

CARGOTEC

Olli Isotalo, Executive Vice President, Marine

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5th Annual Crane & Marine Seminar, Helsinki



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



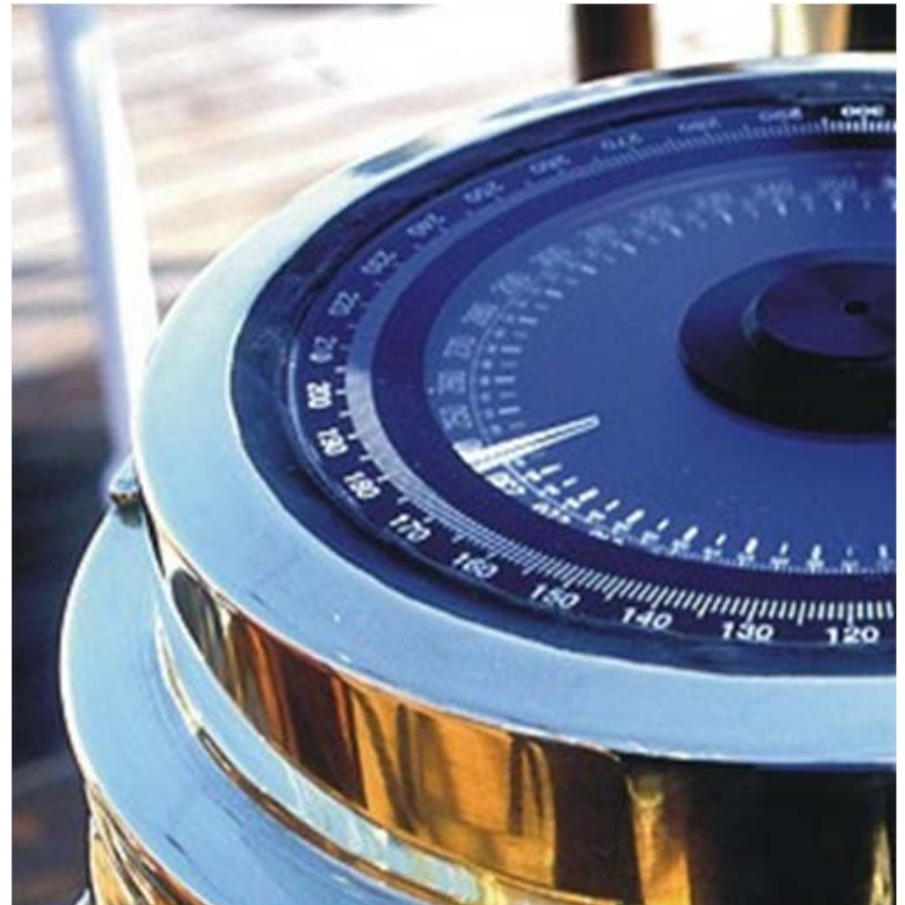
Solutions for marine cargo handling and offshore load handling

Strategy

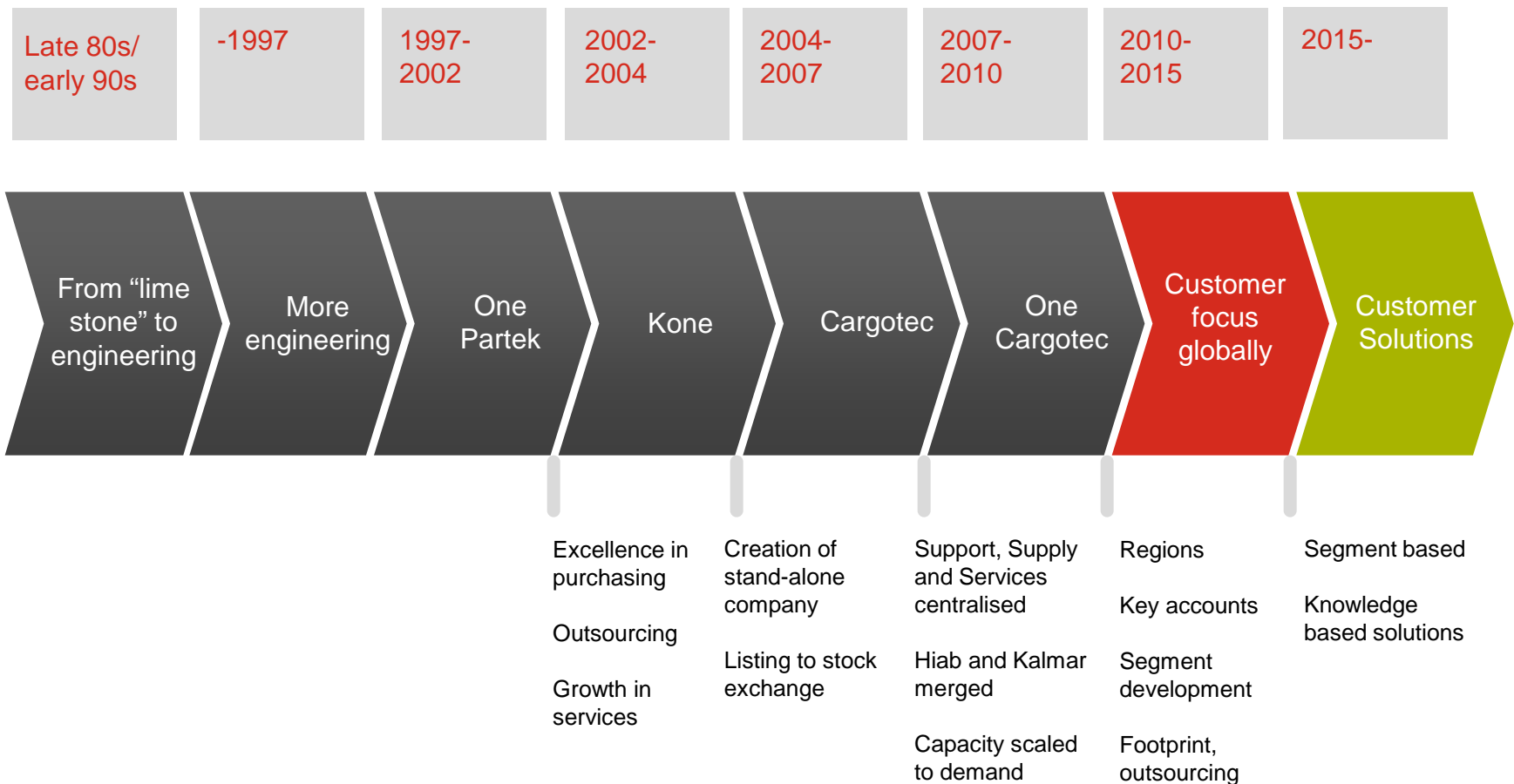


Cargotec's key priorities in 2010

- Preparing for growth strategy
- Focused research & development
- Service concept development
- Ensuring accomplishment of efficiency targets



Next corporate theme



Strategic focus areas 2011–2015

Customers and customer segments

- Improve knowledge of customer needs
- Invest in attractive segments
- Decide which segments to keep and which to divest

Service

- 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

Case: Subsea operations

Marine Deck crane



Active compensated crane system



Moon-pool ROV LARS



A-Frame ROV LARS



Service



Over-side load-handling systems



Mooring winch system



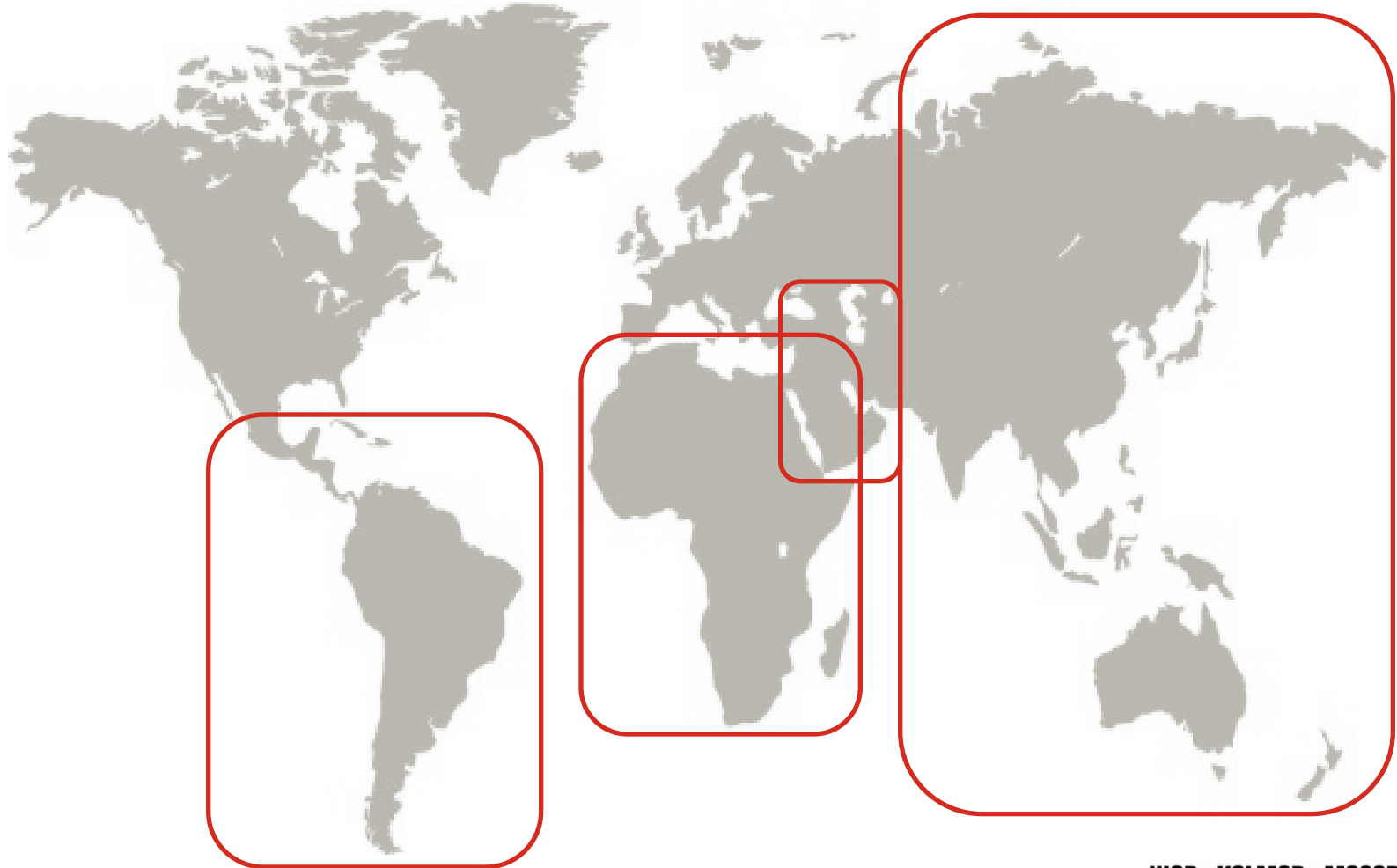
Davit systems



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

Services geographical growth opportunities



Global factory set-up today



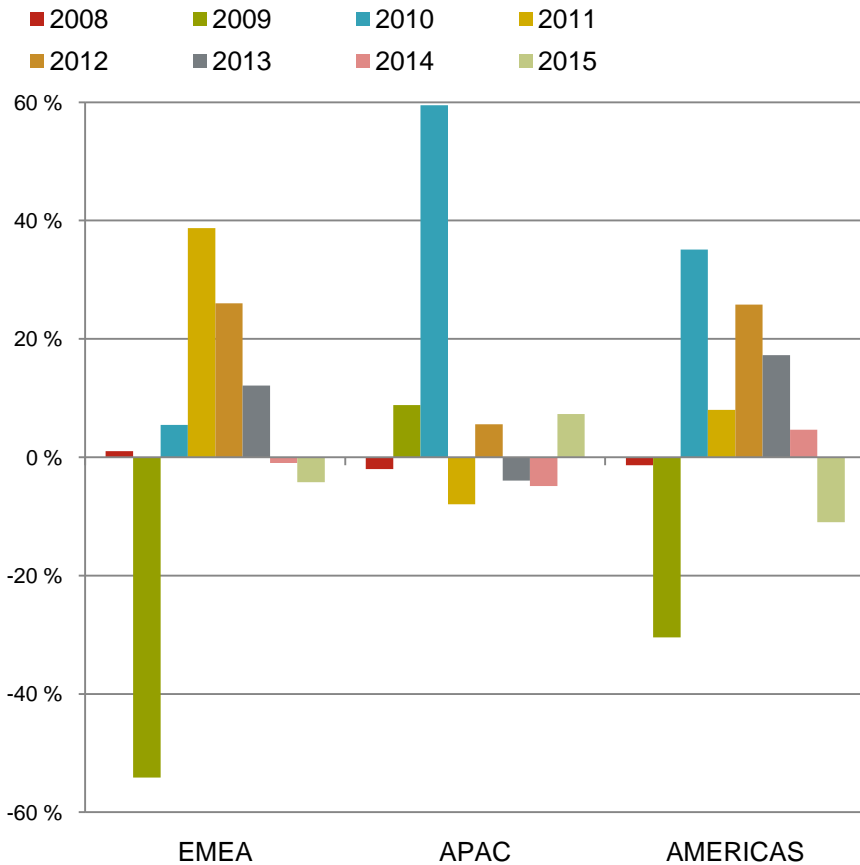
Market and financial outlook



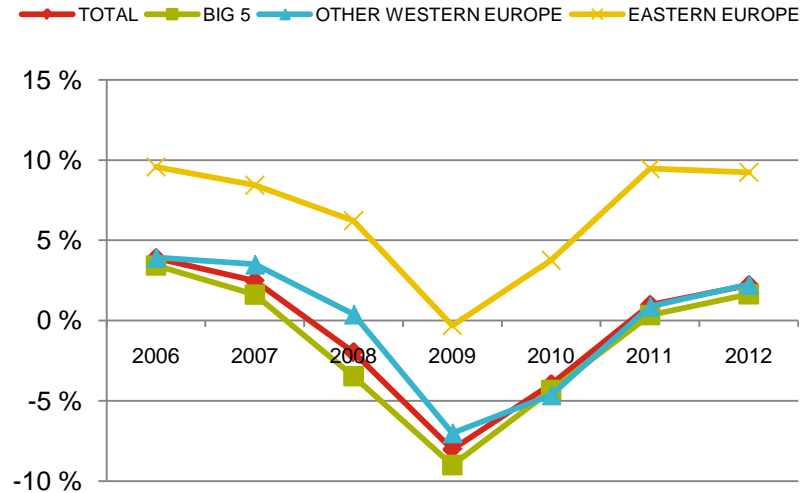
Macro indicator trends for Industrial

Heavy Truck Registrations

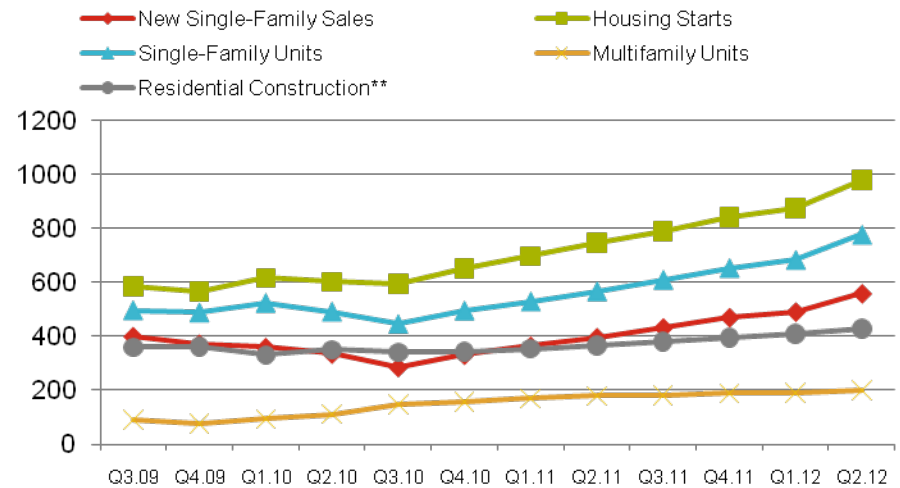
Sales growth GVW over 15 ton - Regions



Euroconstruct: Construction output



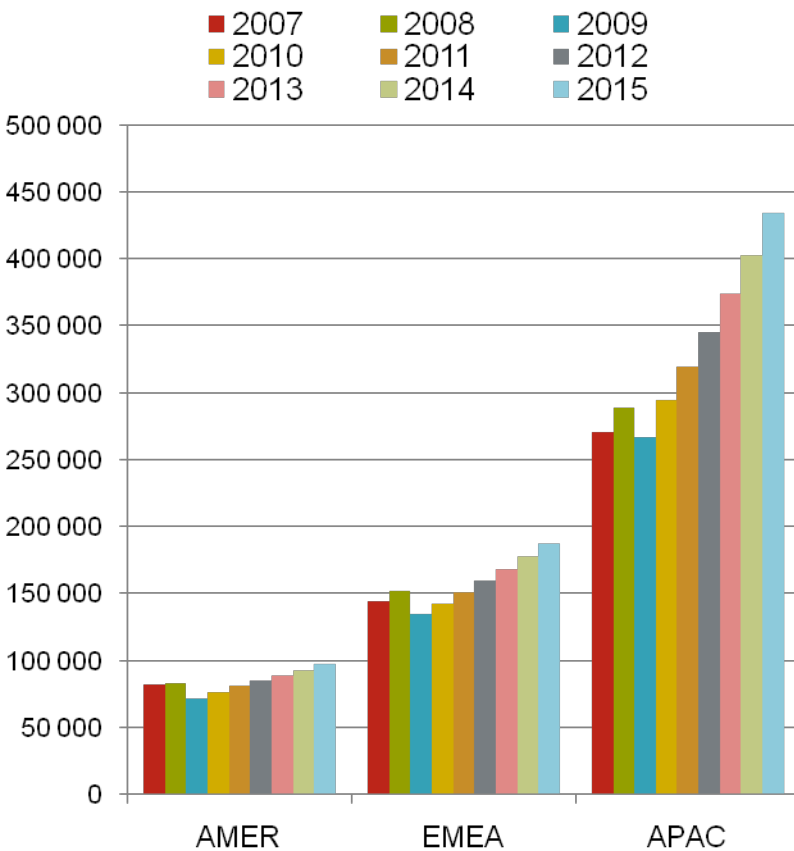
Realtor: US Housing indicators 2009-2012 (Thousands)



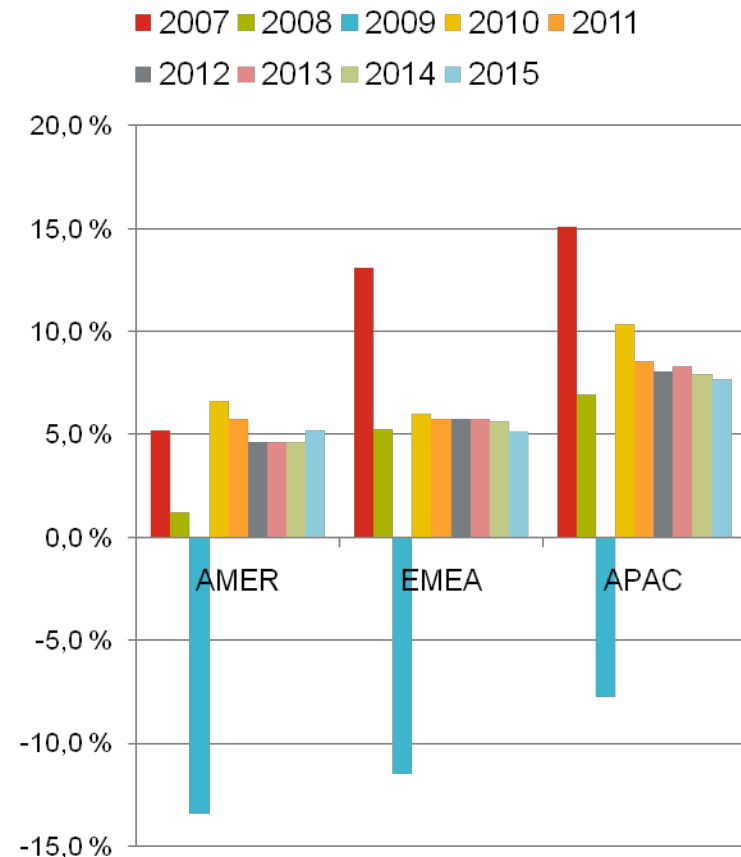
Source: Global Insight Q32010, Euroconstruct Country Report June 2010, Realtor October 2010

Macro indicator trends for Terminal

Drewry (Throughput TEU units)



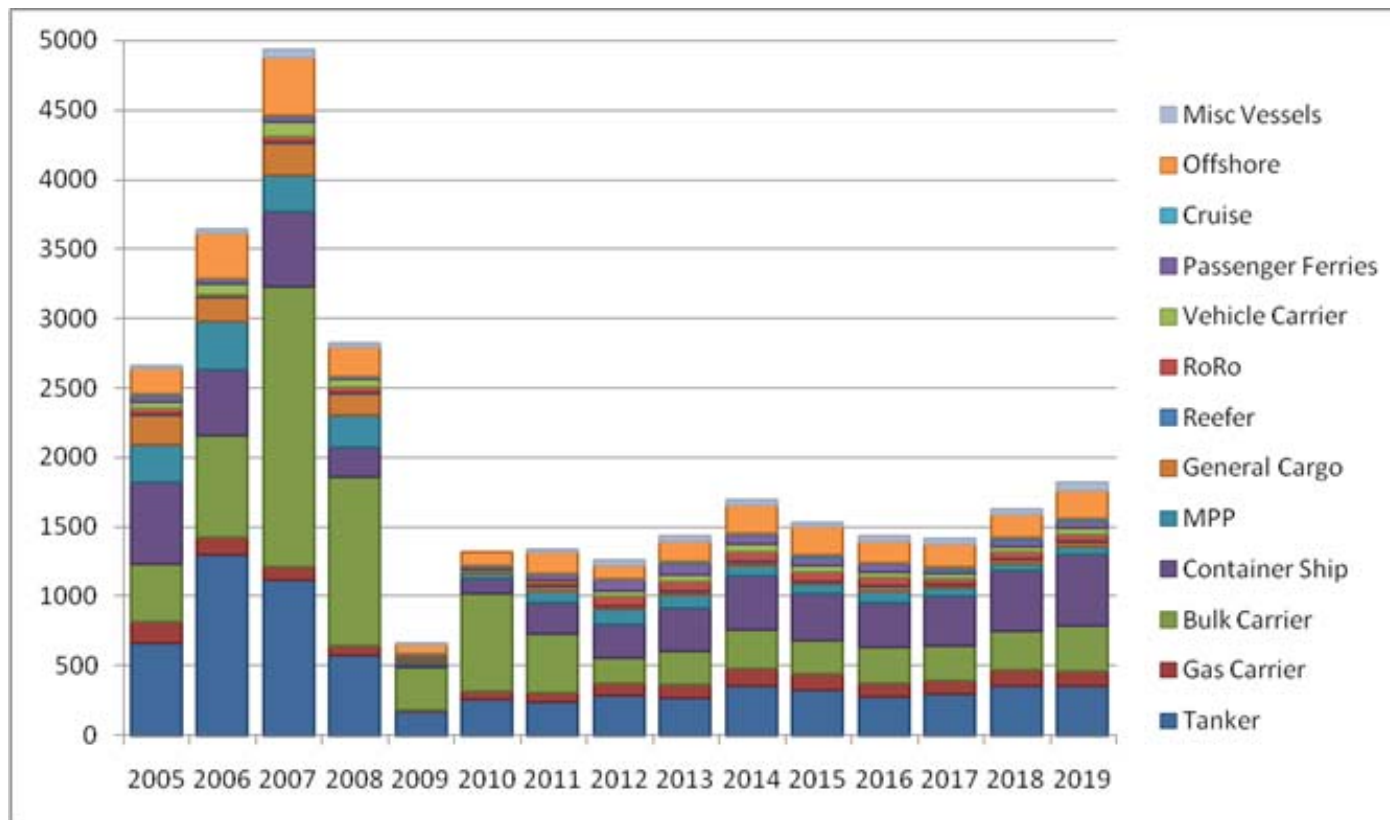
Drewry (Throughput TEU % change)



Source: Drewry Global Container Terminal Operators 2010 - Annual Review and Forecast August 2010

Ship contracting forecast

No. of ships, >2000gt



Source: Clarkson Research, Sep 2010

Outlook

- Cargotec continues to estimate 2010 sales to be on 2009 level for both Industrial & Terminal and Marine segments.
- Operating profit for 2010 is expected to be in the range of EUR 120–130 million including one-time restructuring costs.
- The recovery in the market environment and the resulting growth in order volumes support growth in Industrial. The sales of Terminal are expected to fall short of 2009 levels due to the slower recovery of these markets, as second half orders will not have an effect on full-year sales due to delivery times.
- Based on the healthy nine-month development, strong order book and new orders received still to be delivered during 2010, sales in Marine will reach year 2009 level.

January–September 2010 financials



Highlights of January–September 2010 report

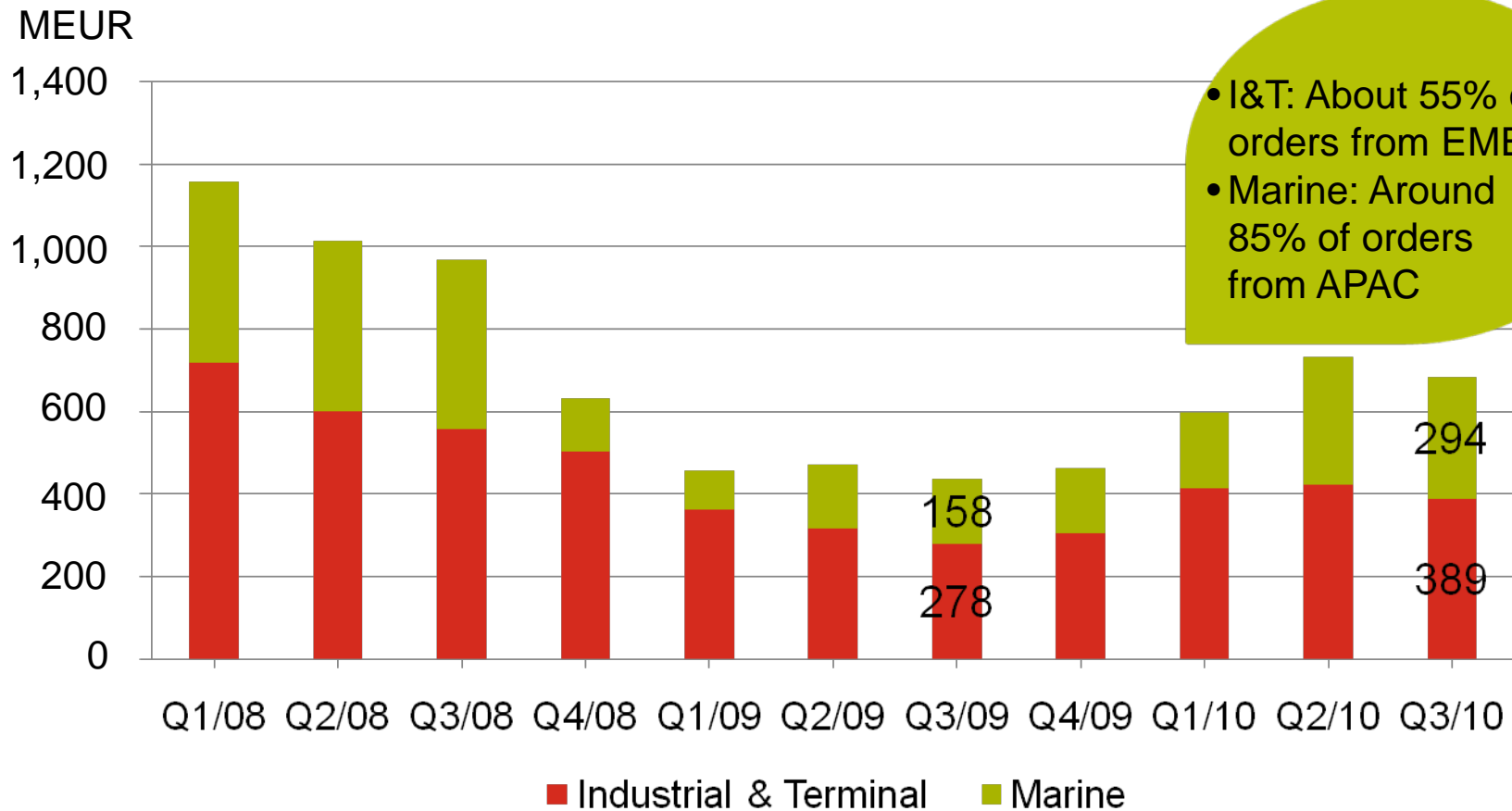
- Market recovery continued in all segments
- Q3 order intake 56% up y-o-y
- Q3 sales grew 14% y-o-y, seasonality visible in Q3 figures when comparing with Q2
- Industrial & Terminal's profitability improving
- Marine's profitability still strong
- Cash flow continued healthy



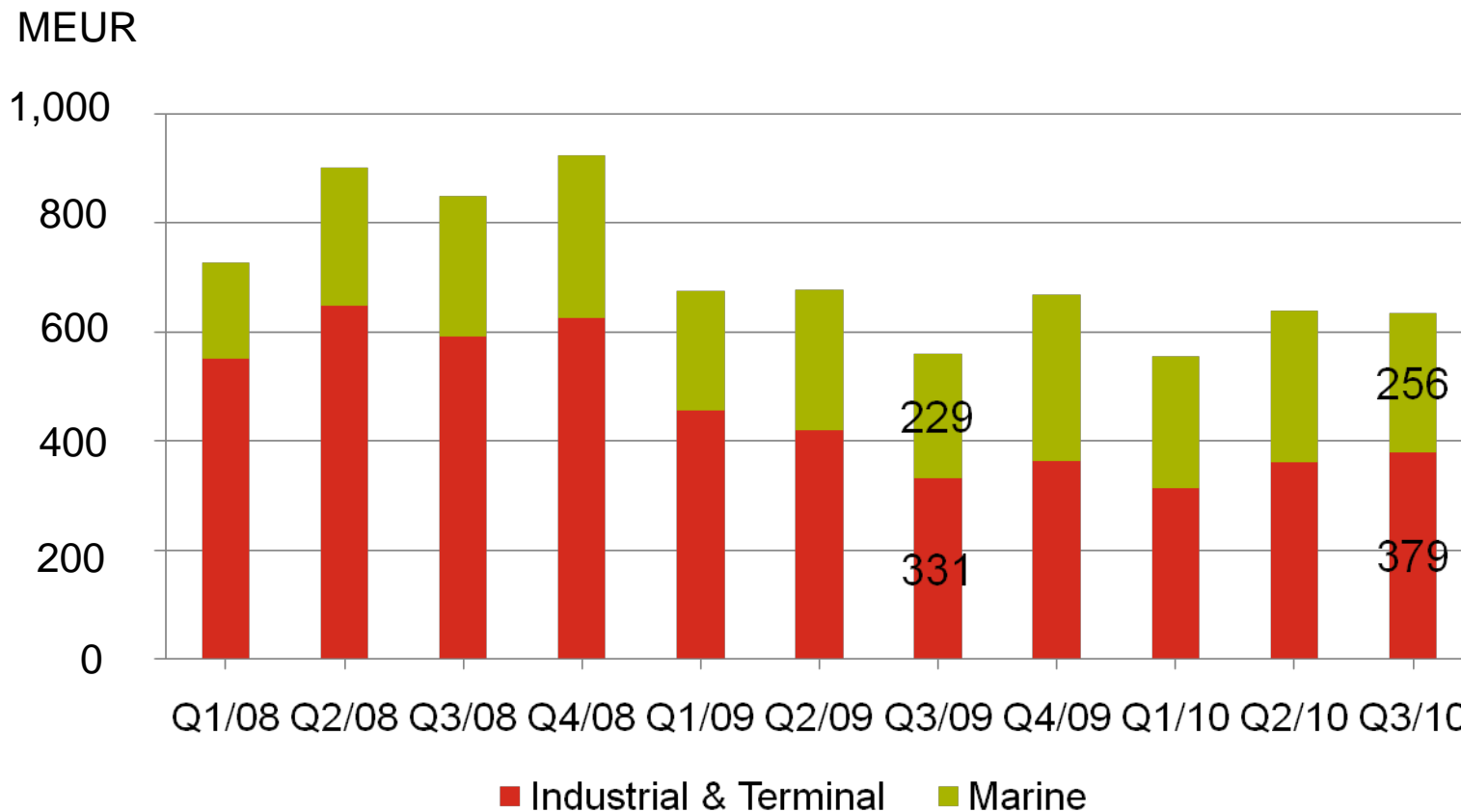
Key figures in January–September 2010

	Q3 10	Q3 09	Change	1-9/10	1-9/09	Change	2009
Orders received, MEUR	683	437	56%	2,013	1,364	48%	1,828
Order book, MEUR	2,395	2,371	1%	2,395	2,371	1%	2,149
Sales, MEUR	635	559	14%	1,828	1,912	-4%	2,581
Operating profit excl. restructuring, MEUR	42.8	11.6		97.4	29.6		61.3
Operating profit margin excl. restructuring, %	6.7	2.1		5.3	1.5		2.4
Operating profit, MEUR	42.2	-3.3		92.9	-7.1		0.3
Cash flow from operations, MEUR	66.4	91.9		193.4	198.7		289.7
Interest-bearing net debt, MEUR	264	400		264	400		335
Earnings per share, EUR	0.38	-0.02		0.82	-0.13		0.05

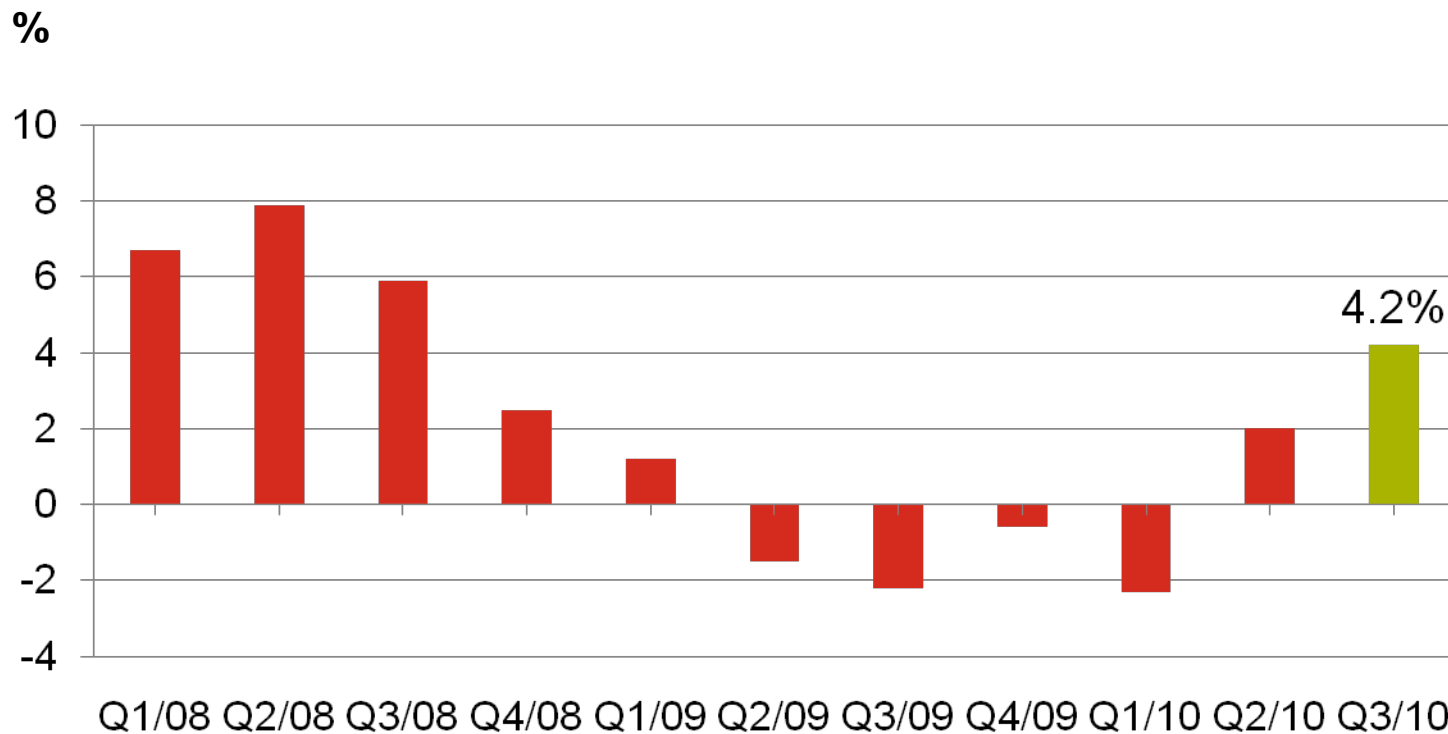
Q3: Order intake grew both in I&T and Marine y-o-y



Q3: Industrial & Terminal sales grew 15% and Marine 12% y-o-y

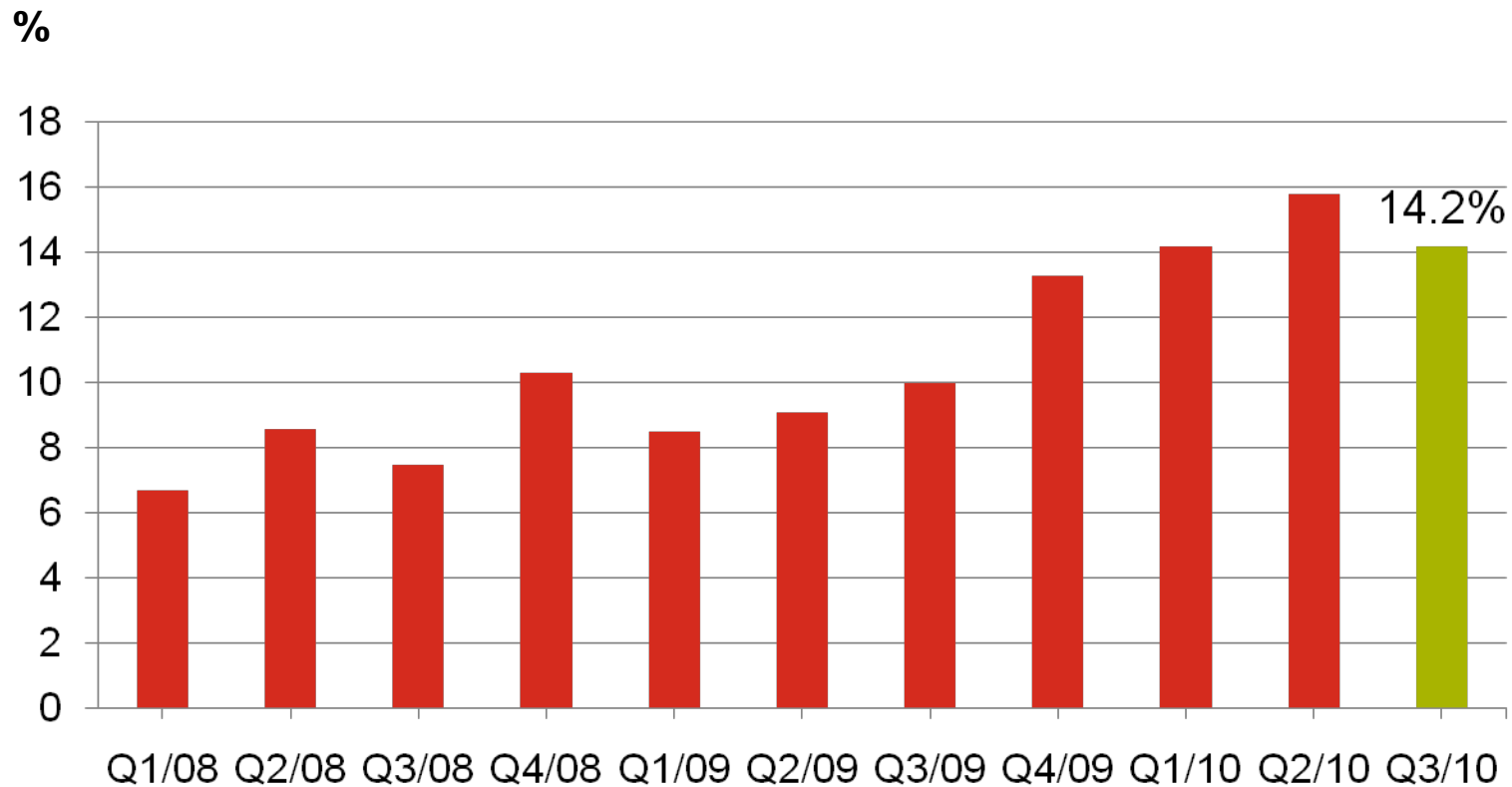


Q3: Operating margin for Industrial & Terminal improving



EBIT% excluding restructuring costs

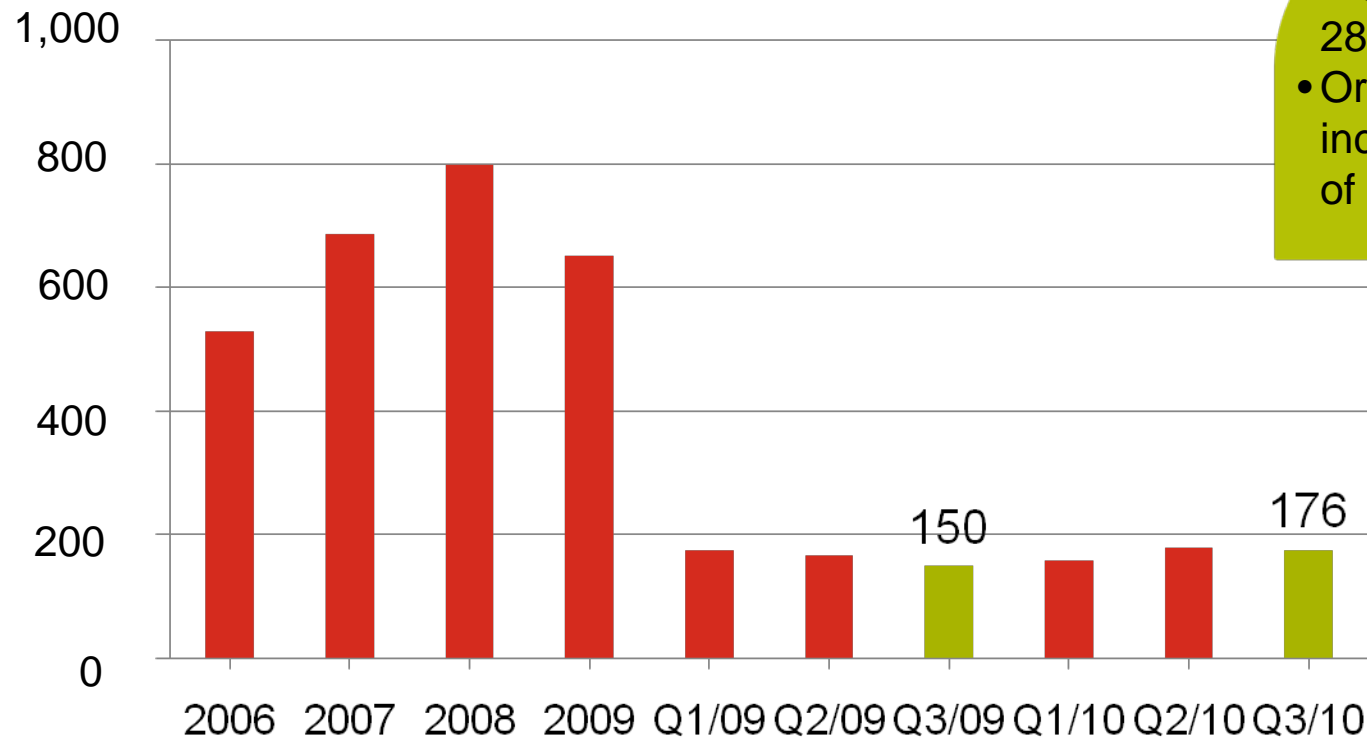
Q3: Marine's profitability still strong but turning down as expected



EBIT% excluding restructuring costs

Services sales turned to slight growth

MEUR

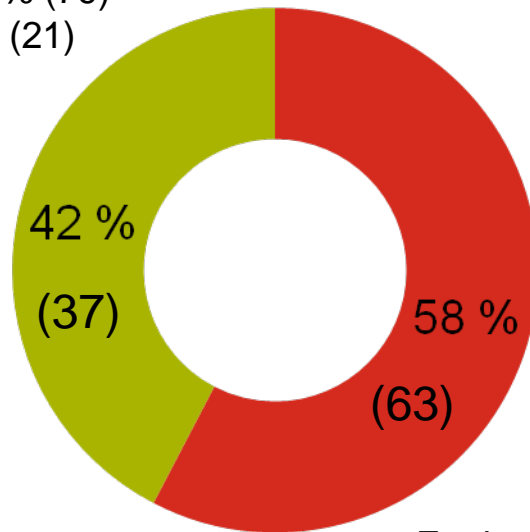


- 1-9/2010: Service 28% of total sales
- Orders received increased in all areas of service business

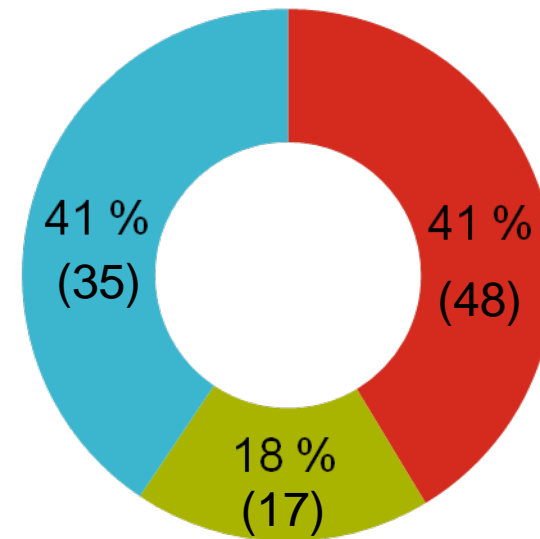
EMEA and APAC equal in size by sales

Sales by reporting segment 1-9/2010, %

Equipment 81% (79)
Services 19% (21)



Sales by geographical segment 1-9/2010, %



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

■ Marine ■ Industrial & Terminal

■ APAC ■ Americas ■ EMEA

we keep cargo on the move™