

Interim report April-June 2013

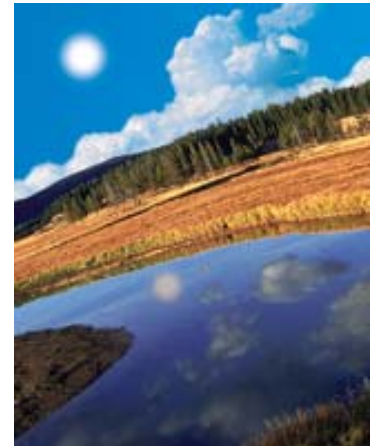
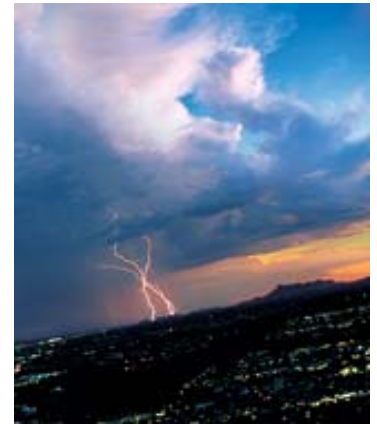
Vaisala corporation

July 24th, 2013

VAISALA

Overview of Q2 2013

- Orders received: EUR 65.6 (68.6) million, -4%
- Net sales EUR 65.2 (75.3) million, -13%
- Operating profit EUR 5.1 (11.4) million, -55%
- Earnings per share EUR 0.20 (0.51)
- Cash flow from operating activities EUR 10.2 (13.0) million
- Cash and cash equivalents EUR 61.5 (48.4) million

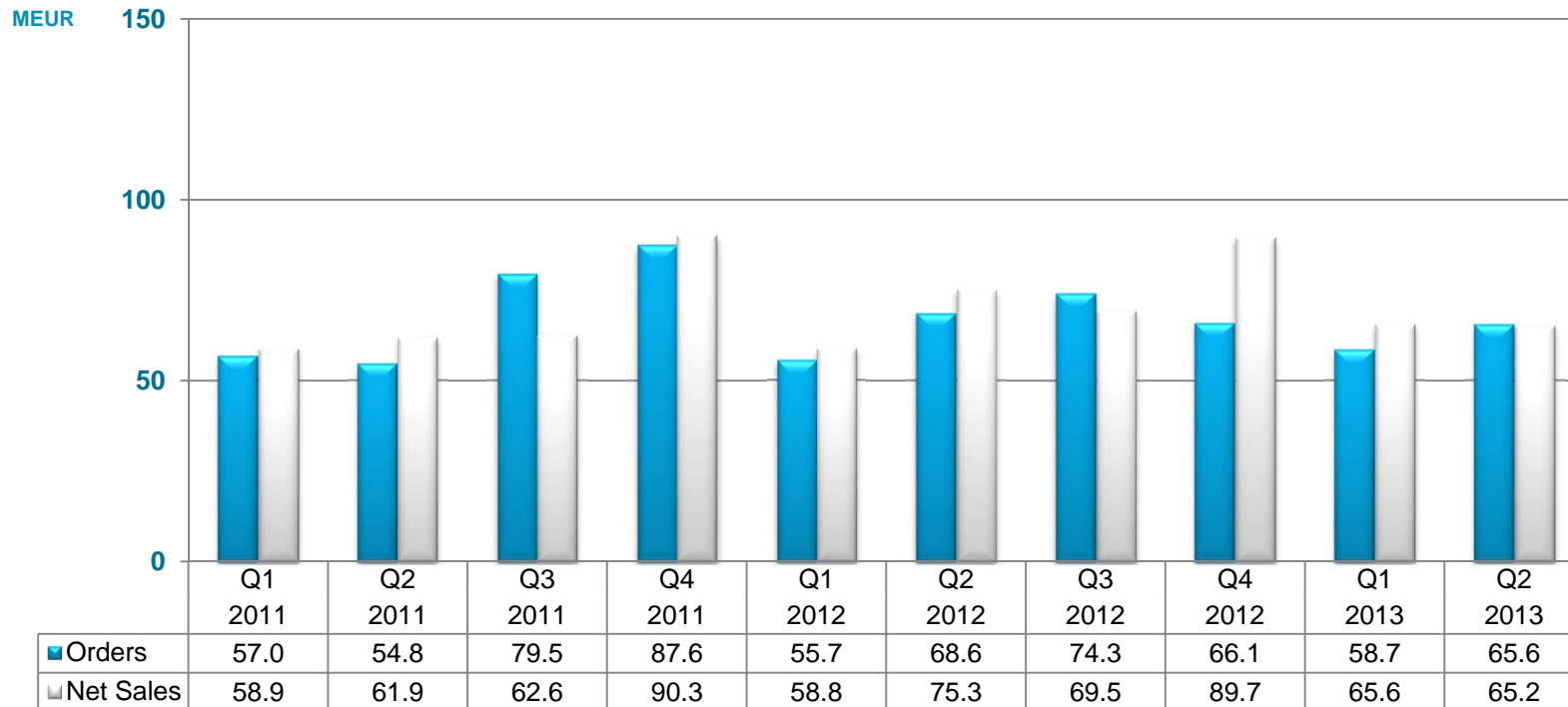


Overview of H1 2013

- Orders received: EUR 124.2 (124.3) million, -0%
- Net sales EUR 130.9 (134.1) million, -2%
- Operating profit EUR 10.2 (12.4) million, -18%
- One-time gain from product line divestment EUR 1.5 million
- Earnings per share EUR 0.36 (0.50)
- Cash flow from operating activities EUR 5.3 (17.6) million
- Cash and cash equivalents EUR 61.5 (48.4) million

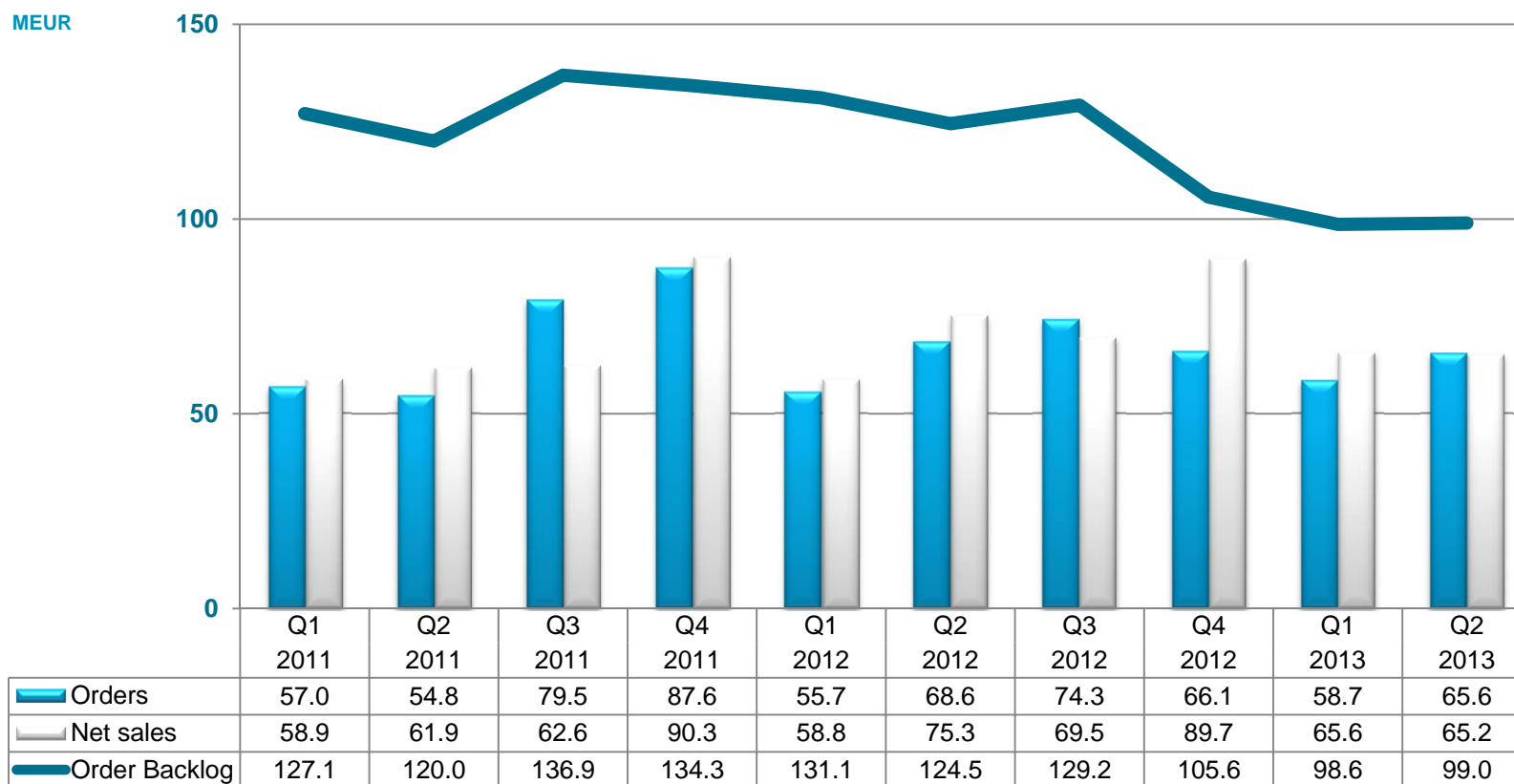


Orders, Net Sales and Order Book



- Orders received were EUR 65.6 (68.6) million in Q2 2013 and decreased by 4% year-on-year
- In Q2 2013, net sales were EUR 65.2 (75.3) million and decreased by 13% year-on-year
- Net sales in Q2 2013 decreased in all geographical areas and in all business types i.e. product, delivery projects and services

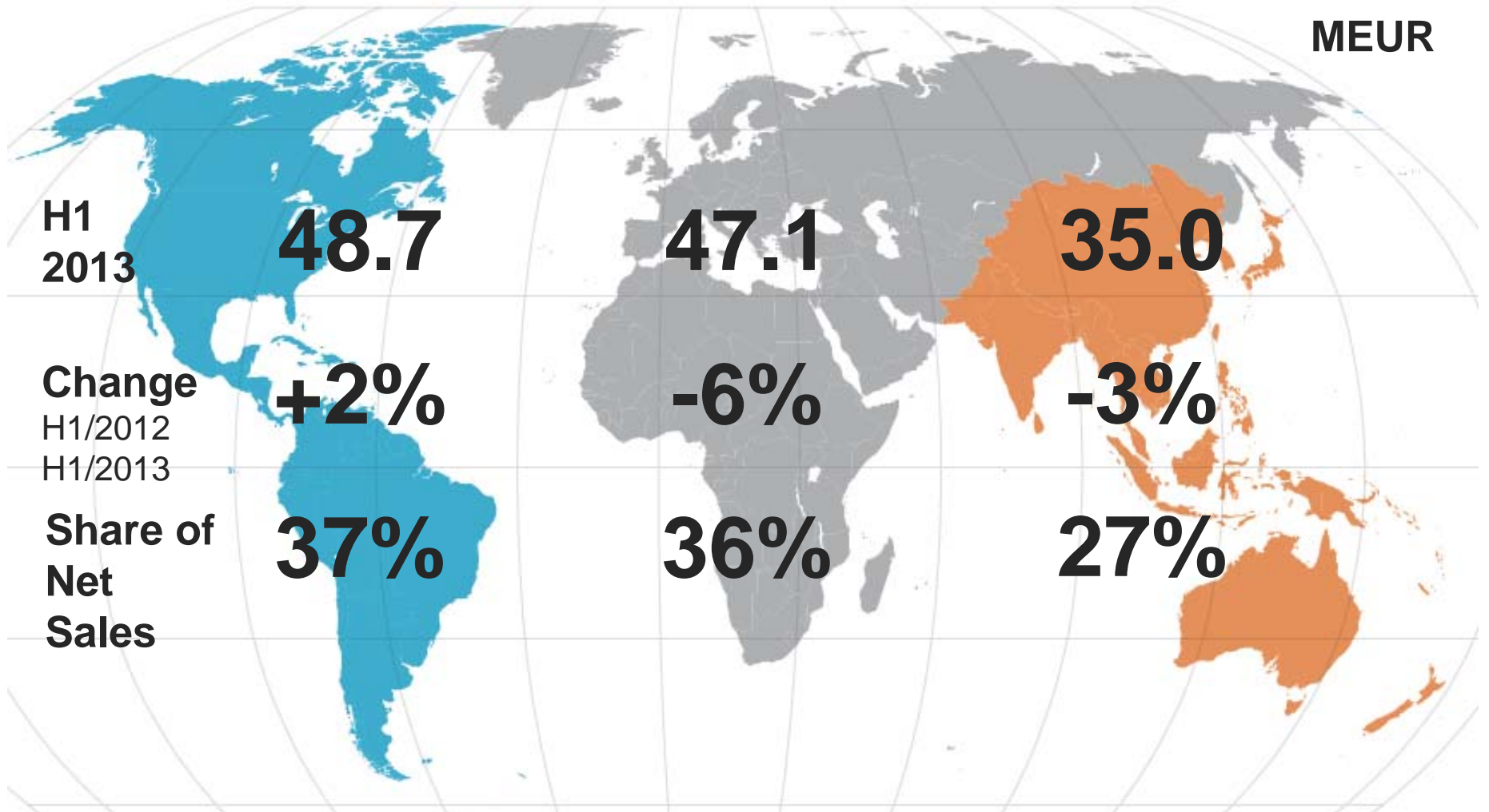
Orders, Net sales and Order Book



- The order book was EUR 99.0 (124.5) million, 20% lower than at the end of June 2012
- The decrease in order book is mostly due to the realized budget sequestration in North America, business challenges and delayed orders in Europe as well as continued trend towards shorter purchase cycles

H1 2013 Net Sales by Regions

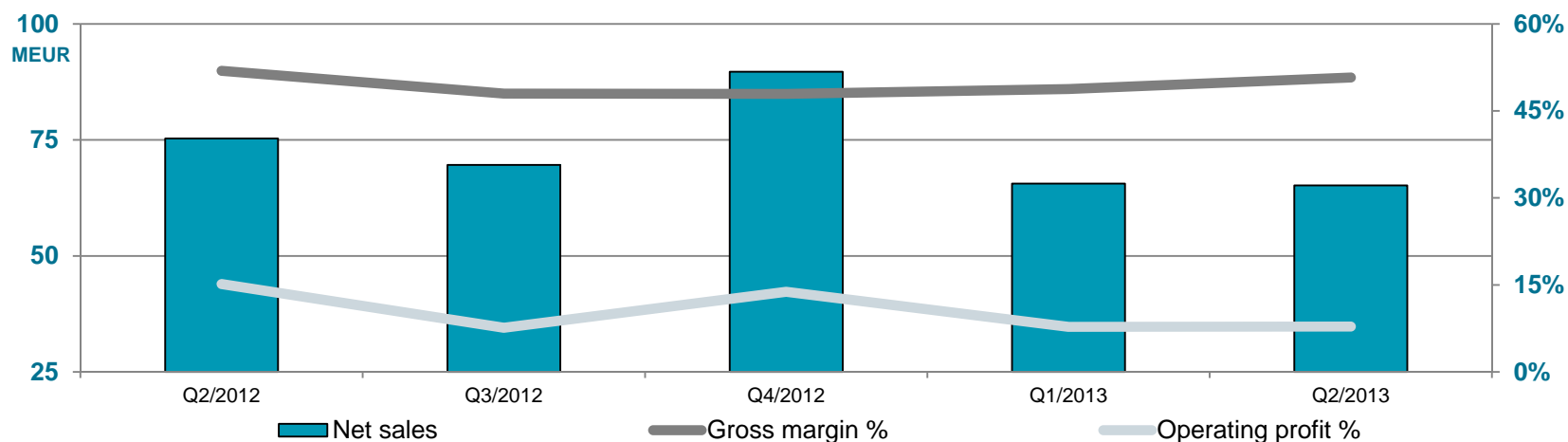
MEUR



Net Sales by Business Areas (MEUR)

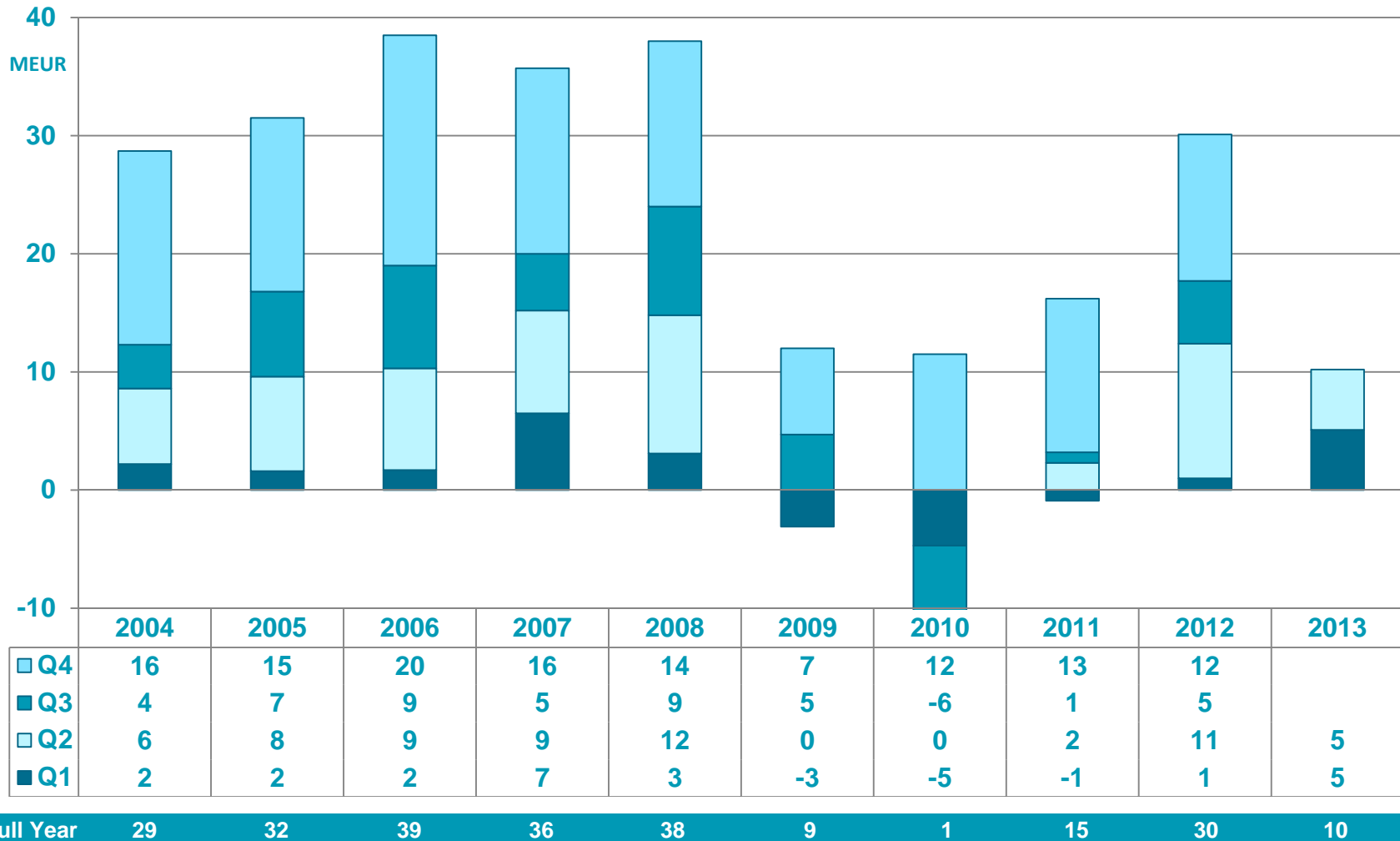
	H1/2013	H1/2012	Q1-Q4/2012
Weather	94.7	97.8	218.0
Products	49.6	46.6	99.7
Delivery projects	30.1	37.0	84.2
Services	14.9	14.2	34.1
Controlled Environment	36.2	36.2	75.3
Products	31.8	32.5	67.0
Services	4.4	3.7	8.2
Sales, elimination and others	0.0	0.1	0.0
TOTAL VAISALA NET SALES	130.9	134.1	293.3

Performance by Quarter



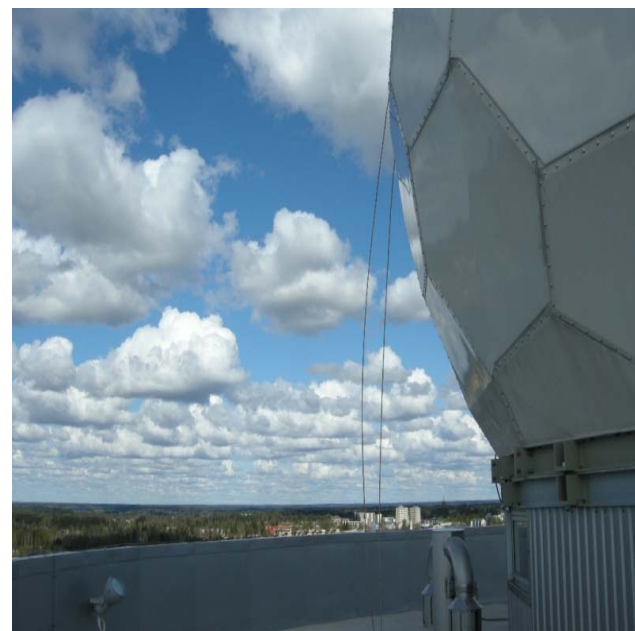
	<u>Q2/2012</u>	<u>Q3/2012</u>	<u>Q4/2012</u>	<u>Q1/2013</u>	<u>Q2/2013</u>
Net sales	75.3	69.6	89.7	65.6	65.2
Cost of sales	36.1	36.1	46.6	33.6	32.1
Gross profit	39.1	33.4	43.0	32.0	33.1
<i>Gross margin %</i>	<i>52%</i>	<i>48%</i>	<i>48%</i>	<i>49%</i>	<i>51%</i>
Sales, marketing and administrative costs	21.3	21.1	23.1	20.8	20.9
Research and development costs	6.5	6.9	7.5	7.6	7.0
Other operating income and expense	0.0	0.0	0.0	1.6	0.0
Operating profit	11.4	5.3	12.4	5.1	5.1
<i>Operating profit %</i>	<i>15%</i>	<i>8%</i>	<i>14%</i>	<i>8%</i>	<i>8%</i>

Operating Profit by Quarter



Weather (WEA) H1 2013

- **Net sales EUR 94.7 (97.8) million, -3%**
 - At comparable exchange rates net sales would have decreased by 2%
 - The decline was mainly due to volume in delivery projects
 - Increased net sales in Meteorology and Airports customer groups did not compensate the lower net sales in other customer groups
- **Orders received EUR 87.6 (86.5) million, +1%**
- **Order book EUR 94.1 (118.9) million, -21%**
- **Operating profit EUR 5.2 (7.7) million, -32%**
 - The decline in Operating profit was due to lower volume in delivery projects and the decline in their profitability whereas the profitability of product business was improving



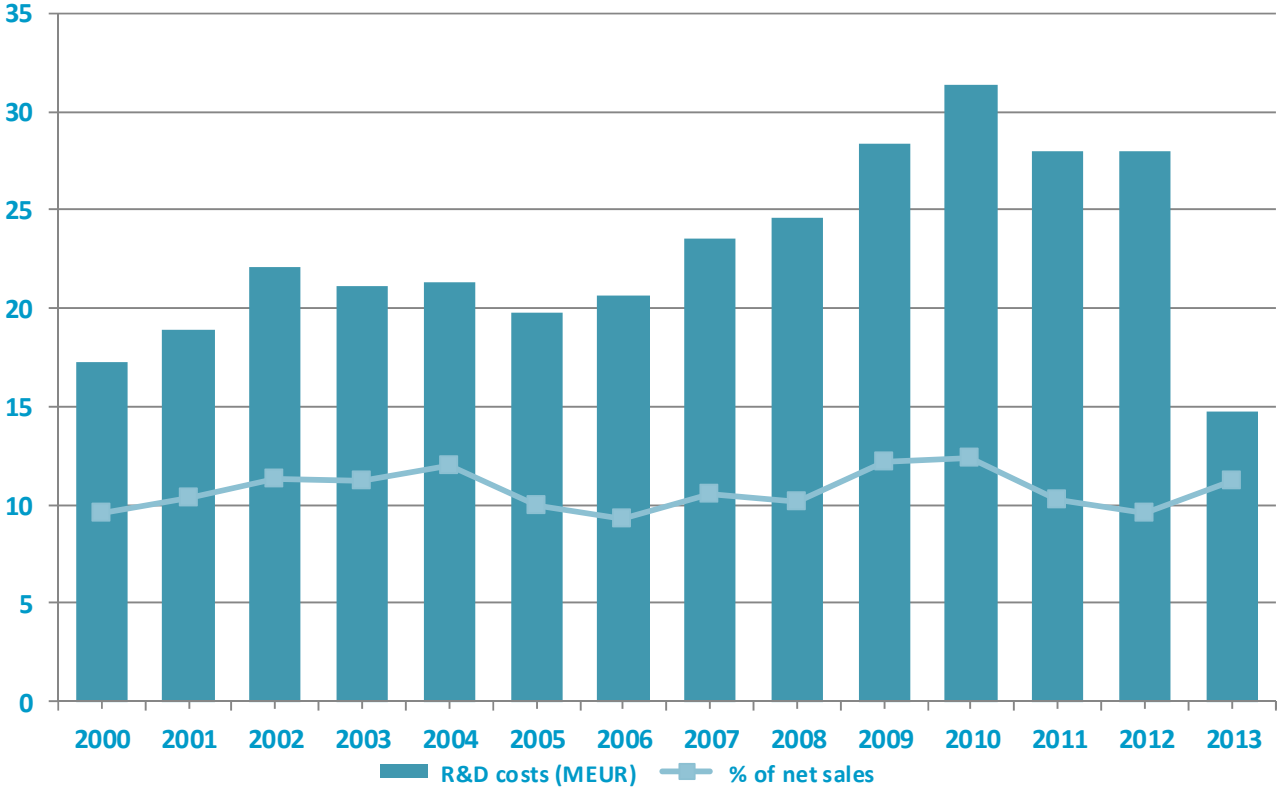
Controlled Environment (CEN) H1 2013

- **Net sales EUR 36.2 (36.2) million, -0%**
 - At comparable exchange rates net sales would have increased by 2%
 - Net sales decreased in Europe and Japan whereas net sales in North America and China were growing
 - Net sales increased in Life Science customer group
- **Orders received EUR 36.7 (37.8) million, -2.8%**
- **Order book EUR 4.9 (5.5) million, -12%**
- **Operating profit EUR 3.9 (5.3) million, -26%**
 - This was due to lower volumes than expected
 - Operating expenses stayed on the same level as in previous year even though investments in Life Science R&D and service business capabilities continued



Research and Development Costs

H1 2013

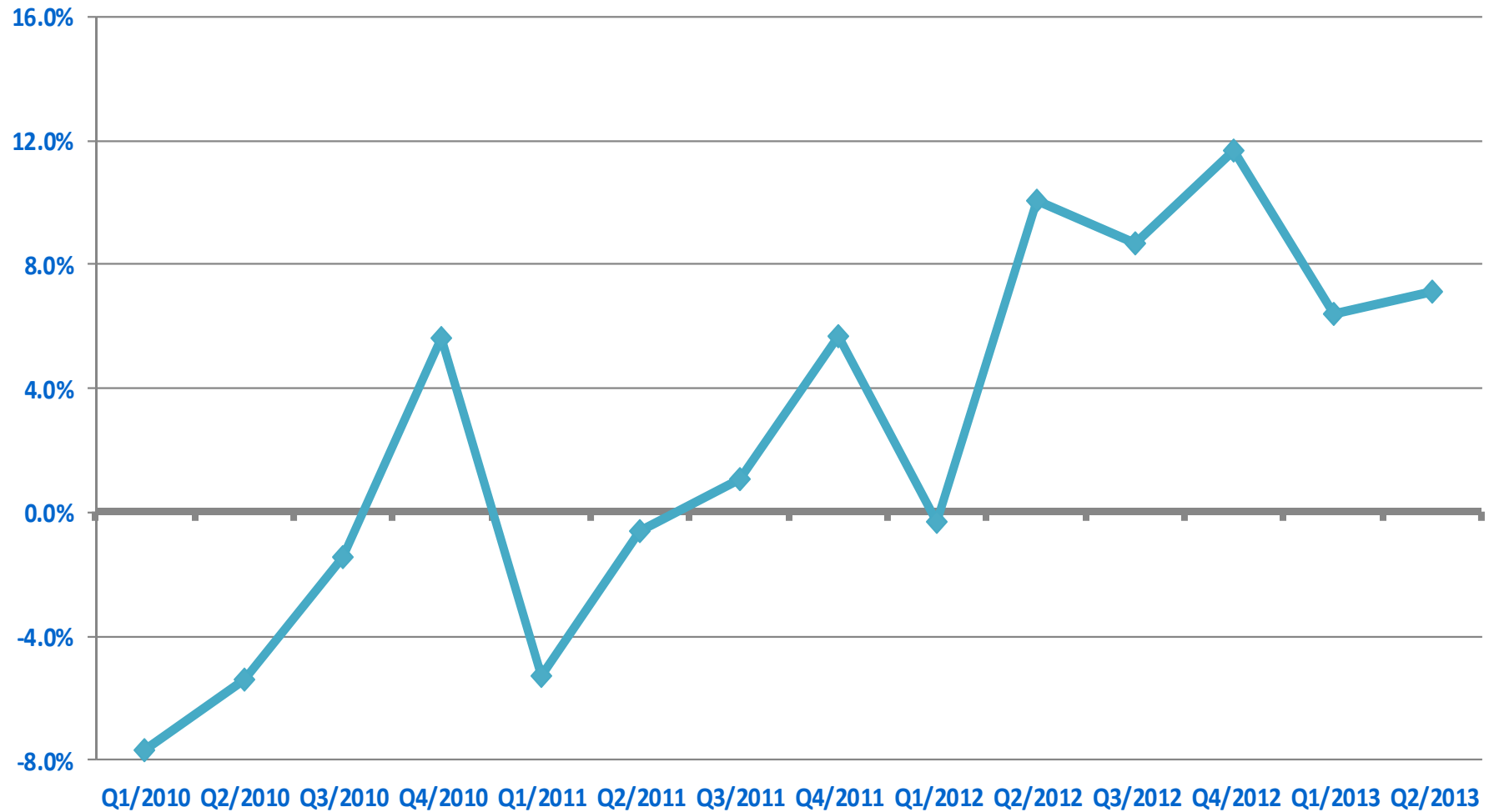


- R&D expenses EUR 14.7 (13.6) million, 11.2% of net sales
- Weather BA 12.1% (10.8%) of net sales
- Controlled Environment BA 9.0% (7.2%) of net sales
- The goal is to keep the share of R&D expenses at around 10% of net sales

Key Ratios H1 2013

	H1/2013	H1/2012	Q1-Q4/2012
Number of shares traded (kpcs)	1742	446	1,019
Earnings per share (EUR)	0.36	0.50	1.20
Cash flow from operating activities per share (EUR)	0.29	0.97	2.6
Solvency ratio	77.5%	76.0%	75%
Gross capital expenditure (MEUR)	4.1	2.2	5.4
Average personnel	1,457	1,406	1,422

Vaisala Group ROE %



Outlook

Market outlook

The global economic uncertainty continues to impact Vaisala's business and constrain growth opportunities.

In North America the budget sequestration may limit Weather Business Area's order intake whereas the demand for Controlled Environment Business Area's products is expected to continue growing.

In Europe order intake has slowed down and might impact delivery volumes.

Stable market demand is expected to continued in China and APAC for Weather Business Area's products and for Controlled Environment Business Area's products the demand is expected to grow.

Business Outlook 2013 (unchanged)

Vaisala's net sales are estimated to be in the range of EUR 280–310 million at comparable exchange rates as compared to 2012.

The operating profit (EBIT) is expected to be in the range of EUR 25–35 million at comparable exchange rates as compared to 2012.



Thank you

VAISALA