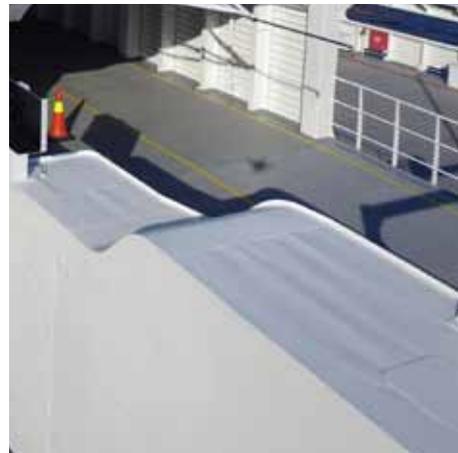


2nd Quarter Report **2016**



- Revenues for the quarter decreased 8.3%, amounting to EUR 53.9 million (2Q15: 58.8).
- Quarterly operating result (EBIT) ended with a profit of EUR 7.5 million (2Q15: 2.3), including non-recurring net income of EUR 3.2 million, corresponding to a margin of 13.9%.
- Net result for the period ended at EUR 6.1 million (2Q15: 0.8).
- Order Intake decreased by 19.5% in the quarter to EUR 50.3 million (2Q15: 62.4).
- Order Book increased 6.9% to EUR 105.2 million (FY15: 98.4).
- Book to bill ratio was at 1.07x compared to 1.30x in 1H15.

CEO's comment



2Q16 developed in line with our expectations with revenues amounting to EUR 53.9 million, an 8.3% decrease compared to 2Q15. Day-to-day business remained strong, while a number of larger projects were postponed towards year-end.

Organic growth was negative at 5.1%, and currency exchange differences had a negative impact on quarterly revenues. Gross margin remained strong quarter-on-quarter. We registered a 19.5% decrease year-over-year in order intake for the period, amounting to EUR 50.3 million. Our order book has grown 6.9% to EUR 105.2 million from year-end.

We have seen continued success for our Alternative Maritime Power supply systems for ships throughout the first half of 2016, with orders totalling more than EUR 8.9 million for the second quarter. In the Airports Market Unit (MU) we received several orders for Ground Support Equipment systems including new PCA/400Hz converters underlining increased market demand for technologies that improve operational efficiency. I see these orders as further affirmation of our strategy to focus on our core technologies and integrated systems in the Ports & Maritime and Airports segments.

Thanks to our strong global network, we are able to fill the gap in our order intake with smaller projects. Innovation continues to play a key role in our business, exemplified by the successful installation of a highly advanced and innovative Cavotec Inet PCA system at a large military aircraft maintenance base in the Middle East. The MoorMaster™ installation at the Port of Ngqura in South Africa has also recently been finalised following a programme of intensive performance tests. We passed these with a 100 per cent success rate over a period of four months dealing with some of the worst weather conditions the port has ever experienced.

As part of our strategic realignment, we made significant progress in resizing various areas of operations during the quarter, most notably in Norway, Germany, and the US.

Given current order intake levels, and the negative outlook for the Norwegian oil and gas segment for the coming two to three years, we have consolidated production of specialised explosion-proof radio remote controls (RRC) to Germany, where all standard RRC units are already manufactured. The result is an optimised production footprint with production of RRC units where market demand is currently strongest. Cavotec Micro-control in Norway will remain as a technology centre, where its team of R&D engineers will continue to focus on the development of new, innovative products.

Parallel to this, we concluded the administrative merger of our companies in Germany, bringing them together under a single legal entity. This new organization will benefit from the synergies in sharing services such as R&D, purchasing, finance, and HR, while also reducing lead-times and costs.

In the US, we have put a comprehensive plan in place focussed on resizing Cavotec INET operations to better match current market requirements. As we continue to identify our opportunities in the US and international markets, and focus on a standardised range of products and systems, we expect that further savings and efficiency gains will be achieved.

“We have seen continued success for our Alternative Maritime Power supply systems throughout the first half of 2016”

“We must strike the right balance between proactively reducing costs and positioning the Group for future growth”

LOOKING AHEAD

In line with preceding months, 2Q16 has developed as expected in terms of overall performance. The prevailing caution exhibited by customers across our MUs has translated into a lack of larger projects in the first six months of the year, and I expect this to continue in the months ahead.

As set out above, we are maintaining our focus on streamlining operations, and this process will continue to ensure that we operate as efficiently as possible. I am closely monitoring this complex process, together with Cavotec's Senior Management Team, one that impacts many facets of our organization. We must strike the right balance between proactively reducing costs and positioning the Group for future growth, and I am confident that we will be able to secure further improvements over the coming period.

We also continue to refocus activities towards our two major MUs – Ports & Maritime and Airports – to meet the growing demand for our core technologies in these markets.

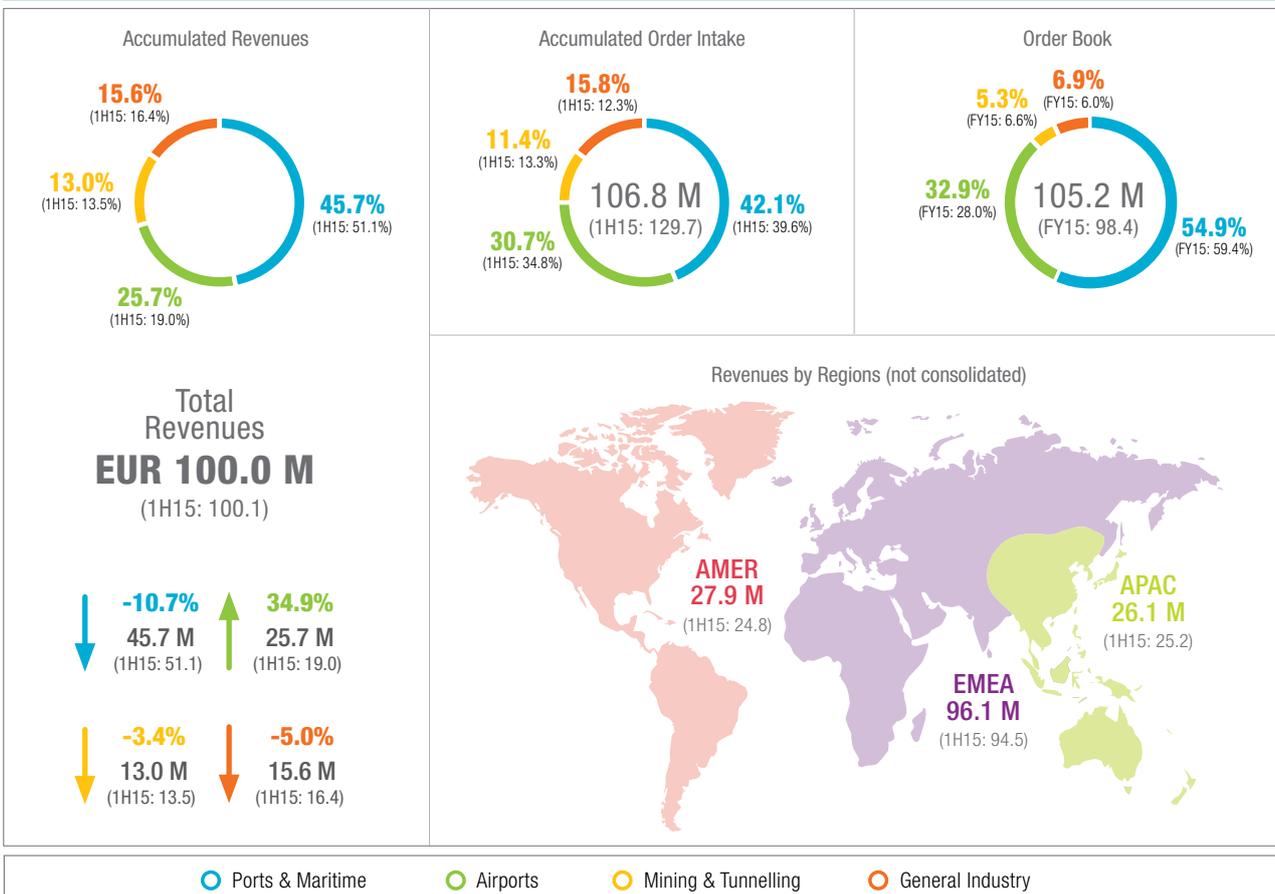
Notwithstanding the challenging period ahead, I believe Cavotec is on the right path to become a stronger, more profitable company, and to further build our reputation as one of the world's leading companies in our markets.

Lugano, 4 August 2016



Ottonel Popesco
Chief Executive Officer

YTD - Financial Snapshot EUR Million



Financial Review

REVENUES, EARNINGS AND PROFITABILITY

Quarterly results

Revenues amounted to EUR 53,947 thousands, a decrease of 8.3% year-over-year, organic revenue growth amounted to -5.1%. Operating result amounted to a profit of EUR 7,473 thousands, (including non-recurring net income of EUR 3,215 thousands), compared to a profit of EUR 2,347 thousands in 2Q15.

Net financial items amounted to positive EUR 215 thousands, compared to positive EUR 245 thousands in 2Q15. We have a charge for income taxes of EUR 1,592 thousands for the period compared to 1,782 thousands in 2Q15. Net result ended with a profit of EUR 6,096 thousands compared to a profit of EUR 810 thousands in 2Q15.

Half year results

Revenues amounted to EUR 100,031 thousands, remained stable year-over-year, organic revenue growth amounted to 2.6%. Operating result amounted to a profit of EUR 5,020 thousands, (including non-recurring net income of EUR 2,975 thousands), compared to a loss of EUR 1,283 thousands in 1H15.

Net financial items amounted to negative EUR 1,088 thousands, compared to positive EUR 6,360 thousands in 1H15, (including EUR 6,826 thousands in currency exchange differences). We have a charge for income taxes of EUR 1,748 thousands for the period compared to EUR 2,524 thousands in 1H15. Net result ended with a profit of EUR 2,184 thousands compared to a profit of EUR 2,553 thousands in 1H15.

CASH FLOW

2Q16 operating cash flow ended negative at EUR 2,054 thousands, mainly due to the increase in working capital, compared to negative EUR 2,644 thousands in 2Q15. Financial activities was positive at EUR 1,065 thousands compared to positive EUR 7,688 thousands in 2Q15. Investing activities amounted to EUR 1,108 thousands, mainly due to the development of R&D, compared to EUR 203 thousands in 2Q15.

1H16 operating cash flow ended negative at EUR 4,890 thousands, mainly due to increased inventory levels, compared to negative EUR 13,260 thousands in 1H15. Financial activities was positive at EUR 3,495 thousands compared to positive EUR 11,147 thousands in 1H15. Investing activities amounted to EUR 1,897 thousands compared to EUR 1,155 thousands in 1H15.

NET DEBT

Net debt amounted to EUR 34,728 thousands, a quarter-over-quarter increase of EUR 3,159 thousands due to change in working capital, investments and paid taxes. Leverage ratio increased to 2.06x (FY15: 1.65x).

EMPLOYEES

On 30 June 2016 Cavotec employed 1,044 full time equivalent employees, this is a decrease of 16 employees in 2Q16. For the same period last year there were 1,025 full time equivalent employees and 1,063 on 31 December 2015.

REVENUES AND ORDER INTAKE

EUR 000's	Revenues			
	2Q16	2Q15	1H16	1H15
Revenue from sales of goods and services	53,947	58,823	100,031	100,134
Increase/decrease	(4,876)	5,634	(103)	6,047
Percentage change	-8.3%	10.6%	-0.1%	6.4%
Of which				
- Volumes and prices	-5.1%	1.7%	2.6%	-2.9%
- Currency effects	-3.2%	8.9%	-2.7%	9.5%

EUR 000's	Order Intake			
	2Q16	2Q15	1H16	1H15
Order Intake	50,271	62,438	106,828	129,744
Increase/decrease	(12,167)	11,780	(22,916)	11,522
Percentage change	-19.5%	23.3%	-17.7%	9.7%
Of which				
- Volumes and prices	-21.5%	17.7%	-11.4%	1.7%
- Currency effects	2.0%	5.6%	-6.3%	8.0%

OPERATING SEGMENTS

EUR 000's	Revenues					
	2Q16	2Q15	Change %	1H16	1H15	Change %
AMER	12,966	14,487	-10.5%	27,949	24,786	12.8%
EMEA	54,341	56,266	-3.4%	96,061	94,499	1.7%
APAC	13,821	16,662	-17.1%	26,118	25,192	3.7%
Inter-Group elimination	(27,181)	(28,592)		(50,097)	(44,343)	
Total	53,947	58,823	-8.3%	100,031	100,134	-0.1%

EUR 000's	Order Intake					
	2Q16	2Q15	Change %	1H16	1H15	Change %
AMER	5,907	12,256	-51.8%	19,190	20,860	-8.0%
EMEA	44,217	45,151	-2.1%	92,329	102,957	-10.3%
APAC	18,558	26,286	-29.4%	41,441	50,742	-18.3%
Inter-Group elimination	(18,410)	(21,255)		(46,132)	(44,815)	
Total	50,272	62,438	-19.5%	106,828	129,744	-17.7%

EUR 000's	Order Book			Book/Bill ratio	
	1H16	FY15	Change %	1H16	1H15
AMER	23,316	32,075	-27.3%	0.69	0.84
EMEA	75,489	79,215	-4.7%	0.96	1.09
APAC	46,844	31,521	48.6%	1.59	2.01
Inter-Group elimination	(40,403)	(44,368)			
Total	105,246	98,443	6.9%	1.07	1.30

MARKET UNITS

EUR 000's	Revenues					
	2Q16	2Q15	Change %	1H16	1H15	Change %
Ports & Maritime	24,028	32,336	-25.7%	45,722	51,185	-10.7%
Airports	14,786	9,653	53.2%	25,680	19,041	34.9%
Mining & Tunnelling	6,504	7,452	-12.7%	13,034	13,499	-3.4%
General Industry	8,629	9,382	-8.0%	15,595	16,409	-5.0%
Total	53,947	58,823	-8.3%	100,031	100,134	-0.1%

EUR 000's	Order Intake					
	2Q16	2Q15	Change %	1H16	1H15	Change %
Ports & Maritime	20,028	16,866	18.7%	44,939	51,344	-12.5%
Airports	15,186	28,796	-47.3%	32,765	45,093	-27.3%
Mining & Tunnelling	6,414	8,331	-23.0%	12,199	17,287	-29.4%
General Industry	8,644	8,445	2.4%	16,925	16,020	5.7%
Total	50,272	62,438	-19.5%	106,828	129,744	-17.7%

EUR 000's	Order Book			Book/Bill ratio	
	1H16	FY15	Change %	1H16	1H15
Ports & Maritime	57,736	58,520	-1.3%	0.98	1.00
Airports	34,621	27,536	25.7%	1.28	2.37
Mining & Tunnelling	5,622	6,457	-12.9%	0.94	1.28
General Industry	7,267	5,930	22.6%	1.09	0.98
Total	105,246	98,443	6.9%	1.07	1.30

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 000's	Unaudited three months 30 Jun, 2016	Unaudited three months 30 Jun, 2015	Unaudited six months 30 Jun, 2016	Unaudited six months 30 Jun, 2015	Audited year 31 Dec, 2015
Revenue from sales of goods and services	53,947	58,823	100,031	100,134	232,223
Other income	5,419	1,109	6,604	2,208	5,982
Cost of materials	(24,214)	(27,559)	(46,257)	(47,015)	(113,580)
Employee benefit costs	(17,313)	(17,240)	(34,283)	(33,824)	(68,132)
Operating expenses	(9,155)	(11,447)	(18,778)	(20,316)	(44,130)
Gross Operating Result	8,684	3,686	7,317	1,187	12,363
Depreciation and amortisation	(1,211)	(1,339)	(2,297)	(2,470)	(4,768)
Operating Result	7,473	2,347	5,020	(1,283)	7,595
Interest income	529	13	532	17	52
Interest expenses	(443)	(230)	(885)	(483)	(1,312)
Currency exchange differences - net	129	462	(735)	6,826	6,484
Profit before income tax	7,688	2,592	3,932	5,077	12,819
Income taxes	(1,592)	(1,782)	(1,748)	(2,524)	(6,695)
Profit for the period	6,096	810	2,184	2,553	6,124
Other comprehensive income:					
Remeasurements of post employment benefit obligations	(4)	1	3	(42)	(113)
Items that will not be reclassified to profit or loss	(4)	1	3	(42)	(113)
Currency translation differences	1,333	(4,139)	(1,362)	38	(973)
Items that may be subsequently reclassified to profit	1,333	(4,139)	(1,362)	38	(973)
Other comprehensive income for the year, net of tax	1,329	(4,138)	(1,359)	(4)	(1,086)
Total comprehensive income for the period	7,425	(3,328)	825	2,549	5,038
Total comprehensive income attributable to:					
Equity holders of the Group	7,424	(3,328)	825	2,546	5,035
Non-controlling interest	1	-	-	3	3
Total	7,425	(3,328)	825	2,549	5,038
Profit attributed to:					
Equity holders of the Group	6,096	810	2,184	2,553	6,124
Total	6,096	810	2,184	2,553	6,124
Basic and diluted earnings per share attributed to the equity holders of the Group	0.078	0.010	0.028	0.033	0.078
Average number of shares	78,500,901	78,471,480	78,512,440	78,471,480	78,475,939

CONSOLIDATED BALANCE SHEET

EUR 000's	Unaudited 30 Jun, 2016	Unaudited 30 Jun, 2015	Audited 31 Dec, 2015
Assets			
Current assets			
Cash and cash equivalents	16,172	17,637	20,812
Trade receivables	59,085	58,338	62,431
Tax assets	1,047	866	1,035
Other current receivables	7,394	9,484	7,339
Inventories	49,483	52,408	45,065
Total current assets	133,181	138,733	136,682
Non-current assets			
Property, plant and equipment	26,084	26,535	26,736
Intangible assets	70,862	71,215	71,534
Non-current financial assets	291	377	289
Deferred tax assets	18,997	17,859	19,005
Other non-current receivables	7,394	493	5,731
Total non-current assets	123,628	116,479	123,295
Assets held for sale	-	1,600	-
Total assets	256,809	256,812	259,977
Equity and Liabilities			
Current liabilities			
Bank overdrafts	-	(68)	(202)
Current financial liabilities	(2,544)	(2,702)	(2,661)
Trade payables	(36,636)	(37,928)	(38,048)
Tax liabilities	(1,575)	(356)	(4,012)
Provision for risk and charges, current	(5,535)	(5,524)	(5,484)
Other current liabilities	(11,642)	(12,219)	(15,149)
Total current liabilities	(57,932)	(58,798)	(65,556)
Non-current liabilities			
Non-current financial liabilities	(47,254)	(46,232)	(43,345)
Deferred tax liabilities	(6,313)	(6,248)	(6,359)
Other non-current liabilities	(298)	(423)	(215)
Provision for risk and charges, non-current	(4,664)	(4,659)	(4,632)
Total non-current liabilities	(58,529)	(57,562)	(54,551)
Total liabilities	(116,461)	(116,360)	(120,107)
Equity			
Equity attributable to owners of the parent	(140,318)	(140,422)	(139,840)
Non-controlling interests	(30)	(30)	(30)
Total equity	(140,348)	(140,452)	(139,870)
Total equity and liabilities	(256,809)	(256,812)	(259,977)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 000's	Equity related to owners of the parent	Reserves	Retained earnings	Equity related to owners of the parent	Non-controlling interest	Total equity
Unaudited						
Balance as at 1 January 2015	(91,990)	(12,096)	(33,790)	(137,876)	(27)	(137,903)
(Profit) / Loss for the period	-	-	(2,553)	(2,553)	-	(2,553)
Currency translation differences	-	(35)	-	(35)	(3)	(38)
Remeasurements of post employment benefit obligations	-	42	-	42	-	42
Total comprehensive income and expenses	-	7	(2,553)	(2,546)	(3)	(2,549)
Balance as at 30 June 2015	(91,990)	(12,089)	(36,343)	(140,422)	(30)	(140,452)
Audited						
Balance as at 1 January 2015	(91,990)	(12,096)	(33,790)	(137,876)	(27)	(137,903)
(Profit) / Loss for the period	-	-	(6,124)	(6,124)	-	(6,124)
Currency translation differences	-	976	-	976	(3)	973
Remeasurements of post employment benefit obligations	-	113	-	113	-	113
Total comprehensive income and expenses	-	1,089	(6,124)	(5,035)	(3)	(5,038)
Capital reduction	3,218	(62)	-	3,156	-	3,156
Transactions related to own shares	-	-	(84)	(84)	-	(84)
Transactions with shareholders	3,218	(62)	(84)	3,072	-	3,072
Balance as at 31 December 2015	(88,772)	(11,069)	(39,998)	(139,840)	(30)	(139,870)
Unaudited						
Balance as at 1 January 2016	(88,772)	(11,069)	(39,998)	(139,840)	(30)	(139,870)
(Profit) / Loss for the period	-	-	(2,184)	(2,184)	-	(2,184)
Currency translation differences	-	1,362	-	1,362	-	1,362
Remeasurements of post employment benefit obligations	-	(3)	-	(3)	-	(3)
Total comprehensive income and expenses	-	1,359	(2,184)	(825)	-	(825)
Capital reduction	-	347	-	347	-	347
Transactions with shareholders	-	347	-	347	-	347
Balance as at 30 June 2016	(88,772)	(9,364)	(42,182)	(140,318)	(30)	(140,348)

CONSOLIDATED STATEMENT OF CASH FLOWS - INDIRECT METHOD

EUR 000's	Unaudited three months 30 Jun, 2016	Unaudited three months 30 Jun, 2015	Unaudited six months 30 Jun, 2016	Unaudited six months 30 Jun, 2015	Audited year 31 Dec, 2015
Profit for the period	6,096	810	2,184	2,553	6,124
Adjustments for:					
Net interest expenses / (income)	(170)	211	188	463	1,096
Current taxes	1,271	1,146	1,913	1,970	6,990
Depreciation and amortisation	1,211	1,340	2,297	2,471	4,768
Deferred tax	321	636	(165)	554	(295)
Provision for risks and charges	(2,367)	(57)	(2,480)	1,323	2,887
Capital gain or loss on assets	(43)	(4)	(108)	(35)	(45)
Other items not involving cash flows	850	(615)	1,160	(6,951)	(5,688)
Interest received / (paid)	170	(224)	(190)	(482)	(1,114)
Taxes paid	(2,412)	(2,251)	(4,362)	(4,554)	(6,088)
	(1,169)	182	(1,747)	(5,241)	2,511
Cash flow before changes in working capital	4,927	992	437	(2,688)	8,635
Impact of changes in working capital:					
Inventories	(1,951)	(1,434)	(5,022)	(12,727)	(5,393)
Trade receivables	(6,584)	(1,417)	4,379	2,085	(3,774)
Other current receivables	141	(3,003)	(45)	(2,745)	(621)
Trade payables	5,163	2,907	593	5,067	5,138
Other current liabilities	(1,926)	(863)	(3,571)	(2,431)	978
Long term receivables and liabilities	(1,824)	174	(1,661)	179	(5,231)
Impact of changes involving working capital	(6,981)	(3,636)	(5,327)	(10,572)	(8,903)
Net cash (outflow) from operating activities	(2,054)	(2,644)	(4,890)	(13,260)	(268)
Financial activities:					
Proceeds of loans and borrowings	1,815	7,863	4,354	12,402	10,097
(Repayments) of loans and borrowings	(404)	(175)	(513)	(1,255)	(2,308)
Capital reduction	-	-	-	-	(3,777)
Purchase of own shares	(346)	-	(346)	-	-
Net cash inflow from financial activities	1,065	7,688	3,495	11,147	4,012
Investing activities:					
Investments in property, plant and equipment	(504)	(494)	(1,057)	(1,078)	(3,173)
Investments in intangible assets	(736)	315	(977)	(67)	(651)
Sales of non-current financial assets	-	(85)	-	(113)	(25)
Disposal of assets	132	61	137	103	1,767
Net cash (outflow) from investing activities	(1,108)	(203)	(1,897)	(1,155)	(2,082)
Cash at the beginning of the period	17,562	14,477	20,610	17,071	17,071
Cash flow for the period	(2,097)	4,841	(3,292)	(3,268)	1,662
Currency exchange differences	707	(1,749)	(1,146)	3,766	1,877
Cash at the end of the period	16,172	17,569	16,172	17,569	20,610
Cash comprises:					
Cash and cash equivalents	16,172	17,637	16,172	17,637	20,812
Bank overdrafts	-	(68)	-	(68)	(202)
Total	16,172	17,569	16,172	17,569	20,610

SEGMENT INFORMATION

EUR 000's	AMER	EMEA	APAC	HQ	Inter-Group elimination	Total
Unaudited						
Three months ended 30 June 2016						
Revenue from sales of goods and services	12,966	54,341	13,821	-	(27,181)	53,947
Other income	5,221	1,904	1,070	5,548	(8,324)	5,419
Operating expenses before depreciation and amortisation	(14,167)	(51,628)	(14,190)	(6,142)	35,445	(50,682)
Gross Operating Result	4,020	4,617	701	(594)	(60)	8,684
Unaudited						
Three months ended 30 June 2015						
Revenue from sales of goods and services	14,487	56,266	16,662	-	(28,592)	58,823
Other income	76	1,652	1,733	1,583	(3,935)	1,109
Operating expenses before depreciation and amortisation	(18,263)	(53,957)	(16,212)	(987)	33,173	(56,246)
Gross Operating Result	(3,700)	3,961	2,183	596	646	3,686
Unaudited						
Six months ended 30 June 2016						
Revenue from sales of goods and services	27,949	96,061	26,118	-	(50,097)	100,031
Other income	5,775	3,480	1,549	10,979	(15,179)	6,604
Operating expenses before depreciation and amortisation	(31,324)	(94,469)	(27,511)	(11,131)	65,116	(99,318)
Gross Operating Result	2,400	5,072	157	(152)	(160)	7,317
Unaudited						
Six months ended 30 June 2015						
Revenue from sales of goods and services	24,786	94,499	25,192	-	(44,343)	100,134
Other income	453	3,400	3,332	1,822	(6,799)	2,208
Operating expenses before depreciation and amortisation	(31,042)	(93,404)	(26,134)	(1,146)	50,571	(101,155)
Gross Operating Result	(5,803)	4,495	2,390	676	(571)	1,187
Audited						
Year ended 31 December 2015						
Revenue from sales of goods and services	51,930	201,865	81,065	-	(102,637)	232,223
Other income	722	7,634	5,806	4,622	(12,802)	5,982
Operating expenses before depreciation and amortisation	(62,809)	(198,511)	(77,727)	(2,437)	115,642	(225,842)
Gross Operating Result	(10,157)	10,988	9,144	2,185	203	12,363

PARENT COMPANY - CONDENSED STATEMENT OF COMPREHENSIVE INCOME

CAVOTEC SA	Unaudited three months 30 Jun, 2016	Unaudited three months 30 Jun, 2015	Unaudited six months 30 Jun, 2016	Unaudited six months 30 Jun, 2015	Audited year 31 Dec, 2015
EUR 000's					
Other income	828	1,373	1,660	1,540	3,355
Employee benefit costs	(251)	(278)	(500)	(573)	(940)
Operating expenses	(436)	(378)	(718)	(625)	(1,283)
Operating Result	141	717	442	342	1,132
Interest expenses - net	(7)	(6)	(13)	(12)	(26)
Currency exchange differences - net	-	(2)	(3)	-	(577)
Profit before income tax	134	709	426	330	529
Income taxes	(21)	(7)	(26)	(13)	(7)
Profit for the period	113	702	400	317	522
Other comprehensive income:					
Actuarial gain	-	-	-	-	48
Total comprehensive income for the period	113	702	400	317	570

PARENT COMPANY - CONDENSED BALANCE SHEET

CAVOTEC SA	Unaudited year 30 Jun, 2016	Unaudited year 30 Jun, 2015	Audited year 31 Dec, 2015
EUR 000's			
Assets			
Current assets			
Cash and cash equivalents	41	50	62
Trade receivable	1,505	1,201	2,159
Tax assets	26	25	22
Other current receivables	13	365	30
Total current assets	1,585	1,641	2,274
Non-current assets			
Investment in subsidiary companies	155,622	155,622	155,622
Deferred tax assets	42	-	31
Total non-current assets	155,664	155,622	155,652
Total assets	157,249	157,263	157,926
Equity and Liabilities			
Current liabilities			
Bank overdrafts	(56,489)	(53,132)	(56,975)
Current financial liabilities	(1,955)	(1,955)	(1,955)
Trade payables	(155)	(154)	(280)
Provision for risks and charges - current	-	(110)	(263)
Other current liabilities	(521)	(623)	(460)
Total current liabilities	(59,120)	(55,974)	(59,932)
Non-current liabilities			
Provision for risks and charges - non current	(121)	(405)	(121)
Other non-current liabilities	(241)	(354)	(158)
Total non-current liabilities	(362)	(759)	(278)
Total liabilities	(59,482)	(56,733)	(60,211)
Equity	(97,767)	(100,530)	(97,715)
Total equity	(97,767)	(100,530)	(97,715)
Total equity and liabilities	(157,249)	(157,263)	(157,926)

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.

These unaudited Financial Statements have been approved by the Board of Directors for publication on 4 August 2016.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

This quarterly report was prepared in accordance with IFRS, applying IAS 34 Interim Financial Reporting. The same accounting and valuation policies were applied in the annual report. The condensed quarterly financial statements should be read in conjunction with the annual financial statements for the year ended in December 2015.

The preparation of quarterly 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 2015.

LEGAL DISPUTES

Following the lawsuit against Mr. Colaco, the former owner of INET Airport Systems, Mr. Colaco has sold 2.8 million shares in Cavotec SA in order to pay USD 6.7 million pursuant to the court judgement entered in favour of Cavotec. The payment of USD 6.7 million received in 2Q16 is an addition to payments Cavotec already received from Colaco, which totaled USD 1.8 million.

As previously reported, Mr. Colaco has filed a Notice of Appeal of the judgement, and Cavotec expects Mr. Colaco to proceed with his appeal, which could postpone a final settlement to 2017. The payment made by Mr. Colaco has positively affected the Company's 2Q16 results by USD 5.8 million.

NOTEWORTHY RISKS AND UNCERTAINTIES

There have been no changes to what was stated by Cavotec in its Annual Report for 2015 under Risk management.

REPORTING DATES 2016

The 3Q16 Quarterly Report will be published on 3 November 2016.

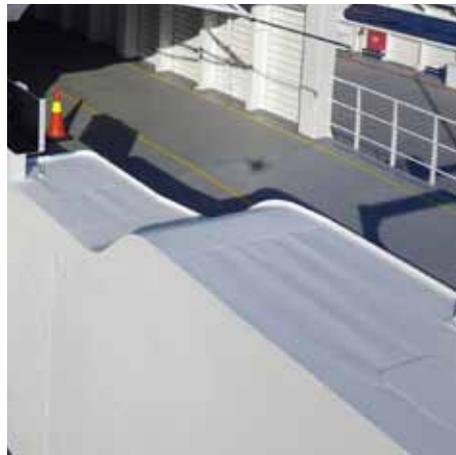
FORWARD-LOOKING STATEMENTS

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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