Kone Cargotec

Extraordinary Shareholders' Meeting
17 December, 2004

World's Leading Provider of Cargo-Handling Solutions for Ships, Ports, Terminals and Local Distribution

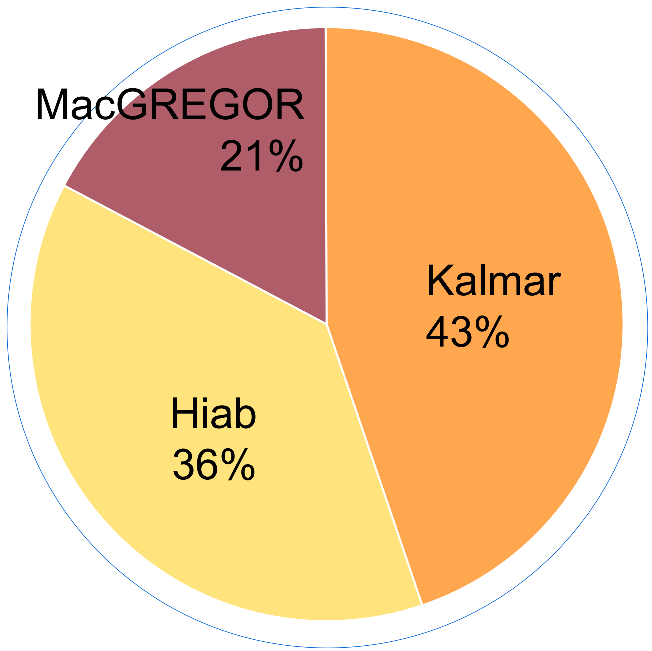
Kone Cargotec – Global market leader

Three globally leading businesses:

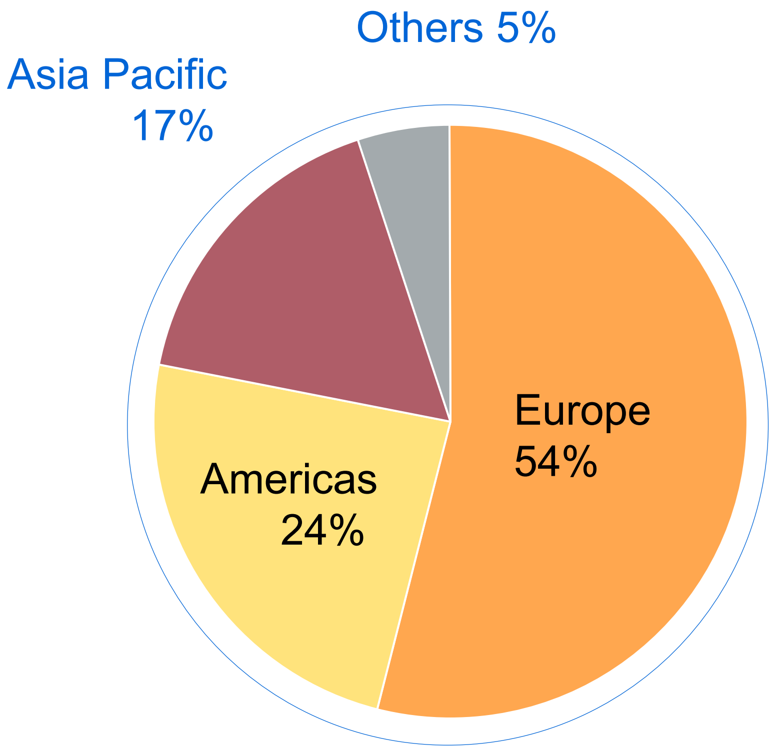
MacGREGOR	HIAB	Kalmar
Marine cargo handling solutions	**Load handling**	**Container handling**

Division of net sales including MacGREGOR

Net sales approaching EUR 2 billion following MacGREGOR acquisition



By business area*



By market area*

*Based on the companies' disclosed 2003 net sales figures

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Complete Product Range for Ports and Terminals

Global # 1

Straddle carriers
Finland

Global # 1

Reachstackers,
Lidhult, Sweden

European # 1

Forklifts
Ljunby, Sweden

Global # 1

Terminal tractors, USA, Finland and Shanghai

European # 1

Ship-to-Shore cranes
Rotterdam

European # 1

RTG's, RMG's
Finland and Shanghai

Service

Complete Product Range for Local Distribution

Loader cranes
Sweden, Spain and the Netherlands

Truck-mounted forklifts
Ireland, USA and the Netherlands

Demountables
UK and Finland

Forestry cranes
Finland

Tail lifts
Sweden and USA

Service

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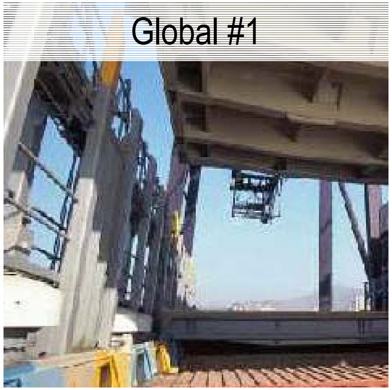
Complete product range for marine cargo handling needs



Hatch covers

Cranes

Securing

RoRo

Elevators and escalators

MacGREGOR

Service

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Markets

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Business drivers

Accelerating growth of global material flows provides a solid foundation for growth in demand

- relocation of production generates additional flow of industrial goods
- world trade increases long-distance transport: container traffic grows faster than world trade, world trade faster than global GDP
- increased consumer spending drives demand for more efficient, ergonomical and frequent short-haul distribution and loading/unloading

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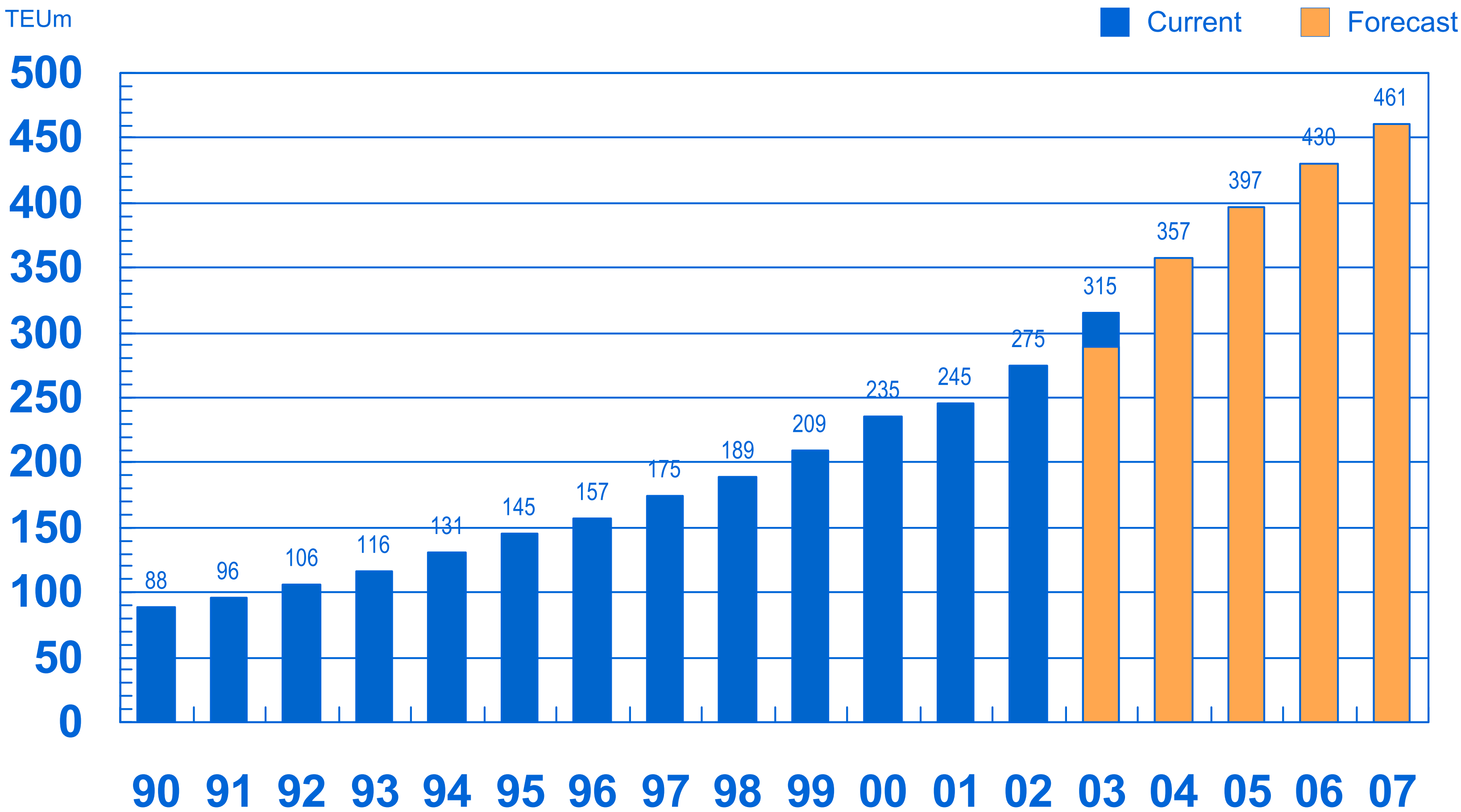
Global container traffic growth



Source: Drewry Shipping Consultants 11/2004

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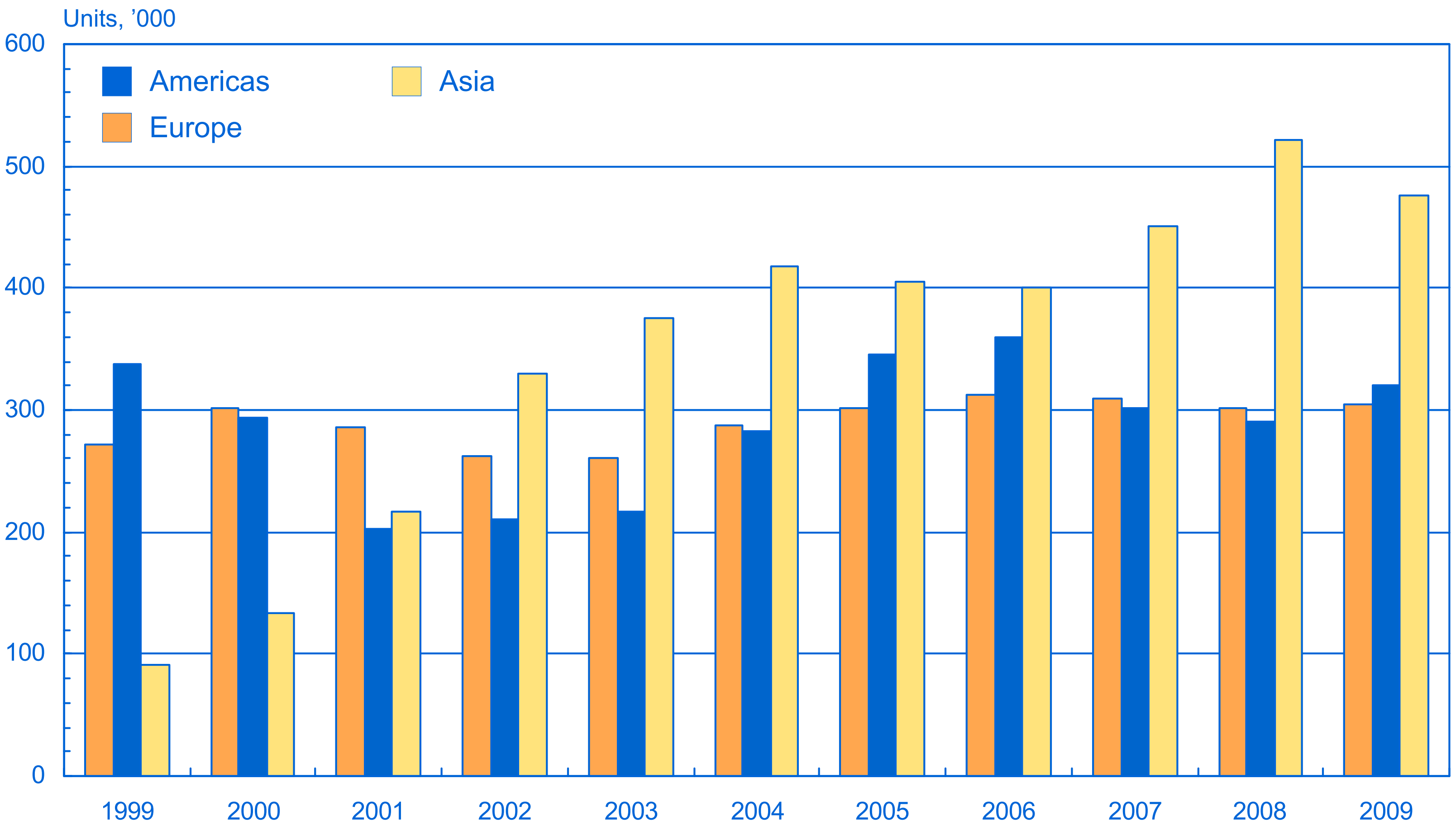
Global >16 tonnes truck market



Source: Global Insight

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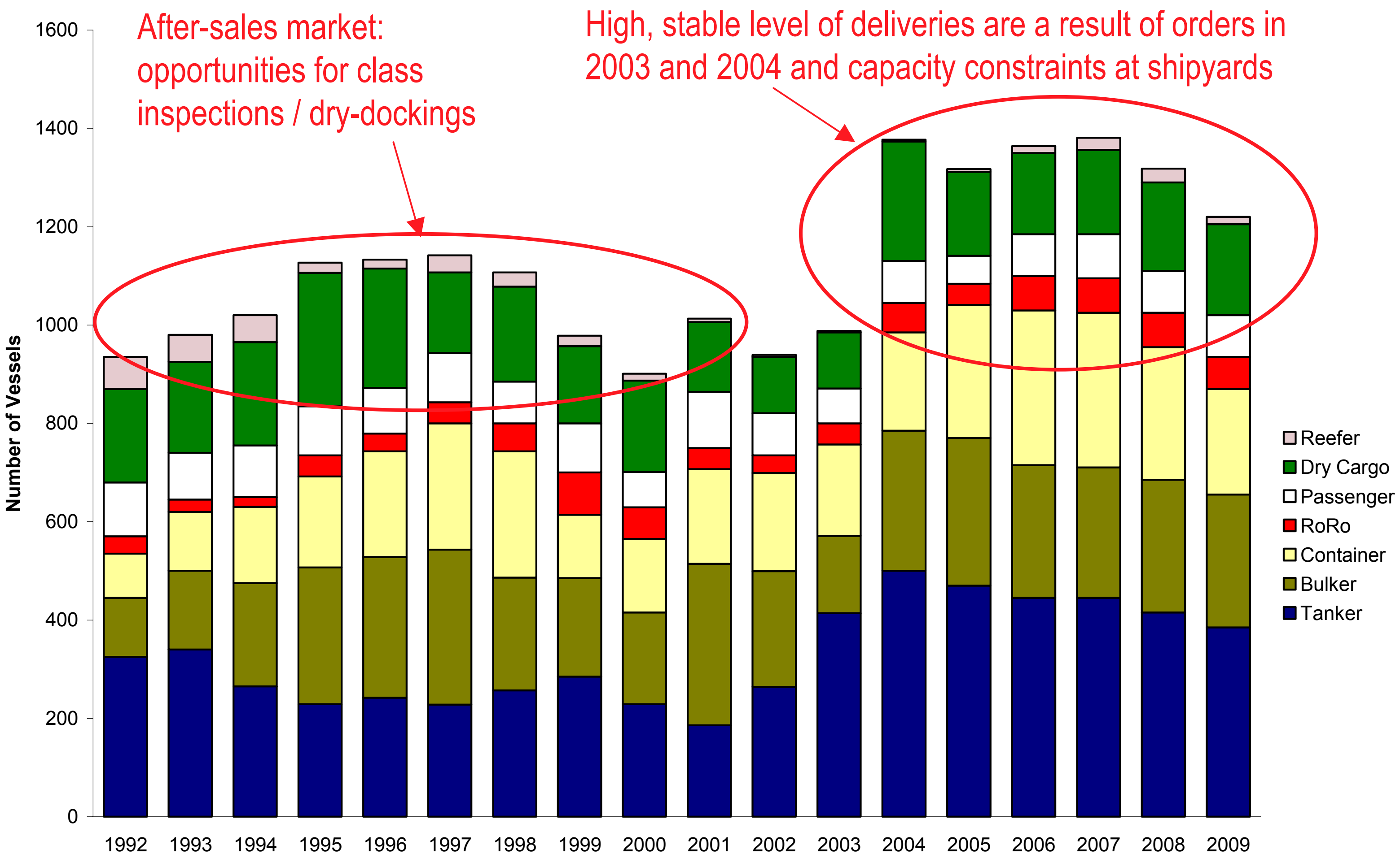
Global shipyard deliveries



Source: Sjöfartens Analys Instiut, August 2004

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Sensitivity to business cycles

	Time from customer reaction to deliveries	Own manufacturing content	Share of service business	Depth of cycle
HIAB	2 – 4 months	Key components and assembly	14%	Low
Kalmar	6 – 12 months	Assembly	24%	Medium
MacGREGOR	12 - 24 months	Outsourced production	30%	High

Key driver – general economic development – is the same, but the reaction time and capability to respond to cycles are different

Strategy and key strengths

Strategy

- Further strengthening the leading position as a global player in its material handling segments
  - › Reinforcing market position in Europe and growing in North America and Asia
- Primary choice of its customers in all its segments
- Focusing on product development, marketing, assembly and the service offering
  - › Increasing operational flexibility through continued reduction of own component production
  - › Going downstream in the value chain by utilizing the growth potential in the service and spare parts business
- Organic and acquisitional growth

Actions for implementing the strategy

- Kalmar
  - Centralizing production and increasing operational flexibility through outsourcing
  - Exploit potential in the service business, which is the largest growth area, particularly in Europe
  - Benefit from growth potential in Asia through new assembly plant in Shanghai
  - Investments in distribution channels in North America to strengthen market position
  - Automation as a core competence area

Actions for implementing the strategy

- Hiab
  - Exploit benefits of restructuring production and further improve production processes through automation and outsourcing
  - Consolidation of sales and distribution channels
  - Organizational structure streamlined and strengthened by transferring from product-based line organization to a customer-focused matrix organization
  - Create and grow demand on developing markets such as Asia; developing after-sales operations and new areas of application in developed markets like North America and Europe
  - Service and assembly as key strategic focus areas

Key strengths

- Customer-focused operations
- Broad product range and service offering, strong brands
- Strong market position
- Extensive distribution network
- Committed personnel
- Prerequisites for organic and acquisitional growth

MacGREGOR acquisition as part of Kone Cargotec's strategy

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Kone Cargotec's vision with MacGREGOR

- Kone Cargotec aims to grow and hold global market leader position in cargo flow niche businesses with strong brands
- MacGREGOR is a strategic fit for Kone Cargotec:
  - Business concept close to Kone Cargotec
  - Growth for Kone Cargotec
  - Strong world-wide known brand
  - China & Asia focus
  - Know-how in demanding engineering solutions
  - Service in harbours a potential
  - Synergies identified
    - Purchasing
    - Administration
    - Maintenance and spare parts
    - Technology

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Areas of interface

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Container handling
- Ship-to-shore cranes
- RTG cranes
- Reachstackers
- Container FLT (Fork lift trucks)

RoRo
- RoRo FLT
- Terminal tractors

MacGREGOR

Dry Cargo
- Heavy-duty cranes
- General purpose cranes
- Hatch covers
- Container securing systems

RoRo
- Ramps
- Side access equipment

- Application development across the logistical function from sea to distribution warehouse
- China Supply
- Technical service in ports

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MacGREGOR

- Elevators and escalators

Profit enhancement

- We expect that the MacGREGOR acquisition will have a positive impact on Kone Cargotec’s result already in 2005.

Pro forma figures*

*excluding MacGREGOR acquisition

Consolidated statement of income (pro forma)

MEUR	1-9/2004 IFRS	2003 IFRS	1-9/2003 IFRS	2002 FAS
Sales	1,105.8	1,344.1	983.8	1,319.2
Costs and expenses	-1,010.2	-1,239.0	-905.0	-1,252.6
Depreciation	-23.0	-33.0	-26.6	-25.2
Operating income before goodwill amortization	72.6	72.1	52.2	41.4
Goodwill amortization				-29.2
Operating income	72.6	72.1	52.2	12.2
Share of associated companies' income	2.5	5.2	3.3	3.4
Financing income and expenses	-3.0	-9.3	-7.2	-9.9
Income before taxes	72.1	68.0	48.3	5.7
Taxes	-20.9	-18.4	-13.2	-2.1
Minority share	-0.9	-0.9	-0.7	-1.3
Net income	50.3	48.7	34.4	2.3

Consolidated balance sheet, assets (pro forma)

Assets MEUR	30.9.2004 IFRS	31.12.2003 IFRS	30.9.2003 IFRS	31.12.2002 FAS
Non-current assets				
Intangible assets	332.7	330.0	338.2	340.4
Tangible assets	168.0	170.8	172.9	143.0
Loans receivable and other interest-bearing assets	8.3	7.6	9.4	8.3
Other non interest-bearing assets	27.4	23.1	21.2	14.6
Investments	53.5	52.0	50.4	31.1
Total	589.9	583.5	592.1	537.4
Current assets				
Inventories	268.6	225.2	232.5	214.0
Loans receivable and other interest-bearing assets	0.6	0.6	2.5	3.3
Accounts receivable and other non interest-bearing assets	298.9	296.5	270.3	283.0
Cash and cash equivalents	15.7	17.7	14.8	17.0
Total	583.8	540.0	520.1	517.3
Total assets	1,173.7	1,123.5	1,112.2	1,054.7

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Consolidated balance sheet, liabilities (pro forma)

Shareholders' equity and liabilities MEUR	30.9.2004 IFRS	31.12.2003 IFRS	30.9.2003 IFRS	31.12.2002 FAS
Equity	626.6	583.4	577.5	565.3
Long-term liabilities				
Loans	116.6	184.3	201.8	215.2
Deferred tax liabilities	7.1	9.9	14.1	12.6
Pension benefit liabilities and other liabilities	29.6	24.5	25.9	0.0
Total	153.3	218.7	241.8	227.8
Provisions	10.3	12.0	17.3	17.4
Current liabilities				
Loans	58.0	32.7	29.8	22.1
Accounts payable and other liabilities	325.5	276.7	245.8	222.1
Total	383.5	309.4	275.6	244.2
Total shareholders' equity and liabilities	1,173.7	1,123.5	1,112.2	1,054.7

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Consolidated cash flow (pro forma)

MEUR	1-9/2004 IFRS	2003 IFRS	1-9/2003 IFRS	2002 FAS
Operating income	72.6	72.1	52.2	12.2
Change in working capital	-1.6	29.7	23.9	40.5
Depreciation	23.0	33.0	26.6	54.4
Cash flow from operating activities before financial items and taxes	94.0	134.8	102.7	107.1
Cash flow from financial items and taxes	-25.4	-19.4	-16.9	-10.6
Cash flow from operating activities	68.6	115.4	85.8	96.5
Cash flow from investing activities	-27.5	-30.5	-14.7	-20.0
Change in net debt	41.1	84.9	71.1	76.5
Net debt in the beginning of period	191.1	276.0	276.0	285.2
Net debt in the end of period	150.0	191.1	204.9	208.7
Change in net debt	41.1	84.9	71.1	76.5

Key figures (pro forma)

	1-9/2004 IFRS	2003 IFRS	1-9/2003 IFRS	2002 FAS
Interest bearing net debt, MEUR	150.0	191.1	204.9	208.7
Basic earnings per share (EUR)	0.83	0.80	0.56	0.04
Total equity/total assets (%)	53.4	51.9	51.9	53.6
Gearing (%)	23.9	32.8	35.5	36.9
Equity per share (EUR)	10.22	9.52	9.41	9.22
Return on equity (%)	11.3			
Return on capital employed (%)	12.6			

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Key figures

Kalmar pro forma key figures

	1-9/2004 IFRS	1-9/2003 IFRS	2003 IFRS	2002 FAS
Sales, MEUR	602.1	526.8	728.3	697.7
Operating income, MEUR	47.6	38.0	52.0	31.9*
Operating income, %	7.9	7.2	7.1	4.6*

Hiab pro forma key figures

	1-9/2004 IFRS	1-9/2003 IFRS	2003 IFRS	2002 FAS
Sales, MEUR	504.8	463.3	622.4	632.8
Operating income, MEUR	32.6	21.1	29.3	19.6*
Operating income, %	6.5	4.6	4.7	3.1*

* Operating income before goodwill amortization

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Long-term targets

Long-term targets

- Growth exceeding industry average
- An operating income margin of 8%
- Increasing the turnover rate of assets employed

Cargotec – Global market leader

MacGREGOR

HIAB

Kalmar