



Q3 Interim Review  
January-September 2007

President and CEO Mikael Mäkinen

October 18, 2007

# Key issues in January-September 2007

- Q3 order intake record strong at MEUR 1,028 (7–9/2006: 603). Jan-Sep orders received totalled MEUR 2,892 (1-9/2006: 2,194).
- Q3 sales were MEUR 713 (7–9/2006: 625). Sales growth of 13%, with half organic. Jan-Sep sales were MEUR 2,151 (1,900).
- Services development continued strong with 28% growth.
- Q3 operating profit from operations was MEUR 52.5 (7–9/2006: 52.1) representing 7.4 (8.3)% of sales. Jan-Sep operating profit from operations was MEUR 156.6 (164.0) representing 7.3 (8.6)% of sales.



# Market activity was lively

- Development of world economy and trade lively
- Container traffic volumes continue to grow
- Ship building at ship yards continues at high level
- Load handling equipment demand in Europe strong but U.S. demand weak due to significant drop in construction activity
- Demand for services developed positively



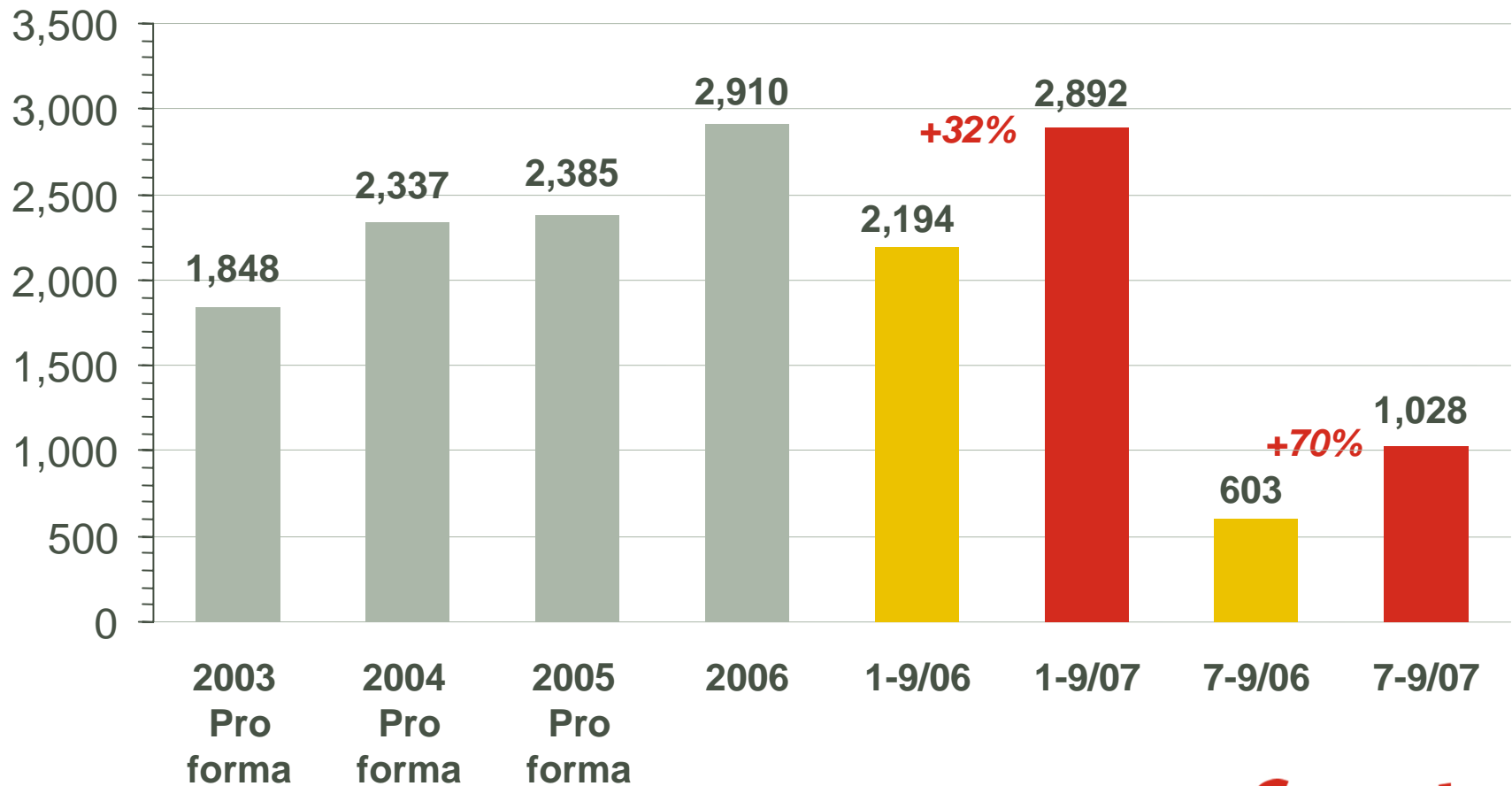
# Cargotec's order intake at record level

- Hiab
  - Load handling equipment demand strong in Europe, particularly in Central Eastern Europe, Russia and China
  - U.S. market and order intake weak
- Kalmar
  - Demand for container handling equipment healthy
  - Demand for heavy industrial handling equipment continued to be lively in Europe
- MacGREGOR
  - Demand for marine cargo handling and offshore solutions continued very high
  - Many orders from long ship series with deliveries extending for a period of several years

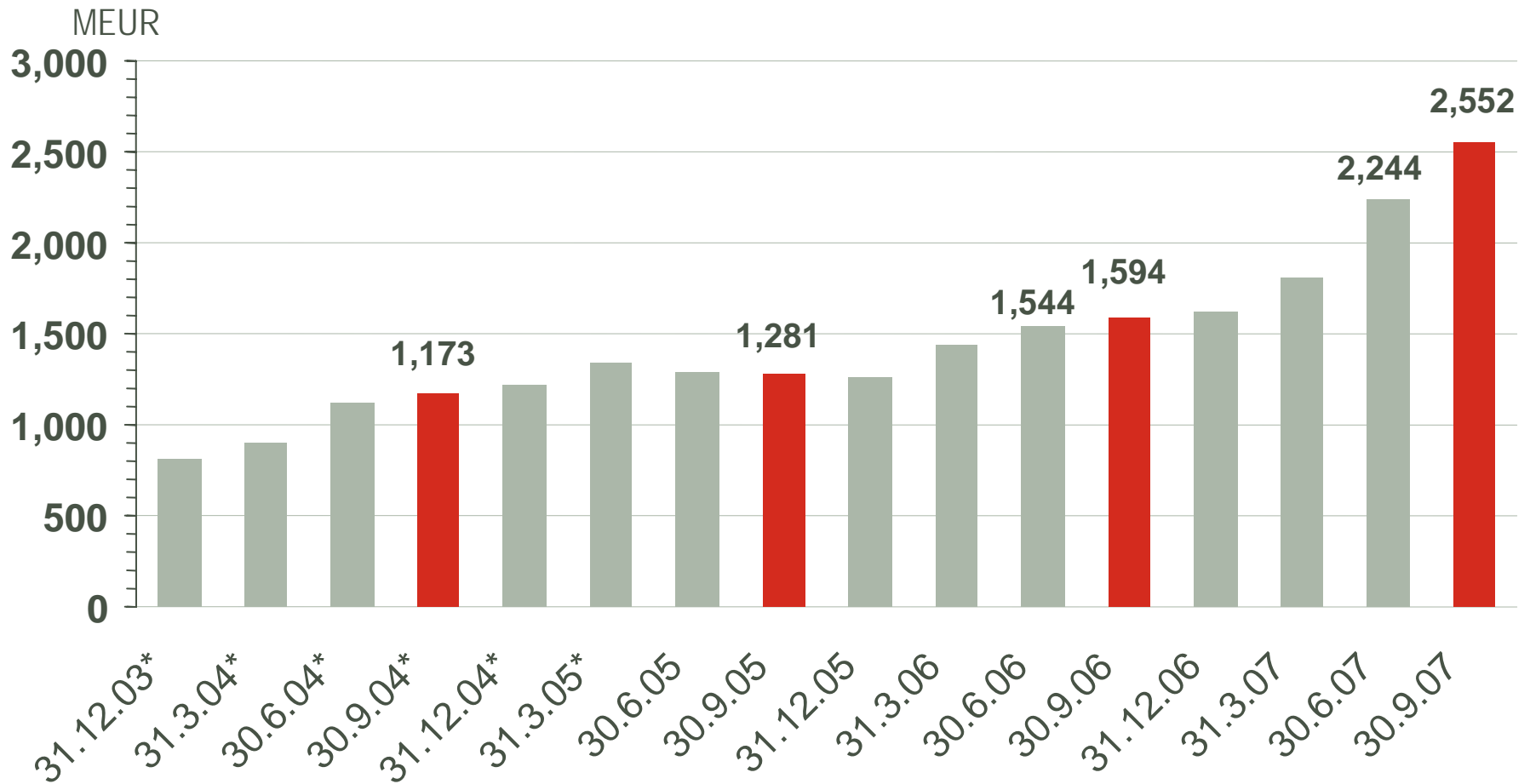


# Orders received

MEUR

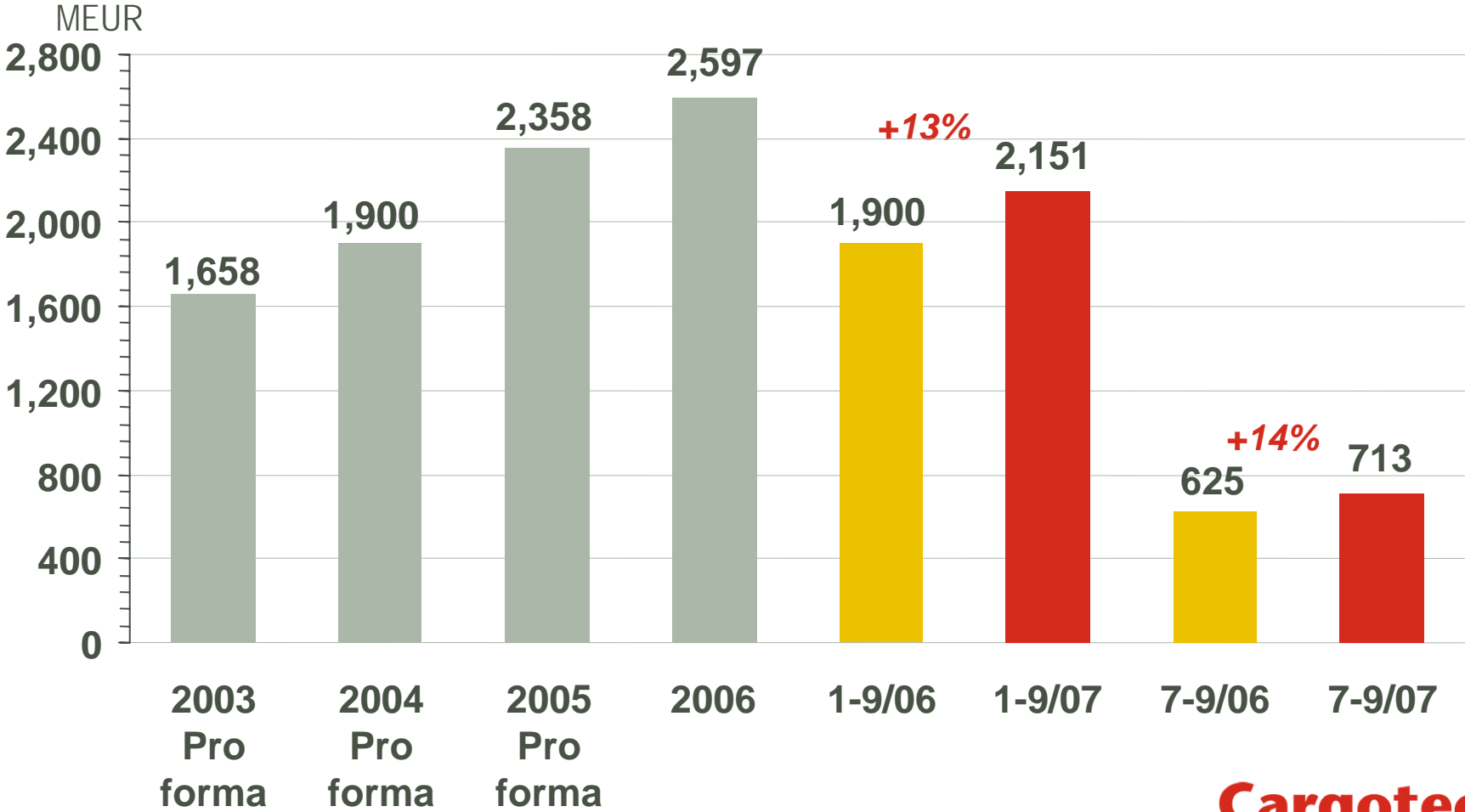


# Order book record high

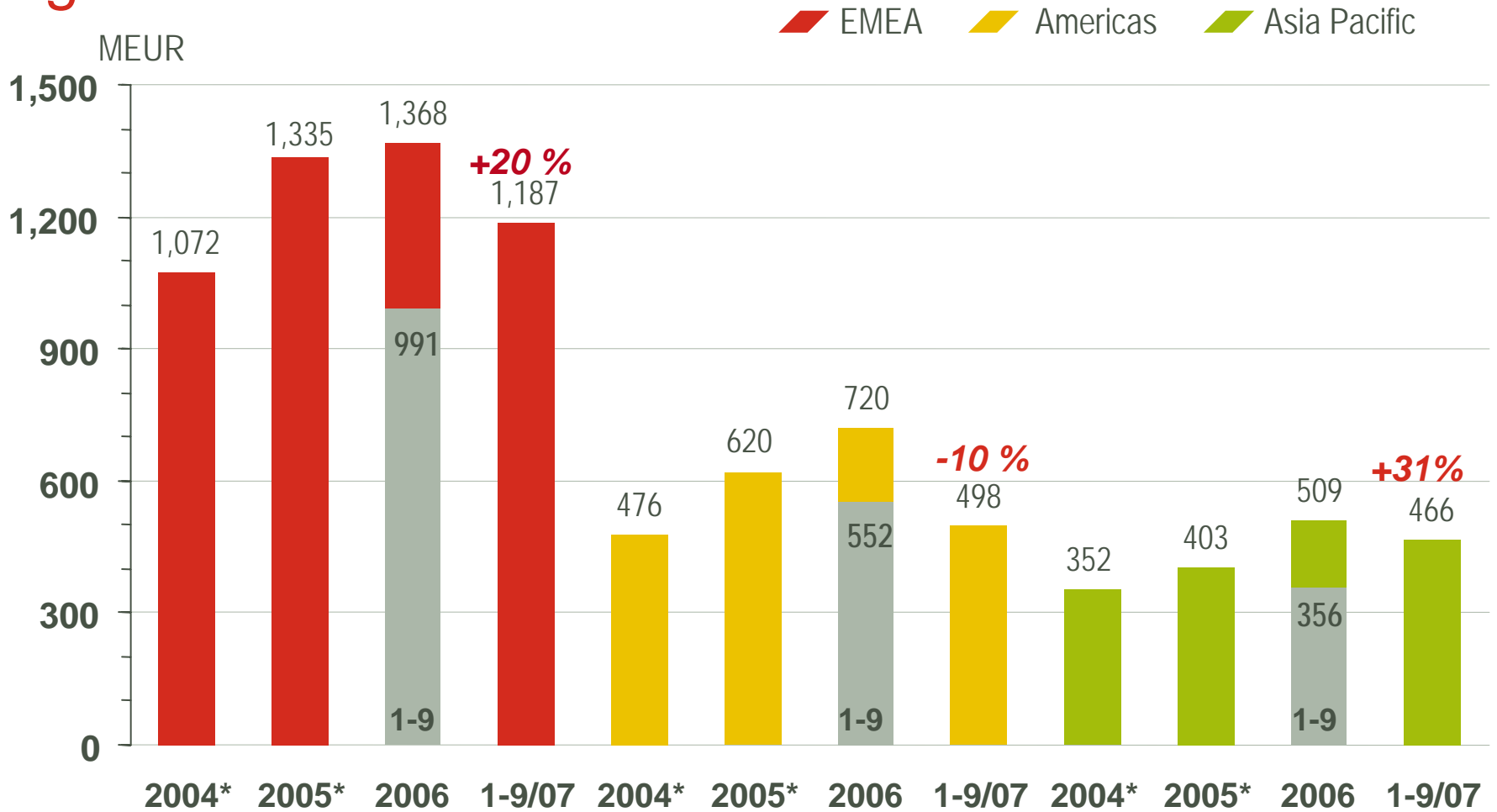


\*Pro forma

# Sales growth continued – half of growth organic



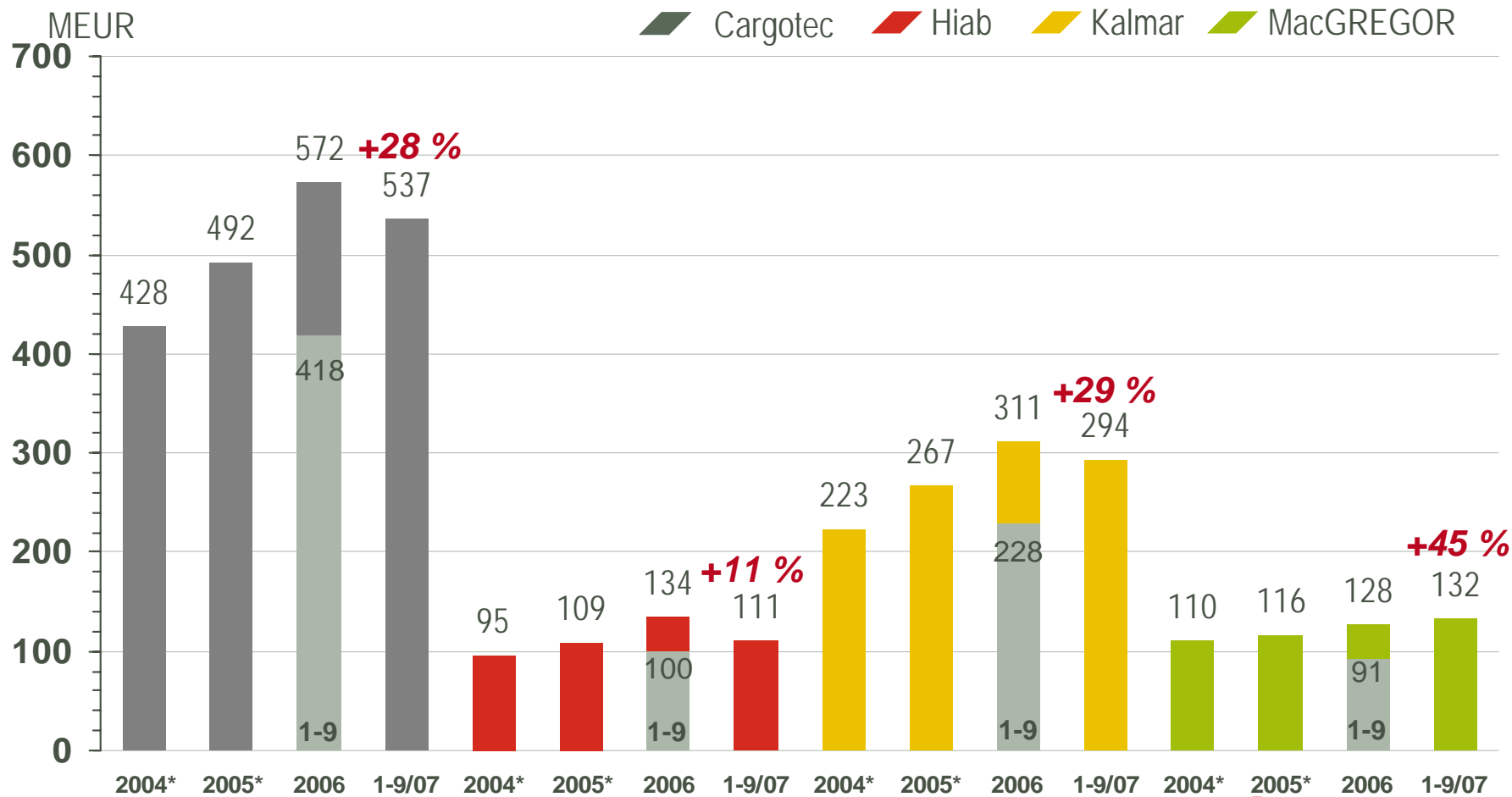
# Geographical development of sales – fastest growth in Asia



\*Pro forma



# Services grew by 28% y-on-y representing 25% of sales



\*Pro forma

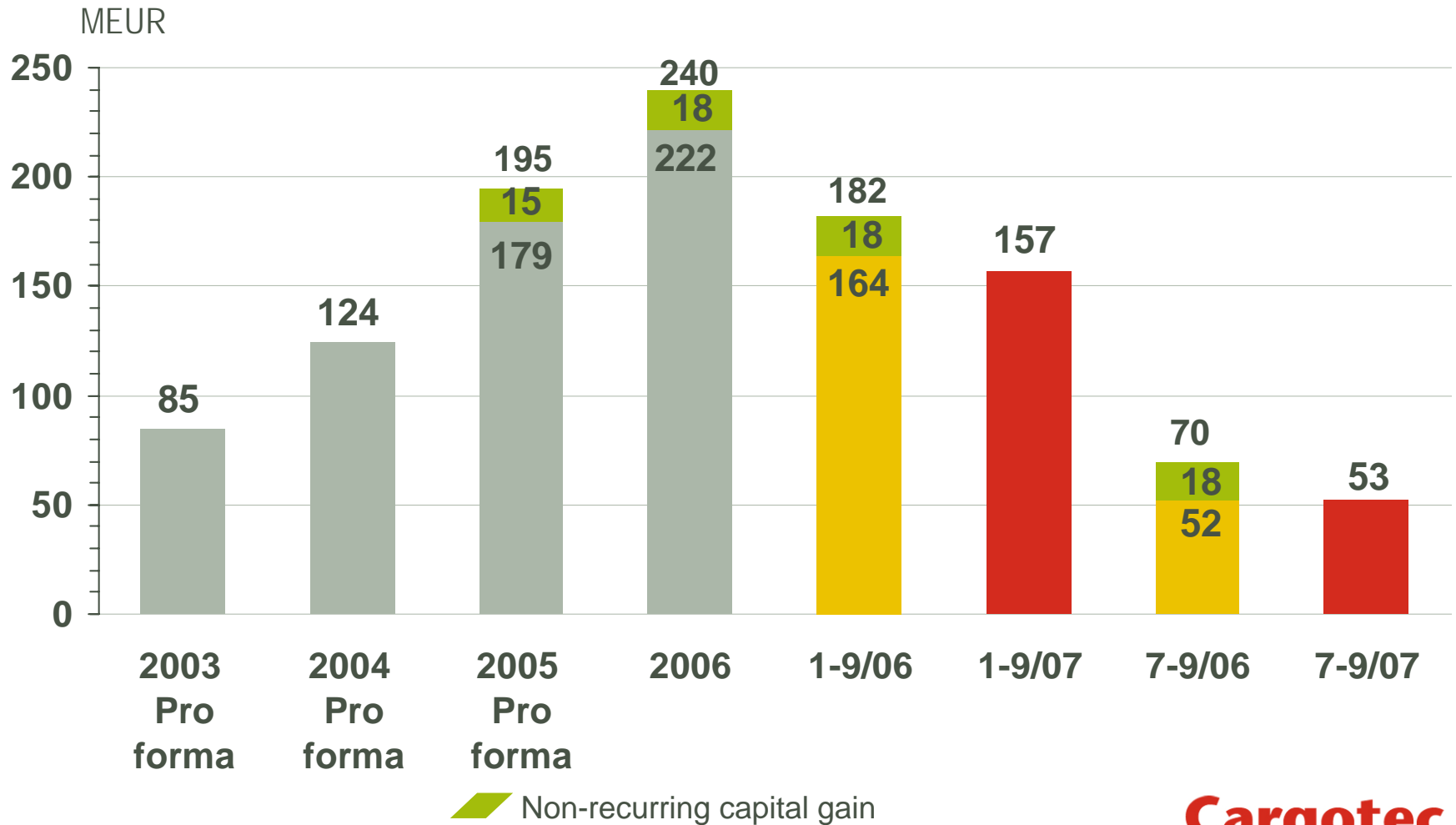
# Operating profit from operations by business area

MEUR	7-9/2007	7-9/2006	2006	Pro forma 2005	Pro forma 2004
Hiab %	13.7 6.8%	17.4 8.4%	86.0 9.4%	66.6 7.9%	44.6 6.4%
Kalmar %	27.8 8.5%	27.5 9.5%	111.7 9.3%	97.6 8.5%	66.4 7.7%
MacGREGOR %	15.0 8.0%	9.9 7.8%	35.9 7.5%	27.5 7.5%	20.9 6.2%
Group admin, others	(4.0)	(2.7)	(11.9)	(12.3)	(8.0)
<b>Cargotec total %</b>	<b>52.5 7.4%</b>	<b>52.1 8.3%</b>	<b>221.7 8.5%</b>	<b>179.4 7.6%</b>	<b>123.9 6.5%</b>

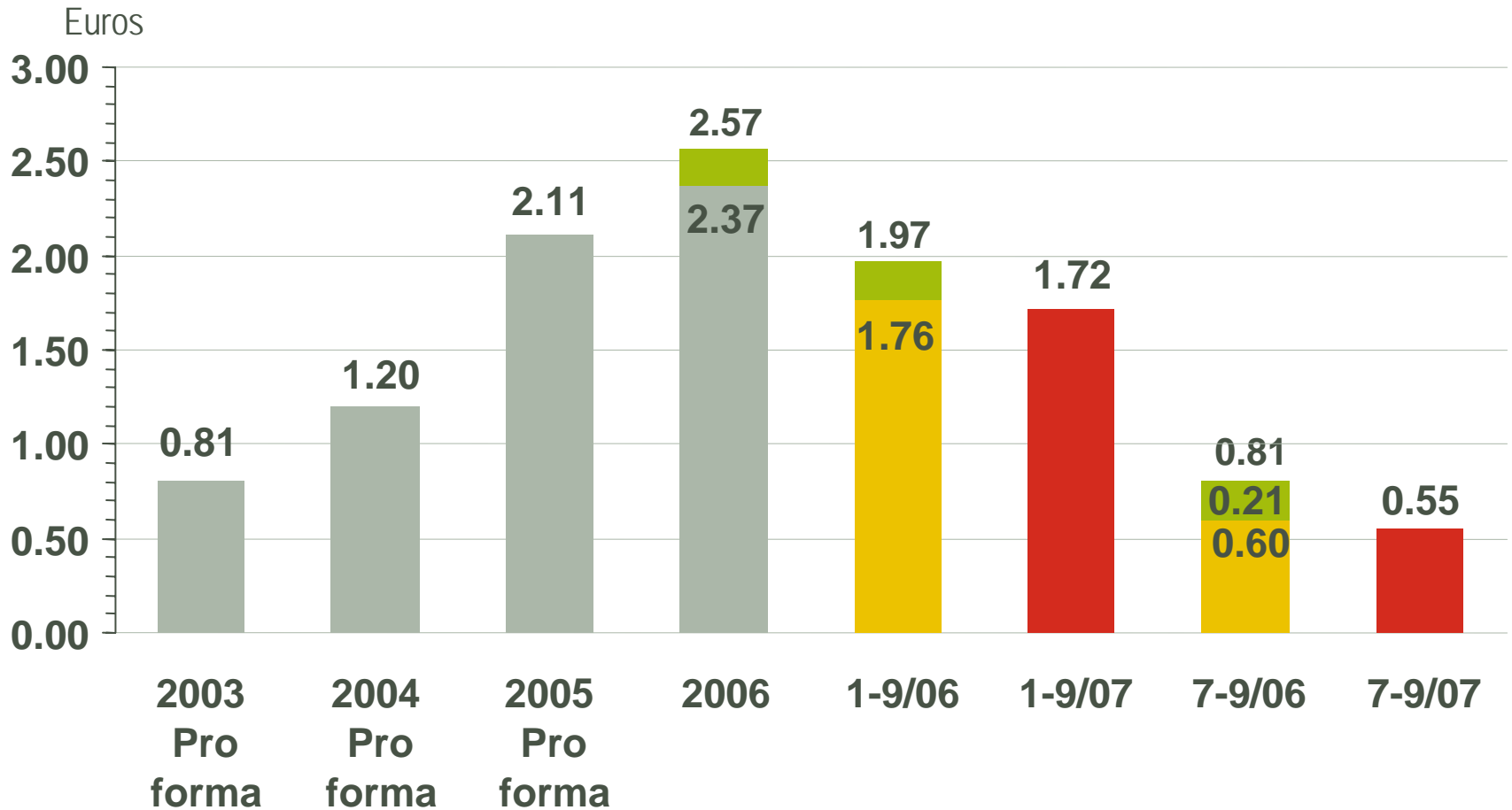
# Jan-Sep analysis – operating profit from operations

	1-9/2007	1-9/2006	
Hiab	54.5 7.9%	63.3 9.4%	<ul style="list-style-type: none"> <li>• Cost reserve for Dutch factory</li> <li>• U.S. demand clearly below last year, strong development in Europe and Asia not fully compensating</li> </ul>
Kalmar	78.6 8.0%	83.5 9.5%	<ul style="list-style-type: none"> <li>• Sales impact of acquired service companies</li> <li>• Higher costs from expanding presence in big cranes and automation solutions</li> </ul>
MacGREGOR	37.0 7.6%	26.2 7.6%	<ul style="list-style-type: none"> <li>• Cost impact from the purchase price allocation treatment of acquisitions in 1-9/07 MEUR 4.6 of which over half in MacGREGOR</li> </ul>
Group administration	(13.5)	(9.0)	<ul style="list-style-type: none"> <li>• Investments in strengthening Cargotec's presence and market position are increasing corporate admin costs in 2007</li> </ul>
Cargotec total	156.6 7.3%	164.0 8.6%	

# Operating profit



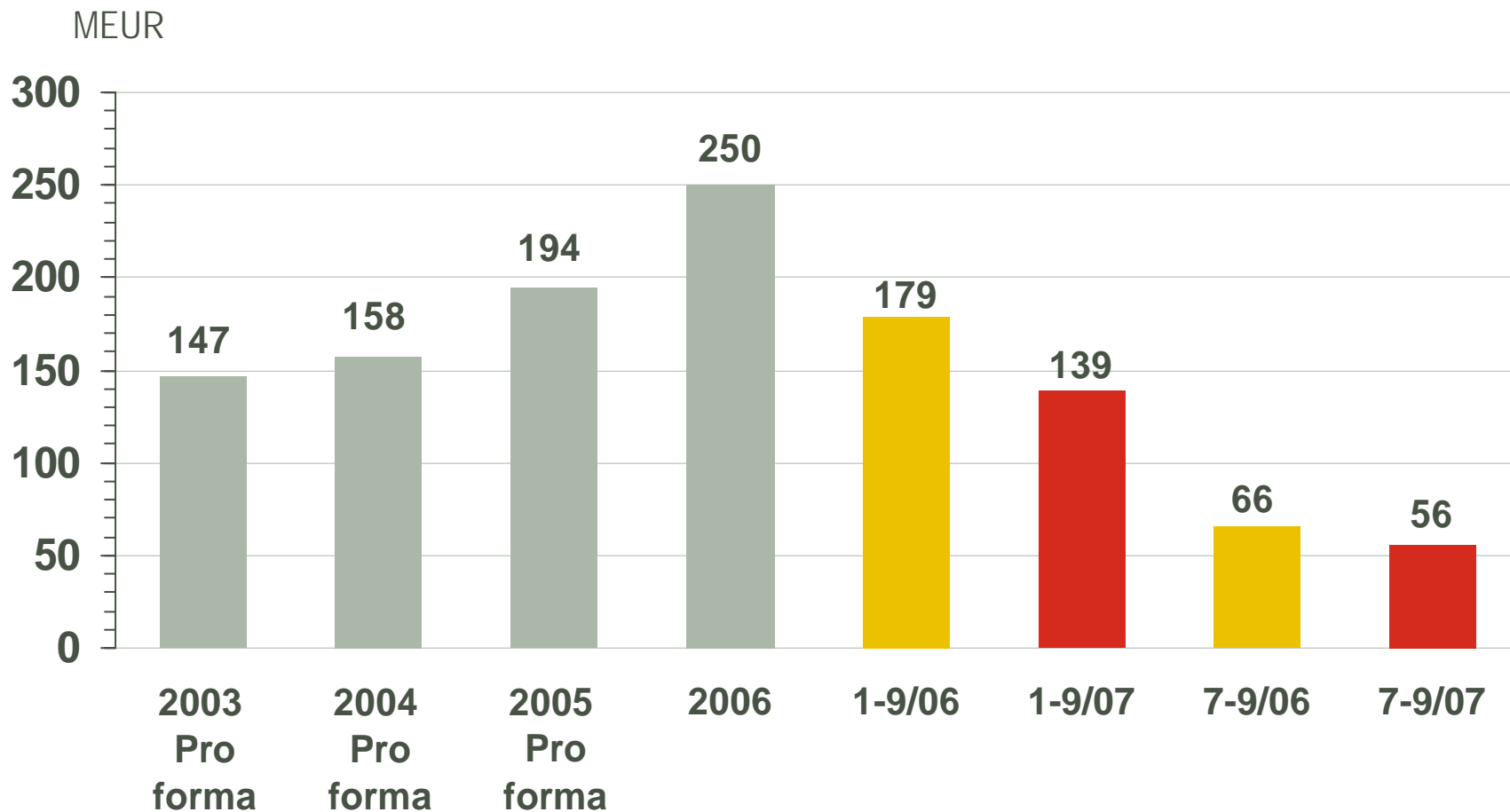
# Earnings per share (basic)



 Non-recurring capital gain

**Cargotec**

# Cash flow from operating activities before financial items and taxes



# Key figures

		30.9.2007	2006	Pro forma 2005
Basic earnings per share	EUR	1.72	2.57	2.11
Equity per share	EUR	13.96	13.72	11.93
Interest-bearing net debt	MEUR	364.6	107.5	120.5
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Total equity/total assets	%	40.2	47.6	46.2
Gearing	%	41.6	12.3	15.7
Return on equity	%	16.7	20.2	19.2
Return on capital employed	%	17.6	23.1	20.9

# Acquisitions completed in January-September 2007

- Services company **Tagros** in Slovenia
- **Berger** sales, service, installation network in Eastern Europe
- Sales and services company **Truck och Maskin i Örnsköldsvik** in Northern Sweden
- Increased stake in distribution and services company **BG Crane** in Australia
- U.S. services company **PES** for ports and intermodal terminals
- Manufacturing base in India through **Indital**
- Offshore and sub-sea load handling systems company **Hydramarine** in Norway
- **Plimsoll** in Singapore focused on offshore deck equipment
- **Kalmar Asia Pacific** minority stake
- Kalmar distributor **Kalmar España** in Spain
- Offshore service company **Vestnorsk Hydraulikkservice** in Norway
- Component and steel structure manufacturer **Balti ES** in Estonia
- U.S. services company **Bay Equipment Repairs**
- Port automation technology company **Advanced Cargo Transhipment** in the Netherlands

Q3



# Services strengthened through Cargotec Services operating model

- Aim is to speed up services growth by better focusing resources and service knowhow
- Cooperation in service concept development, spare parts sales and training of service people will be strengthened by a matrix organisation, where Cargotec Services acts as an internal centre of expertise.
- Special focus in the operating model will be put on total maintenance of container and bulk terminals as well as significant refurbishment and conversion projects.



# Focus on R&D and expansion of presence

During 2007 Cargotec has invested in research and development as well as expansion of presence in component manufacturing and assembly. R&D expenditure has risen to 1.5% of sales.

- **R&D focus areas:**

- Hiab: expansion of product families, biggest capacity loader crane latest addition
- Kalmar: big cranes and automation solutions as well as eco-efficiency
- MacGREGOR: new control systems and electrical solutions

- **Expansion of production presence:**

- Indonesia (offshore solutions)
- India (container and load handling equipment)
- China (offshore solutions)
- Vietnam (joint-venture for hatch cover manufacturing)
- Estonia (component manufacturing)

# Outlook

- General market activity is expected to continue healthy with the exception of the U.S. load handling market. In accordance with its plans, Cargotec continues growth and efficiency related investments, which burden the 2007 result.
- Thanks to the record value of orders received so far in the year the estimate for full year 2007 order intake growth has been raised to close to 30 %.
- The sales growth estimate for 2007 is unchanged at approximately 15 %, which implies strong sales growth for the final quarter. Due to the growth operating profit in euros will improve from the previous quarters. Operating profit margin for the final quarter is estimated to remain at the third quarter level.

# Questions & Answers

- Mr. Mikael Mäkinen, President and CEO
- Mr. Kari Heinistö, Senior Executive Vice President and CFO
- Ms. Eeva Mäkelä, SVP IR & Communications
- Ms. Tiina Naumanen, Group Controller