Carnegie Investment Ideas Seminar
7 September 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

we keep cargo on the move™

Sustainable performance

Working together

Global presence, local service
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

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
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)
- Raising the operating profit margin to 10%
- Dividend 30–50% of earnings per share
- Gearing below 50% (over the cycle)
- Dividend
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
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

<table>
<thead>
<tr>
<th></th>
<th>Q2 11</th>
<th>Q2 10</th>
<th>Change</th>
<th>1-6/11</th>
<th>1-6/10</th>
<th>Change</th>
<th>2010</th>
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<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>761</td>
<td>732</td>
<td>4%</td>
<td>1,580</td>
<td>1,330</td>
<td>19%</td>
<td>2,729</td>
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<tr>
<td>Sales, MEUR</td>
<td>795</td>
<td>638</td>
<td>25%</td>
<td>1,558</td>
<td>1,193</td>
<td>31%</td>
<td>2,575</td>
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<tr>
<td>Operating profit, MEUR</td>
<td>54.0</td>
<td>37.2</td>
<td></td>
<td>104.6</td>
<td>50.7</td>
<td></td>
<td>131.4</td>
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<tr>
<td>Operating profit margin, %</td>
<td>6.8</td>
<td>5.8</td>
<td></td>
<td>6.7</td>
<td>4.2</td>
<td></td>
<td>5.1</td>
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<td>Cash flow from operations, MEUR</td>
<td>35.4</td>
<td>80.5</td>
<td></td>
<td>71.6</td>
<td>127.0</td>
<td></td>
<td>292.9</td>
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<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>335</td>
<td>308</td>
<td></td>
<td>335</td>
<td>308</td>
<td></td>
<td>171</td>
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<tr>
<td>Earnings per share, EUR</td>
<td>0.69</td>
<td>0.32</td>
<td></td>
<td>1.28</td>
<td>0.45</td>
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<td>1.21</td>
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Q2: Industrial & Terminal’s order intake grew 21% y-o-y

- 52% of orders from EMEA
- Orders grew strongest in APAC
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
Q2: Industrial & Terminal operating margin improvement slowed down by cost increases

EBIT% Q1/08–Q4/10 excluding restructuring costs
Q2: Marine’s profitability very strong

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1/10</th>
<th>Q2/10</th>
<th>Q1/11</th>
<th>Q2/11</th>
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<tbody>
<tr>
<td>2006</td>
<td>2.57</td>
<td>2.17</td>
<td>1.91</td>
<td>1.21</td>
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<tr>
<td>2007</td>
<td>3.00</td>
<td>0.50</td>
<td>0.00</td>
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<td>2008</td>
<td>1.50</td>
<td>1.00</td>
<td>0.59</td>
<td>0.69</td>
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<tr>
<td>2009</td>
<td>0.69</td>
<td>0.59</td>
<td>0.32</td>
<td>0.32</td>
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<tr>
<td>2010</td>
<td>0.32</td>
<td>0.32</td>
<td>0.32</td>
<td>0.32</td>
</tr>
</tbody>
</table>
EMEA is slightly bigger market area than APAC

Sales by reporting segment 1-6/2011, %
- Equipment 85% (83)
- Services 15% (17)

Sales by geographical segment 1-6/2011, %
- EMEA 42% (42)
- APAC 39% (40)
- Americas 19% (18)

Marine Industrial & Terminal
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.
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