Road show, November 2016

CEO Mika Vehviläinen
VP, IR Hanna-Maria Heikkinen
Cargotec in brief
Today’s leader in cargo handling equipment

Cargotec Group
Sales: EUR 3,729 million
EBIT: 6.2%
Services: 24%

Kalmar
45% of sales
EBIT: 7.8%
Services: 26%

Hiab
25% of sales
EBIT: 10.8%
Services: 23%

MacGregor
30% of sales
EBIT: 2.6%
Services: 20%

Geographical split of sales in 2015

AMER 36%
EMEA 42%
APAC 22%

AMER 42%
EMEA 48%
APAC 10%

AMER 6%
EMEA 29%
APAC 65%

Figures: 2015
EBIT % excluding restructuring costs
# Key competitors

<table>
<thead>
<tr>
<th>Global main competitors</th>
<th>Kalmar</th>
<th>Hiab</th>
<th>MacGregor</th>
</tr>
</thead>
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<tr>
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<td><img src="image" alt="ZPMC" /></td>
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<tr>
<td>Other competitors</td>
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<td><img src="image" alt="Terberg" /></td>
<td><img src="image" alt="Navalpianeti" /></td>
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<td><img src="image" alt="Sec" /></td>
<td><img src="image" alt="Huisman" /></td>
<td><img src="image" alt="Cargotec" /></td>
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</tbody>
</table>
From turnaround to leader in intelligent cargo handling with sector leading profitability

| Turnaround is delivering results in Hiab and Kalmar; MacGregor has improvement plan in place |
| Transformation has started from equipment business to world class services offering and leadership in intelligent cargo handling |
| Investing to ensure a leading position |
| Shaping the portfolio to increase shareholder value |

10% operating profit margin (EBIT) in each business area over the cycle
Investing in our transformation to be the leader in intelligent cargo handling

<table>
<thead>
<tr>
<th>Year</th>
<th>PRODUCT LEADERSHIP</th>
<th>SERVICES LEADERSHIP</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Good equipment company</td>
<td>World-class service offering</td>
<td>LEADER IN INTELLIGENT CARGO HANDLING</td>
</tr>
<tr>
<td></td>
<td>Product R&amp;D drives offering development</td>
<td>Connected equipment and data analytics building value on data</td>
<td>40% of the sales from services and software</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Significant software business</td>
<td>More efficient and optimised cargo handling solutions</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2020

- LEADER IN INTELLIGENT CARGO HANDLING
- 40% of the sales from services and software
- More efficient and optimised cargo handling solutions
## Cargotec’s portfolio

<table>
<thead>
<tr>
<th>Net sales, EUR million *</th>
<th>Trend in orders, last 12 months</th>
<th>Profitability: EBIT margin, last 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>~500</td>
<td>Kalmar software (Navis) and Automation and Projects division</td>
<td>Low due to long term investments</td>
</tr>
<tr>
<td>~800</td>
<td>MacGregor</td>
<td>-34%</td>
</tr>
<tr>
<td>~1,000</td>
<td>Hiab</td>
<td>+4%</td>
</tr>
<tr>
<td>~1,200</td>
<td>Kalmar equipment and service (excluding Automation and Projects Division &amp; Navis)</td>
<td>Low double digit</td>
</tr>
</tbody>
</table>

* Figures rounded to closest 100 million

November 2016 8
Must-win battles to support transformation

- Build world-class services offering
- Lead digitalisation
- Build world-class leadership
Committed to improve shareholder return

<table>
<thead>
<tr>
<th>Business area targets</th>
<th>Operating profit margin (EBIT) in each business area over the cycle</th>
<th>Growth Faster than market growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group targets</th>
<th>Gearing</th>
<th>Return on capital employed over the cycle (ROCE pre-tax)</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;50%</td>
<td>15%</td>
<td>30-50%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>of earnings per share</td>
<td></td>
</tr>
</tbody>
</table>
Well positioned to become the leader in intelligent cargo handling

Execution capabilities in place and profitability improving

Building on tremendous strengths

Transforming from equipment company to a company that will shape the cargo handling industry

Investing to ensure a leading position

Shaping our portfolio to drive growth and shareholder value
Container throughput still forecasted to grow year on year

Source: Drewry: Container forecaster Q3 2016
Kalmar has strong position in attractive segments

<table>
<thead>
<tr>
<th>Market position</th>
<th>Trend</th>
<th>Market size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation &amp; Projects</td>
<td>#1-2</td>
<td>→</td>
</tr>
<tr>
<td>Mobile equipment</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Bromma</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Navis</td>
<td>#1</td>
<td>→</td>
</tr>
<tr>
<td>Services</td>
<td>#1</td>
<td>→</td>
</tr>
</tbody>
</table>
## Kalmar’s profit improvement potential 2016-2018

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation</td>
<td>Project delivery capability development</td>
<td>Expand Rainbow Cargotec Industries (China) joint venture offering</td>
<td>Further development of integrated port automation solutions</td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>Expand software business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile equipment</td>
<td>Continuous improvements in design-to-cost and sourcing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>Excel in spare parts</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total 60-100 EUR million improvement potential**

- **+20-30 EUR million**
- **+10-20 EUR million**
- **+20-30 EUR million**
- **+10-20 EUR million**

Colour on the bubbles indicates the progress against the plans
Kalmar’s focus on profitable growth

- Solid foundation for further improvement
- Win in automation
- Grow in software
- Sustain global leadership in mobile equipment
- Digital services and spare parts excellence

→ 10% operating profit margin (EBIT) over the cycle
Software offers significant growth opportunities

- The container value chain is woefully inefficient, with total value at stake estimated at approx. EUR 17 billion.
- The container shipping industry has an annual IT spend of approx. EUR 6 billion where EUR 1.7 billion is spent on software solutions. The market is expected to grow to EUR 2.8 billion by 2020.
- Potential to leverage Navis as a platform to increase offering to existing terminal customers as well as to shipping lines.

Source: Kalmar Business Intelligence November 2016
Flexible and scalable Navis TOS software

Terminal Operating System (TOS)

Terminal Logistic System

- Truck / Transfer area
- Automatic stacking crane (ASC) area
- ASC stack area
- Automated Horizontal Transportation
- Quay crane area

Equipment
Kalmar’s operating environment

TOS coordinates and optimises the planning and management of container and equipment moves in complex business environments.

Navis provides also maritime shipping solutions:

• Stowage planning
• Vessel monitoring
• Loading computer
• Route planning

XVELA

The collaboration platform serving the needs of ocean carriers, terminals and their shipping partners

BROMMA

Industry leading spreader manufacturer

November 2016
Hiab
Construction output driving growth opportunity

EMEA construction output
y/y change (%)

AMER construction output
y/y change (%)

Hiab has strong positions in attractive markets

<table>
<thead>
<tr>
<th></th>
<th>Market size (€B)</th>
<th>Growth</th>
<th>Hiab position &amp; trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loader cranes</td>
<td>1.3</td>
<td>GDP</td>
<td>#2</td>
</tr>
<tr>
<td>Tail lifts</td>
<td>0.5</td>
<td>GDP+</td>
<td>#1</td>
</tr>
<tr>
<td>Demountables</td>
<td>0.4</td>
<td>GDP</td>
<td>#1</td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>0.2</td>
<td>GDP+</td>
<td>#1</td>
</tr>
<tr>
<td>Forestry cranes</td>
<td>0.2</td>
<td>GDP</td>
<td>#2</td>
</tr>
</tbody>
</table>
Hiab’s key growth drivers are:

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Cranes</td>
<td>Gain market share in <strong>big loader cranes</strong> and crane <strong>core markets</strong></td>
</tr>
<tr>
<td>Tail lifts</td>
<td>Enter fast growing <strong>emerging markets</strong> and standardise and globalise <strong>business model</strong></td>
</tr>
<tr>
<td>Truck-mounted forklifts</td>
<td>Accelerate <strong>penetration</strong> in North America and Europe</td>
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<tr>
<td>Services</td>
<td>Increase <strong>spare parts capture rates</strong> driven by connectivity and e-commerce</td>
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</table>
Hiab’s investments for profitable growth

- E2E value chain – optimise our distribution network and supply chain
- Product innovation – strengthening our market positions
- Digitalisation – all new products connected by 2018
- Services – further expand our offering

→ 10% operating profit margin (EBIT) over the cycle
MacGregor
Merchant shipping and offshore markets may have reached the bottom in orders.

### Long term contracting 2011-2025
**Merchant ships > 2,000 gt (excl ofs and misc)**

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<tr>
<td>Avg 96-15</td>
<td>1000</td>
<td>1200</td>
<td>1500</td>
<td>2000</td>
<td>2200</td>
<td>2400</td>
<td>2600</td>
<td>2800</td>
<td>3000</td>
<td>3200</td>
<td>3400</td>
<td>3600</td>
<td>3800</td>
<td>4000</td>
<td>4200</td>
</tr>
<tr>
<td>Historical avg</td>
<td>1000</td>
<td>1200</td>
<td>1500</td>
<td>2000</td>
<td>2200</td>
<td>2400</td>
<td>2600</td>
<td>2800</td>
<td>3000</td>
<td>3200</td>
<td>3400</td>
<td>3600</td>
<td>3800</td>
<td>4000</td>
<td>4200</td>
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### Long term contracting 2013-2022
**Mobile offshore units**

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</tr>
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<tbody>
<tr>
<td>Avg 05-15</td>
<td>100</td>
<td>200</td>
<td>300</td>
<td>400</td>
<td>500</td>
<td>600</td>
<td>700</td>
<td>800</td>
<td>900</td>
<td>1000</td>
</tr>
<tr>
<td>Historical avg</td>
<td>100</td>
<td>200</td>
<td>300</td>
<td>400</td>
<td>500</td>
<td>600</td>
<td>700</td>
<td>800</td>
<td>900</td>
<td>1000</td>
</tr>
</tbody>
</table>

Sources: UNCTAD, Clarkson Research, September 2016
MacGregor has strong positions in both the marine and offshore market

Marine
- Container lashing
- Hatch covers
- Cranes and selfunloaders
- RoRo

Offshore
- Offshore advanced load handling
- Offshore winches
- Mooring systems
- Loading and offloading systems

RoRo = roll-on/roll-off
MacGregor’s asset-light business model gives flexibility

Cost-efficient scaling

85% of manufacturing outsourced

30% of design and engineering capacity outsourced
Cargotec launches a programme to achieve annual cost savings of approximately EUR 25 million in MacGregor

- MacGregor’s market situation is challenging and cost savings are needed
- Already ongoing programmes are expected to create EUR 30 million savings in 2016
- Aim is to reach an additional EUR 25 million savings on a yearly level
- Savings measures would include, among others, business re-organisations and personnel reductions
- It is estimated that the measures would affect operations especially in Norway, China, Sweden, Finland and Singapore
- According to preliminary estimates, savings measures seek a reduction of approximately 260 full time equivalents
- Savings measures are estimated to result in restructuring costs in the final quarter of 2016 and in 2017
January–September financials
Third quarter highlights

- Profitability improved in Hiab, market situation in MacGregor still challenging
- Order book EUR 1,874 (31 Dec 2015: 2,064) million, orders received at EUR 733 (907) million
- Sales declined 8% y-o-y to EUR 854 (928) million
- Operating profit excluding restructuring costs was EUR 65.9 (68.3) million or 7.7 (7.4) percent of sales
- Cash flow from operations at EUR 74.4 (74.5) million, gearing at 41.6%

Third quarter events

Kalmar to deliver 34 reachstackers to European ro-ro operator
Market environment in January–September

- Number of containers handled at ports globally continues to grow, however at a slower pace than earlier. Long term market potential still strong, but customer decision making is slower.

- Strong construction activity continued in the US, supporting demand for load handling equipment. In Europe, activity levels still varied between countries. Demand for services was satisfactory.

- Market for marine cargo handling equipment remained weak. At the offshore industry, the low oil price is keeping the investment levels at a record-low level. Demand for services has declined.

Hiab launches a new webshop at webshop.hiab.com

Third quarter events

November 2016
## Operating profit margin improved

<table>
<thead>
<tr>
<th></th>
<th>7–9/16</th>
<th>7–9/15</th>
<th>Change</th>
<th>1–9/16</th>
<th>1–9/15</th>
<th>Change</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>733</td>
<td>907</td>
<td>-19%</td>
<td>2,461</td>
<td>2,733</td>
<td>-10%</td>
<td>3,557</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>1,874</td>
<td>2,233</td>
<td>-16%</td>
<td>1,874</td>
<td>2,233</td>
<td>-16%</td>
<td>2,064</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>854</td>
<td>928</td>
<td>-8%</td>
<td>2,581</td>
<td>2,753</td>
<td>-6%</td>
<td>3,729</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>65.9</td>
<td>68.3</td>
<td>-3%</td>
<td>189.3</td>
<td>178.6</td>
<td>6%</td>
<td>230.7</td>
</tr>
<tr>
<td>Operating profit, %*</td>
<td>7.7</td>
<td>7.4</td>
<td></td>
<td>7.3</td>
<td>6.5</td>
<td></td>
<td>6.2</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>74.4</td>
<td>74.5</td>
<td></td>
<td>221.0</td>
<td>227.3</td>
<td></td>
<td>314.6</td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>581</td>
<td>678</td>
<td></td>
<td>581</td>
<td>678</td>
<td></td>
<td>622</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.52</td>
<td>0.67</td>
<td></td>
<td>1.75</td>
<td>1.67</td>
<td></td>
<td>2.21</td>
</tr>
</tbody>
</table>

*excluding restructuring costs
Order book development

Order backlog, MEUR

Order book by reporting segments, Q3 2016

- Kalmar: 922m (-3% y/y)
- Hiab: 258m (-14% y/y)
- MacGregor: 696m (-29% y/y)
Kalmar Q3 – satisfactory development

- Order intake declined 16% y-o-y to EUR 389 (463) million as customers postponed their bigger investment decisions.
- Order book strengthened 5% from 2015 year-end level to EUR 922 million.
- Sales grew 6% y-o-y to EUR 436 (409) million.
- Profitability excluding restructuring costs was 8.3% (8.8%).
- Increased investments in automation and software development decreased profitability.
- Sales mix had a negative impact on profitability.

Large orders during Q3/15

*excluding restructuring costs
Hiab Q3 – profitability on a good level

- Order intake declined 8% and was EUR 220 (239) million
- Order book decreased 15% from 2015 year-end to EUR 258 million
- Sales grew 9% y-o-y to EUR 250 (229) million
- Profitability excluding restructuring costs was 13.2% (11.0%)
- The volume growth and improvements in delivery capability had a positive impact on the result
- Profitability improvement measures and investments in more competitive products contributed to the increased profitability
MacGregor Q3 – challenging market situation continued

- Order intake declined 38% y-o-y and was EUR 124 (200) million
- Order book decreased 21% from 2015 year-end to EUR 696 million
- Sales declined 42% y-o-y to EUR 169 (289) million
- Profitability excluding restructuring costs was 1.7% (4.3%)
- New measures started to lower the cost level
- New joint venture in China expected to strengthen market position and local connections
Cash flow, gearing and net debt

Cash flow from operations

Net debt and gearing

November 2016
Dividend and payout ratio

- **DPS per B share (lhs)**
  - 2010: EUR 0.61
  - 2011: EUR 1.00
  - 2012: EUR 0.72
  - 2013: EUR 0.42
  - 2014: EUR 0.55
  - 2015: EUR 0.80

- **Dividend / EPS-% (rhs)**
  - 2010: 50.4%
  - 2011: 41.3%
  - 2012: 49.7%
  - 2013: 47.1%
  - 2014: 49.6%
  - 2015: 36.1%
Hiab’s share increasing in sales mix

Sales by reporting segment 1–9/2016, %

- Equipment 74 (80)%
- Services 26 (20)%

Sales by geographical segment 1–9/2016, %

- Equipment 74 (73)%
- Services 26 (27)%

November 2016
Sales by geographical segment by business area 1–9/2016

**Kalmar**
- Americas 37 (37)%
- EMEA 42 (41)%
- APAC 21 (22)%

**Hiab**
- Americas 43 (43)%
- EMEA 47 (48)%
- APAC 10 (10)%

**MacGregor**
- Americas 6 (6)%
- EMEA 33 (29)%
- APAC 61 (65)%
Positive development in key financial metrics continued

ROCE, annualised
*excluding restructuring costs

November 2016
Cargotec to become a leader in intelligent cargo handling

- Strategy execution proceeds in its three focus areas
  - **Services**: Hiab’s spare parts web shop, MacGregor’s strengthening spare parts delivery cooperation relationships in Asia, Kalmar’s new measures to speed up growth in services
  - **Digitalisation**: we are developing Cargotec IoT Cloud-based solutions with our customers regarding automation effectiveness and proactive maintenance, for example
  - **Leadership development programme** expands
- We are focusing our efforts on projects that improve competitiveness, the cost efficiency of products and digitalisation. Additionally, we are investing in global systems and procedures that in future enable higher efficiency in operational activities as well as in support functions.
Outlook 2016 unchanged

- Cargotec’s 2016 sales are expected to be at the 2015 level (EUR 3,729 million) or slightly below.
- Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).
Appendix

1. Largest shareholders (slide 45)
2. Kalmar (48-53)
3. Hiab (54-56)
4. MacGregor (57-66)
## Largest shareholders

### 31 October 2016

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>% of shares</th>
<th>% of votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wipunen varainhallinta Oy</td>
<td>14.1%</td>
<td>23.7%</td>
</tr>
<tr>
<td>Mariatorp Oy</td>
<td>12.3%</td>
<td>22.9%</td>
</tr>
<tr>
<td>Pivosto Oy</td>
<td>10.5%</td>
<td>22.1%</td>
</tr>
<tr>
<td>KONE Foundation</td>
<td>3.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>The State Pension Fund</td>
<td>1.7%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Ilmarinen Mutual Pension Insurance Company</td>
<td>1.3%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Nordea Finland Fund</td>
<td>0.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Varma Mutual Pension Insurance Company</td>
<td>0.8%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Keva</td>
<td>0.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Herlin Heikki Juho Kustaa</td>
<td>0.6%</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Nominee registered and non-Finnish holders</strong></td>
<td><strong>26.5%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total number of shareholders</strong></td>
<td><strong>22,769</strong></td>
<td></td>
</tr>
</tbody>
</table>

Wipunen varainhallinta Oy is a company controlled by Ilkka Herlin, Mariatorp Oy a company controlled by Niklas Herlin and Pivosto Oy a company controlled by Ilona Herlin.
Kalmar appendix
Global container throughput development
Growth stabilising in the short-mid term

Global container throughput and GDP, change % y/y

Source: IMF July 2016, Drewry August 2016
Consolidation leading to five dominant container terminal operators in 2020

- 24 Global Terminal Operators’ total forecasted capacity increase 2015-2020 is 125 Mteu, increasing 3.1% p.a to 892 Mteu by 2020

- Terminal operators consolidating, recent M&A activity:
  - COSCO and China Shipping merged
  - APMT bought Group TCB
  - CMA CGM bought APL
  - Yildrim bought Portugese Tertir group and the company is also eyeing Ports America

Source: Drewry
* Capacity counted once in all terminals where shareholding held by both sub operators
Global Container terminal volume and Capacity Development

MTEU

Throughput
Capacity
Utilisation rate

Source: Drewry Container terminal operator annual review, 2002-2016

November 2016

51
Three Alliances represent about 80% of global container fleet capacity

*HMM's membership in 2M alliance isn't yet confirmed

The arrows indicate changes through M&A over the last 12 months.

China Shipping and Cosco = Cosco container lines.
DS Research: 298 Mteu new capacity to be added 2016-2021 which could trigger US$bn 37 investments for container handling equipment

- According to DS Research, the project pipeline of all upcoming container terminal projects consists of 405 TEUm additional capacity scheduled for completion until 2021. 298 TEUm new capacity is expected to be finally executed until 2021, assuming that further project postponements are required to adjust to the weakening demand. This would trigger roughly US$bn 146 investment.

- Depending on the type of project, different cost have been assumed for quay construction, container handling equipment, yard construction, dredging & land reclamation and other cost. Overall, DS Research has estimated that investments for container terminal projects 2016-'21 include about US$bn 37 for container handling equipment.
Hiab appendix
Global truck volumes
IHS predicts global truck volumes to increase in 2016 and 2017, driven by China and South Asia, but forecasting a slowing truck market in Americas during 2016.

Truck registrations, GVM >15t

Source: IHS Truck registration (Sep 2016 compared to Jun 2016)
Construction output forecast

Annual Construction Output

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>NAM</td>
<td>3.6%</td>
<td>3.9%</td>
<td>5.7%</td>
<td>6.1%</td>
<td>4.9%</td>
<td>3.8%</td>
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<tr>
<td>SAM</td>
<td>-0.6%</td>
<td>0.8%</td>
<td>2.0%</td>
<td>2.1%</td>
<td>2.5%</td>
<td>3.0%</td>
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<tr>
<td>NE</td>
<td>-2.3%</td>
<td>1.3%</td>
<td>1.0%</td>
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<td>1.8%</td>
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<td>CE</td>
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<td>2.8%</td>
<td>1.9%</td>
<td>1.8%</td>
<td>1.8%</td>
<td>1.6%</td>
</tr>
<tr>
<td>WE</td>
<td>2.7%</td>
<td>0.7%</td>
<td>1.3%</td>
<td>2.0%</td>
<td>2.4%</td>
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<td>APAC</td>
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<td>4.6%</td>
<td>4.2%</td>
<td>4.2%</td>
<td>4.4%</td>
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</tr>
<tr>
<td>Total</td>
<td>2.9%</td>
<td>3.3%</td>
<td>3.6%</td>
<td>3.9%</td>
<td>3.8%</td>
<td>3.7%</td>
</tr>
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</table>

Source: Oxford Economics construction output (All Output series are measured in Billions, 2010 Prices), Forecast Sep 2016 compared to Jun 2016
MacGregor appendix
World Fleet: Supply-Demand Balance

Source: Clarksons September 2016
Contracting Forecast by Shiptype (number of ships)
- Merchant ship types > 2000 gt, base case

- Vessel upsizing trend continues:
  Upsizing trends are expected to continue, with the average size of ships delivered in 2016-28 projected to reach c.37,500 GT, compared to the average size of units in the current fleet of c. 23,000 GT.

Source: Clarksons September 2016
Deliveries forecast by shiptype (number of ships)
- Merchant ship types > 2000 gt, base case

- Deliveries 2017 and onwards decrease due to the extremely low contracting levels 2015-2016, and will remain at historically lower levels due to the continued lower contracting in no of ships.

Source: Clarksons September 2016

Deliveries forecast Sep 2016
No. of ships, Merchant ship types > 2000 gt

- Avg. 96-15
- 2016
- 2017
- 2018
- 2019
- 2020
- 2021
- 2022
- 2023
- 2024
- 2025

- Tanker
- LNG/LPG
- MPP/GC
- Small ships < 2,000 dwt/gt
- RoRo/PCC
- Container
- Bulk
- Cruise
Historical Offshore CAPEX

Source: Clarksons September 2016
Contracting Forecast by Shiptype (number of units)
short term revised again downwards
- Offshore mobile units, base case (USD 60/bbl 2021)

Source: Clarksons September 2016

Graph showing the contracting history and forecast for mobile offshore units from 2005 to 2022. The forecast shows a decrease in the number of units over time, with historical average of 664 units from 2005 to 2015.
Deliveries Forecast by Shiptype (number of units) reflects the low contracting levels
- Offshore mobile units, base case (USD 60/bbl 2021)

Source: Clarksons September 2016
Shipbuilding – Contracting (ships >2000 gt/dwt)

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<thead>
<tr>
<th>Vessel Type</th>
<th>2014</th>
<th>2015</th>
<th>YTD</th>
<th>%y-o-y*</th>
<th>2014</th>
<th>2015</th>
<th>YTD</th>
<th>%y-o-y*</th>
<th>2014</th>
<th>2015</th>
<th>YTD</th>
<th>%y-o-y*</th>
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</thead>
<tbody>
<tr>
<td>Vessel Type</td>
<td>2014</td>
<td>2015</td>
<td>YTD</td>
<td>%y-o-y*</td>
<td>2014</td>
<td>2015</td>
<td>YTD</td>
<td>%y-o-y*</td>
<td>2014</td>
<td>2015</td>
<td>YTD</td>
<td>%y-o-y*</td>
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<tr>
<td>TOTAL (&gt;2,000 Dwt/GT**)</td>
<td>2,190</td>
<td>1,628</td>
<td>311</td>
<td>-75%</td>
<td>117.6</td>
<td>90.9</td>
<td>25.9</td>
<td>-62%</td>
<td>45.1</td>
<td>39.6</td>
<td>8.6</td>
<td>-71%</td>
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<tr>
<td>Vessel Type</td>
<td>2014</td>
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<td>YTD</td>
<td>%y-o-y*</td>
<td>2014</td>
<td>2015</td>
<td>YTD</td>
<td>%y-o-y*</td>
<td>2014</td>
<td>2015</td>
<td>YTD</td>
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<td>15.1</td>
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<td>8.1</td>
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<td>5.6</td>
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<tr>
<td>Gas Carriers</td>
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<td>107</td>
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<td>Offshore</td>
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<td>4.1</td>
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<td>Others</td>
<td>209</td>
<td>227</td>
<td>83</td>
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<td>20.4</td>
<td>16.9</td>
<td>15.6</td>
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<td>2014</td>
<td>2015</td>
<td>YTD</td>
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<td>16.6</td>
<td>11.6</td>
<td>3.2</td>
<td>-63%</td>
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<tr>
<td>South Korea</td>
<td>334</td>
<td>292</td>
<td>39</td>
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<td>34.2</td>
<td>24.8</td>
<td>2.6</td>
<td>-86%</td>
<td>13.0</td>
<td>11.0</td>
<td>1.2</td>
<td>-85%</td>
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<tr>
<td>Japan</td>
<td>502</td>
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<td>-89%</td>
<td>19.0</td>
<td>23.3</td>
<td>2.0</td>
<td>-89%</td>
<td>9.7</td>
<td>12.1</td>
<td>1.0</td>
<td>-89%</td>
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<tr>
<td>Europe</td>
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<td>5.7</td>
<td>1.1</td>
<td>-75%</td>
<td>1.9</td>
<td>2.3</td>
<td>0.4</td>
<td>-79%</td>
</tr>
</tbody>
</table>

Source: Clarksons September 2016
Shipbuilding Capacity and Utilisation Scenario

- Since peak shipyard output in 2010 (in CGT terms), it is estimated that the global shipbuilding capacity has declined 22%.
- Significant downward revision in the contracting forecast suggests that there will be further pressure on yards, and the capacity is projected to decline by another 20% by end of 2020.

Source: Clarksons September 2016
Ship sizes increasing dramatically

- The largest containership in the fleet has nearly tripled since 2000.
- The average size of new builds doubles between 2009 and 2014

Source: Drewry November 2015