Profitability improvement continued

Interim Report
January–September 2016

Q3

Profitability improvement continued

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

THIRD QUARTER HIGHLIGHTS

- Order intake EUR 420.3 million (443.8), -5.3 percent
- Order book EUR 987.7 million (1,075.3) at end-September, -8.1 percent
- Sales EUR 517.6 million (506.7), +2.1 percent
- Adjusted operating profit* EUR 37.9 million (33.3), 7.3 percent of sales (6.6)
- Adjustments* EUR -12.9 million (-29.1)
- Operating profit EUR 25.0 million (4.1), 4.8 percent of sales (0.8)
- Earnings per share (diluted) EUR 0.27 (0.02)
- Net cash flow from operating activities EUR 33.4 million (47.1)
- Net debt EUR 183.5 million (228.5) and gearing 44.0 percent (53.1).

MARKET OUTLOOK

Customers are cautious about investing due to the lack of volume growth in manufacturing and process industries, as well as container handling. The companies operating in emerging and commodity markets are particularly under pressure to save costs. Certain market uncertainty continues in North America. The demand situation in Europe is mixed. A decline in the global container throughput has led to a slower decision-making among container terminal operators. The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

JANUARY–SEPTEMBER HIGHLIGHTS

- Order intake EUR 1,325.6 million (1,452.9), -8.8 percent
- Sales EUR 1,505.0 million (1,517.2), -0.8 percent
- Adjusted operating profit* EUR 88.7 million (73.2), 5.9 percent of sales (4.8)
- Adjustments* EUR -34.8 million (-40.9)
- Operating profit EUR 53.9 million (32.2), 3.6 percent of sales (2.1)
- Earnings per share (diluted) EUR 0.46 (0.31)
- Net cash flow from operating activities EUR 47.6 million (-1.6).

FINANCIAL GUIDANCE

Based on the order book, service contract base and the near-term demand outlook, the sales in 2016 are expected to be at approximately the same level as in 2015. We expect the 2016 adjusted operating profit to improve from 2015.

** Adjustments (corresponding to term non-recurring items in 2015) include restructuring costs, transaction costs related to the terminated merger plan with Terex, and proposed acquisition of Terex MHPS and related activities, unwarranted payments due to identity theft and fraudulent actions (in the third quarter of 2015), and insurance indemnity and returned funds related to identity theft and fraudulent actions (in the second and third quarter of 2016). Konecranes' management believes that the adjusted operating profit is relevant to understanding the comparable financial performance when comparing the result for the current period with the previous periods.*

Key figures

	Third quarter			January–September				
	7–9/2016	**7–9/2015**	**Change %**	**1–9/2016**	**1–9/2015**	**Change %**	**R12M**	**1–12/2015**
Orders received, MEUR	420.3	443.8	-5.3	1,325.6	1,452.9	-8.8	1,838.2	1,965.5
Order book at end of period, MEUR				987.7	1,075.3	-8.1		1,036.5
Sales total, MEUR	517.6	506.7	2.1	1,505.0	1,517.2	-0.8	2,114.0	2,126.2
Adjusted EBITDA, MEUR*)	50.1	45.2	10.9	126.8	109.5	15.9	183.9	166.5
Adjusted EBITDA, %*)	9.7%	8.9%		8.4%	7.2%		8.7%	7.8%
Adjusted operating profit, MEUR*)	37.9	33.3	13.9	88.7	73.2	21.2	133.2	117.7
Adjusted operating margin, %*)	7.3%	6.6%		5.9%	4.8%		6.3%	5.5%
EBITDA, MEUR	37.3	16.2	130.0	94.9	74.4	27.6	137.6	117.1
EBITDA, %	7.2%	3.2%		6.3%	4.9%		6.5%	5.5%
Operating profit, MEUR	25.0	4.1	504.5	53.9	32.2	67.2	84.7	63.0
Operating margin, %	4.8%	0.8%		3.6%	2.1%		4.0%	3.0%
Profit before taxes, MEUR	21.3	2.0	962.7	36.6	26.8	36.9	65.2	55.4
Net profit for the period, MEUR	15.8	1.2	1,178.9	26.7	18.2	46.9	39.3	30.8
Earnings per share, basic, EUR	0.27	0.02	1,213.3	0.46	0.31	46.3	0.67	0.53
Earnings per share, diluted, EUR	0.27	0.02	1,209.5	0.46	0.31	46.3	0.67	0.53
Gearing, %				44.0%	53.1%			44.6%
Return on capital employed %							10.9%	9.5%
Free cash flow, MEUR	26.5	39.6		29.7	-26.2		54.6	-1.4
Average number of personnel during the period				11,509	11,946	-3.7		11,934

**) Adjustments (corresponding to term non-recurring items in 2015) include restructuring costs, transaction costs related to the terminated merger plan with Terex and proposed acquisition of Terex MHPS and related activities, unwarranted payments due to identity theft and fraudulent actions (in the third quarter of 2015), and insurance indemnity and returned funds related to identity theft and fraudulent actions (in the second and third quarter of 2016). See also note 12 in the interim report.*

President and CEO Panu Routila:

"Our profitability continued to improve in the third quarter. The adjusted operating profit rose by EUR 4.6 million or by 14 percent in the quarter. Group adjusted operating margin rose from 6.6 percent to 7.3 percent. Sales grew by 2.1 percent on a year-on-year basis.

Lower fixed costs continued to support the operating margin in Business Area Service and Business Area Equipment. As a result of restructuring actions, the Group's total number of personnel decreased by 790 employees in the first three quarters of 2016. A reduction of 347 employees was realized in the third quarter.

Group sales growth was generated by Business Area Equipment, in which port crane deliveries increased according to the delivery schedule of the order book. On the other hand, sales development in Business Area Service was still sluggish. The demand in various commodity-related markets continued to be depressed and industrial activity was slow in various parts of the world.

Our key target for the fourth quarter is to build our order book to secure a solid starting point for 2017. On October 24, we announced that Konecranes has received a Notice of Intent to Award Contracts (the Award) from the Virginia Port Authority in the USA. The Award covers the provision of 86 Automated Stacking Cranes. Deliveries are scheduled in phases for 2018–2020. The value of the contracts will exceed EUR 200 million. This will be the largest deal in the history of Konecranes.

The pending acquisition of the Material Handling & Port Solutions business from Terex Corporation reached important milestones in the third quarter. The committed financing facilities to fund the proposed acquisition were syndicated. We received approval from the European Commission that is conditional on the divestment of STAHL CraneSystems business. Also, the United States Department of Justice cleared the pending acquisition. Furthermore, the Konecranes' Extraordinary General Meeting made the necessary decisions to complete the acquisition. In the beginning of the fourth quarter, we received clearance from the Committee on Foreign Investment in the United States. Konecranes and Terex are working closely with the competition authorities in the remaining jurisdictions to obtain regulatory approvals allowing completion of the acquisition in early 2017 as planned."

Konecranes Plc
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MARKET REVIEW

The activity in the world's manufacturing sector, according to the aggregated JPMorgan Global Manufacturing Purchasing Managers' Index (PMI), was nearly stagnant in January–September 2016.

According to the PMI surveys in the Eurozone, manufacturing production ticked slightly higher in January–September 2016, but the overall rate of expansion remained only modest and similar to the one recorded in 2015. Within the Eurozone, the PMI readings signaled expansion of manufacturing production in Austria, Germany, Italy, the Netherlands, and Spain, whereas output has contracted in France.

In the UK, the PMI survey results were volatile in January–September due to the EU referendum in June. While the PMI dropped in July, it rebounded strongly in August–September as the weaker Sterling exchange rate drove export orders higher. In Sweden, manufacturing activity continued to expand strongly. The European Union manufacturing capacity utilization rate was more or less stable compared to the previous year.

Economic activity in the US manufacturing sector, measured by the PMI, expanded slowly in January–September 2016. The U.S. manufacturing capacity utilization rate was nearly at the same level as in the previous year. However, total industrial capacity utilization rate and industrial production declined from the previous year due to commodity sectors.

Based on the January–September Purchasing Managers' Indexes, the BRIC countries remained the weakest links. The PMI in Brazil pointed to a continued contraction of manufacturing output. However, Chinese and Russian economies began to show signs of stabilization during the year. Modest growth could be observed in India.

Compared to the previous year, the demand for industrial cranes improved in the first three quarters of 2016, mainly owing to the pick-up in orders for heavy-duty cranes in the Americas. The demand for industrial cranes was slightly above the previous year's level in EMEA too, whereas the demand weakened in APAC. The demand for hoists declined in all regions.

The global container traffic remained relatively unchanged on a year-on-year basis in January–September 2016. Correspondingly, the market for port cranes was slow during the same period. The demand for lift trucks declined slightly from the previous year due to the weaker demand in the Americas; the demand increased in EMEA and APAC.

The demand for lifting equipment services grew in EMEA, while the demand was stable in the Americas. In APAC, the demand for services decreased from the previous year.

Raw material prices, including steel, copper, and oil bottomed out in the first quarter of 2016, but were still below the previous year's average level in January–September. The EUR/USD exchange rate was stable on a year-on-year basis.

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

ORDERS RECEIVED

January–September orders received totaled EUR 1,325.6 million (1,452.9), representing a decrease of 8.8 percent compared to previous year. Order intake decline was mainly attributable to the project-type port cranes orders, which were lower in the first quarter. Orders received decreased by 4.1 percent in Service and by 13.7 percent in Equipment compared to the year before. Orders received declined in the Americas and APAC, while they were stable in EMEA.

Third-quarter order intake fell by 5.3 percent from a year before and totaled EUR 420.3 million (443.8). Order intake decreased in Service by 7.5 percent, and by 6.8 percent in Equipment. Order intake grew in the Americas, whereas it declined in EMEA and APAC.

ORDER BOOK

The value of the order book at end-September totaled EUR 987.7 million (1,075.3), which was 8.1 percent lower than the previous year due to Business Area Equipment. Service accounted for EUR 193.3 million (20 percent) and Equipment for EUR 794.4 million (80 percent) of the total end-September order book.

SALES

The Group sales in January–September decreased by 0.8 percent from the previous year and totaled EUR 1,505.0 million (1,517.2). Sales in Service fell by 2.2 percent and in Equipment by 1.5 percent.

The third-quarter sales rose by 2.1 percent from a year ago and totaled EUR 517.6 million (506.7). Sales decreased in Service by 3.3 percent, but increased in Equipment by 4.3 percent.

At end-September, the regional breakdown calculated on a rolling 12 months basis was as follows: EMEA 48 (46), Americas 38 (38) and APAC 15 (16) percent.

NET SALES BY REGION, MEUR

	7–9/2016	7–9/2015	1–9/2016	1–9/2015	Change percent	Change % at comparable currency rates	R12M	1–12/2015
EMEA	225.5	239.2	715.5	671.0	6.6	8.6	1,005.0	960.5
AME	218.6	201.6	569.5	591.4	-3.7	-2.5	801.8	823.7
APAC	73.5	66.0	220.0	254.8	-13.7	-11.4	307.2	342.0
Total	**517.6**	**506.7**	**1,505.0**	**1,517.2**	**-0.8**	**0.9**	**2,114.0**	**2,126.2**

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a negative effect on the orders and sales in January–September. The reported decrease in order intake in January–September was 8.8 percent, whereas the decrease at comparable currency rates was 7.1 percent. Reported sales fell by 0.8 percent, but grew by 0.9 percent at comparable currency rates.

The reported order intake declined in Service by 4.1 percent and by 2.3 percent at comparable currency rates. In Equipment, the reported order intake decreased by 13.7 percent and by 12.3 percent at comparable currency rates. In Service, the reported sales fell by 2.2 percent and by 0.4 percent at comparable currency rates. The corresponding figures in Equipment sales were -1.5 percent and 0.0 percent.

The currency rates continued to have a negative impact on the orders and sales in the third quarter in a year-on-year comparison. The reported order intake decreased by 5.3 percent and by 4.1 percent at comparable currency rates. Reported sales increased by 2.1 percent and by 3.4 percent at comparable currency rates.

In the third quarter, the reported order intake in Service decreased by 7.5 percent and by 6.2 percent at comparable currency rates. In Equipment, the reported order intake fell by 6.8 percent and by 5.8 percent at comparable currency rates. In Service, the reported sales decreased by 3.3 percent and by 2.1 percent at comparable currency rates. The corresponding figures in Equipment sales were +4.3 percent and +5.5 percent.

FINANCIAL RESULT

In January–September, the adjusted operating profit increased by EUR 15.5 million to EUR 88.7 million (73.2). The adjusted operating margin improved to 5.9 percent (4.8). The adjusted operating margin in Service improved to 10.4 percent (9.6) and in Equipment to 3.5 percent (2.1). The adjusted operating margin improved due to the lower fixed costs in both Service and Equipment.

The consolidated operating profit in January–September totaled EUR 53.9 million (32.2), increasing in total by EUR 21.7 million. The consolidated operating margin improved to 3.6 percent (2.1). The operating profit includes adjustments of EUR -34.8 million (-40.9) comprising restructuring costs of EUR 15.1 million (15.5), transaction costs of EUR 30.1 million (8.5), and insurance indemnity and returned funds related to identity theft of EUR +10.3 million (0.0). The previous year's adjustments included the unwarranted payments due to the identity theft and fraudulent actions against Konecranes in a total amount of EUR -17.0 million.

In the third quarter, the adjusted operating profit increased by EUR 4.6 million to EUR 37.9 million (33.3). The adjusted operating margin improved to 7.3 percent (6.6). The adjusted operating margin in Service rose to 11.5 percent (10.5) and in Equipment to 5.2 percent (4.2). The adjusted operating margin improved due to the lower fixed costs in both Service and Equipment.

The consolidated operating profit in the third quarter totaled EUR 25.0 million (4.1). The consolidated operating margin in the third quarter improved to 4.8 percent (0.8). The operating profit includes adjustments of EUR -12.9 million (-29.1) comprising restructuring costs of EUR 5.4 million (3.7), transaction costs of EUR 7.9 million (8.5), and returned funds related to identity theft of EUR +0.3 million (0.0). The previous year's adjustments included unwarranted payments due to identity theft and fraudulent actions against Konecranes totaling EUR -17.0 million.

In January–September, the depreciation and impairments totaled EUR 41.0 million (42.2). This included write-offs of EUR 2.8 million (5.8) to intangible and tangible assets. The amortization arising from the purchase price allocations for acquisitions represented EUR 3.3 million (3.9) of the depreciation and impairments.

In January–September, the share of the result of associated companies and joint ventures was EUR 5.7 million (3.6). The EUR 5.8 million (0.0) gain on disposal of investment in associated company relates to the sale of shares in Kito Corporation.

Net financial expenses totaled EUR 28.7 million (9.0). Net interest expenses were EUR 7.4 million (7.3) of this. Financial expenses for January–September include costs of EUR 18.0 million (0.0) related to the terminated merger plan with Terex and proposed Terex MHPS acquisition.

The January–September profit before taxes was EUR 36.6 million (26.8).

Income taxes in January–September were EUR -9.9 million (-8.6). The Group's estimated effective tax rate was 27.0 percent (32.0).

The net profit for January–September was EUR 26.7 million (18.2).

The diluted earnings per share for January–September were EUR 0.46 (0.31).

On a rolling twelve-month basis, the return on capital employed was 10.9 percent (11.0) and the return on equity 9.3 percent (11.1).

BALANCE SHEET

The consolidated balance sheet stood at EUR 1,477.0 million (1,495.0) at end-September 2016. The total equity at the end of the report period was EUR 416.2 million (430.3). On September 30, the total equity attributable to equity holders of the parent company was EUR 416.1 million (430.2) or EUR 7.08 per share (7.32).

Net working capital amounted to EUR 322.5 million (334.4) at end-September. Net working capital decreased due to lower inventories and accounts receivable.

CASH FLOW AND FINANCING

Net cash from operating activities in January–September was EUR 47.6 million (-1.6). Net cash from operations in the third quarter was EUR 33.4 million (47.1).

Cash flow from capital expenditures in January–September amounted to EUR -19.1 million (-26.6). Cash flow from capital expenditures in the third quarter was to EUR -7.5 million (-8.4).

Cash flow before financing activities was EUR 29.5 million (-26.2) in January–September. Cash flow before financing activities in the third quarter was EUR 26.2 million (39.6).

On September 30, 2016, the interest-bearing net debt was EUR 183.5 million (228.5). Solidity was 32.0 percent (33.5) and gearing 44.0 percent (53.1).

The Group's liquidity remained healthy. At the end of the third quarter, cash and cash equivalents amounted to EUR 166.7 million (65.4). None of the Group's EUR 300.0 million committed back-up financing facilities were in use at the end of the period.

CAPITAL EXPENDITURE

January–September capital expenditure, excluding acquisitions and joint arrangements, amounted to EUR 22.4 million (25.8). This amount consisted of investments in machinery, equipment, properties, and information technology.

Capital expenditure including acquisitions and joint arrangements was EUR 22.4 million (25.8).

ACQUISITIONS AND DISPOSALS

In September, Konecranes sold its small Moroccan service company Techniplus S.A. The disposal of the company resulted in EUR 0.8 million loss.

PERSONNEL

In January–September, the Group employed an average of 11,509 people (11,946). On 30 September, the headcount was 11,097 (11,997). Group's personnel decreased by 790 employees from year-end 2015 due to the restructuring actions. The divestment of the Moroccan service company reduced the number of employees by approximately 140 people.

At end-September, the number of personnel by Business Area was as follows: Service 6,102 employees (6,515), Equipment 4,935 employees (5,428) and Group staff 60 (54). The Group had 5,911 employees (6,276) working in EMEA, 2,754 (2,998) in the Americas, and 2,432 (2,723) in the APAC region.

Business areas

SERVICE

	7–9/2016	7–9/2015	1–9/2016	1–9/2015	Change percent	R12M	1–12/2015
Orders received, MEUR	187.1	202.3	584.1	609.2	-4.1	784.4	809.5
Order book, MEUR	193.3	185.4	193.3	185.4	4.2		165.8
Contract base value, MEUR	206.3	208.5	206.3	208.5	-1.1		210.6
Net sales, MEUR	234.4	242.4	700.4	716.4	-2.2	976.4	992.3
EBITDA, MEUR	27.8	29.3	81.4	80.0	1.8	119.4	118.0
EBITDA, %	11.9%	12.1%	11.6%	11.2%		12.2%	11.9%
Depreciation and amortization, MEUR	-4.9	-4.4	-14.6	-13.1	11.1	-19.3	-17.9
Impairments, MEUR	0.0	0.0	0.0	-1.1		-0.1	-1.2
Operating profit (EBIT), MEUR	22.9	24.8	66.8	65.7	1.7	100.0	98.9
Operating profit (EBIT), %	9.8%	10.3%	9.5%	9.2%		10.2%	10.0%
Adjustments*, MEUR	-4.1	-0.5	-5.9	-3.4		-6.6	-4.0
Adjusted operating profit (EBIT), MEUR	27.0	25.4	72.7	69.1	5.3	106.6	102.9
Adjusted operating profit (EBIT), %	11.5%	10.5%	10.4%	9.6%		10.9%	10.4%
Capital employed, MEUR	240.6	213.2	240.6	213.2	12.9		232.3
ROCE%						44.1%	45.7%
Capital expenditure, MEUR	0.6	5.7	7.7	11.4	-32.1	19.2	22.9
Personnel at the end of period	6,102	6,515	6,102	6,515	-6.3		6,503

**) restructuring costs*

January–September orders received totaled EUR 584.1 million (609.2) showing a decrease of 4.1 percent. The order decrease was mainly attributable to the negative currency effect and closure of certain underperforming operations. The order book increased by 4.2 percent to EUR 193.3 million (185.4) from a year before. Sales decreased by 2.2 percent to EUR 700.4 million (716.4). Sales grew in EMEA, whereas the sales were stable in the Americas and were lower in APAC. Field service outperformed parts business.

The adjusted operating profit, excluding restructuring costs of EUR 5.9 million (3.4), was EUR 72.7 million (69.1) and the operating margin 10.4 percent (9.6). Operating profit was EUR 66.8 million (65.7) and the operating margin 9.5 percent (9.2). The adjusted operating margin improved due to the lower fixed costs.

The third quarter order intake decreased by 7.5 percent and totaled EUR 187.1 million (202.3). Third quarter sales totaled EUR 234.4 million (242.4) and were 3.3 percent lower than a year ago. Sales fell in the Americas, while sales in EMEA and Asia-Pacific were flat. Field service outperformed parts business.

The adjusted third-quarter operating profit, excluding restructuring costs of EUR 4.1 million (0.5), was EUR 27.0 million (25.4) and the operating margin 11.5 percent (10.5). Operating profit was EUR 22.9 million (24.8) and the operating margin 9.8 percent (10.3). The adjusted operating margin improved due to the lower fixed costs.

The total number of equipment included in the maintenance contract base increased by 2.3 percent to 464,996 (454,473). The annual value of the contract base decreased by 1.1 percent to EUR 206.3 million (208.5). At comparable currency rates, the value of the contract base fell by 0.5 percent. The closures of certain underperforming operations had a negative impact on the contract base value.

EQUIPMENT

	7–9/2016	7–9/2015	1–9/2016	1–9/2015	Change percent	R12M	1–12/2015
Orders received, MEUR	250.3	268.7	795.6	921.4	-13.7	1,131.8	1,257.6
Order book, MEUR	794.4	889.9	794.4	889.9	-10.7		870.7
Net sales, MEUR	302.5	290.1	865.7	879.0	-1.5	1,227.1	1,240.3
EBITDA, MEUR	21.5	16.5	48.8	33.4	45.9	68.2	52.9
EBITDA, %	7.1%	5.7%	5.6%	3.8%		5.6%	4.3%
Depreciation and amortization, MEUR	-7.1	-7.3	-22.8	-22.6	0.8	-30.2	-30.0
Impairments, MEUR	-0.1	-0.2	-2.8	-4.7		-2.2	-4.1
Operating profit (EBIT), MEUR	14.4	9.0	23.2	6.2	276.7	35.8	18.8
Operating profit (EBIT), %	4.7%	3.1%	2.7%	0.7%		2.9%	1.5%
Adjustments*, MEUR	-1.4	-3.1	-7.1	-12.1		-10.0	-15.0
Adjusted operating profit (EBIT), MEUR	15.8	12.1	30.3	18.3	65.9	45.8	33.8
Adjusted operating profit (EBIT), %	5.2%	4.2%	3.5%	2.1%		3.7%	2.7%
Capital employed, MEUR	317.4	350.0	317.4	350.0	-9.3		356.7
ROCE%						10.7%	5.3%
Capital expenditure, MEUR	3.6	6.0	14.7	14.4	1.8	26.7	26.5
Personnel at the end of period	4,935	5,428	4,935	5,428	-9.1		5,328

**) restructuring costs*

January–September orders received totaled EUR 795.6 million (921.4) showing a decrease of 13.7 percent, mainly due to the lower port crane orders in the first quarter. Orders declined in the Americas and in APAC, whereas the orders were stable in EMEA. Orders for industrial cranes accounted for approximately 45 percent of the orders received and were higher 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 30 percent of the orders received and were lower than a year ago mainly due to the port cranes business. The order book decreased by 10.7 percent to EUR 794.4 million (889.9) from a year before.

Sales decreased by 1.5 percent to EUR 865.7 million (879.0). The adjusted operating profit, excluding restructuring costs of EUR 7.1 million (12.1), was EUR 30.3 million (18.3) and the operating margin 3.5 percent (2.1). Operating profit EUR 23.2 million (6.2) and 2.7 percent of the sales (0.7). Despite the decrease in sales, the adjusted operating margin in Equipment improved due to the lower fixed costs.

The third-quarter order intake decreased by 6.8 percent and totaled EUR 250.3 million (268.7). Orders received rose in the Americas, but fell in EMEA and Asia-Pacific. Compared to the previous year, the orders for industrial cranes, components, as well as port cranes and lift trucks were below the previous year's level.

The third-quarter sales totaled EUR 302.5 million (290.1) and were 4.3 percent higher than a year ago. The adjusted operating profit, excluding restructuring costs of EUR 1.4 million (3.1), was EUR 15.8 million (12.1) and the operating margin 5.2 percent (4.2). Third-quarter operating profit was EUR 14.4 million (9.0), and the operating margin 4.7 percent (3.1). The adjusted operating margin improved due to the lower fixed costs.

Group overheads

In January–September, unallocated Group overhead costs and eliminations, excluding restructuring costs, transaction costs and insurance indemnity were EUR -14.4 million (–14.2) representing -1.0 percent of sales (-0.9).

Unallocated Group overhead costs and eliminations in the reporting period were EUR –36.1 million (–39.6) representing -2.4 percent of sales (-2.6). These included restructuring costs of EUR 2.0 million (0 .0), transaction costs of EUR 30.1 million (8.5), and insurance indemnity and returned funds related to identity theft of EUR +10.3 million (0.0). The previous year figure included the unwarranted payments due to the identity theft and fraudulent actions against Konecranes in a total amount of EUR -17.0 million.

ACQUISITION OF TEREX'S MHPS BUSINESS

On May 16, 2016, Konecranes signed an agreement to acquire from Terex Corporation ("Terex") its Material Handling & Port Solutions ("MHPS") segment ("Acquisition") against consideration consisting of cash and shares and to terminate the previously announced business combination agreement.

On August 1, Konecranes signed EUR 1,500 million unsecured financing facilities to fund the proposed Acquisition. The committed credit facility includes a syndicated EUR 300 million term loan with a tenor of three years, EUR 600 million amortizing term loan with a tenor of five years and EUR 400 million revolving credit facility with a tenor of five years alongside a EUR 200 million bridge term loan facility.

On August 8, Konecranes announced that it has received approval from the European Commission for its pending Acquisition. The approval is conditional on a commitment by Konecranes to divest its STAHL CraneSystems business. STAHL CraneSystems' external sales totaled EUR 145 million and its pro forma EBITDA on a stand-alone basis would have totaled approximately EUR 30 million in 2015. The company has about 700 employees. Konecranes will use the proceeds from the STAHL CraneSystems divestment to amortize loans related to the Acquisition. Konecranes and Terex are not allowed to close the Acquisition until the Commission has approved the buyer(s) of the STAHL CraneSystems business.

Also, on August 8, Konecranes announced that it has received an early termination of the waiting period required by the Hart-Scott-Rodino Antitrust Improvements Act of 1976 resulting in the clearance without condition for its pending Acquisition from the Antitrust Division of the United States Department of Justice.

Konecranes and Terex are working closely with the competition authorities to obtain regulatory approvals allowing completion of the Acquisition in early 2017 as planned.

EXTRAORDINARY GENERAL MEETING

The Extraordinary General Meeting ("General Meeting") of Konecranes was held on September 15. The meeting approved all the proposals of the Board of Directors and made the necessary decisions to complete the Acquisition. In addition, the General Meeting approved the shareholder's proposal for additional remuneration to members of Board of Directors.

The General Meeting approved the Board of Directors proposal that the Articles of Association of the company be amended. The amendments to the Articles of Association include, inter alia, the creation of a new class of B shares to be issued to Terex in connection with the closing of the Acquisition, which have the same financial rights as Konecranes ordinary shares but are subject to voting and transfer restrictions, and confer upon Terex the right to appoint up to two members to the Board of Directors of Konecranes as long as Terex's or its group companies' shareholding in Konecranes exceeds certain specified thresholds. As long as Terex or any of its group companies owns class B shares, any amendment of the Articles of Association relating to class B shares requires the consent of Terex.

Terex has informed the company that its initial Board appointees will be David Sachs and Oren Shaffer, whose term as members of the Board of Directors will begin as of the closing of the Acquisition.

The General Meeting authorized the Board of Directors to decide on the issuance of a maximum of 24,583,721 new class B shares in deviation from the shareholders' preemptive subscription rights during the effective period of the authorization. The authorization concerns issuance of B shares to Terex or its designated affiliates as payment of the share consideration, including the additional share consideration, if any, payable by Konecranes in the Acquisition.

The EGM further authorized the Board of Directors to resolve on all other terms and conditions of the issuance of shares. This authorization is effective until December 31, 2017 and it will not revoke the authorizations granted to the Board of Directors to decide on the issuance of shares and special rights entitling to shares by the Annual General Meeting on March 23, 2016.

The General Meeting confirmed the annual remuneration payable to the members of the Board of Directors to be as of the closing of the Acquisition as follows: Chairman of the Board EUR 140,000, Vice Chairman of the Board EUR 100,000, and the other Board members: EUR 70,000.

The amount of annual remuneration payable to the members of the Board of Directors until the closing of the Acquisition is based on the resolution made at the Annual General Meeting on March 23, 2016, and the proposed increased remuneration would be payable pro rata for the term of office between closing of the Acquisition and the Annual General Meeting in 2017.

Otherwise, the annual remuneration for the members of the Board of Directors will be paid as resolved by the Annual General Meeting on March 23, 2016 including the payment of 50 percent of the annual remuneration in Konecranes shares.

The General Meeting approved the shareholder's, HTT KCR Holding Oy Ab, proposal for additional remuneration to the members of Konecranes' Board of Directors.

All members of the Board of Directors shall be additionally remunerated for attending meetings of the Board of Directors during the period from Konecranes' Annual General Meeting held on March 23, 2016 until the closing of the Acquisition (or the next Annual General Meeting of Konecranes, unless the Acquisition has been closed prior to that). The compensation paid to each member of the Board of Directors shall be EUR 1,500 for each meeting the relevant member of the Board of Directors has attended.

The members of the negotiation team shall be paid the following additional one-time compensation: EUR 60,000 to Stig Gustavson, Bertel Langenskiöld, and Christoph Vitzthum each, and EUR 30,000 to Svante Adde.

The accrued compensation per attended meeting of the Board of Directors and the one-time compensation payable to the members of the Board of Directors shall be paid in cash. Christoph Vitzthum, the Chairman of the Board of Directors, has informed Konecranes that he will forgo his one-time compensation.

The General Meeting approved the proposal of the Nomination and Compensation Committee that the number of members of the Board of Directors be increased to eight (8) as of the closing of the General Meeting.

The General Meeting further approved that the number of members of the Board of Directors be increased to ten (10) as of the closing of the Acquisition when the two members of the Board of Directors appointed by Terex join the Board of Directors.

The EGM elected two new members of the Board of Directors for a term of office ending at the closing of the Annual General Meeting in 2017. The new members are Ms. Janina Kugel and Mr. Ulf Liljedahl.

The Board of Directors elected Janina Kugel as a member of the Nomination and Compensation Committee and Ulf Liljedahl as a member of the Audit Committee.

After the elections, the Nomination and Compensation Committee will consist of Bertel Langenskiöld (Chairman), Stig Gustavson, Janina Kugel, and Christoph Vitzthum. The Audit Committee will consist of Svante Adde (Chairman), Ole Johansson, Ulf Liljedahl, and Malin Persson.

STRATEGIC ALLIANCE WITH KITO DISSOLVED, MAJORITY OF THE SHAREHOLDING SOLD

On September 26, Konecranes announced that Konecranes and Kito Corporation ("Kito") have decided to dissolve the strategic alliance signed between the companies on March 23, 2010. While the alliance has been successful in certain areas, the parties have agreed that it is in the interest of both companies to pursue their respective strategies independently.

The dissolution of the strategic alliance will allow Kito to participate in the bidding process for STAHL CraneSystems, which Konecranes has committed to divest in relation to its pending Acquisition.

On September 27, Konecranes announced that it has sold 5,873,900 Kito shares to Kito. After this transaction, Konecranes owns 76,100 Kito shares. Konecranes received approximately EUR 48 million from the sale of the shares.

Kito was accounted for as an associated company in the Konecranes' financial reporting.

ANNUAL GENERAL MEETING

The resolutions of the Konecranes Annual General Meeting and the Board of Directors organizing the meeting have been published in the stock exchange releases dated March 23, 2016.

CHANGES IN MANAGEMENT

On July 14, Konecranes announced that Sirpa Poitsalo (b. 1963), Vice President, General Counsel, has been appointed as a member of the Konecranes Group Executive Board and will report to Panu Routila, President & CEO. Sirpa Poitsalo has worked at Konecranes since 1988 and has been a member of the Group Senior Management.

SHARE CAPITAL AND SHARES

On September 30, the company's registered share capital totaled EUR 30.1 million. On September 30, the number of shares including treasury shares totaled 63,272,342.

On September 30, Konecranes Plc was in possession of 4,521,333 own shares, which corresponds to 7.1 percent of the total number of shares and which, at that date, had a market value of EUR 142.6 million.

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

MARKET CAPITALIZATION AND TRADING VOLUME

The closing price for Konecranes Plc's shares on the Nasdaq Helsinki was EUR 31.54 on September 30. The volume-weighted average share price in January–September was EUR 23.30, the highest price being EUR 31.56 in September and the lowest, EUR 17.92, in January. In January–September, the trading volume on the Nasdaq Helsinki totaled 43.7 million Konecranes Plc shares corresponding to a turnover of approximately EUR 1,018.9 million. The average daily trading volume was 231,353 shares representing an average daily turnover of EUR 5.4 million.

In addition, according to Fidessa, approximately 65.5 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–September.

On September 30, the total market capitalization of Konecranes Plc's shares was EUR 1,995.6 million including treasury shares. The market capitalization was EUR 1,853.0 million excluding treasury shares.

FLAGGING NOTIFICATIONS

On February 23, 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 decreased below 5 percent. Sanderson Asset Management LLP held 3,161,739 Konecranes Plc's shares on February 22, 2016, which is 4.99 percent of Konecranes Plc's shares and votes.

On July 25, Konecranes received a disclosure under Chapter 9, Section 5 of the Securities Market Act, according to which the holding of Harris Associates Investment Trust (Oakmark International Small Cap Fund) in Konecranes Plc has decreased below 5 percent. Harris Associates Investment Trust (Oakmark International Small Cap Fund) held 3,106,800 Konecranes Plc's shares on July 22, 2016, which is 4.91 percent of Konecranes Plc's shares and votes.

On August 17, 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 3,230,546 Konecranes Plc's shares on August 16, 2016, which is 5.11 percent of Konecranes Plc's shares and votes.

On September 9, Konecranes received a notification under Chapter 9, Section 5 of the Securities Market Act, according to which the total holding of BlackRock, Inc. in Konecranes Plc's shares and votes has exceeded 5 percent. On September 8, 2016, Blackrock Inc.'s total holding through shares and financials instruments amounted to 5.05 percent of Konecranes Plc's shares and votes.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On October 5, 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 3,152,800 Konecranes Plc's shares on October 4, 2016, which is 4.98 percent of Konecranes Plc's shares and votes.

On October 11, Konecranes announced that it has received clearance from the Committee on Foreign Investment in the United States ("CFIUS") for its pending acquisition of Terex's MHPS business ("MHPS Acquisition"). With the conclusion of the CFIUS process and the previously announced antitrust clearance by the U.S. Department of Justice, Konecranes has received the required regulatory approvals for the MHPS Acquisition in the United States.

On October 24, Konecranes announced that it has received a Notice of Intent to Award Contracts (the Award) from the Virginia Port Authority in the USA. The Award covers the provision of 86 Automated Stacking Cranes. The Virginia Port Authority (VPA) has notified Konecranes of its intention to award two separate contracts to Konecranes upon approval by the VPA Board of Commissioners at its November 15, 2016 meeting, and upon coming to agreement with Konecranes on the final contract terms. Deliveries are scheduled in phases for 2018–2020. The value of the contracts will exceed EUR 200 million.

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. On September 30, 2016, the value of the total assets related to the Zaporozhye factory amounted to approximately EUR 8 million.

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

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

One of the key strategic initiatives of Konecranes is oneKONECRANES. This initiative involves a major capital expenditure for the information systems. A 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 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 proposed Acquisition is subject to a number of conditions including, among other things, the obtainment of antitrust approvals in certain jurisdictions including China, and the divestment of STAHL CraneSystems, which make uncertain the completion and timing of the completion of the Acquisition.

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

MARKET OUTLOOK

Customers are cautious about investing due to the lack of volume growth in manufacturing and process industries, as well as container handling. The companies operating in emerging and commodity markets are particularly under pressure to save costs. Certain market uncertainty continues in North America. The demand situation in Europe is mixed. A decline in the global container throughput has led to a slower decision-making among container terminal operators. The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

FINANCIAL GUIDANCE

Based on the order book, service contract base and the near-term demand outlook, the sales in 2016 are expected to be at approximately the same level as in 2015. We expect the 2016 adjusted operating profit to improve from 2015.

Helsinki, October 26, 2016
Konecranes Plc
Board of Directors

Disclaimer

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

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

Consolidated statement of income

EUR million	Note	7–9/2016	7–9/2015	1–9/2016	1–9/2015	Change %	1–12/2015
Sales	8	**517.6**	**506.7**	**1,505.0**	**1,517.2**	**-0.8**	**2,126.2**
Other operating income [1]	5.3	3.1	0.1	14.0	0.6		1.4
Materials, supplies and subcontracting		-242.5	-227.0	-673.2	-675.7		-969.9
Personnel cost		-159.2	-156.8	-491.4	-492.2		-661.5
Depreciation and impairments	9	-12.3	-12.1	-41.0	-42.2		-54.0
Other operating expenses [2]	5	-81.8	-106.7	-259.5	-275.5		-379.1
Operating profit		**25.0**	**4.1**	**53.9**	**32.2**	**67.2**	**63.0**
Share of associates' and joint ventures' result		0.9	0.5	5.7	3.6		4.8
Gain on disposal of investment in associated company	5.2	5.8	0.0	5.8	0.0		0.0
Financial income		0.3	2.9	0.9	4.7		7.8
Financial expenses [3]		-10.6	-5.5	-29.6	-13.7		-20.3
Profit before taxes		**21.3**	**2.0**	**36.6**	**26.8**	**36.9**	**55.4**
Taxes	11	-5.4	-0.8	-9.9	-8.6		-24.6
PROFIT FOR THE PERIOD		**15.8**	**1.2**	**26.7**	**18.2**	**46.9**	**30.8**
Profit for the period attributable to:							
Shareholders of the parent company		15.8	1.2	26.7	18.2		30.8
Non-controlling interest		0.0	0.0	0.0	0.0		0.0
Earnings per share, basic (EUR)		0.27	0.02	0.46	0.31	46.3	0.53
Earnings per share, diluted (EUR)		0.27	0.02	0.46	0.31	46.3	0.53

[1] Konecranes received the insurance indemnity of EUR 10.0 million during Q2/2016 and returned funds EUR 0.3 million during Q3/2016 related to identity theft.
[2] Other operating expenses for 1–9/2016 include transaction costs related to terminated merger plan with Terex and proposed acquisition of Terex MHPS up to EUR 30.1 million (EUR 8.5 million in 1–9/2015) and EUR 7.9 million for Q3/2016 (EUR 8.5 million in Q3/2015). In 1–12/2015 other operating expenses include the unwarranted payments due to the identity theft and fraudulent actions in a total amount of EUR 17.0 million and transaction costs related to terminated merger plan with Terex up to EUR 17.2 million.
[3] Financial expenses for 1–9/2016 include costs of EUR 18.0 million (EUR 0.0 million in 1–9/2015) related to the terminated merger plan with Terex and proposed acquisition of Terex MHPS and EUR 7.2 million for Q3/2016 (EUR 0.0 million in Q3/2015).

Consolidated statement of other comprehensive income

EUR million	7–9/2016	7–9/2015	1–9/2016	1–9/2015		1–12/2015
Profit for the period	**15.8**	**1.2**	**26.7**	**18.2**		**30.8**
Items that can be reclassified into profit or loss						
Cash flow hedges	5.0	6.3	13.5	-1.5		-0.6
Exchange differences on translating foreign operations	-1.9	-9.0	-6.3	12.7		16.3
Share of associates' other comprehensive income	-1.4	0.0	-3.8	0.0		3.8
Income tax relating to items that can be reclassified into profit or loss	-1.0	-1.3	-2.7	0.3		0.1
Items that cannot be reclassified into profit or loss						
Re-measurement gains (losses) on defined benefit plans	-3.7	-1.9	-7.8	-0.8		6.0
Income tax relating to items that cannot be reclassified into profit or loss	0.8	0.4	1.7	0.2		-1.4
Other comprehensive income for the period, net of tax	**-2.2**	**-5.5**	**-5.4**	**11.0**		**24.2**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**13.7**	**-4.2**	**21.3**	**29.2**		**55.0**
Total comprehensive income attributable to:						
Shareholders of the parent company	13.7	-4.2	21.3	29.2		55.0
Non-controlling interest	0.0	0.0	0.0	0.0		0.0

Consolidated balance sheet

EUR million

ASSETS	Note	30.9.2016	30.9.2015	31.12.2015
Non-current assets				
Goodwill		84.3	106.7	107.6
Intangible assets		98.6	96.6	108.7
Property, plant and equipment		126.3	142.5	142.5
Advance payments and construction in progress		20.6	30.9	24.0
Investments accounted for using the equity method		8.7	45.8	50.2
Other non-current assets		1.0	1.0	1.0
Deferred tax assets		56.1	79.7	71.7
Total non-current assets		**395.7**	**503.1**	**505.7**
Current assets				
Inventories				
Raw material and semi-manufactured goods		146.5	168.3	157.9
Work in progress		185.2	215.7	201.0
Advance payments		13.3	14.9	6.4
Total inventories		345.0	398.9	365.2
Accounts receivable		300.7	355.3	377.3
Other receivables		23.8	22.2	24.9
Income tax receivables		16.4	11.9	10.1
Receivable arising from percentage of completion method	8	87.8	89.2	77.3
Other financial assets		6.3	8.7	7.5
Deferred assets		30.3	40.3	36.0
Cash and cash equivalents		166.7	65.4	80.8
Total current assets		**977.1**	**991.9**	**979.2**
Assets held for sale	6.1	**104.2**		
TOTAL ASSETS		**1,477.0**	**1,495.0**	**1,484.9**

Consolidated balance sheet

EUR million

EQUITY AND LIABILITIES	Note	30.9.2016	30.9.2015	31.12.2015
Equity attributable to equity holders of the parent company				
Share capital		30.1	30.1	30.1
Share premium		39.3	39.3	39.3
Paid in capital		66.5	66.5	66.5
Fair value reserves	14	1.7	-9.8	-9.1
Translation difference		13.7	16.5	20.1
Other reserve		31.8	30.0	29.9
Retained earnings		206.3	239.4	248.4
Net profit for the period		26.7	18.2	30.8
Total equity attributable to equity holders of the parent company		**416.1**	**430.2**	**455.9**
Non-controlling interest		0.1	0.1	0.1
Total equity		**416.2**	**430.3**	**456.0**
Liabilities				
Non-current liabilities				
Interest-bearing liabilities	13	54.9	160.9	59.2
Other long-term liabilities		39.4	97.9	92.3
Other financial liabilities		0.0	1.3	0.0
Provisions		16.7	17.3	17.8
Deferred tax liabilities		14.0	20.2	19.8
Total non-current liabilities		**124.9**	**297.6**	**189.1**
Current liabilities				
Interest-bearing liabilities	13	299.0	132.9	224.8
Advance payments received	8	171.3	210.6	176.4
Progress billings		0.5	0.2	0.4
Accounts payable		91.4	114.5	139.1
Provisions		31.5	30.7	35.1
Other short-term liabilities (non-interest bearing)		28.4	28.2	31.9
Other financial liabilities		3.3	7.2	11.4
Income tax liabilities		9.2	11.6	12.8
Accrued costs related to delivered goods and services		127.7	114.1	111.8
Accruals		85.1	117.0	96.2
Total current liabilities		**847.3**	**767.1**	**839.8**
Liabilities directly attributable to assets held for sale	6.1	**88.5**		
Total liabilities		**1,060.8**	**1,064.7**	**1,028.9**
TOTAL EQUITY AND LIABILITIES		**1,477.0**	**1,495.0**	**1,484.9**

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company: Share capital	Share premium	Paid in capital	Cash flow hedges	Translation difference
Balance at 1 January, 2016	**30.1**	**39.3**	**66.5**	**-9.1**	**20.1**
Options exercised					
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				10.8	-6.3
Total comprehensive income				10.8	-6.3
Balance at 30 September, 2016	**30.1**	**39.3**	**66.5**	**1.7**	**13.7**
Balance at 1 January, 2015	**30.1**	**39.3**	**52.2**	**-8.6**	**3.7**
Options exercised			14.3		
Dividends paid to equity holders					
Equity-settled share based payments					
Profit for the period					
Other comprehensive income				-1.2	12.7
Total comprehensive income				-1.2	12.7
Balance at 30 September, 2015	**30.1**	**39.3**	**66.5**	**-9.8**	**16.5**

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, 2016	**29.9**	**279.1**	**455.9**	**0.1**	**456.0**
Options exercised		0.0	0.0		**0.0**
Dividends paid to equity holders		-61.7	-61.7		**-61.7**
Equity-settled share based payments	0.9	0.0	0.9		**0.9**
Acquisitions		-0.3	-0.3		**-0.3**
Profit for the period		26.7	26.7		**26.7**
Other comprehensive income		-9.9	-5.4	0.0	**-5.4**
Total comprehensive income	0.0	16.9	21.3	0.0	**21.3**
Balance at 30 September, 2016	**30.8**	**234.0**	**416.1**	**0.1**	**416.2**
Balance at 1 January, 2015	**27.8**	**304.7**	**449.2**	**0.1**	**449.2**
Options exercised		0.0	14.3		**14.3**
Dividends paid to equity holders		-61.5	-61.5		**-61.5**
Equity-settled share based payments	2.2	0.0	2.2		**2.2**
Donations		-0.2	-0.2		**-0.2**
Acquisitions		-3.0	-3.0		**-3.0**
Profit for the period		18.2	18.2		**18.2**
Other comprehensive income		-0.5	11.0	0.0	**11.0**
Total comprehensive income		17.7	29.2	0.0	**29.2**
Balance at 30 September, 2015	**30.0**	**257.6**	**430.2**	**0.1**	**430.3**

Consolidated cash flow statement

EUR million	1–9/2016	1–9/2015	1–12/2015
Cash flow from operating activities			
Profit for the period	26.7	18.2	30.8
Adjustments to net income			
Taxes	9.9	8.6	24.6
Financial income and expenses	28.8	9.0	12.5
Share of associates' and joint ventures' result	-11.5	-3.6	-4.8
Dividend income	0.0	0.0	-0.1
Depreciation and impairments	41.0	42.2	54.0
Profits and losses on sale of fixed assets	2.4	-0.3	1.2
Other adjustments	1.5	1.3	-2.8
Operating income before change in net working capital	**98.8**	**75.4**	**115.5**
Change in interest-free current receivables	30.7	28.9	27.2
Change in inventories	-8.4	-54.5	-17.4
Change in interest-free current liabilities	-13.6	-10.5	-37.4
Change in net working capital	**8.7**	**-36.0**	**-27.6**
Cash flow from operations before financing items and taxes	**107.5**	**39.3**	**87.9**
Interest received	6.1	3.2	5.8
Interest paid	-13.8	-10.8	-15.6
Other financial income and expenses	-32.5	-13.5	-12.5
Income taxes paid	-19.7	-19.9	-26.3
Financing items and taxes	**-60.0**	**-40.9**	**-48.6**
NET CASH FROM OPERATING ACTIVITIES	**47.6**	**-1.6**	**39.3**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-0.2	0.0	-0.3
Divestment of Businesses, net of cash	0.0	0.0	0.1
Capital expenditures	-19.1	-26.6	-43.3
Proceeds from sale of property, plant and equipment	1.3	2.0	2.6
NET CASH USED IN INVESTING ACTIVITIES	**-18.1**	**-24.6**	**-40.8**
Cash flow before financing activities	**29.5**	**-26.2**	**-1.5**
Cash flow from financing activities			
Proceeds from options exercised and share issues and other	0.0	14.3	14.3
Proceeds from non-current borrowings	0.0	0.0	0.0
Repayments of non-current borrowings	-4.3	-7.2	-2.1
Proceeds from (+), payments of (-) current borrowings	79.1	53.6	38.8
Proceeds from disposal of associated company	47.8	0.0	0.0
Acquired non controlling interest	-0.3	-5.9	-5.9
Dividends paid to equity holders of the parent	-61.7	-61.5	-61.5
NET CASH USED IN FINANCING ACTIVITIES	**60.6**	**-6.6**	**-16.3**
Translation differences in cash	-0.4	0.3	0.6
CHANGE OF CASH AND CASH EQUIVALENTS	**89.6**	**-32.5**	**-17.2**
Cash and cash equivalents at beginning of period	80.8	97.9	97.9
Cash and cash equivalents in assets held for sale	3.7	0.0	0.0
Cash and cash equivalents at end of period	166.7	65.4	80.8
CHANGE OF CASH AND CASH EQUIVALENTS	**89.6**	**-32.5**	**-17.2**

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	1–9/2016	1–9/2015	1–12/2015
Net cash from operating activities	47.6	-1.6	39.3
Capital expenditures	-19.1	-26.6	-43.3
Proceeds from sale of property, plant and equipment	1.3	2.0	2.6
Free cash flow	**29.7**	**-26.2**	**-1.4**

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 three months ending 30.9.2016 and 30.9.2015 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 consolidated financial statements as of December 31, 2015.

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

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 reporting 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.

5. IMPORTANT EVENTS

5.1. Material Handling & Port Solutions segment acquisition from Terex Corporation

On May 16, 2016, Konecranes signed an agreement (the "Stock and Asset Purchase Agreement") to acquire from Terex Corporation ("Terex") its Material Handling & Port Solutions ("MHPS") segment (the "Acquisition") against consideration consisting of cash and shares and to terminate the previously announced business combination agreement.

The acquisition of MHPS will improve Konecranes' position as a focused global leader in the Industrial Lifting & Port Solutions market. Konecranes will achieve substantial growth opportunities in the service business as well as critical scale for further technological development. Konecranes' recent investments in business infrastructure and global footprint optimization will provide significant earnings leverage.

The Acquisition, valued at EUR 1,126 million enterprise value based on Konecranes closing price of EUR 20.60 as of May 13, 2016, will offer significant industrial and operational synergies targeted at EUR 140 million p.a. at EBIT level within three years from closing. Terex will receive USD

Notes

595 million and EUR 200 million in cash and 19.6 million in newly issued Konecranes class B shares, making Terex a 25-percent shareholder (calculated from shares outstanding on April 30, 2016). The class B Shares to be issued to Terex will be created through an amendment to Konecranes' Articles of Association and will have the same financial rights as Konecranes ordinary shares but are subject to voting and transfer restrictions as well as differing Board nomination rights.

The purchase price is subject to post-completion adjustments based on the level of net working capital and cash and debt in the acquired business at the closing date. In addition, the number of shares to be issued may be adjusted depending on the performance of the MHPS business in 2016. Also, certain purchase price adjustments may occur based on possible outcomes related to antitrust rulings.

Terex MHPS is a leading supplier of industrial cranes, crane components and services under the Demag brand, as well as port technology with a broad range of manual, semi-automated and automated solutions under several brands, such as Gottwald. According to unaudited special purpose carve-out financial information, the sales of Terex MHPS (including Crane America Services) were USD 1,542 million (EUR 1,391 million) and the adjusted EBITDA was USD 111 million (EUR 100 million) in 2015. In 2015, Terex MHPS generated 31 percent of its sales from maintenance services and spare parts. It employs approximately 7,200 people.

One-time integration expenses are expected to be EUR 130 million, with expected EUR 60 million of capex. The Acquisition is expected to be EPS accretive from inception (adjusted for non-recurring integration costs and purchase price allocation-related amortization).

Konecranes and Terex are working closely with the competition authorities to obtain regulatory approvals allowing completion of the Acquisition in early 2017 as planned.

5.2. Disposal of Kito shares

On September 26, Konecranes announced that Konecranes and Kito Corporation ("Kito") have decided to dissolve the strategic alliance signed on March 23, 2010, between the companies. While the alliance has been successful in certain areas, the parties have agreed that it is in the companies' interest to pursue their respective strategies independently.

The dissolution of the strategic alliance will allow Kito to participate in the bidding process for STAHL CraneSystems that Konecranes has committed to divest in relation to its pending Acquisition.

On September 27, 2016, Kito announced that it has conducted a share repurchase of 5,950,000 shares. In this transaction, Konecranes sold 5,873,900 Kito shares to Kito. After this transaction, Konecranes owns 76,100 Kito shares. Konecranes received EUR 47.8 million from the sale of the shares and recorded EUR 5.8 million as a gain on disposal of investment in associated company in the statement of income.

5.3. Insurance indemnity

On August 14, 2015, Konecranes announced that one of its foreign subsidiaries had become a victim of a fraud. The perpetrators had through identity theft and other fraudulent actions managed to induce the subsidiary to make unwarranted payments in a total amount of up to EUR 17 million. This amount was booked as a non-recurring cost in the third quarter of 2015.

Konecranes has now received an insurance indemnity of EUR 10 million, which was the maximum sum insured and returned funds of EUR 0.3 million. Konecranes has recorded the insurance indemnity as other operating income to its result for the second quarter of 2016.

6. ACQUISITIONS AND DISPOSALS

In February 2016, Konecranes purchased an additional 5% 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 100% of the subsidiary. The purchase price for the additional 5% amounted to EUR 0.3 million.

In September 2016, Konecranes sold its small Moroccan service company Techniplus S.A. The disposal of the company resulted EUR 0.8 million loss reported in the other operating expenses of the statement of income.

6.1. Assets held for sale

On August 8, 2016 Konecranes received approval from the European Commission for its pending acquisition of Terex's MHPS business ("MHPS Acquisition"). The approval is conditional on a commitment by Konecranes to divest its STAHL CraneSystems business. Furthermore, Konecranes and Terex are not allowed to close the MHPS Acquisition until the Commission has approved the buyer(s) of the STAHL CraneSystems business. The MHPS Acquisition is expected to close in early of 2017.

STAHL CraneSystems is a global supplier of hoisting technology and crane components. The business is well-known for its capability to build engineered system solutions. Its customers include distributors, crane builders as well as EPC companies. STAHL CraneSystems is headquartered in Künzelsau, Germany.

The associated assets and liabilities of STAHL CraneSystems are reported in the consolidated balance sheet separately as held for sale from 15.9.2016 onwards when

Notes

the extraordinary general meeting of Konecranes approved the resolutions required for the completion of the MHPS Acquisition. The disposal group (assets and liabilities relating to STAHL CraneSystems business) is valued at carrying amounts, which is lower than the fair value less costs to sell and they are no longer depreciated once classified as held for sale.

Major classes of assets and liabilities of STAHL CraneSystems business classified as held for sale are, as follows:

Assets	**30.9.2016**
Intangible assets	31.5
Property, plant and equipment	6.7
Deferred tax assets	11.3
Inventories	21.3
Accounts receivables	28.7
Other receivables	1.0
Cash and cash equivalents	3.7
Assets held for sale	**104.2**

Liabilities	**30.9.2016**
Defined benefit obligation	61.1
Interest-bearing liabilities	0.1
Deferred tax liabilities	3.2
Accounts payable	3.2
Accruals and other liabilities	21.0
Liabilities directly attributable to assets held for sale	**88.5**

Majority of assets and liabilities are reported in Equipment segment.

Amounts included in accumulated Other Comprehensive Income	**30.9.2016**
Translation difference	1.5
Re-measurement losses on defined benefit plans	-15.5
Deferred taxes relating to re-measurement losses on defined benefit plans	4.5
Total	**-9.5**

Notes

7. SEGMENT INFORMATION

7.1. Operating segments

EUR million

Orders received by Business Area	1–9/2016	% of total	1–9/2015	% of total	1–12/2015	% of total
Service [1]	584.1	42	609.2	40	809.5	39
Equipment	795.6	58	921.4	60	1,257.6	61
./. Internal	-54.1		-77.6		-101.6	
Total	**1,325.6**	**100**	**1,452.9**	**100**	**1,965.5**	**100**

[1] *Excl. Service Contract Base*

Order book total [2]	30.9.2016	% of total	30.9.2015	% of total	31.12.2015	% of total
Service	193.3	20	185.4	17	165.8	16
Equipment	794.4	80	889.9	83	870.7	84
./. Internal	0.0		0.0		0.0	
Total	**987.7**	**100**	**1,075.3**	**100**	**1,036.5**	**100**

[2] *Percentage of completion deducted*

Sales by Business Area	1–9/2016	% of total	1–9/2015	% of total	1–12/2015	% of total
Service	700.4	45	716.4	45	992.3	44
Equipment	865.7	55	879.0	55	1,240.3	56
./. Internal	-61.2		-78.2		-106.5	
Total	**1,505.0**	**100**	**1,517.2**	**100**	**2,126.2**	**100**

Adjusted operating profit (EBIT) by Business Area	1–9/2016 MEUR	EBIT %	1–9/2015 MEUR	EBIT %	1–12/2015 MEUR	EBIT %
Service	72.7	10.4	69.1	9.6	102.9	10.4
Equipment	30.3	3.5	18.3	2.1	33.8	2.7
Group costs and eliminations	-14.4		-14.2		-18.9	
Total	**88.7**	**5.9**	**73.2**	**4.8**	**117.7**	**5.5**

Operating profit (EBIT) by Business Area	1–9/2016 MEUR	EBIT %	1–9/2015 MEUR	EBIT %	1–12/2015 MEUR	EBIT %
Service	66.8	9.5	65.7	9.2	98.9	10.0
Equipment	23.2	2.7	6.2	0.7	18.8	1.5
Group costs and eliminations	-36.1		-39.6		-54.6	
Total	**53.9**	**3.6**	**32.2**	**2.1**	**63.0**	**3.0**

Notes

Capital Employed and ROCE%	30.9.2016 MEUR		30.9.2015 MEUR		31.12.2015 MEUR	ROCE %
Service	240.6		213.2		232.3	45.7
Equipment	317.4		350.0		356.7	5.3
Unallocated Capital Employed	212.1		167.8		150.9	
Total	**770.1**		**730.9**		**739.9**	**9.5**

Business segment assets	30.9.2016 MEUR		30.9.2015 MEUR		31.12.2015 MEUR	
Service	388.3		399.1		414.9	
Equipment	780.3		863.8		845.7	
Unallocated Capital Employed	308.4		232.1		224.3	
Total	**1,477.0**		**1,495.0**		**1,484.9**	

Business segment liabilities	30.9.2016 MEUR		30.9.2015 MEUR		31.12.2015 MEUR	
Service	147.7		186.0		182.6	
Equipment	463.0		513.8		489.0	
Unallocated Capital Employed	450.2		365.0		357.3	
Total	**1,060.8**		**1,064.7**		**1,028.9**	

Personnel by Business Area (at the end of the period)	30.9.2016	% of total	30.9.2015	% of total	31.12.2015	% of total
Service	6,102	55	6,515	54	6,503	55
Equipment	4,935	44	5,428	45	5,328	45
Group staff	60	1	54	0	56	0
Total	**11,097**	**100**	**11,997**	**100**	**11,887**	**100**

7.2. Geographical areas

EUR million

Sales by market	1–9/2016	% of total	1–9/2015	% of total	1–12/2015	% of total
Europe-Middle East-Africa (EMEA)	715.5	48	671.0	44	960.5	45
Americas (AME)	569.5	38	591.4	39	823.7	39
Asia-Pacific (APAC)	220.0	15	254.8	17	342.0	16
Total	**1,505.0**	**100**	**1,517.2**	**100**	**2,126.2**	**100**

Personnel by region (at the end of the period)	30.9.2016	% of total	30.9.2015	% of total	31.12.2015	% of total
Europe-Middle East-Africa (EMEA)	5,911	53	6,276	52	6,237	52
Americas (AME)	2,754	25	2,998	25	2,968	25
Asia-Pacific (APAC)	2,432	22	2,723	23	2,682	23
Total	**11,097**	**100**	**11,997**	**100**	**11,887**	**100**

Notes

8. PERCENTAGE OF COMPLETION METHOD AND ADVANCES RECEIVED

EUR million	30.9.2016	30.9.2015	31.12.2015
The cumulative revenues of non-delivered projects	347.6	349.0	297.5
Advances received netted	253.3	256.1	216.9
Progress billings netted	6.5	3.7	3.3
Receivable arising from percentage of completion method, net	**87.8**	**89.2**	**77.3**
Gross advance received from percentage of completion method	274.4	258.7	221.1
Advances received netted	253.3	256.1	216.9
Advances received from percentage of completion method (netted)	**21.1**	**2.6**	**4.2**

Net sales recognized under the percentage of completion method amounted EUR 183.1 million in 1–9/2016 (EUR 171.7 in 1–9/2015).

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	30.9.2016	30.9.2015	31.12.2015
Advance received from percentage of completion method (netted)	21.1	2.6	4.2
Other advance received from customers	150.2	208.0	172.2
Total	**171.3**	**210.6**	**176.4**

9. IMPAIRMENTS

EUR million	1–9/2016	1–9/2015	1–12/2015
Property, plant and equipment	2.8	2.8	2.4
Other intangible assets	0.0	3.0	2.9
Total	**2.8**	**5.8**	**5.3**

Restructuring actions during 2016 have led to an impairment of tangible assets (machinery and equipment and buildings), which were written off by EUR 2.8 million.

10. RESTRUCTURING COSTS

Konecranes has recorded EUR 15.1 million restructuring costs during for 1–9/2016 (EUR 15.5 million in 1–9/2015) of which EUR 2.8 million was impairment of assets (EUR 5.8 million for 1–9/2015). The remaining EUR 12.3 million of restructuring cost for 1–9/2016 is reported in personnel costs (EUR 8.3 million) and in other operating expenses (EUR 4.0 million).

Notes

11. INCOME TAXES

Taxes in statement of Income	1–9/2016	1–9/2015	1–12/2015
Local income taxes of group companies	12.9	13.7	24.6
Taxes from previous years	-2.5	0.4	-1.1
Change in deferred taxes	-0.5	-5.5	1.1
Total	**9.9**	**8.6**	**24.6**

Income tax expense is recognized based on the management's estimate of the annual income tax rate expected for the full financial year. The estimated annual tax rate used for 1–9/2016 is 27.0% (31.5% in 1–9/2015).

12. KEY FIGURES

	30.9.2016	30.9.2015	Change %	31.12.2015
Earnings per share, basic (EUR)	0.46	0.31	46.3	0.53
Earnings per share, diluted (EUR)	0.46	0.31	46.3	0.53
Alternative Performance Measures:				
Return on capital employed %, Rolling 12 Months (R12M)*	10.9	11.0	-0.9	9.5
Return on equity %, Rolling 12 Months (R12M)	9.3	11.1	-16.2	6.8
Equity per share (EUR)	7.08	7.32	-3.3	7.79
Current ratio	1.1	1.3	-15.4	1.1
Gearing %	44.0	53.1	-17.1	44.6
Solidity %	32.0	33.5	-4.5	34.8
Investments total (excl. acquisitions), EUR million	22.4	25.8	-13.0	49.3
Interest-bearing net debt, EUR million	183.5	228.5	-19.7	203.2
Net working capital, EUR million	322.5	334.4	-3.6	317.4
Average number of personnel during the period	11,509	11,946	-3.7	11,934
Average number of shares outstanding, basic	58,747,279	58,475,416	0.5	58,542,309
Average number of shares outstanding, diluted	58,747,279	58,500,195	0.4	58,542,309
Number of shares outstanding	58,751,009	58,732,429	0.0	58,732,429

**The premiums of foreign exchange forward contracts have been excluded in 2016 from the interest expenses when calculating ROCE. Comparison figures have been updated accordingly.*

Notes

Calculation of Alternative Performance Measures

Konecranes presents Alternative Performance Measures to reflect the underlying business performance and to enhance comparability between financial periods. Alternative Performance measures should not be considered as a substitute for measures of performance in accordance with the IFRS.

Return on equity (%): = $\frac{\text{Net profit for the period}}{\text{Total equity (average during the period)}}$ X 100

Return on capital employed (%): = $\frac{\text{Income before taxes + interest paid + other financing cost}}{\text{Total amount of equity and liabilities - non-interest bearing debts (average during the period)}}$ X 100

Current ratio: = $\frac{\text{Current assets}}{\text{Current liabilities}}$

Solidity (%): = $\frac{\text{Shareholders' equity}}{\text{Total amount of equity and liabilities - advance payment received}}$ X 100

Gearing (%): = $\frac{\text{Interest-bearing liabilities - liquid assets - loans receivable}}{\text{Total equity}}$ X 100

Equity per share: = $\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$

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)

Average number of personnel: = Calculated as average of number of personnel in quarters

Number of shares outstanding: = Total number of shares - treasury shares

EBITDA = Operating profit + Depreciation, amortization and impairments

Reconciliation of adjusted EBITDA and Operating profit (EBIT)	1–9/2016	1–9/2015	1–12/2015
Adjusted EBITDA	**126.8**	**109.5**	**166.5**
Transaction costs	-30.1	-8.5	-17.2
Restructuring costs (excluding impairments)	-12.3	-9.6	-15.2
Insurance indemnity related to identity theft	10.3	0.0	0.0
Unwarranted paymets due to indentity theft	0.0	-17.0	-17.0
EBITDA	**94.9**	**74.4**	**117.1**
Depreciation, amortization and impairments	-41.0	-42.2	-54.0
Operating profit (EBIT)	**53.9**	**32.2**	**63.0**
Adjusted Operating profit (EBIT)	**88.7**	**73.2**	**117.7**
Transaction costs	-30.1	-8.5	-17.2
Restructuring costs	-15.1	-15.5	-20.5
Insurance indemnity and returned funds related to identity theft	10.3	0.0	0.0
Unwarranted paymets due to indentity theft	0.0	-17.0	-17.0
Operating profit (EBIT)	**53.9**	**32.2**	**63.0**

Notes

Interest-bearing net debt	30.9.2016	30.9.2015	31.12.2015
Non current interest bearing liabilities	54.9	160.9	59.2
Current interest bearing liabilities	299.0	132.9	224.8
Net debt in assets held for sale	-3.7	0.0	0.0
Cash and cash equivalents	-166.7	-65.4	-80.8
Interest-bearing net debt	**183.5**	**228.5**	**203.2**

Net working capital	30.9.2016	30.9.2015	31.12.2015
Net working capital in balance sheet	287.6	334.4	317.4
Net working capital in asset held for sale	34.9	0.0	0.0
Net working capital	**322.5**	**334.4**	**317.4**

The period end exchange rates:	30.9.2016	25.9.2015	Change %	31.12.2015
USD - US dollar	1.116	1.115	-0.1	1.089
CAD - Canadian dollar	1.469	1.485	1.1	1.512
GBP - Pound sterling	0.861	0.735	-14.7	0.734
CNY - Chinese yuan	7.446	7.108	-4.5	7.061
SGD - Singapore dollar	1.524	1.586	4.1	1.542
SEK - Swedish krona	9.621	9.392	-2.4	9.190
NOK - Norwegian krone	8.987	9.513	5.9	9.603
AUD - Australian dollar	1.466	1.590	8.4	1.490

The period average exchange rates:	30.9.2016	25.9.2015	Change %	31.12.2015
USD - US dollar	1.116	1.114	-0.2	1.109
CAD - Canadian dollar	1.475	1.403	-4.9	1.419
GBP - Pound sterling	0.803	0.727	-9.5	0.726
CNY - Chinese yuan	7.348	6.958	-5.3	6.971
SGD - Singapore dollar	1.530	1.519	-0.7	1.525
SEK - Swedish krona	9.374	9.370	0.0	9.354
NOK - Norwegian krone	9.374	8.806	-6.1	8.949
AUD - Australian dollar	1.505	1.461	-2.9	1.478

13. GUARANTEES, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

EUR million	30.9.2016	30.9.2015	31.12.2015
For own commercial obligations			
Guarantees	400.7	437.0	437.3
Leasing liabilities			
Next year	32.3	34.2	35.7
Later on	87.6	81.4	76.4
Other	0.2	0.3	0.3
Total	**520.8**	**552.9**	**549.7**

Notes

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.

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.

14. FINANCIAL ASSETS AND LIABILITIES

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

EUR million Financial assets 30.9.2016	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	324.8	0.0	324.8
Derivative financial instruments	1.5	4.2	0.0	0.0	5.7
Financial assets held for trading	0.0	0.7	0.0	0.0	0.7
Cash and cash equivalents	0.0	0.0	166.7	0.0	166.7
Total	**1.5**	**4.8**	**491.5**	**0.0**	**497.8**

Financial liabilities 30.9.2016					
Non-current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	54.9	54.9
Derivative financial instruments	0.0	0.0	0.0	0.0	0.0
Other payables	0.0	0.0	0.0	4.9	4.9
Current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	299.0	299.0
Derivative financial instruments	1.5	1.8	0.0	0.0	3.3
Account and other payables	0.0	0.0	0.0	119.7	119.7
Total	**1.5**	**1.8**	**0.0**	**478.6**	**481.9**

Notes

EUR million **Financial assets 30.9.2015**	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	377.5	0.0	377.5
Derivative financial instruments	3.9	4.8	0.0	0.0	8.7
Financial assets held for trading	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	65.4	0.0	65.4
Total	**3.9**	**4.8**	**442.9**	**0.0**	**451.6**

Financial liabilities 30.9.2015					
Non-current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	160.9	160.9
Derivative financial instruments	1.3	0.0	0.0	0.0	1.3
Other payables	0.0	0.0	0.0	3.7	3.7
Current financial liabilities					
Interest-bearing liabilities	0.0	0.0	0.0	132.9	132.9
Derivative financial instruments	2.0	5.2	0.0	0.0	7.2
Account and other payables	0.0	0.0	0.0	142.7	142.7
Total	**3.3**	**5.2**	**0.0**	**440.3**	**448.8**

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
Financial assets held for trading	0.0	0.0	0.0	0.0	0.0
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**

Notes

The Company continues to have healthy gearing ratio of 44.0% (30.9.2015: 53.1%) 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 **30.9.2016**	Carrying amount **30.9.2015**	Carrying amount **31.12.2015**	Fair value **30.9.2016**	Fair value **30.9.2015**	Fair value **31.12.2015**
Current financial assets						
Account and other receivables	324.8	377.5	402.2	324.8	377.5	402.2
Derivative financial instruments	5.7	8.7	7.5	5.7	8.7	7.5
Financial assets held for trading	0.7	0.0	0.0	0.7	0.0	0.0
Cash and cash equivalents	166.7	65.4	80.8	166.7	65.4	80.8
Total	**497.8**	**451.6**	**490.5**	**497.8**	**451.6**	**490.5**

Financial liabilities						
Non-current financial liabilities						
Interest-bearing liabilities	54.9	160.9	59.2	54.9	159.6	59.2
Derivative financial instruments	0.0	1.3	0.0	0.0	1.3	0.0
Other payables	4.9	3.7	3.6	4.9	3.7	3.6
Current financial liabilities						
Interest-bearing liabilities	299.0	132.9	224.8	299.0	132.9	223.8
Derivative financial instruments	3.3	7.2	11.4	3.3	7.2	11.4
Account and other payables	119.7	142.7	171.0	119.7	142.7	171.3
Total	**481.9**	**448.8**	**470.0**	**481.9**	**447.4**	**469.2**

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current payables 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	30.9.2016 Level 1	30.9.2016 Level 2	30.9.2016 Level 3	30.9.2015 Level 1	30.9.2015 Level 2	30.9.2015 Level 3	31.12.2015 Level 1	31.12.2015 Level 2	31.12.2015 Level 3
Derivative financial instruments									
Foreign exchange forward contracts	0.0	3.5	0.0	0.0	8.7	0.0	0.0	7.5	0.0
Currency options	0.0	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets held for trading	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electricity derivatives	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.7**	**5.7**	**0.0**	**0.0**	**8.7**	**0.0**	**0.0**	**7.5**	**0.0**
Other financial assets									
Cash and cash equivalents	166.7	0.0	0.0	65.4	0.0	0.0	80.8	0.0	0.0
Total	**166.7**	**0.0**	**0.0**	**65.4**	**0.0**	**0.0**	**80.8**	**0.0**	**0.0**
Total financial assets	**167.3**	**5.7**	**0.0**	**65.4**	**8.7**	**0.0**	**80.8**	**7.5**	**0.0**

Financial liabilities	30.9.2016 Level 1	30.9.2016 Level 2	30.9.2016 Level 3	30.9.2015 Level 1	30.9.2015 Level 2	30.9.2015 Level 3	31.12.2015 Level 1	31.12.2015 Level 2	31.12.2015 Level 3
Derivative financial instruments									
Foreign exchange forward contracts	0.0	2.9	0.0	0.0	6.6	0.0	0.0	9.7	0.0
Currency options	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest rate swaps	0.0	0.1	0.0	0.0	1.3	0.0	0.0	1.1	0.0
Electricity forward contracts	0.0	0.3	0.0	0.0	0.6	0.0	0.0	0.6	0.0
Total	**0.0**	**3.3**	**0.0**	**0.0**	**8.5**	**0.0**	**0.0**	**11.4**	**0.0**
Other financial liabilities									
Interest bearing liabilities	0.0	353.9	0.0	0.0	293.9	0.0	0.0	284.0	0.0
Other payables	0.0	0.0	4.9	0.0	0.0	5.0	0.0	0.0	4.0
Total	**0.0**	**353.9**	**4.9**	**0.0**	**293.9**	**5.0**	**0.0**	**284.0**	**4.0**
Total financial liabilities	**0.0**	**357.2**	**4.9**	**0.0**	**302.3**	**5.0**	**0.0**	**295.4**	**4.0**

15. HEDGE ACTIVITIES AND DERIVATIVES

EUR million	30.9.2016 Nominal value	30.9.2016 Fair value	30.9.2015 Nominal value	30.9.2015 Fair value	31.12.2015 Nominal value	31.12.2015 Fair value
Foreign exchange forward contracts	607.4	0.6	728.8	2.2	788.7	-2.2
Currency options	1,571.8	2.2	6.1	0.0	0.0	0.0
Interest rate swaps	100.0	-0.1	100.0	-1.3	100.0	-1.1
Fuel oil derivative	0.5	0.0	0.0	0.0	0.0	0.0
Electricity derivatives	0.9	-0.3	1.5	-0.6	1.3	-0.6
Total	**2,280.6**	**2.4**	**836.4**	**0.3**	**890.0**	**-3.9**

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. The majority of currency options relates to the hedging structure of the Terex MHPS acquisition currency risk.

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 13.7% 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 September 30, 2016 and September 30, 2015, the Group had an interest rate swap agreement in place with a notional amount of EUR 100 million (2015: 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 2016 and 2015 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	30.9.2016	30.9.2015	31.12.2015
Balance as of January 1	-9.1	-8.6	-8.6
Gains and losses deferred to equity (fair value reserve)	13.5	-1.5	-0.6
Change in deferred taxes	-2.7	0.3	0.1
Balance as of December 31	**1.7**	**-9.8**	**-9.1**

16. TRANSACTIONS WITH ASSOCIATED COMPANIES AND JOINT ARRANGEMENTS

EUR million	30.9.2016	30.9.2015	31.12.2015
Sales of goods and services with associated companies and joint arrangements	17.4	11.9	14.9
Receivables from associated companies and joint arrangements	6.7	3.9	3.6
Purchases of goods and services from associated companies and joint arrangements	37.1	33.8	45.6
Liabilities to associated companies and joint arrangements	4.4	4.2	4.6

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Sales	**517.6**	**528.8**	**458.6**	**609.0**	**506.7**	**535.6**	**474.9**
Other operating income	0.3	0.6	0.3	0.8	0.1	0.3	0.3
Depreciation and impairments	-12.2	-13.6	-12.3	-12.4	-11.9	-12.7	-11.7
Adjustments *)	-12.9	-7.4	-14.4	-13.8	-29.1	-9.5	-2.3
Other operating expenses	-467.8	-479.8	-431.8	-552.8	-461.6	-497.4	-449.4
Operating profit	**25.0**	**28.6**	**0.3**	**30.8**	**4.1**	**16.3**	**11.8**
Share of associates' and joint ventures' result	6.6	3.6	1.2	1.2	0.5	1.7	1.3
Financial income and expenses	-10.3	-9.8	-8.6	-3.4	-2.7	-1.3	-5.1
Profit before taxes	**21.3**	**22.4**	**-7.1**	**28.6**	**2.0**	**16.7**	**8.1**
Taxes	-5.4	-6.4	2.0	-16.0	-0.8	-5.3	-2.5
Net profit for the period	**15.8**	**16.0**	**-5.1**	**12.6**	**1.2**	**11.4**	**5.6**

**) Adjustments include transaction costs (EUR 8.5 million in Q3/2015, EUR 8.7 million in Q4/2015, EUR 10.7 million in Q1/2016, EUR 11.5 million in Q2/2016 and EUR 7.9 million in Q3/2016) which contain advisory, legal and consulting fees related to terminated merger plan with Terex and proposed acquisition of Terex MHPS, restructuring costs (EUR 3.7 million in Q3/2015, EUR 5.0 million in Q4/2015, EUR 3.8 million in Q1/2016, EUR 5.9 million in Q2/2016 and EUR 5.4 million in Q3/2016) 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 as well as insurance indemnity of EUR 10.0 million in Q2/2016 and returned funds of EUR 0.3 million in Q3/2016 related to this identity theft. The adjustments in Q1–Q2/2015 included restructuring costs only.*

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Goodwill	84.3	105.4	105.7	107.6	106.7	108.7	110.3
Intangible assets	98.6	104.0	103.0	108.7	96.6	94.2	98.0
Property, plant and equipment	126.3	136.0	136.2	142.5	142.5	146.7	155.8
Other	86.5	136.3	142.4	146.9	157.3	157.7	154.8
Total non-current assets	**395.7**	**481.7**	**487.3**	**505.7**	**503.1**	**507.4**	**518.9**
Inventories	345.0	381.6	376.5	365.2	398.9	383.9	390.8
Receivables and other current assets	465.4	517.8	493.5	533.2	527.6	521.3	535.2
Cash and cash equivalents	166.7	80.5	118.2	80.8	65.4	72.7	147.6
Total current assets	**977.1**	**980.0**	**988.1**	**979.2**	**991.9**	**978.0**	**1,073.6**
Asset held for sale	**104.2**	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	**1,477.0**	**1,461.7**	**1,475.4**	**1,484.9**	**1,495.0**	**1,485.4**	**1,592.5**

EQUITY AND LIABILITIES	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Total equity	**416.2**	**401.9**	**392.2**	**456.0**	**430.3**	**436.9**	**425.7**
Non-current liabilities	108.3	167.5	166.1	171.3	280.3	281.9	281.0
Provisions	48.2	49.3	48.4	52.9	48.1	49.1	49.0
Advance payments received	171.3	193.2	181.8	176.4	210.6	176.0	184.6
Other current liabilities	644.5	649.8	686.9	628.4	525.7	541.4	652.3
Total liabilities	**972.3**	**1,059.8**	**1,083.2**	**1,028.9**	**1,064.7**	**1,048.5**	**1,166.9**
Liabilities directly attributable to assets held for sale	**88.5**	0.0	0.0	0.0	0.0	0.0	0.0
Total equity and liabilities	**1,477.0**	**1,461.7**	**1,475.4**	**1,484.9**	**1,495.0**	**1,485.4**	**1,592.5**

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT – QUARTERLY

EUR million	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Operating income before change in net working capital	42.6	43.1	13.1	40.1	15.9	33.1	26.4
Change in net working capital	21.2	-8.5	-4.0	8.5	37.2	-14.3	-58.9
Financing items and taxes	-30.4	-17.3	-12.2	-7.7	-5.9	-13.2	-21.8
Net cash from operating activities	**33.4**	**17.3**	**-3.1**	**40.9**	**47.1**	**5.7**	**-54.4**
Cash flow from investing activities	**-7.2**	**-7.1**	**-3.8**	**-16.1**	**-7.5**	**-8.9**	**-8.2**
Cash flow before financing activities	**26.2**	**10.2**	**-6.9**	**24.7**	**39.6**	**-3.3**	**-62.6**
Proceeds from options exercised and share issues	0.0	0.0	0.0	0.0	0.0	2.5	11.8
Change of interest-bearing debt	16.3	13.1	45.4	-9.6	-38.1	-10.7	95.2
Acquired non-controllling interest	0.0	0.0	-0.3	0.0	-5.9	0.0	0.0
Proceeds from disposal of associated company	47.8	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid to equity holders of the parent	0.0	-61.7	0.0	0.0	0.0	-61.5	0.0
Net cash used in financing activities	**64.1**	**-48.6**	**45.1**	**-9.7**	**-43.9**	**-69.6**	**106.9**
Translation differences in cash	-0.4	0.8	-0.8	0.3	-3.0	-2.0	5.3
Change of cash and cash equivalents	**89.9**	**-37.6**	**37.4**	**15.4**	**-7.3**	**-74.9**	**49.7**
Cash and cash equivalents at beginning of period	80.5	118.2	80.8	65.4	72.7	147.6	97.9
Cash and cash equivalents at end of period	170.4	80.5	118.2	80.8	65.4	72.7	147.6
Change of cash and cash equivalents	**89.9**	**-37.6**	**37.4**	**15.4**	**-7.3**	**-74.9**	**49.7**
Free Cash Flow	**26.5**	**10.1**	**-6.9**	**24.8**	**39.6**	**-3.3**	**-62.6**

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Service [1]	187.1	203.5	193.4	200.3	202.3	211.8	195.0
Equipment	250.3	296.4	248.9	336.2	268.7	302.6	350.1
./. Internal	-17.2	-19.7	-17.2	-24.0	-27.2	-24.2	-26.2
Total	**420.3**	**480.2**	**425.1**	**512.5**	**443.8**	**490.3**	**518.8**

[1] *Excl. Service Contract Base*

Order book by Business Area	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Service	193.3	192.8	181.6	165.8	185.4	181.7	174.3
Equipment	794.4	850.5	854.0	870.7	889.9	918.6	936.8
Total	**987.7**	**1,043.3**	**1,035.6**	**1,036.5**	**1,075.3**	**1,100.4**	**1,111.1**

Sales by Business Area	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Service	234.4	244.7	221.3	275.9	242.4	248.2	225.8
Equipment	302.5	305.3	257.9	361.3	290.1	313.5	275.4
./. Internal	-19.3	-21.2	-20.7	-28.3	-25.8	-26.1	-26.3
Total	**517.6**	**528.8**	**458.6**	**609.0**	**506.7**	**535.6**	**474.9**

Adjusted operating profit (EBIT) by Business Area	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Service	27.0	28.3	17.5	33.8	25.4	23.7	19.9
Equipment	15.8	12.8	1.7	15.5	12.1	8.4	-2.3
Group costs and eliminations	-4.9	-5.1	-4.4	-4.8	-4.3	-6.4	-3.4
Total	**37.9**	**36.0**	**14.8**	**44.6**	**33.3**	**25.7**	**14.2**

Adjusted operating margin, (EBIT %) by Business Area	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Service	11.5%	11.5%	7.9%	12.3%	10.5%	9.6%	8.8%
Equipment	5.2%	4.2%	0.6%	4.3%	4.2%	2.7%	-0.8%
Group EBIT % total	**7.3%**	**6.8%**	**3.2%**	**7.3%**	**6.6%**	**4.8%**	**3.0%**

Quarterly figures

QUARTERLY SEGMENT INFORMATION

Personnel by Business Area (at the end of the period)	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Service	6,102	6,324	6,399	6,503	6,515	6,387	6,307
Equipment	4,935	5,064	5,153	5,328	5,428	5,460	5,544
Group staff	60	56	57	56	54	53	54
Total	**11,097**	**11,444**	**11,609**	**11,887**	**11,997**	**11,900**	**11,905**

Sales by market	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Europe-Middle East-Africa (EMEA)	225.5	256.0	234.0	289.5	239.2	230.6	201.2
Americas (AME)	218.6	189.1	161.8	232.3	201.6	200.4	189.4
Asia-Pacific (APAC)	73.5	83.8	62.7	87.2	66.0	104.5	84.3
Total	**517.6**	**528.8**	**458.6**	**609.0**	**506.7**	**535.6**	**474.9**

Personnel by region (at the end of the period)	Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Europe-Middle East-Africa (EMEA)	5,911	6,111	6,168	6,237	6,276	6,217	6,217
Americas (AME)	2,754	2,816	2,883	2,968	2,998	2,931	2,889
Asia-Pacific (APAC)	2,432	2,517	2,558	2,682	2,723	2,752	2,799
Total	**11,097**	**11,444**	**11,609**	**11,887**	**11,997**	**11,900**	**11,905**

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at Savoy restaurant's Salikabinetti (address: 14 Eteläesplanadi) at 11.00 a.m. Finnish time. The Interim Report 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 October 5, 2016 for the conference call details.

NEXT REPORT

Konecranes' Financial Statements Bulletin 2016 will be published on February 1, 2017.

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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 11,100 employees at 600 locations in 48 countries. Konecranes is listed on Nasdaq Helsinki (symbol: KCR1V).

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