

REVIEW BY THE CEO

AGM March 26, 2015

Pekka Lundmark



AGENDA

- Key financials in 2014
- Strategy implementation
- Outlook





KEY FINANCIALS IN 2014

PROFITABILITY IMPROVED THANKS TO STRONG PERFORMANCE IN SERVICE

- Order book and Service contract base value strengthened towards year-end
 - Continued strength in North America
- Operating profit improved despite lower net sales
 - Service profitability improvement continued
- Cash flow



- Second year without sales growth
- Underabsorption of fixed costs in Equipment despite cost savings
- Market conditions continued soft in emerging markets



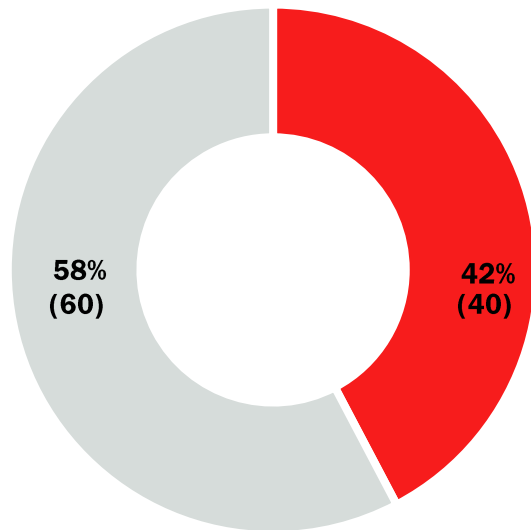
KEY FIGURES

KEY FIGURES	2014	2013	Chg %	Chg % FX adj.
Orders received, MEUR	1,903.5	1,920.8	-0.9	+0.5
Order book at end of period, MEUR	979.5	893.5	+9.6	+6.0
Net sales, MEUR	2,011.4	2,099.6	-4.2	-2.8
EBITDA excluding restructuring costs, MEUR	162.2	154.6	+4.9	
EBITDA excluding restructuring costs, %	8.1%	7.4%		
Operating profit (EBIT) excluding restructuring costs, MEUR	119.1	115.5	+3.1	
Operating margin (EBIT) excluding restructuring costs, %	5.9%	5.5%		
EPS, basic, EUR	1.28	0.85	+51.0	
Free cash flow, MEUR	109.4	64.0	+71.0	
Return on capital employed %, Rolling 12 Months	17.0%	11.6%		

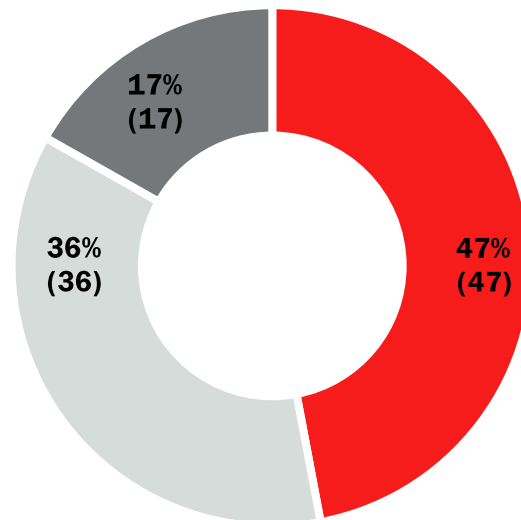
GROWTH EXPECTED TO RESTART IN 2015 AFTER FOUR YEARS OF FLAT TOPLINE



SERVICE SHARE INCREASED TO 42

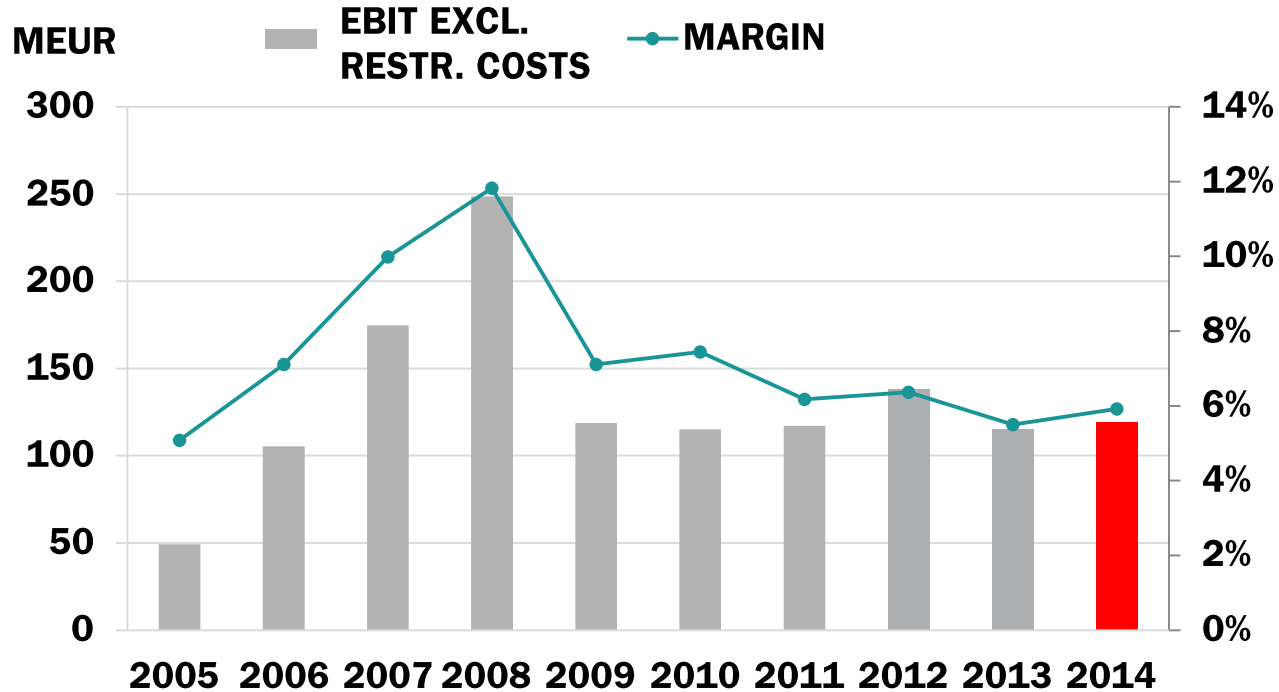


■ SERVICE ■ EQUIPMENT

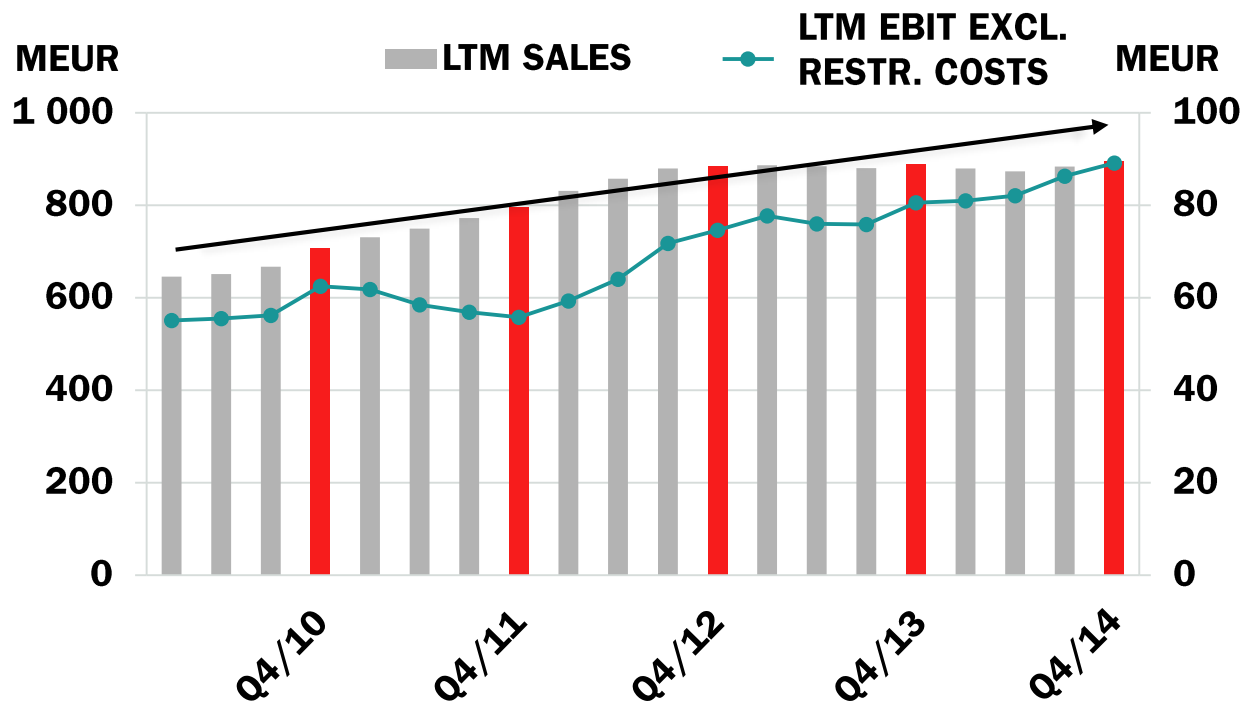


■ EMEA ■ AME ■ APAC

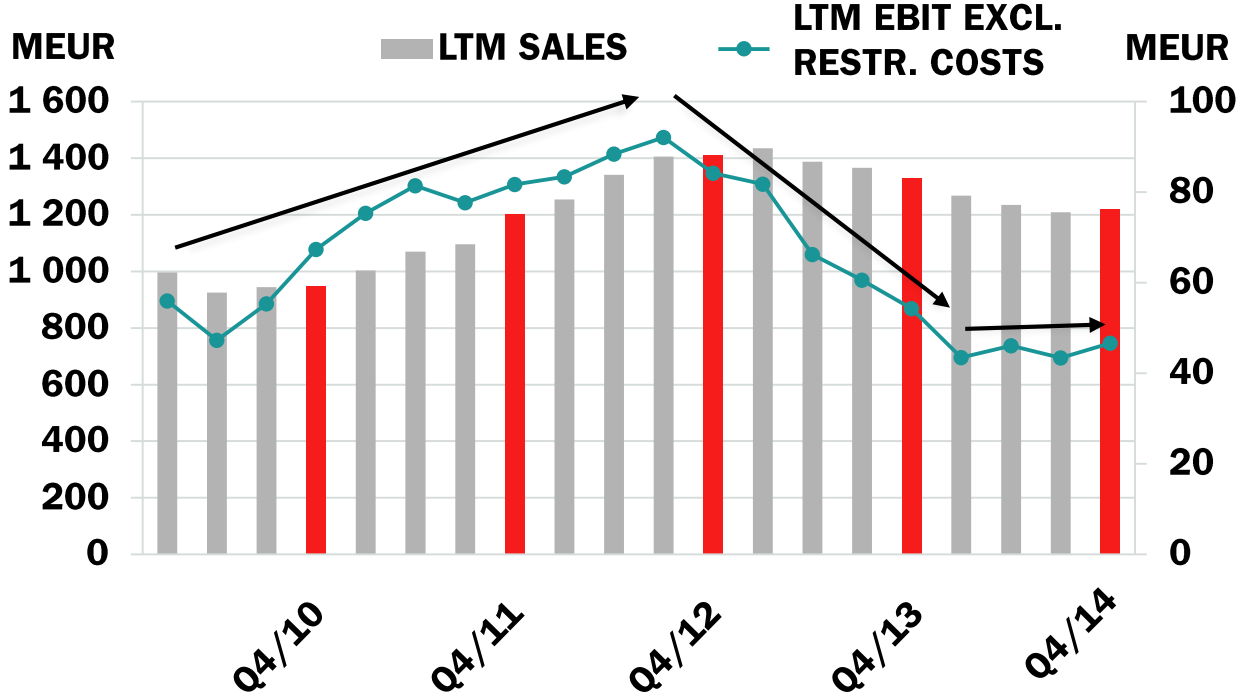
EBIT IMPROVED SLIGHTLY DESPITE LOWER SALES



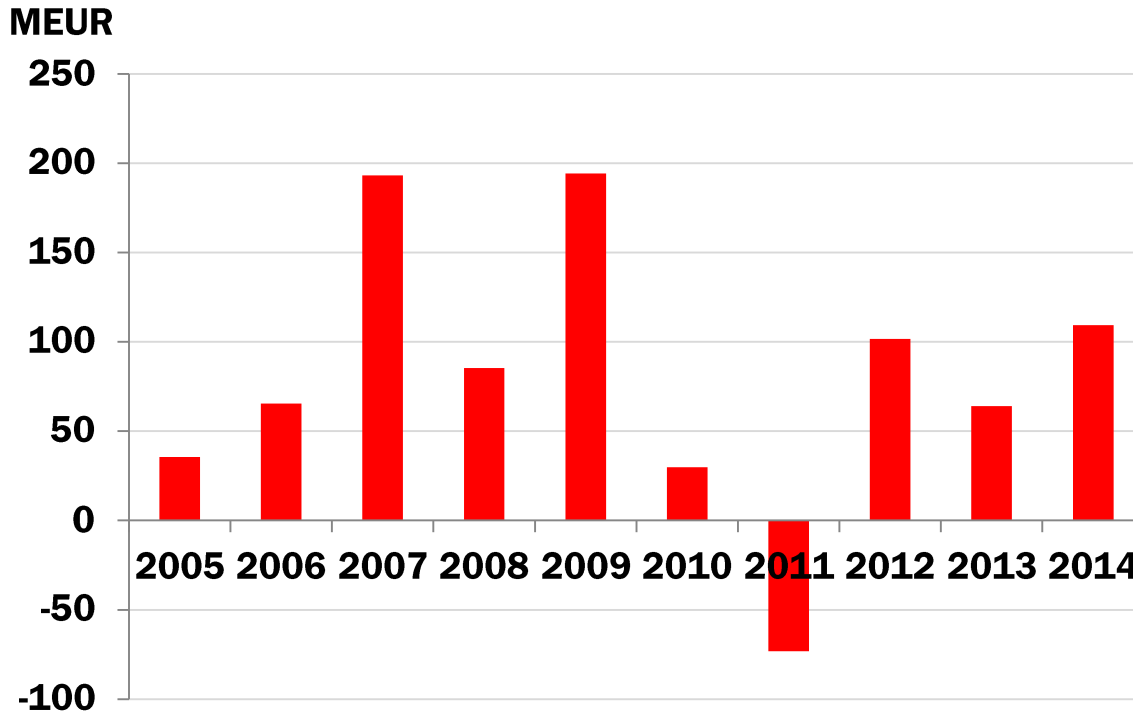
SERVICE EBIT HAS IMPROVED CONSISTENTLY SINCE 2011



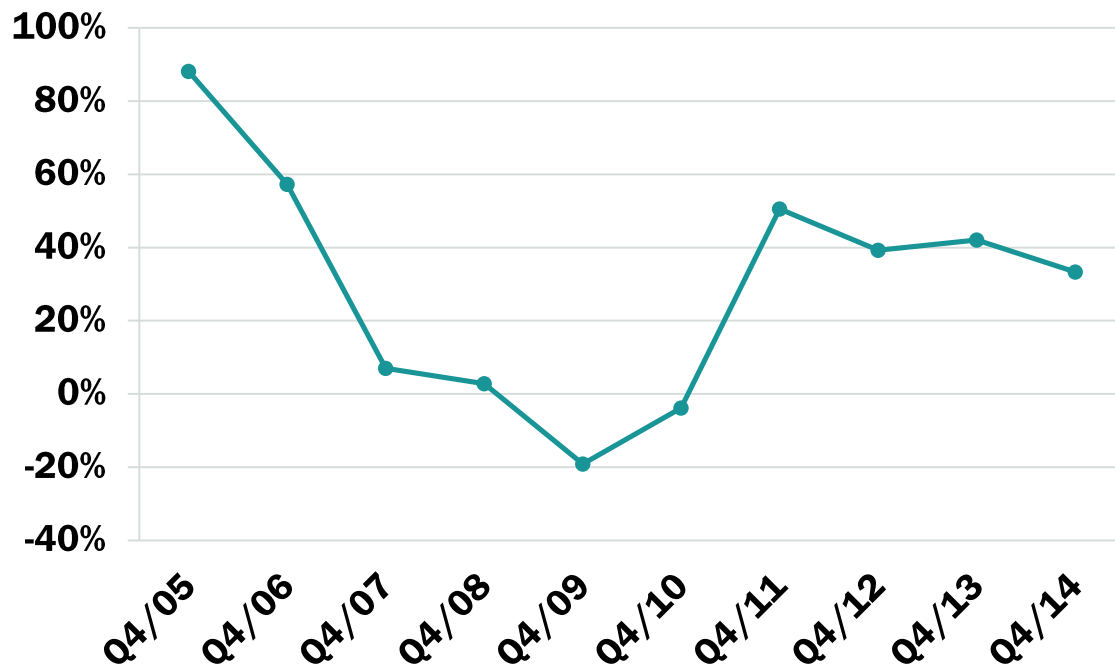
EQUIPMENT EBIT STABILIZED



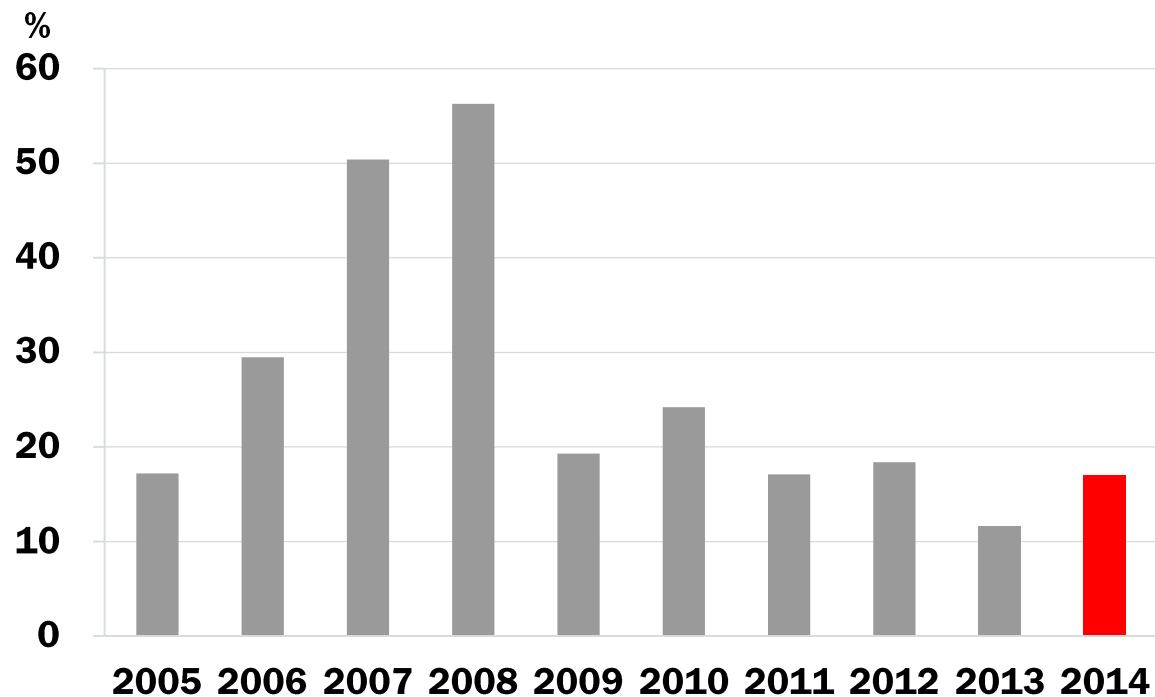
NET WORKING CAPITAL RELEASE AND LOWER INVESTMENTS SUPPORTED FREE CASH FLOW



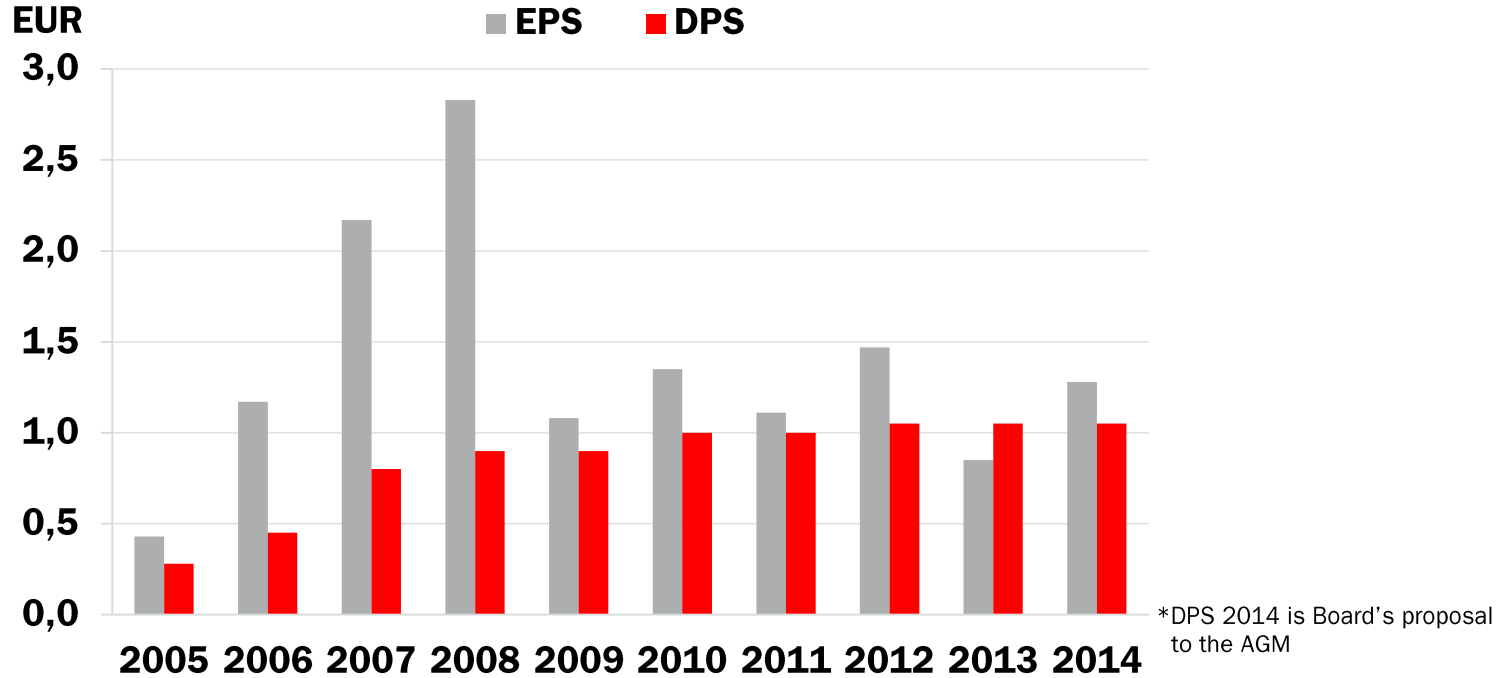
GEARING FELL THANKS TO STRONG CASH FLOW



RETURN ON CAPITAL EMPLOYED IMPROVED TO 17 PERCENT



EPS AND DPS



STRATEGY IMPLEMENTATION



MEGATRENDS CREATE BUSINESS OPPORTUNITIES



STRATEGIC INITIATIVES

1

**INDUSTRIAL
INTERNET**

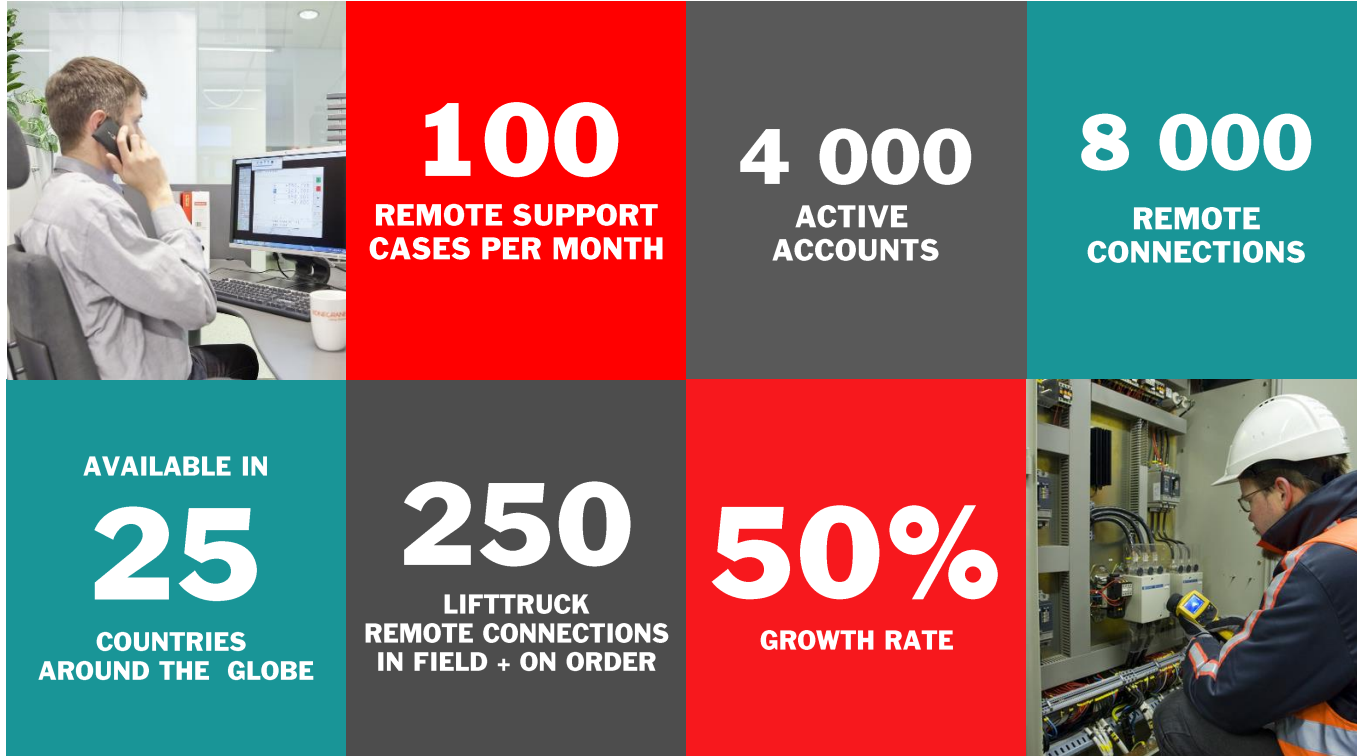
2

**SEGMENT-BASED
OFFERING**

3

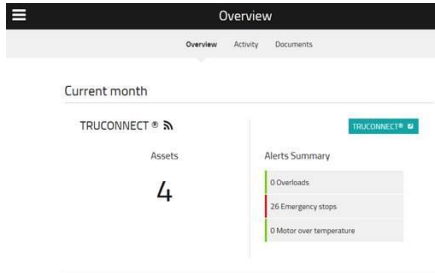
OneKONECRANES

REAL-TIME SERVICE BY THE NUMBERS

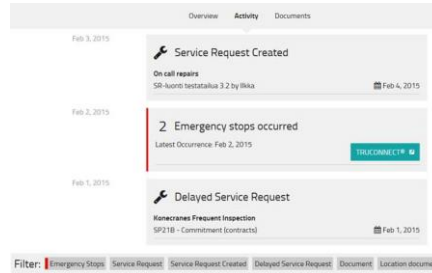


NEW DIGITAL CUSTOMER INTERFACE

Overview, TRUCONNECT Summary



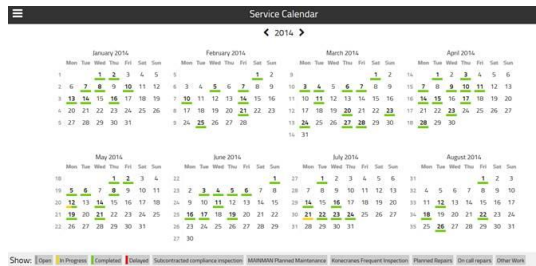
Overview, Latest Activities



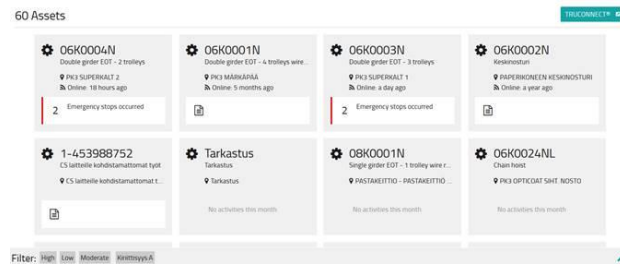
Asset Statistics



Service Calendar

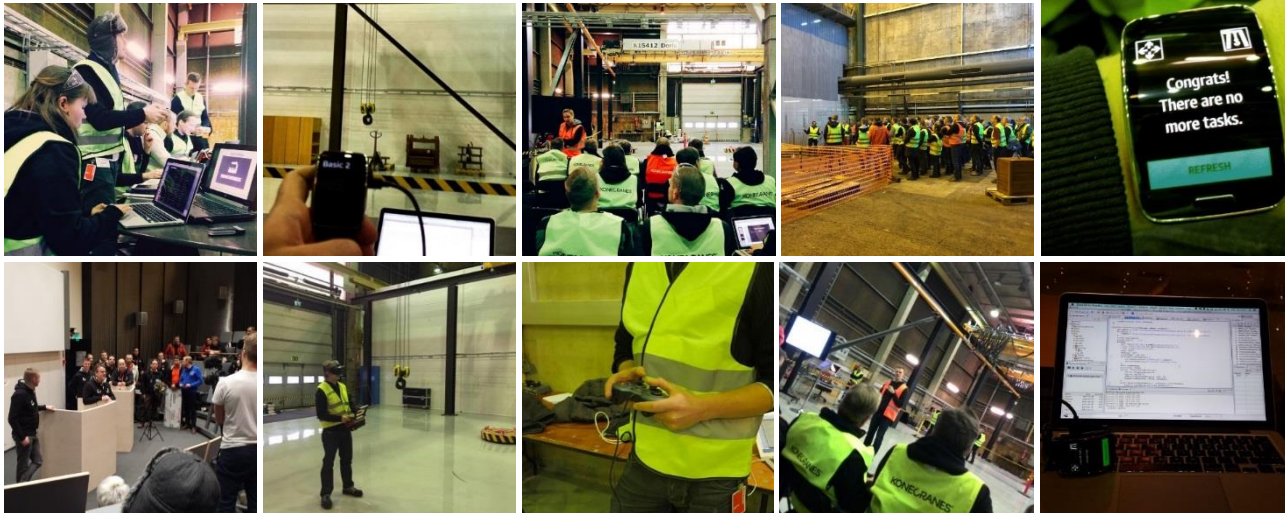


Asset Fleet



The first industrial hackathon

INDUSTRYHACK AT KONECRANES

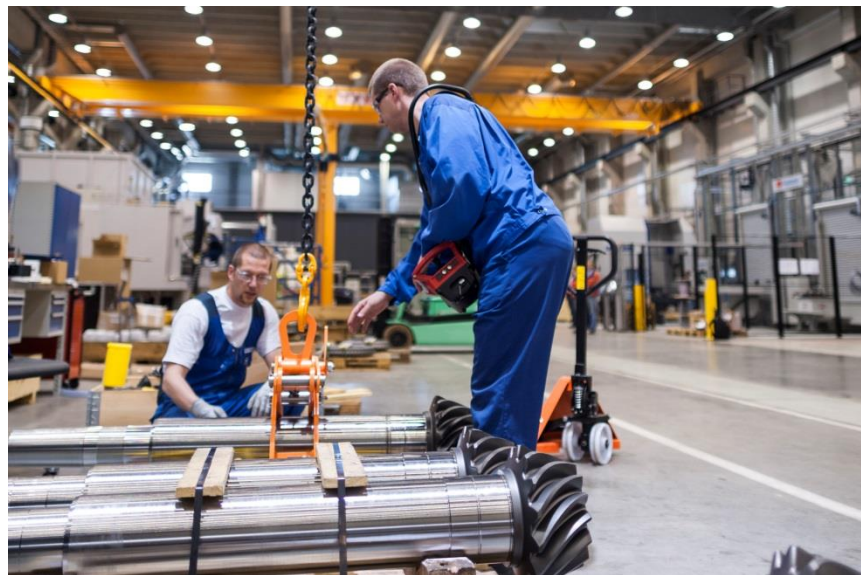


SEGMENTATION

Advanced customer need



Basic need



**LIGHT AND
SIMPLE TROLLEY**

BOXHUNTER

COUNTERWEIGHTS

**WE BROUGHT
DOWN THE CABIN**

**WE BROUGHT DOWN
THE MACHINERY**



S5 WIRE ROPE HOISTS



MORRIS
CRANE SYSTEMS

KONECRANES









CXT UNO



UNITON



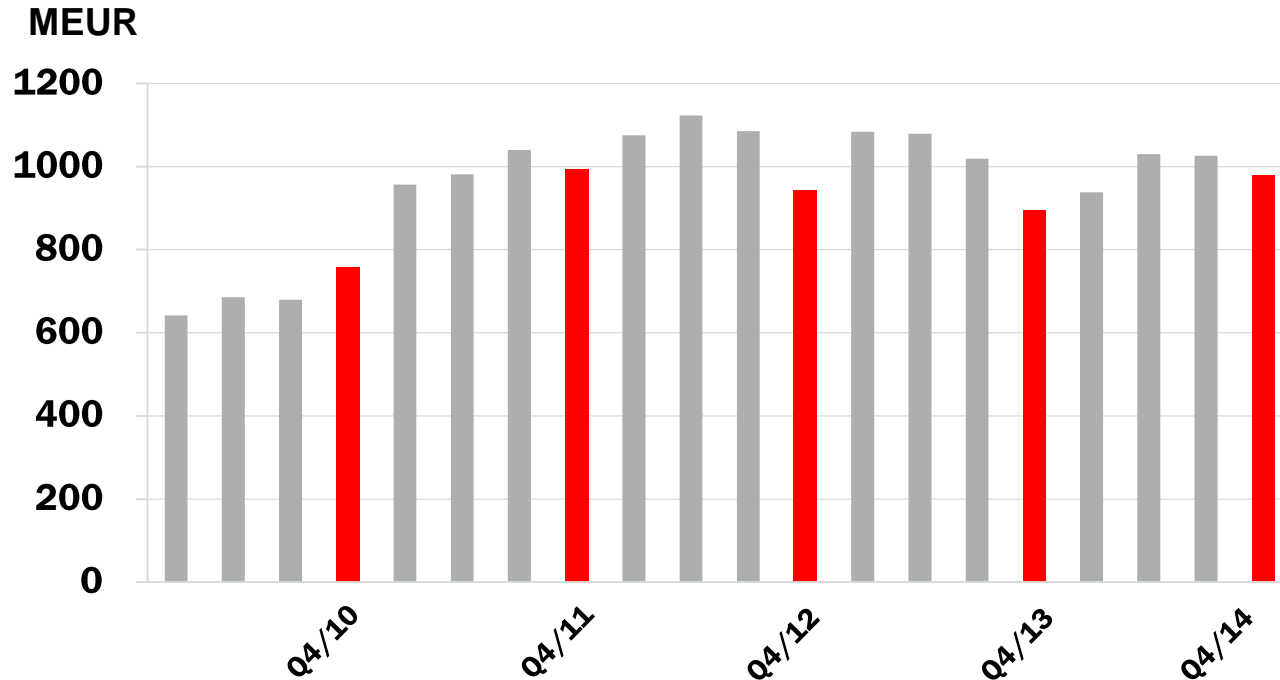
IT INVESTMENT SUMMARY

	Projects ongoing in:	Completion rate:
	Sales and customer relationship management	
	Product configuration & pricing	
	Material delivery and finance	
	Field service operations	

OUTLOOK



STARTING 2015 WITH 10 PERCENT HIGHER ORDER BOOK



MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF FEBRUARY 4, 2015

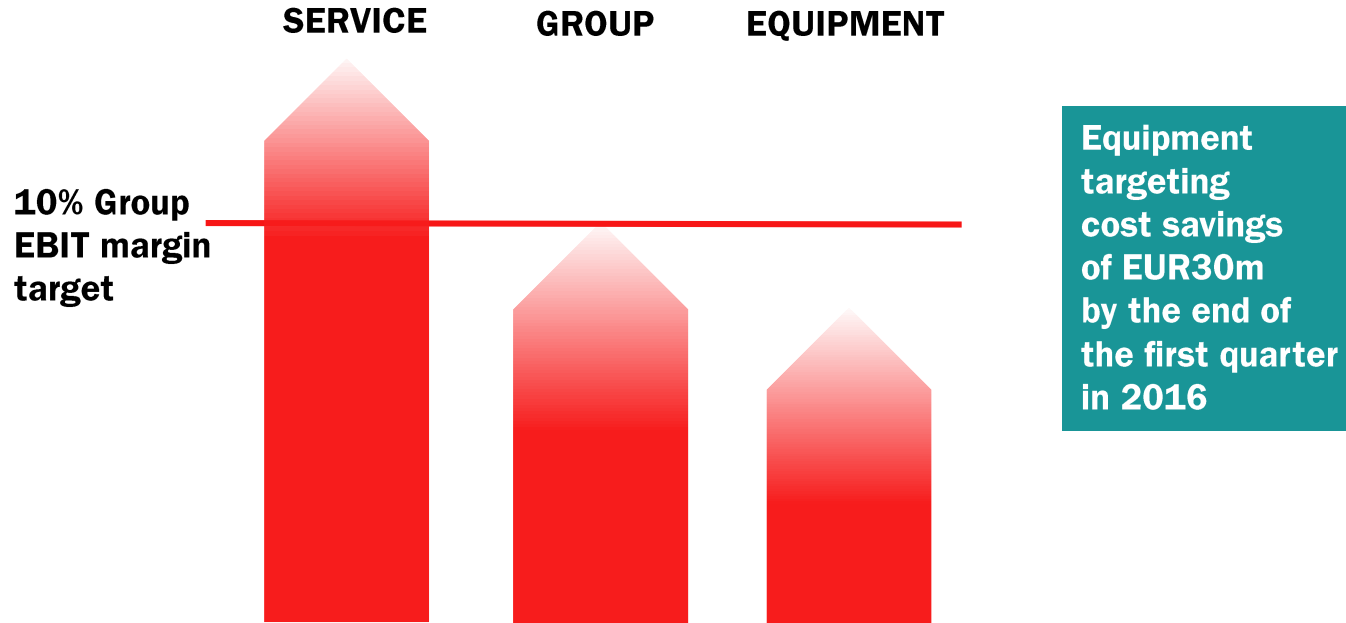
Market outlook

- European customers are still cautious about investing.
- The Purchasing Managers' Indexes are giving a reason for the continued optimism regarding the U.S. market.
- The near-term market outlook in emerging markets remains uncertain.
- Continued contract base growth bodes well for the future of the service business.

Financial guidance

- Based on the order book, service contract base and the near-term demand outlook, the year 2015 sales are expected to be higher than in 2014.
- We expect the 2015 operating profit, excluding restructuring costs, to improve from 2014.

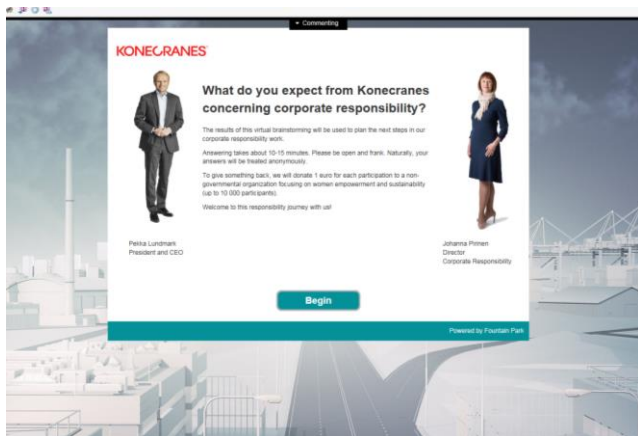
TARGETING PROFITABILITY IMPROVEMENT IN BOTH SERVICE AND EQUIPMENT



WE HAVE STARTED CORPORATE RESPONSIBILITY STAKEHOLDER DIALOGUE

Please tell us your expectations on corporate responsibility!

Web-based survey available until the end of March.



English:

www.konecranes.com/stakeholderdialogue

Finnish:

www.konecranes.com/sidosryhmadialogi



KONECRANES



**NOT JUST LIFTING
THINGS, BUT ENTIRE
BUSINESSES**