Vaisala 2012

February 6th 2013

FINANCIAL STATEMENT BULLETING 2012

VAISALA

Vaisala Corporation Stock exchange release February 6, 2013 at 2.30 p.m. (EET)

Vaisala Group Financial Report January-December 2012

October-December solid performance but order book down. Full year net sales, operating profit and cash flow improved from previous year. Steady outlook for 2013.

October-December highlights

- Orders received EUR 66.1 (87.6) million, decrease 25%
- Order book EUR 105.6 (134.3) million, decrease 21%
- Net sales EUR 89.7 (90.3) million, decrease 1%
- Operating result EUR 12.4 (13.0) million, decrease 4%
- Earnings per share EUR 0.54 (0.49)
- Cash flow from business operations EUR 21.5 (18.1) million
- Liquid funds EUR 74.8 (45.5) million

January-December highlights

- Orders received EUR 264.7 (278.8) million, decrease 5%
- Net sales EUR 293.3 (273.6) million, increase 7%
- Operating result EUR 30.1 (16.1) million, increase 87%
- Earnings per share EUR 1.20 (0.57)
- Cash flow from business operations EUR 48.2 (37.6) million
- Dividend of EUR 0.90 (0.65) per share proposed
- Return of capital of EUR 1.23 per share proposed

KEY FIGURES (Audited)

	10-12 2012 MEUR	10-12 2011 MEUR	Change %	1-12 2012 MEUR	1-12 2011 MEUR	Change %
Net sales, Group	89.7	90.3	-1	293.3	273.6	7
Weather	71.3	71.8	-1	218.0	201.8	8
Controlled Environment	18.3	18.4	-1	75.3	71.7	5
Orders received	66.1	87.6	-25	264.7	278.8	-5
Order book	105.6	134.3	-21	105.6	134.3	-21
Operating result	12.4	13.0	-4	30.1	16.1	87
Weather	11.8	9.9	19	22.5	5.9	279
Controlled Environment	1.1	1.8	-41	9.4	10.5	-10
Eliminations and other	-0.5	1.2	-139	-1.9	-0.3	-458
Result before taxes	11.6	13.9	-17	29.1	16.1	80
Net result for review period	9.8	8.9	10	21.7	10.4	109
% of Net sales						
Operating result	13.8 %	14.4 %		10.3 %	5.9 %	
Result before taxes	12.9 %	15.4 %		9.9 %	5.9 %	
Net result for review period	10.9 %	9.9 %		7.4 %	3.8 %	
Earnings per share	0.54	0.49	11	1.20	0.57	110
Return on equity	11.7 %	5.7 %		11.7 %	5.7 %	
Cash flow from business operations	21.5	18.1	19	48.2	37.6	28
Liquid funds at end of period	74.8	45.5	64	74.8	45.5	64

Comments on October-December

In October-December 2012, net sales were EUR 89.7 million and showed a decrease of 1% year-on-year due to different quarterly seasonality compared with previous years. Weather Business Area net sales were EUR 71.3 million and decreased by 1% year-on-year. Weather Business Area product sales were higher than previously expected, whereas project deliveries were at the previously expected level. Controlled Environment Business Area net sales were EUR 18.3 million and decreased by 1% year-on-year.

In October-December 2012, net sales in EMEA increased by 7%, in APAC by 4% and decreased in Americas by 12% year-on-year.

Orders received were EUR 66.1 million in October-December 2012 and decreased by 25% year-on-year. Weather Business Area did not receive exceptionally large orders in contrast to previous year. The order book was EUR 105.6 million, 21% lower than at the end of December 2011.

The operating result for October-December 2012 was EUR 12.4 million and decreased by EUR 0.6 million or by 4% from previous year's EUR 13.0 million due to different quarterly seasonality compared with previous years. Weather Business Area operating result was EUR 11.8 million and increased by EUR 1.9 million from EUR 9.9 million in previous year. This was mainly due to improved gross margin in delivery projects. Weather Business Area operating result improved more than previously expected due to higher than estimated product sales as well as higher margins in delivery projects. Controlled Environment Business Area operating result was EUR 1.1 million and decreased by 41% from previous year's EUR 1.8 million. This was mainly due to increased investments in Service function related to Life Science customer group and in R&D related to new product development.

Market outlook

The global economic uncertainty continues to impact Vaisala's business and constrain growth opportunities. The market in North America is expected to gradually recover. The cuts in governmental spending and uncertainty of new project timings are expected to impact Weather Business Area sales. The market for Controlled Environment products in Asia is expected to continue challenging.

Business outlook 2013

Vaisala has changed the presentation of its business outlook and will from this results release onward estimate both net sales and operating result (EBIT) in a range of euros instead of generic comparison with previous year.

Vaisala's net sales are estimated to be in the range of EUR 280–310 million at comparable exchange rates as compared to 2012. The operating result (EBIT) is expected to be in the range of EUR 25–35 million at comparable exchange rates as compared to 2012.

Net sales in 2012 were EUR 293.3 million and operating result was EUR 30.1 million.

VAISALA

President and CEO Kjell Forsén on Vaisala's result:

"Vaisala continued with solid performance in the last quarter of 2012. Net sales reached EUR 89.7 million, down 1% from 2011. The clear difference in seasonality between the years is evident in orders received that were down 25% during the last quarter of 2012. This is due to the fact that no exceptionally large orders were received in contrast to the previous year. Operating result remained on a good level EUR 12.4 million, down 4%.

The full year development was strong. Net sales increased by 7% and operating result reached EUR 30 million, up by 87%. Orders received were down 5% implying a trend towards shorter frame agreements. Earnings per share doubled to EUR 1.20 from EUR 0.57. Cash flow from operations reached EUR 48 million resulting in EUR 75 million liquid funds.

Net sales development was strongest in EMEA, up 19%, whereas APAC grew 6% and Americas was down 1%. Americas continued as the biggest region for Vaisala. Life Science was the fastest growing customer group in Vaisala. Growth was strong also in our Weather related project business both in absolute and relative terms. In the fourth quarter also our Weather product business exceeded expectations.

The systematic work in Vaisala to implement our customer based strategy was visibly paying off in 2012. Our several internal development programs to increase our efficiency and competitiveness produced great results showing e.g. in improved profitability in our project business.

None of the above would have been possible without a great performance from our entire global workforce and its willingness to embrace change. My warmest thanks to everyone involved.

The basis for our 2013 business outlook is that we see the current market sentiment to continue when it comes to the general economic outlook and our customers' investment needs. Our position as the global market leader as well as the ongoing internal development programs will further improve our capability to serve our customers."

Market situation, net sales and order book

Despite the Euro crisis both Vaisala's Business Areas increased net sales in EMEA region as compared to 2011. In Americas the changes in economic and political environment generated additional uncertainty, however Vaisala was able to maintain the business volume. In the challenging competitive situation Vaisala has nevertheless been able to retain its global market shares.

The economic uncertainty in the market impacted Weather Business Area order intake especially during the last months of the year and there were no exceptionally large, long-term orders received. Controlled Environment Business Area continued to grow in North America and Europe but the APAC market continued to be a disappointment.

In January-December 2012, orders received were EUR 264.7 (278.8) million and decreased by 5% year-on-year. Entering the year 2013 the order book is not as strong as a year ago. At the end of December 2012 the order book was EUR 105.6 (134.3) million, 21% lower than at the end of December 2011. Of the Weather Business Area order book, approximately EUR 28.0 million will be delivered in 2014 or later.

In January-December 2012, net sales were EUR 293.3 (273.6) million and showed an increase of 7% from previous year. Weather Business Area net sales were EUR 218.0 million and increased by 8% year-on-year. This net sales increase was mainly due to higher volume of project deliveries. Controlled Environment Business Area net sales were EUR 75.3 million and increased by 5% year-on-year.

VAISALA

Net sales in EMEA were EUR 107.6 (90.7) million in January-December 2012 and increased by 19% year-on-year. Net sales in Americas were EUR 108.6 (110.2) million and decreased by 1% year-on-year. Net sales in APAC were EUR 77.2 (72.7) million and increased by 6% year-on-year.

Operations outside Finland accounted for 98% (98%) of net sales.

Performance and balance sheet

In January-December 2012, operating result was EUR 30.1 (16.1) million or 10.3% (5.9%) of net sales and increased by 87% year-on-year. The increase in the profit was driven by higher sales and favorable product mix. Also the ongoing efficiency and process improvement programs together with the development of delivery project management are improving profitability.

Result before taxes was EUR 29.1 (16.1) million for the period of January-December 2012 and increased by 80% year-on-year. Income taxes were EUR 7.4 (5.8) million. Net result was EUR 21.7 (10.4) million and increased by 109% year-on-year.

Earnings per share for January-December 2012 were EUR 1.20 (0.57) and increased by 110% year-on-year.

Vaisala’s solvency ratio and liquidity remained strong. On December 31, 2012 the balance sheet total was EUR 257.0 (250.8) million. The solvency ratio at the end of the December 2012 was 75% (74%).

In January-December 2012, Vaisala's cash flow from business operations was EUR 48.2 (37.6) million. The cash flow increase was a result of EBITDA increasing by EUR 15.1 million from EUR 30.7 million to EUR 45.8 million and the net working capital improving by EUR 10.0 million especially due to better accounts receivable rotation. The liquid funds at the end of December 2012 totaled EUR 74.8 (45.5) million.

Capital expenditure

Gross capital expenditure totaled EUR 5.8 (16.7) million for January-December 2012. Depreciation total increased to EUR 15.8 million compared with EUR 14.7 million in previous year.

Weather Business Area

In January-December 2012, Weather Business Area net sales were EUR 218.0 (201.8) million. The year-on-year increase in Weather Business Area net sales was 8% and the increase took place in almost all customer groups. Weather Business Area grew both in delivery projects and in product business. At comparable exchange rates, the net sales would have increased by 5%.

Weather Business Area operating result for January-December 2012 was EUR 22.5 (5.9) million. The year-on-year increase in the profit was driven by higher sales and favorable product mix. Also the ongoing efficiency and process improvement programs together with the development of delivery project management are improving especially the profitability of delivery projects.

In January-December 2012, orders received were EUR 189.0 (209.1) million and decrease by 10% year-on-year. At the end of December 2012 the order book was EUR 101.2 (130.3) million, 22% lower than at the end of December 2011. Of the order book, approximately EUR 28 million will be delivered in 2014 or later.

VAISALA

Controlled Environment Business Area

In January-December 2012, Controlled Environment Business Area net sales were EUR 75.3 (71.7) million, showing an increase of 5% year-on-year. At comparable exchange rates, the net sales would have decreased by 1%.

Controlled Environment Business Area operating result for January-December 2012 was EUR 9.4 (10.5) million and decreased by 10% year-on-year. The decrease in profit was mainly due to increased investments in Service function related to Life Science business and in R&D related to new product development.

In January-December 2012, orders received were EUR 75.7 (69.7) million and increased by 9% year-on-year. The order book was EUR 4.4 (4.0) million, 10% higher than at the end of December 2011. Order book will be totally delivered totally during 2013.

Product Launches

In total, Vaisala had 31 product launches in 2012 of which 23 in Weather and 8 in Controlled Environment. The most important new launches were:

A new generation offering for Soundings begins with Vaisala DigiCORA® Sounding System MW41 which improves efficiency at every stage of the sounding process and enables more efficient management of sounding networks. It has been developed in collaboration with a number of leading meteorological institutes with a particular focus on improving usability.

RoadDSS Manager, a decision support system solution for road authorities. The product builds on RoadDSS Navigator making it easy to plan treatment activities based on forecasts and observations, enter the plans into a database, and to communicate the plans to the operational personnel. The effect of the intended treatments is visible in route graphs to see an estimate on how well the planned treatment will work. Also past actions can be viewed from the software, if there's a need to see what was planned and what treatments were actually used.

Vaisala Maritime Observation System AWS430 is an automated weather station designed for professional maritime weather measurement applications. It is used in demanding environments to secure for instance safe helicopter travel, including take-offs and landings, to offshore oil rigs.

The new Vaisala HUMICAP® Hand-Held Humidity and Temperature Meter HM40 is a versatile and affordable hand-held meter for various portable measurement applications. It is an ideal spot-checking tool that provides a reliable measurement and is easy to use. It provides an ideal spot-checking tool for a wide range of portable humidity measurement needs from construction sites and HVAC applications to laboratories and cleanrooms. Humidity measurement is based on the same Vaisala HUMICAP® sensor technology that recently landed on Mars on board the Curiosity Rover

Vaisala Cold Chain Logger CCL100 has been designed specifically to measure product temperatures between -30° C and +60° C for in-transit monitoring of valuable goods in life science industry. As a single-use device, the CCL100 has minimal software dependency and simple less setup configuration. Its small size allows the logger to be placed in any packing container and the waterproof pouch ensures correct operation even in the most hostile environments.

Other functions

Research and development

In January-December 2012, research and development expenses totaled EUR 28.0 (28.0) million, representing 9.5% of net sales. The goal is to keep the share of research and development expenses at around 10% of net sales. Weather Business Area R&D expenses were 10.0% (11.0%) of net sales and Controlled Environment Business Area 8.2% (8.1%) respectively.

Services

Vaisala's service business is reported as part of Weather and Controlled Environment Business Areas and the sales of services totaled EUR 42.3 (40.8) million. The increase in Service sales is due to spare parts sales in North America.

Personnel

The average number of people employed in the Vaisala in January-December 2012 was 1,422 (1,386). The number of employees at the end of December 2012 was 1,442 (1,394). 42% (44%) of the personnel was based outside Finland.

On May 3, 2012 the Board of Directors resolved for the key employees a new share-based incentive plan that is based on the development of profitability in calendar year 2012 and it will be paid partly in the Company's series A-shares and partly in cash in spring 2015. The cash proportion will cover taxes and tax-related costs arising from the reward to a key employee. No reward will be paid, if a key employee's employment or service ends before the reward payment date.

In addition, Vaisala has two types of incentive plans: one based on the development of net sales, operating result and operative cash flow and covering all employees, and the other, a three-year plan ending 31 December 2012 which is based on the development of profitability and covering certain key personnel.

The total personnel expenses in 2012 were EUR 104.5 (94.1) million.

Changes in Company Management

Vaisala's management group practices will change as of January 1, 2013. The current practice of having two management groups will cease to exist. Going forward, there will be one Vaisala Management Group in the company, led by the President and CEO.

The Management Group has seven members and it convenes once a month to execute Vaisala's strategy and take care of the company's operative management. It consists of the heads of business areas, finance and control, operations, services and human resources.

Members of the Vaisala Management Group starting January 1, 2013 are:

Kjell Forsén, President and CEO, chair
Kenneth Forss, Executive Vice President, Controlled Environment Business Area
Kai Konola, Executive Vice President, Weather Business Area
Kaarina Muurinen, Chief Financial Officer
Vesa Pylvänäinen, Executive Vice President, Operations
Hannu Katajamäki, Executive Vice President, Services
Marja Happonen, Senior Vice President, Human Resources

VAISALA

Risk Management

Organization of risk management

Vaisala has a risk management policy which has been approved by the Board of Directors, and which covers the company's business, operational, hazard, and financial risks. The policy aims at ensuring the safety of the company's personnel, operations and products, as well as the continuity and compliance of business operations. The policy also covers Vaisala's intellectual property, corporate image and brand protection. Risk management is integrated into business processes and operations. This is accomplished by the risk management process, deployment of which has continued in 2012 and now covers all key businesses and functions. The risk management process consists of risk identification, risk assessment, risk management actions, follow-up, and risk reporting. The most significant risks are reported to the Audit committee and to the Board of Directors annually, and as needed.

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

Risks typical to international manufacturing business affect Vaisala's operating environment. The most significant of these are changes in the global economy, currency exchange rates, supply chain, and production. These may affect Vaisala's business both in the short and in the long term. Vaisala monitors these risks and prepares for them in accordance with the company's risk management policy.

Global insurance programs cover risks relating to property damage, business interruption, different liabilities, transportation, and business travel. In general, Vaisala's ability to tolerate risks is good due to strong capital structure.

Near-term risks and uncertainties

Vaisala's business is exposed to changes in global economy, politics, policies and regulations, and natural disasters, which may affect Vaisala's business in terms of for example component availability, order cancellations, disturbance in logistics and loss in market potential.

The most significant near term risks and uncertainties that may affect both net sales and profitability relate to the company's ability to maintain its delivery capability, availability of critical components, interruptions in manufacturing and associated IT systems, changes in the global economy, currency exchange rates, customers' financing capability especially in the EU and in the US, changes in customers' purchasing or investment behavior, and delays or cancellations of orders. Changes in the competitive landscape may affect the volume and profitability of business through introduction of new competitors and price erosion in areas which traditionally have been strong for the company.

Importance of Vaisala's project business continues to grow. Project business performance and project schedules have dependencies to third parties, which may impact timing of revenue recognition, and profitability. Assumptions regarding new project and service business opportunities constitute a risk for both net sales and profitability.

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 its risk management policy.

VAISALA

Decisions made by the Annual General Meeting 2012

Dividend

The Annual General Meeting decided on March 28, 2012, that a dividend of EUR 0.65 per share, corresponding to the total of EUR 11,835,989.10 is distributed for the financial year 2011. Dividend is not paid to the A-shares held by Vaisala Oyj. The record date for the dividend payment was April 2, 2012 and the dividend was paid on April 11, 2012.

Discharge from liability

The Annual General Meeting granted the Members of the Board of Directors and the Company's President and CEO discharge from liability for the accounts.

Composition and remuneration of the Board of Directors

The Annual General Meeting confirmed that the Board of Directors comprise of six (6) members. Mikko Voipio, who was to retire by rotation, was re-elected for three years. The other Members are Raimo Voipio, Yrjö Neuvo, Mikko Niinivaara, Maija Torkko and Timo Lappalainen.

The Annual General Meeting decided that the annual remuneration of the chairman of the Board of Directors is EUR 35,000, and the annual remuneration of a member EUR 25,000. The Annual General Meeting decided in addition that the compensation for the Chairman of the Audit Committee is EUR 1,500 per attended meeting and EUR 1,000 per attended meeting for each member of the Audit Committee. The chairman as well as the members of other committees established by the Board of Directors would receive same compensation as the members of the Audit Committee.

Auditors and their fee

The Annual General Meeting elected PricewaterhouseCoopers Oy, Authorized Public Accountants, as the Company's auditor, with APA Hannu Pellinen acting as the auditor with the principal responsibility. The auditor's compensation was decided to be paid based on reasonable invoicing.

Authorizing the Board of Directors to decide on the directed acquisition of own A-shares

The Annual General Meeting authorized the Board of Directors to decide on the directed acquisition of a maximum of 1,000,000 of the Company's own A-shares in public trading. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than September 28, 2013.

Authorizing the Board of Directors to decide on the transfer of the Company's own shares

The Annual General Meeting authorized the Board of Directors to decide on the transfer of a maximum of 1,000,000 own A-shares. The transfer of own shares may be carried out in deviation from the shareholders' pre-emptive rights and not more than 330,000 A-shares may be transferred as a directed issue without payment as part of the Company's share based incentive plan. The authorization can also be used to grant special rights entitling subscription of own shares, and the subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind. The authorization is valid until March 28, 2017.

Donations to universities

The Annual General Meeting authorized the Board of Directors to donate at maximum EUR 250,000 to one or more universities. The authorization is valid until the Annual General Meeting of 2013.

The organizing meeting of the Board of Directors

Raimo Voipio will continue as the Chairman of the Board of Directors and Yrjö Neuvo will continue as the Vice-Chairman. Maija Torkko, Mikko Niinivaara, Mikko Voipio and Timo Lappalainen will be the other Members of the Board of Directors.

Vaisala's shares

Board of Directors' authorization to decide on the directed acquisition of own A-shares

The Annual General Meeting authorized the Board of Directors to decide on the directed acquisition of a maximum of 1,000,000 of the Company's own A-shares in public trading. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than September 28, 2013. The maximum amount of authorization represents 5.49% of Company's all shares, 6.74% of all A-shares and 1.12% of all votes.

Acquisition of own A-shares

On the basis of the Annual General Meeting's authorization on March 28, 2012 the Board of Directors decided to commence the acquisition of own A-shares. The Group purchased a total of 150,000 A-shares representing approximately 0.82% of the Company's total shares, 1.01% of all series A-shares and 0.22% of the total voting rights. On December 31, 2012, the Group had 159,150 treasury shares in its possession.

The shares were acquired through public trading at the market price prevailing at the time of acquisition in accordance with the rules of the NASDAQ OMX Helsinki Ltd. The repurchase of own shares begun on May 14, 2012 and ended on June 13, 2012. The total purchase price paid for the shares was EUR 2,275,261.91 and the average price per share was approximately EUR 15.17. The purchased shares will be primarily used in Vaisala Group's share-based incentive program.

Board of Directors' authorization to decide on the transfer of the Company's own shares

The Annual General Meeting authorized the Board of Directors to decide on the transfer of a maximum of 1,000,000 own A-shares. The transfer of own shares may be carried out in deviation from the shareholders' pre-emptive rights and not more than 330,000 A-shares may be transferred as a directed issue without payment as part of the Company's share based incentive plan. The authorization can also be used to grant special rights entitling subscription of own shares, and the subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind. The authorization is valid until March 28, 2017. The maximum amount of authorization represents 5.49% of Company's all shares, 6.74% of all A-shares and 1.12% of all votes.

Shares traded on the NASDAQ OMX Helsinki Ltd.

On December 31, 2012 the price of Vaisala's A share in the NASDAQ OMX Helsinki Ltd. was EUR 15.90. The highest quotation during January-December 2012 was EUR 17.71 and the lowest EUR 14.48. The number of shares traded in the NASDAQ OMX Helsinki Ltd. in January-December 2012 was 1,018,902.

On December 31, 2012, Vaisala had 18,218,364 shares, of which 3,389,351 are series K-shares and 14,829,013 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.

VAISALA

The market value of Vaisala's A-shares on December 31, 2012 was EUR 233.3 million, excluding the Company's treasury shares. Valuing the K-shares - which are not traded on the stock market - at the rate of the A-share's closing price on the last day of December, the total market value of all the A- and K-shares together was EUR 287.1 million, excluding the Company's treasury shares.

Vaisala's main shareholders are listed on the website.

Treasury shares and parent company shares

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

The Board of Directors' proposals for the Annual General Meeting 2013

The Board of Directors proposes to the Annual General Meeting a dividend of EUR 0.90 per share for the fiscal year 2012. The dividend would be paid to shareholders registered in the Register of Shareholders held by Euroclear Finland Ltd on the record date of the dividend distribution, April 2, 2013. The Board of Directors proposes that the dividend will be paid on April 9, 2013.

The Board of Directors proposes to the Annual General Meeting that the annual fee payable to the Board members elected at the same meeting for a term until the close of the Annual General Meeting in 2014 will be: the Chairman of the Board of Directors EUR 45,000 and each Board member EUR 35,000 per year.

The Board of Directors proposes to the Annual General Meeting that the compensation for the Chairman of the Audit Committee would be EUR 1,500 per attended meeting and EUR 1,000 for each member of the Audit Committee for a term until the close of the Annual General Meeting in 2014.

The Board of Directors proposes to the Annual General Meeting that the compensation for the Chairman and each member of the Remuneration Committee and any other committee established by the Board of Directors would be EUR 1,000 per attended meeting for a term until the close of the Annual General Meeting in 2014.

Shareholders representing more than 10% of all the votes in the company have announced their intention to propose to the Annual General Meeting, that the number of Board members to be six. The proposal for the number of the Board members is integrally related to the proposal by the same shareholders for the election of the members of the Board of Directors as presented below.

The terms of office of Board members Yrjö Neuvo and Maija Torkko will end at the Annual General Meeting. Shareholders representing more than 10% of all the votes in the company have announced their intention to propose to the Annual General Meeting, that Yrjö Neuvo and Maija Torkko are re-elected.

The Board of Directors proposes to the Annual General Meeting that the Auditors be reimbursed according to their reasonable invoice.

The Board of Directors proposes to the Annual General Meeting that PricewaterhouseCoopers Oy be re-elected as the auditor of the Company for the fiscal year 2013. PricewaterhouseCoopers Oy has informed that APA Hannu Pellinen will act as the auditor with the principal responsibility.

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

The Board of Directors proposes to the Annual General Meeting that it would decide to decrease the share premium fund presented in the Company's balance sheet on December 31, 2012 by EUR 22,306,293.52 by transferring all the funds in the share premium fund into the invested non-restricted equity fund. The Board of Directors further proposes that of the funds transferred into the invested non-restricted equity funds EUR 1.23 per share would be distributed to the shareholders as a return of capital, which, at the date of the invitation, equals to approximately EUR 22.2 million return of capital.

Decreasing the share premium fund must be notified to the Finnish National Board of Patents and Registration for registration. Before decreasing the share premium fund the Finnish National Board of Patents and Registration shall publish a public summons to the creditors of the Company. The Company shall apply for the public summons to be given without delay after the Annual General Meeting. The Board of Directors expects that the due day set in the public summons, after which the decrease can be implemented, will be approximately in July 2013. The Board of Director proposes that it would be authorized to decide on the record date for the distribution of funds and the payment date as soon as possible after the due date for the public summons. The distribution of funds is expected to take place approximately in August 2013. The return of capital is paid to a shareholder, who is registered on record date decided by the Board of Directors in the Register of Shareholders of the Company held by Euroclear Finland Ltd.

The reasoning of the proposal is to return the capital that exceeds the needs of the Company's business to the shareholders, which improves efficiency of the use of Company's capital without risking Company's equity ratio or liquidity.

The Board of Directors proposes that the General Meeting authorize the Board of Directors to decide on the directed acquisition of a maximum of 150,000 of the Company's own A-shares in one or more instalments with funds belonging to the Company's unrestricted equity.

The shares shall be acquired in a proportion other than that of the shareholders' current shareholdings in the Company in public trading arranged by NASDAQ OMX Helsinki Ltd at the market price on the moment of acquisition. The shares shall be acquired and paid according to the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd. The Board of Directors is authorized to decide on the acquisition of own shares in all other respects.

It is proposed that the authorization is valid until the closing of the next Annual General Meeting, however, no longer than September 26, 2014. The authorization replaces the previous authorization for directed acquisition of own A-shares granted by the Annual General Meeting on March 28, 2012.

The Board of Directors proposes that the General Meeting authorize the Board of Directors to decide on the transfer of the Company's own shares as follows.

The authorization concerns only A-shares held by the Company. The authorization is limited to a maximum of 309,150 shares, which corresponds to approximately 2.1 % of all A-shares in the Company and to approximately 1.7 % of all shares in the Company.

The transfer of own shares may be carried out in deviation from the shareholders' pre-emptive rights (directed issue). The authorization entitles the transfer of shares that are held by the Company as a directed issue without payment as part of the Company's share based incentive plan. The Board of Directors can also use this authorization to grant special rights entitling subscription of the Company's own shares that are held by the Company. The subscription price of the shares can instead of cash also be paid in full or in part as contribution in kind.

The Board of Directors decides on all other conditions of the transfer of own shares.

It is proposed that the authorization is valid until March 26, 2018. The authorization replaces the previous authorization for transferring own A-shares granted by the Annual General Meeting on March 28, 2012.

The Board of Directors proposes that the Annual General Meeting authorize the Board of Directors to decide on donations of maximum EUR 250,000. The donations may be granted in one or several payments. The Board of Directors decides on the related payments.

It is proposed that the authorization is valid until the close of the Annual General Meeting in 2014.

Vantaa, February 6, 2013

Vaisala Corporation
Board of Directors

Publishing Financial Statements

Printed Financial Statements for 2012, the online annual report and corporate governance statement will be published in week 10 in March 2013.

Annual General Meeting 2013

Vaisala Corporation’s Annual General Meeting will be held on Tuesday, March 26, 2013 at 6 p.m. at Vaisala Corporation’s head office, Vanha Nurmijärventie 21, 01670 Vantaa.

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

The financial statements have been prepared in accordance with the IAS 34 following the same accounting principles as in the annual financial statements. The whole year numbers presented in the financial report have been audited.

VAISALA

CONSOLIDATED INCOME STATEMENT, IFRS, EUR million

	10-12 2012	10-12 2011	Change %	1-12 2012	1-12 2011	Change %
Net sales	89.7	90.3	-1	293.3	273.6	7
Cost of procurement and production	-46.6	-44.7	4	-148.0	-142.7	4
Gross margin	43.0	45.5	-5	145.3	130.8	11
Other operating income	0.0	1.7	-99	0.5	2.1	-76
Cost of sales and marketing	-14.9	-16.5	-10	-54.4	-57.8	-6
Costs of research and development	-7.5	-7.6	-2	-28.0	-28.0	0
Other administration costs	-8.2	-10.1	-19	-33.1	-31.0	7
Other operating cost	-0.1	0.0	8410	-0.2	-0.1	23
Operating result	12.4	13.0	-4	30.1	16.1	87
Financial income and expenses	-0.8	1.0	-180	-0.9	0.1	-1731
Result before taxes	11.6	13.9	-17	29.1	16.1	80
Income taxes	-1.8	-5.0	-63	-7.4	-5.8	29
Net result	9.8	8.9	10	21.7	10.4	109
Attributable to Equity holders of the parent	9.8	8.9	10	21.7	10.4	109
Earnings per share for profit attributable to the equity holders of the parent						
Basic earnings per share, EUR	0.54	0.49	11	1.20	0.57	110
Diluted earnings per share, EUR	0.54	0.49	10	1.19	0.57	109

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, IFRS, EUR million

Net Result	9.8	8.9	10	21.7	10.4	109
Other comprehensive income:						
Translation differences	-1.5	2.3	-165	-1.1	1.9	-158
Other changes				-0.2	-0.3	33
Total comprehensive income	8.3	11.2	-26	20.4	12.0	70
Total comprehensive income attributable to:						
Equity holders of the parent	8.3	11.2	-26	20.4	12.0	70

VAISALA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION, IFRS, EUR million

ASSETS	31.12.2012	31.12.2011	Change %
Non-current assets			
Intangible assets	33.1	38.5	-14
Tangible assets	49.1	55.8	-12
Investments in associates	0.8	0.6	45
Other financial assets	0.1	0.3	-65
Long-term receivables	0.1	0.1	9
Deferred tax assets	5.1	5.9	-13
Current assets			
Inventories	29.8	33.4	-11
Trade and other receivables	60.9	68.4	-11
Accrued income tax receivables	1.8	2.4	-27
Cash and cash equivalents	74.8	45.5	64
Non-current assets held for sale	1.4	0.1	
TOTAL ASSETS	257.0	250.8	2

SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	7.7	7.7	0
Share premium reserve*	22.3	22.3	0
Other reserves	0.7	0.3	113
Translation differences	-0.4	0.6	-170
Retained earnings*	139.8	141.5	-1
Treasury shares	-2.5	-0.3	-895
Net Result	21.7	10.4	109
Total equity	189.2	182.5	4
LIABILITIES			
Long-term liabilities			
Retirement benefit obligations	1.6	2.0	-20
Interest-bearing liabilities	0.3	0.3	0
Other long-term liabilities	1.3	1.7	-21
Provisions	0.1	0.1	0
Deferred tax liabilities	1.0	0.9	11
Current liabilities			
Interest-bearing liabilities	0.3	0.3	-6
Advances received	4.5	3.1	43
Accrued income tax payables	1.5	0.9	78
Provisions	0.9	1.5	-40
Trade and other payables	56.4	57.6	-2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	257.0	250.8	2

*Share premium reserve and retained earnings are presented as restated values. Restatement is related to the adoption of IFRS on January 1, 2004. More information to be found on the Changes of Consolidated Statement of Changes in Shareholder's equity and in the Consolidated Financial Statement.

VAISALA

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, IFRS, EUR million

	Share capital	Share premium reserve	Other reserves	Treasury shares	Translation differences	Retained earnings	Total equity
Balance on January 1, 2012	7,7	22,3	0,3	-0,3	0,6	151,9	182,5
Total comprehensive income for the year					-1,1	21,5	20,4
Purchase of treasury shares				-2,3			-2,3
Share based compensation			0,4				0,4
Dividend paid						-11,9	-11,9
Balance on December 31, 2012	7,7	22,3	0,7	-2,6	-0,4	161,4	189,2

	Share capital	Share premium reserve	Other reserves	Treasury shares	Translation differences	Retained earnings	Total equity
Balance on January 1, 2011	7,7	22,3	0,3	-0,3	-1,2	153,6	182,4
Total comprehensive income for the year			0,1		1,8	10,4	12,2
Other changes						-0,3	-0,3
Dividend paid						-11,8	-11,8
Balance on December 31, 2011	7,7	22,3	0,3	-0,3	0,6	151,9	182,5

	Share capital	Share premium reserve	Other reserves	Treasury shares	Translation differences	Retained earnings	Total equity
Balance on December 31, 2010	7,7	16,4	0,3	-0,3	-1,2	159,3	182,4
Restatement related to IFRS adoption on January 1,2004		5,7				-5,7	0,0
Balance on January 1, 2011, adjusted	7,7	22,3	0,3	-0,3	-1,2	153,6	182,4

Vaisala has made a retrospective restatement between share premium reserve and retained earnings as of January 1, 2011 according to IAS 8. This restatement is related to the adoption of IFRS on January 1, 2004 when the tangible assets' revaluation reversal of EUR 5.7 million was recognized to share premium reserve. This tangible assets' revaluation reversal has been corrected to retained earnings as of January 1,2011. This restatement does not have any impact on profit to shareholders of the parent, neither on diluted nor on undiluted earning per share. This restatement is related only to Consolidated Shareholders' Equity and thus the balance sheet as of January 1, 2011 has not been presented.

VAISALA

CONSOLIDATED CASH FLOW STATEMENT, IFRS, EUR million	1-12 2012	1-12 2011	Change %
Cash flows from operating activities			
Cash receipts from customers	301.2	276.6	9
Other income from business operations	0.0	2.0	-98
Cash paid to suppliers and employees	-245.4	-233.9	5
Interest received	0.1	0.2	-47
Interest paid	-0.4	0.0	4244
Other financial items, net	-2.4	-0.7	-245
Income tax paid	-5.0	-6.7	-24
Cash flow from business operations (A)	48.2	37.6	28
Cash flow from investing activities			
Investments in intangible assets	-2.2	-3.3	-32
Investments in tangible assets	-3.2	-13.3	-76
Proceeds from sale of fixed assets	0.4	0.0	3559
Other investments	0.0	0.1	-139
Cash flow from investing activities (B)	-5.0	-16.5	70
Cash flow from financing activities			
Purchase of treasury shares	-2.3	0.0	-
Dividend paid and other distribution of profit	-11.8	-11.8	0
Other transactions from Equity	-0.2	-0.3	-33
Cash flow from financing activities (C)	-14.3	-12.1	-18
Change in liquid funds (A+B+C) increase (+) / decrease (-)	28.9	9.0	221
Liquid funds at beginning of period	45.5	35.3	29
Foreign exchange effect on cash	0.4	1.2	-67
Net increase in cash and cash equivalents	28.9	9.0	221
Liquid funds at end of period	74.8	45.5	64

Segment information

10-12/2012, EUR million	WEA *	CEN *	Other operations	Group
Sale of goods	57.5	15.8	0.0	73.4
Revenue from services	13.8	2.5	0.0	16.3
Net sales	71.3	18.3	0.0	89.7
Operating result	11.8	1.1	-0.5	12.4
Financial income and expenses				-0.8
Share of associated companies' net profit				0.0
Net result before taxes				11.6
Income taxes				-1.8
Net profit				9.8
Depreciation	0.5	0.3	3.1	3.9

* WEA= Weather
* CEN = Controlled environment

Segment information

10-12/2011, EUR million	WEA *	CEN *	Other operations	Group
Sale of goods	61.6	16.8	0.0	78.5
Revenue from services	10.2	1.6	0.0	11.8
Net sales	71.8	18.4	0.0	90.3
Operating result	9.9	1.8	1.2	13.0
Financial income and expenses				1.0
Share of associated companies' net profit				0.0
Net result before taxes				13.9
Income taxes				-5.0
Net profit				8.9
Depreciation	0.6	0.0	3.6	4.2

* WEA= Weather
* CEN = Controlled environment

Segment information

1-12/2012, EUR million	WEA *	CEN *	Other operations	Group
Sale of goods	183.9	67.0	0.0	251.0
Revenue from services	34.1	8.2	0.0	42.3
Net sales	218.0	75.3	0.0	293.3
Operating result	22.5	9.4	-1.9	30.1
Financial income and expenses				-0.9
Share of associated companies' net profit				0.0
Net result before taxes				29.1
Income taxes				-7.4
Net profit				21.7
Depreciation	2.1	1.1	12.6	15.8

* WEA= Weather
* CEN = Controlled environment

Segment information

1-12/2011, EUR million	WEA *	CEN *	Other operations	Group
Sale of goods	167.3	65.5	0.0	232.8
Revenue from services	34.5	6.3	0.0	40.8
Net sales	201.8	71.7	0.0	273.6
Operating result	5.9	10.5	-0.3	16.1
Financial income and expenses				0.1
Share of associated companies' net profit				0.0
Net result before taxes				16.1
Income taxes				-5.8
Net profit				10.4
Depreciation	2.0	0.1	12.6	14.7

* WEA= Weather
* CEN = Controlled environment

VAISALA

FINANCIAL INDICATORS

	10-12 2012	10-12 2011	1-12 2012	1-12 2011
Return on equity (ROE)	11.7%	5.7%	11.7%	5.7%
Number of shares outstanding (kpcs)	18,059	18,209	18,059	18,209
Number of treasury shares (kpcs)	159	9	159	9
Number of shares at (kpcs), weighted average	18,059	18,209	18,120	18,209
Adjusted number of shares (kpcs)	18,209	18,209	18,209	18,209
Earnings/share (EUR)	0.54	0.49	1.20	0.57
Earnings/share (EUR),fully diluted	0.54	0.49	1.19	0.57
Net cash flow from operating activities/share (EUR)	1.18	1.02	2.66	2.06
Equity/share (EUR)	10.48	10.02	10.48	10.02
Solvency ratio	75%	74%	75%	74%
Gross capital expenditure (MEUR)	2.0	3.9	5.8	16.7
Depreciation (MEUR)	3.9	4.2	15.8	14.7
Average personnel	1,440	1,396	1,422	1,386
Order book (MEUR)	105.6	134.3	105.6	134.3
Nominal value of derivative financial instruments	20.9	19.7	20.9	19.7

Definition of financial indicators

Solvency ratio, (%)	=	Shareholders' equity plus non-controlling Interest -- Balance sheet total less advance payments	x 100
Earnings / share	=	Profit/loss before taxes less taxes +/- non-controlling interest --- Average number of shares, adjusted	
Cash flow from business operations / share	=	Cash flow from business operations --- Number of shares at balance sheet date	
Equity / share	=	Shareholders' equity --- Number of shares at balance sheet date, adjusted	
Dividend / share	=	Dividend --- Number of shares at balance sheet date, adjusted	
Return on equity (ROE), (%)	=	Profit/loss before taxes less taxes --- Shareholders' equity + non-controlling interest (average)	x 100

Further information:
Kaarina Muurinen, CFO
Tel +358 9 8949 2215, mobile +358 40 577 5066
Vaisala Corporation

Distribution:
NASDAQ OMX Helsinki
Key media
www.vaisala.com