

Vaisala Corporation Financial Statement Bulletin January-March 2013

January-March 2013 net sales and operating profit at good level, order book down. Business outlook unchanged.

January-March highlights

- Orders received EUR 58.7 (55.7) million, increase 5%
- Order book EUR 98.6 (131.1) million, decrease 25%
- Net sales EUR 65.6 (58.8) million, increase 12%
- Operating profit EUR 5.1 (1.0) million, increase 407%
- One-time gain from product line divestment EUR 1.5 million
- Earnings per share EUR 0.16 (-0.01)
- Cash flow from business operations EUR -4.9 (4.5) million
- Cash and cash equivalents EUR 70.5 (50.2) million

January-March 2013 Performance

In January-March 2013, net sales were EUR 65.6 (58.8) million and showed an increase of 12% year-on-year. Sales increased in all geographical areas and in all business types i.e. product, delivery projects and services.

Weather Business Area net sales were EUR 47.5 (41.0) million and increased by 16% year-on-year. In Weather Business Area product, delivery project and service sales were higher than previous year. This was due to high net sales in meteorology as well as strong product sales in most customer groups.

Controlled Environment Business Area net sales were EUR 18.1 (17.7) million and increased by 2% year-on-year. Net sales growth in North America was strong but flat sales development in Japan was not expected.

In January-March 2013, net sales in APAC increased by 14%, in Americas by 12%, and in EMEA by 10% year-on-year.

Orders received were EUR 58.7 (55.7) million in January-March 2013 and increased by 5% year-on-year. Increase in orders received was mainly from China in Weather Business Area. The order book was EUR 98.6 (131.1) million, 25% lower than at the end of March 2012. The decrease in order book is mostly due to low order intake of Weather Business Area in fourth quarter of 2012.

The operating profit for January-March 2013 was EUR 5.1 million and increased by EUR 4.1 million or by 407% from previous year's EUR 1.0 million due to strong performance in Weather Business Area. Divestment of Non-weather Road Transportation Product Lines in Americas had a EUR 1.5 million once-only positive effect to operating profit. Weather Business Area operating profit was EUR 2.0 million and increased by EUR 4.2 million from EUR -2.2 million in previous year. This was due to higher net sales and improved gross margin especially for product sales. Controlled Environment Business Area operating profit was EUR 1.8 million and decreased by 47% from previous year's EUR 3.3 million. This was mainly due to increased investments in Service function related to Life Science customer group and in R&D related to new product development.

Key Figures (unaudited)			
EUR Million	1-3/2013	1-3/2012	1-12/2012
Net sales	65.6	58.8	293.3
Weather	47.5	41.0	218.0
Controlled Environment	18.1	17.7	75.3
Orders received	58.7	55.7	264.7
Order book	98.6	131.1	105.6
Operating profit (loss)	5.1	1.0	30.2
Weather	2.0	-2.2	22.6
Controlled Environment	1.8	3.3	9.4
Eliminations and other	1.3	-0.2	-1.9
Profit (loss) before taxes	5.2	0.0	29.1
Profit (loss) for the period	2.9	-0.1	21.7
% of Net sales			
Operating profit (loss)	7.7%	1.6%	10.3%
Profit (loss) before taxes	8.0%	0.0%	9.9%
Profit (loss) for the period	4.5%	-0.2%	7.4%
Earnings per share	0.16	-0.01	1.19
Return on equity	6.4%	-0.3%	11.7%
Cash flow from business operations	-4.9	4.5	48.2
Cash and cash equivalents	70.5	50.2	74.8

Comparative figures for 2012 have been restated according to the revised IAS 19 Employee Benefits. For further information please see page 10.

Kjell Forsén, President and CEO:

“Vaisala continued its good sales and profitability performance in the beginning of 2013. Net sales increased by 12% from previous year’s first quarter and were EUR 65.6 million. The growth was equally strong in all regions as net sales grew by 14% in APAC, in Americas by 12% and in EMEA by 10%. Also orders received increased by 5% year-on-year but the order book was 25% lower than in the previous year mostly due to low order intake of Weather Business Area during the last quarter of 2012 and the continued trend towards shorter purchase cycles.

EMEA was again the biggest region by 39% share. APAC had good sales performance but for Controlled Environment Business Area the sales in Japan did not meet our expectations and also some deliveries to European customers were postponed to the second quarter. Meteorology customer group increased both product and delivery project sales.

Vaisala’s operating profit reached EUR 5.1 million which is an excellent result for the first quarter and confirming our expectation for improved performance both in product as well as in delivery project businesses. The profit was higher also due to the divestment of our non-weather road transportation product lines which generated EUR 1.5 million operating profit.

Despite the strong first quarter our business outlook for the whole year remains unchanged. Already last year the seasonality was more even over the quarters than in earlier years and we assume that the purchasing behaviour has changed to shorter order cycles .“

Market Outlook

The global economic uncertainty continues to impact Vaisala's business and constrain growth opportunities. The market in North America is expected to gradually recover. The cuts in governmental spending and uncertainty of new project timings are expected to impact Weather Business Area sales. The market for Controlled Environment Business Area's products in Asia is expected to continue challenging and Europe market is in unpredictable phase.

Business Outlook for 2013 Unchanged

Vaisala's outlook for the year 2013 remains unchanged from the one published on February 6, 2013.

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.

Net sales in 2012 were EUR 293.3 million and operating profit was EUR 30.2 million.

Disclosure Procedure

This is a summary of Vaisala's January-March 2013 Interim Report. The complete report is attached to this release as a .pdf file and also available at Vaisala's website at www.vaisala.com/investors. (Re. Standard 5.2b published by the Finnish Financial Supervision Authority.)

Briefing and Audiocast

Briefing for analysts and media will be arranged in Hotel Kämp, Paavo Nurmi meeting room, Pohjoisesplanadi 29, Helsinki starting at 4 p.m. (EEST) today. Please register to the briefing by e-mail to liisa.ahtiluoto@vaisala.com.

The presentation of Kjell Forsén, President and CEO, at the briefing will be audiocast live at www.vaisala.com/investors starting at 4 p.m. A recording of the audiocast will be published at the same address at 6 p.m.

Further information:

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Vaisala is a global leader in environmental and industrial measurement. Building on 75 years of experience, Vaisala contributes to a better quality of life by providing a comprehensive range of innovative observation and measurement products and services for chosen weather-related and industrial markets. Headquartered in Finland, Vaisala employs approximately 1400 professionals worldwide and is listed on the NASDAQ OMX Helsinki stock exchange. www.vaisala.com
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