

Vaisala Group
Result, 9 months
30.10.2002
SAS Simonkenttä, Helsinki

Pekka Ketonen,
President and CEO, Vaisala Oyj

Business idea



Measuring the Environment

Purpose of our business

Vaisala develops, manufactures and markets products and services for environmental and industrial measurement.

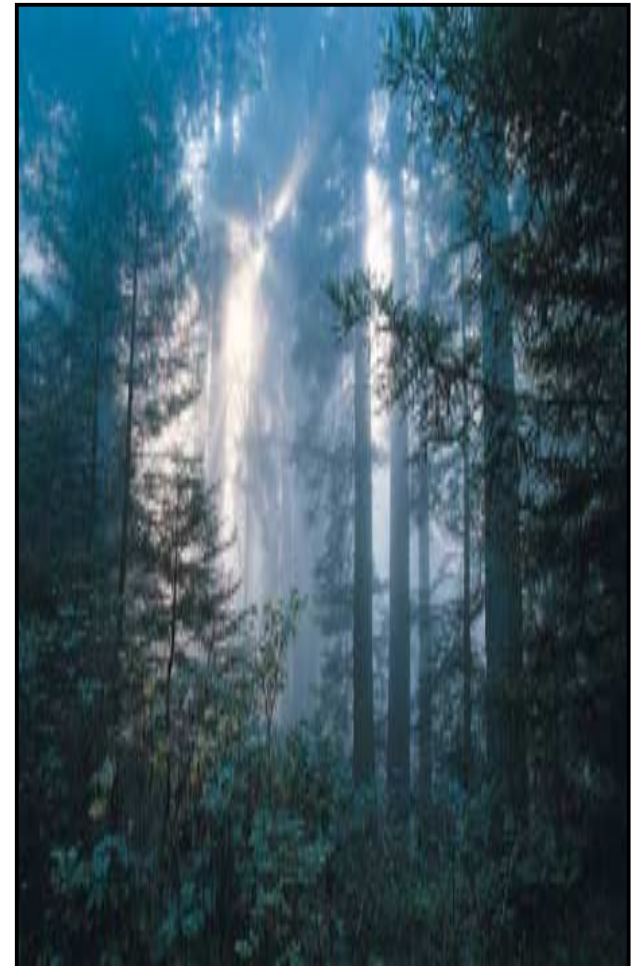
The purpose of these measurements is to provide a basis for

- better quality of life,
- cost savings,
- protection of the environment,
- improved safety,
- better performance.



Strategy

- The field of environmental measurement is fragmented. This allows a global market leader to achieve good profitability.
- Our customers are meteorological professionals and industry.
- Our offering includes products, solutions and services.
- Product leadership and operational excellence are the basis of our differentiation.
- Within a business, we seek to benefit from economies of scope, reaching economies of scale through this.
- The Vaisala brand is positioned in the premium-class.

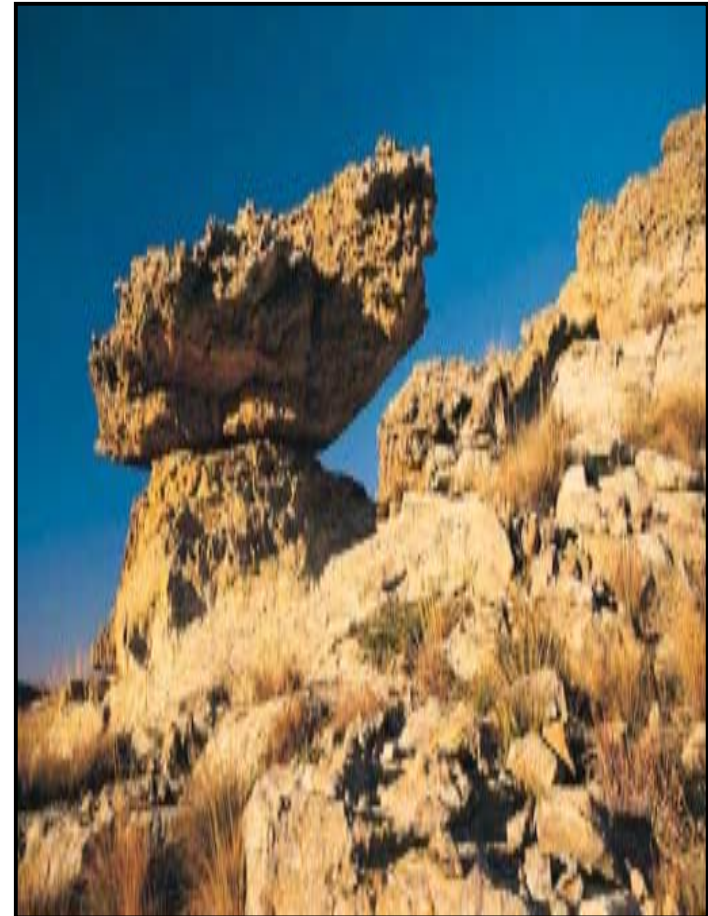


Market leadership

Vaisala's target is to be a global market leader.

Currently we are number one in:

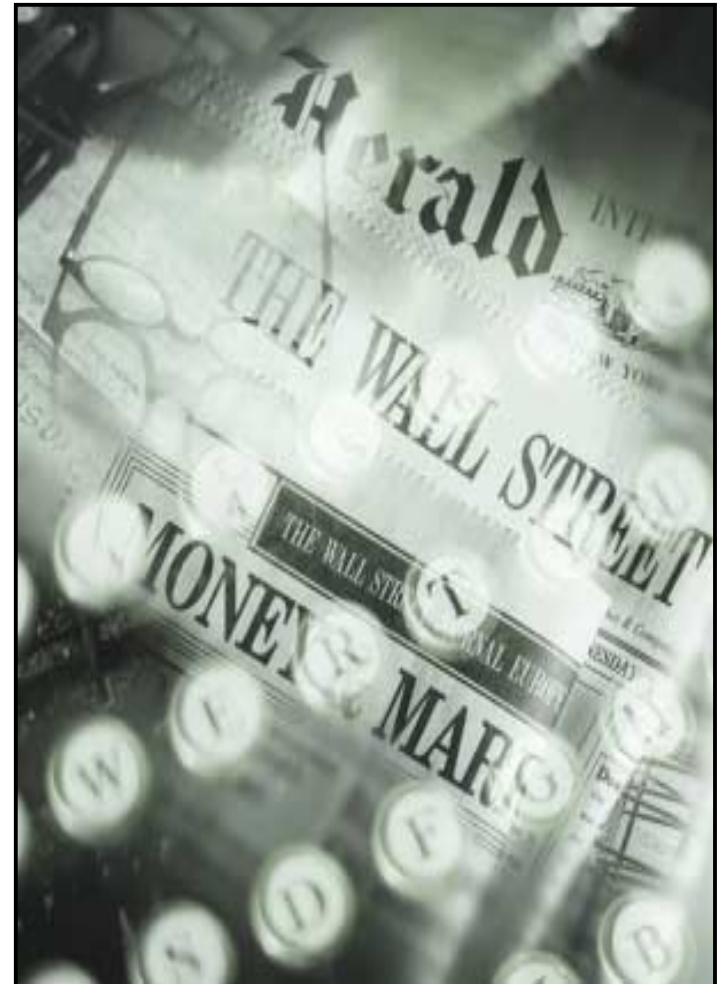
- upper air sounding systems
- aviation weather systems
- surface weather observations
- road weather
- relative humidity measurement
- barometric pressure measurement
- wind profiling
- lightning detection



Growth strategy

15 % annual growth through:

- We aim to win more market share in current businesses.
- We aim to provide more comprehensive product range to our existing customers.
- We aim to achieve this by both organic growth and acquisitions.



Vaisala's four divisions

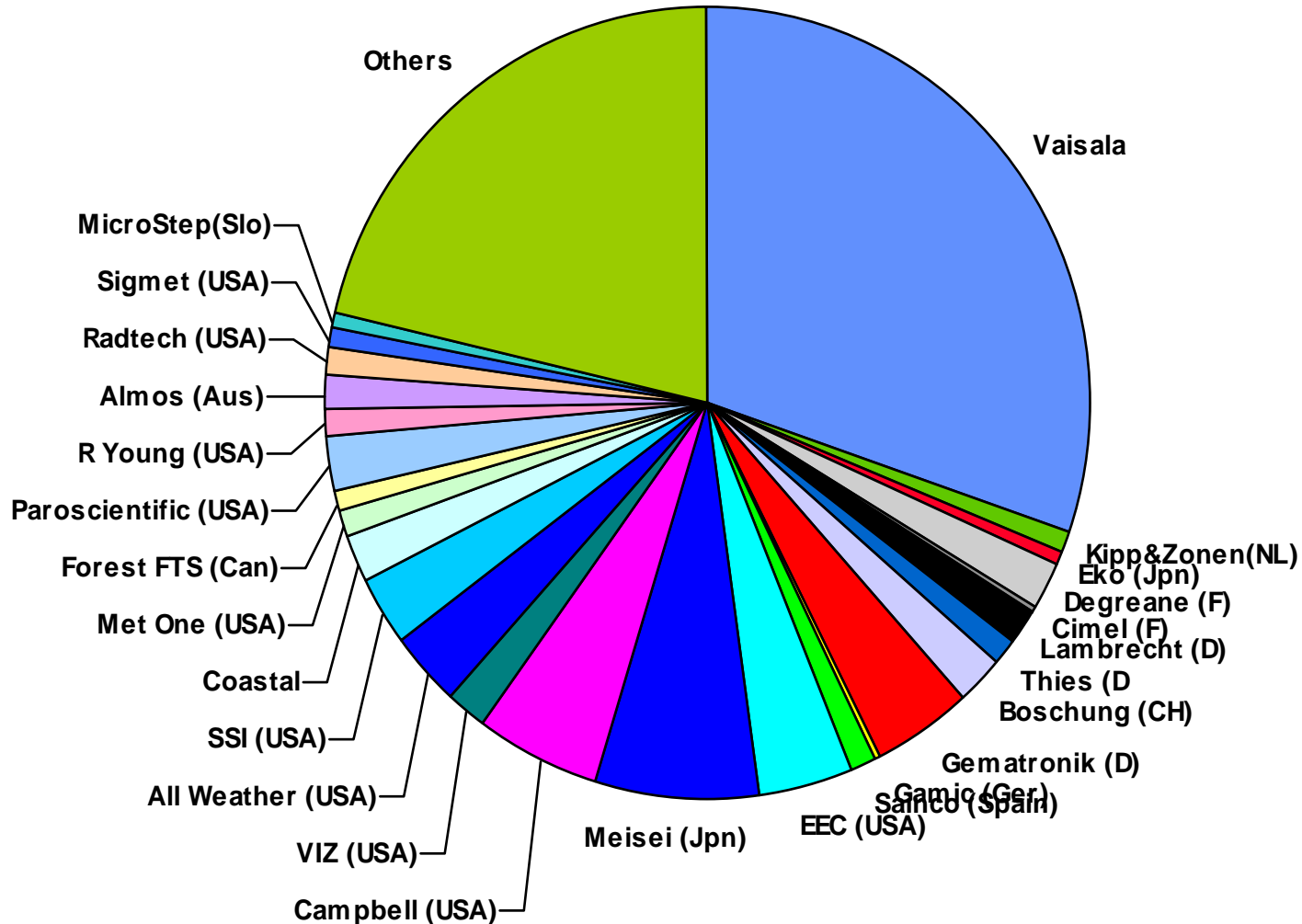


Major customer groups

- **Meteorological institutes**
- **Aviation and road authorities**
- **Land and water resource management agencies**
- **Defense forces**
- **Industry**

Professional Meteorological Market

According to WMO, there are 250 manufacturers in the world.



Shareholders July 25, 2002

	% of votes	% Series K	% Series A
Finnish Academy of Science and Letters	22.0	25.7	3.6
Novameter Oy	12.3	13.3	7.3
Mikko Voipio	7.7	8.8	2.3
Anja Caspers	7.1	8.2	1.4
Raimo Voipio	5.8	6.6	1.8
Tauno Voipio	4.2	4.6	2.1
Henki-Sampo	4.1	4.0	4.2
Inkeri Voipio	2.7	0	15.6
Jaakko Väisälä estate	1.6	1.8	1.1
Ilmarinen	1.3	0	8.2
Minna Väisälä	1.3	1.5	0.1
Nominee registered	3.0	0	17.7

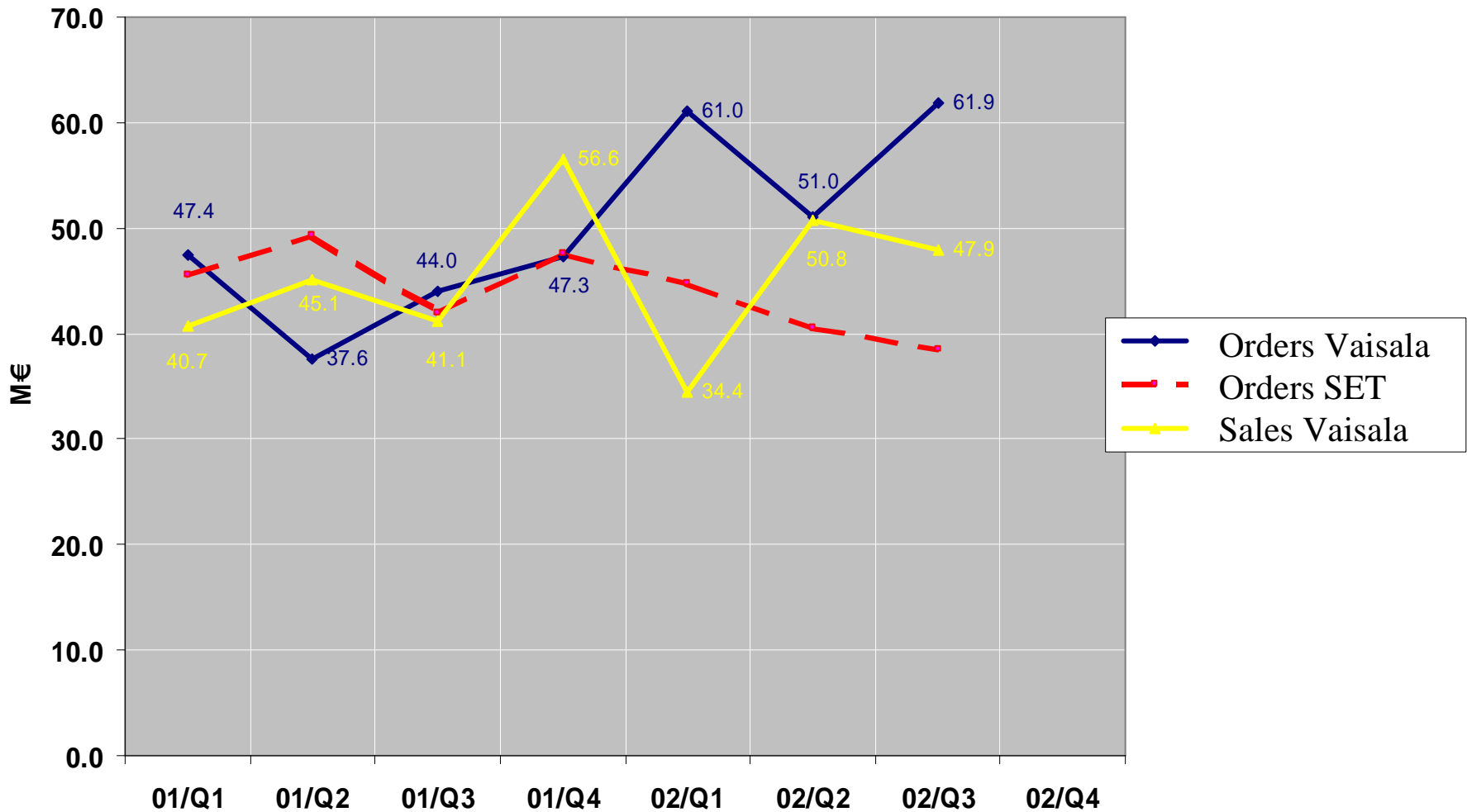
Share performance, trading



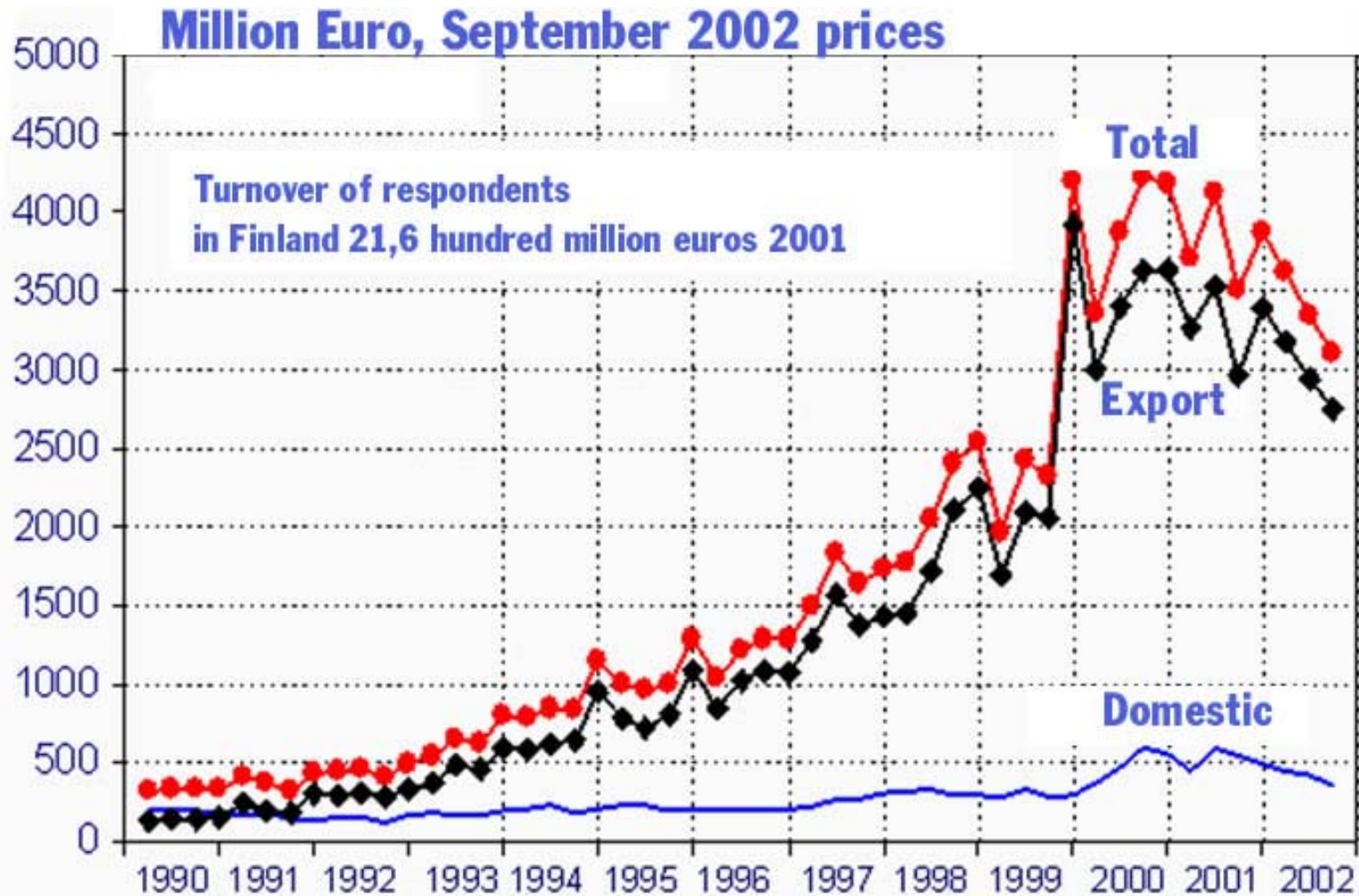
Market situation 9 months/2002

- **The sector started experiencing the effects of the global economic downturn in March 2001.**
- **Demand rose at the beginning of 2002.**
- **At the end of the spring demand slackened and picked up at the end of summer, raising the company's order book to a satisfactory level.**
- **Market conditions weakened again during the autumn.
=> The market conditions are difficult to forecast.**
- **The order book includes deliveries that are scheduled for up to year 2005.**
- **Vaisala has retained its market share and continues to hold a very strong position at the market.**

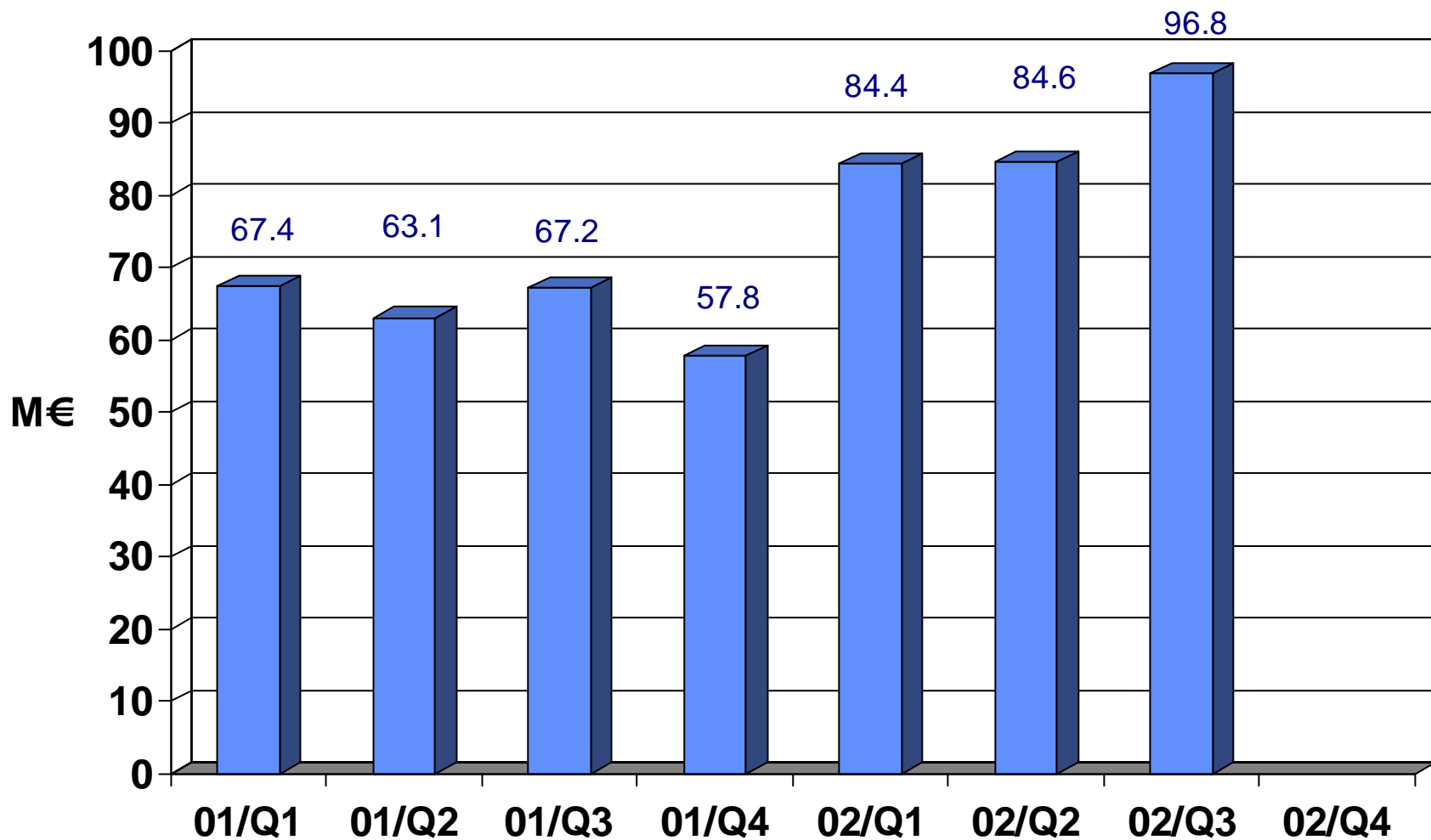
Orders received in relation to relative SET (Federation of Finnish Electrical and Electronics Industry)



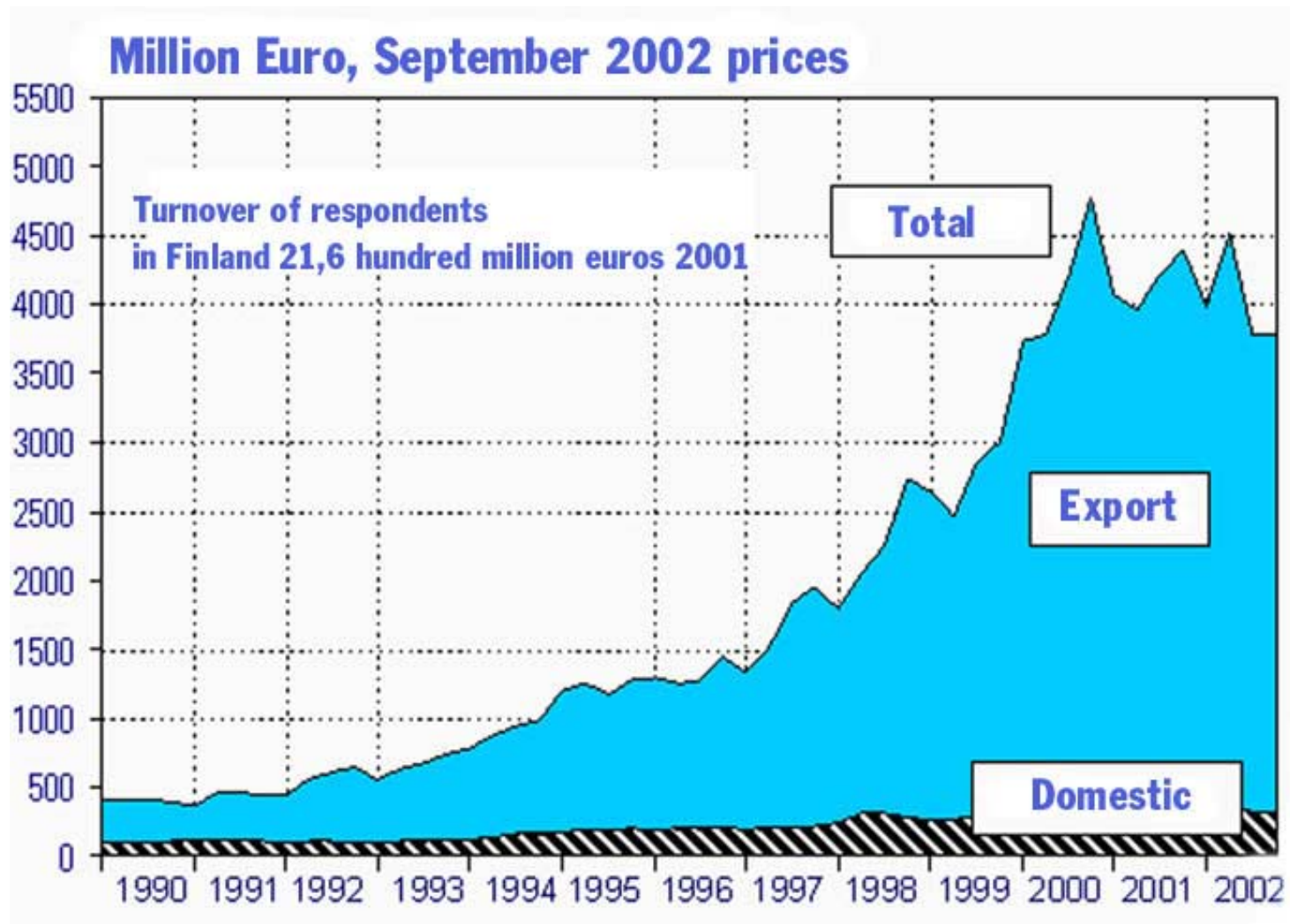
SET: New orders by quarter



Orderstock



SET: Orderstock at the end of quarter



Events Q3/2002

- The Vaisala Group received a significant order from the German Weather Service (Deutscher Wetterdienst, DWD) in July. Vaisala will deliver them a network of radar wind profilers during the years 2003 - 2005. The contract is valued at more than EUR 5 million.
- In addition, the Vaisala Group received an order to supply upper air observation systems to the Bureau of Meteorology of Australia in July. The total value of the contract is approximately EUR 3.7 million. Deliveries under the contract will be carried out over the next three years.
- Vaisala Group was awarded ISO 9001:2000 quality management certification during the review period. Vaisala's quality management system is applied consistently in all the Group's offices.
- Centralization of US manufacturing operations in Boulder, Colorado proceeds as planned. New premises will be taken into use in February 2003.
- Construction of a new cleanroom and extension of the company's premises in Vantaa, Finland, was started in September. The construction is scheduled for completion by the end of 2003.
- During the review period Vaisala launched:
 - a new, hand-held humidity and temperature meter
 - a visibility sensor for runway visual range measurement that incorporates new technology
 - a high-precision dewpoint measurement instrument and a new product family of humidity transmitters for industrial applications

Key figures 9 months/2002

EUR million	9months/02	9months/01	2001
Net sales	133.1	127	183.5
Operating profit	12.2	18.2	29.7
Profit bef. extraordinary items	11.7	18.8	30.6
Solvency ratio %	83%	85%	83%
Personnel (average)	1 206	1 108	1 115
Orderstock	96.8	67.2	57.8
Orders received	173.9	129.3	176.3
EPS (EUR)	0.35	0.74	1.21
Shareholders equity / Share (EUR)	7.61	7.49	7.99

Financial results - 9 months/2002

- **Operating profit EUR 12.2 (18.2) million.**
- **Profit before extraordinary items represented 8.8% of net sales, amounting to EUR 11.7 (18.8) million.**
- **The profit includes non-recurring income of EUR 2 million arising from changes in the license agreement between Vaisala Oyj and Breed Technologies Inc.**
- **In the current global market situation we have not reached our sales targets in some business areas, which is the main reason for the decline in profit.**
- **Costs incurred by reorganization of the Group's North American operations (EUR 1.1 million) as well as customer credit losses and provisions for them (EUR 2.3 million) also had a negative impact on the Group's profit.**

Vaisala Group 9 months/2002

Goodwill depreciation

- Goodwill depreciation due to acquisitions was EUR 3.8 (2.9) million.
- Goodwill is depreciated in 5 years.

Other depreciation

- EUR 5.3 million.

Balance sheet

- Solvency ratio excellent 83%.
- Cash EUR 35.4 million.

Capital expenditure

- Gross investment in non-current assets during the review period was EUR 23.2 (8.9) million.
- Capital expenditure include the acquisition of 100% of the stock of the Global Atmospheric Inc. of US and investments in IT systems and operating premises.
- Construction of a new cleanroom and extension of the company's premises in Vantaa, Finland, have started. The investment will amount to some EUR 8 million.
- A site was purchased in Boulder Colorado where new premises are being built. The construction is scheduled for completion in January 2003. The investment amounts to approximately EUR 5.5 million

Income statement

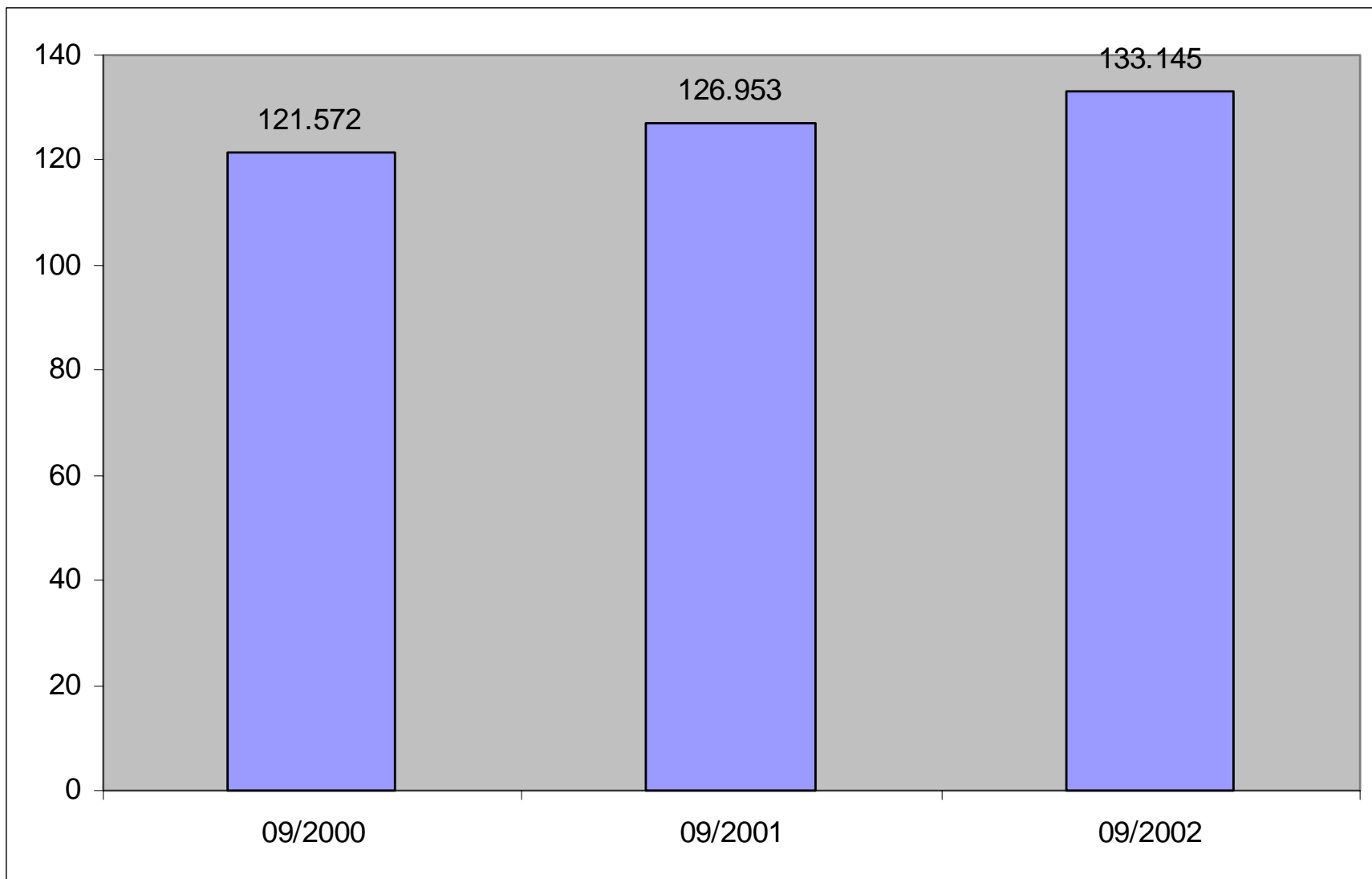
Groups income statement	1-9/2002	1-9/2001	1-12/2001
(EUR 1000)			
Net Sales	133 145	126 953	183 529
Costs	118 262	105 905	150 180
Goodwill depreciation	3 810	2 944	3 759
Other operating income (net)	1 119	97	158
Operating profit	12 192	18 201	29 747
Financial income and expenses	-482	614	895
Profit before extraordinary items	11 711	18 815	30 643
% of net sales	8.8 %	14.8%	16.7%
Profit before provisions and taxes	11 711	18 815	30 643
Taxes	5 570	6 150	9 921
Minority interest	-	-145	-168
Net profit	6141	12 810	20 890

Taxes for the review period have been calculated on the taxable income of the period.

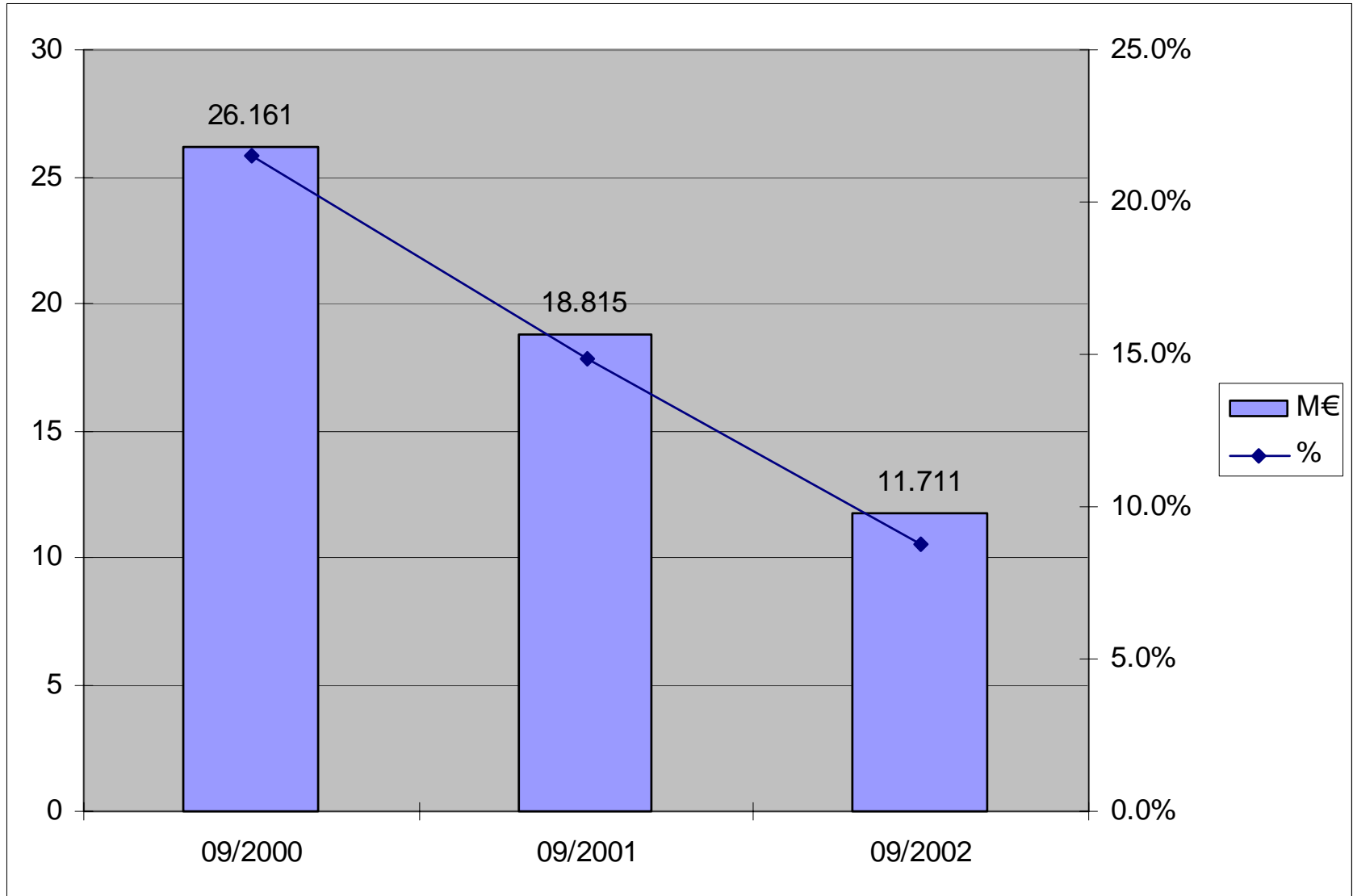
Balance sheet

Balance sheet (EUR 1000)	9/2002	9/2001	12/2001
Fixed assets	60 840	46 858	47 147
Current assets			
-Inventories	27 204	24 249	21 382
-Financial assets	79 494	83 926	102 353
Shareholder's equity	132 421	129 221	137 850
Minority interest	-	187	170
Obligatory reserves	1 624	2 646	1 779
Liabilities			
-Non-current liabilities	2 344	2 687	2 067
-Current liabilities	31 149	20 292	29 016
<i>Total</i>	<i>167 538</i>	<i>155 033</i>	<i>170 882</i>

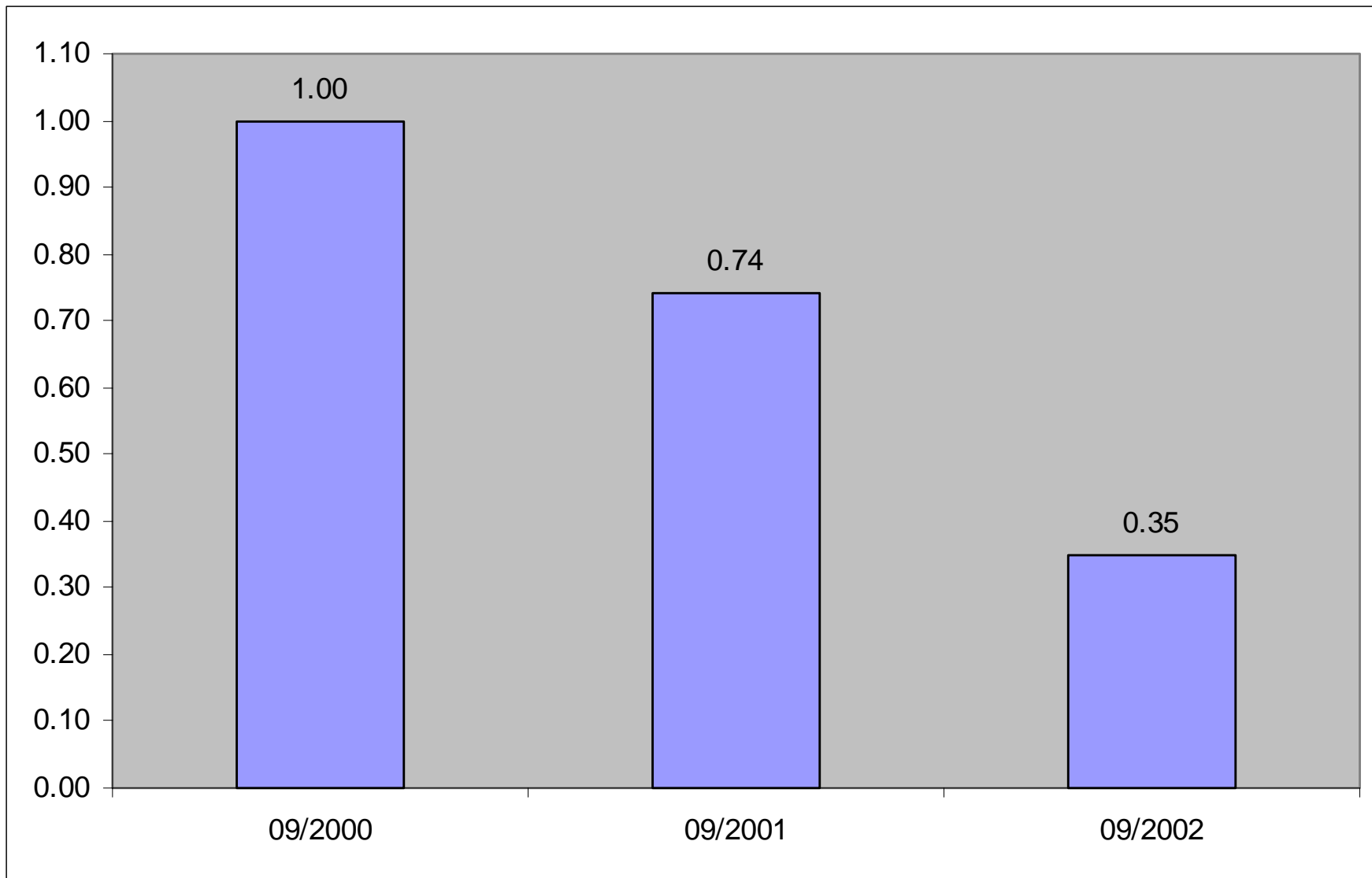
Net sales MEUR



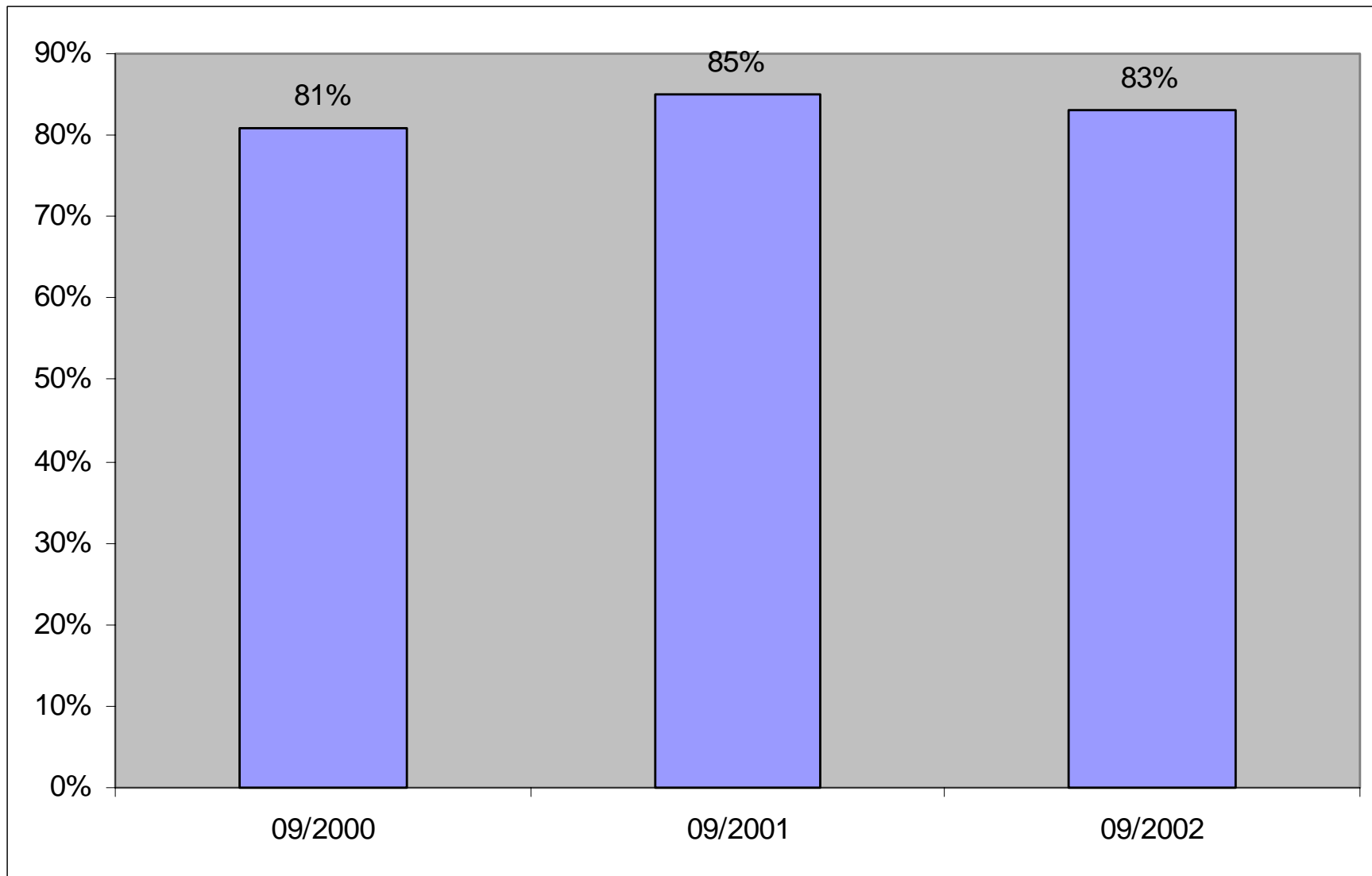
Profit before extraordinary items, provisions and taxes



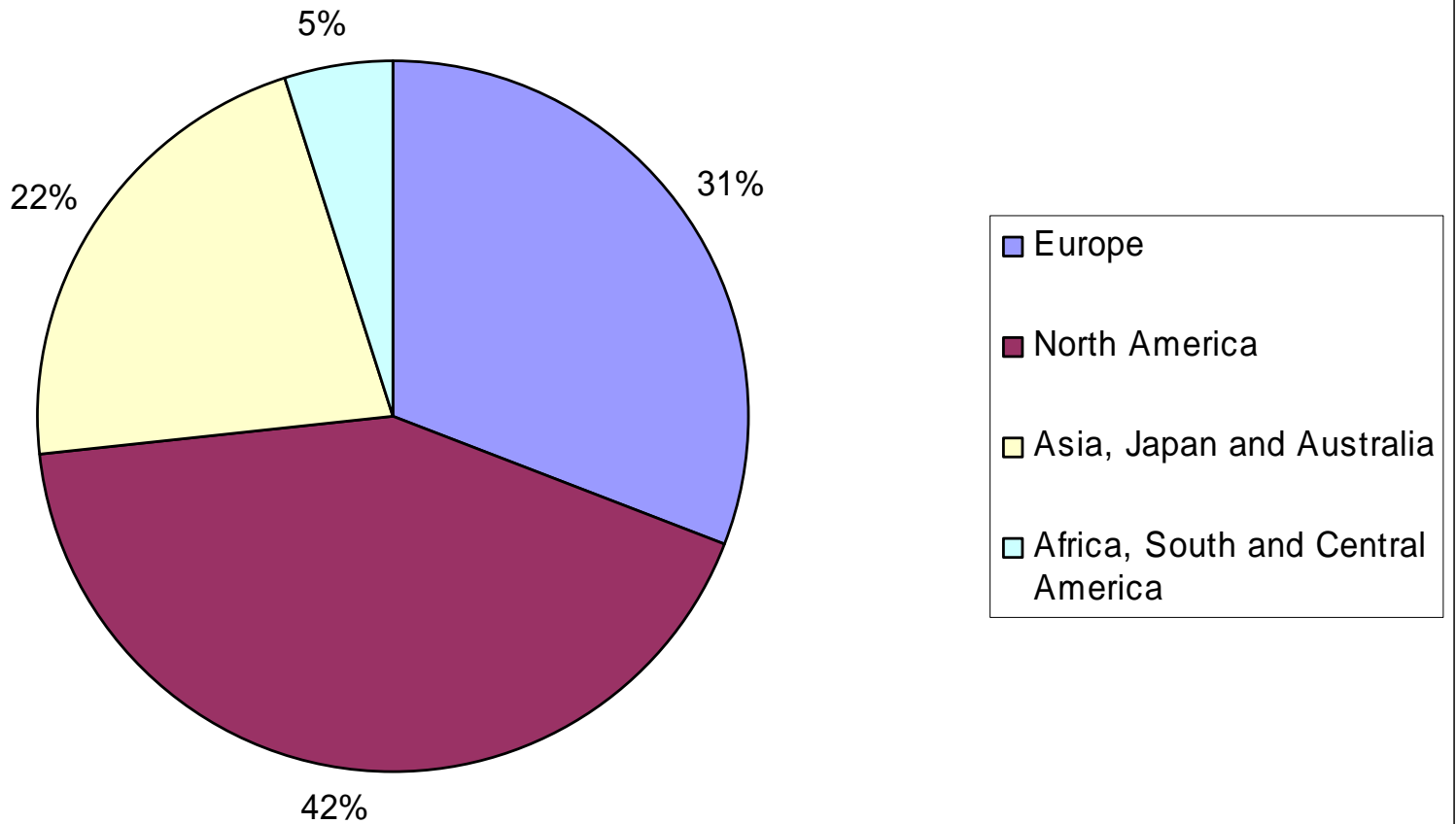
EPS, EUR



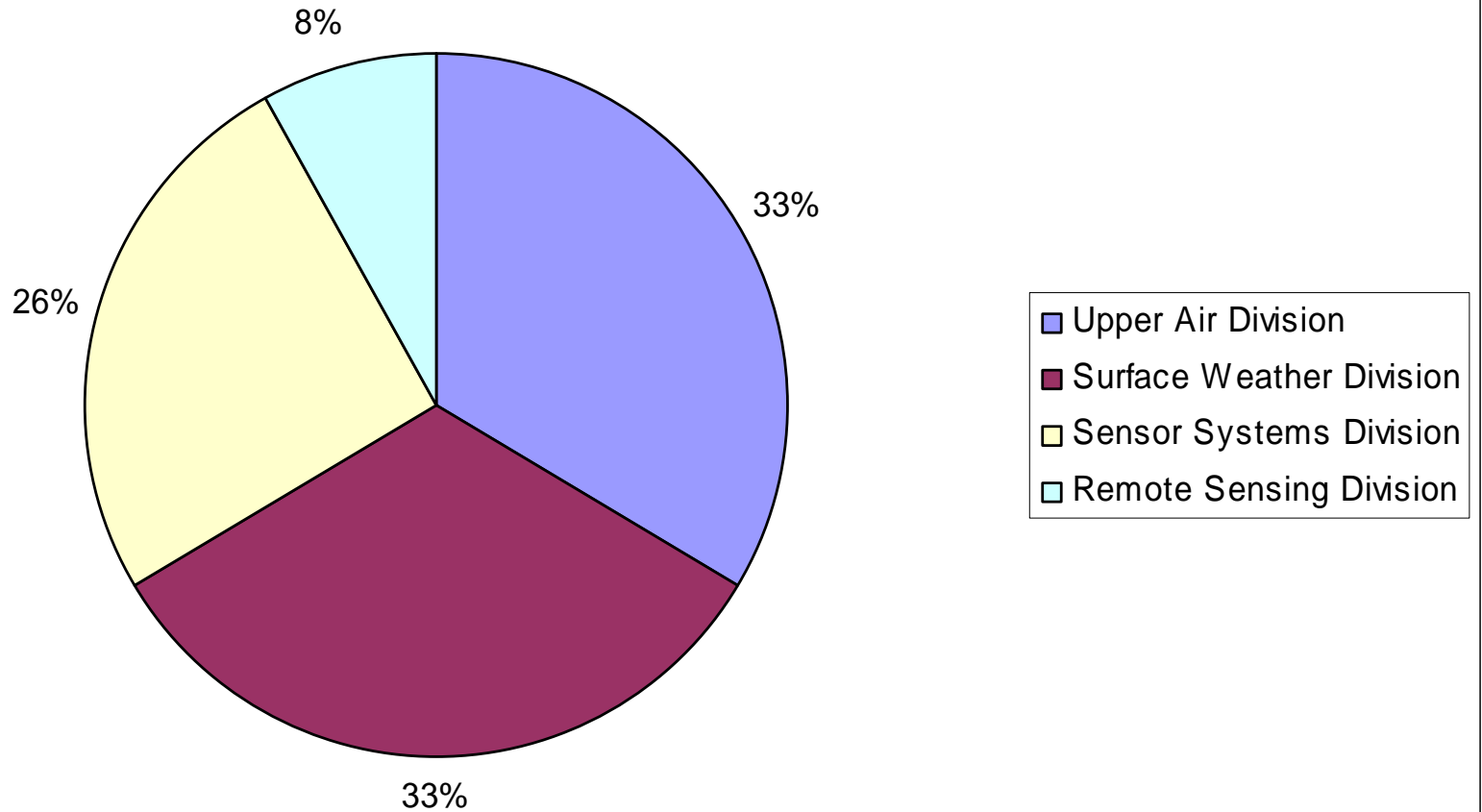
Solvency ratio



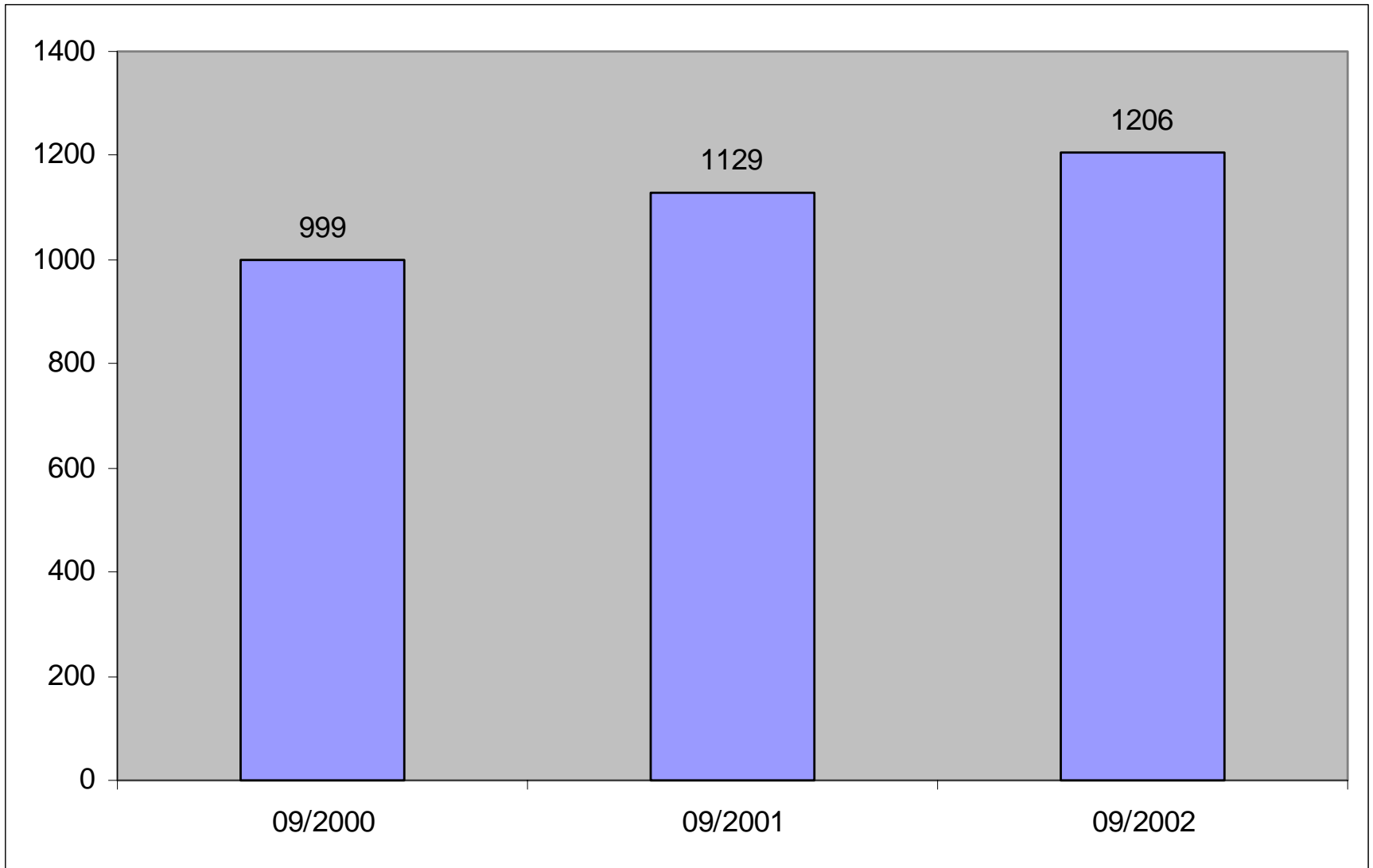
Net sales by market



Net sales by division



Personnel at the end of review period



Outlook

- **Uncertainty still prevails in global markets.**
- **The volume of orders received grew during the beginning of the year but started declining again in September.**
- **In these conditions, it is difficult to forecast the outlook next year.**
- **Net sales for the full year 2000 will exceed last year's level.**
- **Profitability will improve in the last quarter of the current year.**

