Cargotec's Interim Report

January–September 2008

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Cargotec

Cargotec's Interim Report for January–September 2008

- Cargotec's restructuring measures announced in September aim, in addition to adjusting capacity, at an annual result improvement of approximately EUR 25 million. The plan affects some 700 people. The savings actions are expected to result in costs and asset write downs of approximately EUR 35 million.

- Orders received during January–September 2008 totalled EUR 3,136 (2,892) million. During the third quarter, orders received were EUR 967 (1,028) million.
- The order book continued to strengthen, reaching EUR 3,486 (December 31, 2007: 2,865) million, at the end of the reporting period.
- Sales grew in January–September by 15 percent, amounting to EUR 2,476 (2,151) million with services sales representing 26 (25) percent of total sales. Sales for the third quarter were EUR 848 (713) million.
- Operating profit for January–September was EUR 156.9 (156.8) million with EUR 49.6 (52.5) million attributable to the third quarter. Operating margin for January–September was 6.3 (7.3) percent and 5.8 (7.4) for the third quarter.
- Cash flow from operating activities before financial items and taxes totalled EUR 158.1 (138.8) million.
- Net income for the reporting period amounted to EUR 111.9 (109.5) million.
- Earnings per share for January–September were EUR 1.77 (1.72).
- The number of personnel totalled 12,000 (December 31, 2007: 11,187) at the end of September.
- The market situation in the large project side of container handling is healthy, and offers are at a high level. On the other hand in construction related customer segments in Europe and the US the market situation in load handling has further weakened from September. The ship building market is evening out as earlier expected. Order intake in the final quarter of the year is according to earlier expectations expected to be below the high level of previous quarters. Cargotec's 2008 sales growth is expected to be approximately 13 percent. The growth rate in the final quarter is likely to slow from January–September due to the economic uncertainty and a possibility of project deliveries being delayed. Operating margin for full year 2008 is estimated to be at the January–September margin level. The margin estimate is excluding the expected costs and asset write downs from restructuring operations, in total approximately EUR 35 million.

Operating Environment

The markets for load handling equipment weakened during the third quarter in Western Europe. The construction industry decline visible in Southern Europe during the first half of 2008 expanded into the rest of Western Europe lowering order intake in the third quarter. In Asia Pacific, growth remained healthy, with the exception of Japan. In the United States, demand for load handling equipment continued weak.

The markets for container handling equipment remained healthy. The market for reachstackers, straddle carriers and rubber-tyred gantry (RTG) cranes were especially active. Due to economic uncertainty, demand for medium and light fork lift trucks as well as terminal tractors in mature markets weakened towards the end of the third quarter. Port operators' interest in automation remained strong. Several automation projects are in simulation and planning phase.

The markets for marine cargo flow systems and offshore solutions continued to be lively. Demand for ship cranes, hatch covers and cargo securing systems remained high, reflecting strong demand for equipment for bulk carriers and general cargo vessels. The turbulence in the financial markets is expected to slow down new ship orders for the remainder of the year. Container ship market weakened during the third quarter. Demand for offshore solutions remained lively.

Demand for services remained favourable in the third quarter: customers are increasingly interested in improving their operational flexibility. In emerging markets, high usage rates of equipment supported demand for services. Service demand in Europe remained healthy. In the US, the further weakened economic environment affected demand for services. Demand for marine cargo services was supported by high activity in repair ship yards.

Orders Received

Orders received by Cargotec in January–September totalled EUR 3,136 (2,892) million. The value of orders secured during the third quarter was EUR 967 (1,028) million.

Orders received, MEUR	1-9/2008	1-9/2007	1-12/2007
Hiab	661	731	985
Kalmar	1,217	1,083	1,429
MacGREGOR	1,264	1,080	1,696
Internal orders received	-7	-3	-4
Total	3,136	2,892	4,106

Hiab

Of total orders received in January–September, Hiab accounted for EUR 661 (731) million while its share of orders received in July–September was EUR 194 (223) million. Orders received have declined as a result of a drop in demand in construction related customer segments in the US and also in Western Europe during the third quarter.

Hiab secured a large number of small individual orders, which is typical of its operations. Demand for demountable systems continued healthy, Hiab booking an order for 90 of such units during the second quarter to be delivered to the United Kingdom's Ministry of Defence. Furthermore, Hiab delivered demountables and deep waste collection units to the Olympic Village in Beijing, China.

In September, Hiab received an order from BAE Systems Inc. in the US, which specialises in the development, delivery and support of advanced defence and aerospace systems. The order includes 428 loader cranes and 32 hooklifts. A major part of the order was booked in the third quarter. Delivery of the equipment will start during the fourth quarter of 2008, with most of the deliveries taking place during 2009.

Kalmar

Of total orders received in January–September, Kalmar accounted for EUR 1,217 (1,083) million while its share of orders received in July–September was EUR 365 (324) million. A major part of the big orders received will be delivered in 2009. Several orders include navigation, container position verification and remote monitoring systems developed by Kalmar. Order intake for reachstackers was on a record high level during the third quarter.

During the third quarter, Kalmar booked a significant order for E-One+ rubber-tyred gantry cranes (RTG) from South Africa. A total of 32 RTGs will be delivered to Transnet Port Terminal in Cape Town, South Africa starting in the summer of 2009 with the last units arriving in autumn 2010.

During the reporting period, Kalmar also received an order of seven E-One+ rubber-tyred gantry cranes (RTG) and 10 reachstackers from Indian Arshiya International. The delivery of this equipment is scheduled to start at the end of 2008.

In June, Kalmar received an order for 30 terminal tractors, seven E-One+ rubber-tyred gantry cranes (RTG) and five reachstackers from Sociedad Portuaria Regional de Cartagena (SPRC) of Colombia. This equipment will operate at SPRC's new Contecar terminal in Cartagena. The smaller equipment is scheduled to be on-site by November, and the RTGs will be operational by May 2009.

In May, Kalmar received an order for 30 straddle carriers from Transnet Port Terminals (TPT) of South Africa. The deliveries to TPT's container terminal in the Port of Durban began in the summer, with the final units arriving in January 2009.

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

During the first quarter, Kalmar received E-One+ rubber-tyred gantry cranes (RTG) orders from, for example, Vietnam, Thailand, India, Brazil and Morocco. Kalmar will deliver 17 of these cranes to Vietnam International Container Terminals' Ho Chi Minh City facility between 2008 and 2010. LCMT Company Ltd. from Thailand ordered six RTGs for its terminal at the Port of Laem Chabang. The cranes are due to for delivery by March 2009. Kalmar will also deliver 11 RTGs to Gateway Terminals India at Nhava Sheva in January 2009. South America's largest container terminal operator, Santos Brasil S/A, ordered 12 RTGs for delivery by March 2009. Furthermore, Somaport operating in the port of Casablanca, Morocco, ordered ten RTGs to be delivered in early 2009.

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

MacGREGOR

Of total orders received during the reporting period, MacGREGOR accounted for EUR 1,264 (1,080) million while its share of orders received in July–September was EUR 411 (483) million. Orders received were still on a high level reflecting the high volumes in ship orders during early 2008.

During the third quarter, MacGREGOR received significant hatch cover, ship crane and RoRo equipment orders from Korea, Singapore, China and Japan. A total of 39 hatch covers will be delivered for container ships. An order of new ship cranes and hatch covers for four heavy-lift vessels was received from Singapore. RoRo equipment and hoistable car decks will be delivered for 16 pure car/truck carriers in 2009–2011.

In August, the Offshore division received a major order for two active heave compensated offshore cranes from a Finnish Finstaship. The cranes will delivered during the second half of 2010.

During the second quarter, MacGREGOR obtained extensive hatch cover and RoRo equipment orders, mainly from Korea and Japan. The hatch cover orders are for a large number of container and bulk vessels to be delivered in 2009–2012. The RoRo equipment orders include the design and manufacture of RoRo equipment as well as hoistable car decks for four deep-sea ConRos (vessels carrying both container and RoRo cargo). The equipment will be delivered in 2010–2011.

In June, MacGREGOR signed a contract to supply self-loading and unloading cement handling systems for three cement carriers. Deliveries of the systems will begin during summer 2009.

In May, the Offshore division received a crane order from the US-based Edison Chouest Offshore, its third within 18 months. The cranes will be delivered by the first quarter of 2009. Furthermore, a large number of orders were received, in particular for davits, for delivery during 2008–2009.

During the first quarter, MacGREGOR received a large number of ship crane and hatch cover orders, mainly from China and Korea. MacGREGOR will deliver a total of 276 bulk handling cranes for vessels, to be delivered to ship owners in Germany, Singapore, China and Korea. MacGREGOR also agreed to deliver hatch covers for 70 container vessels, 120 bulk vessels and 41 general cargo ships. The equipment will be delivered in 2009–2011.

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

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

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

Cargotec Services

The services market continued to be active, which was reflected in the number of maintenance and modernisation contracts as well as spare part orders received. Maintenance contracts were received from European as well as emerging market customers in for example India, Russia and Africa. Cargotec continued to enhance its service network.

The market for ship conversions was very active and several orders were received to be carried out during 2008–2009. However, the economic uncertainty has slowed down demand recently. In September, hatch cover conversion orders were received for four tankers converted into bulkers from Everlast Shipping S.A. in Greece. These new orders follow an earlier order received at the end of last year from the same owner. Contracts received during May include one for the supply of electrically driven hoistable car decks for Finnlines' two RoRo vessels as well as a contract for the conversion of control systems on a vessel.

In May, a five-year operation and maintenance contract for rubber-tyred gantry cranes (RTG) and reachstackers was signed with Arshiya International in Mumbai, India and a three-year leasing and full maintenance contract for reachstackers in the port of Gothenburg, Sweden.

Additional contracts include from April a five-year full maintenance contract on four ship-to-shore cranes that will be operated in the port of Vuosaari, Finland. Another contract in the same port covers the maintenance of straddle carriers, terminal tractors and reachstackers.

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

During the first quarter, a major maintenance contract for ship unloaders was received from the Philippines.

Order Book

Cargotec's order book totalled EUR 3,486 (December 31, 2007: 2,865) million on September 30, 2008. Of the order book, Hiab accounted for EUR 229 (260) million, Kalmar EUR 778 (660) million, and MacGREGOR EUR 2,480 (1,946) million. An estimated over 80 percent of MacGREGOR's order book will be delivered by the end of 2010.

Order book, MEUR	30.9.2008	30.9.2007	31.12.2007
Hiab	229	255	260
Kalmar	778	684	660
MacGREGOR	2,480	1,614	1,946
Internal order book	-1	0	-1
Total	3,486	2,552	2,865

Sales

Cargotec's sales grew by 15 percent January–September and totalled EUR 2,476 (2,151) million. Organic growth was 12 percent. This is a result of increased delivery volumes in Kalmar and MacGREGOR.

Sales for the third quarter were EUR 848 (713) million. Hiab's sales amounted to EUR 209 (202) million, Kalmar's EUR 386 (326) million and MacGREGOR's EUR 256 (187) million.

Sales, MEUR	1-9/2008	1-9/2007	1-12/2007
Hiab	691	687	931
Kalmar	1,103	979	1,343
MacGREGOR	687	487	748
Internal sales	-6	-2	-4
Total	2,476	2,151	3,018

Sales for services in January–September increased by 17 percent year-on-year and amounted to EUR 639 (546) million, representing 26 (25) percent of total sales. This growth was boosted by strong demand for spare parts and maintenance agreements. Services accounted for 23 (17) percent of January–September sales at Hiab, 29 (30) percent at Kalmar, and 23 (27) percent at MacGREGOR.

Financial Result

Cargotec's operating profit for January–September totalled EUR 156.9 (156.8) million, representing 6.3 (7.3) percent of sales. The operating profit includes a EUR 4.9 (4.6) million cost impact from the purchase price allocation treatment of acquisitions and EUR 5 million in costs from the On the Move change programme.

Hiab's profitability for January–September was weakened by lower demand, especially in the United States but also in some European countries, increased raw material and component prices and the slower and more expensive than expected ramp-up of the component factory in Narva, Estonia. Kalmar's result was weakened by a EUR 4 million project cost provision booked in the first quarter and a EUR 5 million project cost provision booked in the third quarter. MacGREGOR's profitability development was in line with expectations.

The weakened market situation weighed on the third quarter result. Due to this, planning of restructuring measures was initiated in September. They are estimated to affect some 700 people. The measures are aimed at adjusting capacity in Hiab to be in line with the prevailing market situation and improving Hiab's and Kalmar's profitability.

Operating profit for the third quarter was EUR 49.6 (52.5) million, equal to 5.8 (7.4) percent of sales. Hiab accounted for EUR 9.5 (13.7) million of the third quarter operating profit, Kalmar for EUR 25.8 (27.8) million, and MacGREGOR for EUR 19.1 (15.0) million.

Net income for January–September was EUR 111.9 (109.5) million and earnings per share EUR 1.77 (1.72).

Balance Sheet, Financing and Cash Flow

On September 30, 2008, Cargotec's net working capital increased to EUR 285 (December 31, 2007: 253) million. The amount of capital tied in components and unfinished products continued to increase. At the same time, the amount of net working capital employed was positively impacted by a further increase in the amount of advances received. Tangible assets on the balance sheet were EUR 273 (254) million and intangible assets EUR 777 (751) million.

Cash flow from operating activities before financial items and taxes for January–September was EUR 158.1 (138.8) million. The dividend payment in January–September totalled EUR 65.9 (63.9) million and acquisitions amounted to EUR 40.4 (169.3) million. Net debt was EUR 389 (December 31, 2007: 304) million. The total equity/total assets ratio was 35.3 (38.3) percent while gearing increased to 44.1 (33.9) percent.

Cargotec's financing structure is healthy. Interest-bearing debt consists mainly of long-term corporate bonds maturing from the year 2012 onwards. On September 30, 2008, Cargotec had EUR 635 million of unused credit facilities.

Return on equity for January–September was 16.8 (16.7) percent and return on capital employed was 15.1 (17.6) percent.

New Products and Product Development

In January–September, Cargotec's research and product development expenditure was EUR 33.3 (33.2) million, representing 1.3 (1.5) percent of sales.

In April, Cargotec opened an engineering centre in Pune, India, providing engineering resources in emerging markets in support of product development that better responds to local needs. The engineering centre has been established as a resource pool for Cargotec R&D centres around the world. It covers various engineering activities from drafting to structural analysis as well as software engineering. It is planned that the operation will involve over 50 persons by the end of the year.

In September, Hiab expanded its crane offering with a solution that fulfils the new EU-standard and enables using truck-mounted cranes to lift personnel baskets.

Hiab introduced a new automatic load covering system to be used with demountable units when transporting waste and recycling materials.

During the first quarter, Hiab opened a state-of-the-art crane-testing centre at its loader crane production facility in Hudiksvall, Sweden. The centre offers Hiab and other business areas the opportunity to test more and longer cranes and components as well as ensuring that testing is more precise than before.

Earlier this year Kalmar launched the Pro Future™ concept encompassing all of its environmentally friendly equipment. This equipment will be rated against five ecological decision-making drivers: source of power, energy efficiency, emissions, noise pollution and recyclability.

During the third quarter, Kalmar introduced two new Pro Future™ solutions: a variable speed rubber-tyred gantry crane and a variable speed electric straddle carrier. Variable speed technology (VSG) enables the engine and generator speed to be reduced to the optimum level, enabling fuel savings and carbon dioxide emission cuts of up to 10–15 percent compared to standard electric driven equipment. This technology effectively meets end customer expectations due to its reduction of fuel consumption and noise levels, its improvement of engine life time cycles and the extra cost involved being lower than for hybrid solutions. Additionally, an electric forklift truck was launched in the medium lift range.

Earlier this year, Kalmar introduced two Pro Future™ solutions: an AC electrical forklift truck for empty container handling and a hybrid straddle carrier. The hybrid straddle carrier is the market's first self-charging carrier which, thanks to its speed control, energy storage and recycling technology, enables fuel savings and carbon dioxide emission cuts of up to 25–30 percent compared to standard straddle carriers. Kalmar received the first order for a hybrid straddle carrier during the third quarter. During the reporting period, Kalmar also introduced a new medium range terminal tractor offering better ergonomics and driver comfort as well as lower noise levels than earlier models.

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

MacGREGOR continued to develop electronically operated cargo handling solutions and a new ship crane control system. The Offshore division focused on the development of deck equipment enabling the use of cranes in difficult weather conditions and when operating in deep waters. In September, MacGREGOR signed the first contract to deliver totally electrically-driven sets of RoRo equipment to two pure car/truck carriers.

In February, MacGREGOR signed an agreement with the US Navy on the development of a ship-to-ship vehicle transfer system. With the help of this system, large vehicles can be transferred from one ship to another while the ships are in motion. The prototype of the system will be delivered by the end of 2009.

Capital Expenditure

Cargotec's capital expenditure for January–September, excluding acquisitions and customer financing, totalled EUR 47.1 (38.0) million. Investments in customer financing were EUR 26.0 (23.5) million.

In April, Cargotec formed a subsidiary, Cargotec Port Security, to develop enhanced container security solutions. Cargotec has been exploring and investing in the area of radiation detection in container security for the past two years. It has entered into an exclusive global technical licensing agreement with the US-based Innovative American Technology, and has successfully field tested spreader-mounted radiation detection.

During the second quarter, Hiab initiated the extension of a tail lift production plant in Oborniki, Poland. The project will be completed during 2008. In Korea, Hiab is investing in a new painting line at the loader cranes production unit. Another project was finalised in Raisio, Finland, resulting in a major increase in the production capacity of demountable systems due to the implementation of a more competitive production process.

During the second quarter, Kalmar started to expand its production facility for rough-terrain container handling equipment in Cibolo, Texas, USA as well as initiating an expansion of capacity in Ipoh, Malaysia for container spreaders. Investments in the first quarter include expanding its presence in the Americas by opening a new sales company in Mexico as well as a new service unit in Zeebrugge, Belgium.

In March, MacGREGOR opened a new offshore equipment production unit in Tianjin, China, approximately half of its production being delivered to various parts of China. The new unit also enables production optimisation and efficiency improvements in the offshore production units of Norway and Singapore. Part of offshore cranes production has been moved from Norway to Singapore to make room for the increased production of bigger size cranes in Norway. The additional capacity provided by the company's own investments as well as investments made by its partners will play an important role in the ongoing major increase in deliveries.

On the Move change programme

In January, Cargotec announced the launch of an extensive On the Move change programme aiming at a profitability improvement of EUR 80–100 million. The change programme aims to form a basis for profitable growth through improved customer focus and efficiency. The projects in the first phase have focused on streamlining support functions and company structure as well as initiating IT projects that improve efficiency. The country structure streamlining started in Finland has been expanded to several countries. In Finland and Sweden all operations will be transferred to one company per country at the year-end. These projects are, due to an accelerated timetable, expected to incur costs of approximately EUR 10 million in 2008, which is clearly more than expected in the beginning of the year.

In order to improve closeness to customers Hiab, Kalmar and MacGREGOR have changed their structure towards more customer oriented organizations during the reporting period.

During the third quarter, the focus was on developing the global supply footprint closer to customers as well as towards lower cost environments. To improve the supply chain, Cargotec is planning to establish a new assembly factory in Poland mainly for Kalmar equipment.

The first joint supply chain projects are proceeding in China and Estonia. The production capacity in Shanghai, China will be doubled. The expansion will include moving Hiab's assembly unit to the same site as the existing Kalmar facility. The capacity and productivity of the production unit in Narva, Estonia, acquired in 2007, are being upgraded in order to meet increased component needs. Investments initiated so far to expand Cargotec's global supply footprint are expected to amount to close to EUR 50 million for 2008.

Acquisitions

During January–September, Cargotec completed seven acquisitions, of which four were in Hiab's business area.

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

In August, Kalmar signed an agreement to acquire Argentina-based Equipos y Servicios para Terminales y Puertos SRL (ESTP). The company has been appointed as Kalmar's dealer for Argentina, Uruguay and Paraguay. In addition to new equipment distribution, the company provides equipment commissioning, technical and spare part support, and equipment repair and refurbishment in South America. The company's sales in 2007 were close to EUR 1 million and it employs 17 people.

In June, Hiab concluded an agreement to acquire the business of a long-term distributor of tail lifts in New Zealand. In addition to tail lift sales, the business comprises installation, repairs, maintenance and spare parts sales. The acquisition was closed in July.

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

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

In February, Hiab also agreed to acquire UK-based Del Equipment (UK) Limited and US-based Ultron Lift Corp. Both of these companies manufacture tail lifts. The aggregate sales of the companies in 2007 were approximately EUR 23 million and the companies employ 164 persons.

In April, MacGREGOR signed an agreement to acquire US-based Platform Crane Service, Inc (PCS). The sales of the company in 2007 totalled USD 16 million and the company employs 105 persons.

Employees

On September 30, 2008, Cargotec employed 12,000 (September 30, 2007: 11,081) people, the year-on-year increase being attributable to the acquisitions concluded. Hiab employed 4,508 (4,405) people, Kalmar 4,777 (4,431), and MacGREGOR 2,548 (2,162).

Of Cargotec's total employees, 13 (14) percent were located in Finland, 20 (22) percent in Sweden and 30 (30) percent in the rest of Europe. North and South American personnel represented 11 (11) percent, Asia Pacific 24 (22) percent and the rest of the world 2 (1) percent of total employees.

Shares, Share Capital and Stock Options

Cargotec's share capital on September 30, 2008 totalled EUR 64,272,120. The share capital increased by EUR 51,747 during the reporting period as a result of the subscription for class B shares under Cargotec option rights. On September 30, 2008, the number of listed class B shares totalled 54,746,031 while that of unlisted class A shares totalled 9,526,089. At the end of the reporting period, Cargotec held a total of 2,990,725 class B shares, which corresponds to 4.7 percent of the total number of shares. Trading in 2005A stock options ended in March. The remaining 2005B stock options may be used to subscribe for a further 136,890 class B shares, thereby increasing Cargotec's share capital by EUR 136,890.

Market Capitalisation and Trading

The closing price of Cargotec's class B shares on September 30, 2008 was EUR 14.22. The average share price for January–September was EUR 25.47, the highest quotation being EUR 36.49 and the lowest EUR 14.05. In January–September, approximately 65 million Cargotec class B shares were traded on the NASDAQ OMX Helsinki, corresponding to a turnover of approximately EUR 1,665 million.

On September 30, 2008, the total market value of Cargotec class B shares was EUR 736 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 889 million, excluding treasury shares held by the Company.

Changes in Cargotec's Management

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

Decisions Taken at Cargotec Corporation's Annual General Meeting

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

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

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

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

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

Authorisations Granted by the Annual General Meeting

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

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

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

Organisation of the Board of Directors

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

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

Share Repurchases

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

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

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

A total of 1,086,000 own shares were repurchased following the AGM and until the end of September 2008 at an average price of EUR 21.73. Cargotec held a total of 2,990,725 class B shares on September 30, 2008.

Short-term Risks and Uncertainties

The global economic environment is in a state of major uncertainty. Financial market turbulence has increased short-term risks and its impacts on investment activity are difficult to predict. Cargotec considers that its principal short-term risks and uncertainties relate to global economic development and its impact on customer demand.

There is an increased risk that the economic uncertainty will spread into general investment activity, which would affect demand for Cargotec equipment. Lack of financing may defer customers' investment decisions or lead to order cancellations. Furthermore, the financial situation of customers and suppliers has an impact on collecting receivables and the amount of credit losses.

Weaker demand will increase the need for the company to adjust its operations. Profitability may be negatively affected if the speed at which demand decreases is faster than the rate at which restructuring measures can be implemented.

The availability of components has slightly improved and pricing pressures have eased. However, there is still a risk that these may create extra costs or delay deliveries.

Restructuring program

As a result of lower demand and profitability Cargotec announced in September that it would initiate restructuring measures, mainly in Western Europe and North America, affecting some 700 people. The measures are aimed at adjusting capacity in Hiab to the prevailing market situation and improving Hiab's and Kalmar's profitability. The main need for measures planned to affect personnel is in Finland, Sweden and USA. Finland is estimated to account for close to 300 people.

In order to adjust Hiab's capacity, a plan has been drawn to consolidate crane manufacturing capacity in Europe into three factories. According to the plan manufacturing would cease in the Salo factory in Finland. Alternative solutions for the Salo factory are being investigated. In addition, Hiab's manufacturing operations at the truck-mounted forklift unit in Ohio, USA will be closed and manufacturing will be consolidated to a joint Cargotec production unit in Kansas.

The savings actions aim, in addition to adjusting capacity, at an annual result improvement of approximately EUR 25 million. The savings actions are expected to result in costs and asset write downs of approximately EUR 35 million.

Outlook

The market situation in the large project side of container handling is healthy, and offers are at a high level. On the other hand in construction related customer segments in Europe and the US the market situation in load handling has further weakened from September. The ship building market is evening out as earlier expected. Order intake in the final quarter of the year is according to earlier expectations expected to be below the high level of previous quarters.

Cargotec's 2008 sales growth is expected to be approximately 13 percent. The growth rate in the final quarter is likely to slow from January–September due to the economic uncertainty and a possibility of project deliveries being delayed.

Operating margin for full year 2008 is estimated to be at the January–September margin level. The margin estimate is excluding the expected costs and asset write downs from restructuring operations, in total approximately EUR 35 million.

Financial calendar

Financial Statements Review January–December 2008 on Monday February 2, 2009

Helsinki, October 20, 2008
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Cargotec’s Interim Report January-September 2008

Condensed Consolidated Income Statement

MEUR	7-9/2008	7-9/2007	1-9/2008	1-9/2007	1-12/2007
Sales	848.4	713.4	2,475.7	2,150.7	3,018.2
Cost of goods sold	-688.6	-562.0	-1,981.9	-1,687.6	-2,376.8
Non-recurring items *	-	-	-	-	-18.0
Gross profit	159.8	151.3	493.7	463.1	623.4
Gross profit, %	18.8 %	21.2 %	19.9 %	21.5 %	20.7 %
Costs and expenses	-95.7	-84.6	-294.6	-266.8	-360.8
Depreciation	-14.6	-14.3	-42.3	-39.7	-59.8
Share of associated companies’ and joint ventures’ income	0.0	0.1	0.0	0.2	0.3
Operating profit	49.6	52.5	156.9	156.8	203.1
Operating profit, %	5.8 %	7.4 %	6.3 %	7.3 %	6.7 %
Financing income and expenses	-3.8	-4.3	-15.0	-12.1	-18.7
Income before taxes	45.8	48.2	141.8	144.7	184.4
Income before taxes, %	5.4 %	6.8 %	5.7 %	6.7 %	6.1 %
Taxes	-4.0	-13.6	-30.0	-35.2	-46.0
Net income for the period	41.7	34.6	111.9	109.5	138.4
Net income for the period, %	4.9 %	4.9 %	4.5 %	5.1 %	4.6 %
Net income for the period attributable to:					
Equity holders of the Company	41.0	34.3	109.9	108.8	136.5
Minority interest	0.8	0.3	2.0	0.7	1.8
Total	41.8	34.6	111.9	109.5	138.4
Earnings per share for profit attributable to the equity holders of the Company:					
Basic earnings per share, EUR	0.66	0.55	1.77	1.72	2.17
Diluted earnings per share, EUR	0.66	0.55	1.77	1.72	2.16

* Kalmar business area related container spreader inspection and repair programme

Condensed Consolidated Balance Sheet

ASSETS

MEUR	30.9.2008	30.9.2007	31.12.2007
Non-current assets			
Intangible assets	776.7	754.8	751.2
Tangible assets	272.9	254.9	253.7
Loans receivable and other interest-bearing assets 1)	6.6	2.2	5.5
Investments	8.7	4.1	7.2
Non-interest-bearing assets	93.7	64.5	76.4
Total non-current assets	1,158.7	1,080.5	1,094.0
Current assets			
Inventories	885.8	660.1	657.4
Loans receivable and other interest-bearing assets 1)	0.3	0.4	0.4
Accounts receivable and other non-interest-bearing assets	737.0	574.2	651.9
Cash and cash equivalents 1)	121.9	94.0	179.0
Total current assets	1,745.2	1,328.8	1,488.7
Total assets	2,903.9	2,409.2	2,582.6

EQUITY AND LIABILITIES

MEUR	30.9.2008	30.9.2007	31.12.2007
Equity			
Shareholders' equity	874.1	871.6	890.6
Minority interest	7.8	5.2	6.1
Total equity	881.9	876.7	896.7
Non-current liabilities			
Loans 1)	438.5	408.3	433.3
Deferred tax liabilities	33.3	35.8	38.5
Provisions	41.9	21.8	38.4
Pension benefit and other non-interest-bearing liabilities	99.2	67.1	103.3
Total non-current liabilities	612.9	533.0	613.6
Current liabilities			
Loans 1)	79.2	53.0	55.1
Provisions	53.9	45.0	70.8
Accounts payable and other non-interest-bearing liabilities	1,276.0	901.5	946.5
Total current liabilities	1,409.1	999.5	1 072.4
Total equity and liabilities	2,903.9	2,409.2	2,582.6

1) Included in interest-bearing net debt

Consolidated Statement of Changes in Equity

	Attributable to the equity holders of the company								
MEUR	Share capital	Share premium account	Treasury shares	Translation differences	Fair value reserves	Retained earnings	Total	Minority interest	Total equity
Equity on 31.12.2006	64.0	96.0	-23.9	-12.0	10.5	734.2	868.8	8.0	876.8
Gain/loss on cash flow hedges booked to equity *					12.0		12.0	0.0	12.0
Gain/loss on cash flow hedges transferred to IS					-3.7		-3.7		-3.7
Translation differences				-14.1			-14.1	-0.5	-14.5
Net income recognised directly in equity	-	-	-	-14.1	8.3	-	-5.8	-0.5	-6.2
Net income for the period						108.8	108.8	0.7	109.5
Total recognised income and expenses for the period	-	-	-	-14.1	8.3	108.8	103.0	0.2	103.3
Dividends paid						-63.2	-63.2	-0.4	-63.6
Shares subscribed with options	0.1	0.7					0.8		0.8
Acquisition of treasury shares			-39.2				-39.2		-39.2
Share-based incentives, value of received services *						1.3	1.3		1.3
Other changes							-	-2.6	-2.6
Equity on 30.9.2007	64.1	96.7	-63.1	-26.1	18.9	781.0	871.6	5.2	876.7
Equity on 31.12.2007	64.2	97.4	-70.0	-29.6	19.9	808.7	890.6	6.1	896.7
Gain/loss on cash flow hedges booked to equity *					-45.9		-45.9	-0.3	-46.2
Gain/loss on cash flow hedges transferred to IS					-1.5		-1.5	0.0	-1.4
Translation differences				8.9			8.9	0.3	9.2
Total net income recognised directly in equity	-	-	-	8.9	-47.3	-	-38.5	0.0	-38.4
Net income for the period						109.9	109.9	2.0	111.9
Total recognised income and expenses for the period	-	-	-	8.9	-47.3	109.9	71.4	2.0	73.4
Dividends paid						-65.3	-65.3	-0.6	-65.9
Shares subscribed with options	0.1	0.4					0.4		0.4
Acquisition of treasury shares			-23.6				-23.6		-23.6
Share-based incentives, value of received services *						0.5	0.5		0.5
Other changes							-	0.3	0.3
Equity on 30.9.2008	64.3	97.7	-93.6	-20.7	-27.4	853.8	874.1	7.8	881.9

* Net of tax

Condenced Consolidated Cash Flow Statement

MEUR	1-9/2008	1-9/2007	1-12/2007
Net income for the period	111.9	109.5	138.4
Depreciation	42.3	39.7	59.8
Other adjustments	45.0	47.1	64.4
Change in working capital	-41.0	-57.5	-27.4
Cash flow from operations	158.1	138.8	235.1
Cash flow from financial items and taxes	-33.4	-56.5	-62.5
Cash flow from operating activities	124.8	82.3	172.6
Acquisitions	-40.4	-169.3	-172.5
Cash flow from investing activities, other items	-72.3	-65.7	-91.8
Cash flow from investing activities	-112.7	-235.0	-264.3
Acquisition of treasury shares	-23.6	-39.2	-46.1
Proceeds from share subscriptions	0.4	0.8	1.5
Dividends paid	-65.9	-63.9	-63.8
Proceeds from long-term borrowings	0.7	226.9	274.5
Repayments of long-term borrowings	-2.2	-10.8	-29.5
Proceeds from short-term borrowings	38.0	20.1	40.8
Repayments of short-term borrowings	-24.6	-14.4	-31.5
Cash flow from financing activities	-77.2	119.6	145.9
Change in cash	-65.1	-33.1	54.2
Cash, cash equivalents and bank overdrafts at the beginning of period	167.5	114.5	114.5
Effect of exchange rate changes	2.5	-1.0	-1.1
Cash, cash equivalents and bank overdrafts at the end of period	104.9	80.4	167.5
Bank overdrafts at the end of period	17.0	13.6	11.4
Cash and cash equivalents at the end of period	121.9	94.0	179.0

Key Figures

		1-9/2008	1-9/2007	1-12/2007
Equity/share	EUR	14.26	13.96	14.29
Interest-bearing net debt	MEUR	388.7	364.6	303.6
Total equity/total assets	%	35.3	40.2	38.3
Gearing	%	44.1	41.6	33.9
Return on equity	%	16.8	16.7	15.6
Return on capital employed	%	15.1	17.6	16.8

Segment Reporting

Sales by geographical segment, MEUR	1-9/2008	1-9/2007	1-12/2007
EMEA	1,410	1,187	1,677
Americas	397	498	647
Asia Pacific	669	466	695
Total	2,476	2,151	3,018

Sales by geographical segment, %	1-9/2008	1-9/2007	1-12/2007
EMEA	56.9 %	55.2 %	55.6 %
Americas	16.0 %	23.2 %	21.4 %
Asia Pacific	27.0 %	21.7 %	23.0 %
Total	100.0 %	100.0 %	100.0 %

Sales, MEUR	1-9/2008	1-9/2007	1-12/2007
Hiab	691	687	931
Kalmar	1,103	979	1,343
MacGREGOR	687	487	748
Internal sales	-6	-2	-4
Total	2,476	2,151	3,018

Operating profit, MEUR	1-9/2008	1-9/2007	1-12/2007
Hiab	45.7	54.6	73.8
Kalmar	77.5	78.6	105.5 *
MacGREGOR	52.9	37.1	59.4
Corporate administration and other	-19.2	-13.5	-17.5
Operating profit from operations	156.9	156.8	221.1
None-recurring items	-	-	-18.0
Total	156.9	156.8	203.1

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

Operating profit, %	1-9/2008	1-9/2007	1-12/2007
Hiab	6.6 %	8.0 %	7.9 %
Kalmar	7.0 %	8.0 %	7.9 % *
MacGREGOR	7.7 %	7.6 %	7.9 %
Cargotec, operating profit from operations	6.3 %	7.3 %	7.3 % *
Cargotec	6.3 %	7.3 %	6.7 %

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

Orders received, MEUR	1-9/2008	1-9/2007	1-12/2007
Hiab	661	731	985
Kalmar	1,217	1,083	1,429
MacGREGOR	1,264	1,080	1,696
Internal orders received	-7	-3	-4
Total	3 ,136	2,892	4,106

Order book, MEUR	30.9.2008	30.9.2007	31.12.2007
Hiab	229	255	260
Kalmar	778	684	660
MacGREGOR	2,480	1,614	1,946
Internal order book	-1	0	-1
Total	3,486	2,552	2,865

Capital expenditure, MEUR	1-9/2008	1-9/2007	1-12/2007
In fixed assets (excluding acquisitions)	46.5	37.7	52.5
In leasing agreements	0.6	0.3	0.7
In customer financing	26.0	23.5	37.5
Total	73.1	61.5	90.7

Number of employees at the end of period	30.9.2008	30.9.2007	31.12.2007
Hiab	4,508	4,405	4,418
Kalmar	4,777	4,431	4,459
MacGREGOR	2,548	2,162	2,223
Corporate administration	167	83	87
Total	12,000	11,081	11,187

Average number of employees	1-9/2008	1-9/2007	1-12/2007
Hiab	4,540	3,981	4,091
Kalmar	4,639	4,159	4,233
MacGREGOR	2,410	1,773	1,880
Corporate administration	126	68	72
Total	11,716	9,981	10,276

Notes

Taxes in income statement

MEUR	1-9/2008	1-9/2007	1-12/2007
Current year tax expense	55.0	42.3	56.2
Deferred tax expense	-9.6	-0.7	-3.9
Tax expense for previous years	-15.4	-6.4	-6.3
Total	30.0	35.2	46.0

Commitments

MEUR	30.9.2008	30.9.2007	31.12.2007
Guarantees	0.2	2.4	2.2
Dealer financing	0.2	5.6	8.4
End customer financing	6.7	5.9	7.5
Operating leases	53.2	50.0	47.7
Off balance sheet investment commitments	4.2	-	1.2
Other contingent liabilities	3.8	5.3	3.7
Total	68.2	69.2	70.6

Fair values of derivative financial instruments

MEUR	Positive fair value 30.9.2008	Negative fair value 30.9.2008	Net fair value 30.9.2008	Net fair value 30.9.2007	Net fair value 31.12.2007
FX forward contracts, cash flow hedges	28.0	84.9	-56.9	19.9	11.3
FX forward contracts, non-hedge accounted	24.7	9.8	14.9	5.5	20.7
Cross currency and interest rate swaps, cash flow hedges	-	2.5	-2.5	-5.2	-4.9
Total	52.7	97.2	-44.5	20.2	27.1
Non-current portion:					
FX forward contracts, cash flow hedges	11.7	37.9	-26.2	4.8	-1.1
Cross currency and interest rate swaps, cash flow hedges	-	2.5	-2.5	-5.2	-4.9
Non-current portion	11.7	40.4	-28.6	-0.4	-6.0
Current portion	41.0	56.9	-15.8	20.6	33.2

Nominal values of derivative financial instruments

MEUR	30.9.2008	30.9.2007	31.12.2007
FX forward contracts	3,430.6	2,306.4	2,610.0
Cross currency and interest rate swaps	225.7	225.7	225.7
Total	3,656.3	2,532.1	2,835.7

Acquisitions

During January-September 2008, Cargotec made seven acquisitions of which four in Hiab business area.

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

In February, Hiab made an agreement to acquire the UK-based Del Equipment (UK) Limited and the US-based Ultron Lift Corp. These companies manufacture tail lifts in UK and US. The acquisitions were finalised at the end of March. In February, Hiab signed also an agreement to acquire 70 percent of the operations of Australian O'Leary's Material Handling Services Pty Ltd., the leading supplier of tail lifts in Western Australia. The acquisition was closed in April. At the end of March, Hiab concluded an agreement to acquire the majority of the operations of South African Bowman Cranes (Pty) Limited. This company supplies, installs and services truck-related load handling equipment. The acquisition was finalised in June. In June, Hiab concluded an agreement to acquire the business of Zepro Tailgate (1987) Limited in New Zealand. In addition to tail lift sales, the business comprises installation, repairs, maintenance and spare parts sales. The acquisition was closed in July.

In April, MacGREGOR signed an agreement to acquire US-based Platform Crane Service. Inc (PCS). The acquisition was closed in May.

Kalmar acquired Argentinean Equipos y Servicios Terminales y Puertos SRL (ESTP). In addition to new equipment distribution the company provides equipment commissioning, technical and spare part support as well as equipment repairing and refurbishing in South America.

Management estimates that the consolidated sales for Jan 1- Sep 30, 2008 would have been EUR 2,494 million, if the acquisitions had been completed on Jan 1, 2008.

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

MEUR	Net fair values of identifiable assets and liabilities of the acquired businesses	Assets and liabilities immediately before the business combination
Other intangible assets	3.0	0.0
Property, plant and equipment	1.5	1.7
Inventories	11.2	11.1
Non-interest-bearing assets	11.2	11.2
Interest-bearing assets and Cash and cash equivalents	0.9	0.9
Interest-bearing liabilities	-5.0	-5.0
Other non-interest-bearing liabilities	-16.1	-15.0
Acquired net assets	6.7	4.9
Transaction price	37.7	
Costs related to acquisitions	1.5	
Goodwill	32.5	
Transaction price paid in cash	30.7	
Costs related to acquisitions	1.5	
Cash and cash equivalents in acquired businesses	-0.9	
Total cash outflow from acquisitions	31.3	

The business combinations of Hydramarine AS. Indital Construction Machinery Ltd. Bay Equipment Repairs Inc and Balti ES were accounted as preliminary at the end of 2007, as the determination of fair values was not yet finished. The accounting of these acquisitions has been finalised during the review period. It had no impact on the previous year's figures.

Accounting Principles

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

Adoption of new interpretation starting in January 1, 2008

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

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

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

Calculation of key figures

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

Quarterly Figures

Cargotec		Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007
Orders received	MEUR	967	1,013	1,155	1,214	1,028
Order book	MEUR	3,486	3,360	3,287	2,865	2,552
Sales	MEUR	848	901	727	868	713
Operating profit	MEUR	49.6	63.1	44.2	64.3*	52.5
Operating profit	%	5.8	7.0	6.1	7.4*	7.4
Basic earnings/share	EUR	0.66	0.61	0.50	0.45	0.55

Hiab		Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007
Orders received	MEUR	194	238	228	254	223
Order book	MEUR	229	238	253	260	255
Sales	MEUR	209	253	230	244	202
Operating profit	MEUR	9.5	18.5	17.7	19.1	13.7
Operating profit	%	4.5	7.3	7.7	7.8	6.8

Kalmar		Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007
Orders received	MEUR	365	363	490	346	324
Order book	MEUR	778	790	824	660	684
Sales	MEUR	386	396	322	364	326
Operating profit	MEUR	25.8	32.3	19.4	26.9*	27.8
Operating profit	%	6.7	8.2	6.0	7.4*	8.5

MacGREGOR		Q3/2008	Q2/2008	Q1/2008	Q4/2007	Q3/2007
Orders received	MEUR	411	415	439	616	483
Order book	MEUR	2,480	2,334	2,211	1,946	1,614
Sales	MEUR	256	254	177	261	187
Operating profit	MEUR	19.1	21.9	11.9	22.3	15.0
Operating profit	%	7.5	8.6	6.7	8.6	8.0

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