



Cavotec MSL - 3rd Quarter Report **2010**

The Cavotec Group continued to deliver solid results in Q3, maintaining the positive trend set throughout 1H 2010.

Order Intake for the quarter came to EUR 42.0 million, a significant 49.3% increase on Q3 2009 (EUR 28.2 million). With Order Intake figures being consistently strong in recent quarters, our Order Book now stands at EUR 72.5 million, an increase of 57.0% on Q3 2009 and a 7.1% decrease on Q2 2010.

Our rolling 12-month Order Intake came to EUR 166.4 million, up a considerable 32.7% compared to Q3 2009.

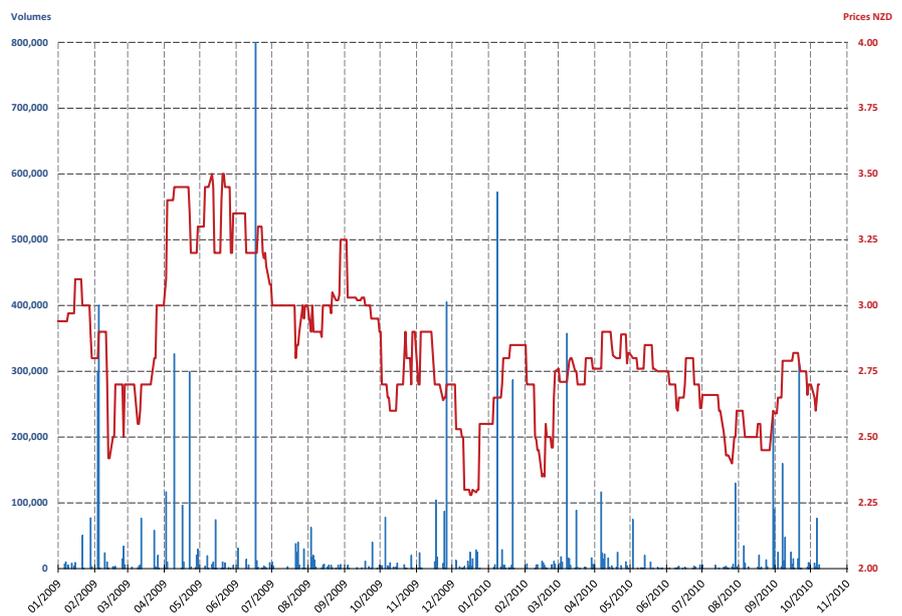
In line with our expectations, and as stated in our Interim Report, we are pleased to report that in Q3 we started to recognize revenues for the Bahrain Airport order. Overall, the Bahrain project is continuing to move ahead as scheduled, with the majority of the civil works complete and the first deliveries from our manufacturing Centres of Excellence already on-site.

Since Q2, the pace of Euro-zone growth appears to have significantly quickened, driven by an increase in exports, mainly from Germany, and assisted in part by EUR weakness. Consumer dynamics appeared more muted, weighted by the tightening of fiscal policies across Europe. The financial crisis in Greece somewhat abated during Q3, thanks to intervention by the ECB and the FMI. Despite these moves, the risk of contagion to other peripheral economies still persists.

The US economy experienced a sharp slowdown in Q3, after an initial rebound driven by the increase of inventories. The persistent high levels of unemployment continue to raise concerns going forward, and this has prompted the FED to start considering a second round of quantitative easing to support the economy in the coming quarters. Even these preliminary discussions have led to a significant weakening of the USD.

In Asia, we are seeing positive developments across the board, fuelled partly by the import of goods from the Euro-zone, but also in larger part by the demand for goods in local, internal markets. This trend is especially positive for us given our strong position in the region.

Taking all of the above into consideration, together with the Q3 Market Update below, and bearing in mind our solid past performance, even in tough global economic conditions, we remain confident of further evolving our growth and development, while reaching our previously stated target of a return to 2008 levels of revenue.



Cavotec MSL share price development from beginning Q1 2009 to end Q3 2010.



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MARKET UPDATE



Airports

Over the course of Q3, our Airports Market Unit continued to book solid results, with several noteworthy projects around the globe.

In the Middle East, we started work with Bahwan Engineering Company, the biggest MEP contracting company in the Sultanate of Oman and part of the Bahwan Group, for the design, supply, and installation of 95 pop-up pit systems at the new Muscat International Airport development.

In France, we are set to deliver specially designed hydrant pit systems to serve aircraft at Paris Charles de Gaulle Airport, the second busiest passenger airport in Europe after London Heathrow. The project comprises 34 hydrant pits and related materiel, including vault access covers, ladder assemblies and service inserts. Delivery is scheduled for October this year. The equipment will form part of the

airport's new EUR 500 million S4 (Satellite 4) terminal that is scheduled to open in 2012.

In the US, we delivered the largest isolation pits ever built by Cavotec Dabico to Memphis Airport. These enormous units, made entirely of fiberglass, will be installed at the Fed-Ex facility at the airport.

Kunming Airport, which is set to be China's fourth largest airport when completed in 2020, ordered a total of 31 vault access covers with delivery in October. We are also delivering a total of 58 coilers for four other airports across China.

In India, we won an encouraging follow-up order for 14 vault access covers for delivery and installation at Mumbai International Airport. We are also pleased to report that Cavotec India is continuing to grow, and is taking steps to become a Global Engineering office, fulfilling a crucial role as a support and services hub for the engineering teams at our existing manufacturing Centres of Excellence.



Ports & Maritime

Our Ports & Maritime Market Unit also continued to register interesting orders in Q3, further strengthening our position in this crucial sector.

We are supplying ZPMC with cable reels for three ship-unloaders, and Dalian Huarui Heavy Industries will use our cable reels for three stacker/reclaimers. All six units are for the material handling facility at the vast Zhoushan steel mill in Wuhan, central China.

Doosan Heavy Industries and Construction, one of South Korea's largest industrial companies, has awarded us with two separate orders for cable reels. The first is for three spreader cable reel units for a project in the US, and the second is for six power cable reels for ship-to-shore cranes at the Port of Shuwaikh, Kuwait.

In Q3, we also received our first AMP project for RoRo traffic between Sweden and Denmark, and between Germany and Poland. The first three units for Gothenburg were delivered towards the start of the quarter and two more are scheduled for Gothenburg and Karlskrona.



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Delivered equipment includes Cavotec's shore based CMS (Cable Management System), with cable dispenser and junction box with plug and sockets. We also registered a booking for multiple customized E-RTG cable reels to be installed at the Port of Izmir in Turkey and in Greece, an order for our Cable Protection System, to be installed at the Port of Piraeus.

The installation and commissioning of the MoorMaster units at Port Hedland, Australia, is also on schedule, with the units successfully being introduced into service with increasing frequency.



General Industry

In the General Industry Market Unit, our newest Centre of Excellence, Cavotec Meyerinck, reported several important deals, including one for 11 loading and unloading arms for a new bio-ethanol plant in Germany. In a highly specialised application, Meyerinck is to deliver a Teflon-lined loading arm fitted with a vapour return line, for Qatar Vinyl in Doha.

The unit has been engineered using Teflon to transfer hydrochloric acid, as neither carbon steel nor stainless steel are sufficiently resistant.

Q3 also saw some interesting bookings for spring driven cable reels from various general industry customers in Germany. In Russia we are supplying the Bolshoi Theatre in Moscow with specialised cable reels that will be used to supply power and data to the hoists controlling the theatre's backdrops. We are also delighted

to report a project with the Onassis Foundation House of Letters and Arts, based in Athens. We will supply a range of customised spring driven cable reels designed to transfer power and data from the intermediate gallery and the grid to the lighting bars below.



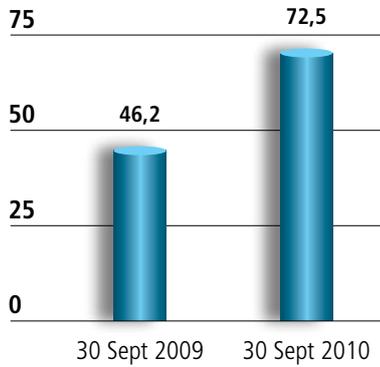
Mining & Tunnelling

Our Mining & Tunneling Market Unit also registered an uptick in demand, following stronger performance in the sector as a whole and concurrent rise of commodity prices.

This trend is typified by projects with Sandvik and Krupp for a total of 18 cable and hose reels and associated Cavotec products for installation at coal plants and iron ore facilities in Australia.

In Singapore we received orders from the Rutherford Group of Australia for more than 200 sets of S4 and S5 connectors in bronze. The connectors will be fitted on power substation containers that are used as a temporary power grid for feeding lights, drilling jumbos, concrete sprayers and other equipment during the tunnel construction phase.

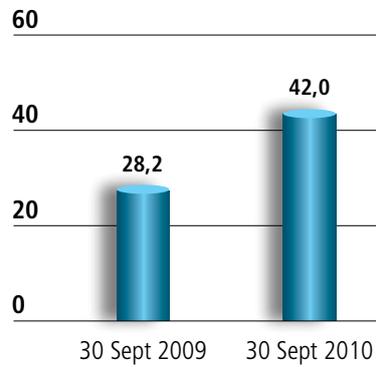
Order Book



% Change: +57.0%

Millions EUR

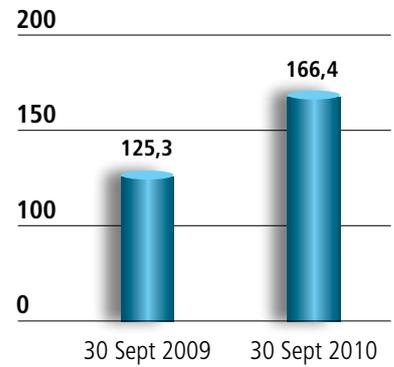
Order Intake (for quarter)



% Change: +49.3%

Millions EUR

Order Intake (12 months)



% Change: +32.7%

Millions EUR

12 Months Running Turnover 2000-2010

