Cargotec's Interim Report
January–March 2008

Q1

Cargotec

Cargotec's Interim Report for January–March 2008

- Orders received during the first quarter totalled EUR 1,155 (1–3/2007: 915) million.
- The order book continued to strengthen during the first quarter reaching EUR 3,287 million (December 31, 2007: 2,865 million).
- Sales grew by 5 percent, amounting to EUR 727 (1–3/2007: 694) million. The share of Services sales grew to 26 (25) percent of total sales.
- Operating profit was EUR 44.2 (1–3/2007: 58.0) million. The operating margin was 6.1 (8.4) percent of sales. Kalmar booked a EUR 4 million project cost provision during the quarter.
- Cash flow from operating activities before financial items and taxes totalled EUR 50.1 (1–3/2007: 52.1) million.
- Net income for the period amounted to EUR 31.5 (1–3/2007: 39.4) million.
- Earnings per share were EUR 0.50 (1–3/2007: 0.62).
- The number of personnel totalled 11,524 (December 31, 2007: 11,187).
- Cargotec expects full year sales growth in 2008 to be at the previous year's growth level as a result of the strong order intake and record-high order book. Order intake in 2008 is expected to continue healthy but lower compared to the very strong first quarter. Cargotec expects operating margin to improve from the 2007 level and to be approximately 8 percent for the full year.

Operating Environment

The markets for Hiab's load handling equipment were strong in Europe and Asia Pacific and increased in various customer segments, particularly in Eastern Europe and Russia. Within Europe demand in Spain and Italy was clearly weaker than in 2007. Truck delivery times have lengthened considerably in Europe, thus leading to postponed loader crane and demountable system deliveries. In the United States, the major fall in demand which took place in the construction market last year continued to be reflected in poor demand for load handling equipment.

The markets for Kalmar's container handling equipment were lively and Kalmar received a high number of new orders. Demand was liveliest in Europe and Asia. Heavy industrial forklift markets were healthy although there were indications of slackening demand in some European countries. The US terminal tractor market clearly exceeded expectations, when viewed against a background of slackening economic growth.

Demand for MacGREGOR's marine cargo flow systems and offshore solutions continued extremely lively. Demand for ship cranes, hatch covers and cargo securing systems was high, reflecting strong demand for bulk carriers and general cargo vessels. Demand for offshore solutions also continued buoyant, and markets for this equipment grew. The RoRo equipment market was very active, both in Europe and Asia, while demand for bulk handling equipment continued to be healthy in Europe, the Middle East and Asia.

Demand for Cargotec Services remained favourable during the first quarter. That for services for load handling equipment was strong in Europe due to higher levels of installed equipment and high usage rates whereas, in the United States, demand fell due to the very low usage rate of such equipment. Demand for container handling equipment services remained high both in Europe and Asia. Also several new orders for marine cargo flow services were secured. In particular, demand for conversion projects grew.

Orders Received

Orders received by Cargotec in January–March 2008 totalled EUR 1,155 (1–3/2007: 915) million.

Orders received, MEUR	1-3/2008	1-3/2007	1-12/2007
Hiab	228	264	985
Kalmar	490	393	1,429
MacGREGOR	439	259	1,696
Internal orders received	-2	-1	-4
Total	1,155	915	4,106

Hiab

Of all orders received in January–March 2008, Hiab accounted for EUR 228 (1–3/2007: 264) million.

Hiab's order intake in the first quarter was lower than a year ago. Hiab secured individual orders, which is typical of its operations. In particular, orders received grew in Eastern Europe and Russia. Hiab also received orders from the Middle East, China and India. Demand for XS 1055, Hiab's largest loader crane launched in the autumn of 2007, was strong.

Kalmar

Of all orders received in January–March 2008, Kalmar accounted for EUR 490 (1–3/2007: 393) million. Several orders include navigation, container position verification and remote monitoring systems developed by Kalmar.

In February, Kalmar received an order for 22 E-One+ rubber-tyred gantry (RTG) cranes from South African Transnet Limited. The equipment will be delivered in 2008–2009 for the new Port of Ngqura. In February, Kalmar also secured an order from the Port of Tacoma on the US West Coast for the supply of seven straddle carriers. The straddle carriers will be used in container handling in on-dock rail facilities and they will be equipped with Kalmar's CAN-BUS monitoring system, speeding up their operation. Delivery of the machines is scheduled for October 2008.

In March, Kalmar received an order for 48 EDRIVE® straddle carriers for Eurogate's operations in Germany. 22 units have been ordered for Eurogate's CTB Bremerhaven container terminal, and 13 units will go to Eurogate's CTH Hamburg. Another 13 units will be deployed at the MSC Gate Bremerhaven terminal, a joint venture between Eurogate and Mediterranean Shipping Company. The equipment deliveries will start in autumn 2008 with the last units arriving at the beginning of 2009. In addition, Kalmar secured a contract with Steveco Oy for ten Kalmar EDRIVE® straddle carriers for the Mussalo container terminal in Kotka, Finland. Delivery will commence in the summer and end in October 2008.

In March, Kalmar received E-One+ RTG orders from, for example, Thailand, Vietnam and Brazil. Kalmar will deliver 17 of these cranes to Vietnam International Container Terminals' Ho Chi Minh City facility between 2008 and 2010. LCMT Company Ltd. from Thailand ordered six RTGs for its terminal at the Port of Laem Chabang. The cranes are due to be delivered by March 2009. Furthermore, South America's largest container terminal operator, Santos Brasil S/A, ordered 12 RTGs that will be delivered by March 2009.

MacGREGOR

Of all orders received in January–March 2008, MacGREGOR accounted for EUR 439 (1–3/2007: 259) million.
During the first quarter, MacGREGOR received a large number of ship crane and hatch cover orders mainly from China and Korea. MacGREGOR will deliver a total of 276 bulk handling cranes for vessels that will be delivered to ship owners in Germany, Singapore, China and Korea. During the first quarter, MacGREGOR agreed to deliver hatch covers for 70 container vessels, 120 bulk vessels and 41 general cargo ships. The equipment will be delivered in 2009–2011.

In January, MacGREGOR received RoRo equipment orders for 12 pure car/truck carriers (PCTCs). The orders include liftable car decks for four vessels that will be built in the Korean Hyundai Heavy Industries shipyard and will be delivered during 2009–2010. Additionally, the orders include the design and delivery of key components for eight PCTCs under construction in China.

In March, MacGREGOR received a major bulk handling equipment order from Taiwan as Taiwan Power Company ordered equipment intended for the handling of coal. MacGREGOR's Siwertell bulk handling system features a totally closed conveying system that limits the amount of cargo dust released into the air.

In March, MacGREGOR also received an order for 30 shipsets of tanker cranes for a Chinese shipyard. Provision and hose handling cranes will be delivered in 2008–2010 for tankers ordered by Turkish, Norwegian, Russian and Cypriot ship owners.

MacGREGOR's Offshore division received a large number of orders, in particular for davits, for delivery during 2008–2009. MacGREGOR Offshore is the world's leading supplier of sophisticated davit systems.

Cargotec Services

The services market continued to be active, which was reflected in the number of maintenance and modernisation contracts and spare part orders received.

In March, Kalmar signed a five-year service contract with the Norwegian company, Norsteve Oslo, covering the maintenance, spare parts and repairs of five straddle carriers at the Sjursøya container terminal in the Port of Oslo.

During the first quarter of 2008, MacGREGOR secured several hatch cover conversion projects that will be carried out during 2008. The demand is supported by legislation prohibiting the use of single hull tankers, which leads to many of them being converted into bulkers. Furthermore, MacGREGOR received a major maintenance contract for ship unloaders from the Philippines.

Order Book

Cargotec's order book totalled EUR 3,287 (December 31, 2007: 2,865) million on March 31, 2008. Of the order book total, Hiab accounted for EUR 253 (260) million, Kalmar EUR 824 (660) million, and MacGREGOR EUR 2,211 (1,946) million. A major part of MacGREGOR's record-high order book is for delivery in 2009–2012.

Order book, MEUR	31.3.2008	31.3.2007	31.12.2007
Hiab	253	237	260
Kalmar	824	651	660
MacGREGOR	2,211	923	1,946
Internal order book	-1	0	-1
Total	3,287	1,811	2,865

Sales

Cargotec's sales grew in January–March 2008 by 5 percent and totalled EUR 727 (1–3/2007: 694) million. The sales impact of acquisitions completed during the last 12 months was EUR 52 million.

Hiab's sales in the first quarter amounted to EUR 230 (1–3/2007: 240) million, Kalmar's sales were EUR 322 (324) million and MacGREGOR's sales EUR 177 (131) million. The decline in Hiab's sales compared to first quarter 2007 is due to the marked fall in demand in the United States, for which strong growth in Europe and Asia could not fully compensate. The limited availability of trucks in Europe delayed some Hiab deliveries as the equipment could not be installed. Kalmar's quarterly sales were flat reflecting the relatively low order intake in early autumn 2007. The increase in MacGREGOR's sales was attributable to the increased proportion of turnkey solutions as well as the acquisition of the offshore business after the reference period.

Sales, MEUR	1-3/2008	1-3/2007	1-12/2007
Hiab	230	240	931
Kalmar	322	324	1,343
MacGREGOR	177	131	748
Internal sales	-2	0	-4
Total	727	694	3,018

Sales for services in January–March 2008 increased by 9 percent year-on-year and amounted to EUR 191 (1–3/2007: 175) million, representing 26 (25) percent of total sales. Services accounted for 22 (17) percent of sales at Hiab, 31 (29) percent at Kalmar, and 23 (32) percent at MacGREGOR in January–March.

Financial Result

Cargotec's operating profit for January–March 2008 totalled EUR 44.2 (1–3/2007: 58.0) million, representing 6.1 (8.4) percent of sales. Hiab accounted for EUR 17.7 (24.4) million of first quarter operating profit, Kalmar for EUR 19.4 (26.7) million, and MacGREGOR for EUR 11.9 (10.7) million.

Cargotec's operating profit falling short of 2007 levels is attributable to several different reasons. In Hiab the decline is a result of the negative impact of the decline of the US markets on profitability. Kalmar's result is weakened by a EUR 4 million project cost provision. In MacGREGOR the scheduling of projects explains the low profitability level as quarterly deliveries were still relatively low and projects recognised during the quarter had lower than average profitability. Cargotec's operating profit includes a EUR 1.4 (0.7) million cost impact from the purchase price allocation treatment of acquisitions.

Net income for the period was EUR 31.5 (1–3/2007: 39.4) million and earnings per share were EUR 0.50 (0.62).

Balance Sheet, Financing and Cash Flow

On March 31, 2008, Cargotec's net working capital amounted to EUR 263 (December 31, 2007: 253) million. Tangible assets on the balance sheet were EUR 252 (254) million and intangible assets EUR 763 (751) million.

Cash flow from operating activities before financial items and taxes was EUR 50.1 (1–3/2007: 52.1) million during the first quarter. Dividend payment totalled EUR 61.3 (59.0) million. Net debt on March 31, 2008 was EUR 331 (December 31, 2007: 304) million. The total equity/total assets ratio was 37.5 (38.3) percent while gearing was 37.8 (33.9) percent.

Return on equity for January–March was 14.2 (1–3/2007: 18.3) percent and return on capital employed was 13.4 (19.9) percent.

Cargotec had EUR 635 million of committed credit facilities on March 31, 2008. These facilities were unused.

New Products and Product Development

In January–March 2008, Cargotec's research and product development expenditure was EUR 11.2 (1–3/2007: 11.1) million, representing 1.5 (1.6) percent of sales.

During the first quarter Hiab opened a state-of-the-art crane-testing centre at its loader crane production facility in

Hudiksvall, Sweden. The centre offers Hiab and other business areas the opportunity to test more and longer cranes and components as well as ensuring testing is more precise than ever before.

Kalmar launched a new, fully-automated shuttle carrier that is able to pick, place and transport containers between ship-to-shore (STS) and yard stacking cranes without a driver. The new Kalmar Autoshuttle™ ensures the cost efficiency and productivity of port operations, particularly in the very big ports of the future.

MacGREGOR continued to develop electronically operated cargo handling solutions and a new ship crane control system. The Offshore division focused on the development of deck equipment enabling the use of cranes in difficult weather conditions and when operating in deep waters.

In February, MacGREGOR signed an agreement with the US Navy on the development of a ship-to-ship vehicle transfer system. With the help of this system, large vehicles can on sea be transferred from RoRo ships to a mobile landing platform ship. The system will be delivered by the end of 2009.

Capital Expenditure

Cargotec's capital expenditure for January–March 2008, excluding acquisitions and customer financing, totalled EUR 10.2 (1–3/2007: 9.8) million. Customer financing investments were EUR 7.7 (5.3) million.

In January, Cargotec announced the launch of an extensive On the Move change programme aiming at a profitability improvement of EUR 80–100 million. The change programme will consist of several projects to consolidate scattered support functions, such as HR, IT, Finance and Communications, and to improve efficiency at the customer interface by harmonising operations between business areas. In addition, common practices will be established in global supply chain development. This will form the basis for expanding Cargotec's production and assembly capacity as well as its sourcing network in emerging markets. The programme's primary target is to enable increased closeness and time devoted to customers.

The first joint supply chain projects will be in China and Estonia. The expansion of Hiab's assembly unit in Shanghai, China will be made at the same site as the existing local Kalmar facility. The capacity of the production unit in Narva, Estonia, acquired in 2007, will be upgraded in order to meet increased component needs and improve productivity.

The country organisation streamlining will begin in Finland, where all operational activities within Finland will be transferred to one company during the year.

Hiab combined its loader crane and forestry crane product lines at the beginning of 2008. This organisational change strengthened the use of shared resources in crane product development, manufacturing and marketing. As of the beginning of 2008, Hiab also combined its forestry crane sales operations in Finland into Hiab Oy's Finnish sales. This change is part of the integration of Hiab's sales companies, which began in Germany and Sweden in January 2007.

Kalmar expanded its presence in the Americas by opening a new sales company in Mexico to respond to higher demand from the intermodal markets and increased port activities. The new sales and service company is situated in Guadalajara, Mexico's second largest city. Furthermore, Kalmar opened a new service unit in Zeebrugge, Belgium.

In March, MacGREGOR opened a new offshore equipment production unit in Tianjin, China, approximately half of its production being delivered to ports in various parts of China. The new unit also enables production optimisation and efficiency improvements in the Offshore production units of Norway and Singapore.

Acquisitions

During the first quarter of 2008, Cargotec completed four acquisitions of which three in Hiab business area.

In order to strengthen its R&D capabilities, Cargotec acquired 60 percent of Idea Designing & Consulting S.r.l. in Massa, Italy. The company employs ten people for product design.

At the end of March, Hiab concluded an agreement to acquire the South African company Bowman Cranes (Pty) Limited, Hiab's long-term agent in the region. This company supplies, installs and services truck-related load handling equipment. In 2007, its sales were approximately EUR 18 million and it employed 70 people. The deal is subject to the approval of regulatory authorities.

In February, Hiab signed an agreement to acquire 70 percent of the operations of an Australian company, O'Leary's Material Handling Services Pty Ltd., the leading supplier of tail lifts in Western Australia. The company employs 24 people and had sales of EUR 2.6 million in 2007. The acquisition was finalised in early April.

In February, Hiab also agreed to acquire the UK-based Del Equipment (UK) Limited and the US-based Ultron Lift Corp. Owned by Militello Holdings, Inc., these companies manufacture tail lifts in UK and US. The aggregate sales of the companies in 2007 were approximately EUR 23 million and the companies employ 164 persons. These acquisitions were finalised at the end of March.

Employees

On March 31, 2008, Cargotec employed 11,524 (March 31, 2007: 9,083) people, the year-on-year increase being attributable to the acquisitions concluded in 2007 and 2008. Hiab employed 4,592 (3,780) people, Kalmar 4,555 (4,041), and MacGREGOR 2,278 (1,203). Of Cargotec's total employees, 13 (16) percent were located in Finland, 22 (26) percent in Sweden and 30 (27) percent in the rest of Europe. North and South American personnel represented 12 (15) percent, Asia Pacific 22 (15) percent and the rest of the world 1 (1) percent of total employees.

Shares and Share Capital

Cargotec's share capital on March 31, 2008 was EUR 64,235,283 (December 31, 2007: 64,220,373). The share capital increased by EUR 14,910 during the first quarter as a result of the subscription for class B shares under Cargotec option rights. On March 31, 2008, the number of listed class B shares totalled 54,709,194 while that of unlisted class A shares totalled 9,526,089. Trading with 2005A stock options ended in March. There were 31,485 subscribed 2005A options unregistered at the end of the first quarter. The remaining 2005B stock options may be used to subscribe for further 142,242 class B shares. In total, the stock options may increase the share capital by EUR 173,727.

Market Capitalisation and Trading

The closing price for Cargotec's class B shares on March 31, 2008 was EUR 31.09. The average share price for the first quarter was EUR 29.21, the highest quotation being EUR 36.49 and the lowest EUR 22.47. During the first quarter, 26.8 million Cargotec class B shares were traded on the OMX Nordic Exchange in Helsinki, corresponding to a turnover of EUR 782 million.

On March 31, 2008, the total market value of the Company's class B shares was EUR 1,642 million, excluding treasury shares held by the Company. The Company's year-end market capitalisation, in which the unlisted class A shares are valued at the average price of class B shares on the last trading day of the quarter, was EUR 1,932 million, excluding treasury shares held by the Company. At the end of the first quarter, the Company held a total of 1,905,725 class B shares, which corresponds to 3 percent of the total number of shares.

Changes in Cargotec's Management

On February 1, 2008, Cargotec's Deputy CEO Kari Heinistö was appointed to lead the On the Move change programme. He continues as a member of the Executive Board and secretary to Cargotec's Board of Directors. Eeva Mäkelä was appointed as Cargotec's CFO as of February 1, 2008. She is responsible for accounting, finance, risk management, investor relations and communications, and will continue as a member of the Executive Board. Minna Karhu was appointed as Vice President, Corporate Communications of Cargotec as of February 1, 2008.

Decisions Taken at Cargotec Corporation's Annual General Meeting

Cargotec Corporation's Annual General Meeting (AGM) was held on February 29, 2008 in Helsinki. The meeting approved the financial statements and consolidated financial statements as well as granted discharge from liability to the President and CEO and the members of the Board of Directors for the accounting period January 1–December 31, 2007.

The AGM approved a dividend of EUR 1.04 for each of the 9,526,089 class A shares and EUR 1.05 for the 52,789,559 outstanding class B shares.

The number of members of the Board of Directors was confirmed at six according to the proposal of the Board's Nomination and Compensation Committee. Henrik Ehrnrooth, Tapio Hakakari, Ilkka Herlin, Peter Immonen, Karri Kaitue and Antti Lagerroos were elected as members of the Board of Directors.

Authorised public accountants Johan Kronberg and PricewaterhouseCoopers Oy were re-elected as auditors according to the proposal of Audit Committee of Cargotec Corporation's Board of Directors.

Authorisations Granted by the Annual General Meeting

The AGM authorised the Board of Directors of Cargotec to decide on acquisition of the Company's own shares with non-restricted equity. The shares may be acquired in order to develop the capital structure of the Company, finance or carry out possible acquisitions, implement the Company's share-based incentive plans, or to be transferred for other purposes or to be cancelled. The shares may be acquired through a directed acquisition as defined in Finnish Companies Act, Chapter 15 § 6.

Altogether no more than 6,400,000 own shares may be purchased, of which no more than 952,000 are class A shares and 5,448,000 are class B shares. The above-mentioned amounts include the 1,904,725 class B shares in the Company's possession on the AGM date, which were purchased during 2005–2007. The proposed amount corresponds to less than 10 percent of the share capital of the Company and the total voting rights. The acquisition of own shares will decrease the non-restricted equity of the Company. The authorisation is in effect for a period of 18 months from the date of decision of the AGM.

In addition, the AGM authorised the Board of Directors to decide on transfer of treasury shares. The Board of Directors was authorised to decide to whom and in which order the treasury shares will be transferred. The Board of Directors may decide on the transfer of treasury shares otherwise than in proportion to the existing pre-emptive right of shareholders to purchase the Company's own shares. The treasury shares may be used as compensation in acquisitions and in other arrangements as well as to implement the Company's share-based incentive plans in the manner and to the extent decided by the Board of Directors. The Board of Directors has also the right to decide on the transfer of the shares in public trading at the OMX Nordic Exchange, Helsinki to be used as compensation in possible acquisitions. This authorisation is in effect for a period of 18 months from the date of decision of the AGM.

In addition, the AGM resolved to amend the Articles of Association of the Company mainly due to and to align with the new Finnish Companies Act effective as from 2006.

Organisation of the Board of Directors

Cargotec's Board of Directors in its organising meeting elected Ilkka Herlin to continue as Chairman of the Board and Henrik Ehrnrooth to continue as Deputy Chairman. Cargotec's Deputy CEO Kari Heinistö continues to act as secretary to the Board of Directors. Cargotec's Board of Directors decided that the Audit Committee, Nomination and Compensation Committee as well as Working Committee continue to assist the Board in its work.

The Board of Directors elected among its members Ilkka Herlin, Karri Kaitue and Antti Lagerroos as members of the Audit Committee. Karri Kaitue was re-elected as Chairman of the Audit Committee. Board members Henrik Ehrnrooth, Tapio Hakakari, Ilkka Herlin and Peter Immonen were elected to the Nomination and Compensation Committee. Ilkka Herlin was re-elected as chairman of the Nomination and Compensation Committee. Board members Tapio Hakakari, Ilkka Herlin and Peter Immonen were elected to the Working Committee. Ilkka Herlin was re-elected as chairman of the Working Committee.

Share Repurchases

Cargotec's Board of Directors decided to exercise the authorisation of the AGM to acquire the Company's own shares.

In accordance with the authorisation the shares will be acquired in order to develop the capital structure of the Company, finance or carry out possible acquisitions, implement the Company's share-based incentive plans, or to be transferred for other purposes or to be cancelled.

Class B shares will be purchased at public trading in the OMX Nordic Exchange Helsinki at the market price. Class A shares will be purchased outside the Stock Exchange at the price equivalent to the average price of class B shares paid in the OMX Nordic Exchange Helsinki on the purchase date.

A total of 1,000 own shares were repurchased during the first quarter. Cargotec held a total of 1,905,725 class B shares on March 31, 2008.

Short-term Risks and Uncertainties

The global economic development is affected by significant uncertainty which increases short-term risks. Cargotec estimates that its principal short-term risks and uncertainties are related to general economic development and the availability of components.

The impacts of the slowing US economy elsewhere in the world may decrease the willingness of Cargotec's customers to invest. A possible slowdown in the European economy and construction sector would have a negative effect in particular on demand for Hiab's load handing and Kalmar's heavy material handling equipment.

Cargotec has outsourced a significant proportion of its component production and part of its assembly operations. Due to generally high demand for many of the components used by Cargotec, their availability remains restricted, thus making it more difficult to optimise assembly plant operations and causing risk of extra costs and delivery delays. Additionally, occasional delays in truck deliveries in Europe may have an adverse impact on the delivery schedules of Hiab products during the spring 2008.

Cargotec has made a significant number of acquisitions during the last 12 months. Although these acquisitions are relatively small in size and geographically dispersed, integrations always involve a degree of uncertainty.

Events after the Reporting Period

MacGREGOR signed an agreement to acquire US based Platform Crane Services International Inc (PCS) in April. The sales of the company in 2007 were USD 16 million and the company employs 105 persons. The transaction is subject to due diligence.

Outlook

Cargotec expects full year sales growth in 2008 to be at the previous year's growth level as a result of the strong order intake and record-high order book. Order intake in 2008 is expected to continue healthy but lower compared to the very strong first quarter. Cargotec expects operating margin to improve from the 2007 level and to be approximately 8 percent for the full year.

Helsinki, April 18, 2008
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Cargotec's Interim Report January–March 2008

Condensed Consolidated Income Statement

MEUR	1-3/2008	1-3/2007	1-12/2007
Sales	726.7	693.9	3,018.2
Cost of goods sold	-582.5	-538.1	-2,376.8
Non-recurring items *	-	-	-18.0
Gross profit	144.2	155.8	623.4
Gross profit, %	19.8 %	22.5 %	20.7 %
Costs and expenses	-87.5	-85.9	-360.8
Depreciation	-12.5	-12.0	-59.8
Share of associated companies' and joint ventures' income	0.0	0.1	0.3
Operating profit	44.2	58.0	203.1
Operating profit, %	6.1 %	8.4 %	6.7 %
Financing income and expenses	-4.8	-3.4	-18.7
Income before taxes	39.4	54.6	184.4
Income before taxes, %	5.4 %	7.9 %	6.1 %
Taxes	-7.9	-15.2	-46.0
Net income for the period	31.5	39.4	138.4
Net income for the period, %	4.3 %	5.7 %	4.6 %
Net income for the period attributable to:			
Equity holders of the Company	30.9	39.4	136.5
Minority interest	0.5	0.0	1.8
Total	31.5	39.4	138.4
Earnings per share for profit attributable to the equity holders of the Company:			
Basic earnings per share, EUR	0.50	0.62	2.17
Diluted earnings per share, EUR	0.50	0.62	2.16

* Kalmar business area related container spreader inspection and repair programme

Condensed Consolidated Balance Sheet

ASSETS

MEUR	31.3.2008	31.3.2007	31.12.2007
Non-current assets			
Intangible assets	762.6	579.6	751.2
Tangible assets	251.5	231.6	253.7
Loans receivable and other interest-bearing assets 1)	5.5	0.2	5.5
Investments	7.8	3.3	7.2
Non-interest-bearing assets	86.9	59.1	76.4
Total non-current assets	1,114.3	873.8	1,094.0
Current assets			
Inventories	737.1	562.6	657.4
Loans receivable and other interest-bearing assets 1)	0.5	0.2	0.4
Accounts receivable and other non-interest-bearing assets	687.2	521.9	651.9
Cash and cash equivalents 1)	124.9	278.0	179.0
Total current assets	1,549.7	1,362.7	1,488.7
Total assets	2,663.9	2,236.5	2,582.6

EQUITY AND LIABILITIES

MEUR	31.3.2008	31.3.2007	31.12.2007
Equity			
Shareholders' equity	868.8	834.7	890.6
Minority interest	6.9	7.6	6.1
Total equity	875.8	842.3	896.7
Non-current liabilities			
Loans 1)	421.9	423.5	433.3
Deferred tax liabilities	51.9	27.0	38.5
Provisions	37.3	34.9	38.4
Pension benefit and other non-interest-bearing liabilities	76.2	55.6	103.3
Total non-current liabilities	587.3	541.0	613.6
Current liabilities			
Loans 1)	40.1	34.5	55.1
Provisions	66.8	30.8	70.8
Accounts payable and other non-interest-bearing liabilities	1,094.0	787.9	946.5
Total current liabilities	1,200.8	853.2	1,072.4
Total equity and liabilities	2,663.9	2,236.5	2,582.6

1) Included in interest-bearing net debt

Consolidated Statement of Changes in Equity

	Attributable to the equity holders of the company								
MEUR	Share capital	Share premium account	Treasury shares	Translation differences	Fair value reserves	Retained earnings	Total	Minority interest	Total equity
Equity on 31.12.2006	64.0	96.0	-23.9	-12.0	10.5	734.2	868.8	8.0	876.8
Gain/loss on cash flow hedges booked to equity *					-7.9		-7.9	0.0	-7.9
Gain/loss on cash flow hedges transferred to IS					1.3		1.3	0.0	1.3
Translation differences				-4.7			-4.7	-0.2	-4.9
Net income recognised directly in equity	-	-	-	-4.7	-6.6	-	-11.3	-0.2	-11.5
Net income for the period						39.4	39.4	0.0	39.4
Total recognised income and expenses for the period	-	-	-	-4.7	-6.6	39.4	28.1	-0.2	27.9
Dividends paid						-63.2	-63.2		-63.2
Shares subscribed with options	0.1	0.5					0.6		0.6
Share-based incentives, value of received services *						0.4	0.4		0.4
Other changes							-	-0.2	-0.2
Equity on 31.3.2007	64.1	96.5	-23.9	-16.7	3.9	710.8	834.7	7.6	842.3
Equity on 31.12.2007	64.2	97.4	-70.0	-29.6	19.9	808.7	890.6	6.1	896.7
Gain/loss on cash flow hedges booked to equity *					26.1		26.1	0.2	26.4
Gain/loss on cash flow hedges transferred to IS					-3.6		-3.6		-3.6
Translation differences				-10.3			-10.3		-10.3
Total net income recognised directly in equity	-	-	-	-10.3	22.5	-	12.2	0.2	12.5
Net income for the period						30.9	30.9	0.6	31.5
Total recognised income and expenses for the period	-	-	-	-10.3	22.5	30.9	43.1	0.8	43.9
Dividends paid						-65.3	-65.3		-65.3
Shares subscribed with options	0.0	0.1					0.1		0.1
Acquisition of treasury shares			0.0				0.0		0.0
Share-based incentives, value of received services *						0.3	0.3		0.3
Other changes							-		-
Equity on 31.3.2008	64.2	97.5	-70.0	-39.9	42.5	774.6	868.9	6.9	875.8

* Net of tax

Condensed Consolidated Cash Flow Statement

MEUR	1-3/2008	1-3/2007	1-12/2007
Net income for the period	31.5	39.4	138.4
Depreciation	12.5	12.0	59.8
Other adjustments	12.7	18.5	64.4
Change in working capital	-6.5	-17.8	-27.4
Cash flow from operations	50.1	52.1	235.1
Cash flow from financial items and taxes	3.6	-25.1	-62.5
Cash flow from operating activities	53.7	27.0	172.6
Acquisitions	-14.8	-13.0	-172.5
Cash flow from investing activities, other items	-17.1	-18.1	-91.8
Cash flow from investing activities	-31.9	-31.1	-264.3
Acquisition of treasury shares	0.0	-	-46.1
Proceeds from share subscriptions	0.4	0.6	1.5
Dividends paid	-61.3	-59.0	-63.8
Proceeds from long-term borrowings	0.7	226.9	274.5
Repayments of long-term borrowings	-0.8	-2.8	-29.5
Proceeds from short-term borrowings	6.0	4.8	40.8
Repayments of short-term borrowings	-14.5	-7.2	-31.5
Cash flow from financing activities	-69.5	163.3	145.9
Change in cash	-47.7	159.2	54.2
Cash, cash equivalents and bank overdrafts at the beginning of period	167.5	114.5	114.5
Effect of exchange rate changes	-1.1	-0.4	-1.1
Cash, cash equivalents and bank overdrafts at the end of period	118.7	273.3	167.5
Bank overdrafts at the end of period	6.1	4.7	11.4
Cash and cash equivalents at the end of period	124.9	278.0	179.0

Key Figures

		1-3/2008	1-3/2007	1-12/2007
Equity/share	EUR	13.94	13.16	14.29
Interest-bearing net debt	MEUR	331.1	179.6	303.6
Total equity/total assets	%	37.5	40.7	38.3
Gearing	%	37.8	21.3	33.9
Return on equity	%	14.2	18.3	15.6
Return on capital employed	%	13.4	19.9	16.8

Segment Reporting

Sales by geographical segment, MEUR	1-3/2008	1-3/2007	1-12/2007
EMEA	441	384	1,677
Americas	116	176	647
Asia Pacific	171	134	695
Total	727	694	3,018

Sales by geographical segment, %	1-3/2008	1-3/2007	1-12/2007
EMEA	60.6 %	55.3 %	55.6 %
Americas	15.9 %	25.4 %	21.4 %
Asia Pacific	23.5 %	19.3 %	23.0 %
Total	100.0 %	100.0 %	100.0 %

Sales, MEUR	1-3/2008	1-3/2007	1-12/2007
Hiab	230	240	931
Kalmar	322	324	1,343
MacGREGOR	177	131	748
Internal sales	-2	0	-4
Total	727	694	3,018

Operating profit, MEUR	1-3/2008	1-3/2007	1-12/2007
Hiab	17.7	24.4	73.8
Kalmar	19.4	26.7	105.5 *
MacGREGOR	11.9	10.7	59.4
Corporate administration and other	-4.8	-3.8	-17.5
Operating profit from operations	44.2	58.0	221.1
None-recurring items	-	-	-18.0
Total	44.2	58.0	203.1

* Excluding the one-off cost of EUR 18.0 million related to a container spreader inspection and repair programme

Operating profit, %	1-3/2008	1-3/2007	1-12/2007
Hiab	7.7 %	10.2 %	7.9 %
Kalmar	6.0 %	8.3 %	7.9 % *
MacGREGOR	6.7 %	8.2 %	7.9 %
Cargotec, operating profit from operations	6.1 %	8.4 %	7.3 % *
Cargotec	6.1 %	8.4 %	6.7 %

* Excluding the one-off cost of EUR 18.0 million related to a container spreader inspection and repair programme

Orders received, MEUR	1-3/2008	1-3/2007	1-12/2007
Hiab	228	264	985
Kalmar	490	393	1,429
MacGREGOR	439	259	1,696
Internal orders received	-2	-1	-4
Total	1,155	915	4,106

Order book, MEUR	31.3.2008	31.3.2007	31.12.2007
Hiab	253	237	260
Kalmar	824	651	660
MacGREGOR	2,211	923	1,946
Internal order book	-1	0	-1
Total	3,287	1,811	2,865

Capital expenditure, MEUR	1-3/2008	1-3/2007	1-12/2007
In fixed assets (excluding acquisitions)	10.1	9.8	52.5
In leasing agreements	0.1	0.0	0.7
In customer financing	7.7	5.3	37.5
Total	17.8	15.1	90.7

Number of employees at the end of period	31.3.2008	31.3.2007	31.12.2007
Hiab	4,592	3,780	4,418
Kalmar	4,555	4,041	4,459
MacGREGOR	2,278	1,203	2,223
Corporate administration	99	59	87
Total	11,524	9,083	11,187

Average number of employees	1-3/2008	1-3/2007	1-12/2007
Hiab	4,419	3,702	4,091
Kalmar	4,513	3,872	4,233
MacGREGOR	2,257	1,153	1,880
Corporate administration	95	57	72
Total	11,284	8,784	10,276

Notes

Taxes in income statement

MEUR	1-3/2008	1-3/2007	1-12/2007
Current year tax expense	13.8	25.0	56.2
Deferred tax expense	-1.4	-1.6	-3.9
Tax expense for previous years	-4.5	-8.2	-6.3
Total	7.9	15.2	46.0

Commitments

MEUR	31.3.2008	31.3.2007	31.12.2007
Guarantees	0.7	0.5	2.2
Dealer financing	1.7	9.6	8.4
End customer financing	6.7	6.7	7.5
Operating leases	45.5	38.9	47.7
Off balance sheet investment commitments	0.8	-	1.2
Other contingent liabilities	3.6	3.8	3.7
Total	59.0	59.5	70.6

Fair values of derivative financial instruments

MEUR	Positive fair value 31.3.2008	Negative fair value 31.3.2008	Net fair value 31.3.2008	Net fair value 31.3.2007	Net fair value 31.12.2007
FX forward contracts, cash flow hedges	81.0	39.4	41.6	3.3	11.3
FX forward contracts, non-hedge accounted	4.7	4.9	-0.2	11.2	20.7
Interest rate swaps, non-hedge accounted	-	-	-	0.0	-
Cross currency and interest rate swaps, cash flow hedges	0.0	17.1	-17.1	2.1	-4.9
Total	85.7	61.4	24.3	16.6	27.1
Non-current portion:					
FX forward contracts, cash flow hedges	25.4	15.5	10.0	-0.1	-1.1
Cross currency and interest rate swaps, cash flow hedges	0.0	17.1	-17.1	2.1	-4.9
Non-current portion	25.4	32.5	-7.1	2.0	-6.0
Current portion	60.2	28.8	31.4	14.6	33.2

Nominal values of derivative financial instruments

MEUR	31.3.2008	31.3.2007	31.12.2007
FX forward contracts	2,927.0	1,820.0	2,610.0
Interest rate swaps	-	10.0	-
Cross currency and interest rate swaps	225.7	225.7	225.7
Total	3,152.7	2,055.7	2,835.7

Acquisitions 2008

In January–March 2008 Cargotec made a few acquisitions in line with its strategy. These acquisitions were individually immaterial.

In February, Hiab made an agreement to acquire the UK-based Del Equipment (UK) Limited and the US-based Ultron Lift Corp. These companies manufacture tail lifts in the UK and the US. The acquisitions were finalised at the end of March.

In February, in order to strengthen its R&D capabilities, Cargotec acquired 60 percent of Idea Designing & Consulting S.r.l., Italy. The accounting of this business combination also includes the minority share, which includes a redemption obligation.

Management estimates that the consolidated sales for January 1–March 31, 2008 would have been EUR 732 million, if the acquisitions had been completed on January 1, 2008.

The table below summarises the acquisitions completed in January–March 2008. The business combinations were accounted as preliminary as the determination of fair values to be assigned to the assets, liabilities and contingent liabilities were not yet finalised.

MEUR	Net fair values of identifiable assets and liabilities of the acquired businesses	Assets and liabilities immediately before the business combination
Other intangible assets	6.5	4.8
Property, plant and equipment	0.5	0.5
Inventories	3.2	3.2
Non-interest-bearing assets	5.2	5.2
Interest-bearing assets, cash and cash equivalents	0.2	0.2
Interest-bearing liabilities	-4.6	-4.6
Other non-interest-bearing liabilities	-4.5	-3.9
Acquired net assets	6.4	5.3
Transaction price	15.1	
Costs related to acquisitions	0.0	
Goodwill	8.6	
Transaction price paid in cash	13.8	
Costs related to acquisitions	0.0	
Cash and cash equivalents in acquired businesses	-0.2	
Total cash outflow from acquisitions	13.6	

Accounting Principles

The interim report has been prepared according to the International Accounting Standard 34: Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements of 2007. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Adoption of new interpretation starting in January 1, 2008

Starting from January 1, 2008 Cargotec has adopted the following new interpretation by the IASB published in 2007:

- IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction.

The adoption of the interpretation does not have a material effect on the interim financial statements.

Calculation of key figures

Equity / share	=		Total equity attributable to the shareholders of the parent company / Share issue adjusted number of shares at the end of period (excluding treasury shares)
Interest-bearing net debt	=		Interest-bearing debt – interest-bearing assets
Total equity / total assets (%)	=	100 x	Total equity / Total assets – advances received
Gearing (%)	=	100 x	Interest-bearing debt – interest-bearing assets / Total equity
Return on equity (%)	=	100 x	Net income for period / Total equity (average for period)
Return on capital employed (%)	=	100 x	Income before taxes + interest and other financing expenses / Total assets – non-interest-bearing debt (average for period)
Basic earnings / share	=		Net income for the period attributable to the shareholders of the parent company / Share issue adjusted weighted average number of shares during period (excluding treasury shares)

Quarterly Figures

Cargotec		Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Orders received	MEUR	1,155	1,214	1,028	949	915
Order book	MEUR	3,287	2,865	2,552	2,244	1,811
Sales	MEUR	727	868	713	743	694
Operating profit	MEUR	44.2	64.3 *	52.5	46.3	58.0
Operating profit	%	6.1	7.4 *	7.4	6.2	8.4
Basic earnings/share	EUR	0.50	0.45	0.55	0.55	0.62

Hiab		Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Orders received	MEUR	228	254	223	244	264
Order book	MEUR	253	260	255	238	237
Sales	MEUR	230	244	202	245	240
Operating profit	MEUR	17.7	19.1	13.7	16.6	24.4
Operating profit	%	7.7	7.8	6.8	6.8	10.2

Kalmar		Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Orders received	MEUR	490	346	324	367	393
Order book	MEUR	824	660	684	693	651
Sales	MEUR	322	364	326	330	324
Operating profit	MEUR	19.4	26.9 *	27.8	24.1	26.7
Operating profit	%	6.0	7.4 *	8.5	7.3	8.3

MacGREGOR		Q1/2008	Q4/2007	Q3/2007	Q2/2007	Q1/2007
Orders received	MEUR	439	616	483	338	259
Order book	MEUR	2,211	1,946	1,614	1,314	923
Sales	MEUR	177	261	187	169	131
Operating profit	MEUR	11.9	22.3	15.0	11.3	10.7
Operating profit	%	6.7	8.6	8.0	6.7	8.2

* Excluding the one-off cost of EUR 18.0 million in Kalmar business area related to a container spreader inspection and repair programme