



Q2 Interim Review  
January-June 2007

President and CEO Mikael Mäkinen

July 19, 2007

# Key issues in January-June 2007

- Orders received were very strong at MEUR 1,864 (1-6/2006: 1,591). Q2 orders rose to new record of MEUR 949 (4-6/2006: 786)
- Sales growth was 13% of which close to half organic. H1 sales totaled MEUR 1,437 (1,275). Q2 sales totaled MEUR 743 (661)
- Development of services continued strong with 29% growth
- Operating profit was MEUR 104.1 (111.9) representing 7.2 (8.8)% of sales. Q2 operating profit was MEUR 46.2 (61.0) representing 6.2 (9.2)% of sales



# Market activity was lively

- Development of world economy and trade strong, but U.S. construction industry at clearly lower level y-on-y
- Container traffic volumes continue to grow
- Ship building at ship yards continues at high level
- Load handling equipment demand in Europe strong
- Demand for services robust

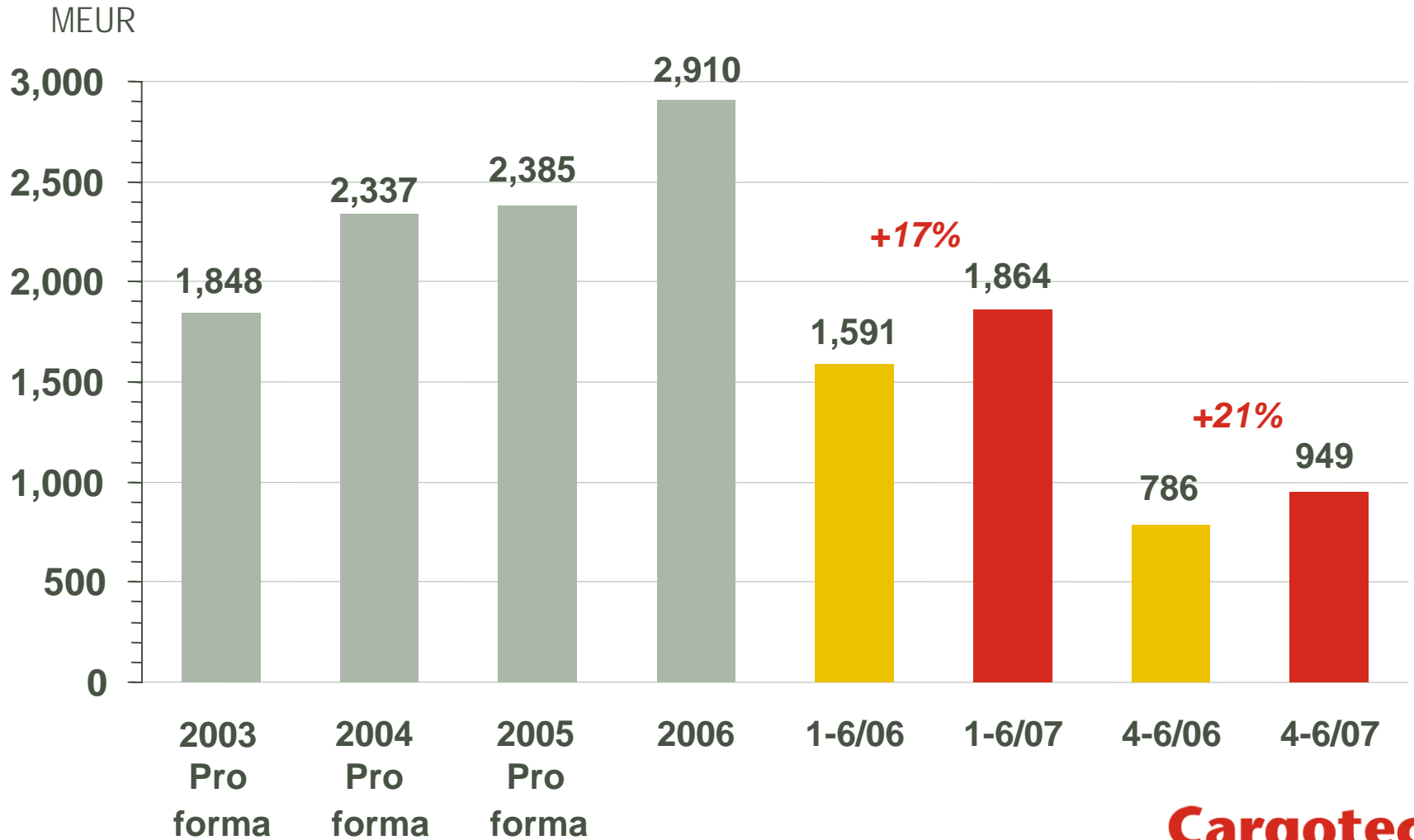


# Cargotec's order intake continued strong

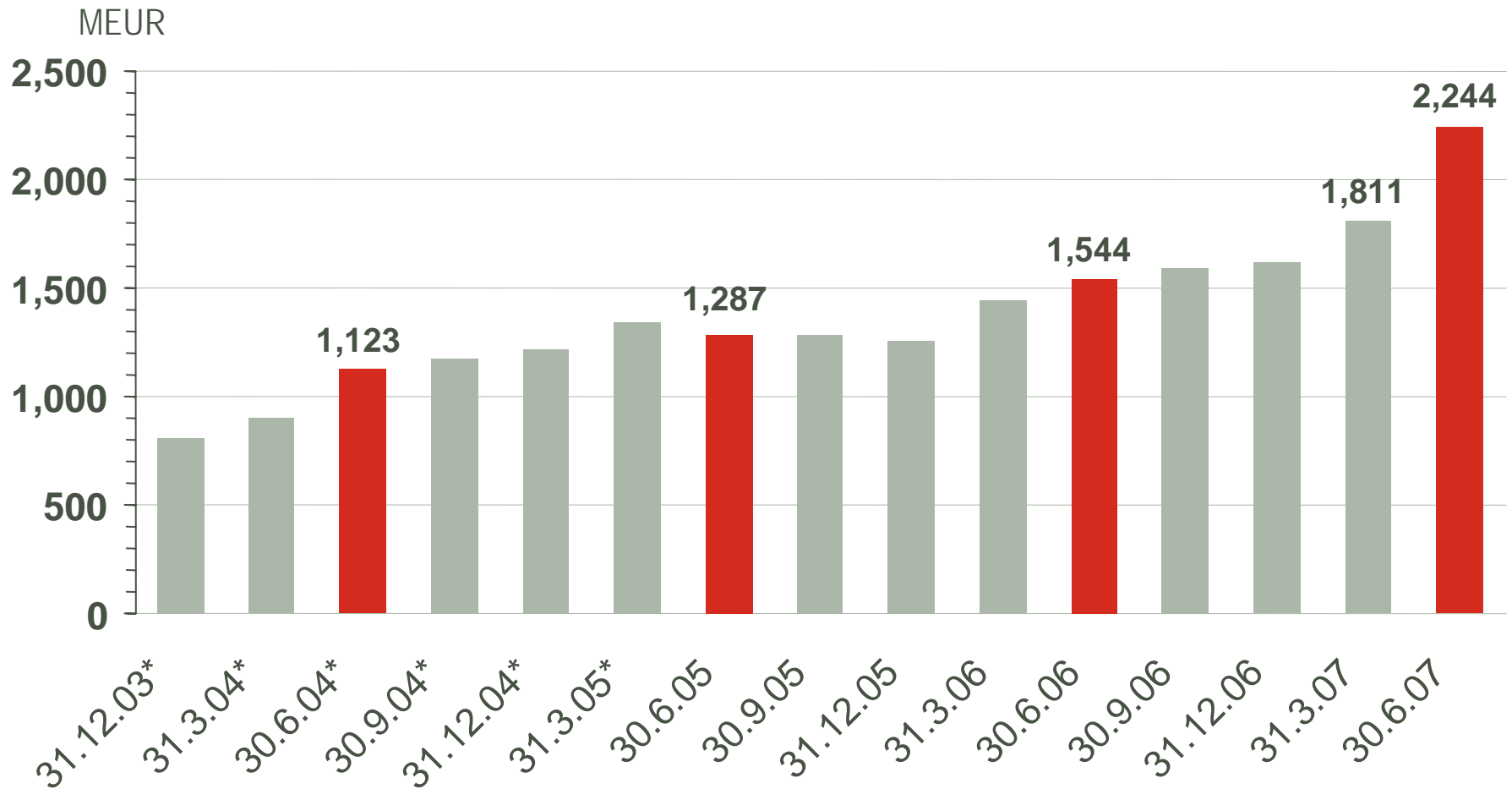
- Hiab
  - Load handling equipment demand strong in Europe, particularly in Central and Eastern Europe and Russia
  - Weak demand in U.S. reduced orders received
- Kalmar
  - Container handling equipment demand healthy
  - Market activity lively despite somewhat lower number of major project decisions in Q2
- MacGREGOR
  - Demand for marine cargo flow solutions very strong
  - Particularly orders for ship cranes grew
  - RoRo and bulk handling equipment demand continued healthy
  - Offshore equipment demand very lively



# Orders received



# Order book at record level



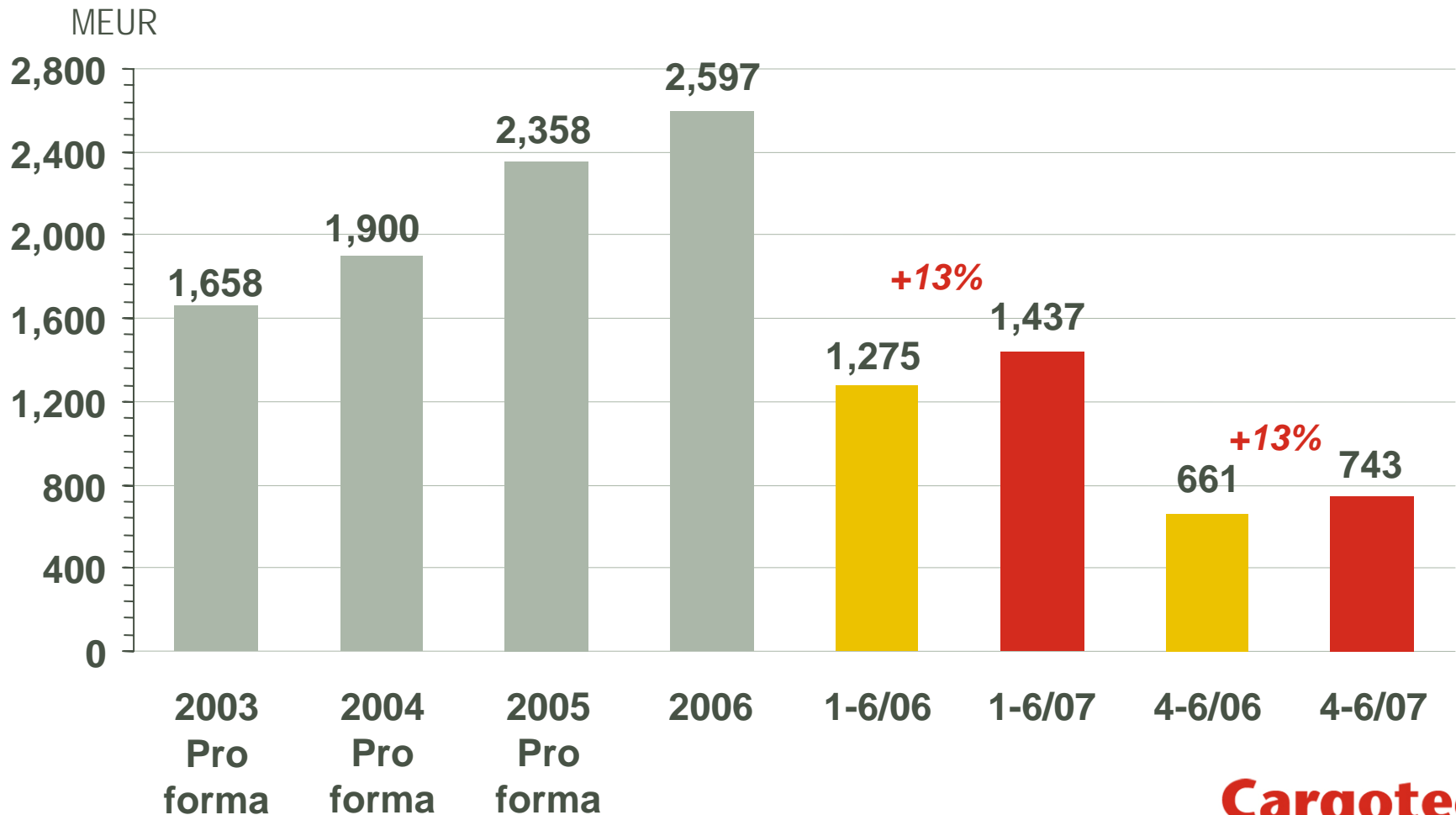
\*Pro forma

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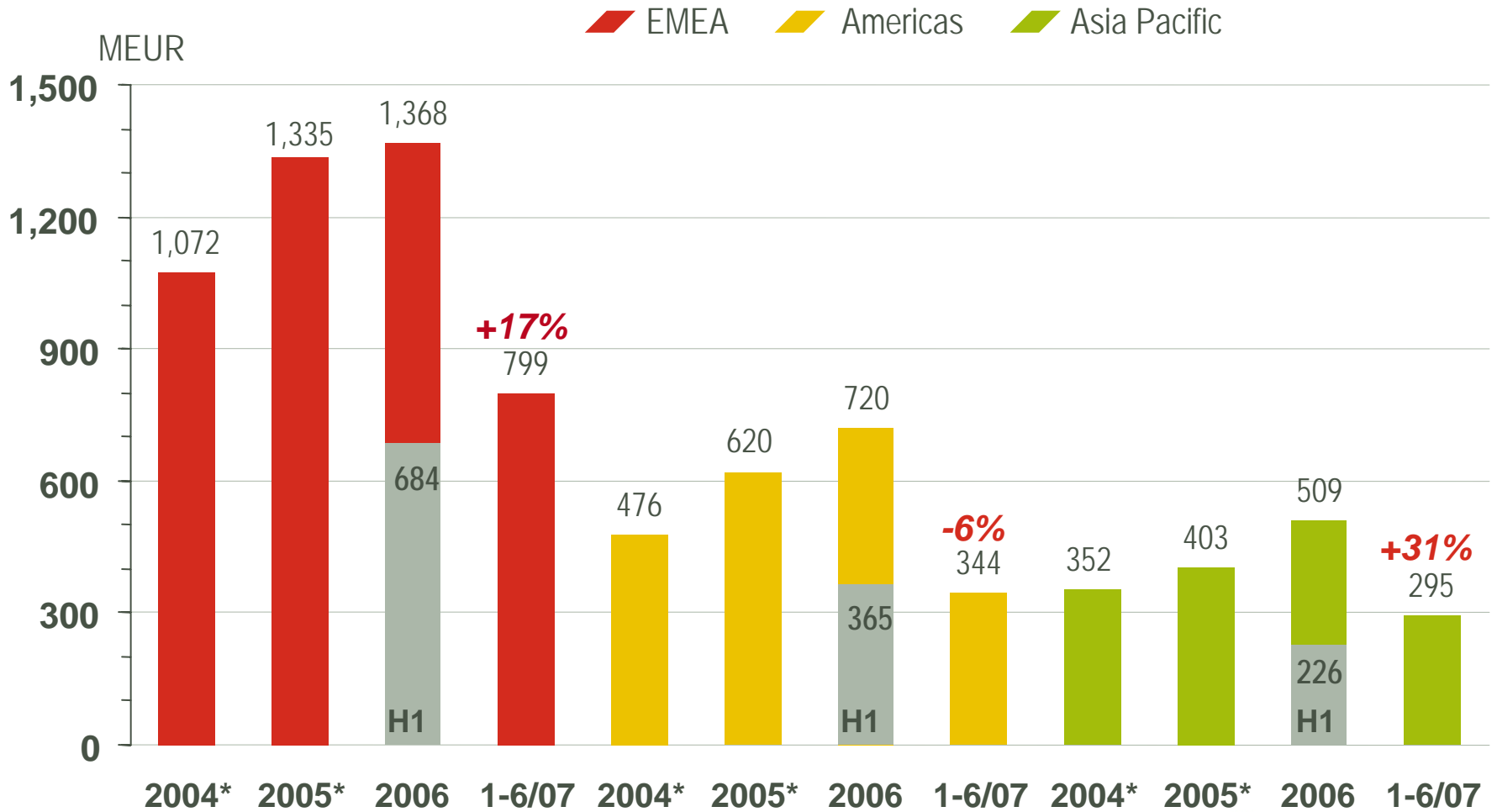
Inclusion of the offshore business increased  
June 30, 2007 order book by approx. MEUR 250



# Sales growth continued stable – close to half of growth organic



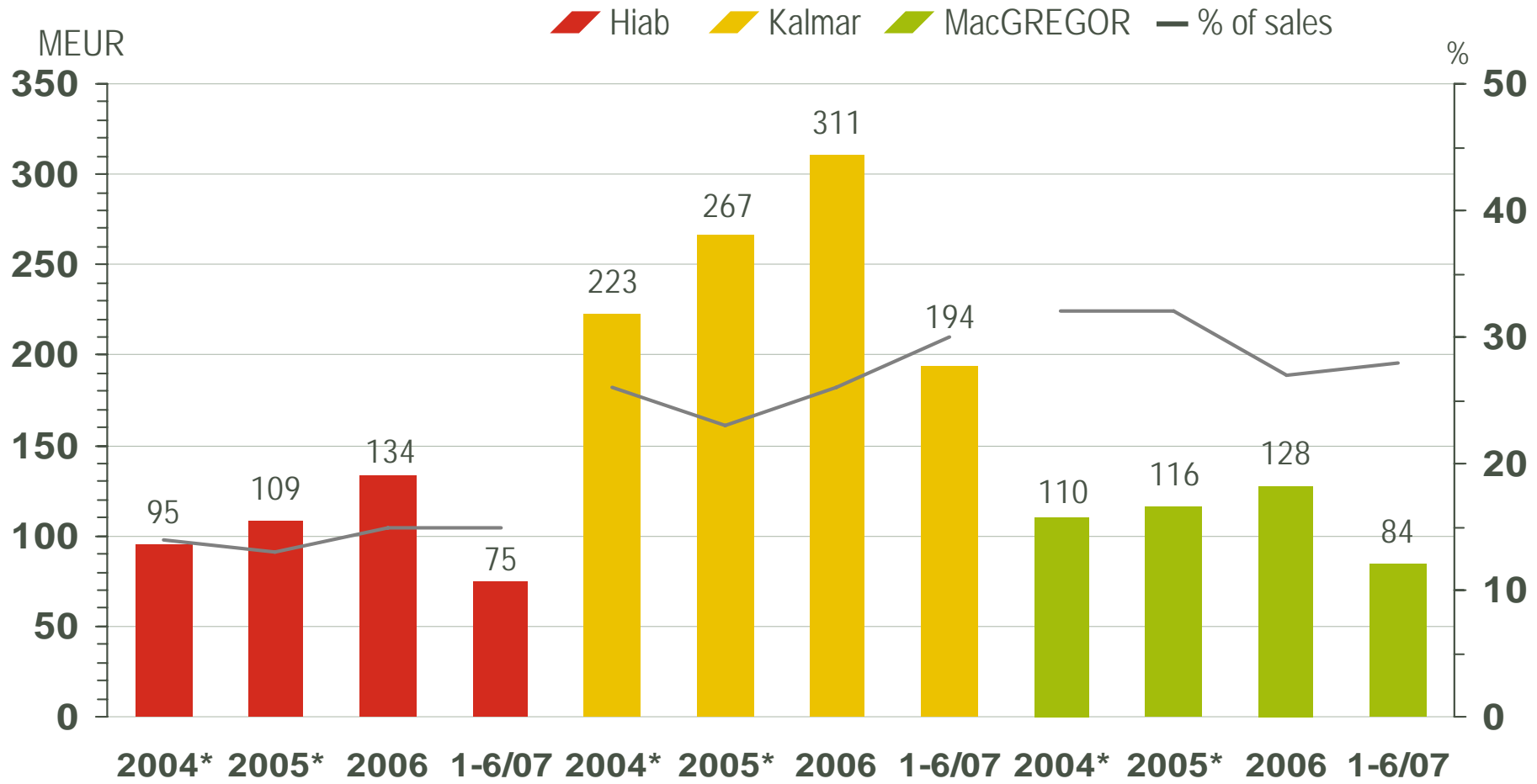
# Geographical development of sales



\*Pro forma



# Services grew by 29% y-on-y representing 25% of sales



\*Pro forma  
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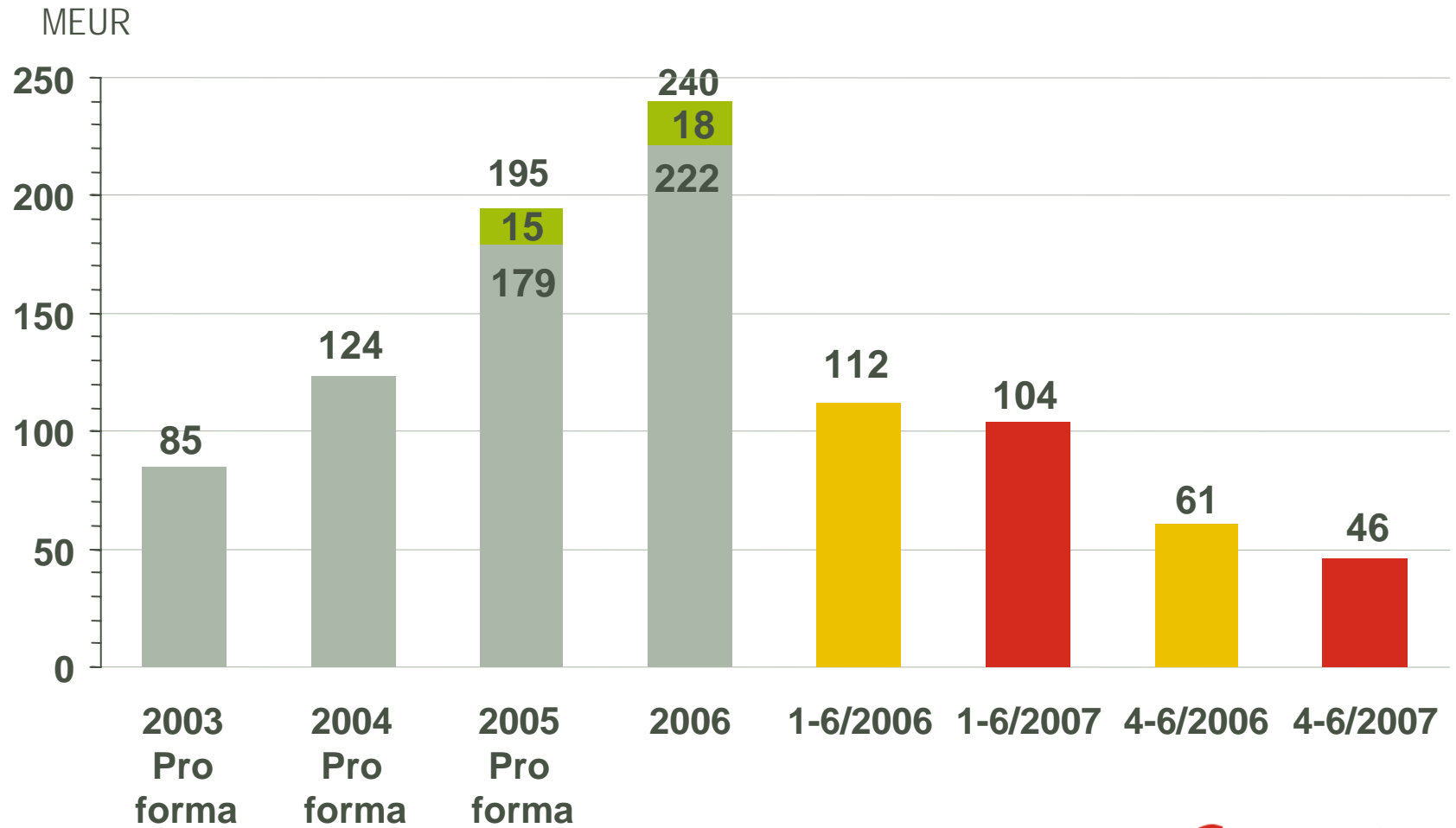
# Operating profit from operations by business area

MEUR	4-6/2007	4-6/2006	2006	Pro forma 2005	Pro forma 2004
Hiab %	16.6 6.8%	23.4 9.9%	86.0 9.4%	66.6 7.9%	44.6 6.4%
Kalmar %	24.0 7.3%	31.0 10.0%	111.7 9.3%	97.6 8.5%	66.4 7.7%
MacGREGOR %	11.4 6.7%	10.2 8.8%	35.9 7.5%	27.5 7.5%	20.9 6.2%
Corporate admin, others	(5.7)	(3.7)	(11.9)	(12,3)	(8.0)
<b>Cargotec total %</b>	<b>46.2 6.2%</b>	<b>61.0 9.2%</b>	<b>221.7 8.5%</b>	<b>179.4 7.6%</b>	<b>123.9 6.5%</b>

# H1 profit analysis – operating profit and %

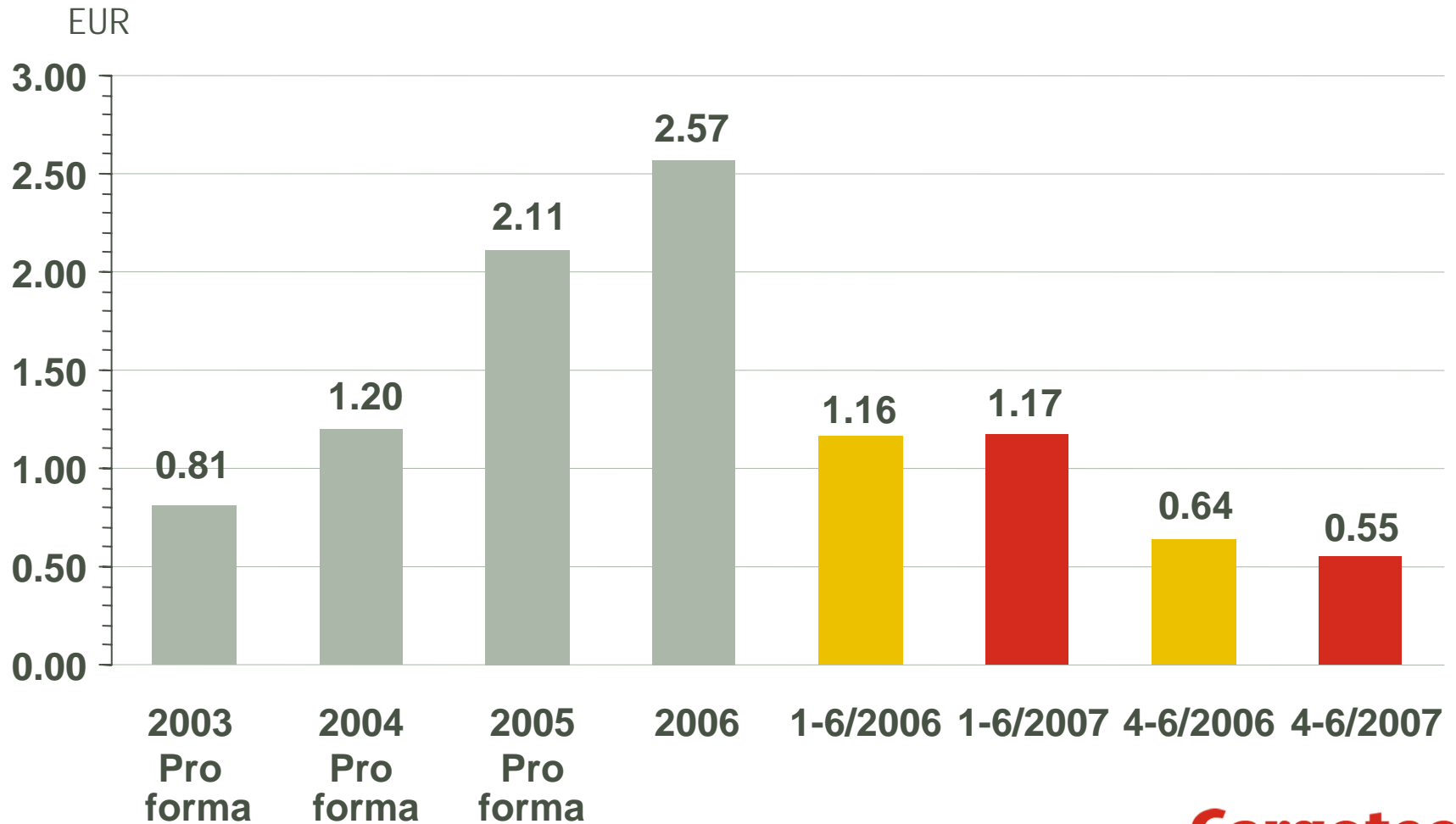
	1-6/2007	1-6/2006	
Hiab	40.9 8.4%	45.9 9.8%	<ul style="list-style-type: none"> <li>• MEUR 4 cost reserve for Dutch factory</li> <li>• U.S. demand clearly below last year, strong development in Europe and Asia not fully compensating</li> </ul>
Kalmar	50.8 7.8%	56.0 9.4%	<ul style="list-style-type: none"> <li>• Sales impact of acquired service companies</li> <li>• Higher costs from expanding presence in big cranes and automation solutions</li> </ul>
MacGREGOR	22.0 7.3%	16.3 7.6%	<ul style="list-style-type: none"> <li>• Cost impact from the purchase price allocation treatment of acquisitions in 1-6/ 07 MEUR 2.4 of which about half in Kalmar and half in MacGREGOR</li> </ul>
Corporate admin	(9.5)	(6.4)	<ul style="list-style-type: none"> <li>• Projects to develop the services business and strengthen the knowledge base increase corporate admin costs in 2007</li> </ul>
Cargotec total	104.1 7.2%	111.9 8.8%	

# Operating profit

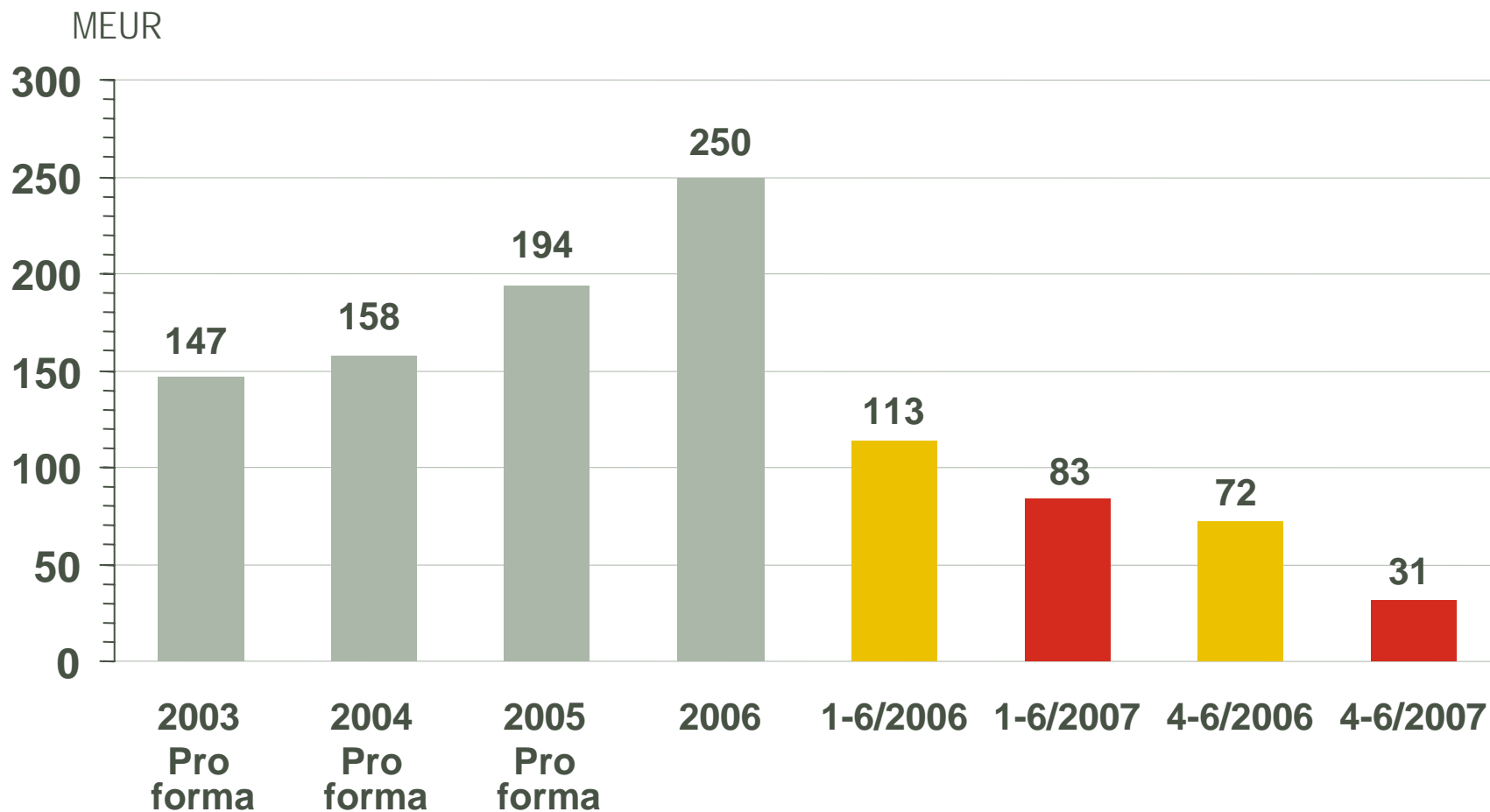


 Non-recurring capital gains

# Earnings per share (basic)



# Cash flow from operating activities before financial items and taxes



# Key figures

		30.6.2007	2006	Pro forma 2005
Basic earnings per share	EUR	1.17	2.57	2.11
Equity per share	EUR	13.82	13.72	11.93
Interest-bearing net debt	MEUR	344.3	107.5	120.5
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Total equity/total assets	%	40.4	47.6	46.2
Gearing	%	39.0	12.3	15.7
Return on equity	%	17.0	20.2	19.2
Return on capital employed	%	17.7	23.1	20.9

# Acquisitions completed in January-June 2007

- Services company **Tagros** in Slovenia
- **Berger** sales, service, installation network in Eastern Europe
- Sales and services company **Truck och Maskin i Örnköldsvik** in Northern Sweden
- Increased equity stake in distribution and services company **BG Crane** in Australia
- U.S. services company **PES** for ports and intermodal terminals
- Manufacturing base in India through **Indital**
- Offshore and sub sea load handling systems company **Hydramarine** in Norway
- **Plimsoll** in Singapore focused on offshore deck equipment
- **Kalmar Asia Pacific** minority stake
- Kalmar distributor **Kalmar España** in Spain
- Offshore service company **Vestnorsk Hydraulikkservice** in Norway
- Component and steel structure manufacturer **Balti ES** in Estonia



# Outlook

- General market activity is expected to continue healthy and order intake to grow by close to 20% in 2007. Together with the strong order book this will enable Cargotec to clearly exceed its growth target this year. Sales growth for 2007 is estimated to be approximately 15%.
- Cargotec is, in accordance with its plans, focusing in 2007 on growth and efficiency related investments, which burden this year's result. The investments are expected to enable profitable growth as per the 5 year strategy. Cargotec's operating profit margin for the remainder of the year is expected to stay below 8%.