

CARGOTEC

Edinburgh road show – 20 September 2011



Strategy and financial targets



Vision and mission

Our vision is

- to be the world's leading provider of cargo handling solutions

Our mission is

- to improve the efficiency of cargo flows



Company values



Portfolio



Solutions for industrial and on-road load handling

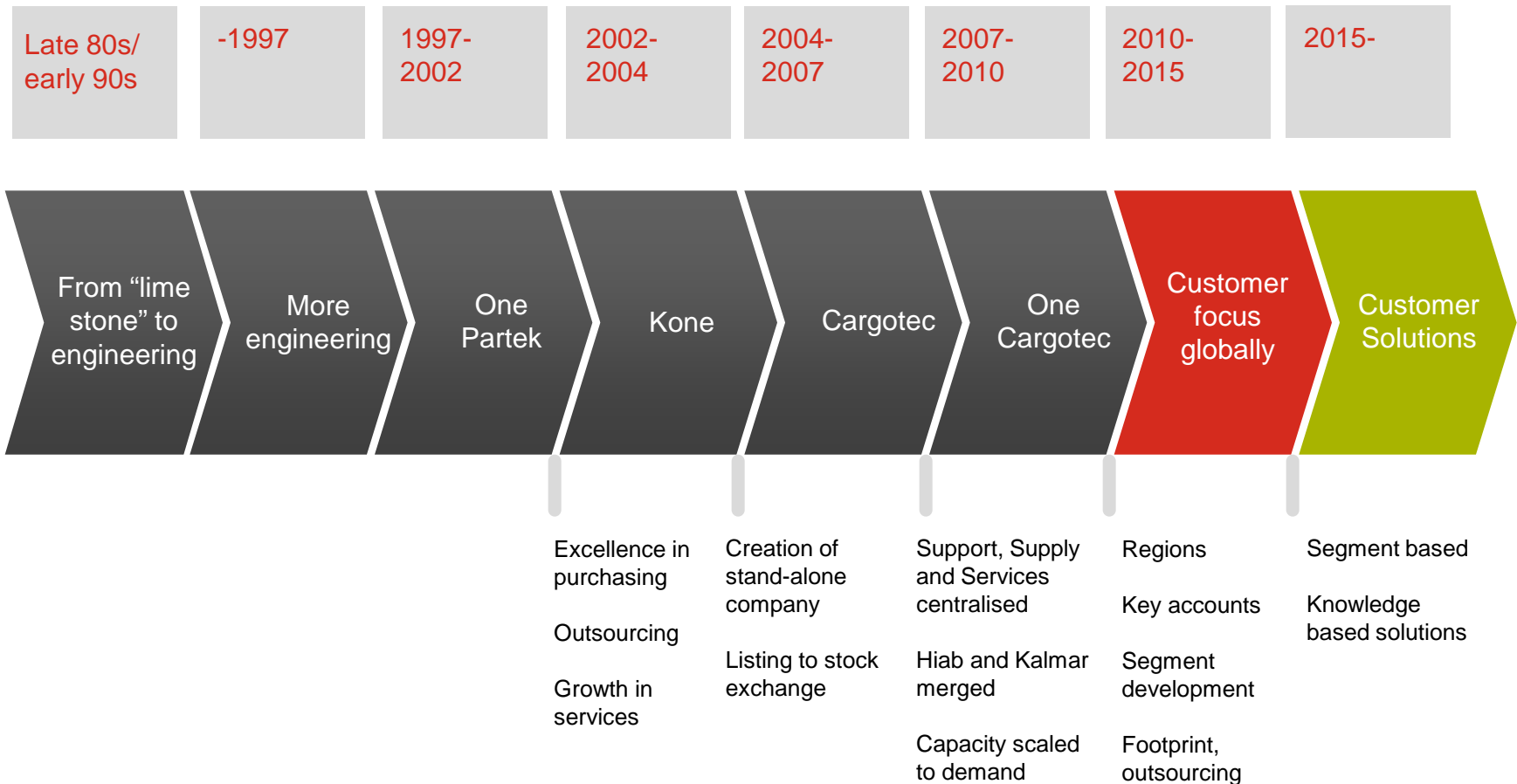


Solutions for ports and container handling



Solutions for marine cargo handling and offshore load handling

Next corporate theme



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



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 Industrial & Terminal organisation
- Working together

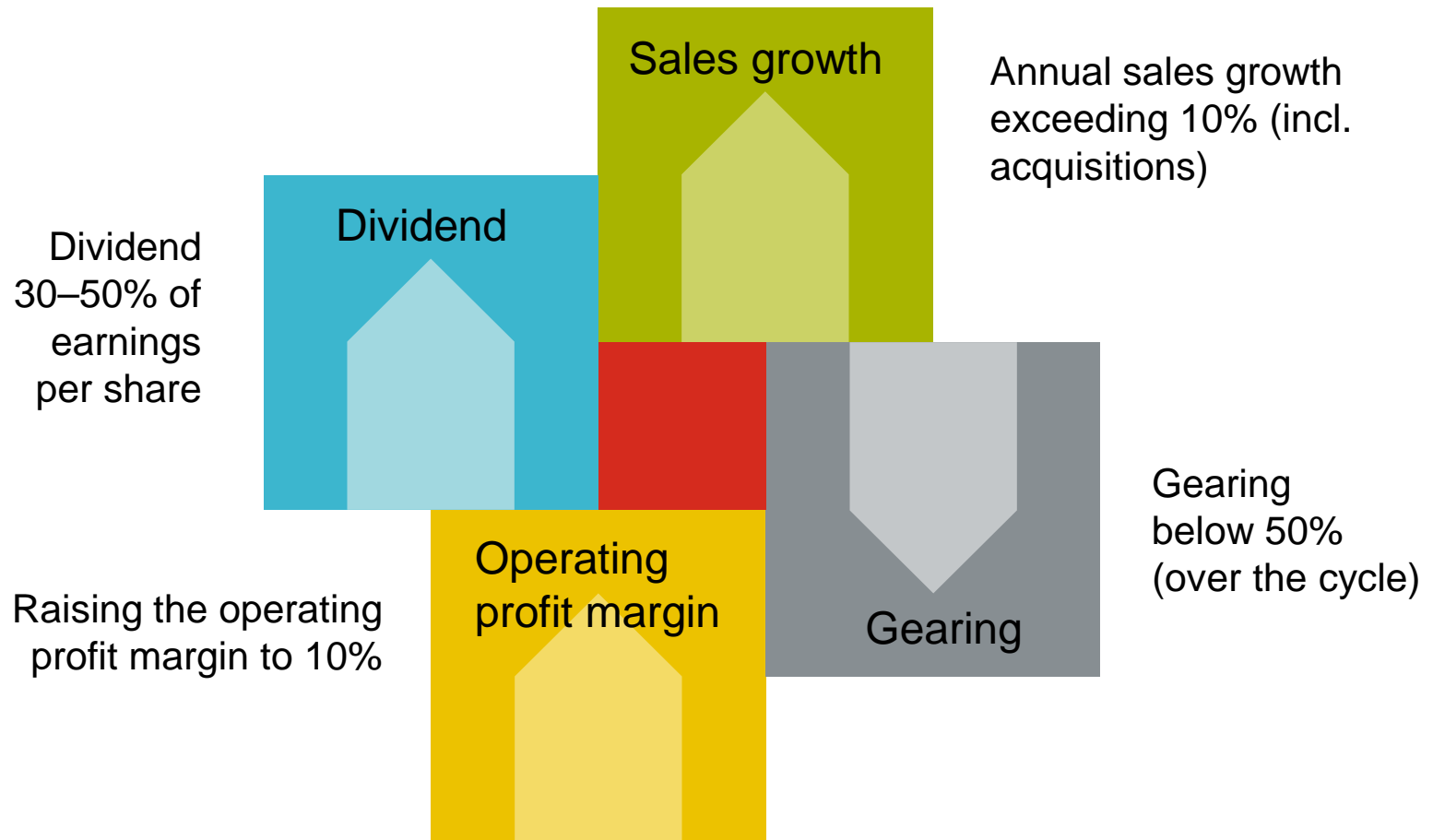
Acquisition of terminal operating systems provider Navis

- Announced in January 2011, consolidation from 19 March onwards
- Navis is #1 vendor in marine terminal logistics solutions market
- Its global customer footprint is in over 50 countries at 200+ terminals
- The company has 20+ years of expertise in developing solutions to complex supply chain execution problems
- Navis has ~350 employees providing worldwide sales, services and support
- 2011 sales are expected to be around EUR 50 million

Cargotec to strengthen position in heavy cranes

- Cargotec and its long-term manufacturing supplier in China, Jiangsu Rainbow Heavy Industries (RHI), plan to establish 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 would be 49 percent and the value of Cargotec's equity investment approximately EUR 30 million.
- In addition, Cargotec plans to 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.
- The transaction is subject to the relevant regulatory approvals, which are expected to be received in the coming 6–8 months (from late July 2011).
 - The joint venture is not expected to impact Cargotec's financial outlook for 2011.

Financial targets



January–June 2011 financials



Highlights of January–June 2011 report

- Market activity up in both segments and all geographies
- Q2 order intake grew 4% and sales grew 25% y-o-y
- Q2 operating profit margin increased to 6.8%
- Cash flow remained healthy
- Global competence centre for container terminals development established in Singapore



Market environment in January–June 2011

- The load handling equipment market developed positively. Demand for loader cranes, truck-mounted forklifts and tail lifts in particular grew rapidly. Recovery remained weak in construction-related customer segments in United States.
- The revival in demand in container handling equipment for ports can be seen in the high level of activity. Demand for rubber-tyred gantry cranes in particular was strong on the back of improved activity of larger projects.
- Demand for marine cargo handling equipment remained at a healthy level. Demand was driven by the large number of bulk vessels ordered last year.
- Services markets improved mainly in load handling and terminals throughout the first half. In addition to growth in spare parts, demand for various refurbishment and modernisation projects increased clearly.

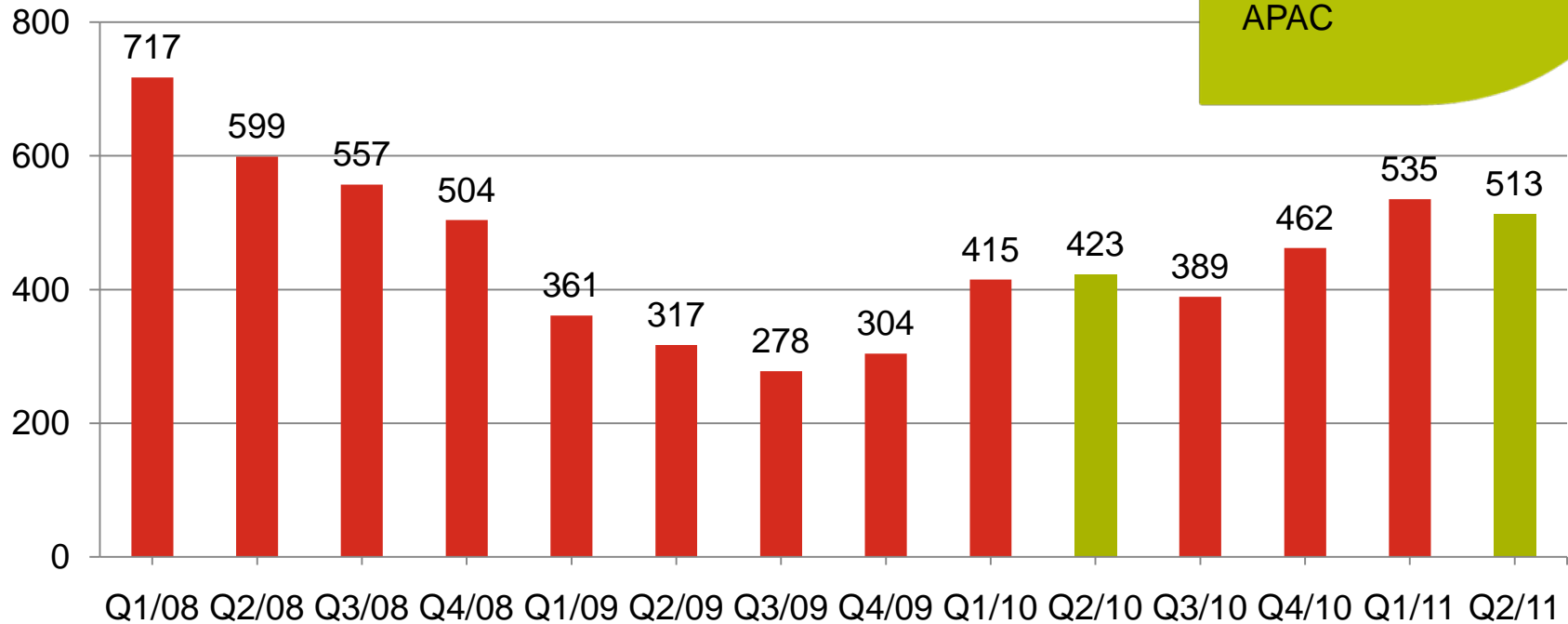


Key figures in January–June 2011

	Q2 11	Q2 10	Change	1-6/11	1-6/10	Change	2010
Orders received, MEUR	761	732	4 %	1,580	1,330	19 %	2,729
Order book, MEUR	2,306	2,433	-5 %	2,306	2,433	-5%	2,356
Sales, MEUR	795	638	25 %	1,558	1,193	31 %	2,575
Operating profit, MEUR	54.0	37.2		104.6	50.7		131.4
Operating profit margin, %	6.8	5.8		6.7	4,2		5.1
Cash flow from operations, MEUR	35.4	80.5		71.6	127.0		292.9
Interest-bearing net debt, MEUR	335	308		335	308		171
Earnings per share, EUR	0.69	0.32		1.28	0.45		1.21

Q2: Industrial & Terminal's order intake grew 21% y-o-y

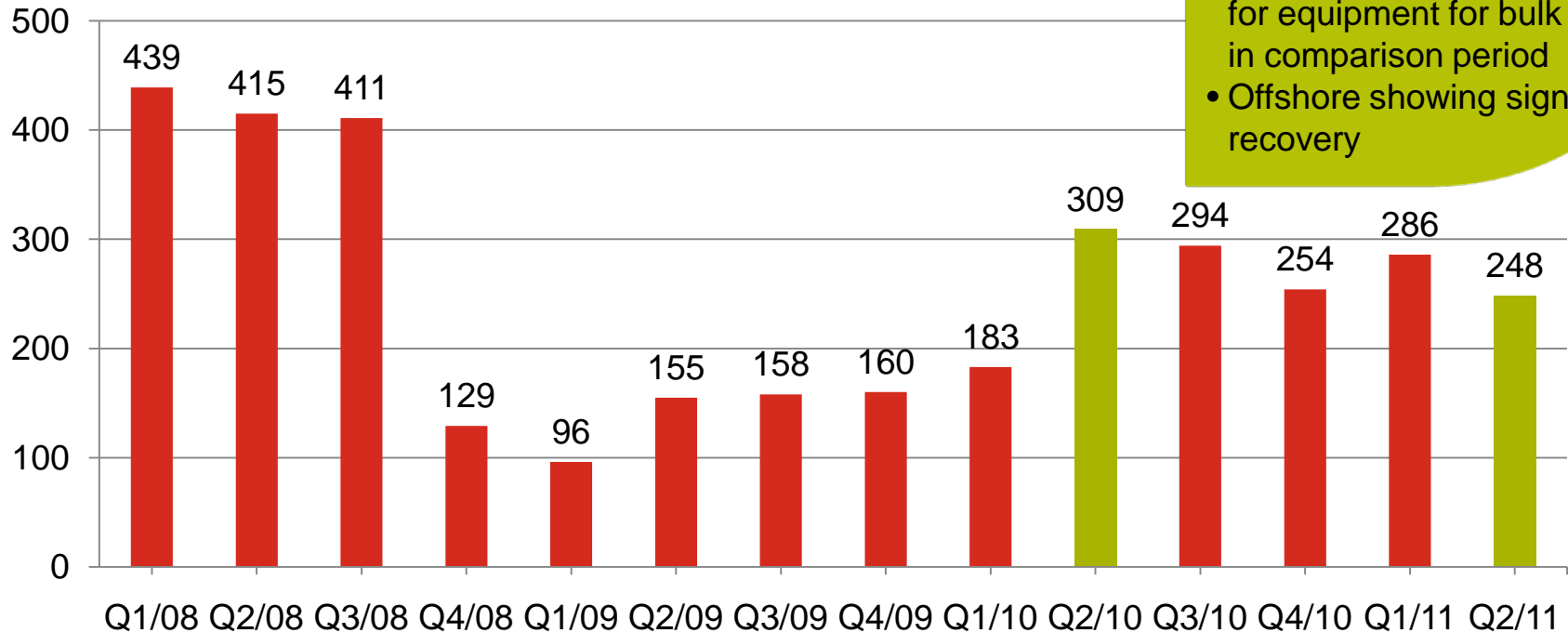
MEUR



- 52% of orders from EMEA
- Orders grew strongest in APAC

Q2: Marine's order intake continued healthy

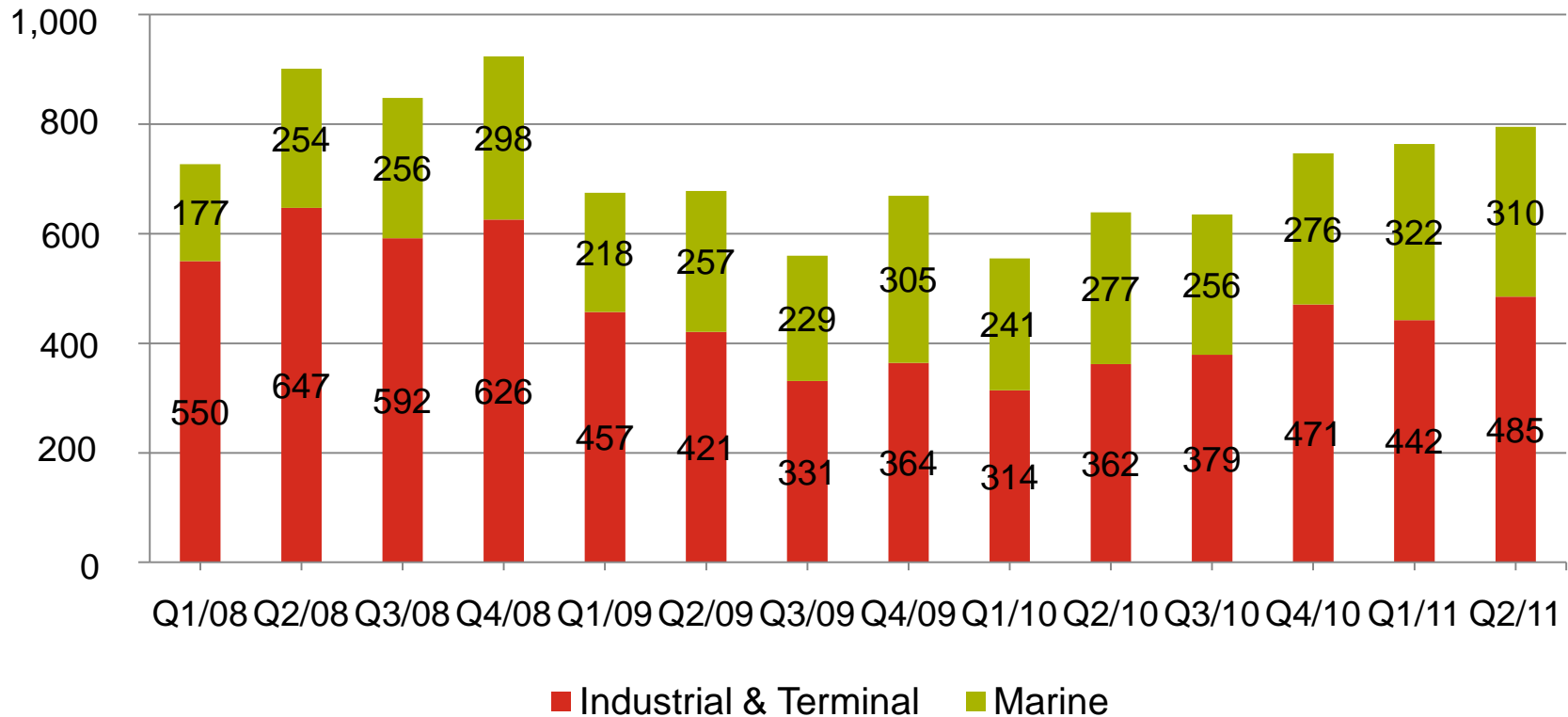
MEUR



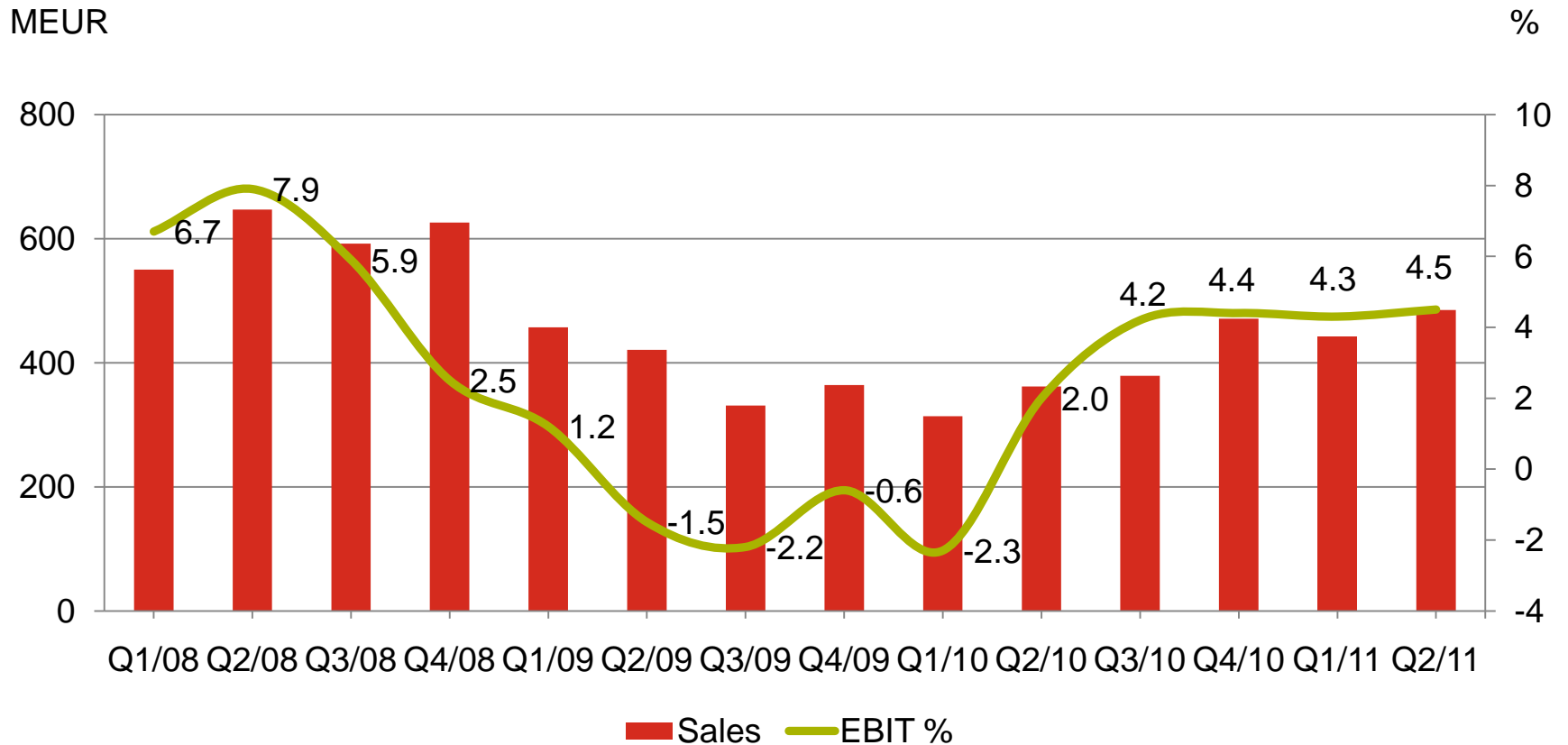
- 71% of orders from APAC
- Exceptionally high demand for equipment for bulk ships in comparison period
- Offshore showing signs of recovery

Q2: Industrial & Terminal sales grew 34% and Marine sales 12% y-o-y

MEUR

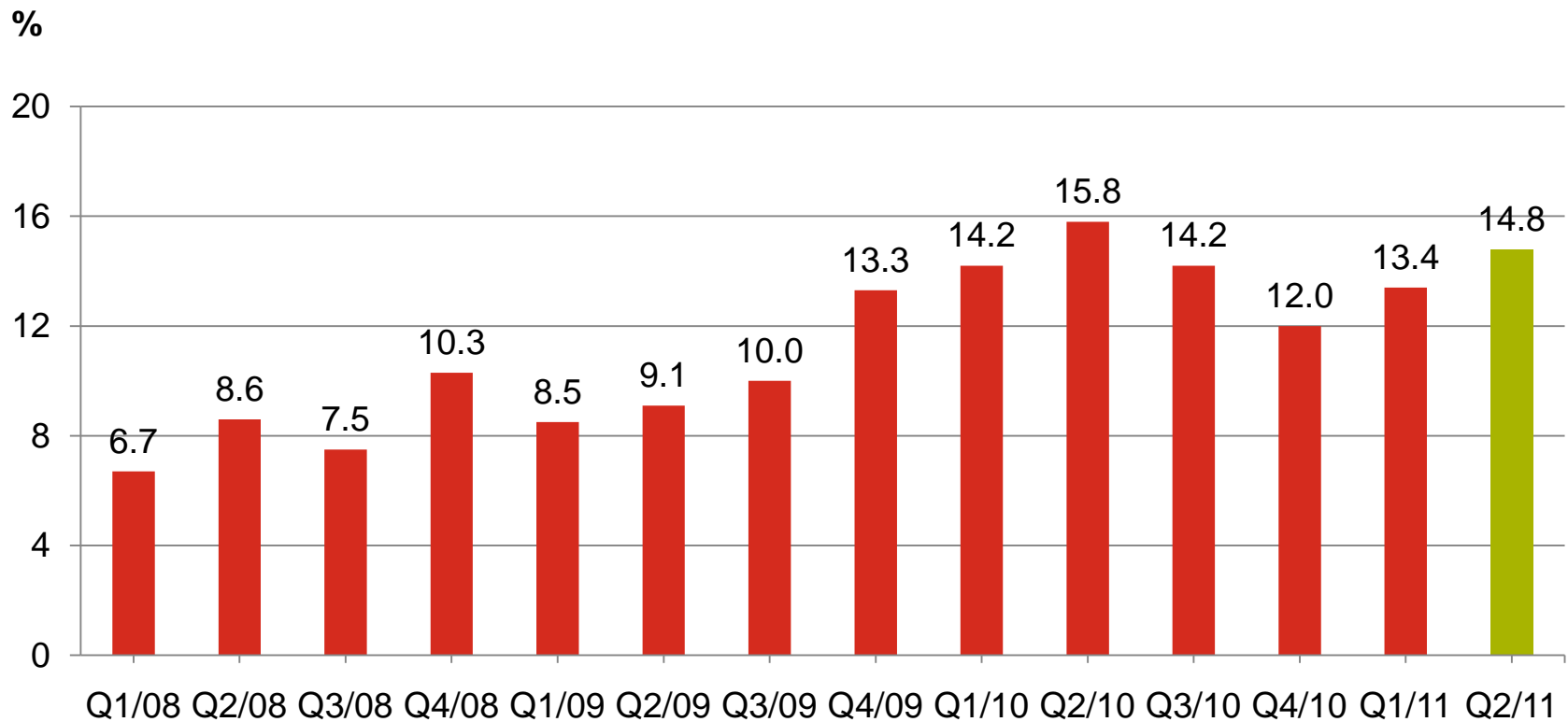


Q2: Industrial & Terminal operating margin improvement slowed down by cost increases



EBIT% Q1/08–Q4/10 excluding restructuring costs

Q2: Marine's profitability very strong



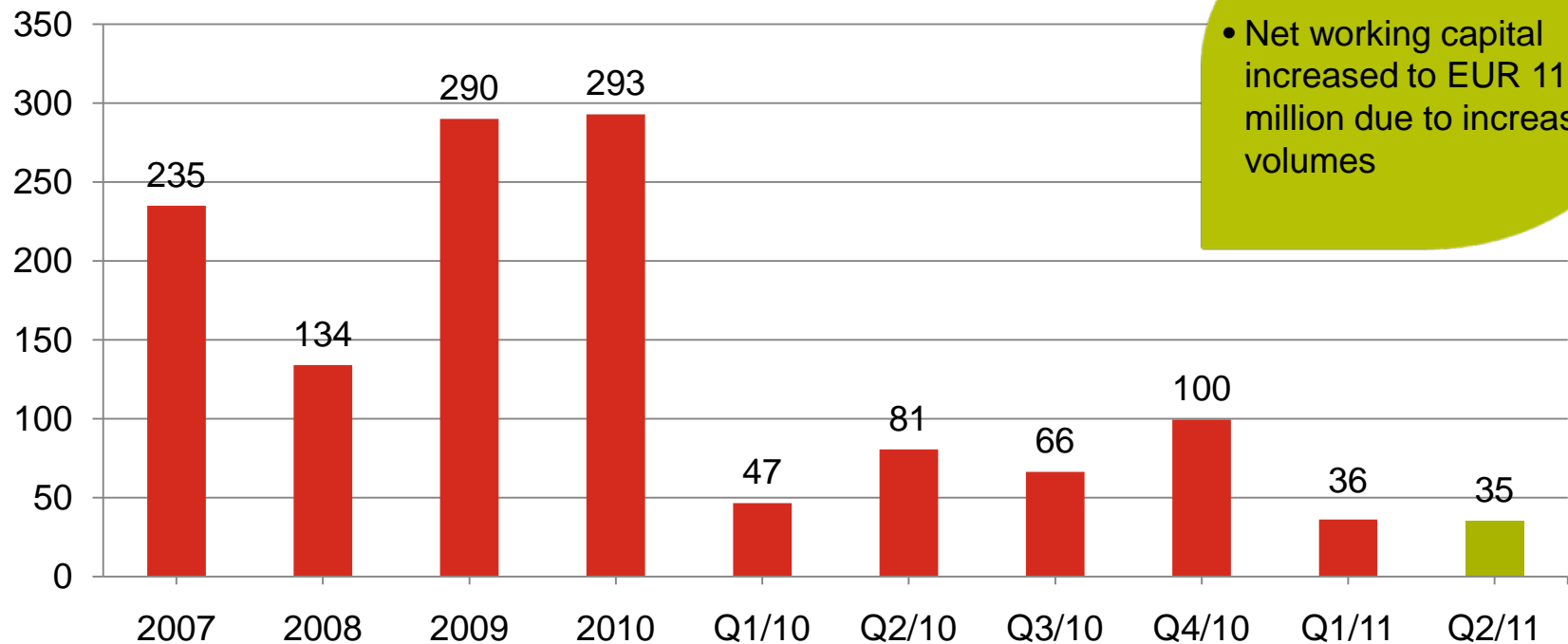
EBIT% Q1/08–Q4/10 excluding restructuring costs

Gross profit development



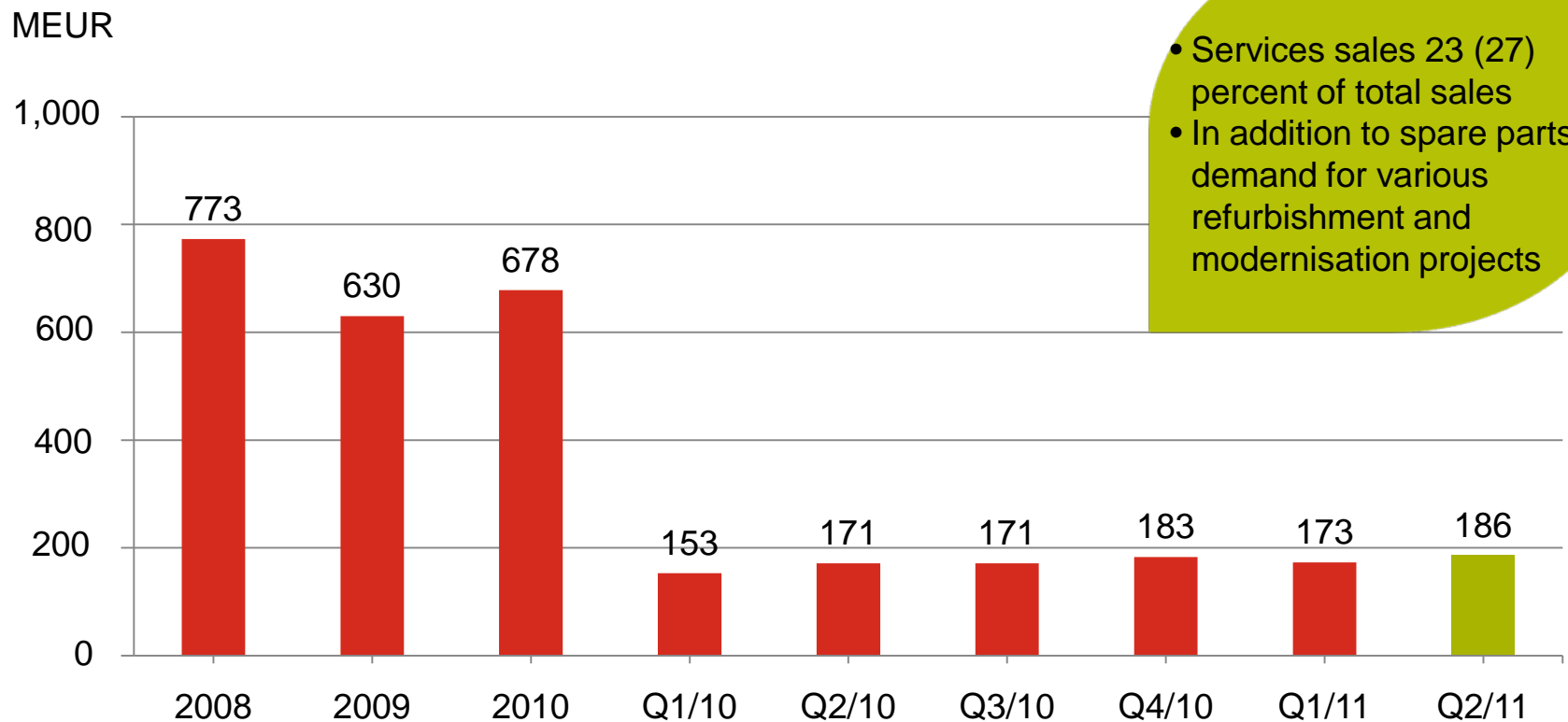
Cash flow from operations remained healthy

MEUR

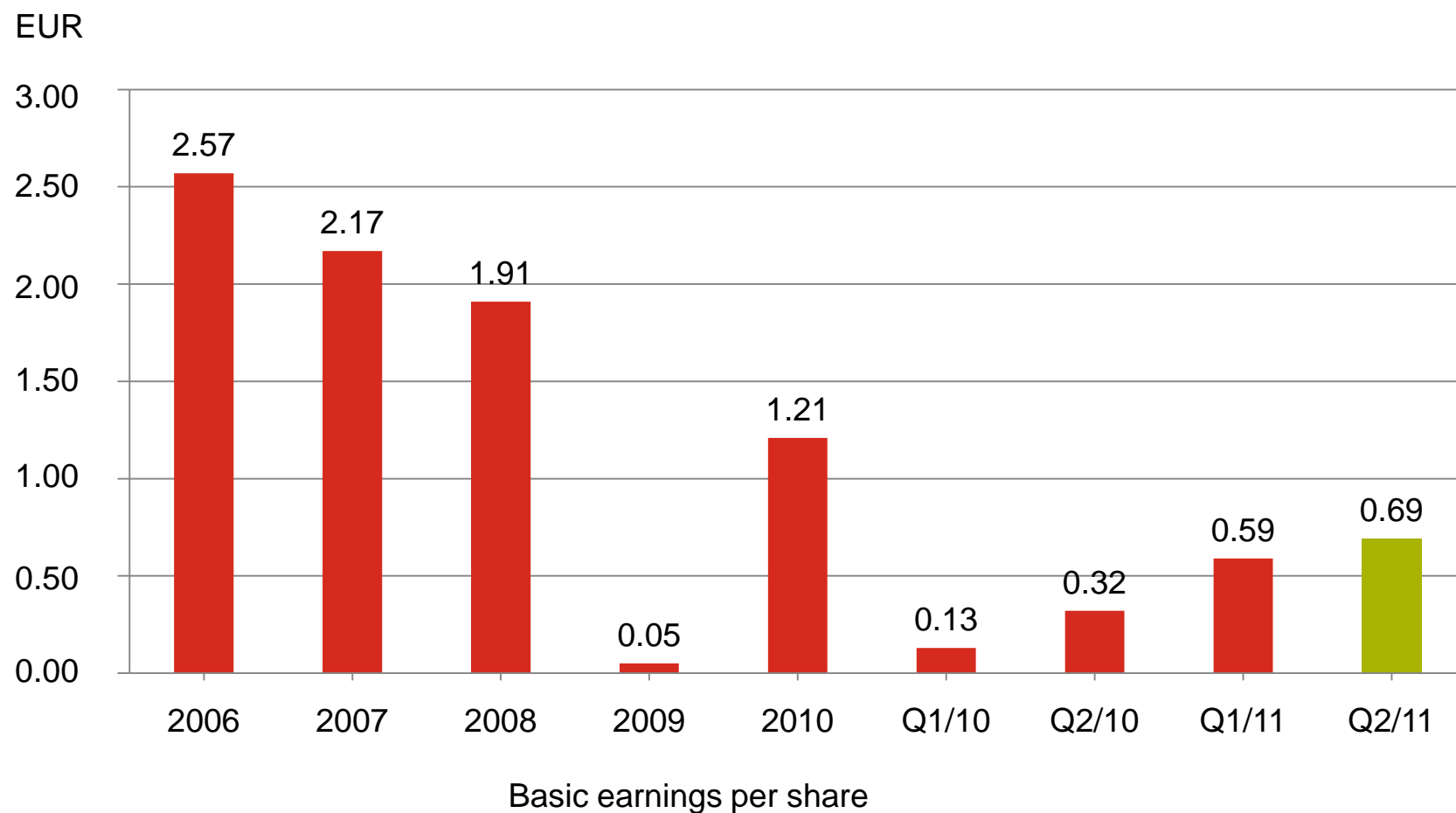


• Net working capital increased to EUR 111 million due to increased volumes

Services sales recovering slowly



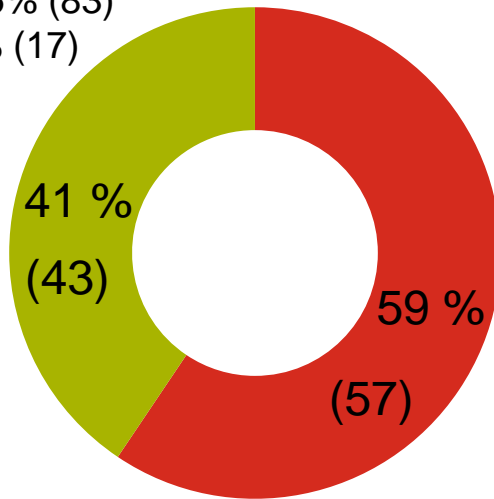
Earnings per share continued to improve



EMEA is slightly bigger market area than APAC

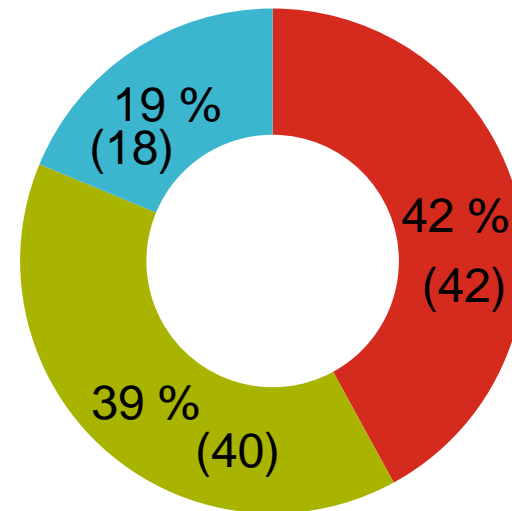
Sales by reporting segment 1-6/2011, %

Equipment 85% (83)
Services 15% (17)



Sales by geographical segment 1-6/2011, %

Equipment 71% (65)
Services 29% (35)

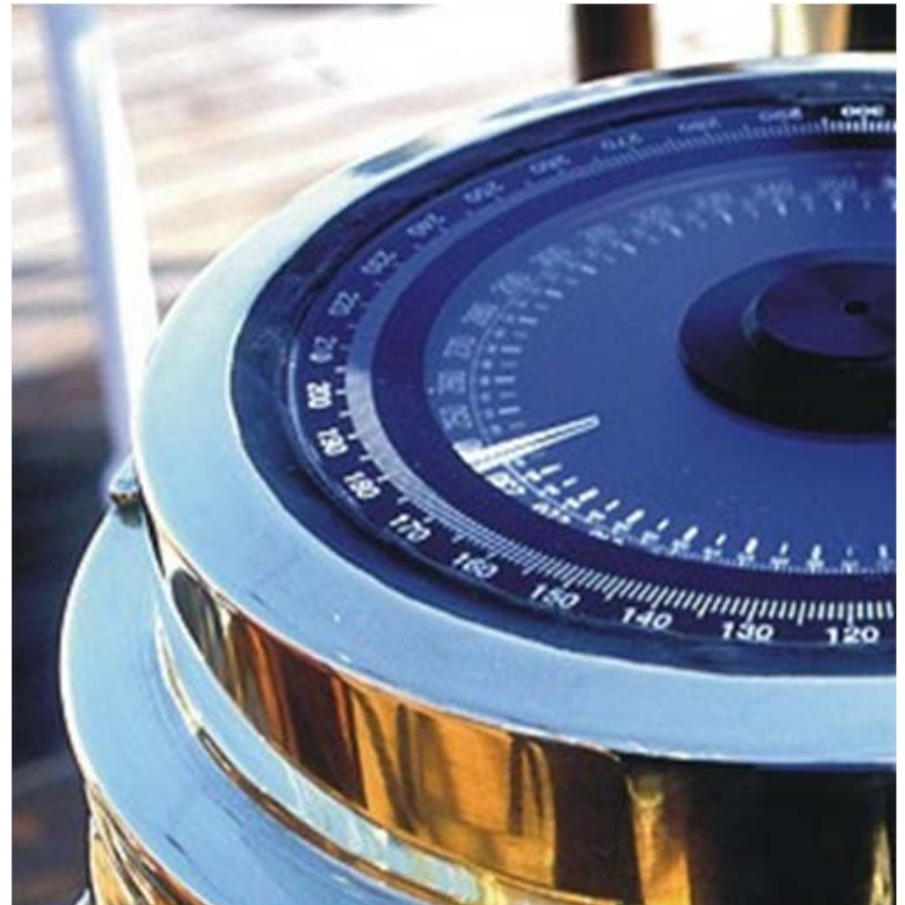


■ Marine ■ Industrial & Terminal

■ Americas ■ APAC ■ EMEA

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

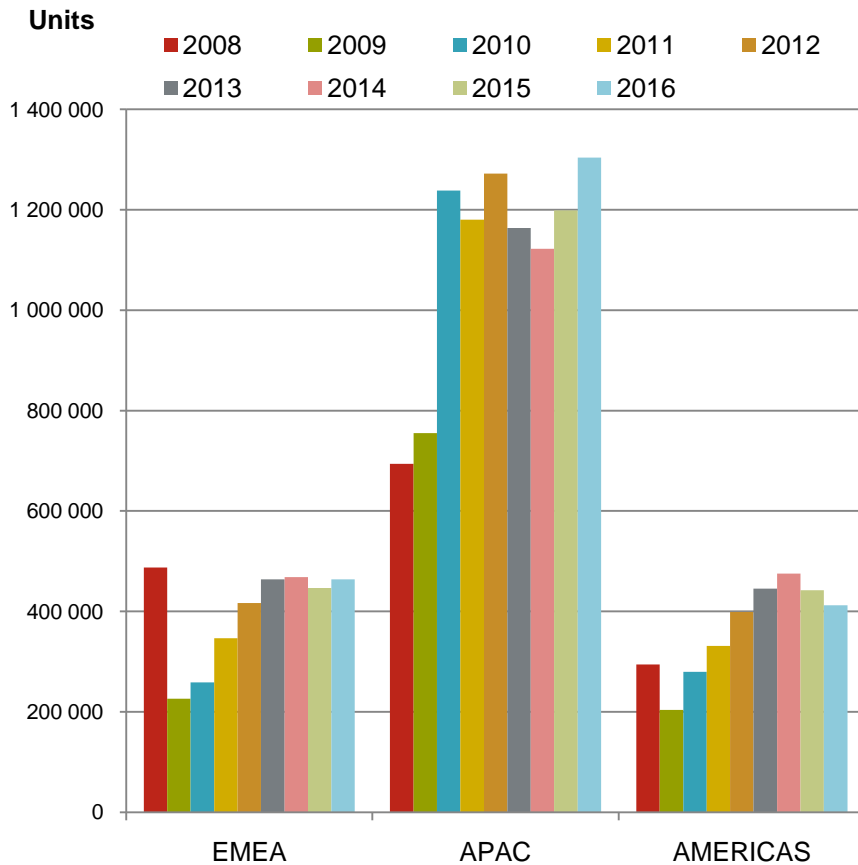
- Cargotec's 2011 sales are estimated to grow approximately 20 percent.
- Healthy first half order intake both in Industrial & Terminal and Marine segments together with the recovery in the market situation support a more positive growth expectation. Sales growth and significant efficiency improvement measures executed during the past years support profitability, but there is cost pressure on the markets.
- Cargotec's 2011 operating profit margin is estimated to be approximately 7 percent.

Appendices



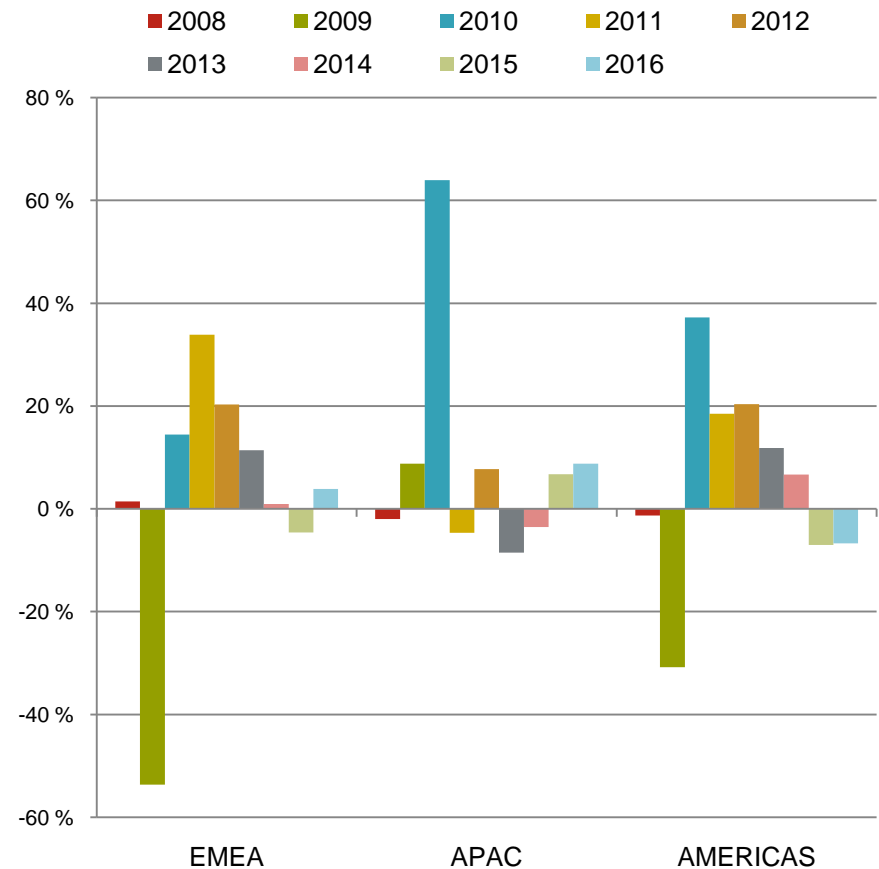
Macro indicator trends for Industrial

Truck sales GVW over 15 ton - Regions



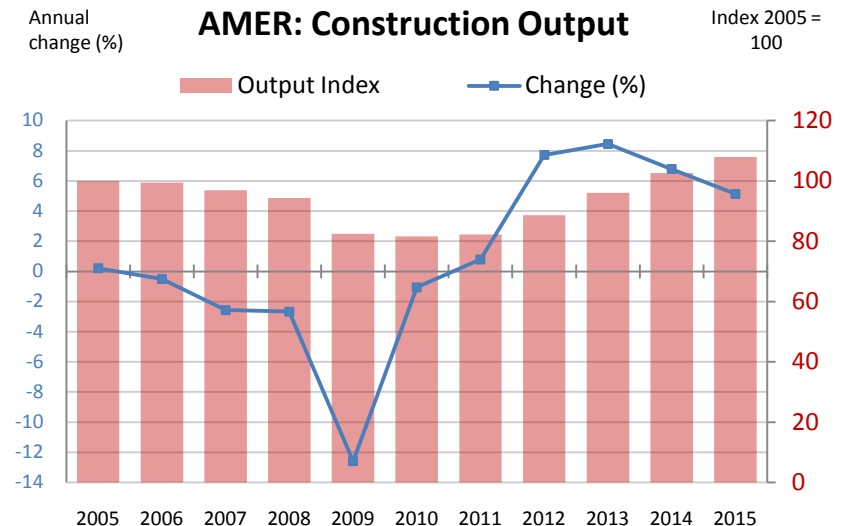
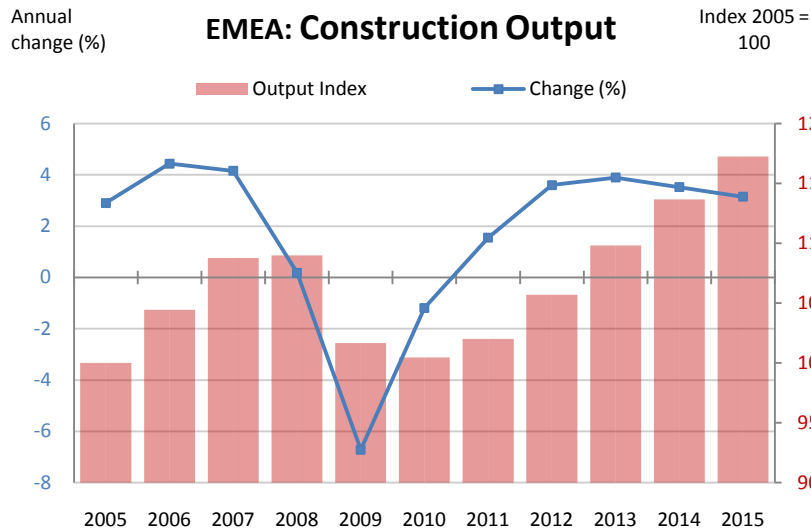
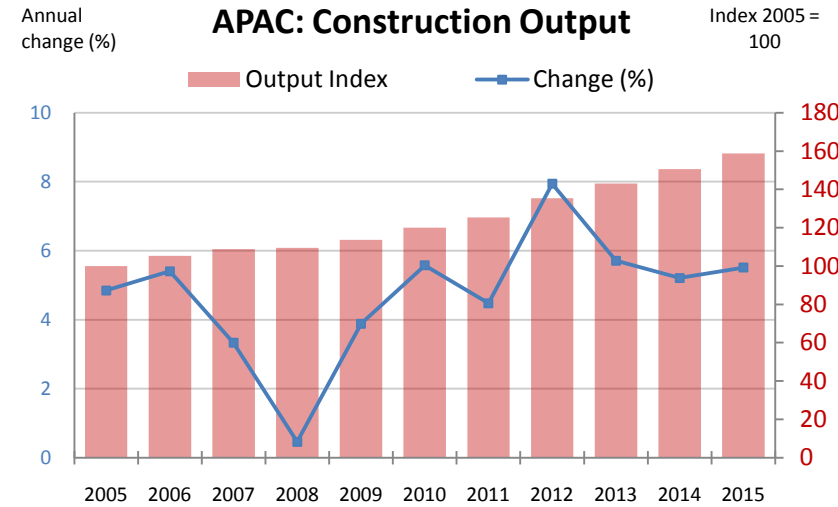
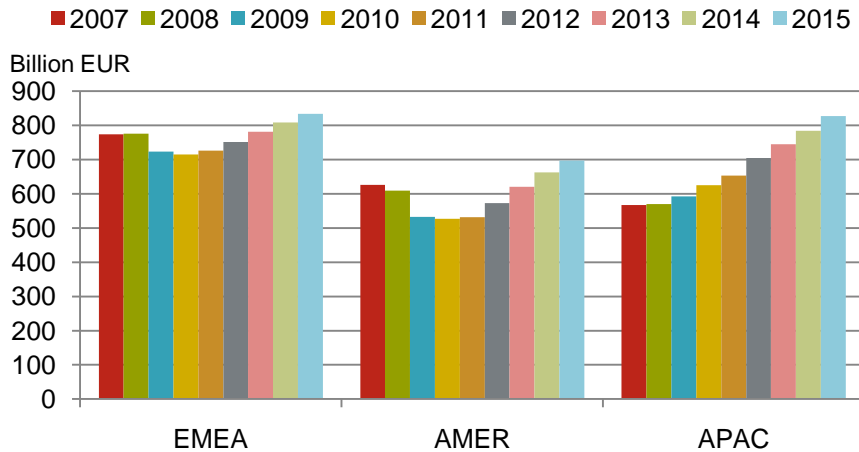
Source: Global Insight Q2/2011

Sales growth GVW over 15 ton - Regions



Macro indicator trends for Industrial

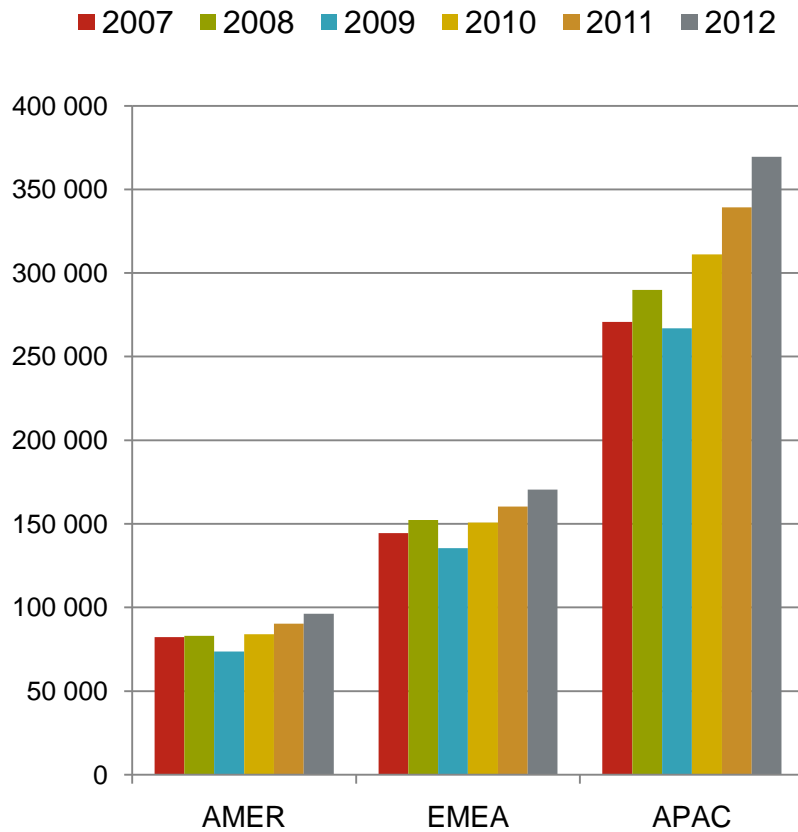
Total Construction Output



Source: Oxford Economics Q2/2011

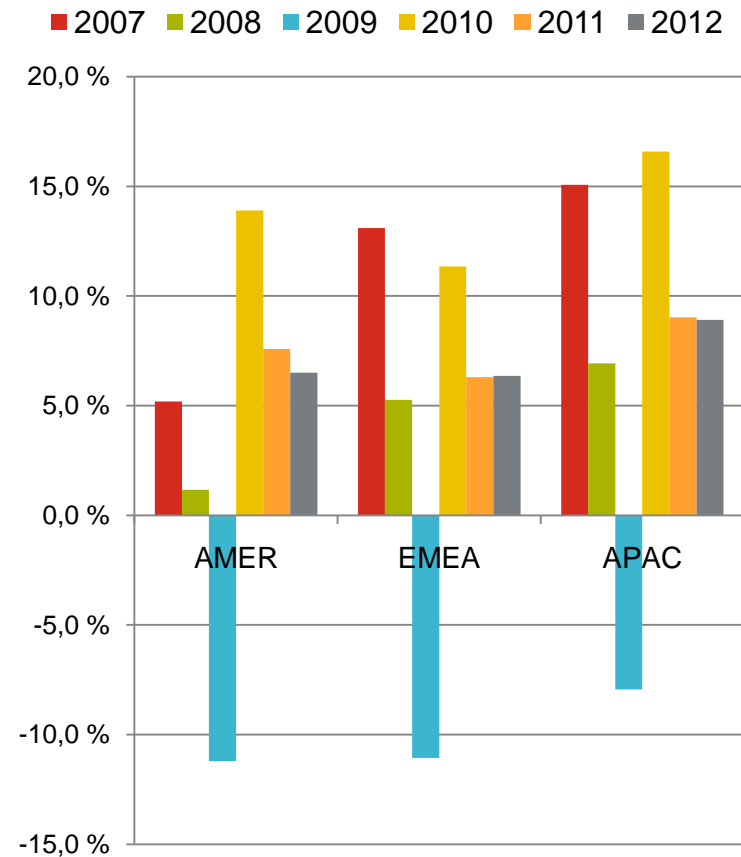
Macro indicator trends for Industrial

Drewry (Throughput '000 TEU units)



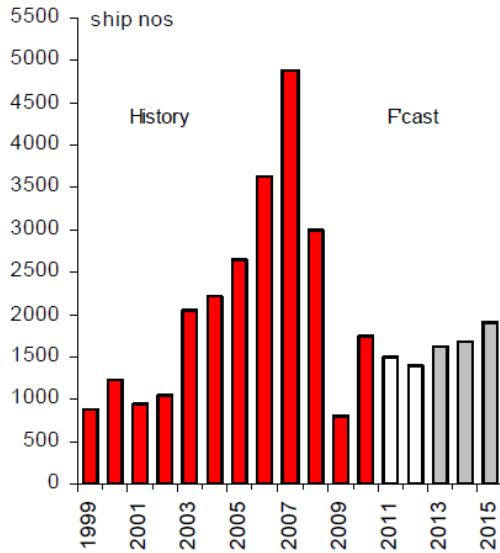
Source: Global Insight Q2 2011

Drewry (Throughput TEU % change)



Ship contracting and delivery forecast

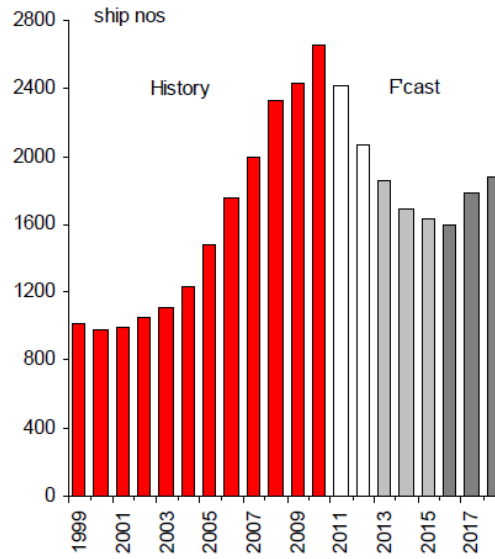
Contracting 1999-2015



Source: Clarkson Research Services

Medium-Term Contracting Forecast to 2015

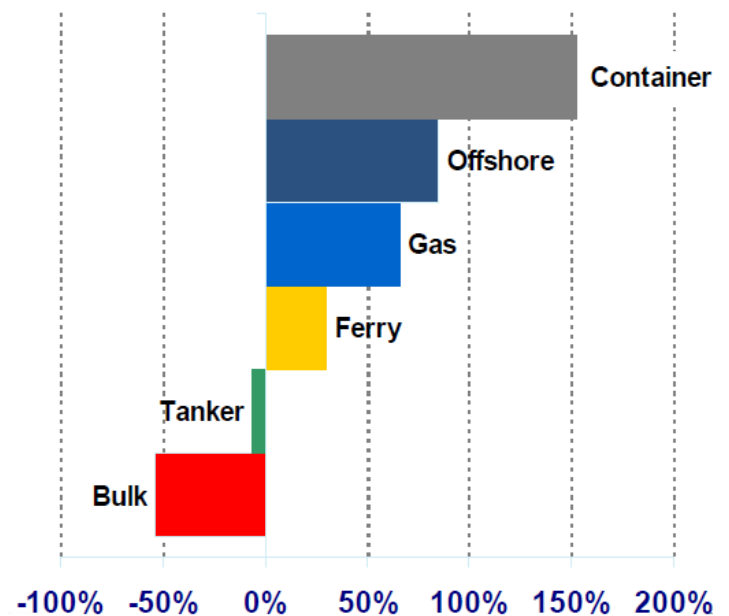
Deliveries 1999-2018



Source: Clarkson Research Services

Medium-Term Deliveries to 2018

2011 versus 2010

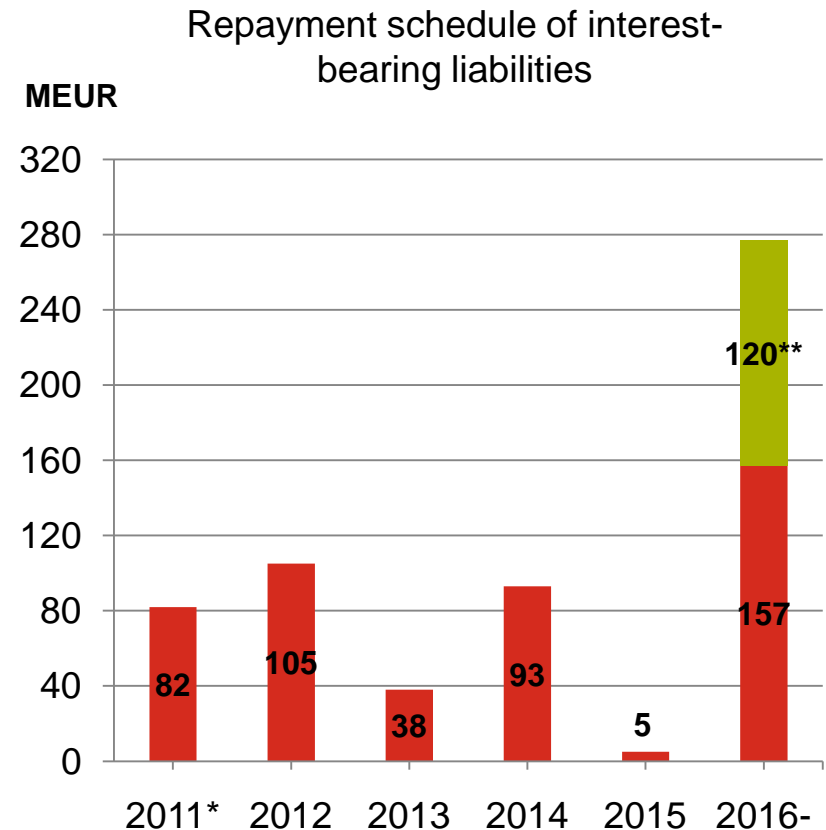


Source: Clarkson research 3/2011

Low gearing and strong liquidity 30 June 2011

- Gearing 31.1%
- Net debt MEUR 335
- Liquidity MEUR 444
 - Cash and cash equivalents MEUR 144
 - Unused and committed long-term revolving credit facility of MEUR 300
- During Q3, Cargotec has strengthened liquidity further by signing new credit facilities of MEUR 120 which will mature in 2018–2021.

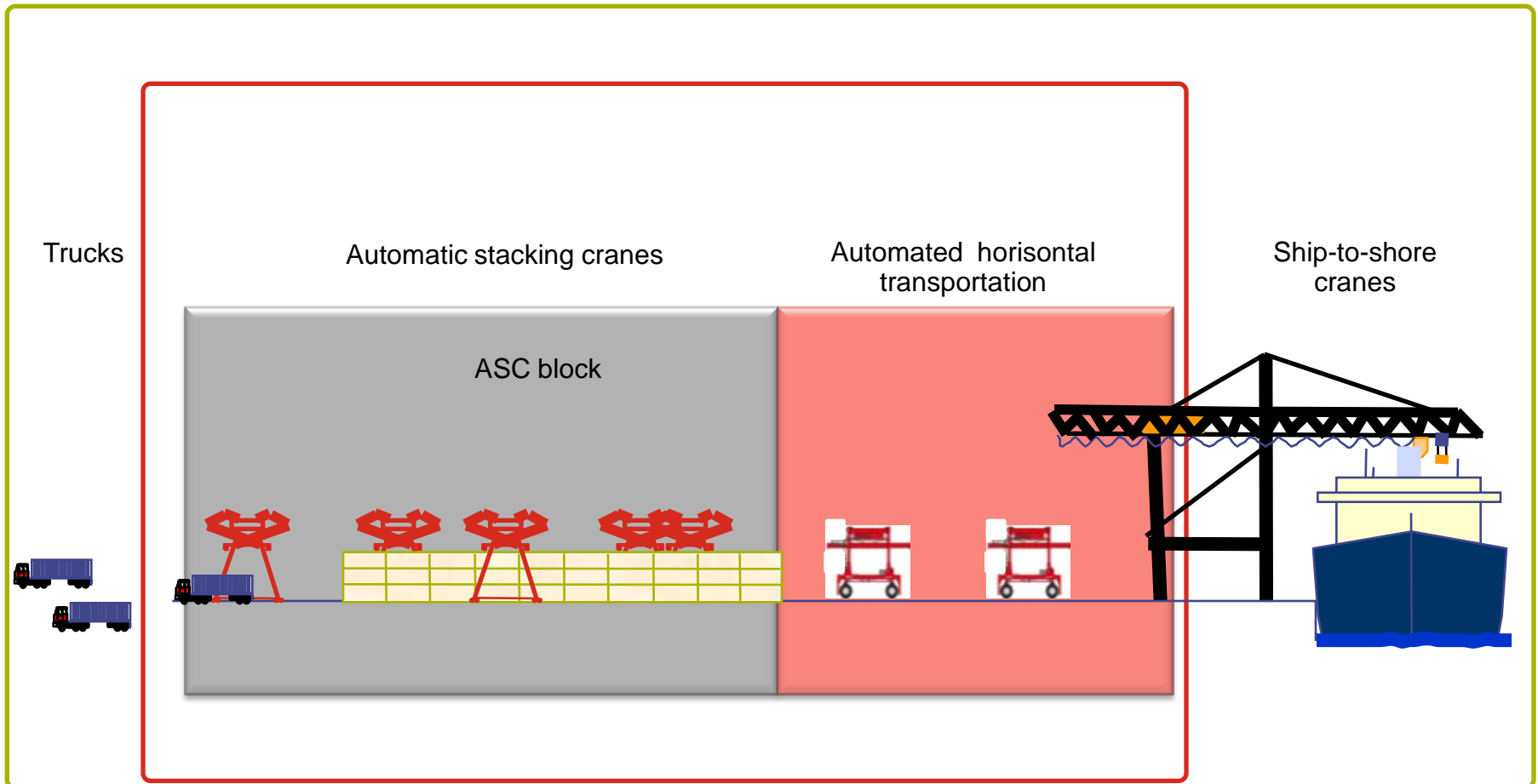
→ Cargotec is well prepared financially for the coming years



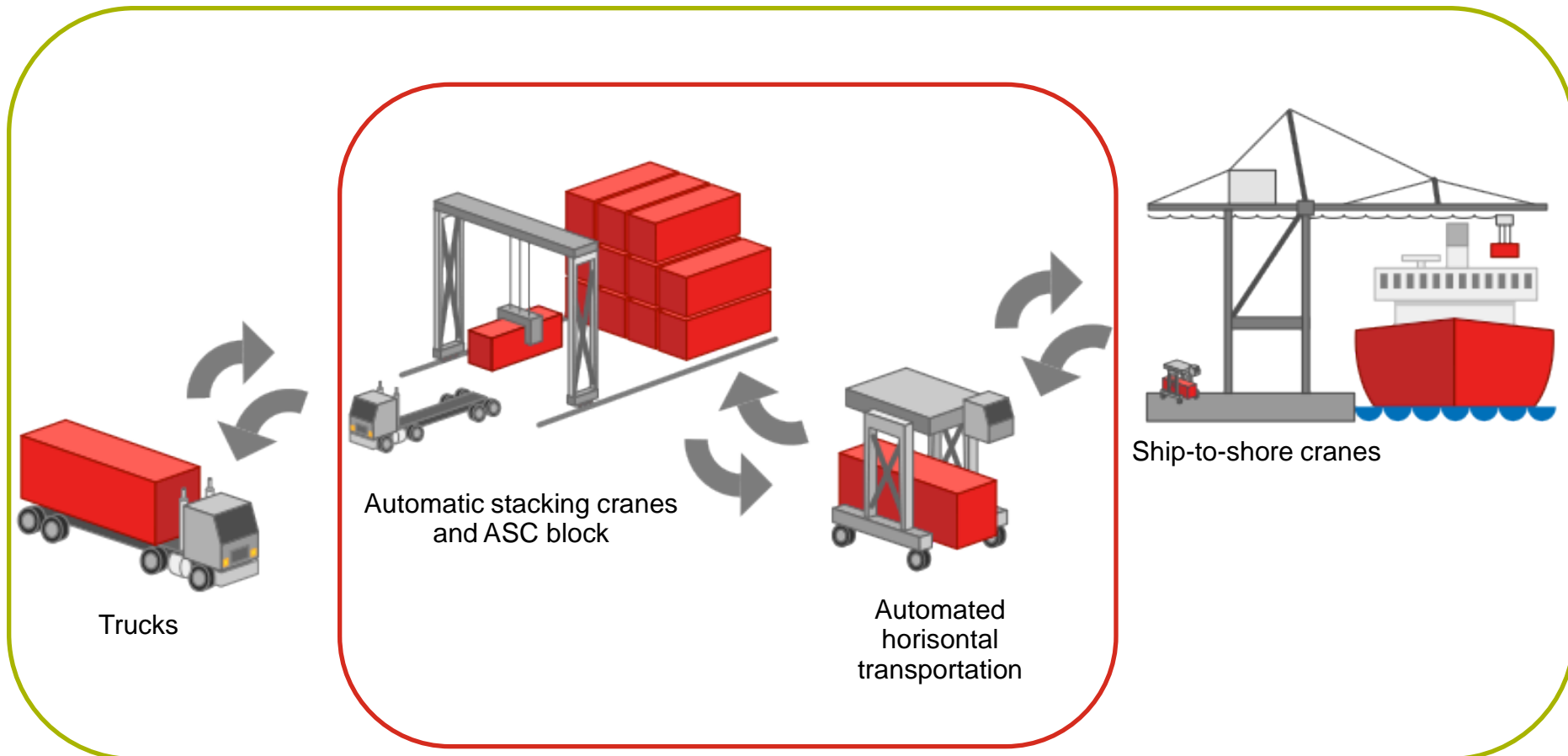
*1 Jul–31 Dec 2011

** New facilities signed in Sep 2011

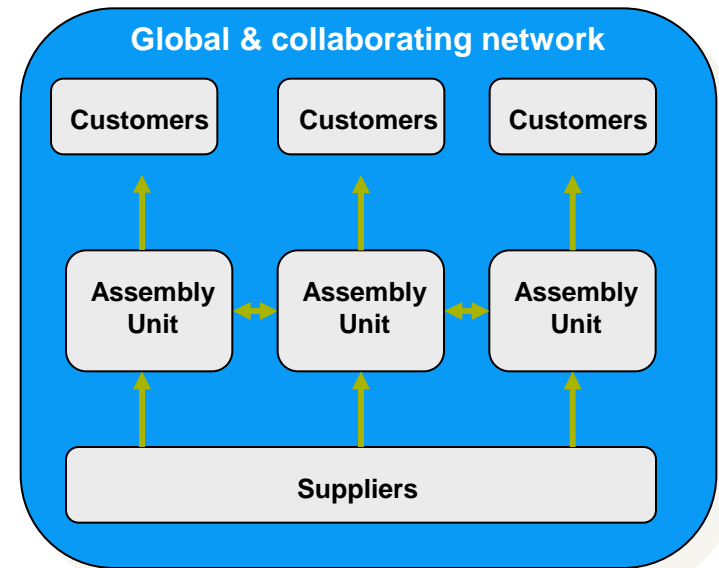
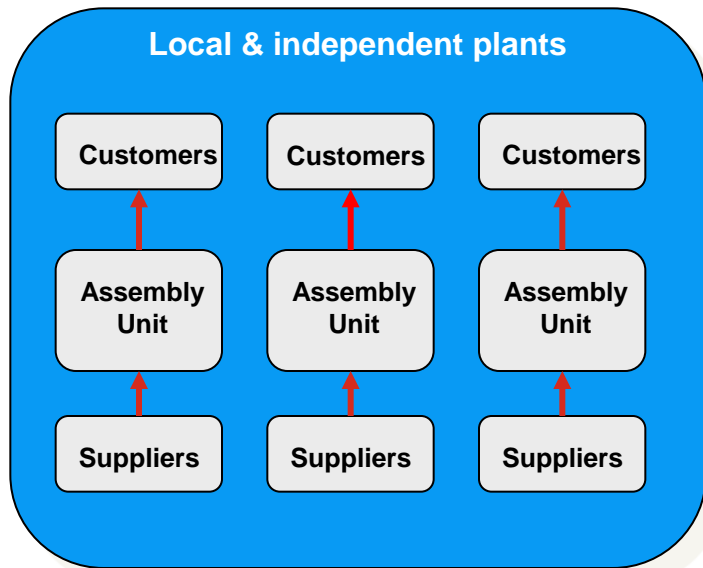
Terminal operating system



Terminal operating system



Cargotec Supply has developed



From “Site oriented”...

- No co-ordination between Hiab, Kalmar and MacGregor.
- Tradition manufacturing style (high level of buffers)
- Many small, local factories serving global product lines
- All factories worked in different ways and no common processes
- Sourcing, logistics and quality was locally driven

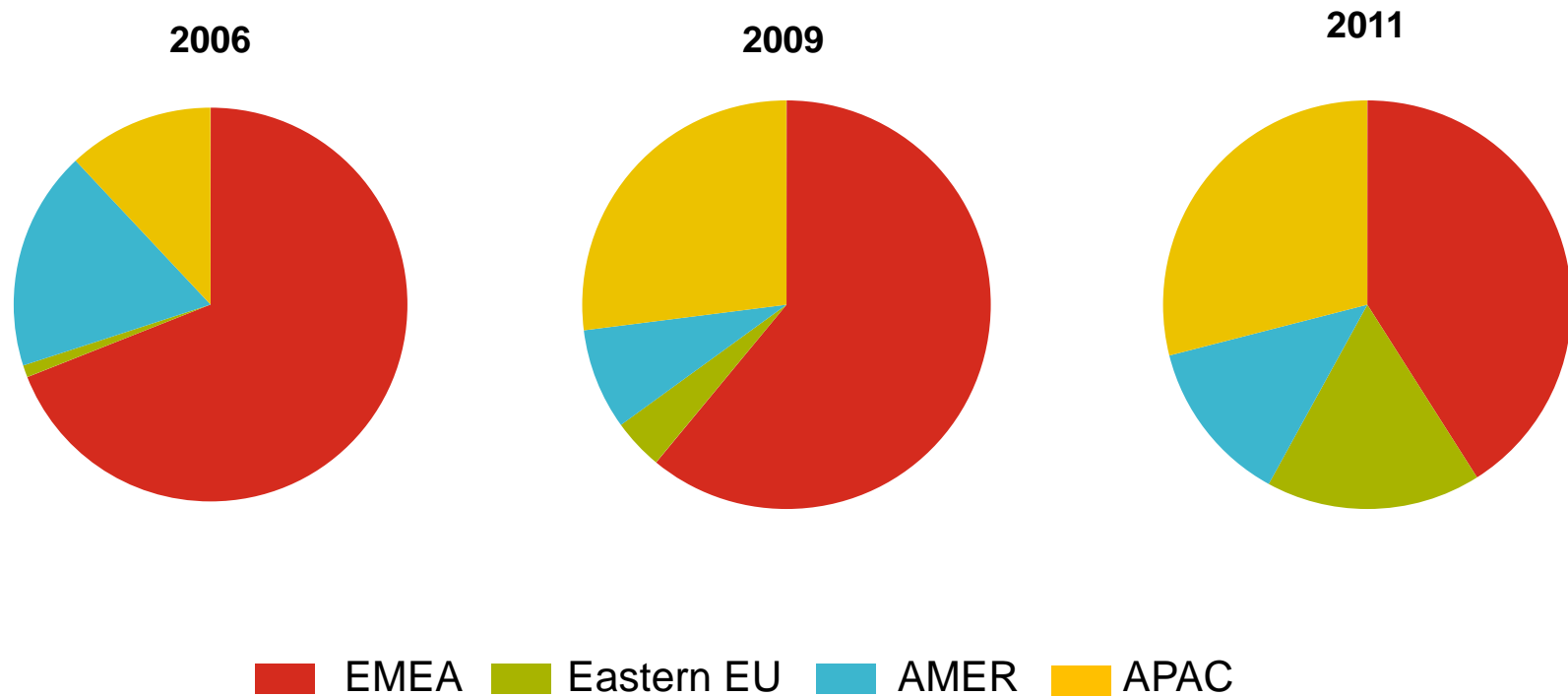
...to “Supply industrial system”

- One single Supply organisation
- A global network
- Lean production concept (reducing waste)
- Factories assemble a wide range of equipment
- New ways of working - One Company approach
- A global sourcing, logistics and supplier quality organisation that take full advantage of the total product volumes

Global factory set-up today

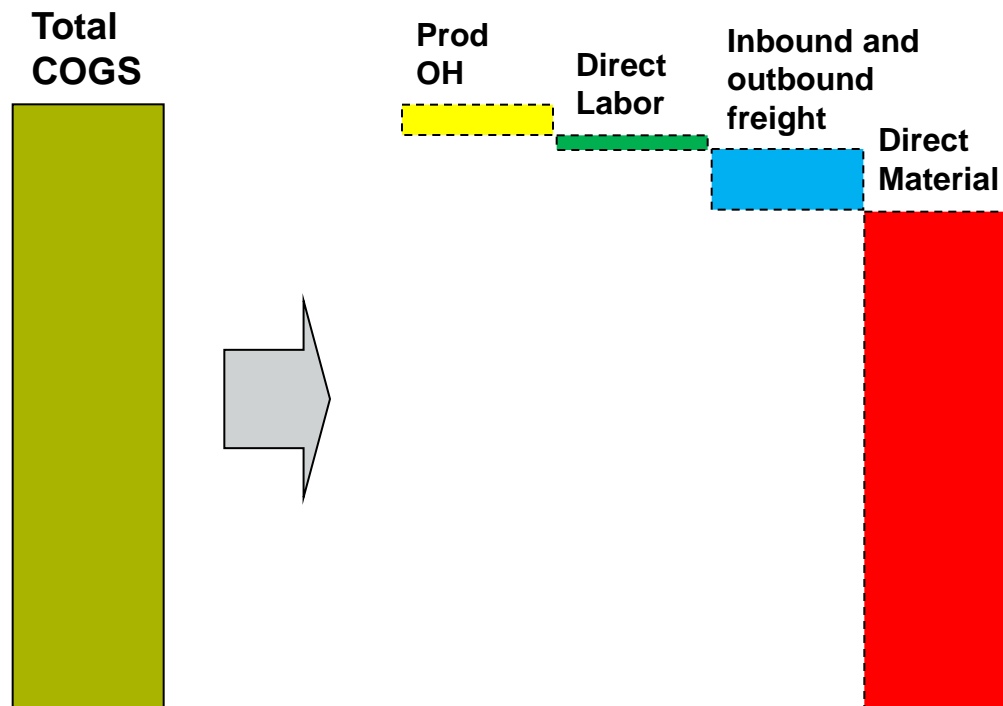


Increasing sourcing from Eastern EU and APAC

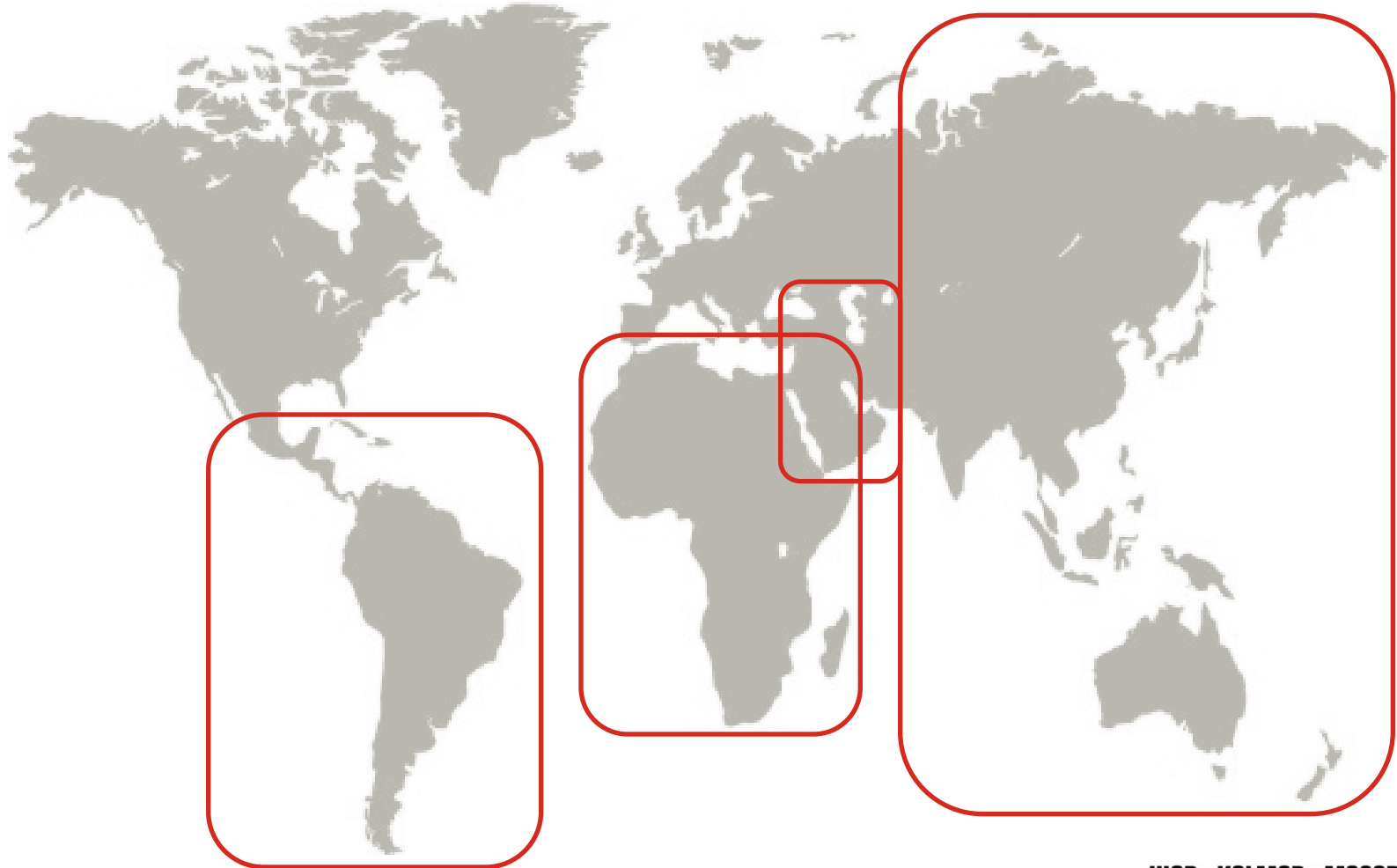


Volume in USA decreased from 2006 to 2009 mainly due to weakening market

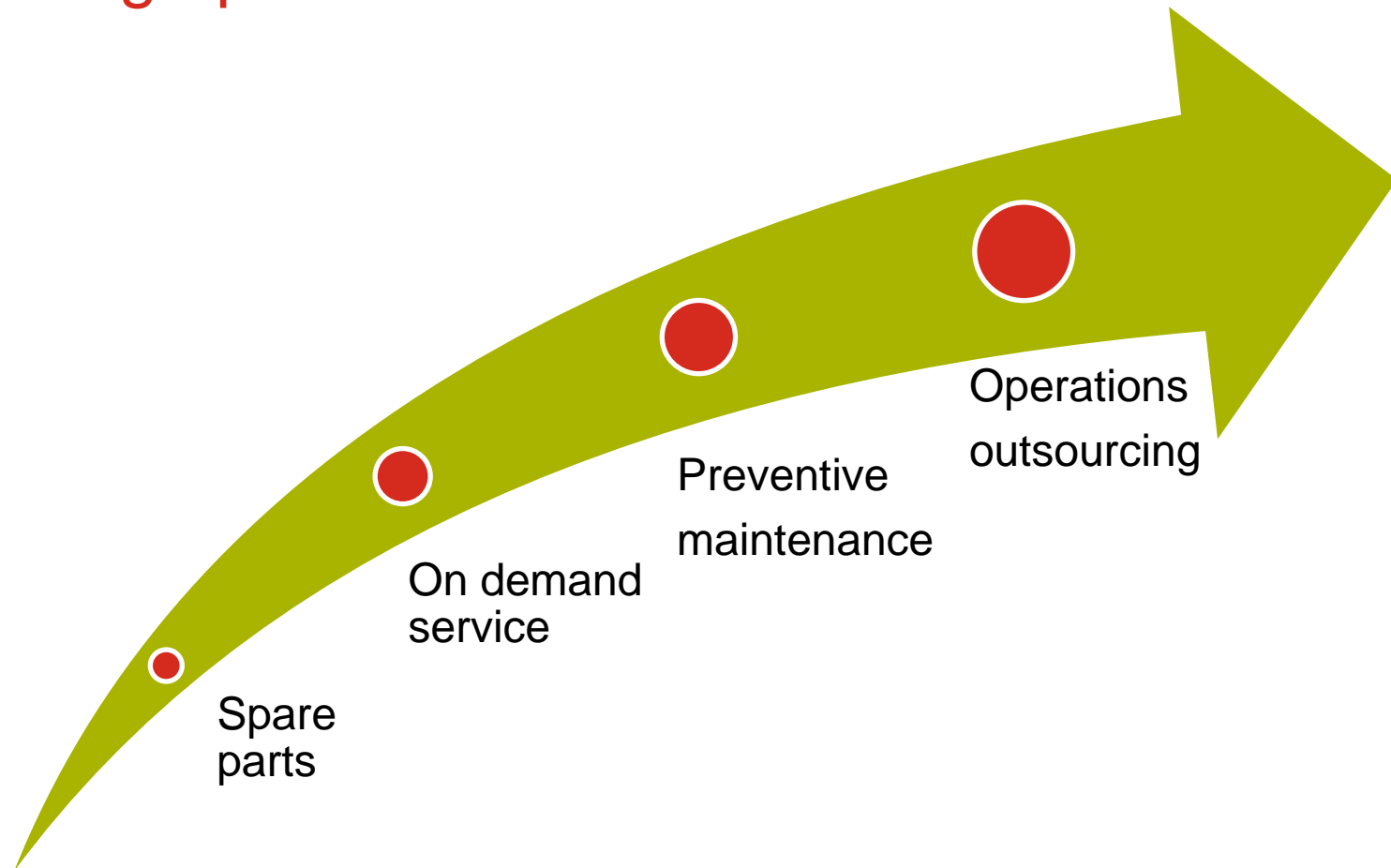
Optimising cost of Supply means optimising all parts of cost of goods sold (COGS)



Services geographical growth opportunities



Growing up the value chain



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	
• Demag		X				X		X	
• Mitsubishi	X	X			X			X	
• Mitsui	X	X							
• Terex-Fantuzzi	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						X			
• Terberg						X			
• Sinotruck						X			
• Stinis							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)

Shareholder structure 31 Aug 2011

Shareholder	Number of shares	% share capital
Nominee-registered	11,050,640	17.2
Other foreign owners	3,417,783	5.3
Finnish institutions, companies and foundations	17,671,726	27.5
Finnish households	9,741,972	15.2
Ownership of Ilkka Herlin	7,842,625	12.2
Ownership of Niklas Herlin	7,790,067	12.1
Ownership of Ilona Herlin	6,790,067	10.6
Total (A + B shares)	64,304,880	100.0

we keep cargo on the move™