

Vaisala Corporation
Financial Statement Release 2014
February 12, 2015



Vaisala Corporation Financial Statement Release 2014

January-December 2014 net sales increased by 10% to EUR 299.7 million and operating result increased by 46% to EUR 26.4 million.

October-December 2014 highlights

- Orders received EUR 87.1 (82.7) million, increase 5%
- Order book EUR 129.2 (122.0) million, increase 6%
- Net sales EUR 95.7 (80.5) million, increase 19%
- Gross margin 52.5% (48.7%)
- Operating result EUR 14.9 (3.1) million, increase 388%
- Earnings per share EUR 0.73 (0.10)
- Cash and cash equivalents EUR 47.6 (45.8) million

January-December 2014 highlights

- Orders received EUR 295.0 (282.9) million, increase 4%
- Net sales EUR 299.7 (273.2) million, increase 10%
- Gross margin 51.1% (49.2%)
- Operating result EUR 26.4 (18.1) million, increase 46%
- Earnings per share EUR 1.30 (0.60)
- Cash flow from operating activities EUR 23.8 (28.2) million
- Dividend paid EUR 16.2 (16.2) million
- Vaisala's Board of Directors is proposing a dividend of EUR 0.90 per share (0.90 per share in 2013)
- 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

Vaisala's President and CEO Kjell Forsén

"In the fourth quarter of 2014, our net sales were record high EUR 95.7 million and grew 19% year-on year. Excellent growth was achieved both in Controlled Environment Business Area increasing 24% as well as in Weather Business Area increasing 17%. Net sales increased in all geographical areas but the most in APAC, 33%. Both business areas benefited from great delivery performance and consistent quality. Also orders received increased by 5% to EUR 87.1 million. As a result of high volumes the gross margin improved to 52.5%. Operating result developed positively and was EUR 14.9 million or 15.6% of net sales.

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 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 business areas. 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 business has returned to growth track.

Our 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.

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.

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

On January 27, 2015, we announced our plans to restructure our 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.

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

	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Orders received, EUR million	87.1	82.7	295.0	282.9
Order book, EUR million	129.2	122.0	129.2	122.0
Net sales, EUR million	95.7	80.5	299.7	273.2
Gross profit, EUR million	50.2	39.2	153.1	134.3
Gross margin, %	52.5	48.7	51.1	49.2
Operating expenses, EUR million	35.4	31.8	127.2	113.6
Operating result, EUR million	14.9	3.1	26.4	18.1
Operating result, %	15.6	3.8	8.8	6.6
Profit (loss) before taxes, EUR million	15.7	2.8	29.1	17.2
Profit (loss) for the period, EUR million	13.1	1.8	23.4	10.9
Earnings per share, EUR	0.73	0.10	1.30	0.60
Cash flow from operating activities, EUR million	15.0	12.0	23.8	28.2
Capital expenditure, EUR million	2.1	1.3	7.9	7.1
Depreciation, EUR million	4.0	3.7	15.2	14.8
Return on equity, %			14.3	6.3
Cash and cash equivalents, EUR million	47.6	45.8	47.6	45.8

Market situation in October–December 2014

Reasonably good weather observation market conditions continued. Market conditions for industrial measurement and life science solutions developed favorably. Depreciation of euro contributed positively on Vaisala's financial performance.

In EMEA weather observation market conditions remained solid, although economic weakness and currency depreciation in Russia and its neighboring countries weakened demand in the area. Also conflicts in the Middle East had an unfavorable impact on local weather observation market activity. Demand for industrial measurement and life science solutions improved.

In Americas weather observation market remained active, driven by the U.S. governmental customers. Market environment for industrial measurement and life science solutions was favorable.

In APAC weather observation market remained stable, although development in China expressed signs of moderation. Market environment for industrial measurement and life science solutions improved slightly.

October-December 2014 performance

Orders received

EUR million	10-12/2014	10-12/2013	Change, %	2014	2013
Weather	65.4	64.1	2	215.2	208.3
Controlled Environment	21.7	18.6	17	79.8	74.6
Total	87.1	82.7	5	295.0	282.9

Order book

EUR million	10-12/2014	10-12/2013	Change, %	2014	2013
Weather	123.7	116.2	7	123.7	116.2
Controlled Environment	5.5	5.8	-5	5.5	5.8
Total	129.2	122.0	6	129.2	122.0

In October-December 2014, orders received were EUR 87.1 (82.7) million and increased by 5% compared to the previous year. The growth came mainly from APAC where we received one big order for six weather radars for the value of EUR 8.9 million. Weather Business Area's orders received were EUR 65.4 (64.1) million and increased by 2%. The growth came from all customer groups except Meteorology and New Weather Markets. During the fourth quarter of 2014, Vaisala signed a contract to deliver six weather radars to its long-term customer in APAC. The deliveries start in 2016 and will be completed by the end of 2018. The value of the contract is EUR 8.9 million. Controlled Environment Business Area's orders received were EUR 21.7 (18.6) million and increased by 17%. The growth came from 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	10-12/2014	10-12/2013	Change, %	2014	2013
Weather	73.3	62.4	17	219.6	200.0
Controlled Environment	22.3	18.0	24	80.2	73.2
Total	95.7	80.5	19	299.7	273.2

Net sales by geographical area

EUR million	10-12/2014	10-12/2013	Change, %	2014	2013
EMEA	35.8	29.0	24	111.8	98.6
Americas	36.2	33.9	7	112.1	107.8
APAC	23.7	17.8	33	75.9	66.9
Total	95.7	80.5	19	299.7	273.2

In October-December 2014, Vaisala's net sales were EUR 95.7 (80.5) million and increased by 19% compared to the previous year. Weather Business Area's net sales were EUR 73.3 (62.4) million and increased by 17%. The growth came from all customer groups except Airports. Weather Business Area's net sales increased in all geographical areas except in Americas. Controlled Environment Business Area's net sales were EUR 22.3 (18.0) million and increased by 24%. The growth came from both customer groups, especially from Life Science customer group. Controlled Environment Business Area improved its net sales in all geographical areas.

In October-December 2014, net sales in EMEA were EUR 35.8 (29.0) million and increased by 24% compared to the previous year, in the Americas EUR 36.2 (33.9) million and increased by 7% and in APAC EUR 23.7 (17.8) million and increased by 33%.

At comparable exchange rates the net sales would have been EUR 92.5 (80.5) million and increase would have been EUR 12.0 million or 15% from previous year. The positive exchange rate effect was EUR 3.2 million, which was mainly caused by USD exchange rate fluctuations.

Gross margin was 52.5% (48.7%). The increase was mainly due to increased net sales and related decrease in unit costs due to improved scale economies.

Operating result					
EUR million	10-12/2014	10-12/2013	Change, %	2014	2013
Weather	12.7	7.6	66	17.0	14.5
Controlled Environment	3.9	-3.5	212	12.1	4.0
Eliminations and other	-1.7	-1.1	-62	-2.8	-0.4
Total	14.9	3.1	388	26.4	18.1

In October-December 2014, operating result was EUR 14.9 (3.1) million. The increase was mainly due to increased net sales and better gross margins in both business areas, whereas operating result for the fourth quarter of 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 35.4 (31.8) million and increased by 12% compared to the previous year. The increase was mainly due to investments in R&D related to new offering development and renewing instrument portfolio as well as higher bonuses as a result of good performance during the fourth quarter.

Profit before taxes was EUR 15.7 (2.8) million for the period of October-December 2014. Income taxes were EUR 2.5 (1.0) million. Net result was EUR 13.1 (1.8) million.

Earnings per share for October-December 2014 were EUR 0.73 (0.10).

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	10-12/2014	10-12/2013	Change, %	2014	2013	Change, %
Orders received	65.4	64.1	2	215.2	208.3	3
Order book	123.7	116.2	7	123.7	116.2	7
Net sales, total	73.3	62.4	17	219.6	200.0	10
Products	30.3	27.4	10	92.1	97.3	-5
Projects	29.8	24.3	23	83.8	70.0	20
Services	13.3	10.7	24	43.7	32.7	34
Operating result	12.7	7.6	66	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.

During the fourth quarter of 2014, Vaisala signed a contract to deliver six weather radars to its long-term customer in APAC. The deliveries start in 2016 and will be completed by the end of 2018. The value of the contract is EUR 8.9 million.

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	10-12/2014	10-12/2013	Change, %	2014	2013	Change, %
Orders received	21.7	18.6	17	79.8	74.6	7
Order book	5.5	5.8	-5	5.5	5.8	-5
Net sales, total	22.3	18.0	24	80.2	73.2	9
Products	19.8	15.5	27	70.7	64.2	10
Services	2.6	2.5	3	9.4	9.0	5
Operating result	3.9	-3.5	212	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	10-12/ 2014	10-12/ 2013	Change, %	2014	2013	Change, %
Weather	7.3	6.0	20	25.7	22.4	15
Controlled Environment	2.1	1.9	9	8.2	6.5	27
Total	9.4	8.0	17	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.

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.

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.

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.

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.

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.

Financial statements 2014

Vaisala will publish a Financial Statements 2014 publication. This report will be available in English and Finnish and can be downloaded as a pdf file and ordered as a printed copy at www.vaisala.com the week starting March 2, 2015.

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

Financial information and changes in accounting policies

The financial statements have been prepared in accordance with the IAS 34 following the same accounting principles as in the annual financial statements. The whole year numbers presented in the financial report have been audited. All figures in the report are Group figures. All presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented.

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

Consolidated Statement of Income				
EUR million	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Net sales	95.7	80.5	299.7	273.2
Costs of sales	-45.5	-41.3	-146.6	-138.9
Gross profit	50.2	39.2	153.1	134.3
Sales, marketing and administrative costs	-26.1	-23.9	-93.2	-84.7
Research and development costs	-9.4	-8.0	-34.0	-28.9
Other operating income and expense	0.1	-4.3	0.5	-2.6
Operating profit (loss)	14.9	3.1	26.4	18.1
Share of result in associated companies	0.1	0.1	0.1	0.1
Financial income and expenses, net	0.6	-0.2	2.6	-1.0
Profit (loss) before taxes	15.7	2.8	29.1	17.2
Income taxes	-2.5	-1.0	-5.7	-6.2
Profit (loss) for the period	13.1	1.8	23.4	10.9
Earnings per share, EUR	0.73	0.10	1.30	0.60
Diluted earnings per share, EUR	0.72	0.10	1.29	0.60

Consolidated Statement of Comprehensive Income				
EUR million	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Items that will not be reclassified to profit or loss				
Actuarial loss on post-employment benefits	-0.5	-0.1	-0.5	-0.1
Total	-0.5	-0.1	-0.5	-0.1
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	0.9	-2.2	3.5	-3.2
Total	0.9	-2.2	3.5	-3.2
Total other comprehensive income	0.5	-2.3	3.0	-3.3

Total comprehensive income	13.6	-0.5	26.4	7.6
-----------------------------------	-------------	-------------	-------------	------------

Consolidated Statement of Financial Position

EUR million

Assets	December 31, 2014	December 31, 2013
Non-current assets		
Intangible assets	37.1	35.9
Property, plant and equipment	44.2	46.8
Investments	0.1	0.1
Investment in associated companies	0.8	0.7
Long-term receivables	0.3	0.9
Deferred tax assets	8.9	8.0
Total non-current assets	91.5	92.5
Current assets		
Inventories	33.9	28.6
Trade and other receivables	70.5	57.4
Income tax receivables	1.1	1.4
Cash and cash equivalents	47.6	45.8
Total current assets	153.1	133.2
Total assets	244.6	225.6
Shareholders' equity		
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
Total shareholders' equity	170.0	158.9
Non-current liabilities		
Interest-bearing liabilities	0.0	0.0
Post-employment benefit obligations	1.3	0.7
Deferred tax liabilities	5.3	5.2
Provisions for other liabilities and charges	0.2	-
Other long-term liabilities	2.9	2.1
Total non-current liabilities	9.7	8.0
Current liabilities		
Interest-bearing liabilities	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	58.1	54.8
Total current liabilities	64.9	58.7
Total shareholders' equity and liabilities	244.6	225.6

Consolidated Statement of Changes in Shareholders' Equity

EUR million	Share capital	Share premium	Other reserves	Treasury shares	Translation adjustment	Retained earnings	Total
Balance at Jan 1, 2013	7.7	22.3	0.8	-2.5	-0.5	161.4	189.1
Profit (loss) for the period						10.9	10.9
Other comprehensive income			-0.0		-3.1	-0.1	-3.3
Dividend paid						-16.2	-16.2
Reclassification		-22.3	22.4			-0.1	-
Return of capital			-22.2				-22.2
Share-based payment			0.6				0.6
Balance at December 31, 2013	7.7		1.5	-2.5	-3.6	155.9	158.9

EUR million	Share capital	Other reserves	Treasury shares	Translation adjustment	Retained earnings	Total
Balance at Jan 1, 2014	7.7	1.5	-2.5	-3.6	155.9	158.9
Profit (loss) for the period					23.4	23.4
Other comprehensive income		0.0		3.5	-0.5	3.0
Dividend paid					-16.3	-16.3
Reclassification		-0.0			0.0	0.0
Correction		0.0				0.0
Share-based payment		1.0				1.0
Balance at December 31, 2014	7.7	2.5	-2.5	-0.2	162.6	170.0

Consolidated Cash Flow Statement		
EUR million	1-12/2014	1-12/2013
Cash flows from operating activities		
Cash receipts from customers	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	1.3	-0.8
Income taxes paid, net	-4.5	-7.7
Cash flow from operating activities	23.8	28.2
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	-	-12.3
Capital expenditure on fixed assets	-7.9	-7.1
Divestments	1.3	2.6
Cash flow from investing activities	-6.6	-16.8
Cash flows from financing activities		
Return of capital	-	-22.2
Dividends paid	-16.2	-16.2
Purchase of treasury shares	-	-
Change in loan receivables	-0.1	-0.1
Change in leasing liabilities	0.0	-0.6
Cash flow from financing activities	-16.3	-39.1
Cash and cash equivalents at the 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	47.6	45.8

Notes for Report

Orders Received by Business Area

EUR million	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Weather	65.4	64.1	215.2	208.3
Controlled environment	21.7	18.6	79.8	74.6
Total	87.1	82.7	295.0	282.9

Net Sales by Business Area

EUR million	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Weather				
Products	30.3	27.4	92.1	97.3
Projects	29.8	24.3	83.8	70.0
Services	13.3	10.7	43.7	32.7
Total	73.3	62.4	219.6	200.0
Controlled environment				
Products	19.8	15.5	70.7	64.2
Services	2.6	2.5	9.4	9.0
Total	22.3	18.0	80.2	73.2
Sales, eliminations and others	0.0	0.0	0.0	0.1
Total Sales	95.7	80.5	299.7	273.2

Operating Result by Business Area

EUR million	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Weather	12.7	7.6	17.0	14.5
Controlled environment	3.9	-3.5	12.1	4.0
Eliminations and other	-1.7	-1.1	-2.8	-0.4
Total	14.9	3.1	26.4	18.1

Net Sales by Geographical Area

EUR million	10-12/2014	10-12/2013	1-12/2014	1-12/2013
EMEA	35.8	29.0	111.8	98.6
Americas	36.2	33.9	112.1	107.8
APAC	23.7	17.8	75.9	66.9
Total	95.7	80.5	299.7	273.2

Personnel				
	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Average personnel	1,614	1,525	1,617	1,485
Personnel at the end of period	1,613	1,563	1,613	1,563

Financial Instruments				
	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Nominal value of financial derivatives, EUR million	20.0	19.7	20.0	19.7
Fair values of financial derivatives, assets, EUR million	0.0	0.6	0.0	0.6
Fair values of financial derivatives, liabilities, EUR million	1.4	0.0	1.4	0.0

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

Share Information				
	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Number of shares outstanding, thousand	18,059	18,059	18,059	18,059
Number of treasury shares, thousand	159	159	159	159
Number of shares, diluted, thousand	18,234	18,187	18,234	18,187
Number of shares, weighted average, thousand	18,059	18,059	18,059	18,059
Number of shares traded, thousand	359	794	1,110	2,877
Share price, highest, EUR	22.50	23.47	24.98	23.47
Share price, lowest, EUR	19.40	17.40	19.40	16.04

Key Ratios				
	10-12/ 2014	10-12/ 2013	1-12/ 2014	1-12/ 2013
Earnings per share, EUR	0.73	0.10	1.30	0.60
Earnings per share, diluted, EUR	0.72	0.10	1.29	0.60
Equity per share, EUR	9.41	8.80	9.41	8.80
Cash flow from operating activities per share, EUR	0.83	0.66	1.32	1.55
Solvency ratio, %	70.6	71.6	70.6	71.6
Return on equity, %			14.3	6.3

Further information

Kaarina Muurinen, CFO
 Mobile +358 40 577 5066
 Vaisala Corporation

Briefing and Audiocast

Briefing for analysts and media will be arranged in Hotel Kämp, Paavo Nurmi meeting room, Pohjoisesplanadi 29, Helsinki starting at 4 p.m. (EEST) today. The presentation of Kjell Forsén, President

and CEO, at the briefing will be audiocast live at www.vaisala.com/investors starting at 4 p.m. A recording of the audiocast will be published at the same address at 6 p.m.

Distribution:

NASDAQ OMX Helsinki

Key media

www.vaisala.com

Vaisala is a global leader in environmental and industrial measurement. Building on 78 years of experience, Vaisala contributes to a better quality of life by providing a comprehensive range of innovative observation and measurement products and services for chosen weather-related and industrial markets. Headquartered in Finland, Vaisala employs approximately 1,600 professionals worldwide and is listed on the NASDAQ OMX Helsinki stock exchange. www.vaisala.com www.twitter.com/VaisalaGroup