2Q 2013

Cavotec - Interim Report 2013

investor@cavotec.com

Cavotec
Inspired Engineering

- Record Revenues amounting to EUR 67,418 thousands in 2Q13, up 23.2% (2Q12: 54,712).
- Order Intake increased to EUR 57,920 thousands (2Q12: 50,635).
- Operating Result (EBIT) rebounded reaching EUR 6,607 thousands, up 29.6% compared to 2Q12 (5,100).
- Operating Margin (EBIT) in the quarter increased to historical levels at 9.8%.
- Strong Order Book EUR 102,434 thousands (FY12: 99,145).
- Book to bill ratio 1.03x

A comment from our CEO

2Q13 turned out to be a record quarter in Cavotec's history, despite an increasingly competitive market environment and on-going global economic turbulence. Revenues amounted to EUR 67,418, up 23.2% on the same period last year, while order intake increased to EUR 57,920, which is 14.4% higher than 2Q12.

Improving our margins remains at the forefront of the Group's focus. We have made good progress in bringing them closer to historic levels, and are committed to strengthening this trend going forward.

As highlighted in previous reports, the ongoing integration and strengthening of our INET operations in the US continued to put pressure on profitability in 2Q. As part of this process and due also to an increase in demand for INET systems we have taken proactive actions to strengthen local management, rationalise production and purchasing procedures, and further emphasise our global standards for products and systems. Once this is completed in 4Q13, including the merger of INET and Dabico operations in the US as well as a move to new facilities, the streamlined entity will be one of the strongest players in the ground support equipment market.

Following this rationalization we will be ideally positioned to deliver advanced, integrated systems to both the international and domestic market in the US, an area where we see a great deal of opportunity as the US airports sector starts to devote more resources to infrastructure investment.

2Q13 SUMMARY OF ACTIVITIES

The *Ports & Maritime* market unit (MU) enjoyed a strong quarter, with a substantial increase in revenues amounting to EUR 32,325. This was due in large part to the completion of the MoorMaster™ automated mooring project in the Mediterranean, and the first delivery of MoorMaster™ units for the St. Lawrence Seaway project announced in 4Q12.

The period saw two substantial MoorMaster™ orders in addition to Alternative Maritime Power (AMP) and cable reel orders in China, Singapore, the US and elsewhere.

One of these projects – a bulk-handling application in northern Norway – carries a considerable financial value. The other, also in Norway, is for two passenger ferry berths. This project demonstrates the value customers attach to Cavotec's unique scope for innovation: not only does this application incorporate MoorMaster™ units, it also features an automated AMP system that will use sensors to connect a new-build battery-powered ferry to shore-based electrical power supply.

As already communicated, *Ports & Maritime's* Oil & Gas sub-unit also won an a significant order to commission, supply and install stainless steel drag chains as part of an extensive upgrade of a Statoil oil platform in the North Sea. This project, along with increasing order volumes for Cavotec radio remote control units for oil and gas applications, indicate a growing demand for Cavotec's the on- and offshore products going forward.

Cavotec's *Airports* MU reported an increase in revenue to EUR 17,438 in the quarter. This strong performance was boosted by the near completion of the upgrade project at Phoenix International Airport, where Cavotec INET Pre-conditioned Air (PCA) central systems have been installed on approximately 40 US Airways-operated aerobridges.

Reflecting the state of global commodity markets, Cavotec's *Mining & Tunnelling* unit posted a 22.6% fall in revenue to EUR 7,393 compared to the same period last year. As major mining groups postpone capital expenditure, this has a knock-on effect for Cavotec seen in reduced demand from OEMs in the period.

The *General Industry* unit saw revenues dip 8.8% quarter-on-quarter to EUR 10,262. While this unit's performance was softer during the period, it is registering growing interest for its products for the defence sector, and for its electrical vehicle charging systems.

LOOKING AHEAD

Aimed at strengthening long-term growth and performance the Group continues to make substantial investments focussed on *Airports* and *Ports & Maritime*. While we expect revenues and order intake to grow with approximately 10% in 2013, these investment costs are putting pressure on the Group's operating margins. Moving forward into 2014 and beyond, we believe these investments will ultimately strengthen our market position as well as our overall performance.

To meet evolving market trends and expand our market share, we have continued to focus on providing turnkey solutions and broaden our after-sales services offering. We continue to make significant investments in maintaining a highly skilled and qualified workforce, improving our engineering capacity and further strengthening the structure and global footprint of the Cavotec network.

Our investments in the BRIC countries are displaying considerable growth potential in a number of sectors. For example, in Brazil, where the Group recently established a full-time presence, Cavotec is already seeing a marked uptick in activity: a development that looks set to continue in the months ahead.

Turning to the outlook for specific MUs; for *Ports & Maritime*, the trend in manufacturing returning to Europe and the US continues, resulting in a slow down in the growth rate of containerisation.

However, port authorities and shipping lines are continuing to push for higher productivity and efficiency through greater automation and utilisation of larger container ships. These trends provide excellent opportunities for Cavotec, as there will be a renewed focus on upgrading port infrastructure, ship efficiency and environmental performance.

For *Airports*, continuing investment to boost efficiency and sustainability at airports in Brazil, the Middle East, China and elsewhere is set to drive demand for Cavotec ground support equipment (GSE). Another important factor for this MU is the renewed focus on airport infrastructure in the US, a key area that is being revived following years of underinvestment.

The downturn in capital expenditure by large mining companies will continue to soften demand for *Mining & Tunnelling* in FY13, with delays in investment likely to persist until commodity prices pick-up.

General Industry will continue to provide solid day-to-day business; a forecast that is in line with our projections. Going forward, this unit anticipates interesting progress in the defence and other developing sectors.

Overall, despite concern over growth in certain markets, we maintain a cautiously positive outlook for the Group for the immediate period, supported by the positive trend in Order intake. We remain alert to opportunities in new and emerging sectors, especially for *Airports* and *Ports & Maritime*, and increasingly in the oil and gas segment. Our technological and engineering expertise, backed by our extensive global network, ensures that Cavotec is ready to continue its growth in the years ahead.

THE REGIONS

The Americas registered a strong growth in revenues for the second quarter amounting to EUR 15,626 thousands (2Q12: 10,140) while order intake was subdued as a consequence of lower activity in Ports & Maritime. Gross operating result was negatively affected by the ongoing restructuring of the INET operations, driving the quarterly result to negative EUR 1,787 thousands compared to positive EUR 301 thousands in 2Q12.

Europe & Africa continued to deliver strong results with revenues reaching a new record at EUR 54,526 thousands and order intake at EUR 52,912 thousands. The region benefited from strong demand in the Oil & Gas market and from the Far East. Gross operating result increased from EUR 4,657 thousands to EUR 6,253 thousands, an increase of 34.3%.

MoorMaster significantly contributed to the strong quarterly performance of the Middle East & India region with revenues up 62.2% and a gross operating result amounting to EUR 1,121 thousands (2Q12: loss EUR 29 thousands). Order intake was somewhat subdued as the award of several big projects was postponed to the second half of the year.

In Australasia the slowdown in the mining sector was more than compensated by the strong performance of MoorMaster. Revenues in the region increased 72.7% over the same period of the previous year while the gross operating result reached EUR 1,076 thousands compared to EUR 307 thousands in the second quarter of 2012.

Far East delivered a strong performance in the quarter with revenues and order intake increasing significantly from the previous year, driven by high activity levels in Ports & Maritime. Gross operating result amounted to EUR 1,471 thousands in the quarter and EUR 2,473 thousands in the first half, thereby doubling the result of the previous year.

Quarterly results

REVENUES, EARNINGS AND PROFITABILITY

Revenues reached a new record in 2Q13 amounting to EUR 67,418 thousands compared to EUR 54,712 thousands, an increase of 23.2%. Likewise, the operating result reached EUR 6,607 thousands, up 29.6% compared to 2Q12 but negatively influenced by the cost of the on-going litigation, integration and investment costs relative to the build up of infrastructure and delivery capability. Operating margin returned to historical levels at 9.8%. Interest expenses were nearly offset by the positive exchange fluctuation and net profit amounted to EUR 4,711 thousands.

Half-year results

Revenues reached 120,594 thousands in 1H13 following the completion of some large projects in Ports & Maritime (revenues up 62.4% compared to 1H12) and Airports. Organic growth was 19.4% while acquisitions contributed 0.4% and negative exchange detracted 0.7%. Operating result amounted to EUR 7,269 thousands compared to EUR 8,186 thousands in 1H12. Tax rate decreased to 30.1% compared to 34.2% in 1H12 as a consequence of higher profitability in lower tax countries. Net interest expenses were lower in the period benefitting from lower base rates and the higher weight of floating rate debt, which was partially offset by the increased average debt. Net profit reached EUR 5,042 thousands in 1H13, compared to EUR 4,897 thousands in 1H12.

CASH FLOW

Operating cash flow was negative at EUR 6,003 thousands compared to positive EUR 2,948 thousands in 1H12. This is a reflection of increased inventory and working capital to support a higher level of activity. After the significant investments completed in 2012, cash flow from investing activities returned to its historical trend, amounting to EUR 1,341 thousands compared to EUR 5,482 thousands in 1H12.

NET DEBT

Net debt increased to EUR 33,422 thousands from EUR 30,814 thousands in 1Q13 as a consequence of working capital movements. The capital reduction was paid at the beginning of July 2013. Net debt/equity ratio ended at 31.4% and the last twelve months rolling ratio (Net debt/EBITDA) remained unchanged compared to 1Q13 at 1.59x.

EMPLOYEES

Cavotec's workforce increased by 55 persons in the first half of 2013, mainly to reinforce the US operations. June 30, 2013 ended with 945 full time equivalent employees compared to 895 in 1H12.

Revenue from sales of goods and growth

EUR 000's	Revenues 2Q13	Revenues 2Q12	Revenues 1H13	Revenues 1H12
Revenue from sales of goods	67,418	54,712	120,594	101,282
Increase/decrease	12,706	8,656	19,312	17,507
Percentage change	23.2%	18.8%	19.1%	20.9%
Of which				
- Volumes and prices	24.0%	5.8%	19.4%	8.5%
- Acquisitions/divestments	0.4%	6.9%	0.4%	7.4%
- Currency effects	-1.2%	6.1%	-0.7%	5.0%

EUR 000's	Order Intake 2Q13	Order Intake 2Q12	Order Intake 1H13	Order Intake 1H12
Order Intake	57,920	50,635	123,882	104,760
Increase/decrease	7,285	(9,017)	19,123	(6,349)
Percentage change	14.4%	-15.1%	18.3%	-5.7%
Of which				
- Volumes and prices	15.1%	-22.8%	18.6%	-12.4%
- Acquisitions/divestments	0.3%	1.5%	0.4%	1.7%
- Currency effects	-1.0%	6.2%	-0.7%	5.0%

Operating Segments

	Revenues					
EUR 000's	2Q13	2Q12	Change %	1H13	1H12	Change %
Americas	15,626	10,140	54.1%	29,964	18,010	66.4%
Europe & Africa	54,526	40,978	33.1%	95,539	79,195	20.6%
Middle East & India	11,017	6,792	62.2%	17,775	13,198	34.7%
Far East	10,985	7,788	41.1%	19,310	12,373	56.1%
Australiasia & SE Asia	10,339	5,987	72.7%	16,613	9,972	66.6%
Inter-Group elimination	(35,075)	(16,973)	-	(58,607)	(31,466)	-
Total	**67,418**	**54,712**	**23.2%**	**120,594**	**101,282**	**19.1%**

	Order Intake					
EUR 000's	2Q13	2Q12	Change %	1H13	1H12	Change %
Americas	9,165	13,010	-29.6%	32,817	21,916	49.7%
Europe & Africa	52,912	38,960	35.8%	98,962	85,674	15.5%
Middle East & India	4,744	2,453	93.4%	12,195	5,861	108.1%
Far East	13,457	9,709	38.6%	22,305	19,637	13.6%
Australiasia & SE Asia	4,113	3,786	8.7%	10,776	8,185	31.7%
Inter-Group elimination	(26,471)	(17,283)	-	(53,173)	(36,513)	-
Total	**57,920**	**50,635**	**14.4%**	**123,882**	**104,760**	**19.7%**

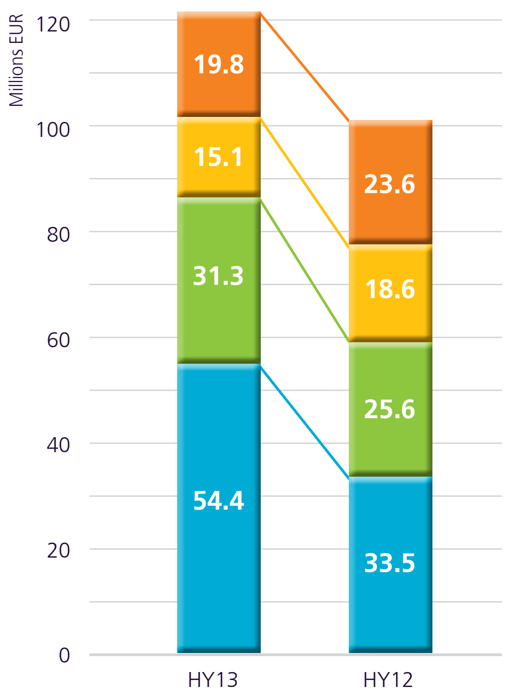
	Order Book			Book/Bill ratio	
EUR 000's	1H13	1H12	Change %	1H13	1H12
Americas	26,287	21,626	21.6%	1.10	1.22
Europe & Africa	59,346	61,791	-4.0%	1.04	1.08
Middle East & India	16,848	13,942	20.8%	0.69	0.44
Far East	34,555	24,363	41.8%	1.16	1.59
Australiasia & SE Asia	6,402	27,494	-76.7%	0.65	0.82
Inter-Group elimination	(41,004)	(48,622)	-	-	-
Total	**102,434**	**100,595**	**3.3%**	**1.03**	**1.03**

Market Units

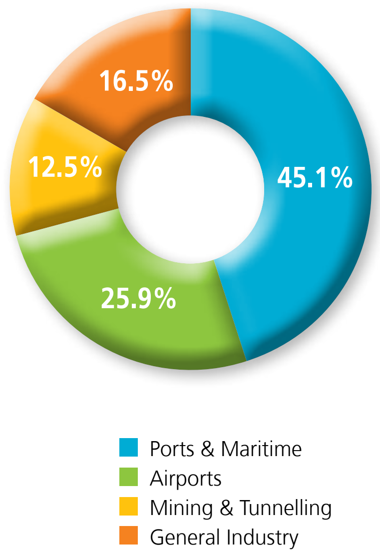
	Revenues					
EUR 000's	2Q13	2Q12	Change %	1H13	1H12	Change %
Ports & Maritime	32,325	19,682	64.2%	54,415	33,503	62.4%
Airports	17,438	14,220	22.6%	31,261	25,550	22.4%
Mining & Tunnelling	7,393	9,555	-22.6%	15,111	18,625	-18.9%
General Industry	10,262	11,255	-8.8%	19,807	23,603	-16.1%
Total	67,418	54,712	23.2%	120,594	101,282	19.1%

	Order Intake					
EUR 000's	2Q13	2Q12	Change %	1H13	1H12	Change %
Ports & Maritime	26,290	20,639	27.4%	49,021	38,334	27.9%
Airports	12,198	10,649	14.5%	35,948	25,347	41.8%
Mining & Tunnelling	8,143	8,894	-8.4%	15,431	19,741	-21.8%
General Industry	11,289	10,453	8.0%	23,482	21,338	10.1%
Total	57,920	50,635	14.4%	123,882	104,760	18.3%

	Order Book			Book/Bill ratio	
EUR 000's	1H13	1H12	Change %	1H13	1H12
Ports & Maritime	48,255	46,869	3.0%	0.90	1.14
Airports	34,613	33,557	3.1%	1.15	0.99
Mining & Tunnelling	7,382	9,560	-22.8%	1.02	1.06
General Industry	12,184	10,609	14.8%	1.19	0.90
Total	102,434	100,595	1.8%	1.03	1.03



Market Units as a percentage of Revenue



Ports & Maritime

Ports & Maritime hit a quarterly record with revenues amounting to EUR 32,325 thousands, up 64.2%.

The MU also recorded the highest Order Intake in the quarter, EUR 26,290 thousands, an increase of 27.4%.

Ports & Maritime stands for nearly half of the Group's Order Book, amounting to EUR 48,255 thousands.

Accumulated Revenues
EUR 54,415 thousands

45%

Accumulated Order Intake
EUR 49,021 thousands

40%

Order Book
EUR 48,255 thousands

47%

Airports

Airport followed up a strong first quarter with an even stronger second quarter, coming in at EUR 17,438 thousands, up 22.6%.

Order Intake increased with 14.5% for the MU, amounting to EUR 12,198 thousands.

Order Book ended at EUR 34,613 thousands with a book-to-bill ratio at 1.15x.

Accumulated Revenues
EUR 31,261 thousands

26%

Accumulated Order Intake
EUR 35,948 thousands

29%

Order Book
EUR 34,613 thousands

34%

Mining & Tunnelling

Mining & Tunnelling's revenues amounted to EUR 7,393 thousands in 2Q13.

The MU saw a stronger second quarter in 2013 than the first quarter, with Order Intake amounting to EUR 8,143 thousands.

Order Book ended at EUR 7,382 thousands in 1H13.

Accumulated Revenues
EUR 15,111 thousands

13%

Accumulated Order Intake
EUR 15,431 thousands

12%

Order Book
EUR 7,382 thousands

7%

General Industry

General Industry´s revenues reached EUR 10,262 thousands, a decrease of 8.8%.

The MU saw a positive development in Order Intake with an increase of 8.0%, amounting to EUR 11,289 thousands.

General Industry Order Book increased by 43.3% compared to FY12 with a book to bill ratio of 1.19x.

Accumulated Revenues
EUR 19,807 thousands

16%

Accumulated Order Intake
EUR 23,482 thousands

19%

Order Book
EUR 12,184 thousands

12%

Consolidated Statement of Comprehensive Income

EUR 000's	Unaudited three months 30 Jun 2013	Unaudited three months 30 Jun 2012	Unaudited six months 30 Jun 2013	Unaudited six months 30 Jun 2012	Audited year 31 Dec 2012
Revenue from sales of goods	67,418	54,712	120,594	101,282	220,072
Other income	1,219	1,008	2,008	1,933	4,810
Raw materials and components	(34,715)	(27,721)	(63,735)	(49,844)	(110,171)
Employee benefit costs	(15,633)	(14,446)	(31,035)	(28,271)	(58,732)
Operating expenses	(10,615)	(7,530)	(18,534)	(15,120)	(34,243)
Gross Operating Result	**7,674**	**6,023**	**9,298**	**9,980**	**21,736**
Depreciation and amortisation	(1,067)	(923)	(2,029)	(1,794)	(3,758)
Operating Result	**6,607**	**5,100**	**7,269**	**8,186**	**17,978**
Interest expenses - net	(314)	(298)	(585)	(664)	(1,263)
Currency exchange differences - net	435	714	533	(82)	(477)
Profit before income tax	**6,728**	**5,516**	**7,217**	**7,440**	**16,237**
Income taxes	(2,017)	(1,691)	(2,175)	(2,543)	(4,045)
Profit for the period	**4,711**	**3,825**	**5,042**	**4,897**	**12,192**
Other comprehensive income:					
Exchange differences on translation of foreign operations	(3,929)	2,631	(2,433)	2,293	856
Fair value adjustment:					
Actuarial gain (loss)	-	-	-	-	(30)
Total comprehensive income for the period	**782**	**6,456**	**2,609**	**7,190**	**13,018**
Total comprehensive income attributable to:					
Equity holders of the Group	827	6,501	2,667	7,265	13,138
Non-controlling interest	(45)	(45)	(58)	(76)	(120)
Total	**782**	**6,456**	**2,609**	**7,190**	**13,018**
Profit attributed to:					
Equity holders of the Group	4,771	3,873	5,111	4,976	12,319
Non-controlling interest	(60)	(48)	(69)	(79)	(127)
Total	**4,711**	**3,825**	**5,042**	**4,897**	**12,192**
Basic and diluted earnings per share attributed to the equity holders of the Group	0.067	0.054	0.072	0.070	0.173
Average number of shares	71,332,700	71,332,700	71,332,700	71,332,700	71,332,700

Consolidated Balance Sheet

EUR 000's	Unaudited 30 Jun 2013	Unaudited 30 Jun 2012	Audited 31 Dec 2012
Assets			
Current assets			
Cash and cash equivalents	13,279	16,235	10,313
Trade receivables	53,144	40,836	50,583
Tax assets	986	530	530
Other current receivables	5,649	6,373	3,596
Inventories	45,791	39,911	39,561
Assets held for sale	2,220	-	-
Total current assets	121,069	103,885	104,583
Non-current assets			
Property, plant and equipment	25,937	28,662	28,840
Intangible assets	67,110	67,127	67,709
Non-current financial assets	137	217	153
Deferred tax assets	8,212	3,521	7,094
Other non-current receivables	2,852	4,274	2,346
Total non-current assets	104,248	103,801	106,141
Total assets	225,317	207,686	210,725
Equity and Liabilities			
Current liabilities			
Bank overdrafts	-	(102)	(1,829)
Current financial liabilities	(4,705)	(4,406)	(2,911)
Trade payables	(40,871)	(37,773)	(36,973)
Other current liabilities	(17,696)	(17,712)	(19,719)
Total current liabilities	(63,272)	(59,993)	(61,432)
Non-current liabilities			
Non-current financial liabilities	(42,004)	(37,065)	(30,088)
Deferred tax liabilities	(4,401)	(3,496)	(4,345)
Other non-current liabilities	(1,177)	(1,635)	(885)
Provision for risks and charges	(7,922)	(4,579)	(7,146)
Total non-current liabilities	(55,504)	(46,775)	(42,464)
Total liabilities	(118,776)	(106,768)	(103,896)
Equity			
Equity attributable to owners of the parent	(106,688)	(101,045)	(106,939)
Non-controlling interests	147	127	110
Total equity	(106,541)	(100,918)	(106,829)
Total equity and liabilities	(225,317)	(207,686)	(210,725)

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 2012	(94,968)	95	**(94,873)**
Profit for the period	(4,976)	79	**(4,897)**
Exchange differences on translation	(2,290)	(3)	**(2,293)**
Total comprehensive income and expenses	**(7,266)**	**76**	**(7,190)**
Capital reduction	1,189	-	**1,189**
Capital increase	-	(44)	**(44)**
Transactions with shareholders	**1,189**	**(44)**	**1,145**
Balance as at 30 June 2012	**(101,045)**	**127**	**(100,918)**
Audited			
Balance as at 1 January 2012	(94,968)	95	**(94,873)**
Profit for the period	(12,319)	127	**(12,192)**
Exchange differences on translation	(850)	(6)	**(856)**
Actuarial (gain) loss	30	-	**30**
Total comprehensive income and expenses	**(13,138)**	**121**	**(13,018)**
Capital reduction	1,167	-	**1,167**
Capital increase	-	(106)	**(106)**
Transactions with shareholders	**1,167**	**(106)**	**1,061**
Balance as at 31 December 2012	**(106,940)**	**110**	**(106,830)**
Unaudited			
Balance as at 1 January 2013	(106,940)	110	**(106,830)**
Profit for the period	(5,111)	69	**(5,042)**
Exchange differences on translation	2,444	(11)	**2,433**
Total comprehensive income and expenses	**(2,667)**	**58**	**(2,609)**
Capital reduction	2,918	-	**2,918**
Capital increase	-	(21)	**(21)**
Transactions with shareholders	**2,918**	**(21)**	**2,897**
Balance as at 30 June 2013	**(106,688)**	**147**	**(106,541)**

Consolidated Statement of Cash Flows - Indirect Method

EUR 000's	Unaudited three months 30 Jun 2013	Unaudited three months 30 Jun 2012	Unaudited six months 30 Jun 2013	Unaudited six months 30 Jun 2012	Audited year 31 Dec 2012
Profit for the period	4,711	3,825	5,042	4,897	12,192
Adjustments for:					
Net interest expenses	262	219	480	512	949
Current taxes	2,172	1,755	3,269	3,196	7,470
Depreciation and amortisation	1,067	923	2,029	1,795	3,758
Deferred tax	(155)	(429)	(1,094)	(652)	(3,425)
Provision for risks and charges	773	440	1,156	901	5,148
Capital gain or loss on assets	(5)	(10)	(7)	(26)	(17)
Other items not involving cash flows	(99)	79	104	152	305
Interest paid	(281)	(215)	(482)	(529)	(967)
Taxes paid	(2,804)	(2,206)	(5,496)	(3,402)	(5,792)
	930	556	(41)	1,947	7,429
Cash flow before change in working capital	5,641	4,381	5,001	6,844	19,621
Impact of changes in working capital:					
Inventories	187	(4,821)	(6,463)	(11,029)	(11,094)
Trade receivables	259	(2,770)	(3,310)	1,794	(8,207)
Other current receivables	(364)	(541)	(2,031)	134	2,849
Trade payables	(2,992)	935	3,894	3,824	2,995
Other current liabilities	(2,551)	1,015	(3,191)	1,381	4,034
Long term receivables	310	-	97	-	1,702
Impact of changes involving working capital	(5,151)	(6,182)	(11,004)	(3,896)	(7,721)
Net cash inflow / (outflow) from operating activities	490	(1,801)	(6,003)	2,948	11,900
Financial activities:					
Increase (decrease) of loans and borrowings	2,684	5,391	13,897	4,700	(3,868)
Capital reduction	-	-	-	-	(1,167)
Net cash inflow from financial activities	2,684	5,391	13,897	4,700	(5,035)
Investing activities:					
Investments in property, plant and equipment	(680)	(956)	(1,403)	(5,226)	(6,970)
Investments in intangible assets	-	(92)	-	(133)	(1,350)
(Increase) decrease in non-current financial assets	8	(312)	16	(190)	101
Deferred consideration	-	-	-	-	(1,516)
Increase in other assets	-	-	-	-	(2,653)
Disposal of assets	17	45	46	67	205
Net cash outflow from investing activities	(655)	(1,315)	(1,341)	(5,482)	(12,183)
Cash at the beginning of the period	13,215	12,870	8,484	12,952	12,952
Cash flow for the period	2,519	2,275	6,553	2,166	(5,318)
Currency exchange differences	(2,455)	988	(1,758)	1,015	849
Cash at the end of the period	13,279	16,133	13,279	16,133	8,484
Cash comprises:					
Cash and cash equivalents	13,279	16,235	13,279	16,235	10,313
Bank overdrafts	-	(102)		(102)	(1,829)
Total	13,279	16,133	13,279	16,133	8,484

Segment information

EUR 000's	Americas	Europe & Africa	Middle East & India	Far East	Australasia SE Asia	HQ	Inter-Group elimination	Total
Unaudited Three months ended 30 June 2013								
Revenue from sales of goods	15,626	54,526	11,017	10,985	10,339	-	(35,075)	**67,418**
Other income	223	2,035	(144)	(85)	296	321	(1,427)	**1,219**
Operating expenses before depreciation and amortisation	(17,636)	(50,308)	(9,752)	(9,429)	(9,559)	(1,652)	37,373	**(60,963)**
Gross Operating Result	(1,787)	6,253	1,121	1,471	1,076	(1,331)	871	7,674
Unaudited Three months ended 30 June 2012								
Revenue from sales of goods	10,140	40,978	6,792	7,788	5,987	-	(16,973)	**54,712**
Other income	349	1,517	336	181	151	281	(1,807)	**1,008**
Operating expenses before depreciation and amortisation	(10,188)	(37,838)	(7,157)	(6,851)	(5,831)	(692)	18,860	**(49,697)**
Gross Operating Result	301	4,657	(29)	1,118	307	(411)	80	6,023
Unaudited Six months ended 30 June 2013								
Revenue from sales of goods	29,964	95,539	17,775	19,310	16,613	-	(58,607)	**120,594**
Other income	421	3,371	(93)	202	416	651	(2,960)	**2,008**
Operating expenses before depreciation and amortisation	(31,703)	(89,796)	(16,649)	(17,039)	(16,984)	(2,040)	60,907	**(113,304)**
Gross Operating Result	(1,318)	9,114	1,033	2,473	45	(1,389)	(660)	9,298
Unaudited Six months ended 30 June 2012								
Revenue from sales of goods	18,010	79,195	13,198	12,373	9,972	-	(31,466)	**101,282**
Other income	290	3,046	421	168	108	606	(2,706)	**1,933**
Operating expenses before depreciation and amortisation	(18,240)	(72,991)	(13,591)	(11,313)	(9,815)	(1,008)	33,723	**(93,235)**
Gross Operating Result	60	9,250	28	1,228	265	(402)	(449)	9,980
Audited Year ended 31 December 2012								
Revenue from sales of goods	40,442	168,912	24,215	30,477	37,481	-	(81,455)	**220,072**
Other income	663	6,625	726	164	571	1,305	(5,243)	**4,810**
Operating expenses before depreciation and amortisation	(42,278)	(156,162)	(24,844)	(27,720)	(35,201)	(1,693)	84,751	**(203,147)**
Gross Operating Result	(1,173)	19,375	97	2,921	2,851	(388)	(1,947)	21,736

Parent Company - Condensed Statement of Comprehensive Income

CAVOTEC SA EUR 000's	Unaudited three months 30 Jun 2013	Unaudited three months 30 Jun 2012	Unaudited six months 30 Jun 2013	Unaudited six months 30 Jun 2012	Audited year 31 Dec 2012
Dividend	-	475	-	475	475
Other income	147	136	295	277	574
Employee benefit costs	(250)	(151)	(608)	(291)	(729)
Operating expenses	(333)	(441)	(533)	(627)	(1,077)
Operating Result	**(436)**	**19**	**(845)**	**(166)**	**(757)**
Non-operating expenses	-	-	-	-	-
Interest expenses - net	(7)	(5)	(13)	(11)	(25)
Currency exchange differences - net	3	-	3	(2)	(24)
Profit before income tax	**(440)**	**14**	**(855)**	**(179)**	**(806)**
Income taxes	(5)	(6)	(11)	(11)	(24)
Profit for the period	**(445)**	**8**	**(866)**	**(190)**	**(830)**
Other comprehensive income:					
Actuarial gain (loss)	-	-	-	-	(4)
Total comprehensive income for the period	**(445)**	**8**	**(866)**	**(190)**	**(834)**

Parent Company - Condensed Balance Sheet

CAVOTEC SA EUR 000's	Unaudited 30 Jun 2013	Unaudited 30 Jun 2012	Audited 31 Dec 2012
Assets			
Current assets			
Cash and cash equivalents	45	156	-
Trade receivable	3	-	570
Tax assets	16	25	17
Other current receivables	293	261	3
Total current assets	**357**	**442**	**590**
Non-current assets			
Investment in subsidiary companies	98,447	100,775	98,447
Total non-current assets	**98,447**	**100,775**	**98,447**
Total assets	**98,804**	**101,217**	**99,037**
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(9,407)	(10,362)	(10,916)
Current financial liabilities	(1,845)	(1,115)	-
Trade payables	(103)	(139)	(165)
Other current liabilities	(3,097)	(1,295)	(131)
Total current liabilities	**(14,452)**	**(12,911)**	**(11,214)**
Non-current liabilities			
Provision for risks and charges	(78)	(73)	(78)
Other non-current liabilities	(450)	-	(136)
Total non-current liabilities	**(528)**	**(73)**	**(214)**
Total liabilities	**(14,980)**	**(12,984)**	**(11,428)**
Equity	**(83,824)**	**(88,233)**	**(87,609)**
Total equity	**(83,824)**	**(88,233)**	**(87,609)**
Total equity and liabilities	**(98,804)**	**(101,217)**	**(99,037)**

General information

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

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

These unaudited Financial Statements have been approved by the Board of Directors for publication on 8 August 2013.

Basis of preparation of financial statements

This interim report was prepared in accordance with IFRS, applying IAS 34 Interim Financial Reporting. The same accounting and valuation policies were applied in the most recent annual report with the exception of new and revised standards and interpretations effective from 1 January 2013. The updated standard, IAS 19, Employee benefits, is applied from 1 January 2013 with full retroactive application. These changes have not had any impact on Cavotec's financial statements. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended in December 2012.

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

Segment information

There have been no relevant changes to the assets and liabilities for segment information as shown in the Annual Report for 2012.

Noteworthy risks and uncertainties

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

On behalf of the Board
8 August 2013

Ottonel Popesco
Chief Executive Officer

Reporting dates 2013

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 3Q13 Quarterly Report will be published on 7 November 2013.

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

For more information please contact:

Michael Scheepers
Director, Investor Relations & PR
Telephone: +41 91 911 40 11
Mobile: +41 79 502 40 10
Email: investor@cavotec.com

Cavotec SA
Via Serafino Balestra 27
CH-6900 Lugano, Switzerland
Telephone: +41 91 911 40 10
Facsimile: +41 91 922 54 00
Website: www.cavotec.com

investor@cavotec.com

CAVOTEC
Inspired Engineering