



# Cavotec MSL - 4th Quarter Report **2010**

Following a solid performance in Q3, Cavotec sustained positive momentum throughout Q4.

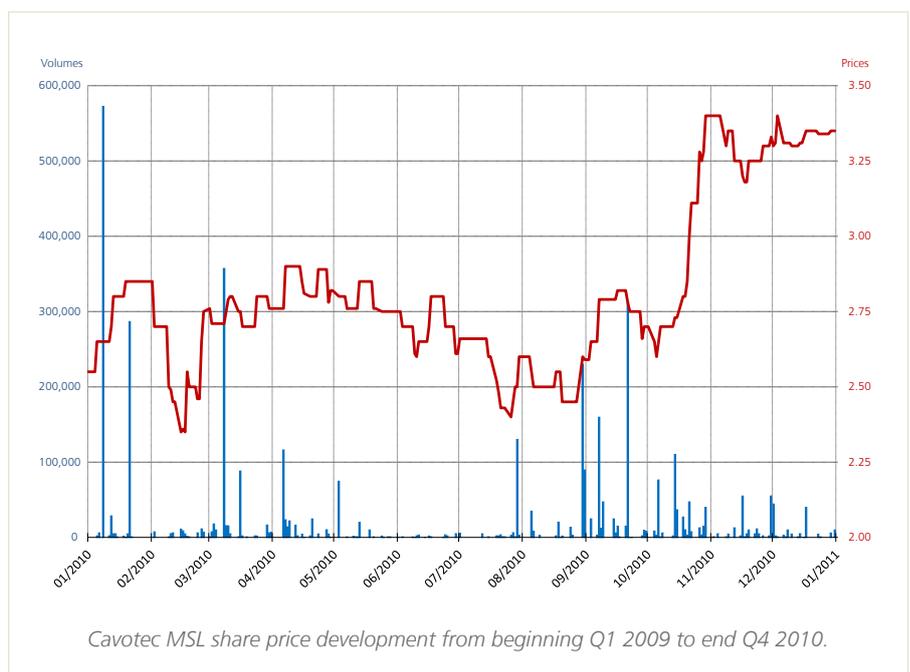
Order Intake for the period came to EUR 32.5 million, up 31.6% on Q4 2009 (which amounted to EUR 24.7 million, excluding the historic EUR 30.0 million order from Bahrain International Airport which was registered in Q4 2009).

With consistently solid Order Intake figures throughout the preceding quarters, our Order Book stands at EUR 66.4 million, an increase of 1.5% on Q4 2009 and down 8.4% on Q3 2010.

Our rolling 12-month Order Intake came to EUR 144.2 million, up slightly compared to Q4 2009.

Despite a softening in global Q4 figures, we still believe global economic growth is set to continue in 2011. On a macroeconomic level, there are no signs that excessive inventory levels are being established, or of order backlog being depleted in such a way to make the increase in output unsustainable.

The continuing rise of industrial commodity prices serves as a reminder that growth remains fairly strong in global terms, due especially to the strength of domestic demand in emerging markets, which are becoming increasingly important, also as an export destination. Indicators point to a slow-down in trade levels similar to the historical average, against a global backdrop of more modest growth in manufacturing output compared with the post-recession rebound in early 2010.



In the US, two noteworthy developments have taken place that have potentially far-reaching consequences. Firstly, the US administration has reached a compromise on a new fiscal stimulus package; and secondly, the US Federal Reserve has launched a wide-ranging new programme to expand the monetary base centred on the purchase of government securities.

These measures, coupled with a brightening of the jobs market, will further ensure a continued strengthening of the US economy. For Cavotec, the US market remains strong with the potential for significant growth in 2011.

In Asia, PMI surveys indicate that the growing rate of economic activity is dissipating. However, we still believe the

Asia-Pacific region remains an area with substantial growth potential throughout 2011 and beyond.

In Europe, with the notable exception of Germany and the Nordic countries, the economic outlook remains subdued. The ECB has deferred the gradual removal of extraordinary liquidity measures by another three months, a move the markets expected to occur next spring. Furthermore, several EU economies are forecast to report dips in growth as a result of severe fiscal consolidation policies being gradually implemented.



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### MARKET UPDATE



#### Ports & Maritime

During Q4, our Ports & Maritime Market Unit saw an encouraging amount of activity, booking strong results for numerous key systems such as AMP and MoorMaster.

The commissioning of the 14 MM200B units installed at Utah Point in Port Hedland, Australia, is proceeding extremely well with several rope-free moorings already having taken place. A full hand-over of the system is scheduled to take place early in Q1 2011.

Further successes for the MoorMaster in Q4 include an order for two MM400 units from KiwiRail, (formerly Toll Shipping), to be used on the ferry route between North and South Island in New Zealand, and an order to research and develop an ATEX (explosion proof) approved MoorMaster systems, potentially for use at LNG berths.

In the Netherlands, we received an interesting order to supply EX-approved Micro-control radio remote controls for the operation of access gangway systems for cranes and pedestal-mounted jetty cranes.

We also registered an impressive order for a new offshore application together with our partner Brevetti Stendalto. The order comprises two large stainless steel chains, specifically designed for the offshore market, for installation on a cantilever and drill floor application.



#### Mining & Tunnelling

The global mining industry looks to be continuing its recovery, translating into a solid Q4 for our Mining & Tunnelling Market Unit. Besides ongoing sales to our main OEM customers we also registered two substantial orders in Australia for a total of 18 horizontal cable reels including related products and systems such as radio remote controllers, consoles and drag chains.



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### **Airports**

The airports market unit was very active throughout Q4, registering many orders for different types of systems across the globe.

One of these orders came from Nigeria, where we are to supply Pop-Up Pits to Murtala Muhammed International airport in Lagos. This is breakthrough order for Cavotec as we look to expand our activities on the African continent.

We received a number of orders for different types of ground support equipment in Spain. One of these orders was for multiple 400Hz pits and related equipment for the new Santiago de Compostela Airport Terminal, which is expected to fully operational in April 2011. We also received orders for 400Hz Cable Coils for Bilbao Airport and Barajas Airport in Madrid.

In the US, we were able to sustain the high level of activity seen in recent quarters and registered several major orders for the Airports Market Unit. These included one from Oakland International Airport in California, for over 25 Hatch Pits and related equipment.



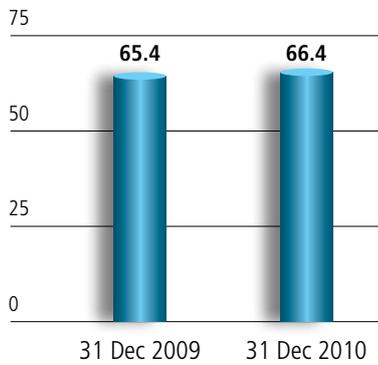
### **General Industry**

The General Industry Market Unit continued to register considerable activity in Q4, not least in the Middle East where an order was received for eight Cavotec Meyerinck Top Loading Arms, made from both stainless steel and carbon steel. These Top Loading Arms are suitable to transport various types of products including polyol, which is a type of alcohol containing multiple hydroxyl groups.

In China, we received a large breakthrough Power Connectors order to supply plugs and sockets for use on the high-speed bullet trains connecting Shanghai and Beijing. The project consists of a total of 70 high-speed trains designed to cover the distance between the two cities in less than five hours. The project is due for completion in 2014.

## Order Book

Millions EUR



Change: 1.5%

## Order Intake (for quarter)

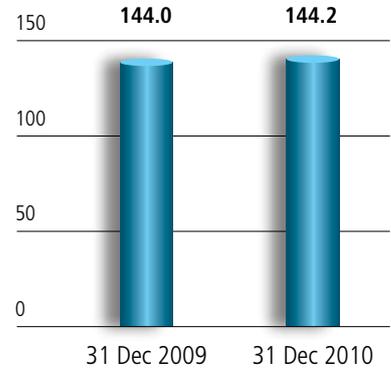
Millions EUR



Change: 31.6%

## Order Intake (12 months)

Millions EUR



Change: 0.1%

## 12 Months Running Turnover 2000-2010

