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Cargotec's Interim Report

January–March 2006

Cargotec

Cargotec's Interim Report for January–March 2006

- Cargotec enjoyed record orders in the first quarter of EUR 805 (1–3/2005: 645) million.
- The order book on March 31, 2006 totaled EUR 1,439 (December 31, 2005: 1,257) million.
- Net sales amounted to EUR 614 (1–3/2005: 550) million.
- Operating income was EUR 51.0 (1–3/2005: 36.7) million.
- Cash flow from operating activities before financial items and taxes totaled EUR 40.6 (1–3/2005: 16.1) million.
- Net income for the reporting period amounted to EUR 34.0 (1–3/2005: 21.6) million.
- Earnings per share were EUR 0.53 (1–3/2005: 0.34).
- Cargotec's market situation is expected to remain good. Order intake is expected to continue strong during the second quarter of 2006 even if it is not expected to reach the very high first quarter level. Cargotec's growth is supported by the growth in orders received as well as acquisitions complementing the business. Year 2006 net sales are estimated to grow by close to 10 percent while the target is to reach an 8 percent operating margin.

The comparison figures presented in this Interim Report for January–March 2005 are pro forma figures.

Markets

Hiab's load handling equipment markets continued strong in North America and in Europe. The German market recovered following the general economic revival in the country. The markets were also supported by the continuing positive trend in new truck sales, which is estimated to be partly due to customers preparing for increases in truck prices caused by the introduction of new emission standards towards the end of the year. In the service business, the demand for spare parts was good.

Demand for Kalmar's container handling equipment was strong, especially in Europe and South Africa where several port expansion projects were decided on. In the Americas and Asia, demand leveled off year on year but remained at a healthy level. As anticipated, the demand for terminal tractors in North American distribution centers was weaker than in the previous year. The demand for heavy industrial handling equipment continued to be good. Demand for maintenance services provided by Kalmar continued high.

Markets for MacGREGOR's products remained extremely strong. It is fueled by shipbuilders' record-high order backlogs, which increase the need for MacGREGOR's marine cargo flow solutions onboard. In the RoRo division, demand was high as orders for PCTCs (pure car and truck carriers) increased at shipyards. Demand for hatch covers, ship cranes and cargo securing equipment supplied by the Dry Cargo division was lively. Demand for hatch covers is being boosted by increasing interest from shipyards in outsourcing hatch cover manufacture as well as design. In the Service division, demand for the Onboard Care program and conversion projects remained good.

Orders Received

Cargotec secured a high number of orders in the first quarter, EUR 805 (1–3/2005: 645) million, with all business areas reporting a record order intake.

Orders received, MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Hiab	266.1	220.1	830.6	476.2
Kalmar	351.4	310.1	1,103.4	627.7
MacGREGOR	188.1	115.1	452.9	263.2
Internal orders received	-0.5	-0.4	-2.0	-1.2
Total	805.1	644.9	2,384.9	1,365.9

Hiab

Of all the orders received, Hiab accounted for EUR 266 (1–3/2005: 220) million.

Hiab's order intake was clearly higher than in the first quarter of 2005. Growth was especially strong in loader cranes, demountables, truck-mounted forklifts and tail lifts. Hiab was able to strengthen its market position through successful product launches.

In March, Hiab signed a cooperation agreement with Suez Environment (SITA) waste management company, making Hiab the preferred pan-European supplier of MULTILIFT demountable systems for SITA.

Kalmar

Kalmar's orders accounted for EUR 351 (1–3/2005: 310) million of the total orders received.

In January, Kalmar was chosen to supply an automatic stacking crane system (ASCs) and related technology for the Port of Hamburg's biggest terminal operator, HHLA. HHLA will automate the container yard of its Burchardkai terminal by 2015. In the first phase of the project, Kalmar will deliver 15 ASCs and their control and automation systems, during 2007–2008. The contract includes an option to deliver an additional 75 ASCs and their control and automation systems in the following phases.

In January, Kalmar also received an order for 25 straddle carriers from Transnet Limited t/a South African Port Operations (SAPO). The straddle carrier deliveries to Durban port will start in late summer 2006. This order is a continuation of an order received in August 2005 for 53 straddle carriers.

In January, Kalmar received an order from P&O Ports Australia for six E-One rubber-tyred-gantry (RTG) cranes for its Sydney and Fremantle terminals. The RTGs are scheduled for delivery in late autumn 2006.

In February, the UK terminal operator, Tilbury Container Services (TCS) awarded Kalmar a major contract for the refurbishment of 13 straddle carriers. This project comes on top of an existing contract whereby Kalmar is carrying out servicing of TCS's entire straddle carrier fleet that comprises 39 straddle carriers, these being a mix of Kalmar and other brands.

In March, Kalmar received an order for 24 straddle carriers from the Port Authority of Jamaica (PAJ). The order also includes six empty container handlers. The deliveries to Kingston Container Terminal will start in April and continue until July 2006.

MacGREGOR

Of all orders received, MacGREGOR accounted for EUR 188 (1–3/2005: 115) million.

In January, MacGREGOR received an order for RoRo access equipment for five RoRo ships for the Italian shipowner, Grimaldi Group (Naples). The order is worth approximately EUR 9 million. MacGREGOR will deliver a complete stern quarter ramp system, internal ramp way doors and hoistable car deck access ramps as well as components for the car decks of approximately 9,000 square meters for the RoRo ships.

In March, MacGREGOR received an order for hatch covers from the German shipyard JJ Sietas. The hatch covers will be delivered during 2008–2009 for four heavy lift cargo ships ordered by German specialist operator SAL. The order includes an option for hatch covers for two additional ships.

Also in March, MacGREGOR received significant hatch cover orders from shipyards of the Korean Hyundai Group. The hatch covers will be delivered during 2007–2008 for 34 container ships that are under construction for several ship owners. The value of the orders exceeds USD 40 million.

Furthermore, in March, MacGREGOR received a large RoRo access equipment order for two ferries for the Norwegian ship owner, Color Line. The equipment will be delivered in 2007–2008 and the value of the order is approximately EUR 9 million.

In the first quarter of 2006, MacGREGOR received a large number of ship crane orders from, for example, Poland, Venezuela, China, Korea and Singapore. The cranes will be delivered during 2006–2008 and the value of the orders exceeds EUR 15 million.

Order Book

Cargotec's order book totaled EUR 1,439 (December 31, 2005: 1,257) million at the end of March 2006. Of the order book, Hiab accounted for EUR 226 (197) million, Kalmar EUR 587 (520) million, and MacGREGOR EUR 626 (541) million. The strong order intake during the first months of 2006 lengthened the order book in all business areas. A considerable part of MacGREGOR's sizeable order book will be delivered in 2007–2008.

		Pro forma	
Order book, MEUR	31.3.2006	31.3.2005	31.12.2005
Hiab	226.3	241.2	196.7
Kalmar	586.7	624.4	519.5
MacGREGOR	626.3	479.2	540.9
Internal order book	-0.2	-0.3	-0.2
Total	1,439.1	1,344.5	1,256.9

Net Sales

Cargotec's net sales for January–March 2006 totaled EUR 614 (1–3/2005: 550) million. Sales of both new equipment and service business grew.

Hiab's net sales in the first quarter amounted to EUR 230 (1–3/2005: 198) million, Kalmar's net sales were EUR 284 (265) million and MacGREGOR's net sales EUR 101 (88) million.

Sales, MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Hiab	229.6	197.8	844.4	504.6
Kalmar	283.7	264.5	1,146.9	695.0
MacGREGOR	101.0	88.4	368.7	220.4
Internal sales	-0.4	-0.3	-2.1	-1.4
Total	613.9	550.4	2,357.9	1,418.6

Cargotec's service revenue for January–March 2006 was EUR 132 (1–3/2005: 108) million, representing 22 (20) percent of net sales. The service business grew by 23 percent year on year. It accounted for 14 (13) percent of net sales at Hiab, 25 (21) percent at Kalmar, and 29 (29) percent at MacGREGOR.

Financial Result

Cargotec's operating income for January–March 2006 totaled EUR 51.0 (1–3/2005: 36.7) million, representing 8.3 (6.7) percent of net sales. Of this amount, Hiab accounted for EUR 22.5 (14.2) million, Kalmar for EUR 25.0 (20.7) million, and MacGREGOR for EUR 6.2 (4.5) million.

Cargotec's operating income improved clearly from the previous year. In particular, the investments made in 2005 to increase the flexibility of Hiab's assembly operations were reflected in larger delivery volumes and improved efficiency. Kalmar's operating margin was affected by the geographical expansion of assembly operations and related start-up costs.

Net income for the period was EUR 34.0 million (1–3/2005: 21.6) and earnings per share were EUR 0.53 (0.34).

Balance Sheet, Financing and Cash Flow

On March 31, 2006, Cargotec's net working capital amounted to EUR 221 (December 31, 2005: 206) million. Tangible assets on the balance sheet were EUR 198 (196) million and intangible assets EUR 507 (487) million.

Cash flow from operating activities before financial items and taxes for January-March 2006 totaled EUR 40.6 (1–3/2005: 16.1) million. Cash flow was good despite the increase in inventories.

Net debt on March 31, 2006 was EUR 155 (December 31, 2005: 121) million. This increase was mainly attributable to the payment of dividends. Total equity/total assets ratio was 45.9 (46.2) percent while gearing was 20.3 (15.7) percent.

Cargotec had EUR 432 million committed credit facilities on March 31, 2006. The facilities were unused.

Capital Expenditure

Cargotec's capital expenditure for January-March 2006, excluding acquisitions and customer financing, totaled EUR 8.1 (1–3/2005: 6.3) million. Customer financing investments were EUR 6.1 (3.0) million.

Hiab is extending its loader crane installation facilities in the U.S. to meet growing demand. The new rented facilities will be commissioned in the second half of 2006. Furthermore, the unit manufacturing Princeton forklifts in the U.S. will move to larger rented premises in April 2006.

Hiab is also expanding its installation and service operations to new, rented premises in Raisio, Finland which will be completed by the end of the year.

Kalmar opened a new assembly plant in the Shanghai area, China, in the first quarter of 2006.

Strategic Acquisitions

Cargotec's strategic goals include profitable growth, both organically and through acquisitions. An essential part of the growth strategy is the expansion of the service business.

In March, Kalmar signed an agreement to acquire the business of East Coast Cranes and Electrical Contracting Inc. (ECC), a US company. The acquisition was finalized at the end of March. ECC specializes in crane construction services and maintenance in ports. The company has over 100 employees working in ports, mainly on the US East Coast and Gulf ports, and its net sales for 2005 were close to USD 25 million. This acquisition will expand Kalmar's service offering in the Americas and create a strong platform for the further development of its port business.

In January, Hiab signed an agreement to acquire the Dutch tail lift producer, AMA, which consists of a manufacturing company based in Poland and a sales company based in Holland. AMA employs approximately 55 people and had net sales of approximately EUR 4 million in 2005. The transaction is expected to be completed during April.

Structural Changes

Kalmar reorganized its global assembly network by establishing the Multi Assembly Unit organization (MAU). In this new organization, the production plants assemble various products while the product lines focus on product marketing and sales. This means that assembly takes place closer to customers, which in turn cuts delivery times.

In the first quarter of 2006, Kalmar established a sales company, Kalmar Industries South Africa (Pty) Ltd, in Durban. The company will focus on the sales and servicing of straddle carriers and RTG cranes. Other Kalmar products will continue to be sold through a local partner.

Product Development

During the reporting period, Cargotec's research and product development expenditure was EUR 7.4 (1–3/2005: 7.1) million, representing 1.2 (1.3) percent of net sales.

During the first quarter, Hiab launched several new products and product applications. The company supplemented its XR hooklift systems range by launching a new XR 10 hooklift, the largest model in the XR product family, and introduced the new Z-45/75 tail lifts, with a hoisting capacity of 450–750 kilos, on the European markets. Hiab also supplemented its Waltco tail lifts range in North America by launching the new WDL rail-type liftgate designed for heavy use. In North America and Europe, Hiab introduced a new truck-mounted forklift model enabling the operator to make 90-degree turns. Furthermore, Hiab developed a new CargoMaX concept for easy installation of light loader cranes on Volkswagen Crafter vehicles. The launch of the CargoMaX concept, which is designed for the European market, has been started in Germany.

In February, Kalmar introduced a new RoRo terminal tractor. Known as the *i*-series, these new 'intelligent' terminal tractors are equipped with a fully electronic control system. The *i*-models also have longer service intervals and meet the latest environmental regulations. The new *i*-series is intended mainly for European ports, with orders already placed by ports in Ireland, Spain, Sweden, Finland and Germany.

In the first quarter, MacGREGOR launched a new MacPILER gantry crane enabling the smooth handling of hatch covers in smaller vessels.

Personnel

On March 31, 2006, Cargotec had a total of 7,729 employees (March 31, 2005: 7,349), with Hiab accounting for 3,471 (3,487) persons, Kalmar 3,307 (2,899) and MacGREGOR 908 (925).

Of Cargotec's total employees, 18 percent were located in Finland, 26 percent in Sweden, and 26 percent in the rest of Europe. North and South American personnel represented 16 percent, Asia Pacific 13 percent, and rest of the world 1 percent of total employees.

Shares and Stock Options

On March 31, 2006, Cargotec's share capital totaled EUR 63,920,955. The number of Cargotec's listed class B shares totaled 54,394,866 while that of its unlisted class A shares totaled 9,526,089.

During January 1–March 31, 2006, the trading volume of Cargotec class B shares totaled 14.4 million at a total value of approximately EUR 461 million. The closing price for class B shares on March 31, 2006 was EUR 33.80. The highest price during the reporting period was EUR 34.79 and the lowest EUR 28.84. On March 31, 2006, the market value of the company's class B shares totaled EUR 1,839 million. The market value of the share capital, in which the unlisted class A shares were valued at the closing price of the class B shares, was EUR 2,154 million, excluding the shares held by the company.

The remaining A and B stock options may be used to subscribe for a total of 654,255 class B shares, thereby increasing the share capital by EUR 654,255. No shares were subscribed for using the stock options during the first quarter.

Changes in Cargotec's Executive Committee

On February 8, 2006, Cargotec's Board of Directors appointed Mikael Mäkinen, M.Sc. (Eng.) Naval Architect, as the new President and CEO of Cargotec Corporation. Mäkinen started at Cargotec on April 1, 2006 and will become President and CEO on May 1, 2006. Cargotec's current President and CEO, Carl-Gustaf Bergström, will retire in June 2006. Mikael Mäkinen previously worked as Executive Vice President of Wärtsilä Corporation, heading its Ship Power Business.

Tor-Erik Sandelin, a member of Cargotec Corporation's Executive Committee and Senior Vice President responsible for Service Business Development, retired at the end of March 2006.

Decisions Taken at the Annual General Meeting

Cargotec Corporation's Annual General Meeting (AGM) was held on February 28, 2006 in Helsinki. The meeting approved the parent company and consolidated financial statements and discharged the members of the Board of Directors and the President and CEO of their liability for the accounting period June 1–December 31, 2005.

The AGM approved a dividend of EUR 0.64 for each of the 9,526,089 class A shares and EUR 0.65 for the 54,191,166 outstanding class B shares.

The number of members of the Board of Directors was confirmed at six according to the proposal of Cargotec's Nomination and Compensation Committee. Henrik Ehrnrooth, Tapio Hakakari, Ilkka Herlin, Peter Immonen and Karri Kaitue were re-elected as full members of the Board of Directors. Carl-Gustaf Bergström was elected as a member of the Board from May 1, 2006.

Authorized public accountants Johan Kronberg and PricewaterhouseCoopers Oy were elected as auditors according to the proposal of the Audit Committee of Cargotec's Board of Directors.

Authorizations Granted by the Annual General Meeting

The Annual General Meeting authorized the Board of Directors of Cargotec to decide to repurchase the Company's own shares using distributable assets. Own shares can be repurchased in order to develop the capital structure of the Company, finance or carry out possible acquisitions, implement the Company's share-based incentive plans, or to be transferred for other purposes or be cancelled. The maximum amount of repurchased own shares shall be less than ten percent of the Company's share capital and total voting rights. This corresponds to a maximum of 6,391,000 shares of which no more than 952,000 are class A shares and 5,439,000 are class B shares. This authorization replaces the authorization granted by the Extraordinary Shareholders' Meeting on July 12, 2005 and will remain in effect for a period of one year from the date of decision of the Annual General Meeting.

In addition, the Annual General Meeting authorized the Board of Directors to decide to distribute any shares repurchased. The repurchased shares may be used as compensation in acquisitions and in other arrangements as well as to implement the Company's share-based incentive plans in the manner and to the extent decided by the Board of Directors. The Board of Directors also has the right to decide on the distribution of the shares in public trading in the Helsinki Stock Exchange to be used as compensation in possible acquisitions. The authorization is limited to a maximum of 952,000 class A shares and 5,439,000 class B shares repurchased by the Company. The Board of Directors was authorized to decide to whom and in which order the repurchased shares will be distributed. This authorization replaces the authorization granted by the Extraordinary Shareholders' Meeting on July 12, 2005 and will remain in effect for a period of one year from the date of the decision of the Annual General Meeting.

Organization of the Board of Directors

In its organizing meeting, Cargotec's Board of Directors elected Ilkka Herlin to continue as Chairman of the Board and Henrik Ehrnrooth to continue as Deputy Chairman. Kari Heinistö, Senior Executive Vice President and CFO, will continue to act as secretary to the Board of Directors.

The Board of Directors elected from among its members Ilkka Herlin, Peter Immonen and Karri Kaitue as members of the Audit Committee, with Karri Kaitue elected to continue as Chairman of the Committee.

Board members Carl-Gustaf Bergström (as of May 1, 2006), Tapio Hakakari, Ilkka Herlin and Peter Immonen were elected to the Nomination and Compensation Committee. Ilkka Herlin was elected to continue as Chairman of the Committee.

The Board of Directors also reviewed the independence of its members as defined in the corporate governance recommendation of the Helsinki Stock Exchange. The Board of Directors stated that, with the exception of Carl-Gustaf Bergström, its members are independent of the company and, with the exception of Ilkka Herlin, independent of major shareholders in the company.

Share Repurchases

Cargotec's Board of Directors decided to exercise the authorization of the Annual General Meeting to repurchase the Company's own shares. The maximum amount of repurchased own shares will be less than 10 percent of the Company's share capital and total voting rights.

In accordance with the authorization, the shares will be repurchased in order to develop the capital structure of the Company, finance or carry out possible acquisitions, implement the Company's share-based incentive plans, or to be transferred for other purposes or be cancelled.

Class B shares will be purchased through public trading in the Helsinki Stock Exchange. Class A shares will be purchased outside the Stock Exchange at the price equivalent to the average price of class B shares paid in the Helsinki Stock Exchange at the time of purchase.

No own shares were repurchased during the report period.

Events after the Reporting Period

MacGREGOR received in April 2006 a further order to supply hatch covers to Hyundai Mipo for 17 container ships that will be delivered for several customers during 2008-2009. The value of the order is approximately USD 23 million.

Outlook

Cargotec's market situation is expected to remain good. Order intake is expected to continue strong during the second quarter of 2006 even if it is not expected to reach the very high first quarter level. Cargotec's growth is supported by the growth in orders received as well as acquisitions complementing the business. Year 2006 net sales are estimated to grow by close to 10 percent while the target is to reach an 8 percent operating margin.

Helsinki, April 24, 2006
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Cargotec's Interim Report for January–March 2006

Condensed Consolidated Income Statement

MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Sales	613.9	550.4	2,357.9	1,418.6
Gain on the sale of Consolis	-	-	15.4	15.4
MacGREGOR acquisition adjustment	-	-	-	-3.9
Costs and expenses	-553.1	-504.3	-2,140.6	-1,281.9
Depreciation	-9.8	-9.4	-37.9	-23.6
Operating income	51.0	36.7	194.8	124.6
Operating income, %	8.3 %	6.7 %	8.3 %	8.8 %
Share of associated companies' income	0.4	-1.4	6.6	6.3
Financing income and expenses	-2.9	-3.1	-10.4	-5.4
Income before taxes	48.5	32.2	191.0	125.5
Income before taxes, %	7.9 %	5.9 %	8.1 %	8.8 %
Taxes	-14.5	-10.6	-54.4	-38.1
Net income for the period	34.0	21.6	136.6	87.4
Net income for the period, %	5.5 %	3.9 %	5.8 %	6.2 %
Attributable to:				
Shareholders of the parent company	33.5	21.4	134.5	85.9
Minority interest	0.5	0.2	2.1	1.5
Total	34.0	21.6	136.6	87.4
Earnings per share for profit attributable to the shareholders of the parent company:				
Basic earnings per share, EUR	0.53	0.34	2.11	1.35
Diluted earnings per share, EUR	0.52	0.33	2.10	1.34
Adjusted basic earnings per share, EUR	-	-	1.90*	1.18**

*) Excluding gain on the sale of Consolis after taxes
**) Excluding gain on the sale of Consolis and impact of the final accounting of MacGREGOR acquisition after taxes

Condensed Consolidated Balance Sheet

ASSETS		Pro forma	
MEUR	31.3.2006	31.3.2005	31.12.2005
Non-current assets			
Intangible assets	507.1	483.8	487.1
Tangible assets	198.1	187.4	196.3
Loans receivable and other interest-bearing assets (1	0.9	0.7	0.9
Investments	3.1	63.6	2.7
Non-interest-bearing assets	50.5	46.5	52.3
Total non-current assets	759.7	782.0	739.3
Current assets			
Inventories	499.7	408.9	464.4
Loans receivable and other interest-bearing assets (1	0.3	1.3	0.3
Accounts receivable and other non-interest-bearing assets	442.2	439.8	462.0
Cash and cash equivalents (1	78.6	42.4	114.5
Total current assets	1,020.8	892.4	1,041.2
Total assets	1,780.5	1,674.4	1,780.5

EQUITY AND LIABILITIES		Pro forma	
MEUR	31.3.2006	31.3.2005	31.12.2005
Equity			
Shareholders' equity	754.4	654.1	760.0
Minority interest	7.3	5.7	7.2
Total equity	761.7	659.8	767.2
Non-current liabilities			
Loans (1	194.4	134.5	197.1
Deferred tax liabilities	18.4	20.4	18.5
Provisions	17.2	10.8	18.2
Pension benefit and other non-interest-bearing liabilities	49.9	41.9	47.2
Total non-current liabilities	279.9	207.6	281.0
Current liabilities			
Loans (1	40.3	213.8	39.1
Provisions	48.0	30.8	45.9
Accounts payable and other non-interest-bearing liabilities	650.6	562.4	647.3
Total current liabilities	738.9	807.0	732.3
Total equity and liabilities	1,780.5	1,674.4	1,780.5

1) Included in interest-bearing net debt

Consolidated Statement of Changes in Equity

MEUR	Share capital	Share premium account	Treasury shares	Translation differences	Fair value reserve	Retained earnings	Attributable to the shareholders of the parent company	Minority interest	Total equity
Equity on 1.6.2005	63.8	93.8	-	-	-12.8	525.7	670.5	6.2	676.7
Adjustment to opening balance sheet									
IFRS 3: Impact of the final accounting of acquisitions						-1.1	-1.1		-1.1
Equity on 1.6.2005, adjusted	63.8	93.8	-	-	-12.8	524.6	669.4	6.2	675.6
Cash flow hedges					2.5		2.5		2.5
Translation differences				4.9			4.9	0.4	5.3
Share-based incentives, value of received services						0.9	0.9		0.9
Total net income recognised directly in equity	-	-	-	4.9	2.5	0.9	8.3	0.4	8.7
Net income for the period						85.9	85.9	1.5	87.4
Total recognised income and expenses for the period	-	-	-	4.9	2.5	86.8	94.2	1.9	96.1
Shares subscribed with options	0.1	1.3					1.4		1.4
Acquisition of treasury shares			-5.0				-5.0		-5.0
Other changes							-	-0.9	-0.9
Equity on 31.12.2005	63.9	95.1	-5.0	4.9	-10.3	611.4	760.0	7.2	767.2
Cash flow hedges					6.0		6.0	-0.1	5.9
Translation differences				-3.8			-3.8	-0.3	-4.1
Total net income recognised directly in equity	-	-	-	-3.8	6.0	-	2.2	-0.4	1.8
Net income for the period						33.5	33.5	0.5	34.0
Total recognised income and expenses for the period	-	-	-	-3.8	6.0	33.5	35.7	0.1	35.8
Dividends paid						-41.3	-41.3		-41.3
Equity on 31.3.2006	63.9	95.1	-5.0	1.1	-4.3	603.6	754.4	7.3	761.7

Condensed Consolidated Cash Flow Statement

MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Net income for the period	34.0	21.6	136.6	87.4
Gain on the sale of Consolis	-	-	-15.4	-15.4
Depreciation	9.8	9.4	37.9	23.6
Other adjustments	16.9	15.1	58.2	37.2
Change in working capital	-20.1	-30.0	-23.2	40.9
Cash flow from operations	40.6	16.1	194.1	173.7
Cash flow from financial items and taxes	-6.5	-13.4	-38.7	-15.4
Cash flow from operating activities	34.1	2.7	155.4	158.3
Sale of Consolis	-	-	81.7	81.7
Cash flow from investing activities, other items	-28.7	-25.2	-72.4	-36.8
Cash flow from investing activities	-28.7	-25.2	9.3	44.9
Acquisition of treasury shares	-	-	-5.0	-5.0
Proceeds from share subscriptions	-	-	1.4	1.4
Dividends paid	-37.9	-	-0.2	-0.2
Net change in loans, pro forma	-	18.6	-92.7	-
Proceeds from long-term borrowings	0.0	-	-	114.7
Repayments of long-term borrowings	-3.0	-	-	-18.6
Change in current creditors, net	0.3	-	-	-236.6
Cash flow from financing activities	-40.6	18.6	-96.5	-144.3
Change in cash	-35.2	-3.9	68.2	58.9
Cash and cash equivalents at the beginning of period	114.5	46.3	46.3	55.5
Translation difference	-0.7	0.0	0.0	0.1
Cash and cash equivalents at the end of period	78.6	42.4	114.5	114.5

KEY FIGURES		1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Equity/share	EUR	11.84	10.26	11.93	11.93
Interest-bearing net debt	MEUR	154.9	303.9	120.5	120.5
Total equity/total assets	%	45.9	41.6	46.2	46.2
Gearing	%	20.3	46.1	15.7	15.7
Return on equity	%	17.8	13.2	19.2	20.8
Return on capital employed	%	19.4	14.2	20.9	21.9

Segment Reporting

Sales by geographical segment, MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
EMEA	344.2	311.0	1,334.8	789.5
Americas	170.8	130.6	619.7	403.9
Asia Pacific	98.9	108.8	403.4	225.2
Total	613.9	550.4	2,357.9	1,418.6

Sales by geographical segment, %	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
EMEA	56.1 %	56.5 %	56.6 %	55.7 %
Americas	27.8 %	23.7 %	26.3 %	28.5 %
Asia Pacific	16.1 %	19.8 %	17.1 %	15.9 %
Total	100.0 %	100.0 %	100.0 %	100.0 %

Sales, MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Hiab	229.6	197.8	844.4	504.6
Kalmar	283.7	264.5	1,146.9	695.0
MacGREGOR	101.0	88.4	368.7	220.4
Internal sales	-0.4	-0.3	-2.1	-1.4
Total	613.9	550.4	2,357.9	1,418.6

Operating income, MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Hiab	22.5	14.2	66.6	40.0
Kalmar	25.0	20.7	97.6	62.1
MacGREGOR	6.2	4.5	27.5	18.5
Corporate administration and other	-2.7	-2.7	-12.3	-7.5
Operating income before adjustments	51.0	36.7	179.4	113.1
Gain on the sale of Consolis	-	-	15.4	15.4
MacGREGOR acquisition adjustment *	-	-	-	-3.9
Total	51.0	36.7	194.8	124.6

* Impact of the final accounting

Operating income, %	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Hiab	9.8 %	7.2 %	7.9 %	7.9 %
Kalmar	8.8 %	7.8 %	8.5 %	8.9 %
MacGREGOR	6.1 %	5.1 %	7.5 %	8.4 %
Cargotec, operating income before adjustments	8.3 %	6.7 %	7.6 %	8.0 %
Cargotec	8.3 %	6.7 %	8.3 %	8.8 %

Orders received, MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Hiab	266.1	220.1	830.6	476.2
Kalmar	351.4	310.1	1,103.4	627.7
MacGREGOR	188.1	115.1	452.9	263.2
Internal orders received	-0.5	-0.4	-2.0	-1.2
Total	805.1	644.9	2,384.9	1,365.9

Order book, MEUR	31.3.2006	Pro forma 31.3.2005	31.12.2005
Hiab	226.3	241.2	196.7
Kalmar	586.7	624.4	519.5
MacGREGOR	626.3	479.2	540.9
Internal order book	-0.2	-0.3	-0.2
Total	1,439.1	1,344.5	1,256.9

Capital expenditure, MEUR	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
In fixed assets (excluding acquisitions)	7.5	5.8	27.4	17.8
In leasing agreements	0.6	0.5	0.8	0.3
In customer financing	6.1	3.0	28.4	21.3
Total	14.2	9.3	56.6	39.4

Expenditure for R&D	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Expenditure for R&D, MEUR	7.4	7.1	29.7	17.5
Expenditure for R&D, as percentage of sales	1.2	1.3	1.3	1.2

Number of employees at the end of period	31.3.2006	Pro forma 31.3.2005	31.12.2005
Hiab	3,471	3,487	3,417
Kalmar	3,307	2,899	3,210
MacGREGOR	908	925	899
Corporate administration	43	38	45
Total	7,729	7,349	7,571

Average number of employees	1-3/2006	Pro forma 1-3/2005	Pro forma 1-12/2005	Financial period 6-12/2005
Hiab	3,449	3,459	3,426	3,418
Kalmar	3,182	2,895	3,021	3,092
MacGREGOR	906	912	899	891
Corporate administration	44	36	42	45
Total	7,581	7,302	7,388	7,446

Notes

Commitments		Pro forma	
MEUR	31.3.2006	31.3.2005	31.12.2005
Mortgages	-	5.5	-
Guarantees	0.3	4.6	1.2
Customer finance	19.3	15.3	17.7
Operating leases	27.6	23.8	29.5
Other contingent liabilities	4.0	0.3	4.1
Total	51.2	49.5	52.5

Fair values of derivative financial instruments		Pro forma	
MEUR	31.3.2006	31.3.2005	31.12.2005
FX forward contracts			
Subsidiaries	-2.8	1.1	-14.4
Parent company	-2.0	-	-0.2
Interest rate swaps			
Maturity under 1 year	-0.2	-	-0.4
Maturity over 1 year	-0.2	-1.5	-0.3
Total	-5.2	-0.4	-15.3

Nominal values of derivative financial instruments		Pro forma	
MEUR	31.3.2006	31.3.2005	31.12.2005
FX forward contracts			
Subsidiaries	1,137.9	659.0	970.1
Parent company	433.6	-	379.4
Interest rate swaps			
Maturity under 1 year	35.0	-	35.0
Maturity over 1 year	10.0	45.0	10.0
Total	1,616.5	704.0	1,394.5

Accounting principles:
This interim report has been prepared in accordance with the IFRS recognition and measurement principles. The report does not comply with all requirements of IAS 34, Interim Financial Reporting. Cargotec has applied the same accounting principles as in the closing of year 2005 except for the following new standards, changes and interpretations, which have been adopted as of January 1, 2006:

- IAS 21 (Amendment): Net Investment in a Foreign Operation *
- IAS 39 (Amendment): Cash Flow Hedge Accounting of Forecast Intragroup Transactions
- IFRIC 4: Determining Whether an Arrangement Contains a Lease

The adoption of new standards did not cause restatement of 2005 figures.

* EU endorsement not yet received

This interim report is unaudited.

Pro forma information
Cargotec was listed on June 1, 2005 and the Company's first financial period was June 1-December 31, 2005. The interim report presents pro forma comparison figures for those periods for which official comparative figures are not available. Pro forma figures present Cargotec's financial information based on its business and corporate structure at the time of the listing to facilitate the financial evaluation of the Company. Hence, MacGREGOR's marine cargo flow business acquired in spring 2005 is included in the pro forma figures of all comparison periods as if the acquisition would have happened before the periods presented. Pro forma information is based on IFRS and the accounting principles of Cargotec's official consolidated financial statements have been applied when suitable. The final accounting impact of the MacGREGOR acquisition according to IFRS 3 is included in the official result as of June 1, 2005. In the 2005 pro forma figures the impact has been recognised as an adjustment to equity. The pro forma accounting principles prior to the listing are presented in Cargotec's listing particulars.

Quarterly Figures

Cargotec		Q1/2006	Q4/2005	Q3/2005	Pro forma Q2/2005	Pro forma Q1/2005
Orders received	MEUR	805.1	590.6	577.8	570.6	644.9
Order book	MEUR	1,439.1	1,256.9	1,280.5	1,286.5	1,344.5
Sales	MEUR	613.9	621.6	577.1	611.7	550.4
Operating income	MEUR	51.0	52.7**	41.6*	48.2	36.7
Operating income	%	8.3	8.5**	7.2*	7.9	6.7
Basic earnings/share	EUR	0.53	0.56**	0.48*	0.52	0.34

Hiab		Q1/2006	Q4/2005	Q3/2005	Pro forma Q2/2005	Pro forma Q1/2005
Orders received	MEUR	266.1	234.6	180.0	196.1	220.1
Order book	MEUR	226.3	196.7	198.2	219.1	241.2
Sales	MEUR	229.6	231.0	196.3	220.7	197.8
Operating income	MEUR	22.5	20.1	13.7	18.2	14.2
Operating income	%	9.8	8.7	7.0	8.2	7.2

Kalmar		Q1/2006	Q4/2005	Q3/2005	Pro forma Q2/2005	Pro forma Q1/2005
Orders received	MEUR	351.4	230.1	291.2	270.6	310.1
Order book	MEUR	586.7	519.5	583.1	583.1	624.4
Sales	MEUR	283.7	288.2	291.3	304.1	264.5
Operating income	MEUR	25.0	27.0	24.7	24.7	20.7
Operating income	%	8.8	9.4	8.5	8.1	7.8

MacGREGOR		Q1/2006	Q4/2005	Q3/2005	Pro forma Q2/2005	Pro forma Q1/2005
Orders received	MEUR	188.1	126.3	107.2	104.5	115.1
Order book	MEUR	626.3	540.9	499.6	484.5	479.2
Sales	MEUR	101.0	103.1	90.0	87.6	88.4
Operating income	MEUR	6.2	8.5*	6.6*	7.7	4.5
Operating income	%	6.1	8.2*	7.3*	8.8	5.1

* Excluding impact of the final accounting of MacGREGOR acquisition
** Excluding gain on the sale of Consolis and impact of the final accounting of MacGREGOR acquisition

Information of quarters Q3/2005 and Q4/2005 differs from the pro forma information for the quarters as different currency rates have been used due to different accounting periods. Hence, the presented quarterly figures for 2005 added together differ from full year 2005 pro forma figures.