

Press Information

Carlo Gavazzi: Significant performance improvement

First semester net income increased by 46% to CHF 7.6 million

Steinhausen, November 16, 2007 – In the first semester of the current financial year ended September 30, 2007, the Zug-based electronics group succeeded again in improving significantly its economic performance. While operating revenue grew by 10% from CHF 101 million to CHF 111 million, EBIT showed an increase of 34% from CHF 7.7 million to CHF 10.3 million. Net income grew by 46% from CHF 5.2 million to CHF 7.6 million.

Thanks to the actions put in place in both business units, the group expects to close the current financial year with an improved performance over the previous year, despite signs of a weakening demand in the main markets.

As a consequence of the relocation of production to lower-cost countries and economy-of-scale effects, gross margin improved by 1.3 percentage points to 47.8%. This increase, coupled with the reduction of operating expenses as a percentage of sales, resulted in a marked increase of the EBIT margin from 7.6% to 9.3%.

At September 30, 2007, equity amounted to CHF 103 million, equalling 60% of total assets, while net interest-bearing debt was reduced to almost nil.

Please click on the link below to access the full 2007 Interim Report of the Carlo Gavazzi Group.
<http://www.carlogavazzi.com/en/investors/interim-report.html>

About Carlo Gavazzi:

Carlo Gavazzi is a publicly quoted international electronics group (SWX: GAV) with activities in the design and marketing of electronic control components for factory and building automation as well as in electronic packaging and embedded computing.

Please visit our website: www.carlogavazzi.com

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