



Cavotec - 1st Quarter Report 2014



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- Order Intake increased 2.4% quarter on quarter at EUR 67,564 thousands (1Q13: 65,959).
- Revenues decreased 23.8% to EUR 40,536 thousands in 1Q14 (1Q13: 53,176).
- Book to bill ratio was 1.67x in the quarter.
- Order Book reached a new record high at EUR 142,377 thousands (FY13: 115,713).
- Adjusted operating result (EBIT) was negative at EUR 627 thousands in the quarter compared to positive EUR 780 thousands in 1Q13.

A comment from our CEO

As forecasted in preceding quarters, activity in the first quarter was subdued with revenues reaching EUR 40.5 million a decrease of 23.7% compared to the same period last year, mainly due to a lack of larger projects. The consequent decrease in profitability was further compounded by the drop in overall volume across our Market Units (MU). On a positive note, 1Q14 registered an important development as gross margins strengthened considerably thanks to an increase in day-to-day business.

Despite challenging market conditions, Cavotec's order book continued to grow in 1Q14 to a new record level of EUR 142.4 million. With a mix of some larger projects and steady day-to-day business during 1Q14, this growth underlines the core strength of Cavotec's business model cemented on a diversified customer base.

Cavotec's range of key innovations, and its more conventional industrial systems continued to register solid achievements throughout the quarter. In addition to the previously announced milestone order for MoorMaster systems in Canada – the largest order for the system to date, and one of the largest projects in the Group's history – Cavotec also entered the notoriously harsh underground coal market in Australia with a specialized range of radio remote controls (RRCs).

The Group also continued to book orders for the expanded range of Alternative Maritime Power (AMP) systems, including the all-new AMPtainer and AMP Mobile. This is a segment where the Group is well established and poised to take advantage of the considerable potential that exists as ports, especially in Europe and North America, take steps to meet emissions targets.

Furthermore, Cavotec's newest innovations, including Human Operating Interface (HOI) systems, and charging stations for electrical vehicles, continued to gain solid market traction, further expanding the Group's ability to achieve continued success in existing and new market segments which are set for considerable growth going forward.

LOOKING AHEAD

As communicated in previous reports, management expects a return to Cavotec's historical rate of growth and margin development within 2014. Cost and operational efficiency programmes remain deployed throughout the Group and local management has fully embraced these continuing initiatives to reduce costs and rationalize operational procedures.

Management expects the coming two quarters to post record-high revenues and is committed to the forecasted FY14 target of EUR 250 million in revenues with an EBIT margin of 8%.

A key part of the Group's return to sustained growth will come from the Americas, where both Cavotec's North America and Brazil operations are well positioned to capitalise on new opportunities in their region. Other BRIC countries are also forecasting continued growth, especially with the expected strong development across several of our market segments for China and India.

Ports & Maritime remained the largest MU representing 44.5% of the Group's overall revenues. This is a slight increase compared to the same period last year, reflecting the success booked during the quarter with significant MoorMaster and AMP orders. Looking ahead this MU is set to continue its growth path as both our range of innovations as well as the traditional Ports & Maritime range of systems continues to attract interest from existing and potential customers around the world.

In 1Q14 the Airports MU contracted by 5%, representing 21.5% of Group revenues for the quarter. Management expects this MU to remain strong and continue to grow in light of the continued investment in airport new builds and infrastructure upgrades, especially across the Middle and Far East regions.

Mining & Tunnelling represented 13.7% of the Group's 1Q14 revenues, reflecting the forecasted weaker demand for mining equipment for hard rock mining applications. Going forward, innovations such as HOI and other RRC related equipment for other mining applications could possibly partially offset the overall softening in this MU.

General Industry's contribution to quarterly revenues increased slightly compared to 1Q13. Forecast for the MU remains stable with growth opportunities coming from the defense and EV market.

THE REGIONS

The Americas region had an excellent order intake in the first quarter, amounting to EUR 32,431 thousands including the previously announced MoorMaster order in Canada. Order Intake increased with 37.1% compared to 1Q13 resulting in a book-to-bill ratio of 5.39. Gross operating result was negative at EUR 3,747 thousands.

Revenues in Europe amounted to EUR 32,441 compared to EUR 40,641 in the same period last year, which was positively affected by large deliveries of MoorMaster. Order intake grew strongly to EUR 55,548 and the book-to-bill ratio came in at 1.71. Gross Operating Result amounted to EUR 1,759 thousands, the highest such result compared to the other regions.

Revenues for the Middle East, Africa & India region reached EUR 5,571 thousands, a decline from the 1Q13 result of EUR 7,129 thousands. Despite this downturn in revenues the region succeeded to turnaround a Gross Operating Result loss in 1Q13 to a profit in 1Q14, ending at EUR 680 thousands.

Far East revenues grew strongly with a significant contribution from our innovations such as AMP Systems, amounting to a total of EUR 10,923 thousands. This is an increase of 21.3% compared to 1Q13 revenues of EUR 9,007 thousands. Gross Operating Result remained at a stable level, reaching EUR 1,148 thousands compared to EUR 1,057 thousands in 1Q13.

Oceania's order intake developed positively with a growth of 33.3%, amounting to EUR 4,485 thousands with a book-to-bill ratio of 1.65. The Mining & Tunnelling MU, characterised

previously by a lowering demand saw an upturn in activity, with almost a doubling of order intake in this period compared to the same period last year. Revenues reached EUR 2,712 thousands and the region reversed a Gross Operating Result loss in 1Q13 to a break-even situation for 1Q14.

Quarterly results

REVENUES, EARNINGS AND PROFITABILITY

Revenues amounted to EUR 40,536 thousands compared to EUR 53,176 thousands in the same quarter last year. The reduction of day-to-day business was partially compensated by the strengthening of the gross margin. As a consequence, operating result was negative at EUR 1,547 thousands compared to positive EUR 662 thousands in 1Q13. After deducting litigation and restructuring costs, adjusted operating results was negative at EUR 627 thousands.

Financial items were higher in 1Q14 compared to 1Q13 due to negative exchange fluctuations stemming from the strengthening of the EUR. Taxes were positive due to deferred tax in some countries. Net loss amounted to EUR 275 thousands while in 1Q13 the net profit ended at EUR 331 thousands.

CASH FLOW

Operating cash flow amounted to negative EUR 1,889 thousands compared to negative EUR 6,493 thousands in 1Q13. CAPEX was limited in the first quarter as investing activities amounted to EUR 387 thousands compared to EUR 695 thousands in 1Q13.

NET DEBT

Net debt increased to EUR 38,574 thousands from 36,070 thousands as a consequence of the negative operating cash flow. As a result of the cash flow and lower profitability the last twelve months rolling leverage ratio increased to 2.94x (FY13: 2.40x). Net debt/equity ratio stands at 35.8% compared to 33.2% at the year end.

EMPLOYEES

Cavotec strengthened the workforce in almost all regions, 12 persons were employed in the quarter. On 31 March 2014 the Group had 1,013 full time equivalent people compared to 1,001 at 31 December 2013 and 910 at 31 March 2013.

Revenue from sales of goods and growth

EUR 000's	Revenues		Order Intake	
	1Q14	1Q13	1Q14	1Q13
Revenue from sales of goods	40,536	53,176	67,564	65,959
Increase/decrease	(12,640)	6,606	1,605	11,835
Percentage change	-23.8%	14.2%	2.4%	21.9%
Of which				
- Volumes and prices	-18.8%	13.8%	11.0%	21.8%
- Acquisitions/divestments	0.0%	0.5%	0.0%	0.5%
- Currency effects	-5.0%	-0.1%	-8.6%	-0.4%

Operating Segments

EUR 000's	Revenues					
	1Q14	1Q13	Change %	1Q14	1Q13	Change %
Americas	6,013	14,338	-58.1%	14.8%	27.0%	-12.2%
Europe	32,441	40,641	-20.2%	80.0%	76.4%	3.6%
Middle East, Africa & India	5,571	7,129	-21.9%	13.7%	13.4%	0.3%
Far East	10,923	9,007	21.3%	26.9%	16.9%	10.0%
Oceania	2,712	5,593	-51.5%	6.7%	10.5%	-3.8%
Inter-Group elimination	(17,124)	(23,532)	-	-	-	-
Total	40,536	53,176	-23.8%	100.0%	100.0%	

EUR 000's	Order Intake					
	1Q14	1Q13	Change %	1Q14	1Q13	Change %
Americas	32,431	23,652	37.1%	48.0%	35.9%	12.1%
Europe	55,548	45,234	22.8%	82.2%	68.6%	13.6%
Middle East, Africa & India	3,061	8,263	-63.0%	4.5%	12.5%	-8.0%
Far East	8,201	12,147	-32.5%	12.1%	18.4%	-6.3%
Oceania	4,485	3,365	33.3%	6.6%	5.1%	1.5%
Inter-Group elimination	(36,162)	(26,702)	-	-	-	-
Total	67,564	65,959	2.4%	100.0%	100.0%	

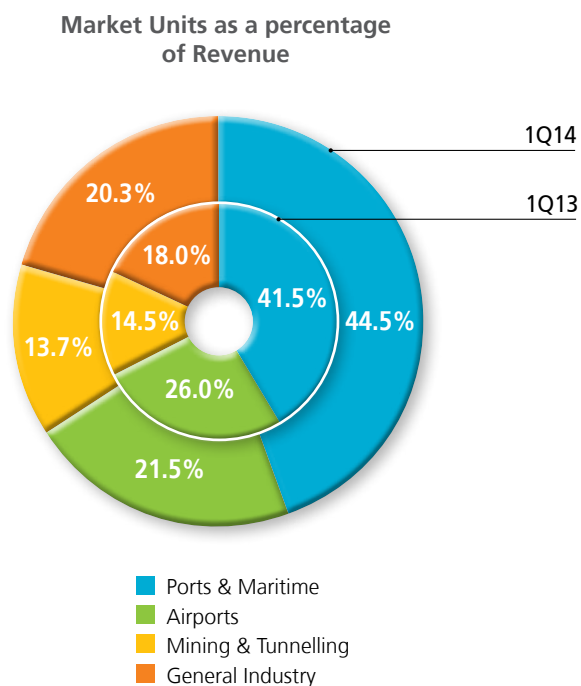
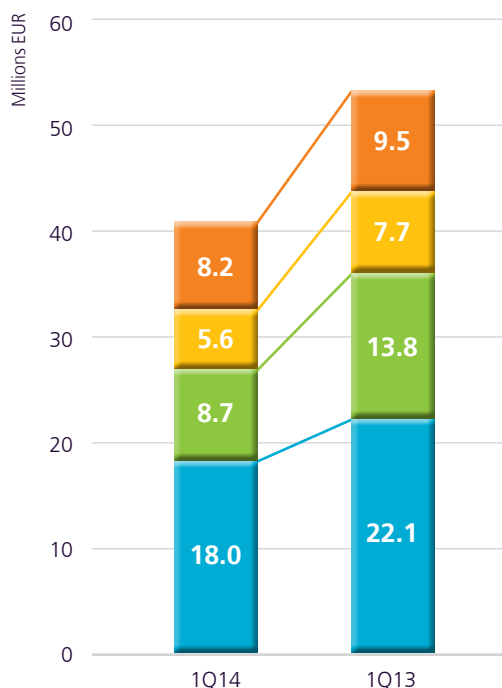
EUR 000's	Order Book			Book/Bill ratio	
	1Q14	1Q13	Change %	1Q14	1Q13
Americas	46,555	32,750	42.2%	5.39	1.65
Europe	97,607	60,176	62.2%	1.71	1.11
Middle East, Africa & India	19,674	23,905	-17.7%	0.55	1.16
Far East	36,631	35,500	3.2%	0.75	1.35
Oceania	5,146	9,215	-44.2%	1.65	0.60
Inter-Group elimination	(63,236)	(49,611)	-	-	-
Total	142,377	111,935	27.2%	1.67	1.24

Market Units

EUR 000's	Revenues			Percentage		
	1Q14	1Q13	Change %	1Q14	1Q13	Change %
Ports & Maritime	18,047	22,091	-18.3%	44.5%	41.5%	3.0%
Airports	8,714	13,823	-37.0%	21.5%	26.0%	-4.5%
Mining & Tunnelling	5,564	7,718	-27.9%	13.7%	14.5%	-0.8%
General Industry	8,211	9,544	-14.0%	20.3%	18.0%	2.3%
Total	40,536	53,176	-23.8%	100.0%	100.0%	

EUR 000's	Order Intake			Percentage		
	1Q14	1Q13	Change %	1Q14	1Q13	Change %
Ports & Maritime	41,181	22,729	81.2%	61.0%	34.5%	26.5%
Airports	11,566	23,750	-51.3%	17.1%	36.0%	-18.9%
Mining & Tunnelling	6,572	7,288	-9.8%	9.7%	11.0%	-1.3%
General Industry	8,245	12,192	-32.4%	12.2%	18.5%	-6.3%
Total	67,564	65,959	2.4%	100.0%	100.0%	

EUR 000's	Order Book			Book/Bill ratio	
	1Q14	1Q13	Change %	1Q14	1Q13
Ports & Maritime	87,451	54,290	61.1%	2.28	1.03
Airports	39,345	39,854	-1.3%	1.33	1.72
Mining & Tunnelling	7,304	6,632	10.1%	1.18	0.94
General Industry	8,277	11,159	-25.8%	1.00	1.28
Total	142,377	111,935	27.2%	1.67	1.24



Ports & Maritime

The Groups strongest MU recorded revenues in 1Q14 at EUR 18,047 thousands.

Order Intake increased with 81.3% compared to 1Q13, amounting to EUR 41,181 thousands.

Order Book at EUR 87,451 thousands with a book-to-bill ratio at 2.28x.

Accumulated Revenues

EUR 18,047 thousands



45%

Accumulated Order Intake

EUR 41,181 thousands



61%

Order Book

EUR 87,451 thousands



61%



Airports

Airports stood for more than 20% of the Groups revenues, amounting to EUR 8,714 thousands.

Order Intake reached EUR 11,566 thousands in 1Q14.

Order Book ended at EUR 39,345 thousands, book-to-bill ratio at 1.33x.

Accumulated Revenues
EUR 8,714 thousands



22%

Accumulated Order Intake
EUR 11,566 thousands



17%

Order Book
EUR 39,345 thousands



28%



Mining & Tunnelling

Mining & Tunnelling's revenues amounting to EUR 5,564 thousands in 1Q14.

The slowdown in the MU remained, Order Intake dropped 9.8%, amounting to EUR 6,572 thousands.

Order Book increased with 14.0% compared to FY13, ending at 7,304 thousands.

Accumulated Revenues

EUR 5,564 thousands



14%

Accumulated Order Intake

EUR 6,572 thousands



10%

Order Book

EUR 7,304 thousands



5%



General Industry

Lower day-to-day business resulted in a decrease of 14.0% in General Industry, amounting to EUR 8,211 thousands.

The MU recorded an Order Intake of EUR 8,245 thousands in 1Q14.

Stable Order Book compared to FY13, amounting to EUR 8,277 thousands.

Accumulated Revenues
EUR 8,211 thousands



20%

Accumulated Order Intake
EUR 8,245 thousands



12%

Order Book
EUR 8,277 thousands



6%



Consolidated Statement of Comprehensive Income

EUR 000's	Unaudited three months 31 Mar 2014	Unaudited three months 31 Mar 2013	Audited year 31 Dec 2013
Revenue from sales of goods	40,536	53,176	227,704
Other income	1,276	790	5,892
Raw materials and components	(17,496)	(29,020)	(119,010)
Employee benefit costs	(16,135)	(15,402)	(62,336)
Operating expenses	(8,738)	(7,920)	(37,223)
Gross Operating Result	(557)	1,624	15,027
Depreciation and amortisation	(990)	(962)	(4,521)
Operating Result	(1,547)	662	10,506
Interest income	12	26	60
Interest expenses	(380)	(297)	(1,280)
Currency exchange differences - net	(558)	98	(347)
Profit/(loss) before income tax	(2,473)	489	8,940
Income taxes	900	(158)	1,513
Profit/(loss) for the period	(1,573)	331	10,453
Other comprehensive income:			
Actuarial gain (loss)	-	-	(43)
Items that will not be reclassified to profit or loss	-	-	(43)
Currency translation differences	618	1,496	(5,692)
Items that may be subsequently reclassified to profit or loss	618	1,496	(5,692)
Other comprehensive income for the year, net of tax	618	1,496	(5,735)
Total comprehensive income for the period	(955)	1,827	4,717
Total comprehensive income attributable to:			
Equity holders of the Group	(972)	1,840	4,751
Non-controlling interest	17	(13)	(33)
Total	(955)	1,827	4,718
Profit (loss) attributed to:			
Equity holders of the Group	(1,590)	340	10,494
Non-controlling interest	17	(9)	(41)
Total	(1,573)	331	10,453
Basic and diluted earnings per share attributed to the equity holders of the Group	(0.022)	0.005	0.147
Average number of shares	71,332,700	71,332,700	71,332,700

Consolidated Balance Sheet

EUR 000's	Unaudited 31 Mar 2014	Unaudited 31 Mar 2013	Audited 31 Dec 2013
Assets			
Current assets			
Cash and cash equivalents	10,852	13,250	13,928
Trade receivables	45,319	54,079	48,705
Tax assets	1,309	912	1,253
Other current receivables	6,078	5,073	4,732
Inventories	48,344	45,875	40,110
Assets held for sale	2,213	-	2,213
Total current assets	114,115	119,189	110,941
Non-current assets			
Property, plant and equipment	26,591	28,878	26,861
Intangible assets	66,186	68,181	66,251
Non-current financial assets	54	145	57
Deferred tax assets	14,997	8,212	13,501
Other non-current receivables	2,001	2,558	2,026
Total non-current assets	109,829	107,974	108,696
Total assets	223,944	227,163	219,637
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(31)	(34)	-
Current financial liabilities	(4,517)	(4,757)	(4,654)
Trade payables	(38,489)	(43,859)	(31,526)
Tax liabilities	(1,689)	(3,863)	(2,724)
Provision for risk and charges, current	(4,129)	-	-
Other current liabilities	(10,887)	(13,829)	(11,834)
Total current liabilities	(59,742)	(66,342)	(50,738)
Non-current liabilities			
Non-current financial liabilities	(44,888)	(39,279)	(45,353)
Deferred tax liabilities	(4,425)	(4,480)	(4,298)
Other non-current liabilities	(805)	(1,114)	(704)
Provision for risk and charges, non-current	(6,272)	(7,270)	(9,775)
Total non-current liabilities	(56,388)	(52,143)	(60,130)
Total liabilities	(116,130)	(118,485)	(110,868)
Equity			
Equity attributable to owners of the parent	(107,801)	(108,780)	(108,773)
Non-controlling interests	(13)	102	4
Total equity	(107,814)	(108,678)	(108,769)
Total equity and liabilities	(223,944)	(227,163)	(219,637)

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 2013	(106,940)	110	(106,830)
(Profit) / loss for the period	(340)	9	(331)
Exchange differences on translation	(1,500)	4	(1,496)
Total comprehensive income and expenses	(1,840)	13	(1,827)
Capital increase	-	(21)	(21)
Transactions with shareholders	-	(21)	(21)
Balance as at 31 March 2013	(108,780)	102	(108,678)
Audited			
Balance as at 1 January 2013	(106,940)	110	(106,830)
(Profit) / loss for the period	(10,494)	41	(10,453)
Exchange differences on translation	5,700	(8)	5,692
Actuarial (gain) loss	43	-	43
Total comprehensive income and expenses	(4,751)	33	(4,718)
Capital reduction	2,918	-	2,918
Capital increase	-	(139)	(139)
Transactions with shareholders	2,918	(139)	2,779
Balance as at 31 December 2013	(108,773)	4	(108,769)
Unaudited			
Balance as at 1 January 2014	(108,773)	4	(108,769)
(Profit) / loss for the period	1,590	(17)	1,573
Exchange differences on translation	(618)	-	(618)
Actuarial (gain) loss	-	-	-
Total comprehensive income and expenses	972	(17)	(955)
Balance as at 31 March 2014	(107,801)	(13)	(107,814)

Consolidated Statement of Cash Flows - Indirect Method

EUR 000's	Unaudited three months 31 Mar 2014	Unaudited three months 31 Mar 2013	Audited year 31 Dec 2013
Profit /(loss) for the period	(1,573)	331	10,453
Adjustments for:			
Net interest expenses	302	218	1,013
Current taxes	422	1,097	5,253
Depreciation and amortisation	990	962	4,521
Deferred tax	(1,322)	(939)	(6,767)
Provision for risks and charges	1,009	383	2,155
Capital gain or loss on assets	(9)	(2)	46
Other items not involving cash flows	883	203	(23)
Interest paid	(333)	(201)	(970)
Taxes paid	(1,512)	(2,692)	(8,520)
	(430)	(971)	(3,292)
Cash flow before change in working capital	(1,143)	(640)	7,161
Impact of changes in working capital:			
Inventories	(8,967)	(6,650)	(164)
Trade receivables	3,525	(3,569)	2,154
Other current receivables	(1,346)	(1,667)	(1,137)
Trade payables	6,935	6,886	(6,389)
Other current liabilities	(918)	(640)	(2,657)
Long term receivables	25	(213)	319
Impact of changes involving working capital	(746)	(5,853)	(7,874)
Net cash inflow / (outflow) from operating activities	(1,889)	(6,493)	(713)
Financial activities:			
Increase of loans and borrowings	102	14,763	33,502
(Decrease) of loans and borrowings	(670)	(3,550)	(16,528)
Capital reduction	-	-	(2,918)
Items not involving cash flow	7	-	-
Net cash inflow from financial activities	(561)	11,213	14,056
Investing activities:			
Investments in property, plant and equipment	(437)	(723)	(4,162)
Investments in intangible assets	-	(9)	(1,113)
(Increase) decrease in non-current financial assets	3	8	96
Disposal of assets	47	29	76
Net cash outflow from investing activities	(387)	(695)	(5,103)
Cash at the beginning of the period	13,928	8,484	8,484
Cash flow for the period	(2,837)	4,025	8,240
Currency exchange differences	(270)	706	(2,796)
Cash at the end of the period	10,821	13,215	13,928
Cash comprises:			
Cash and cash equivalents	10,852	13,250	13,928
Bank overdrafts	(31)	(35)	-
Total	10,821	13,215	13,928

Segment information

EUR 000's	Americas	Europe	Middle East Africa & India	Far East	Oceania	HQ	Inter-Group elimination	Total
Unaudited								
Three months ended 31 March 2014								
Revenue from sales of goods	6,013	32,441	5,571	10,923	2,712	-	(17,124)	40,536
Other income	225	1,305	480	68	987	381	(2,170)	1,276
Operating expenses before depreciation and amortisation	(9,985)	(31,987)	(5,371)	(9,843)	(3,695)	(757)	19,269	(42,369)
Gross Operating Result	(3,747)	1,759	680	1,148	4	(376)	(25)	(557)
Unaudited								
Three months ended 31 March 2013								
Revenue from sales of goods	14,338	40,641	7,129	9,007	5,593	-	(23,532)	53,176
Other income	198	1,333	54	300	107	330	(1,533)	790
Operating expenses before depreciation and amortisation	(14,067)	(39,146)	(7,239)	(8,250)	(6,786)	(388)	23,534	(52,342)
Gross Operating Result	469	2,828	(55)	1,057	(1,086)	(58)	(1,531)	1,624
Audited								
Year ended 31 December 2013								
Revenue from sales of goods	52,042	174,036	32,740	51,198	17,639	-	(99,951)	227,704
Other income	2,160	6,630	(71)	37	4,885	1,507	(9,255)	5,892
Operating expenses before depreciation and amortisation	(62,668)	(164,829)	(31,541)	(45,655)	(22,124)	(1,968)	110,216	(218,569)
Gross Operating Result	(8,465)	15,837	1,127	5,580	400	(461)	1,011	15,027

Parent Company - Condensed Statement of Comprehensive Income

CAVOTEC SA EUR 000's	Unaudited three months 31 Mar 2014	Unaudited three months 31 Mar 2013	Audited year 31 Dec 2013
Dividend	-	-	439
Other income	162	148	588
Employee benefit costs	(258)	(357)	(767)
Operating expenses	(248)	(200)	(956)
Operating Result	(344)	(409)	(696)
Interest expenses - net	(7)	(6)	(26)
Currency exchange differences - net	1	-	29
Profit before income tax	(350)	(415)	(693)
Income taxes	(6)	(6)	(22)
Profit for the period	(356)	(421)	(715)
Other comprehensive income:			
Actuarial gain (loss)	-	-	(24)
Total comprehensive income for the period	(356)	(421)	(739)

Parent Company - Condensed Balance Sheet

CAVOTEC SA EUR 000's	Unaudited three months 31 Mar 2014	Unaudited three months 31 Mar 2013	Audited year 31 Dec 2013
Assets			
Current assets			
Cash and cash equivalents	-	-	16
Trade receivable	9	2	568
Tax assets	20	18	21
Other current receivables	160	156	3
Total current assets	189	176	608
Non-current assets			
Investment in subsidiary companies	98,447	98,447	98,447
Total non-current assets	98,447	98,447	98,447
Total assets	98,636	98,623	99,055
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(12,585)	(9,034)	(12,629)
Current financial liabilities	(1,845)	(1,845)	(1,845)
Trade payables	(56)	(46)	(113)
Other current liabilities	(39)	(87)	(103)
Total current liabilities	(14,525)	(11,012)	(14,690)
Non-current liabilities			
Provision for risks and charges	(102)	(78)	(102)
Current financial liabilities	(413)	(345)	(312)
Total non-current liabilities	(515)	(423)	(413)
Total liabilities	(15,040)	(11,435)	(15,103)
Equity	(83,596)	(87,188)	(83,952)
Total equity	(83,596)	(87,188)	(83,952)
Total equity and liabilities	(98,636)	(98,623)	(99,055)

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 6 May 2014.

Basis of preparation of financial statements

This interim report was prepared in accordance with IFRS, applying IAS 34 Interim Financial Reporting. The same accounting and valuation policies were applied in the most recent annual report with the exception of new and revised standards and interpretations effective from 1 January 2014. The new standards effective as of 2014 are IFRS 10, Consolidated Financial Statements, IFRS 11, Joint arrangements and IFRS 12, disclosure of Interests in Other Entities. The standards will not have any material impact on the consolidated accounts. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended in December 2013.

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 2013.

Noteworthy risks and uncertainties

There have been no changes to what was stated by Cavotec in its Annual Report for 2013 under Risk management.

On behalf of the Board
6 May 2014



Ottonel Popesco
Chief Executive Officer

Reporting dates 2014

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

The 2Q14 Quarterly Report will be published on 6 August 2014.

Forward-looking statements

Some statements in this report are forward-looking, and the actual outcome could be materially different. In addition to the factors explicitly discussed, other factors could have a material effect on the actual outcome. Such factors include, but are not limited to, general business conditions, fluctuations in exchange rates and interest rates, political developments, the impact of competing products and their pricing, product development, commercialisation and technological difficulties, interruptions in supply, and major customer credit losses.

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