CARLO GAVAZZI

Interim Report
April 1 – September 30, 2011

At a Glance

(CHF million)	1.4. - 30.9.11	1.4. - 30.9.10	%
Bookings	72.8	108.9	-33.1
Operating revenue	74.0	90.8	-18.5
EBITDA	11.2	13.3	-15.8
EBIT	9.3	11.1	-16.2
Net income	7.1	7.5	-5.3
Cash flow	9.0	9.7	-7.2
Additions to fixed assets	0.8	1.3	-38.5
Net working capital	32.9	29.8	+10.4
Net cash position (at 30.9.11 / 31.3.11)	38.2	55.1	-30.7

Energy to Components!

Letter to the Shareholders

Dear Shareholders,

In the first half of the business year 2011/12, Carlo Gavazzi achieved operating revenues of CHF 74.0 million and a net income of CHF 7.1 million. Sales in CHF terms were substantially lower due to the -10.7% currency effect on converting from the Euro. Following the reduction of feed-in tariffs in various European countries, demand for renewable energy products was significantly lower, contributing a further 7.8% to the decline. Revenues from the renewable energy markets had been particularly strong in the first half of the previous year. Operating revenues for all other product lines worldwide and in all regions outside Europe remained stable or increased by single or double-digit rates versus the first half of 2010/11.

Without the renewable energy business, the overall book-to-bill ratio reached 100.7% (98.4% including renewable energy).

Due to the effective and efficient management of manufacturing costs and the entire supply chain, the gross margin increased by 4.4 percentage points to 55.8% of sales compared to the first half of last year. This increase compensated for the volume reduction, so that the gross profit in local currencies remained unchanged, reaching CHF 41.3 million.

Following continued investments in the build up of a strong sales network, mainly in fast growing markets, the Group's operating profit (EBIT) decreased by 16.2% to CHF 9.3 million.

Thanks to solid growth from the core product lines, rigid cost management and because the Group's main cost base is in the Eurozone, Carlo Gavazzi achieved a net income of CHF 7.1 million (versus CHF 7.5 million last year). Cash flow remained high at CHF 9.0 million (versus CHF 9.7 million last year).

Although it paid a combined (ordinary and jubilee) dividend of CHF 17.8 million in August, the Group has a solid net cash position of CHF 38.2 million, the same as at the end of the first semester last year. Despite generally weak stock markets and a total dividend payment of CHF 25 per share, the price of the Carlo Gavazzi bearer share decreased by less than 4%, thereby significantly outperforming the SPI Extra index which declined by 21%.

Geographical markets

European sales in both core businesses, Building (+1.6%) and Industrial Automation (+4.6%), grew at single digit rates. Overall revenues in Europe were impacted by regulatory events in the renewable energy field in Germany, Spain and Italy, leading to a decline of 11.8% in local currency.

Thanks to dynamic growth rates in markets such as China, Taiwan and Mexico, sales in local currencies in both the Asia-Pacific and North America regions increased by 10.4% and 21.2%, respectively.

Geographical revenue distribution continues to broaden as planned: the share of sales outside Europe has expanded from 21% last year to 25.5% to which North America and Asia-Pacific contributed 14.9% and 10.6% respectively.

Market segments and products

Sales in Carlo Gavazzi's two key areas, Building and Industrial Automation, grew by more than 5% compared to the same period last year, while in Renewable Energy changes in government policy and the build up of stock at various stages of the supply chain led to a shift from a growing to a stagnant market.

Among Carlo Gavazzi's priority markets, Heating, Ventilation & Air Conditioning (HVAC, +17%) and Plastic & Rubber (+11%) both grew at double digit rates. Traditional energy management confirmed its status as a solid source of revenue. Thanks to Carlo Gavazzi's comprehensive product range, sales in this segment increased by more than 15% versus last year. In particular, MID certification supported the growth of the EM10 energy meter; moreover, full implementation of this certification across the whole product family is expected to further support the penetration in the energy market.

Overall, sales of sensors were in line with the same period last year, while capacitive sensors grew by more than 10% thanks to several specific initiatives with OEM customers in both the Plastic & Rubber and the Agriculture market. The new generation of wireless safety edges for industrial doors will support further expansion into Building Automation markets.

Sales of solid state relays grew by almost 15% versus last year thanks to specific actions taken within the HVAC and Plastic & Rubber markets. In the near future, the expansion of the soft starter range dedicated to compressors will drive further development in the HVAC market.

Fieldbus revenues were up by more than 50% versus last year, driven by the successful business development in car parking solutions on a worldwide basis.

Revenues from safety relays and signaling devices for railways were in line with the same period of last year.

Outlook

The company's outstanding 2010/11 figures were partly the result of subsidies in certain market segments, particularly in the first half of the fiscal year, while sales in the second half were driven more by momentum in the traditional industrial and building automation markets. Going forward, the development of the world economies and the major currencies as well as the environment regarding subsidies for renewable energy applications are expected to remain very challenging.

In Europe, business is being affected by both the uncertain financial environment and the lower level of investment in the renewable energy market for the foreseeable future. Despite the global slowdown, prospects for North America and Asia-Pacific seem to be more positive.

In an overall slower-growing market, Carlo Gavazzi's efforts will be directed at increasing its market share by further expanding geographic coverage and developing the product portfolio. Focusing on cost and investment management and on improving operational efficiency, in the second half year, the company aims at achieving a net income at least at the level of the first half year.

Valeria Gavazzi
Chairman

Giovanni Bertola
Vice-Chairman

Statements of Comprehensive Income

for the six months ended September 30

(in CHF 1 000)	Notes	2011	2010
Continuing operations			
Net sales		73 967	90 819
Cost of goods sold		(32 684)	(44 131)
Gross profit		**41 283**	**46 688**
Research & development expense		(3 291)	(3 524)
Selling, general and administrative expense		(28 675)	(31 402)
Other operating income (expense), net		(48)	(613)
Operating profit (EBIT)		**9 269**	**11 149**
Financial income		560	34
Financial expense		(72)	(298)
Profit before income tax		**9 757**	**10 885**
Income tax expense		(2 622)	(3 370)
Net profit for the period		**7 135**	**7 515**
Other comprehensive income			
Actuarial gains (losses) on employee benefit obligations		(402)	-
Tax impact on actuarial gains (losses) on employee benefit obligations		111	-
Exchange difference on translation of foreign operations		(5 217)	(5 179)
Other comprehensive income for the period, net of tax		**(5 508)**	**(5 179)**
Total comprehensive income for the period		**1 627**	**2 336**
Net profit attributable to owners of Carlo Gavazzi Holding AG		7 135	7 515
Comprehensive income attributable to owners of Carlo Gavazzi Holding AG		1 627	2 336
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	2.01	2.12
- bearer shares	8	10.04	10.57

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

Balance Sheets

as of

(in CHF 1 000)	Notes	September 30 2011	March 31 2011
Assets			
Current assets			
Cash and cash equivalents		40 487	58 023
Trade receivables		32 023	37 714
Other receivables		5 230	6 315
Inventories		30 769	28 822
Total current assets		**108 509**	**130 874**
Non-current assets			
Property, plant and equipment		10 038	12 412
Intangible assets		6 944	7 311
Other receivables		651	378
Deferred income tax assets		3 975	4 150
Total non-current assets		**21 608**	**24 251**
Total assets		**130 117**	**155 125**
Liabilities and equity			
Current liabilities			
Trade payables		10 950	13 023
Other payables		21 585	21 795
Borrowings		1 424	1 841
Current income tax liabilities		2 584	8 227
Total current liabilities		**36 543**	**44 886**
Non-current liabilities			
Other payables		153	164
Borrowings		845	1 087
Employee benefit obligations		3 866	4 326
Other provisions		597	380
Deferred income tax liabilities		106	134
Total non-current liabilities		**5 567**	**6 091**
Total liabilities		**42 110**	**50 977**
Equity			
Share capital		10 661	10 661
Capital reserves		600	600
Other reserves		(16 380)	(10 872)
Retained earnings		93 126	103 759
Total equity attributable to owners of Carlo Gavazzi Holding AG		**88 007**	**104 148**
Total liabilities and equity		**130 117**	**155 125**

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

Statements of Changes in Equity

		Attributable to owners of Carlo Gavazzi Holding AG				
(in CHF 1 000)	Notes	Share capital	Capital reserves	Other reserves	Retained earnings	Total equity
Equity at April 1, 2010		**10 661**	**600**	**(3 888)**	**84 583**	**91 956**
Net profit for the period		**-**	**-**	**-**	**7 515**	**7 515**
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	-	-	-
Exchange difference on translation of foreign operations		-	-	(5 179)	-	(5 179)
Other comprehensive income for the period		**-**	**-**	**(5 179)**	**-**	**(5 179)**
Dividends		-	-	-	(3 554)	(3 554)
Total transactions with owners		**-**	**-**	**-**	**(3 554)**	**(3 554)**
Equity at September 30, 2010		**10 661**	**600**	**(9 067)**	**88 544**	**90 738**
Net profit for the period		**-**	**-**	**-**	**15 215**	**15 215**
Actuarial gains (losses) on employee benefit obligations, net of tax		-	-	418	-	418
Exchange difference on translation of foreign operations		-	-	(2 223)	-	(2 223)
Other comprehensive income for the period		**-**	**-**	**(1 805)**	**-**	**(1 805)**
Total transactions with owners		**-**	**-**	**-**	**-**	**-**
Equity at March 31, 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	7	-	-	-	(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**

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	**2011**	2010
Cash flow from operating activities			
Profit for the period		**7 135**	**7 515**
Income taxes		2 622	3 370
Depreciation and amortization		1 882	2 154
Loss (gain) on disposal of property, plant and equipment		(1)	(15)
Change in other non-cash items		(2 948)	(3 110)
Changes in working capital:			
- Change in trade receivables and other receivables		4 068	(7 201)
- Change in inventories		(3 719)	(2 237)
- Change in trade payables and other payables		(382)	1 003
Cash generated from operations		**8 657**	**1 479**
Interest received		53	11
Interest paid		(41)	(50)
Taxes paid		(5 702)	(1 195)
Cash flow from operating activities		**2 967**	**245**
Cash flow from investing activities			
Purchases of property, plant and equipment		(754)	(1 319)
Proceeds from disposal of property, plant and equipment		724	15
Cash flow from investing activities		**(30)**	**(1 304)**
Cash flow from financing activities			
Dividends paid	7	(17 768)	(3 554)
Proceeds from borrowings		994	1 818
Repayment of borrowings		(1 493)	(1 471)
Cash flow from financing activities		**(18 267)**	**(3 207)**
Change in cash and cash equivalents		**(15 330)**	**(4 266)**
Cash and cash equivalents at the beginning of the period		58 023	47 853
Effects of exchange rate changes on cash and cash equivalents		(2 206)	(1 732)
Cash and cash equivalents at the end of the period		**40 487**	**41 855**

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 21, 2011.

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, 2011. 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, 2011, 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, 2011, but have no material impact or are currently not relevant for the Group:

- IAS 24 "Related Party Disclosures" (revised) simplifying the disclosure requirements for publicly traded companies and redefines the concept of a "related party".

- The revised IFRIC 14 "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" stipulating that voluntary payments into a pension plan, constituting a surplus, should be recognized as an economic benefit.

- Improvements to IFRS 2010 – various minor changes to a number of standards

Selected standards and revisions to standards effective for periods commencing on or after October 1, 2011, which have not been adopted early by the Group:

- The new IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other

Entities" are effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. IFRS 10 provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 replaces IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation – Special Purpose Entities". IFRS 11 establishes principles for the financial reporting by parties to a joint arrangement. IFRS 11 supersedes IAS 31 "Interests in Joint Ventures" and SIC-13 – "Jointly Controlled Entities – Non-monetary Contributions by Venturers". IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. As a consequence of these new IFRS standards IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" were also amended and retitled.

- The new IFRS 13 "Fair Value Measurement" defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRS standards require or permit fair value measurements. However, it does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value. This standard is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

- The amendment to IAS 1 "Financial Statement Presentation" improves the presentation of components of other comprehensive income. It requires separate sub-totals for those elements that may be recycled (e.g. cash flow hedging, foreign currency translation) and those that will not be recycled (e.g. fair value through other comprehensive income items under IFRS 9). The amendments are effective for annual periods beginning on or after July 1, 2012.

- The amendment to IAS 19 "Employee Benefits" 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. The amendments are effective for annual periods beginning on or after January 1, 2013, 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, 2011.

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	30.9.2011	31.3.2011
CAD	1	0.87	0.94
CNY	100	14.17	13.97
DKK	100	16.41	17.41
EUR	1	1.22	1.30
GBP	1	1.41	1.47
HKD	100	11.51	11.77
LTL	100	35.37	37.60
MYR	100	28.20	30.26
NOK	100	15.47	16.55
SEK	100	13.22	14.51
SGD	1	0.69	0.73
USD	1	0.90	0.92

Average rates applied for the consolidated income statement

Currency	Unit	1.4.2011 – 30.9.2011	1.4.2010 – 30.9.2010
CAD	1	0.87	1.04
CNY	100	13.15	15.77
DKK	100	16.24	18.44
EUR	1	1.21	1.37
GBP	1	1.37	1.63
HKD	100	10.90	13.77
LTL	100	35.12	39.86
MYR	100	28.16	33.56
NOK	100	15.53	17.30
SEK	100	13.35	14.43
SGD	1	0.69	0.78
USD	1	0.85	1.07

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, 2011. Certain amounts in the previous period financial statements have been reclassified to conform to the current period presentation.

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 2011/12 amounted to CHF 73 967 (2010/11 CHF 90 819). Of the decrease of 18.5%, 10.7% is attributable to the negative development of the Euro and 7.8% to the lower demand for renewable energy products in Europe.

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 2010/11.

7. Dividends paid

Carlo Gavazzi Holding AG pays one dividend per financial year. The Annual General Meeting held on July 28, 2011, resolved to distribute a dividend for the financial year 2010/11, with value August 5, 2011, 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**
Jubilee dividend per registered share	CHF	3.00
Jubilee dividend per bearer share	CHF	15.00
Total jubilee dividend paid	**CHF thousands**	**10 661**
Total dividend paid	**CHF thousands**	**17 768**

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)	2011	2010
Net profit attributable to owners of Carlo Gavazzi Holding AG	7 135	**7 515**
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	3 213	3 384
Average number of shares outstanding	1 600 000	1 600 000
Basic and diluted earnings per registered share (CHF)	2.01	2.12
Bearer shares		
Net profit attributable to bearer shareholders	3 922	4 131
Total number of shares outstanding	390 710	390 710
Average number of shares outstanding	390 710	390 710
Basic and diluted earnings per bearer share (CHF)	10.04	10.57

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.

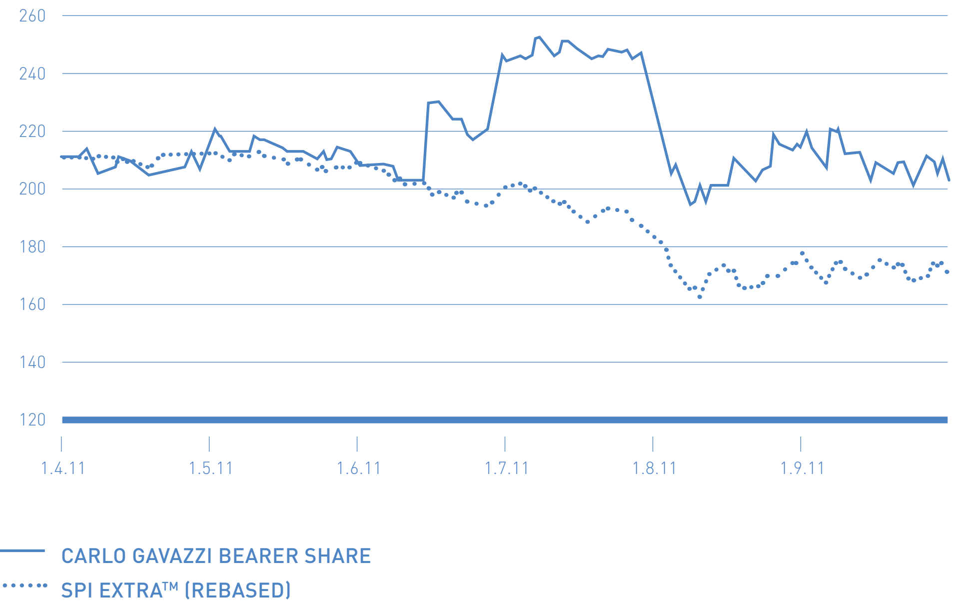
The Interim Report of the Group can also be viewed online: www.carlogavazzi.com

Information for Investors

(CHF)	**1.4.–30.9.11**	1.4.–30.9.10*	1.4.–30.9.09	1.4.–30.9.08	1.4.–30.9.07
Share price September 30	**202**	161	150	147	300
- half year-high	**254**	170	151	200	319
- half year-low	**194**	148	86	146	257
Average daily volume	**893**	362	441	405	916
Earnings per share	**10.04**	10.57	2.20	10.32	10.73
Book value per share	**124**	128	147	153	144
Stock market capitalization (CHF million)	**144**	114	107	104	213
- in % of equity	**163**	125	103	95	207

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

Share price 1.4.2011 - 30.9.2011
(CHF)



Financial calendar

Press and financial analysts' meeting 2011/12	June 28, 2012, at the Widder Hotel, Zurich
Shareholders' meeting 2011/12	July 26, 2012
Interim Report 2012/13	November 22, 2012

CARLO GAVAZZI

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