

Vaisala Corporation Financial Statement Bulletin January-June 2013

April-June 2013 net sales and operating profit decreased. Business outlook unchanged.

April-June 2013 highlights

- Orders received EUR 65.6 (68.6) million, decrease 4%
- Order book EUR 99.0 (124.5) million, decrease 20%
- Net sales EUR 65.2 (75.3) million, decrease 13%
- Operating profit EUR 5.1 (11.4) million, decrease 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

January-June 2013 highlights

- Orders received EUR 124.2 (124.3) million, decrease 0%
- Net sales EUR 130.9 (134.1) million, decrease 2%
- Operating profit EUR 10.2 (12.4) million, decrease 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

April-June 2013 Performance

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

Weather Business Area net sales were EUR 47.1 (56.8) million in April-June 2013 and decreased by 17% year-on-year. The decline was mainly due to lower volume in delivery projects. Net sales decreased in all other Weather customer groups except in Airports.

Controlled Environment Business Area net sales were EUR 18.1 (18.5) million in April-June 2013 and decreased by 2% year-on-year. 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.

In April-June 2013, net sales in APAC were EUR 18.7 (21.8) million and decreased by 14% year-on-year, in Americas EUR 24.7 (26.3) million and decreased by 6% year-on-year, and in EMEA EUR 21.8 (27.2) million and decreased by 20% year-on-year.

Orders received were EUR 65.6 (68.6) million in April-June 2013 and decreased by 4% year-on-year. The order book was EUR 99.0 (124.5) million, 20% lower than at the end of June 2012. The decrease in order book was 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.

The operating profit for April-June 2013 was EUR 5.1 million and decreased by EUR 6.3 million or by 55% from previous year's EUR 11.4 million due to decreased sales volumes, lower profitability of delivery projects whereas the profitability of product business was improving and operating expenses stayed on the same level as in previous year.

Weather Business Area operating profit was EUR 3.2 million and decreased by EUR 6.7 million or by 67% previous year's EUR 9.9 million due to lower volume in delivery projects and the decline in their profitability whereas the profitability of product business was improving.

Controlled Environment Business Area operating profit was EUR 2.2 million and increased EUR 0.2 million or by 9% from previous year's EUR 2.0 million despite lower volumes. Increased operating profit was mainly due to lower operating expenses.

Key Figures (unaudited)

EUR Million	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Net sales	65.2	75.3	130.9	134.1	293.3
Weather	47.1	56.8	94.7	97.8	218.0
Controlled Environment	18.1	18.5	36.2	36.2	75.3
Orders received	65.6	68.6	124.2	124.3	264.7
Order book	99.0	124.5	99.0	124.5	105.6
Operating Profit	5.1	11.4	10.2	12.4	30.2
Weather	3.2	9.9	5.2	7.7	22.6
Controlled Environment	2.2	2.0	3.9	5.3	9.4
Eliminations and other	-0.3	-0.4	1.0	-0.6	-1.9
Profit (loss) before taxes	4.7	12.6	9.9	12.6	29.1
Profit (loss) for the period	3.6	9.2	6.5	9.1	21.7
% of Net sales					
Operating Profit	7.8%	15.1%	7.8%	9.2%	10.3%
Profit (loss) before taxes	7.2%	16.7%	7.6%	9.4%	9.9%
Profit (loss) for the period	5.5%	12.2%	5.0%	6.8%	7.4%
Earnings per share	0.20	0.51	0.36	0.50	1.19
Return on equity	7.1%	10.0%	7.1%	10.0%	11.7%
Cash flow from business operations	10.2	13.0	5.3	17.6	48.2
Cash and cash equivalents	61.5	48.4	61.5	48.4	74.8

Comparative figures for 2012 have been restated according to the revised IAS 19 Employee Benefits. For further information please see page 11.

Kjell Forsén, President and CEO:

“Vaisala’s deliveries and net sales continued on the same good level as during the first quarter of this year. The second quarter last year was strong and accordingly the net sales of EUR 65.2 million this year were 13% lower in comparison. The decline in net sales was mainly due to decreased net sales in the Weather Business Area, the reason being that no large projects were delivered during the second quarter this year.

Second quarter orders received decreased by 4% year-on-year and the order book was 20% lower than in the previous year. This was due to the realized budget sequestration in North America, strained governmental finances in Europe as well as customers’ shorter purchase cycles. However, the situation in Asia Pacific (APAC) is better than in other geographical regions.

Americas was the biggest region with 38% share of net sales and growing from this year’s first quarter level but still declining EUR 1.6 million from previous year’s second quarter. Also APAC net sales were growing from the first quarter level albeit declining year-on-year by EUR 3.1 million. Europe, Middle East and Africa (EMEA) had 33% share of net sales but the level was decreasing from this year’s first quarter and EUR 5.4 million lower than in the second quarter of last year.

Controlled Environment Business Area net sales both in China and North America were growing from previous year’s level.

From the Weather Business Area’s customer groups especially Airports and Meteorology performed well during the first half of the year.

Vaisala’s operating profit reached EUR 5.1 million which is 7.8% of net sales. We were able to continue the improved performance in product businesses but when compared to the strong second quarter in last year the performance in delivery project businesses was weaker. Operating expenses were on previous year’s level and supported the result.

Our business outlook for the whole year remains unchanged. The order book is lower than last year but some orders have been delayed and customers are placing smaller orders for shorter time periods. We believe that the good order intake for Weather Business Area in APAC will continue but the uncertainty has increased in North America.”

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 continue 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 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-June 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 www.twitter.com/VaisalaGroup

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