Cargotec's Interim Report January–March 2010 – Order intake illustrates market improvement

Report highlights – first quarter

- Orders received totalled EUR 598 (456) million, which was 31 percent more than in the comparison period.
- Order book was EUR 2,239 (31 Dec 2009: 2,149) million at the end of the reporting period.
- Sales were EUR 555 (675) million. The decline from the comparison period was 18 percent.
- Operating profit excluding restructuring costs was EUR 15.8 (15.0) million, representing 2.8 (2.2) percent of sales.
- Operating profit was EUR 13.5 (6.2) million. Operating profit includes EUR 2.3 (8.8) million in restructuring costs.
- Cash flow from operating activities before financial items and taxes totalled EUR 46.5 (59.6) million.
- Net income for the period amounted to EUR 9.8 (1.5) million.
- Earnings per share were EUR 0.13 (0.01).
- Sales and operating profit guidance reiterated.

Cargotec's President and CEO Mikael Mäkinen:
"While the market situation improved in the first quarter, it will take time to return to the pre-recession level. Industrial and Marine businesses saw more orders than in the previous quarter. Supported by this gradual recovery in the markets, our guidance for the entire year remains unchanged. Our major restructuring measures have now been concluded. Investment in our new assembly factory in Poland has proceeded according to plan and production in rented facilities has got off to a good start", 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 11:00 am (EEST) 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 11:00 am (EEST).

The telephone conference, during which questions may be presented, may be accessed at the following numbers ten minutes before the beginning of the event: US callers +1 334 323 6203, non-US callers +44 20 7162 0125, access code Cargotec/863070.

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 for two days until midnight on 1 May 2010, in the following numbers: US callers +1 954 334 0342, non-US callers +44 20 7031 4064, access code 863070.

For further information, please contact:
Eeva Sipilä, CFO, tel. +358 204 55 4281
Paula Liimatta, IR Manager, tel.+358 204 55 4634

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 approximately 9,500 people. Cargotec's class B shares are quoted on the NASDAQ OMX Helsinki. www.cargotec.com

Operating environment
In both Europe and the United States, the tentative recovery in demand for load handling equipment continued, mainly in areas other than construction-related customer segments. In particular, demand for loader cranes, truck-mounted forklifts and forklift trucks as well as tail lifts picked up compared both to the previous quarter and the same period last year.

Markets for container handling equipment in ports around the world remained to a large extent quiet. Replacement investments in container handling equipment were subdued due to low utilisation rates. Meanwhile, uncertainty about the timing of the recovery in container traffic led customers to further postpone investments. However, the number of containers handled showed signs of an upturn in the Asian ports. There has been a modest improvement in container traffic forecasts for year 2010, which is also supported by a slight rise in tenders at the end of the quarter.

The market for marine cargo handling equipment showed signs of picking up, especially in terms of equipment for offshore and bulk vessels. In addition, the slight increase in demand for RoRo equipment continued. While the amount of order cancellations for marine cargo handling equipment was low in the first quarter, shipowners are still expected to postpone or cancel previously made ship and equipment orders.

Despite signs of recovery glimpsed towards the end of the quarter, especially in spare parts, the services markets were fairly quiet at the beginning of the year. However, an improvement in customers' capacity utilisation rates should feed through into demand for cargo-handling services.

Orders received and order book
Orders received during the first quarter totalled EUR 598 (456) million, which was 31 percent more than in the comparison period. Orders received increased in both reporting segments. Previously received orders by Marine for EUR 26 million were cancelled, and thereafter, removed from the order book during the period.

At the end of March, the order book totalled EUR 2,239 (31 Dec 2009: 2,149) million. Management estimates that the order book includes some EUR 300 million of Marine orders, which bear a risk of cancellation.

Orders received by reporting segment

MEUR	1-3/2010	%	1-3/2009	%	Change %	1-12/2009
Industrial & Terminal	415	69	361	79	15	1,260
Marine	183	31	96	21	91	569
Internal orders	0		0			-1
Total	**598**	**100**	**456**	**100**	**31**	**1,828**

Industrial & Terminal's orders received during the first quarter totalled EUR 415 (361) million, 15 percent higher than a year before. Orders secured mainly included small individual orders.

During the first quarter, Industrial & Terminal received new orders worth USD 110 million for rough terrain container handlers from Tank-Automotive Armament Command (TACOM), part of the US Department of

Defence. The orders were received under a five-year production contract signed in 2008. Orders received under this contract now total approximately USD 350 million.

Industrial & Terminal's order book at the end of the reporting period totalled EUR 637 (31 Dec 2009: 546) million, which was 17 percent higher than at the end of 2009.

Marine's orders received during the first quarter accounted for EUR 183 (96) million, 91 percent more than in the comparison period. Orders were received for offshore-cranes in particular, as well as cranes and hatch covers for bulk ships.

During the first quarter, Marine received a major order for two knuckle-jib cranes from Singapore. The value of this order is approximately EUR 12 million. These active heave compensated cranes will be installed on an ultra-deepwater supply vessel and self-propelled accommodation barge. In addition, Marine will deliver an active heave compensated knuckle-jib crane for an offshore vessel being built in the Netherlands.

Orders for container lashings, hatch covers and RoRo equipment were also received during the reporting period. It was agreed with a Korean shipyard that lashings will be delivered for 17 mega container ships. Lashings will also be delivered for 13 container ships owned by a Canadian shipowner. Hatch covers for six bulk ships under construction at a Korean shipyard will be delivered in 2011. This contract follows an order from December 2009 for 24 cranes on the same vessels. Moreover, a contract was signed for RoRo equipment for six vessels, and self-unloading systems will be delivered for three cement carriers for an Indian customer.

Marine's order book at the end of the first quarter was at the year-end level and totalled EUR 1,602 (31 Dec 2009: 1,604) million. More than 60 percent of the order book is bulk, general cargo and container ship-related. Offshore support vessels-related orders comprise more than 10 percent of the order book. Orders cancelled during the reporting period, EUR 26 million, were removed from the order book.

Services orders received during the first quarter were at the comparison period level. Although a large number of small contracts typical of the service business were signed, customers were delaying decision making related to major contracts. Major service orders received during the quarter included a three-year full service contract for RoRo equipment for nine vessels from Grimaldi and an agreement for conversions of RoRo equipment on three vessels with a Swedish owner. In addition, a refurbishment project for a cement ship unloader was received from a Singaporean cement terminal.

Sales

First quarter sales declined 18 percent from the comparison period and totalled EUR 555 (675) million. In terms of sales, EMEA (Europe, Middle East, Africa) was the largest market, its share being 42 (54) percent of consolidated sales. The Americas' share of sales was 18 (17) and that of Asia Pacific 40 (29) percent.

Sales by reporting segment

MEUR	1-3/2010	%	1-3/2009	%	Change %	1-12/2009
Industrial & Terminal	314	57	457	68	-31	1,573
Marine	241	43	218	32	11	1,009
Internal sales	0		0			-1
Total	**555**	**100**	**675**	**100**	**-18**	**2,581**

Industrial & Terminal's sales for the first quarter totalled EUR 314 (457) million, which was 31 percent less than a year before. This sales decline was a result of the clearly lower order book at the end of the year compared to that of a year before. Moreover, sales for the first quarter were lower than expected. Changes in cranes required by the EU Machinery Directive were executed at the beginning of the year in parallel with ongoing transfers of production between assembly factories. This together with higher order intake lead to temporary bottle necks in production. The process of ramping-up production to meet increased demand is in progress.

Marine's sales for the first quarter totalled EUR 241 (218) million, representing 11 percent growth on the comparison period.

Services sales during the first quarter amounted to EUR 158 (175) million, representing 28 (26) percent of total sales. Services sales amounted to EUR 113 (120) million at Industrial & Terminal, representing 36 (26) percent of the reporting segment's sales. Services sales at Marine amounted to EUR 44 (55) million, which was 18 (25) percent of its sales.

Financial result

The operating profit for the first quarter increased from the comparison period totalling EUR 13.5 (6.2) million. Operating profit includes EUR 2.3 (8.8) million in restructuring costs, of which EUR 1.6 (8.3) million are related to Industrial & Terminal, EUR 0.1 (-) million to Marine and EUR 0.6 (0.5) million to corporate functions.

Operating profit for the first quarter, excluding restructuring costs, was EUR 15.8 (15.0) million, representing 2.8 (2.2) percent of sales. Operating profit for Industrial & Terminal, excluding restructuring costs, was EUR -7.3 (5.6) million and EUR 34.3 (18.4) million for Marine.

Industrial & Terminal's operating profit was burdened by low volumes during the first quarter. In addition, profitability was hampered by additional costs related to challenges in ramping-up production. Marine's deliveries during the first quarter were still related to high-margin orders received prior to the downturn.

Net financing expenses were EUR -6.7 (-5.3) million for the first quarter.

Net income for the first quarter was EUR 9.8 (1.5) million and earnings per share EUR 0.13 (0.01).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 2,721 (31 Dec 2009: 2,687) million at the end of the reporting period. Equity attributable to the equity holders of the company was EUR 895 (871) million representing

EUR 14.58 (14.20) per share. Return on equity (ROE) was 4.4 (31 Mar 2009: 0.7) percent, return on capital employed (ROCE) 3.8 (31 Mar 2009: 1.9) percent and the total equity/total assets ratio 38.4 (37.5). Tangible assets on the balance sheet were EUR 309 (301) million and intangible assets EUR 814 (784) million.

Cash flow from operating activities before financial items and taxes for the first quarter was EUR 46.5 (59.6) million. At the end of the reporting period, net working capital was EUR 116 million, which was EUR 8 million lower than at year-end.

Cargotec’s liquidity is healthy. The dividend payment totalled EUR 24.4 (34.4) million.

Net debt on 31 March 2010 was EUR 336 (31 Dec 2009: 335) million, including EUR 612 (612) million in interest-bearing debt. Gearing fell to 37.1 (38.0) percent despite of dividend payment in March.

Cargotec’s financing structure is healthy. Interest-bearing debt consists mainly of long-term corporate bonds maturing from the year 2012. Cargotec had EUR 585 million of unused long-term credit facilities at the end of the reporting period.

New products and product development
Research and product development expenditure for the first quarter was EUR 9.5 (9.8) million, representing 1.7 (1.5) percent of sales.

Cargotec strengthened its position as an industry pioneer in the development of sustainable and safe cargo and load handling solutions during the first quarter. Numerous new features and technological solutions in compliance with the new Machinery Directive 2006/42/EC have been implemented on Hiab cranes, to render them more productive and avoid worksite accidents. In addition, the launch of the EcoService concept in February will aim at bringing new levels of cost efficiency, productivity and reliability to customers’ operations.

In March, Cargotec signed an agreement with the multinational Ros Roca Environment, according to which Cargotec will undertake the representation of Dennis Eagle and Ros Roca waste compactors for refuse collection vehicles in Finland, Sweden and Norway. This cooperation comprises sales, marketing and service. In addition, three new hooklifts were introduced in the demountable product family.

Cargotec has designed an innovative vehicle transfer system for the US Navy to transfer military vehicles including tanks between ships at sea. Sea trials were successfully completed during the reporting period. The aim is to provide the US military with the capability for large-scale logistics movements from sea to shore without dependency on foreign ports.

Capital expenditure
Capital expenditure for the reporting period, excluding acquisitions and customer financing, totalled EUR 17.2 (17.7) million. Investments in customer financing were EUR 2.4 (10.0) million. Depreciation for the first quarter amounted to EUR 12.8 (14.6) million.

In 2009, Cargotec made the decision to invest in a multi-assembly unit (MAU) in Stargard Szczecinski in Northern Poland. Production began in rented premises at the end of the third quarter of 2009. Production in

Cargotec's own premises at a new site is planned for the second quarter of 2010. This investment proceeded according to plan during the reporting period and the cash flow impact of the investment cost was EUR 6 million for the first quarter.

Acquisitions and disposals
In March, Cargotec signed a letter of intent to acquire the remaining 25 percent minority share holding in MacGREGOR-Kayaba Ltd in Japan. After the transaction, Cargotec's ownership in the company will increase from 75 percent to 100 percent. The transaction is expected to close during Q2 of 2010.

In January, 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 & Terminal business area at Cargotec. Waltco Hydraulics employed 25 people.

Personnel
Cargotec employed 9,509 (11,467) people at the end of the reporting period, 97 fewer than at the end of 2009. Number of personnel declined due to finalised restructuring measures. Industrial & Terminal employed 6,960 (8,694) people and Marine 2,197 (2,495). The average number of employees for the first quarter was 9,447 (11,649).

At the end of the reporting period, 19 (20) percent of Cargotec's total employees were located in Sweden, 11 (12) percent in Finland and 31 (31) percent in the rest of Europe. North and South American personnel represented 11 (10) percent, Asia Pacific 26 (25) percent and the rest of the world 3 (2) percent of total employees.

Adjusting capacity to demand and other restructuring measures
Capacity adjustments and other restructuring measures that began in 2008 were finalised during the reporting period. As a result, the number of employees fell by approximately 3,200: some 2,860 in Industrial & Terminal, 350 in Marine and 10 in group administrative functions.

Restructuring initiatives, including structural capacity adjustment measures, are estimated to 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 end of the first quarter, the running rate of savings achieved was EUR 150 million.

Changes in the organisation and management
Cargotec's governance model was further developed, resulting in changes in the responsibilities of three Executive Board members as of 1 April 2010. Pekka Vauramo was appointed Chief Operating Officer (COO) and will continue as Deputy to CEO. Previously, he led the Industrial & Terminal business area. In his new role, Mr Vauramo is responsible for Cargotec's three business areas and three regions.

As of 1 April 2010 Cargotec's businesses was reorganised into three business areas: Marine, Industrial & Terminal and Services. As announced earlier, Cargotec's financial reporting is based on two reporting segments: Marine and Industrial & Terminal. In financial reporting, the Services business is included in the figures of these two reporting segments, while its sales will continue to be reported as additional information.

The development of services in both Marine and Industrial & Terminal segments is driven by a joint Services organisation. Stefan Gleuel, who previously led Service Solutions in the Industrial & Terminal business area, was appointed Executive Vice President, Services. The Industrial & Terminal organisation encompasses the previous Product Solutions organisation. Unto Ahtola, who was previously responsible for Product Solutions, Industrial & Terminal, was appointed to lead the Industrial & Terminal business area as Executive Vice President.

Other members of the Cargotec Executive Board are: Mikael Mäkinen, President and CEO; 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 and Lennart Brelin, Executive Vice President, Americas region.

Senior Executive Vice President, Kari Heinistö, and Executive Vice President of Hiab business area, Pekka Vartiainen, left the Executive Board in January.

Annual General Meeting

Decision taken at Cargotec Corporation's Annual General Meeting

Cargotec Corporation's Annual General Meeting (AGM) was held on 5 March 2010 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 2009.

The AGM approved a dividend of EUR 0.39 per class A share and EUR 0.40 per class B share outstanding be paid.

The number of the members of the Board of Directors was confirmed at seven. Tapio Hakakari, Ilkka Herlin, Peter Immonen, Karri Kaitue, Antti Lagerroos and Anja Silvennoinen were re-elected to the Board of Directors. Teuvo Salminen 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.

Stock options

The AGM confirmed that stock options will be issues to the key personnel of Cargotec and its subsidiaries. The maximum total number of stock options issued will be 1,200,000 and the stock options entitle their owners to subscribe for a maximum total of 1,200,000 new class B shares in Cargotec or existing class B shares held by the Company. The share subscription price will be based on the volume weighted average price of the Company's class B share on the NASDAQ OMX Helsinki Ltd. during two full weeks following the AGM in 2010, 2011 and 2012.

More information about stock options follows in the section “Shares and trading, Stock options”.

Authorisations granted by the Annual General Meeting
The AGM authorised the Board of Directors to decide on repurchasing 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 purchased, 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 2,959,487 class B shares repurchased during 2005–2008 in 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. The Board of Directors has also the right to decide on the transfer of the shares in public trading in the NASDAQ OMX Helsinki Ltd. according to its rules and regulations. The Board of Directors was also authorised to decide on other conditions of the share issue.

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 and Tapio Hakakari as Deputy Chairman. Outi Aaltonen, Senior Vice President, Cargotec’s General Counsel, was elected as Secretary to the Board of Directors.

The Board of Directors elected among its members Ilkka Herlin, Karri Kaitue, Anja Silvennoinen and Teuvo Salminen (chairman) as members of the Audit Committee. Board members 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 March 2010 totalled EUR 64,304,880. There were no changes in the share capital during the first quarter. On 31 March 2020, the number of class B shares listed on the NASDAQ OMX Helsinki Ltd. was 54,778,791 while that of unlisted class A shares totalled 9,526,089.

Own shares
At the end of the reporting period, Cargotec held a total of 2,959,487 own class B shares. The shares were repurchased in 2005–2008.

The Board of Directors decided to exercise the authorisation conferred by the AGM held on 5 March 2010, to acquire own shares. No own shares were repurchased during the first quarter.

Share-based incentive programme

On 5 March 2010, the Board of Directors decided to establish a new share-based incentive programme for Cargotec Executives. The programme includes three earnings periods, each of them lasting for three calendar years, and they commence on 2010, 2011 and 2012. The Board of Directors will decide on the earnings criteria and on targets to be established for them, as well as the maximum amount of the payable reward for each earning period. The earnings criteria for the earning period 2010–2012 are Cargotec's operating profit margin and sales of the fiscal year 2012.

The potential reward will be paid partly as Cargotec's class B shares and partly in cash in 2013, 2014 and 2015. The proportion to be paid in cash is intended to cover taxes and tax-related costs arising from the reward. The rewards to be paid on the basis of the earning period 2010–2012 will correspond to the approximate value of a maximum total of 100,000 Cargotec class B shares (including also the proportion to be paid in cash).

The remaining earning periods 2010 and 2011 of the former share-based incentive programme 2007–2011 will not be commenced as the new programme replacing the current programme will be implemented as from the beginning of 2010. On the basis of the former programme, a total of 31,356 class B shares were paid as reward to key personnel for the first earning period 2007–2008. No rewards were paid for the second earning period 2009 as the targets established for the earnings criteria were not attained. A total of 387,500 series B shares were initially reserved for the programme.

Stock options

The AGM confirmed that stock options will be issues to the key personnel of Cargotec and its subsidiaries. The target group of the programme is approximately 60 persons including the members of Cargotec Executive Board. The share subscription period for stock options 2010A, will be 1 April 2013–30 April 2015, for stock options 2010B, 1 April 2014–30 April 2016 and for stock options 2010C, 1 April 2015–30 April 2017.

The beginning of the share subscription period requires attainment of targets established for a performance criterion determined by the Board of Directors annually. Those stock options, for which the targets have not been attained, will expire. The Board of Directors has decided that if the operating profit of the financial year 2010 is below EUR 100 million, the share subscription period with stock options 2010A will not commence; if the operating profit of the financial year 2010 is at least EUR 100 million but below EUR 120 million, the share subscription period will commence with half of the stock options 2010A; if the operating profit of the financial year 2010 is EUR 120 million or above, the share subscription period will commence with all of the stock options 2010A. The share subscription price for stock option 2010A is EUR 21.35/share.

Market capitalisation and trading

At the end of the first quarter, the total market value of class B shares was EUR 1,110 million, excluding treasury shares held by the Company. The period-end market capitalisation, in which unlisted class A shares are valued at the average price of class B shares on the last trading day of the reporting period, was EUR 1,314 million, excluding treasury shares held by the Company.

The class B share closed at EUR 21.42 on 31 March 2010. The average share price for the quarter was EUR 21.14, the highest quotation being EUR 23.46 and the lowest EUR 19.16. In January–March, approximately

14 million class B shares were traded on the NASDAQ OMX Helsinki Ltd., corresponding to a turnover of approximately EUR 297 million.

Short-term risks and uncertainties
Despite signs of recovery in the world economy, its development is still characterised by uncertainty. In particular, this uncertainty surrounds the timing of the recovery in investments in port container handling equipment. Improvements in the sales and profit of Terminal business may be retarded by possible postponements of investments. During the year underway, developments in customers' capacity utilisation rates will have an effect on demand and development of services.

In view of the prevailing uncertainty, Cargotec monitors, and continues seeking to proactively manage, both customer and supplier risks, which may have a detrimental effect through credit losses or delivery chain problems.

Cargotec still estimates that approximately EUR 300 million of Marine's order book involves a risk of cancellation. A continuation in shipping overcapacity may lead to a reappraisal by shipowners of the need to cancel ordered vessels or postpone deliveries.

Outlook
There are tentative positive signs visible in the order intake for the Industrial business whereas uncertainty continues in the Terminal business. Based on the strong order book, sales in the Marine 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.

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

Helsinki, 28 April 2010
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Condensed consolidated statement of income

MEUR	1-3/2010	1-3/2009	1-12/2009
Sales	**555.1**	**674.9**	**2,580.9**
Cost of goods sold	-448.4	-565.6	-2,158.7
Gross profit	**106.7**	**109.3**	**422.2**
Gross profit, %	*19.2*	*16.2*	*16.4*
Costs and expenses	-90.9	-94.4	-361.6
Restructuring costs	-2.3	-8.8	-61.1
Share of associated companies' and joint ventures' net income	0.1	0.1	0.8
Operating profit	**13.5**	**6.2**	**0.3**
Operating profit, %	*2.4*	*0.9*	*0.0*
Financing income and expenses	-6.7	-5.3	-27.0
Income before taxes	**6.8**	**0.9**	**-26.7**
Income before taxes, %	*1.2*	*0.1*	*-1.0*
Taxes	3.0	0.6	33.9
Net income for the period	**9.8**	**1.5**	**7.1**
Net income for the period, %	*1.8*	*0.2*	*0.3*
Net income for the period attributable to:			
Equity holders of the Company	7.8	0.7	3.1
Non-controlling interest	2.1	0.8	4.0
Total	**9.8**	**1.5**	**7.1**
Earnings per share for profit attributable to the equity holders of the Company:			
Basic earnings per share, EUR	0.13	0.01	0.05
Diluted earnings per share, EUR	0.13	0.01	0.05

Consolidated statement of comprehensive income

MEUR	1-3/2010	1-3/2009	1-12/2009
Net income for the period	9.8	1.5	7.1
Gain/loss on cash flow hedges	7.7	-55.5	6.9
Gain/loss on cash flow hedges transferred to Statement of Income	1.2	22.6	36.2
Translation differences	48.5	6.6	20.5
Taxes relating to components of other comprehensive income	-16.6	4.9	-14.6
Comprehensive income for the period	**50.6**	**-19.9**	**56.1**
Comprehensive income for the period attributable to:			
Equity holders of the Company	48.2	-19.9	52.1
Non-controlling interest	2.4	0.0	4.0
Total	**50.6**	**-19.9**	**56.1**

Condensed consolidated statement of financial position

ASSETS MEUR	31 Mar 2010	31 Mar 2009	31 Dec 2009
Non-current assets			
Intangible assets	813.6	764.0	784.3
Tangible assets	308.8	295.0	301.2
Loans receivable and other interest-bearing assets 1)	7.5	7.6	7.4
Investments	12.0	9.0	9.0
Non-interest-bearing assets	130.3	146.0	131.0
Total non-current assets	**1,272.1**	**1,221.5**	**1,233.0**
Current assets			
Inventories	617.6	858.3	609.3
Loans receivable and other interest-bearing assets 1)	3.2	0.2	2.9
Accounts receivable and other non-interest-bearing assets	563.1	719.9	575.6
Cash and cash equivalents 1)	265.2	95.7	266.6
Total current assets	**1,449.1**	**1,674.2**	**1,454.5**
Total assets	**2,721.1**	**2,895.6**	**2,687.4**

EQUITY AND LIABILITIES MEUR	31 Mar 2010	31 Mar 2009	31 Dec 2009
Equity			
Shareholders' equity	894.6	798.8	870.8
Non-controlling interest	11.0	8.6	10.6
Total equity	**905.6**	**807.4**	**881.5**
Non-current liabilities			
Loans 1)	524.9	499.8	511.2
Deferred tax liabilities	26.5	38.6	29.7
Provisions	28.4	25.5	19.0
Pension obligations and other non-interest-bearing liabilities	81.6	142.6	94.7
Total non-current liabilities	**661.4**	**706.5**	**654.7**
Current liabilities			
Loans 1)	83.9	113.8	83.0
Provisions	48.8	72.7	66.2
Advances received	363.4	433.6	339.0
Accounts payable and other non-interest-bearing liabilities	658.1	761.7	663.0
Total current liabilities	**1,154.1**	**1,381.8**	**1,151.3**
Total equity and liabilities	**2,721.1**	**2,895.6**	**2,687.4**

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 March 2010, EUR 3.2 (31 March 2009: 0.3 and 31 December 2009: 17.5) million.

Consolidated statement of changes in equity

	Attributable to the equity holders of the Company							
MEUR	Share capital	Share premium account	Translation differences	Fair value reserves	Retained earnings	Total	Non-controlling interest	Total equity
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*			6.7	-27.3	0.7	-19.9	0.0	-19.9
Dividends paid					-36.7	-36.7		-36.7
Share-based incentives, value of received services *					0.0	0.0		0.0
Other changes							-0.5	-0.5
Equity on 31 Mar 2009	**64.3**	**98.0**	**-13.7**	**-81.9**	**732.1**	**798.8**	**8,6**	**807.4**
Equity on 1 Jan 2010	64.3	98.0	-1.1	-24.9	734.6	870.9	10.6	881.5
Comprehensive income for the period*			34.6	5.9	7.8	48.2	2.4	50.6
Dividends paid					-24.4	-24.4	-1.8	-26.3
Share-based incentives, value of received services *					0.0	0.0		0.0
Other changes							-0.3	-0.3
Equity on 31 Mar 2010	**64.3**	**98.0**	**33.5**	**-19.1**	**717.9**	**894.6**	**11.0**	**905.6**

* Net of tax

Key figures

		1-3/2010	1-3/2009	1-12/2009
Equity/share	EUR	14.58	13.02	14.20
Interest-bearing net debt	MEUR	336.1	510.3	334.8
Total equity/total assets	%	38.4	32.8	37.5
Gearing	%	37.1	63.2	38.0
Return on equity	%	4.4	0.7	0.8
Return on capital employed	%	3.8	1.9	0.2

Condensed consolidated statement of cash flows

MEUR	1-3/2010	1-3/2009	1-12/2009
Net income for the period	9.8	1.5	7.1
Depreciation and impairments	12.8	14.6	60.0
Other adjustments	3.7	4.6	-7.6
Change in working capital	20.2	38.9	230.2
Cash flow from operations	**46.5**	**59.6**	**289.7**
Cash flow from financial items and taxes	-8.7	-30.3	-25.5
Cash flow from operating activities	**37.8**	**29.4**	**264.2**
Acquisitions	-0.6	-2.8	-7.6
Cash flow from investing activities, other items	-13.6	-23.8	-79.6
Cash flow from investing activities	**-14.2**	**-26.5**	**-87.2**
Proceeds from share subscriptions	-	0.0	0.0
Acquisition of treasury shares	-	-	0.0
Proceeds from long term borrowings	1.1	50.0	100.6
Repayments of long term borrowings	-2.4	-2.0	-4.2
Proceeds from short term borrowings	0.5	8.5	16.5
Repayments of short term borrowings	-4.9	-5.7	-46.9
Dividends paid	-24.4	-34.4	-37.4
Cash flow from financing activities	**-30.1**	**16.3**	**28.6**
Change in cash	**-6.5**	**19.1**	**205.6**
Cash, cash equivalents and bank overdrafts at the beginning of period	252.5	45.9	45.9
Effect of exchange rate changes	2.5	0.3	0.9
Cash, cash equivalents and bank overdrafts at the end of period	**248.5**	**65.3**	**252.5**
Bank overdrafts at the end of period	16.7	30.4	14.2
Cash and cash equivalents at the end of period	**265.2**	**95.7**	**266.6**

Segment reporting

Sales, MEUR	**1-3/2010**	**1-3/2009**	**1-12/2009**
Industrial & Terminal	314	457	1,573
Marine	241	218	1,009
Internal sales	0	0	-1
Total	**555**	**675**	**2,581**

Operating profit, MEUR	**1-3/2010**	**1-3/2009**	**1-12/2009**
Industrial & Terminal	-7.3	5.6	-10.3
Marine	34.3	18.4	105.2
Corporate administration and support functions	-11.2	-9.0	-33.5
Operating profit excluding restructuring costs	**15.8**	**15.0**	**61.3**
Restructuring costs:			
Industrial & Terminal	1.6	8.3	43.2
Marine	0.1	-	1.9
Corporate administration and support functions	0.6	0.5	15.9
Total restructuring costs	**2.3**	**8.8**	**61.1**
Total	**13.5**	**6.2**	**0.3**

Operating profit, %	**1-3/2010**	**1-3/2009**	**1-12/2009**
Industrial & Terminal	-2.3*	1.2*	-0.7*
Marine	14.2*	8.5	10.4*
Cargotec, operating profit excluding restructuring costs	2.8*	2.2*	2.4*
Cargotec	2.4	0.9	0.0

* Excluding restructuring costs.

Sales by geographical area, MEUR	**1-3/2010**	**1-3/2009**	**1-12/2009**
EMEA	234	366	1,193
Americas	97	113	457
Asia Pacific	224	196	931
Total	**555**	**675**	**2,581**

Sales by geographical area, %	**1-3/2010**	**1-3/2009**	**1-12/2009**
EMEA	42.1	54.2	46.2
Americas	17.5	16.8	17.7
Asia Pacific	40.3	29.0	36.1
Total	**100.0**	**100.0**	**100.0**

Orders received, MEUR	1-3/2010	1-3/2009	1-12/2009
Industrial & Terminal	415	361	1,260
Marine	183	96	569
Internal orders received	0	0	-1
Total	**598**	**456**	**1,828**

Order book, MEUR	31 Mar 2010	31 Mar 2009	31 Dec 2009
Industrial & Terminal	637	759	546
Marine	1,602	2,013	1,604
Internal order book	0	0	0
Total	**2,239**	**2,772**	**2,149**

Capital expenditure, MEUR	1-3/2010	1-3/2009	1-12/2009
In fixed assets (excluding acquisitions)	17.2	17.7	86.9
In leasing agreements	0.1	0.0	0.9
In customer financing	2.3	10.0	19.0
Total	**19.5**	**27.7**	**106.8**

Number of employees at the end of period	31 Mar 2010	31 Mar 2009	31 Dec 2009
Industrial & Terminal	6,960	8,694	6,989
Marine	2,197	2,495	2,286
Corporate administration and support functions	352	278	331
Total	**9,509**	**11,467**	**9,606**

Average number of employees	1-3/2010	1-3/2009	1-12/2009
Industrial & Terminal	6,874	8,860	8,023
Marine	2,227	2,531	2,476
Corporate administration and support functions	347	258	285
Total	**9,447**	**11,649**	**10,785**

Notes

Taxes in income statement

MEUR	1-3/2010	1-3/2009	1-12/2009
Current year tax expense	10.0	3.5	20.9
Change in deferred tax assets and liabilities	-13.0	0.9	-44.5
Tax expense for previous years	-0.1	-5.0	-10.3
Total	**-3.0**	**-0.6**	**-33.9**

Commitments

MEUR	31 Mar 2010	31 Mar 2009	31 Dec 2009
Guarantees	0.5	0.2	0.5
Dealer financing	0.0	0.2	0.1
End customer financing	9.9	11.2	10.3
Operating leases	48.5	48.5	49.1
Other contingent liabilities	3.6	3.9	3.7
Total	**62.6**	**63.9**	**63.7**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 554.7 (31 Dec 2009: 554.7) 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.

Fair values of derivative financial instruments

MEUR	Positive fair value 31 Mar 2010	Negative fair value 31 Mar 2010	Net fair value 31 Mar 2010	Net fair value 31 Mar 2009	Net fair value 31 Dec 2009
FX forward contracts, cash flow hedges	39.9	68.1	-28.2	-127.8	-30.1
FX forward contracts, non-hedge accounted	2.0	8.4	-6.4	32.8	1.6
Cross-currency and interest rate swaps, cash flow hedges	4.9	-	4.9	20.6	-9.9
Total	**46.8**	**76.5**	**-29.7**	**-74.4**	**-38.5**
Non-current portion:					
FX forward contracts, cash flow hedges	8.4	13.1	-4.7	-56.7	-9.4
Cross-currency and interest rate swaps, cash flow hedges	4.9	-	4.9	20.6	-9.9
Non-current portion	**13.3**	**13.1**	**0.1**	**-36.1**	**-19.3**
Current portion	**33.5**	**63.3**	**-29.8**	**-38.4**	**-19.2**

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 Mar 2010	31 Mar 2009	31 Dec 2009
FX forward contracts	2,381.5	3,312.3	2,386.5
Cross-currency and interest rate swaps	225.7	225.7	225.7
Total	**2,607.2**	**3,538.0**	**2,612.3**

Disposals

In January, Cargotec sold its US-based hydraulic cylinders manufacturing business Waltco Hydraulics to Ligon Industries, LLC. This transaction had no material impact on Cargotec’s result or cash flow.

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 for 2009. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Adoption of the new and revised IFRS standards as of January 1, 2010
Starting from January 1, 2010 Cargotec has adopted the following revised standards published in 2008 and 2009 by the IASB:
- IFRS 3R, Business Combinations (revised). The adoption of the revised standard has an impact on the accounting of business combinations.
- Amendment to IAS 27 Consolidated and Separate Financial Statements. The amendment has an impact on accounting of the changes in ownership in subsidiaries.
- Amendment to IAS 39, Financial Instruments: Recognition and Measurement: Eligible Hedged Items. The amendment clarifies the guidance of the hedge accounting.

Additionally, Cargotec has adopted the amendments related to the IFRS 2008 and 2009 Annual Improvements, which have been endorsed by EU. Aforementioned changes have no material impact on the interim report.

Restatement of reporting segments' comparable figures
As of January 1, 2010 Cargotec has two reporting segments, Industrial & Terminal and Marine. At the same time the definition of Services business was clarified. Reporting segments' financial information for comparable periods has been restated accordingly.

Calculation of key figures

Equity / share	=		Total equity attributable to the equity holders of the 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 equity holders of the 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 bonds.

Quarterly figures

Cargotec		**Q1/2010**	**Q4/2009**	**Q3/2009**	**Q2/2009**	**Q1/2009**
Orders received	MEUR	598	464	437	471	456
Order book	MEUR	2,239	2,149	2,371	2,555	2,772
Sales	MEUR	555	669	559	678	675
Operating profit	MEUR	15.8 *	31.7 *	11.6 *	3.0 *	15.0 *
Operating profit	%	2.8 *	4.7 *	2.1 *	0.4 *	2.2 *
Basic earnings/share	EUR	0.13	0.18	-0.02	-0.12	0.01

Industrial & Terminal		**Q1/2010**	**Q4/2009**	**Q3/2009**	**Q2/2009**	**Q1/2009**
Orders received	MEUR	415	304	278	317	361
Order book	MEUR	637	546	586	652	759
Sales	MEUR	314	364	331	421	457
Operating profit	MEUR	-7.3 *	-2.3 *	-7.3 *	-6.3 *	5.6 *
Operating profit	%	-2.3 *	-0.6 *	-2.2 *	-1.5 *	1.2 *

Marine		**Q1/2010**	**Q4/2009**	**Q3/2009**	**Q2/2009**	**Q1/2009**
Orders received	MEUR	183	160	158	155	96
Order book	MEUR	1,602	1,604	1,785	1,903	2,013
Sales	MEUR	241	305	229	257	218
Operating profit	MEUR	34.3 *	40.5 *	22.9	23.3	18.4
Operating profit	%	14.2 *	13.3 *	10.0	9.1	8.5

* Excluding restructuring costs