



Contents

CEO's greeting.....	3
Online annual report	4
Vaisala in brief	4
Key figures in graphs	5
Board of directors' report	6
Consolidated financial statements (IFRS)	
Consolidated income statement	13
Consolidated balance sheet.....	14
Consolidated cash flow statement	16
Statement of changes in shareholders' equity.....	17
Notes to the consolidated financial statements.....	18
Financial ratios	
Five years in figures.....	46
Financial ratios and shares in figures.....	47
Calculation of financial ratios.....	48
Parent company financial statements (FAS)	
Parent company income statement	49
Parent company balance sheet.....	50
Parent company cash flow statement	52
Notes to the parent company financial statements	53
Shares and shareholders.....	61
Signing of the Financial statements	62
Auditor's report	63
Information for shareholders	64
Investor calendar 2007.....	65
Vaisala worldwide.....	66



Year 2006 exceeded expectations

Year 2006 was an extremely good year for Vaisala. Our net sales grew 12 per cent to 220.8 million euros. Organic growth was complemented by the Sigmet acquisition in the weather radar business unit. Positive market development is likely to continue in 2007. We concentrate our efforts on maintaining our strong market position and on our growth areas; industrial measurements, new weather radar, and services.

I started as the Vaisala CEO on October 1, 2006. The first months have already shown that I'm at the helm of a world-class company with a personnel whose ability to innovate has helped this company to reach its leading position in the demanding field of environmental measurement. I'm convinced that our success will continue also in the future.

Kjell Forsén
President and CEO



Online Annual Report

From 2002, Vaisala has published its Annual Reports online only. The 2006 Annual Report includes CEO Kjell Forsén's webcast interview about events in 2006 and his views on Vaisala Group's future. The Annual Report includes interesting customer cases from different business divisions. The financial information is also downloadable in pdf and Excel format on the site.

To subscribe to Vaisala press and stock exchange releases please go to <http://www.vaisala.com/newsanddownloads/subscribetocorporatenews>. Once subscribed, you will receive all Vaisala releases by email in either Finnish or English.

Visit the Vaisala Annual Report at
www.vaisala.com/annualreport.

Vaisala in Brief

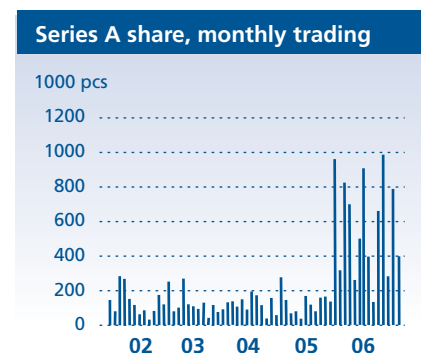
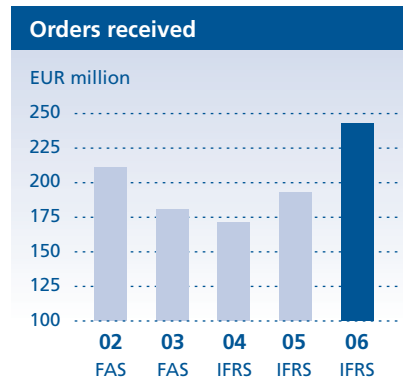
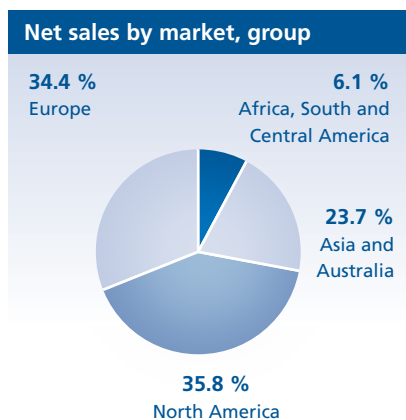
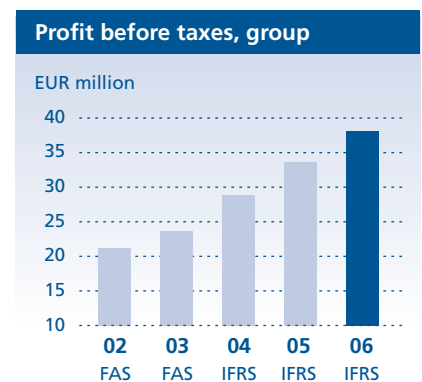
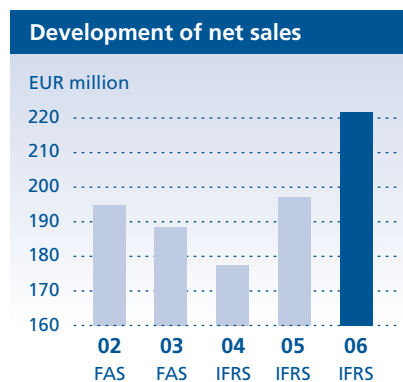
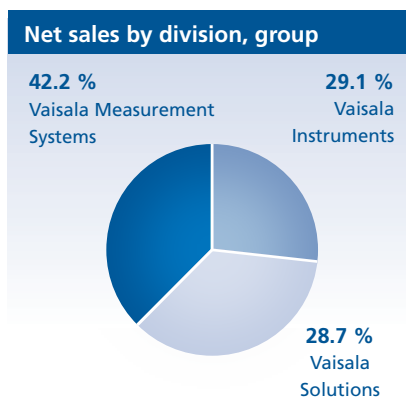
Vaisala develops, manufactures and markets products and services for environmental and industrial measurement. The mission is to provide the basis for better quality of life, environmental protection, safety, efficiency and cost-savings.

Vaisala's major customer groups include national meteorological and hydrological institutes, defense forces, aviation organizations, road and rail authorities, integrators of meteorological systems, enterprises that require weather information in order to run efficient operations, and industry. The company is the global market leader in many of its core businesses.

Vaisala had more than 1 000 employees and achieved net sales of EUR 220.8 million in 2006. Vaisala serves customers around the world. Operations outside Finland accounted for 97 per cent of net sales in 2006. Parent company Vaisala Oyj, domicile in Vantaa, Finland, is listed on the Helsinki Exchanges in Finland.



Key Figures in Graphs



Board of Directors' Report 2006

Overview

Year 2006 was better than expected. Demand remained on good level and net sales grew to EUR 220.8 million. Growth was 12% compared to the previous year, while organic growth was 7%. Additional growth was achieved from the business activities of Sigmet Inc. acquired in January 2006. Net sales grew particularly in surface observation networks and in Vaisala Instruments division's product sales. Growth in net sales, together with actions to improve operations, increased the operating profit to EUR 39.6 million, growth 32%. Net profit grew 7%, being EUR 26.6 million. The profit of the review period was burdened by costs incurred from exchange rate changes and increased effective tax rate.

Weather radar signal processing system provider Sigmet was acquired and merged as part of the Vaisala Measurement Systems division in January 2006. Parts of radiosonde production were outsourced to Malaysia while corresponding functions in Finland were downsized. Vaisala Instruments and Vaisala Solutions divisions' businesses have continued without major structural changes.

A new office was opened in Shenzhen, South China, in September. The Shenzhen office has both sales and procurement functions. Vaisala also announced that it will be opening an office in Dubai, United Arab Emirates.

Market situation

The sustained maintenance and development of competitiveness has enabled Vaisala to retain its strong market share. The growth in net sales was relatively evenly distributed geographically. The greatest growth in net sales in euros took place in the region of Asia-Pacific, 15%, when in Europe the growth was 9%.

Growth in demand and positive order book developments started during the second half of 2005 have continued in 2006. Demand remained on a good level, and the number of orders received during the review period was considerably higher than in the previous year, growth 24%.

Net sales and order book

The Vaisala Group's net sales for the review period grew by 12% during the review period and were EUR 220.8 (197.9/2005;

178.1/2004) million. Operations outside Finland accounted for 97% (96%/2005; 97%/2004) of net sales. The Group received new orders worth EUR 243.6 (196.5/2005; 172.8/2004) million, growth 24% compared to the previous year.

The order book at the end of the review period was EUR 77.6 (55.3) million, of which some EUR 18 million can be recognized as sales in 2008 or later.

Performance and balance sheet

Operating profit for the review period grew by EUR 39.6 (30.1/2005; 29.4/2004) million. Change in hedging costs improved the operating profit by EUR 2.1 million compared to the previous year. Thus the improvement in operating profit caused by operative measures was EUR 7.4 million.

Profit before tax was 17.3% of net sales, EUR 38.2 (34.1/2005; 29.1/2004) million. When assessing the profit before tax of the review period, it should also be remembered that: the exchange rate differences and financing income were EUR -1.5 million (+3.9 million).

Net profit for the review period was EUR 26.6 (24.9/2005; 21.0/2004) million. Effective tax rate was 30.3% (26.9%/2005).

The Vaisala Group's solvency and liquidity remained strong. On December 31, 2006, the balance sheet total was EUR 219.2 (196.9/2005; 163.7/2004) million. The Group's solvency ratio at the end of the review period was 81% (81%/2005; 82%/2004).

The total of the Group's liquid assets was EUR 87.3 (81.4) million.

Research and development

Expenditure on research and development in the review period totaled EUR 20.6 (19.8/2005; 21.3/2004) million, being 9.3% of the Group's net sales.

One of the most important research and development efforts in 2006 was the weather radar, which has been developed together with leading international research institutes and partners. New technology has been used in the radar development. For example, the radar's dual-polarization technology enables more precise information on the quantity and quality of precipitation. A prototype was completed in 2005, and has

Board of Directors' Report 2006

been in research and test use in Kumpula, Helsinki. The Vaisala Weather Radar will be launched to the market by the end of the third quarter in 2007, and first deliveries are likely to take place in the beginning of 2008.

Another significant development project is the Helsinki Testbed, which is a research platform for precision weather applications and services. The project has been carried out together with the Finnish Meteorological Institute and partners. Helsinki Testbed works as an open innovation platform where new weather and environmental information systems and services can be tested in an authentic environment. Vaisala has commercialized the weather station network maintenance software used in the Helsinki Testbed, and will continue to commercialize other observation network components relating to the project. Together with partners, Vaisala also develops precision weather and air quality applications based on local observation networks.

Capital expenditure

Gross capital expenditure totaled EUR 20.4 million (8.0/2005; 4.8/2004). The total for the review period includes the cost incurred from the acquisition of Sigmet, Inc., EUR 16.5 million.

At the end of the year the decision was made to start the implementation project of a new enterprise resource planning system, which will include Vaisala's global organization and replace many systems currently in use.

Vaisala Measurement Systems

Vaisala Measurement Systems division generated net sales of EUR 93.2 (84.3) million. EUR 10.0 million of the growth is due to the Sigmet acquisition carried out in January. The division's net sales were as expected. Decrease in comparable net sales is due to slower sales of wind profilers and lightning detection systems compared to the corresponding period in 2005.

Operating profit was EUR 19.8 (19.6) million. The operating profit was burdened by the one-off costs caused by the reorganization of the radiosonde production, as well as the slower sales of wind profilers and lightning detection systems. The number of orders received by the Vaisala Measurement Systems grew 23% compared to the previous year, being EUR 97.2 (79.1) million.

In March, the reorganization relating to the partial outsourcing of the Vaisala Measurement Systems division's production functions was started, as the codetermination negotiations started on January 19, 2006, were concluded. As a result, Vaisala gave notice to 37 employees. For other parts, the target reduction of approximately 60 productive labor years was realized through terminations of temporary employment, relocations and pension programs. The one-off costs caused by the partial outsourcing of the radiosonde production incurred an accrual of approximately EUR 0.8 million in 2006.

The acquisition of the world's leading independent weather radar signal processor and application software manufacturer Sigmet Inc. was confirmed in January. The balance of the margin of the acquired order book, EUR 1.8 million, was fully depreciated according to IFRS 3 during the review period.

Vaisala Instruments

Vaisala Instruments division's year was better than expected by both net sales and orders received. The division's net sales grew by 10%, being EUR 64.3 (58.2) million. All product lines of the Vaisala Instruments division grew, except the carbon dioxide product line. Vaisala's carbon dioxide product deliveries were hampered by fire at a subcontractor's premises in February. The fire did not affect the result of the review period as Vaisala's insurance covered the loss in gross profit.

Operating profit was EUR 19.5 (14.0) million. Operating profit was improved by constant actions to improve the order-delivery process.

The number of orders received by the Vaisala Instruments grew 13% being EUR 68.2 (60.2) million.

Vaisala Instruments received a significant order from the US National Weather Service. The value of the order is EUR 12.4 million, and it includes a maximum of 1200 cloud height measurement instruments. The deliveries are estimated to take place in 2008 - 2010.

The U.S. Federal Aviation Administration (FAA) awarded Vaisala a contract to supply ceilometers and visibility instruments for the Federal Automated Weather Observation System (AWOS) program. The value of the contract is EUR 4.4

Board of Directors' Report 2006

million. Deliveries have started in April 2006 and will be completed in 2007.

In May, Vaisala Instruments introduced a new product for oxygen concentration measurements in industrial processes.

Competition in all product categories remains fierce. Vaisala's global operating model, combined with significant investments in research and development, form the basis to retain market leadership and increase market share.

Vaisala Solutions

Vaisala Solutions division's year was better than expected. The division's net sales grew by 14%, being EUR 63.3 (55.5) million. Operating profit for the review period was EUR 5.4 (3.0) million.

Demand for the comprehensive solutions offered by the Vaisala Solutions division was good throughout the year. The number of orders received grew more than estimated. As a result, net sales and order book grew significantly from the previous year, and the result and profitability goals were met. Compared to the previous year, the number of orders received grew by 36%, being EUR 78.1 (57.2) million.

The Vaisala Solutions has signed a significant contract with a long-standing customer to provide two airports with automated weather observation solutions. In addition to the equipment and software, the turnkey contract includes site surveys, project management and training, as well as a maintenance contract for two years. The total value of the contract is EUR 7.5 million. Deliveries are scheduled to be completed by June 2008.

Changes in Vaisala Oyj's management

As former Vaisala CEO Pekka Ketonen announced his desire to retire, the Board of Directors nominated Licentiate of Technology Kjell Forsén (47 years) as the new Vaisala CEO starting October 1, 2006. Pekka Ketonen's employment terminated at the end of 2006.

M.Sc.(Eng) Jouni Lintunen (35 years) was appointed as the new Chief Financial Officer of Vaisala beginning July 1, 2006.

Risk management

Organization of risk management

Vaisala has a risk management policy, which covers strategic, operative and financial risks. The goal of the policy is to ensure the safety of Vaisala personnel, operations and products and continuity of operations. The policy also covers the company's intellectual property, image and brand. Appropriate and accurate risk profile is included in decision-making.

The policy, practices and emphasis are regularly assessed by the Management Group.

Vaisala's Management Group determines more specific guidelines for the Group's operations, e.g. authorizations, offering, procurement rights and terms of payment.

The usual risks related to international business affect Vaisala's operations.

Financial risk management

Group financing is arranged through the parent company, and the financing of the subsidiaries is arranged through internal loans. The parent company also provides the subsidiaries with the necessary credit limit guarantees. The parent company assumes responsibility for financial risk management and for investing surplus liquidity.

Interest rate risk

The effect of interest rate changes to interest bearing borrowings and receivables in different currencies constitutes an interest rate risk. As the Group has few interest bearing borrowings and receivables, the interest rate risk is small. The borrowings are adjustable rate borrowings. The earnings on capital invested contain a small risk when interest rates change. Investment policy principles in the order of priority are: a) minimizing credit loss risks b) liquidity, c) profit on investment. The maximum term of investment is 12 months.

Currency risk

The international nature of its operations exposes Vaisala to transaction risks. The Group carries out sales in numerous foreign currencies, of which the most significant are the US dollar, Japanese yen, and the English pound. The Group has

Board of Directors' Report 2006

many investments in its subsidiaries abroad, whose net assets are exposed to currency risks. The Group does not hedge conversion differences of investments relating to its subsidies.

The Group's other currency risks are transaction risks resulting from commercial accounts receivable and accounts payable. Approximately half of the Group's net sales are in USD. A significant part of costs are in EUR. The company uses currency forwards for hedging purposes. The hedging level is at approximately 50% of the order book and the accounts receivable. The hedging is done by the parent company.

Liquidity risk

With the company's current balance sheet structure, liquidity risks are non-existent.

Counterparty risk

Liquid assets are invested within the confirmed limits to targets whose credit standing is good. The investment targets and their assigned limits are revised annually.

Credit risk

The Group's policy on granting credit is stringent. The Group protects itself against credit risks by using letters of credit, advance payments and bank guarantees.

Internal auditing

The Group has no official internal auditing function. Tasks relating to internal auditing are carried out in control measures included in the company's processes, as well as by commissioning Authorized Public Accountants.

Vaisala's share

At the end of 2006, Vaisala's Board of Directors had no authorization to increase the company's share capital or to issue convertible or warrant bonds.

The acquisition and conveyance of own shares

The Board of Directors had been authorized by the Annual General Meeting of March 22, 2005, to acquire and convey the company's own shares to launch a share-based incentive program until March 22, 2006. The program applied to approximately 50 Vaisala key personnel. Some of them were

in the group of permanent insiders, as defined by the Securities Market Act. The number of A-shares conveyed within the share-based incentive program was max. 35,000 shares.

A total of 35,000 Vaisala A-shares were subscribed for with the warrants granted, corresponding the value of EUR 14,717.47. Of these, 25,850 A-shares, corresponding the value of EUR 10,869.90 were conveyed on March 6 and March 16 to the key personnel, according to the share-based incentive program. The average value of the acquisitions and conveyances was EUR 27.53.

Vaisala's share capital at the end of the review period was EUR 7,660,807.86 and the total number of shares was 18,218,364.

The shares granted on the basis of the share-based incentive program include a conveyance restriction, whereby the shares cannot be conveyed or withheld for two years starting from the date on which they have been recorded on the recipient's shares account.

By January 31, 2006, a total of 739,364 Vaisala A-shares were subscribed for with the warrants granted in 2000 to the key personnel of Vaisala. All the shares have been registered in the Finnish Trade Register. Dividend was payable for the 186,450 A-shares subscribed for in 2005. The average value of the acquisitions and conveyances was EUR 20.78. The shares subscribed for in January 2006, a total of 552,914 Vaisala A-shares, did not qualify for dividend. The share capital grew by EUR 232,499.90 because of the shares subscribed for in 2006. Therefore Vaisala had two series of A-shares during the period February 22, 2006 - March 28, 2006: the A-share and the new A-share. Vaisala's year 2000 option program ended on January 31, 2006. All shares have been registered in the Finnish Trade Register.

On February 27, 2006, Vaisala Oyj received the following notification of change in the share of ownership in accordance with the Security Markets Act, Chapter 2 § 9: Harris Associates L.P.'s holding in Vaisala Oyj falls below five (5) per cent of the outstanding share capital of Vaisala Oyj.

On June 14, 2006, Vaisala Oyj received the following notification of change in the share of ownership in accordance with

Board of Directors' Report 2006

the Security Markets Act, Chapter 2 § 9: Inkeri Voipio's holding in Vaisala Oyj has fallen below ten (10) per cent of the outstanding share capital of Vaisala Oy on February 22, 2006.

The price of Vaisala's A share on the Helsinki Exchanges was EUR 24.00 on December 31, 2005, and EUR 33.07 at the end of the review period. The highest share price quoted during the review period was EUR 33.33 (new A-share EUR 27.67) and the lowest EUR 23.10 (new A-share EUR 25.35).

A total of 6,873,504 Vaisala shares were traded during the review period (new A-share 85,411), and 249,300 option rights.

Vaisala has 18,218,364 shares, of which 3,409,285 belong to series K and 14,809,079 to series A. The book equivalent value of a share is approximately EUR 0.42. Series K shares carry twenty (20) votes each at shareholders' meetings and Series A shares one (1) vote each. Series A shares amount to 81.3% of all shares and 17.8% of the votes. Series K shares amount to 18.7% of all shares and 82.2% of the votes.

Vaisala's main shareowners are listed on the company's website and in the notes to the financial statements.

Both series entitle their holders to the same amount of dividend. The maximum number of shares according to the Articles of Association is 68,571 thousand and the maximum share capital EUR 28.8 million. All the issued shares have been paid in full. The shares, excluding the above-mentioned shares of the management share bonus scheme, are not encumbered by consent or redemption clauses.

According to the Articles of Association, series K shares can be converted into series A shares in a manner specified in the Articles of Association.

Own and parent company's shares

The company holds a total of 9,150 of its own shares at the end of the review period, representing 0.05% of the share capital and 0.01% of votes. The compensation for the shares owned by the company is EUR 251,899.69.

Board of Directors

Members of the Board

In accordance with Vaisala Oyj's Articles of Association, the Vaisala's Board of Directors comprises at least three (3) and at most six (6) members. According to current practice, the Board comprises five members. All Board members are appointed by the Annual General Meeting. The Board chooses a Chairman and a Vice Chairman from its members.

Term of office of members of the Board

In deviation from recommendation no. 12 of the Corporate Governance Recommendation for Listed Companies, the term of office of members of the Board is not one year. According to the Articles of Association, the term of office is 3 years. The term of office begins after the meeting in which the member is elected, and ends after three (3) subsequent Annual General Meetings.

President & CEO

Vaisala's President and CEO is appointed by the Board. The CEO manages the company in accordance with the instructions and orders given by the Board, and informs the Board of the development of the company's business and financial situation. The CEO is also responsible for organizing the company's management.

Events in the permanent group of insiders

CEO Pekka Ketonen, who belonged to the permanent group of insiders, received 3,207 A-shares based on the 2005 share-based incentive program. The permanent group of insiders has not been granted loans or contingent liability.

Personnel

The average number of employees in the Vaisala Group during the review period was 1,069 (1,062/2005, 1,092/2004).

Salary is based on local collective and individual agreements, personal performance and demands set by the role. Basic salary is complimented by result-based bonus systems, which apply to the entire personnel. In 2006, the total paid in salaries was EUR 57.3 million (51.9/2005, 48.5/2004).

Board of Directors' Report 2006

Some 19% (19%/2005, 22%/2004) of the personnel worked in research and development. Approximately 40% (38%/2005, 37%/2004) of the Group's personnel worked outside Finland.

Group structure

Vaisala has branch offices in Canada, China and Malaysia. The addresses and contact details are available on the company's website.

Environment and society

Vaisala's environmental management system is SFS-EN ISO 14001 certified. It covers all of Vaisala's offices, operations and products. Vaisala's environmental management program includes the maintenance of the certified system, taking into account the EU WEEE (directive on Waste Electrical and Electronic Equipment) and RoHS (Restriction of the use of certain Hazardous Substances in electrical and electronic equipment) directives in product design and manufacturing, integrating environmental product design into the production processes, as well as continuous improvement of the waste management.

The waste management practices have been developed to the highest standards in all Vaisala locations. Of all waste, the ratio of recycled waste to mixed waste is 0.60.

Environmental qualities of products continuously improved

Environmental aspects form an important part of product requirements. In addition to laws and regulations, special attention is paid to materials, waste, product energy consumption throughout its lifecycle, reduction of substances hazardous to the environment and health, product service life, and recycling.

The goal is to minimize new products' effects on the environment throughout their lifecycle. This goal has also been integrated into product design process instructions and internal training. Special attention is paid to the reduction of hazardous substances as defined by the RoHS directive.

The EU RoHS Directive on the Restriction of the use of certain Hazardous Substances in electrical and electronic equipment

became effective in July 2006. All new products are developed to meet the RoHS requirements, although the directive does not at present apply to Vaisala products, which belong to directive category nine (monitoring and control instruments). Similar legislation is also under development outside the EU, for example in China.

Active member in scientific communities

Vaisala is involved in an active dialogue with various interest groups, promoting science and the development of environmental measurements.

Vaisala representatives participate in the Board and different working groups of the Technology Industries of Finland, such as the environmental working group. Vaisala works closely together with numerous meteorological authorities around the world, and is an active member of the UN World Meteorological Organization, WMO. Vaisala granted numerous research scholarships to universities, students and researchers in both the United States and Finland.

Outlook

Positive market development is expected to continue in 2007. As in the previous years, the first quarter will be modest, due to seasonality of the business. The organic growth of net sales is expected to continue in 2007, and operating profit is expected to be higher than in 2006.

Vaisala aims to be the global market leader in its selected business areas also in the future. Therefore investments in product development and competitiveness will continue to be substantial.

Proposals to the Annual General Meeting

The Board of Directors' proposal for the distribution of profits

According to the financial statements of December 31, 2006, the company's distributable funds total EUR 123,786,516.87, of which the profit for the financial year is EUR 22,916,896.33 million.

Board of Directors' Report 2006

The Board proposes to the Annual General Meeting the distributable funds to be used as follows:

- dividend payments EUR 0.85 /share,	
totaling	15,477,831.90 EUR
- held on the account for profit funds	108,308,684.97 EUR
total	123,786,516.87 EUR

No significant changes have occurred in the company's financial situation after the end of the review period. The company's solvency remains good, and the proposed distribution of funds does not endanger it, according to the Board of Directors.

The record date for dividend payment is March, 27, 2007, and it is proposed that the dividend will be paid on April, 3, 2007.

Board member Yrjö Neuvo is in turn to retire by rotation. Shareholders representing more than 10 percent of all the votes in the company have informed that they will propose to the Annual General Meeting held on 22 March 2007 that the number of Board members should be six. The Board proposes the re-election of Mr Yrjö Neuvo. The Board also proposes Ms Maija Torkko as a new member. Ms Torkko has worked in several positions at Nokia, most recently as the Chief Financial Officer until June 30, 2006. Ms Torkko is also a member of the Board of Directors of Nordea, and nominee to the Board of Directors of Kemira GrowHow Oyj.

The Board proposes PricewaterhouseCoopers Oy and Mr Hannu Pellinen APA, to be selected as Vaisala Oyj's Authorized Public Accountants.

The proposed members of the Board of Directors and the Authorized Public Accountants have given their consent for the election.

Vantaa, Finland, February 13, 2007.

Vaisala Oyj

Board of Directors

Consolidated Income Statement

EUR million	Note	1.1. –31.12.2006		1.1.–31.12.2005	
Net sales	2. 4	220.8		197.9	
Cost of production and procurement	7	-100.1		-92.3	
Gross profit		120.8	54.7%	105.6	53.4%
Other operating income	5	1.4		0.5	
Cost of sales and marketing	7	-42.1		-37.7	
Development costs	7	-20.6		-19.8	
Other administrative costs	7	-19.6		-16.9	
Other operating cost	6	-0.2		-1.5	
Operating profit		39.6	18.0%	30.1	15.2%
Financial income and expenses	10	-1.5		3.9	
Share of results of associated companies	16	0.0		0.0	
Profit before tax		38.2	17.3%	34.1	17.2%
Income taxes	11	-11.6		-9.2	
Profit after tax		26.6	12.0%	24.9	12.6%
Attributable to					
Equity holders of the parent		26.6		24.9	
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share (EUR)	12	1.46		1.42	
Diluted earnings per share (EUR)		1.46		1.42	

Consolidated Balance Sheet

EUR million	Note	31.12.2006	31.12.2005
Assets			
Non-current Assets			
Intangible assets	14	21.0	10.3
Tangible assets	15	33.5	36.0
Investments in associates	16	0.4	0.3
Other financial assets	17	0.2	0.2
Long-term receivables	18	0.1	1.6
Deferred tax assets	11	5.2	5.3
Current Assets			
Inventories	19	17.6	14.1
Trade and other receivables	20	53.9	47.1
Accrued income tax receivables		0.0	0.6
Financial assets recognised at fair value through profit and loss	21	41.2	27.2
Cash and cash equivalents	22	46.1	54.2
Total assets		219.2	196.9

Consolidated Balance Sheet

EUR million	Note	31.12.2006	31.12.2005
Shareholders' equity and liabilities			
Shareholders' equity			
Equity attributable to equity holders of the parent			
Share capital		7.7	7.4
Share issue		0.0	5.4
Share premium reserve		16.6	5.3
Reserve fund		0.1	0.1
Own shares		-0.3	
Translation differences		-1.6	1.9
Profit from previous years		120.7	109.2
Profit for the financial year		26.6	24.9
Total equity	23	169.8	154.3
Liabilities			
Long-term liabilities			
Retirement benefit obligations	25	0.3	0.6
Interest-bearing liabilities	24	0.3	0.7
Provisions	26	0.0	0.2
Deferred tax liabilities	11	0.4	0.5
		1.1	1.9
Current liabilities			
Current portion of long-term borrowings	24	0.3	0.5
Current interest-bearing liabilities		0.3	0.3
Advances received		9.6	5.8
Accrued income tax payables		2.6	0.7
Trade and other payables	27	35.6	33.3
		48.4	40.6
Total liabilities		219.2	196.9

Consolidated Cash Flow Statement

EUR million	Note	The Group 2006	The Group 2005
Cash flows from operating activities			
Cash receipts from customers		220.3	191.1
Other income from business operations		0.0	0.3
Cash paid to suppliers and employees		-173.7	-145.3
Cash flow from business operations before financial items and taxes		46.6	46.0
Interest received		2.2	1.4
Interest paid		-0.1	-0.1
Other financial items, net		-3.3	1.9
Dividend received from business operations		0.0	0.0
Direct tax paid		-9.7	-10.3
Cash flow from business operations (A)		35.7	39.0
Cash flow from investing activities			
Investments in tangible and intangible assets		-7.2	-5.7
Acquisition of subsidiary, net of cash acquired	3	-15.7	-2.8
Proceeds from sale of fixed assets		0.1	0.0
Loans granted		0.0	0.0
Other investments		-0.1	-0.1
Repayments on loan receivables		0.0	0.0
Cash flow from investing activities (B)		-22.9	-8.5
Cash flow from financing activities			
Equity issue		6.1	9.3
Repayment of short-term loans		0.0	-0.3
Withdrawal of long-term loans		0.0	0.0
Repayment of long-term loans		-0.5	-0.6
Dividend paid and other distribution of profit		-13.4	-13.1
Cash flow from financing activities (C)		-7.8	-4.7
Change in liquid funds (A+B+C) increase (+) / decrease (-)		5.0	25.7
Liquid funds at beginning of period			
Foreign exchange effect on cash		0.9	0.9
Net increase in cash and cash equivalents		5.0	25.7
Liquid funds at end of period	22	87.3	81.4

Statement of changes in shareholders' equity

EUR million	Share capital	Share issue	Share premium reserve	Reserve fund	Own shares	Translation differences	Retained earnings	Total equity
Balance at December 31, 2004	7.4		1.6	0.1	0.0	-1.6	122.3	129.7
Translation differences				0.0		3.5		3.5
Net profit for the period							24.9	24.9
Dividend paid							-13.1	-13.1
Stock options exercised	0.1	5.4	3.8					9.3
Balance at December 31, 2005	7.4	5.4	5.3	0.1	0.0	1.9	134.1	154.3
Translation differences				0.0		-3.5		-3.5
Net profit for the period							26.6	26.6
Dividend paid							-13.4	-13.4
Stock options exercised	0.2	-5.4	11.3					6.1
Own shares acquired					-1.0			-1.0
Own shares transferred					0.7			0.7
Balance at December 31, 2006	7.7	0.0	16.6	0.1	-0.3	-1.6	147.3	169.8

Notes to the Consolidated Financial Statements

1. Accounting Principles for the Consolidated Financial Statements

The Group's parent company, Vaisala Oyj, 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, North America, France, the UK, Germany, China, Sweden, Malaysia, Japan and Australia. 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 31 December 2006 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.

Vaisala Oyj is an international technology group which develops and manufactures electronic measuring systems and instruments. The areas of application of these products are meteorology, the environmental sciences, transport and industry. Vaisala's products create the basis for better quality of life, cost savings, environmental protection, security and efficiency.

Segment reporting

Segment information is presented in accordance with the Group's business and geographical segment divisions. The Group's primary segment reporting format is according to business segments. Business segments are based on the Group's internal organisational structure and internal financial reporting.

The business segments consist of asset categories and business operations whose product- or service-related risks and profitability differ from other business segments. The products or services of geographical segments are produced in a financial environment whose risks and profitability differ from the risks and profitability of the financial environment of other geographical segments.

Pricing between segments takes place at the fair market price.

The assets and liabilities of segments are business items which the segments use in their business operations or which on sensible grounds are attributable to the segments. Other activity includes the development units of new business operations, unattributed tax and financial items as well as other items common to the whole company. Investments consist of additions to tangible fixed assets and intangible assets, which are used in more than one financial year.

Vaisala's three business divisions are Vaisala Measurement Systems, Vaisala Solutions and Vaisala Instruments.

Vaisala Measurement Systems develops, manufactures and markets systems and instruments for observing the weather in the upper atmosphere as well as wind profilers, weather radars, weather radar signal, data processing and display systems and lightning detection systems that make extensive use of remote sensing technology. The division also offers maintenance services for these systems and instruments.

Vaisala Solutions develops, manufactures and markets weather observation instruments, which are used to observe weather conditions on or near the Earth's surface. The division also offers maintenance service for these instruments.

Vaisala Instruments develops, manufactures and markets instruments for the measurement of relative humidity, dewpoint, barometric pressure, carbon dioxide, wind, visibility, cloud height and prevailing weather conditions. The division also offers its customers maintenance services for measuring instruments.

Accounting Principles for the Consolidated Financial Statements (IFRS)

During 2005 the Group adopted the international IFRS financial reporting practice. The transition date was 1 January 2004..

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

Notes to the Consolidated Financial Statements

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'.

Principles of consolidation

Subsidiaries

The consolidated financial statements include the parent company Vaisala Oyj 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. Subsidiaries acquired before 1 January 2004 are consolidated at original acquisition cost, according to the exception mentioned in IFRS 1. Subsidiaries acquired on or after 1 January 2004 are consolidated according to the IFRS 3 standard Business Combinations.

The consolidated financial statements have been prepared using the acquisition cost method. Intra-Group transactions, unrealised margins on internal deliveries, internal receivables and liabilities, and the Group's internal distribution of profit are eliminated. Unrealised 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. Minority interests have been separated from subsidiaries' results for the financial year and have been presented as a separate item in the Group's shareholders' equity.

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 balance sheet at zero value and further losses are not recognised unless the Group has incurred obligations on behalf of the associated company. Unrealised 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 income statement as a separate item after '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

Transactions in foreign currencies are recognised 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 recognised during the financial period, or presented in the previous financial statements, are recognised as income or expenses in the income statement 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 income statements, mid-market exchange rates have been used. Exchange rate differences resulting from the translation of income statement items at mid-market exchange rates and from the translation of balance sheet items at exchange rates on the closing date have been recognised as a separate item in shareholders' equity. Translation gains and losses which arose in the elimination of the shareholders' equity of subsidiaries have been recognised as a separate item in shareholders' equity.

Notes to the Consolidated Financial Statements

When a foreign subsidiary or associated company is sold, the accumulated translation difference is recognised in the income statement 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 closing balance sheet rate.

Tangible fixed assets

The office and factory premises at Vantaa were revalued by a total of EUR 5.7 million in the years 1981-1988. These revaluations have been reversed in connection with the adoption of IFRS and in the valuation of tangible assets the values have been restored in all respects to original acquisition cost.

Fixed assets comprise mainly land and buildings as well as machinery and equipment. The balance sheet values are based on original acquisition cost less accumulated depreciation and amortisation 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 fixed asset consists of several parts which have useful lives of different lengths, the parts are treated as separate assets. Expenditures that arise later to an asset or part thereof are capitalised only when they increase the asset's economic benefit to the company. All other expenditures, such as normal repair and maintenance, are charged to the income statement during the financial period in which they are incurred. Interest expenses are not included in the acquisition cost of fixed assets.

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 fixed asset investments are recognised as a reduction in the carrying amounts of tangible fixed assets. Grants are recognised in the form of smaller depreciations during the useful life of the asset.

Depreciation of a tangible fixed asset is discontinued when the tangible fixed 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 income statement. According to the relief permitted by the IFRS standard, company acquisitions before the IFRS transition date have not been adjusted according to IFRS principles; they have been left at the values according to Finnish accounting practice. In acquisitions that took place before the IFRS transition date, the acquisition cost has been attributed where applicable to the fixed assets of the acquired subsidiary and amortised according to plan over an estimated useful life of 5 years.

Goodwill is not amortised, rather it is tested annually for any impairment. For this purpose goodwill has been attributed to cash generating units. Goodwill is valued at the original acquisition cost and in terms of subsidiaries acquired before 1 January 2004 at assumed acquisition cost less impairments.

Other intangible assets

Other intangible assets are e.g. patents and trademarks as well as software licences. They are valued at their original acquisition cost and amortised using the straight-line method over their useful life. Intangible assets that have an indefinite useful

Notes to the Consolidated Financial Statements

life are not amortised, 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 tangible assets	at most 10 years
Software	3–5 years

Research and development expenditure

Research and development expenditures have been recognised as expenses in the financial period in which they were incurred, except for machinery and equipment acquired for research and development use, which are amortised according to plan over 5 years. Costs relating to the development of new products and processes are not capitalised 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 balance sheet only when it is probable that the company will derive financial benefit from the asset. Moreover, it is typical of the industry that it not possible to distinguish the research stage of an internal project that aims to create an asset from its development stage.

Borrowing costs

Borrowing costs are recognised as an expense for the period during which they arise.

Inventories

Inventories are presented at the lower of acquisition cost and net realisable value. Net realisable 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 labour costs, other direct costs and an appropriate proportion of variable and fixed production overheads based on normal operating capacity. In determining the acquisition cost, standard cost accounting is applied and standard costs are adjusted regularly and changed if necessary according to the situation at the time in question. Acquisition cost is deter-

mined 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 is 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 the balance sheet's tangible fixed 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 income statement on a straight-line basis over the period of the lease.

The Group is the lessor

Leases of Group assets where a significant portion of the risks and rewards of ownership are transferred to the lessee are classified as finance leases and the present value of the lease payments is recognised in the balance sheet as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Finance income from a finance lease is determined so that the remaining net investment produces a constant periodic rate of return over the term of the lease.

Assets leased out under leases other than finance leases are included in tangible fixed assets in the balance sheet. They are depreciated over their useful lives on a basis consistent with similar owned tangible fixed assets. Rental income is recognised in the balance sheet on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

Impairment

On every closing date the Group reviews asset items for any indication of impairment losses. 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. 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. 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 recognised in the income statement 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 recognised. 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 recognised for goodwill are not reversed under any circumstances.

Trade and other receivables

Trade and other receivables are recognised at their anticipated realisable value, which is the original invoicing value less the estimated impairment provision of these receivables. An impairment provision for trade receivables is made when there are good grounds to expect that the Group will not receive all its receivables on original terms.

Financial assets and financial liabilities

The IAS 32 and IAS 39 standards relating to financial instruments have been applied as of 1 January 2005.

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. Categorisation is made on the basis of the purpose for which the financial assets were acquired and they are categorised 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 recognised on the trade 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 items asset items has been impaired. If such evidence exists, the impairment is recognised in the income statement item financial expenses.

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 categorised as **financial assets recognised 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. Realised and unrealised gains and losses arising from changes in fair value are recognised in the income statement 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.

Held-to-maturity investments are financial assets not belonging to derivative assets whose payments are fixed and quantifiable and which mature on a specified date and which the Group has the firm intent and ability to hold to maturity. They are valued at amortised cost and they include either short-term or long-term assets.

Notes to the Consolidated Financial Statements

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 amortised cost and they include short- 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.

Available-for-sale financial assets are assets not belonging to derivative assets which are expressly allocated to this category or which do not fall into one of the other categories. These include long-term assets except if the intent is to keep them for less than 12 months from the closing date, in which case they are included in current assets. The company does not, however, have any such items at present.

Cash and cash equivalents are carried in the balance sheet at original cost. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less and which consist mainly of the short-term investment of cash assets. Bank overdrafts are included within current interest-bearing liabilities. Owing to their short-term nature, the fair values of cash funds and short-term investments have been estimated to be the same as their acquisition cost.

Financial liabilities are recognised 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 amortised cost using the effective yield method. Financial liabilities include long- and short-term liabilities and they can be interest-bearing or non-interest-bearing.

Derivative contracts and hedging activities

All derivatives contracts are initially recognised 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.

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.

Realised and unrealised gains and losses arising from changes in fair value are recognised in the income statement in 'other operating income and expenses' in the period in which they arise.

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 recognised in the balance sheet in the financial period in which the contribution is payable.

In defined-benefit plans, the Group can be left with the arrangement of obligations or assets after the financial period in which the contribution is payable. A pension liability describes the present value of future cash flows resulting from payable benefits. The present value of the defined-benefit pension plans has been determined using the projected unit credit method and assets belonging to the plans have been valued at fair value on the closing date. The obligations of the Group's defined-benefit pension plans have been calculated for each plan separately. On the basis of calculations made by authorised actuaries, the calculated actuarial gains and losses are recognised in the income statement during the average remaining period of service of employees participating in the plan to the extent that they exceed the greater of 10% of the present value of the plan's defined-benefit pension obligations and the fair value of assets included in the plan.

On the transition date to IFRS standards on 1 January 2004, all actuarial gains and losses have been recognised in the balance sheet's opening shareholders' equity in the manner allowed by the IFRS 1 standard.

Notes to the Consolidated Financial Statements

Share-based payments

The Group currently has no stock option schemes. The company's option scheme 2000 ended for all options on 31 January 2006.

Provisions

Provisions are recognised 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. If it is possible that the Group will be reimbursed for part of the obligation by some third party, the reimbursement is recognised 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 recognised in the same item of the income statement in which the provision was originally recognised.

Provisions relate to the restructuring of operations, loss-making agreements and repairs under guarantee. Restructuring provisions are recognised 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 recognised when unavoidable expenditure required to fulfil obligations exceeds the benefits obtainable from the agreement.

Income tax

The tax item in the income statement 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 amortisation of fixed assets, defined-benefit pension schemes and

unused tax losses. In taxation deferred tax is not recognised for non-deductible goodwill impairment and deferred tax is not recognised 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 recognised to the extent that it is probable that future taxable profit, against which the temporary differences can be utilised, will be available.

Shareholders' equity, dividends and treasury shares

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

If a company buys its own shares (treasury shares), 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 recognised 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 recognised when the service has been performed. When recognising turnover, indirect taxes and discounts, for example, have been deducted from sales revenue. Possible exchange rate differences are recognised in the financial income and expenses.

Long-term projects

Revenues from long-term projects are recognised 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

Notes to the Consolidated Financial Statements

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 recognised 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 recognised as an expense immediately.

Other revenue received by the Group

Revenue arising from royalties and rents is recognised on an accrual basis in accordance with the substance of the relevant agreements. Interest income is recognised on a time-proportion basis, taking account of the effective yield of the asset item, and dividend income is recognised 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 other than that relating to actual performance-based sales, such as rental income, are recognised 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.

In addition, fair value changes in derivatives to which the Group does not apply hedge accounting under IAS 39 are recognised in other income and expenses.

Grants

Grants received from the state or another party are recognised in the income statement at the same time as expenses are recognised 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 recognised in the form of smaller depreciations over the useful life of the asset.

Held-for-sale assets and discontinued operations

Held-for-sale assets and assets relating to discontinued operations, which have been classified as held for sale, are valued at the lower of the following: the carrying amount and the fair

value less costs arising from the sale. Depreciation of these assets is discontinued at the moment of classification.

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. Other estimates are connected mainly with environmental, litigation and tax risks, the determination of pension obligations as well as the utilisation of deferred tax assets against future taxable income.

Allocation of acquisition cost

IFRS 3 requires the acquirer to recognise 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 recognising 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 recognised revenue and profit if esti-

Notes to the Consolidated Financial Statements

mates of a project's total costs and total income are adjusted. The cumulative effect of adjusted estimates is recognised in the period in which the change becomes probable and it can be estimated reliably.

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 realised in future.

Valuation of inventories

A management principle is to recognise 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.

Application of new or amended IFRS standards and IFRIC interpretations

The IASB has announced the standards and interpretations listed below, the application of which is obligatory in 2007 or later. The Group has decided not to apply these standards earlier.

The Group will adopt in 2007 the following standard published by the IASB*:

IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1. ** The standard introduces new disclosure requirements relating to financial instruments. It requires the disclosure of qualitative and quantitative information about a company's exposure to risks arising from financial instruments, including credit risk, liquidity and market risk relating to specified minimum disclosure requirements as well as a requirement for the presentation of a sensitivity analysis in terms of market risk. The changes to the IAS 1 standard introduce additional disclosure requirements relating to the level of a company's capital and its management. The Group's management is studying the effects of the standard and the changes it brings. Current estimates indicate that the new standard will principally affect the notes to the consolidated financial statements.

The Group will adopt in 2008 or later the following standards and interpretations published by the IASB:

IFRS 8 Operating segments (replaces IAS 14, published 30.11.2006) **

IFRIC 10 Interim Financial Reporting and impairment **

IFRIC 11, IFRS2 - Group and Treasury Share Transactions **

IFRIC 12, Service concessions Arrangements **

Group management estimates that these changes will have no essential effect on the consolidated financial statements.

* The names of standards and interpretations for which no official translation exists are presented in English.

** EU has not yet approved the use of the said standard /interpretation.

Notes to the Consolidated Financial Statements

2.1 Business segments

EUR million 2006	Vaisala Measurement Systems	Vaisala Instruments	Vaisala Solutions	Other operations	Elimin- ations	Group
Net sales to external customers	93.2	64.3	63.3	0.0	0.0	220.8
Intragroup sales	0.0	11.1	0.4	0.0	-11.5	0.0
Net sales	93.2	75.3	63.7	0.0	-11.5	220.8
Operating profit	19.8	19.5	5.4	-5.1	0.0	39.6
Financial income and expenses						-1.5
Share of associated companies' net profit						0.0
Net profit before taxes						38.2
Income taxes						-11.6
Net profit for the financial year						26.6
Assets	51.8	19.5	22.1	125.5	0.0	218.8
Holdings in associated companies	0.4	0.0	0.0	0.0	0.0	0.4
Liabilities	7.6	3.7	8.8	29.4	0.0	49.4
Investments	15.1	1.5	1.6	2.3	0.0	20.4
Depreciation	4.8	1.9	0.7	3.4	0.0	10.8

Notes to the Consolidated Financial Statements

EUR million 2005	Vaisala Measurement Systems	Vaisala Instruments	Vaisala Solutions	Other operations	Elimin- ations	Group
Net sales to external customers	84.3	58.2	55.5	0.0	0.0	197.9
Intragroup sales	0.0	8.7	0.5	0.0	-9.1	0.0
Net sales	84.3	66.8	56.0	0.0	-9.1	197.9
Operating profit	19.6	14.0	3.0	-6.5	0.0	30.1
Financial income and expenses						3.9
Share of associated companies' net profit						0.0
Net profit before taxes						34.1
Income taxes						-9.2
Net profit for the financial year						24.9
Assets	33.8	21.5	20.4	121.2	0.0	196.9
Holdings in associated companies	0.3	0.0	0.0	0.0	0.0	0.3
Liabilities	5.1	2.7	6.9	27.8	0.0	42.6
Investments	1.9	1.8	3.1	1.2	0.0	8.0
Depreciation	1.7	2.1	0.7	3.6	0.0	8.2
Impairment	0.2	0.0	0.0	0.0	0.0	0.2
Restructuring expenses	0.2	0.0	0.0	0.0	0.0	0.2

Restructuring expenses relate to the centralisation of French operations of the lightning detection business.

2.2 Geographical segments

EUR million 2006	Net sales, by destination country ⁽¹⁾	Net sales, by location country ⁽¹⁾	Assets ⁽²⁾	Investments
Europe	76.0	175.0	178.4	4.0
of which Finland	7.5	152.4	163.1	3.8
North America	79.0	89.0	53.5	16.2
Asia and Australia	52.3	19.3	8.2	0.2
Africa, South and Central America	13.6			0.0
Group eliminations		-62.4	-26.2	
Unallocated items			5.2	
Total	220.8	220.8	219.2	20.4

¹⁾ Sales to external customers have been presented as net sales by destination country.

²⁾ Net sales, assets and investments have been presented by the Group's and associated companies' countries of location.

Notes to the Consolidated Financial Statements

EUR million 2005	Net sales, by destination country ¹⁾	Net sales, by location country ²⁾	Assets ²⁾	Investments
Europe	69.8	156.4	156.8	3.8
of which Finland	7.3	134.5	141.9	3.6
North America	70.8	83.6	66.3	3.9
Asia and Australia	45.3	17.7	8.2	0.3
Africa, South and Central America	12.1			
Group eliminations		-59.7	-39.6	
Unallocated items			5.3	
Total	197.9	197.9	196.9	8.0

¹⁾ Sales to external customers have been presented as net sales by destination country.

²⁾ Net sales, assets and investments have been presented by the Group's and associated companies' countries of location.

3. Company acquisitions

Company acquisitions in 2006

In January 2006 Vaisala acquired all the shares of the US company Sigmet Corp. The company's net sales in 2005 were EUR 8.8 million. Sigmet is the world's leading manufacturer of weather radar systems, signal processors and application software. The company has 10 employees and it is located in Westford, Massachusetts. Vaisala announced in November 2005 its decision to enter the weather radar business. The Sigmet acquisition supports this decision by supplementing Vaisala's range of products and services. Sigmet processors and application software products will continue to be sold to all weather radar manufacturers and end customers. The products will also be part of Vaisala's own weather radar system, which is expected to come onto the market in 2007. These synergy benefits as well as acquiring control of the Sigmet brand contributed to the generation of goodwill amounting to EUR 3.7 million. The acquisition price was EUR 16.5 million. Auditing and legal fees of EUR 0.2 million relating to the acquisition, as well as taxes of EUR 0.6 million, have also been included in the purchase price.

Sigmet's net sales in January-December 2006 of EUR 10.0 million and operating profit of EUR 2.9 million have been included in the Vaisala Group.

Purchase consideration

EUR million

Purchase price paid	15.7
Expenses related to the purchase	0.8
Total purchase cost	16.5
Fair value of the acquired net identifiable assets	-12.8
	3.7

Notes to the Consolidated Financial Statements

	Fair value recognised in combination	Acquiree's carrying amount before combination
Assets and liabilities arising from the acquisition are as follows		
Tangible fixed assets	0.4	0.1
Intangible assetst		
Software	4.1	0.0
Order book	1.7	0.0
Trademark	3.2	0.0
Customer value	1.4	0.0
Inventories	0.5	0.5
Receivables	1.1	1.1
Cash and cash equivalents	0.8	0.8
Non-interest-bearing liabilities	-0.5	-0.5
Net identifiable assets	12.8	2.0
Acquisition cost	16.5	
Goodwill	3.7	
Purchase consideration settled in cash	15.7	
Expenses related to the purchase	0.8	
Cash and cash equivalents in subsidiary acquired	-0.8	
Cash outflow on acquisition	15.7	

Company acquisitions in 2005

In July 2005 Vaisala acquired 100% of the stock of the US company CLH Inc. CLH's net sales for 2004 were EUR 3.1 million. The company specialises in the installation and maintenance of automatic weather observation systems as well as related telecommunications, user interfaces and airport weather support systems. With the CLH stock purchases, Vaisala also acquired a 2/3 share of WSDM Technologies LLC. The company specialises in airport weather support systems that provide nowcasts of snowfall events and conditions supporting aircraft de-icing decisions. CLH's products and services support Vaisala's existing range well. These synergy benefits have contributed to the creation of goodwill amounting to EUR 1.4 million. The purchase price was EUR 2.8 million. The price includes a contribution linked to the company's future net sales and profit, the realisation of which is deemed probable. Auditing and legal fees of EUR 0.036 million relating to the acquisition have also been included in the purchase price. The Vaisala Group result includes CLH Inc.'s net sales of EUR 1.4 million and operating loss of EUR 0.5 million for July-December. The Group's net sales would have been EUR 200.6 million and profit 30.1 million, if CLH Inc. would have been combined into the consolidated financial statements from the beginning of 2005.

Purchase consideration

EUR million

Purchase price paid	2.8
Expenses related to the purchase	0.0
Total purchase cost	2.8
Fair value of the acquired net identifiable assets	-1.4
	1.4

Notes to the Consolidated Financial Statements

	Fair value recognised in combination	Acquiree's carrying amount before combination
Assets and liabilities arising from the acquisition are as follows		
Tangible fixed assets	0.3	0.2
Intangible assets	0.7	0.2
Investments	0.0	0.1
Inventories	0.4	0.4
Receivables	1.2	0.4
Cash and cash equivalents	0.0	0.0
Deferred tax liabilities	0.0	0.0
Non-interest-bearing liabilities	-1.1	-1.1
Interest-bearing liabilities	-0.1	-0.1
Net identifiable assets	1.4	0.0
Acquisition cost	2.8	
Goodwill	1.4	
Purchase consideration settled in cash	2.8	
Expenses related to the purchase	0.0	
Cash and cash equivalents in subsidiary acquired	0.0	
Cash outflow on acquisition	2.8	

4. Long-term project

Net sales include EUR 2.9 million (2005; EUR 2.2 million) in revenue recognised for long-term projects. Revenue of EUR 0.1 million recognised for long-term projects in progress was included in the consolidated income statement (2005; EUR 0.1 million). Advance payments of EUR 2.4 million recognised for long-term projects in progress were included in the balance sheet at 31.12.2006 (EUR 0.2 million 31.12.2005).

5. Other operating income

EUR million	2006	2005
Gains on the disposal of fixed assets	0.1	0.1
Translation differences *	1.2	0.2
Others	0.0	0.2
	1.4	0.5

*Foreign exchange gains from derivatives to which hedge accounting under IAS 39 is not applied.

Notes to the Consolidated Financial Statements

6. Other operating expenses

EUR million	2006	2005
Translation differences *	-0.2	-1.5
	-0.2	-1.5

*Foreign exchange losses from derivatives to which hedge accounting under IAS 39 is not applied.

7. Depreciation and impairment

EUR million	2006	2005
Depreciation by function		
Procurement and production	4.7	2.7
Sales and marketing	2.3	1.4
Research and development	0.4	0.5
Other administration	3.3	3.6
	10.8	8.2

Goodwill not depreciated as of 1 January 2004. Procurement and production depreciation in 2006 includes depreciation of EUR 1.8 million on the order book of company acquisition Sigmet.

Impairment

Sales and marketing	0.0	0.2
	0.0	0.2

No impairments were booked in 2006.

8. Expenses arising from employee benefits

EUR million	2006	2005
Salaries	57.3	51.9
Social costs	6.5	11.1
Pensions		
Defined-benefit pension schemes	-0.2	0.0
Defined-contribution pension schemes	6.0	6.5
Personnel expenses, total	69.6	69.4
Group personnel, average during the financial year	2006	2005
By business unit		
Vaisala Measurement Systems	345	377
Vaisala Instruments	335	318
Vaisala Solutions	277	258
Other operations	112	109
	1,069	1,062
In Finland	655	698
Outside Finland	414	364
	1,069	1,062

Notes to the Consolidated Financial Statements

9. Research and development expenditure

The income statement includes research and development expenditure of EUR 20.6 million recognised as an expense in 2006 (EUR 19.8 million in 2005).

10. Financial income and expenses

EUR million	2006	2005
Dividend income	0.0	0.0
Other interest and financial income	1.2	1.1
Change in fair value of assets recognised at fair value through profit an loss*	1.1	0.2
Interest expenses		
Short- and long-term liabilities	-0.1	0.0
Finance lease agreements	0.0	0.0
Other financial expenses	-0.1	-0.1
Foreign exchange gains	1.3	2.8
Foreign exchange losses	-4.9	-0.2
	-1.5	3.9

*Change in fair value of income fund investments.

11. Income taxes

EUR million	2006	2005
Tax based on taxable income for the financial year	12.1	9.7
Taxes from previous financial years	0.0	0.1
Change in deferred tax assets and liabilities	-0.5	-0.6
	11.6	9.2

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

EUR million	2006	2005
Profit before taxes	38.2	34.1
Taxes calculated at Finnish tax rate	9.9	8.9
Effect of foreign subsidiaries' tax rates	1.3	1.5
Non-deductible expenses and tax-free revenue	0.0	-1.6
Use of previously unrecognised tax losses	-0.1	-0.1
Others	0.5	0.5
Tax in income statement	11.6	9.2
Effective tax rate	30.3%	26.9%

Notes to the Consolidated Financial Statements

Deferred taxes in balance sheet

EUR million	2006	2005
Deferred tax assets	5.2	5.3
Deferred tax liabilities	-0.4	-0.5
Deferred tax asset, net	4.8	4.7

Deferred tax is presented net in the balance sheet in respect of those companies between which the option exists in taxation for tax equalisation or which are taxed as one taxpayer.

Gross change in deferred taxes recognised in balance sheet	2006	2005
Deferred taxes 1 Jan	4.7	3.6
Items recognised in income statement	0.5	0.6
Translation differences	-0.4	0.4
Purchases of subsidiaries	0.0	0.0
Deferred tax asset, net	4.9	4.7

Deferred tax assets of EUR 2.1 million (2005: EUR 2.1 million) related to losses of a German subsidiary have not been recognised in the consolidated financial statements because it is not deemed probable that the tax benefit connected with them will be realised in the near future. The losses are connected with company operations discontinued as unprofitable in previous years.

The balance sheet includes EUR 0.8 million (2005 EUR 0.9 million) in deferred tax assets for subsidiaries whose result for the current or previous financial years has been loss-making. The recognition of these tax receivables is based on profit forecasts which indicate that the realisation of the tax assets in question is deemed probable.

Changes in deferred taxes during 2006

EUR million	31.12. 2005	Recognised in income statement	Translation differences	Purchased subsidiaries	31.12. 2006
Deferred tax assets:					
Internal margin of inventories and fixed assets	0.2	0.0	0.0	0.0	0.2
Employee benefits	0.1	-0.1	0.0	0.0	0.1
Unused tax losses	1.0	-0.2	0.0	0.0	0.8
Timing difference of depreciation on intangible items	3.1	0.3	-0.3	0.0	3.1
Other temporary differences	0.8	0.4	-0.1	0.0	1.1
Total	5.3	0.4	-0.4	0.0	5.2
Deferred tax liabilities					
Timing difference between accounting and taxation	0.5	-0.1	0.0	0.0	0.4
Deferred tax asset, net	4.7	0.5	-0.4	0.0	4.8

Notes to the Consolidated Financial Statements

Changes in deferred taxes during 2005

EUR million	31.12. 2004	Recognised in income statement	Translation differences	Purchased subsidiaries	31.12. 2005
Deferred tax assets:					
Internal margin of inventories and fixed assets	0.4	-0.2	0.0	0.0	0.2
Employee benefits	0.1	0.0	0.0	0.0	0.1
Unused tax losses	0.8	0.2	0.0	0.0	1.0
Timing difference of depreciation on intangible items	3.2	-0.5	0.5	0.0	3.2
Other temporary differences	-0.3	1.2	0.0	0.0	0.8
Total	4.2	0.6	0.4	0.0	5.3
Deferred tax liabilities					
Timing difference between accounting and taxation	0.6	-0.1	0.0	0.0	0.5
Deferred tax asset, net	3.6	0.6	0.4	0.0	4.7

For the EUR 27.1 million undistributed retained earnings of foreign subsidiaries in 2006 (21.4 million in 2005), no deferred tax liability has been recognised, because the assets have been invested permanently in the countries in question.

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.

	2006	2005
Profit for financial year belonging to parent company shareholders, EUR million	26.6	24.9
Weighted average number of shares outstanding, 1000 pcs	18,168	17,488
Earnings per share, EUR	1.46	1.42

When calculating the earnings per share adjusted by dilution, the weighted average of the number of shares takes into account the dilution of all potentially diluting shares. The Group has share options (option scheme 2000) that increase the number of diluting shares. The share options have a dilution effect when the subscription price of the options is lower than the fair value of the share. A dilution effect arises from the number of shares that have to be issued without consideration because with the funds obtained from the exercising of the options the Group could not issue the same number of shares at fair value. The fair value of the share is based on the average price of the shares during the financial year.

Profit for financial year belonging to parent company shareholders, EUR million	26.6	24.9
Weighted average number of shares outstanding, 1000 pcs	18,168	17,488
Effect of share options 2000, 1000 pcs	7	44
Diluted weighted average number of shares, 1000 pcs	18,174	17,532
Diluted earnings per share, EUR	1.46	1.42

Notes to the Consolidated Financial Statements

13. Dividend per share

For 2005 a dividend of 0.75 euros per share was paid. At the Annual General Meeting to held on 22 March 2007 the payment of a dividend of 0.85 euros per share will be proposed, representing a total dividend of EUR 15.5 million. The proposed dividend has not been recognised as a dividend liability in these financial statements.

14. Intangible assets

EUR million Intangible assets	Intangible rights	Goodwill	Trademark	Other intangible assets	Total
Acquisition cost 1 Jan	13.1	7.1		1.5	21.7
Translation difference	-0.2	-0.7		0.0	-1.0
Increases	7.8				7.8
Acquisition of subsidiary		3.7	3.2		6.9
Decreases	-0.3	-0.1	-	0.0	-0.4
Transfers between items	0.3	-	-	0.9	1.2
Acquisition cost 31 Dec	20.6	10.0	3.2	2.3	36.1
Accumulated depreciation and impairment 1 Jan	10.1	-	-	1.2	11.4
Translation difference	-0.3	-	-	0.0	-0.3
Accumulated depreciation of decreases and transfers	-0.3	-	-		-0.3
Depreciation in financial year	4.2	-	-	0.2	4.4
Write-downs	-	-	-	-	-
Accumulated depreciation 31 Dec	13.7	0.0	0.0	1.4	15.1
Carrying amount 31 Dec 2006	6.9	10.0	3.2	0.9	21.0
Carrying amount 31 Dec 2005	3.0	7.1	0.0	0.2	10.3

Goodwill has not been depreciation as of 1 January 2004.

Goodwill and trademark impairment testing

Goodwill is attributed to the segments Vaisala Measurement Systems and Vaisala Solutions. Trademarks are attributed to the segment Vaisala Measurement Systems. The balance sheet value of goodwill and trademarks is assessed at least once per year to ascertain any possible impairment. Trademark value is assessed by the relief-from-royalty method by comparing the present value of the royalty payments saved with the value of the trademark. For impairment testing the goodwill is attributed to three different cash generating units, i.e. EUR 5.1 million (2005 EUR 5.7 million) to a North American lightning detection systems business unit, EUR 1.2 million (2005 EUR 1.4 million) to a North American airport weather support systems business unit, and EUR 3.7 million to a North American radar systems business unit. The value of the recoverable amount of the cash generating unit is based on value-in-use calculations. The cash flow forecasts used in these calculations are based on actual operating profit and management-approved five-year forecasts. Estimated amounts of sales are based on existing fixed assets and the most important assumptions of the forecasts are the sales distribution for each country and the margin received from the products. Vaisala's sector-specific capital yield requirement before taxes (WACC) has been used as the discount rate. The components of the yield requirement are the risk-free yield percentage, the market risk premium, the sector-specific beta coefficient as well as the cost and target capital structure of borrowing. The discount rate in 2006 was 15.9% (2005 17%). Cash flows after the management-approved forecast period have been calculated using the residual value method, in which the average of operating

Notes to the Consolidated Financial Statements

profits of the last four planning periods have been multiplied by four and discounted using the discount rate described above and the zero-growth percentage. On the basis of impairment testing there is no need for impairment recognitions. On the basis of sensitivity analyses made, reasonable changes to the assumptions used do not result in impairment of the goodwill of any cash generating unit.

15. Tangible assets

EUR million Tangible assets	Land and waters	Buildings and structures	Machinery & equipment	Other tangible assets	Advance payments & construction in progress	Total
Acquisition cost 1 Jan	2.9	31.5	49.4	2.9	2.4	89.0
Translation difference	-0.2	-0.3	-1.2	-0.3	-0.1	-2.0
Increases	0.0	0.3	2.8	0.3	2.7	6.1
Acquisition of subsidiary						
Decreases	-	0.0	-4.4	-0.3	-	-4.7
Transfers between items	-	0.0	0.7	-0.1	-1.8	-1.2
Acquisition cost 31 Dec	2.7	31.5	47.3	2.5	3.2	87.2
Accumulated depreciation and impairment 1 Jan	-	12.1	38.9	2.0	-	53.1
Translation difference	-	0.0	-0.9	-0.2	-	-1.2
Accumulated depreciation of decreases and transfers	-	0.0	-4.0	-0.6	-	-4.6
Depreciation in financial year	-	1.7	4.5	0.3	-	6.5
Write-downs	-	-	-	-	-	0.0
Accumulated depreciation 31 Dec	0.0	13.7	38.5	1.6	0.0	53.8
Carrying amount 31 Dec 2006	2.7	17.8	8.9	0.9	3.2	33.5
Carrying amount 31 Dec 2005	2.9	19.4	10.5	0.8	2.4	36.0

The undepreciated acquisition cost of machinery and equipment belonging the tangible fixed assets was EUR 25.0 million on 31.12.2006 (EUR 22.3 million 31.12.2005). During 2005 the Aix-en-Provence operating point in France was closed. In connection with this closure, write-downs on tangible assets totalling EUR 0.2 million were made for machinery and equipment, buildings as well as other, intangible, assets.

Tangible fixed assets include the following assets acquired on finance leases:

EUR million 2006	Machinery and equipment
Acquisition cost	1.3
Accumulated depreciation	-0.8
Carrying amount 31 Dec 2006	0.5
EUR million 2005	Machinery and equipment
Acquisition cost	1.6
Accumulated depreciation	-1.0
Carrying amount 31 Dec 2005	0.6

Notes to the Consolidated Financial Statements

16. Holdings in associated companies

EUR million	2006	2005
Acquisition cost 1 Jan	0.3	0.3
Share of result	0.0	0.0
Dividends received	0.0	0.0
Increases	0.1	0.0
Disposals and other decreases	0.0	0.0
Translation differences	0.0	0.0
Associated company investments, total 31 Dec	0.4	0.3

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 2006

EUR million	Domicile	Assets	Liabilities	Net sales	Profit/loss	Holding
Meteorage SA, France*	Cedex	1.4	0.5	1.6	0.1	35%

* Balance sheet information based on 2005 financial statements

Associated companies 2005

Meteorage SA, France	35%
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The information presented in the table are based on the latest available financial statements. Associated company Meteorage SA maintains lightning detection networks and sales information related to lightning detection.

17. Other financial assets

Other financial assets include an insubstantial quantity of unquoted shares, which have been valued at acquisition cost as well as lease guarantee deposits.

18. Receivables (long-term)

EUR million	2006		2005	
	Balance sheet values	Fair values	Balance sheet values	Fair values
Loan receivables	0.0	0.0	0.0	0.0
Other receivables *	0.2	0.2	1.6	1.7
	0.2	0.2	1.6	1.7

* Other receivables in 2005 include a long-term customer receivable included in the balance sheet of a subsidiary. Interest of 9% is calculated on the receivable and interest is paid half-yearly. The receivable falls due for payment in full on 15 April 2007 and is included in short-term receivables in 2006. Fair values have been calculated by discounting the future cash flows of every significant receivable at the market interest rate on the closing date.

Notes to the Consolidated Financial Statements

19. Inventories

EUR million	2006	2005
Materials and supplies	9.4	7.9
Work in progress	2.8	2.0
Finished goods	5.3	4.2
Advance payments	0.0	0.0
	17.6	14.1

In the financial year expense of EUR 1.3 million was recorded, equivalent to the amount by which the carrying amount of inventories was reduced to correspond with their net realisable value (EUR 0.7 million in 2005).

20. Trade receivables and other receivables

EUR million	2006	2005
Trade receivables	43.1	41.4
Loan receivables	0.0	0.1
Advanced paid	0.8	0.4
Other receivables	3.3	2.2
Receivables from long-term project customers	3.3	1.0
Value-added tax receivables	1.7	1.3
Other prepaid expenses and accrued income	1.7	0.7
	53.9	47.1

Other receivables principally include allocations of maintenance and data sales contracts. Other prepaid expenses and accrued income include interest and exchange rate allocations as well as miscellaneous allocations.

21. Financial assets recognised at fair value through profit and loss

EUR million	2006	2005
Income fund investments	41.2	27.2
Derivative contracts	0.2	-0.1

Financial assets recognised at fair value through profit and loss include income fund investments which involve the short-term investment of liquid assets. The income fund investments are publicly quoted securities, whose fair value is determined in the market. The change in fair value has been recognised in the income statement group financial income and expenses.

22. Cash and cash equivalents

EUR million	2006	2005
Cash and bank deposits	21.2	43.0
Certificates of deposit	25.0	11.2
Total	46.1	54.2

Certificates of deposit consist of short-term, highly liquid investments whose maturity is less than 3 months and which are mainly involved in the short-term investment of liquid assets. The average interest rate on the investments in 2006 was 2.9% (2.08% in 2005). In the cash flow statements, income fund investments of EUR 41.2 (27.2 in 2005) million are also treated as cash and cash equivalents.

Notes to the Consolidated Financial Statements

23. Notes relating to shareholders' equity

Vaisala applies the insider rules of the Helsinki Stock Exchange.

Share capital and share premium fund

EUR million	Number of shares 1000 pcs	Share capital	Share premium fund	Reserve fund	Own shares	Paid but unregistered options	Total
1.1.2005	17,479	7.4	1.6	0.1			9.0
Share issue							
Share options exercised	186	0.1	3.8			5.4	9.3
Own shares acquired							
31.12.2005	17,665	7.4	5.3	0.1	0.0	5.4	18.3
Share issue							
Share options exercised	553	0.2	11.3	0.0	0.0	-5.4	6.1
Own shares acquired	-9				-0.3		-0.3
31.12.2006	18,209	7.7	16.6	0.1	-0.3	0.0	24.1
Own shares held by company	9						
	18,218						

Shareholders' equity consists of the share capital, share premium fund, reserve fund, translation differences and retained earnings. A change in the value of the share capital that exceeds the nominal value is entered in the share premium fund. The reserve fund of EUR 0.1 million contains items based on the local rules of other Group companies. 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. The share premium fund is not a distributable equity fund. Restrictions based on local rules apply to the distributability of the reserve fund.

Optio scheme

The company's option scheme 2000 ended for all options on 31 January 2006. During the reporting period options had been used to subscribe for 293,164 Vaisala Series A shares. The subscription price was EUR 20.78 per share.

Change in number of options outstanding	pcs
Number of options outstanding on 1 Jan 2006	309,800
Options granted	
Options exercised which have been registered	-293,164
Options exercised which have not been registered	
Options held by the company	
Expired options	-16,636
Number of options outstanding on 31 Dec 2006	0

Share-based incentive schemes

2006 scheme

In 2006 Vaisala's Board of Directors instituted a new share-based incentive scheme for around 50 key individuals of the company. Some of these individuals belong to related parties of the Group. The incentive scheme is of two years' duration and it ends in February 2008. The performance period of incentive scheme is the financial year that began on 1 January 2006 and ended on 31 December 2006. The imputed number of shares to which individuals are entitled is based on the achievement of set financial targets, which are measured by earnings per share (EPS). A bonus corresponding to the imputed number of shares

Notes to the Consolidated Financial Statements

will be paid in cash and the share price used is the average price on the trading day that follows the publication of the 2007 final statements. Individuals must invest the proportion of the cash sum they receive that remains after taxes in Vaisala shares. Key individuals undertake to acquire the shares themselves at the market price. In addition, the shares have a restriction on sale of one year. The maximum cost of the incentive scheme corresponds to the value of 130,000 shares. A EUR 2.9 million liability has been recognised for the scheme in the consolidated balance sheet on 31 December 2006. The incentive scheme is an arrangement that complies with IFRS 2. The fair value of the shares given as bonuses has been determined using the share price on the closing date. As the scheme involves the giving of shares for no consideration, no option pricing model has been used.

2005 scheme

The company's 2005 share-based incentive scheme ended in 2006. The scheme targeted around 50 key individuals of the Group. Some of these individuals belong to related parties of the Group. The performance period of the incentive scheme was the financial year that began on 1 January 2005 and ended on 31 December 2005. Bonuses were paid after the publication of the financial statements that followed the performance period before the authorisation expired. The amount of bonus was based on the achievement set financial targets, which were measured by earnings per share (EPS). Bonuses were paid as a combination of Vaisala's listed A shares and a cash payment. The incentive scheme was not an arrangement that complies with IFRS 2, because the amount of bonus was not linked to the Vaisala share price.

Shares receivable on the basis of the share-based incentive scheme are covered by a prohibition on transfer such that shares receivable under the scheme cannot be transferred or pledged for a period of two years after they have been entered in their entirety in the book-entry account of the individual entitled to the bonus. The maximum number of Vaisala Oyj A shares that could be transferred on the basis of the incentive scheme was a total of 25,850. The shares transferred in the scheme were Vaisala Oy A shares acquired by the company on the stock market, so the incentive scheme did not result in an increase in the total number of shares.

Authorisations of the Board of Directors

At the end of 2006, the Board of Directors had no authorisations to increase the share capital nor to issue convertible or warrant bonds. The Board of Directors had an authorisation granted by the Annual General Meeting of 22 March 2005 to acquire and transfer the company's own shares. The authorisation was valid until 22 March 2006. A maximum of 35,000 shares could be purchased. The Board of Directors used the authorisation in full. Under the authorisation, the shares were used as part of the incentive and bonus schemes for the company's personnel.

Acquired own shares	Number of shares	Purchase price EUR million
February 2006	13,000	0.4
March 2006	22,000	0.6
Total	35,000	1.0
Shares transferred	-25,850	-0.7
Company's own shares on 31 December 2006	9,150	0.3

24. Interest-bearing liabilities

EUR million	Balance sheet value	
	2006	2005
Long-term		
Loans	0.1	0.4
Finance lease liabilities	0.2	0.3
	0.3	0.7
Short-term		
Loan repayments in next year	0.3	0.5
Finance lease liability repayments in next year	0.3	0.3
	0.6	0.8
Interest-bearing liabilities, total	0.9	1.5

Notes to the Consolidated Financial Statements

Interest-bearing liabilities are loans granted by Tekes, the interest rate on which is base rate confirmed by the Finnish Ministry of Finance less three percentage points, but at least one per cent. The interest rate on 31 December 2006 was 1% (2005; 1%). The company has no loans that would mature after five years or a longer period.

Maturity dates of finance lease liabilities

EUR million	2006	2005
Finance lease liabilities - total amount of minimum lease payments		
Up to 1 year	0.3	0.3
1 - 5 years	0.3	0.3
More than 5 years	0.0	0.0
	0.6	0.7
Future financial expenses	-0.1	-0.1
Present value of finance lease liabilities	0.5	0.6
Present value of minimum payments of finance lease liabilities		
Up to 1 year	0.3	0.3
1 - 5 years	0.2	0.3
More than 5 years		
Total	0.5	0.6

25. Pension obligations

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 recognised as an expense in the income statement of the financial period in which the contributions are payable. TEL pension cover managed in an insurance company are defined-contribution schemes. The defined-benefit schemes are in Finland. The Group has no other benefits post-employment benefits. 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 31 December 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.

Items entered in the income statement

EUR million	2006	2005
Defined-benefit pension schemes	-0.2	0.0
Defined-contribution pension schemes	6.0	6.5
	5.8	6.5
Defined-benefit pension schemes by function		
Procurement and production	-0.1	0.0
Sales and marketing	-0.1	0.0
Research and development	0.0	0.0
Other administration	0.0	0.0
	-0.2	0.0

The balance-sheet defined-benefit pension liability is determined as follows

EUR million	2006	2005
Present value of unfunded obligations		
Fair value of funded obligations	1.9	6.6
Fair value of assets	-1.7	-6.1
Deficit/surplus	0.2	0.5
Unrecognised net actuarial gains (+)/ losses (-)	0.2	0.1
Unrecognised costs based on past service		
Net liability present in balance sheet	0.3	0.6

Notes to the Consolidated Financial Statements

Pension expenses in personnel expenses

EUR million	2006	2005
Service costs for the financial year	0.1	0.1
Interest costs	0.3	0.3
Expected yield from assets belonging to the scheme	-0.3	-0.2
Actuarial gains and losses		0.1
Costs based on past service		
Gains/losses from reduction of scheme	-0.3	-0.4
	-0.2	0.0

Actual yield from assets belonging to the scheme	6.7%	24.5%
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Overall expected return as calculated by the insurance company. Information on asset categories is not available. Expected contributions payable for the group during the year 2007 is EUR 0.1 million.

Changes in the present Value of the Obligation

Present value of obligation 1 Jan	6.6	6.5
Current service cost	0.1	0.1
Interest cost	0.3	0.3
Settlement and curtailments	-4.6	0.0
Benefits paid		-0.3
Actuarial gain (+) loss (-) on obligation	-0.5	-0.1
Present value of obligation on 31 Dec	1.9	6.6

Changes in the Fair Value of Plan Assets

Fair value of plan assets 1 Jan	6.1	6.2
Expected return on plan assets	0.3	0.2
Actuarial gain (+) loss(-) on plan assets	-0.2	0.4
Contributions	0.1	-0.4
Benefits paid		-0.3
Settlements	-4.6	0.0
Fair value of plan assets 31 Dec	1.7	6.1

Changes of liabilities presented in balance sheet

EUR million	2006	2005
At beginning of financial year	0.6	0.6
Paid contributions		
Pension expenses in income statement	-0.2	0.0
At end of financial year	0.3	0.6

Actuarial assumptions used:

Discount rate	4.50%	4.50%
Expected yield from assets belonging to the scheme	5.00%	4.50%
Future pension increases	3.25%	3.25%

Notes to the Consolidated Financial Statements

26. Provisions

EUR million	Restructuring provision	
	2006	2005
Provisions 1 Jan 2005	0.2	0
Additional provisions	0.0	0.2
Used provisions	-0.2	
Unused provisions reversed		
Provisions 31 Dec	0.0	0.2

A 2005 restructuring provision relates to the centralisation of the company's lightning detection business into one location and to the closure of the Aix-en-Provence office, situated in France. At the end of 2006, four thousand euros of the provision remained. An increase in provisions, 24 thousand euros, results from a restructuring of production at the sonde plant in Vantaa.

27. Trade payables and other liabilities

Non-interest bearing		
EUR million	2006	2005
Trade payables	12.2	9.6
Liabilities to associated companies		
Salary and social cost allocations	15.8	16.0
Other accrued expenses and deferred income	6.1	5.3
Other short-term liabilities	1.6	2.5
Non-interest bearing liabilities, total	35.6	33.3

28. Contingent liabilities and pledges given

EUR million	2006	2005
For own loans/commitments		
Guarantees	9.7	8.2
Other own liabilities		
Pledges given	0.1	0.1
Other leases	0.2	0.2
Contingent liabilities and pledges given, total	9.9	8.5

The pledges given are lease guarantee deposits.

Derivate contracts

EUR million	2006	2005
Capital value of off-balance sheet contracts made to hedge against exchange rate and interest rate risks		
Currency forwards	11.9	12.7
Capital value, total	11.9	12.7

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

Currency forwards	0.2	-0.1
Fair value, total	0.2	-0.1

Notes to the Consolidated Financial Statements

29. Related party transactions

The Vaisala Group's related parties include subsidiaries, associated companies, members of the Board of Directors, the President and CEO, and the Vaisala Pension Fund.

The parent companies and subsidiaries are as follows

Company	Group ownership %	Share of votes %
Parent company Vaisala Oyj, Vantaa, Finland		
Vaisala Limited, Birmingham, UK	100%	100%
Vaisala Pty Ltd., Hawthorn, Australia	100%	100%
Vaisala GmbH, Hamburg, Germany	100%	100%
Vaisala KK, Tokyo, Japan	100%	100%
Vaisala Holding Inc., Woburn, USA	100%	100%
Vaisala Inc., Woburn, USA	100%	100%
Vaisala China Ltd, Beijing, China	100%	100%
Tycho Technology Inc, Woburn., USA	100%	100%
WSDM LCC, Minneapolis, USA	100%	100%
Vaisala S.A., Argentina	100%	100%
Vaisala SAS, Saint-Quentin-En-Yvelines, France	100%	100%

Sales of goods and services concluded with related parties are based on market prices and general market terms and conditions.

Employee benefits of management EUR million	2006	2005
Salary and bonuses paid to President and CEO		
Pekka Ketonen, President and CEO 1 Jan to 30 Sept 2006		
Salary	0.3	0.2
Bonuses	0.4	0.0
Kjell Forsen, President and CEO 1 Oct to 31 Dec 2006		
Salary	0.1	
Remuneration paid to Members of the Board of Directors		
Raimo Voipio, Chairman of the Board	0.0	0.0
Stig Gustavsson, Member of the Board 23 Marc to 31 Dec 2006	0.0	
Pekka Hautojärvi, Member of the Board 1 Jan to 23 March .2006	0.0	0.0
Mikko Niinivaara, Member of the Board	0.0	0.0
Yrjö Neuvo, Member of the Board	0.0	0.0
Mikko Voipio, Member of the Board	0.0	0.0
Gerhard Wendt, Member of the Board 1 Jan to 23 March 2006	0.0	0.0
Total	0.9	0.3

Salaries and bonuses paid to managing directors of Group subsidiaries totalled EUR 0.3 million (2005 EUR 0.4 million).

Management share ownership

Vaisala Oyj's Board of Directors held and controlled 1,353,101 shares on 31 December 2006, accounting for 16.5% of the total votes (2005: 1,242,749 shares and 14.6% of the total votes). The company's President and CEO did not own shares or options on 31 December 2006. 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.

Notes to the Consolidated Financial Statements

30.Events occurring after the closing date

Vaisala will open a representative office in Dubai on February 2007.

31. Collected information

Information published during Vaisala previous financial year can be found on the Vaisala website: www.vaisala.com/investors

Five Years In Figures

Consolidated income statement EUR million	IFRS 12/2006	IFRS 12/2005	IFRS 12/2004	FAS 12/2003	FAS 12/2002
Net sales	220.8	197.9	178.1	189.2	196.2
Other operating income	1.4	0.5	1.4	0.9	2.0
Costs	171.7	159.9	140.6	152.3	161.0
Depreciation, amortization and impairment charges	10.8	8.4	9.4	11.9	14.6
Operating profit	39.6	30.1	29.4	25.9	22.6
Financial income and expenses	-1.5	3.9	-0.3	-2.5	-1.1
Profit before tax	38.2	34.1	29.1	23.4	21.5
Income taxes	-11.6	-9.2	-8.1	-8.9	-8.4
Minority interest	-	-	-	-	0.2
Net profit for the period	26.6	24.9	21.0	14.5	13.2
Consolidated balance sheet EUR million	31.12.06	31.12.05	31.12.04	31.12.03	31.12.02
Assets					
Non-current assets	60.4	53.7	50.5	56.9	57.8
Inventories	17.6	14.1	15.0	18.4	23.0
Current asset	141.3	129.1	98.2	97.6	94.2
	219.2	196.9	163.7	172.9	175.0
Shareholders' equity and liabilities					
Equity attributable to equity holders of the parent	169.8	154.3	129.7	139.5	138.5
Minority interest	-	-	-	-	-
Liabilities, total	49.4	42.6	34.0	33.5	36.5
Interest bearing	0.9	1.5	2.0	2.2	2.4
Non-interest bearing	48.6	41.1	32.0	31.3	34.1
Balance sheet total	219.2	196.9	163.7	172.9	175.0

Financial Ratios and Shares in Figures

Financial ratios		IFRS 2006	IFRS 2005	IFRS 2004	FAS 2003	FAS 2002
Net sales	M€	220.8	197.9	178.1	189.2	196.2
exports and international operations%		96.6%	96.2%	96.6%	96.6%	96.3%
Operating profit	M€	39.6	30.1	29.4	25.9	22.6
% of net sales		18.0%	15.2%	16.5%	13.7%	11.5%
Profit before taxes	M€	38.2	34.1	29.1	23.4	21.5
% of net sales		17.3%	17.2%	16.3%	12.4%	10.9%
Return on equity (ROE) %		16.4%	17.5%	16.0%	10.4%	9.5%
Return on investment (ROI) %		23.5%	23.8%	21.9%	16.6%	15.4%
Solvency ratio %		81.0%	80.8%	82.2%	84.4%	83.9%
Current ratio		3.3	3.7	3.7	3.7	3.6
Gross capital expenditure	M€	20.4	8.0	4.8	14.1	28.4
% of net sales		9.2%	4.0%	2.7%	7.4%	14.5%
R&D expenditure	M€	0.3	0.3	0.1	0.4	0.5
on machinery and equipment	M€	20.6	19.8	21.3	21.1	22.1
% of net sales		9.3%	10.0%	12.0%	11.2%	11.2%
Orderbook on Dec. 31.	M€	77.6	55.3	52.7	62.9	77.1
Average personnel		1 069	1 062	1 092	1 141	1 208
Shares in figures						
Earnings/share (EPS)	€	1.46	1.42	1.20	0.83	0.75
Earnings/share (EPS), calculated taking into account the dilution impact of the bond with warrants	€	1.46	1.42	1.20	0.83	0.75
Cash flow from business operations/share	€	1.96	2.21	2.06	1.99	1.50
Shareholders' equity/share	€	9.32	8.74	7.42	7.98	7.94
Dividend/share	€	*0.85	0.75	0.75	1.25	0.55
Dividend/earnings	%	**58.2%	52.8%	62.5%	150.8%	72.4%
Effective dividend yield ***		2.6%	3.1%	4.1%	5.1%	2.4%
Price/earnings (P/E)		22.65	16.90	15.17	29.55	30.51
A-share trading						
highest	€	33.33	24.74	24.50	25.00	30.30
lowest	€	23.10	18.48	17.25	16.70	18.81
weighted average	€	26.64	22.15	20.03	19.95	25.78
at balance sheet date	€	33.07	24.00	18.20	24.50	22.98
Market capitalisation at balance sheet date ***	M€	602.2	424.0	318.1	428.2	400.7
A-shares traded						
traded	pcs	6 873 504	2 442 168	1 635 934	1 495 572	1 607 165
% of entire series		46.4%	17.1%	11.6%	10.6%	11.5%
Adjusted number of shares.	pcs	18 174 250	17 532 161	17 479 000	17 471 904	17 351 471
A-shares	pcs	14 809 079	14 256 165	14 065 715	14 063 215	13 935 686
K-shares	pcs	3 409 285	3 409 285	3 413 285	3 415 785	3 415 785
Number of shares at Dec. 31	pcs	18 209 214	17 665 450	17 479 000	17 479 000	17 437 000

* 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 (%)	=	$\frac{\text{Profit before taxes less taxes}}{\text{Shareholders' equity plus minority interest (average)}} \times 100$
Return on investment, ROI (%)	=	$\frac{\text{Profit before taxes plus interest and financial expenses}}{\text{Balance sheet total less non-interest bearing liabilities (average)}} \times 100$
Solvency ratio, (%)	=	$\frac{\text{Shareholders' equity plus minority interest}}{\text{Balance sheet total less advance payments}} \times 100$
Current ratio	=	$\frac{\text{Current assets}}{\text{Current liabilities}}$
Earnings / share, €	=	$\frac{\text{Profit before taxes less taxes, +/- minority interest}}{\text{Average number of shares, adjusted}}$
Cash flow from business operations / share, €	=	$\frac{\text{Cash flow from business operations}}{\text{Number of shares at balance sheet date}}$
Equity / share, €	=	$\frac{\text{Shareholders' equity}}{\text{Number of shares at balance sheet date, adjusted}}$
Dividend / share, €	=	$\frac{\text{Dividend}}{\text{Number of shares at balance sheet date, adjusted}}$
Dividend / earnings, (%)	=	$\frac{\text{Dividend}}{\text{Profit before taxes less taxes, +/- minority interest}} \times 100$
Effective dividend yield, (%)	=	$\frac{\text{Dividend / share}}{\text{Share price at balance sheet date}} \times 100$
Price / earnings, €	=	$\frac{\text{Share price at balance sheet date}}{\text{Earnings / share}}$
Market capitalisation, EUR million	=	Share price at balance sheet date times number of shares

Parent Company Income Statement

Finnish accounting principles, FAS

EUR million	Note	1.1–31.12.2006	1.1–31.12.2005
Net sales	2	152.4	134.5
Cost of production and procurement		-77.7	-71.8
Gross profit		74.7	62.7
Cost of sales and marketing		-17.1	-15.3
Cost of administration			
Development costs		-15.9	-15.9
Other administrative costs		-15.0	-13.1
		-30.9	-29.0
Other operating income	3	1.3	0.2
Other operating costs	3	-0.2	-1.5
Operating profit		27.9	17.0
Financial income and expenses	5	1.8	7.2
Profit before provisions and taxes		29.7	24.2
Provisions		0.5	0.2
Direct taxes	6	7.3	5.7
Net profit for the financial year		22.9	18.7

Parent company Balance Sheet

Finnish accounting principles, FAS

EUR million	Note	31.12.2006		31.12.2005	
Assets					
Non-current assets					
Intangible assets	7				
Intangible rights		1.6		1.7	
Other long-term expenditure		0.3	1.9	0.4	2.1
Tangible assets					
Land and waters	7	1.3		1.3	
Buildings		20.8		22.3	
Machinery and equipment		6.6		7.5	
Other tangible assets		0.0		0.0	
Advance payments and construction in progress		3.0	31.7	1.7	32.9
Investments					
Other shares and holdings	7	21.4		21.4	
Other receivables		0.0		0.0	
Receivables from subsidiaries		12.4	33.8	18.3	39.7
Current assets					
Inventories					
Materials and consumables		7.1		5.3	
Work in progress		1.6		1.1	
Finished goods		3.6	12.3	2.6	9.0
Receivables					
Trade receivables		31.0		30.1	
Loan receivables		1.5		2.7	
Other receivables		0.6		0,2	
Prepaid expenses and accrued income	8	3.9		3.7	
Deferred tax assets	10	0.0	37.1	0.0	36.7
Financial assets					
Other fianancial assets	9		41.2		27.2
Cash and bank balances	9		31.8		20.9
Assets, total		189.8		168.5	

Parent company Balance Sheet

EUR million	Note	31.12.2006		31.12.2005	
Shareholders' Equity and Liabilities					
Shareholders' Equity	11				
Share capital		7.7		7.4	
Share issue		0.0		5.4	
Reserve fund		22.3		11.0	
Profit from previous years		100.9		95.8	
Profit for the financial year		22.9	153.8	18.7	138.4
Provisions					
Accumulated depreciation difference			1.5		2.0
Obligatory provisions	12		0.0		0.5
Liabilities					
Non-current					
Other non-current liabilities	13		0.1		0.4
Deferred tax liabilities	10		0.0		0.0
Current					
Advances received		7.3		3.5	
Trade payables		11.4		8.9	
Other current liabilities		1.2		1.5	
Accrued expenses and deferred income	14	14.5	34.4	13.3	27.2
Shareholders' equity and liabilities, total			189.8		168.5

Parent company Cash Flow Statement

EUR million	Parent company 2006	Parent company 2005
Cash flows from operating activities		
Cash receipts from customers	155.2	130.9
Other income from business operations	0.0	0.0
Cash paid to suppliers and employees	-122.8	-101.1
Cash flow from business operations before financial items and taxes	32.3	29.8
Interest received	2.7	1.2
Interest paid	0.0	0.0
Other financial items, net	-2.0	0.6
Dividend received from business operations	2.8	3.3
Direct tax paid	-5.6	-5.7
Cash flow from business operations (A)	30.2	29.1
Cash flow from investing activities		
Investments in tangible and intangible assets	-3.9	-3.9
Proceeds from sale of fixed assets	0.1	0.0
Loans granted	-0.2	-16.8
Other investments	0.0	-0.6
Repayments on loan receivables	6.5	0.9
Proceeds from sale of other investments	0.0	0.0
Cash flow from investing activities (B)	2.5	-20.5
Cash flow from financing activities		
Equity issue	6.1	9.3
Repayment of short-term loans	0.0	0.0
Withdrawal of long-term loans	0.0	0.0
Repayment of long-term loans	-0.4	-0.5
Dividend paid and other distribution of profit	-13.4	-13.1
Cash flow from financing activities (C)	-7.7	-4.4
Change in liquid funds (A+B+C) increase (+) / decrease (-)	24.9	4.3
Liquid funds at beginning of period	48.1	43.8
Liquid funds at end of period	73.0	48.1

Notes to the Parent Company Financial Statements

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 at 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
Goodwill and group Goodwill	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.

Financial assets

Financial assets includes income fund investments consisting of the short-term investment of liquid assets. These financial assets are recognised at fair value through profit and loss statement. 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. Realised and unrealised gains and losses arising from changes in fair value are recognised in the income statement in the period in which they arise.

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 accounts receivable and payable, 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 1.1.1983). 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 recognised when significant risks and rewards of owning the goods are transferred to the

Notes to the Parent Company Financial Statements

buyer. Revenue recognition generally takes place when the transfer has taken place. Revenue for rendering of services is recognised when the service has been performed. When recognising turnover, indirect taxes and discounts, for example, have been deducted from sales revenue. Possible exchange rate differences are recognised in the financial income and expenses.

Long-term projects

Revenues from long-term projects are recognised 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 recognised 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 recognised 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 recognised 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.

In addition, fair value changes in derivatives to which the Group does not apply hedge accounting under IAS 39 are recognised in other income and expenses.

2. Net sales by market area

EUR million	Parent company 2006	Parent company 2005
Europe	77.8	56.3
of which Finland	7.6	7.5
North America	16.3	36.1
Asia and Australia	41.0	33.3
Africa, South and Central America	17.2	8.9
Total	152.4	134.5

3. Other operating income

EUR million	Parent company 2006	Parent company 2005
Gains on the disposal of fixed assets	0.1	0.0
Foreign exchange gains from derivatives	1.2	0.2
Others	0.0	0.0
Total	1.3	0.2
Other operating costs		
Foreign exchange losses from derivatives	0.2	-1.5

Notes to the Parent Company Financial Statements

4. Personnel

Personnel costs EUR million	Parent company 2006	Parent company 2005
Wages and salaries	34.4	32.4
Pension costs	4.6	5.0
Other personnel costs	2.6	2.8
Total	41.6	40.2
Personnel on average during the year (persons)		
In Finland	651	679
Outside Finland	5	20
Total	656	698
Personnel Dec. 31		
In Finland	643	644
Outside Finland	7	23
Total	650	667
Salaries EUR million		
Salary and bonuses paid to President and CEO		
Pekka Ketonen, President and CEO 1 Jan to 30 Sept 2006		
Salary	0.3	0.2
Bonuses	0.4	0.0
Kjell Forsen, President and CEO 1 Oct to 31 Dec 2006		
Salary	0.1	
Remuneration paid to Members of the Board of Directors		
Raimo Voipio, Chairman of the Board	0.0	0.0
Stig Gustavsson, Member of the Board 23 Marc to 31 Dec 2006	0.0	0.0
Pekka Hautojärvi, Member of the Board 1 Jan to 23 March 2006	0.0	0.0
Mikko Niinivaara, Member of the Board	0.0	0.0
Yrjö Neuvo, Member of the Board	0.0	0.0
Mikko Voipio, Member of the Board	0.0	0.0
Gerhard Wendt, Member of the Board 1 Jan to 23 March 2006	0.0	0.0
Total	0.9	0.3
Salaries paid to the other employees	31.5	28.1
Total	32.4	28.5

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

Notes to the Parent Company Financial Statements

5. Financial income and expenses

EUR million	Parent company 2006	Parent company 2005
Dividend income		
From Group companies	2.8	3.3
From others	0.0	0.0
Interest income on long-term investments		
From Group companies	1.1	0.2
Other interest and financial income		
From others	0.5	0.7
Change in fair value of assets recognised at fair value through profit an loss*	1.1	0.2
Interest and other financial expenses		
From others	-0.1	-0.1
Foreign exchange gains and losses		
From Group companies	-2.2	1.2
From others	-1.2	1.6
Total	1.8	7.2

6. Income taxes

EUR million	Parent company 2006	Parent company 2005
Taxes for the financial year	7.3	5.3
Taxes from previous years	0.0	0.0
Taxes paid at source abroad	0.0	0.0
Deferred tax liability	0.0	0.4
Total	7.3	5.7

7. Fixed assets and other long-term investments

Parent Company EUR million	Intangible rights	Other long-term expenditure	Total
Intangible assets			
Acquisition cost Jan. 1	13.0	0.8	13.7
Increases	0.3	0.0	0.3
Decreases	-0.3	-	-0.3
Transfers between items	0.3	-	0.3
Acquisition cost Dec. 31	13.2	0.8	14.0

Notes to the Parent Company Financial Statements

Parent Company EUR million	Intangible rights	Other long-term expenditure	Total
Accumulated depreciation and write-downs Jan. 1	11.2	0.4	11.7
Accumulated depreciation of decreases and transfers	-0.3	-	-0.3
Depreciation for the financial year	0.7	0.0	0.7
Write-downs	-	-	-
Accumulated depreciation Dec. 31	11.6	0.4	12.1
Balance sheet value Dec. 31, 2006	1.6	0.3	1.9
Balance sheet value Dec. 31, 2005	1.7	0.4	2.1

Parent Company EUR million	Land and waters	Buildings	Machinery & equipment	Other tangible assets	Advance payments and construction in progress	Total
Tangible assets						
Acquisition cost Jan. 1	1.2	28.3	31.2	0.0	1.7	62.5
Increases	-	0.0	1.6	-	2.1	3.7
Decreases	-	-	-0.7	-	0.0	-0.7
Transfers between items	-	0.0	0.6	-	-0.9	-0.3
Acquisition cost Dec. 31	1.2	28.4	32.7	0.0	3.0	65.3
Accumulated depreciation and write-downs Jan. 1	-	11.7	23.7	-	-	35.4
Accumulated depreciation of decreases and transfers	-	-	-0.6	-	-	-0.6
Depreciation for the financial year	-	1.5	3.0	-	-	4.5
Write-downs	-	-	-	-	-	0.0
Accumulated depreciation Dec. 31	0.0	13.2	26.1	0.0	0.0	39.3
Revaluation	0.1	5.6	-	-	-	5.7
Balance sheet value Dec. 31, 2006	1.3	20.8	6.6	0.0	3.0	31.7
Balance sheet value Dec. 31, 2005	1.3	22.3	7.5	0.0	1.7	32.9

The undepreciated acquisition cost of machinery and equipment belonging the tangible fixed assets was EUR 24.3 million on 31.12.2006 (EUR 21.5 million 31.12.2005).

Parent Company EUR million	Subsidiary shares	Other shares and holdings	Other long-term receivables from Group companies	Total
Investments				
Acquisition cost Jan. 1	21.4	0.0	18.3	39.7
Increases	-	-	-	-
Decreases	-	0.0	-5.9	-6.0
Transfers between items	-	-	-	-
Balance sheet value Dec. 31, 2006	21.4	0.0	12.4	33.8
Balance sheet value Dec. 31, 2005	21.4	0.0	18.3	39.7

Notes to the Parent Company Financial Statements

8. Deferred assets

EUR million	2006	2005
Tax related deferred assets	1.7	1.8
Other deferred assets	2.3	1.8
	3.9	3.7

9. Financial assets

EUR million	2006	2005
Other investments		
Income fund interest-bearing papers	41.2	27.2
Cash and bank balances		
Cash and balance in the bank accountst	6.9	9.7
Certificates of deposit	25.0	11.2
	31.8	20.9

Financial assets recognised at fair value through profit and loss include income fund investments which involve the short-term investment of liquid assets. The maturity of these income fund interest-bearing papers is at most one year. The income fund investments are publicly quoted securities, whose fair value is determined in the market. The change in fair value has been recognised in the income statement group financial income and expenses.

Certificates of deposit consist of short-term, highly liquid investments whose maturity is less than 3 months and which are mainly involved in the short-term investment of liquid assets.

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

Currency forwards	0.2	-0.1
Fair value, total	0.2	-0.1

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

10. Deferred tax assets and liabilities

EUR million	2006	2005
Deferred tax assets		
Timing differences	0.0	0.0
	0.0	0.0
Deferred tax liabilities		
Timing differences	0.0	0.0
	0.0	0.0
Deferred tax assets/liabilities, net	0.0	0.0

The deferred tax liability arising from revaluation has not been taken into account. If realized, the tax effect of revaluation would be EUR 1.5 million at the current 26% tax rate.

Notes to the Parent Company Financial Statements

11. Shareholders' equity

The parent company's shares are divided into series, with 3,409,285 series K shares (20 votes/share) and 14,809,079 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	2006	2005
Share capital		
Series A Jan. 1	6.0	5.9
Converted from series K to A	-	0.0
Share issues	0.2	0.1
Series A Dec.31	6.2	6.0
Series K Jan. 1	1.4	1.4
Converted from series K to A	-	0.0
Share capital Dec. 31	7.7	7.4
Shares issued 2005	0.0	5.4
Reserve fund Jan. 1	11.0	7.3
Share issues	11.3	3.8
Reserve fund Dec. 31	22.3	11.0
Profit from previous years Jan. 1	114.6	108.9
Dividends paid	-13.4	-13.1
Own shares	-0.3	
Profit from previous years Dec. 31	100.9	95.8
Profit for the financial year	22.9	18.7
Total equity	153.8	138.4

12. Obligatory provisions

EUR million	2006	2005
Pension reserve	0.0	0.5
	0.0	0.5

13. Non-current liabilities

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

Notes to the Parent Company Financial Statements

14. Accrued expenses and deferred income

EUR million	2006	2005
Wages, salaries and wage-related liabilities	11.7	10.6
Tax liabilities	1.2	-
Other accrued expenses and deferred income	1.6	2.7
	14.5	13.3

15. Receivables and liabilities from other companies in the Vaisala Group

EUR million	2006	2005
Non-current loan receivables	12.4	18.3
Current loan receivables	1.5	2.7
Trade receivables	10.1	14.2
Prepaid expenses and accrued income	0.0	0.1
Total receivables	24.0	35.3
Trade payables	0.9	0.7
Accrued expenses and deferred income	0.0	0.0
Total liabilities	0.9	0.7

16. Contingent liabilities and pledges given

EUR million	2006	2005
For own loans/commitments		
Guarantees	9.7	6.0
For Group companies		
Guarantees	5.5	2.2
Other own liabilities		
Pledges given	0.1	0.1
Leasing liabilities		
Payable during the financial year	0.1	0.1
Payable later	0.1	0.1
Total contingent liabilities and pledges given	15.4	8.5
Derivative contracts		
Capital of off-balance sheet contracts made to hedge against exchange rate and interest risks		
Currency forwards	11.9	12.7
Total capital	11.9	12.7

Shares and shareholders

Largest shareholders, Dec. 31, 2006

	% of votes	% of series K shares	% of series A shares	% of total shares
Finnish Academy of Science and Letters	21.7	25.8	3.1	7.3
Novameter Oy	12.7	13.4	9.4	10.1
Mikko Voipio	7.7	8.8	2.2	3.4
Anja Caspers	7.0	8.3	1.3	2.6
Raimo Voipio	5.8	6.7	1.7	2.6
Tauno Voipio	4.2	4.6	2.0	2.5
Henki-Sampo Insurance Company	4.1	4.0	4.3	4.2
Inkeri Voipio	2.2	0.0	12.3	10.0
Minna Luokkanen	2.0	2.4	0.1	0.5
Jaakko Väisälä estate	1.6	1.8	1.1	1.2
Ilmarinen Mutual Pension Insurance Company	1.6	0.0	8.7	7.1
Tuulikki Laasonen	1.3	1.6	0.0	0.3
Nominee registered	2.0	0.0	9.3	9.3

Ownership structure by owner type, December 31, 2006

	Number of owners	% of votes	% of series K shares	% of series A shares	% of total shares
Companies	232	13.3	13.4	12.8	12.9
Financial and insurance institutions	32	7.6	4.0	12.5	10.9
Municipalities	18	2.7	0.0	15.0	12.2
Non-profit organizations	93	22.4	25.8	6.7	10.3
Private individuals	4,202	53.9	56.8	40.3	43.4
Outside Finland and nominee registered	36	0.2	0.0	12.6	10.2
Not transferred to the book-entry system		0.0	0.0	0.1	0.1
Total	4,613	100.1	100.0	100.0	100.0

Ownership structure by shareholding, December 31, 2006

Number of shares	Owners	% of owners	% of votes	% of total shares	Owners of K shares	% of K shares	Owners of A shares	% of A shares
1-100	1,518	32.9	0.1	0.6	2	0.0	1,518	0.7
101-1000	2,579	55.9	1.2	5.1	18	0.3	2,575	6.2
1001-10000	410	8.9	3.3	6.5	26	4.0	404	7.8
10001-100000	83	1.8	18.9	16.1	23	24.1	75	16.5
100001-	23	0.5	76.5	71.7	7	71.6	20	68.7
Not transferred to the book-entry system	-	-	0.0	0.0	-	0.0	-	0.1
Total	4,613	100.0	100.0	100.0	76	100.0	4,592	100.0

Vaisala Oyj's Board of Directors held and controlled 1,353,101 shares on 31 December 2006, accounting for 16.5% of the total votes (2005: 1,242,749 shares and 14.6% of the total votes).

Signing of the Financial statements

Signing of the Board of directors' report and financial statements

Vantaa, February 13, 2007

Raimo Voipio
Chairman of the Board

Stig Gustavson

Mikko Niinivaara

Yrjö Neuvo

Mikko Voipio

Kjell Forsén
President and CEO

Auditor's report

To the shareholders of Vaisala Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Vaisala Corporation for the period 1.1. – 31.12.2006. The Board of Directors and the President and CEO have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors and the parent company's financial statements and administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report of the Board of Directors and in the financial statements, assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the President and CEO of the parent company have complied with the rules of the Companies' Act.

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the President and CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies' Act.

Vantaa, February 13, 2007

PricewaterhouseCoopers Oy

Authorised Public Accountants

Mikko Nieminen
Authorised Public Accountant

Hannu Pellinen
Authorised Public Accountant

Information for shareholders

Annual General Meeting

Vaisala Oyj's Annual General Meeting will be held on Thursday March 22, 2007, at 5 p.m. at the company's head office, Vanha Nurmijärventie 21, 01670 Vantaa.

Following items will be on the agenda of the Annual General Meeting

1. Items specified in Article 13 of the Articles of Association.

Right of attendance

Shareholders who are registered in the company's share register maintained by the Finnish Central Securities Depository Ltd by 11 March 2007 may attend the Annual General Meeting. Shareholders whose shares have not been transferred to the book-entry securities system may also attend the Annual General Meeting provided that such shareholders were registered in the company's share register before 21 October 1994. In such cases, shareholders must present evidence that their shareholding rights have not been transferred to the book-entry securities system.

Documentation

Documents relating to financial statements and the Board's proposals to the Annual General Meeting are available as copies for the shareholders to see at the company's head office in Vantaa, Vanha Nurmijärventie 21, for a week before the Annual General Meeting. On request, copies will be sent to shareholders.

Notice of attendance

Shareholders wishing to attend the Annual General Meeting must notify the company no later than 4 p.m. on Wednesday 14 March 2007. Notification can be made either by letter addressed to Vaisala Oyj, Nina Andersin, P.O.Box 26, FIN-00421 Helsinki, Finland, by telefax to +358 9 8949 2206, by e-mail at nina.andersin@vaisala.com, or by telephone on weekdays between 9 to 11 a.m., tel. +358 9 8949 2201. Letter authorizing a proxy to vote on behalf of a shareholder should be sent to the company before expiry of the notification.

Election of the members of the Board of Directors and auditors

Board member Yrjö Neuvo is in turn to retire by rotation. Shareholders representing more than 10 percent of all the votes in the company have informed that they will propose to the Annual General Meeting held on 22 March 2007 that the number of Board members should be six. The Board proposes the re-election of Mr Yrjö Neuvo. The Board also proposes Ms Maija Torkko as a new member.

The Board proposes PricewaterhouseCoopers Oy and Mr Hannu Pellinen APA, to be selected as Vaisala Oyj's Authorized Public Accountants. The proposed members of the Board of Directors and the Authorized Public Accountants have given their consent for the election.

Vantaa February 13, 2007

Vaisala Oyj
Board of Directors

Further information:
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Innovation.

Reliability.

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Investor calendar 2007

Vaisala Oyj will publish three Interim Reports in 2007 in Finnish and English according to the following schedule:

May 7, 2007	Interim Report 1.1. - 31.3.2007 (Q1)
Aug 7, 2007	Interim Report 1.1. - 30.6.2007 (Q2)
Oct 31, 2007	Interim Report 1.1. - 30.9.2007 (Q3)

Annual General Meeting 2007
22.3.2007 Annual General Meeting.
Vanha Nurmijärventie 21, Vantaa, Finland.

Silent Time

No analyst- or investor meetings are arranged during a period of three weeks before the publication of Annual Financial Results.

Financial reports can be ordered from:

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The Financial Statements 2006 brochure is published in Finnish and English. The brochure is distributed to all Vaisala shareholders on week 10 (March 5-9, 2007). The company's Interim Reports as well as other stock exchange releases and press releases are also available on the Vaisala website at www.vaisala.com.





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