

The Vacon logo is positioned in the top right corner of the slide. It consists of the word "VACON" in a bold, white, sans-serif font. Below it, in a smaller, lighter font, is the tagline "DRIVEN BY DRIVES". The background of the slide is a photograph of a woman in a business suit standing in a hallway with three elevator doors. The woman is smiling and has her hands on her hips, leaning forward slightly. The hallway has a warm, golden-brown color scheme with patterned wallpaper and recessed lighting.

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DRIVEN BY DRIVES

Vacon Interim Report for Q3/2011

October 25, 2011

Vesa Laisi, President and CEO

Eriikka Söderström, CFO

Vacon Plc

Disclaimer

- The content of this presentation contains time-sensitive information that is accurate as of the time hereof.
- A number of forward-looking statements will be made during this presentation. Forward-looking statements are any statements that are not historical facts. These statements are based on current decisions and plans and currently known factors. They involve risks and uncertainties which may cause the actual results to materially differ from the results currently expected by Vacon.
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Outline

- Business environment and highlights in Q3/2011, Vesa Laisi, President and CEO
- Financial Report, Eriikka Söderström, CFO
- Outlook, Vesa Laisi, President and CEO
- Appendix

The growth levelled off

- The growth in the global AC drive market levelled off in the third quarter of 2011 in all market areas compared to the extremely strong first half of the year.
- Demand for AC drives was evenly divided among all industrial sectors, except for renewable energy and in particular wind power.
- The slow down in the growth in order intake in the third quarter was due to poor demand for products for renewable energy generation.
- Demand for Vacon's products for controlling electric motors in the third quarter has been similar to what it was in the first half of the year.



Q3/2011: Profitability on 2010 level

- Q3 revenues totalled EUR 91.1 (89.3) million. Revenues in the January-September period increased 24.9 % to EUR 293.2 (234.8) million.
- Profitability in the Q3 was similar to that in the previous year, but weakened a little compared to the first half of the year.
- The operating profit in Q3 was EUR 8.2 million, or 9.1 % of revenues (EUR 8.3 million and 9.3 %). The January-September operating profit was MEUR 28.6 or 9.8 % of revenues, an increase of 46.6 % (MEUR 19.5 and 8.3 %).



Highlights Q3/2011

MEUR	Q3/2011	Q3/2010	Change
Order intake	83.9	110.9	-24%
Revenues	91.1	89.3	+2%
Operating profit	8.2	8.3	-1%
Operating profit -%	9.1	9.3	
Net cash flow from operating activities	19.8	6.6	
EPS, eur	0.36	0.31	+14%

Highlights 1-9/2011

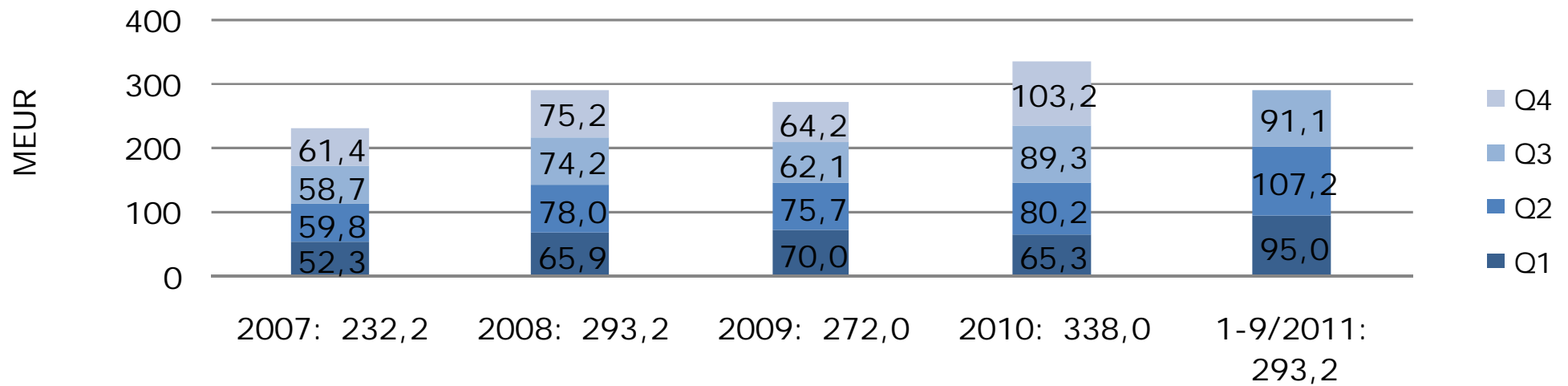
MEUR	1-9/2011	1-9/2010	Change
Order intake	288.4	275.7	+5%
Revenues	293.2	234.8	+25%
Operating profit	28.6	19.5	+47%
Operating profit -%	9.8	8.3	
Net cash flow from operating activities	20.6	14.3	
EPS, eur	1.29	0.76	+70%

Financial Report

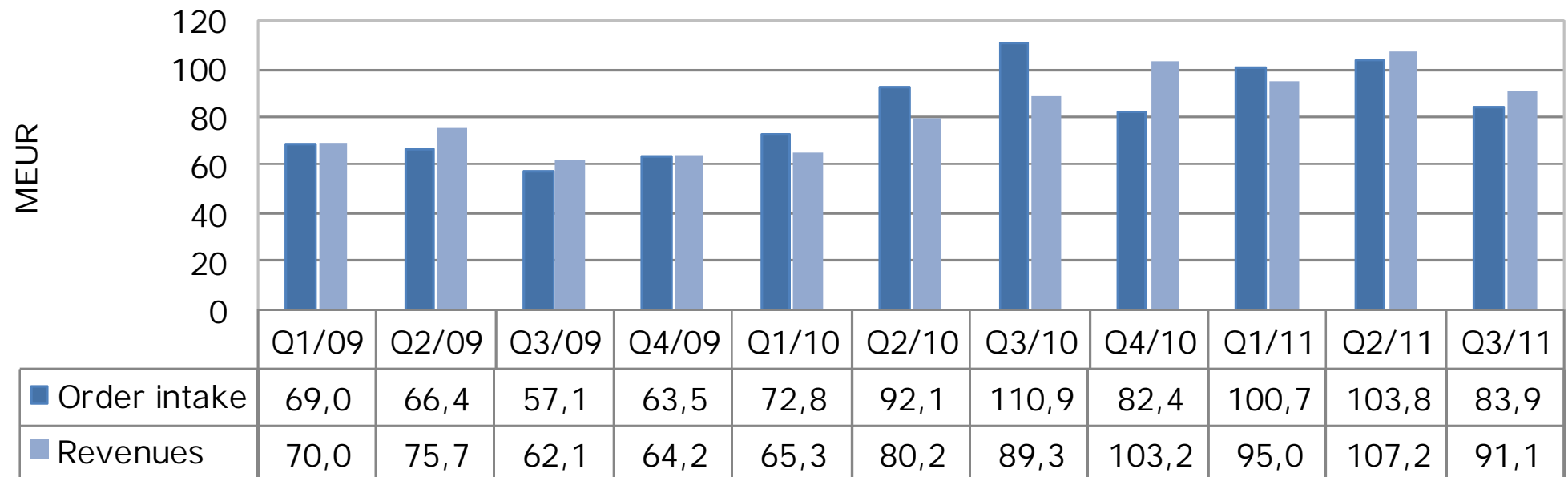
Eriikka Söderström,
Chief Financial Officer,
Vacon Plc



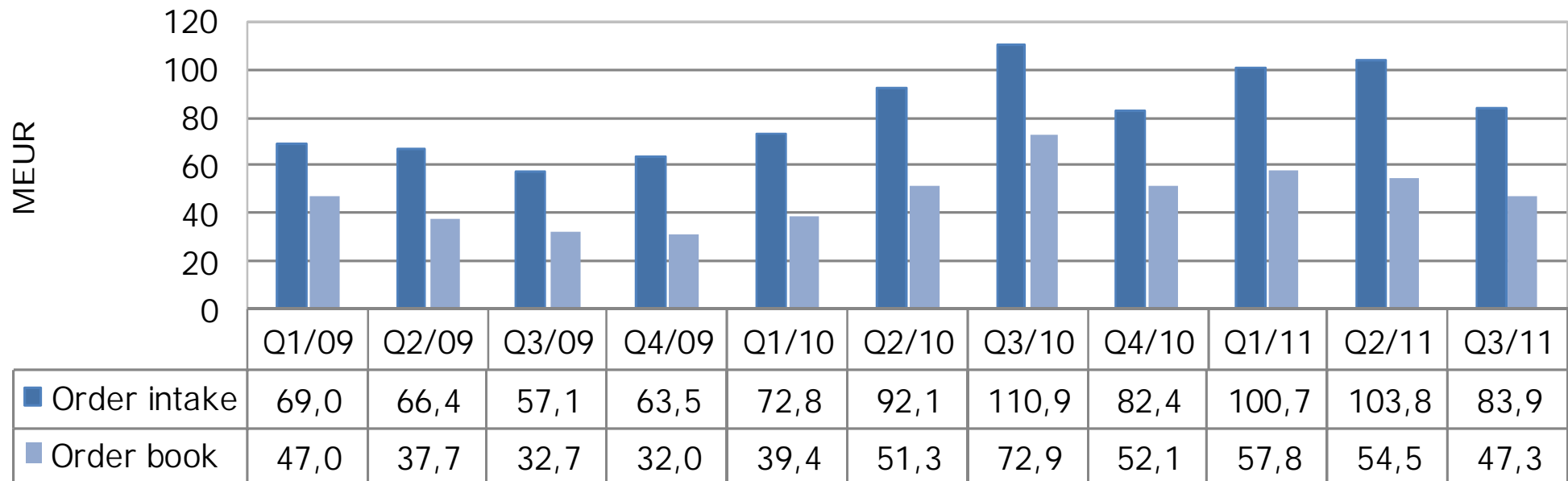
Revenues



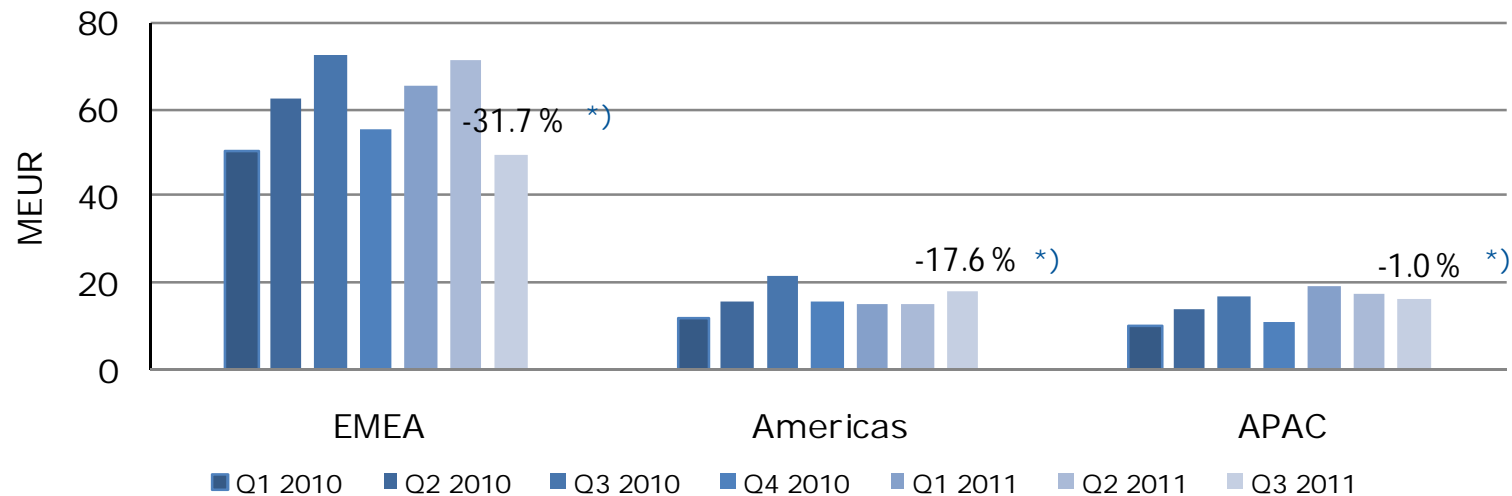
Order intake and revenues 2009-Q3/2011



Order intake and order book 2009-Q3/2011

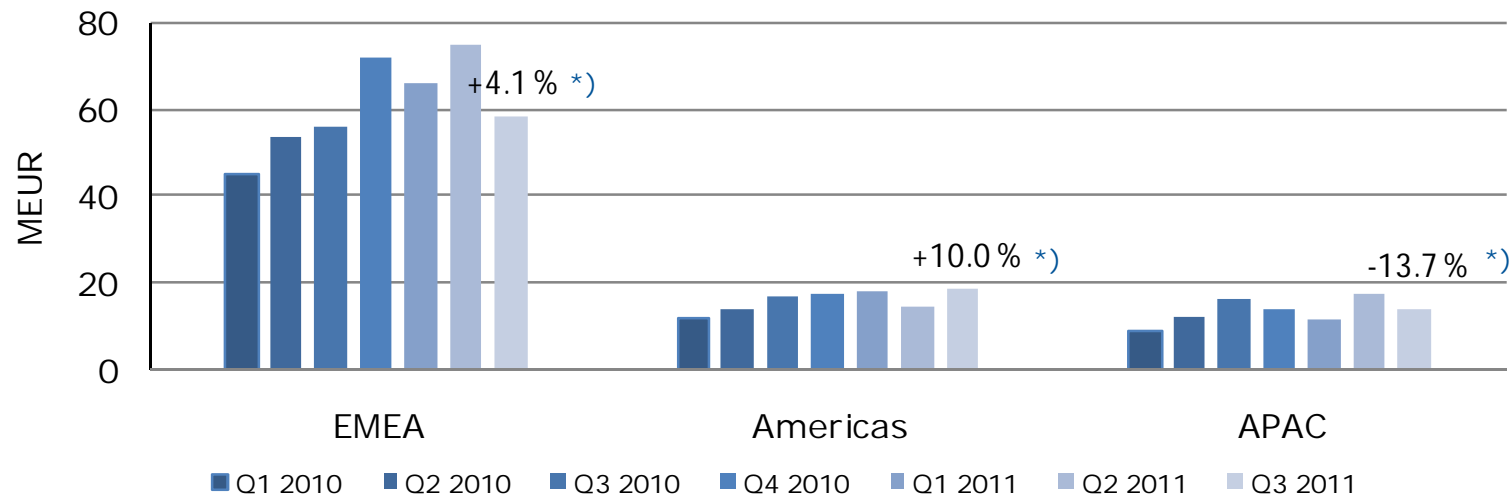


Order intake by region 2010-Q3 2011



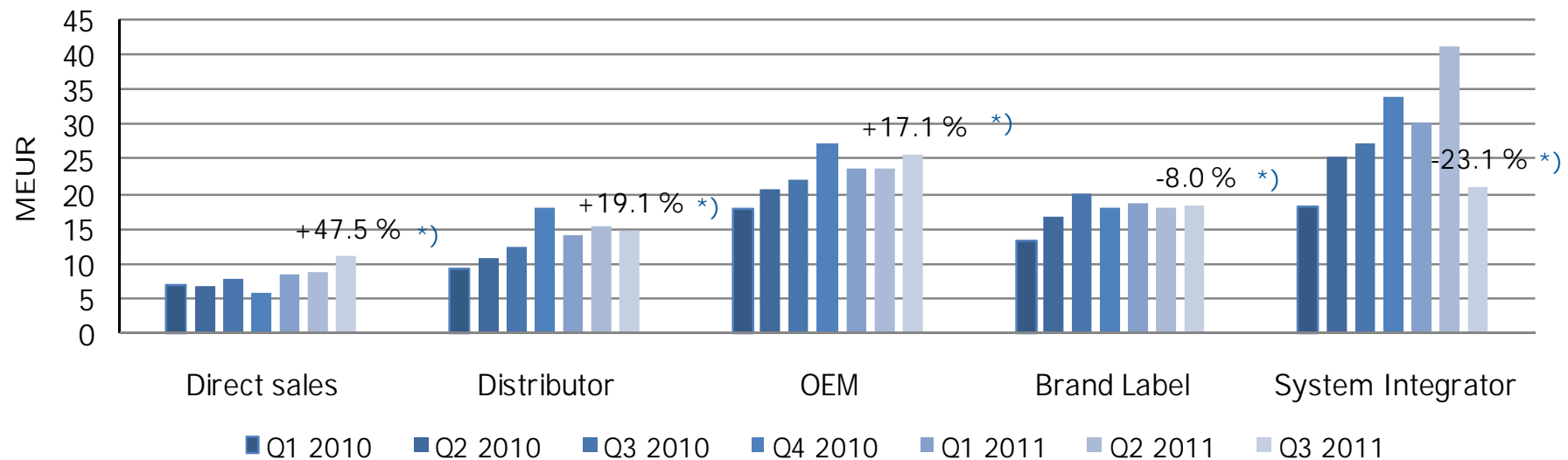
*) Given percentage is actual quarter compared to the corresponding period in previous year

Revenues by region 2010-Q3 2011



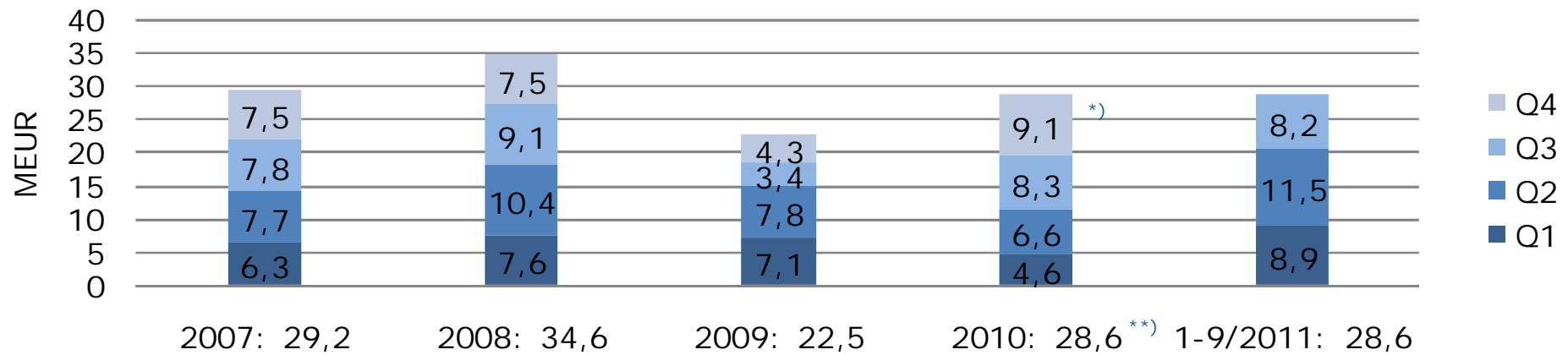
*) Given percentage is actual quarter compared to the corresponding period in previous year

Revenues by sales channel 2010-Q3 2011



*) Given percentage is actual quarter compared to the corresponding period in previous year

EBIT

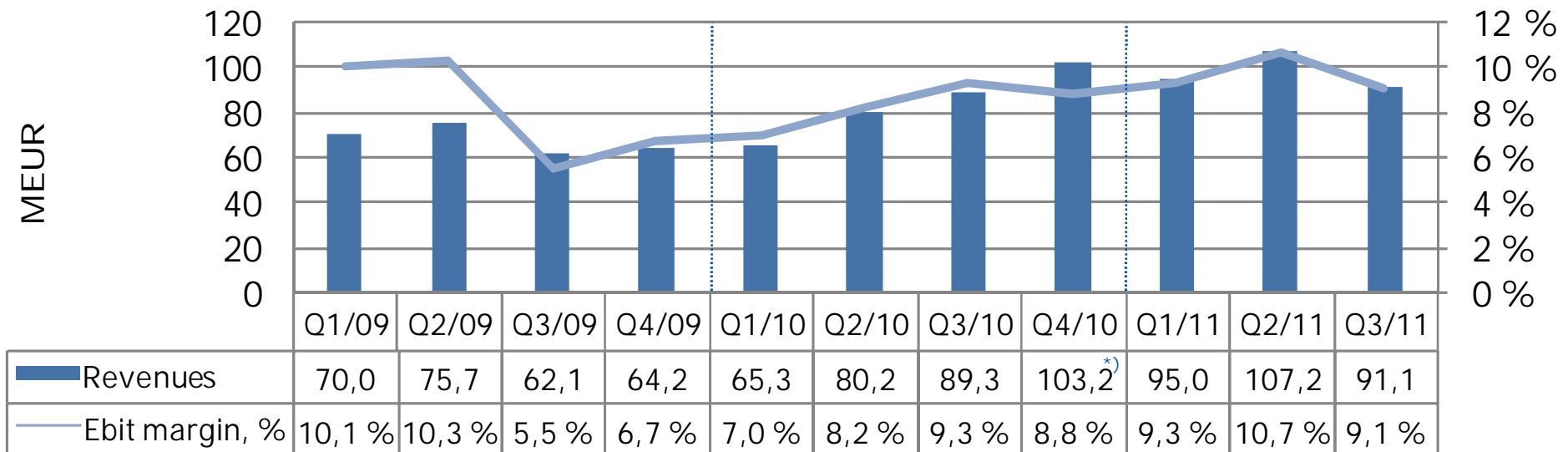


2010: Excl. China customs case

^{*)} 12,6 MEUR

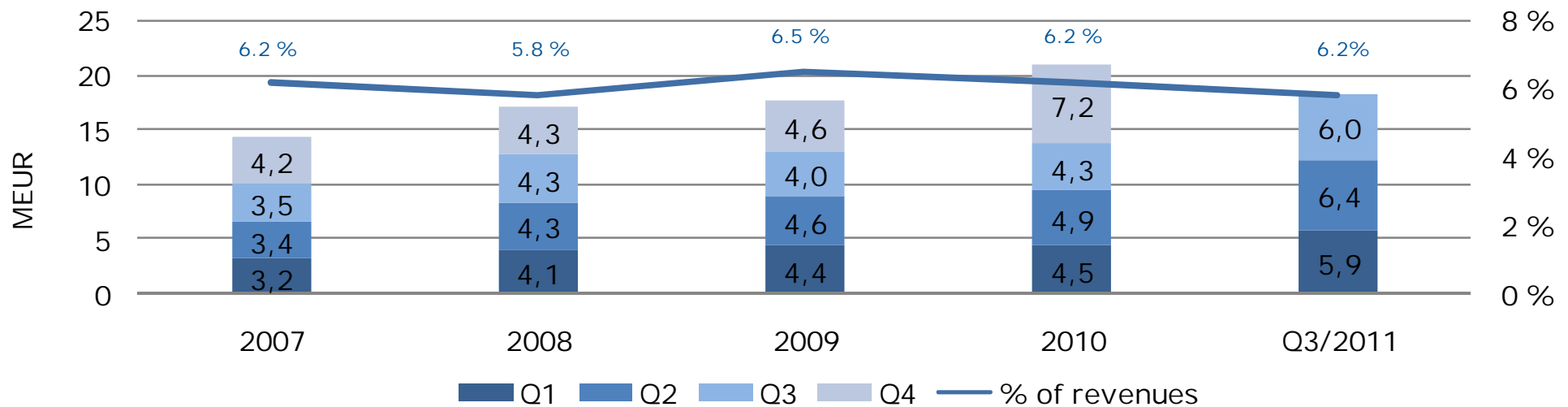
^{**) 32,4 MEUR}

Revenues and EBIT-%

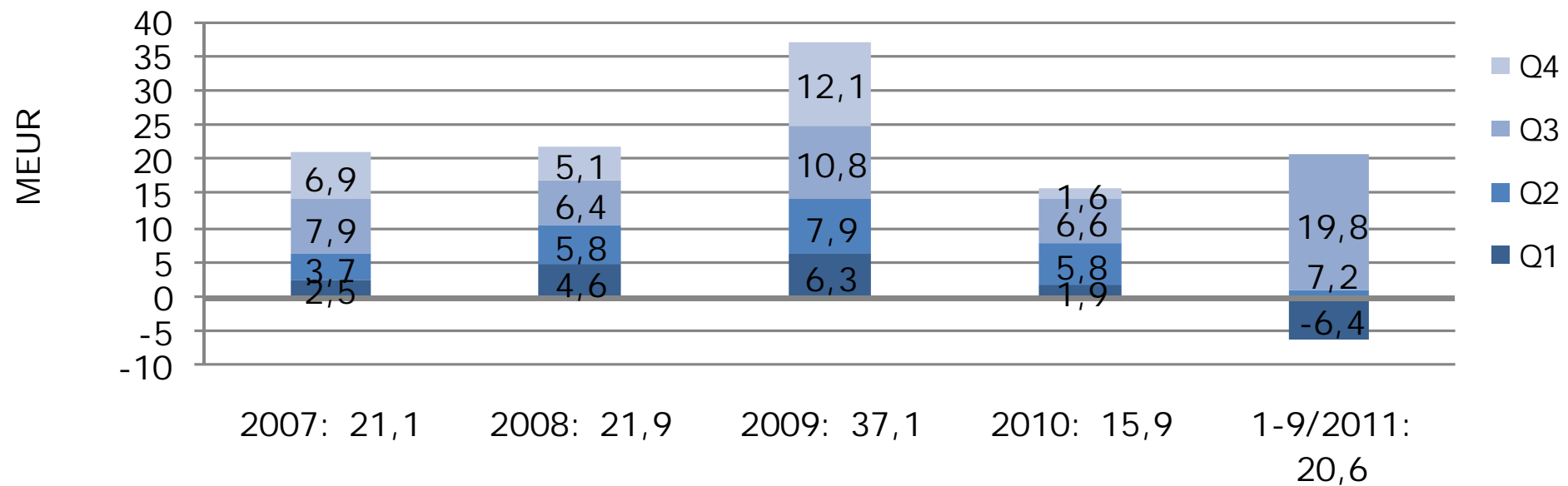


^{*)} Q4/2010: Excl. China customs case 12,2%

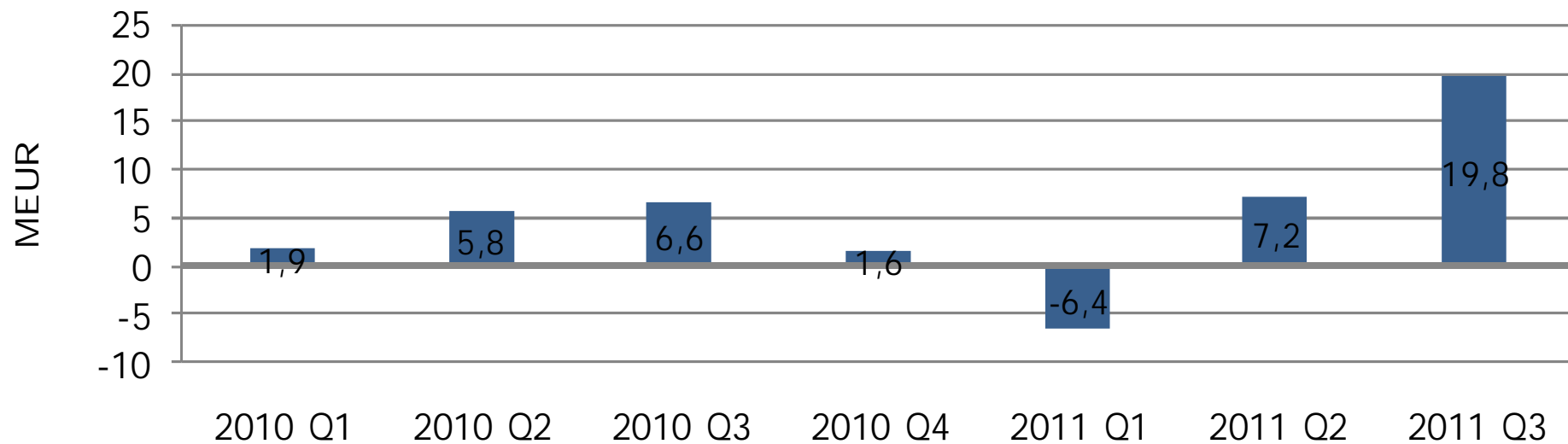
Research and development costs



Net Cash Flow from operating activities



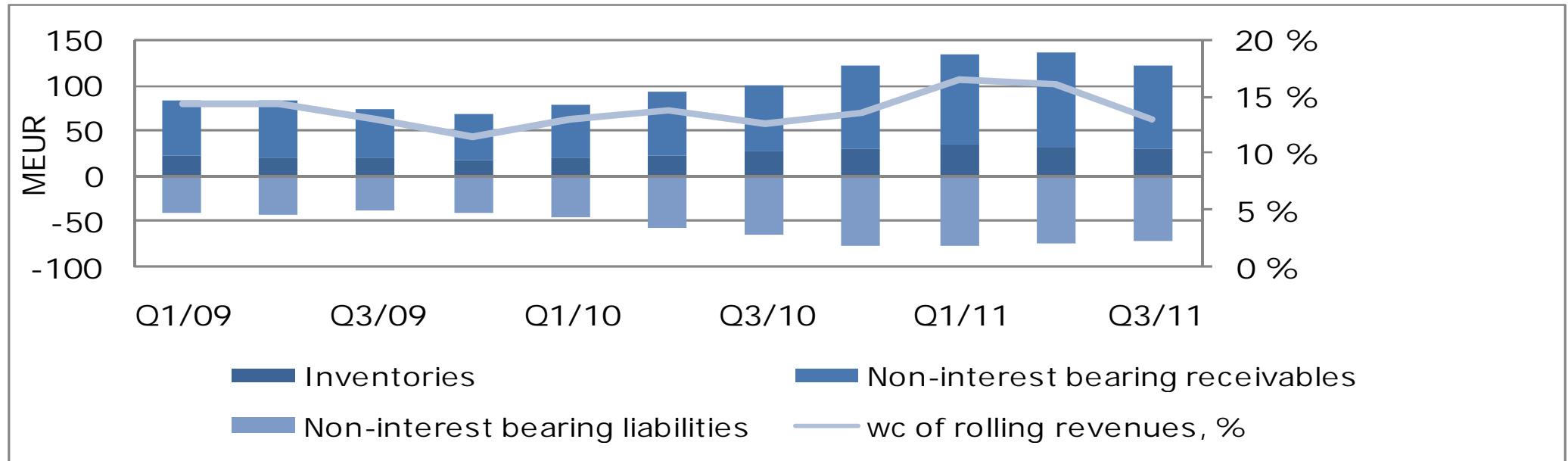
Net Cash Flow from operating activities



Working capital

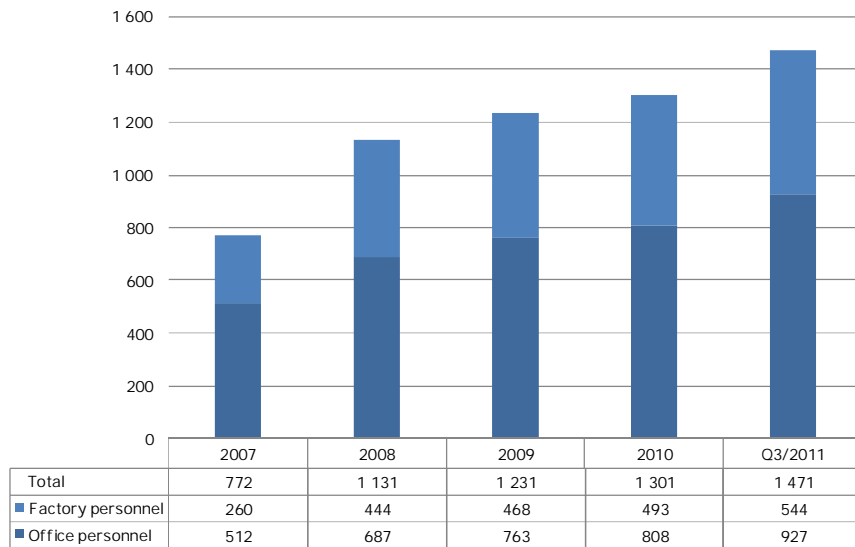
MEUR	30.9.2011	31.12.2010	31.12.2009
Inventories	30.8	31.9	19.3
Non-interest bearing receivables	91.6	90.8	51.3
Non-interest bearing liabilities	71.0	76.7	39.3
Working capital	51.4	45.9	31.2
Working capital of rolling revenues, %	13.0	13.6	11.5

Working capital development

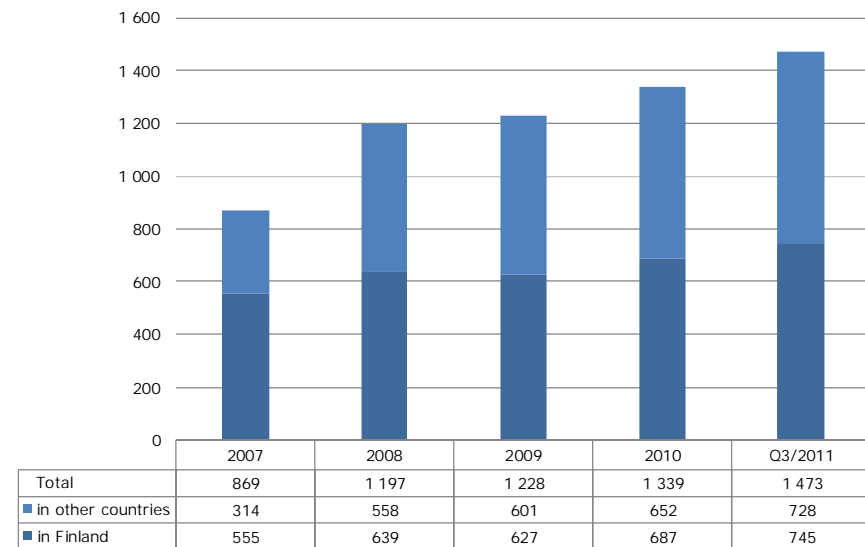


Personnel

Average personnel

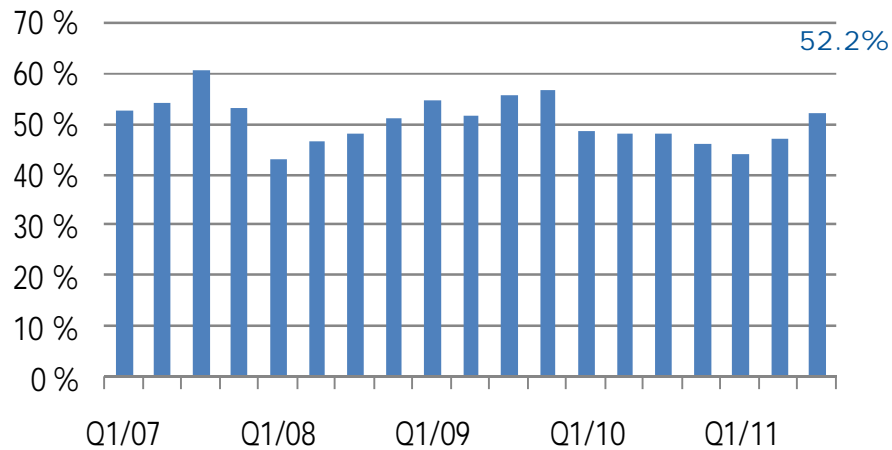


Personnel at end of period

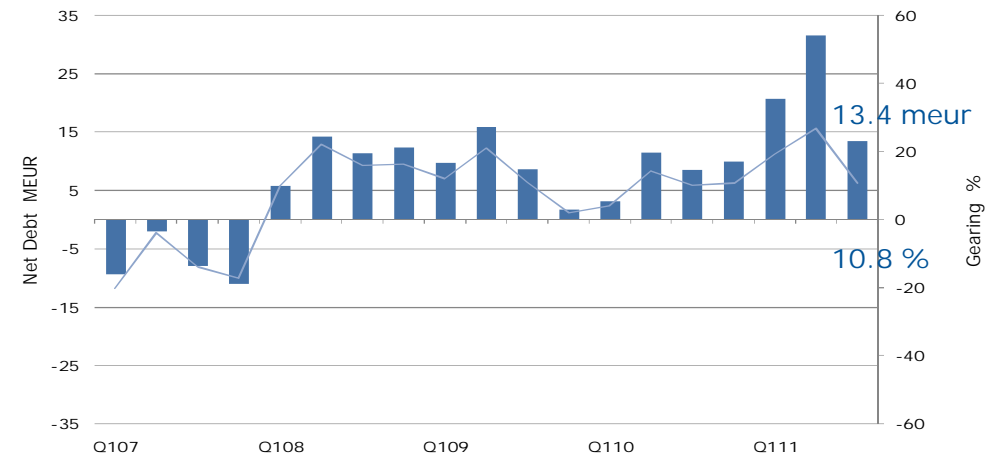


Key balance sheet ratios

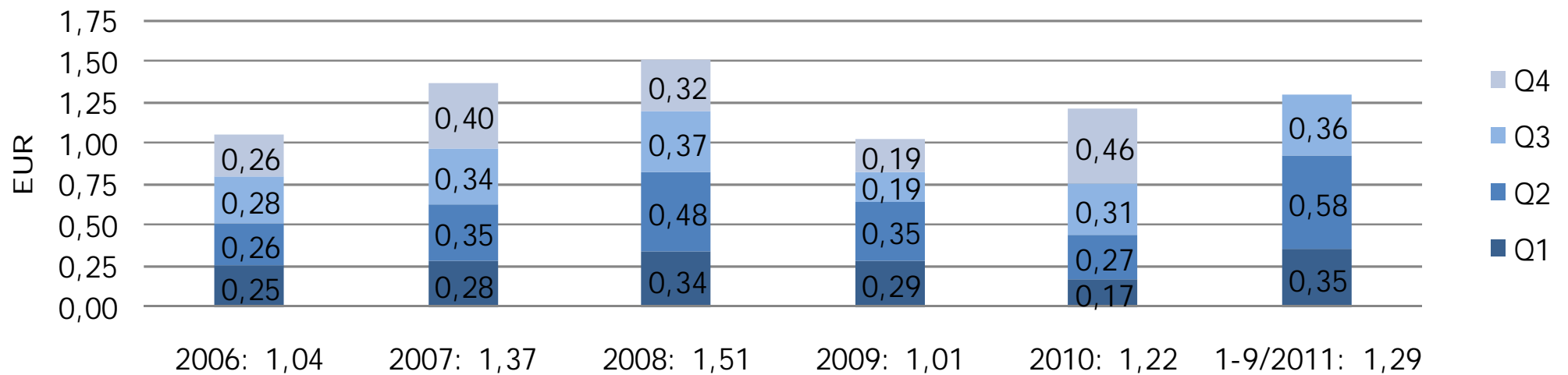
• Equity ratio



• Net Debt and Gearing, %



Earnings per share





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Outlook

Vesa Laisi,
President and CEO,
Vacon Plc

Strategy

The Goal 2014

Profitable Growth

500 MEUR

EBIT > 14 %

ROE > 30 %

Strategic Choices

100 % focus on AC drives

Product
leadership

Multi-channel
sales

Global presence
and transnational
operations

Strategic Competences

AC drives
know-how

Common product platform
design & product portfolio
management

Customer
relationship
management

Mass customization,
demand flow
technology and
global sourcing

Global ICT infrastructure
and applications

Market outlook

- Vacon still estimates that the AC drive market will grow 6-10 % in 2011.
- Vacon does not expect demand to grow significantly in the final quarter of 2011 compared to the strong first half of the year.
- The risks to overall economic growth prospects in Europe and North America came to a head in the third quarter of 2011. Vacon considers that overall economic growth prospects are exposed to risks.

Vacon launches new products

- Vacon is launching several new products towards the end of 2011 and in the first half of 2012, which creates good potential for the company to increase its business even in a challenging market environment.
- During the third quarter 2011 Vacon's solar energy inverter, the Vacon 8000 Solar, obtained extensive grid code approvals that comply with the requirements of national grid operators. This places the product in a strong position for competing in this rapidly growing market.



Market guidance 2011

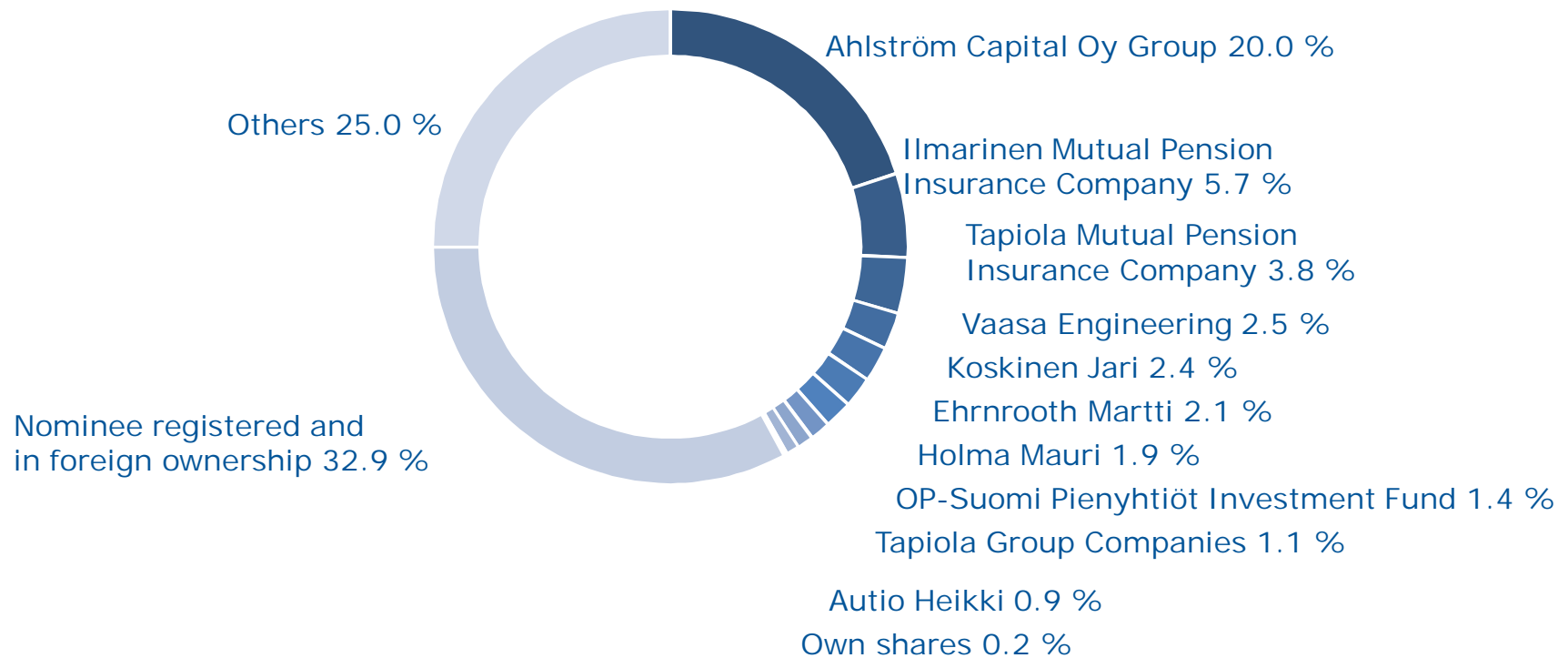
	ACT 2010	FC 2011
Revenues, MEUR	338.0	+10–20 %
EBIT margin, %	8.5 %	> 8.5 %
EPS, EUR	1.22	>> 1.22

- Vacon estimates that revenues in 2011 will increase 10 % – 20 % and the operating profit percentage will rise from the 2010 figures. Earnings per share are expected to improve considerably from 2010.

Risks and uncertainties in the near future

- Typical risks to which Vacon's business operations are exposed relate to uncertainty in demand and intensifying competition on price, and to losing customers, to goodwill, the availability of raw material and components, and fluctuations in the values of foreign currencies.
- Business related to renewable power generation can cause greater seasonal fluctuations in business volumes than what the company is used to. It has long delivery and payment schedules, which increases the risks relating to customer credit rating and of orders being cancelled.
- The deadline for the sales of The Switch Engineering Oy shares have been agreed to be extended.
- The Chinese prosecuting authority is demanding EUR 3.2 million from Vacon as a compensation for unpaid customs duties, and a provision for this was recorded in the result for the final quarter of 2010. The court case began in March 2011.

Major shareholders September 30, 2011



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