CARGOTEC CORPORATION INTERIM REPORT 29 APRIL 2016 AT 8.30 AM EEST

Cargotec's January–March 2016 interim report: Profitability improved according to target

- **Strong order intake in Kalmar and Hiab**
- **MacGregor profitability satisfactory considering current market situation**
- **Strategy execution proceeding as planned**

January–March 2016 in brief

- Orders received decreased 4 percent and totalled EUR 903 (939) million.
- Order book amounted to EUR 2,095 (31 Dec 2015: 2,064) million at the end of the period.
- Sales declined 7 percent and totalled EUR 828 (889) million.
- Operating profit excluding restructuring costs increased 12 percent and was EUR 58.5 (52.3) million, representing 7.1 (5.9) percent of sales.
- Operating profit was EUR 57.7 (51.3) million, representing 7.0 (5.8) percent of sales.
- Cash flow from operations before financial items and taxes totalled EUR 90.8 (51.6) million.
- Net income for the period amounted to EUR 39.1 (36.4) million.
- Earnings per share was EUR 0.61 (0.56).

Outlook for 2016 unchanged

Cargotec's 2016 sales are expected to be at the 2015 level (EUR 3,729 million) or slightly below. Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).

Cargotec's key figures

MEUR	**1-3/2016**	1-3/2015	Change	2015
Orders received	**903**	939	-4%	3,557
Order book, end of period	**2,095**	2,469	-15%	2,064
Sales	**828**	889	-7%	3,729
Operating profit*	**58.5**	52.3	12%	230.7
Operating profit, %*	**7.1**	5.9		6.2
Operating profit	**57.7**	51.3	13%	213.1
Operating profit, %	**7.0**	5.8		5.7
Income before taxes	**50.9**	47.5		186.2
Cash flow from operations	**90.8**	51.6		314.6
Net income for the period	**39.1**	36.4		142.9
Earnings per share, EUR	**0.61**	0.56		2.21
Net debt, end of period	**603**	789		622
Gearing, %	**45.3**	62.2		46.4
Personnel, end of period	**11,203**	10,698		10,837

*excluding restructuring costs

Cargotec's CEO Mika Vehviläinen:

The start of the year 2016 was strong in Kalmar and Hiab, whereas the market situation in MacGregor remained challenging, as in the previous year. Despite the lack of orders for large automation projects, orders for Kalmar reached the comparison period's level and Hiab's order intake grew eight percent from the comparison period. Our sales declined seven percent from the comparison period. As earlier announced, the timing of Kalmar's deliveries lowered its first-quarter volume. MacGregor's sales were burdened by the challenging market situation. However, Kalmar's strengthened order book supports our growth target for the full year. According to target, our profitability improved to seven percent thanks to Hiab's very strong quarter. Due to restructuring measures undertaken in 2015, MacGregor's profitability was satisfactory considering the current market situation.

Execution of our strategy published at the end of 2015 is proceeding according to plan in all three focus areas: services, digitalisation and leadership development. In March, we closed the INTERSCHALT acquisition, which is important for the development of our services and software businesses. In early April, we organised our first hackathon, where 57 hackers–chosen from numerous volunteers–invented, among other things, the use of mobile technologies at ports. At the exhibition for load handling equipment, we also introduced a new virtual way of controlling a forestry crane remotely from inside a truck cabin. In addition, during the quarter we launched an internal leadership development programme, which will continue throughout the year.

Press conference for analysts and media

A press conference for analysts and media, combined with a live international telephone conference, will be arranged on the publishing day at 10:00 a.m. EEST at Cargotec's head office, Porkkalankatu 5, Helsinki. The event will be held in English. The report will be presented by CEO Mika Vehviläinen and Executive Vice President, CFO Eeva Sipilä. The presentation material will be available at www.cargotec.com by at 10:00 a.m. EEST.

The telephone conference, during which questions may be presented, can be accessed using the following numbers with access code Cargotec/3057834:
FI: +358 9 6937 9590
SE: +46 8 5065 3937
UK: +44 20 3427 1903
US: +1 646 254 3365

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.

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Cargotec (Nasdaq Helsinki: CGCBV) is a leading provider of cargo and load handling solutions with the goal of becoming the leader in intelligent cargo handling. Cargotec's business areas Kalmar, Hiab and MacGregor offer products and services that ensure our customers a continuous, reliable and sustainable performance. Cargotec's sales in 2015 totalled approximately EUR 3.7 billion and it employs almost 11,000 people. www.cargotec.com

Cargotec's January–March 2016 interim report

Operating environment

The number of containers handled at ports globally is anticipated to grow two percent during the current year. In addition, demand for container handling equipment is supported by significantly larger ship sizes than earlier, which require investments by ports that improve efficiency in container handling. Customer interest in port automation solutions remained healthy. Demand for services was active.

Despite the slowing truck market, the market for load handling equipment in the US during the first quarter was supported by strong construction activity. In Europe, the market situation showed slight positive development even if the activity level still varied between countries. Demand for services was healthy.

The market for marine cargo handling equipment was weak during the first quarter due to the overcapacity in the shipping market. Out of the ship types, only demand for marine cargo handling equipment for RoRo and special vessels grew and was active. Low investments of oil industry were reflected in low demand for offshore load handling solutions. Demand for services was satisfactory.

Financial performance

Orders received and order book

Orders received during the first quarter decreased four percent from the comparison period and totalled EUR 903 (939) million. Compared to the comparison period, currency rate changes had no impact on orders received. Orders received grew in Hiab, were at the comparison period's level in Kalmar, and decreased in MacGregor. Service orders were at the comparison period's level and totalled EUR 227 (228) million.

Half of the first quarter orders were received by Kalmar, 31 percent by Hiab and 19 percent by MacGregor. In geographical terms, the share of orders received increased to 49 (41) percent in EMEA, whereas the share of Asia-Pacific decreased to 22 (29) percent. The Americas' share of all orders was 29 (30) percent.

The order book grew one percent from the 2015 year-end level, and at the end of the first quarter it totalled EUR 2,095 (31 Dec 2015: 2,064) million. Kalmar's order book totalled EUR 973 (877) million, representing 46 (42) percent, Hiab's EUR 328 (305) million or 16 (15) percent and that of MacGregor EUR 795 (883) million or 38 (43) percent of the consolidated order book.

Orders received by reporting segment

MEUR	**1-3/2016**	1-3/2015	Change	2015
Kalmar	**454**	455	0%	1,764
Hiab	**275**	256	8%	967
MacGregor	**173**	228	-24%	828
Internal orders	**0**	0		-1
Total	**903**	939	-4%	3,557

Orders received by geographical area

MEUR	**1-3/2016**	1-3/2015	Change	2015
EMEA	**444**	388	14%	1,471
Asia-Pacific	**195**	267	-27%	1,002
Americas	**264**	284	-7%	1,085
Total	**903**	939	-4%	3,557

Sales

First-quarter sales declined seven percent from the comparison period, to EUR 828 (889) million. Compared to the comparison period, currency rate changes had no impact on sales. Sales grew from the comparison period in Hiab, but declined in Kalmar and MacGregor. In Kalmar, sales declined as earlier expected due to the timing of deliveries, and in MacGregor, the challenging market situation burdened sales. Sales in services declined three percent from the comparison period and totalled EUR 211 (217) million, representing 25 (24) percent of consolidated sales. In geographic terms, sales grew in the Americas, but declined in EMEA and Asia-Pacific. EMEA's share of consolidated sales was 39 (39) percent, the Americas' 33 (29) percent and Asia-Pacific's 28 (32) percent.

Sales by reporting segment

MEUR	**1-3/2016**	1-3/2015	Change	2015
Kalmar	**367**	395	-7%	1,663
Hiab	**246**	212	16%	928
MacGregor	**216**	282	-23%	1,139
Internal sales	**0**	0		-1
Total	**828**	889	-7%	3,729

Sales by geographical area

MEUR	**1-3/2016**	1-3/2015	Change	2015
EMEA	**321**	350	-8%	1,472
Asia-Pacific	**236**	282	-16%	1,199
Americas	**271**	257	5%	1,058
Total	**828**	889	-7%	3,729

Financial result

Operating profit for the first quarter improved from the comparison period, totalling EUR 57.7 (51.3) million. Operating profit includes EUR 0.8 (1.0) million in restructuring costs. EUR 0.4 (0.5) million of the restructuring costs were related to Kalmar, EUR 0.2 (0.6) million to Hiab, and EUR 0.2 (-0.2) million to MacGregor.

Operating profit for the first quarter, excluding restructuring costs, was EUR 58.5 (52.3) million, representing 7.1 (5.9) percent of sales. Excluding restructuring costs, operating profit for Kalmar amounted to EUR 25.6 (29.4) million, Hiab EUR 32.4 (19.2) million, and MacGregor EUR 9.2 (12.3) million. Kalmar's and MacGregor's operating profit fell short of the comparison period due to lower delivery volume. Improvement in Hiab's operating profit is the result of measures undertaken to improve profitability and investments in more competitive products.

Net interest expenses for interest-bearing debt and assets for the first quarter totalled EUR 4.3 (4.8) million. Net financing expenses totalled EUR 6.8 (3.8) million.

Net income for the first quarter totalled EUR 39.1 (36.4) million, and earnings per share EUR 0.61 (0.56).

Balance sheet, cash flow and financing

The consolidated balance sheet total was EUR 3,522 (31 Dec 2015: 3,571) million at the end of the first quarter. Equity attributable to equity holders was EUR 1,328 (1,339) million, representing EUR 20.56 (20.73) per share. Property, plant and equipment on the balance sheet was EUR 304 (306) million and intangible assets were EUR 1,301 (1,249) million.

Return on equity (ROE, annualised) in January–March was 11.7 (11.7) percent, and return on capital employed (ROCE, annualised) increased to 10.8 (9.5) percent. Cargotec's financial target is to reach 15 percent return on capital employed.

Cash flow from operating activities in the first quarter, before financial items and taxes, totalled EUR 90.8 (51.6) million. At the end of the quarter, net working capital totalled EUR 157 million or close to 2015 year-end level EUR 151 million.

Cargotec's liquidity position is healthy. At the end of the first quarter, interest-bearing net debt totalled EUR 603 (31 Dec 2015: 622) million. Interest-bearing debt amounted to EUR 772 (803) million, of which EUR 142 (69) million was current and EUR 630 (734) million non-current debt. On 31 March 2016, the average interest rate on the loan portfolio was 2.2 (2.4) percent. Cash and cash equivalents, loans receivable, and other interest-bearing assets totalled EUR 168 (31 Dec 2015: 180) million.

At the end of the first quarter, Cargotec's total equity/total assets ratio was 39.9 (31 Dec 2015: 39.8) percent. Gearing was 45.3 (46.4) percent.

Corporate topics

Research and development

Research and product development expenditure in the first quarter totalled EUR 21.6 (18.4) million, representing 2.6 (2.1) percent of sales. EUR 0.8 (0.3) million was capitalised. Research and product development investments were focused on projects that aim to improve the competitiveness and cost efficiency of products.

Kalmar

In March, Kalmar released actual fuel efficiency information on the Kalmar hybrid shuttle carriers in operation at one of its port customer's primary container terminals. According to the machine monitoring data, the average fuel consumption in operation has been as much as 40 percent less than the typical fuel consumption level of a traditional diesel driveline shuttle carrier.

In January, Kalmar launched its new drive train system for reachstackers to the Asia-Pacific region. This system increases the efficiency and productivity of reachstackers by improving uptime, ergonomics and safety while also reducing fuel consumption, thereby reducing emissions and running costs.

Hiab

In March, Hiab introduced a new hooklift for customers who look for cost-efficient and reliable hooklift solutions for repetitive loads. In addition, Hiab added two classes to its loader crane family to cover 0.9-3.5 tonne metre lift capacity. These new cranes are used in situations where loading and unloading take place close to a workplace.

In February, Hiab announced the results of the research cooperation project with two Polish university partners. The project received EUR 1.4 million of EU funding in 2013–2015, and it focused on developing future load handling control systems as well as exploring new materials and joining techniques. The main outcomes of the project were model-based and lightweight design methods. The first new products developed according to the new methods will be introduced later in 2016. In addition, Hiab launched a mobile application with which customers can easily locate their closest authorised service point.

During the quarter, Hiab strengthened its service offering by launching the new Hiab ProCare™ service agreements globally. Service agreements are a proactive and preventative approach to servicing the products, and they offer the customer the possibility to estimate maintenance costs in advance.

MacGregor

In February, MacGregor introduced an offshore technology-leading fibre-rope crane that features, among other things, a simple-to-operate fibre-rope lifting system. The technology is developed together with Parkburn Precision Handling Systems and it enables the handling of loads at greater depth below sea level.

Capital expenditure

Capital expenditure in the first quarter, excluding acquisitions and customer financing, totalled EUR 6.8 (7.3) million. Investments in customer financing were EUR 7.6 (12.8) million. Depreciation, amortisation and impairment amounted to EUR 17.9 (20.3) million.

In March, 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.

Acquisitions

The acquisition of INTERSCHALT maritime systems AG was completed in March. The results of INTERSCHALT's software business have been consolidated into Kalmar business area results and services business into MacGregor business area results as of March 2016.

Personnel

Cargotec employed 11,203 (31 Dec 2015: 10,837) people at the end of the first quarter. Kalmar employed 5,535 (5,328) people, Hiab 2,981 (2,757), MacGregor 2,478 (2,543), and corporate administration and support functions 210 (209). The average number of employees in January-March was 10,992 (10,681).

At the end of the first quarter, 12 (31 Dec 2015: 12) percent of the employees were located in Sweden, 8 (8) percent in Finland and 40 (38) percent in the rest of Europe. Asia-Pacific personnel represented 24 (25) percent, North and South American 14 (14) percent, and the rest of the world 2 (2) percent of total employees.

In March, Kalmar announced plans to consolidate its assembly operations in Europe. In order to improve operational efficiency and ensure long-term competitiveness in the global markets, Kalmar plans to transfer the production of forklift trucks from Sweden to Poland. According to the plans, the forklift truck production that is currently located in Lidhult, Sweden, would be transferred to Kalmar's assembly operations in Stargard, Poland. The transfer would take approximately two years and lead to the gradual closing of the operations in Lidhult. To implement the plans, Kalmar has begun negotiations with the labour unions. Approximately 190 employees in Sweden would be affected by the change. No restructuring costs related to these plans were booked in the first quarter.

Executive Board

In February 2016, Cargotec announced that a member of Cargotec’s Executive Board, CFO Eeva Sipilä will leave Cargotec by the end of July to take up the position of CFO at Metso Corporation. In March, Cargotec appointed Mikko Puolakka as Cargotec's CFO, effective from 1 May 2016. He will be a member of the Executive Board and report to CEO Mika Vehviläinen.

In addition to CEO Mika Vehviläinen and CFO, Cargotec Executive Board includes Mikko Pelkonen, Senior Vice President, Human Resources; Mikael Laine, Senior Vice President, Strategy; and business area presidents Olli Isotalo (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	**1-3/2016**	1-3/2015	Change	2015
Orders received	**454**	455	0%	1,764
Order book, end of period	**973**	898	8%	877
Sales	**367**	395	-7%	1,663
Sales of services	**105**	105		433
% sales	**29**	27		26
Operating profit (EBIT)	**25.2**	28.9		127.3
% sales	**6.9**	7.3		7.7
Operating profit (EBIT)*	**25.6**	29.4		129.9
% sales*	**7.0**	7.4		7.8
Personnel, end of period	**5,535**	5,234		5,328

*excluding restructuring costs

In the first quarter, orders received by Kalmar were at the comparison period's level and totalled EUR 454 (455) million. Orders for straddle carriers and shuttle carriers in particular developed positively during the quarter.

Major orders received by Kalmar in January–March included:

- nine diesel-electric straddle carriers to Germany,
- 19 hybrid shuttle carriers to a container terminal to Italy,
- nine forklift trucks to sawmill operations sites to Austria, Germany, Poland and the Czech Republic, as well as
- two Kalmar Gloria reachstackers to New Zealand.

Kalmar's order book grew 11 percent from the 2015 year-end, and at the end of the first quarter it totalled EUR 973 (31 Dec 2015: 877) million.

Kalmar's first-quarter sales declined seven percent from the comparison period and totalled EUR 367 (395) million. Sales declined as earlier expected due to the timing of deliveries. Sales for services were at the comparison period's level, EUR 105 (105) million, representing 29 (27) percent of sales.

Kalmar's first-quarter operating profit totalled EUR 25.2 (28.9) million. Operating profit includes EUR 0.4 (0.5) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 25.6 (29.4) million, representing 7.0 (7.4) percent of sales. Operating profit fell short of the comparison period due to lower delivery volume.

Hiab

MEUR	**1-3/2016**	1-3/2015	Change	2015
Orders received	**275**	256	8%	967
Order book, end of period	**328**	322	2%	305
Sales	**246**	212	16%	928
Sales of services	**57**	51		218
% sales	**23**	24		23
Operating profit (EBIT)	**32.2**	18.6		99.6
% sales	**13.1**	8.7		10.7
Operating profit (EBIT)*	**32.4**	19.2		100.5
% sales*	**13.2**	9.0		10.8
Personnel, end of period	**2,981**	2,555		2,757

*excluding restructuring costs

Hiab's orders received for the first quarter increased eight percent from the comparison period and totalled EUR 275 (256) million. During the quarter, Hiab received an order for 250 loader cranes from India. Otherwise, orders consisted of small, individual orders typical of the business. Orders received was strong in all product lines. The order book grew eight percent from 2015 year-end, totalling EUR 328 (31 Dec 2015: 305) million at the end of the first quarter.

Hiab's first-quarter sales grew 16 percent from the comparison period and totalled EUR 246 (212) million. Sales for services amounted to EUR 57 (51) million, representing 23 (24) percent of sales.

Operating profit for Hiab in the first quarter clearly improved from the comparison period and totalled EUR 32.2 (18.6) million. Operating profit includes EUR 0.2 (0.6) million in restructuring costs. Operating profit, excluding restructuring costs, amounted to EUR 32.4 (19.2) million, representing 13.2 (9.0) percent of sales. The continuous improvement in profitability over the past couple of years is the result of measures undertaken to improve profitability and investments in more competitive products.

MacGregor

MEUR	**1-3/2016**	1-3/2015	Change	2015
Orders received	**173**	228	-24%	828
Order book, end of period	**795**	1,250	-36%	883
Sales	**216**	282	-23%	1,139
Sales of services	**50**	61		232
% sales	**23**	22		20
Operating profit (EBIT)	**9.0**	12.4		15.8
% sales	**4.2**	4.4		1.4
Operating profit (EBIT)*	**9.2**	12.3		30.1
% sales*	**4.2**	4.4		2.6
Personnel, end of period	**2,478**	2,726		2,543

*excluding restructuring costs

MacGregor’s orders for the first quarter declined 24 percent from the comparison period to EUR 173 (228) million. More than 60 percent of the orders received were related to merchant ships and around 30 percent were offshore vessel-related. In merchant shipping, demand for marine cargo handling equipment for RoRo vessels was the briskest.

Major orders received by MacGregor in January–March included:

- ro-ro access systems for four car carriers to be built in Japan,
- self-unloading systems for two bulk carriers in China,
- electrically operated shell doors and electric frequency-controlled Hatlapa winches for four cruise vessels to Germany and Finland,
- loose lashings for 17 container ships to South Korea,
- hatch covers, cranes, deck machinery and steering gear for two eco-bulk carriers to a Finnish owner,
- optimised cargo system upgrade orders for two container vessels to China, as well as
- Pusnes loading systems to China.

MacGregor’s order book decreased ten percent from the 2015 year-end, totalling EUR 795 (31 Dec 2015: 883) million at the end of the first quarter. Two thirds of the order book is merchant ship-related and one third is offshore vessel-related.

MacGregor’s first-quarter sales declined 23 percent from the comparison period to EUR 216 (282) million. Sales were burdened by the challenging market situation. The share of services sales was 23 (22) percent, or EUR 50 (61) million.

MacGregor’s operating profit for the first quarter totalled EUR 9.0 (12.4) million. Operating profit includes EUR 0.2 (-0.2) million in restructuring costs and EUR 2.5 (2.5) million in amortisation and depreciation of fixed assets related to business acquisitions. Operating profit, excluding restructuring costs, totalled EUR 9.2 (12.3) million, representing 4.2 (4.4) percent of sales. Operating profit fell short of the comparison period due to lower delivery volume.

Annual General Meeting and shares

Decisions taken at Cargotec Corporation’s Annual General Meeting

Cargotec Corporation’s Annual General Meeting (AGM), held on 22 March 2016, adopted the financial statements and consolidated financial statements. 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 2015.The AGM approved a dividend of EUR 0.79 to be paid for each class A share and a dividend of EUR 0.80 be paid for each class B share outstanding. The dividend payment date was 4 April 2016.

The AGM authorised the Board to decide on the repurchase of Cargotec's shares with non-restricted equity. Altogether, no more than 6,400,000 shares in the company may be purchased, of which no more than 952,000 are class A shares and 5,448,000 are class B shares. This authorisation shall remain in effect for a period of 18 months and it will supersede the previous authorisation.

The number of ordinary members of the Board of Directors was confirmed at eight. Jorma Eloranta, Tapio Hakakari, Ilkka Herlin, Peter Immonen and Teuvo Salminen were re-elected to the Board of Directors, and Kimmo Alkio, Kaisa Olkkonen and Heikki Soljama were elected as new members. The meeting decided to keep the yearly remuneration of the Board of Directors unchanged as follows: EUR 80,000 be paid to the Chairman of the Board, EUR 55,000 to the Vice Chairman, EUR 55,000 to the Chairman of the Audit and Risk Management Committee, and EUR 40,000 to the other Board members. In addition, members are paid EUR 1,000 for attendance at board and committee meetings. Thirty percent of the yearly remuneration will be paid in Cargotec's class B shares and the rest in cash, and Cargotec will cover the transfer taxes related to the Board remuneration paid in shares.

The Annual General Meeting 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.

The meeting approved a EUR 600,000 donation to Tampere University of Technology.

Organisation of the Board of Directors

On 22 March 2016, 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.

Ilkka Herlin, Kaisa Olkkonen and Teuvo Salminen (Chairman) were elected as members of the Audit and Risk Management Committee. Teuvo Salminen was re-elected as Chairman of the Committee. Jorma Eloranta, Tapio Hakakari, Ilkka Herlin (Chairman) and Peter Immonen were elected to the Nomination and Compensation Committee.

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

Outi Aaltonen, Senior Vice President, General Counsel, will continue as Secretary to the Board.

Shares and trading

Share capital, own shares and share issue

Cargotec Corporation's share capital totalled EUR 64,304,880 at the end of March. The number of class B shares was 55,164,983, while the number of class A shares totalled 9,526,089.

On 22 March 2016, the Board of Directors of Cargotec Corporation decided on a directed share issue related to the reward payment for the restricted shares programme 2015 under Cargotec's share-based incentive programme 2014. In the share issue, 27,601 own class B shares held by the company were transferred without consideration in accordance with the terms and conditions of the share-based incentive programme to the key employees who fulfilled the earnings criteria. The decision on the directed share issue is based on the five-year 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. In accordance with the authorisation, previously 26,684 own class B shares were transferred on 18 March 2014 and 28,030 own class B shares on 31 March 2015.

After the transfer of shares, Cargotec holds a total of 65,099 own class B shares, accounting for 0.10 percent of the total number of shares and 0.04 percent of the total number of votes. At the end of March, the number of outstanding class B shares totalled 55,099,884.

Share-based incentive programmes

In February 2016, The Board of Directors approved a new long-term incentive programme for key personnel of Cargotec for 2016–2019. The programme is similar in form to the one approved a year earlier covering 2015–2018. The number of participants will be approximately 90 persons, including Cargotec's CEO and members of the Executive Board. This new programme consists of two phases. The first phase includes specific financial performance targets for the year 2016 (business area or corporate return on capital employed, ROCE). The second phase consists of an additional earnings multiplier, which is based on Cargotec's total shareholder return (TSR) at the end of a three-year performance period in March 2019. The second phase serves to align the interests to that of the shareholders as well as retention. Eligible participants need to be employed by Cargotec by the end of the second phase of the programme in the spring 2019.

The potential reward will be delivered in Cargotec class B shares in 2019. Gross reward, before deduction for the applicable taxes and employment-related expenses, is in the range of 25–120 percent of annual base salary for on-target performance (for maximum performance the range is 75–360 percent of the annual base salary). If the performance is on target for the maximum number of participants, the cost of the programme for the three-year period would be approximately EUR 7.3 million (for maximum performance approximately EUR 21.8 million). If the financial performance threshold levels are not met, there will not be any incentive payment.

As a part of total compensation, additional restricted share grants can be allocated for a selected few key employees during 2016–2018. Gross reward, before deduction for the applicable taxes and employment related expenses, is in range of 25–100 percent of the annual base salary. If the financial performance threshold levels are met, the maximum cost of the programme is EUR 1.75 million annually. If the financial performance threshold levels are not met, there will not be any incentive payment.

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

Option programme

The 2010 AGM confirmed the issue of stock options for key personnel at Cargotec and its subsidiaries. The programme includes 2010A, 2010B and 2010C stock options, with 400,000 stock options in each series and each stock option entitling its holder to subscribe for one (1) new class B share in Cargotec. For share subscription to commence, the required attainment of targets is determined by the Board of Directors. A total of 378,864 2010B stock options and 400,000 2010C stock options held by the company were cancelled, as the earnings criteria for the stock options were not fulfilled. 2010B stock options are listed on the main list of Nasdaq Helsinki Ltd.

The share subscription period for 2010B stock options is from 1 April 2014 to 30 April 2016. The share subscription price at the end of the first quarter was EUR 27.74 per share, and the number of 2010B stock options was 19,856.

Market capitalisation and trading

At the end of March, the total market value of class B shares was EUR 1,564 (1,768) 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 1,837 (2,075) million, excluding own shares held by the company.

The class B share closed at EUR 28.39 (32.20) on the last trading day of March on Nasdaq Helsinki Ltd. The volume-weighted average share price for the reporting period was EUR 28.83 (30.46), the highest quotation being EUR 33.96 (35.20) and the lowest EUR 24.30 (24.13). During the period, a total of 14 (21) million class B shares were traded on Nasdaq Helsinki Ltd, corresponding to a turnover of EUR 410 (623) million. In addition, according to Fidessa, a total of 23 (16) million class B shares were traded in several alternative marketplaces, such as BATS OTC and Turquoise, corresponding to a turnover of EUR 659 (501) million.

Short-term risks and uncertainties

Developments in the global economy and cargo flows have a direct effect on Cargotec's business environment and customers' willingness to invest. Uncertainty related to economic developments is estimated to continue. The slowdown in global economic growth has reduced growth in container traffic, which, if it continues, may have an impact on the decision-making of Kalmar's customers.

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

MacGregor's market situation in particular involves a range of uncertainties. It is anticipated that the oversupply in the merchant ship market will take longer to balance out, 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.

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

Outlook for 2016 unchanged

Cargotec's 2016 sales are expected to be at the 2015 level (EUR 3,729 million) or slightly below. Operating profit excluding restructuring costs for 2016 is expected to improve from 2015 (EUR 230.7 million).

Financial calendar 2016

January–June 2016 interim report, Wednesday, 20 July 2016
January–September 2016 interim report, Tuesday, 25 October 2016

Helsinki, 28 April 2016
Cargotec Corporation
Board of Directors

This interim report is unaudited.

Consolidated statement of income

MEUR	1–3/2016	1–3/2015	1–12/2015
Sales	**828.3**	**888.7**	**3,729.3**
Cost of goods sold	-631.4	-701.6	-2,942.0
Gross profit	**197.0**	**187.1**	**787.3**
Gross profit, %	*23.8*	*21.0*	*21.1*
Other operating income	10.0	9.9	40.4
Selling and marketing expenses	-54.5	-51.6	-210.4
Research and development expenses	-22.1	-19.9	-85.2
Administration expenses	-62.5	-64.0	-264.3
Restructuring costs	-0.8	-1.0	-17.7
Other operating expenses	-12.1	-10.3	-39.8
Costs and expenses	-142.0	-137.0	-577.1
Share of associated companies' and joint ventures' net income	2.7	1.2	2.8
Operating profit	**57.7**	**51.3**	**213.1**
Operating profit, %	*7.0*	*5.8*	*5.7*
Financing income and expenses	-6.8	-3.8	-26.9
Income before taxes	**50.9**	**47.5**	**186.2**
Income before taxes, %	*6.1*	*5.3*	*5.0*
Income taxes	-11.7	-11.0	-43.3
Net income for the period	**39.1**	**36.4**	**142.9**
Net income for the period, %	*4.7*	*4.1*	*3.8*
Net income for the period attributable to:			
Equity holders of the parent	39.2	36.3	143.0
Non-controlling interest	0.0	0.2	-0.1
Total	**39.1**	**36.4**	**142.9**
Earnings per share for profit attributable to the equity holders of the parent:			
Basic earnings per share, EUR	0.61	0.56	2.21
Diluted earnings per share, EUR	0.61	0.56	2.21

Consolidated statement of comprehensive income

MEUR	**1–3/2016**	**1–3/2015**	**1–12/2015**
Net income for the period	39.1	36.4	142.9
Items that will not be reclassified to statement of income:			
Defined benefit plan acturial gains (+) / losses (-)	0.9	-1.2	3.0
Taxes relating to items that will not be reclassified to statement of income	-0.2	0.5	-0.4
Total	**0.7**	**-0.7**	**2.6**
Items that may be reclassified subsequently to statement of income:			
Gains (+) / losses (-) on cash flow hedges	20.1	-25.3	-11.1
Gains (+) / losses (-) on cash flow hedges transferred to statement of income	-0.2	19.8	3.6
Gains (+) / losses (-) on net investment hedges	1.8	-	-4.0
Translation differences	-17.0	61.5	36.0
Taxes relating to items that may be reclassified subsequently to statement of income	-4.8	-2.3	-10.1
Total	**0.0**	**53.6**	**14.4**
Comprehensive income for the period	**39.9**	**89.4**	**159.9**
Comprehensive income for the period attributable to:			
Equity holders of the parent	39.9	89.0	160.0
Non-controlling interest	-0.1	0.4	0.0
Total	**39.9**	**89.4**	**159.9**

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

Consolidated balance sheet

ASSETS, MEUR	31 Mar 2016	31 Mar 2015	31 Dec 2015
Non-current assets			
Goodwill	1,018.0	999.2	976.4
Other intangible assets	282.8	292.7	272.4
Property, plant and equipment	304.3	317.2	306.0
Investments in associated companies and joint ventures	114.4	111.9	116.7
Available-for-sale investments	3.8	3.8	3.8
Loans receivable and other interest-bearing assets*	1.9	2.8	2.0
Deferred tax assets	173.7	196.1	183.5
Derivative assets	11.6	40.0	35.3
Other non-interest-bearing assets	6.3	5.2	5.7
Total non-current assets	**1,916.9**	**1,969.0**	**1,901.8**
Current assets			
Inventories	654.5	744.0	655.4
Loans receivable and other interest-bearing assets*	4.8	4.9	2.6
Income tax receivables	17.6	29.2	20.0
Derivative assets	48.0	27.8	36.7
Accounts receivable and other non-interest-bearing assets	718.6	852.6	778.4
Cash and cash equivalents*	161.8	143.4	175.8
Total current assets	**1,605.3**	**1,801.8**	**1,668.9**
Total assets	**3,522.2**	**3,770.8**	**3,570.7**

EQUITY AND LIABILITIES, MEUR	31 Mar 2016	31 Mar 2015	31 Dec 2015
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	32.5	84.2	47.7
Fair value reserves	-11.4	-24.1	-26.7
Reserve for invested non-restricted equity	76.1	73.9	76.1
Retained earnings	1,069.1	966.6	1,079.9
Total equity attributable to the equity holders of the parent	1,328.5	1,262.9	1,339.3
Non-controlling interest	2.4	5.4	2.4
Total equity	**1,330.9**	**1,268.3**	**1,341.8**
Non-current liabilities			
Interest-bearing liabilities*	655.4	794.8	768.1
Deferred tax liabilities	71.1	98.3	72.1
Pension obligations	73.0	73.7	71.3
Provisions	23.6	23.8	22.9
Derivative liabilities	-	0.8	-
Other non-interest-bearing liabilities	44.6	38.0	42.3
Total non-current liabilities	**867.8**	**1 029.3**	**976.7**
Current liabilities			
Current portion of interest-bearing liabilities*	109.5	6.9	5.9
Other interest-bearing liabilities*	32.5	174.3	62.8
Provisions	72.7	74.8	75.9
Advances received	190.5	263.2	197.2
Income tax payables	20.7	13.6	24.3
Derivative liabilities	21.2	59.8	14.2
Accounts payable and other non-interest-bearing liabilities	876.4	880.6	872.1
Total current liabilities	**1,323.5**	**1,473.2**	**1,252.3**
Total equity and liabilities	**3,522.2**	**3,770.8**	**3,570.7**

*Included in interest-bearing net debt.

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

Consolidated statement of changes in equity

	Attributable to the equity holders of the company								
MEUR	**Share capital**	**Share premium account**	**Translation differences**	**Fair value reserves**	**Reserve for invested non-restricted equity**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
Equity on 1 Jan 2015	**64.3**	**98.0**	**26.7**	**-20.1**	**74.9**	**965.0**	**1,208.8**	**5.0**	**1,213.8**
Net income for the period						36.3	36.3	0.2	36.4
Cash flow hedges				-4.0			-4.0		-4.0
Translation differences			57.5				57.5	0.2	57.7
Defined benefit plan actuarial gains (+) / losses (-)						-0.7	-0.7		-0.7
Comprehensive income for the period*			**57.5**	**-4.0**	**0.0**	**35.5**	**89.0**	**0.4**	**89.4**
Dividends paid						35.4	35.4	0.0	-35.4
Acquisition of treasury shares					-0.9		-0.9		-0.9
Share-based incentives*						1.4	1.4		1.4
Transactions with owners of the company					**-0.9**	**-33.9**	**-34.9**	**0.0**	**-34.9**
Transactions with non-controlling interests							-	-	-
Equity on 31 March 2015	**64.3**	**98.0**	**84.2**	**-24.1**	**73.9**	**966.6**	**1,262.9**	**5.4**	**1,268.3**
*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						39.2	39.2	0.0	39.1
Cash flow hedges				15.2			15.2		15.2
Net investment hedges			1.8				1.8		1.8
Translation differences			-17.0				-17.0	0.0	-17.1
Defined benefit plan actuarial gains (+) / losses (-)						0.7	0.7		0.7
Comprehensive income for the period*			**-15.2**	**15.2**	**-**	**39.9**	**39.9**	**-0.1**	**39.9**
Dividends paid						-51.6	-51.6		-51.6
Acquisition of treasury shares							-		-
Share-based incentives*						0.8	0.8		0.8
Transactions with owners of the company					**-**	**-50.8**	**-50.8**	**0.0**	**-50.8**
Transactions with non-controlling interests							-	0.0	0.0
Equity on 31 Mar 2016	**64.3**	**98.0**	**32.5**	**-11.4**	**76.1**	**1,069.1**	**1,328.5**	**2.4**	**1,330.9**

*Net of tax

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

Consolidated condensed statement of cash flows

MEUR	1–3/2016	1–3/2015	1–12/2015
Net income for the period	39.1	36.4	142.9
Depreciation, amortisation and impairment	17.9	20.3	76.5
Other adjustments	18.6	13.3	65.8
Change in net working capital	15.2	-18.4	29.4
Cash flow from operations	**90.8**	**51.6**	**314.6**
Cash flow from financial items and taxes	3.2	-77.2	-119.0
Cash flow from operating activities	**94.0**	**-25.6**	**195.6**
Acquisitions, net of cash acquired	-64.6	-	-0.6
Investments to associated companies and joint ventures	-	-	-2.9
Cash flow from investing activities, other items	-12.7	-16.3	-54.3
Cash flow from investing activities	**-77.3**	**-16.3**	**-57.8**
Stock options exercised	-	-	4.6
Acquisition of treasury shares	-	-0.9	-3.4
Acquisition of non-controlling interests	-	-	-3.5
Proceeds from long-term borrowings	-	20.0	120.0
Repayments of long-term borrowings	-0.2	-	-125.0
Proceeds from short-term borrowings	14.8	71.0	177.0
Repayments of short-term borrowings	-36.1	-87.8	-311.5
Dividends paid	-	-35.4	-36.1
Cash flow from financing activities	**-21.5**	**-33.1**	**-177.9**
Change in cash	**-4.7**	**-75.0**	**-40.2**
Cash, cash equivalents and bank overdrafts at the beginning of period	164.9	203.4	203.4
Effect of exchange rate changes	-1.2	11.0	1.7
Cash, cash equivalents and bank overdrafts at the end of period	**158.9**	**139.3**	**164.9**
Bank overdrafts at the end of period	2.8	4.0	10.9
Cash and cash equivalents at the end of period	**161.7**	**143.3**	**175.8**

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

Key figures

		1–3/2016	1–3/2015	1–12/2015
Equity / share	EUR	20.56	19.60	20.73
Interest-bearing net debt	MEUR	603.2	788.8	622.4
Total equity / total assets	%	39.9	36.2	39.8
Gearing	%	45.3	62.2	46.4
Return on equity, annualised	%	11.7	11.7	11.2
Return on capital employed, annualised	%	10.8	9.5	9.8

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

Notes to the interim review

1. General information

Cargotec Corporation is a limited liability company domiciled in Helsinki, Finland. The registered address is Porkkalankatu 5, 00180 Helsinki, Finland. Cargotec Corporation and its subsidiaries form the Cargotec Group (later referred to as Cargotec or company). Cargotec Corporation's class B shares are listed on the Nasdaq Helsinki since 1 June 2005.

2. Accounting principles and new accounting standards

The interim review has been prepared according to IAS 34 Interim Financial Reporting. The accounting policies adopted are consistent with those of the annual financial statements for 2015 and comply with changes in IAS/IFRS standards effective from 1 January 2016. These changes have no material impact on the interim review. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

3. Segment information

Sales, MEUR	1–3/2016	1–3/2015	1–12/2015
Kalmar	367	395	1,663
Hiab	246	212	928
MacGregor	216	282	1,139
Internal sales	0	0	-1
Total	**828**	**889**	**3,729**

Sales by geographical area, MEUR	1–3/2016	1–3/2015	1–12/2015
EMEA	321	350	1,472
Asia-Pacific	236	282	1,199
Americas	271	257	1,058
Total	**828**	**889**	**3,729**

Sales by geographical area, %	1–3/2016	1–3/2015	1–12/2015
EMEA	38.8	39.4	39.5
Asia-Pacific	28.5	31.7	32.2
Americas	32.7	28.9	28.4
Total	**100.0**	**100.0**	**100.0**

Operating profit, MEUR	1–3/2016	1–3/2015	1–12/2015
Kalmar	25.2	28.9	127.3
Hiab	32.2	18.6	99.6
MacGregor	9.0	12.4	15.8
Corporate administration and support functions	-8.7	-8.6	-29.7
Total	**57.7**	**51.3**	**213.1**

Operating profit, %	1–3/2016	1–3/2015	1–12/2015
Kalmar	6.9	7.3	7.7
Hiab	13.1	8.7	10.7
MacGregor	4.2	4.4	1.4
Cargotec	7.0	5.8	5.7

Operating profit excl. restructuring costs, MEUR	1–3/2016	1–3/2015	1–12/2015
Kalmar	25.6	29.4	129.9
Hiab	32.4	19.2	100.5
MacGregor	9.2	12.3	30.1
Corporate administration and support functions	-8.7	-8.6	-29.7
Total	**58.5**	**52.3**	**230.7**

Operating profit excl. restructuring costs, %	1–3/2016	1–3/2015	1–12/2015
Kalmar	7.0	7.4	7.8
Hiab	13.2	9.0	10.8
MacGregor	4.2	4.4	2.6
Cargotec	7.1	5.9	6.2

Orders received, MEUR	1–3/2016	1–3/2015	1–12/2015
Kalmar	454	455	1,764
Hiab	275	256	967
MacGregor	173	228	828
Internal orders received	0	0	-1
Total	**903**	**939**	**3,557**

Orders received by geographical area, MEUR	1–3/2016	1–3/2015	1–12/2015
EMEA	444	388	1,471
Asia-Pacific	195	267	1,002
Americas	264	284	1,085
Total	**903**	**939**	**3,557**

Orders received by geographical area, %	1–3/2016	1–3/2015	1–12/2015
EMEA	49.2	41.3	41.3
Asia-Pacific	21.6	28.5	28.2
Americas	29.3	30.3	30.5
Total	**100.0**	**100.0**	**100.0**

Order book, MEUR	31 Mar 2016	31 Mar 2015	31 Dec 2015
Kalmar	973	898	877
Hiab	328	322	305
MacGregor	795	1,250	883
Internal order book	-1	0	-1
Total	**2,095**	**2,469**	**2,064**

Number of employees at the end of period	31 Mar 2016	31 Mar 2015	31 Dec 2015
Kalmar	5,535	5,234	5,328
Hiab	2,981	2,555	2,757
MacGregor	2,478	2,726	2,543
Corporate administration and support functions	210	183	209
Total	**11,203**	**10,698**	**10,837**

Average number of employees	1–3/2016	1–3/2015	1–12/2015
Kalmar	5,421	5,232	5,286
Hiab	2,927	2,542	2,638
MacGregor	2,434	2,721	2,652
Corporate administration and support functions	210	186	195
Total	**10,992**	**10,681**	**10,772**

4. Capital expenditure, depreciation and amortisation

Capital expenditure, MEUR	1–3/2016	1–3/2015	1–12/2015
Intangible assets	2.2	2.4	12.1
Property, plant and equipment	12.2	17.7	66.7
Total	**14.4**	**20.1**	**78.8**

Depreciation, amortisation and impairment, MEUR	1–3/2016	1–3/2015	1–12/2015
Intangible assets	7.0	7.8	28.7
Buildings	2.0	2.0	8.2
Machinery & equipment	8.9	10.4	39.5
Total	**17.9**	**20.3**	**76.5**

5. Taxes in statement of income

MEUR	1–3/2016	1–3/2015	1–12/2015
Current year tax expense	9.5	6.9	65.6
Deferred tax expense	2.4	2.3	-19.8
Tax expense for previous years	-0.1	1.8	-2.5
Total	**11.7**	**11.0**	**43.3**

6. Interest-bearing net debt and liquidity

MEUR	31 Mar 2016	31 Mar 2015	31 Dec 2015
Interest-bearing liabilities*	771.6	939.8	802.7
Loans receivable and other interest-bearing assets	-6.7	-7.7	-4.6
Cash and cash equivalents	-161.8	-143.4	-175.8
Interest-bearing net debt	**603.2**	**788.8**	**622.4**
Equity	1,330.9	1,268.3	1,341.8
Gearing	**45.3%**	**62.2%**	**46.4%**

*The fair values do not materially differ from book values. One exception is the hedging of currency risk relating to the USD 205 million Private Placement bond, which affected the interest-bearing liabilities on 31 Mar 2016 by EUR -25.8 (31 Mar 2015: -36.3 and 31 Dec 2015: -34.0) million.

MEUR	31 Mar 2016	31 Mar 2015	31 Dec 2015
Cash and cash equivalents	161.8	143.4	175.8
Committed long-term undrawn revolving credit facilities	300.0	280.0	300.0
Repayments of interest-bearing liabilities in following 12 months	-142.0	-181.3	-68.7
Total liquidity	**319.7**	**242.1**	**407.1**

7. Derivatives

Fair values of derivative financial instruments

MEUR	Positive fair value 31 Mar 2016	Negative fair value 31 Mar 2016	Net fair value 31 Mar 2016	Net fair value 31 Mar 2015	Net fair value 31 Dec 2015
Currency forward contracts	32.6	20.8	11.8	-32.8	22.5
Cash flow hedge accounting	10.1	-	10.1	-27.6	7.1
Net investment hedge accounting		15.2	-15.2	-	-4.7
Cross-currency and interest rate swaps	26.9	-	26.9	40.0	35.3
Total	**59.5**	**20.8**	**38.7**	**7.2**	**57.8**
Non-current portion:					
Currency forward contracts	-	-	-	-0.8	-
Cross-currency and interest rate swaps	11.6	-	11.6	40.0	35.3
Non-current portion	**11.6**	**-**	**11.6**	**39.2**	**35.3**
Current portion	**47.8**	**20.8**	**27.1**	**-32.0**	**22.5**

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	31 Mar 2016	31 Mar 2015	31 Dec 2015
Currency forward contracts	3,508.2	3,344.9	3,874.5
Cash flow hedge accounting	1,121.3	1,315.0	1,161.0
Net investment hedge accounting	586.5	-	588.8
Cross-currency and interest rate swaps	180.1	190.5	188.3
Total	**3,688.3**	**3,535.4**	**4,062.8**

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	31 Mar 2016	31 Mar 2015	31 Dec 2015
Guarantees	-	0.0	-
End customer financing	15.7	17.3	13.1
Operating leases	163.6	154.7	165.9
Other contingent liabilities	4.7	5.7	5.2
Total	**184.0**	**177.8**	**184.2**

Cargotec Corporation has guaranteed obligations of Cargotec companies, arising from ordinary course of business, up to a maximum of EUR 462.3 (31 Mar 2015: 548.5 and 31 Dec 2015: 494.1) 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	31 Mar 2016	31 Mar 2015	31 Dec 2015
Less than 1 year	31.3	28.0	31.8
1-5 years	69.8	60.7	69.9
Over 5 years	62.5	66.0	64.2
Total	**163.6**	**154.7**	**165.9**

The aggregate operating lease expenses totalled EUR 9.9 (1–3/2015: 8.0 and 1–12/2015: 36.6) million.

Some lawsuits, claims and disputes based on various grounds are pending against Cargotec around the world. Management believes that the outcome of these disputes will not have a material effect on Cargotec's financial position.

9. Acquisitions

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 with related maintenance and support services for example to enhance and optimise containerships' cargo handling and steering. In addition, INTERSCHALT offers services for navigation equipment used in ships, and delivers equipment to ships for recording data about ship's movement and steering – so called 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.

Because of the short period of time between the acquisition date and the reporting date, the identification and measurement of intangible assets, and measurement of the acquired balance sheet items at fair value is ongoing, and there is no preliminary purchase price allocation to be disclosed.

Key exchange rates for the Euro

Closing rate	31 Mar 2016	31 Mar 2015	31 Dec 2015
SEK	9.225	9.290	9.190
USD	1.139	1.076	1.089

Average rate	1–3/2016	1–3/2015	1–12/2015
SEK	9.271	9.353	9.341
USD	1.102	1.136	1.113

Calculation of key figures

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

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

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

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

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

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

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

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

Quarterly figures

Cargotec		Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Orders received	MEUR	903	824	907	887	939
Order book	MEUR	2,095	2,064	2,233	2,342	2,469
Sales	MEUR	828	977	928	936	889
Operating profit	MEUR	57.7	45.0	61.9	54.9	51.3
Operating profit	%	7.0	4.6	6.7	5.9	5.8
Operating profit*	MEUR	58.5	52.1	68.3	58.0	52.3
Operating profit*	%	7.1	5.3	7.4	6.2	5.9
Basic earnings/share	EUR	0.61	0.55	0.67	0.43	0.56

Kalmar		Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Orders received	MEUR	454	395	463	450	455
Order book	MEUR	973	877	949	946	898
Sales	MEUR	367	468	409	391	395
Operating profit*	MEUR	25.6	35.9	36.1	28.5	29.4
Operating profit*	%	7.0	7.7	8.8	7.3	7.4

Hiab		Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Orders received	MEUR	275	250	239	221	256
Order book	MEUR	328	305	300	297	322
Sales	MEUR	246	249	229	237	212
Operating profit*	MEUR	32.4	30.7	25.3	25.4	19.2
Operating profit*	%	13.2	12.3	11.0	10.7	9.0

MacGregor		Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
Orders received	MEUR	173	180	200	220	228
Order book	MEUR	795	883	984	1,104	1,250
Sales	MEUR	216	259	289	308	282
Operating profit*	MEUR	9.2	-7.2	12.5	12.5	12.3
Operating profit*	%	4.2	-2.8	4.3	4.1	4.4

*Operating profit excluding restructuring costs