

Media Release August 16, 2011



## **Cavotec and INET merge strengths in the global airport market through Cavotec's acquisition of INET Airport Systems**

**Cavotec is pleased to announce that its Board of Directors has unanimously approved the acquisition of INET, a leader in the engineering and manufacturing of ground support equipment (GSE) based in USA. The acquisition is an asset deal with the consideration including the issue of 7.7 million shares at NZD 3.30 per share and a potential earn-out of maximum USD 4 million upon fulfilment of certain terms and conditions.**

INET Airport Systems, established in 1967, is headquartered in Fullerton, California and is dedicated to the design, manufacturing, installation and support of stationary and mobile aircraft servicing equipment. Via their domestic and international sales and field support offices, INET supplies 50/60 -400 Hz power conversion, preconditioned air systems, and power generation for the global aviation industry.

INET revenues are averaging on yearly basis well over USD 25 million with levels of profitability in-line with Cavotec MSL's targets. Consistent with its acquisition philosophy, Cavotec MSL expects to further develop the INET business as Mike Colaco, the former owner and CEO of the company, will become part of Cavotec's top management and will assume worldwide responsibility for the Airports Market Unit.

"Our focus is directed strongly on servicing our extensive North American customer base with local North American manufacturing and sales support, while simultaneously strengthening our global presence through our extensive Cavotec sales and service network. Creating jobs locally here in the USA also remains one of our top priorities," says Ottonel Popesco, Cavotec CEO. "We plan to use INET technologies globally as a complementary part of our current product offering, including applications for the ports and maritime industry."

This acquisition further consolidates Cavotec's position in North America, with nearly 200 employees and colleagues working from 3 manufacturing facilities and

from Cavotec's own local offices in Chicago, Charlotte, Houston, Los Angeles, Pittsburgh, Toronto and Vancouver.

The deal also marks a milestone in Cavotec's presence in the US market, especially given INET's long list of US and international clients, which include Lockheed, Boeing, NASA, Northrop Grumman, as well as many international airports such as Miami, Bangkok, Cairo, Toronto and Vancouver.

Mike Colaco feels the two companies complement each other perfectly, adding that, "I am delighted to join the Cavotec organization as both INET and Cavotec, each long-time players in the North American and global airports industry, place a strong emphasis on quality and customer service. Our experienced team at INET will continue to play a key role in bringing the support to our customers to the next level. With INET becoming part of the Cavotec Group we will truly become a major integrator for all our customer's GSE requirements."

INET's market-leading development of techniques and equipment to operate electrical systems for parked commercial aircraft from a central facility system is of particular interest to Cavotec as it will further widen the company's range of services to the airports sector.

INET's GSE systems were incorporated into Cavotec's offering of services earlier when Cavotec announced that it would begin working with INET on a project for the supply of pre-conditioned air and power systems for Dubai International Airport's dedicated Emirates Airlines A380 terminal. This partnership started 2 years ago has now been consolidated with the acquisition of INET.

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