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Signs of recovery in Service, equipment demand low, first quarter profit down on low volume

Interim Report
January– March 2010

Signs of recovery in Service, equipment demand low, first quarter profit down on low volume

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

FIRST QUARTER HIGHLIGHTS

- Order intake EUR 320.6 million (369.7), -13.3 percent: Service +11.3 percent and Equipment –25.7 percent.
- Order book EUR 641.3 million (792.0) at end March, 19.0 percent lower than a year ago, 5.7 percent higher than at end 2009.
- Sales EUR 306.3 million (442.1), -30.7 percent: Service -12.8 percent and Equipment –39.0 percent.
- Cost reduction according to plan.
- Operating profit EUR 11.6 million (36.8), 3.8 percent of sales (8.3).
- Earnings per share (diluted) EUR 0.15 (0.43).
- Net cash EUR 46.6 million (net debt of 37.8) and gearing –12.4 percent (10.0).

FUTURE PROSPECTS

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

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

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

The previous statement on the future prospects from February 4, 2010 was:

“Despite a slight pick-up in industrial output in the second half of 2009, Konecranes expects the uncertainty to continue, with no credible signs of market recovery visible. The demand for maintenance services is expected to remain stable or to increase gradually should capacity utilization within customer industries continue to improve. The demand for new equipment is expected to remain generally on a low level, and to suffer from overcapacity at customers. Price competition is likely to remain. A high degree of fluctuation between quarters may continue due to the timing of orders.

The year 2010 began with a thinner order book than the previous year. Our forecast is that sales in 2010 will be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs.”

Key figures

	1-3/ 2010	1-3/ 2009	Change %	R12M	2009
Orders received, MEUR	320.6	369.7	-13.3	1 299.8	1 348.9
Order book at end of period, MEUR	641.3	792.0	-19.0		607.0
Sales total, MEUR	306.3	442.1	-30.7	1 535.4	1 671.3
Operating profit excluding restructuring costs, MEUR	11.6	36.8	-68.6	93.6	118.8
Operating margin excluding restructuring costs, %	3.8 %	8.3 %		6.1 %	7.1 %
Operating profit including restructuring costs, MEUR	11.6	36.8	-68.6	72.7	97.9
Operating margin including restructuring costs, %	3.8 %	8.3 %		4.7 %	5.9 %
Profit before taxes, MEUR	12.4	35.4	-64.9	65.6	88.6
Net profit for the period, MEUR	8.8	25.3	-65.4	46.0	62.5
Earnings per share, basic, EUR	0.15	0.43	-64.7	0.80	1.08
Earnings per share, diluted, EUR	0.15	0.43	-64.8	0.80	1.08
Gearing, %	-12.4 %	10.0 %			-19.1 %
Return on capital employed %, Rolling 12 Months (R12M)				14.6 %	19.3 %
Average number of personnel during the period	9 672	9 885	-2.2		9 811

President and CEO Pekka Lundmark comments:

"Our deliveries in the first quarter were very low. The reason is our normal seasonality with a slow beginning of the year and the effects of the weak order intake throughout last year. Capacity utilization rates in most of our customer industries are now on the increase. Service demand – including outsourced service contracts, spare parts and modernizations – recovers first. This shows through in our first quarter order intake. The demand for new equipment is still weak in our largest markets in Western Europe and North America, but growing especially in Asia.

Our operating profit in the first quarter is not satisfactory in absolute numbers. However, on the positive, we were able to generate EUR 11.6 million operating profit with very low sales – only EUR 306 million. Our cost reduction efforts are delivering expected results. We have successfully defended our gross margin in spite of market price pressures, and we have reduced our fixed costs through streamlining our organization."

Konecranes' January–March 2010 interim report

Changes in Reporting Method

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

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

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

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

Market review

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

Industrial capacity utilization improved both in Europe and the US in the first quarter, but was still low by historical standards and below the previous trough in late 2001. Purchasing managers indexes were buoyant across the globe, all pointing to expanding business activity.

Demand for new equipment continued to suffer from overcapacity across customer segments. Demand from the manufacturing and process industries remained weak, while investments in various types of energy production and by sectors serving the energy industry remained robust. Investments in ports and shipbuilding continued to be at a very low level despite the gradual increase in shipping volumes. New inquiries from steel, petrochemical and mining sectors continued to increase steadily. Intense price competition persisted due to the overcapacity in the crane manufacturing industry.

Demand for services relating to lifting equipment and machine tools has started to gradually improve due to pick-up in capacity utilization within customer industries. Customers have continued to show a growing interest to outsource maintenance.

There continued to be signs of increasing cost pressures on steel, copper and sea freight in January-March, but this did not have a material impact on paid costs in the first quarter. The US dollar appreciated against EUR during the first quarter, but was still slightly weaker than a year ago.

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

Orders received

January-March orders received totaled EUR 320.6 million (369.7), representing a decline of 13.3 percent. Orders received grew by 11.3 percent in Service, but declined by 25.7 percent in Equipment compared with a year before.

The decline in Group orders received was attributable to the lower Equipment orders in EMEA and the Americas. However, Service orders grew in both regions. In APAC, both business areas saw higher orders than a year ago in particular as a result of the stronger Chinese economy.

Order book

The value of the order book at end March totaled EUR 641.3 million. The order book increased by 5.7 percent from year-end 2009 when it stood at EUR 607.0 million, but it remained 19.0 percent below last year's comparison figure of EUR 792.0 million. Service accounted for EUR 87.7 million (14 percent) and Equipment for EUR 558.2 million (86 percent) of the total end March order book.

Sales

Group sales in January-March declined by 30.7 percent to EUR 306.3 million (442.1). Sales in Service fell by 12.8 percent and in Equipment by 39.0 percent. The Finnish port strike and tough weather conditions during the winter moved certain deliveries from the first to the second quarter.

Acquisitions contributed about 3 percentage points to sales in the first quarter of 2010.

At end March, calculated for a rolling 12 months, the regional breakdown was as follows: EMEA 56 (57), Americas 28 (28) and APAC 16 (15) percent.

Net sales by region, MEUR

	1-3/ 2010	1-3/ 2009	Change percent	Change % at comparable currency rates	R12M	2009
EMEA	173.0	246.4	-29.8	-31.1	854.5	928.0
AME	86.6	132.7	-34.8	-32.9	433.4	479.5
APAC	46.7	63.0	-25.8	-27.9	247.5	263.8
Total	**306.3**	**442.1**	**-30.7**	**-31.1**	**1 535.4**	**1 671.3**

Currency rate effect

In a year-on-year comparison, the currency rate effect was small in the reporting period. The reported decline in order intake in January-March was 13.3 percent whereas the corresponding figure at comparable currency rates was 13.8 percent. Reported sales fell by 30.7 percent or by 31.1 percent at comparable currency rates.

The reported order intake increased in Service by 11.3 percent or by 9.3 percent at comparable currency rates. Reported sales decreased in Service by 12.8 percent or by 13.4 percent at comparable currency rates. In Equipment, the reported order intake decreased by 25.7 percent or by 25.5 percent at comparable currency rates. The corresponding figures in Equipment sales were -39.0 percent and -38.5 percent.

Of the regions, the currency rate impact in EMEA was positive with the reported decline in sales being 29.8 percent whereas the decline at comparable currency rates was 31.1 percent. The impact was negative in the Americas region, where reported sales declined by 34.8 percent or by 32.9 percent at comparable currency rates. The corresponding figures in APAC were -25.8 and -27.9 percent.

The changes in currency rates did not have an impact on the Group's operating margin in January-March compared with the same period a year earlier.

Financial result

The consolidated operating profit in January-March totaled EUR 11.6 million (36.8). Operating profit decreased by EUR 25.2 million and the consolidated operating margin declined to 3.8 percent (8.3). The operating margin in the Service business declined to 6.6 percent (9.3) whereas in Equipment it fell to 3.3 percent (8.8).

Both business areas suffered from clearly lower volumes than last year. The implemented cost savings lowered fixed costs compared to a year ago, which partly offset the under absorption of the cost base. Procurement cost savings and adjustment of production capacity offset the product price pressure.

Depreciation and impairments totaled EUR 7.3 million (6.8).

The share of the result of associated companies and joint ventures was EUR 0.1 million (0.0).

Financial income and expenses totaled EUR 0.7 million (-1.5). Net interests were EUR -0.4 million (-0.5) while the remainder was mainly attributable to unrealized exchange rate gains.

The January-March profit before taxes was EUR 12.4 million (35.4).

Income taxes in January-March were EUR 3.7 million (10.1). The Group's effective tax rate was 29.5 percent (28.5).

Net profit for January-March was EUR 8.8 million (25.3).

Diluted earnings per share for January-March were EUR 0.15 (0.43).

On a rolling twelve-month basis, return on capital employed was 14.6 percent (50.4) and return on equity 12.2 percent (49.4).

Balance sheet

The end March 2010 consolidated balance sheet amounted to EUR 1,112.7 million (1,182.2). Total equity at the end of the report period was EUR 373.7 million (379.7). Total equity attributable to equity holders of the parent company at 31 March was EUR 369.0 million (377.9) or EUR 6.26 per share (6.38).

Net working capital at end March 2010 totaled EUR 102.5 million, which was EUR 36.3 million less than at year-end 2009 and EUR 164.5 million less than a year ago. However, adjusted for the unpaid dividends, which were reported in the accruals at March 31, net working capital amounted to EUR 156.0 million. Adjusted for the unpaid dividends, net working capital rose by EUR 17.2 million from the year-end 2009 due to the increase in work in progress.

Cash Flow and Financing

Net cash from operating activities in January-March was EUR 0.5 million (32.6), representing EUR 0.01 per diluted share (0.55). Cash flow before financing activities was EUR -34.5 million (27.6).

Interest-bearing net debt was EUR -46.6 million at the end of March 2010, compared to EUR -77.7 million at end 2009 and compared to EUR 37.8 million a year ago. In 2010, dividends were paid out in April whereas in 2009 dividends were paid out already in March. The solidity was 40.2 percent (38.5) and gearing -12.4 percent (10.0).

The Group's liquidity remained healthy. At the end of the first quarter, cash and cash equivalents amounted to EUR 121.1 million (116.0). None of the Group's EUR 200 million committed back-up financing facility was in use at the end of the period.

Capital expenditure

January-March capital expenditure excluding acquisitions amounted to EUR 4.2 million (6.0). This amount consisted mainly of replacement or capacity expansion investments in machines, equipment and information technology.

Capital expenditure including acquisitions and investments in associated companies was EUR 33.6 million (6.6).

Acquisitions

Capital expenditure on acquisitions and investments in associated companies was EUR 29.4 million (0.6). During January-March, Konecranes acquired two small Machine Tool Service companies, one in Denmark and one in the UK. The net assets of the acquired companies were recorded at EUR 1.4 million and goodwill of EUR 1.1 million was booked from the acquisitions.

Konecranes and the Japanese hoist, crane and material handling equipment company Kito Corporation (“Kito”) entered into a strategic alliance. The alliance agreement was signed by representatives of the two companies on March 23, 2010. To fully utilize the global market potential and mutually complement each other, Konecranes will enter into an agreement to sell Kito manual products while Kito will sell wire rope hoists made by Konecranes. Moreover, the parties will jointly examine the possibilities to co-operate in distribution and license manufacturing of other products as well as in procurement. Under the alliance agreement, the parties have agreed to negotiate definitive distribution and license agreements by the end of June 2010. Both companies will retain their own identity and independence under this alliance based on mutual trust and equal partnership.

To reinforce the strategic alliance, Konecranes purchased 29,750 shares (22.0% of the share capital and voting rights) in Kito through negotiated transaction from funds controlled by The Carlyle Group. The purchase price for the shares in Kito was JPY 111,800 per share and the settlement date was March 24, 2010. The total value of the stake purchased amounted to approximately JPY 3.3 billion (EUR 27 million). The purchase was financed with existing cash reserves.

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

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

As part of the strategic alliance, Konecranes and Kito have signed a Memorandum of Understanding according to which Konecranes intends to sell the hoist distribution business of its Japanese subsidiary MHS Konecranes to Kito. After the sale, Konecranes will continue its end-user customer business in Japan as a supplier of cranes and crane service to local customers. Prior to the final agreement, Konecranes intends to increase its ownership in MHS Konecranes to 100% by acquiring the remaining 35% stake from Meidensha Corporation. Konecranes and Kito aim to transfer the hoist distribution business of MHS Konecranes by no later than July 2010.

Personnel

In the first quarter, the Group employed an average of 9,672 people (9,885). At March 31, the headcount was 9,562 (9,866). At end March, the number of personnel by Business Area were as follows: Service 4,926 employees (5,494), Equipment 4,586 employees (4,317) and Group staff 50 (55). The Group had 5,466 employees (5,626) working in EMEA, 2,171 (2,654) in the Americas and 1,925 (1,586) in the APAC region.

Business Areas

Service

	1-3/ 2010	1-3/ 2009	Change percent	R12M	2009
Orders received	139.8	125.6	11.3	512.6	498.4
Order book	87.7	109.1	-19.6		75.9
Net sales	148.0	169.7	-12.8	645.5	667.2
EBITDA	12.4	18.0	-31.5	62.9	68.6
EBITDA, %	8.3 %	10.6 %		9.7 %	10.3 %
Depreciation and amortization	-2.5	-2.3	9.6	-10.5	-10.3
Operating profit (EBIT) excluding restructuring costs	9.8	15.7	-37.5	55.1	61.0
Operating profit (EBIT) excluding restructuring costs, %	6.6 %	9.3 %		8.5 %	9.1 %
Restructuring costs	0.0	0.0		-2.7	-2.7
Operating profit (EBIT)	9.8	15.7	-37.5	52.4	58.3
Operating profit (EBIT), %	6.6 %	9.3 %		8.1 %	8.7 %
Capital employed	133.1	151.2	-12.0		130.7
ROCE%				36.9 %	43.8 %
Capital expenditure	1.0	1.7	-43.3	7.0	7.7
Personnel at the end of period	4 926	5 494	-10.3		4 991

January-March orders received rose by 11.3 percent to EUR 139.8 million (125.6). New orders grew in all geographic regions, but particularly in EMEA and APAC. Order intake increased across several business units with particular strength in Modernization due to large single orders.

Compared with the fourth quarter 2009, the order intake increased by 14.7 percent. Americas' Service operations made a recovery following the sluggish performance of the second half of 2009. Orders for Parts continued to grow sequentially.

The order book decreased by 19.6 percent from a year before to EUR 87.7 million (109.1), but increased by 15.5 percent from year-end 2009.

Sales in the report period fell by 12.8 percent to EUR 148.0 million (169.7). Operating profit was EUR 9.8 million (15.7) and the operating margin 6.6 percent (9.3). Profitability weakened due to lower volumes.

The contract base developed favorably, in terms of both value and number of units. The total number of equipment included in the maintenance contract base increased to 367,124 at end March, from 366,024 a year before and from 362,996 at year-end 2009. The annual value of the contract base increased to EUR 131.7 million from EUR 127.4 million a year before and from EUR 122.3 million at year-end 2009. Approximately a half of the increase in the value of the contract base from the end of 2009 was attributable to the strengthening of key currencies.

The number of service technicians at end March was 3,192, which is 385 or 10.8 percent less than at the end of March 2009.

Equipment

	1-3/ 2010	1-3/ 2009	Change percent	R12M	2009
Orders received	196.2	263.9	-25.7	866.9	934.6
Order book	558.2	701.9	-20.5		547.8
Net sales	185.8	304.6	-39.0	996.3	1 115.1
EBITDA	10.7	30.9	-65.4	59.3	79.5
EBITDA, %	5.7 %	10.1 %		5.9 %	7.1 %
Depreciation and amortization	-4.6	-4.1	13.9	-21.5	-21.0
Operating profit (EBIT) excluding restructuring costs	6.0	26.8	-77.4	56.0	76.7
Operating profit (EBIT) excluding restructuring costs, %	3.3 %	8.8 %		5.6 %	6.9 %
Restructuring costs	0.0	0.0		-18.2	-18.2
Operating profit (EBIT)	6.0	26.8	-77.4	37.7	58.5
Operating profit (EBIT), %	3.3 %	8.8 %		3.8 %	5.2 %
Capital employed	194.7	289.5	-32.8		208.7
ROCE%				15.6 %	22.9 %
Capital expenditure	3.2	3.6	-10.0	16.6	17.0
Personnel at the end of period	4 586	4 317	6.2		4 742

January-March orders received totaled EUR 196.2 million (263.9), showing a decline of 25.7 percent. Orders decreased particularly in EMEA, but also in the Americas. However, new orders grew in APAC due to the growth in China. Orders for Industrial Cranes accounted for close to a half of the orders received and were lower than a year ago. Components generated approximately 30 percent of the new orders, which were below last year's level. The combined orders for the other business units (Nuclear Cranes, Port Cranes and Lift Trucks) amounted to approximately 20 percent of the orders received, representing a decline compared to the comparison period due to the lack of large single orders, which boosted last year's figure.

Compared with the fourth quarter 2009, the order intake decreased by 25.2 percent. New orders declined mainly in EMEA, but also in APAC. However, orders received grew in the Americas. Orders for Industrial Cranes were stable. Component orders continued to improve sequentially. However, orders for other equipment declined due to the lack of large single orders.

The order book decreased by 20.5 percent from a year before to EUR 558.2 million (701.9), but increased by 1.9 percent from the year-end 2009.

Sales fell by 39.0 percent to EUR 185.8 million (304.6). Sales decreased in all geographic areas and business units. The mix of sales was similar to that of orders received. Operating profit was EUR 6.0 million (26.8) and operating margin 3.3 percent (8.8). Profitability weakened due to declining volumes. The negative profit impact from lower volumes could not be fully offset by the cost savings actions.

Group Overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR –4.3 million (-5.7), representing 1.4 percent of sales (1.3).

Administration

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

Payment of dividend

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

Composition of the Board of Directors

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

Compensation of the Board of Directors

The AGM confirmed the annual compensation to the Board members:

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

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

Approximately 40 percent of the annual remuneration will be paid in Konecranes' shares purchased from the market. The remuneration may be paid also by transferring company's own shares based on the authorization given to the Board of Directors. In case the purchase of shares cannot be carried out due to reasons related to either the company or the Board member, the annual remuneration shall be paid fully in cash.

Travel expenses of Board members are compensated for against receipt.

Election of the auditors and their remuneration

According to the Articles of Association, the auditors are elected to office until further notice. The AGM confirmed that Ernst & Young Oy continues as the Company's external auditor. The remuneration of the auditor will be paid according to the auditor's reasonable invoice.

Amendment of the Articles of Association

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

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

The AGM authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in chapter 10 section 1 of the Finnish Companies Act as follows.

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

The Board of Directors decides on all the conditions of the issuance of shares and of special rights entitling to shares. The issuance of shares and of special rights entitling to shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). However, the authorization cannot be used for incentive arrangements.

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

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

The AGM authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares as follows.

The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.7 percent of all of the shares in the Company. However, the Company together with its subsidiaries cannot at any moment own and/or hold as pledge more than 10 per cent of all the shares in the Company. Only the unrestricted equity of the Company can be used to repurchase own shares on the basis of the authorization.

Own shares can be repurchased at a price formed in public trading on the date of the repurchase or otherwise at a price formed on the market.

The Board of Directors decides how own shares will be repurchased and/or accepted as pledge. Own shares can be repurchased using, inter alia, derivatives. Own shares can be repurchased otherwise than in proportion to the shareholdings of the shareholders (directed repurchase).

Own shares can be repurchased to limit the dilutive effects of share issues carried out in connection with possible acquisitions, to develop the Company's capital structure, to be transferred in connection with possible acquisitions, to pay remuneration to Board members or to be cancelled, provided that the repurchase is in the interest of the Company and its shareholders.

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

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

The AGM authorized the Board of Directors to decide on the transfer of the Company's own shares as follows.

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

The Board of Directors decides on all the conditions of the transfer of own shares. The transfer of shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The Board of Directors can also use this authorization to grant special rights concerning the Company's own shares, referred to in Chapter 10 of the Companies Act. However, the authorization cannot be used for incentive arrangements.

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

Donation for philanthropic purposes

The AGM decided to grant a donation to one or more Finnish Universities in the amount of EUR 1,250,000 to thereby support education and research within the fields of technology, economy or art. Furthermore, the AGM authorized the Board of Directors to decide on practical matters relating to the donation, for example nomination of recipients and the detailed donation terms.

Board of Directors' organizing meeting

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

With the exception of Mr Stig Gustavson, the Board members are deemed to be independent of the company under the Finnish Corporate Governance Code. Mr Gustavson is deemed dependent of the company based on the Board's overall evaluation relating to his former and current positions in Konecranes combined with his substantial shareholding in the Company.

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

Share capital and shares

The company's registered share capital at March 31, 2010 totaled EUR 30.1 million. At March 31, 2010, the number of shares including treasury shares and the shares owned by KCR Management Oy totaled 61,968,920. At March 31, 2010, Konecranes held a total of 2,542,600 treasury shares, excluding the shares owned by KCR Management Oy, which corresponds to 4.1 percent of the total number of shares and which at that date had a market value of EUR 55.6 million.

Shares registered under stock option rights

Pursuant to Konecranes' stock option plans, 96,000 new shares were subscribed and registered in the Finnish Trade Register during the first quarter. As a result of these subscriptions, the total number of Konecranes shares (including treasury shares and the shares owned by KCR Management Oy) rose to 61,968,920.

The subscription period for the options under Konecranes 2001B stock option plan ended on March 31, 2010. The last lot of the shares subscribed under the 2001B stock option plan will be registered in the Finnish Trade Register on about May 4, 2010.

The stock options issued under Konecranes Plc's ongoing stock option plans (2007 and 2009) at end-March 2010 entitle holders to subscribe a total of 2,648,000 shares, which would increase the total number of Konecranes shares (including treasury shares and the shares owned by KCR Management Oy) to 64,616,920. The option programs include approximately 180 key persons.

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

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

Market capitalization and trading volume

The closing price for Konecranes Plc's shares on March 31, 2010 was EUR 21.87. The volume-weighted average share price in January-March was EUR 21.36, the highest price being EUR 24.30 in March and the lowest EUR 19.08 in January. In January–March, the trading volume totaled 31 million Konecranes Plc shares, corresponding to a turnover of approximately EUR 671 million. The average daily trading volume was 506,322 shares, representing an average daily turnover of EUR 10.8 million.

On March 31, 2010, the total market capitalization of Konecranes Plc's shares was EUR 1,355.3 million including treasury shares held by the company and the shares held by KCR Management Oy. The market capitalization was EUR 1,288.3 million excluding the treasury shares and the shares held by KCR Management Oy.

Flagging notifications

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

Events after the end of the reporting period

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

Risks and uncertainties

Konecranes reiterates the risks and uncertainties stated in the Financial Statements on February 4, 2010. The Group's principal short-term risks and uncertainties derive from a prolonged downturn in the world economy or other unforeseen events. A decrease in demand for Konecranes' products and services may have a continuing negative effect on the Group's sales volumes and pricing power, and thus result in decreasing profits, a possible impairment of goodwill and other assets, and inventory obsolescence.

The shortage of credit may cause difficulties to Konecranes' customers, suppliers, and financial and other counterparties. The risk may be realized as a shortage of supplies or defaulting liabilities. The Group has paid special attention to securing customer payments and requiring strict terms for possible postponements by customers. Increased attention is also being paid to the financial status and business continuity of key subcontractors and vendors. As of now, no such major risks have materialized. In the case of a continued shortage of credit and a prolonged economic downturn, credit losses may increase.

The continuing financial crisis may also lead to challenges in securing liquidity. Although Konecranes has not faced difficulties in financing its business operations, the Group aims to keep more cash in the balance sheet than normally. Konecranes is supported by its solid financial position and strong balance sheet in securing its liquidity.

Challenges in financing may lead customers to postpone projects or even to cancel existing orders. Currently, the financial stringency has mainly been visible in prolonged decision making times. As of now, no major cancellations have occurred and advance payments represent about one fourth of the order book. However, if longer postponements and potential cancellations of some major projects actually occur, this may deteriorate the quality of the order book and cause losses. Konecranes is paying increased attention to order book quality and is continuously monitoring the status of orders.

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

Future prospects

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

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

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

The previous statement on the future prospects from February 4, 2010 was:

"Despite a slight pick-up in industrial output in the second half of 2009, Konecranes expects the uncertainty to continue, with no credible signs of market recovery visible. The demand for maintenance services is expected to remain stable or to increase gradually should capacity utilization within customer industries continue to improve. The demand for new equipment is expected to remain generally on a low level, and to suffer from overcapacity at customers. Price competition is likely to remain. A high degree of fluctuation between quarters may continue due to the timing of orders.

The year 2010 began with a thinner order book than the previous year. Our forecast is that sales in 2010 will be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs."

Helsinki, April 28, 2010
Konecranes Plc
Board of Directors

Disclaimer

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

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development and profitability,
- expectations regarding market demand for the company's products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and 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. As of January 1, 2010 Konecranes applied one amended standard: IFRS 3, Business Combinations (Revised). In revised IFRS 3 the acquisition-related costs will be expensed through statement of income at time that such services are received. This is a significant difference from former practice in which such costs were included in the cost of the business combination and therefore included in the calculation of goodwill. The other year 2010 standards will have immaterial impact on future financial statements.

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

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

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

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

Consolidated statement of income

EUR million	1-3/2010	1-3/2009	Change %	1-12/2009
Sales	**306.3**	**442.1**	-30.7	**1,671.3**
Other operating income	0.8	0.7		2.9
Depreciation and impairments	-7.3	-6.8		-32.5
Other operating expenses	-288.2	-399.2		-1,543.8
Operating profit	**11.6**	**36.8**	-68.6	**97.9**
Share of associates' and joint ventures' result	0.1	0.0		-2.2
Financial income and expenses	0.7	-1.5		-7.1
Profit before taxes	**12.4**	**35.4**	-64.9	**88.6**
Taxes	-3.7	-10.1		-26.1
NET PROFIT FOR THE PERIOD	**8.8**	**25.3**	-65.4	**62.5**
Net profit for the period attributable to:				
Shareholders of the parent company	8.9	25.4		63.6
Minority interest	-0.2	-0.1		-1.1
Earnings per share, basic (EUR)	0.15	0.43	-64.7	1.08
Earnings per share, diluted (EUR)	0.15	0.43	-64.8	1.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	1-3/2010	1-3/2009	Change	1-12/2009 %
Net profit for the period	**8.8**	**25.3**	-65.4	**62.5**
Other comprehensive income for the period, net of tax				
Exchange differences on translating foreign operations	11.8	5.1		-1.1
Cash flow hedges	-4.1	-0.3		1.9
Income tax relating to components of other comprehensive income	1.1	0.1		-0.5
Other comprehensive income for the period, net of tax	**8.8**	**4.9**		**0.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**17.6**	**30.2**	-41.9	**62.8**
Total comprehensive income attributable to:				
Shareholders of the parent company	17.4	30.4		64.0
Minority interest	0.1	-0.2		-1.2

Consolidated balance sheet

EUR million ASSETS	31.3.2010	31.3.2009	31.12.2009
Non-current assets			
Goodwill	72.8	58.4	71.5
Intangible assets	66.5	61.3	65.8
Property, plant and equipment	96.1	72.7	91.3
Advance payments and construction in progress	12.6	4.3	11.8
Investments accounted for using the equity method	31.7	7.7	4.5
Available-for-sale investments	1.8	1.9	1.8
Long-term loans receivable	2.7	2.2	2.7
Deferred tax assets	40.8	32.6	37.3
Total non-current assets	**324.9**	**241.2**	**286.7**
Current assets			
Inventories			
Raw material and semi-manufactured goods	119.9	171.4	125.0
Work in progress	141.1	171.3	114.3
Advance payments	10.1	13.9	8.9
Total inventories	271.1	356.7	248.2
Accounts receivable	254.4	341.6	265.4
Loans receivable	2.6	4.1	2.9
Other receivables	24.3	28.2	23.5
Deferred assets	114.2	94.5	96.1
Cash and cash equivalents	121.1	116.0	137.5
Total current assets	**787.8**	**941.0**	**773.7**
TOTAL ASSETS	**1,112.7**	**1,182.2**	**1,060.4**

Consolidated balance sheet

EUR million EQUITY AND LIABILITIES	31.3.2010	31.3.2009	31.12.2009
Equity attributable to equity holders of the parent company			
Share capital	30.1	30.1	30.1
Share premium account	39.3	39.3	39.3
Share issue	0.3	0.5	0.0
Fair value reserves	-0.7	0.7	2.3
Translation difference	-6.9	-12.2	-18.4
Paid in capital	9.9	8.1	9.0
Retained earnings	288.2	286.1	276.6
Net profit for the period	8.9	25.4	63.6
Total equity attributable to equity holders of the parent company	**369.0**	**377.9**	**402.5**
Minority interest	4.7	1.7	4.6
Total equity	**373.7**	**379.7**	**407.1**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	38.3	106.6	38.6
Other long-term liabilities	56.5	55.9	56.1
Deferred tax liabilities	17.0	17.9	18.6
Total non-current liabilities	**111.8**	**180.4**	**113.3**
Provisions	**58.6**	**46.9**	**61.1**
Current liabilities			
Interest-bearing liabilities	41.9	53.5	26.9
Advance payments received	183.4	197.1	156.7
Progress billings	14.4	3.6	18.9
Accounts payable	80.5	104.4	83.7
Other short-term liabilities (non-interest bearing)	15.3	24.1	13.8
Accruals	233.2	192.6	178.7
Total current liabilities	**568.6**	**575.3**	**478.9**
Total liabilities	**739.0**	**802.6**	**653.3**
TOTAL EQUITY AND LIABILITIES	**1,112.7**	**1,182.2**	**1,060.4**

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company Share capital	Share premium account	Share issue	Cash flow hedge	Translation difference
Balance at 1 January, 2010	**30.1**	**39.3**	**0.0**	**2.3**	**-18.4**
Option exercised					
Share issue			0.3		
Dividends paid to equity holders					
Share based payments recognized against equity					
Total comprehensive income				-3.0	11.5
Balance at 31 March, 2010	**30.1**	**39.3**	**0.3**	**-0.7**	**-6.9**
Balance at 1 January, 2009	**30.1**	**39.3**	**0.1**	**0.9**	**-17.4**
Option exercised					
Share issue			0.3		
Dividends paid to equity holders					
Share based payments recognized against equity					
Total comprehensive income				-0.2	5.2
Balance at 31 March, 2009	**30.1**	**39.3**	**0.5**	**0.7**	**-12.2**

EUR million	Equity attributable to equity holders of the parent company Paid in capital	Retained earnings	Total	Minority interest	Total equity
Balance at 1 January, 2010	**9.0**	**340.2**	**402.5**	**4.6**	**407.1**
Option exercised	0.8		0.8		0.8
Share issue			0.3		0.3
Dividends paid to equity holders		-53.0	-53.0		-53.0
Share based payments recognized against equity		0.9	0.9		0.9
Total comprehensive income		8.9	17.4	0.1	17.6
Balance at 31 March, 2010	**9.9**	**297.1**	**369.0**	**4.7**	**373.7**
Balance at 1 January, 2009	**7.3**	**338.5**	**398.8**	**1.9**	**400.7**
Option exercised	0.8		0.8		0.8
Share issue			0.3		0.3
Dividends paid to equity holders		-53.3	-53.3		-53.3
Share based payments recognized against equity		0.9	0.9		0.9
Total comprehensive income		25.4	30.4	-0.2	30.2
Balance at 31 March, 2009	**8.1**	**311.5**	**377.9**	**1.7**	**379.7**

Consolidated cash flow statement

EUR million	1-3/2010	1-3/2009	1-12/2009
Cash flow from operating activities			
Net income	8.8	25.3	62.5
Adjustments to net income			
Taxes	3.7	10.1	26.1
Financial income and expenses	-0.7	1.5	7.5
Share of associates' and joint ventures' result	-0.1	0.0	2.2
Dividend income	0.0	0.0	-0.4
Depreciation and impairments	7.3	6.8	32.5
Profits and losses on sale of fixed assets	0.0	0.0	0.6
Other adjustments	0.5	0.3	1.8
Operating income before change in net working capital	**19.3**	**43.9**	**132.9**
Change in interest-free short-term receivables	17.8	78.4	171.8
Change in inventories	-13.4	-17.9	94.9
Change in interest-free short-term liabilities	6.4	-51.0	-111.9
Change in net working capital	**10.8**	**9.5**	**154.8**
Cash flow from operations before financing items and taxes	**30.1**	**53.4**	**287.7**
Interest received	0.6	0.3	1.2
Interest paid	-1.1	-2.0	-4.6
Other financial income and expenses	-2.4	0.8	-1.6
Income taxes paid	-26.6	-20.0	-59.6
Financing items and taxes	**-29.6**	**-20.8**	**-64.6**
Net cash from operating activities	**0.5**	**32.6**	**223.0**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-3.9	-0.4	-12.3
Divestment of Group companies, net of cash	0.0	0.0	-0.4
Acquisition of shares in associated companies	-27.0	0.0	0.0
Investments in other shares	0.0	0.0	-0.2
Capital expenditures	-4.7	-4.8	-29.7
Proceeds from sale of fixed assets	0.7	0.2	0.9
Dividends received	0.0	0.0	0.4
Net cash used in investing activities	**-35.0**	**-5.0**	**-41.2**
Cash flow before financing activities	**-34.5**	**27.6**	**181.8**
Cash flow from financing activities			
Proceeds from options exercised and share issues	0.9	0.7	1.7
Related Party net investment to Konecranes Plc shares	0.0	0.0	-7.1
Proceeds from long-term borrowings	0.0	81.4	132.6
Repayments of long-term borrowings	-1.5	-80.0	-207.2
Proceeds from (+), payments of (-) short-term borrowings	11.0	41.5	-8.4
Change in long-term receivables	0.2	-0.3	-0.9
Change in short-term receivables	0.3	-3.7	-2.6
Dividends paid to equity holders of the parent	0.0	-53.3	-53.3
Net cash used in financing activities	**10.9**	**-13.8**	**-145.2**
Translation differences in cash	7.1	1.3	0.0
Change of cash and cash equivalents	**-16.5**	**15.1**	**36.6**
Cash and cash equivalents at beginning of period	137.5	100.9	100.9
Cash and cash equivalents at end of period	121.1	116.0	137.5
Change of cash and cash equivalents	**-16.5**	**15.1**	**36.6**

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

Segment information

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	**1-3/2010**	% of total	**1-3/2009**	% of total	**1-12/2009**	% of total
Service [1]	139.8	42	125.6	32	498.4	35
Equipment	196.2	58	263.9	68	934.6	65
./. Internal	-15.4		-19.8		-84.1	
Total	**320.6**	**100**	**369.7**	**100**	**1,348.9**	**100**

1) Excl. Service Contract Base

Order book total [2]	**31.3.2010**	% of total	**31.3.2009**	% of total	**31.12.2009**	% of total
Service	87.7	14	109.1	13	75.9	12
Equipment	558.2	86	701.9	87	547.8	88
./. Internal	-4.6		-19.0		-16.8	
Total	**641.3**	**100**	**792.0**	**100**	**607.0**	**100**

2) Percentage of completion deducted

Sales by Business Area	**1-3/2010**	% of total	**1-3/2009**	% of total	**1-12/2009**	% of total
Service	148.0	44	169.7	36	667.2	37
Equipment	185.8	56	304.6	64	1,115.1	63
./. Internal	-27.6		-32.2		-111.1	
Total	**306.3**	**100**	**442.1**	**100**	**1,671.3**	**100**

Operating profit (EBIT) by Business Area excluding restructuring costs	**1-3/2010** MEUR	EBIT %	**1-3/2009** MEUR	EBIT %	**1-12/2009** MEUR	EBIT %
Service	9.8	6.6	15.7	9.3	61.0	9.1
Equipment	6.0	3.3	26.8	8.8	76.7	6.9
Group costs and eliminations	-4.3		-5.7		-18.9	
Total	**11.6**	**3.8**	**36.8**	**8.3**	**118.8**	**7.1**

Operating profit (EBIT) by Business Area including restructuring costs	**1-3/2010** MEUR	EBIT %	**1-3/2009** MEUR	EBIT %	**1-12/2009** MEUR	EBIT %
Service	9.8	6.6	15.7	9.3	58.3	8.7
Equipment	6.1	3.3	26.8	8.8	58.5	5.2
Group costs and eliminations	-4.3		-5.7		-18.9	
Total	**11.6**	**3.8**	**36.8**	**8.3**	**97.9**	**5.9**

Capital Employed and ROCE%	**1-3/2010** MEUR	**1-3/2009** MEUR	**1-12/2009** MEUR	ROCE %
Service	133.1	151.2	130.7	43.8
Equipment	194.7	289.5	208.7	22.9
Unallocated Capital Employed	126.1	99.1	133.2	
Total	**453.9**	**539.7**	**472.6**	**19.3**

Personnel by Business Area (at the end of the period)	**31.3.2010**	% of total	**31.3.2009**	% of total	**31.12.2009**	% of total
Service	4,926	52	5,494	56	4,991	51
Equipment	4,586	48	4,317	44	4,742	48
Group staff	50	1	55	1	49	1
Total	**9,562**	**100**	**9,866**	**100**	**9,782**	**100**

Segment information

2. GEOGRAPHICAL SEGMENTS

EUR million Sales by market	1-3/2010	% of total	1-3/2009	% of total	1-12/2009	% of total
Europe-Middle East-Africa (EMEA)	173.0	56	246.4	56	928.0	56
Americas (AME)	86.6	28	132.7	30	479.5	29
Asia-Pacific (APAC)	46.7	15	63.0	14	263.8	16
Total	**306.3**	**100**	**442.1**	**100**	**1,671.3**	**100**

Personnel by region (at the end of the period)	31.3.2010	% of total	31.3.2009	% of total	31.12.2009	% of total
Europe-Middle East-Africa (EMEA)	5,466	57	5,626	57	5,533	57
Americas (AME)	2,171	23	2,654	27	2,236	23
Asia-Pacific (APAC)	1,925	20	1,586	16	2,013	21
Total	**9,562**	**100**	**9,866**	**100**	**9,782**	**100**

Notes

KEY FIGURES	31.3.2010	31.3.2009	Change %	31.12.2009
Earnings per share, basic (EUR)	0.15	0.43	-64.7	1.08
Earnings per share, diluted (EUR)	0.15	0.43	-64.8	1.08
Return on capital employed %, Rolling 12 Months (R12M)	14.6	50.4	-71.0	19.3
Return on equity %, Rolling 12 Months (R12M)	12.2	49.4	-75.3	15.5
Equity per share (EUR)	6.26	6.38	-1.9	6.84
Current ratio	1.3	1.5	-13.3	1.4
Gearing %	-12.4	10.0	-224.0	-19.1
Solidity %	40.2	38.5	4.4	45.1
EBITDA, EUR million	18.8	43.6	-56.7	130.4
Investments total (excl. acquisitions), EUR million	4.2	6.0	-29.5	25.7
Interest-bearing net debt, EUR million	-46.6	37.8	-223.2	-77.7
Net working capital, EUR million	102.5	267.0	-61.6	138.8
Average number of personnel during the period	9,672	9,885	-2.2	9,811
Average number of shares outstanding, basic	58,832,081	59,137,550	-0.5	58,922,323
Average number of shares outstanding, diluted	59,069,680	59,202,419	-0.2	59,085,936
Number of shares outstanding	58,908,624	59,196,720	-0.5	58,812,624

The period end exchange rates*:	31.3.2010	31.3.2009	Change %	31.12.2009
USD - US dollar	1.335	1.330	-0.4	1.441
CAD - Canadian dollar	1.372	1.645	19.9	1.513
GBP - Pound sterling	0.900	0.929	3.1	0.888
CNY - Chinese yuan	9.116	9.084	-0.4	9.835
SGD - Singapore dollar	1.876	2.016	7.5	2.019
SEK - Swedish krona	9.708	10.894	12.2	10.252
NOK - Norwegian krone	8.098	8.800	8.7	8.300
AUD - Australian dollar	1.478	1.923	30.1	1.601

The period average exchange rates*:	31.3.2010	31.3.2009	Change %	31.12.2009
USD - US dollar	1.384	1.302	-5.9	1.395
CAD - Canadian dollar	1.441	1.622	12.5	1.585
GBP - Pound sterling	0.887	0.908	2.4	0.891
CNY - Chinese yuan	9.448	8.898	-5.8	9.529
SGD - Singapore dollar	1.941	1.970	1.5	2.024
SEK - Swedish krona	9.952	10.944	10.0	10.618
NOK - Norwegian krone	8.104	8.941	10.3	8.726
AUD - Australian dollar	1.532	1.968	28.5	1.773

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

Notes

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	31.3.2010	31.3.2009	31.12.2009
For own commercial obligations			
Pledged assets	0.0	0.4	0.0
Guarantees	346.6	208.0	212.0
For associated companies			
Guarantees	0.0	13.5	0.0
Leasing liabilities			
Next year	27.0	30.6	27.7
Later on	70.8	67.3	71.3
Other	0.1	0.2	0.2
Total	**444.5**	**319.8**	**311.1**

Leasing contracts comply with normal practices in the countries concerned.

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

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

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	31.3.2010 Nominal value	31.3.2010 Fair value	31.3.2009 Nominal value	31.3.2009 Fair value	31.12.2009 Nominal value	31.12.2009 Fair value
Foreign exchange forward contracts	142.9	-2.1	232.9	3.2	129.5	2.6
Electricity derivatives	2.1	-0.2	1.7	-0.5	2.1	-0.2
Total	**145.0**	**-2.3**	**234.6**	**2.7**	**131.6**	**2.5**

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

Notes

ACQUISITIONS

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

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

EUR million	**31.3.2010** Recognized on acquisition	**31.3.2010** Carrying value
Intangible assets	1.1	0.0
Tangible assets	0.0	0.0
Inventories	0.1	0.1
Account receivables and other assets	0.3	0.3
Cash and bank	0.3	0.3
Total assets	**1.8**	**0.7**
Deferred tax liabilities	0.2	0.0
Accounts payable	0.1	0.1
Other liabilities	0.2	0.2
Total liabilities	**0.4**	**0.3**
Net assets	**1.4**	**0.4**
Acquisition costs	**2.5**	
Goodwill	1.1	
Cash outflow on acquisition		
Acquisition costs	2.5	
Liabilities assumed	-1.0	
Acquisition costs paid in cash	**1.5**	
Cash and cash equivalents of acquired companies	-0.3	
Net cash flow arising on acquisition	**1.2**	

Acquisition of associated company:

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

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

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

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

CONSOLIDATED BALANCE SHEET, QUARTERLY

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

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

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

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

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

1) Excl. Service Contract Base

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

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

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

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

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

Analyst and press briefing

An analyst and press conference will be held at G.W. Sundmans' Auditorium (address Eteläranta 16) at 12.00 p.m. Finnish time. The Interim Report will be presented by Konecranes' President and CEO Pekka Lundmark and CFO Teo Ottola.

A live webcast of the conference with the possibility to ask questions through web will begin at 12.00 p.m. at www.konecranes.com. An on-demand version of the webcast will be available on the company's website later the same day.

Next report

Konecranes January-June 2010 interim report will be published on July 22, 2010.

KONECRANES PLC

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Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity-enhancing lifting solutions as well as services for lifting equipment and machine tools of all makes. In 2009, Group sales totaled EUR 1,671 million. The Group has 9,600 employees, at more than 545 locations in 43 countries. Konecranes is listed on the NASDAQ OMX Helsinki (symbol: KCR1V).

www.konecranes.com