Financial Statements Review 2008

President and CEO Mikael Mäkinen

February 2, 2009
Key issues in 2008

- Year of two very distinct halves
- Healthy sales growth
- Service grew 15% to EUR 871 (757) million
- Project challenges in Kalmar
- Strong order book
- Capacity and cost restructuring measures initiated in several locations
- On the Move proceeding as planned
## Key figures in 2008

<table>
<thead>
<tr>
<th></th>
<th>Q4 2008</th>
<th>Q4 2007</th>
<th>2008</th>
<th>2007</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>633</td>
<td>1,214</td>
<td>3,769</td>
<td>4,106</td>
<td>-8</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>924</td>
<td>868</td>
<td>3,399</td>
<td>3,018</td>
<td>13</td>
</tr>
<tr>
<td>Operating profit excl. restructuring, MEUR</td>
<td>35.9</td>
<td>46.3</td>
<td>192.8</td>
<td>203.1*</td>
<td>-5</td>
</tr>
<tr>
<td>Operating margin excl. restructuring, %</td>
<td>3.9</td>
<td>5.3</td>
<td>5.7</td>
<td>6.7</td>
<td></td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>16.8</td>
<td>46.3</td>
<td>173.7</td>
<td>203.1*</td>
<td>-14</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td></td>
<td></td>
<td>133.8</td>
<td>235.1</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td></td>
<td></td>
<td>477.8</td>
<td>325.5</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td></td>
<td></td>
<td>1.91</td>
<td>2.17</td>
<td></td>
</tr>
<tr>
<td>Dividend, B-share, EUR</td>
<td></td>
<td></td>
<td>0.60**</td>
<td>1.05</td>
<td></td>
</tr>
</tbody>
</table>

* including a one-off cost of EUR 18 million in Kalmar business area related to a container spreader inspection and repair programme
** Board of Director’s proposal for the AGM on March 5, 2009
Order intake slowed down in the fourth quarter

- Construction downturn in Europe in H2 dropped Hiab’s order intake
- Order intake in Kalmar and MacGREGOR very good until Q4 2008
- Sharp drop in new ship orders affected MacGREGOR’s order intake in Q4
- Cancellations of EUR 119 million booked in MacGREGOR in Q4
Good growth in service and Asia Pacific in 2008

Growth in service 15%

871
(757)

2,528
(2,261)

Growth in APAC 36%

28%

16%

56%

New equipment  Service

EMEA  Americas  Asia Pacific

Sales, MEUR
2007 figures in brackets

Share of total sales
Cash flow in focus

• Increase in orders received reflected in amount of advances received
• Strong order book at year-end increased the amount of work in progress included in inventories
• Increase in inventories relates also to earlier challenges in availability of components
• Due to weakened market situation more focus on collection of receivables

<table>
<thead>
<tr>
<th>MEUR</th>
<th>1-12/2008</th>
<th>1-12/2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>173.7</td>
<td>203.1</td>
</tr>
<tr>
<td>Depreciation</td>
<td>60.1</td>
<td>59.8</td>
</tr>
<tr>
<td>Change in receivables</td>
<td>-171.2</td>
<td>-118.4</td>
</tr>
<tr>
<td>Change in payables</td>
<td>132.7</td>
<td>102.1</td>
</tr>
<tr>
<td>Change in advances received</td>
<td>176.6</td>
<td>96.4</td>
</tr>
<tr>
<td>Change in inventories</td>
<td>-237.5</td>
<td>-107.6</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>133.8</td>
<td>235.1</td>
</tr>
<tr>
<td>Net financial items</td>
<td>-9.4</td>
<td>-18.9</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>-30.7</td>
<td>-43.6</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>93.7</td>
<td>172.6</td>
</tr>
<tr>
<td>Net capital expenditure</td>
<td>-98.2</td>
<td>-78.3</td>
</tr>
<tr>
<td>Net cash used in other investing activities</td>
<td>-57.0</td>
<td>-186.0</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>-155.1</td>
<td>-264.3</td>
</tr>
<tr>
<td>Acquisition of treasury shares</td>
<td>-23.6</td>
<td>-46.1</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>-66.6</td>
<td>-63.8</td>
</tr>
<tr>
<td>Change in borrowings</td>
<td>27.6</td>
<td>254.3</td>
</tr>
<tr>
<td>Net cash used in other financing activities</td>
<td>0.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Net cash from financing activities</td>
<td>-61.9</td>
<td>145.9</td>
</tr>
<tr>
<td>Change in cash</td>
<td>-123.3</td>
<td>54.2</td>
</tr>
<tr>
<td>Cash at the end of period</td>
<td>79.2</td>
<td>179.0</td>
</tr>
</tbody>
</table>

Note: This is not a complete cash flow statement
Healthy financing structure

- Liquidity of MEUR ~700
  - Cash and cash equivalents MEUR 79
  - Long-term unused Revolving Credit Facilities MEUR 635
    - MEUR 50 maturing in 2010
    - MEUR 535 maturing in 2012
    - MEUR 50 maturing in 2013
Hiab – markets weakened further

- Markets for load handling equipment weakened in Europe during H2
- Raw materials and components bought with high price a challenge at year-end following weakened market
- Production capacity adjusted by closure of one crane factory in Europe
- Short lead time, drivers relate to construction and general GDP

* Excluding restructuring costs
Kalmar – challenges in project management

- Markets for container handling equipment remained healthy until Q4
- Economic uncertainty visible in postponements of investment decisions
- Operating profit burdened by EUR 16 million project overruns in 2008 (EUR 4 million in Q1 + EUR 5 million in Q3 + EUR 7 million in Q4)
- Year-end deliveries at high level
- Lead time 6–9 months, driver container volumes handled

* Excluding restructuring costs
** Excluding a one-off cost of EUR 18 million related to a container spreader inspection program
MacGREGOR – profitability at record level

- Two years of strong growth in orders and sales
- Q4 margin at record level
- Markets for marine cargo systems and offshore solutions were lively until Q4
- Sharp drop in demand for new ships due to financial crisis
- Cancellations of orders in Q4 totalled EUR 119 million
- Lead time 1–2 years, drivers ship building and deep sea drilling activity
Services – close to MEUR 900 annual sales

- Growth in service 15% in 2008
- Demand for services healthy in Europe, economic uncertainty affected demand in the US
- Customers interested in increasing their operational flexibility
- Services sales represented 26% of total sales
Globalisation of supply

- New site/expansion
- Closed site/unit
- Reorganising measures initiated
- Cargotec MAU
Cargotec’s new Governance Model

Executive Board
- Supply
- Human Resources

Customer Solutions

Finance
- Process Support
- Corporate Development
Opportunities and priorities in 2009

• Rapid implementation of capacity and cost structure cuts
• New business segments
• R&D: energy and environmental efficiency, safety and security
• Further growth in service
• Government support to construction
• Risk management
• On the Move
Outlook

• In the current uncertain economic situation it is difficult to estimate the demand for Cargotec’s products. This is further complicated by possible order cancellations and delays. The preconditions for sales growth exist in services and MacGREGOR. Sales of Hiab and Kalmar are expected to decline from 2008.

• Significant restructuring measures costing EUR 35 million were decided on during 2008 to create a new supply platform and improve profitability in Cargotec. Focus is on the rapid implementation of these measures. Approximately EUR 16 million of these costs remain for 2009.
Questions & Answers