New York/Boston road show – 11-12 May 2011
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
Company values

- Sustainable performance
- Working together
- Global presence, local service

we keep cargo on the move™
Portfolio

Solutions for industrial and on-road load handling
Solutions for ports and container handling
Solutions for marine cargo handling and offshore load handling
Next corporate theme

- From “limestone” to engineering
- Late 80s/early 90s
- -1997
- 1997-2002
- 2002-2004
- 2004-2007
- 2007-2010
- 2010-2015
- 2015-

- More engineering
- Excellence in purchasing
- Outsourcing
- Growth in services
- 1997-2002
- Creation of stand-alone company
- Listing to stock exchange
- 2002-2004
- Support, Supply and Services centralised
- Hiab and Kalmar merged
- 2004-2007
- Capacity scaled to demand
- 2007-2010
- Regions
- Key accounts
- Segment development
- 2010-2015
- Footprint, outsourcing
- 2015-

- One Partek
- One Cargotec
- One Cargotec
- Customer focus globally

- Kone
- Cargotec
- Cargotec
- Customer Solutions
- Segment based
- Knowledge based solutions
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
Customer segmentation - priorities

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<th>Invest</th>
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<tr>
<td>• Grow business through customer focus</td>
<td>• Product sales approach</td>
<td>• Prepare for divesture</td>
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<td>• Acquisitions</td>
<td>• Basic services</td>
<td>• No R&amp;D</td>
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<tr>
<td>• Prioritise R&amp;D to expand offering</td>
<td>• Standard business models</td>
<td>• Maximise short term profits</td>
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<tr>
<td>• Account management</td>
<td>• Standard offering</td>
<td>• Organise for carve-out</td>
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<td>• Grow market share/defend position</td>
<td>• Cash cow</td>
<td>• Focused growth strategy</td>
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<td>• Review annually possibilities to Green or Red</td>
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<td>• Scan potential M&amp;A targets</td>
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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)
January–March 2011 financials
Highlights of January–March 2011 report

- Market activity up in both segments and all geographies
- Order intake and sales grew 37% y-o-y
- Operating profit margin increased to 6.6%
- Cash flow strong despite working capital increasing with volume
- Navis acquisition closed, consolidation from Q2
Market environment in January–March 2011

• Markets for load handling equipment developed positively. Demand for particularly loader cranes, truck-mounted forklifts and tail lifts grew clearly. In Americas, demand continued at a low level in construction-related customer segments.

• The revival in demand in container handling equipment for ports began to show in the form of larger project orders. Demand for rubber-tyred gantry cranes in particular was strong.

• The marine cargo handling equipment markets remained healthy. While demand for equipment for bulk vessels is showing signs of slowing, that for container ship equipment has picked up.

• The services markets continued to improve. Demand picked up for various refurbishment and modernisation projects.
## Key figures in January–March 2011

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<th>Q1 2011</th>
<th>Q1 2010</th>
<th>Change %</th>
<th>2010</th>
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<td>Orders received, MEUR</td>
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<td>598</td>
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<td>Sales, MEUR</td>
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<td>Operating profit, MEUR</td>
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<td>Operating profit margin, %</td>
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<td>Cash flow from operations, MEUR</td>
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<td>Interest-bearing net debt, MEUR</td>
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<td>Earnings per share, EUR</td>
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Q1: Industrial & Terminal’s order intake grew 29% y-o-y and 16% q-o-q

- 54% of orders from EMEA
- Orders grew strongest in APAC
Q1: Marine’s order intake continued healthy

- 70% of orders from APAC
- Demand for equipment for bulk ships high
Q1: Industrial & Terminal sales grew 41% and Marine sales 34% y-o-y
Q1: Industrial & Terminal operating margin improving step-by-step

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

* Excluding EUR 1.8 million cost related to Navis acquisition
Q1: Marine’s profitability remained strong

EBIT% Q1/08–Q4/10 excluding restructuring costs
Gross profit development
Cash flow from operations remained strong

- Q1 cash flow remained strong
- Net working capital increased to EUR 83 million due to increased volumes
Services sales recovering slowly

- Services sales 23 (28) percent of total sales
- According to the specified services definition, Marine services slightly lower.
Earnings per share continued to improve

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<td>Q1/11</td>
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EMEA and APAC equal in size by sales

Sales by reporting segment 1-3/2011, %
- Equipment 88% (84)
- Services 12% (16)

Sales by geographical segment 1-3/2011, %
- Equipment 70% (64)
- Services 30% (36)

Marine  Industrial & Terminal
42%  58%
(43)  (57)

Americas  APAC  EMEA
18%  41%  41%
(18)  (40) (42)
Navis acquisition – accounting treatment effects

• Transaction costs – all of EUR 1.8 million booked in Q1/2011

• Acquisition accounting – preliminary purchase price allocation (PPA) calculation results in annual depreciation cost of approximately EUR 5 million as of Q2/2011 for multiple years

• Deferred revenue on acquisition date – under IFRS (and US GAAP) when consolidating into Cargotec deferred revenue adjustment will decrease post-acquisition sales of Navis for slightly over one year. The amount of deferred revenue to be deducted from sales is estimated at approximately EUR 10 million.

→Navis result will have limited impact on Cargotec’s consolidated sales and profitability in 2011, situation will improve from 2012 as only PPA depreciation will continue
Strategic focus areas 2011–2015

Customers and customer segments
- Improve knowledge of customer needs
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Services
- Spare parts logistics
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Emerging markets
- Position in Chinese market
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Internal clarity
- Common processes
- Harmonisation of information systems
- Further development of I&T organisation
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 quarter order intake both in Industrial & Terminal and Marine segments together with the recovery in the market situation supports 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.
Appendices
Macro indicator trends for Industrial

Heavy Truck Sales GVW over 15 ton

Heavy Truck Sales growth GVW over 15t

Source: Global Insight Q42010
Macro indicator trends for Industrial

Total Construction Output

- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
- 2013
- 2014
- 2015

Billion EUR

EMEA
AMER
APAC

EMEA: Construction output
Index 2005 = 100

Annual change (%)

Source: Oxford Economics Q1/2011

APAC: Construction Output
Index 2005 = 100

Annual change (%)

AMER: Construction Output
Index 2005 = 100

Annual change (%)

May 2011
Macro indicator trends for Terminal

Drewry (Throughput TEU units)

Source: Drewry Container Forecaster Q12011

May 2011

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Ship contracting and delivery forecast

**Contracting 1999-2015**

Source: Clarkson Research Services

**Deliveries 1999-2018**

Source: Clarkson Research Services

**2011 versus 2010**

- Container
- Offshore
- Gas
- Ferry
- Tanker
- Bulk

Source: Clarkson research 3/2011
Terminal operating system
Terminal operating system

- Trucks
- Automatic stacking cranes and ASC block
- Automated horizontal transportation
- Ship-to-shore cranes
Cargotec Supply has developed

From “Site oriented”…

- No co-ordination between Hiab, Kalmar and MacGregor.
- Tradition manufacturing style (high level of buffers)
- Many small, local factories serving global product lines
- All factories worked in different ways and no common processes
- Sourcing, logistics and quality was locally driven

…to “Supply industrial system”

- One single Supply organisation
- A global network
- Lean production concept (reducing waste)
- Factories assemble a wide range of equipment
- New ways of working - One Company approach
- A global sourcing, logistics and supplier quality organisation that take full advantage of the total product volumes
Global factory set-up today
Increasing sourcing from Eastern EU and APAC

Volume in USA decreased from 2006 to 2009 mainly due to weakening market
Optimising cost of Supply means optimising all parts of cost of goods sold (COGS)
Services geographical growth opportunities
Growing up the value chain

- Spare parts
- On demand service
- Preventive maintenance
- Operations outsourcing
Hiab offering

Loader cranes

Truck-mounted forklifts

Demountables

Tail lifts

Forestry cranes

Stiff boom cranes

Services
Key competition with Hiab offering

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<th>Stiff boom Cranes</th>
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<th>Truck-mounted Forklifts</th>
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Kalmar offering

- Straddle carriers
- Reachstackers
- Terminal tractors
- Forklift trucks
- Ship-to-Shore cranes
- RTGs, RMGs
- Spreader
- Services

May 2011
Key competition with Kalmar offering

<table>
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<tr>
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<th>Ship-to-Shore Cranes</th>
<th>RTG/RMG Cranes</th>
<th>Straddle Carriers</th>
<th>Reach Stackers</th>
<th>Fork Lift Trucks</th>
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MacGregor offering

- Hatch covers
- Ship cranes
- Offshore deck equipment
- Securing

- RoRo
- Link spans
- Bulk loaders
- Services
### Key competition with MacGregor offering

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we keep cargo on the move™