Interim Report
April 1 – September 30, 2013

At a Glance

(CHF million)	1.4. - 30.9.13	1.4. - 30.9.12*	%
Bookings	74.5	72.7	2.5
Operating revenue	70.8	69.2	2.3
EBITDA	8.6	9.3	-7.5
EBIT	6.7	7.4	-9.5
Net income	4.3	5.7	-24.6
Cash flow	6.3	7.6	-17.1
Additions to fixed assets	1.3	1.2	8.3
Net working capital	34.7	34.6	0.3
Net cash position (at 30.9.13 / 31.3.13)	38.3	52.0	-26.3

* Certain numbers are restated due to adoption of new accounting standards

Energy to Components!

Letter to the Shareholders

Dear Shareholders,

On the back of solid sales in key markets outside Europe and the successful launch of new products, Carlo Gavazzi recorded overall stable revenues in local currency during the first half of the 2013/14 financial year. Operating revenue in Swiss Francs increased by 2.3% to CHF 70.8 million (first half of 2012/13: CHF 69.2 million). Orders grew 2.5% to CHF 74.5 million (CHF 72.7 million) resulting in a book-to-bill ratio of 1.05.

Gross profit increased by CHF 0.5 million to CHF 39.3 million and the gross margin was 55.5%, compared to 56.2% in the previous year.

The Group continued to implement its strategy of investing in its product portfolio and in the expansion of the sales network in fast growing markets outside Europe. Operating expenses increased by CHF 1.1 million from CHF 31.4 million in the previous year to CHF 32.5 million. This resulted in operating profit (EBIT) of CHF 6.7 million, compared to CHF 7.4 million (-9.5%) in the previous year.

Group net income reached CHF 4.3 million against CHF 5.7 million (-24.6%) in the previous year. The key reason for this decrease was an exchange difference of CHF 1.1 million, mainly due to the strengthening of the Euro against the US Dollar, resulting in an exchange loss of CHF 0.5 million, compared to an exchange gain of CHF 0.6 million last year.

At September 30, 2013, shareholder's equity stood at CHF 87.6 million, giving an equity ratio of 69.9%.

Geographical markets

The ongoing recession in Southern Europe mainly affected markets such as Italy and Spain. As a result, the European Region recorded a decrease in sales of 5.2%.

The Asia-Pacific Region increased sales by 22.3% in local currency compared to the previous year, due to excellent growth in China (+29.1%).

Sales in North America grew by 2.1% in local currency compared to the previous year due to very good growth in the USA.

The share of sales outside Europe expanded to more than 33% of total revenues, from 30% in the same period last year, with the Americas and Asia-Pacific accounting for 18% and 15%, respectively.

Market segments and products

Sales in priority markets, net of energy markets, were 3.5% above the same period last year. Food & Beverage, Lifts & Escalators, Smart Building as well as Heating, Ventilation and Air Conditioning (HVAC) each recorded growth rates of around 10% or more versus the previous year.

Due to several initiatives in building and home automation, and car parks, sales of Fieldbuses increased by 20%. In particular, market recognition of the high modularity of the new UWP platform and its interoperability with building management systems boosted balanced penetration worldwide.

Sales of Sensors were in the same range as the previous year, although inductive sensors grew more than 5% by leveraging their stronger feature set and through selective customization for OEM customers in the industrial automation sector.

Although sales of efficiency monitoring products for photovoltaic plants more than halved compared with the first semester of 2012/13, Controls products still performed almost in line with the previous year thanks to the comprehensive range of energy management and monitoring relays aimed at both building automation markets and panel builders.

The enlargement of the offering enhanced sales of solid state relays, which confirmed their solid value proposition for industrial automation. Sales of soft starters were in line with last year thanks to growth in the HVAC market.

Furthermore, sales of safety relays and signaling devices for railways were 35.4% above the same period last year.

Outlook

The global economic situation and the market environment are still complex; gradual growth is expected in the advanced economies, with the exception of Southern European countries, while the pace of growth is slowing down in emerging markets.

Given the sluggish recovery expected across Europe, the Group's efforts will be directed at further improving geographic coverage, with local marketing initiatives deployed selectively. In addition, Carlo Gavazzi will continue to strengthen R&D and to enlarge its product portfolio. The introduction of the new UWP platform this fall will be followed by the launch of a new generation of energy metering devices in March 2014.

Carlo Gavazzi is convinced that these initiatives will add significant value to the Group in the years to come.

Valeria Gavazzi
Chairman

Anthony M. Goldstein
Chief Financial Officer

Statements of Comprehensive Income

for the six months ended September 30

(in CHF 1 000)	Notes	2013	2012*
Continuing operations			
Net sales		70 755	69 162
Cost of goods sold		(31 479)	(30 315)
Gross profit		**39 276**	**38 847**
Research & development expense		(3 456)	(3 119)
Selling, general and administrative expense		(29 031)	(28 268)
Other operating income (expense), net		(127)	(11)
Operating profit (EBIT)		**6 662**	**7 449**
Financial income		39	670
Financial expense		(598)	(59)
Profit before income tax		**6 103**	**8 060**
Income tax expense		(1 765)	(2 313)
Net profit for the period		**4 338**	**5 747**
Other comprehensive income			
Actuarial gains (losses) on employee benefit obligations		(20)	21
Tax impact on actuarial gains (losses) on employee benefit obligations		–	(3)
Total items that will not be reclassified to profit or loss		**(20)**	**18**
Exchange difference on translation of foreign operations		(245)	517
Total items that may be reclassified subsequently to profit or loss		**(245)**	**517**
Other comprehensive income for the period, net of tax		**(265)**	**535**
Total comprehensive income for the period		**4 073**	**6 282**
Net profit attributable to owners of Carlo Gavazzi Holding AG		4 338	5 747
Comprehensive income attributable to owners of Carlo Gavazzi Holding AG		4 073	6 282
Earnings per share from net profit of continuing operations for the period attributable to owners of Carlo Gavazzi Holding AG (in CHF per share)			
Basic and diluted earnings per share of continuing operations:			
- registered shares	9	1.22	1.62
- bearer shares	9	6.10	8.09

* Restated; for details please refer to Note 3

The accompanying notes are an integral part of the consolidated financial statements

Balance Sheets

(in CHF 1 000)	Notes	as of September 30 2013	as of March 31 2013*
Assets			
Current assets			
Cash and cash equivalents		39 448	52 924
Trade receivables		29 592	32 051
Other receivables		5 309	4 470
Inventories		28 817	24 992
Total current assets		**103 166**	**114 437**
Non-current assets			
Property, plant and equipment		10 029	10 618
Intangible assets		7 075	7 094
Other receivables		1 247	991
Deferred income tax assets		3 670	3 636
Total non-current assets		**22 021**	**22 339**
Total assets		**125 187**	**136 776**
Liabilities and equity			
Current liabilities			
Trade payables		11 178	11 112
Other payables		16 709	14 407
Borrowings		424	532
Current income tax liabilities		1 101	1 431
Total current liabilities		**29 412**	**27 482**
Non-current liabilities			
Other payables		735	1 043
Borrowings		696	373
Employee benefit obligations		6 060	5 775
Other provisions		672	665
Deferred income tax liabilities		44	175
Total non-current liabilities		**8 207**	**8 031**
Total liabilities		**37 619**	**35 513**
Equity			
Share capital		10 661	10 661
Capital reserves		600	600
Other reserves		(17 015)	(16 750)
Retained earnings		93 322	106 752
Total equity attributable to owners of Carlo Gavazzi Holding AG		**87 568**	**101 263**
Total liabilities and equity		**125 187**	**136 776**

* Restated; for details please refer to Note 3

The accompanying notes are an integral part of the consolidated financial statements

Statements of Changes in Equity

(in CHF 1 000)	Notes	Attributable to owners of Carlo Gavazzi Holding AG				
		Share capital	Capital reserves	Other reserves	Retained earnings	Total equity
Equity at March 31, 2012 (reported)		**10 661**	**600**	**(17 689)**	**102 742**	**96 314**
Restatement	3	–	–	(13)	13	–
Equity at April 1, 2012 (restated)		**10 661**	**600**	**(17 702)**	**102 755**	**96 314**
Net profit for the period	**3**	**–**	**–**	**–**	**5 747**	**5 747**
Actuarial gains (losses) on employee benefit obligations, net of tax	3	–	–	18	–	18
Exchange difference on translation of foreign operations		–	–	517	–	517
Other comprehensive income for the period		**–**	**–**	**535**	**–**	**535**
Dividends		–	–	–	(8 529)	(8 529)
Total transactions with owners		**–**	**–**	**–**	**(8 529)**	**(8 529)**
Equity at September 30, 2012		**10 661**	**600**	**(17 167)**	**99 973**	**94 067**
Net profit for the period	**3**	**–**	**–**	**–**	**6 779**	**6 779**
Actuarial gains (losses) on employee benefit obligations, net of tax	3	–	–	(211)	–	(211)
Exchange difference on translation of foreign operations		–	–	628	–	628
Other comprehensive income for the period		**–**	**–**	**417**	**–**	**417**
Total transactions with owners		**–**	**–**	**–**	**–**	**–**
Equity at March 31, 2013	**3**	**10 661**	**600**	**(16 750)**	**106 752**	**101 263**
Net profit for the period		**–**	**–**	**–**	**4 338**	**4 338**
Actuarial gains (losses) on employee benefit obligations, net of tax		–	–	(20)	–	(20)
Exchange difference on translation of foreign operations		–	–	(245)	–	(245)
Other comprehensive income for the period		**–**	**–**	**(265)**	**–**	**(265)**
Dividends	8	–	–	–	(17 768)	(17 768)
Total transactions with owners		**–**	**–**	**–**	**(17 768)**	**(17 768)**
Equity at September 30, 2013		**10 661**	**600**	**(17 015)**	**93 322**	**87 568**

For additional information purposes the second half of the prior year is presented in the table above
The accompanying notes are an integral part of the consolidated financial statements

Statements of Cash Flows

for the six months ended September 30

(in CHF 1 000)	Notes	2013	2012*
Cash flow from operating activities			
Profit for the period		**4 338**	**5 747**
Income taxes		1 765	2 313
Depreciation and amortization		1 958	1 856
Loss (gain) on disposal of property, plant and equipment		(32)	(35)
Change in other non-cash items		(582)	(728)
Changes in working capital:			
- Change in trade receivables and other receivables		1 368	(860)
- Change in inventories		(3 997)	(886)
- Change in trade payables and other payables		2 544	(260)
Cash generated from operations		**7 362**	**7 147**
Interest received		31	29
Interest paid		(22)	(36)
Taxes paid		(1 922)	(1 343)
Cash flow from operating activities		**5 449**	**5 797**
Cash flow from investing activities			
Purchases of property, plant and equipment		(1 310)	(1 239)
Proceeds from disposal of property, plant and equipment		35	45
Cash flow from investing activities		**(1 275)**	**(1 194)**
Cash flow from financing activities			
Dividends paid	7	(17 768)	(8 529)
Proceeds from borrowings		409	1 267
Repayment of borrowings		(194)	(78)
Cash flow from financing activities		**(17 553)**	**(7 340)**
Change in cash and cash equivalents		**(13 379)**	**(2 737)**
Cash and cash equivalents at the beginning of the period		52 924	50 872
Effects of exchange rate changes on cash and cash equivalents		(97)	494
Cash and cash equivalents at the end of the period		**39 448**	**48 629**

* Restated; for details please refer to Note 3

The accompanying notes are an integral part of the consolidated financial statements

Notes to the Consolidated Interim Financial Statements

1. General information

Carlo Gavazzi Holding AG with its subsidiaries (together Carlo Gavazzi Group, hereinafter "the Group") is an internationally active electronics company. Its core business Automation Components consists of design and manufacture of electronic control components for the global industrial automation markets. Carlo Gavazzi Holding AG is a publicly traded company listed on the Swiss stock exchange (SIX Swiss Exchange) in Zurich. The address of its registered office is Sumpfstrasse 3, CH-6312 Steinhausen, Switzerland.

The financial year of the Group ends on March 31. The Group reporting currency is Swiss Francs (CHF). The consolidated financial statements are presented in thousands of Swiss Francs (CHF 1 000).

These unaudited consolidated half-year financial statements of the Group were approved for publication by the Board of Directors on November 18, 2013.

The Group's business is not usually impacted by seasonality.

2. Significant accounting and valuation policies

The significant accounting and valuation policies are described in detail in the annual report for the financial year ended March 31, 2013. These policies have been applied consistently in the reporting periods presented, unless otherwise stated.

2.1 Basis of preparation

The Group's unaudited consolidated half-year financial statements have been prepared in accordance with the International Accounting Standard IAS 34 "Interim Financial Reporting".

The consolidated interim financial information should be read in conjunction with the Group's annual financial statements for the year ended March 31, 2013, which have been prepared in accordance with IFRS.

The Group's consolidated half-year financial statements have been prepared on the historical cost basis.

The preparation of consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that may affect the reported amounts of assets and liabilities, income and expenses, as well as the disclosure of contingent liabilities and contingent assets during the reporting period. Whilst these estimates are based on management's best knowledge of current circumstances and possible future events, actual results may ultimately differ from these estimates. In this interim report, Management has not made any significant changes to the estimates and assumptions compared with the previous periods.

2.2 Changes to accounting policies

The following new and revised standards and interpretations are mandatory for the first time for financial years beginning on or after April 1, 2013, but have no material impact or are currently not relevant for the Group:

- IFRS 10 "Consolidated Financial Statements" (new) provides a single consolidation model that identifies control as the basis for consolidation for all types of entities.
- IFRS 11 "Joint Arrangements" (new) establishes principles for the financial reporting by parties to a joint arrangement.

- IFRS 12 "Disclosure of Interests in Other Entities" (new) combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities.

- IFRS 13 "Fair Value Measurement" (new) sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements.

- IAS 1 "Financial Statement Presentation" (amended) improves the presentation of components of other comprehensive income. It requires separate sub-totals for those elements that may be recycled to profit and loss and those that will not be recycled.

- IAS 19 "Employee Benefits" (revised) requires mandatory recognition of changes in the net liabilities (or net assets) arising from defined benefit plans, including the immediate recognition of costs arising from such plans, the separation of such cost into their elements, the recognition of re-measurements in other comprehensive income, and plan changes, curtailments and settlements of plans.

  As the Group already recognized actuarial gains and losses in other comprehensive income in prior years, these amendments have no material impact on the consolidated financial statements. However, with the application of IAS 19 (revised) the previous year's figures have been restated in accordance with IAS 8 (see note 3).

Selected standards and revisions to standards effective for periods commencing on or after October 1, 2013, which have not been adopted early by the Group:

- The new IFRS 9 "Financial Instruments" is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted. It deals with the classification and measurement of financial assets, and will ultimately replace IAS 39 "Financial Instruments: Recognition and Measurement" in its entirety. IFRS 9 introduces new requirements for classifying and measuring financial assets, thereby reducing the number of asset categories from four to two.

- The amendment to IAS 32 "Financial Instruments: Presentation" clarifies some requirements for offsetting financial assets and financial liabilities. The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.

New standards and interpretations are usually applied as of the effective date; however, the Group considers early adoption on an individual basis.
If the above standards and interpretations had been applied already in the current financial year, they would have had no significant effect on the consolidated financial statements of the Group.

2.3 Principles of consolidation

The principles of consolidation and the number of consolidated legal entities remained unchanged compared with the ones presented in the Group´s annual report for the financial year ended March 31, 2013.

2.4 Foreign currency translation

The following exchange rates into Swiss Francs were used during the periods:

Exchange Rates

Period end rates applied for the consolidated balance sheet

Currency	Unit	30.9.2013	30.9.2012
BRL	100	40.63	46.48
CAD	1	0.88	0.95
CNY	100	14.79	14.88
DKK	100	16.42	16.23
EUR	1	1.22	1.21
GBP	1	1.46	1.51
HKD	100	11.66	12.09
LTL	100	35.48	35.05
MYR	100	27.74	30.61
NOK	100	15.05	16.41
SEK	100	14.09	14.35
SGD	1	0.72	0.76
USD	1	0.91	0.94

Average rates applied for the consolidated income statement

Currency	Unit	1.4.2013 – 30.9.2013	1.4.2012 – 30.9.2012
BRL	100	43.32	47.75
CAD	1	0.91	0.95
CNY	100	15.17	15.03
DKK	100	16.54	16.17
EUR	1	1.23	1.20
GBP	1	1.45	1.50
HKD	100	12.08	12.23
LTL	100	35.82	34.92
MYR	100	29.85	30.56
NOK	100	15.88	16.10
SEK	100	14.31	13.88
SGD	1	0.75	0.76
USD	1	0.94	0.95

3. Restatements for prior periods

With the application of IAS 19 (revised) the previous year's figures have been restated in accordance with IAS 8. These restatements affected the Group's interim results for financial year 2012/13 as follows:

(in CHF 1 000)	2012/13 (published)	Restatement	2012/13 (restated)
Consolidated balance sheet at April 1, 2012			
Other reserves	(17 689)	(13)	(17 702)
Retained earnings	102 742	13	102 755
Consolidated balance sheet at March 31, 2013			
Deferred income tax assets	3 639	(3)	3 636
Employee benefit obligations	5 792	(17)	5 775
Other reserves	(16 777)	27	(16 750)
Retained earnings	106 765	(13)	106 752
Consolidated statement of comprehensive income for the first half of the financial year at September 30			
Selling, general and administrative expense	(28 252)	(16)	(28 268)
Income tax expense	(2 316)	3	(2 313)
Net profit for the period	**5 760**	**(13)**	**5 747**
Actuarial gains (losses) on employee benefit obligations	5	16	21
Tax impact on actuarial gains (losses) on employee benefit obligations	–	(3)	(3)
Total other comprehensive income for the period, net of tax	**522**	**13**	**535**
Total comprehensive income for the period	**6 282**	**–**	**6 282**
Consolidated statement of comprehensive income for the second half of the financial year at March 31			
Selling, general and administrative expense	(26 036)	(16)	(26 052)
Income tax expense	(1 560)	3	(1 557)
Net profit for the period	**6 792**	**(13)**	**6 779**
Actuarial gains (losses) on employee benefit obligations	(290)	33	(257)
Tax impact on actuarial gains (losses) on employee benefit obligations	52	(6)	46
Total other comprehensive income for the period, net of tax	**390**	**27**	**417**
Total comprehensive income for the period	**7 182**	**14**	**7 196**

The restatements above are non-cash relevant and therefore led only to reclassifications within the consolidated statement of cash flows.

4. Significant events and business transactions

During the periods, there were no significant events or business transactions in connection with the critical accounting estimates and judgments defined in the Group's annual financial statements for the year ended March 31, 2013.

5. Segment reporting

The Group is an internationally active electronics company active in designing, manufacturing and marketing electronic control components for the global markets of industrial and building automation. The Group has only one reportable segment, the information for the segment therefore mainly corresponds to the figures in the consolidated financial statements. When the Group implemented IFRS 8 "Operating Segments", the following circumstances led to the conclusion that it only has one reportable segment:

- Internal monthly reporting for the only operating segment is carried out in concentrated form for the whole Group.
- Because of the close integration of the Group companies, focussing individually on production, logistics, marketing and selling, key decisions are, consequently, made by corporate management at consolidated group level and not on the basis of the financial statements of individual legal entities.
- The holding company only provides corporate services; its operating result is monitored in the internal monthly reporting.

6. Notes to the income statement

Gross sales in the first six months of the financial year 2013/14 amounted to CHF 70 755 (2012/13 CHF 69 162). The increase of 2.3% is related to the currency effect from the translation of local currency into Swiss Francs, gross sales in local currencies remained at the level of the prior period.

7. Contingent assets and contingent liabilities

There have not been any significant changes to the Group's contingent assets or contingent liabilities since the approval of the consolidated financial statements for the year 2012/13.

8. Dividends paid

Carlo Gavazzi Holding AG pays one dividend per financial year. The Annual General Meeting held on July 25, 2013, resolved to distribute a dividend for the financial year 2012/13, with value August 2, 2013, as follows (in CHF):

Ordinary dividend per registered share	CHF	2.00
Ordinary dividend per bearer share	CHF	10.00
Total ordinary dividend paid	**CHF thousands**	**7 107**
Extraordinary dividend per registered share	CHF	3.00
Extraordinary dividend per bearer share	CHF	15.00
Total extraordinary dividend paid	**CHF thousands**	**10 661**
Total dividend paid	**CHF thousands**	**17 768**

9. Earnings per share

Earnings per registered share are computed based on the weighted average number of registered shares of CHF 3 each outstanding during the periods.

Earnings per bearer share are computed based on the weighted average number of bearer shares of CHF 15 each outstanding during the periods.

Basic and diluted earnings per share are as follows:

Basic and diluted earnings per share for the half year ended September 30

(in CHF 1 000)	2013	2012*
Net profit attributable to owners of Carlo Gavazzi Holding AG	4 338	5 747
Percentage of registered shares outstanding in comparison with the share capital outstanding	45.03%	45.03%
Percentage of bearer shares outstanding in comparison with the share capital outstanding	54.97%	54.97%
Registered shares		
Net profit attributable to registered shareholders	1 953	2 588
Average number of shares outstanding	1 600 000	1 600 000
Basic and diluted earnings per registered share (CHF)	1.22	1.62
Bearer shares		
Net profit attributable to bearer shareholders	2 385	3 159
Average number of shares outstanding	390 710	390 710
Basic and diluted earnings per bearer share (CHF)	6.10	8.09

* Restated; for details please refer to Note 3

10. Related party transactions

The related parties consist primarily of shareholders, members of the Board of Directors and members of Group Management.

During the periods there were no significant transactions with related parties.

11. Events after the balance sheet date

There were no events subsequent to the balance sheet date that require adjustment to or disclosure in the financial statements.

Declaration on Forward-Looking Statements

This Interim Report contains statements that constitute "forward-looking statements", relating to the Group. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to the Group at the time of preparing this report. The Group does not undertake any obligation to update any forward-looking statements contained in this report as a result of new information, future events or otherwise.

The Interim Report of the Group can also be viewed online: www.carlogavazzi.com

Information for Investors

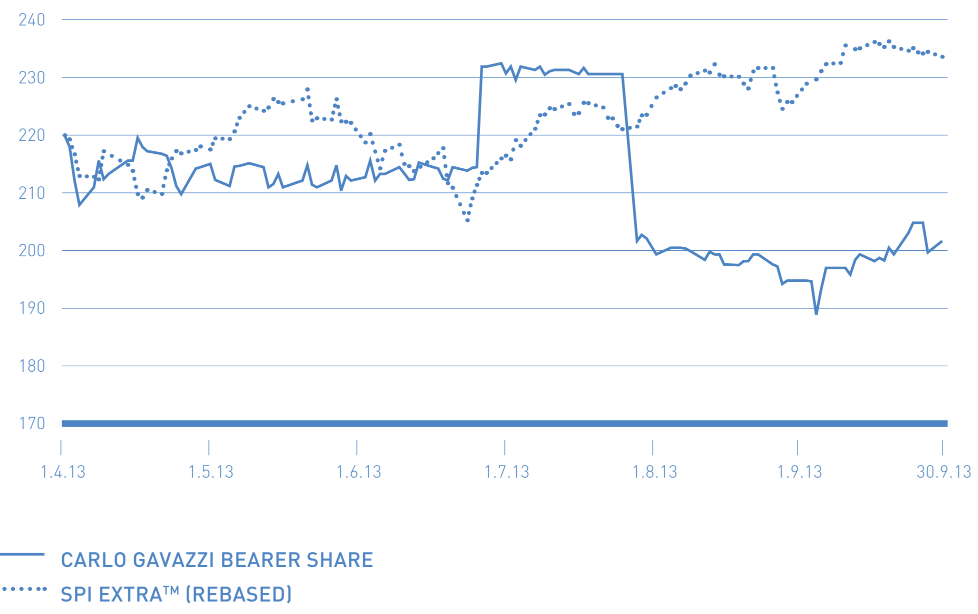
(CHF)	1.4.–30.9.13	1.4.–30.9.12*	1.4.–30.9.11	1.4.–30.9.10**	1.4.–30.9.09
Share price September 30	**204**	202	202	161	150
- half year-high	**230**	210	254	170	151
- half year-low	**193**	184	194	148	86
Average daily volume	**720**	450	893	362	441
Earnings per share	**6.10**	8.09	10.04	10.57	2.20
Book value per share	**123**	132	124	128	147
Stock market capitalization (CHF million)	**145**	144	144	114	107
- in % of equity	**165**	153	163	125	103

* Certain numbers are restated due to adoption of new accounting standards

** Certain numbers are not comparable with previous periods due to the change to IFRS from US GAAP

Share price 1.4.2013 - 30.9.2013

(CHF)



Financial calendar

Press and financial analysts' meeting 2013/14	June 26, 2014, at the Widder Hotel, Zurich
Shareholders' meeting 2013/14	July 29, 2014
Interim Report 2014/15	November 27, 2014

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