Unto Ahtola, Executive Vice President, Industrial & Terminal

Cargotec Capital Markets Day, 21 September 2010, Stargard Szczeciński, Poland

Industrial & Terminal – Redefined focus
Industrial & Terminal performance 2006–H1/2010

• In Q2/2010, demand for load handling equipment recovered further

• Terminal business remains mixed with customers still cautious on bigger investments

• I&T margins still affected by low delivery volumes in H1/2010, capacity utilisation slowly improving following increased order intake especially in Industrial

• Cost cuts clearly exceed what competitors have done during the recession → gross margin should expand

Sales and operating profit

-500 0 500 1000 1500 2000 2500 MEUR

2006 2007 2008 2009 H1 2010

Sales  EBIT%

EBIT% excluding restructuring
From Hiab and Kalmar to Industrial & Terminal

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**2009**
- Hiab and Kalmar
  - Two independently managed business areas with their separate production, sales, service and R&D

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**2009**
- Industrial & Terminal
  - Joint organisations
  - Regions: EMEA, Americas and APAC
    - Cross-training, knowledge sharing

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**2010**
- Common processes
  - Preparing for growth with customer focused processes

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21.9.2010
Relevant future trends

High Impact to Cargotec I&T

- Urbanisation
- "China Price" of products
- Intra-Asia container flows
- Chinese product competitors
- Cargo verification and security
- Windmill industry
- Ships getting bigger

Strong Trend

Low Impact to Cargotec I&T

- Manufacturing shift to Inner China/Asia, India, Africa
- Road to Rail movement of cargo
- Intermodal & distribution terminals growth
- Logistical efficiency and Just-In-Time deliveries
- Congestion of ports and transport routes
- Local presence in BRIC
- Local service
- Trade balance shifting to Asia

Weak Trend

- Environmental sustainability
- Guaranteed performance required
- Compliance of rules & regulations
- Shipping-lines focusing in port & terminal operations
- Congestion of ports and transport routes
- Intra-Asia container flows
- Chinese product competitors
- Cargo verification and security
- Windmill industry
- Ships getting bigger

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Strategic direction

"Expand the focus from Products run better to our Customers’ processes run better."

From Products Run Better

To Customers' Process Run Better

NOW

FUTURE
Change drivers

- Customers are moving forward in their value chain – Successful supplier needs to understand better customers’ earnings model and potentially take a bigger role in customers’ value chain.

- Total offering includes elements from third parties – System supplier competencies become a competitive arena.

- Time-to-market capability becomes more crucial success factor – Agile networked development capabilities, both internal and external, are a must.

- Cost leadership – In customers’ eyes and in internal cost structure.
We look at business through equipment

Equipment & Aftermarket

Products to compete

Market Share
We look at business through customers

Products & Services

Products to compete

Market Share

Knowledge to compete

Share of Mind
From products to solutions

Pro-active offering development

- Offering development process

Offering development process

- Disciplines

Technology push needed for

- New opportunities

- Hidden needs
From individual products to modularised product families
Industrial & Terminal focus areas

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<td><strong>Establishing competence centers in Asia and Americas</strong></td>
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<td><strong>Product cost innovation</strong></td>
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we keep cargo on the move™