January–December 2010 financials
Highlights of January–December 2010 report

• Market recovery continued in all segments and all geographies
• Q4 order intake 54% up y-o-y
• Q4 sales grew 12% y-o-y, Industrial & Terminal’s grew 29%
• Industrial & Terminal’s profitability improving further
• Marine’s profitability still strong
• Cash flow remained very robust
Market environment in January–December 2010

• Markets for load handling equipment developed positively. However, recovery was uneven, varying geographically and by customer segment. Demand remained low in construction-related customer segments.

• Global container throughput growth exceeded 13 percent. The recovery in demand for container handling equipment in ports began in smaller equipment and the second quarter saw the first orders for large equipment.

• The market for marine cargo handling equipment was clearly more active than expected at the beginning of the year. In particular, demand for equipment for bulk vessels grew. The market for offshore equipment was active despite customers still exercising caution in their decision-making processes.

• Service markets saw a clear improvement after a quiet start to the year.
# Key figures in January–December 2010

<table>
<thead>
<tr>
<th></th>
<th>Q4 10</th>
<th>Q4 09</th>
<th>Change</th>
<th>2010</th>
<th>2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders received, MEUR</td>
<td>716</td>
<td>464</td>
<td>54%</td>
<td>2,729</td>
<td>1,828</td>
<td>49%</td>
</tr>
<tr>
<td>Order book, MEUR</td>
<td>2,356</td>
<td>2,149</td>
<td>10%</td>
<td>2,356</td>
<td>2,149</td>
<td>10%</td>
</tr>
<tr>
<td>Sales, MEUR</td>
<td>747</td>
<td>669</td>
<td>12%</td>
<td>2,575</td>
<td>2,581</td>
<td>0%</td>
</tr>
<tr>
<td>Operating profit excl. restructuring, MEUR</td>
<td>44.5</td>
<td>31.7</td>
<td></td>
<td>141.9</td>
<td>61.3</td>
<td></td>
</tr>
<tr>
<td>Operating profit margin excl. restructuring, %</td>
<td>6.0</td>
<td>4.7</td>
<td>5.5</td>
<td>2.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit, MEUR</td>
<td>38.5</td>
<td>7.4</td>
<td></td>
<td>131.4</td>
<td>0.3</td>
<td></td>
</tr>
<tr>
<td>Cash flow from operations, MEUR</td>
<td>99.5</td>
<td>91.0</td>
<td></td>
<td>292.9</td>
<td>289.7</td>
<td></td>
</tr>
<tr>
<td>Interest-bearing net debt, MEUR</td>
<td>171</td>
<td>335</td>
<td></td>
<td>171</td>
<td>335</td>
<td></td>
</tr>
<tr>
<td>Earnings per share, EUR</td>
<td>0.39</td>
<td>0.18</td>
<td></td>
<td>1.21</td>
<td>0.05</td>
<td></td>
</tr>
</tbody>
</table>

3 Feb 2011
Q4: Industrial & Terminal’s order intake grew 52% y-o-y

- 53% of orders from EMEA
- Orders grew strongest in APAC and Americas

MEUR

- Q1/08: 704
- Q2/08: 678
- Q3/08: 652
- Q4/08: 647
- Q1/09: 608
- Q2/09: 554
- Q3/09: 489
- Q4/09: 462
- Q1/10: 389
- Q2/10: 363
- Q3/10: 304
- Q4/10: 462

+52% y-o-y
+19% q-o-q
Q4: Marine’s order intake again strong

- Close to 80% of orders from APAC
- Demand for cranes and hatch covers for bulk ships was high

2010
+59% y-o-y
-14% q-o-q
Q4: Industrial & Terminal sales grew 29% while Marine sales declined 9% y-o-y
Q4: Operating margin for Industrial & Terminal improving

EBIT% excluding restructuring costs

Q1/08 Q2/08 Q3/08 Q4/08 Q1/09 Q2/09 Q3/09 Q4/09 Q1/10 Q2/10 Q3/10 Q4/10

4.4%
Q4: Marine’s profitability strong at 12%
Gross profit development

%
Cash flow from operations was robust

- 2010: EUR 293 (290) million
- Net working capital decreased to EUR 43 (123) million
Services sales continued to grow

- Service 27% of total sales, EUR 706 million
- Orders received increased in all areas of service business

![Bar chart showing growth in MEUR from 2006 to 2010 with 2010>+21% y-o-y and >+10% q-o-q]
Clear improvement in earnings per share

Basic earnings per share

EUR

2006
2007
2008
2009
2010

2.50
2.00
1.50
1.00
0.50
0.00

1.21
EMEA and APAC almost equal in size by sales

Sales by reporting segment 1-12/2010, %

- Equipment: 81% (81)
- Services: 19% (19)

Sales by geographical segment 1-12/2010, %

- Equipment: 67% (71)
- Services: 33% (29)
Dividend for class B share 2006–2010

* Dividend proposal by the Board of Directors
Strategy and short-term focus
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
Cargotec to acquire Navis

• Cargotec has entered into an agreement to acquire the leading terminal operator systems provider Navis from Zebra Technologies Corporation.

• The acquisition supports Cargotec’s strategy to focus on customers and invest in attractive customer segments.

• The transaction value is approximately USD 190 million (approximately EUR 140 million). Navis’ sales are expected to be around USD 70 million in 2011.

• Navis employs over 300 persons, the majority is located in the United States and India.
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
## Customer segmentation - priorities

<table>
<thead>
<tr>
<th>Invest</th>
<th>Harvest &amp; Consider</th>
<th>Divest</th>
</tr>
</thead>
</table>
| • Grow business through customer focus  
  • Acquisitions  
  • Prioritise R&D to expand offering  
  • Account management  
  • Grow market share/defend position | • Product sales approach  
  • Basic services  
  • Standard business models  
  • Standard offering  
  • Cash cow | • Prepare for divesture  
  • No R&D  
  • Maximise short term profits  
  • Organise for carve-out  
  • Focused growth strategy |
| | | • Review annually possibilities to Green or Red  
  • Scan potential M&A targets | • Do not matrix with the rest  
  • Allow independent distribution |
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 over 10 percent based on estimated strong growth both in the Industrial & Terminal and Marine segments.

• The recovery in the market situation and increased order intake are estimated to boost growth for Industrial & Terminal while the strong order book in the beginning of the year is estimated to support growth in Marine sales.

• Cargotec’s 2011 operating profit margin is estimated to continue to improve as a result of growth and significant efficiency improvement measures executed during the past years.
we keep cargo on the move™