Cargotec Corporation | FINANCIAL STATEMENTS REVIEW | 3 February 2010 at 12.30 pm EET

Cargotec's Financial Statements Review 2009 – Year of streamlining operations and structural changes in a difficult market situation

The figures in this financial statements review are based on Cargotec Corporation's audited 2009 Financial Statements.

Report highlights – year 2009

- Orders received totalled EUR 1,828 (3,769) million.
- Order book was EUR 2,149 (3,054) million at the end of the financial period. The decline from the previous year was 30 percent.
- Sales were EUR 2,581 (3,399) million, which was 24 percent less compared to 2008.
- Operating profit excluding restructuring costs was EUR 61.3 (192.8) million, representing 2.4 (5.7) percent of sales.
- Operating profit was EUR 0.3 (173.7) million. Operating profit includes EUR 61.1 (19.1) million in restructuring costs.
- Cash flow from operating activities before financial items and taxes totalled EUR 289.7 (133.8) million.
- Net income for the period amounted to EUR 7.1 (120.8) million.
- Earnings per share were EUR 0.05 (1.91).
- The Board of Directors proposes a dividend of EUR 0.39 per class A share and EUR 0.40 per class B share outstanding be paid.

Report highlights – fourth quarter

- Orders received totalled EUR 464 (633) million.
- Sales were EUR 669 (924) million.
- Operating profit excluding restructuring costs was EUR 31.7 (35.9) million, representing 4.7 (3.9) percent of sales.
- Operating profit was EUR 7.4 (16.8) million. Operating profit includes EUR 24.3 (19.1) million in restructuring costs.

Cargotec's President and CEO Mikael Mäkinen:

"There were many positives in 2009 despite the difficult market situation. Thanks to successful deliveries of marine cargo handling equipment we achieved an excellent result in Marine business. Our cash flow strengthened throughout the year. In addition, our streamlining of operations and development of our supply set-up progressed as planned. I am satisfied with the EUR 32 million underlying operating profit we reached in the fourth quarter and with restructuring costs remaining smaller than anticipated in the same period, our full year operating profit turned positive", affirms President and CEO Mikael Mäkinen.

Press conference for analysts and media
A press conference for analysts and media will be combined with a live international telephone conference and arranged on the publishing day at 2.00 pm EET at Cargotec's head office, Sörnäisten rantatie 23, Helsinki. The event will be held in English. The interim report will be presented by President and CEO Mikael Mäkinen. The presentation material will be available on www.cargotec.com by 2.00 pm EET.

The telephone conference, during which questions may be presented, can be accessed at the following numbers ten minutes before the beginning of the event: US callers +1 646 843 4608, non-US callers +44 20 3023 4412, access code Cargotec Corporation.

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

A replay of the conference call will be available until 5 February 2010 3.00 pm EET, in the following numbers: US callers +1 866 583 1039, non-US callers +44 20 8196 1998, access code 136498#.

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Cargotec improves the efficiency of cargo flows on land and at sea – wherever cargo is on the move. Cargotec's daughter brands Hiab, Kalmar and MacGregor are recognised leaders in cargo and load handling solutions around the world. Cargotec's global network is positioned close to customers and offers extensive services that ensure the continuous, reliable and sustainable performance of equipment. Cargotec's sales totalled EUR 2.6 billion in 2009 and it employs more than 9,500 people. Cargotec's class B shares are quoted on the NASDAQ OMX Helsinki. www.cargotec.com

Operating environment
Demand for load handling equipment was weak, significantly affected by the marked fall in construction and new truck sales. With their fleets under-utilised, customers are postponing investment decisions in the uncertain economic situation. In some markets, low demand is feeding through as price competition between equipment manufacturers. By the end of the year, demand in customer segments other than those related to construction showed tentative signs of recovery.

The number of containers handled in ports around the world dropped clearly in 2009. Lower usage rates of container handling equipment led to reductions in replacement investments. Meanwhile, the uncertainty in the container handling markets was reflected in the lengthening of customers' investment decision-making processes. However, due to publicly funded infrastructure projects, the Asia Pacific market area saw greater levels of activity than elsewhere in the world. Demand for forklift trucks and terminal tractors was lower than in the previous year, due to lower industrial production and distribution centre activity.

The markets for marine cargo handling equipment contracted, following the end of the ship ordering boom of the last few years, although some positive development was visible in the offshore equipment market towards the end of the year. Overcapacity in shipping has led to the idling of vessels, their use for storage purposes and increased scrapping. Nevertheless, cancellations of orders for marine cargo handling equipment have so far remained at moderate levels.

Partly idle equipment lowered demand for services. Lower cargo handling equipment utilisation rates also affected spare parts sales. However, the services markets are in better shape than the equipment markets.

Orders received and order book
Orders received in 2009 totalled EUR 1,828 (3,769) million, which was 51 percent less than in the comparison period. It should also be noted that the order intake during the comparison period 2008 was record-high in both Kalmar and MacGregor. Orders received by MacGregor for EUR 175 million were cancelled from the order book in 2009, and thereafter removed from the book. The value of the orders secured during the fourth quarter was EUR 464 (633) million.

At the end of 2009, the order book totalled EUR 2,149 (3,054) million, 30 percent lower than in 2008. The management estimates that the order book includes some EUR 300 million of orders placed with MacGregor bearing a risk of cancellation.

Orders received by business area

MEUR	**1-12/2009**	**%**	**1-12/2008**	**%**	**Change %**	**10-12/2009**	**10-12/2008**	**Change %**
Hiab	525	29	818	22	-36	143	157	-9
Kalmar	738	40	1,566	41	-53	162	348	-53
MacGregor	569	31	1,393	37	-59	160	129	24
Internal orders	-3		-9			-1	-2	
Total	**1,828**		**3,769**		**-51**	**464**	**633**	**-27**

Hiab's orders received in 2009 accounted for EUR 525 (818) million, representing 36 percent less than the previous year. Hiab's share of orders received during the fourth quarter was EUR 143 (157) million. A major part of the orders Hiab secured were small individual orders, which is representative of its operations in general. The biggest individual order was received in February, when Hiab signed a contract for 292 loader cranes with BAE Systems Inc. in the US. Hiab's order book at the end of the year, totalling EUR 119 (164) million, was 27 percent less than a year before.

Kalmar's orders received in 2009 totalled EUR 738 (1,566) million, which was 53 percent less than in the comparison period. Demand fell due to a clear drop in the number of containers handled in the world's ports and faltering industrial production. Orders received during the fourth quarter totalled EUR 162 (348) million. Major agreements included E-One rubber-tyred gantry crane (RTG) orders from Namibia, Portugal, Poland, Turkey and Vietnam, orders for two ship-to-shore cranes (STS) from Latin America, an order for 20 shuttle carriers from Spain and orders for terminal tractors from China, Tunis and Russia. In addition, orders for more than 100 rough terrain container handlers were received from Tank-Automotive Armament Command (TACOM), which is part of the US Department of Defence. Cargotec Port Security, which is part of Kalmar, won its first commercial contract for a spreader-mounted radiation detection system from the US-based Lockheed Martin. Kalmar's order book at the end of 2009, totalling EUR 427 (704) million, was 39 percent lower than at the end of 2008.

MacGregor's orders received in 2009 accounted for EUR 569 (1,393) million, 59 percent less than in 2008. Orders received during the fourth quarter totalled EUR 160 (129) million. The drop in orders received reflected a strong slow-down in the exceptional ship order boom of the last couple of years. However, other market participants' delivery problems had a positive impact, with shipyards seeking to secure their project schedules with MacGregor's help.

MacGregor received several important orders during the year. An order for hatch covers to be installed on 10 bulk carriers was received from a South Korean shipyard. Hatch covers for 32 container ships under construction in Japan and South Korea and 30 cargo handling cranes and hatch covers for six container ships under construction at a Chinese shipyard, will be delivered during 2010–2012. In addition, agreements were made for the delivery of 120 cargo handling cranes destined for 32 bulk carriers under construction in China and India, for two twin boom level luffing cargo handling cranes for the US Navy and for specialist cargo handling systems for two logistics support vessels for the Australian Navy. MacGregor also agreed on the delivery of six cranes for STX Europe and of hatch covers for two new-generation heavy duty ships for a German shipyard.

Significant orders for RoRo equipment were received from France, Germany, Ireland, Japan, Jordan and Morocco. The order from Japan includes electrically-driven RoRo equipment for two car carriers and the German order RoRo systems for seven RoRo vessels.

MacGregor also received an order for 28 hose handling and provision cranes from Korean shipyard Daewoo Shipbuilding & Marine Engineering Co. and an order for selfunloading systems to be installed on two coastal cement carriers from a Japanese company.

In December, a contract was signed to deliver a range of advanced offshore and subsea load handling systems for a deepsea research vessel which will be built at a Japanese shipyard. An active heave compensated offshore crane will be delivered to a US customer during early 2010. Two knuckle-jib ship cranes will be delivered and installed for a researched vessel under construction at a Russian shipyard and one ship crane for an offshore vessel under construction in Canada, also in early 2010. Moreover, in July, MacGregor won an order for a ship unloader for handling coal from Brazil.

MacGregor's order book at the end of the financial period was EUR 1,604 (2,187) million, which was 27 percent less than at the end of 2008. More than 60 percent of the order book is bulk, general cargo and container ship related. Offshore support vessel related orders comprise more than 10 percent of the order book. The orders cancelled during the financial period, EUR 175 million, were removed from the order book.

Services' market activity also declined compared to the previous year, but to a smaller extent than in the equipment market. Although a large number of small contracts typical of the services business were signed, customers are delaying decision-making related to major contracts. Major service orders received during the year included three-year service agreement renewal for all RoRo equipment for 27 vessels from Grimaldi, refurbishment of 13 straddle carries for a Tunisian port operator and five-year equipment servicing and maintenance contract signed with an Albanian port operator.

Sales
Year 2009 sales declined 24 percent from the comparison period and totalled EUR 2,581 (3,399) million. Only deliveries of marine cargo handling equipment grew from the previous year. In terms of sales, EMEA (Europe, Middle East, Africa) was the largest market, its share declining to 46 (56) percent of consolidated sales. The America's share of sales was 18 (16) and that of Asia Pacific 36 (28) percent. Sales for the fourth quarter were EUR 669 (924) million.

Sales by business area

MEUR	**1-12/2009**	**%**	**1-12/2008**	**%**	**Change %**	**10-12/2009**	**10-12/2008**	**Change %**
Hiab	568	22	907	27	-37	152	216	-29
Kalmar	1,008	39	1,515	44	-34	213	413	-48
MacGregor	1,009	39	985	29	2	305	298	2
Internal sales	-4		-8			-1	-3	
Total	**2,581**		**3,399**		**-24**	**669**	**924**	**-28**

Hiab's sales in 2009 totalled EUR 568 (907) million, which was 37 percent less than in the previous year. Sales were on a low level all year, reflecting the general weakness in the load handling equipment market. Fourth quarter sales were EUR 152 (216) million.

Kalmar's sales in 2009 totalled EUR 1,008 (1,515) million. The decline from the previous financial period was 34 percent. In the second half of 2009, delivery volumes saw a clear drop due to a low order intake which continued throughout the year. Fourth quarter sales were EUR 213 (413) million.

MacGregor's sales 2009 totalled EUR 1,009 (985) million. Growth was two percent from 2008. This sales growth was the result of the strong order intake in previous years and successful project deliveries. Fourth quarter sales were EUR 305 (298) million.

Services sales during the financial period amounted to EUR 690 (871) million, representing 27 (26) percent of total sales. Sales from services declined 21 percent from the comparison period level, which is a consequence of lower demand in all areas of the services business. Services accounted for 30 (23) percent of sales at Hiab, 33 (29) percent at Kalmar and 19 (23) percent at MacGregor.

Financial result

The operating profit for 2009 weakened from 2008, totalling EUR 0.3 (173.7) million. Operating profit includes EUR 61.1 (19.1) million in restructuring costs. EUR 26.8 (14.1) million of the restructuring costs are related to Hiab, EUR 16.4 (4.5) million to Kalmar and EUR 1.9 (-) million to MacGregor. In addition, a total of EUR 15.9 (0.3) million in write-offs and personnel-related restructuring costs were booked at corporate level.

Operating profit in 2009, excluding restructuring costs, was EUR 61.3 (192.8) million, representing 2.4 (5.7) percent of sales. This includes a EUR 4.8 (8.3) million cost impact for the purchase price allocation treatment of acquisitions and EUR 12.2 (9.4) million costs from the On the Move change programme. Operating profit in 2009 for Hiab, excluding restructuring costs, was EUR -35.0 (49.4) million, EUR 24.6 (89.6) million for Kalmar and EUR 105.2 (83.6) million for MacGregor.

Fourth quarter operating profit totalled EUR 7.4 (16.8) million. The operating profit includes EUR 24.3 (19.1) million in restructuring costs. Operating profit for the fourth quarter, excluding restructuring costs, was EUR 31.7 (35.9) million, representing 4.7 (3.9) percent of sales. Fourth quarter operating profit, excluding restructuring costs, totalled EUR -5.7 (3.7) million for Hiab, EUR 3.5 (12.1) million for Kalmar and EUR 40.5 (30.7) million for MacGregor.

MacGregor's profitability improved during each quarter. Hiab's and Kalmar's operating profit was eroded by low production capacity utilisation. During the first half of the year, the product profitability of deliveries was weakened by material costs, which were still at the previous high price levels. However, towards the end of the financial period, the decrease in material prices began to have a positive impact. In addition, costs savings from significant restructuring measures totalled EUR 90 million during the year.

Net financing expenses were EUR 27.0 (61.9) million in 2009.

Net income in 2009 was EUR 7.1 (120.8) million and earnings per share EUR 0.05 (1.91).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 352 million lower at EUR 2,687 million than at the end of 2008. Equity at the end of 2009 was EUR 871 (855) million representing EUR 14.20 (13.95) per share. Return on equity (ROE) was 0.8 (13.7) percent, return on capital employed (ROCE) 0.2 (12.7) percent and the total equity/total assets ratio 37.5 (33.0). Tangible assets on the balance sheet were EUR 301 (284) million and intangible assets EUR 784 (754) million.

Cash flow from operating activities before financial items and taxes in 2009 was EUR 290 (134) million. Cash flow was positively affected by the fall of EUR 201 million during the year in net working capital. At the end of 2009, net working capital was EUR 123 (324) million. This fall was due to shrunken component and materials inventories and lower receivables. In addition, at the beginning of 2009, the balance sheet showed a significant amount of work-in-progress, which healthy early-year delivery volumes within Kalmar and MacGregor have reduced.

Cargotec’s liquidity is healthy. The dividend payment totalled EUR 37.4 (66.0) million.

Net debt at year-end was EUR 335 (478) million, including EUR 612 (565) million in interest-bearing debt. Gearing was 38.0 (55.3) percent.

Cargotec’s financing structure is healthy. Interest-bearing debt consists mainly of long-term corporate bonds maturing from the year 2012. In order to strengthen its financial structure, Cargotec raised a total of EUR 100 million as five-year Pension Premium Loans (TyEL) in March and June 2009. In addition, Cargotec had EUR 585 million of unused long-term credit facilities at the end of the financial period.

New products and product development

Research and product development expenditure in 2009 was EUR 36.5 (47.0) million, representing 1.4 (1.4) percent of sales. Despite the weak market situation, Cargotec continues to invest in product development.

During the financial period, Hiab introduced a new medium range loader crane specially designed for the construction industry, and several new products in the small crane product family. In addition, Hiab launched its first stiff boom crane for the Chinese market. Furthermore, a new 30-tonne demountable and three new hooklifts were introduced in Hiab’s demountable product family. The safety of Hiab cranes was enhanced in order to fulfil the new Machine Directive 2006/42/EC in Europe, which entered into force in December 2009.

During the financial period, Kalmar continued its product development and introduced several new products improving energy efficiency in particular. A new streamlined reachstacker ensures cost-effective and flexible container handling for medium capacity ports. Due to the new technology used in Kalmar’s electrical shuttle carriers, this equipment features reduced fuel consumption and lower emissions. Moreover, the all-electric rubber-tyred gantry crane (RTG) was further improved with several safety and environmental features. Additionally, three new hybrid terminal tractors for technology trials were supplied to the Port of Long Beach, US. Kalmar also launched a customised automation platform for the management of container handling equipment fleet in ports and terminals and a new heavy range terminal tractor for LoLo (lift-on, lift-off) operations. The tractor has been designed in close co-operation with customers and meets the strictest requirements for ergonomics and driveability, energy-efficiency as well as environmental friendliness.

During the first half, Kalmar finalised performance testing related to the development of its automatic stacking crane system in the Hamburg CTB terminal. The automatic stacking crane meets German requirements for security systems. Integration testing with the customer’s terminal system will continue in 2010.

In addition, Kalmar prepared the commencement of ship-to-shore crane production in Asia. At the same time, Kalmar changed its cranes to enable easier final assembly at the customer's site. This makes their transportation simpler and less expensive. New Kalmar ship-to-shore cranes will be delivered with a novel crane control system featuring the crane's control, crane management and fault diagnostics.

In November, an electric drive innovation MacRack was introduced to simplify the operation of MacGregor side-rolling hatch covers.

In May, MacGregor introduced an innovative ultra-deepwater lifting system, which includes a side-mounted hang-off frame for the transfer of loads from a steel-rope winch fitted standard crane, to vertically suspended fibre ropes. This development is a continuation of the January delivery of the first subsea knuckle-jib crane equipped with an option for fibre rope handling. Technology for handling lightweight fibre rope rather than traditional steel wire rope offers several advantages: much heavier loads can be handled without placing a strain on the crane at unlimited depths and, consequently, overall safety is improved due to lighter equipment still capable of carrying out heavy work operations.

Capital expenditure

Capital expenditure for the financial period, excluding acquisitions and customer financing, totalled EUR 87.8 (76.8) million. Investments in customer financing were EUR 19.0 (35.9) million. Depreciation for 2009 amounted to EUR 58.7 (57.4) million.

Cargotec made the decision to proceed with an investment plan for a multi-assembly unit (MAU) in Stargard Szczecinski in Northern Poland, to improve its global supply footprint. This new MAU is intended to support the production of a wide range of Cargotec equipment. Production began in rented premises at the end of the third quarter. Production in Cargotec's own premises at a new site is planned for the second quarter of 2010. The cash flow impact of the investment cost was EUR 19.1 million in 2009.

The expansion of container spreader production capacity in Malaysia was finalised during the fourth quarter. The new factory for rough terrain container handlers in Texas, USA, started production. In addition, the capacity expansion investment in Narva, Estonia and the doubling of production capacity in Shanghai, China, were finalised during the first half of 2009.

On the Move change programme

In January 2008, Cargotec announced the launch of an extensive On the Move change programme. This change programme was intended to form a basis for profitable growth through improved customer focus and efficiency. Of the programme's estimated EUR 80–100 million savings target, half will result from non-volume related cost-structure adjustments and supply set-up changes and has been included in an overall cost savings estimate exceeding EUR 150 million. The materialisation of the other, volume-related half of the original On the Move savings target will require an improvement in the market situation. This stand-alone change programme was concluded at the end of the year. Ongoing issues were transferred to operative areas of responsibility.

The projects in the first phase focused on streamlining support functions and the company structure as well as initiating information management (IM) projects for the improvement of efficiency. Changes in company structure were to a large extent finalised during the year. IM projects will continue in 2010.

At the beginning of 2009, Cargotec established a common Supply organisation, responsible for sourcing and supply and which is developing global supply closer to customers as well as steering such operations towards lower cost environments. During 2009, Cargotec implemented a major change in its supply footprint. In 2008, the decision was taken to close a factory in the USA and Finland. Further, similar decisions were taken during the year 2009, affecting factories in Indonesia, the Netherlands and Sweden. As a consequence of these factory closures and in order to enhance efficiency, the operations and capacity utilisation of the remaining factories will be developed.

As part of the On the Move change programme, Cargotec merged Hiab and Kalmar business areas globally. The resulting new business area, Industrial and Terminal, comprising Hiab and Kalmar business areas, began operating at the beginning of October while financial reporting continued according to previous structure until year-end. The new Industrial and Terminal organisation includes Product Solutions, charged with ensuring the competitiveness of the global product offering, Service Solutions with responsibility for ensuring the competitiveness of the global service offering and three regional organisations with responsibility for sales and service: Americas, Asia-Pacific and EMEA.

Acquisitions and disposals

During the financial period, Cargotec completed two acquisitions. In December, Cargotec acquired the port service and equipment related part of Moroccan Société Maghrepic S.A.'s business operations. Maghrepic has been Cargotec's dealer representative in Morocco and has long experience of service and spare parts. According to the deal, Cargotec employed 44 persons, most of whom are service technicians. In August, Cargotec acquired the assets of a Danish sales and services company Arne Holst & Co. A/S. This acquisition included the takeover of business assets and customer contacts as well as the transfer of four employees to Cargotec. In addition, Cargotec acquired an 18 percent minority holding in Kalmar España S.A. and 20 percent minority holdings in Italian Officine Cargotec Ferrari Genova S.r.l and Officine Cargotec Ferrari Prato S.r.l. as well as in Australian Hiab Australia Pty Ltd. Subsequent to these transactions, Cargotec owns all shares in the companies.

In November, Cargotec agreed on the termination of the 2006 signed cooperation agreement with the Chinese company Goodway. The cooperation agreement will be terminated in early 2010.

In October, Cargotec agreed to transfer its off-road forestry cranes business to the Finnish Mesera Salo Oy. The transfer agreement also included stationary mounted off-road crane models. As part of the deal, some key employees in the off-road crane business transferred to Mesera. The real estate related to the business and located in Salo, Finland, was sold to the Finnish Rakennus-Järvi Oy in December.

Personnel

Cargotec employed 9,606 (11,826) people at the end of the year, 2,220 fewer than at the end of 2008. Due to restructuring measures, the number of personnel declined most in Sweden and Finland. Hiab employed 3,127 (4,308) people, Kalmar 3,862 (4,766), and MacGregor 2,286 (2,577). The average number of employees in

2009 was 10,785 (11,777). Part-time personnel represented 3 (3) percent of employees. 16 (15) percent of the personnel were female and 84 (85) percent male. The number of personnel in corporate level support functions increased due to the establishment of Cargotec's shared service centre as well as common supply and country organisations.

At the end of 2009, 19 (20) percent of Cargotec's total employees were located in Sweden, 11 (13) percent in Finland and 30 (30) percent in the rest of Europe. North and South American personnel represented 11 (11) percent, Asia Pacific 26 (24) percent and the rest of the world 2 (2) percent of total employees.

Salaries and remunerations to employees totalled EUR 351 (387) million for the financial period.

During the year, all of Cargotec's human resources (HR) policies were revised. These policies contain provisions on the HR principles and practices as well as recruitment, internal transfers, training, performance management, foreign assignments, management contracts, compensation and rewarding, job titles, and respect for the employee in the workplace. HR policies are updated annually and are implemented in Cargotec's operating countries through its global HR management network.

A dramatic change in Cargotec's operating model characterised 2009. Focus areas in human resources management had to be adjusted to the rapidly changing circumstances. The key objective was to offer strong global support for change management.

Adjusting capacity to demand and other restructuring measures

In September 2008, capacity adjustment measures were begun, mainly in Western Europe and North America, due to the fall in demand and profitability. During 2009, these measures were extended to Cargotec units all over the world, with the goal of improving the company's profitability and securing its competitiveness.

Adjustment measures began with reductions in temporary employees and subcontractors. During 2009, as part of a long-term plan, Cargotec implemented a major transformation of its production set-up. The decision taken in 2008 to close a factory in the United States and Finland was followed in 2009 by closures in the Netherlands, Indonesia and Sweden. Alongside employee dismissals due to these factory closures, other units saw permanent employee reductions. In addition, temporary lay-offs or shorter working weeks were implemented in several production units, in line with the flexibility possible under local legislation.

As part of the On the Move change programme, Cargotec decided to merge Hiab and Kalmar business areas throughout the world. The elimination of overlaps led to employee reductions in several units.

Cargotec also began planning the conversion of the Tampere unit into a competence and technology centre, which will improve the worldwide competitiveness of the company's products. The plan is to shift the operational focus from traditional production to a developer of new products and concepts and an enabler of serial production. In the wake of this almost three-year process of transformation, it is estimated that the Tampere unit will employ around 250 people in place of the current 550.

Due to capacity adjustment and other restructuring measures, the number of employees had fallen by the end of 2009 by 2,867: 1,497 in Hiab, 1,079 in Kalmar, 281 in MacGregor and 10 in group administrative functions. In Sweden there were employee reductions of 595, plus 550 in Finland and a total of 1,722 in other countries. During the first half of 2010, it is estimated that approximately 400 people will leave the company as a result of already initiated restructuring measures.

It is estimated that already completed and ongoing restructuring initiatives, including structural capacity adjustment measures, will create total annual cost savings exceeding EUR 150 million. This savings estimate includes all cost structure streamlining actions announced since the beginning of 2008. By the year end, the running rate of savings achieved was EUR 140 million.

Environment

The environmental principles are specified in Cargotec's environmental policy. Cargotec's operations, in other words its assembly plants, service units and offices, mainly have local impacts while the most significant environmental impacts globally are generated through the use of Cargotec's equipment. Further environmental impacts are the result of material deliveries associated with Cargotec's operations, and of business travel.

Cargotec has introduced a corporate-wide environmental key performance indicator (KPI) monitoring system. International standards were applied when creating the system. At the moment, the related monitoring covers 16 assembly plants and nine other units. The KPIs are published on Cargotec's website annually.

Environmental impact assessment is repeated in line with a standard procedure every time operations are affected by major changes such as mergers or acquisitions, or when entirely new operations are launched. Environmental impact assessment involves an analysis of the local impacts of the units' operations on soil, water systems, the natural environment and the atmosphere. In 2009, the most significant environmental impact assessment was conducted in the vicinity of a plant being constructed in Poland.

Internal control and risk management

The key task of internal control is to ensure that management decisions are implemented across the organisation, that operations run efficiently and that business-related decision making is sound and appropriate. Internal control is also responsible for ensuring that risk management efforts are adequate and that personnel comply with company policies as well as non-company regulations and laws.

Cargotec's Board of Directors has approved the Company's risk management policy. A core principle is preventive action for identifying, assessing and handling risks and, if they materialise, treating 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. Risk management is spread across business areas and units. Each unit is responsible for assigning responsibility for risk management and identifying, managing and reporting risks. The Corporate Risk Management function is responsible for the overall development of risk management, supported by corporate-wide risk management principles, practices and risk reports. Financial risks are centrally managed by the Corporate Treasury.

Strategic and business risks are related to business cycles in the world economy and Cargotec's customer sectors, the availability of raw materials and components and the related price trends, mergers and acquisitions, and the operations of dealers and subcontractors. The company prepares for them by signing long term delivery agreements and seeking alternative suppliers. Cargotec requires that the companies in its supply chain are familiar with Cargotec's risk management principles and practices, and follow similar principles. Risk management guidelines and instructions on self-assessment have been drafted for suppliers and subcontractors.

Operational risks relate to persons, property, processes, products, information technology and practices. The materialisation of operational risks may result in bodily injuries, property damage, business interruptions or product liability claims. First and foremost, Cargotec's main operational risk management measures involve better product safety and business processes in order to ensure business continuity. With respect to key person risks, succession plans for leadership and key assignments are updated on an annual basis for the purpose of ensuring continuity in operations.

Main hazard risks include risks related to personnel, property, business interruptions and logistics. In addition to preventive risk management measures, the company protects itself against these risks by taking out global insurance policies covering all units.

Efforts to develop the risk management system will continue in accordance with the Company's risk management policy.

Changes in the organisation and management

In June 2009, Cargotec announced the merger of Hiab and Kalmar business areas. As a result, two business areas were formed: Marine, comprising former MacGregor business area, and Industrial and Terminal, which comprises former Hiab and Kalmar business areas. Olli Isotalo continues to head the Marine business while Pekka Vauramo heads the Industrial and Terminal business. Pekka Vauramo is also continuing in his role as Deputy to CEO. These changes did not affect Cargotec's external financial reporting in 2009. As of 1 January 2010, Cargotec will report in two reporting segments Industrial and Terminal, and Marine.

The new Industrial and Terminal organisation includes Product Solutions, charged with ensuring the competitiveness of the global product offering, Service Solutions with responsibility for ensuring the competitiveness of the global service offering and three regional organisations with responsibility for sales and service: EMEA, Americas, Asia Pacific.

Unto Ahtola was appointed Executive Vice President, Product Solutions, and a member of Cargotec's Executive Board. He joined Cargotec on 2 November 2009. Stefan Gleuel, formerly Senior Vice President, MacGregor Service Division, was appointed Executive Vice President, Service Solutions as of 1 October 2009, and a member of Cargotec's Executive Board.

Harald de Graaf was appointed Executive Vice President, EMEA, as of 1 July 2009. He continues as a member of Cargotec Executive Board. Ken Loh was appointed Executive Vice President, Asia Pacific and a member of Cargotec's Executive Board as of 1 October 2009. Mr Loh's previous post was President, Kalmar

Asia Pacific Region. As of 1 October 2009, Lennart Brelin was appointed Executive Vice President, Americas and a member of Cargotec's Executive Board. Lennart Brelin worked previously as Senior Vice President, Hiab Americas region.

Kirsi Nuotto, a member of Cargotec's Executive Board, was appointed Executive Vice President, Human Resources and Communications as of 1 July 2009.

New branding strategy
Cargotec defined a new corporate-wide branding strategy and launched a new visual image, aimed at strengthening the Cargotec name and its main strategic brands Hiab, Kalmar and MacGregor. The new brand strategy supports Cargotec's 'One Company' approach and is built on the strong reputation of its market-leading brands.

Cargotec itself is more visibile in the common, new visual identity of these brands: they all share a common symbol, the elephant. The Cargotec elephant will be displayed on most materials together with the three main brands, Hiab, Kalmar and MacGregor. These three brands all have a strong reputation within Cargotec's customer base and, in the future, products will continue to be branded with these names.

Annual General Meeting
Decision taken at Cargotec Corporation's Annual General Meeting
Cargotec Corporation's Annual General Meeting (AGM) was held on 5 March 2009 in Helsinki. The AGM approved the financial statements and consolidated financial statements and granted discharge from liability to the President and CEO and the members of the Board of Directors for the accounting period 1 January–31 December 2008.

The AGM approved a dividend of EUR 0.59 per class A share and EUR 0.60 per class B share outstanding be paid.

The number of the members of the Board of Directors was confirmed at six. Tapio Hakakari, Ilkka Herlin, Peter Immonen, Karri Kaitue and Antti Lagerroos were re-elected to the Board of Directors. Anja Silvennoinen was elected as a new member to the Board of Directors. The meeting decided that a yearly remuneration of EUR 80,000 be paid for the Chairman, EUR 55,000 for the Deputy Chairman and EUR 40,000 for the other Board members. In addition, it was decided that members receive EUR 500 for attendance at Board and Committee meetings and that 30 percent of the yearly remuneration will be paid in Cargotec Corporation's class B shares and the rest in money.

Authorised public accountants Johan Kronberg and PricewaterhouseCoopers Ltd were re-elected as auditors.

Authorisations granted by the Annual General Meeting
The AGM authorised the Board of Directors to decide on purchasing of own shares with non-restricted equity. The shares may be repurchased in order to develop the capital structure of the Company, to finance or carry out possible acquisitions, to implement the Company's share-based incentive plans, to be transferred for other purposes or to be cancelled. Altogether no more than 6,400,000 own shares may be repurchased, of which no more than 952,000 are class A shares and 5,448,000 are class B class. The above mentioned

amounts include the 2,990,725 class B shares repurchased during 2005–2008 in the Company's possession on the AGM date.

In addition, the AGM authorised the Board 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 share issue can be directed and it is to be used to as compensation in acquisitions and in other arrangements, to finance acquisitions or for personnel incentive purposes.

Both authorisations shall remain in effect for a period of 18 months from date of decision of the AGM.

Organisation of the Board of Directors

The Board of Directors elected Ilkka Herlin to continue as Chairman of the Board. Tapio Hakakari was elected as Deputy Chairman. Cargotec's Senior Executive Vice President Kari Heinistö continues to act as secretary of the Board of Directors.

The Board of Directors decided that the Audit Committee and Nomination and Compensation Committee continue to assist the Board in its work. The Board of Directors elected among its members Ilkka Herlin, Karri Kaitue (chairman) and Anja Silvennoinen as members of the Audit Committee. Tapio Hakakari, Ilkka Herlin (chairman), Peter Immonen and Antti Lagerroos were elected to the Nomination and Compensation Committee.

Shares and trading

Share capital

Cargotec's share capital on 31 December 2009 totalled EUR 64,304,880. The share capital increased by EUR 600 due to share subscriptions with Cargotec 2005B option rights during the financial period. On 31 December 2009, the number of class B shares listed on the NASDAQ OMX Helsinki was 54,778,791 while that of unlisted class A shares totalled 9,526,089. 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. The total number of votes attached to all shares was 15,002,624 (15,002,744).

Own shares

At the end of 2009, Cargotec held a total of 2,959,487 own class B shares, which corresponds to 4.60 percent of the total number of shares and 1.97 percent of votes. The shares were repurchased in 2005–2008.

The Board of Directors decided to exercise the authorisation conferred by the AGM held on 5 March 2009, to acquire own shares. In accordance with this authorisation, the shares may be repurchased in order to develop the capital structure of the Company, to finance or carry out possible acquisitions, to implement the Company's share-based incentive plan, to be transferred for other purposes or to be cancelled. No own shares were repurchased in 2009.

Share-based incentive programme – issue of own shares as reward

On 5 March 2009, the Board of Directors decided on a directed bonus issue of 31,356 class B shares owned by the Company to the 61 participants in the Company's share-based incentive programme as a reward for the earnings period 2007–2008. A total of 118 class B shares were returned to the Company, entailing a directed bonus issue of 31,238 class B shares. The decision in favour of a directed bonus issue is based on the authorisation of the AGM of Shareholders held on 5 March 2009. The maximum amount to be paid out as shares from the incentive programme during 2007–2011 is 387,500 class B shares.

Option rights

The Company has no valid option programme. The subscription period with 2005B option rights ended on 31 March 2009. A total of 333,570 Cargotec class B shares were subscribed under 2005B option rights during the subscription period. After the end of the subscription period, the unused option rights became null and void and have been removed from their holders' book-entry accounts.

Market capitalisation and trading

At the end of 2009, the total market value of class B shares was EUR 1,001 million, excluding treasury shares held by the Company. The year-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 year, was EUR 1,183 million, excluding treasury shares held by the Company.

The class B share closed at EUR 19.31 on the year end. The average share price in 2009 was EUR 11.55, the highest quotation being EUR 19.31 and the lowest EUR 6.37. The share value increased 139 percent during the year. In 2009, approximately 55 million class B shares were traded on the NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 630 million. The average daily trading volume of class B shares was 218,255 shares or EUR 2,509,293.

Short-term risks and uncertainties

Despite signs of recovery in the world economy and financial markets, economic trends are still characterised by uncertainty. Similar uncertainty surrounds the development of demand for Cargotec's products and services, and the willingness of its customers to invest, during 2010.

The uncertain market situation may continue to lead to the deferment of investment decisions or the postponement or cancellation of orders. Furthermore, customers' financial situations will affect the collection of receivables and the level of credit loss. The weak market situation is also burdening suppliers and sub-contractors, which may have a knock-on effect on Cargotec's supply chain.

Cargotec estimates that approximately EUR 300 million of the order book at the beginning of 2010 involves a risk of cancellation. A continuation in shipping overcapacity may lead to a reappraisal by ship owners of the need to cancel ordered vessels.

Events after the reporting period

In January 2010, Cargotec sold its US-based hydraulic cylinders manufacturing business Waltco Hydraulics to Ligon Industries, LLC. Waltco Hydraulics, situated in Ohio, was part of Waltco Lift Corp. belonging to the Industrial and Terminal business area at Cargotec. Waltco Hydraulics employed 25 people.

In January 2010, Cargotec announced that its Executive Board is renewed. The Executive Board consists of the following members: Mikael Mäkinen, President and CEO; Pekka Vauramo, Deputy to CEO and Senior

Executive Vice President, Industrial and Terminal business area; Olli Isotalo, Executive Vice President, Marine business area; Axel Leijonhufvud, Executive Vice President, Supply; Eeva Sipilä, Executive Vice President, Chief Financial Officer; Kirsi Nuotto, Executive Vice President, HR and Communications; Matti Sommarberg, Executive Vice President, Chief Technology Officer; Harald de Graaf, Executive Vice President, EMEA region; Ken Loh, Executive Vice President, Asia Pacific region; Lennart Brelin, Executive Vice President, Americas region; Unto Ahtola, Executive Vice President, Product Solutions, I&T and Stefan Gleuel, Executive Vice President, Service Solutions, I&T.

Senior Executive Vice President Kari Heinistö and Executive Vice President of Hiab business area Pekka Vartiainen will leave the Executive Board. Kari Heinistö will join a new employer as of 1 April 2010. Pekka Vartiainen will develop a common way of working towards Cargotec's defence business customers.

Board of Directors' proposal on the distribution of profit
The parent company's distributable equity on 31 December 2009 was EUR 875,129,857.79 of which net income for the period was EUR -48,369,672.04. The Board of Directors proposes to the AGM convening on 5 March 2010, that of the distributable profit, a dividend of EUR 0.39 for each of the 9,526,089 class A shares and EUR 0.40 for each of the 51,819,304 outstanding class B shares be paid, totalling EUR 24,442,896.31. The remaining distributable equity, EUR 850,686,961.48 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 good and, in the Board of Director's view, the proposed distribution of dividend poses no risk to the Company's financial standing.

Outlook
There are tentative positive signs visible in the order intake for industrial business. Uncertainty continues in port terminal business. Based on the strong order book, sales in marine cargo handling business are expected to remain on a healthy level in 2010. Cargotec's 2010 sales are estimated to be on 2009 level and operating profit to exceed EUR 100 million. It is estimated that still a few million euro in restructuring costs from currently ongoing restructuring measures will be booked during early-2010.

Annual General Meeting 2010
Cargotec Corporation's Annual General Meeting will be held at the Marina Congress Center in Helsinki on 5 March 2010 at 11.00 am EET.

Financial calendar 2010
Interim Report January–March 2010, on Thursday, 29 April 2010
Interim Report January–June 2010, on Wednesday, 21 July 2010
Interim Report January–September 2010, on Wednesday, 27 October 2010

Cargotec Corporation will publish its Corporate Governance Statement 2009 on week 6 together with the 2009 Annual Report. The statement will be published separately from the Board of Directors' report and it will be available after publishing on Cargotec's website www.cargotec.com.

Helsinki, 3 February 2010
Cargotec Corporation
Board of Directors

Consolidated Statement of Income

MEUR	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Sales	668.6	923.5	2,580.9	3,399.2
Cost of goods sold	-546.6	-763.8	-2,158.7	-2,762.5
Gross profit	122.1	159.7	422.2	636.7
Gross profit, %	18.3 %	17.3 %	16.4 %	18.7 %
Other operating income	12.5	15.0	42.7	39.1
Selling and marketing expenses	-32.5	-49.4	-144.5	-189.9
Research and development expenses	-9.2	-13.2	-34.4	-43.6
Administration expenses	-42.2	-58.7	-179.0	-212.0
Restructuring costs	-24.3	-19.1	-61.1	-19.1
Other operating expenses	-19.8	-18.1	-46.5	-38.0
Share of associated companies' and joint ventures' net income	0.9	0.5	0.8	0.6
Operating profit	7.4	16.8	0.3	173.7
Operating profit, %	1.1 %	1.8 %	0.0 %	5.1 %
Financing income	3.4	1.8	14.5	16.0
Financing expenses	-10.4	-15.2	-41.6	-44.5
Income before taxes	0.5	3.4	-26.7	145.2
Income before taxes, %	0.1 %	0.4 %	-1.0 %	4.3 %
Taxes	12.5	5.6	33.9	-24.4
Net income for the period	13.0	9.0	7.1	120.8
Net income for the period, %	1.9 %	1.0 %	0.3 %	3.6 %
Net income for the period attributable to:				
Equity holders of the Company	11.3	8.5	3.1	118.4
Minority interest	1.7	0.4	4.0	2.4
Total	13.0	9.0	7.1	120.8
Earnings per share for profit attributable to the equity holders of the Company:				
Basic earnings per share, EUR	0.18	0.14	0.05	1.91
Diluted earnings per share, EUR	0.18	0.14	0.05	1.91

Consolidated Statement of Comprehensive Income

	10-12/2009	10-12/2008	1-12/2009	1-12/2008
Net income for the period	13.0	9.0	7.1	120.8
Gain/loss on cash flow hedges	-10.5	-67.8	6.9	-131.1
Gain/loss on cash flow hedges transferred to Statement of Income	1.1	30.6	36.2	29.2
Translation differences	6.9	0.7	20.5	9.8
Taxes relating to components of other comprehensive income	0.6	10.8	-14.6	27.9
Comprehensive income for the period	11.1	-16.8	56.1	56.6
Comprehensive income for the period attributable to:				
Equity holders of the Company	9.8	-18.2	52.1	53.2
Minority interest	1.4	1.4	4.0	3.4
Total	11.1	-16.8	56.1	56.6

Consolidated Statement of Financial Position

MEUR	31 Dec 2009	31 Dec 2008
ASSETS		
Non-current assets		
Goodwill	689.6	669.2
Other intangible assets	94.7	85.0
Property, plant and equipment	301.2	283.5
Investments in associated companies and joint ventures	7.5	7.0
Available-for-sale investments	1.5	2.0
Loans receivable and other interest-bearing assets 1)	7.4	7.7
Deferred tax assets	113.9	97.2
Derivative assets	9.1	55.0
Other non-interest-bearing assets	8.0	8.1
Total non-current assets	1,233.0	1,214.6
Current assets		
Inventories	609.3	881.9
Loans receivable and other interest-bearing assets 1)	2.9	0.2
Income tax receivables	30.6	18.5
Derivative assets	38.8	130.4
Accounts receivable and other non-interest-bearing assets	506.1	714.0
Cash and cash equivalents 1)	266.6	79.2
Total current assets	1,454.5	1,824.3
Total assets	2,687.4	3,038.9

1) Included in interest-bearing net debt

MEUR	31 Dec 2009	31 Dec 2008
EQUITY AND LIABILITIES		
Equity attributable to the equity holders of the Company		
Share capital	64.3	64.3
Share premium account	98.0	98.0
Translation differences	-1.1	-20.4
Fair value reserves	-24.9	-54.5
Retained earnings	734.6	768.0
Total equity attributable to the equity holders of the Company	870.8	855.3
Minority interest	10.6	9.1
Total equity	881.5	864.4
Non-current liabilities		
Loans 1)	511.2	440.2
Deferred tax liabilities	29.7	43.0
Pension obligations	37.8	33.5
Provisions	19.0	34.6
Derivative liabilities	28.4	84.5
Other non-interest-bearing liabilities	28.6	26.6
Total non-current liabilities	654.7	662.5
Current liabilities		
Current portion of long-term loans 1)	23.0	4.0
Other interest-bearing liabilities 1)	60.1	110.6
Provisions	66.2	70.4
Advances received	339.0	420.4
Income tax payables	40.1	53.2
Derivative liabilities	58.0	129.3
Accounts payable and other non-interest-bearing liabilities	564.8	724.0
Total current liabilities	1,151.3	1,512.0
Total equity and liabilities	2,687.4	3,038.9

1) 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 December 2009, EUR 17.5 (31 Dec 2008: 10.2) million.

Consolidated Statement of Changes in Equity

MEUR	Share capital	Share premium account	Translation differences	Fair value reserves	Retained earnings	Total	Minority interest	Total equity
	Attributable to the equity holders of the Company							
Equity on 1 Jan 2008	64.2	97.4	-29.6	19.9	738.7	890.6	6.1	896.7
Comprehensive income for the period*			9.2	-74.5	118.4	53.2	3.4	56.6
Dividends paid					-65.3	-65.3	-0.6	-66.0
Shares subscribed with options	0.1	0.6				0.7		0.7
Acquisition of treasury shares					-23.6	-23.6		-23.6
Share-based incentives, value of received services*					-0.2	-0.2		-0.2
Other changes							0.2	0.2
Equity on 31 Dec 2008	64.3	98.0	-20.4	-54.6	768.0	855.3	9.1	864.4
Equity on 1 Jan 2009	64.3	98.0	-20.4	-54.6	768.0	855.3	9.1	864.4
Comprehensive income for the period*			19.3	29.6	3.1	52.1	4.0	56.1
Dividends paid					-36.7	-36.7	-1.5	-38.2
Shares subscribed with options	0.0	0.0				0.0		0.0
Share-based incentives, value of received services*					0.1	0.1		0.1
Other changes							-1.0	-1.0
Equity on 31 Dec 2009	64.3	98.0	-1.1	-24.9	734.6	870.9	10.6	881.5

* Net of tax

Key Figures

		1-12/2009	1-12/2008
Equity/share	EUR	14.20	13.95
Interest-bearing net debt	MEUR	334.8	477.8
Total equity/total assets	%	37.5	33.0
Gearing	%	38.0	55.3
Return on equity	%	0.8	13.7
Return on capital employed	%	0.2	12.7

Consolidated Statement of Cash Flows

MEUR	1-12/2009		1-12/2008
Net income for the period	7.1		120.8
Depreciation and impairments	60.0		60.1
Financing items and taxes	-6.9		52.9
Change in receivables	243.9		-171.2
Change in payables	-301.6		309.3
Change in inventories	287.9		-237.5
Other adjustments	-0.8		-0.6
Cash flow from operations	289.7		133.8
Interest received	1.8		4.9
Interest paid	-25.3	*	-25.5
Dividends received	0.0		0.0
Other financial items	36.6		11.2
Income taxes paid	-38.6		-30.7
Cash flow from operating activities	264.2		93.7
Capital expenditure	-106.8		-113.2
Proceeds from sales of fixed assets	29.7		15.0
Acquisitions, net of cash	-7.6		-46.5
Cash flow from investing activities, other items	-2.5		-10.5
Cash flow from investing activities	-87.2		-155.1
Proceeds from share subscriptions	0.0		0.7
Acquisition of treasury shares	0.0		-23.6
Proceeds from long-term borrowings	100.6		0.7
Repayments of long-term borrowings	-4.2		-2.4
Proceeds from short-term borrowings	16.5		61.3
Repayments of short-term borrowings	-46.9		-32.0
Dividends paid	-37.4		-66.6
Cash flow from financing activities	28.6		-61.9
Change in cash	205.6		-123.3
Cash, cash equivalents and bank overdrafts 1 Jan	45.9		167.5
Effect of exchange rate changes	0.9		1.7
Cash, cash equivalents and bank overdrafts 31 Dec	252.5		45.9
Bank overdrafts 31 Dec	14.2		33.3
Cash and cash equivalents 31 Dec	266.6		79.2

* Interest paid include EUR 0.1 million capitalised interests

Segment Reporting

Sales, MEUR	1-12/2009	1-12/2008
Hiab	568	907
Kalmar	1,008	1,515
MacGregor	1,009	985
Internal sales	-4	-8
Total	2,581	3,399

Operating profit, MEUR	1-12/2009		1-12/2008	
Hiab	-35.0	*	49.4	*
Kalmar	24.6	*	89.6	*
MacGregor	105.2	*	83.6	
Corporate administration and other	-33.5	*	-29.8	*
Operating profit from operations	61.3	*	192.8	*
Restructuring costs	-61.1		-19.1	
Total	0.3		173.7	

Operating profit, %	1-12/2009		1-12/2008	
Hiab	-6.2	%*	5.4	%*
Kalmar	2.4	%*	5.9	%*
MacGregor	10.4	%*	8.5	%
Cargotec, operating profit excluding restructuring costs	2.4	%*	5.7	%*
Cargotec	0.0	%	5.1	%

* Excluding restructuring costs of which Hiab accounted for EUR 26.8 (2008: 14.1) million, Kalmar for EUR 16.4 (4.5) million, MacGregor for EUR 1.9 (-) million and Corporate administration for EUR 15.9 (0.3) million.

Sales by geographical segment, MEUR	1-12/2009	1-12/2008
EMEA	1,193	1,901
Americas	457	556
Asia Pacific	931	942
Total	2,581	3,399

Sales by geographical segment, %	1-12/2009		1-12/2008	
EMEA	46.2	%	55.9	%
Americas	17.7	%	16.4	%
Asia Pacific	36.1	%	27.7	%
Total	100.0	%	100.0	%

Orders received, MEUR	1-12/2009	1-12/2008
Hiab	525	818
Kalmar	738	1,566
MacGregor	569	1,393
Internal orders received	-3	-9
Total	1,828	3,769

Order book, MEUR	31 Dec 2009	31 Dec 2008
Hiab	119	164
Kalmar	427	704
MacGregor	1,604	2,187
Internal order book	0	-1
Total	2,149	3,054

Capital expenditure, MEUR	1-12/2009	1-12/2008
In fixed assets (excluding acquisitions)	86.9	75.7
In leasing agreements	0.9	1.1
In customer financing	19.0	35.9
Total	106.8	112.8

Number of employees at the end of year	31 Dec 2009	31 Dec 2008
Hiab	3,127	4,308
Kalmar	3,862	4,766
MacGregor	2,286	2,577
Corporate administration and support functions	331	175
Total	9,606	11,826

Average number of employees	1-12/2009	1-12/2008
Hiab	3,746	4,509
Kalmar	4,277	4,680
MacGregor	2,476	2,449
Corporate administration and support functions	285	139
Total	10,785	11,777

Notes

Taxes in income statement

MEUR	1-12/2009	1-12/2008
Current year tax expense	20.9	46.3
Change in deferred tax assets and liabilities	-44.0	-8.9
Tax expense for previous years	-10.8	-13.0
Total	-33.9	24.4

Commitments

MEUR	31 Dec 2009	31 Dec 2008
Guarantees	0.5	0.2
Dealer financing	0.1	0.2
End customer financing	10.3	11.5
Operating leases	49.1	48.0
Other contingent liabilities	3.7	4.0
Total	63.7	63.9

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 554.7 (31 Dec 2008: 599.3) 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 trade finance commitments.

The future minimum lease payments under non-cancellable operating leases

MEUR	31 Dec 2009	31 Dec 2008
Less than 1 year	13.1	14.9
1–5 years	23.0	26.5
Over 5 years	13.1	6.7
Total	49.1	48.0

The aggregate operating lease expenses totaled EUR 14.7 (2008: 15.6) million.

Fair values of derivative financial instruments

MEUR	Positive fair value 31 Dec 2009	Negative fair value 31 Dec 2009	Net fair value 31 Dec 2009	Net fair value 31 Dec 2008
FX forward contracts, cash flow hedges	42.0	72.2	-30.1	-119.4
FX forward contracts, non-hedge accounted	5.9	4.3	1.6	67.2
Cross currency and interest rate swaps, cash flow hedges	-	9.9	-9.9	23.7
Total	47.9	86.4	-38.5	-28.4
Non-current portion:				
FX forward contracts, cash flow hedges	9.1	18.4	-9.4	-53.2
Cross currency and interest rate swaps, cash flow hedges	-	9.9	-9.9	23.7
Non-current portion	9.1	28.4	-19.3	-29.5
Current portion	38.8	58.0	-19.2	1.1

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

Nominal values of derivative financial instruments

MEUR	31 Dec 2009	31 Dec 2008
FX forward contracts	2,386.5	3,617.5
Cross currency and interest rate swaps	225.7	225.7
Total	2,612.3	3,843.3

Acquisitions and disposals

Acquisitions 2009

In 2009, Cargotec completed two acquisitions.

In December the service business assets of Moroccan company Société Maghrebic, SA.'s business operations. Maghrepic has been Cargotec's dealer representative in Morocco and has long experience as a service and spare parts provider. According to the deal, Cargotec employed 44 persons, most of whom are service technicians.

In August Cargotec purchased the assets of the Danish sales and service company Arne Holst & Co. A/S. This acquisition included the takeover of business assets and customer contacts as well as the transfer of four employees to Cargotec.

In addition, Cargotec acquired an 18 percent minority holding in Kalmar España, S.A. and 20 percent minority holdings in Italian Officine Cargotec Ferrari Genova S.r.l. and Officine Cargotec Ferrari Prato S.r.l. as well as in Australian Hiab Australia Pty Ltd. Subsequent to these transactions, Cargotec owns all the shares in the companies.

In 2009, Hiab established a small joint-venture focusing on the environmental segment in China.

The transaction price of the acquisitions completed in 2009 amounted to EUR 7.2 million and the related goodwill in Cargotec balance sheet to EUR 3.1 million. Goodwill amounting to EUR 2.2 million is related to the acquisition of the minority interests.

Management estimates that the consolidated sales for 2009 would have been EUR 2,588 million if the acquisitions had been completed on 1 January 2009.

The business combinations of Société Maghrepic S.A. and Arne Holst & Co. A/S were accounted as preliminary as the determination of fair values to be assigned to the assets, liabilities and contingent liabilities was not yet finalised.

The business combinations of Equipos y Servicios Terminales y Puertos SRL, CVS Technoports S.r.l. and CVS Service S.r.l. were accounted as preliminary at the end of 2008, as the determination of fair values was unfinished. The accounting of these acquisitions was finalised in 2009. This had no impact on the previous year's figures.

Disposals 2009

In November, Cargotec agreed on the termination of the 2006 signed cooperation agreement with the Chinese company Goodway. The cooperation agreement will be terminated in early 2010. In October, Cargotec agreed to transfer its off-road forestry cranes business to the Finnish Mesera Salo Oy. The transfer agreement also included stationary mounted off-road crane models. As part of the deal, some key employees in the off-road crane business transferred to Mesera. The real estate related to the business and located in Salo, Finland, was sold to the Finnish Rakennus-Järvi Oy in December. These transactions had no material impact on Cargotec's result or cash flow.

Accounting Principles

The financial statements review 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 2009. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Adoption of new and revised standards starting on 1 January 2009

Starting from 1 January 2009, Cargotec has adopted the following new and revised standards by the IASB published in 2008:

- IFRS 8, Operating segments: The adoption of the new standard does not have a material impact on the segment information presented in the financial statements, as Cargotec segment reporting was also previously aligned with management reporting, and the accounting principles of the management reporting are consistent with those of the financial reporting.

-IAS 1, Presentation of Financial Statements: The adoption of the revised standard has an impact on the presentation of financial statements.

- IAS 23, Borrowing Costs: The amended standard requires that also the borrowing costs that are directly attributable to the acquisition of the qualifying asset form part of the cost of that asset. In previous years, Cargotec has expensed such borrowing costs as incurred. The amendment has no material impact on the result for the financial year.

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 the period (excluding treasury shares)

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

Quarterly Figures

Cargotec		Q4/2009		Q3/2009		Q2/2009		Q1/2009		Q4/2008	
Orders received	MEUR	464		437		471		456		633	
Order book	MEUR	2,149		2,371		2,555		2,772		3,054	
Sales	MEUR	669		559		678		675		924	
Operating profit	MEUR	31.7	*	11.6	*	3.0	*	15.0	*	35.9	*
Operating profit	%	4.7	*	2.1	*	0.4	*	2.2	*	3.9	*
Basic earnings/share	EUR	0.18		-0.02		-0.12		0.01		0.14	

Hiab		Q4/2009		Q3/2009		Q2/2009		Q1/2009		Q4/2008	
Orders received	MEUR	143		114		130		138		157	
Order book	MEUR	119		127		138		148		164	
Sales	MEUR	152		124		139		153		216	
Operating profit	MEUR	-5.7	*	-9.2	*	-11.9	*	-8.1	*	3.7	*
Operating profit	%	-3.8	*	-7.4	*	-8.5	*	-5.3	*	1.7	*

Kalmar		Q4/2009		Q3/2009		Q2/2009		Q1/2009		Q4/2008	
Orders received	MEUR	162		164		187		224		348	
Order book	MEUR	427		459		514		611		704	
Sales	MEUR	213		207		282		306		413	
Operating profit	MEUR	3.5	*	1.9	*	5.6	*	13.6	*	12.1	*
Operating profit	%	1.6	*	0.9	*	2.0	*	4.5	*	2.9	*

MacGregor		Q4/2009		Q3/2009		Q2/2009		Q1/2009		Q4/2008	
Orders received	MEUR	160		158		155		96		129	
Order book	MEUR	1,604		1,785		1,903		2,013		2,187	
Sales	MEUR	305		229		257		218		298	
Operating profit	MEUR	40.5	*	22.9		23.3		18.4		30.7	
Operating profit	%	13.3	*	10.0		9.1		8.5		10.3	

* Excluding restructuring cost