit, including restructuring costs, EUR 37.2 million (45.8), 6.2 percent of sales (9.8).
- Earnings per share (diluted) EUR 0.39 (0.55).
- Net cash flow from operating activities EUR 10.4 million (31.2).
- Net debt EUR 219.8 million (-17.4) and gearing 50.1 percent (-3.8).

Full year 2011 highlights

- Orders received EUR 1,896.1 million (1,536.0), +23.4 percent: Service +14.7 percent and Equipment +28.5 percent.
- Sales EUR 1,896.4 million (1,546.3), +22.6 percent: Service +12.5 percent and Equipment +26.6 percent.
- Operating profit before restructuring costs EUR 117.2 million (115.1), 6.2 percent (7.4) of sales.
- Restructuring costs EUR 10.3 million (2.7).
- Operating profit, including restructuring costs, EUR 106.9 million (112.4), 5.6 percent of sales (7.3).
- Earnings per share (diluted) EUR 1.10 (1.34).
- Net cash flow from operating activities EUR -20.8 million (57.4).
- Dividend proposed by Board of Directors is EUR 1.00 (1.00) per share.

Market outlook

Forecasting the demand continues to be challenging due to the macroeconomic uncertainties. Based on the current offer base, the demand outlook is stable. However, due to the timing of large port crane projects, the quarterly Equipment order intake may fluctuate.

Financial guidance

Based on the order book, we forecast year 2012 sales and operating profit to be higher than in 2011.

KEY FIGURES

	Fourth quarter			January-December		
	10-12/2011	10-12/2010	Change %	1-12/2011	1-12/2010	Change %
Orders received, MEUR	473.9	477.7	-0.8	1,896.1	1,536.0	23.4
Order book at end of period, MEUR	991.8	756.2	31.2	991.8	756.2	31.2
Sales total, MEUR	598.2	469.4	27.4	1,896.4	1,546.3	22.6
EBITDA excluding restructuring costs, MEUR	57.3	53.9	6.3	154.3	145.8	5.8
EBITDA excluding restructuring costs, %	9.6 %	11.5 %		8.1 %	9.4 %	
Operating profit excluding restructuring costs, MEUR	47.5	45.8	3.6	117.2	115.1	1.8
Operating margin excluding restructuring costs, %	7.9 %	9.8 %		6.2 %	7.4 %	
EBITDA, MEUR	51.2	53.9	-5.0	148.1	143.6	3.2
EBITDA, %	8.6 %	11.5 %		7.8 %	9.3 %	
Operating profit, MEUR	37.2	45.8	-18.9	106.9	112.4	-4.9
Operating margin, %	6.2 %	9.8 %		5.6 %	7.3 %	
Profit before taxes, MEUR	35.7	45.4	-21.5	95.8	111.3	-14.0
Net profit for the period, MEUR	23.0	31.9	-28.1	64.9	78.2	-17.0
Earnings per share, basic, EUR	0.39	0.55	-28.6	1.11	1.35	-17.6
Earnings per share, diluted, EUR	0.39	0.55	-28.6	1.10	1.34	-17.7
Gearing, %				50.1 %	-3.8 %	
Return on capital employed %, Rolling 12 Months (R12M)				17.1 %	24.2 %	
Average number of personnel during the period				10,998	9,739	12.9

PRESIDENT AND CEO PEKKA LUNDMARK:

“After the first three quarters of 2011 with only mediocre result development, we were able to significantly improve our result during the fourth quarter. Strong delivery volumes generated an operating profit of EUR 47.5 million before restructuring costs, clearly the highest in 2011. As preliminarily communicated in connection with the Q3 report, we also announced certain restructuring measures during the fourth quarter, which resulted in one-time charges of EUR 10.3 million in the quarter. Full-year 2011 operating profit before restructuring costs was marginally higher than in 2010. All in all, we are satisfied with our top-line growth and market share in 2011, but not with the profit.

We have successfully increased our prices to compensate for the increased costs. However, the competitive situation remains tough in the most parts of the world. We are also actively reducing our fixed cost in places where growth opportunities are limited, Western Europe being the most apparent one.

We started the year 2012 with an order book that was 31.2 percent higher than a year ago. That gives us good visibility for the first half of the year. Right now, the level of new inquires is also reasonably good, but it is very hard to forecast the second half of 2012. It is important for us that the ability of our customers to obtain financing is not hurt by the consequences of the public debt crisis in the Western world. We forecast that both our sales and operating profit in 2012 will increase from 2011.”

2011 BOARD OF DIRECTORS REPORT

Market review

The business environment 2011 turned out to be a very mixed one. Coupled with continuously easy monetary policies and low interest rates, the global economic situation was generally buoyant in the first half of 2011. Export-led economies showed the strongest level of recovery. In addition, two events shaped the business environment during the first half of the year: a powerful earthquake and subsequent tsunami that shook northeastern Japan on March 11, and unrest in North Africa and the Middle East.

Concern about the budget deficits and the level of public debt in Europe and the US started to impede the private sector's optimism towards the end of the second quarter, and the second half of the year was characterized by high economic uncertainty. China and India maintained high growth rates but this meant an increase in inflationary pressures, against which the governments took measures in order to cool the economy. Higher interest rates and tighter credit availability saw a slow-down in economic activity in these countries during the second half of the year.

In line with the general economic situation, industrial capacity utilization in Europe and the US leveled off after having nearly reached the level that prevailed before the start of the financial crisis in 2008. Having broken multi-year highs in the first quarter, purchasing managers' indexes also fell back in the second and third quarters. During the fourth quarter, the indices indicated slightly contracting business activity in Europe but slightly expanding activity in the US.

Compared to 2010, the demand for new equipment improved, as economic growth had eliminated much of the overcapacity within manufacturing industries. Accelerated decision-making for industrial investments boosted the demand for industrial cranes and lift trucks during the first half of the year, while the demand for industrial cranes slackened off during the second half of the year. Demand for crane components was robust throughout the year. Demand for new equipment among industrial customers was strong in all geographic areas except Western Europe. The Americas saw the strongest growth in demand. Price competition remained intense.

Having made a strong comeback in 2010, the global container traffic showed further signs of strength, growing by about 7 percent in 2011. The strongest growth in container traffic was seen in China and the rest of the Far East, closely followed by Europe. This resulted in a continued high level of project activities with container ports globally. New emerging markets, such as sub-Saharan Africa, have gained in importance due to population growth and infrastructure investments in the region. Demand for automated solutions that provide higher productivity and lower costs for large terminals continued to grow.

The demand for lifting equipment services improved in the first half of the year due to higher a capacity utilization in Konecranes' customer industries. In the second half of the year, the service market showed signs of stabilization, but remained robust overall. Outsourcing of crane and machine tool maintenance continued to develop favorably. New types of services utilizing the latest IT and measurement technologies were introduced.

Recent commodity price inflation caused an upward pressure on input costs, particularly in the component area. There also were availability issues related to certain components. After peaking in the first quarter, steel prices eased in the second quarter due to slower economic growth, and this trend continued in the second half of the year. The EUR appreciated against the USD during the first half, but depreciated towards the end of the year.

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

Orders received

In 2011, orders received grew by 23.4 percent to EUR 1,896.1 million (1,536.0). Orders received grew by 14.7 percent in Service and by 28.5 percent in Equipment. Orders received increased in all geographic areas. Order growth was strongest in the Americas. Acquisitions contributed about 4 percent to the orders received in January-December.

The fourth quarter order intake decreased by 0.8 percent from a year before but increased by 3.4 percent from the third quarter to EUR 473.9 million (477.7). Order intake increased by 18.7 percent in Service but decreased by 9.5 percent in Equipment. Orders received rose in the Americas but fell in EMEA and Asia-Pacific.

Order book

The value of the order book at year-end 2011 totaled EUR 991.8 million (756.2), which is 31.2 percent higher than at the end of 2010. The order book decreased by 4.6 percent from the third quarter, when it stood at EUR 1,040.1 million. Service accounted for EUR 135.1 million (14 percent) and Equipment for EUR 856.7 million (86 percent) of the total end-December order book.

Net sales by region, MEUR

	10-12/2011	10-12/2010	Change percent	1-12/2011	1-12/2010	Change percent	Change % at comparable currency rates
EMEA	294.0	253.7	15.9	950.9	812.4	17.0	15.4
AME	174.8	135.8	28.7	549.1	468.2	17.3	21.6
APAC	129.4	79.9	61.9	396.4	265.6	49.2	52.4
Total	**598.2**	**469.4**	**27.4**	**1,896.4**	**1,546.3**	**22.6**	**23.5**

Sales

Group sales in full-year 2011 increased by 22.6 percent and totaled EUR 1,896.4 million (1,546.3). Sales in Service increased by 12.5 percent and in Equipment by 26.6 percent. Acquisitions contributed about 4 percent to sales in January-December.

Fourth-quarter sales rose by 27.4 percent from the corresponding period in 2010 to EUR 598.2 million (469.4). Sales increased in Service by 11.1 percent and in Equipment by 36.7 percent.

In 2011, the regional breakdown was as follows: EMEA 50 (53), Americas 29 (30) and APAC 21 (17) percent.

Currency rate effect

In a year-on-year comparison, the currency rates had a negative effect on orders and sales in January-December. The reported order intake rose by 23.4 percent and by 24.4 percent at comparable currency rates. Reported sales increased by 22.6 percent and by 23.5 percent at comparable currency rates. In the fourth quarter, the reported order intake fell by 0.8 percent whereas the decline at comparable currencies was 1.0 percent. The reported sales increased by 27.4 percent and by 27.9 percent at comparable currencies.

In Service, the reported January-December order intake growth of 14.7 percent was below the growth of 16.1 percent at comparable currencies. In Equipment, reported orders increased by 28.5 percent and by 29.2 percent at comparable currencies. Service sales grew by 12.5 percent in reported terms and by 13.7 percent at comparable currencies. In Equipment, the corresponding figures were 26.6 percent and 27.3 percent.

In 2011, the currency rate differences had a slightly negative impact on the Group's operating margin compared with the previous year.

Financial result

The consolidated operating profit in full-year 2011 totaled EUR 106.9 million (112.4), decreasing in total by EUR 5.5 million. The operating profit includes restructuring costs of EUR 10.3 million (2.7) booked in the fourth quarter due to the restructuring of operations in Europe. The consolidated operating margin fell to 5.6 percent (7.3). The operating margin decreased in Service to 6.2 percent (8.8) and in Equipment to 6.5 percent (6.8).

The consolidated operating profit in the fourth quarter totaled EUR 37.2 million (45.8). The consolidated operating margin in the fourth quarter fell to 6.2 percent (9.8). The operating margin declined in Service to 6.2 percent (10.5) and in Equipment to 7.0 percent (9.5).

In January-December, both business areas benefited from higher volumes compared to the previous year. However, the operating profit was held back by the higher business development spending related to the technology and IT. Also, the sales mix in both business areas was less favorable than a year before.

In Service, the costs of expanding the branch network through organic efforts as well as through acquisitions, taxed the operating profit. Furthermore, certain modernization projects suffered from execution bottlenecks.

Due to intense competition, the product price increases lagged the input cost development, mainly in Industrial Cranes, which had an adverse impact on Equipment's operating profit.

In 2011, depreciation and impairments totaled EUR 41.3 million (31.1). Impairments related to the restructuring of operations in Europe amounted to EUR 4.2 million of the above amount. In 2011, the amortization arising from purchase price allocations for acquisitions represented EUR 14.4 million (8.5) of depreciation and impairments.

In 2011, the share of the result of associated companies and joint ventures was EUR 3.8 million (2.5).

Net financial expenses in January-December totaled EUR 14.9 million (3.6). Net interest expenses accounted for EUR 6.1 million (1.3) of it, and the remainder was mainly attributable to unrealized exchange rate differences related to the hedging of future cash flows that are not included in the hedge accounting.

The January-December profit before taxes was EUR 95.8 million (111.3).

Income taxes in January-December were EUR 30.8 million (33.1). The Group's effective tax rate was 32.2 percent (29.8).

The January-December net profit was EUR 64.9 million (78.2).

In 2011, basic earnings per share were EUR 1.11 (1.35) and diluted earnings per share were EUR 1.10 (1.34).

In 2011, the return on capital employed was 17.1 percent (24.2) and return on equity 14.5 percent (18.1).

Balance sheet

The year-end 2011 consolidated balance sheet amounted to EUR 1,446.3 million (1,175.5). Total equity at the end of the report period was EUR 438.8 million (456.2). Total equity attributable to equity holders of the parent company at year-end 2011 was EUR 433.2 million (450.5) or EUR 7.57 per share (7.64).

Net working capital at year-end 2011 totaled EUR 318.9 million, which was EUR 32.8 million more than at the end of the third quarter and EUR 127.3 million more than at year-end 2010. Compared to previous year, net working capital rose due to higher inventories and receivables.

Cash flow and financing

Net cash from operating activities in full-year 2011 was EUR -20.8 million (57.4), representing EUR -0.35 per share (0.97). In the fourth quarter, net cash flow from operating activities was EUR 10.4 million (31.2). Cash flow before financing activities was EUR -146.5 million (-7.5). Cash flow before financing activities in the fourth quarter was EUR -12.5 million (21.0).

Interest-bearing net debt was EUR 219.8 million (-17.4) at the end of 2011. Solidity was 34.5 percent (44.7) and gearing 50.1 percent (-3.8).

The Group's liquidity remained healthy. At the end of the fourth quarter, cash and cash equivalents amounted to EUR 72.7 million (98.5). None of the Group's EUR 200 million committed back-up financing facility was used at the end of the period.

On October 13, Konecranes announced that it has signed a new five-year Bank Term Loan of EUR 100 million with Pohjola Bank. The loan will be used for general corporate purposes and to prolong the maturity profile of the Group's financial liabilities.

Konecranes paid dividends to its shareholders that amounted to EUR 60.0 million or EUR 1.00 per share in April 2011. Konecranes Plc repurchased own shares worth EUR 51.3 million in the third quarter, which reduced equity by the same amount.

Capital expenditure

In 2011, the capital expenditure excluding acquisitions and investments in associated companies amounted to EUR 32.4 million (22.3). This amount consisted of investments in machines, equipment, properties and information technology. Capital expenditure including acquisitions was EUR 112.5 million (68.8).

Fourth quarter capital expenditure excluding acquisitions was EUR 9.9 million (11.0) and including acquisitions was EUR 12.3 million (22.4).

Acquisitions

In 2011, the capital expenditure on acquisitions and investments in associated companies was EUR 80.1 million (46.5). During January-December, Konecranes made seven acquisitions in Chile, India, Austria, Germany, Spain, Switzerland and Saudi Arabia. The net assets of the acquisitions were recorded at EUR 42.9 million and goodwill of EUR 37.2 million was booked from the acquisitions.

On October 11, 2010, Konecranes announced that it had entered into an agreement to acquire the Indian crane company WMI Cranes Ltd. ("WMI"). Konecranes received the required regulatory approvals during first quarter of 2011 and WMI has been consolidated into Konecranes' financial reporting from February 01, 2011.

Konecranes acquired WMI's shares in two phases. In the first phase in February, Konecranes acquired 51 percent of the shares in the company. In the second phase finalized in August, Konecranes acquired the remaining 49 percent of the shares. The total price for 100 percent of the shares in WMI amounted to INR 3,438 million (EUR 54.4 million). In addition an equity investment amounting to INR 140 million (EUR 2.3 million) has been made into WMI's equity in accordance with the share purchase agreement.

The acquisition marks an important step in strengthening Konecranes' position in the growing Indian crane market.

In June, Konecranes acquired 100 percent of the Saudi Arabian crane manufacturer Saudi Cranes & Steel Works Factory Company Limited ("Saudi Cranes"). Saudi Cranes is headquartered in Al Jubail Industrial City and the company has approximately 100 employees. Saudi Cranes' core business is the design, manufacturing and sales of industrial cranes. The company previously had a license agreement with Konecranes. The acquisition creates an excellent base for establishing and developing services in the Saudi Arabian market.

Personnel

In January-December, the Group employed an average of 10,998 people (9,739). On December 31, the headcount was 11,651 (10,042). At year-end 2011, the number of personnel by Business Area was as follows: Service 5,980 employees (5,397), Equipment 5,621 employees (4,600) and Group staff 50 (45). The Group had 6,144 employees (5,751) working in EMEA, 2,513 (2,259) in the Americas and 2,994 (2,032) in the APAC region.

Approximately one-third of the personnel increase came from the acquisitions.

During 2011, implementation of the lifting people strategy continued. Lifting people is one of the strategic cornerstones and it focuses on good company culture, true leadership, performance management and ensuring competent resources. The global job satisfaction survey was carried out for the fifth time with an exceptionally high response rate and the results were showing good progress in all the measured areas.

Focus on competence development continued in all functions and areas. Development of leadership skills continued in all organizational levels. Approximately 100 members of the top management participated in the renewed Konecranes Champion program. Performance management and especially TPP development discussions were widely emphasized, and their positive impact was clearly visible also in the results of global job satisfaction survey.

On December 21, 2011, Konecranes announced that it has initiated actions in the fourth quarter to lower the cost base in Europe. The actions are estimated to affect approximately 125 employees within the Konecranes Group. With these planned actions Konecranes targets annual cost savings of approximately EUR 9 million. Konecranes incurred restructuring costs of EUR 10.3 million due to these actions in the fourth quarter of 2011 of which asset write-downs amounted to EUR 4.2 million.

In 2011, the Group's personnel expenses totaled EUR 530.3 million (468.7).

BUSINESS AREAS

Service

	10-12/2011	10-12/2010	Change percent	1-12/2011	1-12/2010	Change percent
Orders received, MEUR	183.3	154.4	18.7	694.6	605.7	14.7
Order book, MEUR	135.1	103.3	30.9	135.1	103.3	30.9
Contract base value, MEUR	166.2	145.7	14.1	166.2	145.7	14.1
Net sales, MEUR	234.9	211.3	11.1	796.1	707.8	12.5
EBITDA, MEUR *	19.9	24.7	-13.6	63.3	73.2	-13.5
EBITDA, %	8.5 %	11.7 %		8.0 %	10.3 %	
Depreciation and amortization, MEUR *	-3.1	-2.6	73.5	-11.7	-10.6	10.9
Impairments, MEUR	-2.2	0.0		-2.2	-0.1	
Operating profit (EBIT), MEUR	14.6	22.1	-33.9	49.4	62.5	-20.9
Operating profit (EBIT), %	6.2 %	10.5 %		6.2 %	8.8 %	
Restructuring costs, MEUR	-6.3	0.0		-6.3	0.0	
Operating profit (EBIT) excluding restructuring costs, MEUR	20.9	22.1	-5.3	55.7	62.5	-10.8
Operating profit (EBIT) excluding restructuring costs, %	8.9 %	10.5 %		7.0 %	8.8 %	
Capital employed, MEUR	190.9	163.3	16.9	190.9	163.3	16.9
ROCE%				27.9 %	42.5 %	
Capital expenditure, MEUR	3.5	5.5	-36.7	9.3	11.3	-18.1
Personnel at the end of period	5,980	5,397	10.8	5,980	5,397	10.8

*Depreciation and amortization between the business areas have been adjusted in Q4/2011. The adjustment does not have a material impact on the EBITDA and it has no impact on the EBIT.

Orders in full-year 2011 totaled EUR 694.6 million (605.7) showing an increase of 14.7 percent. New orders grew in all geographic regions and in all business units. The order book rose to EUR 135.1 million (103.3) at year-end representing an increase of 30.9 percent. Sales rose by 12.5 percent to EUR 796.1 million (707.8). Operating profit before restructuring costs of EUR 6.3 million (0.0) was EUR 55.7 million (62.5) and the operating margin 7.0 percent (8.8). Operating profit after restructuring costs was EUR 49.4 million (62.5) and 6.2 percent of sales (8.8). The restructuring costs related to the European-wide cost savings program. Growth in deliveries was slower than originally planned, which affected the fixed cost absorption in the expanded service network. In addition, the sales mix effects were negative due to the slow growth of demand in spare parts. Moreover, certain modernization projects suffered from execution bottlenecks.

The fourth quarter order intake rose by 18.7 percent from the previous year and totaled EUR 183.3 million (154.4). Orders were higher than a year ago in all regions. Fourth-quarter sales totaled EUR 234.9 million (211.3) representing a year-over-year increase of 11.1 percent. Fourth quarter operating profit before restructuring costs was EUR 20.9 million (22.1), and the operating margin 8.9 percent (10.5). Operating profit after restructuring costs was EUR 14.6 million (22.1) and 6.2 percent of sales (10.5).

The annual value of the contract base increased to EUR 166.2 million (145.7) at year-end 2011. At year-end 2011, the total number of items of equipment included in the maintenance contract base was 409,877 (375,514).

The number of service technicians at year-end 2011 was 3,796 (3,466), which is 330 or 9.5 percent more than at year-end 2010.

Equipment

	10-12/2011	10-12/2010	Change percent	1-12/2011	1-12/2010	Change percent
Orders received, MEUR	316.1	349.2	-9.5	1,291.5	1,004.9	28.5
Order book, MEUR	856.7	652.9	31.2	856.7	652.9	31.2
Net sales, MEUR	394.4	288.5	36.7	1,201.4	948.6	26.6
EBITDA, MEUR *	36.1	32.8	4.2	104.8	84.7	23.7
EBITDA, %	9.2 %	11.4 %		8.7 %	8.9 %	
Depreciation and amortization, MEUR *	-6.7	-5.3	-12.9	-25.0	-19.4	29.0
Impairments, MEUR	-2.0	0.0		-2.0	-0.6	
Operating profit (EBIT), MEUR	27.5	27.4	0.2	77.7	64.7	20.2
Operating profit (EBIT), %	7.0 %	9.5 %		6.5 %	6.8 %	
Restructuring costs, MEUR	-4.0	0.0		-4.0	-2.7	
Operating profit (EBIT) excluding restructuring costs, MEUR	31.5	27.4	14.8	81.7	67.4	21.3
Operating profit (EBIT) excluding restructuring costs, %	8.0 %	9.5 %		6.8 %	7.1 %	
Capital employed, MEUR	426.1	243.1	75.3	426.1	243.1	75.3
ROCE%				23.2 %	28.6 %	
Capital expenditure, MEUR	6.5	5.5	17.2	23.2	11.0	110.0
Personnel at the end of period	5,621	4,600	22.2	5,621	4,600	22.2

*Depreciation and amortization between the business areas have been adjusted in Q4/2011. The adjustment does not have a material impact on the EBITDA and it has no impact on the EBIT.

Orders in full-year 2011 totaled EUR 1,291.5 million (1,004.9) showing an increase of 28.5 percent. Orders grew in all regions. The growth was particularly high in the Americas. Orders for Industrial Cranes accounted for approximately 45 percent of the orders received and were higher than a year before. Components generated approximately 25 percent of the new orders and were above last year's level. The combined orders for the other business units (Nuclear Cranes, Port Cranes and Lift Trucks) amounted to approximately 30 percent of the orders received and were higher than a year ago. The order intake included large port and shipyard crane orders in the first, third and fourth quarters.

The order book increased by 31.2 percent from previous year to EUR 856.7 million (652.9). Sales increased by 26.6 percent to EUR 1,201.4 million (948.6). Operating profit before restructuring costs of EUR 4.0 million (2.7) was EUR 81.7 million (67.4) and the operating margin 6.8 percent (7.1). Operating profit after restructuring costs was EUR 77.7 million (64.7) and 6.5 percent of sales (6.8). Profitability improved due to higher volumes but it was held back by the higher business development spending related to the new products and IT. Also, the sales mix was less favorable than a year ago. Due to intense competition, the product price increases lagged the input cost development, mainly in Industrial Cranes, which had an additional adverse impact on the operating profit.

The fourth quarter order intake fell by 9.5 percent and totaled EUR 316.1 million (349.2). The fourth quarter order intake rose in the Americas, but declined EMEA and Asia-Pacific. The comparison period included significant contracts for port cranes. The fourth quarter sales totaled EUR 394.4 million (288.5) and were 36.7 percent higher than a year ago. The fourth quarter operating profit before restructuring costs was EUR 31.5 million (27.4), and the operating margin 8.0 percent (9.5). The fourth quarter operating profit after restructuring costs was EUR 27.5 million (27.4), and the operating margin 7.0 percent (9.5).

Group overheads

Unallocated Group overhead costs in 2011 were EUR 20.3 million (14.8), representing 1.1 percent of sales (1.0).

Administration

Decisions of the Annual General Meeting

The Annual General Meeting of Konecranes Plc was held on Thursday, March 31, 2011. The meeting approved the Company's annual accounts for the fiscal year 2010 and discharged the members of the Board of Directors and Managing Director from liability. The AGM approved the Board's proposal that a dividend of EUR 1.00 per share will be paid from the distributable assets of the parent company.

The AGM approved the proposal of the Nomination and Compensation Committee that the number of members of the Board of Directors is eight (8). The Board members elected at the AGM in 2011 are Mr. Svante Adde, Mr. Kim Gran, Mr. Stig Gustavson, Mr. Tapani Järvinen, Mr. Matti Kavetvuo, Ms. Nina Kopola, Ms. Malin Persson, and Mr. Mikael Silvennoinen.

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 a pledge shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.6 percent of all the shares in the Company. The authorization is effective until the end of the next Annual General Meeting, however, no longer than until September 30, 2012. The Board of Directors decided to repurchase a maximum amount of 3,000,000 Company's own shares no earlier than August 16, 2011 and no later than March 1, 2012.

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 section 1 of the Finnish Companies Act. The amount of shares to be issued based on this authorization shall not exceed 9,000,000 shares, which corresponds to approximately 14.5 percent of all the shares in the Company. The authorization is effective until the end of the next Annual General Meeting, however no longer than until September 30, 2012. The Board of Directors did not use this authorization in 2011.

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 9.6 percent of all the shares in the Company. This authorization shall be effective until the next Annual General Meeting of Shareholders, however, no longer than until September 30, 2012. The Board of Directors did not use this authorization in 2011.

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

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

With the exception of Mr. Stig Gustavson, the Board members are deemed to be independent of the Company under the Finnish Corporate Governance Code. Mr. Gustavson is not deemed independent of the Company based on the Board's overall evaluation relating to his former and current positions in Konecranes, combined with his substantial voting rights in the Company.

All Board members are independent of significant shareholders of the company.

Changes in Group Management

The Board of Directors of Konecranes Plc made the following appointments, effective January 1, 2012:

As planned earlier, Harry Ollila will step down from his position as a Head of Market Operations and member of the Group Executive Board.

Mikko Uhari, Executive Vice President and Head of Business Area Equipment, will succeed Harry Ollila as an Executive Vice President and a Head of Market Operations.

Hannu Rusanen, Executive Vice President and Head of Business Area Service, will succeed Mikko Uhari as an Executive Vice President and a Head of Business Area Equipment.

Fabio Fiorino, Vice President, Head of Service, Region Americas, will succeed Hannu Rusanen as an Executive Vice President and a Head of Business Area Service. He will also become a member of the Group Executive Board.

Ari Kiviniitty is appointed Senior Vice President, Head of Product Management and Engineering. He also acts as a deputy to Mr. Hannu Rusanen, Head of Business Area Equipment. Mr. Kiviniitty also continues as the acting Chief Technology Officer until a new person will be appointed to this position.

Pekka Lettijeff is appointed as Chief Supply Chain Officer, Head of Supply Chain Management.

From January 1, 2012, Mr. Kiviniitty and Mr. Lettijeff will not continue as members of the Group Executive Board in their new positions, as they will report to Mr. Rusanen, Executive Vice President, Head of Business Area Equipment.

As of January 1, 2012, the Group Executive Board (GXB) comprises of the following members:

- Pekka Lundmark, President and CEO, and Chairman of the Group Executive Board
- Mikko Uhari, Market Operations
- Hannu Rusanen, Business Area Equipment
- Fabio Fiorino, Business Area Service
- Teo Ottola, Finance and headquarter functions
- Ari Kiviniitty, Chief Technology Officer (until a new person will be appointed to this position)

Other issues

At the end of the year 2011, Konecranes had a loan receivable of EUR 217,197 from the President & CEO Pekka Lundmark with interest rate of 2.039 percent. The loan relates to a tax payment resulting from the incentive scheme directed to the President & CEO in 2006. There is a tax appeal pending against the imposed payment, and the loan is effective until the appeal is resolved.

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

Share capital and shares

The company's registered share capital totaled EUR 30.1 million on December 31, 2011 and the number of shares including treasury shares was 63,241,427.

On December 31, 2011, Konecranes Plc was in the possession of 6,042,456 own shares, which corresponds to 9.6 percent of the total number of shares having a market value of EUR 87.9 million on that date.

Konecranes Plc repurchased 3,000,000 own shares in public trading on the NASDAQ OMX Helsinki in the third quarter, which corresponds to 4.7 percent of the total number of shares. The consideration paid for the shares amounted to EUR 51.3 million, which reduced equity by the same amount.

A total of 281,007 new shares subscribed in the Konecranes Plc's share issue directed to the shareholders of KCR Management Oy, following the share swap announced on December 14, 2010, were entered into the Trade Register on January 13, 2011.

Shares subscribed under stock option rights

Pursuant to Konecranes Plc's stock option plans, 958,300 new shares were subscribed and registered in the Finnish Trade Register in January-December 2011. As a result of these subscriptions, the total number of Konecranes Plc's shares, including treasury shares, rose to 63,241,427.

The stock options issued under Konecranes Plc's ongoing stock option plans (2007 and 2009) at end-December 2011 entitle the holders to subscribe to a total of 3,144,200 shares, which would increase the total number of Konecranes Plc's shares, including treasury shares, to 66,385,627. The option programs include approximately 220 key persons.

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

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

Market capitalization and trading volume

The closing price for Konecranes Plc's shares on the NASDAQ OMX Helsinki on December 31, 2011 was EUR 14.54. The volume-weighted average share price in January-December was EUR 22.83, the highest price being EUR 34.17 in February and the lowest EUR 13.18 in November. In January–December, the trading volume on the NASDAQ OMX Helsinki totaled 125.6 million of Konecranes Plc's shares, corresponding to a turnover of approximately EUR 2,868 million. The average daily trading volume was 496,544 shares, representing an average daily turnover of EUR 11.3 million. In addition, approximately 95 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in 2011, according to Fidessa.

On December 31, 2011, the total market capitalization of Konecranes Plc's shares on NASDAQ OMX Helsinki was EUR 919.5 million including treasury shares. The market capitalization was EUR 831.7 million excluding the treasury shares.

Flagging notifications and other announcements by shareholders

On January 5, 2011, BlackRock, Inc. informed Konecranes that their holding had exceeded 10 percent. BlackRock Inc. held 6,441,109 shares in Konecranes Plc on January 4. The holding corresponds to 10.39 percent of Konecranes Plc's shares and votes.

On January 13, 2011, HTT 2 Holding Oy Ab informed Konecranes that their holding had decreased below 10 percent. HTT 2 Holding Oy Ab held 6,215,568 shares in Konecranes Plc on January 13, 2011, which is 9.98 percent of Konecranes Plc's shares and votes. K. Hartwall

Invest Oy Ab, Fyrklöver-Invest Oy Ab and Ronnas Invest AG, who will in practice cooperate with HTT 2 Holding Oy Ab in matters concerning their ownership in Konecranes Plc, held 6,347,968 shares on January 13, 2011, which is 10.19 percent of the shares and votes in Konecranes Plc.

On January 14, 2011, HTT 2 Holding Oy Ab informed Konecranes that their holding had exceeded 10 percent. HTT 2 Holding Oy Ab held 6,230,568 shares in Konecranes Plc on January 14, 2011, which is 10.00 percent of Konecranes Plc's shares and votes. K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Ronnas Invest AG, who will in practice cooperate with HTT 2 Holding Oy Ab in matters concerning their ownership in Konecranes Plc, held 6,362,968 shares on January 14, 2011, which is 10.22 percent of the shares and votes in Konecranes Plc.

On March 4, 2011, Konecranes received a disclosure according to which, the holding of BlackRock, Inc. in Konecranes Plc had decreased below 10 percent. BlackRock, Inc. held 6,121,545 Konecranes Plc's shares on March 3, 2011, which is 9.83 percent of Konecranes Plc's shares and votes.

On March 8, 2011, Konecranes received a disclosure according to which the holding of BlackRock, Inc. in Konecranes Plc had exceeded 10 percent. BlackRock, Inc. held 6,362,798 Konecranes Plc's shares on March 7, 2011, which is 10.21 percent of Konecranes Plc's shares and votes.

On March 9, 2011, Konecranes received a disclosure according to which, the holding of BlackRock, Inc. in Konecranes Plc had decreased below 10 percent. BlackRock, Inc. held 6,093,644 Konecranes Plc's shares on March 8, 2011, which is 9.78 percent of Konecranes Plc's shares and votes.

On August 18, 2011, Konecranes disclosed that its total holding of Konecranes Plc had exceeded 5 percent as a result of the repurchase of the company's own shares. Konecranes Plc was in the possession of 2,683,000 own shares directly and 517,696 own shares indirectly through KCR Management Oy on August 17, 2011, which is 5.06 percent of Konecranes Plc's shares and votes.

On August 23, 2011, Konecranes disclosed that its direct holding of Konecranes Plc had exceeded 5 percent as a result of the repurchase of the company's own shares. Konecranes Plc was directly in the possession of 3,196,813 own shares on August 22, 2011, which is 5.05 percent of Konecranes Plc's shares and votes. In addition, Konecranes Plc was in the possession of 517,696 own shares indirectly through KCR Management Oy on August 22, 2011, which is 0.82 percent of Konecranes Plc's shares and votes.

On September 29, 2011, Konecranes received a disclosure according to which, the holding of BlackRock, Inc. in Konecranes Plc has decreased below 5 percent. BlackRock, Inc. held 3,135,985 Konecranes Plc's shares on September 28, 2011, which is 4.96 percent of Konecranes Plc's shares and votes.

On October 5, 2011, Konecranes received a disclosure according to which, the holding of BlackRock, Inc. in Konecranes Plc has exceeded 5 percent. BlackRock, Inc. held 3,172,115 Konecranes Plc's shares on October 4, 2011, which is 5.02 percent of Konecranes Plc's shares and votes.

On October 12, 2011, Konecranes received a disclosure according to which the holding of BlackRock, Inc. in Konecranes Plc has decreased below 5 percent. BlackRock, Inc. held 3,110,058 Konecranes Plc's shares on October 11, 2011, which is 4.92 percent of Konecranes Plc's shares and votes.

On December 28, 2011, Konecranes received information according to which the Chairman of the company's Board of Directors Stig Gustavson has donated all his shares in Konecranes Plc to his near relatives, retaining himself the voting rights and right to dividend attached to the donated shares. The donation encompasses in total 2,069,778 shares, which corresponds to approximately 3.27 percent of the all company's shares and voting rights.

No other disclosures concerning changes in holdings were received in 2011.

Research and development

In 2011, Konecranes' research and product development expenditure totaled EUR 29.6 (21.5) million, representing 1.6 (1.3) percent of sales. R&D expenditure includes product development projects aimed at improving the quality and cost efficiency of both products and services.

Konecranes continued the development of a new global electric chain hoist platform. New modern product series is designed to fulfill the needs of multiple sales channels. The product series incorporates a very broad technical feature list gathered from several geographical markets. The series has also been designed to support global approach in manufacturing and sourcing from the day one. The first models of the new extensive product family were launched in 2011; more new models will be introduced in 2012.

Ergonomics is highly important to our customers, when using our products and services. This means ease of use, consistent and inspiring design, and overall low physical and mental stress. One concretized outcome of the development work in that area was the new cabin series for the port and industrial process cranes. The product was developed from bottom up focusing on the driver's daily life. The new cabin series was launched in spring and it already received very positive customer feedback in trade shows and exhibitions. The new product sets the industry benchmark in the area of ergonomics.

Consistent improvement in eco-efficiency is one of the main themes in all of the Konecranes product development. It positively resulted in the delivery of a hybrid straddle carrier to EUROGATE in Germany. The straddle carrier was equipped with the most modern super capacitor system available that is able to receive and store the energy released while the load is lowered. The stored energy can be used in the next lifts.

The first products under TRUCONNECT® remote services were launched in 2011. Konecranes TRUCONNECT® remote services for cranes and machine tools are based on a remote connection between the equipment and the Konecranes remote center. The TRUCONNECT® product family includes different services enabled by remote connection, all of which are aimed at helping the customer to improve safety and optimize the maintenance of the equipment. The service was well received and we already have more than a thousand units of equipment connected to the service.

Corporate resbonsibility

During 2011, the corporate responsibility work continued with roll-out and communication of the five CR focus areas: safety, people, environment, smarter offering and fair play. The topics were presented and discussed at all major Konecranes events, such as Konecranes Conference and Konecranes Supplier Days. The previously established a global network of safety, environmental and quality professionals started to show results. Common practices are being created together, and the network is sharing best practices, for example, on chemical and waste management guidance.

Environmental aspects improved on two fronts: products and own operations. In 2011, there were visible environmental achievements related to products in the form of smarter offering and improved communication of product related environmental questions. Safety indicators showed overall improvement. Accident and near hit reporting tool was in wider use enabling wider data analyzes. This, in turn, enables a sharper focus on preventive and corrective actions to improve safety.

Risks and uncertainties

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

The economic growth has had an inflationary impact on the raw material prices, which may have an effect on Konecranes' profits if product sales prices could not be correspondingly adjusted due, for example, to intense competition. In addition to Konecranes' own assembly operations, the lack of raw materials and components may cause bottlenecks, which may consequently result in delays of deliveries and increased costs.

A renewed shortage of credit may cause difficulties for Konecranes' customers, suppliers, and financial and other counterparties. The risk may be realized as a shortage of supplies or defaulting liabilities.

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

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

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, auto liability and other matters involving claims of general liability.

While the final outcome of these proceedings 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.

Market outlook

Forecasting the demand continues to be challenging due to the macroeconomic uncertainties. Based on the current offer base, the demand outlook is stable. However, due to the timing of large port crane projects, the quarterly Equipment order intake may fluctuate.

Financial guidance

Based on the order book, we forecast year 2012 sales and operating profit to be higher than in 2011.

Board of Directors' proposal for disposal of distributable funds

The parent company's non-restricted equity is EUR 135,183,409.18 of which the net income for the year is EUR 40,050,228.07. The Group's non-restricted equity is EUR 366,767,000.

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

Based on such assessments the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 1.00 be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity.

A pdf version of Konecranes' full audited financial statements including the report of the Board of Directors will be available on the web on March 1, 2012, and the printed version during the week 12.

Helsinki, February 2, 2012
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.

To hedge sales cash flows for certain large crane projects Konecranes applies hedge accounting compatible with IAS 39. From the beginning of 2011 the Group applies hedge accounting also to purchases related to large crane projects. Currently only USD-denominated projects are included in the hedge accounting. Otherwise Konecranes applies the same accounting policies as were applied in the 2010 annual financial statements. The year 2011 new and amended IFRS standards have immaterial impact on future financial statements.

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

The numbers stated in this bulletin have been subject to audit.

Consolidated statement of income

EUR million	10-12/2011	10-12/2010	Change %	1-12/2011	1-12/2010	Change %
Sales	**598.2**	**469.4**	27.4	**1,896.4**	**1,546.3**	22.6
Other operating income	1.9	1.1		4.1	3.6	
Depreciation and impairments	-14.0	-8.0		-41.3	-31.1	
Other operating expenses	-548.9	-416.7		-1,752.3	-1,406.3	
Operating profit	**37.2**	**45.8**	-18.9	**106.9**	**112.4**	-4.9
Share of associates' and joint ventures' result	1.2	1.2		3.8	2.5	
Financial income and expenses	-2.7	-1.6		-14.9	-3.6	
Profit before taxes	**35.7**	**45.4**	-21.5	**95.8**	**111.3**	-14.0
Taxes	-12.7	-13.5		-30.8	-33.1	
NET PROFIT FOR THE PERIOD	**23.0**	**31.9**	-28.1	**64.9**	**78.2**	-17.0
Net profit for the period attributable to:						
Shareholders of the parent company	23.1	32.3		65.5	79.4	
Non-controlling interest	-0.2	-0.4		-0.6	-1.2	
Earnings per share, basic (EUR)	0.39	0.55	-28.6	1.11	1.35	-17.6
Earnings per share, diluted (EUR)	0.39	0.55	-28.6	1.10	1.34	-17.7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	10-12/2011	10-12/2010	Change %	1-12/2011	1-12/2010	Change %
Net profit for the period	**23.0**	**31.9**	-28.1	**64.9**	**78.2**	-17.0
Other comprehensive income for the period, net of tax						
Exchange differences on translating foreign operations	9.4	4.6		3.5	19.4	
Cash flow hedges	-5.2	1.2		-4.6	-2.4	
Income tax relating to components of other comprehensive income	1.3	-0.3		1.1	0.6	
Other comprehensive income for the period, net of tax	**5.5**	**5.6**		**0.0**	**17.6**	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**28.5**	**37.5**	-24.1	**64.9**	**95.8**	-32.3
Total comprehensive income attributable to:						
Shareholders of the parent company	28.3	37.3		65.0	96.6	
Non-controlling interest	0.1	0.2		-0.1	-0.8	

CONSOLIDATED BALANCE SHEET

EUR million ASSETS	31.12.2011	31.12.2010
Non-current assets		
Goodwill	115.3	84.4
Intangible assets	81.6	68.3
Property, plant and equipment	125.4	99.1
Advance payments and construction in progress	40.0	19.0
Investments accounted for using the equity method	34.6	31.9
Available-for-sale investments	1.4	1.4
Long-term loans receivable	0.2	0.3
Deferred tax assets	47.9	40.7
Total non-current assets	**446.5**	**345.2**
Current assets		
Inventories		
Raw material and semi-manufactured goods	152.8	120.6
Work in progress	176.8	139.0
Advance payments	17.8	10.3
Total inventories	347.5	269.9
Accounts receivable	405.9	315.8
Loans receivable	0.3	1.8
Other receivables	44.8	28.8
Current tax assets	10.2	10.6
Deferred assets	118.5	104.9
Cash and cash equivalents	72.7	98.5
Total current assets	**999.8**	**830.3**
TOTAL ASSETS	**1,446.3**	**1,175.5**

CONSOLIDATED BALANCE SHEET

EUR million EQUITY AND LIABILITIES	31.12.2011	31.12.2010
Equity attributable to equity holders of the parent company		
Share capital	30.1	30.1
Share premium account	39.3	39.3
Share issue	0.0	8.7
Fair value reserves	-2.9	0.5
Translation difference	3.5	0.5
Paid in capital	43.7	10.5
Retained earnings	254.1	281.4
Net profit for the period	65.5	79.4
Total equity attributable to equity holders of the parent company	**433.2**	**450.5**
Non-controlling interest	5.5	5.7
Total equity	**438.8**	**456.2**
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	129.1	32.9
Other long-term liabilities	58.7	57.0
Deferred tax liabilities	26.6	18.1
Total non-current liabilities	**214.5**	**107.9**
Provisions	**54.1**	**50.1**
Current liabilities		
Interest-bearing liabilities	163.9	50.2
Advance payments received	174.1	154.0
Progress billings	4.7	24.9
Accounts payable	152.3	117.2
Other short-term liabilities (non-interest bearing)	25.5	23.2
Current tax liabilities	8.8	14.1
Accruals	209.7	177.6
Total current liabilities	**739.0**	**561.2**
Total liabilities	**1,007.6**	**719.2**
TOTAL EQUITY AND LIABILITIES	**1,446.3**	**1,175.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Equity attributable to equity holders of the parent company Share capital	Share premium account	Share issue	Cash flow hedge	Translation difference
Balance at 1 January, 2011	**30.1**	**39.3**	**8.7**	**0.5**	**0.5**
Options exercised					
Share issue			-8.7		
Dividends paid to equity holders					
Share based payments recognized against equity					
Purchase of treasury shares					
Business combinations					
Total comprehensive income				-3.5	3.0
Balance at 31 December, 2011	**30.1**	**39.3**	**0.0**	**-2.9**	**3.5**
Balance at 1 January, 2010	**30.1**	**39.3**	**0.0**	**2.3**	**-18.4**
Option exercised					
Share issue			0.1		
Dividends paid to equity holders					
Share based payments recognized against equity					
Employee benefit scheme for executive management*			8.6		
Business combinations					
Donations**					
Total comprehensive income				-1.8	19.0
Balance at 31 December, 2010	**30.1**	**39.3**	**8.7**	**0.5**	**0.5**

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, 2011	**10.5**	**360.8**	**450.5**	**5.7**	**456.2**
Options exercised	24.6		24.6		**24.6**
Share issue	8.6		-0.1		**-0.1**
Dividends paid to equity holders		-60.0	-60.0		**-60.0**
Share based payments recognized against equity		4.8	4.8		**4.8**
Purchase of treasury shares		-51.3	-51.3		**-51.3**
Business combinations		-0.2	-0.2	-0.1	**-0.4**
Total comprehensive income		65.5	65.0	-0.1	**64.9**
Balance at 31 December, 2011	**43.7**	**319.6**	**433.2**	**5.5**	**438.8**
Balance at 1 January, 2010	**9.0**	**340.2**	**402.5**	**4.6**	**407.1**
Option exercised	1.4		1.4		**1.4**
Share issue			0.1		**0.1**
Dividends paid to equity holders		-53.0	-53.0		**-53.0**
Share based payments recognized against equity		3.6	3.6		**3.6**
Employee benefit scheme for executive management*		-7.8	0.8	-0.9	**-0.1**
Business combinations		-0.6	-0.6	2.8	**2.2**
Donations**		-0.9	-0.9		**-0.9**
Total comprehensive income		79.4	96.6	-0.8	**95.8**
Balance at 31 December, 2010	**10.5**	**360.8**	**450.5**	**5.7**	**456.2**

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

** Donations (after taxes) to Finnish Universities based on the decision made by AGM

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-12/2011	1-12/2010
Cash flow from operating activities		
Net income	64.9	78.2
Adjustments to net income		
Taxes	30.8	33.1
Financial income and expenses	15.3	3.8
Share of associates' and joint ventures' result	-3.8	-2.5
Dividend income	-0.4	-0.2
Depreciation and impairments	41.3	31.1
Profits and losses on sale of fixed assets	-0.1	-0.6
Other adjustments	2.6	0.6
Operating income before change in net working capital	**150.7**	**143.5**
Change in interest-free short-term receivables	-92.0	-49.7
Change in inventories	-56.8	-7.2
Change in interest-free short-term liabilities	29.6	10.8
Change in net working capital	**-119.2**	**-46.1**
Cash flow from operations before financing items and taxes	**31.5**	**97.4**
Interest received	6.5	2.1
Interest paid	-10.7	-5.8
Other financial income and expenses	-6.6	-5.0
Income taxes paid	-41.4	-31.3
Financing items and taxes	**-52.3**	**-40.0**
Net cash from operating activities	**-20.8**	**57.4**
Cash flow from investing activities		
Acquisition of Group companies, net of cash	-73.6	-11.5
Divestment of Group companies, net of cash	0.0	0.9
Acquisition of shares in associated companies	0.0	-27.0
Capital expenditures	-53.3	-29.2
Proceeds from sale of fixed assets	0.9	1.6
Dividends received	0.4	0.2
Net cash used in investing activities	**-125.6**	**-65.0**
Cash flow before financing activities	**-146.5**	**-7.5**
Cash flow from financing activities		
Proceeds from options exercised and share issues	24.5	1.2
Purchase of treasury shares	-51.3	0.0
Proceeds from long-term borrowings	162.4	0.3
Repayments of long-term borrowings	-64.6	-8.4
Proceeds from (+), payments of (-) short-term borrowings	107.1	17.7
Change in long-term receivables	0.0	1.4
Change in short-term receivables	1.6	0.0
Dividends paid to equity holders of the parent	-60.0	-53.0
Net cash used in financing activities	**119.7**	**-40.8**
Translation differences in cash	1.0	9.3
Change of cash and cash equivalents	**-25.8**	**-39.1**
Cash and cash equivalents at beginning of period	98.5	137.5
Cash and cash equivalents at end of period	72.7	98.5
Change of cash and cash equivalents	**-25.8**	**-39.1**

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.

SEGMENT INFORMATION

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1-12/2011	% of total	1-12/2010	% of total
Service [1]	694.6	35	605.7	38
Equipment	1,291.5	65	1,004.9	62
./. Internal	-90.1		-74.6	
Total	**1,896.1**	**100**	**1,536.0**	**100**

1) Excl. Service Contract Base

Order book total [2]	31.12.2011	% of total	31.12.2010	% of total
Service	135.1	14	103.3	14
Equipment	856.7	86	652.9	86
./. Internal	0.0		0.0	
Total	**991.8**	**100**	**756.2**	**100**

2) Percentage of completion deducted

Sales by Business Area	1-12/2011	% of total	1-12/2010	% of total
Service	796.1	40	707.8	43
Equipment	1,201.4	60	948.6	57
./. Internal	-101.1		-110.1	
Total	**1,896.4**	**100**	**1,546.3**	**100**

Operating profit (EBIT) by Business Area	1-12/2011		1-12/2010	
excluding restructuring costs	MEUR	EBIT %	MEUR	EBIT %
Service	55.7	7.0	62.5	8.8
Equipment	81.7	6.8	67.4	7.1
Group costs and eliminations	-20.3		-14.8	
Total	**117.2**	**6.2**	**115.1**	**7.4**

Operating profit (EBIT) by Business Area	1-12/2011		1-12/2010	
including restructuring costs	MEUR	EBIT %	MEUR	EBIT %
Service	49.4	6.2	62.5	8.8
Equipment	77.7	6.5	64.7	6.8
Group costs and eliminations	-20.3		-14.8	
Total	**106.9**	**5.6**	**112.4**	**7.3**

	1-12/2011		1-12/2010	
Capital Employed and ROCE%	MEUR	ROCE %	MEUR	ROCE %
Service	190.9	27.9	163.3	42.5
Equipment	426.1	23.2	243.1	28.6
Unallocated Capital Employed	114.8		132.9	
Total	**731.8**	**16.8**	**539.3**	**24.2**

Personnel by Business Area (at the end of the period)	31.12.2011	% of total	31.12.2010	% of total
Service	5,980	51	5,397	54
Equipment	5,621	48	4,600	46
Group staff	50	0	45	0
Total	**11,651**	**100**	**10,042**	**100**

SEGMENT INFORMATION

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	**1-12/2011**	% of total	**1-12/2010**	% of total
Europe-Middle East-Africa (EMEA)	950.9	50	812.4	53
Americas (AME)	549.1	29	468.2	30
Asia-Pacific (APAC)	396.4	21	265.6	17
Total	**1,896.4**	**100**	**1,546.3**	**100**

Personnel by region (at the end of the period)	**31.12.2011**	% of total	**31.12.2010**	% of total
Europe-Middle East-Africa (EMEA)	6,144	53	5,751	57
Americas (AME)	2,513	22	2,259	22
Asia-Pacific (APAC)	2,994	26	2,032	20
Total	**11,651**	**100**	**10,042**	**100**

NOTES

KEY FIGURES	31.12.2011	31.12.2010	Change %
Earnings per share, basic (EUR)	1.11	1.35	-17.6
Earnings per share, diluted (EUR)	1.10	1.34	-17.7
Return on capital employed %, Rolling 12 Months (R12M)	17.1	24.2	
Return on equity %, Rolling 12 Months (R12M)	14.5	18.1	
Equity per share (EUR)	7.57	7.64	-0.9
Current ratio	1.3	1.4	-7.1
Gearing %	50.1	-3.8	
Solidity %	34.5	44.7	
EBITDA, EUR million	148.1	143.6	3.2
Investments total (excl. acquisitions), EUR million	32.4	22.3	45.1
Interest-bearing net debt, EUR million	219.8	-17.4	
Net working capital, EUR million	318.9	191.6	66.5
Average number of personnel during the period	10,998	9,739	12.9
Average number of shares outstanding, basic	58,981,861	58,922,329	0.1
Average number of shares outstanding, diluted	59,361,905	59,274,012	0.1
Number of shares outstanding	57,198,971	58,959,664	-3.0

The period end exchange rates*:	**30.12.2011**	**31.12.2010**	**Change %**
USD - US dollar	1.294	1.336	3.3
CAD - Canadian dollar	1.322	1.332	0.8
GBP - Pound sterling	0.835	0.861	3.0
CNY - Chinese yuan	8.159	8.822	8.1
SGD - Singapore dollar	1.682	1.714	1.9
SEK - Swedish krona	8.912	8.966	0.6
NOK - Norwegian krone	7.754	7.800	0.6
AUD - Australian dollar	1.272	1.314	3.2

The period average exchange rates*:	**30.12.2011**	**31.12.2010**	**Change %**
USD - US dollar	1.393	1.326	-4.8
CAD - Canadian dollar	1.376	1.366	-0.8
GBP - Pound sterling	0.868	0.858	-1.2
CNY - Chinese yuan	9.001	8.973	-0.3
SGD - Singapore dollar	1.749	1.806	3.3
SEK - Swedish krona	9.029	9.539	5.6
NOK - Norwegian krone	7.794	8.006	2.7
AUD - Australian dollar	1.349	1.443	7.0

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

NOTES

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	31.12.2011	31.12.2010
For own commercial obligations		
Guarantees	371.2	347.2
Leasing liabilities		
Next year	31.2	30.3
Later on	70.6	69.7
Other	0.0	0.1
Total	**473.0**	**447.3**

Leasing contracts comply with normal practices in the countries concerned.

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

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

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	31.12.2011 Nominal value	31.12.2011 Fair value	31.12.2010 Nominal value	31.12.2010 Fair value
Foreign exchange forward contracts	479.0	-7.6	397.2	2.1
Currency options	15.0	-0.1	0.0	0.0
Interest rate swaps	70.0	-1.1	0.0	0.0
Electricity derivatives	1.8	-0.2	2.4	0.4
Total	**565.9**	**-9.0**	**399.6**	**2.5**

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

NOTES

ACQUISITIONS

On October 11, 2010, Konecranes announced that it had entered into an agreement to acquire the Indian crane company WMI Cranes Ltd. ("WMI"). Konecranes has received the required regulatory approvals during first quarter of 2011 and WMI has been consolidated into Konecranes' financial reporting from February 1, 2011.

Konecranes acquired WMI's shares in two phases. In the first phase in February, Konecranes acquired 51 percent of the shares in the company. In the second phase finalized in August, Konecranes acquired the remaining 49 percent of the shares. The total price for 100 percent of the shares in WMI amounted to INR 3,438 million. In addition an equity investment amounting to INR 140 million has been made into WMI's equity in accordance with the share purchase agreement.

The acquisition marks an important step in strengthening Konecranes' position in the growing Indian crane market. The acquisition has a neutral impact on the EPS in 2011.

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

During the fourth quarter a retrospective adjustment was made to the provisional carrying values of the acquired business in accordance with IFRS3. As a result of the adjustments, inventory value decreased with EUR 1.8 million and deferred tax assets increased with EUR 1.1 million and provisions with EUR 1.8 million. Comparing to the preliminary purchase price allocations, the goodwill increased EUR 4.1 million and intangible assets decreased with EUR 2.3 million and deferred tax liabilities decreased with EUR 0.8 million.

EUR million	2011 Recognized on acquisition	2011 Fair value adjustments	2011 Acquired carrying value
Intangible assets			
Clientele	8.3	8.3	0.0
Technology	9.9	9.8	0.0
Other intangible assets	2.3	2.3	0.0
Property, plant and equipment	5.8	0.0	5.8
Inventories	10.1	0.6	9.6
Deferred tax assets	1.2	0.0	1.2
Account receivables and other assets	19.1	0.0	19.1
Cash and cash equivalents	0.2	0.0	0.2
Total assets	**56.9**	**21.0**	**35.9**
Deferred tax liabilities	7.3	6.8	0.5
Long- and short-term interest bearing debts	3.3	0.0	3.3
Account payables and other current liabilities	22.1	0.0	22.1
Total liabilities	**32.7**	**6.8**	**25.9**
Net assets	**24.2**	**14.2**	**10.0**
Purchase consideration transferred**	**56.3**		
Goodwill	**32.1**		
Cash outflow on acquisition**			
Purchase consideration, paid in cash	54.4		
Transactions costs*	0.6		
Cash and cash equivalents in acquired companies	-0.2		
Net cash flow arising on acquisition	**54.8**		

* Transaction costs of EUR 0.6 million have been expensed and are included in other operating expenses.

** Cash outflow on acquisition differs from purchase consideration due to the currency rate differences.

NOTES

In addition, Konecranes completed six other acquisitions during January - December 2011.

In early January 2011 Konecranes acquired Gruas Koman Limitada, the former licensee of Konecranes in Recoleta, Santiago, Chile. The acquisition also includes the Peruvian start-up subsidiary, Koman Gruas Peru S.R.L. The companies specialize in providing advanced overhead lifting solutions and maintenance services in Chile, Peru, and Bolivia.

In March 2011 Konecranes acquired the assets and operations of lift truck service company Zeiss Staplerservice GmbH, headquartered in Sommerein, Austria. The company is specialized in lift truck maintenance service, and the sales and rental of lift trucks.

During June 2011 Konecranes finalized three acquisitions. At the beginning of the month Konecranes acquired the assets of German machine tool service company Schneider Werkzeugmaschinen GmbH in Heilbronn, Baden-Würtenberg in south-west Germany. The company is specialized in maintenance services of machine tools in the engineering industry in western Germany. The company has 16 full time employees.

Later in June Konecranes made an acquisition of the service business assets of Spanish crane and service company Eleve S.L. The company is located in Badalona, 5 kilometers north of Barcelona, in Catalonia. The service business has approximately 20 employees.

At the end of June Konecranes acquired 100 percent of the Saudi Arabian crane manufacturer Saudi Cranes & Steel Works Factory Company Limited ("Saudi Cranes"). Saudi Cranes is headquartered in Al Jubail Industrial City and the company has approximately 100 employees. Saudi Cranes' core business is designing, manufacturing and selling industrial cranes. The company previously had a license agreement with Konecranes.

During the third quarter 2011 Konecranes made no acquisitions, but in November 2011 Konecranes acquired ABB Schweiz AG's crane systems business. The acquired entity, which is based in Baden-Dättwil, Switzerland, has 30 employees. The entity was originally established to serve ABB's own crane systems.

The fair values of the identifiable assets and liabilities of these acquired businesses at the date of acquisitions are summarized below as consolidated figures, since none of them alone has relevance if treated as separate entities.

EUR million	**2011** Recognized on acquisition	**2011** Fair value adjustments	**2011** Acquired carrying value
Intangible assets			
Clientele	9.9	9.9	0.0
Technology	0.0	0.0	0.0
Other intangible assets	0.0	0.0	0.0
Property, plant and equipment	5.3	0.0	5.3
Inventories	7.3	0.6	6.7
Account receivables and other assets	5.3	0.0	5.3
Cash and cash equivalents	1.0	0.0	1.0
Total assets	**28.8**	**10.5**	**18.3**
Deferred tax liabilities	2.2	2.2	0.0
Long- and short-term interest bearing debts	0.7	0.0	0.7
Account payables and other current liabilities	7.1	0.0	7.1
Total liabilities	**10.1**	**2.2**	**7.9**
Net assets	**18.7**	**8.3**	**10.4**
Purchase consideration transferred	**23.8**		
Goodwill	**5.1**		
Cash outflow on acquisition			
Purchase consideration, paid in cash	20.4		
Transactions costs*	0.6		
Cash and cash equivalents in acquired companies	-1.0		
Net cash flow arising on acquisition	**20.0**		
Purchase consideration:			
Purchase consideration, paid in cash	20.4		
Purchase consideration, liabilities assumed	3.4		
Contingent consideration liability	0.0		
Total purchase consideration	**23.8**		

* Transaction costs of EUR 0.6 million have been expensed and are included in other operating expenses.

From the date of acquisitions the acquired companies including WMI Cranes Ltd. have contributed EUR 61.7 million of sales and EUR -0.1 million EBIT. If the combinations had taken place at the beginning of the year, Konecranes Group's 2011 sales would have been EUR 1,910.8 million and EBIT EUR 107.8 million.

QUARTERLY FIGURES

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Sales	**598.2**	**450.9**	**459.5**	**387.8**	**469.4**	**393.6**	**377.0**	**306.3**
Other operating income	1.9	0.8	0.8	0.5	1.1	0.8	0.8	0.8
Depreciation and impairments	-9.8	-9.5	-9.2	-8.6	-8.0	-7.8	-7.6	-7.3
Restructuring costs	-10.3	0.0	0.0	0.0	0.0	0.0	-2.7	0.0
Other operating expenses	-542.8	-416.2	-426.0	-361.2	-416.7	-352.3	-346.8	-288.2
Operating profit	**37.2**	**26.0**	**25.1**	**18.5**	**45.8**	**34.3**	**20.7**	**11.6**
Share of associates' and joint ventures' result	1.2	0.2	1.9	0.6	1.2	0.3	0.9	0.1
Financial income and expenses	-2.7	0.1	-4.9	-7.3	-1.6	-1.8	-0.9	0.7
Profit before taxes	**35.7**	**26.3**	**22.0**	**11.8**	**45.4**	**32.7**	**20.8**	**12.4**
Taxes	-12.7	-7.9	-6.7	-3.5	-13.5	-9.7	-6.2	-3.7
Net profit for the period	**23.0**	**18.3**	**15.3**	**8.3**	**31.9**	**23.0**	**14.5**	**8.8**

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
ASSETS								
Goodwill	115.3	112.7	115.1	111.9	84.4	76.3	73.9	72.8
Intangible assets	81.6	86.3	89.8	88.3	68.3	63.5	65.3	66.5
Property, plant and equipment	125.4	118.2	113.5	103.0	99.1	96.1	99.4	96.1
Other	124.1	106.9	100.4	92.7	93.3	102.3	97.2	89.5
Total non-current assets	**446.5**	**424.0**	**418.8**	**395.9**	**345.2**	**338.1**	**335.7**	**324.9**
Inventories	347.5	357.9	316.6	291.0	269.9	279.6	288.3	271.1
Receivables and other current assets	579.6	510.5	486.6	449.6	461.9	419.8	426.4	395.5
Cash and cash equivalents	72.7	113.5	93.8	98.2	98.5	103.3	95.1	121.1
Total current assets	**999.8**	**982.0**	**897.0**	**838.9**	**830.3**	**802.6**	**809.8**	**787.8**
Total assets	**1,446.3**	**1,406.0**	**1,315.8**	**1,234.9**	**1,175.5**	**1,140.7**	**1,145.5**	**1,112.7**
EQUITY AND LIABILITIES								
Total equity	**438,8**	**409,2**	**438,5**	**417,2**	**456,2**	**415,7**	**405,1**	**373,7**
Non-current liabilities	214.5	171.5	115.6	115.4	107.9	114.4	113.2	111.8
Provisions	54.1	45.4	46.5	46.8	50.1	53.2	59.3	58.6
Advance payments received	174.1	151.3	134.6	153.3	154.0	170.8	178.4	183.4
Other current liabilities	564.9	628.6	580.5	502.2	407.2	386.6	389.5	385.3
Total liabilities	**1,007.6**	**996.7**	**877.3**	**817.7**	**719.2**	**725.0**	**740.4**	**739.0**
Total equity and liabilities	**1,446.3**	**1,406.0**	**1,315.8**	**1,234.9**	**1,175.5**	**1,140.7**	**1,145.5**	**1,112.7**

QUARTERLY FIGURES

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Operating income before change in net working capital	52.1	35.8	35.4	27.4	53.8	41.2	29.2	19.3
Change in net working capital	-31.4	-28.9	-44.3	-14.7	-31.0	-2.9	-23.0	10.8
Financing items and taxes	-10.4	-8.5	-18.6	-14.8	8.4	-6.3	-12.5	-29.6
Net cash from operating activities	**10.4**	**-1.6**	**-27.5**	**-2.1**	**31.2**	**32.1**	**-6.3**	**0.5**
Cash flow from investing activities	**-22.9**	**-41.6**	**-24.3**	**-36.9**	**-10.2**	**-10.9**	**-9.0**	**-35.0**
Cash flow before financing activities	**-12.5**	**-43.1**	**-51.7**	**-39.0**	**21.0**	**21.2**	**-15.3**	**-34.5**
Proceeds from options exercised and share issues	0.0	0.0	3.9	20.6	0.1	0.0	0.2	0.9
Purchase of treasury shares	-7.9	-43.3	0.0	0.0	0.0	0.0	0.0	0.0
Change of interest-bearing debt	-23.9	104.9	103.5	22.0	-27.4	-6.3	34.6	10.0
Dividends paid to equity holders of the parent	0.0	0.0	-60.0	0.0	0.0	0.0	-53.0	0.0
Net cash used in financing activities	**-31.8**	**61.5**	**47.4**	**42.5**	**-27.2**	**-6.3**	**-18.2**	**10.9**
Translation differences in cash	3.5	1.3	-0.1	-3.7	1.3	-6.7	7.6	7.1
Change of cash and cash equivalents	**-40.9**	**19.7**	**-4.4**	**-0.2**	**-4.8**	**8.2**	**-26.0**	**-16.5**
Cash and cash equivalents at beginning of period	113.5	93.8	98.2	98.5	103.3	95.1	121.1	137.5
Cash and cash equivalents at end of period	72.7	113.5	93.8	98.2	98.5	103.3	95.1	121.1
Change of cash and cash equivalents	**-40.9**	**19.7**	**-4.4**	**-0.2**	**-4.8**	**8.2**	**-26.0**	**-16.5**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service [1]	183.3	157.8	186.3	167.2	154.4	152.4	159.1	139.8
Equipment	316.1	315.9	295.8	363.8	349.2	240.0	219.6	196.2
./. Internal	-25.5	-15.3	-29.3	-20.1	-25.9	-19.0	-14.3	-15.4
Total	**473.9**	**458.5**	**452.8**	**510.9**	**477.7**	**373.4**	**364.4**	**320.6**

1) Excl. Service Contract Base

Order book by Business Area	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	135.1	136.5	144.3	125.8	103.3	111.7	106.5	87.7
Equipment	856.7	903.6	836.7	830.8	652.9	585.6	598.3	558.2
./. Internal	0.0	0.0	0.0	0.0	0.0	-17.6	-19.5	-4.6
Total	**991.8**	**1,040.1**	**981.0**	**956.6**	**756.2**	**679.7**	**685.2**	**641.3**

Sales by Business Area	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	234.9	196.2	194.2	170.9	211.3	173.2	175.2	148.0
Equipment	394.4	277.6	288.9	240.5	288.5	252.6	221.6	185.8
./. Internal	-31.1	-22.9	-23.6	-23.6	-30.4	-32.3	-19.8	-27.6
Total	**598.2**	**450.9**	**459.5**	**387.8**	**469.4**	**393.6**	**377.0**	**306.3**

Operating profit (EBIT) by Business Area excluding restructuring costs	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	20.9	13.0	12.7	9.1	22.1	14.6	16.0	9.8
Equipment	31.5	18.3	18.0	14.0	27.4	22.0	11.9	6.0
Group costs and eliminations	-4.9	-5.3	-5.5	-4.6	-3.7	-2.3	-4.5	-4.3
Total	**47.5**	**26.0**	**25.1**	**18.5**	**45.8**	**34.3**	**23.4**	**11.6**

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	8.9 %	6.6 %	6.5 %	5.3 %	10.5 %	8.4 %	9.1 %	6.6 %
Equipment	8.0 %	6.6 %	6.2 %	5.8 %	9.5 %	8.7 %	5.4 %	3.3 %
Group EBIT % total	**7.9 %**	**5.8 %**	**5.5 %**	**4.8 %**	**9.8 %**	**8.7 %**	**6.2 %**	**3.8 %**

Personnel by Business Area (at the end of the period)	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	5,980	5,901	5,772	5,546	5,397	5,125	4,938	4,926
Equipment	5,621	5,476	5,349	5,104	4,600	4,626	4,583	4,586
Group staff	50	50	49	48	45	44	49	50
Total	**11,651**	**11,427**	**11,170**	**10,698**	**10,042**	**9,795**	**9,570**	**9,562**

QUARTERLY FIGURES

Sales by market	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Europe-Middle East-Africa (EMEA)	294.0	238.5	219.3	199.0	253.7	198.5	188.1	172.2
Americas (AME)	174.8	128.4	127.2	118.5	135.8	122.0	123.8	86.6
Asia-Pacific (APAC)	129.4	83.9	112.9	70.2	79.9	73.1	65.1	47.5
Total	**598.2**	**450.9**	**459.5**	**387.8**	**469.4**	**393.6**	**377.0**	**306.3**

Personnel by region (at the end of the period)	Q4/2011	Q3/2011	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Europe-Middle East-Africa (EMEA)	6,144	6,071	5,901	5,648	5,751	5,562	5,431	5,466
Americas (AME)	2,513	2,476	2,470	2,366	2,259	2,217	2,170	2,171
Asia-Pacific (APAC)	2,994	2,880	2,799	2,684	2,032	2,016	1,969	1,925
Total	**11,651**	**11,427**	**11,170**	**10,698**	**10,042**	**9,795**	**9,570**	**9,562**

KONECRANES GROUP 2007 - 2011

Business development		2011	2010	2009	2008	2007
Orders received	MEUR	1,896.1	1,536.0	1,348.9	2,067.1	1,872.0
Order book	MEUR	991.8	756.2	607.0	836.3	757.9
Net sales	MEUR	1,896.4	1,546.3	1,671.3	2,102.5	1,749.7
of which outside Finland	MEUR	1,796.6	1,457.4	1,575.1	1,979.6	1,652.2
Export from Finland	MEUR	570.7	427.2	488.4	700.1	579.8
Personnel on average		10,998	9,739	9,811	9,222	8,005
Personnel on 31 December		11,651	10,042	9,782	9,904	8,404
Capital expenditure	MEUR	32.4	22.3	25.7	22.3	25.2
as a percentage of net sales	%	1.7%	1.4%	1.5%	1.1%	1.4%
Research and development costs	MEUR	29.6	21.5	22.0	19.0	16.2
as % of Group net sales	%	1.6%	1.4%	1.3%	0.9%	0.9%
Profitability						
Net sales	MEUR	1,896.4	1,546.3	1,671.3	2,102.5	1,749.7
Operating profit (including restructuring costs)	MEUR	106.9	112.4	97.9	248.7	192.3
as percentage of net sales	%	5.6%	7.3%	5.9%	11.8%	11.0%
Income before taxes	MEUR	95.8	111.3	88.6	236.2	178.8
as percentage of net sales	%	5.1%	7.2%	5.3%	11.2%	10.2%
Net income (incl. non-controlling interest)	MEUR	64.9	78.2	62.5	166.6	129.2
as percentage of net sales	%	3.4%	5.1%	3.7%	7.9%	7.4%
Key figures and balance sheet						
Equity (incl. non-controlling interest)	MEUR	438.8	456.2	407.1	400.7	280.8
Balance Sheet	MEUR	1,446.3	1,175.5	1,060.4	1,205.4	956.9
Return on equity	%	14.5	18.1	15.5	48.9	51.2
Return on capital employed	%	17.1	24.2	19.3	56.3	50.4
Current ratio		1.3	1.4	1.4	1.5	1.3
Solidity	%	34.5	44.7	45.1	39.9	36.1
Gearing	%	50.1	-3.8	-19.1	2.8	7.0
Shares in figures						
Earnings per share, basic	EUR	1.11	1.35	1.08	2.83	2.17
Earnings per share, diluted	EUR	1.10	1.34	1.08	2.82	2.13
Equity per share	EUR	7.57	7.64	6.84	6.75	4.80
Cash flow per share	EUR	-0.35	0.97	3.79	1.82	3.08
Dividend per share	EUR	1.00*	1.00	0.90	0.90	0.80
Dividend / earnings	%	90.1	74.1	83.3	31.8	36.9
Effective dividend yield	%	6.9	3.2	4.7	7.5	3.4
Price / earnings		13.1	22.9	17.7	4.3	10.9
Trading low / high**	EUR	13.18/34.17	19.08/32.04	10.61/22.04	9.90/32.50	20.68/34.90
Average share price**	EUR	22.83	23.84	16.66	21.05	27.41
Share price on 31 December**	EUR	14.54	30.89	19.08	12.08	23.58
Year-end market capitalization	MEUR	831.7	1,821.3	1,122.1	713.6	1,379.6
Number traded**	(1,000)	125,626	88,013	113,270	171,519	128,266
Stock turnover	%	219.6	149.3	192.6	290.4	219.2
Average number of shares outstanding, basic	(1,000)	58,982	58,922	58,922	58,726	59,609
Average number of shares outstanding, diluted	(1,000)	59,362	59,274	59,086	58,987	60,507
Number of shares outstanding	(1,000)	57,199	58,960	58,813	59,070	58,506

* The Board's proposal to the AGM

** Source: NASDAQ OMX Helsinki

CALCULATION OF KEY FIGURES

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

Analyst and press briefing

An analyst and press conference will be held at restaurant G.W. Sundmans' Auditorium (address Eteläranta 16) at 11.00 a.m. Finnish time. The Financial Statements will be presented by Konecranes' President and CEO Pekka Lundmark and CFO Teo Ottola.

A live webcast of the conference will begin at 11.00 a.m. at www.konecranes.com. Please see the stock exchange release on January 13, 2012 for the conference call details.

Next report

Konecranes' January-March 2012 interim report will be published on April 25, 2012.

KONECRANES OYJ

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