3Q
2012

Cavotec - 3rd Quarter Report 2012

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CAVOTEC
Inspired Engineering

- 3Q12 revenues reached EUR 51,907 thousands, up 13.0% (3Q11: 45,955)
- Order intake grew by 14.7% compared to 3Q11
- Operating Result increased by 12.3% to EUR 10,758 thousands (9M11: 9,582)
- Operating Cash Flow in the quarter at EUR 6,866 thousands
- Order Book increased by 6.1% to EUR 106,735 thousands (1H12: 100,595)

A comment from the CEO

3Q12 was a strong quarter for Cavotec in which, contrary to prevailing market conditions, our Order Intake increased by 14.7%, of which 4.1% was organic growth. Revenues for the quarter increased by 13%, while our book-to-bill ratio remained above 1 with the Order Book increasing quarter-on-quarter by 6.1% to EUR 106,735.

Day-to-day business was good throughout the quarter with significant increases in revenues registered by most of our Market Units (MUs). Our Ports & Maritime MU was the strongest performer, exemplified by a significant order for Alternative Maritime Power reeling systems in Southeast Asia, posting an increase in revenues of 38.2% compared to 3Q11.

Activities in the mining sector also continued to grow, for instance in the USA with an order for explosion-proof RRCs for land-based drilling rigs, with Cavotec's Mining & Tunnelling unit registering an increase in revenues of 28% compared to the same period last year.

In line with an overall softening in the sector, the Group's General Industry MU reported lower revenues compared to 3Q11, despite a partial offset from the increase in volume from new business areas within the sector.

Our Airports MU continued its positive trend seen earlier in the year, augmented by several considerable project wins for aircraft fuelling systems at Ghana's Kotoka International Airport and ground support equipment for Hong Kong International Airport, posting a solid 17.6% increase in revenues compared to the same period last year.

LOOKING AHEAD

In light of Cavotec's 3Q12 results and the strong performance expected for the next quarter, underpinned by the completion of the MoorMaster™ automated mooring project in Pilbara, Australia and our strong Order Book, I feel confident upgrading expected FY12 revenues to the top end of our previously communicated guidance, which means an increase of between 13% to 15% compared to FY11 revenues.

Despite this, the Group cannot ignore the political and economic headwinds currently facing the world and the uncertainty they bring. Economic conditions throughout a large part of the world remain challenging and we continue to see the impact of these trends in varying degrees within Cavotec's MUs. These macro-economic developments are in part mitigated by the positive signals received from within our niche markets, leading the Group to adopt a cautiously optimistic posture for the coming period.

I would also like to highlight that strengthening and consolidating the various segments of an expanding organisation such as Cavotec requires a dedicated level of investment. We are on the right track with the on-going integration processes for INET and CombiBox, and I am confident we will see their respective contributions to Group results increase in the coming months.

Our intrinsic strength as a company lies in our global team, our managers and employees whose flexibility and resourcefulness in responding to rapidly shifting realities in the marketplace have ensured the continued success of the Group. I can assure you the entire team at Cavotec is focused on bringing 2012 to a successful close as the best year in our history.

THE REGIONS

The Americas registered a strong performance in 3Q12 with revenues rising 31.1% to EUR 10,092 thousands while for 9M12 the region saw an even more significant increase, supported by the full consolidation of Inet operations, with revenues rising by 87.8% to EUR 28,102 thousands. Order Book for the region is strong at EUR 24,085 thousands, up 30.8% compared to 9M11 and with a book to bill ratio at 1.2.

Europe & Africa maintained their positive momentum throughout 3Q12 posting a 31.5% increase in revenues, a 67.9% increase in gross operating result, and a 30.9% increase in order intake. 9M12 revenues also grew significantly to EUR 123,413 thousands compared to EUR 96,872 thousands in 9M11. Most importantly, the gross operating result for the region increased with 93.4% to EUR 14,714 thousands, while the order book for Europe & Africa increased with 16.6% in 9M12 compared to 9M11, to a total of EUR 59,930 thousands.

The Middle East & India region registered a slightly weaker performance compared to the same period last year, continuing the trend noted in 2Q12 and mainly due to a lack of large-scale projects. Despite this, continued cost control measures and steady day-to-day business ensured gross operating results coming in at breakeven. Order intake for the region in 3Q12 increased significantly by 185.1% compared to the same period last year. This increase was mainly thanks to the MoorMaster™ order registered in July and a positive trend in day-to-day business.

Australasia registered the largest increase in gross operating result of all our regions for both 3Q12 and 9M12. Revenues amounted to EUR 14,307 thousands in 3Q12, up 162.2% compared to 3Q11 and gross operating result increased with 239.0% to EUR 2,336 thousands. Order intake was strong this quarter, up 57.5% compared to 3Q11. 9M12 revenues amounted to EUR 24,279 thousands, an increase of 39.2% and gross operating result for the same period amounted to EUR 2,601 thousands, an increase of 160.3% compared to 9M11.

Far East continued to grow steadily in 3Q12 posting a 22.4% increase in revenues, while order intake increased by 56.5% compared to 3Q11. Due to the on-going process of building up local manufacturing capacity at our Shanghai facility, the gross operating result for the region does not show a commensurate growth pattern for the period. 9M12 revenues amounted to EUR 19,650 thousands, up 22.9% while the gross operating result amounted to EUR 1,700 thousands, which is in line with 9M11 result. Order book stands at EUR 28,231 thousands, an increase of 27.4% compared to 9M11 with a book to bill ratio of 1.6.

Quarterly results

REVENUES, EARNINGS AND PROFITABILITY

Revenues increased by 13% to EUR 51,907 thousands in 3Q12 compared to EUR 45,955 thousands. Operating result amounted to EUR 2,572 thousands, down 22.3% in 3Q12 compared to 3Q11. Excluding the EUR 1,820 thousands cost of the on-going litigation, operating result would be up 32.7% compared to 3Q11.

Financial items were higher compared to the same period last year due to negative exchange fluctuation, which was only partly offset by lower interest expenses. Net profit reached EUR 1,336 thousands compared to EUR 2,310 thousands in 3Q11, down 42.1%.

Nine-months results

9M12 revenues reached EUR 153,189 thousands, an 18.1% increase compared to EUR 129,729 thousands in 9M11. Operating result increased with 12.3% in 9M12 to EUR 10,758 thousands against EUR 9,582 thousands in 9M11. Operating margin decreased to 7.0% from 8.1% in 1H12 and 7.4% in 9M11.

Financial items were higher in 9M12 compared to 9M11 mainly due to negative exchange fluctuation. Tax rate was slightly higher in 9M12 coming in at 31.0% compared to 24.0% in 9M11, due to lower contributions from low tax countries.

Net profit amounted to EUR 6,234 thousands, down 2.8% compared to EUR 6,410 thousands in 9M11, which was affected by the non-operating cost related to the listing on Nasdaq OMX in 2011.

CASH FLOW

Operating cash flow for the quarter amounted to EUR 6,866, compared to 11,007 in 3Q11. Year to date, operating cash flow totalled EUR 9,815 thousands, in line with 9M11 (9,944). Financial activities amounted to EUR 6,546, up significantly from 2,544 in 9M11, mainly due to increased borrowing net of payment of capital reduction. Cash flow from investing activities was negative at EUR 10,980 thousands due to investments in the expansion of the manufacturing facilities and the acquisition of CombiBox.

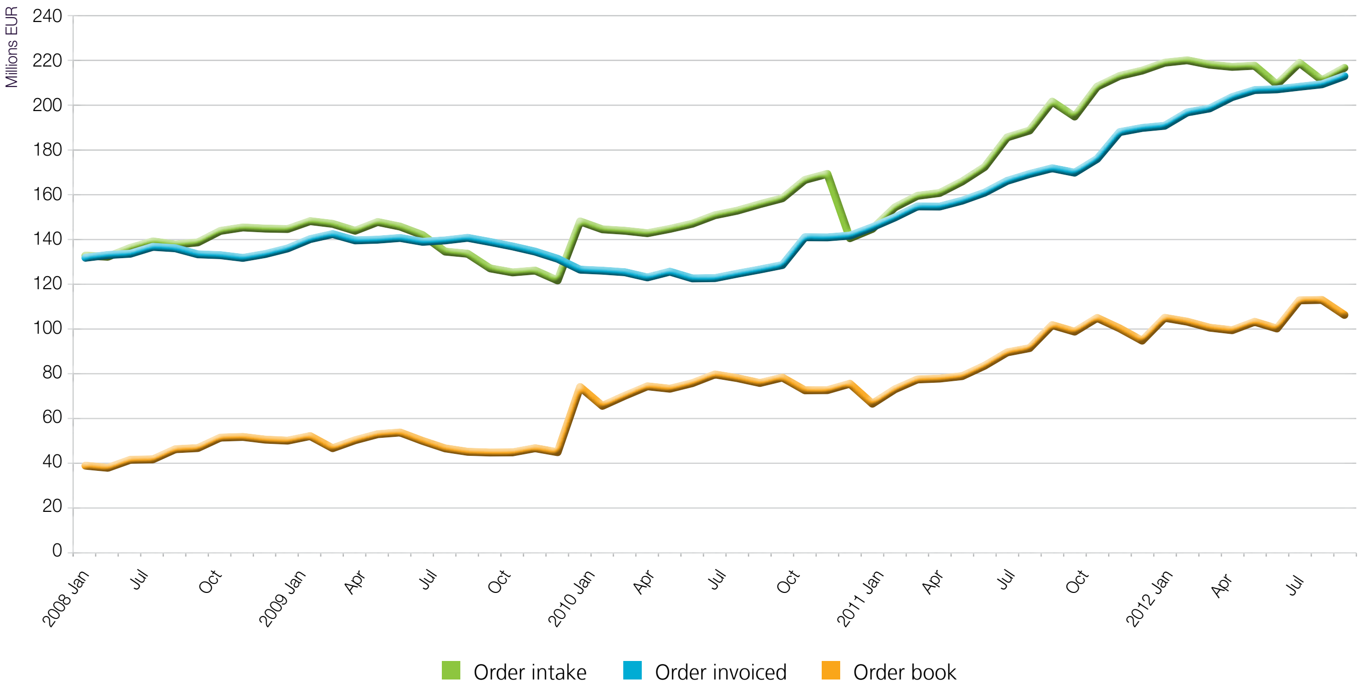
NET DEBT

Net debt decreased to EUR 24,068 thousands in 9M12 compared to EUR 25,333 thousands in 1H12 (FY11: EUR 23,708). Cash balances were unusually high due to large payments received from customers at the end of 3Q12. Twelve months rolling leverage ratio (Net Debt/EBITDA) ended at 1.27 in 9M12, unchanged compared to 1H12 (FY11: 1.31). Debt/equity ratio decreased to 23.5% from 25.0% in both 1H12 and FY11.

EMPLOYEES

On 30 September 2012, Cavotec employed 898 people, unchanged compared to 31 December 2011.

12-Month rolling figures 2008-2012



Revenue from sales of goods and growth

	Revenues			
EUR 000's	**3Q12**	**3Q11**	**9M12**	**9M11**
Revenue from sales of goods	51,907	45,955	153,189	129,729
Increase/decrease	5,952	3,710	23,460	24,728
Percentage change	13.0%	8.8%	18.1%	23.5%
Of which				
- Volumes and prices	6.0%	6.7%	7.1%	21.8%
- Acquisitions/divestments	1.1%	5.1%	5.1%	2.1%
- Currency effects	5.9%	-3.0%	5.9%	-0.3%

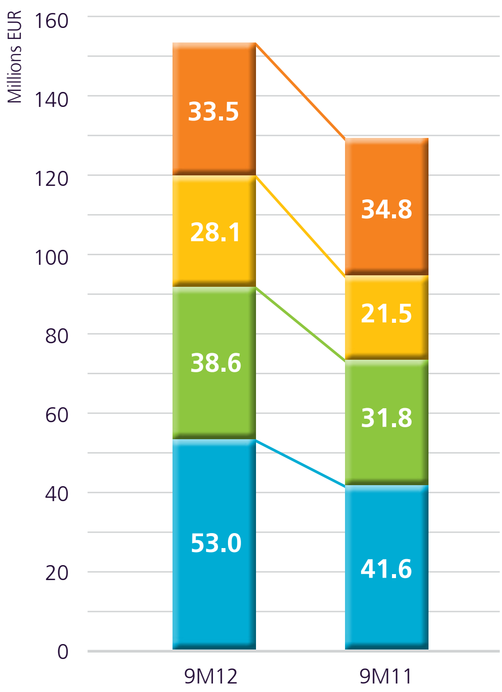
	Order Intake			
EUR 000's	**3Q12**	**3Q11**	**9M12**	**9M11**
Order Intake	59,111	51,517	163,871	162,625
Increase/decrease	7,594	9,478	1,246	50,904
Percentage change	14.7%	22.5%	0.8%	45.6%
Of which				
- Volumes and prices	4.1%	-4.1%	-7.8%	35.4%
- Acquisitions/divestments	4.0%	28.8%	2.4%	10.8%
- Currency effects	6.6%	-2.2%	6.2%	-0.6%

Market Units

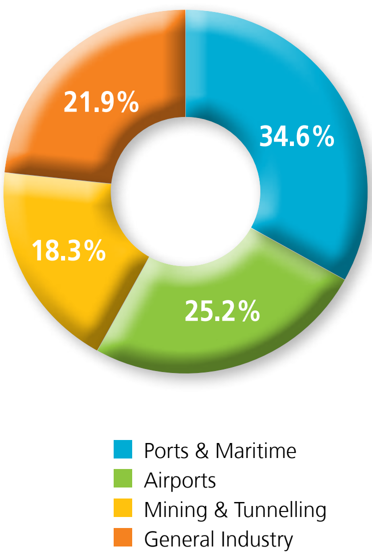
	Order Invoiced					
EUR 000's	3Q12	3Q11	Change %	9M12	9M11	Change %
Ports & Maritime	19,473	14,090	38.2%	52,976	41,639	27.2%
Airports	13,017	11,064	17.6%	38,567	31,765	21.4%
Mining & Tunnelling	9,473	7,400	28.0%	28,099	21,499	30.7%
General Industry	9,944	13,401	-25.8%	33,547	34,826	-3.7%
Total	51,907	45,955	13.0%	153,189	129,729	18.1%

	Order Intake					
EUR 000's	3Q12	3Q11	Change %	9M12	9M11	Change %
Ports & Maritime	26,148	11,979	118.3%	64,482	60,625	6.4%
Airports	15,161	19,699	-23.0%	40,508	35,483	14.2%
Mining & Tunnelling	9,020	7,742	16.5%	28,761	24,221	18.7%
General Industry	8,782	12,097	-27.4%	30,120	42,296	-28.8%
Total	59,111	51,517	14.7%	163,871	162,625	0.8%

	Order Book			Book/Bill ratio	
EUR 000's	9M12	9M11	Change %	9M12	9M11
Ports & Maritime	52,903	39,658	33.4%	1.2	1.5
Airports	35,353	35,501	-0.4%	1.1	1.1
Mining & Tunnelling	9,063	8,367	8.3%	1.0	1.1
General Industry	9,416	15,594	-39.6%	0.9	1.2
Total	106,735	99,120	7.7%	1.1	1.3



Market Units as a percentage of Revenue



Ports & Maritime

Ports & Maritime reached record level revenues in 9M12 of EUR 52,976 thousands, up 27.2% compared to 9M11.

The market unit also recorded the highest order intake in 9M12 of EUR 64,482 thousands, 40.6% of which was recorded in 3Q12.

Order Book stands at EUR 52,903 thousands, equal to 50% of Cavotec's total order book.

Accumulated Revenues
EUR 52,976 thousands

35%

Accumulated Order Intake
EUR 64,482 thousands

39%

Order Book
EUR 52,903 thousands

50%

Ports & Maritime was the best performing of the Group's four market units in the 3Q12 period. Markets in Asia were especially robust, where the unit won substantial orders for its innovative Alternative Maritime Power (AMP) technologies, and electrical and spreader cable reels for ship-to-shore (STS) container cranes. The unit also registered continued progress with new orders and ongoing projects elsewhere, in particular Australia and the Middle East.

Several orders in the period highlight Cavotec's excellent working relationships with leading original equipment manufacturers (OEMs). Industrial conglomerate ZPMC, for example, ordered electrical power and spreader reels for a large number of STS cranes for several different port projects. As recently announced, one of these orders was for cable equipment for eleven STS cranes destined for the Port of Singapore, where Cavotec equipment has already been used for many years. This particular order includes an option for several additional units.

In two other separate (previously announced) projects, also with ZPMC, the unit won an order for power and spreader reels for 14 STS cranes that will be installed at the DP World Rotterdam Gateway terminal in The Netherlands. This order follows the unit's success in a similar project at DP World's London Gateway project earlier this year.

And in further orders for STS crane equipment, and as previously announced, the unit is to supply power and spreader reels for cranes destined for applications in Sri Lanka and Malaysia. In the past 18 months, the unit has won a substantial number of orders for cable reels and related equipment and services for Malaysian ports from several OEMs including ZPMC, Hyundai, Mitsui and TCM.

One of the Group's signature innovations for the ports sector – AMP – also registered encouraging progress in 3Q12. Highlights include a recently announced order for a number of AMP reels for a shipyard in South Korea. The reels will be fitted to 16,000 TEU-container vessels. This order, and similar projects in the period, further strengthen the Group's leadership in the rapidly growing AMP market, and underscores customers' preference for Cavotec products.

Airports

Revenues in for the Airports market unit increased with 21.4% in 9M12 to EUR 38,567 thousands.

Order intake reached EUR 40,508 thousands, up 14.2% compared to 9M11.

Order Book stands at EUR 35,353 thousands with a book to bill ratio of 1.1.

Accumulated Revenues
EUR 38,567 thousands

25%

Accumulated Order Intake
EUR 40,508 thousands

25%

Order Book
EUR 35,353 thousands

33%

Cavotec's Airports market unit continued to grow strongly in 3Q12, with several major orders in markets in the Americas, Africa, the Middle East and Asia.

In one of the period's highlights, and as recently announced, the unit received an order for ground support equipment for Hong Kong International Airport's Midfield development project. Cavotec will manufacture a large number of bridge-mounted electrical converters, coiler units, and a hatch pit system. The project also includes installation and after sales customer support.

This project is the latest example of Cavotec's innovative ground support equipment being selected for installation at Hong Kong, and illustrates the unit's strengthening position in the burgeoning Asian markets.

While the unit's performance remained stable in European markets, it registered continued positive growth in Africa and the Middle East. African markets continued to perform strongly in the period with, for example, a project win for aircraft fuelling systems at Ghana's Kotoka International Airport.

The 3Q12 period got underway with the Group's acquisition of rival ground support equipment manufacturer Combibox. Combibox's wide-ranging customer base provides Cavotec with a large number of new opportunities that are set to support future growth across Asia, the Baltics, Scandinavia, Eastern Europe, and India.

Mining & Tunnelling

Mining & Tunnelling registered the largest revenue increase in 9M12 of 30.7%, amounting to EUR 28,099 thousands compared to EUR 21,499 thousands in 9M11.

Additionally, the market unit also recorded the highest order intake increase in 9M12 of 18.7%, amounting to EUR 28,761 thousands compared to EUR 24,221 thousands in 9M11.

Order book stands at EUR 9,063 thousands, up 10.0% compared to FY11.

Accumulated Revenues
EUR 28,099 thousands

18%

Accumulated Order Intake
EUR 28,761 thousands

18%

Order Book
EUR 9,063 thousands

8%

In the face of challenging market conditions, the Group's Mining & Tunnelling unit continued to achieve growth in 3Q12. Demand for Cavotec's innovative electrical power supply cables and connector systems remained positive in Australia and several other markets in Europe and the Middle East.

As indicated in pervious quarterly reports, demand for this unit's products and services is typically characterised by large numbers of small, frequent and repeat orders.

The Australian mining sector remained a primary driver of growth in the period, with orders from important players such as Sandvik Mining. This project includes the supply of cable reeler products (cable reels, radials, drums, and hoses) and related materiel for a new stacker-reclaimer ship loading application in Western Australia. The end user for this equipment is global mining group Rio Tinto.

This project is being handled jointly be the Group's Australia and China offices, with design and engineering work being undertaken in Perth, and manufacturing being carried out by Cavotec China. Deliveries are to start at the end of the year. Also of critical importance was the strong working relationship we have developed with Sandvik Mining in Australia.

In Europe, the unit continued on-going work with its partners on the SEK 17-billion Stockholm City Line project in the Swedish capital. This major infrastructure programme involves the construction of a six kilometre-long train line under the city. Cavotec is supplying cable management systems, RRCs and electrical connectors to leading contractors working on the project such as Bilfinger Berger, NCC, Zublin and PEAB.

Overall, the unit registered a large number of smaller orders for mining and tunnelling projects in a wide variety of markets despite softening market conditions.

General Industry

Revenues reached EUR 33,547 thousands in 9M12, down 3.7% compared to 9M11.

General Industry's order intake represented 18.4% of the Groups Order Intake, amounting to EUR 30,120 thousands.

Order book for the market unit stands at EUR 9,416 thousands.

Accumulated Revenues
EUR 33,547 thousands

22%

Accumulated Order Intake
EUR 30,120 thousands

18%

Order Book
EUR 9,416 thousands

9%

The General Industry market unit was the only one of the Group's four units that reported negative year-on-year growth in Q3. However, the period still delivered positives in the shape of the unit's continuing development as a specialist supplier of high-value, niche technologies such as RRC systems to the offshore energy sector and elsewhere.

Building on progress made earlier in the year, the unit continued to register orders for advanced RRC systems for a wide variety of applications in several markets, particularly the US and in Europe. Demand remained especially strong for the unit's highly specialised explosion-proof systems.

Long-standing Cavotec customer ABB purchased a number of RRC systems in Q3 that will be used to operate a cable production application. Factories in Karlskrona and in Luleå, in the north of the country, use Cavotec systems to control cable storage facilities and operate the critical extruder process when manufacturing cables. Operators use MC-35 units to control large machines that coil underwater sea cable into storage facilities before they are loaded on to ships or barges.

Remaining in Sweden, the unit delivered an RRC unit that will control two large water cannon at a chemical handling berth at Petroport on the west coast of the country. The unit is to also supply its advanced MC-35 RRC terminal to Swedish automation specialist Kelmo. The company is carrying out upgrading work on a high voltage cable plant in Karlskrona, southern Sweden, on behalf of ABB.

Again in Europe, the unit received an order for pneumatic, and electrically heated twin loading arms that will transfer high viscosity liquids to tankers trucks. These systems are designed to Ex-Zone 1 safety requirements. One of the systems in this project is due to obtain Russian regulatory approval to operate in a new facility.

And in Germany, a leading chemicals group has purchased a number of advanced loading arms for LPG barges. Amongst several features, these systems incorporate mechanical counterweights and highly sensitive proximity sensors to ensure that they conform to stringent safety and environmental protection requirements in Germany.

Consolidated Statement of Comprehensive Income

EUR 000's	Unaudited three months 30 Sep 2012	Unaudited three months 30 Sep 2011	Unaudited nine months 30 Sep 2012	Unaudited nine months 30 Sep 2011	Audited year 31 Dec 2011
Revenue from sales of goods	51,907	45,955	153,189	129,729	189,969
Other income	1,414	794	3,347	2,512	3,098
Raw materials and components	(26,009)	(23,211)	(75,852)	(64,023)	(96,288)
Employee benefit costs	(14,246)	(11,916)	(42,517)	(35,370)	(49,378)
Operating expenses	(9,513)	(7,334)	(24,634)	(20,453)	(30,210)
Gross Operating Result	**3,553**	**4,288**	**13,533**	**12,395**	**17,191**
Depreciation and amortisation	(981)	(978)	(2,775)	(2,813)	(4,507)
Operating Result	**2,572**	**3,310**	**10,758**	**9,582**	**12,684**
Non-operating costs	-	(1,258)	-	(1,486)	(2,320)
Interest expenses - net	(350)	(557)	(1,014)	(1,241)	(1,573)
Currency exchange differences - net	(630)	1,572	(712)	1,578	1,514
Profit before income tax	**1,591**	**3,067**	**9,032**	**8,433**	**10,305**
Income taxes	(255)	(757)	(2,798)	(2,023)	(4,461)
Profit for the period	**1,336**	**2,310**	**6,234**	**6,410**	**5,844**
Other comprehensive income:					
Exchange differences on translation of foreign operations	35	1,308	2,327	(1,418)	1,418
Fair value adjustment:					
Actuarial gain (loss)	(1)	-	(1)	-	(244)
Total comprehensive income for the period	**1,370**	**3,617**	**8,560**	**4,992**	**7,018**
Total comprehensive income attributable to:					
Equity holders of the Group	1,392	3,588	8,658	5,090	7,155
Non-controlling interest	(22)	29	(98)	(98)	(137)
Total	**1,370**	**3,617**	**8,560**	**4,992**	**7,018**
Profit (loss) attributed to:					
Equity holders of the Group	1,356	2,251	6,332	6,449	5,948
Non-controlling interest	(20)	59	(98)	(39)	(104)
Total	**1,336**	**2,310**	**6,234**	**6,410**	**5,844**
Basic and diluted earnings per share attributed to the equity holders of the Group	0.019	0.033	0.089	0.099	0.089
Average number of shares	71,332,700	67,315,309	71,332,700	64,873,726	66,501,741

Consolidated Balance Sheet

EUR 000's	Unaudited 30 Sep 2012	Unaudited 30 Sep 2011	Audited 31 Dec 2011
Assets			
Current assets			
Cash and cash equivalents	19,827	14,852	12,952
Trade receivables	35,118	35,843	42,612
Tax assets	392	669	554
Other current receivables	7,628	8,444	6,491
Inventories	43,278	31,301	29,105
Total current assets	106,243	91,109	91,714
Non-current assets			
Property, plant and equipment	28,763	24,326	24,582
Intangible assets	68,670	66,180	66,379
Non-current financial assets	214	303	254
Deferred tax assets	5,984	2,498	2,766
Other non-current receivables	7,299	482	4,047
Total non-current assets	110,930	93,789	98,027
Total assets	217,173	184,898	189,741
Equity and Liabilities			
Current liabilities			
Bank overdrafts	-	(178)	-
Current financial liabilities	(6,788)	(2,620)	(4,277)
Trade payables	(40,359)	(35,411)	(33,949)
Other current liabilities	(19,703)	(12,696)	(15,383)
Total current liabilities	(66,850)	(50,905)	(53,609)
Non-current liabilities			
Non-current financial liabilities	(37,111)	(33,436)	(32,387)
Deferred tax liabilities	(3,964)	(2,826)	(3,411)
Other non-current liabilities	(2,303)	(1,522)	(1,591)
Provision for risks and charges	(4,636)	(3,361)	(3,870)
Total non-current liabilities	(48,014)	(41,145)	(41,259)
Total liabilities	(114,864)	(92,050)	(94,868)
Equity			
Equity attributable to owners of the parent	(102,459)	(92,598)	(94,968)
Non-controlling interests	150	(250)	95
Total equity	(102,309)	(92,848)	(94,873)
Total equity and liabilities	(217,173)	(184,898)	(189,741)

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 2011	(76,460)	(348)	(76,807)
Profit for the period	(6,449)	39	(6,410)
Exchange differences on translation	1,359	59	1,418
Total comprehensive income and expenses	**(5,090)**	**98**	**(4,992)**
Capital increase	(12,444)		(12,444)
Dividends	1,395		1,395
Transactions with shareholders	**(11,049)**	**-**	**(11,049)**
Balance as at 30 September 2011	**(92,598)**	**(250)**	**(92,848)**
Audited			
Balance as at 1 January 2011	(76,460)	(348)	(76,807)
Profit for the period	(5,948)	104	(5,844)
Exchange differences on translation	(1,451)	33	(1,418)
Actuarial (gain) loss	244	-	244
Total comprehensive income and expenses	**(7,154)**	**137**	**(7,017)**
Capital increase	(12,444)	-	(12,444)
Dividends	1,395	-	1,395
Reduction in minority interest	(306)	306	-
Transactions with shareholders	**(11,355)**	**306**	**(11,049)**
Balance as at 31 December 2011	**(94,968)**	**95**	**(94,873)**
Unaudited			
Balance as at 1 January 2012	(94,968)	95	(94,873)
Profit for the period	(6,332)	98	(6,234)
Exchange differences on translation	(2,327)	-	(2,327)
Actuarial (gain) loss	1	-	1
Total comprehensive income and expenses	**(8,658)**	**98**	**(8,560)**
Capital reduction	1,167	-	1,167
Capital increase	-	(43)	(43)
Transactions with shareholders	**1,167**	**(43)**	**1,124**
Balance as at 30 September 2012	**(102,459)**	**150**	**(102,309)**

Consolidated Statement of Cash Flows - Indirect Method

EUR 000's	Unaudited three months 30 Sep 2012	Unaudited three months 30 Sep 2011	Unaudited nine months 30 Sep 2012	Unaudited nine months 30 Sep 2011	Audited year 31 Dec 2011
Profit for the period	1,336	2,310	6,234	6,410	5,844
Adjustments for:					
Net interest expenses	267	473	779	1,005	1,303
Current taxes	2,282	1,207	5,478	3,146	5,043
Depreciation and amortisation	980	978	2,775	2,813	4,507
Deferred tax	(2,028)	(432)	(2,680)	(1,105)	(582)
Provision for risks and charges	1,197	659	2,098	889	1,859
Capital gain or loss on assets	(19)	(7)	(45)	(46)	(49)
Other items not involving cash flows	503	455	655	236	270
Interest paid	(258)	(473)	(787)	(1,005)	(1,374)
Taxes paid	(584)	(1,576)	(3,986)	(3,145)	(2,634)
	2,340	**1,285**	**4,287**	**2,788**	**8,343**
Cash flow before change in working capital	3,676	3,594	10,521	9,198	14,187
Impact of changes in working capital:					
Inventories	(3,897)	(2,532)	(14,926)	(3,248)	(1,443)
Trade receivables	4,550	1,544	6,344	(4,545)	(15,155)
Other current receivables	(1,262)	(4,783)	(1,128)	(5,841)	(4,076)
Trade payables	2,586	9,422	6,410	11,766	10,304
Other current liabilities	1,757	3,763	3,138	2,614	1,347
Long term receivables	(544)	-	(544)	-	-
Impact of changes involving working capital	3,190	7,413	(706)	746	(9,023)
Net cash inflow / (outflow) from operating activities	6,866	11,007	9,815	9,944	5,164
Financial activities:					
Increase (decrease) of loans and borrowings	3,013	(2,707)	7,713	3,939	4,517
Dividend payment	-	-	-	(1,395)	(1,395)
Capital reduction	(1,167)	-	(1,167)	-	-
Acquisition of non-controlling interest	-	-	-	-	(410)
Net cash inflow (outflow) from financial activities	1,846	(2,707)	6,546	2,544	2,712
Investing activities:					
Investments in property, plant and equipment	(865)	(1,008)	(6,091)	(6,017)	(6,609)
Investments in intangible assets	(2,282)	(43)	(2,415)	(131)	(180)
Change in non-current financial assets	(2,477)	(4)	(2,667)	(79)	(69)
Disposal of assets	126	50	193	199	151
Net cash outflow from investing activities	(5,498)	(1,005)	(10,980)	(6,028)	(6,707)
Cash at the beginning of the period	16,133	9,641	12,952	12,203	12,203
Cash flow for the period	3,214	7,296	5,381	6,460	1,169
Currency exchange differences	480	(2,262)	1,494	(3,989)	(420)
Cash at the end of the period	19,827	14,674	19,827	14,674	12,952
Cash comprises:					
Cash and cash equivalents	19,827	14,852	19,827	14,852	12,952
Bank overdrafts	-	(178)	-	(178)	-
Total	19,827	14,674	19,827	14,674	12,952

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 30 September 2012								
Revenue from sales of goods	10,092	44,219	5,910	7,277	14,307	-	(29,898)	**51,907**
Other income	222	1,738	186	(106)	253	264	(1,143)	**1,414**
Operating expenses before depreciation and amortisation	(11,801)	(40,493)	(6,102)	(6,699)	(12,224)	207	27,344	**(49,768)**
Gross Operating Result	**(1,487)**	**5,464**	**(6)**	**472**	**2,336**	**471**	**(3,697)**	**3,553**
Unaudited								
Three months ended 30 September 2011								
Revenue from sales of goods	7,698	33,634	5,756	5,943	5,457	-	(12,533)	**45,955**
Other income	162	1,418	(26)	290	40	203	(1,293)	**794**
Operating expenses before depreciation and amortisation	(7,246)	(31,798)	(5,530)	(5,406)	(4,808)	(1,105)	13,432	**(42,461)**
Gross Operating Result	**614**	**3,254**	**200**	**827**	**689**	**(902)**	**(394)**	**4,288**
Unaudited								
Nine months ended 30 September 2012								
Revenue from sales of goods	28,102	123,413	19,108	19,650	24,279	-	(61,363)	**153,189**
Other income	513	4,784	607	62	360	871	(3,850)	**3,347**
Operating expenses before depreciation and amortisation	(30,041)	(113,483)	(19,693)	(18,012)	(22,038)	(802)	61,066	**(143,003)**
Gross Operating Result	**(1,426)**	**14,714**	**22**	**1,700**	**2,601**	**69**	**(4,147)**	**13,533**
Unaudited								
Nine months ended 30 September 2011								
Revenue from sales of goods	14,965	96,872	24,741	15,989	17,437	-	(40,275)	**129,729**
Other income	245	3,886	(23)	502	126	650	(2,874)	**2,512**
Operating expenses before depreciation and amortisation	(14,341)	(93,151)	(20,922)	(14,797)	(16,564)	(3,759)	43,688	**(119,846)**
Gross Operating Result	**869**	**7,607**	**3,796**	**1,694**	**999**	**(3,109)**	**539**	**12,395**
Audited								
Year ended 31 December 2011								
Revenue from sales of goods	26,458	134,679	34,289	27,020	30,641	-	(63,118)	**189,969**
Other income	412	5,572	174	676	160	679	(4,575)	**3,098**
Operating expenses before depreciation and amortisation	(24,840)	(132,416)	(32,829)	(24,945)	(26,848)	(1,212)	67,214	**(175,876)**
Gross Operating Result	**2,030**	**7,835**	**1,634**	**2,751**	**3,953**	**(533)**	**(479)**	**17,191**

General information

Cavotec is a global engineering group, supplying innovative and environmentally friendly systems to the ports and maritime, airports, mining and 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.

These unaudited Financial Statements have been approved by the Board of Directors for publication on 12 November 2012.

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 2012. These changes have not had any 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 2011.

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 2011.

Company acquisitions and divestments

On 3 September Cavotec completed the acquisition of the assets of Combibox, a manufacturer of aircraft ground support equipment (GSE) that supply air, fuel, electrical power and fresh and blue water for a total consideration of approximately EUR 2 million. The acquisition is set to further strengthen the Group's product offering and customer base in the global airports sector. In 2011, Combibox reported revenues sales of approximately 2 million and employed 7 people. The purchase price allocation for the acquisition has not been finalized as of the date of these financial statements, as the Group has not completed the valuation of individual assets. Full disclosure as per IFRS 3 will be given in the annual report for 2012.

Legal disputes / subsequent events

Following the commencement of an internal investigation of certain practices at Cavotec's US-based INET operations, Mike Colaco, former owner of INET Airport Systems Inc. was suspended from all management positions in Cavotec Inet Inc. and other US Affiliates of the Cavotec Group on 2 September 2012. Colaco subsequently filed a lawsuit against Cavotec on 1 October 2012 seeking damages of approximately USD 2 million and supplementary remedies. Cavotec denies any wrongdoing and has filed a countersuit against Colaco and others on 26 October 2012. The lawsuit is in its very early stages and discovery has yet to occur, but it is the current assessment of the Board of Directors of Cavotec SA that the claims made by Colaco are without substantial basis or foundation and are not likely to result in any material financial exposure to the group which has not already been provided for in the accounts. In the absence of a firm estimate as to the amount of the award the Court might give to Cavotec in its legal action against Colaco, no income has been recognised for the claims made by Cavotec.

Noteworthy risks and uncertainties

There have been no changes to what was stated by Cavotec in its Annual Report for 2011 under Risk management.

On behalf of the Board
12 November 2012

Ottonel Popesco
Chief Executive Officer

Review opinion

Report on the Review of
condensed consolidated interim financial information
to the Board of Directors of
Cavotec SA
Lugano

Introduction

We have reviewed the accompanying condensed consolidated interim financial information on pages 10 to 15 (statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes) of Cavotec SA for the period 1 January 2012 to 30 September 2012. The Board of Directors is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Swiss Auditing Standard 910 and International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swiss Auditing Standards and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers SA

Daniel Ketterer   Efrem Dell'Era

Lugano, 12 November 2012

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Parent Company - Condensed Statement of Comprehensive Income

CAVOTEC SA EUR 000's	Unaudited three months 30 Sep 2012	Unaudited three months 30 Sep 2011	Unaudited nine months 30 Sep 2012	Unaudited nine months 30 Sep 2011	Audited year 31 Dec 2011
Dividend	-	-	475	-	-
Other income	150	(8)	427	(8)	-
Employee benefit costs	(147)	-	(439)	-	(139)
Operating expenses	(259)	(128)	(886)	(128)	(415)
Operating Result	**(256)**	**(136)**	**(423)**	**(136)**	**(554)**
Non-operating expenses	-	(1,157)	-	(1,157)	(1,978)
Interest expenses - net	(9)	-	(20)	-	(1)
Currency exchange differences - net	(24)	5	(25)	5	7
Profit before income tax	**(289)**	**(1,288)**	**(468)**	**(1,288)**	**(2,526)**
Income taxes	(6)	-	(17)	-	(13)
Profit for the period	**(295)**	**(1,288)**	**(485)**	**(1,288)**	**(2,539)**
Other comprehensive income:					
Actuarial gain (loss)	-	-	-	-	(73)
Total comprehensive income for the period	**(295)**	**(1,288)**	**(485)**	**(1,288)**	**(2,612)**

Parent Company - Condensed Balance Sheet

CAVOTEC SA EUR 000's	Unaudited 30 Sep 2012	Unaudited 30 Sep 2011	Audited 31 Dec 2011
Assets			
Current assets			
Cash and cash equivalents	6	22	23
Trade receivable	4	-	-
Tax assets	26	-	33
Other current receivables	427	-	5
Total current assets	**463**	**22**	**62**
Non-current assets			
Investment in subsidiary companies	98,447	3,467	100,775
Total non-current assets	**98,447**	**3,467**	**100,775**
Total assets	**98,910**	**3,489**	**100,836**
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(7,403)	(3,754)	(9,556)
Current financial liabilities	(3,205)	-	(1,115)
Trade payables	(84)	(43)	(323)
Other current liabilities	(187)	(899)	(158)
Total current liabilities	**(10,879)**	**(4,696)**	**(11,152)**
Non-current liabilities			
Provision for risks and charges	(73)	-	(73)
Total non-current liabilities	**(73)**	**-**	**(73)**
Total liabilities	**(10,952)**	**(4,696)**	**(11,225)**
Equity	(87,958)	1,207	(89,611)
Total equity	**(87,958)**	**1,207**	**(89,611)**
Total equity and liabilities	**(98,910)**	**(3,489)**	**(100,836)**

Reporting dates 2012

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 4Q12 Quarterly Report will be published on 26 February 2012.

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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