

CARGOTEC

President and CEO Mikael Mäkinen

7 January 2010



SEB Enskilda Nordic Seminar, Copenhagen



HIAB - KALMAR - MACGREGOR

Cargotec in cargo handling market

Financials in Q3 2009

Outlook

Cargotec is a global market leader



Load handling

Market Size EUR
Equipment Services

~ 5 billion ~ 2 billion

Market position



Other players, e.g.

Palfinger, Hyva, Fassi



Container and heavy material handling

~ 4 billion ~ 3 billion



ZPMC, Liebherr, Demag, Terex, Konecranes



Marine cargo handling solutions

~ 2 billion ~ 2 billion

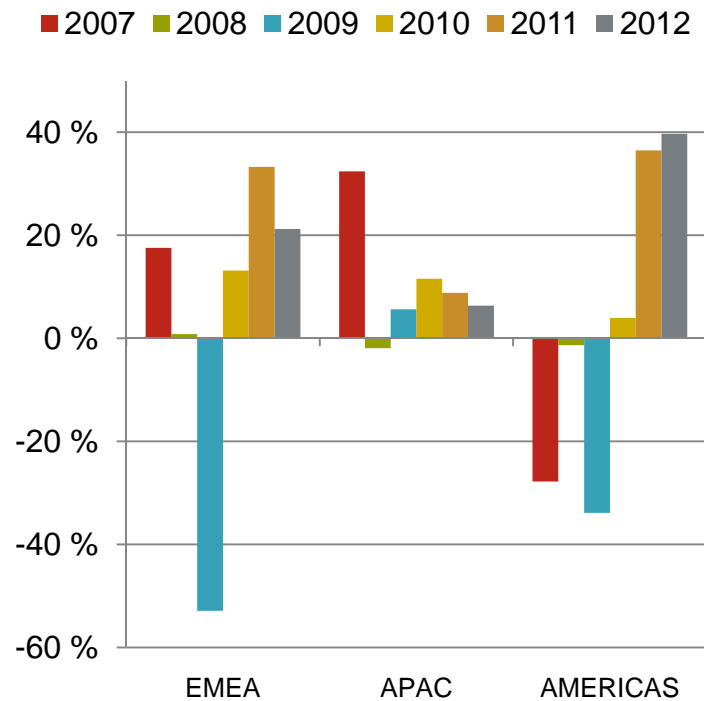


TTS, Ainoura (ex-Tsuji), Liebherr, Rolls Royce

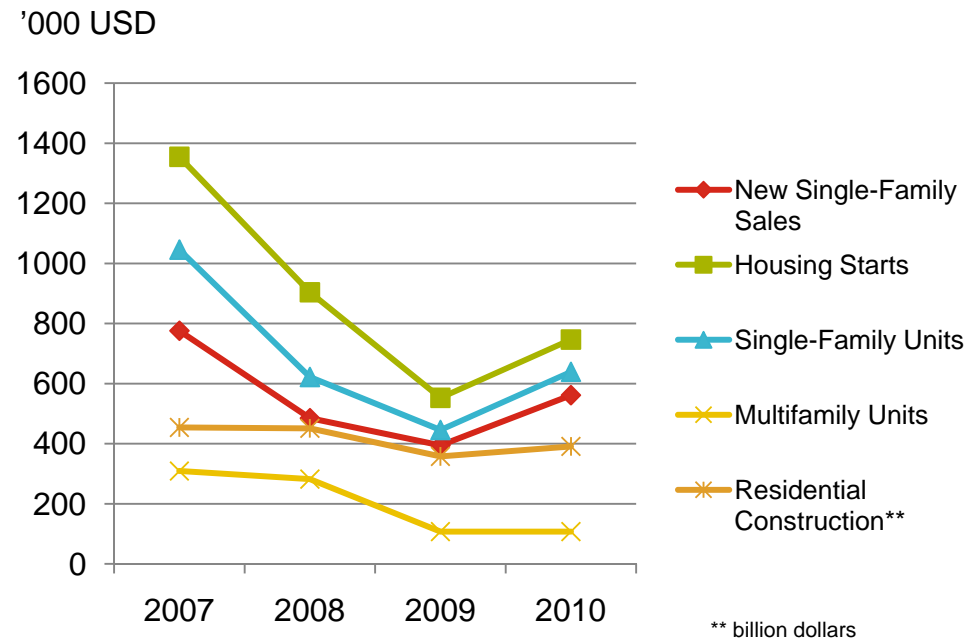


Macro indicators forecast growth for 2010–2011 in industrials

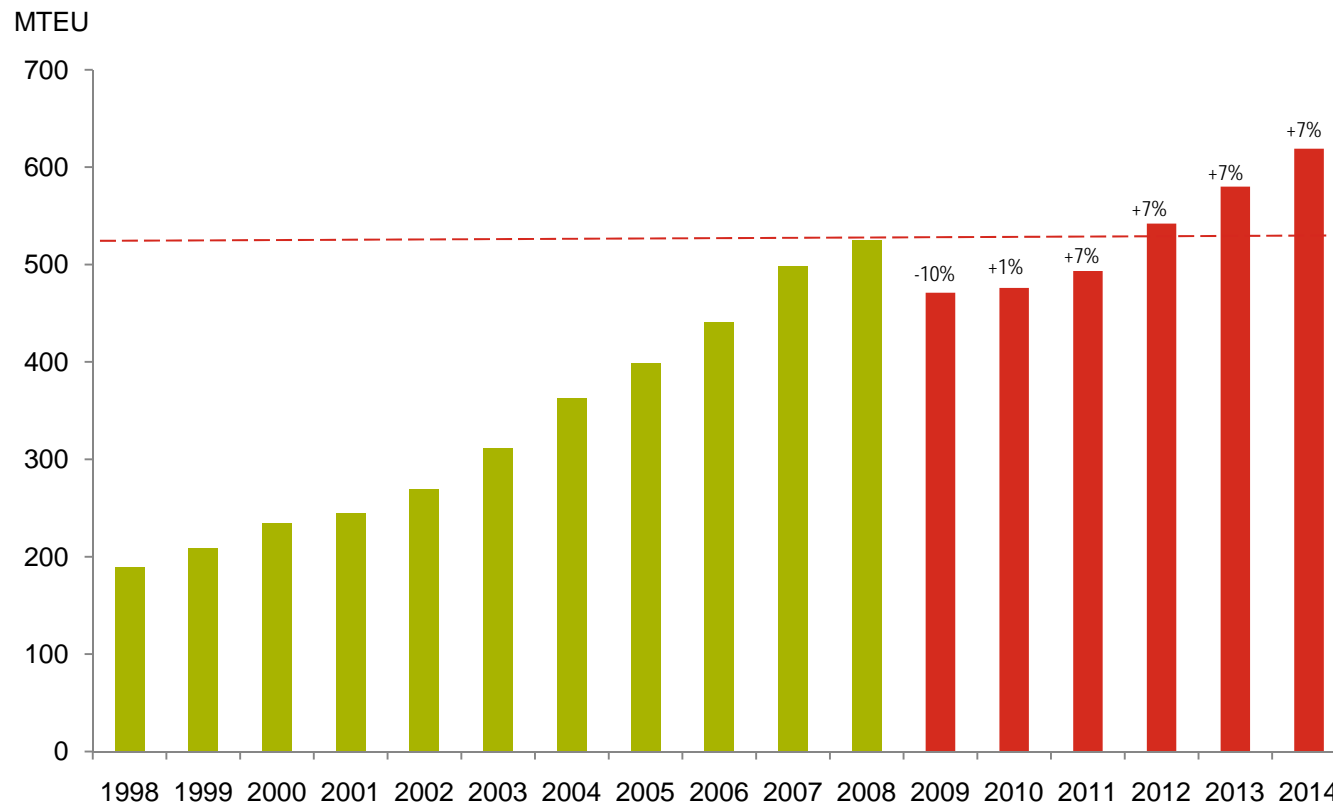
Truck sales (Global Insight, Q4/2009)



US Housing (Realtor, Dec 2009)

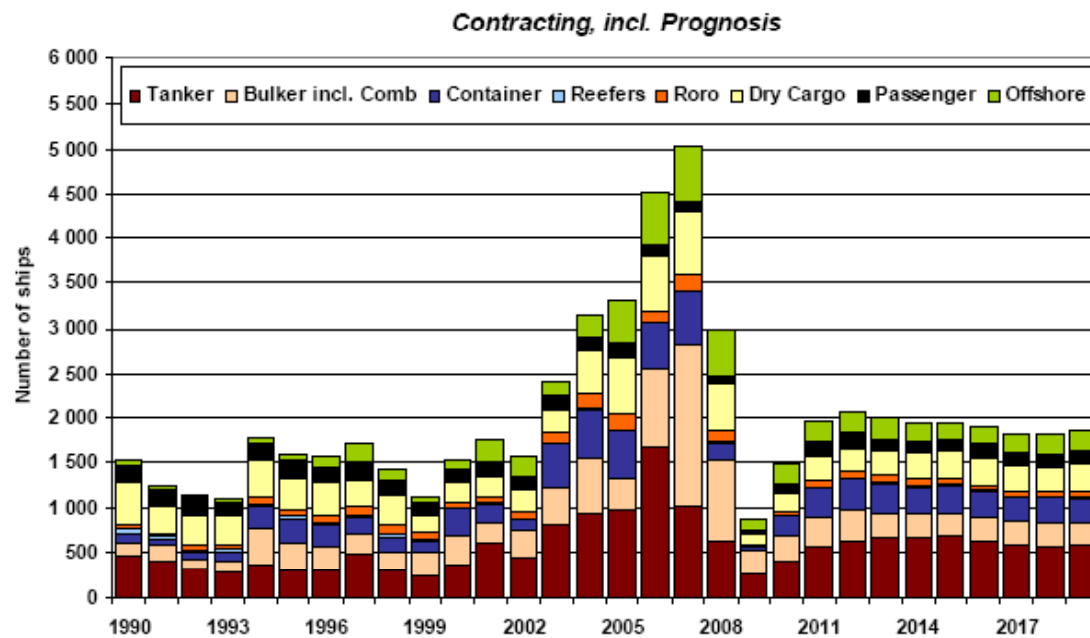


Global container traffic volume back on 2008 peak level in 2012

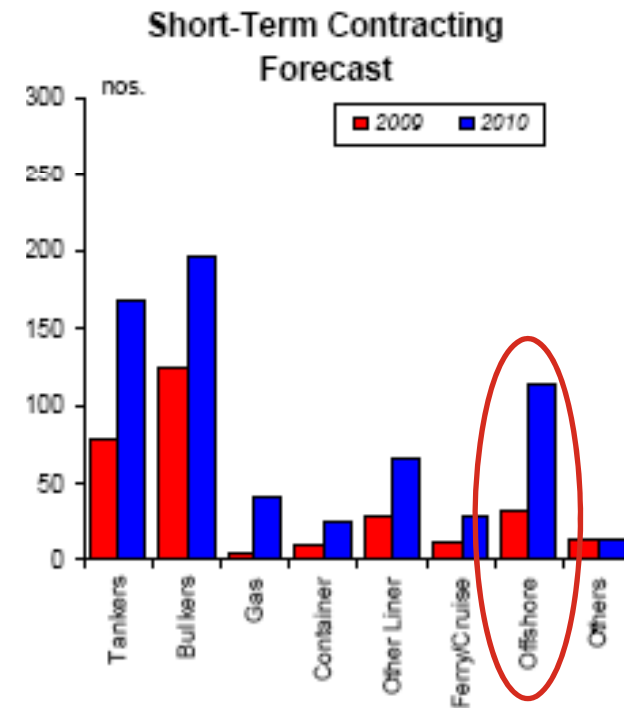


Source: Drewry Shipping Consultants 2009

Ship ordering recovery in 2010 headed by offshore

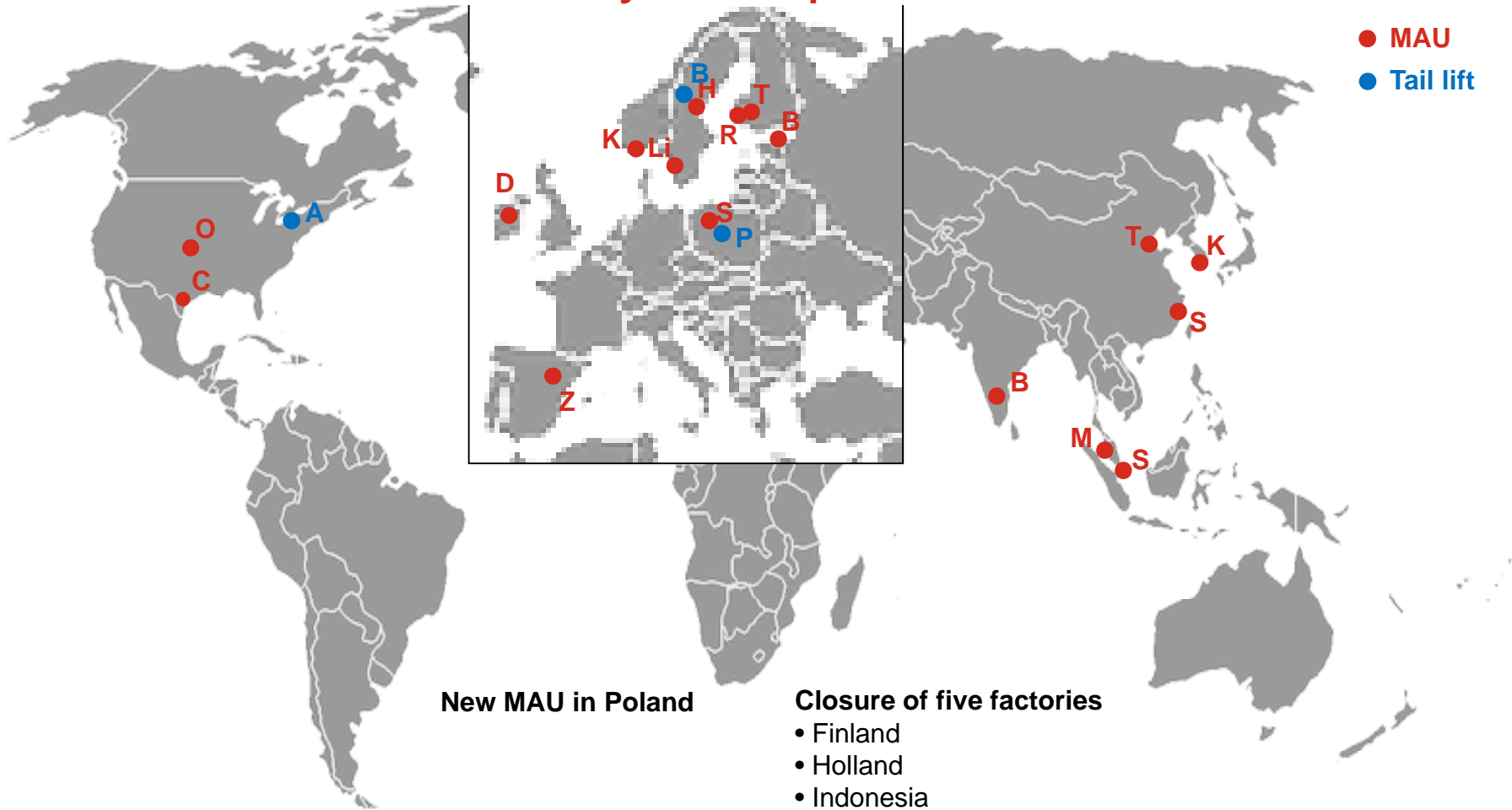


Source: SAI, Oct 2009



Source: Clarkson Research Services

More balanced factory set-up



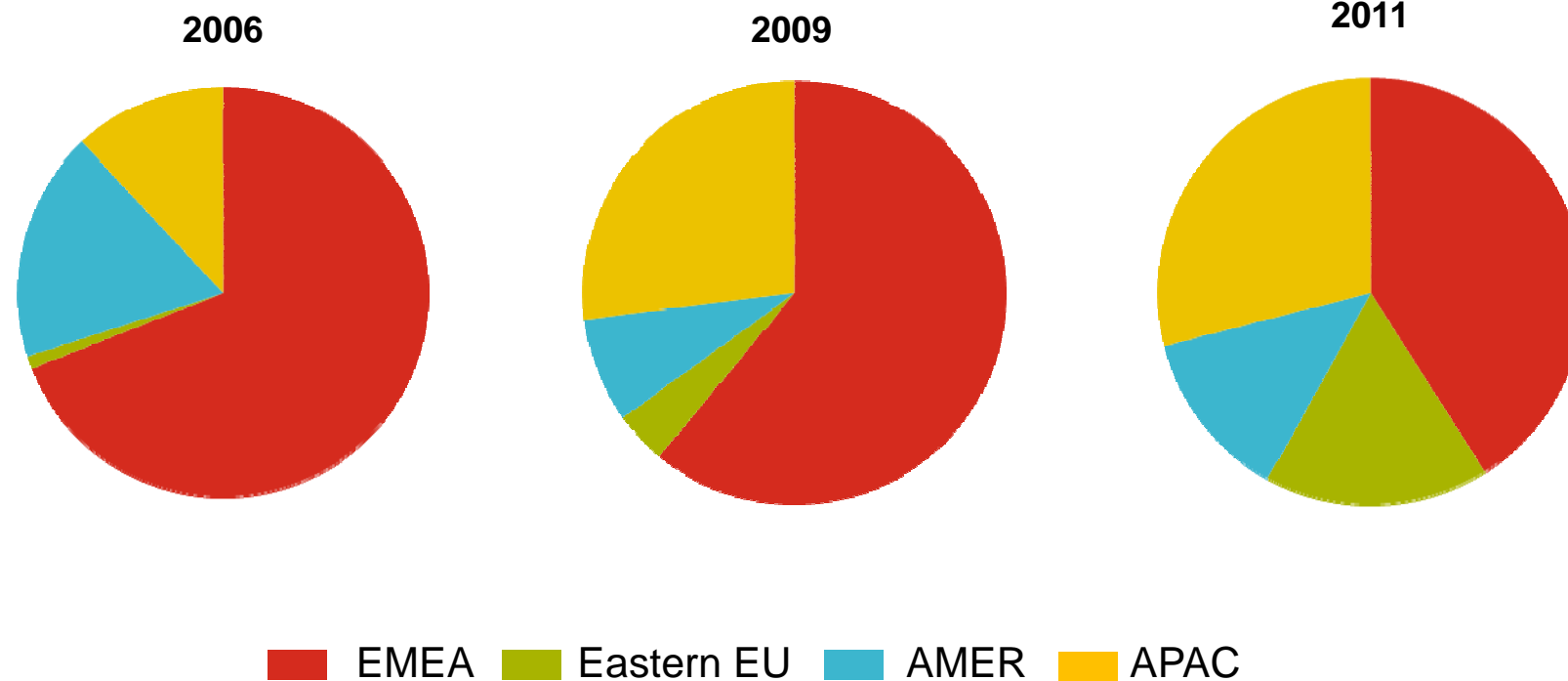
● MAU
● Tail lift

New MAU in Poland

Closure of five factories

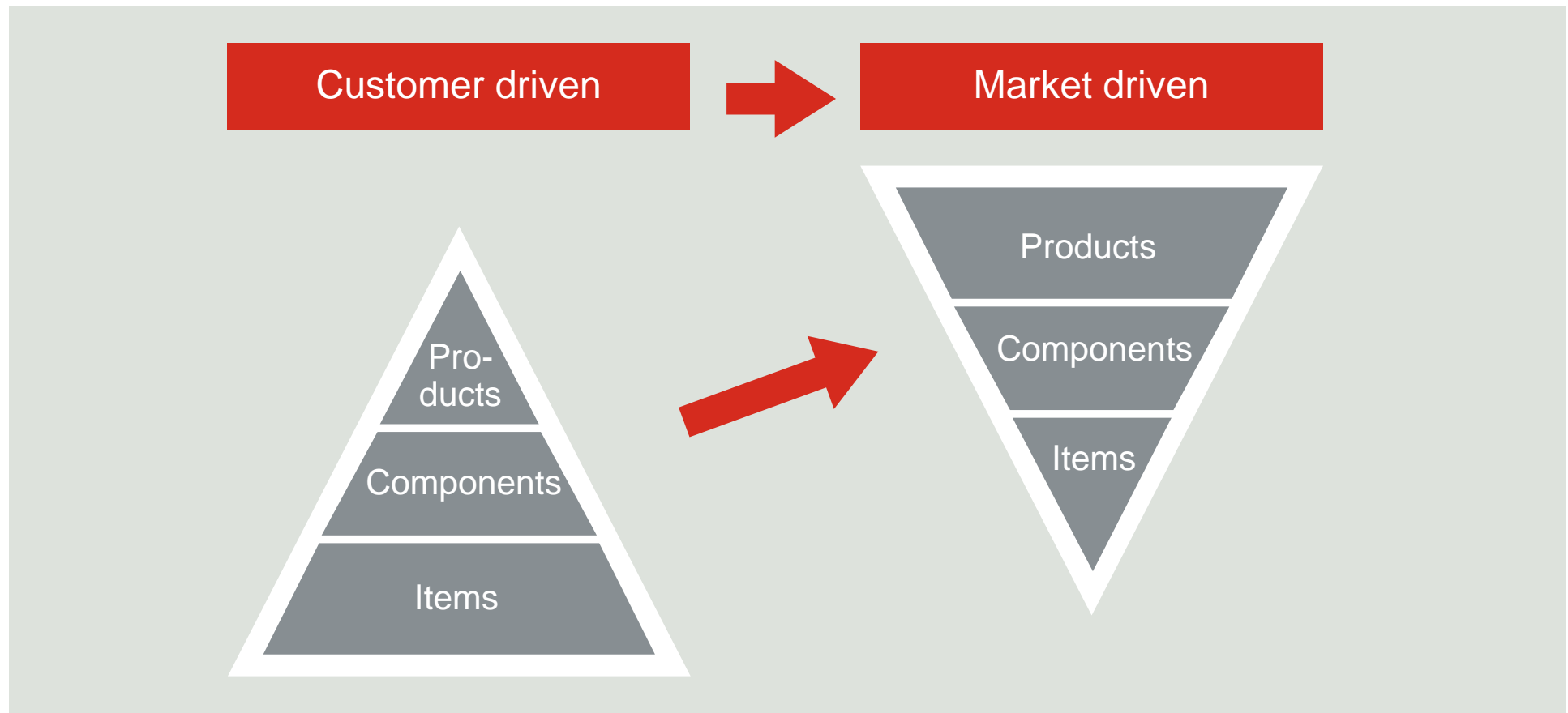
- Finland
- Holland
- Indonesia
- Sweden
- USA

Increasing sourcing from Eastern EU and APAC

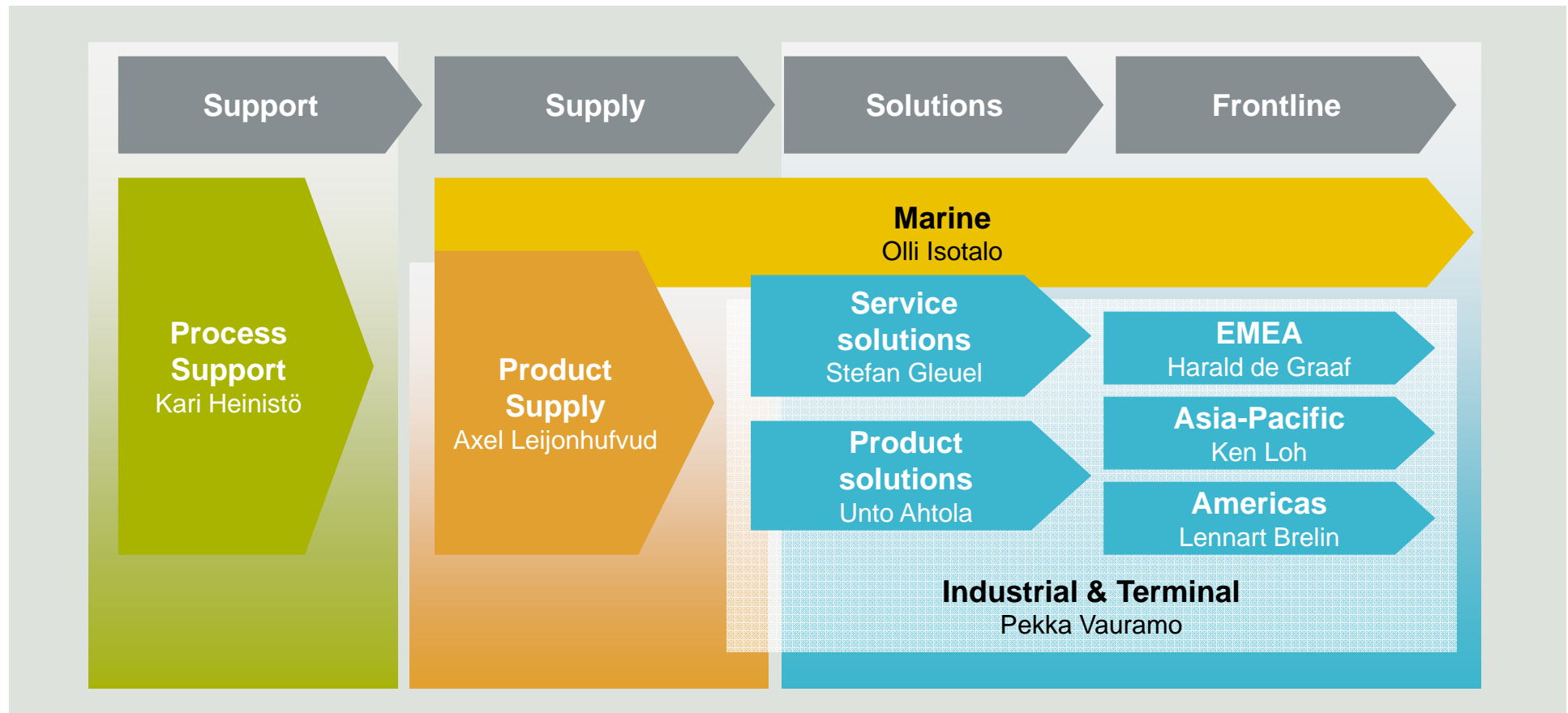


Volume in USA decreased from 2006 to 2009 mainly due to weakening market

From individual products to modularised product families



The building blocks



In management focus

- Execution of structural changes
- Increased focus on customer interface through regional sales and services structure
- Growth potential in emerging markets
- Further development of services
 - Services offering
 - Improved spare parts logistics
 - Offshore service growth



Cargotec in cargo handling market

Financials in Q3 2009

Outlook

Key issues in January–September 2009

- Challenging market environment
- MacGregor's profitability improved further
- Healthy cash flow and financing structure
- Investment in Poland proceeded
- Merger of Hiab and Kalmar business areas on-track
- Personnel reduction of >2,000 people implemented

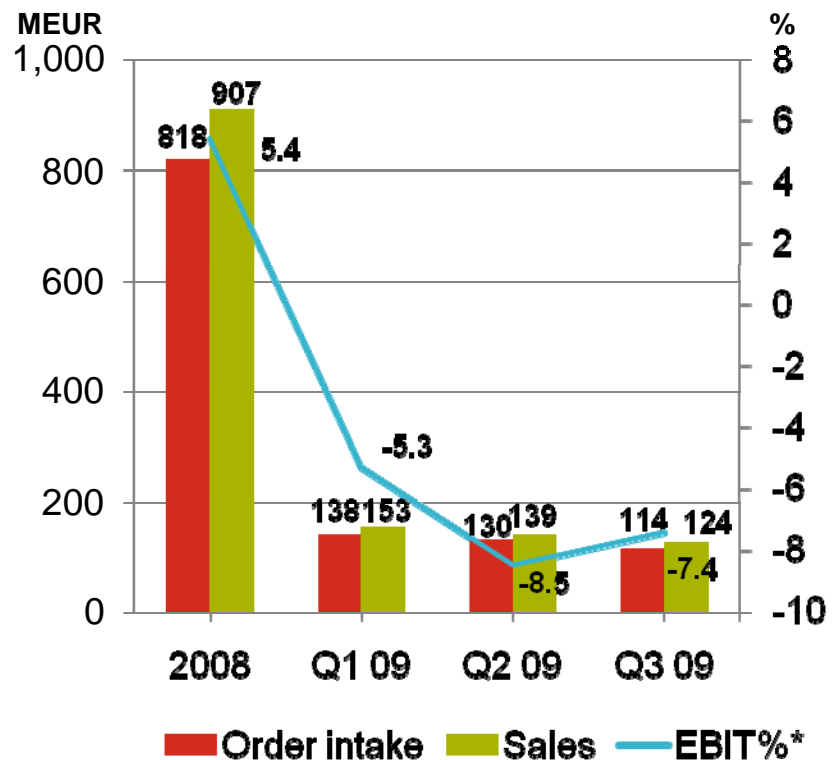


Key figures in January–September 2009

	Q3 2009	Q3 2008	Change %	1-9/2009	1-9/2008	2008
Orders received, MEUR	437	967	-55	1,364	3,136	3,769
Order book, MEUR	2,371	3,486	-32	2,371	3,486	3,054
Sales, MEUR	559	848	-34	1,912	2,476	3,399
Operating profit excl. restructuring, MEUR	11.6	49.6		29.6	156.9	192.8
Operating margin excl. restructuring, %	2.1	5.8		1.5	6.3	5.7
Operating result, MEUR	-3.3	49.6		-7.1	156.9	173.7
Cash flow from operations, MEUR				198.7	158.1	133.8
Interest-bearing net debt, MEUR				400	405	478
Earnings per share, EUR				-0.13	1.77	1.91

Hiab Q3 – cost savings start to show

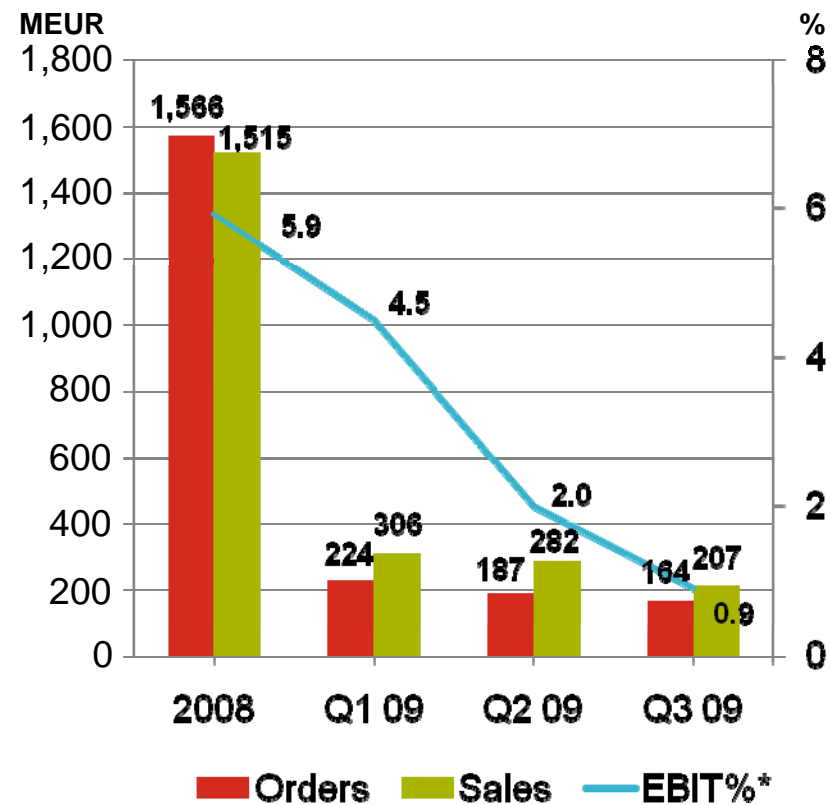
- Market still weak and competitive
- Seasonality impact visible in Q3 figures
- Underutilisation of customers' fleets postpones investments
- Cost savings start to show although result still negative in Q3
- Short lead time, drivers relate to construction and general GDP



* Excluding restructuring costs

Kalmar Q3 – weak port orders

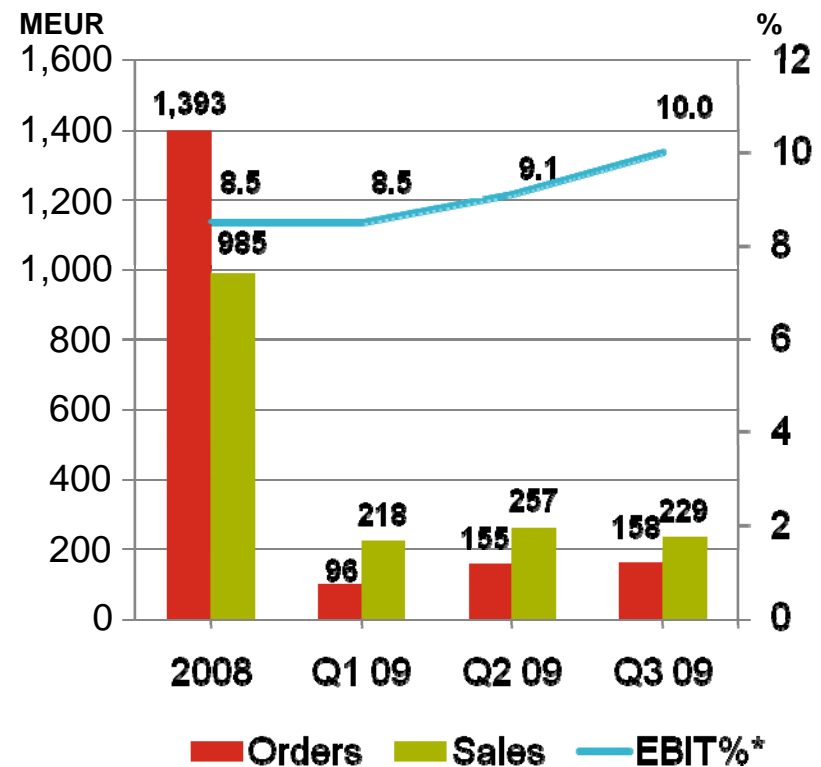
- Port customers' demand for container handling equipment weak in Q3
- Demand for forklift trucks affected by low industrial production
- Low order intake visible in declining Q3 delivery volumes
- Materialisation of cost savings will follow Hiab with delay
- Lead time 6–9 months, driver container volumes handled



* Excluding restructuring costs

MacGregor Q3 – positive signs in offshore

- Marine cargo handling new equipment orders still coming
- Further improving operating margin
- Order cancellations of EUR 35 million in Q3 (1–9: EUR 125 million)
- Lead time 1–2 years, drivers ship building and deep sea drilling activity



* Excluding restructuring costs

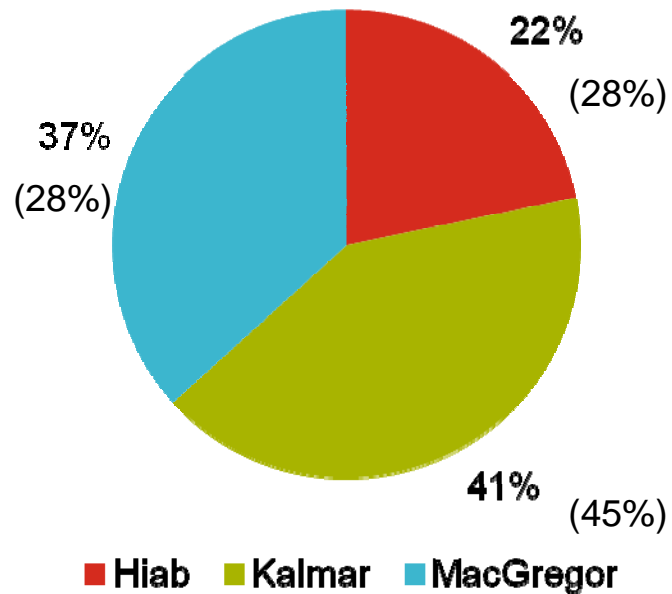
Services Q3 – affected by continued low utilisation

- Demand for services decreased due to partly low equipment usage rate
- All areas decreased
- Services sales represent 28% of total sales in Q3

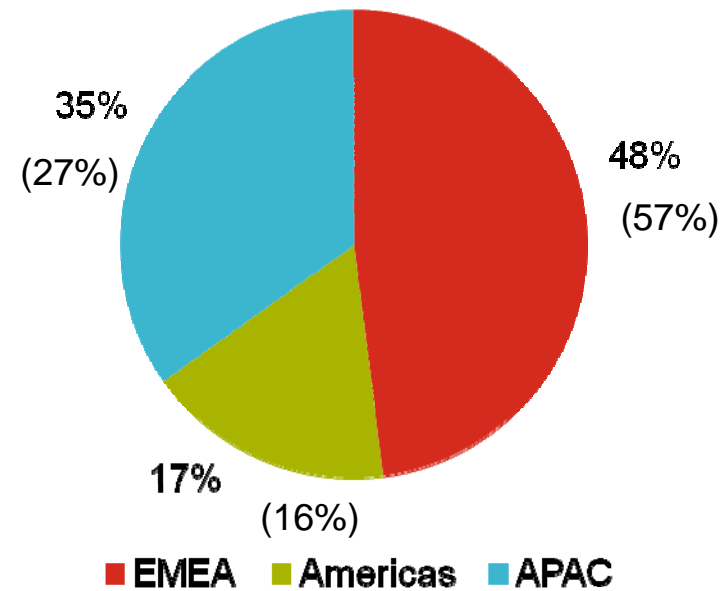


MacGregor and Asia Pacific have increased share

Sales by business area 1–9/2009, %



Sales by geographical segment 1–9/2009, %



Personnel effect of ongoing restructuring initiatives

	Restructurings initiated 2008		Restructurings initiated 2009	
	People affected	People left by 30 Sep 2009	People affected	People left by 30 Sep 2009
Hiab	648	601		483
Kalmar	302	299	2,200*	495
MacGregor	-	-		126
Other	10	10	-	-
Total	960	910	2,200*	1,104

People affected, total: 3,160*

People left by 30 Sep 2009 total: 2,014

Total FTE 30 Sep 2009: 10,409

*Including 500 people announced 6 Oct 2009

Cost savings

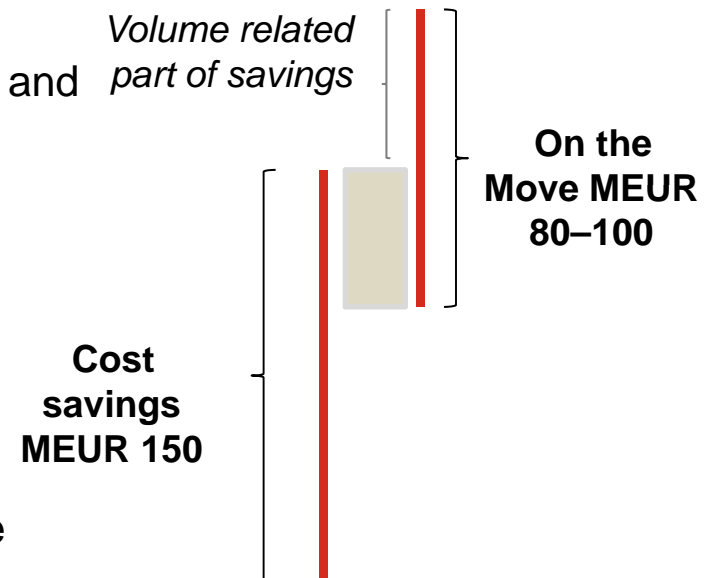
Cost structure adjustment – non-volume related savings

- New Industrial & Terminal business area
- Fixed cost streamlining through personnel reductions and sales and service network integration
- Structural changes from On the Move

➔ Total annual non-volume related cost savings EUR 150 million

Volume related savings

- Excluded from EUR 150 million cost savings estimate
- Half of the On the Move savings are volume related
- E.g. savings in sourcing (better prices with high purchase volumes), more efficient production
- Materialisation requires improvement in market situation



Cargotec in cargo handling market

Financials in Q3 2009

Outlook

Outlook

- Due to the weak market situation, demand for Cargotec's products and services is expected to continue clearly lower than last year.
- Despite expected growth in marine cargo handling business Cargotec's 2009 sales are estimated to decline approximately 25 percent from the previous year's level.
- An estimated total of approximately EUR 70 million will be booked as productivity-improving restructuring costs for 2009, with EUR 37 million booked in January–September.
- Cargotec estimates 2009 operating result after restructuring costs to be negative.

we keep cargo on the move™