KONECRANES
Lifting Businesses™

Order book higher, operational EBIT at previous year's level

Financial Statements Bulletin 2015

Q4

Order book higher, operational EBIT at previous year's level

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

FOURTH QUARTER HIGHLIGHTS

- Order intake EUR 512.5 million (513.3), -0.1 percent; Service -0.1 percent and Equipment -2.6 percent.
- Order book EUR 1,036.5 million (979.5) at year-end, +5.8 percent compared with a year before.
- Sales EUR 609.0 million (608.1), +0.1 percent; Service +6.7 percent and Equipment -4.2 percent.
- Operating profit excluding non-recurring items* EUR 44.6 million (47.1), 7.3 percent (7.7) of sales.
- Non-recurring items* EUR 13.8 million (1.6).
- Operating profit EUR 30.8 million (45.5), 5.1 percent of sales (7.5).
- Earnings per share (diluted) EUR 0.21 (0.51).
- Net cash flow from operating activities EUR 40.9 million (66.4).
- Net debt EUR 203.2 million (149.5) and gearing 44.6 percent (33.3).

FULL-YEAR 2015 HIGHLIGHTS

- Orders received EUR 1,965.5 million (1,903.5), +3.3 percent; Service +7.8 percent and Equipment -0.4 percent.
- Sales EUR 2,126.2 million (2,011.4), +5.7 percent; Service +10.9 percent and Equipment +1.5 percent.
- Operating profit excluding non-recurring items* EUR 117.7 million (119.1), 5.5 percent (5.9) of sales.
- Non-recurring items* EUR 54.7 million (3.2).
- Operating profit EUR 63.0 million (115.8), 3.0 percent of sales (5.8).
- Earnings per share (diluted) EUR 0.53 (1.28).
- Net cash flow from operating activities EUR 39.3 million (148.4).
- Dividend proposed by the Board of Directors is EUR 1.05 (1.05) per share.
- Figures are unaudited**

MARKET OUTLOOK

Customers are cautious about investing as economic growth has slowed down across the globe. Companies operating in emerging and commodity markets are particularly under pressure to save costs. Business activity in the North American manufacturing and process industries weakened toward the end of 2015 and demand outlook is more uncertain than a year ago. Demand situation in Europe is stable. Even though the global container throughput has slowed down, our offer base for container handling equipment has remained solid and the order book for 2016 deliveries is good. Continued contract base growth bodes well for the future of the service business.

FINANCIAL GUIDANCE

Based on the order book, the service contract base and the near-term demand outlook, sales in 2016 are expected to be higher than in 2015. We expect the 2016 operating profit, excluding non-recurring items, to improve from 2015.

** Non-recurring items include restructuring costs, transaction costs relating to the Terex merger, and the unwarranted payments due to identity theft and fraudulent actions (only in the third quarter of 2015, not deducted by crime insurance indemnity). The non-recurring items in 2014 included restructuring costs only.*

*** The auditor's report will be issued later as the US PCAOB audit is not yet completed and the timetables for finalizing the ISA and PCAOB audits are aligned.*

Key figures

	Fourth quarter			January–December		
	10–12/2015	**10–12/2014**	**Change %**	**1–12/2015**	**1–12/2014**	**Change %**
Orders received, MEUR	512.5	513.3	-0.1	1,965.5	1,903.5	3.3
Order book at end of period, MEUR				1,036.5	979.5	5.8
Sales total, MEUR	609.0	608.1	0.1	2,126.2	2,011.4	5.7
EBITDA excluding non-recurring items, MEUR*)	57.0	58.7	-2.9	166.5	162.2	2.6
EBITDA excluding non-recurring items, %*)	9.4%	9.7%		7.8%	8.1%	
Operating profit excluding non-recurring items, MEUR*)	44.6	47.1	-5.3	117.7	119.1	-1.1
Operating margin excluding non-recurring items, %*)	7.3%	7.7%		5.5%	5.9%	
EBITDA, MEUR	42.7	57.1	-25.3	117.1	159.0	-26.4
EBITDA, %	7.0%	9.4%		5.5%	7.9%	
Operating profit, MEUR	30.8	45.5	-32.3	63.0	115.8	-45.6
Operating margin, %	5.1%	7.5%		3.0%	5.8%	
Profit before taxes, MEUR	28.6	41.6	-31.2	55.4	107.4	-48.5
Net profit for the period, MEUR	12.6	29.5	-57.4	30.8	74.6	-58.7
Earnings per share, basic, EUR	0.21	0.51	-57.9	0.53	1.28	-59.1
Earnings per share, diluted, EUR	0.21	0.51	-57.8	0.53	1.28	-59.0
Dividend per share, EUR				1.05**	1.05	
Gearing, %				44.6%	33.3%	
Return on capital employed, %				10.4%	17.0%	
Free cash flow, MEUR	24.8	56.1		-1.4	109.4	
Average number of personnel during the period				11,934	11,920	0.1

**) Non-recurring items include transaction costs (-17.2 MEUR in 1–12/2015 and -8.7 MEUR in 10–12/2015) which contain advisory, legal and consulting fees related to Konecranes Terex merger, restructuring costs (-20.5 MEUR in 1–12/2015 and -5.0 MEUR in 10–12/2015) and the unwarranted payments due to the identity theft and fraudulent actions (-17.0 MEUR in 1–12/2015 and 0.0 MEUR in 10–12/2015). The non-recurring items in 2014 included restructuring costs only.*

***) The Board's proposal to AGM*

President and CEO Panu Routila:

"Our Q4 results came close to our expectations with Group orders, sales, and operating profit, excluding non-recurring items, being near the previous year's levels. Service continued to improve its profitability on a year-on-year basis in the fourth quarter. Its full-year 2015 operating margin, excluding restructuring costs, rose by 0.4 percentage points to 10.4 percent. We were able to generate modest sales growth at comparable currencies despite the fact that many of our industrial customers experienced headwinds in their businesses. Service's order book and contract base value were up 8.7 percent and 7.5 percent on a year-on-year basis at year-end 2015, respectively, which bodes well for the continued improvements in 2016.

Equipment order intake recovered sequentially, thanks to the pick-up in container handling equipment orders that were on a good level. At the same time, the demand among industrial customers continued to be sluggish, particularly in emerging markets. We cannot be satisfied with the year-on-year decline of EUR 5.0 million in the Equipment Q4 operating profit, excluding restructuring costs. This was mainly due to the 7.1 percent sales decline at comparable currencies, unfavorable sales mix, and a provision of EUR 3.3 million relating to a receivable from a Latin American customer. On the other hand, our cost savings actions are delivering the expected results. Business Area Equipment order book was up 5.3 percent on a year-on-year basis at year-end 2015, incorporating a solid outlook for the container handling equipment deliveries in 2016.

When I took the position as President and CEO in November 2015, I already knew of both the huge potential Konecranes offers as an organization and the value of the expertise it houses. Working hands-on with our people in the months since then has only confirmed this impression.

Our main strength is in the experts we employ. Witnessing their joint efforts toward the success of our businesses is a continuing inspiration, and we aspire to make even better use of this resource to fuel the growth. As chief executive, I want to invest in people, invest in R&D, and invest in sustaining Konecranes as a true technology leader. We do all this to ensure that we serve our customers continuously with better products and services.

We are making changes to bring more direct business commandership into our ways of working, and some may welcome this as an overdue development. Our overheads have been too high and therefore we need to reduce our fixed cost base to improve our competitiveness. Renewal is in the air for Konecranes, just as it inevitably lies in the future of the industries we serve."

2015 Board of Directors' report

MARKET REVIEW

In 2015, emerging economies struggled, while industrial production in the euro area saw a slight upturn. At the same time, the U.S. economic data was still generally positive, but some signs of weaker momentum could be observed in the business conditions.

American factory output, measured by the Purchasing Managers' Index (PMI), was in the expansive territory for the first ten months of 2015, but the rate of growth softened during year and the output was contracting at the end of the year. On average, the U.S. manufacturing capacity utilization rate was above the previous year's level in 2015. However, the capacity utilization rate levelled off during 2015. The key challenges affecting markets during the year were the appreciation of USD against EUR, which reduced the competitiveness of export industries, and the decline in oil price, the impact of which was mixed across industries.

According to the PMI surveys in the Eurozone, manufacturing production growth accelerated in 2015, but the overall rate of expansion remained moderate. Germany, Spain, the Netherlands, and Italy were the leading lights, whereas the French manufacturing sector contracted for the most part of the year. Outside the Eurozone, PMI surveys signaled healthy expansion of manufacturing sector output in Sweden and the UK. Similar to the US, the EU capacity utilization was slightly up on a year-on-year basis, but it stabilized during 2015.

Based on the 2015 Purchasing Managers' Indexes, manufacturing activity worsened further in the BRIC countries, with the exception of India. PMIs in Brazil, China, and Russia pointed to a contraction of manufacturing output, while the signs of modest growth could be observed in India.

Overall, the activity in the world's manufacturing sector, according to the aggregated JPMorgan Global Manufacturing PMI, continued to increase in 2015, but the rate of growth weakened from 2014 and it was only slightly above stagnation at the end of the period.

Compared to the previous year, the demand for cranes and hoists was stable among industrial customers in Europe, whereas the demand weakened in the Americas, Middle East, and Asia. The demand for heavy-duty cranes continued to suffer from the low investment activity within the process industries. Demand for lift trucks was strong across the globe, with the exception of Middle East and Africa.

The growth of global container traffic stalled during 2015 and was basically unchanged from 2014. Declining port handling volumes were reported predominantly in some Asian ports, Baltic Sea, as well as in the east coast of Latin America. Container volumes from Asia to the US East and Gulf Coasts increased. Also, the Europe to Middle East and to South Asia trade grew. Despite the lack of growth in global container throughput, the demand for yard cranes was robust.

The demand growth for lifting equipment services was driven by Asia-Pacific, whereas the demand was stable in EMEA and the Americas.

Raw material prices, including steel and copper, continued to be under downward pressure in 2015 and were clearly down on year-on-year basis. The EUR/USD exchange rate stabilized in the second quarter of 2015 at the level that was clearly below the previous year's corresponding period.

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

ORDERS RECEIVED

In 2015, the orders received grew by 3.3 percent to EUR 1,965.5 million (1,903.5). Orders received increased by 7.8 percent in Service, but decreased by 0.4 percent in Equipment. Orders received rose in the Americas and APAC, but fell in EMEA.

The fourth quarter order intake fell by 0.1 percent from a year before to EUR 512.5 million (513.3). Order intake decreased by 0.1 in Service and by 2.6 percent in Equipment. Orders received increased in the Americas, but decreased in EMEA and APAC.

ORDER BOOK

The value of the order book at year-end 2015 totaled EUR 1,036.5 million (979.5), which is 5.8 percent higher than at the end of 2014. Service accounted for EUR 165.8 million (16 percent) and Equipment for EUR 870.7 million (84 percent) of the total end-December order book.

SALES

Group sales in the full-year 2015 increased by 5.7 percent and totaled EUR 2,126.2 million (2,011.4). Sales in Service increased by 10.9 percent and in Equipment by 1.5 percent.

Fourth-quarter sales rose by 0.1 percent from the corresponding period in 2014 to EUR 609.0 million (608.1). Sales in Service increased by 6.7 percent, but decreased in Equipment by 4.2 percent.

In 2015, the regional breakdown was as follows: EMEA 45 (47), Americas 39 (36) and APAC 16 (17) percent.

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a positive impact on the orders and sales in January–December. The reported order intake increased by 3.3 percent, but decreased by 3.3 percent at comparable currency rates. Reported sales increased by 5.7 percent, but decreased by 1.1 percent at comparable currency rates.

In Service, the reported January–December order intake increased by 7.8 percent, but decreased by 1.0 percent at comparable currencies. In Equipment, the orders decreased by 0.4 percent in reported terms and by 5.7 percent at com-

NET SALES BY REGION, MEUR

	10–12/2015	10–12/2014	1–12/2015	1–12/2014	Change percent	Change % at comparable currency rates
EMEA	289.5	296.7	960.5	946.0	1.5	0.7
AME	232.3	218.6	823.7	727.5	13.2	-0.6
APAC	87.2	92.9	342.0	338.0	1.2	-6.6
Total	**609.0**	**608.1**	**2,126.2**	**2,011.4**	**5.7**	**-1.1**

parable currencies. Service sales grew by 10.9 percent in reported terms and by 2.1 percent at comparable currencies. In Equipment, the corresponding figures were +1.5 percent and -3.9 percent.

The currency rates had a positive impact on the orders and sales in the fourth quarter in a year-on-year comparison. In the fourth quarter, the reported order intake fell by 0.1 percent, whereas the decline at comparable currencies was 4.6 percent. The reported sales increased by 0.1 percent, but decreased by 3.9 percent at comparable currencies.

In the fourth quarter, the reported order intake in Service declined by 0.1 percent and by 5.6 percent at comparable currency rates. In Equipment, the reported order intake decreased by 2.6 percent and by 6.6 percent at comparable currency rates. In Service, the reported sales increased by 6.7 percent and by 0.7 percent at comparable currency rates. The corresponding figures in Equipment sales were -4.2 percent and -7.1 percent.

FINANCIAL RESULT

The consolidated operating profit in full-year 2015 totaled EUR 63.0 million (115.8), decreasing in total by EUR 52.8 million. The operating profit includes restructuring costs of EUR 20.5 million (3.2) related to the cost savings program of EUR 30 million announced in 2014. In addition, the operating profit includes transaction costs of EUR 17.2 million (0.0) related to the Terex merger announced in August 2015. In August, Konecranes announced that one of its foreign subsidiaries has become a victim of fraud. The operating profit includes the unwarranted payments due to the identity theft and fraudulent actions in a total amount of up to EUR -17.0 million. The consolidated operating margin fell to 3.0 percent (5.8). The operating margin in Service rose to 10.0 percent (9.7), whereas in Equipment it declined to 1.5 percent (3.7).

In 2015, Service's operating margin excluding restructuring costs improved due to the sales growth and higher gross margin. The Equipment operating margin, excluding restructuring costs, was affected by lower sales at comparable currency rates and unfavorable sales mix. Moreover, the amortization related to new IT systems increased from the previous year. In addition, a provision of EUR 3.3 million was booked relating to a receivable from a Brazilian customer in the fourth quarter of 2015. On the other hand, Business Area Equipment reached cost savings of approximately EUR 10 million due to the restructuring actions.

The consolidated operating profit in the fourth quarter totaled EUR 30.8 million (45.5). The operating profit includes restructuring costs of EUR 5.0 million (1.6) and merger transaction costs of EUR 8.7 million (0.0). The consolidated operating margin in the fourth quarter fell to 5.1 percent (7.5). The operating margin in Service improved to 12.0 percent (11.8), whereas in Equipment it fell to at 3.5 percent (5.2).

In the fourth quarter of 2015, Service's operating margin, excluding restructuring costs, improved due to the sales growth and higher gross margin. The Equipment operating margin, excluding restructuring costs, was affected by lower sales at comparable currency rates and unfavorable sales mix. Moreover, the amortization related to the new IT systems increased from the previous year. In addition, a provision of EUR 3.3 million was booked relating to a receivable from a Brazilian customer. On the other hand, Business Area Equipment reached cost savings of approximately EUR 4 million due to the restructuring actions.

In 2015, the depreciation and impairments totaled EUR 54.0 million (43.1). This included write-offs of EUR 5.3 million (0.0) to intangible and tangible assets. In 2015, the amortization arising from the purchase price allocations for acquisitions represented EUR 5.0 million (6.8) of the depreciation and impairments.

In 2015, the share of the result of associated companies and joint ventures was EUR 4.8 million (3.7).

Net financial expenses in January–December totaled EUR 12.5 million (12.1). Net interest expenses accounted for EUR 9.6 million (10.4) of this.

The January–December profit before taxes was EUR 55.4 million (107.4).

The income taxes in January–December were EUR 24.6 million (32.8). The Group's effective tax rate was 44.4 percent (30.6). Deferred tax assets of EUR 4.7 million (0.0) related to the loss-making Indian operations were written off. The Group's effective tax rate was 30.3 percent in 2015, excluding the write-off of the deferred tax assets and the effects of the fraudulent actions and the transaction costs related to the merger with Terex that are related to the differences in tax rates.

The January–December net profit was EUR 30.8 million (74.6).

In 2015, the basic earnings per share were EUR 0.53 (1.28), and diluted earnings per share were EUR 0.53 (1.28).

In 2015, the return on capital employed was 10.4 percent (17.0) and return on equity 6.8 percent (16.7).

BALANCE SHEET

The year-end 2015 consolidated balance sheet amounted to EUR 1,484.9 million (1,477.4). Total equity at the end of the reporting period was EUR 456.0 million (449.2). Total equity attributable to equity holders of the parent company at year-end 2015 was EUR 455.9 million (449.2) or EUR 7.79 per share (7.75).

Net working capital at year-end 2015 totaled EUR 317.4 million (263.7). Compared to the previous year-end, net working capital grew mainly due to higher inventories and lower advance payments received.

CASH FLOW AND FINANCING

Net cash from the operating activities in full-year 2015 was EUR 39.3 million (148.4), representing EUR 0.67 per diluted share (2.56). In the fourth quarter, net cash flow from operating activities was EUR 40.9 million (66.4).

Cash flow from capital expenditures amounted to EUR -43.3 million (-42.0). Cash flow from capital expenditures in the fourth quarter was to EUR -16.7 million (-11.6).

Cash flow before financing activities was EUR -1.5 million (110.4). Cash flow before financing activities in the fourth quarter was EUR 24.7 million (56.2).

Interest-bearing net debt was EUR 203.2 million (149.5) at the end of 2015. Solidity was 34.8 percent (35.2) and gearing was 44.6 percent (33.3).

The Group's liquidity remained healthy. At the end of the year 2015, cash and cash equivalents amounted to EUR 80.8 million (97.9).

In June, Konecranes signed a EUR 200 million five-year revolving credit facility with two 12-month extension options with its core relationship banks. The committed credit facility refinanced the existing EUR 200 million facility signed in December 2010 and will be used for the general corporate purposes of the Group. None of the Group's EUR 300 million committed back-up financing facilities were in use at the end of the period.

In in April 2015, Konecranes paid dividends to its shareholders that amounted to EUR 61.5 million or EUR 1.05 per share.

CAPITAL EXPENDITURE

In 2015, the capital expenditure, excluding acquisitions and joint arrangements, amounted to EUR 49.3 million (60.0). This amount consisted of investments in machinery, equipment, properties, and information technology. Capital expenditure including acquisitions and joint arrangements was EUR 49.3 million (60.0).

In 2015, Konecranes continued its IT system project to further develop and implement harmonized processes, increase operational visibility, improve decision-making, and reduce the overall number of various IT systems. New ERP for manufacturing, logistics, and finance was rolled out in additional European operations and in Asia. The roll-out of the new ERP for service operations continued in North America, Australia, and Europe.

The fourth quarter capital expenditure, excluding acquisitions and joint arrangements, was EUR 23.6 million (25.8) and including acquisitions and joint arrangements was EUR 23.6 million (25.8).

ACQUISITIONS

In 2015, the capital expenditure on acquisitions and joint arrangements was EUR 0.0 million (0.0).

In August, Konecranes acquired 46 percent of its subsidiary CJSC Zaporozhje Kran Holding in Ukraine and now owns 95 percent of the company. The purchase price totaled EUR 3.0 million, which reduced equity by the same amount.

PERSONNEL

In January–December, the Group employed an average of 11,934 people (11,920). On December 31, the headcount was 11,887 (11,982). At year-end 2015, the number of personnel by Business Area was as follows: Service 6,503 employees (6,285), Equipment 5,328 employees (5,639), and Group staff 56 (58). The Group had 6,237 employees (6,240) working in EMEA, 2,968 (2,858) in the Americas, and 2,682 (2,884) in the APAC region.

Personnel effect of the cost savings program of EUR 30 million announced in 2014 was approximately 400 employees in January–December. During the same period, the number of personnel increased by approximately 110 employees due to harmonization of reporting.

In 2015, the Group's personnel expenses totaled EUR 661.5 million (593.7).

Business areas

SERVICE

	10–12/2015	10–12/2014	1–12/2015	1–12/2014	Change percent
Orders received, MEUR	200.3	200.5	809.5	750.8	7.8
Order book, MEUR	165.8	152.6	165.8	152.6	8.7
Contract base value, MEUR	210.6	196.0	210.6	196.0	7.5
Net sales, MEUR	275.9	258.6	992.3	895.1	10.9
EBITDA, MEUR	38.0	35.2	118.0	103.3	14.2
EBITDA, %	13.8%	13.6%	11.9%	11.5%	
Depreciation and amortization, MEUR	-4.8	-4.6	-17.9	-16.4	9.2
Impairments, MEUR	-0.1	0.0	-1.2	0.0	
Operating profit (EBIT), MEUR	33.2	30.6	98.9	86.9	13.8
Operating profit (EBIT), %	12.0%	11.8%	10.0%	9.7%	
Restructuring costs, MEUR	-0.7	-0.8	-4.0	-2.2	
Operating profit (EBIT) excluding restructuring costs, MEUR	33.8	31.4	102.9	89.1	15.5
Operating profit (EBIT) excluding restructuring costs, %	12.3%	12.1%	10.4%	10.0%	
Capital employed, MEUR	232.3	200.2	232.3	200.2	16.0
ROCE%			45.7%	44.8%	
Capital expenditure, MEUR	11.5	9.6	22.9	20.5	11.8
Personnel at the end of period	6,503	6,285	6,503	6,285	3.5

The orders in full-year 2015 totaled EUR 809.5 million (750.8) showing an increase of 7.8 percent. At comparable currencies, order intake decreased from the previous year. The order book rose to EUR 165.8 million (152.6) at year-end representing an increase of 8.7 percent. Sales rose by 10.9 percent to EUR 992.3 million (895.1). Sales grew in all regions. Parts sales grew faster than the field service sales.

The operating profit, excluding restructuring costs of EUR 4.0 million (2.2), was EUR 102.9 million (89.1) and the operating margin was 10.4 percent (10.0). Operating profit was EUR 98.9 million (86.9) and 10.0 percent of sales (9.7). The operating margin, excluding restructuring costs, improved due to the sales growth and higher gross margin.

The fourth-quarter order intake declined by 0.1 percent and was EUR 200.3 million (200.5). The fourth-quarter sales totaled EUR 275.9 million (258.6), representing a year-on-year increase of 6.7 percent. Sales grew in all regions. The growth in field service was stronger than in parts sales.

The fourth quarter operating profit, excluding restructuring costs of EUR 0.7 million (0.8), was EUR 33.8 million (31.4) and 12.3 percent of the sales (12.1). The fourth quarter operating profit was EUR 33.2 million (30.6) and 12.0 percent of the sales (11.8). Service's operating margin, excluding restructuring costs, improved due to the sales growth and higher gross margin.

The annual value of the contract base increased to EUR 210.6 million (196.0) at year-end 2015. The contract base increased by 7.5 percent and by 2.9 at comparable exchange rates. At year-end 2015, the total number of items of equipment included in the maintenance contract base was 453,634 (444,482).

The number of service technicians at year-end 2015 was 4,142 (4,025), which is 117 or 2.9 percent more than at the year-end 2014.

EQUIPMENT

	10–12/2015	10–12/2014	1–12/2015	1–12/2014	Change percent
Orders received, MEUR	336.2	345.1	1,257.6	1,262.5	-0.4
Order book, MEUR	870.7	826.9	870.7	826.9	5.3
Net sales, MEUR	361.3	377.2	1,240.3	1,221.7	1.5
EBITDA, MEUR	19.5	26.5	52.9	71.6	-26.2
EBITDA, %	5.4%	7.0%	4.3%	5.9%	
Depreciation and amortization, MEUR	-7.5	-6.8	-30.0	-26.0	15.5
Impairments, MEUR	0.6	0.0	-4.1	0.0	
Operating profit (EBIT), MEUR	12.6	19.8	18.8	45.6	-58.9
Operating profit (EBIT), %	3.5%	5.2%	1.5%	3.7%	
Restructuring costs, MEUR	-2.9	-0.8	-15.0	-1.0	
Operating profit (EBIT) excluding restructuring costs, MEUR	15.5	20.5	33.8	46.7	-27.7
Operating profit (EBIT) excluding restructuring costs, %	4.3%	5.4%	2.7%	3.8%	
Capital employed, MEUR	356.7	353.5	356.7	353.5	0.9
ROCE%			5.3%	12.5%	
Capital expenditure, MEUR	12.1	16.2	26.5	39.6	-33.0
Personnel at the end of period	5,328	5,639	5,328	5,639	-5.5

The orders in full-year 2015 totaled EUR 1,257.6 million (1,262.5), showing a decrease of 0.4 percent. Orders grew in the Americas and Asia-Pacific, but declined in EMEA. Orders for industrial cranes accounted for approximately 35 percent of the orders received and were lower than a year ago. Components generated approximately 25 percent of the new orders and were below last year's level. The combined orders for port cranes and lift trucks amounted to approximately 40 percent of the orders received and were higher than a year ago. The order book increased by 5.3 percent from the previous year to EUR 870.7 million (826.9).

Sales increased by 1.5 percent to EUR 1,240.3 million (1,221.7). At comparable currency rates, sales decreased from the previous year. Operating profit before restructuring costs of EUR 15.0 million (1.0) was EUR 33.8 million (46.7), and the operating margin was 2.7 percent (3.8). Operating profit was EUR 18.8 million (45.6) and 1.5 percent of sales (3.7). The Equipment operating margin excluding restructuring costs was affected by lower sales at comparable currency rates and unfavorable sales mix. Moreover, the amortization related to new IT systems increased from the previous year. In addition, a provision of EUR 3.3 million was booked relating to a receivable from a Brazilian customer in the fourth quarter of 2015. On the other hand, Business Area Equipment reached cost savings of approximately EUR 10 million due to the restructuring actions.

The fourth quarter order intake fell by 2.6 percent and totaled EUR 336.2 million (345.1). The fourth quarter order intake increased in the Americas, but decreased in EMEA and Asia-Pacific. Compared to the previous year, orders for port cranes and lift trucks rose, whereas orders for industrial cranes and crane components fell from the previous year.

The fourth-quarter sales totaled EUR 361.3 million (377.2) and were 4.2 percent lower than a year ago. The fourth quarter operating profit, before restructuring costs of EUR 2.9 million (0.8) was EUR 15.5 million (20.5), and the operating margin 4.3 percent (5.4). The fourth quarter operating profit was EUR 12.6 million (19.8), and the operating margin 3.5 percent (5.2). The Equipment operating margin, excluding restructuring costs, was affected by lower sales at comparable currency rates and unfavorable sales mix. Moreover, amortization related to the new IT systems increased from the previous year. In addition, a provision of EUR 3.3 million was booked relating to a receivable from a Brazilian customer. On the other hand, Business Area Equipment reached cost savings of approximately EUR 4 million due to the restructuring actions.

Group overheads

Unallocated Group overhead costs in 2015 were EUR 54.6 million (16.7), representing 2.6 percent of sales (0.8). These included transaction costs of EUR 17.2 million (0.0) related to the Terex merger and restructuring costs of EUR 1.4 million (0.0).

On August 14, Konecranes announced that one of its foreign subsidiaries has become a victim of fraud. As a result of identity theft and other fraudulent actions, the perpetrators had managed to induce the subsidiary making unwarranted payments in a total amount of up to EUR 17.0 million, which is included in unallocated Group overhead costs. Konecranes has reported the crime to the police authorities in the relevant countries and is working closely with the authorities to recover its losses and to bring the fraud perpetrators to justice. Konecranes has a crime insurance policy covering the entire group of companies with coverage of EUR 10 million.

In 2015, unallocated Group overhead costs, excluding the transaction and restructuring costs as well as the impact from the fraudulent actions, were EUR 18.9 million (16.7), representing 0.9 percent of sales (0.8).

MERGER WITH TEREX CORPORATION

On August 11, Konecranes and Terex Corporation (”Terex”) announced that their respective Boards of Directors have unanimously approved a definitive agreement to combine their businesses in a merger of equals. Under the agreement, Terex shareholders will receive 0.80 Konecranes shares for each existing Terex share. Upon closing of the merger between Terex and Konecranes (the ”Merger”), based on current fully diluted shares outstanding, Terex shareholders will own approximately 60 percent and Konecranes shareholders will own approximately 40 percent of the combined company.

The combined company, to be called Konecranes Terex Plc (”Konecranes Terex”), is planned to be listed on Nasdaq Helsinki and New York Stock Exchange. The Merger is expected to be accretive to both companies’ shareholders in the first full year after closing.

The combined company expects to achieve at least EUR 110 million of annual pre-tax cost synergies from procurement savings, optimization of operations as well as selling, general, and administrative efficiencies. In addition, Konecranes Terex anticipates to realize the post-tax income enhancement from financing, cash management, and structure optimization of at least EUR 32 million annually. In total, these synergies are expected to result in EUR 109 million of annual net income benefits to be fully implemented within 3 years from closing. The combined company expects to incur approximately EUR 110 million in related one-time costs over the first 24 months after closing to achieve the synergies.

The joint intention of Konecranes and Terex is for Konecranes Terex to execute a share buy-back program post-closing of up to USD 1.5 billion, split between ca. USD 500 million as soon as possible after closing and up to an additional USD 1.0 billion executed within 24 months after closing. The dividend policy for the combined company will be set by the Board after closing. However, given the enhanced growth profile of the combined business, it is expected that the combined company will maintain the current annual dividend of EUR 1.05 share paid by Konecranes. The combined company’s intention is to strengthen the balance sheet of the new entity over time.

Konecranes Terex will be incorporated in Finland, with headquarters in Hyvinkää, Finland and Westport, Connecticut, USA. Upon closing of the transaction, the combined company is planned to have a Board of Directors comprising nine members, five Directors among which will be nominated by Terex and four Directors by Konecranes. Konecranes’ current Chairman of the Board will become Konecranes Terex Chairman and the Terex CEO will become Konecranes Terex CEO. Should Terex determine to appoint a new CEO before the completion of the transaction, the parties have agreed to do this in close collaboration between the Boards of Directors of Terex and Konecranes.

The transaction is subject to approval by both Terex and Konecranes shareholders, regulatory approvals, and other closing conditions. Closing of the transaction is expected to occur during the first half of 2016.

On September 8, Terex announced that it has received the requisite consents (the “Consents”) from the holders of its USD 850,000,000 6.00% Senior Notes due 2021 and USD 300,000,000 6.50% Senior Notes due 2020 (jointly the “Notes”) to certain proposed amendments to the indentures governing “Change of Control” and certain other terms and conditions of the Notes. The consent solicitation was conducted by Terex in connection with the Merger.

Due to the receipt of the Consents, and subject to certain remaining conditions to the consent solicitation, the Merger will not constitute a ”Change of Control” under the indentures governing the Notes. If any Notes will remain outstanding following the consummation of the Merger, Konecranes Terex intends to unconditionally guarantee the Terex’s obligations under each indenture and series of Notes within 30 calendar days following the consummation of the Merger. Konecranes will not issue such guarantee unless the Merger is consummated.

John L. Garrison, Jr. started as the President and CEO of Terex on November 2. Since the regulatory approvals are still pending, the Board of Directors of Konecranes has only noted the appointment.

ADMINISTRATION

Decisions of the Annual General Meeting

The Annual General Meeting of Konecranes Plc was held on March 26, 2015. The meeting approved the Company's annual accounts for the fiscal year 2014 and discharged the members of the Board of Directors and the Managing Director from liability. The AGM approved the Board's proposal to pay a dividend of EUR 1.05 per share from the distributable assets of the parent company.

The AGM approved the proposal of the Nomination and Compensation Committee that the number of the members of the Board of Directors shall be eight (8). The Board members elected at the AGM in 2015 were Mr. Svante Adde, Mr. Stig Gustavson, Mr. Ole Johansson, Mr. Matti Kavetvuo, Ms. Nina Kopola, Mr. Bertel Langenskiöld, Ms. Malin Persson, and Mr. Christoph Vitzthum.

The AGM confirmed the annual compensation to the Board members as follows:

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

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

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

The AGM authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance of the Company's own shares as a pledge. The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.5 percent of all of the shares in the Company. The authorization is effective until the end of the next Annual General Meeting, however, not longer than until September 25, 2016.

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 6,000,000 shares, which corresponds to approximately 9.5 percent of all of the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the following paragraph. The authorization is effective until the end of the next Annual General Meeting, however, not longer than until September 25, 2016. However, the authorization for incentive arrangements is valid until March 25, 2020.

The AGM authorized the Board of Directors to decide on the transfer of the Company's own shares. The authorization is limited to a maximum of 6,000,000 shares, which corresponds to approximately 9.5 percent of all the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the previous paragraph. This authorization is effective until the next Annual General Meeting of Shareholders, however, not longer than until September 25, 2016. However, the authorization for incentive arrangements is valid until March 25, 2020.

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

The Board of Directors is authorized to decide on the issue of new shares or on the transfer of the own shares held by the Company to such participants of the Plan who, according to the terms and conditions of the Plan, are entitled to receive free shares, as well as to decide on a share issue without payment also to the Company itself. The number of new shares to be issued or own shares held by the Company to be transferred may amount in the aggregate to a total maximum of 500,000 shares, which corresponds to 0.8 percent of all of the Company's shares. The authorization concerning the share issue is valid until March 25, 2020.

The AGM authorized the Board of Directors to decide on one or several donations in a maximum aggregate amount of EUR 250,000 to one or more Finnish Universities or research centers thus supporting education or research. The Board of Directors is entitled to decide on practical matters relating to a donation, for example nomination of recipients and the detailed terms of a donation. The authorization shall be valid until December 31, 2015.

Board of Directors' organizing meeting

At its first meeting held after the Annual General Meeting, the Board of Directors elected Mr. Stig Gustavson to continue as Chairman. Mr. Ole Johansson was elected Vice Chairman of the Board. Mr. Svante Adde was elected Chairman of the Audit Committee, and Mr. Ole Johansson, Ms. Nina Kopola, and Ms. Malin Persson as Committee members. Mr. Bertel Langenskiöld was elected Chairman of the Nomination and Compensation Committee, and Mr. Stig Gustavson, Mr. Matti Kavetvuo, and Mr. Christoph Vitzthum 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.

With the exception of Mr. Ole Johansson and Mr. Bertel Langenskiöld, the Board Members are independent of significant shareholders of the company. Mr. Ole Johansson is not deemed independent of significant shareholders of the

Company based on his current position as the Chairman of the Board of Hartwall Capital Oy Ab. Mr. Langenskiöld is not deemed independent of significant shareholders of the company based on his position as the Managing Director of Hartwall Capital Oy Ab until August 31, 2015. HTT KCR Holding Oy Ab holds more than 10 percent of Konecranes Plc's shares and votes. HTT KCR Holding Oy Ab is a subsidiary of Hartwall Capital Oy Ab. In addition, HTT KCR Holding Oy Ab, K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Ronnas Invest AG will in practice cooperate in matters concerning their ownership in Konecranes Plc.

Changes in the Board of Directors

On August 10, Nina Kopola announced her resignation from the Board of Directors. Ms. Kopola resigned from the Board due to possible conflicts of interest that could arise from her position as the Board Member in Metso Corporation ("Metso"). Terex and Metso are competitors within materials processing.

On December 31, Matti Kavetvuo announced his resignation from the Board of Directors. Mr. Kavetvuo announced that he has given up other positions of trust during recent years and that it was now time to resign also from his last Board membership in a listed company.

Changes in the Group Management

In July, Konecranes announced that Panu Routila (b. 1964) has been appointed President and CEO of Konecranes Plc. Panu Routila started as the new President and CEO on November 1. He succeeded Pekka Lundmark who left Konecranes on September 5 to pursue his career outside the company.

CFO Teo Ottola was appointed Deputy CEO. The Deputy CEO uses the powers of the CEO if the CEO position is not filled or to fulfil his duties when the CEO is incapacitated.

SHARE CAPITAL AND SHARES

The company's registered share capital totaled EUR 30.1 million on December 31, 2015 and the number of shares including treasury shares was 63,272,342.

On December 31, 2015, Konecranes Plc was in the possession of 4,539,913 own shares, which corresponds to 7.2 percent of the total number of shares having a market value of EUR 104.0 million on that date.

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

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–December, 733,495 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009B.

At end-December 2015, Konecranes Plc's stock options 2009C entitled the holders to subscribe to a total of 638,500 shares.

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

PERFORMANCE SHARE PLAN

The Board of Directors resolved that the earning during the three-year discretionary period beginning on January 1, 2015 will be based on the Group´s cumulative EPS excluding restructuring costs.

The target group of the Plan consists of approximately 180 people. The rewards to be paid on the basis of the discretionary period beginning on January 1, 2015 correspond to the value of an approximate maximum total of 700,000 Konecranes Plc's shares. If the targets determined by the Board of Directors are achieved, the reward payout will be a half of the maximum reward. The maximum reward payout requires that the targets would be clearly exceeded.

The Board of Directors decided on a directed share issue related to the reward payment for the performance periods 2012 and 2012-2014 of the Konecranes Performance Share Plan 2012. In the share issue, 55,007 Konecranes Plc shares held by the company were conveyed without consideration to the key employees participating in the plan. The decision on the directed share issue was based on the authorization granted to the Board of Directors by the Annual General Meeting of Shareholders held on March 27, 2014.

EMPLOYEE SHARE SAVINGS PLAN

Based on interest shown by the Group employees, the Board decided to launch a new Plan Period. The new Plan Period has commenced on July 1, 2015 and will end on June 30, 2016. The maximum savings amount per participant during one month is 5 percent of the gross salary and the minimum is EUR 10.

Each participant will receive one free matching share for every two acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the plan period until the end of the designated holding period, February 15, 2019, and if his or her employment has not ended before this date for reasons attributable to the employee. The total amount of all savings of the commencing plan period may not exceed EUR 8.5 million. The terms and conditions of the Plan Period 2015–2016 are unchanged from the previous Plan Periods.

Approximately 1,550 Konecranes' employees signed up for the Plan Period that commenced on July 1, 2015. The number of new shares to be issued or own shares held by the Company to be transferred under the terms and conditions of the Plan may be a maximum total number of 500,000 shares, which corresponds to 0.8 percent of all Company's shares.

MARKET CAPITALIZATION AND TRADING VOLUME

The closing price for Konecranes Plc's shares on the Nasdaq Helsinki was EUR 22.90 on December 31, 2015. The volume-weighted average share price in January–December was EUR 27.73, the highest price being EUR 34.98 in August and the lowest EUR 20.98 in September. In January–December, the trading volume on the Nasdaq Helsinki totaled 57.0 million of Konecranes Plc's shares, corresponding to a turnover of approximately EUR 1,579.6 million. The average daily trading volume was 226,922 shares, representing an average daily turnover of EUR 6.3 million.

In addition, approximately 84.1 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in 2015 according to Fidessa.

On December 31, 2015, the total market capitalization of Konecranes Plc's shares on the Nasdaq Helsinki was EUR 1,448.9 million including treasury shares. The market capitalization was EUR 1,345.0 million, excluding the treasury shares.

FLAGGING NOTIFICATIONS

On February 5, 2015, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Harris Associates L.P. in Konecranes Plc has decreased below 5 percent. Harris Associates L.P. held 3,158,600 Konecranes Plc's shares on February 4, 2015, which is 4.99 percent of the Konecranes Plc's shares and votes.

On April 20, 2015, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Harris Associates L.P. in Konecranes Plc has exceeded 5 percent. Harris Associates L.P. held 3,200,000 Konecranes Plc's shares on April 17, 2015, which is 5.06 percent of the Konecranes Plc's shares and votes.

On May 14, 2015, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Sanderson Asset Management LLP in Konecranes Plc has exceeded 5 percent. Sanderson Asset Management LLP held 3,239,980 Konecranes Plc's shares on May 13, 2015, which is 5.12 percent of the Konecranes Plc's shares and votes.

On September 18, 2015, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Harris Associates Investment Trust in Konecranes Plc has exceeded 5 percent. Harris Associates Investment Trust held 3,177,500 Konecranes Plc's shares on September 17, 2015, which is 5.02 percent of Konecranes Plc's shares and votes.

On November 6, 2015, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Polaris Capital Management, LLC in Konecranes Plc's shares has exceeded 5 percent. Polaris Capital Management, LLC held 3,169,748 Konecranes Plc's shares on November 6, 2015, which is 5.01 percent of Konecranes Plc's shares. Polaris Capital Management, LLC held 2,277,440 voting rights in Konecranes Plc on November 6, 2015, which is 3.60 percent of voting rights in Konecranes Plc.

RESEARCH AND DEVELOPMENT

In 2015, Konecranes' research and product development expenditure totaled EUR 28.7 (28.9) million, representing 1.3 (1.4) percent of sales. R&D expenditure includes product development projects aimed at improving the quality and cost efficiency of both products and services.

During 2015, we developed camera applications for our products and looked at new materials and configurations for certain core lifting devices. We also maintained our tradition of joint research with the leading universities; in 2015, we started longer-term research cooperation with the Karlsruhe Institute of Technology, Germany.

In 2015, we paid particular attention to exploring new opportunities in the role of digitalization and automation within the context of the Industrial Internet. Customers can connect to the data provided by our TRUCONNECT Remote Service offering, request help from our technicians, and review the service and operational history of their cranes via the yourKONECRANES.com web portal. YourKONECRANES' global rollout started in 2015 in the countries, such as the UK, Canada, and Australia.

In March, Konecranes won the Automation Award 2015 granted by the Finnish Society of Automation, a recognition given for the development of new, harmonized automation architecture for lifting equipment.

Konecranes introduced the next-generation version of the Agilon material handling solution in March. To date, it has mainly been sold in Finland to date, but we have begun its gradual expansion into other countries, such as the UK. Another important product launch in 2015 was the Stagemaker SR01 electric chain hoist designed for the entertainment industry.

CORPORATE RESPONSIBILITY

In 2015, we organized our first ever formal, public stakeholder dialogue on corporate responsibility, aiming to better understand expectations of our corporate responsibility work. This was organized in the form of an online brainstorming, where ideas were brought forward and further developed by the participants.

During the renewal process of the corporate responsibility roadmap we decided to change from the five focus areas established earlier to four focus areas. The new focus areas are safety, people, environment, and integrity.

In 2015, we made good progress in terms of the number of accidents and accident frequency. Our LTA1 has decreased year on year steadily. However, there is room for improvement.

Employee satisfaction survey was conducted in March. The response rate remained above benchmarks at 83 percent (2013: 85 percent). Employee satisfaction remained stable at high level. The leadership training portfolio, which is offering leadership training to various levels of management, was renewed.

In 2015, we began a project to have a certified environmental management system according to the new ISO14001:2015 standard for all our factories within 2 years. Our CDP (former Carbon Disclosure Project) result improved to 98C from 76D.

Group-wide extensive competition law training for all management level personnel took place. In addition, we conducted a wide anti-corruption risk assessment survey within the organization. We also introduced fraud prevention e-learning as a mandatory element for relevant functions at the end of the year.

RISKS AND UNCERTAINTIES

Konecranes operates in the emerging countries that entail political, economic, and regulatory uncertainties. Adverse changes in the operating environment of these countries may result in currency losses, elevated delivery costs, or loss of assets. Konecranes operates a crane factory in Zaporozhye, Ukraine. The value of the total assets related to the Zaporozhye factory amounted to approximately EUR 8 million on December 31, 2015.

The operations in emerging countries have had a negative impact on the aging structure of accounts receivable and may increase credit losses or the need for higher provisions for doubtful accounts.

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

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

Konecranes delivers projects, which involve the risks related to, for example, engineering, and project execution including Konecranes' suppliers. A failure to plan or manage these projects may lead to higher-than-estimated costs or disputes with customers.

Challenges in financing, e.g., due to currency fluctuations, may force customers to postpone projects or even to cancel the existing orders. Konecranes intends to avoid incurring costs for major projects under construction in excess of advance payments. However, it is possible that the cost-related commitments in some projects temporarily exceed the amount of advance payments.

The completion of the Merger is subject to a number of conditions, including, among other things, the approval of the merger proposal by Terex stockholders, the approval by Konecranes shareholders of all of the proposals relating to the merger and the obtainment of antitrust and other regulatory approvals in the United States, the European Union, China, and certain other jurisdictions, which make the completion and timing of the completion of the merger uncertain. In addition, either Terex or Konecranes may terminate the business combination agreement if the Merger has not been completed by August 10, 2016 (subject to certain extension rights).

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

LITIGATION

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

Two lawsuits have been filed as class actions asserting claims relating to the Merger by purported stockholders of Terex. The two complaints name as defendants Terex and the members of its board of directors, Konecranes, Konecranes, Inc. and Konecranes Acquisition Company LLC. The complaints seek, among other relief, an order enjoining or rescinding the merger and an award of attorneys' fees and costs on the grounds that the Terex board of directors breached their fiduciary duty in connection with entering into the business combination agreement and approving the merger. The complaints further allege that Terex, Konecranes,

Konecranes, Inc. and Konecranes Acquisition Company LLC aided and abetted the alleged breaches of fiduciary duties by the Terex board of directors. Konecranes believes that the allegations in the suits are without merit, and will vigorously defend against them.

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

EVENTS AFTER THE END OF THE REPORTING PERIOD

On January 26, Konecranes announced that the Board of Directors of Konecranes has been notified by Terex of the non-binding conditional proposal by Zoomlion Heavy Industry Science and Technology Co. to acquire Terex. The Board of Directors of Konecranes has confirmed that Konecranes will continue to pursue the merger of equals with Terex as planned. Konecranes continues to believe that the Merger represents a highly compelling opportunity for both companies and their shareholders, and stands behind and remains committed to the Merger.

On January 27, Konecranes announced that Konecranes has made its Business Combination Agreement with Terex dated August 10, 2015, available on its website at www.konecranes.com/investors.

MARKET OUTLOOK

Customers are cautious about investing as economic growth has slowed down across the globe. Companies operating in emerging and commodity markets are particularly under pressure to save costs. Business activity in the North American manufacturing and process industries weakened toward the end of 2015 and demand outlook is more uncertain than a year ago. Demand situation in Europe is stable. Even though the global container throughput has slowed down, our offer base for container handling equipment has remained solid and the order book for 2016 deliveries is good. Continued contract base growth bodes well for the future of the service business.

FINANCIAL GUIDANCE

Based on the order book, the service contract base and the near-term demand outlook, sales in 2016 are expected to be higher than in 2015. We expect the 2016 operating profit, excluding non-recurring items, to improve from 2015.

BOARD OF DIRECTORS' PROPOSAL FOR DISPOSAL OF DISTRIBUTABLE FUNDS

The parent company's non-restricted equity is EUR 276,744,547.45, of which the net income for the year is EUR 164,816,834.32. The Group's non-restricted equity is EUR 395,615,000.

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

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

A pdf version of the Konecranes' full audited financial statements, including the report of the Board of Directors, and corporate governance statement will be available on the web on March 1, 2016, and the printed version during week 11.

Helsinki, February 3, 2016
Konecranes Plc
Board of Directors

FORWARD LOOKING STATEMENTS

This document contains forward-looking statements regarding future events, including statements regarding Terex or Konecranes, the transaction described in this document and the expected benefits of such transaction and future financial performance of the combined businesses of Terex and Konecranes based on each of their current expectations. These statements involve risks and uncertainties that may cause results to differ materially from those set forth in the statements. When included in this document, the words "may," "expects," "intends," "anticipates," "plans," "projects," "estimates" and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. Terex and Konecranes have based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance.

Because forward-looking statements involve risks and uncertainties, actual results could differ materially. Such risks and uncertainties, many of which are beyond the control of Konecranes, include, among others: the ability of Terex and Konecranes to obtain shareholder approval for the transaction, the ability of Terex and Konecranes to obtain regulatory approval for the transaction, the possibility that the length of time required to complete the transaction will be longer than anticipated, the achievement of the expected benefits of the transaction, risks associated with the integration of the businesses of Terex and Konecranes, the possibility that the businesses of Terex and Konecranes may suffer as a result of uncertainty surrounding the proposed transaction, and other factors, risks and uncertainties that are more specifically set forth in Terex's public filings with the SEC and Konecranes' annual and interim reports. Konecranes disclaims any obligation to update the forward-looking statements contained herein.

IMPORTANT ADDITIONAL INFORMATION

This document relates to the proposed merger of Terex and Konecranes through which all of Terex common stock will be exchanged for Konecranes ordinary shares (or American depositary shares, if required). This document is for informational purposes only and does not constitute an offer to purchase or exchange, or a solicitation of an offer to sell or exchange all of Terex common stock, nor is it a substitute for the Preliminary Prospectus included in the Registration Statement in Form F-4 (the "Registration Statement") to be filed by Konecranes with the SEC, the Prospectus/Proxy to be filed by Terex with the SEC, the listing prospectus of Konecranes to be filed by Konecranes with the Finnish Financial Supervisory Authority (and as amended and supplemented from time to time, the "Merger Documents"). No offering of securities shall be made in the United States, except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE MERGER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS THAT KONECRANES OR TEREX HAS FILED OR MAY FILE WITH THE SEC, NASDAQ HELSINKI, OR FINNISH FINANCIAL SUPERVISORY AUTHORITY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND SECURITY HOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING THE PROPOSED MERGER.

The information contained in this document must not be published, released or distributed, directly or indirectly, in any jurisdiction where the publication, release or distribution of such information is restricted by laws or regulations. Therefore, persons in such jurisdictions into which these materials are published, released or distributed must inform themselves about and comply with such laws or regulations. Konecranes and Terex do not accept any responsibility for any violation by any person of any such restrictions. The Merger Documents and other documents referred to above, if filed or furnished by Konecranes or Terex with the SEC, as applicable, will be available free of charge at the SEC's website (www.sec.gov) or can be requested by writing to Anna-Mari Kautto, Investor Relations Assistant, Konecranes Plc, P.O. Box 661, FI-05801 Hyvinkää, Finland or Elizabeth Gaal, Investor Relations Associate, Terex, 200 Nyala Farm Road, Westport, CT 06880, USA.

Konecranes and Terex and their respective directors, executive officers and employees and other persons may be deemed to be participants in the solicitation of proxies in respect of the transaction. Information regarding Konecranes' directors and executive officers is available in Konecranes' annual report for fiscal year 2014 at www.konecranes.com. Information about Terex directors and executive officers and their ownership of the Terex ordinary shares is available in its Schedule 14A filed with the SEC on April 1, 2015. Other information regarding the interests of such individuals as well as information regarding Konecranes and Terex directors and officers will be available in the proxy statement/prospectus when it becomes available. These documents can be obtained free of charge from the sources indicated above.

Disclaimer

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

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development, and profitability,
- expectations regarding market demand for the company's products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and Konecranes' ability to achieve the set targets and synergies,
- expectations regarding competitive conditions,
- expectations regarding cost savings,
- and statements preceded by ”believes,” ”expects,” ”anticipates,” ”foresees” or similar expressions, are forward-looking statements. These statements are based on current expectations, decisions and plans, and currently known facts. Therefore, they involve risks and uncertainties, which may cause the actual results to materially differ from the results currently expected by the company. Such factors include, but are not limited to:
- general economic conditions, including fluctuations in exchange rates and interest levels,
- competitive situation, especially significant products or services developed by our competitors,
- industry conditions,
- the company's own operating factors including the success of production, product development, project management, quality, and timely delivery of our products and services and their continuous development,
- the success of pending and future acquisitions and restructurings.

Consolidated statement of income

EUR million	10–12/2015	10–12/2014	1–12/2015	1–12/2014	Change %
Sales	**609.0**	**608.1**	**2,126.2**	**2,011.4**	**5.7**
Other operating income	0.8	0.5	1.4	2.8	
Materials, supplies and subcontracting	-295.3	-308.4	-969.9	-938.0	
Personnel cost	-169.3	-155.3	-661.5	-593.7	
Depreciation and impairments	-11.9	-11.6	-54.0	-43.1	
Other operating expenses [1)]	-102.5	-87.9	-379.1	-323.4	
Operating profit	**30.8**	**45.5**	**63.0**	**115.8**	**-45.6**
Share of associates' and joint ventures' result	1.2	0.9	4.8	3.7	
Financial income	3.1	0.0	7.8	2.4	
Financial expenses	-6.6	-4.8	-20.3	-14.5	
Profit before taxes	**28.6**	**41.6**	**55.4**	**107.4**	**-48.5**
Taxes	-16.0	-12.1	-24.6	-32.8	
PROFIT FOR THE PERIOD	**12.6**	**29.5**	**30.8**	**74.6**	**-58.7**
Net profit for the period attributable to:					
Shareholders of the parent company	12.6	29.5	30.8	74.4	
Non-controlling interest	0.0	0.0	0.0	0.2	
Earnings per share, basic (EUR)	0.21	0.51	0.53	1.28	-59.1
Earnings per share, diluted (EUR)	0.21	0.51	0.53	1.28	-59.0

[1)] Other operating expenses for 1–12/2015 include the unwarranted payments due to the identity theft and fraudulent actions in a total amount of up to EUR -17.0 million (EUR 0.0 million in Q4/2015) and transaction costs related to Konecranes Terex merger up to EUR 17.2 million (EUR 8.7 million in Q4/2015).

Consolidated statement of comprehensive income

EUR million	10–12/2015	10–12/2014	1–12/2015	1–12/2014
Profit for the period	**12.6**	**29.5**	**30.8**	**74.6**
Items that can be reclassified into profit or loss				
Cash flow hedges	0.9	-2.9	-0.6	-14.0
Exchange differences on translating foreign operations	3.6	3.6	16.3	19.9
Share of associates' other comprehensive income	3.8	0.0	3.8	0.0
Income tax relating to items that can be reclassified into profit or loss	-0.2	0.6	0.1	2.8
Items that cannot be reclassified into profit or loss				
Re-measurement gains (losses) on defined benefit plans	6.7	-18.7	6.0	-16.7
Income tax relating to items that cannot be reclassified into profit or loss	-1.6	5.1	-1.4	4.7
Other comprehensive income for the period, net of tax	**13.3**	**-12.3**	**24.2**	**-3.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**25.8**	**17.2**	**55.0**	**71.2**
Total comprehensive income attributable to:				
Shareholders of the parent company	25.8	17.2	55.0	71.2
Non-controlling interest	0.0	0.0	0.0	0.1

Consolidated balance sheet

EUR million

ASSETS	31.12.2015	31.12.2014
Non-current assets		
Goodwill	107.6	104.8
Intangible assets	108.7	101.2
Property, plant and equipment	142.5	150.5
Advance payments and construction in progress	24.0	30.0
Investments accounted for using the equity method	50.2	43.1
Other non-current assets	1.0	1.0
Deferred tax assets	71.7	70.0
Total non-current assets	**505.7**	**500.4**
Current assets		
Inventories		
Raw material and semi-manufactured goods	157.9	165.1
Work in progress	201.0	159.1
Advance payments	6.4	11.3
Total inventories	365.2	335.5
Accounts receivable	377.3	364.9
Other receivables	24.9	24.5
Income tax receivables	10.1	13.4
Receivable arising from percentage of completion method	77.3	85.8
Other financial assets	7.5	6.1
Deferred assets	36.0	48.8
Cash and cash equivalents	80.8	97.9
Total current assets	**979.2**	**977.0**
TOTAL ASSETS	**1,484.9**	**1,477.4**

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	**31.12.2015**	**31.12.2014**
Equity attributable to equity holders of the parent company		
Share capital	30.1	30.1
Share premium	39.3	39.3
Paid in capital	66.5	52.2
Fair value reserves	-9.1	-8.6
Translation difference	20.1	3.7
Other reserve	29.9	27.8
Retained earnings	248.4	230.3
Net profit for the period	30.8	74.4
Total equity attributable to equity holders of the parent company	**455.9**	**449.2**
Non-controlling interest	0.1	0.1
Total equity	**456.0**	**449.2**
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	59.2	167.2
Other long-term liabilities	92.3	95.4
Other financial liabilities	0.0	2.0
Provisions	17.8	17.5
Deferred tax liabilities	19.8	18.5
Total non-current liabilities	**189.1**	**300.5**
Current liabilities		
Interest-bearing liabilities	224.8	80.2
Advance payments received	176.4	202.7
Progress billings	0.4	1.5
Accounts payable	139.1	137.1
Provisions	35.1	27.7
Other short-term liabilities (non-interest bearing)	31.9	26.0
Other financial liabilities	11.4	16.2
Income tax liabilities	12.8	18.9
Accrued costs related to delivered goods and services	111.8	102.5
Accruals	96.2	114.8
Total current liabilities	**839.8**	**727.6**
Total liabilities	**1,028.9**	**1,028.1**
TOTAL EQUITY AND LIABILITIES	**1,484.9**	**1,477.4**

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company				
	Share capital	Share premium account	Paid in capital	Cash flow hedges	Translation difference
Balance at 1 January, 2015	**30.1**	**39.3**	**52.2**	**-8.6**	**3.7**
Options exercised			14.3		
Dividends paid to equity holders					
Share based payments recognized against equity					
Profit for the period					
Other comprehensive income				-0.5	16.3
Total comprehensive income				-0.5	16.3
Balance at 31 December, 2015	**30.1**	**39.3**	**66.5**	**-9.1**	**20.1**
Balance at 1 January, 2014	**30.1**	**39.3**	**51.0**	**2.6**	**-16.3**
Options exercised			1.2		
Dividends paid to equity holders					
Share based payments recognized against equity					
Profit for the period					
Other comprehensive income				-11.2	20.0
Total comprehensive income				-11.2	20.0
Balance at 31 December, 2014	**30.1**	**39.3**	**52.2**	**-8.6**	**3.7**

EUR million	Equity attributable to equity holders of the parent company				
	Other Reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January, 2015	**27.8**	**304.7**	**449.2**	**0.1**	**449.2**
Options exercised	0.0	0.0	14.3		**14.3**
Dividends paid to equity holders		-61.5	-61.5		**-61.5**
Share based payments recognized against equity	2.2	0.0	2.2		**2.2**
Donations		-0.2	-0.2		**-0.2**
Acquisitions		-3.1	-3.1		**-3.1**
Profit for the period		30.8	30.8		**30.8**
Other comprehensive income		8.4	24.2		**24.2**
Total comprehensive income	0.0	39.2	55.0	0.0	**55.0**
Balance at 31 December, 2015	**29.9**	**279.1**	**455.9**	**0.1**	**456.0**
Balance at 1 January, 2014	**26.5**	**304.9**	**438.1**	**6.4**	**444.5**
Options exercised		0.0	1.2		**1.2**
Dividends paid to equity holders		-60.8	-60.8		**-60.8**
Share based payments recognized against equity	1.3	0.0	1.3		**1.3**
Acquisitions		-1.9	-1.9	-6.4	**-8.3**
Profit for the period		74.4	74.4	0.2	**74.6**
Other comprehensive income		-12.0	-3.2	-0.1	**-3.3**
Total comprehensive income	0.0	62.4	71.2	0.1	**71.2**
Balance at 31 December, 2014	**27.8**	**304.7**	**449.2**	**0.1**	**449.2**

Consolidated cash flow statement

EUR million	1–12/2015	1–12/2014
Cash flow from operating activities		
Profit for the period	30.8	74.6
Adjustments to net income		
Taxes	24.6	32.8
Financial income and expenses	12.5	12.2
Share of associates' and joint ventures' result	-4.8	-3.7
Dividend income	-0.1	-0.1
Depreciation and impairments	54.0	43.1
Profits and losses on sale of fixed assets	1.2	-0.3
Other adjustments	-2.8	-1.7
Operating income before change in net working capital	**115.5**	**157.0**
Change in interest-free current receivables	27.2	21.9
Change in inventories	-17.4	4.4
Change in interest-free current liabilities	-37.4	0.6
Change in net working capital	**-27.6**	**26.9**
Cash flow from operations before financing items and taxes	**87.9**	**183.8**
Interest received	5.8	3.1
Interest paid	-15.6	-13.4
Other financial income and expenses	-12.5	5.0
Income taxes paid	-26.3	-30.1
Financing items and taxes	**-48.6**	**-35.4**
NET CASH FROM OPERATING ACTIVITIES	**39.3**	**148.4**
Cash flow from investing activities		
Acquisition of Group companies, net of cash	-0.3	-0.3
Divestment of Businesses, net of cash	0.1	1.2
Capital expenditures	-43.3	-42.0
Proceeds from sale of property, plant and equipment	2.6	3.1
NET CASH USED IN INVESTING ACTIVITIES	**-40.8**	**-38.0**
Cash flow before financing activities	**-1.5**	**110.4**
Cash flow from financing activities		
Proceeds from options exercised and share issues and other	14.3	1.5
Proceeds from non-current borrowings	0.0	50.0
Repayments of non-current borrowings	-2.1	-15.7
Proceeds from (+), payments of (-) current borrowings	38.8	-114.0
Acquired non controlling interest	-5.9	-5.9
Dividends paid to equity holders of the parent	-61.5	-60.8
NET CASH USED IN FINANCING ACTIVITIES	**-16.3**	**-144.9**
Translation differences in cash	0.6	0.3
CHANGE OF CASH AND CASH EQUIVALENTS	**-17.2**	**-34.3**
Cash and cash equivalents at beginning of period	97.9	132.2
Cash and cash equivalents at end of period	80.8	97.9
CHANGE OF CASH AND CASH EQUIVALENTS	**-17.2**	**-34.3**

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

FREE CASH FLOW

EUR million	1–12/2015	1–12/2014
Net cash from operating activities	39.3	148.4
Capital expenditures	-43.3	-42.0
Proceeds from sale of property, plant and equipment	2.6	3.1
Free cash flow	**-1.4**	**109.5**

Notes

1. CORPORATE INFORMATION

Konecranes Plc ("Konecranes Group" or "the Group") is a Finnish public limited company organized under the laws of Finland and domiciled in Hyvinkää. The company is listed on the NASDAQ Helsinki.

Konecranes is a world-leading manufacturer and servicer of cranes, lifting equipment and machine tools, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes operates internationally, with its products being manufactured in North and South America, Europe, Africa, the Middle East, and Asia and sold worldwide. Konecranes has two operating segments, which it calls Business Areas: Business Area Service and Business Area Equipment.

2. BASIS OF PREPARATION

The unaudited interim condensed consolidated financial statements of Konecranes Plc for 2015 and 2014 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). As such, they do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as of December 31, 2015.

The unaudited interim condensed consolidated financial statements including notes thereto are presented in millions of euros; notes to the financial statements in millions of euros and all values are rounded to the nearest million (€ 000 000) except when otherwise indicated.

The consolidated financial statements were approved by the Board of Directors on February 3, 2016.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with IFRS requires management to make estimates and judgments that affect the valuation of reported assets and liabilities and other information, such as contingent liabilities and recognition of income and expenses in the statement of income. These assumptions, estimates and judgments are based on management's historical experience, best knowledge about the events and other factors, such as expectations on future events, which are assessed to be reasonable in the given circumstances. Although these estimates and judgments are based on the management's best understanding of current events and circumstances, actual results may differ from the estimates. Possible changes in estimates and assumptions are recognized in the financial period the estimate or assumption is changed.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2015. There are no new or recently issued accounting standards which have a material impact on the unaudited condensed interim consolidated financial statements.

Notes

5. SIGNIFICANT EVENTS

5.1 Merger with Terex

On August 11, Konecranes and Terex Corporation (”Terex”) announced that their respective Boards of Directors have unanimously approved a definitive agreement to combine their businesses in “a merger of equals”. Under the agreement, Terex shareholders will receive 0.80 Konecranes shares for each existing Terex share. Upon closing of the merger between Terex and Konecranes (the ”Merger”), based on current fully diluted shares outstanding, Terex shareholders will own approximately 60 percent and Konecranes shareholders will own approximately 40 percent of the combined company. The combined company, to be called Konecranes Terex Plc (”Konecranes Terex”), is planned to be listed on Nasdaq Helsinki and New York Stock Exchange.

The joint intention of Konecranes and Terex is for Konecranes Terex to execute a share buy-back program post-closing of up to USD 1.5 billion, split between ca. USD 500 million as soon as possible after closing and up to an additional USD 1.0 billion executed within 24 months after closing. Konecranes Terex will be incorporated in Finland, with headquarters in Hyvinkää, Finland and Westport, Connecticut, USA. Upon closing of the transaction, the combined company is planned to have a Board of Directors comprising nine members, five Directors among which will be nominated by Terex and four Directors by Konecranes. Konecranes’ current Chairman of the Board will become Konecranes Terex’ Chairman and the Terex CEO will become Konecranes Terex’ CEO. Should Terex determine to appoint a new CEO before the completion of the transaction, the parties have agreed to do this in close collaboration between the Boards of Directors of Terex and Konecranes.

The transaction is subject to approval by both Terex and Konecranes shareholders, regulatory approvals and other closing conditions. Closing of the transaction is expected to occur during the first half of 2016.

5.2 Fraudulent transactions

On August 14, 2015 Konecranes announced that one of its foreign subsidiaries had become the victim of a fraud. The perpetrators had through identity theft and other fraudulent actions managed to induce the subsidiary to make unwarranted payments for a total amount of EUR 17.0 million. The expense resulting from these unwarranted payments is included in other operating expenses in the unaudited interim condensed consolidated statement of income for the twelve months ended December 31, 2015 (2014: nil). Konecranes has reported the crime to the police authorities in the relevant countries and is working closely with the authorities to recover its losses and to bring the perpetrators of the fraud to justice.

Konecranes has filed a claim with its crime insurance policy. The policy is set up to cover all group companies from crime. The amount of insurance coverage available per insurable event is EUR 10 million. The result of the insurance claim is still pending.

6. ACQUISITIONS AND DIVESTMENTS

In August 2015, Konecranes purchased an additional 46% of the minority shareholding of its subsidiary, Zaporozhje Kran Holding, which is located in Ukraine. After the purchase of the additional shareholding, Konecranes now owns 95% of the subsidiary. The purchase price for the additional 46%, amounted to EUR 3.0 million.

As part of the initial acquisition of Sanma Hoist & Cranes Co. Ltd in 2014, the Group had accrued EUR 2.8 million of deferred consideration. This deferred consideration has now been paid, therefore total consideration paid in the year ended 31 December 2015 was EUR 5.8 million.

Notes

7. SEGMENT INFORMATION

7.1. Operating segments

EUR million

Orders received by Business Area	**1–12/2015**	% of total	**1–12/2014**	% of total
Service [1]	809.5	39	750.8	37
Equipment	1,257.6	61	1,262.5	63
./. Internal	-101.6		-109.9	
Total	**1,965.5**	**100**	**1,903.5**	**100**

[1] *Excl. Service Contract Base*

Order book total [2]	**31.12.2015**	% of total	**31.12.2014**	% of total
Service	165.8	16	152.6	16
Equipment	870.7	84	826.9	84
./. Internal	0.0		0.0	
Total	**1,036.5**	**100**	**979.5**	**100**

[2] *Percentage of completion deducted*

Sales by Business Area	**1–12/2015**	% of total	**1–12/2014**	% of total
Service	992.3	44	895.1	42
Equipment	1,240.3	56	1,221.7	58
./. Internal	-106.5		-105.4	
Total	**2,126.2**	**100**	**2,011.4**	**100**

Operating profit (EBIT) by Business Area excluding non-recurring items	**1–12/2015** MEUR	EBIT %	**1–12/2014** MEUR	EBIT %
Service	102.9	10.4	89.1	10.0
Equipment	33.8	2.7	46.7	3.8
Group costs and eliminations	-18.9		-16.7	
Total	**117.7**	**5.5**	**119.1**	**5.9**

Operating profit (EBIT) by Business Area including non-recurring items	**1–12/2015** MEUR	EBIT %	**1–12/2014** MEUR	EBIT %
Service	98.9	10.0	86.9	9.7
Equipment	18.8	1.5	45.6	3.7
Group costs and eliminations	-54.6		-16.7	
Total	**63.0**	**3.0**	**115.8**	**5.8**

Notes

Capital Employed and ROCE%	31.12.2015 MEUR	ROCE %	31.12.2014 MEUR	ROCE %
Service	232.3	45.7	200.2	44.8
Equipment	356.7	5.3	353.5	12.5
Unallocated Capital Employed	150.9		143.0	
Total	**739.9**	**10.4**	**696.7**	**17.0**

Business segment assets	31.12.2015 MEUR		31.12.2014 MEUR	
Service	414.9		383.5	
Equipment	845.7		837.4	
Unallocated Capital Employed	224.3		256.4	
Total	**1,484.9**		**1,477.4**	

Business segment liabilities	31.12.2015 MEUR		31.12.2014 MEUR	
Service	182.6		183.3	
Equipment	489.0		484.0	
Unallocated Capital Employed	357.3		360.8	
Total	**1,028.9**		**1,028.1**	

Personnel by Business Area (at the end of the period)	31.12.2015	% of total	31.12.2014	% of total
Service	6,503	55	6,285	52
Equipment	5,328	45	5,639	47
Group staff	56	0	58	0
Total	**11,887**	**100**	**11,982**	**100**

7.2. Geographical areas

EUR million

Sales by market	1–12/2015	% of total	1–12/2014	% of total
Europe-Middle East-Africa (EMEA)	960.5	45	946.0	47
Americas (AME)	823.7	39	727.5	36
Asia-Pacific (APAC)	342.0	16	338.0	17
Total	**2,126.2**	**100**	**2,011.4**	**100**

Personnel by region (at the end of the period)	1–12/2015	% of total	1–12/2014	% of total
Europe-Middle East-Africa (EMEA)	6,237	52	6,240	52
Americas (AME)	2,968	25	2,858	24
Asia-Pacific (APAC)	2,682	23	2,884	24
Total	**11,887**	**100**	**11,982**	**100**

Notes

8. PERCENTAGE OF COMPLETION METHOD AND ADVANCES RECEIVED

EUR million	31.12.2015	31.12.2014
The cumulative revenues of non-delivered projects	297.5	316.7
Advances received netted	216.9	225.4
Progress billings netted	3.3	5.5
Receivable arising from percentage of completion method, net	**77.3**	**85.8**
Gross advance received from percentage of completion method	221.1	297.7
Advances received netted	216.9	225.4
Advances received from percentage of completion method (netted)	**4.2**	**72.3**

Net sales recognized under the percentage of completion method amounted EUR 291.2 million in 2015 (EUR 318.3 in 2014).

Receivable arising from percentage of completion method relate to construction contracts. Net asset balances are balances where the sum of contract costs, recognized profits and recognized losses exceed progress billings. Construction contracts, here and as follows, include service contracts accounted for under the percentage of completion method. Where progress billings exceed the sum of contract costs, recognized profits and recognized losses these liabilities are included in the line item Advance received from percentage of completion method (netted).

Advance payments received	31.12.2015	31.12.2014
Advance received from percentage of completion method (netted)	4.2	72.3
Other advance received from customers	172.2	130.4
Total	**176.4**	**202.7**

9. IMPAIRMENTS

EUR million	1–12/2015	1–12/2014
Property, plant and equipment	2.4	0.1
Other intangible assets	2.9	0.0
Total	**5.3**	**0.1**

Restructuring actions during 2015 have led to an impairment of intangible assets (mainly customer relations as well as software) and tangible assets (machinery and equipment), which were written off by EUR 5.3 million.

10. RESTRUCTURING COSTS

Konecranes has recorded EUR 20.5 million restructuring costs during for 2015 (EUR 3.2 million in for 2014) of which EUR 5.3 million was impairment of assets (EUR 0.0 million for 2014). The remaining EUR 15.2 million of restructuring cost for 2015 is reported in Materials, supply and subcontracting (EUR 4.4 million), personnel costs (EUR 7.7 million) and in other operating expenses (EUR 3.1 million).

11. INCOME TAXES

Taxes in statement of Income	1–12/2015	1–12/2014
Local income taxes of group companies	24.6	32.1
Taxes from previous years	-1.1	-0.6
Change in deferred taxes	1.1	1.3
Total	**24.6**	**32.8**

The expenses incurred resulting from the fraudulent transactions (EUR -17.0 million) described in note 5 have been treated as fully tax deductible. The Company has estimated the outcome of the uncertain tax position, and concluded it meets the recognition threshold.

Notes

12. KEY FIGURES

	31.12.2015	31.12.2014	Change %
Earnings per share, basic (EUR)	0.53	1.28	-59.1
Earnings per share, diluted (EUR)	0.53	1.28	-59.0
Return on capital employed %	10.4	17.0	-38.8
Return on equity %	6.8	16.7	-59.3
Equity per share (EUR)	7.79	7.75	0.5
Current ratio	1.1	1.3	-15.4
Gearing %	44.6	33.3	33.9
Solidity %	34.8	35.2	-1.1
EBITDA, EUR million	117.1	159.0	-26.4
Investments total (excl. acquisitions), EUR million	49.3	60.0	-17.8
Interest-bearing net debt, EUR million	203.2	149.5	35.9
Net working capital, EUR million	317.4	263.7	20.4
Average number of personnel during the period	11,934	11,920	0.1
Average number of shares outstanding, basic	58,542,309	57,908,972	1.1
Average number of shares outstanding, diluted	58,542,309	58,034,096	0.9
Number of shares outstanding	58,732,429	57,943,927	1.4

Interest-bearing net debt: Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)

Net working capital: Non interest-bearing current assets + deferred tax assets - Non interest-bearing current liabilities - deferred tax liabilities - provisions

Notes

The period end exchange rates:	31.12.2015	31.12.2014	Change %
USD - US dollar	1.089	1.214	11.5
CAD - Canadian dollar	1.512	1.406	-7.0
GBP - Pound sterling	0.734	0.779	6.1
CNY - Chinese yuan	7.061	7.536	6.7
SGD - Singapore dollar	1.542	1.606	4.2
SEK - Swedish krona	9.190	9.393	2.2
NOK - Norwegian krone	9.603	9.042	-5.8
AUD - Australian dollar	1.490	1.483	-0.5

The period average exchange rates:	31.12.2015	31.12.2014	Change %
USD - US dollar	1.109	1.329	19.8
CAD - Canadian dollar	1.419	1.466	3.4
GBP - Pound sterling	0.726	0.806	11.1
CNY - Chinese yuan	6.971	8.186	17.4
SGD - Singapore dollar	1.525	1.682	10.3
SEK - Swedish krona	9.354	9.098	-2.7
NOK - Norwegian krone	8.949	8.352	-6.7
AUD - Australian dollar	1.478	1.472	-0.4

13. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	31.12.2015	31.12.2014
For own commercial obligations		
Guarantees	437.3	404.8
Leasing liabilities		
Next year	35.7	32.9
Later on	76.4	68.5
Other	0.3	0.2
Total	**549.7**	**506.3**

Leasing contracts comply with normal practices in the countries concerned.

Guarantees

The guarantees are related to the fact that from time to time Konecranes provides customers with guarantees that guarantee the Company's obligations pursuant to the applicable customer contract. In sale of investment goods (machinery) the typical guarantees are the following:

- tender guarantees (bid bonds) given to the customer to secure the bidding process
- advance payment guarantees given to the customer to secure their down payment for project
- performance guarantees to secure customers over the Company's own performance in customer contracts, and
- warranty period guarantees to secure the correction of defects during the warranty period.

Notes

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.

Two lawsuits have been filed as class actions asserting claims relating to the Merger by purported stockholders of Terex. The two complaints name as defendants Terex and the members of its board of directors, Konecranes, Konecranes, Inc. and Konecranes Acquisition Company LLC. The complaints seek, among other relief, an order enjoining or rescinding the merger and an award of attorneys' fees and costs on the grounds that the Terex board of directors breached their fiduciary duty in connection with entering into the business combination agreement and approving the merger. The complaints further allege that Terex, Konecranes, Konecranes, Inc. and Konecranes Acquisition Company LLC aided and abetted the alleged breaches of fiduciary duties by the Terex board of directors. Konecranes believes that the allegations in the suits are without merit, and will vigorously defend against them.

Contingent assets

Company has contingent asset of EUR 10.0 million from the crime insurance against the unwarranted payments due to the identity theft and fraudulent actions.

Notes

14. FINANCIAL ASSETS AND LIABILITIES

14.1. Carrying amount of financial assets and liabilities in the balance sheet

EUR million Financial assets 31.12.2015	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities at fair value through income statement	Loans and receivables	Financial assets/liabilities measured at amortized cost	Carrying amounts by balance sheet item
Current financial assets					
Account and other receivables	0.0	0.0	402.2	0.0	402.2
Derivative financial instruments	4.1	3.5	0.0	0.0	7.5
Cash and cash equivalents	0.0	0.0	80.8	0.0	80.8
Total	**4.1**	**3.5**	**482.9**	**0.0**	**490.5**

Financial liabilities 31.12.2015					
Non-current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	59.2	59.2
Derivative financial instruments	0.0	0.0	0.0	0.0	0.0
Other payables	0.0	0.0	0.0	3.6	3.6
Current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	224.8	224.8
Derivative financial instruments	5.1	6.3	0.0	0.0	11.4
Account and other payables	0.0	0.0	0.0	171.0	171.0
Total	**5.1**	**6.3**	**0.0**	**458.6**	**470.0**

EUR million Financial assets 31.12.2014	Financial assets/liabilities at fair value through OCI	Financial assets/liabilities at fair value through income statement	Loans and receivables	Financial assets/liabilities measured at amortized cost	Carrying amounts by balance sheet item
Current financial assets					
Account and other receivables	0.0	0.0	389.4	0.0	389.4
Derivative financial instruments	3.1	3.0	0.0	0.0	6.1
Cash and cash equivalents	0.0	0.0	97.9	0.0	97.9
Total	**3.1**	**3.0**	**487.4**	**0.0**	**493.4**

Financial liabilities 31.12.2014					
Non-current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	167.2	167.2
Derivative financial instruments	1.9	0.0	0.0	0.0	1.9
Other payables	0.0	0.0	0.0	2.0	2.0
Current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	80.2	80.2
Derivative financial instruments	6.6	9.6	0.0	0.0	16.2
Account and other payables	0.0	0.0	0.0	163.1	163.1
Total	**8.5**	**9.6**	**0.0**	**412.5**	**430.7**

Notes

The Company continues to have healthy gearing ratio of 44.6% (2014: 33.3%) which is in compliance with the bank covenants the Company has to apply with. The current level of total debt and the ratio of long to short-term debt is in line with the capital structure management principle in which the gearing above 50% optimally sets the portion of the long-term debt to total debt between 1/3 and 2/3.

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

14.2 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial assets and liabilities:

Financial assets	Carrying amount **31.12.2015**	Carrying amount **31.12.2014**	Fair value **31.12.2015**	Fair value **31.12.2014**
Current financial assets				
Account and other receivables	402.2	389.4	402.2	389.4
Derivative financial instruments	7.5	6.1	7.5	6.1
Cash and cash equivalents	80.8	97.9	80.8	97.9
Total	**490.5**	**493.4**	**490.5**	**493.4**

Financial liabilities				
Non-current financial liabilities				
Interest-bearing liabilities	59.2	167.2	59.2	165.0
Derivative financial instruments	0.0	2.0	0.0	2.0
Other payables	3.6	2.0	3.6	2.0
Current financial liabilities				
Interest-bearing liabilities	224.8	80.2	223.8	80.2
Derivative financial instruments	11.4	16.2	11.4	16.2
Account and other payables	171.0	163.1	171.3	163.1
Total	**470.0**	**430.7**	**469.2**	**428.4**

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the loan.

Notes

14.3 Hierarchy of fair values

Financial assets	31.12.2015 Level 1	31.12.2015 Level 2	31.12.2015 Level 3	31.12.2014 Level 1	31.12.2014 Level 2	31.12.2014 Level 3
Derivative financial instruments						
Foreign exchange forward contracts	0.0	7.5	0.0	0.0	6.1	0.0
Electricity forward contracts	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**7.5**	**0.0**	**0.0**	**6.1**	**0.0**
Other financial assets						
Cash and cash equivalents	80.8	0.0	0.0	97.9	0.0	0.0
Total	**80.8**	**0.0**	**0.0**	**97.9**	**0.0**	**0.0**
Total financial assets	**80.8**	**7.5**	**0.0**	**97.9**	**6.1**	**0.0**

Financial liabilities						
Derivative financial instruments						
Foreign exchange forward contracts	0.0	9.7	0.0	0.0	15.5	0.0
Currency options	0.0	0.0	0.0	0.0	0.2	0.0
Interest rate swaps	0.0	1.1	0.0	0.0	2.0	0.0
Electricity forward contracts	0.0	0.6	0.0	0.0	0.5	0.0
Total	**0.0**	**11.4**	**0.0**	**0.0**	**18.2**	**0.0**
Other financial liabilities						
Interest bearing liabilities	0.0	284.0	0.0	0.0	247.4	0.0
Other payables	0.0	0.0	4.0	0.0	0.0	5.9
Total	**0.0**	**284.0**	**4.0**	**0.0**	**247.4**	**5.9**
Total financial liabilities	**0.0**	**295.4**	**4.0**	**0.0**	**265.6**	**5.9**

15. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	31.12.2015 Nominal value	31.12.2015 Fair value	31.12.2014 Nominal value	31.12.2014 Fair value
Foreign exchange forward contracts	788.7	-2.2	663.1	-9.4
Currency options	0.0	0.0	35.8	-0.2
Interest rate swaps	100.0	-1.1	100.0	-2.0
Electricity derivatives	1.3	-0.6	2.2	-0.5
Total	**890.0**	**-3.9**	**801.0**	**-12.1**

Derivatives not designated as hedging instruments

The Group enters into other foreign exchange, electricity forward contracts or currency options with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Notes

CASH FLOW HEDGES

Foreign currency risk

Foreign exchange forward contracts measured at fair value through OCI are designated as hedging instruments in cash flow hedges of forecast sales and purchases in US dollar. These forecast transactions are highly probable, and they comprise about 48.4% of the Group's total hedged transaction flows.

The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

At the inception the Company assess whether the critical terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. On a quarterly basis the Company performs quantitative effectiveness test using the dollar value method approach by comparison of past changes in the cash flows of the hedged item that are attributable to the hedged risk with past changes in the cash flows of the hedging instrument and reviews whether the actual results of the hedge are within a range of 80–125 per cent. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss.

Interest rate risk

At December 31, 2015 and 2014, the Group had an interest rate swap agreement in place with a notional amount of EUR 100 million (2014: EUR 100 million) whereby the Group receives a variable interest rate equal to EURIBOR 1 month and pays interest at a fixed swap rate on the notional amount. The swap is being used to hedge the cash flow exposure on interest.

The cash flow hedges of the expected future sales in 2015 and 2014 were assessed to be highly effective and a net unrealized loss, with a deferred tax asset of relating to the hedging instruments, is included in OCI. The amounts recognized in OCI are shown in the table below and the reclassifications to profit or loss during the year are as shown in the consolidated statement of income.

Fair value reserve of cash flow hedges

EUR million	2015	2014
Balance as of January 1	-8.6	2.6
Gains and losses deferred to equity (fair value reserve)	-0.6	-14.0
Change in deferred taxes	0.1	2.8
Balance as of December 31	**-9.1**	**-8.6**

16. TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

EUR million	2015	2014
Sales of goods and services with associated companies and joint arrangements	14.9	16.3
Receivables from associated companies and joint arrangements	3.6	3.1
Purchases of goods and services from associated companies and joint arrangements	45.6	41.6
Liabilities to associated companies and joint arrangements	4.6	4.2

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Sales	**609.0**	**506.7**	**535.6**	**474.9**	**608.1**	**494.4**	**481.6**	**427.3**
Other operating income	0.8	0.1	0.3	0.3	0.5	0.9	0.8	0.5
Depreciation and impairments	-12.4	-11.9	-12.7	-11.7	-11.6	-10.9	-11.1	-9.5
Non-recurring items *)	-13.8	-29.1	-9.5	-2.3	-1.6	-0.3	-0.9	-0.4
Other operating expenses	-552.8	-461.6	-497.4	-449.4	-550.0	-449.6	-449.6	-402.7
Operating profit	**30.8**	**4.1**	**16.3**	**11.8**	**45.5**	**34.5**	**20.7**	**15.2**
Share of associates' and joint ventures' result	1.2	0.5	1.7	1.3	0.9	0.4	1.5	1.0
Financial income and expenses	-3.4	-2.7	-1.3	-5.1	-4.8	1.3	-5.1	-3.5
Profit before taxes	**28.6**	**2.0**	**16.7**	**8.1**	**41.6**	**36.1**	**17.1**	**12.7**
Taxes	-16.0	-0.8	-5.3	-2.5	-12.1	-11.4	-5.4	-4.0
Net profit for the period	**12.6**	**1.2**	**11.4**	**5.6**	**29.5**	**24.7**	**11.7**	**8.7**

**) Non-recurring items include transaction costs (EUR 8.5 million in Q3/2015 and EUR 8.7million in Q4/2015) which contain advisory, legal and consulting fees related to Konecranes Terex merger, restructuring costs (EUR 3.7 million in Q3/2015 and EUR 5.0 million in Q4/2015) and the unwarranted payments due to the identity theft and fraudulent actions in a total amount of up to EUR -17.0 million in Q3/2015. The non-recurring items in Q1–Q2/2015 and 2014 included restructuring costs only.*

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Goodwill	107.6	106.7	108.7	110.3	104.8	104.3	102.1	102.0
Intangible assets	108.7	96.6	94.2	98.0	101.2	88.2	90.4	85.5
Property, plant and equipment	142.5	142.5	146.7	155.8	150.5	149.8	143.8	143.2
Other	146.9	157.3	157.7	154.8	144.0	153.2	148.8	148.8
Total non-current assets	**505.7**	**503.1**	**507.4**	**518.9**	**500.4**	**495.5**	**485.2**	**479.5**
Inventories	365.2	398.9	383.9	390.8	335.5	375.2	358.9	353.8
Receivables and other current assets	533.2	527.6	521.3	535.2	543.6	514.1	518.0	566.0
Cash and cash equivalents	80.8	65.4	72.7	147.6	97.9	102.2	149.9	141.5
Total current assets	**979.2**	**991.9**	**978.0**	**1,073.6**	**977.0**	**991.5**	**1,026.8**	**1,061.3**
Total assets	**1,484.9**	**1,495.0**	**1,485.4**	**1,592.5**	**1,477.4**	**1,487.0**	**1,512.0**	**1,540.8**

EQUITY AND LIABILITIES	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Total equity	**456.0**	**430.3**	**436.9**	**425.7**	**449.2**	**431.6**	**396.1**	**388.7**
Non-current liabilities	171.3	280.3	281.9	281.0	283.0	266.1	269.8	222.0
Provisions	52.9	48.1	49.1	49.0	45.2	45.8	41.9	45.7
Advance payments received	176.4	210.6	176.0	184.6	202.7	222.5	213.5	227.5
Other current liabilities	628.4	525.7	541.4	652.3	497.2	521.1	590.7	656.9
Total liabilities	**1,028.9**	**1,064.7**	**1,048.5**	**1,166.9**	**1,028.1**	**1,055.5**	**1,115.9**	**1,152.1**
Total equity and liabilities	**1,484.9**	**1,495.0**	**1,485.4**	**1,592.5**	**1,477.4**	**1,487.0**	**1,512.0**	**1,540.8**

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Operating income before change in net working capital	40.1	15.9	33.1	26.4	56.6	44.9	30.2	25.3
Change in net working capital	8.5	37.2	-14.3	-58.9	17.3	26.4	26.8	-43.7
Financing items and taxes	-7.7	-5.9	-13.2	-21.8	-7.5	-6.5	-14.9	-6.5
Net cash from operating activities	**40.9**	**47.1**	**5.7**	**-54.4**	**66.4**	**64.8**	**42.1**	**-24.9**
Cash flow from investing activities	**-16.1**	**-7.5**	**-8.9**	**-8.2**	**-10.2**	**-8.9**	**-11.1**	**-7.8**
Cash flow before financing activities	**24.7**	**39.6**	**-3.3**	**-62.6**	**56.2**	**55.9**	**31.0**	**-32.7**
Proceeds from options exercised and share issues	0.0	0.0	2.5	11.8	0.1	0.0	0.6	0.5
Change of interest-bearing debt	-9.6	-38.1	-10.7	95.2	-57.4	-107.2	41.4	43.7
Acquired non-controllling interest	0.0	-5.9	0.0	0.0	0.0	0.0	-5.9	0.0
Dividends paid to equity holders of the parent	0.0	0.0	-61.5	0.0	0.0	0.0	-60.8	0.0
Net cash used in financing activities	**-9.7**	**-43.9**	**-69.6**	**106.9**	**-57.3**	**-107.2**	**-24.6**	**44.2**
Translation differences in cash	0.3	-3.0	-2.0	5.3	-3.1	3.6	2.1	-2.3
Change of cash and cash equivalents	**15.4**	**-7.3**	**-74.9**	**49.7**	**-4.2**	**-47.7**	**8.5**	**9.2**
Cash and cash equivalents at beginning of period	65.4	72.7	147.6	97.9	102.2	149.9	141.5	132.2
Cash and cash equivalents at end of period	80.8	65.4	72.7	147.6	97.9	102.2	149.9	141.5
Change of cash and cash equivalents	**15.4**	**-7.3**	**-74.9**	**49.7**	**-4.2**	**-47.7**	**8.5**	**9.2**
Free Cash Flow	**24.8**	**39.6**	**-3.3**	**-62.6**	**56.0**	**55.9**	**30.1**	**-32.6**

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service [1]	200.3	202.3	211.8	195.0	200.5	179.6	185.3	185.4
Equipment	336.2	268.7	302.6	350.1	345.1	274.0	364.2	279.2
./. Internal	-24.0	-27.2	-24.2	-26.2	-32.3	-26.2	-26.0	-25.3
Total	**512.5**	**443.8**	**490.3**	**518.8**	**513.3**	**427.4**	**523.5**	**439.3**

[1] *Excl. Service Contract Basea*

Order book by Business Area	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	165.8	185.4	181.7	174.3	152.6	166.2	164.4	149.6
Equipment	870.7	889.9	918.6	936.8	826.9	860.0	865.5	788.3
Total	**1,036.5**	**1,075.3**	**1,100.4**	**1,111.1**	**979.5**	**1,026.2**	**1,029.9**	**937.9**

Sales by Business Area	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	275.9	242.4	248.2	225.8	258.6	225.9	211.6	199.0
Equipment	361.3	290.1	313.5	275.4	377.2	295.1	295.2	254.3
./. Internal	-28.3	-25.8	-26.1	-26.3	-27.7	-26.5	-25.2	-25.9
Total	**609.0**	**506.7**	**535.6**	**474.9**	**608.1**	**494.4**	**481.6**	**427.3**

Operating profit (EBIT) by Business Area excluding non-recurring items	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	33.8	25.4	23.7	19.9	31.4	24.9	16.7	16.1
Equipment	15.5	12.1	8.4	-2.3	20.5	13.6	10.1	2.5
Group costs and eliminations	-4.8	-4.3	-6.4	-3.4	-4.9	-3.7	-5.2	-3.0
Total	**44.6**	**33.3**	**25.7**	**14.2**	**47.1**	**34.8**	**21.6**	**15.6**

Operating margin, (EBIT %) by Business Area excluding non-recurring items	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	12.3%	10.5%	9.6%	8.8%	12.1%	11.0%	7.9%	8.1%
Equipment	4.3%	4.2%	2.7%	-0.8%	5.4%	4.6%	3.4%	1.0%
Group EBIT % total	**7.3%**	**6.6%**	**4.8%**	**3.0%**	**7.7%**	**7.0%**	**4.5%**	**3.6%**

Quarterly figures

QUARTERLY SEGMENT INFORMATION

Personnel by Business Area (at the end of the period)	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Service	6,503	6,515	6,387	6,307	6,285	6,259	6,220	6,223
Equipment	5,328	5,428	5,460	5,544	5,639	5,666	5,624	5,637
Group staff	56	54	53	54	58	55	51	51
Total	**11,887**	**11,997**	**11,900**	**11,905**	**11,982**	**11,980**	**11,895**	**11,911**

Sales by market	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Europe-Middle East-Africa (EMEA)	289.5	239.2	230.6	201.2	296.7	231.0	217.5	200.8
Americas (AME)	232.3	201.6	200.4	189.4	218.6	178.3	177.4	153.1
Asia-Pacific (APAC)	87.2	66.0	104.5	84.3	92.9	85.1	86.6	73.4
Total	**609.0**	**506.7**	**535.6**	**474.9**	**608.1**	**494.4**	**481.6**	**427.3**

Personnel by region (at the end of the period)	Q4/2015	Q3/2015	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014	Q1/2014
Europe-Middle East-Africa (EMEA)	6,237	6,276	6,217	6,217	6,240	6,241	6,213	6,235
Americas (AME)	2,968	2,998	2,931	2,889	2,858	2,822	2,803	2,783
Asia-Pacific (APAC)	2,682	2,723	2,752	2,799	2,884	2,917	2,879	2,893
Total	**11,887**	**11,997**	**11,900**	**11,905**	**11,982**	**11,980**	**11,895**	**11,911**

Konecranes Group 2011–2015

BUSINESS DEVELOPMENT		2015	2014	2013	2012	2011
Orders received	MEUR	1,965.5	1,903.5	1,920.8	1,970.1	1,896.1
Order book	MEUR	1,036.5	979.5	893.5	942.7	991.8
Net sales	MEUR	2,126.2	2,011.4	2,099.6	2,171.5	1,896.4
of which outside Finland	MEUR	2,050.7	1,942.5	2,025.1	2,081.5	1,796.6
Export from Finland	MEUR	633.4	621.3	653.7	638.9	570.7
Personnel on average		11,934	11,920	11,987	11,917	10,998
Personnel on 31 December		11,887	11,982	11,832	12,147	11,651
Capital expenditure	MEUR	49.3	60.0	65.7	41.7	32.4
as a percentage of net sales	%	2.3%	3.0%	3.1%	1.9%	1.7%
Research and development costs	MEUR	28.7	28.9	25.6	25.8	29.6
as % of net sales	%	1.4%	1.4%	1.2%	1.2%	1.6%
PROFITABILITY						
Net sales	MEUR	2,126.2	2,011.4	2,099.6	2,171.5	1,896.4
Operating profit (including restructuring costs)	MEUR	63.0	115.8	84.5	132.5	106.9
as percentage of net sales	%	3.0%	5.8%	4.0%	6.1%	5.6%
Income before taxes	MEUR	55.4	107.4	75.5	124.2	95.8
as percentage of net sales	%	2.6%	5.3%	3.6%	5.7%	5.1%
Net income (incl. non-controlling interest)	MEUR	30.8	74.6	49.4	84.8	64.9
as percentage of net sales	%	1.4%	3.7%	2.4%	3.9%	3.4%
KEY FIGURES AND BALANCE SHEET						
Equity (incl. non-controlling interest)	MEUR	456.0	449.2	444.5	462.6	435.4
Balance Sheet	MEUR	1,484.9	1,477.4	1,482.0	1,576.3	1,447.5
Return on equity	%	6.8	16.7	10.9	18.8	14.6
Return on capital employed	%	10.4	17.0	11.6	18.4	17.1
Current ratio		1.1	1.3	1.2	1.4	1.3
Solidity	%	34.8	35.2	34.0	34.0	34.2
Net working capital	MEUR	317.4	263.7	289.4	295.5	320.0
Interest-bearing net debt	MEUR	203.2	149.5	187.3	181.8	219.8
Gearing	%	44.6	33.3	42.1	39.3	50.5

Konecranes Group 2011–2015

SHARES IN FIGURES		2015	2014	2013	2012	2011
Earnings per share, basic	EUR	0.53	1.28	0.85	1.47	1.11
Earnings per share, diluted	EUR	0.53	1.28	0.85	1.46	1.10
Equity per share	EUR	7.79	7.75	7.56	7.97	7.52
Cash flow per share	EUR	0.67	2.56	2.08	2.77	-0.35
Dividend per share	EUR	1.05*	1.05	1.05	1.05	1.00
Dividend / earnings	%	199.8	81.7	123.4	71.4	90.1
Effective dividend yield	%	4.6	4.4	4.1	4.1	6.9
Price / earnings		43.6	18.5	30.4	17.4	13.1
Trading low / high**	EUR	20.98/34.98	18.63/27.60	20.45/28.89	14.34/26.67	13.18/34.17
Average share price**	EUR	27.73	23.47	25.30	21.39	22.83
Share price on 31 December**	EUR	22.90	23.82	25.86	25.55	14.54
Year-end market capitalization	MEUR	1,345.0	1,380.2	1,495.4	1,463.8	831.7
Number traded***	(1,000)	141,080	111,667	105,051	206,014	220,567
Stock turnover	%	240.2	192.7	181.7	359.6	385.6
Average number of shares outstanding, basic	(1,000)	58,542	57,909	57,684	57,228	58,982
Average number of shares outstanding, diluted	(1,000)	58,542	58,034	57,877	57,517	59,362
Number of shares outstanding, at end of the period	(1,000)	58,732	57,944	57,828	57,291	57,199

** The Board's proposal to the AGM*

*** Source: Nasdaq Helsinki*

**** Source: Fidessa*

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	
Net working capital:	Non interest-bearing current assets + deferred tax assets - Non interest-bearing current liabilities - deferred tax liabilities - provisions	
Interest-bearing net debt:	Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)	
Year-end market capitalization:	Number of shares outstanding multiplied by the share price at the end of year	
Average number of personnel:	Calculated as average of number of personnel in quarters	
Number of shares outstanding:	Total number of shares - treasury shares	

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at restaurant Savoy's Salikabinetti (address Eteläesplanadi 14) at 11.00 a.m. Finnish time. The 2015 financial statements will be presented by Konecranes' President and CEO Panu Routila and CFO Teo Ottola.

A live webcast of the conference will begin at 11.00 a.m. at www.konecranes.com. Please see the stock exchange release on January 15, 2016 for the conference call details.

NEXT REPORT

Konecranes' January–March 2016 interim report will be published on April 27, 2016.

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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 2015, Group sales totaled EUR 2,126 million. The Group has 11,900 employees at 600 locations in 48 countries. Konecranes is listed on the Nasdaq Helsinki (symbol: KCR1V).

www.konecranes.com