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INTERIM REPORT
JANUARY - SEPTEMBER 2011
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Vacon Plc, Stock Exchange Release, 25 October 2011 at 9.30 am

Vacon Plc Interim Report 1 January – 30 September 2011

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.

July-September summary:

- Order intake totalled MEUR 83.9, a decline of 24.4 % from the corresponding period in the previous year (MEUR 110.9).
- Revenues totalled MEUR 91.1, growth of 2.0 % (MEUR 89.3).
- Operating profit was MEUR 8.2 or 9.1 % of revenues, a decline of 0.5 % (MEUR 8.3 and 9.3 %).
- Net cash flow from operating activities was MEUR 19.8 (MEUR 6.6).
- Earnings per share were EUR 0.36 (EUR 0.31), growth of 14.4 %.

January-September summary:

- Order intake totalled MEUR 288.4, growth of 4.6 % from the corresponding period in the previous year (MEUR 275.7).
- Revenues totalled MEUR 293.2, growth of 24.9 % (MEUR 234.8).
- Operating profit was MEUR 28.6 or 9.8 % of revenues, an increase of 46.6 % (MEUR 19.5 and 8.3 %).
- Net cash flow from operating activities was MEUR 20.6 (MEUR 14.3).
- Earnings per share were EUR 1.29 (EUR 0.76), growth of 69.7 %.

Key indicators

MEUR	7-9/2011	7-9/2010	Change, %
Order intake	83.9	110.9	-24.4 %
Revenues	91.1	89.3	2.0 %
Operating profit	8.2	8.3	-0.5 %
% of revenues	9.1 %	9.3 %	
Profit before taxes	7.8	7.3	

MEUR	1-9/2011	1-9/2010	Change, %	1-12/2010
Order intake	288.4	275.7	4.6 %	358.2
Order book	47.3	72.9	-35.1 %	52.1
Revenues	293.2	234.8	24.9 %	338.0
Operating profit	28.6	19.5	46.6 %	28.6
% of revenues	9.8 %	8.3 %		8.5 %
Profit before taxes	28.4	18.1		27.5
Net cash flow from operating activities	20.6	14.3		15.9
Earnings per share, EUR	1.29	0.76		1.22
Interest-bearing net liabilities	13.4	8.4		9.8
Gearing, %	10.8 %	10.1 %		10.7 %
Gross capital expenditure	13.7	12.1		15.9

General review

Vacon estimates that 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. In China the new regulations imposed on wind power have temporarily reduced wind power investments in that country. One positive aspect, however, is that Vacon's clients who sell wind power solutions to China are able to comply with the new official regulations. This ensures Vacon a strong competitive position when wind power investments in China pick up.

Vacon's revenues grew 2.0 % in the July – September period, to EUR 91.1 (89.3) million. In January – September revenues rose 24.9 %, to EUR 293.2 (234.8) million. Operating profit declined to EUR 8.2 million in July - September, or 9.1 % of revenues (EUR 8.3 million and 9.3 %). Operating profit rose to EUR 28.6 million in January – September, or 9.8 % of revenues (EUR 19.5 million and 8.3 %).

The main reason for the slow down in the growth in revenues in the third quarter was the poor order intake for products for renewable energy generation. Demand for Vacon's wind power products in particular has been weak specifically due to the temporary decline in the Chinese wind power market. 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. Developments in revenues vary from one country to another, but a slow down in growth can be seen on all continents.

Order intake by Vacon in the third quarter totalled EUR 83.9 (110.9) million. The main reason for this decline is the poor demand for products for renewable energy generation. The figures for the third quarter of 2010 include an exceptionally high number of orders for solar energy products.

Prospects for 2011

Vacon still estimates that the AC drive market will grow 6-10 % in 2011, thanks to the strong performance in the first half of the year. Vacon does not expect demand to grow significantly in the final quarter of 2011 compared to the strong first half of the year. Vacon also does not expect demand for products for wind power production to pick up significantly yet in 2011. 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 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.

Market guidelines for 2011

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

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's operations are driven by a passion to develop, manufacture and sell the best AC drives in the world — and nothing else. AC drives are used to control electric motors and in renewable energy generation. Vacon has R&D and production units in Finland, the USA, China and Italy, and sales offices in 27 countries. In 2010 Vacon had revenues of EUR 338.0 million and globally employed 1300 people. The shares of Vacon Plc (VAC1V) are quoted on the main list of the Helsinki stock exchange.

Driven by Drives, www.vacon.com

Vantaa, 25 October 2011

VACON PLC

Board of Directors

For more information please contact:

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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 October 2011 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 October 2011. President and CEO Vesa Laihi 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 2310 1620 (Finland) or +44 (0)20 3364 5381 (UK). The conference ID code is 8441413.

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 8441413#.

Conference link: <http://www.media-server.com/m/p/rux9zesj>

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

DISTRIBUTION:

NASDAQ OMX Helsinki
Financial Supervisory Authority
Main Media

Vacon Plc, Interim Report 1 January – 30 September 2011

Business environment and business development

Vacon estimates that 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. In China the new regulations imposed on wind power have temporarily reduced wind power investments in that country. One positive aspect, however, is that Vacon's clients who sell wind power solutions to China are able to comply with the new official regulations. This ensures Vacon a strong competitive position when wind power investments in China pick up.

Vacon's revenues grew 2.0 % in the July – September period, to EUR 91.1 (89.3) million. In January – September revenues rose 24.9 %, to EUR 293.2 (234.8) million. Operating profit declined to EUR 8.2 million in July - September, or 9.1 % of revenues (EUR 8.3 million and 9.3 %). Operating profit rose to EUR 28.6 million in January – September, or 9.8 % of revenues (EUR 19.5 million and 8.3 %).

The main reason for the slow down in the growth in revenues in the third quarter was the poor order intake for products for renewable energy generation. Demand for Vacon's wind power products in particular has been weak specifically due to the temporary decline in the Chinese wind power market. 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. Developments in revenues vary from one country to another, but a slow down in growth can be seen on all continents.

Order intake by Vacon in the third quarter totalled EUR 83.9 (110.9) million. The main reason for this decline is the poor demand for products for renewable energy generation. The figures for the third quarter of 2010 include an exceptionally high number of orders for solar energy products.

At the end of September American Superconductor Corporation and the shareholders of The Switch Engineering Oy agreed to extend the date for completing the sale until 31 October 2011, with an option for a further 30 day extension until 30 November 2011. This is to give American Superconductor Corporation time to secure the necessary financing for the transaction. The sale of The Switch Engineering Oy shares should raise Vacon's 2011 earnings per share by some EUR 1.4 a share on completion of the transaction.

During the third quarter 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.

Order intake and order book

Orders intake in the third quarter of 2011 declined 24.4 % from the corresponding period in the previous year. The value of the order intake totalled EUR 83.9 (110.9) million. During the third quarter the volume of orders decreased 1.0 % in Asia and Pacific (APAC), 31.7 % in Europe, Middle East and Africa (EMEA) and 17.6 % in North and South America from the corresponding period in the previous year. The order book declined EUR 4.8 million from the beginning of the year, standing at EUR 47.3 (72.9) million at the end of the period.

Order intake in the January-September period increased 4.6 % from the corresponding period in the previous year. The order intake totalled EUR 288.4 (275.7) million. During January-September order intake increased 30.3 % in APAC and 0.8 % in EMEA and declined 2.1 % in North and South America from the corresponding period in the previous year.

Revenues

During the third quarter of 2011 revenues totalled EUR 91.1 (89.3) million. This was a fall of 15.0 % from the previous quarter. Revenues rose 2.0 % from the corresponding period in the previous year. Revenues in the January-September period increased 24.9 % to EUR 293.2 (234.8) million.

The slow down in the growth in revenues in the third quarter was due to the decline in sales of products for renewable energy generation.

Operating profit and result

The company's profitability in the third quarter was similar to that in the previous year, but weakened a little compared to the first half of the year. The operating profit in July-September was EUR 8.2 million, or 9.1 % of revenues (EUR 8.3 million and 9.3 %). In the previous quarter the operating profit margin was 10.7 %.

The January-September operating profit was EUR 28.6 million, or 9.8 % of revenues, compared to EUR 19.5 million and 8.3 % of revenues in the corresponding period in the previous year.

The decline in revenues contributed to the weakening in profitability in the third quarter. The company has started to take cost saving measures during the final part of the year, and has also slowed down its investments in growth. The earnings per share were EUR 1.29, an increase of EUR 0.53 from the previous year. This does not include any profit from the sale of The Switch Engineering Oy shares.

Balance sheet and cash flow

The balance sheet remained strong and the net cash flow from operating activities in the third quarter was EUR 19.8 million, an increase of EUR 13.3 million from the corresponding period in the previous year. The net cash flow from operating activities in the second quarter of 2011 was EUR 7.2 million.

The net cash flow from operating activities in the January-September period was EUR 20.6 (14.3) million. Enhanced management of working capital has brought results and the company's net cash flow from operating activities has improved. The volume of trade receivables in particular has fallen considerably.

Vacon received an advance payment of EUR 2.6 million from American Superconductor Corporation in the third quarter that is included in the net cash flow from investing activities.

The balance sheet total stood at EUR 244.3 (178.9) million. The equity ratio was 52.2 % (47.9 %).

The Group's equity structure and liquidity remained strong. Interest-bearing net debt at the end of the period totalled EUR 13.4 (8.4) million and gearing was 10.8 % (10.1 %). Gearing declined from the previous quarter due to the strong net cash flow from operating activities.

Market position

Vacon Group revenues by market area were as follows:

MEUR	7-9/ 2011	%	7-9/ 2010	%	1-9/ 2011	%	1-9/ 2010	%	1-12/ 2010	%
Europe, Middle East, Africa	58.4	64.1	56.1	62.8	199.7	68.1	155.0	66.0	227.3	67.2
North and South America	18.7	20.5	17.0	19.1	51.0	17.4	42.8	18.2	60.3	17.8
Asia and Pacific	14.0	15.4	16.2	18.2	42.5	14.5	37.0	15.8	50.5	14.9
Total	91.1	100.0	89.3	100.0	293.2	100.0	234.8	100.0	338.0	100.0

Developments in Vacon's revenues during the January-September period, compared to the corresponding period in the previous year, by market region were as follows: Europe, Middle East and Africa in total, growth of 28.9 %, North and South America, growth of 19.1 % and Asia and Pacific, growth of 15.0 %.

Growth was strong in all market regions during the first six months of the year, but slowed down in the third quarter especially in the EMEA region due to weak demand for products for renewable energy generation.

Vacon reports its regional sales based on the invoicing addresses, not the final location of the products.

Vacon Group revenues by distribution channel:

MEUR	7-9/ 2011	%	7-9/ 2010	%	1-9/ 2011	%	1-9/ 2010	%	1-12/ 2010	%
Direct sales	11.1	12.2	7.6	8.5	28.0	9.6	21.3	9.1	27.1	8.0
Distributors	14.8	16.3	12.5	13.9	44.2	15.1	32.3	13.7	50.4	14.9
OEM	25.7	28.2	21.9	24.5	72.9	24.9	60.5	25.8	87.7	26.0
Brand label customers	18.4	20.2	20.0	22.4	55.3	18.9	50.0	21.3	68.1	20.2
System integrators	21.1	23.1	27.4	30.7	92.8	31.6	70.7	30.1	104.7	31.0
Total	91.1	100.0	89.3	100.0	293.2	100.0	234.8	100.0	338.0	100.0

Vacon's sales by distribution channel rose in the January-September period from the corresponding period in the previous year as follows: direct sales +31.5 %, OEM +20.5 %, distributors +36.9 %, brand label customers +10.6 % and system integrators +31.2 %. The main reason for the third quarter decline in relative share of sales via the system integrator channel is the weak demand for renewable energy products.

Research and development

R&D expenditure in the first nine months of 2011 totalled EUR 18.3 (13.7) million, and EUR 5.0 (3.4) million of this was capitalized as development costs. R&D costs accounted for 6.2 % of Group revenues (5.8 %).

Vacon continued to invest heavily in developing AC drive technology used to control electric motors and in wind and solar power plants. Vacon's solar energy inverter, the Vacon 8000 Solar, has obtained extensive grid code approvals that comply with the requirements of national grid operators. Vacon is launching several new products towards the end of 2011 and in the first half of 2012.

Investments

Gross investments by the Group in January-September totalled EUR 13.7 (12.1) million. Expenditure focused on increasing and maintaining production capacity and on projects for developing new products. Vacon has recently commissioned new factories in China and Italy.

Organization and personnel

The number of Vacon personnel increased by 134 from the figure at the beginning of the year. At the end of September the Group employed 1,473 (1,304) people, of whom 745 (668) were in Finland and 728 (636) in other countries. The personnel taken on have been for all categories of personnel.

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

	1-9/2011	1-9/2010	1-12/2010
Office personnel	927	796	808
Factory personnel	544	495	493
TOTAL	1,471	1,291	1,301

Shares and shareholders

Vacon had a market capitalization at the end of September of EUR 532.3 (533.3) million. The closing share price on 30 September 2011 was EUR 34.88. The lowest share price during the January-September period was EUR 32.80 and the highest EUR 48.73.

A total of 2,135,301 company shares (14.0 % of the share stock) were traded on the stock exchange in the January-September period, in monetary terms EUR 86.2 million. According to the shareholder register updated on 30 September 2011, Vacon had 4,735 registered shareholders. Shares that were nominee registered and in foreign ownership amounted to 32.9 % (33.0 %) of the share stock.

The holding of Ilmarinen Mutual Pension Insurance Company in Vacon Plc's share capital and votes rose above 5 % on 5 September 2011.

Vacon's main shareholders on 30 September 2011:

	Number of shares	Holding, %
Ahlström Capital Oy – Group	3,064,844	20.0 %
Ilmarinen Mutual Pension Insurance Company	868,968	5.7 %
Tapiola Mutual Pension Insurance Company	584,500	3.8 %
Vaasa Engineering Oy	389,514	2.5 %
Koskinen Jari	365,411	2.4 %
Ehrnrooth Martti	325,070	2.1 %
Holma Mauri	290,288	1.9 %
OP-Suomi Pienyhtiöt investment fund	216,071	1.4 %
Tapiola Group companies	163,800	1.1 %
Autio Heikki	137,060	0.9 %
Nominee registered and in foreign ownership	5,026,533	32.9 %
Vacon Plc own shares	35,008	0.2 %
Others	3,827,933	25.0 %
Total	15,295,000	100.0 %
Shares outstanding	15,259,992	

On 30 September 2011 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 30 September 2011 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.

Dividend

Vacon's Annual General Meeting adopted the proposal of the Board of Directors to pay a dividend of EUR 1.00 per share, in total EUR 15,214,435. The dividend was paid on 4 April 2011.

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 materials and components, and fluctuations in the values of foreign currencies.

On 12 March 2011 Vacon Plc and the other shareholders in The Switch Engineering Oy signed an agreement with American Superconductor Corporation under which the entire share stock of The Switch Engineering Oy will be transferred to American Superconductor Corporation. At the end of September American Superconductor Corporation and the shareholders of The Switch Engineering Oy agreed to extend the date for completing the sale until 31 October 2011, with an option for a further 30 day extension until 30 November 2011. This is to give American Superconductor Corporation time to secure the necessary financing for the transaction. The sale of The Switch Engineering Oy shares should raise Vacon's 2011 earnings per share by some EUR 1.4 a share on completion of the transaction.

Vacon owns directly some 14 % of The Switch Engineering shares and a further 5 % through the Power Fund I investment fund.

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 18 % of Vacon's revenues in 2010. 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. 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 for about half of Vacon's revenues. Vacon is continuously assessing the creditworthiness of its customers and their ability to pay their debts. One of Vacon's solar energy clients is currently arranging financing to pay a major debt to Vacon that is past its due date. The company has initiated actions to secure its receivables.

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.

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.

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.

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

Legal proceedings are in progress at the subsidiary in China. The Chinese prosecuting authority is demanding EUR 3.2 million from Vacon as 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 and it is not known exactly when it will be concluded.

Prospects for 2011

Vacon still estimates that the AC drive market will grow 6-10 % in 2011, thanks to the strong performance in the first half of the year. Vacon does not expect demand to grow significantly in the final quarter of 2011 compared to the strong first half of the year. Vacon also does not expect demand for products for wind power production to pick up significantly yet in 2011. 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 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.

Market guidelines for 2011

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.

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 also prepared this interim report applying the same accounting principles as those described in detail in its 2010 consolidated financial statements. The interim report is unaudited.

Consolidated statement of income, IFRS, MEUR

	7-9/ 2011	7-9/2010	1-9/2011	1-9/ 2010	1-12/ 2010
Revenues	91.1	89.3	293.3	234.8	338.0
Other operating income	0.1	0.1	0.3	0.2	0.4
Change in inventories of finished goods and work in progress	-2.5	3.4	-0.2	4.6	6.6
Materials and services	-45.4	-51.1	-155.5	-127.6	-186.7
Employee benefit related expenses	-17.1	-17.2	-52.8	-46.8	-64.9
Other operating expenses	-14.8	-13.3	-47.4	-37.4	-53.9
Depreciation	-1.4	-1.3	-3.9	-3.7	-5.0
Amortization	-1.7	-1.6	-5.0	-4.6	-6.1
Operating profit	8.2	8.3	28.6	19.5	28.6
Financial income and expenses	-0.4	-1.0	-0.2	-1.4	-1.1
Profit before taxes	7.8	7.3	28.4	18.1	27.5
Income taxes	-2.1	-2.4	-8.1	-6.1	-8.5
Profit for the period	5.7	4.9	20.3	12.0	19.1
Attributable to:					
Equity holders of the parent	5.5	4.8	19.6	11.5	18.5
Non-controlling interests	0.2	0.1	0.7	0.5	0.5
Earnings per share, euro	0.36	0.31	1.29	0.76	1.22
Diluted earnings per share, euro	0.36	0.31	1.29	0.76	1.22

Consolidated statement of comprehensive income, MEUR

	7-9/ 2011	7-9/ 2010	1-9/2011	1-9/2010	1-12/2010
Profit for the period	5.7	4.9	20.3	12.0	19.1
Other comprehensive income					
Cash flow hedging	-0.1	0.0	0.1	0.0	0.0
Available for sale financial assets	0.0	0.0	27.2*)	0.0	0.0
Translation differences	0.9	-1.0	0.3	1.0	1.5
Total comprehensive income	6.6	3.9	47.9	13.0	20.5
Attributable to:					
Shareholders of parent company	6.3	3.7	47.2	12.5	19.9
Non-controlling interest	0.2	0.2	0.7	0.5	0.5

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

Consolidated statement of financial position, IFRS, MEUR

	30.9.2011	30.9.2010	31.12.2010
ASSETS			
Goodwill	9.1	9.0	9.1
Development costs	16.1	11.6	12.6
Other intangible assets	9.5	10.8	11.1
Property, plant and equipment	23.8	20.5	20.7
Financial receivables	0.0	0.1	0.0
Deferred tax assets	5.2	4.8	4.8
Other financial assets	1.7	3.9	3.8
Total non-current assets	65.3	60.7	62.2
Inventories	30.8	28.2	31.9
Trade and other receivables	91.6	72.2	90.8
Available for sale financial assets	30.0	0.0	0.0
Cash and cash equivalents	26.6	17.8	18.4
Total current assets	179.0	118.2	141.1
Total assets	244.3	178.9	203.3
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	27.2*)	0.0	-0.1
Retained earnings	89.9	76.7	84.4
Non-controlling interests	1.8	1.4	1.6
Total equity	124.3	83.6	91.3
Deferred tax liabilities	7.2	5.1	5.3
Employee benefits	1.8	1.6	1.6
Interest-bearing liabilities	8.6	10.8	9.9
Other liabilities	0.2	0.0	0.2
Total non-current liabilities	17.8	17.5	17.0
Trade and other payables	57.5	56.8	62.4
Income tax liabilities	4.1	3.5	6.5
Provisions	9.3	2.1	7.9
Interest-bearing liabilities	31.4	15.4	18.3
Total current liabilities	102.3	77.8	95.1
Total equity and liabilities	244.3	178.9	203.3

*) Assessment at fair value of EUR 27.2 million relating to holding in The Switch.

Q3 2010 Consolidated statement of changes in equity, IFRS (MEUR)

	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
	Share capital	Share premium reserve	Other reserves	Own shares	Re-valuation reserve	Retained earnings			
Equity Jan 1, 2010	3.1	5.0	0.1	-2.6	0.0	74.4	79.8	1.5	81.3
Other changes						0.1	0.1	0.0	0.1
Profit for the period						11.5	11.5	0.5	12.0
Other total comprehensive income:									
Cash flow hedging					0.0		0.0		0.0
Translation differences						1.0	1.0		1.0
Total comprehensive income for the period					0.0	12.5	12.5	0.5	13.0
Share bonuses						0.4	0.4		0.4
Dividends paid						-10.7	-10.7	-0.5	-11.2
Equity Sep 30, 2010	3.1	5.0	0.1	-2.6	0.0	76.7	82.1	1.4	83.6

Q3 2011 Consolidated statement of changes in equity, IFRS (MEUR)

	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
	Share capital	Share premium reserve	Other reserves	Own shares	Re-valuation reserve	Retained earnings			
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						19.6	19.6	0.7	20.3
Other total comprehensive income:									
Cash flow hedging					0.1		0.1		0.1
Available for sale financial assets					27.2		27.2		27.2
Translation differences						0.3	0.3		0.3
Total comprehensive income for the period					27.3	19.9	47.2	0.7	47.9
Share bonuses						0.6	0.6		0.6
Dividends paid						-15,2	-15,2	-0,5	-15,7
Equity Sep 30, 2011	3.1	5.0	0.1	-2.6	27.2	89.9	122.5	1.8	124.3

Consolidated statement of cash flow, IFRS, MEUR

	7-9/2011	7-9/2010	1-9/2011	1-9/2010	1-12/2010
Profit for the period	5.7	4.9	20.3	12.0	19.1
Depreciation	3.1	2.9	8.9	8.3	11.1
Financial income and expenses	0.4	1.0	-0.5	1.4	1.1
Taxes	2.1	2.4	8.1	6.1	8.5
Other adjustments	0.9	-0.5	1.7	-0.5	-0.2
Change in working capital	11.2	-2.1	-7.8	-6.3	-17.2
Net cash flow from financial items and tax	-3.6	-2.1	-10.1	-6.7	-6.3
Net cash flow from operating activities	19.8	6.6	20.6	14.3	15.9
Acquisition of subsidiary	0.0	0.0	0.0	0.0	-0.7
Investments in tangible and intangible assets	-3.6	-4.1	-13.7	-10.4	-13.7
Proceeds from disposal of tangible and intangible assets	0.0	0.0	0.0	0.0	0.0
Other investments	-2.1	0.0	0.2	0.7	0.0
Repayment of loans receivables	2.1	0.0	2.1	0.0	0.8
Proceeds from disposal of other investments	2.6	0.0	2.6	0.0	0.3
Dividends received	0.0	0.0	0.7	0.0	0.0
Net cash flow from investing activities	-1.0	-4.1	-8.1	-9.8	-13.4
Proceeds from long-term borrowings	0.0	0.0	0.2	0.0	0.2
Repayment of long-term loans	-0.6	-0.2	-1.7	-2.2	-3.0
Proceeds from short-term borrowings	0.0	1.0	27.7	8.9	12.1
Repayment of short-term loans	-13.2	0.0	-14.7	0.0	-0.2
Dividends paid	-0.1	0.0	-15.7	-11.2	-11.2
Net cash flow from financing activities	-13.8	0.8	-4.2	-4.5	-2.2
Change in liquid funds	5.0	3.3	8.3	0.0	0.4
Liquid funds at start of period	21.3	14.9	18.4	17.2	17.2
Translation differences for liquid funds	0.3	-0.4	-0.1	0.6	0.9
Liquid funds at end of period	26.6	17.8	26.6	17.8	18.4

Segment information

Vacon has one business segment, AC drives. The figures for the business segment are identical to the figures for the whole Group. Vacon's operations are organized in the following functions: Products and Markets, Production, Research & Development, Finance and Administration, Human Resources, IT and Process Development, and Business Development. To ensure that the organisation is customer-oriented, operations are controlled by sales channels: distributors, systems integrators, direct sales, OEM customers and brand label customers.

Key financial indicators

Share-based indicators

	30.9.2011	30.9.2010	31.12.2010
Earnings per share, EUR	1.29	0.76	1.22
Equity per share, EUR	8.03	5.40	5.90
Lowest share price, EUR	32.80	24.90	24.90
Highest share price, EUR	48.73	37.59	39.75
Share price at end of period, EUR	34.88	35.05	39.00
Average trading price, EUR	40.38	31.33	32.49
Market capitalization, MEUR	532.3	533.3	593.4
Trading volume, no. of shares	2,135,301	2,178,504	2,670,146
Trading volume, %	14.0	14.3	17.6
Adjusted average number of shares during the period*)	15,241,803	15,212,627	15,213,083
Number of shares at end of period*)	15,259,992	15,214,435	15,214,435
Own shares	35,008	80,565	80,565

*) 30.9.2011 average number of shares is 15,241,803. The number of shares outstanding is 15,259,992.

Key indicators showing the Group's financial performance

	30.9.2011	30.9.2010	31.12.2010
Revenues, MEUR	293.2	234.8	338.0
Change in revenues, %	24.9	13.0	24.3
Operating profit, MEUR	28.6	19.5	28.6
Change in operating profit, %	46.6	6.9	26.8
Operating profit, % of revenues	9.8	8.3	8.5
Profit before tax, MEUR	28.4	18.1	27.5
Profit before tax, % of revenues	9.7	7.7	8.1
Interest-bearing net liabilities, MEUR	13.4	8.4	9.8
Gearing, %	10.8	10.1	10.7
Working capital, MEUR	51.4	38.0	45.9
Equity ratio, %	52.2	47.9	46.0
Gross capital expenditure, MEUR	13.7	12.1	15.9
Gross capital expenditure, % of revenues	4.7	5.2	4.7
R & D expenditure, MEUR	18.3	13.7	20.8
R & D expenditure, % of revenues	6.2	5.8	6.2
Number of personnel at end of period	1,473	1,304	1,339
Order book, MEUR	47.3	72.9	52.1

Commitments and contingencies, MEUR

	30.9.2011	30.9.2010	31.12.2010
Commitments and contingencies	6.7	7.8	11.8
Financing commitments	0.1	0.2	0.1

Group quarterly performance, MEUR

	7-9/ 2011	4-6/ 2011	1-3/ 2011	10-12/ 2010	7-9/ 2010	4-6/ 2010	1-3/ 2010
Revenues	91.1	107.2	95.0	103.2	89.3	80.2	65.3
Operating profit	8.2	11.5	8.9	9.1	8.3	6.6	4.6
Profit before tax	7.8	12.0	8.5	9.5	7.3	6.4	4.4

Calculation of financial ratios

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