

**CARGOTEC**

## Oslo road show – 4 March 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

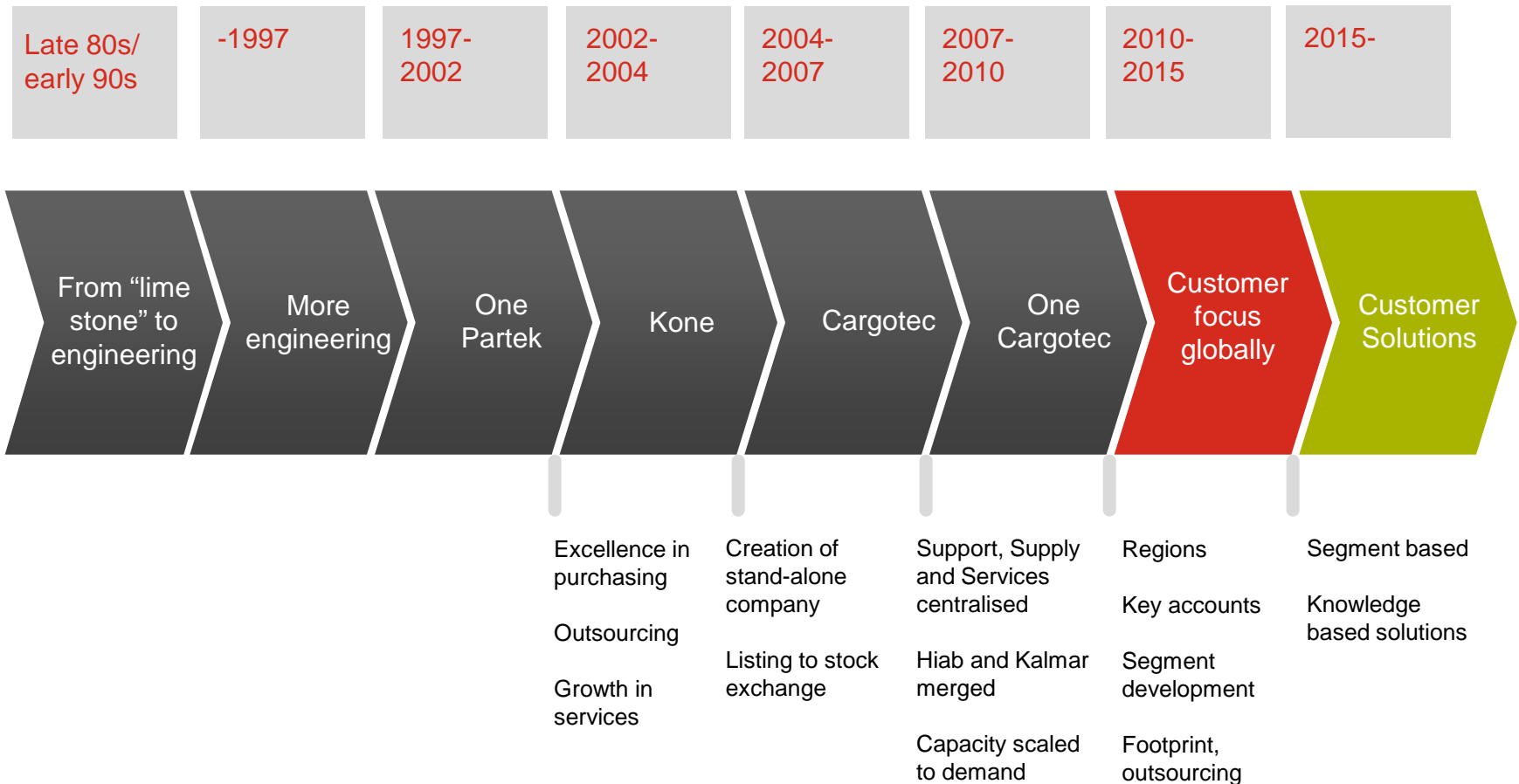


Solutions for ports and container handling



Solutions for marine cargo handling and offshore load handling

# Next corporate theme



## Cargotec to acquire Navis

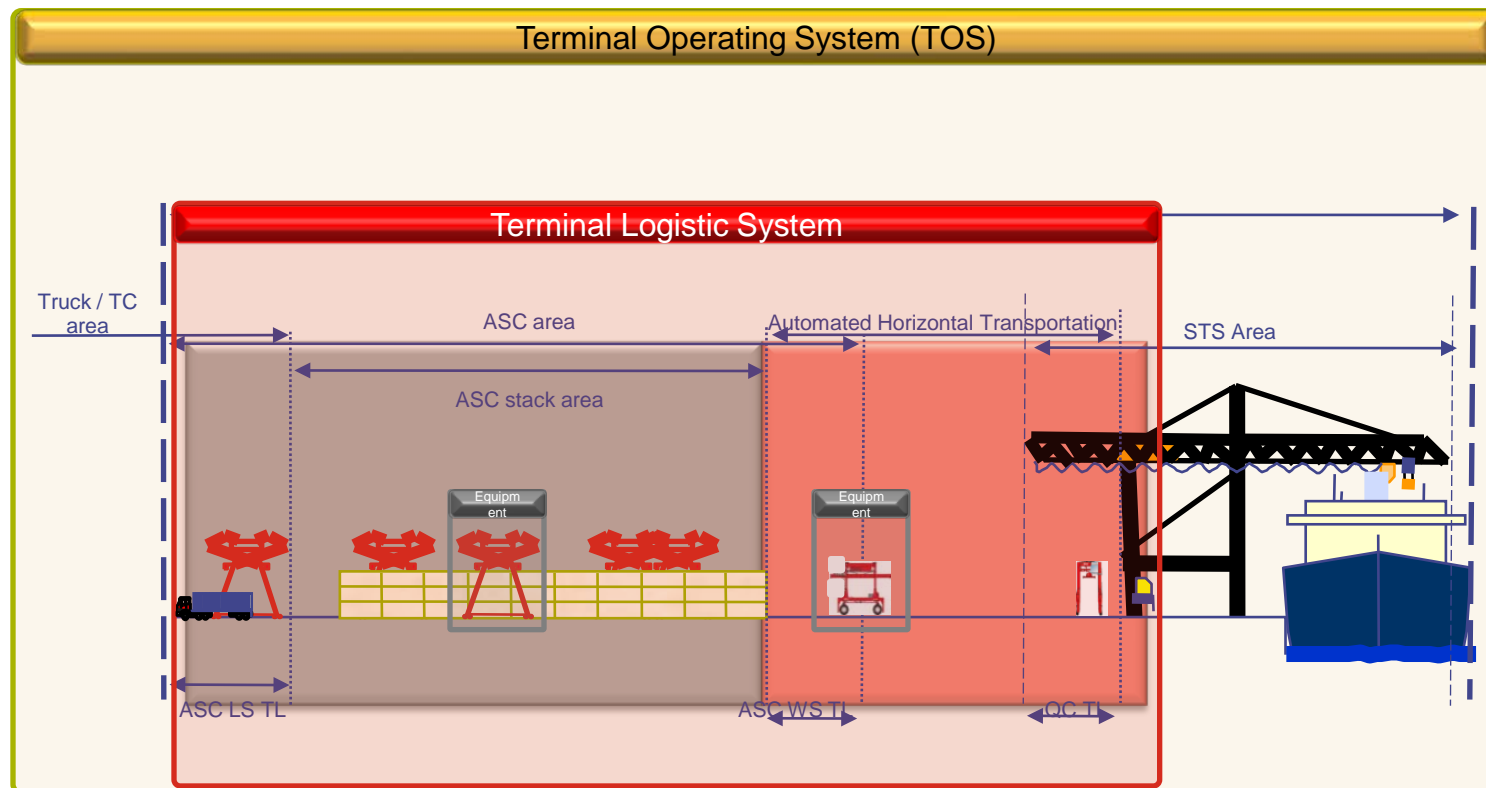
- Cargotec has entered into an agreement to acquire the leading terminal operator systems provider Navis from Zebra Technologies Corporation.
- The acquisition supports Cargotec's strategy to focus on customers and invest in attractive customer segments.
- The transaction value is approximately USD 190 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.



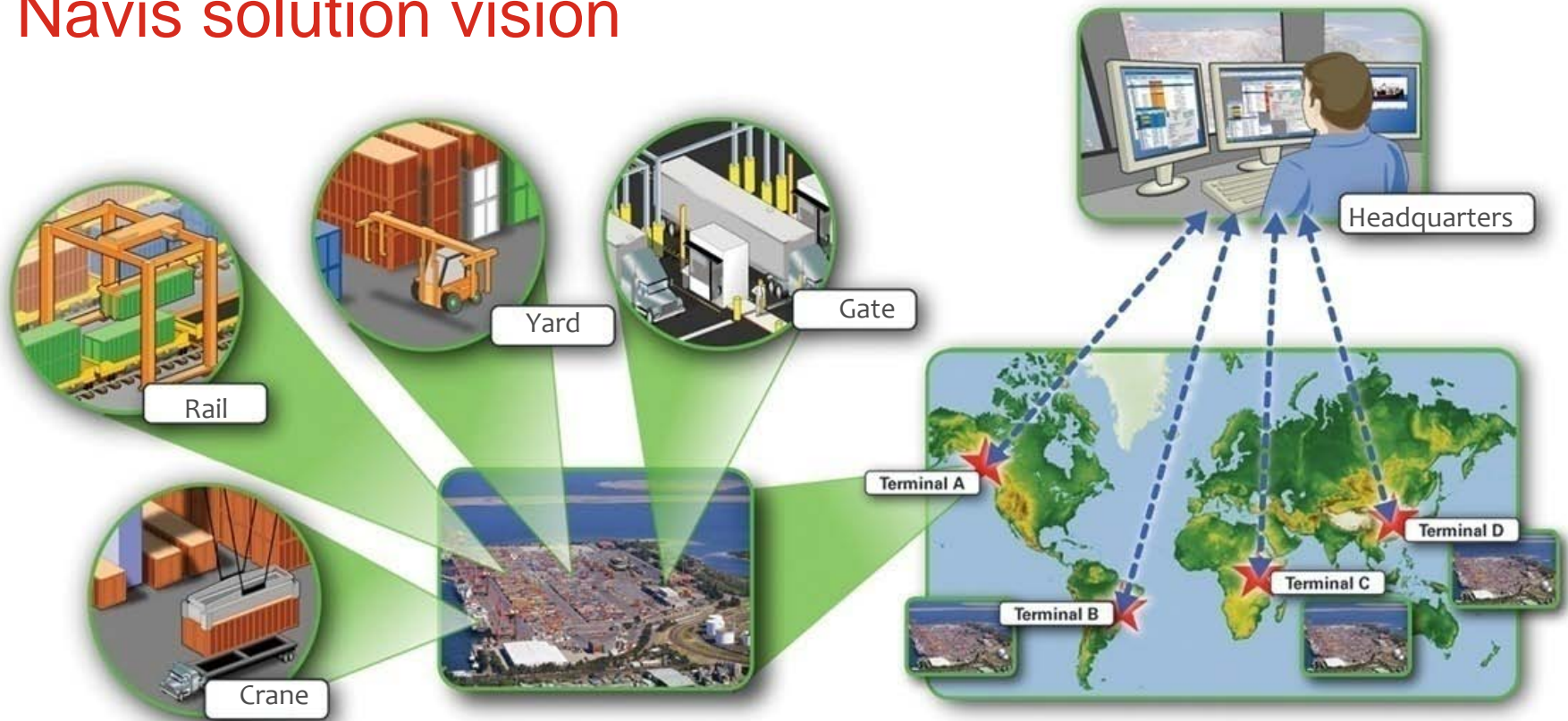


## Navis products

- Navis' scalable TOS enables customers to manage the operations of a single terminal or multiple terminals in different geographic locations from one location.



## Navis solution vision



Multi-complex, multi-facility design provides real-time visibility and operational control across all terminals

## 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

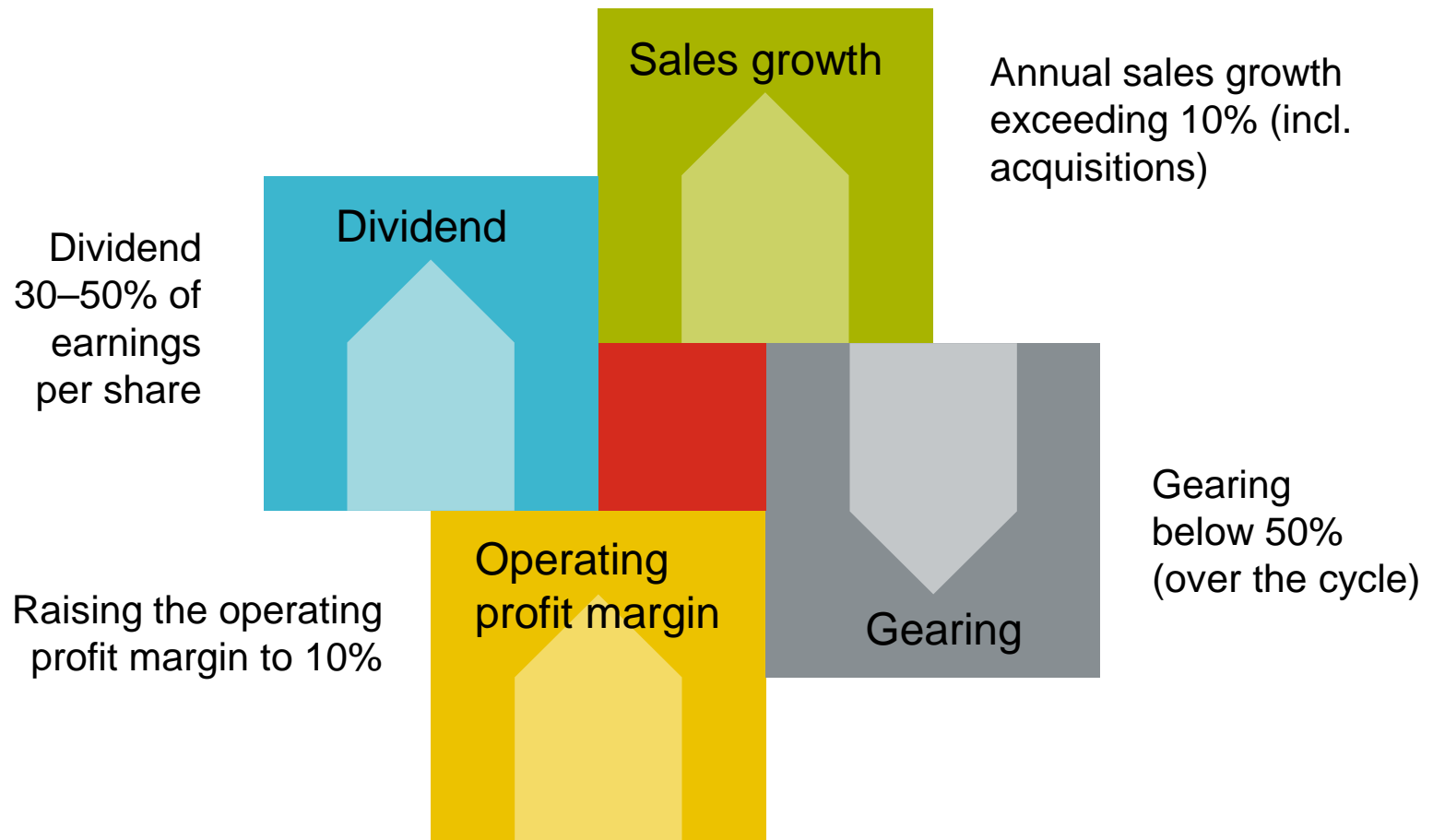
### Internal clarity

- Common processes
- Harmonisation of information systems
- Further development of I&T organisation

## Customer segmentation - priorities

<b>Invest</b>	<ul style="list-style-type: none"><li>• Grow business through customer focus</li><li>• Acquisitions</li><li>• Prioritise R&amp;D to expand offering</li><li>• Account management</li><li>• Grow market share/defend position</li></ul>	<ul style="list-style-type: none"><li>• Develop new business models</li><li>• Growing market</li><li>• High Services potential</li></ul>
<b>Harvest &amp; Consider</b>	<ul style="list-style-type: none"><li>• Product sales approach</li><li>• Basic services</li><li>• Standard business models</li><li>• Standard offering</li><li>• Cash cow</li></ul>	<ul style="list-style-type: none"><li>• Review annually possibilities to Green or Red</li><li>• Scan potential M&amp;A targets</li></ul>
<b>Divest</b>	<ul style="list-style-type: none"><li>• Prepare for divestiture</li><li>• No R&amp;D</li><li>• Maximise short term profits</li><li>• Organise for carve-out</li><li>• Focused growth strategy</li></ul>	<ul style="list-style-type: none"><li>• Do not matrix with the rest</li><li>• Allow independent distribution</li></ul>

# Financial targets



## January–December 2010 financials



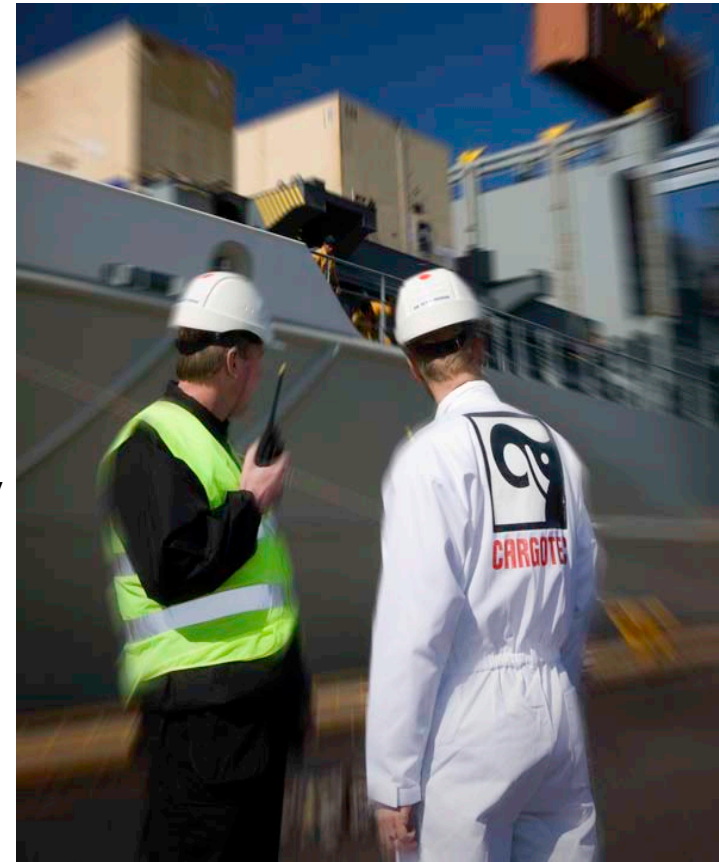
## Highlights of January–December 2010 report

- 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.



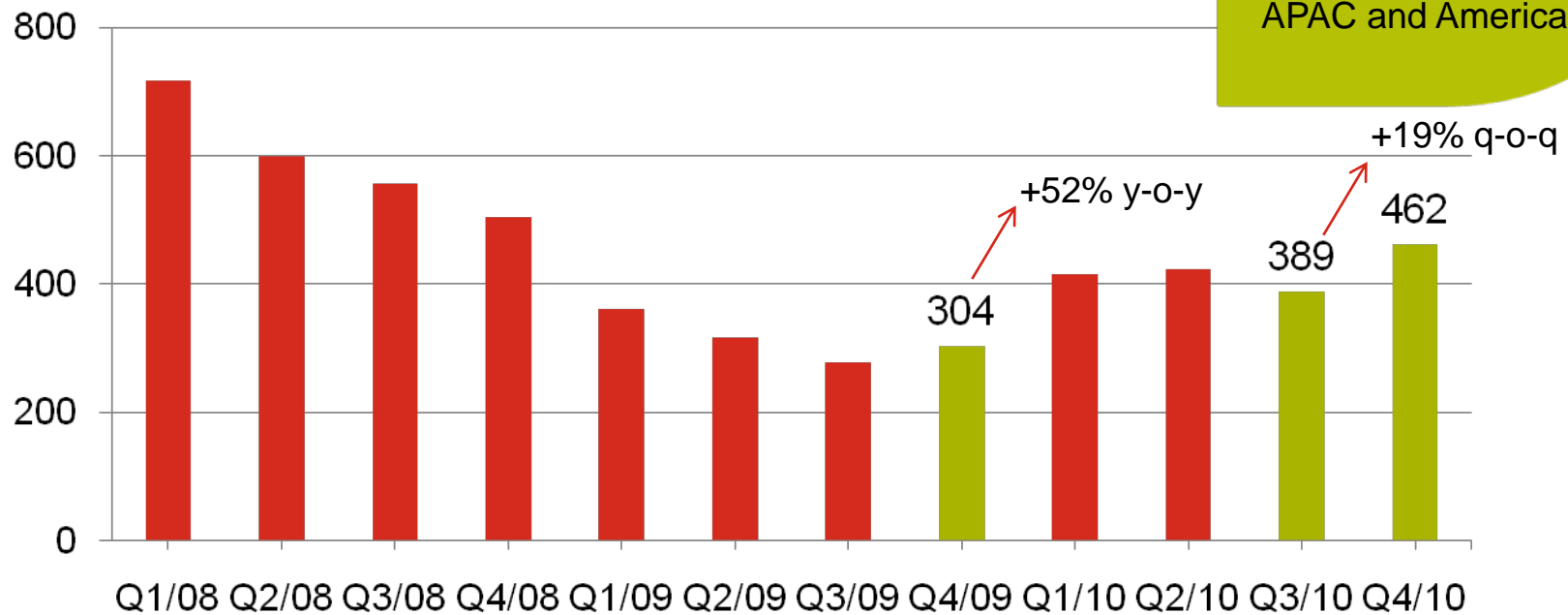


## Key figures in January–December 2010

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

# Q4: Industrial & Terminal's order intake grew 52% y-o-y

MEUR

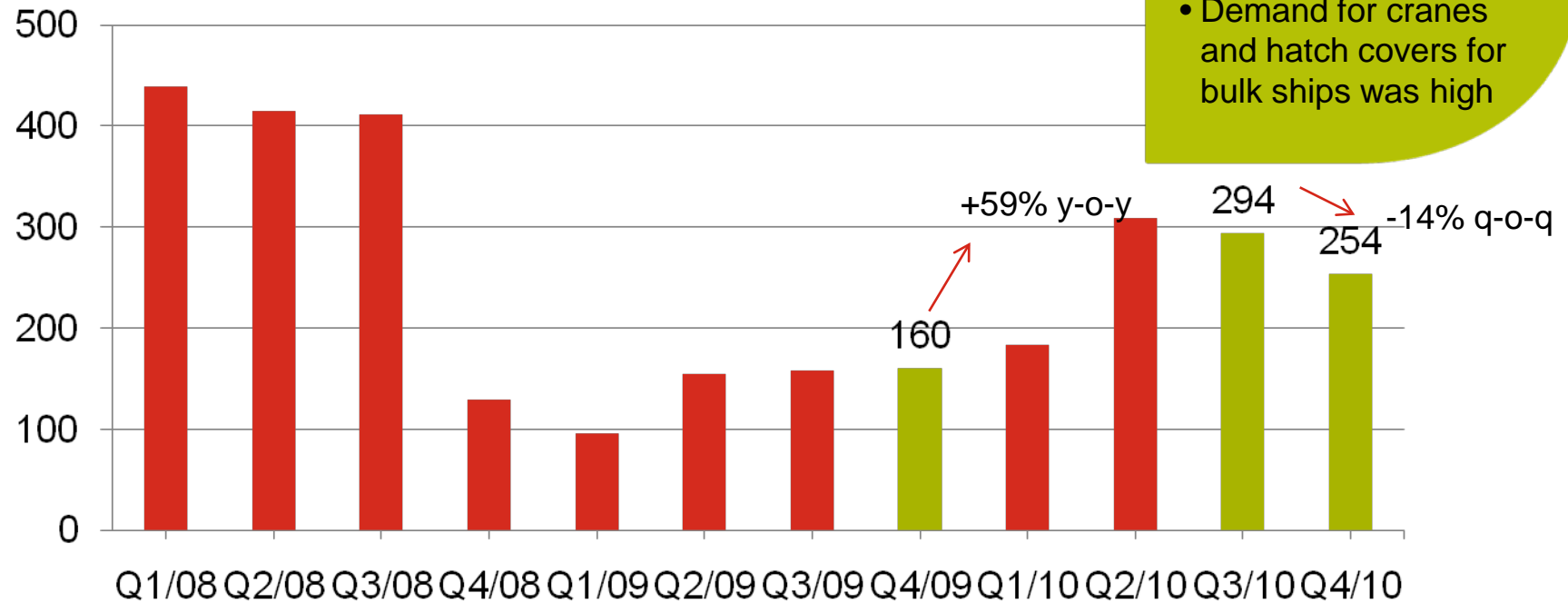


2010

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

## Q4: Marine's order intake again strong

MEUR



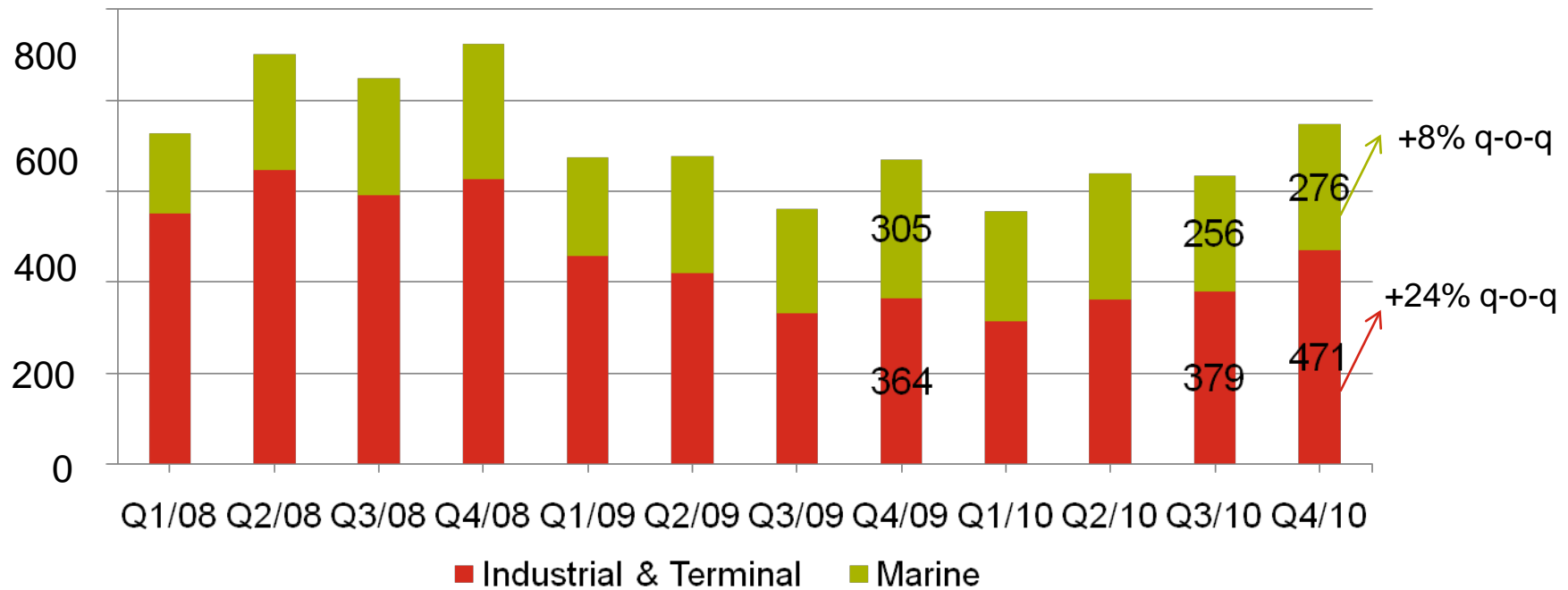
2010

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

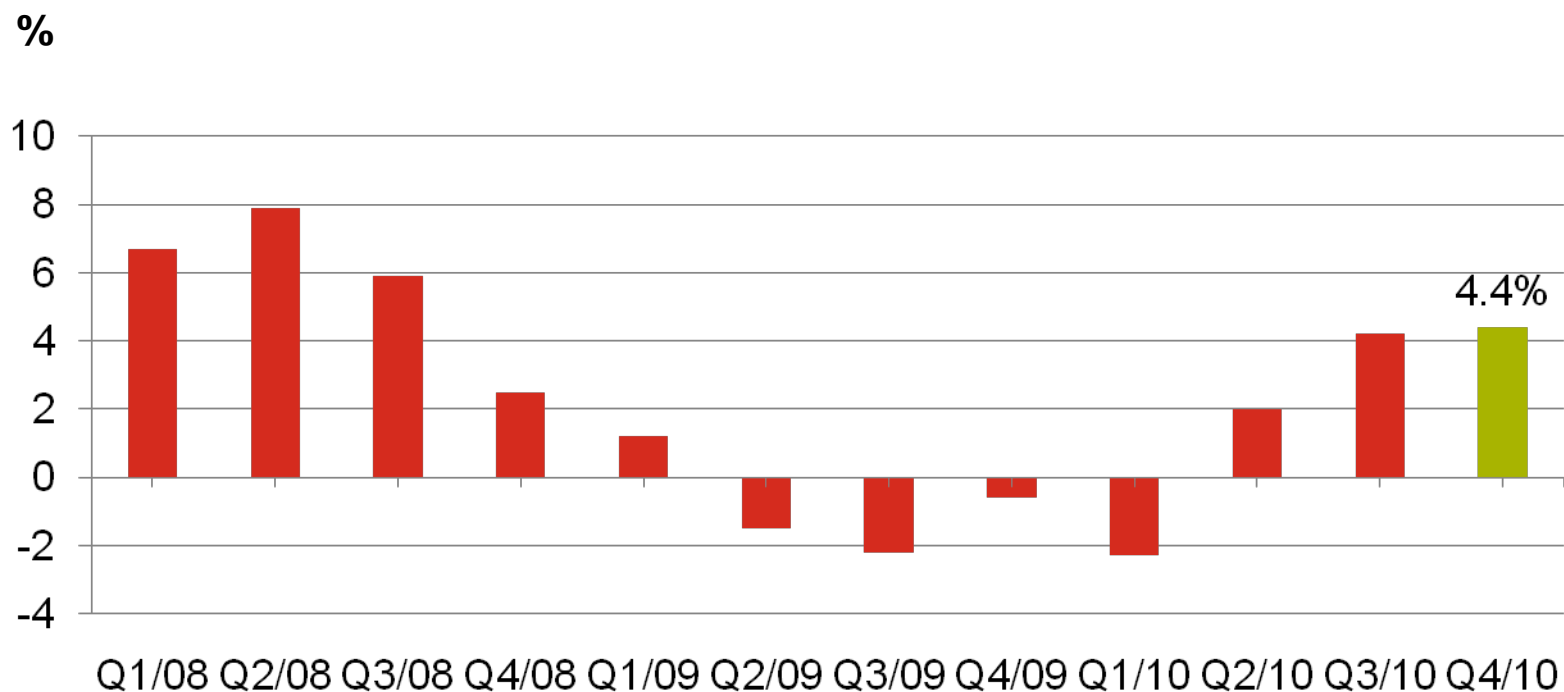
## Q4: Industrial & Terminal sales grew 29% while Marine sales declined 9% y-o-y

MEUR

1,000

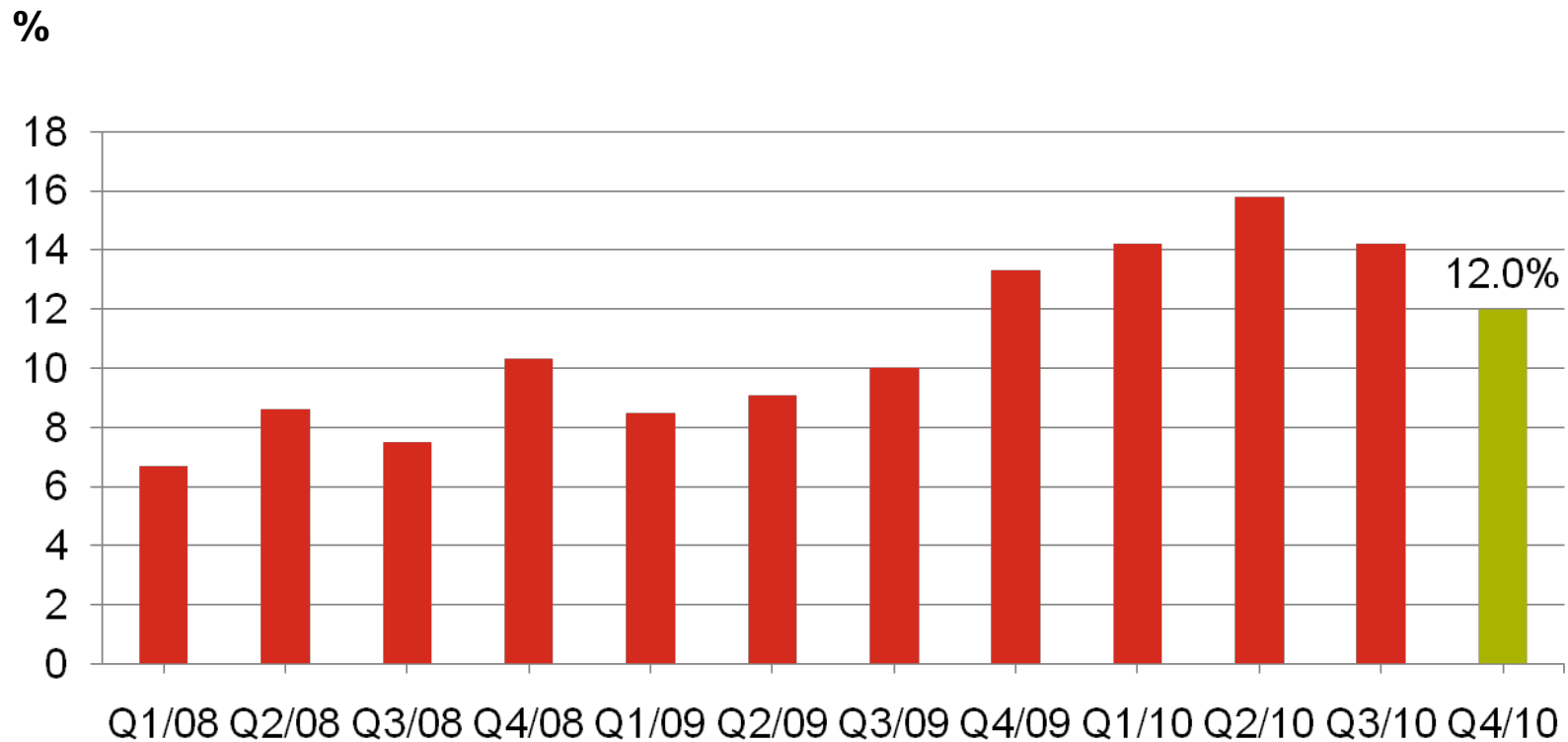


## Q4: Operating margin for Industrial & Terminal improving



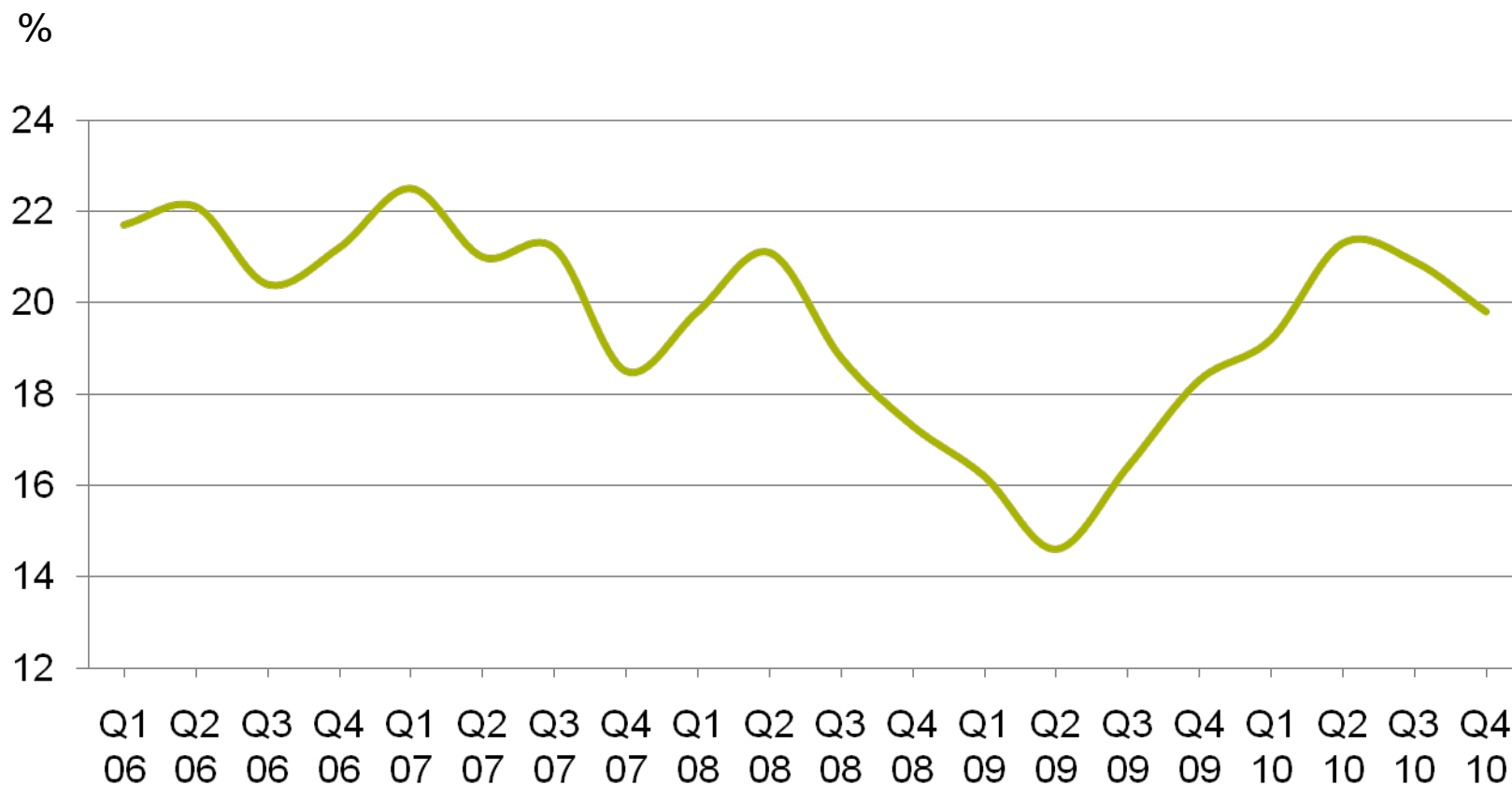
EBIT% excluding restructuring costs

## Q4: Marine's profitability strong at 12%



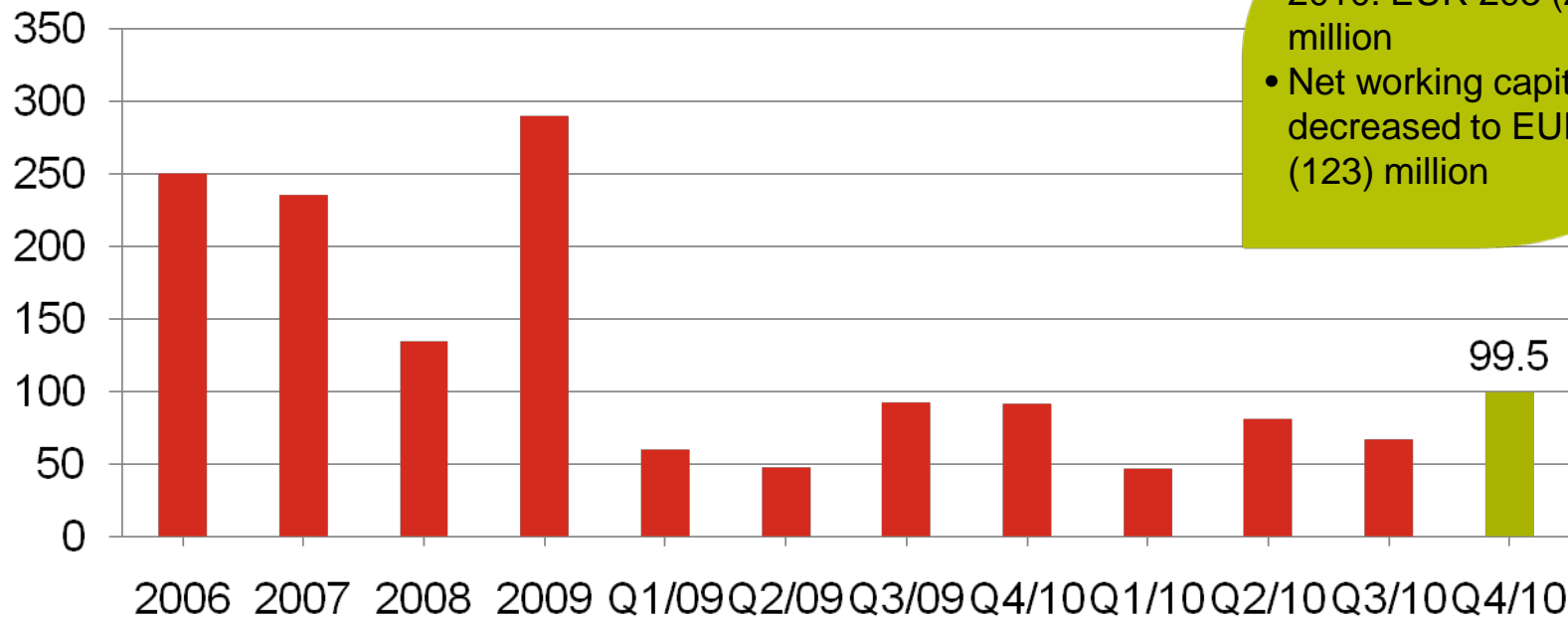
EBIT% excluding restructuring costs

## Gross profit development



## Cash flow from operations was robust

MEUR



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



## Services sales continued to grow

MEUR

1,000

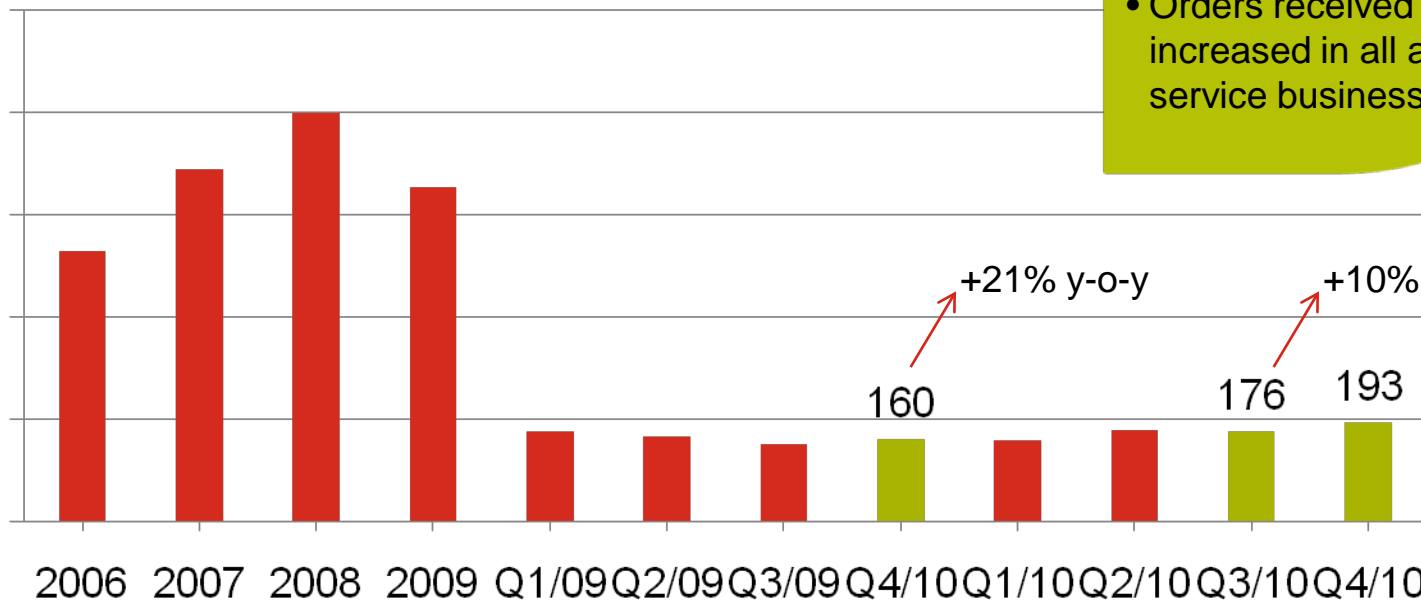
800

600

400

200

0



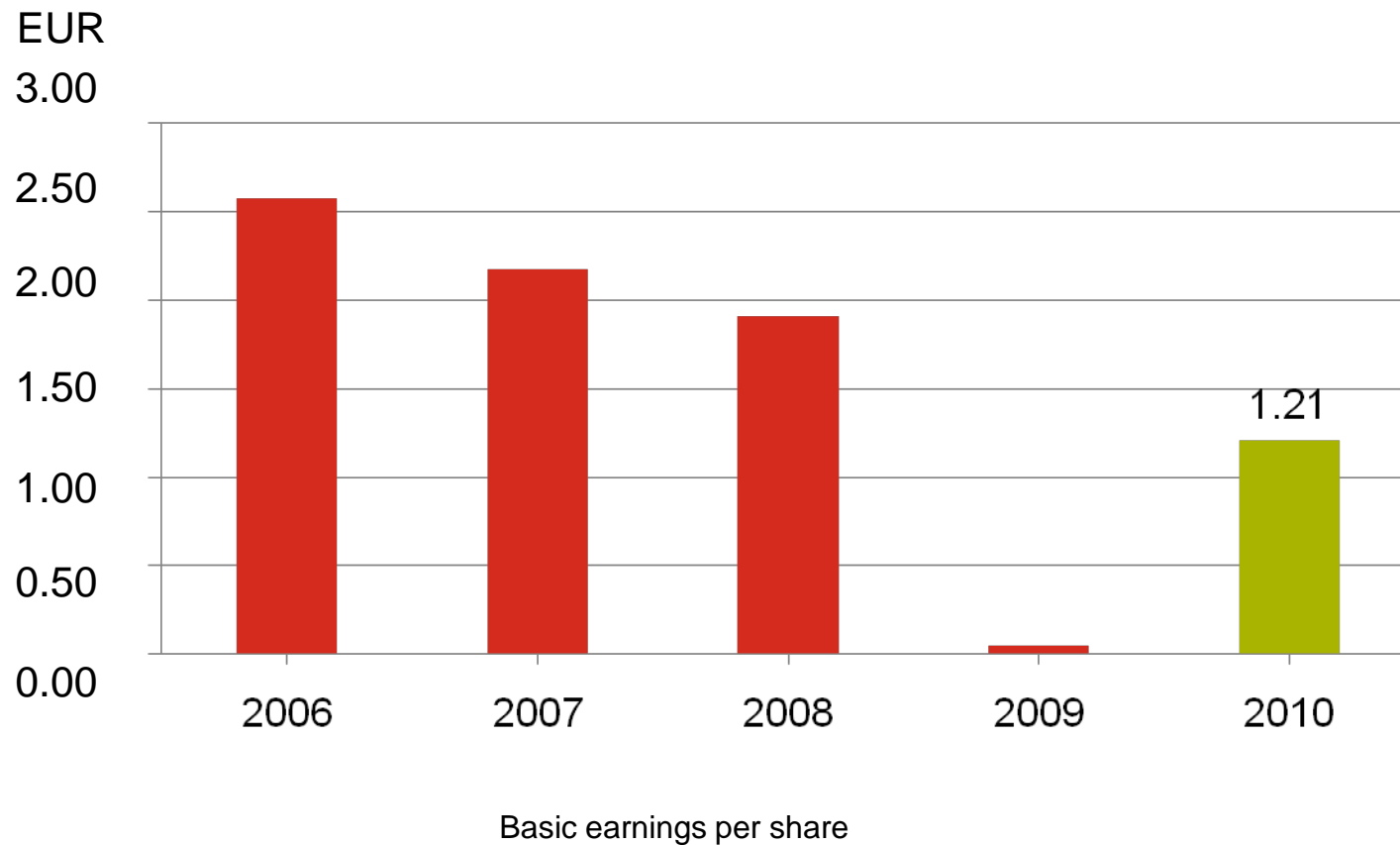
2010

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

+21% y-o-y

+10% q-o-q

## Clear improvement in earnings per share

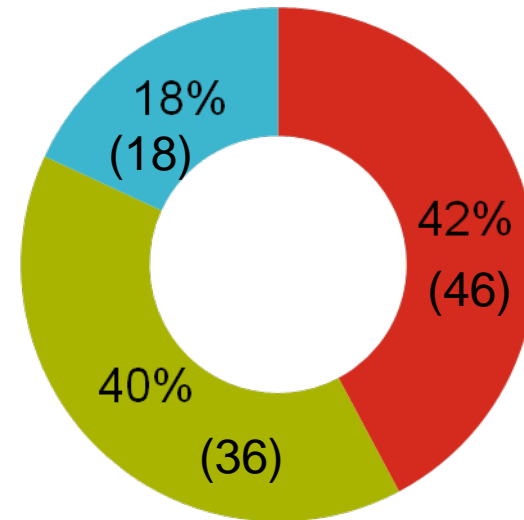
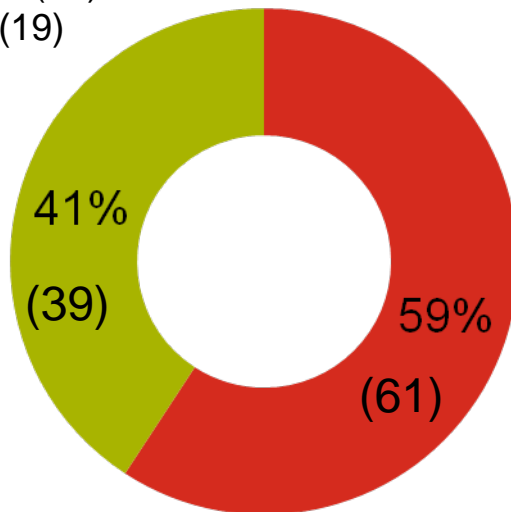


# EMEA and APAC almost equal in size by sales

Sales by reporting segment 1-12/2010, %

Sales by geographical segment 1-12/2010, %

Equipment 81% (81)  
Services 19% (19)

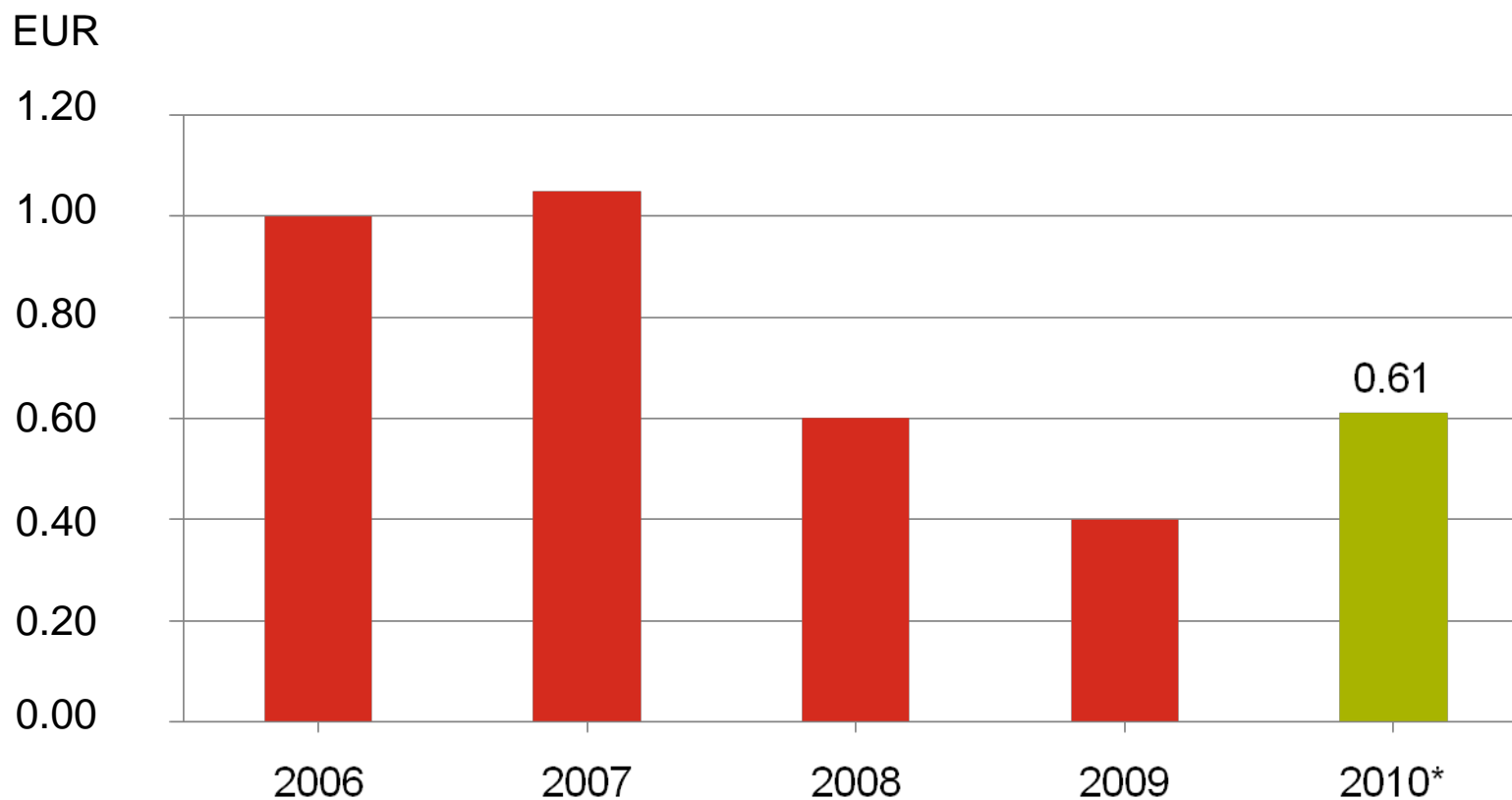


Equipment 67 % (71)  
Services 33% (29)

■ Marine ■ Industrial & Terminal

■ Americas ■ APAC ■ EMEA

## Dividend for class B share 2006–2010



\* Dividend proposal by the Board of Directors

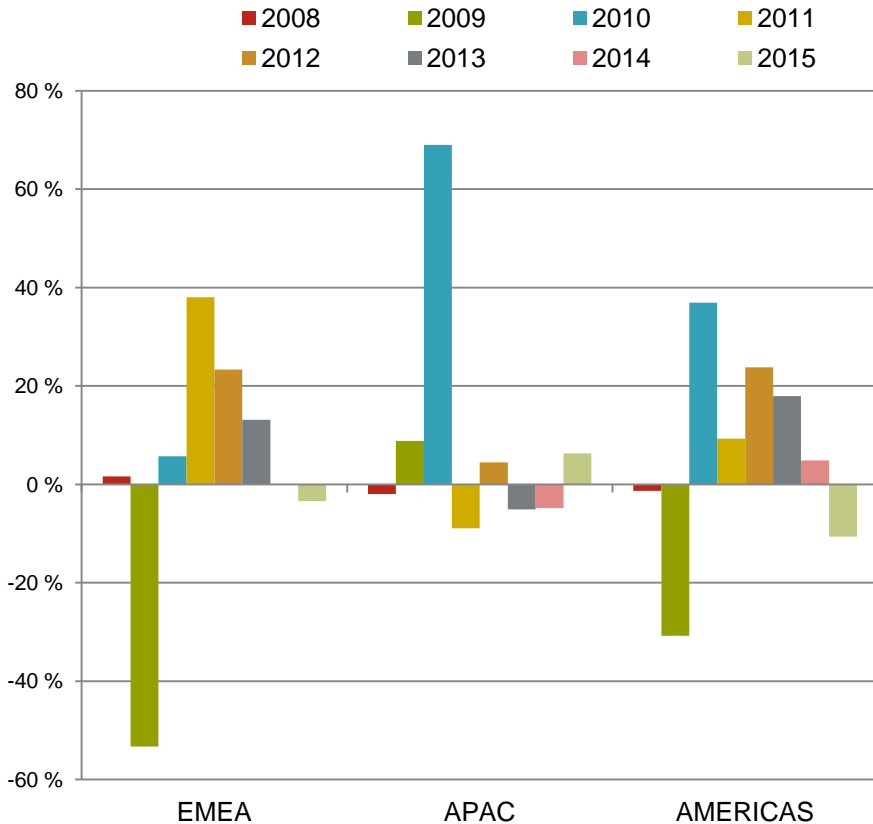
# Appendices



# Macro indicator trends for Industrial

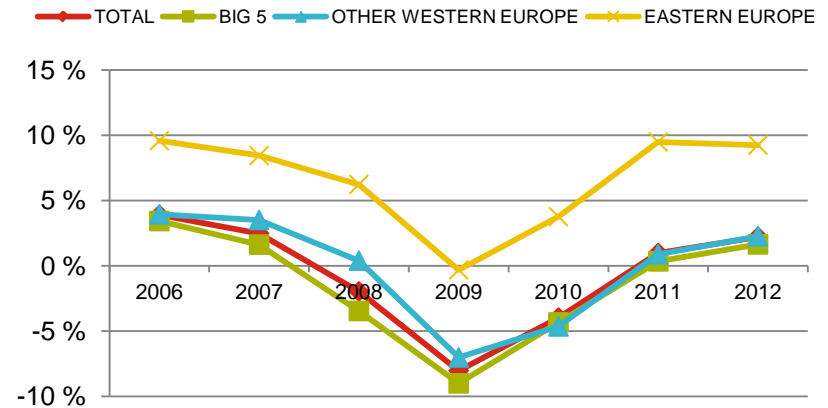
## Heavy Truck Registrations

### Sales growth GVW over 15 ton - Regions

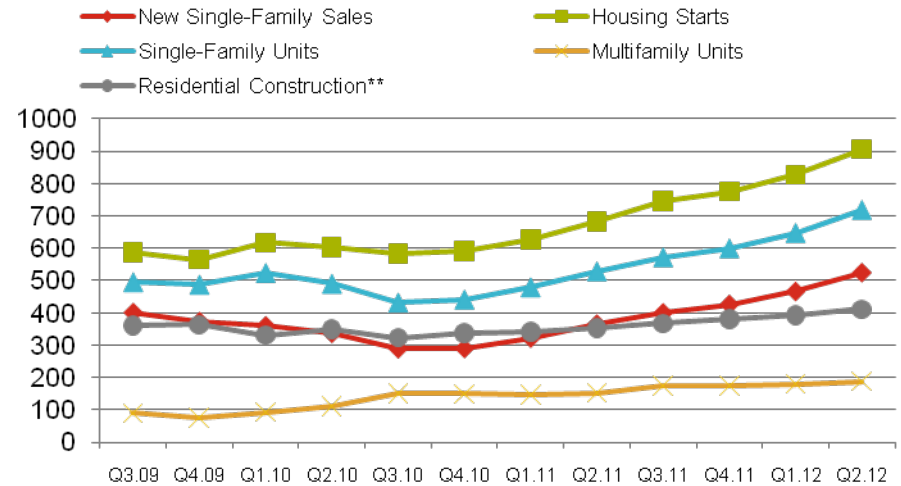


Source: Global Insight Q42010, Euroconstruct Country Report June 2010, Realtor December 2010

## Euroconstruct: Construction output

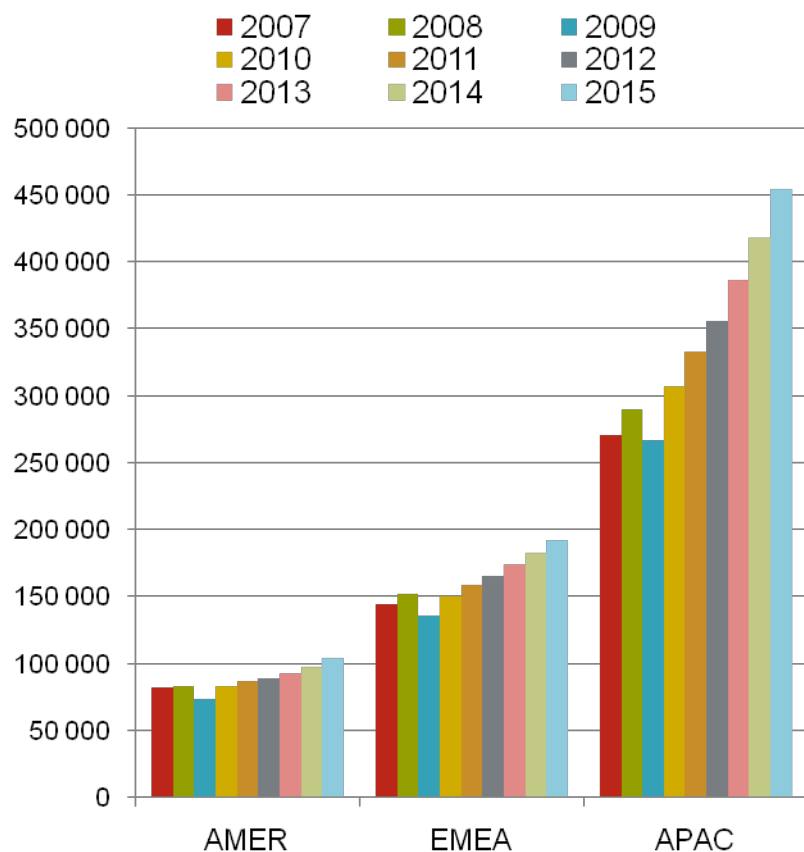


## Realtor: US Housing indicators 2009-2012 (Thousands)

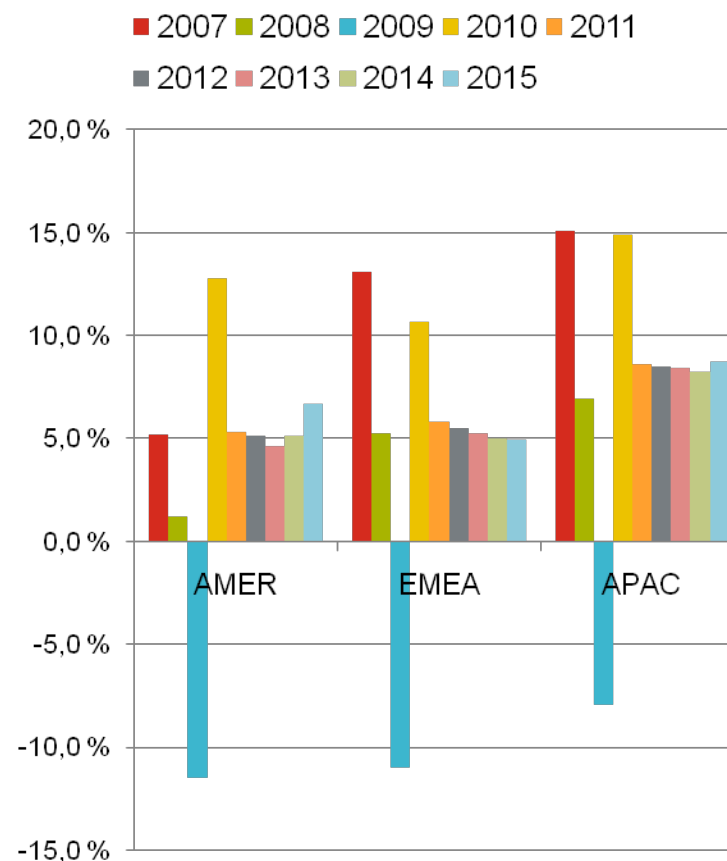


# Macro indicator trends for Terminal

Drewry (Throughput TEU units)



Drewry (Throughput TEU % change)



Source: Drewry Container Forecaster Q42010

# Ship contracting forecast

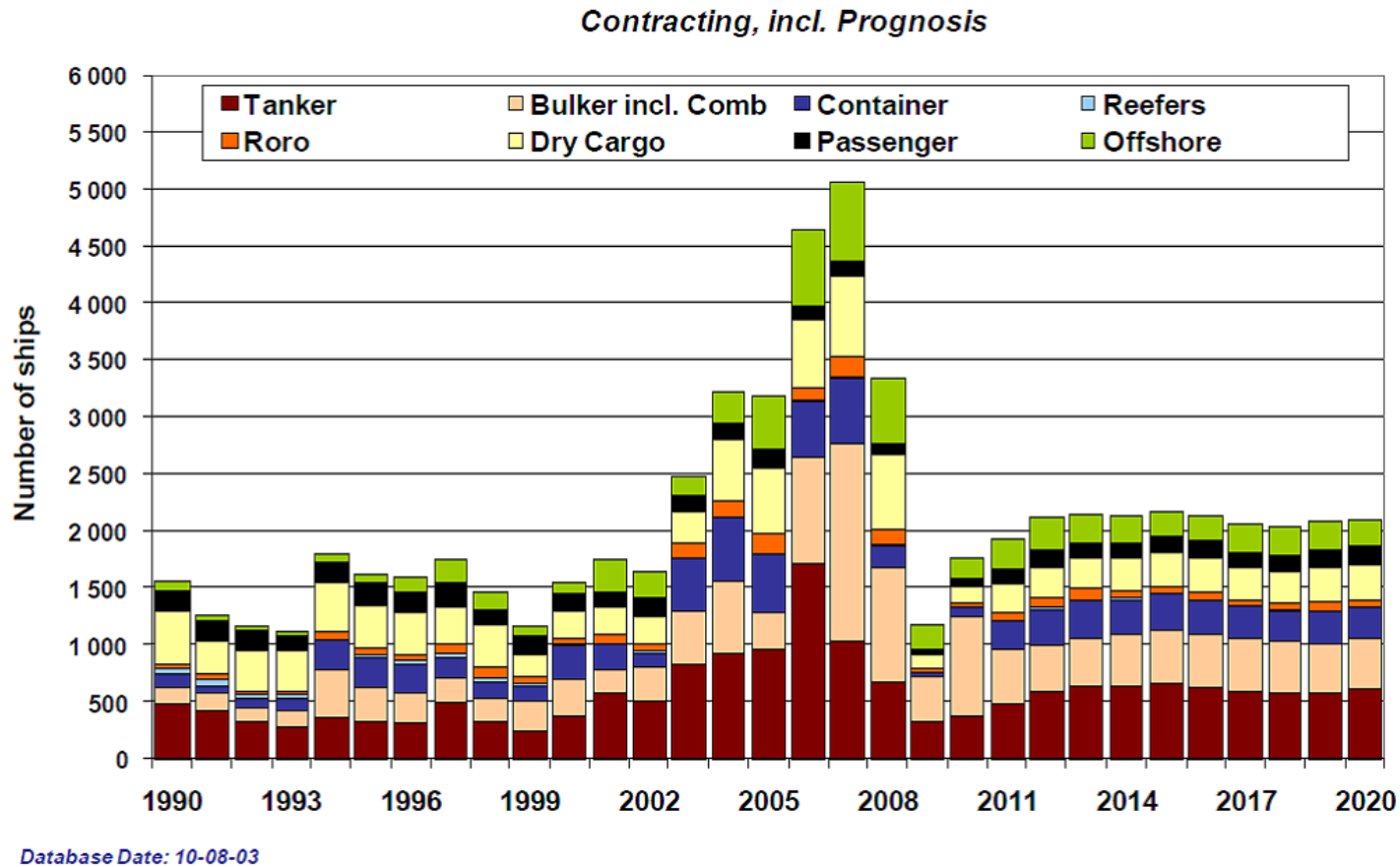
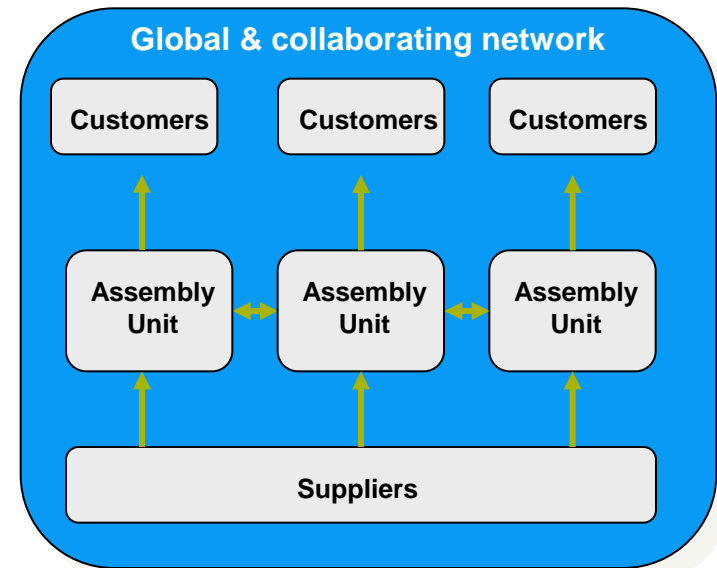
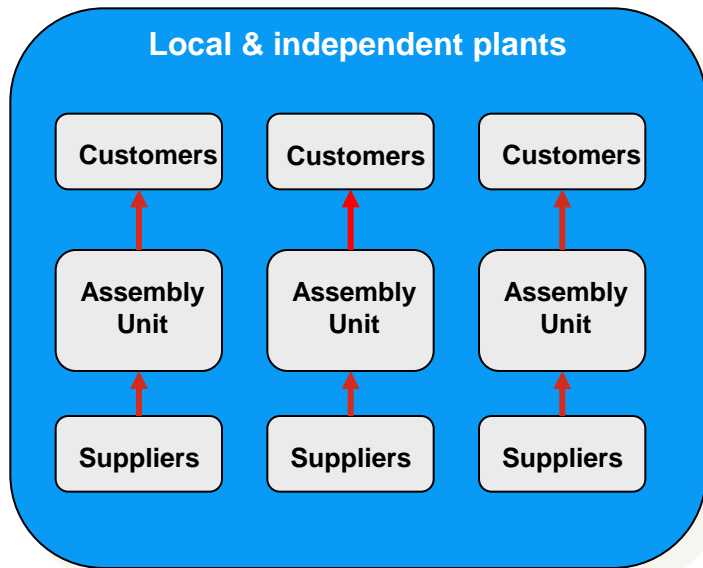


Figure 7: Total contracting 1990-2018, number of ships (Source: IHS Fairplay)



# 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

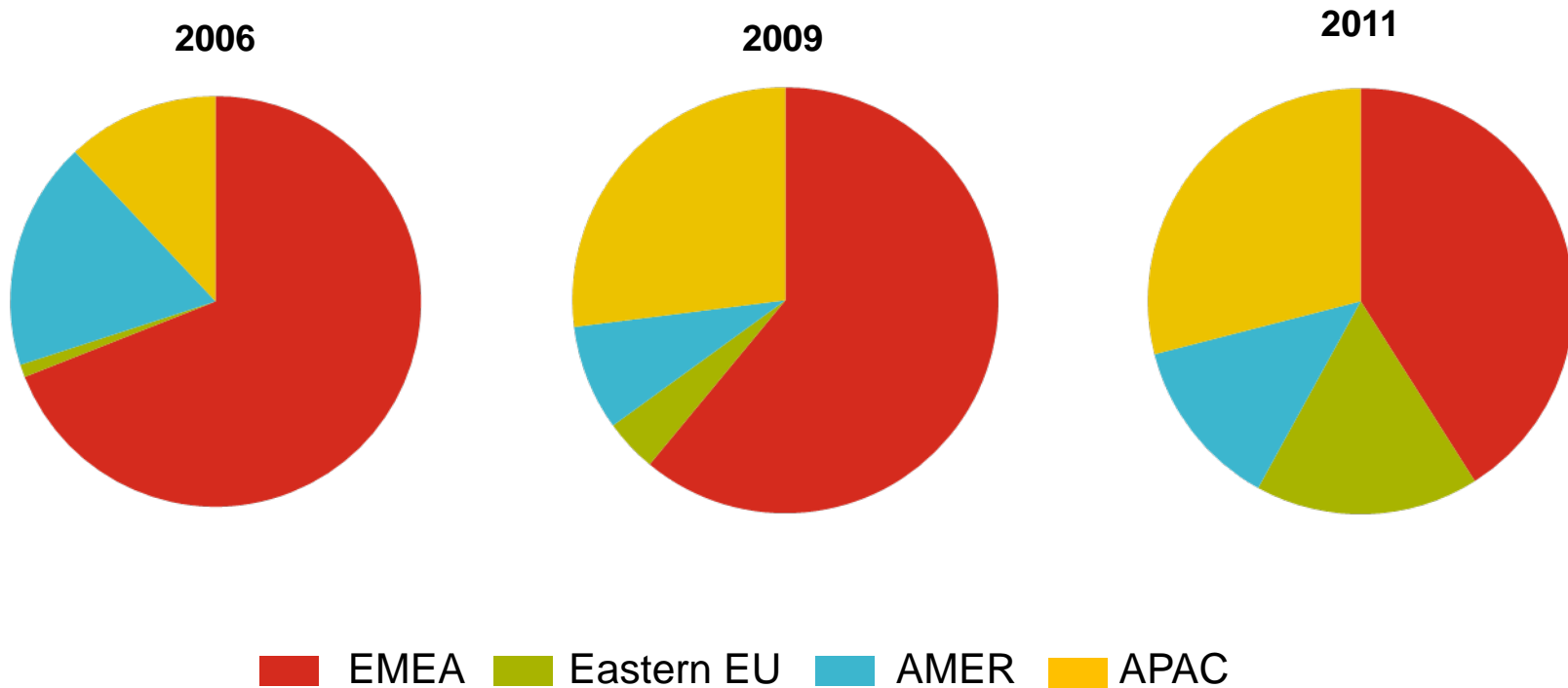
## ...to “Supply industrial system”

- 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

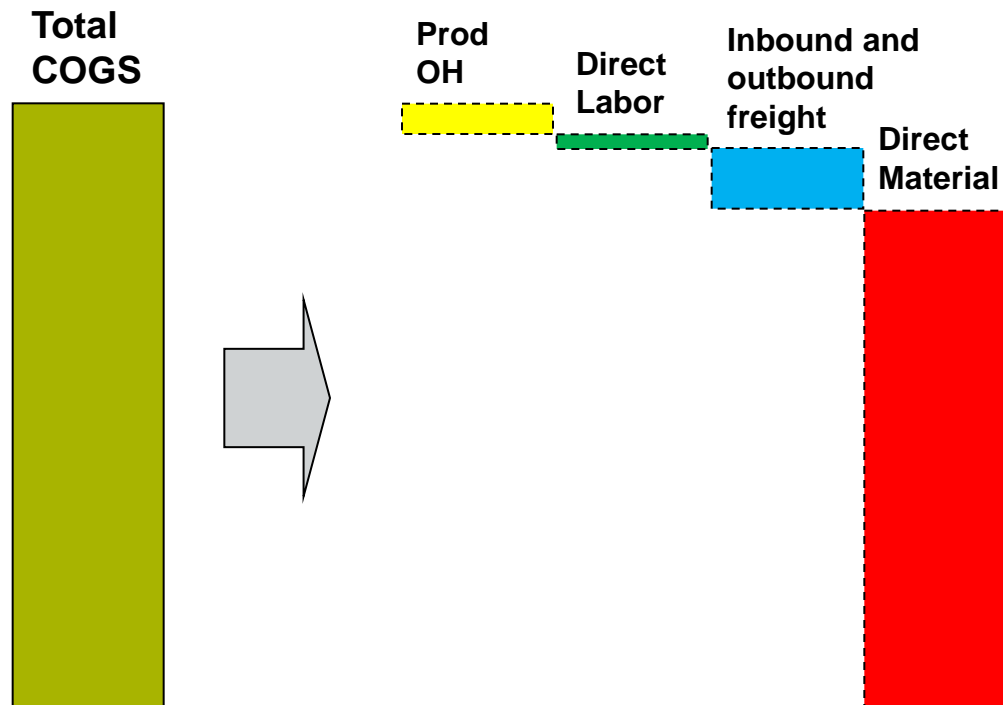


## Increasing sourcing from Eastern EU and APAC

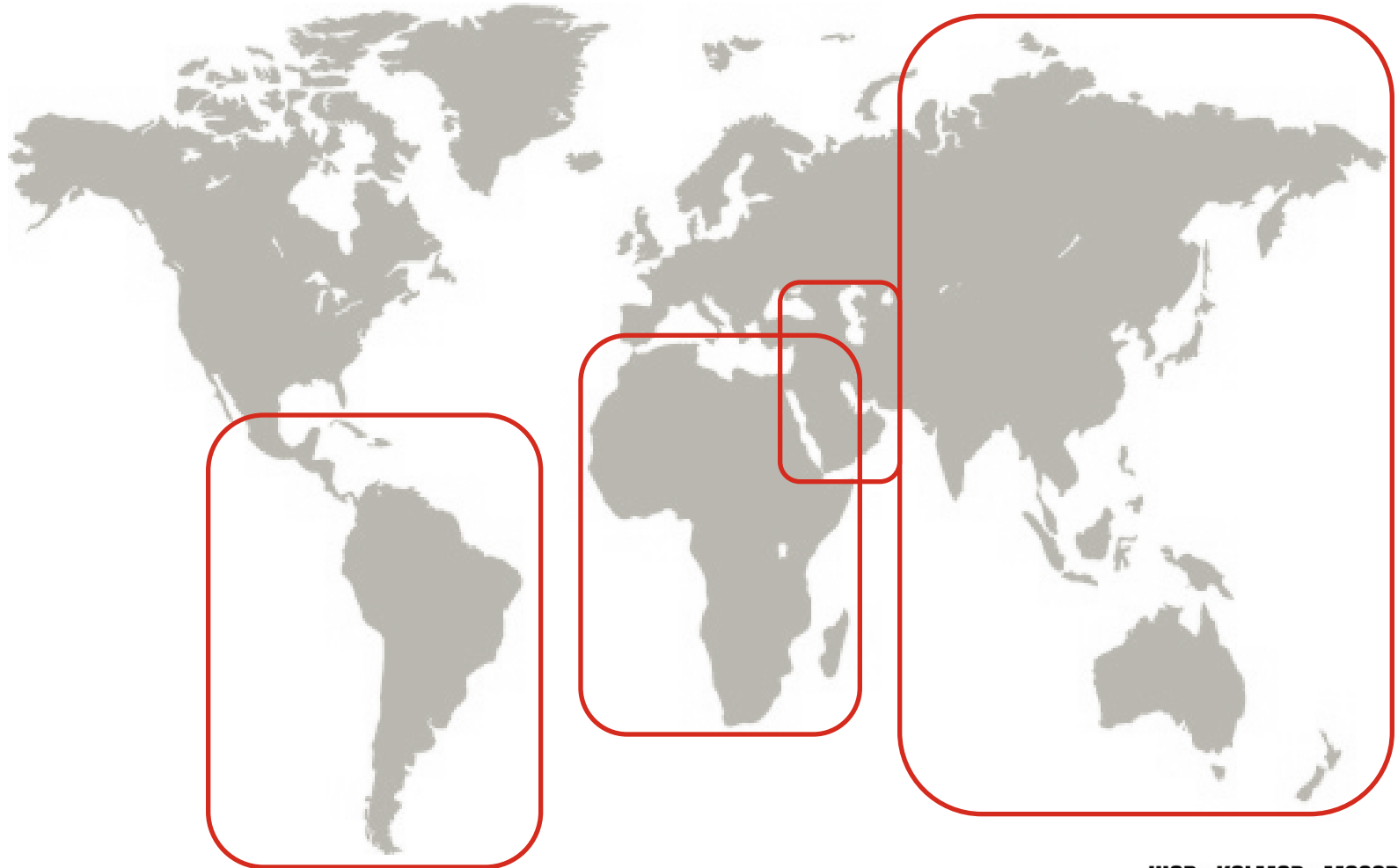


Volume in USA decreased from 2006 to 2009 mainly due to weakening market

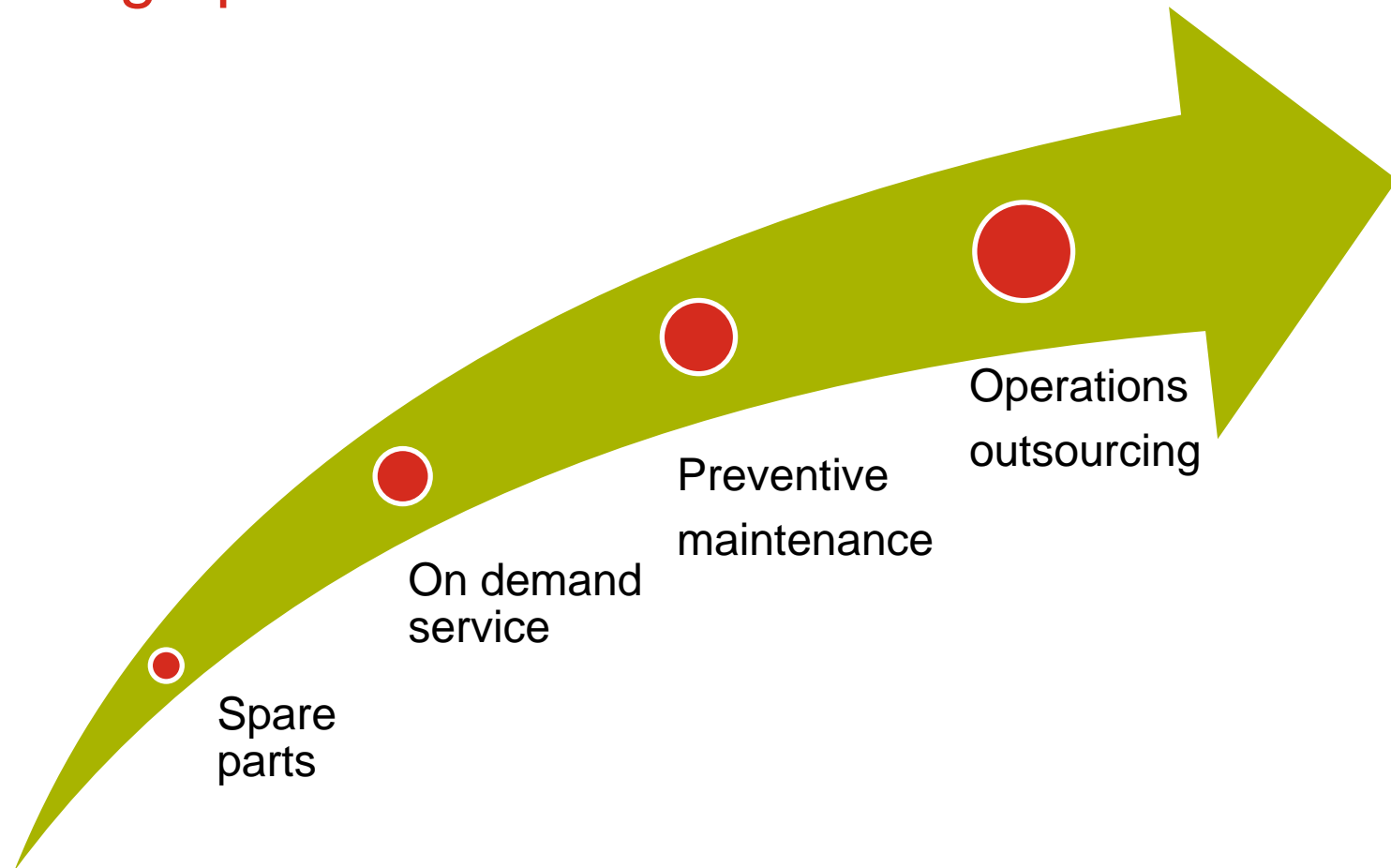
Optimising cost of Supply means optimising all parts of cost of goods sold (COGS)



# 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)

we keep cargo on the move™