Actions taken to drive improvement in performance are proceeding well

Mika Vehviläinen
President and CEO
Reflection from CMD 2013 to today

- Profit improvement progressing well in Kalmar and Hiab
- MacGregor reorganisation and programme started
- New head for Hiab in May
- Head of strategy in April
- Actions taken to drive improvement in performance
  - Building world class business platforms for the group
  - Focus on control, predictability and net working capital
  - Performance culture
Market environment
Contracting forecast reflects imbalance in the merchant ship market

Long-term contracting 2002–2023

World fleet additions 2002–2026

Source: Clarkson Newbuilding Market Forecast, September 2014
Deep-sea production requires bigger, versatile and more complicated offshore vessels

Contracting in US$ billion
Total mobile offshore contracting

Long-term forecast average $62 billion

Source: Clarkson February 2014
Container throughput forecast illustrates that Kalmar is in a growth business.

Source: Drewry: Container forecaster Q3 2014, Base case, October 2014
Two-fold market environment for Hiab

Truck sales growth GVW over 15 ton - regions

EMEA construction output

AMER construction output

Source: IHS Global Insight Q3/2014 forecast
What next for Cargotec
Cargotec’s must wins 2013–2014

- Converting Hiab’s high business potential into profitability
- Creating solid platform for growth through successful integration of acquisitions in MacGregor
- Safeguarding competitiveness in mobile equipment in Kalmar
- Driving services offering development and growth in MacGregor and Kalmar
- Driving growth in automation in Kalmar
Cargotec’s must wins 2013–2014

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Cargotec’s must wins 2014–2015

- Driving Hiab to best in class profitability and capital return
- Driving MacGregor profitability over the cycle through better effectiveness
- Safeguarding competitiveness in mobile equipment in Kalmar
- Driving services offering development and growth in MacGregor and Kalmar
- Driving growth in automation in Kalmar
Enabling better performance

- Building world class business platforms
- Performance culture
- Better control, predictability and capital returns
- Embracing digitalisation
We shape cargo handling industry
Future of cargo handling relies on smart sustainability and digitalisation
Our market leading brands guarantee the highest value for our customers
Cargotec financial targets for 2016

<table>
<thead>
<tr>
<th>Operating profit margin (EBIT)</th>
<th>Return on capital employed (ROCE pre-tax)</th>
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<tbody>
<tr>
<td>&gt;8%</td>
<td>&gt;13%</td>
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<tr>
<td>Gearing</td>
<td>Dividend</td>
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<tr>
<td>&lt;50%</td>
<td>30–50% of earnings per share</td>
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