

**4Q**  
**2014**

# Cavotec – 4th Quarter Report 2014 and full year 2014 summary



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- Revenues amounted to EUR 72,209 thousands in 4Q14 an increase of 30.8% (4Q13: 55,220).
- Adjusted operating result (EBIT) amounted to EUR 9,336 thousands in the quarter compared to EUR 937 thousands in 4Q13.
- Order Intake amounted to EUR 49,340 thousands in 4Q14, a decrease of 23.7% (4Q13: 64,645).
- Order Book ended at EUR 100,967 thousands, a decrease of 12.7% compared to last year (FY13: 115,713).
- Book to bill ratio was 0.95x in FY14 compared to 1.08x in FY13.
- The Board of Directors proposes a dividend of CHF 0.05 per share (unchanged).

#### A comment from our CEO

Cavotec's 4Q14 performance underlines the strength and potential of the Company, with revenues for the quarter amounting to a record EUR 72 million, an increase of 30.8% compared to the same period in the previous year. 4Q14 adjusted operating result (EBIT) amounted to EUR 9 million, compared to EUR 937 thousands in 4Q13.

The quarter was also characterised by an unprecedented increase in manufacturing volumes, primarily due to the relatively high percentage of larger projects. Our manufacturing units were, however, able to meet these exceptional demands and in doing so, keep delivery schedules and service standards to our customers.

The excellent 4Q14 result brings us fully into line with our 2014 guidance, with FY14 revenues increasing 2.2% to EUR 233 million, (EUR 228 million), and an adjusted EBIT of 7.6%. Our order book remains strong at EUR 101 million, comprising a balanced mix of day-to-day business and larger projects.

Although these results are very encouraging, we will continue to focus on internal programmes to improve profitability throughout the coming year. Our profit improvement plan, announced in 3Q14, will continue to play an important role in re-dimensioning cost structures across the Group.

#### OPERATIONAL HIGHLIGHTS

Operational highlights for the quarter included successes for our Airports, Ports & Maritime and General Industry Market Units (MU).

In the US, we were awarded a significant project for aircraft manufacturer Airbus, for the supply of a complete 400Hz power system for the aircraft manufacturer's new production facility in Mobile, Alabama. Other major orders in the quarter included assembly line pit systems for Chinese aircraft manufacturer Shaanxi, utility pit systems for Hainan Airlines, 400Hz power supply units for Chicago O'Hare Airport's new Terminal 5, and hydrant pit systems for the first phase of a new development at Moscow Domodedovo Airport.

The uptick in the Airports MU continued with the recently announced order for the supply of our innovative Sub-freezing DX-Boost Pre-conditioned Air (PCA) technology for cooling aircraft at the Presidential Flight Hangar at Abu Dhabi International Airport and at the Oman Air MRO (Maintenance, Repair & Overhaul) facility at Muscat International Airport.

Ports & Maritime also registered a strong quarter with several orders for our new Automatic Plug-in System (APS), which automates the connection of equipment such as cranes and ships to electrical power. These orders – for applications in Portugal and Turkey – illustrate the considerable potential APS has in the Ports & Maritime sector. The unit also won an order to supply MoorMaster™

automated mooring units to a container berth at the Port of Salalah in Oman, as well as orders for our Panzerbelt container crane power system with a project for a port in Mexico.

Our General Industry MU achieved some significant progress in India where we won our first order in that country from industrial conglomerate ThyssenKrupp for our innovative cable chain systems. Elsewhere, we received orders from a variety of customers around the world including in Finland, where we won an order to supply Radio Remote Control (RRC) units for use with drilling rigs; and in Argentina we secured a project with a major mining group for the supply of winder reels, also for drilling machines.

### LOOKING AHEAD

Innovation remains an integral part of Cavotec's capacity to grow in the future, and we remain committed to developing new technologies that meet our customers' needs and supports the expansion of new markets. Growing interest in both our established and newer innovations, such as MoorMaster™ automated mooring and Human Operator Interface technologies, underlines the value of our continuing investment strategy in new technologies.

Effective financial management plays an important part in bringing Cavotec to the next level and I'm delighted that Kristiina Leppänen has been appointed as our new Group CFO, bringing the necessary experience and skills to support Cavotec's growth in the years ahead. Kristiina will assume her position on 1 May 2015, taking over from interim CFO Leena Essén. I would like to take this opportunity to thank Leena for the excellent work she has done, and continues to do, during her term as interim CFO.

For 2015, I expect moderate growth in revenues coupled with a strengthening EBIT margin towards the second half of the year. We also stand ready to resume our M&A activities once we have fully completed the INET integration, which I believe will happen by the end of this year. Looking ahead at the coming period and our longer-term financial targets, I am confident to reiterate our financial goals of organic growth of 10% CAGR and an EBIT margin of 12% over the coming years.

### THE REGIONS

The Americas recorded a gross operating loss of EUR 682 thousands in the quarter compared to a loss of EUR 4,468 thousand in 4Q13. This improvement was mainly thanks to revenues increasing 55.2% to EUR 17,188 thousands. Order intake increased by 5.1% to EUR 12,696 thousands compared to EUR 12,077 thousands in 4Q13.

Europe doubled its gross operating result in 4Q14 to EUR 5,878 thousands, compared to 2,931 thousands in 4Q13. Quarterly revenues increased by 26.7% to EUR 52,361 thousands (EUR 41,758). Order intake improved slightly with 1.9% to EUR 45,449 thousands compared to EUR 44,619 thousands in 4Q13.

The Middle East, Africa & India region recorded a 4Q14 gross operating loss of EUR 208 thousands, compared to a loss of EUR 27 thousands in 4Q13. This was due to lower quarterly revenues of EUR 6,816 thousands (EUR 7,754). The region recorded the strongest increase in order intake across the Group, up 42% to EUR 13,815 thousands.

Far East & South East Asia region recorded a gross operating result amounting to EUR 1,548 thousands, compared to a loss in 4Q13. Quarterly revenues increased by 23.6% to EUR 16,930 (EUR 13,693). Order intake decreased by 50.3% to EUR 10,565 thousands, with the difference mainly due to a large order for the Airports MU in 4Q13.

Oceania recorded a gross operating result of EUR 1,179 thousands, a decrease of 6.3% from EUR 1,258 thousands in 4Q13. Quarterly revenues increased by 11.4% to EUR 4,189 thousands (EUR 3,760). Order intake also increased, up 4.8% to EUR 4,570 thousands.

#### Quarterly results

##### REVENUES, EARNINGS AND PROFITABILITY

4Q14 adjusted operating result, after excluding restructuring and litigation costs, amounted to EUR 9,336 thousands compared to EUR 937 thousands in 4Q13. The adjusted operating margin reached 12.9%. This significant improvement is mainly due to positive volume and pricing development.

Profit before income tax amounted to EUR 8,234 thousands compared to a loss of EUR 436 thousands in 4Q13, thanks to strong invoicing and favourable currency exchange differences. Net profit amounted to EUR 3,688 thousands compared to EUR 2,497 thousands.

#### Full year results

Adjusted operating result, after excluding non-recurring restructuring and litigation costs of EUR 5,195 thousands (2,003 thousands), amounted to EUR 17,756 thousands in FY14 compared to EUR 12,509 thousands in FY13, an increase of 41.9%. Revenue from sales had an organic growth of 3.9%, which was partly offset by negative exchange fluctuations (-1.7%). Operating expenses, excluding restructuring and litigation cost, increased by 3.6%, mostly due to cost of warranty.

Profit before income tax amounted to EUR 16,218 thousands, an increase of 81.4% compared to EUR 8,940 thousands in FY13. This was mainly due to the positive currency exchange differences offsetting increasing interest expenses. Net profit amounted to EUR 10,230 thousands compared to EUR 10,453 thousands in FY13.

##### CASH FLOW

Operating cash flow in 4Q14 amounted to EUR 896 thousands, compared to EUR 3,543 thousands in 4Q13. Financial activities amounted to EUR 3,753 thousands, mainly due to the repayment on the credit facility, while in 4Q13 the Group increased the loans with EUR 562 thousands. Concurrently the Group made several smaller investments, mostly in land and buildings, with the total investing activities amounting to EUR 609 thousands in 4Q14 compared to EUR 3,043 thousands in 4Q13.

##### NET DEBT

Net debt amounted to EUR 20,002 thousands in FY14 compared to EUR 36,070 thousands in FY13, mainly due to the positive effects following the capital increase in 3Q14.

As a consequence of the increase in profitability and the effects of the capital increase the leverage ratio improved significantly ending at 1.2x compared to 2.4x in FY13. Net debt/equity ratio changed to 14.5% from 33.2%.

##### EMPLOYEES

On 31 December 2014, Cavotec employed 1,019 full time equivalent employees, an increase of two employees in the quarter.

**Revenue from sales of goods and growth**

EUR 000's	Revenues			
	4Q14	4Q13	FY14	FY13
Revenue from sales of goods	72,209	55,220	232,795	227,704
Increase/decrease	16,990	(11,664)	5,091	7,632
Percentage change	30.8%	-17.4%	2.2%	3.5%
Of which				
- Volumes and prices	30.0%	-13.8%	3.9%	6.5%
- Acquisitions/divestments	0.0%	0.0%	0.0%	0.3%
- Currency effects	0.8%	-3.6%	-1.7%	-3.3%

EUR 000's	Order Intake			
	4Q14	4Q13	FY14	FY13
Order Intake	49,340	64,645	220,706	245,961
Increase/decrease	(15,306)	3,532	(25,255)	20,977
Percentage change	-23.7%	5.8%	-10.3%	9.3%
Of which				
- Volumes and prices	-28.5%	8.7%	-10.6%	12.1%
- Acquisitions/divestments	0.0%	0.0%	0.0%	0.2%
- Currency effects	4.8%	-2.9%	0.3%	-3.0%

**Operating Segments**

EUR 000's	Revenues					
	4Q14	4Q13	Change %	FY14	FY13	Change %
Americas	17,188	11,072	55.2%	50,496	52,042	-3.1%
Europe	52,361	41,313	26.7%	183,530	174,036	5.5%
Middle East, Africa & India	6,816	7,754	-12.1%	23,968	32,740	-26.8%
Far East	16,930	13,693	23.6%	54,034	51,198	5.5%
Oceania	4,189	3,760	11.4%	15,162	17,639	-14.0%
Inter-Group elimination	(25,275)	(22,372)		(94,395)	(99,951)	
<b>Total</b>	<b>72,209</b>	<b>55,220</b>	<b>30.8%</b>	<b>232,795</b>	<b>227,704</b>	<b>2.2%</b>

EUR 000's	Order Intake					
	4Q14	4Q13	Change %	FY14	FY13	Change %
Americas	12,696	12,077	5.1%	69,380	50,268	38.0%
Europe	45,449	44,619	1.9%	176,788	193,125	-8.5%
Middle East, Africa & India	4,764	3,355	42.0%	16,480	32,504	-49.3%
Far East	10,565	21,219	-50.2%	44,669	58,225	-23.3%
Oceania	4,570	4,361	4.8%	18,480	14,092	31.1%
Inter-Group elimination	(28,704)	(20,986)		(105,091)	(102,253)	
<b>Total</b>	<b>49,340</b>	<b>64,645</b>	<b>-23.7%</b>	<b>220,706</b>	<b>245,961</b>	<b>-10.3%</b>

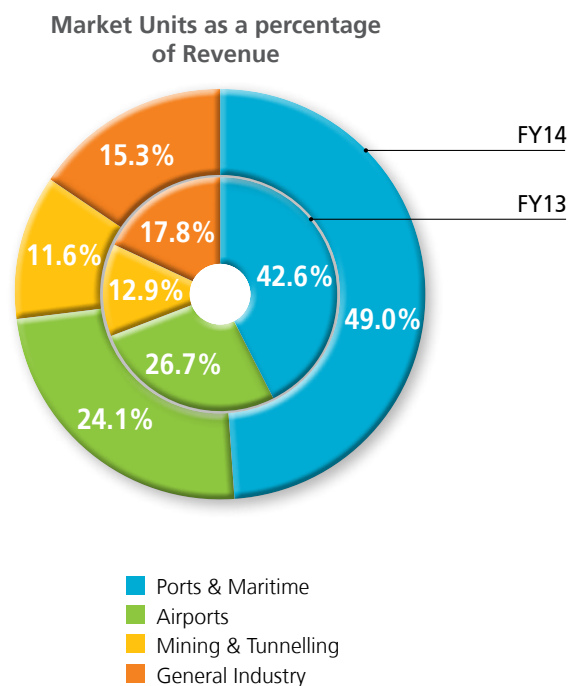
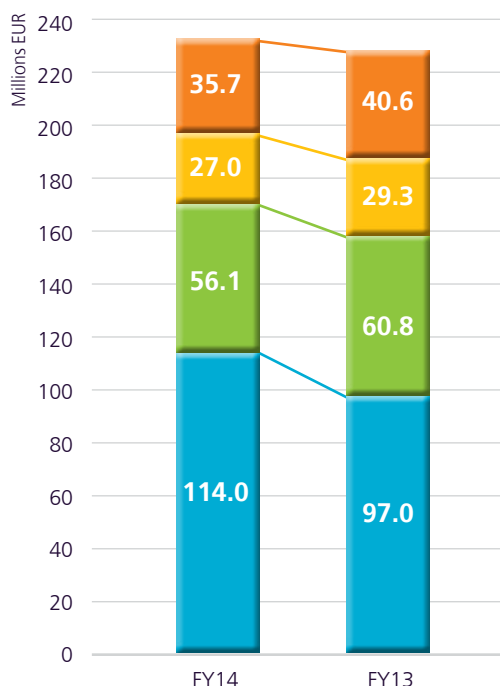
EUR 000's	Order Book			Book/Bill ratio	
	FY14	FY13	Change %	FY14	FY13
Americas	38,346	20,330	88.6%	1.37	0.97
Europe	67,300	74,534	-9.7%	0.96	1.11
Middle East, Africa & India	13,815	22,269	-38.0%	0.69	0.99
Far East	29,530	39,362	-25.0%	0.83	1.14
Oceania	2,620	4,379	-40.2%	1.22	0.80
Inter-Group elimination	(50,644)	(45,161)			
<b>Total</b>	<b>100,967</b>	<b>115,713</b>	<b>-12.7%</b>	<b>0.95</b>	<b>1.08</b>

Market Units

EUR 000's	Revenues					
	4Q14	4Q13	Change %	FY14	FY13	Change %
Ports & Maritime	36,381	20,331	78.9%	114,012	97,028	17.5%
Airports	18,847	16,937	11.3%	56,152	60,801	-7.6%
Mining & Tunnelling	7,208	7,578	-4.9%	26,978	29,309	-8.0%
General Industry	9,773	10,374	-5.8%	35,653	40,566	-12.1%
<b>Total</b>	<b>72,209</b>	<b>55,220</b>	<b>30.8%</b>	<b>232,795</b>	<b>227,704</b>	<b>2.2%</b>

EUR 000's	Order Intake					
	4Q14	4Q13	Change %	FY14	FY13	Change %
Ports & Maritime	23,514	30,060	-21.8%	115,181	109,342	5.3%
Airports	11,053	21,456	-48.5%	45,520	67,650	-32.7%
Mining & Tunnelling	7,131	5,799	23.0%	26,264	28,656	-8.3%
General Industry	7,642	7,330	4.3%	33,741	40,313	-16.3%
<b>Total</b>	<b>49,340</b>	<b>64,645</b>	<b>-23.7%</b>	<b>220,706</b>	<b>245,961</b>	<b>-10.3%</b>

EUR 000's	Order Book			Book/Bill ratio	
	FY14	FY13	Change %	FY14	FY13
Ports & Maritime	64,655	64,427	0.4%	1.01	1.13
Airports	24,828	36,621	-32.2%	0.81	1.11
Mining & Tunnelling	5,202	6,407	-18.8%	0.97	0.98
General Industry	6,282	8,258	-23.9%	0.95	0.99
<b>Total</b>	<b>100,967</b>	<b>115,713</b>	<b>-12.7%</b>	<b>0.95</b>	<b>1.08</b>



## Ports & Maritime

4Q14 was a record quarter for the Ports & Maritime MU with revenues amounting to EUR 36,381 thousands, an increase of 78.9% (4Q13: 20,331).

The MU stood for almost 50% of the Group's order intake in 4Q14, amounting to EUR 23,514 thousands.

Order book ended at EUR 64,655 thousands, with core innovations standing for almost 65% of the total.

**Accumulated Revenues**  
EUR 114,012 thousands



49%

**Accumulated Order Intake**  
EUR 115,181 thousands



52%

**Order Book**  
EUR 64,655 thousands



64%



## Airports

4Q14 revenues increased by 11.3% for Airports compared to the same period last year, amounting to EUR 18,847 thousands (4Q13: 16,937).

The MU had a softer order intake in 4Q14, amounting to EUR 11,053 thousands.

Airports MU order book ended at EUR 24,828 thousands, including several large orders over EUR 1 million.

**Accumulated Revenues**  
EUR 56,152 thousands



24%

**Accumulated Order Intake**  
EUR 45,520 thousands



21%

**Order Book**  
EUR 24,828 thousands



25%





## Mining & Tunnelling

Mining & Tunnelling MU revenues amounted to EUR 7,208 thousands, a drop of 4.9% in the quarter (4Q13: 7,578).

The MU order intake increased by 23.0% in 4Q14, amounting to EUR 7,131 thousands (4Q13: 5,799).

Order book reached EUR 5,202 thousands, with a book to bill ratio of 0.97x.

**Accumulated Revenues**  
EUR 26,978 thousands



12%

**Accumulated Order Intake**  
EUR 26,264 thousands



12%

**Order Book**  
EUR 5,202 thousands



5%



## General Industry

General Industry started the year soft but has increased each quarter in 2014 with revenues reaching EUR 9,773 thousands in 4Q14.

Order intake increased by 4.3% in 4Q14, amounting to EUR 7,642 thousands (4Q13: 7,330).

The MU had an order book at EUR 6,282 thousands compared to EUR 8,258 thousands.

**Accumulated Revenues**  
EUR 35,563 thousands



15%

**Accumulated Order Intake**  
EUR 33,741 thousands



15%

**Order Book**  
EUR 6,282 thousands



6%



## Consolidated Statement of Comprehensive Income

EUR 000's	Unaudited three months 31 Dec 2014	Unaudited three months 31 Dec 2013	Unaudited year 31 Dec 2014	Audited year 31 Dec 2013
Revenue from sales of goods	72,209	55,220	232,795	227,704
Other income	3,637	1,734	8,108	5,892
Cost of materials	(37,592)	(29,435)	(115,964)	(119,010)
Employee benefit costs	(19,279)	(16,406)	(67,900)	(62,336)
Operating expenses	(11,121)	(9,428)	(40,010)	(37,223)
<b>Gross Operating Result</b>	<b>7,854</b>	<b>1,685</b>	<b>17,029</b>	<b>15,027</b>
Depreciation and amortisation	(1,341)	(1,473)	(4,468)	(4,521)
<b>Operating Result</b>	<b>6,513</b>	<b>212</b>	<b>12,561</b>	<b>10,506</b>
Interest income	16	(1)	49	60
Interest expenses	(512)	(366)	(2,410)	(1,280)
Currency exchange differences - net	2,218	(281)	6,018	(347)
<b>Profit before income tax</b>	<b>8,235</b>	<b>(436)</b>	<b>16,218</b>	<b>8,940</b>
Income taxes	(4,547)	2,933	(5,988)	1,513
<b>Profit for the period</b>	<b>3,688</b>	<b>2,497</b>	<b>10,230</b>	<b>10,453</b>
<b>Other comprehensive income:</b>				
Actuarial gain (loss)	(215)	(43)	(215)	(43)
<b>Items that will not be reclassified to profit</b>	<b>(215)</b>	<b>(43)</b>	<b>(215)</b>	<b>(43)</b>
Currency translation differences	(1,238)	(1,931)	1,942	(5,692)
<b>Items that may be subsequently reclassified to profit/(loss)</b>	<b>(1,238)</b>	<b>(1,931)</b>	<b>1,942</b>	<b>(5,692)</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>(1,453)</b>	<b>(1,974)</b>	<b>1,727</b>	<b>(5,735)</b>
<b>Total comprehensive income for the year</b>	<b>2,235</b>	<b>523</b>	<b>11,956</b>	<b>4,718</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Group	2,274	519	11,985	4,751
Non-controlling interest	(39)	4	(29)	(33)
<b>Total</b>	<b>2,235</b>	<b>523</b>	<b>11,956</b>	<b>4,718</b>
<b>Profit attributed to:</b>				
Equity holders of the Group	3,707	2,478	10,258	10,494
Non-controlling interest	(20)	19	(29)	(41)
<b>Total</b>	<b>3,688</b>	<b>2,497</b>	<b>10,230</b>	<b>10,453</b>
Basic and diluted earnings per share attributed to the equity holders of the Group	0.047	0.035	0.140	0.147
Average number of shares	78,471,480	71,332,700	73,444,997	71,332,700

## Consolidated Balance Sheet

EUR 000's	Unaudited 31 Dec 2014	Audited 31 Dec 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	17,071	13,928
Trade receivables	60,988	48,705
Tax assets	991	1,253
Other current receivables	6,722	4,732
Inventories	40,784	40,110
<b>Total current assets</b>	<b>126,556</b>	<b>108,728</b>
<b>Non-current assets</b>		
Property, plant and equipment	26,326	26,861
Intangible assets	69,154	66,251
Non-current financial assets	264	57
Deferred tax assets	17,196	13,501
Other non-current receivables	513	2,026
<b>Total non-current assets</b>	<b>113,453</b>	<b>108,696</b>
Assets held for sale	1,800	2,213
<b>Total assets</b>	<b>241,809</b>	<b>219,637</b>
<b>Equity and Liabilities</b>		
<b>Current liabilities</b>		
Current financial liabilities	(1,738)	(4,654)
Trade payables	(32,831)	(31,526)
Tax liabilities	(3,065)	(2,724)
Provision for risk and charges, current	(5,359)	-
Other current liabilities	(14,382)	(11,834)
<b>Total current liabilities</b>	<b>(57,375)</b>	<b>(50,738)</b>
<b>Non-current liabilities</b>		
Non-current financial liabilities	(35,345)	(45,353)
Deferred tax liabilities	(5,731)	(4,298)
Other non-current liabilities	(264)	(704)
Provision for risk and charges, non-current	(5,191)	(9,775)
<b>Total non-current liabilities</b>	<b>(46,531)</b>	<b>(60,130)</b>
<b>Total liabilities</b>	<b>(103,906)</b>	<b>(110,868)</b>
<b>Equity</b>		
Equity attributable to owners of the parent	(137,876)	(108,773)
Non-controlling interests	(27)	4
<b>Total equity</b>	<b>(137,903)</b>	<b>(108,769)</b>
<b>Total equity and liabilities</b>	<b>(241,809)</b>	<b>(219,637)</b>

## 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 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
Remeasurements of post employment benefit obligations	43	-	43
<b>Total comprehensive income and expenses</b>	<b>(4,751)</b>	<b>33</b>	<b>(4,718)</b>
Capital reduction	2,918	-	2,918
Capital increase	-	(139)	(139)
Transactions with shareholders	2,918	(139)	2,779
<b>Balance as at 31 December 2013</b>	<b>(108,773)</b>	<b>4</b>	<b>(108,769)</b>
<b>Unaudited</b>			
Balance as at 1 January 2014	(108,773)	4	(108,769)
Profit/(Loss) for the period	(10,258)	29	(10,230)
Exchange differences on translation	(1,942)	-	(1,942)
Remeasurements of post employment benefit obligations	215	-	215
<b>Total comprehensive income and expenses</b>	<b>(11,985)</b>	<b>29</b>	<b>(11,956)</b>
Capital reduction	2,918	-	2,918
Capital increase	(20,261)	-	(20,261)
Reduction in non-controlling interest	-	(33)	(33)
Acquisition of subsidiary involving changes to non-controlling interest	225	(27)	198
Transactions with shareholders	(17,118)	(60)	(17,178)
<b>Balance as at 31 December 2014</b>	<b>(137,876)</b>	<b>(27)</b>	<b>(137,903)</b>

## Consolidated Statement of Cash Flows - Indirect Method

EUR 000's	Unaudited three months 31 Dec 2014	Unaudited three months 31 Dec 2013	Unaudited year 31 Dec 2014	Audited year 31 Dec 2013
<b>Profit for the period</b>	<b>3,688</b>	<b>2,497</b>	<b>10,230</b>	<b>10,453</b>
<b>Adjustments for:</b>				
Net interest expenses	331	308	1,536	1,013
Current taxes	3,191	959	7,208	5,253
Depreciation and amortisation	1,341	1,473	4,468	4,521
Deferred tax	1,852	(3,893)	(1,219)	(6,767)
Provision for risks and charges	(1,562)	(272)	1,211	2,155
Capital gain or loss on assets	(13)	31	(121)	46
Other items not involving cash flows	(2,536)	(382)	(5,028)	(23)
Interest paid	(373)	(262)	(1,546)	(970)
Taxes paid	(4,252)	(2,356)	(6,435)	(8,520)
	<b>(2,021)</b>	<b>(4,394)</b>	<b>74</b>	<b>(3,292)</b>
<b>Cash flow before change in working capital</b>	<b>1,667</b>	<b>(1,897)</b>	<b>10,304</b>	<b>7,161</b>
<b>Impact of changes in working capital:</b>				
Inventories	11,478	6,774	(1,355)	(164)
Trade receivables	(10,792)	(2,459)	(12,222)	2,154
Other current receivables	(1,164)	539	(2,027)	(1,137)
Trade payables	(5,942)	(770)	1,221	(6,389)
Other current liabilities	3,879	864	2,246	(2,657)
Long term receivables	1,770	492	1,078	319
<b>Impact of changes involving working capital</b>	<b>(771)</b>	<b>5,440</b>	<b>(11,059)</b>	<b>(7,874)</b>
<b>Net cash inflow / (outflow) from operating activities</b>	<b>896</b>	<b>3,543</b>	<b>(755)</b>	<b>(713)</b>
<b>Financial activities:</b>				
Increase (decrease) of loans and borrowings	10	4,759	454	33,502
(Decrease) of loans and borrowings	(3,505)	(4,197)	(14,491)	(16,528)
Capital increase	-	-	20,260	-
Capital reduction	-	-	(2,918)	(2,918)
Acquisition of non controlling interest	(232)	-	(232)	-
Increase of loans to non controlling interest	(26)	-	(26)	-
<b>Net cash inflow / (outflow) from financial activities</b>	<b>(3,753)</b>	<b>562</b>	<b>3,047</b>	<b>14,056</b>
<b>Investing activities:</b>				
Investments in property, plant and equipment	(493)	(2,308)	(2,155)	(4,162)
Investments in intangible assets	(102)	(760)	(1,010)	(1,113)
(Increase) decrease in non-current financial assets	-	8	18	96
Disposal of assets	(14)	17	(303)	76
<b>Net cash outflow from investing activities</b>	<b>(609)</b>	<b>(3,043)</b>	<b>(2,844)</b>	<b>(5,103)</b>
Cash at the beginning of the period	20,460	13,517	13,928	8,484
Cash flow for the period	(3,466)	1,063	(522)	8,240
Currency exchange differences	77	(652)	3,695	(2,796)
<b>Cash at the end of the period</b>	<b>17,071</b>	<b>13,928</b>	<b>17,071</b>	<b>13,928</b>
<b>Cash comprises:</b>				
Cash and cash equivalents	17,071	13,928	17,071	13,928
<b>Total</b>	<b>17,071</b>	<b>13,928</b>	<b>17,071</b>	<b>13,928</b>

## Segment information

EUR 000's	Americas	Europe	Middle East Africa & India	Far East	Oceania	HQ	Inter-Group elimination	Total
<b>Unaudited</b>								
<b>Three months ended 31 December 2014</b>								
Revenue from sales of goods	17,188	52,361	6,816	16,930	4,189	-	(25,275)	72,209
Other income	368	2,914	693	438	2,388	1,313	(4,478)	3,637
Operating expenses before depreciation and amortisation	(18,237)	(49,397)	(7,717)	(15,819)	(5,399)	(691)	29,268	(67,992)
<b>Gross Operating Result</b>	<b>(681)</b>	<b>5,878</b>	<b>(208)</b>	<b>1,548</b>	<b>1,179</b>	<b>622</b>	<b>(484)</b>	<b>7,854</b>
<b>Unaudited</b>								
<b>Three months ended 31 December 2013</b>								
Revenue from sales of goods	11,072	41,758	7,309	13,044	4,409	-	(22,372)	55,220
Other income	354	1,939	141	(40)	1,469	607	(2,736)	1,734
Operating expenses before depreciation and amortisation	(15,894)	(40,853)	(7,390)	(13,085)	(4,657)	732	25,878	(55,269)
<b>Gross Operating Result</b>	<b>(4,468)</b>	<b>2,844</b>	<b>60</b>	<b>(81)</b>	<b>1,221</b>	<b>1,339</b>	<b>770</b>	<b>1,685</b>
<b>Unaudited</b>								
<b>Year ended 31 December 2014</b>								
Revenue from sales of goods	50,496	183,530	23,968	54,034	15,162	-	(94,395)	232,795
Other income	1,790	7,557	1,879	1,220	6,070	2,393	(12,802)	8,108
Operating expenses before depreciation and amortisation	(60,327)	(173,380)	(24,615)	(50,221)	(18,732)	(2,493)	105,894	(223,874)
<b>Gross Operating Result</b>	<b>(8,041)</b>	<b>17,707</b>	<b>1,232</b>	<b>5,034</b>	<b>2,500</b>	<b>(100)</b>	<b>(1,303)</b>	<b>17,029</b>
<b>Audited</b>								
<b>Year ended 31 December 2013</b>								
Revenue from sales of goods	52,042	175,932	30,844	47,750	21,087	-	(99,951)	227,704
Other income	2,160	6,598	(40)	4	4,918	1,507	(9,255)	5,892
Operating expenses before depreciation and amortisation	(62,667)	(166,639)	(29,731)	(42,291)	(25,488)	(1,968)	110,215	(218,569)
<b>Gross Operating Result</b>	<b>(8,465)</b>	<b>15,891</b>	<b>1,073</b>	<b>5,463</b>	<b>517</b>	<b>(461)</b>	<b>1,009</b>	<b>15,027</b>

## Parent Company - Condensed Statement of Comprehensive Income

CAVOTEC SA EUR 000's	Unaudited three months 31 Dec 2014	Unaudited three months 31 Dec 2013	Unaudited year 31 Dec 2014	Audited year 31 Dec 2013
Dividend	-	439	176	439
Other income	797	143	1,278	588
Employee benefit costs	(858)	(405)	(1,657)	(767)
Operating expenses	(355)	(224)	(1,073)	(956)
<b>Operating Result</b>	<b>(416)</b>	<b>(47)</b>	<b>(1,276)</b>	<b>(696)</b>
Interest expenses - net	(3)	(7)	(25)	(26)
Currency exchange differences - net	(1)	27	(24)	29
<b>Profit/(Loss) before income tax</b>	<b>(420)</b>	<b>(27)</b>	<b>(1,325)</b>	<b>(693)</b>
Income taxes	(5)	(6)	(27)	(22)
<b>Profit/(Loss) for the period</b>	<b>(425)</b>	<b>(33)</b>	<b>(1,352)</b>	<b>(715)</b>
Other comprehensive income:				
Actuarial gain (loss)	(34)	(24)	(34)	(24)
<b>Total comprehensive income for the year</b>	<b>(459)</b>	<b>(57)</b>	<b>(1,386)</b>	<b>(739)</b>

## Parent Company - Condensed Balance Sheet

CAVOTEC SA EUR 000's	Unaudited 31 Dec 2014	Audited 31 Dec 2013
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,953	16
Trade receivable	1,231	568
Tax assets	23	21
Other current receivables	11	3
<b>Total current assets</b>	<b>4,218</b>	<b>608</b>
<b>Non-current assets</b>		
Investment in subsidiary companies	98,447	98,447
<b>Total non-current assets</b>	<b>98,447</b>	<b>98,447</b>
<b>Total assets</b>	<b>102,665</b>	<b>99,055</b>
<b>Equity and Liabilities</b>		
<b>Current liabilities</b>		
Bank overdrafts	-	(12,629)
Current financial liabilities	(935)	(1,845)
Trade payables	(173)	(113)
Provision for risks and charges - current	(263)	-
Other current liabilities	(472)	(103)
<b>Total current liabilities</b>	<b>(1,843)</b>	<b>(14,690)</b>
<b>Non-current liabilities</b>		
Provision for risks and charges - non current	(405)	(102)
Other non-current liabilities	(509)	(311)
<b>Total non-current liabilities</b>	<b>(914)</b>	<b>(413)</b>
<b>Total liabilities</b>	<b>(2,757)</b>	<b>(15,103)</b>
<b>Equity</b>		
<b>Total equity</b>	<b>(99,908)</b>	<b>(83,952)</b>
<b>Total equity and liabilities</b>	<b>(102,665)</b>	<b>(99,055)</b>



**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 eight specialised engineering Centres of Excellence in Germany (two), 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.

The Cavotec Board of Directors has proposed a dividend for 2014 of 0.05 CHF per share, or a total of approximately EUR 3,644 thousands at today's prevailing exchange rates, unchanged compared to the prior year. The proposal is in line with the company's new dividend policy to distribute between 25% and 40% of the Group's net profit. If approved by shareholders at the company's Ordinary General Meeting (OGM) on April 22, 2015 the dividend payout would take place early July 2015.

These unaudited Financial Statements have been approved by the Board of Directors for publication on 26 February 2015.

**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. 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**

Segment information has been presented in the Annual Report for 2014.

**Legal disputes**

The start of the trial in the lawsuit against Mike Colaco has been set for 13 April 2015. The trial, once it commences, is expected to take several weeks to complete.

**Noteworthy risks and uncertainties**

Risk management has been presented in the Annual Report for 2014.

On behalf of the Board  
26 February 2015



**Ottonel Popesco**  
Chief Executive Officer

**Reporting dates 2015**

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 1Q15 Quarterly Report will be published on 6 May 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.

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