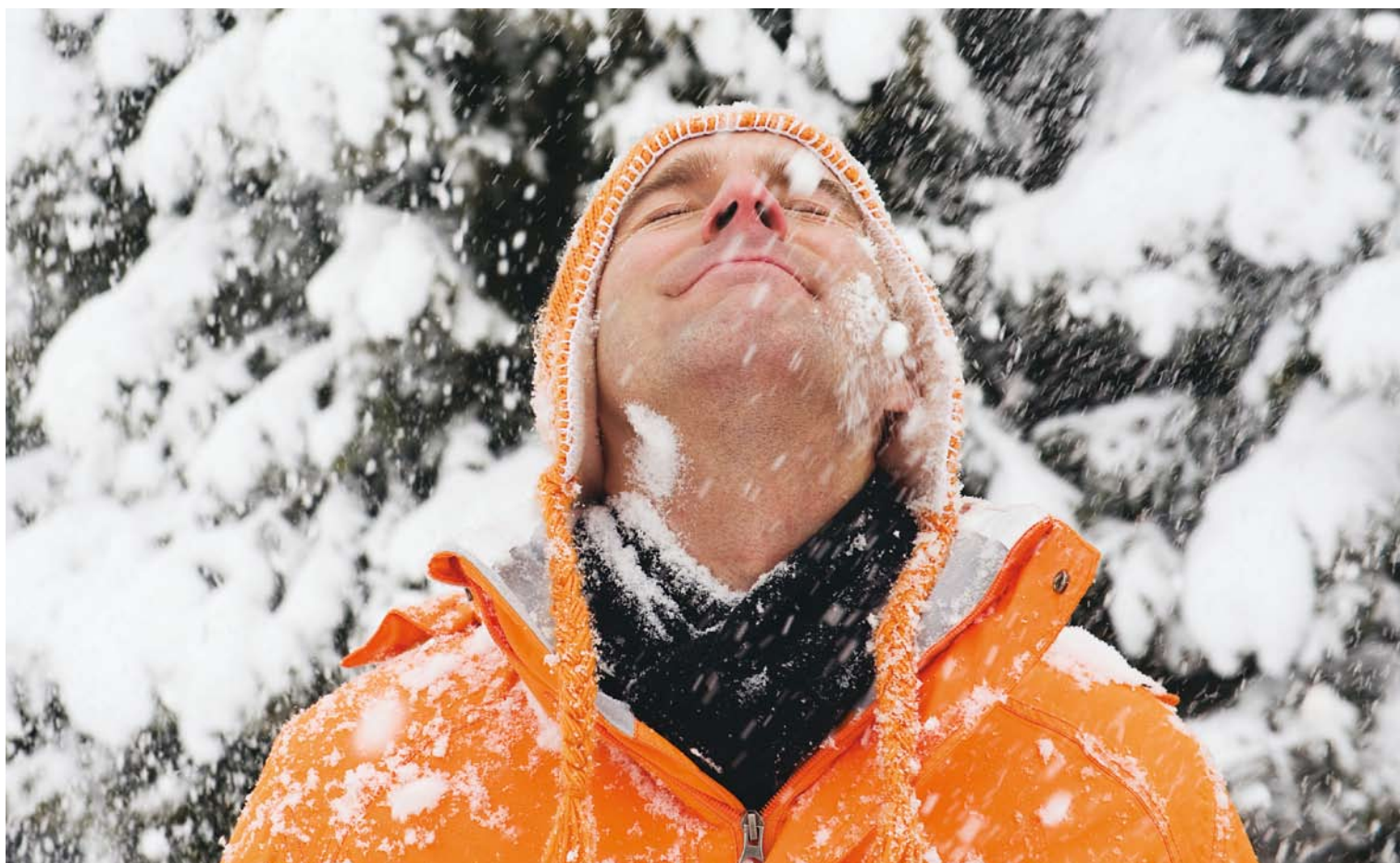


Financial Statements 2009



VAISALA

Contents

Foundation for future growth	3
Leader in environmental measurement	4
Key figures	6
Responsible business	7
Online Annual Report	7

Board of Directors' report	9-18
----------------------------------	------

Financial ratios

Financial ratios	19
Shares in figures	20
Calculation of financial ratios	21
Five years in figures	22

Consolidated financial statements (IFRS)

Consolidated income statement	23
Consolidated balance sheet	24-25
Consolidated statement of changes in shareholders' equity 31.12.2009	26
Consolidated cash flow statement	27
Notes to the consolidated financial statements	28-55

Parent company financial statements (FAS)

Parent company income statement	56
Parent company balance sheet	57-58
Parent company cash flow	59
Notes to the parent company financial statements	60-67
Shares and shareholders	68
Signing of the Board of Directors' report and financial statements	69
Auditor's report	70

Information for shareholders	71-72
Investor calendar 2010	73
Vaisala worldwide	74



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Printed matter



Foundation for future growth

Year 2009 was challenging for Vaisala, and as a result, we did not reach our net sales and profitability targets. The high net sales of the fourth quarter did improve the situation, but on the whole, I cannot be satisfied with the development of our sales nor with the profitability of our business in 2009.

The sales of Meteorology business area developed nicely, demonstrating growth of nearly 25 percent. Unfortunately its profitability was burdened by disruptions in radiosonde production and smaller than expected delivery project margins. The unstable situation of the global economy affected the net sales of Controlled Environment and Weather Critical Operations business areas. Markets declined in industrial segments, and the customers of Weather Critical Operations postponed their investment decisions. In addition, large individual projects, typical for the business area, were not realized.

Geographically, sales varied a lot. We had good growth in North and South America and in China. Our sales improved as much as 27 percent in the Americas, and 14 percent in China. On the other hand, sales decreased in the other APAC countries and in the EMEA region.

As anticipated, Vaisala's profitability was affected by the large ongoing development initiatives, which aim at growth and improved quality and manufacturing capability, and by the acquisition made at the end of the year. The increased price competition, costs of demanding delivery projects and quality problems had an effect on our profitability as well.



New strategy — new way of working and thinking

We started executing our new market driven strategy and operational model in the beginning of 2009. As a company, this meant a big change of course to us. Customer and market driven way of thinking as well as the matrix organization have required a change of culture and attitude throughout the whole organization. This kind of thorough change will naturally take time to be completed, but we have seen the benefits of the new way of working already during the first year, and will continue to execute the new strategy. The acquisition of the US based Quixote Transportation Technologies Inc. supports this execution and will open new possibilities for us in the global road weather and information technology markets.

Going forward, the execution of Vaisala's new strategy will require significant further investments. With these investments we will lay the foundation for our future growth objectives, and strengthen our position as the leader in environmental measurement.

Our expectations for 2010 are moderate. Instability of the global economy and shifts in the exchange rates are expected to affect Vaisala's business still. Due to the structure of our customer base and the orders received, we expect the market situation to remain mostly unchanged, and our net sales and profitability to grow slightly from 2009.

Vaisala's personnel have worked diligently and with determination to execute our new strategy. For this, each and every one of them deserves my heartfelt thanks. I also want to express my gratitude to our customers and partners for the trust they have shown to Vaisala during the past year.

A handwritten signature in blue ink, reading "Kjell Forsén".

Kjell Forsén
President and CEO

Leader in environmental measurement

Vaisala is a global leader in environmental and industrial measurement. Building on more than 70 years of experience, Vaisala contributes to a better quality of life by providing a comprehensive range of innovative observation and measurement products and services for meteorology, weather critical operations and controlled environments.

Vaisala focuses on markets with the most growth potential serving customers in the chosen environmental measurement segments such as wind energy, clean rooms and chambers, and building automation.

In 2009, net sales of the Vaisala Group decreased by 4.4 percent from the previous year, to 231.8 million euros. The operating profit was 12 (38) million euros. The profit was burdened by declined net sales and tightened competition, as well as some significantly higher than anticipated costs of demanding delivery projects.

Meteorology consists of Emerging markets and Established markets segments. The business area serves national meteorological and hydrological institutes, whose primary interest is to provide national weather information and forecasts.

Year 2009: Net sales of Meteorology grew by 24.6 percent year on year to 80.8 (64.9) million euros. Operating profit for the review period was 3.4 (8.0) million euros. Disruptions in radiosonde production and larger than expected project costs burdened the operating profit.

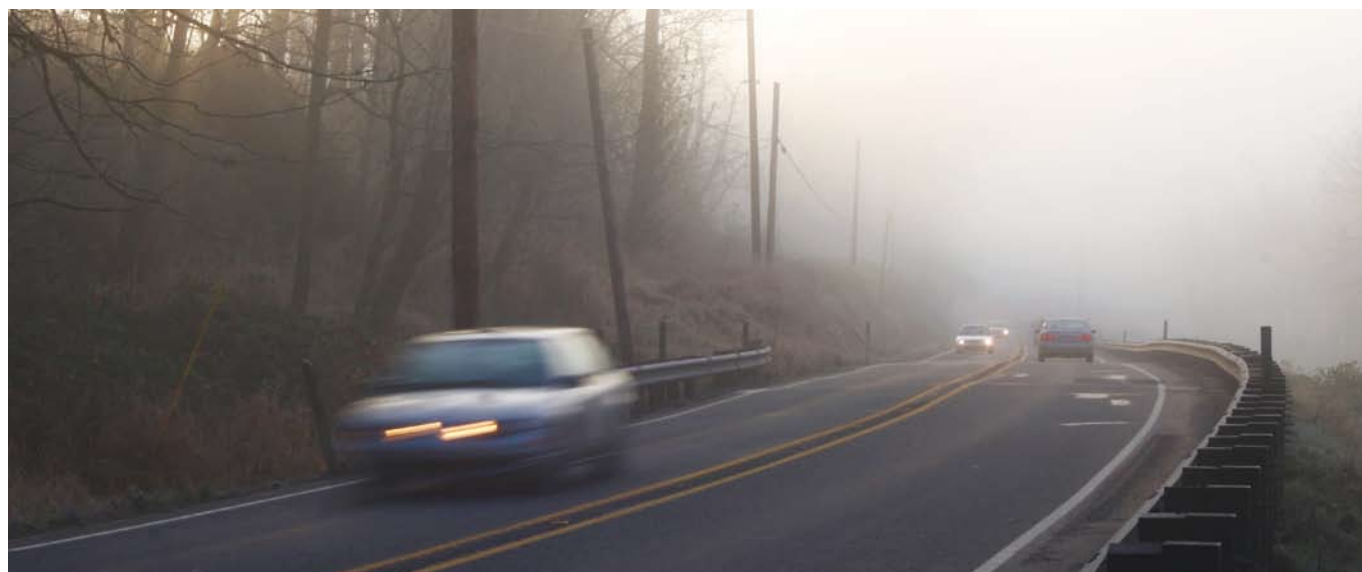
Controlled Environment consists of Cleanrooms and Chambers, Building Automation and Targeted Industrial Applications

segments. This business area includes customers who operate in tightly controlled and demanding areas, where the measurement of precise environmental conditions is required to increase operational quality, productivity and energy savings.

Year 2009: Net sales of Controlled Environment declined by 9.4 percent year on year to 49.2 (54.3) million euros. Operating profit for the review period was 3.4 (8.4) million euros. In spite of declined net sales, Vaisala has been able to maintain its market shares.

Weather Critical Operations consists of Airports, Roads, Defense, Wind Energy and Targeted Business Development segments. This business area focuses on customers whose operations or businesses are affected by the weather, like aviation customers, road authorities, defense forces and wind parks.

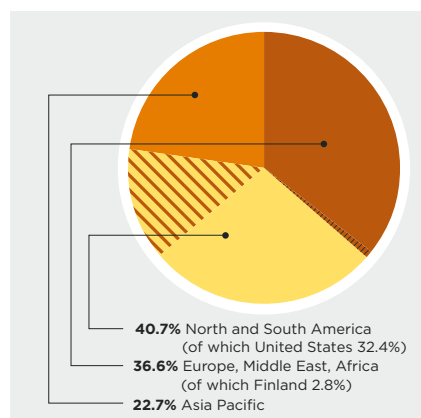
Year 2009: Net sales of Weather Critical Operations declined by 17.4 percent year on year to 101.8 (123.3) million euros. Operating profit for the review period was 5.5 (24.6) million euros.



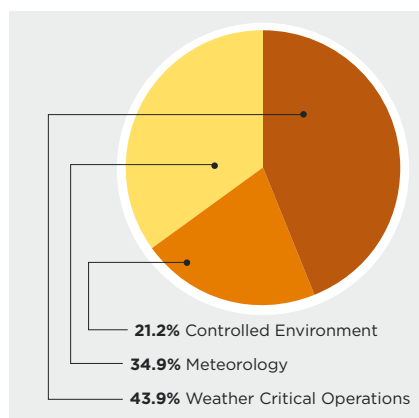


Key figures

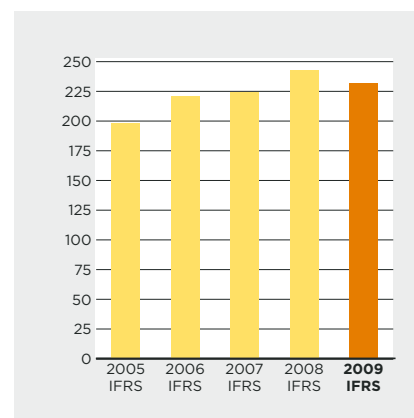
Net sales by region 2009



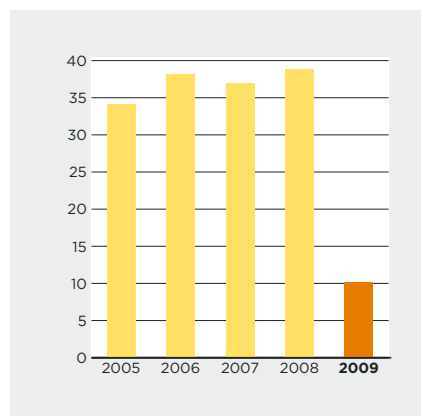
Net sales by business area 2009



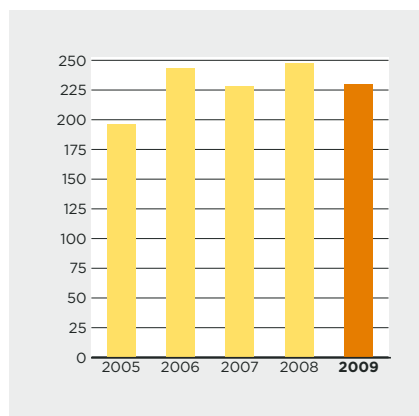
Development of net sales (M€)



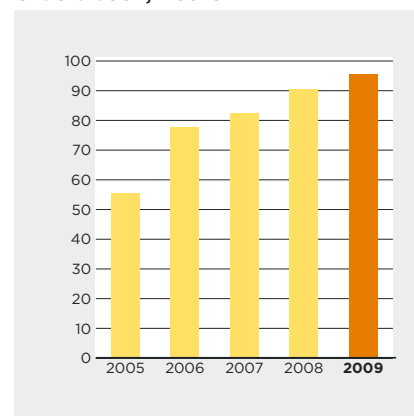
Net profit before tax



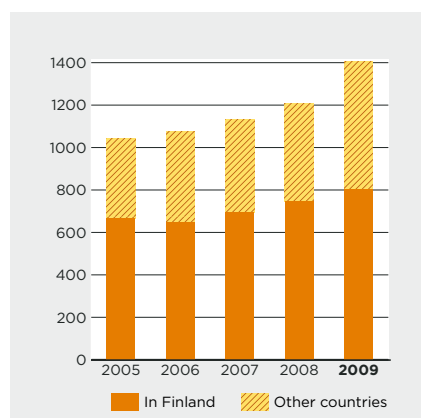
Orders received



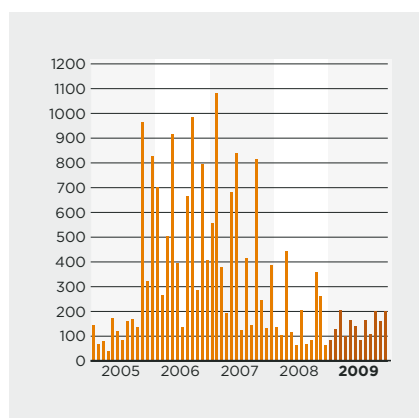
Orders book, Dec. 31



Personnel, Dec. 31



Series A shares, monthly trading (1,000 pcs)



Series A share development, €



For financial ratios, shares in figures and five year development, see pages 19 - 22.

Responsible business

As a leading environmental measurement company in the world and active member in the society, Vaisala is committed to conduct its business in a responsible way. We want to be transparent and report openly on the economic, social and environmental impacts of our work and follow up on our progress. Corporate Responsibility in Vaisala is guided by our Code of conduct, Environmental policy, Anti-corruption policy and Community outreach policy.

Vaisala has published an annual Corporate Responsibility Report since 2008. You can order the 2009 report from info@vaisala.com.

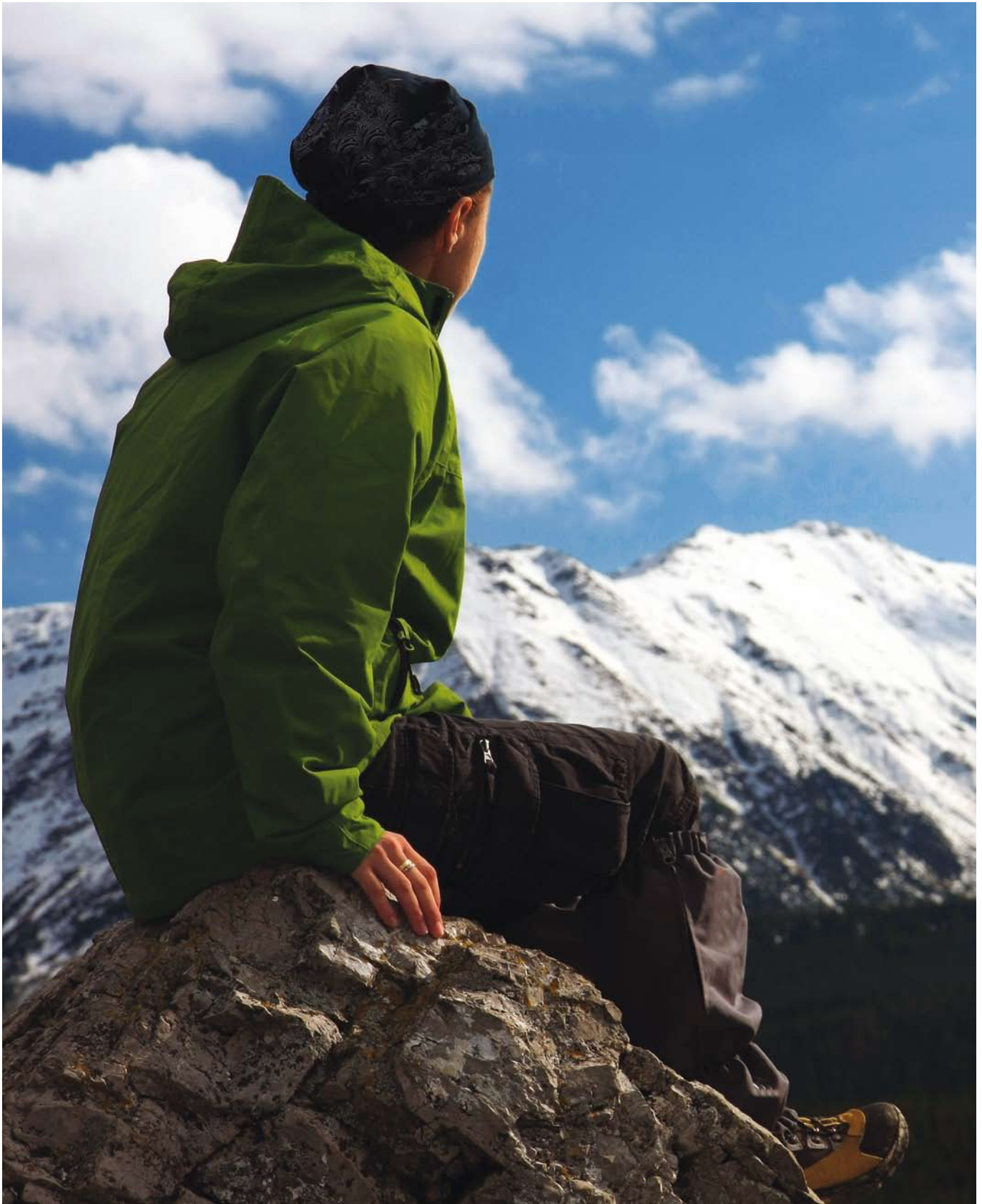
The report is also available online at www.vaisala.com/cr.

Online Annual Report

The 2009 Annual Report of Vaisala Group is published online at www.vaisala.com/annualreport.

The report is also available as a pdf version on the site.





Board of Directors' report 2009

Overview

Net sales and operating profit in 2009 declined year on year.

The result of the financial year was affected by lower gross profit, which was due to declined net sales and tightened competition, some significantly higher than anticipated project costs and some quality problems. The total one-off impact of these was EUR 7.5 million. Additionally, costs incurred by the ongoing development initiatives and the one-off costs of the QTT acquisition lowered the result.

Net sales grew in the Americas region (+27%), whereas sales in the EMEA region (-21.8%) and in APAC (-11.7%) declined. An exception was China, which grew by 14 percent.

Outlook

Instability of the global economy and shifts in the exchange rates are still expected to affect Vaisala's business. Due to the structure of Vaisala's customer base and the orders received, the company's market situation is expected to remain mostly unchanged and the business stable in 2010.

Vaisala expects its net sales in 2010 to grow slightly from the preceding year. Also profitability is expected to improve slightly. Strategic, growth oriented efforts will continue and burden Group profitability also this year.

The QTT acquisition is not expected to have a significant impact on the operating profit in 2010.

Seasonal fluctuation is typical of Vaisala's business, so the first quarter appears to be moderate.

The long term business outlook has not changed and Vaisala is still committed to continuing the implementation of its growth strategy.

President and CEO Kjell Forsén on Vaisala's result:

"The challenging global economic situation affected also Vaisala's business last year. Even though net sales in the fourth quarter were record high, I cannot be satisfied with the development of our sales nor with the profitability of our business. At the end of the year, Vaisala's order book was thicker than the

year before, but order intake decreased toward the end of the year. Our efforts to improve the delivery capability for higher volumes have been successful, strengthening our position as the markets start to pick up.

As anticipated, Vaisala's profitability was affected by the large ongoing development initiatives aiming at growth and improved quality and manufacturing capability, and by the acquisition made at the end of the year. Our profitability was also affected by increased price competition, costs of some demanding delivery projects and quality problems.

To address the situation, we have initiated a quality assurance program. In addition to that, we have launched a program to improve Vaisala's productivity. The program will e.g. review the profitability of our offering, sourcing and project activities.

I am especially pleased with the acquisition we made at the end of the year. We acquired QTT, a US based company specialized in road weather and information. The deal significantly strengthens our position in the global road weather markets and provides us with new offering especially in the area of new intelligent transportation systems.

We continue the execution of Vaisala's new strategy. This will require significant investments. I believe that the timing for these investments is right because they lay the foundation for future growth objectives and strengthen our position as the leader in environmental measurement."

Market situation, net sales and order book

Instability of the global economy is now affecting Vaisala's business. In the challenging economic situation Vaisala has nevertheless been able to retain its market shares.

In the Controlled Environment business area, i.e. in the industrial segments, the markets declined during 2009. The uncertain economic situation affects purchasing decisions also in the Weather Critical Operations and Meteorology business areas.

Vaisala Group's net sales declined by 4.4 percent year on year and totaled EUR 231.8 (242.5/2008; 224.1/2007) million. Net sales of the Meteorology business area grew by 24.6 percent, whereas the net sales of Weather Critical Operations declined by 17.4 percent and Controlled Environment by 9.4 percent. In comparable currencies, Vaisala Group's net sales would have been down by 6.9 percent.

Operations outside Finland accounted for 97 (94) percent of net sales.

Net sales in euros increased by 27.0 percent in Americas, totaling EUR 94.3 (74.3) million. Net sales declined by 21.8 percent in the EMEA region to EUR 84.9 (108.5) million and in the APAC region by 11.7 percent to EUR 52.6 (59.6) million. In comparable currencies, the changes in net sales would have been Americas +20.9%, EMEA -20.9% and APAC -15.5%.

The value of orders received declined by 4.4 percent year on year and totaled EUR 237.0 (247.9/2008; 228.5/2007) million. Orders received include the order book from the acquired QTT company, in total EUR 6.8 million of new orders. The comparable value of orders received declined by 7.1 percent to EUR 230.2 million. The order book stood at EUR 95.5 (90.3) million at the end of the financial year. Of the order book, approximately EUR 16 million will be delivered in 2011 or later.

Performance and balance sheet

Operating profit for the financial year was EUR 12.0 (38.0) million or 5.2 percent of net sales. Profit before taxes was EUR 10.1 (38.9) million or 4.3 percent of net sales, down by 74.1 percent. Net profit for the financial year was EUR 6.9 (28.4) million or 3.0 percent of net sales, down by 75.8 percent.

Vaisala Group's solvency ratio and liquidity remained strong. On December 31, 2009, the balance sheet total was EUR 231.4 (241.7/2008; 225.6/2007) million. The Group's solvency ratio at the end of the financial year was 81% (82%/2008; 83%/2007).

Vaisala's consolidated liquid assets totaled EUR 50.1 (103.4/2008; 99.2/2007) million.

Investments

Gross capital expenditure totaled EUR 27.7 (12.2/2008; 7.3/2007) million.

On January 1, 2009, Vaisala acquired all shares of Aviation System Maintenance Inc (ASMI), a US-based airport service company. The company has 10 employees and the net sales for 2009 were EUR 1.0 million and operating profit EUR 0.1 million. ASMI, which is located in Kansas, has a large customer base and over 25 years of experience in the installation and maintenance of airport weather equipment. The acquisition will considerably strengthen Vaisala's position as a supplier of maintenance services in the US airport weather business, complementing the existing service contracts and expertise. These synergy benefits have accrued to EUR 1.3 million goodwill. The deal price was EUR 2.2 million, which includes a conditional EUR 0.4 million deal price. This conditional price will be paid at the end of 2010, provided that the agreed performance expectations are met.

On 18 December 2009, Vaisala acquired Quixote Transportation Technologies, Inc (QTT), a subsidiary of Nasdaq-listed Quixote Corporation with sales of USD 16.2 million and approximately 100 employees in 2009. Net sales of the acquired business during 19 - 31 December 2009 were EUR 0.4 million and operating profit EUR 0.1 million.

Had the acquisition taken place on January 1, 2009, Vaisala group's net sales in the financial year would have been EUR 248 million and net profit EUR 7.9 million. QTT complements Vaisala's Roads segment offering and application knowledge, enabling the delivery of more complete solutions and customer service. QTT's offering of road and runway weather information, highway advisory radio, and traffic monitoring systems will significantly strengthen Vaisala's position in the Roads markets and open up new opportunities especially in the ITS (intelligent transportation systems) markets. The acquired new customer base together with the synergy benefits accrue to goodwill of EUR 2.8 million.

The gradual implementation of Vaisala's new ERP system continues according to the plan during this and next year.

The project to build new office space in Vantaa, Finland, is progressing according to plans. The old building was torn down during the second quarter of 2009, the excavation work started in the third quarter of the year and the construction of the new building frame in the fourth quarter.

Changes in financial reporting

Vaisala published its new strategy in November 2008. Going forward, the Group will focus on markets with the biggest growth potential in the environmental measurement business. The Group will seek growth from the current and new market segments. Vaisala also announced that it adopts a market segment based reporting model. From the first interim report in 2009, Vaisala Group's business will be reported in three segments, which are Meteorology, Weather Critical Operations and Controlled Environment. From the beginning of 2009, the Group adopted the amended IAS 1 Presentation of the Financial Statements standard and IFRS 8 Operating Segments standard. The amended standards have no significant impact on the presentation of the interim and financial reports.

Meteorology

Meteorology consists of Emerging markets and Established markets. The Meteorology business area serves national meteorological and hydrological institutes, whose primary interest is to provide national weather information and forecasts.

Net sales of Meteorology grew by 24.6 percent year on year to EUR 80.8 (64.9) million. In comparable currencies, the net sales would have grown by 21.3 percent. Operating profit for the review period was EUR 3.4 (8.0) million.

Vaisala participated in a large windprofiler renewal project for the US National Weather Service and delivered one wind profiler to the customer for pilot use in the third phase of the project. Larger than expected project costs burdened the operating profit of this business area in the financial year by approximately EUR 3.0 million.

Disruptions in radiosonde production affected the operating profit by approximately EUR 2.2 million during the financial year. These disruptions had no impact on net sales. Implementation of corrective measures has already started. Weather radar deliveries and other delivery projects burdened the operating profit by approximately EUR 2.3 million.

The value of orders received for Meteorology was EUR 76.4 million and the order book stood at EUR 36.6 million at the end of the review period.

In the second quarter, the modernization project for the Russian weather observation network was completed.

Japan Meteorological Agency ordered 10 sounding stations for their national upper air network. The order marked an important step in the Japanese markets; after its delivery, the majority of Japanese sounding stations use Vaisala's equipment.

Vaisala and the US National Oceanic and Atmospheric Administration (NOAA) signed a five-year contract in the second quarter, according to which Vaisala will deliver next generation GPS-dropsondes to the US National Hurricane Center to enable hurricane reconnaissance, research and storm track forecasting. The estimated value of the deal is USD 9.2 million

Deliveries of six new weather radars to the Turkish met office started in the fourth quarter. Of these, the first two radars will be taken into use in early 2010. Additionally, a comprehensive weather radar update was provided for the Malaysian met office in the fourth quarter.

Finnish Meteorological Institute took two new dual polarization weather radars into use, one in Kaivoksela and another one in Anjalankoski.

In Germany, in addition to the three previous ones, a fourth wind profiler was distributed to Deutscher Wetterdienst in the fourth quarter.

Controlled Environment

Controlled Environment consists of Cleanrooms and Chambers, Building Automation and Targeted Industrial Applications segments. This business area includes customers who operate in tightly controlled and demanding areas where the measurement of precise environmental conditions is required to increase operational quality, productivity and energy savings.

Net sales of Controlled Environment declined by 9.4 percent year on year to EUR 49.2 (54.3) million. In spite of declined net sales, Vaisala has been able to maintain its market shares. In comparable currencies, the net sales would have been down by 13.3 percent. Operating profit for the review period was EUR 3.4 (8.4) million.

The value of orders received for Controlled Environment was EUR 49.0 million the order book stood at EUR 3.3 million at the end of the review period.

Weather Critical Operations

Weather Critical Operations consists of Airports, Roads, Defense, Wind Energy and Targeted Business Development segments. This business area focuses on customers whose operations or businesses are affected by the weather, like aviation customers, road authorities, defense forces and wind parks.

Net sales of Weather Critical Operations declined by 17.4 percent year on year to EUR 101.8 (123.3) million. In comparable currencies, the net sales would have been down by 18.9 percent. Operating profit for the review period was EUR 5.5 (24.6) million.

The challenging economic situation affected the customers' purchasing decisions in this business area. Also, lack of larger individual projects lowered the sales.

The value of orders received for Weather Critical Operations was EUR 111.6 million and the order book stood at EUR 55.6 million at the end of the review period.

Disruptions in radiosonde production in the third quarter and the related scrapping costs burdened the operating profit of the Weather Critical Operations business area by approximately EUR 0.2 million. The situation did not affect the sales in 2009.

The deliveries of weather radar signal processors and weather observation systems for airports that were pending from the first quarter were completed during the second quarter.

In the first quarter, Vaisala signed a contract with a long standing customer for upper-air sounding equipment. The contract was valued at USD 8.6 million and the deliveries are expected to take place by the end of the first quarter in 2010.

Vaisala announced in the third quarter that it is, together with US National Center for Atmospheric Research (NCAR) and Xcel Energy, piloting a new observation and forecasting system for wind energy.

Vaisala's new runway visual range system was approved by FAA (Federal Aviation Authority) for air traffic control use in the USA in the fourth quarter. The availability of runway visual range information has a positive impact on flight safety and airport capacity. FAA approval also increases the potential for additional

business and strengthens Vaisala's ability to respond to large scale turn-key programs.

Other functions

Research and development

Expenditure in research and development totaled EUR 28.4 (24.6/2008; 23.5/2007) million, representing 12.2% of the Group's net sales.

The share of research and development expenses of the Group's net sales will remain high in 2010. This is due to some extraordinary efforts aiming at aligned technology platforms and improved product modularity, usability and mass customization capability.

Vaisala launched 17 new products, solutions or services in 2009, covering all Vaisala product areas and market segments. The most significant were:

Vaisala Barometric Pressure Transfer Standard PTB330TS for reference measurement in field inspection and laboratory use.

Vaisala OMT364 for oxygen measurement in hazardous industrial processes.

Vaisala Global Lightning Dataset GLD360, a service provided by Vaisala that provides real-time lightning data anywhere in the world. The dataset provides information over oceanic and data-sparse regions where there is a shortage of real-time weather observations.

Vaisala Sigmet RVP900 signal processor. The RVP900 signal processing platform is used in Vaisala's weather radars, wind profilers and lightning detection equipment.

Vaisala Sounding equipment: RS92-D radiosonde for defense customers and the related upgrade kits for the RT20 systems. Vaisala BUFR Generator for older generation of Vaisala Ground Equipment.

Vaisala TLP, Total Lightning Processor, for lightning detection. TLP improves location accuracy of precision lightning detection networks through the use of Vaisala's patented location algorithm.

Vaisala FALLS (Fault Analysis and Lightning Location System), which provides electric utility engineers the ability to quickly and easily perform fault correlations with lightning events.

Reference radio sonde, which enables more accurate observations for climate change monitoring. The project will be carried out in co-operation with the international science community. The device will provide extremely accurate climatological information from the upper atmosphere.

Services

Starting in 2009, Vaisala's service business has been reported as part of the business areas. Services sales in the review period totaled EUR 28.1 (27.5) million.

In January 2009, Vaisala acquired Aviation Systems Maintenance Inc. (ASMI) to strengthen its airport weather service offering. The integration of ASMI's operations to Vaisala was completed on July 1, 2009.

Personnel

The average number of people employed in the Vaisala Group in the financial year was 1 302 (1 177/2008; 1 113/2007). 44 percent (39/2008; 39/2007) of the personnel was based outside Finland. 22 percent (20/2008; 21/2007) of the employees worked in research and development.

Salaries paid by the company are based on local collective and individual agreements, individual performance and the demand level of each job. The base salaries are supplemented by results-based bonus systems, which cover all Vaisala personnel. The total sum of salaries and bonuses paid in 2009 was EUR 63.3 million (59.7/2008; 57.2/2007).

Vaisala has two incentive plans; one based on the development of sales and profitability and covering all employees, and the other, three-year plan, based on the development of profitability and covering key personnel.

Changes in the company's management

MSc Timo Raikaslehto was appointed Senior Vice President, Group Marketing and Sales and a member of the strategic management group starting March 1, 2009. He resigned from Vaisala in January 2010.

PhD John Jiang was appointed President of Vaisala China and a member of the strategic management group starting January 1, 2010.

Vaisala's Chief Technology Officer (CTO) Ari Meskanen was appointed Senior Vice President, Group Marketing and Sales starting January 1, 2010. He continues in the role of CTO until a successor has been found.

Risk management

Organization of risk management

Vaisala has a risk management policy that has been approved by the Board of Directors and that covers the company's strategic, operating and financing risks. Vaisala's strategic manage-

ment group regularly assesses risk management policies, and the scope, adequacy and focus areas of related practices. The policy aims at ensuring the safety of the company's personnel, operations and products as well as the continuity of operations. The policy also covers intellectual capital, corporate image and brand protection. An appropriate and up-to-date risk concept is integrated into decision-making and included in the business plan.

More detailed operational instructions are defined by the strategic management group. These include approval, bidding and procurement authorizations and terms of payments.

The main principles of the investment policy in the order of their priority are a) minimizing credit loss risks, b) ensuring liquidity, and c) maximizing return on investment. The maximum term of investment is 12 months.

Usual risks related to international business affect Vaisala's operating environment. The most significant of these are risks relating to changes in the global economy, currency exchange rates (with particular respect to the U.S. dollar), supply network management and production activities. Vaisala monitors these risks and prepares for them in accordance with the company's risk management policy.

Group-level insurance programs have been established to deal with manageable operating risks. These programs cover risks relating to property damage, business interruption, different liabilities, transport and business travel. Vaisala's ability to tolerate risks is good and the company has a strong capital structure, ensuring capital adequacy.

Near-term risks and uncertainties

The near term risks and uncertainties are estimated to relate to changes in the global economy, shifts of currency exchange rates, interruptions in manufacturing, project delivery capabilities, customers' financing capability, changes in purchasing or investment behavior, and delays or cancellations of orders and deliveries. The biggest risks in realization of net sales relate to the industrial segments which are more sensitive to economic fluctuations and where the demand has clearly slowed down. The share of these segments is approximately 25 percent of Vaisala's net sales. Additionally, cancellations or delays of project deliveries that have been planned to take place this year may affect the net sales and operating profit.

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

Vaisala is currently implementing significant development projects and organizational changes, which lay the foundation for the execution of Vaisala's new strategy. A new Group-wide en-

terprise resource planning system is also under development. These efforts constitute a short-term risk regarding Vaisala's net sales and result.

Vaisala has made acquisitions and their impact on net sales and operating profit depends essentially on the success of integration activities. In case the assumptions about achievable synergies prove incorrect or the integration activities fail, they constitute a short-term risk regarding Vaisala's net sales and result.

Interest rate risk

The company has no significant interest-bearing liabilities. Interest rate risk arises from the effects of interest rate changes on interest-bearing receivables and liabilities in different currencies. According to the company's management, the interest rate risk is small and it is included in the interest of the invested assets if the interest rate changes. Interest rate changes affect the fair value of both cash flows and investments. A change of one percentage point in the interest rate would affect the company's result after taxes by around EUR 358 (396) thousand, calculated on an approximate investment position of EUR 48.3 (53.5) million. Further information on interest-bearing receivables is given in Note 21.

Market risk on investment activity

In 2008, the Group invested its cash reserves in short-term income funds and is therefore exposed in its operations to a price risk arising from fluctuations in the quoted market prices of income funds. The income fund investments were realized during 2009. Because issuers (states, municipalities and financial institutions) whose credit rating is very good are selected as the locations for fund investments, the credit risk connected with the funds was low. The funds invest in euro-denominated interest income products, so there was no currency risk. A rise in short-term market interest rates momentarily lowered the value of fund shares. A change in fair value of EUR 2,120 thousand loss (2,209) in 2009 was recognized in the income statement under 'financial income and expenses'. Further information on assets recognized at fair value through profit and loss is given in Note 20.

Currency risk

The international nature of operations exposes the Group to risks that arise when investments in different currencies are converted into the parent company's functional currency. The most significant currencies for the Group are the US dollar, the Japanese yen and the British pound. The Group has many investments in its foreign subsidiaries, whose net assets are exposed to currency risks. The Group does not hedge the currency risks related to its subsidiaries' net assets. The separate table features a sensitivity analysis (SA) on how changes in the rates of the most important currencies for the Group and in the euro, both in terms of average rate and balance sheet day rate, would affect the consolidated profit after taxes. The SA calculation

			Effect on result after taxes EUR thousand
2009			
USD/EUR	Exchange rate rise	10.00%	459.1
	Exchange rate fall	10.00%	-447.5
JPY/EUR	Exchange rate rise	10.00%	91.6
	Exchange rate fall	10.00%	-75.0
GBP/EUR	Exchange rate rise	10.00%	209.3
	Exchange rate fall	10.00%	-190.6
2008			
USD/EUR	Exchange rate rise	10.00%	491
	Exchange rate fall	10.00%	-468
JPY/EUR	Exchange rate rise	10.00%	165
	Exchange rate fall	10.00%	-135
GBP/EUR	Exchange rate rise	10.00%	403
	Exchange rate fall	10.00%	-371

does not incorporate the effects of parent company purchases in other currencies during the financial year

The Group recognizes monetary items at net in accounting and hedges them with currency forwards to which the Group does not apply hedge accounting in accordance with IAS 39. Around 40% of the Group's net sales arises in US dollars, 5% in Japanese yens and 4% in British pounds. A significant proportion of Group purchases takes place in euros. Currency forwards are used to hedge the net position arising from these. The degree of hedging is around 50 per cent of the order book and trade receivables. The degree of hedging at the end of the financial year was 42%. Hedging is arranged by the parent company (Note 10. Financial income and expenses).

Liquidity risk

The Group aims to continuously assess and observe the level of funding required to finance the business to ensure that the Group has sufficient liquid assets for financing its operations. 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. To fulfill the liquidity need, the parent company has EUR 20 million credit loan limit, which is currently unused. Additionally, the subsidiaries have EUR 1.3 million credit loan limit, currently unused. The company has no other external financial liabilities other than those related to finance leasing (Note 23. Interest-bearing liabilities).

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

Counterparty risk

Liquid assets are directed, within set limits, to investments whose creditworthiness is good. The investments and investment limits are redefined annually. Further information on the classification of investments is given in Note 21. Cash and cash equivalents.

Credit risk

The Group applies a stringent credit issuance policy. Credit risks are hedged by using letters of credit, advance payments and bank guarantees as terms of payment. According to Group management, the company has no material credit risk concentrations, because no individual customer or customer group represents an excessive risk, thanks to global diversification of the company's customer pool. Total credit losses arising from accounts receivable and recognized for the financial year amounted to EUR 0.4 million (0.3), and the total net credit loss for the financial year was EUR 0.4 million (-0.1). The credit losses resulted from an unexpected change in the financial environment of a customer. The maximum amount of the Group's credit risk corresponds with the carrying amount of financial assets at the end of the financial year. The periodic distribution of accounts receivable items is presented in Note 19 in the Notes to the Financial Statements.

Management of capital assets

Management of the Group's capital assets aims at ensuring normal company operation and increasing shareholder value with an optimum capital structure. The goal is to attain the best possible returns over the long term. An optimum capital

structure also ensures lower capital costs. Capital structure can be affected through dividend distribution and share issues, for example. The Group can alter or adjust the amount of dividend payable to shareholders, the amount of capital returned to them or the number of new shares issued. The company has no significant financial liabilities. The shareholders' equity indicated in the consolidated balance sheet represents the capital assets managed. The Group does not apply external capital requirements.

Internal Control

Vaisala aims to be a good corporate citizen, and an appropriate level of documented internal control policies supports this. According to the Finnish Corporate Governance Code, the purpose of internal control is to ensure the effective and profitable operations of the company, reliable information and compliance with the relevant regulations and operating principles. Internal control aims to improve the efficient fulfillment of the Board's supervision obligation.

Internal control is a process carried out by the Board of Directors, operative management and other employees within Vaisala. It is designed to provide reasonable assurance that the operations are effective, efficient and aligned with strategy, financial reporting and management information is reliable, complete and timely, and the Group is in compliance with applicable laws and regulations as well as Vaisala internal policies and ethical values, including sustainability.

The Vaisala internal control framework consists of:

- Internal control, risk management and corporate governance policies and principles set by the Board of Directors,
- Management overseeing the implementation and application of the policies and principles
- Finance department and business controllers monitoring the efficiency and effectiveness of the operations and reliability of the financial and management reporting
- Enterprise risk management process identifying, assessing and mitigating risks threatening the realization of Vaisala's objectives
- Compliance procedures making sure that all applicable laws, regulations, internal policies and ethical values, including sustainability, are adhered to
- Effective control environment at all organizational levels including control activities tailored for each process and creating group minimum requirements for business and geographical areas
- Shared ethical values and internal control culture among all employees
- Internal audit assignments reviewing the effectiveness of the internal controls as needed.

Internal Control roles and responsibilities

Board of directors

- Is ultimately responsible for the administration and the proper organization of the operations of the company
- Ensures that the company has duly endorsed the corporate values applied to its operations
- Approves the internal control, risk management and corporate governance policies
- The Board of Directors or the President and CEO can assign Vaisala's external auditors or other external service provider to perform internal audit assignments as needed.

President and CEO

- Is in charge of the day-to-day management of the company in accordance with the instructions and orders given by the Board
- Sets the ground of the internal control environment by providing leadership and direction to senior managers and reviewing the way they are controlling the business
- Ensures that the accounting practices of the company comply with the law and that the financial matters are handled in a reliable manner.

Management Group

- Senior managers assign responsibility for establishment of more specific internal control policies and procedures to personnel responsible for the unit's functions. Of particular significance are financial officers and their staffs, whose control activities cut across, as well as up and down, the operating and other units of the group.

Finance and control function

- Helps units and functions to set up adequate control activities
- Together with risk management director, facilitates the enterprise risk management process and reporting its results to the management
- Operatively follows-up the adequacy and effectiveness of control activities.

Internal audit assignments

- Examines and evaluates the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.

General Counsel, business area and corporate function directors

- Are responsible for making sure that all functions and employees in their responsibility areas adhere to applicable laws, regulations and internal policies.

Vaisala's shares

As at the end of the review period, the Group's Board of Directors had no valid authorizations for increasing the share capital, granting special rights, or issuing stock option rights.

On December 31, 2008, the price of Vaisala's A share in the NASDAQ OMX Helsinki Oy was EUR 22.11, and at the end of the review period, the share price was EUR 25.10. The highest quotation during the review period was EUR 28.46 and the lowest EUR 20.80. The number of shares traded in the stock exchange during the review period was 1,729,224.

On December 31, 2009, Vaisala had 18,218,364 shares, of which 3,397,684 are series K shares and 14,820,680 are series A shares. The shares have no counter book value. The K shares and A shares are differentiated by the fact that each K share entitles its owner to 20 votes at a General Meeting of Shareholders while each A share entitles its owner to 1 vote. The A shares represent 81.4% of the total number of shares and 17.9% of the total votes. The K shares represent 18.6% of the total number of shares and 82.1% of the total votes.

The market value of Vaisala's A shares on December 31, 2009 was EUR 371.8 million, excluding the Company's own shares. Valuing the K shares - which are not traded on the stock market - at the rate of the A share's closing price on the final day of the financial year, the total year-end market value of all the A and K shares together was EUR 457.1 million, excluding the Company's own shares.

Vaisala's main shareholders are listed on the Group website and in the Notes to the Financial Statements.

The shares give equal rights to dividends. According to the company's Articles of Association, the maximum number of shares is 68,490,017 and Vaisala's maximum share capital is EUR 28.8 million. All issued shares have been fully paid for. The shares have no consent or redemption clauses attached to them.

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

The number of shares held and controlled by Vaisala Corporation's Board of Directors on December 31, 2009 was 1,353,425; accounting for 15.6% of the total votes (2008: 1,353,425 shares and 15.6% of the total votes). The company's President and CEO owned 2,720 shares.

Conversion of unlisted series K shares into series A

Vaisala Corporation's 500 unlisted shares (series K) were converted into listed shares (series A). The conversion was registered in the Finnish Trade Register on March 5, 2009. Listing of the new series A shares was applied for as of March 6, 2009.

Vaisala Corporation's 6000 unlisted shares (series K) were converted into listed shares (series A). The conversion was registered in the Finnish Trade Register on May 14, 2009. Listing of the new series A shares was applied for as of May 15, 2009.

Vaisala Corporation's 1400 unlisted shares (series K) were converted into listed shares (series A). The conversion was registered in the Finnish Trade Register on November 19, 2009. Listing of the new series A shares was applied for as of November 20, 2009.

Treasury shares and parent company shares

At the end of the financial year, the Company held a total of 9,150 Vaisala A shares, which represented 0.05% of the share capital and 0.01% of the votes. The consideration paid for these shares was EUR 251,898.31.

Board of Directors

Members of the Board

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

Term of office of members of the Board

In deviation from recommendation no. 10 of the Finnish Corporate Governance Code, the term of office of members of the Board is not one year. Instead, the term of office is 3 years, as stipulated in the Articles of Association. The term of office begins after the General Meeting of Shareholders at which the member is elected, and ends at the close of the third Annual General Meeting that follows the member's election.

Independence of the Board members

Evaluated against the criteria given in Recommendation 15, all six members of the Board of Directors are independent of the company. Evaluated against the criteria given in Recommendation 15, Yrjö Neuvo, Stig Gustavson, Mikko Niinivaara and Maija Torkko are independent of both the company and the shareholders. Evaluated against the criteria given in Recommendation 15 Raimo Voipio and Mikko Voipio are dependent of significant shareholders. The current composition of the Board of Directors fulfills the independence requirements stated in the Recommendation 14.

President and CEO

Vaisala's President and CEO is appointed by the Board. The President and 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 President and CEO is also responsible for arranging the company's management.

Events relating to the permanent group of insiders

No loans were granted to any of the persons belonging to the permanent group of insiders, and no contingent liabilities were made on their behalf.

Group structure

The company has regional offices in India, Canada, China, Malaysia and the United Arab Emirates. The addresses and contact details of the regional offices are available on Vaisala's website.

Environment

Vaisala has signed a voluntary energy efficiency agreement with the Federation of Finnish Technology Industries. The agreement aims at improving energy efficiency, generating cost savings, and countering climate change, and as a signatory Vaisala participates in a number of energy efficiency initiatives. Full list of all the initiatives is published in March 2010 in the company's corporate responsibility report 2009, which is available on Vaisala's internet at www.vaisala.com/cr.

In line with the energy efficiency agreement, Vaisala's new office building will be more energy efficient and ecologically advanced. The building is estimated to be in place by the end of 2010. The investment is expected to improve energy efficiency by 15% compared to the old facilities.

Vaisala's Corporate Responsibility Report 2008 received an honorary mention from the United Nations Global Compact Office. This was the first time Finnish companies receive this tribute and Vaisala is one of two Global Compact signatories in Finland that were acknowledged. The acknowledgement applauded the way Vaisala has communicated its endorsement of the UN Global Compact, i.e. the ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption.

Active involvement in the scientific community

Vaisala is involved in active discussion with different stakeholders, promoting advancement in science, particularly the development of environmental measurement. Vaisala

collaborates in several projects with leading research institutes in the field, such as NOAA (the National Oceanic and Atmospheric Administration, USA), Finnish Meteorological Institute (FMI), Colorado State University, University of Massachusetts, the US National Center for Atmospheric Research (NCAR), Deutscher Wetterdienst, VTT (Technical Research Centre of Finland) and the Helsinki University of Technology, Finland.

In January 2009, Vaisala announced that it develops a reference radiosonde to support the precision measurement needs of the climate research communities. The first phase of the development focuses on enhanced high-altitude low-temperature humidity measurements. Finnish Meteorological Institute (FMI), National Center for Atmospheric Research (NCAR) and Deutscher Wetterdienst (DWD) are collaborating with Vaisala by undertaking independent field evaluations of humidity made with Vaisala's advanced polymer humidity sensor.

Vaisala's representatives participate in the Board of the Federation of Finnish Technology Industries and in its committees, such as the Environmental Committee. Vaisala participates in the Board on Atmospheric Sciences and Climate of the National Research Council/National Academy of Sciences (USA).

Vaisala also closely collaborates with a number of meteorological authorities around the world and takes part in the activity of the UN World Meteorological Organization (WMO). During the year, Vaisala granted research scholarships to universities, students and researchers in both the United States and Finland. Vaisala is also a partner of Cleen Oy, a strategic centre for science, technology and innovation for energy and environment businesses.

With a donation of EUR 200,000, Vaisala is one of two main sponsors of Science On a Sphere (SOS), a projection technique developed in the United States by the National Oceanic and Atmospheric Administration (NOAA). The sphere is on display at the Finnish Science Center Heureka in Vantaa. More than 150 broad illustrations depicting the oceans, climate, continents and astronomy can be projected onto the surface of a glowing sphere. The sphere provides a global look at, for example, weather conditions, atmospheric gases, earthquakes, ocean currents, glacial areas and ocean temperatures.

Proposals to the Annual General Meeting

The Board of Directors' proposal for the distribution of profit
According to the financial statements for the year to December 31, 2009, the parent company's distributable funds amount to EUR 130,537,792.12, of which the profit for the financial year is EUR 6,617,173.40.

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

- A dividend of EUR 0.65 per share be paid, totaling
EUR 11,835,989.10
- To be retained in shareholders' equity EUR 118,701,803.02
- Total EUR 130,537,792.12

No material changes have occurred in the company's financial situation since the end of the financial year. The company's liquidity remains good and, in the view of the Board, is not threatened by the proposed profit distribution.

The record date for dividend payment has been set at March 30, 2010, and it is proposed that the dividend be paid on April 8, 2010.

The terms of office of Board members Maija Torkko and Yrjö Neuvo will end at the Annual General Meeting. Shareholders representing more than 10 percent of all the votes in the company have announced their intention to propose to Vaisala's Annual General Meeting, to be held on March 25, 2010, that the number of Board members will be six. The Board proposes that Maija Torkko and Yrjö Neuvo be re-elected.

The Board proposes that PricewaterhouseCoopers Oy, Authorized Public Accountants, and Hannu Pellinen, APA, be re-elected as Vaisala's auditor.

The proposed persons and auditor have given their consent to their re-election.

The Board of Directors proposes that the General Meeting authorize donations of maximum EUR 250,000 to one or more universities. The donations would be granted in one or several payments. According to the proposal, the Board of Directors are authorized to decide on the recipients and the payments they receive. The authorization would be in force until the 2011 Annual General Meeting.

Events after the financial year

Petteri Naulapää was appointed Chief Information Officer (CIO) and a member of the strategic management group starting February 16, 2010. Jussi Kallunki, Vaisala's previous CIO, was appointed Chief Risk Officer.

Vantaa, February 18, 2010

Vaisala Corporation
Board of Directors

Financial ratios and shares in figures

Financial ratios

		IFRS 2009	IFRS 2008	IFRS 2007
Net sales	M€	231.8	242.5	224.1
exports and international operations, %		97.2%	94.5%	95.8%
Operating profit	M€	12.0	38.0	35.3
% of net sales		5.2 %	15.7%	15.8%
Profit before taxes	M€	10.1	38.9	37.0
% of net sales		4.3%	16.0%	16.5%
Return on equity (ROE)		3.7%	15.5%	14.9%
Return on investment (ROI)		3.8%	15.5%	15.1%
Solvency ratio		81.5%	82.4%	82.6%
Current ratio		3.1	3.6	3.5
Gross capital expenditure	M€	27.7	12.2	7.3
% of net sales		11.9%	5.0%	3.3%
R&D expenditure on machinery and equipment	M€	0.4	0.5	0.6
R&D expenditure	M€	28.4	24.6	23.5
% of net sales		12.3%	10.1%	10.5%
Orderbook on Dec. 31.	M€	95.5	90.3	82.3
Average personne		1302	1177	1113

Shares in figures

		IFRS 2009	IFRS 2008	IFRS 2007
Earnings/share (EPS)	€	0.38	1.56	1.42
Earnings/share (EPS), calculated taking into account the dilution impact of the bond with warrants	€	0.38	1.56	1.42
Cash flow from business operations/share	€	-0.17	1.77	1.98
Shareholders' equity/share	€	9.90	10.47	9.68
Dividend/share	€	*0.65	0.90	0.85
Dividend/earnings	%	**172.2%	57.7%	59.9%
Effective dividend yield ***		2.6%	3.8%	2.4%
Price/earnings (P/E)		66.51	14.18	25.11
A-share trading				
highest	€	28.46	36.49	41.99
lowest	€	21.42	19.50	29.43
weighted average	€	24.13	25.82	37.31
at balance sheet date	€	25.10	22.11	35.60
Market capitalisation a balance sheet date ***	M€	457.1	402.6	648.2
A-shares traded				
traded	pcs	1 729 224	2 277 884	5 595 292
% of entire series		11.7%	15.4%	37.8%
Adjusted number of shares	pcs	18 209 214	18 209 214	18 209 214
A-shares	pcs	14 820 680	14 812 780	14 810 979
K-shares	pcs	3 397 684	3 405 584	3 407 385
Number of shares at Dec. 31	pcs	18 209 214	18 209 214	18 209 214

* Proposal by the Board of Directors

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

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

Calculation of financial ratios

Return on equity, ROE (%)	=	$\frac{\text{Profit before taxes less taxes}}{\text{Shareholders' equity plus minority interest (average)}} \times 100$
Return on investment, ROI (%)	=	$\frac{\text{Profit after taxes plus interest and financial expenses}}{\text{Balance sheet total less non-interest bearing liabilities (average)}} \times 100$
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, M€	=	Share price at balance sheet date times number of shares

Five years in figures

Consolidated income statement EUR million	IFRS 12/2009	IFRS 12/2008	IFRS 12/2007	IFRS 12/2006	IFRS 12/2005
Net sales	231.8	242.5	224.1	220.8	197.9
Other operating income	0.1	0.1	0.0	0.1	0.3
Costs	210.4	196.4	180.6	171.5	158.4
Depreciation, amortization and impairment charges	9.6	8.2	8.2	10.8	8.4
Operating profit	12.0	38.0	35.3	38.6	31.5
Financial income and expenses	-1.9	0.9	1.7	-0.4	2.6
Profit before tax	10.1	38.9	37.0	38.2	34.1
Income taxes	-3.2	-10.5	-11.2	-11.6	-9.2
Net profit for the period	6.9	28.4	25.8	26.6	24.9

Consolidated balance sheet EUR million	31.12.09	31.12.08	31.12.07	31.12.06	31.12.05
Assets					
Non-current assets	80.0	63.0	56.3	60.4	53.7
Inventories	27.3	22.8	16.1	17.6	14.1
Current assest	124.1	156.0	153.1	141.3	129.1
	231.4	241.7	225.6	219.2	196.9
Shareholders' equity and liabilities					
Equity attributable to equity holders of the parent	180.3	190.6	176.3	169.8	154.3
Liabilites, total	51.2	51.1	49.2	49.4	42.6
Interest bearing	0.6	0.4	0.9	0.9	1.5
Non-interest bearing	50.6	50.7	48.3	48.6	41.1
Balance sheet total	231.4	241.7	225.6	219.2	196.9

Consolidated income statement

Consolidated income statement					
EUR million	Note	1.1. -31.12.2009		1.1. -31.12.2008	
Net sales	2.3	231.8		242.5	
Cost of production and procurement	7	-121.1		-105.1	
Gross profit		110.7	47.7%	137.4	56.7%
Other operating income	6	0.1		0.1	
Cost of sales and marketing	7. 8. 9	-48.6		-51.5	
Development costs	7. 8. 9	-28.4		-24.6	
Other administrative costs	7. 8	-21.8		-23.4	
Operating profit		12.0	5.2%	38.0	15.7%
Financial income	10	7.9		11.3	
Financial expenses	10	-9.8		-10.4	
Share of results of associated companies	16	0.0		0.0	
Profit before tax		10.1	4.3%	38.9	16.0%
Income taxes	11	-3.2		-10.5	
Profit for the year from continuing operations		6.9	3.0%	28.4	11.7%
Profit after tax		6.9		28.4	
Attributable to					
Equity holders of the parent		6.9		28.4	
Earnings per share for profit attributable to the equity holders of the parent					
Basic earnings per share, €	12	0.38		1.56	
Diluted earnings per share, €		0.38		1.56	

Comprehensive income					
Profit for the year		6.9		28.4	
Currency translation differences		-0.8		1.3	
Total comprehensive income for the year		6.1		29.7	
Attributable to Equity holders of the parent		6.1		29.7	

The notes constitute an essential part of the financial statements.

Consolidated balance sheet

Consolidated balance sheet EUR million		Note	31.12.2009		31.12.2008
Assets					
Non-current asset					
Intangible assets	14		23.7		17.3
Property, plant and equipment	15		49.8		39.1
Investments in associates	16	0.5		0.4	
Receivables	17	0.4		0.4	
Deferred tax assets	11	5.7	6.5	5.8	6.6
Current assets					
Inventories	18		27.3		22.8
Trade and other receivables	19		67.9		51.8
Accrued income tax receivables			6.2		0.8
Financial assets recognised at fair value through profit and loss	20		0.0		25.3
Cash and cash equivalents	21		50.1		78.1
Total assets			231.4		241.7

The notes constitute an essential part of the financial statements.

Consolidated balance sheet

Shareholders' equity and liabilities EUR million	Note	31.12.2009	31.12.2008
Shareholders' equity			
Equity attributable to equity holders of the parent	22		
Share capital		7.7	7.7
Share premium reserve		16.6	16.6
Reserve fund		0.2	0.2
Own shares		-0.3	-0.3
Translation differences		-4.9	-4.1
Profit from previous years		154.1	142.1
Profit for the financial year		6.9	28.4
		180.3	190.6
Total equity	22	180.3	190.6
Liabilities			
Long-term liabilities			
Retirement benefit obligations	24	1.2	1.4
Other liabilities	23	0.7	0.2
Provisions	25	0.1	0.5
Deferred tax liabilities	11	0.3	0.4
		2.3	2.5
Current liabilities			
Current liabilities	23	0.3	0.2
Advances received		10.2	10.3
Accrued income tax payables		0.3	1.8
Trade and other payables	26	38.0	36.2
		48.9	48.6
Total liabilities		51.2	51.1
Total Shareholders' equity and liabilities		231.4	241.7

The notes constitute an essential part of the financial statements.

Consolidated statement of changes in shareholders' equity 31.12.2009

EUR million	Note	Share capital	Share premium reserve	Reserve fund	Own shares	Translation differences	Retained earnings	Total equity
Balance at December 31, 2007		7.7	16.6	0.1	-0.3	-5.4	157.6	176.3
Profit for the year	22						28.4	28.4
Currency translation differences	22			0.0		1.3	0.0	1.3
Total comprehensive income for the year				0.0		1.3	28.4	29.7
Transferred from retained earnings to reserve fund	22			0.1			-0.1	0.0
Dividend paid	22						-15.5	-15.5
Balance at December 31, 2008		7.7	16.6	0.2	-0.3	-4.1	170.4	190.6
Profit for the year	22						6.9	6.9
Currency translation differences	22			0.0		-0.8		-0.8
Total comprehensive income for the year				0.0		-0.8	6.9	6.1
Dividend paid	22						-16.4	-16.4
Balance at December 31, 2009		7.7	16.6	0.2	-0.3	-4.9	160.9	180.3

The notes constitute an essential part of the financial statements.

Consolidated cash flow statement

EUR million	Note	Group 1.1.-31.12.2009	Group 1.1.-31.12.2008
Cash flows from operating activities			
Cash receipts from customers	2, 3	225.7	241.4
Other income from business operations			0.1
Cash paid to suppliers and employees		-218.0	-197.6
Interest received	10	1.0	0.0
Interest paid	10	-0.1	-0.2
Other financial items, net		-1.4	0.9
Direct tax paid	11	-10.3	-12.5
Total cash flow from business operations (A)		-3.2	32.2
Cash flow from investing activities			
Investments in intangible assets		-1.3	-0.5
Investments in tangible assets		-13.7	-12.0
Acquisition of subsidiary, net of cash acquired	4	-16.7	
Proceeds from sale of fixed assets		0.1	0.2
Other investments	14	-0.1	-0.2
The net change in financial assets recognised at fair value through profit and loss	20	23.2	17.3
Loans granted		0.0	0.0
Total cash flow from investing activities (B)		-8.5	4.9
Cash flow from financing activities			
Repayment of short-term loans		-0.1	0.0
Repayment of long-term loans		0.0	0.1
Dividend paid		-16.4	-15.5
Total cash flow from financing activities (C)		-16.5	-15.4
Change in liquid funds (A+B+C) increase (+) / decrease (-)		-28.2	21.7
Liquid funds at beginning of period		78.1	56.6
Foreign exchange effect on cash		0.2	-0.3
Net increase in cash and cash equivalents		-28.2	21.7
Liquid funds at end of period	20, 21	50.1	78.1

Notes to the consolidated financial statements

Basic information

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.

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, Canada, France, the UK, Germany, China, Sweden, Malaysia, India, United Arab Emirates, Japan and Australia.

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

At its meeting on 18 February 2010, the Board of Directors of Vaisala Oyj has approved these financial statements for publication. Under the Finnish Companies Act, shareholders have an opportunity to accept or reject the financial statements in the Annual General Meeting to be held after their publication. The Annual General Meeting also has an opportunity to make a decision amending the financial statements.

1.1. Accounting Principles for the consolidated financial statements

Vaisala's consolidated financial statements have been prepared according to the International Financial Reporting Standards (IFRS) and in their preparation all the obligatory IAS and IFRS standards as well as the SIC and IFRIC interpretations in effect on 31 December 2009 have been followed. Group has also voluntarily adopted IFRS 3 (revised 2008) and IAS 27 (amended 2008) Standards already during the financial year 2009. By international financial statement standards is meant standards approved for application in the EU, and interpretations issued about them, according to the procedure prescribed in Finnish law and provisions enacted thereon in EU Regulation (EC) No. 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish accounting and corporate law.

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

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

Segment reporting

Adopting IFRS 8 did not change the company's operating segments, because segment information given before was already based on internal reporting, where valuation principles for assets and liabilities have been and are still in accordance with the IFRS standard. Because of the new business segment structure in 2009 the company adopted a market segment based reporting model. Operating segments are reported in a manner consistent with the internal reporting provided for the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, is the company's strategic management group.

The business segments consist of asset categories and business operations whose product, customer- 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 areas are Meteorology, Weather Critical Operations and Controlled Environment.

Meteorology consists of Emerging markets and Established markets. The Meteorology business area serves national meteorological and hydrological institutes, whose primary interest is to provide national weather information and forecasts.

Weather Critical Operations consists of Airports, Roads, Defense, Wind Energy and Targeted Business Development segments. This business area focuses on customers whose operations or businesses are affected by the weather, like aviation customers, road authorities, defense forces and wind parks.

Controlled Environment consists of Clean Rooms and Chambers, Building Automation and Targeted Industrial Applications segments. This business area includes customers who operate in tightly controlled and demanding areas where the measurement of precise environmental conditions is required to increase operational quality, productivity and energy savings.

Principles of consolidation

Subsidiaries

The consolidated financial statements include the parent company Vaisala 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 (revised 2008) standard Business Combinations.

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

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

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

Transactions in foreign currencies are 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 translation differences 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 under comprehensive income. 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 assets

Tangible 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 tangible asset consists of several parts which have useful lives of different lengths, the parts are treated as separate assets. Accordingly, expenses relating to the renewal of a part are capitalised and the part remaining in connection with the renewal is recognised as an expense. In other cases, expenditures that arise later are included in the carrying amount of the tangible assets only if it is probable that the future financial benefit connected with the asset is for the benefit of the Group and that the asset's acquisition cost can be reliably determined. Other repair and maintenance expenses are recognised through profit and loss, when they are realised.

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

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

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

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

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

Intangible assets

Goodwill

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

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 acquisition cost less impairment losses. Impairment costs are expensed.

Other intangible assets

Other intangible assets are e.g. patents and trademarks as well as software 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 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 using the straight-line method 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 prod-

ucts 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

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

Inventories

Inventories are valued 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 determined using the weighted average method, whereby the cost is determined as the weighted average of similar inventory items which were held at the beginning of the financial period and those bought or produced during the financial period.

Lease agreements

The Group 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 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.

Impairment

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

The recoverable amount is the higher of the asset item's fair value less the cost arising from disposal and its value in use. When determining value in use, the expected future cash flows are discounted based on their present values at discount interest rates which reflect the average capital cost before taxes of the country and business sector in question (WACC = weighted average cost of capital). The special risks of the assets in question are also taken into account in the discount interest rates. 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

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.

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.

Trade receivables are valued initially at fair value and thereafter 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. A debtor's significant financial difficulties, probability of bankruptcy, default on payments, or a more than 180 day delay in the making of payments are evidence of an impairment of trade receivables. The magnitude of the impairment loss to be recognised in the income statement is determined as the difference of the carrying amount of receivables and the present value of estimated future cash flows. If the amount of impairment loss falls in some later financial period and the reduction can be objectively considered to be related to an event after the recognition of the impairment, the recognised loss is reversed through profit and loss.

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. Derivatives are included in the balance sheet as other receivables and payables.

The Group has sales in a number of foreign currencies, of which the most significant are the US dollar, the Japanese yen and the British pound. The Group does not apply hedge accounting under IAS 39 to forward foreign exchange contracts that hedge sales in foreign currencies. The Group has a number of investments in foreign subsidiaries whose net assets are exposed to foreign currency risk. The Group does not hedge the foreign exchange risk of subsidiaries' net assets.

Unrealized and realized gains and losses arising from changes in fair value are recognized in the income statement in "financial income and expenses" in the period during 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. From the present value of the pension obligation recognised in the balance sheet is deducted pension scheme assets valued at fair value on the closing date, the contribution of unrecognised gains and losses, as well as past service costs. When calculating the present value of the pension obligation, the discount rate used is the market yield on high quality bonds

issued by companies or the interest rate on state treasury bills. 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.

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. Provisions are valued at the present value of expenses required to cover the obligation. The discount factor used in calculating present value is selected so that it reflects the market view of the time value of money and the risks related to the obligations at the time of examination. If it is possible that the Group will be reimbursed for part of the obligation by some third party, the reimbursement is 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.

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

Principles of revenue recognition

Sales of goods and services rendered

Revenue from the sale of goods is recognised when significant risks and rewards of owning the goods are transferred to the buyer. Revenue recognition generally takes place when the transfer has taken place. Revenue for rendering of services is 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.

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

When the outcome of a long-term project cannot be estimated reliably, project costs are 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 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.

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.

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 out-

comes may differ from the estimates and assumptions made. In addition, discretion has to be exercised in applying the accounting principles of the financial statements. Estimates made and discretion exercised are based on previous experience and other factors, such as assumptions about future events. Estimates made and discretion exercised are examined regularly. The key areas in which estimates have been made and discretion has been exercised are outlined below. The biggest impact of these on the figures presented is reflected through impairment testing. Other estimates are connected mainly with environmental, litigation and tax risks, the determination of pension obligations as well as the 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 estimates 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. Further information on long-term projects is given in Note 5. Long-term projects.

Impairment testing

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

Valuation of inventories

A management principle is to 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. Further information on inventories is given in Note 18. Inventories.

Application of new or amended IFRS standards and IFRIC interpretations

In preparing these interim financial statements, the group has followed the same accounting policies as in the annual financial statements for 2008 except for the effect of changes required by the adoption of the following standards, interpretations and amendments on 1 January 2009:

IAS 1 (Revised), 'Presentation of Financial Statements'. The revised standard is aimed at improving users' ability to analyse and compare the information given in financial statements by separating changes in equity of an entity arising from transactions with owners from other changes in equity. Non-owner changed in equity will be presented in the statement of comprehensive income. The change in accounting policy only impacts presentation aspects. Comparative information has been re-presented so that it also is in conformity with the revised standard.

Amendment to IAS 23, 'Borrowing Costs'. The amendment does not have a material impact on the group's financial statements.

Amendments to IAS 32, 'Financial Instruments: Presentation' and IAS 1, 'Presentation of Financial Statements' —Puttable Financial Instruments and Obligations Arising on Liquidation. The amendment does not have an impact on the group's financial statements.

Amendment to IFRS 2, 'Share-based payment', clarifies that only service conditions and performance conditions are vesting conditions. The amendment does not have an impact on the group's financial statements.

Amendment to IFRS 7, 'Financial instruments - Disclosures': The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

IFRS 8, 'Operating Segments'. The new standard replaces IAS 14. The standard does not have an impact on the group's financial statements.

IFRIC 11, 'IFRS 2 – Group and treasury share transactions'. The interpretation does not have a material impact on the group's financial statements.

IFRIC 13, 'Customer Loyalty Programmes'. IFRIC 13 does not have an effect on the group's financial statements as none of the group's companies operate loyalty programmes.

IFRIC 14, 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'. The interpretation does not have a material impact on the group's financial statements.

IFRIC 15, 'Agreements for the Construction of Real Estate'. This interpretation does not have an impact on the group's financial statements.

IASB published changes to 34 standards in May 2008 as part of the annual Improvements to IFRSs project. The group adopted these changes in 2009 and

they have no impact on the group's financial statements.

The following new standards and interpretations effective in 2009 are not relevant to the financial statements of the group:

IAS 41 (Amendment), 'Agriculture'.

IFRS 1 (Amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements'.

The following standards effective 2010, earlier application is permitted, will be adopted by the group already 2009:

IFRS 3 (Revised), 'Business combinations'. The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently remeasured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed, which will decrease goodwill value for the acquired companies. The amendment does not have a material impact on the financial statements of the group.

IAS 27 (Revised), 'Consolidated and separate financial statements'. The amendment does not have a material impact on the financial statements of the group.

In addition to the new standards and interpretations presented in the annual financial statements for 2008, the following standards and interpretations and amendments to existing standards and interpretations issued during the year 2009 will be adopted by the group in 2010:

IFRIC 18, Transfers of Assets from Customers: The interpretation will not have an impact on the consolidated financial statements.*

IFRIC 9 and IAS 39 (Amendment), Reassessment of embedded derivatives on reclassification: The interpretation will not have an impact on the consolidated financial statements.*

IFRS 2 (Amendment), Share-based Payment – Group Cash-settled Share-based Payment Transactions: The amendment to IFRS 2 clarifies that an entity that receives goods or services from its suppliers must apply IFRS 2 even though the entity has no obligation to make the required share-based cash payments. The interpretation will not have an impact on the consolidated financial statements.*

IFRS 1 (Amendment), First-time adoption of Financial Instruments – Additional Exemptions for First-time Adopters: The interpretation does not have an impact on the consolidated financial statements as the group is not a first time adopter of IFRSs.*

IASB published changes to 12 standards or interpretations in April 2009 as part of the annual Improvements to IFRSs project, which will be adopted by the group in 2010. The following presentation includes the most relevant changes to the group.*

IFRS 2 (Amendment), Scope of IFRS 2 – Share-based Payment: The interpretation will not have an impact on the consolidated financial statements.

IFRS 5 (Amendment), Non-current Assets Held for Sale and Discontinued Operations: Management is assessing the impact of these changes on the financial statements of the group.

IFRS 8 (Amendment), Operating Segments: The interpretation will not have an impact on the consolidated financial statements.

IAS 1 (Amendment), Presentation of Financial Statements: Management is assessing the impact of these changes on the financial statements of the group.

IAS 7 (Amendment), Statement of Cash Flows: Management is assessing the impact of these changes on the financial statements of the group.

IAS 17 (Amendment), Leases: The interpretation will not have an impact on the consolidated financial statements.

IAS 18 (Amendment), Revenue: Management is assessing the impact of these changes on the financial statements of the group.

IAS 36 (Amendment), Impairment of Assets: Management is assessing the impact of these changes on the financial statements of the group.

IAS 38 (Amendment), Intangible Assets: Management is assessing the impact of these changes on the financial statements of the group.

IAS 39 (Amendment), Financial Instruments: Management is assessing the impact of these changes on the financial statements of the group.

IFRIC 9 (Amendment), Reassessment of Embedded Derivatives: Management is assessing the impact of these changes on the financial statements of the group.

IFRIC 16 (Amendment), Hedges of a net investment in a foreign operation: Management is assessing the impact of these changes on the financial statements of the group.

The following standards, interpretations and amendments will be adopted in 2011 or later:

IAS 32 (Amendment), Financial Instruments: Presentation Classification of Rights Issues: Management is assessing the impact of these changes on the financial statements of the group.

IAS 24 (Revised), Related Party Disclosures: The interpretation will not have an impact on the consolidated financial statements.*

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments: Management is assessing the impact of these changes on the financial statements of the group.*

IFRIC 14 (Amendment), Prepayments of a Minimum Funding Requirement: Management is assessing the impact of these changes on the financial statements of the group.*

IFRS 9, Financial Assets – Classification and Measurement: Management is assessing the impact of these changes on the financial statements of the group.*

* The standard/ interpretation is still subject to endorsement by the European Union.

1.2. Financial risk management

Organization of risk management

Vaisala has a risk management policy that has been approved by the Board of Directors and that covers the company's strategic, operating and financing risks. Vaisala's strategic management group regularly assesses risk management policies, and the scope, adequacy and focus areas of related practices. The policy aims at ensuring the safety of the company's personnel, operations and products as well as the continuity of operations. The policy also covers intellectual capital, corporate image and brand protection. An appropriate and up-to-date risk concept is integrated into decision-making and included in the business plan.

More detailed operational instructions are defined by the strategic management group. These include approval, bidding and procurement authorizations and terms of payments.

The main principles of the investment policy in the order of their priority are a) minimizing credit loss risks, b) ensuring liquidity, and c) maximizing return on investment. The maximum term of investment is 12 months.

Usual risks related to international business affect Vaisala's operating environment. The most significant of these are risks relating to changes in the global economy, currency exchange rates (with particular respect to the U.S. dollar), supply network management and production activities. Vaisala monitors these risks and prepares for them in accordance with the company's risk management policy.

Group-level insurance programs have been established to deal with manageable operating risks. These programs cover risks relating to property damage, business interruption, different liabilities, transport and business travel. Vaisala's ability to tolerate risks is good and the company has a strong capital structure, ensuring capital adequacy.

Near-term risks and uncertainties

The near term risks and uncertainties are estimated to relate to changes in the global economy, shifts of currency exchange rates, interruptions in manufacturing, project delivery capabilities, customers' financing capability, changes in purchasing or investment behavior, and delays or cancellations of orders and deliveries. The biggest risks in realization of net sales relate to the industrial segments which are more sensitive to economic fluctuations and where the demand has clearly slowed down. The share of these segments is approximately 25 percent of Vaisala's net sales. Additionally, cancellations or delays of project deliveries that have been planned to take place this year may affect the net sales and operating profit.

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

Vaisala is currently implementing significant development projects and organizational changes, which lay the foundation for the execution of Vaisala's new strategy. A new Group-wide enterprise resource planning system is also under development. These efforts constitute a short-term risk regarding Vaisala's net sales and result.

Vaisala has made acquisitions and their impact on net sales and operating profit depends essentially on the success of integration activities. In case the assumptions about achievable synergies prove incorrect or the integration activities fail, they constitute a short-term risk regarding Vaisala's net sales and result.

Interest rate risk

The company has no significant interest-bearing liabilities. Interest rate risk arises from the effects of interest rate changes

on interest-bearing receivables and liabilities in different currencies. According to the company's management, the interest rate risk is small and it is included in the interest of the invested assets if the interest rate changes. Interest rate changes affect the fair value of both cash flows and investments. A change of one percentage point in the interest rate would affect the company's result after taxes by around EUR 358 (396) thousand, calculated on an approximate investment position of EUR 48.3 (53.5) million. Further information on interest-bearing receivables is given in Note 21.

Market risk on investment activity

In 2008, the Group invested its cash reserves in short-term income funds and is therefore exposed in its operations to a price risk arising from fluctuations in the quoted market prices of income funds. The income fund investments were realized during 2009. Because issuers (states, municipalities and financial institutions) whose credit rating is very good are selected as the locations for fund investments, the credit risk connected with the funds was low. The funds invest in euro-denominated interest income products, so there was no currency risk. A rise in short-term market interest rates momentarily lowered the value of fund shares. A change in fair value of EUR 2,120 thousand loss (2,209) in 2009 was recognized in the income statement under 'financial income and expenses'. Further information on assets recognized at fair value through profit and loss is given in Note 20.

Currency risk

The international nature of operations exposes the Group to risks that arise when investments in different currencies are converted into the parent company's functional currency. The most significant currencies for the Group are the US dollar, the Japanese yen and the British pound. The Group has many investments in its foreign subsidiaries, whose net assets are exposed to currency risks. The Group does not hedge the currency risks related to its subsidiaries' net assets. The separate table features a sensitivity analysis (SA) on how changes in the rates of the most important currencies for the Group and in the euro, both in terms of average rate and balance sheet day rate, would affect the consolidated profit after taxes. The SA calculation does not incorporate the effects of parent company purchases in other currencies during the financial year. The Group recognizes monetary items at net in accounting and hedges them with currency forwards to which the Group does not apply hedge accounting in accordance with IAS 39. Around 40% of the Group's net sales arise in US dollars, 5% in Japanese yens and 4% in British pounds. A significant proportion of Group purchases take place in euros. Currency forwards are used to hedge the net position arising from these. The degree of hedging is around 50 per cent of the order book and trade receivables. The degree of hedging at the end of the financial year was 42%. Hedging is arranged by the parent company (Note 10. Financial income and expenses).

			Effect on result after taxes EUR thousand
2009			
USD/EUR	Exchange rate rise	10.00 %	459.1
	Exchange rate fall	10.00 %	-447.5
JPY/EUR	Exchange rate rise	10.00 %	91.6
	Exchange rate fall	10.00 %	-75.0
GBP/EUR	Exchange rate rise	10.00 %	209.3
	Exchange rate fall	10.00 %	-190.6
2008			
USD/EUR	Exchange rate rise	10.00 %	491
	Exchange rate fall	10.00 %	-468
JPY/EUR	Exchange rate rise	10.00 %	165
	Exchange rate fall	10.00 %	-135
GBP/EUR	Exchange rate rise	10.00 %	403
	Exchange rate fall	10.00 %	-371

Liquidity risk

The Group aims to continuously assess and observe the level of funding required to finance the business to ensure that the Group has sufficient liquid assets for financing its operations. 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. To fulfill the liquidity need, the parent company has EUR 20 million credit loan limit, which is currently unused. Additionally, the subsidiaries have EUR 1.3 million credit loan limit, currently unused. The company has no other external financial liabilities other than those related to finance leasing (Note 23. Interest-bearing liabilities).

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

Counterparty risk

Liquid assets are directed, within set limits, to investments whose creditworthiness is good. The investments and investment limits are redefined annually. Further information on the classification of investments is given in Note 21. Cash and cash equivalents.

Credit risk

The Group applies a stringent credit issuance policy. Credit risks are hedged by using letters of credit, advance payments and bank guarantees as terms of payment. According to Group

management, the company has no material credit risk concentrations, because no individual customer or customer group represents an excessive risk, thanks to global diversification of the company's customer pool. Total credit losses arising from accounts receivable and recognized for the financial year amounted to EUR 0.4 million (0.3), and the total net credit loss for the financial year was EUR 0.4 million (-0.1). The credit losses resulted from an unexpected change in the financial environment of a customer. The maximum amount of the Group's credit risk corresponds with the carrying amount of financial assets at the end of the financial year. The periodic distribution of accounts receivable items is presented in Note 19 in the Notes to the Financial Statements.

Management of capital assets

Management of the Group's capital assets aims at ensuring normal company operation and increasing shareholder value with an optimum capital structure. The goal is to attain the best possible returns over the long term. An optimum capital structure also ensures lower capital costs. Capital structure can be affected through dividend distribution and share issues, for example. The Group can alter or adjust the amount of dividend payable to shareholders, the amount of capital returned to them or the number of new shares issued. The company has no significant financial liabilities. The shareholders' equity indicated in the consolidated balance sheet represents the capital assets managed. The Group does not apply external capital requirements.

2. Business segments

2009 EUR million	WCO *	CEN *	MET *	Other operations	Group
Net sales to external customers	101.8	49.2	80.8	0.0	231.8
Net sales	101.8	49.2	80.8	0.0	231.8
Operating profit	5.5	3.4	3.4	-0.4	12.0
Financial income and expenses					-1.9
Share of associated companies' net profit					0.0
Net profit before taxes					10.1
Income taxes					-3.2
Net profit for the financial year					6.9
Assets	33.3	5.8	25.9	166.2	231.2
Holdings in associated companies	0.2	0.0	0.0	0.0	0.2
Liabilities	7.6	0.4	5.0	38.2	51.2
Investments	11.3	0.0	0.3	16.1	27.7
Depreciation	0.8	0.1	1.4	7.3	9.6

* WCO = Weather Critical Operations

* CEN = Controlled Environment

* MET = Meteorology

2008 EUR million	WCO *	CEN *	MET *	Other operations	Group
Net sales to external customers	123.3	54.3	64.9	0.0	242.5
Net sales	123.3	54.3	64.9	0.0	242.5
Operating profit	24.6	8.4	8.0	-3.0	38.0
Financial income and expenses					0.9
Share of associated companies' net profit					0.0
Net profit before taxes					38.9
Income taxes					-10.5
Net profit for the financial year					28.4
Assets	23.3	4.4	21.1	192.5	241.3
Holdings in associated companies	0.4	0.0	0.0	0.0	0.4
Liabilities	7.2	0.4	4.7	38.9	51.1
Investments	2.7	0.0	0.1	9.5	12.2
Depreciation	0.7	0.1	1.2	6.2	8.2

* WCO = Weather Critical Operations

* CEN = Controlled Environment

* MET = Meteorology

3. Geographical segments

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

2009 EUR million	Net sales, by destination country (1)	Net sales, by location country (2)	Assets (2)	Investments
EMEA	84.9	178.5	184.0	12.6
of which Finland	6.4	104.0	168.8	12.5
Americas	94.3	94.7	72.5	14.5
of which United States	75.1	90.2	72.5	14.5
APAC	52.6	25.7	13.7	0.7
Group eliminations		-67.0	-38.8	
Total	231.8	231.8	231.4	27.7

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.

2008 EUR million	Net sales, by destination country (1)	Net sales, by location country (2)	Assets (2)	Investments
EMEA	108.5	201.7	194.6	9.3
of which Finland	13.3	128.9	181.6	9.2
Americas	74.3	79.9	56.7	2.7
of which United States	59.2	76.7	56.7	2.7
APAC	59.6	25.1	12.1	0.1
Group eliminations		-64.2	-21.7	
Total	242.5	242.5	241.7	12.2

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.

4. Company acquisitions

Aviation System Maintenance Inc (ASMI)

On January 1, 2009, Vaisala acquired all shares of Aviation System Maintenance Inc (ASMI), a US-based airport service company. The company has 10 employees and the net sales for 2009 were EUR 1.0 million and operating profit EUR 0.1 million. ASMI, which is located in Kansas, has a large customer base and over 25 years of experience in the installation and maintenance of airport weather equipment. The acquisition will considerably strengthen Vaisala's position as a supplier of maintenance services in the US airport weather business, complementing the existing service contracts and expertise. These synergy benefits have accrued to EUR 1.3 million goodwill. The goodwill is tax-deductible. The deal price was EUR 2.2 million, which includes a conditional EUR 0.4 million deal price. This conditional price will be paid at the end of 2010, provided that the agreed performance expectations are met.

Purchase consideration:

EUR million	
Purchase price paid	2.2
Total purchase cost	2.2
Fair value of the acquired net identifiable assets	-0.9
	1.3

Assets and liabilities arising from the acquisition are as follows	Fair value recognized in combination	Acquiree's carrying amount before combination
Tangible assets	0.2	0.2
Intangible assets		
Order book	0.3	0.0
Customer value	0.4	0.0
Available-for-sale financial assets	0.0	0.0
Inventories	0.0	0.0
Receivables	0.1	0.1
Cash and cash equivalents	0.2	0.2
Deferred tax liabilities	-0.1	-0.1
Non-interest-bearing liabilities	-0.1	-0.1
Interest-bearing liabilities	-0.1	-0.1
Net identifiable assets	0.9	0.3
Acquisition cost	2.2	
Goodwill	1.3	
Purchase consideration settled in cash	2.2	
Cash and cash equivalents in subsidiary acquired	-0.2	
Cash outflow on acquisition	2.1	

Quixote Transportation Technologies, Inc (QTT)

On 18 December 2009, Vaisala acquired Quixote Transportation Technologies, Inc (QTT), a subsidiary of Nasdaq-listed Quixote Corporation with sales of USD 16.2 million and approximately 100 employees in 2009. Net sales of the acquired business during 19 - 31 December 2009 were EUR 0.4 million and operating profit EUR 0.1 million. Had the acquisition taken place on January 1, 2009, Vaisala group's net sales in the financial year would have been EUR 248 million and net profit EUR 7.9 million. QTT complements Vaisala's Roads segment offering and application knowledge, enabling the delivery of more complete solutions and customer service. QTT's offering of road and runway weather information, highway advisory radio, and traffic monitoring systems will significantly strengthen Vaisala's position in the Roads markets and open up new opportunities especially in the ITS (intelligent transportation systems) markets. The acquired new customer base together with the synergy benefits accrue to goodwill of EUR 2.8 million. The goodwill is tax-deductible. The acquisition costs EUR 0.7 million are expensed during the financial period. The calculation is provisional because acquisition took place in the last minute of the financial period. The Management does not see it probable that the calculation will change.

Purchase consideration: EUR million

Purchase price paid	14.3
Total purchase cost	14.3
Fair value of the acquired net identifiable assets	-11.5
	2.8

Assets and liabilities arising from the acquisition are as follows	Fair value recognized in combination	Acquiree's carrying amount before combination
Tangible assets	1.9	2.5
Intangible assets		
Software	0.1	0.1
Order book	0.5	0.0
Patents	0.7	0.7
Technology	1.4	0.8
Trademark	0.8	0.0
Customer value	0.8	0.0
Inventories	2.4	2.5
Receivables	4.2	4.1
Cash and cash equivalents	0.0	0.0
Non-interest-bearing liabilities	-1.5	-1.5
Net identifiable assets	11.5	9.4
Acquisition cost	14.3	
Goodwill	2.8	
Purchase consideration settled in cash	14.3	
Cash and cash equivalents in subsidiary acquired	0.0	
Cash outflow on acquisition	14.3	

5. Long-term project

Net sales include EUR 5.0 million (2008; EUR 5.2 million) in revenue recognized for long-term projects.

Revenue of EUR 0.1 million recognized for long-term projects in progress was included in the consolidated income statement (2008; EUR 0.1 million). Advance payments of EUR 1.5 million recognized for long-term projects in progress were included in the balance sheet at 31.12.2009 (EUR 1.7 million 31.12.2008).

6. Other operating income

EUR million	2009	2008
Gains on the disposal of fixed assets	0.0	0.0
Other	0.1	0.0
	0.1	0.0

7. Depreciation and impairment

Depreciation by function

EUR million	2009	2008
Procurement and production	5.6	4.8
Sales and marketing	0.1	0.1
Research and development	0.6	0.5
Other administration	3.3	2.8
	9.6	8.2

8. Expenses arising from employee benefits

EUR million	2009	2008
Salaries	63.3	59.6
Options payable as cash	0.0	0.1
Social costs	6.9	8.6
Pensions		
Defined-benefit pension schemes	0.1	0.1
Defined-contribution pension schemes	6.6	6.8
Personnel expenses, total	76.9	75.2

Expenses arising from employee benefits by function

	2009	2008
Procurement and production	16.8	19.2
Sales and marketing	34.5	30.6
Research and development	18.6	17.0
Other administration	7.0	8.3
	76.9	75.2

Group personnel, average during the financial year By business unit

	2009	2008
Weather Critical Operations	117	106
Controlled Environment	83	75
Meteorology	55	49
Other operations	1 047	947
	1 302	1 177
In Finland	803	734
Outside Finland	499	443
	1 302	1 177

9. Research and development expenditure

The income statement includes research and development expenditure of EUR 28.4 million recognized as an expense in 2009 (EUR 24.6 million in 2008).

10. Financial income and expenses

EUR million	2009	2008
Dividend income	0.0	0.0
Other interest and financial income	0.8	2.4
Realized and unrealized gains arising from changes in fair value of derivative contracts and hedging activities	2.0	2.0
Other foreign exchange gains	5.1	6.9
Total financial income	7.9	11.3
Interest expenses		
Short- and long-term liabilities	-0.1	0.0
Finance lease agreements	0.0	0.0
Change in fair value of assets recognized at fair value through profit and loss*	-2.1	-2.2
Other financial expenses	-0.1	-0.1
Realized and unrealized losses arising from changes in fair value of derivative contracts and hedging activities	-1.8	-2.3
Other foreign exchange gains	-5.7	-5.8
Total financial income	-9.8	-10.4

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

*Change in fair value of income fund investments.

11. Income taxes

EUR million	2009	2008
Tax based on taxable income for the financial year	3.3	11.4
Taxes from previous financial years	0.1	0.0
Change in deferred tax assets and liabilities	-0.2	-0.9
	3.2	10.5

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

EUR million	2009	2008
Profit before taxes	10.1	38.9
Taxes calculated at Finnish tax rate	2.6	10.1
Effect of foreign subsidiaries' tax rates	0.5	0.7
Non-deductible expenses and tax-free revenue	-0.6	-0.8
Use of previously unrecognized tax losses	-0.3	-1.4
Effect of the group eliminations	0.9	1.0
Income tax and withholding taxes of permanent operating locations	0.2	0.9
Tax in income statement	3.2	10.5
Effective tax rate	31.8%	27.0%

Deferred taxes in balance sheet

EUR million	2009	2008
Deferred tax assets	5.7	5.8
Deferred tax liabilities	-0.3	-0.4
Deferred tax asset, net	5.4	5.4

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

Gross change in deferred taxes recognized in balance sheet:	2009	2008
Deferred taxes 1 Jan	5.4	4.3
Items recognized in income statement	0.2	0.9
Translation differences	-0.2	0.2
Acquisition of subsidiary	-0.1	0.0
Deferred tax asset, net	<u>5.4</u>	<u>5.4</u>

In the consolidated financial statements has been recognized a EUR 1.3 million euro deferred tax asset for losses of subsidiaries in earlier years.

Changes in deferred taxes during 2009		Recognized			
EUR million	31.12. 2008	in income	Translation	Purchased	31.12. 2009
Deferred tax assets:					
Internal margin of inventories and fixed assets	0.6	-0.1	-	-	0.5
Employee benefits	0.1	0.4	-	-	0.4
Unused tax losses	1.6	-0.3	-	-	1.3
Timing difference of depreciation on intangible items	2.3	0.3	-0.1	-	2.5
Other temporary timing differences	1.2	-0.1	-0.1	-0.1	1.0
Total	5.8	0.1	-0.2	-0.1	5.7
Deferred tax liabilities					
Timing difference between accounting and taxation	0.4	-0.1	0.0	-	0.3
Deferred tax asset, net	5.4	0.2	-0.2	-0.1	5.4

Changes in deferred taxes during 2008		Recognized in	Translation	
EUR million	31.12. 2007	income statement	differences	31.12. 2008
Deferred tax assets:				
Internal margin of inventories and fixed assets	0.5	0.1	-	0.6
Employee benefits	0.1	0.0	-	0.1
Unused tax losses	0.8	0.8	-	1.6
Timing difference of depreciation on intangible items	2.5	-0.3	0.1	2.3
Other temporary timing differences	0.9	0.3	0.0	1.2
Total	4.7	0.9	0.2	5.8
Deferred tax liabilities				
Accumulated depreciation difference	0.4	0.0	0.0	0.4
Deferred tax asset, net	4.3	0.9	0.2	5.4

*Other temporary differences consist of the different handling in taxation and accounting of subsidiaries' sales, credit losses, inventories and other items. For the EUR 32.5 million undistributed retained earnings of foreign subsidiaries in 2009 (31.5 million in 2008), no deferred tax liability has been recognized, 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.

	2009	2008
Profit for financial year belonging to parent company shareholders, EUR million	6.9	28.4
Weighted average number of shares outstanding, 1000 pcs	18 209	18 209
Earnings per share, EUR	0.38	1.56

The Group had no share options during the years 2009 and 2008 that increase the number of diluting shares.

13. Dividend per share

For 2008 a dividend of 0.90 euros per share was paid.

At the Annual General Meeting to held on 25 March 2010 the payment of a dividend of 0.65 euros per share will be proposed, representing a total dividend of EUR 11.8 million. The proposed dividend has not been recognized as a dividend liability in these financial statements.

14. Intangible assets

Intangible assets EUR million	Intangible rights*	Goodwill	Other intangible assets**		Total
Acquisition cost 1 Jan	21.5	9.4	5.7		36.6
Translation difference	0.7	-0.4	0.1		0.3
Increases	0.7	-	0.4		1.1
Acquisition of subsidiary	5.1	4.2	-		9.2
Decreases	-0.4	-	-		-0.4
Transfers between items	0.1	-	0.1		0.2
Acquisition cost 31 Dec	27.6	13.2	6.2		47.0
Accumulated depreciation and impairment 1 Jan	17.4	-	1.9		19.3
Translation difference	0.3	-	0.1		0.3
Accumulated depreciation of decreases and transfers	0.2	0.0	0.0		0.3
Depreciation in financial year	2.9	-	0.5		3.4
Accumulated depreciation 31 Dec	20.8	0.0	2.5		23.3
Carrying amount 31 Dec 2009	6.8	13.2	3.7		23.7

Intangible assets	Intangible rights*	Goodwill	Trademark	Other intangible assets**	Total
Acquisition cost 1 Jan	20.4	8.9	2.9	2.2	34.4
Translation difference	0.7	0.5	0.2	0.1	1.5
Increases	0.5	-	-	0.3	0.8
Decreases	-0.4	-	-	0.3	-0.1
Transfers between items	0.4	-	-	-0.4	0.1
Acquisition cost 31 Dec	21.5	9.4	3.1	2.6	36.6
Accumulated depreciation and impairment 1 Jan	15.5	-	-	1.7	17.2
Translation difference	0.3	-	-	0.1	0.4
Accumulated depreciation of decreases and transfers	-0.4	-	-	-0.4	-0.8
Depreciation in financial year	2.1	-	-	0.5	2.6
Accumulated depreciation 31 Dec	17.4	-	0.0	1.9	19.3
Carrying amount 31 Dec 2008	4.1	9.4	3.1	0.8	17.3

*Intangible rights include patents and trademarks as well as software licenses. Trademark consists of the Sigmet trademark which had indefinite useful life until the year 2008. On the beginning of the year 2009 it was decided, that Sigmet trademark will be merged with Vaisala trademark during the next five years. Estimated useful life for the trademark is five year from the beginning of the year 2009.

**Other intangible assets mainly include subscription fees and capitalized Vaisala-brand development costs.

Goodwill impairment testing

Goodwill is attributed to the segments Vaisala Meteorology and Weather Critical Operations. The balance sheet value of goodwill is assessed at least once per year to ascertain any possible impairment. For impairment testing the goodwill is attributed to two different cash generating units, i.e. EUR 10.8 million (2008 EUR 8.3 million) to a North American Meteorology and Weather Critical Operations and EUR 2.4 million (2008 EUR 1.1 million) to a North American Service segment including in January 2009 acquired Aviation System Maintenance Inc (ASMI) goodwill EUR 1.3 million.

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. Service business is very steady. Two per cent annual growth has been used as the growth rate for service business sales, and profitability is expected to remain at the same level as in 2009.

The relative profitability of the Meteorology and Weather Critical Operations is expected to remain as before and a moderate two per cent annual growth has been used as the growth rate. 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 2009 was 14.4% (2008 14.5%). Cash flows after the management-approved forecast period have been calculated using the residual value method, in which the average of operating 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.

15. Tangible assets

Tangible assets 2009 EUR million	Land and waters	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost 1 Jan	2.7	31.2	54.9	0.0	10.3	99.1
Translation difference	0.0	-0.1	-0.2	-	-0.1	-0.4
Increases	-	0.0	3.6	-	11.6	15.3
Acquisition of subsidiary	0.1	0.8	1.1	-	-	2.1
Decreases	-	-1.7	-1.0	-	-	-2.7
Transfers between items	-	0.1	2.4	-	-2.6	-0.2
Acquisition cost 31 Dec	2.7	30.4	60.9	0.0	19.2	113.2
Accumulated depreciation and impairment 1 Jan	-	16.9	43.2	-	-	60.0
Translation difference	-	0.0	-0.4	-	-	-0.4
Accumulated depreciation of decreases and transfers	-	-1.7	-0.8	-	-	-2.5
Depreciation in financial year	-	1.5	4.7	-	-	6.2
Accumulated depreciation 31 Dec	0.0	16.7	46.6	0.0	0.0	63.4
Carrying amount 31 Dec 2009	2.7	13.7	14.2	0.0	19.2	49.8

The undepreciated acquisition cost of machinery and equipment belonging the tangible fixed assets was EUR 30.1 million on 31.12.2009 (EUR 27.3 million 31.12.2008).

Tangible assets 2008 EUR million	Land and waters	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost 1 Jan	2.6	31.2	49.0	2.7	4.4	89.8
Translation difference	0.1	0.1	0.9	-	0.0	1.1
Increases	-	0.0	4.2	-	7.7	11.9
Decreases	-	-0.2	-0.9	-2.6	-	-3.7
Transfers between items	-	0.1	1.7	-	-1.9	-0.1
Acquisition cost 31 Dec	2.7	31.2	54.9	0.0	10.3	99.1
Accumulated depreciation and impairment 1 Jan	-	15.3	39.5	1.9	-	56.7
Translation difference	-	0.0	0.5	-	-	0.5
Accumulated depreciation of decreases and transfers	-	0.0	-0.8	-1.9	-	-2.7
Depreciation in financial year	-	1.6	4.0	-	-	5.6
Accumulated depreciation 31 Dec	0.0	16.9	43.2	0.0	0.0	60.0
Carrying amount 31 Dec 2008	2.7	14.4	11.7	0.0	10.3	39.1

Tangible assets include the following assets acquired on finance leases:

2009 EUR million	Machinery and equipment
Acquisition cost	1.0
Accumulated depreciation	-0.4
Carrying amount 31 Dec 2009	0.5

2008 EUR million	Machinery and equipment
Acquisition cost	1.0
Accumulated depreciation	-0.6
Carrying amount 31 Dec 2008	0.4

Assets leased on finance lease agreements are computers and their accessories as well as copiers.

16. Holdings in associated companies

EUR million	2009	2008
Acquisition cost 1 Jan	0.4	0.5
Share of result	0.0	0.0
Translation differences	0.0	-0.1
Associated company investments, total 31 Dec	0.5	0.4

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 2009

EUR million	Domicile	Assets	Liabilities	Net sales	Profit/loss	Holding
Meteorage SA, France	Cedex	3.5	2.4	1.7	0.1	35%

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

Associated companies 2008

EUR million	Domicile	Assets	Liabilities	Net sales	Profit/loss	Holding
Meteorage SA, France	Cedex	1.7	0.6	1.6	0.1	35%

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. Receivables (long-term)

EUR million	2009 Balance sheet values	Fair values	2008 Balance sheet values	Fair values
Loan receivables	0.1	0.1	0.0	0.0
Other receivables *	0.3	0.3	0.4	0.4
	0.4	0.4	0.4	0.4

Fair values have been calculated by discounting the future cash flows of every significant receivable at the market interest rate on the closing date.

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

18. Inventories

EUR million	2009	2008
Materials and supplies	14.0	11.9
Work in progress	4.8	5.5
Finished goods	8.4	5.4
Advances paid	0.0	0.0
	27.3	22.8

An expense of EUR 113.6 million (EUR 98.4 million in 2008) was recognized in the financial period.

In the financial year expense of EUR 4.8 million was recorded, equivalent to the amount by which the carrying amount of inventories was reduced to correspond with their net realizable value (EUR 1.4 million in 2008).

The balance sheet value of these goods is zero.

19. Trade receivables and other receivables

EUR million	2009	2008
Trade receivables	52.4	42.7
Loan receivables	0.0	0.0
Advanced paid	0.9	0.8
Other receivables	2.0	0.4
Receivables from long-term project customers	1.6	4.5
Value-added tax receivables	3.8	1.0
Derivative contracts	0.1	0.2
Other prepaid expenses and accrued income	7.1	2.2
	67.9	51.8

The fair values of trade and other receivables essentially correspond to their carrying amounts.

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.

Age analysis for the trade receivables EUR million	2009	provision for impairment	Net 2009	2008	provision for impairment	Net 2008
invoices not due	21.0		21.0	3.7		3.7
due less than 30 days	28.0		28.0	24.4		24.4
due 31- 90 days	1.8		1.8	10.9		10.9
due over 90 days	2.0	0.5	1.5	4.0	0.4	3.7
Total	52.9	0.5	52.4	43.0	0.4	42.7

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

EUR million	2009	2008
EUR	23.4	22.5
USD	13.4	14.0
GBP	3.2	2.2
JPY	2.9	2.7
AUD	0.4	0.4
CNY	0.5	0.4
Other	8.6	0.6
	52.4	42.7

Derivative contracts

EUR million	2009	2008
Capital value of off-balance sheet contracts made to hedge against exchange rate and interest rate risks		
Currency forwards	15.8	14.8
Capital value, total	15.8	14.8

	2009		2008	
Derivative contracts are denominated in the following currencies:	Currency million	EUR million	Currency million	EUR million
USD	19.0	13.3	17.0	12.3
AUD	2.0	1.2	2.0	1.0
JPY	115.0	0.9	115.0	0.9
GBP	0.4	0.4	0.5	0.5
		15.8		14.8

Maturity	2009	2008
Less than 90 days	9,0	8,9
over 90 days and less than 120 days	2.7	2.4
Over 120 days and less than 230 days	4.1	3.5
	15.8	14.8

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

	2009	2008
Currency forwards	0.1	0.2
Fair value, total	0.1	0.2

Fair value of the derivative contracts are based on information that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). In addition to the quoted prices the group will prepare own assessment using commonly acceptable valuation techniques. Hence group's derivative contracts belongs to the level 2.

20. Financial assets recognized at fair value through profit and loss

EUR million	2009	2008
Income fund investments	0	25.3

During the financial year 2009 the company did not have financial assets recognized at fair value through profit and loss.

Financial assets recognized at fair value through profit and loss in 2008 consist of the short-term investment of liquid assets. Fixed income fund investments were publicly quoted securities whose fair value was determined in the market and whose liquidity was good. Investments were directed at euro-denominated fixed income funds of banks that are a good credit risk and under Finnish supervision. A change in fair value was recognized in the income statement in 'financial income and expenses'. A change in interest rate of 1 per cent upwards or downwards would correspondingly influence the value of the investments by around EUR 35,400 in 2008.

21. Cash and cash equivalents

EUR million	2009	2008
Cash and bank deposits	36.1	36.5
Fixed-term bank deposits		6.0
Bank certificates of deposit		18.7
Commercial paper	14.0	16.9
Certificates of deposit, total		41.6
Total cash and cash equivalents	50.1	78.1

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

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 2009 was 1.6% (4.5% in 2008). Deposits consists of fund investments in Euros. These are provided by banks under Finnish official supervision and having a good credit rating. A change in interest rate of 1 per cent upwards or downwards would correspondingly influence the value of the investments by around EUR 35,900 /34,600 (EUR 56,800/57,100 in 2008).

22. Notes relating to shareholders' equity

Vaisala applies the insider rules of the Helsinki Stock Exchange.

Vaisala has 18,218,364 shares, of which 3,397,684 are K shares and 14,820,680 are A shares. The shares do not have nominal value. Vaisala's maximum share capital is EUR 28.8 million. A maximum of 68,490,017 shares shall be K shares and a maximum of 68,490,017 shares shall be A shares, with the provision that the total number of shares shall be at least 17,122,515 and not more than 68,490,017. The K shares and A shares are differentiated by the fact that each K share entitles its owner to 20 votes at a General Meeting of Shareholders while each A share entitles its owner to 1 vote.

Share capital and share premium fund EUR million	Number of shares	Share capital	Share premium fund	Reserve fund	Own shares	Total
1.1.2008	18209	7.7	16.6	0.1	-0.3	24.1
31.12.2008	18209	7.7	16.6	0.1	-0.3	24.1
31.12.2009	18209	7.7	16.6	0.2	-0.3	24.2
Own shares held by company	9					
	18218					

Shareholders' equity consists of the share capital, share premium fund, reserve fund, translation differences and retained earnings. A change in the nominal value of share capital during the old Companies Act is recognized in the share premium fund. In addition, in those cases in which option rights have been decided under the old Companies Act (29.9.1978/734), the cash payments received from share subscriptions based on options have been recognized in accordance with the arrangement of the share capital and the share premium fund, less transaction expenses.

The reserve fund of EUR 0.2 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.

Own shares held by company

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

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 2008	9 150	0.3
Shares transferred	-	-
Company's own shares on 31 December 2009	9 150	0.3

Option scheme

The company has no effective option schemes.

Authorization of the Board of Directors

At the end of 2009, the Board of Directors had no authorizations to increase the share capital nor to issue convertible or warrant bonds.

23. Other liabilities

EUR million	Balance sheet value 2009	Balance sheet value 2008
Long-term		
Finance lease liabilities	0.2	0.2
Other non-interest bearing long term liabilities	0.0	-
	0.2	0.2
Short-term		
Finance lease liability repayments in next year	0.3	0.2
	0.3	0.2
Interest-bearing liabilities, total	0.5	0.4

The fair values of the interest bearing liabilities is equivalent to their carrying amounts. In the end of year 2009 and 2008 the Group did not have interest bearing loans. The company has no loans that would mature after five years or a longer period.

Maturity dates of finance lease liabilities:

EUR million	2009	2008
Finance lease liabilities - total amount of minimum lease payments		
Up to 1 year	0.3	0.3
1 - 5 years	0.2	0.2
More than 5 years	-	-
	0.6	0.5
Future financial expenses	0.0	-0.1
Present value of finance lease liabilities	0.5	0.4
Present value of minimum payments of finance lease liabilities		
Up to 1 year	0.3	0.2
1 - 5 years	0.2	0.2
More than 5 years	-	-
Total	0.5	0.4

24. 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 recognized as an expense in the income statement of the financial period in which the contributions are payable. TyEL pension cover managed in an insurance company are defined-contribution schemes. The defined-benefit schemes are in Finland. The 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	2009	2008
Defined-benefit pension schemes	0.1	0.1
Defined-contribution pension schemes	6.6	6.8
	6.8	6.9

Defined-benefit pension schemes has been allocated to administration function. The Group liabilities include EUR 1.0 (EUR 1.1 in 2008) million of subsidiaries defined-contribution long-term pension obligation.

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

EUR million	2009	2008
Present value of unfunded obligations		
Fair value of funded obligations	2.1	1.9
Fair value of assets	-1.6	-1.5
Deficit/surplus	0.5	0.4
Unrecognized net actuarial gains (+)/ losses (-)	-0.3	-0.1
Net liability present in balance sheet	0.3	0.3

Pension expenses in personnel expenses

EUR million	2009	2008
Service costs for the financial year	0.1	0.1
Interest costs	0.1	0.1
Expected yield from assets belonging to the scheme	-0.1	-0.1
Gains/losses from reduction of scheme	0.0	0.0
	0.1	0.1

Actual yield from assets belonging to the scheme 5.0% 5.1%

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 2009 is EUR 0.2 million (EUR 0.1 million in 2008).

Changes in the present Value of the Obligation

EUR million	2009	2008
Present value of obligation 1 Jan	1.9	1.8
Current service cost	0.1	0.1
Interest cost	0.1	0.1
Settlement and curtailments	-0.1	-0.1
Actuarial gain (-) loss(+) on obligation	0.1	0.0
Present value of obligation on 31 Dec	2.1	1.9

Changes in the Fair Value of Plan Assets

EUR million	2009	2008
Fair value of plan assets 1 Jan	1.5	1.5
Expected return on plan assets	0.1	0.1
Actuarial gain (+) loss(-) on plan assets	-0.1	0.0
Contributions	0.2	0.1
Settlements	-0.1	-0.1
Fair value of plan assets 31 Dec	1.6	1.5

Changes of liabilities presented in balance sheet

EUR million	2009	2008
At beginning of financial year	0.3	0.3
Paid contributions	-0.2	-0.1
Pension expenses in income statement	0.1	0.1
At end of financial year	0.3	0.3

Actuarial assumptions used:

Discount rate	5.25%	5.25%
Expected yield from assets belonging to the scheme	5.00%	5.00%
Future pension increases	3.25%	3.25%
Rate of inflation	2.00%	2.00%
Annual adjustments to pensions	2.10%	2.10%

25. Provisions

EUR million	2009 Restructuring provision	2008 Restructuring provision
Provisions 1 Jan	0.5	0.2
Additional provisions	0.1	0.5
Used provisions	-0.5	-0.2
Provisions 31 Dec	0.1	0.5

The increase in provisions in 2009 and 2008 relates to the restructuring of the company's organization.

26. Trade payables and other liabilities

Non-interest bearing EUR million	2009	2008
Trade payables	15.4	13.0
Salary and social cost allocations	10.9	15.6
Other accrued expenses and deferred income	7.4	5.9
Other short-term liabilities	4.2	1.8
Non-interest bearing liabilities, total	38.0	36.2

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

27. Financial assets and liabilities by category

31 December 2009 Assets and Liabilities as per balance sheet EUR million	Assets/liabilities recognized at fair value through profit and loss and derivatives used for hedging	Loans and receivables	Financial liabilities at amortized cost	Carrying amount of balance sheet items	Fair value	Note
Financial assets						
Long-term receivables	-	0.4	-	0.4	0.4	17
Trade receivables and other receivables	0.1	67.8	-	67.8	67.8	19
Cash and cash equivalents	-	50.1	-	50.1	50.1	21
Total	0.1	118.3	0.0	118.3	118.3	
Liabilities						
Interest-bearing long-term liabilities	-	-	0.2	0.2	0.2	23
Other interest bearing liabilities	-	-	0.4	0.4	0.4	23
Trade payables and other liabilities	-	-	38.1	38.1	38.1	26
	0.0	0.0	38.7	38.7	38.7	

31 December 2008 Assets and Liabilities as per balance sheet EUR million	Assets/liabilities recognized at fair value through profit and loss and derivatives used for hedging	Loans and receivables	Financial liabilities at amortized cost	Carrying amount of balance sheet items	Fair value	Note
Financial assets						
Long-term receivables	-	0.4	-	0.4	0.4	17
Trade receivables and other receivables	0.2	51.5	-	51.8	51.8	19
Financial assets recognized at fair value through profit and loss	25.3	-	-	25.3	25.3	20
Cash and cash equivalents	-	78.1	-	78.1	78.1	21
Total	25.5	130.0	0.0	155.6	155.6	
Liabilities						
Interest-bearing long-term liabilities	-	-	0.2	0.2	0.2	23
Other interest bearing liabilities	-	-	0.2	0.2	0.2	23
Trade payables and other liabilities	-	-	37.3	37.3	37.3	26
	0.0	0.0	37,8	37,8	37,8	

28. Contingent liabilities and pledges given

EUR million	2009	2008
For own loans/commitments		
Guarantees	13.5	13.0
Other own liabilities		
Pledges given	0.4	0.1
Other leases	6.9	8.1
Contingent liabilities and pledges given, total	20.8	21.2

The pledges given are lease guarantee deposits.

For lease agreements, the sum recognized as an expense for the financial period was 446.9 thousand euros (224.9 thousand euros in 2008).

Lease- and rental agreements comply with the normal terms in each country.

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 company has no significant transactions with the associated company.

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%
Quixote Transportation Technologies, Inc (QTT), Saint Louis, USA	100%	100%

Employee benefits of management

EUR million		2009	2008
Salary and bonuses paid to President and CEO			
Kjell Forsen, President and CEO			
Salary		0.42	0.33
Bonuses		0.19	0.07
Pekka Ketonen, President and CEO 1 Jan to 30 Sept 2006			
Bonuses		-	0.22
Remuneration paid to Members of the Board of Directors			
Gustavsson Stig	Member of the Board	0.03	0.03
Neuvo Yrjö	Member of the Board	0.03	0.03
Niinivaara Mikko	Member of the Board	0.03	0.03
Torkko Maija	Member of the Board	0.03	0.03
Voipio Mikko	Member of the Board	0.03	0.03
Voipio Raimo	Chairman of the Board	0.04	0.04
Total		0.78	0.77

Salaries and bonuses paid to managing directors of Group subsidiaries totaled EUR 1.1 million (2008 EUR 0.4 million).

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

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

Management share ownership

Vaisala Oyj's Board of Directors held and controlled 1,353,425 shares on 31 December 2009, accounting for 15.6% of the total votes (2008: 1,353,425 shares and 15.6% of the total votes).

The company's President and CEO held and controlled 2,720 A- shares on 31 December 2009 and had no options.

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.

30. Auditor's fees

EUR million	2009	2008
Auditors of PricewaterhouseCoopers-chain		
Auditor's fees	0.24	0.13
Statements	0.00	0.00
Tax advice	0.08	0.04
Others fees	0.17	0.05
Total	0.49	0.23
Other independent public accountants		
Auditor's fees	0.01	0.04
Tax advice	0.04	0.02
Others fees	0.02	0.00
Total	0.07	0.06

31. Collected information

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

Parent company income statement

Parent company accounts (Finnish accounting principles, FAS)

EUR million	Note	1.1. - 31.12.2009	1.1. - 31.12.2008
Net sales	2	160.5	183.7
Cost of production and procurement		-89.9	-92.3
Gross profit		70.6	91.4
Cost of sales and marketing		-25.2	-24.4
Cost of administration			
Development costs		-23.4	-20.5
Other administrative costs		-16.6	-17.4
Other operating income	3	0.1	0.1
Operating profit		5.6	29.2
Financial income and expenses	5	2.2	4.9
Profit before provisions and taxes		7.7	34.0
Provisions		0.4	0.1
Direct taxes	6	1.5	9.3
Net profit for the financial year		6.6	24.8

Parent company balance sheet

Parent company accounts (Finnish accounting principles, FAS)

Assets EUR million	Liite	31.12.2009	31.12.2008
Non-current assets			
Intangible assets	7		
Intangible rights		1.5	1.5
Other long-term expenditure		0.4	0.4
		1.9	1.9
Tangible assets	7		
Land and waters		1.3	1.3
Buildings		16.6	17.9
Machinery and equipment		9.4	8.1
Other tangible assets		0.0	0.0
Advance payments and construction in progress		16.5	9.2
		43.7	36.5
Investments	7		
Other shares and holdings		21.7	21.4
Other receivables		0.1	0.1
Receivables from subsidiaries		19.4	8.8
		41.3	30.4
Current assets			
Inventories			
Materials and consumables		12.9	10.2
Work in progress		3.8	3.5
Finished goods		4.3	3.1
		21.0	16.8
Receivables			
Trade receivables		36.4	32.5
Loan receivables	17	2.8	1.4
Financial assets	9	0.0	25.3
Other receivables	10	0.7	0.4
Prepaid expenses and accrued income	8	13.3	2.7
		53.2	62.5
Cash and bank balances	11	34.6	60.2
Assets, total		195.7	208.2

Parent company balance sheet

Parent company accounts (Finnish accounting principles, FAS)

EUR million	Note	31.12.2009		31.12.2008	
Shareholders' Equity	13				
Share capital		7.7	160.5	7.7	170.3
Reserve fund		22.3		22.3	
Profit from previous years		123.9		115.5	
Profit for the financial year		6.6		24.8	
Provisions					
Accumulated depreciation difference	12	1.1			1.5
Obligatory provisions	14	0.00			0.5
Liabilities					
Current			34.0		36.0
Advances received		7.5		7.00	
Trade payables		13.9		12.1	
Other current liabilities		2.9		1.2	
Accrued expenses and deferred income	16	9.7		15.7	
Shareholders' equity and liabilities, total		195.7		208.2	

Parent company cash flow

Parent company accounts (Finnish accounting principles, FAS)

EUR Million	Note	Parent company 1.1.-31.12.2009	Parent company 1.1.-31.12.2008
Cash flows from operating activities			
Cash receipts from customers		156.1	180.1
Other income from business operations	3	0.0	0.1
Cash paid to suppliers and employees		-160.2	-149.3
Cash flow from business operations before financial items and taxes		-4.1	30.9
Interest received	5	1.2	0.2
Interest paid	5	0.0	0.0
Other financial items, net	5	-1.1	0.6
Dividend received from business operations	5	3.5	4.0
Direct tax paid	6	-7.9	-8.2
Cash flow from business operations (A)		-8.3	27.3
Cash flow from investing activities			
Investments in intangible assets	7	-0.9	-0.5
Investments in tangible assets	7	-10.8	-9.2
Proceeds from sale of fixed assets	7	0.0	0.0
Loans granted		-13.8	0.0
Other investments	7	-0.3	-0.1
Net change in financial assets	9	23.2	17.3
Repayments on loan receivables		1.7	1.4
Cash flow from investing activities (B)		-0.8	8.9
Cash flow from financing activities			
Repayment of short-term loans		0.0	0.1
Dividend paid	13	-16.4	-15.5
Cash flow from financing activities (C)		-16.4	-15.4
Change in liquid funds (A+B+C) increase (+) / decrease (-)		-25.6	20.9
Liquid funds at beginning of period	11	60.2	39.3
Liquid funds at end of period	11	34.6	60.2

Notes to the parent company income statements and balance sheets

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
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 include 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 pay-

ables 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 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 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.

2. Net sales by market area

EUR million	Parent Company 2009	Parent Company 2008
EMEA	74.4	95.9
Americas	45.7	41.9
APAC	40.4	45.8
Total	160.5	183.7

3. Other operating income

EUR million	Parent Company 2009	Parent Company 2008
Gains on the disposal of fixed assets	0.0	0.0
Other operating income	0.0	0.1
Total	0.1	0.1

4. Personnel

Personnel costs EUR million	Parent Company 2009	Parent Company 2008
Wages and salaries	38.3	38.2
Pension costs	6.2	6.0
Other personnel costs	2.6	3.4
Total	47.0	47.6

Personnel on average during the year (persons)

In Finland	792	724
Outside Finland	11	10
Total	803	734

Personnel Dec. 31

In Finland	794	735
Outside Finland	11	12
Total	805	747

Salaries EUR million		Parent Company 2009	Parent Company 2008
Salary and bonuses paid to President and CEO			
Kjell Forsen	President and CEO		
Salary		0.42	0.33
Bonuses		0.19	0.07
Pekka Ketonen	President and CEO 1 Jan to 30 Sept 2006		
Bonuses		-	0.22
Remuneration paid to Members of the Board of Directors			
Gustavsson Stig	Member of the Board	0.03	0.03
Neuvo Yrjö	Member of the Board	0.03	0.03
Niinivaara Mikko	Member of the Board	0.03	0.03
Torkko Maija	Member of the Board	0.03	0.03
Voipio Mikko	Member of the Board	0.03	0.03
Voipio Raimo	Chairman of the Board	0.04	0.04
Total		0.78	0.77
Salaries paid to the other employees		40.7	35.0
Total		41.5	35.8

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

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

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

5. Financial income and expenses

EUR million	Parent Company 2009	Parent Company 2008
Dividend income		
From Group companies	3.5	4.0
From others	0.0	0.0
Interest income on long-term investments		
From Group companies	0.3	0.6
Other interest and financial income		
From others	2.6	3.9
Change in fair value of assets recognized at fair value through profit an loss*	-2.1	-2.2
Interest and other financial expenses		
From others	-1.8	-2.4
Foreign exchange gains and losses		
From Group companies	0.8	0.1
From others	-1.1	0.8
Total	2.2	4.9

6. Income taxes

EUR million	Parent Company 2009	Parent Company 2008
Taxes for the financial year	1.3	8.0
Taxes from previous years	0.1	0.3
Taxes paid at source abroad	0.1	1.0
Total	1.5	9.3

7. Fixed assets and other long-term investments

Parent Company 2009

Intangible assets EUR million	Intangible rights	Other long-term expenditure	Total
Acquisition cost Jan. 1	14.0	0.9	14.8
Increases	0.7	-	0.7
Decreases	0.0	0.0	0.0
Transfers between items	0.1	0.1	0.2
Acquisition cost Dec. 31	14.7	0.9	15.7
Accumulated depreciation and write-downs Jan. 1.	12.5	0.5	12.9
Accumulated depreciation of decreases and transfers	0.0	-	0.0
Depreciation for the financial year	0.8	0.1	0.8
Accumulated depreciation Dec. 31	13.2	0.5	13.7
Balance sheet value Dec. 31, 2009	1.5	0.4	1.9

Parent Company 2008

Intangible assets EUR million	Intangible rights	Other long-term expenditure	Total
Acquisition cost Jan. 1	13.9	0.8	14.7
Increases	0.5	0.1	0.6
Decreases	-0.4	0.0	-0.5
Transfers between items	0.1	-	0.1
Acquisition cost Dec. 31	14.0	0.9	14.8
Accumulated depreciation and write-downs Jan. 1.	12.0	0.5	12.5
Accumulated depreciation of decreases and transfers	-0.4	0.0	-0.5
Depreciation for the financial year	0.9	0.0	0.9
Accumulated depreciation Dec. 31	12.5	0.5	12.9
Balance sheet value Dec. 31, 2008	1.5	0.4	1.9

Parent Company 2009

Tangible assets EUR million	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	1.2	28.5	38.9	0.0	9.2	77.8
Increases	-	-	0.9	-	9.9	10.8
Decreases	-	-1.7	-0.8	-	-	-2.4
Transfers between items	-	0.1	2.4	-	-2.6	-0.2
Acquisition cost Dec. 31	1.2	26.9	41.5	0.0	16.5	86.0
Accumulated depreciation and write-downs Jan. 1.	-	16.2	30.8	-	-	47.0
Accumulated depreciation of decreases and transfers	-	-1.7	-1.7	-	-	-3.3
Depreciation for the financial year	-	1.4	2.9	-	-	4.3
Accumulated depreciation Dec. 31	0.0	15.9	32.1	0.0	0.0	48.0
Revaluation	0.1	5.6	-	-	-	5.7
Balance sheet value Dec. 31, 2009	1.3	16.6	9.4	0.0	16.5	43.7

Parent Company 2008

Tangible assets EUR million	Land and waters	Buildings	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	Total
Acquisition cost Jan. 1	1.2	28.4	36.1	0.0	4.0	68.2
Increases	-	-	2.5	-	6.4	8.9
Decreases	-	-	-0.7	-	-	-0.7
Transfers between items	-	0.1	1.1	-	-1.3	-0.1
Acquisition cost Dec. 31	1.2	28.5	38.9	0.0	9.2	76.3
Accumulated depreciation and write-downs Jan. 1.	-	14.7	29.0	-	-	42.3
Accumulated depreciation of decreases and transfers	-	-	-0.7	-	-	-0.7
Depreciation for the financial year	-	1.5	2.5	-	-	4.0
Accumulated depreciation Dec. 31	0.0	16.2	30.8	0.0	0.0	45.5
Revaluation	0.1	5.6	-	-	-	5.7
Balance sheet value Dec. 31, 2008	1.3	17.9	8.1	0.0	9.2	36.5

The undepreciated acquisition cost of machinery and equipment belonging the tangible fixed assets was EUR 29.9 million on 31.12.2009 (EUR 26.3 million 31.12.2008).

Parent Company 2009

Investments EUR million	Subsidiary shares	Other shares and holdings	Other long-term receivables from Group companies	Total
Acquisition cost Jan. 1	21.4	0.1	8.8	30.4
Increases	0.3	-	13.8	14.1
Decreases	-	0.0	-3.2	-3.2
Balance sheet value Dec. 31	21.7	0.1	19.4	41.3

Parent Company 2008

Investments EUR million	Subsidiary shares	Other shares and holdings	Other long-term receivables from Group companies	Total
Acquisition cost Jan. 1	21.4	0.0	9.7	31.1
Increases	-	0.1	-	0.1
Decreases	-	0.0	-0.9	-0.9
Balance sheet value Dec. 31	21.4	0.1	8.8	30.4

8. Deferred assets

EUR million	2009	2008
Tax related deferred assets	3.9	1.0
Other deferred assets	12.1	1.8
	13.3	2.7

9. Financial assets

EUR million	2009	2008
Income fund interest-bearing papers	0.0	25.3

During the financial year 2009 the company did not have financial assets recognized at fair value through profit and loss. Financial assets recognized at fair value through profit and loss in 2008 consist of the short-term investment of liquid assets. Fixed income fund investments were publicly quoted securities whose fair value was determined in the market and whose liquidity was good. Investments were directed at euro-denominated fixed income funds of banks that are a good credit risk and under Finnish supervision. A change in fair value was recognized in the income statement in 'financial income and expenses'. A change in interest rate of 1 per cent upwards or downwards would correspondingly influence the value of the investments by around EUR 35,400 in 2008.

10. Other receivables

EUR million	2009	2008
Advances paid	0.3	0.3
Other	0.4	0.1
	0.7	0.4

11. Cash and bank balances

Cash and bank balances

EUR million	2009	2008
Cash and balance in the bank accounts	20.7	18.6
Certificates of deposit	14.0	41.6
	34.6	60.2

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.

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

EUR million	2009	2008
Currency forwards	0.1	0.2
Fair value, total	0.1	0.2

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

12. Deferred tax assets and liabilities

EUR million	2009	2008
Deferred tax assets/liabilities, net	0.3	0.4

The deferred tax liability arising from accumulated depreciation difference has not been taken into account.

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.

13. Shareholders' equity

The parent company's shares are divided into series, with 3,397,684 series K shares (20 votes/share) and 14,820,680 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.

Share capital EUR million	2009	2008
Series A Jan.1	6.2	6.2
Converted from series K to A	0.0	0.0
Series A Dec.31	6.2	6.2
Series K Jan.1	1.4	1.4
Converted from series K to A	-0.0	-0.0
Share capital Dec. 31	7.7	7.7
Reserve fund Jan.1	22.3	22.3
Reserve fund Dec. 31	22.3	22.3
Profit from previous years Jan. 1	140.6	131.2
Dividends paid	-16.4	-15.5
Own shares	-0.3	-0.3
Profit from previous years Dec. 31	123.9	115.5
Net profit for the financial year	6.6	24.8
Total equity	160.5	170.3

14. Obligatory provisions

EUR million	2009	2008
Other reserve	0.0	0.5
	0.0	0.5

The increase in provisions in 2008 relates to the restructuring of the company's organization.

15. Non-current liabilities

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

16. Accrued expenses and deferred income

EUR million	2009	2008
Wages, salaries and wage-related liabilities	6.3	11.3
Tax liabilities	0.0	0.9
Other accrued expenses and deferred income	3.4	3.5
	9.7	15.7

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

EUR million	2009	2008
Non-current loan receivables	19.4	8.8
Current loan receivables	2.8	1.4
Trade receivables	13.5	8.9
Prepaid expenses and accrued income	0.0	0.0
Total receivables	35.8	19.2
Trade payables	1.2	1.7
Accrued expenses and deferred income	0.0	0.3
Total liabilities	1.2	1.9

18. Contingent liabilities and pledges given

EUR million	2009	2008
Guarantees	13.5	13.0
For Group companies		
Guarantees	2.7	1.7
Other own liabilities		
Pledges given	0.4	0.1
Leasing liabilities		
Payable during the financial year	0.5	0.4
Payable later	0.6	0.5
	1.1	0.9
Total contingent liabilities and pledges given	17.7	15.7

Derivative contracts

EUR million	2009	2008
Capital of off-balance sheet contracts made to hedge against exchange rate and interest risks		
Currency forwards	15.8	14.8
Total capital	15.8	14.8

19. Auditor's fees

EUR million	2009	2008
PricewaterhouseCoopers Oy, Authorized Public Accountants		
Auditor's fees	0.13	0.06
Tax advice	0.03	0.02
Others fees	0.17	0.05
Total	0.34	0.13

Shares and shareholders

Largest shareholders, Dec. 31, 2009

	% of votes	% of Series K Shares	% of Series A Shares	% of total shares
Finnish Academy of Science and Letters	21.8	25.9	3.1	7.3
Novamator Oy	12.8	13.6	9.4	10.2
Mikko Voipio	7.7	8.9	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
Mandatum Life Insurance Company Limited	4.1	4.0	4.2	4.2
Inkeri Voipio estate	2.2		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
Nominee registered	3.8	0.0	21.1	17.1

Ownership structure by owner type, December 31, 2009

	Number of owners	% of votes	% of Series K Shares	% of Series A Shares	% of total shares
Companies	245	13.3	13.6	11.8	12.1
Financial and insurance institutions	23	5.4	4.0	11.4	10.1
Municipalities	10	1.5	0.0	8.5	7.0
Non-profit organizations	88	22.2	25.9	5.3	9.1
Private individuals	5 257	53.7	56.5	40.9	43.8
Outside Finland and nominee registered	35	3.9	0.0	22.0	17.9
Not transferred to the book-entry system		0.0	0.0	0.0	0.0
Total	5 658	100.0	100.0	100.0	100.0

Ownership structure by shareholding, December 31, 2009

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	2 436	43.1	0.2	0.8	2	0.0	2 435	1.0
101-1000	2 729	48.2	1.3	5.3	19	0.3	2 727	6.5
1001-10000	401	7.1	3.3	6.0	27	3.9	392	7.2
10001-100000	69	1.2	17.8	13.2	23	23.8	62	13.2
100001-	23	0.4	77.4	74.7	7	72.0	20	72.2
Not transferred to the book-entry system	-	-	0.0	0.0	-	0.0	-	0.0
Total	5 658	100,0	100,0	100,0	78	100,0	5 636	100,0

Vaisala Oyj's Board of Directors held and controlled 1,353,425 shares on 31 December 2009, accounting for 15.6% of the total votes (2008: 1,353,425 shares and 15.6% of the total votes).

The company's President and CEO held and controlled 2,720 A-shares on 31 December 2009 and had no options.

Signing of the Board of Directors' report and financial statements

Vantaa, February 18, 2010

Raimo Voipio
Chairman of the Board

Stig Gustavson

Mikko Niinivaara

Yrjö Neuvo

Mikko Voipio

Maija Torkko

Kjell Forsén
President and CEO

Auditor's report

To the Annual General Meeting 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 year ended on 31 December, 2009. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

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

Auditor's Responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

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

Opinion on the Company's Financial Statements and the Report of the Board of Directors

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

Other Opinions

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the Managing Director should be discharged from liability for the financial period audited by us.

Vantaa, 18 February 2010

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 25, 2010, at 6 p.m. at Heureka Science Centre, Tiedepuisto 1, Tikkurila, 01300 Vantaa. The reception of shareholders, who have pre-registered to the meeting, will start at 5.15 p.m.

Agenda of the Annual General Meeting

The following items will be presented at the meeting:

The issues defined in Section 13 of the Group's Articles of Association and the Limited Liability Companies Act to be dealt with at Annual General Meetings. The Agenda includes the items

associated with calling the meeting to order according to normal Annual General Meeting practice.

At the meeting, the Agenda will include the CEO's review, given in conjunction with the presentation of the financial statements. The review is not a matter for decision.

Distribution of profit and remuneration of the members of the Board

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.65 per share be paid for 2009. The dividend will be paid to shareholders registered in the Register of



Shareholders held by Euroclear Finland Ltd. (formerly the Finnish Central Securities Depository Ltd.) on the record date March 30, 2010. The Board proposes that the dividend be paid on April 8, 2010.

The Board proposes to the Annual General Meeting that the remuneration of the members of the Board of Directors to be elected at the Annual General Meeting for the term until the close of the Annual General Meeting in 2011 will be as follows: EUR 35,000 for the Chairman and EUR 25,000 for each member.

Proposal for the election of the members of the Board of Directors

Board members Yrjö Neuvo and Maija Torkko are in turn to retire by rotation. Shareholders representing more than 10 percent of all the votes in the company have announced that they will propose to the Annual General Meeting held on March 25, 2010 the re-election of Yrjö Neuvo and Maija Torkko.

Proposal for the election of auditors and their fee

The Board proposes that PricewaterhouseCoopers Oy and Mr Hannu Pellinen APA, the current Authorized Public Accountants of Vaisala Oyj, be re-elected for the next term defined by the Articles of Association. Hannu Pellinen has been Vaisala's Authorized Public Accountant with main responsibility since 2007. The Board of Directors further proposes that the auditors' compensation will be based on reasonable invoicing presented to the company.

The authorization of the Board to grant donations

The Board of Directors proposes that the General Meeting authorize donations of maximum EUR 250,000 to one or more universities. The donations would be granted in one or several payments. According to the proposal, the Board of Directors is authorized to decide on the recipients and the payments they receive. The authorization would be in force until the 2011 Annual General Meeting.

Documentation

Documents relating to the financial statements and the documentation for Annual General Meeting will be available on March 4, 2010 at the company's head office in Vantaa, Vanha Nurmijärventie 21. On request, copies will be sent to shareholders. The material will also be available on www.vaisala.com/investors on March 4, 2010 at the latest.

Total number of shares and votes by series of shares

On February 19, 2010, the date of the invitation to the Annual General Meeting, Vaisala Oyj had 18,218,364 shares, out of which 3,397,684 are series K shares and 14,820,680 are series A shares. Each K share entitles its owner to 20 votes at a General Meeting while each A share entitles its owner to 1 vote. The total number of votes by all shares is 82,774,360 out of which the series K shares represent 67,953,680 votes and series A shares 14,820,680 votes.

Notice to the attendees

1. Right of attendance and registration

Shareholders who are registered in the company's share register maintained by Euroclear Finland Ltd. (formerly the Finnish Central Securities Depository Ltd.) by March 15, 2010 have the right to attend the Annual General Meeting. Shareholders whose shares have not been transferred to the book-entry securities system also have the right to 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.

Shareholders wishing to attend the Annual General Meeting must register by Tuesday, March 16, 2010, 4 p.m. Registration starts on March 1, 2010 at 9.00 a.m.

Registration can be made

- on Vaisala's web site at www.vaisala.com/investors,
- by telephone on weekdays between 9 a.m. and 11 a.m., tel. +358 9 8949 2201
- by letter addressed to Vaisala Oyj, Nina Andersin, P.O.Box 26, FIN-00421 Helsinki, Finland

In connection with the registration, a shareholder shall notify his/her name, personal identification number, address, telephone number and the name of a possible assistant or proxy representative and the personal identification number of a proxy representative. The personal data given to Vaisala Oyj is used only in connection with the Annual General Meeting and with the processing of related registrations.

Letters authorizing a proxy to vote on behalf of a shareholder should be sent to the company by mail to Vaisala Oyj, Nina Andersin, P.O. Box 26, 00421 Helsinki or by email to nina.andersin@vaisala.com before the expiry of the registration period.

2. Holders of nominee registered shares

Holders of nominee registered shares who wish to attend the Annual General Meeting must be registered in the company's shareholders' register by the record date March 15, 2010.

A holder of nominee registered shares is advised to request without delay necessary instructions regarding the registration in the shareholder's register of the company, the issuing of proxy documents and registration for the Annual General Meeting from his/her custodian bank. The account management organization of the custodian bank will register a holder of nominee registered shares, who wants to participate in the meeting, to be temporarily entered into the shareholders' register of the company on March 22, 2010 by 10.00 a.m at the latest.

Vantaa February 19, 2010

Vaisala Oyj
Board of Directors

Investor calendar 2010

Vaisala's 2010 interim reports

January - March (Q1)	11 May, 2010
January - June (Q2)	11 Augst, 2010
January - September (Q3)	5 November, 2010

The interim report stock exchange releases and audiocasts from the analyst/media briefings will be available at www.vaisala.com/investors.

Silent times

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

Annual general meeting

Annual general meeting is held 25 March, 2010 at Heureka Science Centre, Vantaa. See previous pages for the invitation and registration instructions.

Company publications and releases

Vaisala Financial Statements 2009 is published in Finnish and English. The publication is mailed to all Vaisala shareholders. A pdf version of the report is published on Vaisala's website at www.vaisala.com/investors.

In addition to the Financial Statements and the online Annual Report, Vaisala publishes a Corporate Responsibility Report in English.

All Vaisala publications can be ordered from www.vaisala.com/publicationorder or info@vaisala.com.

The company's stock exchange releases and press releases are available on the Vaisala website. You can subscribe to releases at www.vaisala.com/subscribe/releases.



Vaisala worldwide

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Malmö

Stockholm

Germany

Vaisala GmbH

Hamburg

Uchingen

Bonn

France

Vaisala SAS

Paris

United Kingdom

Vaisala Ltd.

Birmingham

Newmarket

Japan

Vaisala KK

Tokyo

China

Vaisala China Ltd.

Beijing

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Vaisala Pty Ltd.

Melbourne

United Arab Emirates

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Dubai

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San Jose, CA

St. Louis, MO

Tucson, AZ

Uniontown, PA

Westford, MA



Contact information available at: www.vaisala.fi/contacts



Observations for a better world

VAISALA

www.vaisala.com