

**4Q**  
**2011**

# Cavotec – 4th Quarter Report 2011 and full year 2011 summary



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- Accumulated revenues reached EUR 189,969 thousands at the end of December (144,960), up 31% on the same period last year
- Adjusted operating result<sup>(1)</sup> increased 14.4% to EUR 14,174 thousands (12,387)
- Order intake for the last twelve months rolling reached EUR 215,876 thousands
- Order book at 31 December 2011 stood at EUR 95,042 thousands, up 43% compared to 2010 (66,378)
- Adjusted earnings per share<sup>(2)</sup> increased 29% to EUR 0.160 (0.125)
- The Board of Directors proposes a dividend of CHF 0.02 per share

#### A comment from the CEO

2011 saw great changes, challenges and opportunities for Cavotec. Over the past year we acquired a new company in the USA, re-financed the Group's credit facilities, continued to develop our market position, re-listed the Group to the NASDAQ OMX in Stockholm, Sweden and last but not least, managed to significantly increase our revenues.

Despite this we must also continue to look where we can improve as a company. One of our main goals for 2012 is to strengthen the level of profitability compared to 2011, which was affected by three ongoing strategic investments for our future growth:

- Revenue mix: 2011 saw a shift towards larger, more complex and more system oriented projects, simultaneously establishing a knowledge base within the company to handle larger scale projects
- Landmark projects: a continuation of our strategy to strengthen our market share and broadening our product offering
- Strengthening global network: continued development, expansion and improvement of our global sales and support structure

#### LOOKING AHEAD

Following a consistent and record-high stream of Order Intake and revenues throughout 2011, Cavotec started 2012 with an Order Book of EUR 95.0 million, its highest end of year level ever. January 2012 continued on the same positive track registering a record in Order Intake of EUR 21.8 million and a new high in the Order Book at EUR 105.4 million.

Although there is some on-going uncertainty surrounding prospects for economic growth in Europe, we believe that the diversification and exposure to non-European and emerging markets (European customers represent only 40.5% of Group revenues) will allow Cavotec to continue to register growth in 2012, offsetting any potential downturn in orders in some isolated markets and geographical areas during the year.

Our outlook remains confident and we have established as a 2012 objective to improve operating margins compared to the levels achieved in 2011.

<sup>(1)</sup> Operating result adjusted for acquisition and reorganization costs

<sup>(2)</sup> Earnings per share adjusted for non-recurring items

**THE REGIONS**

Although 4Q11 saw a consistent development for Cavotec as a whole, certain regions reported a significant increase in activity over the previous period.

A good example of this is in the Americas where both a good Order Intake and Order Invoiced was due in part to the first signs of improvement in the US economy and the ongoing economic boom in South America. Another contributing factor to this positive trend is the further integration of Cavotec INET into the Group structure. Acquired in August 2011, the company has already made good progress in contributing to Cavotec's overall results.

In Europe the Group reported slightly lower figures compared to the previous period. This development is mainly due to the ongoing financial uncertainty in the Eurozone, continuing to impact some industry segments within the region.

The Middle East noted a positive trend throughout 4Q but with a moderate overall increase compared to the last period. A main contributor to this growth was the General Industry Market Unit with some interesting orders from customers throughout the region.

In comparison, the South-East Asia region posted a strong performance, with increases in both Order Intake and Order Invoiced across all industry segments in particular for the energy segment contained within the General Industry Market Unit.

The strongest performance came from the Far East underlining the ongoing growth in many of the local economies in that region. The main contributor to this positive trend was the Airports Market Unit, with some significant orders coming from both Shanghai and Hong Kong.

**Quarterly results****REVENUES, EARNINGS AND PROFITABILITY**

In 4Q11, revenues reached EUR 60,239 thousands up 50.8% compared to 2010 (39,958). Acquisitions contributed 11.1% in the period while negative effect from currency movements subtracted 0.7%. Adjusted for non-recurring costs of EUR 1,237 thousands the operating result amounted to EUR 4,339 thousands compared with EUR 4,042 thousands in 4Q10. Change in the revenue mix and cost inflation explain the decrease of the operating margin.

The profit for the period has been also adversely affected by non-operating costs, related to the reincorporation in Switzerland, the delisting from the New Zealand Stock Exchange and subsequent listing on NASDAQ OMX, totalling EUR 834 thousands. Net interest expenses remained stable while currency exchanges differences deducted EUR 64 thousands compared to a positive contribution of EUR 211 thousands in 4Q10.

Net loss amounted to EUR 566 thousands impacted by non-deductibility of the non-operating costs and non-cash reduction of deferred tax assets.

**Full-year results**

Revenues in 2011 amounted to EUR 189,969 thousands (144,960) a 26.6% organic growth rate; acquisitions contributed 4.5% while the negative currency effect was 0.1%.

The adjusted operating profit amounted to EUR 14,174 thousands (12,387) before deducting EUR 1,490 thousands of non-recurring costs related to the INET acquisition and subsequent reorganization.

Net finance items were negative EUR 59 thousands, a significant improvement compared to the previous year (973) due to favourable exchange rates fluctuations and lower effective interest rates.

Profit before income tax for the year of EUR 10,305 thousands compared to EUR 11,414 thousands for the same period in 2010 has been adversely affected by a charge of EUR 2,320 thousand for non-operating costs incurred in relation to the delisting from New Zealand, reincorporation in Switzerland and subsequent listing on Nasdaq OMX and by the above mentioned non-recurring costs.

The income tax charge for the year was negatively impacted by the expensing of certain deferred tax assets in consequence of the corporate reorganization of the Group related to the transfer of the listing which had the effect of increasing income tax expense by approximately EUR 1,147 thousands and was also adversely affected by the non-deductible nature of the non-operating costs referred to above.

Net profit decreased to EUR 5,844 thousands (8,006).

**CASH FLOW**

Operating cash flow was negative in the quarter at EUR 4,468 thousands reflecting the negative working capital movements associated with the increased level of activity in the quarter. Year to date, operating cash flow totalled EUR 5,474 thousands, financial activities contributed EUR 2,712 thousands and cash flow from investing activities was negative at EUR 6,707 thousands due to investments in the expansion of the manufacturing facilities.

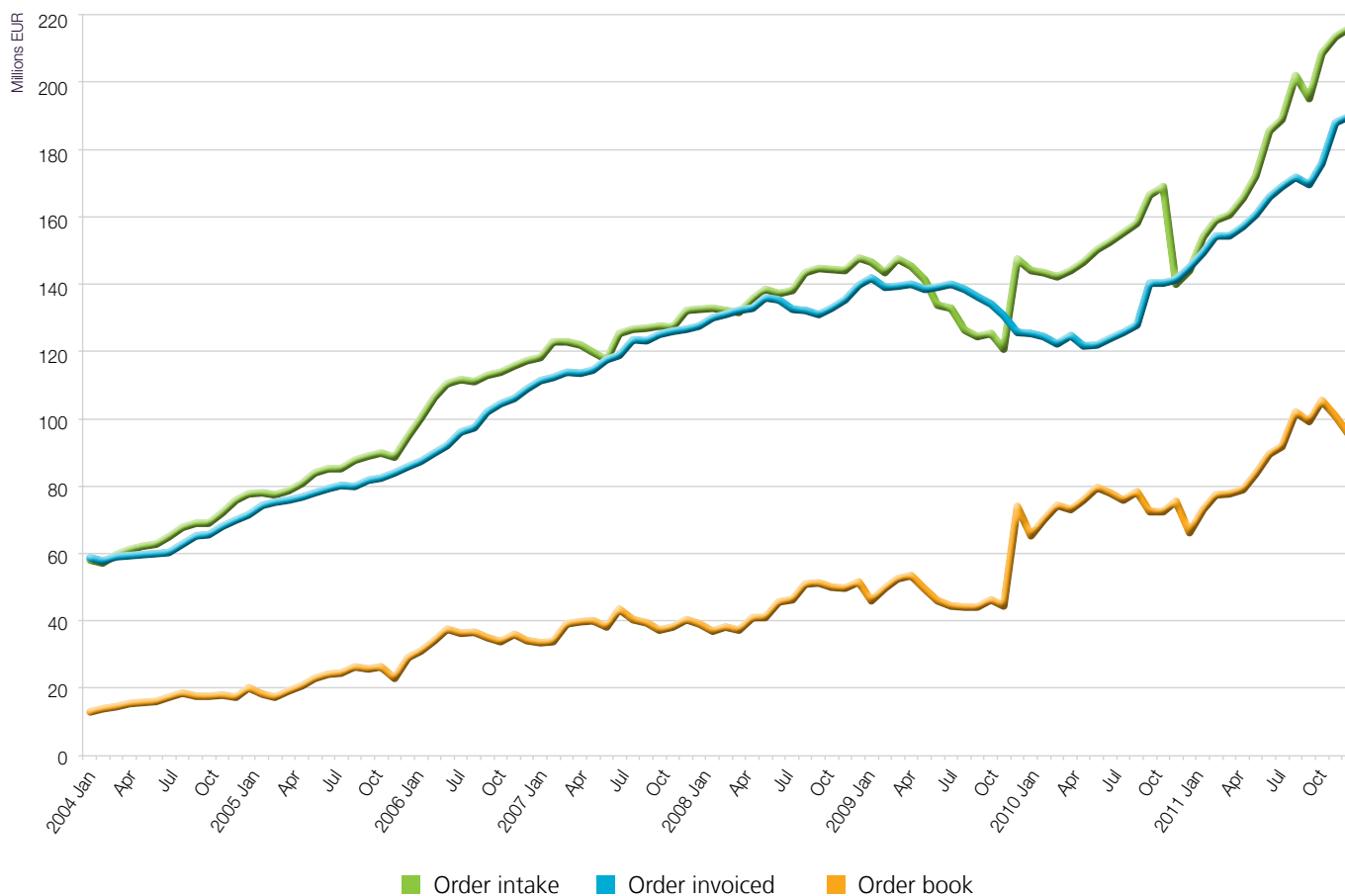
**NET DEBT**

The Group's net debt increased to EUR 23,708 thousands, compared to EUR 19,651 thousands at the end of 2010 and EUR 21,378 thousands at the end of the previous quarter. Cavotec's 12-month rolling leverage ratio (Net Debt/EBITDA adj.) slightly increased from 1.25 to 1.31, while the Group's debt/equity ratio improved from 25.6% to 24.3%.

**EMPLOYEES**

The main increase in our employee numbers came following the recent acquisition of Cavotec INET in the USA. On 31 December 2011, the number of Cavotec employees converted to a full-time employment equivalent was 896, an increase of 5 since 30 September 2011 and 178 more compared to 31 December 2010.

12-Month rolling figures 2004-2011



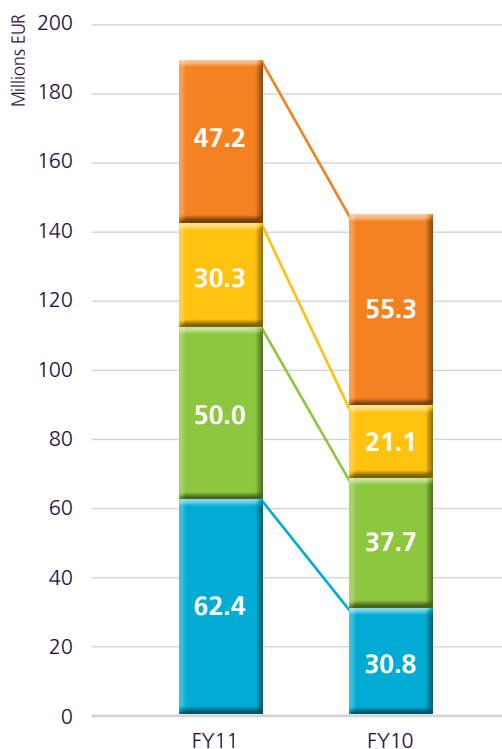
Revenue from sales of goods and growth

| EUR 000's                   | Three months<br>31 Dec 2011 | Three months<br>31 Dec 2010 | Year<br>31 Dec 2011 | Year<br>31 Dec 2010 |
|-----------------------------|-----------------------------|-----------------------------|---------------------|---------------------|
| Revenue from sales of goods | 60,239                      | 39,958                      | 189,969             | 144,960             |
| Increase/decrease           | 20,281                      | 4,550                       | 45,009              | 19,702              |
| Percentage change           | 50.8%                       | 12.9%                       | 31.0%               | 15.7%               |
| Of which                    |                             |                             |                     |                     |
| - Volumes and prices        | 40.4%                       | 5.7%                        | 26.6%               | 8.9%                |
| - Acquisitions/divestments  | 11.1%                       | 0.0%                        | 4.5%                | 0.0%                |
| - Currency effects          | -0.7%                       | 7.2%                        | -0.1%               | 6.8%                |

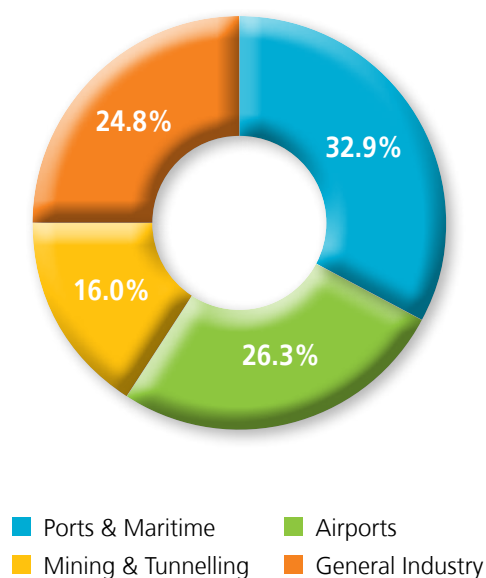
**Market Units**

| EUR 000's           | 4Q11          | 4Q10          | Change %     | FY11           | FY10           | Change %     |
|---------------------|---------------|---------------|--------------|----------------|----------------|--------------|
| Ports & Maritime    | 20,802        | 8,121         | 156.2%       | 62,441         | 30,819         | 102.6%       |
| Airports            | 18,224        | 10,191        | 78.8%        | 49,988         | 37,723         | 32.5%        |
| Mining & Tunnelling | 8,847         | 6,304         | 40.3%        | 30,346         | 21,136         | 43.6%        |
| General Industry    | 12,367        | 15,342        | -19.4%       | 47,194         | 55,282         | -14.6%       |
| <b>Total</b>        | <b>60,239</b> | <b>39,958</b> | <b>50.8%</b> | <b>189,969</b> | <b>144,960</b> | <b>31.0%</b> |

| Weighted percentage | 4Q11          | 4Q10          | Change % | FY11          | FY10          | Change % |
|---------------------|---------------|---------------|----------|---------------|---------------|----------|
| Ports & Maritime    | 34.5%         | 20.3%         | 14.2%    | 32.9%         | 21.3%         | 11.6%    |
| Airports            | 30.3%         | 25.5%         | 4.7%     | 26.3%         | 26.0%         | 0.3%     |
| Mining & Tunnelling | 14.7%         | 15.8%         | -1.1%    | 16.0%         | 14.6%         | 1.4%     |
| General Industry    | 20.5%         | 38.4%         | -17.9%   | 24.8%         | 38.1%         | -13.3%   |
| <b>Total</b>        | <b>100.0%</b> | <b>100.0%</b> |          | <b>100.0%</b> | <b>100.0%</b> |          |



Market Units as a percentage of 2011 Revenue



**Ports & Maritime**

Cavotec's Ports & Maritime Market Unit continued to register exceptional performance in 4Q11 with revenues amounting to EUR 20,802 thousands, up 156.2% compared to 4Q10.

Accumulated revenues reached EUR 62,441 thousands, up 102.6% versus EUR 30,819 thousands in 2010. Ports & Maritime represented 32.9% of Group revenues up from 21.3% in 2010.

The accumulated Order Intake for the Market Unit amounted to EUR 81,176 thousands and the Order Book for Ports & Maritime stands at EUR 40,897 thousands almost doubled compared to 2010.

**ACTIVITIES IN THE MARKET**

Cavotec's Ports & Maritime Market Unit reported a strong Q4, with orders booked throughout the period. The unit also succeeded in winning one of its largest projects to date for its automated mooring technology MoorMaster™.

This record order comprised 24 MoorMaster™ MM200D units for installation at Port Hedland, Western Australia. This will be the second MoorMaster™ application at the port.

Indicative of the extent to which MoorMaster™ is becoming increasingly accepted in the ports sector, the technology was a key component in four significant industry awards during Q4.

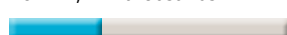
The 2011 Western Australia Engineering Excellence Award and Australia Bulk Handling Award 2011 for Best Practice in Occupational Health & Safety both went to Cavotec MoorMaster™ partners Port Hedland Port Authority and Pinc Group. In November, the MoorMaster™ technology also went on to win the national 2011 Australia Engineering Excellence Awards, and the International Bulk Journal's Award for Safety in Bulk Handling.

Meanwhile, the Market Unit was awarded an order from the ThyssenKrupp industrial group for horizontal drum reels for cables and hoses and radio remote controls (RRC) for an iron ore application, also at Port Hedland. Additional hoses were also included in the order.

The unit also noted further progress for its Alternative Maritime Power (AMP) system with the successful connection of a container ship to its first low- and medium-voltage shore-to-ship electrical power system in China. Remaining in Asia, Cavotec Singapore won a contract for a drag chain for an oilrig application.

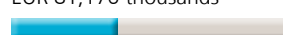
Market conditions also remained firm in the Middle East, where highlights included a contract to electrify eight rubber tyred gantry (RTG) cranes at DP World's Jebel Ali port in Dubai.

**Accumulated Revenues**  
EUR 62,441 thousands



33%

**Accumulated Order Intake**  
EUR 81,176 thousands



38%

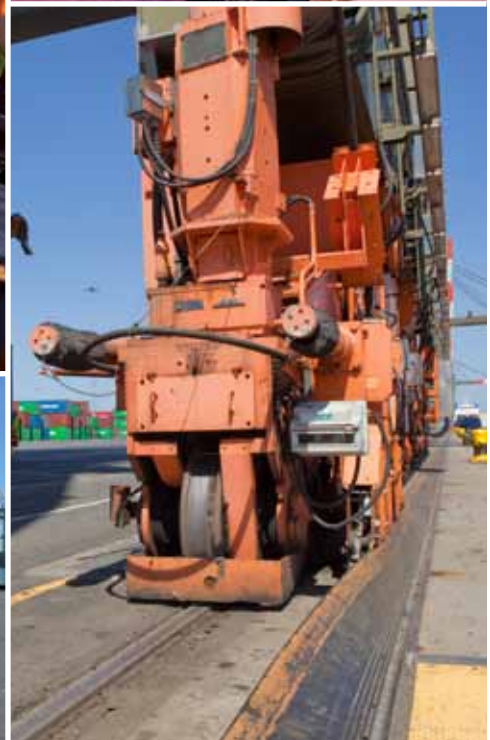
**Order Book**  
EUR 40,897 thousands



43%

Some of our major customers  
in this segment:

- ABB
- Aker
- APMT
- Cargotec
- China Harbour Engineering
- Dalian Huarai
- DP World
- Eurogate
- Konecranes
- MSC
- National Oilwell Varco
- Odim
- Port of Los Angeles
- Port of Long Beach
- Port of Salalah
- PSA
- SLSMC
- Statoil
- ZPMC





**Airports**

The Airports Market Unit registered revenues amounting to EUR 18,224 thousands in the quarter versus 10,191 thousand in the same quarter of the previous year.

Accumulated revenues reached EUR 49,989 thousands (37,723) of which 6,585 were contributed by the newly acquired Cavotec INET.

The accumulated Order Intake for the Airports Market Unit amounted to EUR 51,627 thousands and the Order Book slightly increased to EUR 33,200 thousands, up 4.7% compared to end of 2010 Order Book (31,721).

**ACTIVITIES IN THE MARKET**

The Airports Market Unit continued to grow strongly in Q4, with projects registered for new equipment and upgrades of existing facilities worldwide.

The Group's strong presence in the aviation market in China was enhanced during the period when Cavotec Shanghai received an order for Cavotec Fladung coilers. The units will be installed in the new Shenzhen Airport Terminal 2 and at the new Terminal in Chongqing Airport during 2012.

Cavotec Hong Kong continued to strengthen its local presence during the period with an order from International Airport of Hong Kong for hatch pits.

In Europe, Cavotec successfully installed several 400Hz converters at Paris Charles de Gaulle International Airport's Terminal 1. Success with this project could lead to this solution becoming an accepted standard at airports across France.

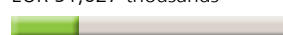
Meanwhile, work continued on several of the unit's major projects in the Middle East, for example at Bahrain International Airport and Dubai International Airport. At both these flagship projects, Cavotec is installing state-of-the-art ground support equipment to serve these airports', and others', evolution into major transport hubs in the region's burgeoning airports sector.

**Accumulated Revenues**  
EUR 49,989 thousands



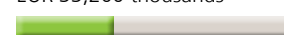
26%

**Accumulated Order Intake**  
EUR 51,627 thousands



24%

**Order Book**  
EUR 33,200 thousands



35%

**Some of our major customers  
in this segment:**

- Anchorage Airport
- Bahrain Airport
- Boeing Corporation
- Cargolux
- ClaVal
- Dubai Airport
- Emte Sistemas
- Frankfurt Airport
- Gamuda
- Gatwick International Airport
- Heathrow International Airport
- Lufthansa
- Munich Airport
- New Delhi Airport
- Oslo Airport
- Shanghai Airport
- Siemens
- Saudi Oger



**Mining & Tunnelling**

Cavotec's Mining & Tunnelling Market Unit recorded another record quarterly results, with revenues amounting to EUR 8,847 thousands, up 40.3% compared to 4Q10.

Accumulated revenues reached EUR 30,346 thousands, up 43.6% versus EUR 21,136 thousands in 2010, sustained by strong commodity prices. The accumulated Order Intake for the Market Unit amounted to EUR 32,558 thousands.

The end of year Order Book for Mining & Tunnelling stands at EUR 8,235 thousands, up 40.8% compared to 2010 Order Book.

**ACTIVITIES IN THE MARKET**

Rising levels of activity in the mining and tunnelling segments in most markets saw Cavotec's Mining & Tunnelling Market Unit report strong overall growth in Q4, continuing a positive trend established earlier in the year.

Major infrastructure projects, such as the new Hong Kong underground and the Stockholm City Line, provided the tunnelling side of the unit with steady demand for equipment and components throughout the period. Such projects involve large numbers of orders over extended periods, often to Cavotec's long-term OEM customers. Overall, activity in the tunnelling segment was encouraging throughout the period.

On the mining side of the business, the Market Unit reported positive results in all major markets including Africa, Europe, the Middle East, the Americas and Asia. Projects encompassed the unit's expertise and product range in key areas such as electrical power control and supply and radio remote controls.

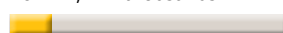
In one particular breakthrough project for the Group, the Market Unit won an order for cable reels and accessories for an application in Mexico. Activity was also stronger elsewhere in emerging markets such as Brazil with several projects awarded for Cavotec's specialised mining products and components.

**Accumulated Revenues**  
EUR 30,346 thousands



16%

**Accumulated Order Intake**  
EUR 32,558 thousands



15%

**Order Book**  
EUR 8,235 thousands



9%



Some of our major customers  
in this segment:

- Atlas Copco
- Bals
- BHP Billiton
- Blumenbecker Automation
- Herrenknecht
- LKAB
- Pilbara Iron
- Rambooms
- Robbins
- Sandvik
- ThyssenKrupp
- WHBO



**General Industry**

Revenues for the General Industry Market Unit amounted to EUR 12,367 thousands, down 19.4% compared to 4Q10.

Accumulated revenues reached EUR 47,193 thousands, down 14.6% compared to 2010 reflecting the overall lack of big projects in 2011 and the soft Order Book for this Market Unit at the end of 2010.

Importantly, the accumulated Order Intake for the Market Unit amounted to EUR 50,668 thousands demonstrating an increase in activity for the unit with the Order Book at the end of the period standing at EUR 12,710 thousands, up 52.9% compared to 4Q10 Order Book.

**ACTIVITIES IN THE MARKET**

The General Industry unit recorded steady growth in orders for the Q4 period. The unit noted especially robust demand in the energy sector. Growth was also encouraging in several other sectors, with automation and manufacturing equipment more broadly being particularly strong.

In an example of strengthening demand in the energy sector, the unit won a substantial order for RRC systems and related materiel for an application in the US. Delivery began in December and is set to continue on a monthly basis into 2012. This is the second such order from this significant US customer and is an area the Group intends to develop further going forward.

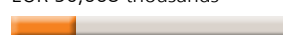
The unit also noted continued growth in demand in markets in Europe, the Middle East and Asia, with the Far East being especially strong. Applications for the unit's products and systems in the period ranged from bulk handling, manufacturing and the entertainment industries.

**Accumulated Revenues**  
EUR 47,193 thousands



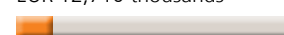
25%

**Accumulated Order Intake**  
EUR 50,668 thousands



23%

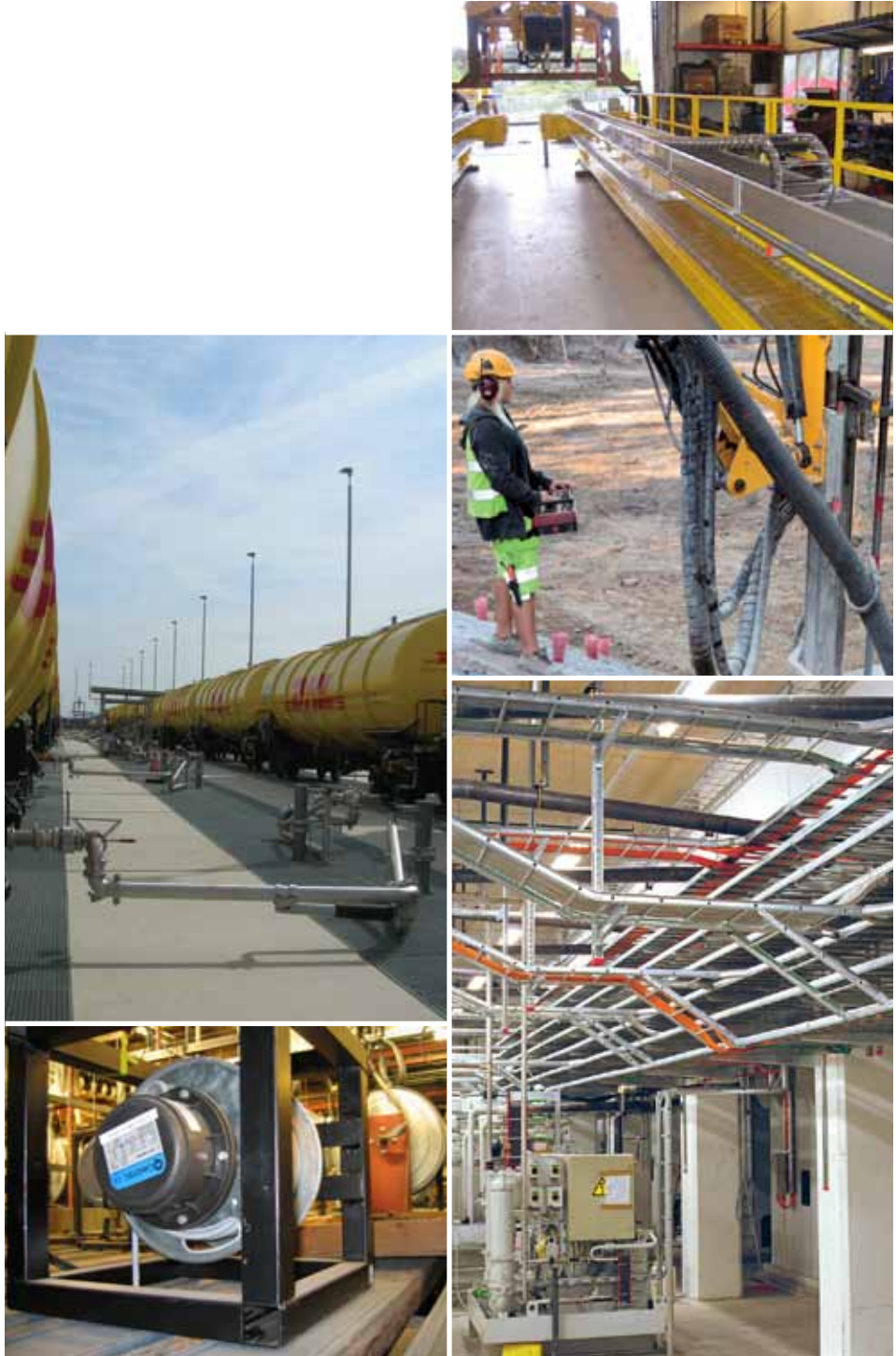
**Order Book**  
EUR 12,710 thousands



13%

Some of our major customers  
in this segment:

- ABB
- Arcelor – Mittal
- Al Habtoor
- Costain
- Fisia Italimpianti
- GE International
- Konecranes
- Liebherr
- Linde
- Manitowoc
- Palfinger
- Rocktec
- Siemens
- Terex
- Vahle



## Consolidated Statement of Comprehensive Income

| EUR 000's  | Unaudited<br>three months<br>31 Dec 2011 | Unaudited<br>three months<br>31 Dec 2010 | Unaudited<br>year<br>31 Dec 2011 | Audited<br>year<br>31 Dec 2010 |
|--|--|--|----------------------------------|--------------------------------|
| Revenue from sales of goods  | 60,239                                   | 39,958                                   | 189,969                          | 144,960                        |
| Other income   | 585                                      | 1,714                                    | 3,098                            | 3,663                          |
| Raw materials and components   | (32,264)                                 | (16,422)                                 | (96,288)                         | (65,802)                       |
| Employee benefit costs   | (14,008)                                 | (11,135)                                 | (49,378)                         | (42,031)                       |
| Operating expenses   | (9,756)                                  | (9,124)                                  | (30,210)                         | (25,027)                       |
| <b>Gross Operating Result</b>  | <b>4,796</b>                             | <b>4,991</b>                             | <b>17,191</b>                    | <b>15,763</b>                  |
| Depreciation and amortisation  | (1,694)                                  | (949)                                    | (4,507)                          | (3,376)                        |
| <b>Operating Result</b>  | <b>3,102</b>                             | <b>4,042</b>                             | <b>12,684</b>                    | <b>12,387</b>                  |
| Non-operating costs  | (834)                                    | -  | (2,320)                          | -                              |
| Interest expenses - net  | (332)                                    | (375)                                    | (1,573)                          | (1,757)                        |
| Currency exchange differences - net  | (64)                                     | 211                                      | 1,514                            | 784                            |
| <b>Profit before income tax</b>  | <b>1,872</b>                             | <b>3,878</b>                             | <b>10,305</b>                    | <b>11,414</b>                  |
| Income taxes   | (2,438)                                  | (1,283)                                  | (4,461)                          | (3,408)                        |
| <b>Profit for the period</b>   | <b>(566)</b>                             | <b>2,595</b>                             | <b>5,844</b>                     | <b>8,006</b>                   |
| <b>Other comprehensive income:</b>   |  |  |                                  |                                |
| Exchange differences on translation of foreign operations                          | 5,374                                    | 1,172                                    | 3,956                            | 3,466                          |
| Fair value adjustment: to available for sale financial assets                      | -  | (1)                                      | -                                | (466)                          |
| Actuarial gain (loss)  | (244)                                    | -  | (244)                            | -                              |
| <b>Total comprehensive income for the period</b>                                   | <b>4,564</b>                             | <b>3,766</b>                             | <b>9,556</b>                     | <b>11,005</b>                  |
| <b>Total comprehensive income attributable to:</b>                                 |  |  |                                  |                                |
| Equity holders of the Group  | 4,602                                    | 3,735                                    | 9,693                            | 10,934                         |
| Non-controlling interest   | (38)                                     | 31                                       | (137)                            | 71                             |
| <b>Total</b>   | <b>4,564</b>                             | <b>3,766</b>                             | <b>9,556</b>                     | <b>11,005</b>                  |
| <b>Profit / (loss) attributed to:</b>  |  |  |                                  |                                |
| Equity holders of the Group  | (501)                                    | 2,575                                    | 5,948                            | 7,932                          |
| Non-controlling interest   | (65)                                     | 20                                       | (104)                            | 74                             |
| <b>Total</b>   | <b>(566)</b>                             | <b>2,595</b>                             | <b>5,844</b>                     | <b>8,006</b>                   |
| Basic and diluted earnings per share attributed to the equity holders of the Group | (0.007)                                  | 0.040                                    | 0.089                            | 0.125                          |
| Average number of shares   | 71,332,700                               | 63,632,700                               | 66,501,741                       | 63,632,700                     |

## Consolidated Balance Sheet

| EUR 000's                                   | Unaudited<br>31 Dec 2011 | Audited<br>31 Dec 2010* | Audited<br>31 Dec 2009* |
|---|--------------------------|-------------------------|-------------------------|
| <b>Assets</b>                               |                          |                         |                         |
| <b>Current assets</b>                       |                          |                         |                         |
| Cash and cash equivalents                   | 12,952                   | 12,203                  | 10,957                  |
| Trade receivables                           | 42,612                   | 31,298                  | 31,644                  |
| Tax assets                                  | 940                      | 554                     | 916                     |
| Other current receivables                   | 6,491                    | 2,802                   | 2,221                   |
| Inventories                                 | 29,105                   | 27,884                  | 22,460                  |
| Assets held for sale                        | -                        | -                       | 608                     |
| <b>Total current assets</b>                 | <b>92,100</b>            | <b>74,741</b>           | <b>68,806</b>           |
| <b>Non-current assets</b>                   |                          |                         |                         |
| Property, plant and equipment               | 24,582                   | 20,260                  | 13,919                  |
| Intangible assets                           | 68,917                   | 50,739                  | 50,435                  |
| Non-current financial assets                | 254                      | 429                     | -                       |
| Deferred tax assets                         | 2,380                    | 1,181                   | 889                     |
| Other non-current receivables               | 4,047                    | 276                     | 558                     |
| <b>Total non-current assets</b>             | <b>100,180</b>           | <b>72,885</b>           | <b>65,803</b>           |
| <b>Total assets</b>                         | <b>192,280</b>           | <b>147,626</b>          | <b>134,609</b>          |
| <b>Equity and Liabilities</b>               |                          |                         |                         |
| <b>Current liabilities</b>                  |                          |                         |                         |
| Bank overdrafts                             | -                        | -                       | (4,448)                 |
| Current financial liabilities               | (4,277)                  | (3,559)                 | (4,641)                 |
| Trade payables                              | (33,949)                 | (23,645)                | (20,778)                |
| Other current liabilities                   | (15,383)                 | (10,082)                | (10,225)                |
| <b>Total current liabilities</b>            | <b>(53,609)</b>          | <b>(37,286)</b>         | <b>(40,093)</b>         |
| <b>Non-current liabilities</b>              |                          |                         |                         |
| Non-current financial liabilities           | (32,387)                 | (28,319)                | (23,723)                |
| Deferred tax liabilities                    | (3,411)                  | (2,698)                 | (1,740)                 |
| Other non-current liabilities               | (1,591)                  | (44)                    | -                       |
| Provision for risks and charges             | (3,870)                  | (2,472)                 | (2,136)                 |
| <b>Total non-current liabilities</b>        | <b>(41,259)</b>          | <b>(33,533)</b>         | <b>(27,599)</b>         |
| <b>Total liabilities</b>                    | <b>(94,868)</b>          | <b>(70,819)</b>         | <b>(67,692)</b>         |
| <b>Equity</b>                               |                          |                         |                         |
| Equity attributable to owners of the parent | (97,507)                 | (76,459)                | (66,650)                |
| Non-controlling interests                   | 95                       | (348)                   | (267)                   |
| <b>Total equity</b>                         | <b>(97,412)</b>          | <b>(76,807)</b>         | <b>(66,917)</b>         |
| <b>Total equity and liabilities</b>         | <b>(192,280)</b>         | <b>(147,626)</b>        | <b>(134,609)</b>        |

\* Restated, refer to page 21



## Consolidated Statement of Changes in Equity

| EUR 000's  | Equity related to owners of the parent | Non-controlling interest | Total equity    |
|--|--|--------------------------|-----------------|
| <b>Audited</b>   |  |                          |                 |
| Balance as at 31 December 2009                                 | (67,346)                               | (267)                    | (67,613)        |
| Restatement  | 697                                    | -                        | 697             |
| <b>Balance restated as at 1 January 2010</b>                   | <b>(66,649)</b>                        | <b>(267)</b>             | <b>(66,916)</b> |
| Profit for the year  | (7,932)                                | (74)                     | (8,006)         |
| Exchange differences on translation                            | (3,469)                                | 3                        | (3,466)         |
| Fair value adjustment - to available for sale financial assets | 466                                    | -                        | 466             |
| <b>Total comprehensive income and expenses</b>                 | <b>(10,934)</b>                        | <b>(71)</b>              | <b>(11,005)</b> |
| Dividends  | 1,114                                  | -                        | 1,114           |
| Acquisition of non-controlling interest                        | 10                                     | (10)                     | -               |
| <b>Transactions with shareholders</b>                          | <b>1,124</b>                           | <b>(10)</b>              | <b>1,114</b>    |
| <b>Balance as at 31 December 2010</b>                          | <b>(76,460)</b>                        | <b>(348)</b>             | <b>(76,807)</b> |
| <b>Unaudited</b>   |  |                          |                 |
| Balance as at 1 January 2011                                   | (76,460)                               | (348)                    | (76,807)        |
| Profit for the year  | (5,948)                                | 104                      | (5,844)         |
| Exchange differences on translation                            | (3,989)                                | 33                       | (3,956)         |
| Actuarial (gain) loss  | 244                                    | -                        | 244             |
| <b>Total comprehensive income and expenses</b>                 | <b>(9,693)</b>                         | <b>137</b>               | <b>(9,556)</b>  |
| Reclassification   | -                                      | -                        | -               |
| Capital increase   | (12,444)                               | -                        | (12,444)        |
| Other reserves   | -                                      | -                        | -               |
| Dividends  | 1,395                                  | -                        | 1,395           |
| Acquisition of non-controlling interest                        | (306)                                  | 306                      | -               |
| <b>Transactions with shareholders</b>                          | <b>(11,355)</b>                        | <b>306</b>               | <b>(11,049)</b> |
| <b>Balance as at 31 December 2011</b>                          | <b>(97,507)</b>                        | <b>95</b>                | <b>(97,412)</b> |

## Consolidated Statement of Cash Flows - Indirect Method

| EUR 000's  | Unaudited<br>three months<br>31 Dec 2011 | Unaudited<br>three months<br>31 Dec 2010 | Unaudited<br>year<br>31 Dec 2011 | Audited<br>year<br>31 Dec 2010 |
|--|--|--|----------------------------------|--------------------------------|
| <b>Profit for the period</b>                                     | <b>(566)</b>                             | <b>2,595</b>                             | <b>5,844</b>                     | <b>8,006</b>                   |
| <b>Adjustments for:</b>  |  |  |                                  |                                |
| Net interest   | 298                                      | 288                                      | 1,303                            | 1,449                          |
| Current taxes  | 1,587                                    | 1,073                                    | 4,733                            | 3,276                          |
| Depreciation and amortisation                                    | 1,694                                    | 949                                      | 4,507                            | 3,376                          |
| Deferred tax   | 833                                      | (1,226)                                  | (272)                            | (1,250)                        |
| Provision for risks and charges                                  | 970                                      | 136                                      | 1,859                            | 336                            |
| Capital gain or loss on assets                                   | (3)                                      | (14)                                     | (49)                             | (458)                          |
| Other items not involving cash flows                             | 34                                       | 3,293                                    | 270                              | 3,514                          |
| Interest paid  | (327)                                    | (318)                                    | (1,374)                          | (2,068)                        |
| Taxes paid   | (510)                                    | (2,658)                                  | (2,324)                          | (2,657)                        |
|  | <b>4,576</b>                             | <b>1,523</b>                             | <b>8,653</b>                     | <b>5,518</b>                   |
| <b>Cash flow before change in working capital</b>                | <b>4,010</b>                             | <b>4,118</b>                             | <b>14,497</b>                    | <b>13,524</b>                  |
| Inventories  | 1,805                                    | (1,071)                                  | (1,443)                          | (5,424)                        |
| Trade receivables  | (10,610)                                 | (1,006)                                  | (15,155)                         | 346                            |
| Other current receivables  | 1,765                                    | 3,568                                    | (4,076)                          | (219)                          |
| Trade payables   | (1,462)                                  | 1,240                                    | 10,304                           | 2,867                          |
| Other current liabilities  | 24                                       | 106                                      | 1,347                            | (143)                          |
| <b>Impact of changes involving working capital</b>               | <b>(8,478)</b>                           | <b>2,837</b>                             | <b>(9,023)</b>                   | <b>(2,573)</b>                 |
| <b>Net cash inflow / (outflow)<br/>from operating activities</b> | <b>(4,468)</b>                           | <b>6,955</b>                             | <b>5,474</b>                     | <b>10,951</b>                  |
| Increase (decrease) of loans and borrowings                      | 577                                      | (3,608)                                  | 4,517                            | 3,682                          |
| Dividend payment   | -  | (93)                                     | (1,395)                          | (1,114)                        |
| Acquisition of non-controlling interest                          | (410)                                    | -  | (410)                            | -                              |
| <b>Net cash inflow from financial activities</b>                 | <b>167</b>                               | <b>(3,701)</b>                           | <b>2,712</b>                     | <b>2,568</b>                   |
| Investments in property, plant and equipment                     | (592)                                    | (3,173)                                  | (6,609)                          | (7,954)                        |
| Investments in intangible assets                                 | (49)                                     | (194)                                    | (180)                            | (525)                          |
| Change in non-current financial assets                           | 10                                       | (44)                                     | (69)                             | (176)                          |
| Disposal of assets   | (48)                                     | 58                                       | 151                              | 110                            |
| <b>Net cash outflow from investing activities</b>                | <b>(679)</b>                             | <b>(3,353)</b>                           | <b>(6,707)</b>                   | <b>(8,545)</b>                 |
| Cash at the beginning of the period                              | 14,674                                   | 12,737                                   | 12,203                           | 6,509                          |
| Cash flow for the period   | (4,980)                                  | (99)                                     | 1,479                            | 4,974                          |
| Currency exchange differences                                    | 3,257                                    | (435)                                    | (730)                            | 721                            |
| <b>Cash at the end of the period</b>                             | <b>12,952</b>                            | <b>12,203</b>                            | <b>12,952</b>                    | <b>12,203</b>                  |
| <b>Cash comprises:</b>   |  |  |                                  |                                |
| Cash and cash equivalents  | 12,952                                   | 12,203                                   | 12,952                           | 12,203                         |
| Bank overdrafts  | -  | -  | -                                | -                              |
| <b>Total</b>   | <b>12,952</b>                            | <b>12,203</b>                            | <b>12,952</b>                    | <b>12,203</b>                  |

## Segment information

| EUR 000's   | Americas     | Europe & Africa | Middle East & India | Far East     | Australasia SE Asia | HQ           | Inter-Group elimination | Total         |
|---|--------------|-----------------|---------------------|--------------|---------------------|--------------|-------------------------|---------------|
| <b>Unaudited three months ended 31 December 2011</b>    |              |                 |                     |              |                     |              |                         |               |
| Revenue from sales of goods                             | 11,493       | 37,807          | 9,548               | 11,030       | 13,204              | -            | (22,843)                | 60,239        |
| Other income  | 167          | 1,686           | 197                 | 174          | 34                  | 29           | (1,702)                 | 585           |
| Operating expenses before depreciation and amortisation | (10,500)     | (39,265)        | (11,907)            | (10,147)     | (10,284)            | 2,548        | 23,527                  | (56,028)      |
| <b>Gross Operating Result</b>                           | <b>1,160</b> | <b>228</b>      | <b>(2,162)</b>      | <b>1,057</b> | <b>2,954</b>        | <b>2,577</b> | <b>(1,018)</b>          | <b>4,796</b>  |
| <b>Unaudited three months ended 31 December 2010</b>    |              |                 |                     |              |                     |              |                         |               |
| Revenue from sales of goods                             | 5,913        | 32,517          | 7,130               | 5,317        | 3,613               | -            | (14,532)                | 39,958        |
| Other income  | 69           | 2,148           | 159                 | 556          | (38)                | 232          | (1,412)                 | 1,714         |
| Operating expenses before depreciation and amortisation | (4,629)      | (31,306)        | (7,240)             | (5,180)      | (3,495)             | (705)        | 15,874                  | (36,681)      |
| <b>Gross Operating Result</b>                           | <b>1,353</b> | <b>3,359</b>    | <b>49</b>           | <b>693</b>   | <b>81</b>           | <b>(473)</b> | <b>(70)</b>             | <b>4,991</b>  |
| <b>Unaudited year ended 31 December 2011</b>            |              |                 |                     |              |                     |              |                         |               |
| 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)     |
| <b>Gross Operating Result</b>                           | <b>2,030</b> | <b>7,835</b>    | <b>1,634</b>        | <b>2,751</b> | <b>3,953</b>        | <b>(533)</b> | <b>(479)</b>            | <b>17,191</b> |
| <b>Audited year ended 31 December 2010</b>              |              |                 |                     |              |                     |              |                         |               |
| Revenue from sales of goods                             | 17,276       | 111,507         | 27,806              | 16,308       | 19,508              | -            | (47,445)                | 144,960       |
| Other income  | 354          | 4,467           | 430                 | 562          | 100                 | 820          | (3,070)                 | 3,663         |
| Operating expenses before depreciation and amortisation | (15,204)     | (106,423)       | (25,673)            | (15,178)     | (18,369)            | (988)        | 48,975                  | (132,860)     |
| <b>Gross Operating Result</b>                           | <b>2,426</b> | <b>9,551</b>    | <b>2,563</b>        | <b>1,692</b> | <b>1,239</b>        | <b>(168)</b> | <b>(1,540)</b>          | <b>15,763</b> |

## Parent Company - Condensed Statement of Comprehensive Income

| CAVOTEC SA<br>EUR 000's                          | Unaudited<br>three months<br>31 Dec 2011 | Unaudited<br>three months<br>31 Dec 2010 | Unaudited<br>year<br>31 Dec 2011 | Audited<br>year<br>31 Dec 2010 |
|--|--|--|----------------------------------|--------------------------------|
| Employee benefit costs                           | (139)                                    | -  | (139)                            | -                              |
| Operating expenses                               | (278)                                    | -  | (415)                            | -                              |
| <b>Gross Operating Result</b>                    | <b>(417)</b>                             | <b>-</b>                                 | <b>(554)</b>                     | <b>-</b>                       |
| Depreciation and amortisation                    | -  | -  | -                                | -                              |
| <b>Operating Result</b>                          | <b>(417)</b>                             | <b>-</b>                                 | <b>(554)</b>                     | <b>-</b>                       |
| Non-operating expenses                           | (821)                                    | -  | (1,978)                          | -                              |
| Interest expenses - net                          | (1)                                      | -  | (1)                              | -                              |
| Currency exchange differences - net              | 1  | -  | 7                                | -                              |
| <b>Profit before income tax</b>                  | <b>(1,238)</b>                           | <b>-</b>                                 | <b>(2,526)</b>                   | <b>-</b>                       |
| Income taxes                                     | (13)                                     | -  | (13)                             | -                              |
| <b>Profit for the period</b>                     | <b>(1,251)</b>                           | <b>-</b>                                 | <b>(2,539)</b>                   | <b>-</b>                       |
| <b>Other comprehensive income:</b>               |  |  |                                  |                                |
| Actuarial gain (loss)                            | (73)                                     | -  | (73)                             | -                              |
| <b>Total comprehensive income for the period</b> | <b>(1,324)</b>                           | <b>-</b>                                 | <b>(2,612)</b>                   | <b>-</b>                       |

## Parent Company - Condensed Balance Sheet

| CAVOTEC SA<br>EUR 000's              | Unaudited<br>31 Dec 2011 | Audited<br>31 Dec 2010 |
|--------------------------------------|--------------------------|------------------------|
| <b>Assets</b>                        |                          |                        |
| <b>Current assets</b>                |                          |                        |
| Cash and cash equivalents            | 23                       | -                      |
| Tax assets                           | 33                       | -                      |
| Other current receivables            | 5                        | -                      |
| <b>Total current assets</b>          | <b>61</b>                | <b>-</b>               |
| <b>Non-current assets</b>            |                          |                        |
| Investment in subsidiary companies   | 100,775                  | -                      |
| Other non-current assets             | -                        | -                      |
| <b>Total non-current assets</b>      | <b>100,775</b>           | <b>-</b>               |
| <b>Total assets</b>                  | <b>100,836</b>           | <b>-</b>               |
| <b>Equity and Liabilities</b>        |                          |                        |
| <b>Current liabilities</b>           |                          |                        |
| Bank overdrafts                      | (9,556)                  | -                      |
| Current financial liabilities        | (1,115)                  | -                      |
| Trade payables                       | (323)                    | -                      |
| Other current liabilities            | (158)                    | -                      |
| <b>Total current liabilities</b>     | <b>(11,152)</b>          | <b>-</b>               |
| <b>Non-current liabilities</b>       |                          |                        |
| Provision for risks and charges      | (73)                     | -                      |
| <b>Total non-current liabilities</b> | <b>(73)</b>              | <b>-</b>               |
| <b>Total liabilities</b>             | <b>(11,225)</b>          | <b>-</b>               |
| <b>Equity</b>                        | <b>(89,611)</b>          | <b>-</b>               |
| <b>Total equity</b>                  | <b>(89,611)</b>          | <b>-</b>               |
| <b>Total equity and liabilities</b>  | <b>(100,836)</b>         | <b>-</b>               |

**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 29 February 2012.

The Board of Directors proposes a dividend of 0.02 CHF per share, or a total of approximately EUR 1,180 thousands at today's prevailing exchange rates.

**Basis of preparation of financial statements**

The consolidated accounts of the Cavotec Group are prepared in accordance with International Financial Reporting Standards (IFRS). The same accounting and valuation policies were applied as in the most recent annual report with the exception of new and revised standards and interpretations effective from 1 January 2011. These changes have not had any impact on Cavotec's financial statements.

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting.

In addition, the Group has introduced an accounting policy for non-operating costs as follows: non-operating costs were incurred in relation to the change of the listing place from New Zealand to Sweden. All these costs were directly charged to the profit and loss account.

**Restatement**

The reported Balance Sheet figures as of 31 December 2009 and 31 December 2010 have been restated to correct an error dating back to 2006/07 resulting in a reduction of the inventory of EUR 697 thousands and a corresponding reduction of prior years' retained earnings for the same amount.

**Segment information**

There have been no relevant changes to the assets and liabilities for segment information as shown in the Annual Report for 2010.

**Company acquisitions and divestments**

On 15 November, the ownership of Cavotec South Africa has been increased from 70% to 100% following the acquisition of the shares owned by the minority partner.

**Noteworthy risks and uncertainties**

There have been no changes to what was stated by Cavotec in its Annual Report for 2010 under Risk management (pages 139-142).

**Management long term incentive plan**

The Board of Directors will propose to the Annual General Meeting a long-term incentive plan which requires co-investment in Cavotec shares by the participants. The details of the proposals will be communicated in connection with the Notice of the Annual General Meeting.

On behalf of the Board  
29 February 2012



**Ottonel Popesco**  
Chief Executive Officer

**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 Annual General Meeting will be held in Stockholm on the 4 May at 11:00 CET. The 2011 Annual Report will be available in the first week of April on [www.cavotec.com](http://www.cavotec.com) where a printed version of the report can also be ordered.

The 1Q12 Quarterly Report will be published on 7 May 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.

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