

4Q
2013

Cavotec – 4th Quarter Report 2013 and full year 2013 summary



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- Order Intake increased 5.8% quarter on quarter at EUR 64,645 thousands (4Q12: 61,113).
- Revenues amounted to EUR 55,220 thousands in 4Q13 a decrease of 17.4% (4Q12: 66,884).
- Book to bill ratio was 1.17x in the quarter.
- Order Book reached a new record high at EUR 115,713 thousands (FY12: 99,145).
- Operating Result (EBIT) decreased to EUR 212 thousands in the quarter compared to EUR 7,220 thousands in 4Q12
- The Board of Directors proposes a dividend of CHF 0.05 per share (unchanged)

A comment from our CEO

Cavotec's 4Q13 operating result was influenced by a drop in overall volume, compared to the same period last year, and higher operating costs. These costs were linked to the increase in resources needed to meet delivery times for the large order book, and to the previously communicated on-going process of strengthening the Cavotec INET organisation. These costs include legal fees and the effects from historical unfavourable contracts signed by the pre-Cavotec ownership.

Management is confident that with this strong new structure and the majority of these issues now largely resolved, 2014 will see a return to stable operations with sustained growth driven by our full system offering now available from the Airports Market Unit (MU). The recent orders to supply our equipment to the prestigious new Dubai Airport Concourse 4 project and the LAN-Chile maintenance facilities illustrate the strength of this global offering and underline the synergies resulting from the integration.

During 4Q13, we continued to develop our business across our most important MUs and registered some important achievements during the quarter. Quarter order intake grew with an increasing number of larger projects, while day-to-day activity continued to soften.

Our core innovative technologies, MoorMaster™ and AMP, continued to gain market share versus traditional systems, establishing themselves as true industry standards and underlining customers' recognition of them a decade after the introduction of these ground-breaking innovations. The recent MoorMaster™ orders for a total of more than EUR 40 million from Australia, Canada, Denmark, Norway and South Africa combined with the AMP orders from the Far East, Europe and the US, were all achieved despite a turbulent global market environment, underlining the Group's intrinsic strength and potential for growth.

A crucial element to our success within this process is the local Cavotec sales and engineering presence around the world, which we continue to strengthen, enabling us to remain close to our growing number of customers and to increase our ability to handle the growth of large projects.

LOOKING AHEAD

Order intake over the last two quarters of 2013 has been weighted towards larger projects with longer delivery times, opposed to day-to-day business with short delivery times, providing management with improved visibility. This trend has continued into 2014 with the order book in January increasing to a record level of EUR 121 million. This development, combined with recent market activity and enhanced performance of our Cavotec INET operations, indicates a return to our historic growth rate with double-digit increase in the rate of growth towards 2H14.

We foresee quite a slow start with lower revenues in 1Q14, while revenues are expected to grow rapidly in the following quarters. For the full year, our target is EUR 250 million in revenues and an EBIT margin of 8%.

Management expects the Americas, currently our second largest market, to reach double-digit rate of growth in 2014, with both North America and Brazil playing a key role in this development. China, and the Far East in general, continues to show good growth prospects, closely followed by the Middle East and India.

While the Ports & Maritime industry is expected to maintain a lower overall growth rate, investments in new technologies will continue to increase strongly, reflecting the on-going demand for higher levels of efficiency and automation within the sector. Our core innovations MoorMaster™ and AMP place Cavotec in a unique position to capitalise on this growing demand in 2014.

For the Airports MU, our ability to supply customers with a comprehensive airport system offering will play a key role in securing new projects across geographical regions such as the Middle East, Far East, India, Russia and USA.

The General Industry MU is expected to remain stable with good growth opportunities coming from our product offering in the defence and electrical vehicle sub-markets.

In line with global trends, management expects the Mining & Tunnelling MU to continue with a weak demand for mining equipment for the hard rock mining sector. This softening trend could possibly be partially offset by an increased investment cycle for specialised opencast mines.

THE REGIONS

Activity was subdued in Europe & Africa, with order intake declining to EUR 35,240 thousands compared to EUR 41,666 thousands in 4Q12 and revenues reaching EUR 41,758 thousands (4Q12: 45,499). Consequently, operating result decreased to EUR 2,844 thousands compared to EUR 4,661 thousands in the same quarter of 2012.

In the Middle East & India region, revenues increased 43.1% to EUR 7,309 thousands compared to the previous year and order intake reached EUR 12,734 thousands with the increase mainly related to the award of several large projects in the Airport MU. The order book decreased to EUR 21,072 thousands and operating result remained in line with the previous year.

The Americas continued to be impacted by the on-going restructuring at Cavotec INET with operating result showing a loss of EUR 4,468 thousands (4Q12: profit 252) with revenues declining by 10.3% quarter on quarter and order intake unchanged.

The Far East continued to show good progress with revenues increasing 20.5% and order intake by 42.2% compared to the previous year resulting in a significant increase of the order book at EUR 36,932 thousands (FY12: 31,560).

Activity remained at a low level in the Australasia region in terms of revenues and order intake. However, operating result increased significantly to EUR 1,221 thousands driven by the growing contribution of the engineering operations.

Quarterly results**REVENUES, EARNINGS AND PROFITABILITY**

Revenues declined by 17.4% compared to 4Q12 to EUR 55,220 thousands, mainly as the result of a reduction in the day-to-day business and unfavourable movements in exchange rates. As a result, operating result in the quarter was EUR 212 thousands compared to EUR 7,220 thousands in same quarter of 2012.

Higher interest expenses and negative exchange movements contributed to a loss before tax of EUR 436 thousands (4Q12: profit 7,205).

After the recognition of deferred tax assets mainly on operating losses in US, net profit for the quarter was EUR 2,497 thousands compared to a profit of EUR 5,958 thousands in 4Q12.

Full year results

2013 revenues reached EUR 227,704 thousands, a 3.5% increase compared to 2012. Organic growth was 6.5%, while the exchange rate fluctuation detracted 3.3%. Operating result amounted to EUR 10,506 thousands compared to EUR 17,978 thousands in 2012. Excluding the EUR 2,003 thousands cost related to the on-going litigation, adjusted operating result reached EUR 12,510 thousands compared to EUR 21,494 thousands in the previous year.

Financial items were unchanged while the recognition of deferred tax assets contributed to a net profit of EUR 10,453 thousands, a decline of 14.3% compared to 2012.

CASH FLOW

Operating cash flow was positive in the quarter at EUR 3,543 thousands compared to positive EUR 2,085 thousands in 4Q12 mainly as a reversal of working capital movements. For the full year, operating cashflow was negative at EUR 713 thousands (FY12: positive 11,900) while investing activities subtracted EUR 5,103 thousands a significant reduction compared to previous year EUR 12,183 thousands.

NET DEBT

Net debt increased from EUR 35,467 thousands in 9M13 to EUR 36,070 thousands at the end of the year, mainly as the result of the investments in the new production facility in North America. Net debt/equity ratio ended at 33.2% (FY12: 22.9%). Last twelve months leverage ratio (Net debt/EBITDA) increasing subsequently to 2.40x compared to 1.65x in 9M13.

EMPLOYEES

On 31 December 2013, Cavotec employed 1,001 full time equivalent people, an increase of 111 compared to 31 December 2012.

Revenue from sales of goods and growth

EUR 000's	Revenues			
	4Q13	4Q12	FY13	FY12
Revenue from sales of goods	55,220	66,884	227,704	220,072
Increase/decrease	(11,664)	6,645	7,632	30,103
Percentage change	-17.4%	11.0%	3.5%	15.8%
Of which				
- Volumes and prices	-13.8%	5.9%	6.5%	6.8%
- Acquisitions/divestments	0.0%	0.1%	0.3%	3.5%
- Currency effects	-3.6%	5.0%	-3.3%	5.5%

EUR 000's	Order Intake			
	4Q13	4Q12	FY13	FY12
Order Intake	64,645	61,113	245,961	224,984
Increase/decrease	3,532	7,862	20,977	9,108
Percentage change	5.8%	14.8%	9.3%	4.2%
Of which				
- Volumes and prices	8.7%	10.0%	12.1%	-3.3%
- Acquisitions/divestments	0.0%	0.8%	0.2%	2.0%
- Currency effects	-2.9%	4.0%	-3.0%	5.5%

Operating Segments

EUR 000's	Revenues					
	4Q13	4Q12	Change %	FY13	FY12	Change %
Americas	11,072	12,340	-10.3%	52,042	40,442	28.7%
Europe & Africa	41,758	45,499	-8.2%	175,932	168,912	4.2%
Middle East & India	7,309	5,107	43.1%	30,844	24,215	27.4%
Far East	13,044	10,827	20.5%	47,750	30,477	56.7%
Australasia & SE Asia	4,409	13,203	-66.6%	21,087	37,481	-43.7%
Inter-Group elimination	(22,372)	(20,092)	11.3%	(99,951)	(81,455)	22.7%
Total	55,220	66,884	-17.4%	227,704	220,072	3.5%

EUR 000's	Order Intake					
	4Q13	4Q12	Change %	FY13	FY12	Change %
Americas	12,077	12,165	-0.7%	50,268	47,244	6.4%
Europe & Africa	35,240	41,666	-15.4%	195,872	169,478	15.6%
Middle East & India	12,734	9,975	27.7%	29,757	26,097	14.0%
Far East	20,894	14,691	42.2%	53,124	46,102	15.2%
Australasia & SE Asia	4,686	4,940	-5.2%	19,193	20,771	-7.6%
Inter-Group elimination	(20,986)	(22,324)	-6.0%	(102,253)	(84,708)	20.7%
Total	64,645	61,113	5.8%	245,961	224,984	9.3%

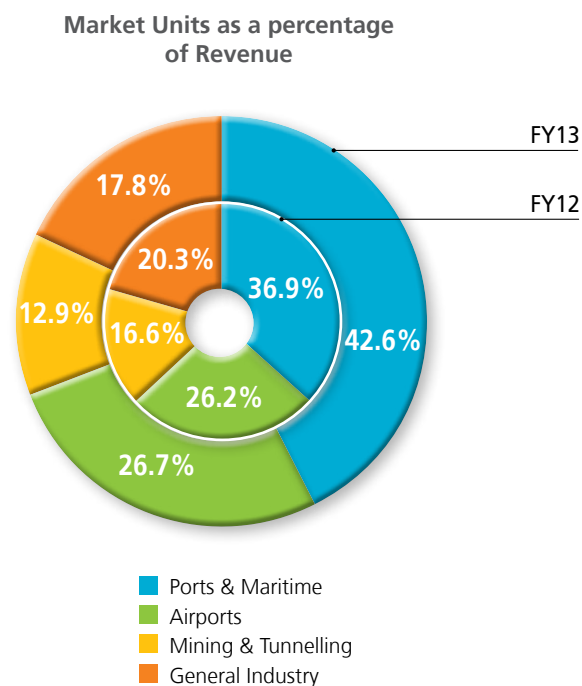
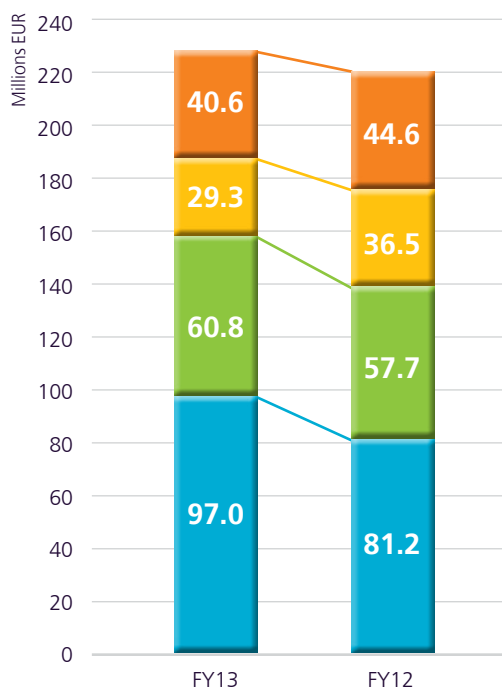
EUR 000's	Order Book			Book/Bill ratio	
	FY13	FY12	Change %	FY13	FY12
Americas	20,330	23,433	-13.2%	0.97	1.17
Europe & Africa	75,731	55,934	35.4%	1.11	1.00
Middle East & India	21,072	22,427	-6.0%	0.96	1.08
Far East	36,932	31,560	17.0%	1.11	1.51
Australasia & SE Asia	6,808	12,243	-44.4%	0.91	0.55
Inter-Group elimination	(45,160)	(46,452)	-2.8%	-	-
Total	115,713	99,145	16.7%	1.08	1.02

Market Units

EUR 000's	Revenues					
	4Q13	4Q12	Change %	FY13	FY12	Change %
Ports & Maritime	20,331	28,245	-28.0%	97,028	81,220	19.5%
Airports	16,937	19,125	-11.4%	60,801	57,692	5.4%
Mining & Tunnelling	7,578	8,420	-10.0%	29,309	36,518	-19.7%
General Industry	10,374	11,094	-6.5%	40,566	44,642	-9.1%
Total	55,220	66,884	-17.4%	227,704	220,072	3.5%

EUR 000's	Order Intake					
	4Q13	4Q12	Change %	FY13	FY12	Change %
Ports & Maritime	30,060	29,894	0.6%	109,342	94,376	15.9%
Airports	21,456	14,366	49.4%	67,650	54,874	23.3%
Mining & Tunnelling	5,799	6,538	-11.3%	28,656	35,299	-18.8%
General Industry	7,330	10,315	-28.9%	40,313	40,435	-0.3%
Total	64,645	61,113	5.8%	245,961	224,984	9.3%

EUR 000's	Order Book			Book/Bill ratio	
	FY13	FY12	Change %	FY13	FY12
Ports & Maritime	64,427	53,652	20.1%	1.13	1.16
Airports	36,621	29,927	22.4%	1.11	0.95
Mining & Tunnelling	6,407	7,062	-9.3%	0.98	0.97
General Industry	8,258	8,504	-2.9%	0.99	0.91
Total	115,713	99,145	16.7%	1.08	1.02



Ports & Maritime

Ports & Maritime generated the highest revenue of the MUs, representing approximately 37% of total revenues for the Group, amounting to EUR 20,331 thousands.

The Ports & Maritime MU result is slightly higher than last year and is the highest compared to the other MUs (46% of the total order intake of the Group), amounting to EUR 30,060 thousands.

Order Book increased by 20.1% compared to last year, amounting to EUR 64,427 thousands.



Accumulated Revenues
EUR 97,028 thousands



43%

Accumulated Order Intake
EUR 109,342 thousands



44%

Order Book
EUR 64,427 thousands



56%



Airports

Airports is the second largest MU in terms of revenues for the Group, amounting to approximately 31% of total revenues, coming in at EUR 16,937 thousands.

Order Intake increased by 49.4% compared to last year, amounting to EUR 21,456 thousands.

Order Book reached EUR 36,621 thousands, increasing by 22.4% compared to last year.



Accumulated Revenues
EUR 60,801 thousands



27%

Accumulated Order Intake
EUR 67,650 thousands



28%

Order Book
EUR 36,621 thousands



32%



Mining & Tunnelling

Mining & Tunnelling's revenues amounting to EUR 7,578 thousands for the quarter.

Order Intake amounted to EUR 5,799 thousands.

Order Book amounts to EUR 6,407 thousands.

Accumulated Revenues
EUR 29,309 thousands



13%

Accumulated Order Intake
EUR 28,656 thousands



12%

Order Book
EUR 6,407 thousands



6%



General Industry

General Industry generated around 19% of the total revenues for the Group, amounting to EUR 10,374 thousands.

Order Intake amounted to EUR 7,330 thousands.

Order Book amounted to EUR 8,258 thousands.

Accumulated Revenues
EUR 40,566 thousands



18%

Accumulated Order Intake
EUR 40,313 thousands



16%

Order Book
EUR 8,258 thousands



7%



Consolidated Statement of Comprehensive Income

EUR 000's	Unaudited three months 31 Dec 2013	Unaudited three months 31 Dec 2012	Unaudited year 31 Dec 2013	Audited year 31 Dec 2012
Revenue from sales of goods	55,220	66,884	227,704	220,072
Other income	1,734	1,463	5,892	4,810
Raw materials and components	(29,435)	(34,319)	(119,010)	(110,171)
Employee benefit costs	(16,406)	(16,215)	(62,336)	(58,732)
Operating expenses	(9,428)	(9,610)	(37,223)	(34,243)
Gross Operating Result	1,685	8,203	15,027	21,736
Depreciation and amortisation	(1,473)	(983)	(4,521)	(3,758)
Operating Result	212	7,220	10,506	17,978
Interest expenses - net	(367)	(249)	(1,219)	(1,263)
Currency exchange differences - net	(281)	234	(347)	(477)
Profit before income tax	(436)	7,205	8,940	16,237
Income taxes	2,933	(1,247)	1,513	(4,045)
Profit for the period	2,497	5,958	10,453	12,192
Other comprehensive income:				
Actuarial gain (loss)	(43)	(31)	(43)	(30)
Items that will not be reclassified to profit or loss	(43)	(31)	(43)	(30)
Currency translation differences	(1,931)	(1,470)	(5,692)	856
Items that may be subsequently reclassified to profit or loss	(1,931)	(1,470)	(5,692)	856
Total comprehensive income for the period	523	4,457	4,718	13,018
Total comprehensive income attributable to:				
Equity holders of the Group	519	4,479	4,751	13,138
Non-controlling interest	4	(23)	(33)	(120)
Total	523	4,457	4,718	13,018
Profit (loss) attributed to:				
Equity holders of the Group	2,478	5,986	10,494	12,319
Non-controlling interest	19	(28)	(41)	(127)
Total	2,497	5,958	10,453	12,192
Basic and diluted earnings per share attributed to the equity holders of the Group	0.035	0.084	0.147	0.173
Average number of shares	71,332,700	71,332,700	71,332,700	71,332,700

Consolidated Balance Sheet

EUR 000's	Unaudited 31 Dec 2013	Audited 31 Dec 2012
Assets		
Current assets		
Cash and cash equivalents	13,928	10,313
Trade receivables	48,705	50,583
Tax assets	1,253	530
Other current receivables	4,732	3,596
Inventories	40,110	39,561
Assets held for sale	2,213	-
Total current assets	110,941	104,583
Non-current assets		
Property, plant and equipment	26,861	28,840
Intangible assets	66,251	67,709
Non-current financial assets	57	153
Deferred tax assets	13,501	7,094
Other non-current receivables	2,026	2,346
Total non-current assets	108,696	106,141
Total assets	219,637	210,725
Equity and Liabilities		
Current liabilities		
Bank overdrafts	-	(1,829)
Current financial liabilities	(4,654)	(2,911)
Trade payables	(31,526)	(36,973)
Other current liabilities	(14,558)	(19,719)
Total current liabilities	(50,738)	(61,432)
Non-current liabilities		
Non-current financial liabilities	(45,353)	(30,088)
Deferred tax liabilities	(4,298)	(4,345)
Other non-current liabilities	(704)	(885)
Provision for risks and charges	(9,775)	(7,146)
Total non-current liabilities	(60,130)	(42,464)
Total liabilities	(110,868)	(103,896)
Equity		
Equity attributable to owners of the parent	(108,773)	(106,939)
Non-controlling interests	4	110
Total equity	(108,769)	(106,829)
Total equity and liabilities	(219,637)	(210,725)

Consolidated Statement of Changes in Equity

EUR 000's	Equity related to owners of the parent	Non-controlling interest	Total equity
Audited			
Balance as at 1 January 2012	(94,968)	95	(94,873)
Profit for the year	(12,319)	127	(12,192)
Exchange differences on translation	(850)	(6)	(856)
Actuarial (gain) loss	30	-	30
Total comprehensive income and expenses	(13,138)	121	(13,018)
Capital reduction	1,167	-	1,167
Capital increase	-	(106)	(106)
Transactions with shareholders	1,167	(106)	1,061
Balance as at 31 December 2012	(106,940)	110	(106,830)
Unaudited			
Balance as at 1 January 2013	(106,940)	110	(106,830)
Profit for the year	(10,494)	41	(10,453)
Exchange differences on translation	5,700	(8)	5,692
Actuarial (gain) loss	43	-	43
Total comprehensive income and expenses	(4,751)	33	(4,718)
Capital reduction	2,918	-	2,918
Capital increase	-	(139)	(139)
Transactions with shareholders	2,918	(139)	2,779
Balance as at 31 December 2013	(108,773)	4	(108,769)

Consolidated Statement of Cash Flows - Indirect Method

EUR 000's	Unaudited three months 31 Dec 2013	Unaudited three months 31 Dec 2012	Unaudited year 31 Dec 2013	Audited year 31 Dec 2012
Profit for the period	2,497	5,958	10,453	12,192
Adjustments for:				
Net interest expenses	308	170	1,013	949
Current taxes	959	1,992	5,253	7,470
Depreciation and amortisation	1,473	983	4,521	3,758
Deferred tax	(3,893)	(745)	(6,767)	(3,425)
Provision for risks and charges	(272)	3,050	2,155	5,148
Capital gain or loss on assets	31	28	46	(17)
Other items not involving cash flows	(382)	(350)	(23)	305
Interest paid	(262)	(180)	(970)	(967)
Taxes paid	(2,356)	(1,806)	(8,520)	(5,792)
	(4,394)	3,142	(3,292)	7,429
Cash flow before change in working capital	(1,897)	9,100	7,161	19,621
Impact of changes in working capital:				
Inventories	6,774	3,832	(164)	(11,094)
Trade receivables	(2,459)	(14,551)	2,154	(8,207)
Other current receivables	539	3,977	(1,137)	2,849
Trade payables	(770)	(3,415)	(6,389)	2,995
Other current liabilities	864	896	(2,657)	4,034
Long term receivables	492	2,246	319	1,702
Impact of changes involving working capital	5,440	(7,015)	(7,874)	(7,721)
Net cash inflow / (outflow) from operating activities	3,543	2,085	(713)	11,900
Financial activities:				
Increase (decrease) of loans and borrowings	563	(11,581)	16,974	(3,868)
Capital reduction	-	(1)	(2,918)	(1,167)
Net cash inflow from financial activities	563	(11,582)	14,056	(5,035)
Investing activities:				
Investments in property, plant and equipment	(2,308)	(879)	(4,162)	(6,970)
Investments in intangible assets	(760)	1,065	(1,113)	(1,350)
(Increase) decrease in non-current financial assets	8	2,768	96	101
Deferred consideration	-	(1,709)	-	(1,516)
Increase in other assets	-	(2,653)	-	(2,653)
Disposal of assets	17	205	76	205
Net cash outflow from investing activities	(3,043)	(1,203)	(5,103)	(12,183)
Cash at the beginning of the period	13,517	19,827	8,484	12,952
Cash flow for the period	1,063	(10,700)	8,240	(5,318)
Currency exchange differences	(652)	(644)	(2,796)	850
Cash at the end of the period	13,928	8,484	13,928	8,484
Cash comprises:				
Cash and cash equivalents	13,928	10,313	13,928	10,313
Bank overdrafts	-	(1,829)	-	(1,829)
Total	13,928	8,484	13,928	8,484

Segment information

EUR 000's	Americas	Europe & Africa	Middle East & India	Far East	Australasia SE Asia	HQ	Inter-Group elimination	Total
Unaudited								
Three months ended 31 December 2013								
Revenue from sales of goods	11,072	41,758	7,309	13,044	4,409	-	(22,372)	55,220
Other income	354	1,939	141	(40)	1,469	607	(2,736)	1,734
Operating expenses before depreciation and amortisation	(15,894)	(40,853)	(7,390)	(13,085)	(4,657)	732	25,878	(55,269)
Gross Operating Result	(4,468)	2,844	60	(81)	1,221	1,339	770	1,685
Unaudited								
Three months ended 31 December 2012								
Revenue from sales of goods	12,340	45,499	5,107	10,827	13,203	-	(20,092)	66,884
Other income	150	1,841	119	102	211	434	(1,394)	1,463
Operating expenses before depreciation and amortisation	(12,237)	(42,679)	(5,151)	(9,708)	(13,162)	(891)	23,685	(60,143)
Gross Operating Result	252	4,661	76	1,221	251	(457)	2,199	8,203
Unaudited								
Year ended 31 December 2013								
Revenue from sales of goods	52,042	175,932	30,844	47,750	21,087	-	(99,951)	227,704
Other income	2,160	6,598	(40)	4	4,918	1,507	(9,255)	5,892
Operating expenses before depreciation and amortisation	(62,667)	(166,639)	(29,731)	(42,291)	(25,488)	(1,968)	110,215	(218,569)
Gross Operating Result	(8,465)	15,891	1,073	5,463	517	(461)	1,009	15,027
Audited								
Year ended 31 December 2012								
Revenue from sales of goods	40,442	168,912	24,215	30,477	37,481	-	(81,455)	220,072
Other income	663	6,625	726	164	571	1,305	(5,243)	4,810
Operating expenses before depreciation and amortisation	(42,278)	(156,162)	(24,844)	(27,720)	(35,201)	(1,693)	84,751	(203,147)
Gross Operating Result	(1,173)	19,375	97	2,921	2,851	(388)	(1,947)	21,736

Parent Company - Condensed Statement of Comprehensive Income

CAVOTEC SA EUR 000's	Unaudited three months 31 Dec 2013	Unaudited three months 31 Dec 2012	Unaudited year 31 Dec 2013	Audited year 31 Dec 2012
Dividend	-	-	439	475
Other income	149	147	588	574
Employee benefit costs	246	(291)	(767)	(729)
Operating expenses	(199)	(190)	(956)	(1,077)
Operating Result	196	(334)	(696)	(757)
Non-operating expenses	-	-	-	-
Interest expenses - net	(6)	(5)	(26)	(25)
Currency exchange differences - net	-	-	29	(24)
Profit before income tax	190	(339)	(693)	(806)
Income taxes	(5)	(6)	(22)	(24)
Profit for the period	185	(345)	(715)	(830)
Other comprehensive income:				
Actuarial gain (loss)	(24)	(4)	(24)	(4)
Items that will not be reclassified to profit or loss	(43)	(31)	(43)	(30)
Total comprehensive income for the period	161	(349)	(739)	(834)

Parent Company - Condensed Balance Sheet

CAVOTEC SA EUR 000's	Unaudited 31 Dec 2013	Audited 31 Dec 2012
Assets		
Current assets		
Cash and cash equivalents	16	-
Trade receivable	568	570
Tax assets	21	17
Other current receivables	3	3
Total current assets	608	590
Non-current assets		
Investment in subsidiary companies	98,447	98,447
Total non-current assets	98,447	98,447
Total assets	99,055	99,037
Equity and Liabilities		
Current liabilities		
Bank overdrafts	(12,629)	(10,916)
Current financial liabilities	(1,845)	-
Trade payables	(113)	(165)
Other current liabilities	(103)	(131)
Total current liabilities	(14,690)	(11,214)
Non-current liabilities		
Provision for risks and charges	(102)	(136)
Current financial liabilities	(311)	(78)
Total non-current liabilities	(413)	(214)
Total liabilities	(15,103)	(11,428)
Equity	(83,952)	(87,609)
Total equity	(83,952)	(87,609)
Total equity and liabilities	(99,055)	(99,037)

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 nine specialised engineering Centres of Excellence in Germany (three), 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.

The Cavotec Board of Directors has proposed a dividend for 2013 of 0.05 CHF per share, or a total of approximately EUR 2,921 thousands at today's prevailing exchange rates, unchanged compared to the prior year. The proposal is in line with the company's new dividend policy to distribute between 25% and 40% of the Group's net profit. If approved by shareholders at the company's Ordinary General Meeting (OGM) on April 23, 2014 the dividend payout would take place early July 2014.

These unaudited Financial Statements have been approved by the Board of Directors for publication on 26 February 2014.

Basis of preparation of financial statements

This interim 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 with the exception of new and revised standards and interpretations effective from 1 January 2013. The updated standard, IAS 19, Employee benefits, is applied from 1 January 2013 with full retroactive application. These changes have not had any material impact on Cavotec's financial statements. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended in December 2012.

The preparation of interim 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 2012.

Legal disputes

The lawsuit against Mike Colaco is progressing and discovery is approaching the final stage. The start of the trial has been moved to October 2014.

Noteworthy risks and uncertainties

There have been no changes to what was stated by Cavotec in its Annual Report for 2012 under Risk management.

On behalf of the Board
26 February 2014



Ottonel Popesco
Chief Executive Officer

Reporting dates 2014

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 1Q14 Quarterly Report will be published on 6 May 2014.

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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