

Interim Report January–September 2015

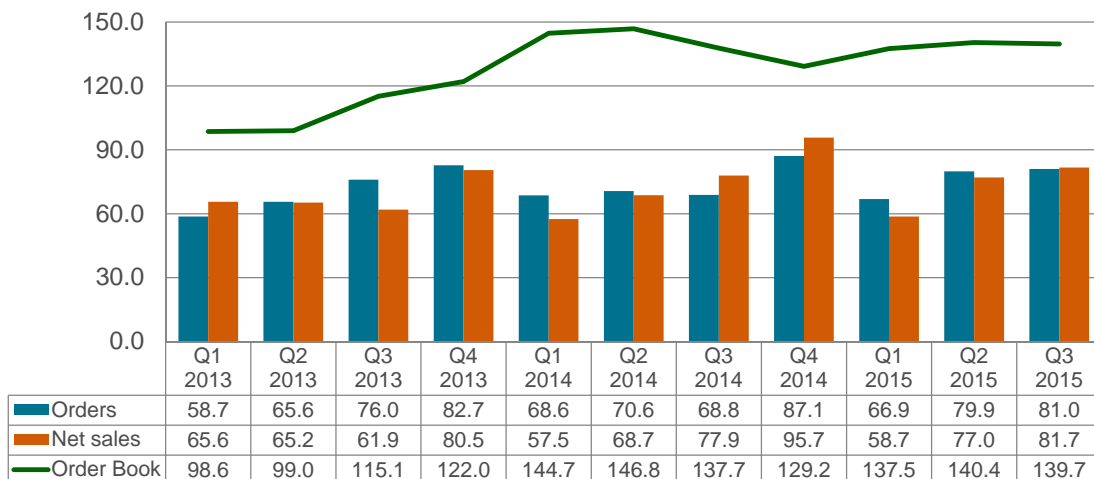
Vaisala Corporation
October 27, 2015

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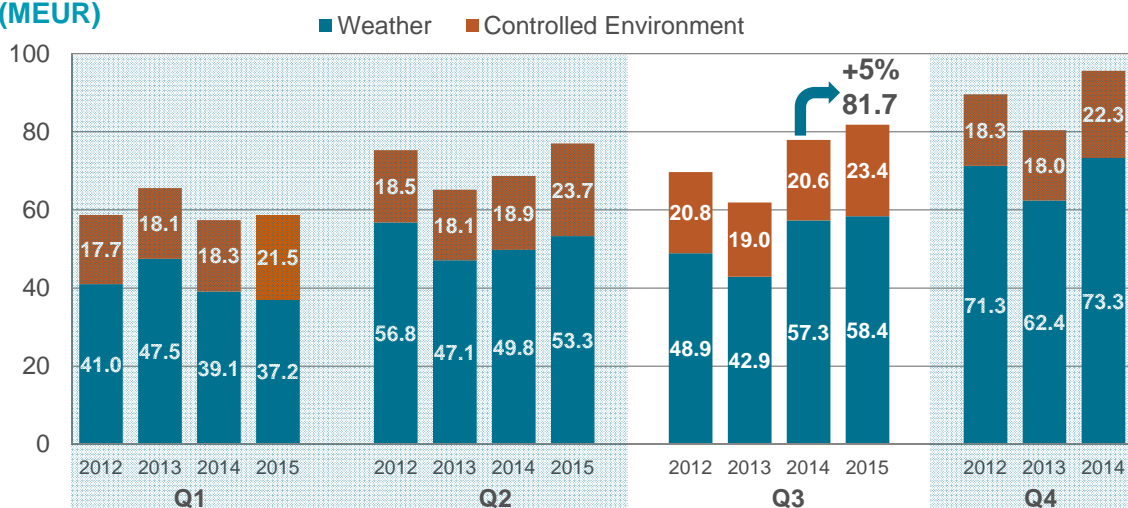
Overview of Q3/2015

- Orders received EUR 81.0 (68.8) million, +18%
- Order book EUR 139.7 (137.7) million, +1%
- Net sales EUR 81.7 (77.9) million, +5%
- Gross margin 53.3% (52.7%)
- Operating result EUR 14.1 (12.6) million, +12%
- Earnings per share EUR 0.58 (0.62)
- Cash flow from operating activities EUR 4.6 (10.3) million

Orders, Net Sales and Order Book (MEUR)



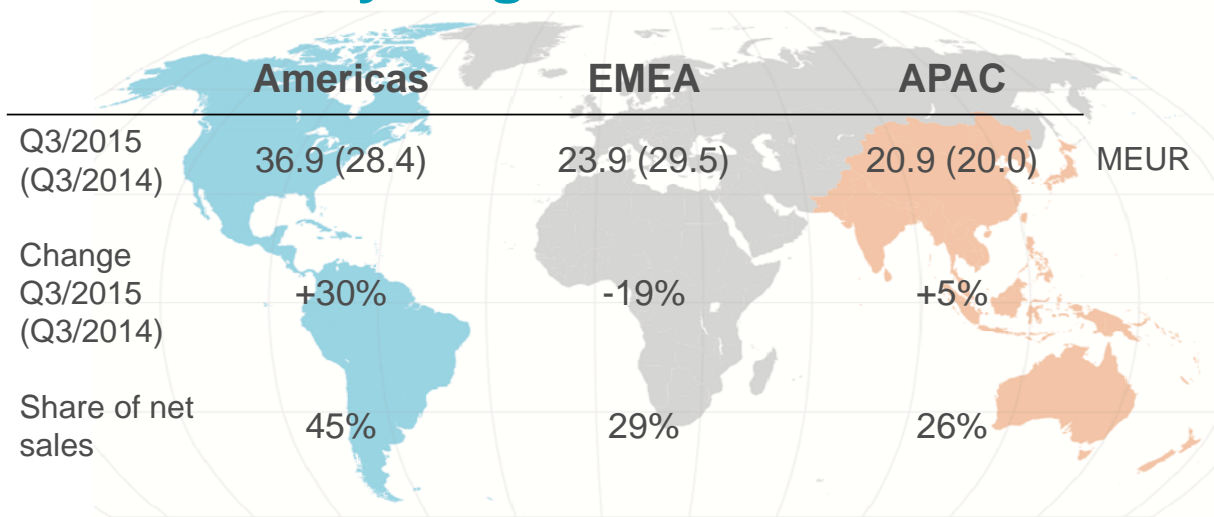
Quarterly Net Sales by Business Area (MEUR)



Net Sales by Business Type

MEUR	Q3/2015	Q3/2014	2014
Weather	58.4	57.3	219.6
Products	31.4	24.0	108.1
Projects	18.6	21.1	74.7
Services	8.4	12.2	36.7
MEUR	Q3/2015	Q3/2014	2014
Controlled Environment	23.4	20.6	80.2
Products	20.9	18.6	71.9
Services	2.4	1.9	8.3
Sales, other	0.0	0.0	0.0
TOTAL VAISALA NET SALES	81.7	77.9	299.7

Net Sales by Regions



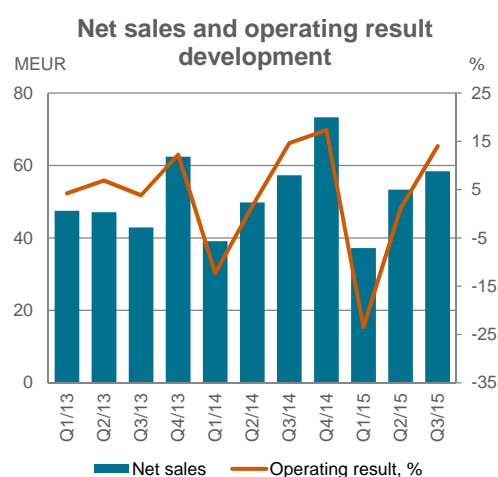
Foreign Exchange Rate Effect on Net Sales (MEUR)

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

	Q3/2015	Q3/2014	Q3/2015	
	Reported	Reported	At comparable exchange rates	Currency effect
Weather	58.4	57.3	54.1	4.2
Controlled Environment	23.4	20.6	21.2	2.2
Total	81.7	77.9	75.4	6.3

Weather in Q3/2015

- Orders received EUR 58.2 (47.3) million, +23%
 - The increase came from all business units
- Order book EUR 132.2 (131.7) million, 0%
- Net sales EUR 58.4 (57.3) million, +2%
 - The increase came from Energy and Transportation
 - At comparable exchange rates -6%
- Operating result EUR 8.2 (8.4) million, -2%
 - Gross margin 49.6% (50.1%)
 - Operating expenses EUR 20.8 (20.3) million, +2%



Sounding Systems to Asia Pacific

- Vaisala's sounding systems will be integrated into customer's meteorological system for decision support.
- The contract also includes integration services and training.
- Deliveries will start late 2015 and will be completed during 2016.
- The value of the deal is five million euros.



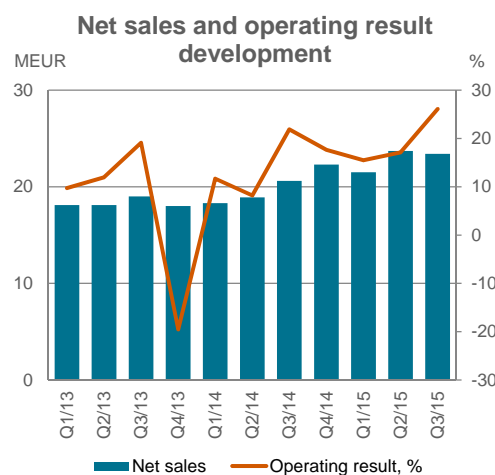
Road Weather Information Network to Pennsylvania

- The statewide network collects and distributes operationally relevant weather and pavement conditions
- Maintains safe and optimum traffic mobility conditions on state roads and highways
- The contract, worth USD 5 million, is for five years with an option for extension by two years until the end of 2022



Controlled Environment in Q3/2015

- Orders received EUR 22.8 (21.5) million, +6%
 - The increase came from Americas and APAC
- Order book EUR 7.5 (6.1) million, +23%
 - The increase came from Americas and APAC
- Net sales EUR 23.4 (20.6) million, +14%
 - The growth came from all regions
 - At comparable exchange rates +3%
- Operating result EUR 6.1 (4.5) million, +35%
 - Gross margin 61.7% (60.4%)
 - Operating expenses EUR 8.3 (7.9) million, +5%



Moisture In-Oil Monitoring Instrument

- New Moisture, Hydrogen, and Temperature Transmitter, MHT410 shipped to the first customer, Vantaa Energy Electricity Networks Ltd
- The transmitter helps power and energy utilities minimize transformer-related downtime and, in doing so, address a significant energy bottleneck



Overview 1–9/2015

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Overview of 1-9/2015

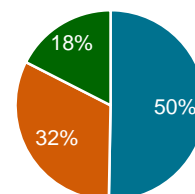
- Orders received EUR 227.8 (207.9) million, +10%
- Net sales EUR 217.4 (204.0) million, +7%
- Gross margin 49.8% (50.4%)
- Operating result EUR 10.5 (11.5) million, -9%
- Earnings per share EUR 0.54 (0.57)
- Cash flow from operating activities EUR 9.8 (8.8) million
- Cash and cash equivalents EUR 34.1 (34.4) million

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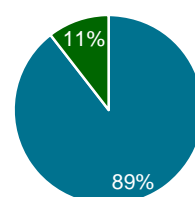
Net Sales by Business Type

MEUR	1-9/2015	1-9/2014	2014
Weather	148.8	146.2	219.6
Products	74.9	72.2	108.1
Projects	47.9	48.2	74.7
Services	26.1	25.8	36.7
MEUR	1-9/2015	1-9/2014	2014
Controlled Environment	68.5	57.8	80.2
Products	61.3	51.9	71.9
Services	7.2	5.9	8.3
Sales, other	0.0	0.0	0.0
TOTAL VAISALA NET SALES	217.4	204.0	299.7

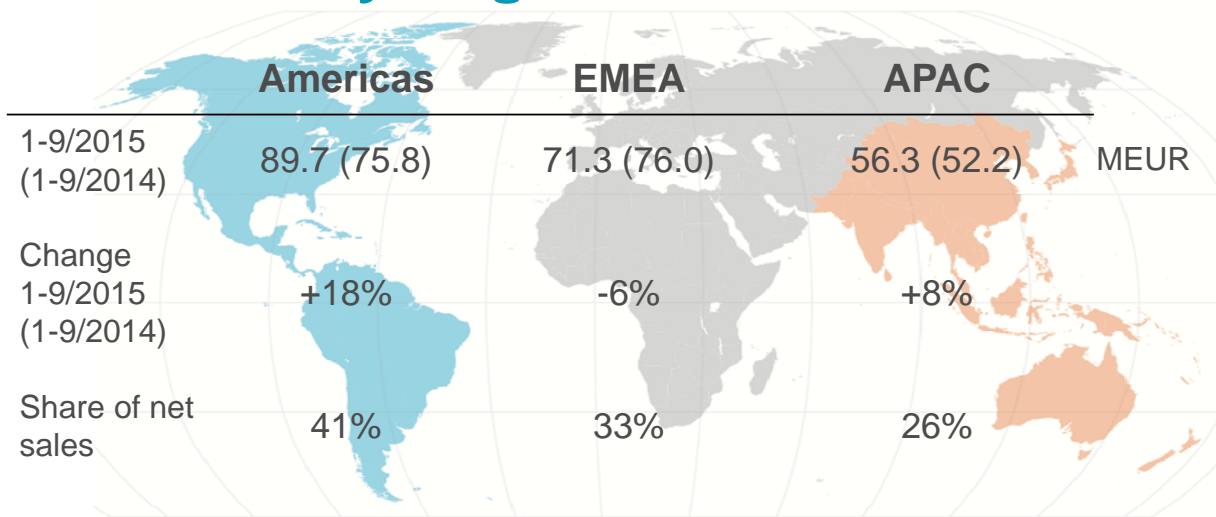
% of net sales 1-9/2015



% of net sales 1-9/2015



Net Sales by Regions



Foreign Exchange Rate Effect on Net Sales (MEUR)

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

	1-9/2015	1-9/2014	1-9/2015	
	Reported	Reported	At comparable exchange rates	Currency effect
Weather	148.8	146.2	138.0	10.9
Controlled Environment	68.5	57.8	61.7	6.8
Total	217.4	204.0	199.7	17.6

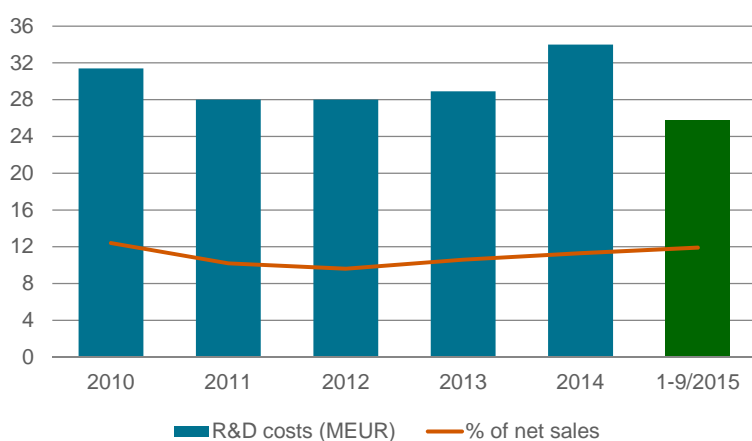
Weather in 1-9/2015

- Orders received EUR 157.3 (149.8) million, +5%
 - The increase came from all business units
- Order book EUR 132.2 (131.7) million, 0%
- Net sales EUR 148.8 (146.2) million, +2%
 - The increase came from all business units
 - At comparable exchange rates -6%
- Operating result EUR 0.1 (4.3) million, -98%
 - Gross margin 45.1% (47.5%)
 - Operating expenses EUR 67.2 (65.5) million, +2%

Controlled Environment in 1-9/2015

- Orders received EUR 70.5 (58.1) million, +21%
 - The growth came from all regions
- Order book EUR 7.5 (6.1) million, +23%
- Net sales EUR 68.5 (57.8) million, +19%
 - The growth came from all regions
 - At comparable exchange rates +7%
- Operating result EUR 13.5 (8.2) million, +64%
 - Gross margin 59.7% (57.8%)
 - Operating expenses EUR 27.4 (25.3) million, +9%

R&D Costs



- R&D expenses were EUR 25.8 (24.6) million, 11.9% (12.1%) of net sales
- Weather 12.9% (12.6%) of net sales
- Controlled Environment 9.7% (10.6%) of net sales

Key Ratios

	1-9/2015	1-9/2014	2014
Earnings per share, EUR	0.54	0.57	1.30
Equity per share, EUR	9.06	8.65	9.41
Cash flow from operating activities per share, EUR	0.54	0.49	1.32
Return on equity, %	7.9	8.7	14.3
Capital expenditure, MEUR	5.4	5.8	7.9
Personnel at the end of period	1,591	1,616	1,613

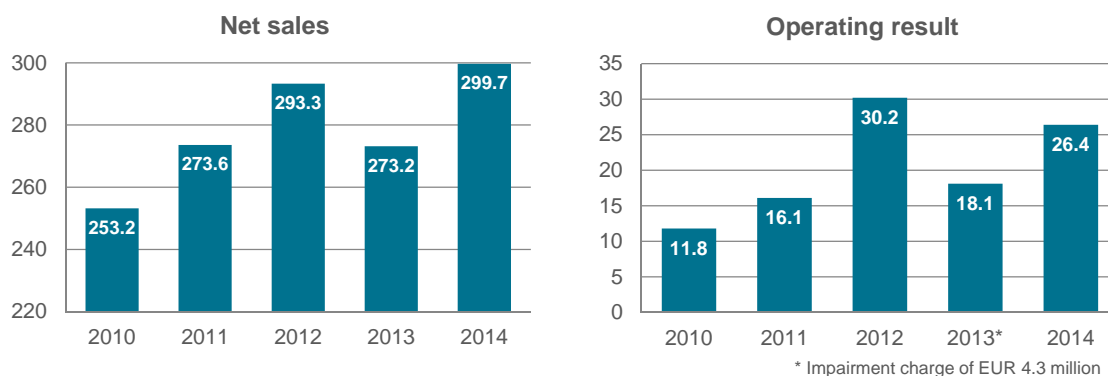
Market and Business Outlook

Market Outlook 2015

- Even though global economy has recently slightly decelerated, the latest forecasts still predict moderate development for the fourth quarter of 2015 and Vaisala is expecting stable weather observation and industrial measurement market conditions.
- As typical, weather observation market activity is expected to improve seasonally towards the end of the year. However, differences in business conditions between customer groups and regions are expected to remain.
- In the short term, industrial measurement solutions and weather radars have the most favorable market conditions.
- Heavy decline in commodity prices, especially in crude oil and gas, is affecting market conditions in offshore business and commodity exporting economies.
- Competition in weather observation market is expected to continue intensifying.
- In weather observations market it continues to be challenging to forecast customers' timing for decision making and acceptance of larger customer projects, having potentially material impact on overall Vaisala weather business.

Business Outlook 2015

- Vaisala estimates its full year 2015 net sales to be in the range of EUR 305-325 million and the operating result (EBIT) in the range of EUR 22-32 million.





Observations for a Better World

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