INTERIM REPORT
JANUARY – MARCH 2012

Vacon Plc Interim Report 1 January – 31 March 2012

In this stock exchange release Vacon is publishing information included in the interim report that has a significant impact on the value of securities. The full interim report is in the appendix to this release and can be downloaded from the company's website in Finnish at www.vacon.fi and in English at www.vacon.com.

January-March summary:

- Order intake totalled MEUR 96.9 (MEUR 100.7). The order intake declined by 3.8 % from the corresponding period in the previous year, but increased by 26.1 % from the final quarter of 2011.
- Revenues totalled MEUR 84.2. (MEUR 95.0).
- Operating profit was MEUR 6.4, or 7.6 % of revenues. (MEUR 8.9 and 9.3 %).
- Net cash flow from operating activities was MEUR 18.3 (MEUR -6.4).
- Earnings per share were EUR 0.28 (EUR 0.35).
- The AGM adopted the proposal of the Board of Directors to pay a dividend of EUR 0.90 per share.

Key indicators

MEUR	1-3/2012	1-3/2011	Change, %	1-12/2011
Order intake	96.9	100.7	-3.8 %	365.3
Order book	49.3	57.8	-14.8 %	36.6
Revenues	84.2	95.0	-11.4 %	380.9
Operating profit	6.4	8.9	-28.4 %	24.7
% of revenues	7.6 %	9.3 %		6.5 %
Operating profit excluding one-time items	4.9	8.9		34.8
% of revenues	5.8 %	9.3 %		9.1 %
Profit before taxes	6.1	8.5		27.0
Net cash flow from operating activities	18.3	-6.4		26.8
Earnings per share, EUR	0.28	0.35		1.10
Interest-bearing net liabilities	-3.0	20.7		12.4
Gearing, %	-3.4 %	19.1 %		12.7 %
Gross capital expenditure	3.1	5.1	-38.4 %	18.7

General review

According to Vacon's assessment, the AC drive market grew during the first quarter of the year. Demand for AC drives to control electric motors increased in all market areas, but the market for renewable energy did not grow in the first part of the year.

Orders received by Vacon showed an encouraging increase in January-March compared to the final quarter of 2011. Orders received totalled EUR 96.9 (100.7) million. Orders in the final quarter of 2011 totalled EUR 76.9 million. Orders for AC drives to control electric motors increased sharply, whereas orders for products used in the generation of renewable energy remained at a low level.

Vacon's revenues declined 11.4 % in January-March from the corresponding period in the previous year to EUR 84.2 (95.0) million. Factors in the decline in revenues were poor sales of products for renewable energy generation and the low order intake in the final quarter of 2011. Revenues in the final quarter of 2011 were EUR 87.6 million.

The operating profit declined in the January-March period to EUR 6.4 million, or 7.6 % of revenues (EUR 8.9 million and 9.3 %). The January-March operating profit excluding one-time items was EUR 4.9 million, or 5.8 % of revenues (EUR 8.9 million and 9.3 %). The operating profit improved as the company reversed part of the provision made in December 2011 in connection with a receivable from a solar energy customer. The company reversed EUR 1.4 million of the provision after it managed during the first quarter of 2012 to safeguard and collect some of the receivables. The company is continuing to take steps to safeguard and collect the remainder of the receivables, but is still retaining part of the provision in case of a credit loss. Factors contributing to the weakening of profitability were the decline in sales in the first quarter and the costs for reorganizing the Group's operations and raising efficiency.

During the first quarter of 2012 the company completed the measures to reorganize and raise the efficiency of the Group's operations that it began in the final quarter of 2011. In the new model for allocating responsibility, Vacon's operations are divided into three main areas, namely Market Operations, Product Operations and Support Functions. The main objectives of the changes are to streamline the Group's management model, clarify roles and responsibilities in the global organization, and raise efficiency.
As part of the measures to reorganize and raise efficiency in the company, on 19 December 2011 Vacon began statutory personnel negotiations concerning white collar personnel working in Finland. These were concluded on 15 February 2012, resulting in a decision to make savings corresponding to approximately 45 man-years.

Vacon brought new products on the market during the first quarter. At the beginning of March the company launched new versions of its Vacon NXP AC drives. The changes bring improvements to air and liquid cooled Vacon NXP products in the full power range 0.55–5300 kW.

Prospects for 2012

Vacon considers that there are still uncertainties relating to general growth prospects in the economy, and these may affect demand for AC drives especially in Europe and possibly globally as well. However, Vacon expects demand for products to control electric motors to increase in 2012. Orders for products for wind power generation are not expected to pick up significantly in the first half of 2012.

Market guidelines for 2012

Vacon is retaining the market guidelines for 2012 that it published earlier. Vacon estimates that its revenues will increase and the operating profit percentage excluding one-time items will improve from 2011. In 2011 revenues were EUR 380.9 million and the operating profit percentage excluding one-time items was 9.1 %.

Vacon's target is to achieve revenues of EUR 500 million in 2014. The profitability targets for 2014 are an operating profit of 14 % and a return on equity of more than 30 %.

Financial reports in 2012

Vacon is publishing two more interim reports in 2012 as follows:

- January-June: 1 August 2012
- January-September: 24 October 2012

Formal statement

This release contains certain forward-looking statements that reflect the current views of the company's management. Due to the nature of these statements, they contain risks and uncertainties and are subject to changes in the general economic situation and in the company's business sector.

Vacon in brief

Vacon is driven by a passion to develop, manufacture and sell the best AC drives and inverters in the world - and to provide customers with efficient product life-cycle services. Our AC drives offer optimum process control and energy efficiency for electric motors. Vacon inverters play a key role when energy is produced from renewable sources. Vacon has production and R&D facilities in Europe, Asia and North America, and sales and service operations in nearly 90 countries. In 2011, Vacon's revenues amounted to EUR 380.9 million, and the company employed globally approximately 1,500 people. The shares of Vacon Plc (VAC1V) are quoted on the main list of the Helsinki stock exchange (NASDAQ OMX Helsinki).

www.vacon.com

Vantaa, 25 April 2012

VACON PLC
Board of Directors

For more information please contact:

Mr Vesa Laisi, President and CEO, phone: +358 (0)40 8371 510
Ms Eriikka Söderström, CFO and Vice President, Finance & Control, phone: +358 (0)40 8371 445

Conference for media and analysts

Vacon will hold a briefing for analysts and the media at 11.30 am on 25 April 2012 at the Scandic Simonkenttä Hotel, Simonkatu 9, 00100 Helsinki. The briefing will be in Finnish.

Dial-in conference for investors and investment analysts

An international dial-in conference for investors and investment analysts will be held at 3.00 pm on 25 April 2012. President and CEO Vesa Laisi and Eriikka Söderström, CFO and Vice President, Finance and Control, will participate in the conference. Lines can be booked ten minutes before the conference by calling the service number +358 (0)9 6937 9543 (Finland) or +44 (0)20 3364 5381 (UK). The conference ID code is 6987142. To hear a recording of the conference, available for seven working days, call +358 (0)9 2310 1650 (Finland) or +44 (0)20 7111 1244 (UK), ID code 6987142.

- Conference link: http://www.media-server.com/m/p/d466e62a

The presentation material will be available before the media briefing on Vacon's website at: www.vacon.com > Investors

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NASDAQ OMX Helsinki
Financial Supervisory Authority
Main Media

Vacon Plc, Interim Report 1 January – 31 March 2012

Business environment and business development

According to Vacon's assessment, the AC drive market grew during the first quarter of the year. Demand for AC drives to control electric motors increased in all market areas, but the market for renewable energy did not grow in the first part of the year.

Orders received by Vacon showed an encouraging increase in January-March compared to the final quarter of 2011. Orders received totalled EUR 96.9 (100.7) million. Orders in the final quarter of 2011 totalled EUR 76.9 million. Orders for AC drives to control electric motors increased sharply, whereas orders for products used in the generation of renewable energy remained at a low level.

Vacon's revenues declined 11.4 % in January-March from the corresponding period in the previous year to EUR 84.2 (95.0) million. Factors in the decline in revenues were poor sales of products for renewable energy generation and the low order intake in the final quarter of 2011. Revenues in the final quarter of 2011 were EUR 87.6 million.

The operating profit declined in the January-March period to EUR 6.4 million, or 7.6 % of revenues (EUR 8.9 million and 9.3 %). The January-March operating profit excluding one-time items was EUR 4.9 million, or 5.8 % of revenues (EUR 8.9 million and 9.3 %). The operating profit improved as the company reversed part of the provision made in December 2011 in connection with a receivable from a solar energy customer. The company reversed EUR 1.4 million of the provision after it managed during the first quarter of 2012 to safeguard and collect some of the receivables. The company is continuing to take steps to safeguard and collect the remainder of the receivables, but is still retaining part of the provision in case of a credit loss. Factors contributing to the weakening of profitability were the decline in sales in the first quarter and the costs for reorganizing the Group's operations and raising efficiency.

During the first quarter of 2012 the company completed the measures to reorganize and raise the efficiency of the Group's operations that it began in the final quarter of 2011. In the new model for allocating responsibility, Vacon's operations are divided into three main areas, namely Market Operations, Product Operations and Support Functions. The main objectives of the changes are to streamline the Group's management model, clarify roles and responsibilities in the global organization, and raise efficiency.
As part of the measures to reorganize and raise efficiency in the company, on 19 December 2011 Vacon began statutory personnel negotiations concerning white collar personnel working in Finland. These were concluded on 15 February 2012, resulting in a decision to make savings corresponding to approximately 45 man-years.

Vacon brought new products on the market during the first quarter. At the beginning of March the company launched new versions of its Vacon NXP AC drives. The changes bring improvements to air and liquid cooled Vacon NXP products in the full power range 0.55–5300 kW.

Order intake and order book

Orders received declined 3.8 % during the first quarter of 2012 from the corresponding period in the previous year. The order intake totalled EUR 96.9 (100.7) million. Orders received in the final quarter of 2011 totalled EUR 76.9 million.

Developments in orders received by Vacon during the January-March period, compared to the corresponding period in the previous year, by market region were as follows: Asia and Pacific (APAC) growth of 2.5 %, Europe, Middle East and Africa (EMEA) decline of 12.9 % and North and South America growth of 27.6 %. The decline in the EMEA region was due to the poor volume of orders for renewable energy products. The order book rose by EUR 12.7 million from the beginning of the year, standing at EUR 49.3 (57.8) million at the end of March.

Orders for products for controlling electric motors increased sharply and in all market regions compared to the corresponding period in the previous year. Orders for products for renewable energy generation were at a low level, however, and fell considerably from the corresponding period in 2011.

Revenues

During the first quarter of 2012 revenues totalled EUR 84.2 (95.0) million. This was a decline of 11.4 % from the corresponding period in the previous year. Revenues in the final quarter of 2011 were EUR 87.6 million.

Factors in the decline in revenues were the poor demand for products for renewable energy generation and the low order intake in the final quarter of 2011.

Operating profit and result

Operating profit in the January-March period was EUR 6.4 million, or 7.6 % of revenues (EUR 8.9 million and 9.3 %). The January-March operating profit excluding one-time items was EUR 4.9 million, or 5.8 % of revenues (EUR 8.9 million and 9.3 %). The operating profit improved as the company reversed part of the provision made in December 2011 in connection with a receivable from a solar energy customer. The company reversed EUR 1.4 million of the provision after it managed during the first quarter of 2012 to safeguard and collect some of the receivables. The company is continuing to take steps to safeguard and collect the remainder of the receivables, but is still retaining part of the provision in case of a credit loss. Factors contributing to the weakening of profitability were the decline in sales in the first quarter and the costs for reorganizing the Group's operations and raising efficiency.

The earnings per share in January-March were EUR 0.28, a decline of EUR 0.07 from the previous year.

Balance sheet and cash flow

The balance sheet remained strong and the net cash flow from operating activities in the first quarter was EUR 18.3 million, an increase of EUR 24.7 million from the corresponding period in the previous year. The fall in the volume of trade receivables made a particular contribution to the increase in the net cash flow. The balance sheet total stood at EUR 194.4 (250.7) million. A key element in the reduction in the balance sheet total was the change in the valuation of The Switch Engineering Oy shares in the company's balance sheet compared to the previous year. The equity ratio was 46.0 % (44.2 %). The Group's equity structure and liquidity remained strong. Interest-bearing net debt at the end of the period totalled EUR 20.3 million at the end of the period. Gearing was -3.4 % (19.1 %).

Market position

Vacon Group revenues by market area were as follows:

MEUR	1-3/ 2012	%	1-3/ 2011	%	1–12/ 2011	%
Europe, Middle East, Africa	51.8	61.5 %	66.1	69.6 %	252.6	66.3 %
North and South America	17.7	21.0 %	17.7	18.6 %	67.6	17.8 %
Asia and Pacific	14.7	17.5 %	11.2	11.8 %	60.7	15.9 %
Total	84.2	100.0 %	95.0	100.0 %	380.9	100.0 %

Developments in Vacon's revenues during the January-March period, compared to the corresponding period in the previous year, by market region were as follows: Europe, Middle East and Africa (EMEA) in total declined 21.7 %, in North and South America revenues were at the same level as in the previous year, and Asia and Pacific increased 31.3 %.

Vacon reports its regional sales based on the invoicing addresses, not the final location of the products. The cause of the decline in sales in Europe was the poor demand for products for renewable energy generation. Demand for products for controlling electric motors, however, was strong in Europe as elsewhere.

Vacon Group revenues by distribution channel:

MEUR	1-3/ 2012	%	1-3/ 2011	%	1–12/ 2011	%
Direct sales	6.6	7.8 %	8.4	8.8 %	36.9	9.7 %
Distributors	14.1	16.7 %	13.9	14.7 %	57.8	15.2 %
OEM	26.0	30.9 %	23.6	24.8 %	98.0	25.7 %
Brand label customers	17.1	20.3 %	18.8	19.8 %	72.1	18.9 %
System integrators	20.5	24.3 %	30.3	31.9 %	116.0	30.5 %
Total	84.2	100.0 %	95.0	100.0 %	380.9	100.0 %

Developments in Vacon's sales by distribution channel in the January-March period compared to the corresponding period in the previous year were as follows: direct sales, decline of 21.3 %; OEM, growth of 10.3 %; distributors, growth of 1.0 %; brand label customers, decline of 9.2 % and system integrators, decline of 32.5 %.

System integrators are the most important channel for selling products for renewable energy generation, which explains the decline in sales for this channel.

Research and development

R&D expenditure in the first quarter of 2012 totalled EUR 5.9 (5.9) million, and EUR 1.3 (1.7) million of this was capitalized as development costs. R&D costs accounted for 7.0 % of Group revenues (6.2 %).

Vacon is upgrading much of its product portfolio during 2012. At the beginning of March the company unveiled the new versions of its Vacon NXP AC drives. The changes bring improvements to air and liquid cooled Vacon NXP products in the full power range 0.55–5300 kW. Vacon will launch more new products during 2012.

Investments

Gross investments by the Group totalled EUR 3.1 (5.1) million. Expenditure focused particularly on projects for developing new products.

Organization and personnel

The number of Vacon personnel declined by 30 from the figure at the beginning of the year. At the end of March the Group employed 1,438 (1,394) people, and 701 (708) of these were in Finland and 737 (686) in other countries.

Vacon revised its organizational structure in the first quarter of 2012. The main objectives of the changes are to streamline the Group's management model, clarify roles and responsibilities in the global organization, and raise efficiency.

In the new model for allocating responsibility, the Group's operations are divided into three main areas, namely Market Operations, Product Operations and Support Functions.

As from 5 January 2012, the members of the Vacon Group Management Team are: President and CEO Vesa Laisi; Heikki Hiltunen, Executive Vice President, Market Operations; Jukka Kasi, Vice President, Product Operations; Tuula Hautamäki, Vice President, Human Resources; and CFO Eriikka Söderström. President and CEO Vesa Laisi is chairman of the Management Team and the secretary is Sebastian Linko, Director, Corporate Communications and Investor Relations. Heikki Hiltunen is deputy to the president and CEO.

As part of the measures to reorganize and raise efficiency in the company, on 19 December 2011 Vacon began statutory personnel negotiations concerning white collar personnel in Finland. These were concluded on 15 February 2012, resulting in a reduction of 19 in the number of personnel. A further reduction of 13 in the number of white collar personnel in operations in Finland was achieved through voluntary arrangements, and the employment contracts for 13 people on fixed term contracts were not renewed.

Agreement was also reached in the negotiations on temporary lay-off options of altogether 20 working days that can be used during the period April – December 2012 and lay-off options of a maximum of 10 working days in the first quarter of 2013. The company has decided that the lay-offs will not take place in the second quarter of this year. In addition, areas for savings corresponding to more than 10 man years have been identified in Vacon's global operations.

The table below shows the average number of Vacon employees during the year:

	1–3/2012	1–3/2011	1-12/2011
Office personnel	954	888	938
Factory personnel	494	491	532
TOTAL	1,449	1,379	1,470

Shares and shareholders

Vacon had a market capitalization at the end of March of EUR 610.4 (661.8) million. The closing share price on 31 March 2012 was EUR 40.00. The lowest share price during the January-March period was EUR 31.11 and the highest EUR 41.87.

A total of 529,655 shares (3.5 % of the share stock) were traded on the stock exchange in the January-March period, in monetary terms EUR 19.5 million. According to the shareholder register updated on 31 March 2012, Vacon had 4,736 registered shareholders. Shares that were nominee registered and in foreign ownership amounted to 53.2 % (34.2 %) of the share stock.

Vacon's main shareholders on 31 March 2012:

	Number of shares	Holding, %
AC Invest Three B.V.	3,064,844	20.0 %
Ilmarinen Mutual Pension Insurance Company	808,968	5.3 %
Tapiola Mutual Pension Insurance Company	584,500	3.8 %
Koskinen Jari	365,411	2.4 %
Vaasa Engineering Oy	359,514	2.4 %
Ehrnrooth Martti	325,070	2.1 %
Holma Mauri	277,988	1.8 %
OP-Suomi Pienyhtiöt investment fund	197,599	1.3 %
Tapiola Group companies	164,180	1.1 %
Autio Heikki	137,060	0.9 %
Vacon Plc own shares	35,008	0.2 %
Others	8,974,858	58.7 %
Total	15,295,000	100.0 %
Shares outstanding	15,259,992	

On 31 March 2012 members of Vacon's Board of Directors, the President and CEO, and the Deputy to the CEO held directly a total of 29,479 shares, or 0.2 % of Vacon's share stock.

Own shares

On 31 March 2012 Vacon Plc held a total of 35,008 of its own shares, which it had acquired at an average price of EUR 24.54. This is 0.2 % of the share capital and voting rights, so it has no significant impact on the distribution of ownership or voting rights in the company.

AGM and organization of new Board

Vacon Plc's Annual General Meeting of Shareholders was held in Vaasa on 27 March 2012. The AGM adopted the proposal of the Board of Directors to pay a dividend of EUR 0.90 per share, in total EUR 13.7 million. The record date for the dividend payment was 30 March 2012 and the payment date 11 April 2012.

The AGM approved the 2011 financial statements and discharged the Board members and Managing Director from liability for the 2011 fiscal year.

The AGM confirmed that the Board of Directors would have seven (7) members. Pekka Ahlqvist, Jari Eklund, Jan Inborr, Juha Kytölä, Panu Routila, Mika Vehviläinen and Riitta Viitala were re-elected as Board members.

The AGM confirmed that the company would have one (1) auditor. The AGM elected Pricewaterhouse-Coopers Oy as the company's auditor and this company has announced that Markku Katajisto, APA, will be the principal auditor.

The AGM adopted the proposals by the Board of Directors to authorize the Board to decide on purchasing the company's own shares and on issuing shares. The decisions taken by the AGM concerning the Board authorizations are explained in the stock exchange release of 27 March 2012.

At its constitutory meeting after the AGM, the Board of Directors re-elected Jan Inborr as its chairman and Mika Vehviläinen as vice-chairman. The Board elected Jan Inborr (chairman), Mika Vehviläinen and Riitta Viitala to its Remuneration and Nomination Committee.

At the same meeting the Board of Directors also decided to establish an Audit Committee. The Board elected Panu Routila (chairman), Jari Eklund and Juha Kytölä to the Audit Committee.

Risks and uncertainties in the near future

One of Vacon's solar energy customers is still arranging financing to pay a substantial overdue debt. Vacon reversed EUR 1.4 million of the provision it had made for the trade receivable after it managed during the first quarter of 2012 to safeguard and collect some of the outstanding amount. The company is continuing to take steps to safeguard and collect the remainder of the receivable, but is still retaining part of the provision in case of a credit loss.

The court proceedings relating to the customs procedures followed by Vacon's subsidiary in China continue in the higher court, since two of the parties appealed against the ruling by the lower court. It is possible that the sentence imposed on Vacon may also change in the higher court. So some uncertainty still remains in this matter.

The parent company has tax proceedings in progress relating to a tax inspection of its transfer pricing in 2006 – 2008.

Common risks and uncertainties affecting the company's business

Typical and common risks to which Vacon's business operations are exposed relate to uncertainty in demand and intensifying competition on price, to losing customers, credit losses, goodwill, the availability of raw materials and components, and to fluctuations in the values of foreign currencies.

The availability and quality of raw materials and components and changes in their prices can affect the profitability and scale of the company's business. Purchase agreements for raw materials and components are mainly annual agreements, which contain price and exchange rate clauses for changes in the global market prices of raw and other materials.

The order book for Vacon's AC drives used to control electric motors has always been short term in nature, so there are no major risks connected with the timing of deliveries or their cancellation.

Products supplied for renewable power generation accounted for 13 % of Vacon's revenues in 2011. This business typically has longer delivery and payment schedules, which increases the risks relating to customer credit rating and of orders being cancelled. Sales of equipment for renewable energy generation is for Vacon based on projects, so it causes greater seasonal fluctuations in business volumes than what the company is used to. Additionally, a major part of the order intake for products for renewable energy generation comes from a few key customers, which for its part increases the seasonality in order intake. Power generation using renewable energy sources depends largely on state funding, so this market segment also contains a political risk.

Vacon has thousands of customers worldwide. The ten largest customers account at the moment for approximately 40 % of Vacon's revenues. Vacon is continuously assessing the creditworthiness of its customers and their ability to pay their debts.

Vacon is able to adjust its production capacity to market demand. The company estimates that its cash funds and available credit facilities are sufficient to ensure its liquidity.

Vacon's balance sheet includes goodwill of EUR 9.1 million, most of which is related to the company acquisition at the beginning of 2008. The company tests goodwill for impairment annually.

Some of the most significant financial risks affecting the result are foreign exchange risks. Exchange rate fluctuations may have an impact on business, although the international expansion of business operations reduces the relative importance of individual currencies. The biggest exchange rate risks against the euro relate to the US dollar and the Chinese renminbi. The Group applies hedge accounting, in accordance with IAS 39, to hedge the operations currency position in its cash flow.

Prospects for 2012

Vacon considers that there are still uncertainties relating to general growth prospects in the economy, and these may affect demand for AC drives, especially in Europe and possibly globally as well. However, Vacon expects demand for products to control electric motors to increase in 2012. Orders for products for wind power generation are not expected to pick up significantly in the first half of 2012.

Market guidelines for 2012

Vacon is retaining the market guidelines for 2012 that it published earlier. Vacon estimates that its revenues will increase and the operating profit percentage excluding one-time items will improve from 2011. In 2011 revenues were EUR 380.9 million and the operating profit percentage excluding one-time items was 9.1 %.

Vacon's target is to achieve revenues of EUR 500 million in 2014. The profitability targets for 2014 are an operating profit of 14 % and a return on equity of more than 30 %.

Accounting principles

This interim report has been prepared in accordance with IFRS (International Financial Reporting Standards) standard IAS 34 on Interim Financial Reporting. Vacon has prepared this interim report applying the same accounting principles as those decribed in detail in its 2011 consolidated financial statements. The interim report is unaudited.

Consolidated statement of income, IFRS, MEUR

	1-3/2012	1-3/2011	1-12/2011
Revenues	84.2	95.5	380.9
Other operating income	0.1	0.0	0.3
Change in inventories of finished goods and work in progress	0.6	3.9	-2.2
Materials and services	-43.8	-54.2	-202.8
Employee benefit related expenses	-19.7	-17.9	-68.8
Other operating expenses	-11.9	-15.2	-70.4
Depreciation	-1.5	-1.2	-5.4
Amortization	-1.7	-1.6	-6.8
Operating profit	6.4	8.9	24.7
Financial income and expenses	-0.3	-0.3	2.2
Profit before taxes	6.1	8.5	27.0
Income taxes	-1.6	-3.0	-9.3
Profit for the period	4.5	5.6	17.7
Attributable to:			
Equity holders of the parent	4.3	5.4	16.8
Non-controlling interests	0.2	0.2	0.8
Earnings per share, euro	0.28	0.35	1.10
Diluted earnings per share, euro	0.28	0.35	1.10

Consolidated statement of comprehensive income, MEUR

	1-3/2012	1-3/2011	1-12/2011
Profit for the period	4.5	5.6	17.7
Other comprehensive income			
Cash flow hedging	0.0	0.2	-0.1
Available for sale financial assets	0.0	27.0*)	2.5*)
Translation differences	-0.3	-0.5	1.0
Total comprehensive income	4.3	32.3	21.1
Attributable to:			
Equity holders of the parent	4.1	32.0	20.3
Non-controlling interest	0.2	0.2	0.8

*) Assessment at fair value relating to holding in The Switch.

Consolidated statement of financial position, IFRS, MEUR

	31.3.2012	31.3.2011	31.12.2011
ASSETS			
Goodwill	9.1	8.9	9.2
Development costs	18.1	13.8	17.4
Other intangible assets	8.3	11.1	9.3
Property, plant and equipment	24.9	21.1	25.1
Available-for-sale financial assets	3.7	0.0	3.7
Deferred tax assets	5.8	5.3	5.7
Other financial assets	2.1	1.8	2.3
Total non-current assets	72.0	62.0	72.7
Inventories	28.6	35.2	28.2
Trade and other receivables	70.6	101.4	80.9
Available-for-sale financial assets	0.0	30.0*)	0.0
Cash and cash equivalents	23.3	22.1	16.3
Total current assets	122.5	188.8	125.4
Total assets	194.4	250.7	198.1
EQUITY AND LIABILITIES			
Share capital	3.1	3.1	3.1
Share premium reserve	5.0	5.0	5.0
Other reserves	0.1	0.1	0.1
Own shares	-2.6	-2.6	-2.6
Revaluation reserve	2.4	27.1*)	2.3
Retained earnings	78.7	74.3	88.0
Non-controlling interests	1.6	1.7	1.9
Total equity	88.1	108.5	97.7
Deferred tax liabilities	6.0	6.6	6.0
Employee benefits	1.7	1.7	1.7
Interest-bearing liabilities	20.2	9.3	20.2
Other liabilities	0.0	0.2	0.0
Total non-current liabilities	28.0	17.8	27.9
Trade and other payables	67.6	75.0	53.1
Income tax liabilities	1.1	8.3	1.7
Provisions	9.6	7.7	9.3
Interest-bearing liabilities	0.1	33.5	8.5
Total current liabilities	78.4	124.4	72.5
Total equity and liabilities	194.4	250.7	198.1

*) Assessment at fair value relating to holding in The Switch 27 MEUR.

Q1 2011 Consolidated statement of changes in equity, IFRS (MEUR)

	Attributable to equity holders of the parent								
	Share capital	Share premium reserve	Other reserves	Own shares	Re-valuation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity Jan 1, 2011	**3.1**	**5.0**	**0.1**	**-2.6**	**-0.1**	**84.4**	**89.7**	**1.6**	**91.3**
Profit for the period						5.4	5.4	0.2	5.6
Other total comprehensive income:									
Cash flow hedging					0.2		0.2		0.2
Available-for-sale financial assets					27.0		27.0		27.0
Translation differences						-0.5	-0.5		-0.5
Total comprehensive income for the period					27.2	4.8	32.0	0.2	32.3
Share bonuses						0.3	0.3		0.3
Dividends paid						-15.2	-15.2	-0.1	-15.3
Equity March 31, 2011	**3.1**	**5.0**	**0.1**	**-2.6**	**27.1**	**74.3**	**106.8**	**1.7**	**108.5**

Q1 2012 Consolidated statement of changes in equity, IFRS (MEUR)

	Attributable to equity holders of the parent								
	Share capital	Share premium reserve	Other reserves	Own shares	Re-valuation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Equity Jan 1, 2012	**3.1**	**5.0**	**0.1**	**-2.6**	**2.3**	**88.0**	**95.8**	**1.9**	**97.7**
Profit for the period						4.3	4.3	0.2	4.5
Other total comprehensive income:									
Cash flow hedging					0.0		0.0		0.0
Translation differences						-0.3	-0.3		-0.3
Total comprehensive income for the period					0.0	4.1	4.1	0.2	4.3
Share bonuses						0.4	0.4		0.4
Dividends paid						-13.7	-13.7	-0,5	-14.2
Acquisition of non-controlling interests						0.0	0.0	0.0	0.0
Equity March 31, 2012	**3.1**	**5.0**	**0.1**	**-2.6**	**2.4**	**78.7**	**86.5**	**1.6**	**88.1**

Consolidated statement of cash flow, IFRS, MEUR

	1-3/2012	1-3/2011	1-12/2011
Profit for the period	4.5	5.6	17.7
Depreciation	3.2	2.8	12.2
Financial income and expenses	0.3	0.3	-2.2
Taxes	1.6	3.0	9.3
Other adjustments	-1.1	0.5	12.3
Change in working capital	12.5	-16.8	-6.5
Net cash flow from financial items and tax	-2.7	-1.8	-15.9
Net cash flow from operating activities	**18.3**	**-6.4**	**26.8**
Acquisition of subsidiary	-0.1	0.0	0.0
Investments in tangible and intangible assets	-3.1	-5.1	-18.7
Other investments	0.3	0.1	0.3
Repayment of loans receivables	0.0	0.0	2.0
Proceeds from disposal of other investments	0.0	0.0	2.6
Dividends received	0.0	0.0	0.7
Net cash flow from investing activities	**-2.9**	**-5.0**	**-13.1**
Proceeds from long-term borrowings	0.6	0.1	20.2
Repayment of long-term loans	0.0	0.0	-10.7
Proceeds from short-term borrowings	7.0	15.5	27.7
Repayment of short-term loans	-15.4	0.0	-37.8
Dividends paid	-0.5	-0.1	-15.7
Net cash flow from financing activities	**-8.3**	**15.5**	**-16.2**
Change in cash and cash equivalents	**7.1**	**4.1**	**-2.5**
Cash and cash equivalents at start of period	16.3	18.4	18.4
Translation differences for cash and cash equivalents	-0.1	-0.4	0.4
Cash and cash equivalents at end of period	23.3	22.1	16.3

Segment information

Vacon has focused on one product, AC drives, and this is also Vacon's only business segment.

The figures for the business segment are identical to the figures for the whole Group. Vacon's operations are organized in the following three main areas: Market Operations, Product Operations and Support Functions. To ensure that the organization is customer-oriented, operations are controlled by sales channels: distributors, systems integrators, direct sales, OEM customers and brand label customers.

Key financial indicators

Per share data	31.3.2012	31.3.2011	31.12.2011
Earnings per share, EUR	0.28	0.35	1.10
Equity per share, EUR	5.67	7.02	6.28
Lowest trading price, EUR	31.11	37.65	27.21
Highest trading price, EUR	41.87	44.58	48.73
Share price at end of period, EUR	40.00	43.50	30.90
Average trading price, EUR	36.76	41.14	38.50
Market capitalization, MEUR	610.4	661.8	471.5
Trading volume, no. of shares	529,655	835,747	2,975,467
Trading volume, %	3.5	5.5	19.5
Adjusted average number of shares during the period	15,259,992	15,214,435	15,246,387
Number of shares at end of period	15,259,992	15,214,435	15,259,992
Own shares	35,008	80,565	35,008

Key indicators showing the Group's financial performance

	31.3.2012	31.3.2011	31.12.2011
Revenues, MEUR	84.2	95.0	380.9
Change in revenues, %	-11.4	45.5	12.7
Operating profit, MEUR	6.4	8.9	24.7
Change in operating profit, %	-28.4	91.0	-13.4
Operating profit, % of revenues	7.6	9.3	6.5
Profit before taxes, MEUR	6.1	8.5	27.0
Profit before taxes, % of revenues	7.3	9.0	7.1
Interest-bearing net liabilities, MEUR	-3.0	20.7	12.4
Gearing, %	-3.4	19.1	12.7
Working capital, MEUR	34.6	60.9	45.1
Equity ratio, %	46.0	44.2	50.0
Gross capital expenditure, MEUR	3.1	5.1	18.7
Gross capital expenditure, % of revenues	3.7	5.3	4.9
R & D expenditure, MEUR	5.9	5.9	25.1
R & D expenditure, % of revenues	7.0	6.2	6.6
Number of personnel at end of period	1,438	1,394	1,468
Order book, MEUR	49.3	57.8	36.6

Commitments and contingencies, MEUR

	31.3.2012	31.3.2011	31.12.2011
Commitments and contingencies	12.0	10.9	17.2
Financing commitments	0.1	0.1	0.1

Group quarterly performance, MEUR

	1-3/ 2012	10-12/ 2011	7-9/ 2011	4-6/ 2011	1-3/ 2011
Revenues	84.2	87.6	91.1	107.2	95.0
Operating profit	6.4	-3.9	8.2	11.5	8.9
Profit before tax	6.1	-1.4	7.8	12.0	8.5

Calculation of financial ratios

Earnings per share =	Profit for the financial year attributable to equity holders of the parent company / Adjusted average number of shares
Equity per share =	Total equity – non-controlling interests / Adjusted average number of shares at year end
Dividend per share =	Dividend for financial year / Adjusted number of shares at year end
Equity ratio, % =	Total equity x 100 / Balance sheet total – advances received
Gearing, % =	(Interest-bearing liabilities – cash, bank balances and financial assets) x 100 / Total equity
Working capital =	Inventories + non-interest-bearing short-term receivables - Non-interest-bearing short-term liabilities
R & D costs =	Research and development costs recognized in income statement (incl. costs covered with subsidies) and capitalized development expenses
Market capitalization of share stock =	Number of shares outstanding at year end x closing share price
Share turnover % =	Number of shares traded during the year x 100 / Adjusted average number of shares