

SERVICE  
LIGHT LIFTING  
INDUSTRIAL CRANES  
PROCESS CRANES  
PORT CRANES  
LIFT TRUCKS  
YARD INFORMATION TECHNOLOGY  
MACHINE TOOL SERVICE

**KONECRANES®**  
Lifting Businesses™

## Financial Statements Bulletin 2008



# Excellent performance in 2008, demand decreased towards end of the year

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

## FOURTH QUARTER HIGHLIGHTS

- Order intake was EUR 409.6 million (471.0), 13 percent lower than a year before. Change at comparable currency rates was -11 percent.
- Order intake increased by 4.5 percent in Service but decreased by 8.3 percent in Standard Lifting and by 29.6 percent in Heavy Lifting.
- Order book at year-end was EUR 836.3 million (757.9), which is 10.3 percent higher than a year before.
- Sales grew by 24.4 percent to EUR 650.4 million (522.8). Growth at comparable currency rates was 26.7 percent.
- Operating profit was EUR 76.5 million (60.4), 11.8 percent of sales (11.6).

## FULL YEAR 2008 HIGHLIGHTS

- Orders received grew by 10.4 percent and totaled EUR 2,067.1 million (1,872.0). Growth at comparable currency rates was 14.3 percent.
- Sales grew by 20.2 percent and were EUR 2,102.5 million (1,749.7) meeting the target of 15-20 %. Growth at comparable currency rates was 24.3 percent. Sales growth was supported by all Business Areas.
- Operating profit increased to EUR 248.7 million (174.7, excluding capital gain) and was 11.8 percent of sales (10.0, excluding capital gain), well in line with the target. Margin development was very good in all Business Areas.
- Profit before taxes was EUR 236.2 million (161.2, excluding capital gain).
- Earnings per share (diluted) were EUR 2.82 (1.92, excluding capital gain).
- Dividend proposed by Board of Directors is EUR 0.90 (0.80) per share

## FUTURE PROSPECTS

Due to the widespread recession, the market for new equipment is anticipated to decline significantly in Western Europe and North America and to a lesser extent in the emerging markets in 2009. The services market is anticipated to continue to show a better stability than the new equipment market. Actions to adjust capacity and cost base to a lower demand are under way. Company's target is to continue to grow its market share in the downturn, which could partly compensate for the negative effects of the market decline.

The current market uncertainty makes it difficult to give any reliable sales or profitability guidance for the full year 2009 at this stage. However, based on the current order book and the outlook for the order intake in the near future, Konecranes estimates sales in the first half of the year to be approximately at the same level as in the corresponding period a year before. Operating margin is estimated to be somewhat lower than in the corresponding period in 2008. However, Konecranes sees no reason to change its long term growth goals and repeats its over the cycle operating margin target of 10 percent.

## KEY FIGURES

	<b>10-12/2008</b>	<b>10-12/2007</b>	<b>Change %</b>	<b>1-12/2008</b>	<b>1-12/2007</b>	<b>Change %</b>
Orders received, MEUR	409.6	471.0	-13.0	2,067.1	1,872.0	10.4
Order book at end of period, MEUR	836.3	757.9	10.3	836.3	757.9	10.3
Sales total, MEUR	650.4	522.8	24.4	2,102.5	1,749.7	20.2
Operating profit, MEUR	76.5	60.4	26.6	248.7	174.7*	42.3
Operating margin, %	11.8 %	11.6 %		11.8 %	10.0 %*	
Profit before taxes, MEUR	73.8	56.9	29.8	236.2	161.2*	46.5
Net profit for the period, MEUR	50.0	42.6	17.3	166.6	116.1*	43.4
Earnings per share, basic, EUR	0.85	0.71	19.1	2.83	1.95*	45.5
Earnings per share, diluted, EUR	0.85	0.70	20.4	2.82	1.92*	47.0
Gearing %				2.8 %	7.0 %	
Return on capital employed %				56.3 %	50.4 %	
Average number of personnel during the period				9,222	8,005	

\* 2007 operating profit, operating margin, profit before taxes, net profit for the period and earnings per share figures are presented excluding the capital gain on the sale of real estate booked in Q2 2007, while other figures include the capital gain. Including the capital gain, the operating profit and profit before taxes is EUR 17.6 million higher, the net profit for the period is EUR 13.0 million higher, and earnings per share is 0.22 EUR higher than presented.

### **President and CEO Pekka Lundmark:**

“The year 2008 goes down in Konecranes’ history as one of extremes. Operationally, more or less all the targets we had set ourselves for growth, profitability and capital efficiency were met. Yet, during the year our share lost half of its value and the year ended with market uncertainty not seen for a long time.

Our sales grew 20.2 % during the year, to 2,102.5 MEUR. We have grown 3.2-fold since 2003. We estimate that our market share has grown from 7.5 % to 17 % during the same time period. Approximately two thirds of this growth has been organic. We can also be satisfied with our operating margin, 11.8 %, up from 10 % the year before. In spite of this fast growth we were able to keep our balance sheet, especially our net working capital, in good shape. Higher margins together with a tight balance sheet generated an excellent 56.3 % return on capital employed.

However, it was clear throughout the year that it would be only a matter of time before the turbulence in the financial market that had already started in the summer of 2007 would start to take a toll on the real economy. After a typically slow summer there was a slight pickup in demand in the early fall, but a sudden and abrupt drop in demand hit us in November. Almost in a synchronized manner, customers all over the world and in all industries put investments on hold, taking a wait-and-see attitude.

The business environment experienced in 2008 was challenging for operations planning. At a time when most day-to-day matters had to do with bottlenecks in the supply chain or delivery times that were longer than desired, it was obvious that preparations for a change for the worse were necessary. We made our first contingency plans for a severe recession as far back as January 2008. Many of these plans are now being implemented. Since no one knows how long or how deep the downturn will be, a significant part of the game will be about our capability to adjust.

Approximately two thirds of our cost base in 2008 was materials and subcontracting. By far the largest portion of the remaining third was personnel costs. There is substantial adjustment potential in both. Traditionally, we have had a decentralized approach to procurement. We have identified significant cost reduction potential through a more centrally-facilitated supplier base management. Part of the savings potential is expected to be realized as early as 2009, but there is more to be achieved in the years to come.

Our personnel has grown rapidly in recent years. The two largest components in this increase are personnel from acquired companies and service technicians. In a downturn, it is obvious that we cannot offer the same number of jobs as during a peak cycle. While we are in the process of reducing our workforce, it is also important to make sure that we maintain and develop our competencies to be prepared when the economy recovers. Unintelligent cutting is counterproductive; even in a severe downturn opportunities can be found. Our R&D investment will not be compromised. The services market will maintain momentum in a recession, and modernizing old equipment instead of buying new is often a viable option. The market is still fragmented, and it is likely that interesting acquisition opportunities will open up when market actors are hit by falling demand.

In summary, we are not immune to a recession. However, we see the situation as a great opportunity to further strengthen our relative market position, on our journey toward our vision of holding a 30 percent global market share.”

## Report of the Board of Directors 2008

### Market review

Despite uncertainties in financial markets, 2008 began strongly and industrial output grew rapidly in Konecranes's core market areas. The solid economic situation was reflected positively on customer industries, especially in power, mining, steel and other metal industries and in petrochemicals and waste-to-energy.

Signs of a slowdown in industrial growth began to emerge during the year. In the US, the industrial production started to decline already during the early months of the year whereas the turn in the market in Europe started somewhat later in the early summer. In the Asia-Pacific region (APAC), industrial production continued robust until the last months of the year. Container traffic began to slow down especially towards the end of the year.

The declining industrial activity and confidence was not visible in the investment activity of Konecranes' major customer industries until in the fourth quarter 2008, when the difficulties in the financial markets flared into a worldwide economic crisis. However, activity in ports and shipyards was, as anticipated, lower than in the year before due to very high investments in the past couple of years. Customers willingness for service contracts stayed stable.

Input costs, especially for steel, labor and transportation, continued to increase until the late autumn. The price of the lifting equipment industry's most important material, steel, began to fall perceptibly at the end of the third quarter and the pressure also eased for other input costs. The US dollar continued its steep decline against the euro until the end of summer 2008, after which it began to rise. The dollar is the most important currency for Konecranes' business through a combination of the translational effect and transactional exposure.

The outlook for the world economy turned sharply during the final quarter of 2008. Unlike previous cycles, this economic slowdown is not just affecting certain markets and industries but the crisis has now spread almost everywhere.

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

### Orders received

In 2008 orders received continued to grow and totaled EUR 2,067.1 million (1,872.0) representing growth of 10.4 percent. Backed up by the excellent development until late autumn, orders received increased in Service by 5.6 percent, in Standard Lifting by 15.6 percent and in Heavy Lifting by 10.6 percent compared with a year earlier. Order intake increased in EMEA in all Business Areas. In APAC, both Service and Standard Lifting showed very healthy growth figures but Heavy Lifting orders declined due to slacking shipyard activity. In Americas, order intake declined especially due to decrease in ports orders.

Fourth-quarter order intake declined by 13 percent from a year earlier but was still on a reasonable level at EUR 409.6 million (471.0). Order intake increased in Service, which was supported by well performing crane and machine tool services. Within Standard Lifting and Heavy Lifting order intake decreased clearly due to slower demand.

Regionally, fourth quarter order intake in Service increased in Americas and was flat in EMEA and APAC together. Order intake declined clearly for both Standard and Heavy Lifting equipment in EMEA and APAC. Continued good demand from general manufacturing and a few good port orders supported Standard and Heavy Lifting orders in Americas and new equipment orders stayed at the previous year's level.

In the fourth quarter, also orders from emerging markets declined clearly compared with the third quarter especially due to less orders from Russia. On annual level, the share of emerging markets of all orders was slightly more than 30 percent.

**Order book**

The value of the order book at year-end 2008 totaled EUR 836.3 million (757.9), which is 10.3 percent higher than at end 2007. The high level of deliveries in the fourth quarter was visible in the order book, which decreased by 21.5 percent from the third quarter when it stood at EUR 1,065.2 million. Cancellations increased in the fourth quarter slightly from normal levels but were still less than 2 percent of the total order book. The split of Business Areas in the year-end order book was as follows: Service EUR 117.3 million (14 percent), Standard Lifting EUR 327.9 million (38 percent) and Heavy Lifting EUR 420.2 million (49 percent).

**Sales**

Group sales in full year 2008 grew by 20.2 percent and totaled EUR 2,102.5 million (1,749.7), thus meeting the set growth target of 15-20 %. Higher prices accounted for slightly less than 4 percentage points of the sales growth. Of the Business Areas, Standard Lifting showed the highest growth with 30.8 percent. Heavy Lifting sales grew by 23.1 percent and Service by 9 percent compared with 2007.

Fourth-quarter sales grew by 24.4 percent and were EUR 650.4 million (522.8) compared with the corresponding period in 2007. Service sales grew by 16.6 percent, Standard Lifting by 37.2 percent and Heavy Lifting by 19.2 percent.

In 2008, the regional breakdown was as follows: EMEA 57 (54), Americas 28 (34) and APAC 14 (12) percent.

**Net sales by region, MEUR**

	<b>10-12/ 2008</b>	<b>10-12/ 2007</b>	<b>Change percent</b>	<b>Change % at comparable currency rates</b>	<b>1-12/ 2008</b>	<b>1-12/ 2007</b>	<b>Change percent</b>	<b>Change % at comparable currency rates</b>
EMEA	380.3	297.6	27.8	29.3	1,207.5	951.4	26.9	30.0
AME	178.1	159.6	11.6	15.4	591.7	589.7	0.3	6.3
APAC	92.0	65.6	40.3	41.2	303.3	208.6	45.4	47.3
<b>Total</b>	<b>650.4</b>	<b>522.8</b>	<b>24.4</b>	<b>26.7</b>	<b>2,102.5</b>	<b>1,749.7</b>	<b>20.2</b>	<b>24.3</b>

### Currency rate effect

Year-on-year order intake growth in 2008 at comparable currency rates was 14.3 percent whereas the reported growth was 10.4 percent. The corresponding growth figures for sales were 24.3 and 20.2 percent respectively.

In the fourth quarter, compared with the corresponding period in 2007, Group order intake at comparable currency rates declined by 11.0 percent whereas the reported decrease was 13.0 percent. The fourth quarter growth figures for sales were 26.7 and 24.4 percent respectively. Of the Business Areas, Service was most affected by the stronger euro rate, with order growth of 10.1 percent and sales growth of 19.8 percent at comparable currency rates, compared with 4.5 and 16.6 respectively in reported growth. Of the regions, the currency rate effect was most visible in Americas where sales growth at comparable currency rate was 15.4 percent compared with the reported growth of 11.6 percent.

The change in currency rates from 2007 to 2008 impacted both Group's full year and fourth quarter operating margin negatively by approximately 1 percentage point.

### Financial result

Note! The full year 2007 comparison figures include the capital gain on the sale of real estate booked in the second quarter 2007 financials. The effect of the capital gain on the operating profit and profit before taxes is EUR 17.6 million, on the net profit EUR 13.0 million, and on the earnings per share EUR 0.22.

The full year 2008 consolidated operating profit totaled EUR 248.7 million (192.3). Profitability improved in all Business Areas and operating profit increased by EUR 56.4 million and the consolidated operating margin rose to 11.8 percent (11.0). Comparable operating margin in 2007 excluding the capital gain was 10 percent.

Fourth-quarter operating profit rose to EUR 76.5 million (60.4) and the operating margin was 11.8 percent (11.6). All Business Areas contributed to the increase. The operating margin was 15.1 percent in Service (14.6). The operating margin in Standard Lifting was 15.7 percent (15.5) and 8.6 percent in Heavy Lifting (8.1). The net effect of higher prices and input costs in the fourth quarter was flat.

The share of the result of associated companies and joint ventures was EUR -3.9 million (0.7). The negative change was due to exchange rate differences in the Ukrainian associated company during the fourth quarter 2008.

Net financial expenses totaled EUR 8.6 million (14.3). Net interest expense was EUR 5.9 million (8.5). The remainder was mainly attributable to exchange rate differences related to USD/EUR hedges.

Profit before taxes was EUR 236.2 million (178.8).

Income taxes were EUR 69.6 million (49.6). The Group's effective tax rate was 29.5 percent (27.8).

Net profit was EUR 166.6 million (129.2).

Diluted earnings per share were EUR 2.82 (2.13).

Return on capital employed was 56.3 percent (50.4) and return on equity 48.9 percent (51.2). Excluding the impact of the capital gain arising from the real estate sale, the comparable return on capital employed was 46.2 percent and the return on equity was 47.3 percent in 2007.

### Balance sheet

The year-end consolidated balance sheet amounted to EUR 1,205.4 million, which was EUR 248.5 million higher than at year-end 2007 and EUR 25.6 million higher than at end September 2008. Total equity at the end of the report period was EUR 400.7 million (280.8). Total equity attributable to equity holders of the parent company at year-end 2008 was EUR 398.8 million (280.7) or EUR 6.75 per share (4.80).

From the end of the third quarter 2008, net working capital increased by EUR 20.7 million to EUR 263.8 million at year-end 2008. The increase in net working capital was mainly related to a lower level of the advanced payments received.

### Cash Flow and Financing

Net cash flow from operating activities in full year 2008 was EUR 107.1 million (183.5), representing EUR 1.82 per diluted share (3.03). In the fourth quarter, net cash flow from operating activities was EUR 33.5 million (96.9) and before financing activities 24 MEUR positive, despite lower level of advance payments received and increase in accounts receivables.

Year-end interest-bearing net debt decreased to EUR 11.3 million from EUR 31.1 million at end September 2008. Interest-bearing net debt at end December 2007 was EUR 19.7 million. The solidity was 39.9 percent (36.1) and gearing 2.8 percent (7.0).

The Group's liquidity remained healthy. At year-end 2008, cash and cash equivalents amounted to EUR 100.9 million. The Group has a EUR 200 million committed back-up financing

facility to secure running liquidity. At year-end 2008, EUR 60 million was in use. The amount in use at year-end 2007 was EUR 27.2 million.

Konecranes paid its shareholders dividends amounting to EUR 46.8 million or EUR 0.80 per share in March 2008.

### Capital expenditure

In 2008, capital expenditure excluding acquisitions amounted to EUR 22.3 million (25.2). This amount consisted mainly of replacement or capacity expansion investments on machines, equipment and information technology. Capital expenditure including acquisitions was EUR 41.9 million (42.6).

Fourth quarter capital expenditure excluding acquisitions was EUR 3.4 million (7.1) and including acquisitions EUR 6.7 million (7.3).

### Acquisitions

In 2008, EUR 19.6 million was spent on a total of 12 acquisitions. Net assets of the acquired companies were recorded at EUR 14.7 million and goodwill of EUR 4.9 million was booked from the acquisitions. During the fourth quarter EUR 3.2 million was spent on 3 acquisitions to support the Service strategy. Non-organic growth of sales was approximately 3 percentage points in full year and in the fourth quarter 2008.

In November a letter of intent was signed to purchase a majority holding in the Chinese hoist and lifting equipment manufacturer SANMA. It is estimated that the deal will be finalized in early 2009 after which the current owners continue as minority shareholders.

### Personnel

In 2008 the Group employed an average of 9,222 people (8,005). At 31 December, the headcount was 9,904 (8,404). The number of personnel increased by 426 through acquisitions. At year-end 2008 the number of personnel by Business Area was as follows: Service 5,372 employees (4,436), Standard Lifting 2,808 employees (2,479), Heavy Lifting 1,439 employees (1,272) and Group staff 285 (217). The Group had 5,658 employees (4,745) working in EMEA, 2,619 (2,464) in the Americas and 1,627 (1,195) in the APAC region.

In 2008, the total amount of wages and salaries including bonuses paid by the Group was EUR 367.2 million (321.1).

The results of the 2008 personnel satisfaction survey covering all of Konecranes showed a positive development when compared with the 2007 survey. Job satisfaction had improved in almost all categories. The survey will be repeated in fall 2009.

At the end of 2008, an extensive training program on job safety was initiated. The program corresponds in scope and content to the Center For Occupational Safety certificate training used in Finland and covers the entire staff. In 2008, particular attention was also paid to technical training and global service Branch Management training.



**BUSINESS AREAS**

**Change in reporting method**

As of January 1, 2008 all the services and spare parts business is reported in the Service Business Area. The Business Area figures for 2007 have been restated for better comparability.

**Service**

	10-12/ 2008	10-12/ 2007	Change percent	1-12/ 2008	1-12/ 2007*	Change percent
Orders received, MEUR	159.3	152.4	4.5	658.2	623.4	5.6
Order book, MEUR	117.3	109.3	7.3	117.3	109.3	7.3
Sales, MEUR	220.6	189.1	16.6	754.3	692.2	9.0
Operating profit, MEUR	33.3	27.6	20.9	106.2	91.9	15.6
Operating margin, %	15.1 %	14.6 %		14.1 %	13.3 %	
Personnel	5,372	4,436	21.1	5,372	4,436	21.1

\*The operating profit and operating margin are presented excluding the EUR 0.8 million capital gain booked in Q2 2007.

Full year 2008 orders received totaled EUR 658.2 million (623.4), showing growth of 5.6 percent. Performance was good in all service operations, with machine tools services and port services showing very high growth. Of regions, performance was strongest in EMEA and APAC. The order book increased to EUR 117.3 million (109.3) at year-end, representing growth of 7.3 percent. Sales rose by 9.0 percent to EUR 754.3 million (692.2). Operating profit was EUR 106.2 million (91.9) and the operating margin 14.1 percent (13.3). Profitability was improved through better prices, efficiency improvements as well as good fixed cost control.

The contract base developed favorably, in terms of both value and number of units. At year-end 2008 the total number of equipment included in the maintenance contract base increased to 359,811 from 292,139 a year before. The annual value of the contract base increased to EUR 124.1 million from EUR 106.2 million respectively. The retention

rate for maintenance contracts was more than 90 percent.

Fourth quarter order intake increased by 4.5 percent and totaled EUR 159.3 million (152.4). Order intake increased in Americas and was flat in EMEA and APAC together. Order intake declined by 6.3 percent compared with the third quarter 2008, mainly due to slower overall demand in EMEA and APAC. Americas' performance was more stable.

Fourth-quarter sales totaled EUR 220.6 million (189.1). The growth of 16.6 percent was supported by all regions but was strongest in Americas.

Fourth-quarter operating profit rose to EUR 33.3 million (27.6), and the operating margin to 15.1 percent (14.6).

The number of service technicians at year-end 2008 was 3,684, which is 499 and 16 percent more than at year-end 2007. In 2008, the number of technicians increased through acquisitions by 180.

**Standard Lifting**

	<b>10-12/ 2008</b>	<b>10-12/ 2007</b>	<b>Change percent</b>	<b>1-12/ 2008</b>	<b>1-12/ 2007*</b>	<b>Change percent</b>
Orders received, MEUR	168.9	184.2	-8.3	859.0	743.3	15.6
Order book, MEUR	327.9	270.9	21.1	327.9	270.9	21.1
Sales, MEUR	256.4	186.9	37.2	835.4	638.9	30.8
Operating profit, MEUR	40.3	29.0	38.7	140.0	90.4	54.9
Operating margin, %	15.7 %	15.5 %		16.8 %	14.2 %	
Personnel	2,808	2,479	13.3	2,808	2,479	13.3

\*The operating profit and operating margin are presented excluding the EUR 8.9 million capital gain booked in Q2 2007.

Full year 2008 orders received increased by 15.6 percent and totaled EUR 859.0 million (743.3). Total order intake was somewhat overbalanced by components compared with the mix in 2007. All regions contributed to the increase but growth was especially strong in components in APAC. The order book increased to EUR 327.9 million (270.9) at year-end 2008, representing growth of 21.0 percent. The order book corresponds to around 5 months of sales. Sales rose by 30.8 percent to EUR 835.4 million (638.9). Operating profit was EUR 140.0 million (90.4) and operating margin 16.8 percent (14.2). Profitability was supported by efficiency improvement and product mix that favored components on the yearly level.

Order intake in the fourth quarter decreased by 8.3 percent and totaled EUR 168.9 million (184.2) due to the

decline in demand for industrial cranes. Development in components was positive. Of the regions, order intake development in Americas was positive whereas order intake declined in EMEA and APAC. Compared with the third quarter 2008, order intake decreased by 24.3 percent due to slower demand in all regions.

The high level of deliveries in the fourth-quarter was reflected in sales, which totaled EUR 256.4 million (186.9), representing 37.2 percent growth. During the quarter the sales mix was favored by crane deliveries.

Fourth-quarter operating profit was EUR 40.3 million (29.0) and the operating margin 15.7 percent (15.5). Profitability was somewhat depressed by the balance in product mix.

**Heavy Lifting**

	<b>10-12/ 2008</b>	<b>10-12/ 2007</b>	<b>Change percent</b>	<b>1-12/ 2008</b>	<b>1-12/ 2007*</b>	<b>Change percent</b>
Orders received, MEUR	116.4	165.3	-29.6	686.0	620.4	10.6
Order book, MEUR	420.2	406.1	3.5	420.2	406.1	3.5
Sales, MEUR	219.8	184.4	19.2	659.4	535.7	23.1
Operating profit, MEUR	18.8	15.0	25.3	53.6	31.6	69.6
Operating margin, %	8.6 %	8.1 %		8.1 %	5.9 %	
Personnel	1,439	1,272	13.1	1,439	1,272	13.1

\*The operating profit and operating margin are presented excluding the EUR 7.9 million capital gain booked in Q2 2007.

Full year 2008 orders received totaled EUR 686.0 million (620.4), showing growth of 10.6 percent. A substantial decrease in port and shipyard orders in Americas and APAC was compensated by good orders for port equipment in EMEA. Year-on-year, process crane orders increased markedly especially in Americas and in EMEA. The order book increased to EUR 420.2 million (406.1) at year-end 2008, representing growth of 3.5 percent. The order book corresponds to about 8-9 months of sales. Sales rose by 23.1 percent to EUR 659.4 million (535.7). Operating profit was EUR 53.6 million (31.6) and operating margin 8.1 percent (5.9). Higher margin was supported by product mix that favored port equipment

and increased profitability of process cranes due to especially improved project cost management.

Order intake in the fourth quarter was 29.6 percent less than a year ago and totaled EUR 116.4 million (165.3). The decrease stems from slacking demand for both port and process cranes. Despite good-size port orders in the fourth quarter, order intake decreased by 26.8 percent compared with the third quarter.

Fourth-quarter sales totaled EUR 219.8 million (184.4), representing 19.2 percent growth.

Fourth-quarter operating profit increased to EUR 18.8 million (15.0) and the operating margin was 8.6 percent (8.1).

### Group Overhead

Unallocated Group overhead costs in 2008 were EUR 47.2 million (36.8), representing 2.2 percent of sales (2.1).

### Changes in group management

Mr Pekka Lettijeff started on February 1, 2008 as Chief Procurement Officer (CPO) and as a member of Konecranes Group Executive Board. His areas of responsibility include all direct and indirect purchasing across the Konecranes Group.

### Administration

Konecranes Annual General Meeting, held on 13 March, 2008, approved the company's Financial Statements for the fiscal year 2007 and discharged the Board and Managing Director from liability.

The AGM approved the proposal of the Nomination and Compensation Committee that seven of the eight members of the Board of Directors be re-elected. Mr. Stig Stendahl had announced that he was not available for re-election. Mr. Mikael Silvennoinen was elected as a new member. The Board of Directors elected in the AGM in 2008 comprises Mr. Svante Adde, Mr. Stig Gustavson, Mr. Matti Kavetvuo, Ms. Malin Persson, Mr. Timo Poranen, Mr. Björn Savén, Mr. Kim Gran and Mr. Mikael Silvennoinen. The term of the Board ends at the next AGM, which will be held on March 12, 2009.

The Board of Directors elected Stig Gustavson to continue as Chairman, and Björn Savén to continue as Vice Chairman. Svante Adde was elected Chairman of the Audit Committee, and Matti Kavetvuo, Kim Gran and Mikael Silvennoinen as Committee members. Björn Savén was elected Chairman of the Nomination and Compensation Committee, and Stig Gustavson, Timo Poranen and Malin Persson were elected Committee members.

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

### Share capital and shares

The company's registered share capital at year-end 2008 totaled EUR 30.1 million. At year-end 2008, the number of shares including treasury shares totaled 61,612,320. In January 2008, Konecranes repurchased 69,600 company's own shares on the basis of the authorization of the 2007 AGM and the decision of Konecranes Board in 2007. At year-end 2008, Konecranes held a total of 2,542,600 treasury shares, which corresponds to 4.1 percent of the total number

of shares and which at that date had a market value of EUR 30.7 million.

The AGM in March 2008 authorized the Board of Directors to resolve to repurchase a maximum of 6,097,878 of the company's own shares. The authorization is valid until the next Annual General Meeting of Shareholders, however no longer than until 12 September 2009. The Board of Directors did not exercise this authorization to buy own shares during 2008.

The AGM in March 2008 authorized the Board of Directors to resolve upon share issue as well as upon issue of stock option rights, convertible bonds and other special rights entitling to shares. Shares issued on the basis of the authorization are new shares of the company. The authorization is limited to issuance of a maximum of 12,195,756 shares. The authorization does not concern resolving upon a personnel stock option plan. The Board of Directors did not exercise this authorization during 2008.

Details of the authorizations are explained in more detail in the release covering the resolutions of the AGM, which is available on the company's website at [www.konecranes.com](http://www.konecranes.com).

### Shares subscribed for under the stock option rights

Pursuant to Konecranes' stock option plans, 633,540 new shares were subscribed for and registered in the Finnish Trade Register in 2008, of which 188,300 during the fourth quarter. As a result of these subscriptions, the total number of Konecranes shares (including treasury shares) increased to 61,612,320 shares.

The stock options issued under Konecranes Plc's ongoing stock option plans at year-end 2008 entitle holders to subscribe a total of 2,368,200 shares, which would increase the total number of Konecranes shares (including treasury shares) to 63,980,520. The option programs include approximately 160 key persons.

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

The terms and conditions of the stock option programs are available on Konecranes' website at [www.konecranes.com](http://www.konecranes.com).

### Market capitalization and trading volume

The closing price for Konecranes Plc's shares on December 31, 2008 was EUR 12.08. The volume-weighted average share price in 2008 was EUR 21.05, the highest price being EUR 32.50 in May and the lowest EUR 9.90 in November. In 2008, the trading volume totaled about 172 million

Konecranes Plc's shares, corresponding to a turnover of approximately EUR 3,610 million and a turnover rate of 290 percent of the total number of outstanding shares. The daily average trading volume was 681,583 shares, representing a daily average turnover of EUR 14.3 million.

On December 31, 2008, the total market capitalization of Konecranes Plc's shares was EUR 744.3 million including treasury shares held by the company and EUR 713.6 million excluding treasury shares.

### Flagging Notifications

On February 28, 2008, Barclay Global Investors UK Holdings Ltd informed Konecranes that the total number of shares owned by the group totaled 3,444,786, corresponding to 5.64 percent of the paid up share capital of Konecranes.

On October 9, 2008, Barclay Global Investors UK Holdings Ltd informed Konecranes that the total number of shares owned by the group totaled 2,999,322, corresponding to 4.88 percent of the paid up share capital of Konecranes.

On October 16, 2008, Ilmarinen Mutual Pension Insurance Company informed Konecranes that the total number of shares owned by the group totaled 3,126,689, corresponding to 5.09 percent of the paid up share capital of Konecranes.

No other disclosures of changes in holdings were received until the release of this report.

### Research and development

In 2008, Konecranes's research and product development expenditure totaled EUR 19.0 (16.2) million, representing 0.9 (0.9) percent of sales. R&D expenditure includes product development projects aimed at improving the quality and cost efficiency of both products and services.

The focus of R&D is on delivering safety and environmental features that will last for the entire lifetime of the product, as well as increasing their level of automation and integration. Energy saving frequency converter technology is standard on Konecranes equipment: modern frequency converters can transfer up to 70 percent of braking energy back to the grid. Modularity is another important goal, which is the basis of the supply-chain concept. In addition to its own R&D, Konecranes works closely with customers, industry research establishments and universities.

### Environmental issues

Konecranes' environmental activities are based on life-cycle thinking. The Group's involvement with environmental impacts

is mainly related to the use of the products it manufactures. Thus, high priority is given to developing products and services that have low emissions and high efficiency. In fact, more than 98 percent of the material in a typical Konecranes crane is recyclable, while Konecranes' range of hoists and lifting trolleys are industry pioneers when it comes to effective use of space. Preventive service keeps customers' production processes moving and minimizes unscheduled downtime, which reduces customers' environmental impact.

Efforts are also taken to achieve sustainable development in Konecranes Group's own operations through its raw materials, processes, products, wastes and emissions by making use of the latest technical advances. The company also prioritizes developing the environmental awareness of both its own personnel and partners, with the aim of making environmental protection a natural part of day-to-day operations in all activities. The Group's almost 4,000 service personnel generally use low-consumption diesel vehicles at work that are serviced regularly.

### Risk management

The Group's risk management principles provide a basic framework for risk management in Konecranes. According to these principles, risk management is a continuous and systematic activity aiming to protect from personal injury, safeguard the assets of all Group companies and the whole Group, and ensure a stable and profitable financial performance. By minimizing losses due to realized risks, and optimizing the costs of risk management, the long-term competitiveness of the Group companies and the whole Group are safeguarded.

The Group functions co-ordinate and consult in issues related to risk management, and decide on how to handle methods for joint or extensive risk management (e.g. global insurance programs, Group treasury, IT infrastructure and system architecture). In order to utilize the best possible local knowledge, each Group company or operating unit is responsible for its own risk management.

The Internal Audit function that evaluates the efficiency of the risk management, control and governance processes in Konecranes, is an independent, objective assurance and consulting activity, which assists the organization in achieving its objectives. The Internal Audit function operates according to an audit plan approved by the Board's Audit Committee. Internal Audit working methods are based on the professional standards confirmed by IIA (the Institute of Internal Auditors).

Risk is defined as any internal or external threat or uncertainty that may clearly affect Konecranes' ability to achieve its business objectives and execute its strategies. Risks are classified into strategic and business risks and financial, operational and hazard risks. According to the risk management principles, the Group also continuously reviews its insurance policies as part of its overall risk management.

The demand for Konecranes's products and services correlates with changes in the macroeconomic operating environment. Service is considered less cyclical than the new equipment business, which for its part is considered to be late-cyclical. During 2008 the Group Executive Board made various assessments of the impact of the changes in the operating environment on Konecranes's balance sheet and profitability. First stress scenarios were made in early 2008 and they have been updated with potential action plans after that.

A more detailed list and discussion of risks assessed by the Group is available on the company's website at [www.konecranes.com](http://www.konecranes.com).

The ongoing development of the Group's operational model from traditional manufacturing to increasingly supply chain driven activity creates various risks. In order to better manage the conceivable risks and to better handle the global supply chain, the organization has been developed accordingly.

From the beginning of 2008, Konecranes' global procurement has been under the responsibility of the Chief Procurement Officer who is responsible for all direct and indirect purchases within the Group. The global procurement function aims at streamlining Konecranes's supplier and subcontractor structure and also at dealing with possible availability, continuity and sustainability risks. The current economic situation has made Konecranes pay increased attention to the financial status of key subcontractors and vendors.

Special attention is also being paid to the management of production capacity, operational efficiency, continuity and quality. Since early 2008, the Group's crane supply chain and component making operations are developed and coordinated jointly under the New Equipment Business Areas, in order to achieve the most cost-effective management of production and other supply chain operations globally.

In order to provide a more consistent view of global quality management, efforts were also put into standardizing the Group's global quality reporting during 2008. The importance of high quality has been stressed at all training in the sales, delivery and service processes.

A worldwide safety network was created during 2008, with a person responsible for security appointed to every main office. This network enabled the integration and harmonizing of group-wide safety issues. A company-wide safety management and monitoring system, which is coordinated at Group level by a specially appointed safety manager, was also adopted. During 2008 a safety audit was carried out at all Konecranes main production facilities, making sure in particular that the management and reporting of accidents, fire safety and evacuation procedures were up to date and in accordance with regulations. Safety audits will continue in 2009 with new safety elements included, such as the analysis and reporting of "near miss" incidents.

Konecranes uses an approach where most of the management of financial risks is handled in Konecranes Treasury. A centralized system and netting of internal foreign currency cash flows minimizes the external hedging needs. The Group's global business operations involve financial risks in the form of market, credit and liquidity risks. The most significant market risk is currency risk related to both foreign currency transaction and translation risk. The US dollar clearly has the biggest impact.

Since the uncertainty in the financial markets started to escalate in late 2008, special attention is being paid to several issues such as contract management, securing customer payments and cash management in order to minimize the Group's exposure to a financial risk being realized.

### Short-term risks

The Group's principal short-term risks and uncertainties are derived from a potential further deterioration of the world economy. Decrease in demand for Konecranes's products and services may have negative effect on the Group's sales volume and pricing power, and thus lead to decreasing profits and possible impairment of goodwill and other assets.

The shortage of credit may cause difficulties to Konecranes' customers, suppliers as well as financial and other counterparties. The risk may be realized as credit losses, inventory obsolescence, shortage of supplies or defaulting liabilities. Thus, a special attention in the Group has been drawn to securing customer payments and requiring strict terms of possible customer postponements. Increased attention is also being paid to the financial status of key subcontractors and vendors.

Continuing financial crises may also lead to challenges in securing liquidity. Even if Konecranes has not faced

difficulties in financing its business operations, the Group aims to keep more cash in the balance sheet than normally. Konecranes is supported by its solid financial position and strong balance sheet in securing its liquidity.

Challenges in financing may lead customers to postpone projects or even to cancel existing orders. Currently the stringency has mainly been visible as prolonged decision making and increased postponements of orders. Konecranes is paying increased attention to order book quality and the status of orders is being followed continuously.

Currency rate fluctuations may significantly affect the company's performance. The USD/EUR exchange rate has the largest impact on financial performance through a combination of the translational effect and transactional exposure. The combined impact of a depreciation of one percentage point in the USD/EUR rate is somewhat more than EUR -1 million in operating profit annually, excluding the effect of currency hedging.

### Litigations

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

While the final outcome of these 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, 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.

### Future prospects

Due to the widespread recession, the market for new equipment is anticipated to decline significantly in Western Europe and North America and to a lesser extent in the emerging markets in 2009. The services market is anticipated to continue to show a better stability than the new equipment market.

Actions to adjust capacity and cost base to a lower demand are under way. Company's target is to continue to grow its

market share in the downturn, which could partly compensate for the negative effects of the market decline.

The current market uncertainty makes it difficult to give any reliable sales or profitability guidance for the full year 2009 at this stage. However, based on the current order book and the outlook for the order intake in the near future, Konecranes estimates sales in the first half of the year to be approximately at the same level as in the corresponding period a year before.

Operating margin is estimated to be somewhat lower than in the corresponding period in 2008. However, Konecranes sees no reason to change its long term growth goals and repeats its over the cycle operating margin target of 10 percent.

### Board of directors' proposal for disposal of distributable funds

The parent company's non-restricted equity is EUR 199,154,467.59 of which the net income for the year is EUR 186,681,722.47. The Group's non-restricted equity is EUR 328,378,000.

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

Based on such assessments the Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.90 will be paid on each share and that the remaining non-restricted equity is retained in shareholders' equity.

Konecranes' full audited financial statements including the report of the Board of Directors will be available on the web as pdf-version in week 8 and the printed version in week 9.

Helsinki, February 4, 2008  
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 pending and future acquisitions and restructurings.



## Summary Financial Statements and Notes

### Accounting principles

The presented financial information is prepared accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU.

Konecranes applies the same accounting policies as were applied in the 2007 annual financial statements, except for the change in Segment reporting. The change in the Segment reporting method is that the non-Konecranes branded spare parts business is included in the Service Business Area, where previously it was reported in Standard and Heavy

Lifting. The spare part business for Konecranes-branded products was included in the Service Business area as of 2007. The 2007 comparison figures according to the new reporting structure are restated accordingly.

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

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

### CONSOLIDATED STATEMENT OF INCOME - IFRS

EUR million	10-12/2008	10-12/2007	Change %	1-12/2008	1-12/2007*	Change %
<b>Sales</b>	<b>650.4</b>	<b>522.8</b>	<b>24.4</b>	<b>2,102.5</b>	<b>1,749.7</b>	<b>20.2</b>
Other operating income	4.0	0.8		6.3	20.3	
Depreciation and impairments	-7.3	-6.9		-26.6	-24.6	
Other operating expenses	-570.7	-456.3		-1,833.5	-1,553.1	
<b>Operating profit</b>	<b>76.5</b>	<b>60.4</b>	<b>26.6</b>	<b>248.7</b>	<b>192.3</b>	<b>29.3</b>
Share of associates' and joint ventures' result	-3.5	0.1		-3.9	0.7	
Financial income and expenses	0.8	-3.6		-8.6	-14.3	
<b>Profit before taxes</b>	<b>73.8</b>	<b>56.9</b>	<b>29.8</b>	<b>236.2</b>	<b>178.8</b>	<b>32.1</b>
Taxes	-23.8	-14.3		-69.6	-49.6	
<b>Net profit for the period</b>	<b>50.0</b>	<b>42.6</b>	<b>17.3</b>	<b>166.6</b>	<b>129.2</b>	<b>29.0</b>
<b>Net profit for the period attributable to:</b>						
Shareholders of the parent company	49.9	42.6		166.4	129.2	
Minority interest	0.1	0.0		0.1	0.0	
Earnings per share, basic (EUR)	0.85	0.71	19.0	2.83	2.17	30.8
Earnings per share, diluted (EUR)	0.85	0.70	20.2	2.82	2.13	32.2

\*The income statement is presented including the capital gain on the sale of real estate booked in Q2 2007.

## Consolidated balance sheet - IFRS

EUR million			
ASSETS		31.12.2008	31.12.2007
<b>Non-current assets</b>			
Goodwill		57.8	56.8
Other intangible assets		62.5	59.4
Property, plant and equipment		69.5	61.9
Advance payments and construction in progress		5.4	4.7
Investments accounted for using the equity method		7.4	6.3
Available-for-sale investments		1.9	2.4
Long-term loans receivable		1.8	1.7
Deferred tax assets		31.9	24.9
<b>Total non-current assets</b>		<b>238.3</b>	<b>218.0</b>
<b>Current assets</b>			
Inventories			
Raw material and semi-manufactured goods		147.0	105.3
Work in progress		168.4	129.9
Advance payments		17.8	16.0
Total inventories		333.2	251.2
Accounts receivable		398.3	328.0
Loans receivable		0.4	0.2
Other receivables		40.8	18.9
Deferred assets		93.6	84.6
Cash and cash equivalents		100.9	56.0
<b>Total current assets</b>		<b>967.1</b>	<b>738.9</b>
<b>TOTAL ASSETS</b>		<b>1,205.4</b>	<b>956.9</b>

<b>EQUITY AND LIABILITIES</b>	<b>31.12.2008</b>	<b>31.12.2007</b>
<b>Equity attributable to equity holders of the parent company</b>		
Share capital	30.1	30.1
Share premium account	39.3	39.3
Share issue	0.1	0.0
Fair value reserves	0.9	3.3
Translation difference	-17.4	-12.9
Paid in capital	7.3	4.7
Retained earnings	172.1	87.0
Net profit for the period	166.4	129.2
<b>Total equity attributable to equity holders of the parent company</b>	<b>398.8</b>	<b>280.7</b>
Minority interest	1.9	0.1
<b>Total equity</b>	<b>400.7</b>	<b>280.8</b>
<b>Non-current liabilities</b>		
Interest-bearing liabilities	102.8	45.7
Other long-term liabilities	56.3	57.3
Deferred tax liabilities	18.4	15.8
<b>Total non-current liabilities</b>	<b>177.6</b>	<b>118.8</b>
<b>Provisions</b>	<b>46.8</b>	<b>37.2</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	11.6	31.8
Advance payments received	201.1	179.1
Progress billings	4.0	2.7
Accounts payable	135.2	120.4
Other short-term liabilities (non-interest bearing)	23.6	22.8
Accruals	204.9	163.3
<b>Total current liabilities</b>	<b>580.3</b>	<b>520.1</b>
<b>Total liabilities</b>	<b>804.7</b>	<b>676.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,205.4</b>	<b>956.9</b>

## Consolidated statement of changes in equity - IFRS

EUR million

Equity attributable to equity holders of the parent company

	Share capital	Share premium account	Share issue	Fair value reserves	Translation difference
<b>Balance at 1 January, 2008</b>	<b>30.1</b>	<b>39.3</b>	<b>0.0</b>	<b>3.3</b>	<b>-12.9</b>
Option exercised					
Share issue			0.1		
Dividends paid to equity holders					
Dividends paid to minority interest					
Cash flow hedge				-2.4	
Translation difference					-4.5
Share based payments recognized against equity					
Purchase of treasury shares					
Business combinations					
Net profit for the period					
<b>Balance at 31 December, 2008</b>	<b>30.1</b>	<b>39.3</b>	<b>0.1</b>	<b>0.9</b>	<b>-17.4</b>
<b>Balance at 1 January, 2007</b>	<b>30.0</b>	<b>39.0</b>	<b>0.0</b>	<b>3.7</b>	<b>-5.8</b>
Option exercised	0.0	0.3			
Share issue					
Dividends paid to equity holders					
Cash flow hedge				-0.3	
Translation difference					-7.1
Share based payments recognized against equity					
Purchase of treasury shares					
Business combinations					
Net profit for the period					
<b>Balance at 31 December, 2007</b>	<b>30.1</b>	<b>39.3</b>	<b>0.0</b>	<b>3.3</b>	<b>-12.9</b>

Equity attributable to equity holders of the parent company

EUR million

	Paid in capital	Retained earnings	Total	Minority interest	Total equity
<b>Balance at 1 January, 2008</b>	<b>4.7</b>	<b>216.2</b>	<b>280.7</b>	<b>0.1</b>	<b>280.8</b>
Option exercised	4.1		4.1		4.1
Share issue			0.1		0.1
Dividends paid to equity holders		-46.8	-46.8		-46.8
Dividends paid to minority interest			0.0	-0.1	-0.1
Cash flow hedge			-2.4		-2.4
Translation difference			-4.5	0.0	-4.5
Share based payments recognized against equity		2.7	2.7		2.7
Purchase of treasury shares	-1.6		-1.6		-1.6
Business combinations			0.0	1.8	1.8
Net profit for the period		166.4	166.4	0.1	166.6
<b>Balance at 31 December, 2008</b>	<b>7.3</b>	<b>338.5</b>	<b>398.8</b>	<b>1.9</b>	<b>400.7</b>
<b>Balance at 1 January, 2007</b>	<b>0.5</b>	<b>156.3</b>	<b>223.7</b>	<b>0.1</b>	<b>223.7</b>
Option exercised	6.4		6.7		6.7
Share issue			0.0		0.0
Dividends paid to equity holders		-26.7	-26.7		-26.7
Cash flow hedge			-0.3		-0.3
Translation difference			-7.1		-7.1
Share based payments recognized against equity		1.3	1.3		1.3
Purchase of treasury shares	-2.2	-43.8	-46.0		-46.0
Business combinations			0.0		0.0
Net profit for the period		129.2	129.2		129.2
<b>Balance at 31 December, 2007</b>	<b>4.7</b>	<b>216.2</b>	<b>280.7</b>	<b>0.1</b>	<b>280.8</b>

## Consolidated cash flow statement - IFRS

EUR million	1-12/2008	1-12/2007
<b>Cash flow from operating activities</b>		
Net profit for the period	166.6	129.2
Adjustments to net profit for the period		
Taxes	69.6	49.6
Financial income and expenses	8.9	14.5
Share of associates' and joint ventures' result	3.9	-0.7
Dividend income	-0.3	-0.2
Depreciation and impairments	26.6	24.6
Profits and losses on sale of fixed assets	-0.6	-18.0
Other adjustments	0.4	-0.2
<b>Operating income before change in net working capital</b>	<b>275.1</b>	<b>198.7</b>
Change in interest-free short-term receivables	-92.1	-14.9
Change in inventories	-77.3	-28.3
Change in interest-free short-term liabilities	77.9	77.6
<b>Change in net working capital</b>	<b>-91.5</b>	<b>34.4</b>
<b>Cash flow from operations before financing items and taxes</b>	<b>183.7</b>	<b>233.2</b>
Interest received	2.8	2.2
Interest paid	-8.3	-10.8
Other financial income and expenses	-0.6	-0.4
Income taxes paid	-70.5	-40.7
<b>Financing items and taxes</b>	<b>-76.6</b>	<b>-49.7</b>
<b>Net cash from operating activities</b>	<b>107.1</b>	<b>183.5</b>
<b>Cash flow from investing activities</b>		
Acquisition of Group companies, net of cash	-12.3	-13.8
Divestment of Group companies, net of cash	0.4	0.0
Acquisition of shares in associated companies	-3.0	0.0
Investments in other shares	-0.5	-0.5
Capital expenditures	-22.8	-22.5
Proceeds from sale of fixed assets	1.0	32.3
Dividends received	0.3	0.2
<b>Net cash used in investing activities</b>	<b>-36.9</b>	<b>-4.4</b>
<b>Cash flow before financing activities</b>	<b>70.2</b>	<b>179.1</b>
<b>Cash flow from financing activities</b>		
Proceeds from options exercised and share issues	4.3	6.7
Purchase of treasury shares	-2.5	-46.0
Proceeds from long-term borrowings	105.7	100.1
Repayments of long-term borrowings	-52.9	-177.8
Proceeds from (+), payments of (-) short-term borrowings	-29.7	-20.8
Change in long-term receivables	-0.2	-1.3
Change in short-term receivables	-0.2	0.0
Dividends paid to equity holders of the parent	-46.8	-26.7
Dividends paid to minority interest	-0.1	0.0
<b>Net cash used in financing activities</b>	<b>-22.4</b>	<b>-165.8</b>
Translation differences in cash	-2.8	-1.7
<b>Change of cash and cash equivalents</b>	<b>45.0</b>	<b>11.6</b>
Cash and cash equivalents at beginning of period	56.0	44.4
Cash and cash equivalents at end of period	100.9	56.0
<b>Change of cash and cash equivalents</b>	<b>45.0</b>	<b>11.6</b>

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 year.

## Segment information

### 1. BUSINESS SEGMENTS

The 2007 comparison figures by Business Area according to the new reporting structure are presented in the table below.

	Restated Q1/07	Restated Q2/07*	Restated Q3/07	Restated Q4/07	Restated 2007*	Reported 2007*
<b>Service</b>						
Orders received, MEUR	159.0	157.2	154.8	152.4	623.4	563.0
Sales, MEUR	163.2	166.7	173.2	189.1	692.2	628.6
Operating profit (EBIT), MEUR	18.5	21.1	24.7	27.6	91.9	78.7
Operating margin, %	11.3	12.7	14.3	14.6	13.3	12.5
<b>Standard Lifting</b>						
Orders received, MEUR	183.4	187.5	188.2	184.2	743.3	793.8
Sales, MEUR	131.8	156.8	163.4	186.9	638.9	692.6
Operating profit (EBIT), MEUR	14.3	21.9	25.1	29.0	90.4	101.2
Operating margin, %	10.9	14.0	15.4	15.5	14.2	14.6
<b>Heavy Lifting</b>						
Orders received, MEUR	114.9	148.4	191.8	165.3	620.4	633.9
Sales, MEUR	110.6	125.8	115.0	184.4	535.7	549.0
Operating profit (EBIT), MEUR	7.3	5.5	3.8	15.0	31.6	34.0
Operating margin, %	6.6	4.4	3.3	8.1	5.9	6.2

\*Operating profit (EBIT) and margin, excluding the EUR 17.6 million capital gain booked in Q2 2007.

#### EUR million

##### Orders received by Business Area

	1-12/2008	% of total	1-12/2007	% of total
Service <sup>1)</sup>	658.2	30	623.4	31
Standard Lifting	859.0	39	743.3	37
Heavy Lifting	686.0	31	620.4	31
./. Internal	-136.1		-115.1	
<b>Total</b>	<b>2,067.1</b>	<b>100</b>	<b>1,872.0</b>	<b>100</b>

1) Excl. Service Contract Base

##### Order book total <sup>2)</sup>

	31.12.2008	% of total	31.12.2007	% of total
Service	117.3	14	109.3	14
Standard Lifting	327.9	38	270.9	34
Heavy Lifting	420.2	49	406.1	52
./. Internal	-29.1		-28.4	
<b>Total</b>	<b>836.3</b>	<b>100</b>	<b>757.9</b>	<b>100</b>

2) Percentage of completion deducted

##### Sales by Business Area

	1-12/2008	% of total	1-12/2007	% of total
Service	754.3	34	692.2	37
Standard Lifting	835.4	37	638.9	34
Heavy Lifting	659.4	29	535.7	29
./. Internal	-146.6		-116.9	
<b>Total</b>	<b>2,102.5</b>	<b>100</b>	<b>1,749.7</b>	<b>100</b>

<b>Operating profit (EBIT) by Business Area without gain on the sale of real estate</b>	<b>1-12/2008</b>		<b>1-12/2007</b>	
	MEUR	EBIT %	MEUR	EBIT %
Service	106.2	14.1	91.9	13.3
Standard Lifting	140.0	16.8	90.4	14.2
Heavy Lifting	53.6	8.1	31.6	5.9
Group costs	-47.2		-36.8	
Consolidation items	-3.9		-2.3	
<b>Total</b>	<b>248.7</b>	<b>11.8</b>	<b>174.7</b>	<b>10.0</b>

<b>Total operating profit (EBIT) by Business Area</b>	<b>1-12/2008</b>		<b>1-12/2007</b>	
	MEUR	EBIT %	MEUR	EBIT %
Service	106.2	14.1	92.7	13.4
Standard Lifting	140.0	16.8	99.3	15.5
Heavy Lifting	53.6	8.1	39.5	7.4
Group costs	-47.2		-36.8	
Consolidation items	-3.9		-2.3	
<b>Total</b>	<b>248.7</b>	<b>11.8</b>	<b>192.3</b>	<b>11.0</b>

<b>Personnel by Business Area (at the end of the period)</b>	<b>31.12.2008</b>		<b>31.12.2007</b>	
		% of total		% of total
Service	5,372	54	4,436	53
Standard Lifting	2,808	28	2,479	29
Heavy Lifting	1,439	15	1,272	15
Group staff	285	3	217	3
<b>Total</b>	<b>9,904</b>	<b>100</b>	<b>8,404</b>	<b>100</b>

## 2. GEOGRAPHICAL SEGMENTS

<b>EUR million</b>				
<b>Sales by market</b>	<b>1-12/2008</b>		<b>1-12/2007</b>	
		% of total		% of total
Europe-Middle East-Africa (EMEA)	1,207.5	57	951.4	54
Americas (AME)	591.7	28	589.7	34
Asia-Pacific (APAC)	303.3	14	208.6	12
<b>Total</b>	<b>2,102.5</b>	<b>100</b>	<b>1,749.7</b>	<b>100</b>

## Notes:

<b>KEY FIGURES</b>	<b>1-12/2008</b>	<b>1-12/2007</b>	<b>Change %</b>
Earnings per share, basic (EUR)	2.83	2.17	30.8
Earnings per share, diluted (EUR)	2.82	2.13	32.2
Return on capital employed %	56.3	50.4	11.7
Return on equity %	48.9	51.2	-4.5
Equity per share, EUR	6.75	4.80	40.6
Current ratio	1.5	1.3	15.4
Gearing %	2.8	7.0	-60.0
Solidity %	39.9	36.1	10.5
EBITDA	275.3	217.0	26.9
Investments total (excl. acquisitions), EUR million	22.3	25.2	-11.6
Interest-bearing net debt, EUR million	11.3	19.7	-42.5
Net working capital, EUR million	263.8	166.4	58.6
Average number of personnel during the period	9,222	8,005	15.2
Average number of shares outstanding, basic	58,725,782	59,608,990	-1.5
Average number of shares outstanding, diluted	58,986,740	60,507,038	-2.5
Number of shares outstanding, at end of the period	59,069,720	58,505,780	1.0
<b>The period end exchange rates:</b>	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>Change %</b>
USD - US dollar	1.392	1.472	5.8
CAD - Canadian dollar	1.700	1.445	-15.0
GBP - Pound sterling	0.953	0.733	-23.0
CNY - Chinese yuan	9.496	10.752	13.2
SGD - Singapore dollar	2.004	2.116	5.6
SEK - Swedish krona	10.870	9.442	-13.1
NOK - Norwegian krone	9.750	7.958	-18.4
AUD - Australian dollar	2.027	1.676	-17.3
<b>The period average exchange rates:</b>	<b>31.12.2008</b>	<b>31.12.2007</b>	<b>Change %</b>
USD - US dollar	1.471	1.370	-6.9
CAD - Canadian dollar	1.559	1.468	-5.8
GBP - Pound sterling	0.796	0.684	-14.0
CNY - Chinese yuan	10.225	10.416	1.9
SGD - Singapore dollar	2.076	2.063	-0.6
SEK - Swedish krona	9.610	9.249	-3.8
NOK - Norwegian krone	8.218	8.016	-2.5
AUD - Australian dollar	1.741	1.635	-6.1



## Contingent liabilities and pledged assets

EUR million	31.12.2008	31.12.2007
For own commercial obligations		
Pledged assets	0.2	0.3
Guarantees	172.0	255.3
Leasing liabilities		
Next year	29.7	24.1
Later on	66.0	63.7
Other	0.2	0.0
<b>Total</b>	<b>268.2</b>	<b>343.5</b>

Leasing contracts follow the normal practices in corresponding countries.

### Contingent liabilities relating to litigations

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, available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

### NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	31.12.2008	31.12.2008	31.12.2007	31.12.2007
	Nominal value	Fair value	Nominal value	Fair value
Foreign exchange forward contracts	165.9	5.7	168.8	5.4
Electricity derivatives	1.8	-0.4	0.9	0.3
<b>Total</b>	<b>167.7</b>	<b>5.3</b>	<b>169.7</b>	<b>5.7</b>

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

## Acquisitions

At the end of January 2008 Konecranes strengthened its position in the machine tool service (MTS) business in Scandinavia by acquiring the business of the Norwegian MTS company Eiker Automasjon AS. On March 6 Konecranes acquired the entire share capital of Eydimen 2000 S.L., the Spanish crane and service company. Prior to this transaction, Konecranes held 19.2 percent of the share capital in Eydimen. Also at the beginning of March Konecranes acquired additional 62.8 percent of the Finnish company Nostininnovaatiot Oy. Prior stake to this company was 17.4 percent. On March 31 Konecranes signed an agreement to exercise its options to raise its holding in the joint venture company Meiden Hoist System Company, Ltd of Japan from 49.0 to 65.0 percent. During the second quarter Konecranes made two acquisitions. In mid April Konecranes acquired Spanish company Ausió Sistemas de Elevación S.L. The company specializes in manufacturing, sales and service of Industrial cranes and hoists. Also in April Konecranes acquired the Ukrainian service company ZAO Craneservice Ukraine. During the third quarter Konecranes acquired three companies. In July Konecranes acquired two MTS companies in United Kingdom; K&B Europe Ltd. and K&B Machine Tool Services Ltd. and in Denmark the port crane service company Aarhus Maskinfabrik A/S. Konecranes acquired in mid October the business of the Canadian crane and crane service company Provincial Services Crane Specialists, located in Allanburg, Ontario. The other fourth quarter acquisitions were two MTS companies in United Kingdom. At the end of October Konecranes signed an agreement with Electron Service Ltd. and at the beginning of November the assets of Machine Tool Services (GB) Ltd were acquired. The preliminary fair values of the identifiable assets and liabilities of the acquired businesses at the date of acquisitions are summarized below.

<b>EUR million</b>	<b>31.12.2008</b>	<b>31.12.2008</b>
	Recognized on	Carrying
	acquisition	value
Intangible assets	12.3	1.2
Tangible assets	1.7	1.7
Deferred tax assets	0.4	0.4
Inventories	8.0	7.4
Account receivables and other assets	16.3	17.0
Cash and bank	2.2	2.2
<b>Total assets</b>	<b>40.9</b>	<b>29.9</b>
Deferred tax liabilities	3.8	0.0
Account payables	10.1	10.1
Other liabilities	10.9	10.9
Minority interest	1.4	1.4
<b>Total liabilities</b>	<b>26.2</b>	<b>22.4</b>
<b>Net assets</b>	<b>14.7</b>	<b>7.5</b>
<b>Acquisition costs</b>	<b>19.6</b>	
Goodwill	4.9	
<b>Cash outflow on acquisition</b>		
Acquisition costs	19.6	
Cash flow of earlier interests in acquired businesses	-2.7	
Liabilities assumed	-2.4	
<b>Acquisition costs paid in cash</b>	<b>14.6</b>	
Cash and cash equivalents of acquired companies	-2.2	
<b>Net cash flow arising on acquisition</b>	<b>12.3</b>	

### Divestments

During the last quarter 2008 Konecranes sold its small subsidiary STAHL CraneSystems B.V. to an independent crane company in the Netherlands.

## Quarterly figures:

### CONSOLIDATED STATEMENT OF INCOME - IFRS, QUARTERLY

EUR million	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
<b>Sales</b>	<b>650.4</b>	<b>520.4</b>	<b>492.4</b>	<b>439.2</b>	<b>522.8</b>	<b>424.4</b>	<b>422.0</b>	<b>380.5</b>
Other operating income	4.0	0.5	1.3	0.6	0.8	0.6	18.2	0.7
Depreciation and impairments	-7.3	-6.7	-6.5	-6.2	-6.9	-5.7	-5.9	-6.2
Other operating expenses	-570.7	-445.3	-428.9	-388.7	-456.3	-373.8	-378.7	-344.3
<b>Operating profit</b>	<b>76.5</b>	<b>69.0</b>	<b>58.3</b>	<b>45.0</b>	<b>60.4</b>	<b>45.5</b>	<b>55.6</b>	<b>30.8</b>
Share of associates' and joint ventures' result	-3.5	-0.8	0.2	0.2	0.1	0.4	0.5	-0.2
Financial income and expenses	0.8	-4.6	-5.9	1.1	-3.6	-4.3	-3.1	-3.2
<b>Profit before taxes</b>	<b>73.8</b>	<b>63.5</b>	<b>52.6</b>	<b>46.3</b>	<b>56.9</b>	<b>41.5</b>	<b>53.0</b>	<b>27.4</b>
Taxes	-23.8	-18.1	-14.7	-13.0	-14.3	-12.0	-15.4	-8.0
<b>Net profit for the period</b>	<b>50.0</b>	<b>45.4</b>	<b>37.9</b>	<b>33.3</b>	<b>42.6</b>	<b>29.5</b>	<b>37.6</b>	<b>19.5</b>

### CONSOLIDATED BALANCE SHEET - IFRS

EUR million	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
<b>ASSETS</b>								
Goodwill	57.8	59.8	59.1	56.4	56.8	58.4	55.2	54.0
Other intangible assets	62.5	63.5	63.8	60.8	59.4	61.1	52.6	54.7
Property, plant and equipment	69.5	66.3	63.4	60.6	61.9	59.4	59.0	68.2
Other	48.5	42.9	38.6	36.6	40.0	43.3	43.8	45.1
<b>Total non-current assets</b>	<b>238.3</b>	<b>232.4</b>	<b>224.8</b>	<b>214.4</b>	<b>218.0</b>	<b>222.2</b>	<b>210.6</b>	<b>221.9</b>
Inventories	333.2	359.6	323.5	274.6	251.2	268.3	257.2	251.6
Receivables and other current assets	533.0	512.7	488.6	458.7	431.7	422.2	402.3	378.6
Cash and cash equivalents	100.9	75.1	77.3	59.7	56.0	57.3	62.0	62.0
<b>Total current assets</b>	<b>967.1</b>	<b>947.4</b>	<b>889.4</b>	<b>793.0</b>	<b>738.9</b>	<b>747.8</b>	<b>721.6</b>	<b>692.3</b>
<b>Total assets</b>	<b>1,205.4</b>	<b>1,179.8</b>	<b>1,114.2</b>	<b>1,007.4</b>	<b>956.9</b>	<b>970.1</b>	<b>932.3</b>	<b>914.2</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Total equity</b>	<b>400.7</b>	<b>354.6</b>	<b>302.0</b>	<b>261.6</b>	<b>280.8</b>	<b>287.1</b>	<b>259.2</b>	<b>218.0</b>
Non-current liabilities	177.6	109.5	134.1	123.9	118.8	151.8	154.0	157.2
Provisions	46.8	41.8	38.8	35.9	37.2	30.5	27.3	27.3
Advance payments received	201.1	245.8	219.3	192.9	179.1	158.7	134.6	109.8
Other current liabilities	379.3	428.1	420.0	393.1	340.9	341.9	357.1	401.9
<b>Total liabilities</b>	<b>804.7</b>	<b>825.2</b>	<b>812.2</b>	<b>745.8</b>	<b>676.1</b>	<b>682.9</b>	<b>673.0</b>	<b>696.2</b>
<b>Total equity and liabilities</b>	<b>1,205.4</b>	<b>1,179.8</b>	<b>1,114.2</b>	<b>1,007.4</b>	<b>956.9</b>	<b>970.1</b>	<b>932.2</b>	<b>914.2</b>

## Quarterly figures:

### CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Cash flow before change in net working capital	83.2	76.0	64.9	51.1	67.2	51.0	43.8	36.7
Change in net working capital	-30.5	-2.0	-29.9	-29.0	39.2	10.5	-13.1	-2.2
Financing items and taxes	-19.1	-22.5	-20.9	-14.1	-9.5	-9.5	-18.4	-12.2
<b>Net cash from operating activities</b>	<b>33.5</b>	<b>51.4</b>	<b>14.1</b>	<b>8.0</b>	<b>96.9</b>	<b>52.1</b>	<b>12.2</b>	<b>22.3</b>
<b>Cash flow from investing activities</b>	<b>-9.2</b>	<b>-9.7</b>	<b>-14.5</b>	<b>-3.6</b>	<b>-6.4</b>	<b>-12.1</b>	<b>26.1</b>	<b>-12.0</b>
<b>Cash flow before financing activities</b>	<b>24.3</b>	<b>41.8</b>	<b>-0.4</b>	<b>4.4</b>	<b>90.5</b>	<b>40.0</b>	<b>38.3</b>	<b>10.3</b>
Proceeds from options exercised and share issues	1.3	0.4	2.2	0.4	1.2	-0.1	3.6	2.0
Purchase of treasury shares	0.0	0.0	0.0	-2.5	-46.0	0.0	0.0	0.0
Change of interest-bearing debt	2.9	-45.3	15.1	50.0	-46.3	-28.7	-57.0	32.3
Dividends paid to equity holders of the parent	0.0	0.0	0.0	-46.8	0.0	0.0	0.1	-26.8
Dividends paid to minority interest	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash used in financing activities</b>	<b>4.2</b>	<b>-45.0</b>	<b>17.3</b>	<b>1.1</b>	<b>-91.1</b>	<b>-28.8</b>	<b>-53.3</b>	<b>7.5</b>
Translation differences in cash	-2.7	1.0	0.8	-1.8	-0.7	-1.0	0.1	-0.1
<b>Change of cash and cash equivalents</b>	<b>25.8</b>	<b>-2.2</b>	<b>17.6</b>	<b>3.8</b>	<b>-1.4</b>	<b>10.2</b>	<b>-14.9</b>	<b>17.7</b>
Cash and cash equivalents at beginning of period	75.1	77.3	59.7	56.0	57.3	47.1	62.0	44.4
Cash and cash equivalents at end of period	100.9	75.1	77.3	59.7	56.0	57.3	47.1	62.0
<b>Change of cash and cash equivalents</b>	<b>25.8</b>	<b>-2.2</b>	<b>17.6</b>	<b>3.8</b>	<b>-1.4</b>	<b>10.2</b>	<b>-14.9</b>	<b>17.7</b>

## Quarterly figures:

### QUARTERLY SEGMENT INFORMATION

EUR million

Sales by Business Area	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Service	220.6	187.2	180.5	166.1	189.1	173.2	166.7	163.2
Standard Lifting	256.4	206.7	203.9	168.3	186.9	163.4	156.8	131.8
Heavy Lifting	219.8	160.5	144.8	134.2	184.4	115.0	125.8	110.6
./. Internal	-46.4	-33.9	-36.8	-29.5	-37.6	-27.2	-27.2	-25.0
<b>Total</b>	<b>650.4</b>	<b>520.4</b>	<b>492.4</b>	<b>439.2</b>	<b>522.8</b>	<b>424.4</b>	<b>422.0</b>	<b>380.5</b>

### Operating profit (EBIT) by Business Area without gain on the sale of real estate

	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Service	33.3	27.1	23.5	22.2	27.6	24.7	21.1	18.5
Standard Lifting	40.3	38.1	34.9	26.8	29.0	25.1	21.9	14.3
Heavy Lifting	18.8	14.5	12.6	7.7	15.0	3.8	5.5	7.3
Group costs	-15.8	-9.8	-10.6	-11.0	-12.2	-5.9	-10.2	-8.5
Consolidation items	-0.1	-1.0	-2.0	-0.7	1.0	-2.3	-0.3	-0.7
<b>Total</b>	<b>76.5</b>	<b>69.0</b>	<b>58.3</b>	<b>45.0</b>	<b>60.4</b>	<b>45.5</b>	<b>38.0</b>	<b>30.8</b>

Orders received by Business Area	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Service <sup>1)</sup>	159.3	170.1	172.6	156.1	152.4	154.8	157.2	159.0
Standard Lifting	168.9	223.1	244.8	222.2	184.2	188.2	187.5	183.4
Heavy Lifting	116.4	159.1	198.4	212.2	165.3	191.8	148.4	114.9
./. Internal	-35.1	-36.3	-36.5	-28.2	-30.9	-28.4	-28.0	-27.8
<b>Total</b>	<b>409.6</b>	<b>515.9</b>	<b>579.3</b>	<b>562.3</b>	<b>471.0</b>	<b>506.4</b>	<b>465.1</b>	<b>429.4</b>

1) Excl. Service Contract Base

Order book by Business Area	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Service	117.3	151.6	140.2	121.8	109.3	122.8	124.5	112.9
Standard Lifting	327.9	418.2	387.8	338.4	270.9	267.7	239.5	211.0
Heavy Lifting	420.2	531.7	528.0	476.5	406.1	434.3	360.9	336.0
./. Internal	-29.1	-36.4	-28.3	-27.0	-28.4	-29.9	-25.1	-23.1
<b>Total</b>	<b>836.3</b>	<b>1,065.2</b>	<b>1,027.7</b>	<b>909.7</b>	<b>757.9</b>	<b>794.8</b>	<b>699.8</b>	<b>636.8</b>

Sales by market	Q4/2008	Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Europe-Middle East-Africa (EMEA)	380.3	298.1	285.9	243.3	297.6	238.6	227.0	188.2
Americas (AME)	178.1	144.1	125.1	144.3	159.6	135.4	143.1	151.7
Asia-Pacific (APAC)	92.0	78.3	81.5	51.5	65.6	50.4	51.9	40.7
<b>Total</b>	<b>650.4</b>	<b>520.4</b>	<b>492.4</b>	<b>439.2</b>	<b>522.8</b>	<b>424.4</b>	<b>422.0</b>	<b>380.5</b>

## Konecranes Group 2004-2008

		2008	2007	2006	2005	2004
<b>Business development</b>						
Orders received	MEUR	2,067.1	1,872.0	1,472.8	1,061.2	736.9
Order book	MEUR	836.3	757.9	571.6	432.1	298.8
Net sales	MEUR	2,102.5	1,749.7	1,482.5	970.8	728.0
of which outside Finland	MEUR	1,979.6	1,652.2	1,396.0	883.7	653.5
Export from Finland	MEUR	700.1	579.8	519.6	334.2	273.4
Personnel on average		9,222	8,005	6,859	5,087	4,369
Personnel on 31 December		9,904	8,404	7,549	5,923	4,511
Capital expenditure	MEUR	22.3	25.2	16.3	16.0	11.8
as a percentage of net sales	%	1.1%	1.4%	1.1%	1.6%	1.6%
Research and development costs	MEUR	19.0	16.2	12.5	8.8	8.5
as % of Group net sales	%	0.9%	0.9%	0.8%	0.9%	1.2%
<b>Profitability</b>						
Net sales	MEUR	2,102.5	1,749.7	1,482.5	970.8	728.0
Operating profit	MEUR	248.7	192.3	105.5	49.3	31.3
as percentage of net sales	%	11.8%	11.0%	7.1%	5.1%	4.3%
Income before taxes	MEUR	236.2	178.8	95.1	34.1	27.7
as percentage of net sales	%	11.2%	10.2%	6.4%	3.5%	3.8%
Net income (incl. minority)	MEUR	166.6	129.2	68.6	24.1	18.4
as percentage of net sales	%	7.9%	7.4%	4.6%	2.5%	2.5%
<b>Key figures and balance sheet</b>						
Equity	MEUR	400.7	280.8	223.7	152.1	137.6
Balance Sheet	MEUR	1,205.4	956.9	919.0	724.0	513.9
Return on equity	%	48.9	51.2	36.5	16.6	12.5
Return on capital employed	%	56.3	50.4	29.5	17.2	13.7
Current ratio		1.5	1.3	1.4	1.1	1.1
Solidity	%	39.9	36.1	28.3	23.7	29.1
Gearing	%	2.8	7.0	57.3	88.1	80.2
<b>Shares in figures</b>						
Earnings per share, basic	EUR	2.83	2.17	1.17	0.43	0.33
Earnings per share, diluted	EUR	2.82	2.13	1.15	0.42	0.32
Equity per share	EUR	6.75	4.80	3.77	2.66	2.44
Cash flow per share	EUR	1.82	3.08	1.39	0.86	0.14
Dividend per share	EUR	0.90*	0.80	0.45	0.28	0.26
Dividend / earnings	%	31.8	36.9	38.5	64.3	80.2
Effective dividend yield	%	7.5	3.4	2.0	2.6	3.2
Price / earnings		4.3	10.9	19.1	24.3	24.8
Trading low / high	EUR	9.90/32.50	20.68/34.90	10.23/22.33	7.45/10.49	6.80/8.88
Average share price	EUR	21.05	27.41	15.04	8.94	7.70
Share price on 31 December	EUR	12.08	23.58	22.30	10.41	8.13
Year-end market capitalization	MEUR	713.6	1,379.6	1,322.0	594.1	458.4
Number traded	(1,000)	171,519	128,266	114,023	73,164	63,700
Stock turnover	%	290.4	219.2	192.3	128.1	112.9

\* The Board's proposal to the AGM

## Calculation of key figures

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
Earnings per share:	$\frac{\text{Net profit for the shareholders of the parent company}}{\text{Average number of shares outstanding}}$	
Earnings per share, diluted:	$\frac{\text{Net profit for the shareholders of the parent company}}{\text{Average fully diluted number of shares outstanding}}$	
Equity per share:	$\frac{\text{Equity attributable to the shareholders of the parent company}}{\text{Number of shares outstanding}}$	
Cash flow per share:	$\frac{\text{Net cash flow from operating activities}}{\text{Average number of shares outstanding}}$	
Effective dividend yield( %):	$\frac{\text{Dividend per share}}{\text{Share price at the end of financial year}}$	X 100
Price per earnings:	$\frac{\text{Share price at the end of financial year}}{\text{Earnings per share}}$	
Year-end market capitalization:	Number of shares outstanding multiplied by the share price at the end of year	
Average number of personnel:	Calculated as average of number of personnel in quarters	

**Analyst and press briefing**

A presentation for media and analysts will be held at Konecranes office in Helsinki at 1.00 p.m. Finnish time (address: Eteläesplanadi 22 B, inner court, 2nd floor). The event will be held in English and the financial review will be presented by Konecranes's President and CEO Pekka Lundmark and CFO Teo Ottola. The presentation material will be available on the Company's internet pages at [www.konecranes.com](http://www.konecranes.com) after the release of this report.

The conference can also be viewed as a live webcast through the internet pages at [www.konecranes.com](http://www.konecranes.com). The archived webcast will be available on the internet pages later during the day.

**Next report**

Konecranes January-March 2009 interim report will be published on April 29, 2009.

KONECRANES PLC

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Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity-enhancing lifting solutions as well as services for lifting equipment and machine tools of all makes. In 2008, Group sales totaled EUR 2,103 million. The Group has 9,900 employees, at more than 470 locations in 43 countries. Konecranes is listed on the NASDAQ OMX Helsinki Exchange (symbol: KCR1V).