



CARLO GAVAZZI

Interim Report
April 1 – September 30, 2012

At a Glance

(CHF million)	1.4. - 30.9.12	1.4. - 30.9.11	%
Bookings	72.7	72.8	-0.1
Operating revenue	69.2	74.0	-6.5
EBITDA	9.3	11.2	-17.0
EBIT	7.5	9.3	-19.4
Net income	5.8	7.1	-18.3
Cash flow	7.6	9.0	-15.6
Additions to fixed assets	1.2	0.8	+50.0
Net working capital	33.0	30.9	+6.8
Net cash position [at 30.9.12 / 31.3.12]	46.0	49.2	-6.5

Energy to Components!

Letter to the Shareholders

Dear Shareholders,

During the first half of the financial year 2012/13, business was impacted by both lower demand in countries heavily affected by the current euro zone crisis and the stagnating renewable energy market. In the first six months, Carlo Gavazzi achieved operating revenues of CHF 69.2 million (6.5% below last year's CHF 74.0 million). Bookings remained stable at CHF 72.7 million. The book-to-bill ratio increased to 1.05 from 0.98 last year.

Due to the volume reduction, gross profit was CHF 2.4 million below the same period of last year; however, thanks to the effective and efficient management of the whole supply chain, the gross margin of 56.2% increased from last year's 55.8%.

In accordance with our ongoing policy to invest in the continued improvements of the product portfolio and in the expansion of the sales network in fast growing markets outside Europe, operating expenses of CHF 31.4 million decreased by only 1.9% versus the same period of last year, resulting in operating profit (EBIT) decreasing by 19.4% to CHF 7.5 million compared to CHF 9.3 million in the previous year.

The Group reached a net income of CHF 5.8 million (-18.3%) against CHF 7.1 million in the previous year. Despite a dividend pay-out of CHF 8.5 million, the Group's net cash position was CHF 46.0 million (CHF 49.2 million per March 31, 2012), once more showing Carlo Gavazzi's ability to generate cash. At September 30, 2012, shareholder's equity stood at CHF 94.1 million, giving an equity ratio of 71.7%.

Geographical markets

The business slowdown in the euro zone impacted mainly Southern European countries such as Italy or Spain. As a result, the European Region recorded a decrease in sales of 12.4% in local currency.

Independently from the external economic development, Carlo Gavazzi continues to implement its long-term strategy of strengthening its global presence in fast growing markets. Thanks to over proportional growth in markets such as China, USA and Mexico, sales in local currency in the Group's other two key regions increased by 2.0% in Asia-Pacific and 2.4% in North America compared to the previous year.

Geographical revenue distribution continues to broaden as planned. Over the last two years, the share of sales outside of Europe has expanded from 21% to more than 30%.

Market segments and products

In order to optimally allocate its resources, the Group focuses its marketing and sales efforts on priority markets with above-average growth potential. Sales in these markets, net of energy markets, were 3.9% above the same period of last year. Doors & Entrance and Food & Beverage recorded double digit growth versus the previous year, respectively 16% and 23%.

Products

The sales of Sensors increased by 3.4% and in particular capacitive sensors grew by more than 16% versus last year thanks to several specific initiatives with the OEM customers in both the Agriculture and the Heating, Ventilation and Air Conditioning (HVAC) market.

Energy management, comprising products such as grid analyzers and energy meters, confirmed to be a solid stream of revenue. Thanks to the comprehensive product range, the sales were almost in line with last year (-2.5%). During the last 12 to 15 months, sales of efficiency monitoring products for photovoltaic plants have suffered from the stagnating renewable energy market and, as a consequence, revenues decreased by almost 50% compared to the first half of last year.

Due to the enlargement of the product range towards selected applications in the vertical markets, such as HVAC, the sales of soft starters grew by 5.3% versus the same period of last year. On the other hand, sales of solid state relays decreased by 5.2%, mainly because of a general slowdown in the plastics industry across Central Europe and Asia.

Fieldbus sales decreased by 24% versus last year as investments in building automation projects such as car park systems were lower and customers postponed some orders because of the imminent launch of a new fieldbus platform.

Furthermore, sales of safety relays and signalling devices for railways were 29% below the same period of the previous year.

Outlook

The economic scenario is still complex, however, despite the global slowdown, the situation for the Carlo Gavazzi appears positive in North America and Asia-Pacific.

In Europe, the financial crisis continues to affect the business environment, thereby impacting negatively almost all sectors. The Group's efforts will be directed at improving the geographic coverage (e.g. starting direct sales in Brazil), Research and Development, as well as renewing the product portfolio such as the launch of the Universal Web Platform for Building Automation or the new photo sensors for Industrial Automation.

Based on these initiatives Carlo Gavazzi is confident that sales can be stabilized in the second half. Despite ongoing investments in R&D and the expansion of its distribution network, the Group aims for net income to remain at least at the same level as in the first semester of the fiscal year.



Valeria Gavazzi
Chairman



Giovanni Bertola
Vice-Chairman

Statements of Comprehensive Income

for the six months ended September 30

(in CHF 1 000)	Notes	2012	2011
Continuing operations			
Net sales		69 162	73 967
Cost of goods sold		(30 315)	(32 684)
Gross profit		38 847	41 283
Research & development expense		(3119)	(3 291)
Selling, general and administrative expense		(28 252)	(28 675)
Other operating income (expense), net		(11)	(48)
Operating profit (EBIT)		7 465	9 269
Financial income		670	560
Financial expense		(59)	(72)
Profit before income tax		8 076	9 757
Income tax expense		(2 316)	(2 622)
Net profit for the period		5 760	7 135
Other comprehensive income			
Actuarial gains (losses) on employee benefit obligations		5	(402)
Tax impact on actuarial gains (losses) on employee benefit obligations		-	111
Exchange difference on translation of foreign operations		517	(5 217)
Other comprehensive income for the period, net of tax		522	(5 508)
Total comprehensive income for the period		6 282	1 627
Net profit attributable to owners of Carlo Gavazzi Holding AG		5 760	7 135
Comprehensive income attributable to owners of Carlo Gavazzi Holding AG		6 282	1 627
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	8	1.62	2.01
- bearer shares	8	8.10	10.04

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

Balance Sheets

(in CHF 1 000)	Notes	as of	
		September 30 2012	March 31 2012
Assets			
Current assets			
Cash and cash equivalents		48 629	50 872
Trade receivables		30 388	29 143
Other receivables		4 463	4 686
Inventories		26 301	25 294
Total current assets		109 781	109 995
Non-current assets			
Property, plant and equipment		10 238	10 699
Intangible assets		7 131	7 131
Other receivables		906	682
Deferred income tax assets		3 188	3 670
Total non-current assets		21 463	22 182
Total assets		131 244	132 177
Liabilities and equity			
Current liabilities			
Trade payables		10 502	9 992
Other payables		15 539	16 183
Borrowings		1 864	774
Current income tax liabilities		2 095	2 087
Total current liabilities		30 000	29 036
Non-current liabilities			
Other payables		364	207
Borrowings		780	850
Employee benefit obligations		5 340	5 015
Other provisions		605	599
Deferred income tax liabilities		88	156
Total non-current liabilities		7 177	6 827
Total liabilities		37 177	35 863
Equity			
Share capital		10 661	10 661
Capital reserves		600	600
Other reserves		(17 167)	(17 689)
Retained earnings		99 973	102 742
Total equity attributable to owners of Carlo Gavazzi Holding AG		94 067	96 314
Total liabilities and equity		131 244	132 177

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 April 1, 2011		10 661	600	(10 872)	103 759	104 148
Net profit for the period		-	-	-	7 135	7 135
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	(291)	-	(291)
Exchange difference on translation of foreign operations		-	-	(5 217)	-	(5 217)
Other comprehensive income for the period		-	-	(5 508)	-	(5 508)
Dividends		-	-	-	(17 768)	(17 768)
Total transactions with owners		-	-	-	(17 768)	(17 768)
Equity at September 30, 2011		10 661	600	(16 380)	93 126	88 007
Net profit for the period		-	-	-	9 616	9 616
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	(208)	-	(208)
Exchange difference on translation of foreign operations		-	-	(1 101)	-	(1 101)
Other comprehensive income for the period		-	-	(1 309)	-	(1 309)
Total transactions with owners		-	-	-	-	-
Equity at March 31, 2012		10 661	600	(17 689)	102 742	96 314
Net profit for the period		-	-	-	5 760	5 760
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	5	-	5
Exchange difference on translation of foreign operations		-	-	517	-	517
Other comprehensive income for the period		-	-	522	-	522
Dividends	7	-	-	-	(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

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	2012	2011
Cash flow from operating activities			
Profit for the period		5 760	7 135
Income taxes		2 316	2 622
Depreciation and amortization		1 856	1 882
Loss (gain) on disposal of property, plant and equipment		(35)	(1)
Change in other non-cash items		(744)	(2 948)
Changes in working capital:			
- Change in trade receivables and other receivables		(860)	4 068
- Change in inventories		(886)	(3 719)
- Change in trade payables and other payables		(260)	(382)
Cash generated from operations		7 147	8 657
Interest received		29	53
Interest paid		(36)	(41)
Taxes paid		(1 343)	(5 702)
Cash flow from operating activities		5 797	2 967
Cash flow from investing activities			
Purchases of property, plant and equipment		(1 239)	(754)
Proceeds from disposal of property, plant and equipment		45	724
Cash flow from investing activities		(1 194)	(30)
Cash flow from financing activities			
Dividends paid	7	(8 529)	(17 768)
Proceeds from borrowings		1 267	994
Repayment of borrowings		(78)	(1 493)
Cash flow from financing activities		(7 340)	(18 267)
Change in cash and cash equivalents		(2 737)	(15 330)
Cash and cash equivalents at the beginning of the period		50 872	58 023
Effects of exchange rate changes on cash and cash equivalents		494	(2 206)
Cash and cash equivalents at the end of the period		48 629	40 487

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 Zürich. The address of its registered office is Sumpfstrasse 32, 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 19, 2012.

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, 2012. These policies have been applied consistently in the reporting periods presented.

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, 2012, 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 amendments and new interpretations are mandatory for the first time for financial years beginning on or after April 1, 2012, but have no material impact or are currently not relevant for the Group:

- IFRS 7 "Financial Instruments: Disclosures" (amended) requiring additional disclosures about transfer of financial assets to third parties.
- IAS 12 "Income Taxes" (amended) providing a practical solution concerning the determination of deferred tax on investment property measured at fair value.

Selected standards and revisions to standards effective for periods commencing on or after October 1, 2012, 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.

The Group is currently assessing the effects of these new standards, interpretations and amendments on its future financial reporting.

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, 2012.

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	30.9.2012	31.3.2012
CAD	1	0.95	0.91
CNY	100	14.88	14.35
DKK	100	16.23	16.18
EUR	1	1.21	1.20
GBP	1	1.51	1.44
HKD	100	12.09	11.64
LTL	100	35.05	34.88
MYR	100	30.61	29.51
NOK	100	16.41	15.83
SEK	100	14.35	13.62
SGD	1	0.76	0.72
USD	1	0.94	0.90

Average rates applied for the consolidated income statement

Currency	Unit	1.4.2012 - 30.9.2012	1.4.2011 - 30.9.2011
CAD	1	0.95	0.87
CNY	100	15.03	13.15
DKK	100	16.17	16.24
EUR	1	1.20	1.21
GBP	1	1.50	1.37
HKD	100	12.23	10.90
LTL	100	34.92	35.12
MYR	100	30.56	28.16
NOK	100	16.10	15.53
SEK	100	13.88	13.35
SGD	1	0.76	0.69
USD	1	0.95	0.85

3. 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, 2012.

4. 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.

5. Notes to the income statement

Gross sales in the first six months of the financial year 2012/13 amounted to CHF 69 162 (2011/12 CHF 73 967). The decrease of 6.5% is mainly related to the lower sales demand resulting from the ongoing financial crisis in Europe and was within the scope of our expectations.

6. 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 2011/12.

7. Dividends paid

Carlo Gavazzi Holding AG pays one dividend per financial year. The Annual General Meeting held on July 26, 2012, resolved to distribute a dividend for the financial year 2011/12, with value August 3, 2012, as follows (in CHF):

Dividend per registered share	CHF	2.40
Dividend per bearer share	CHF	12.00
Total dividend paid	CHF thousands	8 529

8. 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)	2012	2011
Net profit attributable to owners of Carlo Gavazzi Holding AG	5 760	7 135
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	2 594	3 213
Average number of shares outstanding	1 600 000	1 600 000
Basic and diluted earnings per registered share (CHF)	1.62	2.01
Bearer shares		
Net profit attributable to bearer shareholders	3 166	3 922
Average number of shares outstanding	390 710	390 710
Basic and diluted earnings per bearer share (CHF)	8.10	10.04

9. 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.

10. 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

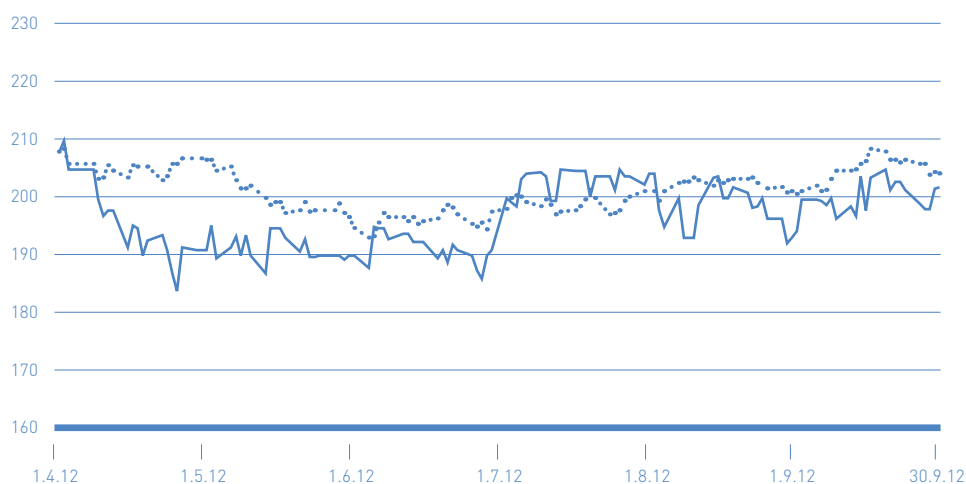
Information for Investors

(CHF)	1.4.-30.9.12	1.4.-30.9.11	1.4.-30.9.10*	1.4.-30.9.09	1.4.-30.9.08
Share price September 30	202	202	161	150	147
- half year-high	210	254	170	151	200
- half year-low	184	194	148	86	146
Average daily volume	450	893	362	441	405
Earnings per share	8.10	10.04	10.57	2.20	10.32
Book value per share	132	124	128	147	153
Stock market capitalization (CHF million)	144	144	114	107	104
- in % of equity	153	163	125	103	95

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

Share price 1.4.2012 - 30.9.2012

(CHF)



— CARLO GAVAZZI BEARER SHARE
 SPI EXTRA™ (REBASED)

Financial calendar

Press and financial analysts' meeting 2012/13
 Shareholders' meeting 2012/13
 Interim Report 2013/14

June 27, 2013, at the Widder Hotel, Zurich
 July 25, 2013
 November 21, 2013



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