Financial Statements 2014

VAISALA

Observations for a Better World

Vaisala is a global leader in environmental and industrial measurement. Building on almost 80 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, the company employs over 1,600 professionals worldwide and is listed on the NASDAQ OMX Helsinki stock exchange.

www.vaisala.com

Contents

The papers used for the printed publication are Curious Matter 270g/m² and Galerie Art Volume 115g/m².

CEO's Review

Good Performance in 2014

After a slow start of the year, Vaisala performed well in 2014 despite challenging market conditions. Our order intake was strong throughout the year and order book at the end of the year achieved EUR 129.2 million. Net sales growth was very strong during the second half of the year reaching Vaisala's highest ever full year net sales of EUR 299.7 million. Vaisala net sales increased 10% from 2013 and the growth was equally good in both Weather and Controlled Environment business areas. In Vaisala's renewable energy effort, the integration of the acquired businesses, 3TIER and Second Wind did progress well but the sales performance did not yet meet our expectations. Controlled Environment Business Area's net sales growth was strongest in the Life Science customer group. The changes implemented in Controlled Environment Business Area's operating model a year ago have proven to bring expected results and the business is back on track for growth.

Vaisala's net sales in 2014 grew in all geographical areas and especially in APAC and EMEA. Our gross margin improved by almost two percent points to 51.1% as a result of volume growth and related scale economies. The operating result was EUR 26.4 million, increasing 46% which is quite an achievement taking into account higher investments in R&D in both business areas as well as in the sales force in Controlled Environment Business Area.

Steady Progress in Strategy Implementation

In 2014, we continued the investments in strategic growth areas in both business areas. R&D spending was increased by EUR 5 million to 11.3% of net sales to support the growth initiatives, to renew the portfolio and to improve competitiveness. Observation Network Manager, which enables customers to easily monitor their weather observation network, and a new version of Vaisala´s decision support system for road maintenance are notable examples of successful software development in Vaisala. In addition, an innovative carbon dioxide probe for incubators, a new high-end HVAC wall transmitter, and a new digital humidity module for OEM applications are excellent development results built on Vaisala's superb proprietary technology. In weather radars, we launched a new antenna mounted receiver which enables our customers to upgrade existing single polarization weather radar to dual polarization by adding one compact unit.

Weather Business Area continued to build new business around information services, further extending the offering to renewable energy, aviation, and roads customers. As a result of business development together with customers we signed first contracts for aircraft deicing optimization with three airlines in Europe and the USA. The most important achievement in building the foundation for our renewable energy business unit was the integration and alignment of three organizations: Vaisala, Second Wind and 3TIER. Also building our new offering for renewable energy customers, gaining industry acceptance of the existing product portfolio and gaining general industry recognition progressed well in 2014.

Controlled Environment Business Area continued to accelerate growth in the industrial businesses; targeted industrial applications and life science, by enhancing the offering and developing the sales channel. We invested in regional expansion by contracting new distributors in over 10 countries with high industrial potential.

The steady progress in strategy implementation was also reflected in our financial performance. We achieved 10% net sales growth, the average annual target being 5%. It's noteworthy that this growth came from all regions and from most customer groups. The EBIT was 9% of net sales, the target being 15% towards the end of period 2014–2018.

Thank You

I want to thank all Vaisala employees for the excellent result which was achieved by strong and competent teams, excellent co-operation and driving continuous renewal.

Awarded Sustainability Work

We have systematically developed our sustainability performance and reporting, and therefore I am very pleased that in 2014 Vaisala was awarded a position on CDP's (formerly the Carbon Disclosure Project) prestigious A list of the Global Climate Performance Leadership Index and on the Nordic Climate Disclosure Leadership Index. The performance score assesses the level of action on climate change mitigation, adaptation and transparency. Vaisala was assessed under Information Technology sector, which is widely understood to be one of the fundamental driving forces of change in the business and consumer societies. Delivering innovation to meet product efficiency regulations is another well-reported opportunity which we are demonstrating through our technology, solution and product offering.

Vaisala will contribute humidity, temperature, and carbon dioxide measurement instruments to the new children's hospital to be constructed in Helsinki, Finland in 2017. The estimated value of this equipment is 225,000 euros and it will be integrated into the hospital's building automation solution.

Market Outlook

The market conditions that Vaisala faces in different markets vary significantly. Competition in the weather observation market is expected to continue intensifying. The market for industrial measurement and life science solutions is expected to remain favorable in the Americas while other markets will remain flat. The Russian economy is expected to continue weakening. The Chinese market is expected to be somewhat slow during 2015.

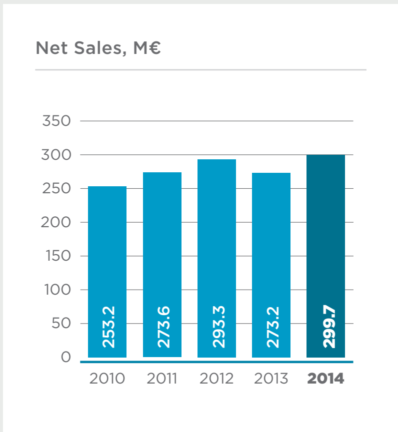
Restructuring for Growth

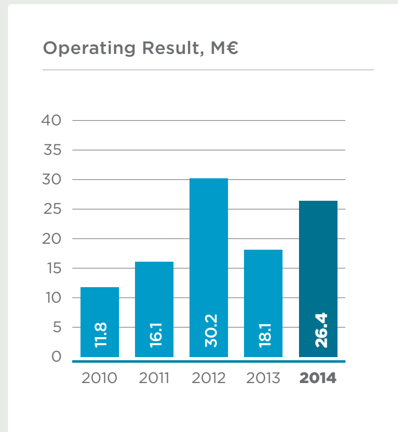
On January 27, 2015, we announced our plans to restructure Vaisala's business in order to strengthen the capability to implement our strategy and to increase agility. An integral part of our strategy is to drive efficiency through simplification both in the way we operate and develop our organization. By the planned consolidation of Weather Business Area into three business units and by making services an integral part of our Weather Business Area we can increase both our efficiency and customer focus. Controlled Environment Business Area is planned to be organized around three regions with full business responsibility. The aim is to increase customer focus and agility in this fast moving business. This will be further enhanced by accelerated portfolio renewal. The planned restructuring is a vital part of our strategy implementation, aiming to reach our long-term financial targets.

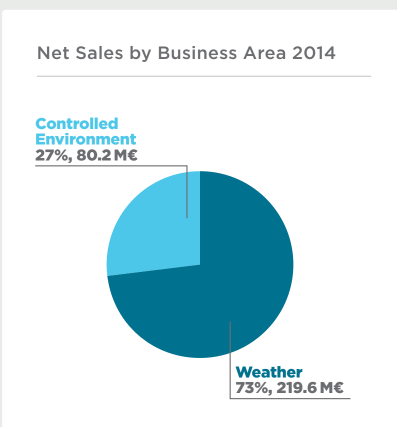
Business Outlook

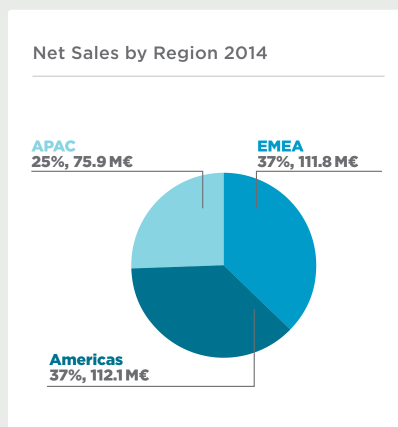
We estimate our full year 2015 net sales to be in the range of EUR 285–315 million and the operating profit (EBIT) in the range of EUR 20–30 million.

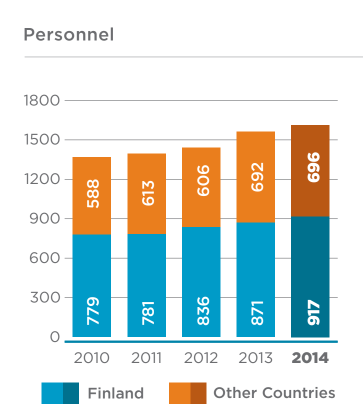
Key Figures











For financial ratios and five year development, see pages 18–21.

Board of Directors' Report 2014

Market situation in 2014

Macroeconomic conditions started to improve in the second half of 2013, and this was gradually reflected in weather observation, industrial measurement and life science solution markets during 2014. Both Vaisala's business areas increased their net sales in all geographic areas during 2014.

In EMEA weather observation market conditions were solid, especially European market performed well. Economic weakness and currency depreciation in Russia as well as conflicts in the Middle East had an unfavorable impact on weather observation market activity in these regions. Demand for industrial measurement and life science solutions improved towards the end of the year.

In Americas weather observation market was still suffering from repercussions of USA government budget sequestration measures during the first half of 2014. However, market activity improved significantly during the second half of the year. Also industrial measurement and life science solutions market started to pick up in the end of first half of the year and business environment of second half was favorable.

In APAC weather observation market remained active, although signs of cooling off were registered in China in the second half of 2014. Demand for industrial measurement and life science solutions improved towards the end of the year.

January-December 2014 performance

Orders received

EUR million	2014	2013	Change, %
Weather	215.2	208.3	3
Controlled Environment	79.8	74.6	7
Total	**295.0**	**282.9**	**4**

Order book

EUR million	2014	2013	Change, %
Weather	123.7	116.2	7
Controlled Environment	5.5	5.8	-5
Total	**129.2**	**122.0**	**6**

In January-December 2014, orders received were EUR 295.0 (282.9) million and increased by 4% compared to the previous year. The growth came mainly from APAC and Europe. Weather Business Area's orders received were EUR 215.2 (208.3) million and increased by 3%. The growth came from all other customer groups except Meteorology. Controlled Environment Business Area's orders received were EUR 79.8 (74.6) million and increased by 7%. Orders received increased in both customer groups.

The order book was EUR 129.2 (122.0) million at the end of December and increased by 6% compared to end of December 2013. Of the order book EUR 55.1 (39.4) million will be delivered in 2016 or later. The order book includes also a positive correction of EUR 11.9 million to opening order books of 3TIER Inc. and Second Wind Systems Inc., which were acquired during the second half of 2013.

Net sales by business area

EUR million	2014	2013	Change, %
Weather	219.6	200.0	10
Controlled Environment	80.2	73.2	9
Total	**299.7**	**273.2**	**10**

Net sales by geographical area

EUR million	2014	2013	Change, %
EMEA	111.8	98.6	13
Americas	112.1	107.8	4
APAC	75.9	66.9	14
Total	**299.7**	**273.2**	**10**

In January-December 2014, Vaisala's net sales were EUR 299.7 (273.2) million and increased by 10% compared to the previous year. Weather Business Area's net sales were EUR 219.6 (200.0) million and increased by 10%. The growth came from all customer groups except Airports. Weather Business Area improved its net sales in project and services businesses and in all geographical areas. Controlled Environment Business Area's net sales were EUR 80.2 (73.2) million and increased by 9%. The growth came from both customer groups and from all geographical areas.

In January-December 2014, net sales in EMEA were EUR 111.8 (98.6) million and increased by

13% compared to the previous year, in the Americas EUR 112.1 (107.8) million and increased by 4% and in APAC EUR 75.9 (66.9) million and increased by 14%.

At comparable exchange rates the net sales would have been EUR 300.7 (273.2) million and increase would have been EUR 27.5 million or 10% from previous year. The negative exchange rate effect was EUR 1.0 million, which was mainly caused by JPY and AUD exchange rate fluctuations.

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

Gross margin was 51.1% (49.2%). The increase was mainly due to decreased unit costs, which is a result of increased net sales and related scale economies as well as further optimized supply chain.

Operating result

EUR million	2014	2013	Change, %
Weather	17.0	14.5	17
Controlled Environment	12.1	4.0	201
Eliminations and other	-2.8	-0.4	-576
Total	**26.4**	**18.1**	**46**

In January-December 2014, operating result was EUR 26.4 (18.1) million. The increase was mainly due to increased net sales and better gross margins in both business areas, whereas operating result for 2013 decreased due to the impairment charge of EUR 4.3 million recognized in Controlled Environment Business Area. The impairment charge was related to goodwill and intangible assets originating from the acquisition of Veriteq Instruments Inc. in 2010. Operating expenses were EUR 127.2 (113.6) million and increased by 12% compared to the previous year. The increase was mainly due to consolidation of operating expenditures of 3TIER Inc. and Second Wind Systems Inc., which were acquired during the second half of 2013 as well as investments in R&D related to new offering development and renewing instrument portfolio.

Financial income and expenses were EUR 2.6 (-1.0) million for the period of January-December 2014. The increase is mainly due to foreign exchange gains related to valuation of USD denominated receivables.

Profit before taxes was EUR 29.1 (17.2) million for the period of January-December 2014. Income taxes were EUR 5.7 (6.2) million. Effective tax rate of 19.5% (36.4%) is lower than in previous year because income tax rate in Finland changed from 24.5% to 20% and reassessment of deferred tax assets. Effective tax rate of 2013 was also high mainly due to non-tax deductibility of the impairment charge of EUR 4.3 million recognized in Controlled Environment Business Area. Net result was EUR 23.4 (10.9) million.

Earnings per share for January-December 2014 were EUR 1.30 (0.60).

Statement of financial position and cash flow

Vaisala's financial position remained strong at the end of the December 2014. Cash and cash equivalents amounted to EUR 47.6 (45.8) million at the end of December 2014 and Vaisala did not have any material interest bearing liabilities.

The statement of financial position total was EUR 244.6 (225.6) million. The solvency ratio at the end of the December 2014 was 71% (72%).

In January-December 2014, Vaisala's cash flow from operating activities was EUR 23.8 (28.2) million. The decrease was mainly due to cash tied in working capital, as high net sales at the end of 2014 increased accounts receivable and component purchases for long life cycle products increased the inventory.

Capital expenditure

Gross capital expenditure totaled EUR 7.9 (7.1) million for January-December 2014. Depreciation was EUR 15.2 (14.8) million.

Weather Business Area

EUR million	2014	2013	Change, %
Orders received	215.2	208.3	3
Order book	123.7	116.2	7
Net sales, total	219.6	200.0	10
Products	92.1	97.3	-5
Projects	83.8	70.0	20
Services	43.7	32.7	34
Operating result	17.0	14.5	17

In January-December 2014, Weather Business Area's orders received were EUR 215.2 (208.3) million and increased by 3% compared to the previous year. Orders increased in all other customer groups except in Meteorology. The order book was EUR 123.7 (116.2) million at the end of December and increased by 7% compared to end of December 2013. Of the order book EUR 53.7 (39.1) million will be delivered in 2016 or later.

In January-December 2014, Weather Business Area's net sales were EUR 219.6 (200.0) million and increased by 10% compared to the previous year. The growth came from all customer groups except Airports. The highest growth came from New Weather Markets customer group. Weather Business Area improved its net sales in project and services businesses and in all geographical areas. At comparable exchange rates the net sales would have been EUR 219.4 (200.0) million and increase would have been EUR 19.4 million or 10% from previous year. The positive exchange rate effect was EUR 0.2 million, which was mainly caused by USD and GBP exchange rate fluctuations.

In January-December 2014, Weather Business Area's operating result was EUR 17.0 (14.5) million and increased by 17% compared to the previous year. The increase was due to improved net sales and gross margins. Operating expenses increased compared to the previous year mainly due to consolidation of operating expenditures of 3TIER Inc. and Second Wind Systems Inc., which were acquired during the second half of 2013 as well as investments in R&D related to new offering development and renewing instrument portfolio.

Controlled Environment Business Area

EUR million	2014	2013	Change, %
Orders received	79.8	74.6	7
Order book	5.5	5.8	-5
Net sales, total	80.2	73.2	9
Products	70.7	64.2	10
Services	9.4	9.0	5
Operating result	12.1	4.0	201

In January-December 2014, Controlled Environment Business Area's orders received were EUR 79.8 (74.6) million and increased by 7% compared to the previous year. Orders received increased in both customer groups. At the end of December 2014 the order book was EUR 5.5 (5.8) million and decreased by 5% compared to the previous year. Of the order book EUR 1.4 (0.3) million will be delivered in 2016 or later.

In January-December 2014, Controlled Environment Business Area's net sales were EUR 80.2 (73.2) million and increased by 9% compared to the previous year. Net sales increased in both customer groups, mainly in Life Science. Net sales increased in all geographical areas. At comparable exchange rates the net sales would have been EUR 81.4 (73.2) million and increase would have been EUR 8.2 million or 11% from previous year. The negative exchange rate effect was EUR 1.2 million, which was mainly caused by JPY exchange rate fluctuations.

In January-December 2014, Controlled Environment Business Area's operating result was EUR 12.1 (4.0) million and increased by 201% compared to the previous year. The increase was mainly due to improved net sales and gross margins, whereas operating result for 2013 decreased due to the impairment charge of EUR 4.3 million. The impairment charge was related to goodwill and intangible assets originating from the acquisition of Veriteq Instruments Inc. in 2010. Operating expenses increased compared to the previous year mainly due to higher sales and marketing expenses as well as investments in R&D related to new offering development.

Research and development

In January-December 2014, research and development (R&D) expenses amounted to EUR 34.0 (28.9) million, representing 11.3% (10.6%) of net sales. The increase was mainly due to R&D expenses of the acquired companies, as well as investments in new offering development and renewing instrument portfolio.

EUR million	2014	2013	Change, %
Weather	25.7	22.4	15
Controlled Environment	8.2	6.5	27
Total	**34.0**	**28.9**	**18**

Weather Business Area R&D expenses were 11.7% (11.2%) of net sales. Controlled Environment Business Area R&D expenses were 10.3% (8.9%) of net sales.

Key releases

Vaisala made several product and software releases in 2014 and the most important ones are listed below. More details concerning the new products and software can be found at *www.vaisala.com.*

Weather business continued the 4th generation soundings release program by launching ozone sounding capability for RS41 radiosonde and a new model RS41-SGP, which includes pressure sensor for direct atmospheric pressure measurement. In Weather radars the new antenna mounted receiver AMR enables customers to upgrade existing single polarization weather radar to dual polarization by installing one compact unit. Vaisala launched also IRIS Vision, a new, easy to use web display for weather radars. Other key software launches for Weather business were Avicast, a decision support system for airports, Observation Network Manager NM10, which enables customers to easily monitor their weather observation network and a new version of RoadDSS, a decision support system for road maintenance. RoadDSS was followed by first RWS200 launch. RWS200 is a new flexible weather station for Vaisala road maintenance customers.

Controlled Environment business area launched a heat sterilization durable instrument, the GMP231, with CARBOCAP® technology for measuring chamber and incubator carbon dioxide levels. GMP231 can resist temperatures as high as 180 degrees of Celsius making it optimal for environments where heat sterilization is needed. Also, HMM105 – a HUMICAP® powered digital humidity module for OEM applications – was launched for the same application and can be integrated to environmental chambers and incubators for measuring the humidity for example in microbiological environments. For building automation market Vaisala launched the Vaisala HUMICAP® HMDW110 Series Humidity and Temperature Transmitters. The HMDW110 series transmitters feature high measurement accuracy and are intended for demanding heating, ventilation and air conditioning systems and life sciences cleanroom applications. For hand-held instrument market Vaisala launched HM42/46 models for popular HM40 hand-held humidity and temperature meter.

Active Involvement in the Scientific Community

Vaisala has been an active member in the society and very committed to the scientific community and the universities throughout its 78 years history.

Vaisala collaborates in several projects with leading research institutes in the field, such as the National Oceanic and Atmospheric Administration (NOAA), Colorado State University, University of Massachusetts, and the US National Center for Atmospheric Research (NCAR) in the United States. In Finland, Vaisala collaborates with VTT Technical Research Centre of Finland, University of Helsinki and Aalto University. In Asia Vaisala is working in many projects together with Shanghai Meteorological Service and the Nanjing University for Information Science and Technology (NUIST). In addition, Vaisala gives research grants to universities, students and researchers in the USA, Finland and China.

Vaisala collaborates closely with a number of national meteorological offices around the world and is an active participant in UN's World Meteorological Organization (WMO). Vaisala also collaborates with Finnish Meteorological Institute on several projects.

Vaisala funds two annually granted Professor Vilho Väisälä Awards. The award for the Outstanding Research Paper on Instruments and Methods of Observation was established in1985 and it is administered and granted by the World Meteorological Organization. This award has been granted already 24 times and in 2014 it was given to four specialists from the Netherlands. The award for the Development and Implementation of Instruments and Methods of Observation has been awarded four times but in 2014 it was not granted to anyone.

Vaisala supports The Millennium Technology Prize, which is Finland's tribute to innovations for a better life. The prize is awarded for groundbreaking technological innovations that enhance the quality of people's lives in a sustainable manner and for innovations which stimulate further cutting edge research and development in science and technology. Prof. Stuart Parkin received the 2014 Prize in recognition of his discoveries, which have enabled a thousand-fold increase in the storage capacity of magnetic disk drives.

Vaisala is CLEEN Oy's partner and member of the Board ofDirectors. CLEEN Oy is a cluster for energy and environment that maintains and develops a world-class open innovation platform for market-driven joint research between industry and academia. Vaisala also partners with Technology Academy Finland.

Vaisala participates in the Distinguished Professor Program (Finland) by supporting scientists at the Finnish Meteorological Institute and University of Helsinki.

Vaisala's representatives are also members of the Board of the Federation of Finnish Technology Industries and in its committees, such as the Environmental Committee.

In the United States, Vaisala is an active member of the Board of Trustees at the University Corporation for Atmospheric Research (UCAR), the Industrial Advisory Board of the Center for Adaptive Sensing of the Atmosphere, and the Dean's Advisory Board to the College of Engineering at Colorado State University and an advisory committee for the University of Arizona's Atmospheric Sciences Department. Vaisala also is a member of the Board of CO-LABS in the state of Colorado, USA and on the Environmental Information Services Working Group of the NOAA Science Advisory Board, as well as on the Executive Committee of the Weather Coalition in the US. In addition Vaisala serves on the Science Steering Committee of the Weather and Climate Enterprise Commission of the American Meteorological Society. Vaisala is a member of the American Meteorological Society's Scientific and Technological Activities Commission's Committee on Atmospheric Electricity.

Vaisala was a member of the Science Program Committee of the upcoming World Weather Open Science Conference which was held in Montreal, Canada in August 2014, an event organized by the World Meteorological Organization, Environment Canada, the International Council for Scientific Unions, and the National Research Council of Canada.

Vaisala is also a participant in the International Electrotechnical Commission's Committee on Lightning Protection, which includes Lightning Location Systems and Lightning Warning Systems.

Personnel

Vaisala's competence development is steered by business strategies. Vaisala continued to invest in digitalization capabilities and competencies to further improve customer experience especially in Vaisala's online services and customer communication activities. Customer and application knowledge has increasing importance for Vaisala strategy implementation. To support the capability to argument customer value of solutions we continued to execute Vaisala tailored Value-selling training sessions. Renewable energy industry competence has been mainly developed through acquisitions and recruitments.

Vaisala's approach to competence development combines internal and external learning programs, co-operation with universities and researchers, job-rotation, international assignments, mentoring and coaching processes. In 2014 Vaisala launched a comprehensive e-learning platform to complement other learning initiatives. Vaisala online eLearning environment hosts currently over 40 interactive modules.

LEAD program for managers and Expert Lead program for key experts focused on further developing Vaisala's leadership and collaboration culture and competences. The ninth global Vaisala Business Learning Program started in fall 2014 extending leadership skills especially in strategy, customer focus and financial performance. Quality Lead training was launched for all Vaisala managers in May 2014. Cross-functional Reliable Customer Experience workshops in all Vaisala offices enhanced customer focused mindset and process thinking.

Aligned with 'Well-being at work' theme all Finland based managers participated in an interactive training session. Occupational Health and Safety Awareness training was renewed during the year 2014.

Global values dialogue process started after the strategy renewal was finalized in May 2014. All Vaisala employees were invited to discuss Vaisala's values in online and team sessions. Vaisala's values are Customer Focus, Innovation and Renewal, Strong Together, and Integrity.

On December 31, 2014, the number of Group employees was 1,613 (December 31, 2013: 1,563). The average number of personnel employed in Vaisala in January-December 2014 was 1,617 (1,485). The number of employees increased due to strengthening the company's research and development as well as sales activities.

On December 31, 2014, 64% (66%) of employees were located EMEA, 27% (25%) in the Americas and 9% (9%) in APAC. 43% (41%) of employees were based outside Finland. At the end of the year 22% (19%) of employees were employed in the company's research and development activities.

	December 31, 2014	December 31, 2013	Change, %
Finland	917	893	3
EMEA (excluding Finland)	123	120	3
Americas	438	428	2
APAC	135	122	11
Total	**1,613**	**1,563**	**3**

Share-based incentive plans

On May 3, 2012 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2012 and it will be paid partly in the Company's series A shares and partly in cash in spring 2015. 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. Maximum amount corresponding to 142,200 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2014 EUR 0.7 million and in 2013 EUR 0.6 million was expensed for the share-based incentive plan (EUR 0.4 million in 2012).

On February 6, 2013 the Board of Directors resolved for the Group key employees a share-based incentive plan 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. Maximum amount corresponding to 150,000 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2013 no expense was recognized as the criteria was not met.

On February 10, 2014 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2014 and it will be paid partly in the Company's series A shares and partly in cash in spring 2017. 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. Maximum amount corresponding to 147,000 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2014 EUR 0.2 million was expensed for the share-based incentive plan.

The total personnel expenses in 2014 were EUR 116.3 (104.7) million.

Sustainable development

Vaisala is in a unique position to promote sustainable development through the technologies it offers to its customers. Through its weather solutions, Vaisala safeguards lives and property and reduces environmental impacts. Industrial instruments bring efficiencies and reduce energy and material consumption in customer operations.

Vaisala pays special attention to the objectives of UN Global Compact in the areas of human and labor rights, the environment, and anti-corruption. For Vaisala sustainability is more than just reducing our own impacts. It is about giving our customers tools to succeed in their sustainability actions. On a grander scale Vaisala provides means for assessing the state of the environment and climate. Based on this strategic approach Vaisala was awarded a position on CDP's (formerly the Carbon Disclosure Project) prestigious A list of the Global Climate Performance Leadership Index (Global CPLI) and on the Nordic Climate Disclosure Leadership Index (CDLI). The performance score assesses the level of action on climate change mitigation, adaptation and transparency. Vaisala was assessed under Information technology sector, which is widely understood to be one of the fundamental driving forces of change in the business and consumer societies. Delivering innovation to meet product efficiency regulations is another well-reported opportunity which Vaisala is demonstrating through its technology, solution and product offering.

Further information about Vaisala's sustainability is available on the company website at *www.vaisala.com/sustainability*.

Board of Directors

The Annual General Meeting held on March 26, 2014 confirmed that the number of Board members is seven. Mikko Niinivaara and Raimo Voipio were re-elected and Petra Lundström and Pertti Torstila were elected as new members of the Board of Directors.

Members of the Board of Directors on December 31, 2014

- Raimo Voipio, Chairman
- Yrjö Neuvo, Vice Chairman
- Petra Lundström
- Mikko Niinivaara
- Maija Torkko
- Pertti Torstila
- Mikko Voipio

Changes in group structure

Vaisala's headquarters are located in Vantaa, Finland. On December 31, 2014, the company has subsidiaries in Australia, Brazil, Canada, China, Germany, France, India, Japan, Malaysia, United Kingdom and United States. Further, the company has permanent establishments in Sweden and Kuwait, and regional offices in India, South Korea and the United Arab Emirates. The subsidiary in Panama was liquidated during 2014. Subsidiary in United Kingdom 3TIER (Europe) Limited was merged to Vaisala Limited and subsidiaries in United States 3TIER Inc. and Second Wind Systems Inc. were merged to Vaisala Inc.

Vaisala 2014–2018 strategy and long-term financial targets

Vaisala's Board of Directors confirmed the 2014–2018 strategy in May 12, 2014. Vaisala's goal of profitable growth will be achieved through the implementation of the strategic themes: creation of customer value, reliability, and simplification.

In Weather Business Area additional customer value will be created by building new business around decision support services that are offered to renewable energy, aviation and roads customers. Controlled Environment Business Area will focus on enhancing offering and developing the sales channel for life science and industrial customers in order to create value for customers' operations.

Reliability will create customer satisfaction and loyalty. High quality of products and services, well-functioning customer service and on-time actions will deliver reliable customer experience.

Simplification will create operational efficiency. Optimized global networks, streamlined supply chains, common capabilities and continual improvement in all functions will ensure increased efficiency of Vaisala's operations.

Vaisala's long-term financial targets

Growth: Vaisala targets an average annual growth of 5%. In selected growth businesses such as renewable energy and life science the target is to exceed 10% annual growth.

Profitability: Vaisala's objective is profitable growth and the target is to achieve 15% operating profit (EBIT) margin towards the end of the period.

Vaisala does not consider the long-term financial targets as market guidance for any given year.

Implementation of the strategy in 2014

Growth is driven through Creation of Customer Value

In 2014, Vaisala continued the investments in strategic growth areas in Weather and Controlled Environment Business Areas according to the strategy. Vaisala also increased the R&D spending by EUR 5 million to 11.3% of net sales to support the growth initiatives, to renew the portfolio and to improve competitiveness.

Weather Business Area continued to build new business around information services to be offered to renewable energy, aviation, and roads customers.

In 2013, Vaisala acquired two companies, 3TIER Inc. and Second Wind Systems Inc., to take a leap forward in Weather Business Area's renewable energy strategy. Year 2014 focused on building a solid basis for the renewable energy business by redefining unit's strategy and most importantly the integration and alignment between the three organizations. Building new offering and gaining industry acceptance of the existing product portfolio progressed well as Vaisala continued to gain industry recognition. Vaisala had a good progress in strengthening its presence in focused countries, however, the sales performance did not yet meet the set expectations.

Other initiatives for the information service strategy implementation progressed well and Vaisala signed first contracts for aircraft deicing optimization with three airlines in Europe and USA.

In 2014, Vaisala launched several new advanced products and software for the weather markets to enhance growth as well as to replace existing products. The main launches were a completely renewed road weather station, RWS200, combined with sophisticated decision support software. Another key launch was a new antenna-mounted receiver for weather radars that allows customers to upgrade, rather than completely replace, their existing single-polarization weather radars into modern dual-polarization radars.

Controlled Environment Business Area continued to accelerate growth in the industrial businesses; targeted industrial applications and life science by enhancing the offering and developing the sales channel. Controlled Environment Business Area invested in regional expansion by contracting new distributors in over 10 countries with high industrial potential. Vaisala's instruments are now available to current and new customers through the company's own sales channels, local distributors as well as the online store which is currently available in close to 100 countries around the world.

Vaisala built industrial business also by driving growth in life science monitoring systems. Industrial instruments were provided to wide variety of industries and new products were introduced e.g. for the building automation industry amending the portfolio with new generation products incorporating the new generation Vaisala CARBOCAP® carbon dioxide sensing technology.

Reliability and Simplification drive improved customer satisfaction and efficiency

In 2014, Vaisala continued its efforts to improve the quality and delivery capabilities of products and services to fulfill the high customer expectations. The main actions included development of the quality of product design, manufacturing and service deliveries. Special attention was paid to corrective and preventive actions to improve quality of subcontractor deliveries.

Vaisala continued its efforts also in on-time delivery accuracy and reduction of lead times throughout a variety of products, projects and services. Good progress was achieved by utilizing lean practices to improve the end-to-end material flow and throughput time of deliveries. Delivery times are especially important for Vaisala's many industrial customers.

Vaisala also continued its actions to improve and optimize ERP system, core processes, global supply and delivery networks.

Risk Management

The objective of Vaisala's risk management is to identify and manage material risks related to strategy implementation and business operations. Vaisala has a risk management policy which has been approved by the Board of Directors, and which covers the Company's business, operational, hazard, and financial risks. The policy aims at ensuring the safety of the Company's personnel, operations and products, as well as the continuity and compliance of business operations.

The Board of Directors defines and approves risk management principles and policies, and assesses the effectiveness of risk management. The Audit Committee reviews compliance with risk management policy and processes.

Vaisala's Risk Management Steering Group comprises key internal stakeholders. The Steering Group is responsible for the operational oversight of the risk management process and assuring that all significant risks are identified and reported, and risks are acted upon on all necessary organizational levels and geographical locations.

Risk management is integrated into key business processes and operations. This is accomplished by incorporating applicable risk identification, assessment, management and risk reporting actions into the core processes. The most significant risks are reported to the Vaisala Management Group and the Audit Committee annually.

Significant risks and uncertainties

Vaisala's business is exposed to changes in the global economy, politics, conflicts, policies, regulations, Vaisala's supply chain and distribution channels, and accidents as well as natural disasters and epidemics, which may affect business e.g. through order cancellations, disturbance in logistics, travel restrictions, and loss of market potential. Vaisala's capability to successfully complete investments, acquisitions, divestments and restructurings on a timely basis and to achieve related financial and operational targets represent a risk which may impact revenue and profitability.

The most significant near-term risks and uncertainties that may affect both revenue and profitability relate to the company's ability to maintain its delivery capability, availability of critical components, interruptions in manufacturing or IT systems, changes in the global economy, western sanctions against Russia, spreading of epidemics, continuing conflicts in the Middle East and Africa, currency exchange rates, customers' financing capability, changes in customers' purchasing or investment behavior, and delays or cancellations of orders. Changes in the competition may affect the volume and profitability of business through introduction of new competitors and price erosion in areas which traditionally have been strong for Vaisala. Changes in subcontractor relations, their operations or operating environment as well as the quality of the deliverables may have a negative impact on Vaisala's business.

A significant part of Vaisala's business is project business. Project business performance and schedules have dependencies to third parties, which may impact profitability and timing of revenue recognition. Assumptions regarding new project and service business opportunities constitute a risk for both revenue and profitability.

The importance of information services and decision support systems is increasing in Vaisala's weather business. These Internet-based online services are potential subjects to a variety of cyber risks.

Interest rate risk

Interest rate risk arises from the effects of interest rate changes on interest-bearing receivables and liabilities in different currencies. Vaisala does not have significant interest-bearing liabilities or receivables and in addition to cash at hand therefore interest rate risk is immaterial. A change of one percent point in the interest rate would affect the company's result after taxes and equity by around EUR 0.2 (EUR 0.3) million.

Currency risk

Vaisala operates globally and is exposed to foreign exchange transaction and translation risks in many currencies. Transaction risk relates to currency flows from revenues and expenses and translation risk relates translation of statement of income and balance sheet or foreign subsidiaries into euros.

The sales takes place in various currencies. From the Group's sales 48% is in EUR, 36% in USD, 4% in JPY, 4% in GBP and 4% in CNY. The cost and purchases occur mostly in Euros and US dollars. The group policy is to hedge a position that in maximum consists of order book, purchase orders and net receivables with currency forwards. Vaisala does not apply hedge accounting in accordance with IFRS.

Group's internal loans and deposits are primarily initiated in the local currencies of the subsidiaries. Vaisala does not hedge internal loans, deposits or equities of the subsidiaries. Translation of subsidiaries' balance sheets into euros caused translation difference of EUR 3.4 (-3.4) million. The most significant translation risk exposures are in US dollars.

The foreign exchange sensitivity analysis in line with IFRS 7 has been calculated for the foreign currency nominated receivables, loans, cash and liabilities of group companies. The calculation does not include internal loans, order book or forecasted cash flows but it includes foreign exchange forwards. 10% strengthening of currencies against EUR would have had EUR -0.8 (-1.4) million impact on Vaisala's profit after taxes as well as equity. The following table presents the most significant foreign exchanges exposures against EUR.

EUR million	2014	2013
USD	-11.9	-14.6
CAD	0.7	-0.9
AUD	-0.7	-1.3
JPY	-0.9	-1.2

Refinancing and liquidity risks

Vaisala's cash at hand amounted to EUR 47.6 (45.8) million at the end of 2014. The parent company has also EUR 20 million uncommitted credit loan limit, which is currently unused. Additionally, the subsidiaries have EUR 1.6 million credit limit, which can be used either as guarantees or as loans. Currently, EUR 0.0 (0.0) million has been draw from this facility. Vaisala does not have any other material external interest bearing liabilities.

Financial credit risk

Vaisala cash at hand amounted to EUR 47.6 (45.8) million at the end of 2014, which exposes Vaisala to financial counterparty risk. Vaisala deposits its cash only to counterparties with good credit worthiness and which have been approved by the Board of Directors. Counterparty creditworthiness is evaluated constantly. The maturity of cash deposits is less than one month as of December 31, 2014.

Credit risk

Credit risks are hedged by using letters of credit, advance payments and bank guarantees as terms of payment. According to Group management, the company has no material credit risk concentrations, because no individual customer or customer group represents an excessive risk, resulting from global diversification of the company's customer pool. Total credit losses arising from trade receivables and recognized for the financial year amounted to EUR 0.1 million (-0.7). Bad debts are written off when official announcement of receivership, liquidation or bankruptcy is received confirming that the receivable will not be honored.

Decisions by Vaisala Corporation's Annual General Meeting

Annual General Meeting was held on Wednesday, March 26, 2014 at Vaisala's head office in Finland. The meeting approved the financial statements and discharged the members of the Board of Directors and the President and CEO from liability for the financial period January 1–December 31, 2013.

Dividend

The Annual General Meeting decided a dividend of EUR 0.90 per share, corresponding to the total of EUR 16,253,292.60. The record date for the dividend payment was March 31, 2014 and the payment date was April 7, 2014.

Remuneration of the members of the Board of Directors

The Annual General Meeting decided that the annual fee payable to the Board members for the term until the close of the Annual General Meeting in 2015 is: the Chairman of the Board of Directors EUR 45,000 and each Board member EUR 35,000. Approximately 40 percent of the annual remuneration will be paid in Vaisala Corporation's A shares acquired from the market and the rest in cash.

In addition, the Annual General Meeting decided that the compensation per attended meeting for the Chairman of the Audit Committee is EUR 1,500 and EUR 1,000 for each member of the Audit Committee for the term until the close of the Annual General Meeting in 2015. The compensation per attended meeting for the Chairman and each member of the Remuneration and HR Committee and any other committee established by the Board of Directors is EUR 1,000 for the term until the close of the Annual General Meeting in 2015.

Composition of the Board of Directors

The Annual General Meeting confirmed that the number of Board members is seven. Mikko Niinivaara and Raimo Voipio were re-elected for the term until the close of the Annual General Meeting in 2017. Petra Lundström and Pertti Torstila were elected as new members of the Board of Directors. Due to stipulations of the Articles of Association concerning the term of the members of the Board of Directors Petra Lundström was elected for the term until the close of the Annual General Meeting in 2015. Pertti Torstila was elected for the term until the close of the Annual General Meeting in 2017.

Auditor and their remuneration

The Annual General Meeting elected Deloitte & Touche Oy, Authorized Public Accountants, as auditor of the Company until the close of the Annual General Meeting in 2015. Deloitte & Touche Oy has informed that APA Merja Itäniemi will act as the auditor with the principal responsibility. The Auditor's fee is paid according to their reasonable invoice presented to the company.

Authorization for 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 160,000 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 Annual General Meeting in 2015, however, no longer than September 26, 2015.

Authorization to transfer Company's own shares

The Annual General Meeting authorized the Board of Directors to decide on the transfer of a maximum of 319,150 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 March 26, 2019.

Donations

The Annual General Meeting authorized the Board of Directors to decide on donations of maximum EUR 250,000. The authorization is valid until the close of the Annual General Meeting in 2015.

The organizing meeting of the Board of Directors

At its organizing meeting held after the Annual General Meeting, the Board elected Raimo Voipio to continue as the Chairman of the Board of Directors and Yrjö Neuvo to continue as the Vice Chairman.

The composition of the Board committees was decided to be as follows:

Audit Committee

Maija Torkko was elected as the Chairman and Petra Lundström and Mikko Niinivaara as members of the Audit Committee. The Chairman and all members of the Audit Committee are independent both of the Company and of significant shareholders.

Remuneration and Human Resources Committee

Raimo Voipio was elected as the Chairman and Yrjö Neuvo and Maija Torkko as members of the Remuneration and Human Resources Committee. Raimo Voipio is independent of the Company. Yrjö Neuvo and Maija Torkko are independent both of the Company and of significant shareholders.

Vaisala's shares

Vaisala's share capital totaled EUR 7,660,808 on December 31, 2014. On December 31, 2014, Vaisala had 18,218,364 shares, of which 3,389,351 are series K shares and 14,829,013 are series A shares. 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.

Authorizations

The Annual General Meeting 2014 authorized the Board of Directors to decide on the directed acquisition of a maximum of 160,000 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 Annual General Meeting in 2015, however, no longer than September 26, 2015. The Board of Directors did not use the authorization during 2014.

The Annual General Meeting authorized the Board of Directors to decide on the transfer of a maximum of 319,150 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 March 26, 2019. The Board of Directors did not use the authorization during 2014.

Apart from the above, the Board of Directors has no other authorizations to issue shares, convertible bonds or warrants programs.

The Annual General Meeting authorized the Board of Directors to decide on donations of maximum EUR 250,000. The authorization is valid until the close of the Annual General Meeting in 2015. The Board of Directors did use the authorization during 2014. Vaisala will contribute humidity, temperature, and carbon dioxide measurement instruments to the new children's hospital to be constructed in Helsinki, Finland in 2017. The estimated value of this equipment is 225,000 euros and it will be integrated into the hospital's building automation solution.

Trading in shares on the NASDAQ OMX Helsinki Ltd

In 2014, a total of 1,110,337 (2,876,861) Vaisala shares with a value totaling EUR 25.1 (56.5) million were traded on the NASDAQ OMX Helsinki Ltd.

The closing price of the Vaisala Corporation share on the NASDAQ OMX Helsinki Ltd stock exchange in 2014 was EUR 21.89 (23.21). Vaisala's share price declined by 6% (increase 46%) during the year while OMX Helsinki Cap index increased by 6% (26%). Shares registered a high of EUR 24.98 (23.47) and a low of EUR 19.40 (16.04).
The average share price was EUR 22.60 (19.88).

The market value of Vaisala's A shares on December 31, 2014 was EUR 321.1 (344.2) 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 December, the total market value of all the A and K shares together was EUR 395.3 million (419.2), excluding the Company's treasury shares.

At the end of December, Vaisala Corporation had 7,302 (7,708) registered shareholders. Ownership outside of Finland and nominee registrations represented 16.3% (14.1%) of the company's shares. Households owned 45.7% (46.6%), private companies 13.5% (14.3%), financial and insurance institutions 11.7% (11.6%), non-profit organizations 8.2% (8.8%) and public sector organizations owned 4.6% (4.6%).

Vaisala Corporation's Board of Directors held and controlled 657,470 A shares on December 31, 2014 and 546,968 K shares. The Board of Directors' A and K shares accounted for 14.0% of the total votes.

The company's President and CEO held and controlled 2,720 A shares and no K shares on December 31, 2014. Other Management Group members held and controlled 2,463 Vaisala A shares and no K shares.

Treasury shares and parent company shares

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

More information about Vaisala's share and shareholders are presented on the website, *www.vaisala.com/investors*.

Events after the review period

On January 27, 2015, Vaisala announced plans to restructure its business in order to strengthen the capability to implement its strategy and to increase agility. Vaisala continues to invest in its growth businesses and to develop products and services which combine customers' business expertise and Vaisala's technology leadership. The goal of the planned restructuring is to strengthen customer focus across all functions and to ensure operational efficiency through simplification. The proposed new organization is planned to be effective on April 1, 2015.

During the restructuring Vaisala will adhere to the local legislation and practices in each country. In Finland, Vaisala initiated co-operation negotiations related to the restructuring on February 2, 2015. The planned reorganization is expected to lead to a reduction in personnel. The reduction of employees is estimated to total 60 full-time equivalents out of which about 25 are estimated to be in Finland.

Market outlook for 2015

In October-December 2014 several economic indicators trended slightly downwards. However, supported by well-performing U.S. economy 2015 growth forecasts still refer to moderate development and Vaisala is expecting demand for weather observation, industrial measurement and life science solutions to remain at current level. Differences in demand and business conditions between customer groups and geographical areas are significant. Renewable energy and life science markets and weather radars have the most promising outlook. In weather observations market forecasting customers' timing for decision making and acceptance of larger customer projects continues to be challenging and competition is intensifying.

In EMEA demand for weather observation solutions is expected to be constrained by economic weakness and currency depreciation in Russia and its neighboring countries as well as conflicts in the Middle East. Weather observation market outlook in Europe is solid. Market environment for industrial measurement and life science solutions is expected to remain stable.

In Americas weather observation market outlook is stable. Market environment for industrial measurement and life science solutions is expected to remain favorable.

In APAC demand for weather observation solutions is expected to cool off slightly in 2015, driven by the Chinese market. Market outlook for industrial measurement and life science solutions in APAC is solid.

Business outlook for 2015

Vaisala estimates its full year 2015 net sales to be in the range of EUR 285–315 million and the operating result (EBIT) in the range of EUR 20–30 million.

In January-December 2014, Vaisala's net sales were EUR 299.7 million and operating result (EBIT) was EUR 26.4 million.

Board of Directors' proposal for distribution of earnings

The parent company's distributable earnings amount to EUR 145,261,073.88, of which the net result for the period is EUR 16,661,786.74.

The Board of Directors proposes to the Annual General Meeting that dividend of EUR 0.90 per share be paid out of distributable earnings totaling approximately EUR 16.4 million and the rest to be carried forward in the shareholders' equity.

No dividend will be paid for treasury shares held by the company.

There have been no significant changes to the company's financial position since the close of the financial period. According to the Board of Directors, the proposed dividend distribution does not endanger the company's financial standing.

Board of Directors' proposal for donations

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to decide on donations of maximum EUR 250,000. The donations may be granted in one or several payments. The Board of Directors decides on the related payments. It is proposed that the authorization is valid until the close of the Annual General Meeting in 2016.

Annual General Meeting 2015

Vaisala's Annual General Meeting will be held on Tuesday, March 31, 2015 at 6 p.m. at Vaisala Corporation's head office, Vanha Nurmijärventie 21, 01670 Vantaa.

Vantaa, February 12, 2015

Vaisala Corporation
Board of Directors

The forward-looking statements in this report 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 changes in the economic, market and competitive environments, regulatory or other government-related changes, or shifts in exchange rates.

Financial Ratios and Share Figures

Financial Ratios

	IFRS 2014	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010
Net sales, EUR million	**299.7**	**273.2**	**293.3**	**273.6**	**253.2**
Exports and international operations, %	97.0	97.1	98.3	98.2	97.4
Operating profit, EUR million	**26.4**	**18.1**	**30.2**	**16.1**	**11.8**
% of net sales	8.8	6.6	10.3	5.9	4.7
Profit before taxes, EUR million	**29.1**	**17.2**	**29.1**	**16.1**	**14.0**
% of net sales	9.7	6.3	9.9	5.9	5.5
Return on equity (ROE), %	14.3	6.3	11.7	5.7	5.6
Solvency ratio, %	70.6	71.6	74.9	73.7	76.0
Gross capital expenditure, EUR million	**7.9**	**7.1**	**5.4**	**16.7**	**30.1**
% of net sales	2.6	2.6	1.8	6.1	11.9
R&D expenditure, EUR million	**34.0**	**28.9**	**28.0**	**28.0**	**31.4**
% of net sales	11.3	10.6	9.5	10.2	12.4
Order book on Dec. 31, EUR million	**129.2**	**122.0**	**105.6**	**134.3**	**129.0**
Average personnel	1,617	1,485	1,422	1,386	1,408

Share Figures

	IFRS 2014	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010
Earnings/share (EPS), EUR	1.30	0.60	1.20	0.57	0.56
Earnings/share (EPS), diluted, EUR	1.29	0.60	1.19	0.57	0.56
Cash flow from business operations/share, EUR	1.32	1.55	2.66	2.06	1.39
Shareholders' equity/share, EUR	9.41	8.80	10.48	10.02	10.02
Dividend/share, EUR	* 0.90	0.90	0.90	0.65	0.65
Dividend/earnings, %	** 69.0	150.0	75.0	114.2	116.1
Effective dividend yield, %	4.1	3.9	5.7	4.0	3.2
Price/earnings (P/E)	16.84	38.68	13.29	28.80	36.61
A-share trading, EUR					
highest	24.98	23.47	17.71	24.80	25.77
lowest	19.40	16.04	14.48	15.56	18.52
weighted average	22.60	19.88	15.97	20.56	21.33
at balance sheet date	21.89	23.21	15.90	16.40	20.50
Market capitalization at balance sheet date, EUR million ***	395.3	419.2	287.1	298.6	373.3
A-shares traded					
Traded, pcs	1,110,337	2,876,861	1,018,902	878,205	2,415,565
% of entire series	7.5	19.4	6.9	5.9	16.3
Adjusted number of shares, pcs	18,218,364	18,218,364	18,218,364	18,218,364	18,209,214
A-shares, pcs	14,829,013	14,829,013	14,829,013	14,829,013	14,828,680
K-shares, pcs	3,389,351	3,389,351	3,389,351	3,389,351	3,389,684
Number of shares outstanding at Dec. 31, pcs	18,059,214	18,059,214	18,059,214	18,209,214	18,209,214

* Proposal by the Board of Directors.

** Calculated according to the proposal by the Board of Directors.

*** Value of A and K shares is here calculated to be equal.

Calculation of Financial Ratios

Return on equity, ROE (%)

$$= \frac{\text{Profit before taxes less taxes}}{\text{Shareholders' equity plus non-controlling interest (average)}} \times 100$$

Solvency ratio, (%)

$$= \frac{\text{Shareholders' equity plus non-controlling interest}}{\text{Balance sheet total less advance payments}} \times 100$$

Earnings / share, EUR

$$= \frac{\text{Profit before taxes less taxes +/- non-controlling interest}}{\text{Average number of shares, adjusted}}$$

Cash flow from business operations / share, EUR

$$= \frac{\text{Cash flow from business operations}}{\text{Number or shares at balance sheet date}}$$

Equity / share, EUR

$$= \frac{\text{Shareholders' equity}}{\text{Number of shares at balance sheet date, adjusted}}$$

Dividend / share, EUR

$$= \frac{\text{Dividend}}{\text{Number of shares at balance sheet date, adjusted}}$$

Dividend / earnings, (%)

$$= \frac{\text{Dividend}}{\text{Profit before taxes less taxes +/- non-controlling interest}} \times 100$$

Effective dividend yield, (%)

$$= \frac{\text{Dividend / share}}{\text{Share price at balance sheet date}} \times 100$$

Price / earnings, EUR

$$= \frac{\text{Share price at balance sheet date}}{\text{Earnings / share}}$$

Market capitalization, EUR million

= Share price at balance sheet date times number of shares

Five Years in Figures

Consolidated statement of income EUR million	IFRS 2014	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010
Net sales	**299.7**	**273.2**	**293.3**	**273.6**	**253.2**
Other operating income	0.5	1.8	0.5	2.1	1.8
Costs	258.6	237.8	247.9	245.0	229.0
Depreciation, amortization and impairment charges	15.2	19.1	15.8	14.7	14.1
Operating profit	**26.4**	**18.1**	**30.2**	**16.1**	**11.8**
Financial income and expenses	2.7	-1.0	-1.0	0.1	2.2
Profit before tax	**29.1**	**17.2**	**29.1**	**16.1**	**14.0**
Income taxes	-5.7	-6.2	-7.4	-5.8	-3.8
Net profit for the period	**23.4**	**10.9**	**21.7**	**10.4**	**10.2**

Consolidated statement of financial position EUR million	Dec. 31 2014	Dec. 31 2013	Dec. 31 2012	Dec. 31 2011	Dec. 31 2010
Assets					
Non-current assets	91.5	92.5	88.3	101.0	100.2
Inventories	33.9	28.6	29.8	33.4	36.8
Current assets	119.2	104.6	138.9	116.4	111.7
Statement of financial position, total	**244.6**	**225.6**	**257.0**	**250.8**	**248.7**
Shareholders' equity and liabilities					
Equity attributable to equity holders of the parent	170.0	158.9	189.1	182.5	182.4
Liabilities, total	74.6	66.8	67.9	68.3	66.4
Interest bearing	0.0	0.0	0.6	0.5	0.5
Non-interest bearing	74.6	66.8	67.3	67.8	65.8
Statement of financial position, total	**244.6**	**225.6**	**257.0**	**250.8**	**248.7**

Consolidated Statement of Income

EUR million	Notes	Jan. 1–Dec. 31, 2014		Jan. 1–Dec. 31, 2013	
Net sales	2, 3	299.7		273.2	
Cost of sales	7	-146.6		-138.9	
Gross profit		**153.1**	**51.1%**	**134.3**	**49.2%**
Sales, marketing and administrative costs	7, 8	-93.2		-84.7	
Research and development costs	7, 8, 9	-34.0		-28.9	
Other operating income and expenses	6	0.5		-2.6	
Operating profit (loss)		**26.4**	**8.8%**	**18.1**	**6.6%**
Share of result in associated companies	16	0.1		0.1	
Financial income and expenses, net	10	2.6		-1.0	
Profit (loss) before taxes		**29.1**	**9.7%**	**17.2**	**6.3%**
Income taxes	11	-5.7		-6.2	
Profit (loss) for the period		**23.4**	**7.8%**	**10.9**	**4.0%**
Earnings per share for profit attributable to the equity holders of the parent					
Earnings per share, EUR	12	1.30		0.60	
Diluted earnings per share, EUR		1.29		0.60	

Consolidated Statement of Comprehensive Income EUR million			
Items that will not be reclassified to profit or loss			
Actuarial loss on post-employment benefits *	22	-0.5	-0.1
Total		-0.5	-0.1
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		3.5	-3.2
Total		3.5	-3.2
Total other comprehensive income		**3.0**	**-3.3**
Total comprehensive income		**26.4**	**7.6**

* The figures are presented net of taxes.

The notes constitute an essential part of the financial statements.

Consolidated Statement of Financial Position

EUR million			
Assets	**Notes**	**Dec. 31, 2014**	**Dec. 31, 2013**
Non-current assets			
Intangible assets	14	37.1	35.9
Property, plant and equipment	15	44.2	46.8
Investments		0.1	0.1
Investments in associated companies	16	0.8	0.7
Long-term receivables	17	0.3	0.9
Deferred tax assets	11	8.9	8.0
		91.5	92.5
Current assets			
Inventories	18	33.9	28.6
Trade and other receivables	19	70.5	57.4
Income tax receivables		1.1	1.4
Cash and cash equivalents	20	47.6	45.8
		153.1	133.2
Total assets		**244.6**	**225.6**

The notes constitute an essential part of the financial statements.

Consolidated Statement of Financial Position

EUR million **Shareholders' equity and liabilities**	**Notes**	**Dec. 31, 2014**	**Dec. 31, 2013**
Shareholders' equity	21		
Share capital		7.7	7.7
Other reserves		2.5	1.5
Cumulative translation adjustment		-0.2	-3.6
Treasury shares		-2.5	-2.5
Retained earnings		162.6	155.9
		170.0	158.9
Total equity	21	**170.0**	**158.9**
Non-current liabilities			
Interest-bearing liabilities	25	0.0	0.0
Post-employment benefit obligations	22	1.3	0.7
Deferred tax liabilities	11	5.3	5.2
Provisions for other liabilities and charges	23	0.2	-
Other non-current liabilities	25	2.9	2.1
		9.7	8.0
Current liabilities			
Interest-bearing liabilities	25	0.0	0.0
Advances received		3.9	3.7
Income tax liabilities		1.5	0.3
Provisions for other liabilities and charges		1.4	-
Trade and other payables	24	58.1	54.8
		64.9	58.7
Total liabilities		**74.6**	**66.8**
Total shareholders' equity and liabilities		**244.6**	**225.6**

The notes constitute an essential part of the financial statements.

Consolidated Statement of Changes in Shareholders' Equity

EUR million		Share capital	Share premium reserve	Other reserves	Treasury shares	Translation differences	Retained earnings	Total equity
Balance at Jan 1, 2013	**Note**	**7.7**	**22.3**	**0.8**	**-2.5**	**-0.5**	**161.4**	**189.1**
Profit for the year	21						10.9	10.9
Other comprehensive income	21			-0.0		-3.1	-0.1	-3.3
Dividend paid	21						-16.2	-16.2
Reclassification	21		-22.3	22.4			-0.1	-
Return of capital	21			-22.2				-22.2
Share-based payment	8, 21			0.6				0.6
Balance at Dec. 31, 2013		**7.7**	**-**	**1.5**	**-2.5**	**-3.6**	**155.9**	**158.9**
Profit for the year	21						23.4	23.4
Other comprehensive income	21			0.0		3.5	-0.5	3.0
Dividend paid	21						-16.3	-16.3
Reclassification	21			-0.0			0.0	0.0
Correction	21			0.0				0.0
Share-based payment	8, 21			1.0				1.0
Balance at Dec. 31, 2014		**7.7**		**2.5**	**-2.5**	**-0.2**	**162.6**	**170.0**

Consolidated Cash Flow Statement

EUR million	Note	Jan. 1–Dec. 31, 2014	Jan. 1–Dec. 31, 2013
Cash flow from operating activities			
Cash receipts from customers	2, 3	287.0	282.8
Other income from business operations		0.4	0.2
Cash paid to suppliers and employees		-260.3	-246.3
Financials paid, net	10	1.3	-0.8
Income taxes paid, net	11	-4.5	-7.7
Total cash flow from business operations (A)		**23.8**	**28.2**
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired	4	-	-12.3
Capital expenditure on fixed assets	14, 15	-7.9	-7.1
Divestments		1.3	2.6
Total cash flow from investing activities (B)		**-6.6**	**-16.8**
Cash flow from financing activities			
Return of capital	21	-	-22.2
Dividend paid	21	-16.2	-16.2
Change in loan receivables		-0.1	-0.1
Change in leasing liabilities	25	0.0	-0.6
Total cash flow from financing activities (C)		**-16.3**	**-39.1**
Change in cash and cash equivalents (A+B+C) increase (+) / decrease (-)		**0.9**	**-27.7**
Cash and cash equivalents at beginning of period		**45.8**	**74.8**
Net increase (+) / decrease (-) in cash and cash equivalents		0.9	-27.7
Effect from changes in exchange rates		0.9	-1.3
Cash and cash equivalents at the end of period	20	**47.6**	**45.8**

Notes to the Consolidated Financial Statements

Basic information

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.

The Group's parent company, Vaisala Corporation, is a Finnish public limited company established under Finnish law, its domicile is Vantaa and its registered address in Vanha Nurmijärventie 21, FI-01670 Vantaa (P.O. Box 26, FI-00421 Helsinki). The company's Business ID is 0124416-2. Vaisala has offices and business operations in Finland, Brazil, United States of America, Canada, France, the UK, Germany, China, South-Korea, Sweden, Malaysia, India, United Arab Emirates, Japan, Australia and Panama.

Copies of the consolidated financial statements can be obtained from the internet address *www.vaisala.com* or from the Group's head office at the address Vanha Nurmijärventie 21, FI-01670 Vantaa (P.O. Box 26, FI-00421 Helsinki).

At its meeting on February 12, 2015, the Board of Directors of Vaisala Corporation has approved these financial statements for publication. Under the Finnish Companies Act, shareholders have an opportunity to confirm or leave unconfirmed the financial statements in the Annual General Meeting to be held after their publication. The Annual General Meeting also has an opportunity to make a decision amending the financial statements.

1.1 Accounting Principles for the Consolidated Financial Statements

Vaisala's consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) and in their preparation all the obligatory IAS and IFRS standards as well as the SIC and IFRIC interpretations in effect on December 31, 2014 have been followed. By international financial statement standards is meant standards approved for application in the EU, and interpretations issued about them, according to the procedure prescribed in Finnish law and provisions enacted thereon in EU Regulation (EC) No. 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish accounting and corporate law.

Financial statement data are presented in millions of euros and they are based on original acquisition costs if not otherwise stated in the accounting principles outlined below.

The preparation of financial statements in accordance with IFRS standards requires Group management to make certain estimates and to exercise discretion in applying the accounting principles. Information about the discretion exercised by management in applying the accounting principles followed by the Group and that which has most impact on the figures presented in the financial statements has been presented in the item 'Accounting principles that require management discretion and main uncertainty factors relating to estimates'.

Segment reporting

The company has a market segment based reporting model. Operating segments are reported in a manner consistent with the internal reporting provided for the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, is the company's management group.

The business segments consist of business operations whose resources to be allocated and profits company's management group reviews based on a measure of adjusted operating result. Pricing between segments takes place at the fair market price.

Weather segment is a leading provider of reliable weather technology. Segment serves selected weather-dependent markets where weather data is essential to run efficient operations like meteorological institutes, roads and rail authorities, airport organizations, defense forces, energy and maritime.

Controlled Environment segment serves 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.

Principles of consolidation

Subsidiaries

The consolidated financial statements include the parent company Vaisala Corporation and all subsidiaries in which it directly or indirectly owns more than 50% of the votes or in which the parent company otherwise exercises control. The existence of potential voting rights has been taken into account when assessing the terms of control when instruments conferring entitlement to potential control are presently exercisable. Subsidiaries acquired or founded during the financial period are consolidated from the date on which the Group has acquired control and are no longer consolidated from the date that control ceases.

Acquisition of subsidiaries is handled by the acquisition cost method. The acquisition cost is the fair value of transferred assets, issued equity instruments and liabilities arising or assumed. All transaction costs are expensed. Identifiable acquired assets as well as assumed liabilities and contingent liabilities are valued initially at their fair values on the date of acquisition, irrespective of whether there are minority interests or not. The amount by which the acquisition cost exceeds the Group share of the fair value of the acquired identifiable net assets is recognized as goodwill. If the acquisition cost is lower than the acquired subsidiary's net assets, the difference is entered directly into the statement of income. Changes in contingent liabilities after initial recognition are recognized in profit and loss as other operating income or cost.

Intra-Group transactions, unrealized margins on internal deliveries, internal receivables and liabilities, and the Group's internal distribution of profit are eliminated. Unrealized losses on intra-Group transactions are also eliminated unless costs are not recoverable or the loss results from an impairment. The consolidated financial statements are prepared applying consistent accounting principles to the same transactions and other events which are implemented under the same conditions.

Associated companies

The share of profits or losses of associated companies, i.e. companies of which Vaisala owns between 20% and 50% and over which it has significant influence, are included in the consolidated financial statements using the equity method. If Vaisala's share of an associated company's losses exceeds the book value of the investment, the investment is entered in the statement of financial position at zero value and further losses are not recognized unless the Group has incurred obligations on behalf of the associated company. Unrealized gains on transactions between the Group and its associated companies have been eliminated to the extent of the Group's interest in the associated companies. The Group's investment in associated companies includes goodwill on acquisition.

The Group's share of associated companies' results is presented in the statement of income as a separate item before 'financial income and expenses'. Investments in associated companies are originally entered into the accounts at their acquisition cost and the book value increased or decreased by the share of post-acquisition profits or losses. Distribution of profit received from an investment reduces the book value of the investment.

Foreign currency items

Items relating to the consolidated result and financial position are measured using the currency which is the main currency of each entity's operating environment "functional currency". The consolidated financial statements have been presented in euros, which is the Group parent company's functional and presentation currency

Transactions in foreign currencies are recognized at the rates of exchange on the date of transaction. Receivables and payables in foreign currency have been valued at the exchange rates quoted by the European Central Bank on the closing date. Exchange rate differences resulting from the settlement of monetary items or from the presentation of items in the financial statements at different exchange rates from which they were originally recognized during the financial period, or presented in the previous financial statements, are recognized as income or expenses in the statement of income group 'financial income and expenses' in the financial period in which they arise.

Items relating to the result and financial position of each entity of the Group are measured using the currency which is the main currency of each entity's operating environment. Balance sheets of Group companies outside the euro zone have been translated into euros using the official mid-market exchange rates of the European Central Bank on the closing date. In translating statement of incomes, mid-market exchange rates have been used. Exchange rate differences resulting from the translation of statement of income items at mid-market exchange rates and from the translation of balance sheet items at exchange rates on the closing date have been recognized as translation differences in shareholders' equity. Translation gains and losses which arose in the elimination of the shareholders' equity of subsidiaries have been recognized as a separate item under comprehensive income. When a foreign subsidiary or associated company is sold, the accumulated translation difference is recognized in the statement of income as part of the gain or loss on the sale.

Goodwill or fair value adjustments arising on the acquisition of an independent foreign entity are treated as that entity's foreign currency assets and liabilities and are translated at the period end rate.

Property, plant and equipment

Property, plant and equipment comprise mainly land and buildings as well as machinery and equipment. The asset values are based on original acquisition cost less accumulated depreciation and amortization as well as possible impairment losses. The cost of self-constructed assets includes materials and direct work as well as a proportion of overhead costs attributable to construction work. If a tangible asset consists of several parts which have useful lives of different lengths, the parts are treated as separate assets. Accordingly, expenses relating to the renewal of a part are capitalized and the part remaining in connection with the renewal is recognized as an expense. In other cases, expenditures that arise later are included in the carrying amount of the tangible assets only if it is probable that the future financial benefit connected with the asset is for the benefit of the Group and that the asset's acquisition cost can be reliably determined. Other repair and maintenance expenses are recognized through profit and loss, when they are realized.

Depreciation is calculated using the straight-line method and is based on the estimated useful life of the asset. Land is not depreciated. Estimated useful lives for various assets are:

Buildings and structures	5–40 years
Machinery and equipment	3–10 years
Other tangible assets	5–15 years

The residual value, depreciation method and useful life of assets are checked in connection with each financial statement and if necessary adjusted to reflect changes in the expectation of economic benefit. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the operating profit.

Public grants received for tangible asset investments are recognized as a reduction in the carrying amounts of tangible assets. Grants are recognized in the form of smaller depreciations during the useful life of the asset.

Depreciation of a tangible asset is discontinued when the tangible asset is classified as being for sale in accordance with the IFRS 5 standard *Non-Current Assets Held for Sale and Discontinued Operations.*

Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary/associated company at the date of acquisition. Goodwill is calculated in the currency of the operating environment of the acquired entity. If the acquisition cost is lower than the value of the acquired subsidiary's net asset value the difference is entered directly into the statement of income.

Goodwill is not amortized, rather it is tested annually for any impairment. For this purpose goodwill has been attributed to cash generating units. Goodwill is valued at acquisition cost less impairment losses. Impairment costs are expensed.

Other intangible assets

Other intangible assets are e.g. patents and trademarks as well as software licenses. They are valued at their original acquisition cost and amortized using the straight-line method over their useful life. Intangible assets that have an indefinite useful life are not amortized, rather they are tested for impairment annually. Intangible assets of the acquired subsidiaries are valued at their fair values at the date of acquisition.

Estimated useful lives for intangible assets are:

Intangible rights	at most 5 years
Other intangible assets	at most 10 years
Software	3–5 years

Research and development expenditure

Research and development expenditures have been recognized as expenses in the financial period in which they were incurred, except for machinery and equipment acquired for research and development use, which are amortized using the straight-line method. Costs relating to the development of new products and processes are not capitalized because the future earnings obtained from them are only assured when the products come to market. According to IAS 38 an intangible asset is entered in the statement of financial position only when it is probable that the company will derive financial benefit from the asset. Moreover, it is typical of the industry that it is not possible to distinguish the research stage of an internal project that aims to create an asset from its development stage.

Borrowing costs

The group capitalizes borrowing costs that relate to qualifying assets directly attributable to acquisition, construction or production of the assets as part of the cost of the asset in question. Other borrowing costs are recognized as an expense. At the moment, the group does not have capitalized borrowing costs.

Inventories

Inventories are valued at the lower of acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. The cost of finished goods and work in progress comprises raw materials, direct labor costs, other direct costs and an appropriate proportion of variable and fixed production overheads based on normal operating capacity. Acquisition cost is determined using the weighted average method, whereby the cost is determined as the weighted average of similar inventory items which were held at the beginning of the financial period and those bought or produced during the financial period.

Lease agreements

The Group as the lessee

Lease agreements of tangible assets where the Group has a substantial part of the risks and rewards of ownership are classified as finance leases. Finance leases are entered into tangible assets at the start of the lease term at the lower of the fair value of the leased property and the present value of the minimum lease payments. The asset acquired under a finance lease is depreciated over the shorter of the asset's useful life and the lease term. Lease payments are allocated between the liability and finance charges so as to achieve a constant interest rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest-bearing liabilities.

Lease agreements where the lessor retains a significant portion of the risks and rewards of ownership are treated as other leases. Payments made under other leases are charged to the statement of income on a straight-line basis over the period of the lease.

Impairment

On every closing date the Group reviews asset items for any indication of impairment losses. The need for impairment is examined at the cash generating unit level, i.e. at the lowest unit level which is mainly independent of other units and whose cash flows are separate and highly independent from the cash flows of other, corresponding, units. If there are such indications, the amount recoverable from the said asset item is assessed. The recoverable amount is also assessed annually for the following asset items irrespective of whether there are indications of impairment: goodwill, intangible assets which have an indefinite useful life as well as incomplete intangible assets.

The recoverable amount is the higher of the asset item's fair value less the cost arising from disposal and its value in use. When determining value in use, the expected future cash flows are discounted based on their present values at discount interest rates which reflect the average capital cost before taxes of the country and business sector in question (WACC = weighted average cost of capital). The special risks of the assets in question are also taken into account in the discount interest rates. In terms of individual asset items which do not independently generate future cash flows, the recoverable amount is determined for the cash generating unit to which the said asset item belongs.

An impairment loss is recognized in the statement of income when the carrying amount is greater than the recoverable amount. The impairment loss is reversed if a change in conditions has occurred and the recoverable amount of the asset has changed since the date when the impairment loss was recognized. The impairment loss is not reversed, however, by more than that which the carrying amount of the asset (less depreciation) would be without the recognition of the impairment loss. Impairment losses recognized for goodwill are not reversed under any circumstances.

Financial assets and liabilities

IAS 39 classifies a group's financial assets into the following categories: financial assets measured at fair value through profit and loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. Categorization is made on the basis of the purpose for which the financial assets were acquired and they are categorized in connection with the original acquisition. Transaction costs have been included in the original carrying amount of the financial assets when the item in question is not valued at fair value through profit and loss. All purchases and sales of financial assets are recognized on the clearance date.

Derecognition of financial assets takes place when the Group has lost a contractual right to receive the cash flows or when it has transferred substantially the risks and rewards outside the Group. On every closing date the Group assesses whether there is objective evidence that the value of a financial asset item or group of asset items has been impaired. If such evidence exists, the impairment is recognized in the statement of income item financial expenses.

The recoverable amount of financial assets is either the fair value or the present value of expected future cash flows discounted at the original effective interest rate. Short-term receivables are not discounted.

Financial assets held for trading purposes such as derivative instruments to which the Group does not apply hedge accounting under IAS 39 as well as income fund investments consisting of the short-term investment of liquid assets have been categorized as financial assets recognized at fair value through profit and loss. The fair value of income fund investments has been determined based on price quotations published in an active market, namely the bid quotations on the closing date. Realized and unrealized gains and losses arising from changes in fair value are recognized in the statement of income in the period in which they arise. Financial assets held for trading as well as those maturing within 12 months are included in current assets.

Loans and other receivables are assets not belonging to derivative assets whose payments are fixed and quantifiable and which are not quoted on an active market and which the company does not hold for trading purposes. This category includes Group financial assets which have arisen through the transfer of money, goods or services to debtors. They are valued at amortized cost and they include short-term and long-term financial assets, the latter if they mature after more than 12 months. If there are indications of value impairment, the carrying amount is estimated and reduced immediately to correspond with the recoverable amount.

Trade receivables are valued initially at fair value and thereafter at their anticipated realizable value, which is the original invoicing value less the estimated impairment of these receivables. An impairment for trade receivables is made when there are good grounds to expect that the Group will not receive all its receivables on original terms. A debtor's significant financial difficulties, probability of bankruptcy, default on payments, or a more than 180 day delay in the making of payments are evidence of an impairment of trade receivables. The magnitude of the impairment loss to be recognized in the statement of income is determined as the difference of the carrying amount of receivables and the present value of estimated future cash flows. If the amount of impairment loss falls in some later financial period and the reduction can be objectively considered to be related to an event after the recognition of the impairment, the recognized loss is reversed through profit and loss.

Cash and cash equivalents are carried in the statement of financial position at original cost. Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

Financial liabilities are recognized at fair value on the basis of the original consideration received. Transactions costs have been included in the original carrying amount of the financial liabilities. Later, all financial liabilities are valued at amortized cost using the effective yield method. Financial liabilities include long-term and short-term liabilities and they can be interest-bearing or non-interest-bearing.

Derivative contracts and hedging activities

All derivative contracts are initially recognized at cost and subsequently remeasured at their fair value. Forward foreign exchange contracts are valued at their fair value using the market prices of forward contracts at the closing date. Derivatives are included in the statement of financial position as other receivables and payables. Unrealized and realized gains and losses arising from changes in fair value are recognized in the statement of income in 'financial income and expenses' in the period during which they arise. The Group has sales in a number of foreign currencies, of which the most significant are the US dollar, the Japanese yen and the British pound. The Group does not apply hedge accounting under IAS 39 to forward foreign exchange contracts that hedge sales in foreign currencies. The Group has a number of investments in foreign subsidiaries whose net assets are exposed to foreign currency risk. The Group does not hedge the foreign exchange risk of subsidiaries' net assets.

Unrealized and realized gains and losses arising from changes in fair value are recognized in the statement of income in 'financial income and expenses" in the period during which they arise.

Non-current assets classified as held for sale

Non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Sale is considered highly probable when group management is committed to a plan to sell the asset, asset can be sold immediately in its current condition with general and common terms and sale will be completed within one year from the date of classification.

Before classification as held for sale, assets are measured according to the IFRS standard applying for them. After classification they are stated at the lower of carrying amount and fair value less costs to sell. These assets are not depreciated after classification. Non-current assets classified as held for sale are presented separately from other assets in the statement of financial position.

Employee benefits

Pension obligations

The Group has a number of pension schemes in different parts of the world which are based on local conditions and practices. These pension schemes are classified as either defined-contribution or defined-benefit schemes. Under defined-contribution plans, expenses are recognized in the statement of financial position in the financial period in which the contribution is payable.

In defined benefit pension plans, the liability recognized from the plan is the present value of the defined benefit obligation as of the period end date and it is adjusted by the fair value of the plan assets and by the unamortized portion of past service cost. Actuaries, who are independent from Vaisala, calculate the defined benefit obligation by applying the projected unit credit method under which the estimated future cash flows are discounted to their present value using the interest rates approximating high quality corporate bonds. The cost of retirement is charged in the statement of income concurrently with the service rendered by the personnel. Actuarial gains and losses are recognized in comprehensive statement of income.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as the result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are valued at the present value of expenses required to cover the obligation. The discount factor used in calculating present value is selected so that it reflects the market view of the time value of money and the risks related to the obligations at the time of examination. If it is possible that the Group will be reimbursed for part of the obligation by some third party, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The amount of provisions is estimated at each closing date and the amount is changed to correspond to the best estimate at the given time. A provision is cancelled when the probability of financial settlement has been removed. A change in provisions is recognized in the same item of the statement of income in which the provision was originally recognized.

Provisions can be related to the restructuring of operations, loss-making agreements, legal disputes and other commitments. Restructuring provisions are recognized when a detailed and appropriate plan relating to them has been prepared and the company has begun to implement the plan or has announced it will do so. Restructuring provisions generally comprise lease termination penalties and employee termination payments.

A provision for a loss-making agreement is recognized when unavoidable expenditure required to fulfil obligations exceeds the benefits obtainable from the agreement.

Income tax

The tax item in the statement of income comprises tax based on taxable income for the financial year, adjustments to tax accruals related to previous years and the change in deferred taxes. Tax based on taxable income for the financial year is calculated for taxable income on the basis of each country's current tax rate.

Deferred taxes are calculated for all temporary differences between the carrying amount of an asset or liability and its tax base. The largest temporary differences arise from amortization of fixed assets, defined-benefit pension schemes and unused tax losses. In taxation deferred tax is not recognized for non-deductible goodwill impairment and deferred tax is not recognized for distributable earnings of subsidiaries where it is probable that the difference will not reverse in the foreseeable future. The Group's deferred tax assets and liabilities relating to the same tax recipient are stated net.

Deferred taxes have been calculated using tax rates prescribed by the closing date.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit, against which the temporary differences can be utilized, will be available.

Shareholders' equity, dividends and treasury shares

The Board of Directors' proposal for dividend distribution has not been recognized in the financial statements: the dividends are recognized only on the basis of the Annual General Meeting's approval.

Shares issued by the company are presented as share capital. Expenses related to the issue or acquisition of shareholders' equity instruments are presented as a shareholders' equity reduction item. If the company buys back its shareholders' equity instruments, the consideration paid for them including direct costs is deducted from shareholders' equity.

Principles of revenue recognition

Sales of goods and services rendered

Revenue from the sale of goods is recognized when significant risks and rewards of owning the goods are transferred to the buyer. Revenue recognition generally takes places when the transfer has taken place. Revenue for rendering of services is recognized when the service has been performed. When recognizing net sales, indirect taxes and discounts, for example, have been deducted from sales revenue. Possible exchange rate differences are recognized in the financial income and expenses.

Long-term projects

Revenues from long-term projects are recognized using the percentage of completion method, when the outcome of the project can be estimated reliably. The stage of completion is determined for each project by reference to the relationship between the costs incurred for work performed to date and the estimated total costs of the project or the relationship between the working hours performed to date and the estimated total working hours.

Expenses related to a project whose revenue is not yet recognized are entered as long-term projects in progress in inventories. If expenses arising and gains recognized are larger than the sum invoiced for the project, the difference is presented in the statement of financial position item "trade and other receivables". If expenses arising and gains recognized are smaller than the sum invoiced for the project, the difference is presented in the item "trade and other payables".

When the outcome of a long-term project cannot be estimated reliably, project costs are recognized as expenses in the same period when they arise and project revenues only to the extent of project costs incurred where it is probable that those costs will be recoverable. When it is probable that total costs necessary to complete the project will exceed total project revenue, the expected loss is recognized as an expense immediately.

Other revenue received by the Group

Revenue arising from rents is recognized on an accrual basis in accordance with the substance of the relevant agreements. Interest income is recognized on a time-proportion basis, taking account of the effective yield of the asset item, and dividend income is recognized when the Group's right to receive payment is established.

Other operating income and expenses

Gains on the disposal of assets as well as income that are not relating to actual performance-based sales are recognized as other operating income.

Losses on the disposal of assets as well as expenses that are not relating to actual performance-based sales are recognized as other operating income. In addition, assets impairments are recognized into other operating income and expense.

Grants

Grants received from the state or another party are recognized in the statement of income at the same time as expenses are recognized as a deduction of the related expense group. Grants relating to asset acquisition are presented as an adjustment to the acquisition cost of the asset and they are recognized in the form of smaller depreciations over the useful life of the asset.

Share based payment

Share based payments are recognized as costs during the vesting period in line with IFRS 2. The costs are based on the estimate of the amount of shares to be paid at the end of vesting period. Assumptions that estimates are based on shall be updated at every period end date and cost effect of assumptions are recognized through statement of income.

Accounting principles requiring management discretion and the main uncertainty factors relating to estimates

The preparation of financial statements requires the use of estimates and assumptions relating to the future and the actual outcomes may differ from the estimates and assumptions made. In addition, discretion has to be exercised in applying the accounting principles of the financial statements. Estimates made and discretion exercised are based on previous experience and other factors, such as assumptions about future events. Estimates made and discretion exercised are examined regularly. The key areas in which estimates have been made and discretion has been exercised are outlined below. The biggest impact of these on the figures presented is reflected through impairment testing. Other estimates are connected mainly with environmental, litigation and tax risks, the determination of pension obligations as well as the utilization of deferred tax assets against future taxable income.

Allocation of acquisition cost

IFRS 3 requires the acquirer to recognize an intangible asset separately from goodwill, if the recognition criteria are fulfilled. Recognition of an intangible asset at fair value requires management estimates of future cash flows. Where possible, management has used available market values as the basis of acquisition cost recognition in determining fair values. When this is not possible, which is typical particularly with intangible assets, valuation is based principally on the historic cost of the asset item and its intended use in business operations. Valuations are based on discounted cash flows as well as estimated disposal and repurchase prices and require management estimates and assumptions about the future use of asset items and the effect on the company's financial position. Changes in the emphasis and direction of company operations can in future result in changes to the original valuation.

Revenue recognition

The Group uses the percentage of completion method in recognizing revenue for long-term projects. Revenue recognition according to percentage of completion is based on estimates of expected revenue and costs as well as on a determination of the progress of the percentage of completion. Changes can arise to recognized revenue and profit if estimates of a project's total costs and total income are adjusted. The cumulative effect of adjusted estimates is recognized in the period in which the change becomes probable and it can be estimated reliably. Further information on long-term projects is given in Note 5. Long-term projects.

Impairment testing

The Group tests goodwill annually for possible impairment and reviews whether there are indications of impairment according to the accounting principle presented above. The recoverable amounts of cash generating units have been determined in calculations based on value in use. Although assumptions used according to the view of the company's management are appropriate, the estimated recoverable amounts might differ substantially from those realized in future. Further information on recoverable amount sensitivity to changes in the assumptions used is given in Note 14. Intangible assets.

Valuation of inventories

A management principle is to recognize an impairment for slowly moving and outdated inventories based on the management's best possible estimate of possibly unusable inventories in the Group's possession at the closing date. Management bases its estimates on systematic and continuous monitoring and evaluations. Further information on inventories is given in Note 18. Inventories.

New and amended IFRSs adopted in 2014

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years unless specifically noted below but may affect the accounting for future transactions and events.

IFRS 10 *Consolidated Financial Statements.* The standard establishes control as the base for consolidation. Additionally, the standard provides further guidance on how to apply principles of control when it is challenging to assess.

IFRS 11 *Joint Arrangements*. The standard emphases the rights and obligations of the joint arrangement rather than its legal form in the accounting. The arrangements are divided into two: joint operations and joint ventures. The standard requires joint ventures to be accounted for using equity method of accounting. Proportional consolidation of joint ventures is no longer allowed.

IFRS 12 *Disclosure of Interests in Other Entities.*The standard includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other, off balance sheet vehicles.

IAS 27 (revised 2011) *Separate Financial Statements.* The revised standard includes the requirements for separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10.

IAS 28 (revised 2011) *Investments in Associates and Joint Ventures.* The revised standard includes requirements for both joint operations and associates to be accounted by using equity method of accounting after IFRS 11 was issued.

Amendment to IAS 32 *Financial instruments: Presentation.* The amendment clarifies the conditions for net presentation of financial assets and liabilities and introduces some additional application guidance.

Amendment to IAS 36 *Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets.* The overall effect of the amendments is to clarify the disclosure requirements on those cash generating units which have been subject to impairment.

Amendments to IAS 39 *Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting.* The amendments allow the continuation of hedge accounting under IAS 39 when a derivative is novated to a clearing counterparty and certain conditions are met.

Amendment to IFRS 10 *Consolidated Financial Statements, IFRS 11 Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities.* The amendment provides additional transition relief by limiting the requirement to provide adjusted comparative information to only the preceding comparative period.

Amendment to IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 *Separate Financial Statements.* The amendment provides 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 or IAS 39.

Application of new and revised IFRSs in issue but not yet effective

IASB has published the following new or revised standards and interpretations which the Group has not yet adopted and which may have an effect on the consolidated financial statements of the Group. The Group will adopt each standard and interpretation as from the effective date, or if the effective date is other than the first day of the reporting period, from the beginning of the next reporting period after the effective date.
The effects of these new and amended standards and interpretations are under investigation.

IFRS 9 *Financial Instruments* (effective for reporting periods beginning on or after January 1, 2018). IFRS 9 is a several phase project which aims to replace IAS 39 with a new standard. According to the finalised classification and measurement part of IFRS 9, financial assets are classified and measured based on entity's business model and the contractual cash flow characteristics of the financial asset. Classification and measurement of financial liabilities is mainly based on the current IAS 39 principles. The new impairment model reflects an expected credit loss model, as opposed to incurred credit losses model under IAS 39. The finalised general hedge accounting model of IFRS 9 allows reporters to reflect risk management activities in the financial statements more closely as it provides more opportunities to apply hedge accounting. The standard has not yet been endorsed by EU.

IFRS 15 *Revenue from Contracts with Customers* (effective for reporting periods beginning on or after January 1, 2017). IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations. The standard has not yet been endorsed by EU. The Group is currently assessing the possible impact of this new standard.

Amendment to IFRS 11 *Joint Arrangements* (effective for reporting periods beginning on or after January 1, 2016). The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations. The amendment has not yet been endorsed by EU.

Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Tangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation* (effective for reporting periods beginning on or after January 1, 2016). The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. The amendments have not yet been endorsed by EU.

Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture: Bearer Plants* (effective for reporting periods beginning on or after January 1, 2016). The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The amendments have not yet been endorsed by EU.

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (effective for reporting periods beginning on or after 1 July 2014). The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. Retrospective application is required. The amendment has not yet been endorsed by EU.

Annual Improvements to IFRSs 2010–2012 and 2011–2013 (both effective for reporting periods beginning on or after 1 July 2014) and Annual Improvements to IFRSs 2012-2014 (effective for reporting periods beginning on or after 1 January 2016). In the annual improvement process the non-urgent but necessary amendments to IFRS are collected and issued annually. The nature of the improvements depends on the standards, but they do not have material impact on the consolidated financial statements. The amendments have not yet been endorsed by EU.

IFRIC 21 Levies (effective for reporting periods beginning on or after January 1, 2014). The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretation has been endorsed by the EU on 14 June 2014.

1.2 Risk Management

The objective of Vaisala's risk management is to identify and manage material risks related to strategy implementation and business operations. Vaisala has a risk management policy which has been approved by the Board of Directors, and which covers the Company's business, operational, hazard, and financial risks. The policy aims at ensuring the safety of the Company's personnel, operations and products, as well as the continuity and compliance of business operations.

The Board of Directors defines and approves risk management principles and policies, and assesses the effectiveness of risk management. The Audit Committee reviews compliance with risk management policy and processes.

Vaisala's Risk Management Steering Group comprises key internal stakeholders, and the Group is responsible for the operational oversight of the risk management process and assuring that all significant risks are identified and reported, and risks are acted upon on all necessary organizational levels and geographical locations.

Risk management is integrated into key business processes and operations. This is accomplished by incorporating applicable risk identification, assessment, management and risk reporting actions into the core processes. The most significant risks are reported to the Vaisala Management Group and the Audit Committee annually.

Near-term risks and uncertainties

Vaisala's business is exposed to changes in the global economy, politics, conflicts, policies, regulations, Vaisala's supply chain and distribution channels, and accidents as well as natural disasters and epidemics, which may affect business e.g. through order cancellations, disturbance in logistics, travel restrictions, and loss of market potential. Vaisala's capability to successfully complete investments, acquisitions, divestments and restructurings on a timely basis and to achieve related financial and operational targets represent a risk which may impact revenue and profitability.

The most significant near-term risks and uncertainties that may affect both revenue and profitability relate to the company's ability to maintain its delivery capability, availability of critical components, interruptions in manufacturing or IT systems, changes in the global economy, western sanctions against Russia, spreading of epidemics, continuing conflicts in the Middle East and Africa, currency exchange rates, customers' financing capability, changes in customers' purchasing or investment behavior, and delays or cancellations of orders. Changes in the competition may affect the volume and profitability of business through introduction of new competitors and price erosion in areas which traditionally have been strong for Vaisala. Changes in subcontractor relations, their operations or operating environment as well as the quality of the deliverables may have a negative impact on Vaisala's business.

A significant part of Vaisala's business is project business. Project business performance and schedules have dependencies to third parties, which may impact profitability and timing of revenue recognition. Assumptions regarding new project and service business opportunities constitute a risk for both revenue and profitability.

The importance of information services and decision support systems is increasing in Vaisala's weather business. These Internet-based online services are potential subjects to a variety of cyber risks.

Interest rate risk

Interest rate risk arises from the effects of interest rate changes on interest-bearing receivables and liabilities in different currencies. Vaisala does not have significant interest-bearing liabilities or receivables and in addition to cash at hand therefore interest rate risk is immaterial. A change of one percent point in the interest rate would affect the company's result after taxes and equity by around EUR 0.2 (EUR 0.3) million.

Currency risk

Vaisala operates globally and is exposed to foreign exchange transaction and translation risks in many currencies. Transaction risk relates to currency flows from revenues and expenses and translation risk relates translation of statement of income and balance sheet or foreign subsidiaries into euros.

The sales takes place in various currencies. From the Group's sales 48% is in EUR, 36% in USD, 4% in JPY, 4% in GBP and 4% in CNY. The cost and purchases occurs mostly in Euro and US dollars. The group policy is to hedge maximum of position that consist of order book, purchase orders and net receivables with currency forwards. Vaisala does not apply hedge accounting in accordance with IFRS.

Group internal loans and deposits are primarily initiated in the local currencies of subsidiaries. Vaisala does not hedge internal loans, deposits or equities of foreign subsidiaries. Translation of subsidiaries' balance sheets into euros caused translation difference of EUR 3.4 (-3.4) million. The most significant translation risk exposures are in US dollars.

The foreign exchange sensitivity analysis in line with IFRS 7 has been calculated to the most important foreign currency nominated receivables, loans, cash and liabilities of group companies. The calculation does not include internal loans, order book or forecasted cash flows but include foreign exchange forwards. 10% strengthening of currencies against EUR has an effect of EUR -0.8 (-1.4) million on Vaisala profit after taxes and equity. In the following table are the most significant foreign exchanges exposures against EUR.

M€	2014	2013
USD	-11.9	-14.6
CAD	0.7	-0.9
AUD	-0.7	-1.3
JPY	-0.9	-1.2

Refinancing and liquidity risks

Vaisala cash at hand amounts to EUR 47.6 (45.8) million. The parent company has also EUR 20 million uncommitted credit loan limit, which is currently unused. Additionally, the subsidiaries have EUR 1.6 million credit loan limit, which can be drawn either guarantees or loans. Currently, EUR 0.0 (0.0) million has been draw from this facility. Vaisala does not have any other material external interest bearing liabilities

Financial credit risk

Vaisala cash at hand amounts to EUR 47.6 (45.8) million, which exposes Vaisala to financial counterparty risk. Vaisala invest cash only to counterparties with good credit worthiness. All the cash investment counterparties are approved by Board of Directors. Counterparty creditworthiness is evaluated constantly. The maturity of cash investments are less than one month as of December 31, 2014.

Credit risk

Credit risks are hedged by using letters of credit, advance payments and bank guarantees as terms of payment. According to Group management, the company has no material credit risk concentrations, because no individual customer or customer group represents an excessive risk, resulting from global diversification of the company's customer pool. Total credit losses arising from trade receivable and recognized for the financial year amounted to EUR 0.1 million (-0.7). Bad debts are written off when official announcement of receivership, liquidation or bankruptcy is received confirming that the receivable will not be honored.

2 Business Segments

2014 EUR million	WEA *	CEN *	Other operations	Group
Products	92.1	70.7	0.0	162.8
Projects	83.8			83.8
Services	43.7	9.4		53.1
Net sales	**219.6**	**80.2**	**0.0**	**299.7**
Operating profit	**17.0**	**12.1**	**-2.8**	**26.4**
Share of result in associated companies				0.1
Financial income and expenses				2.6
Profit before taxes				**29.1**
Income taxes				-5.7
Profit for the financial year				**23.4**

* WEA = Weather
* CEN = Controlled Environment

2013 EUR million	WEA *	CEN *	Other operations	Group
Products	97.3	64.2	0.1	161.6
Projects	70.0			70.0
Services	32.7	9.0		41.7
Net sales	**200.0**	**73.2**	**0.1**	**273.2**
Operating profit	**14.5**	**4.0**	**-0.4**	**18.1**
Share of result in associated companies				0.1
Financial income and expenses				-1.0
Profit before taxes				**17.2**
Income taxes				-6.2
Profit for the financial year				**10.9**

* WEA = Weather
* CEN = Controlled Environment

3 Geographical Segments

The Group has three geographical segments, EMEA, Americas and APAC.

2014 EUR million	Net sales, by destination country [1]	Net sales, by location country [2]	Non-current assets [2]
EMEA	111.8	232.0	43.0
of which Finland	9.0	210.2	42.5
Americas	112.1	111.6	39.0
of which United States	86.5	106.2	38.2
APAC	75.9	35.8	0.6
Group eliminations		-79.7	
Total	**299.7**	**299.7**	**82.5**

[1] Sales to external customers have been presented as net sales by destination country.
[2] Net sales and non-current assets have been presented by the Group's and associated companies' countries of location.

2013 EUR million	Net sales, by destination country [1]	Net sales, by location country [2]	Non-current assets [2]
EMEA	98.6	208.4	46.3
of which Finland	8.0	189.9	45.4
Americas	107.8	105.1	37.5
of which United States	80.1	100.3	37.2
APAC	66.9	31.8	0.6
Group eliminations		-72.0	
Total	**273.2**	**273.2**	**84.5**

[1] Sales to external customers have been presented as net sales by destination country.
[2] Net sales and non-current assets have been presented by the Group's and associated companies' countries of location.

4 Business Combinations

Business combinations in 2014

In 2014 there were no business combinations.

Business combinations in 2013

On August 14, 2013 Vaisala acquired Second Wind Systems Inc., a company located in Newton Massachusetts, USA. Second Wind is a global leader in remote sensing technology and data services for the wind energy industry. Second Wind Systems Inc. reached EUR 7.0 million net sales in 2012. The company employs 34 persons. Vaisala's ownership of Second Wind after the acquisition is 100%.

Net sales of the acquired company between August 15, 2013 and December 31, 2013 were EUR 2.9 million and operating profit EUR 0.1 million. Had the acquisition taken place on January 1, 2013, the group net sales would have been EUR 278.7 million and operating profit EUR 16.8 million.

The acquisition of Second Wind fits well Vaisala's strategic goal to expand Vaisala's presence in the renewable energy markets. The acquisition makes Vaisala a trusted wind energy application provider.

Vaisala incurred acquisition-related costs of EUR 0.1 million mainly related to external legal fees. The costs have been included in the other operating expenses in the consolidated statement of income.

The total final consideration of the transaction is EUR 1.4 million. No goodwill was recognized.

The values of the assets and liabilities arising from the acquisition were as follows:

EUR million	Fair value recognized on acquisition
Technology (incl. in intangible assets)	3.3
Other intangible assets	0.4
Property, plant and equipment	0.4
Non-current receivables	0.0
Inventories	0.6
Trade and other receivables	1.1
Cash and cash equivalents	0.2
Total assets	**6.0**
Deferred tax liabilities	0.9
Interest-bearing liabilities	0.1
Advances received	2.2
Trade payables	0.5
Other liabilities	0.9
Total liabilities	**4.6**
Net assets	**1.4**
Cash flow on acquisition	
Purchase price paid in cash	-1.4
Cash and cash equivalents in acquired subsidiary	0.2
Total net cash outflow on acquisition	**-1.2**

On December 17, 2013 Vaisala acquired 3TIER Inc. located in Seattle, USA. 3TIER provides project feasibility, asset management and forecasting services to companies operating in the renewable energy market globally. 3TIER reached EUR 6.3 million net sales in 2012. The company employed 55 persons on December 17, 2013. Vaisala's ownership of 3TIER after the acquisition is 100%.

Net sales of the acquired company between December 17, 2013 and December 31, 2013 were EUR 0.2 million and operating profit EUR 0.0 million. Had the acquisition taken place on January 1, 2013, the group net sales would have been EUR 279.8 million and operating profit EUR 16.1 million.

The acquisition of 3TIER fits well with Vaisala's strategic intent to build a stronger position in the renewable energy market.

Vaisala incurred acquisition-related costs of EUR 0.2 million mainly related to external legal fees. The costs have been included in the other operating expenses in the consolidated statement of income.

The total financial consideration of the transaction is EUR 11.5 million. No goodwill was recognized.

The values of the assets and liabilities arising from the acquisition were as follows:

EUR million	Fair value recognized on acquisition
Technology (incl. in intangible assets)	3.9
Customer relationships	6.2
Other fixed assets	0.6
Trade and other receivables	3.0
Deferred tax assets	3.0
Cash and cash equivalents	0.4
Total assets	**17.2**
Deferred tax liabilities	3.9
Other liabilities	1.8
Total liabilities	**5.6**
Net assets	**11.5**
Cash flow on acquisition	
Purchase price paid in cash	-11.5
Cash and cash equivalents in acquired subsidiary	0.4
Total net cash outflow on acquisition	**-11.1**

5 Long-term Projects

EUR million	2014	2013
Net sales recognized as revenue according to percentage of completion (in financial period)	3.0	2.8
Amount recognized as revenue during the financial year and previous years for long-term project in progress	12.8	26.3
Total costs of incomplete long-term projects	7.6	20.1
Net amount of recognized costs, profits and losses from long-term projects	5.1	6.3
Order backlog	4.0	6.1
Specification of balances in the statement of financial position		
Materials and supplies in inventory	0.1	0.1
Prepayments and accrued income recognized	1.1	0.5
Deferred income recognized	0.2	0.2
Advances received	0.9	1.2

Accounting principles for long-term projects are presented in the note Accounting Principles.

6 Other Operating Income and Expenses

Other operating income

EUR million	2014	2013
Gains on the disposal of fixed assets	0.2	1.5
Other	0.4	0.3
Total	**0.5**	**1.8**

Other operating income year 2013 includes the gain of road transportation product line divestment.

Other operating expenses

EUR million	2014	2013
Loss on the disposal of fixed assets	0.1	0.1
Impairment of intangible assets	-	4.3
Other operating expenses	0.0	-
Total	**0.1**	**4.4**

7 Depreciation, Amortization and Impairments

EUR million Depreciation, amortization and impairments by function	2014	2013
Procurement and production	4.9	4.9
Sales, marketing and administration	9.8	9.4
Research and development	0.4	0.5
Other income and expenses	-	4.3
Total	**15.2**	**19.1**
Depreciation and amortization by asset group		
Intangible assets		
Intangible rights	4.4	5.3
Other intangible assets	1.4	0.3
Total	**5.8**	**5.5**
Property, plant and equipment		
Buildings and structures	2.1	2.3
Machinery and equipment	7.1	6.9
Total	**9.2**	**9.3**
Impairments by asset group		
Goodwill	-	3.5
Intangible rights	-	0.8
Other intangible assets	0.0	-
Buildings and structures	0.0	-
Machinery and equipment	0.1	-
Total	**0.2**	**4.3**
Total	**15.2**	**19.1**

8 Expenses Arising from Employee Benefits

EUR million	2014	2013
Salaries	94.9	84.7
Share-based payment	1.0	0.6
Social costs	9.8	8.8
Pensions		
Defined-benefit pension schemes	0.1	0.0
Defined-contribution pension schemes	10.6	10.6
Total	**116.3**	**104.7**

Expenses arising from employee benefits by function EUR million	2014	2013
Procurement and production	40.7	37.5
Sales, marketing and administration	50.2	44.5
Research and development	25.4	22.7
Total	**116.3**	**104.7**

Group personnel, average during the financial year by business unit	2014	2013
Weather	515	462
Controlled Environment	191	169
Other operations	911	854
Total	**1,617**	**1,485**
In Finland	916	862
Outside Finland	701	623
Total	**1,617**	**1,485**

On May 3, 2012 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2012 and it will be paid partly in the Company's series A shares and partly in cash in spring 2015. 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. Maximum amount corresponding to 142,200 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2014 EUR 0.7 million and in 2013 EUR 0.6 million was expensed for the share-based incentive plan (EUR 0.4 million in 2012).

On February 6, 2013 the Board of Directors resolved for the Group key employees a share-based incentive plan 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. Maximum amount corresponding to 150,000 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2013 no expense was recognized as the criteria was not met.

On February 10, 2014 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2014 and it will be paid partly in the Company's series A shares and partly in cash in spring 2017. 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. Maximum amount corresponding to 147,000 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2014 EUR 0.2 million was expensed for the share-based incentive plan.

9 Research and Development Expenditure

The statement of income includes research and development expenditure of EUR 34.0 million recognized as an expense in 2014 (EUR 28.9 million in 2013).

10 Financial Income and Expenses

EUR million

Financial income	**2014**	**2013**
Dividend income	0.1	0.0
Other interest and financial income	0.4	0.5
Realized and unrealized gains arising from changes in fair value of derivative contracts and hedging activities	0.6	1.8
Other foreign exchange gains	7.3	2.9
Total	**8.4**	**5.2**

Financial expenses	**2014**	**2013**
Interest expenses		
Short- and long-term liabilities	-0.0	-0.1
Finance lease agreements	-0.0	-0.0
Other financial expenses	-0.3	-0.4
Realized and unrealized losses arising from changes in fair value of derivative contracts and hedging activities	-3.0	-0.6
Other foreign exchange losses	-2.5	-5.2
Total	**-5.8**	**-6.3**

Other foreign exchange gains and losses arise from the business transactions.

11 Income Taxes

EUR million	**2014**	**2013**
Tax based on taxable income for the financial year	6.2	6.1
Taxes from previous financial years	-0.1	0.6
Change in deferred tax assets and liabilities	-0.4	-0.4
Total	**5.7**	**6.2**

Reconciliation statement between statement of income tax item and taxes calculated at the tax rate of the Group country of domicile

EUR million	**2014**	**2013**
Profit before taxes	29.1	17.2
Taxes calculated at Finnish tax rate	5.8	4.2
Effect of foreign subsidiaries' tax rates	0.7	0.9
Non-deductible expenses and tax-free revenue	0.1	0.2
Impairment of goodwill	-	0.9
Taxes from previous years	-0.1	0.6
Other direct taxes	0.1	0.0
Tax losses for which no deferred income tax asset was recognized	-	0.1
Deferred tax adjustment	-0.9	-0.3
Re-measurement of deferred tax - change in the Finnish corporate tax rate	-	-0.3
Other	-0.0	-0.0
Tax in the statement of income	**5.7**	**6.2**
Effective tax rate	**19.5%**	**36.4%**

Deferred taxes in statement of financial position **EUR million**	**2014**	**2013**
Deferred tax assets	8.9	8.0
Deferred tax liabilities	-5.3	-5.2
Deferred tax asset, net	**3.7**	**2.8**

Gross change in deferred taxes recognized in statement of financial position: **EUR million**	**2014**	**2013**
Deferred taxes Jan. 1	2.8	4.1
Items recognized in statement of income	0.4	0.4
Translation differences	-0.3	-0.1
Business combinations	0.7	-1.7
Items recognized in statement of comprehensive income	0.1	-0.0
Deferred tax asset, net	**3.7**	**2.8**

At December 31, 2014 the French subsidiary has EUR 1.5 million loss carried forward. In 2014 EUR 0.1 million deferred taxes were recognized for the losses.

Changes in deferred taxes during 2014 **EUR million**	**Jan. 1, 2014**	**Recognized in statement of income**	**Translation differences**	**Recognized in statement of comprehensive income**	**Dec. 31, 2014**
Deferred tax assets:					
Internal margin of inventories and fixed assets	0.6	-0.0			0.6
Employee benefits	1.0	0.2			1.2
Unused tax losses	3.5	-0.4			3.1
Timing difference of depreciation on intangible items	1.1	-1.0	0.5		0.6
Other temporary timing differences*	1.8	1.0	0.5	0.1	3.4
Total	**8.0**	**-0.1**	**0.9**	**0.1**	**8.9**
Deferred tax liabilities:					
Timing difference between accounting and taxation	0.6	0.1			0.7
Timing difference of depreciation on intangible items	4.6	-0.7	0.6		4.6
Other	0.0	0.0			0.0
Total	**5.2**	**-0.5**	**0.6**		**5.3**
Deferred tax asset, net	**2.8**	**0.4**	**0.4**	**0.1**	**3.7**

Changes in deferred taxes during 2013 EUR million	Jan. 1, 2013	Recognized in statement of income	Translation differences	Acquired subsidiaries	Recognized in statement of comprehensive income	Dec. 31, 2013
Deferred tax assets:						
Internal margin of inventories and fixed assets	0.2	0.4				0.6
Employee benefits	0.7	0.3				1.0
Unused tax losses	0.2	0.3		3.0		3.5
Timing difference of depreciation on intangible items	1.9	-0.8				1.1
Other temporary timing differences *	2.1	-0.2	-0.1			1.8
Total	**5.1**	**0.0**	**-0.1**	**3.0**		**8.0**
Deferred tax liabilities:						
Timing difference between accounting and taxation	1.0	-0.4				0.6
Timing difference of depreciation on intangible items				4.6		4.6
Other		0.0			0.0	0.0
Total	**1.0**	**-0.4**		**4.6**	**0.0**	**5.2**
Deferred tax asset, net	**4.1**	**0.4**	**-0.1**	**-1.7**	**-0.0**	**2.8**

* Other temporary differences consist of intercompany sales, credit losses, inventory valuation and other temporary differences.

12 Earnings per Share

The undiluted earnings per share figure is calculated by dividing the profit for the financial year belonging to the parent company's shareholders by the weighted average number of shares outstanding during the financial year.

	2014	2013
Profit attributable to shareholders of the parent company, undiluted, EUR million	23.4	10.9
Weighted average number of shares outstanding, 1,000 pcs	18,059	18,059
Earnings per share, EUR	1.30	0.60
Profit attributable to shareholders of the parent company, diluted, EUR million	23.4	10.9
Weighted average number of shares outstanding, diluted, 1,000 pcs	18,234	18,187
Earnings per share, diluted, EUR	1.29	0.60

In year 2014 and 2013 dilution is due to share-based payment.

13 Dividend per Share

For 2013 a dividend of 0.90 euros per share was paid.

At the Annual General Meeting to be held on March 31, 2015 the payment of a dividend of 0.90 euros per share will be proposed, representing a total dividend of approximately EUR 16.4 million. The proposed dividend has not been recognized as a dividend liability in these financial statements.

14 Intangible Assets

EUR million Intangible assets	Intangible rights *	Goodwill	Other intangible assets	Total
Acquisition cost Jan. 1, 2014	48.2	12.7	13.2	74.1
Translation difference	2.6	1.7	1.8	6.1
Increases	2.6		0.6	3.3
Decreases	-4.8		-0.2	-5.0
Transfers between items	0.4		-0.3	0.0
Acquisition cost Dec. 31, 2014	**49.0**	**14.4**	**15.1**	**78.4**
Accumulated amortization and impairment Jan. 1, 2014	35.4		2.7	38.1
Translation difference	1.8		0.3	2.2
Accumulated amortization of decreases and transfers	-4.8		-0.2	-5.0
Amortization in financial year	4.5		1.4	5.9
Impairments in financial year	0.0			0.0
Accumulated amortization and impairment Dec. 31, 2014	**37.0**		**4.3**	**41.3**
Carrying amount Dec. 31, 2014	**12.0**	**14.4**	**10.8**	**37.1**

Intangible assets	Intangible rights *	Goodwill	Other intangible assets	Total
Acquisition cost Jan. 1, 2013	46.8	17.9	3.3	68.0
Translation difference	1.5	-0.8	-0.1	0.7
Increases	0.3		0.1	0.5
Business combinations	3.6		10.1	13.7
Decreases	-4.1	-4.4	-0.3	-8.8
Transfers between items	0.0		-0.0	0.0
Acquisition cost Dec. 31, 2013	**48.2**	**12.7**	**13.2**	**74.1**
Accumulated amortization and impairment Jan. 1, 2013	32.1		2.8	34.9
Translation difference	0.5		-0.1	0.4
Accumulated amortization of decreases and transfers	-3.3	-3.5	-0.3	-7.0
Amortization in financial year	5.3		0.3	5.5
Impairments in financial year	0.8	3.5		4.3
Accumulated amortization and impairment Dec. 31, 2013	**35.4**	**0.0**	**2.7**	**38.1**
Carrying amount Dec. 31, 2013	**12.8**	**12.7**	**10.5**	**35.9**

* Intangible rights contain patents, trademarks and software licenses.

Goodwill impairment testing

Vaisala assesses the value of goodwill for impairment annually or more frequently in case facts and circumstances indicate a risk of impairment. The assessment is done using discounted cash flow methodology which is applied to five year forecasts that are approved by Vaisala management. The recoverable amount of cash generating unit is based on value in use calculations.

In Weather cash generating unit recoverable amount exceeds book value by EUR 260 million. Weather business sales are expected to grow annually 4–7% next five years. Terminal growth rate is based on 2% growth assumption and Weighted Average Costs of Capital (WACC) is 11.2%. Calculations show that with other assumptions unchanged cash generating unit can withstand sales deteriorating 17%, profitability deteriorating 11% or discount rate increase 22%.

15 Property, Plant and Equipment

EUR million Property, plant and equipment	Land and waters	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1, 2014	2.7	49.0	75.7	0.0	4.0	131.5
Translation difference	0.2	0.5	2.5		-0.0	3.1
Increases		0.2	2.4		3.3	5.9
Decreases		-0.0	-9.4		0.0	-9,4
Transfers between items		0.5	3.6		-4.1	-0.0
Acquisition cost Dec. 31, 2014	**2.9**	**50.1**	**74.8**	**0.0**	**3.2**	**131.1**
Accumulated depreciation and impairment Jan. 1, 2014		25.7	59.0			84.7
Translation difference		0.3	2.2			2.4
Accumulated depreciation of decreases and transfers		-0.0	-9.4			-9.4
Depreciation in financial year		2.1	7.0			9.1
Write-downs in financial year		0.0	0.1			0.1
Accumulated depreciation Dec. 31, 2014		**28.0**	**58.9**			**86.9**
Carrying amount Dec. 31, 2014	**2.9**	**22.1**	**15.9**	**0.0**	**3.2**	**44.2**

The carrying amount of machinery and equipment used in production was EUR 11.5 million on December 31, 2014 (EUR 11.3 million on December 31, 2013).

Property, plant and equipment	Land and waters	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1, 2013	2.8	49.4	70.9	0.0	3.5	126.6
Translation difference	-0.1	-0.2	1.9		-0.1	1.6
Increases		0.0	3.0	0.0	4.1	7.1
Business combinations			2.2			2.2
Decreases		-0.5	-5.5		-0.0	-6.0
Transfers between items		0.1	3.3		-3.5	-0.0
Acquisition cost Dec. 31, 2013	**2.7**	**49.0**	**75.7**	**0.0**	**4.0**	**131.5**
Accumulated depreciation and impairment Jan. 1, 2013		23.5	54.0			77.5
Translation difference		-0.1	1.9			1.8
Accumulated depreciation of decreases and transfers		-0.1	-3.8			-3.9
Depreciation in financial year		2.3	6.9			9.3
Accumulated depreciation Dec. 31, 2013		**25.7**	**59.0**			**84.7**
Carrying amount Dec. 31, 2013	**2.7**	**23.3**	**16.7**	**0.0**	**4.0**	**46.8**

Property, plant and equipment include the following assets acquired on finance leases:

2014 EUR million	Machinery and equipment
Acquisition cost	0.1
Accumulated depreciation	-0.0
Carrying amount Dec. 31, 2014	**0.0**

2013 EUR million	Machinery and equipment
Acquisition cost	0.1
Accumulated depreciation	-0.0
Carrying amount Dec. 31, 2013	**0.0**

During 2013 Vaisala Corporation bought out the computers on finance lease. At December 31, 2014 the remaining assets on finance lease are leased forklift trucks.

16 Holdings in Associated Companies

EUR million	2014	2013
Acquisition cost Jan. 1	0.7	0.8
Share of result	0.1	0.1
Reclassification	-	-0.1
Translation differences	0.0	-0.1
Associated company investments, total Dec. 31	**0.8**	**0.7**

The carrying amount of associated companies does not include goodwill.

Information on Group associated companies as well as their combined assets, liabilities, net sales and profit/loss:

Associated companies 2014 EUR million	Domicile	Assets	Liabilities	Net sales	Profit/loss	Holding
Meteorage SA, France	Cedex	4.1	1.9	2.7	0.2	35%

The information presented in the table is based on the latest available financial statements.

Associated companies 2013 EUR million	Domicile	Assets	Liabilities	Net sales	Profit/loss	Holding
Meteorage SA, France	Cedex	4.0	1.9	3.3	0.3	35%

The information presented in the table is based on the latest available financial statements.

Associated company Meteorage SA maintains lightning detection networks and sales information related to lightning detection.

17 Long-term Receivables

EUR million	2014 Values in statement of financial position	Fair values	2013 Values in statement of financial position	Fair values
Loan receivables	0.0	0.0	0.7	0.7
Other receivables	0.3	0.3	0.2	0.2
Total	**0.3**	**0.3**	**0.9**	**0.9**

18 Inventories

EUR million	2014	2013
Materials, supplies and finished goods	29.4	24.8
Project inventories	4.5	3.8
Total	**33.9**	**28.6**

An expense of EUR 79.8 million (EUR 79.2 million in 2013) was recognized in the financial period.

Vaisala wrote down inventories and recognized excess and obsolescence allowances for slow moving and old inventory to their estimated net realizable value which resulted a loss of EUR 4.5 million in year 2014 (EUR 4.8 million in year 2013).

19 Trade Receivables and Other Receivables

EUR million	2014	2013
Trade receivables	56.2	45.8
Loan receivables	0.0	0.2
Advances paid	0.3	0.4
Value-added tax receivables	4.0	2.8
Other receivables	1.6	1.3
Receivables from long-term project customers	1.1	0.5
Derivative contracts	0.0	0.6
Other prepaid expenses and accrued income	7.3	5.8
Total	**70.5**	**57.4**

Fair values of trade and other receivables materially corresponds to book values.

Age analysis for the trade receivables

EUR million	2014	Provision	Net 2014	2013	Provision	Net 2013
Invoices not due	38.8		38.8	31.7		31.7
Due less than 30 days	9.6		9.6	8.3		8.3
Due 31–90 days	4.0		4.0	4.4		4.4
Due over 90 days	4.9	1.0	3.9	2.7	1.3	1.4
Total	**57.2**	**1.0**	**56.2**	**47.0**	**1.3**	**45.8**

In 2014 impairments of trade receivables were EUR 0.1 million negative (EUR 0.7 million positive in 2013).

The carrying amounts of group's trade receivables are denominated in the following currencies:

EUR million	2014	2013
EUR	21.3	17.7
USD	25.5	21.2
GBP	4.5	2.9
JPY	2.2	2.0
AUD	1.1	0.7
CNY	0.4	0.2
Others	1.2	1.1
Total	**56.2**	**45.8**

20 Cash and Cash Equivalents

EUR million	2014	2013
Cash and bank deposits	47.6	45.8

The values of cash and cash equivalents are equivalent to their carrying amounts.

21 Notes Relating to Shareholders' Equity

Vaisala applies the insider rules of the Helsinki Stock Exchange.

Vaisala has 18,218,364 shares, of which 3,389,351 are K shares and 14,829,013 are A shares. The shares do not have nominal value. Vaisala's maximum share capital is EUR 28,800,000. A maximum of 68,490,017 shares shall be K shares and a maximum of 68,490,017 shares shall be A shares, with the provision that the total number of shares shall be at least 17,122,505 and not more than 68,490,017. 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 shares have the same rights to dividend. K shares can be converted to A shares according to specific rules stated in the Articles of Association.

The group equity consists of the share capital, reserve fund, fund of invested non-restricted equity, translation differences and retained earnings.

Share capital and reserves

EUR million	Number of shares 1,000	Share capital	Share premium fund	Other reserves	Treasury shares	Total
December 31, 2012	18,059	7.7	22.3	0.8	-2.5	28.2
Transfer			-22.3	22.4		0.1
Return of capital				-22.2		-22.2
Share-based compensation				0.6		0.6
Translation differences				-0.0		-0.0
December 31, 2013	**18,059**	**7.7**	**-**	**1.5**	**-2.5**	**6.6**
Share-based compensation				1.0		1.0
Transfer				0.0		0.0
Translation differences				0.0		0.0
Correction				-0.0		-0.0
December 31, 2014	**18,059**	**7.7**	**-**	**2.5**	**-2.5**	**7.6**

Own shares held by company	159
Total	**18,218**

Other reserves consist of the reserve fund and the fund of invested non-restricted equity.

Reserve fund, EUR 0.4 million, contains items based on the local rules of other Group companies. Restrictions based on local rules apply to the distributability of the reserve fund.

The fund of invested non-restricted equity includes funds transferred from the share premium fund. On December 31, 2014 the balance was EUR 0.1 million (December 31, 2013: EUR 0.1 million).

The translation differences fund contains translation differences arising from the conversion of the financial statements of foreign units. The profit for the financial year is entered in retained earnings.

On March 26, 2013 Vaisala Corporation’s Annual General Meeting decided to decrease the share premium fund presented in the company’s statement of financial position on December 31, 2012 by EUR 22,3 million 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.

Own shares held by company

The own shares (treasury shares) fund includes the acquisition cost of own shares held by the Group, and it is presented as a reduction in shareholders' equity.

	Number of shares	Purchase price EUR million
Company's treasury shares on Dec. 31, 2011	9,150	0.3
May, 2012	139,379	2.1
June, 2012	10,621	0.2
Company's treasury shares on Dec. 31, 2012	159,150	2.5
Company's treasury shares on Dec. 31, 2013	159,150	2.5
Company's treasury shares on Dec. 31, 2014	**159,150**	**2.5**

On December 31, 2014, the Group had 159,150 treasury A shares (159,150 A shares on December 31, 2013) in its possession that represent approximately 0.9% of share capital and 0.2% of voting rights. The considerations paid for the A shares were EUR 2,527,160.

Treasury shares are to be used for share based incentive plan (note 8).

22 Pension Obligations

The Group has a number of pension schemes, which have been classified as either defined-contribution or defined-benefit schemes. Under defined-contribution plans, contributions made are recognized as an expense in the statement of income of the financial period in which the contributions are payable. TyEL pension cover managed in an insurance company are defined-contribution schemes.

The defined-benefit schemes are in Finland. The supplementary pension benefits managed in the Vaisala Pension Fund have been treated as defined-benefit pension schemes. The Pension Fund's obligations were transferred to a pension insurance company on December 31, 2005. The company retains, however, an obligation under IFRS 19 for future index and salary increases in terms of individuals covered by the Pension Fund who are employed by the company.

On January 1, 2013 the Group adopted the revised IAS 19 standard. The impact of the adoption is described in the Accounting Principles.

The defined-benefit pension liability is determined as follows:

EUR million	2014	2013
Fair value of funded obligations	1.7	1.5
Fair value of assets	-0.5	-0.9
Deficit/surplus	1.2	0.6
Net liability in the statement of financial position	**1.2**	**0.6**

Amounts recognized in the statement of income and the statement of other comprehensive income

EUR million	2014	2013
Current service cost	0.0	0.0
Interest	0.0	0.0
Expense recognized in the statement of income	0.1	0.0
Net actuarial loss (+) / gain (-) in other comprehensive income	0.6	0.2
Total recognized in the statement of income and the statement of other comprehensive income	**0.6**	**0.2**

Defined-benefit pension schemes has been allocated to administration function.

Changes in the present value of the obligation

EUR million	2014	2013
Present value of obligation Jan. 1	1.5	1.4
Current service cost	0.0	0.0
Interest cost	0.1	0.0
Settlement and curtailments	-0.4	-
Remeasurements		
Actuarial gain (-) loss(+) arising from changes in financial assumptions	0.4	0.1
Experience adjustment	0.2	0.1
Benefits paid	-0.1	-0.1
Present value of obligation on Dec. 31	**1.7**	**1.5**

Changes in the fair value of plan assets

EUR million	2014	2013
Fair value of plan assets Jan. 1	0.9	0.9
Interest income on assets	0.0	0.0
Settlements	-0.4	-
Net return on plan assets	0.0	0.0
Benefits paid	-0.1	-0.1
Contributions	0.1	0.0
Fair value of plan assets Dec. 31	**0.5**	**0.9**

Changes of liabilities presented in statement of financial position

EUR million	2014	2013
At beginning of financial year	0.6	0.5
Expense (+) / income (-) recognized in statement of income	0.1	0.0
Total recognized in other comprehensive income	0.6	0.2
Contributions paid	-0.1	-
At end of financial year	**1.2**	**0.6**

Actuarial assumptions used:	2014	2013
Discount rate	1.80%	3.30%
Expected yield from assets belonging to the scheme	3.00%	3.25%
Rate of inflation	2.00%	2.00%
Annual adjustments to pensions	2.10%	2.10%

Sensitivity of the net liability changes in the principal assumptions

Assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	2.67% decrease	2.81% increase
Salary increase rate	0.25%	0.51% increase	0.51% decrease
Pension increase rate	0.25%	15.89% increase	14.31% decrease

	Increase by one year	Decrease by one year
Life expectancy at birth	3.11% increase	3.02% decrease

The above analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the net liability using the above assumptions the same method has been applied as when measuring the net liability in the statement of financial position.

23 Provisions

EUR million

Long term	2014	2013
Provisions Jan. 1	-	0.1
Increase in provisions	0.2	-
Decrease in provisions	-	-0.1
Provisions Dec. 31	**0.2**	**-**

In 2014 Vaisala recognized a provision for a donation to the New Children's hospital in Helsinki, Finland.

Short term	2014	2013
Provisions Jan.1	-	0.9
Increase in provisions	1.4	-
Used provisions	-	-0.9
Provisions Dec. 31	**1.4**	**-**

The provision recognized in 2014 is related to a legal dispute.

24 Trade Payables and Other Liabilities

EUR million	2014	2013
Trade payables	12.9	10.1
Salary and social cost allocations	18.2	14.9
Financial derivatives	1.4	0.0
Other accrued expenses and deferred income	21.0	25.1
Other short-term liabilities	4.7	4.7
Total	**58.1**	**54.8**

The fair value of the trade payables and other liabilities is equivalent to their carrying amounts.

25 Financial Assets and Liabilities

Assets and liabilities as per statement of financial position 2014

EUR million	Assets/liabilities recognized at fair value through profit and loss and derivatives used for hedging	Loans and receivables	Financial liabilities at amortized cost	Carrying amount of statement of financial position items	Fair value	Note
Financial assets						
Long-term receivables		0.3		0.3	0.3	17
Trade receivables and other receivables	0.0	70.5		70.5	70.5	19
Cash and cash equivalents		47.6		47.6	47.6	20
Total	**0.0**	**118.3**		**118.4**	**118.4**	
Liabilities						
Interest-bearing long-term liabilities			0.0	0.0	0.0	25
Interest-bearing short-term liabilities			0.0	0.0	0.0	25
Trade payables and other liabilities	1.4		56.7	58.1	58.1	24
Total	**1.4**		**56.8**	**58.1**	**58.1**	

Assets and liabilities as per statement of financial position 2013

EUR million	Assets/liabilities recognized at fair value through profit and loss and derivatives used for hedging	Loans and receivables	Financial liabilities at amortized cost	Carrying amount of statement of financial position items	Fair value	Note
Financial assets						
Long-term receivables		0.9		0.9	0.9	17
Trade receivables and other receivables	0.6	56.7		57.4	57.4	19
Cash and cash equivalents		45.8		45.8	45.8	20
Total	**0.6**	**103.4**		**104.1**	**104.1**	
Financial liabilities						
Interest-bearing long-term liabilities			0.0	0.0	0.0	25
Interest-bearing short-term liabilities			0.0	0.0	0.0	25
Trade payables and other liabilities	0.0		54.8	54.8	54.8	24
Total	**0.0**		**54.8**	**54.8**	**54.8**	

At the end of year 2014 and 2013 the Group did not have any interest bearing loans. The company has no loans that would mature after five years or a longer period. Other non-interest bearing long-term liabilities comprise of long-term part of trade payable of ASIC-circuits EUR 0.7 million (EUR 1.1 million). Circuits are Vaisala's property and they will be paid according to the use of current circuits during the years 2012 to 2016. The liability is interest-free. Non-interest bearing long-term liabilities also include an EUR 0.6 million trade payable for computer software.

Maturity dates of finance lease liabilities:

EUR million	2014	2013
Finance lease liabilities - total amount of minimum lease payments		
Up to 1 year	0.0	0.0
1–5 years	0.0	0.0
	0.0	0.0
Future financial expenses	0.0	0.0
Present value of finance lease liabilities	**0.0**	**0.0**
Present value of minimum payments of finance lease liabilities		
Up to 1 year	0.0	0.0
1–5 years	0.0	0.0
Total	**0.0**	**0.0**

During 2013 Vaisala Corporation bought out the finance leases relating to computers.

Derivative contracts

EUR million	2014	2013
Capital value of off-balance sheet contracts made to hedge against exchange rate and interest rate risks		
Currency forwards	20.0	19.7
Capital value, total	**20.0**	**19.7**

Derivative contracts are denominated in the following currencies:

	2014		2013	
	Currency million	EUR million	Currency million	EUR million
USD	22.5	17.2	22.5	16.8
AUD	2.0	1.4	2.0	1.4
JPY	165.0	1.2	165.0	1.2
GBP	0.3	0.3	0.3	0.3
Total		**20.0**		**19.7**

Maturity

EUR million	2014	2013
Less than 90 days	9.2	9.8
Over 90 days and less than 120 days	2.6	2.6
Over 120 days and less than 330 days	8.2	7.4
Total	**20.0**	**19.7**

Fair value of off-balance sheet contracts made to hedge against exchange rate and interest rate risks

EUR million	2014	2013
Currency forwards	-1.3	0.6
Fair value, total	**-1.3**	**0.6**

Fair value of the derivative contracts are based on information that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). In addition to the quoted prices the group will prepare own assessment using commonly acceptable valuation techniques. Hence group's derivative contracts belongs to the level 2. There were no transfers between the hierarchy levels during the financial period.

26 Contingent Liabilities and Pledges Given

EUR million	2014	2013
For own loans/commitments		
Guarantees	11.6	8.9
Other own liabilities		
Pledges given	0.1	0.1
Other leases	9.0	6.5
Contingent liabilities and pledges given, total	**20.7**	**15.5**

The lease agreements are based on common market terms in each country.

27 Related Party Transactions

Related parties of Vaisala group are group companies, associated companies, members of Board and Management Group.

The parent company and subsidiaries are as follows:

Company		Group ownership %	Share of votes %
Parent company Vaisala Corporation	Finland		
Vaisala Limited	United Kingdom	100%	100%
Vaisala Pty Ltd.	Australia	100%	100%
Vaisala GmbH	Germany	100%	100%
Vaisala KK	Japan	100%	100%
Vaisala Holding Inc.	United States	100%	100%
Vaisala Inc.	United States	100%	100%
Vaisala China Ltd	China	100%	100%
Vaisala Canada Inc.	Canada	100%	100%
Tycho Technology Inc.	United States	100%	100%
Vaisala S.A.	Argentina	100%	100%
Vaisala SAS	France	100%	100%
Vaisala Sdn Bhd	Malaysia	100%	100%
Vaisala Servicos De Marketing Ltda	Brazil	100%	100%
3TIER R&D India Pvt Ltd	India	100%	100%
3TIER (Europe) Limited	United Kingdom	100%	100%
Associated companies			
Meteorage SA	France	35%	35%

Related party transactions are based on market price of goods and services and common market terms. Related party information is presented only to extent it is not eliminated in group consolidation.

Transactions with related parties and related party receivables and liabilities:

2014 EUR million	Sales	Receivables
Associated companies	0.5	0.2

2013 EUR million	Sales	Receivables
Associated companies	0.5	0.0

Employee benefits of management EUR million	2014	2013
Salary and bonuses of the President and CEO		
Forsén Kjell		
Salary	0.5	0.5
Bonuses	0.1	0.1
Share-based payment	0.1	0.1
Obligatory pension	0.1	0.1
Voluntary pension	0.1	0.1
Total	**0.9**	**0.8**
Other group management		
Salary	1.3	1.0
Bonuses	0.2	0.2
Share-based payment	0.3	0.2
Obligatory pension	0.3	0.2
Voluntary pension	0.2	0.2
Total	**2.3**	**1.9**

Remuneration to members of the Board of Directors 2014 EUR 1,000		Annual remuneration	Compensation, audit committee	Compensation, remuneration and human resources committee	Total
Lappalainen Timo	Member of the Board	9	1		10
Lundström Petra	Member of the Board	26	4		30
Neuvo Yrjö	Vice Chairman of the Board	35		5	40
Niinivaara Mikko	Member of the Board	35	5		40
Torkko Maija	Member of the Board	35	8	5	48
Torstila Pertti	Member of the Board	26			26
Voipio Mikko	Member of the Board	35			35
Voipio Raimo	Chairman of the Board	45		5	50
Total		**246**	**18**	**15**	**279**

Remuneration to members of the Board of Directors 2013 EUR 1,000		Annual remuneration	Compensation, audit committee	Compensation, remuneration and human resources committee	Total
Lappalainen Timo	Member of the Board	33	7		40
Neuvo Yrjö	Vice Chairman of the Board	33		5	38
Niinivaara Mikko	Member of the Board	33	7		40
Torkko Maija	Member of the Board	33	11	5	48
Voipio Mikko	Member of the Board	33			33
Voipio Raimo	Chairman of the Board	43		5	48
Total		**205**	**25**	**15**	**245**

Age of retirement for the President and CEO is 62 years. The President and CEO has a compensation based retirement plan. Notice period, severance pay and conditions of other severance compensations: 6 months for the employee, 12 months for the employer, compensation equal to the salary.

Management share ownership

Vaisala Corporation's Board of Directors held and controlled 1,204,438 shares on December 31, 2014, accounting for 14.1% of the total votes. A regularly updated table reporting the holdings of public insiders is available on *www.vaisala.com*.

The company's President and CEO held and controlled 2,720 A shares on December 31, 2014 (2013: 2,720 A Shares).

Other members of Vaisala Management Group held and controlled 2,463 Vaisala shares on December 31, 2014 accounting for 0.0% of total votes. (In 2013 other members of the Management Group held 4,463 shares and 0.0% voting rights.)

The President and CEO and the members of the Board have not been granted loans nor have guarantees or commitments been given on their behalf.

28 Auditor’s Fees

EUR million	2014	2013
Auditor’s fees	0.2	0.3
Tax advice	0.1	0.0
Statements	0.0	0.0
Other fees	0.0	0.0
Total	**0.4**	**0.3**

29 Events after the review period

On January 27, 2015, Vaisala announced plans to restructure its business in order to strengthen the capability to implement its strategy and to increase agility. Vaisala continues to invest in its growth businesses and to develop products and services which combine customers’ business expertise and Vaisala’s technology leadership. The goal of the planned restructuring is to strengthen customer focus across all functions and to ensure operational efficiency through simplification. The proposed new organization is planned to be effective on April 1, 2015.

During the restructuring Vaisala will adhere to the local legislation and practices in each country. In Finland, Vaisala initiated co-operation negotiations related to the restructuring on February 2, 2015. The planned reorganization is expected to lead to a reduction in personnel. The reduction of employees is estimated to total 60 full-time equivalents out of which about 25 are estimated to be in Finland.

Parent Company Income Statement

EUR million	Note		Jan. 1–Dec. 31, 2014		Jan. 1–Dec. 31, 2013
Net sales	2		**210.2**		**189.7**
Cost of production and procurement	5, 6		-111.8		-103.9
Gross profit			**98.4**		**85.8**
Cost of sales and marketing	5, 6		-21.1		-20.6
Cost of administration					
Development costs	5, 6	-23.9		-22.0	
Other administrative costs	5, 6	-31.6	-55.5	-27.0	-49.0
Other operating income	4		0.0		0.0
Other operating costs	4		-		-0.3
Operating profit			**21.8**		**15.9**
Financial income and expenses	7		0.7		14.1
Profit before appropriations and taxes			**22.5**		**30.0**
Appropriations	8		-0.5		1.1
Profit before taxes			**22.1**		**31.1**
Direct taxes	9		-5.4		-4.0
Net profit for the financial year			**16.7**		**27.1**

Parent Company Balance Sheet

EUR million Assets	Note	Dec. 31, 2014	Dec. 31, 2013
Non-current assets			
Intangible assets	10		
Intangible rights		7.9	8.5
Other long-term expenditure		0.2	0.3
		8.1	8.7
Property, plant and equipment	10		
Land and waters		1.3	1.3
Buildings		25.9	27.0
Machinery and equipment		10.2	10.2
Other tangible assets		0.0	0.0
Advance payments and construction in progress		2.6	3.8
		40.0	42.3
Investments	10		
Shares in subsidiaries		19.0	30.4
Other shares		0.1	0.1
Receivables from subsidiaries	19	24.5	25.6
		43.6	56.1
Total non-current assets		**91.7**	**107.1**
Current assets			
Inventories			
Materials, consumables and finished goods		22.9	19.5
Project inventories		2.8	3.1
		25.8	22.6
Receivables			
Trade receivables	19	26.5	29.2
Loan receivables	19	11.9	4.9
Other receivables	11	2.8	1.7
Prepaid expenses and accrued income	12, 19	8.3	6.0
		49.6	41.8
Cash and bank balances	13	38.5	26.8
Total current assets		**113.8**	**91.2**
Total assets		**205.5**	**198.3**

Parent Company Balance Sheet

EUR million Shareholders' equity and liabilities	Note	Dec. 31, 2014	Dec. 31, 2013
Shareholders' equity	16		
Share capital		7.7	7.7
Fund of invested non-restricted equity		0.1	0.1
Retained earnings		128.5	117.7
Profit for the financial year		16.7	27.1
		152.9	152.5
Total shareholders' equity		**152.9**	**152.5**
Appropriations			
Accumulated depreciation difference	14	3.3	2.9
Provisions	15	1.5	-
Liabilities			
Non-current			
Other non-current liabilities	17	1.3	0.8
Current			
Advances received		3.3	3.2
Trade payables	19	11.5	10.3
Current loans	19	1.1	-
Other current liabilities		2.3	1.8
Accrued expenses and deferred income	18, 19	28.2	27.0
		46.4	42.1
Total liabilities		**47.7**	**42.9**
Total shareholders' equity and liabilities		**205.5**	**198.3**

Parent Company Cash Flow Statement

EUR million	Note	Jan. 1–Dec. 31, 2014	Jan. 1–Dec. 31, 2013
Cash flow from operating activities			
Cash receipts from customers		207.8	195.2
Other income from business operations		0.0	0.0
Cash paid to suppliers and employees		-180.4	-171.3
Cash flow from business operations before financial items and taxes		27.4	23.9
Interest received	7	1.0	0.9
Interest paid	7	-0.0	-0.0
Other financial items, net	7	1.1	-1.7
Dividend received from business operations	7	7.3	14.6
Direct tax paid	9	-3.7	-4.3
Cash flow from business operations (A)		**33.0**	**33.3**
Cash flow from investing activities			
Investments in intangible assets	10	-1.6	-0.6
Investments in property, plant and equipment	10	-3.4	-4.1
Loans granted	19	-3.8	-24.7
Other investments	10	0.0	-
Repayments on loan receivables	19	2.7	9.1
Cash flow from investing activities (B)		**-6.1**	**-20.3**
Cash flow from financing activities			
Return of capital	16	-	-22.2
Dividend paid	16	-16.2	-16.2
Cash flow from financing activities (C)		**-16.2**	**-38.5**
Change in liquid funds (A+B+C) increase (+) / decrease (-)		**10.7**	**-25.4**
Liquid funds at the beginning of period	13	26.8	52.2
Liquid funds at end of period	13	**38.5**	**26.8**

Notes to the Parent Company Income Statement and Balance Sheet

1 Parent Company Accounting Principles (FAS)

The financial statements of the parent company have been prepared according to the Finnish accounting standards (FAS). Financial statement data are based on original acquisition costs if not otherwise stated in the accounting principles outlined below. Revaluations are not taken into account if not separately mentioned.

Non-current assets

The balance sheet values of fixed assets are stated at historical cost, less accumulated depreciation and amortization, with the exception of the office and factory premises in Vantaa, which were revalued in previous years by a total of EUR 5.7 million. Despite of the revaluations, the asset value is significantly less than the market value of the office and factory premises. The cost of self-constructed assets also includes overhead costs attributable to construction work. Interest is not capitalized on fixed assets. Depreciation and amortization is calculated on a straight-line basis over the expected useful lives of the assets, except for land, which is not depreciated. Estimated useful lives for various assets are:

Intangible rights	3–5 years
Buildings and structures	5–40 years
Machinery and equipment	3–10 years
Other tangible assets	5–15 years

Inventories

The cost of inventories comprises all costs of purchase. Finished goods produced include also fixed and variable production overheads. Inventories are valued using the average cost method.

Foreign currency items

Transactions in foreign currencies are recorded at the rates of exchange prevailing at the date of transaction. Receivables and payables in foreign currency are valued at the exchange rates quoted by the European Central Bank at the balance sheet date. All foreign exchange gains and losses, including foreign exchange gains and losses on trade receivables and payables, are recorded as financial income and expenses.

Pension costs

Pension costs are recorded according to the Finnish regulations. The additional pension coverage of parent company personnel is arranged by the Vaisala Pension Fund (closed on January 1, 1983). The pension liability of the fund is fully covered.

Research and development costs

Except for investments in machinery and equipment, which are amortized on a straight line basis over a period of five years, research and development costs are expensed in the financial period in which they occurred.

Income taxes

Income taxes consist of current and deferred tax. Current taxes in the income statement include estimated taxes payable or refundable on tax returns for the financial year and adjustments to tax accruals related to previous years. The deferred taxes in the income statement represent the net change in deferred tax liabilities and assets during the year.

Principles of revenue recognition

Sales of goods and services rendered

Revenue from the sale of goods is recognized when significant risks and rewards of owning the goods are transferred to the buyer. Revenue recognition generally takes place when the transfer has taken place. Revenue for rendering of services is recognized when the service has been performed. When recognizing net sales, indirect taxes and discounts, for example, have been deducted from sales revenue. Possible exchange rate differences are recognized in the financial income and expenses.

Long-term projects

Revenues from long-term projects are recognized using the percentage of completion method, when the outcome of the project can be estimated reliably. The stage of completion is determined for each project by reference to the relationship between the costs incurred for work performed to date and the estimated total costs of the project or the relationship between the working hours performed to date and the estimated total working hours.

When the outcome of a long-term project cannot be estimated reliably, project costs are recognized as expenses in the same period when they arise and project revenues only to the extent of project costs incurred where it is probable that those costs will be recoverable. When it is probable that total costs necessary to complete the project will exceed total project revenue, the expected loss is recognized as an expense immediately.

Other operating income and expenses
Gains on the disposal of assets as well as income other than that relating to actual performance-based sales, such as rental income, are recognized as other operating income.

Losses on the disposal of assets and expenses other than those relating to actual performance-based sales are included in other operating expenses.

2 Net Sales

Net sales by market area EUR million	Parent Company 2014	Parent Company 2013
EMEA	99.3	87.9
from which Finland	8.9	8.0
Americas	50.9	48.4
from which United States	36.5	34.1
APAC	60.0	53.4
Total	**210.2**	**189.7**

Net sales by function EUR million	Parent Company 2014	Parent Company 2013
Weather	147.1	133.5
Controlled environment	63.1	56.2
Total	**210.2**	**189.7**

3 Long-term Projects

EUR million	Parent Company 2014	Parent Company 2013
Net sales recognized as revenue according to percentage of completion (in financial period)	2.2	2.3
Amount recognized as revenue during the financial year and previous years for long-term project in progress	11.6	24.9
Total costs of incomplete long-term projects	7.0	18.6
Net amount of recognized costs, profits and losses from long-term projects	4.5	6.5
Order backlog	3.9	5.3
Specification of balances in the statement of financial position		
Materials and supplies in inventory	0.1	0.1
Prepayments and accrued income recognized	1.1	0.4
Deferred income recognized	0.2	0.2
Advances received	0.9	0.9

Accounting principles for long-term projects are presented in the note Accounting Principles.

4 Other Operating Income and Expenses

EUR million Other operating income	Parent Company 2014	Parent Company 2013
Gains on the disposal of fixed assets	0.0	0.0
Other operating income	0.0	0.0
Total	**0.0**	**0.0**

Other operating expenses	Parent Company 2014	Parent Company 2013
Losses from disposal of fixed assets	0.0	0.1
Impairment of intangible assets	0.0	0.3
Total	**0.0**	**0.3**

5 Personnel

EUR million Personnel costs	Parent Company 2014	Parent Company 2013
Wages and salaries	52.6	48.9
Pension costs	8.8	9.0
Other personnel costs	2.5	2.6
Total	**63.9**	**60.4**
Personnel on average during the year (persons)		
In Finland	916	862
Outside Finland	10	10
Total	**926**	**872**
Personnel Dec. 31		
In Finland	917	871
Outside Finland	10	10
Total	**927**	**881**

Management salaries EUR million	Parent Company 2014	Parent Company 2013
Salary and bonuses of the President and CEO		
Forsén Kjell		
Salary	0.5	0.5
Bonuses	0.1	0.1
Share based payment	0.1	0.1
Obligatory pension	0.1	0.1
Voluntary pension	0.1	0.1
Total	**0.9**	**0.8**

Remuneration to members of the Board of Directors 2014

EUR 1,000		Annual remuneration	Compensation, audit committee	Compensation, remuneration and human resources committee	Total
Lappalainen Timo	Member of the Board	9	1		10
Lundström Petra	Member of the Board	26	4		30
Neuvo Yrjö	Vice Chairman of the Board	35		5	40
Niinivaara Mikko	Member of the Board	35	5		40
Torkko Maija	Member of the Board	35	8	5	48
Torstila Pertti	Member of the Board	26			26
Voipio Mikko	Member of the Board	35			35
Voipio Raimo	Chairman of the Board	45		5	50
Total		**246**	**18**	**15**	**279**

Remuneration to members of the Board of Directors 2013

EUR 1,000		Annual remuneration	Compensation, audit committee	Compensation, remuneration and human resources committee	Total
Lappalainen Timo	Member of the Board	33	7		40
Neuvo Yrjö	Vice Chairman of the Board	33		5	38
Niinivaara Mikko	Member of the Board	33	7		40
Torkko Maija	Member of the Board	33	11	5	48
Voipio Mikko	Member of the Board	33			33
Voipio Raimo	Chairman of the Board	43		5	48
Total		**205**	**25**	**15**	**245**

Cash loans, securities or contingent liabilities were not granted to the President and CEO or to the members of the Board of Directors.

Age of retirement for the President and CEO is 62 years.

The President and CEO has a compensation based retirement plan. Notice period, severance pay and conditions of other severance compensations: 6 months for the employee, 12 months for the employer, compensation equal to the salary.

6 Depreciation, Amortization and Impairment

EUR million	Parent Company 2014	Parent Company 2013
Amortization on intangible assets	3.6	3.5
Depreciation on property, plant and equipment	5.7	5.8
Impairment on intangible assets	0.0	0.3
Total	**9.4**	**9.5**

7 Financial Income and Expenses

EUR million	Parent Company 2014	Parent Company 2013
Dividend income		
From Group companies	7.3	14.6
From others	0.0	0.0
Write-down of subsidiary shares	-10.4	-
Interest income on long-term investments		
From Group companies	0.7	0.2
Other interest and financial income		
From others	0.9	2.3
Interest and other financial expenses		
From others	-3.1	-0.7
Foreign exchange gains and losses	5.4	-2.3
Total	**0.7**	**14.1**

8 Appropriations

Appropriations consist of accumulated depreciation differences.

9 Income Taxes

EUR million	Parent Company 2014	Parent Company 2013
Taxes for the financial year	5.4	3.9
Taxes from previous years	-0.0	0.1
Total	**5.4**	**4.0**

10 Fixed Assets and Other Long-term Investments

Parent Company 2014

EUR million Intangible assets	Intangible rights	Other long-term expenditure	Total
Acquisition cost Jan. 1	30.8	1.0	31.8
Increases	2.8		2.8
Decreases	-1.6	-0.0	-1.6
Transfers between items	0.2		0.2
Acquisition cost Dec. 31	**32.2**	**1.0**	**33.2**
Accumulated amortization and write-downs Jan. 1	22.3	0.8	23.1
Accumulated amortization of decreases and transfers	-1.6	-0.0	-1.6
Amortization for the financial year	3.6	0.0	3.6
Impairment			
Accumulated amortization Dec. 31	**24.3**	**0.8**	**25.1**
Balance sheet value Dec. 31, 2014	**7.9**	**0.2**	**8.1**

Parent Company 2013

EUR million Intangible assets	Intangible rights	Other long-term expenditure	Total
Acquisition cost Jan. 1	31.9	1.0	32.9
Increases	0.6		0.6
Decreases	-1.8		-1.8
Transfers between items	0.0		0.0
Acquisition cost Dec. 31	**30.8**	**1.0**	**31.8**
Accumulated amortization and write-downs Jan. 1	20.4	0.7	21.1
Accumulated amortization of decreases and transfers	-1.8		-1.8
Amortization for the financial year	3.4	0.1	3.5
Impairment	0.3		0.3
Accumulated amortization Dec. 31	**22.3**	**0.8**	**23.1**
Balance sheet value Dec. 31, 2013	**8.5**	**0.3**	**8.7**

Parent Company 2014

EUR million Property, plant and equipment	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	1.2	45.0	51.6	0.0	3.8	101.5
Increases		0.2	0.4		2.8	3.4
Decreases			-2.2			-2.2
Transfers between items		0.5	3.7		-4.0	0.2
Acquisition cost Dec. 31	**1.2**	**45.7**	**53.5**	**0.0**	**2.6**	**102.9**
Accumulated depreciation and write-downs Jan. 1		23.6	41.3			65.0
Accumulated depreciation of decreases and transfers			-1.9			-1.9
Depreciation for the financial year		1.8	3.9			5.7
Write-downs			0.0			0.0
Accumulated depreciation Dec. 31		**25.4**	**43.3**			**68.8**
Revaluation	0.1	5.6				5.7
Balance sheet value Dec. 31, 2014	**1.3**	**25.9**	**10.2**	**0.0**	**2.6**	**40.0**

Parent Company 2013

EUR million Property, plant and equipment	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	1.2	45.3	50.1	0.0	2.3	98.8
Increases		0.0	2.2	0.0	4.0	6.2
Decreases		-0.5	-3.0			-3.5
Transfers between items		0.1	2.3		-2.5	-0.0
Acquisition cost Dec. 31	**1.2**	**45.0**	**51.6**	**0.0**	**3.8**	**101.5**
Accumulated depreciation and write-downs Jan. 1		21.7	39.3			61.1
Accumulated depreciation of decreases and transfers		-0.1	-1.7			-1.9
Depreciation for the financial year		2.0	3.7			5.8
Accumulated depreciation Dec. 31		**23.6**	**41.3**			**65.0**
Revaluation	0.1	5.6				5.7
Balance sheet value Dec. 31, 2013	**1.3**	**27.0**	**10.2**	**0.0**	**3.8**	**42.3**

The carrying amount of machinery and equipment used in production was EUR 7.8 million on December 31, 2014 (EUR 7.5 million on December 31, 2013).

Parent Company 2014

EUR million Investments	Subsidiary shares	Other shares and holdings	Other long-term receivables from Group companies	Total
Acquisition cost Jan. 1	30.4	0.1	25.6	56.0
Decreases		-0.0	-1.0	-1.0
Capital return	-1.0			-1.0
Write-downs	-10.4			-10.4
Balance sheet value Dec. 31, 2014	**19.0**	**0.1**	**24.5**	**43.6**

Parent Company 2013

EUR million Investments	Subsidiary shares	Other shares and holdings	Other long-term receivables from Group companies	Total
Acquisition cost Jan. 1	30.4	0.1	9.5	40.0
Increases			22.3	22.3
Decreases			-6.2	-6.2
Balance sheet value Dec. 31, 2013	**30.4**	**0.1**	**25.6**	**56.1**

In 2014 Vaisala GmbH made a capital return of EUR 1.0 million and Vaisala Corporation wrote-down share values of the Canadian and French subsidiaries for a total value of EUR 10.4 million.

11 Other Receivables

EUR million	Parent Company 2014	Parent Company 2013
Advances paid	0.0	0.2
Value added tax receivables	2.7	1.4
Other	0.1	0.1
Total	**2.8**	**1.7**

12 Deferred Assets

EUR million	Parent Company 2014	Parent Company 2013
Tax related deferred assets	0.4	1.4
Deferred revenue	6.2	3.0
Financial derivatives	0.0	0.6
Other deferred assets	1.7	1.0
Total	**8.3**	**6.0**

13 Cash and Bank Balances

EUR million Cash and bank balances	Parent Company 2014	Parent Company 2013
Cash and balance in the bank accounts	38.5	26.8
Total	**38.5**	**26.8**

Fair value of off-balance sheet contracts made to hedge against exchange rate and interest rate risks

EUR million	Parent Company 2014	Parent Company 2013
Financial derivatives	0.0	0.6
Fair value, total	**0.0**	**0.6**

The change in fair value has been recognized in the income statement group financial income and expenses.

14 Deferred Tax Assets and Liabilities

EUR million Deferred tax assets	Parent Company 2014	Parent Company 2013
Deferred depreciation	0.1	0.1
Credit loss provision	0.1	0.1
Provision	0.0	-
Total	**0.2**	**0.2**

Deferred tax liabilities	Parent Company 2014	Parent Company 2013
Accumulated depreciation differences	0.7	0.6

Deferred taxes have not been recognized in the parent company balance sheet. Deferred taxes arising from revaluation have not been recognized. If realized the tax effect of revaluation would be EUR 1,149 thousands at the current 20% tax rate.

15 Provisions

EUR million	Parent Company 2014	Parent Company 2013
Legal dispute	1.3	-
Donation provision	0.2	-
Total	**1.5**	**-**

In 2014 Vaisala recognized a provision for a legal dispute and for a donation to the New Children's hospital in Helsinki, Finland.

16 Shareholders' Equity

The parent company's shares are divided into series, with 3,389,351 series K shares (20 votes/share) and 14,829,013 series A shares (1 vote/share). In accordance with the Company Articles, series K shares can be converted into series A shares through a procedure defined in detail in the Company Articles.

EUR million	Parent Company 2014	Parent Company 2013
Share capital		
Series A Jan.1	6.4	6.4
Converted from series K to A	-	-
Series A Dec.31	6.4	6.4
Series K Jan.1	1.3	1.3
Converted from series K to A	-	-
Share capital Dec. 31	7.7	7.7
Reserve fund Jan.1	-	22.3
Transfer to fund of invested non-restricted equity	-	-22.3
Reserve fund Dec. 31	-	-
Fund of invested non-restricted equity Jan. 1	0.1	-
Transfer from reserve fund	-	22.3
Return of capital	-	-22.2
Correction	-0.0	-
Fund of invested non-restricted equity Dec. 31	0.1	0.1
Retained earnings Jan. 1	144.8	133.9
Dividends paid	-16.3	-16.3
Retained earnings Dec. 31	128.5	117.7
Profit for the financial year	16.7	27.1
Total equity	**152.9**	**152.5**

Distributable funds EUR million	Parent Company 2014	Parent Company 2013
Retained earnings	128.5	117.7
Profit for the financial year	16.7	27.1
Fund of invested non-restricted equity	0.1	0.1
Total	**145.3**	**144.9**

17 Non-Current Liabilities

The company has no loans that would mature after five years or a longer period.

Other non-interest bearing long-term liabilities EUR 0.7 million (2013: EUR 0.8 million) comprise of long-term part of trade payable of ASIC-circuits. Circuits are Vaisala's property and they will be paid according to the use of current circuits during the years 2012 to 2016. The liability is interest-free. Non-interest bearing long-term liabilities also include an EUR 0.6 million trade payable for computer software.

18 Accrued Expenses and Deferred Income

EUR million	Parent Company 2014	Parent Company 2013
Wages, salaries and wage-related liabilities	10.0	9.7
Deferred revenue	11.2	12.7
Financial derivatives	1.4	0.0
Other accrued expenses and deferred income	5.6	4.6
Total	**28.2**	**27.0**

19 Receivables and Liabilities from Other Companies in Vaisala Group

EUR million	Parent Company 2014	Parent Company 2013
Non-current loan receivables	24.5	25.6
Current loan receivables	11.9	4.9
Trade receivables	1.5	7.3
Prepaid expenses and accrued income	3.1	1.5
Total receivables	**41.0**	**39.3**
Current loans	1.1	-
Trade payables	1.5	1.8
Accrued expenses and deferred income	2.3	1.6
Total liabilities	**4.9**	**3.4**

20 Contingent Liabilities and Pledges Given

EUR million	Parent Company 2014	Parent Company 2013
For own debt or liability		
Guarantees	11.6	8.9
For Group companies		
Guarantees	1.1	2.0
Other own liabilities		
Pledges given	0.0	0.1
Leasing liabilities		
Payable during the financial year	0.2	0.3
Payable later	0.1	0.3
	0.3	0.6
Total contingent liabilities and pledges given	**13.1**	**11.5**

Derivative contracts EUR million	Parent Company 2014	Parent Company 2013
Capital of off-balance sheet contracts made to hedge against exchange rate and interest risks		
Currency forwards	20.0	19.7
Total capital	**20.0**	**19.7**

21 Auditor's Fees

EUR million	Parent Company 2014	Parent Company 2013
Auditor's fees	0.1	0.1
Statements	0.0	0.0
Tax advice	0.1	0.0
Other fees	0.0	0.0
Total	**0.3**	**0.2**

22 Events after the review period

On January 27, 2015, Vaisala announced plans to restructure its business in order to strengthen the capability to implement its strategy and to increase agility. Vaisala continues to invest in its growth businesses and to develop products and services which combine customers' business expertise and Vaisala's technology leadership. The goal of the planned restructuring is to strengthen customer focus across all functions and to ensure operational efficiency through simplification. The proposed new organization is planned to be effective on April 1, 2015.

Vaisala initiated co-operation negotiations related to the restructuring on February 2, 2015. The planned reorganization is expected to lead to a reduction in personnel. The reduction of employees is estimated to total about 25.

Share and Shareholders

Vaisala Corporation's A shares are listed on NASDAQ OMX Helsinki since 1994. Vaisala has also K shares which are not listed.

On December 31, 2014, Vaisala had 18,218,364 shares, of which 3,389,351 are series K shares and 14,829,013 are series A shares.

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.

Share Figures can be found on page 19.

Ownership structure by listed A shares and unlisted K shares, December 31, 2014	Number of shares	% of share capital
Households	8,318,722	45.66
Nominee registered and direct foreign ownership	2,977,737	16.34
Private companies	2,455,697	13.48
Financial and insurance corporations	2,135,087	11.72
Non-profit organizations	1,495,501	8.21
Public sector organization	830,760	4.56
In the joint book-entry account	4,860	0.03
Total	**18,218,364**	**100.0**

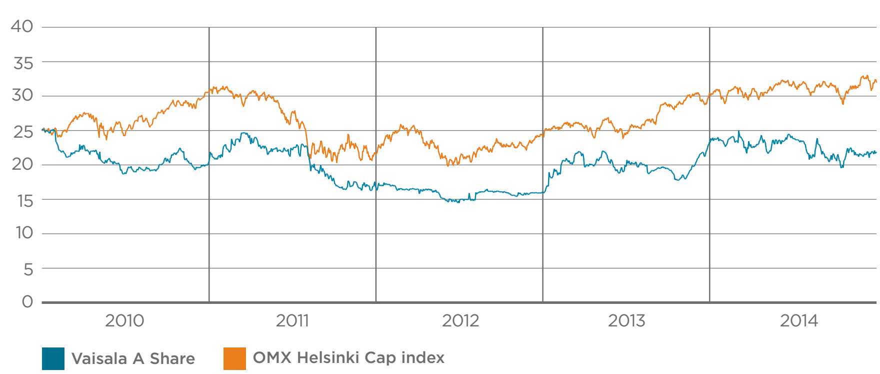
Largest shareholders, December 31, 2014	Share A	Share K	Total Shares	Total Shares %	Total Votes %
Novametor Oy	1,389,000	466,001	1,855,001	10.18	12.96
Finnish Academy of Science and Letters	349,400	878,880	1,228,280	6.74	21.70
Mandatum Life Insurance Company Ltd.	629,250	137,400	766,650	4.21	4.09
Voipio Hannu	727,680	2,560	730,240	4.01	0.94
Ilmarinen Mutual Pension Insurance Company	635,000	0	635,000	3.49	0.77
Voipio Mikko	333,000	301,156	634,156	3.48	7.69
Caspers Anja	203,280	281,468	484,748	2.66	7.06
Voipio Raimo	254,080	227,148	481,228	2.64	5.81
Voipio Tauno Sakari	295,760	157,652	453,412	2.49	4.17
Voipio Lauri	279,310	41,176	320,486	1.76	1.33
Voipio Riitta Johanna	279,310	41,176	320,486	1.76	1.33
Nordea Fennia Fund	300,000	0	300,000	1.65	0.36
Voipio Mari Leena Johanna	194,207	47,844	242,051	1.33	1.39
Voipio Ville	194,207	47,844	242,051	1.33	1.39
Voipio Timo Olli Johannes	194,206	47,844	242,050	1.33	1.39

Each A share conveys 1 vote, each K share conveys 20 votes.

Ownership structure by number of listed A shares and unlisted K shares, December 31, 2014

Number of shares	Number of shareholders	% of shareholders	Number of shares	% of share capital
1–100	3,290	45.06	185,880	1.02
101–500	2,855	39.10	727,922	4.00
501–1,000	593	8.12	457,891	2.51
1,001–5,000	426	5.83	903,176	4.96
5,001–10,000	47	0.64	315,843	1.73
10,001–50,000	53	0.73	1,382,839	7.59
50,001–100,000	8	0.11	604,374	3.32
100,001–500,000	22	0.30	5,025,193	27.58
500,001–	8	0.11	8,610,386	47.26
Ownership groups total	7 302	100.00	18,213,504	99.97
In the joint book-entry account			4,860	0.03
Total			**18,218,364**	**100.00**
Nominee registered	8		2,955,800	

Series A Share Development, €



More information about Vaisala's share and shareholders are presented on the website, *www.vaisala.com/investors.*

Board of Directors' Proposal for Distribution of Earnings

The parent company's distributable earnings amount to EUR 145,261,073.88, of which the net result for the period is EUR 16,661,786.74.

The Board of Directors proposes to the Annual General Meeting that dividend of EUR 0.90 per share be paid out of distributable earnings totaling approximately EUR 16.4 million and the rest to be carried forward in the shareholders' equity.

No dividend will be paid for own shares held by the company.

There have been no significant changes to the company's financial position since the close of the financial period. According to the Board of Directors, the proposed dividend distribution does not endanger the company's financial standing.

Signing of the Board of Directors' Report and Financial Statements

Vantaa, February 12, 2015

Petra Lundström

Yrjö Neuvo
Vice Chairman of the Board

Mikko Niinivaara

Maija Torkko

Pertti Torstila

Mikko Voipio

Raimo Voipio
Chairman of the Board

Kjell Forsén
President and CEO

Auditor's Report

To the Annual General Meeting of Vaisala Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Vaisala Oyj for the year ended 31 December, 2014. The financial statements comprise the consolidated income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's income statement, balance sheet, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Chief Executive Officer shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Chief Executive Officer are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company´s financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Other opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of distributable funds is in compliance with the Limited Liability Companies Act. We support that the Board of Directors of the parent company and the Chief Executive Officer should be discharged from liability for the financial period audited by us.

Vantaa, 12 February 2015

Deloitte & Touche Oy
Authorized Public Audit Firm

Merja Itäniemi
APA

Vaisala's Corporate Governance Statement 2014

Vaisala's General Governance Principles

Vaisala's Corporate Governance Statement has been drawn up in accordance with the recommendation 54 of the Finnish Corporate Governance Code and Chapter 2, section 6, of the Finnish Securities Market Act.

Vaisala Group's corporate governance system is based on the Finnish Limited Liability Companies Act and Vaisala's Articles of Association. The Company complies with the rules and regulations for listed companies issued by NASDAQ OMX Helsinki Ltd and the Finnish Financial Supervisory Authority. Vaisala's A shares are listed on NASDAQ OMX Helsinki Ltd.

Vaisala complies with the Finnish Corporate Governance Code by the Securities Market Association that came into effect on October 1, 2010. However, the Company's policy deviates from the recommendation concerning the term of Board members in accordance with the latter part of the Code's Comply or Explain principle. The code is available on the Securities Market Association website *www.cgfinland.fi/en.*

The Vaisala Board of Directors has approved this Corporate Governance statement at its meeting on February 12, 2015. The auditing firm Deloitte & Touche Oy, the Company's auditor, has verified that the statement has been issued and that the general description of internal audit and risk management systems associated with the financial reporting process conforms to the financial statements.

More Information

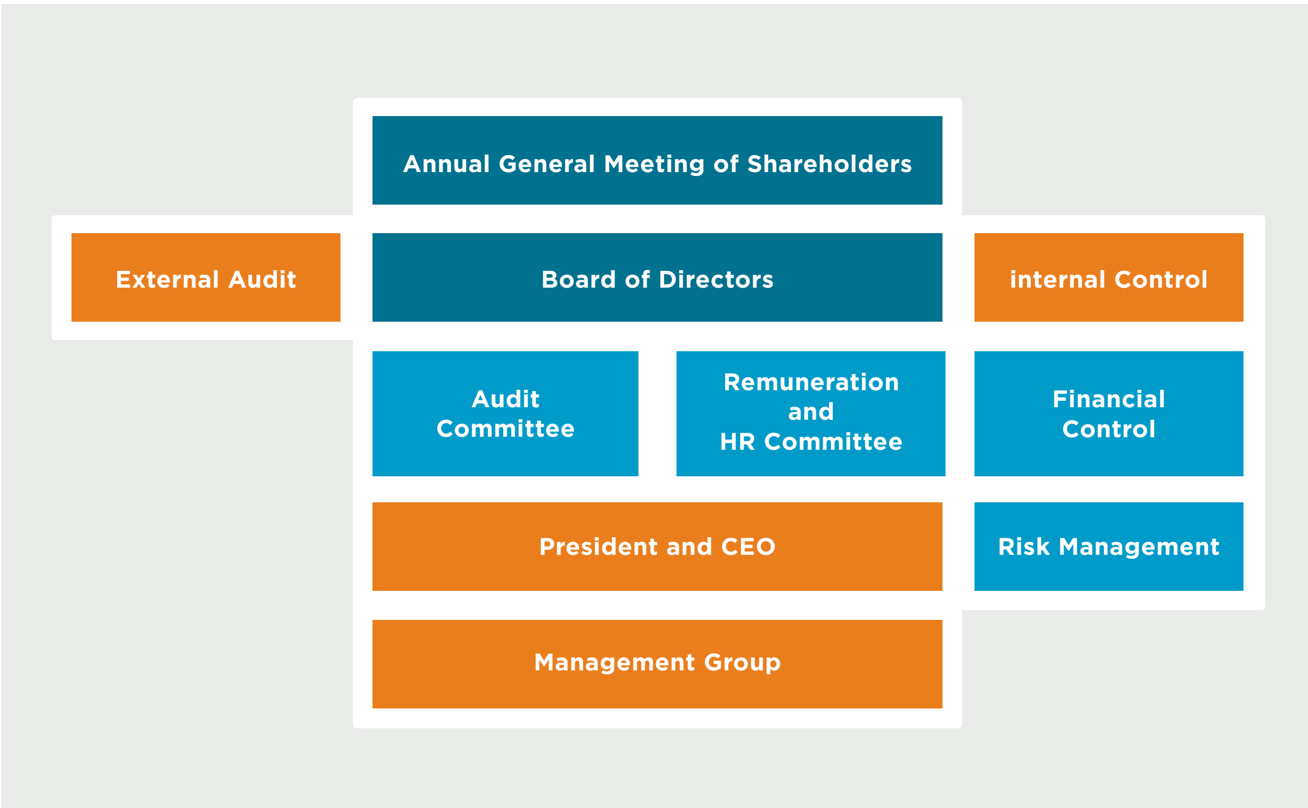
This Corporate Governance Statement has been drawn up as a document independent of the Board of Director's report and it is available also on the Company's website at *www.vaisala.com/investors.*

Deviations from the Recommendations of the Corporate Governance Code and the Explanations for These Deviations

The term of the members of Vaisala's Board of Directors deviates from the Recommendation 10 of Corporate Governance Code, which recommends a term of one year. The term of the Company's Board of Directors is determined in accordance with its Articles of Association. Under the Articles of Association, a member's term is three years, beginning at the close of the General Meeting in which the member is elected and ending at the close of the third subsequent Annual General Meeting. The General Meeting decides on changes to the Articles of Association.

A longer term effectively promotes the commitment of Vaisala's principal shareholders to the Company's long-term development. The longer term practice has worked well and benefited the Company.

Governing Bodies of Vaisala



The General Meeting of Shareholders, the Board of Directors and the President and CEO, assisted by the Management Group, are responsible for the operations of the Vaisala Corporation.

Board of Directors

Vaisala's Board of Directors is responsible for the administration and the proper organization of the operations of the Company. In accordance with Vaisala Corporation's Articles of Association, the Company's Board of Directors comprises at least four and at most eight members. All Board members are appointed by an Annual General Meeting. The Board of Directors elects a Chairman and a Vice Chairman from among its members.

The majority of the Board members must be independent of the Company and at least two members in this majority must be independent of the Company's major shareholders.

The term of the members of Vaisala's Board of Directors deviates from the Recommendation 10 of Corporate Governance Code, which recommends a term of one year. Under the Articles of Association, the term of the Board members is three years. The term begins at the close of the General Meeting of Shareholders at which the member is elected, and ends at the close of the third subsequent Annual General Meeting following the member's election.

Vaisala's Board of Directors convenes at least six times each year and if otherwise needed. The Group President and CEO and the Chief Financial Officer also attend Board meetings. The other members of the Management Group attend Board meetings as required on the invitation of the Board of Directors.

The Board of Directors may, on the basis of the Chairman's decision, establish working groups from among its members in individual cases in order to prepare the matters allocated for it in order to ensure the effective organization of the Board of Directors' work.

The Vaisala Board of Directors operates in accordance with an approved charter. The principal matters dealt with by the Board of Directors are:

- to assume responsibility for the duties stipulated for the Board of Directors in the Finnish Limited Liability Companies Act, the Articles of Association and elsewhere;
- to decide on Group strategy;
- to decide on Group long-term and annual targets;
- to review the Group's business plan, budget and investment plan;
- to review the interim reports,
- to review and approve consolidated financial statements, the Board of Director's report and Corporate Governance Statement;
- to decide on individual investments, acquisitions, divestments or corporate restructuring and contingent liabilities that are strategically or financially significant;
- to confirm the Group's risk management and reporting procedures;
- to confirm the Group's insurance policy;
- to approve the Group's financing policy;
- to make proposals concerning the distribution of dividends to the Annual General Meeting;
- to decide on the compensation and incentive schemes for Group management;
- to appoint the Company's President and CEO and decide on his compensation;
- to approve the recruitment and compensation of the CEO's immediate subordinates; and
- to conduct a self-assessment of its performance.

Members of the Board of Directors

In January 1–March 26 2014, the Vaisala Board of Directors comprised six members. The Chairman of the Board of Directors was Raimo Voipio, the Vice Chairman is Yrjö Neuvo and the members were, Timo Lappalainen, Mikko Niinivaara, Maija Torkko ja Mikko Voipio. The Board of Directors' secretary was AA Matti Kari.

The Annual General Meeting held on March 26, 2014 decided that the number of Board members is seven.

		End of term
1. Petra Lundström	Member	2015
2. Mikko Niinivaara	Member	2017
3. Yrjö Neuvo	Vice Chairman	2016
4. Maija Torkko	Member	2016
5. Pertti Torstila	Member	2017
6. Mikko Voipio	Member	2015
7. Raimo Voipio	Chairman	2017

Raimo Voipio is the Chairman of the Board of Directors and Yrjö Neuvo is the Vice Chairman.

All Board members are independent of the Company in accordance with recommendation 15. Yrjö Neuvo, Mikko Niinivaara, Maija Torkko, Petra Lundström and Pertti Torstila are independent of the Company and independent of significant shareholders of the Company. Raimo Voipio, the Chairman, and Mikko Voipio, Board member, are dependent of significant shareholders of the Company. The Board of Directors complies with recommendation 14 concerning the number of independent directors.

The secretary of the Board of Directors is AA Matti Kari.

Members of the Board of Directors on December 31, 2014

Raimo Voipio

Chairman of the Board of Directors

b. 1955, Finnish citizen
M.Sc. (Eng.).

- Chairman of the Remuneration and HR Committee
- Independent of the Company, dependent of significant shareholders of the Company since 1989 and Chairman since 1994

Employment History

- Nokia Corporation, various product marketing positions 1988–1998
- Marketing and development positions in private telecommunication companies 1983–1988

Positions of Trust

- Helkama Bica Oy, Member of the Board
- Novametor Oy, Member of the Board
- Munkkiniemen yhteiskoulun kannatusyhdistys ry, Vice Chairman

Yrjö Neuvo

Vice Chairman of the Board of Directors

b. 1943, Finnish citizen
Ph.D. Cornell University

- Professor, Research Director, Aalto University
- Member of the Remuneration and HR Committee
- Independent member of the Vaisala Board of Directors since 1989 and Vice Chairman since 1994

Employment History

- Nokia Corporation, Technology Advisor 2006
- Nokia Corporation, member of the Executive Board, product development of mobile phones 1993–2005
- Academy of Finland, National Research Professor 1984–1992
- Tampere University of Technology, Professor of Signal Processing 1976–1992
- University of California, Santa Barbara, Visiting Professor, 1981–1982

Positions of Trust

- Fimecc Oy, Member of the Board
- Canatu Oy, Entertrainer Oy and Spinverse Oy, Member of the Board
- Metropolia Polytechnic, Member of the Board
- Technology Academy of Finland Foundation, Member of the Board
- Cap-XX Ltd, Member of Scientific Advisory Board
- The Foundation of Technology (TES), Member of the Board
- Finnish Science Centre Foundation (Heureka), Member of the delegation
- Tampere University of Technology, Member of Advisory Board

Mikko Voipio

Member of the Board of Directors

b. 1960, Finnish citizen, Lic.Sc. (Technology)

- Independent of the Company, dependent of significant shareholders of the Company since 1994

Employment History

- Managerial and R&D positions in software and telecommunications businesses

Positions of Trust

- ComIQ Oy, Chairman of the Board
- Fontus Oy, Member of the Board
- Novametor Oy, Member of the Board

Petra Lundström

Member of the Board of Directors

b. 1966, Finnish citizen, M Sc (Technical Physics, Helsinki University of Technology)

- Vice President, Nuclear Development, Fortum Power and Heat Oy
- Member of the Audit Committee
- Independent member of the Vaisala Board of Directors since 2014

Employment History

- Fortum Oyj, Vice President, Solar Business Development, 2012–2014
- Fortum Oyj, Vice President, Chief Technology Officer 2008–2011
- Fortum Oyj, Technology Manager 2005–2007
- Fortum Nuclear Services, Manager of the Thermalhydraulics team 2002–2005
- IVO / Fortum, Design Engineer and Chief Design Engineer 1990–2001

Positions of Trust

- VTT Technical Research Centre of Finland, Member of Board

Pertti Torstila

Member of the Board of Directors

b. 1946, Finnish citizen, Master of Political Sciences

- Independent member of the Vaisala Board of Directors since 2014

Employment History

- Foreign Ministry, Helsinki, Secretary of State 2006–2014
- Ambassador to Sweden 2002–2006
- Foreign Ministry, Helsinki, Under-Secretary of State 2000–2002
- Foreign Ministry, Helsinki, Director General for Political Affairs 1996–2000
- Ambassador to Austria/ETYK, Hungary and Croatia 1989–1996

Positions of Trust

- Red Cross Finland, Chairman of the Board
- John Nurminen Foundation, Member of the Board

Mikko
Niinivaara

Member of the Board of Directors

b. 1950, Finnish citizen,
M.Sc. (Eng.), Dr. Tech. (h.c.)

- Member of the Audit Committee
- Independent member of the Vaisala Board of Directors since 2002

Employment History

- ABB Oy, President 2001–2011
- ABB Industry Oy, President 1999–2001
- ABB Ltd, Zurich, Division Director 1993–1998
- Various managerial positions in ABB Group 1984–1993

Positions of Trust

- Helen Oy, Member of the Board

Maija
Torkko

Member of the Board of Directors

b. 1946, Finnish citizen,
B.Sc (Econ.), LL.M.

- Chairman of the Audit Committee and Member of the Remuneration and HR Committee
- Independent member of the Vaisala Board of Directors since 2007

Employment History

- Nokia Corporation, Senior Vice President, Corporate Controller 1997–2006
- Nokia Corporation, various positions 1968-1996

Board Committees

The Board of Directors has two permanent committees: an Audit Committee and a Remuneration and HR Committee. The members of the Committees are appointed annually from among the members of the Board of Directors in accordance with the charter of the respective Committee. The Board of Directors may establish Committees for duties assigned by the Board. The Board of Directors also determines the charter for the Committees and defines the rules of conduct for working groups. The Committees have no autonomous decision-making or execution power.

The Audit Committee

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities for matters pertaining to financial reporting and control, risk management as well as to statutory and internal audits. The Audit Committee carries out its tasks in accordance with the charter approved by the Board of Directors, the Finnish Corporate Governance Code and applicable laws and regulations.

The Audit Committee comprises three members, appointed annually by the Board of Directors. The members of the Committee shall be independent of the Company and at least one member shall also be independent of significant shareholders of the Company. The Committee convenes at least five times a year. The Group President and CEO and the Chief Financial Officer also attend the Committee meetings. The other responsible Vaisala employees attend the Committee meetings as required on the invitation of the Committee.

The Audit Committee deals with the following key issues:

- to monitor the reporting process of financial statements and forecast process;
- to approve changes in Vaisala's accounting and reporting principles;
- to review internal reports and financial statements;
- to assess compliance with laws and regulations;
- to verify Corporate Governance Statement
- to monitor the efficiency of the Company's internal control and risk management systems;
- to approve statutory audit plan and related cost budget;

- to monitor the statutory audit of the financial statements and consolidated financial statements;
- to evaluate the independence of the statutory auditor or audit firm, particularly the provision of related services to the Company; and
- to prepare the proposal for resolution on the election of the auditor.

Members of the Audit Committee

In January 1–March 26, 2014, the Audit Committee comprised Maija Torkko (Chairman), Timo Lappalainen and Mikko Niinivaara. The Audit Committee secretary was AA Matti Kari. All the members of the Committee were independent of the Company and also independent of significant shareholders of the Company.

In March 26–December 31, 2014, the Audit Committee comprised Maija Torkko (Chairman), Petra Lundström and Mikko Niinivaara. The Chairman and all members of the Audit Committee were independent both of the Company and of significant shareholders.

The Remuneration and HR Committee

The Remuneration and HR Committee is responsible for preparing human resources matters pertaining to the compensation of the President and CEO, and the members of the Management Group, evaluation of the performance of the President and CEO and the members of the Management Group, Group compensation policies and practices. In addition, the Committee discusses the composition of the Board of Directors and Board nominations.

The Remuneration and HR Committee comprises three members, appointed annually by the Board of Directors. The majority of the members of the Committee shall be independent of the Company. The Committee convenes at least two times a year. The Group President and CEO, Senior Vice President, Human Resources and the Chief Financial Officer also attend the Committee meetings, except when the agenda includes items relating to them. The other responsible Vaisala employees attend the Committee meetings as required on the invitation of the Committee.

Members of the Remuneration and HR Committee

In January 1–March 26, 2014, the Remuneration and HR Committee comprised Raimo Voipio (Chairman), Yrjö Neuvo and Maija Torkko. The Remuneration and HR Committee secretary was AA Matti Kari. All the members of the Committee were independent of the Company.

In March 26–December 31, 2014, the Remuneration and HR Committee comprised the same Chairman and members as described above. The Remuneration and HR Committee secretary was AA Matti Kari. All the members of the Committee were independent of the Company.

Meeting Attendance of the Board of Directors and its Committee Members

	Position	Board of Directors meetings	Audit Committee	Remuneration and HR Committee
Raimo Voipio	Chairman of the Board	11/11		5/5
Yrjö Neuvo	Vice Chairman of the Board	11/11		5/5
Mikko Niinivaara	Member	11/11	5/5	
Maija Torkko	Member	11/11	5/5	5/5
Mikko Voipio	Member	11/11		
Petra Lundström (26.3.–31.12.2014)	Member	9/9	4/4	
Pertti Torstila (26.3.–31.12.2014)	Member	8/9		
Timo Lappalainen (1.1.–26.3.2014)	Member	2/2	1/1	

Vaisala Board of Directors convened eleven times during 2014, and the attendance rate of the members was 99%.

President and CEO

Vaisala's President and CEO is appointed by the Board of Directors. The President and CEO manages the Company in accordance with the instructions and orders given by the Board of Directors, and informs the Board of the development of the Company's business and financial situation. The President and CEO is also responsible for arranging the Company's management. The President and CEO is the Chairman of Vaisala's Management Group.

Management Group

The President and CEO is the Chairman of Vaisala's Management Group. The Management Group has seven members in 2014 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.

Members of the Management Group on December 31, 2014

- Kjell Forsén, President and CEO, chairman of the Management Group
- Marja Happonen, Senior Vice President, Human Resources
- Hannu Katajamäki, Executive Vice President, Services
- Kai Konola, Executive Vice President, Weather Business Area
- Sampsa Lahtinen, Executive Vice President, Controlled Environment Business Area
- Kaarina Muurinen, Chief Financial Officer
- Vesa Pylvänäinen, Executive Vice President, Operations

Kjell Forsén

President and CEO

b. 1958, Finnish citizen, Lic.Sc. (Technology)

- President & CEO, Vaisala Group since 2006
- Chairman of the Management Groups since 2006

Employment History

- President of Ericsson Finland 2003–2006
- Ericsson, several managerial positions within the Company, both in Finland and abroad 1986–2006

Positions of Trust

- JMC Council Center, Members of the Council

More Information

More information about Vaisala's Management Group is available on the Company's website at *www.vaisala.com/investors*, Corporate Governance.

Remuneration

Vaisala's Board of Directors approves the company's bonus plans and their target groups annually. The Board of Directors also decides on the compensation of the President and CEO and approves the compensation of the direct reports of the President and CEO.

Remuneration of the Board of Directors

The Annual General Meeting held on March 26, 2014 decided that the annual fee payable to the Board members for the term until the close of the Annual General Meeting in 2015 is: the Chairman of the Board of Directors EUR 45,000 and each Board member EUR 35,000. Approximately 40 percent of the annual remuneration will be paid in Vaisala Corporation's A shares acquired from the market and the rest in cash.

In addition, the Annual General Meeting decided that the compensation per attended meeting for the Chairman of the Audit Committee is EUR 1,500 and EUR 1,000 for each member of the Audit Committee for the term until the close of the Annual General Meeting in 2015. The compensation per attended meeting for the Chairman

EUR 1,000	2014	2013
Timo Lappalainen (January 1–March 26, 2014)	10	40
Petra Lundström (March 26–December 31, 2014)	30	-
Yrjö Neuvo	40	38
Mikko Niinivaara	40	40
Maija Torkko	48	48
Pertti Torstila (March 26–December 31, 2014)	26	-
Mikko Voipio	35	33
Raimo Voipio	50	48
Total	**279**	**245**

Total number of shares owned, December 31, 2014	A shares *	K shares
Petra Lundström	600	-
Yrjö Neuvo	34,890	18,664
Mikko Niinivaara	600	-
Maija Torkko	3,100	-
Pertti Torstila	600	-
Mikko Voipio	333,000	301,156
Raimo Voipio	284,680	227,148
Total	**657,470**	**546,968**

* The shareholdings include also shares held by the Board of Directors' interest parties and controlled organizations. More information about Board of Directors' remuneration is presented on page 58.

and each member of the Remuneration and HR Committee and any other committee established by the Board of Directors is EUR 1,000 for the term until the close of the Annual General Meeting in 2015.

Remuneration of Vaisala Management

The President and CEO is the Chairman of Vaisala's Management Group. 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.

President and CEO

The Board of Directors of Vaisala Corporation decides on the remuneration of Vaisala's President and CEO. The overall compensation consists of a monthly salary, fringe benefits, pension plan, a performance bonus, the Share-Based Incentive Plan 2012, Share-Based Incentive Plan 2013 and Share-Based Incentive Plan 2014. The maximum annual bonus is limited to 72 percent of the President and CEO's annual salary. The President and CEO belongs to a voluntary pension plan which defines the retirement age as 62 years.

The notice period is 6 months for the employee and 12 months for the employer. Severance pay and conditions of other severance compensations are equal to the respective salary.

Management Group

Vaisala's Board of Directors approves the compensation of the direct reports of the President and CEO.

The overall compensation of the Management Group members consists of a monthly salary, fringe benefits, pension plan, a performance bonus, the Share-Based Incentive Plan 2012, Share-Based Incentive Plan 2013 and Share-Based Incentive Plan 2014. The maximum annual bonus is limited to 60 percent of the annual salary.
The Management Group members belong to a voluntary pension plan which defines the optional retirement age as 62 years.

Remuneration of the President and CEO

EUR 1,000	2014	2013
Salary	479	479
Bonuses	83	95
Share-based payment	119	86
Obligatory pension	96	98
Voluntary pension	114	76
Total	**891**	**834**

Remuneration of the Management Group, excluding President and CEO

EUR 1,000	2014	2013
Salary	1,313	1,041
Bonuses	185	203
Share-based payment	349	248
Obligatory pension	256	212
Voluntary pension	187	165
Total	**2,289**	**1,869**

Remuneration of the President and CEO and the Management Group members in 2014

EUR 1,000	Salary	Bonuses	Share-based	Obligatory pension	Voluntary pension	Total
President and CEO	479	83	119	96	114	891
Other Management Group	1,313	185	349	256	187	2,289
Total	**1,792**	**268**	**468**	**352**	**301**	**3,180**

Share-Based Incentive Plans

On May 3, 2012 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2012 and it will be paid partly in the Company's series A shares and partly in cash in spring 2015. 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. Maximum amount of 142,200 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2014 EUR 0.7 million and in 2013 EUR 0.6 million was expensed for the share-based incentive plan (EUR 0.4 million in 2012).

On February 6, 2013 the Board of Directors resolved for the Group key employees a share-based incentive plan 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. Maximum amount of 150,000 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2013 no expense was recognized as the criteria was not met.

On February 10, 2014 the Board of Directors resolved for the Group key employees a share-based incentive plan that is based on the development of Group's profitability in calendar year 2014 and it will be paid partly in the Company's series A shares and partly in cash in spring 2017. 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. Maximum amount of 147,000 shares will be paid depending on the number of entitled persons in the company at the end of vesting period. In 2014 EUR 0.2 million was expensed for the share-based incentive plan.

More Information

A regularly updated table reporting the holdings of public insiders is available on Company's website at *www.vaisala.com/investors*, Corporate Governance.

Bonus Plan

All Vaisala employees are included in a bonus plan that promotes growth in sales and profits.

Control Systems

Vaisala Corporation's Board of Directors has approved the principles of internal control and risk management to be followed within the Group. The target of Vaisala's internal control is to ensure that Company operations are profitable, compliant with applicable laws, regulations and Company's operating principles and that the financial information is timely, complete, reliable and compliant with the relevant regulations. Internal control aims also to support the fulfillment of the Board of Directors' supervision obligation.

Internal control is a process carried out by Vaisala's Board of Directors, Audit Committee, management and employees.

Vaisala's internal control system consists of:

- management and corporate governance policies, and principles set by the Board of Directors;
- shared ethical values and the employees' internal control culture;
- the management which oversees the implementation and application of the policies and principles;
- the finance and control function which defines the internal control points, monitors the efficiency of the operations and reliability of financial and management reporting;
- the enterprise risk management process which identifies, assesses and mitigates risks threatening the realization of Vaisala's objectives;
- compliance procedures which ensure that all applicable laws, regulations, internal policies and ethical values, including sustainability, are adhered to;
- an effective control environment including control activities tailored for each process and specified minimum requirements; and
- internal audit assignments to review the effectiveness of the internal control in case needed.

More Information

Significant risks and uncertainties related to Vaisala's business are described in the Board of Directors' Report and at *www.vaisala.com/investors*. Financial risk management is described also in Consolidated Financial Statements, note 1.2.

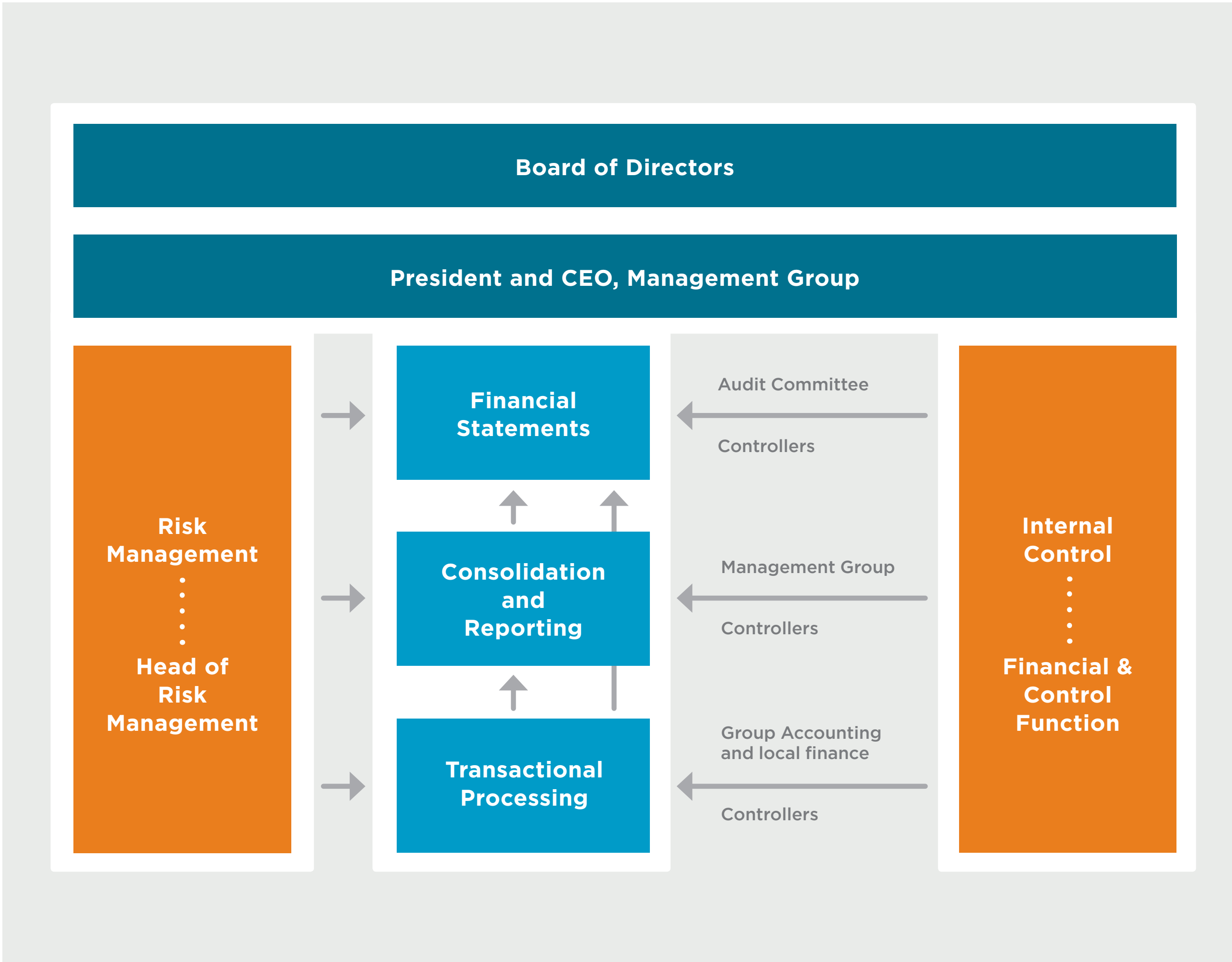
Risk Management

The objective of Vaisala's risk management is to identify and manage material risks related to strategy implementation and business operations. Vaisala has a risk management policy which has been approved by the Board of Directors, and which covers the Company's business, operational, hazard, and financial risks. The policy aims at ensuring the safety of the Company's personnel, operations and products, as well as the continuity and compliance of business operations.

The Board of Directors defines and approves risk management principles and policies, and assesses the effectiveness of risk management. The Audit Committee reviews compliance with risk management policy and processes.

Vaisala's Risk Management Steering Group comprises key internal stakeholders, and the Group is responsible for the operational oversight of the risk management process and assuring that all significant risks are identified and reported, and risks are acted upon on all necessary organizational levels and geographical locations.

Risk management is integrated into key business processes and operations. This is accomplished by incorporating applicable risk identification, assessment, management and risk reporting actions into the core processes. The most significant risks are reported to the Vaisala Management Group and the Audit Committee annually.



Main Features of the Internal Control and Risk Management in Relation to the Financial Reporting Process

Correct financial reporting in Vaisala Group means that its financial statements give a true and fair view of the operations and the financial position of the Company, and that these statements do not include intentional or unintentional misstatements or omissions both in respect of the figures and level of disclosure.

All Vaisala Group financial reporting is based on IFRS reporting standards approved by the EU. The financial statements of the Group parent Company are prepared in accordance with the Finnish Accounting Act and the guidelines and statements of the Accounting Board. The Vaisala Accounting Principles are reviewed and maintained by Vaisala Group Accounting and it provides the legal companies with detailed guidelines on the application of these policies. Other internal policies related to financial reporting include Vaisala Group Approval Policy and Vaisala Group Credit Policy. Vaisala financial control framework is built and based on unified global transactional and reporting processes as well as defined control points as described below.

Vaisala Group's financial statements are based on the monthly reporting and forecasting process. This process includes in-depth analyses of deviations between actual performance, previous performance and business forecasts. Analyses cover both the financial information as well as key performance indicators measuring operational performance. The defined control points deal with the analysis, elimination and reconciliation of figures reported by legal companies as well as information included in financial statements bulletins and other stock exchange releases.

Vaisala has a global enterprise resource planning (ERP) system which is built in accordance with Vaisala Accounting Principles. Financial transactional processing is partially centralized in dedicated Group level teams. Vaisala uses Hyperion Financial Management as financial consolidation and reporting system. This system is built in accordance with IFRS. All major legal Company financials are prepared in the global ERP and transferred to consolidation and reporting system with standard interface. The defined control points in the legal Company transactional processing and reporting include reconciliation, balancing, in-depth analysis, system controls and segregation of duties. Vaisala applies the percentage-of-completion method in long-term projects. The critical control points of such projects include updating and analyzing revenue and cost forecasts of projects as well as project reviews.

Audit Committee reviews interim reports and financial statements. The Vaisala Board of Directors approves interim reports and financial statements.

Internal control roles and responsibilities

The Vaisala Board of Directors has the ultimate responsibility for the administration and the proper organization of the operations of the Company. The Board of Directors also ensures that the Company duly endorses the corporate values applied to its operations, approves the internal control, risk management and corporate governance policies. The Board of Directors can assign internal audit assignments to Vaisala’s external auditors or other external service providers as needed.

The President and CEO is in charge of the day-to-day management of the Company in accordance with the instructions and orders given by the Board of Directors. The President and CEO establishes the basis for internal control by providing leadership and direction to Management Group members and supervising the way they control the business they are in charge of and by ensuring that the accounting practices of the Company comply with the law and that financial matters are handled in a reliable manner.

The Management Group is responsible for creating detailed internal control policies and procedures in each unit. Finance and control function is of particular significance because its control activities cover all operating and other units of the Company. The head of risk management steers the enterprise risk management process and reports on it both to the Management Group and to the Audit committee as well as follows up the adequacy and effectiveness of control activities on the operative level.

The General Counsel and business area and corporate function directors are responsible for making sure that all units and employees under their responsibility comply with applicable laws, regulations and internal policies.

Vaisala does not have a separate internal audit function. The Audit Committee may engage external specialists to carry out separate evaluations of the control environment or operations. The audit plan of Vaisala's external auditor takes into account the fact that the Company has no internal audit.

General development activities in internal control and risk management in 2014

During 2014, Vaisala revised the internal control points for both transaction processing as well as financial reporting process with process changes implemented as part of Enterprise Resource Planning (ERP) upgrade project. The changes were effective as of January 1, 2015. Vaisala internal control points as well as related roles and responsibilities are documented as part of Vaisala Global Process Map.

Auditing and Auditor's Fees

The company has one auditor, who must be a public accountant or auditing corporation authorized by the Central Chamber of Commerce. If an authorized auditing corporation is not chosen to perform the auditing, a deputy auditor must be elected as well. The Auditor is elected at the Annual General Meeting for a term which expires at the end of the following Annual General Meeting.

In January 1–March 26, 2014, PricewaterhouseCoopers Oy was Vaisala's auditor and audited the fiscal year 2013. APA Hannu Pellinen acted as the auditor with the principal responsibility.

The Annual General Meeting held on March 26, 2014 elected Deloitte & Touche Oy, Authorized Public Accountants, as auditor of the Company until the close of the Annual General Meeting in 2015. APA Merja Itäniemi acts as the auditor with the principal responsibility.

Auditor's Fees

EUR 1,000	2014	2013
Auditor's fees	230	269
Tax advice	113	34
Statements	9	5
Other fees	11	33
Total	**363**	**342**

Insiders

Vaisala Corporation observes the Insiders Guidelines issued by NASDAQ OMX Helsinki Ltd. The Company maintains its public and company-specific insider registers in the Euroclear Finland Ltd's Sire system. Public insiders and information on their up-to-date ownership, together with transaction history covering 12 months, of Vaisala's shares are disclosed on Vaisala's website *www.vaisala.com/investors*.

In accordance with the Securities Market Act, Vaisala Corporation's public insiders comprise of the members of the Board of Directors, the President and CEO, the members of the Management Group and the auditors. Those persons, who on the basis of their employment or other contractual relationship with the Company and on account of their position or duties have regular access to insider information, are included in Vaisala's company-specific insider register. Persons to whom the Company discloses insider information related to a specific project are included in Vaisala's project-specific insider register.

Vaisala observes a silent period which starts at the end of the reporting quarter and ends to the publication of the respective quarterly or annual results. During this time, the permanent insiders are prohibited from trading in Vaisala's shares. Project-specific insiders are prohibited from trading in Vaisala's shares until the project in question has been cancelled or disclosed. Vaisala's insider registers are maintained by the Legal department.

More Information

A regularly updated table reporting the holdings of public insiders is available on Company's website at *www.vaisala.com/investors.*

Information for Shareholders

Annual General Meeting

Vaisala Corporation's Annual General Meeting will be held on Tuesday, March 31, 2015 at 6:00 p.m. Finnish time at Vaisala Corporation's head office, Vanha Nurmijärventie 21, 01670 Vantaa, Finland. The reception of persons who have registered for the meeting will commence at 5:00 p.m.

A shareholder, who wishes to participate in the Annual General Meeting, may register for the Meeting by giving a prior notice of participation no later than on March 26, 2015 at 4:00 p.m. A prior notice of participation can be given:

- through Vaisala's website at *www.vaisala.com/investors*
- by email to paivi.aaltonen@vaisala.com
- by telephone to +358 9 8949 2201 during working days between 9 a.m. and 11 a.m. (Finnish time).

Possible proxy documents should be delivered in originals to Vaisala Oyj, Päivi Aaltonen, PL 26, 00421 Helsinki, Finland or by email to paivi.aaltonen@vaisala.com before the end of the registration time.

Payment of dividends

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.90 per share for the fiscal year 2014 to be paid. The dividend would be paid to shareholders registered in the Register of Shareholders held by Euroclear Finland Ltd on the record date of the dividend distribution, April 2, 2015. The Board of Directors proposes that the dividend will be paid on April 14, 2015.

Interim Reports

- April 28, 2015: Interim Report for January-March 2015
- July 23, 2015: Interim Report for January-June 2015
- October 27, 2015: Interim Report for January-September 2015

Changes of address

Vaisala's shareholders are kindly requested to report written changes of address to the bank where they have their book entry account.

Listing of Vaisala shares

Vaisala Corporation has two classes of shares: the listed class A shares and the non-listed class K shares. The Vaisala class A shares are listed on the NASDAQ OMX Helsinki and are registered at Euroclear Finland Ltd.

Publication of financial information

Vaisala Corporation publishes financial information in Finnish and English. All materials are available on Vaisala's website at *www.vaisala.com*. The printed Financial Statements will be only mailed to those on the company's mailing list. Requests for printed financial reports can be submitted on Vaisala's website at *www.vaisala.com*.

Silent period

Vaisala observes a silent period which starts at the end of the reporting quarter and ends to the publication of the respective quarterly or annual results. During this time, Vaisala does not comment on the company's financial situation, markets or future outlook.

The comprehensive investor relations pages and investor relations contact information can be found at *www.vaisala.com*.

Vaisala Corporation

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