Vaisala Q2 2013

July 24, 2013

Vaisala Corporation Interim Report January-July 2013

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Vaisala Corporation Interim Report 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

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. “

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.

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.

Market situation

In Europe demand for Weather Business Area offering continued quite stable but order intake has slowed down, customers have limited budgets and competition has increased. The challenging economic situation is impacting Controlled Environment Business Area net sales in Europe. Mid-Asia and MEA continued to invest in weather infrastructure.

In North America the budget sequestration may have negative impact on Weather Business Area's order intake at least for some product categories. Controlled Environment Business Area continued growth in North America. Latin America has pent up demand for weather infrastructure but slow decision making for large investments has continued.

Positive market demand for weather infrastructure continued in China and APAC but especially local competition has increased. Overall Weather Business Area's quotations in APAC region reflected stable business or even growth. Controlled Environment Business Area had good demand in China and net sales were growing even though competition is more intensive than earlier. Also in Japan demand picked up towards the end of the quarter.

January-June 2013 performance

Orders and Net sales

In January-June 2013, orders received were EUR 124.2 (124.3) million. At the end of June 2013 the order book was EUR 99.0 (124.5) million, 20% lower than at the end of June 2012. The decrease in order book is 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. Of the order book, approximately EUR 42.0 million will be delivered in 2014 or later.

In January-June 2013, net sales were EUR 130.9 (134.1) million and decreased by 2% from previous year mainly due to decreased net sales in Weather Business Area. The decline was due to lower volume in delivery projects whereas net sales for products and service business increased. In geographical areas net sales decreased in EMEA and APAC regions whereas America's net sales increased.

Weather Business Area net sales were EUR 94.7 (97.8) million in January-June 2013 and decreased by 3% year-on-year. The decline was due to lower volume in delivery projects whereas net sales for products and service business increased. Net sales decreased in all other Weather customer groups except in Airports and Meteorology.

Controlled Environment Business Area net sales were EUR 36.2 (36.2) million in January-June 2013. 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.

Net sales in EMEA were EUR 47.1 (50.3) million in January-June 2013 and decreased by 6% year-on-year. Net sales in Americas were EUR 48.7 (47.7) million and increased by 2% year-on-year. Net sales in APAC were EUR 35.0 (36.1) million and decreased by 3% year-on-year.

At comparable exchange rates, the net sales would have been EUR 132.6 (134.1) million and the year-on-year net sales decrease would have been 1.5 million or 1.0%.

Operations outside Finland accounted for 97% (98%) of net sales.

Financial result

In January-June 2013, operating profit was EUR 10.2 (12.4) million or 7.8% (9.2%) of net sales including EUR 1.5 million one-time gain from the product line divestment. The operating profit decreased by 18% year-on-year. Without the gain from product line divestment the operating profit was EUR 8.7 million and the decrease had been 30%. The operating profit decline was due to lower volume in delivery projects and their lower profitability but this was partially compensated by the improved profitability of product business and operating expenses staying on the same level as in the previous year.

Profit before taxes was EUR 9.9 (12.6) million for the period of January-June 2013. Income taxes were EUR 3.4 (3.5) million. Net profit was EUR 6.5 (9.1) million.

Earnings per share for January-June 2013 were EUR 0.36 (0.50).

Balance sheet and cash flow

In January-June 2013, Vaisala's cash flow from operating activities was EUR 5.3 (17.6) million. Lower operational cash flow was due to cash tied in the working capital especially for employment pension insurance EUR 3.8 million for 2013 paid in advance and EUR 8.0 million bonuses paid for the whole personnel based on 2012 bonus plan. The change in cash balance was EUR -13.3 million as the dividends of EUR 16.2 (11.8) million were paid in April 2013.

Vaisala's solvency ratio and liquidity remained strong. On June 30, 2013, the cash and cash equivalents at the end of June 2013 totaled EUR 61.5 (48.4) million and the balance sheet total was EUR 234.1 (238.5) million. The solvency ratio at the end of the June 2013 was 78% (76%).

Capital expenditure and divestments

Gross capital expenditure totaled EUR 4.1 (2.2) million for January-June 2013. Depreciation total decreased to EUR 7.3 million compared with EUR 7.8 million in previous year.

Vaisala divested Non-weather Road Transportation Product Lines in March 2013 with sales price EUR 3.5 million and recognized EUR 1.5 million profit. EUR 2.5 million of the sales price was paid in March 2013 and the remaining EUR 1.0 million will be paid in three annual installments during 2014-2016.

Non-weather Road Transportation Product Lines net sales in 2012 were EUR 4.5 million.

Weather Business Area

In January-June 2013, Weather Business Area net sales were EUR 94.7 (97.8) million. The year-on-year decrease in Weather Business Area net sales was 3% and the decline was due to lower volume in delivery projects whereas net sales for products and service business increased. Increased net sales in Meteorology and Airports customer groups did not compensate the lower net sales in other customer groups. At comparable exchange rates, the net sales would have decreased by 2%.

Weather Business Area operating profit for January-June 2013 was EUR 5.2 million and decreased by EUR 2.5 million from EUR 7.7 million in previous year. This was due to lower volume in delivery projects and their lower profitability but this was partially compensated by the improved profitability of product business and operating expenses staying on the same level as in previous year.

In January-June 2013, orders received were EUR 87.6 (86.5) million and increased by 1% year-on-year. At the end of June 2013 the order book was EUR 94.1 (118.9) million, 21% lower than at the end of June 2012. The decrease in order book is 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. Of the order book, approximately EUR 41.5 million will be delivered in 2014 or later.

Weather Business Areas service sales totaled EUR 14.9 (14.2) million.

Controlled Environment Business Area

In January-June 2013, Controlled Environment Business Area net sales were EUR 36.2 (36.2) million, staying at last year's level. Net sales in North America and China were growing whereas net sales decreased in Europe and Japan. Net sales increased in Life Science customer group. At comparable exchange rates, the net sales would have increased by 2%.

Controlled Environment Business Area operating profit for January-June 2013 was EUR 3.9 million and decreased by EUR 1.4 million from EUR 5.3 million in previous year. This was mainly due to lower production volumes. Operating expenses stayed on the same level as in previous year even though investments in Life Science R&D and service business capabilities continued.

In January-June 2013, orders received were EUR 36.7 (37.8) million and decreased by 3% year-on-year. The order book was EUR 4.9 (5.5) million, 12 % lower than at the end of June 2012. Of the order book, approximately EUR 0.5 million will be delivered in 2014 or later.

Controlled Environment Business Areas service sales totaled EUR 4.4 (3.7) million. Growth in service sales came from North America.

Research and Development

In January-June 2013, research and development (R&D) expenses totaled EUR 14.7 (13.6) million, representing 11.2% of net sales. Weather Business Area R&D expenses were 12.1% (10.8%) of net sales due to increased investments in information services capabilities and Controlled Environment Business Area 9.0% (7.2%) of net sales due to increased investments in Life Science products. The goal is to keep the share of research and development expenses at around 10% of net sales.

New products

Altogether 12 new products or software releases were launched during January-June, 2013.

During April-June 2013, Weather Business Area launched AviMet® Wind Panel Display for aviation applications, RoadDSS Manager, a decision support system for road maintenance operators, and Automatic Weather Station AWS310.

During April-June 2013, Controlled Environment Business Area launched INTERCAP® outdoor humidity and temperature transmitters HMS82/83 for HVAC markets.

Personnel

The average number of personnel employed in the Vaisala in January-June 2013 was 1,457 (1,406). The number of employees at the end of June 2013 was 1,502 (1,463). 40% (41%) of the personnel was based outside Finland.

In the Q2 2013 Vaisala established a new share based incentive plan for the group key employees that is based on the development of group's profitability in calendar year 2013 and it will be paid partly in the Company's series A shares and partly in cash in spring 2016. The cash proportion will cover taxes and tax-related costs arising from the reward to a key employee. No reward will be paid, if a key employee's employment or service ends before the reward payment date.

Changes in Company Management

Vaisala's management group practices changed as of January 1, 2013. There is one Vaisala Management Group in the company, led by the President and CEO.

The Management Group has seven members and it convenes once a month to execute Vaisala's strategy and take care of the company's operative management. It consists of the heads of business areas, finance and control, operations, services and human resources.

Risk Management

Near-term risks and uncertainties

Vaisala’s business is exposed to changes in global economy, politics, policies and regulations as well as natural disasters, which may affect Vaisala's business in terms of for example component availability, order cancellations, disturbance in logistics and loss in market potential.

The most significant near term risks and uncertainties that may affect both net sales and profitability relate to the company's ability to maintain its delivery capability, availability of critical components, interruptions in manufacturing and associated IT systems, changes in the global economy, currency exchange rates, customers' financing capability especially in the EU and in the US, budget sequestration, changes in customers' purchasing or investment behavior and delays or cancellations of orders. Changes in the competitive landscape may affect the volume and profitability of business through introduction of new competitors and price erosion in areas which traditionally have been strong for the company.

Importance of Vaisala's delivery project business continues to grow. Delivery project business performance and project schedules have dependencies to third parties, which may impact timing of revenue recognition, and profitability. Assumptions regarding new project and service business opportunities constitute a risk for both net sales and profitability.

Changes in subcontractor relations, their operations or operating environment may have a negative impact on Vaisala's business. Vaisala monitors these risks and prepares for them in accordance with its risk management policy.

Further information about the risks and risk management in Vaisala is available on the company website at http://www.vaisala.com/en/investors/corporategovernance/riskmanagement/Pages/default.aspx.

Decisions made by the Annual General Meeting 2013

The Annual General Meeting of Vaisala Oyj decided on March 26, 2013 to approve the Company's annual accounts for 2012.

Dividend

The Annual General Meeting decided that a dividend of EUR 0.90 per share, corresponding to the total of EUR 16,253,292.60 will be distributed for the financial year 2012. Dividend is not paid to the A-shares held by Vaisala Oyj. The record date for dividend payment was April 2, 2013 and dividend has been paid on April 9, 2013.

Discharge from liability

The Annual General Meeting granted the members of the Board of Directors and the Company's President and CEO discharge from liability for the accounts.

Composition and remuneration of the Board of Directors

The Annual General Meeting confirmed that the Board of Directors comprises of six (6) members. Maija Torkko and Yrjö Neuvo, who were to retire by rotation, were re-elected for three years. The other members are Raimo Voipio, Mikko Niinivaara, Mikko Voipio and Timo Lappalainen.

The Annual General Meeting decided that the annual remuneration of the chairman of the Board of Directors is 45,000 euros and the annual remuneration of member 35,000 euros. The Annual General Meeting decided in addition that the compensation for the Chairman of the Audit Committee is 1,500 euros per attended meeting and 1,000 euros per attended meeting for each member of the Audit Committee for a term until the close of the Annual General Meeting in 2014. The chairman as well as the members of Remuneration Committee and other committees established by the Board of Directors will receive 1,000 euros per attended meeting for a term until the close of the Annual General Meeting in 2014.

Auditors and their fee

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorized Public Accountants, as the Company's auditor, with APA Hannu Pellinen acting as the auditor with the principal responsibility. The auditor's compensation was decided to be paid based on reasonable invoicing.

The decrease of the share premium fund and distribution of funds to the shareholders as a return of capital

The Annual General Meeting decided to decrease the share premium fund presented in the Company's balance sheet on December 31, 2012 by EUR 22,306,293.52 by transferring all the funds in the share premium fund into the invested non-restricted equity fund. The Meeting also decided that of the funds transferred into the invested non-restricted equity funds EUR 1.23 per share will be distributed to the shareholders as a return of capital, which equals to approximately EUR 22.2 million return of capital.

The Board of Directors was authorized to decide on the record date for the distribution of funds and the payment date as soon as possible after the due date for the public summons notified to the Finnish National Board of Patents and Registration. The distribution of funds is expected to take place approximately in August 2013. The return of capital is paid to a shareholder, who is registered on record date decided by the Board of Directors in the Register of Shareholders of the Company held by Euroclear Finland Ltd.

Authorizing the Board of Directors to decide on the directed acquisition of own A-shares

The Annual General Meeting authorized the Board of Directors to decide on the directed acquisition of a maximum of 150,000 of the Company's own A-shares in one or more instalments with funds belonging to the Company's unrestricted equity. The new authorization replaces the previous one and is valid until the closing of the next Annual General Meeting, however, no longer than September 26, 2014.

Authorizing the Board of Directors to decide on the transfer of the Company's own shares

The Annual General Meeting authorized the Board of Directors to decide on the transfer of a maximum of 309,150 own A-shares. The transfer of own shares may be carried out in deviation from the shareholders' pre-emptive rights and may be transferred as a directed issue without payment as part of the Company's share based incentive plan. The authorization can also be used to grant special rights entitling subscription of own shares, and the subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind. The new authorization replaces the previous one and is valid until 26 March 2018.

Donations

The Annual General Meeting authorized the Board of Directors to donate at maximum 250,000 euros. The authorization is valid until the Annual General Meeting of 2014.

The organizing meeting of the Board of Directors

Raimo Voipio will continue as the Chairman of the Board of Directors and Yrjö Neuvo will continue as the Vice-Chairman. Maija Torkko, Mikko Niinivaara, Mikko Voipio and Timo Lappalainen are the other members of the Board of Directors.

Vaisala's shares

Shares traded on the NASDAQ OMX Helsinki Ltd.

On June 30, 2013 the price of Vaisala’s A-share in the NASDAQ OMX Helsinki Ltd. was EUR 19.77. The highest quotation during January-June 2013 was EUR 22.13 and the lowest EUR 16.04. The number of shares traded in the NASDAQ OMX Helsinki Ltd. in January-June 2013 was 1,741,812.

On June 30, 2013, Vaisala had 18,218,364 shares, of which 3,389,351 are series K-shares and 14,829,013 are series A-shares. The shares have no counter book value. The K-shares and A-shares are differentiated by the fact that each K-share entitles its owner to 20 votes at a General Meeting of Shareholders while each A-share entitles its owner to 1 vote. The A-shares represent 81.4% of the total number of shares and 17.9% of the total votes. The K-shares represent 18.6% of the total number of shares and 82.1% of the total votes.

The market value of Vaisala’s A-shares on June 30, 2013 was EUR 290.0 million, excluding the Company’s treasury shares. Valuing the K-shares - which are not traded on the stock market - at the rate of the A-share’s closing price on the last day of June, the total market value of all the A- and K-shares together was EUR 357.0 million, excluding the Company’s treasury shares.

Vaisala’s main shareholders are listed on the website.

Treasury shares and parent company shares

At the end of June, the Company held a total of 159,150 Vaisala A-shares, which represented 0.9% of the share capital and 0.2% of the votes. The consideration paid for these shares was EUR 2,527,160.

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.

Vantaa, July 24, 2013

Vaisala Corporation
Board of Directors

The forward-looking statements in this release are based on the current expectations, known factors, decisions and plans of Vaisala's management. Although the management believes that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that these expectations would prove to be correct. Therefore, the results could differ materially from those implied in the forward-looking statements, due to for example change in the economic, market and competitive environments, regulatory or other government-related changes, or shifts in exchange rates.

Financial Information and changes in accounting policies

This interim financial report has been prepared in accordance with IAS 34, Interim Financial Reporting, following the same accounting policies and principles as in the annual financial statements for 2012, except for the IFRS amendments stated below. All figures in the interim report are Group figures. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented.

The preparation of the financial statements in accordance with IFRS requires Vaisala's management to make estimates and assumptions that affect the valuation of the reported assets and liabilities and the recognition of income and expenses in the statement of income. Although the estimates are based on the management's best knowledge at the date of the interim report, actual results may differ from the estimates.

The interim financial report is unaudited.

Amendment to IAS 19, Employee benefits

Of the amended International Financial Reporting Standards (IFRS) and interpretations mandatory as of January 1, 2013 the amendment to IAS 19 is applicable on the Group reporting.

The revised IAS 19 eliminates the possibility to apply the corridor method in recognizing the actuarial gains and losses from defined benefit plans. In the corridor method the actuarial gains and losses had to be recognized only when they exceeded by more than 10% the greater of the present value of the defined benefit obligation and the fair value of the plan assets. The excess was recognized in the statement of income over the expected average remaining working lives of employees participating in the plan.

The amendments to IAS 19 standard require the actuarial gains and losses to be recognized immediately in the statement of other comprehensive income. The change in accounting principles leads to faster recognition of actuarial gains and losses than the corridor method. Consequently of the change Vaisala now determines the net interest expense on the net defined benefit plan by applying the discount rate used to measure the defined benefit obligation. In previous years Vaisala applied a long-term rate of expected return on the plan assets. Vaisala reports the service cost in sales, marketing and administrative costs and the net interest in net financial income and expenses.

The revised IAS 19 has been applied retrospectively. Retained earnings in the opening balance of equity decreased EUR 0.1 million and pension liabilities increased EUR 0.1 million in year 2012 June and December balance sheets. The operating profit increased EUR 0.1 million and financial income and expense decreased EUR 0.1 million in December 2012 income statement.

Allocation of goodwill to revised cash generating units

Following the changes in Vaisala's management group practices as of January 1, 2013 and suppressing the regional dimension, Vaisala has consequently allocated the goodwill to revised cash generating units "CGU"s. Goodwill in CGU *Weather North America* has been allocated to *Weather* CGU and goodwill in CGU *Life Science North America* has been allocated to *Life Science* CGU. There was no impact on profit for the reported period.

Consolidated statement of income

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
Costs of sales	-32.1	-36.1	-65.7	-65.3	-148.0
Gross profit	**33.1**	**39.1**	**65.1**	**68.8**	**145.3**
Sales, marketing and administrative costs	-21.0	-21.3	-41.9	-43.3	-87.5
Research and development costs	-7.0	-6.5	-14.7	-13.6	-28.0
Other operating income and expense	0.0	0.0	1.6	0.5	0.3
Operating profit (loss)	**5.1**	**11.4**	**10.2**	**12.4**	**30.2**
Financial income and expenses, net	-0.4	1.2	-0.2	0.2	-1.0
Profit (loss) before taxes	**4.7**	**12.6**	**9.9**	**12.6**	**29.1**
Income taxes	-1.1	-3.4	-3.4	-3.5	-7.4
Profit (loss) for the period	**3.6**	**9.2**	**6.5**	**9.1**	**21.7**
Earnings per share, EUR	0.20	0.51	0.36	0.50	1.20
Diluted earnings per share, EUR	0.20	0.51	0.36	0.50	1.19

Consolidated statement of comprehensive income

EUR Million	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Items that will not be reclassified to profit or loss					
Actuarial loss on post-employment benefits	0.0	0.0	0.0	0.0	0.0
Total	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Items that may be reclassified subsequently to profit or loss					
Currency translation differences	-1.7	2.7	-1.0	1.2	-1.1
Other income or expense	0.0	-0.2	0.0	-0.2	-0.2
Total	**-1.7**	**2.5**	**-1.0**	**1.0**	**-1.3**
Total other comprehensive income	**-1.7**	**2.5**	**-1.0**	**1.0**	**-1.3**
Total comprehensive income	**1.8**	**11.7**	**5.5**	**10.1**	**20.4**

Condensed consolidated statement of financial position

EUR million

Assets	June 30, 2013	June 30, 2012	December 31, 2012
Non-current assets:			
Intangible assets	29.8	37.6	33.1
Property, plant and equipment	48.6	52.2	49.1
Investment in associated companies	0.7	0.6	0.8
Long term receivables	1.0	0.4	0.2
Deferred income tax assets	5.5	5.8	5.1
Total non-current assets	85.6	96.6	88.2
Current assets:			
Inventories	30.8	37.4	29.8
Trade and other receivables	55.0	54.6	60.9
Income tax receivables	1.3	1.5	1.8
Cash and cash equivalents	61.5	48.4	74.8
Non-current asset held for sale	–	–	1.4
Total current assets	148.5	141.9	168.6
Total assets	234.1	238.5	257.0

Shareholder's equity:			
Share capital	7.7	7.7	7.7
Share premium	22.3	22.3	22.3
Other reserves	1.3	0.3	0.7
Cumulative translation adjustment	-1.4	1.8	-0.5
Treasury shares	-2.5	-2.5	-2.5
Retained earnings	151.8	148.8	161.4
Total shareholder's equity	179.0	178.4	189.2
Non-current liabilities:			
Interest-bearing liabilities	0.2	0.3	1.6
Post-employment benefit obligations	0.4	0.6	0.3
Deferred tax liabilities	0.4	0.8	1.3
Provisions for other liabilities and charges	0.1	0.1	0.1
Other long-term liabilities	2.1	3.3	1.0
Total non-current liabilities	3.3	5.1	4.3
Current liabilities:			
Interest-bearing liabilities	0.2	0.2	0.3
Advances received	3.2	2.7	4.5
Income tax liabilities	1.4	0.6	1.5
Provisions for other liabilities and charges	0.1	0.5	0.9
Trade and other payables	46.9	51.0	56.5
Total current liabilities	51.8	55.0	63.7
Total shareholder's equity and liabilities	234.1	238.5	257.0

Consolidated statement of changes in equity

EUR million	Share capital	Share premium	Other reserves	Treasury shares	Translation adjustment	Retained earnings	Total
Balance at Jan 1, 2012	7.7	22.3	0.3	-0.3	0.6	151.9	**182.5**
Profit for the period	–	–	–	–	1.2	8.9	**10.1**
Other comprehensive income	–	–	–	-2.2	–	–	**-2.2**
Dividend paid	–	–	–	–	–	-11.9	**-11.9**
Balance at June 30, 2012	7.7	22.3	0.3	-2.5	1.8	148.8	**178.4**

EUR million	Share capital	Share premium	Other reserves	Treasury shares	Translation adjustment	Retained earnings	Total
Balance at Jan 1, 2013	7.7	22.3	0.7	-2.5	-0.5	161.4	**189.2**
Profit for the period	–	–	–	–	–	6.5	**6.5**
Other comprehensive income	–	–	–	–	-1.0	–	**-1.0**
Dividend paid	–	–	–	–	–	-16.2	**-16.2**
Share based payment	–	–	0.5	–	–	–	**0.5**
Balance at June 30, 2013	7.7	22.3	1.3	-2.5	-1.4	151.8	**179.0**

Condensed consolidated cash flow statement

EUR Million	1-6/2013	1-6/2012	1-12/2012
Cash flows from operating activities:			
Cash receipts from customers	138.6	151.1	301.2
Other income from business operations	0.1	0.1	0.0
Cash paid to suppliers and employees	-129.3	-130.6	-245.4
Financials paid, net	-0.1	-0.2	-2.7
Income taxes paid, net	-4.1	-2.8	-5.0
Cash flow from operating activities	**5.3**	**17.6**	**48.2**
Cash flows from investing activities:			
Capital expenditure on fixed assets	-4.1	-2.2	-5.4
Divestments	2.5	0.4	0.4
Cash flow from investing activities	**-1.6**	**-1.8**	**-5.0**
Cash flows from financing activities:			
Dividends paid	-16.2	-11.8	-11.8
Other profit distribution	0.0	-0.2	-0.2
Purchase of treasury shares	0.0	-2.3	-2.3
Cash flow from financing activities	**-16.2**	**-14.3**	**-14.3**
Cash and cash equivalents at the beginning of period	74.8	45.5	45.5
Net increase (+) / decrease (-) in cash and cash equivalents	-12.5	1.4	28.9
Effect from changes in exchange rates	-0.8	1.5	0.4
Cash and cash equivalents at the end of period	**61.5**	**48.4**	**74.8**

Segment information

EUR million	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Orders received					
Weather	46.7	49.8	87.6	86.5	189.0
Controlled environment	18.9	18.8	36.7	37.8	75.7
Total	65.6	68.6	124.2	124.3	264.7
Net sales					
Weather					
Products	25.5	25.9	49.6	46.6	99.7
Delivery Projects	14.6	23.3	30.1	37.0	84.2
Services	7.0	7.6	14.9	14.2	34.1
Total	47.1	56.8	94.7	97.8	218.0
Controlled environment					
Products	15.8	16.4	31.8	32.5	67.0
Services	2.2	2.1	4.4	3.7	8.2
Total	18.1	18.5	36.2	36.2	75.3
Sales, eliminations and others	0.0	0.0	0.0	0.1	0.0
Total Net Sales	65.2	75.3	130.9	134.1	293.3
Operating profit					
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
Total	5.1	11.4	10.2	12.4	30.2

Geographical sales

	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
EMEA	21.8	27.2	47.1	50.3	107.6
Americas	24.7	26.3	48.7	47.7	108.6
APAC	18.7	21.8	35.0	36.1	77.2
Total	65.2	75.3	130.9	134.1	293.3

Key ratios

	4-6/2013	4-6/2012	1-6/2013	1-6/2012	1-12/2012
Number of shares outstanding (kpcs)	18,059	18,059	18,059	18,509	18,059
Number of treasury shares (kpcs)	159	159	159	159	159
Number of shares, diluted	18,209	18,151	18,209	18,180	18,209
Number of shares at (kpcs), weighted average	18,059	18,151	18,059	18,180	18,120
Number of shares traded (kpcs)	503	255	1,742	446	1,019
Earnings per share (EUR)	0.20	0.51	0.36	0.50	1.20
Earnings per share, diluted (EUR)	0.20	0.51	0.36	0.50	1.19
Equity per share (EUR)	9.91	9.89	9.91	9.89	10.48
Cash flow from operations per share (EUR)	0.56	0.72	0.29	0.97	2.65
Solvency ratio	77.5%	76.0%	77.5%	76.0%	75.0%
Return on equity	7.1%	10.0%	7.1%	10.0%	11.7%
Gross capital expenditure (MEUR)	2.4	1.3	4.1	2.2	5.4
Depreciation (MEUR)	3.6	4.0	7.3	7.8	15.8
Average personnel	1,470	1,427	1,457	1,406	1,422

Financial Instruments

	6/2013	6/2012	1-6/2013	1-6/2012	1-12/2012
Nominal value of financial derivatives	20.3	20.7	20.3	20.7	20.9
Fair values of financial derivatives, assets	0.2	0.0	0.2	0.0	0.5
Fair values of financial derivatives, liabilities	0.1	0.8	0.1	0.8	0.0

Financial derivatives consist solely of foreign currency forwards and they are measured based on price information derived from active markets and commonly used valuation methods (Fair value hierarchy 2). Financial contracts are executed only with counterparties that have high credit ratings.

Definition of key ratios

Earnings per share	=	Profit (loss) before taxes less taxes +/- non-controlling interest -- Average number of shares	
Earnings per share, diluted	=	Profit (loss) before taxes less taxes +/- non-controlling interest -- Average number of shares, diluted	
Equity / share	=	Shareholders' equity --- Number of shares at balance sheet date, diluted	
Cash flow from operations / share	=	Cash flow from business operations --- Number of shares at balance sheet date, diluted	
Solvency ratio, (%)	=	Shareholders' equity plus non-controlling Interest -- Balance sheet total less advance payments	x 100
Return on equity (ROE), (%)	=	Profit/loss before taxes less taxes -- Shareholders' equity + non-controlling interest (average)	x 100

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