

CARGOTEC

President and CEO Mikael Mäkinen



Paris road show – 2 May 2011



HIAB • KALMAR • MACGREGOR

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

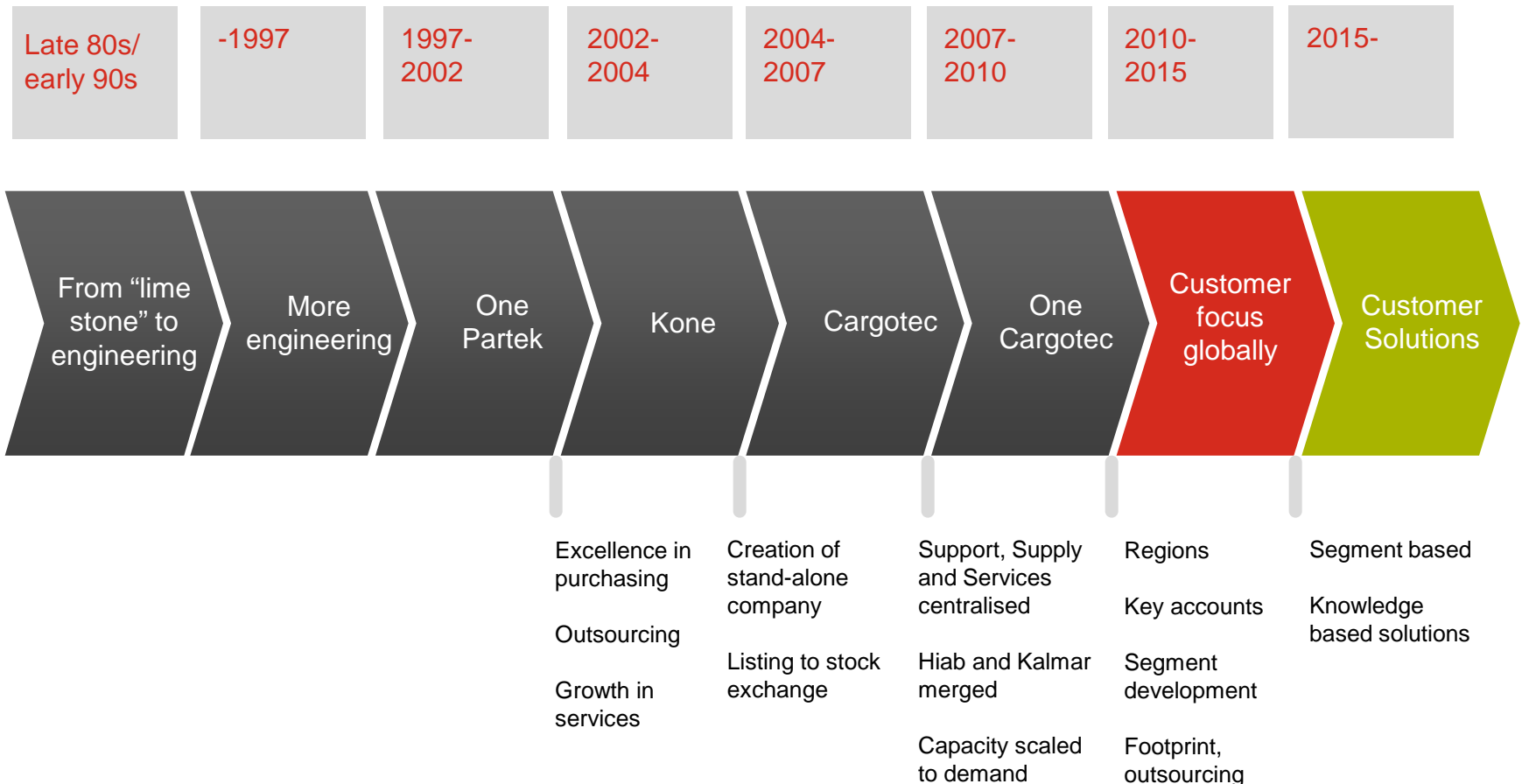


Solutions for ports and container handling



Solutions for marine cargo handling and offshore load handling

Next corporate theme



Strategic focus areas 2011–2015

Customers 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

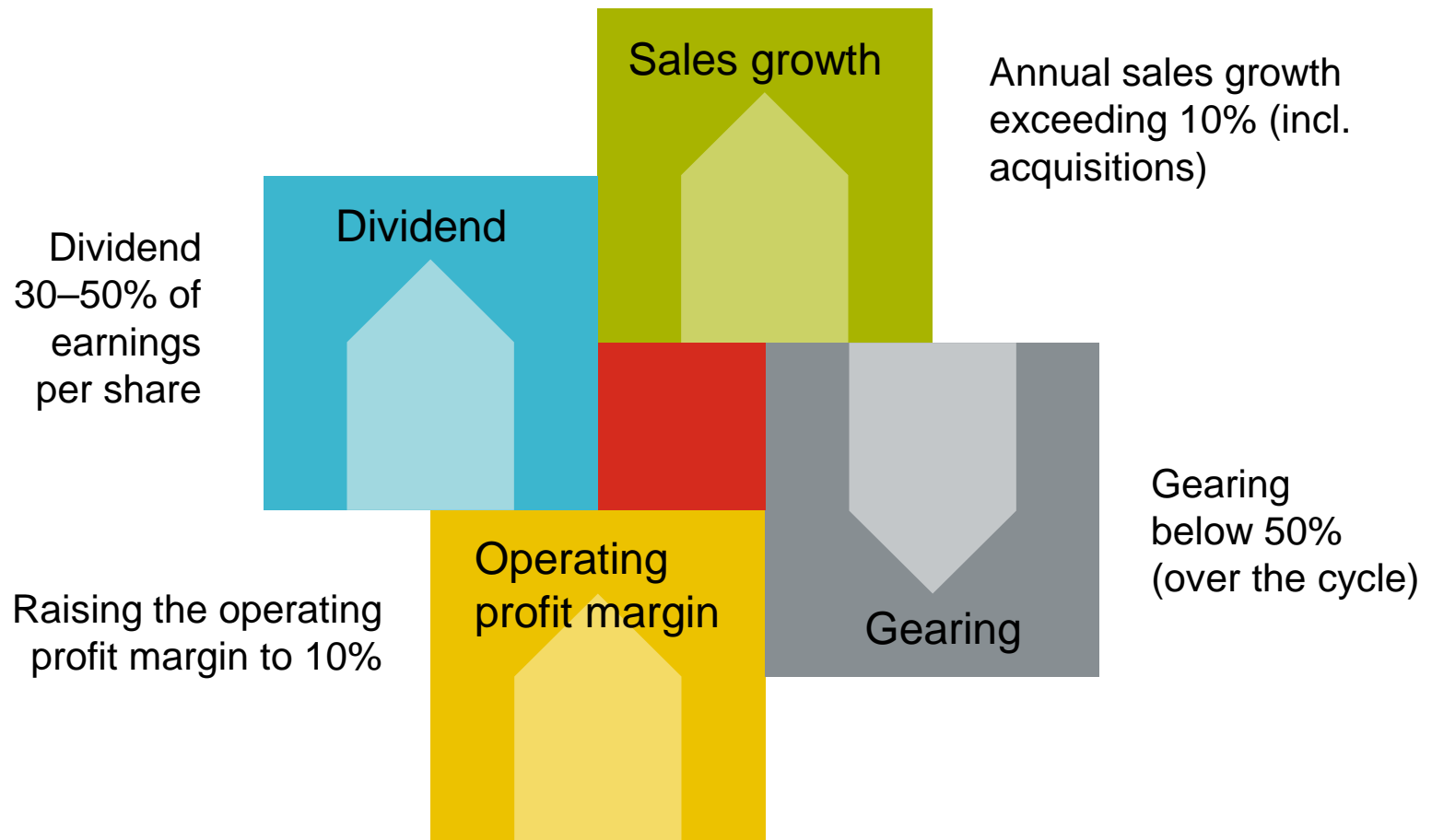
Internal clarity

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

Customer segmentation - priorities

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

Financial targets



January–March 2011 financials



Highlights of January–March 2011 report

- Market activity up in both segments and all geographies
- Order intake and sales grew 37% y-o-y
- Operating profit margin increased to 6.6%
- Cash flow strong despite working capital increasing with volume
- Navis acquisition closed, consolidation from Q2



Market environment in January–March 2011

- Markets for load handling equipment developed positively. Demand for particularly loader cranes, truck-mounted forklifts and tail lifts grew clearly. In Americas, demand continued at a low level in construction-related customer segments.
- The revival in demand in container handling equipment for ports began to show in the form of larger project orders. Demand for rubber-tyred gantry cranes in particular was strong.
- The marine cargo handling equipment markets remained healthy. While demand for equipment for bulk vessels is showing signs of slowing, that for container ship equipment has picked up.
- The services markets continued to improve. Demand picked up for various refurbishment and modernisation projects.

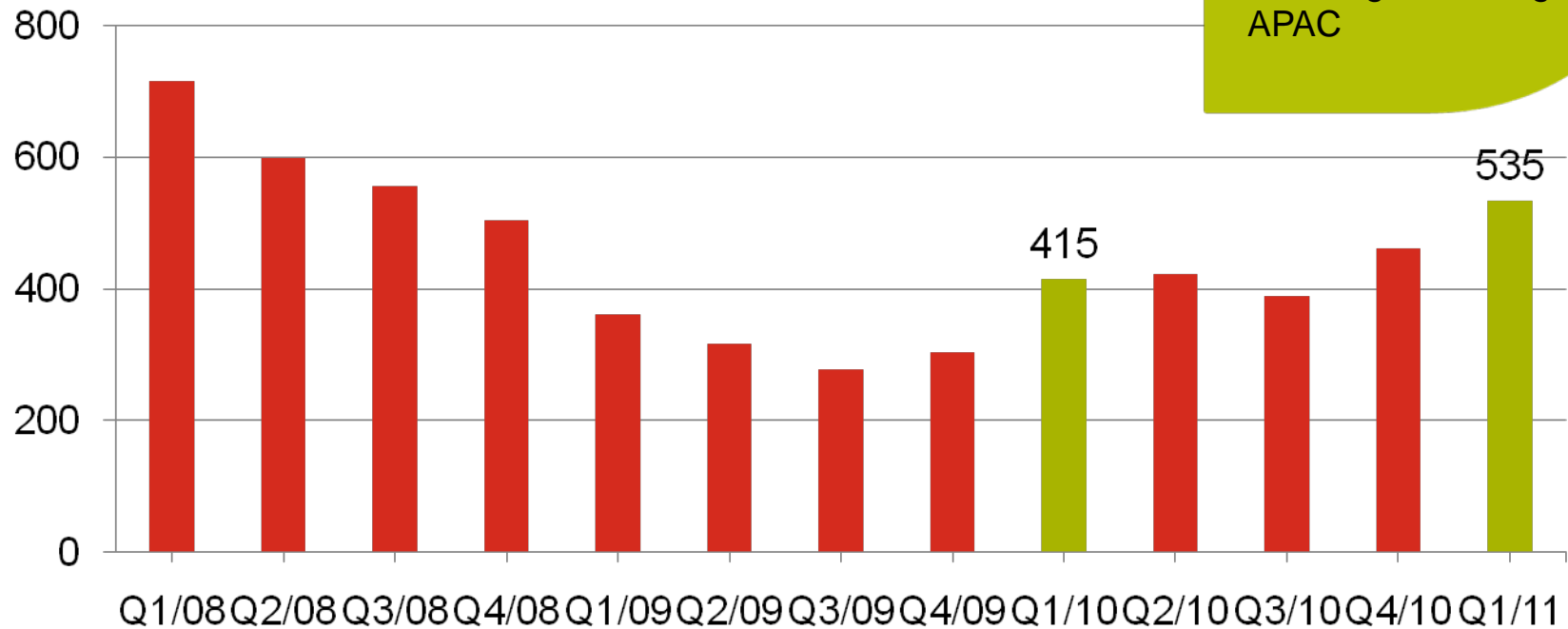


Key figures in January–March 2011

	Q1 2011	Q1 2010	Change %	2010
Orders received, MEUR	819	598	37	2,729
Order book, MEUR	2,373	2,239	6	2,356
Sales, MEUR	763	555	37	2,575
Operating profit, MEUR	50.6	13.5		131.4
Operating profit margin, %	6.6	2.4		5.1
Cash flow from operations, MEUR	36.2	46.5		292.9
Interest-bearing net debt, MEUR	335	336		171
Earnings per share, EUR	0.59	0.13		1.21

Q1: Industrial & Terminal's order intake grew 29% y-o-y and 16% q-o-q

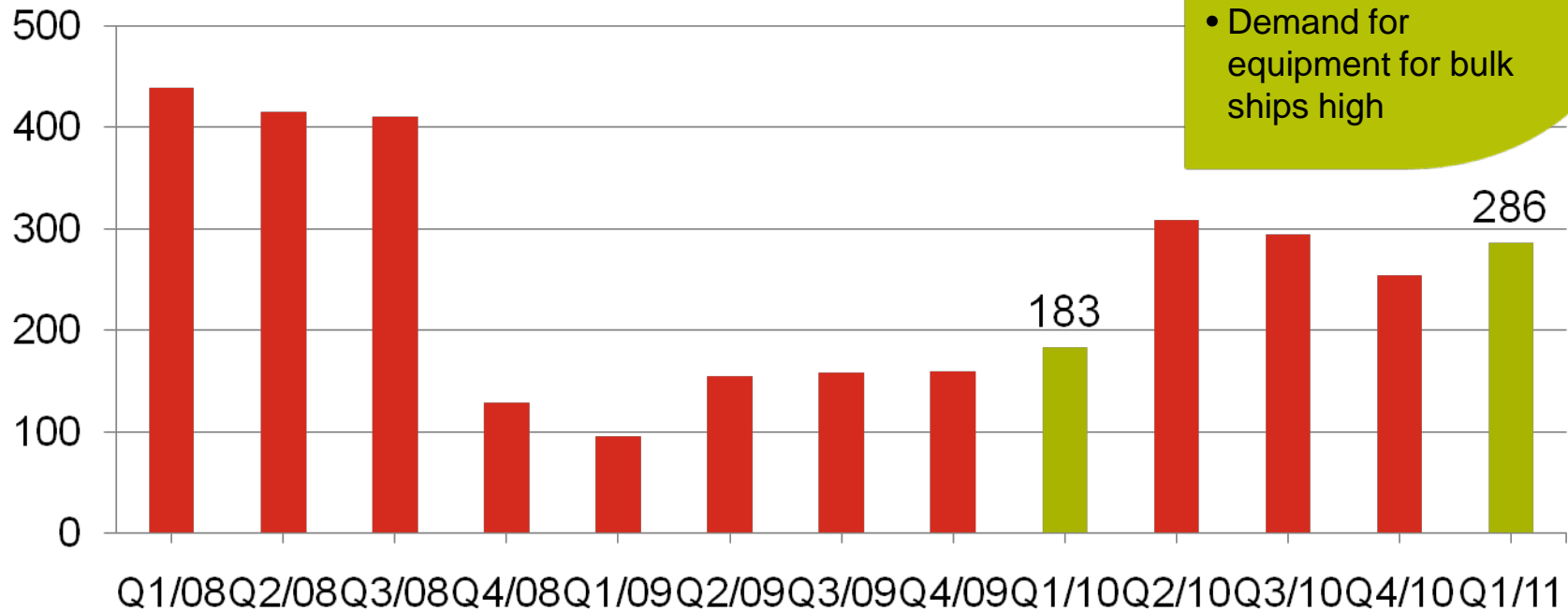
MEUR



- 54% of orders from EMEA
- Orders grew strongest in APAC

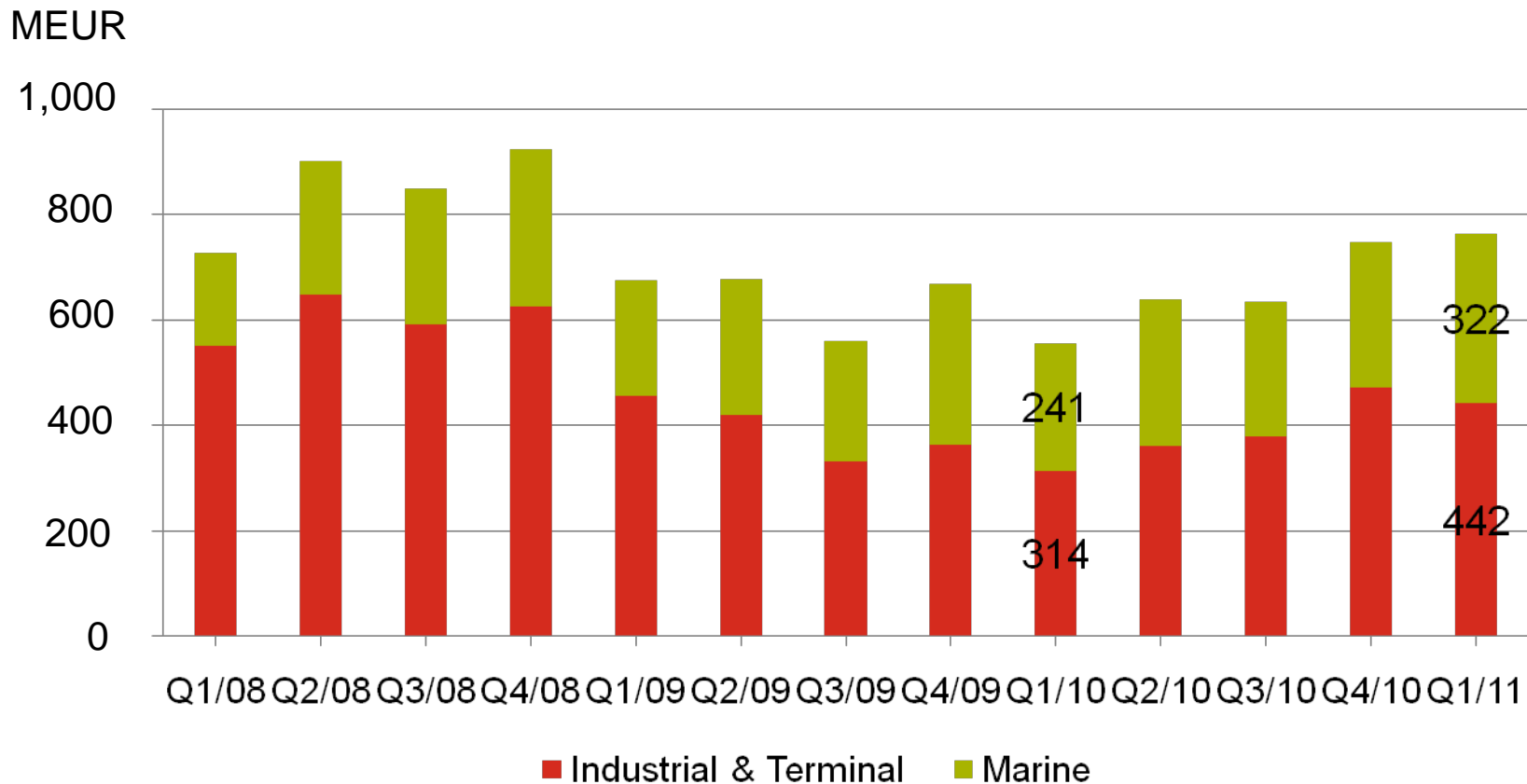
Q1: Marine's order intake continued healthy

MEUR

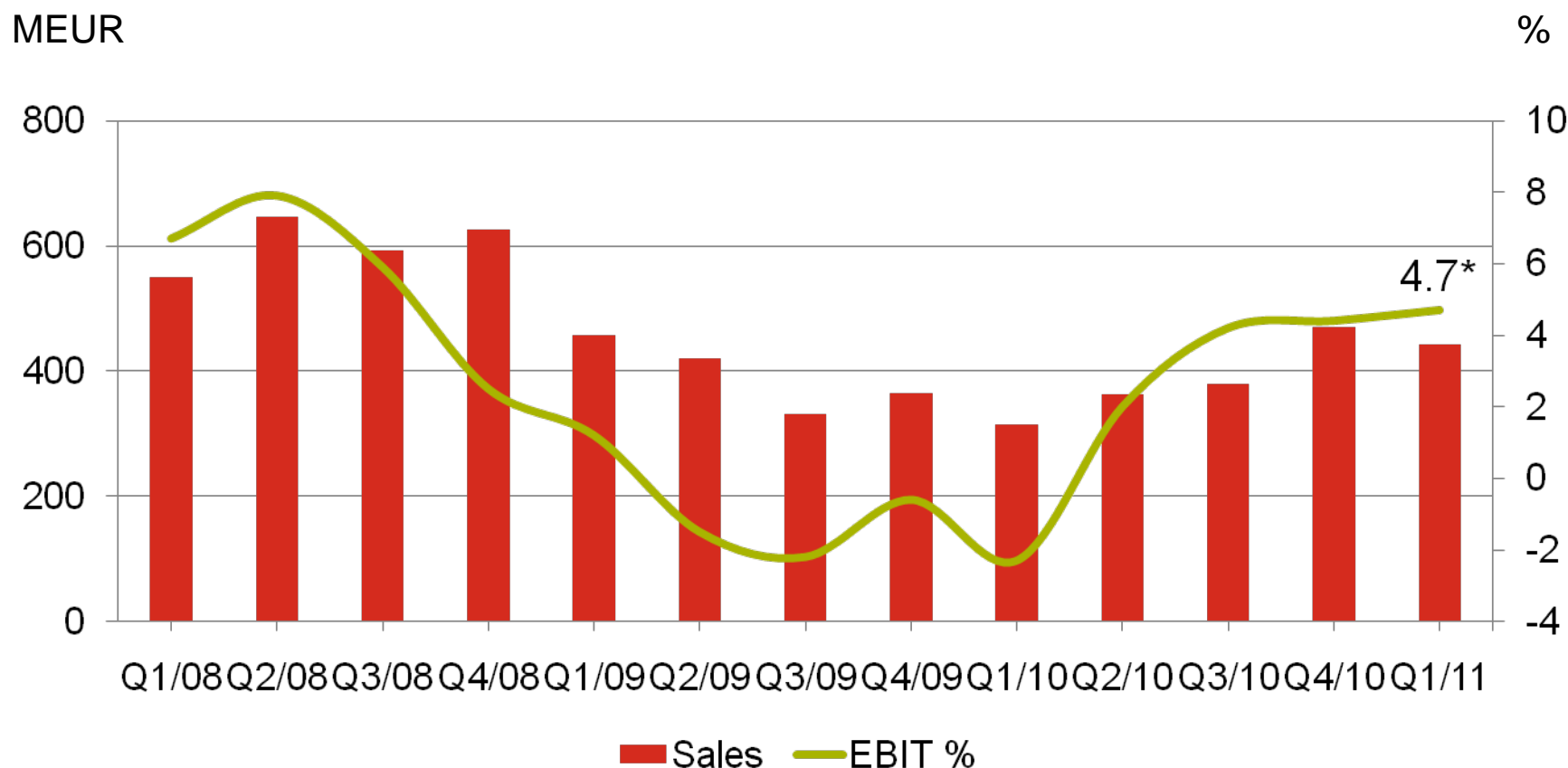


- 70% of orders from APAC
- Demand for equipment for bulk ships high

Q1: Industrial & Terminal sales grew 41% and Marine sales 34% y-o-y



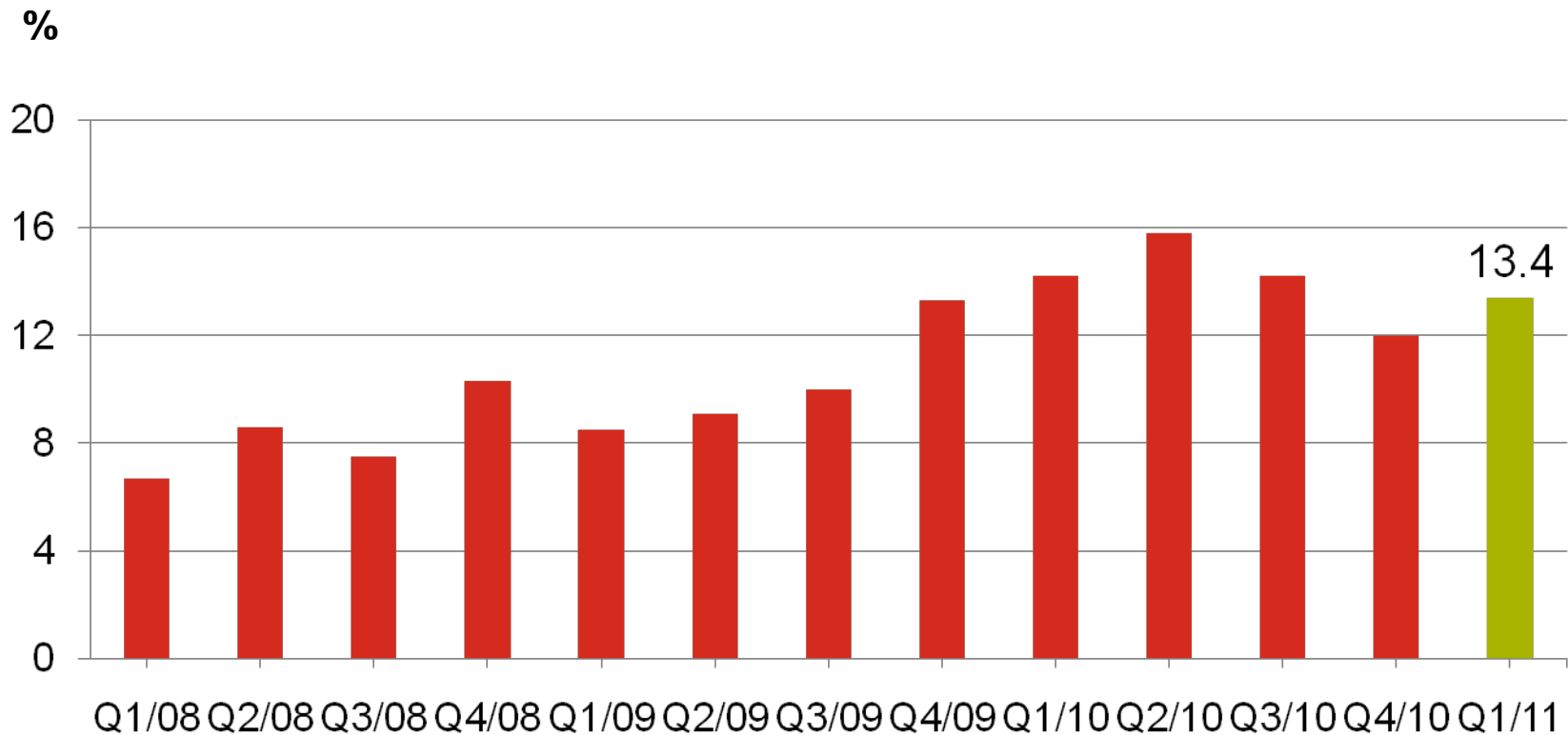
Q1: Industrial & Terminal operating margin improving step-by-step



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

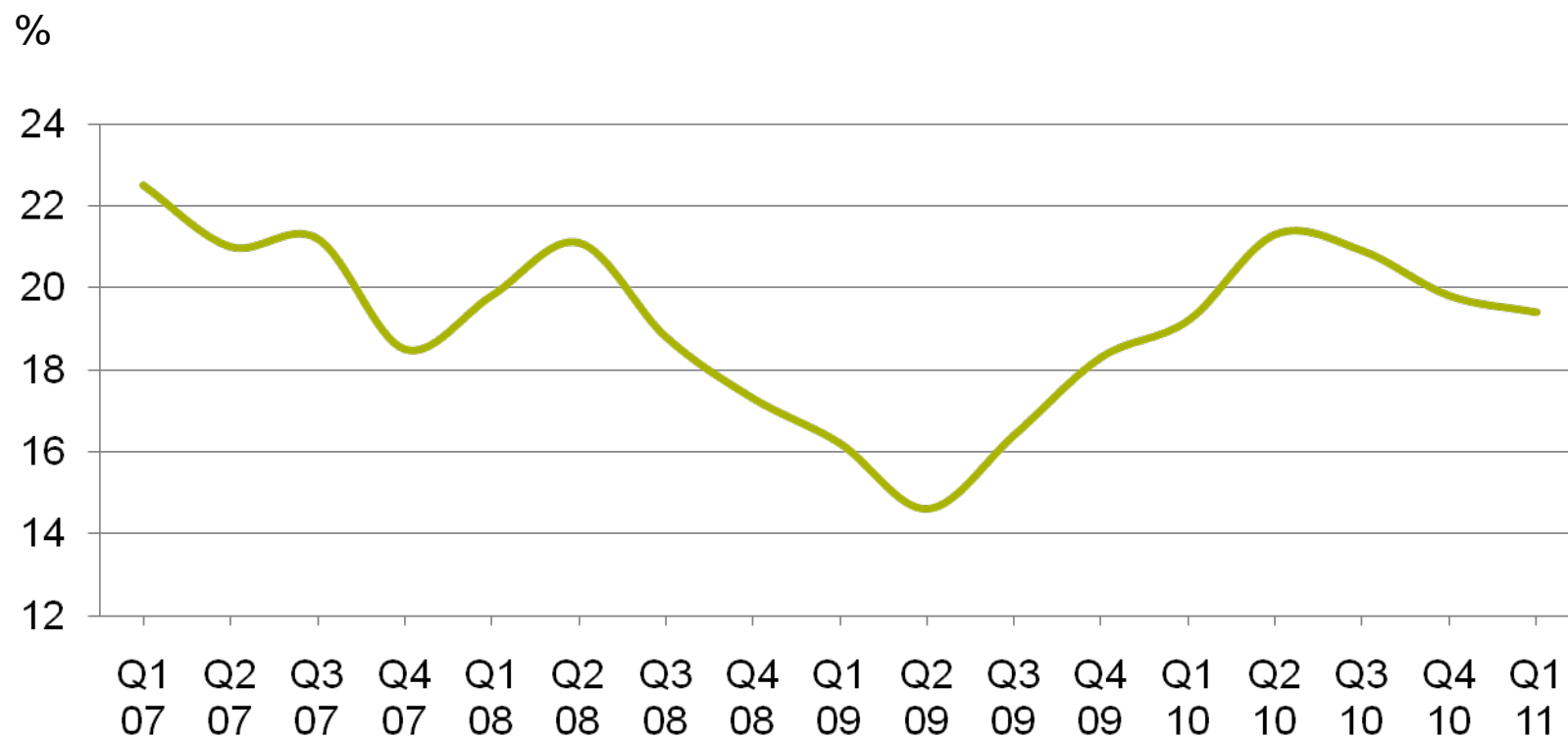
* Excluding EUR 1.8 million cost related to Navis acquisition

Q1: Marine's profitability remained strong



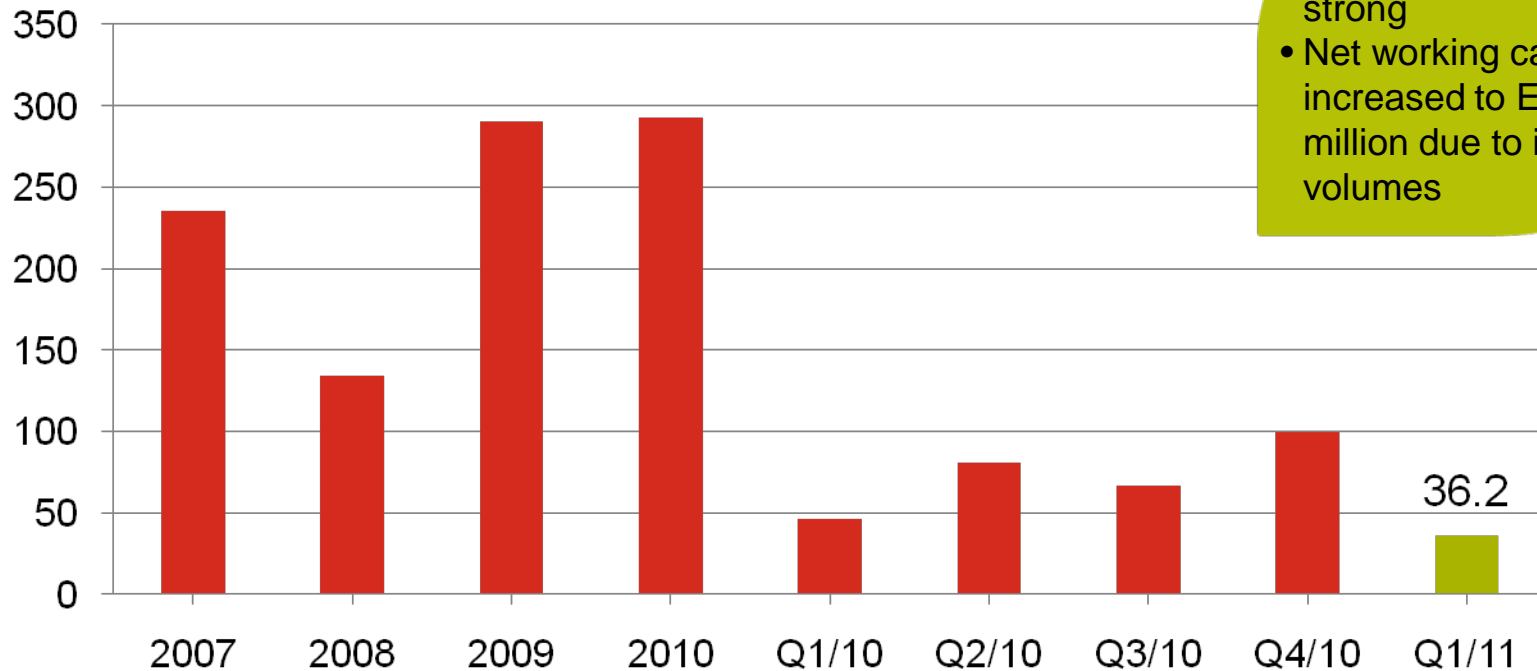
EBIT% Q1/08–Q4/10 excluding restructuring costs

Gross profit development



Cash flow from operations remained strong

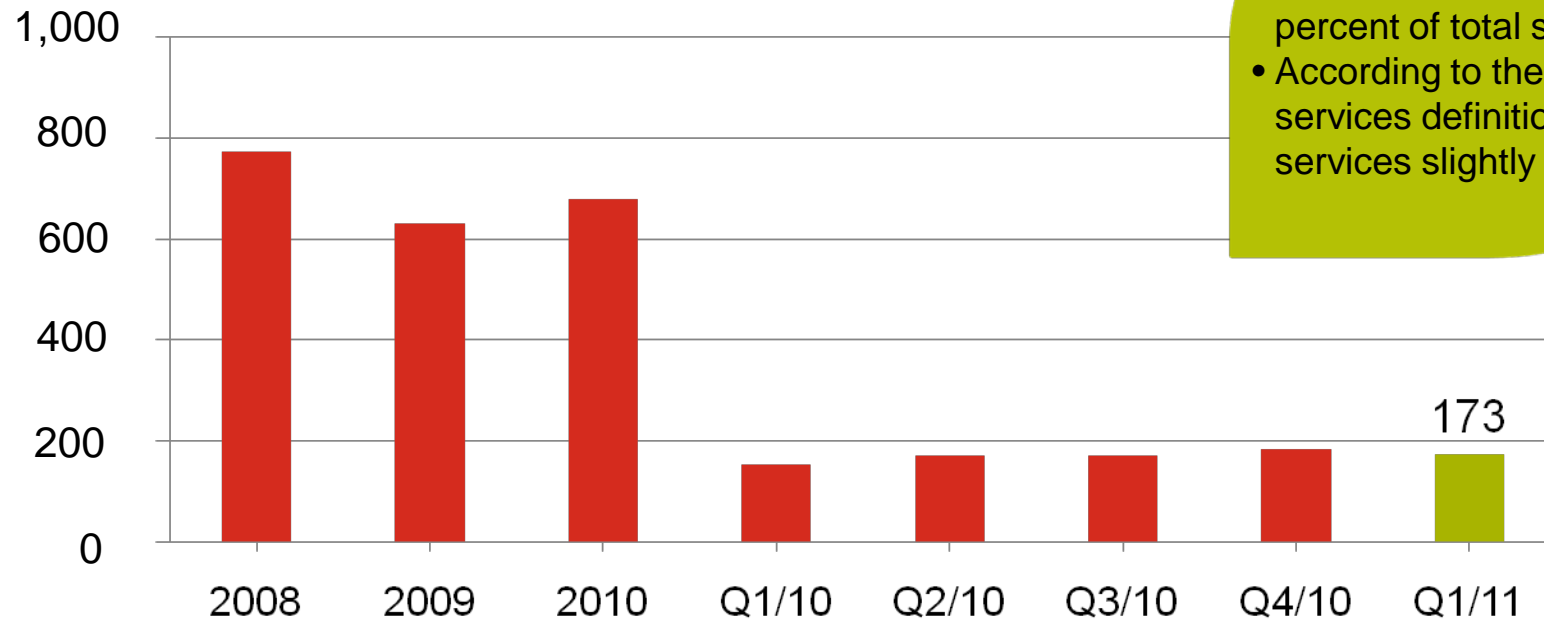
MEUR



- Q1 cash flow remained strong
- Net working capital increased to EUR 83 million due to increased volumes

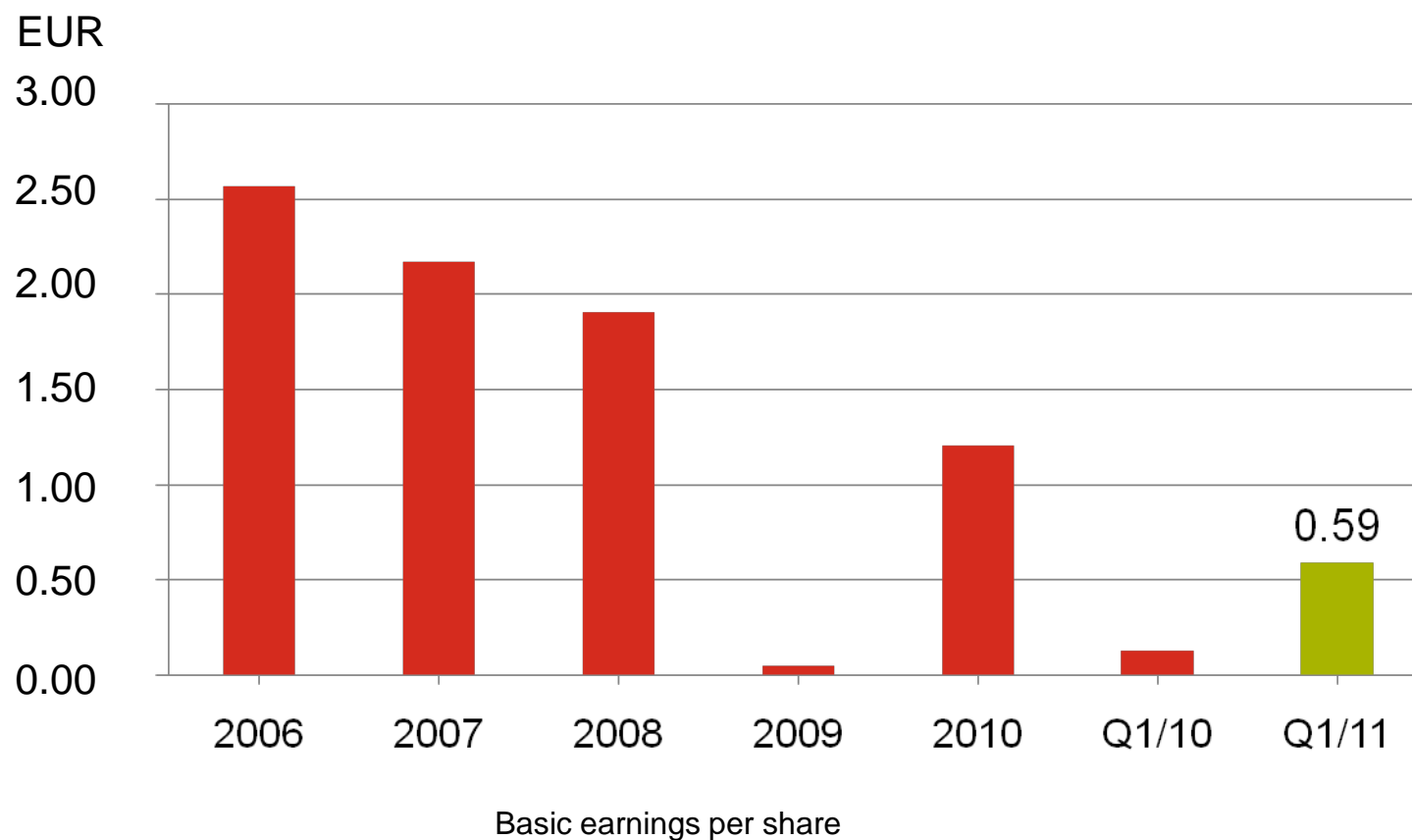
Services sales recovering slowly

MEUR



- Services sales 23 (28) percent of total sales
- According to the specified services definition, Marine services slightly lower

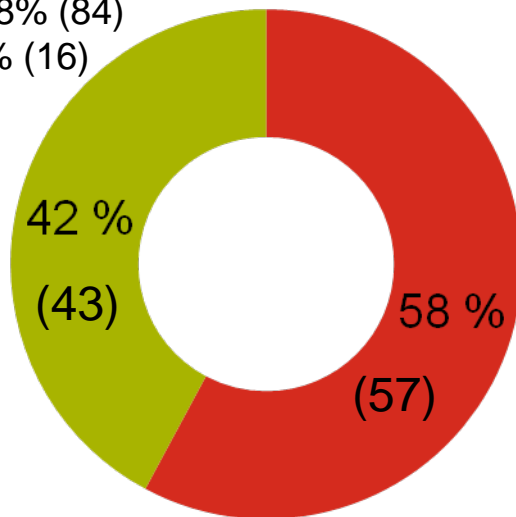
Earnings per share continued to improve



EMEA and APAC equal in size by sales

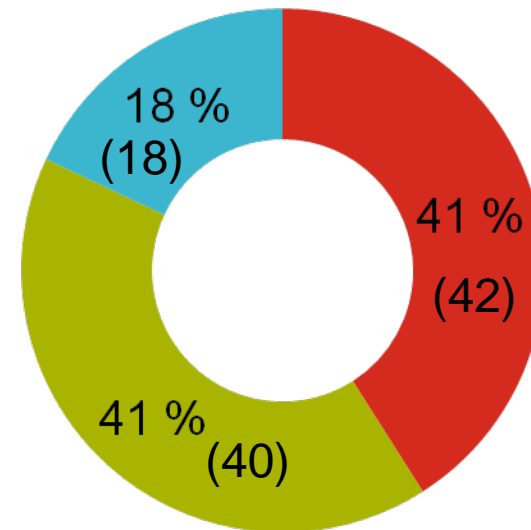
Sales by reporting segment 1-3/2011, %

Equipment 88% (84)
Services 12% (16)



Sales by geographical segment 1-3/2011, %

Equipment 70% (64)
Services 30% (36)



■ Marine ■ Industrial & Terminal

■ Americas ■ APAC ■ EMEA

Navis acquisition – accounting treatment effects

- Transaction costs – all of EUR1.8 million booked in Q1/2011
 - Acquisition accounting – preliminary purchase price allocation (PPA) calculation results in annual depreciation cost of approximately EUR 5 million as of Q2/2011 for multiple years
 - Deferred revenue on acquisition date – under IFRS (and US GAAP) when consolidating into Cargotec deferred revenue adjustment will decrease post-acquisition sales of Navis for slightly over one year. The amount of deferred revenue to be deducted from sales is estimated at approximately EUR 10 million.
- Navis result will have limited impact on Cargotec's consolidated sales and profitability in 2011, situation will improve from 2012 as only PPA depreciation will continue

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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

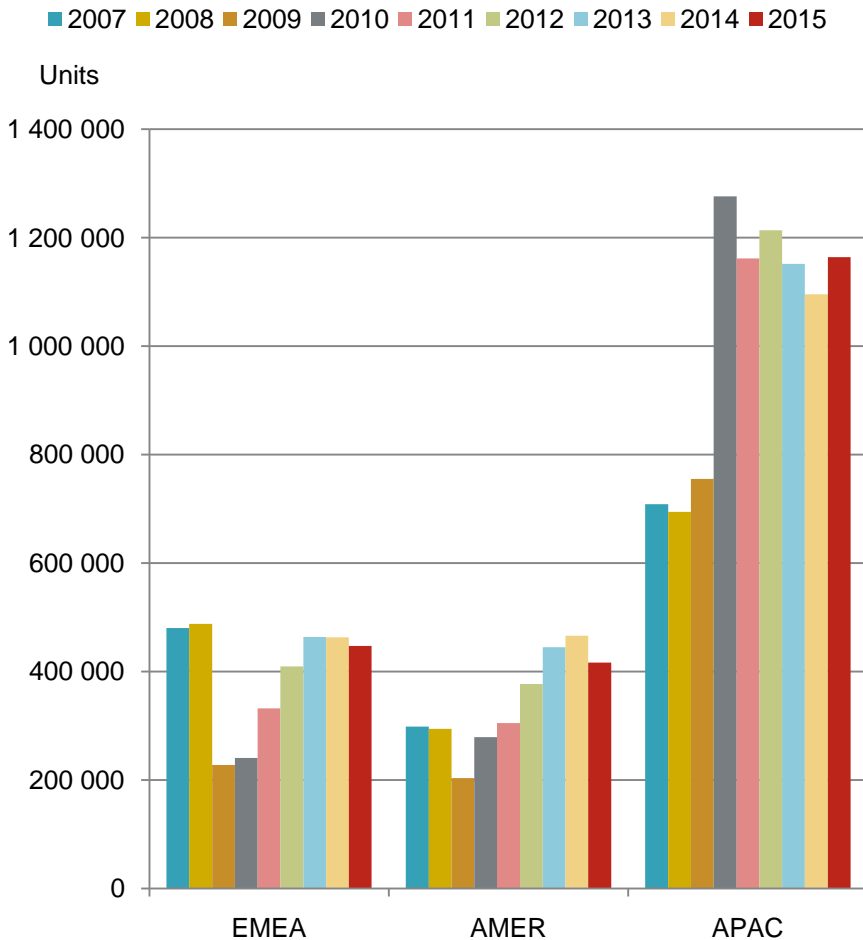
- Cargotec's 2011 sales are estimated to grow approximately 20 percent.
- Healthy first quarter order intake both in Industrial & Terminal and Marine segments together with the recovery in the market situation supports a more positive growth expectation. Sales growth and significant efficiency improvement 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



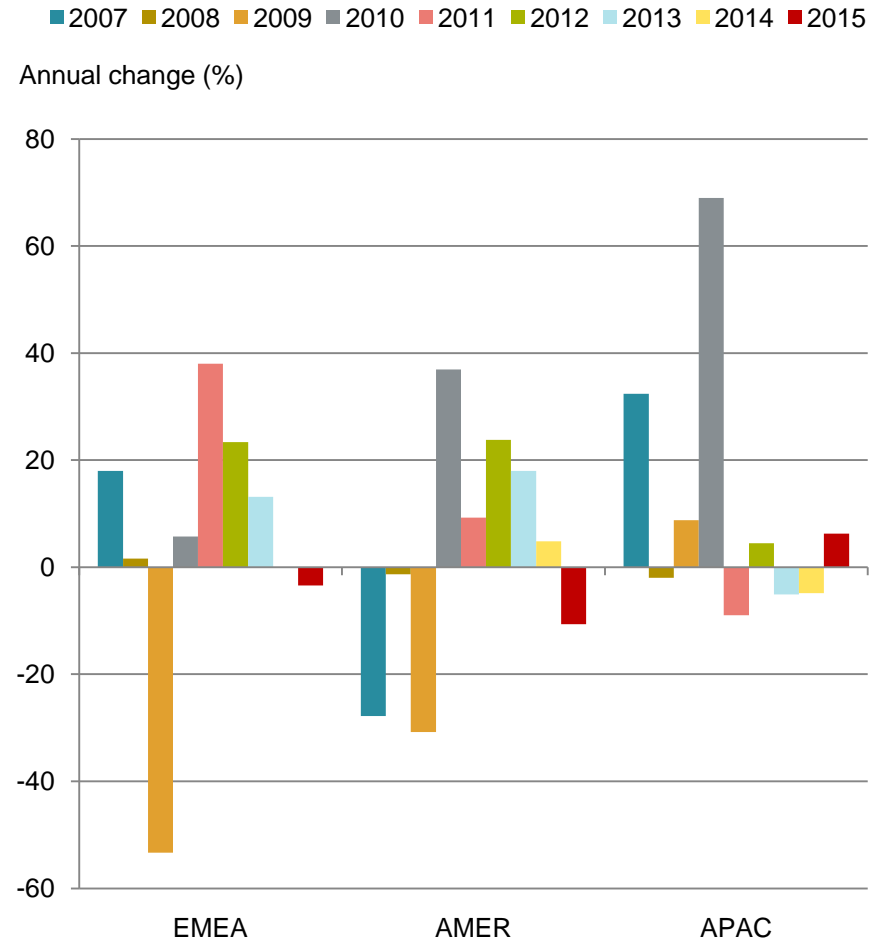
Macro indicator trends for Industrial

Heavy Truck Sales GVW over 15 ton



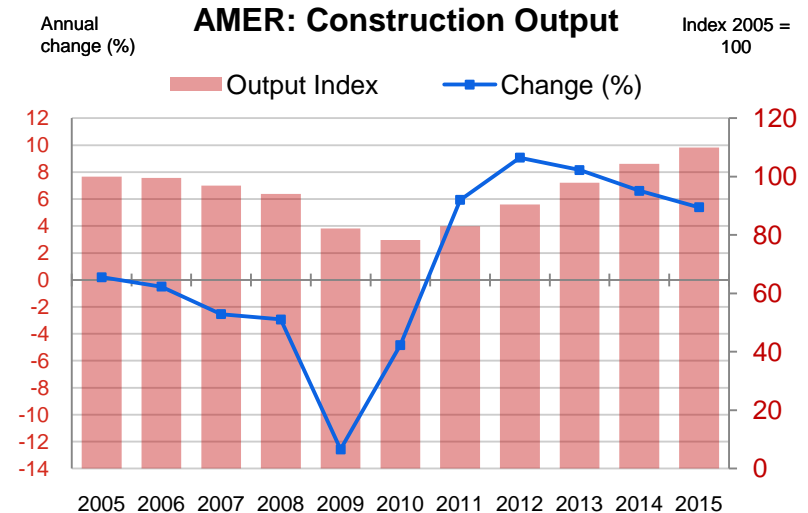
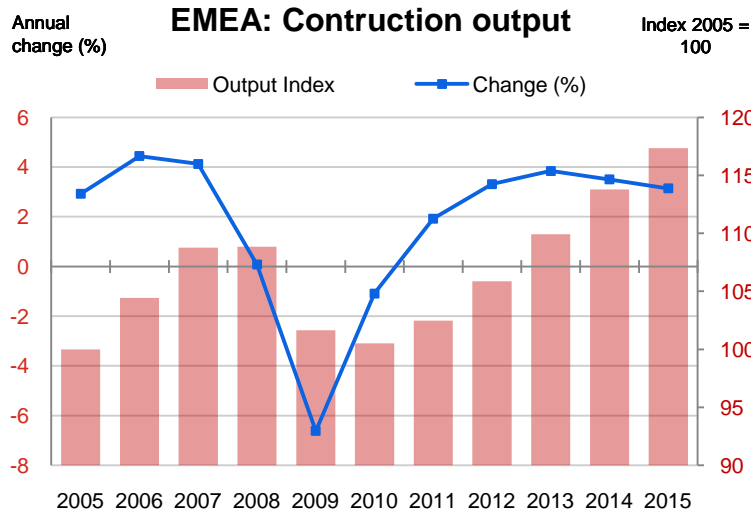
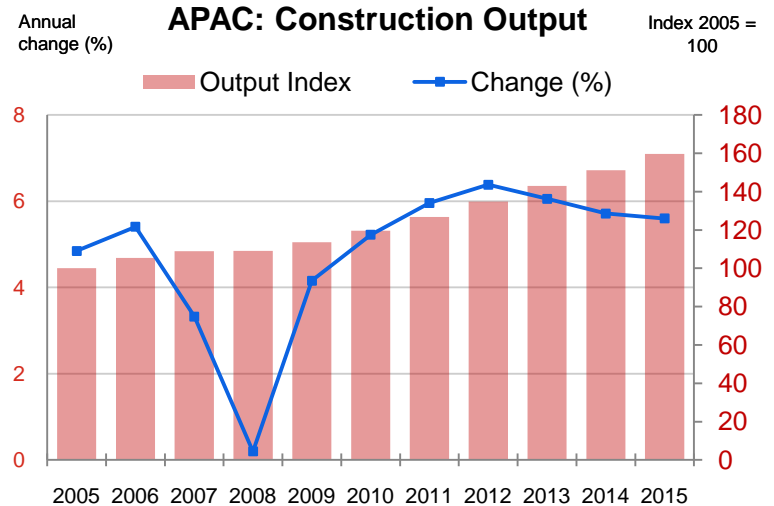
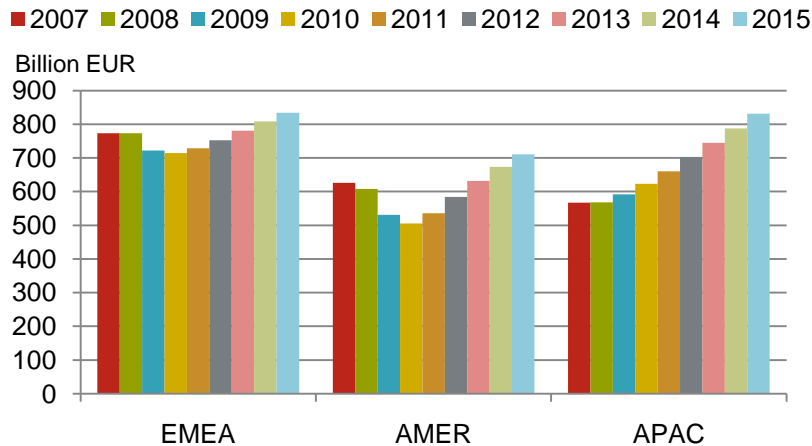
Source: Global Insight Q42010

Heavy Truck Sales growth GVW over 15t



Macro indicator trends for Industrial

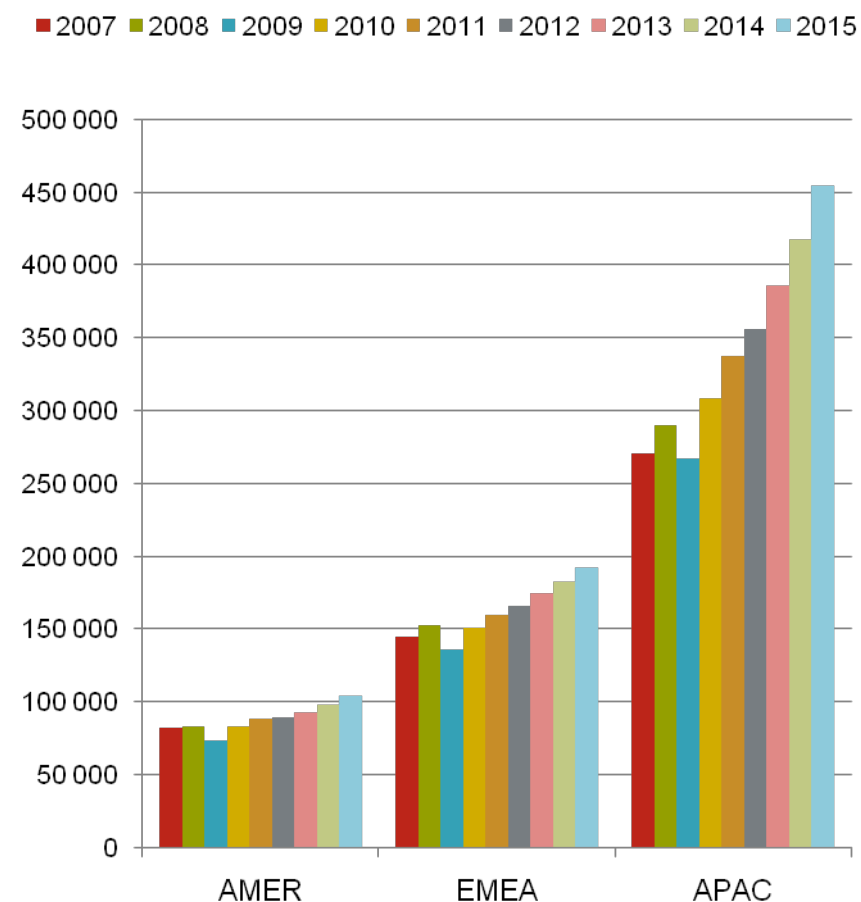
Total Construction Output



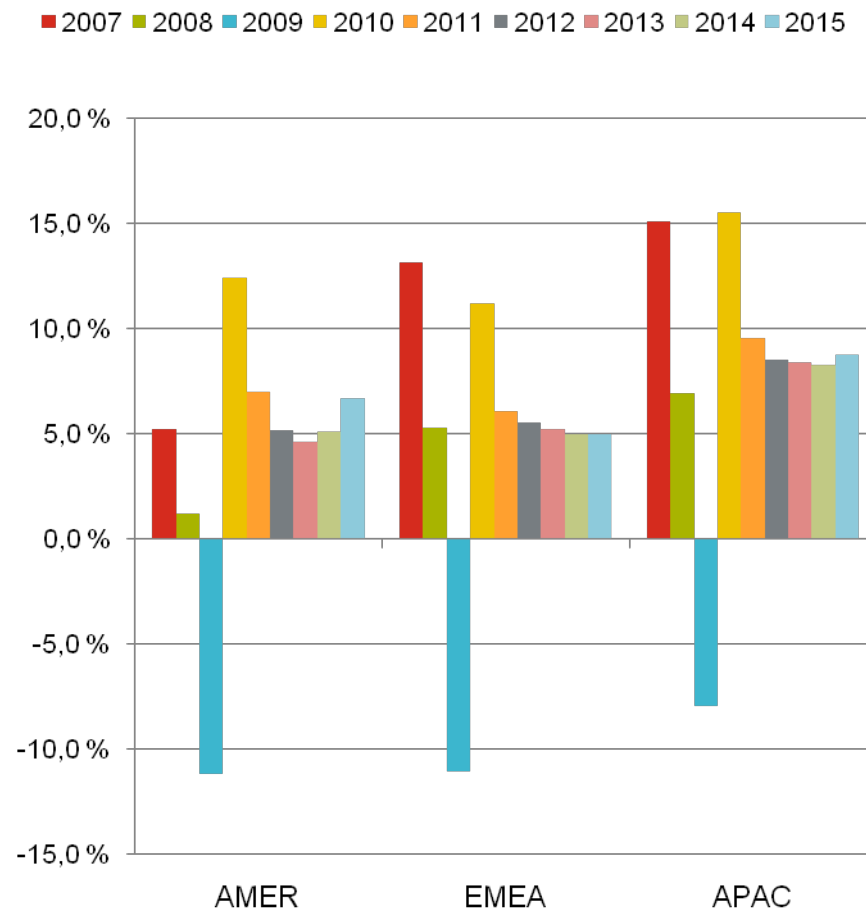
Source: Oxford Economics Q1/ 2011

Macro indicator trends for Terminal

Drewry (Throughput TEU units)



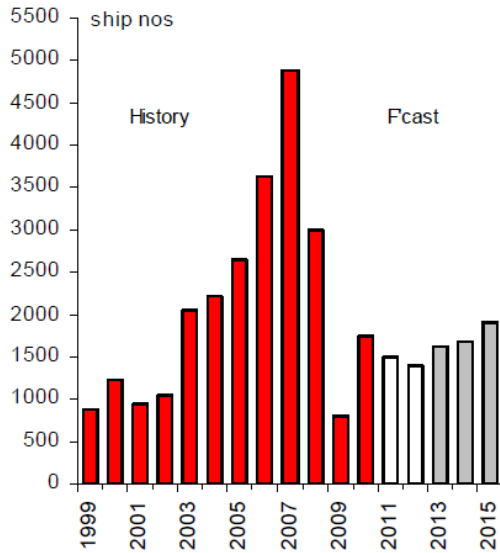
Drewry (Throughput TEU % change)



Source: Drewry Container Forecaster Q12011

Ship contracting and delivery forecast

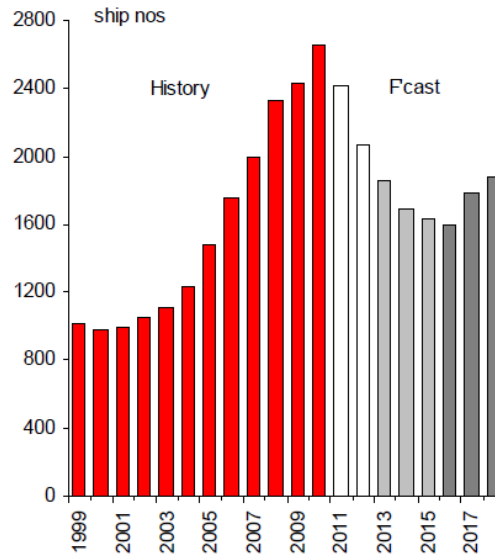
Contracting 1999-2015



Source: Clarkson Research Services

Medium-Term Contracting Forecast to 2015

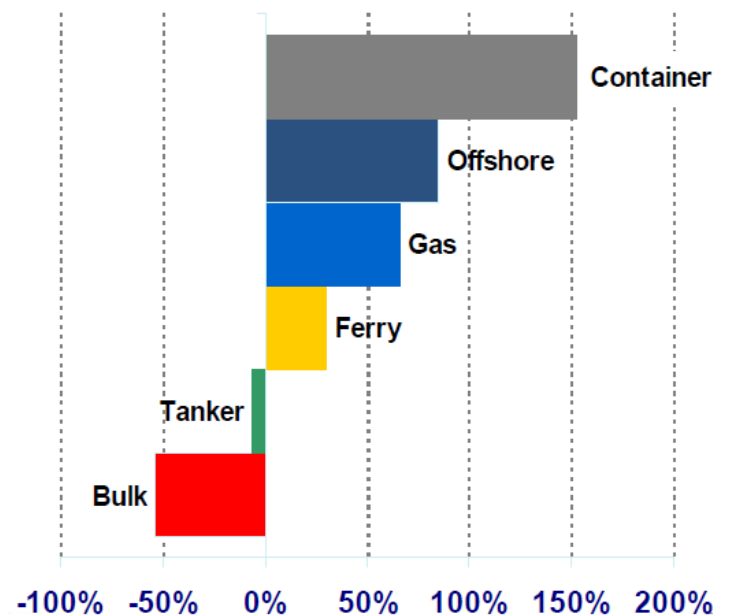
Deliveries 1999-2018



Source: Clarkson Research Services

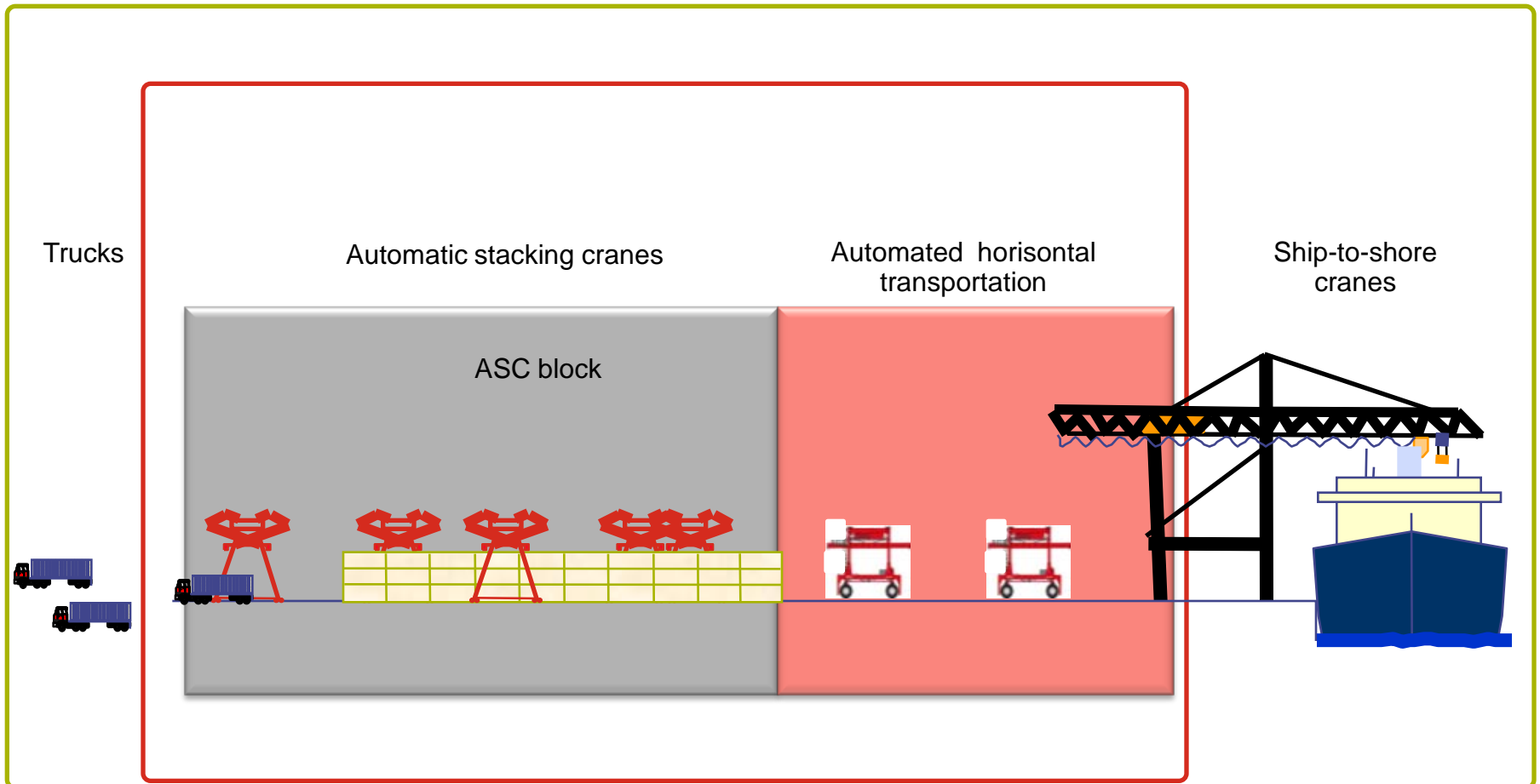
Medium-Term Deliveries to 2018

2011 versus 2010

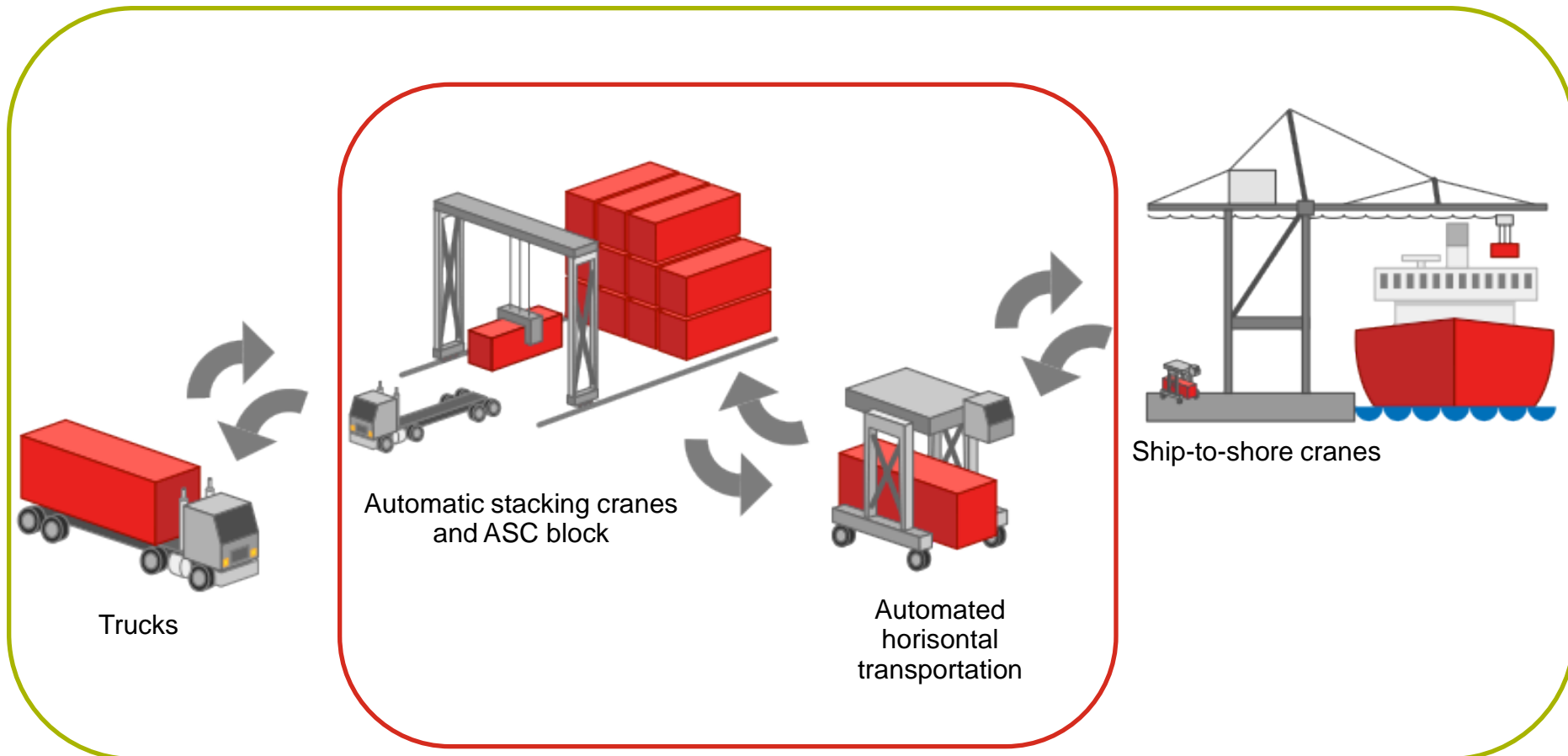


Source: Clarkson research 3/2011

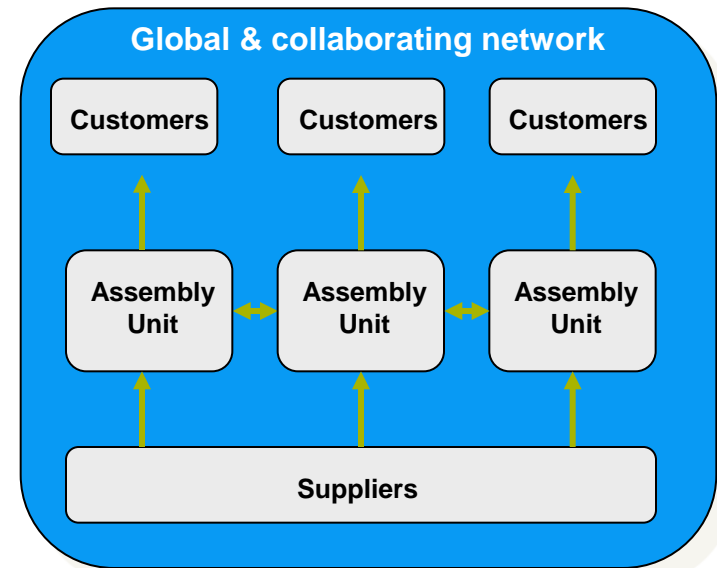
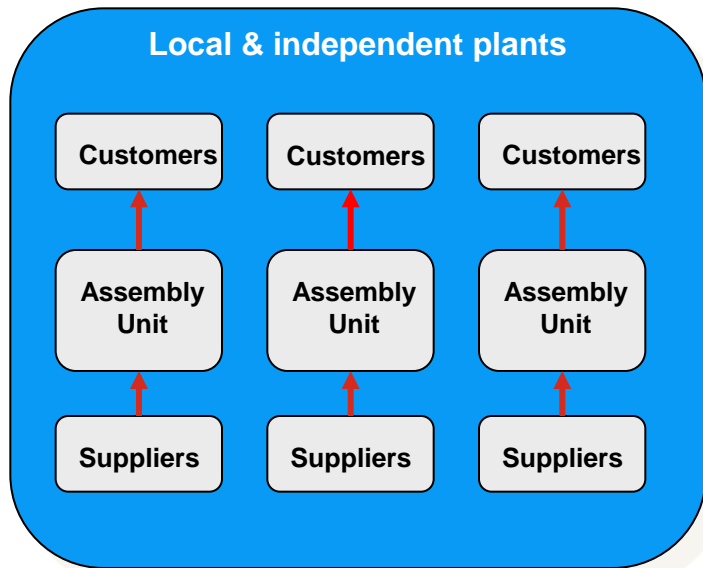
Terminal operating system



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

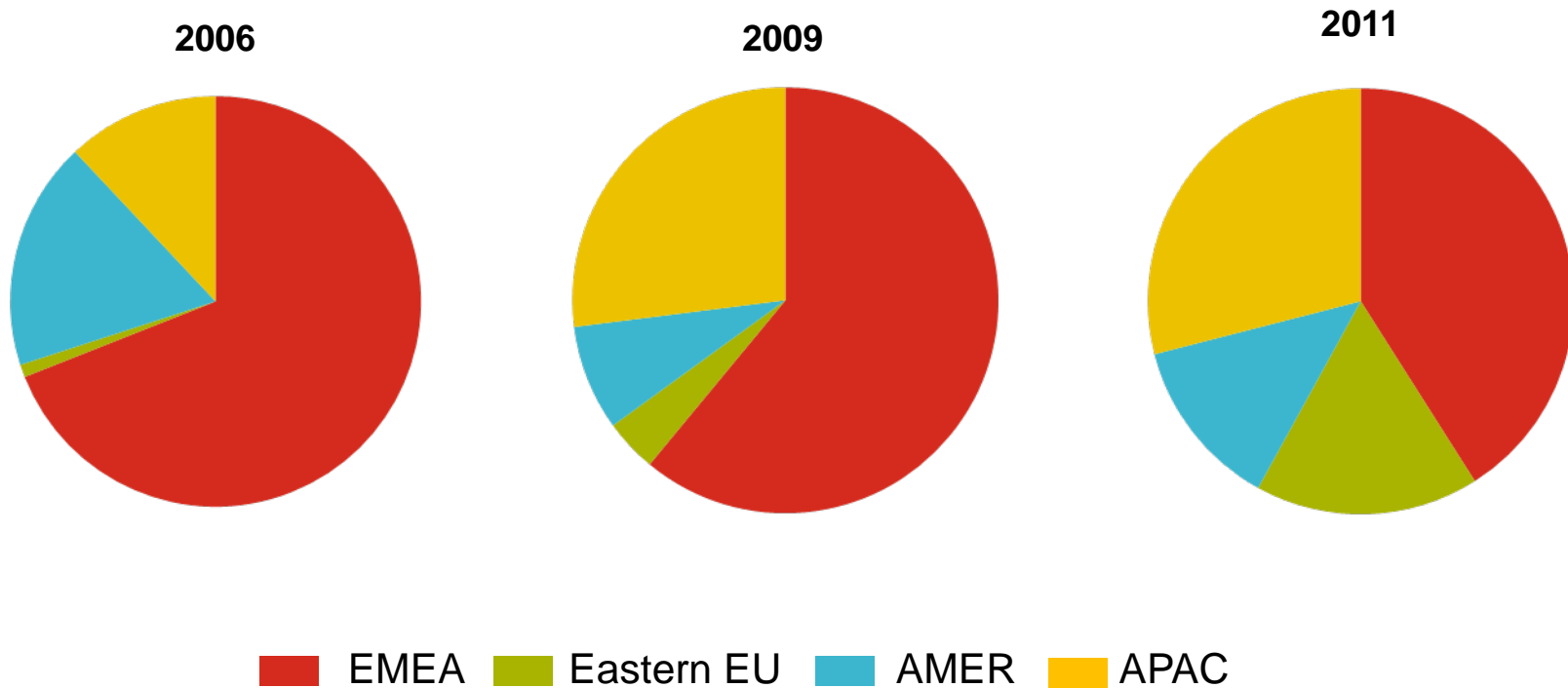
...to “Supply industrial system”

- 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

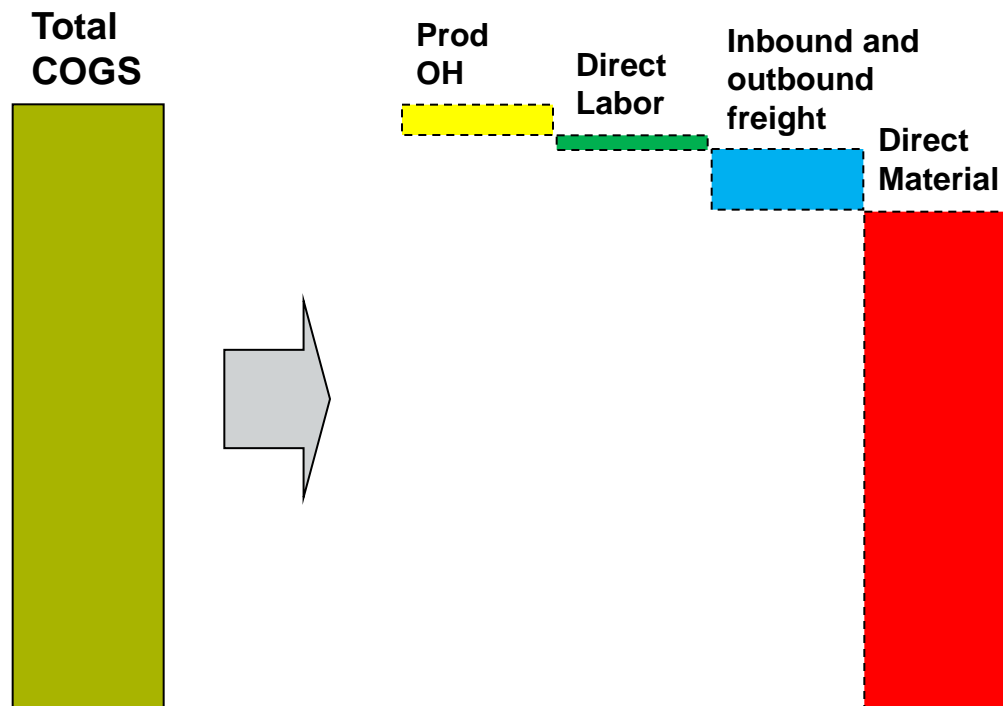


Increasing sourcing from Eastern EU and APAC

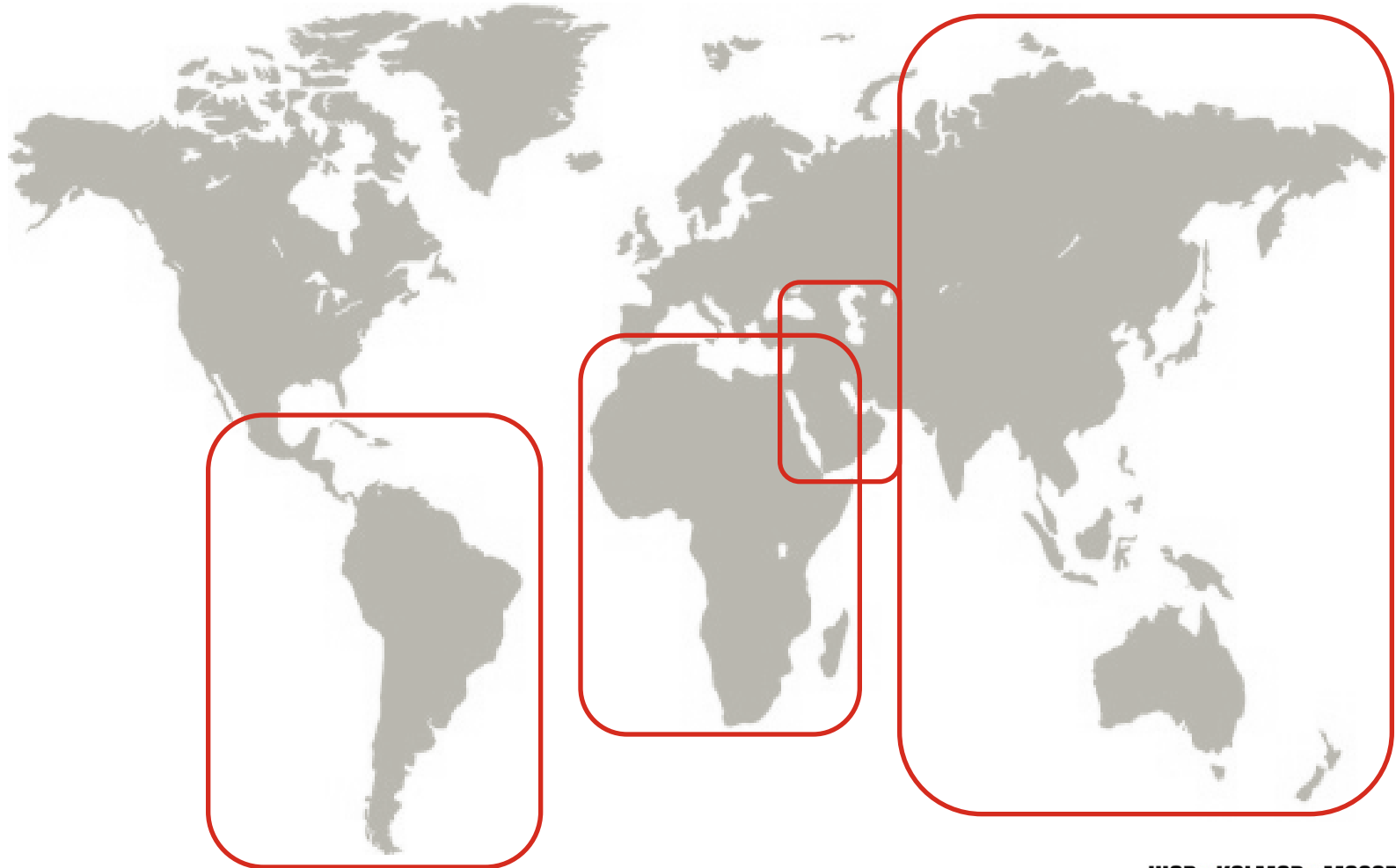


Volume in USA decreased from 2006 to 2009 mainly due to weakening market

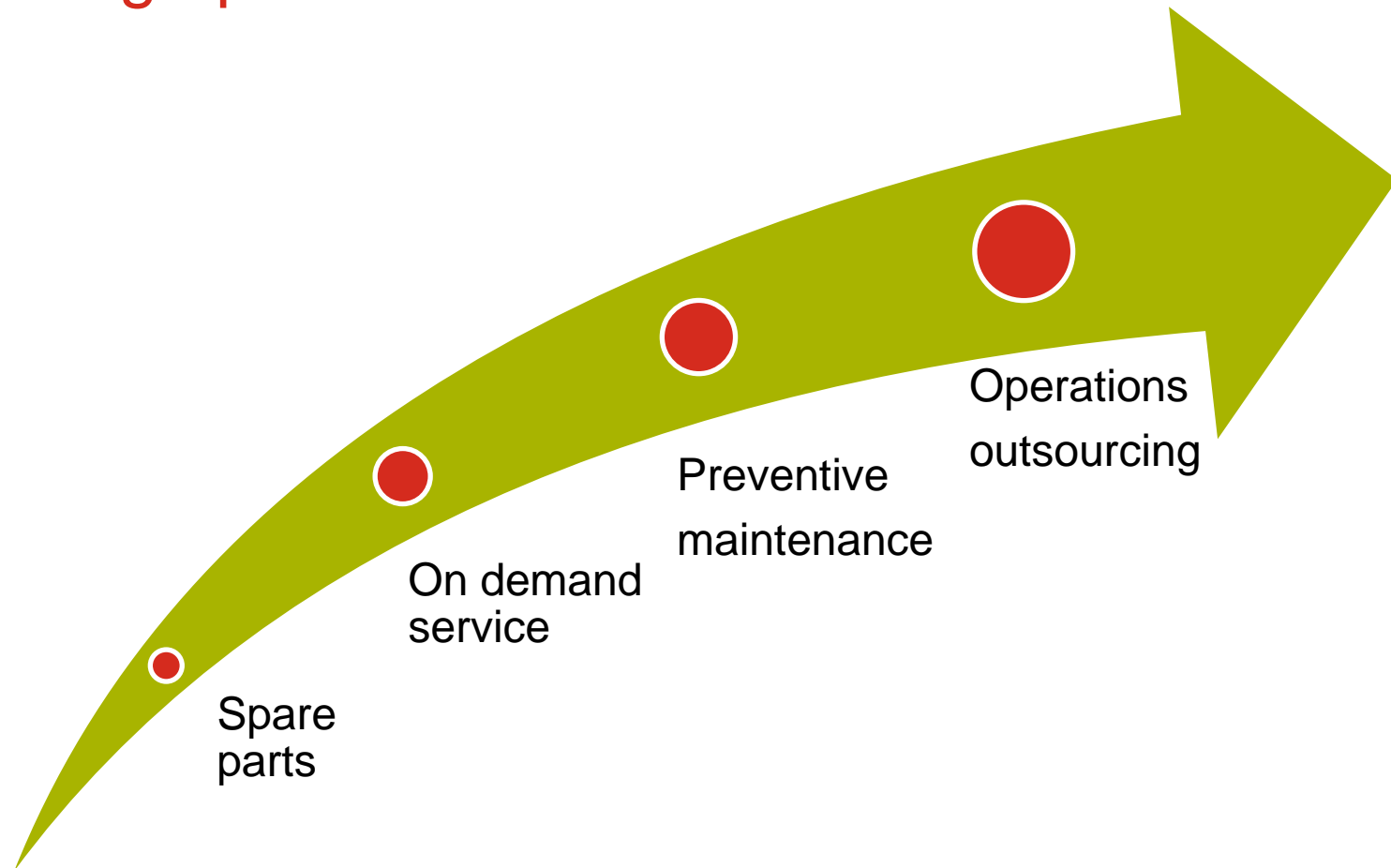
Optimising cost of Supply means optimising all parts of cost of goods sold (COGS)



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)

we keep cargo on the move™