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Cargotec's Interim Report

January–September 2006

Cargotec

Cargotec's Interim Report for January–September 2006

- Orders received totaled EUR 2,194 (1–9/2005: 1,795) million. During the third quarter, orders received amounted to EUR 603 (7–9/2005: 578) million.
- The order book on September 30, 2006 totaled EUR 1,594 (December 31, 2005: 1,257) million.
- Net sales amounted to EUR 1,900 (1–9/2005: 1,737) million with EUR 625 (7–9/2005: 577) million attributable to the third quarter.
- Operating income from operations was EUR 163.7 (1–9/2005: 126.3) million with EUR 52.0 (7–9/2005: 41.6) million attributable to the third quarter.
- Cargotec's operating income for January–September including the capital gain from the divestment of property totaled EUR 181.6 (1–9/2005: 126.3) million. Operating income for third quarter was EUR 69.9 (7–9/2005: 40.0) million.
- Cash flow from operating activities before financial items and taxes totaled EUR 178.8 (1–9/2005: 111.4) million.
- Net income for the reporting period amounted to EUR 126.6 (1–9/2005: 86.2) million.
- Earnings per share were EUR 1.96 (1–9/2005: 1.34).
- Cargotec's market situation is expected to continue good. Order intake for the fourth quarter is expected to improve from the third quarter level. As previously estimated Cargotec's year 2006 net sales are expected to exceed EUR 2.6 billion and operating margin from operations is expected to exceed 8 percent.

The comparison figures presented in this Interim Report for January–September 2005 are pro forma figures. The comparison figures for July–September 2005 are based on Cargotec's first official interim report.

Markets

The markets for load handling equipment continued at a healthy level after the summer in all geographical regions. The high demand for new trucks in the first half of the year in Europe leveled off due to stricter environmental regulations. In North America, demand for load handling equipment showed signs of leveling off in building materials supply but remained brisk in other customer groups. In Asia, the market continued healthy in the third quarter. Demand for services remained brisk in all markets.

Markets for container handling equipment continued to be robust, although the straddle carrier market will not achieve the record levels of 2005. In Europe and Asia, demand for container handling equipment was high and continued to strengthen in South America. Heavy industrial forklift truck markets were healthy. Demand for services was strong on all markets, as a result of high port and terminal utilization rates.

Markets for marine cargo flow solutions continued to be very active. The high demand for hatch covers, ship cranes and lashing equipment reflects the strong order book at shipyards for container ships. Demand for marine cargo flow solutions for general cargo vessels remained healthy while that for dry cargo vessels increased year on year. The service market also remained brisk.

Orders Received

Orders received by Cargotec in January–September totaled EUR 2,194 (1–9/2005: 1,795) million. During the third quarter, orders received exceeded last year's level and were EUR 603 (7–9/2005: 578) million.

Orders received, MEUR	7-9/2006	7-9/2005	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Hiab	207.3	180.0	705.5	596.4	476.2
Kalmar	257.8	291.2	955.2	872.6	627.7
MacGREGOR	138.8	107.2	534.8	327.0	263.2
Internal orders received	-0.7	-0.6	-1.6	-1.5	-1.2
Total	603.2	577.8	2,193.9	1,794.5	1,365.9

Hiab

Hiab's orders accounted for EUR 706 (1–9/2005: 596) million of the total orders received in January–September while its share of the orders received in July-September was EUR 207 (7–9/2005: 180) million.

In Hiab the growth in orders was strongest in loader cranes.

Hiab received several major orders for truck-mounted forklifts and loader cranes from its main U.S. customers specializing in the supply of building materials, thus further strengthening its market position in North America. Hiab's European key customers also placed extensive loader crane orders.

In March, Hiab signed a cooperation agreement with the Suez Environment (SITA) waste management company, making Hiab the preferred pan-European supplier of demountable systems for SITA.

Kalmar

Kalmar's orders accounted for EUR 955 (1–9/2005: 873) million of the total orders received in January–September while its share of the orders received in July–September was EUR 258 (7–9/2005: 291) million.

In July, Kalmar signed a five-year service contract for 29 rubber-tired gantry cranes (RTGs) with Gateway Terminals India Pvt Ltd. The service contract covers among others maintenance, engineering support, daily inspections and parts supply.

In July, Kalmar agreed to deliver a ship-to-shore (STS) crane for Sweden's Helsingborgs Hamn AB. Scheduled for delivery at the end of 2007, the crane will be the second largest crane working in Swedish ports. In June, Kalmar secured an order for two post-Panamax STS cranes for MSC Home Terminal in Antwerp, on top of the 15 cranes already delivered to the terminal in 2004. Deliveries are scheduled for the end of June 2007.

During the reporting period, Kalmar also received an order for 19 straddle carriers from the Danish company Aarhus Stevedore Kompagni. These 7th generation ESC EDRIVE® straddle carriers will be delivered to the Port of Aarhus that is undergoing an extensive expansion. Deliveries will begin during the autumn of 2006. The straddle carriers will be equipped with Kalmar's patented Smartpath® container position verification system and Remote Monitoring Interface (RMI). The machines will also be ready for automation in the future if needed.

During the reporting period, Kalmar secured an order for 11 RTGs to Thailand. The company will deliver six units to a new Laem Chabang terminal still under construction, and five units to Evergreen Container Terminal in 2007.

During the second quarter, Kalmar received an order for six reachstackers with an option for an additional 14 units from Hind Terminals Pvt in India. The contract includes a five-year service agreement for four different Hind facilities.

In May, Kalmar received an order for 12 E-One RTGs from South African Port Operations (SAPO) for the port of Durban. Deliveries will begin in the spring of 2007. These are the first RTGs that SAPO has ordered from Kalmar. In January 2006, Kalmar secured a contract with SAPO for 25 straddle carriers for the port of Durban.

In January, Kalmar signed an agreement with HHLA for the supply of an automatic stacking crane system (ASC) and the related technology for the Port of Hamburg where HHLA will automate the container yard of its Burchardkai terminal by 2015. Kalmar will deliver 15 ASCs and their control and automation systems, during 2007–2008. The contract includes an option to deliver an additional 75 ASCs and their control and automation systems in the project's subsequent phases.

MacGREGOR

MacGREGOR's orders accounted for EUR 535 (1–9/2005: 327) million of the total orders received in January–September while its share of the orders received in July-September was EUR 139 (7–9/2005: 107) million.

In July–August, MacGREGOR secured orders for 55 ship cranes, which will be delivered during 2007–2008. The total value of the orders is approximately EUR 15 million. Of the ordered ship cranes, 44 will be delivered to container vessels being built at Chinese shipyards. The order also includes six bulk handling cranes for an Indian shipyard and three scrap handling cranes and two ship cranes for a logistics company in Singapore.

In July, MacGREGOR sold hatch covers for 12 dry cargo vessels that are under construction in a Japanese shipyard. These first electrical-driven side rolling hatch covers developed by MacGREGOR provide ship owners with various benefits since they are environmentally-friendly, easy to maintain and operate.

In June, MacGREGOR received RoRo equipment orders for 10 vessels under construction in various shipyards in Korea and Croatia. The company will also deliver equipment for three coastal RoRo ships that will be modified. This equipment will be delivered in 2006–2008, the total value of the orders being approximately EUR 17 million.

In May, MacGREGOR received significant RoRo equipment orders for 53 car carriers. The equipment will be delivered to Shin Kurushima Group in Japan and Hyundai Samho Heavy Industries shipyard in Korea during 2007–2010. The total value of the deliveries is approximately EUR 65 million.

In April, the Korean shipyard Hyundai Mipo ordered hatch covers for 17 container ships that are under construction for several ship owners. The ships will be delivered in 2008–2009 and the value of the order is approximately EUR 19 million. The order is a continuation of the hatch cover order received from the same shipyard group in March for 34 container ships, the value of which exceeds EUR 33 million.

Order Book

Cargotec's order book grew and totaled EUR 1,594 (December 31, 2005: 1,257) million at the end of September 2006, Hiab accounting for EUR 215 (197) million, Kalmar for EUR 581 (520) million and MacGREGOR for EUR 798 (541) million. A considerable part of MacGREGOR's order book will be delivered in 2007–2009.

Order book, MEUR	30.9.2006	30.9.2005	31.12.2005
Hiab	215.4	198.2	196.7
Kalmar	580.9	583.1	519.5
MacGREGOR	798.2	499.6	540.9
Internal order book	-0.4	-0.4	-0.2
Total	1,594.1	1,280.5	1,256.9

Net Sales

Cargotec's net sales for January-September grew by 9 percent and totaled EUR 1,900 (1–9/2005: 1,737) million with EUR 625 (7–9/2005: 577) million attributable to the third quarter. Hiab's net sales in the third quarter amounted to EUR 208 (7–9/2005: 196) million, Kalmar's net sales were EUR 290 (291) million and MacGREGOR's net sales EUR 127 (90) million.

					Financial
				Pro forma	period
Sales, MEUR	7-9/2006	7-9/2005	1-9/2006	1-9/2005	6-12/2005
Hiab	208.2	196.3	674.9	613.8	504.6
Kalmar	290.0	291.3	882.8	859.0	695.0
MacGREGOR	127.0	90.0	343.5	266.0	220.4
Internal sales	-0.4	-0.5	-1.3	-1.5	-1.4
Total	624.8	577.1	1,899.9	1,737.3	1,418.6

Cargotec's service revenue for January–September 2006 was EUR 418.4 (1–9/2005: 354.3) million, representing 22 percent of net sales and showing a growth of 18 percent year on year. Hiab's service business represented 15 (13) percent of net sales, Kalmar's 26 (22) percent and MacGREGOR's 27 (32) percent. MacGREGOR signed a cooperation agreement with China Shipping Industry Co Ltd (CIC) for establishing seven service stations at CIC repair yards. Four service stations will be established in the Shanghai area and three in Guangzhou, China.

Financial Result

Cargotec's operating income from operations for January–September 2006 was EUR 163.7 (1–9/2005: 126.3) million, representing 8.6 (7.3) percent of net sales. Operating income from operations for the third quarter was EUR 52.0 (7–9/2005: 41.6) million, equal to 8.3 (7.2) percent of net sales. Hiab accounted for EUR 17.4 (13.7) million of third quarter operating income from operations, Kalmar for EUR 27.2 (24.7) million and MacGREGOR for EUR 10.0 (6.6) million.

Including the capital gain of EUR 18 million from the divestment of property, Cargotec's operating income for January–September totaled EUR 181.6 million. The operating income for January–September 2005 was EUR 126.3 million. Operating income for third quarter 2006 was EUR 69.9 (7–9/2005: 40.0) million.

Net income for January–September 2006 was EUR 126.6 (1–9/2005: 86.2) million and earnings per share were EUR 1.96 (1.34).

Balance Sheet, Financing and Cash Flow

At the end of September 2006, Cargotec's net working capital amounted to EUR 202 (December 31, 2005: 206) million. Tangible assets on the balance sheet were EUR 195 (196) million and intangible assets EUR 556 (487) million.

Cash flow from operating activities before financial items and taxes for January–September 2006 totaled EUR 178.8 (1–9/2005: 111.4) million, and that for July–September EUR 65.8 (7–9/2005: 95.2) million.

Net debt on September 30, 2006 was EUR 93 (December 31, 2005: 121) million. Total equity/total assets ratio was 49.0 (46.2) percent while gearing was 10.9 (15.7) percent.

Cargotec had EUR 432 million committed credit facilities on September 30, 2006. The facilities were unused.

New Products and Product Development

During the reporting period, Cargotec's research and development expenditure was EUR 22.1 (1–9/2005: 21.1) million, representing 1.2 (1.2) percent of net sales.

Following several new product launches made during the first half of 2006, the third quarter saw Hiab introduce the XR 21 hooklift system for its largest size and demand category. In loader cranes Hiab presented the new Combidrive2 remote control unit intended for controlling the most versatile HiPro cranes. The forestry crane family was supplemented with the new JONSERED J1080 crane for the largest volume category. The new crane is also available with a new digital control system, which improves ergonomics and increases accuracy.

Kalmar continued to expand its automation offering by launching the Fleetview fleet control system, which can be used to monitor straddle carriers, reachstackers, forklift trucks, terminal tractors and RTGs. Fleetview allows real-time monitoring of equipment, enabling the assignment of container handling tasks to the nearest vacant machine. This improves port and terminal efficiency, since transportation distances are shortened and unladen traveling distances are minimized.

In the third quarter, MacGREGOR continued its development of electrically driven cargo access systems. MacGREGOR launched several new products, including electrically driven ship cranes, hatch covers, hatch cover stackers and RoRo equipment that represent the fruits of its several years of extensive product development work focusing on environmental friendliness, efficiency and cost savings. Furthermore, electrical operation enables remote monitoring and easy maintenance of the equipment.

Capital Expenditure

Cargotec's capital expenditure for January–September, excluding acquisitions and customer financing, totaled EUR 30.8 (1–9/2005: 16.5) million. Customer financing investments were EUR 14.5 (21.6) million.

During the third quarter, Hiab implemented a new paintshop for demountables in Raisio, Finland. A new assembly line will be taken into use in October in the forestry and recycling crane assembly unit in Salo, Finland, with the purpose of increasing the flexibility of assembly operations.

In order to speed up and improve the flexibility of its loader crane assembly operations, Hiab has transferred part of its volume product assembly operations from its Hudiksvall unit, Sweden, to Hiab's other European units.

During the second quarter, Hiab entered into a license-based cooperation arrangement with Combilift of Ireland. Hiab has the right to manufacture and sell the new truck-mounted Telemount forklift. The production will be integrated into Hiab's production unit in Ireland by the end of the year.

The extension of Kalmar's spare part warehouses was finalized in Kansas and New Jersey, the United States, in July. In the Ottawa unit specializing in the production of terminal tractors and forklift trucks, rearrangements continued with respect to outsourcing production and focusing solely on assembly. In the future, Ottawa terminal tractors will be marketed under the Kalmar brand.

Strategic Acquisitions

In September, Kalmar signed an agreement to acquire Catracom, its Belgian distributor since 1985. Catracom has a strong service set-up in the port of Antwerp as well as an equipment rental business in ports and heavy industrial customers in Belgium. Catracom employs approximately 100 people and had net sales of approximately EUR 70 million in 2005, EUR 26 million of which was attributable to sales of Kalmar equipment. This transaction is subject to competition authority approval.

In September, Kalmar signed an agreement to acquire the Kalmar equipment related service business of African National Engineering (ANE) based in South Africa. ANE's service business will be merged with Kalmar's local subsidiary that focuses on the sales and servicing of straddle carriers, RTGs and terminal tractors.

In August, MacGREGOR signed an agreement to acquire the business of Scottish Grampian Hydraulics. The business specializes in hydraulics and spare part servicing of offshore support vessels in the North Sea. Grampian Hydraulics employs approximately 30 people and its net sales are forecast to total approximately EUR 4 million in 2006. Along with this acquisition, MacGREGOR will expand its service supply to offshore support vessels in the North Sea. Grampian Hydraulics has been integrated in MacGREGOR's accounts since August 14, 2006.

In June, MacGREGOR signed an agreement to acquire BMH Marine AB, a Swedish company. The acquisition was finalized at the end of July and the debt-free acquisition price was approximately EUR 32 million. BMH Marine specializes in dry bulk handling equipment on ships and at port terminals. The company employs approximately 140 people and its net sales for 2006 are forecast to rise to close to EUR 70 million.

In March, Kalmar acquired the operations of East Coast Cranes and Electrical Contracting Inc. (ECC), a U.S. company. ECC specializes in crane construction services and maintenance in ports. The company has over 100 employees, and its net sales for 2006 are expected to rise to approximately EUR 25 million.

In January, Hiab signed an agreement to acquire the Dutch tail lift producer, AMA. The acquisition was finalized in April. AMA consists of a manufacturing company based in Poland and a sales company based in Holland. The company employs approximately 55 people and its net sales for 2006 are forecast to rise to approximately EUR 5 million.

Priorities in Strategy Implementation

Cargotec's strategy is based on profitable growth in developing and consolidating markets. The company aims to grow its operations significantly. The focus is on expanding the business especially in Asia Pacific and Americas. In addition to organic growth Cargotec intends to grow through acquisitions. Acquisitions help to accelerate the expansion in new markets as well as develop the existing service network. Cargotec aims to strengthen its global market leadership in cargo handling solutions.

Within services the target is a leading position. Cargotec intends through new solutions and a stronger presence in key service points to offer its customers necessary support services for the life-cycle of their equipment.

Cargotec's way of working will be changed in order to achieve better utilization of common know-how and benefits of scale in technology development and global network.

Achievement of the growth target will require more investment in personnel development than previously. Therefore, personnel have been lifted into a strategic priority.

The Executive Board has been strengthened in the strategic priorities of services, personnel and utilization of common network and technologies.

Changes in Cargotec's Executive Board

On February 8, 2006, Cargotec's Board of Directors appointed Mikael Mäkinen, M.Sc. (Eng.) Naval Architect, as the new President and CEO of Cargotec Corporation. Mäkinen started at Cargotec on April 1, 2006 and became President and CEO on May 1, 2006. Cargotec's previous President and CEO, Carl-Gustaf Bergström, retired in June 2006 and started as a member of the Board from May 1, 2006.

In September, Cargotec appointed two new persons onto its Executive Board (previously Executive Committee). Harald de Graaf, B.Sc. (Eng.), was appointed Senior Vice President, Services. He has previously held several positions with KONE Corporation. Matti Sommarberg, M.Sc. (Eng.) and M.Sc. (Econ.), was appointed Senior Vice President, Operations Development. Sommarberg's previous positions include Vice President, Business and Operations Development at Kalmar. The appointments will take effect on November 1, 2006.

In June, Olli Isotalo, M.Sc. (Eng.), was appointed President of MacGREGOR, starting from September 15, 2006. He previously served as President of Bromma, the spreader business belonging to Cargotec's Kalmar business area.

Tor-Erik Sandelin, Senior Vice President responsible for Cargotec's Service Business Development, retired at the end of March 2006.

Personnel

On September 30, 2006, Cargotec had a total of 8,313 employees (September 30, 2005: 7,445), with Hiab accounting for 3,615 (3,409) persons, Kalmar for 3,543 (3,106) and MacGREGOR for 1,109 (886).

Of Cargotec's total employees, 17 percent were located in Finland, 26 percent in Sweden and 26 percent in the rest of Europe. Personnel in the Americas represented 15 percent, in Asia Pacific 14 percent, and in the rest of the world 2 percent of total employees.

Shares and Stock Options

On September 30, 2006, Cargotec's share capital totaled EUR 64,002,150. The share capital was increased during the reporting period through stock options. On January 1, 2006, the share capital was EUR 63,920,955. On September 30, 2006, the number of Cargotec's listed class B shares totaled 54,476,061 while that of its unlisted class A shares totaled 9,526,089. The remaining A and B stock options may be used to subscribe for a total of 406,860 class B shares, thereby increasing the share capital by EUR 406,860.

During January 1–September 30, 2006, the trading volume of Cargotec class B shares totaled approximately 39 million at a total value of approximately EUR 1,306 million. The closing price for class B shares on September 30, 2006 was EUR 33.37. The highest price during the reporting period was EUR 43.50 and the lowest EUR 28.84. On September 30, 2006, the market value of the company's listed class B shares totaled EUR 1,818 million. The market value of the share capital, in which the unlisted class A shares were valued at the closing price of the class B shares, was EUR 2,129 million, excluding the class B shares held by the company.

Decisions Taken at the Annual General Meeting

Cargotec Corporation's Annual General Meeting (AGM) was held on February 28, 2006 in Helsinki. The meeting approved the parent company and consolidated financial statements and discharged the members of the Board of Directors and the President and CEO of their liability for the accounting period June 1–December 31, 2005.

The AGM approved a dividend of EUR 0.64 for each of the 9,526,089 class A shares and EUR 0.65 for the 54,191,166 class B shares that were outstanding.

The number of members of the Board of Directors was confirmed at six according to the proposal of Cargotec's Nomination and Compensation Committee. Henrik Ehrnrooth, Tapio Hakakari, Ilkka Herlin, Peter Immonen and Karri Kaitue were re-elected as full members of the Board of Directors. Carl-Gustaf Bergström was elected as a member of the Board from May 1, 2006.

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

Authorizations Granted by the Annual General Meeting

The Annual General Meeting authorized the Board of Directors of Cargotec to decide to repurchase the Company's own shares using distributable assets. Own shares can be repurchased in order to develop the capital structure of the Company, finance or carry out possible acquisitions, implement the Company's share-based incentive plans, or to be transferred for other purposes or be cancelled. The maximum amount of repurchased own shares shall be less than ten percent of the Company's share capital and total voting rights. This corresponds to a maximum of 6,391,000 shares of which no more than 952,000 are class A shares and 5,439,000 are class B shares. This authorization will remain in effect for a period of one year from the date of decision of the Annual General Meeting.

In addition, the Annual General Meeting authorized the Board of Directors to decide to distribute any shares repurchased. The repurchased 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 also has the right to decide on the distribution of the shares in public trading in the Helsinki Stock Exchange to be used as compensation in possible acquisitions. The authorization is limited to a maximum of 952,000 class A shares and 5,439,000 class B shares repurchased by the Company. The Board of Directors was authorized to decide to whom and in which order the repurchased shares will be distributed. This authorization will remain in effect for a period of one year from the date of the decision of the Annual General Meeting.

Organization of the Board of Directors

In its organizing meeting, Cargotec's Board of Directors elected Ilkka Herlin to continue as Chairman of the Board and Henrik Ehrnrooth to continue as Deputy Chairman. Kari Heinistö, Senior Executive Vice President and CFO, will continue to act as secretary to the Board of Directors.

The Board of Directors elected from among its members Ilkka Herlin, Peter Immonen and Karri Kaitue as members of the Audit Committee, with Karri Kaitue elected to continue as Chairman of the Committee.

Board members Carl-Gustaf Bergström (as of May 1, 2006), Tapio Hakakari, Ilkka Herlin and Peter Immonen were elected to the Nomination and Compensation Committee. Ilkka Herlin was elected to continue as Chairman of the Committee.

The Board of Directors also reviewed the independence of its members as defined in the corporate governance recommendation of the Helsinki Stock Exchange. The Board of Directors stated that, with the exception of Carl-Gustaf Bergström, its members are independent of the company and, with the exception of Ilkka Herlin, independent of major shareholders in the company.

Share Repurchases

Cargotec's Board of Directors decided to exercise the authorization of the Annual General Meeting to repurchase the Company's own shares. The maximum amount of repurchased own shares will be less than 10 percent of the Company's share capital and total voting rights.

Class B shares will be purchased through public trading in the Helsinki Stock Exchange. 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 Helsinki Stock Exchange at the time of purchase.

During the reporting period, Cargotec bought back 1,025 class B shares at an average price of EUR 28.93. On September 30, 2006, the company held 204,725 class B shares representing 0.4 percent of the total number of class B shares and total votes. The shares held by the company represent 0.3 percent of the total votes of all shares.

Events after the Reporting Period

Kirsi Nuotto, M.A., was appointed on October 10, 2006 as Senior Vice President, Human Resources and member of the Executive Board. She will be responsible for corporate global human resources strategy and development. The appointment takes effect on November 20, 2006.

Outlook

Cargotec's market situation is expected to continue good. Order intake for the fourth quarter is expected to improve from the third quarter level. As previously estimated Cargotec's year 2006 net sales are expected to exceed EUR 2.6 billion and operating margin from operations is expected to exceed 8 percent.

Helsinki, October 19, 2006

Cargotec Corporation
Board of Directors

This interim report is unaudited.

Cargotec's Interim Report for January–September 2006

Condensed Consolidated Income Statement

MEUR	7-9/2006		7-9/2005		1-9/2006		Pro forma 1-9/2005		Financial period 6-12/2005	
Sales	624.8		577.1		1,899.9		1,737.3		1,418.6	
Capital gains	17.9		-		17.9		-		15.4	
MacGREGOR acquisition adjustment	-		-1.6		-		-		-3.9	
Costs and expenses	-562.5		-524.5		-1,706.8		-1,583.0		-1,281.9	
Depreciation	-10.3		-11.0		-29.4		-28.0		-23.6	
Operating income	69.9		40.0		181.6		126.3		124.6	
Operating income, %	11.2	%	6.9	%	9.6	%	7.3	%	8.8	%
Share of associated companies' income	0.3		4.8		0.8		6.0		6.3	
Financing income and expenses	-1.0		-2.8		-6.5		-9.3		-5.4	
Income before taxes	69.2		42.0		175.9		123.0		125.5	
Income before taxes, %	11.1	%	7.3	%	9.3	%	7.1	%	8.8	%
Taxes	-17.2		-12.6		-49.3		-36.8		-38.1	
Net income for the period	52.0		29.4		126.6		86.2		87.4	
Net income for the period, %	8.3	%	5.1	%	6.7	%	5.0	%	6.2	%
Attributable to:										
Shareholders of the parent company	51.3		29.4		125.2		85.3		85.9	
Minority interest	0.7		0.0		1.4		0.9		1.5	
Total	52.0		29.4		126.6		86.2		87.4	
Earnings per share for profit attributable to the shareholders of the parent company:										
Basic earnings per share, EUR	0.80		0.46		1.96		1.34		1.35	
Diluted earnings per share, EUR	0.80		0.46		1.95		1.33		1.34	
Adjusted basic earnings per share, EUR	0.60**		0.48 *		1.76 **		-		1.18 *	

*) Excluding gain on the sale of Consolis and impact of the final accounting of MacGREGOR acquisition after taxes
**) Excluding gain on the sale of property after taxes

Condenced Consolidated Balance Sheet

ASSETS			
MEUR	30.9.2006	30.9.2005	31.12.2005
Non-current assets			
Intangible assets	555.9	482.5	487.1
Tangible assets	194.6	192.9	196.3
Loans receivable and other interest-bearing assets (1	0.4	1.0	0.9
Investments	3.9	3.1	2.7
Assets held for sale	-	65.5	-
Other non-interest-bearing assets	56.9	53.9	52.3
Total non-current assets	811.7	798.9	739.3
Current assets			
Inventories	509.0	431.7	464.4
Loans receivable and other interest-bearing assets (1	0.2	1.3	0.3
Accounts receivable and other non-interest-bearing assets	431.6	447.1	462.0
Cash and cash equivalents (1	122.5	77.6	114.5
Total current assets	1,063.3	957.7	1,041.2
Total assets	1,875.0	1,756.6	1,780.5

EQUITY AND LIABILITIES			
MEUR	30.9.2006	30.9.2005	31.12.2005
Equity			
Shareholders’ equity	846.5	721.0	760.0
Minority interest	7.5	5.4	7.2
Total equity	854.0	726.4	767.2
Non-current liabilities			
Loans (1	191.2	195.7	197.1
Deferred tax liabilities	22.5	21.1	18.5
Provisions	20.9	12.6	18.2
Pension benefit and other non-interest-bearing liabilities	51.5	44.1	47.2
Total non-current liabilities	286.1	273.5	281.0
Current liabilities			
Loans (1	25.1	137.2	39.1
Provisions	40.4	37.8	45.9
Accounts payable and other non-interest-bearing liabilities	669.4	581.7	647.3
Total current liabilities	734.9	756.7	732.3
Total equity and liabilities	1,875.0	1,756.6	1,780.5

1) Included in interest-bearing net debt

Consolidated Statement of Changes in Equity

MEUR	Share capital	Share premium account	Treasury shares	Translation differences	Fair value reserve	Retained earnings	Attributable to the shareholders of the parent company	Minority interest	Total equity
Equity on 1.6.2005	63.8	93.8	-	-	-12.8	525.7	670.5	6.2	676.7
Adjustment to opening balance sheet									
IFRS 3: Impact of the final accounting of acquisitions						-1.1	-1.1		-1.1
Equity on 1.6.2005, adjusted	63.8	93.8	-	-	-12.8	524.6	669.4	6.2	675.6
Cash flow hedges					7.2		7.2		7.2
Translation differences				5.3			5.3	-0.1	5.2
Share-based incentives, value of received services						0.7	0.7		0.7
Total net income recognised directly in equity	-	-	-	5.3	7.2	0.7	13.2	-0.1	13.1
Net income for the period						38.0	38.0	0.3	38.3
Total recognised income and expenses for the period	-	-	-	5.3	7.2	38.7	51.2	0.2	51.4
Shares subscribed with options	0.0	0.4					0.4		0.4
Other changes							-	-1.0	-1.0
Equity on 30.9.2005	63.8	94.2	-	5.3	-5.6	563.3	721.0	5.4	726.4

MEUR	Share capital	Share premium account	Treasury shares	Translation differences	Fair value reserve	Retained earnings	Attributable to the shareholders of the parent company	Minority interest	Total equity
Equity on 31.12.2005	63.9	95.1	-5.0	4.9	-10.3	611.4	760.0	7.2	767.2
Cash flow hedges					13.0		13.0	0.0	13.0
Translation differences				-11.2			-11.2	-0.6	-11.8
Share-based incentives, value of received services						0.1	0.1		0.1
Total net income recognised directly in equity	-	-	-	-11.2	13.0	0.1	1.9	-0.6	1.3
Net income for the period						125.2	125.2	1.4	126.6
Total recognised income and expenses for the period	-	-	-	-11.2	13.0	125.3	127.1	0.8	127.9
Dividends paid						-41.3	-41.3		-41.3
Shares subscribed with options	0.1	0.6					0.7		0.7
Acquisition of treasury shares			0.0				0.0		0.0
Other changes							-	-0.5	-0.5
Equity on 30.9.2006	64.0	95.7	-5.0	-6.3	2.7	695.4	846.5	7.5	854.0

Condensed Consolidated Cash Flow Statement

MEUR	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Net income for the period	126.6	86.2	87.4
Capital gains	-17.9	-	-15.4
Depreciation	29.4	28.0	23.6
Other adjustments	55.0	40.1	37.2
Change in working capital	-14.3	-42.9	40.9
Cash flow from operations	178.8	111.4	173.7
Cash flow from financial items and taxes	-43.4	-29.9	-15.4
Cash flow from operating activities	135.4	81.5	158.3
Sale of Consolis	-	-	81.7
Sale of property	31.9	-	-
Cash flow from investing activities, other items	-95.1	-43.4	-36.8
Cash flow from investing activities	-63.2	-43.4	44.9
Acquisition of treasury shares	0.0	-	-5.0
Proceeds from share subscriptions	0.7	0.4	1.4
Dividends paid	-41.3	-	-0.2
Net change in loans, pro forma	-	-7.2	-
Proceeds from long-term borrowings	0.3	-	114.7
Repayments of long-term borrowings	-16.8	-	-18.6
Change in current creditors, net	-5.3	-	-236.6
Cash flow from financing activities	-62.4	-6.8	-144.3
Change in cash	9.8	31.3	58.9
Cash and cash equivalents at the beginning of period	114.5	46.3	55.5
Translation difference	-1.8	0.0	0.1
Cash and cash equivalents at the end of period	122.5	77.6	114.5

Key figures

		1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Equity/share	EUR	13.27	11.30	11.93
Interest-bearing net debt	MEUR	93.2	253.0	120.5
Total equity/total assets	%	49.0	43.7	46.2
Gearing	%	10.9	34.8	15.7
Return on equity	%	20.8	16.7	20.8
Return on capital employed	%	23.8	17.8	21.9

Segment Reporting

Sales by geographical segment, MEUR	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
EMEA	991.1	968.8	789.5
Americas	552.4	460.6	403.9
Asia Pacific	356.4	307.9	225.2
Total	1,899.9	1,737.3	1,418.6

Sales by geographical segment, %	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
EMEA	52.2 %	55.8 %	55.7 %
Americas	29.1 %	26.5 %	28.5 %
Asia Pacific	18.8 %	17.7 %	15.9 %
Total	100.0 %	100.0 %	100.0 %

Sales, MEUR	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Hiab	674.9	613.8	504.6
Kalmar	882.8	859.0	695.0
MacGREGOR	343.5	266.0	220.4
Internal sales	-1.3	-1.5	-1.4
Total	1,899.9	1,737.3	1,418.6

Operating income, MEUR	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Hiab	63.3	46.0	40.0
Kalmar	82.9	69.8	62.1
MacGREGOR	26.5	19.1	18.5
Corporate administration and other	-9.0	-8.6	-7.5
Operating income from operations	163.7	126.3	113.1
Gain on the sale of Consolis	-	-	15.4
Gain on the sale of property	17.9	-	-
MacGREGOR acquisition adjustment *	-	-	-3.9
Total	181.6	126.3	124.6

*) Impact of the final accounting

Operating income, %	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Hiab	9.4 %	7.5 %	7.9 %
Kalmar	9.4 %	8.1 %	8.9 %
MacGREGOR	7.7 %	7.2 %	8.4 %
Cargotec, operating income from operations	8.6 %	7.3 %	8.0 %
Cargotec	9.6 %	7.3 %	8.8 %

Orders received, MEUR	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Hiab	705.5	596.4	476.2
Kalmar	955.2	872.6	627.7
MacGREGOR	534.8	327.0	263.2
Internal orders received	-1.6	-1.5	-1.2
Total	2,193.9	1,794.5	1,365.9

Order book, MEUR	30.9.2006	30.9.2005	31.12.2005
Hiab	215.4	198.2	196.7
Kalmar	580.9	583.1	519.5
MacGREGOR	798.2	499.6	540.9
Internal order book	-0.4	-0.4	-0.2
Total	1,594.1	1,280.5	1,256.9

Capital expenditure, MEUR	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
In fixed assets (excluding acquisitions)	30.3	15.7	17.8
In leasing agreements	0.5	0.8	0.3
In customer financing	14.5	21.6	21.3
Total	45.3	38.1	39.4

Expenditure for R&D	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Expenditure for R&D, MEUR	22.1	21.1	17.5
Expenditure for R&D, as percentage of sales	1.2	1.2	1.2

Number of employees at the end of period	30.9.2006	30.9.2005	31.12.2005
Hiab	3,615	3,409	3,417
Kalmar	3,543	3,106	3,210
MacGREGOR	1,109	886	899
Corporate administration	46	44	45
Total	8,313	7,445	7,571

Average number of employees	1-9/2006	Pro forma 1-9/2005	Financial period 6-12/2005
Hiab	3,547	3,429	3,418
Kalmar	3,337	2,976	3,092
MacGREGOR	955	909	891
Corporate administration	45	42	45
Total	7,884	7,356	7,446

Commitments

MEUR	30.9.2006	30.9.2005	31.12.2005
Guarantees	0.2	5.6	1.2
Customer finance	18.0	21.2	17.7
Operating leases	31.0	27.7	29.5
Other contingent liabilities	3.9	4.1	4.1
Total	53.1	58.6	52.5

Fair values of derivative financial instruments

MEUR	30.9.2006	30.9.2005	31.12.2005
FX forward contracts			
Subsidiaries	6.3	-10.6	-14.4
Parent company	-1.5	2.6	-0.2
Interest rate swaps			
Maturity under 1 year	-0.1	-0.7	-0.4
Maturity over 1 year	-	-0.4	-0.3
Total	4.7	-9.1	-15.3

Nominal values of derivative financial instruments

MEUR	30.9.2006	30.9.2005	31.12.2005
FX forward contracts			
Subsidiaries	1,416.7	677.1	970.1
Parent company	248.6	369.5	379.4
Interest rate swaps			
Maturity under 1 year	10.0	35.0	35.0
Maturity over 1 year	-	10.0	10.0
Total	1,675.3	1,091.6	1,394.5

Accounting principles:

This interim report has been prepared in accordance with the IFRS recognition and measurement principles. The report does not comply with all requirements of IAS 34, Interim Financial Reporting. Cargotec has applied the same accounting principles as in the closing of year 2005 except for the following new standards, changes and interpretations, which have been adopted as of January 1, 2006:
- IAS 21 (Amendment): Net Investment in a Foreign Operation
- IAS 39 (Amendment): Cash Flow Hedge Accounting of Forecast Intragroup Transactions
- IFRIC 4: Determining Whether an Arrangement Contains a Lease

The adoption of new standards did not cause any restatement of 2005 comparison figures.

This interim report is unaudited.

Pro forma information:

Cargotec was listed on June 1, 2005 and the Company's first financial period was June 1-December 31, 2005. The interim report presents pro forma comparison figures for those periods for which official comparative figures are not available. Pro forma figures present Cargotec's financial information based on its business and corporate structure at the time of the listing to facilitate the financial evaluation of the Company. Hence, MacGREGOR's marine cargo flow business acquired in spring 2005 is included in the pro forma figures of all comparison periods as if the acquisition would have happened before the periods presented. Pro forma information is based on IFRS and the accounting principles of Cargotec's official consolidated financial statements have been applied when suitable. The final accounting impact of the MacGREGOR acquisition according to IFRS 3 is included in the official result as of June 1, 2005. In the 2005 pro forma figures the impact has been recognised as an adjustment to equity. The pro forma accounting principles prior to the listing are presented in Cargotec's listing particulars.

Quarterly Figures

Cargotec		Q3/2006	Q2/2006	Q1/2006	Q4/2005	Q3/2005
Orders received	MEUR	603.2	785.6	805.1	590.6	577.8
Order book	MEUR	1,594.1	1,544.2	1,439.1	1,256.9	1,280.5
Sales	MEUR	624.8	661.2	613.9	621.6	577.1
Operating income	MEUR	52.0***	60.7	51.0	52.7**	41.6*
Operating income	%	8.3***	9.2	8.3	8.5**	7.2*
Basic earnings/share	EUR	0.60 ***	0.63	0.53	0.56**	0.48*

Hiab		Q3/2006	Q2/2006	Q1/2006	Q4/2005	Q3/2005
Orders received	MEUR	207.3	232.1	266.1	234.6	180.0
Order book	MEUR	215.4	216.3	226.3	196.7	198.2
Sales	MEUR	208.2	237.1	229.6	231.0	196.3
Operating income	MEUR	17.4	23.4	22.5	20.1	13.7
Operating income	%	8.4	9.9	9.8	8.7	7.0

Kalmar		Q3/2006	Q2/2006	Q1/2006	Q4/2005	Q3/2005
Orders received	MEUR	257.8	346.0	351.4	230.1	291.2
Order book	MEUR	580.9	614.9	586.7	519.5	583.1
Sales	MEUR	290.0	309.1	283.7	288.2	291.3
Operating income	MEUR	27.2	30.7	25.0	27.0	24.7
Operating income	%	9.4	9.9	8.8	9.4	8.5

MacGREGOR		Q3/2006	Q2/2006	Q1/2006	Q4/2005	Q3/2005
Orders received	MEUR	138.8	207.9	188.1	126.3	107.2
Order book	MEUR	798.2	713.2	626.3	540.9	499.6
Sales	MEUR	127.0	115.5	101.0	103.1	90.0
Operating income	MEUR	10.0	10.3	6.2	8.5*	6.6*
Operating income	%	7.9	8.9	6.1	8.2*	7.3*

* Excluding the impact of the final accounting of MacGREGOR acquisition

** Excluding gain on the sale of Consolis and the impact of the final accounting of MacGREGOR acquisition

*** Excluding gain on the sale of property

Information of quarters Q3/2005 and Q4/2005 differs from the pro forma information for the quarters as different currency rates have been used due to different accounting periods. Hence, the above presented quarterly figures for 2005 added together differ from full year 2005 pro forma figures.