Cargotec's January–June 2011 interim report: Second quarter sales grew 25 percent

April–June in brief

- Orders received grew 4 percent and totalled EUR 761 (732) million.
- Order book amounted to EUR 2,306 (31 Dec 2010: 2,356) million at the end of the period.
- Sales grew 25 percent and totalled EUR 795 (638) million.
- Operating profit was EUR 54.0 (37.2) million, representing 6.8 (5.8) percent of sales.
- Cash flow from operating activities before financial items and taxes totalled EUR 35.4 (80.5) million.
- Net income for the period amounted to EUR 42.5 (21.2) million.
- Earnings per share was EUR 0.69 (0.32).

January–June in brief

- Orders received grew 19 percent and totalled EUR 1,580 (1,330) million.
- Sales grew 31 percent to EUR 1,558 (1,193) million.
- Operating profit was EUR 104.6 (50.7) million, representing 6.7 (4.2) percent of sales.
- Cash flow from operating activities before financial items and taxes totalled EUR 71.6 (127.0) million.
- Net income for the period amounted to EUR 78.7 (31.0) million.
- Earnings per share was EUR 1.28 (0.45)

Outlook

Cargotec reiterates its 2011 guidance:

Cargotec's 2011 sales are estimated to grow approximately 20 percent. Healthy first half order intake both in Industrial & Terminal and Marine segments together with the recovery in the market situation support a more positive growth expectation. Sales growth and significant efficiency improvement measures executed during the past years, support profitability, but there is cost pressure on the markets. Cargotec's 2011 operating profit margin is estimated to be approximately 7 percent.

Cargotec key figures

MEUR	**Q2/11**	Q2/10	Change	**Q1-Q2/11**	Q1-Q2/10	Change	2010
Orders received	**761**	732	4%	**1,580**	1,330	19%	2,729
Order book, end of period	**2,306**	2,433	-5%	**2,306**	2,433	-5%	2,356
Sales	**795**	638	25%	**1,558**	1,193	31%	2,575
Operating profit	**54.0**	37.2	45%	**104.6**	50.7	106%	131.4
Operating profit, %	**6.8**	5.8		**6.7**	4.2		5.1
Income before taxes	**50.5**	29.3		**96.9**	36.2		101.4
Cash flow from operating activities	**35.4**	80.5		**71.6**	127.0		292.9
Net income for the period	**42.5**	21.2		**78.7**	31.0		78.0
Earnings per share, EUR	**0.69**	0.32		**1.28**	0.45		1.21
Net debt, end of period	**335**	308		**335**	308		171
Gearing, %	**31.1**	32.3		**31.1**	32.3		16.0
Personnel, end of period	**10,925**	9,607		**10,925**	9,607		9,954

Cargotec's President and CEO Mikael Mäkinen:
"Second quarter order intake shows that market activity has remained favourable. 25 percent sales growth and improved operating profit margin together with order intake support our view on the full year performance. During the first half, we worked intensively on our refined strategy. Our decision to establish a global competence centre for container terminals development in Singapore is an example of actions we are working on. Understanding future customer needs requires an extensive geographic presence and tight collaboration with customers and other stakeholders worldwide. Recently, we received an important recognition from our customer, when Mitsubishi Industries Shimonoseki shipyard gave Marine Offshore business and our Japanese team the Best Supplier 2010 award".

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 1:30 pm 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 at www.cargotec.com by 1:30 pm EEST.

The telephone conference, during which questions may be presented, can be accessed using the following numbers ten minutes before the beginning of the event: US callers +1 334 323 6201, non-US callers +44 20 7162 0025, access code Cargotec/891231.

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

A replay of the conference call will be available for two days until midnight on 23 July 2011, in the following numbers: US callers +1 954 334 0342, non-US callers +44 20 7031 4064, access code 891231.

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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 2010 and it employs approximately 11,000 people. Cargotec's class B shares are quoted on NASDAQ OMX Helsinki under symbol CGCBV. www.cargotec.com

Cargotec's January–June 2011 review

Operating environment

The load handling equipment market developed positively in the first half of the year. Truck sales grew in the main market areas, with brisk activity in many customer segments. Demand for loader cranes, truck-mounted forklifts and tail lifts in particular grew rapidly. Recovery remained weak in construction-related customer segments in United States.

The revival in demand in container handling equipment for ports can be seen in the high level of activity. In continuance of last year's positive development, the number of containers handled in ports grew in early 2011. During the first half of the year, demand for rubber-tyred gantry cranes in particular was strong on the back of improved activity of larger projects. In addition, there was positive development in demand for other equipment used in ports.

Demand for marine cargo handling equipment remained at a healthy level. It was driven by the large number of bulk vessels ordered last year. The number of bulk vessel orders decreased during the first half. Orders for other ship types are recovering gradually, which will be seen in improved activity in marine cargo handling equipment with a lag. Larger ship sizes increase the need for marine cargo handling equipment per vessel.

In line with the rise in customers' capacity utilisation rates, services markets improved mainly in load handling and terminals throughout the first half of the year. In addition to growth in spare part sales, demand for various refurbishment and modernisation projects increased clearly.

Orders received and order book

Orders received during the second quarter grew four percent and totalled EUR 761 (732) million. 67 percent of these orders were received by Industrial & Terminal and 33 percent by Marine.

Orders received in January–June grew 19 percent and amounted to EUR 1,580 (1,330) million. In geographical terms, most orders were received in EMEA (Europe, Middle East, Africa). EMEA accounted for 44 (42) percent of all orders, Asia-Pacific for 37 (36) percent, while that of Americas was 20 (22) percent. With a 24 (25) percent share of orders received, service business orders grew in all market areas.

At the end of June, the order book totalled EUR 2,306 (31 Dec 2010: 2,356) million, which was two percent lower than at the end of 2010. Industrial & Terminal's order book totalled EUR 819 million, representing 35 percent and that of Marine EUR 1,487 million, or 65 percent of the consolidated order book.

Orders received by reporting segment

MEUR	**Q2/11**	Q2/10	Change	**Q1-Q2/11**	Q1-Q2/10	Change	2010
Industrial & Terminal	**513**	423	21%	**1,048**	839	25%	1,690
Marine	**248**	309	-20%	**534**	492	9%	1,040
Internal orders	**0**	0		**-2**	0		-1
Total	**761**	732	4%	**1,580**	1,330	19%	2,729

Sales
Second-quarter sales grew 25 percent from the comparison period, totalling EUR 795 (638) million. Navis has been consolidated in second-quarter figures from 19 March onwards. Second-quarter sales in services grew 9 percent to EUR 186 (171) million, representing 23 (27) percent of total sales.

January–June sales grew 31 percent, totalling EUR 1,558 (1,193) million. Services sales grew 11 percent and amounted to EUR 359 (324) million, representing 23 (27) percent of total sales. Greater delivery volumes, due to improved demand in Industrial & Terminal and Marine segments, boosted growth in sales compared to last year. Due to improved capacity utilisation rates among customers, the service business saw growth in all market areas. In terms of sales, EMEA (Europe, Middle East, Africa) was the biggest market area. EMEA's share of consolidated sales represented 42 (42) percent, Asia-Pacific's 39 (40) and that of Americas 19 (18) percent.

Sales by reporting segment

MEUR	**Q2/11**	Q2/10	Change	**Q1-Q2/11**	Q1-Q2/10	Change	2010
Industrial & Terminal	**485**	362	34%	**927**	676	37%	1,526
Marine	**310**	277	12%	**632**	518	22%	1,050
Internal sales	**0**	0		**-2**	0		-1
Total	**795**	638	25%	**1,558**	1,193	31%	2,575

Sales by geographical area

MEUR	**Q2/11**	Q2/10	Change	**Q1-Q2/11**	Q1-Q2/10	Change	2010
EMEA	**342**	264	30%	**655**	498	31%	1,087
Asia-Pacific	**297**	259	15%	**611**	482	27%	1,022
Americas	**156**	115	35%	**292**	213	37%	466
Total	**795**	638	25%	**1,558**	1,193	31%	2,575

Financial result
Operating profit for the second quarter increased clearly from the comparison period totalling EUR 54.0 (37.2) million, representing 6.8 (5.8) percent of sales. Comparative figures for 2010 include EUR 1.6 million in restructuring costs. Navis' operating result has been consolidated in the second quarter figures from 19 March onwards.

January–June operating profit doubled compared to the comparison period and totalled EUR 104.6 (50.7) million, representing 6.7 (4.2) percent of sales. The improved result is due to the revived market environment, the resulting positive turnaround in Industrial & Terminal's operating profit and savings measures implemented, which show in terms of improved operational efficiency.

Net financing expenses for the second quarter totalled EUR -3.5 (-7.9) million and net interest expenses EUR -2.1 (-5.4) million. January–June net financing expenses amounted to EUR -7.7 (-14.6) million and net interest expenses EUR -6.2 (-10.4) million.

Net income for the second quarter was EUR 42.5 (21.2) million and earnings per share EUR 0.69 (0.32). January–June net income totalled EUR 78.7 (31.0) million and earnings per share EUR 1.28 (0.45).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 2,907 (31 Dec 2010: 2,916) million at the end of June. Equity attributable to equity holders was EUR 1,072 (1,065) million, representing EUR 17.48 (17.37) per share. Tangible assets on the balance sheet were EUR 285 (292) million and intangible assets EUR 940 (839) million. The total equity/total assets ratio increased to 42.5 (42.7) percent. The rise in intangible assets is due to the Navis acquisition.

Return on equity (ROE) for January–June was 14.7 (6.8) percent and return on capital employed (ROCE) 14.0 (6.8) percent.

Cash flow from operating activities, before financial items and taxes, in January–June, totalled EUR 71.6 (127.0) million. During the period, the dividend payment totalled EUR 37.3 (27.7) million. Net working capital increased from EUR 43 million at the end of 2010 to EUR 111 million due to increased volumes. Gearing rose from its year-end 16.0 percent level to 31.1 percent. Payment of Navis acquisition and dividend payment in March increased the gearing.

Cargotec's financing structure and liquidity are healthy. In January, Cargotec signed a EUR 300 million five-year revolving credit facility. This replaced an undrawn EUR 300 million facility that would have matured in May 2012. Through refinancing and prolongation of the maturity, Cargotec strengthened its long-term liquidity and was able to take advantage of the prevailing market conditions.

Interest-bearing net debt at the end of June was EUR 335 (31 Dec 2010: 171) million. Interest-bearing debt amounted to EUR 479 (502) million, of which EUR 116 (97) million was current and EUR 363 (405) million non-current debt. On 30 June 2011, the average interest rate on the loan portfolio was 3.7 (3.4) percent. Cash and cash equivalents, loans receivable and other interest-bearing assets totalled EUR 144 (31 Dec 2010: 330) million. In addition, at the quarter-end, Cargotec had an undrawn credit facility of EUR 300 million signed in January 2011.

In February, Cargotec continued repurchases, started in September 2010, of its EUR 100 million domestic bond with a EUR 10 million buyback. After this repurchase, EUR 12.2 million of the bond remains on the market.

New products and product development

Research and product development expenditure in January–June totalled EUR 28.4 (19.7) million, representing 1.8 (1.7) percent of sales and 1.9 (1.7) percent of all operating expenses excluding restructuring costs.

Product development within Industrial & Terminal saw continued investment in the further development of energy efficient and environmentally friendly solutions. In addition, within automation there have been improvements in areas such as software architecture. This will enable faster, more flexible implementation of applications for customers. During the reporting period, a new loader crane in the high capacity range and forklift truck product families in the medium and heavy ranges were introduced. The new loader crane provides a longer outreach, higher precision and smoother operation. The new forklift trucks are safer and more energy efficient, ergonomic and eco-friendly.

Marine's product development focus lay in developing new product models, improving the performance of equipment already in the product range and lowering product costs. In addition, development work continued on electrical cranes and hatch covers as well as self-loading systems. Cargotec has participated in a concept study initiated by DNV (Det Norske Veritas) which aims to introduce innovative solutions that increase efficiency and reduce environmental impact of bulk ship operations. New solutions meeting these requirements were introduced to the markets. During the reporting period, the first car carriers with fully electronic MacGregor RoRo equipment were delivered from Japan.

Capital expenditure
Capital expenditure for January–June, excluding acquisitions and customer financing, totalled EUR 12.9 (28.0) million. The investment in the Polish factory markedly raised the 2010 comparison figure. With the factory being completed in 2010, no corresponding investments of similar size are expected in 2011. Investments in customer financing were EUR 18.7 (5.9) million. Depreciation for January–June amounted to EUR 31.9 (29.1) million.

Acquisitions
At the end of January, Cargotec announced the acquisition of US-based terminal operating systems provider Navis. The transaction value was approximately USD 190 million (approximately EUR 140 million). The company has more than 300 employees, the majority of whom are located in the United States and India. The acquisition was completed in March after regulatory approvals were received. Cargotec consolidated Navis' results for the first time in Industrial &Terminal reporting segment's second quarter figures as of 19 March 2011. When consolidating into Cargotec deferred revenue adjustment decreases post-acquisition sales of Navis for slightly over one year. The amount of deferred revenue to be deducted from sales is estimated at approximately EUR 10 million.

In December 2010, Cargotec become a majority shareholder in Kalmar (Malaysia) Sdn. Bhd. by increasing its ownership in the company from 50.0 to 69.9 percent. The deal was closed in early January.

In November 2010, Cargotec acquired the assets of a Swedish installation and service company, Hallberg-Ivarsson Hydraulik & Påbyggnad AB, located in Gothenburg. The company specialises in installation and services for on-road load handling equipment and heavy vehicles. The deal was closed in early January.

Personnel
Cargotec employed 10,925 (31 Dec 2010: 9,954) people at the end of June. Industrial & Terminal employed 8,282 (7,310) people, Marine 2,160 (2,191) and corporate-level support functions 483 (453). The average number of employees for January–June was 10,437 (9,509). Acquisitions increased the Industrial & Terminal headcount by close to 500 people.

At the end of June, 18 (19) percent of the employees were located in Sweden, 10 (11) percent in Finland and 30 (31) percent in the rest of Europe. Asia-Pacific personnel represented 27 (25) percent, North and South American 13 (11) percent, and the rest of the world 2 (3) percent of total employees.

Lawsuit in Finland
Cargotec Finland Oy has received an action brought against the co-operation procedure at Salo factory in 2008. Cargotec finds the action unfounded and inappropriate, denies non-compliance and has made no provision relating to the action.

Strategic development
Cargotec's key strategic focus is on achieving stronger customer focus globally. In the future, operational development will be based on customer segmentation. Container terminals, merchant shipping and offshore have been selected as the first customer segments, in which to invest in forthcoming years.

In order to promote customer focus, Cargotec has decided to establish a competence centre for container terminals development in Singapore. The new global competence centre will further strengthen the ability to provide total solutions for customers in the whole Asia-Pacific region.

Cargotec has specified its definition of services, as part of its reorganisation and internal unification of its services business. This slightly reduces the activities previously calculated under Marine segment, while correspondingly lowering the comparative share of Marine services business.

Greater internal clarity is another core strategic area. To this end, efforts focus on the development of common processes and ways of working. Specification work and project planning for the company-wide frontline sales and maintenance network ERP system progressed during the quarter.

Reporting segments

Industrial & Terminal

MEUR	**Q2/11**	Q2/10	Change	**Q1-Q2/11**	Q1-Q2/10	Change	2010
Orders received	**513**	423	21%	**1,048**	839	25%	1,690
Order book	**819**	740	11%	**819**	740	11%	680
Sales	**485**	362	34%	**927**	676	37%	1,526
Sales of services	**139**	125		**273**	238		505
% of sales	**29**	35		**29**	35		33
Operating profit (EBIT)	**22.0**	7.0		**40.8**	-1.9		28.8
% of sales	**4.5**	1.9		**4.4**	-0.3		1.9
Personnel, end of period	**8 282**	7,009		**8 282**	7 ,009		7,310

Industrial & Terminal's orders received during the second quarter totalled EUR 513 (423) million, 21 percent higher than in the comparison period. The growth in orders for services was boosted by spare parts.

Orders received in January–June grew 25 percent, totalling EUR 1,048 (839) million. Orders received increased in all geographic areas, and most in Asia-Pacific. Orders received grew in all product groups. Growth in orders was strongest for rubber-tyred gantry cranes (RTG) and terminal tractors. Order book grew 20 percent from the year-end, totalling EUR 819 (31 Dec 2010: 680) million at the end of June. During the period, Industrial & Terminal secured a high number of individual orders, which are typical of the Industrial business in particular.

In March, Cargotec signed a long-term frame agreement with Siemens Wind Power A/S, for custom-made Hiab cranes that will be used for the service and maintenance of wind turbines. During the first quarter, Cargotec received orders for over 100 medium size units. During the second quarter, Industrial & Terminal received, among others, an order for 12 all-electric E-One^2 rubber-tyred gantry (RTG) cranes from Brazil.

Industrial & Terminal's sales for the second quarter grew by 34 percent from the comparison period, totalling EUR 485 (362) million. Sales for services amounted to EUR 139 (125) million, representing 29 (35) percent of sales. In January–June, sales grew 37 percent and amounted to EUR 927 (676) million. Sales for services grew 11 percent to EUR 273 (238) million, representing 29 (35) of sales. Thanks to the stronger order book at the outset of 2011 and the recovery of the market environment, clear growth was seen in delivery volumes in the early part of the year.

Industrial & Terminal's second quarter operating profit clearly improved from the comparison period totalling EUR 22.0 (7.0) million, representing 4.5 (1.9) percent of its sales. Operating profit for the comparison period was hampered by low volumes, costs related to challenges in ramping-up production and EUR 0.4 million in restructuring costs. January–June operating profit amounted to EUR 40.8 (-1.9) million, representing 4.4 (-0.3) percent of sales. Comparative figure includes EUR 2.0 million in restructuring costs. The improved profitability is a result of higher volumes and cost savings initiatives.

Marine

MEUR	**Q2/11**	Q2/10	Change	**Q1-Q2/11**	Q1-Q2/10	Change	2010
Orders received	**248**	309	-20 %	**534**	492	9 %	1,040
Order book	**1,487**	1,694	-12 %	**1,487**	1,694	-12 %	1,675
Sales	**310**	277	12 %	**632**	518	22 %	1,050
Sales of services	**47**	46		**86**	86		173
% of sales	**15**	17		**14**	17		16
Operating profit (EBIT)	**45.9**	43.5		**89.2**	77.7		147.4
% of sales	**14.8**	15.7		**14.1**	15.0		14.0
Personnel, end of period	**2 160**	2 173		**2 160**	2 173		2 191

Marine’s orders for the second quarter fell 20 percent from the comparison period, accounting for EUR 248 (309) million. Comparative figure for 2010 was exceptionally high due to high demand for cargo handling equipment for bulk ships. Orders received in January–June grew nine percent and totalled EUR 534 (492) million. New orders were mainly received for equipment for bulk and general cargo vessels as well as container ships. Offshore support vessels-related orders showed some signs of recovery. 71 percent of orders were received in Asia-Pacific, reflecting the concentration of shipbuilding mainly in China, South Korea and Japan. Major orders included an order from a South Korean shipyard for RoRo equipment worth more than EUR 20 million and an order for 21 electric cargo cranes to be installed on seven multipurpose cargo ships to be built in China.

Due to high deliveries, Marine’s order book declined by 11 percent from the year-end, totalling EUR 1,487 (31 Dec 2010: 1,675) million at the end of June. More than 70 percent of the order book is bulk, general cargo and container ship-related. Offshore support vessels-related orders comprise around 10 percent of the order book.

Marine’s second quarter sales grew 12 percent from the comparison period, totalling EUR 310 (277) million. Share of services sales was 15 (17) percent or EUR 47 (46) million. January–June sales grew to EUR 632 (518) million, of which EUR 86 (86) million was services sales, representing 14 (17) percent of sales. A strong order book and successful project deliveries expedited growth in sales.

Marine’s second quarter profitability was again very strong. Operating profit for the quarter totalled EUR 45.9 (43.5) million, representing 14.8 (15.7) percent of sales. Operating profit for January–June amounted to EUR 89.2 (77.7) million or 14.1 (15.0) percent of sales. This profitability is reflecting successful deliveries based on a strong order book.

Mitsubishi Heavy Industries Shimonoseki shipyard gave Marine Offshore business and the Japanese team the Best Supplier 2010 award. The shipyard chooses the best supplier every year. The reward has traditionally been given to a Japanese supplier, and therefore, this can be considered an important recognition.

Decisions taken at Cargotec Corporation's Annual General Meeting
Cargotec Corporation's Annual General Meeting (AGM) on 8 March 2011 approved the 2010 financial statements and consolidated financial statements and discharged the President and CEO and members of the Board of Directors from liability for the accounting period 1 January–31 December 2010. The AGM approved the proposals by the Board to authorise the Board to decided on the repurchase of own shares and the issuance of treasury shares. The Board has also the right to decide on the transfer of the shares in public trading on NASDAQ OMX Helsinki Ltd. Both authorisations shall remain in effect for a period of 18 months from the AGM's resolution. More detailed information on the authorisations was published in a stock exchange release on the date of the AGM, 8 March 2011.

The AGM approved the payment of a dividend of EUR 0.60 per class A share and EUR 0.61 per class B share outstanding. The dividend was paid on 18 March 2011.

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

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

The AGM decided to amend Cargotec's Articles of Association so that the notice of a shareholders' meeting must be published on the company's website, no earlier than three months prior to the record date of the meeting and no later than three weeks prior to the meeting itself, provided that the date of publication is at least nine days prior to the meeting's record date.

Organisation of the Board of Directors
On 8 March 2011, the Board of Directors elected Ilkka Herlin to continue as Chairman of the Board and Tapio Hakakari as Vice Chairman. Outi Aaltonen, Senior Vice President, Cargotec's General Counsel, continues 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 and Risk Management Committee (former 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 and own shares
Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of June. The number of class B shares listed on NASDAQ OMX Helsinki Ltd. was 54,778,791 while that of unlisted class A shares totalled 9,526,089. The amount includes 2,959,487 own class B shares held by the company, accounting for 4.60 percent of the share capital. The shares were repurchased in 2005–2008. The number of issued class B shares, excluding treasury shares held by the company, totalled 51,819,304 at the end of June.

On 8 March 2011, the Board of Directors decided to exercise the authorisation conferred by the AGM to acquire own shares. However, no own shares were repurchased in January-June.

Share-based incentive programme

In March 2010, the Board of Directors decided to establish a new share-based incentive programme. The programme aims to ensure alignment of the objectives of shareholders and executives in order to increase the value of Cargotec, while committing executives to the company and offering them a competitive incentive programme based on ownership in the company.

The programme includes three earnings periods, each lasting three calendar years, which will commence in 2010, 2011 and 2012. The Board of Directors will decide on the target group, earnings criteria and the targets to be established for them, as well as the maximum amount of reward payable for each earnings period. The earnings criteria for the earnings period 2010–2012 comprise Cargotec's operating profit margin and sales for the fiscal year 2012. For the second earnings period 2011–2013, the earnings criteria are the operating profit margin and sales for the fiscal year 2013. Two earnings periods cover the members of Cargotec's Executive Board.

The potential reward will partly be paid 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. Rewards to be paid on the basis of the earnings periods 2010–2012 and 2011–2013 will correspond to a maximum total of 200,000 Cargotec class B shares (including the proportion to be paid in cash).

In the spring of 2011, the Board of Directors decided to alter the terms of its share-based incentive programme in such a way that persons covered by the bonus system receive full rights to rewarded shares at the time of payment. The terms of the share-based incentive programme forbidding the transfer of shares for two years from each reward payment were removed. In this way, the programme's duration for each share lot was shortened from five to three years.

Option programme

In March 2010, the AGM confirmed that stock options will be issued to key personnel of Cargotec and its subsidiaries. The Board decides on the target group, earnings criteria and option issuance on an annual basis, in the spring of the years 2010 (2010A stock options), 2011 (2010B stock options) and 2012 (2010C stock options). The maximum total number of stock options issued will be 1,200,000. 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 share subscription price for stock option 2010B is EUR 31.23/share (the trade volume weighted average quotation of the class B share on NASDAQ OMX Helsinki Ltd. during 14 March–25 March 2011). The dividends will be deducted from the share subscription price each year.

In the spring of 2011, the Board issued stock options to nearly 80 persons, including the members of Cargotec's Executive Board. For the share subscription period for 2010B stock options to begin, the performance targets established by the Board must be attained. Stock options for which the targets are not attained will expire. The criteria for stock options 2010B is operating profit for 2011.

Market capitalisation and trading

At the end of June, the total market value of class B shares was EUR 1,831 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 2,173 million, excluding treasury shares held by the company.

The class B share closed at EUR 35.34 on 30 June 2011 in NASDAQ OMX Helsinki Ltd. The volume weighted average share price in January–June was EUR 34.05, the highest quotation being EUR 39.60 and the lowest EUR 28.50. In January–June, a total of close to 21 (24) million class B shares were traded on NASDAQ OMX Helsinki Ltd., corresponding to a turnover of EUR 700 (529) million. In addition to NASDAQ OMX Helsinki Ltd., a total of 16 (22) million class B shares were traded on several alternative market places, corresponding to a turnover of EUR 544 (490) million. Shares were mainly traded in Chi-X and BATS Europe.

Short-term risks and uncertainties

Developments in the global economy and cargo flows have a direct effect on Cargotec’s business environment and customers’ willingness to invest. Despite mainly positive economic development during the first half, a series of natural catastrophes and political uncertainty led to rapid regional changes. These and other similar, sudden external factors could quickly weaken the market situation and have a negative impact on Cargotec’s short-term prospects.

Cargotec’s wide group of customers and suppliers requires active and continuous monitoring, in order to minimise risks associated with credit losses or supply chain disruptions. Credit loss risks typically diminish as markets recover. On the other hand, with all parts of the supply chain ramping up production, recovering markets can be subject to occasional problems in component availability. The resulting supply problems could weaken the development of sales and profitability. In addition, improving markets are expected to create upward pressure on component prices. This will require active development of Cargotec’s sourcing operations, as well as price management on end products.

Cargotec estimates that the shipbuilding market has recovered from the high risk levels caused by the downturn. Analysis of the order book shows that an estimated more than EUR 100 million of Marine’s orders can be considered subject to a risk of postponement or cancellation.

Outlook

Cargotec’s 2011 sales are estimated to grow approximately 20 percent. Healthy first half order intake both in Industrial & Terminal and Marine segments together with the recovery in the market situation support a more positive growth expectation. Sales growth and significant efficiency improvement measures executed during the past years, support profitability, but there is cost pressure on the markets. Cargotec’s 2011 operating profit margin is estimated to be approximately 7 percent.

Financial calendar 2011
Interim report January–September 2011, on Thursday, 27 October 2011

Helsinki, 21 July 2011
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Condensed consolidated statement of income

MEUR	4-6/2011	4-6/2010	1-6/2011	1-6/2010	1-12/2010
Sales	**795.1**	**638.3**	**1,557.7**	**1,193.4**	**2,575.0**
Cost of goods sold	-625.7	-502.4	-1,240.4	-950.9	-2,052.2
Gross profit	**169.4**	**135.8**	**317.3**	**242.5**	**522.8**
Gross profit, %	*21.3*	*21.3*	*20.4*	*20.3*	*20.3*
Costs and expenses	-115.7	-97.3	-213.0	-188.2	-381.8
Restructuring costs	-	-1.6	-	-3.9	-10.5
Share of associated companies' and joint ventures' net income	0.3	0.2	0.4	0.3	0.8
Operating profit	**54.0**	**37.2**	**104.6**	**50.7**	**131.4**
Operating profit, %	*6.8*	*5.8*	*6.7*	*4.2*	*5.1*
Financing income and expenses	-3.5	-7.9	-7.7	-14.6	-29.9
Income before taxes	**50.5**	**29.3**	**96.9**	**36.2**	**101.4**
Income before taxes, %	*6.3*	*4.6*	*6.2*	*3.0*	*3.9*
Income taxes	-7.9	-8.2	-18.2	-5.1	-23.4
Net income for the period	**42.5**	**21.2**	**78.7**	**31.0**	**78.0**
Net income for the period, %	*5.4*	*3.3*	*5.1*	*2.6*	*3.0*
Net income for the period attributable to:					
Equity holders of the company	42.4	19.7	78.5	27.5	74.2
Non-controlling interest	0.1	1.5	0.2	3.5	3.8
Total	**42.6**	**21.2**	**78.7**	**31.0**	**78.0**
Earnings per share for profit attributable to the equity holders of the company:					
Basic earnings per share, EUR	0.69	0.32	1.28	0.45	1.21
Diluted earnings per share, EUR	0.69	0.32	1.28	0.45	1.21

Consolidated statement of comprehensive income

MEUR	4-6/2011	4-6/2010	1-6/2011	1-6/2010	1-12/2010
Net income for the period	42.5	21.2	78.7	31.0	78.0
Gain/loss on cash flow hedges	-4.7	1.4	18.8	9.0	102.5
Gain/loss on cash flow hedges transferred to statement of income	-10.9	-5.2	-15.5	-4.0	-25.6
Translation differences	-22.3	46.4	-43.7	94.9	124.3
Taxes relating to components of other comprehensive income	10.9	-3.6	5.4	-20.1	-53.7
Comprehensive income for the period	**15.4**	**60.1**	**43.6**	**110.8**	**225.5**
Comprehensive income for the period attributable to:					
Equity holders of the company	15.4	57.5	43.5	105.7	220.3
Non-controlling interest	0.1	2.6	0.2	5.0	5.2
Total	**15.4**	**60.1**	**43.6**	**110.8**	**225.5**

Condensed consolidated statement of financial position

ASSETS, MEUR	30 Jun 2011	30 Jun 2010	31 Dec 2010
Non-current assets			
Intangible assets	940.1	830.1	838.6
Property, plant and equipment	285.1	309.8	292.4
Investments in associated companies and joint ventures	9.5	8.6	7.7
Loans receivable and other interest-bearing assets 1)	10.7	10.6	10.8
Non-interest-bearing assets	117.4	164.0	128.7
Total non-current assets	**1,362.8**	**1,323.1**	**1,278.2**
Current assets			
Inventories	750.0	665.9	678.8
Loans receivable and other interest-bearing assets 1)	6.7	4.2	4.9
Accounts receivable and other non-interest-bearing assets	659.0	623.4	635.9
Cash and cash equivalents 1)	128.2	291.5	317.7
Total current assets	**1,543.9**	**1,584.9**	**1,637.4**
Assets held for sale	**-**	**4.9**	**0.4**
Total assets	**2,906.7**	**2,912.9**	**2,916.0**

EQUITY AND LIABILITIES, MEUR	30 Jun 2011	30 Jun 2010	31 Dec 2010
Equity			
Equity attributable to the equity holders of the company	1,072.1	950.1	1,065.4
Non-controlling interest	4.1	3.6	3.7
Total equity	**1,076.2**	**953.8**	**1,069.0**
Non-current liabilities			
Loans 1)	345.3	546.1	403.8
Deferred tax liabilities	48.2	29.3	58.7
Provisions	26.0	25.1	24.9
Pension obligations and other non-interest-bearing liabilities	76.0	81.6	82.8
Total non-current liabilities	**495.4**	**682.0**	**570.1**
Current liabilities			
Loans 1)	115.8	85.2	96.5
Provisions	64.0	47.4	65.0
Advances received	377.2	401.9	411.3
Accounts payable and other non-interest-bearing liabilities	778.1	742.6	703.9
Total current liabilities	**1,335.0**	**1,277.1**	**1,276.8**
Total equity and liabilities	**2,906.7**	**2,912.9**	**2,916.0**

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 30 Jun 2011, EUR 18.2 (30 Jun 2010: -18.7 and 31 Dec 2010: 1.2) million.

Consolidated statement of changes in equity

MEUR	Share capital	Share premium account	Translation differences	Fair value reserves	Retained earnings	Total	Non-controlling interest	Total equity
	Attributable to the equity holders of the company							
Equity on 1 Jan 2010	64.3	98.0	-1.1	-24.9	734.6	870.9	10.6	881.5
Net income for the period					27.5	27.5	3.5	31.0
Other comprehensive income for the period *								
Cash flow hedges				2.8		2.8	-0.4	2.4
Translation differences			75.4			75.4	1.9	77.3
Dividends paid					-24.4	-24.4	-1.8	-26.3
Share-based incentives, value of received services *					0.2	0.2		0.2
Other changes					-2.2	-2.2	-10.2	-12.3
Equity on 30 Jun 2010	**64.3**	**98.0**	**74.3**	**-22.1**	**735.6**	**950.1**	**3.6**	**953.8**
Equity on 1 Jan 2011	64.3	98.0	86.8	33.3	783.0	1,065.4	3.7	1,069.0
Net income for the period					78.5	78.5	0.2	78.7
Other comprehensive income for the period *								
Cash flow hedges				2.6		2.6		2.6
Translation differences			-37.6			-37.6	-0.1	-37.6
Dividends paid					-37.3	-37.3		-37.3
Share-based incentives, value of received services *					0.9	0.9		0.9
Other changes					-0.3	-0.3	0.3	0.0
Equity on 30 Jun 2011	**64.3**	**98.0**	**49.2**	**35.9**	**824.7**	**1,072.1**	**4.1**	**1,076.2**

* Net of tax

Key figures

		1-6/2011	1-6/2010	1-12/2010
Equity/share	EUR	17.48	15.49	17.37
Interest-bearing net debt	MEUR	334.9	308.3	171.2
Total equity/total assets	%	42.5	38.0	42.7
Gearing	%	31.1	32.3	16.0
Return on equity	%	14.7	6.8	8.0
Return on capital employed	%	14.0	6.8	8.6

Condensed consolidated statement of cash flows

MEUR	1-6/2011	1-6/2010	1-12/2010
Net income for the period	77.8	31.0	78.0
Depreciation and impairments	31.9	29.1	60.5
Other adjustments	24.8	19.7	46.4
Change in working capital	-62.9	47.2	108.1
Cash flow from operations	**71.6**	**127.0**	**292.9**
Cash flow from financial items and taxes *	-42.0	-32.0	-33.6
Cash flow from operating activities	**29.5**	**95.0**	**259.3**
Acquisitions, net of cash	-132.6	-11.3	-40.1
Cash flow from investing activities, other items	-26.7	-23.5	-28.3
Cash flow from investing activities	**-159.3**	**-34.9**	**-68.3**
Proceeds from share subscriptions	-	-	-
Acquisition of treasury shares	-	-	-
Proceeds from long term borrowings	-	-	-
Repayments of long term borrowings	-12.8	-3.2	-106.3
Proceeds from short term borrowings	1.0	1.2	1.9
Repayments of short term borrowings	-7.8	-15.9	-13.0
Dividends paid	-37.3	-27.7	-27.9
Cash flow from financing activities	**-56.9**	**-45.6**	**-145.2**
Change in cash	**-186.7**	**14.6**	**45.8**
Cash, cash equivalents and bank overdrafts at the beginning of period	303.5	252.5	252.5
Effect of exchange rate changes	-2.2	0.0	5.4
Cash, cash equivalents and bank overdrafts at the end of period	**114.6**	**267.0**	**303.6**
Bank overdrafts at the end of period	13.6	24.5	14.1
Cash and cash equivalents at the end of period	**128.2**	**291.5**	**317.7**

* Cash flow from financial items and taxes include 1-12/2010 EUR 0.2 and 1-6/2010 EUR 0.2 million capitalised interests.

Segment reporting

Sales, MEUR	**1-6/2011**	**1-6/2010**	**1-12/2010**
Industrial & Terminal	927	676	1,526
Marine	632	518	1,050
Internal sales	-2	0	-1
Total	**1,558**	**1,193**	**2,575**

Operating profit, MEUR	**1-6/2011**	**1-6/2010**	**1-12/2010**
Industrial & Terminal	40.8	0.1	37.1
Marine	89.2	78.0	147.6
Corporate administration and support functions	-25.3	-23.6	-42.8
Operating profit excluding restructuring costs	**104.6**	**54.6**	**141.9**
Restructuring costs:			
Industrial & Terminal	-	2.0	8.3
Marine	-	0.3	0.1
Corporate administration and support functions	-	1.6	2.1
Total restructuring costs	**-**	**3.9**	**10.5**
Total	**104.6**	**50.7**	**131.4**

Operating profit, %	**1-6/2011**	**1-6/2010**		**1-12/2010**	
Industrial & Terminal	4.4	0.0	*	2.4	*
Marine	14.1	15.1	*	14.1	*
Cargotec, operating profit excluding restructuring costs	6.7	4.6		5.5	
Cargotec	6.7	4.2		5.1	

* Excluding restructuring costs.

Sales by geographical area, MEUR	**1-6/2011**	**1-6/2010**	**1-12/2010**
EMEA	655	498	1,087
Asia-Pacific	611	482	1,022
Americas	292	213	466
Total	**1,558**	**1,193**	**2,575**

Sales by geographical area, %	**1-6/2011**	**1-6/2010**	**1-12/2010**
EMEA	42.0	41.7	42.2
Asia-Pacific	39.2	40.4	39.7
Americas	18.7	17.8	18.1
Total	**100.0**	**100.0**	**100.0**

Orders received, MEUR	**1-6/2011**	**1-6/2010**	**1-12/2010**
Industrial & Terminal	1,048	839	1,690
Marine	534	492	1,040
Internal orders received	-2	0	-1
Total	**1,580**	**1,330**	**2,729**

Order book, MEUR	**30 Jun 2011**	**30 Jun 2010**	**31 Dec 2010**
Industrial & Terminal	819	740	680
Marine	1,487	1,694	1,675
Internal order book	0	-	0
Total	**2,306**	**2,433**	**2,356**

Capital expenditure, MEUR	**1-6/2011**	**1-6/2010**	**1-12/2010**
In fixed assets (excluding acquisitions)	12.9	28.0	43.5
In leasing agreements	0.0	0.0	0.5
In customer financing	18.7	5.9	16.4
Total	**31.6**	**34.0**	**60.3**

Number of employees at the end of period	**30 Jun 2011**	**30 Jun 2010**	**31 Dec 2010**
Industrial & Terminal	8,282	7,009	7,310
Marine	2,160	2,173	2,191
Corporate administration and support functions	483	425	453
Total	**10,925**	**9,607**	**9,954**

Average number of employees	**1-6/2011**	**1-6/2010**	**1-12/2010**
Industrial & Terminal	7,810	6,897	7,055
Marine	2,165	2,203	2,190
Corporate administration and support functions	462	408	428
Total	**10,437**	**9,509**	**9,673**

Notes

Taxes in statement of income

MEUR	1-6/2011	1-6/2010	1-12/2010
Current year tax expense	29.5	22.2	36.9
Deferred tax expense	-10.5	-15.9	-10.0
Tax expense for previous years	-0.8	-1.2	-3.4
Total	**18.2**	**5.1**	**23.4**

Commitments

MEUR	30 Jun 2011	30 Jun 2010	31 Dec 2010
Guarantees	-	0.5	0.5
Dealer financing	-	0.0	0.0
End customer financing	9.4	7.4	8.9
Operating leases	67.4	49.2	69.5
Other contingent liabilities	3.4	3.6	3.5
Total	**80.2**	**60.7**	**82.3**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 467.6 (30 Jun 2010 538.6 and 31 Dec 2010: 474.4) 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	30 Jun 2011	30 Jun 2010	31 Dec 2010
Less than 1 year	18.3	11.2	16.1
1-5 years	31.9	23.5	34.3
Over 5 years	17.2	14.5	19.1
Total	**67.4**	**49.1**	**69.5**

The aggregate operating lease expenses totalled EUR 10.7 (1-6/2010 7.6 and 1-12/2010: 17.7) million.

Fair values of derivative financial instruments

MEUR	Positive fair value 30 Jun 2011	Negative fair value 30 Jun 2011	Net fair value 30 Jun 2011	Net fair value 30 Jun 2010	Net fair value 31 Dec 2010
FX forward contracts	49.5	38.8	10.7	-38.0	37.5
Cross-currency and interest rate swaps	-	2.4	-2.4	34.5	13.4
Total	**49.5**	**41.2**	**8.3**	**-3.5**	**50.9**
Non-current portion:					
FX forward contracts	3.8	1.6	2.2	-5.7	2.7
Cross-currency and interest rate swaps	-	2.4	-2.4	34.5	13.4
Non-current portion	**3.8**	**4.0**	**-0.2**	**28.8**	**16.1**
Current portion	**45.7**	**37.2**	**8.6**	**-32.3**	**34.8**

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

Nominal values of derivative financial instruments

MEUR	30 Jun 2011	30 Jun 2010	31 Dec 2010
FX forward contracts	3,213.5	2,625.4	3,017.3
Cross-currency and interest rate swaps	225.7	225.7	225.7
Total	**3,439.3**	**2,851.2**	**3,243.1**

Acquisitions

Navis

At the end of January 2011, Cargotec announced the acquisition of US-based terminal operating systems provider Navis by acquiring 100 percent of the shares in Navis Holding LLC from Zebra Technologies Corporation. The acquisition was completed in March after regulatory approvals were received and the acquired business was consolidated in the Industrial & Terminal reporting segment as of 19 March 2011.

The table below presents the purchase price allocation, which is calculated on the basis of Navis' provisional consolidated balance sheet as per 19 March 2011. It is prepared in accordance with IFRS and Cargotec's accounting principles in respect of all material elements. Because the fair value calculation of the acquired assets and liabilities was not completed as of 30 June 2011, accounting of the business combination is preliminary and the fair values of the acquired net assets and the amount of goodwill may be subject to adjustments until the fair valuation work is finalised. In the preliminary purchase price allocation, the allocation to intangible assets includes the fair valuation of technology, trademark and customer relationships. An adjustment to fair value has been made to the deferred revenue recognised on Navis' acquisition date balance sheet when no future obligation to provide additional services exists. As the fair value of the remaining obligation is less than the book value, the re-measurement of deferred revenue will decrease by approximately EUR 10 million the post-acquisition sales and profitability of Navis for slightly over one year when consolidating it to Cargotec. The acquired goodwill is primarily based on personnel and expected synergy benefits. Together Cargotec and Navis are able to offer integrated solutions enabling them a better position in delivering total solutions to customers. The goodwill is tax-deductible for income tax purposes.

Transaction costs of EUR 1.8 million are included in the operating profit of Industrial & Terminal segment and in other operating expenses in the consolidated statement of income.

Acquired net assets and goodwill, provisional values

MEUR	
Intangible assets	73.0
Property, plant and equipment	0.9
Accounts receivable and other non-interest-bearing assets	16.7
Cash and cash equivalents	0.7
Accounts payable and other non-interest-bearing liabilities	-5.8
Net assets	**85.4**
Purchase price, settled in cash	132.8
Purchase price, replacement award	1.2
Goodwill	**48.5**
Purchase price, settled in cash	132.8
Cash and cash equivalents acquired	-0.7
Cash flow impact	**132.0**

Cargotec was obliged to replace the share-based incentives granted by Zebra to Navis employees. The fair value of the replacement award that relates to pre-combination services has been included to the purchase price of Navis. The amount that relates to post-combination services, EUR 0.6 million, will be charged to the income statement over the remaining vesting periods which extend to May 2014. Payments of the replacement award will be made in cash and it requires continued employment at Cargotec until the end of each vesting period.

Sales for the reporting period include Navis with sales of EUR 11 million. Had the business been acquired on 1 January 2011, the increase to Cargotec's sales, including the holding period, would have been roughly EUR 20 million.

Other acquisitions

In December 2010, Cargotec became a majority shareholder in Kalmar (Malaysia) Sdn. Bhd. by increasing its ownership in the company from 50.0 to 69.9 percent. The deal was closed in early January.

In November 2010, Cargotec acquired the assets of a Swedish installation and service company, Hallberg-Ivarsson Hydraulik & Påbyggnad AB, located in Gothenburg. The company specialises in installation and services for on-road load handling equipment and heavy vehicles. The deal was closed in early January.

The combined purchase price allocation from these acquisitions is presented below. The allocation is calculated on the basis of the provisional balance sheets of acquired businesses as per 1 January 2011 prepared in accordance with IFRS and Cargotec's accounting principles in respect of all material elements. Because the process of fair valuing the acquired assets and liabilities was not completed as at the reporting date, the initial accounting for the business combinations is incomplete as at 30 June 2011 and the fair values of the acquired net assets and the amount of goodwill may be subject to adjustments until the fair valuation process is finalised.

The pre-existing share ownership in Kalmar (Malaysia) Sdn. Bhd. has been valued at fair value at the date of acquisition. The revaluation result of EUR 1.7 million is included in other operative income in the consolidated statement of income.

Transaction costs related to the acquisitions are included in other operative expenses in the consolidated statement of income.

Acquired net assets and goodwill, provisional values

MEUR	
Intangible assets	0.0
Property, plant and equipment	0.3
Accounts receivable and other non-interest-bearing assets	4.7
Inventories	0.6
Cash and cash equivalents	0.1
Accounts payable and other non-interest-bearing liabilities	-4.6
Loans	-0.2
Deferred tax liabilities	0.0
Net assets	**0.8**
Purchase price	3.1
Goodwill	**2.3**
Purchase price, settled in cash	0.7
Cash and cash equivalents acquired	-0.1
Cash flow impact	**0.6**

Accounting principles

The interim report has been prepared according to the International Accounting Standard 34: Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements for 2010. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Adoption of the new and revised IFRS standards as of 1 January 2011

Starting from January 1, 2011 Cargotec has adopted the following amended standards published in 2009 and 2010 by the IASB:

- IAS 24 (revised): Related Party Disclosures. The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party.
- IAS 32 (amendment): Financial instruments: Presentation – Classification of Rights Issues. The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer.

Additionally, Cargotec has adopted the amendments related to the IFRS 2010 Annual Improvements, which have been endorsed by EU. Aforementioned changes have no material impact on the financial statements.

The definition of services business was clarified as of 1 January 2011. The 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		Q2/2011	Q1/2011	Q4/2010		Q3/2010		Q2/2010	
Orders received	MEUR	761	819	716		683		732	
Order book	MEUR	2,306	2,373	2,356		2,395		2,433	
Sales	MEUR	795	763	747		635		638	
Operating profit	MEUR	54.0	50.6	44.5	*	42.8	*	38.8	*
Operating profit	%	6.8	6.6	6.0	*	6.7	*	6.1	*
Basic earnings/share	EUR	0.69	0.59	0.39		0.38		0.32	

Industrial & Terminal		Q2/2011	Q1/2011	Q4/2010		Q3/2010		Q2/2010	
Orders received	MEUR	513	535	462		389		423	
Order book	MEUR	819	778	680		710		740	
Sales	MEUR	485	442	471		379		362	
Operating profit	MEUR	22.0	18.8	20.9	*	16.0	*	7.4	*
Operating profit	%	4.5	4.3	4.4	*	4.2	*	2.0	*

Marine		Q2/2011	Q1/2011	Q4/2010		Q3/2010		Q2/2010	
Orders received	MEUR	248	286	254		294		309	
Order book	MEUR	1,487	1,595	1,675		1,686		1,694	
Sales	MEUR	310	322	276		256		277	
Operating profit	MEUR	45.9	43.3	33.2		36.4	*	43.7	*
Operating profit	%	14.8	13.4	12.0		14.2	*	15.8	*

* Excluding restructuring costs