

Financial Results 2013

Vaisala Corporation

February 10, 2014

VAISALA

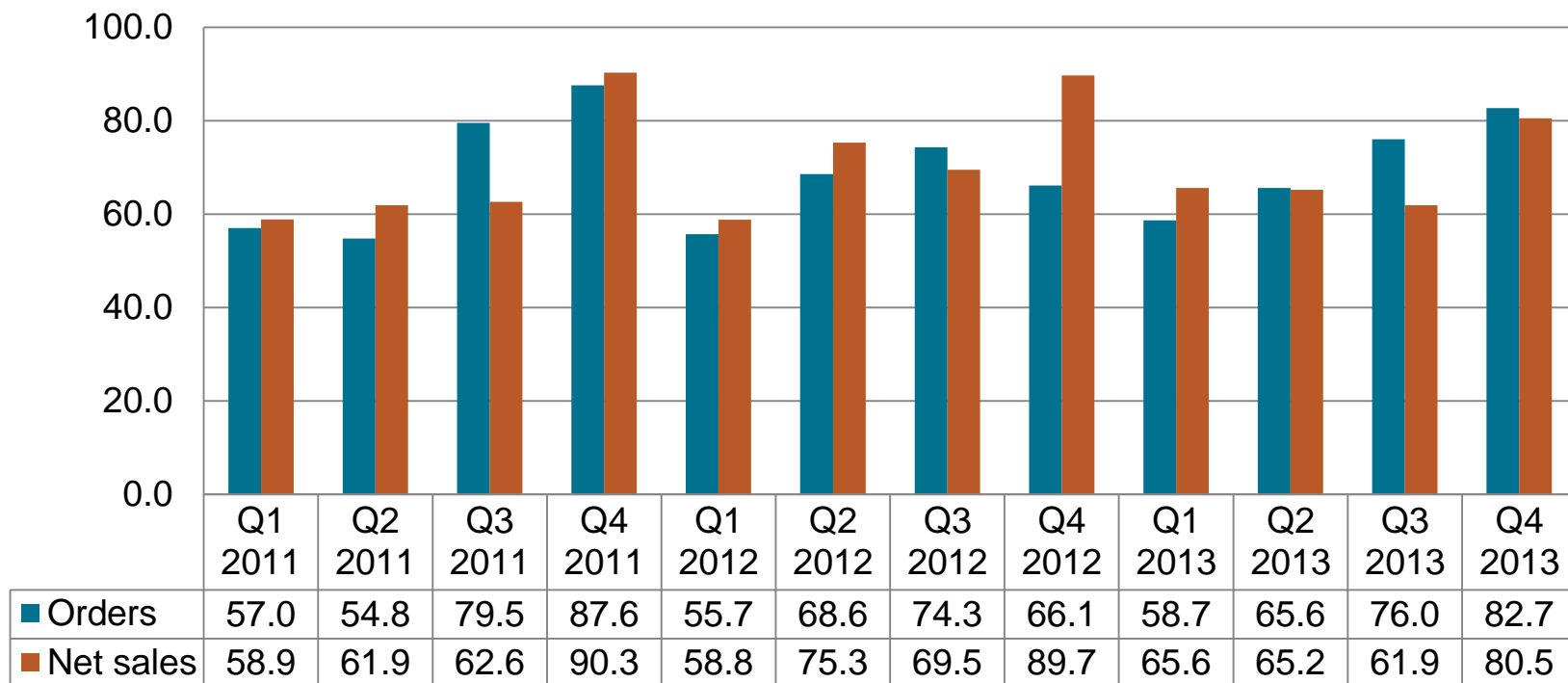
Overview of Q4/2013

- Orders received EUR 82.7 (66.1) million, +25%
- Order book EUR 122.0 (105.6) million, +16%
- Net sales EUR 80.5 (89.7) million, -10%
 - At comparable exchange rates the net sales would have decreased by 7%
- Operating profit EUR 3.1 (12.4) million, -75%
- Cash flow from business operations EUR 12.0 (21.5) million
- Cash and cash equivalents EUR 45.8 (74.8) million

Overview of 2013

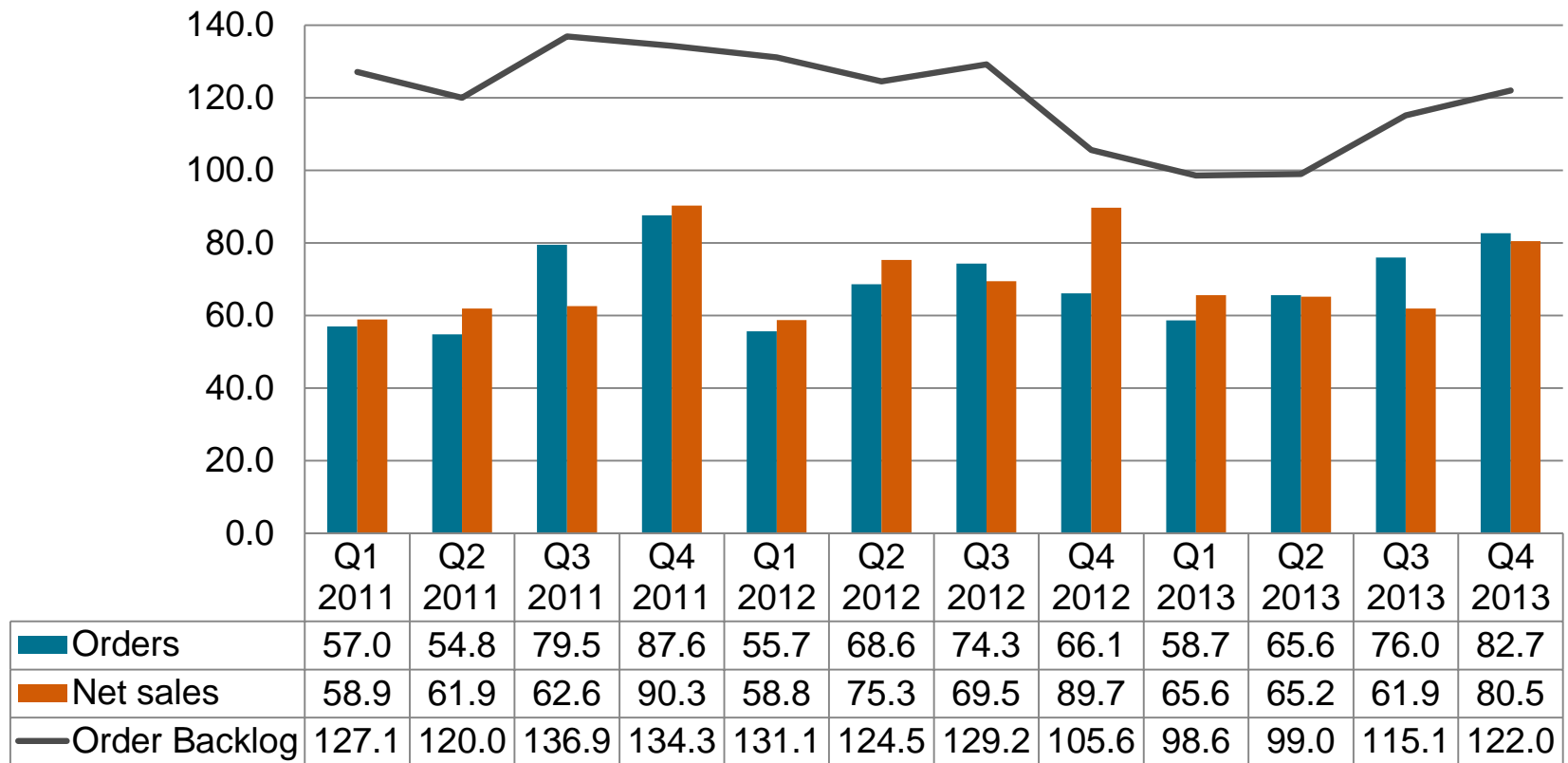
- Orders received: EUR 282.9 (264.7) million, +7%
- Net sales EUR 273.2 (293.3) million, -7%
 - At comparable exchange rates the net sales would have decreased by 4%
- Operating profit EUR 18.1 (30.2) million, -40%
 - Impairment charges of EUR 4.3 million
 - Gain from product line divestment EUR 1.5 million
 - Operating profit of net sales 6.6% (10.3%)
- Earnings per share EUR 0.60 (1.20)
- Cash flow from business operations EUR 28.2 (48.2) million
- Cash and cash equivalents EUR 45.8 (74.8) million
- Capital return EUR 22.2 million
- Dividend paid EUR 16.2 million

Orders, Net Sales and Order Book



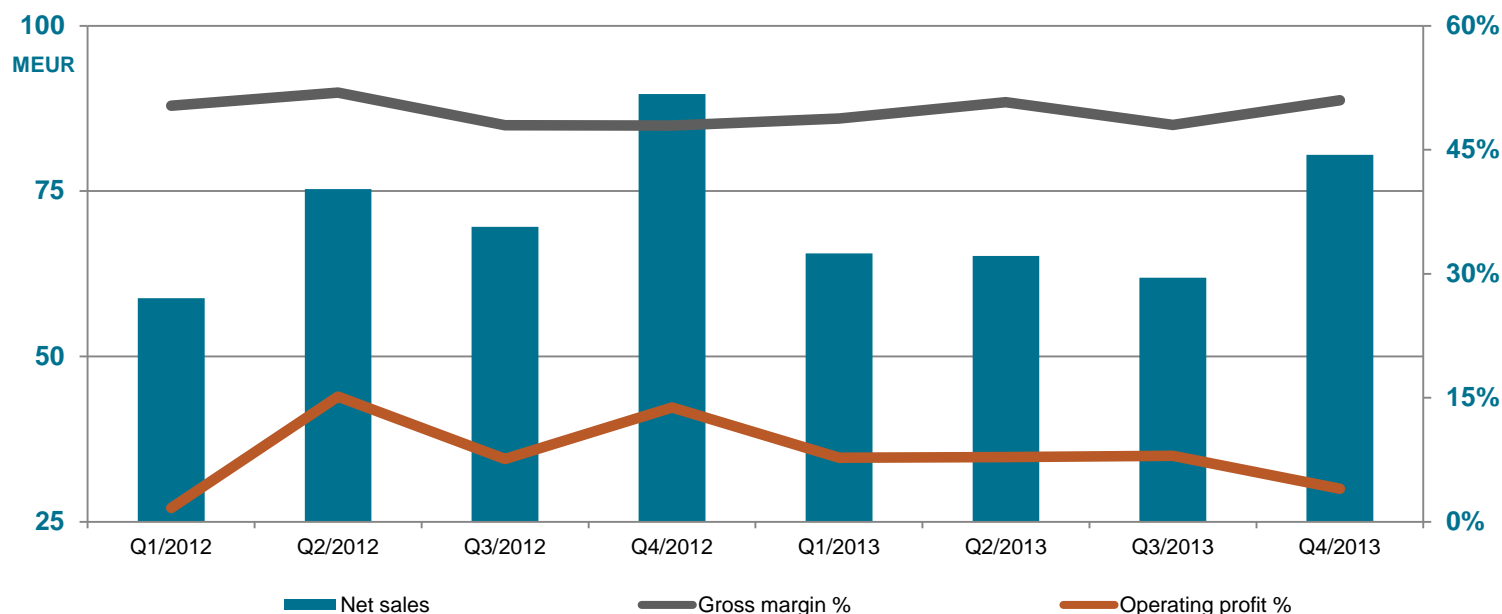
- In Q4/2013, orders received were EUR 82.7 (66.1) million and increased by 25% year-on-year
- Net sales were EUR 80.5 (89.7) million and decreased by 10% year-on-year
- Net sales decreased in both Weather Business and Controlled Environment Business

Orders, Net Sales and Order Book



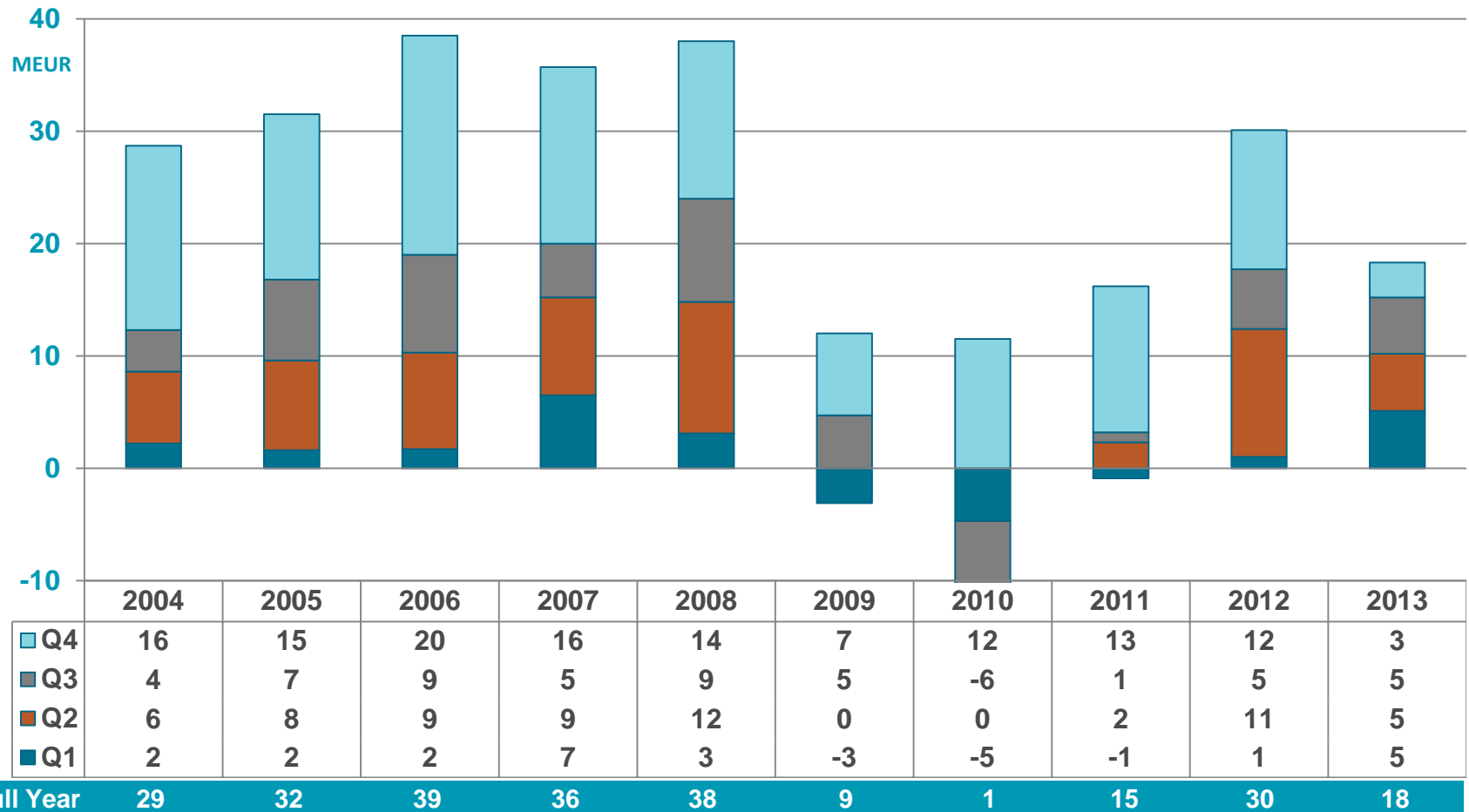
- The order book was EUR 122.0 (105.6) million which is 16% higher than at the end of Dec. 2012 and seasonally low year-end net sales
 - Order book increased by 6% from third quarter of this year

Performance by Quarter



EUR million	Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	Q2/13	Q3/13	Q4/13
Net sales	58.8	75.3	69.6	89.7	65.6	65.2	61.9	80.5
Cost of sales	29.2	36.1	36.1	46.6	33.6	32.1	31.9	41.3
Gross profit	29.6	39.1	33.4	43.0	32.0	33.1	30.0	39.2
Gross margin %	50%	52%	48%	48%	49%	51%	48%	49%
Sales, marketing and administrative costs	22.0	21.3	21.1	23.1	20.8	20.9	19.1	23.9
Research and development costs	7.1	6.5	6.9	7.5	7.6	7.0	6.2	8.0
Other operating income and expense	0.4	0.0	0.0	0.1	1.6	0.0	0.1	4.3
Operating profit	1.0	11.4	5.3	12.4	5.1	5.1	4.9	3.1
Operating profit %	2%	15%	8%	14%	8%	8%	8%	4%

Operating Profit by Quarter



2013 Net Sales by Regions

MEUR

2013

107.8

98.6

66.9

Change

-1%

-8%

-13%

2012

2013

Share of
Net
Sales

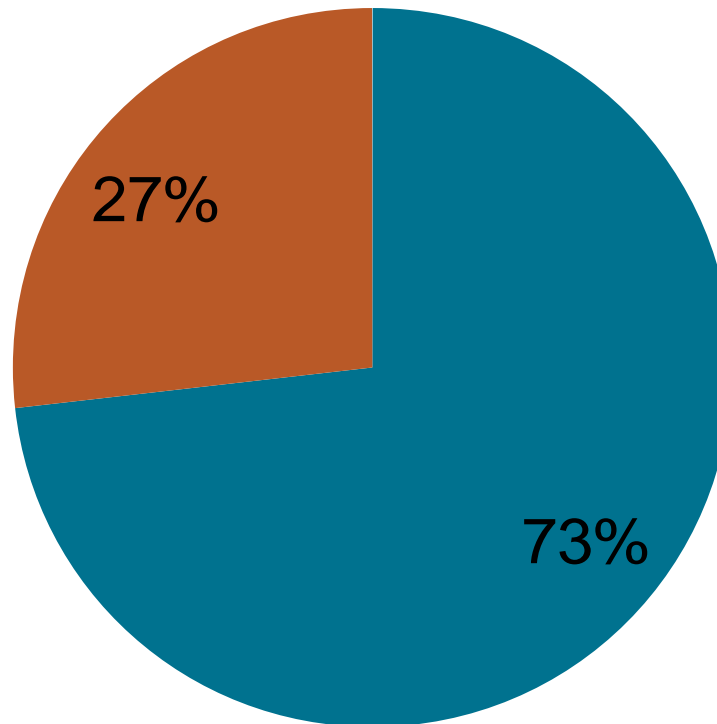
39%

36%

24%

Net Sales by Business Area 2013

Controlled
Environment
EUR 73.2
(75.3) million



Weather
EUR 200.0
(218.0) million

Net Sales by Business Areas (MEUR)

	2013	2012
Weather		
Products	97.3	99.7
Delivery projects	70.0	84.2
Services	32.7	34.1
Controlled Environment		
Products	64.2	67.0
Services	9.0	8.2
Sales, elimination and others	0.1	0.0
TOTAL VAISALA NET SALES	273.2	293.3

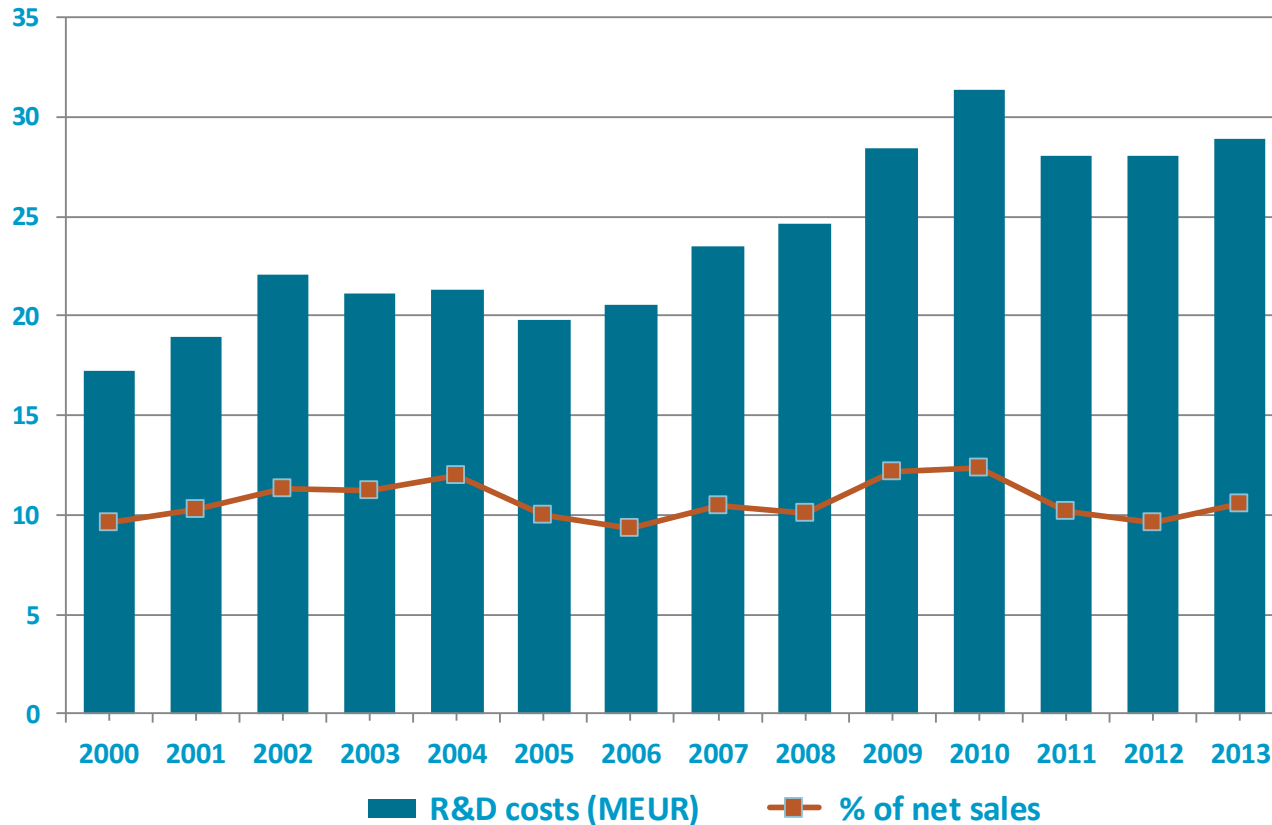
Weather in 2013

- **Net sales EUR 200.0 (218.0) million, -8%**
 - At comparable exchange rates net sales would have decreased by 6%
 - Purchase volume of governmental customers decreased
 - Sales to Meteorology, Airports and New Weather Markets increased
- **Orders received EUR 208.3 (189.0) million, +10%**
- **Order book EUR 116.2 (101.2) million, +15%**
- **Operating profit EUR 14.5 (22.6) million**
 - The decline was mainly due to recognized revenue for delivery projects
 - Gross margin at last year's level
 - Operating expenses decreased from previous year

Controlled Environment in 2013

- **Net sales EUR 73.2 (75.3) million, -3%**
 - At comparable exchange rates net sales would have increased by 2%
 - Sales to both Life Science and Targeted Industrial Applications decreased
 - Net sales stable in EMEA but decreased in Americas and APAC, net sales to China was growing
- **Orders received EUR 74.6 (75.7) million, -1%**
- **Order book EUR 5.8 (4.4) million, +31%**
- **Operating profit EUR 4.0 (9.4) million**
 - The decline was mainly due to lower sales volumes and one-time impairment charges booked during Q4/2013
 - Operating expenses decreased from last year

Research and Development Costs 2013

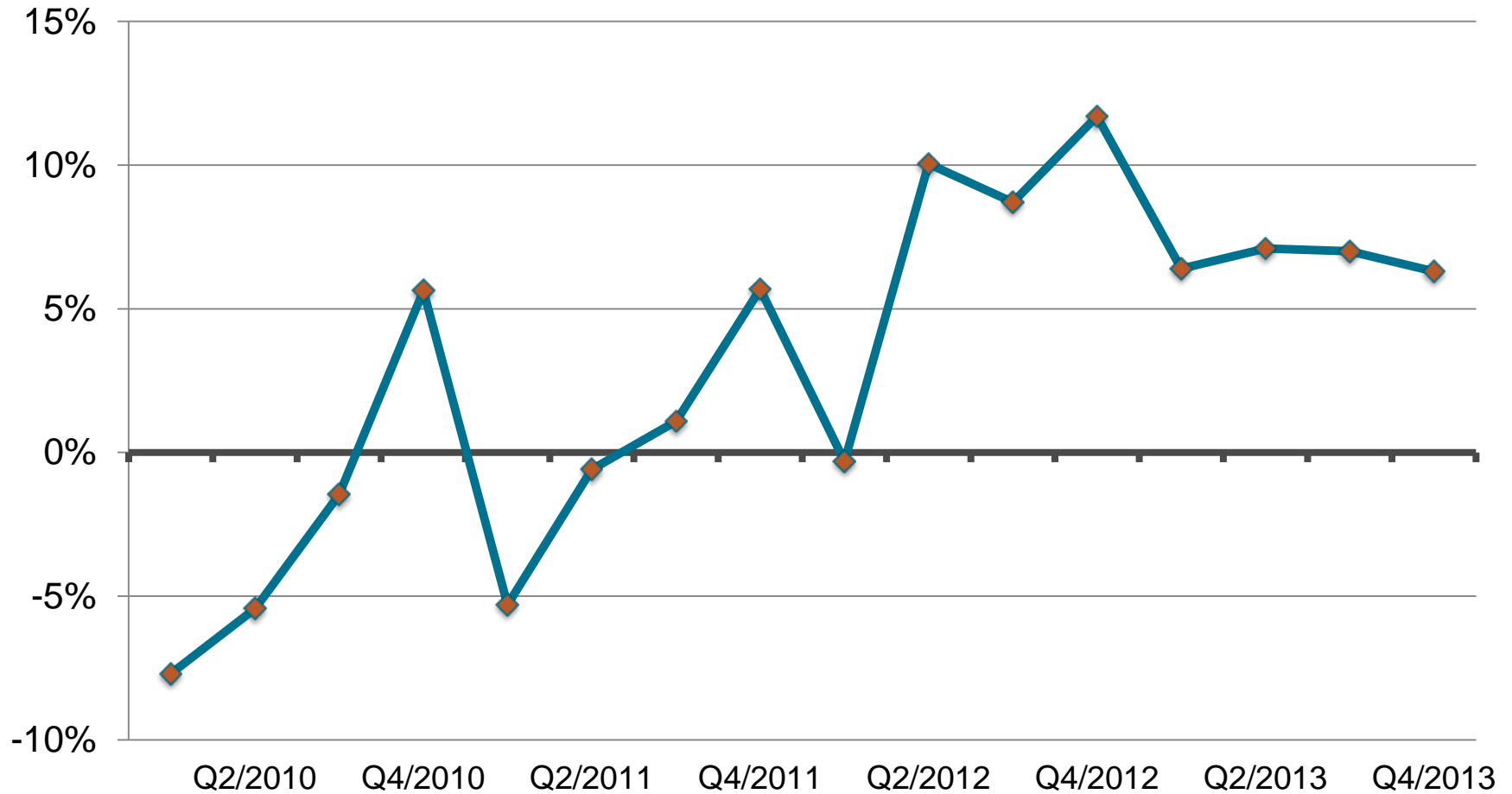


- R&D expenses EUR 28.9 (28.0) million, 10.6% (9.5%) of net sales
- Weather 11.2% (10.0%) of net sales
- Controlled Environment 8.9% (8.2%) of net sales

Key Ratios 2013

	2013	2012
Number of shares traded (kpcs)	2,877	1,019
Earnings per share (EUR)	0.60	1.20
Cash flow from operating activities per share (EUR)	1.55	2.66
Solvency ratio	72%	75%
Gross capital expenditure (MEUR)	7.1	5.4
Average personnel	1,485	1,422

Vaisala Group ROE %



Market Outlook

- Vaisala expects that signs of economic recovery will gradually revive weather and industrial measurement solution market, normally expressing post-cyclical behavior. Vaisala's improved order backlog also indicates slight improvement in market conditions. However, outlook still varies significantly between customer groups and uncertainty in timings of weather customers' projects continues to limit forecasting visibility. Intensive competitive pressures also characterize many applications and market regions. Hence, overall expectations do not refer to significant upturn.
- In the Americas weather measurement solution market outlook is weakened by already implemented US government budget sequestration and uncertainty on further actions. Modest growth in demand for industrial measurement solutions is expected, but competitive pressures are not easing.
- In EMEA demand for measurement solutions is expected to be supported by gradually improving economic conditions. Weather infrastructure markets in APAC are active. Outlook of industrial measurement solutions is solid in APAC.

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.

Next Report

- Vaisala will publish its Q1/2014 results bulletin on Thursday, April 24, 2014 at approximately 2:00 p.m. Finnish time.



VAISALA