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Find out more online:
www.capeplc.com

About Cape

Cape is an international leader in the provision of critical industrial services principally to the energy and natural resources sectors. Cape provides a multi-disciplinary service offering including the traditional services of access, insulation, coatings and mechanical, and a range of specialist services including oil and gas storage tanks, heat exchanger replacement and refurbishment, and environmental services.

Cape is listed on the main market of the London Stock Exchange (symbol 'CIU').



2015 highlights

Order intake increased by 13% to £841m (2014: £744m); order book at 31 December 2015 was 18% higher at £861m (2014: £731m)

Revenue increased by 3.0% to £711.4m (2014: £690.5m)

Adjusted operating profit increased to £52.5m (2014: £52.3m) demonstrating the resilience of the business in challenging markets

Adjusted operating profit margin fell slightly to 7.4% (2014: 7.6%), due to increasing market pricing pressures

Adjusted diluted earnings per share of 29.9 pence (2014: 30.0 pence) benefitted from a favourable mix of post-tax earnings

Continued progress on strategy in both operational excellence and target areas for growth including geographic expansion and broadening of service offering

Adjusted operating cash flow up 29% to £43.9m (2014: £34.1m) resulting in adjusted net debt of £109.9m (2014: £101.0m)

Full year dividend maintained at 14.0 pence (2014: 14.0 pence)

Market conditions are expected to continue to weaken through 2016 with a resultant pressure on margins

Group statutory results	2015	2014*
Revenue	711.4	690.5
Operating profit	39.9	39.7
Profit before tax	29.1	30.0
Diluted EPS (pence)	12.7	8.6

Revenue: **£711.4m**
(2014: £690.5m*)

Adjusted operating profit: **£52.5m**
(2014: £52.3m*)

Adjusted net debt: **£109.9m**
(2014: £101.0m)

Operating cash conversion: **83.6%**
(2014: 65.2%*)

Dividend per share: **14.0p**
(2014: 14.0 pence)

Adjusted diluted earnings per share (EPS): **29.9p**
(2014: 30.0 pence*)

Throughout this statement various non-statutory measures are used and referred to as adjusted. These are defined and reconciled to their statutory equivalent in note 7 'Adjusted measures' on page 104.

* Certain amounts do not correspond to the 2014 financial statements and reflect the adjustments detailed in note 2 'Prior period adjustments' on page 95.

Our international footprint

People are at the heart of our business. We employ c. 16,400 employees around the world. Our people are pivotal to the success of Cape and our core values encapsulate the behaviours that drive our long term success.

16,400

Total employees

5,200

UK, Europe & CIS employees

8,900

MENA employees

2,300

Asia Pacific employees



Adjusted operating profit by region

UK, Europe & CIS

2015 34.5

2014 38.5

MENA

2015 25.4

2014 21.1

Asia Pacific

2015 6.9

2014 6.8

Our services

Cape targets its services to the industrial sector where our operational excellence and safety focus carries a premium.

Access

Cape has been a leading supplier of scaffold and alternative access equipment and services such as rope access to onshore and offshore industrial clients for over 30 years. As well as attracting and training multi-skilled access personnel to the highest standards, we also have in-house designers for complex requirements and rope access specialists with full IRATA membership.

Insulation

We have more than 50 years' international experience working in high and low temperature insulation, which gives our clients confidence in our expertise and understanding of potentially hazardous environments and our ability to manage them safely and cost-effectively. Cape has a particular expertise in cryogenic insulation for LNG plants.

Specialist coatings and fire proofing

Cape provides preparation and coating across a wide range of applications including clean rooms, shipyards, petrochemical plants, LNG plants and more, both onshore and offshore. Our skilled specialist teams also provide a range of fireproofing techniques, including cement and fibrous sprays, fire cladding and intumescent coatings.

Oil and gas storage tanks

As one of the world's leading operators in this highly specialised field, Motherwell Bridge offers comprehensive storage tank services, including storage tank design, engineering, manufacture, construction, repair and maintenance for site-built, above ground storage tanks.

Mechanical services

With the acquisition of Redhall Engineering Solutions Limited, now renamed Cape Engineering Services Limited, Cape provides a range of mechanical and engineering services, primarily to the UK market. Our capabilities include project management, structural steelwork, pipework repair and fabrication and related engineering services.

Refractory lining

Cape has a world leading capability in both the design and installation of refractory materials, providing these services to clients around the world. Engineering capability is provided across the Group by our centre of excellence based in the UK.

Environmental services

Cape provides a range of specialist industrial cleaning services across both onshore and offshore assets. These specialist services meet strict regulatory standards and enable our clients to operate their process plant to maximum efficiency.

Heat exchanger replacement and refurbishment

Cape provides both on-site and off-site overhaul of heat exchangers both onshore and offshore using our experienced workforce backed up by a dedicated facility in Scotland.

Our sectors

Oil and gas

Split of revenue: £393m 55%

Over half of Group revenues are derived from the oil and gas sector both onshore and offshore, predominantly for the midstream and downstream sectors. Cape provides a range of multi-disciplinary services to both existing assets and new construction projects. Cape's success is based on the long-term relationships we have built with our clients and on our reputation for excellence in delivery, providing a safe and efficient service that delivers value for our clients. Our client base includes National and International Oil Companies who operate existing assets as well as Engineering, Procurement, Construction companies (EPCs) who undertake the new construction projects.

Power generation

Split of revenue: £100m 14%

Cape offers exceptional experience and expertise in the UK power generation sector, as well as an ability to deliver a rapid emergency response to repairs and plant defects anywhere in the country. In the UK, Cape supports and maintains all main types of power generation plant.

Chemical and steel

Split of revenue: £106m 15%

Cape provides a wide range of multi-disciplinary services across industrial plants including extensive access and insulation support to the construction and maintenance of major chemical, petrochemical, polymer and steel production plants, including the engineering, supply and installation of specialist gasholders for the steel industry.

Mining

Split of revenue: £27m 4%

Cape provides expertise in the mining sector across construction support services and key maintenance services to clients. Cape's multi-disciplinary approach helps reduce operational costs and eradicate waste, while enhancing efficiency, productivity and safety.

Other

Split of revenue: £85m 12%

Cape also has an international presence in several other sectors, including the marine construction market, where Cape provides services supporting naval projects around the world and in other industrial areas where the Group's specialist services provides environmental cleaning to a variety of other sectors including the pharmaceutical and food industries. Cape's clients rely on the Group's expertise and emphasis on safety to support large, secure industrial assets.

For more information:

Our markets
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"Our strategic objective has been to achieve a balanced and broad business. Its successful implementation has provided stability in a difficult and challenging market. In 2015 we delivered a robust performance and are confident of delivering shareholder value even in a world of continued low oil and commodity prices."

Tim Eggar
Chairman

Adjusted diluted earnings per share:

29.9p

(2014: 30.0 pence)



A robust performance

2015 has been another year of good progress for Cape. Not only has the business delivered a strong set of results in challenging markets, but we have also moved forward on a number of our key strategic goals.

The benefits of our Operational Excellence programme have been seen in our performance and have also been recognised by a number of our key clients. The implementation of our new systems and processes has been an important element in a number of our recent successes in securing new work.

Our ambition to grow by expanding our range of services has been supported by the ongoing development of the Motherwell Bridge tank business both in the UK and Middle East and the acquisition during the year of Redhall Engineering Solutions Limited which has now been rebranded as Cape Engineering Services Limited (CESL). The opportunity to expand the services of these businesses further across the Cape Group remains substantial. We have taken the first steps towards growth through geographic expansion by opening operations in Kuwait and Malaysia. I am confident both will deliver positive results in the years ahead.

Safety remains our top priority and is at the top of every Board agenda. We continue to strive for the highest level of safety performance across every one of our operations. I was pleased that we achieved a significant improvement in the number of Lost Time Incidents during the year even though we saw a slight fall off in our Total Recordable Incident Rate.

We expect that 2016 will present additional challenges as market conditions are likely to weaken further. Nonetheless, I firmly believe we have the right strategy and the right team to steer the business through these challenges and to deliver long-term growth.

Financial results

In a year of particularly demanding market conditions, it is a pleasure to report that Cape has delivered a stable and robust set of results. Order intake was strong, demonstrating that our clients recognise the value and quality that Cape offers, and as a result we finished 2015 with a robust order book of £861 million, 18% higher than at the end of 2014. We achieved a steady increase in revenue of 3% to £711.4 million (2014: £690.5 million), driven by both a solid performance in a number of our markets such as the Kingdom of Saudi Arabia (KSA), the Wheatstone contract in Australia and the contributions from the new businesses of Motherwell Bridge and CESL. With a slight erosion of margin due to market pricing pressures, we still delivered a steady result in earnings with adjusted diluted EPS only marginally down on the prior year at 29.9p (2014: 30.0p).

Dividend

The Board is recommending a final dividend for 2015 of 9.5 pence (H2 2014: 9.5 pence) reflecting our confidence in the delivery of our strategy and future prospects of the Group. With the interim dividend of 4.5 pence (H1 2014: 4.5 pence) this results in a full year dividend of 14.0 pence (2014: 14.0 pence). This is subject to shareholders' approval at the Annual General Meeting to be held on 11 May 2016 and the final dividend will be payable on 24 June 2016 to shareholders on the register as at 20 May 2016.

Board changes

I am delighted to welcome Samantha Tough, Steve Good and Brian Larcombe to the Board. All three bring a wealth of senior leadership experience across a range of industries and we are fortunate to be able to attract such high quality individuals to the business. Samantha has added experience of Australia's energy, infrastructure and natural resources sectors; Steve has brought recent executive expertise and knowledge of the chemicals and plastics markets; while Brian brings perspectives from private equity and other plc boards.

As previously announced, both Brendan Connolly and Leslie Van de Walle decided to step down from the Board to reduce their travel time and concentrate on other interests. Both Brendan and Leslie played an important part in the transformation of Cape over the last three years and I thank both of them for their commitment and contribution to the Group.

Cape people

I would like to take this opportunity to congratulate all our employees on their skill and hard work during 2015. This is reflected in the delivery of good financial results for our shareholders and vindicates the drive and dedication shown by all our people.

Tim Eggar

Chairman
15 March 2016