[MOORING SYSTEMS LIMITED LETTERHEAD]

Information Memorandum for Proposed Merger between Mooring Systems Limited and Cavotec Group Holdings N.V.

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SECTION 1 – CHAIRMAN'S LETTER

Xx September 2006

The Shareholders
Mooring Systems Limited

Dear Shareholder

Background:

Your Board recommends the proposed merger of Mooring Systems Limited (MSL) and Cavotec Group Holdings N.V. (Cavotec) on the terms set out in the resolution.

This matter is to be considered by MSL shareholders at a special meeting to be held on 12 October, 2006. Due to the size of the transaction this will be voted on by way of a special resolution requiring a 75% majority in favour of the transaction in person at the meeting or by way of a valid proxy as it constitutes a "major transaction" for the purposes of the Companies Act 1993. While referred to as a merger, the proposed transaction is in a form of an acquisition by MSL of all the shares in Cavotec, with the consideration to the Cavotec shareholders, being the issue of MSL shares.

It is fundamental to understanding the effect of the transaction if it proceeds, that on the settlement date after MSL shares have been issued to the Cavotec shareholders, the existing MSL shareholders will hold 20% of the shares in MSL and the existing Cavotec shareholders will hold 80% of the shares in MSL. This is therefore a very significant transaction for the shareholders of MSL to consider and you are encouraged to take the time to read this information memorandum in its entirety (which includes a report from Deloitte) together with the attached report from Crighton Anderson and the Cavotec 2005 Annual Report.

The form of the transaction is an acquisition by MSL of all of the shares in Cavotec. Therefore post the merger you will continue to hold MSL shares and these shares will continue to be listed on the NZSX.

MSL and Cavotec have entered into a conditional merger agreement. The agreement is conditional on MSL shareholder approval, the individual Cavotec shareholders agreeing to the merger, the release of a security over 51% of the Cavotec shares currently held by a financial institution and the consent of the Overseas Investment Office. A summary of the main terms of the merger agreement can be found in section 5 of this information memorandum from pages 59 to 60.

The Board encourages all shareholders able to attend the special meeting, to attend and vote at the meeting, and for those that are unable to attend to appoint a proxy.

If you have any questions regarding the proposed transaction which you wish answered at the special meeting or before the special meeting you may provide questions in advance in writing to the Company.

The Chairman
Mooring Systems Limited
PO Box 13811
Christchurch

Email: info@mooring.co.nz

Cavotec is an unlisted public company incorporated in the Netherlands. For more details on Cavotec we refer you to a copy of the Cavotec 2005 Annual Report that accompanies this information memorandum and the Deloitte valuation of Cavotec that can be found in section 2.

The Board has considered this transaction in the light of other alternatives including a capital raising, extending the current licensing arrangement with Cavotec to a global licence, and introducing other potential licence holders with reference to some form of geographic spread.

Cavotec Licensing Arrangement:

During 2003 the Board of MSL sought expressions of interest from several parties to enter into a licensing agreement to market MoorMaster products in Europe.

In the early part of 2004 MSL entered into a Licensing Agreement with Cavotec that required the payment of an annual licence fee, this fee is rebated against a 50/50 profit share on completed sales of MoorMaster products in a defined geographic area.

The key reasons for selecting Cavotec as our partner in Europe were as follows:

- Compatible Corporate culture;
- Strong marketing and sales capability;
- Supply of products and solutions to the maritime sector with established relationships;
- Intellectual know how in engineering;

- Technical manufacturing capability;
- Local representation in target markets;
- Locally based product support and after sales service.

Cavotec has demonstrated considerable support for the MoorMaster and advise that over the term of their licence they have expended in excess of Euro one million on product marketing including the construction of two trial MM400 units tested at Salalah. MSL for its part has made a considerable contribution in developing Cavotec product knowledge, providing personnel in support of trade shows, attendance on calls to key customers of Cavotec in the maritime sector and preparing proposals supported by detailed drawings and analysis in response to requests for proposals from prospective customers.

Market Evolution:

Our association with Cavotec has been a great learning experience. After an association extending over almost three years we have learnt the following:

- The Maritime sector is truly a global market and it is practically impossible to segment the market on sensible geographic boundaries. This is borne out by the recent sale to the Port of Salalah, Oman where the initial contact was established through Maersk Shipping in Denmark and their related company APM Terminals (A.P. MOLLER) in The Hague.
- Consistent with MSL experience in other markets the decision process to acquire MoorMaster units is protracted requiring a considerable amount of technical analysis, site visits to other installations and economic evaluation. We need to achieve organisational buy in from our customers and this often involves consultation with the Chief Executive, Senior Engineers and Finance executives.
- The benefit of a MoorMaster solution does not necessarily rest solely with one party for it introduces economic and safety benefits for both the Shipping Line and the Port Operator or Port Owner. This in many cases adds complexity as to who should make the investment.
- By marketing the MoorMaster products with an established company in our target markets, it is easier to obtain access to the decision makers.
- Having local representation in our target markets is of considerable benefit in terms of access, local business culture and speaking the local language.
- Partnering with a company of substance is of considerable benefit when potential buyers make a decision to proceed and look at the size of the MSL

Balance Sheet and have concerns that in the unlikely event of a product failure there is not much financial strength standing behind the product.

Your Board has reassessed the strengths, core competencies and competitive advantages inherent in MSL.

We define the business as a "Design & Process Engineering Centre of Excellence". Our focus is "solution based" problem solving in the mooring of ships.

Further, we acknowledge that based on our size (human resources and capital) it is challenging to sustain a marketing presence and sales capability for our products on a global basis and maintain an influence over consistent production quality when we engage third parties in build programmes on an irregular basis.

Rationale for Merger:

The commercial judgement of your Board is that a merging of MSL and Cavotec introduces a number of synergies that will create substantial rewards for shareholders in MSL.

The business philosophy of Cavotec is consistent with MSL in that it has a clear focus on developing proprietary technology to provide solutions for customers. Their major interests at the present time are concentrated on the Airport and Ports and Terminals sectors. I refer you to the attached Cavotec Annual Report that records 34.60% of EBIT in the 2005 year arises from the "Port & Terminals Sector". There is no revenue from MoorMaster included in these figures.

The demonstrable benefits associated with a merger of MSL and Cavotec have been identified as follows:

- Maintenance of MSL as a "Centre of Engineering Excellence" within an enlarged Group;

- Capitalising on an "in house" Marketing and Sales team with established clients in the Maritime Sector with a market presence in 30 countries.

- Through Cavotec Specimas (Italy) having the engineering build capability and quality control accreditation (ISO9001) to successfully manufacture the MoorMaster range of products. This workshop has successfully built two MM400 units trialled in Salalah, Oman and recently completed the build of four MM600 series MoorMaster products currently being commissioned at the same port.

- Access to a sustainable cash flow from the Cavotec core business that will support the ongoing operating costs of MSL while the MoorMaster product range gains market acceptance.

- The capability to monitor and provide after sales service to MoorMaster products locally on a global basis.

Valuation:

Your Board engaged Deloitte to undertake a valuation of MSL and Cavotec to determine a fair exchange value for the respective businesses. A copy of this report is contained in section 2 to this information memorandum.

The mid range value ascribed by Deloitte to MSL is $NZ47.30 million and this equates to a value of $NZ3.72 per share.

The mid range value attributed to the Cavotec business is Euro92.903 million.

These valuations supported an "*in principle*" analysis and consensus reached by both Boards in that after an issue of shares by MSL to acquire Cavotec the current MSL shareholders will own 20% of the capital of the enlarged Group.

While the transaction is not in the form of a traditional takeover offer by Cavotec of MSL, the substance of the transaction is that after the merger the previous Cavotec shareholders will hold 80% of the shares in MSL. While it is the understanding of your Board that the Cavotec shareholders once they become MSL shareholders will have no arrangements or understanding relating to their MSL shares and will not consider themselves to be associates for the purposes of the Takeovers Code, this transaction has resulted in the MSL Board engaging Crighton Anderson, on behalf of the shareholders, to provide an independent adviser's report under the Takeovers Code, which is in addition to the work provided to your Board by Deloitte. The fact that both Deloitte and Crighton Anderson have considered this transaction and in particular the merger exchange values has provided your Board with considerable comfort in now placing this transaction before MSL shareholders.

The advice from Crighton Anderson is that the proposed transaction is fair and reasonable to MSL shareholders. A copy of their report is enclosed with the notice of meeting.

Due Diligence:

The Boards of both MSL and Cavotec have completed a high level "due diligence" of the other entity.

From an MSL perspective your Board has undertaken a preliminary due diligence through detailed meetings in Europe involving senior executives of Cavotec and their advisors and visits to the factories of Cavotec Specimas Spa (Italy), and Cavotec Fladung GmbH and Cavotec Alfo GmbH in Germany. These businesses collectively represent 41.40% of the total Cavotec production in the 2005 income year. In addition MSL has been supported in their due diligence with professional advice from Deloitte and Chapman Tripp.

Your Board established as part of this process a due diligence committee. The result of the due diligence process is that there were no material adverse findings from this process and we can therefore unreservedly recommend that the transaction should proceed.

Future Outlook:

We appreciate that shareholders need to obtain an understanding of the size and likely performance of the merged Group.

In section 4 of this information memorandum you will find a pro forma amalgamated income statement for the six months to 30th June 2006 that has been prepared on the basis that both MSL and Cavotec were trading as one Group for this period. This pro forma amalgamated income statement shows an earnings before interest and tax (EBIT) figure of NZ$11,132,000 for the 6 month period to 30 June 2006, if MSL and Cavotec were trading as one group.

Conclusion:

Unlike some transactions, in the event MSL shareholders did not approve this transaction, there are no break or penalty fees payable by MSL to Cavotec or any third party.

For the reasons fully set out in this Information Memorandum your Board recommends shareholders approve the merger with Cavotec.

Yours faithfully

Michael J Cashin
Chairman

SECTION 2 – DELOITTE REPORT

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31 August 2006

The Chairman
Mooring Systems Limited
PO Box 13811
CHRISTCHURCH

Dear Sir

Re: Valuation of Cavotec / MSL

We have provided you with draft valuation reports for each of Cavotec and MSL in accordance with our letter of engagement dated 17 May 2006. These valuations represent a stand alone assessment of the value of each entity. The valuations do reflect the existing commercial arrangements between MSL and Cavotec and a common view of the potential for this relationship going forward. We are aware that the valuations are important in both an absolute sense, given the obligations that directors of each entity have to their respective shareholders, but in a relative sense also given that the valuations will provide an input into further negotiations between the two parties.
Given the context of the valuations we consider it appropriate to provide some additional comment insofar as it is relevant to the relative values of the two companies in the context of the proposed transaction. In particular we comment on issues that we believe should be considered by the directors of both parties.

Valuation Outcomes

The valuation reports highlight that the valuation of both companies requires significant judgement at this time. While Cavotec is a relatively more mature business than MSL, it has undergone significant change in recent times and is currently enjoying a level of growth and financial performance materially different from that enjoyed in the recent past. As a consequence the values we have attributed to the company are significantly higher than that which the company might have expected to achieve until recently. On the other hand, should Cavotec continue to enjoy the growth experienced recently a higher valuation than that calculated could be justified. Indeed our "raw" DCF of Cavotec indicated a significantly higher value range than that established through our capitalisation of earnings approach.

The potential spread of value for MSL is even more marked.

The value range indicated by share price data is both broad and volatile. That is to be expected for a company at MSL's age and stage of development. Our DCF analysis indicates that the range of values suggested for MSL by share price data is plausible. The analysis also highlights the sensitivity of these valuation estimates to modest changes in key assumptions.

In short, while we are satisfied that our value ranges assessed for both Cavotec and MSL are fair in both an absolute and relative sense arguments could be made for values above and below our range for both entities.

Cavotec

We make the following comments specifically in relation to the valuation of Cavotec:

1. Liquidity. Cavotec is an unlisted private company. Ordinarily a discount might typically be applied to the value of an unlisted company to reflect the lack of liquidity in the company's shares. We have not applied such a discount in the context of this valuation for the following reasons:

   (i) We believe that Cavotec could list on the AIM or an equivalent market at a modest cost relative to the discount typically applied to allow for the lack of liquidity in unlisted company shares; and

   (ii) We are valuing 100% of the shares in Cavotec for the purposes of establishing an exchange value, so there is arguably a control premium to offset the liquidity argument.

2. We have valued 100% of the shares in Cavotec for the purposes of establishing a relative exchange value. We note, however, that were Cavotec to raise cash through a partial listing to execute an acquisition of MSL it is likely that the value attributed to the shares would be at a discount to a pro rata value of 100% of the company.

3. Control. Based on the valuation ranges set out below, Cavotec shareholders will have control of MSL as a result of the proposed transaction. The share price data for MSL is indicative of a value of a minority interest in the company, although as our report states in this instance it would be presumptuous to assume a premium should be added to this data to determine a control value. Also, in theory the DCF analysis does attempt to establish a control value for the business. However, this value will not reflect any synergistic, strategic or other benefits that might otherwise be available to Cavotec or any other party obtaining control of MSL.

Costs / Benefits

We summarise below the key benefits and costs for each party as a consequence of the proposed transaction. These considerations have not been specifically factored into our valuation but are relevant to the question of a fair exchange value.

Cavotec	MSL
Benefits	**Benefits**
▪ Secures global rights to Mooring Systems product ▪ Achieves control of MSL by Cavotec shareholders ▪ Effectively uses shares not cash to secure this control ▪ Achieves a listing on a recognised stock exchange	▪ Access to secure cash flows and significantly enhanced scale ▪ Certain access to the resources needed to fully explore the market potential of the Mooring Systems Product ▪ Significantly enhanced substance behind the product offering, which is likely to provide more comfort to prospective customers outside of the European market

Cavotec	**MSL**
Costs	**Costs**
▪ Dilutes current ownership of the Cavotec business ▪ Cavotec shareholders essentially take on substantial share of the "risk" associated with an early stage business in MSL	▪ Cedes control of Mooring Systems product ▪ Dilutes share of upside potential of the MSL business. ▪ Exchange control of MSL for minority interest in Cavotec

Exchange Value

The valuation analysis set out in the respective Cavotec and MSL valuation reports demonstrates that the value range for each business is relatively broad – reflecting the rapid growth occurring currently within Cavotec and the relatively early stage of the MSL business. The table below shows the implications of different exchange ratios given the relative valuation ranges established for MSL and Cavotec. The implications of these valuations different exchange ratios for a combined capitalisation in New Zealand dollars is also set out. We also set out the EBIT multiples implied by Cavotec for different enterprise values, assuming prospective 2007 EBIT of €9.411 million.

	Euro						
MSL Value Range	21.2	22	23.6	24	24.5	25	26
Cavotec Equity Value Range							
17.50%	99.94	103.71	111.26	113.14	115.50	117.86	122.57
20.30%	83.23	86.37	92.66	94.23	96.19	98.15	102.08
22.50%	73.02	75.78	81.29	82.67	84.39	86.11	89.56
25.00%	63.60	66.00	70.80	72.00	73.50	75.00	78.00
27.50%	55.89	58.00	62.22	63.27	64.59	65.91	68.55
30.00%	49.47	51.33	55.07	56.00	57.17	58.33	60.67
	NZD/Euro	0.5					
MSL Value Range	42.4	44	47.2	48	49	50	52
Combined Equity Value - NZD							
17.50%	242.29	251.43	269.71	274.29	280.00	285.71	297.14
20.00%	208.87	216.75	232.51	236.45	241.38	246.31	256.16
22.50%	188.44	195.56	209.78	213.33	217.78	222.22	231.11
25.00%	169.60	176.00	188.80	192.00	196.00	200.00	208.00
27.50%	154.18	160.00	171.64	174.55	178.18	181.82	189.09
30.00%	141.33	146.67	157.33	160.00	163.33	166.67	173.33
Cavotec Enterprise Value - Euro							
17.50%	110.24	114.01	121.56	123.44	125.80	128.16	132.87
20.00%	93.53	96.67	102.96	104.53	106.49	108.45	112.38
22.50%	83.32	86.08	91.59	92.97	94.69	96.41	99.86
25.00%	73.90	76.30	81.10	82.30	83.80	85.30	88.30
27.50%	66.19	68.30	72.52	73.57	74.89	76.21	78.85
30.00%	59.77	61.63	65.37	66.30	67.47	68.63	70.97
Cavotec Implied EBIT multiple		9.411					
17.50%	11.7	12.1	12.9	13.1	13.4	13.6	14.1
20.00%	9.9	10.3	10.9	11.1	11.3	11.5	11.9
22.50%	8.9	9.1	9.7	9.9	10.1	10.2	10.6
25.00%	7.9	8.1	8.6	8.7	8.9	9.1	9.4
27.50%	7.0	7.3	7.7	7.8	8.0	8.1	8.4
30.00%	6.4	6.5	6.9	7.0	7.2	7.3	7.5

Conclusion
Based on our valuation conclusions and having regard to the additional considerations set out above, our view is that a fair exchange value would fall somewhere in the vicinity of 20% MSL ownership of the enlarged entity. Our current view is that a ratio in the vicinity of 20% would represent a fair exchange value between the two parties.

Yours sincerely
DELOITTE

Alan Dent
Partner

Deloitte

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31 August 2006

CONFIDENTIAL

The Chairman
Mooring Systems Limited
PO Box 13811
CHRISTCHURCH 8031

Dear Sir

VALUATION OF MOORING SYSTEMS LIMITED

You have asked Deloitte Corporate Finance, a division of Deloitte, to provide an assessment of the relative and absolute value of Mooring Systems Limited ("MSL").

We understand that our valuation assessment is required for the purpose of establishing a relative and absolute value for MSL to assist you in agreeing to a fair exchange value with Cavotec Group Holdings NV ("Cavotec"). This exchange of value will be part of a merger/amalgamation transaction between the two parties.

In our opinion, the fair exchange value of MSL in the context of a merger/amalgamation with Cavotec is in the range of $42.4 million to $52.2 million as at the present date.

This equates to a value of $3.33 to $4.10 per share.

If a single value is required, we are of the opinion that a value in the vicinity of the middle of our range is appropriate. Accordingly we would assess the value to be in the vicinity of $47.3 million or $3.72 per share.

This is a summary of our opinion. It should be read in conjunction with the attached detailed report and is subject to the restrictions and caveats contained in the detailed report.

Yours sincerely
DELOITTE

Alan Dent
Partner
Corporate Finance

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Appendices

Abbreviations and Definitions

CAPM	capital asset pricing model
Cavotec	Cavotec Group Holdings NV
DCF	discounted cash flows
EBIT	earnings before interest and tax
EBITDA	earnings before interest and tax, depreciation and amortisation
FCF	free cash flows
IBD	interest bearing debt
IPO	initial public offering
MIL	Mooring International Limited
MSL	Mooring Systems Limited
NCM	New Capital Market
NZICA	New Zealand Institute of Chartered Accountants
NZX	New Zealand Stock Exchange
Ro-Ro	Roll on, Roll off (A class of ship)
WACC	weighted average cost of capital

1. Introduction

Deloitte Corporate Finance, a division of Deloitte, has been instructed by Mooring Systems Limited ("MSL") to provide an assessment of the relative and absolute value of MSL as at the present date.

We understand that this valuation assessment is required for the purpose of establishing a relative and absolute value for MSL to assist you in agreeing to a fair exchange value with Cavotec Group Holdings NV ("Cavotec"). This exchange of value will be part of a merger/amalgamation transaction between the two parties.

This report is an Independent Valuation Report pursuant to Advisory Engagement Standard Number 2 as promulgated by the New Zealand Institute of Chartered Accountants ("NZICA").

MSL have sought, and Deloitte have given permission, for this report to be included in the Information Memorandum to be provided to MSL shareholders in connection with the proposed MSL/Cavotec transaction.

All dollar amounts referred to are New Zealand dollars.

2. Opinion

Mooring Systems Limited ("MSL") is a publicly listed company based in Christchurch, New Zealand. The principal activities of MSL involve the development, testing and sales, of shore and ship based automated mooring systems. The Ports industry has historically been very conservative, utilising time-honoured processes; one of the most simple of which is being questioned by MSL with its innovative new products. MSL have pioneered the use of an alternative mooring technique, which instead of employing ropes to hold vessels in place, utilises vacuum pads to not only keep the vessel stationary but dampen the effect of wave motion.

The Ports industry is enormous with over 4000 ports globally; the top 100 ports in the world control quay space totalling in excess of 500km. The implications of this for MSL are vast; each kilometre of quay space being the equivalent of around three berths, and each berth requiring up to four MoorMaster units; the top 100 ports alone represent potential for the sale of 6,000 units for MSL. MSL is the only company in the world to have a functional automated mooring system, this places it in a dominant position to take advantage of the global ports industry should its product prove successful.

In 2004 MSL granted Cavotec, a European-based multi-national provider of industrial technology solutions with good penetration into the ports and maritime market an exclusive, 10-year license for all MoorMaster marketing and sales within Europe. In exchange MSL received an entitlement to annual fees, a profit share and significantly enhanced access to key customers in the ports and maritime industry.

We are of the opinion that the value of 12,726,540 shares in MSL in the context of the proposed transaction is in the range of $42.4 million to $52.2 million at the present date. This equates to a value of $3.33 to $4.10 per share.

If a single value is required, a value in the vicinity of the midpoint of this range is considered appropriate. This equates to $47.5 million and $3.72 per share.

This opinion must be read in conjunction with, and is subject to and qualified in its entirety by, each individual section of this report.

3. Company Profile

3.1. Share Capital, Shareholders and Officers

MSL is a publicly listed company on the New Zealand Stock Exchange ("NZX"), incorporated under the Companies Act 1993.

MSL's share capital consists of 12,726,540 ordinary shares. MSL's ten largest current shareholders according to the New Zealand Companies Office are set out below.

Shareholders of MSL

	Number of Shares	%
Peter Montgomery	2,407,581	18.9%
New Zealand Central Securities	2,174,491	17.1%
Helge Longva	1,110,000	8.6%
Robert Weber Family Account (Trust)	935,731	7.4%
Jarden Custodians Limited	607,120	4.8%
Animato Enterprises Limited	305,000	2.4%
J. Bryan Rossiter	235,664	1.9%
John Clarke	125,000	1.0%
Vela Holdings Limited	122,500	1.0%
Robert Dellow	105,000	0.8%
	8,128,087	63.9%

MSL was formed in November 2000 under the NZX's New Capital Market (NCM) initiative. As an NCM company MSL acquired the business of Mooring International Limited (MIL). MIL was a private company controlled and owned by Peter Montgomery, Robert Weber and Bryan Rossiter. MSL acquired the business and assets (not shares) of MIL in a Key Transaction that was completed in December 2001. The settlement was completed via a cash and script offer for the business. During this process MSL also completed an initial public offering ("IPO"), raising around $1m in capital which was used as working capital to hire staff and develop the desktop designs to allow for prototype manufacture. The first MM400 prototype was built in 2002 with funding assistance from Technology New Zealand.

3.2. Overview of Operations

Products and Services

MSL is essentially a design house, employing a team of engineers that develop innovative systems which allow for automated mooring of ships in place of traditional mooring ropes. To date, the team at MSL has fully tested one product (MM400), is in the process of trialling two products (MM600, MM800) and has two further products developed to an advanced desktop level (MM200LS, MM500). These five products represent a portfolio that is anticipated to suit the majority of mooring situations. These are:

- MoorMaster 200 Lock System (MM200LS) – this product design is developed to construction level. The MM 200LS is designed to automatically secure vessels transiting locks.
- MoorMaster 400 (MM400) – installed on port quays. Designed to hold ships between 70m and 250m long. Between 2 and 6 mooring units are required per berth depending on environmental conditions and port requirements (e.g. for ship positioning). The MM400 is mounted above the quay and hence is not generally suitable in a container port environment where the systems may impede container crane movements. The main application is for Roll on – Roll off ("Ro-Ro - a class of ship") terminals, passenger ferries, certain bulk shipping ports, and particularly for ports in more sheltered environments (harbours, locks etc).
- MoorMaster 800 (MM800) – also installed on port quays. Designed to hold larger passenger ships in exposed seaway conditions where high winds and large tidal variations are common. Typically 3-4 units are required per berth.
- MoorMaster 500 (MM500) – designed to an advanced desktop level. Mounted on the quay face, clear of cargo working areas. Suitable for container, bulk and break-bulk berths. This product has been designed but no units have yet been manufactured or tested. It is a less complex system than the MM600 below.
- MoorMaster 600 (MM600) – mounted on the quay face or adapted for ship to ship mooring, such as in defence (navy) situations. Designed to hold any ship up to the largest container ships in the world with 4 units per berth. MM600 systems are currently being constructed by Cavotec for testing at the Oman Salalah container terminal run by AP Moller, which is a port which experiences significant "long wave" action during the monsoon season.

Each of these systems uses common vacuum interface technology coupled with sophisticated hydraulics and supported by dynamic operating software. The technology used is not new, but the application of the technology to mooring systems is innovative and the result of many years of research, development and testing.

The MM400 was the first system developed and has now been installed and extensively tested in four different port environments. This product is now regarded as proven and MSL believe that it can essentially be "supplied on demand" for standard passenger ports with minimal effort required by MSL.

Cavotec Licence Agreement

In 2004 MSL entered into a licensing arrangement with Cavotec Group Holdings NV, based in Europe. The agreement runs for 10 years and 10 months from the commencement date (1 March 2004) with allowance for an extension for a further 5 years.

The agreement provides Cavotec with the exclusive right to market MSL products throughout Europe, and in return it pays to MSL:

(a) a non-refundable licence fee throughout the term of this Agreement of €200,000 for the Initial Period and for each Licence Year (the Annual Licence Fee); and

(b) a royalty fee payable in Euros of 50% of the Gross Income earned in each Licence Year to the extent the Gross Income during the Licence Year exceeds €400,000 (the Royalty).

3.3. Summary of Financial Performance

MSL's audited financial performance for the past four financial year is summarised below:

Mooring Systems Limited - Summary of Financial Performance				
As at 31 March	**2003**	**2004**	**2005**	**2006**
($000)	**Actual**	**Actual**	**Actual**	**Actual**
Revenue	553	3,888	1,015	1,791
EBITDA	(290)	277	(876)	(373)
EBIT	**(509)**	**12**	**(1,166)**	**(675)**
Free Cash Flow	**(90)**	**(916)**	**(1,405)**	**(57)**
Source: Annual Reports for Mooring Systems Limited 2003 - 2006				

3.4. Summary of Financial Position

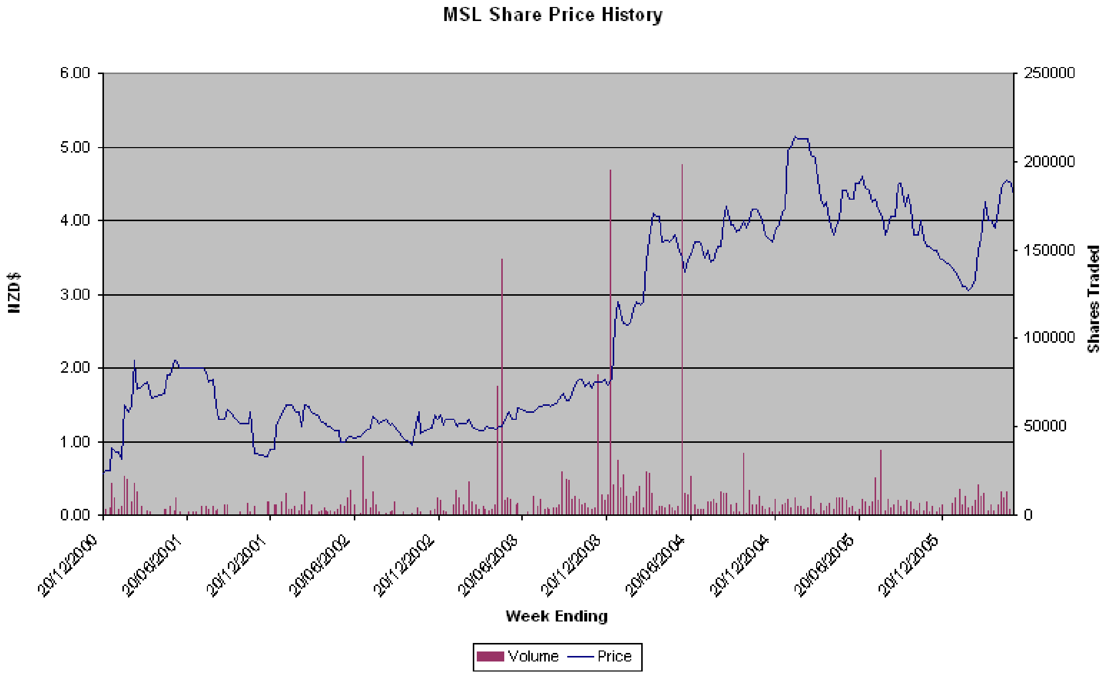
MSL's audited financial position as at 31 March 2003 to 31 March 2006 is set out below:

Mooring Systems Limited - Summary of Financial Position				
As at 31 March	**2003**	**2004**	**2005**	**2006**
($000)	**Actual**	**Actual**	**Actual**	**Actual**
Shareholders' Equity	**4,037**	**5,190**	**5,428**	**4,754**
Represented by				
Current Assets	623	2,036	1,961	1,277
Non-Current Assets	3,503	3,833	3,806	3,697
Total Assets	**4,126**	**5,869**	**5,767**	**4,974**
Current Liabilities	90	679	339	220
Total Net Assets	**4,037**	**5,190**	**5,428**	**4,754**
Source: Annual Reports for Mooring Systems Limited 2003 - 2006				

4. Trading Performance and Analyst Outlook

4.1. Share Price History

MSL was first incorporated in November 2000 and trading commenced on 20 December 2000. The graph below summarises MSL's trading performance since becoming a public company:



Since March 2004, MSL has been trading within a band of $2.65 to $5.15. With no consistent earnings, product and contract related announcements have been the key drivers of MSL's share price. The peak price of $5.15 was achieved on 31 January 2005 after the release of information regarding the launch of the MoorFender product.

Recent events include MSL recording its lowest price for two years of $2.65 on 2 February 2006, after decreasing steadily since interim results for the 2006 year were made public in November 2005. MSL has since recovered due to announcements made concerning the purchase of MoorMaster 600s by Salalah, and the US Navy HiCASS2 project.

Volumes traded on MSL shares have typically been small. After the removal of outlying values above 50,000 shares trading within a week interval (of which there are only six instances since MSL commenced trading); the average weekly trading volume was just over 7,000 shares.

The significant fluctuation in share price implies a very wide "market value" for the company ranging from $33.7 million (at a price of $2.65) to $65.5 million (at a price of $5.15).

5. Basis of Valuation and Valuation Approach

5.1. Standard of Value

We are required to assess the market value of all of the shares in MSL as at the present date.

5.2. Valuation Methodologies

The appropriate valuation methodology is determined by a number of factors including the future prospects of the business, the stage of development of the business and the valuation practice or benchmark usually adopted by purchasers of the type of business involved.

5.3. Valuation Approach

Introduction

The appropriate valuation approach is determined by a variety of factors including the size of shareholding being valued, business prospects, the stage of development and the valuation practice or benchmark commonly adopted by purchasers of businesses in the particular industry.

Although MSL's sales have been increasing, the Company has still been making moderate losses. As such it has certain characteristics that are similar to emerging high growth businesses. On the other hand the industry at which MSL products are targeted is one of the most fundamental, mature and well established of all industry sectors. MSL products essentially represent a different approach to a task that has been an integral part of commerce for thousands of years. Unlike many emerging businesses in the technology age which are based on a combination of new products defining new markets, MSL is based on a new product/solution for an ancient market.

It is widely acknowledged that it is extremely difficult to assess the value of emerging high growth businesses. In general, such businesses lack an operating history, have limited proof of product acceptance by the market, have minimal asset backing, yet exhibit potential for rapid growth and usually have an inherent instability in their capital structure because of a frequent need for equity and/or debt financing.

MSL is probably best described as a late second stage business on the cusp of breaking into a more rapid expansion phase. MSL has a viable product with a limited, but established operating history in the New Zealand market. It has made some sales in international markets but has still to achieve real sales momentum. The company has a licensing arrangement with an established and well regarded group, Cavotec, which provides marketing and manufacturing capability in the European market. The company has yet to establish equivalent distribution arrangements for other markets.

Based on our understanding of the MSL business, including the company's age and stage of development and prospects, we have adopted the following approach to the valuation of the company:

1. Market Valuation: We have evaluated share price data for MSL over the past two years and have used this data to determine a spread of possible values for the company. We have then applied discounted cash flow (DCF) techniques to "backsolve" these valuations to assess the level of sales and profitability implied by this valuation range.
2. Discounted Cash Flow: We have valued the company on a DCF basis. Under this approach the value of an investment is equal to the value of future free cash flows (FCF") arising from an investment, discounted at the investors required rate of return. In applying the DCF approach we have applied a range of approaches as follows:
    i. Base Case. A base case value is established with reference to the projections prepared by MSL management. This approach involves the discounting back to a present value of the projected cashflows, and the determination of an appropriate terminal value. In undertaking this approach we have focused heavily on:
        - identifying the key assumptions on which these projections are based;
        - assessing the reasonableness of these assumptions given the supporting evidence;
        - assessing the risk of the projections having regard to what is known and what represents the company's best view;
        - establishing an appropriate growth rate to incorporate into our terminal value assessment; and
        - determining an appropriate cost of capital at which to discount the projected cashflows.

Our approach has been driven by a desire to establish as many valuation reference points as a basis for determining an appropriate valuation range for the business.

6. Market Valuation

Section 4 sets out the share price history of MSL. This analysis demonstrates the broad range within which MSL shares have traded since the company's listing. The weighted average share price for MSL over the last 24 months is summarised in the table below:

Mooring Systems Limited – Weighted Average Share Price					
For the latest period up to June 2006	**3 Months**	**6 Months**	**12 Months**	**18 Months**	**24 Months**
Weighted Average Share Price	$4.07	$3.76	$3.96	$4.10	$3.90

This indicates a share price tending toward a value of approximately $4.00 per share. Though volumes are not huge, nonetheless shareholders have been able to build up sizeable shareholdings over a period of time. In evaluating the weight to be given to the value indicated by this share information, regard is had to the following:

- Share trade data indicates a value at the margin;
- Generally share price data is considered to represent a discount to the value that might be attributed to 100% of the shares of a company due to a lack of "control" associated with small share price data;
- In the case of MSL it is plausible that share price data could suggest a price at a premium to 100% of the value of the company – due to the speculative nature of the stock;
- While liquidity is not huge, it is sufficient to require weight to be given to the prices suggested;
- Institutional and sophisticated individual investors have "built" shareholdings on the market;
- Movement in the share price is demonstrably sensitive to announcements made by the company as to its achievements and prospects; and
- Whatever value for the company is derived with reference to the share price range indicated above and in section 6 is significantly at odds with the current financial performance of the company.

In our opinion the value indicated by MSL by its recorded share price cannot be ignored. Equally, however, this price cannot be regarded as providing definitive evidence of a value achievable in the event of the sale of 100% of the shares in the company. We have taken the weighted average price data as indicating a value per share in the range of $3.90 to $4.10 or $49.6 million to $52.2 million for the company.

7. Discounted Cash Flow Valuation

We have performed a DCF valuation of MSL for several purposes, being:

(i) to test the plausibility of the value implied by MSL by share price data;

(ii) to establish a view on a reasonable value for the company at the present date; and

(iii) to demonstrate the potential value for the business under a range of sales and discount rate scenarios.

7.1. Free Cash Flows

This DCF analysis models FCF for the five year period to 31 March 2011. The base case relies on the projections prepared by MSL.

Our fundamental assumption is that the transition of the global ports industry to MSL product will be evolutionary rather than revolutionary. Therefore, sales volumes assumed even by the end of the explicit projection periods represent a very modest share of the total potential market. This assumption is based on the expectation that ports will change to MSL's product set or equivalent, to the extent that competitor products emerge, as they see the need to, either through demand from shipping companies, health and safety or efficiency considerations, but that this pressure will build over time, not immediately.

We note that estimates of FCF are sensitive to a number of assumptions. Accordingly due care should be taken in placing reliance on the outcome given the likelihood of variability in the assumptions.

7.2. Weighted Average Cost of Capital

The calculation of the weighted average cost of capital ("WACC"), while being derived from detailed formula, is fundamentally a matter of professional judgement. The Capital Asset Pricing Model ("CAPM") has been applied to assess the WACC for MSL. The CAPM version adopted takes account of investors' tax rates and makes an allowance for the higher rates of return required for smaller companies. The WACC for MSL has been assessed to be in the range of 18% to 22%. This represents a rate of return somewhat below that required by venture capital investors reflecting the fact that while MSL is still at a relatively early stage as a company, significant progress has been made recently in:

- establishing distribution channels (Cavotec);
- validating the product; and
- building a sales pipeline.

The DCF analysis above demonstrates:

(i) a broad range of values arising from modest changes to key assumptions;

(ii) valuation outcomes that generally fall below that indicated by the weighted average share price; and

(iii) the potential for a very significant uplift in value that is calculated when a lower discount rate is applied to reflect the reduction in risk that would occur should the MSL product set gain wide market acceptance and the business model prove itself.

This last point is significant. There is a significant option value in the MSL business at this time.

7.3. Conclusion

As would be expected for a business at the MSL stage of development, our DCF analysis produced a broad range of values for the business. Based on this analysis, the value of the ungeared MSL business based on the DCF assessment is assessed to be in the range of $42.4 million to $51.1 million.

8. Valuation of the Business

The range within which the value of the MSL business could lie is broad as indicated by the results generated by the different valuation approaches, and by market data.

Range of Valuation Assessments

	Low $million	Mid Point $ million	High $million
Market Spread	33.7	49.6	65.5
DCF	42.4	46.7	51.1
Weighted Market	49.6	50.9	52.2

In general terms, the difference between the value of a business and the value of its tangible operating assets represents the value of the intangible assets of the business such as goodwill, brand names, distributorship licences, know how, customer network etc. The investment in tangible operating assets per the financial statements as at 31 March 2006 equated to $1.35 million.

Therefore, substantially all of the assessed value for MSL is attributable to the intangible assets of the company. Given the nature of the business the valuation result is plausible. However, the valuation outcome highlights the critical nature of the company's intellectual property and the risk the company fails should this critical asset be compromised.

8.1. Conclusion

The base DCF range demonstrates a value on balance below that implied by the weighted average share price. However, the different valuation scenarios modelled demonstrate that relatively modest changes to assumptions, particularly in relation to the discount rate have a significant impact on the value range calculated. We believe that an element of this "option value" needs to be reflected in any assessment of the value of MSL at this time.

Based on the above, the value of the MSL business is assessed to be in the range of $42.4 million to $52.2 million, as at the present date.

9. Valuation of all the Shares

9.1. Introduction

The value of the MSL business is in the range of $42.4 million to $52.2 million at the present date.

To derive the value of the shares in MSL, it is necessary to add the value of any surplus assets to the value of the business and deduct the market value of the company's net interest bearing debt "IBD". We do not consider that MSL has any surplus assets or IBD that need to be allowed for when calculating a value of the shares in the company. We note that the company carried a cash balance at 31 March 2006 of approximately $1.13 million. We have not treated this cash as being surplus to the requirements of the business. We also note the existence of carried forward tax losses. We do not consider the potential value of these losses to be material once this benefit is projected forward and discounted back to a present value. Accordingly, we value the shares in MSL in the range of $42.4 million to $52.2 million.

This valuation assessment is effectively as at last balance sheet date. Assuming that there have been minimal changes in the Company's operations and the industry in which it operates between that date and the present date, it is considered reasonable to assume that the value of all the shares is in the range of $42.4 million to $52.2 million as at the present date. However, it is stressed that any significant change in cash levels, debt or shareholders' advances balances from the levels shown in the balance sheet as at last balance sheet date may affect the value of the shares.

10. Restrictions, Reliance on Information, Disclaimer and Indemnity

10.1. Restrictions

This report is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined in section 1 without our prior written permission in each specific instance. We do not assume any responsibility or liability for losses occasioned to MSL, its directors or shareholders or to any other parties as a result of the circulation, publication, reproduction or use of this report or any extracts therefrom contrary to the provisions of this paragraph. In any event, our total liability to all and any parties for any reasons whatsoever is limited to five times the fee charged for this assignment.

We reserve the right, but not the obligation, to review all calculations included or referred to in this report and, if we consider it necessary, to revise our opinion in the light of any information existing at the valuation date which becomes known to us after the date of this report.

This valuation is as at the present date and will not necessarily be appropriate for determining the value of the shares in MSL at any other date.

10.2. Reliance on Information

In preparing this valuation we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that is available from public sources and all information that was furnished to us by MSL.

We have evaluated that information through analysis, enquiry and examination for the purposes of forming our valuation opinion. However, we have not verified the accuracy or completeness of any such information nor conducted an appraisal of any assets. We have not carried out any form of due diligence or audit on the accounting or other records of MSL. We do not warrant that our enquiries have identified or revealed any matter which an audit, due diligence review or extensive examination might disclose.

10.3. Disclaimer

This report has been prepared with care and diligence and the statements and conclusions in this report are given in good faith and in the belief, on reasonable grounds, that such statements and conclusions are not false or misleading. However, in no way do we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of MSL will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of MSL and its management. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of this valuation to the extent that such errors or omissions result from the reasonable reliance on information provided by others or assumptions disclosed in this report or assumptions reasonably taken as implicit.

10.4. Indemnity

MSL has agreed that to the extent permitted by law, it will indemnify Deloitte and its partners, employees and consultants in respect of any liability suffered or incurred as a result of or in connection with the preparation of the valuation assessment. This indemnity will not apply in respect of any negligence, wilful misconduct or breach of law. MSL has also agreed to indemnify Deloitte and its partners, employees and consultants for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Deloitte or its partners, employees and consultants are found liable for or guilty of negligence, wilful misconduct or breach of law, Deloitte shall reimburse such costs.

Appendix I

Statement of Qualifications and Independence

Deloitte is one of the world's leading professional services firms. Deloitte Corporate Finance is the corporate finance practice of Deloitte, providing corporate advisory, mergers and acquisitions, capital raising, valuation and transaction support services.

The person in the firm responsible for issuing this report is Alan Dent, BCA, CA.

Deloitte Corporate Finance and Mr Dent have significant experience in the valuation of shares, businesses and intangible assets for merger, acquisition and divestment purposes.

This valuation report has been completed in accordance with the professional standards of NZICA and is an Independent Valuation Report as defined in the NZICA Advisory Engagement Standard No. 2 2001 entitled *Independent Business Valuation Engagements.*

Deloitte and its partners are independent of MSL. The firm is the not the auditor of MSL.

Deloitte Corporate Finance will receive a fee for the preparation of this report based on its normal time charges. This fee is not contingent on the outcome of the valuation assessment. Deloitte Corporate Finance will receive no other direct financial benefit for the preparation of this report.

Appendix II

Sources of Information

In forming this opinion we have reviewed and relied upon the following principal sources of information:

- The audited financial statements of MSL for each of the years ending 31 March 2003, 2004, 2005 and 2006;
- Financial budgets for MSL for the year ended 31 March 2007;
- Publicly available information on MSL's trading history;
- New Zealand companies office web site;
- New Zealand Exchange web site;
- The information memorandum and marketing material of MSL;
- Publicly available information on the global ports industry; and
- Discussions and correspondence with the management of MSL.

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31 August 2006

CONFIDENTIAL

The Chairman
Mooring Systems Limited
PO Box 13811
CHRISTCHURCH 8031

Dear Sir

RE: VALUATION OF CAVOTEC GROUP HOLDINGS N.V.

You have asked Deloitte Corporate Finance, a division of Deloitte, to provide an assessment of the value of 5,797,837 shares in Cavotec Group Holdings N.V. ("Cavotec").

We understand that our valuation assessment is required to establish a relative and absolute value of Cavotec. This value will assist Cavotec and Mooring Systems Limited ("MSL") to agree a fair exchange value in the context of a proposed merger/amalgamation transaction between the two parties.

In our opinion, the market value of the 5,797,837 shares in Cavotec in the context of the merger/ amalgamation transaction with MSL is in the range of €82.817 million to €102.989 million as at the present date.

If a single value is required, we are of the opinion that a value in the vicinity of the middle of our range is appropriate. Accordingly we would assess the value to be in the vicinity of €92.903 million.

This is a summary of our opinion. It should be read in conjunction with the attached detailed report and is subject to the restrictions and caveats contained in the detailed report.

Yours sincerely
DELOITTE

Alan Dent
Partner
Corporate Finance

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Appendices

Abbreviations and Definitions

CAPM	capital asset pricing model
COGS	cost of goods sold
Cavotec	Cavotec Group Holdings N.V.
DCF	discounted cash flows
EBIT	earnings before interest and tax
EBITDA	earnings before interest and tax, depreciation and amortisation
Euro	Euro Dollars
FCF	free cash flows
IBD	interest bearing debt
NZICA	New Zealand Institute of Chartered Accountants
LBO	leveraged buy-out
MSL	Mooring Systems Limited
Net IBD	net interest bearing debt
NPAT	net profit after tax
WACC	weighted average cost of capital

1. Introduction

Deloitte Corporate Finance, a division of Deloitte, has been instructed by Mooring Systems Limited (MSL) to provide an assessment of the market value of 5,797,837[1] ordinary shares in Cavotec Group Holdings N.V. ("Cavotec") as at the present date.

We understand that our valuation assessment is required to establish a relative and absolute value of Cavotec in the context of a proposed merger/amalgamation transaction between Cavotec and MSL. This value will assist Cavotec and MSL to agree a fair exchange value. This report is an Independent Valuation Report pursuant to Advisory Engagement Standard Number 2 as promulgated by the New Zealand Institute of Chartered Accountants ("NZICA").

This valuation is based on the information provided to us as set out at Appendix II.

MSL have sought, and Deloitte have given, permission for this report to be included in the Information Memorandum to be provided to MSL shareholders in connection with the proposed MSL/Cavotec transaction.

All currency amounts referred to are Euros (€).

2. Opinion

Cavotec is a designer, manufacturer and supplier of industrial technology solutions with a particular emphasis on mobile power solutions. Cavotec provides products and technology system solutions to many industries, ranging from ports and airports to mines and offshore oil rigs. These products and solutions include: motorised cable reels, aircraft support systems, rail fastening systems, Panzerbelt cable protection systems, slipring columns, flexible cables, spring driven reels, industrial electrical plugs and sockets, cable chain systems, radio remote controls and automated mooring systems.

The market for industrial components - in particular power supply products - is a large one, and Cavotec has positioned itself as a niche supplier of specific components and solutions. Cavotec describes itself as a global leader in the market place for power supply solutions. Increasing levels of regulation in ports and maritime and airports sectors are beginning to require more environmentally friendly power supply systems, and this will continue to drive increased demand for many core Cavotec products and systems. In addition, there is significant potential that newer products and solutions, such as MoorMaster, will become generally accepted by the ports and maritime industry, and Cavotec holds an exclusive license to sell these products in the European market.

[1] Number of shares at 1 July 2006, following the implementation of the FastTrack shareholding scheme.

We are of the opinion that the market value of 5,797,837 shares in Cavotec is in the range of €82.817 million to €102.989 million at the present date.

If a single value is required, a value in the vicinity of the midpoint of this range is considered appropriate.

This opinion must be read in conjunction with, and is subject to and qualified in its entirety by, each individual section of this report.

3. Company Profile

3.1. Overview

Cavotec was established in Sweden in 1974 as a very small and unproven player in the industrial component market selling cable reels and industrial connectors. With the acquisition of Specimas SpA in Italy, Cavotec started manufacturing cable reels and developed the Panzerbelt – a product designed to protect cables in ports and terminals.

Over time other products were added to meet customer demand such as cables (manufactured by third parties but sold in conjunction with the cable reels) and companies were acquired to increase Cavotec's global reach and complementary product base.

Cavotec is now a global player in the industry for mobile power supply components and systems with revenues in excess of €90M and sales and operations in 30 countries with 24 sales offices and 7 manufacturing plants.

Cavotec now offers a selection of specialist products and technology system solutions to customers in the ports and maritime industry as well as to the airports industry and the mining and energy industries. A number of the products are complementary to each other (cable reels, cables and industrial connectors) and, increasingly, Cavotec seeks to further develop systems which draw on the synergies offered by linking its core products together, such as with the Shore Power Supply AMP system. However, in many cases, the commonality of customer needs and sales force requirements (geographically spread) have been the key drivers behind Cavotec growth and product diversification.

3.2. Share Capital, Shareholders and Officers

Cavotec is a closely held private company, a corporation limited by shares. Cavotec Group Holdings N.V. (the parent company) is registered in Alblasserdam, The Netherlands. The 2005 Annual report states that the company's principal activities are to act as a holding and finance company.

The total current shareholding is 5,797,837 ordinary shares, following approval of an Employee Share Scheme (FastTrack) that came into effect at 1 July 2006. As a result of this scheme, a number of existing shareholders increased their combined holdings and 31 new "Fast Track" employee shareholders were added with a further 99,500 shares leading to a total shareholding of 5,797,837 shares.

3.3. Group Structure

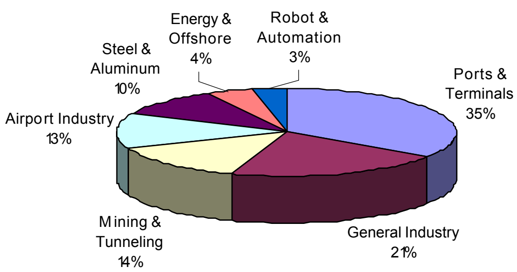
The Cavotec Group comprises the Group holding company Cavotec Group Holdings N.V. and a number of corporate holding companies which have been set up as part of past acquisition transactions to acquire and hold shares in acquired entities and also for tax and other benefits.

The operational units of Cavotec comprise 8 manufacturing companies (including Cavotec MoorMaster GmbH, which is essentially a shelf company until the MoorMaster product begins selling on a larger scale) and 17 sales companies. These manufacturing companies are responsible for the manufacturing of all Cavotec products. Each company was historically run as an autonomous unit with revenues flowing back to Cavotec. Cavotec has made changes recently to the group strategy to push the company towards becoming more "corporate" in its operations and management with a view to a potential stock market listing at some point in the future. The strategy includes a drive to grow revenue through leveraging off its global sales force and focusing on vertical integration.

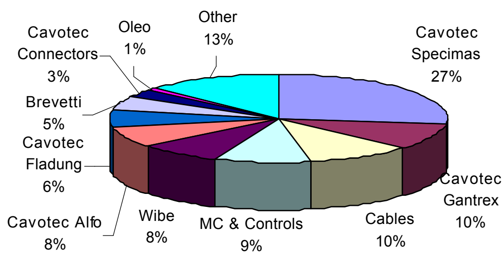
3.4. Business Model

Cavotec is a manufacturer and supplier of industrial components, in particular mobile power supply solutions. The business is diversified and the products Cavotec manufactures are able to service customer requirements in many industries including ports, airports, mining and oil platforms. Cavotec's breakdown of group revenue by sector and product is shown in the graphs below:

Revenues by Market Sector - 2005



Revenues by Product Type - 2005



Over recent years Cavotec has changed its strategic focus from the supply of products or components such as the Panzerbelt to development of systems which deliver a complete solution to meet a particular customer need. An example of this is the Cavotec Fladung Pit Systems for Airport terminals, which will comprise Cavotec Fladung popup pit power supply, Cavotec hoses, cables and connectors. The MoorMaster systems fit with this evolving strategic emphasis. Nonetheless, the core business of supply of products is expected to continue to grow strongly. Over the last few years Cavotec has also rationalised product lines to focus on products that Cavotec manufactures rather than acting as distributor for products manufactured by third parties.

3.5. Summary of Historical Financial Performance

Cavotec's audited financial performance for the past four financial years is summarised below:

Summary of Financial Performance				
As at 31 December	**2002**	**2003**	**2004**	**2005**
(€000)	**Actual**	**Actual**	**Actual**	**Actual**
Sales Revenue	49,377	58,824	68,185	83,290
Sales Growth		*19.1%*	*15.9%*	*22.2%*
Cost of Goods Sold ("COGS")	28,768	34,855	39,065	49,284
Gross Profit	**20,608**	**23,969**	**29,120**	**34,006**
Gross Margin	*41.7%*	*40.7%*	*42.7%*	*40.8%*
EBITDA	3,403	5,150	5,253	7,197
EBIT	**2,154**	**3,913**	**4,014**	**5,728**
EBIT Margin	*4.4%*	*6.7%*	*5.9%*	*6.9%*
NPBT	**1,835**	**3,482**	**3,495**	**5,158**
NPAT	**838**	**2,284**	**2,205**	**3,492**
Source: Annual Reports for Cavotec Group 2002 – 2005				

The financial year ending 31 December 2005 was a very strong one for Cavotec, where it was able to capitalise on investment into relationships and new markets. Much of its growth during that year was organic growth which built on acquisitions completed in the 2004 financial year. There have been no acquisitions during the last two years and the focus has been to consolidate and strengthen several acquisitions which were made previously. Sales revenue growth for 2004 and 2005 was 15.9% and 22.2% respectively. Part of the recent growth has been driven by significantly stronger results for China and the Middle East in the past 3 to 5 years.

3.6. Summary of Historical Financial Position

Cavotec's audited financial position for the past four financial years is summarised below:

Summary of Financial Position				
As at 31 March				
(€000)	**2002**	**2003**	**2004**	**2005**
Total Equity	**12,583**	**13,427**	**19,270**	**22,551**
Represented by				
Current Assets	24,897	26,871	32,624	42,604
Non-Current Assets	10,227	9,320	13,737	16,228
Total Assets	**35,124**	**36,191**	**46,362**	**58,831**
Current Liabilities	18,911	19,039	23,811	22,917
Long-term Liabilities	3,630	3,725	3,280	13,364
Total Net Assets	**12,583**	**13,427**	**19,270**	**22,551**
Source: Annual Reports for Cavotec 2002 – 2005				

Points to note in relation to Cavotec's financial position include:

- Non current assets include €1.064 million of intangible assets and €8.379 million of goodwill.
- Goodwill has arisen from historical acquisitions.

4. Basis of Valuation and Valuation Approach

4.1. Standard of Value

We are required to assess the market value of all of the shares in Cavotec as at the present date.

4.2. Valuation Methodologies

The appropriate valuation methodology is determined by a number of factors including the future prospects of the business, the stage of development of the business and the valuation practice or benchmark usually adopted by purchasers of the type of business involved.

4.3. Valuation Approach

Introduction

Cavotec has a profitable trading history and is forecast to operate profitably in the future. The company has, however, undergone significant change in recent years as a result of strategic acquisitions, a move from a product to a solution focus and an increased emphasis on operating as a more coherent entity. As a result Cavotec is already experiencing significant growth in sales and profitability, which it projects to continue into the future. In these circumstances, a valuation based on future cash flows or earnings is the most appropriate basis on which to assess the value of the Cavotec business.

Valuation of Business

We have applied the following valuation methodologies to value Cavotec:

- Capitalisation of earnings. This involves capitalising the maintainable earnings of the business at a multiple which reflects the risks of the business and the stream of income that it generates.
- Discounted cash flows ("DCF"). The value of an investment is equal to the value of future free cash flows ("FCF") arising from an investment, discounted at the investor's required rate of return.

Valuation of Shares

The capitalisation of earnings before interest and tax (EBIT) and DCF methods provide a valuation of the business. To determine the value of the shares, it is necessary to deduct the market value of net interest bearing debt ("net IBD") and debt equivalents such as shareholders' advances, and add the market value of any significant assets which are either surplus to Cavotec's operating requirements or which produce income which is not taken into account in the FCF and EBIT applied to the assessed value of the business.

5. Capitalisation of EBIT Valuation

5.1. Introduction

The capitalisation of EBIT approach requires an assessment of the maintainable EBIT of the Cavotec business and the selection of an appropriate rate of return for the purpose of capitalising the EBIT figure.

5.2. Maintainable EBIT

We have used two reference points for EBIT being the forecast EBIT for the year ending 31 December 2006 and projected EBIT for the year ending 31 December 2007.

Accordingly our capitalisation of earnings valuation capitalises the following estimated EBIT:

	€M
Forecast to 31 December 2006	7.730
Projected to 31 December 2007	9.411

5.3. EBIT Multiple

We have assessed Cavotec's EBIT multiple based on the following three parameters:

- Multiples inferred from publicly traded companies;
- Advice received by Cavotec from advisers in connection with the companies proposed listing on the AIM market in 2005; and
- Multiples based on Cavotec's assessed cost of capital.

We have adjusted the multiples implied by the above to take into account issues in respect of control, size marketability, profitability and operational differences. Based on this information we have assessed an EBIT multiple in the range of:

- Current Earnings 12 to 14
- Prospective Earnings 10 to 12

The multiples we have applied are somewhat higher than those indicated by advisers to Cavotec as being achievable on an AIM listing in 2005. However, we note that:

(i) we are valuing 100% of Cavotec;

(ii) Cavotec is a larger and more profitable business with stronger growth prospects then was the case 12 months ago; and

(iii) generally markets have strengthened in the intervening period.

5.4. Capitalisation of EBIT Valuation

Under the capitalisation of EBIT method and based on the multiples and earnings estimates set out above, a value of the Cavotec business is assessed to be in the range of €92.76 million to €112.932 million as at the present date.

6. Discounted Cash Flows Valuation

6.1. Free Cash Flows

This DCF analysis models FCF for the 8 year period to 31 December 2013. The base case relies on the projections prepared by Cavotec, which have been discussed above.

6.2. Weighted Average Cost of Capital

The calculation of the weighted average cost of capital ("WACC"), while being derived from detailed formula, is fundamentally a matter of professional judgement. The Capital Asset Pricing Model ("CAPM") has been applied to assess the WACC for Cavotec. The CAPM version adopted takes account of investors' tax rates and makes an allowance for the higher rates of return required for unlisted companies. The WACC for Cavotec has been assessed to be in the range of 9% to 10%.

In undertaking our DCF analysis we have assumed that we are valuing projected cash flows from 1 January 2007 forward. The benefit/costs of operating and financing cash flows through 2006 are assumed to be captured in the net cash position forecast for 31 December 2006.

6.3. Base Case Valuation

We performed a DCF valuation using discount factors ranging from 9.0% to 10.0% and the projections provided by Cavotec, adjusted to reflect changes in assumptions relating to projected gross margins and investment in working capital.

Our DCF valuation yields the following valuation range:

Discount Rate %	Valuation €M	Implied Multiple	
		Forecast 2006	Projected 2007
9.0	121.583	15.7	12.9
9.5	112.104	14.5	11.9
10.0	104.302	13.5	11.1

6.4. Conclusion

Based on the above, the value of the ungeared Cavotec business based on the DCF assessment is assessed to be in the range of €104.302 million to €112.104 million.

7. Valuation of the Business

The value of the Cavotec business is assessed to be in the range of €92.76 million to €112.932 million under the two valuation methods.

Range of Valuation Assessments			
	Low €M	Mid €M	High €M
Capitalisation of EBIT	92.760	102.846	112.932
DCF	104.302	108.203	112.104

7.1. Conclusion

Based on the above, the value of the Cavotec business is assessed to be in the range of €92.76 million to €112.932 million, as at the present date.

8. Valuation of all the Shares

8.1. Introduction

As set out in section 7, the value of the Cavotec business is in the range of €92.76 million to €112.932 million at the present date.

To derive the value of the shares in Cavotec, it is necessary to add the value of any surplus assets to the value of the business and deduct the market value of the company's net IBD.

8.2. Net Interest Bearing Debt

Net IBD as of 31 December 2006 is forecast to comprise the following balance sheet items:

Net Interest Bearing Debt	
	€M
Cash at Bank and in hand	10.140
Less Short term loans & bank	(3.408)
Less Long-term liabilities	(16.675)
Total Net IBD	**(9.943)**

8.3. Valuation of All the Shares

Based on the above, the value of all the shares in Cavotec is assessed to be in the range of €82.817 million to €102.989 million at the present date.

Valuation of Shares		
	Low €M	High €M
Value of Cavotec Business	92.760	112.932
Deduct: Net IBD	(9.943)	(9.943)
Value of Cavotec Shares	82.817	102.989

This valuation assessment is effectively as at the present date. Assuming that there have been minimal changes in the Company's operations and the industry in which it operates between that date and the present date, it is considered reasonable to assume that the value of all the shares is in the range of €82.817 million to €102.989 million as at the present date. However, it is stressed that any significant change in cash levels, debt or shareholders' advances balances from the levels shown in the balance sheet may affect the value of the shares.

9. Restrictions, Reliance on Information, Disclaimer and Indemnity

9.1. Restrictions

This report is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined in section 1 without our prior written permission in each specific instance. We do not assume any responsibility or liability for losses occasioned to MSL, its directors or shareholders or to any other parties as a result of the circulation, publication, reproduction or use of this report or any extracts there from contrary to the provisions of this paragraph. In any event, our total liability to all and any parties for any reasons whatsoever is limited to five times the fee charged for this assignment.

We reserve the right, but not the obligation, to review all calculations included or referred to in this report and, if we consider it necessary, to revise our opinion in the light of any information existing at the valuation date which becomes known to us after the date of this report.

This valuation is as at the present date and will not necessarily be appropriate for determining the value of the shares in Cavotec at any other date.

9.2. Reliance on Information

In preparing this valuation we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that is available from public sources and all information that was furnished to us by Cavotec.

We have evaluated that information through analysis, enquiry and examination for the purposes of forming our valuation opinion. However, we have not verified the accuracy or completeness of any such information nor conducted an appraisal of any assets.

9.3. Disclaimer

This report has been prepared with care and diligence and the statements and conclusions in this report are given in good faith and in the belief, on reasonable grounds, that such statements and conclusions are not false or misleading. However, in no way do we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of Cavotec will be achieved. Forecasts are inherently uncertain. They are predictions of future events that cannot be assured. They are based upon assumptions, many of which are beyond the control of Cavotec and its management. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of this valuation to the extent that such errors or omissions result from the reasonable reliance on information provided by others or assumptions disclosed in this report or assumptions reasonably taken as implicit.

9.4. Indemnity

MSL has agreed that to the extent permitted by law, it will indemnify Deloitte and its partners, employees and consultants in respect of any liability suffered or incurred as a result of or in connection with the preparation of the valuation assessment. This indemnity will not apply in respect of any negligence, wilful misconduct or breach of law. MSL has also agreed to indemnify Deloitte and its partners, employees and consultants for time incurred and any costs in relation to any inquiry or proceeding initiated by any person. Where Deloitte or its partners, employees and consultants are found liable for or guilty of negligence, wilful misconduct or breach of law, Deloitte shall reimburse such costs.

Appendix I

Statement of Qualifications and Independence

Deloitte is one of the world's leading professional services firms. Deloitte Corporate Finance is the corporate finance practice of Deloitte, providing corporate advisory, mergers and acquisitions, capital raising, valuation and transaction support services.

The persons in the firm responsible for issuing this report is Alan James Dent, BCA, CA(PP).

Deloitte Corporate Finance and Mr Dent have significant experience in the valuation of shares, businesses and intangible assets for merger, acquisition and divestment purposes.

This valuation report has been completed in accordance with the professional standards of NZICA and is an Independent Valuation Report as defined in the NZICA Advisory Engagement Standard No. 2 2001 entitled *Independent Business Valuation Engagements.*

Deloitte and its partners are independent of Cavotec. The firm is the not the auditor of Cavotec.

Deloitte Corporate Finance will receive a fee for the preparation of this report based on its normal time charges. This fee is not contingent on the outcome of the valuation assessment. Deloitte Corporate Finance will receive no other direct financial benefit for the preparation of this report.

Appendix II

Sources of Information

In forming this opinion we have reviewed and relied upon the following principal sources of information:

- The unaudited management accounts of Cavotec for year to 31 May 2006;
- Forecast financial budgets and performance year to date for Cavotec for the year ended 31 December 2006;
- Audited annual reports for Cavotec for years 2002-2005;
- Management financial performance and position projections from 2007-2013;
- Discussions and correspondence with the management of Cavotec;
- Consolidation schedules for Cavotec;
- Product and market analysis for the previous 4 years performance and product revenue forecasts for years 2006-2011;
- Market analysis of core markets provided by Cavotec and market analysis based on publicly available information;
- Cavotec/Mooring systems license agreement;
- Documentation on Leveraged Buy Out and refinancing arrangements with Interbanca; and
- Organisational and management structure provided by Cavotec.

SECTION 3 – CORPORATE PROFILE FOR CAVOTEC MSL HOLDINGS LIMITED

Cavotec MSL Holdings Limited

Corporate Profile:

The following is some key additional information provided to shareholders of MSL to provide an understanding of the Organisation form, Management Structure and overall operating principles of the Cavotec MSL Holdings Limited – assuming the merger is approved by shareholders.

Change of Name:

Should shareholders resolve to approve the merger it is proposed to change the name of MSL to **Cavotec MSL Holdings Limited.**

This will enable the Group to be consistently branded as "Cavotec", a name that has market acceptance as a brand of integrity and reliability with an established presence in global markets extending back over 30 years.

Place of Incorporation:

Cavotec MSL Holdings Limited will continue to be a New Zealand incorporated and listed legal entity on NZSX.

Head Office:

The Head Office of the company will remain in Christchurch.

Corporate Office:

The Corporate Office for the merged Group will continue to be located in Europe. This is a sensible solution for this is where the bulk of the transactional business and business infrastructure is located as well as the key personnel.

Organisation Fiscal Structure:

We refer you to the attached chart for the above.

The Group will adopt the business approach currently practiced by Cavotec. This is a matrix structure clearly identifying reporting lines from a day to day management perspective but further recognises several "centres of excellence".

The new structure includes a new entity “Cavotec MoorMaster Limited” incorporated in New Zealand and located in Christchurch. This business will be lead by Peter Montgomery as Managing Director (he is also a Director of the listed company) and will be responsible for the continued development of the range of MoorMaster products. The structure also provides for a Cavotec New Zealand Sales Branch located in Christchurch. The General Manager of this branch will be John Clarke the current Chief Operating Officer of MSL. John will have direct responsibility for the marketing and sales of MoorMaster products in New Zealand and will assume responsibility of the sale of other Cavotec products in this market.

Staffing in New Zealand:

Staff numbers will increase in New Zealand.

The Cavotec MSL Holdings Limited Head Office will be located in Christchurch. A qualified accountant will be appointed to assist with the preparation of Group published accounts, undertake global tax reporting as is required under New Zealand law, oversee the roll out of the Cavotec financial and costing systems (iSCALA), attend to compliance matters and act as the resident person to assist the Group Financial Controller in all relevant financial matters as required.

The Corporate Finance & Investor Relations Manager, John Polatz, who reports directly to the Executive Chairman will maintain a presence in New Zealand. It is anticipated that he will spend the bulk of his time in NZ during the first twelve months to assist in bedding down the organisation from a communications perspective.

It has further been agreed that a full time New Zealand Sales Representative be appointed to bolster the marketing and sales of MoorMaster and other Cavotec products.

Reporting Cycle:

It has been agreed that the reporting cycle for the merged Group will move from a 31 March year end to a calendar year.

The effective date for completion of the transaction is 1 January 2007.

This means that MSL will be reporting to shareholders for a nine month period to 31 December 2006. Moving forward the Cavotec MSL Holdings Limited will report on its half year results to 30th June each year and an annual result for the period to 31st December.

For more information on the reporting timetable refer to the “Corporate Calendar” below.

Auditors:

Providing the merger is approved Cavotec will appoint Pricewaterhouse Coopers as Auditor to their Group for the financial year ending 31st December 2007.

Pricewaterhouse Coopers (PWC) is the appointed Auditor's to MSL.

This approach will ensure that we have a common Auditor when the Group reports to shareholders for the year ending 31st December 2007.

Corporate Calendar:

The following is a calendar of the events and reporting cycle for the immediate future:

September 2006:	Cavotec Group Holdings N.V. hold shareholders meeting to approve entering into a merger with MSL.
12th October 2006:	Special Meeting of MSL shareholders to give consideration to the proposed merger.

Providing MSL shareholder approval given then the following events will follow:

October 2006:	MSL seek approval from NZX to a change in Balance and reporting date from 31 March to 31 December.
January 2007:	MSL allots approved number of shares to acquire 100% of Cavotec Group Holdings N.V.
February 2007:	MSL announces audited results for nine months ended 31st December 2006.
April 2007:	MSL holds Annual General Meeting for reporting period to 31st December 2006.
August 2007:	Cavotec MSL Holdings Limited announce first result for combined Group for the six months ended 30th June 2007.
February 2008:	Announce audited result of Cavotec MSL Holdings for year ended 31st December 2007.
April/May 2008:	Annual General Meeting of Cavotec MSL Holdings Limited.

Governance:

Board of Directors:

The composition of the Board after the merger is concluded will comprise eight Directors.

We have also created a role for two "Associate Directors".

Particulars of the proposed Directors and brief biographical details is attached.

It had been agreed to create the position of an "Associate Director". These persons will receive all communications provided to full Board members, they can attend Board meetings but are not compelled to do so, however, they have no voting rights.

This position has been created so that institutional knowledge is not lost to the enlarged Group and will be extremely valuable during the transitional period.

The size of the Board has been limited to eight persons as it has been agreed that this is a workable and efficient compliment to oversee the stewardship of the Group.

You will also note that the membership of Board Committees has been resolved and are filled by "Independent Directors" in line with best business practice.

Board of Management:

Stefan Widegren, Executive Chairman, also chairs the Executive Management Group and acts as the interface with line management and the Board. This committee meets to discuss operational issues between two and four times per annum.

The Cavotec MSL Holdings Limited adopts a very flat operating structure providing a considerable amount of autonomy to operating businesses..

The role of the Executive Chairman is to oversee the overall development of the Group and with some 32 years of experience in building Cavotec he will be invaluable in providing technical product support and major client liaison. Ottonel Popesco has held the position of Chief Operating Officer (COO) until the time of the merger and will be assisted by the Executive Chairman in taking on the position of Chief Executive Officer.

As the new organisation is bedded down The Executive Chairman will concentrate on external growth opportunities.

Board Meetings:

It is premature to develop a calendar for Board and Committee level meetings at this time. However, in principle there is agreement that the Board will meet on average four to six times each calendar year.

Meetings will be held in New Zealand as well as other locations and supported by teleconference meetings when practical. On average it is expected that the majority of meetings will be convened in New Zealand.

Dividend Policy:

At this stage only preliminary discussions have been held with respect to a future dividend policy.

The new Board will give consideration to a dividend policy in 2007 once the merger is completed.

Growth Prospects:

Cavotec have achieved considerable growth in recent years both generically and by way of acquisition. Cavotec was ranked 164 in the top 500 fastest growing companies in Europe in 2005 in a survey sponsored by KPMG and Microsoft

(see: www.europe500.com).

As a guide it would be reasonable to expect that the merged group will achieve on average a growth of 10% per cent per annum compound in sales and net after tax earnings.

New Zealand Presence:

The parties to the negotiations are committed to maintaining the New Zealand Listing.

A listing in NZ provides many advantages.

- The size of Cavotec MSL Holdings Limited should place it in the top 50 NZX listed companies by market capitalisation. By comparison a primary listing on another Stock Exchange (including say Australia) will not give the business a comparable profile.
- Given the ranking of the company on the NZX it will be able to access new capital efficiently to support generic growth and further acquisitions.
- Growth in sales in the Asia Pacific Region are expected in increase at a greater rate than Europe for the foreseeable future.

- It is acknowledged that New Zealanders develop some creative ideas and products but lack the sales and distribution channels to bring their products to market. Cavotec MSL Holdings Limited will be a NZ listed company with a global reach in marketing & sales supported by high quality manufacturing capabilities. We propose to capitalise on this unique presence to promote and support NZ innovation.

Cavotec MSL Board of Directors 2007-01-01

Board of Directors

Director	Qualification	Country of Residence	Citizenship	Position in Cavotec MSL
Michael Cashin	Independent Director	New Zealand	New Zealand	Independent Director
Jack Groesbeek	Independent Director	The Netherlands	Dutch	Independent Director
Lakshmi Khanna	Independent Director	Italy	Italian / Indian	Independent Director
Erik Lautmann	Independent Director	Sweden	Swedish	Independent Director
Peter Montgomery	Executive Director	New Zealand	New Zealand	Managing Director Cavotec MSL Engineering
Joe Pope	Independent Director	New Zealand	New Zealand	Independent Director
Ottonel Popesco	Executive Director	Italy	French	Chief Executive Officer
Stefan Widegren	Executive Chairman	Italy	Swedish	Executive Chairman

Associated Board Member

Associate Director	Qualification	Country of Residence	Citizenship	Position in Cavotec MSL
Fabio Cannavale	Investor	Italy	Italian	Shareholder
Lars Hellman	Company Executive	Sweden	Swedish	Sales & Marketing Director

Corporate Governance

Director	Qualification	Country of Residence	Citizenship	Committee
Lakshmi Khanna	Independent Director	Italy	Italian / Indian	Audit Committee - Chairman
Michael Cashin	Independent Director	New Zealand	New Zealand	Audit Committee - Committee Member
Joe Pope	Independent Director	New Zealand	New Zealand	Audit Committee - Committee Member
Erik Lautmann	Independent Director	Sweden	Swedish	Remuneration Committee - Chairman
Michael Cashin	Independent Director	New Zealand	New Zealand	Remuneration Committee - Committee Member
Joe Pope	Independent Director	New Zealand	New Zealand	Remuneration Committee - Committee Member
Michael Cashin	Independent Director	New Zealand	New Zealand	Nomination Committee - Chairman
Jack Groesbeek	Independent Director	The Netherlands	Dutch	Nomination Committee - Committee member
Lakshmi Khanna	Independent Director	Italy	Italian / Indian	Nomination Committee - Committee member

Biographical Particulars of Directors:

Michael Cashin: CA, CPA (Australia), FCIS

Michael has worked for a number of large listed companies in New Zealand and overseas. He was appointed Chairman of MSL in 2000. He is currently a director of Ryman Healthcare Ltd and Wellington Waterfront Limited. Past Directorships include Capital Properties NZ Ltd, Centrepoint Ltd, Allied Farmers Ltd, Housing Corporation of New Zealand, Housing New Zealand Ltd and At Work Insurance Ltd.

Jack Groesbeek: LLB (University of Amsterdam)

Jack has practised as legal counsel with a number of law firms and currently operates his own practice by the name of Intruad Management BV that is domiciled in Luxembourg. He is presently a director of numerous Dutch and Luxembourg holding companies including United Business Media Plc, ICAP Plc, E ON AG/Powergen Plc, Macmillan Publishers Limited, Avid Technology Inc, Intrum Justitia AB and Cavotec Group Holdings N.V.

Lakshmi C. Khanna: BA Mathematics (Punjab University, India), FCA (England & Wales), CA (India)

Lakshmi has had a distinguished career with Pricewaterhouse Coopers (Italy) extending from 1966 retiring as a partner from the practice in 2001. His career has involved client service responsibilities for major multinational entities including, inter alia, United Technologies, General Foods, Trust House Forte, IBM amongst others. He has been President of the Rotary Club of Milano, President of the World Community Service Commission of Rotary (Lombardy), Advisor to the Joint Task Force Confederation of Italian Industry and the Confederation of Indian Industry. Lakshmi is an Independent Director of Cavotec Group Holdings N.V. and a number of privately owned companies

Erik Lautmann: BSc (Stockholm School of Economics)

Erik's professional career has included being Managing Director of Catella AB, DHL International AB (Nordic Countries), Alfaskop AB and Jetpak Group (Nordic countries). He is currently Chairman of Paxxo AB and has held positions as a member of the Board of Association of Swedish Service Companies, Lithells, SAS Cargo Group and Multicom Security. Erik is also an Independent Director of Cavotec Group Holdings N.V.

Peter Montgomery: MBA (Massey), AFNZIM

Peter's earlier career involved over a decade at sea with initial employment in the Union Steamship Company. He founded Mooring International Limited (*MIL*) in **1996** and has been instrumental in developing the revolutionary vacuum pad mooring system now known as the MoorMaster. The business of MIL was acquired by MSL in 2000. Peter was appointed and continues to hold the position of Managing Director and CEO of MSL. Peter is also a Director of B J Mc Sherry Ltd, Nelson Shipping Services Ltd, Dunedin Shipping Supplies Ltd and Letztrade NZ Limited. He has been a business mentor with the BIC programme since 1996 and is an Associate Fellow with the New Zealand Institute of Management.

C Joe Pope: ONZM, AF Institute of Directors, B.Com (Victoria University)

His professional career includes CEO of Petrochemical Corporation of NZ Ltd and CEO of ENZA. He has held positions as Chairman and Director of NZ Trade Development Board, Horticulture Institute of NZ Ltd and is currently Chairman of Team Talk Ltd, Revera Ltd and a Director of Anzon Energy Ltd, Martinborough Vineyard Estates Ltd and a member of the Australasian Advisory Board of Rabobank. Other interests include Chairman Wellington Rugby Football Union, Deputy Chairman of the NZ Symphony Orchestra Ltd, Member of the Victoria University Foundation and a Trustee of the JR McKenzie Trust.

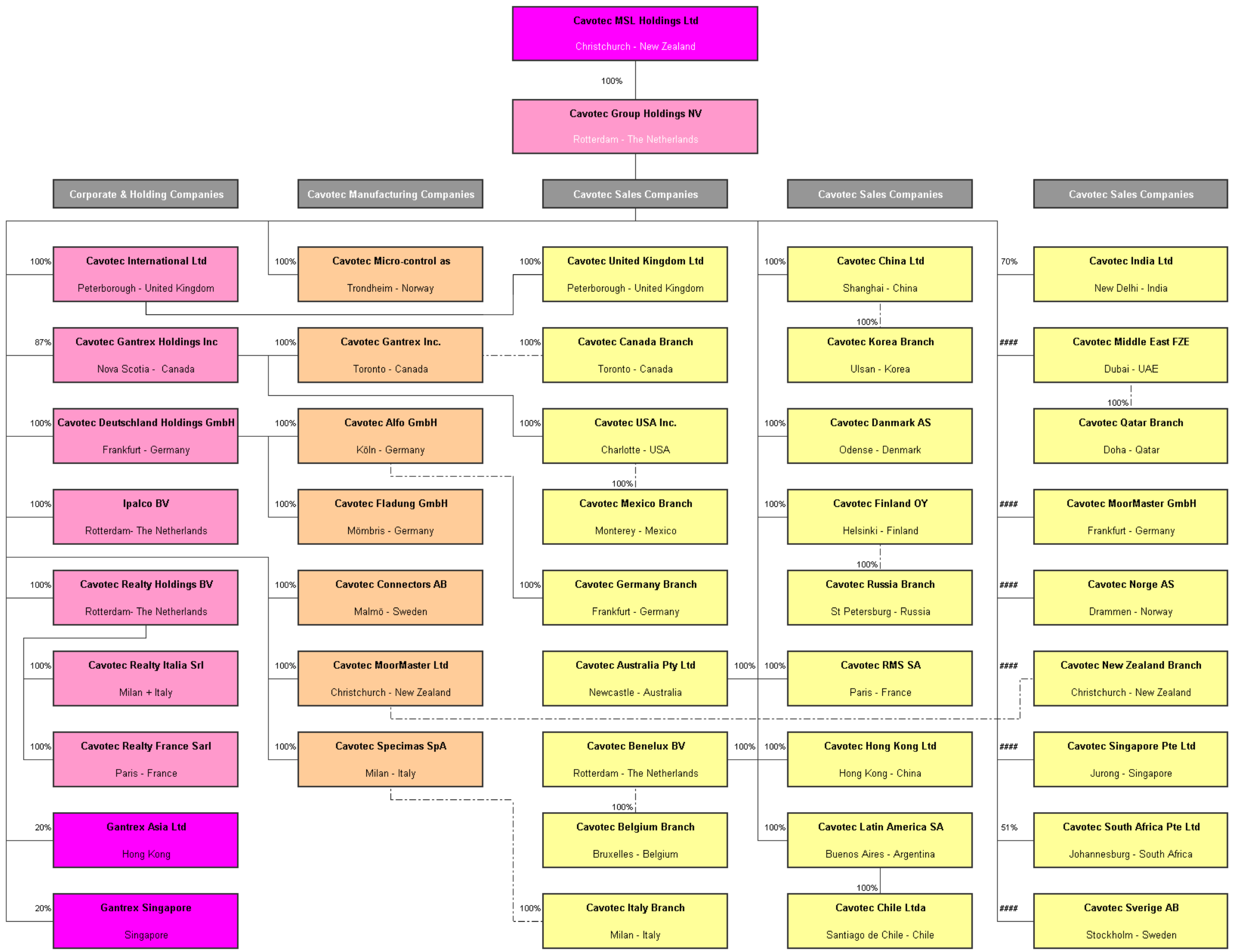
Ottonel Popesco: MBA (Sorbonne University),M.Sc (Bucarest), PhD Bus. Admin.(Kensington University)

Ottonel joined the Cavotec Group in 1988 and presently holds the position of Chief Operating Officer and President. Prior to this appointment he spent five years as Sales & Marketing Director with ABB France (CKB Manufacturing Division). In addition to his tertiary qualifications Ottonel is a registered professional engineer (France) and a member of the Engineering Committee of the American Association of Port Authorities.

Stefan Widegren:

Stefan studied mechanical engineering specialising in hydraulics and pneumatics at the Royal Institute of Technology in Stockholm from 1970 to 1975. In 1972 he joined Specimas Srl (Italy), founded Cavotec AB (Sweden) in 1974 and assumed the role of Managing Director. Cavotec acquired Specimas in 1984. Stefan was appointed Chairman & CEO of the Cavotec Group in 1990. His other interests have included Chairman of the Union of International Chambers of Commerce in Italy, Chairman Swedish Chamber of Commerce in Milan and he is presently President of the Rotary Club of Milano Sud Est.

Cavotec MSL Holdings Limited Fiscal Structure 2007



2006-09-01

SECTION 4 – PRO FORMA AMALGAMATED RESULT FOR CAVOTEC/MOORING FOR THE SIX MONTHS TO 30 JUNE 2006

	MSL Euro's 000's	Cavotec Euro's 000's	Eliminations	Combined MSL/Cavotec Euro's 000's	Combined NZ$'s
Sales	297	51,252	-256	51,293	102,586
Less: Cost of Sales	107	29,743	-93	29,757	59,514
Gross Profit:	**190**	**21,509**	-163	21,536	43,072
Less: Expenses					
Personnel Costs	114	8,759		8,873	17,746
External Services	152	3,296		3,448	6,896
General Expenses		2,022		2,022	4,044
Travelling Expenses	46	893		939	1,878
Total Expenses:	**312**	**14,970**		**15,282**	**30,564**
EBITDA	**-122**	**6,539**	-163	**6,254**	**12,508**
Depreciation & Amortisation	90	761		851	1,702
EBIT	**-212**	**5,778**	-163	**5,403**	**10,806**

Notes:

a) **EBITDA** = Earnings before interest, taxation, depreciation and amortisation

b) **EBIT** = Earnings before interest and taxation

c) Euro's converted to NZ$'s at the rate of $NZ1 = Euro 0.50.

d) The above figures have been compiled on the basis as if the transaction has already occurred on 30th June 2006 and is an arithmetic amalgamation of historical data with the only adjustment being the elimination of inter company transactions.

e) The figures are provided as a guide only and are not reflective of the historical performance of the combined Group.

f) Acquisition accounting has not been applied in preparation of the pro forma information. There may be significant impacts on the income statement of purchase accounting the main one is likely to be the amortisation of finite life intangibles and the impact of any accounting policy alignment that is required.

g) The above figures have not been audited.

h) The financials for each entity have been prepared on a consistent basis. However, it should be noted that the MSL figures are consistent with the NZ Financial Reporting Standards (FRS) while the Cavotec figures are in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

SECTION 5 – SUMMARY OF MERGER AGREEMENT

1 Mooring Systems Limited (*MSL*) and Cavotec Group Holdings N.V. (*Cavotec*) are parties to a merger agreement dated [*date*] (the *Merger Agreement*).

2 Under the Merger Agreement Cavotec and MSL record their agreement to merge their respective business interests by way of MSL acquiring all the shares in Cavotec (the *Cavotec Shares*).

3 The merger Agreement requires MSL to send to each Cavotec shareholder an agreed form of sale agreement (*Cavotec Sale Agreement*) under which each Cavotec shareholder agrees to sell, and MSL agrees to purchase, the shares in Cavotec held by that Cavotec shareholder. In the event that at least 75%, but not all, of the Cavotec shareholders enter into Cavotec Sale Agreements, then the Cavotec shareholders that have entered into Cavotec Sale Agreements must require the other Cavotec shareholders to sell their shares under specified drag along rights applying between the Cavotec shareholders.

4 In consideration of each of the Cavotec shareholders selling to MSL their Cavotec Shares, MSL agrees to issue to the Cavotec shareholders 8.780198546 shares in MSL for every one Cavotec Share held by each Cavotec shareholder. The shares in MSL will be issued on terms identical to, and will rank equally with, all the existing shares in MSL.

5 The acquisition of the Cavotec Shares and the allotment of the shares in MSL is to occur on 5 January 2007 (the *Settlement Date*), although for accounting purposes the effective date of the merger will be 1 January 2007.

6 The effect of the acquisition of the Cavotec Shares by MSL and the issue of the shares in MSL to the Cavotec shareholders is to merge MSL and Cavotec so that following settlement on the Settlement Date:

6.1 MSL will own all the shares in Cavotec;

6.2 the existing shareholders of MSL will hold 20% of the shares on issue in MSL; and

6.3 the Cavotec shareholders will hold the remaining 80% of the shares on issue in MSL.

7 The Merger Agreement and each Cavotec Sale Agreement is conditional on four matters.

7.1 The first condition is that all Cavotec shareholders sign and return to MSL the Cavotec Sale Agreements by 30 September 2006.

7.2 The second condition is that MSL's shareholders approve the transactions described above and contemplated in the Merger Agreement. The resolution to be considered at the special meeting relates to this approval.

7.3 The third condition is that Cavotec and the Cavotec Shareholders procure the release of a charge that Cavotec's bankers have over 51% of the Cavotec Shares. This release is required so that MSL acquires the Cavotec Shares with clear title and free of encumbrances. This condition must be satisfied prior to the special meeting.

7.4 The fourth condition is that Cavotec obtains the consent of the Overseas Investment Office under the Overseas Investment Act 2005 to the Cavotec shareholders acquiring shares in MSL by 30 October 2006.

If these conditions are not satisfied then either party may terminate the Merger Agreement and the transactions described above will not proceed provided that Cavotec and the Cavotec shareholders may not terminate the proposed arrangements where the Cavotec shareholders are required to exercise the drag along rights described above. No break fees are payable by either party if this transaction does not proceed.

8 During the period from the date of the Merger Agreement until the Settlement Date, Cavotec agrees that Cavotec will, and MSL agrees that MSL will, conduct its business in the ordinary course and not agree, do or permit any specified extraordinary matters to occur without the consent of the other party.

9 The warranties that the parties give under the Merger Agreement and the Cavotec Sale Agreements are summarised below. The nature and extent of the warranties given reflect the fact that Cavotec and MSL have each undertaken a due diligence exercise in respect of the other's business and operations and are treating the transaction as a merger/amalgamation of MSL and Cavotec rather than as an acquisition of one company by the other.

9.1 Cavotec warrants to MSL various matters relating to the share structure of Cavotec and each Cavotec shareholder warrants that the Cavotec Shares held by that Cavotec shareholder will pass to MSL free of all encumbrances.

9.2 MSL warrants to Cavotec various matters relating to the share structure of MSL and warrants to Cavotec and the Cavotec shareholders that the shares in MSL will be issued to the Cavotec Shareholders free of all encumbrances.

9.3 In addition, each of MSL and Cavotec warrants to the other that:

(a) all information relating to it, which is or might be material for the proper evaluation of the financial condition and trading prospects of that party, has been fully and accurately disclosed;

(b) the information that has been supplied by it or its representatives is accurate and not misleading in its context whether by omission or otherwise to a material degree.

Neither of MSL or Cavotec may make any claim under the warranties given by the other party unless the claim is made within three months of settlement. Each of MSL and Cavotec is required to procure that its directors give to the other party on settlement a certificate signed by each director certifying that to the best of the knowledge and belief of that party's directors, the warranties given by that party are true and correct.

10 The Merger Agreement is governed by New Zealand law.