Cargotec's January–June 2013 interim report: Business developed as estimated during the second quarter

April–June 2013 in brief

- Orders received declined 7 percent to EUR 833 (892) million.
- Order book amounted to EUR 2,147 (31 Dec 2012: 2,021) million at the end of the period.
- Sales fell 2 percent to EUR 836 (850) million.
- Operating profit excluding restructuring costs was EUR 37.5 (41.1) million, representing 4.5 (4.8) percent of sales.
- Operating profit was EUR 32.9 (41.1) million, representing 3.9 (4.8) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR -12.4 (-25.6) million.
- Net income for the period amounted to EUR 21.9 (29.3) million.
- Earnings per share was EUR 0.36 (0.48).

January–June 2013 in brief

- Orders received were at comparison period's level and totalled EUR 1,624 (1,629) million.
- Sales fell 8 percent to EUR 1,515 (1,643) million.
- Operating profit excluding restructuring costs was EUR 52.5 (78.7) million, representing 3.5 (4.8) percent of sales.
- Operating profit was EUR 46.1 (78.7) million, representing 3.0 (4.8) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 8.8 (-27.8) million.
- Net income for the period amounted to EUR 28.4 (55.5) million.
- Earnings per share was EUR 0.46 (0.90).

Outlook for 2013

Certain deliveries for MacGregor will be delayed and customers are postponing services. MacGregor's 2013 operating profit margin is expected to be slightly below 10 percent, as 2013 sales are falling short of the previously expected approximately EUR 850 million and now are expected to total closer to EUR 800 million.

Cargotec's sales are expected to be slightly below 2012 and operating profit excluding restructuring costs to be at or slightly below 2012 level.

This outlook is excluding the Hatlapa acquisition announced in July.

Cargotec's key figures

MEUR	**Q2/13**	Q2/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
Orders received	**833**	892	-7%	**1,624**	1,629	0%	3,058
Order book, end of period	**2,147**	2,413	-11%	**2,147**	2,413	-11%	2,021
Sales	**836**	850	-2%	**1,515**	1,643	-8%	3,327
Operating profit*	**37.5**	41.1	-9%	**52.5**	78.7	-33%	157.5
Operating profit, %*	**4.5**	4.8		**3.5**	4.8		4.7
Operating profit	**32.9**	41.1	-20%	**46.1**	78.7	-41%	131.4
Operating profit, %	**3.9**	4.8		**3.0**	4.8		3.9
Income before taxes	**29.6**	39.0		**40.4**	73.6		122.5
Cash flow from operations	**-12.4**	-25.6		**8.8**	-27.8		97.1
Net income for the period	**21.9**	29.3		**28.4**	55.5		89.5
Earnings per share, EUR	**0.36**	0.48		**0.46**	0.90		1.45
Net debt, end of period	**567**	497		**567**	497		478
Gearing, %	**48.9**	42.1		**48.9**	42.1		39.2
Personnel, end of period	**10,302**	10,608		**10,302**	10,608		10,294

* excluding restructuring costs

Cargotec's President and CEO Mika Vehviläinen:
Both market activity and our orders continued to develop as estimated during the second quarter, even though we fell seven percent short from the comparison period, as the second quarter lacked new large Kalmar projects. Orders for cargo handling equipment for offshore support vessels accounted for almost half of MacGregor's orders, and orders for the business area as a whole rose by 67 percent on the comparison period. Hiab's orders reached the level of the comparison period.

Volumes in the marine cargo handling market are lower than last year, which is reducing our sales. Favourable trends were seen in both Kalmar and Hiab's delivery volumes and profitability during the second quarter. We are continuing our efforts to improve our profitability.

In July, we took an important strategic step in MacGregor's development by signing an agreement to acquire Hatlapa. Hatlapa supports MacGregor's growth strategy and will help MacGregor to become a global leader in winches for various ship types.

Press conference for analysts and media
A press conference for analysts and media, combined with a live international telephone conference, will be arranged on the publishing day at 2:00 p.m. EEST at Cargotec's head office, Porkkalankatu 5, Helsinki. The event will be held in English. The report will be presented by President and CEO Mika Vehviläinen and Executive Vice President, CFO Eeva Sipilä. The presentation material will be available at www.cargotec.com by 2:00 p.m. EEST.

The telephone conference, during which questions may be presented, can be accessed using the following numbers ten minutes before the beginning of the event: US callers +1 334 323 6201, non-US callers +44 20 7162 0025, access code Cargotec/933708.

The event can also be viewed as a live webcast at www.cargotec.com. An on-demand version of the conference will be published at Cargotec's website later during the day.

A replay of the conference call will be available until midnight 20 July 2013 in the following numbers: US callers +1 954 334 0342, non-US callers +44 20 7031 4064, access code 933708.

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Cargotec improves the efficiency of cargo flows on land and at sea - wherever cargo is on the move. Cargotec's brands MacGregor, Kalmar and Hiab are recognised leaders in cargo and load handling solutions around the world. Cargotec's global network is positioned close to customers and offers extensive services that ensure the continuous, reliable and sustainable performance of equipment. Cargotec's sales totalled EUR 3.3 billion in 2012 and it employs approximately 10,000 people. Cargotec's class B shares are quoted on NASDAQ OMX Helsinki under symbol CGCBV. www.cargotec.com

Cargotec's January–June 2013 interim report

Operating environment

The shipping markets were challenging in general. At the beginning of the year, demand for marine cargo handling equipment was centred on RoRo, general cargo and offshore support vessels, and during the second quarter, mainly on offshore support vessels. Some shipowners and shipyards experienced difficulties in obtaining credit. Market challenges are reflected in delays in agreed deliveries. However, market forecasts have remained positive. Cost savings by shipowners lowered demand for services in Europe.

Although the growth estimate for volumes of containers handled in ports in 2013 declined to four percent during the second quarter, it remains higher than in the previous year. Demand for smaller container handling equipment and automation solutions used in ports was healthy, whereas demand for larger container handling equipment was modest. Demand for services was generally at a healthy level, although in some European ports customers' low capacity utilisation affected demand.

Market environment variations by country characterised the load handling equipment markets within Europe, with respect to both new equipment and maintenance services. Demand was healthy in the United States.

Orders received and order book

Orders received during the second quarter declined seven percent from the comparison period and totalled EUR 833 (892) million. Orders received grew in MacGregor, fell in Kalmar and were at comparison period's level in Hiab. Service orders grew six percent from the comparison period.

Orders received in January–June were at the comparison period's level, and totalled EUR 1,624 (1,629) million. Of the orders, 30 percent were received by MacGregor, 44 percent by Kalmar and 26 percent by Hiab. In geographical terms, the share of orders received declined to 40 (50) percent in EMEA (Europe, Middle East, Africa). Asia-Pacific's share of all orders grew to 32 (26) percent, and that of Americas to 28 (24) percent. Service orders accounted for 25 (23) percent of total orders.

The order book increased six percent from the 2012 year-end level, and at the end of the second quarter it totalled EUR 2,147 (31 Dec 2012: 2,021) million. MacGregor's order book totalled EUR 914 (848) million, representing 43 (42) percent, Kalmar's EUR 1,037 (983) million, or 48 (49) percent, and that of Hiab EUR 198 (192) million, or nine (9) percent of the consolidated order book.

Orders received by reporting segment

MEUR	**Q2/13**	Q2/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
MacGregor	**284**	170	67%	**493**	326	51%	645
Kalmar	**342**	514	-34%	**707**	851	-17%	1,565
Hiab	**208**	208	0%	**424**	454	-7%	850
Internal orders	**0**	0		**-1**	-2		-2
Total	**833**	892	-7%	**1,624**	1,629	0%	3,058

Orders received by geographical area

MEUR	**Q2/13**	Q2/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
EMEA	**334**	461	-28%	**653**	809	-19%	1,403
Asia-Pacific	**268**	198	35%	**514**	432	19%	945
Americas	**231**	233	-1%	**457**	389	18%	710
Total	**833**	892	-7%	**1,624**	1,629	0%	3,058

Sales

Second-quarter sales fell two percent from the comparison period to EUR 836 (850) million. Sales in services, EUR 192 (193) million, was at comparison period's level, representing 23 (23) percent of consolidated sales.

Sales in January–June declined eight percent from the comparison period and totalled to EUR 1,515 (1,643) million. Sales in services amounted to EUR 372 (371) million, representing 25 (23) percent of consolidated sales. Sales in MacGregor clearly declined, due to low deliveries, as customers delayed receipt of deliveries. Kalmar's sales grew slightly from the comparison period, whereas Hiab's sales achieved the comparison period's level. Services saw growth in the Americas, but fell slightly in EMEA and Asia-Pacific. EMEA represented 44 (39) percent of consolidated sales, Asia-Pacific 32 (37) percent and Americas 24 (25) percent.

Sales by reporting segment

MEUR	**Q2/13**	Q2/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
MacGregor	**211**	257	-18%	**376**	528	-29%	995
Kalmar	**405**	383	6%	**727**	703	3%	1,495
Hiab	**221**	211	5%	**413**	414	0%	840
Internal sales	**0**	-1		**-1**	-1		-2
Total	**836**	850	-2%	**1,515**	1,643	-8%	3,327

Sales by geographical area

MEUR	**Q2/13**	Q2/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
EMEA	**345**	323	7%	**668**	638	5%	1,341
Asia-Pacific	**294**	307	-4%	**484**	603	-20%	1,178
Americas	**198**	220	-10%	**363**	403	-10%	808
Total	**836**	850	-2%	**1,515**	1,643	-8%	3,327

Financial result

Operating profit for the second quarter declined from the comparison period totalling EUR 32.9 (41.1) million. Operating profit includes EUR 4.6 million in restructuring costs. There were no restructuring costs booked in the comparison period. EUR 0.1 million of the restructuring costs are related to MacGregor, EUR 1.5 million to Kalmar, and EUR 3.0 million to Hiab. Operating profit also includes a capital loss of EUR 1.5 million, booked in Kalmar's operating profit, from selling Tampere facilities in Finland.

Operating profit for the second quarter, excluding restructuring costs, was EUR 37.5 (41.1) million, representing 4.5 (4.8) percent of sales. Excluding restructuring costs, operating profit for MacGregor amounted to EUR 18.3 (33.0) million, Kalmar EUR 16.0 (15.5) million, and Hiab EUR 8.9 (5.3) million.

January–June operating profit totalled EUR 46.1 (78.7) million. Operating profit includes EUR 6.4 (0.0) million in restructuring costs. EUR 0.2 million of the restructuring costs are related to MacGregor, EUR 1.5 million to Kalmar, EUR 4.6 million to Hiab and EUR 0.1 million to corporate administration and support functions.

January–June operating profit excluding restructuring costs was EUR 52.5 (78.7) million, representing 3.5 (4.8) percent of sales. Excluding restructuring costs, operating profit for MacGregor amounted to EUR 30.5 (69.9) million, Kalmar EUR 22.9 (21.7) million, and Hiab EUR 12.5 (12.8) million. MacGregor's operating profit declined as a result of low sales.

Net interest expenses for interest-bearing debt and assets for the second quarter totalled EUR -4.5 (-4.3) million. Net financing expenses totalled EUR -3.3 (-2.2) million. Net interest expenses for interest-bearing debt and assets in January–June totalled EUR -9.3 (-9.2) and net financing expenses EUR -5.7 (-5.0) million.

Net income for the second quarter totalled EUR 21.9 (29.3) million and earnings per share EUR 0.36 (0.48). Net income in January–June totalled EUR 28.4 (55.5) million and earnings per share EUR 0.46 (0.90).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 3,183 (31 Dec 2012: 3,298) million at the end of the second quarter. Equity attributable to equity holders was EUR 1,153 (1,214) million, representing EUR 18.80 (19.80) per share. Tangible assets on the balance sheet were EUR 275 (304) million and intangible assets EUR 1,011 (1,021) million. The total equity/total assets ratio was 39.5 (40.8) percent.

Return on equity (ROE, annualised) in January–June dropped to 4.8 (9.5) percent and return on capital employed (ROCE, annualised) to 5.3 (9.9) percent.

Cash flow in January–June from operating activities, before financial items and taxes, totalled EUR 8.8 (-27.8) million. Net working capital increased during the quarter from EUR 219 million at the end of 2012 to EUR 282 million.

Gearing rose from its 2012 year-end 39.2 percent level to 48.9 percent. Dividend payment in January–June totalled EUR 44.1 (61.3) million.

Cargotec's financing structure and liquidity are healthy. Interest-bearing net debt at the end of the second quarter was EUR 567 (31 Dec 2012: 478) million. Interest-bearing debt amounted to EUR 713 (697) million, of which EUR 314 (259) million was current and EUR 399 (438) million non-current debt. On 30 June 2013, the average interest rate on the loan portfolio was 2.6 (3.1) percent. Cash and cash equivalents, loans receivable and other interest-bearing assets totalled EUR 146 (31 Dec 2012: 219) million.

In June, Cargotec signed and withdrew a new EUR 50 million three-year floating rate term loan.

New products and product development

Research and product development expenditure in January–June totalled EUR 31.3 (38.3) million, representing 2.1 (2.3) percent of sales and 2.1 (2.4) percent of all operating expenses. Research and product development investments were focused on projects aimed at improving competitiveness and cost efficiency of products.

MacGregor

During the second quarter, MacGregor developed new crane technology that will provide a unique cruise experience. MacGregor is supplying Royal Caribbean with a crane equipped with a glass capsule. This engineering innovation will offer cruise passengers a 360-degree view from about 91 metres above the ocean. In addition, MacGregor's new process to analyse a container ship's cargo profile is undergoing trials. It will enable a vessel's earning ability to be the design starting point, instead of working on theoretical cargo stowage assumptions.

During the first quarter, MacGregor introduced a new offshore crane to the market, which enables three-dimensional motion compensation. The crane can be used to transfer containers of tools and equipment to the top of offshore windmill foundations. MacGregor also introduced a new simulation platform that allows MacGregor engineers and equipment users to accurately plan and illustrate complex systems in operation in a "real-world" environment and real-time mode. Additionally, MacGregor finalised its development work related to a new lashing bar. This new lashing bar allows new and existing container ships to employ an external lashing system, which can enable a ship to carry more payload containers.

Kalmar

During the second quarter, Kalmar introduced Gloria – a new generation of reachstackers. These fifth generation machines are set to create the benchmark for productivity, operator comfort, safety and cost-effective operation. The new G-generation will offer customers a wider choice, adding four extra models to the container handling range and three extra models for intermodal handling. Kalmar also launched Kalmar Care – a new service contract concept, which brings enhanced flexibility, productivity and cost efficiency to customer operations. Kalmar Care includes four different contract types that are standardised globally and across all customer segments. The contracts are modular and fully scalable, and cover everything from day-to-day support to comprehensive servicing and maintenance requirements.

During the first quarter, as part of a consortium, Kalmar received a commendation award of USD 100,000 in the Next Generation Container Port (NGCP) Challenge.

Hiab

During the second quarter, Hiab introduced a new forestry crane and a new control system for demountables. The new forestry crane was designed around customers' favourite features from two forestry crane ranges.

The new control system for demountables gives users maximum uptime as well as unparalleled durability, comfort and safety.

During the first quarter, Hiab has received funding from the European Union, for a three-year research cooperation project with three academic partners in Poland and Sweden. This project will boost research and development aimed at creating more sustainable load handling equipment. EU funding for the project totals EUR 1.4 million. Under the project, a new approach to control systems will be developed, in order to improve operational safety conditions and the efficiency of load handling equipment. The project will also involve the creation of design strategies for advanced light materials used in load handling structures, in order to reduce both their weight and fuel consumption.

Capital expenditure and sales of fixed assets

Capital expenditure in January–June, excluding acquisitions and customer financing, totalled EUR 36.4 (36.4) million. Investments in customer financing were EUR 11.4 (15.9) million. Depreciation, amortisation and impairment amounted to EUR 31.7 (32.1) million.

In June, Cargotec signed an agreement to sell Technology and Competence Centre facilities in Tampere, Finland to W.P. Carey, a real estate investment trust in the United States. Cargotec will continue its business at the premises as leaseholder with a 20-year contract. The transaction value was approximately EUR 38.5 million.

In June 2012, Cargotec announced plans to invest in its multi-assembly unit (MAU) in Stargard Szczecinski, Northern Poland. The value of the investment in a new painting and assembly area, expected to reach completion in 2014, will be close to EUR 20 million. Some EUR 10 million of this was invested in January–June.

Acquisitions and divestments

In May, Kalmar acquired total ownership in the Spanish crane refurbishment and maintenance service company Mareiport, S.A. The acquisition is a strategic step for Kalmar to become a major global crane refurbishment and services provider. Kalmar has been a minority shareholder with 30 percent ownership in the company since 2007. Mareiport employs approximately 250 people, and the company’s sales totalled approximately EUR 20 million in 2012.

During the first quarter, Hiab sold 100 percent of O'Leary's Material Handling Services Pty Ltd, in Australia. The transaction had no material effect on Cargotec's result.

Personnel

Cargotec employed 10,302 (31 Dec 2012: 10,294) people at the end of the second quarter. MacGregor employed 1,788 (1,868) people, Kalmar 5,445 (5,190), Hiab 2,910 (3,025) and corporate administration and support functions 159 (211). The average number of employees in January–June was 10,143 (10,580).

At the end of the second quarter, 16 (31 Dec 2012: 17) percent of the employees were located in Sweden, 9 (9) percent in Finland and 31 (29) percent in the rest of Europe. Asia-Pacific personnel represented 26 (28) percent, North and South American 15 (14) percent, and the rest of the world 3 (3) percent of total employees.

Employee cooperation negotiations started in October 2012 in Hudiksvall, Sweden, were completed in March. As a result, a total of 105 persons were made redundant. Employee cooperation negotiations outside Finland and Sweden resulted in 78 redundancies.

Listing of MacGregor in Asia
In February, Cargotec's Board of Directors decided to establish the domicile of the future parent company of MacGregor business area in Singapore. As a result, MacGregor's management will be based in Singapore. Cargotec continued preparations for the separation and possible listing of MacGregor in Singapore. It is estimated that this listing, which is subject to market conditions, will occur at the earliest during the first half of 2014.

President and CEO Mika Vehviläinen
On 27 January 2013, Cargotec's Board of Directors appointed Mr Mika Vehviläinen as Cargotec's new President and CEO. Mr Vehviläinen started work at Cargotec on 1 March 2013. More information about remuneration, fringe benefits and other terms of employment of the President and CEO is available on Cargotec's website (www.cargotec.com/investors) in Governance section and in the annual remuneration statement.

Executive Board
In May, Cargotec appointed Mikko Pelkonen as Senior Vice President, Human Resources and member of the Executive Board. He will be responsible for corporate human resources strategy and implementation, and will start in his role in August 2013.

On 20 March 2013, Cargotec's Board of Directors decided to form an Extended Executive Board to support the company's Executive Board, from 1 April 2013. The members of Cargotec's Executive Board are President and CEO Mika Vehviläinen, Executive Vice President and Chief Financial Officer Eeva Sipilä and business area Presidents Mikael Mäkinen (MacGregor), Olli Isotalo (Kalmar) and Axel Leijonhufvud (Hiab). Senior Vice President, General Counsel Outi Aaltonen will act as Secretary to the Executive Board from 1 April 2013.

In addition to the above Executive Board members, the Extended Executive Board includes the following members: Outi Aaltonen, Senior Vice President, General Counsel; Stephen Foster, Senior Vice President, Corporate Audit; Soili Mäkinen, Chief Information Officer; Matti Sommarberg, Executive Vice President, Chief Technology Officer; Anne Westersund, Senior Vice President, Communications and Public Affairs. The main responsibilities of the Extended Executive Board include providing support for the President and CEO and the Executive Board in business area reviews, major projects, shared services and brand coordination.

Reporting segments

MacGregor

MEUR	**Q2/13**	Q2/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
Orders received	**284**	170	67%	**493**	326	51%	645
Order book, end of period	**914**	1,096	-17%	**914**	1,096	-17%	848
Sales	**211**	257	-18%	**376**	528	-29%	995
Sales of services	**36**	42		**70**	80		161
% sales	**17**	16		**19**	15		16
Operating profit (EBIT)	**18.3**	33.0		**30.3**	69.9		127.7
% sales	**8.7**	12.9		**8.1**	13.2		12.8
Operating profit (EBIT)*	**18.3**	33.0		**30.5**	69.9		130.8
% sales*	**8.7**	12.9		**8.1**	13.2		13.2
Personnel, end of period	**1,788**	1,962		**1,788**	1,962		1,868

* excluding restructuring costs

MacGregor's orders for the second quarter grew 67 percent from the comparison period and amounted to EUR 284 (170) million. Demand for marine cargo handling equipment for offshore support vessels was clearly healthier than the general shipping market. Offshore orders accounted for close to half of all orders received.

Major orders received by MacGregor during the second quarter were:

- four offshore cranes for a US customer,
- largest ever active heave-compensated offshore crane for a support vessel to be built in South Korea,
- two offshore cranes for a Nigerian oil and gas company,
- offshore winches for 22 anchor handling vessels to be built in China,
- three offshore cranes for a South Korean customer,
- an offshore crane to Bourbon, as well as
- 12 electric cranes and hatch covers for four multi-purpose vessels to be built in China.

Orders for January–June grew 51 percent from the comparison period, totalling EUR 493 (326) million. Order book grew eight percent from the 2012 year-end, totalling EUR 914 (31 Dec 2012: 848) million at the end of the second quarter. About a half of the order book is bulk, general cargo and container ship-related. Offshore support vessel-related orders comprised a quarter of the order book. It is estimated that around EUR 370 million of the order book will be delivered in 2013.

MacGregor's second quarter sales declined 18 percent from the comparison period, totalling EUR 211 (257) million. Share of services sales was 17 (16) percent or EUR 36 (42) million.

January–June sales declined 29 percent from the comparison period and amounted to EUR 376 (528) million. Sales fell due to low deliveries, as customers delayed receipt of deliveries. Sales for services totalled EUR 70 (80) million, representing 19 (15) percent of sales. The fall in services sales was due to shipowners saving costs by postponing maintenance especially in Europe.

MacGregor’s operating profit for the second quarter totalled EUR 18.3 (33.0) million. Operating profit includes EUR 0.1 million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 18.3 (33.0) million, representing 8.7 (12.9) percent of sales. Although operating profit fell short of the comparison period due to low sales, it did improve from the first quarter.

January–June operating profit amounted to EUR 30.3 (69.9) million. Operating profit includes EUR 0.2 million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 30.5 (69.9) million, representing 8.1 (13.2) percent of sales. Operating profit declined as a result of low sales.

Kalmar

MEUR	**Q1/13**	Q1/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
Orders received	**342**	514	-34%	**707**	851	-17%	1,565
Order book, end of period	**1,037**	1,089	-5%	**1,037**	1,089	-5%	983
Sales	**405**	383	6%	**727**	703	3%	1,495
Sales of services	**95**	92		**187**	177		377
% sales	**24**	24		**26**	25		25
Operating profit (EBIT)	**14.5**	15.5		**21.5**	21.7		32.4
% sales	**3.6**	4.0		**3.0**	3.1		2.2
Operating profit (EBIT)*	**16.0**	15.5		**22.9**	21.7		42.3
% sales*	**3.9**	4.0		**3.2**	3.1		2.8
Personnel, end of period	**5,445**	5,226		**5,445**	5,226		5,190

* excluding restructuring costs

In the second quarter, orders received by Kalmar declined 34 percent from the comparison period and totalled EUR 342 (514) million. The comparison period included one of the largest port equipment orders, valued at approximately EUR 100 million.

Major orders received by Kalmar during the second quarter were as follows:

- two straddle carriers and a SmartFleet solution to New Zealand,
- three Siwertell unloaders to Turkey and one to South America,
- 25 reachstackers to Algeria, as well as
- refurbishment of two quay cranes in Hong Kong.

Orders received in January–June fell 17 percent from the comparison period and amounted to EUR 707 (851) million. The order book grew five percent from 2012 year-end and at the end of the second quarter it totalled EUR 1,037 (31 Dec 2012: 983) million.

Kalmar’s second quarter sales, EUR 405 (383) million, grew six percent from the comparison period. Sales for services grew and amounted to EUR 95 (92) million, representing 24 (24) percent of sales.

January–June sales grew three percent from the comparison period to EUR 727 (703) million. Sales for services grew six percent from the comparison period and amounted to EUR 187 (177) million, representing 26 (25) percent of sales.

Kalmar’s second-quarter operating profit declined slightly from the comparison period and totalled EUR 14.5 (15.5) million. Operating profit includes EUR 1.5 million in restructuring costs. Operating profit also includes a capital loss of EUR 1.5 million from selling Tampere facilities in Finland. Operating profit, excluding restructuring costs, totalled EUR 16.0 (15.5) million, representing 3.9 (4.0) percent of sales.

Operating profit includes additional costs of EUR 10 million for projects. These mainly relate to engineering and the delivery of cranes.

Operating profit for January–June was EUR 21.5 (21.7) million including EUR 1.5 (0.0) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 22.9 (21.7) million, representing 3.2 (3.1) percent of sales. Additional costs of EUR 16 million for projects were booked in the first half. These were mainly caused by problems in logistics, engineering and the delivery of cranes.

Hiab

MEUR	**Q2/13**	Q2/12	Change	**Q1-Q2/13**	Q1-Q2/12	Change	2012
Orders received	**208**	208	0%	**424**	454	-7%	850
Order book, end of period	**198**	230	-14%	**198**	230	-14%	192
Sales	**221**	211	5%	**413**	414	0%	840
Sales of services	**61**	59		**115**	114		229
% sales	**27**	28		**28**	28		27
Operating profit (EBIT)	**5.9**	5.3		**7.9**	12.8		16.7
% sales	**2.7**	2.5		**1.9**	3.1		2.0
Operating profit (EBIT)*	**8.9**	5.3		**12.5**	12.8		27.1
% sales*	**4.0**	2.5		**3.0**	3.1		3.2
Personnel, end of period	**2,910**	3,151		**2,910**	3,151		3,025

* excluding restructuring costs

Hiab's orders received for the second quarter, EUR 208 (208) million, were at comparison period's level. Orders for January–June declined by seven percent from the comparison period to EUR 424 (454) million, mainly due to weaker market situation in some European countries compared to previous year. Orders secured by Hiab were individually small orders, which are typical of the business. Order book grew three percent from 2012 year-end, totalling EUR 198 (31 Dec 2012: 192) million at the end of the second quarter.

Hiab's second quarter sales increased five percent from the comparison period and totalled EUR 221 (211) million. Sales for services amounted to EUR 61 (59) million, representing 27 (28) percent of sales.

January–June sales were at comparison period's level and amounted to EUR 413 (414) million. Sales for services totalled EUR 115 (114) million, representing 28 (28) percent of sales.

Operating profit for Hiab in the second quarter totalled EUR 5.9 (5.3) million. Operating profit includes EUR 3.0 million in restructuring costs. Operating profit, excluding restructuring costs, increased and amounted to EUR 8.9 (5.3) million, representing 4.0 (2.5) percent of sales.

January–June operating profit amounted to EUR 7.9 (12.8) million. Operating profit includes EUR 4.6 million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 12.5 (12.8) million, representing 3.0 (3.1) percent of sales. In the first quarter, operating profit was burdened by low sales, as well as costs associated with delays in adjusting capacity.

Decisions taken at Cargotec Corporation's Annual General Meeting
Cargotec Corporation's Annual General Meeting (AGM) held on 20 March 2013 approved the 2012 financial statements and consolidated financial statements, discharging the President and CEO and members of the Board of Directors from liability for the accounting period 1 January–31 December 2012. The AGM approved the proposals by the Board to authorise the Board to decide on the repurchase of own shares. The authorisation for the repurchase of own shares shall remain in effect for a period of 18 months from the AGM's resolution. More detailed information on the authorisation was published in a stock exchange release on the date of the AGM, 20 March 2013.

The AGM approved the payment of a dividend of EUR 0.71 per class A share and EUR 0.72 per class B share outstanding. The dividend was paid on 3 April 2013.

The number of members of the Board of Directors was confirmed at seven. Tapio Hakakari, Ilkka Herlin, Peter Immonen, Antti Lagerroos, Teuvo Salminen and Anja Silvennoinen were re-elected to the Board of Directors. Jorma Eloranta was appointed as a new member. The meeting decided their yearly remuneration as follows: EUR 80,000 for the Chairman, EUR 55,000 to the Vice Chairman, EUR 55,000 for the Chairman of the Audit and Risk Management Committee and EUR 40,000 for other Board members. In addition, it was decided that members should receive EUR 500 for attendance of Board and Committee meetings and that 30 percent of their yearly remuneration will be paid in Cargotec Corporation's class B shares, with the rest paid in cash.

Authorised public accountants Jouko Malinen and PricewaterhouseCoopers Ltd were elected as auditors. The decision was taken to pay the auditors' fees in accordance with the invoice approved by the company.

Organisation of the Board of Directors
On 20 March 2013, the Board of Directors elected Ilkka Herlin to continue as Chairman of the Board and Tapio Hakakari as Vice Chairman. Outi Aaltonen, Senior Vice President, Cargotec's General Counsel, will continue as Secretary to the Board of Directors.

From among its members, the Board of Directors elected Ilkka Herlin, Teuvo Salminen (chairman) and Anja Silvennoinen as members of the Audit and Risk Management Committee. Board members Tapio Hakakari, Ilkka Herlin (chairman), Peter Immonen and Antti Lagerroos were elected to the Nomination and Compensation Committee.

The Board decided to continue the practice by which members retain their ownership of any Cargotec shares they have obtained as remuneration, for at least two years from the day they obtained them. These shares will be purchased at their market price on a quarterly basis.

Shares and trading
Share capital and own shares
Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of June. The number of class B shares listed on NASDAQ OMX Helsinki Ltd. was 54,786,291 while that of unlisted class A shares totalled 9,526,089. During the reporting period, the number of class B shares grew by 7,500 shares subscribed with 2010A option rights. The entire subscription price of EUR 142,650 was credited to the reserve for invested

non-restricted equity. As a consequence, Cargotec's share capital remained unchanged. The total number of class B shares includes 2,959,487 own class B shares held by the company, accounting for 4.60 percent of the share capital. These shares were repurchased in 2005–2008. Excluding treasury shares held by the company, the number of issued class B shares totalled 51,826,804 at the end of June.

The 2013 AGM authorised the Board to decide on the repurchase of own shares, but the Board did not exercise this authorisation during the reporting period.

Share-based incentive programme

In 2010, Cargotec established a share-based incentive programme for Cargotec executives. This programme aims to ensure the alignment of the objectives of shareholders and executives in order to increase the value of Cargotec, while committing executives to the company and offering them a competitive incentive programme based on company ownership. The programme includes three earnings periods, each lasting three calendar years, which commenced in 2010, 2011 and 2012. Since the minimum earnings criteria for the first earnings period 2010-2012 was not fulfilled, there will be no payout based on the first earnings period. The earnings criteria for the second earnings period consist of the operating profit margin and sales for the financial period 2013. The potential payment will be made in spring 2014.

Option programme

In 2010, Cargotec established an option programme for the key personnel of Cargotec and its subsidiaries. This programme is intended to encourage key personnel to engage in long-term efforts to increase the company's shareholder value, as well as to commit key personnel to the employer. The programme includes 2010A, 2010B and 2010C stock options and the maximum total number of stock options issued will be 1,200,000.

A total of 400,000 2010A stock options assigned to 50 key employees were listed on the main list of NASDAQ OMX Helsinki on 2 April 2013. Each stock option entitles its holder to subscribe for one (1) new class B share in Cargotec between 1 April 2013 and 30 April 2015. The share subscription price currently amounts to EUR 19.02 per share. At the end of the reporting period, the number of listed 2010A stock options was 392,500.

The share subscription, involving a total of 25,456 2010B stock options, will commence on April 2014. The earnings criterion for stock options 2010C subscription to commence was not fulfilled.

Market capitalisation and trading

At the end of June, the total market value of class B shares was EUR 1,066 (937) million, excluding treasury shares held by the company. The period-end market capitalisation, in which unlisted class A shares are valued at the average price of class B shares on the last trading day of the period, was EUR 1,262 (1,108) million, excluding treasury shares held by the company.

The class B share closed at EUR 20.56 (18.08) on the last trading day of June in NASDAQ OMX Helsinki Ltd. The volume weighted average share price for the period was EUR 22.95 (26.05), the highest quotation being EUR 27.57 (33.62) and the lowest EUR 19.35 (16.50). In January–June, a total of 22 (36) million class B shares were traded on NASDAQ OMX Helsinki Ltd., corresponding to a turnover of EUR 501 (931) million. In addition to NASDAQ OMX Helsinki Ltd., a total of 15 (25) million class B shares were traded in several alternative market places, corresponding to a turnover of EUR 337 (672) million. Shares were mainly traded in BATS Chi-X CXE and Turquoise.

Events after the reporting period

MacGregor has entered into an agreement to acquire privately owned Hatlapa Group, merchant ship and offshore deck equipment provider, for an enterprise value of EUR 160 million. By acquiring Hatlapa, MacGregor will strengthen its portfolio and market position and become a global leader in winches.

Hatlapa was founded in 1919 and is headquartered in Uetersen, Germany. Today, the company has 585 employees of which the majority is located in Germany, Norway and Asia. Its sales are expected to be around EUR 120 million in 2013.

Hatlapa Group's three shareholders will continue to have an active role in the business after the transaction. This commitment is reinforced through their participation to a Cargotec level capital loan of EUR 35 million which in part consideration of the purchase price can be transferred to MacGregor equity prior to planned IPO. This arrangement supports planned IPO and MacGregor's growth plans.

The acquisition is subject to regulatory approvals from competition authorities, which are expected to be received during the second half of 2013.

Short-term risks and uncertainties

Developments in the global economy and cargo flows have a direct effect on Cargotec's business environment and customers' willingness to invest. Economic developments are characterised by uncertainty, especially in Europe. Risks stemming from the financing sector and volatility on the currency markets could add to this uncertainty. Greater difficulty in obtaining financing would weaken customers' liquidity and investments.

In MacGregor, risks are mainly associated with postponements of deliveries. Sales in 2013 are expected to total closer to EUR 800 million rather than the previously expected EUR 850 million. If sales fall markedly below this due to postponed deliveries, this will impact on Cargotec's sales and profitability.

Kalmar is engaged in several major port automation projects. In order to manage the associated business risks, these require close management of both the project itself and, in particular, the supply chain. The projects include automation solutions, which involve challenges related to technical and scheduling issues. This could lead to cost and scheduling overruns.

Cargotec has established Rainbow-Cargotec Industries Co. Ltd (RCI), a joint venture with Jiangsu Rainbow Heavy Industries Co., Ltd., in China. The joint venture RCI has launched operations at a new facility in Taicang, China. Improvement in Kalmar's profitability in big cranes requires rapid and successful launch of production.

Among Cargotec's business areas, Europe accounts for the greatest share in Hiab. This equipment has an order lead time of three to four months, whereas other Cargotec products have a clearly longer lead time. If demand deteriorates rapidly, it may weaken Hiab's profitability.

Outlook for 2013

Certain deliveries for MacGregor will be delayed and customers are postponing services. MacGregor's 2013 operating profit margin is expected to be slightly below 10 percent, as 2013 sales are falling short of the previously expected approximately EUR 850 million and now are expected to total closer to EUR 800 million.

Cargotec's sales are expected to be slightly below 2012 and operating profit excluding restructuring costs to be at or slightly below 2012 level.

This outlook is excluding the Hatlapa acquisition announced in July.

Financial calendar 2013

January–September 2013 interim report, Thursday, 24 October 2013

Helsinki, 18 July 2013
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Condensed consolidated statement of income

MEUR	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Sales	**836.3**	**850.4**	**1,515.1**	**1,643.4**	**3,327.3**
Cost of goods sold	-681.3	-685.0	-1,237.4	-1,320.2	-2,693.0
Gross profit	**155.0**	**165.3**	**277.6**	**323.3**	**634.3**
Gross profit, %	*18.5*	*19.4*	*18.3*	*19.7*	*19.1*
Costs and expenses	-122.5	-124.4	-231.3	-244.9	-502.7
Share of associated companies' and joint ventures' net income	0.5	0.2	-0.3	0.3	-0.3
Operating profit	**32.9**	**41.1**	**46.1**	**78.7**	**131.4**
Operating profit, %	*3.9*	*4.8*	*3.0*	*4.8*	*3.9*
Financing income and expenses	-3.3	-2.2	-5.7	-5.0	-8.9
Income before taxes	**29.6**	**39.0**	**40.4**	**73.6**	**122.5**
Income before taxes, %	*3.5*	*4.6*	*2.7*	*4.5*	*3.7*
Income taxes	-7.7	-9.7	-12.0	-18.1	-33.1
Net income for the period	**21.9**	**29.3**	**28.4**	**55.5**	**89.5**
Net income for the period, %	*2.6*	*3.4*	*1.9*	*3.4*	*2.7*
Net income for the period attributable to:					
Equity holders of the company	21.9	29.2	28.1	55.1	89.1
Non-controlling interest	0.0	0.1	0.2	0.3	0.3
Total	**21.9**	**29.3**	**28.4**	**55.5**	**89.5**
Earnings per share for profit attributable to the equity holders of the company:					
Basic earnings per share, EUR	0.36	0.48	0.46	0.90	1.45
Diluted earnings per share, EUR	0.36	0.48	0.46	0.90	1.45

Consolidated statement of comprehensive income

MEUR	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Net income for the period	21.9	29.3	28.4	55.5	89.5
Items that will not be reclassified to statement of income:					
Defined benefit plan acturial gains (+) / losses (-)	0.9	-0.1	0.4	-0.2	-5.1
Taxes relating to items that will not be reclassified to statement of income	-0.2	0.0	-0.1	0.1	0.8
Total	**0.7**	**-0.1**	**0.3**	**-0.1**	**-4.3**
Items that may be reclassified subsequently to statement of income:					
Gain/loss on cash flow hedges	-8.6	-23.1	-7.7	-13.0	32.0
Gain/loss on cash flow hedges transferred to statement of income	-8.9	5.5	-8.2	3.2	-26.8
Translation differences	-74.1	28.8	-42.7	31.7	33.9
Taxes relating to items that may be reclassified subsequently to statement of income	19.6	1.3	11.9	-3.1	-13.1
Total	**-72.0**	**12.6**	**-46.7**	**18.8**	**25.9**
Comprehensive income for the period	**-49.4**	**41.8**	**-18.1**	**74.1**	**111.1**
Comprehensive income for the period attributable to:					
Equity holders of the company	-49.3	41.7	-18.3	73.7	110.8
Non-controlling interest	-0.1	0.1	0.3	0.5	0.4
Total	**-49.4**	**41.8**	**-18.1**	**74.1**	**111.1**

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

The notes are an integral part of these interim consolidated financial statements.

Condensed consolidated balance sheet

ASSETS, MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
Non-current assets			
Intangible assets	1,010.9	1,024.7	1,021.3
Property, plant and equipment	274.6	287.0	303.7
Loans receivable and other interest-bearing assets *	7.3	10.2	8.2
Investments in associated companies and joint ventures	92.9	28.8	97.3
Non-interest-bearing assets	171.9	164.8	176.8
Total non-current assets	**1,557.6**	**1,515.5**	**1,607.3**
Current assets			
Inventories	729.9	860.4	747.2
Loans receivable and other interest-bearing assets *	2.7	1.7	1.6
Accounts receivable and other non-interest-bearing assets	756.3	724.8	733.0
Cash and cash equivalents *	136.3	110.2	209.0
Total current assets	**1,625.1**	**1,697.0**	**1,690.8**
Assets held for sale	**-**	**13.3**	**-**
Total assets	**3,182.8**	**3,225.9**	**3,298.2**

EQUITY AND LIABILITIES, MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
Equity			
Equity attributable to the equity holders of the company	1,153.2	1,177.0	1,214.5
Non-controlling interest	4.3	3.6	4.1
Total equity	**1,157.5**	**1,180.6**	**1,218.5**
Non-current liabilities			
Interest-bearing liabilities *	402.4	463.0	439.7
Deferred tax liabilities	54.0	55.1	64.7
Provisions	34.4	33.6	37.3
Pension obligations and other non-interest-bearing liabilities	117.6	78.1	127.6
Total non-current liabilities	**608.3**	**629.9**	**669.3**
Current liabilities			
Interest-bearing liabilities *	314.2	168.4	259.0
Provisions	72.5	72.8	80.2
Advances received	253.1	357.0	315.0
Accounts payable and other non-interest-bearing liabilities	777.3	817.1	756.1
Total current liabilities	**1,417.0**	**1,415.3**	**1,410.3**
Liabilities directly associated with assets held for sale	-	-	-
Total equity and liabilities	**3,182.8**	**3,225.9**	**3,298.2**

* Included in interest-bearing net debt. In addition, the calculation of the interest-bearing net debt includes the hedging of cross-currency risk relating to the USD 300 million Private Placement bond, totalling on 30 Jun 2013, EUR -3.6 (30 Jun 2012: -12.6 and 31 Dec 2012: -1.6) million.

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

The notes are an integral part of these interim consolidated financial statements.

Consolidated statement of changes in equity

	Attributable to the equity holders of the company								
MEUR	**Share capital**	**Share premium account**	**Translation differences**	**Fair value reserves**	**Reserve for invested non-restricted equity**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Equity on 31 Dec 2011	**64.3**	**98.0**	**105.6**	**9.6**	**-**	**895.7**	**1,173.2**	**4.0**	**1,177.1**
Change in accounting principles						-9.6	-9.6	0.0	-9.6
Equity on 1 Jan 2012	**64.3**	**98.0**	**105.6**	**9.6**	**-**	**886.1**	**1,163.5**	**4.0**	**1,167.5**
Net income for the period						55.1	55.1	0.3	55.5
Cash flow hedges				-7.7			-7.7		-7.7
Translation differences			26.3				26.3	0.1	26.5
Defined benefit plan acturial gains (+)/ losses (-)						-0.1	-0.1		-0.1
Comprehensive income for the period *			**26.3**	**-7.7**		**55.0**	**73.7**	**0.5**	**74.1**
Dividends paid						-61.3	-61.3		-61.3
Share-based incentives *						0.2	0.2		0.2
Transactions with owners of the company						**-61.1**	**-61.1**	**0.0**	**-61.1**
Transactions with non-controlling interests						0.8	0.8	-0.8	-
Changes in ownership interest in subsidiaries						**0.8**	**0,8**	**-0.8**	**-**
Equity on 30 Jun 2012	**64.3**	**98.0**	**131.9**	**1.9**	**-**	**880.9**	**1,177.0**	**3.6**	**1,180.6**
Equity on 31 Dec 2012	**64.3**	**98.0**	**127.2**	**13.7**	**-**	**924.8**	**1,228.1**	**4.1**	**1,232.2**
Change in accounting principles						-13.6	-13.6	0.0	-13.6
Equity on 1 Jan 2013	**64.3**	**98.0**	**127.2**	**13.7**	**-**	**911.2**	**1,214.5**	**4.1**	**1,218.5**
Net income for the period						28.1	28.1	0.2	28.4
Cash flow hedges				12.4			-12.4		-12.4
Translation differences			-34.3				-34.3	0.0	-34.3
Defined benefit plan actuarial gains (+)/ losses (-)						0.3	0.3		0.3
Comprehensive income for the period *			**-34.3**	**12.4**		**28.4**	**-18.3**	**0.3**	**-18.1**
Dividends paid						-44.1	-44.1		-44.1
Stock options exercised					0.1		0.1		0.1
Share-based incentives *						0.9	0.9		0.9
Transactions with owners of the company					**0.1**	**-43.1**	**-43.0**	**0.0**	**-43.0**
Equity on 30 Jun 2013	**64.3**	**98.0**	**92.9**	**1.3**	**0.1**	**896.5**	**1,153.2**	**4.3**	**1,157.5**

* Net of tax

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.
The notes are an integral part of these interim consolidated financial statements.

Condensed consolidated statement of cash flows

MEUR	1-6/2013	1-6/2012	1-12/2012
Net income for the period	28.4	55.5	89.5
Depreciation, amortisation and impairment	31.7	32.1	70.0
Other adjustments	19.9	22.9	34.0
Change in working capital	-71.0	-138.3	-96.4
Cash flow from operations	**8.8**	**-27.8**	**97.1**
Cash flow from financial items and taxes *	-47.2	-38.3	-37.6
Cash flow from operating activities	**-38.4**	**-66.1**	**59.5**
Acquisitions, net of cash acquired	-1.5	-22.0	-22.1
Divestments, net of cash sold	0.2	10.5	10.5
Investments to associated companies and joint ventures	-	-18.1	-89.7
Cash flow from investing activities, other items	-4.3	-45.4	-77.9
Cash flow from investing activities	**-5.5**	**-75.0**	**-179.3**
Stock options exercised	0.1	-	-
Proceeds from long term borrowings	34.8	54.9	62.1
Repayments of long term borrowings	-1.6	-30.8	-49.9
Proceeds from short term borrowings	2.0	81.1	160.5
Repayments of short term borrowings	-6.9	-3.6	-9.9
Dividends paid	-44.1	-61.3	-61.4
Cash flow from financing activities	**-15.7**	**40.2**	**101.5**
Change in cash	**-59.6**	**-100.9**	**-18.3**
Cash, cash equivalents and bank overdrafts at the beginning of period	183.9	200.4	200.4
Effect of exchange rate changes	-2.2	2.6	1.8
Cash, cash equivalents and bank overdrafts at the end of period	**122.0**	**102.2**	**183.9**
Bank overdrafts at the end of period	14.2	8.0	25.0
Cash and cash equivalents at the end of period	**136.3**	**110.2**	**208.9**

* Investments to intangible assets and property, plant and equipment include capitalised interests in the comparison periods: EUR 0.3 million in 1-6/2012 and EUR 1.0 million in 1-12/2012.

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

The notes are an integral part of these interim consolidated financial statements.

Key figures

		1-6/2013	1-6/2012	1-12/2012
Equity / share	EUR	18.80	19.19	19.80
Interest-bearing net debt	MEUR	566.5	496.8	478.2
Total equity / total assets	%	39.5	41.2	40.8
Gearing	%	48.9	42.1	39.2
Return on equity, annualised	%	4.8	9.5	7.5
Return on capital employed, annualised	%	5.3	9.9	8.2

From the beginning of 2013, Cargotec applies the amendment to IAS 19 Employee benefits. The data for the comparison periods has been restated accordingly. Additional information is available in note 10.

Notes to the interim financial statements review

1. General information
Cargotec Corporation is a limited liability company domiciled in Helsinki, Finland. The registered address is Porkkalankatu 5, 00180 Helsinki, Finland. Cargotec Corporation and its subsidiaries form the Cargotec Group (later referred to as Cargotec or company).
Cargotec Corporation's class B shares are listed on the NASDAQ OMX Helsinki since 1 June 2005.

2. Accounting principles and new accounting standards
The interim financial statements review has been prepared according to IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements for 2012. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Adoption of the new and revised IFRS standards as of 1 January, 2013:

Starting from 1 January 2013, Cargotec has adopted the amendment to the IAS 19 Employee benefits. Comparison periods have been restated to comply with the revised standard. Most significant change for Cargotec was the elimination of the 'corridor approach'. Information on the changes to the comparison figures has been presented in note 10.

Revised accounting principle for pension obligations is the following:

Cargotec has various pension plans which comply with local conditions and practices. The plans are classified either as defined contribution plans or defined benefit plans. Contributions to the defined contribution plans are charged directly to the statement of income in the year to which these contributions relate.

The liability recognised in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the end of reporting period less fair value of plan assets. The defined benefit obligation is calculated using projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate or government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in the statement of income.

Defined benefit pension costs consist of service costs, net interest costs and the effects of any curtailment or settlement.

Restatement of reporting segments' comparable figures

Cargotec has three reporting segments which are based on business areas MacGregor, Kalmar and Hiab. Bulk Handling business was transferred from MacGregor to Kalmar as of 1 January 2013. Reporting segments' financial information for comparable periods has been restated accordingly.

3. Segment information

Sales, MEUR	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
MacGregor	211	257	376	528	995
Kalmar	405	383	727	703	1,495
Hiab	221	211	413	414	840
Internal sales	0	-1	-1	-1	-2
Total	**836**	**850**	**1,515**	**1,643**	**3,327**

Operating profit, MEUR	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
MacGregor	18.3	33.0	30.3	69.9	127.7
Kalmar	14.5	15.5	21.5	21.7	32.4
Hiab	5.9	5.3	7.9	12.8	16.7
Corporate administration and support functions	-5.7	-12.7	-13.6	-25.7	-45.4
Total	**32.9**	**41.1**	**46.1**	**78.7**	**131.4**

Operating profit, %	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
MacGregor	8.7	12.9	8.1	13.2	12.8
Kalmar	3.6	4.0	3.0	3.1	2.2
Hiab	2.7	2.5	1.9	3.1	2.0
Cargotec	3.9	4.8	3.0	4.8	3.9

Operating profit excl. restructuring costs, MEUR	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
MacGregor	18.3	33.0	30.5	69.9	130.8
Kalmar	16.0	15.5	22.9	21.7	42.3
Hiab	8.9	5.3	12.5	12.8	27.1
Corporate administration and support functions	-5.7	-12.7	-13.5	-25.7	-42.7
Total	**37.5**	**41.1**	**52.5**	**78.7**	**157.5**

Operating profit excl. restructuring costs, %	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
MacGregor	8.7	12.9	8.1	13.2	13.2
Kalmar	3.9	4.0	3.2	3.1	2.8
Hiab	4.0	2.5	3.0	3.1	3.2
Cargotec	4.5	4.8	3.5	4.8	4.7

Sales by geographical area, MEUR	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
EMEA	345	323	668	638	1,341
Asia-Pacific	294	307	484	603	1,178
Americas	198	220	363	403	808
Total	**836**	**850**	**1,515**	**1,643**	**3,327**

Sales by geographical area, %	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
EMEA	41.2	38.0	44.1	38.8	40.3
Asia-Pacific	35.1	36.1	31.9	36.7	35.4
Americas	23.7	25.9	23.9	24.5	24.3
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Orders received, MEUR	Q2/2013	Q2/2012	1-6/2013	1-6/2012	1-12/2012
MacGregor	284	170	493	326	645
Kalmar	342	514	707	851	1,565
Hiab	208	208	424	454	850
Internal orders received	0	0	-1	-2	-2
Total	**833**	**892**	**1,624**	**1,629**	**3,058**

Order book, MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
MacGregor	914	1,096	848
Kalmar	1,037	1,089	983
Hiab	198	230	192
Internal order book	-1	-2	-2
Total	**2,147**	**2,413**	**2,021**

Number of employees at the end of period	30 Jun 2013	30 Jun 2012	31 Dec 2012
MacGregor	1,788	1,962	1,868
Kalmar	5,445	5,226	5,190
Hiab	2,910	3,151	3,025
Corporate administration and support functions	159	268	211
Total	**10,302**	**10,608**	**10,294**

Average number of employees	1-6/2013	1-6/2012	1-12/2012
MacGregor	1,791	1,996	1,951
Kalmar	5,224	5,161	5,195
Hiab	2,969	3,161	3,129
Corporate administration and support functions	158	262	247
Total	**10,143**	**10,580**	**10,522**

Bulk Handling business was transferred from MacGregor to Kalmar as of 1 January 2013. Reporting segments' financial information for comparison periods has been restated accordingly.

4. Capital expenditure, depreciation and amortisation

Capital expenditure, MEUR	1-6/2013	1-6/2012	1-12/2012
Intangible assets	8.6	13.8	22.7
Property, plant and equipment	39.3	38.5	87.7
Total	**47.9**	**52.3**	**110.5**

Depreciation, amortisation and impairment, MEUR	1-6/2013	1-6/2012	1-12/2012
Intangible assets	9.2	8.7	19.2
Buildings	3.9	3.7	9.2
Machinery & equipment	18.5	19.7	41.6
Total	**31.7**	**32.1**	**70.0**

5. Taxes in statement of income

MEUR	1-6/2013	1-6/2012	1-12/2012
Current year tax expense	16.3	20.5	35.5
Deferred tax expense	-3.0	-2.9	-5.4
Tax expense for previous years	-1.3	0.5	2.9
Total	**12.0**	**18.1**	**33.1**

6. Interest-bearing net debt and liquidity

MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
Interest-bearing liabilities*	712.9	618.9	697.0
Loans receivable and other interest-bearing assets	-10.0	-11.8	-9.8
Cash and cash equivalents	-136.3	-110.2	-209.0
Interest-bearing net debt	**566.5**	**496.8**	**478.2**
Equity	1,157.5	1,180.6	1,218.5
Gearing	**48.9%**	**42.1%**	**39.2%**

*The fair values do not materially differ from book values. One exception is the hedging of currency risk relating to the USD 300 million Private Placement bond, which affected the interest-bearing liabilities on 30 June 2013 by EUR -3.6 (30 Jun 2012: -12.6 and 31 Dec 2012: -1.6) million.

MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
Cash and cash equivalents	136.3	110.2	209.0
Committed long-term undrawn revolving credit facilities	300.0	300.0	300.0
Repayments of interest-bearing liabilities in following 12 months	-293.8	-69.7	-258.6
Total liquidity	**142.5**	**340.5**	**250.4**

7. Derivatives

Fair values of derivative financial instruments

MEUR	Positive fair value 30 Jun 2013	Negative fair value 30 Jun 2013	Net fair value 30 Jun 2013	Net fair value 30 Jun 2012	Net fair value 31 Dec 2012
Currency forward contracts	15.6	35.1	-19.5	9.5	26.3
Cross-currency and interest rate swaps	34.6	25.8	8.8	27.0	8.8
Total	**50.2**	**60.9**	**-10.7**	**36.4**	**35.1**
Non-current portion:					
Currency forward contracts	0.2	0.4	-0.2	3.4	0.6
Cross-currency and interest rate swaps	31.2	24.0	7.2	27.0	8.8
Non-current portion	**31.4**	**24.3**	**7.1**	**30.3**	**9.4**
Current portion	**18.8**	**36.6**	**-17.8**	**6.1**	**25.7**

Cross-currency and interest rate swaps hedge the US Private Placement corporate bond funded in February 2007.

Financial assets and liabilities recognised at fair value through profit and loss comprise solely currency derivatives as well as cross-currency and interest rate swaps, which are classified to level 2, observable input information, in the fair value hierarchy.

Nominal values of derivative financial instruments

MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
Currency forward contracts	3,318.6	3,817.2	3,575.9
Hedge accounting	1,761.2	2,247.3	1,926.8
Cross-currency and interest rate swaps	229.4	238.3	227.4
Total	**3,547.9**	**4,055.5**	**3,803.3**

The fair values of derivatives have been recognised as gross values to the balance sheet, as the netting agreements are related to credit events, and do not normally allow netting at the balance sheet date. The group has not given or received securities from the counterparties related to derivatives.

8. Commitments

MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
Guarantees	0.0	1.0	0.9
End customer financing	9.0	10.4	10.0
Operating leases	122.8	72.4	81.2
Off balance sheet investment commitments	8.5	-	9.0
Other contingent liabilities	3.0	3.1	3.0
Total	**143.3**	**86.8**	**104.2**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 433.0 (30 Jun 2012: 466.7 and 31 Dec 2012: 411.3) million.

Cargotec leases property, plant and equipment under non-cancellable operating leases. The leases have varying terms and renewal rights. It is not anticipated that any material liabilities will arise from customer finance commitments.

The future minimum lease payments under non-cancellable operating leases

MEUR	30 Jun 2013	30 Jun 2012	31 Dec 2012
Less than 1 year	20.3	21.2	20.7
1-5 years	48.4	34.2	39.6
Over 5 years	54.1	17.0	21.0
Total	**122.8**	**72.4**	**81.2**

The aggregate operating lease expenses totaled EUR 11.9 (1-6/2012: 15.3 and 1-12/2012: 27.6) million.

In 2011, Cargotec Finland Oy received an action brought against the co-operation procedure at the Salo factory in 2008. The case is still on progress. Cargotec finds the action unfounded and inappropriate, denies non-compliance and has made no provision in relation to it.

Some lawsuits, claims and disputes based on various grounds are pending against Cargotec around the world. Management believes that the outcome of these disputes will not have a material effect on Cargotec's financial position.

9. Acquisitions and disposals

In May, Kalmar acquired 70 percent ownerships in Spanish crane refurbishment and maintenance service companies Mareiport S.A. and Protecciones Superficiales y Applicaciones S.L. As a result of the acquisition, group’s ownership in the companies increased to 100 percent. The acquisition is a strategic step for Kalmar to become a major global crane refurbishment and services provider. The entities’ sales in 2012 totaled approximately EUR 20 million and they employ approximately 250 people.

Consolidation of the acquired businesses is provisional as of 30 June 2013. Fair value measurement of the acquired assets, liabilities and contingent consideration is preliminary and subject to adjustments until the valuation is finalised. In the preliminary valuation, order book and trademark have been identified as acquired intangible assets. According to the preliminary valuation, the acquisition will generate also goodwill, which will not be tax-deductible. Goodwill is primarily based on personnel and expected synergy benefits.

MEUR	
Purchase price, to be settled in cash	7.9
Preliminary contingent consideration	2.5
Total consideration	**10.4**
Purchase price, settled in cash	4.0
Cash and cash equivalents acquired	-2.5
Cash flow impact	**1.5**

Out of the purchase price EUR 4.0 million was paid upon the acquisition and the remaining EUR 3.9 will be paid within 12 months. Additionally, Cargotec is committed to pay contingent consideration amounting EUR 2.5 million as a maximum based on the acquired entities' earnings before interest and taxes (EBIT) in 2013. Contingent consideration will be paid in 2014 and based on the current assessment it is expected to be settled in full.

The pre-existing ownership in the entities has been valued at fair value at the date of acquisition. The revaluation result of EUR 0.01 million is included in other operating income in the consolidated statement of income.

Acquisition-related transaction costs of EUR 0.1 million have been included in the operating profit of the Kalmar segment and in other operating expenses in the consolidated statement of income.

During the first quarter, Hiab sold 100 percent of O'Leary's Material Handling Services Pty Ltd, in Australia. The transaction had no material effect on Cargotec's result.

10. Effect of the change in the accounting principle for pensions

MEUR	Reported	Change	Restated
1 January 2012			
Pension obligations	45.6	13.2	58.7
Equity	1,177.1	-9.6	1,167.5
Deferred tax assets	121.6	3.9	125.5
Deferred tax liabilities	51.4	0.3	51.7
Net income for 2012	89.2	0.3	89.5
Comprehensive income for 2012	115.1	-4.0	111.1
31 December 2012			
Pension obligations	50.4	17.9	68.3
Equity	1,232.2	-13.6	1,218.5
Deferred tax assets	125.7	4.4	130.1
Deferred tax liabilities	64.6	0.1	64.7
Equity / share	20.02	-0.2	19.80
Total equity / total assets	41.4	-0.6	40.8
Gearing	38.8	0.4	39.2
Return on equity in 2012	7.4	0.1	7.5
Return on capital employed in 2012	8.1	0.1	8.2

The change had no effect to earnings / share.

11. Events after the balance sheet date

MacGregor has entered into an agreement to acquire privately owned Hatlapa Group, merchant ship and offshore deck equipment provider, for an enterprise value of EUR 160 million. By acquiring Hatlapa, MacGregor will strengthen its portfolio and market position and become a global leader in winches.

Hatlapa was founded in 1919 and is headquartered in Uetersen, Germany. Today, the company has 585 employees of which the majority is located in Germany, Norway and Asia. Its sales are expected to be around EUR 120 million in 2013.

Hatlapa Group's three shareholders will continue to have an active role in the business after the transaction. This commitment is reinforced through their participation to a Cargotec level capital loan of EUR 35 million which in part consideration of the purchase price can be transferred to MacGregor equity prior to planned IPO. This arrangement supports planned IPO and MacGregor's growth plans.

The acquisition is subject to regulatory approvals from competition authorities, which are expected to be received during the second half of 2013.

Key exchange rates for the Euro

Closing rate	**30 Jun 2013**	**30 Jun 2012**	**31 Dec 2012**
SEK	8.560	8.773	8.582
USD	1.312	1.259	1.319

Average rate	**1-6/2013**	**1-6/2012**	**1-12/2012**
SEK	8.777	8.876	8.701
USD	1.308	1.302	1.293

Calculation of key figures

Equity / share, EUR	=		Total equity attributable to the equity holders of the company / Number of outstanding shares at the end of period
Interest-bearing net debt, MEUR	=		Interest-bearing debt* - interest-bearing assets
Total equity / total assets (%)	=	100 x	Total equity / Total assets - advances received
Gearing (%)	=	100 x	Interest-bearing debt* - interest-bearing assets / Total equity
Return on equity (%)	=	100 x	Net income for the period / Total equity (average for the period)
Return on capital employed %	=	100 x	Income before taxes + interest and other financing expenses / Total assets - non-interest-bearing debt (average for the period)
Basic earnings / share, EUR	=		Net income for the period attributable to the equity holders of the company / Average number of outstanding shares during the period
Diluted earnings / share, EUR	=		Net income for the period attributable to the equity holders of the company / Average number of outstanding diluted shares during the period

* Including cross-currency hedging of the USD 300 million Private Placement corporate bonds.

Quarterly figures

Cargotec		Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012
Orders received	MEUR	833	791	710	719	892
Order book	MEUR	2,147	2 203	2,021	2,312	2,413
Sales	MEUR	836	679	890	794	850
Operating profit	MEUR	32.9	13.1	14.2	38.5	41.1
Operating profit	%	3.9	1.9	1.6	4.9	4.8
Operating profit*	MEUR	37.5	15.0	39.9	39.0	41.1
Operating profit*	%	4.5	2.2	4.5	4.9	4.8
Basic earnings/share	EUR	0.36	0.10	0.15	0.41	0.48

MacGregor		Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012
Orders received	MEUR	284	209	194	125	170
Order book	MEUR	914	886	848	984	1,096
Sales	MEUR	211	165	238	229	257
Operating profit*	MEUR	18.3	12.2	39.0	21.9	33.0
Operating profit*	%	8.7	7.4	16.4	9.6	12.9

Kalmar		Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012
Orders received	MEUR	342	366	313	402	514
Order book	MEUR	1,037	1,106	983	1,102	1,089
Sales	MEUR	405	323	417	374	383
Operating profit*	MEUR	16.0	7.0	3.9	16.7	15.5
Operating profit*	%	3.9	2.2	0.9	4.5	4.0

Hiab		Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012
Orders received	MEUR	208	216	203	192	208
Order book	MEUR	198	214	192	229	230
Sales	MEUR	221	192	235	191	211
Operating profit*	MEUR	8.9	3.6	8.5	5.8	5.3
Operating profit*	%	4.0	1.9	3.6	3.0	2.5

* Operating profit excluding restructuring costs