

Media Information

Carlo Gavazzi reports robust financial result in 2012/13

- **Operating revenue of CHF 138.3 million (2011/12: CHF 142.8 million)**
- **Strong growth in Asia-Pacific and the Americas**
- **Net income reaches CHF 12.6 million – 2nd half outperforms 1st semester**
- **Equity ratio increases once again from 72.9% to 74%**
- **Ordinary dividend of CHF 10 and extraordinary dividend of CHF 15 per bearer share proposed to AGM**

Steinhausen, June 27, 2013 – In 2012/13, Carlo Gavazzi once again achieved a robust financial result. Operating revenue reached CHF 138.3 million (-3.2% vs. previous year). Thanks to strong growth in Asia-Pacific and the Americas, the Group was able to compensate for the effects of the challenging environment in Europe. Bookings increased slightly from CHF 139.6 million to CHF 140.6 million (+0.7%), resulting in a positive book-to-bill ratio of 1.02 as per March 31, 2013.

The Group's gross margin increased by another 0.5 percentage points from 55.1% to 55.6%, mainly because of the improved manufacturing efficiency. Net income reached CHF 12.6 million, with the second half year outperforming the first one. Cash flow reached CHF 15.9 million (CHF 20.1 million in the previous year).

With shareholders' equity of CHF 101.2 million, or 74.0% of total assets, at March 31, 2013, and a net cash position of CHF 52.0 million, the Group's balance sheet remains very solid.

Attractive dividend

Having assessed these results, the Board of Directors will propose to the annual shareholders' meeting that the Company pays a dividend of CHF 10.00 per bearer share (previous year: CHF 12.00) and CHF 2.00 per registered share (previous year: CHF 2.40) for the reporting period. In view of the Group's strong cash generation capacity and its substantial net cash position the Board of Directors proposes to distribute an additional extraordinary dividend of CHF 15.00 per bearer share and CHF 3.00 per registered share.

Broadening geographical distribution

In 2012/13, Carlo Gavazzi continued to focus its marketing and sales efforts on markets with above-average growth potential, such as Asia-Pacific and the Americas. This helped to balance out the difficult economic conditions in markets such as Italy and Spain. As a result, North America increased its revenue in local currency terms by 1.8% and Asia-Pacific grew 12.5% year-on-year, while Europe dropped by 9.6%.

The Mexican sales company achieved revenue growth of more than 45.0% (45.9% in the previous year) due to the consolidation of its top distribution partners and strong demand from Original Equipment Manufacturers (OEMs) and integrators. In China, sales went up by 15%, driven by promising developments with OEMs and distributors. The geographical distribution of revenue continues to broaden: sales outside Europe expanded from 25% of total revenue last year to 30%, with America and Asia-Pacific accounting for 17% and 13% respectively.

Sensors with stable performance

Overall sales of sensors were practically in line with the previous year (-1.5%). Within this product category, capacitive sensors enjoyed increasing demand, particularly in the heating, ventilation and air conditioning (HVAC) and agriculture markets, resulting in an increase of 10.7%. The switches product line performed slightly below the previous year's level (-3.5%). Sales of soft starters were stable, partly thanks to demand from building automation markets, particularly in the HVAC segment where these products are specifically designed for chillers with scroll compressors. The fieldbuses and controls product lines were down on the previous year by 15.9% and 10.9% respectively. In particular, the decline in the PV solar farms market affected sales of the relevant efficiency monitoring products (-52.5%). The rest of Carlo Gavazzi's priority markets grew by more than 4% compared with the previous year thanks to the effective introduction of new products and dedicated initiatives worldwide.

Focus on R&D

The Group's strategy of investing in new and enhanced products has proved successful. The introduction of the UWP platform for home and building control applications will further improve Carlo Gavazzi's penetration in residential and commercial applications for controlling electrical appliances and environmental parameters. Thanks to its specific capabilities, this new platform will also allow Carlo Gavazzi to strengthen its presence in North America.

The forthcoming enlargement of the capacitive sensor M30 multi-voltage and the new generation M30 ranges will drive the Company's growth in industrial automation, and foster its leadership in capacitive sensors.

A new generation of energy meters will widen the product offering by providing comprehensive energy measurement solutions for machinery and energy distribution, in both industrial and building automation markets.

Outlook

Carlo Gavazzi expects that growth prospects will continue to differ significantly from region to region. In all the countries served by Carlo Gavazzi, however, balanced growth across all markets remains a key objective. The Group will continue to focus on developing new products and new niche markets, strengthening R&D and Product Management, streamlining the internal value chain and focusing Marketing and Sales on markets with above-average growth potential.

The complete Annual Report 2012/13 of the Carlo Gavazzi Group will be available by July 4, 2013, on: <http://www.carlogavazzi.com/en/investors/annual-report.html>

**Consolidated key figures
(CHF million)**

Income statement	<u>2012/13</u>	<u>2011/12</u>	%
Bookings	140.6	139.6	+0.7
Operating revenue	138.3	142.8	-3.2
EBITDA	19.3	24.6	-21.5
EBIT	15.9	21.2	-25.0
EBIT margin	11.5%	14.8%	
Net income	12.6	16.8	-25.0
Cash flow	15.9	20.1	-20.9
 Balance sheet (as at 31 March)	 <u>2013</u>	 <u>2012</u>	
Net working capital	34.6	30.9	+12.0
Shareholders' equity	101.2	96.3	+5.1
Total assets	136.8	132.2	+3.5
Equity as % of assets	74.0%	72.9%	

About Carlo Gavazzi:

Carlo Gavazzi is a publicly listed international electronics group (SIX: GAV) with activities in the design and marketing of electronic control components for factory and building automation.

Please visit our website: www.carlogavazzi.com

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