Cargotec performance culture
Ship building forecast

**Contracting 1999-2015**

- Historical data
- Forecast data

**Deliveries 1999-2018**

- Historical data
- Forecast data

Source: Clarkson Research Services

Medium-Term Contracting Forecast to 2015

Medium-Term Deliveries to 2018

Source: Clarkson research 9/2011
Global trade flows
Truck registration forecast

Truck sales GVW over 15 ton - Regions

Sales growth GVW over 15 ton - Regions

Source: Global Insight Q3/2011
Q3: Industrial & Terminal’s order intake grew 45% y-o-y

• 49% of orders from EMEA
• Orders grew strongest in Americas
Q3: Marine’s order intake at healthy level

- 79% of orders from APAC
- Offshore showing signs of recovery
Q3: Sales grew 19% y-o-y
Q3: Industrial & Terminal operating margin flat with lower sales

MEUR

Sales

EBIT %

Q1/08 Q2/08 Q3/08 Q4/08 Q1/09 Q2/09 Q3/09 Q4/09 Q1/10 Q2/10 Q3/10 Q4/10 Q1/11 Q2/11 Q3/11

0 200 400 600 800 1000

-4 -2 0 2 4 6 8 10

%
Q3: Marine’s profitability continued very strong

EBIT% Q1/08–Q4/10 excluding restructuring costs
Services sales grew 7% y-o-y

- Q3 services sales 24 (27) percent of total sales
- In addition to spare parts, demand for various refurbishment and modernisation projects
Service focus areas

• Growth in offshore service

• Regional distribution centres and pro-active selling for spare parts

• Growth in crane refurbishment projects

• Development of large outsourcing contracts
EMEA and APAC equal in size

Sales by reporting segment 1-9/2011, %
- Equipment 86% (84)
- Services 14% (16)

Sales by geographical segment 1-9/2011, %
- Equipment 70% (65)
- Services 30% (35)

Marine  Industrial & Terminal  Americas  APAC  EMEA
Outlook

• Cargotec’s 2011 sales are estimated to grow approximately 20 percent based on healthy January–September order intake.

• Cargotec’s 2011 operating profit margin is estimated to be approximately 7 percent.
Development of Cargotec

Performance culture

- 2012-
  Marine
  Terminals
  Load Handling
  Services
  • Common ERP
  • Growth strategies
    for all businesses

- 2009–2011
  Industrial & Terminal
  Marine
  Services
  • Common processes
  • Centralised supply and sourcing
  • Focused service organisation

- 2009
  Hiab
  Kalmar
  MacGregor
  • Business area and product line dedicated
    supply, sales and services
  • Non-harmonised processes
  • Service coordination

One is more
One company
Financial targets

- Annual sales growth exceeding 10% (incl. acquisitions)
- Raising the operating profit margin to 10%
- Dividend 30–50% of earnings per share
- Gearing below 50% (over the cycle)

Dividend

Sales growth

Operating profit margin

Gearing

17 Nov 2011
Strategic focus areas 2011–2015

CUSTOMERS
• 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 Industrial & Terminal organisation
• Working together
Terminals’ set-up is to a large extent ready
Rainbow-Cargotec Industries Co., Ltd

- Cargotec and RHI will invest in the new joint venture (Rainbow-Cargotec Industries Co., Ltd.).
- Cargotec will acquire 49% of China Crane (HK) which owns 18.75% of RHI. Call option for the remaining 51%.
- RCI will have production site in Taicang, Jiangsu by Yangtse River.
- Site will have its’ own jetty and port operating license for direct export shipping from the site.
- According to timetable RCI will have its’s business license by the end of 2011, land rights will be acquired by the end of Feb 2012 and construction of site completed in Oct 2013.
Two different value chains within the joint venture

CATEGORY 1
- R&D
- Sales (domestic)
- Engineering (BOM)
- Purchasing
- Steel fabrication
- Pre-assembly
- Transportation
- Erection
- Final assembly
- Commissioning
- Testing
- Handover
- Service (domestic)
- Project management

CATEGORY 2
- R&D
- Sales
- Engineering
- Purchasing
- Steel fabrication
- Assembly
- Testing
- Transportation
- Service (Cargotec)
- Project management

In accordance with the scope of contract
High activity in terminal projects
Strategy in Load handling

- Knowledge and products
- Service
- Markets and customers
- Competitive production
How to multiply the success in Marine?
we keep cargo on the move™