


Cargotec


Financial Statements Review 2008

President and CEO Mikael Mäkinen

February 2, 2009

Key issues in 2008

- Year of two very distinct halves
- Healthy sales growth
- Service grew 15% to EUR 871 (757) million
- Project challenges in Kalmar
- Strong order book
- Capacity and cost restructuring measures initiated in several locations
- On the Move proceeding as planned



Key figures in 2008

	Q4 2008	Q4 2007	2008	2007	Change %
Orders received, MEUR	633	1,214	3,769	4,106	-8
Sales, MEUR	924	868	3,399	3,018	13
Operating profit excl. restructuring, MEUR	35.9	46.3	192.8	203.1*	-5
Operating margin excl. restructuring, %	3.9	5.3	5.7	6.7	
Operating profit, MEUR	16.8	46.3	173.7	203.1*	-14
Cash flow from operations, MEUR			133.8	235.1	
Interest-bearing net debt, MEUR			477.8	325.5	
Earnings per share, EUR			1.91	2.17	
Dividend, B-share, EUR			0.60**	1.05	

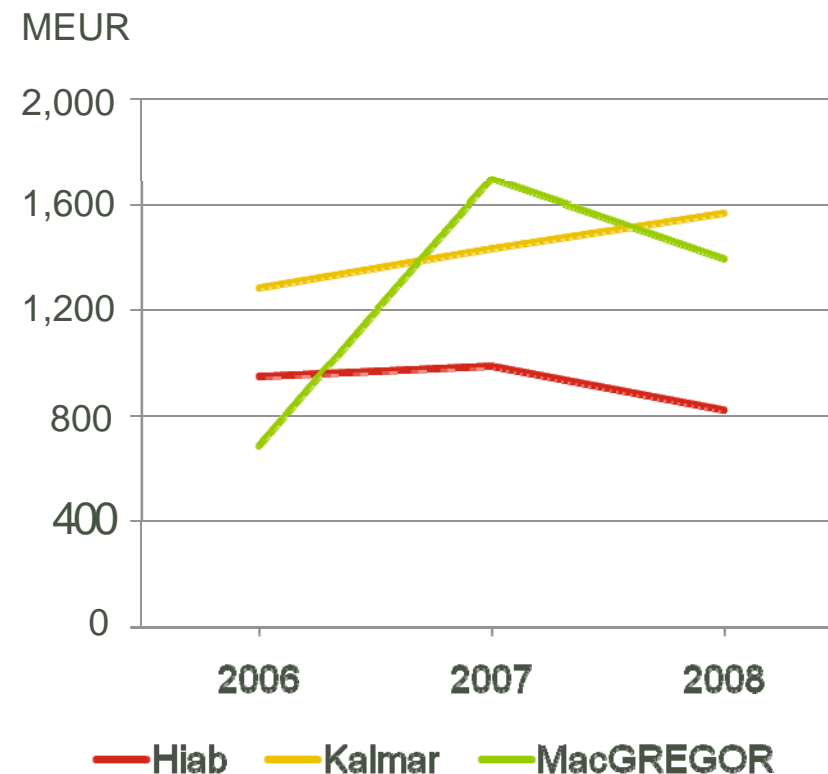
* including a one-off cost of EUR 18 million in Kalmar business area related to a container spreader inspection and repair programme

** Board of Director's proposal for the AGM on March 5, 2009



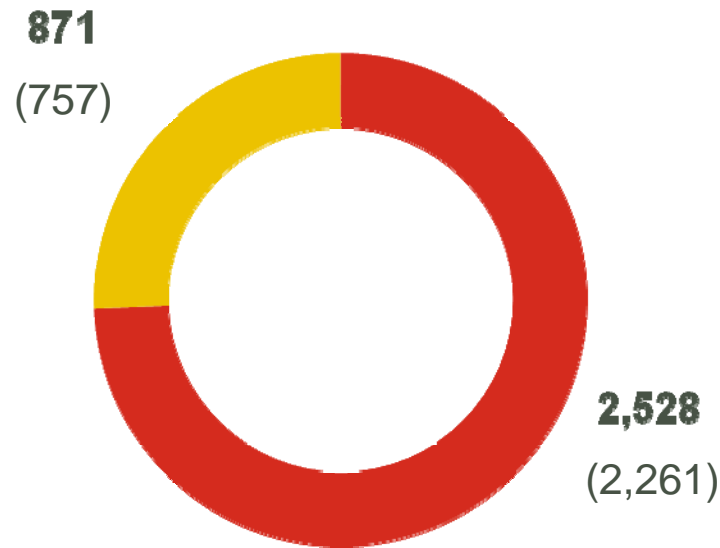
Order intake slowed down in the fourth quarter

- Construction downturn in Europe in H2 dropped Hiab's order intake
- Order intake in Kalmar and MacGREGOR very good until Q4 2008
- Sharp drop in new ship orders affected MacGREGOR's order intake in Q4
- Cancellations of EUR 119 million booked in MacGREGOR in Q4



Good growth in service and Asia Pacific in 2008

Growth in service 15%



■ New equipment ■ Service

Sales, MEUR
2007 figures in brackets

Growth in APAC 36%



■ EMEA ■ Americas ■ Asia Pacific

Share of total sales

Cash flow in focus

- Increase in orders received reflected in amount of advances received
- Strong order book at year-end increased the amount of work in progress included in inventories
- Increase in inventories relates also to earlier challenges in availability of components
- Due to weakened market situation more focus on collection of receivables

MEUR	1-12/2008	1-12/2007
Cash flow from operations		
Operating profit	173.7	203.1
Depreciation	60.1	59.8
Change in receivables	-171.2	-118.4
Change in payables	132.7	102.1
Change in advances received	176.6	96.4
Change in inventories	-237.5	-107.6
Cash flow from operations	133.8	235.1
Net financial items	-9.4	-18.9
Income taxes paid	-30.7	-43.6
Net cash from operating activities	93.7	172.6
Net capital expenditure	-98.2	-78.3
Net cash used in other investing activities	-57.0	-186.0
Net cash from investing activities	-155.1	-264.3
Acquisition of treasury shares	-23.6	-46.1
Dividends paid	-66.6	-63.8
Change in borrowings	27.6	254.3
Net cash used in other financing activities	0.7	1.5
Net cash from financing activities	-61.9	145.9
Change in cash	-123.3	54.2
Cash at the end of period	79.2	179.0

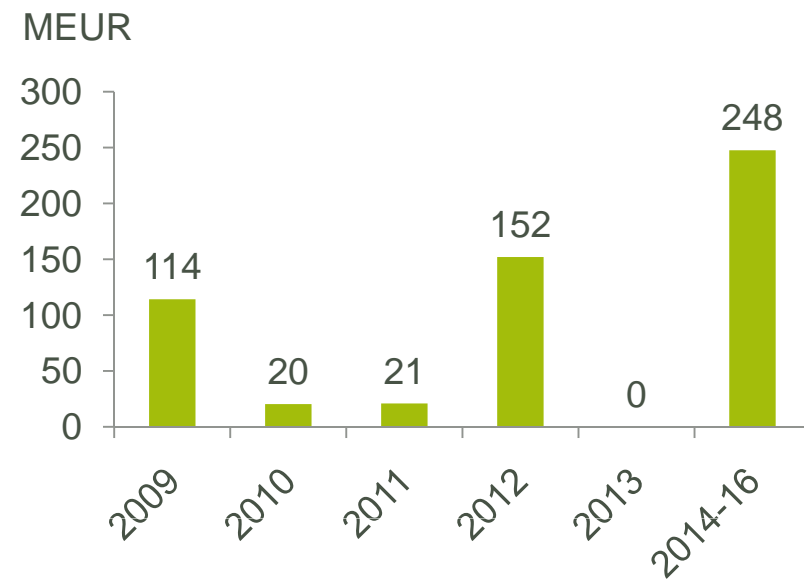
Note: This is not a complete cash flow statement



Healthy financing structure

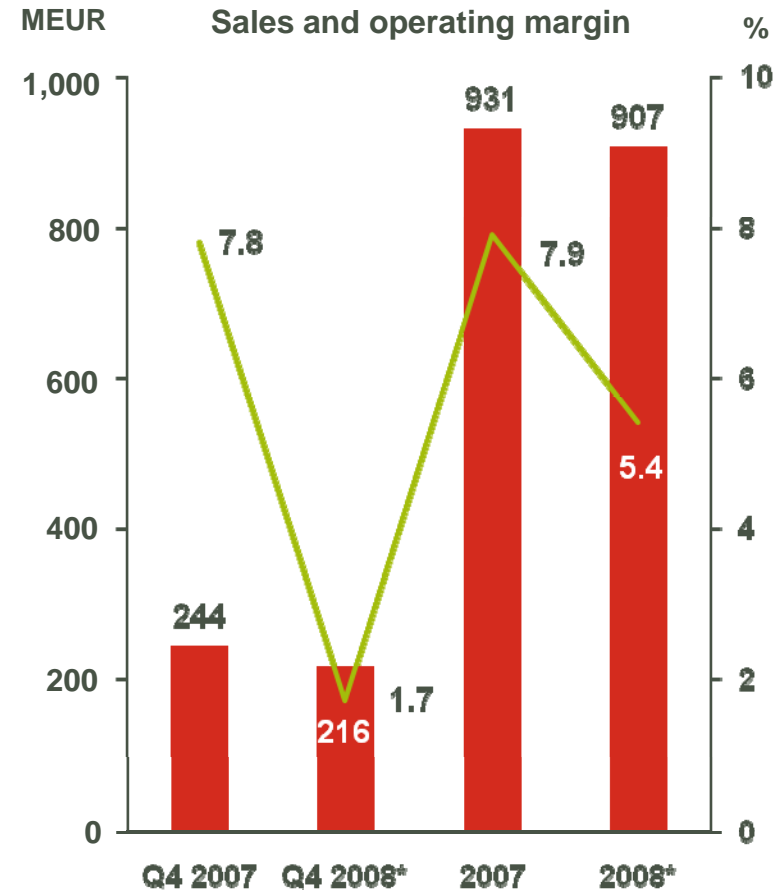
- Liquidity of MEUR ~700
 - Cash and cash equivalents
MEUR 79
 - Long-term unused Revolving
Credit Facilities MEUR 635
 - MEUR 50 maturing in 2010
 - MEUR 535 maturing in 2012
 - MEUR 50 maturing in 2013

Repayment schedule of interest-bearing liabilities



Hiab – markets weakened further

- Markets for load handling equipment weakened in Europe during H2
- Raw materials and components bought with high price a challenge at year-end following weakened market
- Production capacity adjusted by closure of one crane factory in Europe
- Short lead time, drivers relate to construction and general GDP

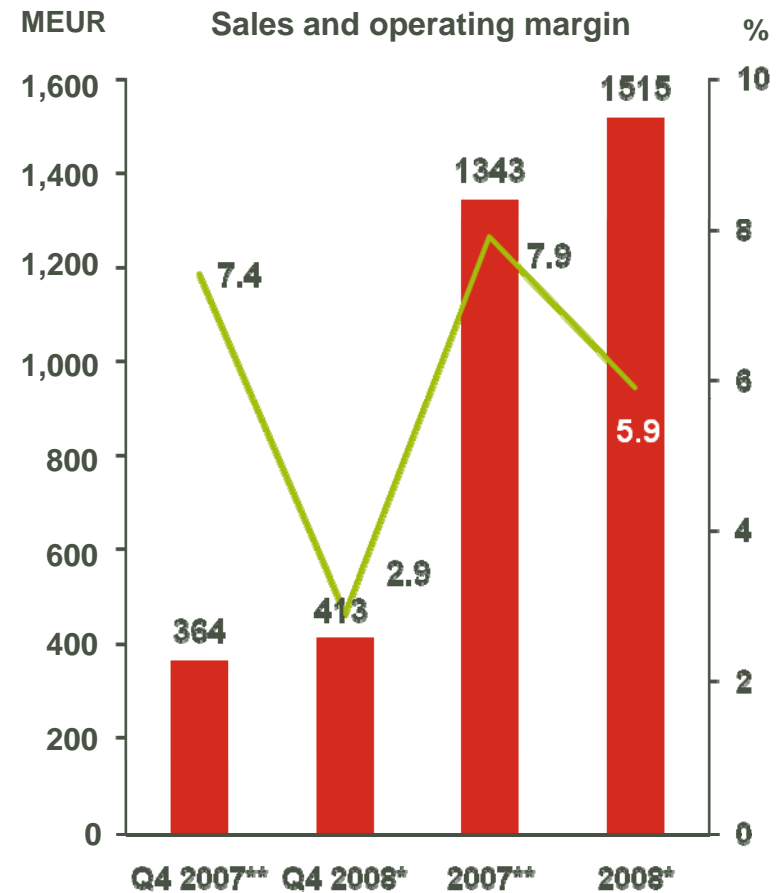


* Excluding restructuring costs

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Kalmar – challenges in project management

- Markets for container handling equipment remained healthy until Q4
- Economic uncertainty visible in postponements of investment decisions
- Operating profit burdened by EUR 16 million project overruns in 2008 (EUR 4 million in Q1 + EUR 5 million in Q3 + EUR 7 million in Q4)
- Year-end deliveries at high level
- Lead time 6–9 months, driver container volumes handled

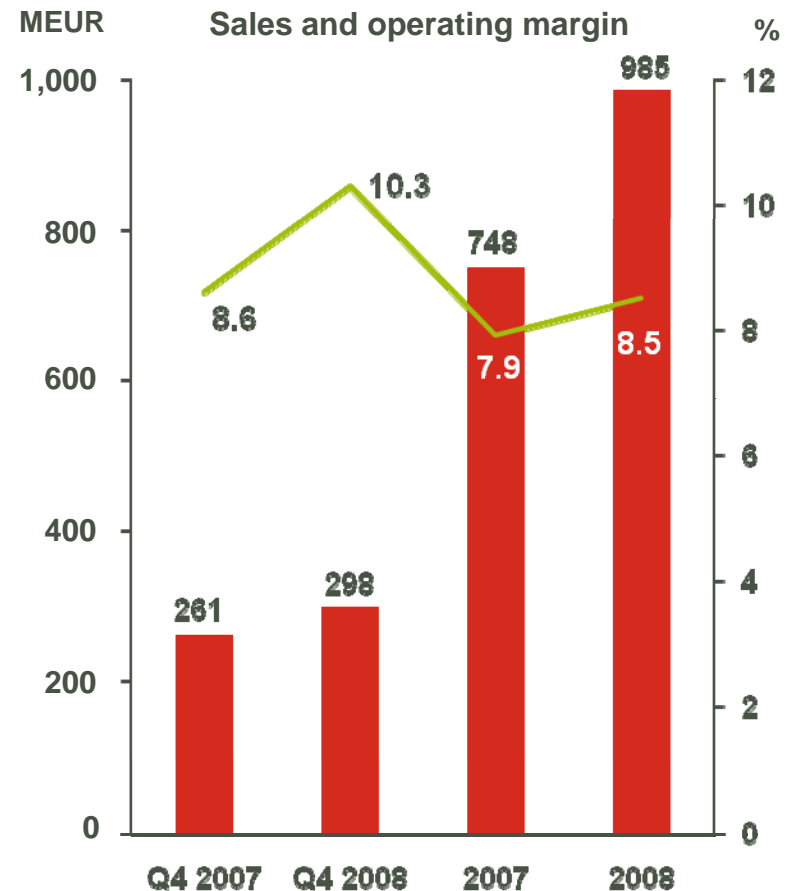


* Excluding restructuring costs
 ** Excluding a one-off cost of EUR 18 million related to a container spreader inspection program



MacGREGOR – profitability at record level

- Two years of strong growth in orders and sales
- Q4 margin at record level
- Markets for marine cargo systems and offshore solutions were lively until Q4
- Sharp drop in demand for new ships due to financial crisis
- Cancellations of orders in Q4 totalled EUR 119 million
- Lead time 1–2 years, drivers ship building and deep sea drilling activity



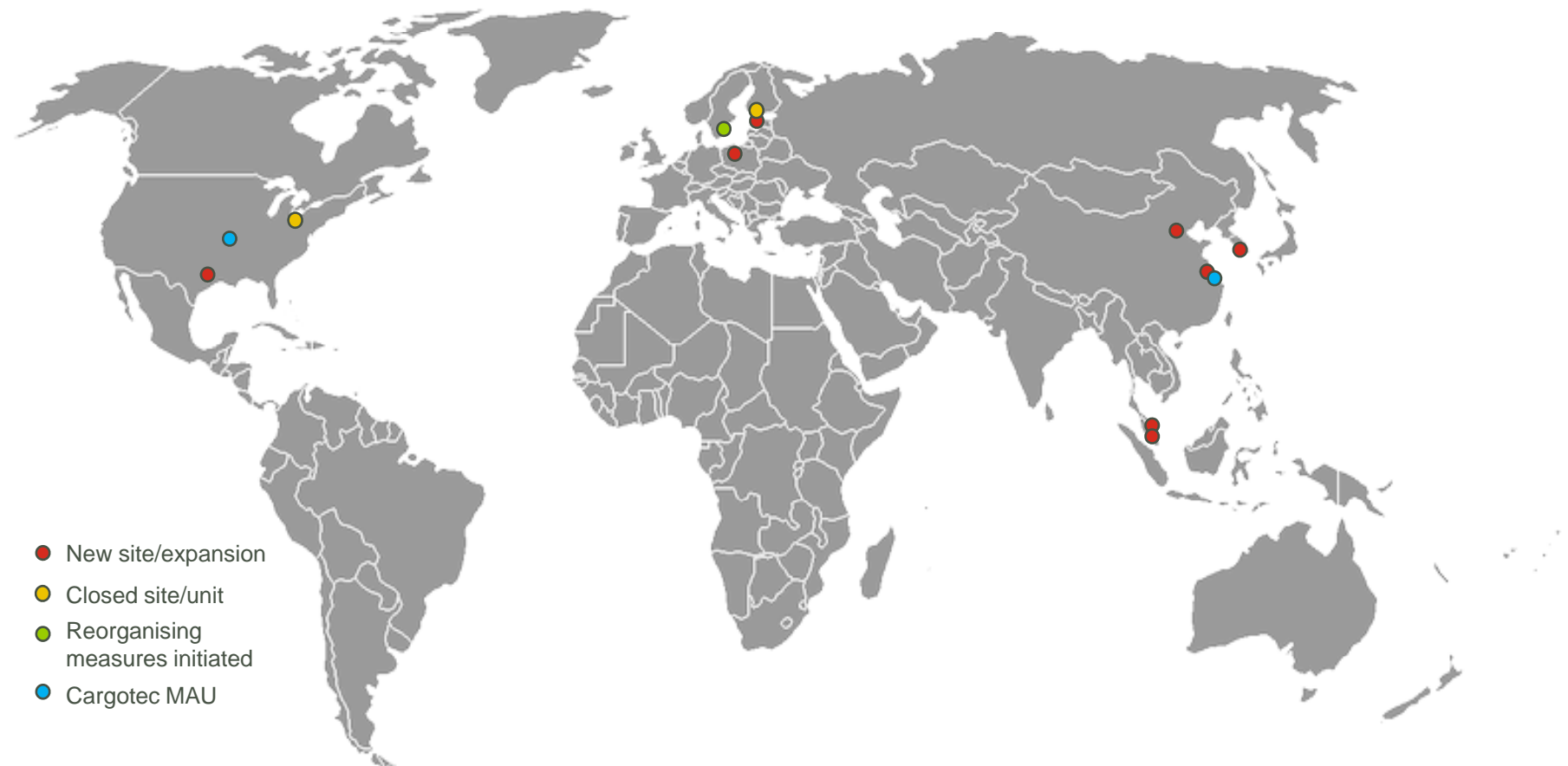
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Services – close to MEUR 900 annual sales

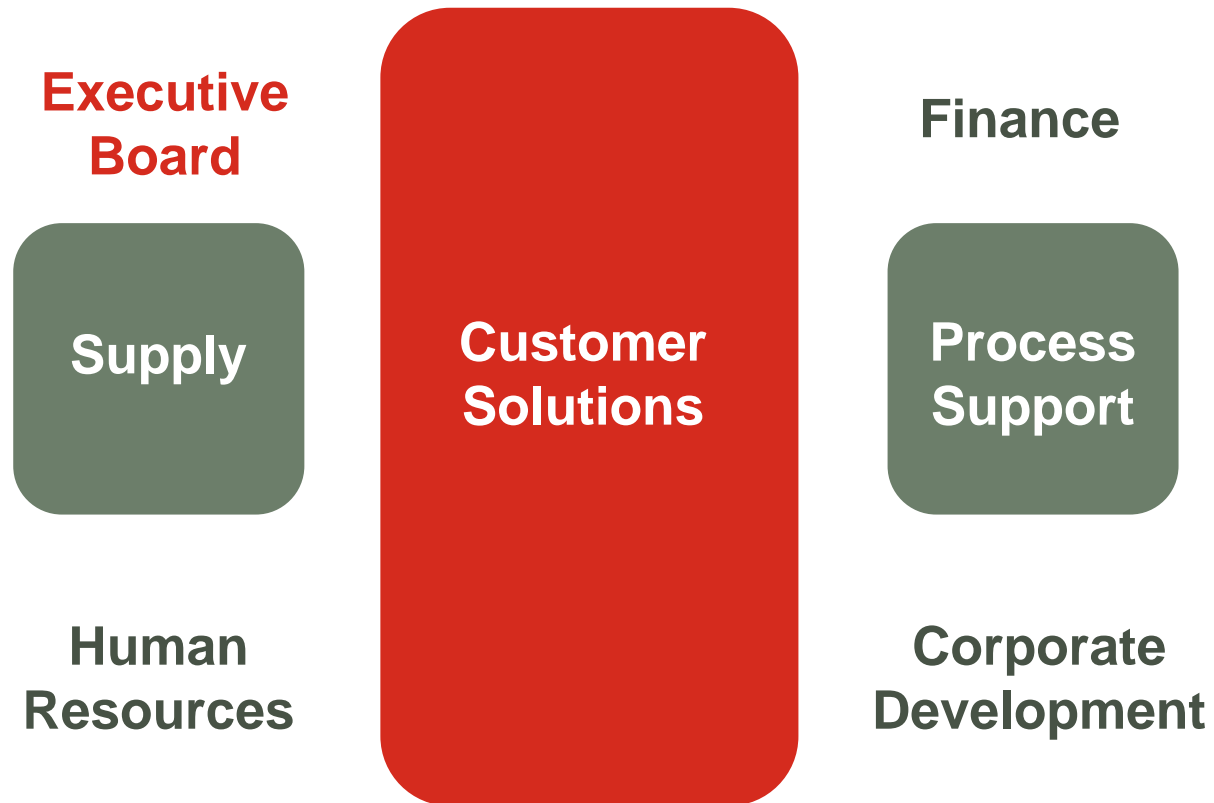
- Growth in service 15% in 2008
- Demand for services healthy in Europe, economic uncertainty affected demand in the US
- Customers interested in increasing their operational flexibility
- Services sales represented 26% of total sales



Globalisation of supply



Cargotec's new Governance Model



Opportunities and priorities in 2009

- Rapid implementation of capacity and cost structure cuts
- New business segments
- R&D: energy and environmental efficiency, safety and security
- Further growth in service
- Government support to construction
- Risk management
- On the Move



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Outlook

- In the current uncertain economic situation it is difficult to estimate the demand for Cargotec's products. This is further complicated by possible order cancellations and delays. The preconditions for sales growth exist in services and MacGREGOR. Sales of Hiab and Kalmar are expected to decline from 2008.
- Significant restructuring measures costing EUR 35 million were decided on during 2008 to create a new supply platform and improve profitability in Cargotec. Focus is on the rapid implementation of these measures. Approximately EUR 16 million of these costs remain for 2009.

Questions & Answers

