



"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