

# Result

# January-September 2009

Vaisala Group

November 5, 2009

**VAISALA**

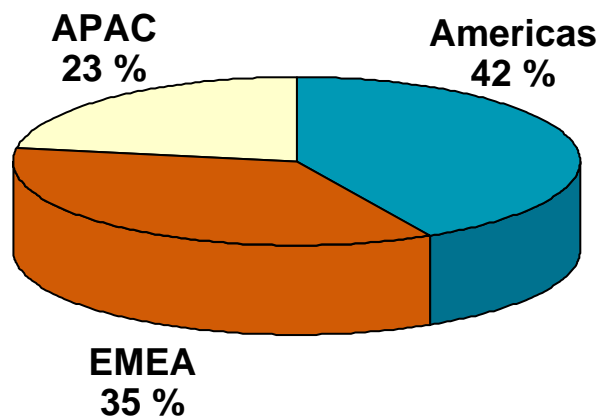
# Changes in Vaisala's reporting

- Vaisala published its new strategy in November 2008.
- Going forward, the company will focus on markets with the biggest growth potential.
- Vaisala also announced that it adopts a market segment based reporting model.
- From the first interim report in 2009, Vaisala Group's business will be reported in three segments
  - Meteorology
  - Weather Critical Operations
  - Controlled Environment
- The geographic regions are
  - North and South America (Americas)
  - Europe, Middle East and Africa (EMEA)
  - Asia Pacific (APAC)
- Further information in the related [stock exchange release](#).

# Overview January - September 2009

- Result for the third quarter positive.
- Net sales: EUR 151.5 (164.9) million, -8.1%.
  - Meteorology EUR 53.3 million, +22%.
  - Controlled Environment EUR 37.1 million, -9%.
  - Weather Critical Operations EUR 61.1 million, -24%.
- In comparable currencies -12.5%
- Orders received: EUR 179.5 (188.0) million, -4.6%.
- Operating profit: EUR 4.7 (24.0) million.
- Earnings per share: 0.10 (0.99) EUR.

# Net sales by regions



| Mill. EUR | 2009<br>1-9 | 2008<br>1-9 | Change |
|-----------|-------------|-------------|--------|
| Americas  | 64.0        | 52.7        | +21.4% |
| EMEA      | 53.4        | 67.0        | -20.4% |
| APAC      | 34.1        | 45.1        | -24.4% |

# Performance by Business Area

|                    | WCO *) | CEN *) | MET *) | Others and eliminations**) | Group |
|--------------------|--------|--------|--------|----------------------------|-------|
| <b>1-9/2009</b>    |        |        |        |                            |       |
| Net sales          | 61.1   | 37.1   | 53.3   | 0                          | 151.5 |
| Operating profit   | -0.6   | 4.9    | 0.5    | -0.1                       | 4.7   |
| Operating profit % | -1.0%  | 13.2%  | 0.9%   |                            | 3.1%  |
| <b>1-9/2008</b>    |        |        |        |                            |       |
| Net sales          | 80.3   | 40.9   | 43.7   | 0                          | 164.9 |
| Operating profit   | 13.4   | 7.4    | 5.1    | -1.8                       | 24.0  |
| Operating profit % | 16.7%  | 18.0%  | 11.6%  |                            | 14.6% |

\*) WCO=Weather Critical Operations, CEN=Controlled Environment, MET =Meteorology

\*\*) Other operations and eliminations consists of New Business Development unit's costs and Group wide bonus plan provisions. Support unit costs have been allocated to segments

# Meteorology

- Net sales EUR 53.3 (43.7) million, +22.0%.
  - In comparable currencies +16.7%.
  - Operating profit EUR 0.5 (5.1) million.
  - Orders received EUR 68.4 million.
  - Order book EUR 56.2 million.
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- Meteorology consists of Emerging markets and Established markets, serving national meteorological and hydrological institutes, whose primary interest is to provide national weather information and forecasts.
  - Disruptions in radiosonde production during the third quarter affected the operating profit of the Meteorology Business Area by approximately EUR 2.5 million due to postponed revenues and scrapping costs.

# Controlled Environment

- Net sales EUR 37.1 (40.9 ) million, -9.3%.
  - In comparable currencies -15,7%.
  - Operating profit EUR 4.9 (7.4 ) million.
  - Orders received EUR 36.3 million.
  - Order book EUR 2.7 million.
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- Controlled Environment consists of Cleanrooms and Chambers, Building Automation and Targeted Industrial Applications segments.
  - This business area includes customers who operate in tightly controlled and demanding areas where the measurement of precise environmental conditions is required to increase operational quality, productivity and energy savings.
  - The third quarter was the strongest quarter so far in 2009 for the Controlled Environment Business Area. Some signs of market pick-up especially the US, Chinese and European markets could be seen.

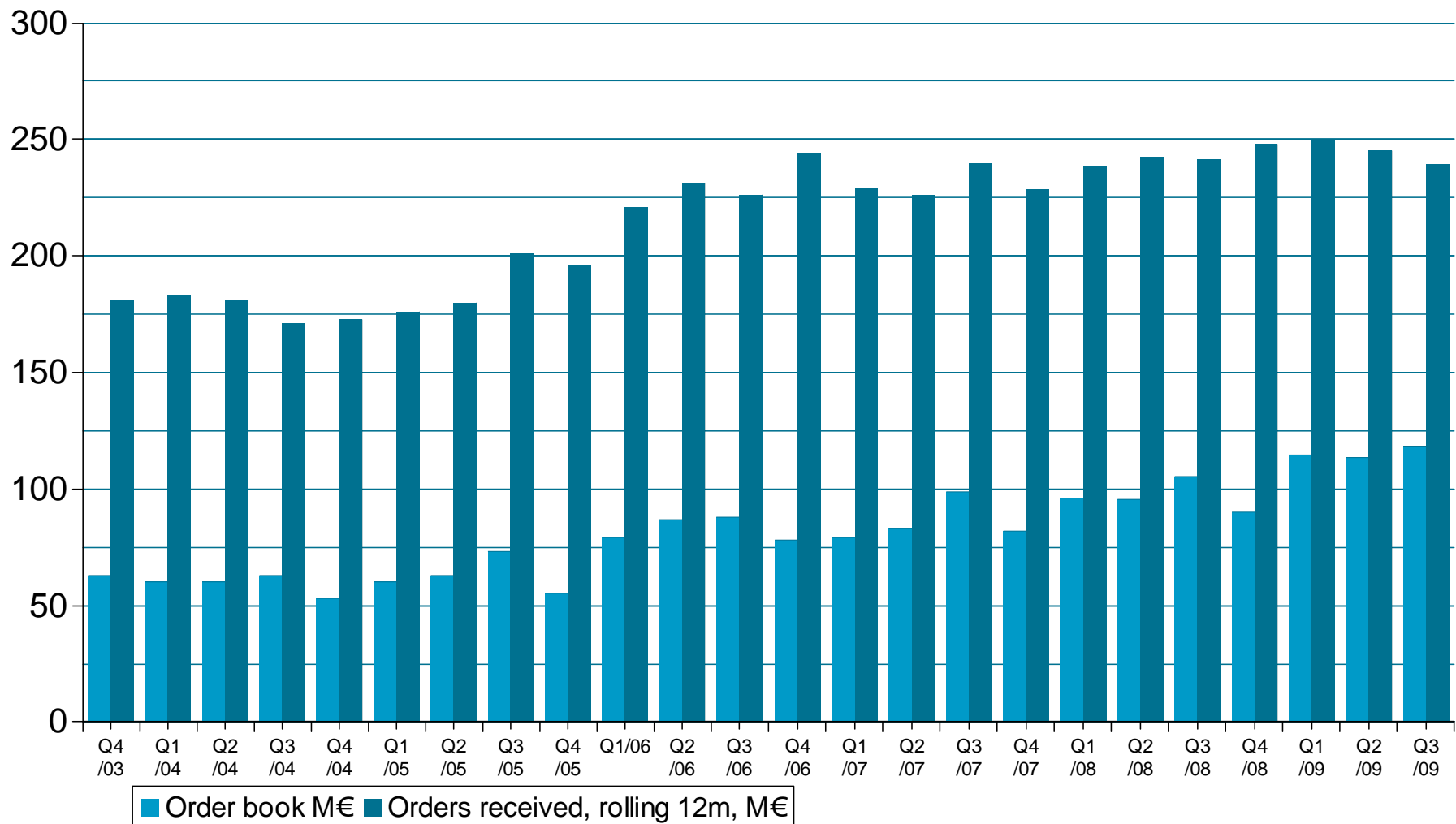
# Weather Critical Operations

- Net sales EUR 61.1 (80.3) million, -23.9%.
  - In comparable currencies -26.8%.
  - Operating profit EUR -0.6 (13.4) million.
  - Orders received EUR 74.7 million.
  - Order book EUR 59.4 million.
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- Weather Critical Operations consists of Airports, Roads, Defense, Wind Energy and Targeted Business Development segments, focusing on customers whose operations or businesses are affected by the weather, like aviation customers, road authorities, defense forces and wind parks.
  - Disruptions in radiosonde production during the third quarter affected the operating profit of the Weather Critical Operations Business Area by approximately EUR 0.2 million.

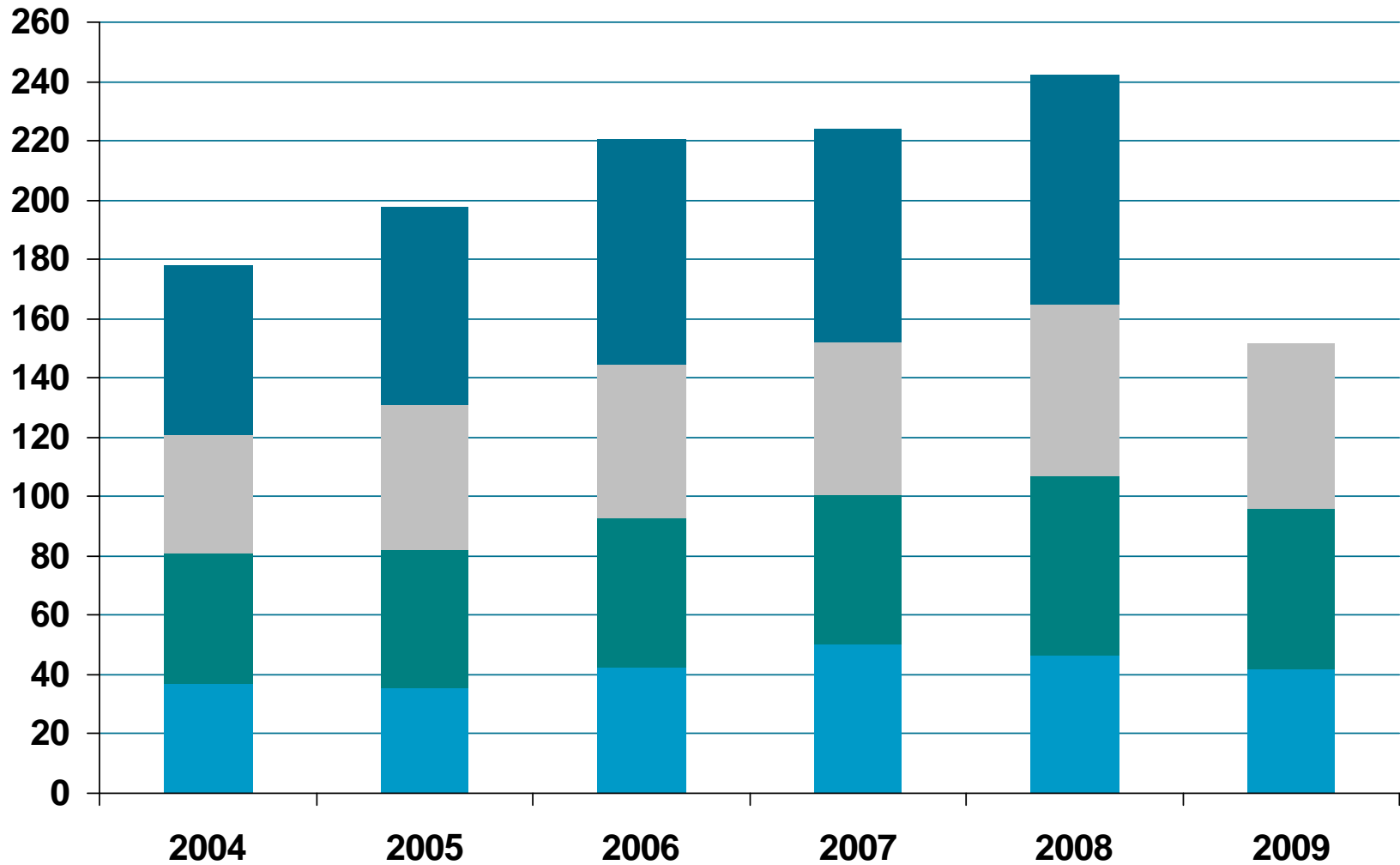
# Key figures 1-9/2009

|   | <b>1-9/2009</b> | <b>1-9/2008</b> |
|---|-----------------|-----------------|
| <b>Net sales</b>                          | <b>151.5 M€</b> | <b>164.9 M€</b> |
| <b>Operating profit</b>                   | <b>4.7 M€</b>   | <b>24.0 M€</b>  |
| <b>Profit before taxes</b>                | <b>2.3 M€</b>   | <b>25.9 M€</b>  |
| <b>Net profit</b>                         | <b>1.8 M€</b>   | <b>18.0 M€</b>  |
| <b>Capital expenditure</b>                | <b>12.8 M€</b>  | <b>7.8 M€</b>   |
| <b>R&amp;D expenditure (of net sales)</b> | <b>12.6%</b>    | <b>10.7 %</b>   |
| <b>Orders received</b>                    | <b>179.5 M€</b> | <b>188.0 M€</b> |
| <b>Order book</b>                         | <b>118.3 M€</b> | <b>105.5 M€</b> |
| <b>Personnel (average)</b>                | <b>1288</b>     | <b>1167</b>     |
| <b>Earnings/share</b>                     | <b>0.10 €</b>   | <b>0.99 €</b>   |
| <b>Solvency ratio</b>                     | <b>87%</b>      | <b>84%</b>      |
| <b>Cash flow from operations/share</b>    | <b>-0.82 €</b>  | <b>1.46 €</b>   |

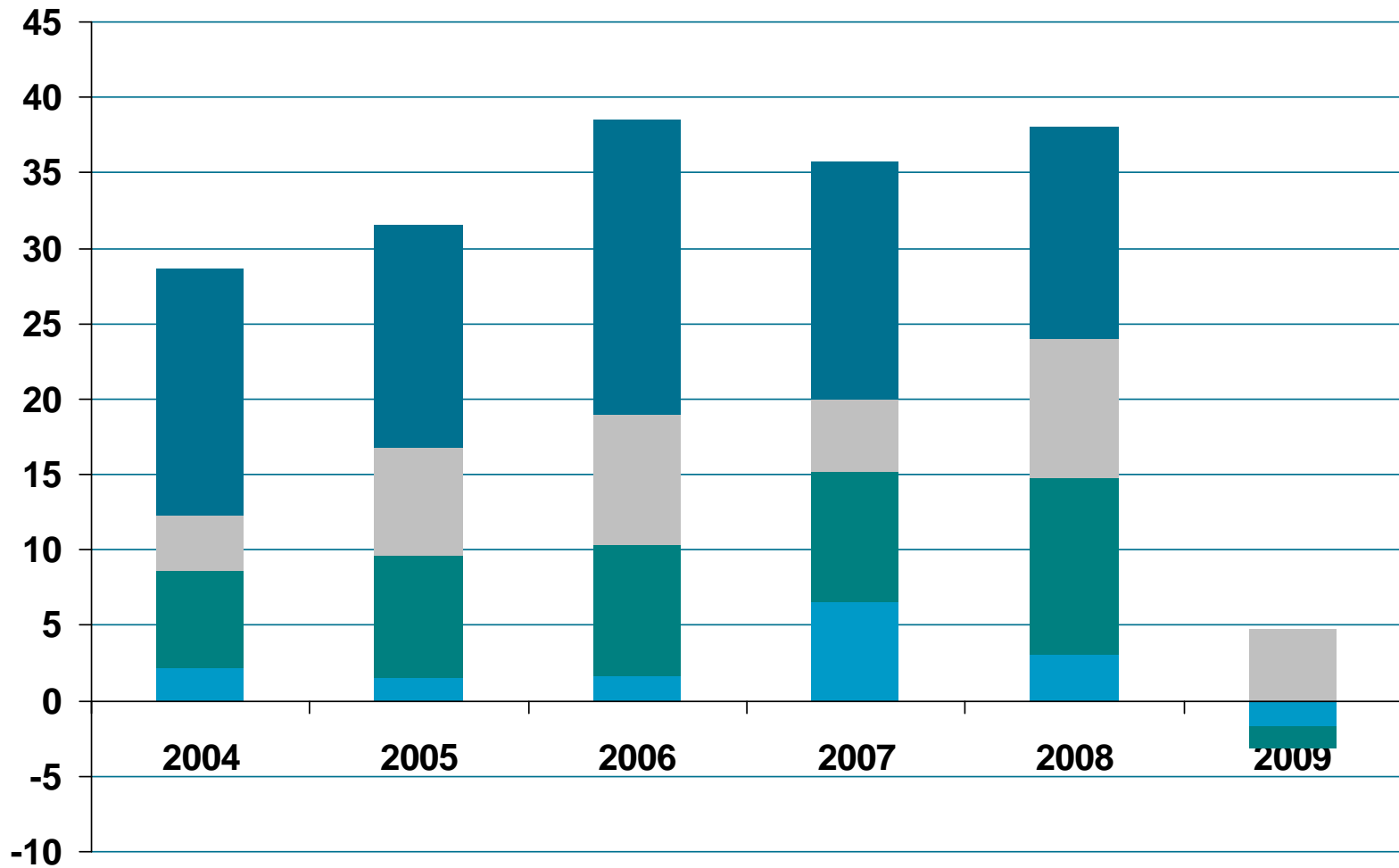
# Orders received and order backlog



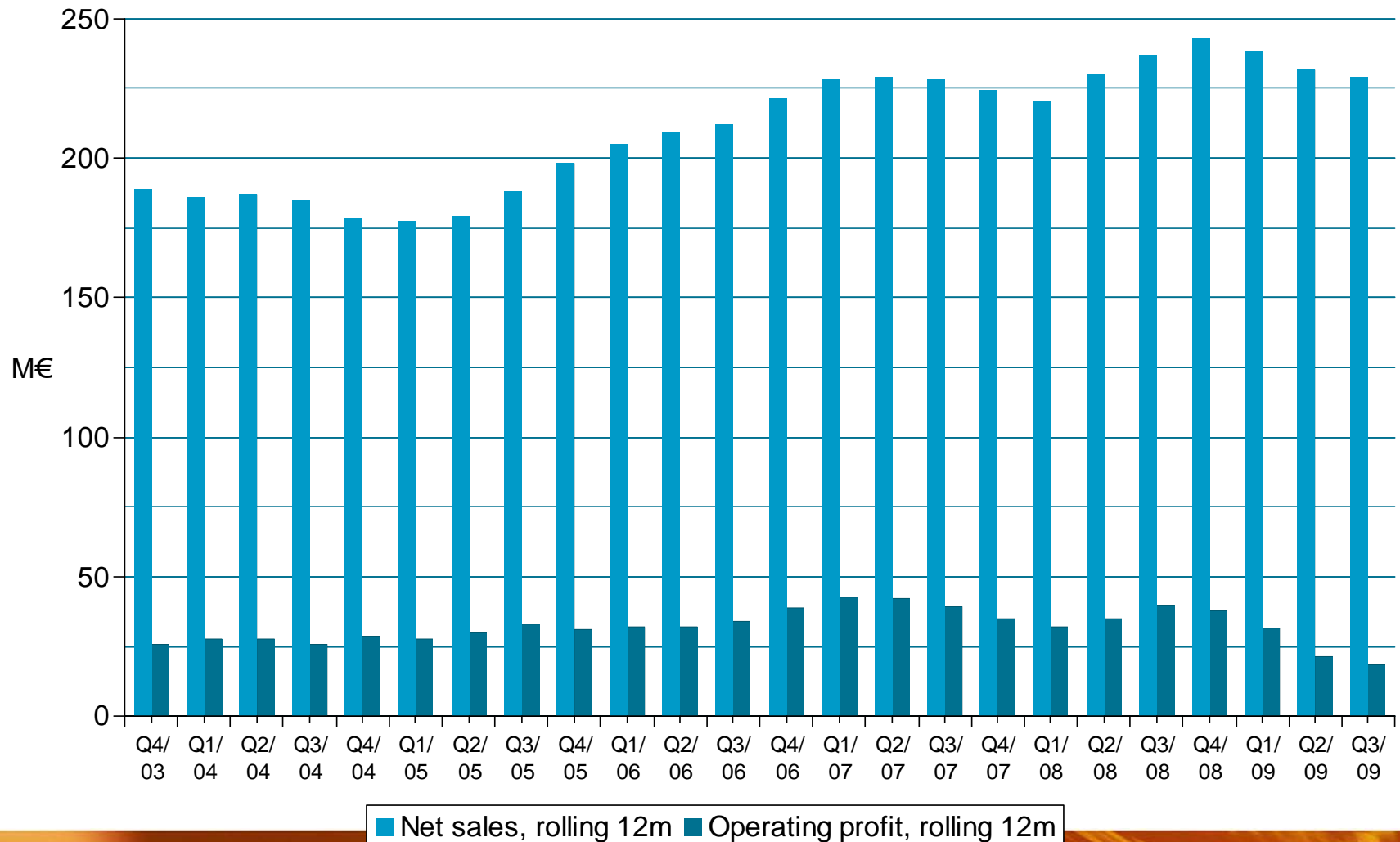
# Net sales



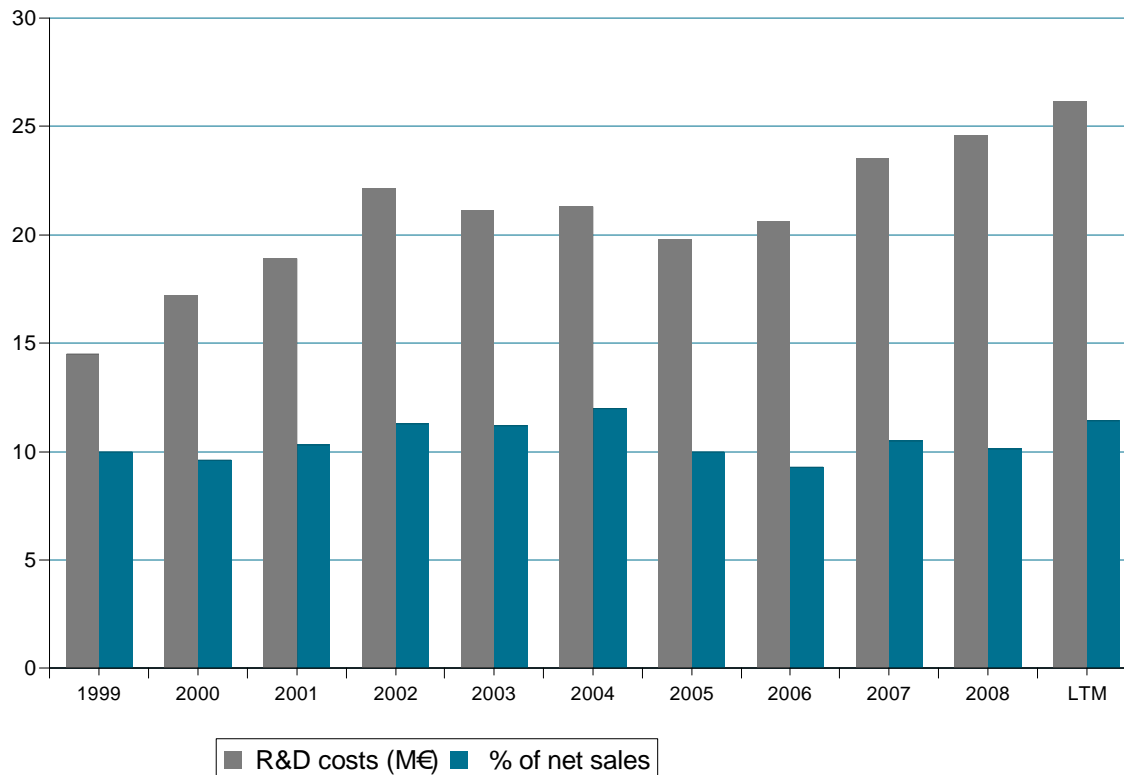
# Operating profit



# Net sales and operating profit, rolling 12 months

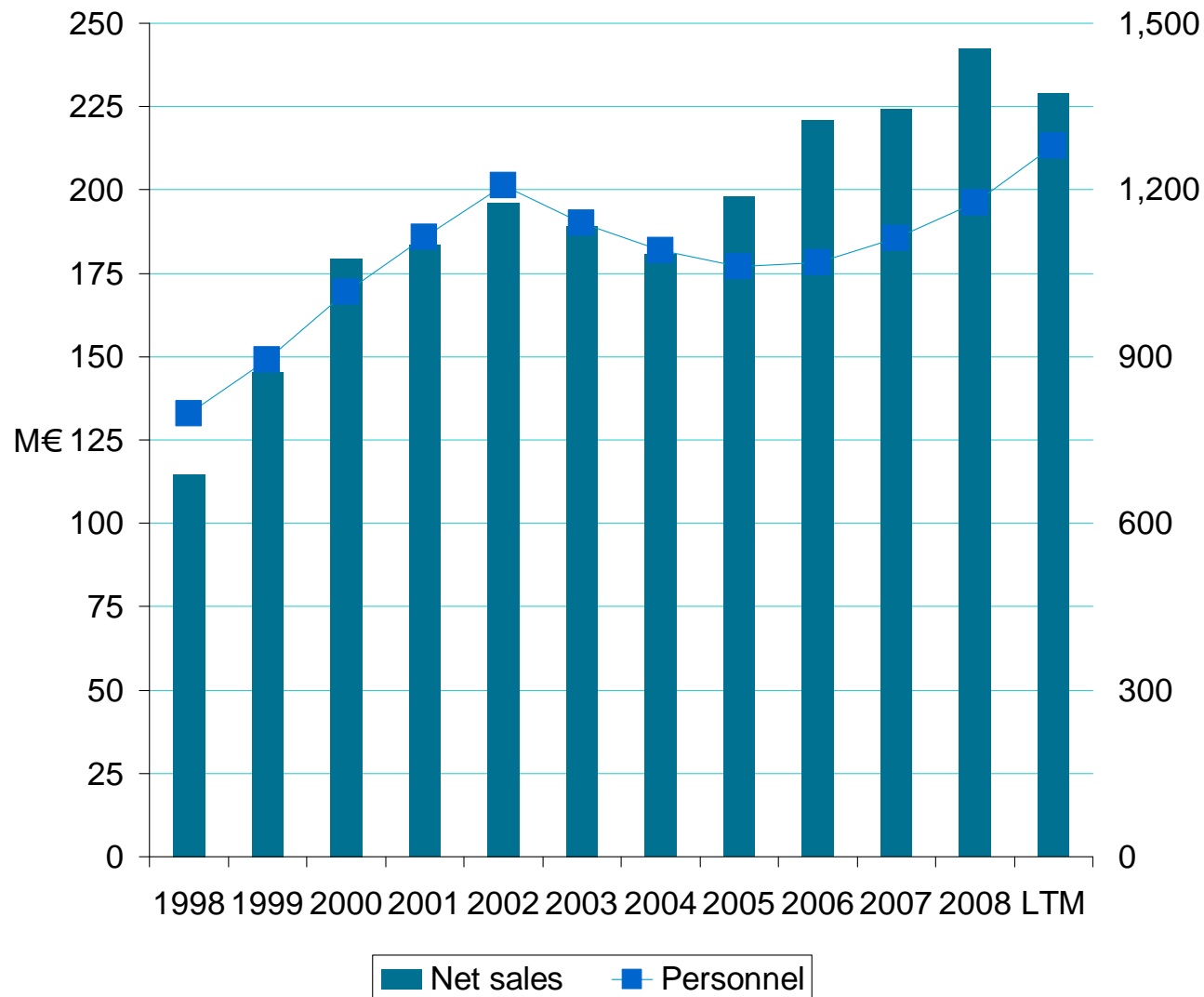


# Research and Development



- R&D expenses will grow in 2009
- Vaisala will carry out one-off projects to
  - align technology platforms
  - improve product modularity
  - Improve mass customization capability
- The total additional R&D cost will be approximately EUR 3 million in 2009
- R&D share will grow to 11-12% of net sales in 2009.

# Net sales and average personnel



# Outlook

- Our view is that net sales in 2009 will be slightly lower than in 2008.
- There is still uncertainty relating to the rest of the year in terms of project sales and deliveries and the development of the demand in the industrial segments.
- Strategic, growth oriented efforts will burden Group profitability this year by approximately EUR 10 million.
- The long term business outlook has not changed and Vaisala is still fully committed to continuing the implementation of its growth strategy.
- Seasonal fluctuation is typical of Vaisala's business, and traditionally a large share of net sales and profit is realized during the fourth quarter.