



Cavotec SA wins lawsuit against Colaco

The Board of Directors of Cavotec SA ("Cavotec" or the "Company") is pleased to announce that following a seven-week courtroom trial in California between Cavotec and Michael Colaco, a 12-person jury, on June 18 and 19 (PSDT), issued a verdict in favor of Cavotec, the Chairman of its Board of Directors, and the CEO. The jury rejected Colaco's claim in his lawsuit that Cavotec, the Chairman and the CEO owed him USD 3.8 million pursuant to agreements that were allegedly breached. The jury instead determined that Colaco breached his fiduciary duties to Cavotec with malice, oppression and fraud, and, that, as a result, must pay compensatory and punitive damages totaling USD 3.3 million to Cavotec subsidiary, Cavotec INET US Inc. ("Cavotec INET"). Accordingly, the verdict effectively amounted to a victory for Cavotec in the amount of USD 7.1 million. Moreover, the verdict entitles Cavotec to file a motion with the Court to obtain reimbursement from Colaco of the Company's attorneys' fees and costs.

As previously reported, Cavotec has been engaged in a lawsuit in the U.S. that was filed in 2012 against the Company and its Chairman and CEO. The lawsuit was initiated by Michael Colaco, the former owner of INET Airport Systems, following his suspension and dismissal as Managing Director of Cavotec INET and as a member of the Company's Executive Management Committee. The Company filed several counter-claims against Mr. Colaco, his former company, and others, including claims for breach of fiduciary duty, misappropriation of funds, and breach of contract.

"Throughout the proceedings, Cavotec vigorously defended itself against Mr. Colaco and at the same time actively pursued its claims against him and his accomplices," says Cavotec founder and Chairman, Stefan Widegren. "The dedication shown by our management has been exemplary and I'm very pleased that we can now put this matter to rest," he continued.

"This positive outcome follows a long period of perseverance by many within Cavotec and we are pleased that we can now fully focus on moving forward with our Cavotec INET operations," says Ottonel Popesco, Cavotec CEO.

The verdict remains subject to a potential appeal.

Throughout the litigation process, Cavotec SA and its Chairman and CEO were represented by counsel from Greenberg Gross LLP.

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