Cargotec's January–June 2012 interim report: Second quarter orders grew 17 percent. Priority in improving profitability.

April–June 2012 in brief

- Orders received grew 17 percent and totalled EUR 892 (761) million.
- Order book amounted to 2,413 (31 Dec 2011: 2,426) million at the end of the period.
- Sales grew 7 percent to EUR 850 (795) million.
- Operating profit was EUR 41.2 (54.0) million, representing 4.8 (6.8) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR -25.6 (35.4) million.
- Net income for the period amounted to EUR 29.3 (42.5) million.
- Earnings per share was EUR 0.48 (0.69).
- Strategic foundation in Asia established.

January–June 2012 in brief

- Orders received totalled EUR 1,629 (1,580) million.
- Sales grew 6 percent to EUR 1,643 (1,558) million.
- Operating profit was EUR 78.7 (104.6) million, representing 4.8 (6.7) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR -27.8 (71.6) million.
- Net income for the period amounted to EUR 55.5 (78.7) million.
- Earnings per share was EUR 0.90 (1.28).

Outlook for 2012 (published 12 June 2012)

Cargotec's 2012 operating profit margin is expected to be approximately 6 percent. Sales are expected to grow from 2011.

Cargotec's key figures

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
Orders received	**892**	761	17%	**1,629**	1,580	3%	3,233
Order book, end of period	**2,413**	2,306	5%	**2,413**	2,306	5%	2,426
Sales	**850**	795	7%	**1,643**	1,558	6%	3,139
Operating profit	**41.2**	54.0	-24%	**78.7**	104.6	-25%	207.0
Operating profit, %	**4.8**	6.8		**4.8**	6.7		6.6
Income before taxes	**39.0**	50.5		**73.7**	96.9		191.9
Cash flow from operations	**-25.6**	35.4		**-27.8**	71.6		166.3
Net income for the period	**29.3**	42.5		**55.5**	78.7		149.3
Earnings per share, EUR	**0.48**	0.69		**0.90**	1.28		2.42
Net debt, end of period	**497**	335		**497**	335		299
Gearing, %	**41.7**	31.1		**41.7**	31.1		25.4
Personnel, end of period	**10,608**	10,925		**10,608**	10,925		10,928

Cargotec's President and CEO Mikael Mäkinen:
The market situation is challenging due to global economic uncertainty, which is also reflected in a tight competitive situation. Nevertheless, Terminals second quarter orders grew by 57 percent from the comparison period. Since profitability remained at the level of the first quarter, its improvement in Terminals and Load Handling is our priority.

We are building a factory for the Rainbow-Cargotec Industries joint venture and in July we announced our plans to establish a joint venture with China's leading heavy truck manufacturer. Hence, we have reached our desired strategic foundation in Asia in both Terminals and Load Handling. We continue to evaluate listing Marine on Singapore Exchange and growth opportunities in offshore.

Press conference for analysts and media
A press conference for analysts and media, combined with a live international telephone conference, will be arranged on the publishing day at 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 6203, non-US callers +44 20 7162 0125, access code Cargotec/914115.

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

A replay of the conference call will be available until midnight 21 July 2012 in the following numbers: US callers +1 954 334 0342, non-US callers +44 20 7031 4064, access code 914115.

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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 3.1 billion in 2011 and it employs approximately 10,500 people. Cargotec's class B shares are quoted on NASDAQ OMX Helsinki under symbol CGCBV. www.cargotec.com

Cargotec's January–June 2012 interim report

Operating environment
Ship orders in the first half-year were below levels seen in previous years, which was reflected in demand for marine cargo handling equipment. Demand for marine cargo handling equipment for offshore support vessels improved as expected. Durign the first half, scrapping of old bulk vessels and small container ships has increased. Market expectations of demand for equipment delivered for offshore support vessels, RoRo vessels and bulk terminals remain healthy.

Demand for container handling equipment used in ports picked up in the second quarter, due to the realisation of several major projects. The number of containers handled in ports is expected to increase in 2012, and demand for container handling equipment is expected to remain healthy. Customers' interest in automation solutions is expected to continue strong.

The market for load handling equipment clearly exceeded general market expectations during the first half, but during the second quarter signs of uncertainty in Europe increased. Demand continued to perk up in the USA.

Development of the services markets was supported by customers' capacity utilisation rates. Mainly buoyed by demand for spare parts and installations, load handling had a healthy first half. The markets for servicing port equipment and marine cargo handling equipment were satisfactory, but the cautious mood among customers was evident in the demand.

Orders received and order book
Orders received during the second quarter grew 17 percent from the comparison period and totalled EUR 892 (761) million. Orders received declined in Marine, whereas orders for Terminals and Load Handling grew from the comparison period. January–June orders received grew three percent and totalled EUR 1,629 (1,580) million. In Marine orders declined as a result of low ship orders during previous quarters, affecting demand for marine cargo handling equipment. In Terminals, a couple of larger orders were booked in the second quarter. 22 percent of these January–June orders were received by Marine, 50 percent by Terminals and 28 percent by Load Handling.

In geographical terms, 52 (44) percent of January–June orders was received in EMEA (Europe, Middle East, Africa). Asia-Pacific accounted for 22 (37) percent of all orders, while that of Americas was 26 (20) percent. Service orders accounted for 21 (25) percent of total orders.

The order book remained at 2011 year-end level, and at the end of the second quarter it totalled EUR 2,413 (31 Dec 2011: 2,426) million. Marine's order book totalled EUR 1,171 million, representing 49 percent, Terminals' EUR 1,013 million, or 42 percent, and that of Load Handling EUR 230 million, or 10 percent of the consolidated order book.

Orders received by reporting segment

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
Marine	**185**	248	-25%	**363**	534	-32%	997
Terminals	**499**	318	57%	**812**	650	25%	1,464
Load Handling	**208**	195	7%	**454**	397	14%	776
Internal orders	**0**	0		**-1**	-1		-3
Total	**892**	761	17%	**1,629**	1,580	3%	3,233

Orders received by geographical area

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
EMEA	**461**	331	39%	**809**	689	17%	1,456
Asia-Pacific	**198**	278	-29%	**432**	580	-26%	1,076
Americas	**233**	151	54%	**389**	310	25%	701
Total	**892**	761	17%	**1,629**	1,580	3%	3,233

Sales

Second-quarter sales grew seven percent from the comparison period, totalling EUR 850 (795) million. Sales in services grew four percent to EUR 193 (185) million, representing 23 (23) percent of total sales. January–June sales grew six percent, totalling EUR 1,643 (1,558) million, of which services sales accounted for EUR 371 (356) million, representing 23 (23) percent of sales. Greater delivery volumes in both Terminals and Load Handling segments boosted growth in sales compared to the comparison period. Services saw growth in Asia-Pacific and Americas. EMEA (Europe, Middle East, Africa) represented 39 (42) percent of consolidated sales, Asia-Pacific 37 (39) percent and Americas 25 (19) percent.

Sales by reporting segment

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
Marine	**275**	310	-11%	**556**	632	-12%	1,213
Terminals	**365**	284	28%	**674**	544	24%	1,159
Load Handling	**211**	202	5%	**414**	382	8%	769
Internal sales	**0**	-1		**0**	-1		-2
Total	**850**	795	7%	**1,643**	1,558	6%	3,139

Sales by geographical area

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
EMEA	**323**	342	-6%	**638**	655	-3%	1,264
Asia-Pacific	**307**	297	3%	**603**	611	-1%	1,231
Americas	**220**	156	41%	**403**	292	38%	644
Total	**850**	795	7%	**1,643**	1,558	6%	3,139

Financial result

Operating profit for the second quarter declined by a quarter from the comparison period totalling EUR 41.2 (54.0) million, representing 4.8 (6.8) percent of sales. Operating profit for January–June totalled EUR 78.7 (104.6) million, representing 4.8 (6.7) percent of sales. During the first half, the operating profit margin for Terminals was burdened by low profitability in big cranes, changes in product and market mix as well as lower share of services sales compared to the comparison period. In addition, the significant investment in port automation technology was reflected in increased research and development costs. The competitive situation was challenging in both Terminals and Load Handling. While Load Handling's operating profit margin for the second quarter was weaker than normal, this should be rectified in the second half of the year. Marine continued its steady performance.

Net interest expenses for interest-bearing debt and assets for the second quarter totalled EUR -4.3 (-4.1) million. Net financing expenses declined and totalled EUR -2.2 (-3.5) million. January–June net interest expenses for interest-bearing debt and assets totalled EUR -9.2 (-8.4) million and net financing expenses EUR -5.0 (-7.7) million. Despite the increase in net debt, net financing expenses were lower due to favourable interest differentials in the major currencies (EUR, SEK and USD) of Cargotec's business operations.

Net income for the second quarter totalled EUR 29.3 (42.5) million and earnings per share EUR 0.48 (0.69). Net income for January–June totalled EUR 55.5 (78.7) and earnings per share EUR 0.90 (1.28).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 3,222 (31 Dec 2011: 3,120) million at the end of June. Equity attributable to equity holders was EUR 1,187 (1,173) million, representing EUR 19.35 (19.12) per share. Tangible assets on the balance sheet were EUR 287 (283) million and intangible assets EUR 1,025 (981) million. The total equity/total assets ratio declined to 41.6 (43.3) percent.

Return on equity (ROE) in January–June was 9.4 (14.7) percent and return on capital employed (ROCE) 9.8 (14.0) percent.

Cash flow in January–June from operating activities, before financial items and taxes totalled EUR -27.8 (71.6) million. Net working capital increased from EUR 144 million at the end of 2011 to EUR 280 million during the period. Growth in Terminals and Load Handling tied up working capital, with accounts receivable in particular growing during the first half. Cash flow was also weakened by the decreased amount of advances received due to low orders in Marine.

Gearing rose from its year-end 25.4 percent level to 41.7 percent. The dividend payment of EUR 61.3 (37.3) million in the first half increased gearing.

Cargotec's financing structure and liquidity are healthy. Interest-bearing net debt at the end of June was EUR 497 (31 Dec 2011: 299) million. Interest-bearing debt amounted to EUR 619 (512) million, of which EUR 168 (98) million was current and EUR 450 (414) million non-current debt. On 30 June 2012, the average interest rate on the loan portfolio was 3.1 (3.7) percent. Cash and cash equivalents, loans receivable and other interest-bearing assets totalled EUR 122 (31 Dec 2011: 213) million.

During the second quarter, Cargotec and the European Investment Bank (EIB) signed a ten-year EUR 55 million research and development loan agreement to finance research and development activities for the development of cargo handling solutions and related technologies. The loan was drawn at the end of May.

New products and product development

Research and product development expenditure for the January–June quarter totalled EUR 38.3 (28.4) million, representing 2.3 (1.8) percent of sales and 2.4 (1.9) percent of all operating expenses. Increase in research and product development expenditure is a result of focused investments in improvement of competitiveness.

Cargotec's new automatic twistlock gained the approval of classification society Germanischer Lloyd. This fully-automatic twistlock offers significant safety advantages and saves time in ports.

Cargotec's MacGregor chain wheel manipulator won the prestigious Offshore Support Journal's Innovation of the Year award. This award recognises a product, system or service considered to have made a significant impact on the design, build and/or operational aspects of offshore support vessels. The manipulator is a remote-controlled device that keeps crew members clear of potentially hazardous operations and enables cost effective ways of working. In this way, it improves a vessel's profitability.

Cargotec is participating in a joint project initiated by DNV (Det Norske Veritas), with the aim of updating the standards and regulations on the safe and efficient use of equipment intended for subsea cargo handling.

During the second quarter, Cargotec introduced new products and solutions for port and terminal automation. The design of the new automatic stacking crane (ASC+) takes into account energy efficiency, productivity and operating and maintenance costs throughout the product's life-cycle.

Cargotec SmartPort is a solution for terminal process automation. It is built on seamlessly integrated automation technology developed by Cargotec, Navis and strategic partners. Cargotec SmartPort offers port and terminal customers a cost efficient solution for automation.

In March, Cargotec launched a new rubber-tyred gantry crane (RTG) on the markets. This crane minimises fuel consumption and offers an excellent balance between productivity and cost-efficiency. The new crane has a smart power management system and a markedly smaller diesel motor than conventional rubber-tyred gantry cranes.

During the first half, Cargotec introduced a new heavy-range loader crane, a new tail lift, a new hooklift and a new truck-mounted forklift. By lowering energy and fuel consumption, this new equipment improves the customers' productivity and minimises maintenance and running costs.

Capital expenditure

Capital expenditure for January–June, excluding acquisitions and customer financing, totalled EUR 36.4 (12.9) million. Investments in customer financing were EUR 15.9 (18.7) million. Depreciation, amortisation and impairment amounted to EUR 32.1 (31.9) million.

During the second quarter, Cargotec and Jiangsu Rainbow Heavy Industries Co., Ltd. established a joint venture called Rainbow-Cargotec Industries Co. Ltd (RCI). The companies celebrated the ground breaking for RCI's new factory in Taicang in Jiangsu province, China in June. Cargotec invested EUR 18 million in equity in RCI. The remaining EUR 12 million is expected to be booked in the third quarter of 2012.

In June, Cargotec announced investment plans in its multi-assembly unit (MAU) in Stargard Szczecinski, Northern Poland. The value of the investment for a new painting and assembly area, expected to reach completion in 2014, will be close to EUR 20 million.

Cargotec is investing approximately EUR 35 million in building an innovative Technology and Competence Centre in Tampere, Finland, during the years 2011–2013. Some EUR 13 million was invested in January–June 2012. The centre, which forms part of Cargotec's global network of competence centres, will develop port terminal solutions for the benefit of customers. The site will host Cargotec's most extensive test area. This new centre is due to become operational in December 2012.

During the first quarter, Cargotec expanded its portfolio with an automated lashing platform for fully automated quayside twistlock by entering into an exclusive global licensing agreement with KALP GmbH.

Acquisitions and divestments

In June, Cargotec acquired automation technology and competence from Asciano, Australia's largest national rail freight and ports operator. This transaction includes the acquisition of Asciano's automation technology assets and the transfer of 23 employees.

In November 2011, Cargotec and Komas signed a letter of intent, outlining the guidelines for deepening the companies’ cooperation, as a long-term sourcing partnership. In accordance with the agreement, Komas acquired Cargotec’s component manufacturing operations in Narva, Estonia. All approximately 370 employees were transferred to Komas. The deal was closed in February 2012.

Personnel

Cargotec employed 10,608 (31 Dec 2011: 10,928) people at the end of June. Marine employed 2,071 (2,129) people, Terminals 5,125 (5,146), Load Handling 3,143 (3,364) and corporate-level support functions 268 (289). The average number of employees in January–June was 10,580 (10,437).

At the end of June, 18 (18) percent of the employees were located in Sweden, 10 (10) percent in Finland and 28 (30) percent in the rest of Europe. Asia-Pacific personnel represented 28 (27) percent, North and South American 14 (13) percent, and the rest of the world 3 (2) percent of total employees.

Development of Terminals and Load Handling segments

Terminals’ strategic target is to be the leading provider of integrated solution including equipment, services and systems for port and terminal customers. Its short-term focus is on improving profitability. In order to enhance clarity and profit responsibility as well as improve transparency, Terminals organisation has been transferred into a line organisation. In the long-term, Terminals will continue focusing on customer driven offerings and terminal automation related solutions development.

Load Handling’s strategic target is to be the leading on-road load handling company focusing on profitability and customer satisfaction. Strategically important areas include mature markets, China, Brazil and Russia.

Possible listing of Cargotec Marine on Singapore Exchange

In March, Cargotec announced the initiation of an evaluation of the listing of Cargotec Marine on the Singapore Exchange, in order to secure further growth. The Board of Directors believes that listing of Cargotec Marine as an independent company on the Singapore Exchange would strengthen its business presence in Asia and secure profitable growth. It would also enable an improved focus and provide new opportunities for Cargotec's Terminals and Load Handling segments, thereby increasing Cargotec’s overall shareholder value. The evaluation work has proceeded according to the plan. Cargotec expects the evaluation be completed by the end of the third quarter 2012.

Changes in roles of Executive Board members

In May, Cargotec announced changes in roles of Executive Board members in order to further accelerate the implementation of its strategy. Cargotec aims to grow Marine business in Asia especially in offshore and to accelerate the operational performance improvement of Terminals to enable further growth.

Chief Operating Officer Pekka Vauramo was appointed Executive Vice President, Marine as of 1 August 2012. He will continue as Deputy to CEO. President and CEO Mikael Mäkinen will act as the Head of Marine business area from 14 May until 1 August 2012. Olli Isotalo, previously Executive Vice President, Marine, was appointed Executive Vice President, Terminals as of 14 May 2012. Unto Ahtola, previously Executive Vice President, Terminals, transferred to a new role as Executive Vice President concentrating on development projects from 14 May 2012. He continues to report to Mikael Mäkinen. Harald de Graaf, Executive Vice President, will lead Terminals' Cranes and Terminal projects division. In addition to his new role in the Terminals business area, he will continue to manage the EMEA region. Pekka Vauramo, Olli Isotalo, Unto Ahtola and Harald de Graaf will continue as members of the Executive Board.

Reporting segments

Marine

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
Orders received	**185**	248	-25%	**363**	534	-32%	997
Order book, end of period	**1,171**	1,487	-21%	**1,171**	1,487	-21%	1,375
Sales	**275**	310	-11%	**556**	632	-12%	1,213
Sales of services	**47**	46		**87**	83		175
% sales	**17**	15		**16**	13		14
Operating profit (EBIT)	**35,8**	45.9		**73.7**	89.2		176.2
% sales	**13,0**	14.8		**13.2**	14.1		14.5
Personnel, end of period	**2,071**	2,167		**2,071**	2,167		2,129

Marine's orders for the second quarter accounted for EUR 185 (248) million. Orders received fell 25 percent from the comparison period. January–June orders received accounted for EUR 363 (534) million. The decline in orders received was a result of low ship orders during previous quarters, affecting demand for cargo handling equipment. Offshore support vessels-related orders increased as expected, accounting for more than a quarter of orders received. Major orders included orders for anchor-handling, mooring and towing solutions for 15 offshore support vessels from China, an order for a total of six active heave-compensated offshore cranes from Norway and Malaysia and for two 10-point mooring systems for two offshore pipe-laying heavy-lift offshore construction vessels. In addition, Cargotec signed agreements for the delivery of electric cranes for ten bulk ships and hatch covers for six bulk ships, an agreement for 20 cargo cranes, intended for ten general cargo ships, an agreement for RoRo equipment for two ferries, as well as agreements for a Siwertell unloader for Australia, Denmark and Indonesia.

Marine's order book declined by 15 percent from the 2011 year-end, totalling EUR 1,171 (31 Dec 2011: 1,375) million at the end of June. Two thirds 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.

Marine's second quarter sales declined 11 percent from the comparison period, totalling EUR 275 (310) million. Share of services sales was 17 (15) percent or EUR 47 (46) million. January–June sales totalled EUR 556 (632) million, 12 percent lower than in the comparison period. Share of services in January–June was 16 (13) percent or EUR 87 (83) million. Sales declined due to lower project deliveries.

Marine's operating profit for the quarter totalled EUR 35.8 (45.9) million, representing 13.0 (14.8) percent of sales. January–June operating profit was EUR 73.7 (89.2) million, representing 13.2 (14.1) percent of sales. Despite the more challenging market situation, Marine's strong competencies in project and supply chain management support profitability.

Terminals

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
Orders received	**499**	318	57%	**812**	650	25%	1,464
Order book, end of period	**1,013**	635	60%	**1,013**	635	60%	865
Sales	**365**	284	28%	**674**	544	24%	1,159
Sales of services	**87**	85		**170**	166		346
% sales	**24**	30		**25**	31		30
Operating profit (EBIT)	**12.6**	13.3		**17.7**	28.3		55.9
% sales	**3.5**	4.7		**2.6**	5.2		4.8
Personnel, end of period	**5,125**	4,983		**5 125**	4,983		5,146

Terminals’ orders received for the second quarter grew 57 percent from the comparision period, totalling EUR 499 (318) million. January–June orders grew 25 percent and totalled EUR 812 (650) million. Orders received by Terminals vary by quarter, according to the timing of larger orders. In January–June orders grew 37 percent for the comparision periond in EMEA (Europe, Middle East, Africa) and 22 percent in Americas. The order book grew 17 percent from 2011 year-end and at the end of June it totalled EUR 1,013 (31 Dec 2011: 865) million.

During the second quarter, Terminals received one of its largest port equipment orders in recent years, when APM Terminals ordered eight super quay cranes and two barge cranes. These cranes will be delivered, as part of the Maasvlakte II expansion project, to Rotterdam in Holland, between December 2013 and December 2014. In addition, Cargotec will deliver 31 ship-to-shore spreaders for the same project. During the quarter, Cargotec also received an order for 766 light capability rough terrain forklift (LCRTF) trucks from the U.S. Department of Defense. The total value of this order is approximately EUR 50 million and it forms part of the five-year frame agreement for the delivery of approximately 1,890 reachstackers signed in 2011. In addition, among other orders, orders for nine forklift trucks and eight reachstackers were received from Germany and an order for 13 forklift trucks arrived from Brazil.

During the first quarter, Cargotec received orders for six shuttle carriers for Brisbane Container Terminals PTY Limited and for eight shuttle carriers for Sydney International Container Terminal PTY Limited. In addition, an order for 22 straddle carriers was received from Australia. London Gateway Port Limited selected the Navis terminal operating system (TOS) for the UK's automated deep-sea container port London Gateway. In addition, Terminals signed an agreement for the delivery of 13 reachstackers and four empty container handlers to Europe Container Terminals. This agreement includes a five-year maintenance contract.

Terminals’ second quarter sales grew 28 percent from the comparison period, totalling EUR 365 (284) million. Sales for services amounted to EUR 87 (85) million, representing 24 (30) percent of sales. January–June sales totalled EUR 674 (544) million, 24 percent higher than in the comparison period. Sales for services totalled EUR 170 (166) million, representing 25 (31) percent of sales. Delivery volumes grew thanks to a stronger order book.

Terminals' second quarter operating profit totalled EUR 12.6 (13.3) million, representing 3.5 (4.7) percent of sales. January–June operating profit was EUR 17.7 (28.3) million, representing 2.6 (5.2) percent of sales. The operating profit margin was burdened by low profitability in big cranes, changes in product and market mix as well as lower share of services sales compared to the same period last year. In addition, the significant investment in port automation technology was reflected in increased research and development costs. Furthermore, the competitive situation was challenging.

Load Handling

MEUR	**Q2/12**	Q2/11	Change	**Q1-Q2/12**	Q1-Q2/11	Change	2011
Orders received	**208**	195	7%	**454**	397	14%	776
Order book, end of period	**230**	184	25%	**230**	184	25%	189
Sales	**211**	202	5%	**414**	382	8%	769
Sales of services	**59**	55		**114**	106		218
% sales	**28**	27		**28**	28		28
Operating profit (EBIT)	**5.4**	8.5		**13.1**	12.1		20.6
% sales	**2.6**	4.2		**3.2**	3.2		2.7
Personnel, end of period	**3,143**	3,490		**3,143**	3,490		3,364

Load Handling's orders received for the second quarter grew seven percent from the comparison period and totalled EUR 208 (195) million. January–June orders grew 14 percent, totalling EUR 454 (397) million. Orders grew in all geographic areas, mainly in Americas. Orders for truck-mounted forklifts grew fastest within equipment. The growth in orders for services was boosted by spare parts and installations. Load Handling secured a high number of individually small orders, which are typical of the business. Order book grew 22 percent from 2011 year-end, totalling EUR 230 (31 Dec 2011: 189) million at the end of the second quarter.

Load Handling's second quarter sales grew five percent from the comparison period and totalled EUR 211 (202) million. Sales for services amounted to EUR 59 (55) million, representing 28 (27) percent of sales. January–June sales were EUR 414 (382) million, which was eight percent more than in the comparison period. Sales of services totalled EUR 114 (106) million, representing 28 (28) percent of sales. Delivery volumes grew, due to the order book and favourable market environment.

Operating profit for Load Handling in the second quarter declined compared to the comparison period, totalling EUR 5.4 (8.5) million, representing 2.6 (4.2) percent of sales. January–June operating profit amounted to EUR 13.1 (12.1) million, representing 3.2 (3.2) percent of sales. Operating profit margin for the second quarter was weaker than normal, which should be rectified in the second half of the year. Actions taken to improve the efficiency of the way of working and supply chain, together with increased volumes, supported the improvement in profitability, although the competitive situation was challenging.

Decisions taken at Cargotec Corporation's Annual General Meeting
Cargotec Corporation's Annual General Meeting (AGM) on 19 March 2012 approved the 2011 financial statements and consolidated financial statements, discharging the President and CEO and members of the Board of Directors from liability for the accounting period 1 January–31 December 2011. The AGM approved the proposals by the Board to authorise the Board to decide on the repurchase of own shares and the issuance of treasury shares. The authorisation for the repurchase of own shares shall remain in effect for a period of 18 months, and the authorisation for the issuance of treasury shares for five years, from the AGM's resolution. More detailed information on the authorisations was published in a stock exchange release on the date of the AGM, 19 March 2012.

The AGM approved the payment of a dividend of EUR 0.99 per class A share and EUR 1.00 per class B share outstanding. The dividend was paid on 29 March 2012.

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 to keep their yearly remuneration unchanged: EUR 80,000 will 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 Jouko Malinen and PricewaterhouseCoopers Ltd were elected as auditors. The decision was taken to pay the auditors' fees in accordance with the invoice.

Organisation of the Board of Directors
On 19 March 2012, the Board of Directors elected Ilkka Herlin to continue as Chairman of the Board and Tapio Hakakari as Vice Chairman. Outi Aaltonen, Senior Vice President, Cargotec's General Counsel, will continue as Secretary to the Board of Directors.

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

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

Shares and trading
Share capital and own shares
Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of June 2012. 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. These shares were repurchased in 2005–2008. Excluding treasury shares held by the company, the number of issued class B shares totalled 51,819,304 at the end of June.

Option programme

In March 2010, the AGM confirmed that stock options will be issued to key personnel of Cargotec and its subsidiaries. On the annual basis, the Board decided on the target group, earnings criteria and option issuance for 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, 1 April 2014–30 April 2016 for stock options 2010B, and 1 April 2015–30 April 2017 for stock options 2010C.

In the spring of 2012, the Board issued stock options to nearly 80 persons, including the members of Cargotec's Executive Board. For the share subscription period for 2010C 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 in the manner decided by the Board of Directors. The criteria for stock options 2010C is operating profit for 2012. The share subscription price for stock option 2010C is EUR 28.80/share. Any dividends will be deducted from the share subscription price each year.

Market capitalisation and trading

At the end of June 2012, the total market value of class B shares was EUR 937 (1,831) million, excluding treasury shares held by the company. The year-end market capitalisation, in which unlisted class A shares are valued at the average price of class B shares on the last trading day of the period, was EUR 1,108 (2,173) million, excluding treasury shares held by the company.

The class B share closed at EUR 18.08 (35.34) on the last trading day of June in NASDAQ OMX Helsinki Ltd. The volume weighted average share price for January–June was EUR 26.05 (34.05), the highest quotation being EUR 33.62 (39.60) and the lowest EUR 16.50 (28.50). During January–June, a total of 36 (21) million class B shares were traded on NASDAQ OMX Helsinki Ltd., corresponding to a turnover of EUR 931 (700) million. In addition to NASDAQ OMX Helsinki Ltd., a total of 25 (16) million class B shares were traded in several alternative market places, corresponding to a turnover of EUR 672 (544) million. Shares were mainly traded in BATS Chi-X CXE and Turquoise.

Events after the period

In July, Cargotec announced plans to establish a joint venture with China National Heavy Duty Truck Group Co., Ltd (CNHTC), a leading Chinese manufacturer of heavy duty trucks and the parent company of Sinotruk. This will enable Cargotec to expand its presence in the Chinese load handling market. Cargotec would have 50 percent ownership in the joint venture. Over a planning horizon of several years, the total investment costs of the joint venture would be around EUR 100 million. Cargotec's estimated equity investment during the first year is approximately EUR 10 million. The transaction is subject to the relevant regulatory approvals, which are expected in the next six to nine months.

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. Economic development for 2012 is characterised by uncertainty. This is affecting Europe in particular and could be amplified by risks associated with foreign exchange market volatility and the financial sector. Such uncertainty is impinging on Cargotec's ability to forecast and could quickly lead to weaker demand for its products and bleaker short-term prospects.

Possible softening of the markets becomes initially evident in demand for load handling equipment. These products have an order lead time of three to four months, whereas other Cargotec products have a clearly longer lead time. If demand weakens rapidly, Cargotec will not necessarily be able to react quickly enough, which could erode profitability.

Credit loss levels can rise alongside deterioration in the market situation. In addition, liquidity among customers could diminish as credit availability tightens. Cargotec is dependent on component suppliers. A deterioration in their economic situation could lead to delivery problems.

During 2012, Cargotec is engaged in several major port automation projects. In order to manage the associated business risks, these require close management of both the project itself and, in particular, the supply chain.

Outlook for 2012 (published 12 June 2012)
Cargotec's 2012 operating profit margin is expected to be approximately 6 percent. Sales are expected to grow from 2011.

Financial calendar 2012
January–September 2012 interim report, Thursday, 25 October 2012

Helsinki, 19 July 2012
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Condensed consolidated statement of income

MEUR	4-6/2012	4-6/2011	1-6/2012	1-6/2011	1-12/2011
Sales	**850.4**	**795.1**	**1,643.4**	**1,557.7**	**3,138.7**
Cost of goods sold	-685.0	-625.7	-1,320.2	-1,240.4	-2,480.9
Gross profit	**165.3**	**169.4**	**323.3**	**317.3**	**657.8**
Gross profit, %	*19.4*	*21.3*	*19.7*	*20.4*	*21.0*
Costs and expenses	-124.4	-115.7	-244.8	-213.0	-451.3
Share of associated companies' and joint ventures' net income	0.2	0.3	0.3	0.4	0.5
Operating profit	**41.2**	**54.0**	**78.7**	**104.6**	**207.0**
Operating profit, %	*4.8*	*6.8*	*4.8*	*6.7*	*6.6*
Financing income and expenses	-2.2	-3.5	-5.0	-7.7	-15.1
Income before taxes	**39.0**	**50.5**	**73.7**	**96.9**	**191.9**
Income before taxes, %	4.6	6.3	*4.5*	*6.2*	*6.1*
Income taxes	-9.7	-7.9	-18.2	-18.2	-42.7
Net income for the period	**29.3**	**42.5**	**55.5**	**78.7**	**149.3**
Net income for the period, %	3.4	5.4	*3.4*	*5.1*	*4.8*
Net income for the period attributable to:					
Equity holders of the company	29.2	42.4	55.2	78.5	148.6
Non-controlling interest	0.1	0.1	0.3	0.2	0.6
Total	**29.3**	**42.6**	**55.5**	**78.7**	**149.3**
Earnings per share for profit attributable to the equity holders of the company:					
Basic earnings per share, EUR	0.48	0.69	0.90	1.28	2.42
Diluted earnings per share, EUR	0.48	0.69	0.90	1.28	2.42

Consolidated statement of comprehensive income

MEUR	4-6/2012	4-6/2011	1-6/2012	1-6/2011	1-12/2011
Net income for the period	29.3	42.5	55.5	78.7	149.3
Gain/loss on cash flow hedges	-23.1	-4.7	-13.0	18.8	-13.1
Gain/loss on cash flow hedges transferred to statement of income	5.5	-10.9	3.2	-15.5	-18.8
Translation differences	28.8	-22.3	31.7	-43.7	20.4
Taxes relating to components of other comprehensive income	1.3	10.9	-3.1	5.4	6.3
Comprehensive income for the period	**41.9**	**15.4**	**74.3**	**43.6**	**144.1**
Comprehensive income for the period attributable to:					
Equity holders of the company	41.8	15.4	73.9	43.5	143.7
Non-controlling interest	0.1	0.1	0.5	0.2	0.4
Total	**41.9**	**15.4**	**74.3**	**43.6**	**144.1**

The notes are an integral part of these interim consolidated financial statements.

Condensed consolidated statement of financial position

ASSETS, MEUR	30 Jun 2012	30 Jun 2011	31 Dec 2011
Non-current assets			
Intangible assets	1,024.7	940.1	981.0
Property, plant and equipment	287.0	285.1	283.4
Loans receivable and other interest-bearing assets	10.2	9.5	8.4
Investments in associated companies and joint ventures	28.8	10.7	10.6
Non-interest-bearing assets	160.8	117.4	164.5
Total non-current assets	**1,511.5**	**1,362.8**	**1,447.8**
Current assets			
Inventories	860.4	750.0	821.3
Loans receivable and other interest-bearing assets	1.7	6.7	1.1
Accounts receivable and other non-interest-bearing assets	724.8	659.0	632.5
Cash and cash equivalents	110.2	128.2	203.7
Total current assets	**1,697.0**	**1,543.9**	**1,658.7**
Assets held for sale	**13.3**	**-**	**13.4**
Total assets	**3,221.9**	**2,906.7**	**3,119.9**

EQUITY AND LIABILITIES, MEUR	30 Jun 2012	30 Jun 2011	31 Dec 2011
Equity			
Equity attributable to the equity holders of the company	1,186.8	1,072.1	1,173.2
Non-controlling interest	3.6	4.1	4.0
Total equity	**1,190.4**	**1,076.2**	**1,177.1**
Non-current liabilities			
Interest-bearing liabilities	463.0	345.3	420.5
Deferred tax liabilities	54.8	48.2	51.4
Provisions	33.6	26.0	33.4
Pension obligations and other non-interest-bearing liabilities	64.7	76.0	76.8
Total non-current liabilities	**616.1**	**495.4**	**582.1**
Current liabilities			
Interest-bearing liabilities	168.4	115.8	97.9
Provisions	72.8	64.0	69.4
Advances received	357.0	377.2	402.6
Accounts payable and other non-interest-bearing liabilities	817.1	778.1	790.6
Total current liabilities	**1,415.3**	**1,335.0**	**1,360.5**
Liabilities directly associated with assets held for sale	**-**	**-**	**0.2**
Total equity and liabilities	**3,221.9**	**2,906.7**	**3,119.9**

The notes are an integral part of these interim consolidated financial statements.

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 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
Cash flow hedges				2.6		2.6		2.6
Translation differences			37.6			-37.6	-0.1	-37.6
Total other comprehensive income for the period*			**37.6**	**2.6**	**78.5**	**43.5**	**0.2**	**43.6**
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
Transactions with owners of the company					**-36.7**	**-36.7**	**0.3**	**-36.5**
Equity on 30 Jun 2011	**64.3**	**98.0**	**49.2**	**35.9**	**824.7**	**1,072.1**	**4.1**	**1,076.2**
Equity on 1 Jan 2012	**64.3**	**98.0**	**105.6**	**9.6**	**895.7**	**1,173.2**	**4.0**	**1,177.1**
Net income for the period					55.2	55.2	0.3	55.5
Cash flow hedges				-7.7		-7.7		-7.7
Translation differences			26.3			26.3	0.1	26.5
Total other comprehensive income for the period*			**26.3**	**-7.7**	**55.2**	**73.9**	**0.4**	**74.3**
Dividends paid					-61.3	-61.3		-61.3
Share-based incentives, value of received services*					0.2	0.2		0.2
Transactions with owners of the company					**-61.1**	**-61.1**	**0.0**	**-61.1**
Acquisition of non-controlling interest					0.8	0.8	-0.8	0.0
Changes in ownership interest in subsidiaries					**0.8**	**0.8**	**-0.8**	**0.0**
Equity on 30 Jun 2012	**64.3**	**98.0**	**131.9**	**1.9**	**890.7**	**1,186.8**	**3.6**	**1,190.4**

* Net of tax

The notes are an integral part of these interim consolidated financial statements.

Condensed consolidated statement of cash flows

MEUR	1-6/2012	1-6/2011	1-12/2011
Net income for the period	55.5	77.8	149.3
Depreciation and impairments	32.1	31.9	63.3
Other adjustments	22.9	24.8	53.8
Change in working capital	-138.3	-62.9	-100.1
Cash flow from operations	**-27.8**	**71.6**	**166.3**
Cash flow from financial items and taxes *	-38.3	-42.0	-63.4
Cash flow from operating activities	**-66.1**	**29.5**	**102.9**
Acquisitions, net of cash acquired	-22.0	-132.6	-131.1
Divestments, net of cash sold	10.5	-	-
Investments in associated companies and joint ventures	-18.1	-	-
Cash flow from investing activities, other items	-45.4	-26.7	-54.2
Cash flow from investing activities	**-75.0**	**-159.3**	**-185.3**
Proceeds from share subscriptions	-	-	-
Acquisition of treasury shares	-	-	-
Proceeds from long term borrowings	54.9	-	120.2
Repayments of long term borrowings	-30.8	-12.8	-102.1
Proceeds from short term borrowings	81.1	1.0	5.7
Repayments of short term borrowings	-3.6	-7.8	-5.6
Dividends paid	-61.3	-37.3	-37.4
Cash flow from financing activities	**40.2**	**-56.9**	**-19.1**
Change in cash	**-100.9**	**-186.7**	**-101.5**
Cash, cash equivalents and bank overdrafts at the beginning of period	200.4	303.5	303.6
Effect of exchange rate changes	2.6	-2.2	-1.6
Cash, cash equivalents and bank overdrafts at the end of period	**102.2**	**114.6**	**200.4**
Bank overdrafts at the end of period	8.0	13.6	3.3
Cash and cash equivalents at the end of period	**110.2**	**128.2**	**203.7**

* Cash flow from financial items and taxes include 1-6/2012 EUR 0.3 (1-6/2011 - and 1-12/2011 0.4) million capitalised interests.

The notes are an integral part of these interim consolidated financial statements.

Key figures

		1-6/2012	1-6/2011	1-12/2011
Equity/share	EUR	19.35	17.48	19.12
Interest-bearing net debt	MEUR	496.8	334.9	298.9
Total equity/total assets	%	41.6	42.5	43.3
Gearing	%	41.7	31.1	25.4
Return on equity	%	9.4	14.7	13.3
Return on capital employed	%	9.8	14.0	13.3

Notes to the interim financial information

1. General information
Cargotec Corporation is a limited liability company domiciled in Helsinki, Finland. The registered address is Sörnäisten rantatie 23, 00500 Helsinki, Finland.

Cargotec Corporation and its subsidiaries form the Cargotec Group (later referred to as Cargotec or company). Cargotec Corporation class B shares are listed on the NASDAQ OMX Helsinki since 1 June 2005.

This interim report is unaudited.

2. Accounting principles and new accounting standards
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 2011.
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 2012:

Starting from 1 January, 2012 Cargotec has adopted the following amended standards published in 2010 by the IASB:
- IFRS 7 Financial instruments: Disclosures (amendment). Amendment enhances disclosures about transfers of financial assets. Aforementioned change has no material impact on the financial statements.

Restatement of reporting segments' comparable figures
As of 1 January 2012, Cargotec has three reporting segments, Marine, Terminals and Load Handling. At the same time the definition of Services business was clarified. Reporting segments' financial information for comparable periods has been restated accordingly.

3. Segment information

Sales, MEUR	1-6/2012	1-6/2011	1-12/2011
Marine	556	632	1,213
Terminals	674	544	1,159
Load Handling	414	382	769
Internal sales	0	-1	-2
Total	**1,643**	**1,558**	**3,139**

Operating profit, MEUR	1-6/2012	1-6/2011	1-12/2011
Marine	73.7	89.2	176.2
Terminals	17.7	28.3	55.9
Load Handling	13.1	12.1	20.6
Corporate administration and support functions	-25.7	-25.0	-45.7
Total	**78.7**	**104.6**	**207.0**

Operating profit, %	1-6/2012	1-6/2011	1-12/2011
Marine	13.2	14.1	14.5
Terminals	2.6	5.2	4.8
Load Handling	3.2	3.2	2.7
Cargotec	4.8	6.7	6.6

Sales by geographical area, MEUR	1-6/2012	1-6/2011	1-12/2011
EMEA	638	655	1,264
Asia-Pacific	603	611	1,231
Americas	403	292	644
Total	**1,643**	**1,558**	**3,139**

Sales by geographical area, %	1-6/2012	1-6/2011	1-12/2011
EMEA	38.8	42.0	40.3
Asia-Pacific	36.7	39.2	39.2
Americas	24.5	18.7	20.5
Total	**100.0**	**100.0**	**100.0**

Orders received, MEUR	1-6/2012	1-6/2011	1-12/2011
Marine	363	534	997
Terminals	812	650	1,464
Load Handling	454	397	776
Internal orders received	-1	-1	-3
Total	**1,629**	**1,580**	**3,233**

Order book, MEUR	30 Jun 2012	30 Jun 2011	31 Dec 2011
Marine	1,171	1,487	1,375
Terminals	1,013	635	865
Load Handling	230	184	189
Internal order book	-2	0	-3
Total	**2,413**	**2,306**	**2,426**

Number of employees at the end of period	30 Jun 2012	30 Jun 2011	31 Dec 2011
Marine	2,071	2,167	2,129
Terminals	5,125	4,983	5,146
Load Handling	3,143	3,490	3,364
Corporate administration and support functions	268	285	289
Total	**10,608**	**10,925**	**10,928**

Average number of employees	1-6/2012	1-6/2011	1-12/2011
Marine	2,101	2,171	2,155
Terminals	5,064	4,568	4,830
Load Handling	3,154	3,429	3,427
Corporate administration and support functions	262	269	281
Total	**10,580**	**10,437**	**10,692**

4. Capital expenditure, depreciation and amortisation

Capital expenditure, MEUR	**1-6/2012**	**1-6/2011**	**1-12/2011**
Intangible assets	13.8	2.4	11.1
Property, plant and equipment	38.5	29.2	65.5
Total	**52.3**	**31.6**	**76.6**

Depreciation, amortisation and impairment, MEUR	**1-6/2012**	**1-6/2011**	**1-12/2011**
Intangible assets	8.7	7.8	16.2
Buildings	3.7	3.7	7.9
Machinery & equipment	19.7	20.3	39.2
Total	**32.1**	**31.9**	**63.3**

5. Taxes in statement of income

MEUR	**1-6/2012**	**1-6/2011**	**1-12/2011**
Current year tax expense	20.5	29.5	60.9
Deferred tax expense	-2.8	-10.5	-18.0
Tax expense for previous years	0.5	-0.8	-0.2
Total	**18.2**	**18.2**	**42.7**

6. Interest-bearing net debt and liquidity

MEUR	**30 Jun 2012**	**30 Jun 2011**	**31 Dec 2011**
Interest-bearing liabilities*	618.9	479.3	512.2
Loans receivable and other interest-bearing assets	-11.8	-16.2	-9.5
Cash and cash equivalents	-110.2	-128.2	-203.7
Interest-bearing net debt	**496.8**	**334.9**	**298.9**
Equity	1,190.4	1,076.2	1,177.1
Gearing	**41.7 %**	**31.1 %**	**25.4 %**

* Includes the hedging of cross-currency risk relating to the USD 300 million Private Placement bond, totalling on 30 Jun 2012, EUR -12.6 (30 Jun 2011: 18.2 and 31 Dec 2011: -6.1) million.

MEUR	**30 Jun 2012**	**30 Jun 2011**	**31 Dec 2011**
Cash and cash equivalents	110.2	128.2	203.7
Committed long-term undrawn revolving credit facilities	300.0	300.0	300.0
Repayments of interest-bearing liabilities in following 12 months	-69.7	-101.7	-94.7
Total liquidity	**340.5**	**326.5**	**409.0**

7. Derivatives

Fair values of derivative financial instruments

MEUR	Positive fair value 30 Jun 2012	Negative fair value 30 Jun 2012	Net fair value 30 Jun 2012	Net fair value 30 Jun 2011	Net fair value 31 Dec 2011
FX forward contracts	32.0	22.5	9.5	10.7	-0.6
Cross-currency and interest rate swaps	27.0	-	27.0	-2.4	22.5
Total	**59.0**	**22.5**	**36.4**	**8.3**	**21.8**
Non-current portion:					
FX forward contracts	4.1	0.7	3.4	2.2	-0.2
Cross-currency and interest rate swaps	27.0	-	27.0	-2.4	22.5
Non-current portion	**31.0**	**0.7**	**30.3**	**-0.2**	**22.2**
Current portion	**28.0**	**21.9**	**6.1**	**8.6**	**-0.4**

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 2012	30 Jun 2011	31 Dec 2011
FX forward contracts	3,817.2	3,213.5	4,054.0
Cross-currency and interest rate swaps	238.3	225.7	231.9
Total	**4,055.5**	**3,439.3**	**4,285.9**

8. Commitments

MEUR	30 Jun 2012	30 Jun 2011	31 Dec 2011
Guarantees	1.0	-	-
End customer financing	10.4	9.4	10.0
Operating leases	72.4	67.4	74.9
Other contingent liabilities	3.1	3.4	3.2
Total	**86.8**	**80.2**	**88.1**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 466.7 (30 Jun 2011 467.6 and 31 Dec 2011: 470.3) million.

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

The future minimum lease payments under non-cancellable operating leases

MEUR	30 Jun 2012	30 Jun 2011	31 Dec 2011
Less than 1 year	21.2	18.3	21.2
1-5 years	34.2	31.9	36.1
Over 5 years	17.0	17.2	17.5
Total	**72.4**	**67.4**	**74.9**

The aggregate operating lease expenses totaled EUR 15.3 (1-6/2011 10.7 and 1-12/2011: 24.5) million.

In 2011, Cargotec Finland Oy received an action brought against the co-operation procedure at the Salo factory in 2008. The case is still on progress. Cargotec finds the action unfounded and inappropriate, denies non-compliance and has made no provision in relation to it.

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

9. Acquisitions

In June Cargotec acquired Asciano Corporate Services Pty Ltd from Asciano, Australia's largest national rail freight and ports operator. The transaction includes the acquisition of Asciano's automation technology assets and transfer of 23 employees. This acquisition supports Cargotec's strategy to strengthen the company's position as a provider of integrated solutions. The acquired business was consolidated in the Terminals segment as of the end of June.

Due to the timing of the acquisition the consolidation of the acquired business is provisional as of 30 June 2012. Fair value measurement of the acquired assets, liabilities and contingent consideration is preliminary and subject to adjustments until the valuation is finalised. In preliminary valuation technology, software, customer relationships and trademark have been identified as acquired intangible assets. According to preliminary valuation the acquisition will generate goodwill which will not be tax-deductible. Goodwill is primarily based on personnel and expected synergy benefits. Cargotec is now able to deliver turnkey solutions for horisontal transportation and yard stacking in automation projects globally.

MEUR	
Purchase price, settled in cash	20.7
Preliminary contingent consideration	1.8
Total consideration	**22.5**
Purchase price, settled in cash	20.7
Cash and cash equivalents acquired	0.0
Cash flow impact	**20.7**

Cargotec has agreed to pay contingent consideration, which is dependent on the license sales of the acquired business during the next seven years.

Transaction costs related to the acquisitions are included in the operating profit of Terminals segment and in other operating expenses in the consolidated statement of income.

In June Cargotec acquired an 11 percent non-controlling interest in a Mexican Hiab S.A de C.V. Subsequent to this transaction Cargotec owns 75% of the shares in the company. Due to the acquisition the non-controlling interests decreased by EUR 0.8 million.

In addition, Cargotec acquired a small business in Poland with EUR 0.2 million in the review period. The acquisition had an immaterial effect to the interim financial statements and no goodwill was recognised.

10. Non-current assets held for sale and companies sold

Non-current assets held for sale include on 30 June 2012 land and real estate property held for sale. The assets are measured to book value EUR 13.3 million according to IFRS 5, as book value is expected to exceed the fair value less costs to sell.

Assets of disposal group classified as held for sale

MEUR	30 Jun 2012	30 Jun 2011	31 Dec 2011
Goodwill	-	-	2.1
Property, plant and equipment	13.3	-	6.0
Inventory	-	-	5.3
Total	**13.3**	**0.0**	**13,4**

Liabilities of disposal group classified as held for sale

MEUR	30 Jun 2012	30 Jun 2011	31 Dec 2011
Other non-interest-bearing liabilities	-	-	0.2
Total	**-**	**-**	**0.2**

In November 2011, Cargotec and Komas signed a letter of intent to develop a long-term sourcing partnership and sell the component manufacturing operations in Narva, Estonia to Komas. Items related to the letter of intent were presented as held for sale in the balance sheet on 31 December 2011. The deal was finalized in February 2012.

Sold net assets, MEUR	
Intangible assets	2.1
Property, plant and equipment	6.0
Inventories	4.9
Accounts receivable and other non-interest-bearing assets	2.2
Cash and cash equivalents	0.7
Accounts payable and other non-interest-bearing liabilities	-2.6
Net assets	**13.2**
Total consideration	13.2
Gain on sale	**0.0**

Cash flow impact, MEUR	1-6/2012
Consideration received in cash	13.2
Cash and cash equivalents sold	-0.7
Consideration receivable	-2.1
Cash flow impact	**10.5**

11. Investments in joint ventures

After receiving regulatory approvals, Cargotec has established a joint venture Rainbow-Cargotec Industries Co Ltd (RCI) with Jiangsu Rainbow Heavy Industries Co., Ltd. (RHI) in China. Cargotec's ownership in the joint venture is 49 percent. Cargotec's equity investment in the joint venture is some EUR 30 million of which 18.1 million have been invested during the period. The remaining EUR 12 million is expected to be booked in the third quarter of 2012.

12. Events after the balance sheet date

In July, Cargotec announced plans to establish a joint venture with China National Heavy Duty Truck Group Co., Ltd (CNHTC), a leading Chinese manufacturer of heavy duty trucks and the parent company of Sinotruk. This will enable Cargotec to expand its presence in the Chinese load handling market. Cargotec would have 50 percent ownership in the joint venture. Over a planning horizon of several years, the total investment costs of the joint venture would be around EUR 100 million. Cargotec's estimated equity investment during the first year is approximately EUR 10 million. The transaction is subject to the relevant regulatory approvals, which are expected in the next six to nine months.

Key exchange rates for the Euro

Closing rate	30.6.2012	30.6.2011	31.12.2011
SEK	8.773	9.174	8.912
USD	1.259	1.445	1.294

Average rate	1-6/2012	1-6/2011	1-12/2011
SEK	8.876	8.927	9.004
USD	1.302	1.411	1.395

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		Q2/2012	Q1/2012	Q4/2011	Q3/2011	Q2/2011
Orders received	MEUR	892	737	842	811	761
Order book	MEUR	2,413	2,342	2,426	2,349	2,306
Sales	MEUR	850	793	828	753	795
Operating profit	MEUR	41.2	37.6	48.0	54.4	54.0
Operating profit	%	4.8	4.7	5.8	7.2	6.8
Basic earnings/share	EUR	0.48	0.42	0.56	0.58	0.69

Marine		Q2/2012	Q1/2012	Q4/2011	Q3/2011	Q2/2011
Orders received	MEUR	185	178	216	246	248
Order book	MEUR	1,171	1,255	1,375	1,407	1,487
Sales	MEUR	275	281	284	297	310
Operating profit	MEUR	35.8	37.9	42.9	44.0	45.9
Operating profit	%	13.0	13.5	15.1	14.8	14.8

Terminals		Q2/2012	Q1/2012	Q4/2011	Q3/2011	Q2/2011
Orders received	MEUR	499	313	425	389	318
Order book	MEUR	1,013	860	865	755	635
Sales	MEUR	365	309	337	278	284
Operating profit	MEUR	12.6	5.0	10.3	17.3	13.3
Operating profit	%	3.5	1.6	3.1	6.2	4.7

Load Handling		Q2/2012	Q1/2012	Q4/2011	Q3/2011	Q2/2011
Orders received	MEUR	208	246	202	177	195
Order book	MEUR	230	229	189	189	184
Sales	MEUR	211	202	208	178	202
Operating profit	MEUR	5.4	7.6	5.2	3.3	8.5
Operating profit	%	2.6	3.8	2.5	1.9	4.2