CARGOTEC CORPORATION INTERIM REPORT 29 APRIL 2014 AT 12.00 PM EEST

Cargotec's January–March 2014 interim report: operating profit improved both in Kalmar and Hiab as a result of improvement measures

January–March 2014 in brief

- Orders received increased 9 percent and totalled EUR 863 (791) million.
- Order book amounted to EUR 2,111 (31 Dec 2013: 1,980) million at the end of the period.
- Sales grew 11 percent to EUR 751 (679) million.
- Operating profit excluding restructuring costs was EUR 24.6 (15.0) million, representing 3.3 (2.2) percent of sales.
- Operating profit was EUR 23.8 (13.1) million, representing 3.2 (1.9) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 32.5 (21.2) million.
- Net income for the period amounted to EUR 12.9 (6.4) million.
- Earnings per share was EUR 0.20 (0.10).

Outlook for 2014 unchanged

Cargotec's 2014 sales are expected to grow from 2013. Operating profit excluding restructuring costs for 2014 is expected to improve from 2013.

Cargotec's key figures

MEUR	**Q1/14**	Q1/13	Change	2013
Orders received	**863**	791	9%	3,307
Order book, end of period	**2,111**	2,203	-4%	1,980
Sales	**751**	679	11%	3,181
Operating profit*	**24.6**	15.0	65%	126.5
Operating profit, %*	**3.3**	2.2		4.0
Operating profit	**23.8**	13.1	81%	92.5
Operating profit, %	**3.2**	1.9		2.9
Income before taxes	**18.3**	10.8		78.7
Cash flow from operations	**32.5**	21.2		180.9
Net income for the period	**12.9**	6.4		55.4
Earnings per share, EUR	**0.20**	0.10		0.89
Net debt, end of period	**824**	506		578
Gearing, %	**68.1**	42.0		46.7
Personnel, end of period	**10,883**	10,015		10,610

*excluding restructuring costs

Cargotec's President and CEO Mika Vehviläinen:
During the first quarter, market activity was good and especially in MacGregor order intake continued healthy.

We are delighted to note that the EUR 40 million profit improvement programme currently being implemented in both Kalmar and Hiab is beginning to yield positive results. Hiab's first-quarter profitability was at its highest in several years. Kalmar's performance also continued to improve, but we are disappointed with the cost overruns in one ship-to-shore crane project sold in 2012.

MacGregor's operating profit was weak due to low delivery volumes for merchant ships, the relative growth of the offshore business, and acquisition costs. However, we believe that MacGregor's profitability will improve in the forthcoming quarters.

We will continue our determined efforts to improve our profitability and I expect positive results this year.

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 1:30 p.m. EEST at Cargotec's head office, Porkkalankatu 5, Helsinki. The event will be held in English. The report will be presented by President and CEO Mika Vehviläinen and Executive Vice President, CFO Eeva Sipilä. The presentation material will be available at www.cargotec.com by 1:30 p.m. EEST.

The telephone conference, during which questions may be presented, can be accessed using the following numbers ten minutes before the beginning of the event with access code Cargotec/943043:
FI: +358 9 2313 9201
SE: +46 8 5052 0110
UK: +44 20 7162 0077
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 1 May 2014 in the following numbers: US callers +1 954 334 0342, non-US callers +44 20 7031 4064, access code 943043.

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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 totalled approximately EUR 3.2 billion and it employs approximately 11,000 people. Cargotec's class B shares are quoted on NASDAQ OMX Helsinki under symbol CGCBV. www.cargotec.com

Cargotec's January–March 2014 interim report

Operating environment

While the marine cargo handling market was healthy following the pick-up in new ship orders, demand and supply in shipping remain unbalanced, causing uncertainty about future levels of activity. The offshore load handling market remained active throughout the quarter, outperforming the merchant ship cargo handling market. In the latter, demand focused on bulk ships. Demand for service showed some signs of recovery.

The number of containers handled in ports is expected to grow by more than four percent this year, exceeding last year's growth rate. Overall demand for container handling equipment and automation solutions in ports was stable in the first quarter. In Europe and the Americas, demand was healthy while in Asia demand remained satisfactory as customers hesitated to make investment decisions. Demand for services was healthy.

During the first quarter, the market for load handling equipment was stable despite the prevailing economic uncertainty. Demand was highest for truck-mounted forklifts and tail lifts, while demand for loader cranes was somewhat lower. Demand for services was healthy.

Orders received and order book

Orders received during the first quarter increased by nine percent from the comparison period and totalled EUR 863 (791) million. Compared to the comparison period, currency rate changes had a six percentage point negative impact on orders received. Orders received grew by EUR 64 million thanks to acquired businesses in MacGregor. Service orders grew 18 percent from the comparison period.

Of the first-quarter orders, 37 percent were received by MacGregor, 38 percent by Kalmar, and 25 percent by Hiab. In geographical terms, the share of orders received increased to 46 (40) percent in EMEA (Europe, Middle East, Africa). The Asia-Pacific share of all orders was 32 (31) percent, and that of the Americas was 22 (29) percent. Service orders accounted for 24 (22) percent of total orders.

The order book grew by seven percent from the 2013 year-end level, and at the end of the first quarter it totalled EUR 2,111 (31 Dec 2013: 1,980) million. MacGregor's order book totalled EUR 1,128 (980) million, representing 53 (50) percent, Kalmar's EUR 773 (799) million, or 37 (40) percent, and that of Hiab EUR 211 (203) million, or 10 (10) percent of the consolidated order book.

Orders received by reporting segment

MEUR	**Q1/14**	Q1/13	Change	2013
MacGregor	**315**	209	50%	1,011
Kalmar	**330**	366	-10%	1,430
Hiab	**218**	216	1%	869
Internal orders	**0**	0		-3
Total	**863**	791	9%	3,307

Orders received by geographical area

MEUR	**Q1/14**	Q1/13	Change	2013
EMEA	**396**	319	24%	1,343
Asia-Pacific	**276**	246	12%	1,079
Americas	**190**	226	-16%	885
Total	**863**	791	9%	3,307

Sales

First-quarter sales grew 11 percent from the comparison period, to EUR 751 (679) million. Compared to the comparison period, currency rate changes had a five percentage point negative impact on sales. Sales in services grew 12 percent from the comparison period and totalled EUR 194 (173) million, representing 26 (25) percent of consolidated sales. Sales in MacGregor grew by EUR 49 million thanks to acquired businesses. Sales in Kalmar increased by one percent and in Hiab by eight percent from the comparison period. Services sales grew in EMEA and were at the comparison period level in the Americas and Asia-Pacific. In geographical terms, sales remained unchanged: EMEA represented 48 (48) percent of consolidated sales, Asia-Pacific 28 (28) percent, and the Americas 24 (24) percent.

Sales by reporting segment

MEUR	**Q1/14**	Q1/13	Change	2013
MacGregor	**217**	165	32%	794
Kalmar	**327**	323	1%	1,550
Hiab	**208**	192	8%	841
Internal sales	**-1**	0		-3
Total	**751**	679	11%	3,181

Sales by geographical area

MEUR	**Q1/14**	Q1/13	Change	2013
EMEA	**362**	323	12%	1,385
Asia-Pacific	**211**	190	11%	1,003
Americas	**177**	165	8%	793
Total	**751**	679	11%	3,181

Financial result

Operating profit for the first quarter clearly increased from the comparison period, totalling EUR 23.8 (13.1) million. Operating profit includes EUR 0.9 (1.8) million in restructuring costs. EUR 0.6 (0.0) million of the restructuring costs are related to Kalmar, EUR -0.1 (1.6) million to Hiab, and EUR 0.4 (0.1) million to corporate administration and support functions. The 2013 comparison period included EUR 0.2 million in restructuring costs in MacGregor.

Operating profit for the first quarter, excluding restructuring costs, was EUR 24.6 (15.0) million, representing 3.3 (2.2) percent of sales. Excluding restructuring costs, operating profit for MacGregor amounted to EUR 7.7 (12.2) million, Kalmar EUR 11.2 (7.0) million, and Hiab EUR 13.4 (3.6) million. MacGregor's operating profit declined due to low delivery volumes for merchant ships and a larger share of offshore business, as well as costs related to acquisitions. Operating profit in Kalmar improved from the comparison period, despite project cost overruns, of which a major part related to one ship-to-shore crane project sold in 2012. Efficiency improvement measures in Hiab resulted in a significant improvement in the operating profit.

Net interest expenses for interest-bearing debt and assets for the first quarter totalled EUR -6.5 (-4.7) million. Net financing expenses totalled EUR -5.5 (-2.3) million.

Net income for the first quarter totalled EUR 12.9 (6.4) million, and earnings per share EUR 0.20 (0.10).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 3,592 (31 Dec 2013: 3,336) million at the end of the first quarter. Equity attributable to equity holders was EUR 1,204 (1,233) million, representing EUR 18.73 (19.18) per share. Property, plant and equipment on the balance sheet was EUR 325 (310) million and intangible assets were EUR 1,256 (1,085) million.

Return on equity (ROE, annualised) in January–March increased to 4.2 (2.1) percent, and return on capital employed (ROCE, annualised) increased to 4.6 (3.3) percent.

Cash flow from operating activities for the first quarter, before financial items and taxes, totalled EUR 32.5 (21.2) million. Net working capital increased during the quarter, from EUR 213 million at the end of 2013 to EUR 237 million, mainly due to an increase in accounts receivable.

Cargotec's liquidity position is healthy. Interest-bearing net debt increased as a result of the acquisition completed at the end of January, and at the end of the first quarter it totalled EUR 824 (31 Dec 2013: 578) million. Interest-bearing debt amounted to EUR 1,076 (893) million, of which EUR 237 (300) million was current and EUR 839 (594) million non-current debt. On 31 March 2014, the average interest rate on the loan portfolio was 2.8 (2.6) percent. Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 252 (31 Dec 2013: 315) million.

In March, Cargotec issued a senior unsecured bond of EUR 150 million. This six-year bond matures on 31 March 2020, and it carries a fixed annual interest of 3.375 percent. NASDAQ OMX Helsinki Ltd admitted the bond to public trading as of 3 April 2014.

At the end of the first quarter, Cargotec's total equity/total assets ratio was 35.6 (31 Dec 2013: 39.5) percent. Gearing rose from its 2013 year-end level of 46.7 percent to 68.1 percent. The completed acquisition in MacGregor and dividend payment raised gearing.

New products and product development

Research and product development expenditure in the first quarter totalled EUR 15.9 (15.0) million, representing 2.1 (2.2) percent of sales. Research and product development investments were focused on projects that aim to improve the competitiveness and cost efficiency of products.

MacGregor

MacGregor has taken the lead in delivering supersized subsea cranes. During the first quarter, MacGregor introduced a new system enabling the safe changing of various types of hooks using the existing facilities on board, and the storage of the extra hooks with the minimum loss of valuable deck space. MacGregor continued to develop its range of offshore winch technology, as well as developing the new offshore wire luffing crane. MacGregor three-axis motion crane, which was introduced in the first quarter of 2013, won the Innovation of the Year award.

Kalmar

In January, Kalmar presented a dual-fuel (liquefied natural gas and diesel) reachstacker that has been created in partnership with a customer, Global Service, under the EU-funded Greencranes initiative.

In February, Kalmar presented a new generation terminal tractor to the North American market. In the tractor's design, special attention has been paid to enabling speedy and easy maintenance and servicing. This terminal tractor features top-level operability, and the redesigned cab further enhances its usability. The reception of the terminal tractor was excellent.

During the first quarter, Kalmar expanded its SmartPort process automation portfolio with two new solutions. The stack profiling option ensures safety by recognising the position of containers in the stack. The anti-truck lifting option ensures that trucks are correctly loaded, preventing unintentional lifting.

Hiab
In February, Hiab introduced a new crane that is designed specifically for waste handling. The crane mounts on top of the vehicle so that it frees the maximum space for stowing waste. This makes collecting household waste in congested cities faster, safer, cheaper and more environmentally friendly than before.

Capital expenditure
Capital expenditure in the first quarter, excluding acquisitions and customer financing, totalled EUR 8.8 (15.0) million. Investments in customer financing were EUR 14.4 (4.5) million. Depreciation, amortisation and impairment amounted to EUR 20.5 (15.8) million.

In June 2012, Cargotec announced plans to invest in its multi-assembly unit (MAU) in Stargard Szczecinski, Northern Poland. The value of the investment in a new painting and assembly area was around EUR 8 million in the first quarter. The construction work will be completed during 2014. The assembly of forestry and recycling cranes will begin in Stargard during the year, and the assembly of loader cranes will be expanded. The new painting and assembly area will be fully operational at the beginning of 2015.

Acquisitions and divestments
The acquisition of the mooring and loading systems unit from Aker Solutions was completed in January. The unit has been consolidated into MacGregor's results as of 1 February 2014.

In February, MacGregor acquired Norwegian privately-owned Deep Water Solutions AS specialising in lifting applications utilising electric multi-drive technology. The company employs four people.

During the first quarter, Hiab sold 60 percent of Cargotec Engineering Italy S.r.l, in Italy. The transaction had no material effect on Cargotec's result.

Personnel
Cargotec employed 10,883 (31 Dec 2013: 10,610) people at the end of the first quarter. MacGregor employed 2,691 (2,354) people, Kalmar 5,304 (5,269), Hiab 2,722 (2,823) and corporate administration and support functions 166 (164). The average number of employees in January–March was 10,874 (10,088). MacGregor’s number of employees increased as a result of the completed acquisition.

At the end of the first quarter, 14 (31 Dec 2013: 15) percent of the employees were located in Sweden, eight (8) percent in Finland and 36 (35) percent in the rest of Europe. Asia-Pacific personnel represented 25 (25) percent, North and South American 14 (14) percent, and the rest of the world three (3) percent of total employees.

In February, Cargotec announced plans to restructure Hiab’s operations in Hudiksvall, Sweden, and started personnel cooperation negotiations. The negotiations were on-going at the end of the reporting period. The planned measures may lead to a reduction of approximately 150 employees.

The focus of the current unit is planned to shift from manufacturing to developing new products and testing products, as well as after sales and spare parts support. The planned measures are expected to result in annual cost savings of approximately EUR 11 million, and to generate restructuring costs of approximately EUR 14 million.

The measures announced in October 2013, targeting efficiency improvement and cost reduction in Hiab were in the final stage at the end of the reporting period. The measures have resulted in a reduction of 220 employees. EUR 9 million restructuring costs, of which EUR 1 million in the first quarter 2014, have been booked from these measures in Hiab. Total costs are expected to be lower than the earlier expected EUR 12 million.

Executive Board

In February 2014, Mikael Laine was appointed Senior Vice President, Strategy, as of 7 April 2014. At the end of the reporting period, Cargotec's Executive Board included President and CEO Mika Vehviläinen, Executive Vice President and Chief Financial Officer Eeva Sipilä, Senior Vice President, Human Resources, Mikko Pelkonen, Senior Vice President, Strategy, Mikael Laine, and business area presidents Eric Nielsen (MacGregor) and Olli Isotalo (Kalmar). Senior Vice President, General Counsel Outi Aaltonen acts as Secretary to the Executive Board. After the reporting period, Roland Sundén was appointed President of the Hiab business area and a member of Cargotec’s Executive Board as of 1 May 2014.

In addition to the above Executive Board members, the Extended Executive Board includes the following members: Senior Vice President, General Counsel, Outi Aaltonen; Senior Vice President, Corporate Audit, Stephen Foster; Chief Information Officer Soili Mäkinen; Senior Vice President, Communications and Public Affairs, Anne Westersund.

Reporting segments

MacGregor

MEUR	**Q1/14**	Q1/13	Change	2013
Orders received	**315**	209	50%	1,011
Order book, end of period	**1,128**	886	27%	980
Sales	**217**	165	32%	794
Sales of services	**50**	34		147
% sales	**23**	20		18
Operating profit/loss (EBIT)	**7.7**	12.0		60.0
% sales	**3.6**	7.3		7.6
Operating profit/loss (EBIT)*	**7.7**	12.2		62.7
% sales*	**3.6**	7.4		7.9
Personnel, end of period	**2,691**	1,788		2,354

*excluding restructuring costs

MacGregor's orders for the first quarter grew 50 percent from the comparison period and amounted to EUR 315 (209) million. The contribution of the two recently acquired businesses to orders received was EUR 64 million. Orders for both bulk ship cargo handling equipment and offshore solutions were a third of orders received.

Major orders received by MacGregor in January–March were:

- 60 bulk cargo handling cranes for 15 bulk carriers built in China for various owners,
- various RoRo cargo access equipment, such as bow doors, bow ramp/door, a stern ramp, and a hoistable car deck system for two RoPax ferries for a Dutch shipbuilding group,
- deck equipment packages, which include equipment from the combined MacGregor Hatlapa portfolio, for eight bulk carriers under construction in China,
- 100-tonne SWL active heave-compensated subsea crane to China,
- lashing bridges for three mega-size container ships under construction in China, and
- six active heave-compensated (AHC) subsea cranes for a Dutch shipbuilder.

MacGregor's order book grew 15 percent from the 2013 year-end, totalling EUR 1,128 (31 Dec 2013: 980) million at the end of the first quarter. 70 percent of the order book is merchant ship-related. Offshore support vessel-related orders comprised 30 percent of the order book.

MacGregor's first-quarter sales grew 32 percent from the comparison period, totalling EUR 217 (165) million. The contribution of the acquired businesses to sales was EUR 49 million. The share of services sales grew to 23 (20) percent, or EUR 50 (34) million.

MacGregor's operating profit for the first quarter totalled EUR 7.7 (12.0) million, representing 3.6 (7.3) percent of sales. The 2013 comparison period included EUR 0.2 million in restructuring costs. The operating profit margin was burdened by a larger share of offshore business, as well as low delivery volumes for merchant ships. Operating profit includes EUR 2.1 million in amortisation and depreciation of fixed assets and additional one-time costs of EUR 1.2 million related to the fair value measurement of acquired assets in business acquisitions. Additionally, first-quarter operating profit was burdened by acquisition-related one-time costs of EUR 1.8 million.

Kalmar

MEUR	**Q1/14**	Q1/13	Change	2013
Orders received	**330**	366	-10%	1,430
Order book, end of period	**773**	1,106	-30%	799
Sales	**327**	323	1%	1,550
Sales of services	**95**	92		386
% sales	**29**	29		25
Operating profit/loss (EBIT)	**10.7**	7.0		56.9
% sales	**3.3**	2.2		3.7
Operating profit/loss (EBIT)*	**11.2**	7.0		64.0
% sales*	**3.4**	2.2		4.1
Personnel, end of period	**5,304**	5,102		5,269

*excluding restructuring costs

In the first quarter, orders received by Kalmar declined ten percent from the comparison period and totalled EUR 330 (366) million.

Major orders received by Kalmar in January–March were:

- two G generation reachstackers, 125 terminal tractors and 12 empty container handlers to Dubai,
- Navis N4 terminal operating system (TOS) and Kalmar SmartPort process automation solutions for two facilities in Paraguay,
- more than 400 terminal tractors for North American dealers,
- heightening of ten rubber-tyred gantry (RTG) cranes as a follow-up to an earlier modification project for two RTGs for a customer in Chile,
- six lift trucks to Italy, and
- several Siwertell bulk handling equipment orders from various customers.

The order book declined three percent from 2013 year-end, and at the end of the first quarter it totalled EUR 773 (31 Dec 2013: 799) million.

Kalmar’s first-quarter sales, EUR 327 (323) million, were at the comparison period level. Sales for services grew slightly and amounted to EUR 95 (92) million, representing 29 (29) percent of sales.

Kalmar’s first-quarter operating profit improved from the comparison period and totalled EUR 10.7 (7.0) million. Operating profit includes EUR 0.6 (0.0) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 11.2 (7.0) million, representing 3.4 (2.2) percent of sales. Operating profit includes EUR 9 million in project cost overruns, of which a major part related to one ship-to-shore crane project sold in 2012. Profitability in other Kalmar divisions improved clearly, thanks to on-going improvement measures. New cost-efficient products were well received by the markets.

Hiab

MEUR	**Q1/14**	Q1/13	Change	2013
Orders received	**218**	216	1%	869
Order book, end of period	**211**	214	-1%	203
Sales	**208**	192	8%	841
Sales of services	**48**	47		197
% sales	**23**	25		23
Operating profit/loss (EBIT)	**13.4**	2.0		0.4
% sales	**6.5**	1.0		0.1
Operating profit/loss (EBIT)*	**13.4**	3.6		24.4
% sales*	**6.4**	1.9		2.9
Personnel, end of period	**2,722**	2,967		2,823

*excluding restructuring costs

Hiab's orders received for the first quarter, EUR 218 (216) million, were at the comparison period level. Orders were small individual ones, which is typical of the business. Demand for truck-mounted forklifts and tail lifts was brisk. The order book grew four percent from 2013 year-end, totalling EUR 211 (31 Dec 2013: 203) million at the end of the first quarter.

Hiab's first-quarter sales grew eight percent from the comparison period and totalled EUR 208 (192) million. Sales for services amounted to EUR 48 (47) million, representing 23 (25) percent of sales.

Operating profit for Hiab in the first quarter clearly improved from the comparison period to EUR 13.4 (2.0) million as a result of actions taken to improve efficiency. Operating profit includes EUR -0.1 (1.6) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 13.4 (3.6) million, representing 6.4 (1.9) percent of sales. Especially improvement in the gross margin and service business profitability contributed to the improvement of the operating profit margin. Sales and service network rationalisation also began to impact profitability.

Decisions taken at Cargotec Corporation's Annual General Meeting
Cargotec Corporation's Annual General Meeting (AGM), held on 18 March 2014, approved the 2013 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 2013. The Annual General Meeting approved a dividend of EUR 0.41 be paid for each class A share and a dividend of EUR 0.42 be paid for each class B share. The dividend payment date was 28 March 2014.

The AGM authorised the Board to decide on the repurchase of Cargotec's shares. The authorisation shall remain in effect for a period of 18 months from the resolution by the AGM. The AGM also authorised the Board to decide on the issuance of shares, as well as the issuance of options and other special rights entitling to shares. The authorisation remains in effect for a period of five years following the date of the decision of the AGM. More detailed information on the authorisations was published in a stock exchange release on the date of the AGM, 18 March 2014.

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 Jouko Malinen 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 2014, the Board of Directors elected Ilkka Herlin to continue as Chairman of the Board. Tapio Hakakari was elected as Vice Chairman. Outi Aaltonen, Senior Vice President, General Counsel, continues as Secretary to the Board.

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

The Board of Directors decided to continue the practice that members are to keep the Cargotec shares they have obtained in remuneration under their ownership for at least two years from the date 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 March. The number of class B shares was 54,788,505 while the number of class A shares totalled 9,526,089.

On 12 March 2014, Cargotec repurchased 26,684 of its own class B shares based on the authorisation of the AGM on 20 March 2013. The total purchase price was EUR 867,737. Shares were repurchased for the share-based incentive programme published in August 2013. Based on the authorisation granted by the AGM on 18 March 2014, the Board of Directors decided on 18 March 2014 on a directed share issue as a reward payment under this share-based incentive programme. On 31 March 2014, these shares were transferred without consideration to 20 persons participating in the incentive programme who fulfilled the earnings criteria. Following the share transfer, Cargotec does not hold any own shares.

Share-based incentive programmes

In February 2014, Cargotec's Board of Directors approved a new long-term incentive programme for key personnel at Cargotec. The number of participants will be approximately 75 persons, including Cargotec's President and CEO and members of the Executive Board. The programme's first phase includes specific financial performance targets for the year 2014 (business area or corporate operating profit and working capital). The second phase consists of an additional earnings multiplier, which is based on Cargotec's market value (including both class A and class B shares) at the end of a three-year performance period in 2016.

The potential reward will be delivered in Cargotec class B shares at the beginning of 2017. If the targets are fully met for the maximum number of participants, the cost of the programme for the three-year period will be approximately EUR 12 million. If the financial performance threshold levels are not met, there will not be any incentive payment.

As part of total compensation, additional restricted share grants can be allocated for a selected few key employees during 2014–2016. If the financial performance threshold levels are met for the maximum number of participants, the cost of the programme for the three-year period will be approximately EUR 2.9 million. If the financial performance threshold levels are not met, there will not be any incentive payment.

Recognition of the programme will begin after the grant date in the second quarter of 2014.

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. For share subscription to commence, the required attainment of targets is determined by the Board of Directors.

2010A stock options were listed on the main list of NASDAQ OMX Helsinki on 2 April 2013. Each stock option entitles its holder to subscribe for one (1) new class B share in Cargotec between 1

April 2013 and 30 April 2015. The share subscription price at the end of March 2014 was EUR 18.60 per share and the number of listed 2010A stock options was 390,286.

On 1 April 2014, a total of 21,136 2010B stock options assigned to 58 key employees, and entitling holders to subscribe for 21,136 Cargotec class B shares between 1 April 2014 and 30 April 2016, were listed on the main list of NASDAQ OMX Helsinki. The share subscription price at the end of March 2014 was EUR 29.09.

In March, the Board decided to cancel a total of 378,864 2010B stock options and a total of 400,000 2010C stock options held by the company, as the earnings criteria for the stock options were not fulfilled.

Market capitalisation and trading

At the end of March, the total market value of class B shares was EUR 1,712 (1,239) 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 2,010 (1,310) million. Comparison figures exclude treasury shares held by the company at the end of the comparison period.

The class B share closed at EUR 31.25 (23.91) on the last trading day of March on NASDAQ OMX Helsinki Ltd. The volume-weighted average share price for the period was EUR 29.88 (22.89), the highest quotation being EUR 34.58 (27.57) and the lowest EUR 25.86 (20.19). During the first quarter, a total of 14 (13) million class B shares were traded on NASDAQ OMX Helsinki Ltd., corresponding to a turnover of EUR 431 (288) million. In addition, according to Fidessa, a total of 22 (8) 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 679 (181) million.

Events after the reporting period

Roland Sundén was appointed President of the Hiab business area as of 1 May 2014. He will be a member of Cargotec's Executive Board and will report to President and CEO Mika Vehviläinen.

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 in 2014, mainly in Europe. The improvement seen last year in the merchant ship market may still face risks, as there is continued overcapacity in the industry. The order lead time for load handling equipment is three to four months, which is clearly shorter than for other Cargotec products. Any possible sudden deterioration in demand would therefore require a quick response at Hiab. Risks stemming from political uncertainty, volatility on the currency markets or from the financing sector could add to this uncertainty. Greater difficulty in obtaining financing would weaken customers’ liquidity and investments.

A significant number of measures are ongoing to improve Hiab’s and Kalmar’s profitability. Succeeding in these, and keeping to the related timetables, will be essential to the turnaround of profitability.

Kalmar is in the final stage of delivering major port projects that require close management of both the projects themselves and the supply chain in particular. There continues to be further risk for engineering or delivery challenges that could lead to cost and scheduling overruns. Delivery delays may lead to Kalmar receiving compensation claims from customers where the financial outcome is subject to negotiations between the customer and supply chain parties.

MacGregor has begun the integration of the two recent acquisitions. Succeeding in this will have an essential effect on value creation associated with the acquisitions. MacGregor is seeking significant synergy gains that will improve profitability. The impact of such gains is dependent on the efficiency and speed of the integration. Due to long lead times in its business, the impact of new sales and supply chain synergies will become more visible in profitability from 2015. However, MacGregor targets new orders for a total value exceeding EUR 50 million with the new combined offering in 2014.

Outlook for 2014
Cargotec's 2014 sales are expected to grow from 2013. Operating profit excluding restructuring costs for 2014 is expected to improve from 2013.

Financial calendar 2014
January–June 2014 interim report, Friday, 18 July 2014
January–September 2014 interim report, Thursday, 23 October 2014

Helsinki, 29 April 2014
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Consolidated statement of income

MEUR	1-3/2014	1-3/2013	1-12/2013
Sales	**750.9**	**678.8**	**3,181.0**
Cost of goods sold	-603.6	-556.1	-2,598.3
Gross profit	**147.2**	**122.6**	**582.8**
Gross profit, %	*19.6*	*18.1*	*18.3*
Other operating income	9.1	13.1	44.0
Selling and marketing expenses	-46.3	-42.1	-182.0
Research and development expenses	-16.0	-14.4	-58.8
Administration expenses	-54.1	-51.9	-201.5
Restructuring costs	-0.9	-1.8	-34.0
Other operating expenses	-14.6	-11.6	-57.7
Costs and expenses	-122.6	-108.7	-490.0
Share of associated companies' and joint ventures' net income	-0.8	-0.7	-0.2
Operating profit	**23.8**	**13.1**	**92.5**
Operating profit, %	*3.2*	*1.9*	*2.9*
Financing income and expenses	-5.5	-2.3	-13.9
Income before taxes	**18.3**	**10.8**	**78.7**
Income before taxes, %	*2.4*	*1.6*	*2.5*
Income taxes	-5.4	-4.4	-23.3
Net income for the period	**12.9**	**6.4**	**55.4**
Net income for the period, %	*1.7*	*0.9*	*1.7*
Net income for the period attributable to:			
Equity holders of the company	12.7	6.2	54.8
Non-controlling interest	0.2	0.2	0.6
Total	**12.9**	**6.4**	**55.4**
Earnings per share for profit attributable to the equity holders of the company:			
Basic earnings per share, EUR	0.20	0.10	0.89
Diluted earnings per share, EUR	0.20	0.10	0.89

Consolidated statement of comprehensive income

MEUR	**1-3/2014**	**1-3/2013**	**1-12/2013**
Net income for the period	12.9	6.4	55.4
Items that will not be reclassified to statement of income:			
Defined benefit plan acturial gains (+) / losses (-)	-0.6	-0.4	6.1
Taxes relating to items that will not be reclassified to statement of income	0.2	0.1	-1.4
Total	**-0.4**	**-0.4**	**4.7**
Items that may be reclassified subsequently to statement of income:			
Gain/loss on cash flow hedges	-4.2	0.9	-0.5
Gain/loss on cash flow hedges transferred to statement of income	0.6	0.7	-9.7
Translation differences	-11.6	31.4	-75.4
Taxes relating to items that may be reclassified subsequently to statement of income	1.6	-7.7	14.3
Total	**-13.5**	**25.3**	**-71.3**
Comprehensive income for the period	**-1.1**	**31.4**	**-11.2**
Comprehensive income for the period attributable to:			
Equity holders of the company	-1.2	31.0	-11.7
Non-controlling interest	0.1	0.4	0.5
Total	**-1.1**	**31.4**	**-11.2**

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

Consolidated balance sheet

ASSETS, MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
Non-current assets			
Goodwill	968.0	845.8	865.5
Other intangible assets	288.3	189.2	219.0
Property, plant and equipment	325.1	307.7	310.1
Investments in associated companies and joint ventures	92.4	93.3	92.8
Available-for-sale investments	3.9	4.2	3.8
Loans receivable and other interest-bearing assets*	8.6	6.6	4.9
Deferred tax assets	147.8	126.1	138.9
Derivative assets	0.3	47.8	0.4
Other non-interest-bearing assets	5.5	5.3	4.7
Total non-current assets	**1,839.9**	**1,625.9**	**1,640.2**
Current assets			
Inventories	655.1	766.0	630.9
Loans receivable and other interest-bearing assets*	5.6	1.3	3.7
Income tax receivables	65.8	11.9	46.1
Derivative assets	7.7	47.8	18.1
Accounts receivable and other non-interest-bearing assets	780.1	634.9	690.5
Cash and cash equivalents*	237.4	159.8	306.2
Total current assets	**1,751.7**	**1,621.7**	**1,695.5**
Total assets	**3,591.5**	**3,247.6**	**3,335.7**

EQUITY AND LIABILITIES, MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
Equity			
Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	53.4	92.9	64.1
Fair value reserves	2.8	1.3	5.7
Reserve for invested non-restricted equity	72.6	-	73.5
Retained earnings	913.2	945.8	927.8
Equity attributable to the equity holders of the company	1,204.3	1,202.3	1,233.3
Non-controlling interest	6.3	4.4	6.2
Total equity	**1,210.6**	**1,206.7**	**1,239.4**
Non-current liabilities			
Interest-bearing liabilities*	833.7	364.1	585.3
Deferred tax liabilities	78.5	69.1	55.5
Pension obligations	62.5	70.1	61.1
Provisions	21.6	36.9	37.9
Derivative liabilities	4.9	43.8	3.2
Other non-interest-bearing liabilities	32.0	26.2	27.8
Total non-current liabilities	**1,033.2**	**610.0**	**770.9**
Current liabilities			
Current portion of interest-bearing liabilities*	16.5	113.7	94.3
Other interest-bearing liabilities*	220.2	204.9	205.2
Provisions	67.2	77.6	66.6
Advances received	193.9	299.6	196.8
Income tax payables	17.2	7.1	14.0
Derivative liabilities	24.1	16.2	20.2
Accounts payable and other non-interest-bearing liabilities	808.6	711.8	728.1
Total current liabilities	**1,347.7**	**1,430.9**	**1,325.3**
Total equity and liabilities	**3,591.5**	**3,247.6**	**3,335.7**

*Included in interest-bearing net debt. In addition, the calculation of the interest-bearing net debt includes the hedging of cross-currency risk relating to the USD 300 million Private Placement bond, totalling on 31 Mar 2014, EUR 5.6 (31 Mar 2013: -8.5 and 31 Dec 2013: 8.2) million.

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

Consolidated statement of changes in equity

MEUR	Share capital	Share premium account	Translation differences	Fair value reserves	invested non-restricted equity	Retained earnings	Total	Non-controlling interest	Total equity
	Attributable to the equity holders of the company								
Equity on 31 Dec 2012	**64.3**	**98.0**	**127.2**	**13.7**	**-**	**924.8**	**1,228.1**	**4.1**	**1,232.2**
Change in accounting principles						-13.6	-13.6	0.0	-13.6
Equity on 1 Jan 2013	**64.3**	**98.0**	**127.2**	**13.7**	**-**	**911.2**	**1,214.5**	**4.1**	**1,218.5**
Net income for the period						6.2	6.2	0.2	6.4
Cash flow hedges				1.2	-		1.2		1.2
Translation differences			23.9				23.9	0.2	24.1
Defined benefit plan actuarial gains (+) / losses (-)						-0.4	-0.4		-0.4
Comprehensive income for the period*			**23.9**	**1.2**	**-**	**5.9**	**31.0**	**0.4**	**31.4**
Dividends paid						-44.1	-44.1	0.0	-44.1
Share-based incentives*						0.9	0.9	0.0	0.9
Transactions with owners of the company						**-43.2**	**-43.2**	**0.0**	-43.2
Transactions with non-controlling interests									**-**
Changes in ownership interest in subsidiaries							**-**	**-**	**-**
Equity on 31 Mar 2013	**64.3**	**98.0**	**151.2**	**14.9**	**-**	**873.9**	**1,202.3**	**4.4**	**1,206.7**
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						12.7	12.7	0.2	12.9
Cash flow hedges				-2.8			-2.8		-2.8
Translation differences			-10.7				-10.7	0.0	-10.7
Defined benefit plan actuarial gains (+) / losses (-)						-0.4	-0.4		-0.4
Comprehensive income for the period*			**-10.7**	**-2.8**		**12,3**	**-1.2**	**0.1**	**-1.1**
Dividends paid						-26,9	-26.9		-26.9
Acquisition of treasury shares						-0,9	-0.9		-0.9
Share-based incentives*						0,0	0.0		0.0
Transactions with owners of the company						**-27,7**	**-27.7**	**0.0**	**-27.7**
Transactions with non-controlling interests							-	0.0	0.0
Changes in ownership interest in subsidiaries							-	**0.0**	**0.0**
Equity on 31 Mar 2014	**64.3**	**98.0**	**53.4**	**2.8**	**73.5**	**912.3**	**1,204.3**	**6.3**	**1,210.6**

*Net of tax

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

Consolidated condensed statement of cash flows

MEUR	1-3/2014	1-3/2013	1-12/2013
Net income for the period	12.9	6.4	55.4
Depreciation, amortisation and impairment	20.5	15.8	76.7
Other adjustments	12.5	7.0	35.4
Change in net working capital	-13.3	-8.0	13.5
Cash flow from operations	**32.5**	**21.2**	**180.9**
Cash flow from financial items and taxes	-50.8	-36.2	-91.8
Cash flow from operating activities	**-18.3**	**-14.9**	**89.1**
Acquisitions, net of cash acquired	-182.6	-	-70.5
Divestments, net of cash sold	0.0	0.2	0.2
Investments to associated companies and joint ventures	-1.1	-	-4.5
Cash flow from investing activities, other items	-29.0	-15.0	-42.2
Cash flow from investing activities	**-212.7**	**-14.8**	**-117.0**
Stock options exercised	-	-	0.2
Acquisition of treasury shares	-0.9	-	-
Proceeds from sale of treasury shares	-	-	73.3
Proceeds from long-term borrowings	261.7	-	200.0
Repayments of long-term borrowings	-89.9	-1.6	-39.0
Proceeds from short-term borrowings	18.1	0.6	36.8
Repayments of short-term borrowings	-20.7	-5.7	-64.1
Dividends paid	-26.9	-	-44.3
Cash flow from financing activities	**141.4**	**-6.7**	**163.0**
Change in cash	**-89.6**	**-36.5**	**135.2**
Cash, cash equivalents and bank overdrafts at the beginning of period	303.3	183.9	183.9
Effect of exchange rate changes	-0.8	-0.4	-15.8
Cash, cash equivalents and bank overdrafts at the end of period	**212.9**	**147.0**	**303.3**
Bank overdrafts at the end of period	24.5	12.8	3.0
Cash and cash equivalents at the end of period	**237.4**	**159.8**	**306.2**

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

Key figures

		1-3/2014	1-3/2013	1-12/2013
Equity / share	EUR	18.73	19.60	19.18
Interest-bearing net debt	MEUR	824.3	506.3	578.3
Total equity / total assets	%	35.6	40.9	39.5
Gearing	%	68.1	42.0	46.7
Return on equity, annualised	%	4.2	2.1	4.5
Return on capital employed, annualised	%	4.6	3.3	5.0

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 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 2013 and comply with changes in IAS/IFRS standards effective from 1 January 2014. 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	1-3/2014	1-3/2013	1-12/2013
MacGregor	217	165	794
Kalmar	327	323	1,550
Hiab	208	192	841
Internal sales	-1	0	-3
Total	**751**	**679**	**3,181**

Operating profit, MEUR	1-3/2014	1-3/2013	1-12/2013
MacGregor	7.7	12.0	60.0
Kalmar	10.7	7.0	56.9
Hiab	13.4	2.0	0.4
Corporate administration and support functions	-8.0	-7.8	-24.8
Total	**23.8**	**13.1**	**92.5**

Operating profit, %	1-3/2014	1-3/2013	1-12/2013
MacGregor	3.6	7.3	7.6
Kalmar	3.3	2.2	3.7
Hiab	6.5	1.0	0.1
Cargotec	3.2	1.9	2.9

Operating profit excl. restructuring costs, MEUR	1-3/2014	1-3/2013	1-12/2013
MacGregor	7.7	12.2	62.7
Kalmar	11.2	7.0	64.0
Hiab	13.4	3.6	24.4
Corporate administration and support functions	-7.7	-7.8	-24.6
Total	**24.6**	**15.0**	**126.5**

Operating profit excl. restructuring costs, %	1-3/2014	1-3/2013	1-12/2013
MacGregor	3.6	7.4	7.9
Kalmar	3.4	2.2	4.1
Hiab	6.4	1.9	2.9
Cargotec	3.3	2.2	4.0

Sales by geographical area, MEUR	1-3/2014	1-3/2013	1-12/2013
EMEA	362	323	1,385
Asia-Pacific	211	190	1,003
Americas	177	165	793
Total	**751**	**679**	**3,181**

Sales by geographical area, %	1-3/2014	1-3/2013	1-12/2013
EMEA	48.3	47.7	43.5
Asia-Pacific	28.1	28.1	31.5
Americas	23.6	24.3	24.9
Total	**100.0**	**100.0**	**100.0**

Orders received, MEUR	1-3/2014	1-3/2013	1-12/2013
MacGregor	315	209	1,011
Kalmar	330	366	1,430
Hiab	218	216	869
Internal orders received	0	0	-3
Total	**863**	**791**	**3,307**

Order book, MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
MacGregor	1,128	886	980
Kalmar	773	1,106	799
Hiab	211	214	203
Internal order book	-1	-2	-2
Total	**2,111**	**2,203**	**1,980**

Number of employees at the end of period	31 Mar 2014	31 Mar 2013	31 Dec 2013
MacGregor	2,691	1,788	2,354
Kalmar	5,304	5,102	5,269
Hiab	2,722	2,967	2,823
Corporate administration and support functions	166	158	164
Total	**10,883**	**10,015**	**10,610**

Average number of employees	1-3/2014	1-3/2013	1-12/2013
MacGregor	2,668	1,801	1,832
Kalmar	5,295	5,125	5,288
Hiab	2,750	2,999	2,932
Corporate administration and support functions	161	162	157
Total	**10,874**	**10,088**	**10,210**

4. Capital expenditure, depreciation and amortisation

Capital expenditure, MEUR	1-3/2014	1-3/2013	1-12/2013
Intangible assets	4.5	4.1	17.5
Property, plant and equipment	18.8	15.4	90.9
Total	**23.3**	**19.5**	**108.4**

Depreciation, amortisation and impairment, MEUR	1-3/2014	1-3/2013	1-12/2013
Intangible assets	6.9	4.5	27.6
Buildings	2.0	2.1	8.1
Machinery & equipment	11.7	9.1	41.0
Total	**20.5**	**15.8**	**76.7**

5. Taxes in statement of income

MEUR	1-3/2014	1-3/2013	1-12/2013
Current year tax expense	11.6	3.9	29.9
Deferred tax expense	-6.0	0.4	-7.4
Tax expense for previous years	-0.2	0.1	0.8
Total	**5.4**	**4.4**	**23.3**

6. Interest-bearing net debt and liquidity

MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
Interest-bearing liabilities*	1,075.9	674.1	893.1
Loans receivable and other interest-bearing assets	-14.2	-7.9	-8.5
Cash and cash equivalents	-237.4	-159.8	-306.2
Interest-bearing net debt	**824.3**	**506.3**	**578.3**
Equity	1,210.6	1,206.7	1,239.4
Gearing	**68.1%**	**42.0%**	**46.7%**

*The fair values do not materially differ from book values. One exception is the hedging of currency risk relating to the USD 300 million Private Placement bond, which affected the interest-bearing liabilities on 31 Mar 2014 by EUR 5.6 (31 Mar 2013: -8.5 and 31 Dec 2013: 8.2) million.

MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
Cash and cash equivalents	237.4	159.8	306.2
Committed long-term undrawn revolving credit facilities	200.0	300.0	300.0
Repayments of interest-bearing liabilities in following 12 months	-236.7	-318.6	-299.5
Total liquidity	**200.7**	**141.3**	**306.7**

7. Derivatives

Fair values of derivative financial instruments

MEUR	Positive fair value 31 Mar 2014	Negative fair value 31 Mar 2014	Net fair value 31 Mar 2014	Net fair value 31 Mar 2013	Net fair value 31 Dec 2013
Currency forward contracts	8.0	24.2	-16.2	18.8	0.6
Cross-currency and interest rate swaps	-	4.8	-4.8	16.8	-5.6
Total	**8.0**	**29.0**	**-21.0**	**35.6**	**-5.0**
Non-current portion:					
Currency forward contracts	0.3	0.1	0.2	0.7	0.3
Cross-currency and interest rate swaps	-	4.8	-4.8	13.5	-3.1
Non-current portion	**0.3**	**4.9**	**-4.6**	**14.2**	**-2.8**
Current portion	**7.7**	**24.1**	**-16.4**	**21.4**	**-2.2**

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

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

Nominal values of derivative financial instruments

MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
Currency forward contracts	2,906.6	3,411.6	3,558.6
Hedge accounting	1,138.2	1,869.5	1,662.7
Cross-currency and interest rate swaps	148.7	234.3	217.5
Total	**3,055.3**	**3,645.9**	**3,776.2**

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

8. Commitments

MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
Guarantees	0.0	0.9	0.0
End customer financing	11.1	9.6	11.6
Operating leases	138.3	73.9	129.1
Off-balance sheet investment commitments	-	8.8	-
Other contingent liabilities	5.7	3.1	6.3
Total	**155.1**	**96.2**	**147.0**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 515.1 (31 Mar 2013: 419.6 and 31 Dec 2013: 458.3) million.

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

The future minimum lease payments under non-cancellable operating leases

MEUR	31 Mar 2014	31 Mar 2013	31 Dec 2013
Less than 1 year	22.8	18.8	22.9
1-5 years	51.0	36.9	50.8
Over 5 years	64.5	18.2	55.4
Total	**138.3**	**73.9**	**129.1**

The aggregate operating lease expenses totalled EUR 6.7 (1-3/2013: 6.7 and 1-12/2013: 17.1) 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.

9. Acquisitions and disposals

Acquisitions 2014

Mooring and loading systems (preliminary)

MacGregor acquired on 30 January 2014 the mooring and loading systems unit ("MLS") from Aker Solutions for total consideration of EUR 189.1 million. MLS delivers under its main brands Pusnes, Porsgrunn and Woodfield mooring equipment, loading and offloading systems, deck machinery, steering gears and related maintenance services for the global offshore and shipping markets. The acquisition is strengthening MacGregor's product portfolio and market position by raising MacGregor as the market leader in offshore equipment. The main locations of MLS are Norway, United Kingdom and Korea. As a result of the acquisition, approximately 370 persons were transferred to Cargotec.

Consolidation of the acquired business is provisional as of 31 March 2014. Fair value measurement of the acquired assets and liabilities is preliminary and subject to adjustments until the valuation is finalised. In the preliminary valuation, customer relationships, trademarks, technology and order book have been identified as acquired intangible assets. According to preliminary valuation, the acquisition will generate goodwill, which will not be tax-deductible. Goodwill is primarily based on personnel, expected synergy benefits and achieved market position.

Acquired net assets and goodwill, MEUR	
Intangible assets	75.9
Property, plant and equipment	6.2
Inventories	10.3
Deferred tax assets	0.1
Accounts receivable and other non-interest-bearing assets	42.9
Cash and cash equivalents	8.9
Deferred tax liabilities	-23.6
Interest-bearing liabilities	-0.1
Accounts payable and other non-interest-bearing liabilities	-37.4
Net assets	**83.2**
Purchase price, paid in cash	189.1
Total consideration	**189.1**
Non-controlling interest	-
Goodwill	**105.9**
Purchase price, paid in cash	189.1
Cash and cash equivalents acquired	-8.9
Cash flow impact	**180.2**

The acquired property, plant and equipment mainly consists of properties in Norway, United Kingdom and Korea. The acquired accounts receivable and other non-interest-bearing assets include mostly accounts receivable and receivables from construction contracts. The goodwill resulting from the acquisition is allocated to MacGregor segment for impairment testing.

The deal consideration was fully paid in cash. The cost of acquisition does not include conditional components.

Transaction costs of EUR 1.8 million in 2014 and EUR 0.6 million in 2013 related to the acquisition have been included in the operating profit of MacGregor segment and in other operating expenses in the consolidated statement of income. In addition, the operating profit of 2014 includes EUR 1.2 million in amortisation and depreciation of fixed assets and additional one-time costs of EUR 1.2 million related to the fair value measurement of acquired assets.

Deep Water Solutions (preliminary)
MacGregor acquired 21 February 2014 Norwegian privately owned Deep Water Solutions AS ("DWS") for the consideration of EUR 0.7 million. DWS is specialised in offshore load handling applications and the acquisition is strengthening MacGregor's business within this area. Four persons were transferred to Cargotec as part of the acquisition.

Acquisition cost includes a cash consideration of EUR 0.5 million paid at the acquisition date and a contingent consideration with maximum value of EUR 0.2 million based on certain sales milestones during 2014. The fair value measurement of acquired assets resulted an identification of technology related intangible assets amounting to EUR 0.5 million and a goodwill of EUR 0.6 million. The acquired operations are merged as part of MacGregor Norway.

Disposals 2014
During the first quarter, Hiab sold 60 percent of Cargotec Engineering Italy S.r.l, in Italy. The transaction had no material effect on Cargotec's result.

Acquisitions 2013

Hatlapa (preliminary)
MacGregor acquired on 31 October 2013 a privately-owned Hatlapa Group ("Hatlapa") by purchasing the full share capitals of Hatlapa's German, Singaporean and Cypriot parent entities for EUR 111.7 million. Hatlapa has subsidiaries in seven countries. Hatlapa delivers, under its main brands Hatlapa and Triplex, compressors, steering gears, deck equipment and related maintenance services for merchant ships and offshore industry. The acquisition strengthens MacGregor's product portfolio and market position by raising MacGregor as the global market leader in winches. As a result of the acquisition, approximately 585 persons, mostly in Germany and Norway, transferred to Cargotec.

The goodwill generated in the acquisition arises mostly from personnel, expected synergy benefits and market position that are achieved via enhanced product portfolio and service network. At the reporting date, it is estimated that approximately half of the goodwill is tax-deductible. The table below summarizes the consideration transferred, assets acquired and liabilities assumed at their acquisition date fair values.

Acquired net assets and goodwill, MEUR	
Intangible assets	46.8
Property, plant and equipment	30.1
Investments	2.1
Inventories	35.2
Deferred tax assets	3.9
Accounts receivable and other non-interest-bearing assets	30.7
Cash and cash equivalents	4.6
Deferred tax liabilities	-4.8
Interest-bearing liabilities	-59.0
Accounts payable and other non-interest-bearing liabilities	-37.5
Net assets	**52.0**
Purchase price, paid in cash	71.5
Issued debt	40.1
Total consideration	**111.7**
Non-controlling interest	1.8
Goodwill	**61.5**
Purchase price, paid in cash	71.5
Cash and cash equivalents acquired	-4.6
Cash flow impact	**66.9**

The fair value measurement of acquired assets resulted in identification of intangible assets related to customer relationships, brands and technology. The fair value of the acquired intangible assets was EUR 46.8 million at acquisition date. Determined fair value and the tax impact of the acquisition are considered preliminary.

The acquired property, plant and equipment of EUR 30.1 million consists mostly of production facilities in Germany, Norway and Korea. The acquired assets include accounts receivable with gross value of EUR 29.6 million and fair value of EUR 26.7 million. The fair value of accounts receivable reflects the increased credit risk related to certain receivables and the expectations regarding the amount the entity is expecting to collect. The outstanding accounts receivable relate to sales of equipment and services performed. The acquired accounts receivable do not include lease income or revenue from construction contracts. The goodwill of EUR 61.5 million that resulted from the acquisition has been allocated to MacGregor segment for impairment testing.

The debt portion of the consideration transferred consists of a convertible capital loan issued to sellers. The fair value of the capital loan at the date of acquisition was SGD 67.8 million (EUR 40.1 million) respectively. The cost of acquisition does not include conditional components.

Transaction costs of EUR 4.0 million related to the acquisition are included in the operating profit of MacGregor segment for 2013 and in other operating expenses in the consolidated statement of income.

The non-controlling interest recognised at acquisition of Hatlapa's Korean subsidiary amount to EUR 1.8 million and has been recognised based on the relative ownership of the entity's net assets. Certain subsidiaries of the acquired entities have non-controlling interests that are entitled to sell their shares to Cargotec upon meeting certain conditions. As a result of these conditions, a liability of EUR 3.1 million has been recognised at acquisition date. Put options related to the liability of EUR 0.6 million become exercisable in 2014 and put options related to the liability of EUR 2.4 million become exercisable in 2016.

Hatlapa contributed EUR 18.2 million to Cargotec's sales and EUR -3.7 million to net income since the acquisition date in 2013. The acquisition related one-off items included in the net income amount to approximately EUR -3.5 million. Had the business been acquired on 1 January 2013, the increase in Cargotec's 2013 sales and net income, including the consolidation period, would have been about EUR 109.6 million and EUR -15.5 million respectively. The pro forma loss for the year includes one-off items and depreciation and amortisation related to measurements recognised at acquisition amounting to approximately EUR -9.2 million.

10. Events after the balance sheet date

Roland Sundén was appointed President of the Hiab business area as of 1 May 2014. He will be a member of Cargotec's Executive Board and reports to President and CEO Mika Vehviläinen.

Key exchange rates for the Euro

Closing rate	**31 Mar 2014**	**31 Mar 2013**	**31 Dec 2013**
SEK	8.948	8.355	8.859
USD	1.379	1.281	1.379

Average rate	**1-3/2014**	**1-3/2013**	**1-12/2013**
SEK	8.878	8.504	8.662
USD	1.373	1.317	1.330

Calculation of key figures

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

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

Quarterly figures

Cargotec		Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Orders received	MEUR	863	958	724	833	791
Order book	MEUR	2,111	1,980	2,048	2,147	2,203
Sales	MEUR	751	914	752	836	679
Operating profit	MEUR	23.8	15.3	31.2	32.9	13.1
Operating profit	%	3.2	1.7	4.2	3.9	1.9
Operating profit*	MEUR	24.6	38.6	35.4	37.5	15.0
Operating profit*	%	3.3	4.2	4.7	4.5	2.2
Basic earnings/share	EUR	0.20	0.12	0.31	0.36	0.10

MacGregor		Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Orders received	MEUR	315	361	157	284	209
Order book	MEUR	1,128	980	811	914	886
Sales	MEUR	217	218	200	211	165
Operating profit*	MEUR	7.7	14.5	17.7	18.3	12.2
Operating profit*	%	3.6	6.6	8.9	8.7	7.4

Kalmar		Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Orders received	MEUR	330	357	366	342	366
Order book	MEUR	773	799	1,040	1,037	1,106
Sales	MEUR	327	468	354	405	323
Operating profit*	MEUR	11.2	25.5	15.6	16.0	7.0
Operating profit*	%	3.4	5.5	4.4	3.9	2.2

Hiab		Q1/2014	Q4/2013	Q3/2013	Q2/2013	Q1/2013
Orders received	MEUR	218	241	203	208	216
Order book	MEUR	211	203	199	198	214
Sales	MEUR	208	229	198	221	192
Operating profit*	MEUR	13.4	3.9	8.1	8.9	3.6
Operating profit*	%	6.4	1.7	4.1	4.0	1.9

*Operating profit excluding restructuring costs