Cargotec's financial statements review 2013: orders and cash flow strengthened towards the year-end

The figures in this financial statements review are based on Cargotec Corporation's audited 2013 Financial statements.

October–December 2013 in brief

- Orders received increased 35 percent and totalled EUR 958 (710) million.
- Order book amounted to EUR 1,980 (31 Dec 2012: 2,021) million at the end of the period.
- Sales increased 3 percent to EUR 914 (890) million.
- Operating profit excluding restructuring costs was EUR 38.6 (39.9) million, representing 4.2 (4.5) percent of sales.
- Operating profit was EUR 15.3 (14.2) million, representing 1.7 (1.6) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 133.9 (90.7) million.
- Net income for the period amounted to EUR 7.7 (9.1) million.
- Earnings per share was EUR 0.12 (0.15).

January–December 2013 in brief

- Orders received increased 8 percent to EUR 3,307 (3,058) million.
- Sales fell 4 percent to EUR 3,181 (3,327) million.
- Operating profit excluding restructuring costs was EUR 126.5 (157.5) million, representing 4.0 (4.7) percent of sales.
- Operating profit was EUR 92.5 (131.4) million, representing 2.9 (3.9) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 180.9 (97.1) million.
- Net income for the financial period amounted to EUR 55.4 (89.5) million.
- Earnings per share was EUR 0.89 (1.45).
- The Board of Directors proposes a dividend of EUR 0.41 per class A share and EUR 0.42 per class B share be paid.

Outlook for 2014

Cargotec's 2014 sales are expected to grow from 2013. Operating profit excluding restructurings costs for 2014 is expected to improve from 2013.

The acquisition of the Aker Solution's mooring and loading systems unit was completed 30 January 2014. Consolidation of the acquisition does not impact Cargotec's above-mentioned outlook for 2014.

Cargotec's key figures

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
Orders received	**958**	710	35%	**3,307**	3,058	8%
Order book, end of period	**1,980**	2,021	-2%	**1,980**	2,021	-2%
Sales	**914**	890	3%	**3,181**	3,327	-4%
Operating profit*	**38.6**	39.9	-3%	**126.5**	157.5	-20%
Operating profit, %*	**4.2**	4.5		**4.0**	4.7	
Operating profit	**15.3**	14.2	7%	**92.5**	131.4	-30%
Operating profit, %	**1.7**	1.6		**2.9**	3.9	
Income before taxes	**11.0**	13.9		**78.7**	122.5	
Cash flow from operations	**133.9**	90.7		**180.9**	97.1	
Net income for the period	**7.7**	9.1		**55.4**	89.5	
Earnings per share, EUR	**0.12**	0.15		**0.89**	1.45	
Net debt, end of period	**578**	478		**578**	478	
Gearing, %	**46.7**	39.2		**46.7**	39.2	
Personnel, end of period	**10,610**	10,294		**10,610**	10,294	

*excluding restructuring costs

Cargotec's President and CEO Mika Vehviläinen:
Despite our many achievements, 2013 was financially disappointing. However, it was pleasing during the fourth quarter to see the amount of orders received increase, while cash flow continued to strengthen from the third quarter.

MacGregor's growth strategy progressed significantly during the fourth quarter. Announced in July, the acquisition of Hatlapa was completed in October. Then we also announced our intention to acquire the Aker Solutions' mooring and loading systems unit. These acquisitions will position MacGregor as a leading player in the offshore equipment market.

Our main target is to improve our profitability. During 2013, a great deal of work was done in developing our strengths. Although much remains to be done, I expect our efforts to bear fruit this year and also to be reflected in the results.

Press conference for analysts and media
A press conference for analysts and media, combined with a live international telephone conference, will be arranged on the publishing day at 10:00 a.m. EET at Cargotec's head office, Porkkalankatu 5, Helsinki. The event will be held in English. The report will be presented by President and CEO Mika Vehviläinen and Executive Vice President, CFO Eeva Sipilä. The presentation material will be available at www.cargotec.com by 10:00 a.m. EET.

The telephone conference, during which questions may be presented, can be accessed using the following numbers ten minutes before the beginning of the event with access code Cargotec/940618:

FI: +358 9 2313 9201
SE: +46 8 5052 0110
UK: +44 20 7162 0077
US: +1 334 323 6201

The event can also be viewed as a live webcast at www.cargotec.com. An on-demand version of the conference will be published at Cargotec's website later during the day.

A replay of the conference call will be available until midnight 6 February 2014 in the following numbers with access code Cargotec/940618:
FI: +358 9 2314 4681
UK: +44 20 7031 4064
US: +1 954 334 0342

For further information, please contact:
Eeva Sipilä, Executive Vice President and CFO, tel. +358 20 777 4104
Paula Liimatta, Director, Investor Relations, tel. +358 20 777 4084

Cargotec shapes the cargo handling industry for the benefit of its customers and shareholders. Cargotec's business areas MacGregor, Kalmar and Hiab are recognised leaders in cargo and load handling solutions around the world. Their global network is positioned close to customers and offers extensive services that ensure a continuous, reliable and sustainable performance according to customers' needs. Cargotec's sales totalled approximately EUR 3.2 billion in 2013 and it employs approximately 11,000 people. Cargotec's class B shares are quoted on NASDAQ OMX Helsinki under symbol CGCBV. www.cargotec.com

Cargotec's financial statements review 2013

Operating environment

The ship building and related cargo handling solutions markets improved during the year, although uncertainty in the industry continued, as demonstrated by the volatility in market activity. The offshore market remained active throughout the year and was healthier than the merchant ship market. Obtaining financing was difficult for some shipowners and shipyards. The pressure among shipowners to save on costs in a challenging market situation led to low demand for services.

Container volumes handled in ports are estimated to have grown by over three percent in 2013. Demand for smaller container handling equipment and automation solutions used in ports was healthy, while that for larger container handling equipment picked up during the year. Demand for services was at a healthy level.

Despite the economic uncertainty, the load handling equipment market was flat during the year. In Europe, the market was characterised by clear demand and activity variations among countries with respect to both new equipment and services. Towards the end of the year, demand picked up slightly due to pre-buying behaviour as customers prepared for new environmental regulations on trucks. In the United States, demand was healthy.

Orders received and order book

Orders received during the fourth quarter increased by 35 percent from the comparison period's level and totalled EUR 958 (710) million. Orders increased in all business areas. Service orders were at the comparison period's level.

Orders received in 2013 increased eight percent from the comparison period and totalled EUR 3,307 (3,058) million. Of the orders, 31 percent were received by MacGregor, 43 percent by Kalmar and 26 percent by Hiab. In geographical terms, the share of orders received declined to 40 (46) percent in EMEA (Europe, Middle East, Africa). Asia-Pacific's share of all orders was 33 (31) percent and that of Americas 27 (23) percent. A major port automation project was the main reason for the increased orders in the Americas. Service orders accounted for 23 (25) percent of total orders.

The order book decreased two percent from the 2012 year-end level, and at the end of the 2013 it totalled EUR 1,980 (31 Dec 2012: 2,021) million. MacGregor's order book totalled EUR 980 (848) million, representing 50 (42) percent, Kalmar's EUR 799 (983) million, or 40 (49) percent, and that of Hiab EUR 203 (192) million, or 10 (9) percent of the consolidated order book.

Orders received by reporting segment

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
MacGregor	**361**	194	86%	**1,011**	645	57%
Kalmar	**357**	313	14%	**1,430**	1,565	-9%
Hiab	**241**	203	19%	**869**	850	2%
Internal orders	**-1**	-1		**-3**	-2	
Total	**958**	710	35%	**3,307**	3,058	8%

Orders received by geographical area

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
EMEA	**394**	328	20%	**1,343**	1,403	-4%
Asia-Pacific	**372**	235	58%	**1,079**	945	14%
Americas	**192**	148	30%	**885**	710	25%
Total	**958**	710	35%	**3,307**	3,058	8%

Sales

Fourth-quarter sales increased three percent from the comparison period to EUR 914 (890) million. Sales in services were at previous year's level at EUR 209 (206) million, representing 23 (23) percent of consolidated sales.

Sales in 2013 declined four percent from the comparison period and totalled to EUR 3,181 (3,327) million. Compared to 2012, currency rate changes had a two percentage point negative impact on sales. Sales in services amounted to EUR 763 (765) million, representing 24 (23) percent of consolidated sales. Sales in MacGregor suffered from low deliveries during the year, caused by the weak business cycle in the shipbuilding market. Sales in Kalmar increased by four percent and in Hiab they were at the comparison period's level. Services saw growth in the Americas, remained at the comparison period's level in EMEA, and declined in the Asia-Pacific. EMEA represented 44 (41) percent of consolidated sales, Asia-Pacific 31 (35) percent and Americas 25 (24) percent.

Sales by reporting segment

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
MacGregor	**218**	238	-8%	**794**	995	-20%
Kalmar	**468**	417	12%	**1,550**	1,495	4%
Hiab	**229**	235	-3%	**841**	840	0%
Internal sales	**-2**	-1		**-3**	-2	
Total	**914**	890	3%	**3,181**	3,327	-4%

Sales by geographical area

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
EMEA	**409**	382	7%	**1,385**	1,341	3%
Asia-Pacific	**262**	293	-11%	**1,003**	1,178	-15%
Americas	**243**	216	13%	**793**	808	-2%
Total	**914**	890	3%	**3,181**	3,327	-4%

Financial result

Operating profit for the fourth quarter increased from the comparison period totalling EUR 15.3 (14.2) million. Operating profit includes EUR 23.4 (25.7) million in restructuring costs. EUR 1.4 (3.2) million of the restructuring costs are related to MacGregor, EUR 5.0 (9.8) million to Kalmar, and EUR 16.9 (10.0) million to Hiab.

Operating profit for the fourth quarter, excluding restructuring costs, was EUR 38.6 (39.9) million, representing 4.2 (4.5) percent of sales. Excluding restructuring costs, operating profit for MacGregor amounted to EUR 14.5 (39.0) million, Kalmar EUR 25.5 (3.9) million, and Hiab EUR 3.9 (8.5) million.

Operating profit in 2013 declined 30 percent from the comparison period to EUR 92.5 (131.4) million. Operating profit includes EUR 34.0 (26.2) million in restructuring costs. EUR 2.7 (3.2) million of the restructuring costs are related to MacGregor, EUR 7.1 (9.9) million to Kalmar, EUR 24.0 (10.4) million to Hiab and EUR 0.1 (2.8) million to corporate administration and support functions. Operating profit also includes a capital loss of EUR 1.5 million, booked in Kalmar's second quarter operating profit from selling Tampere facilities in Finland.

Operating profit in 2013 excluding restructuring costs declined to EUR 126.5 (157.5) million, representing 4.0 (4.7) percent of sales. Excluding restructuring costs, operating profit for MacGregor amounted to EUR 62.7 (130.8) million, Kalmar EUR 64.0 (42.3) million, and Hiab EUR 24.4 (27.1) million. MacGregor's operating profit decline was mostly due to low sales. Operating profit in Kalmar improved clearly from the previous year, despite cost overruns in deliveries of large port projects resulting from orders booked in previous years, which significantly burdened the business. Restructuring measures in Hiab were not yet reflected in the operating profit.

Net interest expenses for interest-bearing debt and assets for the fourth quarter totalled EUR -7.4 (-4.5) million. Net financing expenses totalled EUR -4.3 (-0.3) million. Net interest expenses for interest-bearing debt and assets in 2013 totalled EUR -21.9 (-19.1) and net financing expenses EUR -13.9 (-8.9) million.

Net income for the fourth quarter totalled EUR 7.7 (9.1) million and earnings per share EUR 0.12 (0.15). Net income in 2013 declined and totalled EUR 55.4 (89.5) million and earnings per share EUR 0.89 (1.45).

Balance sheet, cash flow and financing
The consolidated balance sheet total was EUR 3,336 (31 Dec 2012: 3,298) million at the end of 2013. Equity attributable to equity holders was EUR 1,233 (1,214) million, representing EUR 19.18 (19.80) per share. Property, plant and equipment on the balance sheet was EUR 310 (304) million and intangible assets were EUR 1,085 (1,021) million.

Return on equity (ROE, annualised) in 2013 dropped to 4.5 (7.5) percent and return on capital employed (ROCE, annualised) to 5.0 (8.2) percent.

Cash flow in 2013 from operating activities, before financial items and taxes, totalled EUR 180.9 (97.1) million. Cash flow from operations clearly strengthened during the second half of the year. Net working capital increased during the financial period from EUR 219 million at the end of 2012 to EUR 231 million. The amount of inventories was significantly reduced during the financial period, having a positive impact on net working capital. The sale of own shares in December amounted to a total of EUR 74.0 million before commissions and expenses. Dividend payment in 2013 totalled EUR 44.3 (61.4) million.

Cargotec's financing structure and liquidity are healthy. Interest-bearing net debt at the end of 2013 was EUR 578 (31 Dec 2012: 478) million. Interest-bearing debt amounted to EUR 893 (697) million, of which EUR 300 (259) million was current and EUR 594 (438) million non-current debt. On 31 December 2013, the average interest rate on the loan portfolio was 3.0 (2.6) percent. Cash and cash equivalents, loans receivable and other interest-bearing assets totalled EUR 315 (31 Dec 2012: 219) million.

During the second quarter, Cargotec signed and withdrew a EUR 50 million three-year floating rate term loan. In addition, three-year floating rate term loans, with a total worth of EUR 150 million, were signed and withdrawn during the third quarter.

Cargotec's total equity/total assets ratio was 39.5 (40.8) percent. Gearing rose from its 2012 year-end 39.2 percent level to 46.7 percent. The completed Hatlapa acquisition increased gearing. Cargotec's target is to keep gearing below 50 percent.

New products and product development
Research and product development expenditure in 2013 totalled EUR 63.5 (75.4) million, representing 2.0 (2.3) percent of sales and 2.1 (2.4) percent of all operating expenses. Research and product development investments were focused on projects aimed at improving competitiveness and cost efficiency of products.

MacGregor
In 2013, MacGregor introduced devices that optimise cargo carrying capability and loading flexibility. Stack splitter supports containers in a cargo hold, and when not in use it stows away in minimal space. A retractable console ensures that tweendecks can be installed more efficiently.

During the year, MacGregor developed crane technology to provide a unique cruise experience. A crane equipped with a glass capsule will offer cruise passengers a 360-degree view above the ocean. In addition, MacGregor's new process to analyse a container ship's cargo profile is undergoing trials. It will enable a vessel's earning ability to be the design starting point, instead of working on theoretical cargo stowage assumptions. MacGregor also introduced a new offshore crane that enables three-dimensional motion compensation. Additionally, a new simulation platform developed in 2013 allows MacGregor engineers and equipment users to accurately plan and illustrate complex systems in operation in a “real-world” environment and real-time mode. MacGregor finalised development work for a new lashing bar that allows new and existing container ships to employ an external lashing system, which allows the ship to carry more payload containers.

Kalmar
During the second half of 2013, Kalmar introduced the world’s first real hybrid straddle and shuttle carriers. These consume up to 40 percent less fuel than existing equipment. Hybrid models meet the tightest engine emission regulations, reducing the carbon dioxide emissions considerably compared to a traditional diesel-electric machine. Kalmar also partnered with a customer, Global Service in Italy, to create a dual-fuel (liquefied natural gas and diesel) reachstacker under the EU-funded Greencranes initiative, and presented its latest forklift trucks to the North American customers.

During the first half, Kalmar introduced a new generation of reachstackers. Key areas in their development were productivity, safety and ergonomics. Kalmar also launched a new service contract concept, Kalmar Care. Kalmar Care includes four different contract types that are standardised globally and across all customer segments. The contracts are modular and fully scalable, covering everything from day-to-day support to comprehensive servicing and maintenance requirements.

During the first half, as part of a consortium, Kalmar received a commendation award of USD 100,000 in the Next Generation Container Port (NGCP) Challenge.

Hiab
In September, Hiab introduced four new loader crane models in its biggest launch in years. The key features of the new models have been developed following extensive research among customers and field experts. During the year, Hiab also introduced a new forestry crane and a new control system for demountables. In 2013 Hiab received a EUR 1.4 million funding from the European Union for a three-year research cooperation project with three academic partners in Europe.

Capital expenditure and sales of fixed assets
Capital expenditure in 2013, excluding acquisitions and customer financing, totalled EUR 69.0 (76.2) million. Investments in customer financing were EUR 39.3 (34.3) million. Depreciation, amortisation and impairment amounted to EUR 76.7 (70.0) million.

In June, Cargotec signed an agreement to sell Technology and Competence Centre facilities in Tampere, Finland to W.P. Carey, a real estate investment trust in the United States. Cargotec will continue its operations at the premises as leaseholder with a 20-year contract. The transaction value was EUR 38.5 million.

In June 2012, Cargotec announced plans to invest in its multi-assembly unit (MAU) in Stargard Szczecinski, Northern Poland. The value of the investment in a new painting and assembly area was close to EUR 24 million in 2013. The construction work will be completed in 2014.

Acquisitions and divestments
In December, after receiving regulatory approvals, Cargotec established Sinotruk (Shandong) Hiab Equipment Company Ltd., a joint venture with China National Heavy Duty Truck Group Co., Ltd., in China. Cargotec's ownership in the joint venture is 50 percent. During the fourth quarter Cargotec invested approximately EUR 5 million in the joint venture. The estimated equity investment in the joint venture during the first operational year will be approximately EUR 10 million.

In October, MacGregor entered into an agreement to acquire from Aker Solutions, for an enterprise value of approximately EUR 180 million, its mooring and loading systems unit. The acquisition was completed in January 2014.

In July, MacGregor entered into an agreement to acquire privately owned Hatlapa Group, merchant ship and offshore deck equipment provider, for an enterprise value of EUR 160 million. With the Hatlapa acquisition MacGregor will become a global leader in winches. The acquisition was completed in October. Combined, the before-mentioned acquisitions position MacGregor as a leading player in the offshore equipment market.

In May, Kalmar acquired total ownership in the Spanish crane refurbishment and maintenance service company Mareiport, S.A. The acquisition is a strategic step for Kalmar to become a major global crane refurbishment and services provider. Kalmar has been a minority shareholder with 30 percent ownership in the company since 2007.

During the first quarter, Hiab sold 100 percent of O'Leary's Material Handling Services Pty Ltd, in Australia. The transaction had no material effect on Cargotec's result.

Personnel
Cargotec employed 10,610 (31 Dec 2012: 10,294) people at the end of 2013. MacGregor employed 2,354 (1,868) people, Kalmar 5,269 (5,190), Hiab 2,823 (3,025) and corporate administration and support functions 164 (211). The average number of employees in 2013 was 10,210 (10,522). Part-time personnel represented 2 (2) percent of employees. 16 (16) percent of personnel were female and 84 (84) percent male.

At the end of 2013, 15 (31 Dec 2012: 17) percent of the employees were located in Sweden, eight (9) percent in Finland and 35 (29) percent in the rest of Europe. Asia-Pacific personnel represented 25 (28) percent, North and South American 14 (14) percent, and the rest of the world three (3) percent of total employees.

Salaries and remunerations to employees totalled EUR 460 (452) million in 2013.

Following development work in 2013, four fundamental cornerstones now guide Cargotec’s HR activities: fact-based people management, organisational efficiency, leadership and talent management, and performance culture. Action has begun to simplify the corporate HR policies and processes, and to develop corporate HR information systems and tools. Additionally, a number of initiatives have been launched to reduce organisational complexity and streamline operations. The development work will continue throughout 2014.

In 2013, Cargotec HR worked to ensure that actions that build a strong, driven performance culture are acknowledged and rewarded. In a performance culture, people are eager to do their utmost and they take pride in their work. To support this, the identified desired behaviours in all employees consist of elements like: hunger for financial success, leadership excellence, high performing teams, commitment to solid corporate governance, transparency and ethics, simplicity and accountability.

In October, Cargotec informed about plans to improve efficiency and reduce costs in Hiab. The planned measures were estimated to result in the reduction of approximately 250 employees globally, incur savings of approximately EUR 20 million and result in approximately EUR 12 million in restructuring costs. By the end of the year, the cooperation negotiations were completed in most of the affected countries. In these countries, the measures affected 220 employees. EUR 7.9 million was booked in restructuring costs from these measures in Hiab’s fourth quarter result.

Employee cooperation negotiations started in October 2012 in Hudiksvall, Sweden, were completed in March. As a result, a total of 105 persons were made redundant. Employee cooperation negotiations outside Finland and Sweden resulted in 78 redundancies.

Listing of MacGregor in Asia

During 2013, Cargotec prepared for a separate listing of MacGregor in Singapore in first half of 2014. Due to market conditions and focusing on integration of Hatlapa acquisition, the Board of Directors decided in October to delay the listing.

President and CEO Mika Vehviläinen

On 27 January 2013, Cargotec's Board of Directors appointed Mr Mika Vehviläinen as Cargotec's new President and CEO. Mr Vehviläinen started work at Cargotec on 1 March 2013. More information about remuneration, fringe benefits and other terms of employment of the President and CEO is available on Cargotec’s website (www.cargotec.com/investors) in Governance section and in the annual remuneration statement.

Executive Board

In 31 December 2013, the members of Cargotec's Executive Board were President and CEO Mika Vehviläinen, Executive Vice President and Chief Financial Officer Eeva Sipilä, Senior Vice President, Human Resources Mikko Pelkonen and business area Presidents Eric Nielsen (MacGregor) and Olli Isotalo (Kalmar). Senior Vice President, General Counsel Outi Aaltonen acts as Secretary to the Executive Board.

In addition to the above Executive Board members, the Extended Executive Board included the following members between 1 April 2013–31 December 2013: Outi Aaltonen, Senior Vice President, General Counsel; Stephen Foster, Senior Vice President, Corporate Audit; Soili Mäkinen, Chief Information Officer; Matti Sommarberg, Executive Vice President, Chief Technology Officer; Anne Westersund, Senior Vice President, Communications and Public Affairs.

Sustainability
The greatest impacts on sustainable development arise from customers using Cargotec's products and solutions. One of Cargotec's strengths lies in its ability to share best practices efficiently between business areas with respect to Environment, Health and Safety (EHS) operations and sustainable technologies.

Since the use of Cargotec's products and solutions has a much greater impact than its own operations on the environment and social development, the extent to which such an impact can be managed is limited. Markets define the need for new solutions and the change from traditional fuel-powered equipment to the newest hybrid, automated and electric solutions is slow.

Cargotec's adoption of a new business-area driven operating model has the purpose of making product development and R&D more responsive to market needs. Based on this strengthened customer-driven approach, our ability to react to requests for more energy and carbon efficient solutions is further improving. Both challenges and opportunities in relation to EHS and labour practices will arise, due to the way in which various cultures and local conditions define the societal and regulative environment. In 2013, Cargotec and its business areas further developed their compliance with the ISO and OHSAS standards in terms of quality, environment, health and safety (QEHS). Cargotec actively monitors the environmental, health and safety impacts of its operations. A report on the related results is published annually on Cargotec's website.

Internal control and risk management
The objective of Cargotec's internal control is to ensure that its operations are efficient and profitable, its risk management is adequate and appropriate, and that financial and other information produced is reliable. Cargotec's internal control is based on its values and code of conduct. With respect to the financial reporting process, these are supported by Cargotec's policies and guidelines, as well as its internal financial reporting process and communication.

Cargotec's internal control policy, which is approved by the Board of Directors, specifies the applicable control principles, procedures and responsibilities. Similarly to other Cargotec operations, responsibility for internal control is divided into three tiers. The line management is principally responsible for internal control. This is backed up by corporate support functions, which define instructions applicable across the company and supervise risk management. Internal and external audits form the third tier, their task being to ensure that the first two tiers function effectively.

Cargotec's Corporate Audit is an independent and objective assurance and consulting activity that operates separately from the operative organisation and reports to the Board Audit and Risk Management Committee and, administratively, to the President and CEO.

Corporate Audit takes account of the major risks identified in the company's risk map when developing the audit plan and monitors the risk mitigation of selected risks. Audits of the operations of selected subsidiaries and business units assess the effectiveness of internal control and risk management, as well as compliance with operating principles and guidelines. Furthermore, Corporate Audit audits and assesses financial reporting processes and compliance with the related control measures in Cargotec units. It regularly reports on its findings and audit activities to the company management and the Board Audit and Risk Management Committee.

In Cargotec, risk management forms part of internal control operations. Approved by the Board of Directors and based on Cargotec's values, the risk management policy specifies the objectives and principles of risk management, as well as the responsibilities involved. A core principle is continuous, systematic and preventive action taken to identify risks, define the company's risk appetite, assess and handle risks and, if they materialise, deal with them effectively. The President and CEO and the Executive Board are responsible for the methods, implementation and supervision of risk management, and report on these to the Board of Directors. Cargotec's risk management is spread across units and corporate support functions that assign responsibility for risk management and which are in charge of identifying, managing and reporting risks. As far as is possible and practical, risk management is conducted within business units and support functions as part of day-to-day processes.

Identification, assessment, treatment planning and reporting are part of Cargotec's planning and decision-making processes. Follow-up of risks and risk management actions forms part of the management and follow-up of the company's operations as a whole. The role of the corporate risk management function is to develop and coordinate the overall risk management framework and process. This function supports the businesses in implementing risk management and performs certain specified tasks, such as the coordination of global insurance programmes. Financial risks are centrally managed by Corporate Treasury, which draws up financial risk reports for corporate management and the Board of Directors on a regular basis.

Cargotec's strategic and business risks are related to the development of the global economy and cargo flows, emerging markets, changes in organisational structure, personnel, enterprise resource planning implementation as well as large projects and automation. Operational risks are related to information management, suppliers, production, changes in the supply footprint, contract and compliance (legal) issues, material cost fluctuations and financial risks. The main safety, hazard and environmental risks include risks related to business interruptions, intellectual property and logistics. Cargotec pays continuous attention to employee, customer and third party health, and safety and environmental risks, and monitors developments in local legislation.

Reporting segments

MacGregor

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
Orders received	**361**	194	86%	**1,011**	645	57%
Order book, end of period	**980**	848	16%	**980**	848	16%
Sales	**218**	238	-8%	**794**	995	-20%
Sales of services	**41**	42		**147**	161	
% sales	**19**	18		**18**	16	
Operating profit/loss (EBIT)	**13.0**	35.9		**60.0**	127.7	
% sales	**6.0**	15.0		**7.6**	12.8	
Operating profit/loss (EBIT)*	**14.5**	39.0		**62.7**	130.8	
% sales*	**6.6**	16.4		**7.9**	13.2	
Personnel, end of period	**2,354**	1,868		**2,354**	1,868	

*excluding restructuring costs

MacGregor's orders for the fourth quarter grew 86 percent from the comparison period and amounted to EUR 361 (194) million. Orders for 2013 grew 57 percent from the comparison period, totalling EUR 1,011 (645) million. Demand was highest for bulk ship cargo handling equipment.

Major orders received by MacGregor in 2013 were:

- optimised cargo handling systems for ten container vessels to South Korea,
- 45 electric winches to South Korea,
- 64 electric cranes for 16 bulk carriers for two Chinese shipyards,
- electrically-operated side-rolling hatch covers, design and supply of key components and the fabrication of the hatch covers for five Greek bulk carriers,
- two offshore subsea cranes for a Norwegian owner,
- 20 cargo cranes for four Chinese multi-purpose vessels,
- four offshore cranes for a US customer,
- largest ever active heave-compensated offshore crane for a support vessel to be built in South Korea,
- two offshore cranes to Nigerian offshore oil and gas company, three to South Korean shipyard, two to Malesia and two to Norway
- RoRo equipment for five container/RoRo vessels to be built in South Korea, and to five vessels in China, as well as
- 32 electric cranes for eight container vessels to be built in China.

Order book grew 16 percent from the 2012 year-end, totalling EUR 980 (31 Dec 2012: 848) million at the end of 2013. 75 percent of the order book is merchant ship-related. Offshore support vessel-related orders comprised a quarter of the order book.

MacGregor's fourth-quarter sales declined eight percent from the comparison period, totalling EUR 218 (238) million. Sales include 18 million contribution from the Hatlapa acquisition from November-December period. Share of services sales was 19 (18) percent or EUR 41 (42) million.

Sales in 2013 declined 20 percent from the comparison period and amounted to EUR 794 (995) million. Sales include 18 million contribution from the Hatlapa acquisition from November-December period. Sales fell due to the weak business cycle in the shipbuilding market. Order book was clearly lower at the beginning of 2013 and, in addition, customers delayed receipt of deliveries during the year. Sales for services totalled EUR 147 (161) million, representing 18 (16) percent of sales. The fall in services sales was due to shipowners saving on maintenance costs.

MacGregor's operating profit for the fourth quarter totalled EUR 13.0 (35.9) million. Including amortisation and depreciation on fixed assets recognised related to the acquisition, Hatlapa had a EUR 2.3 million negative impact on MacGregor's operating profit. Additionally, the fourth-quarter result was burdened by acquisition related costs of EUR 4.5 million. Operating profit for the comparison period includes a EUR 7 million in capital gain on the sale of property in Singapore. Fourth-quarter operating profit includes EUR 1.4 (3.2) million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 14.5 (39.0) million, representing 6.6 (16.4) percent of sales.

MacGregor's operating profit for 2013 totalled EUR 60.0 (127.7) million. Operating profit for the comparison period includes a capital gain of EUR 7 million from the sale of the Singapore production facility. Operating profit for 2013 includes EUR 2.7 (3.2) million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 62.7 (130.8) million, representing 7.9 (13.2) percent of sales. There was a decline in operating profit as a result of clearly lower sales compared to the previous year. Including amortisation and depreciation on fixed assets recognised related to the acquisition, Hatlapa had a EUR 2.3 million negative impact on MacGregor's operating profit. Additionally, operating profit was burdened by costs related to preparations for and executions of acquisitions. The gross margin on deliveries was as expected.

Kalmar

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
Orders received	**357**	313	14%	**1,430**	1,565	-9%
Order book, end of period	**799**	983	-19%	**799**	983	-19%
Sales	**468**	417	12%	**1,550**	1,495	4%
Sales of services	**110**	105		**386**	377	
% sales	**23**	25		**25**	25	
Operating profit/loss (EBIT)	**20.5**	-5.9		**56.9**	32.4	
% sales	**4.4**	-1.4		**3.7**	2.2	
Operating profit/loss (EBIT)*	**25.5**	3.9		**64.0**	42.3	
% sales*	**5.5**	0.9		**4.1**	2.8	
Personnel, end of period	**5,269**	5,190		**5,269**	5,190	

*excluding restructuring costs

In the fourth quarter, orders received by Kalmar increased 14 percent from the comparison period and totalled EUR 357 (313) million. Orders received in 2013 fell nine percent from the comparison period due to less orders for big port projects, amounting to EUR 1,430 (1,565) million.

Major orders received by Kalmar during in 2013 were:

- 12 hybrid rubber-tyred gantry cranes (RTGs) to Kenya
- eight zero emission RTGs to Norway,
- 17 automated stacking cranes and 11 automated straddle carriers for TraPac Inc, Los Angeles, USA,
- 18 rough terrain container handlers to the United States Department of Defense,
- two straddle carriers and a SmartFleet solution to New Zealand,
- three Siwertell unloaders to Turkey and one to South America,
- 25 reachstackers to Algeria, as well as
- rubber-tyred gantry cranes (RTG), reachstackers, empty container handlers, forklift trucks and terminal tractors in two orders to Venezuela

The order book declined 19 percent from 2012 year-end and at the end of 2013 it totalled EUR 799 (31 Dec 2012: 983) million.

Kalmar's fourth-quarter sales, EUR 468 (417) million, increased 12 percent from the comparison period. Sales for services grew and amounted to EUR 110 (105) million, representing 23 (25) percent of sales.

Sales in 2013 was four percent higher compared to the comparison period, totalling EUR 1,550 (1,495) million. Sales for services grew from the comparison period and amounted to EUR 386 (377) million, representing 25 (25) percent of sales.

Kalmar's fourth-quarter operating profit clearly improved from the comparison period and totalled EUR 20.5 (-5.9) million. Operating profit includes EUR 5.0 (9.8) million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 25.5 (3.9) million, representing 5.5 (0.9) percent of sales. Operating profit includes EUR 10 million in additional costs and cost provisions from big port projects. As in the third quarter, larger-than-expected cost overruns appeared in certain ship-to-shore crane projects.

Operating profit for 2013 increased to EUR 56.9 (32.4) million including EUR 7.1 (9.9) million in restructuring costs and a capital loss of EUR 1.5 million, booked in the second quarter, from selling Tampere facilities in Finland. Operating profit, excluding restructuring costs, amounted to EUR 64.0 (42.3) million, representing 4.1 (2.8) percent of sales. Operating profit improvement was supported by achievement of cost saving actions initiated in late 2012 as well as improved results in several Kalmar divisions. However, additional costs and cost provisions of EUR 34 million from big port projects weighed heavily on the result. These were caused by problems in logistics, engineering and the delivery of cranes.

Hiab

MEUR	**Q4/13**	Q4/12	Change	**Q1-Q4/13**	Q1-Q4/12	Change
Orders received	**241**	203	19%	**869**	850	2%
Order book, end of period	**203**	192	6%	**203**	192	6%
Sales	**229**	235	-3%	**841**	840	0%
Sales of services	**58**	60		**231**	229	
% sales	**25**	26		**27**	27	
Operating profit/loss (EBIT)	**-13.1**	-1.5		**0.4**	16.7	
% sales	**-5.7**	-0.6		**0.1**	2.0	
Operating profit/loss (EBIT)*	**3.9**	8.5		**24.4**	27.1	
% sales*	**1.7**	3.6		**2.9**	3.2	
Personnel, end of period	**2,823**	3,025		**2,823**	3,025	

*excluding restructuring costs

Hiab’s orders received for the fourth quarter, EUR 241 (203) million, grew 19 percent from the comparison period. Orders for 2013 grew slightly from the comparison period to EUR 869 (850) million. In the fourth quarter, Hiab won a contract to supply 200 loader cranes to France. In the third quarter, Hiab secured an order to supply 70 loader cranes in the UK, including a long-term service package. Other orders during the year were small individual ones, which is typical of the business. Order book grew six percent from 2012 year-end, totalling EUR 203 (31 Dec 2012: 192) million at the end of 2013.

Hiab’s fourth-quarter sales decreased three percent from the comparison period and totalled EUR 229 (235) million. Sales for services amounted to EUR 58 (60) million, representing 25 (26) percent of sales.

Sales in 2013 were at the comparison period’s level and amounted to EUR 841 (840) million. Sales for services totalled EUR 231 (229) million, representing 27 (27) percent of sales.

Operating loss for Hiab in the fourth quarter totalled EUR 13.1 (1.5) million. Operating loss includes EUR 16.9 (10.0) million in restructuring costs. The restructuring costs are mainly related to the sales and service network rationalisation and impairments for a certain product line. Operating profit, excluding restructuring costs, amounted to EUR 3.9 (8.5) million, representing 1.7 (3.6) percent of sales. Operating profit for the quarter was affected by write-downs of working capital items arising from tighter management of the sales and service network. Whilst related to operational activities rather than being restructuring costs, they are more of a one-off nature.

Hiab’s operating profit in 2013 amounted to EUR 0.4 (16.7) million. Operating profit includes EUR 24.0 (10.4) million in restructuring costs related to various restructuring measures conducted during the year. Operating profit, excluding restructuring costs, totalled EUR 24.4 (27.1) million, representing 2.9 (3.2) percent of sales. The effect of the restructuring actions could be seen in Hiab's gross margin, which was clearly higher compared to the previous year. The operating profit was affected by write-downs of working capital items arising from the tighter management of sales and service network in the final quarter of the year.

Decisions taken at Cargotec Corporation's Annual General Meeting
Cargotec Corporation's Annual General Meeting (AGM) held on 20 March 2013 approved the 2012 financial statements and consolidated financial statements, discharging the President and CEO and members of the Board of Directors from liability for the accounting period 1 January–31 December 2012. The AGM approved the proposals by the Board to authorise the Board to decide on the repurchase of own shares. The authorisation for the repurchase of own shares shall remain in effect for a period of 18 months from the AGM's resolution. More detailed information on the authorisation was published in a stock exchange release on the date of the AGM, 20 March 2013.

The AGM approved the payment of a dividend of EUR 0.71 per class A share and EUR 0.72 per class B share outstanding. The dividend was paid on 3 April 2013.

The number of members of the Board of Directors was confirmed at seven. Tapio Hakakari, Ilkka Herlin, Peter Immonen, Antti Lagerroos, Teuvo Salminen and Anja Silvennoinen were re-elected to the Board of Directors. Jorma Eloranta was appointed as a new member. The meeting decided their yearly remuneration as follows: EUR 80,000 for the Chairman, EUR 55,000 to the Vice Chairman, EUR 55,000 for the Chairman of the Audit and Risk Management Committee and EUR 40,000 for other Board members. In addition, it was decided that members should receive EUR 500 for attendance of Board and Committee meetings and that 30 percent of their yearly remuneration will be paid in Cargotec Corporation's class B shares, with the rest paid in cash.

Authorised public accountants Jouko Malinen and PricewaterhouseCoopers Ltd were elected as auditors. The decision was taken to pay the auditors' fees in accordance with the invoice approved by the company.

Organisation of the Board of Directors
On 20 March 2013, the Board of Directors elected Ilkka Herlin to continue as Chairman of the Board and Tapio Hakakari as Vice Chairman. Outi Aaltonen, Senior Vice President, Cargotec's General Counsel, will continue as Secretary to the Board of Directors.

From among its members, the Board of Directors elected Ilkka Herlin, Teuvo Salminen (chairman) and Anja Silvennoinen as members of the Audit and Risk Management Committee. Board members Tapio Hakakari, Ilkka Herlin (chairman), Peter Immonen and Antti Lagerroos were elected to the Nomination and Compensation Committee.

The Board decided to continue the practice by which members retain their ownership of any Cargotec shares they have obtained as remuneration, for at least two years from the day they obtained them. These shares will be purchased at their market price on a quarterly basis.

Shares and trading

Share capital

Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of 2013. The number of class B shares was 54,788,505 while that of class A shares totalled 9,526,089. During the financial period, the number of class B shares grew by 9,714 shares subscribed with 2010A option rights. The entire subscription price of EUR 184,760.28 was credited to the reserve for invested non-restricted equity. As a consequence, Cargotec's share capital remained unchanged.

On 31 December 2013, class B shares accounted for 85.2 (85.2) percent of the total number of shares and 36.5 (36.5) percent of votes. Class A shares accounted for 14.8 (14.8) percent of the total number of shares and 63.5 (63.5) percent of votes. Total number of votes attached to all shares was 15,002,887 (15,001,696). At the end of 2013, Cargotec Corporation had 21,638 (24,189) registered shareholders. There were 10,565,425 (6,017,793) nominee-registered shares, representing 16.43 (9.36) percent of the total number of shares, which corresponds to 7.04 (4.01) percent of all votes.

Share issue

Cargotec's Board of Directors decided in December to re-issue all 2,959,487 Cargotec class B shares held in treasury by the company to a limited number of selected domestic and international institutional qualified investors. The shares were repurchased in 2005–2008. The shares corresponded to 4.60 percent of all the shares and 1.97 percent of all voting rights in the company prior to the completion of the share issue. The subscription price was set at EUR 25.00 per share, amounting to a total of EUR 74.0 million before commissions and expenses. The proceeds from the share issue are intended for refinancing of existing debt of Cargotec and restrengthening the balance sheet following the acquisitions in Cargotec's MacGregor business area.

The share issue was based on the authorisation granted to the Board of Directors by the Annual General Meeting held on 19 March 2012. The Annual General Meeting authorised the Board of Directors to decide on issuance of a maximum of 6,400,000 treasury shares, of which no more than 952,000 are class A shares and 5,448,000 are class B shares, in one or more lots. The authorisation remains in effect for a period of five years from the date of decision of the Annual General Meeting.

Share-based incentive programmes

In August 2013, the Board of Directors approved a new share-based incentive programme for key personnel. The programme consists of an earnings period based on the H2 2013 financial performance and a holding period of approximately two years following the performance period. The reward will be delivered in Cargotec class B shares. The shares will be delivered in spring 2014 and will be released in two tranches during year 2015. The minimum earnings criterion was corporate operative cash flow of EUR 127.8 million for H2 2013, which was fulfilled. Additionally, business area specific earnings criterion was fulfilled by one business area. The number of the participants was 43 persons, including Cargotec's President and CEO and members of the Executive Board, of which 20 will be rewarded.

In March 2010, the Board of Directors decided to establish a new share-based incentive programme to Cargotec executives. The programme includes three earnings period, each of them lasting three calendar years, which commenced in 2010, 2011 and 2012. The earnings criterion for the first earnings period 2010–

2012 and for the second earnings period 2011–2013 were not fulfilled and hence there is no payout based on the first and second earnings periods.

Option programme
In 2010, Cargotec established an option programme for the key personnel of Cargotec and its subsidiaries. The programme includes 2010A, 2010B and 2010C stock options. A total of 400,000 2010A stock options assigned to 50 key employees were listed on the main list of NASDAQ OMX Helsinki on 2 April 2013. Each stock option entitles its holder to subscribe for one (1) new class B share in Cargotec between 1 April 2013 and 30 April 2015. The share subscription price at the end of the financial period amounted to EUR 19.02 per share and the number of listed 2010A stock options was 390,286.

The share subscription, involving a total of 25,456 2010B stock options, will commence on April 2014. The earnings criterion for stock options 2010C subscription to commence was not fulfilled.

Market capitalisation and trading
At the end of 2013, the total market value of class B shares was EUR 1,484 (1,034) million. The period-end market capitalisation, in which unlisted class A shares are valued at the average price of class B shares on the last trading day of the period, was EUR 1,743 (1,223) million. Comparison figures are excluding treasury shares held by the company at the end of 2012.

The class B share closed at EUR 27.09 (19.95) on the last trading day of 2013 in NASDAQ OMX Helsinki Ltd. The volume weighted average share price for 2013 was EUR 24.49 (22.70), the highest quotation being EUR 29.69 (33.62) and the lowest EUR 19.35 (15.65). During 2013, a total of 41 (64) million class B shares were traded on NASDAQ OMX Helsinki Ltd., corresponding to a turnover of EUR 1,009 (1,462) million. In addition to NASDAQ OMX Helsinki Ltd., a total of 31 (40) million class B shares were traded in several alternative market places, corresponding to a turnover of EUR 759 (949) million. Shares were mainly traded in BATS Chi-X CXE and Turquoise.

Events after the financial period
At the end of January 2014, Cargotec completed the acquisition of the mooring and loading systems unit from Aker Solutions. The unit will be consolidated into MacGregor's results as of 1 February 2014.

Short-term risks and uncertainties
Developments in the global economy and cargo flows have a direct effect on Cargotec's business environment and customers' willingness to invest. Uncertainty related to economic developments is estimated to continue in 2014, mainly in Europe. The improvement seen last year in the merchant ship market may still face risks as there is continued overcapacity in the industry. The order lead time for load handling equipment is three to four months, which is clearly shorter than for other Cargotec products. Any possible sudden deterioration in demand would therefore require a quick response at Hiab. Risks stemming from volatility on the currency markets and from the financing sector could add to this uncertainty. Greater difficulty in obtaining financing would weaken customers' liquidity and investments.

A significant number of measures are being taken to improve Hiab's and Kalmar's profitability. Succeeding in these and keeping to the related timetables will be essential to the profitability turnaround.

Kalmar is engaged in several major port automation projects, which require close management of both the project itself and the supply chain in particular. These projects include automation solutions, which involve technical and scheduling challenges. This could lead to cost and scheduling overruns.

Following the acquisitions, MacGregor has begun the related integration. Succeeding in this will have an essential effect on value creation associated with the acquisitions. MacGregor is seeking significant synergy gains that will improve profitability. The impact of such gains is dependent on the efficiency and speed of the integration.

Board of Directors' proposal on the distribution of profit

The parent company's distributable equity on 31 December 2013 was EUR 830,126,466.57 of which net income for the period was EUR 13,010,404.41. The Board of Directors proposes to the AGM convening on 18 March 2014, that of the distributable profit, a dividend of EUR 0.41 of each of the 9,526,089 class A shares and EUR 0.42 for each of the 54,788,505 class B shares be paid, totalling EUR 26,916,868.59. The remaining distributable equity, EUR 803,209,597.98 will be retained and carried forward.

No significant changes have occurred in the Cargotec's financial position after the end of the financial year. Liquidity is healthy and the proposed distribution of dividend poses no risk on the company's financial standing.

Outlook for 2014

Cargotec's 2014 sales are expected to grow from 2013. Operating profit excluding restructurings costs for 2014 is expected to improve from 2013.

The acquisition of the Aker Solution's mooring and loading systems unit was completed 30 January 2014. Consolidation of the acquisition does not impact Cargotec's above-mentioned outlook for 2014.

Financial calendar 2014

Annual General Meeting, Tuesday, 18 March 2014
January–March 2014 interim report, Tuesday, 29 April 2014
January–June 2014 interim report, Friday, 18 July 2014
January–September 2014 interim report, Thursday, 23 October 2014

Helsinki, 3 February 2014
Cargotec Corporation
Board of Directors

Consolidated statement of income

MEUR	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Sales	**913.9**	**890.3**	**3,181.0**	**3,327.3**
Cost of goods sold	-749.8	-730.7	-2,598.3	-2,693.0
Gross profit	**164.1**	**159.6**	**582.8**	**634.3**
Gross profit, %	*18.0*	*17.9*	*18.3*	*19.1*
Other operating income	15.6	19.4	44.0	57.8
Selling and marketing expenses	-48.4	-48.8	-182.0	-185.8
Research and development expenses	-16.2	-20.9	-58.8	-72.4
Administration expenses	-54.6	-57.2	-201.5	-224.4
Restructuring costs	-23.4	-25.7	-34.0	-26.2
Other operating expenses	-22.2	-11.6	-57.7	-51.8
Costs and expenses	-149.1	-144.9	-490.0	-502.7
Share of associated companies' and joint ventures' net income	0.3	-0.4	-0.2	-0.3
Operating profit	**15.3**	**14.2**	**92.5**	**131.4**
Operating profit, %	*1.7*	*1.6*	*2.9*	*3.9*
Financing income and expenses	-4.3	-0.3	-13.9	-8.9
Income before taxes	**11.0**	**13.9**	**78.7**	**122.5**
Income before taxes, %	*1.2*	*1.6*	*2.5*	*3.7*
Income taxes	-3.3	-4.8	-23.3	-33.1
Net income for the period	**7.7**	**9.1**	**55.4**	**89.5**
Net income for the period, %	*0.8*	*1.0*	*1.7*	*2.7*
Net income for the period attributable to:				
Equity holders of the company	7.4	9.1	54.8	89.1
Non-controlling interest	0.3	0.0	0.6	0.3
Total	**7.7**	**9.1**	**55.4**	**89.5**
Earnings per share for profit attributable to the equity holders of the company:				
Basic earnings per share, EUR	0.12	0.15	0.89	1.45
Diluted earnings per share, EUR	0.12	0.15	0.89	1.45

Consolidated statement of comprehensive income

MEUR	10-12/2013	10-12/2012	1-12/2013	1-12/2012
Net income for the period	7.7	9.1	55.4	89.5
Items that will not be reclassified to statement of income:				
Defined benefit plan acturial gains (+) / losses (-)	6.1	-4.4	6.1	-5.1
Taxes relating to items that will not be reclassified to statement of income	-1.3	0.6	-1.4	0.8
Total	**4.7**	**-3.8**	**4.7**	**-4.3**
Items that may be reclassified subsequently to statement of income:				
Gain/loss on cash flow hedges	-3.6	3.7	-0.5	32.0
Gain/loss on cash flow hedges transferred to statement of income	0.6	-3.7	-9.7	-26.8
Translation differences	-31.5	-29.9	-75.5	33.9
Taxes relating to items that may be reclassified subsequently to statement of income	7.5	5.2	14.3	-13.1
Total	**-27.0**	**-24.7**	**-71.3**	**25.9**
Comprehensive income for the period	**-14.6**	**-19.3**	**-11.2**	**111.1**
Comprehensive income for the period attributable to:				
Equity holders of the company	-14.8	-19.3	-11.7	110.7
Non-controlling interest	0.2	0.0	0.5	0.4
Total	**-14.6**	**-19.3**	**-11.2**	**111.1**

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

The notes are an integral part of this consolidated financial statements review.

Consolidated balance sheet

ASSETS, MEUR	31 Dec 2013	31 Dec 2012
Non-current assets		
Goodwill	865.5	834.2
Other intangible assets	219.0	187.0
Property, plant and equipment	310.1	303.7
Investments in associated companies and joint ventures	92.8	93.0
Available-for-sale investments	3.8	4.2
Loans receivable and other interest-bearing assets*	4.9	8.2
Deferred tax assets	138.9	130.1
Derivative assets	0.4	42.3
Other non-interest-bearing assets	4.7	4.5
Total non-current assets	**1,640.2**	**1,607.3**
Current assets		
Inventories	630.9	747.2
Loans receivable and other interest-bearing assets*	3.7	1.6
Income tax receivables	46.1	13.4
Derivative assets	18.1	34.2
Accounts receivable and other non-interest-bearing assets	690.5	685.4
Cash and cash equivalents*	306.2	209.0
Total current assets	**1,695.5**	**1,690.8**
Total assets	**3,335.7**	**3,298.2**

EQUITY AND LIABILITIES, MEUR	31 Dec 2013	31 Dec 2012
Equity		
Share capital	64.3	64.3
Share premium account	98.0	98.0
Translation differences	64.1	127.2
Fair value reserves	5.7	13.7
Reserve for invested non-restricted equity	73.5	-
Retained earnings	927.8	911.2
Equity attributable to the equity holders of the company	1,233.3	1,214.5
Non-controlling interest	6.2	4.1
Total equity	**1,239.4**	**1,218.5**
Non-current liabilities		
Interest-bearing liabilities*	585.3	439.7
Deferred tax liabilities	55.5	64.7
Pension obligations	61.1	68.3
Provisions	37.9	37.3
Derivative liabilities	3.2	32.9
Other non-interest-bearing liabilities	27.8	26.4
Total non-current liabilities	**770.9**	**669.3**
Current liabilities		
Current portion of interest-bearing liabilities*	94.3	39.7
Other interest-bearing liabilities*	205.2	219.3
Provisions	66.6	80.2
Advances received	196.8	315.0
Income tax payables	14.0	43.5
Derivative liabilities	20.2	8.5
Accounts payable and other non-interest-bearing liabilities	728.1	704.1
Total current liabilities	**1,325.3**	**1,410.3**
Total equity and liabilities	**3,335.7**	**3,298.2**

*Included in interest-bearing net debt. In addition, the calculation of the interest-bearing net debt includes the hedging of cross-currency risk relating to the USD 300 million Private Placement bond, totalling on 31 Dec 2013, EUR 8.2 (31 Dec 2012: -1.6) million.

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

The notes are an integral part of this consolidated financial statements review.

Consolidated statement of changes in equity

MEUR	Share capital	Share premium account	Translation differences	Fair value reserves	Reserve for invested non-restricted equity	Retained earnings	Total	Non-controlling interest	Total equity
	Attributable to the equity holders of the company								
Equity on 31 Dec 2011	**64.3**	**98.0**	**105.6**	**9.6**	**-**	**895.7**	**1,173.2**	**4.0**	**1,177.1**
Change in accounting principles						-9.6	-9.6	0.0	-9.6
Equity on 1 Jan 2012	**64.3**	**98.0**	**105.6**	**9.6**	**-**	**886.1**	**1,163.5**	**4.0**	**1,167.5**
Net income for the period						89.1	89.1	0.3	89.5
Cash flow hedges				4.2	-		4.2		4.2
Translation differences			21.7				21.7	0.1	21.8
Defined benefit plan acturial gains (+) / losses (-)						-4.3	-4.3		-4.3
Comprehensive income for the period*			**21.7**	**4.2**	**-**	**84.8**	**110.7**	**0.4**	**111.1**
Dividends paid						-61.3	-61.3	-0.1	-61.4
Share-based incentives*						0.7	0.7	0.0	0.7
Transactions with owners of the company						**-60.6**	**-60.6**	**-0.1**	**-60.7**
Transactions with non-controlling interests						0.8	0.8	-0.2	0.6
Changes in ownership interest in subsidiaries						**0.8**	**0.8**	**-0.2**	**0.6**
Equity on 31 Dec 2012	**64.3**	**98.0**	**127.2**	**13.7**	**-**	**911.2**	**1,214.5**	**4.1**	**1,218.5**
Equity on 31 Dec 2012	**64.3**	**98.0**	**127.2**	**13.7**	**-**	**924.8**	**1,228.1**	**4.1**	**1,232.2**
Change in accounting principles						-13.6	-13.6	0.0	-13.6
Equity on 1 Jan 2013	**64.3**	**98.0**	**127.2**	**13.7**	**-**	**911.2**	**1,214.5**	**4.1**	**1,218.5**
Net income for the period						54.8	54.8	0.6	55.4
Cash flow hedges				-8.1			-8.1		-8.1
Translation differences			-63.1				-63.1	-0.1	-63.3
Defined benefit plan actuarial gains (+) / losses (-)						4.7	4.7		4.7
Comprehensive income for the period*			**-63.1**	**-8.1**	**-**	**59.6**	**-11.7**	**0.5**	**-11.2**
Dividends paid						-44.1	-44.1	-0.2	-44.3
Proceeds from sale of treasury shares					73.3		73.3		73.3
Stock options exercised					0.2		0.2		0.2
Share-based incentives*						1.1	1.1		1.1
Transactions with owners of the company					**73.5**	**-43.0**	**30.4**	**-0.2**	**30.3**
Transactions with non-controlling interests								1.9	1.9
Changes in ownership interest in subsidiaries								**1.9**	**1.9**
Equity on 31 Dec 2013	**64.3**	**98.0**	**64.1**	**5.7**	**73.5**	**927.8**	**1,233.3**	**6.2**	**1,239.4**

*Net of tax

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

The notes are an integral part of this consolidated financial statements review.

Consolidated statement of cash flows

MEUR	1-12/2013	1-12/2012
Net income for the period	55.4	89.5
Depreciation, amortisation and impairment	76.7	70.0
Financing items	13.9	8.9
Taxes	23.3	33.0
Change in receivables	-5.4	-83.5
Change in payables	-101.8	-97.4
Change in inventories	120.6	84.6
Change in net working capital	13.5	-96.4
Other adjustments	-1.8	-8.0
Cash flow from operations	**180.9**	**97.1**
Interest received	1.7	1.4
Interest paid	-22.5	-20.4
Other financial items	26.2	20.0
Income taxes paid	-97.2	-38.6
Cash flow from operating activities	**89.1**	**59.5**
Acquisitions, net of cash acquired	-70.5	-22.1
Divestments, net of cash sold	0.2	10.5
Investments to associated companies and joint ventures	-4.5	-89.7
Investments to intangible assets*	-17.5	-22.7
Investments to property, plant and equipment*	-90.9	-86.5
Proceeds from sales of fixed assets	62.2	28.5
Cash flow from investing activities, other items	4.1	2.8
Cash flow from investing activities	**-117.0**	**-179.3**
Stock options exercised	0.2	-
Proceeds from sale of treasury shares	73.3	-
Proceeds from long term borrowings	200.0	62.1
Repayments of long term borrowings	-39.0	-49.9
Proceeds from short term borrowings	36.8	160.5
Repayments of short term borrowings	-64.1	-9.9
Dividends paid	-44.3	-61.4
Cash flow from financing activities	**163.0**	**101.5**
Change in cash	**135.2**	**-18.3**
Cash, cash equivalents and bank overdrafts at the beginning of period	183.9	200.4
Effect of exchange rate changes	-15.8	1.8
Cash, cash equivalents and bank overdrafts at the end of period	**303.3**	**183.9**
Bank overdrafts at the end of period	3.0	25.0
Cash and cash equivalents at the end of period	**306.2**	**209.0**

*Investments to intangible assets and property, plant and equipment include capitalised interests of EUR 1.0 million in the comparison period 1-12/2012.

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

The notes are an integral part of this consolidated financial statements review.

Key figures

		1-12/2013	1-12/2012
Equity / share	EUR	19.18	19.80
Interest-bearing net debt	MEUR	578.3	478.2
Total equity / total assets	%	39.5	40.8
Gearing	%	46.7	39.2
Return on equity, annualised	%	4.5	7.5
Return on capital employed, annualised	%	5.0	8.2

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

Notes to the financial statements review

1. General information
Cargotec Corporation is a limited liability company domiciled in Helsinki, Finland. The registered address is Porkkalankatu 5, 00180 Helsinki, Finland. Cargotec Corporation and its subsidiaries form the Cargotec Group (later referred to as Cargotec or company). Cargotec Corporation's class B shares are listed on the NASDAQ OMX Helsinki since 1 June 2005.

2. Accounting principles and new accounting standards
The financial statements review has been prepared according to IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements for 2012. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Adoption of the new and revised IFRS standards as of 1 January, 2013:

Starting from 1 January 2013, Cargotec has adopted the amendment to the IAS 19 Employee benefits. Comparison periods have been restated to comply with the revised standard. Most significant change for Cargotec was the elimination of the 'corridor approach'. Information on the changes to the comparison figures has been presented in note 10.

Revised accounting principle for pension obligations is the following:

Cargotec has various pension plans which comply with local conditions and practices. The plans are classified either as defined contribution plans or defined benefit plans. Contributions to the defined contribution plans are charged directly to the statement of income in the year to which these contributions relate.

The liability recognised in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated using projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the statement of income.

Defined benefit pension costs consist of service costs, net interest costs and the effects of any curtailment or settlement.

Restatement of reporting segments' comparable figures
Cargotec has three reporting segments which are based on business areas MacGregor, Kalmar and Hiab.
Bulk Handling business was transferred from MacGregor to Kalmar as of 1 January 2013.
Reporting segments' financial information for comparable periods has been restated accordingly.

3. Segment information

Sales, MEUR	**Q4/2013**	**Q4/2012**	**1-12/2013**	**1-12/2012**
MacGregor	218	238	794	995
Kalmar	468	417	1,550	1,495
Hiab	229	235	841	840
Internal sales	-2	-1	-3	-2
Total	**914**	**890**	**3,181**	**3,327**

Operating profit, MEUR	**Q4/2013**	**Q4/2012**	**1-12/2013**	**1-12/2012**
MacGregor	13.0	35.9	60.0	127.7
Kalmar	20.5	-5.9	56.9	32.4
Hiab	-13.1	-1.5	0.4	16.7
Corporate administration and support functions	-5.3	-14.3	-24.8	-45.4
Total	**15.3**	**14.2**	**92.5**	**131.4**

Operating profit, %	**Q4/2013**	**Q4/2012**	**1-12/2013**	**1-12/2012**
MacGregor	6.0	15.0	7.6	12.8
Kalmar	4.4	-1.4	3.7	2.2
Hiab	-5.7	-0.6	0.1	2.0
Cargotec	1.7	1.6	2.9	3.9

Operating profit excl. restructuring costs, MEUR	**Q4/2013**	**Q4/2012**	**1-12/2013**	**1-12/2012**
MacGregor	14.5	39.0	62.7	130.8
Kalmar	25.5	3.9	64.0	42.3
Hiab	3.9	8.5	24.4	27.1
Corporate administration and support functions	-5.2	-11.5	-24.6	-42.7
Total	**38.6**	**39.9**	**126.5**	**157.5**

Operating profit excl. restructuring costs, %	**Q4/2013**	**Q4/2012**	**1-12/2013**	**1-12/2012**
MacGregor	6.6	16.4	7.9	13.2
Kalmar	5.5	0.9	4.1	2.8
Hiab	1.7	3.6	2.9	3.2
Cargotec	4.2	4.5	4.0	4.7

Sales by geographical area, MEUR	Q4/2013	Q4/2012	1-12/2013	1-12/2012
EMEA	409	382	1,385	1,341
Asia-Pacific	262	293	1,003	1,178
Americas	243	216	793	808
Total	**914**	**890**	**3,181**	**3,327**

Sales by geographical area, %	Q4/2013	Q4/2012	1-12/2013	1-12/2012
EMEA	44.8	42.9	43.5	40.3
Asia-Pacific	28.6	32.9	31.5	35.4
Americas	26.6	24.2	24.9	24.3
Total	**100.0**	**100.0**	**100.0**	**100.0**

Orders received, MEUR	Q4/2013	Q4/2012	1-12/2013	1-12/2012
MacGregor	361	194	1,011	645
Kalmar	357	313	1,430	1,565
Hiab	241	203	869	850
Internal orders received	-1	-1	-3	-2
Total	**958**	**710**	**3 307**	**3 058**

Order book, MEUR	31 Dec 2013	31 Dec 2012
MacGregor	980	848
Kalmar	799	983
Hiab	203	192
Internal order book	-2	-2
Total	**1 ,980**	**2,021**

Number of employees at the end of period	31 Dec 2013	31 Dec 2012
MacGregor	2,354	1,868
Kalmar	5,269	5,190
Hiab	2,823	3,025
Corporate administration and support functions	164	211
Total	**10,610**	**10,294**

Average number of employees	1-12/2013	1-12/2012
MacGregor	1,832	1,951
Kalmar	5,288	5,195
Hiab	2,932	3,129
Corporate administration and support functions	157	247
Total	**10,210**	**10,522**

Bulk Handling business was transferred from MacGregor to Kalmar as of 1 January 2013. Reporting segments' financial information for comparison periods has been restated accordingly.

4. Capital expenditure, depreciation and amortisation

Capital expenditure, MEUR	**1-12/2013**	**1-12/2012**
Intangible assets	17.5	22.7
Property, plant and equipment	90.9	87.7
Total	**108.4**	**110.5**

Depreciation, amortisation and impairment, MEUR	**1-12/2013**	**1-12/2012**
Intangible assets	27.6	19.2
Buildings	8.1	9.2
Machinery & equipment	41.0	41.6
Total	**76.7**	**70.0**

5. Taxes in statement of income

MEUR	**1-12/2013**	**1-12/2012**
Current year tax expense	29.9	35.5
Deferred tax expense	-7.4	-5.4
Tax expense for previous years	0.8	2.9
Total	**23.3**	**33.1**

6. Interest-bearing net debt and liquidity

MEUR	**31 Dec 2013**	**31 Dec 2012**
Interest-bearing liabilities*	893.1	697.0
Loans receivable and other interest-bearing assets	-8.5	-9.8
Cash and cash equivalents	-306.2	-209.0
Interest-bearing net debt	**578.3**	**478.2**
Equity	1,239.4	1,218.5
Gearing	**46.7 %**	**39.2 %**

*The fair values do not materially differ from book values. One exception is the hedging of currency risk relating to the USD 300 million Private Placement bond, which affected the interest-bearing liabilities on 31 Dec 2013 by EUR 8.2 (31 Dec 2012: -1.6) million.

MEUR	**31 Dec 2013**	**31 Dec 2012**
Cash and cash equivalents	306.2	209.0
Committed long-term undrawn revolving credit facilities	300.0	300.0
Repayments of interest-bearing liabilities in following 12 months	-299.5	-258.6
Total liquidity	**306.7**	**250.4**

7. Derivatives

Fair values of derivative financial instruments

MEUR	Positive fair value 31 Dec 2013	Net fair value 31 Dec 2013	Net fair value 31 Dec 2013	Net fair value 31 Dec 2012
Currency forward contracts	18.5	17.8	0.6	26.3
Cross-currency and interest rate swaps	0.0	5.6	-5.6	8.8
Total	**18.5**	**23.4**	**-5.0**	**35.1**
Non-current portion:				
Currency forward contracts	0.4	0.1	0.3	0.6
Cross-currency and interest rate swaps	0.0	3.1	-3.1	8.8
Non-current portion	**0.4**	**3.2**	**-2.8**	**9.4**
Current portion	**18.1**	**20.3**	**-2.2**	**25.7**

Cross-currency and interest rate swaps hedge the US Private Placement corporate bond funded in February 2007.

Financial assets and liabilities recognised at fair value through profit and loss comprise solely currency derivatives as well as cross-currency and interest rate swaps, which are classified to level 2, observable input information, in the fair value hierarchy.

Nominal values of derivative financial instruments

MEUR	31 Dec 2013	31 Dec 2012
Currency forward contracts	3,558.6	3,575.9
Hedge accounting	1,662.7	1,926.8
Cross-currency and interest rate swaps	217.5	227.4
Total	**3,776.2**	**3,803.3**

The fair values of derivatives have been recognised as gross values to the balance sheet, as the netting agreements are related to credit events, and do not normally allow netting at the balance sheet date. The group has not given or received securities from the counterparties related to derivatives.

8. Commitments

MEUR	31 Dec 2013	31 Dec 2012
Guarantees	0.0	0.9
End customer financing	11.6	10.0
Operating leases	129.1	81.2
Off balance sheet investment commitments	-	9.0
Other contingent liabilities	6.3	3.0
Total	**147.0**	**104.2**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 458.3 (31 Dec 2012: 411.3) million.

Cargotec leases property, plant and equipment under non-cancellable operating leases. The leases have varying terms and renewal rights. It is not anticipated that any material liabilities will arise from customer finance commitments.

The future minimum lease payments under non-cancellable operating leases

MEUR	31 Dec 2013	31 Dec 2012
Less than 1 year	22,9	20,7
1-5 years	50,8	39,6
Over 5 years	55,4	21,0
Total	**129,1**	**81,2**

The aggregate operating lease expenses totalled EUR 17.1 (1-12/2012: 27.6) million.

Some lawsuits, claims and disputes based on various grounds are pending against Cargotec around the world. Management believes that the outcome of these disputes will not have a material effect on Cargotec's financial position.

9. Acquisitions and disposals

Acquisitions 2013

Hatlapa (preliminary)
MacGregor acquired on 31 October 2013 a privately-owned Hatlapa Group "Hatlapa" by purchasing the full share capitals of Hatlapa's German, Singaporean and Cypriot parent entities for the total consideration of EUR 111.7 million. Hatlapa has subsidiaries in seven countries. Hatlapa delivers, under its main brands Hatlapa and Triplex, compressors, steering gears, deck equipment and related maintenance services for merchant ships and offshore industry. The acquisition strengthens MacGregor's product portfolio and market position by raising MacGregor as the global market leader in winches. As a result of the acquisition, approximately 585 persons, mostly in Germany and Norway, transferred to Cargotec.

The goodwill generated in the acquisition arises mostly from personnel, expected synergy benefits and market position that is achieved via enhanced product portfolio and service network. At the reporting date, it is estimated that approximately half of the goodwill is tax-deductible. The table below summarizes the consideration paid, assets acquired and liabilities assumed at their acquisition date fair values.

Acquired net assets and goodwill, MEUR	
Intangible assets	46.8
Property, plant and equipment	30.1
Investments	2.1
Inventory	35.2
Deferred tax assets	3.9
Trade receivables and other non-interest-bearing receivables	30.7
Cash and cash equivalents	4.6
Deferred tax liabilities	-4.8
Interest-bearing liabilities	-59.0
Trade payables and other non-interest-bearing liabilities	-37.5
Net assets	**52.0**
Purchase price, paid in cash	71.5
Purchase price, issued debt	40.1
Total consideration	**111.7**
Non-controlling interest	1.8
Goodwill	**61.5**
Purchase price, paid in cash	71.5
Cash and cash equivalents acquired	-4.6
Cash flow impact	**66.9**

The fair value measurement of acquired assets resulted in identification of intangible assets related to customer relationships, brands and technology. The fair value of the acquired intangible assets was EUR 46.8 million at acquisition date. Determined fair values and the tax impact of the acquisition are considered preliminary.

The acquired property, plant and equipment of EUR 30.1 million consists mostly of production facilities in Germany, Norway and Korea.

The acquired assets include trade receivables with gross value of EUR 29.6 million and fair value of EUR 26.7 million. The fair value of trade receivables reflects the increased credit risk related to certain receivables and the expectations regarding the amount the entity is expecing to collect. The outstanding trade receivables relate to sales of equipment and services performed. The acquired trade receivables do not relate to lease income or revenue from construction contracts.

The goodwill of EUR 61.5 million that resulted from the acquisition has been allocated to MacGregor segment for impairment testing.

The debt portion of the consideration consists of a convertible capital loan issued to sellers. The fair value of the capital loan at the date of acquisition was SGD 67.8 million (EUR 40.1 million). The cost of acquisition does not include conditional components.

Transaction costs of EUR 4.0 million related to the acquisition are included in the operating profit of MacGregor segment and in other operating expenses in the consolidated statement of income.

The non-controlling interest recognised at acquisition of Hatlapa's Korean subsidiary amount to EUR 1.8 million and has been recognised based on the relative ownership of the entity's net assets.

Certain subsidiaries of the acquired entities have non-controlling interests that are entitled to sell their shares to Cargotec upon meeting certain conditions. As a result of these conditions, a liability of EUR 3.1 million has been recognised at acquisition date. Put options related to the liability of EUR 0.6 million become exercisable in 2014 and put options related to the liability of EUR 2.4 million become exercisable in 2016.

Hatlapa contributed EUR 18.2 million to Cargotec's sales and EUR -3.7 million to net income since the acquistion date. The acquisition related one-off items included in the net income amount to approximately EUR -3.5 million. Had the business been acquired on 1 January 2013, the increase in Cargotec's 2013 sales and net income, including the consolidation period, would have been about EUR 109.6 million and EUR -15.5 million respectively. The pro forma loss for the year includes one-off items and depreciation and amortisation related to measurements recognised at acquisition amounting to approximately EUR -9.2 million.

Mareiport

Kalmar acquired in May 70 percent ownerships in Spanish crane refurbishment and maintenance service companies Mareiport S.A. and Protecciones Superficiales y Aplicaciones S.L. As a result of the acquisition, Cargotec’s ownership in the companies increased to 100 percent. The acquired entities have been consolidated in the Kalmar segment as of the beginning of May. The acquisition is a strategic step for Kalmar to become a major global crane refurbishment and services provider. As a result of the acquisition, approximately 250 persons transferred to Cargotec.

The goodwill generated by the acquisition is based on personnel and expected synergy benefits. Goodwill is not tax-deductible. In the fair value measurement, order book and trademark have been identified as acquired intangible assets. The table below presents the consideration paid, the fair value of assets acquired and liabilities assumed at the time of acquisition.

Acquired net assets and goodwill, MEUR	
Intangible assets	1.2
Property, plant and equipment	2.6
Inventory	0.3
Accounts receivable and other non-interest-bearing assets	4.2
Financial assets	3.9
Deferred tax liability	-0.7
Interest-bearing liabilities	-0.3
Accounts payable and other non-interest-bearing liabilities	-3.3
Net assets	**7.9**
Purchase price, to be settled in cash	7.9
Contingent consideration	2.5
Fair value of previous ownership interest	4.8
Total consideration	**15.2**
Goodwill	**7.2**
Purchase price, settled in cash	5.9
Cash and cash equivalents acquired	-2.5
Cash flow impact	**3.4**

Out of the purchase price EUR 4.0 million was paid upon the acquisition and the remaining EUR 3.9 million will be paid within 12 months from the date of acquisition. From the remaining amount EUR 1.9 million was paid later during 2013. Additionally, Cargotec is committed to pay as a contingent consideration a maximum of EUR 2.5 million depending on the acquired entities' earnings before interest and taxes (EBIT) in 2013. Conditions for payment have been met in full and the consideration will be paid mostly during 2014.

The pre-existing ownership in the entities has been valued at the date of acquisition without a material change to carrying amount. Acquisition-related transaction costs of EUR 0.1 million have been included in the operating profit of the Kalmar segment and in other operating expenses in the consolidated statement of income.

Mareiport contributed EUR 13.4 million to Cargotec's sales and EUR 0.9 million to profit. Had the business been acquired on 1 January 2013, the increase in Cargotec's 2013 sales and profit, including the consolidation period, would have been approximately EUR 19.0 million and EUR 1.6 million respectively.

Disposals 2013

During the first quarter, Hiab sold 100 percent of O'Leary's Material Handling Services Pty Ltd, in Australia. The transaction had no material effect on Cargotec's result.

10. Effect of the change in the accounting principle for pensions

MEUR	Reported	Change	Restated
1 January 2012			
Pension obligations	45.6	13.2	58.7
Equity	1,177.1	-9.6	1,167.5
Deferred tax assets	121.6	3.9	125.5
Deferred tax liabilities	51.4	0.3	51.7
Net income for 2012	89.2	0.3	89.5
Comprehensive income for 2012	115.1	-4.0	111.1
31 December 2012			
Pension obligations	50.4	17.9	68.3
Equity	1,232.2	-13.6	1,218.5
Deferred tax assets	125.7	4.4	130.1
Deferred tax liabilities	64.6	0.1	64.7
Equity / share	20.02	-0.2	19.80
Total equity / total assets	41.4	-0.6	40.8
Gearing	38.8	0.4	39.2
Return on equity in 2012	7.4	0.1	7.5
Return on capital employed in 2012	8.1	0.1	8.2

The change had no effect to earnings / share.

11. Events after the balance sheet date

At the end of January 2014, Cargotec completed the acquisition of the mooring and loading systems unit from Aker Solutions. The unit will be consolidated into MacGregor's results as of 1 February 2014.

Key exchange rates for the Euro

Closing rate	31 Dec 2013	31 Dec 2012
SEK	8.859	8.582
USD	1.379	1.319

Average rate	1-12/2013	1-12/2012
SEK	8.662	8.701
USD	1.330	1.293

Calculation of key figures

Equity / share, EUR	=		$\dfrac{\text{Total equity attributable to the equity holders of the company}}{\text{Number of outstanding shares at the end of period}}$
Interest-bearing net debt, MEUR	=		Interest-bearing debt* - interest-bearing assets
Total equity / total assets (%)	=	100 x	$\dfrac{\text{Total equity}}{\text{Total assets - advances received}}$
Gearing (%)	=	100 x	$\dfrac{\text{Interest-bearing debt* - interest-bearing assets}}{\text{Total equity}}$
Return on equity (%)	=	100 x	$\dfrac{\text{Net income for the period}}{\text{Total equity (average for the period)}}$
Return on capital employed (%)	=	100 x	$\dfrac{\text{Income before taxes + interest and other financing expenses}}{\text{Total assets - non-interest-bearing debt (average for the period)}}$
Basic earnings / share, EUR	=		$\dfrac{\text{Net income for the period attributable to the equity holders of the company}}{\text{Average number of outstanding shares during the period}}$
Diluted earnings / share, EUR	=		$\dfrac{\text{Net income for the period attributable to the equity holders of the company}}{\text{Average number of outstanding diluted shares during the period}}$

*Including cross-currency hedging of the USD 300 million Private Placement corporate bonds.

Quarterly figures

Cargotec		Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012
Orders received	MEUR	958	724	833	791	710
Order book	MEUR	1,980	2,048	2,147	2,203	2,021
Sales	MEUR	914	752	836	679	890
Operating profit	MEUR	15.3	31.2	32.9	13.1	14.2
Operating profit	%	1.7	4.2	3.9	1.9	1.6
Operating profit*	MEUR	38.6	35.4	37.5	15.0	39.9
Operating profit*	%	4.2	4.7	4.5	2.2	4.5
Basic earnings/share	EUR	0.12	0.31	0.36	0.10	0.15

MacGregor		Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012
Orders received	MEUR	361	157	284	209	194
Order book	MEUR	980	811	914	886	848
Sales	MEUR	218	200	211	165	238
Operating profit*	MEUR	14.5	17.7	18.3	12.2	39.0
Operating profit*	%	6.6	8.9	8.7	7.4	16.4

Kalmar		Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012
Orders received	MEUR	357	366	342	366	313
Order book	MEUR	799	1,040	1,037	1,106	983
Sales	MEUR	468	354	405	323	417
Operating profit*	MEUR	25.5	15.6	16.0	7.0	3.9
Operating profit*	%	5.5	4.4	3.9	2.2	0.9

Hiab		Q4/2013	Q3/2013	Q2/2013	Q1/2013	Q4/2012
Orders received	MEUR	241	203	208	216	203
Order book	MEUR	203	199	198	214	192
Sales	MEUR	229	198	221	192	235
Operating profit*	MEUR	3.9	8.1	8.9	3.6	8.5
Operating profit*	%	1.7	4.1	4.0	1.9	3.6

*Operating profit excluding restructuring costs