

Interim Report January–March 2014

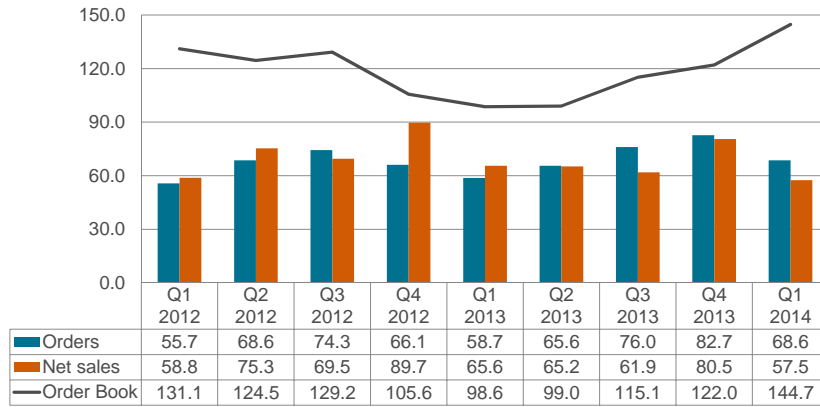
Vaisala Corporation
April 24, 2014

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Overview of Q1/2014

- Orders received EUR 68.6 (58.7) million, +17%
- Order book EUR 144.7 (98.6) million, +47%
- Net sales EUR 57.5 (65.6) million, -12%
- Operating result EUR -3.2 (5.1) million
- Cash flow from operating activities EUR -0.9 (-4.9) million
- Cash and cash equivalents EUR 43.3 (70.5) million

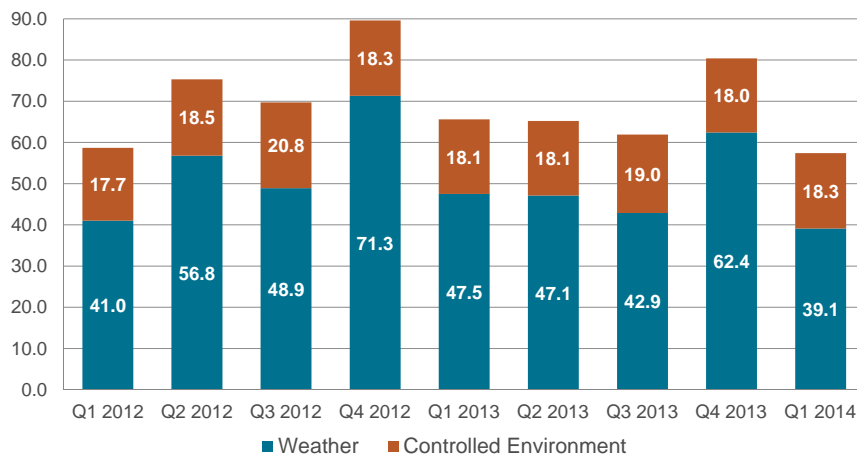
Orders, Net Sales and Order Book (MEUR)



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Net Sales by Business Area (MEUR)



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Net Sales by Business Type (MEUR)

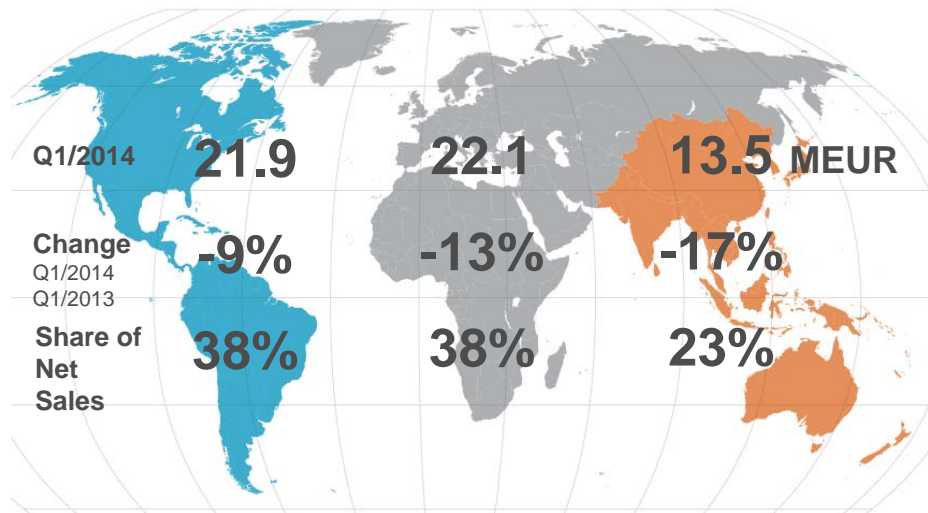
	Q1/2014	Q1/2013
Weather	39.1	47.5
Products	19.0	24.1
Delivery projects	11.0	15.5
Services	9.1	7.9
Controlled Environment	18.3	18.1
Products	16.2	16.0
Services	2.1	2.1
TOTAL VAISALA NET SALES	57.5	65.6

Foreign Exchange Rate Effect on Net Sales (MEUR)

	Q1/2014	Q1/2013	Q1/2014	
	Reported	Reported	At comparable exchange rates	Currency effect
Weather	39.1	47.5	39.7	0.5
Controlled Environment	18.3	18.1	19.1	0.8
Total	57.5	65.6	58.8	1.3

- Foreign exchange rate effect mainly from USD/EUR and JPY/EUR
- Comparable exchange rates: translation impact eliminated

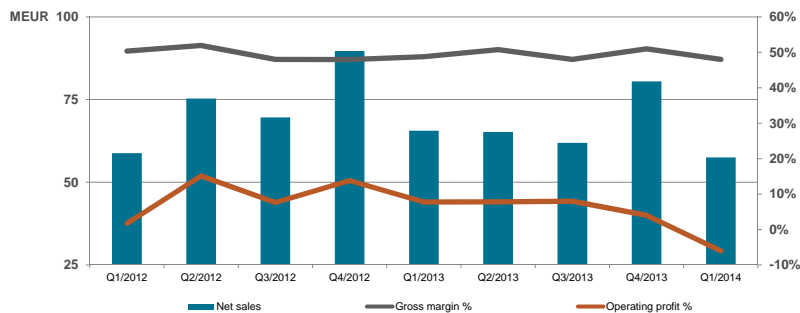
Q1/2014 Net Sales by Regions



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Performance by Quarter



EUR million	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14
Net sales	65.6	65.2	61.9	80.5	57.5
Cost of sales	33.6	32.1	31.9	41.3	29.8
Gross profit	32.0	33.1	30.0	39.2	27.6
Gross margin %	49%	51%	48%	49%	48%
Sales, marketing and administrative costs	20.8	20.9	19.1	23.9	22.5
Research and development costs	7.6	7.0	6.2	8.0	8.2
Other operating income and expense	1.6	0.0	0.1	4.3	0.0
Operating result	5.1	5.1	4.9	3.1	-3.2
Operating result %	8%	8%	8%	4%	-6%

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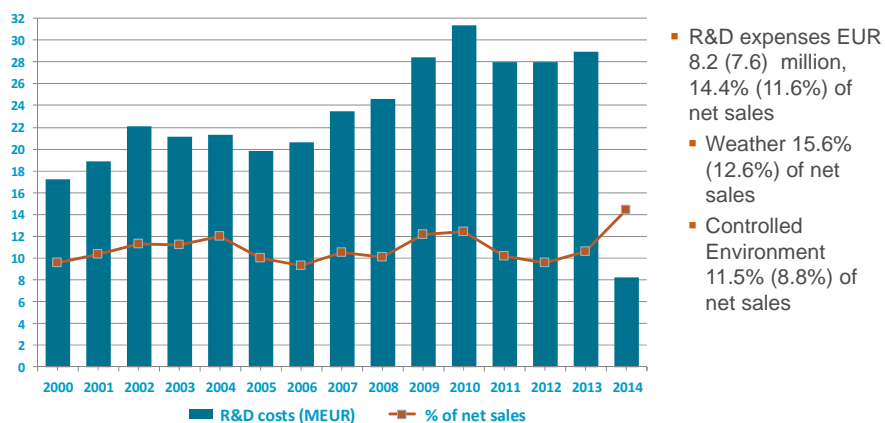
Weather in Q1/2014

- **Net sales EUR 39.1 (47.5) million, -18%**
 - At comparable exchange rates net sales would have decreased by 17%
 - Net sales decreased in all customer groups except New Weather Market
 - Especially Meteorology customer group's net sales decreased and delivery project revenue recognition was postponed to later quarters
- **Orders received EUR 50.4 (40.9) million, +23%**
- **Order book EUR 139.1 (94.6) million, +47%**
- **Operating result EUR -4.8 (2.0) million**
 - The decline was mainly due to decreased net sales and lower production volumes deteriorating the gross margin
 - The operating expenses increased mainly due to the consolidation of operating expenditures of the two acquisitions as well as investments in R&D

Controlled Environment in Q1/2014

- **Net sales EUR 18.3 (18.1) million, +1%**
 - At comparable exchange rates net sales would have increased by 6%
 - In EMEA net sales increased from previous year
- **Orders received EUR 18.2 (17.7) million, +3%**
- **Order book EUR 5.6 (4.0) million, +40%**
- **Operating result EUR 2.1 (1.8) million, +22%**
 - The increase was mainly due to improved gross margin resulting from production consolidation
 - Operating expenses increased from previous year due to increased investments in R&D

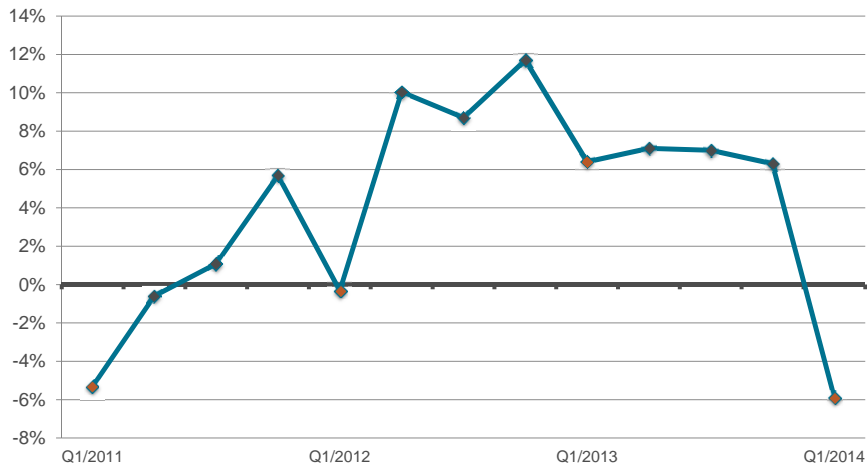
R&D Costs in Q1/2014



Key Ratios in Q1/2014

	Q1/2014	Q1/2013	2013
Earnings per share, EUR	-0.12	0.16	0.60
Equity per share, EUR	7.78	9.79	8.80
Cash flow from operating activities per share, EUR	-0.05	-0.27	1.55
Solvency ratio	63%	70%	72%
Return on equity	-5.9%	6.4%	6.3%
Gross capital expenditure, MEUR	1.7	1.7	7.1
Personnel at the end of period	1,585	1,434	1,563

Vaisala Group ROE %



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Market Outlook

- Vaisala expects that continued signs of economic recovery will gradually revive weather observation and industrial measurement solutions market, typically expressing post-cyclical behavior.
- In EMEA demand for weather observation solutions is expected to remain solid, and also industrial measurement market has showed early signs of gradual revival.
- In North America market outlook for weather observation and industrial measurement solutions is unfavorable. In spite of passed increase in US debt ceiling and favorable economic outlook, signs of market upturn have not yet been registered in the market.
- Weather observation market in APAC is expected to remain active. Demand for industrial measurement solutions in APAC is expected to continue increasing in local currencies.

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Business Outlook 2014

- Vaisala estimates its full year 2014 net sales to be in the range of EUR 290–320 million and the operating profit (EBIT) in the range of EUR 20–30 million.
- In January-December 2013, Vaisala's net sales were EUR 273.2 million and operating profit (EBIT) was EUR 18.1 million.

IR Calendar

- **Second quarter results bulletin**
 - Vaisala will publish its Q2/2014 results bulletin on Wednesday, July 23, 2014 at approximately 2:00 p.m. Finnish time
- **Capital Markets Day 2014**
 - Vaisala will organize its Capital Markets Day on Monday, May 26, 2014 from 11:30 a.m. till 5 p.m.

➤ www.vaisala.com/investors

