Cargotec's January–June 2015 interim report: profitability improved clearly, MacGregor market situation challenging

April–June 2015 in brief

- Orders received declined 11 percent and totalled EUR 887 (993) million.
- Order book grew 6 percent from the 2014 year-end, and at the end of the reporting period it totalled EUR 2,342 (31 Dec 2014: 2,200) million.
- Sales grew 16 percent to EUR 936 (804) million.
- Operating profit excluding restructuring costs was EUR 58.0 (4.7) million, representing 6.2 (0.6) percent of sales.
- Operating profit was EUR 54.9 (-6.0) million, representing 5.9 (-0.7) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 101.3 (24.4) million.
- Net income for the period amounted to EUR 27.4 (-9.3) million.
- Earnings per share was EUR 0.43 (-0.15).

January–June 2015 in brief

- Orders received declined 2 percent and totalled EUR 1,826 (1,856) million.
- Sales grew 17 percent to EUR 1,825 (1,555) million.
- Operating profit excluding restructuring costs was EUR 110.3 (29.3) million, representing 6.0 (1.9) percent of sales.
- Operating profit was EUR 106.2 (17.8) million, representing 5.8 (1.1) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 152.8 (56.9) million.
- Net income for the period amounted to EUR 63.9 (3.6) million.
- Earnings per share was EUR 0.99 (0.05).

Outlook for 2015 unchanged

Cargotec's 2015 sales are expected to grow from 2014. Operating profit excluding restructuring costs for 2015 is expected to improve from 2014.

Cargotec's key figures

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
Orders received	**887**	993	-11%	**1,826**	1,856	-2%	3,599
Order book, end of period	**2,342**	2,285	2%	**2,342**	2,285	2%	2,200
Sales	**936**	804	16%	**1,825**	1,555	17%	3,358
Operating profit*	**58.0**	4.7	1,138%	**110.3**	29.3	276%	149.3
Operating profit, %*	**6.2**	0.6		**6.0**	1.9		4.4
Operating profit	**54.9**	-6.0	N/A	**106.2**	17.8	496%	126.6
Operating profit, %	**5.9**	-0.7		**5.8**	1.1		3.8
Income before taxes	**46.3**	-12.9		**93.8**	5.4		98.2
Cash flow from operations	**101.3**	24.4		**152.8**	56.9		204.3
Net income for the period	**27.4**	-9.3		**63.9**	3.6		72.0
Earnings per share, EUR	**0.43**	-0.15		**0.99**	0.05		1.11
Net debt, end of period	**735**	847		**735**	847		719
Gearing, %	**56.9**	71.9		**56.9**	71.9		59.2
Personnel, end of period	**10,730**	10,879		**10,730**	10,879		10,703

*excluding restructuring costs

Cargotec's President and CEO Mika Vehviläinen:

In the second quarter, market activity and orders were healthy in Kalmar and Hiab, but orders for MacGregor remained low due to a challenging shipping market. Our sales developed favourably during the quarter. The development of Hiab and Kalmar's operating profit margin during several quarters shows that profit improvement measures have yielded sustainable results. We cannot be satisfied with profitability in MacGregor. However, effectiveness and cost savings programmes are progressing as planned and we continue with our determined efforts to safeguard MacGregor's profitability.

I am delighted to state that Kalmar and Hiab completed their profit improvement programmes – begun in 2013 – ahead of schedule. Efficiency improvement in these business areas continues, but the focus is shifting towards profitable growth. We have determinedly invested in product development and our offering. Hence, I am convinced that we can provide our customers with significant added value in their cargo handling needs. We will also continue developing our service business in all business areas.

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 10:00 a.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 10:00 a.m. EEST.

The telephone conference, during which questions may be presented, can be accessed using the following numbers with access code Cargotec/953925:
FI: +358 9 2313 9201
SE: +46 8 5052 0110
UK: +44 207 1620 077
US: +1 334 323 6201

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 23 July 2015 in the following numbers: US callers +1 954 334 0342, non-US callers +44 20 7031 4064, access code 953925.

For further information, please contact:
Eeva Sipilä, Executive Vice President and CFO, tel. +358 20 777 4104
Paula Liimatta, Director, Investor Relations, tel. +358 20 777 4084

Cargotec shapes the cargo handling industry for the benefit of its customers and shareholders. Cargotec's business areas MacGregor, Kalmar and Hiab are recognised leaders in cargo and load handling solutions around the world. Their global network is positioned close to customers and offers extensive services that ensure a continuous, reliable and sustainable performance according to customers’ needs. Cargotec's sales in 2014 totalled approximately EUR 3.4 billion and it employs approximately 11,000 people. Cargotec's class B shares are quoted on NASDAQ OMX Helsinki Ltd under symbol CGCBV. www.cargotec.com

Cargotec's January–June 2015 interim report

Operating environment

The market for marine cargo handling equipment was weak and demand for cargo handling solutions for bulk carriers was low. Although orders for large container ships increased during the second quarter, orders were not yet placed for the related cargo handling equipment. With respect to the MacGregor offering, the offshore cargo handling equipment market weakened during the second quarter as a result of decreased investments by oil companies. Demand for services was stable.

Growth of more than four percent is anticipated in the number of containers handled at ports in 2015. Demand for container handling equipment and services saw positive development on all continents. Customer interest in port automation solutions remained healthy. In the United States, the economic recovery was reflected in increased demand also for equipment supplied to distribution centres and heavy material handling customers.

A strong market for load handling equipment in the US was particularly visible in demand for truck-mounted forklifts and tail lifts. In Europe, the market situation varied significantly between countries. Demand for services was healthy.

Financial performance

Orders received and order book

Orders received during the second quarter declined 11 percent from the comparison period and totalled EUR 887 (993) million. Compared to the comparison period, currency rate changes had a six percentage point positive impact on orders received. Orders received grew in Kalmar, but decreased in MacGregor and Hiab. Service orders were at the comparison period's level.

Orders received for January–June declined two percent from the comparison period and totalled EUR 1,826 (1,856) million. Compared to the comparison period, currency rate changes had a six percentage point positive impact on orders received. Of the first-half orders, 24 percent were received by MacGregor, 50 percent by Kalmar, and 26 percent by Hiab. In geographical terms, the share of orders received increased to 30 (23) percent in the Americas and decreased to 28 (34) percent in Asia-Pacific. EMEA's share of all orders was 42 (43) percent. Service orders accounted for 24 (23) percent of total orders.

The order book grew six percent from the 2014 year-end level, and at the end of the second quarter it totalled EUR 2,342 (31 Dec 2014: 2,200) million. MacGregor's order book totalled EUR 1,104 (1,131) million, representing 47 (51) percent, Kalmar's EUR 946 (805) million, or 40 (37) percent, and that of Hiab EUR 297 (264) million, or 13 (12) percent of the consolidated order book.

Orders received by reporting segment

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
MacGregor	**220**	338	-35%	**448**	653	-31%	1,210
Kalmar	**450**	394	14%	**906**	725	25%	1,482
Hiab	**221**	261	-15%	**477**	479	0%	909
Internal orders	**-5**	-1		**-5**	-1		-1
Total	**887**	993	-11%	**1,826**	1,856	-2%	3,599

Orders received by geographical area

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
EMEA	**374**	392	-5%	**761**	788	-3%	1,524
Asia-Pacific	**256**	357	-28%	**523**	633	-17%	1,195
Americas	**257**	244	5%	**542**	435	25%	880
Total	**887**	993	-11%	**1,826**	1,856	-2%	3,599

Sales

Second-quarter sales grew 16 percent from the comparison period, to EUR 936 (804) million. Compared to the comparison period, currency rate changes had a nine percentage point positive impact on sales. Sales grew in all business areas and geographical areas. Sales in services grew nine percent from the comparison period and totalled EUR 220 (202) million, representing 23 (25) percent of consolidated sales.

January–June sales grew 17 percent from the comparison period and totalled EUR 1,825 (1,555) million. Compared to the comparison period, currency rate changes had a nine percentage point positive impact on sales. Sales in services amounted to EUR 437 (396) million, representing 24 (25) percent of sales. Sales grew in the Americas and Asia-Pacific and were at the level of the comparison period in EMEA. EMEA’s share of consolidated sales declined to 39 (46) percent, whereas that of Asia-Pacific grew to 32 (29) percent and the Americas’ to 29 (25) percent. Services sales grew in all geographic areas.

Sales by reporting segment

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
MacGregor	**308**	261	18%	**590**	478	23%	1,034
Kalmar	**391**	323	21%	**786**	649	21%	1,487
Hiab	**237**	221	7%	**450**	429	5%	840
Internal sales	**0**	-1		**0**	-1		-3
Total	**936**	804	16%	**1,825**	1,555	17%	3,358

Sales by geographical area

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
EMEA	**369**	355	4%	**719**	718	0%	1,437
Asia-Pacific	**305**	237	29%	**587**	448	31%	1,013
Americas	**262**	212	24%	**519**	389	33%	908
Total	**936**	804	16%	**1,825**	1,555	17%	3,358

Financial result

Operating profit for the second quarter clearly improved from the comparison period, totalling EUR 54.9 (-6.0) million. Hiab's profitability was very strong with operating profit margin exceeding 10 percent. Kalmar's operating profit improved, although the comparison period included EUR 39 million in project cost overruns. MacGregor's deliveries were weighted towards low margin bulk ships and offshore vessels. Operating profit includes EUR 3.1 (10.7) million in restructuring costs. EUR 2.9 (0.0) million of the restructuring costs were related to MacGregor, EUR 0.2 (0.2) million to Kalmar, EUR 0.0 (10.4) million to Hiab.

Operating profit for the second quarter, excluding restructuring costs, was EUR 58.0 (4.7) million, representing 6.2 (0.6) percent of sales. Excluding restructuring costs, operating profit for MacGregor amounted to EUR 12.5 (14.9) million, Kalmar EUR 28.5 (-19.4) million, and Hiab EUR 25.4 (15.6) million.

Operating profit for January–June clearly improved from the comparison period, totalling EUR 106.2 (17.8) million. Kalmar's and Hiab's operating profit improved as a result of profit improvement measures undertaken during the past two years. Operating profit includes EUR 4.1 (11.5) million in restructuring costs. EUR 2.7 (0.0) million of the restructuring costs are related to MacGregor, EUR 0.8 (0.8) million to Kalmar, EUR 0.7 (10.3) million to Hiab, and EUR 0.0 (0.4) million to corporate administration and support functions.

Operating profit for January–June excluding restructuring costs totalled EUR 110.3 (29.3) million, representing 6.0 (1.9) percent of sales. Excluding restructuring costs, operating profit for MacGregor amounted to EUR 24.8 (22.6) million, Kalmar EUR 57.9 (-8.2) million, and Hiab EUR 44.6 (29.0) million.

Net interest expenses for interest-bearing debt and assets for the second quarter totalled EUR 5.5 (6.2) million. Net financing expenses totalled EUR 8.6 (6.9) million. Net interest expenses for interest-bearing debt and asset for January–June totalled EUR 10.4 (12.8) million and net financing expenses EUR 12.4 (12.4) million.

Net income for the second quarter totalled EUR 27.4 (-9.3) million, and earnings per share EUR 0.43 (-0.15). Net income for January–June totalled EUR 63.9 (3.6) million, and earnings per share EUR 0.99 (0.05).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 3,708 (31 Dec 2014: 3,652) million at the end of the second quarter. Equity attributable to equity holders was EUR 1,289 (1,209) million, representing EUR 19.92 (18.76) per share. Property, plant and equipment on the balance sheet was EUR 313 (303) million and intangible assets were EUR 1,275 (1,247) million.

Return on equity (ROE, annualised) in January–June increased to 10.2 (0.6) percent, and return on capital employed (ROCE, annualised) increased to 9.8 (1.9) percent.

Cash flow from operating activities for the January–June, before financial items and taxes, totalled EUR 152.8 (56.9) million. Net working capital increased during the reporting period, from EUR 186 million at the end of 2014 to EUR 195 million.

Cargotec's liquidity position is healthy. At the end of the second quarter, interest-bearing net debt totalled EUR 735 (31 Dec 2014: 719) million. Interest-bearing debt amounted to EUR 910 (932) million, of which EUR 174 (193) million was current and EUR 736 (739) million non-current debt. On 30 June 2015, the average interest rate on the loan portfolio was 2.1 (2.9) percent. Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 175 (31 Dec 2014: 213) million.

In May, in order to further strengthen its liquidity and financial position and to take advantage of loan market conditions, Cargotec refinanced its EUR 200 million bank loans originally maturing in 2016. Of these new loans, EUR 150 million will mature in 2018 and EUR 50 million in 2019.

At the end of the second quarter, Cargotec's total equity/total assets ratio was 37.3 (31 Dec 2014: 35.9) percent. Gearing decreased from its 2014 year-end level of 59.2 percent to 56.9 percent due to positive operative cash flow during the period.

Corporate topics

Research and development

Research and product development expenditure in January–June totalled EUR 38.4 (33.4) million, representing 2.1 (2.1) percent of sales. Research and product development investments were focused on projects that aim to improve the competitiveness and cost efficiency of products.

MacGregor

During the second quarter, MacGregor introduced a semi-electric offshore knuckle boom crane and electrically driven active heave-compensated (AHC) option for anchor handling winches.

In January, MacGregor established a new cross-divisional technology, sourcing and QEHS (quality, environment, health & safety) function to ensure a stronger focus on R&D collaboration within divisions in product development. The first joint project started during the quarter.

Kalmar

During the second quarter, Kalmar and Navis introduced Kalmar OneTerminal, the industry's first integrated offering for automated container terminals consisting of software, equipment and services and offering three initial terminal concepts. In response to market needs, Kalmar OneTerminal makes automation accessible and mitigates the risks involved. A OneTerminal project covers the automation of container handling equipment, Kalmar terminal logistics system (TLS), Navis terminal operating system, and project services.

In addition, Kalmar presented its next-generation automatic stacking crane (ASC) system, at the heart of which is the new 5th generation ASC. Customers reap the value of the automation investment sooner, as the system is fully tested and pre-integrated before ground works begin at the site. Kalmar also launched Kalmar K-Motion technology for its reachstackers, an innovative drive train system with efficient transmission technologies – hydrostatic and mechanical – in combination with smart programming. This is an efficient way to achieve savings, increase productivity and gain fuel and emissions reductions of up to 40 percent.

During the first quarter, Kalmar introduced new heavy forklift trucks in the 18–33 tonne capacity range as well as a new reachstacker for empty container handling.

Hiab

In June, Hiab introduced a new forestry crane and a new-generation Hi-Cab cabin. The forestry crane’s high lift/weight ratio for a higher payload ensures that the customer can move more timber. The Hi-Cab cabin has panoramic windows that offer five times more window than wall surface: this is part of increased overall safety.

In May, Hiab launched the new HIAB Z-series loader cranes. These cranes can be folded into a Z position and parked behind the drivers cab with the tools still attached. This attribute is unique in the market and helps when speed, efficiency and a high number of load cycles are required.

In April, Hiab presented a new generation skiploader, the MULTILIFT Futura. The new skiploader has over 100 smart and safe innovations to ensure the business growth of customers. For example, the skiploader’s steel construction enables a 300–500 kg higher payload. The MULTILIFT Futura has been well received on the market. Hiab also launched its 12 T-series light range loader cranes featuring hybrid technology. These cranes are designed for easy mounting on pickups and light trucks. Their hybrid operating system is environmentally friendly, since it saves fuel due to the batteries being charged while the engine is running. Feedback from the market has been positive and the order intake has begun well.

During the first quarter, Hiab presented to the market a new loader crane for the heavy range segment. This highly productive and reliable solution for heavy duty load handling has a lift capacity of 80tm and an outreach of 34.5m in the horizontal plane. A completely new 750 kg ultra-light weight cantilever tail lift for the important 3,5t transport vehicle segment was also launched during the quarter. It has rapid operation for competitive frequent usage, stability for a safe working environment and it offers a substantially reduced installation time on to the vehicle.

Capital expenditure

Capital expenditure in January–June, excluding acquisitions and customer financing, totalled EUR 17.1 (16.3) million. Investments in customer financing were EUR 25.4 (22.0) million. Depreciation, amortisation and impairment amounted to EUR 42.6 (42.6) million.

During the second quarter, Kalmar decided to invest around three million euros in a new port automation testing and development platform at its Technology and Competence Centre in Tampere, Finland. The platform will primarily be used for testing in customer projects and new product releases. The investment includes all modules required to run an automated container yard operation, including a total automation system, a new automatic stacking crane (ASC) and the R&D work required for deployment. The testing platform is expected to be fully operational in early 2016.

Personnel

Cargotec employed 10,730 (31 Dec 2014: 10,703) people at the end of the second quarter. MacGregor employed 2,650 (2,737) people, Kalmar 5,284 (5,219), Hiab 2,598 (2,572) and corporate administration and support functions 197 (176). The average number of employees in January–June was 10,692 (10,870).

At the end of the second quarter, 12 (31 Dec 2014: 13) percent of the employees were located in Sweden, 8 (8) percent in Finland and 38 (37) percent in the rest of Europe. Asia-Pacific personnel represented 26 (25) percent, North and South American 14 (14) percent, and the rest of the world 2 (2) percent of total employees.

Savings measures announced in April in MacGregor have proceeded according to plan. It is estimated that these planned measures will lead to a reduction of some 220 employees globally. The target is to achieve annual savings of EUR 20 million. An estimated EUR 5 million in restructuring costs will be incurred in 2015 due to these initiated measures. Negotiations on personnel reductions remained partly incomplete at the end of the reporting period. In relation to these measures, EUR 2.9 million in restructuring costs were booked in the second quarter.

Executive Board

In May, Cargotec appointed Michel van Roozendaal President of the MacGregor business area as of August 2015. He will be a member of Cargotec's Executive Board and report to President and CEO Mika Vehviläinen. As of August, Cargotec’s Executive Board will include President and CEO Mika Vehviläinen; Executive Vice President and CFO Eeva Sipilä; Senior Vice President, Human Resources, Mikko Pelkonen; Senior Vice President, Strategy, Mikael Laine; and business area presidents Michel van Roozendaal (MacGregor), Olli Isotalo (Kalmar) and Roland Sundén (Hiab). Senior Vice President, General Counsel Outi Aaltonen acts as Secretary to the Executive Board.

Profit improvement programmes

Kalmar and Hiab have completed the profit improvement programmes begun in 2013 ahead of schedule. According to the initial schedule, the programmes were to be completed by the end of 2015. Although efficiency improvement in the business areas continues, the focus is shifting towards profitable growth.

Reporting segments

MacGregor

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
Orders received	**220**	338	-35%	**448**	653	-31%	1,210
Order book, end of period	**1,104**	1,181	-7%	**1,104**	1,181	-7%	1,131
Sales	**308**	261	18%	**590**	478	23%	1,034
Sales of services	**58**	56		**118**	106		224
% sales	**19**	21		**20**	22		22
Operating profit	**9.6**	14.9		**22.1**	22.6		51.7
% sales	**3.1**	5.7		**3.7**	4.7		5.0
Operating profit*	**12.5**	14.9		**24.8**	22.6		53.9
% sales*	**4.1**	5.7		**4.2**	4.7		5.2
Personnel, end of period	**2,650**	2,695		**2,650**	2,695		2,737

*excluding restructuring costs

MacGregor's orders for the second quarter declined 35 percent from the comparison period and amounted to EUR 220 (338) million. About two thirds of the orders received were merchant ship and one third offshore vessel-related.

Major orders received by MacGregor in the second quarter were:

- comprehensive equipment package from the combined MacGregor and Hatlapa portfolio for two bulk carriers to China,
- two offshore lattice boom cranes to Singapore, as well as,
- a range of Hatlapa deck equipment for ten liquefied natural gas (LNG) carriers to South Korea.

MacGregor's orders for January–June declined 31 percent and totalled EUR 448 (653) million. The order book decreased two percent from the 2014 year-end, totalling EUR 1,104 (31 Dec 2014: 1,131) million at the end of the second quarter. Two thirds of the order book is merchant ship-related and one third is offshore vessel-related.

MacGregor's second-quarter sales grew 18 percent from the comparison period, totalling EUR 308 (261) million. The share of services sales was 19 (21) percent, or EUR 58 (56) million. January–June sales grew 23 percent from the comparison period to EUR 590 (478) million. Sales for services totalled EUR 118 (106) million, representing 20 (22) percent of sales.

MacGregor's operating profit for the second quarter totalled EUR 9.6 (14.9) million. Operating profit includes EUR 2.9 (0.0) million in restructuring costs and EUR 2.5 (2.4) million in amortisation and depreciation of fixed assets related to business acquisitions. Operating profit, excluding restructuring costs, totalled EUR 12.5 (14.9) million, representing 4.1 (5.7) percent of sales. Deliveries were weighted towards lower margin bulk ships and offshore vessels.

January–June operating profit amounted to EUR 22.1 (22.6) million. Operating profit includes EUR 2.7 (0.0) million in restructuring costs and EUR 5.0 (4.4) million in amortisation and depreciation of fixed assets related to business acquisitions. Operating profit, excluding restructuring costs, totalled EUR 24.8 (22.6) million, representing 4.2 (4.7) percent of sales.

Kalmar

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
Orders received	**450**	394	14%	**906**	725	25%	1,482
Order book, end of period	**946**	855	11%	**946**	855	11%	805
Sales	**391**	323	21%	**786**	649	21%	1,487
Sales of services	**107**	97		**212**	193		395
% sales	**27**	30		**27**	30		27
Operating profit	**28.2**	-19.7		**57.1**	-9.0		55.3
% sales	**7.2**	-6.1		**7.3**	-1.4		3.7
Operating profit*	**28.5**	-19.4		**57.9**	-8.2		56.8
% sales*	**7.3**	-6.0		**7.4**	-1.3		3.8
Personnel, end of period	**5,284**	5,305		**5,284**	5,305		5,219

*excluding restructuring costs

In the second quarter, orders received by Kalmar grew 14 percent from the comparison period and totalled EUR 450 (394) million.

Major orders received by Kalmar in the second quarter were:

- two automatic stacking cranes (ASC) to Australia and two 5th generation ASCs to the USA,
- 18 rough terrain container handlers to the USA,
- a repeat order for nine zero-emission electric rubber-tyred gantry cranes (RTGs) to Greece,
- 18 heavy forklift trucks for a logistics operator in Brazil, as well as
- a turnkey heightening of three ship-to-shore cranes in Belgium.

Orders received in January–June increased 25 percent from comparison period, and were EUR 906 (725) million. Kalmar's order book grew 18 percent from the 2014 year-end, and at the end of the second quarter it totalled EUR 946 (31 Dec 2014: 805) million.

Kalmar's second-quarter sales grew 21 percent from the comparison period and totalled EUR 391 (323) million. Sales for services grew ten percent from the comparison period and amounted to EUR 107 (97) million, representing 27 (30) percent of sales. January–June sales grew 21 percent from the comparison period to EUR 786 (649) million. Sales for services grew to EUR 212 (193) million, or 27 (30) percent of sales.

Kalmar's second-quarter operating profit clearly improved from the comparison period and totalled EUR 28.2 (-19.7) million. The comparison period included EUR 39 million in project cost overruns. Operating profit includes EUR 0.2 (0.2) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 28.5 (-19.4) million, representing 7.3 (-6.0) percent of sales.

Operating profit for January–June clearly improved from the comparison period and totalled EUR 57.1 (-9.0) million. Operating profit includes EUR 0.8 (0.8) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 57.9 (-8.2) million, representing 7.4 (-1.3) percent of sales. The clear improvement in profitability resulted from successful execution of the measures undertaken to improve profitability.

Hiab

MEUR	**4-6/2015**	4-6/2014	Change	**1-6/2015**	1-6/2014	Change	2014
Orders received	**221**	261	-15%	**477**	479	0%	909
Order book, end of period	**297**	249	19%	**297**	249	19%	264
Sales	**237**	221	7%	**450**	429	5%	840
Sales of services	**56**	49		**107**	98		196
% sales	**23**	22		**24**	23		23
Operating profit	**25.3**	5.3		**43.9**	18.7		42.5
% sales	**10.7**	2.4		**9.8**	4.4		5.1
Operating profit*	**25.4**	15.6		**44.6**	29.0		61.0
% sales*	**10.7**	7.1		**9.9**	6.8		7.3
Personnel, end of period	**2,598**	2,706		**2,598**	2,706		2,572

*excluding restructuring costs

Hiab’s orders received for the second quarter decreased 15 percent from the comparison period and totalled EUR 221 (261) million. Orders consisted of small, individual orders typical of the business. The comparison period included a major order, worth over EUR 40 million, for demountables and loader cranes from Rheinmetall MAN Military Vehicles GmbH of Germany. In January–June, orders received were at comparison period’s level and totalled EUR 477 (479) million. The order book grew 12 percent from 2014 year-end, totalling EUR 297 (31 Dec 2014: 264) million at the end of the second quarter.

Hiab’s second-quarter sales grew seven percent from the comparison period and totalled EUR 237 (221) million. Sales for services amounted to EUR 56 (49) million, representing 23 (22) percent of sales. January–June sales grew five percent from the comparison period and amounted to EUR 450 (429) million. Sales for services totalled EUR 107 (98) million, or 24 (23) percent of sales.

Operating profit for Hiab in the second quarter clearly improved from the comparison period and totalled EUR 25.3 (5.3) million. Operating profit includes EUR 0.0 (10.4) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 25.4 (15.6) million, representing 10.7 (7.1) percent of sales.

Operating profit for January–June clearly improved from the comparison period to EUR 43.9 (18.7) million as a result of measures taken to improve efficiency. Operating profit includes EUR 0.7 (10.3) million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 44.6 (29.0), representing 9.9 (6.8) percent of sales. The continuous improvement of profitability over several quarters is the result of determined execution of measures undertaken to improve profitability.

Annual General Meeting and shares

Decisions taken at Cargotec Corporation's Annual General Meeting

Cargotec Corporation's Annual General Meeting (AGM), held on 18 March 2015, approved the 2014 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 2014. The Annual General Meeting approved a dividend of EUR 0.54 be paid for each of class A shares and a dividend of EUR 0.55 be paid for each of class B shares. The dividend payment date was 27 March 2015.

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of own shares with non-restricted equity. Altogether no more than 952,000 class A shares and 5,448,000 class B shares may be purchased. The authorisation shall remain in effect for a period of 18 months from the resolution by the Annual General Meeting. More detailed information on the authorisation was published in a stock exchange release on the day of the AGM, 18 March 2015.

The number of ordinary members of the Board of Directors was confirmed at seven. Jorma Eloranta, Tapio Hakakari, Ilkka Herlin, Peter Immonen, Antti Lagerroos, Teuvo Salminen and Anja Silvennoinen were re-elected to the Board of Directors. The meeting decided to keep the yearly remuneration for the Board of Directors unchanged as follows: a yearly remuneration of EUR 80,000 will be paid to the Chairman of the Board, EUR 55,000 to the Vice Chairman, EUR 55,000 to the Chairman of the Audit and Risk Management Committee, and EUR 40,000 to the other Board members. In addition, it was decided that members receive EUR 1,000 for attendance at board and committee meetings. The meeting decided that 30 percent of the yearly remuneration will be paid in Cargotec's class B shares and the rest in cash.

The Annual General Meeting elected authorised public accountants Tomi Hyryläinen and PricewaterhouseCoopers Ltd as auditors. The auditors' fees were decided to be paid according to invoice approved by the company.

Organisation of the Board of Directors

On 18 March 2015, the Board of Directors elected Ilkka Herlin to continue as Chairman of the Board. Tapio Hakakari was elected to continue as Vice Chairman. Outi Aaltonen, Senior Vice President, General Counsel, continues as Secretary to the Board.

Ilkka Herlin, Teuvo Salminen (chairman) and Anja Silvennoinen were elected as members of the Audit and Risk Management Committee. Jorma Eloranta, Tapio Hakakari, Ilkka Herlin (chairman) and Peter Immonen were elected to the Nomination and Compensation Committee.

The Board of Directors decided to continue the practice that the members are to keep the Cargotec shares they have obtained in remuneration under their ownership for at least two years from the day they obtained them. The shares will be purchased at market price on a quarterly basis.

Shares and trading

Share capital, own shares and share issue

Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of June. The number of class B shares was 55,164,343, while the number of class A shares totalled 9,526,089.

On 19 March 2015, Cargotec repurchased 28,030 of its own class B shares based on the authorisation of the AGM on 18 March 2015 for a total cost of EUR 940,317.78. Shares were repurchased for the share-based incentive programme 2014. Based on the authorisation granted by the AGM, the Board decided on 18 March 2015 on a directed share issue as a reward payment for the restricted shares under this share-based incentive programme. These shares were transferred without consideration to those employees participating in the restricted shares programme who fulfilled the earnings criteria. Following the share transfer, Cargotec does not hold any own shares.

Share-based incentive programmes

In February 2015, the Board of Directors approved a new long-term incentive programme for key personnel of Cargotec for 2015–2018. The purpose of the programme is to increase Cargotec's profitability, efficient use of capital and shareholder value in the long term by attracting and retaining the required talent. The number of participants will be approximately 85 persons, including Cargotec's President and CEO and members of the Executive Board.

This programme consists of two phases. The first phase includes specific financial performance targets for the year 2015 (business area or corporate return on capital employed, ROCE). The second phase consists of an additional earnings multiplier, which is based on Cargotec's total shareholder return (TSR) at the end of a three-year performance period in 2017. The second phase serves to align the interests to that of the shareholders as well as retention. Eligible participants need to be employed by Cargotec at the beginning of 2018.

The potential reward will be delivered in Cargotec class B shares at the beginning of 2018. If the performance was on target for the maximum number of participants, the cost of the programme for the three-year period would be approximately EUR 6.5 million (for maximum performance approximately EUR 19 million). If the financial performance threshold levels are not met, there will not be any incentive payment.

No new shares will be issued in connection with the above programme and, therefore, the programme will have no diluting effect.

Recognition of the programme began in the second quarter of 2015.

Option programme

The 2010 AGM confirmed that stock options will be issued for the key personnel at Cargotec and its subsidiaries. The programme includes 2010A, 2010B and 2010C stock options, with 400,000 stock options in each series and each stock option entitling its holder to subscribe for one (1) new class B share in Cargotec. For share subscription to commence, the required attainment of targets is determined by the Board of Directors. A total of 378,864 2010B stock options and 400,000

2010C stock options held by the company were cancelled, as the earnings criteria for the stock options were not fulfilled. 2010A and 2010B stock options are listed on the main list of NASDAQ OMX Helsinki Ltd.

The share subscription period with 2010A stock options ended on 30 April 2015. During the subscription period, a total of 384,912 class B shares were subscribed for. After the end of the share subscription period, the unused 2010A stock options were null and void.

The share subscription period for 2010B stock options is from 1 April 2014 to 30 April 2016. The share subscription price at the end of June 2015 was EUR 28.54 per share, and the number of 2010B stock options was 20,496.

Market capitalisation and trading

At the end of June, the total market value of class B shares was EUR 1,878 (1,528) million. 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 2,203 (1,793) million.

The class B share closed at EUR 34.05 (27.84) on the last trading day of June on NASDAQ OMX Helsinki Ltd. The volume-weighted average share price for January–June was EUR 32.25 (30.19), the highest quotation being EUR 37.37 (34.67) and the lowest EUR 24.13 (25.86). In January–June, a total of 33 (25) million class B shares were traded on NASDAQ OMX Helsinki Ltd., corresponding to a turnover of EUR 1,057 (770) million. In addition, according to Fidessa, a total of 30 (36) million class B shares were traded in several alternative market places, such as BATS Chi-X CXE and Turquoise, corresponding to a turnover of EUR 967 (1,094) million.

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. Uncertainty related to economic developments is estimated to continue. Such uncertainty may be increased by risks stemming from political uncertainty, volatility on the currency and raw material markets or from the financing sector. Greater difficulty in obtaining financing would weaken customers' liquidity and investments.

MacGregor's market situation in particular involves a range of uncertainties. It is anticipated that the oversupply in the merchant ship market will take longer to balance out than expected, since capacity will continue to increase in 2015 – especially in bulk carriers – while demand is expected to grow very moderately. At the same time, the fall in investments by oil companies has led to oversupply on the offshore market. Uncertainty about the short and long-term balance between demand for and the supply of oil complicates demand forecasting for MacGregor offshore solutions. The concurrent deterioration in both markets negatively impacts on the financial situation of shipyards. The long lead times typical of MacGregor's business mean that weaker order intake will be reflected in deliveries with a delay.

More information on risks is available in the annual report under Risk management.

Outlook for 2015

Cargotec's 2015 sales are expected to grow from 2014. Operating profit excluding restructuring costs for 2015 is expected to improve from 2014.

Financial calendar 2015

January–September 2015 interim report will be published on Wednesday, 21 October 2015.

Helsinki, 20 July 2015
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Consolidated statement of income

MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
Sales	**936.2**	**803.9**	**1,824.9**	**1,554.7**	**3,357.8**
Cost of goods sold	-740.5	-675.8	-1,442.2	-1,279.5	-2,723.3
Gross profit	**195.7**	**128.0**	**382.8**	**275.2**	**634.5**
Gross profit, %	*20.9*	*15.9*	*21.0*	*17.7*	*18.9*
Other operating income	9.3	11.0	19.2	20.2	48.1
Selling and marketing expenses	-54.1	-48.1	-105.7	-94.4	-190.5
Research and development expenses	-20.2	-16.7	-40.1	-32.7	-69.3
Administration expenses	-65.3	-56.3	-129.3	-110.4	-228.4
Restructuring costs	-3.1	-10.7	-4.1	-11.5	-22.7
Other operating expenses	-7.9	-13.0	-18.2	-27.6	-50.5
Costs and expenses	-141.3	-133.8	-278.3	-256.4	-513.2
Share of associated companies' and joint ventures' net income	0.5	-0.3	1.7	-1.0	5.3
Operating profit	**54.9**	**-6.0**	**106.2**	**17.8**	**126.6**
Operating profit, %	*5.9*	*-0.7*	*5.8*	*1.1*	*3.8*
Financing income and expenses	-8.6	-6.9	-12.4	-12.4	-28.4
Income before taxes	**46.3**	**-12.9**	**93.8**	**5.4**	**98.2**
Income before taxes, %	*4.9*	*-1.6*	*5.1*	*0.3*	*2.9*
Income taxes	-18.9	3.6	-29.9	-1.8	-26.1
Net income for the period	**27.4**	**-9.3**	**63.9**	**3.6**	**72.0**
Net income for the period, %	*2.9*	*-1.2*	*3.5*	*0.2*	*2.1*
Net income for the period attributable to:					
Equity holders of the parent	27.6	-9.4	63.9	3.3	71.4
Non-controlling interest	-0.2	0.1	0.0	0.3	0.6
Total	**27.4**	**-9.3**	**63.9**	**3.6**	**72.0**
Earnings per share for profit attributable to the equity holders of the parent:					
Basic earnings per share, EUR	0.43	-0.15	0.99	0.05	1.11
Diluted earnings per share, EUR	0.43	-0.15	0.99	0.05	1.11

Consolidated statement of comprehensive income

MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
Net income for the period	27.4	-9.3	63.9	3.6	72.0
Items that will not be reclassified to statement of income:					
Defined benefit plan acturial gains (+) / losses (-)	-0.5	0.1	-1.8	-0.6	-10.1
Taxes relating to items that will not be reclassified to statement of income	-0.1	0.0	0.4	0.2	1.8
Total	**-0.7**	**0.1**	**-1.4**	**-0.4**	**-8.3**
Items that may be reclassified subsequently to statement of income:					
Gain (+) / loss (-) on cash flow hedges	19.5	-7.7	-5.8	-11.8	-45.1
Gain (+) / loss (-) on cash flow hedges transferred to statement of income	-4.6	0.2	15.2	0.9	10.4
Translation differences	-9.1	-28.7	52.3	-40.3	-54.8
Taxes relating to items that may be reclassified subsequently to statement of income	-13.5	10.6	-15.8	12.2	26.6
Total	**-7.6**	**-25.6**	**46.0**	**-39.1**	**-62.9**
Comprehensive income for the period	**19.1**	**-34.8**	**108.5**	**-35.9**	**0.8**
Comprehensive income for the period attributable to:					
Equity holders of the parent	19.4	-35.0	108.4	-36.3	0.0
Non-controlling interest	-0.3	0.3	0.1	0.4	0.8
Total	**19.1**	**-34.8**	**108.5**	**-35.9**	**0.8**

The notes are an integral part of the consolidated interim financial statement.

Consolidated balance sheet

ASSETS, MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Non-current assets			
Goodwill	991.2	961.6	962.9
Other intangible assets	284.0	290.0	284.4
Property, plant and equipment	313.3	313.1	302.9
Investments in associated companies and joint ventures	110.9	92.4	104.8
Available-for-sale investments	3.8	3.8	3.8
Loans receivable and other interest-bearing assets*	2.5	4.5	3.4
Deferred tax assets	171.8	159.0	178.0
Derivative assets	31.7	0.2	15.5
Other non-interest-bearing assets	4.9	5.8	5.8
Total non-current assets	**1,914.0**	**1,830.4**	**1,861.5**
Current assets			
Inventories	719.1	726.0	690.5
Loans receivable and other interest-bearing assets*	4.7	6.3	4.4
Income tax receivables	30.8	66.6	24.5
Derivative assets	29.4	10.3	20.5
Accounts receivable and other non-interest-bearing assets	842.1	781.4	845.4
Cash and cash equivalents*	167.8	171.9	205.4
Total current assets	**1,793.8**	**1,762.4**	**1,790.8**
Total assets	**3,707.8**	**3,592.9**	**3,652.3**

EQUITY AND LIABILITIES, MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Equity attributable to the equity holders of the parent			
Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	65.5	33.3	26.7
Fair value reserves	-13.0	-2.8	-20.1
Reserve for invested non-restricted equity	78.5	74.4	74.9
Retained earnings	995.4	904.2	965.0
Total equity attributable to the equity holders of the parent	1,288.7	1,171.3	1,208.8
Non-controlling interest	3.0	6.5	5.0
Total equity	**1,291.6**	**1,177.9**	**1,213.8**
Non-current liabilities			
Interest-bearing liabilities*	764.9	811.0	753.2
Deferred tax liabilities	83.3	67.6	77.8
Pension obligations	74.9	61.8	71.6
Provisions	21.6	20.7	24.0
Derivative liabilities	0.0	4.2	0.2
Other non-interest-bearing liabilities	39.2	31.8	34.7
Total non-current liabilities	**983.8**	**997.2**	**961.5**
Current liabilities			
Current portion of interest-bearing liabilities*	6.6	8.8	7.1
Other interest-bearing liabilities*	167.5	205.6	186.1
Provisions	61.5	70.1	80.9
Advances received	243.9	230.3	271.3
Income tax payables	25.9	15.6	12.8
Derivative liabilities	11.3	35.4	64.6
Accounts payable and other non-interest-bearing liabilities	915.6	852.1	854.1
Total current liabilities	**1,432.4**	**1,417.9**	**1,476.9**
Total equity and liabilities	**3,707.8**	**3,592.9**	**3,652.3**

*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 205 million Private Placement bond, totalling on 30 Jun 2015, EUR -29.0 (30 Jun 2014: 4.2 and 31 Dec 2014: -14.6) million.

The notes are an integral part of the consolidated interim financial statement.

Consolidated statement of changes in equity

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
	Attributable to the equity holders of the company								
Equity on 1 Jan 2014	**64.3**	**98.0**	**64.1**	**5.7**	**73.5**	**927.8**	**1,233.3**	**6.2**	**1,239.4**
Net income for the period						3.3	3.3	0.3	3.6
Cash flow hedges				-8.4			-8.4		-8.4
Translation differences			-30.8				-30.8	0.1	-30.7
Defined benefit plan actuarial gains (+) / losses (-)						-0.4	-0.4		-0.4
Comprehensive income for the period*			**-30.8**	**-8.4**		**2.9**	**-36.3**	**0.4**	**-35.9**
Dividends paid						-26.9	-26.9		-26.9
Acquisition of treasury shares					-0.9		-0.9		-0.9
Stock options exercised					1.8		1.8		1.8
Share-based incentives *						0.4	0.4		0.4
Transactions with owners of the company					**0.9**	**-26.5**	**-25.6**	**0.0**	**-25.6**
Transactions with non-controlling interests								0.0	0.0
Equity on 30 Jun 2014	**64.3**	**98.0**	**33.3**	**-2.8**	**74.4**	**904.2**	**1,171.3**	**6.5**	**1,177.9**

* Net of tax

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 1 Jan 2015	**64.3**	**98.0**	**26.7**	**-20.1**	**74.9**	**965.0**	**1,208.8**	**5.0**	**1,213.8**
Net income for the period						63.9	63.9	0.0	63.9
Cash flow hedges				7.1			7.1		7.1
Translation differences			38.8				38.8	0.1	38.9
Defined benefit plan actuarial gains (+) / losses (-)						-1.4	-1.4		-1.4
Comprehensive income for the period*			**38.8**	**7.1**	**0.0**	**62.5**	**108.4**	**0.1**	**108.5**
Dividends paid						-35.3	-35.3	-0.6	-36.0
Acquisition of treasury shares					-0.9		-0.9		-0.9
Stock options exercised					4.6		4.6		4.6
Share-based incentives*						1.5	1.5		1.5
Transactions with owners of the company					**3.6**	**-33.9**	**-30.2**	**-0.6**	**-30.8**
Transactions with non-controlling interests						1.7	1.7	-1.5	0.2
Equity on 30 Jun 2015	**64.3**	**98.0**	**65.5**	**-13.0**	**78.5**	**995.4**	**1,288.7**	**3.0**	**1,291.6**

* Net of tax

The notes are an integral part of the consolidated interim financial statement.

Consolidated condensed statement of cash flows

MEUR	1–6/2015	1–6/2014	1–12/2014
Net income for the period	63.9	3.6	72.0
Depreciation, amortisation and impairment	42.6	42.6	81.2
Other adjustments	40.3	14.4	42.8
Change in net working capital	6.0	-3.7	8.3
Cash flow from operations	**152.8**	**56.9**	**204.3**
Cash flow from financial items and taxes	-106.7	-79.4	-94.1
Cash flow from operating activities	**46.2**	**-22.5**	**110.2**
Acquisitions, net of cash acquired	-1.7	-184.9	-187.3
Divestments, net of cash sold	-	-	4.6
Investments to associated companies and joint ventures	-	-1.1	-3.4
Cash flow from investing activities, other items	-34.8	-33.3	-43.7
Cash flow from investing activities	**-36.5**	**-219.3**	**-229.8**
Stock options exercised	4.6	1.8	2.3
Acquisition of treasury shares	-0.9	-0.9	-0.9
Proceeds from long-term borrowings	140.4	281.9	300.0
Repayments of long-term borrowings	-143.7	-106.9	-230.7
Proceeds from short-term borrowings	136.7	18.1	42.2
Repayments of short-term borrowings	-162.7	-68.0	-70.7
Dividends paid	-36.0	-26.9	-27.6
Cash flow from financing activities	**-61.6**	**99.0**	**14.7**
Change in cash	**-51.9**	**-142.8**	**-104.9**
Cash, cash equivalents and bank overdrafts at the beginning of period	203.4	303.3	303.3
Effect of exchange rate changes	11.1	-0.6	5.0
Cash, cash equivalents and bank overdrafts at the end of period	**162.6**	**159.8**	**203.4**
Bank overdrafts at the end of period	5.2	12.1	2.0
Cash and cash equivalents at the end of period	**167.8**	**171.9**	**205.4**

The notes are an integral part of the consolidated interim financial statement.

Key figures

		1–6/2015	1–6/2014	1–12/2014
Equity / share	EUR	19.92	18.19	18.76
Interest-bearing net debt	MEUR	735.1	846.9	718.6
Total equity / total assets	%	37.3	35.0	35.9
Gearing	%	56.9	71.9	59.2
Return on equity, annualised	%	10.2	0.6	5.9
Return on capital employed, annualised	%	9.8	1.9	6.2

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 2014 and comply with changes in IAS/IFRS standards effective from 1 January 2015. These changes have no material impact on the interim financial statements review. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

3. Segment information

Sales, MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
MacGregor	308	261	590	478	1,034
Kalmar	391	323	786	649	1,487
Hiab	237	221	450	429	840
Internal sales	0	-1	0	-1	-3
Total	**936**	**804**	**1,825**	**1,555**	**3,358**

Sales by geographical area, MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
EMEA	369	355	719	718	1,437
Asia-Pacific	305	237	587	448	1,013
Americas	262	212	519	389	908
Total	**936**	**804**	**1,825**	**1,555**	**3,358**

Sales by geographical area, %	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
EMEA	39.4	44.2	39.4	46.2	42.8
Asia-Pacific	32.6	29.5	32.2	28.8	30.2
Americas	28.0	26.3	28.4	25.0	27.0
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Operating profit, MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
MacGregor	9.6	14.9	22.1	22.6	51.7
Kalmar	28.2	-19.7	57.1	-9.0	55.3
Hiab	25.3	5.3	43.9	18.7	42.5
Corporate administration and support functions	-8.3	-6.4	-16.9	-14.5	-22.8
Total	**54.9**	**-6.0**	**106.2**	**17.8**	**126.6**

Operating profit, %	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
MacGregor	3.1	5.7	3.7	4.7	5.0
Kalmar	7.2	-6.1	7.3	-1.4	3.7
Hiab	10.7	2.4	9.8	4.4	5.1
Cargotec	5.9	-0.7	5.8	1.1	3.8

Operating profit excl. restructuring costs, MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
MacGregor	12.5	14.9	24.8	22.6	53.9
Kalmar	28.5	-19.4	57.9	-8.2	56.8
Hiab	25.4	15.6	44.6	29.0	61.0
Corporate administration and support functions	-8.3	-6.4	-16.9	-14.0	-22.4
Total	**58.0**	**4.7**	**110.3**	**29.3**	**149.3**

Operating profit excl. restructuring costs, %	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
MacGregor	4.1	5.7	4.2	4.7	5.2
Kalmar	7.3	-6.0	7.4	-1.3	3.8
Hiab	10.7	7.1	9.9	6.8	7.3
Cargotec	6.2	0.6	6.0	1.9	4.4

Orders received, MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
MacGregor	220	338	448	653	1,210
Kalmar	450	394	906	725	1,482
Hiab	221	261	477	479	909
Internal orders received	-5	-1	-5	-1	-1
Total	**887**	**993**	**1,826**	**1,856**	**3,599**

Orders received by geographical area, MEUR	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
EMEA	374	392	761	788	1,524
Asia-Pacific	256	357	523	633	1,195
Americas	257	244	542	435	880
Total	**887**	**993**	**1,826**	**1,856**	**3,599**

Orders received by geographical area, %	4–6/2015	4–6/2014	1–6/2015	1–6/2014	1–12/2014
EMEA	42.1	39.5	41.7	42.5	42.4
Asia-Pacific	28.9	35.9	28.7	34.1	33.2
Americas	29.0	24.6	29.7	23.4	24.4
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Order book, MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
MacGregor	1,104	1,181	1,131
Kalmar	946	855	805
Hiab	297	249	264
Internal order book	-5	-1	0
Total	**2,342**	**2,285**	**2,200**

Number of employees at the end of period	30 Jun 2015	30 Jun 2014	31 Dec 2014
MacGregor	2,650	2,695	2,737
Kalmar	5,284	5,305	5,219
Hiab	2,598	2,706	2,572
Corporate administration and support functions	198	173	176
Total	**10,730**	**10,879**	**10,703**

Average number of employees	1–6/2015	1–6/2014	1–12/2014
MacGregor	2,700	2,682	2,702
Kalmar	5,252	5,295	5,273
Hiab	2,552	2,728	2,694
Corporate administration and support functions	188	165	168
Total	**10,692**	**10,870**	**10,838**

4. Capital expenditure, depreciation and amortisation

Capital expenditure, MEUR	1–6/2015	1–6/2014	1–12/2014
Intangible assets	4.9	7.1	13.4
Property, plant and equipment	37.6	31.2	65.9
Total	**42.5**	**38.3**	**79.3**

Depreciation, amortisation and impairment, MEUR	1–6/2015	1–6/2014	1–12/2014
Intangible assets	14.5	13.8	29.4
Buildings	4.2	4.5	8.8
Machinery & equipment	23.9	24.2	43.0
Total	**42.6**	**42.6**	**81.2**

5. Taxes in statement of income

MEUR	1–6/2015	1–6/2014	1–12/2014
Current year tax expense	31.0	20.4	42.4
Deferred tax expense	-2.3	-18.5	-11.2
Tax expense for previous years	1.3	-0.1	-5.1
Total	**29.9**	**1.8**	**26.1**

6. Interest-bearing net debt and liquidity

MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Interest-bearing liabilities*	910.0	1,029.6	931.8
Loans receivable and other interest-bearing assets	-7.2	-10.8	-7.9
Cash and cash equivalents	-167.8	-171.9	-205.4
Interest-bearing net debt	**735.1**	**846.9**	**718.6**
Equity	1,291.6	1,177.9	1,213.8
Gearing	**56.9%**	**71.9%**	**59.2%**

*The fair values do not materially differ from book values. One exception is the hedging of currency risk relating to the USD 205 million Private Placement bond, which affected the interest-bearing liabilities on 30 Jun 2015 by EUR -29.0 (30 Jun 2014: 4.2 and 31 Dec 2014: -14.6) million.

MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Cash and cash equivalents	167.8	171.9	205.4
Committed long-term undrawn revolving credit facilities	300.0	270.0	300.0
Repayments of interest-bearing liabilities in following 12 months	-174.2	-214.4	-193.2
Total liquidity	**293.6**	**227.5**	**312.2**

7. Derivatives

Fair values of derivative financial instruments

MEUR	Positive fair value 30 Jun 2015	Negative fair value 30 Jun 2015	Net fair value 30 Jun 2015	Net fair value 30 Jun 2014	Net fair value 31 Dec 2014
Currency forward contracts	29.4	11.3	18.1	-25.1	-44.2
Hedge accounting	3.4	0.9	2.5	-6.8	-20.4
Cross-currency and interest rate swaps	31.7	-	31.7	-4.1	15.5
Total	**61.1**	**11.3**	**49.8**	**-29.2**	**-28.8**
Non-current portion:					
Currency forward contracts	-	0.0	0.0	0.1	-0.2
Cross-currency and interest rate swaps	31.7	-	31.7	-4.1	15.5
Non-current portion	**31.7**	**0.0**	**31.7**	**-4.0**	**15.3**
Current portion	**29.4**	**11.3**	**18.1**	**-25.2**	**-44.1**

Cross-currency and interest rate swaps hedge the US Private Placement corporate bond funded in February 2007. Cash flow hedge accounting is applied for these instruments.

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 2015	30 Jun 2014	31 Dec 2014
Currency forward contracts	3,139.3	3,467.0	3,277.3
Hedge accounting	1,259.6	1,082.7	1,165.0
Cross-currency and interest rate swaps	183.2	150.1	168.8
Total	**3,322.5**	**3,617.1**	**3,446.1**

The derivatives have been recognised at gross fair values on balance sheet, as the netting agreements related to derivatives allow unconditional netting only in the occurrence of credit events, but not in a normal situation. The group has not given or received collateral related to derivatives from the counterparties.

8. Commitments

MEUR	30 Jun 2015	30 Jun 2014	31 Dec 2014
Guarantees	0.0	0.0	0.7
End customer financing	16.9	15.0	16.4
Operating leases	153.1	148.8	150.6
Other contingent liabilities	5.4	5.7	5.8
Total	**175.4**	**169.4**	**173.5**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 552.8 (30 Jun 2014: 610.4 and 31 Dec 2014: 622.6) 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 2015	30 Jun 2014	31 Dec 2014
Less than 1 year	26.8	23.0	26.0
1-5 years	62.4	56.5	60.7
Over 5 years	63.8	69.2	64.0
Total	**153.1**	**148.8**	**150.6**

The aggregate operating lease expenses totalled EUR 16.9 (1–6/2014: 12.4 and 1–12/2014: 30.8) million.

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.

Key exchange rates for the Euro

Closing rate	30 Jun 2015	30 Jun 2014	31 Dec 2014
SEK	9.215	9.176	9.393
USD	1.119	1.366	1.214

Average rate	1–6/2015	1–6/2014	1–12/2014
SEK	9.326	8.977	9.100
USD	1.126	1.372	1.326

Calculation of key figures

Equity / share, EUR = $\frac{\text{Total equity attributable to the equity holders of the company}}{\text{Number of outstanding shares at the end of period}}$

Total equity / total assets (%) = 100 x $\frac{\text{Total equity}}{\text{Total assets - advances received}}$

Gearing (%) = 100 x $\frac{\text{Interest-bearing debt* - interest-bearing assets}}{\text{Total equity}}$

Return on equity (%) = 100 x $\frac{\text{Net income for the period}}{\text{Total equity (average for the period)}}$

Return on capital employed (%) = 100 x $\frac{\text{Income before taxes + interest and other financing expenses}}{\text{Total assets - non-interest-bearing debt (average for the period)}}$

Basic earnings / share, EUR = $\frac{\text{Net income for the period attributable to the equity holders of the company}}{\text{Average number of outstanding shares during the period}}$

Diluted earnings / share, EUR = $\frac{\text{Net income for the period attributable to the equity holders of the company}}{\text{Average number of outstanding diluted shares during the period}}$

*Including cross-currency hedging of the USD 205 million Private Placement corporate bonds.

Quarterly figures

Cargotec		Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014
Orders received	MEUR	887	939	914	829	993
Order book	MEUR	2,342	2,469	2,200	2,327	2,285
Sales	MEUR	936	889	963	840	804
Operating profit	MEUR	54.9	51.3	63.0	45.8	-6.0
Operating profit	%	5.9	5.8	6.5	5.4	-0.7
Operating profit*	MEUR	58.0	52.3	71.5	48.4	4.7
Operating profit*	%	6.2	5.9	7.4	5.8	0.6
Basic earnings/share	EUR	0.43	0.56	0.63	0.43	-0.15

MacGregor		Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014
Orders received	MEUR	220	228	304	253	338
Order book	MEUR	1,104	1,250	1,131	1,199	1,181
Sales	MEUR	308	282	301	255	261
Operating profit*	MEUR	12.5	12.3	24.0	7.3	14.9
Operating profit*	%	4.1	4.4	8.0	2.9	5.7

Kalmar		Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014
Orders received	MEUR	450	455	378	380	394
Order book	MEUR	946	898	805	883	855
Sales	MEUR	391	395	452	385	323
Operating profit*	MEUR	28.5	29.4	34.3	30.7	-19.4
Operating profit*	%	7.3	7.4	7.6	8.0	-6.0

Hiab		Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014
Orders received	MEUR	221	256	232	197	261
Order book	MEUR	297	322	264	245	249
Sales	MEUR	237	212	211	200	221
Operating profit*	MEUR	25.4	19.2	17.8	14.2	15.6
Operating profit*	%	10.7	9.0	8.4	7.1	7.1

*Operating profit excluding restructuring costs