

A large, stylized graphic where the word "CARGOTEC" is rendered in a thick, red, rounded font. The letters are layered and overlapping. Behind it, the word "CARGOTEC" is repeated in a light gray, thin, sans-serif font. The year "2015" is also visible in the light gray font, positioned to the right of the main text.

ANNUAL REVIEW 2015

Cargotec Corporation

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CEO's review

Pivotal year

The year 2015 was a milestone for Cargotec with regard to our set targets. The profitability improvement measures initiated two years ago were reached ahead of time, and the financial performance has changed direction. The improved profitability will enable investments supporting our strategy. The new strategy will offer us excellent opportunities to further develop our business.

Kalmar and Hiab reached the targets of their profit improvement programmes set for the year already by the end of the second quarter. MacGregor's market situation is challenging, but I am confident that we are taking the correct measures in order to adapt to the situation in that business area.

Sales in 2015 grew 11% and the operating profit margin excluding restructuring costs improved to 6.2 percent. Our 2015 cash flow was also strong. This development makes investments in R&D and the development of our operations possible, which in turn will be visible in our market shares. Leading market positions, technological market leadership and strong brands will continue to be our strengths.

Towards the end of the year, we updated our strategy with the aim of transforming Cargotec into a market leader in intelligent cargo handling by building on services, digitalisation and people leadership. We will invest in R&D in order to ensure that our products remain market leaders and ahead of our competitors' products. We will develop our portfolio by investing in businesses with high growth, as well as by complementing our technological competence and geographical coverage. In particular, we will

invest in competence development in order to accelerate our transformation process. The focus for the current year will be on implementing Cargotec's new leadership profile and leadership training. We have also developed our internal ways of working so that we have better control and transparency into the development of our business.

Towards the end of the year, we also updated our financial targets: the new goals for each of the business areas are to reach 10 percent operating profit margin (EBIT) over the cycle as well as to grow faster than the market, and for the group to reach 15 percent return on capital employed (ROCE pre-tax) over the cycle. These targets reflect our growth strategy and expected high return on the planned investments.

Our business operations are influenced by a number of trends that are shaping society and consumption. Even though Cargotec operates in the B2B environment, we can also see changes in consumption patterns as changing expectations towards our operations. Consumers are increasingly interested in the logistics related to a product in addition to how ethical and environmentally friendly the product is. Almost all of the goods we use daily have been transported over long distances by road and sea. Efficient cargo handling is vital to international business, especially as the consuming middle class is growing globally. Urbanisation keeps investments in construction going, which provides us with opportunities to offer safe and sustainable solutions for transport challenges in cities.

We consider sustainable business to be good business. Our proprietary digital solutions improve the efficiency of our customers' business, and we aim to increasingly invest in these services. For example, they decrease fuel consumption and the possibility of human errors. Our products are also involved in installation work related to renewable energy, and we are developing related solutions. Eco-efficient products and solutions are at the core of our business, and this increases my confidence in us being on the correct path of development.

I would like to extend my thanks to our shareholders for their trust in the company, our customers for their excellent cooperation and our employees for their successful work.

Mika Vehviläinen

President and CEO, Cargotec



Our new strategy offers excellent opportunities to further develop our business.



Cargotec

In brief


Cargotec is a leading provider of cargo and load handling solutions with the goal of becoming the leader in intelligent cargo handling. Its business areas, Kalmar, Hiab and MacGregor, are recognised leaders in cargo and load handling solutions around the world. Their global network is positioned close to customers, offering extensive services to ensure continuous, reliable and sustainable performance according to customer needs.

Kalmar's offering—cargo handling equipment, automation, software and services—is used in ports, terminals, distribution centres and various industries. Hiab offers equipment, services and spare parts that are used in on-road transport and delivery. MacGregor provides services and solutions for handling marine cargo, vessel operations, offshore loads, crude/LNG transfer and offshore mooring.

With our unique sales and service network, we can **serve our customers locally**, ensuring the continuous operation of their equipment.

Key sales countries

- United States
- China
- South Korea
- United Kingdom
- Germany
- Sweden
- Norway
- France
- Netherlands
- Japan

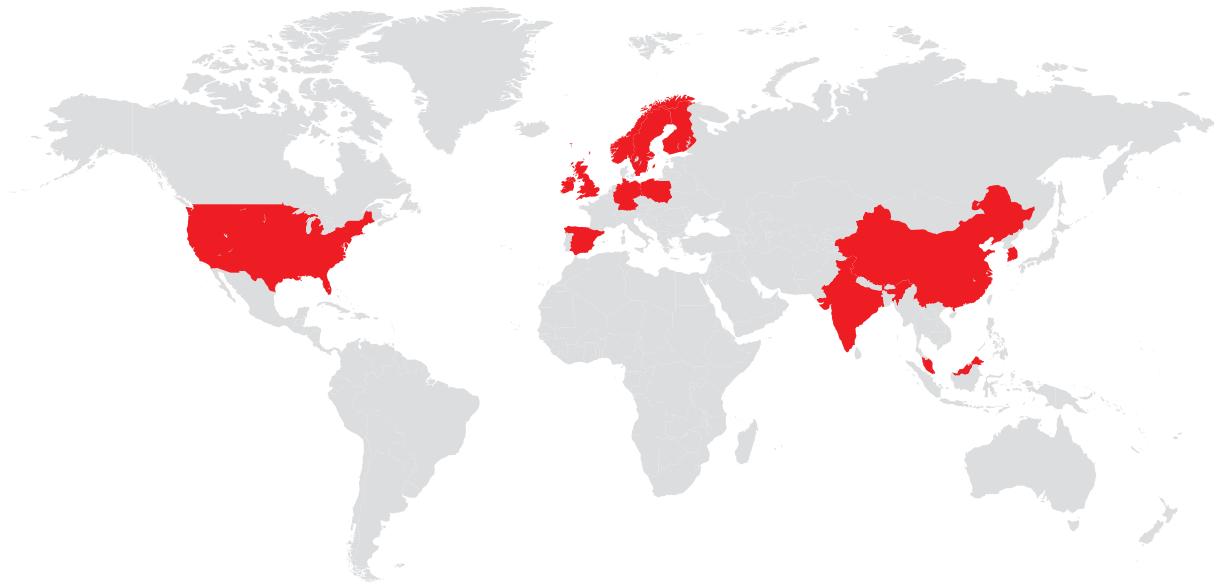


10,837 employees at the end of year

Operations in more than 100 countries

Own employees in 45 countries

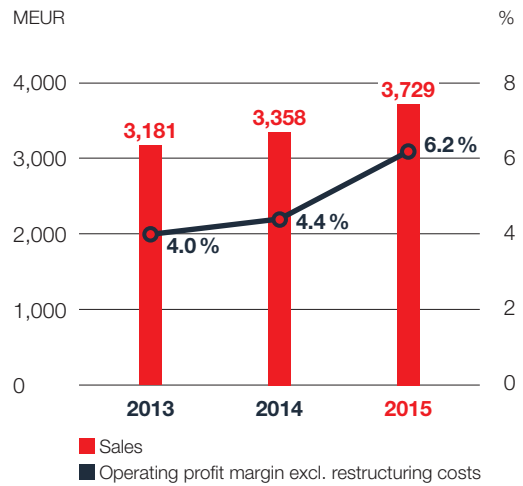
Cargotec's headquarters are in Helsinki, Finland



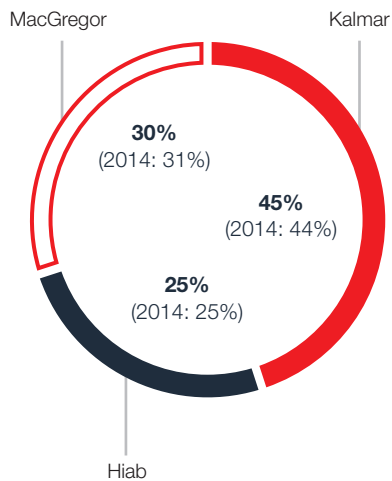
Production countries

- China
- Finland
- Germany
- India
- Ireland
- Malaysia
- Norway
- Poland
- South Korea
- Spain
- Sweden
- United Kingdom
- United States

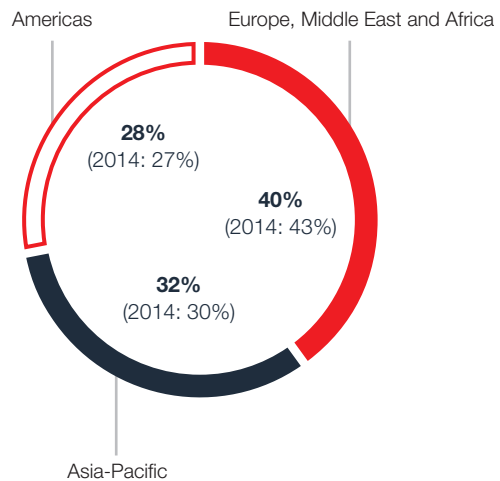
Sales and operating profit margin



Sales by business area



Sales by geographical area



Year 2015

Major events

JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

Q1

Q2

In January, Hiab launched its biggest crane to date, the HIAB X-HiPro 1058. This new addition brings increased productivity and reliability to Hiab's heavy lift range, reducing lifetime ownership costs.



In March, Kalmar signed a significant port automation contract to deliver 20 automatic stacking cranes to DP World London Gateway in the UK. The agreement is part of a repeat order as Kalmar has already delivered stacking cranes, shuttle carriers and reachstackers to London Gateway.

Also in March, Hiab signed a major MOFFETT truck-mounted forklifts order in USA with Lowe's. Lowe's has 1,840 home improvement and hardware stores across the country.



In April, MacGregor was awarded a contract for two subsea knuckle boom cranes, which will be installed on the world's first seabed mining vessel. The order consists of two knuckle boom cranes: a 200t active heave-compensation (AHC) subsea crane with the capability to operate to a depth of 2,500m, and a smaller 100t subsea crane.



In August, Hiab announced a significant loader cranes order to India. Hiab will deliver 1,200 HIAB loader cranes to India's largest automobile company, Tata Motors.

In September, MacGregor announced an order for optimised cargo handling systems for container vessels from South Korea. Each vessel system will comprise hatch covers, lashing bridges, a loose lashing system and container fittings, along with related software and lifecycle support package.

In September, Kalmar presented a new terminal tractor to the European market. The new Kalmar T2 terminal tractor features a reliable, driver-focused design, an ergonomic cabin, improved powertrain efficiency and a modular construction that allows optimised operational performance and reduced lifetime cost of ownership.

JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

Q3

Q4



In June, Kalmar and Navis introduced Kalmar OneTerminal, an integrated terminal automation solution. Also in the same month, Kalmar presented the next generation automatic stacking crane (ASC) system and launched the K-Motion technology – an innovative drive train system – for reachstackers.

In September, Kalmar signed a major automation contract with the Australian company Victoria International Container Terminal Ltd (VICT). Adding to previous VICT orders, Kalmar provides eight automatic stacking cranes (ASC) and related automation for VICT's terminal in Melbourne.

In November, MacGregor received a large order of cargo access systems for South Korea. The two 235m long and 35m wide vessels will be the world's largest commercial RoRo carriers.

Megatrends offer us opportunities

Long-term, macro-economic trends are affecting societies and cultures around us and therefore also impacting industries and the way we do business.

Cargotec benefits from various global megatrends, including:

POPULATION GROWTH: The foundation for continuing increased demand for energy, materials and transportation. Accelerates urbanisation and construction activities and affects transportation structures.

URBANISATION: By 2050 a further two billion people have moved to cities, driven by growing population.

GDP* GROWTH PER CAPITA: The main driver for material and energy demand. GDP is driven by growing population and productivity improvement.

CONSUMING POPULATION: Estimated to almost double in the next ten years, leading to increased global trade and a demand for cargo handling solutions, driven by GDP growth and the increasing standard of living.

ENERGY DEMAND: The estimated annual increase of 1–2% creates needs to further explore, produce and transport energy from various supply sources, which boosts the offshore market growth. The main drivers are population growth and the increasing standard of living.

DIGITALISATION: Enables increased efficiency and sustainability, allowing customers to optimise their operations with intelligent cargo handling solutions.

*GDP: Gross domestic product

Megatrends



Population growth



Urbanisation



GDP growth per capita



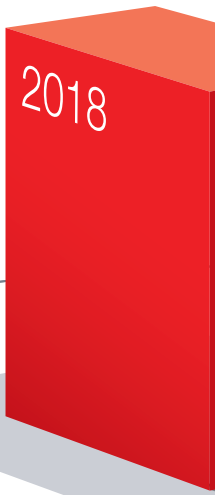
Consuming population



Energy demand



Digitalisation



We shape

Must-win battles

Build world-class service



Customer need for solutions in

Must-win battles support the strategy implementation

BUILD WORLD-CLASS SERVICES OFFERING:
The business areas have significant growth potential in services. The overall goal is to achieve best-in-class industry standards both operationally and financially.

LEAD DIGITALISATION:
Digitalisation will enable new business concepts and models, add value to Cargotec products, enhance Cargotec's service businesses and drive the internal and external process development. Digitalisation helps Cargotec to continue its established track record in providing leading-edge sustainable solutions.

BUILD WORLD-CLASS LEADERSHIP: Leadership excellence is imperative in driving performance, attracting and retaining the best available talent and enabling and accelerating the strategy implementation and success in target completion.

Our purpose: to be the best in intelligent cargo handling

Services offering	Lead digitalisation	Build world-class leadership
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Strategy

Our ambition: to be the global leader in intelligent cargo handling

Cargotec has updated its strategy for the years 2015–2018. During the period, Cargotec aims to secure profitable growth by focusing on services, digitalisation and people leadership. The target is to transform Cargotec's position from a global equipment provider to the global leader in intelligent cargo handling, with a strong services and solution offering in cargo and load handling business.

Business area strategies realise common targets

Cargotec's business areas Kalmar, Hiab and MacGregor share the Cargotec must-win battles, each also having their specific focus areas.

KALMAR

Kalmar's strategy focuses on profitable growth with a target of becoming the number one automation and container handling solution provider in its industry. To make this happen, Kalmar aims to win in automation and grow in software. Additionally, it wants to sustain global leadership in mobile equipment and excel in spare parts. Kalmar's key enablers to achieve these goals are digitalisation, operational excellence and people: a winning attitude and a culture of trust among Kalmar employees will enable the realisation of the strategy.

HIAB

Hiab is determined to grow its market position. The growth strategy means different things in different business lines: in Demountables a better leverage

of products is needed and in Truck-Mounted Forklifts the growth strategy calls for an expansion into new markets. In Taillifts, Hiab will target a more global business model, whereas in the Crane business it wants to gain market share in core markets and speed up innovation. Common for all Hiab businesses is a high focus on services and a stronger local presence to enable global growth. Digital connectivity, services and leadership are high on Hiab's agenda. Hiab puts a special emphasis on innovation to meet customer needs and to improve their businesses.

MACGREGOR

MacGregor shapes the offshore and marine industries by offering world-leading engineering solutions and services with a strong brand portfolio. During the strategy period it will drive a transition from a leading equipment provider to a true value-creating services and solutions expert to reach an even stronger leading position in the offshore and marine industries. Digitalisation, innovative offering and shiptype solution development help to differentiate and further strengthen MacGregor's leading position in the industry. MacGregor develops its operations to guarantee profitability through the cycle. This will be achieved by putting further emphasis on effectiveness and competitiveness. It will focus on its operations in China to win in its biggest market. Excellence in services will allow its customers to focus on their core business, being assured that their investments yield a return over the equipment lifetime.



Financial targets

Group targets:

15% return on capital employed (ROCE pre-tax) over the cycle

Gearing below 50%

Dividend 30–50% of earnings per share

Business area targets:

10% operating profit margin (EBIT) over the cycle

Grow faster than the market

These targets reflect Cargotec's growth strategy and expected high return on the planned investments.

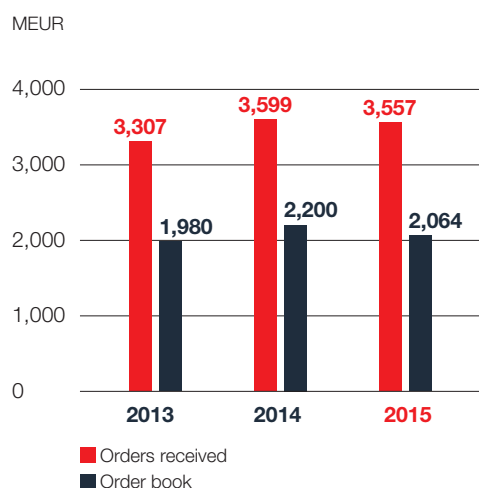
Company

Key figures

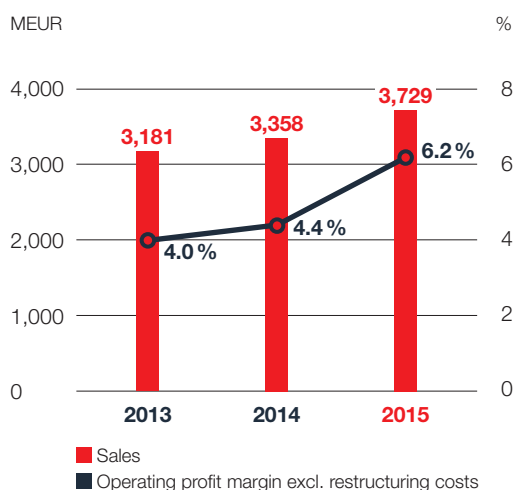
The year 2015 was strong at Cargotec. Our sales grew 11 percent and the operating profit margin excluding restructuring costs improved to 6.2 percent. The profit improvement programmes that were started in 2013 in Kalmar and Hiab were completed during the second quarter, resulting in significant improvements in the results of both business areas.

Our cash flow was also strong, and we managed to meet our gearing target of below 50 percent. During 2016, we will continue to focus on improving profitability and the return on capital employed (ROCE pre-tax). These are the pre-requisites for reaching our goal of being the leader in intelligent cargo handling. Our aim is to grow by building on services, digitalisation and people leadership.

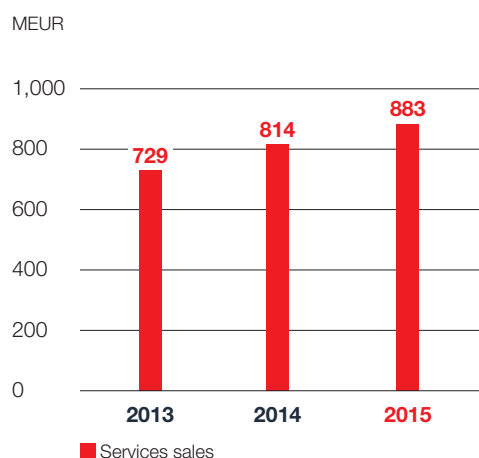
Orders received and order book



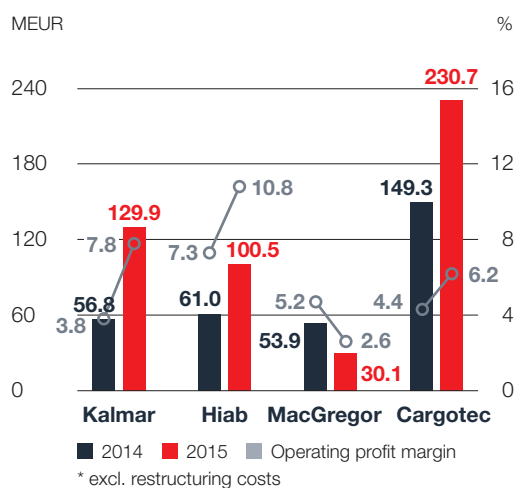
Sales and operating profit margin



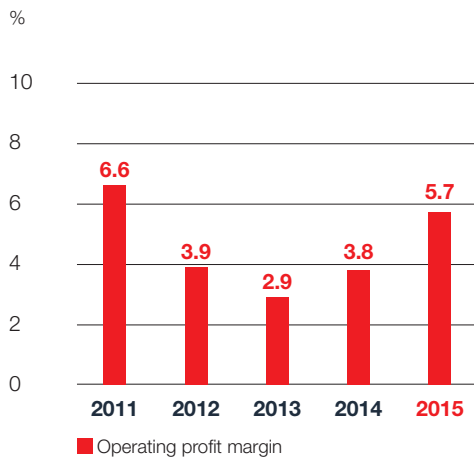
Services sales



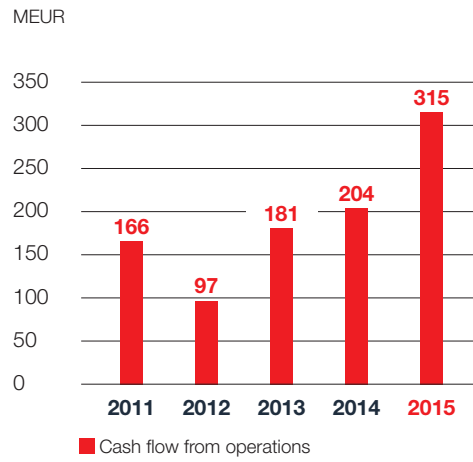
Operating profit by business area*



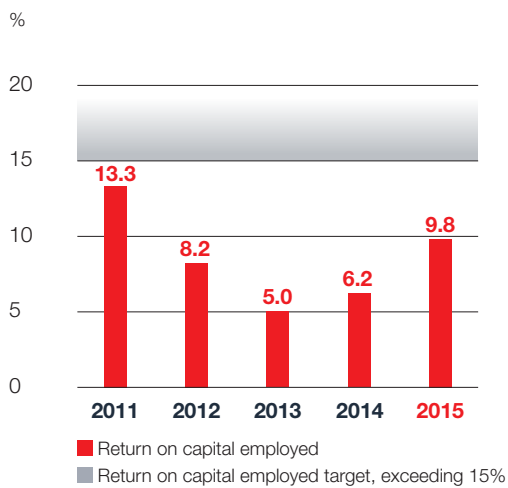
Operating profit margin



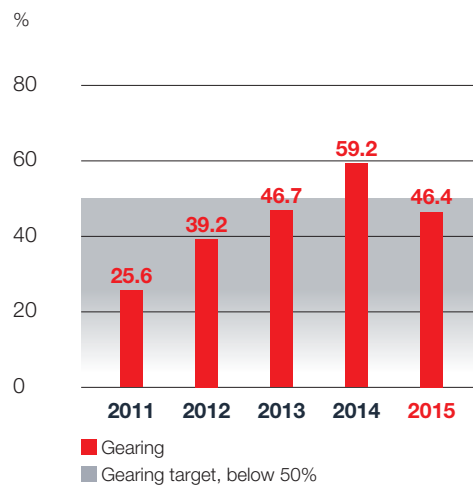
Cash flow from operations



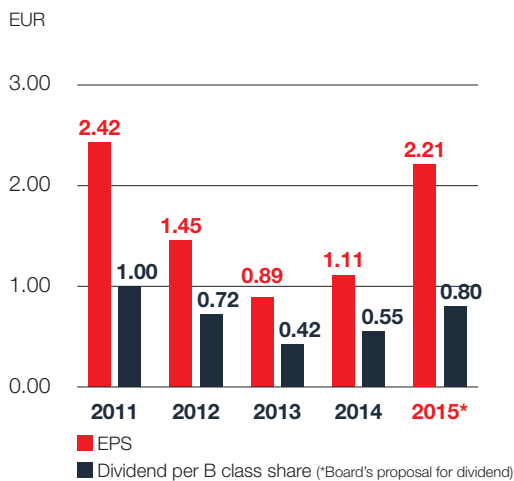
Return on capital employed



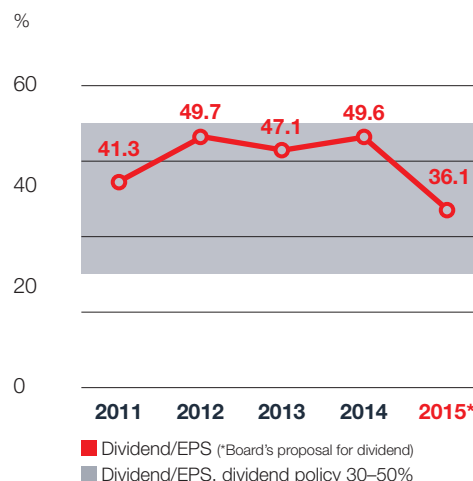
Gearing



Earnings per share (EPS) and dividend



Dividend/EPS, class B share

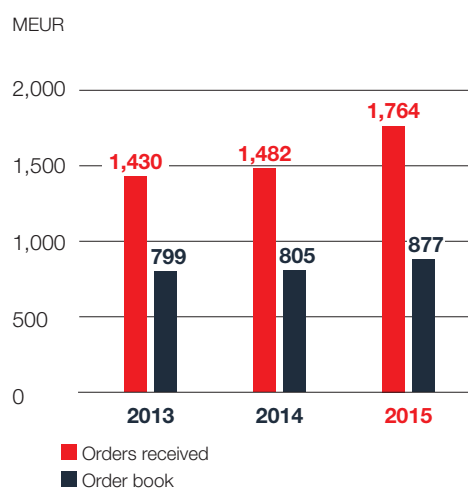


Setting up for future growth

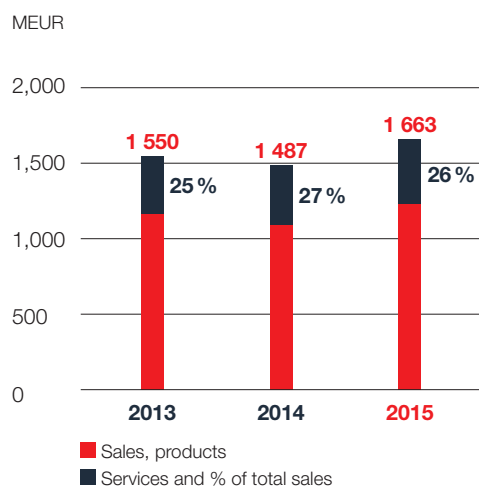
Kalmar's offering includes cargo handling equipment, automation, software and services — all of which provide the widest range of cargo handling solutions and services to ports, terminals, distribution centres and heavy industry. We serve ports and terminals globally, and support customers in logistics and industrial applications in selected markets, mainly in Europe and the United States.

Our mission is to improve the productivity of our customers' business. We are the industry forerunner in port automation and energy-efficient cargo handling. Our solutions enable seamless integration of different terminal processes. Our businesses are strongly driven by container traffic, and manufacturing indices are a common market indicator for industrial applications. Operational pressures on container terminal efficiency also have considerable impact on our business.

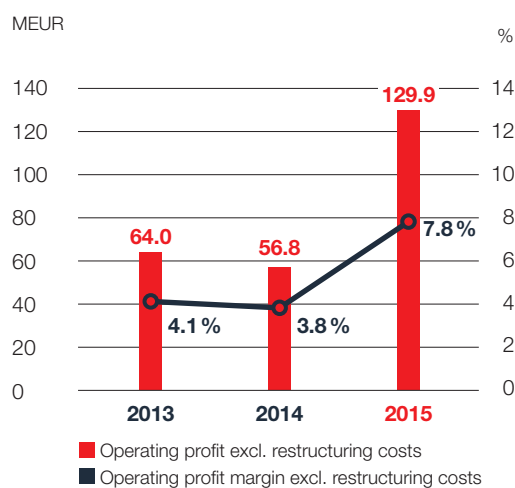
Orders received and order book



Sales



Operating profit





Our mission is to improve the productivity of our customers' business."

A steady year of healthy results

The EMEA (Europe, Middle East and Africa) market was stable during 2015, with the demand for our products and services remaining healthy. The North-American market was very positive for Kalmar throughout the year, while in South-America the market situation was quite weak due to economic and political uncertainty. Uncertainty in China and currency volatility in South East Asia delayed purchasing decisions during the second half. Overall, Kalmar's global business showed encouraging progress in 2015 and our outlook for 2016 is solid.

For Kalmar, the most notable achievement in 2015 was successfully completing our profit improvement programme. The results of this work are clearly visible in our numbers: Kalmar's operating profit, cash flow and return on capital employed (ROCE) improved.

Significant deals in 2015 included the continuation of the DP World London Gateway project announced in March and a major further automation contract with Victoria International Container Terminal Ltd (VICT) in Australia published in September. The year also included several important product launches that set new standards for built-in features to reduce

lifetime costs through decreased fuel consumption, for example. These include K-Motion technology for reachstackers and the next generation automatic stacking crane (ASC) system which was introduced as part of our new OneTerminal offering. In 2016, key topics on our agenda include investments in automation and software, sustaining global leadership in mobile equipment as well as improving spare parts profitability.

Advancing customer satisfaction

Our annual customer satisfaction survey showed again that the majority of our customers are pleased with our performance and that our customer base is loyal to Kalmar. 83% of Kalmar customers are satisfied with Kalmar's overall performance, and 86% would like to buy our products and services in the future. To further boost customer satisfaction and to deliver our customer promise – *Making your every move count* – we implemented a global CRM system during 2015 to give us real time information on our entire customer base. We also made significant improvements in our spare parts operations, in which we are expecting to enhance customer satisfaction in the years to come.

Kalmar offering

Kalmar's offering includes straddle and shuttle carriers, yard cranes, ship-to-shore cranes, reachstackers, empty container handlers, terminal tractors and forklift trucks. We offer service and support for all brands worldwide, including proactive and on-call technical support, crane upgrades, parts and training. Navis terminal operating systems (TOS), Bromma spreaders and Siwertell bulk handling systems are provided as part of the Kalmar business area.



Kalmar

Case

Kalmar OneTerminal automates terminals, making operations more effective

In summer 2015, Kalmar launched OneTerminal, an integrated terminal automation solution that makes automation more accessible to new and existing terminals of all sizes.

Kalmar OneTerminal offers initial concepts for Automatic Stacking Crane, AutoRTG and AutoStrad terminals based on the unique integrated combination of Navis N4 terminal operating system (TOS) and Kalmar's terminal logistic system (TLS).

Delivered by one core team, OneTerminal gives customers the shortest time-to-value, high efficiency and dedicated operational support both during project realisation and after the go-live.

Kalmar OneTerminal reflects our strategy of combining software and equipment seamlessly and offering customers solutions that support their operational performance.

Case

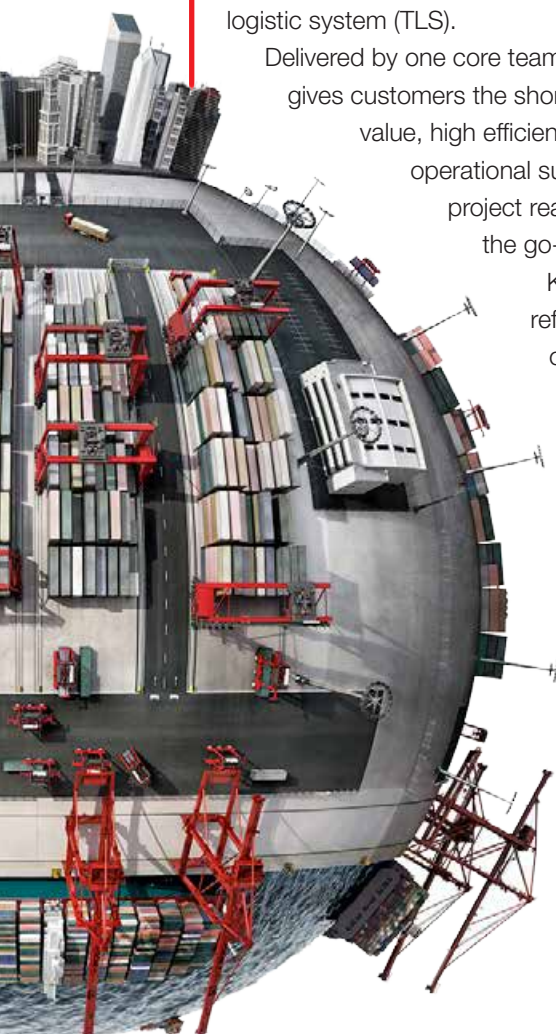
K-Motion – 40% fuel reduction

Kalmar K-Motion is a new drive train system, embedded into the programming of our Gloria reachstacker. It increases efficiency and productivity by elevating uptime and by reducing fuel consumption and emissions. It also improves ergonomics and safety. Our customer field reports show that, thanks to K-Motion, fuel consumption and exhaust emissions can be reduced by as much as 40%.

K-Motion's continuous variable transmission makes for seamless and smooth shifts, drive stops and directional changes, thus improving ergonomics and reducing operator fatigue. As the drive and lift power split works automatically and there is less need for revving, K-Motion increases safety in daily operations and requires less effort from the operator. With K-Motion, operators can focus on the task ahead and react rapidly, avoiding accidents and damaged cargo. K-Motion also increases overall precision and creates less noise.



With K-Motion, operators can focus on the task ahead and react rapidly, avoiding accidents and damaged cargo."





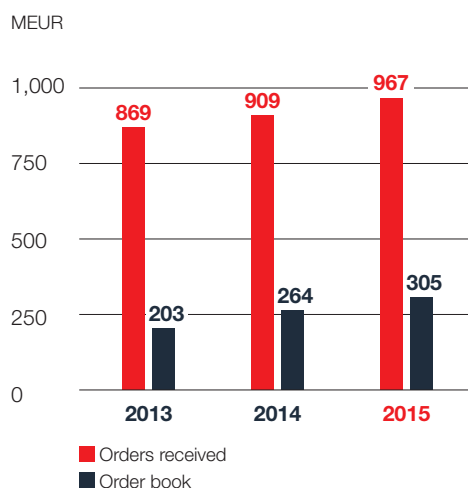
Hiab

On track to achieving market leadership

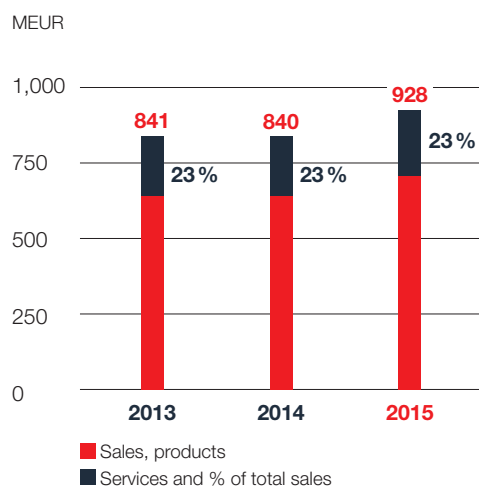
Hiab is a leading provider of global on-road load handling equipment and services. Our customers range from small entrepreneurs to large national organisations, including single truck-owners, rental companies and truck manufacturers, transportation companies, fleet operators, municipalities and governments.

Our products help customers reach optimal performance in diverse on-land transport and delivery, predominantly in construction, distribution, warehousing, waste and recycling, forestry, and defence. Our business fluctuates depending on truck sales and construction activity. Our lead time from order to delivery typically varies between two to four months. Our mission is to keep everyday life moving by unlocking the full potential of load handling in our customers' businesses.

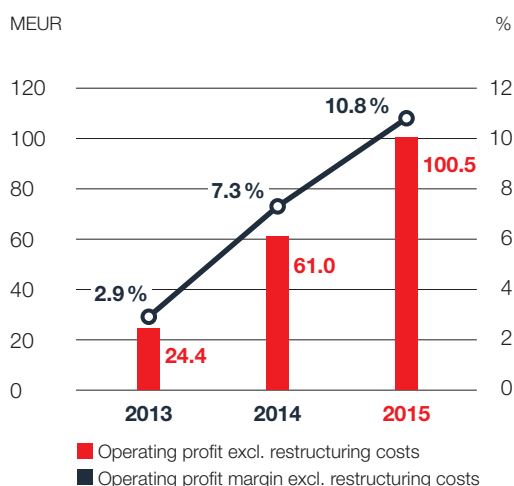
Orders received and order book



Sales



Operating profit





Our mission is to keep everyday life moving by unlocking the full potential of load handling in our customers' businesses."

Solid performance

In 2015, we reorganised our operating model to accelerate growth and provide the best customer satisfaction in on-road load handling. We now have five business lines, all focusing on market positioning, offering, product development and supply chain operations.

Our performance in 2015 was solid. While the global market grew between 2–3%, Hiab achieved growth of 6–7%. Our largest market was North America, where we had a very good performance all year. The EMEA market was quite mixed but slightly positive. Asian and South American markets were relatively weak. Notable larger orders in 2015 included a significant order for MOFFETT truck-mounted forklifts from Lowe's in North America in March, and an order for over 1,200 HIAB loader cranes from Tata Motors India in August.

Hiab had several product launches in 2015, for example the HIAB BIG5 series, the MULTILIFT Futura skiploader, and twelve new HIAB T-series light weight cranes with hybrid technology. We also introduced our new Z-series crane – the 'Swiss army knife' of

cranes – and launched a new LOGLIFT 125Z forestry crane, as well as a revolutionary safety system for our heavy crane range, VSL^{PLUS}.

Building partnerships

In 2015, Hiab held its first ever Global Dealer Conference in Spain and set up a Dealer Council, a forum owned by dealers. It has already provided valuable input about how we set our growth agenda. As a direct response to dealer insights we enhanced the availability of spare parts. We will continue with this in 2016 with digitalisation initiatives, including e-commerce for spare parts.

Key events in 2015 included MOFFETT's 70th anniversary, the MOFFETT World Championships held in Dundalk, Ireland, and arranging the first World Crane Championships in Birmingham, UK. We were awarded 'Mercedes Benz Unimog Expert Partner' as the first in our industry.

Customer satisfaction is the highest priority at Hiab, and to this end we have been systematically gathering customer feedback since 2010. We regularly approach customers who have purchased a

Hiab offering

Hiab's offering consists of HIAB loader cranes, JONSERED forestry and recycling cranes, LOGLIFT forestry cranes, MOFFETT and PRINCETON truck-mounted forklifts, MULTILIFT demountables and DEL, WALTCO and ZEPRO tail lifts.



Hiab

new Hiab product. Covering countries worldwide, the questionnaire includes all aspects of our relationship, from sales to products, after-sales service and Hiab overall. The results are incorporated into Hiab's processes with the aim of continuously improving our products and services quality. During the year, the overall satisfaction level fell slightly, but still remains at a very good and steady level of 85% (2014: 88%). The slight fall is due to a higher number of neutral customers.

Our main target for 2016 is growth. We expect growth to continue in North America and aim to further improve our market position in EMEA, especially in Europe.

Case

Street smarts meet innovative design in MULTILIFT Futura

With over 100 innovations, MULTILIFT Futura skiploader delivers optimal performance in any surroundings, including narrow streets and unpredictable conditions. It ensures safe, flexible and reliable performance in all conditions. Ground-breaking design enables good serviceability, fuel saving and faster operation.

The MULTILIFT Futura offers EvoLight™, a lightweight steel construction that gives customers 300–500k more legal payload. It enables operators to haul more while saving fuel and reducing CO₂ emissions by 10%.

The distinctive SwanNeck™ increases reach with extra-long telescopic arms, enabling operators to maintain perfect stability — even when lifting over fences and obstacles. SafetyPlus™ adds innovations that boost safety for both the operator and surroundings. The modular FlexControl™ system gives owners the freedom to customise their skiploader, paying only for what they need.

Case

Hiab manufacturing site in Finland – 365 days without accidents

In November 2015, Hiab's manufacturing site in Raisio, Finland, celebrated a full year without lost time injuries. Raisio has a long history of maintaining high safety standards; this achievement is proof of what can be achieved.

Factory personnel have taken active ownership in developing their work environment. Teams make safety proposals as part of a continuous improvement programme and implement small changes by themselves. A local work health care provider assists the safety council; the cooperation brings in expertise in the ergonomics area, for example.

Case

The BIG5 – just what the customers wanted

The design work for Hiab's five new heavy lift capacity loader cranes, the BIG5, started with a market study that included face-to-face interviews and an extensive online survey with strategic buyers, dealers and customers.

The BIG5 cranes are designed for performance, safety and cost-efficiency. Control is smoother and they offer a more stable and gentle performance when lifting, as well as improvements in speed. The BIG5's new base design halves the time it takes to set the cranes up for a lift. They also include a safety feature: the VSL^{PLUS}. It protects the crane operator and people nearby, as well as the crane and vehicle outfit, while maximising capacity by calculating stability according to the position of the stabiliser legs and the total weight of the truck.



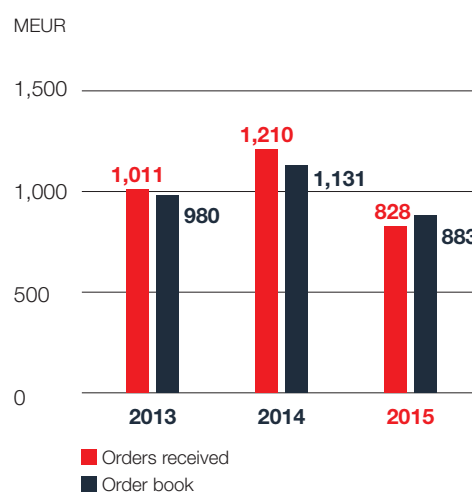
MacGregor

Against high market winds

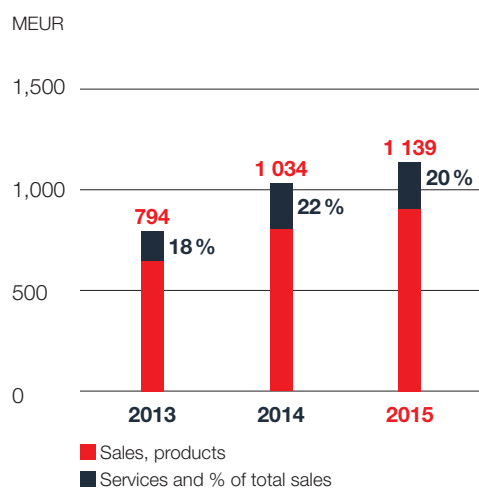
MacGregor shapes the offshore and marine industries by offering world-leading engineering solutions and services with a strong portfolio that consists of the MacGregor, Hatlapa, Porsgrunn, Pusnes and Triplex brands. For onshore loading customers, MacGregor offers Woodfield marine loading arms. By working in close co-operation with MacGregor, shipbuilders, ship owners and operators can optimise the lifetime profitability, safety, reliability and environmental sustainability of their operations. Our mission is to serve customers globally with the most value-creating services and solutions.

MacGregor's solutions and services for handling marine cargoes, vessel operations, offshore loads, crude/LNG transfer and offshore mooring are all *designed to perform with the sea.*

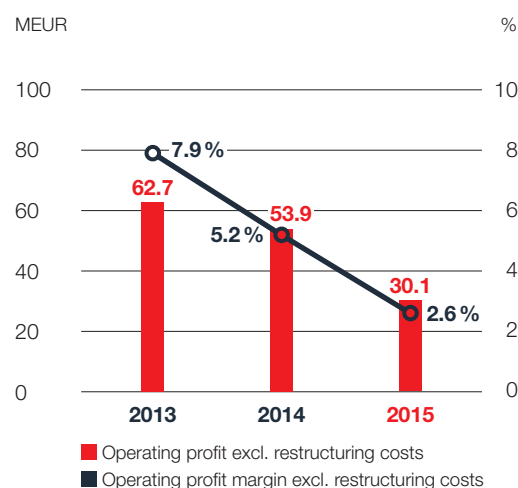
Orders received and order book



Sales



Operating profit





Our mission is to serve customers globally with the most value-creating services and solutions.”

Decisive actions during a challenging year

MacGregor started the year with a new operative structure to improve customer service, offer more comprehensive packages and boost the development of shiptype-specific solutions. The new structure enables MacGregor to leverage the synergies in technology development, sourcing and marketing.

Marine and offshore markets were challenging throughout the year due to the low number of merchant ship orders and the low oil price affecting offshore customers’ business. The RoRo market remained at a healthy level, as well as the demand for large container carriers. During the year MacGregor took several measures to restructure its operations to adjust the cost base and safeguard competitiveness in the harsh market environment. MacGregor’s asset-light business model provides flexibility to scale down according to the declining market.

In 2015, we were able to maintain our market shares in all the main business segments. MacGregor Global Lifecycle Support division developed its global network and back office functions and focused on spare parts availability and sales. The share of services was 20% of sales.

Strong focus on effectiveness and competitiveness

MacGregor started the execution of its redefined strategy whereby it continues to focus on internal effectiveness and competitiveness, development of customer-driven shiptype solutions and technology, and strengthening its base in China. Services development and digitalisation also continue to play a big role in shaping the offshore and marine industries. The target is to improve profitability and prepare for future growth. In the summer, MacGregor defined its new customer promise: “*Designed to perform with the sea*”.

In August, Michel van Roozendaal started as President of MacGregor. In November, MacGregor announced plans to change its operative structure and start a merger of the Offshore Load Handling (OLH) division and the Offshore Mooring and Loading (OML) division into a new Advanced Offshore Solutions (AOS) division. With the new structure, MacGregor aims to leverage synergies, improve customer service and drive profitable service business growth.

In 2015, MacGregor promoted the PlusPartner concept. It includes a deeper penetration into our



MacGregor

end-customer earnings logic, thereby improving customers' earnings throughout the lifecycle of their investment. During the year, MacGregor also introduced the semi-electric offshore knuckle boom crane and electrically driven active heave-compensated (AHC) option for anchor handling winches.

According to our customer survey, MacGregor's customers' overall satisfaction improved to 81% (2014: 75%). Customers value MacGregor's understanding of their business needs and requirements, as well as the commitment to mutual success in business relationships.

Case

The PlusPartner concept – design defined by cargo

MacGregor's PlusPartner concept puts the cargo handling system at the forefront of shipbuilding processes. It is a whole-ship approach with close customer cooperation that starts from the ship designing process. This allows an analysis of loading requirements on individual components, and of system alignment with the ship's hull design.

Forward-thinking PlusPartner cargo handling systems improve specified loading abilities. With PlusPartner, customers can increase their overall earning potential by focusing on maximising cargo carrying capabilities and the system efficiency of their ships.

MacGregor introduced the PlusPartner concept in 2013. In 2015, the United Arab Shipping Company's first ultra-large container vessel entered into service, equipped with MacGregor PlusPartner high-efficiency cargo handling system. The system simultaneously minimises emissions per TEU carried and maximises payload potential and operational efficiency.

Case

Knuckle boom crane re-generates power

The MacGregor semi-electric offshore knuckle boom crane minimises power consumption by re-generating electricity during lowering operations. It reduces operating and maintenance costs, and operations that involve more lowering than lifting can actually generate more energy than they consume.

The markets drive our offering. We first launched this active heave-compensated crane in the most popular market size: 150t. The technology is generic and more options will be made available depending on demand. The bigger the crane, the more our customers can expect to gain from the technology.

The knuckle boom crane is mostly electrically powered, but it has hydraulic cylinders to control jib movements. The hydraulic equipment has leak-free cylinder gaskets and it can be operated with environmentally friendly biodegradable hydraulic oil. For the crane driver, the only difference is that the new crane is quieter, while the easy operability and fine control remain unchanged.

Case

Proven technology to pioneering floating offshore wind farm project

MacGregor delivers the Pusnes substructure mooring connection system to the world's first floating offshore wind farm in Statoil's Hywind pilot park in Scotland. MacGregor was chosen for the project thanks to its long history of providing reliable mooring solutions for the harsh conditions in the North Sea.

The Hywind project is part of Statoil's activities in New Energy Solutions, the company's business area developing profitable renewable energy and low carbon solutions. It is designed to demonstrate cost-efficient solutions that will enable the commercial capture of wind energy in deep-water environments.



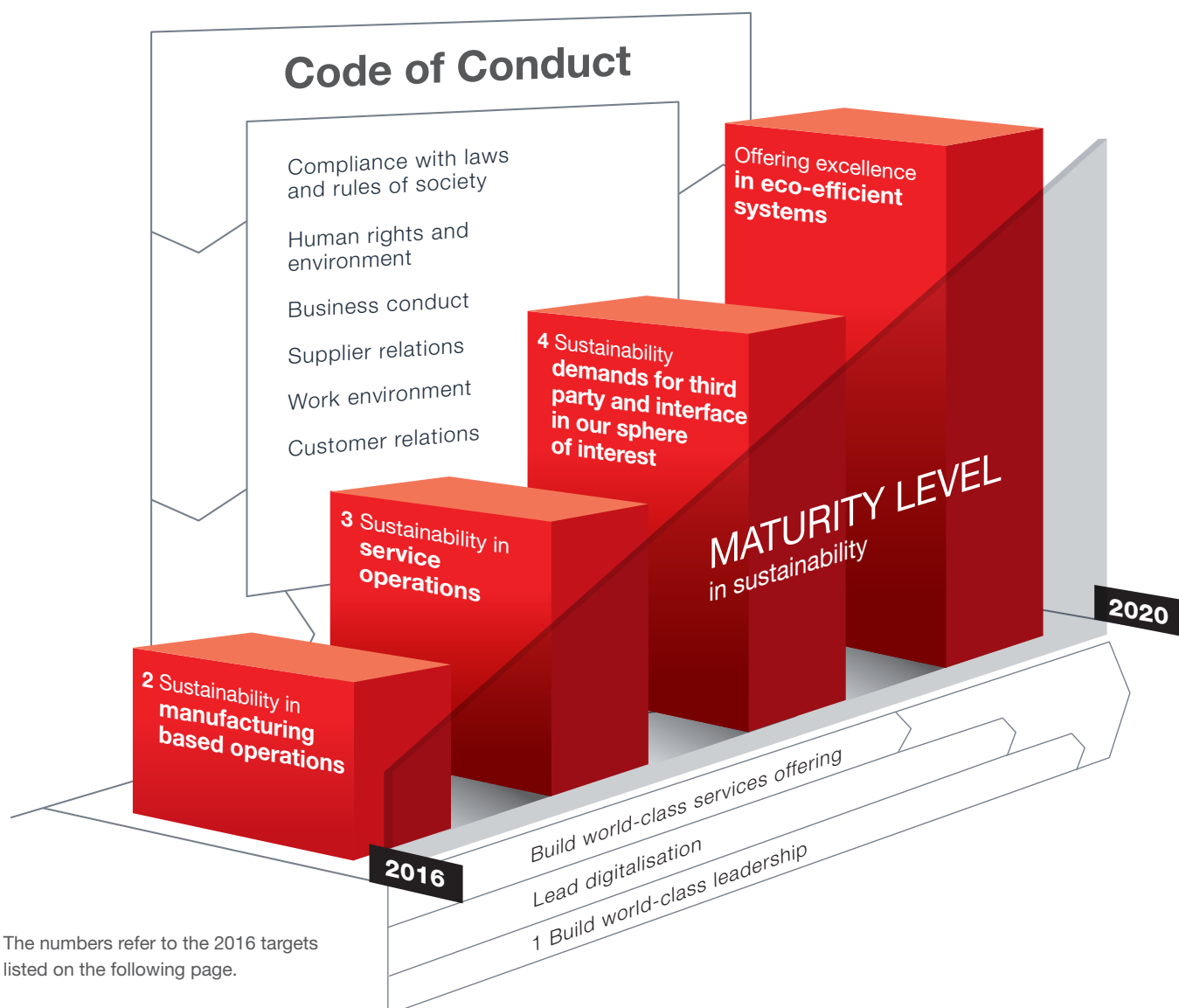
Cargotec sustainability

Roadmap

– set by our strategy,
driven by our Code of Conduct

Our strategy aims to secure profitable growth by focusing on services, digitalisation and leadership. Our three must-win battles — Build world-class services offering, Lead digitalisation, Build world-class leadership — form the core of our strategy. These

topics are also the focus of our sustainability work, acting as a road map that guides our development. At the same time, progress in our sustainability targets propels us forward in implementing our strategy.



The numbers refer to the 2016 targets listed on the following page.

Our Code of Conduct is the building block for our culture and sustainability work. We are creating and implementing processes to support this culture throughout our company. Following our sustainability roadmap will strengthen that culture and bring us closer to the principles defined in the code.

In 2015, we achieved a solid foundation in safety and process control in our manufacturing-based operations. The next steps in our sustainability road map are reviewing and enhancing service sustainability, and strengthening third party (agents, suppliers, etc.) sustainability demands.

Our sustainability targets are set to gradually become more ambitious as we achieve greater maturity in our sustainability. As we digitalise our business, we will be even stronger in offering eco-efficient and safe cargo handling systems that create shared value for us, for our stakeholders and for the society around us.

We have already seen the first encouraging signs of our goal being attainable—a future in which we can support the building of more sustainable value chains, lead the industry, and help provide the world with even safer, more energy-efficient, and intelligent cargo flows.

Sustainability targets – moving forward

In 2015 we achieved a number of smaller milestones, but also needed to adjust certain sustainability targets to better match each business area's operations. The progress makes it possible to set more concrete and result-oriented targets for next year. The bulk of our work still lies ahead of us and we must step up the pace.

Sustainability targets for 2016 and onwards support our strategy and lead us forward in achieving stronger maturity in sustainability. In 2016, we will focus on sustainability targets aimed at ensuring transparent and safe operations, with a precautionary approach in all activities.

In 2016, we want to demonstrate our comprehensive commitment to managing and implementing sustainability issues as part of our daily operations. In 2015, we piloted incorporating sustainability reviews into our business area review process. In this process the business areas' development and strategy implementation was reviewed by Cargotec's Executive Board and

the business area leaders. From 2016 onwards, sustainability reviews will be a permanent part of business area reviews. In addition, sustainability reviews will be conducted regularly in Cargotec's Extended Executive Board, and each business area will also examine its sustainability review bi-annually in the business area's own Management team.

As per our sustainability roadmap, in 2016 our primary sustainability target is to advance service sustainability: making our service organisation an even safer place to work and ensuring that our service operations take environmental issues into account in all activities. In our third party work we will next focus on subcontractors to identify possible risks in our supply chain, such as environmental issues, corruption, and human rights issues.

Targets for 2016

- 1 Permanent sustainability reviews on several management levels: Sustainability review is included in business area reviews – review is conducted in the business area management team and Executive Board meetings bi-annually, and Board of Directors meeting annually.
- 2 IIFR 5: Level 5 industrial injury frequency rate (IIFR) at manufacturing sites – prepare to set concrete IIFR targets for all service sites by the end of 2016.
- 3 Service EHS concept setup: Service EHS concept implemented by the end of the year to ensure that all Cargotec maintenance personnel have received renewed environmental and safety training.
- 4 Supplier evaluation: Sustainability risk analyses and audit plans for suppliers developed further by the third quarter of 2016.

The numbers refer to the respective notations in the drawing on the previous page.

Personnel

Performance through leadership excellence

Cargotec Human Resources (HR) function aims to drive performance through leadership excellence. The whole HR strategy is about enabling Cargotec performance and strategy implementation through personnel.

Build World-Class Leadership

Leadership is one of the must-win battles in the Cargotec strategy 2015–2018. Leadership capabilities are imperative to drive performance and to attract and retain the best available talents. This is needed to enable and accelerate the strategy implementation and to succeed in reaching the targets.

Leadership development programmes were started in 2015 with a thorough analysis of Cargotec's current leaders. Key leadership behaviours that support the realisation of strategic targets were identified. Simultaneously, tools to assess leadership behaviours and to drive high-performing work climates were implemented. On the basis of this work, a new Cargotec leadership profile will be taken into use during 2016. The first wave of leadership training for Cargotec's top-200 leaders will be carried out during first part of 2016. This must-win battle is expected to significantly impact the performance of the Cargotec organisation across the globe.

Build a Human Resources business platform

Cargotec's online Human Resources Information System ZONE has been in use since January 2015. The platform's foundations have been laid over

HR must-wins

Build World-Class Leadership

Build a Human Resources business platform

Win in Services and Digitalisation

the last two years as harmonised people policies, processes and tools have been put into place. ZONE enables fact-based, equal and transparent people management and decision-making across the whole globally operating company. ZONE has significantly improved visibility over our workforce, as well as the speed and quality of our people processes globally.

SAP Gold Award

In 2015, Cargotec received the Gold Award in SAP Quality Awards for the Nordic and Baltic Countries in the Innovation category for the successful and speedy implementation of our global online HR information system. System implementation took only six months, and it is now in use throughout the organisation.



Personnel

Win in Services and Digitalisation

Future talent and competence will be different compared to the present. Future services will go beyond traditional maintenance and spare parts business towards predictive, prescriptive and software-defined services. Product innovation will be increasingly service-driven. The way of working will require innovative, agile and collaborative ways of working.

Cargotec HR responds to changing requirements by investing in leadership development. We aim to ensure that our existing personnel maintain and develop their skills in the digitalisation area.

During 2015 we have further strengthened our leadership by recruiting a significant number of new talents that will help us to execute our strategic roadmap and win in both services and digitalisation.

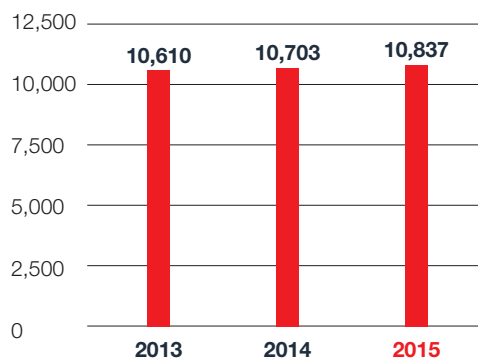
Key process driving performance – PDP

Performance and Development Plan (PDP) is a systematic, regular performance and career development review process, through which Cargotec involves its employees in the improvement of organisational effectiveness and driving strategy towards individual targets and personal development plans. In PDP, the line manager and employee agree on individual targets that support the realisation of strategy. Mutually agreed key performance indicators are defined to measure the set actions and performance. The PDP completion rate is regularly monitored; in 2015 it was

91% and the aim is to raise this to 95%. The quality of the PDP process is measured as part of the global employee engagement survey, Compass. According to Compass results, the PDP quality is consistently improving, now for a second year in a row.

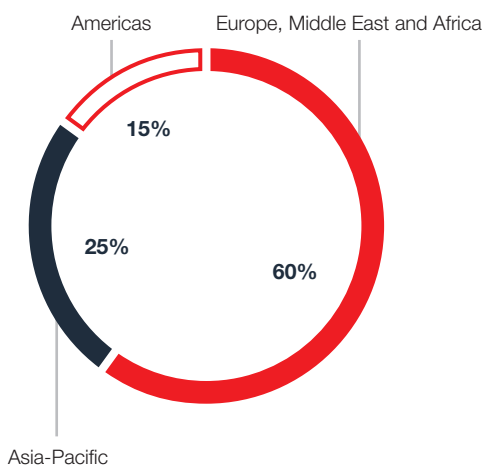
Compass was completed at the end of the year with an 86% participation rate. Its results show a consistent positive trend in all categories, such as in employee engagement and overall work satisfaction. Particularly significant was the result improvement in terms of manager effectiveness, understanding of the company strategy and in the performance climate. This gives us an excellent basis to plan the next steps in our quest to make Cargotec the employer of choice and a high performing organisation.

Number of employees at the end of year



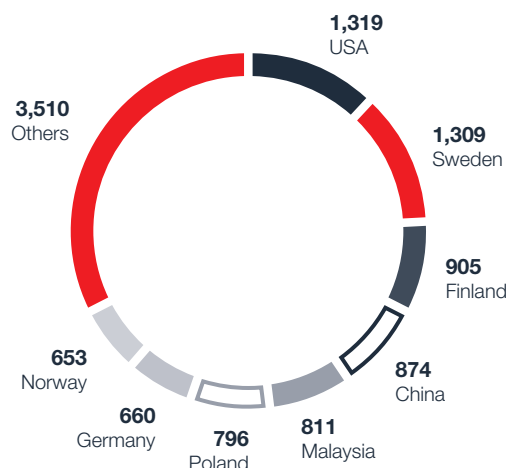
Employees by region

31 Dec 2015



Personnel by countries

31 Dec 2015



Information for shareholders

Cargotec's class B shares are quoted on the Large Cap list of Nasdaq Helsinki Ltd under symbol CGCBV. The company also has unlisted A shares. Each class A share has one vote and each complete lot of ten class B shares has one vote in the Shareholders' Meeting, with the provision that each shareholder is entitled to at least one vote. Additionally, Cargotec's 2010B stock options are listed on the main list of Nasdaq Helsinki Ltd.

Share information	Class B share
Listing	Nasdaq Helsinki Ltd
Date of listing	1 June 2005
Trading currency	Euro
Sector	Industrials
Trading ticker	CGCBV
ISIN code	FI0009013429
Trading lot	1 share
Reuters ticker	CGC.HE
Bloomberg ticker	CGCBV FH

Stock option information	2010B stock option
Listing	Nasdaq Helsinki Ltd
Date of listing	1 April 2014
Trading currency	Euro
Trading ticker	CGCBVEW210
ISIN code	FI4000061114
Number of listed stock options 31 December 2015	19,856
Subscription ratio	1:1
Subscription price, EUR	28.54
Subscription period	1 April 2014–30 April 2016

Financial reporting in 2016

10 February 2016: financial statements review 2015
Week 7: financial statements 2015 and annual report 2015

29 April 2016: January–March 2016 interim report

20 July 2016: January–June 2016 interim report

25 October 2016: January–September 2016 interim report

Annual General Meeting 2016

Cargotec Corporation's Annual General Meeting (AGM) will be held at the Marina Congress Center, at Katajanokanlaituri 6, Helsinki, Finland on Tuesday, 22 March 2016, at 1.00 p.m. EET. The meeting will be held in Finnish. The notice of the meeting and other meeting material will be available on the investor pages of the company's website.

Governance

Cargotec's governance and management are based on the Finnish Limited Liability Companies Act and Securities Markets Act, the company's Articles of Association and the rules and guidelines of Nasdaq Helsinki Ltd. Cargotec complies without exception with the Finnish Corporate Governance Code 2010. Cargotec issues annually the corporate governance statement and the remuneration statement. They are disclosed together with the financial statements and Board of Directors' report.

▶ [Cargotec financial review 2015 \(PDF\)](#)

▶ [Corporate governance statement 2015 \(PDF\)](#)

▶ [Remuneration statement 2015 \(PDF\)](#)

▶ [Risk management \(www.cargotec.com\)](#)

Cargotec

Information for shareholders

Silent period

Cargotec's management does not conduct meetings with capital market representatives during the three weeks prior to the publication of financial statements and interim reports.

Publication of financials

Cargotec Corporation publishes its financial reports and stock exchange and press releases in English. Financial reports and stock exchange and the most significant press releases are also published in Finnish. The reports and releases are available on the company's website at www.cargotec.com, from where they can be ordered to be sent by e-mail.

Changes in addresses

For changes in shareholder addresses, please contact the bank or brokerage managing the book-entry account.

Proposal regarding the 2015 dividend

The Board of Directors proposes to the AGM convening on 22 March 2016 that of the distributable profit, a dividend of EUR 0.79 for each of the 9,526,089 class A shares and EUR 0.80 for each of the 55,072,283 outstanding class B shares be paid, totalling EUR 51,583,436.71.

Cargotec Investor Relations

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Cargotec

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