TEREX CORP
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KONECRANES PLC INTERIM REPORT October 21, 2015 at 9:00 a.m.

KONECRANES PLC'S INTERIM REPORT JANUARY-SEPTEMBER 2015

ORDER INTAKE UP, OPERATING PROFIT AT PREVIOUS YEAR'S LEVEL

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

THIRD QUARTER HIGHLIGHTS

- Order intake EUR 443.8 million (427.4), +3.8 percent; Service +12.7 percent and Equipment -1.9 percent.
- Order book EUR 1,075.3 million (1,026.2) at end-September, 4.8 percent higher than a year ago.
- Sales EUR 506.7 million (494.4), +2.5 percent; Service +7.3 percent and Equipment -1.7 percent.
- Operating profit excluding non-recurring items* EUR 33.3 million (34.8), 6.6 percent of sales (7.0).
- Non-recurring items* EUR 29.1 million (0.3).
- Operating profit EUR 4.1 million (34.5), 0.8 percent of sales (7.0).
- Earnings per share (diluted) EUR 0.02 (0.43).
- Net cash flow from operating activities EUR 47.1 million (64.8).
- Net debt EUR 228.5 million (200.4) and gearing 53.1 percent (46.4).

JANUARY-SEPTEMBER HIGHLIGHTS

- Order intake EUR 1,452.9 million (1,390.2), +4.5 percent; Service +10.7 percent and Equipment +0.4 percent.
- Sales EUR 1,517.2 million (1,403.2), +8.1 percent; Service +12.6 percent and Equipment +4.1 percent.
- Operating profit excluding non-recurring items* EUR 73.2 million (72.0), 4.8 percent of sales (5.1).
- Non-recurring items* EUR 40.9 million (1.6).
- Operating profit EUR 32.2 million (70.4), 2.1 percent of sales (5.0).
- Earnings per share (diluted) EUR 0.31 (0.77).
- Net cash flow from operating activities EUR -1.6 million (82.0).

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

MARKET OUTLOOK

Customers are cautious about investing as economic growth has slowed down across the globe. Companies operating in emerging and commodity markets are particularly under pressure to save costs. Demand outlook among customers in developed market is more stable. Continued contract base growth bodes well for the future of the service business.

The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

Konecranes redefines its financial guidance due to booking the effect of the fraudulent actions against Konecranes as part of non-recurring items that is included in the operating profit.

PREVIOUS FINANCIAL GUIDANCE

Based on the order book, service contract base, and the near-term demand outlook, the year 2015 sales are expected to be slightly higher than in 2014. We expect the 2015 operating profit, excluding restructuring costs and transaction costs related to the Terex merger, to be approximately on the same level as in 2014.

NEW FINANCIAL GUIDANCE

Based on the order book, service contract base, and the near-term demand outlook, the year 2015 sales are expected to be slightly higher than in 2014. We expect the 2015 operating profit, excluding restructuring costs, transaction costs related to the Terex merger and the effect of the fraudulent actions against Konecranes, to be approximately on the same level as in 2014.

KEY FIGURES	Third quarter			January-September				
	7-9/2015	7-9/2014	Change %	1-9/2015	1-9/2014	Change %	R12M	1-12/2014
Orders received, MEUR	443.8	427.4	3.8	1,452.9	1,390.2	4.5	1,966.2	1,903.5
Order book at end of period, MEUR				1,075.3	1,026.2	4.8		979.5
Sales total, MEUR	506.7	494.4	2.5	1,517.2	1,403.2	8.1	2,125.4	2,011.4
EBITDA excluding non-recurring items, MEUR *)	45.2	45.7	-1.0	109.5	103.5	5.8	168.2	162.2
EBITDA excluding non-recurring items, % *)	8.9%	9.2%		7.2%	7.4%		7.9%	8.1%
Operating margin excluding non-recurring items, MEUR *)	33.3	34.8	-4.4	73.2	72.0	1.6	120.2	119.1
Operating margin excluding non-recurring items, % *)	6.6%	7.0%		4.8%	5.1%		5.7%	5.9%
EBITDA, MEUR	16.2	45.3	-64.2	74.4	101.9	-27.0	131.5	159.0
EBITDA, %	3.2%	9.2%		4.9%	7.3%		6.2%	7.9%
Operating profit, MEUR	4.1	34.5	-88.0	32.2	70.4	-54.2	77.7	115.8

Operating margin, %	0.8%	7.0%		2.1%	5.0%		3.7%	5.8%
Profit before taxes, MEUR	2.0	36.1	-94.5	26.8	65.9	-59.4	68.3	107.4
Net profit for the period, MEUR	1.2	24.7	-95.0	18.2	45.1	-59.6	47.7	74.6
Earnings per share, basic, EUR	0.02	0.43	-95.2	0.31	0.78	-59.9	0.82	1.28
Earnings per share, diluted, EUR	0.02	0.43	-95.2	0.31	0.77	-59.8	0.82	1.28
Gearing, %				53.1%	46.4%			33.3%
Return on capital employed %							11.8%	17.0%
Free cash flow, MEUR	39.6	55.9		-26.2	53.3		29.9	109.4
Average number of personnel during the period				11,946	11,905	0.3		11,920

*) Non-recurring items include transaction costs (-8.5 MEUR in 1-9/2015 and 7-9/2015) which contain advisory, legal and consulting fees related to Konecranes Terex merger, restructuring costs -15.5 MEUR in 1-9/2015 and -3.7 MEUR in 7-9/2015 and the unwarranted payments due to the identity theft and fraudulent actions in a total amount of up to EUR -17.0 million. The non-recurring items in 2014 included restructuring costs only.

Acting CEO Teo Ottola:

“Our third quarter was a combination of continued tough market conditions affecting our order intake and sales, as well as successful execution of cost savings actions. Business Area Service continued to improve its operating profit in a year-on-year comparison, although the rate of the improvement came in lower than in the first half of 2015 due to the lower-than-expected sales in the quarter. Sustained robust order intake and contract base suggest that this was mostly a timing issue. Hence, we look forward to a strong fourth quarter in Service. Operating profit in Business Area Equipment, which came in slightly below the previous year, reflected the low level of deliveries during the quarter. In fact, sales declined by 6 percent year-on-year at comparable currencies, which resulted in under absorption of fixed costs in manufacturing and other operations. Demand continued weak in emerging markets and sales in North America did not meet our expectations. Additionally, there have been some delays in customers’ decision-making on new investments and execution of on-going projects. Taking these challenges into account, the third-quarter result demonstrated that our cost savings are producing results and that we are on track to reach EUR 30 million cost savings by the end of the first quarter of 2016.

As indicated in the financial guidance issued in September, the market situation remains uncertain. Those operating in emerging markets or commodities are feeling the effect of the changes in trading conditions. The impact concerning developed markets is still unclear. Against this backdrop, we continue to streamline our cost base. In addition to the previously announced EUR 30 million cost savings program, we continuously adapt our cost structure to the current demand.

The merger process with Terex, including antitrust filings, is proceeding according to plan.”

DISCLOSURE PROCEDURE

Konecranes follows the disclosure procedure enabled by Disclosure obligation of the issuer (7/2013) published by the Finnish Financial Supervision Authority. This stock exchange release is a summary of Konecranes Plc’s interim report January-September 2015. The complete report is attached to this release in pdf format and is also available on Konecranes’ website at www.konecranes.com.

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at Savoy restaurant’s Salikabinetti (address: Eteläesplanadi 14) at 11.00 a.m. Finnish time. The Interim Report will be presented by Konecranes’ Deputy CEO 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 13, 2015 for the conference call details.

NEXT REPORT

Konecranes’ Financial Statements Bulletin 2014 will be published on February 3, 2016.

KONECRANES PLC

Miikka Kinnunen
Director, Investor Relations

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Mr. Miikka Kinnunen, Director, Investor Relations, tel. +358 20 427 2050
Mr. Mikael Wegmüller,
Vice President, Marketing and Communications, tel. +358 20 427 2008

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 2014, Group sales totaled EUR 2,011 million. The Group has 12,000 employees at 600 locations in 48 countries. Konecranes is listed on Nasdaq Helsinki (symbol: KCR1V).

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www.konecranes.com

Forward Looking Statements

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

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

IMPORTANT ADDITIONAL INFORMATION

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

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

The information contained in this document must not be published, released or distributed, directly or indirectly, in any jurisdiction where the publication, release or distribution of such information is restricted by laws or regulations.

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

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

Order intake up, operating profit at previous year's level

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

THIRD QUARTER HIGHLIGHTS

· Order intake EUR 443.8 million (427.4), +3.8 percent; Service +12.7 percent and Equipment -1.9 percent.
· Order book EUR 1,075.3 million (1,026.2) at end-September, 4.8 percent higher than a year ago.
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· Sales EUR 1,517.2 million (1,403.2), +8.1 per–cent; Service +12.6 percent and Equipment +4.1 percent.
· Operating profit excluding non-recurring items* EUR 73.2 million (72.0), 4.8 percent of sales (5.1).
· Non-recurring items* EUR 40.9 million (1.6).

MARKET OUTLOOK

Customers are cautious about investing as eco–nomic growth has slowed down across the globe. Companies operating in emerging and commodity markets are particularly under pressure to save costs. Demand outlook among customers in developed market is more stable. Continued contract base growth bodes well for the future of the service business. The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

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· Operating profit EUR 32.2 million (70.4), 2.1 per–cent of sales (5.0).
· Earnings per share (diluted) EUR 0.31 (0.77).
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Key figures

	Third quarter			January–September				
	7–9/2015	7–9/2014	Change %	1–9/2015	1–9/2014	Change %	R12M	1–12/2014
Orders received, MEUR	443.8	427.4	3.8	1,452.9	1,390.2	4.5	1,966.2	1,903.5
Order book at end of period, MEUR				1,075.3	1,026.2	4.8		979.5
Sales total, MEUR	506.7	494.4	2.5	1,517.2	1,403.2	8.1	2,125.4	2,011.4
EBITDA excluding non-recurring items, MEUR*)	45.2	45.7	-1.0	109.5	103.5	5.8	168.2	162.2
EBITDA excluding non-recurring items, %*)	8.9%	9.2%		7.2%	7.4%		7.9%	8.1%
Operating profit excluding non-recurring items, MEUR*)	33.3	34.8	-4.4	73.2	72.0	1.6	120.2	119.1
Operating margin excluding non-recurring items, %*)	6.6%	7.0%		4.8%	5.1%		5.7%	5.9%
EBITDA, MEUR	16.2	45.3	-64.2	74.4	101.9	-27.0	131.5	159.0
EBITDA, %	3.2%	9.2%		4.9%	7.3%		6.2%	7.9%
Operating profit, MEUR	4.1	34.5	-88.0	32.2	70.4	-54.2	77.7	115.8
Operating margin, %	0.8%	7.0%		2.1%	5.0%		3.7%	5.8%
Profit before taxes, MEUR	2.0	36.1	-94.5	26.8	65.9	-59.4	68.3	107.4
Net profit for the period, MEUR	1.2	24.7	-95.0	18.2	45.1	-59.6	47.7	74.6
Earnings per share, basic, EUR	0.02	0.43	-95.2	0.31	0.78	-59.9	0.82	1.28
Earnings per share, diluted, EUR	0.02	0.43	-95.2	0.31	0.77	-59.8	0.82	1.28

Gearing, %			53.1%	46.4%			33.3%
Return on capital employed, %						11.8%	17.0%
Free cash flow, MEUR	39.6	55.9	-26.2	53.3		29.9	109.4
Average number of personnel during the period			11,946	11,905	0.3		11,920

*) Non-recurring items include transaction costs (-8.5 MEUR in 1–9/2015 and 7–9/2015) which contain advisory, legal and consulting fees related to Konecranes Terex merger, restructuring costs -15.5 MEUR in 1–9/2015 and -3.7 MEUR in 7–9/2015 and the unwarranted payments due to the identity theft and fraudulent actions in a total amount of up to EUR -17.0 million. The non-recurring items in 2014 included restructuring costs only.

Acting CEO Teo Ottola:

"Our third quarter was a combination of continued tough market conditions affecting our order intake and sales, as well as successful execution of cost savings actions. Business Area Service continued to improve its operating profit in a year-on-year comparison, although the rate of the improvement came in lower than in the first half of 2015 due to the lower-than-expected sales in the quarter. Sustained robust order intake and contract base suggest that this was mostly a timing issue. Hence, we look forward to a strong fourth quarter in Service. Operating profit in Business Area Equipment, which came in slightly below the previous year, reflected the low level of deliveries during the quarter. In fact, sales declined by 6 percent year-on-year at comparable currencies, which resulted in under absorption of fixed costs in manufacturing and other operations. Demand continued weak in emerging markets and sales in North America did not meet our expectations. Additionally, there have been some delays in customers' decision-making on new investments and execution of on-going projects. Taking these challenges into account, the third-quarter result demonstrated that our cost savings are producing results and that we are on track to reach EUR 30 million cost savings by the end of the first quarter of 2016.

As indicated in the financial guidance issued in September, the market situation remains uncertain. Those operating in emerging markets or commodities are feeling the effect of the changes in trading conditions. The impact concerning developed markets is still unclear. Against this backdrop, we continue to streamline our cost base. In addition to the previously announced EUR 30 million cost savings program, we continuously adapt our cost structure to the current demand.

The merger process with Terex, including antitrust filings, is proceeding according to plan."

Konecranes Plc
Interim report January–September 2015

MARKET REVIEW

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

American factory output, measured by the Purchasing Managers' Index (PMI), continued in the expansive territory, although the rate of growth softened from 2014. The U.S. manufacturing capacity utilization rate was above the previous year's level on average in January–September. However, the capacity utilization rate levelled off during 2015.

According to the PMI surveys in the Eurozone, manufac-turing production growth accelerated in January–September 2015, but the overall rate of expansion remained moderate. Germany, Spain, the Netherlands, and Italy were the leading lights, whereas the French manufacturing sector contracted for the most of the first nine months of 2015. Correspondingly, the EU capacity utilization was slightly up on a year-on-year basis.

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

Overall, the activity in the world's manufacturing sector, according to the aggregated JPMorgan Global Manufacturing PMI, continued to increase in January–September 2015, but the rate of

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

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

ORDERS RECEIVED

January–September orders received totaled EUR 1,452.9 million (1,390.2), representing an increase of 4.5 percent compared to previous year. Orders received grew by 10.7 percent in Service and by 0.4 percent in Equipment compared to a year before. Group orders received rose in the Americas and APAC but were stable in EMEA.

Third-quarter order intake rose by 3.8 percent from a year before and totaled EUR 443.8 million (427.4). Order intake increased in Service by 12.7 percent, but decreased by 1.9 percent in Equipment. Order intake grew in EMEA and APAC, while it declined in the Americas.

ORDER BOOK

The value of the order book at end-September totaled EUR 1,075.3 million. The order book increased by 4.8 percent from the last year's comparison figure of EUR 1,026.2 million, but decreased by 2.3 percent from end-June 2015 when it stood at EUR 1,100.4 million. Service accounted for EUR 185.4 million (17 percent) and Equipment for EUR 889.9 million (83 percent) of the total end-September order book.

growth weakened from 2014 and it was only slightly above stagnation at the end of the period.

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

The growth of global container traffic was weak at approximately 1 percent in January–September 2015. In the third quarter, container throughput declined by approximately 1 percent. Declining port handling volumes have been reported predominantly in some Asian ports, as well as in the Baltic Sea. The demand for yard cranes was robust.

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

SALES

Group sales in January–September increased by 8.1 per-cent from the previous year and totaled EUR 1,517.2 million (1,403.2). Sales in Service grew by 12.6 percent and in Equipment by 4.1 percent.

Third-quarter sales rose by 2.5 percent from a year ago and totaled EUR 506.7 million (494.4). Sales increased in Service by 7.3 percent, but decreased in Equipment by 1.7 percent.

At end-September, the regional breakdown calculated on a rolling 12 months basis was as follows: EMEA 46 (46), Americas 38 (36) and APAC 16 (18) percent.

NET SALES BY REGION, MEUR

	7–9/2015	7–9/2014	1–9/2015	1–9/2014	Change percent	Change % at comparable currency rates	R12M	1–12/2014
EMEA	239.2	231.0	671.0	649.3	3.3	2.3	967.7	946.0
AME	201.6	178.3	591.4	508.9	16.2	0.4	810.0	727.5
APAC	66.0	85.1	254.8	245.1	4.0	-5.6	347.7	338.0
Total	506.7	494.4	1,517.2	1,403.2	8.1	0.2	2,125.4	2,011.4

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a positive effect on the orders and sales in January–September. The reported order intake increased by 4.5 percent, but decreased by 2.8 percent at comparable currency rates. Reported sales grew by 8.1 percent and by 0.2 percent at comparable currency rates.

In January–September, the reported order intake in Service increased by 10.7 percent and by 0.7 percent at comparable currency rates. In Equipment, the reported order intake increased by 0.4 percent, but decreased by 5.4 percent at comparable currency rates. In Service, the reported sales increased by 12.6 percent and by 2.6 percent at comparable currency rates. The corresponding figures in Equipment sales were +4.1 percent and -2.5 percent.

The currency rates continued to have a positive impact on the orders and sales in the third quarter in a year-on-year comparison. The reported order intake rose by 3.8 percent, but fell by 2.8 percent at comparable currency rates. Reported sales increased by 2.5 percent, but decreased by 3.0 percent at comparable currency rates.

percent (8.9), whereas in Equipment it declined to 0.7 percent (3.1).

In January–September 2015, Service's operating margin excluding restructuring costs improved due to the sales growth and higher gross margin. The Equipment operating margin excluding restructuring costs was affected by lower sales at comparable currency rates and unfavorable sales mix. Moreover, the amortization related to new IT systems increased from the previous year.

The consolidated operating profit in the third quarter totaled EUR 4.1 million (34.5). The consolidated operating margin in the third quarter declined to 0.8 percent (7.0). The operating profit includes restructuring costs of EUR 3.7 million (0.3), merger transaction costs of EUR 8.5 million (0.0) and unwarranted payments due to identity theft totaling EUR -17.0 million. The operating margin in Service fell to 10.3 percent (10.9) and in Equipment to 3.1 percent (4.6).

In the third quarter of 2015, Service's operating margin excluding restructuring costs fell due to lower sales at comparable currencies and higher fixed costs. The Equipment operating margin excluding restructuring costs was affected by lower

In the third quarter, the reported order intake in Service increased by 12.7 percent and by 4.0 percent at comparable currency rates. In Equipment, the reported order intake decreased by 1.9 percent and by 7.4 percent at comparable currency rates. In Service, the reported sales increased by 7.3 percent, but decreased by 0.6 percent at comparable currency rates. The corresponding figures in Equipment sales were -1.7 percent and -5.5 percent.

FINANCIAL RESULT

The consolidated operating profit in January–September totaled EUR 32.2 million (70.4), decreasing in total by EUR 38.1 million. The consolidated operating margin fell to 2.1 percent (5.0). The operating profit includes restructuring costs of EUR 15.5 million (1.6) due to the cost savings program of EUR 30 million announced in 2014. In addition, the operating profit includes transaction costs of EUR 8.5 million (0.0) related to the Terex merger announced in August 2015. In August, Konecranes announced that one its foreign subsidiaries has become the victim of a fraud. The operating profit includes the unwarranted payments due to the identity theft and fraudulent actions in a total amount of up to EUR -17.0 million. The operating margin rose in Service to 9.2

sales at comparable currency rates. Moreover, amortization related to new IT systems increased from the previous year.

In January–September, the depreciation and impairments totaled EUR 42.2 million (31.5). This included write-offs of EUR 5.8 million (0.0) to intangible and tangible assets. The amortization arising from the purchase price allocations for acquisitions represented EUR 3.9 million (5.2) of the depreciation and impairments.

In January–September, the share of the result of associated companies and joint ventures was EUR 3.6 million (2.8).

Net financial expenses totaled EUR 9.0 million (7.3). Net interest expenses were EUR 7.3 million (8.1) of this.

The January–September profit before taxes was EUR 26.8 million (65.9).

Income taxes in January–September were EUR -8.6 million (-20.7). The Group’s estimated effective tax rate was 32.0 percent (31.5).

Net profit for January–September was EUR 18.2 million (45.1).

Diluted earnings per share for January–September were EUR 0.31 (0.77).

On a rolling twelve-month basis, the return on capital employed was 11.8 percent (15.6) and the return on equity 11.1 percent (15.6).

BALANCE SHEET

The consolidated balance sheet stood at EUR 1,495.0 million (1,487.0) at end-September. Total equity at the end of the report period was EUR 430.3 million (431.6). On Sep-tember 30, the total equity attributable to equity holders of the parent company was EUR 430.2 million (431.5) or EUR 7.32 per share (7.45).

Net working capital amounted to EUR 334.4 million (280.6) at end-September. Net working capital increased mainly due to higher inventories and accounts receivable as well as lower advance payments received.

CASH FLOW AND FINANCING

Net cash from operating activities in January–September was EUR -1.6 million (82.0) representing EUR -0.03 per diluted share (1.41). Net cash from operations in the third quarter was EUR 47.1 million (64.8).

Cash flow from capital expenditures amounted to EUR -26.6 million (-30.4). Cash flow from capital expenditures in the third quarter was to EUR -8.4 million (-9.0).

Cash flow before financing activities was EUR -32.1 mil-lion (48.3). Cash flow before financing activities in the third quarter was EUR 33.8 million (55.9).

On September 30, 2015, the interest-bearing net debt was EUR 228.5 million (200.4). Solidity was 33.5 percent (34.1) and gearing 53.1 percent (46.4).

The Group’s liquidity remained healthy. At the end of the third quarter, cash and cash equivalents amounted to EUR 65.4 million (102.2). 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 25.8 million (34.2). This amount consisted of investments in machinery, equipment, properties, and information technology.

Capital expenditure including acquisitions and joint arrangements was EUR 25.8 million (34.2).

ACQUISITIONS AND DISPOSALS

Capital expenditure on acquisitions and joint arrangements was EUR 0.0 million (0.0).

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

PERSONNEL

In January–September, the Group employed an average of 11,946 people (11,905). On 30 September, the headcount was 11,997 (11,980). At end-September, the number of personnel by Business Area was as follows: Service 6,515 employees (6,259), Equipment 5,428 employees (5,666) and Group staff 54 (55). The Group had 6,276 employees (6,241) working in EMEA, 2,998 (2,822) in the Americas, and 2,723 (2,917) in the APAC region.

Personnel effect of the cost savings program of EUR 30 million announced in 2014 was 307 employees in January– September. During the same period, the number of personnel increased by approximately 110 employees due to harmonization of reporting.

In June, Konecranes signed a EUR 200 million five-year revolving credit facility with two 12-month extension options with its core relationship banks. The committed credit facility refinanced the existing EUR 200 million facility signed in December 2010 and will be used for the general corporate purposes of the Group.

Business areas

SERVICE

	7–9/2015	7–9/2014	1–9/2015	1–9/2014	Change percent	R12M	1–12/2014
Orders received, MEUR	202.3	179.6	609.2	550.3	10.7	809.7	750.8
Order book, MEUR	185.4	166.2	185.4	166.2	11.6		152.6
Contract base value, MEUR	208.5	192.7	208.5	192.7	8.2		196.0
Net sales, MEUR	242.4	225.9	716.4	636.4	12.6	975.1	895.1
EBITDA, MEUR	29.3	28.8	80.0	68.1	17.4	115.1	103.3
EBITDA, %	12.1%	12.8%	11.2%	10.7%		11.8%	11.5%
Depreciation and amortization, MEUR	-4.4	-4.3	-13.1	-11.8	11.5	-17.7	-16.4
Impairments, MEUR	0.0	0.0	-1.1	0.0		-1.1	0.0
Operating profit (EBIT), MEUR	24.8	24.5	65.7	56.4	16.6	96.3	86.9
Operating profit (EBIT), %	10.3%	10.9%	9.2%	8.9%		9.9%	9.7%
Restructuring costs, MEUR	-0.5	-0.3	-3.4	-1.4		-4.2	-2.2
Operating profit (EBIT) excluding restructuring costs, MEUR	25.4	24.9	69.1	57.7	19.7	100.5	89.1
Operating profit (EBIT) excluding restructuring costs, %	10.5%	11.0%	9.6%				