

# 2nd Quarter Report **2015**



- Revenues increased to EUR 58.8 million (2Q14: 53.2), an increase of 10.6%. Adjusted for currency exchange differences sales increased 1.7%.
- Adjusted operating result (EBIT) ended with a profit of EUR 4.1 million (2Q14: 0.4), corresponding to a margin of 7.0% (2Q14: 0.8%).
- Net result for the period was positive at EUR 0.8 million (2Q14: -1.4).
- Order Intake increased to EUR 62.4 million (2Q14: 50.7), an increase of 23.3%. Adjusted for currency exchange differences Order Intake increased 17.7%.
- Solid order book at EUR 130.6 million (FY14: 101.0).
- Book to bill ratio at 1.30x compared to 1.26x in 1H14.

## CEO's comment



2Q15 results followed our earlier guidance with revenues amounting to EUR 58.8 million, a 10.6% increase compared to 2Q14. Currency exchange differences made a positive impact on our 2Q15 result, and we continue to monitor exchange rate fluctuations on an ongoing basis to minimise our exposure. During the quarter we continued our focus on raising profitability and as a consequence our gross margin has increased steadily over the past twelve months.

As previously announced, 2Q15 also brought to an end to the long running litigation against Mike Colaco with a 12-person jury issuing a verdict in favour of Cavotec. Irrespective of whether Colaco seeks to appeal the verdict, we can now move beyond this issue, and I look forward to fully focussing on moving forward with our Cavotec INET operations in the US.

Another milestone was reached on 7 July when we fully finalised EUR 95 million Senior Revolving Credit and Bank Guarantee Facilities with a syndicate of leading global banks. As well as refinancing Cavotec's existing syndicated credit agreement, the new resources will be used to underpin our M&A activities, product development, and growth into new and existing markets.

Order intake remained strong in 2Q15, showing a good mix of day-to-day business as well as smaller and larger projects. In particular, our Airports Market Unit registered several significant orders, including the milestone order received in June for the Soekarno-Hatta international airport in Indonesia. These orders highlight the international aspect of our operations and underline the strength of our business model and capacity to manage large, complex projects.

“Order intake remained strong in 2Q15, showing a good mix of day-to-day business as well as smaller and larger projects.”

### LOOKING AHEAD

Throughout 2Q15 our major markets developed positively and I expect a similar trend in the coming quarters as the process of automation and electrification at ports and airports continues to gather momentum. The ongoing turbulence in the oil & gas sector will continue to impact our sales but with growth in other markets I am confident we will be able to offset any major decline. In our mining market segments I foresee CAPEX to remain low for the foreseeable future, while I expect moderate growth in general industry as it will benefit from increased focus on certain key product lines.

“In general, I expect momentum for the Group to continue to pick up over these coming quarters.”

In general, I expect momentum for the Group to continue to pick up over the coming quarters. Effective cost control remains an important point of focus for us to ensure sustained future growth. At the same time, we also continue to invest in innovation and in strengthening our workforce in key areas, allowing us to continue meeting our customers' expectations wherever they are located around the world.

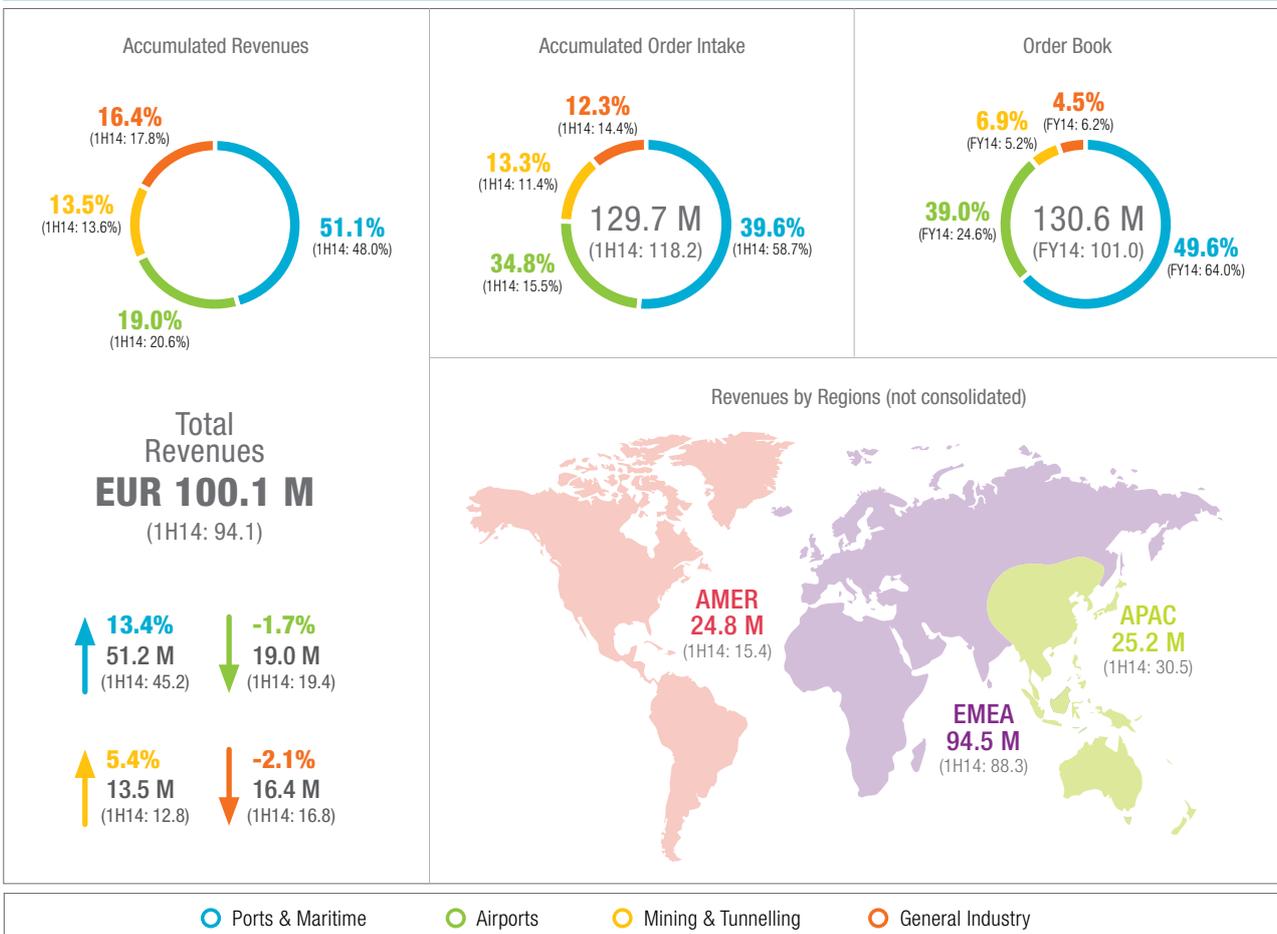
2015 guidance remains unchanged and I expect EBIT to continue to strengthen in the second half of the year. I also reiterate our longer-term financial goals for the coming years.

Lugano, 5 August 2015



**Ottonel Popesco**  
Chief Executive Officer

**YTD - Financial Snapshot** EUR Million



# Financial Review

## REVENUES, EARNINGS AND PROFITABILITY

### Quarterly results

Revenues from sales of goods and services amounted to EUR 58,823 thousands. This is an increase of 10.6% compared to 2Q14 with an organic growth of 1.7% and a substantial improvement of margin. Adjusted operating result, excluding litigation and restructuring cost, amounted to EUR 4,097 thousands compared to EUR 414 thousands in the same quarter last year.

Net result ended with a profit of EUR 810 thousands compared to a loss of EUR 1,424 thousands in 2Q14. Income taxes amounted to EUR 1,782 thousands due to higher contributions from countries with a higher tax rate.

### Half year results

Adjusted operating result amounted to EUR 710 thousands in 1H15 compared to a loss of EUR 214 thousands in 1H14. Revenue from sales of goods and services increased with 6.4% amounting to EUR 100,134 thousands with a positive impact from the currency exchange differences. The margin improved compared to the same period last year while operating expenses were negatively impacted by currency exchange differences and ongoing investments.

Financial items was positively impacted by currency exchange differences, amounting to EUR 6,360 thousands compared to negative EUR 1,175 thousands in 1H14. Net result ended with a profit of EUR 2,553 thousands compared to a loss of EUR 2,997 thousands in 1H14.

## CASH FLOW

In 2Q15 operating cash flow was negative at EUR 2,644 thousands compared to EUR 3,257 thousands in 2Q14. 1H15 operating cash flow ended negative at EUR 13,260 thousands due to investments in working capital necessary to meet the demands of scheduled larger projects in 2H15. Operating cash flow in 1H14 was negative at EUR 5,146 thousands. Investing activities was lower in 2Q15 at EUR 203 thousands compared to EUR 956 thousands in 2Q14 and EUR 1,155 thousands in 1H15 compared to EUR 1,343 thousands in 1H14.

## NET DEBT

Net debt increased to EUR 31,353 compared to EUR 20,002 thousands at FY14. Inventory increased with EUR 11,624 thousands from FY14 as a consequence of scheduled large project deliveries in 2H15. Due to this the leverage ratio increased to 1.35x (FY14: 0.91x) and the net debt/equity ratio to 22.3% (FY14: 14.5%).

## EMPLOYEES

On 30 June 2015 Cavotec employed 1,025 full time equivalent employees, this is an increase of 14 persons in the quarter. On 31 December 2014 and on 30 June 2014 there were 1,019 full time equivalent employees.

## REVENUE FROM SALES OF GOODS AND GROWTH

EUR 000's	Revenues			
	2Q15	2Q14	1H15	1H14
Revenue from sales of goods and services	58,823	53,189	100,134	94,087
Increase/decrease	5,634	(14,232)	6,047	(26,512)
Percentage change	10.6%	-21.1%	6.4%	-22.0%
Of which				
- Volumes and prices	1.7%	-16.4%	-2.9%	-17.3%
- Currency effects	8.9%	-4.7%	9.5%	-4.7%

EUR 000's	Order Intake			
	2Q15	2Q14	1H15	1H14
Order Intake	62,438	50,658	129,744	118,222
Increase/decrease	11,780	(7,262)	11,522	(5,660)
Percentage change	23.3%	-12.5%	9.7%	-4.6%
Of which				
- Volumes and prices	17.7%	-12.4%	1.7%	-0.3%
- Currency effects	5.6%	-0.1%	8.0%	-4.3%

**OPERATING SEGMENTS**

EUR 000's	Revenues					
	2Q15	2Q14	Change %	1H15	1H14	Change %
AMER	14,487	9,194	57.6%	24,786	15,398	61.0%
EMEA	56,266	50,141	12.2%	94,499	88,272	7.1%
APAC	16,662	16,704	-0.3%	25,192	30,471	-17.3%
Inter-Group elimination	(28,592)	(22,850)		(44,343)	(40,054)	
<b>Total</b>	<b>58,823</b>	<b>53,189</b>	<b>10.6%</b>	<b>100,134</b>	<b>94,087</b>	<b>6.4%</b>

EUR 000's	Order Intake					
	2Q15	2Q14	Change %	1H15	1H14	Change %
AMER	12,256	10,799	13.5%	20,860	43,230	-51.7%
EMEA	45,151	44,006	2.6%	102,957	102,615	0.3%
APAC	26,286	17,525	50.0%	50,742	30,212	68.0%
Inter-Group elimination	(21,255)	(21,672)		(44,815)	(57,835)	
<b>Total</b>	<b>62,438</b>	<b>50,658</b>	<b>23.3%</b>	<b>129,744</b>	<b>118,222</b>	<b>9.7%</b>

EUR 000's	Order Book			Book/Bill ratio	
	1H15	FY14	Change %	1H15	1H14
AMER	34,421	38,346	-10.2%	0.84	2.81
EMEA	89,580	81,115	10.4%	1.09	1.16
APAC	57,698	32,149	79.5%	2.01	0.99
Inter-Group elimination	(51,116)	(50,643)			
<b>Total</b>	<b>130,583</b>	<b>100,967</b>	<b>29.3%</b>	<b>1.30</b>	<b>1.26</b>

**MARKET UNITS**

EUR 000's	Revenues					
	2Q15	2Q14	Change %	1H15	1H14	Change %
Ports & Maritime	32,336	26,993	19.8%	51,185	45,150	13.4%
Airports	9,653	10,535	-8.4%	19,041	19,377	-1.7%
Mining & Tunnelling	7,452	7,132	4.5%	13,499	12,806	5.4%
General Industry	9,382	8,529	10.0%	16,409	16,754	-2.1%
<b>Total</b>	<b>58,823</b>	<b>53,189</b>	<b>10.6%</b>	<b>100,134</b>	<b>94,087</b>	<b>6.4%</b>

EUR 000's	Order Intake					
	2Q15	2Q14	Change %	1H15	1H14	Change %
Ports & Maritime	16,866	28,212	-40.2%	51,344	69,394	-26.0%
Airports	28,796	6,789	324.2%	45,093	18,355	145.7%
Mining & Tunnelling	8,331	6,852	21.6%	17,287	13,424	28.8%
General Industry	8,445	8,805	-4.1%	16,020	17,049	-6.0%
<b>Total</b>	<b>62,438</b>	<b>50,658</b>	<b>23.3%</b>	<b>129,744</b>	<b>118,222</b>	<b>9.7%</b>

EUR 000's	Order Book			Book/Bill ratio	
	1H15	FY14	Change %	1H15	1H14
Ports & Maritime	64,814	64,656	0.2%	1.00	1.54
Airports	50,880	24,828	104.9%	2.37	0.95
Mining & Tunnelling	8,990	5,201	72.9%	1.28	1.05
General Industry	5,899	6,282	-6.1%	0.98	1.02
<b>Total</b>	<b>130,583</b>	<b>100,967</b>	<b>29.3%</b>	<b>1.30</b>	<b>1.26</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

EUR 000's	Unaudited three months 30 Jun, 2015	Unaudited three months 30 Jun, 2014	Unaudited six months 30 Jun, 2015	Unaudited six months 30 Jun, 2014	Audited year 31 Dec, 2014
Revenue from sales of goods and services	58,823	53,189	100,134	94,087	235,457
Other income	1,109	1,133	2,208	2,047	5,446
Raw materials and components	(27,559)	(27,525)	(47,015)	(45,021)	(115,964)
Employee benefit costs	(17,240)	(16,256)	(33,824)	(32,392)	(67,900)
Operating expenses	(11,447)	(9,533)	(20,316)	(18,270)	(40,010)
<b>Gross Operating Result</b>	<b>3,686</b>	<b>1,008</b>	<b>1,187</b>	<b>451</b>	<b>17,029</b>
Depreciation and amortisation	(1,339)	(1,055)	(2,470)	(2,044)	(4,468)
<b>Operating Result</b>	<b>2,347</b>	<b>(47)</b>	<b>(1,283)</b>	<b>(1,593)</b>	<b>12,561</b>
Interest income	13	17	17	28	49
Interest expenses	(230)	(451)	(483)	(831)	(2,410)
Currency exchange differences - net	462	186	6,826	(372)	6,018
<b>Profit/(loss) before income tax</b>	<b>2,592</b>	<b>(295)</b>	<b>5,077</b>	<b>(2,768)</b>	<b>16,218</b>
Income taxes	(1,782)	(1,129)	(2,524)	(229)	(5,988)
<b>Profit/(loss) for the period</b>	<b>810</b>	<b>(1,424)</b>	<b>2,553</b>	<b>(2,997)</b>	<b>10,230</b>
<b>Other comprehensive income:</b>					
Remeasurements of post employment benefit obligations	1	-	(42)	-	(215)
<b>Items that will not be reclassified to profit or loss</b>	<b>1</b>	<b>-</b>	<b>(42)</b>	<b>-</b>	<b>(215)</b>
Currency translation differences	(4,139)	2,783	38	1,210	1,942
<b>Items that may be subsequently reclassified to profit</b>	<b>(4,139)</b>	<b>2,783</b>	<b>38</b>	<b>1,210</b>	<b>1,942</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>(4,138)</b>	<b>2,783</b>	<b>(4)</b>	<b>1,210</b>	<b>1,727</b>
<b>Total comprehensive income for the period</b>	<b>(3,328)</b>	<b>1,359</b>	<b>2,549</b>	<b>(1,787)</b>	<b>11,956</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Group	(3,328)	1,386	2,546	(1,777)	11,985
Non-controlling interest	-	(27)	3	(10)	(29)
<b>Total</b>	<b>(3,328)</b>	<b>1,359</b>	<b>2,549</b>	<b>(1,787)</b>	<b>11,956</b>
<b>Profit (loss) attributed to:</b>					
Equity holders of the Group	810	(1,397)	2,553	(2,987)	10,258
Non-controlling interest	-	(27)	-	(10)	(29)
<b>Total</b>	<b>810</b>	<b>(1,424)</b>	<b>2,553</b>	<b>(2,997)</b>	<b>10,230</b>
Basic and diluted earnings per share attributed to the equity holders of the Group	0.010	(0.020)	0.033	(0.042)	0.140
Average number of shares	78,471,480	71,332,700	78,471,480	71,332,700	73,444,997

**CONSOLIDATED BALANCE SHEET**

EUR 000's	Unaudited 30 Jun, 2015	Unaudited 30 Jun, 2014	Audited 31 Dec, 2014
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17,637	14,114	17,071
Trade receivables	58,338	46,299	60,988
Tax assets	866	1,516	991
Other current receivables	9,484	7,456	6,722
Inventories	52,408	55,283	40,784
<b>Total current assets</b>	<b>138,733</b>	<b>124,668</b>	<b>126,556</b>
<b>Non-current assets</b>			
Property, plant and equipment	26,535	26,548	26,326
Intangible assets	71,215	66,487	69,154
Non-current financial assets	377	239	264
Deferred tax assets	17,859	15,992	17,196
Other non-current receivables	493	1,992	513
<b>Total non-current assets</b>	<b>116,479</b>	<b>111,258</b>	<b>113,453</b>
Assets held for sale	1,600	2,082	1,800
<b>Total assets</b>	<b>256,812</b>	<b>238,008</b>	<b>241,809</b>
<b>Equity and Liabilities</b>			
<b>Current liabilities</b>			
Bank overdrafts	(68)	(103)	-
Current financial liabilities	(2,702)	(4,548)	(1,738)
Trade payables	(37,928)	(44,237)	(32,831)
Tax liabilities	(356)	(3,338)	(3,065)
Provision for risk and charges, current	(5,524)	(5,486)	(5,359)
Other current liabilities	(12,220)	(13,312)	(14,382)
<b>Total current liabilities</b>	<b>(58,798)</b>	<b>(71,024)</b>	<b>(57,375)</b>
<b>Non-current liabilities</b>			
Non-current financial liabilities	(46,232)	(51,743)	(35,345)
Deferred tax liabilities	(6,248)	(4,518)	(5,731)
Other non-current liabilities	(423)	(1,212)	(264)
Provision for risk and charges, non-current	(4,659)	(5,669)	(5,191)
<b>Total non-current liabilities</b>	<b>(57,562)</b>	<b>(63,142)</b>	<b>(46,531)</b>
<b>Total liabilities</b>	<b>(116,360)</b>	<b>(134,166)</b>	<b>(103,906)</b>
<b>Equity</b>			
Equity attributable to owners of the parent	(140,422)	(103,856)	(137,876)
Non-controlling interests	(30)	14	(27)
<b>Total equity</b>	<b>(140,452)</b>	<b>(103,842)</b>	<b>(137,903)</b>
<b>Total equity and liabilities</b>	<b>(256,812)</b>	<b>(238,008)</b>	<b>(241,809)</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

EUR 000's	Equity related to owners of the parent	Non-controlling interest	Total equity
<b>Unaudited</b>			
Balance as at 1 January 2014	(108,773)	4	(108,769)
Loss for the period	2,987	10	2,997
Currency translation differences	(1,210)	-	(1,210)
Other reserves	219	-	219
<b>Total comprehensive income and expenses</b>	<b>1,996</b>	<b>10</b>	<b>2,006</b>
Capital reduction	2,921	-	2,921
<b>Transactions with shareholders</b>	<b>2,921</b>	<b>-</b>	<b>2,921</b>
<b>Balance as at 30 June 2014</b>	<b>(103,856)</b>	<b>14</b>	<b>(103,842)</b>
<b>Audited</b>			
Balance as at 1 January 2014	(108,773)	4	(108,769)
(Profit) / Loss for the period	(10,258)	29	(10,230)
Currency translation differences	(1,942)	-	(1,942)
Remeasurements of post employment benefit obligations	215	-	215
<b>Total comprehensive income and expenses</b>	<b>(11,985)</b>	<b>29</b>	<b>(11,956)</b>
Capital reduction	2,918	-	2,918
Capital increase	(20,261)	-	(20,261)
Reduction in non-controlling interest	-	(33)	(33)
Acquisition of subsidiary involving changes to non-controlling interest	225	(27)	198
<b>Transactions with shareholders</b>	<b>(17,118)</b>	<b>(60)</b>	<b>(17,178)</b>
<b>Balance as at 31 December 2014</b>	<b>(137,876)</b>	<b>(27)</b>	<b>(137,903)</b>
<b>Unaudited</b>			
Balance as at 1 January 2015	(137,876)	(27)	(137,903)
(Profit) / Loss for the period	(2,553)	-	(2,553)
Currency translation differences	(35)	(3)	(38)
Remeasurements of post employment benefit obligations	42	-	42
<b>Total comprehensive income and expenses</b>	<b>(2,546)</b>	<b>(3)</b>	<b>(2,549)</b>
<b>Balance as at 30 June 2015</b>	<b>(140,422)</b>	<b>(30)</b>	<b>(140,452)</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS - INDIRECT METHOD**

EUR 000's	Unaudited three months 30 Jun, 2015	Unaudited three months 30 Jun, 2014	Unaudited six months 30 Jun, 2015	Unaudited six months 30 Jun, 2014	Audited year 31 Dec, 2014
<b>Profit /(loss) for the period</b>	<b>810</b>	<b>(1,424)</b>	<b>2,553</b>	<b>(2,997)</b>	<b>10,230</b>
<b>Adjustments for:</b>					
Net interest expenses	211	377	463	679	1,536
Current taxes	1,146	1,467	1,970	1,889	7,208
Depreciation and amortisation	1,340	1,054	2,471	2,044	4,468
Deferred tax	636	(787)	554	(2,109)	(1,219)
Provision for risks and charges	(57)	1,421	1,323	2,430	1,211
Capital gain or loss on assets	(4)	(77)	(35)	(86)	(121)
Other items not involving cash flows	(615)	3	(6,951)	886	(5,028)
Interest paid	(224)	(383)	(482)	(716)	(1,546)
Taxes paid	(2,251)	(68)	(4,554)	(1,580)	(6,435)
	<b>182</b>	<b>3,007</b>	<b>(5,241)</b>	<b>3,437</b>	<b>74</b>
<b>Cash flow before changes in working capital</b>	<b>992</b>	<b>1,583</b>	<b>(2,688)</b>	<b>440</b>	<b>10,304</b>
<b>Impact of changes in working capital:</b>					
Inventories	(1,434)	(7,887)	(12,727)	(16,854)	(1,355)
Trade receivables	(1,417)	(876)	2,085	2,649	(12,222)
Other current receivables	(3,003)	(1,356)	(2,745)	(2,702)	(2,027)
Trade payables	2,907	5,740	5,067	12,675	1,221
Other current liabilities	(863)	(469)	(2,431)	(1,387)	2,246
Long term receivables and liabilities	174	8	179	33	1,078
<b>Impact of changes involving working capital</b>	<b>(3,636)</b>	<b>(4,840)</b>	<b>(10,572)</b>	<b>(5,586)</b>	<b>(11,059)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>(2,644)</b>	<b>(3,257)</b>	<b>(13,260)</b>	<b>(5,146)</b>	<b>(755)</b>
<b>Financial activities:</b>					
Proceeds of loans and borrowings	7,863	9,022	12,402	9,124	454
(Repayments) of loans and borrowings	(175)	(2,119)	(1,255)	(2,782)	(14,491)
Capital increase	-	-	-	-	20,260
Capital reduction	-	-	-	-	(2,918)
Acquisition of non controlling interest	-	-	-	-	(232)
Increase of loans to non controlling interest	-	-	-	-	(26)
<b>Net cash inflow / (outflow) from financial activities</b>	<b>7,688</b>	<b>6,903</b>	<b>11,147</b>	<b>6,342</b>	<b>3,047</b>
<b>Investing activities:</b>					
Investments in property, plant and equipment	(494)	(740)	(1,078)	(1,177)	(2,155)
Investments in intangible assets	315	(255)	(67)	(255)	(1,010)
Sales of non-current financial assets	(85)	(184)	(113)	(181)	18
Disposal of assets	61	223	103	270	303
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(203)</b>	<b>(956)</b>	<b>(1,155)</b>	<b>(1,343)</b>	<b>(2,844)</b>
Cash at the beginning of the period	14,477	10,821	17,071	13,928	13,928
Cash flow for the period	4,841	2,690	(3,268)	(147)	(552)
Currency exchange differences	(1,749)	500	3,766	230	3,695
<b>Cash at the end of the period</b>	<b>17,569</b>	<b>14,011</b>	<b>17,569</b>	<b>14,011</b>	<b>17,071</b>
<b>Cash comprises:</b>					
Cash and cash equivalents	17,637	14,114	17,637	14,114	17,071
Bank overdrafts	(68)	(103)	(68)	(103)	-
<b>Total</b>	<b>17,569</b>	<b>14,011</b>	<b>17,569</b>	<b>14,011</b>	<b>17,071</b>

**SEGMENT INFORMATION**

EUR 000's	AMER	EMEA	APAC	HQ	Inter-Group elimination	Total
<b>Unaudited</b>						
<b>Three months ended 30 June 2015</b>						
Revenue from sales of goods and services	14,487	56,266	16,662	-	(28,592)	58,823
Other income	76	1,652	1,733	1,583	(3,935)	1,109
Operating expenses before depreciation and amortisation	(18,263)	(53,957)	(16,212)	(987)	33,173	(56,246)
<b>Gross Operating Result</b>	<b>(3,700)</b>	<b>3,961</b>	<b>2,183</b>	<b>596</b>	<b>646</b>	<b>3,686</b>
<b>Unaudited</b>						
<b>Three months ended 30 June 2014</b>						
Revenue from sales of goods and services	9,194	50,141	16,704	-	(22,850)	53,189
Other income	357	1,821	1,126	370	(2,541)	1,133
Operating expenses before depreciation and amortisation	(13,156)	(48,170)	(16,384)	(776)	25,172	(53,314)
<b>Gross Operating Result</b>	<b>(3,605)</b>	<b>3,792</b>	<b>1,446</b>	<b>(406)</b>	<b>(219)</b>	<b>1,008</b>
<b>Unaudited</b>						
<b>Six months ended 30 June 2015</b>						
Revenue from sales of goods and services	24,786	94,499	25,192	-	(44,343)	100,134
Other income	453	3,400	3,332	1,822	(6,799)	2,208
Operating expenses before depreciation and amortisation	(31,042)	(93,404)	(26,134)	(1,146)	50,571	(101,155)
<b>Gross Operating Result</b>	<b>(5,803)</b>	<b>4,495</b>	<b>2,390</b>	<b>676</b>	<b>(571)</b>	<b>1,187</b>
<b>Unaudited</b>						
<b>Six months ended 30 June 2014</b>						
Revenue from sales of goods and services	15,398	88,272	30,471	-	(40,054)	94,087
Other income	392	3,487	2,050	751	(4,633)	2,047
Operating expenses before depreciation and amortisation	(23,141)	(85,530)	(29,921)	(1,533)	44,442	(95,683)
<b>Gross Operating Result</b>	<b>(7,351)</b>	<b>6,229</b>	<b>2,600</b>	<b>(782)</b>	<b>(245)</b>	<b>451</b>
<b>Audited</b>						
<b>Year ended 31 December 2014</b>						
Revenue from sales of goods and services	51,364	208,952	70,249	6	(95,114)	235,457
Other income	922	7,982	6,237	2,387	(12,083)	5,445
Operating expenses before depreciation and amortisation	(60,327)	(197,995)	(68,953)	(2,493)	105,894	(223,874)
<b>Gross Operating Result</b>	<b>(8,041)</b>	<b>18,939</b>	<b>7,533</b>	<b>(100)</b>	<b>(1,303)</b>	<b>17,029</b>

**PARENT COMPANY - CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

CAVOTEC SA	Unaudited three months 30 Jun, 2015	Unaudited three months 30 Jun, 2014	Unaudited six months 30 Jun, 2015	Unaudited six months 30 Jun, 2014	Unaudited year 31 Dec, 2014
<b>EUR 000's</b>					
Dividend	-	-	-	-	176
Other income	1,373	158	1,540	320	1,278
Employee benefit costs	(278)	(351)	(573)	(608)	(1,657)
Operating expenses	(378)	(256)	(625)	(505)	(1,073)
<b>Operating Result</b>	<b>717</b>	<b>(449)</b>	<b>342</b>	<b>(793)</b>	<b>(1,276)</b>
Interest expenses - net	(6)	(7)	(12)	(14)	(25)
Currency exchange differences - net	(2)	(1)	-	-	(24)
<b>Profit / (loss) before income tax</b>	<b>709</b>	<b>(457)</b>	<b>330</b>	<b>(807)</b>	<b>(1,325)</b>
Income taxes	(7)	(5)	(13)	(11)	(27)
<b>Profit / (loss) for the period</b>	<b>702</b>	<b>(462)</b>	<b>317</b>	<b>(818)</b>	<b>(1,352)</b>
<b>Other comprehensive income:</b>					
Actuarial gain (loss)	-	-	-	-	(34)
<b>Total comprehensive income for the period</b>	<b>702</b>	<b>(462)</b>	<b>317</b>	<b>(818)</b>	<b>(1,386)</b>

**PARENT COMPANY - CONDENSED BALANCE SHEET**

CAVOTEC SA	Unaudited six months 30 Jun, 2015	Unaudited six months 30 Jun, 2014	Unaudited year 31 Dec, 2014
<b>EUR 000's</b>			
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	50	57	2,953
Trade receivable	1,201	1	1,231
Tax assets	25	18	23
Other current receivables	365	308	11
<b>Total current assets</b>	<b>1,641</b>	<b>384</b>	<b>4,218</b>
<b>Non-current assets</b>			
Investment in subsidiary companies	155,622	98,447	98,447
<b>Total non-current assets</b>	<b>155,622</b>	<b>98,447</b>	<b>98,447</b>
<b>Total assets</b>	<b>157,263</b>	<b>98,831</b>	<b>102,665</b>
<b>Equity and Liabilities</b>			
<b>Current liabilities</b>			
Bank overdrafts	(53,132)	(12,978)	-
Current financial liabilities	(1,955)	(1,845)	(935)
Trade payables	(154)	(76)	(173)
Provision for risks and charges - current	(110)	-	(263)
Other current liabilities	(623)	(3,008)	(472)
<b>Total current liabilities</b>	<b>(55,974)</b>	<b>(17,907)</b>	<b>(1,843)</b>
<b>Non-current liabilities</b>			
Provision for risks and charges - non current	(405)	(102)	(405)
Current financial liabilities	(354)	(609)	(509)
<b>Total non-current liabilities</b>	<b>(759)</b>	<b>(711)</b>	<b>(914)</b>
<b>Total liabilities</b>	<b>(56,733)</b>	<b>(18,618)</b>	<b>(2,757)</b>
<b>Equity</b>	<b>(100,530)</b>	<b>(80,213)</b>	<b>(99,908)</b>
<b>Total equity</b>	<b>(100,530)</b>	<b>(80,213)</b>	<b>(99,908)</b>
<b>Total equity and liabilities</b>	<b>(157,263)</b>	<b>(98,831)</b>	<b>(102,665)</b>

## GENERAL INFORMATION

Cavotec is a global engineering group that manufactures power transmission, distribution and control technologies that form the link between fixed and mobile equipment in the Ports & Maritime, Airports, Mining & Tunnelling and General Industry sectors. All engineering and most manufacturing of Cavotec's products and systems take place at eight specialised engineering Centres of Excellence in Germany (two), Sweden, Norway, Italy, the United States (two) and New Zealand. Cavotec has fully-owned sales companies spread across the world which monitor local markets and co-operate with Cavotec's Centres of Excellence.

Cavotec SA, the Parent company, is a limited liability company incorporated and domiciled in Switzerland and listed on Nasdaq OMX in Stockholm, Sweden.

These unaudited Financial Statements have been approved by the Board of Directors for publication on 5 August 2015.

## BASIS OF PREPARATION OF FINANCIAL STATEMENTS

This quarterly report was prepared in accordance with IFRS, applying IAS 34 Interim Financial Reporting. The same accounting and valuation policies were applied in the most recent annual report. The condensed quarterly financial statements should be read in conjunction with the annual financial statements for the year ended in December 2014.

The preparation of quarterly financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

## SEGMENT INFORMATION

There have been no relevant changes to the assets and liabilities for segment information as shown in the Annual Report for 2014.

## LEGAL DISPUTES

The trial in the lawsuit against Mike Colaco ended with a verdict in favour of Cavotec issued on 18 and 19 June 2015. The verdict remains subject to a potential appeal. Please refer to the press release titled "Cavotec SA wins lawsuit against Colaco" published on 22 June 2015 for more information.

## NOTEWORTHY RISKS AND UNCERTAINTIES

There have been no changes to what was stated by Cavotec in its Annual Report for 2014 under Risk management.

## REPORTING DATES 2015

The 3Q15 Quarterly Report will be published on 5 November 2015.

## FORWARD-LOOKING STATEMENTS

Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialisation and technological difficulties, interruptions in supply, and major customer credit losses.

## ANALYSTS & MEDIA

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*MoorMaster™ units at Port of Narvik, Norway.*

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