

CARGOTEC

Edinburgh road show – 29 May 2012



Strategy and financial targets



Towards customer solutions

Working together

Sustainable performance

Global presence, local service

Vision: To be the world's leading provider of cargo handling solutions



Customers



Services



Emerging markets



Internal clarity



- Sales growth
- Operating profit margin
- Gearing
- Dividend

Mission: To improve the efficiency of cargo flows

Themes 2012

Profitability

Project execution

Performance culture

Strategic focus areas 2011–2015



CUSTOMERS

- Improve knowledge of customer needs
- Invest in attractive customer segments
- Decide which segments to keep and which to divest
- Build market leader position in all business areas



SERVICES

- Growing up in the value chain towards more preventive maintenance
- Support customers' operations outsourcing
- New service concepts and products
- Regional distribution centres



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
- New operating model
- Working together
- Performance culture

Cargotec to strengthen position in heavy cranes

- Cargotec and its long-term manufacturing supplier in China, Jiangsu Rainbow Heavy Industries (RHI), have established a joint venture to provide leading heavy crane solutions globally, expand delivery capacity and grasp growth opportunities in the Chinese and global markets.
- Cargotec's ownership is 49 percent and the value of Cargotec's equity investment approximately EUR 30 million.
- In addition, Cargotec will strengthen its strategic partnership with RHI by becoming an owner in the company. Cargotec will acquire a 49 percent interest in China Crane Investment Holdings Ltd, which currently owns 18.75 percent of RHI shares, for approximately EUR 50 million.
- Relevant regulatory approvals were received in May 2012.

Cargotec to evaluate listing of Cargotec Marine on the Singapore Exchange to secure further growth

- Potential listing would strengthen Cargotec Marine's business presence in Asia and secure profitable growth.
- Already today more than 70 percent of Cargotec Marine's sales are generated in Asia-Pacific.
- A strong presence in Singapore could open new business opportunities especially in offshore.
- It is currently envisaged that Cargotec Corporation would own the majority of Cargotec Marine, which would remain consolidated to Cargotec Corporation following the possible listing.
- The Board of Directors expects the evaluation be completed by the end of the third quarter 2012.

Focus areas in Marine business area

- Two dimensional growth
- Strengthen solution sales
- Grow in offshore services
- Geographical focus in China and Brazil
- Leverage Rainbow-Cargotec Industries joint venture in offshore
- Strong and focused R&D



Focus areas in Terminals business area

- Offering development, including equipment, systems & automation and services
- Project sales and delivery capabilities
- Sales management capabilities
- Cost efficiency



Focus areas in Load Handling business area

- Focus on customer needs
- Analyse future trends
- Develop operating model
- Build strong strategy
- Develop route to market
- New markets – China, India and Russia
- New product development



Focus areas in Services business area

- Expand offering to fleet performance
- Build strong offshore services in Brazil and the USA
- Further develop asset management



January–March 2012 financials



Highlights of Q1

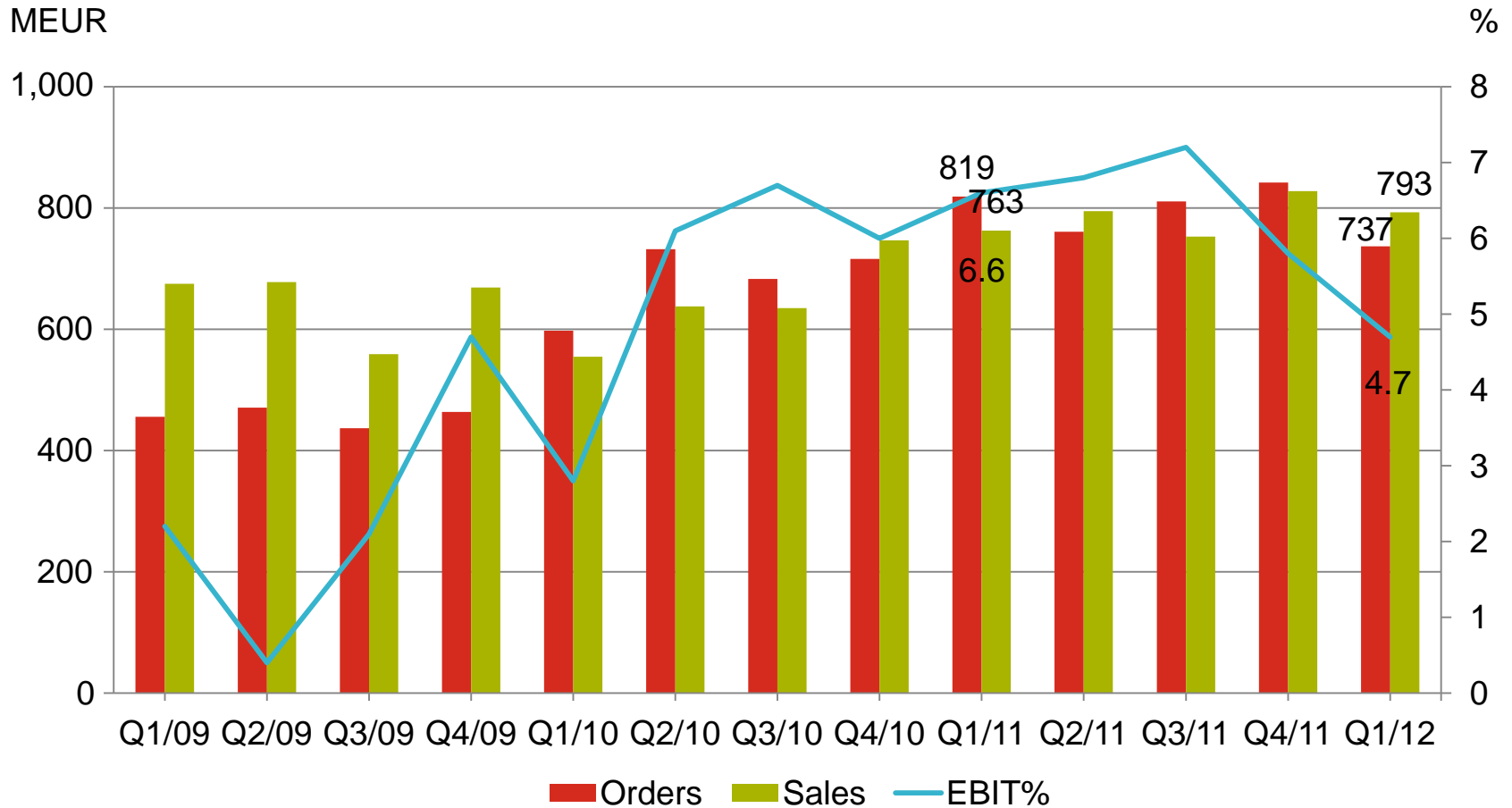
- Market activity was healthy in all three segments and geographies
- Order intake declined 10% y-o-y
- Sales grew 4% y-o-y
- Operating profit margin was 4.7%
 - Delayed deliveries resulted in challenging Q1 in Terminals
- Cargotec evaluates listing of Marine on Singapore Exchange
- Guidance unchanged



Q1 key figures

	Q1 2012	Q1 2011	Change	2011
Orders received, MEUR	737	819	-10%	3,233
Order book, MEUR	2,342	2,373	-1%	2,426
Sales, MEUR	793	763	4%	3,139
Operating profit, MEUR	37.6	50.6	-26%	207.0
Operating profit margin, %	4.7	6.6		6.6
Cash flow from operations, MEUR	-2.2	36.2		166.3
Interest-bearing net debt, MEUR	389	335		299
Earnings per share, EUR	0.42	0.59		2.42

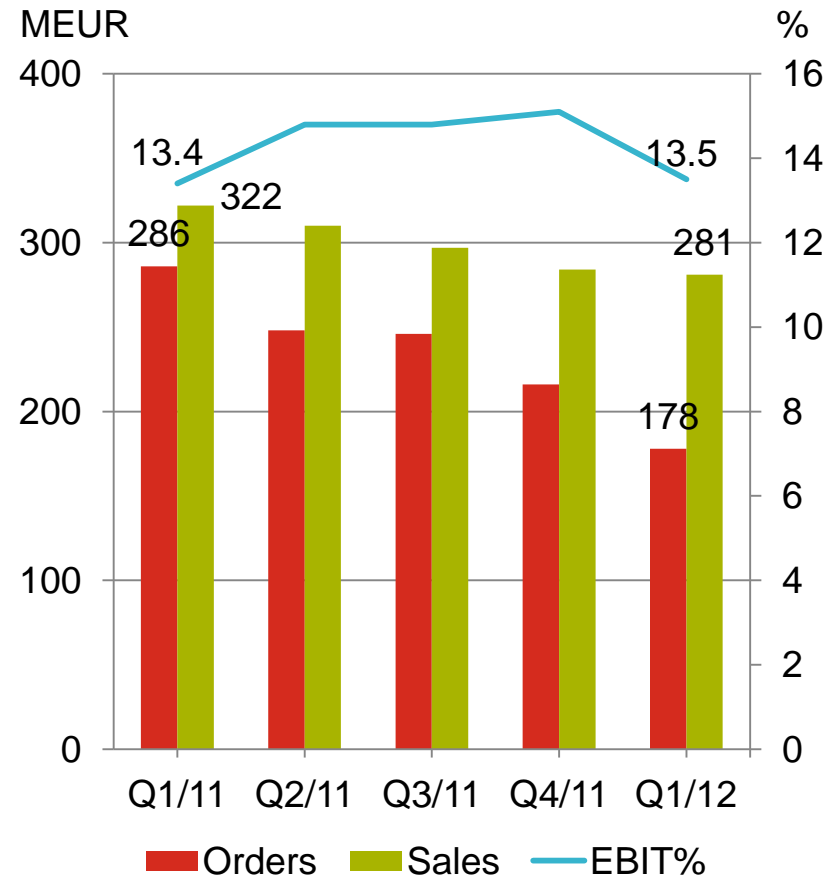
Performance development



EBIT% excluding restructuring

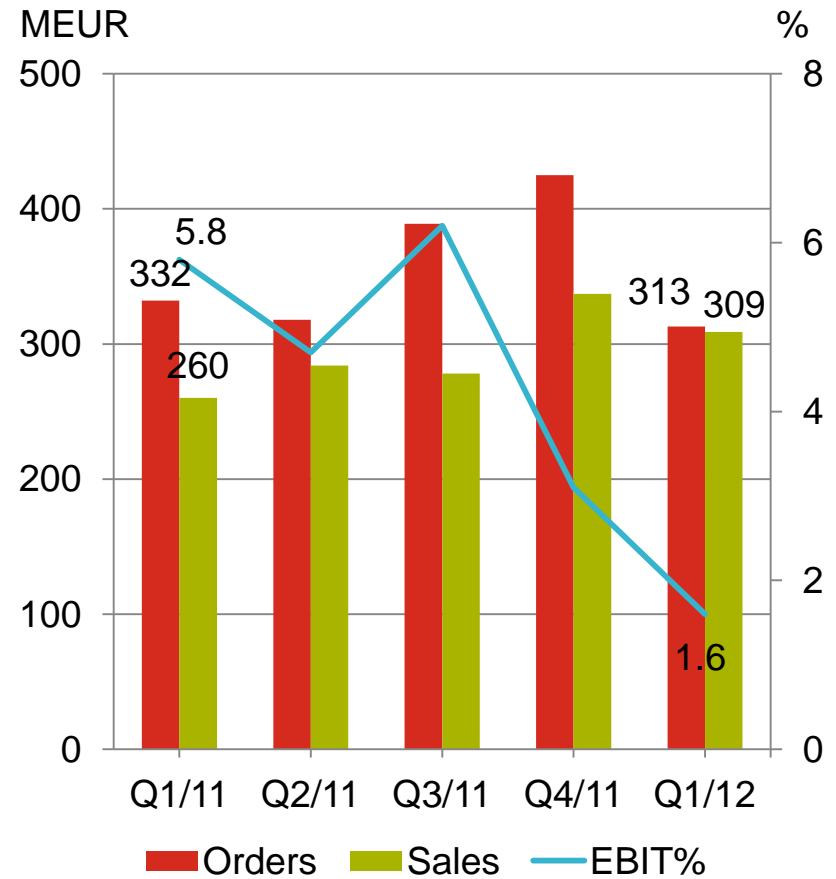
Marine – healthy order intake in sluggish market

- The low level of new ship orders reflected in demand for marine cargo handling equipment.
- Demand for marine cargo handling equipment for offshore vessels improved, accounting for a quarter of Marine's orders.
- Sales remained at healthy level thanks to order book and successful deliveries.
- Profitability was at expected level.
- The gradual recovery continued in services.



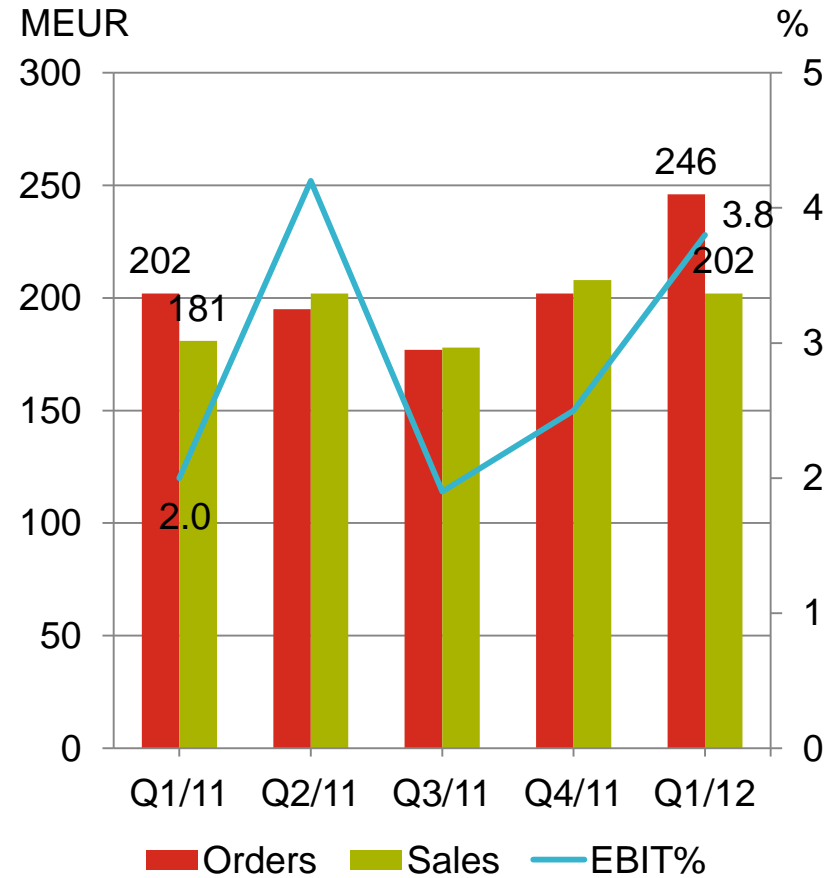
Terminals – challenging first quarter

- Demand was healthy for container handling equipment used in ports. Customer interest in larger projects was evident in several negotiations underway.
- Sales grew 19% as a result of stronger order book.
- Profitability declined to 1.6%:
 - Delay in deliveries
 - Service business' low share of sales
 - A less favourable product mix
 - R&D costs doubled y-o-y



Load Handling – healthy orders and sales, profitability improved

- Market for load handling equipment clearly exceeded general market expectations. Demand grew in the US and it was also healthy in Europe.
- Order received grew 22% q-o-q and y-o-y.
- Orders grew in all geographic areas, most in Americas.
- Sales grew 12% thanks to order book and favourable market environment.
- Profitability improvement to 3.8% was supported by actions taken to improve the efficiency of the way of working and supply chain, together with increased volumes.
- The growth in orders for services was boosted by spare parts and installations.

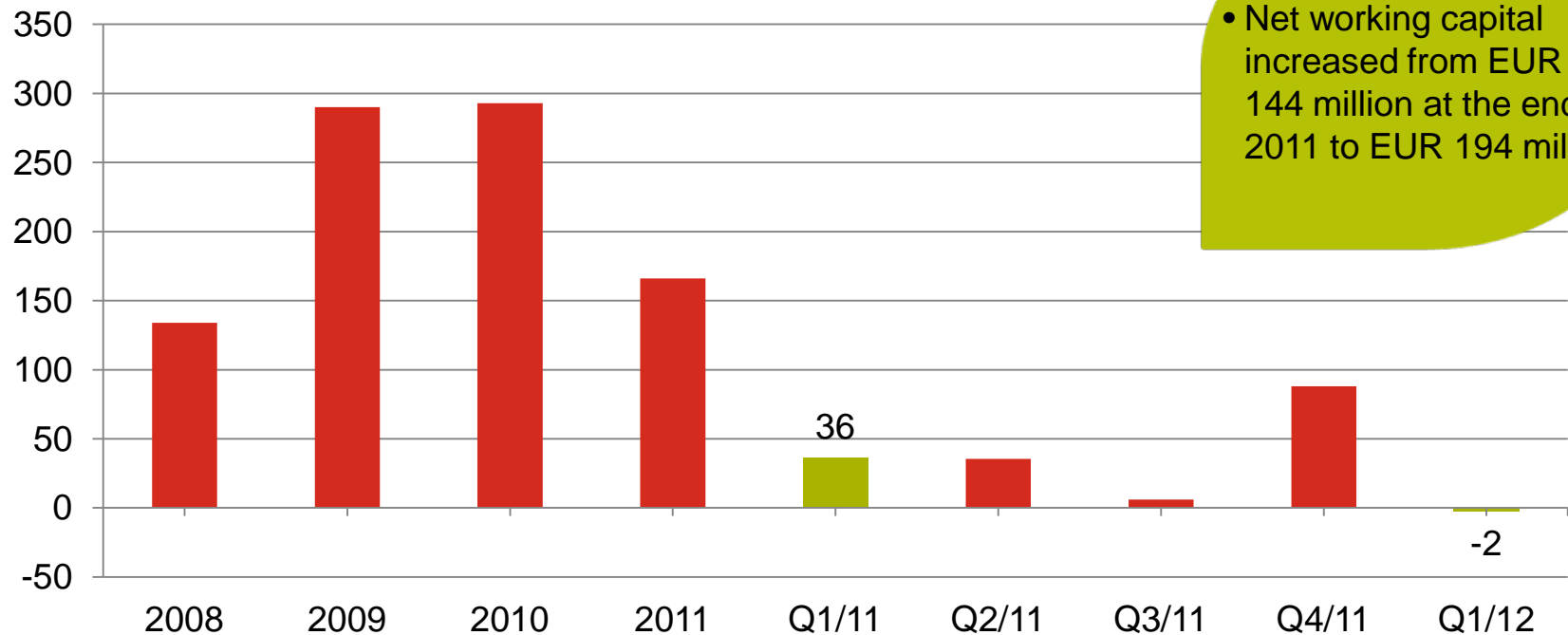


Gross profit development

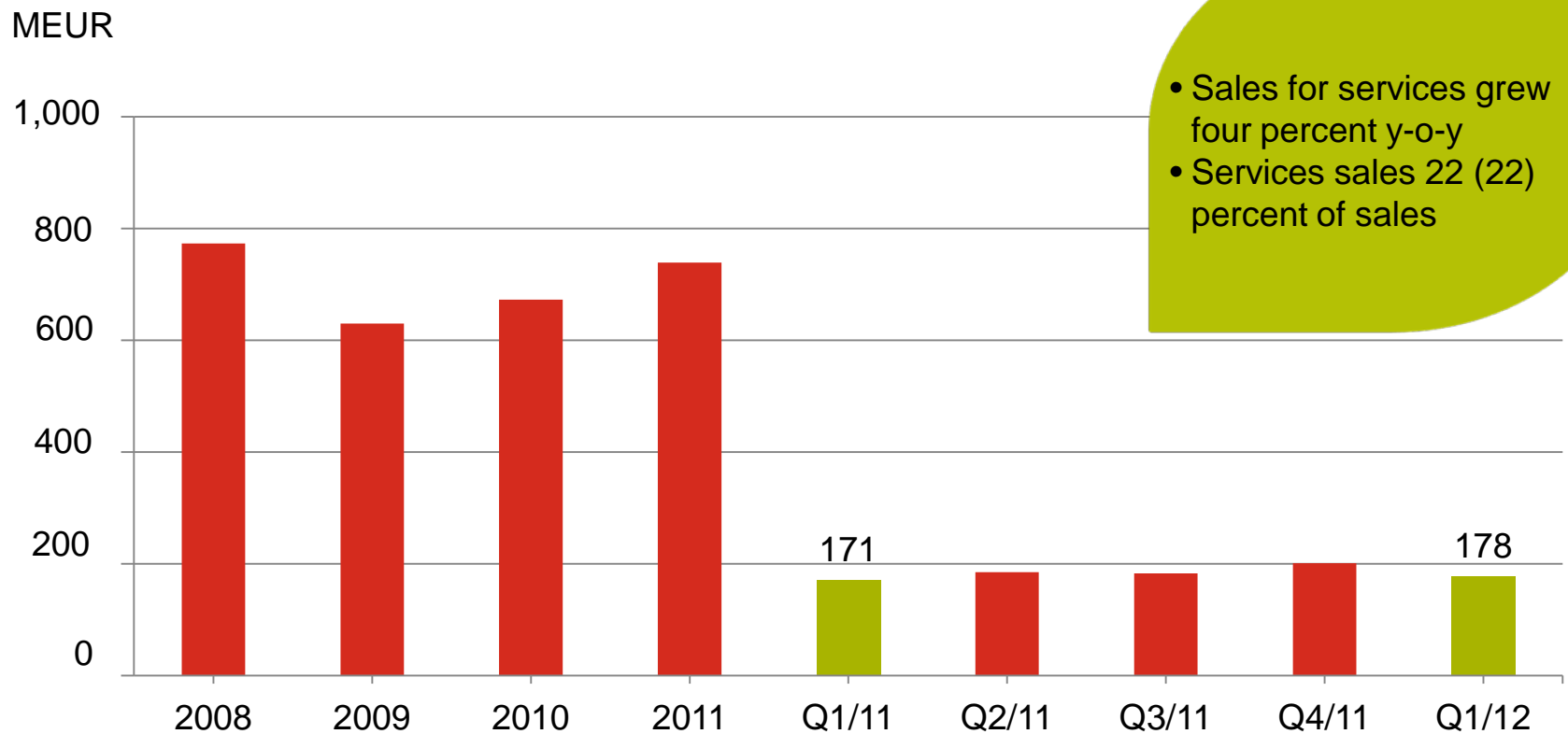


Increase in net working capital weakened cash flow from operations

MEUR

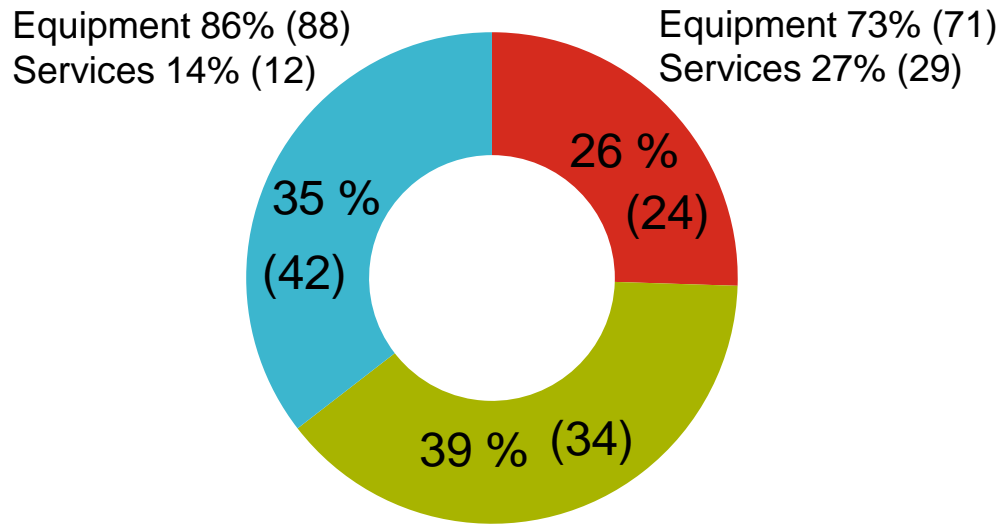


Services sales were stable

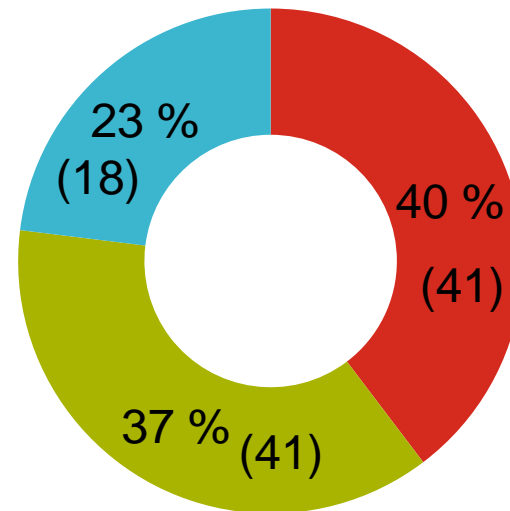


EMEA slightly bigger than APAC in sales

Sales by reporting segment Q1/2012, %



Sales by geographical segment Q1/2012, %



■ Marine ■ Terminals ■ Load Handling

■ Americas ■ APAC ■ EMEA

Cargotec's key priorities in 2012

- Asia
- Strengthening market position in Load Handling
- Repositioning in heavy cranes (JV)
- Growth opportunities for Marine
- Further development of Services
- Cargotec ERP
- Leveraging the building blocks in Terminals



Outlook

- Marine segment profitability is expected to continue healthy, although full year sales are expected to decline slightly from previous year.
- Sales in Terminals and Load Handling segments are expected to grow as a result of the order book. Terminals segment order book supports expectations that the segment's profitability will clearly improve from the first quarter.
- Cargotec expects its 2012 sales to grow and operating profit margin to improve compared to 2011.

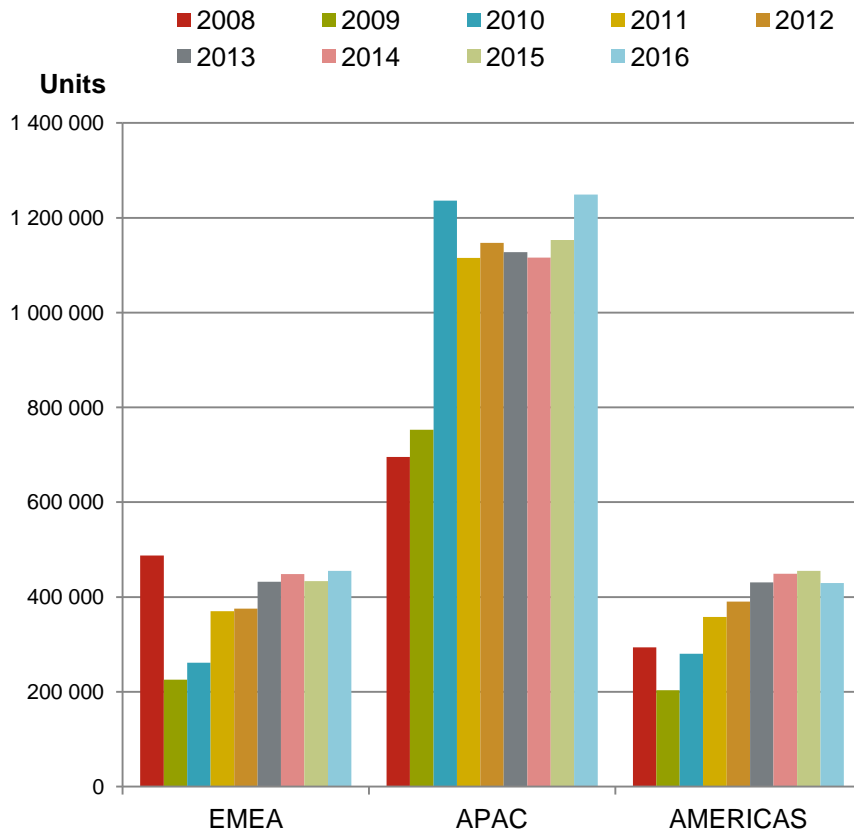


Appendices

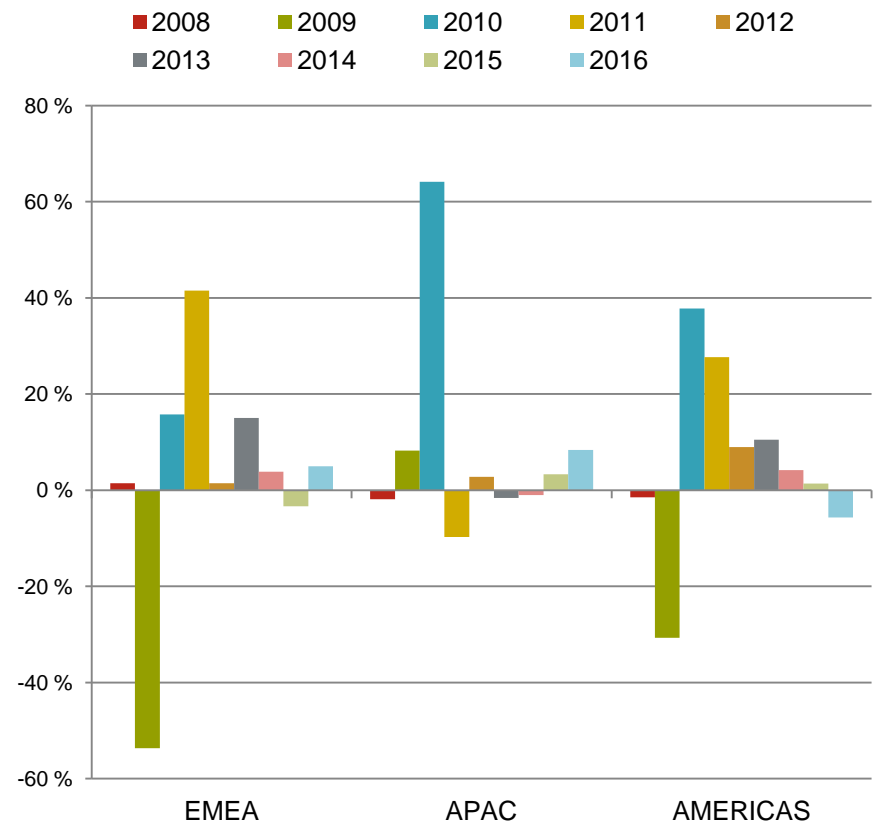


Macro indicator trends

Truck sales GVW over 15 ton - Regions



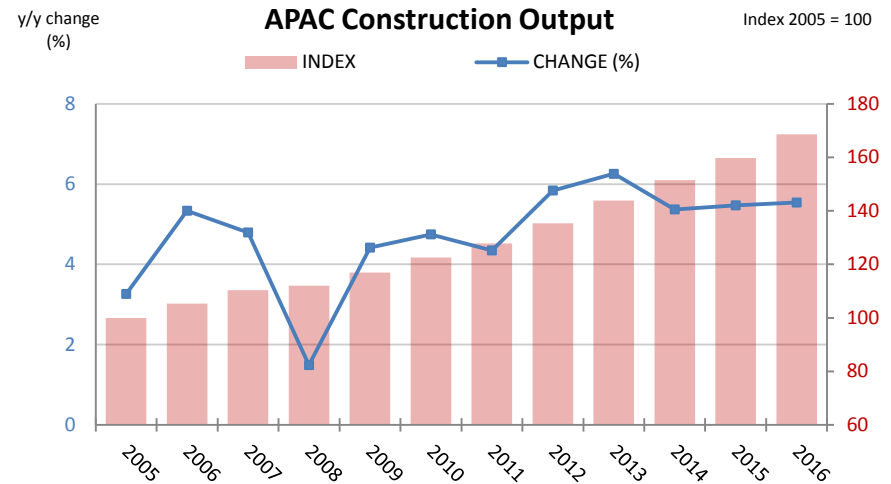
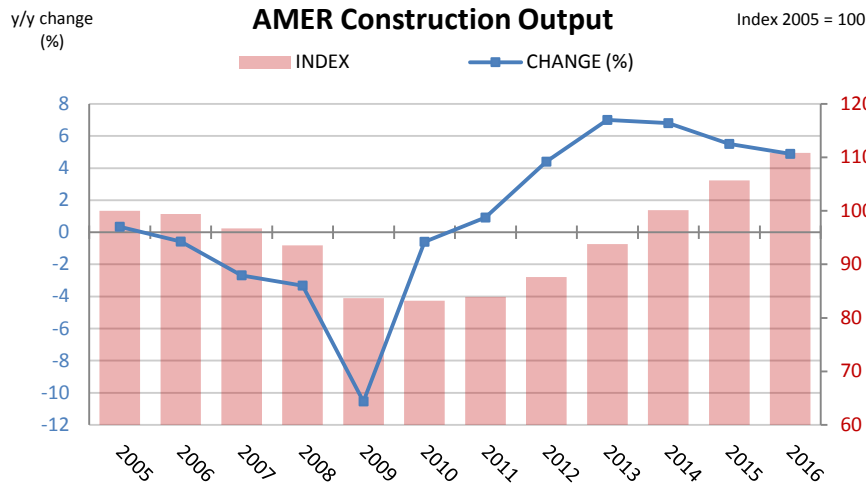
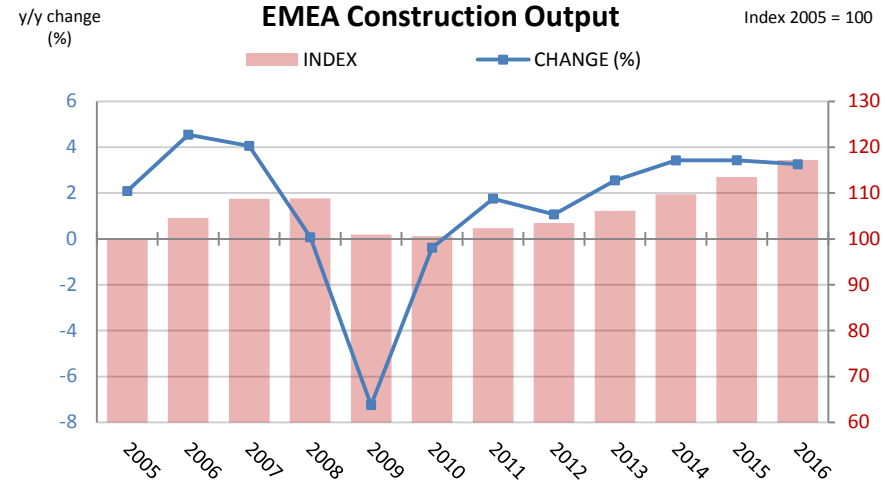
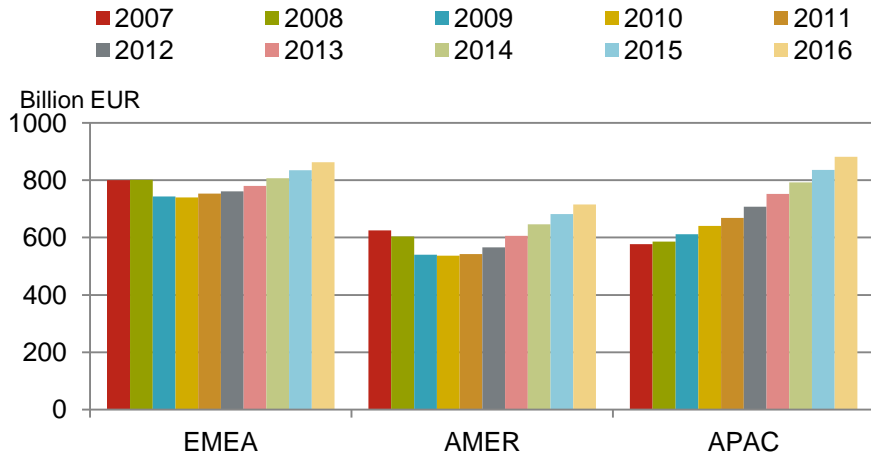
Sales growth GVW over 15 ton - Regions



Source: IHS Global Insight Q1/2012

Macro indicator trends

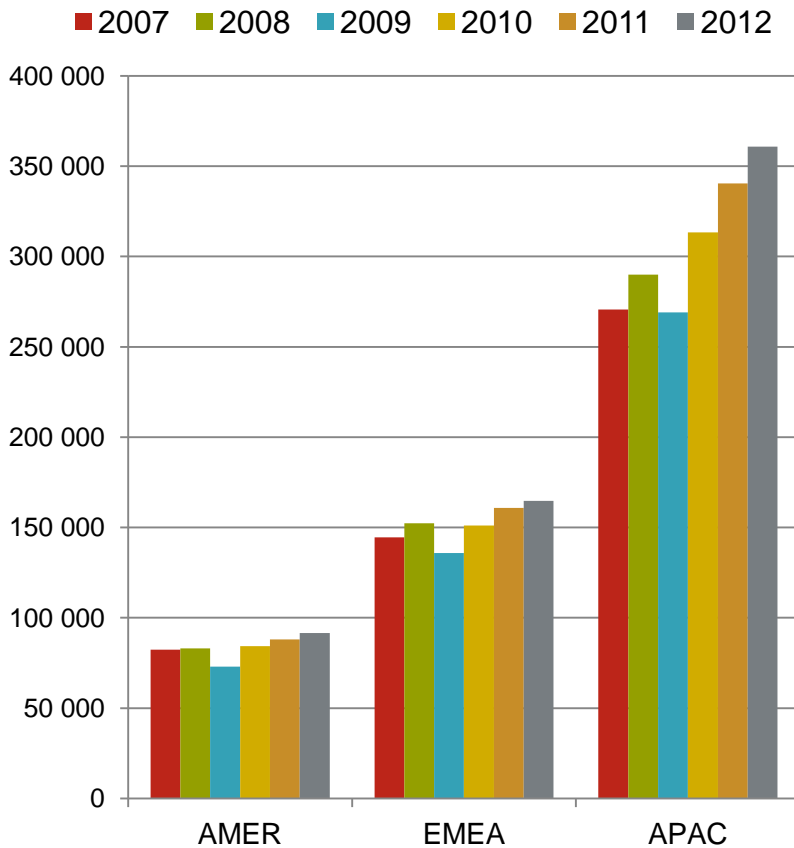
Total Construction Output



Source: Oxford Economics Q1/2012

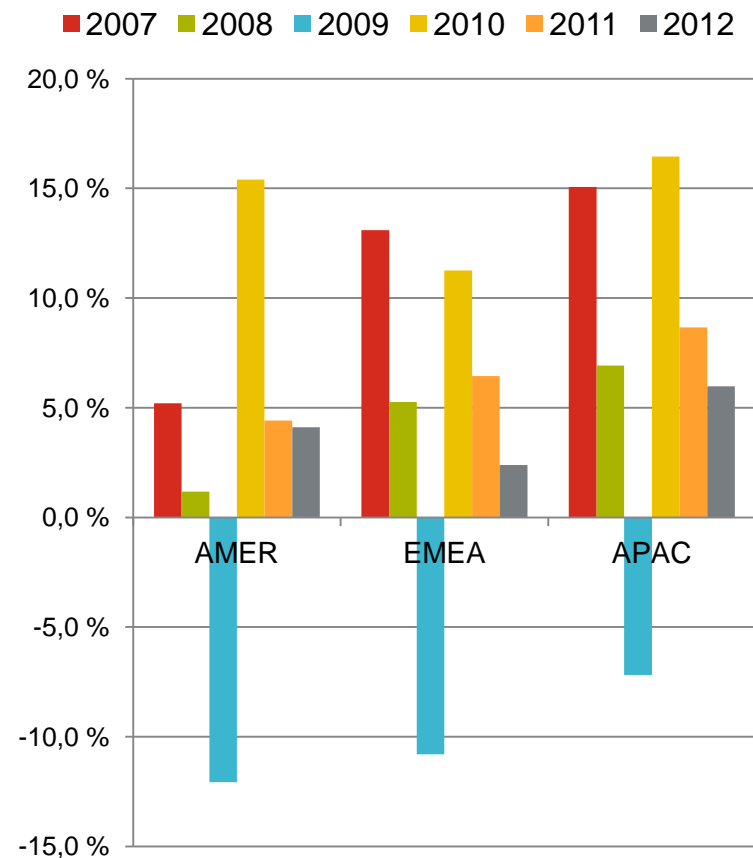
Macro indicator trends

Drewry (Throughput '000 TEU units)



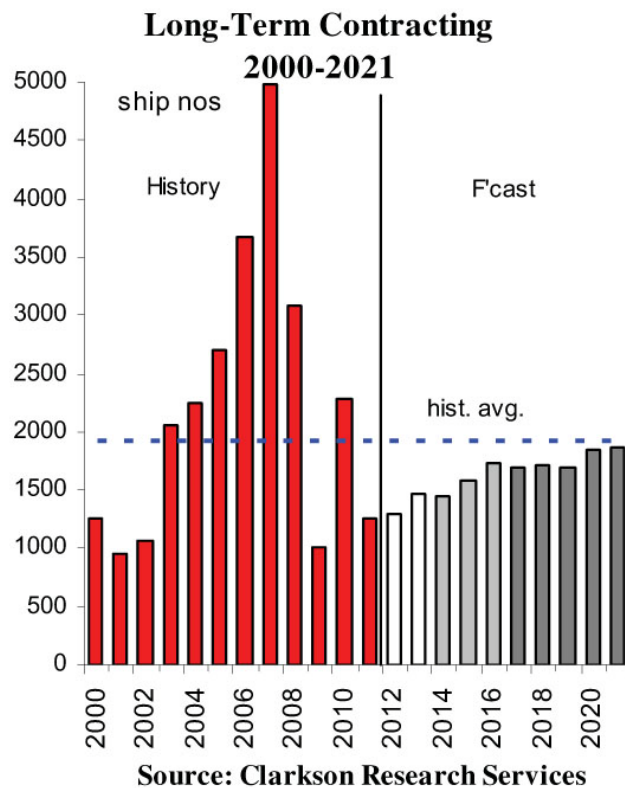
Source: Drewry Container Forecaster Q1/2012

Drewry (Throughput TEU % change)



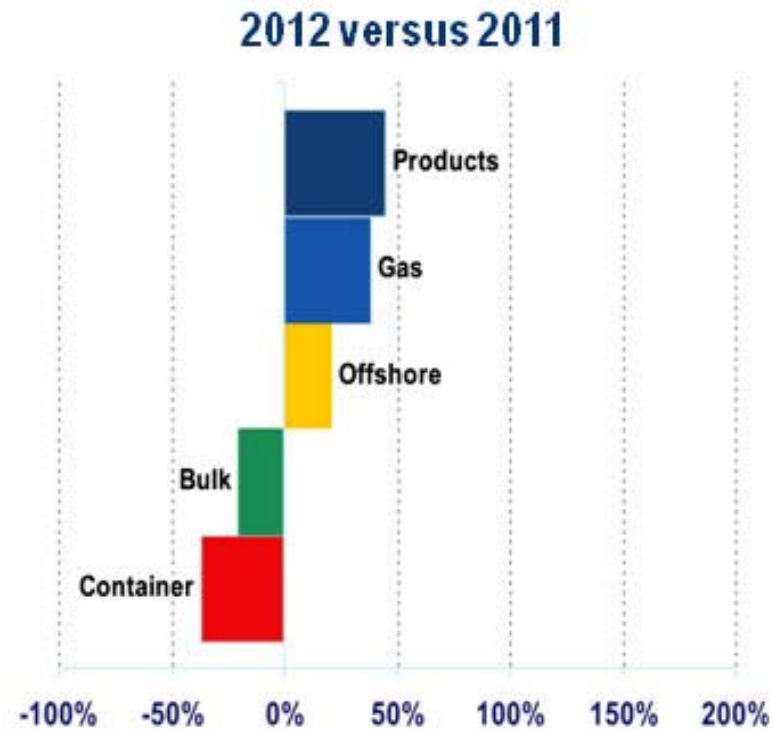
Ship contracting forecast

Contracting forecast

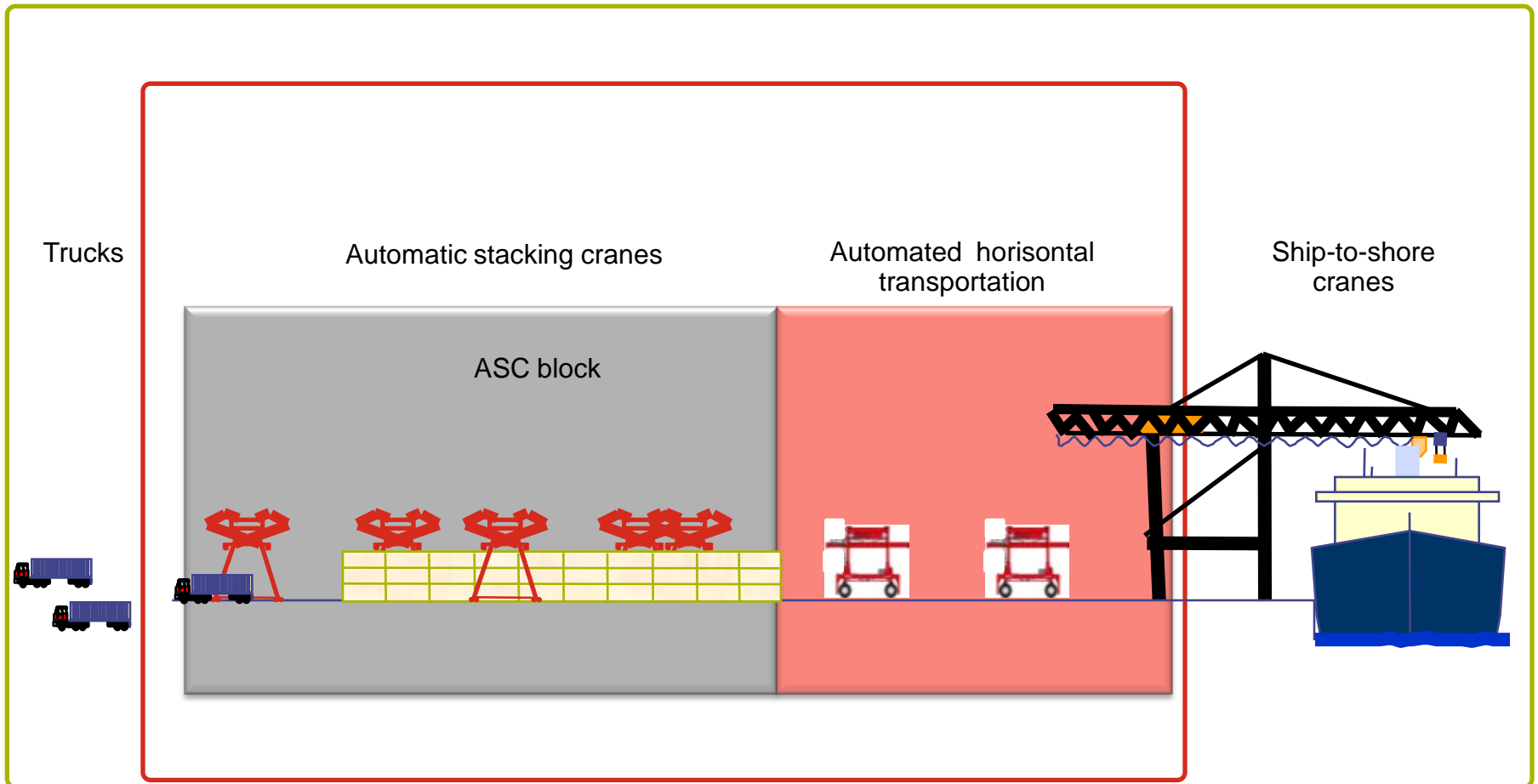


Source: Clarkson research 3/2012

2012 winners and losers



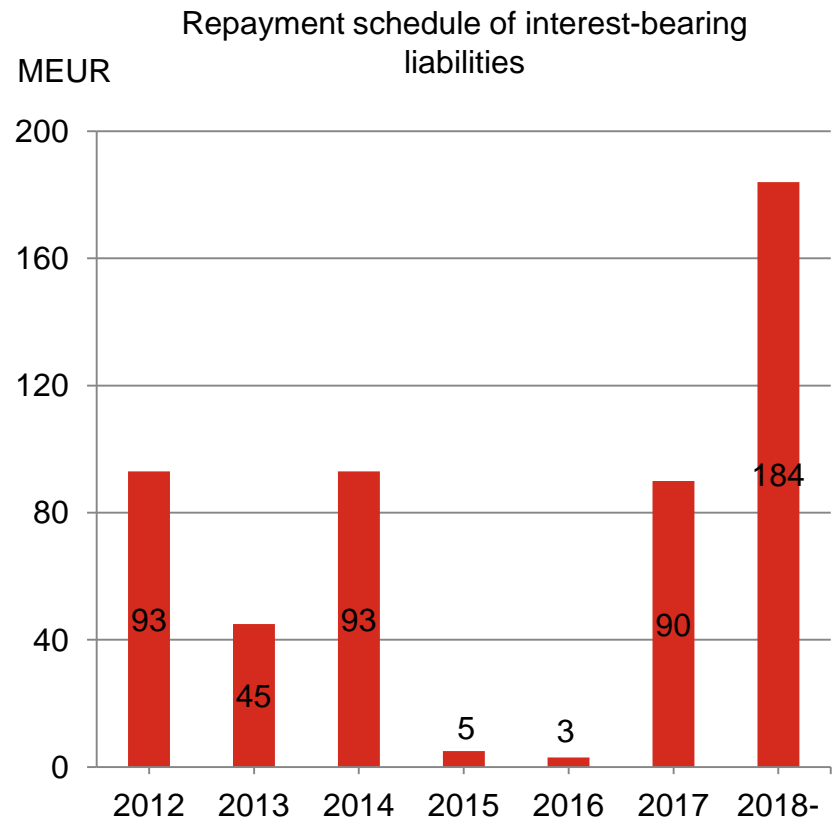
Terminal operating system



Low gearing and strong liquidity 31 Mar 2012

- Gearing 33.8%
- Net debt MEUR 389
- Liquidity MEUR 430
 - Cash and cash equivalents MEUR 130
 - Unused and committed long-term revolving credit facility of MEUR 300

→ Cargotec is well prepared financially for the coming years



Hiab offering



Loader cranes



Truck-mounted forklifts



Demountables



Tail lifts



Forestry cranes



Stiff boom cranes



Services

Key competition with Hiab offering

	Knuckle-boom Cranes	Stiff boom Cranes	Demountables	Tail Lifts	Truck-mounted Forklifts	Forestry Cranes
• Hiab	X	X	X	X	X	X
• Palfinger	X	X	X	X	X	X
• Hyva	X		X	X		
• Fassi	X					
• Effer	X					
• PM	X					
• Unic		X				
• Tadano		X				
• National		X				
• Meiller			X			
• Marrel			X			
• Stellar			X			
• Shimaywa			X	X		
• D'Hollandia				X		
• MBB				X		
• Maxon				X		
• Manitou					X	
• Chrisman					X	
• Donkey					X	
• Kesla						X
• Prentice						X

Kalmar offering



Straddle carriers



Reachstackers



Terminal tractors



Forklift trucks



Ship-to-Shore cranes



RTGs, RMGs



Spreaders



Services

Key competition with Kalmar offering

	Ship-to-Shore Cranes	RTG/RMG Cranes	Straddle Carriers	Reach Stackers	Fork Lift Trucks	Terminal Tractors. AGVs	Spreaders	Mobile Harbour Cranes	Services
• Kalmar	X	X	X	X	X	X	X		X
• ZPMC	X	X							
• Liebherr	X	X	X	X				X	
• Mitsubishi	X	X			X			X	
• Mitsui	X	X							
• Terex	X	X	X	X	X	X		X	X
• Konecranes	X	X	X	X	X				X
• TCM		X	X		X				
• CVS Ferrari			X	X	X	X			
• Hyster Heavy				X	X				
• Taylor				X	X				
• Kion				X	X				
• Sany				X					
• Svetruck					X				
• Capacity									
• Terberg						X			
• Sinotruck						X			
• Stinis						X	X		
• RAM							X		

MacGregor offering



Hatch covers



Ship cranes



Offshore deck equipment



Securing



RoRo



Link spans



Bulk loaders



Services

Key competition with MacGregor offering

	Hatch Covers	Deck Cranes	Lashing equipment	Bulk systems	RoRo equipment	Offshore	Services
• MacGregor	X	X	X	X	X	X	X
• TTS	X	X			X	X	X
• Seohae	X				X		
• IHI	X	X		X (cement)			
• Nakata	X			X (coal)			
• Liebherr		X				X	X
• Oriental Precision		X				X	
• NMF		X					X
• MHI		X					
• Luzhou (KGW)		X					
• German Lashing			X				X
• SEC			X				X
• Krupp				X (coal)			
• Buhler				X (grain)			
• FLS				X			
• Sumitomo				X (coal)			
• National Oilwell						X	
• Rolls Royce						X	X
• Dreggen						X	
• ODIM						X	
• Coops & Nieborg	X						
• Ainoura (ex-Tsuji)	X	X			X		(X)

we keep cargo on the move™