Financial Statements Review 2009
Cargotec’s focus moving from efficiency only to customers

Management focus

Efficiency

Customer Focus
2009: Focus on efficiency

- New supply set-up
- Adjustment to market downturn with cost base down by EUR 140 million
- On the Move related consolidation
- Continued research & development
- New Cargotec brand
- Common values
Market environment in 2009

• Demand in load handling equipment was weak all year, however, tentative positive signs visible in order intake during the fourth quarter.

• Low usage rates of container handling equipment led to reduction in replacement investments and lengthened customer’s decision-making processes.

• Markets for marine cargo handling equipment contracted, however, cancellations of order remained at moderate levels.

• Service markets not immune but in better shape than the equipment market.
Q4 EBIT turned up and cash flow strengthened further

<table>
<thead>
<tr>
<th></th>
<th>Q4 2009</th>
<th>Q4 2008</th>
<th>Change %</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>464</td>
<td>633</td>
<td>-27</td>
<td>1,828</td>
<td>3,769</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,149</td>
<td>3,054</td>
<td>-30</td>
<td>2,149</td>
<td>3,054</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>669</td>
<td>924</td>
<td>-28</td>
<td>2,581</td>
<td>3,399</td>
</tr>
<tr>
<td>Operating profit excl. restructuring, MEUR</td>
<td>31.7</td>
<td>35.9</td>
<td></td>
<td>61.3</td>
<td>192.8</td>
</tr>
<tr>
<td>Operating margin excl. restructuring, %</td>
<td>4.7</td>
<td>3.9</td>
<td></td>
<td>2.4</td>
<td>5.7</td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>7.4</td>
<td>16.8</td>
<td></td>
<td>0.3</td>
<td>173.7</td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td></td>
<td></td>
<td></td>
<td>289.7</td>
<td>133.8</td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td></td>
<td></td>
<td></td>
<td>335</td>
<td>478</td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td></td>
<td></td>
<td></td>
<td>0.05</td>
<td>1.91</td>
</tr>
</tbody>
</table>
Tentative positive signs visible in Hiab’s Q4 order intake

2006 2007 2008 2009
MEUR

Q1 Q2 Q3 Q4
Hiab Q4 sales back on Q1 level

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>230</td>
<td>240</td>
<td>220</td>
<td>250</td>
</tr>
<tr>
<td>2007</td>
<td>230</td>
<td>240</td>
<td>220</td>
<td>250</td>
</tr>
<tr>
<td>2008</td>
<td>230</td>
<td>240</td>
<td>220</td>
<td>250</td>
</tr>
<tr>
<td>2009</td>
<td>150</td>
<td>140</td>
<td>120</td>
<td>160</td>
</tr>
</tbody>
</table>
Kalmar’s order intake: visibility is weak

MEUR

2006 2007 2008 2009

Q1 Q2 Q3 Q4
Kalmar’s H2 sales reflects low order intake
MacGregor’s order intake on a stable lower level
Strong order book and successful deliveries supported MacGregor’s sales
Restructuring began to have a positive impact

![Graph showing EBIT and EBIT excluding restructuring cost from Q1 2009 to Q4 2009.](#)
Margin development

*EBIT margin excluding restructuring costs
Strong cash flow from operations in 2009

- Net working capital decreased by MEUR 201
- Inventories decreased by MEUR 273
Services was not immune to the market slowdown

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>500</td>
</tr>
<tr>
<td>2007</td>
<td>700</td>
</tr>
<tr>
<td>2008</td>
<td>800</td>
</tr>
<tr>
<td>2009</td>
<td>600</td>
</tr>
</tbody>
</table>

- Hiab MEUR 170
- Kalmar MEUR 331
- MacGregor MEUR 190
Kalmar and MacGregor equal in size

Sales by business area 2009, %
- Hiab: 39% (29%)
- Kalmar: 22% (27%)
- MacGregor: 44% (28%)

Sales by geographical segment 2009, %
- EMEA: 36% (28%)
- Americas: 18% (16%)
- APAC: 46% (56%)
## Personnel effect of restructuring initiatives

<table>
<thead>
<tr>
<th></th>
<th>Restructuring initiated in 2008</th>
<th>Restructuring initiated in 2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>People affected</td>
<td>People left by 31 Dec 2009</td>
<td>People affected</td>
</tr>
<tr>
<td>Hiab</td>
<td>648</td>
<td>648</td>
<td>849</td>
</tr>
<tr>
<td>Kalmar</td>
<td>302</td>
<td>302</td>
<td>777</td>
</tr>
<tr>
<td>MacGregor</td>
<td>-</td>
<td>-</td>
<td>281</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>960</td>
<td>960</td>
<td>2,340*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3,300*</td>
</tr>
</tbody>
</table>

Total number of employees 31 Dec 2009: 9,606

* Estimate of total number of people affected
Achievement of savings

• Total annual non-volume related costs savings target EUR 150 million
  • New Industrial & Terminal business area
  • Fixed cost streamlining through personnel reductions and sales and service network integration
  • Structural changes from On the Move
• Achieved savings in 2009 EUR 90 million
  • EUR 30 million production related (COGS)
  • EUR 60 million SG&A related
• Running rate EUR 140 million by the end of 2009
Dividend for class B share 2006–2009

EUR

2006 2007 2008 2009*

* Dividend proposal by the Board of Directors
2010: Focus on customer

- Further development of I&T regional sales and service
- Strengthening ship type focus
- Preparing for growth strategy
- Focused research & development
- Service concept development
- Process development
- …while ensuring accomplishment of efficiency targets
Tampere competence and technology center
Outlook

• There are tentative positive signs visible in the order intake for industrial business. Uncertainty continues in port terminal business. Based on the strong order book, sales in marine cargo handling business are expected to remain on a healthy level in 2010.

• Cargotec’s 2010 sales are estimated to be on 2009 level and operating profit to exceed EUR 100 million.

• It is estimated that still a few million euro in restructuring costs from currently ongoing restructuring measures will be booked during early-2010.
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