

1st Quarter Report **2015**



- Revenues increased 1.0% to EUR 41,311 thousands (1Q14: 40,899).
- Adjusted operating result (EBIT) was negative at EUR 3,387 thousands, compared to negative EUR 627 thousands in 1Q14.
- Net result was positive at EUR 1,743 thousands, compared to negative EUR 1,573 thousands in 1Q14.
- Order Intake decreased 0.4% quarter on quarter at EUR 67,306 thousands (1Q14: 67,564).
- Order Book increased 26% to EUR 126,967 thousands (FY14: 100,967).
- Book to bill ratio was 1.63x in 1Q15 compared to 1.65x in 1Q14.

A comment from our CEO



Following two exceptionally strong quarters, 1Q15 results were subdued but in line with market guidance. Revenues for the quarter amounted to EUR 41,311 thousands, a slight increase compared to 1Q14, partially due to favourable currency exchange differences.

Order intake was strong in 1Q15 with a majority of day-to-day and smaller project orders. During the quarter Cavotec also registered one large project, which was for MoorMaster™ automated mooring units for the Port of Salalah in Oman. The main factor behind the minor decrease in order intake for the period compared to 1Q14 was the exceptional MoorMaster™ order for St. Lawrence Seaway in Canada last year.

Cavotec's order book remains strong at EUR 126,967 thousands, comprising a healthy mix of both larger and smaller projects, as well as a solid foundation of day-to-day business. We see the uptick in smaller projects in our order intake as a positive development and an indicator of increased confidence across several of our major markets.

OPERATIONAL HIGHLIGHTS

Cavotec further strengthened its leading position in the Ports & Maritime segment in 1Q15 with several significant orders from major industry players. In January, the Group announced an order for eight MoorMaster™ units for installation at a container berth at the Port of Salalah. Notably, this is the fourth order for MoorMaster™ systems from the Port of Salalah, a returning customer that highlights the effectiveness of the system.

In March, Cavotec announced five orders from one of the world's largest port equipment manufacturers, ZPMC. The most substantial of these was for cable reels that will supply power to 72 ZPMC Automated Stacking Cranes at the Pasir Panjang Terminal at the Port of Singapore.

For the same terminal, Cavotec will provide 28 spreader cable reels for ship-to-shore container cranes. Pasir Panjang is Singapore's newest and most advanced terminal, with the capacity to load and offload the world's largest container ships. The remaining orders included one for the supply of cable management systems for Electric Rubber Tyred Gantry cranes, (ERTG), and another for a number of gantry and spreader reels for ship-to-shore cranes.

“Cavotec further strengthened its leading position in the Ports & Maritime segment.”



Cavotec MoorMaster™ units in action at Port of Beirut, Lebanon.

Cavotec also won two separate orders from a European ship-owner: one for six Alternative Maritime Power, (AMP), reels for fixed installations, the other for AMPTainer equipment. Cavotec's innovative AMPTainer units are containerised shore power solutions that enable the connection of vessels to electrical power. AMPTainer minimises modification work required on vessels to accommodate shore power equipment, and is another Cavotec innovation that showcases our advantage in the field of shore electrification of ships.

The Group registered several orders for one of its latest innovations: Automatic Plug-in System, (APS). The system will be used at DP World's major development at the Port of Yarmca in Turkey to provide electrical power and communication connection for ERTG cranes. There was also an order for APS equipment for installation at one of the largest container terminals in Portugal.

Cavotec continued to grow in the Airports segment, with the announcement of two breakthrough orders for its Sub-Freezing DX-Boost pre-conditioned air (PCA) aircraft cooling technology. One of these projects is for the Presidential Flight Hangar at Abu Dhabi International Airport, and the other for the Oman Air Maintenance, Repair & Overhaul facility at Muscat International Airport. For both these orders the Group will design, supply, install, test and commission the Sub-freezing DX-Boost PCA system, 400Hz Converters, Pop-Up Pit and Hatch Pit systems.

DX-Boost technology, or Direct Expansion Boost, cools aircraft at the gate using a liquid-chilled first stage, followed by two or three refrigerated cooling stages with the aid of a high-pressure centrifugal blower and compressors, making DX-Boost considerably more effective than conventional cooling units. Cavotec is one of the few manufacturers currently offering this type of system, and it forms a key element of the Group's comprehensive product offering for the Airports market.

“Cavotec continued to grow in the Airports segment, with the announcement of two breakthrough orders.”

“For the coming period, I believe that both our Ports & Maritime and Airports units will be the primary drivers of our growth.”

LOOKING AHEAD

Growing confidence across several of our major markets, and increased automation and electrification across a wide variety of sectors, are all positive indicators for our long-term development. Our innovative products and systems are seen as key to enabling our customers to meet their productivity and efficiency targets. Furthermore, Cavotec technologies help customers meet and exceed environmental requirements and ensure the safety of their employees and others.

For the coming period, I believe that both our Ports & Maritime and Airports units will be the primary drivers of our growth. Development in our Mining & Tunnelling market unit will be slower, as this sector remains burdened by low commodity pricing and resultant CAPEX reductions. We continue to develop our innovations and I expect our General Industry market unit, and the Group as a whole, to benefit from these efforts in the near future.

I confirm previous guidance for 2015 and expect moderate growth in revenues coupled with a strengthening EBIT margin towards the second half of the year. I also reiterate our longer-term financial goals of organic growth of 10% CAGR and an EBIT margin of 12% over the coming years.



Cavotec Pop-Up Pit system, Frankfurt International Airport, Germany.

THE REGIONS

Revenues in the Americas, (AMER), amounted to EUR 10,299 thousands compared to EUR 6,206 thousands in the same period last year. Order intake decreased 73.5% to EUR 8.604 thousands in 1Q15 compared to the previous year, which was affected by the large MoorMaster™ order in Canada. Gross operating result was negative at EUR 2,103 thousands.

Europe, Middle East & Africa, (EMEA), registered a good order intake in 1Q15, amounting to EUR 57,806 thousands, further strengthened by the large order from the Port of Salalah in Oman and

“Ports & Maritime continued to be the Group’s strongest Market Unit.”

other significant orders in the same area. Order intake was stable compared to 1Q14, resulting in a book-to-bill ratio of 1.51. Gross operating result was positive at EUR 533 thousands.

Far East and Oceania, (APAC), recorded an excellent order intake in the first quarter, amounting to EUR 24,457 thousands and including the significant orders placed by ZPMC. Order intake increased by 92.8% compared to 1Q14, resulting in a book-to-bill ratio of 2.87. Gross operating result was positive at EUR 208 thousands.

THE MARKET UNITS

Ports & Maritime continued to be the Group’s strongest Market Unit with EUR 18,848 thousands, representing 45.6% of the Group’s 1Q15 revenues. Order intake decreased 16.3% to EUR 34,478 thousands in 1Q15, compared to EUR 41,181 thousands in 1Q14.



Cavotec AMP system, Port of Los Angeles, USA.

Airports, representing 22.7% of the Group’s 1Q15 revenues, increased 6.3% to EUR 9,388 thousands, compared to EUR 8,828 thousands in 1Q14. On the back of a number of large projects, 1Q15 order intake increased 40.9% to EUR 16,297 thousands compared to EUR 11,566 thousands in 1Q14.

Mining & Tunnelling, representing 14.6% of total 1Q15 revenues, increased 6.5% to EUR 6,047 thousands, compared to EUR 5,676 thousands in 1Q14. Order intake increased 36.3% to EUR 8,956 thousands in 1Q15, compared to EUR 6,572 thousands in 1Q14.

General Industry, representing 17% of Group 1Q15 revenues, decreased 14.7% to EUR 7,028 thousands in 1Q15, compared to EUR 8,241 thousands in 1Q14. Order Intake decreased 8.1% to EUR 7,575, compared to EUR 8,245 in 1Q14. This resulted in a book-to-bill ratio of 1.08x that was stable compared to the same period of last year at 1.00x.

Quarterly results

REVENUES, EARNINGS AND PROFITABILITY

Revenues from sales of goods and services in 1Q15 amounted to EUR 41,311 thousands, compared to EUR 40,899 thousands in the same quarter last year. 1Q15 gross operating result was negatively impacted by a change in product mix. Adjusted operating result, after deducting litigation costs, amounted to a loss of EUR 3,387 thousands compared to a loss of EUR 627 thousands in 1Q14.

Financial items were higher in 1Q15 compared to 1Q14, due to favourable currency exchange differences positively impacting the net profit of EUR 1,743 thousands (negative EUR 1,573 thousands in 1Q14).

CASH FLOW

Operating cash flow was negative at EUR 10,616 thousands, compared to negative EUR 1,889 thousands in 1Q14. Investing activities increased to EUR 952 thousands, compared to EUR 387 thousands in 1Q14. 1Q15 financial activities amounted to EUR 3,459 thousands, an increase of EUR 3,585 thousands due to loans and borrowings, compared to negative EUR 561 thousands in 1Q14.

NET DEBT

Net debt increased to EUR 27,022 thousands from EUR 20,002 thousands at the end of 2014, mainly due to an increase of working capital. As a consequence of the operating loss and increase of net debt, the leverage ratio increased to 1.4x (FY14: 0.91x). Net debt/equity ratio stands at 18.5% compared to 14.5% at the year-end.

EMPLOYEES

On 31 March 2015 the Group had 1,011 full time equivalent employees, compared to 1,019 on 31 December 2014, and 1,013 on 31 March 2014.

Lugano,
6 May 2015



Ottonel Popesco
Chief Executive Officer

REVENUE FROM SALES OF GOODS AND GROWTH

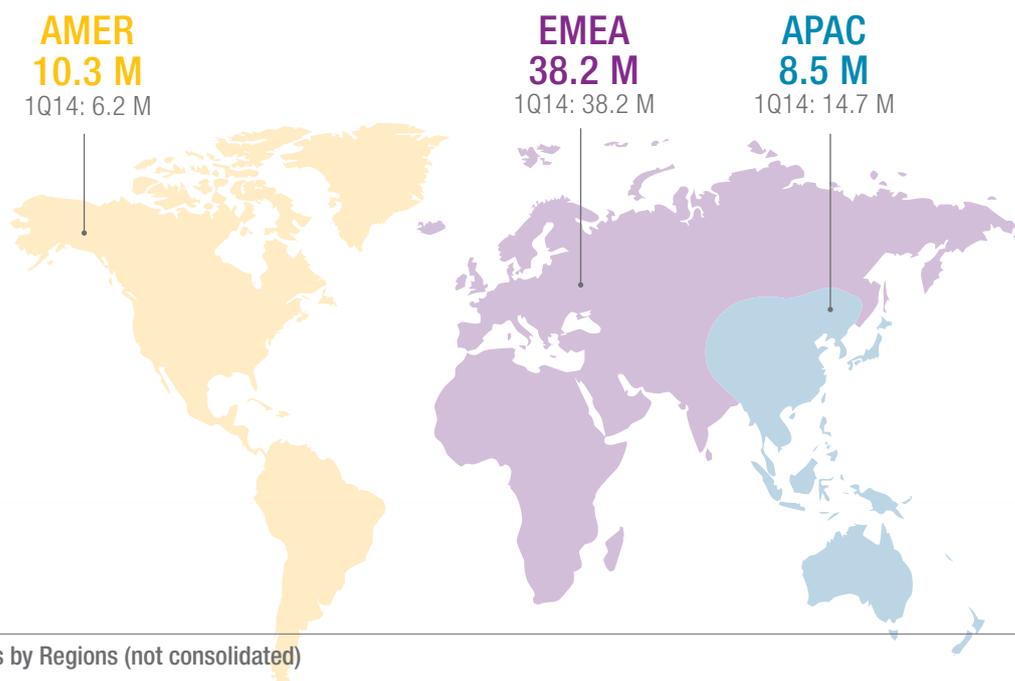
EUR 000's	Revenues		Order Intake	
	1Q15	1Q14	1Q15	1Q14
Revenue from sales of goods and services	41,311	40,899	67,306	67,564
Increase/decrease	412	(12,280)	(258)	1,605
Percentage change	1.0%	-23.1%	-0.4%	2.4%
Of which				
- Volumes and prices	-8.3%	-18.1%	-9.4%	11.0%
- Acquisitions/divestments	0.0%	0.0%	0.0%	0.0%
- Currency effects	9.3%	-5.0%	9.0%	-8.6%

OPERATING SEGMENTS

EUR 000's	Revenues			Percentage		
	1Q15	1Q14	Change %	1Q15	1Q14	Change %
AMER	10,299	6,206	65.9%	24.9%	15.2%	9.8%
EMEA	38,228	38,154	0.2%	92.5%	93.3%	-0.8%
APAC	8,530	14,650	-41.8%	20.6%	35.8%	-15.2%
Inter-Group elimination	(15,746)	(18,111)				
Total	41,311	40,899	1.0%	100.0%	100.0%	

EUR 000's	Order Intake			Percentage		
	1Q15	1Q14	Change %	1Q15	1Q14	Change %
AMER	8,604	32,432	-73.5%	12.8%	48.0%	-35.2%
EMEA	57,806	58,629	-1.4%	85.9%	86.8%	-0.9%
APAC	24,457	12,686	92.8%	36.3%	18.8%	17.6%
Inter-Group elimination	(23,561)	(36,183)				
Total	67,306	67,564	-0.4%	100.0%	100.0%	

EUR 000's	Order Book			Book/Bill ratio	
	1Q15	FY14	Change %	1Q15	1Q14
AMER	36,652	38,346	-4%	0.84	5.23
EMEA	100,693	81,115	24%	1.51	1.54
APAC	48,076	32,149	50%	2.87	0.87
Inter-Group elimination	(58,454)	(50,643)			
Total	126,967	100,967	26%	1.63	1.65

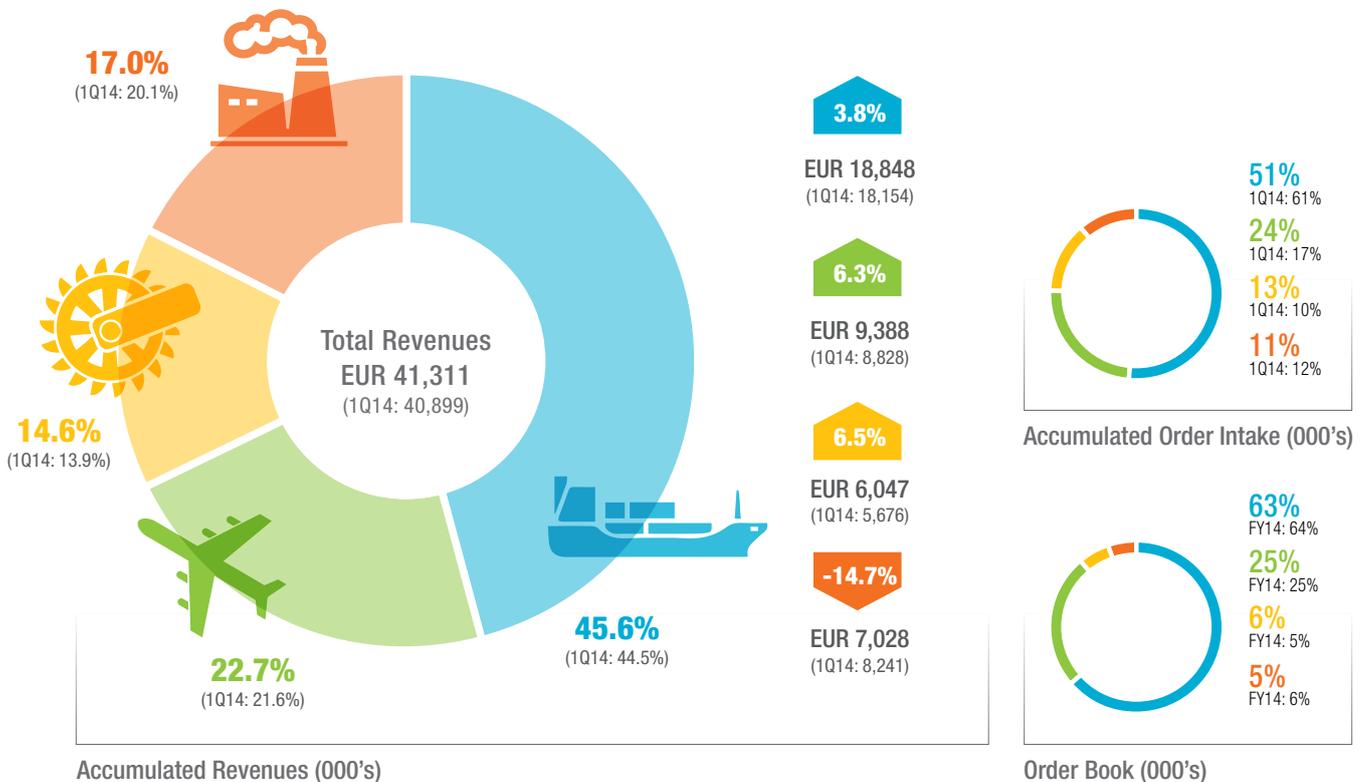


MARKET UNITS

EUR 000's	Revenues			Percentage		
	1Q15	1Q14	Change %	1Q15	1Q14	Change %
Ports & Maritime	18,848	18,154	3.8%	45.6%	44.4%	1.2%
Airports	9,388	8,828	6.3%	22.7%	21.6%	1.1%
Mining & Tunnelling	6,047	5,676	6.5%	14.6%	13.9%	0.8%
General Industry	7,028	8,241	-14.7%	17.0%	20.1%	-3.1%
Total	41,311	40,899	1.0%	100.0%	100.0%	

EUR 000's	Order Intake			Percentage		
	1Q15	1Q14	Change %	1Q15	1Q14	Change %
Ports & Maritime	34,478	41,181	-16.3%	51.2%	61.0%	-9.7%
Airports	16,297	11,566	40.9%	24.2%	17.1%	7.1%
Mining & Tunnelling	8,956	6,572	36.3%	13.3%	9.7%	3.6%
General Industry	7,575	8,245	-8.1%	11.3%	12.2%	-0.9%
Total	67,306	67,564	-0.4%	100.0%	100.0%	

EUR 000's	Order Book			Book/Bill ratio	
	1Q15	FY14	Change %	1Q15	1Q14
Ports & Maritime	80,286	64,655	24%	1.83	2.27
Airports	31,737	24,828	28%	1.74	1.31
Mining & Tunnelling	8,111	5,202	56%	1.48	1.16
General Industry	6,833	6,282	9%	1.08	1.00
Total	126,967	100,967	26%	1.63	1.65



● Ports & Maritime	● Airports	● Mining & Tunnelling	● General Industry
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 000's	Unaudited three months 31 Mar 2015	Unaudited three months 31 Mar 2014	Audited year 31 Dec 2014
Revenue from sales of goods and services ⁽¹⁾	41,311	40,899	235,457
Other income	1,098	913	5,446
Raw materials and components	(19,456)	(17,496)	(115,964)
Employee benefit costs	(16,583)	(16,135)	(67,900)
Operating expenses	(8,869)	(8,738)	(40,010)
Gross Operating Result	(2,499)	(557)	17,029
Depreciation and amortisation	(1,131)	(990)	(4,468)
Operating Result	(3,630)	(1,547)	12,561
Interest income	4	12	49
Interest expenses	(253)	(380)	(2,410)
Currency exchange differences - net	6,364	(558)	6,018
Profit/(loss) before income tax	2,485	(2,473)	16,218
Income taxes	(742)	900	(5,988)
Profit/(loss) for the period	1,743	(1,573)	10,230
Other comprehensive income:			
Remeasurements of post employment benefit obligations	(43)	-	(215)
Items that will not be reclassified to profit or loss	(43)	-	(215)
Currency translation differences	4,176	618	1,942
Items that may be subsequently reclassified to profit	4,176	618	1,942
Other comprehensive income for the year, net of tax	4,133	618	1,727
Total comprehensive income for the period	5,876	(955)	11,956
Total comprehensive income attributable to:			
Equity holders of the Group	5,873	(972)	11,985
Non-controlling interest	3	17	(29)
Total	5,876	(955)	11,956
Profit (loss) attributed to:			
Equity holders of the Group	1,743	(1,590)	10,258
Non-controlling interest	-	17	(29)
Total	1,743	(1,573)	10,230
Basic and diluted earnings per share attributed to the equity holders of the Group	0.022	(0.022)	0.140
Average number of shares	78,471,480	71,332,700	73,444,997

⁽¹⁾ As of 2015, revenues includes revenues from the sales of goods and revenues from services due to the development of the Business Model.

CONSOLIDATED BALANCE SHEET

EUR 000's	Unaudited 31 Mar 2015	Unaudited 31 Mar 2014	Audited 31 Dec 2014
Assets			
Current assets			
Cash and cash equivalents	14,623	10,852	17,071
Trade receivables	57,119	45,319	60,988
Tax assets	466	1,309	991
Other current receivables	6,464	6,078	6,722
Inventories	51,558	48,344	40,784
Total current assets	130,230	111,902	126,556
Non-current assets			
Property, plant and equipment	27,244	26,591	26,326
Intangible assets	72,936	66,186	69,154
Non-current financial assets	293	54	264
Deferred tax assets	19,033	14,997	17,196
Other non-current receivables	601	2,001	513
Total non-current assets	120,107	109,829	113,453
Assets held for sale	1,800	2,213	1,800
Total assets	252,137	223,944	241,809
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(146)	(31)	-
Current financial liabilities	(2,722)	(4,517)	(1,738)
Trade payables	(34,987)	(38,489)	(32,831)
Tax liabilities	(1,061)	(1,689)	(3,065)
Provision for risk and charges, current	(5,770)	(4,129)	(5,359)
Other current liabilities	(12,968)	(10,887)	(14,382)
Total current liabilities	(57,654)	(59,742)	(57,375)
Non-current liabilities			
Non-current financial liabilities	(38,790)	(44,888)	(35,345)
Deferred tax liabilities	(6,411)	(4,425)	(5,731)
Other non-current liabilities	(358)	(805)	(264)
Provision for risk and charges, non-current	(5,146)	(6,272)	(5,191)
Total non-current liabilities	(50,705)	(56,388)	(46,531)
Total liabilities	(108,359)	(116,130)	(103,906)
Equity			
Equity attributable to owners of the parent	(143,748)	(107,801)	(137,876)
Non-controlling interests	(30)	(13)	(27)
Total equity	(143,778)	(107,814)	(137,903)
Total equity and liabilities	(252,137)	(223,944)	(241,809)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 000's	Equity related to owners of the parent	Non-controlling interest	Total equity
Unaudited			
Balance as at 1 January 2014	(108,773)	4	(108,769)
Profit / (loss) for the period	1,590	(17)	1,573
Exchange differences on translation	(618)	-	(618)
Total comprehensive income and expenses	972	(17)	955
Balance as at 31 March 2014	(107,801)	(13)	(107,814)
Audited			
Balance as at 1 January 2014	(108,773)	4	(108,769)
Profit / (loss) for the period	(10,258)	29	(10,230)
Exchange differences on translation	(1,942)	0	(1,942)
Remeasurements of post employment benefit obligations	215	-	215
Total comprehensive income and expenses	(11,985)	29	(11,956)
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
Transactions with shareholders	(17,118)	(60)	(17,178)
Balance as at 31 December 2014	(137,876)	(27)	(137,903)
Unaudited			
Balance as at 1 January 2015	(137,876)	(27)	(137,903)
Profit / (loss) for the period	(1,743)	-	(1,743)
Exchange differences on translation	(4,172)	(3)	(4,176)
Remeasurements of post employment benefit obligations	43	-	43
Total comprehensive income and expenses	(5,873)	(3)	(5,876)
Balance as at 31 March 2015	(143,748)	(30)	(143,778)

CONSOLIDATED STATEMENT OF CASH FLOWS - INDIRECT METHOD

EUR 000's	Unaudited three months 31 Mar 2015	Unaudited three months 31 Mar 2014	Audited year 31 Dec 2014
Profit /(loss) for the period	1,743	(1,573)	10,230
Adjustments for:			
Net interest expenses	252	302	1,536
Current taxes	824	422	7,208
Depreciation and amortisation	1,131	990	4,468
Deferred tax	(82)	(1,322)	(1,219)
Provision for risks and charges	1,380	1,009	1,211
Capital gain or loss on assets	(31)	(9)	(121)
Other items not involving cash flows	(6,336)	883	(5,028)
Interest paid	(258)	(333)	(1,546)
Taxes paid	(2,303)	(1,512)	(6,435)
	(5,423)	430	74
Cash flow before change in working capital	(3,680)	(1,143)	10,304
Impact of changes in working capital:			
Inventories	(11,293)	(8,967)	(1,355)
Trade receivables	3,502	3,525	(12,222)
Other current receivables	258	(1,346)	(2,027)
Trade payables	2,160	6,935	1,221
Other current liabilities	(1,568)	(918)	2,246
Long term receivables and liabilities	5	25	1,078
Impact of changes involving working capital	(6,936)	(746)	(11,059)
Net cash inflow / (outflow) from operating activities	(10,616)	(1,889)	(755)
Financial activities:			
Preceeds of loans and borrowings	3,585	102	454
(Repayments) of loans and borrowings	(126)	(663)	(14,491)
Capital increase	-	-	20,260
Capital reduction	-	-	(2,918)
Acquisition of non controlling interest	-	-	(232)
Increase of loans to non controlling interest	-	-	(26)
Net cash inflow / (outflow) from financial activities	3,459	(561)	3,047
Investing activities:			
Investments in property, plant and equipment	(584)	(437)	(2,155)
Investments in intangible assets	(382)	-	(1,010)
Sales of non-current financial assets	(28)	3	18
Disposal of assets	42	47	303
Net cash inflow / (outflow) from investing activities	(952)	(387)	(2,844)
Cash at the beginning of the period	17,071	13,928	13,928
Cash flow for the period	(8,109)	(2,837)	(552)
Currency exchange differences	5,515	(270)	3,695
Cash at the end of the period	14,477	10,821	17,071
Cash comprises:			
Cash and cash equivalents	14,623	10,852	17,071
Bank overdrafts	(146)	(31)	-
Total	14,477	10,821	17,071

SEGMENT INFORMATION

EUR 000's	AMER	EMEA	APAC	HQ	Inter-Group elimination	Total
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Unaudited

Three months ended 31 March 2015

Revenue from sales of goods and services	10,299	38,232	8,530	(0)	(15,750)	41,311
Other income	376	1,748	1,599	240	(2,865)	1,098
Operating expenses before depreciation and amortisation	(12,778)	(39,447)	(9,921)	(160)	17,398	(44,908)
Gross Operating Result	(2,103)	533	208	80	(1,217)	(2,499)

Unaudited

Three months ended 31 March 2014

Revenue from sales of goods and services	6,203	38,131	13,767	(0)	(17,203)	40,899
Other income	35	1,665	924	381	(2,092)	913
Operating expenses before depreciation and amortisation	(9,985)	(37,358)	(13,538)	(757)	19,269	(42,369)
Gross Operating Result	(3,747)	2,438	1,153	(376)	(25)	(557)

Audited

Year ended 31 December 2014

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)
Gross Operating Result	(8,041)	18,939	7,533	(100)	(1,302)	17,029

PARENT COMPANY - CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CAVOTEC SA EUR 000's	Unaudited three months 31 Mar 2015	Unaudited three months 31 Mar 2014	Unaudited year 31 Dec 2014
Dividend	-	-	176
Other income	474	162	1,278
Employee benefit costs	(295)	(258)	(1,657)
Operating expenses	(248)	(248)	(1,073)
Operating Result	(69)	(344)	(1,276)
Interest expenses - net	(5)	(7)	(25)
Currency exchange differences - net	1	1	(24)
Profit / (loss) before income tax	(73)	(350)	(1,325)
Income taxes	(7)	(6)	(27)
Profit / (loss) for the period	(79)	(356)	(1,352)
Other comprehensive income:			
Actuarial gain (loss)	-	-	(34)
Total comprehensive income for the period	(79)	(356)	(1,386)

PARENT COMPANY - CONDENSED BALANCE SHEET

CAVOTEC SA EUR 000's	Unaudited three months 31 Mar 2015	Unaudited three months 31 Mar 2014	Unaudited year 31 Dec 2014
Assets			
Current assets			
Cash and cash equivalents	27	-	2,953
Trade receivable	3	9	1,231
Tax assets	24	20	23
Other current receivables	199	160	11
Total current assets	253	189	4,218
Non-current assets			
Investment in subsidiary companies	135,625	98,447	98,447
Total non-current assets	135,625	98,447	98,447
Total assets	135,878	98,636	102,665
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(32,607)	(12,585)	-
Current financial liabilities	(1,955)	(1,845)	(935)
Trade payables	(71)	(56)	(173)
Provision for risks and charges - current	(187)	-	(263)
Other current liabilities	(539)	(39)	(472)
Total current liabilities	(35,358)	(14,525)	(1,843)
Non-current liabilities			
Provision for risks and charges - non current	(405)	(102)	(405)
Current financial liabilities	(287)	(413)	(509)
Total non-current liabilities	(692)	(515)	(914)
Total liabilities	(36,050)	(15,040)	(2,757)
Equity	(99,828)	(83,596)	(99,908)
Total equity	(99,828)	(83,596)	(99,908)
Total equity and liabilities	(135,878)	(98,636)	(102,665)

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 6 May 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 has started and is expected to take several weeks to complete.

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

It is the responsibility of Cavotec Group Management to disclose any and all information that might impact the Cavotec share price to the market in a timely manner. Group Management is ultimately responsible for determining whether information will impact the Cavotec share.

The 2Q15 Quarterly Report will be published on 5 August 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.

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