Increasing our potential

Interim Report 2010

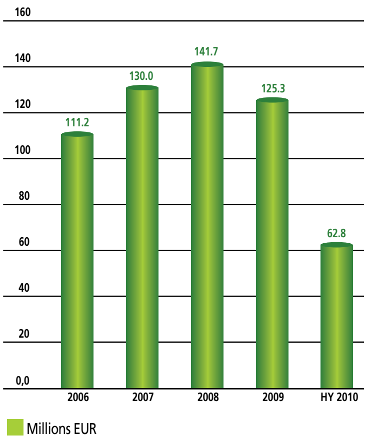
Inspired Engineering

Five Years in Summary

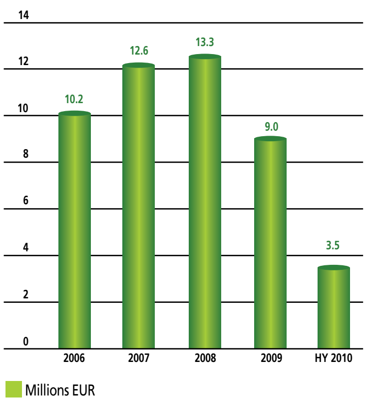
EUR	HY 2010	2009	2008	2007	2006
RESULT AND CASH FLOW (000'S)					
Revenue from sales of goods	62,757	125,258	141,724	129,993	111,214
Earning before interest amortisation and depreciation (EBITDA)	5,141	12,270	16,406	15,182	11,999
Operating profit (EBIT)	3,545	8,951	13,318	12,603	10,228
Finance costs - net	325	(820)	(3,013)	(982)	(1,141)
Profit before income tax	3,870	8,132	13,013	11,661	9,174
Profit for the period	2,766	5,200	9,198	7,341	6,753
Cash flow from operating activities	(414)	8,594	4,648	8,820	6,889
Order intake	69,682	143,694	146,782	133,667	122,849
Total investment in tangible assets	31,217	26,821	23,931	20,523	14,874
BALANCE SHEET (000'S)					
Equity	74,223	67,613	61,092	55,681	23,736
Goodwill	45,529	44,089	43,640	31,636	12,846
Net financial position	25,343	21,855	27,291	17,549	16,545
Total assets	149,369	135,305	130,747	110,220	71,686
RATIOS					
Operating profit (EBIT) margin	5.65%	7.15%	9.40%	9.70%	9.20%
Profit before income tax margin	6.17%	6.49%	9.18%	8.97%	8.25%
Operating profit (EBIT) / average capital invested*	10.00%	13.91%	22.81%	31.74%	53.92%
Profit for the period / average capital invested*	7.80%	8.08%	15.75%	18.49%	35.61%
Equity (incl. conv. bonds) / total assets (solidity)	49.69%	49.97%	46.72%	50.59%	33.11%
Total debt / total capital	34.20%	32.76%	35.78%	28.17%	50.24%
Levarage ratio (net debt/ EBITDA)	2.15	1.78	1.66	1.16	1.38
NUMBER OF EMPLOYEES					
Number of employees at end of period	689	677	718	568	490
Average number of employees	679	681	640	529	460
Revenue from sales of goods per employee*	184,764	183,865	221,413	245,734	241,769
Operating profit (EBIT) per employee*	10,437	13,140	20,806	23,824	22,235
Average cost per employee*	57,359	54,169	55,159	61,034	59,510

*Annualized HY 2010

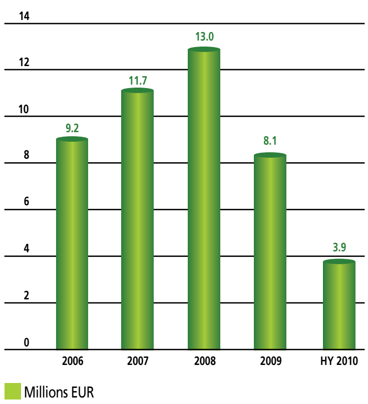
Financial results at a glance



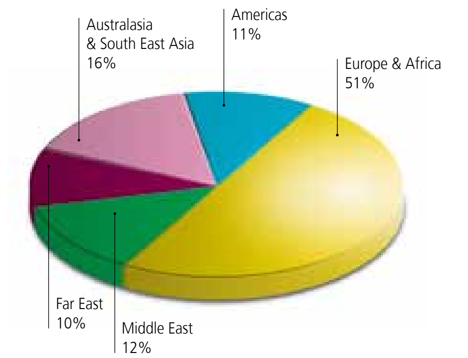
Consolidated sales
(Revenue from sales of goods)



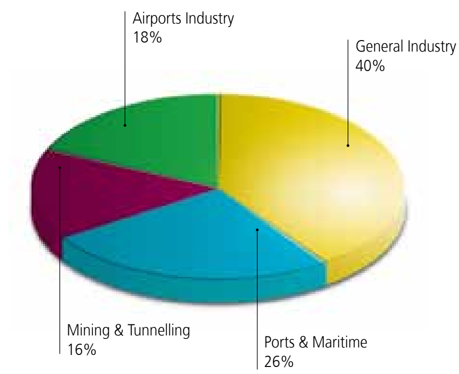
Operating profit before finance costs and income tax (EBIT)



Profit before income tax



Main regions / revenue recognition 30 June, 2010
(Revenue from sales of goods)



Main market sectors 30 June, 2010
(Revenue from sales of goods)

Please note that all reported values in these reports are in Euro unless otherwise stated.

Cavotec MSL
Group Management Report
June 30th, 2010

FINANCIAL RESULTS AS OF 30 JUNE 2010

The first half of 2010 started well for us, with the overall level of enquiries received increasing by 20% compared to the first half of 2009. This strong performance resulted in an exceptionally good order book of EUR 78.0 million, or 75.3% up on 1H 2009. Our 12-month rolling order intake increased by 14.7% compared to June 30, 2009. I am pleased to report that this trend looks set to continue, with July figures also being positive.

Despite the strong order intake throughout 1H 2010, our consolidated revenues declined by 2.1% year-on-year to EUR 62.8 million. However, I would like to point out that in accordance with NZ GAAP and IFRS, no revenues from the Bahrain project have been recognised in 1H 2010, despite having already received several substantial payments from the customer for work currently in progress. We expect to start recognising revenues for the Bahrain project by the end of Q3 2010.

Despite a reduction of operating expenses, EBITDA reached just EUR 5.1 million, a decrease of 8.9% compared to the same period in 2009, due to the previously noted reduction in revenues for 1H 2010.

Net income amounted to EUR 2.8 million in the first six months of the year (-0.3% year-on-year), mainly thanks to a reduction in the cost of funding and favourable exchange rates movements. Our net financial position increased to EUR 25.3 million, from EUR 21.9 million at the end of 2009, which was due to the dividend payment and the significant new investments made in fixed assets.

Finally, I am pleased to report that total shareholders' funds increased significantly to EUR 74.3 million, up from EUR 67.6 million at the end of 2009.

EVALUATING THE MARKETS

The first half of 2010 showed a steady resurgence of demand from our customers worldwide, specifically in the airports and mining sectors. Despite the overall low level of investment in the ports sector during the period, we were able to record some promising results for niche systems such as AMP™ and MoorMaster™. The general industry sector is also starting to pick up, specifically in France and Germany, heralding a return to an overall positive economic climate.

As communicated in the media, Cavotec won several important milestone orders for various airports and ports related projects in the period. For example, our Airports unit has seen a number of new orders at airports in China, India, France, Argentina, and Qatar; and crucially, our first airports project in Africa in coordination with partners in the Middle East.

Our Ports & Maritime unit has reported encouraging results with an order for eight MoorMaster™ units for the Port of Dampier in Western Australia. Also of note for the period: our cooperation agreement with German engineering group Vahle, to market E-RTG systems. This agreement will expand our capacity to deliver these systems in markets where we previously lacked access.

However, the most significant aspect to consider is the large amount of small projects we continue to win across the globe. This positive trend suggests that the world economy, despite recent difficulties in Europe, is in a better position than this time last year.

PLANNING FOR THE FUTURE

Two of Cavotec's innate strengths are the diversification of our market sectors and the local presence provided by our 38 own sales and manufacturing companies, including those in the large, developing economies of India, Russia and China. Throughout our history, we have consistently invested in new opportunities. Indeed, as 2009 was marked by the implementation of a strict cost reduction programme, 2010 has already become the year of consolidation and preparation for future growth.

As part of this strategy, we are to continue our rollout of new ventures, and to launch Cavotec companies in Spain and Brazil. While already present in Brazil through a partner, we foresee the opening of our own Cavotec company there in Q1 2011. In Spain, the process of incorporation is already underway and will be concluded before the end of Q3 2010.

The ever-increasing demand from the market to provide fully integrated systems and solutions led us to hire new engineers in New Zealand, Europe and India, where we are creating the nucleus for remote engineering centres to provide targeted support for our companies to handle current and future large projects.

In line with our ongoing preparations for future sustainable growth, significant investments were made in the period to further increase our manufacturing efficiency and capacity. 1H 2010 saw the completion of a new facility in Staffanstorp, near Malmö in Sweden for Cavotec Connectors. We are also in the process of finishing our new manufacturing plant in Stjördal, near Trondheim in Norway for Cavotec Micro-control. These projects will extend our ability to meet customer demand and further improve our range of services for these steadily growing markets.

BAHRAIN

As presented at our AGM in April, the Bahrain project has been a genuine landmark project for the Group as a whole. The sheer scope and complexity of the project represents new challenges and opportunities for our organisation that we are successfully meeting in close cooperation with the client.

Currently, a dedicated team of experienced project managers and engineers is on site, around the clock, liaising with the customer and local contractors to ensure every aspect of the project is handled to the highest possible standards. Furthermore, the project has already generated substantial local employment, as it will continue to do so throughout its lifetime.

We are fully focused on this high profile project – that has received positive and widespread international media coverage from industry publications in Asia and the Middle East, to trade, environmental and general news titles in Europe and the US – and we continue to build on its initial achievements.

The project is progressing swiftly, with all necessary orders placed with our suppliers; all of whom have provided full and irrevocable financial commitments to deliver on time. All materials for the civil works phase of the project were received on site well within the set timeframes and are currently being installed.

In July, the client successfully commissioned the first PCAir units at the Cavotec Fladung facility in Germany. The design and manufacturing process is at full tilt, with final deliveries scheduled from various European factories within the coming months. We expect the final commissioning phase to take place as planned, during Spring 2011.

LOOKING AHEAD

Based on our current expectations and in-line with the growing optimism throughout our market sectors, we are confident that we will return to our 2008 level of revenues and profitability, as already indicated to our shareholders during our AGM in April. Our management and personnel around the world are fully committed and willing to go the extra mile to achieve these goals.

Wellington August 25th, 2010

Ottonel Popesco
Chief Executive Officer

Financial Reporting

CAVOTEC MSL HOLDINGS LTD & SUBSIDIARIES

Statement of Comprehensive Income

for the six months ended 30 June, 2010

	Notes	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Revenue from sales of goods		62,756,831	64,128,717	125,257,896
Other income	4	468,048	1,513,317	2,737,093
Total revenue		**63,224,879**	**65,642,034**	**127,994,989**
Change in inventory		(1,915,006)	(1,791,706)	(3,470,555)
Raw material and consumables used		30,118,796	31,339,656	61,348,502
		35,021,089	**36,094,084**	**70,117,042**
Employee benefit costs		19,482,575	19,208,014	36,902,666
Transportation expenses		1,188,641	1,232,395	2,339,326
External services		5,044,854	5,154,353	9,091,949
Travelling expenses		1,410,588	1,280,175	2,426,880
General expenses		2,631,491	3,453,638	5,681,883
Credit losses and warranties		121,593	121,088	1,404,128
Depreciation and amortisation		1,596,350	1,626,799	3,318,740
Operating expenses		**31,476,092**	**32,076,462**	**61,165,572**
Operating profit before finance costs and income tax		**3,544,997**	**4,017,622**	**8,951,470**
Finance income		96,315	405,513	809,717
Finance costs		(987,041)	(1,257,245)	(2,699,751)
Foreign exchange - net		1,215,338	554,511	1,070,268
Finance costs - net		**324,612**	**(297,221)**	**(819,766)**
Profit before income tax		**3,869,609**	**3,720,401**	**8,131,704**
Income taxes		1,103,351	878,816	2,932,078
Profit for the period		**2,766,258**	**2,841,585**	**5,199,626**
Other comprehensive income:				
Exchange difference on translation of foreign operations		4,920,120	905,057	892,611
Fair value adjustment: to available for sale financial assets		(17,241)	-	429,182
Total comprehensive income for the period		**7,669,137**	**3,746,642**	**6,521,419**
Total comprehensive income attributable to:				
Equity holders of the Group		7,663,431	3,717,468	6,471,599
Minority interest		5,706	29,174	49,820
Profit attributed to:				
Equity holders of the Group		2,753,250	2,852,383	5,149,495
Minority interest		13,008	(10,798)	50,131
Profit for the period		**2,766,258**	**2,841,585**	**5,199,626**
Basic and diluted earnings per share attributed to the equity holders of the Group	10	0.043	0.045	0.081

CAVOTEC MSL HOLDINGS LTD & SUBSIDIARIES

Balance Sheet
at 30 June, 2010

Assets	Notes	Unaudited 30 June 2010	Unaudited 30 June 2009	Audited 31 Dec 2009
Current assets				
Cash and cash equivalents	8	13,094,551	9,670,747	10,956,996
Trade and other receivables		38,526,200	31,092,897	34,780,373
Inventories		26,789,390	25,398,862	23,156,962
		78,410,141	**66,162,506**	**68,894,331**
Assets held for sale		642,243		608,040
Total current assets		**79,052,384**	**66,162,506**	**69,502,371**
Non-current assets				
Property, plant and equipment	6	16,962,248	13,152,009	13,919,404
Intangible assets	7	51,757,955	51,178,518	50,435,287
Deferred tax assets		973,953	371,517	889,275
Other long term receivables		622,614	516,406	558,485
Total non-current assets		**70,316,770**	**65,218,450**	**65,802,451**
Total assets		**149,369,154**	**131,380,956**	**135,304,822**

Liabilities	Notes	Unaudited 30 June 2010	Unaudited 30 June 2009	Audited 31 Dec 2009
Current liabilities				
Bank overdrafts	8	-	15,062,464	4,448,495
Short term debt	8	3,660,291	6,953,347	4,641,068
Trade payables		23,322,803	16,260,610	20,778,357
Other current liabilities		7,304,026	8,434,246	8,047,664
Current income tax liabilities		1,933,203	1,600,464	2,177,237
Total current liabilities		**36,220,323**	**48,311,131**	**40,092,821**
Non-current liabilities				
Long-term debt	8	34,777,153	14,738,219	23,722,556
Deferred tax liabilities		1,806,253	1,542,091	1,740,218
Provision for tax		445,210	359,231	372,084
Long-term liabilities		25,189	-	-
Provisions for other liabilities and charges		1,872,069	1,591,938	1,764,020
Total non-current liabilities		**38,925,874**	**18,231,479**	**27,598,878**
Total liabilities		**75,146,197**	**66,542,610**	**67,691,699**
Net assets		**74,222,957**	**64,838,346**	**67,613,123**

Equity	Notes	Unaudited 30 June 2010	Unaudited 30 June 2009	Audited 31 Dec 2009
Contributed equity		42,577,669	42,577,669	42,577,669
Currency exchange reserve		2,503,373	(2,863,827)	(2,406,808)
Retained earnings		28,869,124	24,878,065	27,175,177
		73,950,166	**64,591,907**	**67,346,038**
Minority interest part of equity		272,791	246,439	267,085
Total equity		**74,222,957**	**64,838,346**	**67,613,123**
Total equity and liabilities		**149,369,154**	**131,380,956**	**135,304,822**
Net tangible assets per share		0.353	0.215	0.270

Financial Reporting

CAVOTEC MSL HOLDINGS LTD & SUBSIDIARIES

Statement of Changes in Equity

for the six months ended 30 June, 2010

Group	Share capital	Currency reserves	Retained earnings	Total	Minority interest	Total equity
Unaudited						
Balance as at 1 January 2009	42,577,669	(3,728,912)	22,025,682	**60,874,439**	217,265	**61,091,704**
Currency translation differences	-	865,085	-	**865,085**	39,972	**905,057**
Profit for the period	-	-	2,852,383	**2,852,383**	(10,798)	**2,841,585**
Total comprehensive income and expenses	**-**	**865,085**	**2,852,383**	**3,717,468**	**29,174**	**3,746,642**
Balance as at 30 June 2009	**42,577,669**	**(2,863,827)**	**24,878,065**	**64,591,907**	**246,439**	**64,838,346**
Audited						
Balance as at 1 January 2009	42,577,669	(3,728,912)	22,025,682	**60,874,439**	217,265	**61,091,704**
Currency translation differences	-	1,322,104	-	**1,322,104**	(311)	**1,321,793**
Profit for the period	-	-	5,149,495	**5,149,495**	50,131	**5,199,626**
Total comprehensive income and expenses	**-**	**1,322,104**	**5,149,495**	**6,471,599**	**49,820**	**6,521,419**
Balance as at 31 December 2009	**42,577,669**	**(2,406,808)**	**27,175,177**	**67,346,038**	**267,085**	**67,613,123**
Unaudited						
Balance as at 1 January 2010	42,577,669	(2,406,808)	27,175,177	**67,346,038**	267,085	**67,613,123**
Currency translation differences	**-**	**4,910,181**	**-**	**4,910,181**	(7,302)	**4,902,879**
Profit for the period	**-**	**-**	2,753,250	**2,753,250**	13,008	**2,766,258**
Total comprehensive income and expenses	**-**	**4,910,181**	**2,753,250**	**7,663,431**	**5,706**	**7,669,137**
Dividends	-	-	(1,059,303)	**(1,059,303)**	-	**(1,059,303)**
Transactions with shareholders	**-**	**-**	**(1,059,303)**	**(1,059,303)**	**-**	**(1,059,303)**
Balance as at 30 June 2010	**42,577,669**	**2,503,373**	**28,869,124**	**73,950,166**	**272,791**	**74,289,157**

Statement of Cash Flows - Direct Method
for the six months ended 30 June, 2010

Operating activities	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Cash was provided from:			
Receipts from customers	68,600,506	69,866,069	128,666,455
Interest received	96,480	368,145	746,745
Total cash inflow	68,696,986	70,234,214	129,413,200
Cash was applied to:			
Payment to suppliers	46,613,006	47,758,974	78,816,581
Payment to employees	20,010,687	19,914,481	37,590,991
Income tax paid	1,806,800	1,034,055	2,064,013
Interest paid	680,571	1,264,973	2,347,159
Total cash outflow	69,111,064	69,972,483	120,818,744
Net cash inflow / (outflow) from operating activities	(414,078)	261,731	8,594,456

Financing activities	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Borrowings	13,686,366	5,193,709	23,748,781
Repayment of loans	(2,249,190)	(4,208,951)	(17,086,840)
Dividends paid	(1,200,192)	-	(111,358)
Net cash inflow from financial activities	10,236,984	984,758	6,550,583

Investing activities	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Purchase of intangible assets	(278,148)	(124,634)	(279,691)
Purchase of property, plant and equipment	(3,445,353)	(1,610,976)	(3,538,754)
Sale of property, plant and equipment	20,224	115,990	155,956
Sale of other assets	1,850	93,801	342,923
Change in long term receivables	(34,800)	(79,741)	24,221
Net cash (outflow) from investing activities	(3,736,226)	(1,605,560)	(3,295,345)
Net (decrease)/increase in cash held	6,086,680	(359,071)	11,849,694
Cash at beginning of period	6,508,501	(4,790,763)	(4,790,763)
Currency exchange differences	499,371	(241,883)	(550,430)
Cash at end of the period	13,094,551	(5,391,717)	6,508,501
Cash comprises:			
Cash and cash equivalents	13,094,551	9,670,747	10,956,996
Bank overdrafts	-	(15,062,464)	(4,448,495)
Total	13,094,551	(5,391,717)	6,508,501

Financial Reporting

CAVOTEC MSL HOLDINGS LTD & SUBSIDIARIES

Statement of Cash Flows - Indirect Method

for the six months ended 30 June, 2010

	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Reconciliation of profit for the period to Net cash from operating activities			
Profit for the period	2,766,258	2,841,585	5,199,626
Items not involving cash flows			
Depreciation and amortisation	1,596,350	1,626,799	3,318,740
Deferred tax	(47,430)	(83,141)	(423,971)
Capital gain or losses of assets	(7,202)	8,335	(6,022)
Provisions for other liabilities and charges	108,049	(309,774)	(137,692)
Fair value adjustment	66,200	-	-
Unrealised exchange difference	959,382	(1,519,129)	292,398
	2,675,349	(276,910)	3,043,453
Impact of changes in working capital			
Inventories	(3,632,428)	1,310,502	3,552,403
Trade debtors	(1,527,812)	3,324,605	(1,671,982)
Other current assets	(2,252,219)	(1,350,325)	(649,255)
Trade creditors	2,544,446	(5,944,939)	(1,427,192)
Other current liabilities	(987,672)	357,213	547,403
	(5,855,685)	(2,302,944)	351,377
Net cash inflow / (outflow) from operating activities	(414,078)	261,731	8,594,456

Notes to the Financial Statements

for the period ended 30 June, 2010

Note 1. General information

Cavotec MSL Holdings Limited (the 'Company') and its subsidiaries (together 'the Group') designs and manufactures a wide range of innovative mobile power supply solutions. The Group has 10 Research and Engineering Centres located in Germany, Italy, New Zealand, Norway, Sweden, the United Kingdom and the United States of America. Sales and distribution is achieved through 28 sales companies and branch offices and a network of distributor partners spread throughout the world. On 5 January 2007 Cavotec Group Holdings NV was acquired in a reverse take over by Mooring Systems Limited, which purchased 100 % of the shares in Cavotec Group Holdings NV. Mooring Systems Limited changed its name to Cavotec MSL Holdings Limited to reflect the business of the newly combined company.

The Company is a limited liability Company incorporated and domiciled in New Zealand. The address of its registered office is Amuri Park, Unit 9, First Floor, 404 Barbados Street, Christchurch.

The Company is listed on the New Zealand stock exchange. These Financial Statements have been approved for issue by the Board of Directors on 25 August 2010.

Note 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the periods presented, namely, 30 June 2010, 31 December 2009 and 30 June 2009.

(a) Basis of preparation

These Financial Statements, which should be read in conjunction with the 2009 Annual Report, have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) in particular they comply with NZ IAS 34 Interim Financial Reporting. They are in compliance the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards, as appropriate, for profit oriented entities and comply with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993. The Financial Statements are in compliance with International Financial Standards (IFRS).

Historical Cost Convention

These Financial Statements have been prepared under the historical cost convention.

Entities reporting

In accordance with accounting for reverse acquisitions under NZ IFRS 3 - "Business Combinations" the Group Financial Statements presented are those of the previous Cavotec Group Holdings NV and subsidiaries as if it had acquired Cavotec MSL Holdings Limited (formerly Mooring Systems Limited).

The Group is designated as a profit-oriented entity for financial reporting purposes.

Notes to the Financial Statements
for the period ended 30 June, 2010

Critical accounting estimates

The preparation of Financial Statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in note 3.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the related legal entity operates ('the functional currency'). The Financial Statements are presented in Euros, which is the Group and Company's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

(iii) Foreign operations

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates; and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of any net investment in foreign operations, and of borrowings are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Statement of Comprehensive Income, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(c) Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Comprehensive Income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A list of subsidiaries is included on page 27.

(ii) Transactions and minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the Statement of Comprehensive Income. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired in the carrying value of net assets of the subsidiary.

(iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Statement of Comprehensive Income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associates, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies by the Group.

(d) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, excluding value added taxes, goods and service tax (GST), rebates and discounts. Revenue is recognised as follows:

(i) Sales of goods

Sales of goods are recognised when the entity has shipped a product to the customer. The recorded revenue is the gross amount of sale.

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(ii) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(iii) Long term contracts

Contract revenues and related costs from contracts involving complete project solutions achieved through system integration are recognized on the percentage of completion method when the outcome of the contract can be estimated reliably. Completion is generally measured by reference to the cost incurred to date as a percentage of the estimated total project costs. The milestone output method is applied when the nature of the individual projects indicates that a milestone method is the most applicable measure of progress.

Billings that exceed revenues recognized under percentage of completion are recorded as advances from customers. Revenues recognized under percentage of completion method that exceed billings are booked as unbilled receivable.

Recognized revenues and profits are subject to revisions during the project life span in the event that the assumptions regarding the overall project outcome are revised. The cumulative impact of a revision in estimates is recorded in the period when such revisions become known and estimable. Losses on projects are recognized immediately when known and estimable.

Claims for extra work or change in scope of work may be included in contract revenues when collection is highly probable.

(e) Income tax

The income tax expense for the period is the tax payable on the current years taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(f) Value Added Tax (VAT) and Goods and Services Tax (GST)

The Statement of Comprehensive Income has been prepared so that all components are stated exclusive of VAT or GST. All items in the Balance Sheet are also stated net of VAT or GST, with the exception of receivables and payables, which include VAT or GST invoiced.

(g) Leases

Leases in which the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding.

The corresponding rental obligations, net of finance charges are included in other long term payables. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under a finance lease are depreciated over the asset's useful life.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

(h) Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life including goodwill, are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

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(j) Loans and receivables - trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is established when there is objective evidence that the Company may not be able to collect all amounts due according to the original terms of receivables, and on a prudent basis, on past due accounts. The amount of the provision is the difference between the asset's carrying amount and realisable value. The amount of the provision is recognised in the Statement of Comprehensive Income. The fair value of loans and receivables is the same as the carrying amount since they are not discounted.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the FIFO (first –in , first – out) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads which are attributed based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated variable costs necessary to make the sale.

(l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Land is not depreciated. Depreciation of property, plant and equipment is calculated using a straight line method so as to expense the cost of the assets over their useful lives. The rates are as follows:

	Annual Percentage
Industrial buildings	4
Building improvements and other constructions in leasehold	20
Plant and machinery	10 to 20
Laboratory equipment and miscellaneous tools	20
Furniture and office machines	20
Motor vehicles	20
Computer hardware	33

Capital work in progress is not depreciated until commissioned.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

(m) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired business/associate at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. Each of those cash generating units represents the Company's investment in each country of operation by each primary reporting segment (Note 8).

(ii) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets at cost and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from 3 to 5 years.

(iii) Patents

A part of the excess of cost over the fair value of the net assets of the subsidiaries and associate entities may be recorded as patents on purchase accounting. Patents are amortised on a straight line basis over the period over which they are valid (not exceeding 20 years) or their estimated useful life if shorter.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are normally paid in accordance with commercial practice in the territory where they originate and in accordance with contractual obligations.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental cost relating to the actual drawdown of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of liabilities for at least 12 months after the Balance Sheet date.

Notes to the Financial Statements
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(p) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(q) Provisions

Provisions for deferred compensation and warranty are recognised when the Group has a present, legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

(r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(s) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. In Italy employees are entitled to deferred compensation which vests immediately and is determined in accordance with local legislation and national labour regulations. Based on recent legislation employees have the right to have the amounts accrued from 1 January 2007 transferred to certain Government approved funds and such amounts are considered as comprising a defined contribution plan.

(t) Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance sheets date. Dividend distribution to the Company's shareholders is recognised as a liability in the Company's Financial Statements in the period in which the dividends are approved by the Company's Board of Directors.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chairman and the Chief Executive Officer jointly supported and assisted by the Executive Management Committee.

(v) Changes in accounting policies

There have been no material changes in accounting policies during the period. The Company and Group have not adopted early any New Zealand Equivalents to International Financial Reporting Standards.

Note 3. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimated impairment of intangible assets: the Group tests annually whether goodwill has suffered any impairment,in accordance with the accounting policy (m). A significant part of the goodwill at 30 June 2010 arose from the reverse acquisition of Mooring Systems Limited on 5 January 2007 and was supported by independent valuations.Similarly, patents are examined for any indications of impairment and the majority of these were subject to an independent valuation.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Critical accounting policies and estimates in the period relate to trade receivables (refer to accounting policy j.), inventory (refer to accounting policy k.) and provisions (refer to accounting policy q.) As of the Balance Sheet dates the Company has no other significant estimates and assumptions that have a significant risk of causing a material adjustment to causing a material adjustment to the carrying amount of assets and liabilities within the foreseeable future.

Note 4. Other income

	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Carriage, insurance and freight	829,581	772,360	1,539,896
Foreign exchange - net	(702,601)	378,285	150,275
Royalties	43,821	161,393	235,113
Grants received	-	3,225	51,095
Other miscellaneous income	297,247	198,054	760,714
Total	**468,048**	**1,513,317**	**2,737,093**

Note 5. Long term contracts

In early 2010 the Group was awarded a significant contract associated with improvements in the current airport at Bahrain. This is a long term contract which is being accounted for under the percentage of completion method and such percentage is measured based on the milestone output method. At 30 June, 2010 this project was still in the early stages of completion and in consequence no revenues were recognised as of that date. All costs relative to this contract incurred up to 30 June, 2010 have been recorded in work in progress. Billings to the customer in respect of this contract at 30 June, 2010 amounting in total to EUR 3.8 million have recorded as advance payments from customers.

Note 6. Property, plant and equipment

Property, plant and equipment increased with EUR 3.0 million due to significant investments being made in 1H 2010 for new premises in Sweden and Norway to further increase our manufacturing efficiency and capacity.

Notes to the Financial Statements
for the period ended 30 June, 2010

Note 7. Intangible assets

Intangible assets Group	Research & development	Patents & trademarks	Goodwill	Total
Period ended 30 June 2009 - unaudited				
Opening net book value	2,354,399	4,948,306	43,640,328	50,943,033
Additions	124,309	325	-	124,634
Disposals	(10,385)	(24,622)	-	(35,007)
Amortisation	(319,933)	(226,606)	-	(546,539)
Currency exchange differences	65,789	38,676	587,931	692,396
Net book amount	**2,214,180**	**4,736,079**	**44,228,259**	**51,178,518**
At 30 June 2009 - unaudited				
Cost	4,147,702	6,519,900	44,228,259	54,895,861
Accumulated amortisation	(1,933,522)	(1,783,821)	-	(3,717,343)
Net book amount	**2,214,180**	**4,736,079**	**44,228,259**	**51,178,518**
Period ended 31 December 2009 - audited				
Opening net book value	2,354,399	4,948,306	43,640,328	50,943,033
Additions	155,024	124,667	-	279,691
Disposals	(300,289)	(24,622)	-	(324,911)
Amortisation	(625,258)	(482,395)	-	(1,107,653)
Currency exchange differences	114,543	81,445	449,139	645,126
Closing net book value	**1,698,419**	**4,647,401**	**44,089,467**	**50,435,287**
At ended 31 December 2009 - audited				
Cost	3,519,755	6,664,748	44,089,467	54,273,969
Accumulated amortisation	(1,821,336)	(2,017,347)		(3,838,683)
Net book amount	**1,698,419**	**4,647,401**	**44,089,467**	**50,435,287**
Period ended 30 June 2010 - unaudited				
Opening net book value	1,698,419	4,647,401	44,089,467	50,435,287
Additions	227,953	50,195	-	278,148
Disposals	(1,350)	-	-	(1,350)
Amortisation	(298,854)	(196,145)	-	(494,999)
Currency exchange differences	42,801	58,991	1,439,077	1,540,869
Closing net book value	**1,668,969**	**4,560,442**	**45,528,544**	**51,757,955**
At 30 June 2010 - unaudited				
Cost	3,826,680	6,790,370	45,528,544	56,145,594
Accumulated amortisation	(2,157,711)	(2,229,928)	-	(4,387,639)
Net book amount	**1,668,969**	**4,560,442**	**45,528,544**	**51,757,955**

Note 8. Net financial position

	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Cash and cash equivalents	13,094,551	9,670,747	10,956,996
Bank overdrafts	-	(15,062,464)	(4,448,495)
Short term debt	(3,660,291)	(6,953,347)	(4,641,068)
Long-term debt	(34,777,153)	(14,738,219)	(23,722,556)
Net financial position	**(25,342,894)**	**(27,083,282)**	**(21,855,123)**

Note 9. Segment information

Operating segments have been determined on the basis of the Group management structure in place and on the management information and reports received and used by the Chief Operating Decision Maker (CODM) to make strategic and management decisions.

The Group organisation is based on geographic regions and each region is headed by a Regional Manager who reports directly to the CEO. The principal regional groupings which constitute operating segments are:

Americas: This region includes the USA, Canada, Mexico, Central and South America
Europe & Africa: This region includes all of Europe including Russia and South Africa
Middle East: This region includes the United Arab Emirates, Qatar, Bahrain, Kuwait, Saudi Arabia and India and Oman
Far East: This region includes China, Hong Kong, Japan and South Korea and Taiwan
Australasia and South East Asia: This region includes South East Asia including Singapore, Australia and New Zealand

While the primary focus of the in managing the business is directed at geographic regions, attention is also directed at the level of product penetration and third party revenues generated in the various regions for the various product groupings. Third party revenues, by product grouping, for each operating segment are summarised later in this note.

Information by operating segment for the six months ended 30 June, 2010 for each reportable segment is summarised below:

Unaudited Six months ended 30 June 2010	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia	Inter-Group elimination	Total
Revenue from sales of goods	6,720,171	31,777,220	7,875,015	6,585,921	9,798,504	-	62,756,831
Revenue from sales of goods, group	348,602	17,384,497	-	146,847	3,115,191	(20,995,137)	(0)
Other income	101,668	684,639	(173,188)	(185,421)	40,350	-	468,048
Other income, group	243,685	439,269	235,565	154,208	13,049	(1,085,776)	0
Total revenue	7,414,126	50,285,625	7,937,392	6,701,555	12,967,094	(22,080,913)	63,224,878
EBITDA	775,541	2,446,743	836,791	511,020	1,232,429	(661,177)	5,141,347

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Information by operating segment for the six months ended 30 June, 2009 for each reportable segment is summarised below:

Unaudited Six months ended 30 June 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia	Inter-Group elimination	Total
Revenue from sales of goods	4,986,524	36,148,225	10,944,852	7,658,797	4,389,307	1,012	64,128,717
Revenue from sales of goods, group	258,923	17,083,585	-	84,251	1,845,773	(19,272,532)	-
Other income	74,838	1,333,515	(12,161)	113,984	11,683	(8,542)	1,513,317
Other income, group	103,742	333,522	67,117	2,675	-	(507,056)	-
Total revenue	5,424,027	54,898,847	10,999,808	7,859,707	6,246,763	(19,787,118)	65,642,034
EBITDA	(437,572)	4,251,178	1,002,952	584,403	(241,769)	485,229	5,644,421

Information by operating segment for the twelve months ended 31 December, 2009 for each reportable segment is summarised below:

Audited Year ended 31 Dec 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia	Inter-Group elimination	Total
Revenue from sales of goods	13,172,390	68,490,890	19,371,142	14,969,166	9,254,308	-	125,257,896
Revenue from sales of goods, group	978,891	33,327,704	12,803	168,824	2,637,452	(37,125,674)	-
Other income	130,301	2,450,794	30,164	6,551	119,283	-	2,737,093
Other income, group	104,045	1,531,814	120,490	10,407	-	(1,766,756)	-
Total revenue	14,385,627	105,801,202	19,534,599	15,154,948	12,011,043	(38,892,430)	127,994,989
EBITDA	635,684	9,499,112	1,403,561	898,453	(374,460)	207,860	12,270,210

The CODM assesses the performance of the operating segments based on adjusted EBITDA. This measurement basis excludes the effects of non recurring expenditure from operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated non - recurring event.

A reconciliation of adjusted EBITDA to profit before income tax is provided as follows:

	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Adjusted EBITDA for reportable segments	5,802,524	5,159,192	12,062,350
Other segments EBITDA	(661,177)	485,229	207,860
Depreciation	(1,101,351)	(1,080,260)	(2,211,087)
Amortisation	(494,999)	(546,539)	(1,107,653)
Financial costs - net	390,812	(297,221)	(819,766)
Profit before income tax	**3,935,809**	**3,720,401**	**8,131,704**

Unaudited Assets at 30 June 2010	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia
Total current assets	6,644,234	37,852,422	12,465,691	10,680,173	7,964,546
Intangible assets	6,613,110	15,024,921	6,265	-	220,560
Total non-current assets	6,680,005	22,562,456	2,149,085	515,456	505,542
Total assets	**19,937,349**	**75,439,799**	**14,621,041**	**11,195,629**	**8,690,648**

Unaudited Assets at 30 June 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia
Total current assets	6,349,557	50,258,307	10,302,269	10,234,743	6,211,752
Intangible assets	7,963,342	15,928,140	-	-	25,731,527
Total non-current assets	641,667	12,683,114	2,040,870	1,493,889	503,016
Total assets	**14,954,566**	**78,869,561**	**12,343,139**	**11,728,632**	**32,446,295**

Audited Assets at 31 Dec 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia
Total current assets	11,061,071	47,012,140	10,653,204	9,284,524	6,431,045
Intangible assets	7,762,235	16,921,509	-	-	25,751,542
Total non-current assets	5,722,458	20,726,349	1,913,817	401,811	485,865
Total assets	**24,545,764**	**84,659,998**	**12,567,021**	**9,686,335**	**32,668,452**

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Reportable segments' assets are reconciled to total assets as follows:

	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Segment assets for reportable segments	129,884,466	150,342,193	164,127,570
Intersegmental eliminations	19,460,570	(18,985,355)	(28,846,866)
Unallocated:			
Deferred tax	24,118	24,118	24,118
Total assets	**149,369,154**	**131,380,956**	**135,304,822**

The amounts provided to the CODM with respect to total liabilities are measured in a manner consistent with that of the Financial Statements. These liabilities are allocated based on the operations of the segment. The Group's interest-bearing liabilities are not considered to be segment liabilities but rather are managed by the treasury function.

Unaudited Liabilities at 30 June 2010	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia
Total current liabilities	6,793,629	38,882,731	6,873,497	4,617,651	7,528,180
Total non-current liabilities	266,424	15,551,996	242,115	761,580	411,776
Total liabilities	**7,060,053**	**54,434,727**	**7,115,612**	**5,379,231**	**7,939,956**

Unaudited Liabilities at 30 June 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia
Total current liabilities	1,883,039	29,775,792	6,734,143	5,406,288	6,085,872
Total non-current liabilities	270,623	14,785,826	236,302	1,647,029	246,908
Total liabilities	**2,153,662**	**44,561,618**	**6,970,445**	**7,053,317**	**6,332,780**

Audited Liabilities 31 Dec 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia
Total current liabilities	3,612,860	31,238,382	6,696,884	4,201,513	6,410,928
Total non-current liabilities	7,278,030	20,148,482	184,550	640,180	263,948
Total liabilities	**10,890,890**	**51,386,864**	**6,881,434**	**4,841,693**	**6,674,876**

Reportable segments' liabilities are reconciled to total liabilities as follows:

	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Segment liabilities for reportable segments	81,929,579	67,071,822	80,675,757
Inter segmental eliminations	(6,783,382)	(529,212)	(12,984,058)
Total liabilities	75,146,197	66,542,610	67,691,699

Third party revenues for each operating segment analysed by significant product grouping is summarised below:

Unaudited Six months ended 30 June 2010	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia	Total
Airport Industry	2,932,756	5,362,710	2,716,227	351,023	51,094	11,413,810
General Industry	1,882,756	13,640,438	3,941,629	2,207,561	3,288,088	24,960,472
Mining and Tunnelling	654,785	6,491,154	-	604,080	2,472,049	10,222,068
Ports and Maritime	1,249,874	6,282,920	1,217,158	3,423,257	3,987,272	16,160,481
Total	6,720,171	31,777,222	7,875,014	6,585,921	9,798,503	62,756,831

Unaudited Six months ended 30 June 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia	Total
Airport Industry	1,309,731	6,505,130	3,541,006	528,077	27,803	11,911,747
General Industry	1,718,742	15,954,430	4,778,717	1,971,918	1,808,486	26,232,293
Mining and Tunnelling	214,552	4,423,835	35,265	219,645	1,939,127	6,832,424
Ports and Maritime	1,743,498	9,265,843	2,589,865	4,939,157	613,890	19,152,253
Total	4,986,523	36,149,238	10,944,853	7,658,797	4,389,306	64,128,717

Audited Year ended 31 Dec 2009	Americas	Europe & Africa	Middle East	Far East	Australasia SE Asia	Total
Airport Industry	5,759,776	11,767,239	7,646,520	1,846,471	70,576	27,090,582
General Industry	2,784,128	29,435,720	8,149,266	3,972,942	4,807,672	49,149,727
Mining and Tunnelling	383,135	9,159,243	34,216	534,120	3,468,809	13,579,523
Ports and Maritime	4,245,351	18,128,688	3,541,140	8,615,633	907,252	35,438,064
Total	13,172,390	68,490,890	19,371,142	14,969,166	9,254,309	125,257,896

The consolidated revenues of the Group are generated principally outside of New Zealand, where the company is domiciled, and operations in New Zealand are relatively insignificant.

Financial Reporting

Notes to the Financial Statements

for the period ended 30 June, 2010

Note 10.
Earnings per share

Both the basic and diluted earnings per share are calculated using the net results attributable to shareholders of Cavotec MSL Holdings Ltd & Subsidiaries as the numerator.

	Unaudited six months 30 June 2010	Unaudited six months 30 June 2009	Audited year 31 Dec 2009
Profit for the period	**2,766,258**	**2,841,585**	**5,199,626**
Attributable to			
Equity holders of the Group	2,753,250	2,852,383	5,149,495
Minority interest	13,008	(10,798)	50,131
Shares on issue	63,632,700	63,632,700	63,632,700
Basic and diluted earnings per share attributed to the equity holders of the Group			
Continuing activities	0.043	0.045	0.081

There are no financial instruments in place to dilute the current shares. Therefore basic and diluted shares are the same.

Note 11.
Contingencies

At 30 June, 2010 there were contingent liabilities relative to guarantees provided by banks and insurance companies on behalf of the Group of EUR 6,131,309 (31 December, 2009: 5,009,577). The contents of the contingencies are mainly performance bonds to customers in the United Arab Emirates, Italy and Germany.

Note 12.
Subsequent events

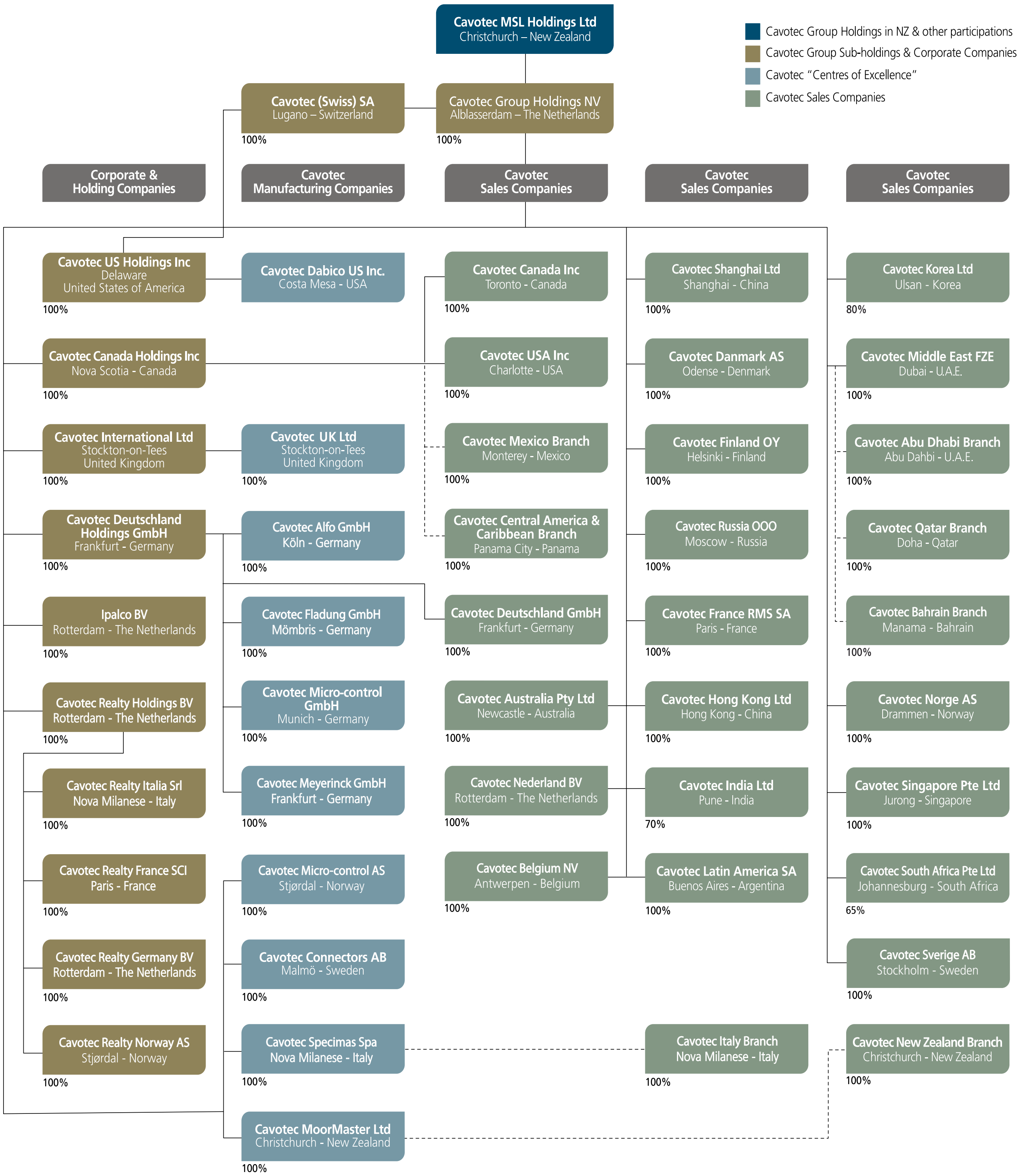
There were no post Balance Sheet events which required to be reported relative to the Financial Statements for the period ended 30 June, 2010.

FOREIGN CURRENCY EXCHANGE RATES FOR THE SIX MONTHS ENDED 30 JUNE, 2010.

Currency	Average rate	Period end rate
AED	0.20506	0.22200
ARS	0.19473	0.20740
AUD	0.67350	0.69430
CAD	0.72894	0.77580
CHF	0.69642	0.75284
DKK	0.13437	0.13425
EUR	1.00000	1.00000
GBP	1.14943	1.22332
HKD	0.09698	0.10466
INR	0.01647	0.01755
KRW	0.00065	0.00067
NOK	0.12491	0.12543
NZD	0.53113	0.56303
RMB	0.11042	0.12017
RUB	0.02507	0.02612
SEK	0.10216	0.10498
SGD	0.53954	0.58275
USD	0.75368	0.81493
ZAR	0.10009	0.10660

CAVOTEC MAJOR SUBSIDIARIES AND PARTICIPATIONS

Cavotec MSL Organisation Chart as per 30 June, 2010



All subsidaries have a balance sheet date of 30 June.
The principale activities of each of the subsidaries is disclosed per the columns above.

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