



Cavotec - 3rd Quarter Report 2014



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- Revenues increased 29.8% to EUR 67,360 thousands in 3Q14 (3Q13: 51,891).
- Adjusted operating result (EBIT) was EUR 8,634 thousands in the quarter compared to EUR 3,460 thousands in 3Q13.
- Order Intake decreased 7.5% in the quarter compared to the same quarter of previous year to EUR 53,144 thousands (3Q13: 57,434).
- Order Book increased 17.2% to EUR 124,871 thousands (9M13: 106,535).
- Book to bill ratio was 1.07x in the 9M.

A comment from our CEO

Cavotec's 3Q14 highlights that the company is delivering on the previously communicated targets and commitments with revenues amounting to EUR 67,4 million, an increase of 27.8% compared to 2Q14 and 29.8% above the same period last year.

Following several volatile quarters, the solid revenue development and robust margins for this quarter underline our previous guidance and brings Cavotec fully on track to meet its adjusted FY14 targets. Our order book remains strong at EUR 124,9 million with a healthy mix of day-to-day and larger projects. The strong 3Q14 result also ensures that all the Company's bank covenants are in compliance.

In September we completed a capital increase of SEK 187 million (approx. EUR 20 million) and welcomed Bure Equity AB as a new major shareholder of Cavotec. I am pleased with this milestone in our history, as Bure's extensive experience will make them a great strategic partner to the Company going forward.

Over the past months I have focused internally to introduce far-reaching changes, to strengthen focus and trust in Cavotec's management and to increase our efficiency, productivity and, most importantly, profitability.

As a first step we have started implementation of a new, streamlined organizational structure. As part of this new organization our current regional framework will be replaced by three larger areas of responsibility: EMEA (Europe, Middle East & Africa), APAC (Asia Pacific), and AMER (Americas). This includes the appointment of two of Cavotec's most capable and experienced managers as regional COOs, each with full bottom-line responsibility for their respective region. For the time being I will personally oversee the AMER region, focussing on resolving our immediate challenges at Cavotec INET and developing a long-term growth strategy for this important region. This new organisation will come into full effect on 1 January 2015.

Secondly, we have launched an extensive profit improvement plan aimed at reducing our annual operational costs. Several aspects of this plan have already been initiated with the full support of the entire organisation and I am confident it will bring renewed focus on Cavotec's core values and common-sense approach to management and cost control. Furthermore, building on the experiences gained following the release of our 2Q14 report I have commissioned an internal review of our governance procedures to ensure we operate according to best-practice when communicating with the market.

The third, and most crucial aspect when looking ahead is the strengthening trends in our most important markets. Thanks to the proactive steps taken and the diligence of our corporate and local management the Company is perfectly positioned to capitalize on these resurging markets.

LOOKING AHEAD

I fully expect our most important Market Units (MUs) to set a positive trend for the coming quarters, spearheaded by a resurgent Airports MU. Other areas will continue to be affected somewhat by on-going economic turbulence and local market dynamics.

At Cavotec INET we have continued the progress made in preceding quarters, strengthening the organisation and focussing on bringing to market new products and systems such as the new electrical converter launched at the beginning of October. I am also pleased to see that, thanks to the advances made by our engineers at Cavotec INET, we are now able to meet the very stringent technical specifications requested by some of the world's most advanced airports such as Dubai International Airport. These significant advances coupled with strengthened, well-supported management, engineering and service teams will ensure that Cavotec INET starts to positively contribute to our overall results by next year.

Growth opportunities will also come from our core innovations MoorMaster™ and AMP (Alternative Maritime Power) systems. Both these systems have successfully grown their market share over the last years and are set to continue this trend going forward. Other more recent innovations, such as HOI (Human Operator Interfaces) and EV (Electrical Vehicles) technologies are also positioned for future growth.

Cavotec is a well-established company and I am confident that we will reach our adjusted FY14 revenues target of EUR 225 to 235 million with an EBIT margin of approximately 6%.

THE REGIONS

The Americas reached breakeven at the gross operating result level for 3Q14 and the region had the largest increase in both revenues and order intake compared to the other regions. Revenues amounted to EUR 18,197 thousands, up 65.3% compared to the same period last year and order intake amounted to EUR 13,454 thousands, up 150.3%. Book to bill ratio ended at 1.70x.

Europe had an excellent quarter with a gross operating result at EUR 6,197 thousands, an increase of 60.4% compared to 3Q13. Revenues were up 40.8% at EUR 53,367 thousands with the largest increase coming from Ports & Maritime.

The Middle East, Africa & India region recorded a gross operating result of EUR 842 thousands, compared to EUR 49 thousands in 3Q13. Revenues were up 8.8%, ending at EUR 7,059 thousands in the quarter while order intake was lower than that in the corresponding period last year when a large MoorMaster™ order was recorded for the Transnet National Port Authority in South Africa.

Far East recorded an increase of 20.4% in order intake for 3Q14, amounting to EUR 12,998 thousands. The increase came both from the Ports & Maritime and Airports MUs. Gross operating result in 3Q14 amounted to EUR 1,538 thousands, the second highest in the Group.

Oceania had a very good quarter with a gross operating result of EUR 668 thousands. Order intake increased with 67.9%, amounting to EUR 4,805 thousands in 3Q14. The biggest contribution came from the Mining & Tunnelling and Ports & Maritime MUs. Book to bill ratio was 1.27x.

Quarterly results**REVENUES, EARNINGS AND PROFITABILITY**

Revenues increased by 29.8% compared to 3Q13 to EUR 67,360 thousands. As a result, operating result in the quarter was EUR 7,641 thousands compared to EUR 3,025 thousands in the same quarter of 2013. Adjusted operating result, after deducting litigation and restructuring costs, reached EUR 8,634 thousands compared to EUR 3,460 thousands in 3Q13.

Interest expenses increased to EUR 1,067 thousands (3Q13: EUR 294 thousands) due to the high level of indebtedness and increased borrowing costs due to higher leverage. Currency exchange reached a positive result of EUR 4,172 thousands in quarter, mainly due to the weakness of euro.

Profit before tax was EUR 10,752 thousands (3Q13: profit EUR 2,159 thousands) and net profit for the quarter increased to EUR 9,539 thousands compared to a profit of EUR 2,914 thousands in 3Q13.

Nine-month results

9M14 revenues reached EUR 160,586 thousands, a 6.9% decrease compared to 9M13, of which a negative 3.4% was due to adverse exchange rate fluctuations. Adjusted operating result, after excluding litigation and restructuring costs amounted to EUR 8,420 thousands compared with EUR 11,572 in 9M13, while operating result amounted to EUR 6,048 thousands compared with EUR 10,294 in 9M13. This decrease was mainly due to lower volumes and an increase in employee benefit costs.

Financial items were positive at EUR 1,936 thousands compared to loss of EUR 918 thousands in 9M13, mainly due to positive exchange fluctuations off-set with higher interest expense. Net profit ended at EUR 6,542 thousands.

CASH FLOW

In 3Q14 operating cash flow turned positive at EUR 3,495 thousands due to the good level of profitability of the quarter. 9M14 operating cash flow was negative at EUR 1,651 thousands with a continuous improvement from the previous quarter. Financial activities ended at positive EUR 458 thousands in 3Q14 and EUR 6,800 thousands in 9M14 due to the proceeds of the capital increase, including the effect of the capital reduction of EUR 2,918 thousands and net proceeds of EUR 20,260 thousands. Investing activities ended at EUR 892 thousands in 3Q14 and EUR 2,235 thousands in 9M14, the increase was due to develop of new MoorMaster™ products.

NET DEBT

Net debt amounted to EUR 19,987 thousands in 9M14, a decrease compared to EUR 42,271 thousands in the previous quarter due to the increase of capital. The reduction of net debt and the improvement of profitability had a positive effect on the covenants. Leverage ratio decreased to 1.8 and interest coverage increased to 4.33, both are in compliance.

SHARE CAPITAL

On 15th September 2014 Cavotec issued 7,138,780 new shares to a strategic partner with net proceeds of EUR 20.26 million. Following the directed share issue from authorised capital, the total number of shares and votes in Cavotec increased to 78,536,000. The transaction increased Cavotec's issued share capital by CHF 10.2 million (approx. EUR 8.5 million) and the share premium reserve by CHF 14.3 million (approx. EUR 11.8 million).

EMPLOYEES

Cavotec employed 1,017 FTE employees, including external employees, as of 30 September, 2014.

Revenue from sales of goods and growth

EUR 000's	Revenues			
	3Q14	3Q13	9M14	9M13
Revenue from sales of goods	67,360	51,891	160,586	172,485
Increase/decrease	15,469	(16)	(11,899)	19,296
Percentage change	29.8%	0.0%	-6.9%	12.6%
Of which				
- Volumes and prices	31.6%	3.6%	-3.5%	14.6%
- Acquisitions/divestments	0.0%	0.4%	0.0%	0.4%
- Currency effects	-1.8%	-4.2%	-3.4%	-2.4%

EUR 000's	Order Intake			
	3Q14	3Q13	9M14	9M13
Order Intake	53,144	57,434	171,366	181,316
Increase/decrease	(4,290)	(1,678)	(9,950)	17,445
Percentage change	-7.5%	-2.8%	-5.5%	10.6%
Of which				
- Volumes and prices	-9.1%	1.0%	-3.5%	12.7%
- Acquisitions/divestments	0.0%	0.0%	0.0%	0.3%
- Currency effects	1.6%	-3.8%	-2.0%	-2.4%

Operating Segments

EUR 000's	Revenues					
	3Q14	3Q13	Change %	9M14	9M13	Change %
Americas	18,197	11,007	65.3%	33,309	40,971	-18.7%
Europe	53,367	37,908	40.8%	131,170	132,723	-1.2%
Middle East, Africa & India	7,059	6,487	8.8%	17,151	24,986	-31.4%
Far East	13,901	16,026	-13.3%	37,104	37,505	-1.1%
Oceania	4,026	(565)	812.6%	10,972	13,879	-20.9%
Inter-Group elimination	(29,190)	(18,972)	-	(69,120)	(77,579)	-
Total	67,360	51,891	29.8%	160,586	172,485	-6.9%

EUR 000's	Order Intake					
	3Q14	3Q13	Change %	9M14	9M13	Change %
Americas	13,454	5,374	150.3%	56,684	38,191	48.4%
Europe	34,060	50,938	-33.1%	131,339	148,507	-11.6%
Middle East, Africa & India	6,380	15,561	-59.0%	11,717	29,149	-59.8%
Far East	12,998	10,795	20.4%	34,104	37,007	-7.8%
Oceania	4,805	2,861	67.9%	13,910	9,731	42.9%
Inter-Group elimination	(18,553)	(28,095)	-	(76,388)	(81,269)	-
Total	53,144	57,434	-7.5%	171,366	181,316	-5.5%

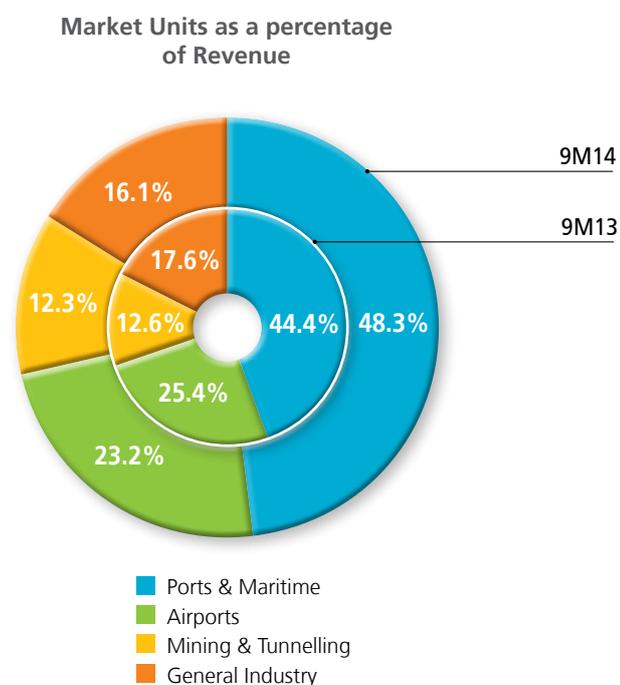
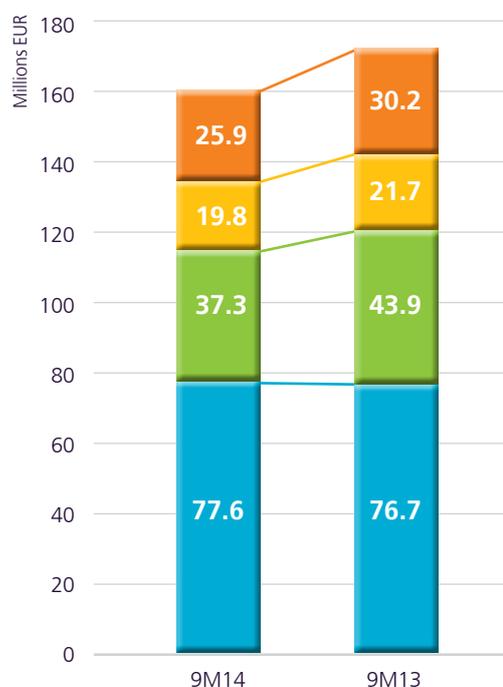
EUR 000's	Order Book			Book/Bill ratio	
	9M14	9M13	Change %	9M14	9M13
Americas	42,962	19,481	120.5%	1.70	0.93
Europe	74,407	71,293	4.4%	1.00	1.12
Middle East, Africa & India	16,451	26,744	-38.5%	0.68	1.17
Far East	36,106	31,827	13.4%	0.92	0.99
Oceania	3,786	4,326	-12.5%	1.27	0.70
Inter-Group elimination	(48,841)	(47,136)	-	-	-
Total	124,871	106,535	17.2%	1.07	1.05

Market Units

EUR 000's	Revenues					
	3Q14	3Q13	Change %	9M14	9M13	Change %
Ports & Maritime	32,862	22,282	47.5%	77,631	76,698	1.2%
Airports	18,149	12,602	44.0%	37,305	43,864	-15.0%
Mining & Tunnelling	7,205	6,621	8.8%	19,770	21,731	-9.0%
General Industry	9,144	10,386	-12.0%	25,880	30,192	-14.3%
Total	67,360	51,891	29.8%	160,586	172,485	-6.9%

EUR 000's	Order Intake					
	3Q14	3Q13	Change %	9M14	9M13	Change %
Ports & Maritime	22,273	30,261	-26.4%	91,667	79,282	15.6%
Airports	16,113	10,246	57.3%	34,467	46,193	-25.4%
Mining & Tunnelling	5,709	7,426	-23.1%	19,133	22,857	-16.3%
General Industry	9,049	9,501	-4.8%	26,099	32,984	-20.9%
Total	53,144	57,434	-7.5%	171,366	181,316	-5.5%

EUR 000's	Order Book			Book/Bill ratio	
	9M14	9M13	Change %	9M14	9M13
Ports & Maritime	77,788	54,841	41.8%	1.18	1.03
Airports	33,244	32,207	3.2%	0.92	1.05
Mining & Tunnelling	5,400	8,188	-34.0%	0.97	1.05
General Industry	8,439	11,299	-25.3%	1.01	1.09
Total	124,871	106,535	17.2%	1.07	1.05



Ports & Maritime

The Ports & Maritime MU increased revenues by 47.5%, the highest increase of all the MUs for the quarter, amounting to EUR 32,862 thousands.

Order intake in 3Q14 amounted to EUR 22,273 thousands.

The MU had the highest book to bill ratio at 1.18x while the order book amounted to EUR 77,788 thousands.

Accumulated Revenues
EUR 77,631 thousands



Accumulated Order Intake
EUR 91,667 thousands



Order Book
EUR 77,788 thousands



Airports

The Airports MU increased with 44.0% in 3Q14, amounting to EUR 18,149 thousands.

The MU had the highest order intake increase in 3Q14, 57.3%, amounting to EUR 16,113 thousands.

Order book increased to EUR 33,244 thousands.

Accumulated Revenues

EUR 37,305 thousands



23%

Accumulated Order Intake

EUR 34,467 thousands



20%

Order Book

EUR 33,244 thousands



27%



Mining & Tunnelling

Despite difficult market conditions, the Mining & Tunnelling MU had a positive development in 3Q14, up 8.8% to EUR 7,205 thousands.

Order intake declined to EUR 5,709 thousands.

Order book ended at EUR 5,400 thousands, with a book-to-bill ratio at 0.97x.

Accumulated Revenues
EUR 19,770 thousands



12%

Accumulated Order Intake
EUR 19,133 thousands



11%

Order Book
EUR 5,400 thousands



4%



General Industry

General Industry revenues in 3Q14 amounted to EUR 9,144 thousands, compared to EUR 10,386 thousands in 3Q13.

Order intake amounted to EUR 9,049 thousands in 3Q14, down 4.8%.

The MU had a positive book to bill ratio at 1.01x, with an order book at EUR 8,439 thousands.

Accumulated Revenues
EUR 25,880 thousands



16%

Accumulated Order Intake
EUR 26,099 thousands



15%

Order Book
EUR 8,439 thousands



7%



Consolidated Statement of Comprehensive Income

EUR 000's	Unaudited three months 30 Sep 2014	Unaudited three months 30 Sep 2013	Unaudited nine months 30 Sep 2014	Unaudited nine months 30 Sep 2013	Audited year 31 Dec 2013
Revenue from sales of goods	67,360	51,891	160,586	172,485	227,704
Other income	1,563	2,150	4,471	4,158	5,892
Raw materials and components	(33,351)	(25,840)	(78,373)	(89,575)	(119,010)
Employee benefit costs	(16,229)	(14,897)	(48,620)	(45,931)	(62,336)
Operating expenses	(10,619)	(9,260)	(28,889)	(27,795)	(37,223)
Gross Operating Result	8,724	4,044	9,175	13,342	15,027
Depreciation and amortisation	(1,083)	(1,019)	(3,127)	(3,048)	(4,521)
Operating Result	7,641	3,025	6,048	10,294	10,506
Interest income	6	27	34	62	60
Interest expenses	(1,067)	(294)	(1,899)	(914)	(1,279)
Currency exchange differences - net	4,172	(599)	3,801	(66)	(347)
Profit before income tax	10,752	2,159	7,984	9,376	8,940
Income taxes	(1,213)	755	(1,442)	(1,420)	1,513
Profit for the period	9,539	2,914	6,542	7,956	10,453
Other comprehensive income:					
Actuarial gain (loss)	-	-	-	-	(43)
Items that will not be reclassified to profit or loss	-	-	-	-	(43)
Currency translation differences	4,752	(1,328)	3,180	(3,761)	(5,692)
Items that may be subsequently reclassified to profit / (loss)	4,752	(1,328)	3,180	(3,761)	(5,692)
Other comprehensive income for the year, net of tax	4,752	(1,328)	3,180	(3,761)	(5,735)
Total comprehensive income for the period	14,291	1,586	9,722	4,196	4,718
Total comprehensive income attributable to:					
Equity holders of the Group	14,320	1,566	9,732	4,233	4,751
Non-controlling interest	(29)	21	(10)	(37)	(33)
Total	14,291	1,586	9,722	4,196	4,718
Profit attributed to:					
Equity holders of the Group	9,538	2,904	6,551	8,015	10,494
Non-controlling interest	1	10	(9)	(59)	(41)
Total	9,539	2,914	6,542	7,956	10,453
Basic and diluted earnings per share attributed to the equity holders of the Group	0.131	0.041	0.091	0.112	0.147
Average number of shares	72,574,227	71,332,700	71,751,090	71,332,700	71,332,700

Consolidated Balance Sheet

EUR 000's	Unaudited 30 Sep 2014	Unaudited 30 Sep 2013	Audited 31 Dec 2013
Assets			
Current assets			
Cash and cash equivalents	20,460	13,583	13,928
Trade receivables	50,002	45,584	48,705
Tax assets	927	906	1,253
Other current receivables	5,617	5,285	4,732
Inventories	50,774	45,976	40,110
Assets held for sale	2,082	2,215	2,213
Total current assets	129,862	113,549	110,941
Non-current assets			
Property, plant and equipment	27,060	25,283	26,861
Intangible assets	68,395	66,303	66,251
Non-current financial assets	255	65	57
Deferred tax assets	17,935	10,060	13,501
Other non-current receivables	2,384	2,518	2,026
Total non-current assets	116,029	104,229	108,696
Total assets	245,891	217,778	219,637
Equity and Liabilities			
Current liabilities			
Bank overdrafts	-	(66)	-
Current financial liabilities	(2,763)	(4,651)	(4,654)
Trade payables	(38,819)	(31,376)	(31,526)
Tax liabilities	(4,232)	(3,774)	(2,724)
Provision for risk and charges, current	(6,014)	-	-
Other current liabilities	(10,235)	(10,939)	(11,834)
Total current liabilities	(62,063)	(50,806)	(50,738)
Non-current liabilities			
Non-current financial liabilities	(37,694)	(44,342)	(45,353)
Deferred tax liabilities	(4,763)	(4,551)	(4,298)
Other non-current liabilities	(932)	(1,096)	(704)
Provision for risk and charges, non-current	(4,824)	(8,876)	(9,775)
Total non-current liabilities	(48,213)	(58,865)	(60,130)
Total liabilities	(110,276)	(109,671)	(110,868)
Equity			
Equity attributable to owners of the parent	(135,629)	(108,254)	(108,773)
Non-controlling interests	14	147	4
Total equity	(135,615)	(108,107)	(108,769)
Total equity and liabilities	(245,891)	(217,778)	(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	(8,015)	59	(7,956)
Exchange differences on translation	3,783	(22)	3,761
Total comprehensive income and expenses	(4,233)	37	(4,195)
Capital reduction	2,918	-	2,918
Transactions with shareholders	2,918	-	2,918
Balance as at 30 September 2013	(108,255)	147	(108,107)
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 for the period	(6,551)	9	(6,542)
Exchange differences on translation	(3,181)	1	(3,180)
Total comprehensive income and expenses	(9,732)	10	(9,722)
Capital reduction	2,918	-	2,918
Capital increase	(20,260)	-	(20,260)
Put option on Cavotec India shares	219	-	219
Transactions with shareholders	(17,123)	-	(17,123)
Balance as at 30 September 2014	(135,629)	14	(135,615)

Consolidated Statement of Cash Flows - Indirect Method

EUR 000's	Unaudited three months 30 Sep 2014	Unaudited three months 30 Sep 2013	Unaudited nine months 30 Sep 2014	Unaudited nine months 30 Sep 2013	Audited year 31 Dec 2013
Profit for the period	9,539	2,914	6,542	7,956	10,453
Adjustments for:					
Net interest expenses	526	225	1,205	705	1,013
Current taxes	2,128	1,025	4,017	4,294	5,253
Depreciation and amortisation	1,083	1,019	3,127	3,048	4,521
Deferred tax	(962)	(1,780)	(3,071)	(2,874)	(6,767)
Provision for risk and charges	343	1,271	2,773	2,427	2,155
Capital gain or loss on assets	(22)	22	(108)	15	46
Other items not involving cash flows	(3,378)	255	(2,492)	359	(23)
Interest paid	(457)	(226)	(1,173)	(708)	(970)
Taxes paid	(603)	(668)	(2,183)	(6,164)	(8,520)
	(1,342)	1,143	2,095	1,102	(3,292)
Cash flow before change in working capital	8,197	4,057	8,637	9,058	7,161
Impact of changes in working capital:					
Inventories	4,021	(475)	(12,833)	(6,938)	(164)
Trade receivables	(4,079)	7,923	(1,430)	4,613	2,154
Other current receivables	1,839	355	(863)	(1,676)	(1,137)
Trade payables	(5,512)	(9,513)	7,163	(5,619)	(6,389)
Other current liabilities	(246)	(330)	(1,633)	(3,521)	(2,657)
Long term receivables and liabilities	(725)	(270)	(692)	(173)	319
Impact of changes involving working capital	(4,702)	(2,310)	(10,288)	(13,314)	(7,874)
Net cash inflow / (outflow) from operating activities	3,495	1,747	(1,651)	(4,256)	(713)
Financial activities:					
Increase of loans and borrowings	375	6,390	444	28,743	33,502
Decrease of loans and borrowings	(17,259)	(3,876)	(10,986)	(12,331)	(16,528)
Capital reduction	(2,918)	(2,918)	(2,918)	(2,918)	(2,918)
Capital increase	20,260	-	20,260	-	-
Acquisition	-	(353)	-	(353)	-
Net cash inflow / (outflow) from financial activities	458	(757)	6,800	13,141	14,056
Investing activities:					
Investments in property, plant and equipment	(485)	(451)	(1,662)	(1,854)	(4,162)
Investments in intangible assets	(653)	-	(908)	-	(1,113)
(Increase) / Decrease in non-current financial assets	199	72	18	88	96
Disposal of assets	47	13	317	59	76
Net cash outflow from investing activities	(892)	(366)	(2,235)	(1,707)	(5,103)
Cash at the beginning of the period	14,011	13,279	13,928	8,484	8,484
Cash flow for the period	3,061	624	2,914	7,178	8,240
Currency exchange differences	3,387	(386)	3,618	(2,144)	(2,796)
Cash at the end of the period	20,460	13,517	20,460	13,517	13,928
Cash comprises:					
Cash and cash equivalents	20,460	13,583	20,460	13,583	13,928
Bank overdrafts	-	(66)	-	(66)	-
Total	20,460	13,517	20,460	13,517	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 30 September 2014								
Revenue from sales of goods	18,197	53,367	7,059	13,901	4,026	-	(29,190)	67,360
Other income	744	1,566	398	615	1,478	330	(3,568)	1,563
Operating expenses before depreciation and amortisation	(18,949)	(48,736)	(6,615)	(12,978)	(4,836)	(270)	32,185	(60,199)
Gross Operating Result	(8)	6,197	842	1,538	668	60	(573)	8,724
Unaudited								
Three months ended 30 September 2013								
Revenue from sales of goods	11,007	37,908	6,487	16,026	(565)	-	(18,972)	51,891
Other income	1,385	1,278	(78)	(150)	3,025	248	(3,558)	2,150
Operating expenses before depreciation and amortisation	(15,071)	(35,323)	(6,360)	(12,840)	(3,174)	(659)	23,430	(49,997)
Gross Operating Result	(2,679)	3,863	49	3,036	(714)	(411)	900	4,044
Unaudited								
Nine months ended 30 September 2014								
Revenue from sales of goods	33,309	131,170	17,151	37,104	10,972	-	(69,120)	160,586
Other income	1,422	4,643	1,186	782	3,682	1,080	(8,324)	4,471
Operating expenses before depreciation and amortisation	(42,091)	(123,982)	(16,897)	(34,401)	(13,333)	(1,802)	76,624	(155,882)
Gross Operating Result	(7,360)	11,831	1,440	3,485	1,321	(722)	(820)	9,175
Unaudited								
Nine months ended 30 September 2013								
Revenue from sales of goods	40,971	132,723	24,986	37,505	13,879	-	(77,579)	172,485
Other income	1,806	4,666	(188)	63	3,430	899	(6,518)	4,158
Operating expenses before depreciation and amortisation	(46,774)	(124,484)	(23,643)	(31,870)	(18,167)	(2,700)	84,337	(163,301)
Gross Operating Result	(3,997)	12,905	1,155	5,698	(858)	(1,801)	240	13,342
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

Review opinion



Report on the Review of
Interim consolidated financial statements
to the Board of Directors of
Cavotec SA
Lugano

Introduction

We have reviewed the accompanying interim consolidated financial statements on pages 10 to 14 (balance sheet, statement of comprehensive income, cash flow statement, statement of changes in equity and notes) of Cavotec SA for the nine months period ended 30 September 2014. The Board of Directors is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

PricewaterhouseCoopers SA

Daniel Ketterer

Efreem Dell'Era

Lugano, 6 November 2014

Enclosure:

- Interim consolidated financial statements (balance sheet, statement of comprehensive income, cash flow statement, statement of changes in equity and notes)

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Parent Company - Condensed Statement of Comprehensive Income

CAVOTEC SA	Unaudited three months 30 Sep 2014	Unaudited three months 30 Sep 2013	Unaudited nine months 30 Sep 2014	Unaudited nine months 30 Sep 2013	Audited year 31 Dec 2013
EUR 000's					
Dividend	176	439	176	439	439
Other income	160	143	481	439	588
Employee benefit costs	(190)	(405)	(798)	(1,013)	(767)
Operating expenses	(214)	(224)	(719)	(757)	(956)
Operating Result	(68)	(47)	(860)	(892)	(696)
Interest expenses - net	(8)	(7)	(22)	(19)	(26)
Currency exchange differences - net	(23)	27	(23)	29	29
Profit / (loss) before income tax	(99)	(27)	(905)	(882)	(693)
Income taxes	(10)	(6)	(22)	(17)	(22)
Profit / (loss) for the period	(109)	(33)	(927)	(899)	(715)
Other comprehensive income:					
Actuarial gain (loss)	-	-	-	-	(24)
Total comprehensive income for the period	(109)	(33)	(927)	(899)	(739)

Parent Company - Condensed Balance Sheet

CAVOTEC SA	Unaudited nine months 30 Sep 2014	Unaudited nine months 30 Sep 2013	Audited year 31 Dec 2013
EUR 000's			
Assets			
Current assets			
Cash and cash equivalents	2,619	18	16
Trade receivable	2	2	568
Tax assets	14	18	21
Other current receivables	458	435	3
Total current assets	3,093	473	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	101,540	98,920	99,055
Equity and Liabilities			
Current liabilities			
Bank overdrafts	-	(12,266)	(12,629)
Current financial liabilities	-	(1,845)	(1,845)
Trade payables	(291)	(61)	(113)
Other current liabilities	(136)	(172)	(103)
Total current liabilities	(427)	(14,344)	(14,690)
Non-current liabilities			
Provision for risks and charges, non-current	(102)	(78)	(102)
Other non-current liabilities	(644)	(707)	(311)
Total non-current liabilities	(746)	(785)	(413)
Total liabilities	(1,173)	(15,129)	(15,103)
Equity	(100,367)	(83,791)	(83,952)
Total equity	(100,367)	(83,791)	(83,952)
Total equity and liabilities	(101,540)	(98,920)	(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 November 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 group has adopted IFRIC 21 'Levies'. IFRIC 21 addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 'Provisions', what the obligating event is that gives rise to pay a levy, and when should a liability be recognised. The group is not currently subject to significant levies. The adoption of the interpretation has had no effect on the financial statements for earlier periods and on the interim financial statements for the period ended 30 September 2014. The group does not expect IFRIC 21 to have a significant effect on the results for the financial year ending 31 December 2014. Other amendments to IFRSs effective for the financial year ending 31 December 2014 are not expected to have a material impact on the group.

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.

Legal disputes

The litigation with Mike Colaco is progressing with the first hearing adjourned to 17 November 2014. The trial is expected to last several weeks.

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 November 2014



Ottonel Popesco
Chief Executive Officer

Reporting dates 2014

The 4Q14 Quarterly Report will be published on 26 February 2015.

Forward-looking statements

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

Analysts & Media

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