



Cargotec's interim report
January–September 2017

**ORDERS RECEIVED INCREASED
IN HIAB, MACGREGOR AND
SERVICES**

Cargotec's January–September 2017 interim report: Orders received increased in Hiab, MacGregor and services

- Good development in Kalmar's services
- Strong growth in Hiab's orders received
- MacGregor's orders received increased
- Strong cash flow

July–September 2017 in brief: Strong cash flow from operations

- Orders received increased by 2 percent and totalled EUR 749 (733) million.
- Order book amounted to EUR 1,698 (31 Dec 2016: 1,783) million at the end of the period.
- Sales decreased by 13 percent and totalled EUR 740 (854) million.
- Service sales totalled EUR 215 (210) million.
- Software sales decreased by 10 percent and totalled EUR 31 (35) million.
- Service and software sales represented 33 (29) percent of consolidated sales.
- Operating profit excluding restructuring costs decreased 13 percent and amounted to EUR 57.4 (65.9) million, representing 7.8 (7.7) percent of sales.
- Operating profit was EUR 52.7 (56.2) million, representing 7.1 (6.6) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 88.5 (74.4) million.
- Net income for the period amounted to EUR 32.6 (33.5) million.
- Earnings per share was EUR 0.51 (0.52).

January–September 2017 in brief: Around one third of sales from service and software

- Orders received decreased by 2 percent and totalled EUR 2,406 (2,461) million.
- Sales decreased by 8 percent and totalled EUR 2,378 (2,581) million.
- Service sales totalled EUR 645 (641) million.
- Software sales increased by 14 percent and totalled EUR 111 (97) million.
- Service and software sales represented 32 (29) percent of consolidated sales.
- Operating profit excluding restructuring costs totalled EUR 188.6 (189.3) million, representing 7.9 (7.3) percent of sales.
- Operating profit was EUR 169.4 (176.4) million, representing 7.1 (6.8) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 141.1 (221.0) million.
- Net income for the period amounted to EUR 106.6 (113.0) million.
- Earnings per share was EUR 1.66 (1.75).

Outlook for 2017 unchanged

Cargotec reiterates its outlook published on 8 February 2017 and expects its operating profit excluding restructuring costs for 2017 to improve from 2016 (EUR 250.2 million).

Cargotec's key figures

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Orders received	749	733	2%	2,406	2,461	-2%	3,283
Service orders received	218	205	6%	652	667	-2%	889
Order book, end of period	1,698	1,874	-9%	1,698	1,874	-9%	1,783
Sales	740	854	-13%	2,378	2,581	-8%	3,514
Service sales	215	210	2%	645	641	1%	872
Software sales*	31	35	-10%	111	97	14%	148
Service and software sales, % of Cargotec's sales	33%	29%		32%	29%		29%
Operating profit**	57.4	65.9	-13%	188.6	189.3	0%	250.2
Operating profit, %**	7.8%	7.7%		7.9%	7.3%		7.1%
Operating profit	52.7	56.2	-6%	169.4	176.4	-4%	197.7
Operating profit, %	7.1%	6.6%		7.1%	6.8%		5.6%
Income before taxes	44.8	46.6	-4%	144.2	154.9	-7%	169.1
Cash flow from operations	88.5	74.4	19%	141.1	221.0	-36%	373.0
Net income for the period	32.6	33.5	-3%	106.6	113.0	-6%	125.3
Earnings per share, EUR	0.51	0.52	-2%	1.66	1.75	-5%	1.95
Net debt, end of period	535	581	-8%	535	581	-8%	503
Gearing, %	37.6%	41.6%		37.6%	41.6%		36.0%
Net debt / EBITDA***	2.0	2.0		2.0	2.0		1.8
Return on capital employed (ROCE, annualised), %	9.8%	10.6%		9.8%	10.6%		8.8%
Personnel, end of period	11,133	11,226	-1%	11,133	11,226	-1%	11,184

*Software sales include Navis business unit and automation software

**Excluding restructuring costs

***Last four quarters' EBITDA

Cargotec's CEO Mika Vehviläinen: Good progress in many areas, sales were a disappointment

Orders received increased in Hiab, MacGregor and services during the third quarter of 2017. The services growth is especially important for us and together with software business it already accounts for one third of our total sales. Hiab's orders received grew strongly in Europe. For the first time in three years MacGregor's orders received increased compared to previous year, and there are positive signals in the merchant ship markets.

Our sales in the third quarter were disappointing compared to our expectations, affecting our operating profit negatively. The sales decline came from low MacGregor delivery volumes, timing of the deliveries in Kalmar projects, as well as supply chain challenges in Hiab and Kalmar's mobile equipment.

In Kalmar, the orders received did not reach our expectations especially in the project business. However, the good development of container throughput continued in the third quarter, and the service sales, which are crucial for our strategy, grew eight percent in Kalmar. Furthermore, we took important steps in the commercialisation of our digital collaboration platform XVELA.

In Hiab, we were able to complete an interesting acquisition in developing markets. Argos is one of the leading manufacturers of loader cranes in Brazil, and with the acquisition we will expand our

operations in the market as well. The construction activity is estimated to remain on a good level in our main markets, supporting Hiab's prospects also going forward.

Despite the decline in sales, MacGregor's operating profit in the third quarter remained at last year's level due to cost savings. The share of services accounted for as much as 40 percent of MacGregor's sales already.

Cash flow from operating activities was strong during the third quarter. With a good cash flow we are able to invest in research and development, growth, as well as mergers and acquisitions.

Reporting segments' key figures

Orders received

MEUR	Q3/17	Q3/16	Change	Q1-Q3/17	Q1-Q3/16	Change	2016
Kalmar	351	389	-10%	1,185	1,281	-8%	1,721
Hiab	260	220	18%	827	734	13%	1,016
MacGregor	139	124	12%	396	446	-11%	546
Internal orders	-1	0		-2	-1		-1
Total	749	733	2%	2,406	2,461	-2%	3,283

Order book

MEUR	30 Sep 2017	31 Dec 2016	Change
Kalmar	887	900	-1%
Hiab	293	286	3%
MacGregor	519	598	-13%
Internal orders	-1	-1	
Total	1,698	1,783	-5%

Sales

MEUR	Q3/17	Q3/16	Change	Q1-Q3/17	Q1-Q3/16	Change	2016
Kalmar	377	436	-14%	1,144	1,223	-6%	1,700
Hiab	252	250	1%	804	779	3%	1,036
MacGregor	112	169	-34%	432	580	-26%	778
Internal sales	-1	0		-2	0		-1
Total	740	854	-13%	2,378	2,581	-8%	3,514

Operating profit

MEUR	Q3/17	Q3/16	Change	Q1-Q3/17	Q1-Q3/16	Change	2016
Kalmar	29.3	27.5	7%	88.5	83.7	6%	115.6
Hiab	33.6	32.9	2%	117.2	106.4	10%	138.8
MacGregor	1.9	1.9	-2%	-0.1	15.2	-100%	-13.7
Corporate administration and support functions	-12.1	-6.1	-97%	-36.2	-29.0	-25%	-42.9
Total	52.7	56.2	-6%	169.4	176.4	-4%	197.7

Operating profit excluding restructuring costs

MEUR	Q3/17	Q3/16	Change	Q1-Q3/17	Q1-Q3/16	Change	2016
Kalmar	30.9	36.3	-15%	92.1	93.8	-2%	135.3
Hiab	33.7	33.0	2%	117.3	107.1	10%	140.0
MacGregor	2.2	2.8	-23%	9.5	17.4	-45%	17.9
Corporate administration and support functions	-9.5	-6.1	-54%	-30.2	-29.0	-4%	-42.9
Total	57.4	65.9	-13%	188.6	189.3	0%	250.2

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 11.00 a.m. EEST at Cargotec's head office, Porkkalankatu 5, Helsinki. The event will be held in English. The report will be presented by CEO Mika Vehviläinen and Executive Vice President, CFO Mikko Puolakka. The presentation material will be available at www.cargotec.com by latest 10.30 a.m. EEST.

The telephone conference, during which questions may be presented, can be accessed using the following numbers with access code Cargotec/1627222:

FI: +358 (0)9 7479 0404
SE: +46 (0)8 5065 3942
UK: +44 (0)330 336 9411
US: +1 719-457-1036

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.

For further information, please contact:

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Cargotec (Nasdaq Helsinki: CGCBV) enables smarter cargo flow for a better everyday with its leading cargo handling solutions and services. Cargotec's business areas Kalmar, Hiab and MacGregor are pioneers in their fields. Through their unique position in ports, at sea and on roads, they optimise global cargo flows and create sustainable customer value. Cargotec's sales in 2016 totalled approximately EUR 3.5 billion and it employs over 11,000 people. www.cargotec.com

Cargotec's January–September 2017 interim report

Operating environment in January–September 2017

The number of containers handled at ports globally is estimated to have grown by 5.8 percent during January–September 2017 compared to comparison period (Drewry). Interest in Kalmar's efficiency-boosting port automation solutions continued to be high, but due to the uncertainty caused by the strong consolidation of shipping companies, customers are careful with their decisions concerning major projects and automation solutions. The demand for mobile equipment and services was at last year's level.

The demand for Hiab's load handling equipment was supported in the United States and Europe by the construction activity, which remained at a good level during January–September 2017. The demand accelerated in Europe during the third quarter. The demand for services improved from last year.

Merchant ship contracting improved slightly during January–September 2017 compared to the same period last year, but remained at a very low level. The market for marine cargo handling equipment in general remained weak. The risk for order postponements and cancellations is still high. Contracting in the offshore sector declined compared to the comparison period. The demand for MacGregor's services declined during the third quarter especially in the offshore sector.

Financial performance

Orders received and order book

Orders received by reporting segment

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Kalmar	351	389	-10%	1,185	1,281	-8%	1,721
Hiab	260	220	18%	827	734	13%	1,016
MacGregor	139	124	12%	396	446	-11%	546
Internal orders	-1	0		-2	-1		-1
Total	749	733	2%	2,406	2,461	-2%	3,283

Orders received by reporting segment, comparable foreign exchange rates*

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Kalmar	362	389	-7%	1,186	1,281	-7%	1,721
Hiab	268	220	21%	834	734	14%	1,016
MacGregor	141	124	14%	398	446	-11%	546
Internal orders	-1	0		-2	-1		-1
Total	769	733	5%	2,416	2,461	-2%	3,283

*Indicative. 2017 figures are calculated assuming that the foreign exchange rates would have remained at the comparison period's level.

Orders received during the third quarter increased by two percent from the comparison period and totalled EUR 749 (733) million. Compared to the comparison period, currency rate changes had a three percentage point negative impact on orders received. Orders received grew in Hiab and MacGregor and decreased in Kalmar. Service orders received increased by six percent and totalled EUR 218 (205) million.

Orders received during January–September decreased by two percent from the comparison period and totalled EUR 2,406 (2,461) million. Compared to the comparison period, currency rate changes had no material impact on orders received. Orders received grew in Hiab and decreased in Kalmar and MacGregor. Service orders received totalled EUR 652 (667) million. 49 percent of the orders in January–September were received by Kalmar, 34 percent by Hiab and 17 percent by MacGregor.

Order book by reporting segment

MEUR	30 Sep 2017	31 Dec 2016	Change
Kalmar	887	900	-1%
Hiab	293	286	3%
MacGregor	519	598	-13%
Internal order book	-1	-1	
Total	1,698	1,783	-5%

The order book decreased by five percent from the end of 2016, and at the end of the third quarter it totalled EUR 1,698 (31 Dec 2016: 1,783) million. Kalmar's order book totalled EUR 887 (900) million, representing 52 (50) percent, Hiab's EUR 293 (286) million or 17 (16) percent and that of MacGregor EUR 519 (598) million or 31 (34) percent of the consolidated order book.

Orders received by geographical area

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
EMEA	347	335	4%	1,122	1,111	1%	1,537
Asia-Pacific	143	188	-24%	457	598	-24%	761
Americas	259	211	23%	827	753	10%	985
Total	749	733	2%	2,406	2,461	-2%	3,283

In geographical terms, the share of orders received was 46 (46) percent in EMEA. Asia-Pacific's share decreased to 19 (25) percent in the third quarter and Americas' share of all orders increased to 35 (29) percent.

In January–September, the share of orders received increased to 47 (45) percent in EMEA and to 34 (31) percent in Americas. Asia-Pacific's share decreased to 19 (24) percent.

Sales

Sales by reporting segment

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Kalmar	377	436	-14%	1,144	1,223	-6%	1,700
Hiab	252	250	1%	804	779	3%	1,036
MacGregor	112	169	-34%	432	580	-26%	778
Internal sales	-1	0		-2	0		-1
Total	740	854	-13%	2,378	2,581	-8%	3,514

Sales by reporting segment, comparable foreign exchange rates*

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Kalmar	386	436	-12%	1,146	1,223	-6%	1,700
Hiab	259	250	4%	811	779	4%	1,036
MacGregor	115	169	-32%	434	580	-25%	778
Internal sales	-1	0		-2	0		-1
Total	758	854	-11%	2,390	2,581	-7%	3,514

*Indicative. 2017 figures are calculated assuming that the foreign exchange rates would have remained at the comparison periods' levels.

Third quarter sales decreased by 13 percent from the comparison period to EUR 740 (854) million. Compared to the comparison period, currency rate changes had a two percentage point negative impact on sales. Sales were at the comparison period's level in Hiab and declined in Kalmar and in MacGregor. The sales decline came from low MacGregor delivery volumes, timing of the deliveries in Kalmar projects, as well as supply chain challenges in Hiab and Kalmar's mobile equipment. Service sales increased by two percent from the comparison period and totalled EUR 215 (210) million, representing 29 (25) percent of consolidated sales. Software sales decreased by 10 percent and amounted to EUR 31 (35) million. Service and software sales amounted to EUR 246 (245) million, representing 33 (29) percent of consolidated sales.

January–September sales decreased by eight percent from the comparison period, to EUR 2,378 (2,581) million. Compared to the comparison period, currency rate changes had a one percentage point negative impact on sales. Sales grew from the comparison period in Hiab and declined in Kalmar and MacGregor. Service sales totalled EUR 645 (641) million, representing 27 (25) percent of consolidated sales. Software sales increased by 14 percent and amounted to EUR 111 (97) million. Service and software sales amounted to EUR 756 (738) million, representing 32 (29) percent of consolidated sales.

Sales by geographical area

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
EMEA	321	369	-13%	1,013	1,068	-5%	1,482
Asia-Pacific	174	223	-22%	583	690	-16%	952
Americas	245	263	-7%	782	823	-5%	1,079
Total	740	854	-13%	2,378	2,581	-8%	3,514

In geographic terms, sales declined in all areas during the third quarter. EMEA's share of consolidated sales was 43 (43) percent, Asia-Pacific's 24 (26) percent, and Americas' 33 (31) percent.

In January–September, sales declined in all geographical areas. EMEA's share of consolidated sales was 43 (41) percent, Asia-Pacific's 24 (27) percent, and Americas' 33 (32) percent.

Financial result

Operating profit by reporting segment

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Kalmar	29.3	27.5	7%	88.5	83.7	6%	115.6
Hiab	33.6	32.9	2%	117.2	106.4	10%	138.8
MacGregor	1.9	1.9	-2%	-0.1	15.2	-100%	-13.7
Corporate administration and support functions	-12.1	-6.1	-97%	-36.2	-29.0	-25%	-42.9
Total	52.7	56.2	-6%	169.4	176.4	-4%	197.7

Operating profit for the third quarter totalled EUR 52.7 (56.2) million. Operating profit includes EUR 4.7 (9.7) million in restructuring costs. EUR 1.6 (8.8) million of the restructuring costs were related to Kalmar, EUR 0.1 (0.0) million to Hiab, EUR 0.3 (0.9) million to MacGregor and EUR 2.7 (0.0) million to corporate administration and support functions.

Operating profit for January–September totalled EUR 169.4 (176.4) million. Operating profit includes EUR 19.2 (12.8) million in restructuring costs. EUR 3.6 (10.0) million of the restructuring costs were related to Kalmar, EUR 0.1 (0.7) million to Hiab, EUR 9.5 (2.1) million to MacGregor and EUR 6.0 (0.0) million to corporate administration and support functions.

Operating profit excluding restructuring costs by reporting segment

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Kalmar	30.9	36.3	-15%	92.1	93.8	-2%	135.3
Hiab	33.7	33.0	2%	117.3	107.1	10%	140.0
MacGregor	2.2	2.8	-23%	9.5	17.4	-45%	17.9
Corporate administration and support functions	-9.5	-6.1	-54%	-30.2	-29.0	-4%	-42.9
Total	57.4	65.9	-13%	188.6	189.3	0%	250.2

Operating profit for the third quarter, excluding restructuring costs, was EUR 57.4 (65.9) million, representing 7.8 (7.7) percent of sales. Excluding restructuring costs, operating profit for Kalmar amounted to EUR 30.9 (36.3) million, Hiab EUR 33.7 (33.0) million, and MacGregor EUR 2.2 (2.8) million. Kalmar's operating profit excluding restructuring costs decreased due to lower sales in project business. MacGregor's operating profit excluding restructuring costs decreased due to lower business volumes.

Operating profit excluding restructuring costs for January–September was EUR 188.6 (189.3) million, representing 7.9 (7.3) percent of sales. Excluding restructuring costs, operating profit for Kalmar amounted to EUR 92.1 (93.8) million, Hiab EUR 117.3 (107.1) million, and MacGregor EUR 9.5 (17.4) million.

Net financing expenses and net income

Net interest expenses for interest-bearing debt and assets for the third quarter totalled EUR 3.9 (7.5) million. Net financing expenses totalled EUR 7.9 (9.6) million. For January–September the net interest expenses for interest-bearing debt and assets totalled 12.2 (16.1) million euros. Net financing expenses totalled 25.2 (21.5) million euros.

Net income for the third quarter totalled EUR 32.6 (33.5) million, and earnings per share EUR 0.51 (0.52). Net income for January–September was EUR 106.6 (113.0) million, and earnings per share EUR 1.66 (1.75).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 3,501 (31 Dec 2016: 3,736) million at the end of the third quarter. Equity attributable to equity holders was EUR 1,420 (1,395) million, representing EUR 22.01 (21.65) per share. Property, plant and equipment on the balance sheet amounted to EUR 292 (309) million and intangible assets were EUR 1,258 (1,315) million.

Return on equity (ROE, annualised) in January–September was 10.1 (11.0) percent, and return on capital employed (ROCE, annualised) was 9.8 (10.6) percent. Cargotec's financial target is to reach 15 percent return on capital employed.

Cash flow from operating activities in January–September, before financial items and taxes, totalled EUR 141.1 (221.0) million. Cash flow was burdened by lower advance payments as well as higher working capital needs in certain product categories in Kalmar. At the end of the third quarter, net working capital amounted to EUR 158 million, decreasing from the level of EUR 175 million at the end of the third quarter in 2016.

Cargotec's liquidity position is healthy. During the first quarter Cargotec issued two bonds in total aggregate amount of EUR 250 million. The maturities of the bonds are five and seven years. During the second quarter, Cargotec refinanced EUR 300 million revolving credit facility. The facility carries a tenor of five years including two one-year extension options. At the end of the third quarter, interest-bearing net debt totalled EUR 535 (31 Dec 2016: 503) million. Interest-bearing debt amounted to EUR 775 (782) million, of which EUR 53 (142) million was current and EUR 722 (640) million non-current debt. On 30 September 2017, the average interest rate on the loan portfolio was 2.2 (30 September 2016: 2.4) percent. Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 240 (31 Dec 2016: 278) million.

At the end of the third quarter, Cargotec's total equity/total assets ratio was 42.3 (31 Dec 2016: 39.1) percent. Gearing was 37.6 (36.0) percent.

Corporate topics

Research and development

Research and product development expenditure in January–September totalled EUR 64.7 (65.5) million, representing 2.7 (2.5) percent of sales. EUR 0.4 (1.9) million was capitalised. Research and development investments were focused on digitalisation as well as projects that aim to improve the competitiveness and cost efficiency of products.

Kalmar

In January, Kalmar launched a new range of light diesel forklifts. The Kalmar DCG50-90 range, comprising seven models, was updated to provide better uptime, productivity and fuel savings to customers.

In March, Kalmar and Cargotec's joint venture Rainbow-Cargotec Industries (RCI) opened a new jetty in China. The new jetty will support Kalmar's business growth in the Asia-Pacific region by enabling the deliveries of fully erect Kalmar yard cranes from RCI. The jetty can berth vessels of up to 50,000 DWT capacities.

In May, Kalmar launched its revised vision for Port 2060 with a video to depict how the sustainable future of cargo handling will look like in the year 2060. According to the Port 2060 vision, data has fundamentally changed the way the world trade operates, making it more efficient, safe and sustainable.

In June, Kalmar launched a new range of mid-sized forklifts, The Kalmar Essential Range, to customers in the Americas and in Europe. The Essential range provides customers with the build quality, high availability and excellent safety at a highly competitive price.

In September, Kalmar introduced two new products: Kalmar Key, which is the industry's first automation platform with open interfaces, and Kalmar Rail-Mounted Gantry Crane (RMG). Kalmar Key provides a common system architecture for building an end-to end, customised automation platform using Kalmar Terminal Logistics System (TLS) as a basis. Kalmar RMG is a highly adaptable, automation ready crane solution suitable for both intermodal and container terminal operations.

In addition, Kalmar announced two important development efforts with customers. Firstly, Kalmar announced the delivery of the first integrated automation solution to International Container Terminal Services Incorporated (ICTSI) at the Port of Melbourne, Australia. The Kalmar OneTerminal deployment was completed ahead of schedule, and it has made Victoria International Container Terminal (VICT) the world's first fully automated international container handling facility.

Additionally, Kalmar announced a joint pilot of the port industry's first fast charging shuttle carrier solution at DP World London Gateway Port in the UK. The fully electric powered Kalmar FastCharge™ Shuttle Carrier will operate for 6-12 months starting from the first quarter of 2018.

Hiab

During the first quarter Hiab brought to market a new ZEPRO tail lift which is lighter than the previous model and easier as well as faster to install. At the beginning of the year, Hiab delivered the first forestry crane equipped with the camera-based HiVision™ control system to its customer

in Sweden. HiVision moves the crane operation to the truck cabin. It has four cameras on top of the forestry crane that provide the operator with a realistic 270-degree view. This enables the crane operator to see the working area and operate the crane from the truck cabin using virtual reality goggles. During the first quarter it was also agreed that a similar crane will be delivered for Savo Vocational College in Finland.

Hiab continued to invest in digitalisation and services during the first quarter by developing connectivity in its products to ensure that by 2018 Hiab equipment are connected and able to communicate with other systems and devices. Hiab has also established the New Business Solutions organisation and started the first connectivity pilot projects with customers in the United Kingdom and the Netherlands. The pilot projects cover both loader cranes and demountables business lines.

During the second quarter, Hiab launched the semi-automatic folding (SAF) feature for folding and unfolding the crane with a single control level. The new feature makes the crane operation fast and easy for operators when parking the crane in a safe and controlled way.

In tail lifts, Hiab brought to market a new DEL model with Power Closure opening feature, which enables the opening and closing of the heavy-duty, steel column lift platform without manual effort, and a new robust ZEPRO folding lift for flexible distribution.

The roll-out of the MOFFETT truck mounted forklifts new NX series, launched in 2016, continued to new markets in Europe and the United States. These models offer new features for better performance, easier maintenance and improved safety and comfort.

In demountables, Hiab introduced a new visual service indicator that is specifically designed to monitor MULTILIFT equipment movements and the time spent in operation. The service indicator alerts the operator proactively when it is time for regular maintenance. In addition, a renewed SkipTop™ automatic load coverage was introduced for MULTILIFT Futura skiploaders. This optional feature increases safety, speed and ease-of-use in operation.

In April, Hiab put its new 4,000 m² regional distribution centre for Hiab spare parts outside of Indianapolis, United States, into operation. Its central location close to a growing e-commerce hub with access to all major express networks will speed up the spare part deliveries to customers in North America substantially.

The deliveries of the camera-based HiVision™ control system continued to customers in Germany. HiVision is now available on five LOGLIFT and JONSERED forestry crane models.

Furthermore, Hiab announced its forthcoming HiConnect™ solution. HiConnect is a new connected service offering, which enhances the productivity of Hiab equipment for fleet operators by enabling real-time insights via web-based dashboards showing the utilisation, condition, and operation of their connected Hiab equipment. These insights will allow customers to reduce unnecessary downtime, optimise performance, and actively manage service and safe operation. The commercial launch was in September 2017.

During the third quarter, Hiab introduced continuous slewing on its 30 to 40 metric tonne range of loader cranes. Continuous slewing has previously been available for the biggest HIAB loader cranes with capacity of over 50 tonne metres. Continuous slewing makes the work in construction and transport faster, smarter and safer especially in risky positions. During the quarter Hiab also organised an open innovation challenge called CargoHack 3 in its Test and Innovation Center in Hudiksvall, Sweden. The participating teams selected from three different challenges to work with:

easier and safer load handling, securing the availability of equipment and taking the lead in intelligent load handling solutions.

The roll-out of the new Hiab Webshop, launched in 2016 for ordering original Hiab spare parts online, continued the expansion to new markets during the third quarter. Today customers and dealers from over 30 different countries have bought spare parts through the Hiab Webshop.

MacGregor

During the first quarter, MacGregor won Offshore Support Journal's innovation of the Year award for its retrofit device, a 3D motion compensator. MacGregor launched a new crane compensation system for offshore ship-to-ship load transfers. During the quarter, MacGregor and Rolls-Royce signed a Memorandum of Understanding to collaborate on research and development in autonomous cargo ship navigation and cargo systems on board container ships. MacGregor opened a new virtual reality training facility in Arendal, Norway.

During the second quarter, MacGregor and ESL Shipping agreed to jointly develop and test autonomous discharging feature on bulk handling cranes. MacGregor also acquired the rights for a software to increase the efficiency of RoRo operations.

During the third quarter, MacGregor started a joint research project with the Technical University in Hamburg to develop an augmented reality-based system to support maintenance and service activities on ships. MacGregor is also participating in another collaboration project in Germany to work together with industry partners to enable remote-controlled harbour tug operations by 2020.

Capital expenditure

Capital expenditure in January–September, excluding acquisitions and customer financing, totalled EUR 31.1 (24.8) million. Investments in customer financing were EUR 22.0 (27.9) million. Of the capital expenditure, EUR 6.1 (7.5) million concerned intangible assets, such as global systems that in future enable higher efficiency in operational activities as well as in support functions. Depreciation, amortisation and impairment amounted to EUR 52.7 (58.0) million.

In March 2016, as part of plans to consolidate its assembly operations in Europe, Kalmar announced plans to invest approximately EUR 9 million in 2016–2017 in the expansion of the assembly unit in Stargard, Poland. Kalmar continued the work with the project and the investments amounted to around EUR 5 million during January–September 2017.

Acquisitions

During the third quarter Hiab entered into an agreement to acquire the loader crane business of one of Brazil's leading loader crane manufacturers Argos Guindastes Indústria e Comércio Ltda. The acquisition was completed at the beginning of October. The acquisition will strengthen Hiab's strategy and market leadership ambition by making a strong entrance to the Brazilian market and it will also create a solid foundation for Hiab's business in the whole area. The results of Argos loader crane business will be consolidated in Hiab business area results starting from October 2017.

Operational restructurings

In May 2017, Cargotec announced it will target EUR 50 million savings by reducing indirect purchasing spend, streamlining processes and planning Cargotec Business Services operations. Cargotec targets annual cost savings of EUR 50 million from 2020 and onwards. Approximately 2/3

of the savings would come from reductions in global indirect purchasing spend like logistics, external services and facilities. The remaining part of the savings would come from applying new technologies, like automation, in support processes and from the planned new Cargotec Business Services operations that would start its activities in Sofia, Bulgaria. During January–September 2017, the realised savings from the programme amounted to around EUR 3 million.

Related to the savings targets, Cargotec started cooperation negotiations in Finland in May. These negotiations were completed in June and, as a consequence, the company will reduce 45 positions in Finland. At the beginning of October, Cargotec and Tieto agreed to enter into a partnership in IT Service Management and Solution Expertise Services under which Tieto will take over Cargotec's overall IT service management and a major part of Cargotec's solution expertise services. As part of the deal, a total of 50 employees from Cargotec in Finland, Sweden and USA are expected to transfer to Tieto on 1 November, 2017.

In October 2016, Cargotec announced that it will launch a programme to achieve cost savings of approximately EUR 25 million in MacGregor. The global employee co-operation negotiations resulted in the decision to reduce 230 person-years. The measures will particularly affect operations in China, Finland, Norway, Singapore and Sweden. MacGregor realised around EUR 20 million savings from the programme during January–September 2017.

In September 2016, Cargotec announced plans to re-organise the maritime software company INTERSCHALT operations in Germany, USA and China. Re-organisations would affect tens of employees. The savings resulting from these activities are expected to amount to approximately EUR 2 million annually from 2017 onwards.

In July 2016, Kalmar completed the employee cooperation negotiations in Lidhult, Sweden, announced in March 2016. As a result, Kalmar will transfer the production of forklift trucks from Sweden to Poland, invest in new, state of the art premises in Sweden and transform the operations in Southern Sweden into a Business, Innovation and Technology Centre. The change in Lidhult will lead to a permanent reduction of 160 employees and gradual operational closing. The total benefits of the activities are expected to amount to approximately EUR 13 million annually from 2018 onwards.

Personnel

Cargotec employed 11,133 (31 Dec 2016: 11,184) people at the end of the third quarter. Kalmar employed 5,765 (5,702) people, Hiab 3,251 (2,997), MacGregor 1,876 (2,256), and corporate administration and support functions 241 (230). The average number of employees in January–September was 11,085 (11,195).

At the end of the third quarter, 11 (31 Dec 2016: 11) percent of the employees were located in Sweden, 9 (9) percent in Finland, and 42 (40) percent in the rest of Europe. Asia-Pacific personnel represented 22 (24) percent, North and South America 14 (14) percent, and the rest of the world 2 (2) percent of total employees.

Corporate responsibility

In the third quarter, Cargotec's long-term focus on safety was recognised when MacGregor's 'Brave to be Safe' programme received a nomination as 'Best crew development and training programme' in Safety at Sea Awards. With the award, Safety at Sea recognises those who improve seafarer competence and risk management in the fields of training, operations, equipment, and service. MacGregor was the only equipment company nominated in this category.

During the quarter, the Sourcing sustainability programme was developed further, with first actions from the renewed programme estimated to take place by the year-end.

Executive Board

On 30 September 2017, Cargotec's Executive Board consisted of Mika Vehviläinen, CEO; Mikko Puolakka, Executive Vice President, CFO; Mikko Pelkonen, Senior Vice President, Human Resources; Mikael Laine, Senior Vice President, Strategy; and business area presidents Antti Kaunonen (Kalmar), Roland Sundén (Hiab), and Michel van Roozendaal (MacGregor). Outi Aaltonen, Senior Vice President, General Counsel, acts as Secretary to the Executive Board.

Reporting segments

Kalmar

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Orders received	351	389	-10%	1,185	1,281	-8%	1,721
Order book, end of period	887	922	-4%	887	922	-4%	900
Sales	377	436	-14%	1,144	1,223	-6%	1,700
Service sales	111	102	8%	324	312	4%	436
% of sales	29%	23%		28%	26%		26%
Operating profit	29.3	27.5	7%	88.5	83.7	6%	115.6
% of sales	7.8%	6.3%		7.7%	6.9%		6.8%
Operating profit*	30.9	36.3	-15%	92.1	93.8	-2%	135.3
% of sales*	8.2%	8.3%		8.0%	7.7%		8.0%
Personnel, end of period	5,765	5,625	2%	5,765	5,625	2%	5,702

*Excluding restructuring costs

In the third quarter, orders received by Kalmar decreased by 10 percent and totalled EUR 351 (389) million. Orders received grew in mobile equipment but declined in large projects as well as in software.

Major orders received by Kalmar in the third quarter included:

- four SmartPower RTG cranes to BMT Pacific Limited in Thailand,
- six empty container handlers to ANL in Australia, as well as
- two reachstackers and five empty container handlers to Mediterranean Shipping Company (MSC) in South Africa.

Orders received in January–September decreased by eight percent and totalled EUR 1,185 (1,281) million. The orders received declined especially in large projects.

Kalmar's order book decreased by one percent from the 2016 year-end, and at the end of the third quarter it totalled EUR 887 (31 Dec 2016: 900) million.

Kalmar's third quarter sales decreased by 14 percent and totalled EUR 377 (436) million. Sales were burdened by the timing of the deliveries in project business as well as supply chain challenges in mobile equipment, which led to postponements of deliveries. Service sales grew by eight percent to EUR 111 (102) million, representing 29 (23) percent of sales. January–September sales decreased by six percent and totalled EUR 1,144 (1,223) million. Service sales increased to EUR 324 (312) million, representing 28 (26) percent of sales.

Kalmar's third quarter operating profit totalled EUR 29.3 (27.5) million. Operating profit includes EUR 1.6 (8.8) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 30.9 (36.3) million, representing 8.2 (8.3) percent of sales. Compared to the comparison period, operating profit excluding restructuring costs decreased due to lower sales in project business.

Operating profit for January–September totalled EUR 88.5 (83.7). Operating profit includes EUR 3.6 (10.0) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 92.1 (93.8) million, representing 8.0 (7.7) percent of sales. Kalmar's profitability remained at the comparison period's level despite the lower sales.

Hiab

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Orders received	260	220	18%	827	734	13%	1,016
Order book, end of period	293	258	14%	293	258	14%	286
Sales	252	250	1%	804	779	3%	1,036
Service sales	59	58	2%	182	176	3%	233
% of sales	24%	23%		23%	23%		22%
Operating profit	33.6	32.9	2%	117.2	106.4	10%	138.8
% of sales	13.3%	13.2%		14.6%	13.7%		13.4%
Operating profit*	33.7	33.0	2%	117.3	107.1	10%	140.0
% of sales*	13.4%	13.2%		14.6%	13.8%		13.5%
Personnel, end of period	3,251	3,021	8%	3,251	3,021	8%	2,997

*Excluding restructuring costs

Hiab's orders received for the third quarter increased by 18 percent from the comparison period and totalled EUR 260 (220) million. Orders received increased in all product categories. During the third quarter, Hiab received a ProCare™ service contract from a UK-based customer. The agreement covers over 200 Hiab loader cranes and lasts a maximum of seven years. During the quarter, Hiab also received an order for close to 40 forestry cranes from Russia. The deliveries of the forestry cranes will start in November and they will be completed by the end of 2017. Also, an order for 1,000 tail lifts was received from Asia during the quarter as well as an order for over 30 loader cranes from two UK-based customers. Otherwise the orders were relatively small individual ones, typical for Hiab business. Orders received for January–September increased by 13 percent from the comparison period and totalled EUR 827 (734) million. The order book totalled EUR 293 (31 Dec 2016: 286) million at the end of the third quarter.

Hiab's third quarter sales were at the comparison period's level and totalled EUR 252 (250) million. Supply chain bottlenecks had a negative impact on sales. Service sales amounted to EUR 59 (58) million, representing 24 (23) percent of sales. January–September sales grew three percent from the comparison period and totalled EUR 804 (779) million. Service sales amounted to EUR 182 (176) million, representing 23 (23) percent of sales.

Operating profit for Hiab in the third quarter improved slightly from the comparison period and totalled EUR 33.6 (32.9) million. Operating profit includes EUR 0.1 (0.0) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 33.7 (33.0) million, representing 13.4 (13.2) percent of sales.

Operating profit for January–September improved from the comparison period and totalled EUR 117.2 (106.4) million. Operating profit includes EUR 0.1 (0.7) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 117.3 (107.1) million, representing 14.6 (13.8) percent of sales. Hiab's profitability improvement was driven by higher volumes as well as new products.

MacGregor

MEUR	Q3/17	Q3/16	Change	Q1–Q3/17	Q1–Q3/16	Change	2016
Orders received	139	124	12%	396	446	-11%	546
Order book, end of period	519	696	-25%	519	696	-25%	598
Sales	112	169	-34%	432	580	-26%	778
Service sales	45	49	-10%	140	153	-9%	204
% of sales	40%	29%		32%	26%		26%
Operating profit	1.9	1.9	-2%	-0.1	15.2	-100%	-13.7
% of sales	1.7%	1.2%		0.0%	2.6%		-1.8%
Operating profit*	2.2	2.8	-23%	9.5	17.4	-45%	17.9
% of sales*	2.0%	1.7%		2.2%	3.0%		2.3%
Personnel, end of period	1,876	2,355	-20%	1,876	2,355	-20%	2,256

*Excluding restructuring costs

MacGregor's orders received in the third quarter increased by 12 percent from the comparison period to EUR 139 (124) million. Around 80 percent of the orders received were related to merchant ships and around 20 percent were offshore vessel-related. Orders received increased in EMEA and in Americas. Orders received in January–September decreased by 11 percent to EUR 396 (446) million.

Major orders received by MacGregor in the third quarter included:

- hatch covers and cranes for five bulk carriers in China, as well as
- floating linkspans to France.

MacGregor's order book decreased by 13 percent from the 2016 year-end, totalling EUR 519 (31 Dec 2016: 598) million at the end of the third quarter. Around three quarters of the order book is merchant ship-related and one quarter is offshore vessel-related.

MacGregor's third quarter sales decreased by 34 percent from the comparison period to EUR 112 (169) million. Sales were burdened by the low business volumes. The share of service sales was 40 (29) percent, or EUR 45 (49) million. January–September sales decreased by 26 percent from the comparison period to EUR 432 (580) million. The share of service sales was 32 (26) percent, or EUR 140 (153) million.

MacGregor's operating profit for the third quarter totalled EUR 1.9 (1.9) million. Operating profit includes EUR 0.3 (0.9) million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 2.2 (2.8) million, representing 2.0 (1.7) percent of sales. Operating profit, excluding restructuring costs, decreased due to lower business volumes.

Operating profit for January–September totalled EUR -0.1 (15.2) million. Operating profit includes EUR 9.5 (2.1) million in restructuring costs. Operating profit, excluding restructuring costs, totalled EUR 9.5 (17.4) million, representing 2.2 (3.0) percent of sales. MacGregor's operating profit excluding restructuring costs declined as a consequence of lower volumes driven by the difficult market situation, but remained positive due to cost savings.

Annual General Meeting and shares

Decisions taken at the Annual General Meeting

Cargotec Corporation's Annual General Meeting (AGM), held on 21 March 2017, adopted the financial statements and consolidated financial statements of year 2016. The meeting granted discharge from liability for the CEO and the members of the Board of Directors for the accounting period 1 January–31 December 2016. The AGM approved a dividend of EUR 0.94 to be paid for each class A share and a dividend of EUR 0.95 to be paid for each class B share outstanding. The dividend payment date was 30 March 2017.

The AGM approved that the Articles of Association of the company be changed regarding the number of regular and deputy members of the Board of Directors. The minimum number of members is changed to six (6), the maximum to twelve (12), and there will be no deputy members. The AGM authorised the Board to decide on the repurchase of Cargotec's shares with non-restricted equity. The number of the Board members was confirmed at ten. Kimmo Alkio, Jorma Eloranta, Tapio Hakakari, Ilkka Herlin, Peter Immonen, Kaisa Olkkonen, Teuvo Salminen and Heikki Soljama were re-elected to the Board of Directors, and Teresa Kemppi-Vasama and Johanna Lamminen were elected as new members. The AGM elected accounting firm PricewaterhouseCoopers Oy and authorised public accountant Tomi Hyryläinen as auditors. The auditors' fees were decided to be paid according to invoice approved by the company.

On 21 March 2017, Cargotec Corporation's Board of Directors elected by the Annual General Meeting elected at its organising meeting Ilkka Herlin to continue as Chairman of the Board. Tapio Hakakari was elected to continue as Vice Chairman. The Board also elected the Chairmen and the members for the Audit and Risk Committee as well as the Nomination and Compensation Committee.

Outi Aaltonen, Senior Vice President, General Counsel, will continue as Secretary to the Board. Cargotec published stock exchange releases on the decisions taken at the AGM as well as the Board of Directors' organising meeting on 21 March 2017. The stock exchange releases and presentations of the members of the Board of Directors are available on Cargotec's website at www.cargotec.com/investors.

Shares and trading

Share capital, own shares and share issue

Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of September. The number of class B shares was 55,182,079, while the number of class A shares totalled 9,526,089.

On 21 March 2017, the Board of Directors of Cargotec Corporation decided on a directed share issue related to the reward payments for share-based incentive programmes. The share reward payments are related to Cargotec's share-based incentive programme 2014, 2016 allocation of restricted shares programme 2014–2016 under the share-based incentive programme 2014, and 2016 allocation of restricted shares programme 2016–2018 under the share-based incentive programme 2016. In the share issue, 56,709 own class B shares held by the company have been transferred without consideration to the key employees participating in the share based incentive programmes in accordance with the programme specific terms and conditions. The decision on the directed share issue is based on the authorisation granted to the Board of Directors by the Annual General Meeting on 18 March 2014. According to the authorisation, the Board of Directors can decide on a share issue amounting to a maximum of 952,000 class A shares and 5,448,000 class B shares. Previously, in accordance with the authorisation, 26,684 own class B shares were

transferred in March 2014, 28,030 class B shares in March 2015 and 27,601 class B shares in March 2016. More detailed information about the launch and the terms and conditions of the programmes is available in stock exchange releases published on 4 February 2014 and on 10 February 2016.

After the transfer of shares, Cargotec holds a total of 208,390 own class B shares, accounting for 0.32 percent of the total number of shares and 0.14 percent of the total number of votes. At the end of September, the number of outstanding class B shares totalled 54,973,689.

Share-based incentive programmes

In February 2017, The Board of Directors of Cargotec Corporation has resolved to establish a new share-based incentive programme directed to the key employees of Cargotec. The performance share programme includes three performance periods, calendar years 2017–2018, 2018–2019 and 2019–2020. Each performance period includes two measuring periods, both lasting for one calendar year. For measuring periods, the Board of Directors will annually resolve on the performance criteria and on the required performance levels for each criterion. During the performance period 2017–2018, the programme is directed to approximately 100 key employees, including the members of the Executive Board. The incentive programme supports increasing growth of the service and software business according to Cargotec's strategy.

For the key employees of the business areas Kalmar, Hiab, and MacGregor, the potential reward of the programme from the measuring period 2017 will be based on the business areas' service gross profit and return on capital employed (ROCE %, excluding restructuring costs), and for Navis software divisions' key employees, on Navis' sales and on strategic targets of Xvela business. For the Cargotec corporate key employees, the performance criteria are Cargotec's service gross profit and return on capital employed (ROCE %, excluding restructuring costs). The rewards to be paid on the basis of the performance period 2017–2018 will amount up to an approximate maximum total of 200,000 Cargotec's class B shares. In addition, the rewards include cash proportions that are intended to cover taxes and tax-related costs arising from the reward to the key employees.

After the end of the performance period, the Board of Directors will confirm the cumulative amount of rewards earned from the measuring periods 2017 and 2018, and potential rewards from the performance period 2017–2018 will be paid partly in Cargotec's class B shares and partly in cash in 2019. As a rule, no reward will be paid, if a key employee's employment or service ends before the reward payment. The shares paid as reward may not be transferred during an approximate one-year ownership and value creation period established for the shares.

Market capitalisation and trading

At the end of September, the total market value of class B shares was EUR 2,922 (2,252) million, excluding own shares held by the company. The period-end market capitalisation, in which unlisted class A shares are valued at the average price of class B shares on the last trading day of the period, was EUR 3,407 (2,638) million, excluding own shares held by the company.

The class B share closed at EUR 53.15 (40.85) on the last trading day of September on Nasdaq Helsinki. The volume-weighted average share price for January–September was EUR 49.85 (32.84), the highest quotation being EUR 59.25 (42.31) and the lowest EUR 40.26 (24.30). During the period, a total of 26 (33) million class B shares were traded on Nasdaq Helsinki, corresponding to a turnover of EUR 1,311 (1,087) million. In addition, according to Fidessa, a total of 39 (56) million class B shares were traded in several alternative marketplaces, such as BATS OTC and BATS CXE, corresponding to a turnover of EUR 2,185 (1,853) million.

Short-term risks and uncertainties

Developments in the global economy and cargo flows have a direct effect on Cargotec's business environment and customers' willingness to invest. Even though the favourable general development of the economy decreases many of the risks, a slowdown in global economic growth could reduce the growth in container traffic. Furthermore, the consolidation of ship companies may change port volumes in the future and affect customers' decision making. Project executions may face risks related to schedule, cost and delivery guarantees. Furthermore, potential bottlenecks in the supply chain could postpone deliveries and have a negative impact on sales and results. Uncertainty may be increased by risks stemming from political instability, volatility on the currency and raw material markets, or from the financing sector. A significant share of Hiab's orders are from the United States. Even though the cash flows are hedged for the existing order book, the weakening of the US dollar in the longer term could weaken Hiab's results. Greater difficulty in obtaining financing would weaken customers' liquidity and investments.

MacGregor's market situation still involves uncertainties. It is anticipated that the oversupply in the merchant ship market will take longer to balance out, since capacity will continue to increase while demand is expected to grow very moderately. At the same time, the low oil price and uncertainty regarding its development has led to an intense fall in investments by the oil industry and created oversupply in the offshore market. The concurrent deterioration in both markets has a negative impact on the financial situation of shipyards and ship owners, as well as ship operators. In the challenging market situation, customers may also try to postpone or cancel orders. In some cases the financial situation of customers may deteriorate significantly or even lead to customer insolvency.

Cargotec is involved in certain legal disputes and trials. The interpretation of international agreements and legislation may weaken the predictability of the end results of legal disputes and trials.

There are also ethical risks related to the industries and the geographical scope where Cargotec operates in. Cargotec has increased its investments to develop ethical business practices and the related internal processes are continuously being developed further.

More information on risks is available at www.cargotec.com, under Investors > Governance > Internal control and risk management.

Outlook for 2017 unchanged

Cargotec reiterates its outlook published on 8 February 2017 and expects its operating profit excluding restructuring costs for 2017 to improve from 2016 (EUR 250.2 million).

Financial calendar 2018

Financial Statements review 2017, on Thursday, 8 February 2018

Financial Statements and Annual Report 2017 will be available at www.cargotec.com on week 8

The Annual General Meeting of Cargotec Corporation will be held on Tuesday, 20 March 2018

Interim report January–March 2018, on Tuesday, 24 April 2018

Half year financial report January–June 2018, on Thursday, 19 July 2018

Interim report January–September 2018, on Friday, 26 October 2018

Helsinki, 26 October 2017
Cargotec Corporation
Board of Directors

The interim report is unaudited.

Consolidated statement of income

MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Sales	740.0	854.2	2,378.1	2,580.8	3,513.7
Cost of goods sold	-544.5	-656.7	-1,755.2	-1,963.1	-2,674.0
Gross profit	195.5	197.5	622.9	617.7	839.7
<i>Gross profit, %</i>	26.4%	23.1%	26.2%	23.9%	23.9%
Other operating income	8.4	10.3	27.6	28.8	38.1
Selling and marketing expenses	-51.9	-52.5	-165.3	-163.5	-221.1
Research and development expenses	-21.6	-21.5	-70.7	-67.5	-94.1
Administration expenses	-64.2	-66.1	-200.1	-202.2	-277.0
Restructuring costs	-4.7	-9.7	-19.2	-12.8	-52.5
Other operating expenses	-9.0	-6.4	-26.9	-26.9	-37.8
Costs and expenses	-142.9	-145.9	-454.7	-444.0	-644.4
Share of associated companies' and joint ventures' net income	0.2	4.6	1.2	2.8	2.5
Operating profit	52.7	56.2	169.4	176.4	197.7
<i>Operating profit, %</i>	7.1%	6.6%	7.1%	6.8%	5.6%
Financing income and expenses	-7.9	-9.6	-25.2	-21.5	-28.6
Income before taxes	44.8	46.6	144.2	154.9	169.1
<i>Income before taxes, %</i>	6.1%	5.5%	6.1%	6.0%	4.8%
Income taxes	-12.2	-13.1	-37.5	-41.9	-43.8
Net income for the period	32.6	33.5	106.6	113.0	125.3
<i>Net income for the period, %</i>	4.4%	3.9%	4.5%	4.4%	3.6%

Net income for the period attributable to:

Equity holders of the parent	32.7	33.6	107.0	113.3	126.0
Non-controlling interest	-0.1	-0.1	-0.3	-0.2	-0.7
Total	32.6	33.5	106.6	113.0	125.3

Earnings per share for profit attributable to the equity holders of the parent:

Basic earnings per share, EUR	0.51	0.52	1.66	1.75	1.95
Diluted earnings per share, EUR	0.50	0.52	1.65	1.75	1.94

Consolidated statement of comprehensive income

MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Net income for the period	32.6	33.5	106.6	113.0	125.3
Items that will not be reclassified to statement of income:					
Defined benefit plan actuarial gains (+) / losses (-)	0.1	0.3	-0.4	-2.3	-6.9
Taxes relating to items that will not be reclassified to statement of income	0.0	0.0	0.1	0.5	1.5
Total	0.1	0.3	-0.3	-1.8	-5.4
Items that may be reclassified subsequently to statement of income:					
Gains (+) / losses (-) on cash flow hedges	17.0	9.5	47.7	20.6	1.7
Gains (+) / losses (-) on cash flow hedges transferred to statement of income	-7.0	-3.1	-10.8	-1.4	1.4
Gains (+) / losses (-) on net investment hedges	-	14.7	-2.5	26.4	22.4
Translation differences	-20.8	-19.5	-50.1	-50.2	-34.8
Taxes relating to items that may be reclassified subsequently to statement of income	-2.0	-0.6	-5.4	-2.5	1.0
Total	-12.8	1.0	-21.2	-7.1	-8.3
Comprehensive income for the period	19.9	34.7	85.2	104.2	111.6
Comprehensive income for the period attributable to:					
Equity holders of the parent	20.0	34.8	85.5	104.4	112.2
Non-controlling interest	-0.1	-0.1	-0.4	-0.2	-0.7
Total	19.9	34.7	85.2	104.2	111.6

The notes are an integral part of the interim report.

Consolidated balance sheet

ASSETS, MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Non-current assets			
Goodwill	994.9	1,016.1	1,024.5
Other intangible assets	262.8	291.2	290.2
Property, plant and equipment	291.8	307.1	308.6
Investments in associated companies and joint ventures	113.8	118.0	123.4
Available-for-sale investments	3.8	3.8	3.8
Loans receivable and other interest-bearing assets*	4.5	2.2	3.0
Deferred tax assets	184.4	169.1	185.0
Derivative assets	7.5	12.9	16.9
Other non-interest-bearing assets	7.0	8.9	7.9
Total non-current assets	1,870.5	1,929.5	1,963.4
Current assets			
Inventories	659.8	698.6	647.0
Loans receivable and other interest-bearing assets*	2.6	1.7	1.9
Income tax receivables	47.1	19.4	26.1
Derivative assets	15.1	33.8	45.8
Accounts receivable and other non-interest-bearing assets	673.6	785.6	778.9
Cash and cash equivalents*	232.5	199.6	273.2
Total current assets	1,630.7	1,738.8	1,773.0
Total assets	3,501.1	3,668.3	3,736.3

EQUITY AND LIABILITIES, MEUR

30 Sep 2017 30 Sep 2016 31 Dec 2016

Equity attributable to the equity holders of the parent

Share capital	64.3	64.3	64.3
Share premium account	98.0	98.0	98.0
Translation differences	-12.9	26.3	37.3
Fair value reserves	4.4	-12.4	-24.7
Reserve for invested non-restricted equity	69.0	76.6	69.0
Retained earnings	1,196.9	1,141.7	1,151.1
Total equity attributable to the equity holders of the parent	1,419.6	1,394.5	1,395.0

Non-controlling interest	2.3	1.6	2.2
Total equity	1,421.9	1,396.1	1,397.2

Non-current liabilities

Interest-bearing liabilities*	730.3	656.7	656.8
Deferred tax liabilities	75.3	71.9	73.1
Pension obligations	83.0	74.1	81.4
Provisions	19.3	33.7	37.6
Other non-interest-bearing liabilities	59.4	53.3	49.4
Total non-current liabilities	967.2	889.8	898.2

Current liabilities

Current portion of interest-bearing liabilities*	17.6	117.2	119.4
Other interest-bearing liabilities*	35.0	39.8	45.8
Provisions	103.4	80.9	112.8
Advances received	138.8	175.1	160.6
Income tax payables	17.0	31.2	32.0
Derivative liabilities	5.6	20.4	34.1
Accounts payable and other non-interest-bearing liabilities	794.6	917.7	936.2
Total current liabilities	1,112.0	1,382.4	1,440.8

Total equity and liabilities	3,501.1	3,668.3	3,736.3
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*Included in interest-bearing net debt.

The notes are an integral part of the interim report.

Consolidated statement of changes in equity

MEUR	Attributable to the equity holders of the company						Total	Non-controlling interest	Total equity
	Share capital	Share premium account	Translation differences	Fair value reserves	Reserve for non-restricted equity	Retained earnings			
Equity on 1 Jan 2017	64.3	98.0	37.3	-24.7	69.0	1,151.1	1,395.0	2.2	1,397.2
Net income for the period						107.0	107.0	-0.3	106.6
Cash flow hedges				29.1			29.1		29.1
Net investment hedges			-0.2				-0.2		-0.2
Translation differences			-50.1				-50.1	0.0	-50.1
Actuarial gains(+) / losses(-) from defined benefit plans						-0.3	-0.3		-0.3
Comprehensive income for the period*			-50.2	29.1	-	106.7	85.5	-0.4	85.2
Profit distribution						-61.1	-61.1	-0.5	-61.6
Stock options exercised						-	-		-
Share-based payments*						2.5	2.5		2.5
Transactions with owners of the company						-	-58.6	-0.5	-59.1
Transactions with non-controlling interests						-2.3	-2.3	0.9	-1.4
Equity on 30 Sep 2017	64.3	98.0	-12.9	4.4	69.0	1,196.9	1,419.6	2.3	1,421.9
* Net of tax									
Equity on 1 Jan 2016	64.3	98.0	47.7	-26.7	76.1	1,079.9	1,339.3	2.4	1,341.8
Net income for the period						113.3	113.3	-0.2	113.0
Cash flow hedges				14.3			14.3		14.3
Net investment hedges			21.1				21.1		21.1
Translation differences			-42.5				-42.5	0.0	-42.5
Actuarial gains(+) / losses(-) from defined benefit plans						-1.8	-1.8		-1.8
Comprehensive income for the period*			-21.4	14.3	-	111.5	104.4	-0.2	104.2
Profit distribution						-51.6	-51.6	-0.6	-52.2
Stock options exercised						0.5	0.5		0.5
Share-based payments*						1.9	1.9		1.9
Transactions with owners of the company						0.5	-49.7	-0.6	-49.9
Transactions with non-controlling interests							-	0.0	0.0
Equity on 30 Sep 2016	64.3	98.0	26.3	-12.4	76.6	1,141.7	1,394.5	1.6	1,396.1
* Net of tax									

The notes are an integral part of the interim report.

Consolidated condensed statement of cash flows

MEUR	1-9/2017	1-9/2016	1-12/2016
Net income for the period	106.6	113.0	125.3
Depreciation, amortisation and impairment	52.7	58.0	84.8
Other adjustments	65.3	58.5	72.5
Change in net working capital	-83.5	-8.5	90.5
Cash flow from operations before financing items and taxes	141.1	221.0	373.0
Cash flow from financing items and taxes	-67.9	-22.5	-59.5
Net cash flow from operating activities	73.3	198.5	313.5
Acquisitions, net of cash acquired	-1.3	-67.1	-66.8
Disposals of businesses, net of cash sold	-1.2	-	-
Investments in associated companies and joint ventures	-4.7	-2.7	-2.7
Cash flow from investing activities, other items	-44.5	-34.9	-61.9
Net cash flow from investing activities	-51.8	-104.7	-131.5
Proceeds from share subscriptions	-	0.5	0.5
Treasury shares acquired	-	-	-7.6
Acquisition of non-controlling interests	-0.4	-	-
Proceeds from long-term borrowings	250.0	-	-
Repayments of long-term borrowings	-241.4	-3.0	-3.2
Proceeds from short-term borrowings	9.4	30.0	38.2
Repayments of short-term borrowings	-33.6	-61.6	-58.9
Profit distribution	-61.6	-52.2	-52.8
Net cash flow from financing activities	-77.7	-86.4	-83.9
Change in cash and cash equivalents	-56.2	7.4	98.1
Cash, cash equivalents and bank overdrafts at the beginning of period	260.8	164.9	164.9
Effect of exchange rate changes	9.4	0.6	-2.2
Cash, cash equivalents and bank overdrafts at the end of period	214.0	172.9	260.8
Bank overdrafts at the end of period	18.4	26.7	12.4
Cash and cash equivalents at the end of period	232.5	199.6	273.2

The notes are an integral part of the interim report.

Key figures

		1-9/2017	1-9/2016	1-12/2016
Equity / share	EUR	22.01	21.57	21.65
Interest-bearing net debt	MEUR	535.3	580.8	503.5
Total equity / total assets	%	42.3%	40.0%	39.1%
Gearing	%	37.6%	41.6%	36.0%
Interest-bearing net debt / EBITDA, rolling 12 months	x	2.0	2.0	1.8
Return on equity (ROE), annualised	%	10.1%	11.0%	9.1%
Return on capital employed (ROCE), annualised	%	9.8%	10.6%	8.8%

Additional information regarding interest-bearing net debt and gearing is disclosed in note 6, Interest-bearing net debt and liquidity.

Notes to the interim report

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 Helsinki since 1 June 2005.

2. Accounting principles and new accounting standards

The interim report has been prepared according to IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements for 2016 and comply with changes in IAS/IFRS standards effective from 1 January 2017. These changes had no material impact on the interim report. 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	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Kalmar	377	436	1,144	1,223	1,700
Hiab	252	250	804	779	1,036
MacGregor	112	169	432	580	778
Internal sales	-1	0	-2	0	-1
Total	740	854	2,378	2,581	3,514

Sales by geographical area, MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
EMEA	321	369	1,013	1,068	1,482
Asia-Pacific	174	223	583	690	952
Americas	245	263	782	823	1,079
Total	740	854	2,378	2,581	3,514

Sales by geographical area, %	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
EMEA	43%	43%	43%	41%	42%
Asia-Pacific	24%	26%	24%	27%	27%
Americas	33%	31%	33%	32%	31%
Total	100%	100%	100%	100%	100%

Operating profit and EBITDA, MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Kalmar	29.3	27.5	88.5	83.7	115.6
Hiab	33.6	32.9	117.2	106.4	138.8
MacGregor	1.9	1.9	-0.1	15.2	-13.7
Corporate administration and support functions	-12.1	-6.1	-36.3	-29.0	-42.9
Operating profit	52.7	56.2	169.4	176.4	197.7
Depreciation and amortisation	17.2	19.5	52.7	58.0	84.8
EBITDA	69.9	75.7	222.1	234.4	282.5

Operating profit, %	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Kalmar	7.8%	6.3%	7.7%	6.9%	6.8%
Hiab	13.3%	13.2%	14.6%	13.7%	13.4%
MacGregor	1.7%	1.2%	0.0%	2.6%	-1.8%
Cargotec	7.1%	6.6%	7.1%	6.8%	5.6%

Restructuring costs, MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Kalmar	-1.6	-8.8	-3.6	-10.0	-19.7
Hiab	-0.1	0.0	-0.1	-0.7	-1.2
MacGregor	-0.3	-0.9	-9.5	-2.1	-31.6
Corporate administration and support functions	-2.7	-	-6.0	-	0.0
Total	-4.7	-9.7	-19.2	-12.8	-52.5

Operating profit excl. restructuring costs, MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Kalmar	30.9	36.3	92.1	93.8	135.3
Hiab	33.7	33.0	117.3	107.1	140.0
MacGregor	2.2	2.8	9.5	17.4	17.9
Corporate administration and support functions	-9.5	-6.1	-30.3	-29.0	-42.9
Total	57.4	65.9	188.6	189.3	250.2

Operating profit excl. restructuring costs, %	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Kalmar	8.2%	8.3%	8.0%	7.7%	8.0%
Hiab	13.4%	13.2%	14.6%	13.8%	13.5%
MacGregor	2.0%	1.7%	2.2%	3.0%	2.3%
Cargotec	7.8%	7.7%	7.9%	7.3%	7.1%

Orders received, MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
Kalmar	351	389	1,185	1,281	1,721
Hiab	260	220	827	734	1,016
MacGregor	139	124	396	446	546
Internal orders received	-1	0	-2	-1	-1
Total	749	733	2,406	2,461	3,283

Orders received by geographical area, MEUR	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
EMEA	347	335	1,122	1,111	1,537
Asia-Pacific	143	188	457	598	761
Americas	259	211	827	753	985
Total	749	733	2,406	2,461	3,283

Orders received by geographical area, %	7-9/2017	7-9/2016	1-9/2017	1-9/2016	1-12/2016
EMEA	46%	46%	47%	45%	47%
Asia-Pacific	19%	25%	19%	24%	23%
Americas	35%	29%	34%	31%	30%
Total	100%	100%	100%	100%	100%

Order book, MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Kalmar	887	922	900
Hiab	293	258	286
MacGregor	519	696	598
Internal order book	-1	-1	-1
Total	1,698	1,874	1,783

Number of employees at the end of period	30 Sep 2017	30 Sep 2016	31 Dec 2016
Kalmar	5,765	5,625	5,702
Hiab	3,251	3,021	2,997
MacGregor	1,876	2,355	2,256
Corporate administration and support functions	241	226	230
Total	11,133	11,226	11,184

Average number of employees	1-9/2017	1-9/2016	1-12/2016
Kalmar	5,718	5,563	5,588
Hiab	3,138	2,989	2,995
MacGregor	1,991	2,425	2,390
Corporate administration and support functions	237	218	221
Total	11,085	11,195	11,193

4. Capital expenditure, depreciation and amortisation

Capital expenditure, MEUR	1–9/2017	1–9/2016	1–12/2016
Intangible assets	6.1	7.5	10.5
Property, plant and equipment	47.0	45.2	70.0
Total	53.1	52.7	80.5

Depreciation, amortisation and impairment, MEUR	1–9/2017	1–9/2016	1–12/2016
Intangible assets	21.5	21.6	29.3
Buildings and land	3.8	7.3	15.1
Machinery and equipment	27.3	29.1	40.4
Total	52.7	58.0	84.8

5. Taxes in statement of income

MEUR	1–9/2017	1–9/2016	1–12/2016
Current year tax expense	38.9	41.6	53.0
Tax expense adjustments for previous years	-2.8	-1.5	-1.1
Change in current year's deferred tax assets and liabilities	-1.8	0.0	-10.9
Change in previous years' deferred tax assets and liabilities	3.2	1.8	2.9
Total	37.5	41.9	43.8

6. Interest-bearing net debt and liquidity

MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Interest-bearing liabilities*	782.9	813.8	821.9
Loans receivable and other interest-bearing assets	-7.1	-3.9	-5.0
Cash and cash equivalents	-232.5	-199.6	-273.2
Interest-bearing net debt on balance sheet	543.3	610.2	543.7
Foreign currency hedge of corporate bonds*	-8.0	-29.4	-40.2
Interest-bearing net debt	535.3	580.8	503.5
Equity	1,421.9	1,396.1	1,397.2
Gearing	37.6%	41.6%	36.0%

The fair values of interest-bearing assets and liabilities are not significantly different from their carrying amounts.

*Cash flow hedge accounting is applied to cash flows of the USD 85 (30 Sep 2016 and 31 Dec 2016: 205) million Private Placement corporate bonds. The cash flows of the bonds are converted into euro flows through long-term cross-currency swaps. As a result of the hedging, Cargotec effectively holds long-term euro-denominated fixed rate debt.

MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Cash and cash equivalents	232.5	199.6	273.2
Committed long-term undrawn revolving credit facilities	300.0	300.0	300.0
Repayments of interest-bearing liabilities in following 12 months	-52.6	-157.0	-165.1
Total liquidity	479.9	342.6	408.1

7. Derivatives

Fair values of derivative financial instruments

MEUR	Positive	Negative	Net	Net	Net
	fair value	fair value	fair value	fair value	fair value
	30 Sep 2017	30 Sep 2017	30 Sep 2017	30 Sep 2016	30 Dec 2016
Currency forward contracts	15.1	5.5	9.5	-4.0	-11.8
Cash flow hedge accounting	4.8	0.1	4.7	-1.8	-8.4
Net investment hedge accounting	-	-	-	8.3	-12.2
Cross-currency and interest rate swaps	7.5	-	7.5	30.3	40.5
Total	22.5	5.5	17.0	26.3	28.7
Non-current portion:					
Cross-currency and interest rate swaps	7.5	-	7.5	12.9	16.9
Non-current portion	7.5	-	7.5	12.9	16.9
Current portion	15.1	5.5	9.5	13.4	11.8

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

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

Nominal values of derivative financial instruments

MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Currency forward contracts	2,312.9	3,364.2	3,578.6
Cash flow hedge accounting	1,067.6	1,101.3	1,311.4
Net investment hedge accounting	-	562.4	566.4
Cross-currency and interest rate swaps	72.0	183.7	194.5
Total	2,384.9	3,547.9	3,773.1

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

8. Commitments

MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Guarantees	0.2	0.4	0.2
Customer financing	18.9	20.6	20.6
Operating leases	184.3	173.6	194.9
Other contingent liabilities	2.1	2.5	2.4
Total	205.4	197.1	218.1

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 419.9 (30 Sep 2016: 423.5 and 31 Dec 2016: 424.3) million.

Cargotec leases globally a large part of the properties needed in the operations under non-cancellable operating leases with varying terms and conditions. It is not anticipated that any material liabilities will arise from customer finance commitments.

The future minimum lease payments under non-cancellable operating leases

MEUR	30 Sep 2017	30 Sep 2016	31 Dec 2016
Less than 1 year	34.3	32.8	34.9
1-5 years	84.7	73.6	85.1
Over 5 years	65.3	67.3	74.9
Total	184.3	173.6	194.9

The aggregate operating lease expenses totalled EUR 29.5 (1–9/2016: 30.4 ja 1–12/2016: 39.5) million.

Cargotec received in October 2016 a USD 13 million verdict in a local jury trial in Hempstead, USA. Verdict is related to business acquisition negotiations Cargotec USA had in 2010 and 2011. The negotiations were closed without results. The claim is based on Cargotec having breached confidentiality obligations related to the negotiations. Cargotec disputes the claim and will appeal to the Court of Appeals.

There are also certain other legal claims and disputes based on various grounds 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 and disposals 2017

On 3 October 2017, Hiab completed the acquisition of the Brazilian company Argos Guindastes Indústria e Comércio Ltda's ("Argos") share capital. Argos is a privately owned company specialized in loader cranes with a manufacturing facility in Brazil and an extensive distribution network in Latin America. The purchase price consists of EUR 7.7 million paid on acquisition, EUR 2.7 million deferred consideration to be paid during the next three years, and an earn-out that is due in 2021 and limited to a maximum amount of EUR 4.1 million. Argos is one of the leading loader crane manufacturers in Brazil, and with the acquisition, Hiab is strengthening its strategy and market leadership by entering the Brazilian market. Additionally, the acquisition creates a strong foundation for Hiab's business in the whole region. The results of Argos loader crane business will be consolidated in Hiab business area results starting from October 2017.

In April, as part of the reorganising programme, MacGregor sold the majority of its ownership in the British subsidiary Woodfield Systems Ltd to the company's management at a gross consideration of EUR 4.3 million including EUR 2.3 million of deferred consideration. The remaining 10% investment is accounted for as an associated company based on the level of influence retained by MacGregor. One-time costs of about EUR 5 million were recognised for the transaction.

Acquisitions and disposals 2016

INTERSCHALT maritime systems AG

Kalmar and MacGregor acquired on 2 March 2016 privately owned INTERSCHALT maritime systems AG ("INTERSCHALT") by purchasing the full share capital of the entity for EUR 62.1 million. Acquisition includes a German parent company and subsidiaries in China, Germany, Singapore, and the United States. INTERSCHALT delivers as its main products software solutions, and related maintenance and support services that allow to enhance and optimize containerships' steering and cargo handling. Additionally INTERSCHALT offers services for navigation equipment used in ships, and delivers equipment to ships for recording data about ship's movement and steering including voyage data recorders, and related services. The software solutions and services related to efficiency and optimisation were acquired by Kalmar, and the safety solutions with related services were acquired by MacGregor. The acquisition supports Cargotec's growth strategy by expanding Kalmar's strong existing software and automation business related to container handling from ports to sea and among ports, and by expanding MacGregor's service business. In connection with the acquisition, the personnel of Kalmar and MacGregor increased by 231 employees who are mainly located in Germany.

The goodwill generated in the acquisition arises mostly from personnel and expected synergy benefits. Goodwill recognised at acquisition is not tax-deductible. The table on the next page summarises the consideration transferred, assets acquired, and liabilities assumed at their acquisition date fair values.

Acquired net assets and goodwill, MEUR

Intangible assets	29.2
Property, plant and equipment	1.9
Inventories	2.6
Accounts receivable and other non-interest-bearing assets	4.0
Interest-bearing receivables	1.2
Cash and cash equivalents	3.7
Deferred tax assets	3.6
Accounts payable and other non-interest-bearing liabilities	-11.2
Interest-bearing liabilities	-5.9
Deferred tax liabilities	-8.7
Net assets	20.4
Purchase price, payable in cash	62.1
Total consideration	62.1
Goodwill	41.7
Purchase price, paid in cash	62.1
Cash and cash equivalents acquired	2.2
Cash flow impact	64.3

The fair value measurement of acquired assets resulted in identification of intangible assets related to customer relationships, technology and order book. The fair value of the acquired intangible assets was EUR 29.2 million on acquisition date. The goodwill resulting from the acquisition is mostly allocated to Kalmar segment, and partly to MacGregor segment. The deal consideration was fully paid in cash. The cost of acquisition does not include additional conditional amounts.

Other acquisitions

MacGregor obtained control of privately owned Flintstone Technology Ltd on 22 September 2016 by acquiring 51% of its share capital. Flintstone Technology Ltd is a UK-based technology company of ten employees that is developing mooring and fluid handling equipment for the offshore industry. In addition to the EUR 2.3 million paid at the acquisition, MacGregor is committed to pay contingent consideration up to EUR 1.9 million depending on the amount of orders received by the end of 2018. The acquisition does not have a significant effect on Cargotec's cash flow or balance sheet.

In September, MacGregor signed a joint venture contract with China State Shipbuilding Corporation's (CSSC) Nanjing Luzhou Machine Co Ltd (LMC) to form CSSC Luzhou MacGregor Machine Co Ltd. Subject to all relevant authority approvals, expected within this year, LMC will own 51 percent and MacGregor 49 percent of the new joint venture company. The joint venture is expected to strengthen MacGregor's market position in China.

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Closing rate	30 Sep 2017	30 Sep 2016	31 Dec 2016
SEK	9.649	9.621	9.553
USD	1.181	1.116	1.054

Average rate	1-9/2017	1-9/2016	1-12/2016
SEK	9.580	9.367	9.450
USD	1.115	1.111	1.102

Calculation of key figures

Equity / share, EUR	=	$\frac{\text{Total equity attributable to the equity holders of the company}}{\text{Number of outstanding shares at the end of period}}$
Total equity / total assets (%)	= 100 x	$\frac{\text{Total equity}}{\text{Total assets - advances received}}$
Gearing (%)	= 100 x	$\frac{\text{Interest-bearing debt* - interest-bearing assets}}{\text{Total equity}}$
Net interest-bearing debt / EBITDA, rolling 12 months (x)	=	$\frac{\text{Net interest bearing debt}}{\text{EBITDA (earnings before interests, taxes, depreciation and amortisation), rolling 12 months}}$
Return on equity (ROE) (%)	= 100 x	$\frac{\text{Net income for the period}}{\text{Total equity (average for the period)}}$
Return on capital employed (ROCE) (%)	= 100 x	$\frac{\text{Income before taxes + interest and other financing expenses}}{\text{Total assets - non-interest-bearing debt (average for the period)}}$
Basic earnings / share, EUR	=	$\frac{\text{Net income for the period attributable to the equity holders of the company}}{\text{Average number of outstanding shares during the period}}$
Diluted earnings / share, EUR	=	$\frac{\text{Net income for the period attributable to the equity holders of the company}}{\text{Average number of outstanding diluted shares during the period}}$

*Including foreign currency hedging of the USD Private Placement corporate bonds.

In addition, Cargotec uses and presents alternative performance measures (APMs) to better convey underlying business performance and to enhance comparability from period to period. APMs are reported as complementary information.

The alternative performance measures used by Cargotec are:

Operating profit excluding restructuring costs (MEUR and % of sales)	=	Operating profit + restructuring costs
Interest-bearing net debt (MEUR)	=	Interest-bearing liabilities - loans receivable and other interest-bearing assets +/- foreign currency hedge of corporate bonds

Quarterly key figures

Cargotec		Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016
Orders received	MEUR	749	800	857	822	733
Order book	MEUR	1,698	1,720	1,834	1,783	1,874
Sales	MEUR	740	845	793	933	854
Operating profit	MEUR	52.7	60.4	56.3	21.3	56.2
Operating profit	%	7.1%	7.2%	7.1%	2.3%	6.6%
Operating profit*	MEUR	57.4	72.1	59.2	61.0	65.9
Operating profit*	%	7.8%	8.5%	7.5%	6.5%	7.7%
Basic earnings / share	EUR	0.51	0.58	0.57	0.20	0.52

Kalmar		Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016
Orders received	MEUR	351	386	448	440	389
Order book	MEUR	887	926	977	900	922
Sales	MEUR	377	403	364	477	436
Operating profit*	MEUR	30.9	33.2	27.9	41.5	36.3
Operating profit*	%	8.2%	8.2%	7.7%	8.7%	8.3%

Hiab		Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016
Orders received	MEUR	260	279	288	282	220
Order book	MEUR	293	290	302	286	258
Sales	MEUR	252	282	270	257	250
Operating profit*	MEUR	33.7	44.1	39.6	32.9	33.0
Operating profit*	%	13.4%	15.6%	14.6%	12.8%	13.2%

MacGregor		Q3/2017	Q2/2017	Q1/2017	Q4/2016	Q3/2016
Orders received	MEUR	139	136	121	100	124
Order book	MEUR	519	507	556	598	696
Sales	MEUR	112	160	160	199	169
Operating profit*	MEUR	2.2	4.9	2.4	0.5	2.8
Operating profit*	%	2.0%	3.0%	1.5%	0.3%	1.7%

*Operating profit excluding restructuring costs