CARGOTEC

Eeva Sipilä, CFO

CARGOTEC

Carnegie Investment Ideas Seminar
7 September 2011

HIAB · KALMAR · MACGREGOR

Strategy and financial targets

Vision and mission

Our vision is

- to be the world's leading provider of cargo handling solutions

Our mission is

- to improve the efficiency of cargo flows

HIAB · KALMAR · MACGREGOR

Company values

CARGOTEC

Portfolio

Solutions for industrial and on-road load handling

Solutions for ports and container handling

Solutions for marine cargo handling and offshore load handling

CARGOTEC

Next corporate theme

Late 80s/ early 90s	-1997	1997-2002	2002-2004	2004-2007	2007-2010	2010-2015	2015-
From “lime stone” to engineering	More engineering	One Partek	Kone	Cargotec	One Cargotec	Customer focus globally	Customer Solutions
			Excellence in purchasing Outsourcing Growth in services	Creation of stand-alone company Listing to stock exchange	Support, Supply and Services centralised Hiab and Kalmar merged Capacity scaled to demand	Regions Key accounts Segment development Footprint, outsourcing	Segment based Knowledge based solutions

HIAB · KALMAR · MACGREGOR

Strategic focus areas 2011–2015

Customers and customer segments
- Improve knowledge of customer needs
- Invest in attractive customer segments
- Decide which segments to keep and which to divest

Services
- Spare parts logistics
- Regional distribution centres
- Growing up in the value chain towards more preventive maintenance
- Support customers' operations outsourcing

Emerging markets
- Position in Chinese market
- Develop other growth markets (India, Brazil, Russia and Africa)
- Acquisitions, partnerships, organic growth

Internal clarity
- Common processes
- Harmonisation of information systems
- Further development of I&T organisation

Acquisition of terminal operating systems provider Navis

- Announced in January 2011, consolidation from 19 March onwards
- Navis is #1 vendor in marine terminal logistics solutions market
- Its global customer footprint is in over 50 countries at 200+ terminals
- The company has 20+ years of expertise in developing solutions to complex supply chain execution problems
- Navis has ~350 employees providing worldwide sales, services and support
- 2011 sales are expected to be around EUR 50 million

Cargotec to strengthen position in heavy cranes

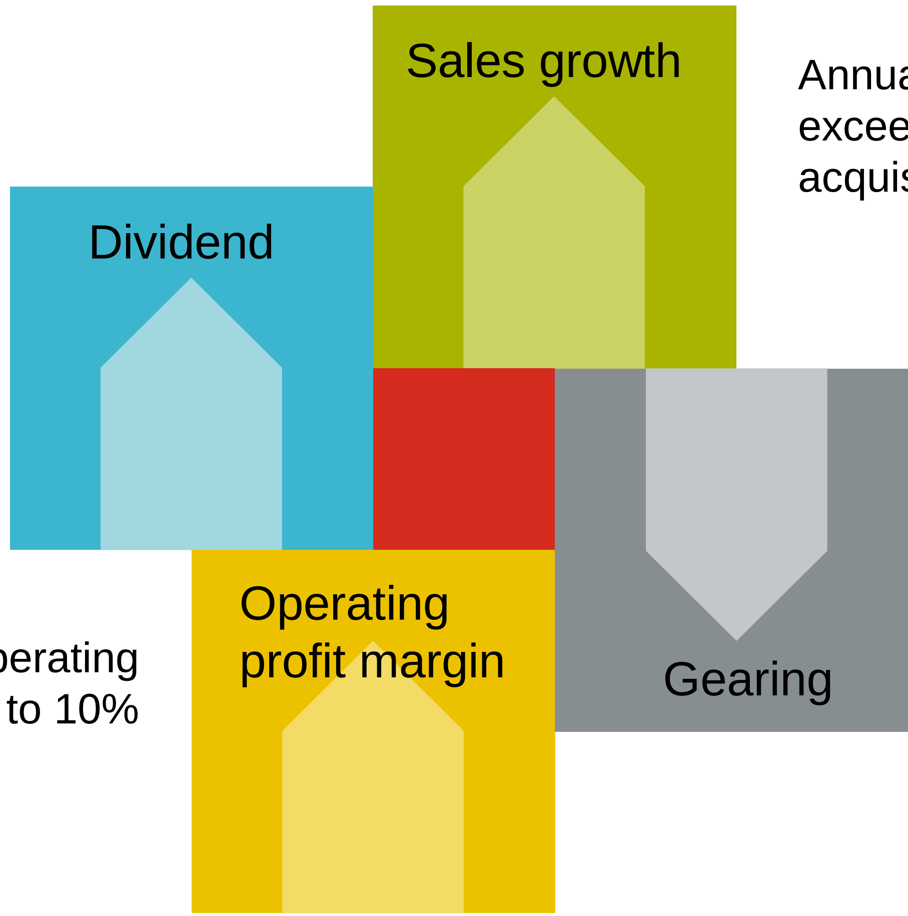
- Cargotec and its long-term manufacturing supplier in China, Jiangsu Rainbow Heavy Industries (RHI), plan to establish a joint venture to provide leading heavy crane solutions globally, expand delivery capacity and grasp growth opportunities in the Chinese and global markets.
- Cargotec's ownership would be 49 percent and the value of Cargotec's equity investment approximately EUR 30 million.
- In addition, Cargotec plans to strengthen its strategic partnership with RHI by becoming an owner in the company. Cargotec will acquire a 49 percent interest in China Crane Investment Holdings Ltd, which currently owns 18.75 percent of RHI shares, for approximately EUR 50 million.
- The transaction is subject to the relevant regulatory approvals, which are expected to be received in the coming 6–8 months (from late July 2011).

  → The joint venture is not expected to impact Cargotec's financial outlook for 2011.

Financial targets

Annual sales growth exceeding 10% (incl. acquisitions)

Dividend 30–50% of earnings per share



Gearing below 50% (over the cycle)

Raising the operating profit margin to 10%

January–June 2011 financials

Highlights of January–June 2011 report

- Market activity up in both segments and all geographies
- Q2 order intake grew 4% and sales grew 25% y-o-y
- Q2 operating profit margin increased to 6.8%
- Cash flow remained healthy
- Global competence centre for container terminals development established in Singapore

HIAB · KALMAR · MACGREGOR

Market environment in January–June 2011

- The load handling equipment market developed positively. Demand for loader cranes, truck-mounted forklifts and tail lifts in particular grew rapidly. Recovery remained weak in construction-related customer segments in United States.

- The revival in demand in container handling equipment for ports can be seen in the high level of activity. Demand for rubber-tyred gantry cranes in particular was strong on the back of improved activity of larger projects.

- Demand for marine cargo handling equipment remained at a healthy level. Demand was driven by the large number of bulk vessels ordered last year.

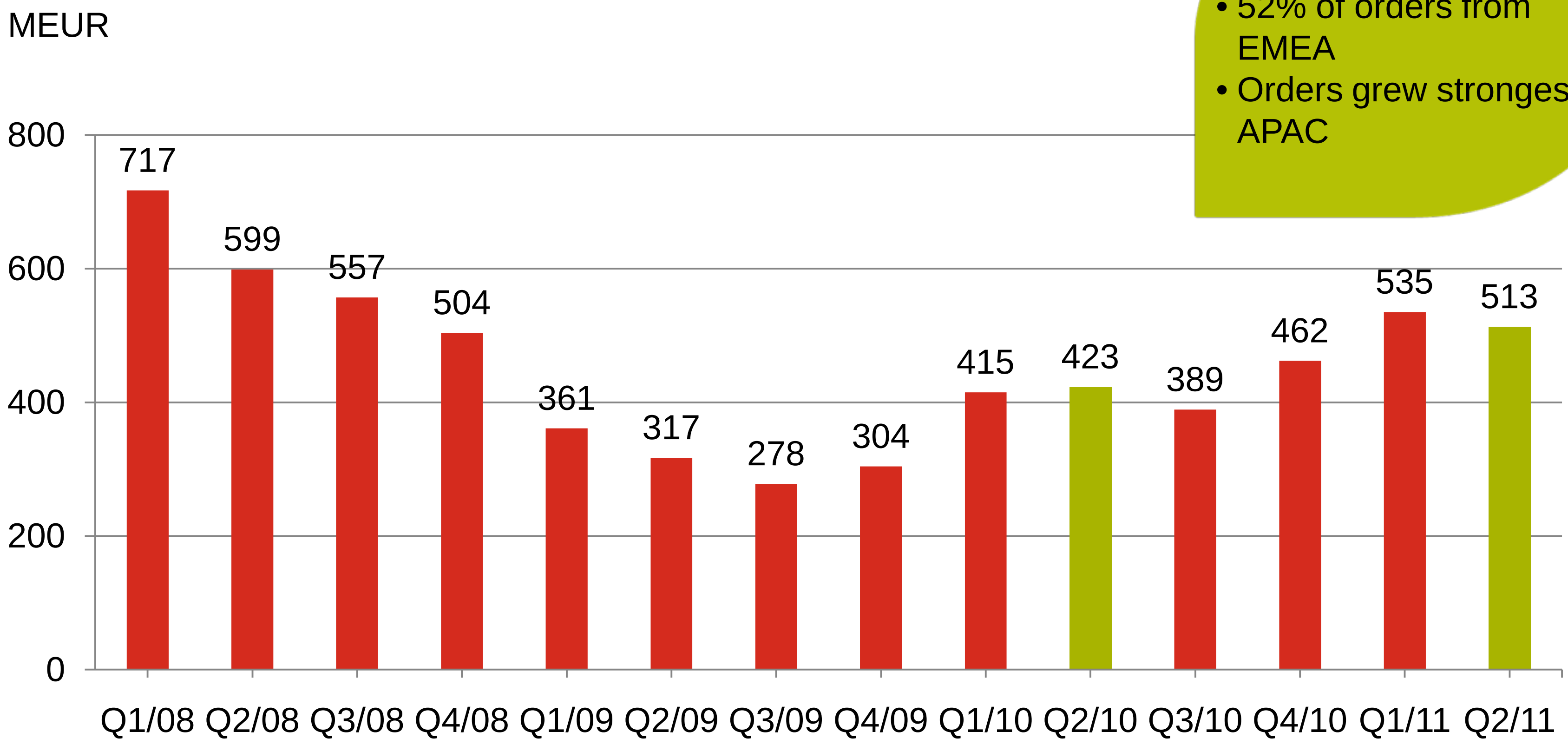
- Services markets improved mainly in load handling and terminals throughout the first half. In addition to growth in spare parts, demand for various refurbishment and modernisation projects increased clearly.

Key figures in January–June 2011

	Q2 11	Q2 10	Change	1-6/11	1-6/10	Change	2010
Orders received, MEUR	761	732	4%	1,580	1,330	19%	2,729
Order book, MEUR	2,306	2,433	-5%	2,306	2,433	-5%	2,356
Sales, MEUR	795	638	25%	1,558	1,193	31%	2,575
Operating profit, MEUR	54.0	37.2		104.6	50.7		131.4
Operating profit margin, %	6.8	5.8		6.7	4,2		5.1
Cash flow from operations, MEUR	35.4	80.5		71.6	127.0		292.9
Interest-bearing net debt, MEUR	335	308		335	308		171
Earnings per share, EUR	0.69	0.32		1.28	0.45		1.21

Q2: Industrial & Terminal's order intake grew 21% y-o-y

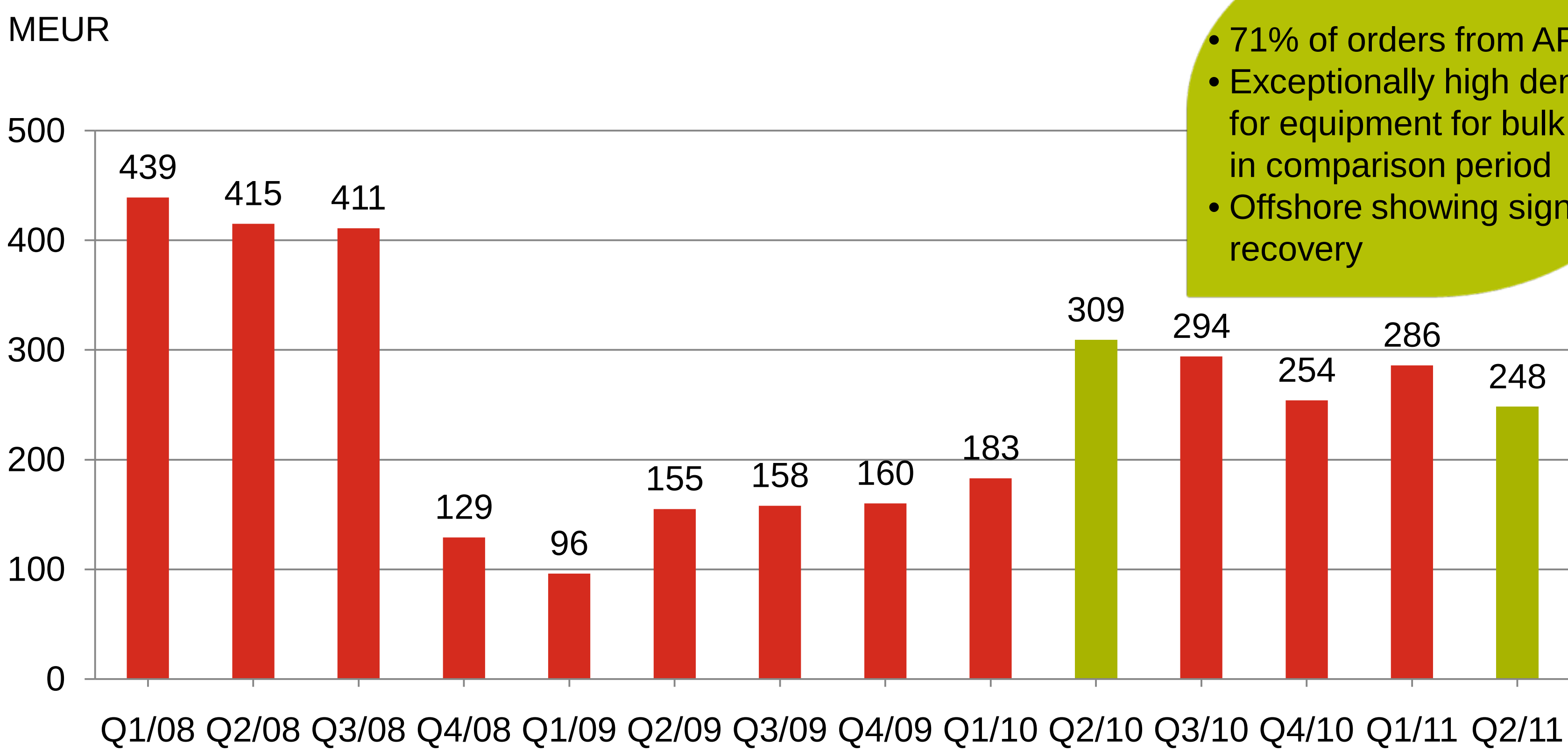
- 52% of orders from EMEA
- Orders grew strongest in APAC



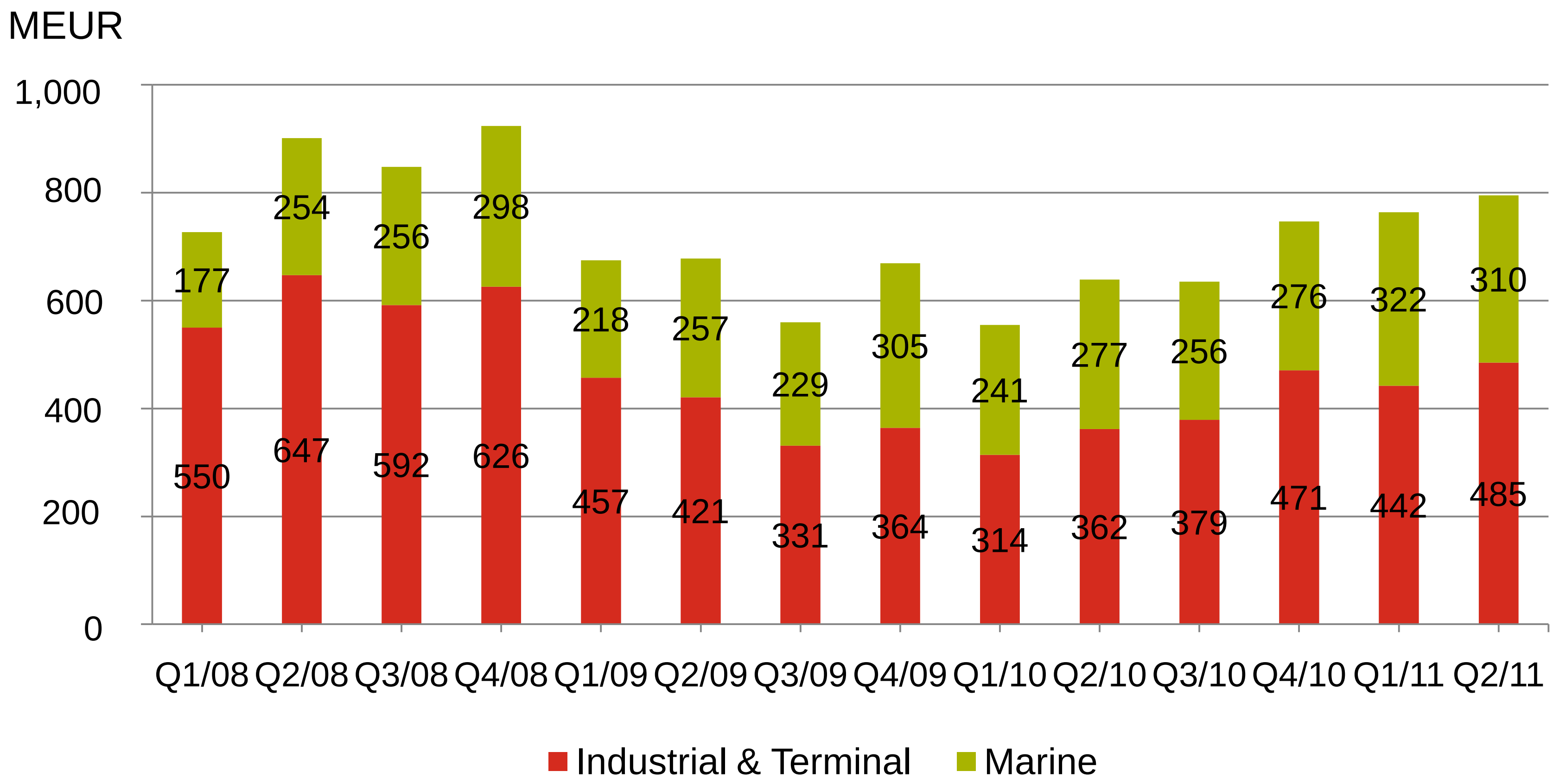
HIAB · KALMAR · MACGREGOR

Q2: Marine's order intake continued healthy

- 71% of orders from APAC
- Exceptionally high demand for equipment for bulk ships in comparison period
- Offshore showing signs of recovery

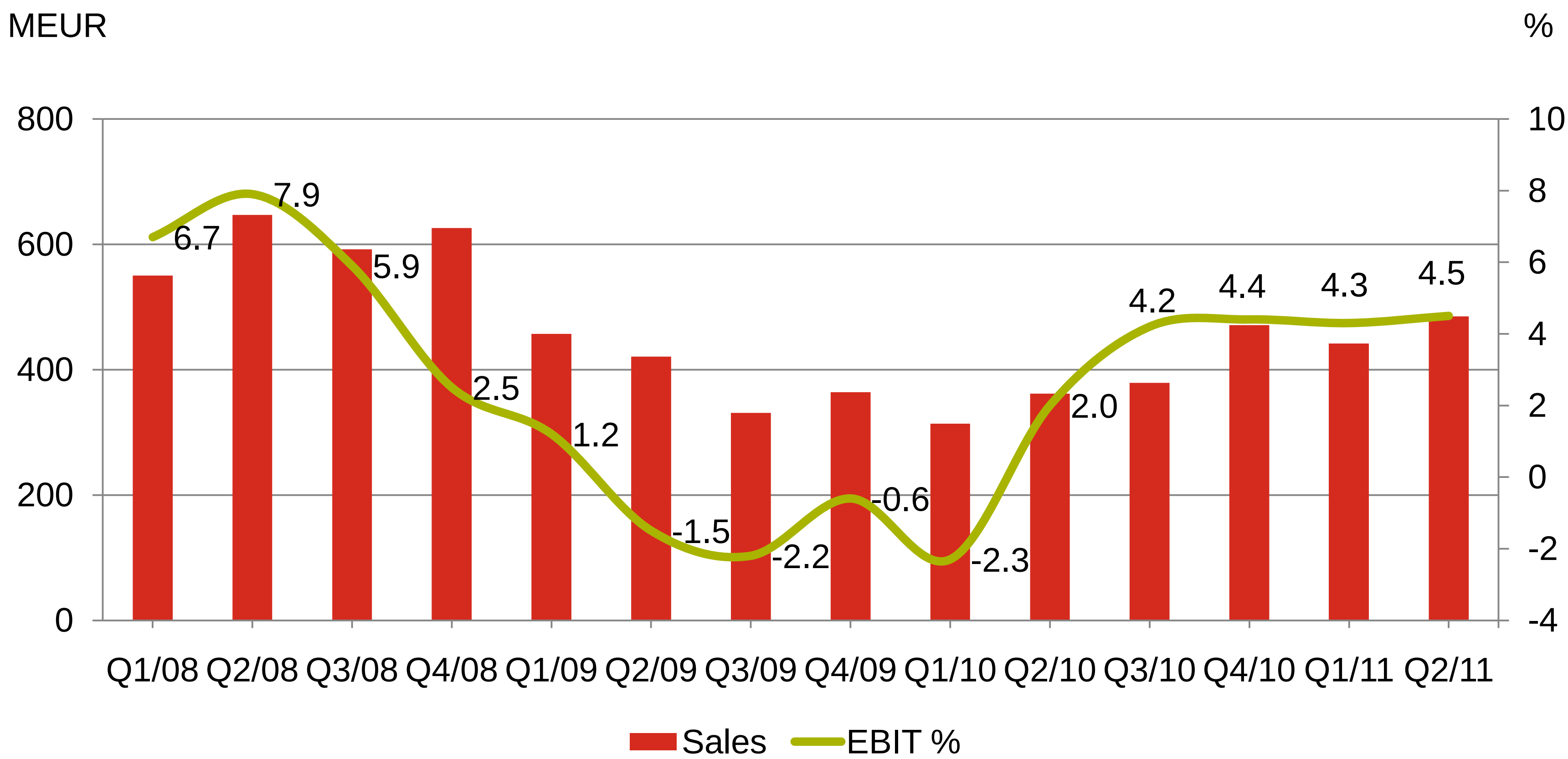


Q2: Industrial & Terminal sales grew 34% and Marine sales 12% y-o-y



HIAB · KALMAR · MACGREGOR

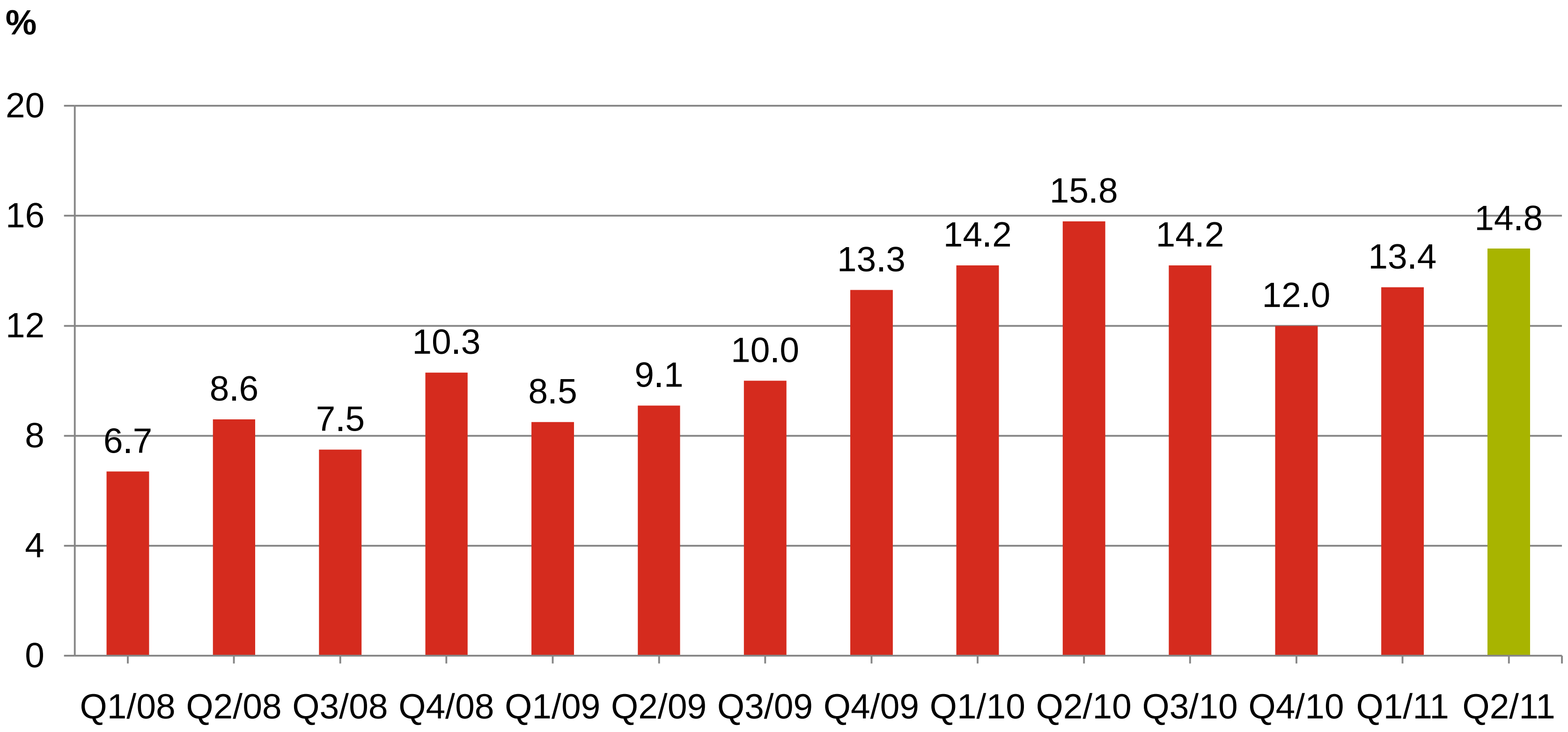
Q2: Industrial & Terminal operating margin improvement slowed down by cost increases



EBIT% Q1/08–Q4/10 excluding restructuring costs

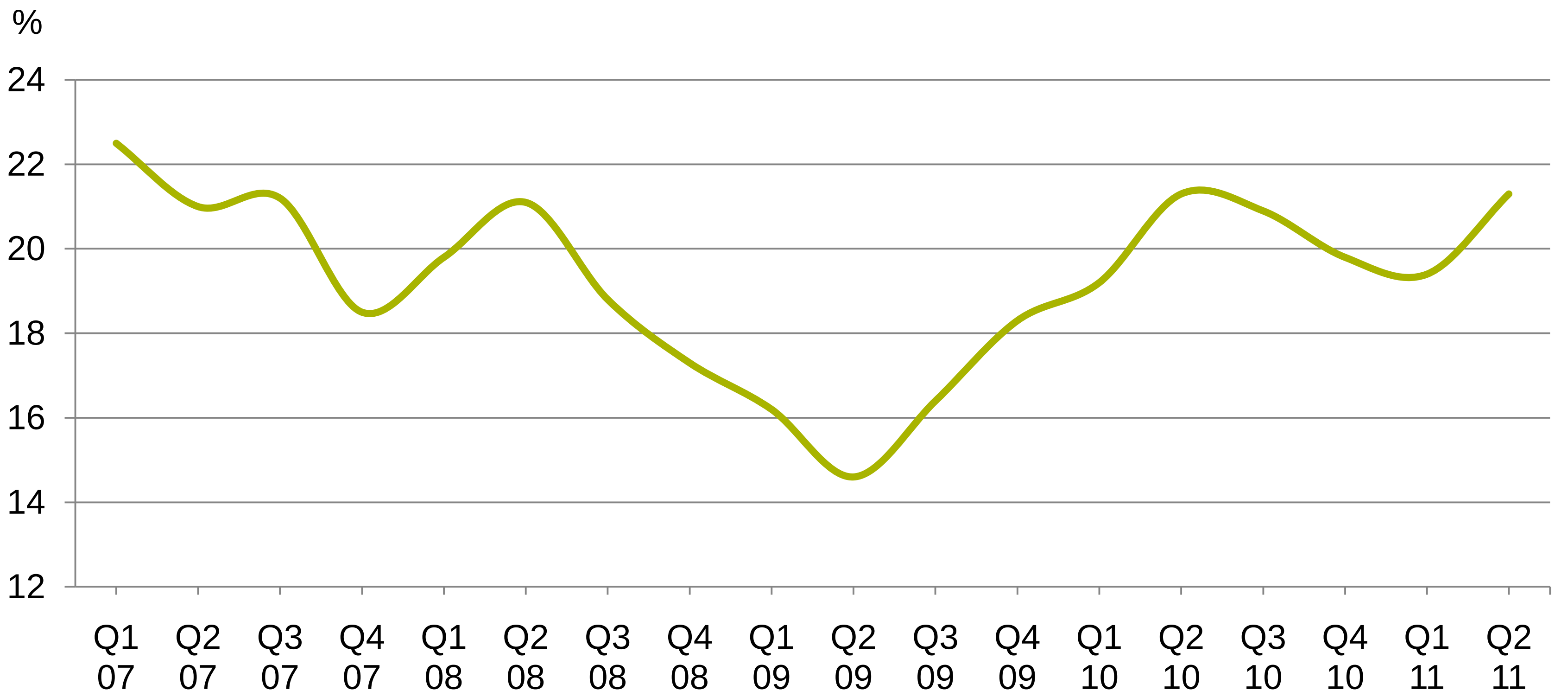
HIAB · KALMAR · MACGREGOR

Q2: Marine's profitability very strong



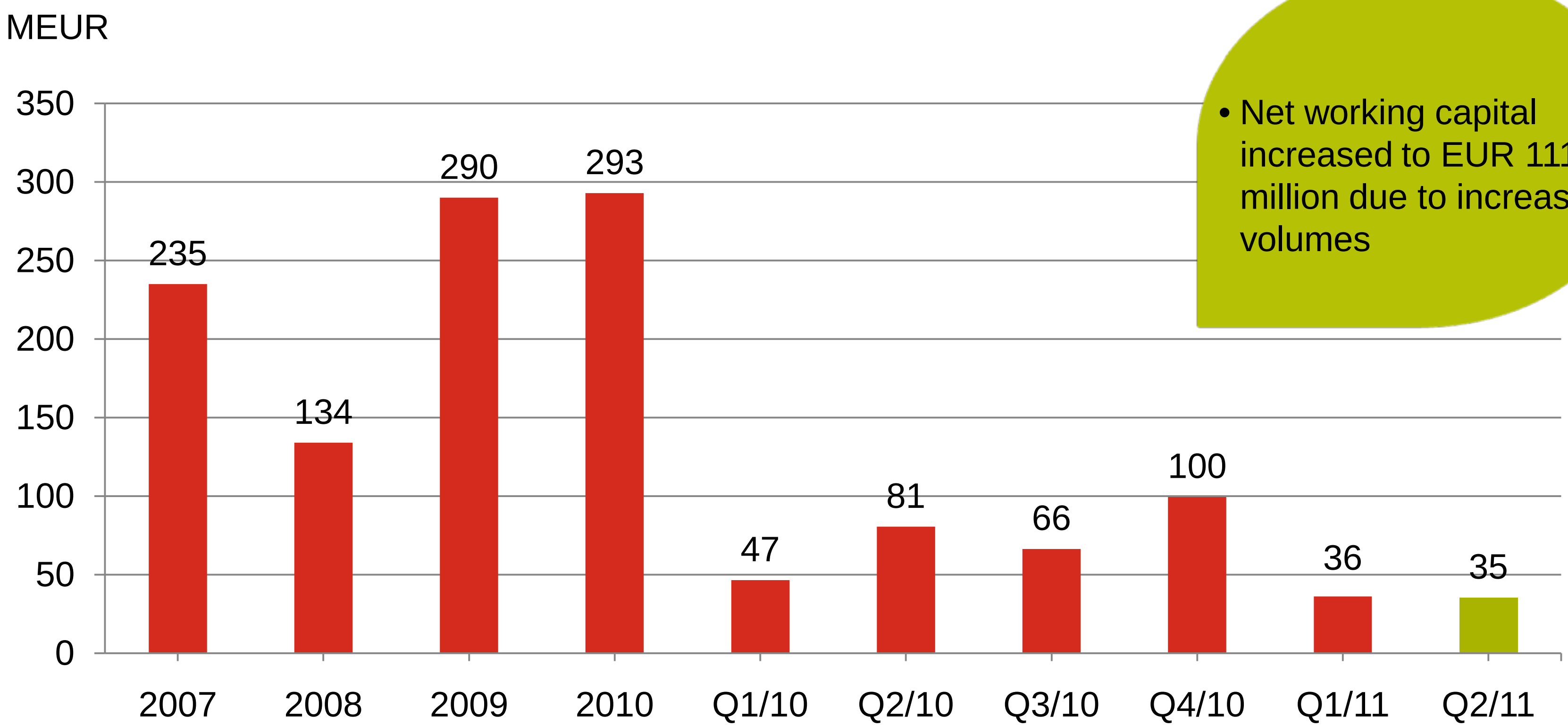
EBIT% Q1/08–Q4/10 excluding restructuring costs

Gross profit development



HIAB · KALMAR · MACGREGOR

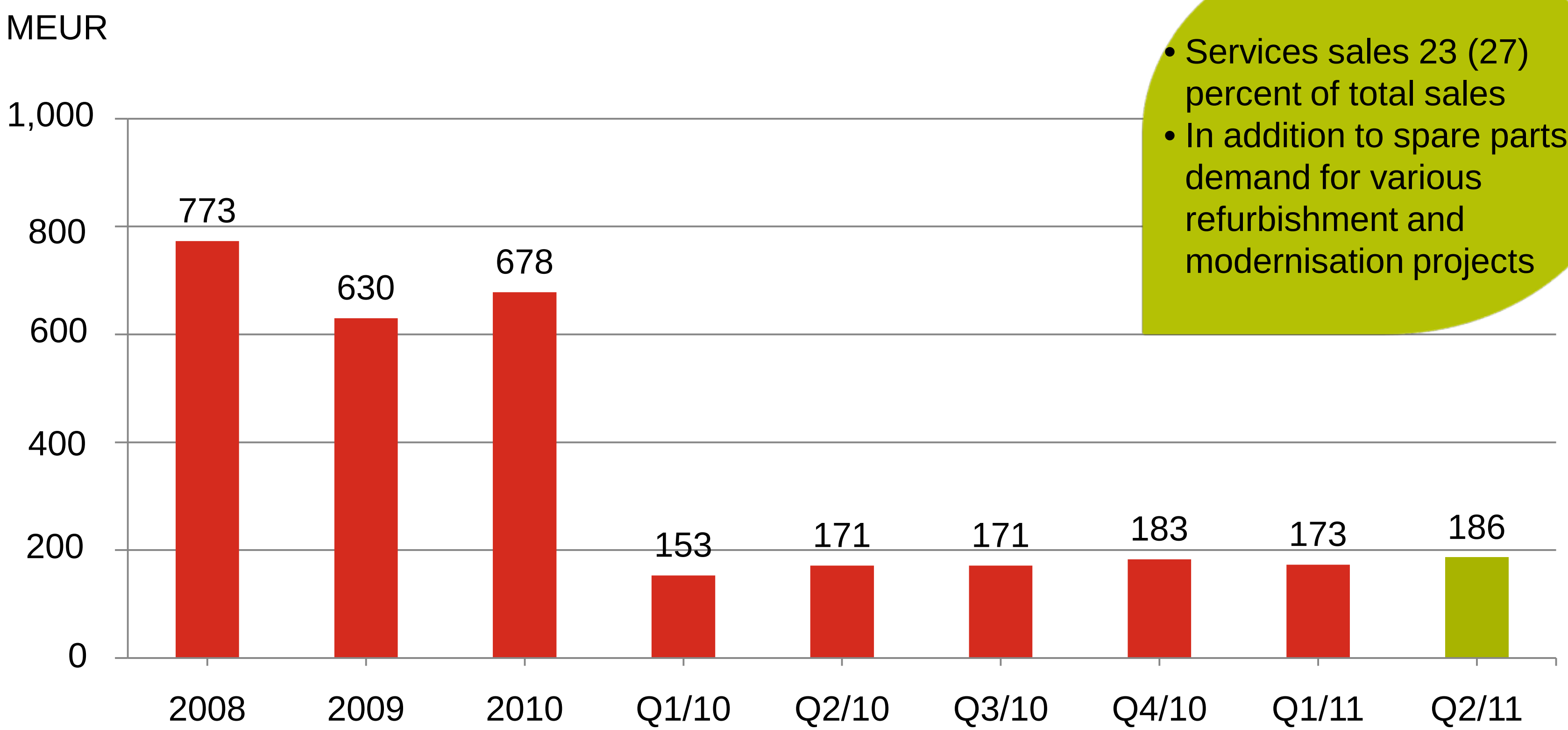
Cash flow from operations remained healthy



- Net working capital increased to EUR 111 million due to increased volumes

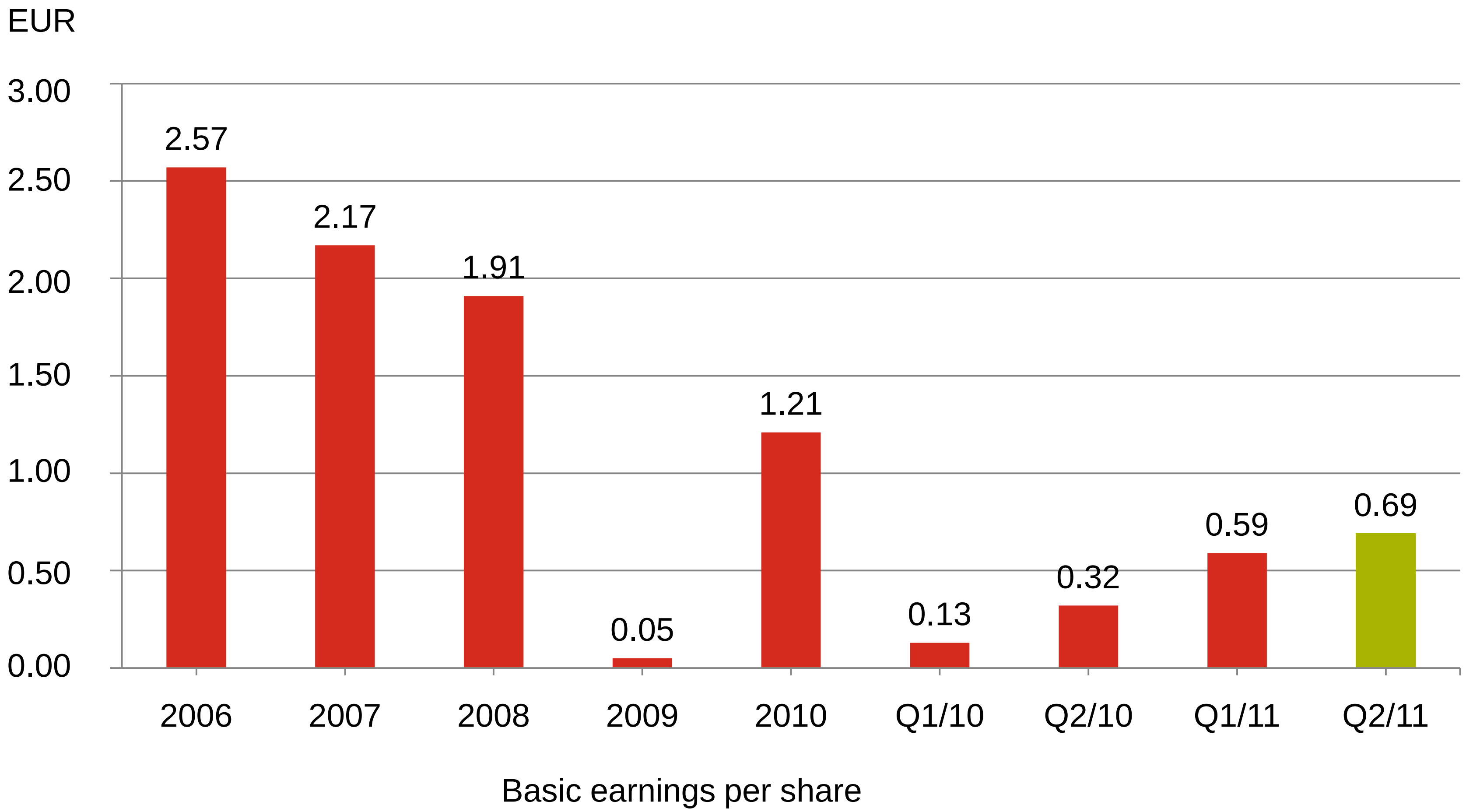
HIAB · KALMAR · MACGREGOR

Services sales recovering slowly



- Services sales 23 (27) percent of total sales
- In addition to spare parts, demand for various refurbishment and modernisation projects

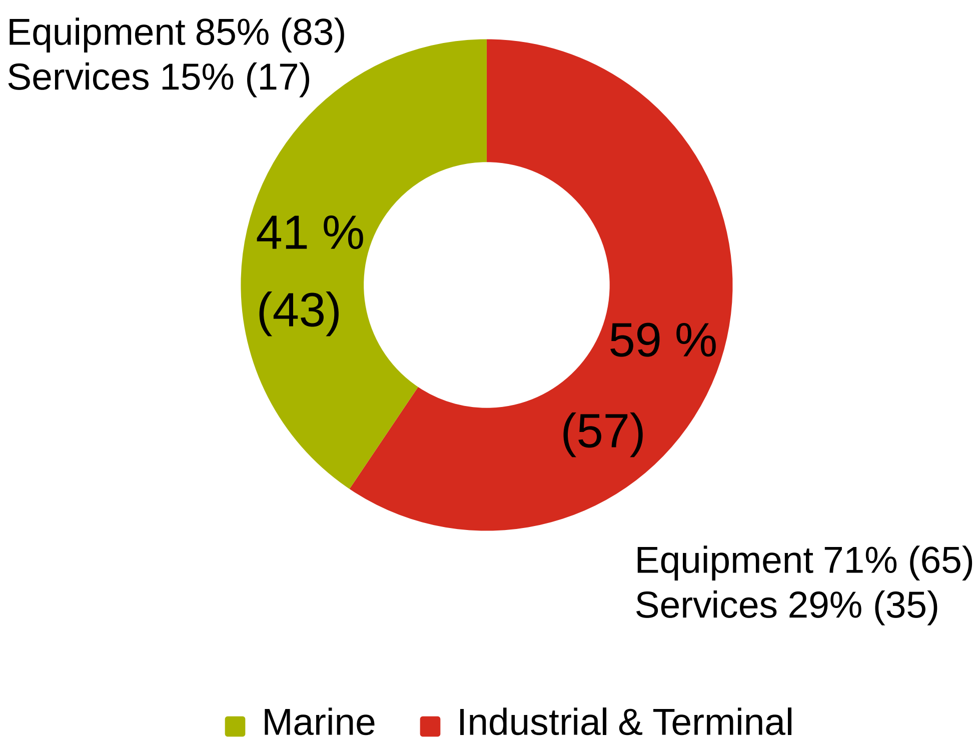
Earnings per share continued to improve



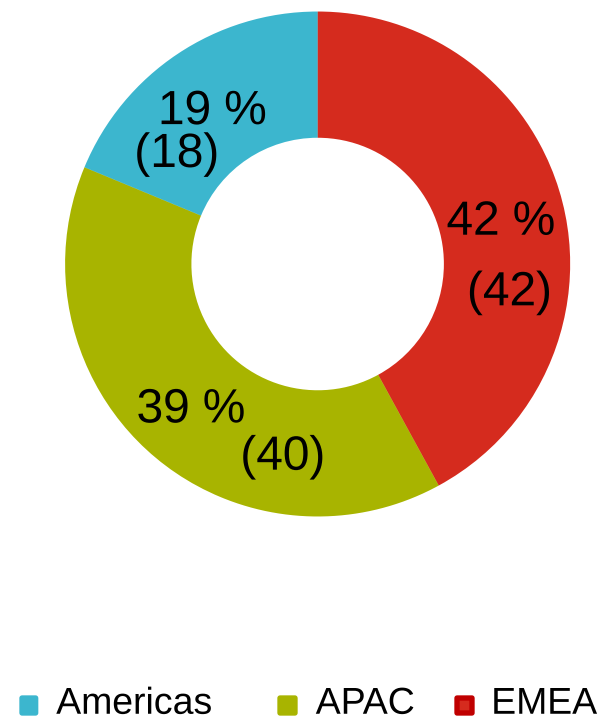
HIAB · KALMAR · MACGREGOR

EMEA is slightly bigger market area than APAC

Sales by reporting segment 1-6/2011, %



Sales by geographical segment 1-6/2011, %



Cargotec's key priorities in 2011

- Responding to growing demand
- Service growth and service network expansion
- Customer segments
- Position in Chinese market
- Cargotec ERP

Outlook

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

we keep cargo on the move™