January–June 2013 interim report, 18 July

Mika Vehviläinen, President and CEO

Eeva Sipiä, Executive Vice President, CFO
Highlights of Q2

- Hatlapa acquisition in July
- Order intake declined 7% y-o-y to EUR 833 (892) million
- Sales at EUR 836 (850) million, down 2% y-o-y
- Operating profit excluding restructuring costs was EUR 37.5 (41.1) million or 4.5 (4.8)% of sales
- Operating profit was EUR 32.9 (41.1) million
- Cash flow from operations was EUR -12.4 (-25.6) million
# January–June key figures

<table>
<thead>
<tr>
<th></th>
<th>Q2/13</th>
<th>Q2/12</th>
<th>Change</th>
<th>Q1-Q2/13</th>
<th>Q1-Q2/12</th>
<th>Change</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>833</td>
<td>892</td>
<td>-7%</td>
<td>1,624</td>
<td>1,629</td>
<td>0%</td>
<td>3,058</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,147</td>
<td>2,413</td>
<td>-11%</td>
<td>2,147</td>
<td>2,413</td>
<td>-11%</td>
<td>2,021</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>836</td>
<td>850</td>
<td>-2%</td>
<td>1,515</td>
<td>1,643</td>
<td>-8%</td>
<td>3,327</td>
</tr>
<tr>
<td>Operating profit, MEUR*</td>
<td>37.5</td>
<td>41.1</td>
<td>-9%</td>
<td>52.5</td>
<td>78.7</td>
<td>-33%</td>
<td>157.5</td>
</tr>
<tr>
<td>Operating profit margin, %*</td>
<td>4.5</td>
<td>4.8</td>
<td></td>
<td>3.5</td>
<td>4.8</td>
<td></td>
<td>4.7</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>-12.4</td>
<td>-25.6</td>
<td></td>
<td>8.8</td>
<td>-27.8</td>
<td></td>
<td>97.1</td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>567</td>
<td>497</td>
<td></td>
<td>567</td>
<td>497</td>
<td></td>
<td>478</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.36</td>
<td>0.48</td>
<td></td>
<td>0.46</td>
<td>0.90</td>
<td></td>
<td>1.45</td>
</tr>
</tbody>
</table>

* excluding restructuring costs
Performance development

**Orders**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q2/12</th>
<th>Q3/12</th>
<th>Q4/12</th>
<th>Q1/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEUR</td>
<td>892</td>
<td>850</td>
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</tbody>
</table>

**Sales**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q2/12</th>
<th>Q3/12</th>
<th>Q4/12</th>
<th>Q1/13</th>
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<td>850</td>
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<td>836</td>
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</tbody>
</table>

**Operating profit**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q2/12</th>
<th>Q3/12</th>
<th>Q4/12</th>
<th>Q1/13</th>
<th>Q2/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEUR</td>
<td>41.1</td>
<td>4.8</td>
<td>4.8</td>
<td>4.5</td>
<td>4.5</td>
</tr>
<tr>
<td>%</td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*excluding restructuring costs
MacGregor Q2 – strong order intake in offshore

- Offshore order intake close to 50% of orders received
- Order intake grew 67% y-o-y to EUR 284 (170) million
- Sales declined 18% y-o-y to EUR 211 (257) million due to low deliveries as customers delayed receipt of deliveries
- Profitability of 8.7% (excluding restructuring) reflects low sales

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*excluding restructuring costs"
Kalmar Q2 – profitability improved despite cost overruns in projects

- Demand for smaller container handling equipment and automation solutions was healthy, whereas demand for larger equipment was modest.

- Order intake fell 34% y-o-y to EUR 342 (514) million due to lack of new big projects in the quarter.

- Sales grew 6% y-o-y to EUR 405 (383) million.

- Profitability excluding restructuring costs was 3.9%.
  - Additional costs of EUR 10 million in projects.

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Kalmar container terminal projects

- Currently 9 major projects on-going with value of EUR 400 million


- Cost overruns H1/2013 EUR 16 million

- Major improvements in project management, processes and tools during last 12 months

- These projects will establish Kalmar as the leading port solution provider

- Future market potential remains attractive
Hiab Q2 – profitability improving

- Market environment variations by country characterised the load handling markets within Europe. Demand was healthy in the US.
- Orders were at comparison period’s level and totalled EUR 208 (208) million.
- Sales grew 5% y-o-y to EUR 221 (211) million.
- Profitability excluding restructuring costs was 4.0%.
Cash flow from operations low due to net working capital demand

MEUR

2011 2012 Q1/11 Q2/11 Q3/11 Q4/11 Q1/12 Q2/12 Q3/12 Q4/12 Q1/13 Q2/13

-50 0 35 -26 0 0 0 0 0 0 -12
Sales in services unchanged

2011  2012  Q1/11  Q2/11  Q3/11  Q4/11  Q1/12  Q2/12  Q3/12  Q4/12  Q1/13  Q2/13

MEUR

0  200  400  600  800  1,000
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CARGOTEC
Relative size of MacGregor decreased

Sales by reporting segment 1-6/2013, %

Equipment 81 (85)%
Services 19 (15)%

Sales by geographical segment 1-6/2013, %

Equipment 74 (75)%
Services 26 (25)%

MacGregor Kalmar Hiab

Americas APAC EMEA
Outlook

- Certain deliveries for MacGregor will be delayed and customers are postponing services. MacGregor’s 2013 operating profit margin is expected to be slightly below 10 percent, as 2013 sales are falling short of the previously expected approximately EUR 850 million and now are expected to total closer to EUR 800 million.

- Cargotec’s sales are expected to be slightly below 2012 and operating profit excluding restructuring costs to be at or slightly below 2012 level.

- This outlook is excluding the Hatlapa acquisition announced in July.
MacGregor to acquire Hatlapa

- MacGregor has entered into an agreement to acquire privately owned Hatlapa Group, merchant and offshore deck equipment provider
- The enterprise value is EUR 160 million
- Hatlapa’s sales are estimated to be around EUR 120 million in 2013
- Hatlapa employs 585 people, of which the majority is located in Germany, Norway and Asia
Rationale for the acquisition

- Acquisition strengthens MacGregor’s position as the leading provider of deck machinery
- MacGregor to become a global leader in winches
- Acquisition supports MacGregor’s growth strategy in both merchant shipping and offshore segments
- MacGregor wants to take an active role in market consolidation
Driving for better performance
Cargotec road map

Phase 1
Reconfirm and execute key improvement initiatives

Phase 2
Drive ‘on par’ performance

Phase 3
Drive superior performance and competences in focused portfolio

2013  2014  2015

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Kalmar improvement initiatives

- **2012**
  - Organisational efficiency and refocused R&D
  - Project delivery capability development

- **2013**
  - Ramp-up of Poland multi-assembly unit
  - Development of service business
  - 20 M savings in 2013

- **2014**
  - Ramp-up of production in Rainbow Cargotec Industries joint venture
  - Further development of integrated port automation solutions
  - Improvements in design-to-cost
  - Aiming at further 40M run rate improvement by end 2014

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Hiab improvement initiatives

2012
- Route-to-market immediate improvements
- Footprint, incl. ramp-up of Poland multi-assembly unit

2013
- Efficiency improvement
- Improvements in design-to-cost
- Development of new products
- 3M savings in 2013
- 15M gross margin improvement

2014
- Development of route-to-market
- Aiming at further 40M run rate improvement by end 2014

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MacGregor improvement initiatives

2012
- Development of offshore footprint
- Organisational and operational efficiency

2013
- Development of service business
- Organic growth in offshore
- Growth through acquisitions
- 4M savings in 2013

2014
- Listing preparations