

# **A PORTRAIT OF THE CAVOTEC GROUP**

**February 2007**



## Cavotec is...

### Connecting Mobile Equipment

- Cavotec is a specialist and a world leader in the design and manufacturing of innovative solutions for the connection of mobile equipment to its working environment!
- Cavotec provides solutions for bringing electric power, fuel, water, air, hydraulic fluids and communication between, for example:

*Ship – Port*

*Airplane – Airport*

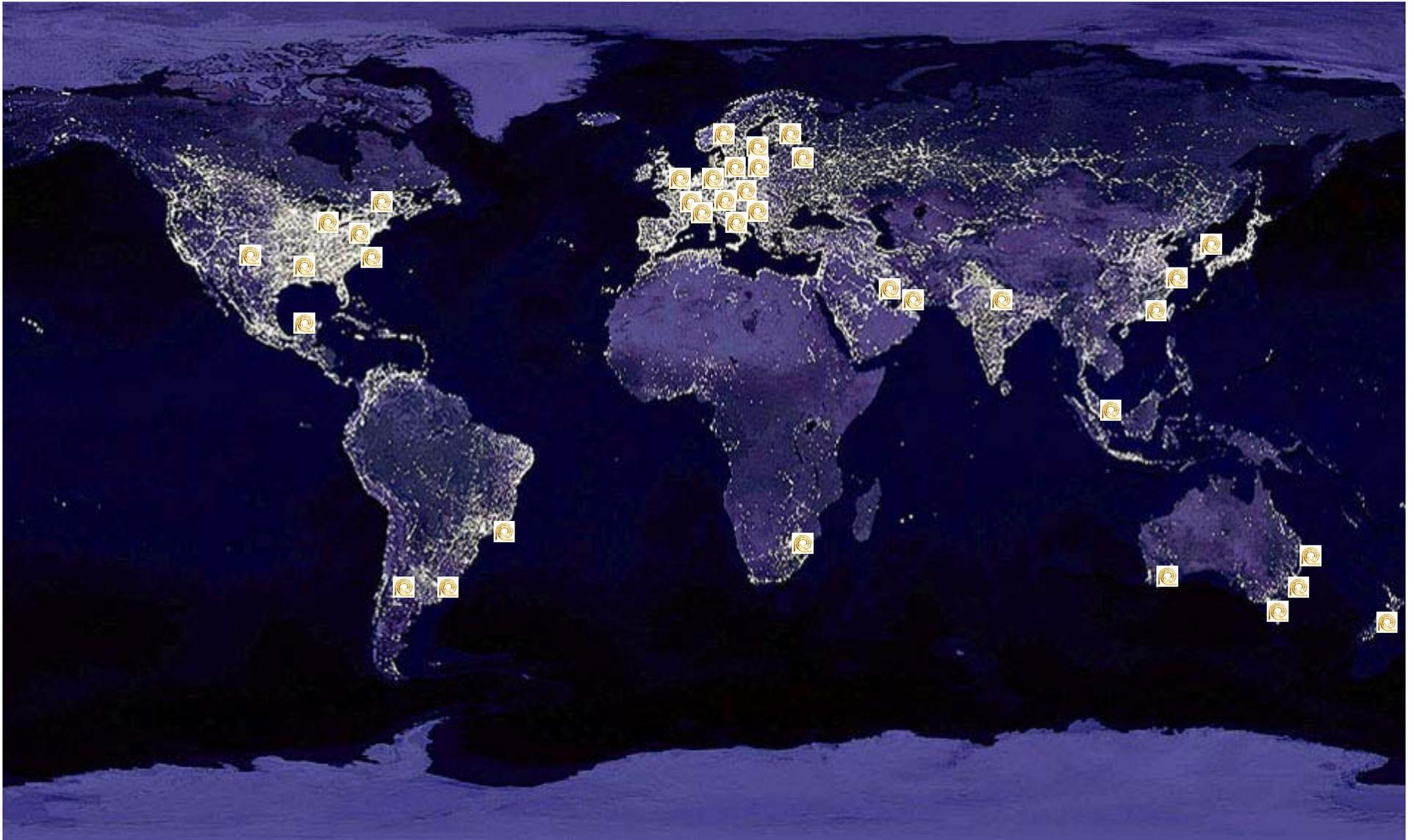
*Crane – Runway*

*Mining Machine – Tunnel*

- Cavotec is present in over 30 countries on 5 continents:
  - ◆ 7 manufacturing units – our “Centres of Excellence”
  - ◆ global network of 27 Cavotec sales companies



**Our aim is to be local everywhere!**





## Cavotec in the Field

A truly “Global” Organization



*At service for our customers:*

- *over 500 employees*
- *over 140 university graduates*
- *speaking over 40 languages*

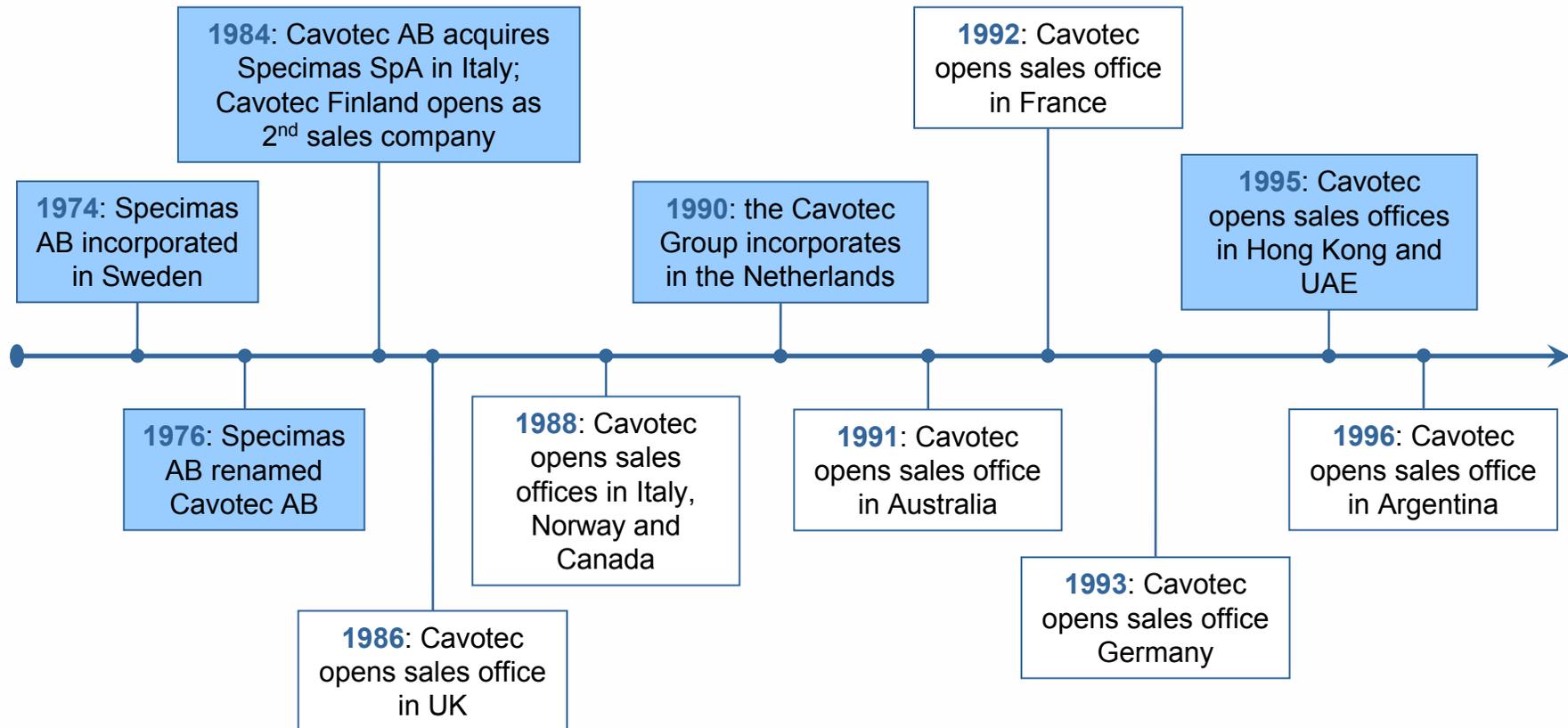
*English is our main language*





## The evolution of a true “mini-multi-national” organization

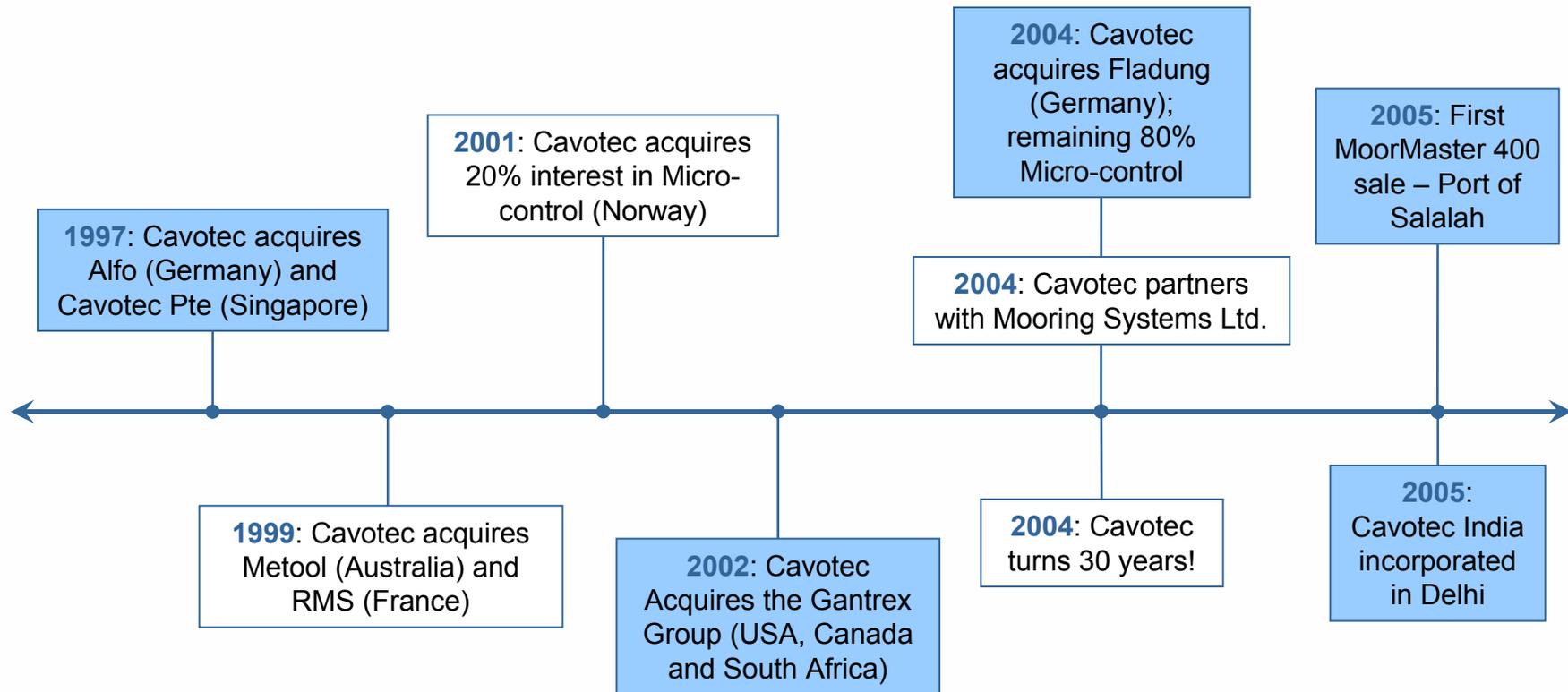
The first two decades: Establishing a global network of sales companies





## The evolution of a true “mini-multi-national” organization

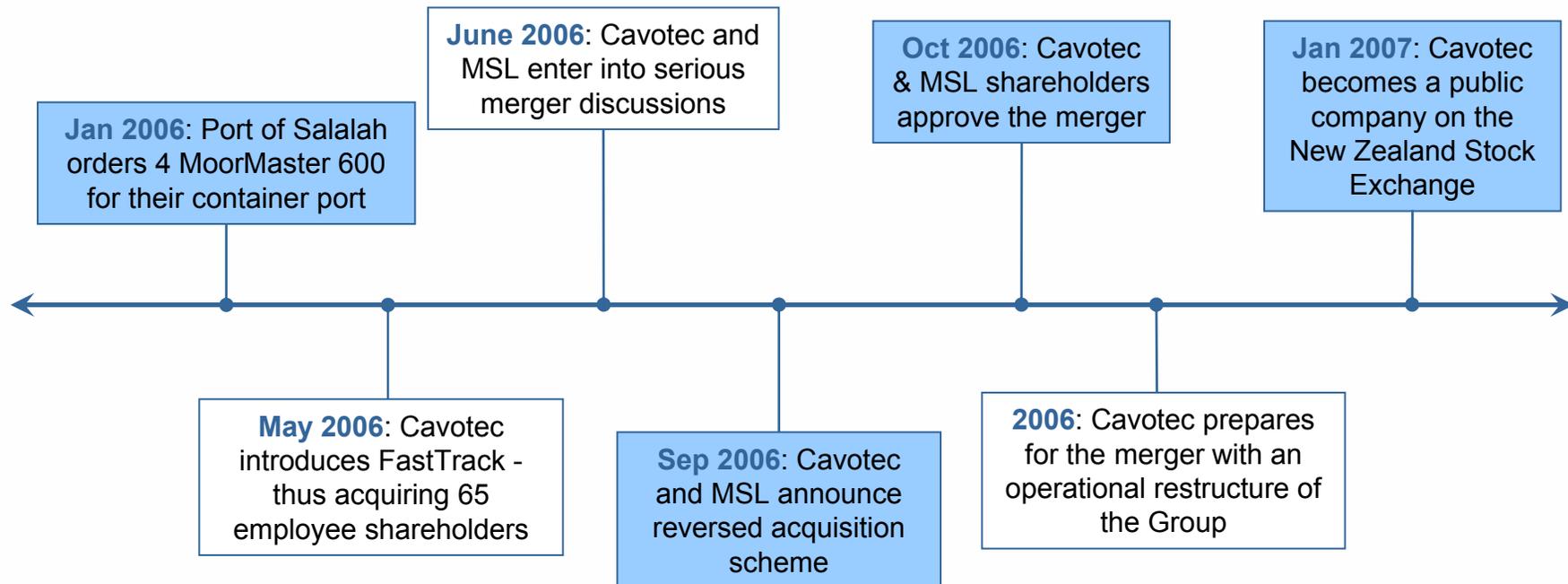
The last 10 years: Expanding product scope through Acquisitions and Partnerships





## The evolution of a true “mini-multi-national” organization

The last year: becoming a public company in New Zealand

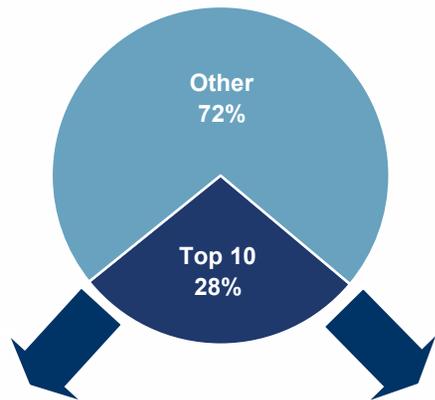




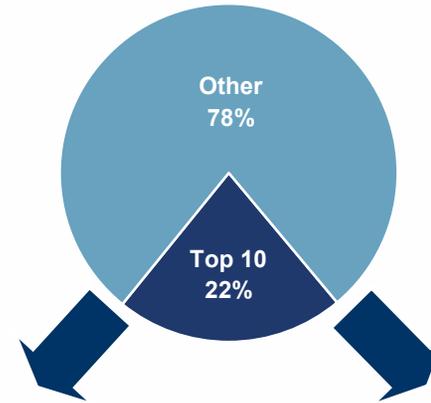
# Top 10 Customer Breakdown

## Diversified Customer Base

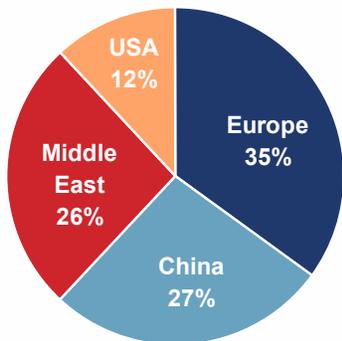
### 2005 Customers



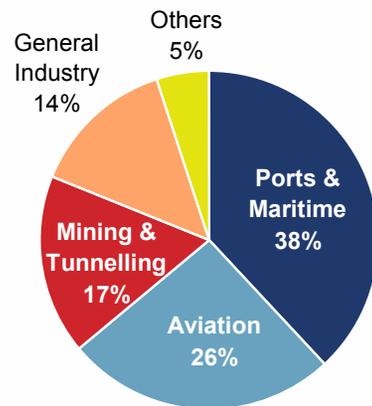
### 2006 Customers



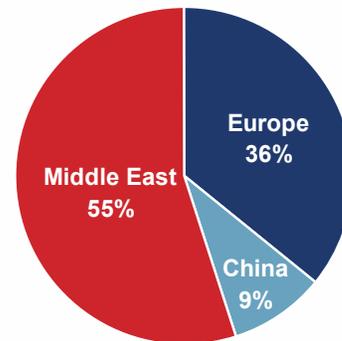
#### Top 10 By Country



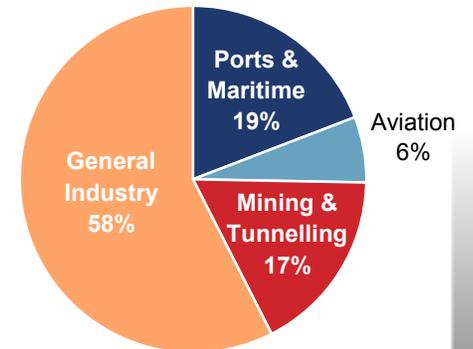
#### Top 10 By Division



#### Top 10 By Country



#### Top 10 By Division



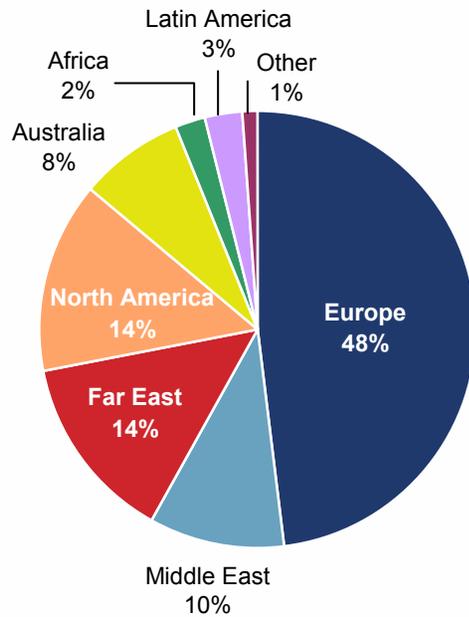
2006: Top 400 customers <75% Revenue



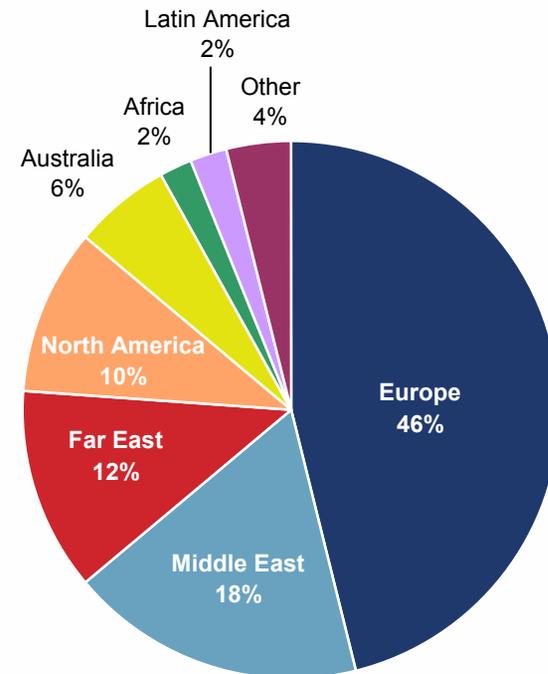
## Group Markets

### Worldwide Sales by Region

**2005**



**2006**



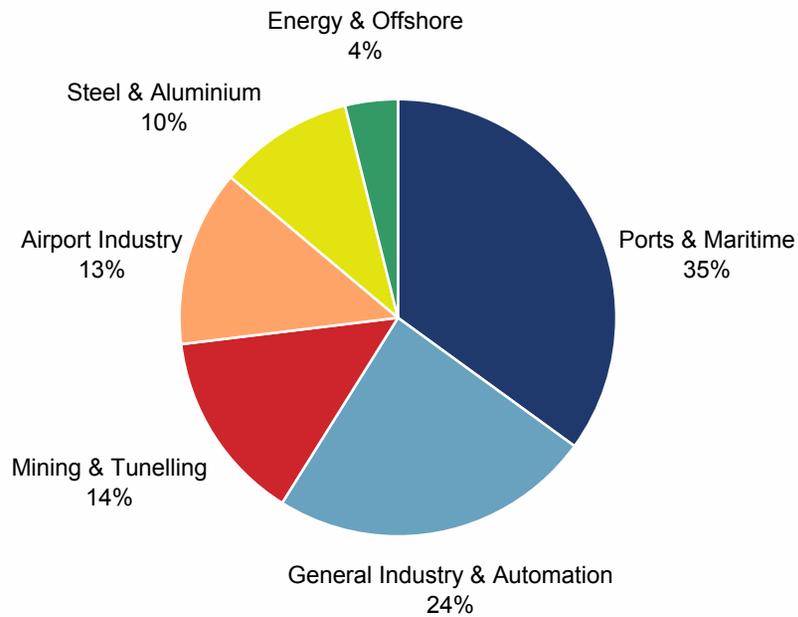
*Consolidated sales 2006: EUR 112.2 M (2005: 83.3 M)*



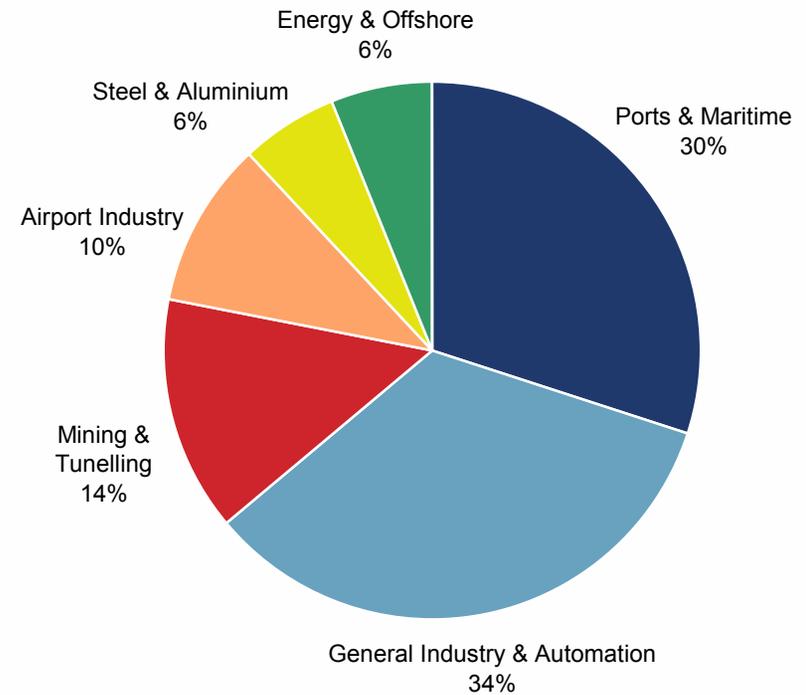
## Group Markets

### Worldwide Sales by Market

**2005**



**2006**



*Consolidated sales 2006: EUR 112.2 M (2005: 83.3 M)*

# Market Sectors



# Market Sectors

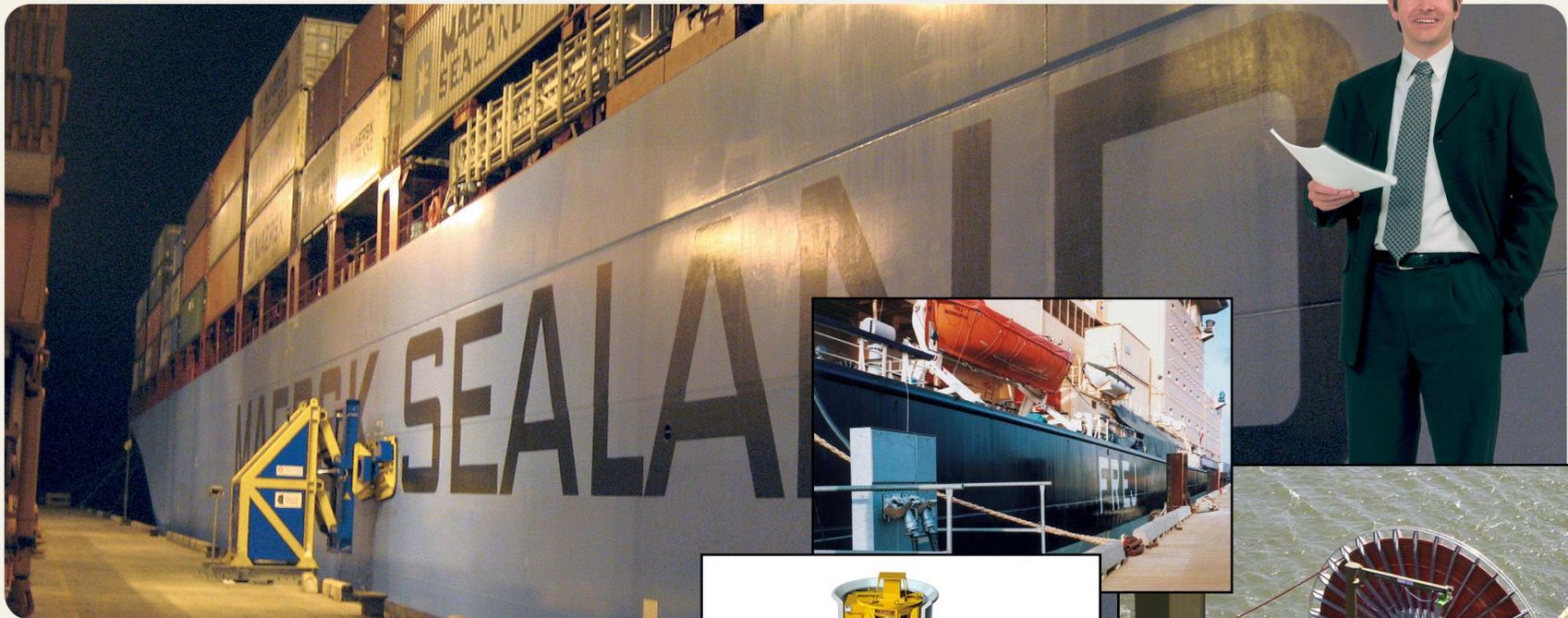
## 1. Ports & Maritime





## Market Sectors

### Ports & Maritime



Ports &  
Maritime  
30%

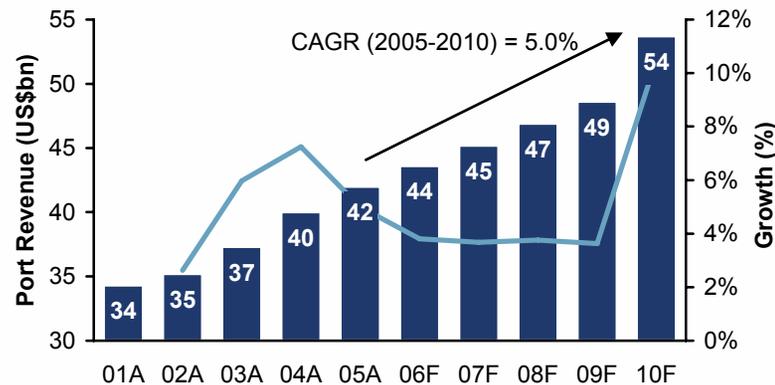


## Market Sectors

### Global Ports & Maritime Market

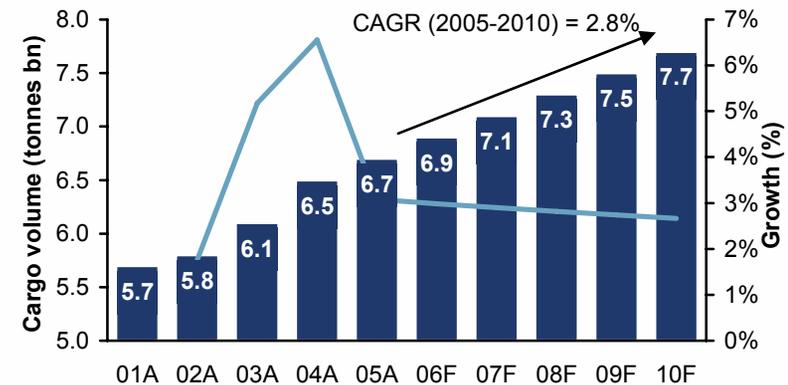
#### Total Global Marine Port Revenue

- The value of the global marine ports & services market grew by 5% in 2005 to reach US\$42bn
- In 2010, the market is forecast to have a value of US\$54bn, an increase of 28% since 2005



#### Total Global Marine Cargo Volume

- The volume of the global marine ports & services market grew by 4% in 2005 to reach 6.7bn tonnes
- In 2010, the market is forecast to have a volume of 7.7bn tonnes, an increase of 14% since 2005



Source: Datamonitor



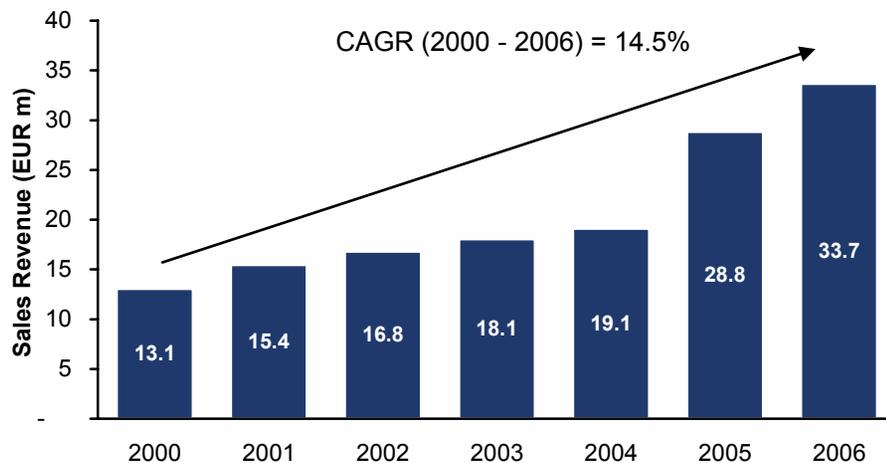
## Market Sectors

### Cavotec Ports & Maritime Market

#### Key Products

- Automated Mooring Systems
- Alternative Maritime Power (AMP) Systems
- Marine Propulsion Systems
- Motorised & Spring Driven Cable Reels
- Panzerbelt
- Rail Fastening Systems
- Power Connectors, Power Chains & Cables
- Ex Radio Remote Controls
- Crane Controllers

#### Historical Sales Revenue



#### Major Customers Include:



#### Key Drivers

- Public pressure to reduce diesel (& greenhouse gas) emissions
- Global consolidation of port ownership driving increased infrastructure investment
- Increasing legal requirements for additional safety on quayside
- Increasing need for operating efficiencies to alleviate port congestion (scarcity of land for port expansions)
- Containerisation growth outpacing transportation & port capacity



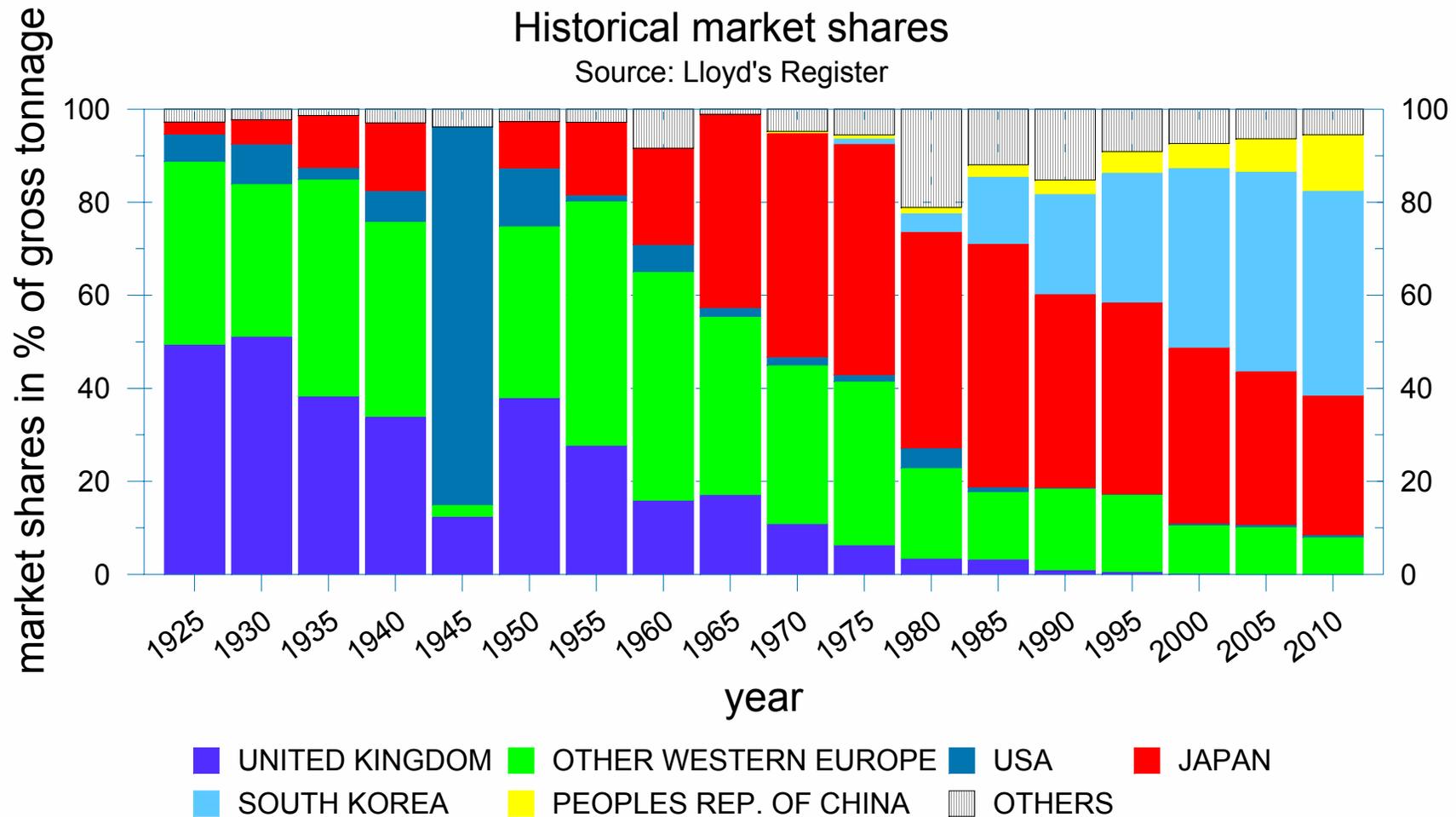
# Cavotec innovations for new technologies

## Global Ports & Maritime Market

### WORLD SHIPBUILDING OUTPUT BY COUNTRIES

#### Historical market shares

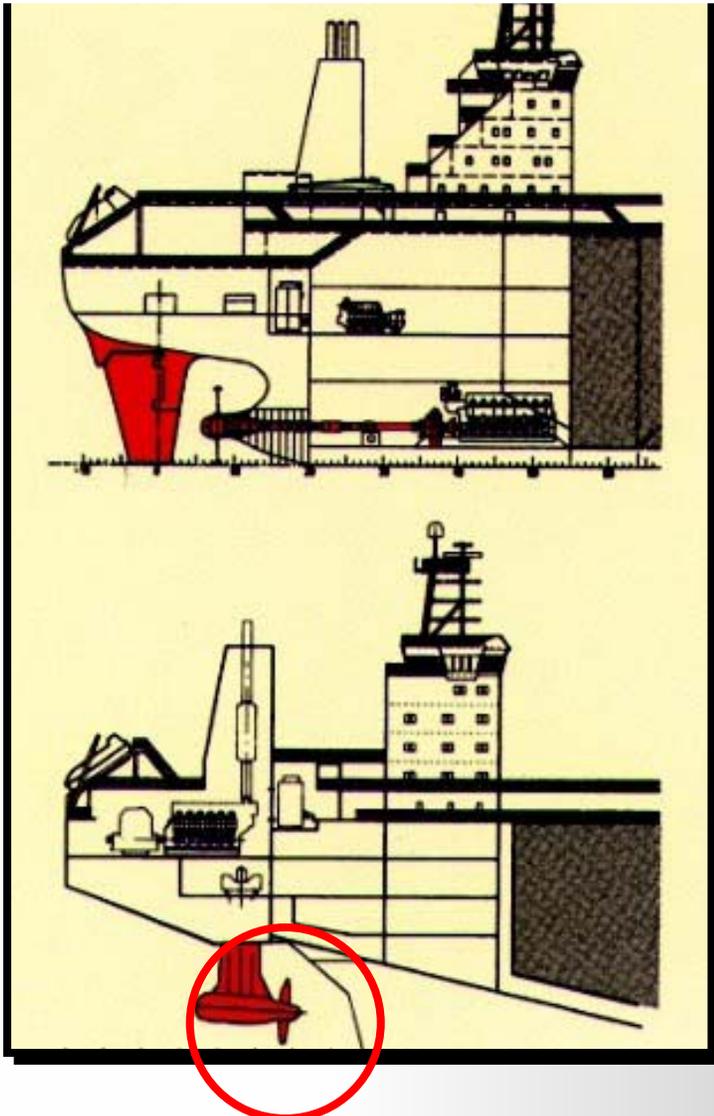
Source: Lloyd's Register





## Cavotec innovations for new technologies

### Azipod ship propulsion system

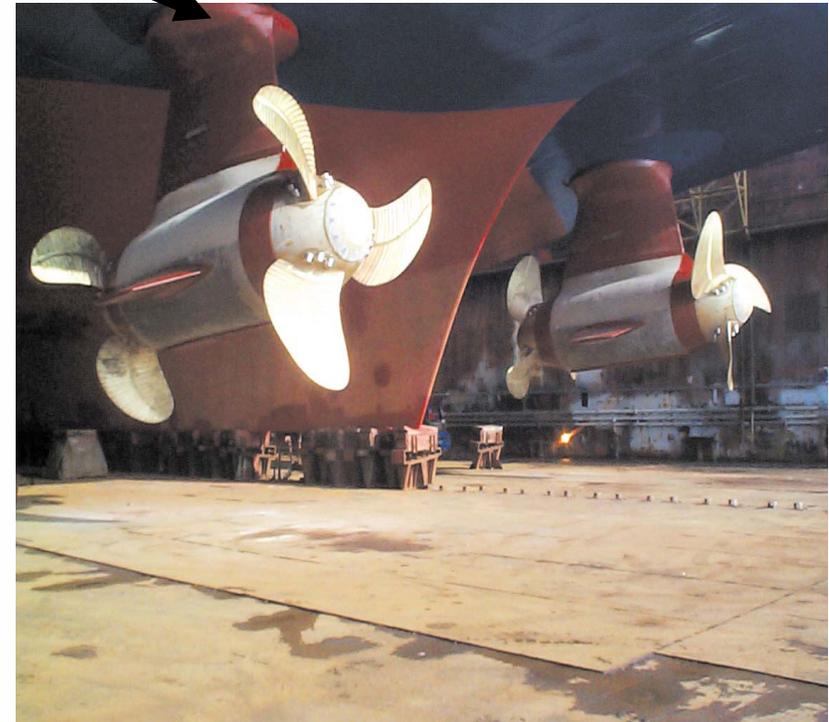


- *These systems incorporate an electrical motor rotating through 360°*
- *The motor is installed inside a pod, which is mounted Outside / below the ship's hull*
- *Patented slipping technology enables this system – Cavotec has ~80% of the Azipod market*



## Cavotec innovations for new technologies

### Azipod ship propulsion system





## Market description, Highly specialised vessels

### *Vessels using diesel electric propulsion systems:*

Shuttle Tankers

Drill ships

Drill rigs

Floating Production

Cruise Vessels

Navy Vessels

Research Vessels

Ferries

Container vessels

LNG Carriers

Oil Carriers

Offshore Supply Vessels

Cable Layer

Pipe Layers

Ice Breakers

Seismic Vessels





## Cavotec MSL innovations for new technologies

### Automatic Mooring Systems

4 units of MoorMaster 600 being installed at Port of Salalah, Oman





## Cavotec MSL innovations for new technologies

### Automatic Mooring Systems



On October 4<sup>th</sup>, 2006 a dream came true – a 100,000 ton container ship did slacken the lines, leaving 4 MoorMaster 600 in control of its mooring!



## Cavotec innovations for new technologies

### Alternative maritime power supply for ships

#### On-ship application





## Cavotec innovations for new technologies

### Alternative maritime power supply for ships



**Market Sectors**  
**2. Mining & Tunnelling**



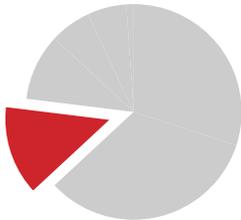


## Market Sectors

### Mining & Tunnelling



Mining &  
Tunelling  
14%



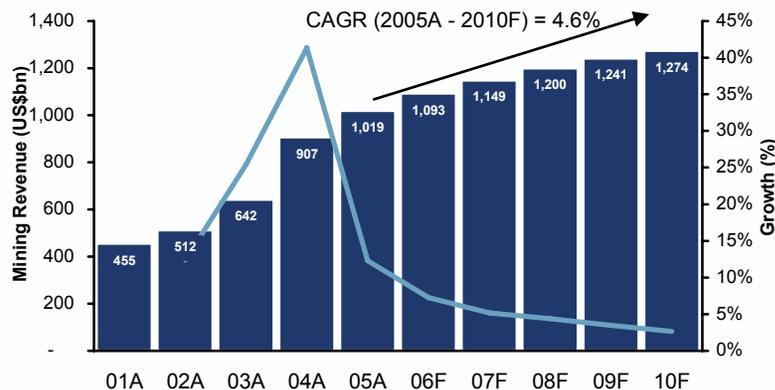


## Market Sectors

### Global Mining & Tunnelling Market

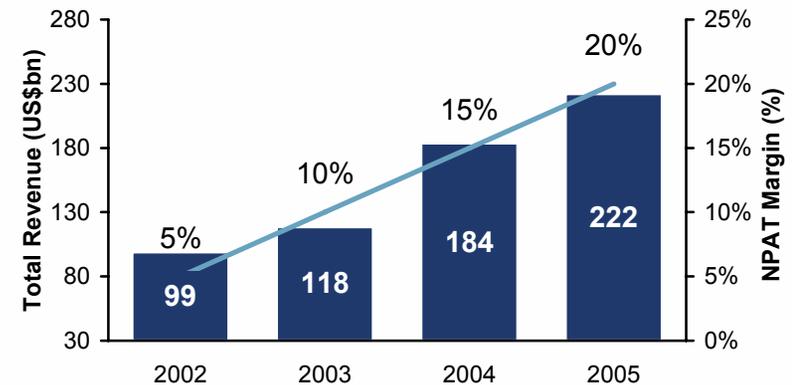
#### Total Global Metals and Mining Revenue

- The global metals and mining industry grew by 12% in 2005 to reach a value of US\$1,019bn
- In 2010, the industry is forecast to earn revenues of US\$1,274bn, an increase of 25% since 2005



#### Top 40 Global Mining Companies

- The total revenue earned by the top 40 mining companies grew by 21% in 2005 to reach US\$222bn
- The average NPAT margin for these companies has increased over the past four years to reach 20% in 2005



Source: Datamonitor, PWC "Mine\*" Review July 2006



## Market Sectors

### Cavotec Mining & Tunnelling Market

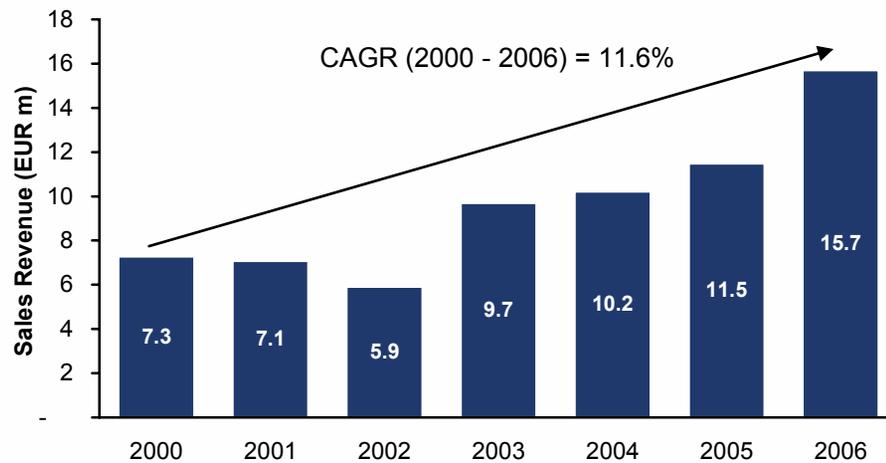
#### Key Products

- Motorised Cable Reels
- Radio Remote Controls
- Power Connectors
- Cables and Hoses
- Spring Driven Cable Reels

#### Major Customers Include:



#### Historical Sales Revenue



#### Key Drivers

- Unconditional need for reliable power in mines and other hazardous work environments
- Strong commodities demand driving increased infrastructure investment
- Proven track record for over 30 years

**Market Sectors**  
**3. Airport Services**



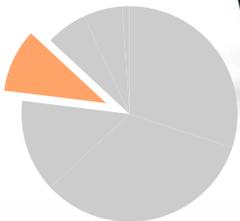


## Market Sectors

### Airport Services



Airport  
Industry  
10%



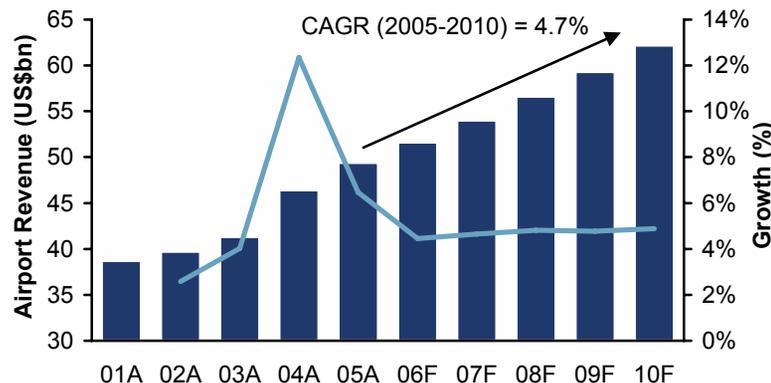


## Market Sectors

### Global Airport Services Market

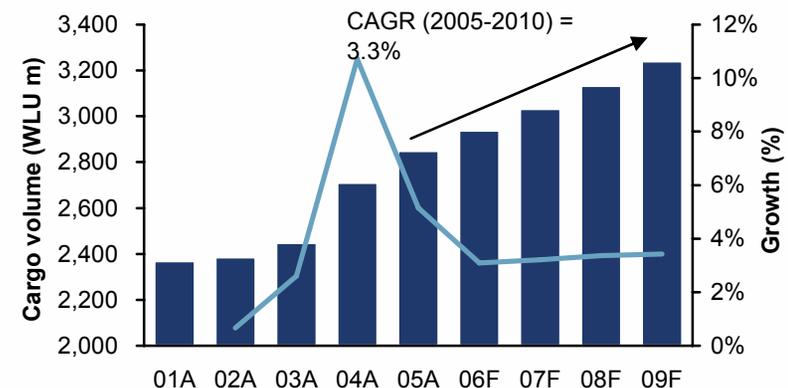
#### Total Global Airport Services Revenue

- The value of the global airport services market grew by 7% in 2005 to reach US\$49bn
- In 2010, the market is forecast to have a value of US\$62bn, an increase of 26% since 2005



#### Total Global Airport Services Volume

- The volume of the global airport services market grew by 5% in 2005 to reach 2,850m WLU<sup>1</sup>
- In 2010, the market is forecast to have a volume of 3,356m WLU, an increase of 18% since 2005



Source: Datamonitor

<sup>1</sup> WLU (Workload Units) are a method of adding together passenger and cargo volumes. One WLU = one passenger or 100kg of cargo



## Market Sectors

### Cavotec Airport Services Market

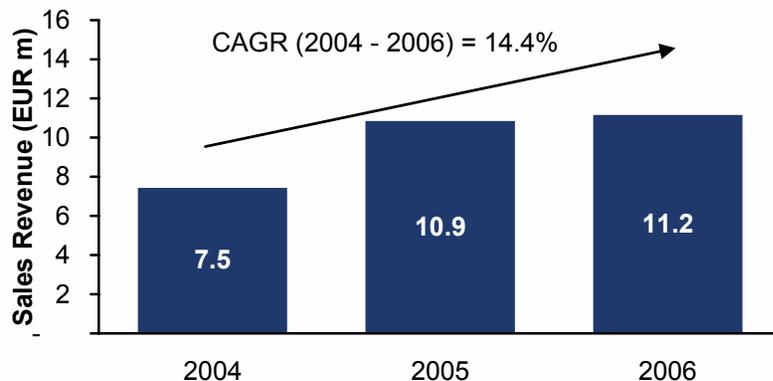
#### Key Products

- Power Caddy's
- PC Air
- Underfloor Solutions ("Pop-up Pits")
- Tunnel Systems
- Aircraft Connectors
- Special Cables
- Cable Coils
- Spring Driven Cable Reels
- Portable Towbars
- Radio Remote Controls
- Power Connectors

#### Major Customers Include:



#### Historical Sales Revenue



#### Key Drivers

- Airbus A380 and Boeing 777 driving significant new infrastructure investment by airports
- Asian and Middle Eastern airport infrastructure rapidly expanding as passenger travel increases
- Discount airlines forcing all airlines to maximize efficiencies and seek new technologies
- Passenger travel doubling every decade



## Cavotec innovations for new technologies

### Cavotec Aircraft Support & Preconditioned Air Systems



- Automation on the tarmac improves aircraft turn-around times
- Cavotec Fladung has also introduced an innovative, environmental friendly and efficient PC Air System, which will reduce pollution at airports



## Cavotec product innovations

### Cavotec Aircraft Support & Pre-conditioned Air Systems

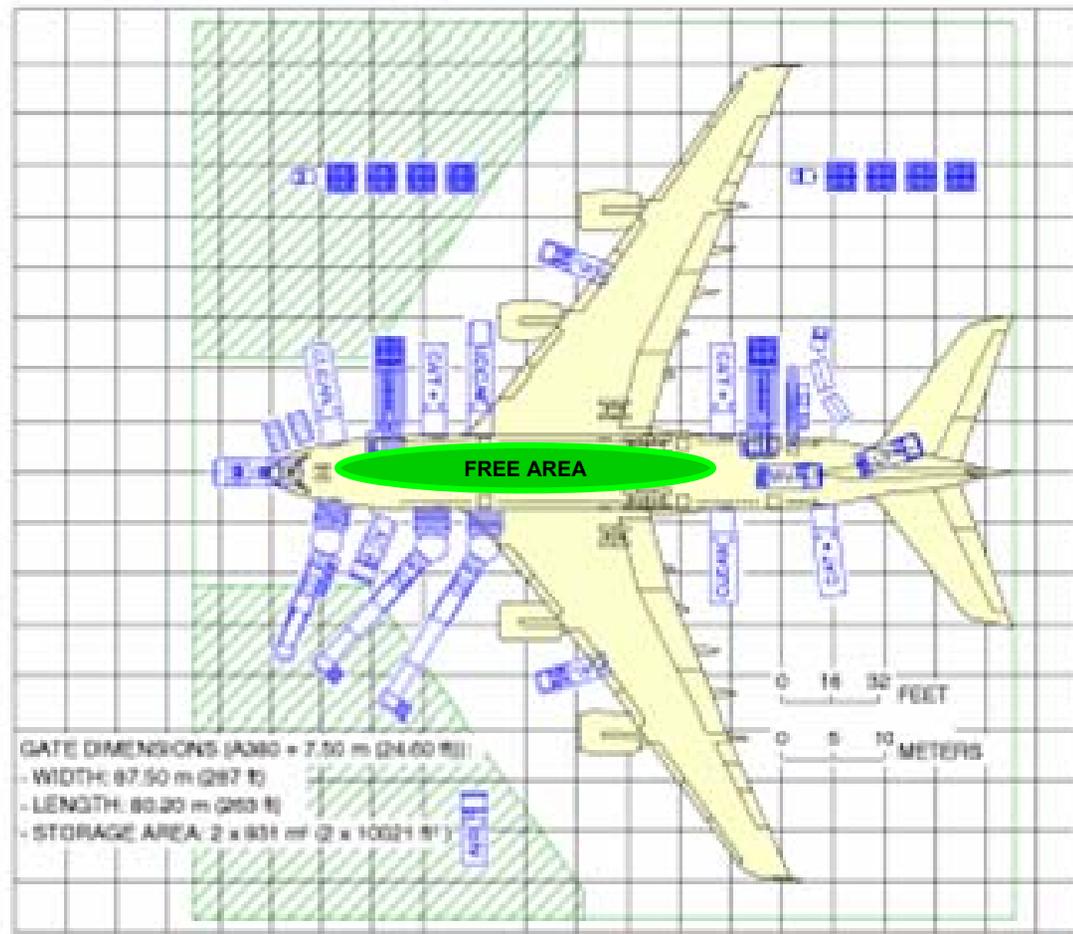


**CAVOTEC FLADUNG UNDER FLOOR SYSTEM**



## Cavotec innovations for new technologies

### Cavotec Aircraft Support & Preconditioned Air Systems





## Cavotec product innovations

### Cavotec Aircraft Support Tunnel System





## Cavotec innovations for new technologies

### Cavotec Aircraft Support & Pre-conditioned Air Systems



Cavotec Fladung pit-system at work at Dubai International Airport, on the arrival of the first Airbus 380

The pit-system is designed to host **four** 400 Hz cables, necessary to power wide-body airplanes like A380 and Boeing 777

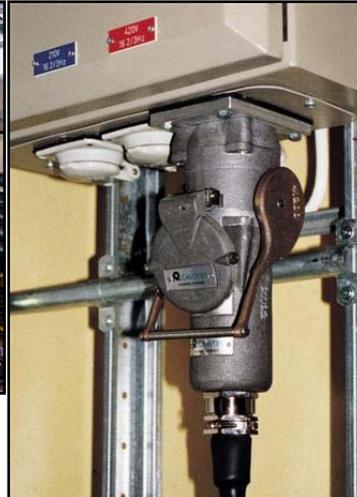
**Market Sectors**  
**4. Steel & Aluminium**



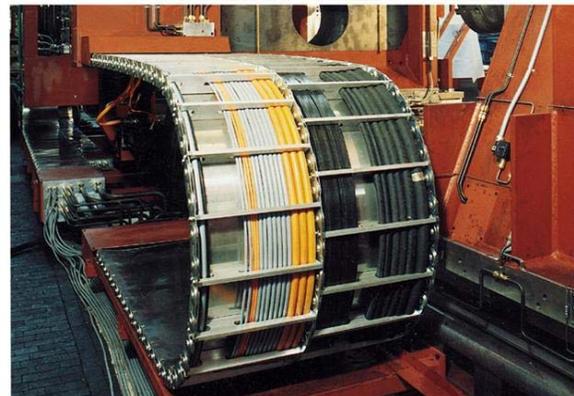
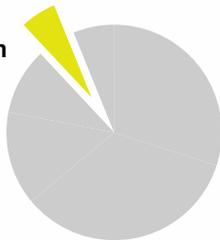


## Market Sectors

### Steel & Aluminium



Steel &  
Aluminium  
6%



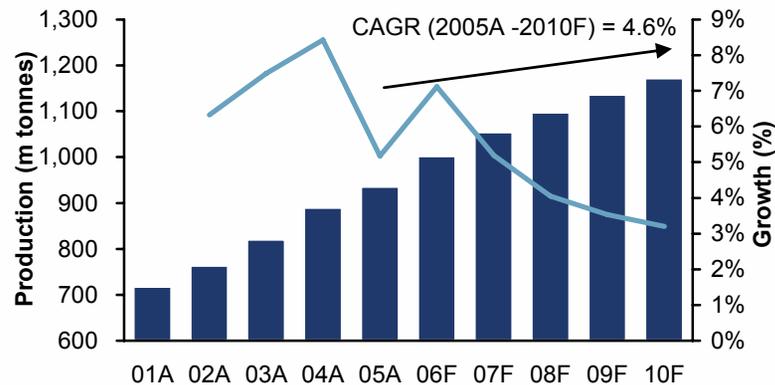


## Market Sectors

### Global Steel & Aluminium Market

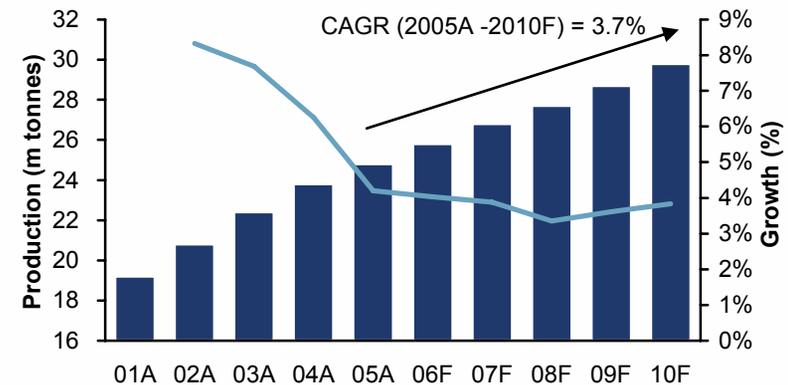
#### Total Global Steel Production

- The volume of the global steel market grew by 5% in 2005 to reach a volume of 934m tonnes
- In 2010, the industry is forecast to have a volume of 1,172m tonnes, an increase of 25% since 2005



#### Total Global Aluminium Production

- The volume of the global aluminium market grew by 4% in 2005 to reach a volume of 25m tonnes
- In 2010, the industry is forecast to have a volume of 43m tonnes, an increase of 35% since 2005



Source: Datamonitor



## Market Sectors

### Cavotec Steel & Aluminium Market

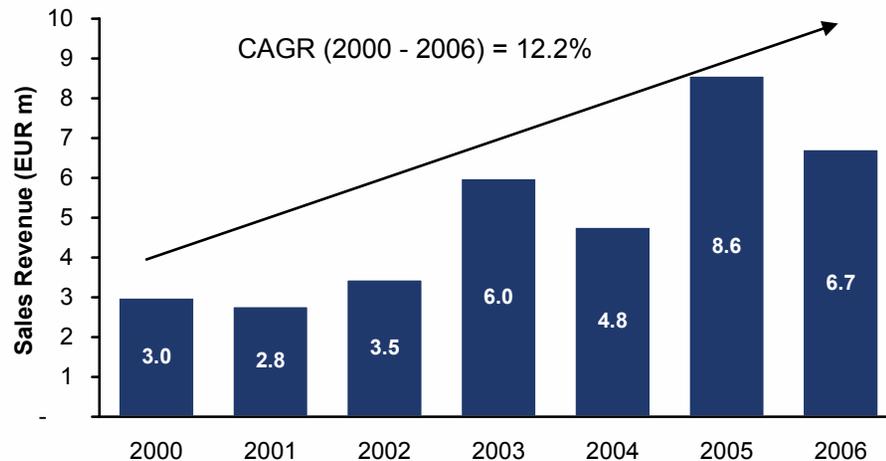
#### Key Products

- Rail Fastening Systems
- Radio remote controls
- Power connectors
- Cable
- Motorised Cable Reels
- Cable Chains

#### Major Customers Include:



#### Historical Sales Revenue



#### Key Drivers

- Extreme operating environments require consistent equipment maintenance
- Consistently increasing demand for metals globally

**Market Sectors**  
**5. Energy & Offshore**



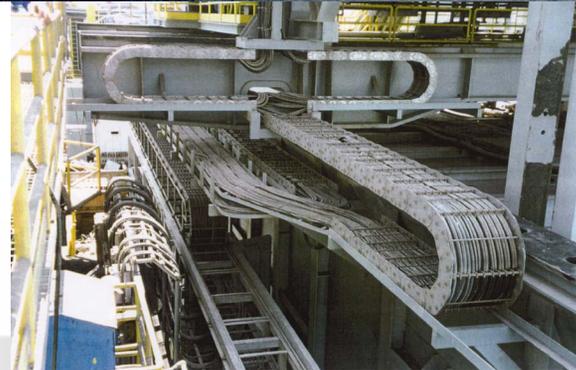
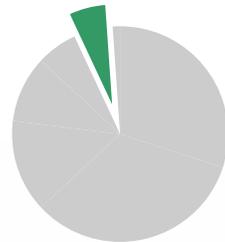


## Market Sectors

### Energy & Offshore



Energy & Offshore 6%



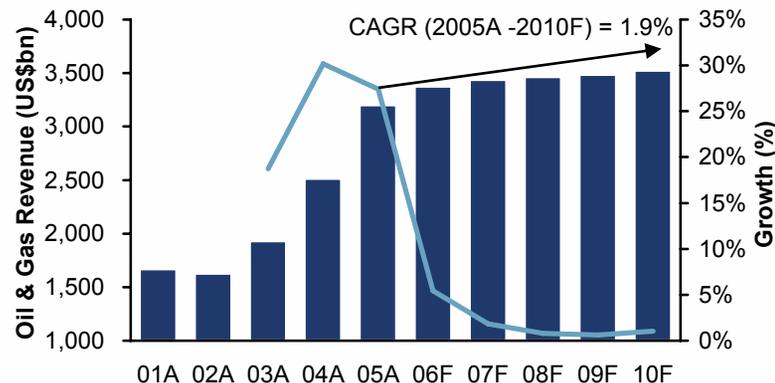


## Market Sectors

### Global Energy & Offshore Market

#### Total Global Oil and Gas Revenue

- The value of the global oil and gas market grew by 27% in 2005 to reach revenue of US\$3,201bn
- In 2010, the market is forecast to have a value of US\$3,523bn, an increase of 10% since 2005

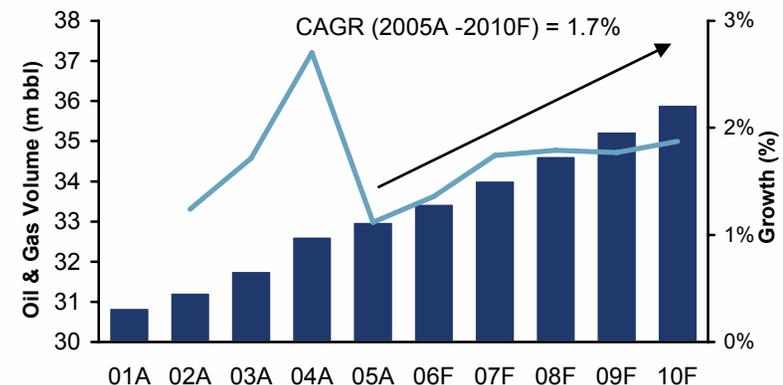


Source: Datamonitor

<sup>1</sup> Consumption volume reflects the total consumption of crude oil and natural gas in billions of barrels equivalent

#### Total Global Oil and Gas Consumption

- The volume of consumption of the global oil and gas market grew by 1.1% in 2005 to reach 33.0bn barrels equivalent<sup>1</sup>
- In 2010, the market is forecast to have a volume of 35.9bn barrels equivalent, an increase of 9% since 2005





## Market Sectors

### Cavotec Energy & Offshore Market

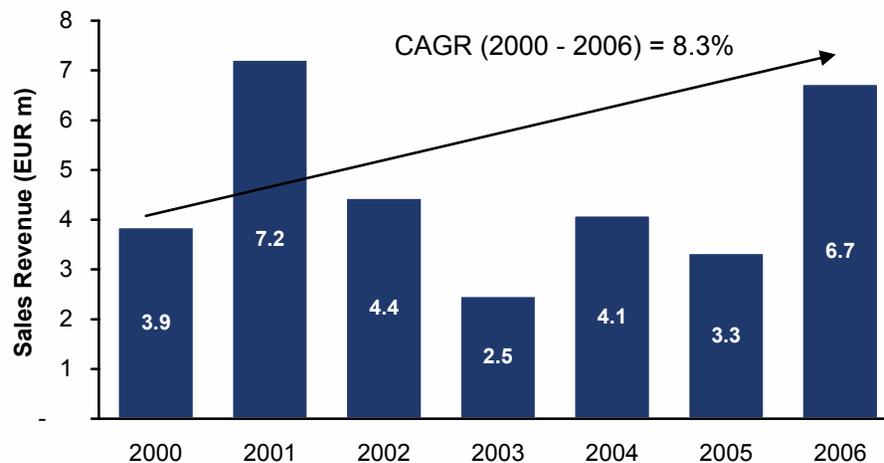
#### Key Products

- Steel Cable Chains
- Eex Radio Remote Controls
- Power Connectors
- Cables
- Motorised Cable Reels
- Crane Controllers
- Rail Fastening Systems

#### Major Customers Include:



#### Historical Sales Revenue



#### Key Drivers

- High price of oil and gas driving increased infrastructure investment
- Extreme operating conditions compelling market to prioritize product reliability and quality

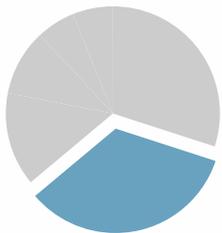
**Market Sectors**  
**6. General Industry &**  
**Automation**





## Market Sectors

### General Industry & Automation



General Industry & Automation  
34%



## Market Sectors

### Cavotec General Industry & Automation Market

#### Key Products

- Cable Ladders
- Spring Driven Cable Reels
- Radio Remote Controls
- Slipping Columns
- Power Connectors
- Cable Chains
- Rotating Electrical Connectors
- Cables

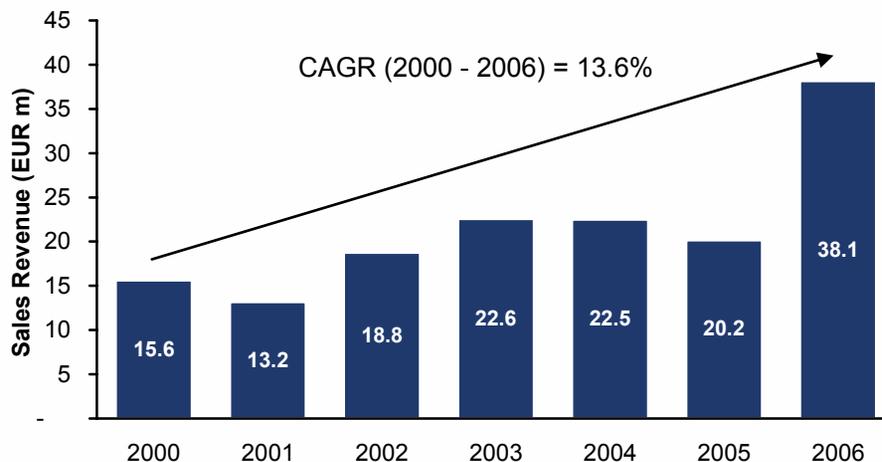
#### Major Customers Include:



The Ultimate Driving Machine



#### Historical Sales Revenue



#### Key Drivers:

- Global market for commercial construction is booming
- Key Partnership in Dubai has resulted in pre-eminent market position

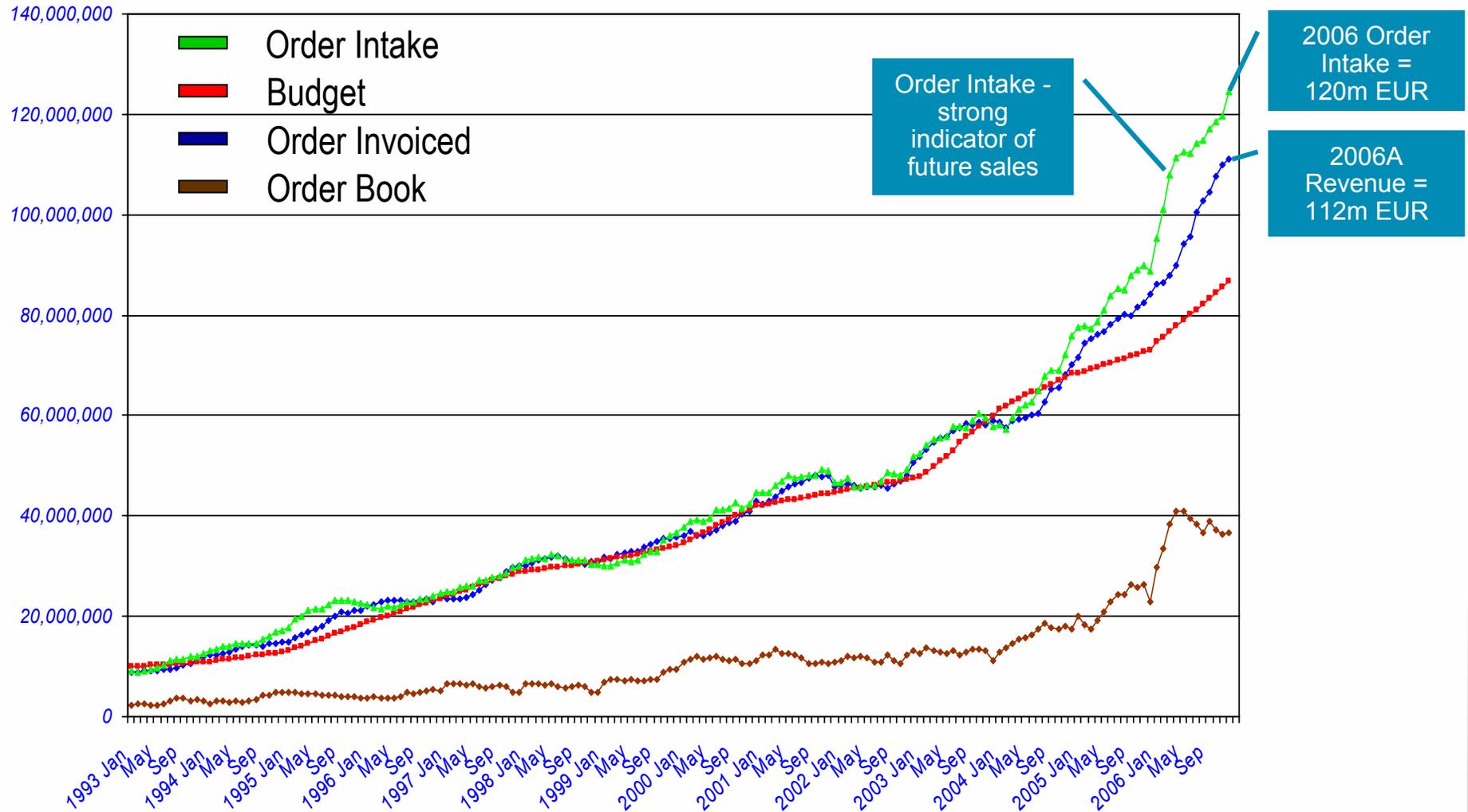
# Financial Information





# Twelve months running Turnover

1996 - 2006





# Cavotec Group Financial Results December 2006

## Statement of Financial Performance

Year ended 31 Dec (EUR m)	2004A	2005A	2006A <sup>1</sup>	2007F
Operating Revenue	68.2	83.3	112.2	
<i>Operating Revenue Growth</i>	16%	22%	35%	+10%
Cost of Sales	(38.6)	(48.7)		
Operating Costs	(0.0)	(0.0)		
EBITDA	5.3	7.2	12.0	
<i>EBITDA Growth</i>	2%	37%	67%	+10%
Depreciation	(1.2)	(1.5)	(1.7)	
EBIT	4.0	5.7	10.3	
Interest	(0.5)	(0.6)		
Other	0.0	(0.0)		
NPBT	3.5	5.1		
Taxation	(1.3)	(1.6)		
NPAT	2.2	3.5	6.6	
<i>NPAT Growth</i>	-3%	58%	89%	+10%

**Capital Expenditure:** Other than two new building facilities in FY07, capital expenditure is expected to be in line with depreciation

As announced on  
7 February 2007

<sup>1</sup>In FY06, MSL's MoorMaster product portfolio contributed revenues of approximately EUR 1.8m



# Cavotec Group Financial Results December 2006

## Statement of Financial Position

Year ended 31 Dec (EUR' m)	Cavotec	MSL	Consolidated
<b>Equity</b>			
Shareholders' Equity <sup>2</sup>	20.7	2.1	97.8
Minority Shares	1.1	0.0	1.1
<b>Current Liabilities</b>			
Accounts Payable	13.9	0.2	14.1
Borrowings	3.4	0.0	3.4
Provisions	1.8	0.0	1.8
Other	7.0	0.0	7.0
<b>Non-Current Liabilities</b>			
Borrowings	16.1	0.0	16.1
Other	1.8	0.0	1.8
<b>Total Liabilities and Equity</b>	<b>65.7</b>	<b>2.3</b>	<b>143.1</b>
<b>Current Assets</b>			
Cash	7.1	0.4	7.5
Accounts Receivable & Other	21.1	0.1	21.2
Inventories	14.6	0.0	14.6
<b>Non-Current Assets</b>			
Tangibles	7.6	0.1	7.7
Intangibles <sup>2</sup>	14.5	1.6	91.2
Financial Fixed Assets	0.9	0.0	0.9
<b>Total Assets</b>	<b>65.7</b>	<b>2.3</b>	<b>143.1</b>

Source: Crighton Anderson Independent Advisor's Report

<sup>1</sup>Translated at NZDEUR = 0.48 (rate as per Crighton Anderson Independent Advisor's Report)

<sup>2</sup>The values of Intangibles and Shareholders' Equity for the merged entity have been determined as per Crighton Andersen's valuation analysis



## Cavotec Innovations

### Significant Future Growth Opportunities

#### Cavotec's growth will be derived from:

- Portfolio of core lower value products with higher volumes that provide stable underlying growth characteristics
- Subset of Cavotec portfolio is invested in technology that has high potential growth:

#### Automatic Mooring Systems



#### Aircraft Support and Pre-conditioned Air Systems



#### Alternative Maritime Power



#### Power & Data Transmission for Azipod type propulsion systems

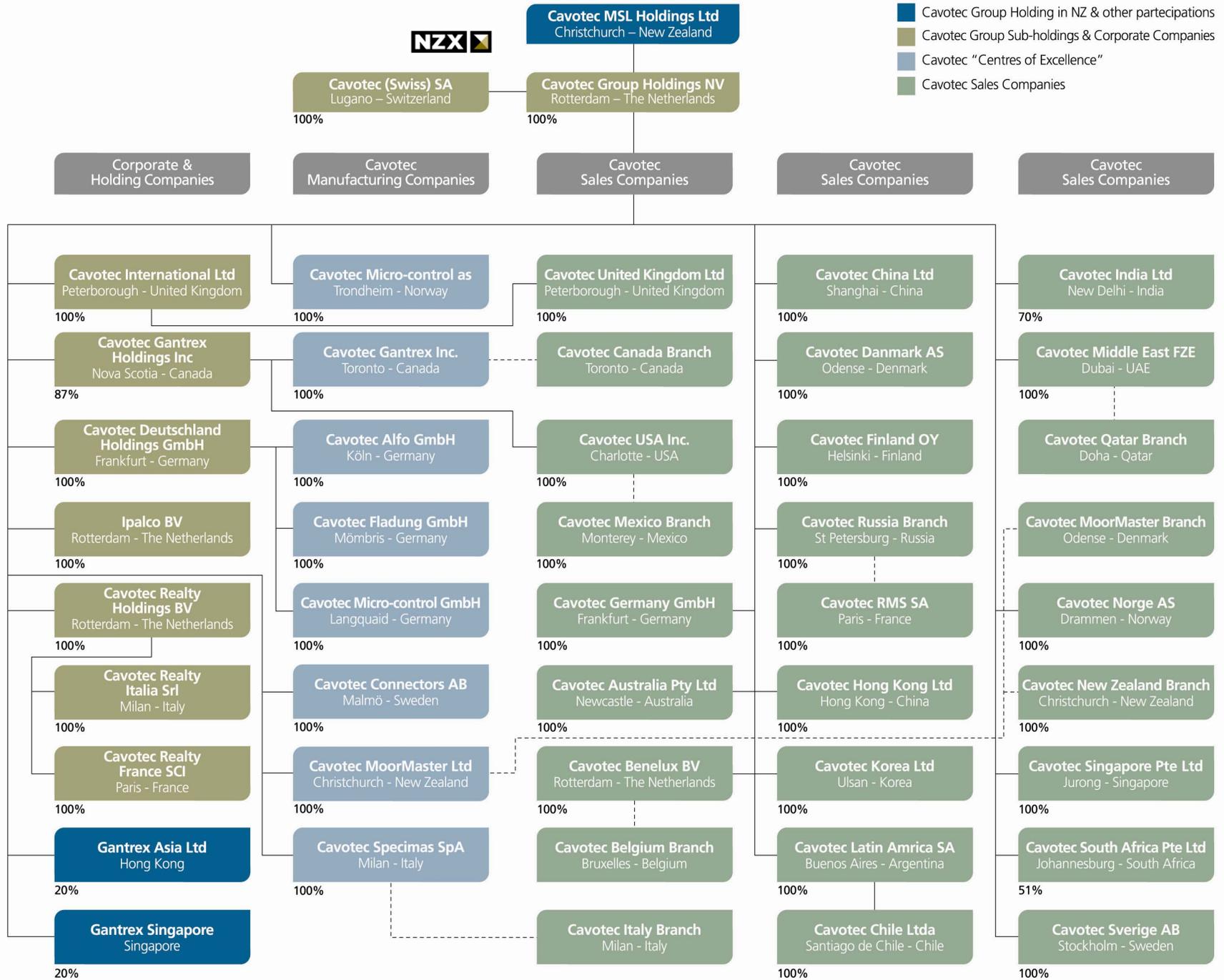


Currently contributing <5% of sales

# Organisational Structure



# Cavotec MSL Holdings Limited Fiscal Structure 2007





## Cavotec MSL Board of Directors

Effective per January 1<sup>st</sup>, 2007

### Board of Directors

Director	Qualification	Country of Residence	Citizenship
 <u>Michael Cashin</u>	Independent Director	New Zealand	New Zealand
Jack Groesbeek	Independent Director	The Netherlands	Dutch
Lakshmi Khanna	Independent Director	Italy	Italian / Indian
 <u>Erik Lautmann</u>	Independent Director	Sweden	Swedish
<u>Peter Montgomery</u>	Director	New Zealand	New Zealand
 <u>Joe Pope</u>	Independent Director	New Zealand	New Zealand
Ottonel Popesco	Director	Switzerland	French
Stefan Widegren	Director - Chairman	Switzerland	Swedish

### Associated Board Member

Director	Qualification	Country of Residence	Citizenship
Fabio Cannavale	Independent Director	Italy	Italian
Lars Hellman	Director	Switzerland	Swedish