Financial Statements 2010
Vantaa Energy Group

Vantaan Energia

Contents

Report of the Board of Directors for 2010

General review
The Vantaa Energy Group consists of the parent company Vantaa Energy Ltd and its subsidiaries and associated companies.

In 2010, the subsidiaries and associated companies of Vantaa Energy Ltd were (ownership shares in brackets): Vantaa Energy Electricity Networks Ltd (100%), Vantaan Aviaenergia Oy (100%), Svartisen Holding A/S (49.6%), Suomen Energia-Urakointi Oy (25.9%), and Energiansäästöpalvelu Enespa Oy (24.8%).

Vantaa Energy Ltd produces energy services for its customers. The company's main products are electricity, district heating and natural gas. Vantaa Energy sells electricity to corporate customers throughout Finland and to households in Vantaa and its neighbouring areas. The company's market area for the district heating business is Vantaa. It also provides natural gas for industrial needs.

The subsidiary Vantaa Energy Electricity Networks Ltd is responsible for electricity network operations in Vantaa, with the exception of the airport area. The subsidiary Vantaan Aviaenergia Oy is responsible for district heating operations in the Helsinki-Vantaa airport area. Aviaenergia Oy started operation on 1 January 2010 as a result of an asset deal.

Vantaa Energy Ltd is owned by the City of Vantaa (60%) and the City of Helsinki (40%).

The year 2010 was the company's 100th year of operation.

The market price of electricity started to rise after the falling trend in the past couple of years. In 2010, the market price of electricity was approx. 50% higher than in the previous year. At the beginning of the year, in February, the spot market price of electricity reached an all-time record, and the highest hourly prices were about EUR 1,400/MWh.

Vantaa Energy Ltd raised its selling prices of electricity that are effective until further notice by about 7% on 1 June 2010 and by an average of 5.5% on 1 November 2010. The energy fee included in the price of district heat was raised by approx. 10% on 1 October 2010. The basic fee remained unchanged, which means that the total price of district heat rose by an average of 7 %.

Vantaa Energy Electricity Networks Ltd increased its electricity transmission tariffs by about 5.4% as of 1 June 2010.

Vantaan Aviaenergia Oy raised its electricity transmission tariffs in the airport area by approx. 10% as of 1 April 2010.

The new the VAT rate of 23% was applied to the prices of all of our products as of 1 July 2010.

According to the Energy Market Authority, the increases in the prices of electric energy and transmission, together with the tax increases, raised the electricity bills of consumers by an average of 20% in Finland in 2010.

Financial performance
Consolidated turnover totalled EUR 283.3 million (EUR 234.1 million), with operating profit amounting to EUR 61.0 million (49.1 million). Profit before appropriations and taxes stood at EUR 61.3 million (EUR 50.0 million).

The turnover of the parent company Vantaa Energy Ltd amounted to EUR 240.4 million (EUR 200.0 million). Electricity sales accounted for EUR 154.7 million (EUR 118.6 million) and heat sales for EUR 82.0 million (78.6 million) of the turnover. The parent company's operating profit was EUR 38.3 million (EUR 30.8 million), and profit before appropriations and taxes EUR 56.1 million (EUR 46.3 million). Direct taxes amounted to EUR 13.7 million (EUR 11.7 million).

The Group's gross investments in fixed assets totalled EUR 43.8 million (23.5 million). The electrical power system was upgraded and expanded with EUR 6.6 million (EUR 8.2 million). A total of EUR 6.1 million (EUR 7.9 million) was invested in the construction of a district heating network and in heating plants. EUR 3.9 million (EUR 1.8 million) were invested in the development of remote metering. The design of a waste-to-energy power plant began, and the related costs amounted to EUR 0.7 million. A total of EUR 1.9 million was invested in production shares and other stocks. The decreases in the value of the Group's fixed assets totalled EUR 2.9 million. The costs arising from the steam turbine damage in the Martinlaakso power plant will amount to approx. EUR 6 million. The required reparations have been entered in fixed assets under construction, deducted by an estimated insurance refund.

The Group's financial position was stable. The cash flow was mainly used for investments and dividend distribution. A commercial-paper programme of EUR 100 million was established for the company in view of future financing arrangements.

Key financial figures:

Key figure	Group			Parent company		
	2010	2009	2008	2010	2009	2008
Turnover, EUR mill.	283.3	234.1	203.5	240.4	200.0	174.5
Operating profit, EUR mill.	61.0	49.1	35.8	38.3	30.8	26.1
Operating profit, % of turnover	21.5	21.0	17.6	15.9	15.4	15.0
Return on equity (ROE) %	27.1	25.0	19.4	23.6	20.3	19.9
Equity ratio %	42.7	41.8	39.9	42.0	41.5	40.1
Gross investments, EUR mill.	43.8	23.5	29.5	13.2	13.4	21.2
% of turnover	15.5	10.0	14.5	5.5	6.7	12.1

Development of business operations

As in previous years, the company's electricity generation was based on its own combined heat and power (CHP) generation at the Martinlaakso power plant, which accounted for 64% of total electricity generation. The company's shares in various partly-owned power plants totalled 36%. The company's own electricity generation and the electricity obtained from its shares in partly-owned power plants amounted to 1,627 GWH (1,532 GWh) The annual output of the Martinlaakso power plant was 1,041 (1,044) GWh of electricity and 1,686 (1,618) GWh of district heat.

With respect to heating requirements, the year 2010 was 9.5% colder than the long-term average. District heating and steam energy sales to the Vantaa region amounted to 1,923 GWh (1,771 GWh). The total contracted capacity of district heating customers was 876 MW (868 MW). Retail sales of natural gas to customers totalled 52 GWh (43 GWh).

After the economic downswing, electricity consumption in Finland started to rise again. Total consumption increased by 7.6% and industrial consumption by 10.6%. Electricity sales to companies and private customers developed well, despite the keen competition. The total sales of electric energy amounted to 3,025 GWh (2,463 GWh), showing an increase of 22.8% on the previous year. In addition, a total of 66 GWh of electricity was sold to the wholesale market. Of the electricity sold, 33.8% was generated by Vantaa Energy, 18.9% was generated at a shared power plant, and 47.4% was purchased electricity.

One of the steam turbines of the Martinlaakso power plant was broken in the summer. Repair work is expected to be completed in the spring of 2011. The turbine damage reduced the amount of CHP electricity, but as a result of the higher-than-usual production volume during the first months of the year, the total production volume of electricity was the same as in the previous year.

The basic design of the waste-to-energy power plant to be built in eastern Vantaa continued and a procurement process for the main equipment was launched. The construction of the waste-to-energy power plant is scheduled for the years 2011 - 2014. An environmental impact assessment of the combustion of special waste in the waste-to-energy power plant was started in the autumn. The aim is to obtain a permit for combusting small amounts of waste classified as special waste for whose combustion the waste-fired power plant is technically suitable without any modifications to be made in the plant, in addition to municipal waste. Such fractions include, e.g. pressure-impregnated timber and hospital waste.

As a shareholder of Voimaosakeyhtiö SF, the company took an active part in the preparation of the nuclear power plant project of Fennovoima Oy. In July, the Finnish Parliament approved the Government resolution on the construction of a new nuclear power plant, due to which Vantaa Energy made a decision to participate in the procurement stage of the nuclear power plant project and its financing in 2011.

Vantaa Energy concluded an important contract on electricity supply to the consumption sites of the Government, such as the Senate Properties, the VR Group and the Finnish Defence Forces, with Hansel Oy, the central procurement unit of the Finnish Government, and Bergen Energi AS.

Risk management

The aim of Vantaa Energy's risk management measures is to support the achievement of business objectives and to prevent any negative effects. The Board of Directors of Vantaa Energy approves the Group's risk management policy. The policy specifies the key principles, responsibilities and processes of risk management.

Major risks and uncertainties have been identified and key risks are managed in a systematic way. Key risks include fluctuation in the market price of electricity, rise in fuel prices, public authority regulation that is difficult to forecast, extensive disturbances in the electricity or heating network or energy production, and problems in information systems.

In 2010, the focus of the Group's key development projects related to risk management was on updating reporting in accordance with the financial risk management policy revised in December 2009 and development of operating models linked with the risk management policy, and creating scenarios for consumption trends in district heating.

In 2010, special attention was also paid to risks related to the processing of metering data. We also made preparations for changing over to using hourly-metering data in balance determination.

Key employee figures

Key figure	Group			Parent company		
	2010	2009	2008	2010	2009	2008
Average number of employees during financial period	353	341	335	274	272	271
Permanent as of 31 Dec.	340	328	321	262	261	261
- monthly salary	265	252	247	210	207	207
- hourly wages	75	76	74	52	54	54
- men	245	237	228	178	181	178
- women	95	91	93	84	80	83
Fixed-term contracts as of 31 Dec.	10	17	12	8	13	8
Average age of employees, yrs	45.8	46.2	46,8	46.0	46,0	46.7
Paid salaries, wages and bonuses	18.7	17.1	16.2	14.9	13.9	13.2

More key employee figures are available in Vantaa Energy's corporate social responsibility report for 2010.

Environment

The management of Vantaa Energy's environmental issues is guided by an environmental management system complying with the ISO 14001 standard. The company's environmental work is based on the legislative and operational requirements for its own operating environment, its social responsibility policy, and the set environmental goals and targets.

The most significant environmental aspects of Vantaa Energy are related to the use and storage of fuels, as well as the origin of waste and emissions into the air. Most of the environmental impacts are created by energy generation.

The company management regularly monitors the development of its environmental key figures and the achievement of their targets. The key environmental indicators are related to energy production, atmospheric emissions and waste. Environmental costs are also monitored at the company level as relevant information. Vantaa Energy had no significant environmental investments in 2010.

The Martinlaakso power plant and six heating plants are covered by the emissions trading scheme. The Group's carbon dioxide emissions totalled 892,371 tonnes in 2010.

Vantaa Energy provides more detailed environmental key figures in its annual corporate social responsibility report.

Social responsibility

Vantaa Energy Group's social responsibility policy creates guidelines for the management and development of company finances, the environment and social responsibility.

Vantaa Energy has drawn up reports on the objectives of social responsibility and the results of constant improvement of operations since 2002. The social responsibility report will be based on the international Global Reporting Initiative (GRI G3) Guidelines.

In 2010, the whole social responsibility report of the Group was converted into electronic format and published on the Vantaa Energy website. The aim is to utilise the opportunities for diverse and layered communications offered by the Internet.

Vantaa Energy's social responsibility website was opened and the report for 2009 was published in April 2010. The key focus areas of the report were accountability in the supply chain and interaction with stakeholders. The information in the report has been verified by an independent outside expert, Inspecta Sertifiointi Oy.

In compliance with the Electricity Market Act, Vantaa Energy Electricity Networks Ltd drew up an operational programme to ensure non-discrimination, when the number of the company's electricity network customers exceeded 100,000 for the first time.

The social responsibility report for 2010 will be published on the Vantaa Energy website in spring 2011.

Research and development

Vantaa Energy is a Group that focuses on the production of energy services and makes only minor investments in its own research and development. The Group participates in development projects mainly by providing financing to interesting R&D projects and by making the company's expertise available to the projects. In the research, we trust in the partnership networks in the industry and in good co-operation with leading energy research institutions.

Vantaa Energy Ltd is a founding member of the strategic centre for science, technology and innovation Cleen Oy, a cluster for energy and the environment. Vantaa Energy Electricity Networks Ltd takes an active part in the research programme 'Smart Grids and Energy Markets' of Cleen Oy.

Together with other network operators of the largest cities in Finland, Vantaa Energy Electricity Networks Ltd is a member of an electricity research pool for the development and funding of electrical power engineering, electricity transmission and distribution, and related service production and other research serving the energy sector. A significant research project completed in 2010 was the INCA project for developing an interactive customer gateway to meet the needs of smart grids.

The company was also involved in the long-term ENETE project (Promoting energy efficiency by the actions of power companies), with the objective of developing new business models related to energy efficiency. The project resulted in several publications, reports and two dissertations.

The most significant new construction area in the City of Vantaa in this decade is the Marja-Vantaa residential area The SYÖKSY research project aimed at studying the role of electric vehicles in the Ring rail line feeder transport is related to this area. The company also had a master's theses drawn up to assess the feasibility of district cooling in the Marja-Vantaa area.

In collaboration with its partners, the company has also been developing a geothermal heating product to be marketed as a service in the same way as district heating. The target group will consist of large properties located outside district heating areas.

Administration

The Annual General Meeting of Vantaa Energy was held on 6 April 2010. The issues discussed were those defined in the articles of association for the Annual General Meeting.

The members of the company's Board of Directors were Kari Helppolainen, Chairman; Lasse Männistö, first Vice Chairman; Matti Virtanen, second Vice Chairman; Maaria Haikarainen; Sirpa Kauppinen; Tapio Korhonen; Paula Lehmuskallio; Kari Nikkinen; and Leena Westerlund.

The Board of Directors convened 11 times during the year.

The ordinary auditors of the company were Ernst & Young Oy, Authorised Public Accountants, with Ari Lehto, APA, and Jarmo Lohi, APA, as auditors in charge and Eeva Koivula, APA, as deputy auditor.

The company's Managing Director was Pertti Laukkanen, M.Sc. (Eng.).

Significant legal affairs

At the end of 2009, an appeal was lodged against the environmental permit granted for the waste-to-energy power plant, due to which the environmental permit has not entered into force yet The Vaasa Supreme Administrative Court will hear the matter. The Supreme Administrative Court's decision has been delayed, but it is expected in spring 2011. The appeal process will not affect the implementation of the power plant project, because the environmental permit obtained will enable the company to start the construction of the waste-fired power plant.

The company signed a procurement contract with Tieto Oyj on the delivery of a comprehensive customer data system in autumn 2010. In November 2010, the company cancelled the procurement contract due to e.g. significant schedule delays and severe functional shortages.

Due to the cancellation, the company has demanded compensation from Tieto Oyj. If an agreement is not reached in the matter, the dispute will be settled in court.

On the last day of the year 2008, the Market Court gave a decision on the principles of calculating reasonable return for electricity network operators in the regulatory period of 2008-2011. The Market Court amended the Energy Market Authority's confirmation decisions in accordance with the network operators' demands, where applicable. However, the Market Court turned down e.g. the demands on increasing operational efficiency.

The Energy Market Authority and a number of distribution system operators (among them Vantaa Energy Electricity Networks Ltd) appealed against the Market Court's decision to the Supreme Administrative Court. The Supreme Administrative Court gave its decisions on both appeals at the close of 2010. It turned down the appeal of the distribution system operators, but amended the Market Court's decision, where applicable, based on the Energy Market Authority's appeal. The effects of the decisions on the business operations of Vantaa Energy Electricity Networks Ltd and Vantaan Aviaenergia Oy will be fairly insignificant.

In co-operation with other network companies Vantaa Energy Electricity Networks Ltd appealed against the manner in which the Energy Market Authority applies the costs of debt capital in the regulation model in November 2009. According to the views of the company and industry, the risk premiums of debt capital should be increased in the regulation model as a result of the tightened economic situation.

Vantaa Energy is also involved in a few contract dispute cases and disputes concerning permit conditions, the economic significance of which is deemed to be insignificant.

Events after the financial period

As a result of changes in the energy taxes on fuels, Vantaa Energy increased its district heating energy charge by an amount corresponding to the tax increase at the beginning of 2011. For Vantaa Energy Ltd, the increase was 14.9%, and for Vantaan Aviaenergia Oy 12.1%.

The bills of the customers of Vantaa Energy Electricity Networks Ltd and Vantaan Aviaenergia Oy were also increased due to a significant rise in the electricity tax charged in connection with electricity distribution prices, which became effective at the turn of the year. Depending on the customer type, the increase in the distribution price may be as much as several dozen percentages.

At the end of January, the generator transformer of the Svartisen power plant was broken, due to which electricity generation stopped. It may take until July to repair the damage. The break in production will significantly weaken the company's result for 2011.

Outlook

The turnover of Vantaa Energy is expected to increase from the previous year. The profitability of electricity generation and heat sales and thus the profitability of the whole Group is expected to weaken in 2011, compared to the level of the previous year.

The services, electricity transmission, distribution and district heating related to the energy networks in Vantaa will continue to provide stability for the Group's finances. The expected population growth and increase in the number of jobs in Vantaa will provide a growing base for these services.

The company's electricity generation business operates in the Nordic market. The result for the next few years is secured with a versatile production structure and successful risk management.

The global economic crisis that started in autumn 2008 resulted in a strong reduction in the market price of electricity in the years 2011-2013, and the situation has remained unchanged until autumn 2010. In 2011, the profit level of the company's electricity production will clearly fall from the excellent profit level of 2010.

Over 80 per cent of the heating requirement in Vantaa is covered by environmentally friendly and efficient CHP district heating. From the beginning of 2011, the profitability of district heating will weaken due to substantial fuel tax increases. In the heating market, district heating competes with other heating methods and the increase in costs cannot be added to customer prices to a sufficient extent.

The Energy Market Authority rejected the companies' appeals. The companies (including Vantaan Aviaenergia Oy) appealed against the decision to the Market Court. The Market Court rejected the companies' appeals at the end of 2010.

The survey of the heat prices of the ten largest district heating companies launched by the Finnish Competition Authority in autumn 2009 will continue, and the survey is expected to yield results in 2011 The intention is to look into the pricing principles applied by the district heating companies, and to find out, whether unacceptable pricing referred to in the Act on Competition Restrictions occurs in the sector.

Integration of the Nordic electricty markets is expected to continue also with respect to end-customer sales, which will increase the need to speed up the change-over to online and electronic customer services. We are developing electronic sales and service channels (e.g. website and online services) for a more efficient customer service.

Vantaa Energy Ltd is a shareholder in a number of wind power companies. Through these companies, Vantaa Energy will make significant investments to increase the production capacity of wind power over the next few years. However, new investments in wind power generation will require significant financial support from society in the form of e.g. feed-in tariffs or investment subsidies.

The challenging targets set by the EU for reducing carbon dioxide emissions and increasing the share of renewable energy will require more and more significant investments in the development of production outside emissions trading (waste power, nuclear power) and production based on renewable energy (hydropower, wind power, biomass) in Finland.

Although the extra cost of emission allowances needed for fossil fuels (peat, coal and natural gas) will improve the competitive position of renewable energy, the profitability of investments in these production methods will still depend on investment subsidies and certificate or feed-in tariff systems, which are under development. Special measures must also be focused on the reduction of energy consumption (energy-efficient construction, heating methods, consumption monitoring).

As a result of increasing competition in the electricity trade, instability of fuel prices, sharply rising fuel prices, and increasing regulation and supervision of profit levels in the sector, it will be a challenging task to maintain the company's profit level. Intensification and continuous improvement of operations, as well as development of expertise will be inevitable

The Board of Directors' proposal for the distribution of dividends

The distributable equity of the parent company according to the financial statements of 31 December 2010 is as follows:

-profits from previous financial years	€77,935,904.45
-profits from the financial year	€43,205,169.15
total	€121,141,073.60

The Board of Directors proposes that the company should pay a dividend of EUR 14.60/share, totalling EUR 24,979,256.80, to external share capital, reserve EUR 31,000 for donations, and set aside a sum of EUR 25,000 for the Board of Directors to use for the public good. The rest of the distributable equity, EUR 96,105,816.80, is left in the retained earnings account.

Since the end of the financial year, there have been no essential changes in the company's financial position. The company's liquidity is good and, according to the Board of Directors, the proposed distribution of profits will not jeopardise the company's solvency

Company stock

The company's capital stock is divided as follows 2010:

Owner	pcs	€
City of Vantaa	1,026,545	2,053,090
City of Helsinki	684,363	1,368,726
Total	1,710,908	3,421,816

The nominal value of each share is EUR 2.00. All shares have an equal right to dividend and company assets.

Profit and loss account

	Appendix	GROUP 1.1.-31.12.2010	GROUP 1.1.-31.12.2009	PARENT COMPANY 1.1.-31.12.2010	PARENT COMPANY 1.1.-31.12.2009
Turnover	2	**283 262 655,65**	**234 100 669,83**	**240 418 919,16**	**200 029 739,37**
Manufacture for own use	3	4 642 393,12	3 587 478,75	3 013 069,96	2 173 876,02
Other operating income	4	1 569 985,90	2 557 212,65	6 283 563,42	6 488 729,25
Materials and services	5	174 906 427,81	144 869 764,94	168 042 910,11	139 417 052,62
Personnel expenses	6	23 269 159,46	22 206 333,28	18 634 351,11	18 165 311,03
Depreciation and value adjustments	7	21 980 297,04	19 582 120,68	12 380 146,81	10 231 102,82
Other operating expenses	8	12 934 103,05	10 364 844,22	12 358 399,19	10 100 497,94
Share of the profit of associated companies		4 588 608,39	5 841 793,36	-	-
Operating profit		**60 973 655,70**	**49 064 091,47**	**38 299 745,32**	**30 778 380,23**
Financial income and expenses	9	297 479,37	893 508,61	4 715 333,91	3 009 990,10
Profit before extraordinary items		**61 271 135,07**	**49 957 600,08**	**43 015 079,23**	**33 788 370,33**
Extraordinary items	10	-	-	13 100 000,00	12 500 000,00
Profit before appropriations and taxes		**61 271 135,07**	**49 957 600,08**	**56 115 079,23**	**46 288 370,33**
Appropriations					
Change in depreciation reserve		-	-	838 401,85	678 310,79
Income taxes	11	-14 765 197,52	-11 472 118,33	-13 748 311,93	-11 703 337,39
Profit for the financial year		**46 505 937,55**	**38 485 481,75**	**43 205 169,15**	**35 263 343,73**

Balance sheet

	Appendix	GROUP 31.12.2010	GROUP 31.12.2009	PARENT COMPANY 31.12.2010	PARENT COMPANY 31.12.2009
ASSETS					
Fixed assets	12,13				
Intangible assets		3 143 148,34	2 730 027,97	1 832 753,43	2 060 401,50
Tangible assets					
Land and water areas		8 835 069,77	8 789 053,66	7 673 058,67	7 671 564,96
Buildings		15 632 506,59	17 077 349,39	13 301 192,94	14 472 157,58
Electricity network		78 431 077,00	64 826 783,42	0,00	0,00
District heating network and equipment		31 072 794,96	23 647 012,49	26 384 448,18	23 647 012,49
Gas distribution network		877 752,64	939 117,38	877 752,64	939 117,38
Machinery and equipment		36 116 498,76	39 908 260,90	36 104 470,84	39 897 843,41
Acquisitions in progress		2 901 177,75	1 524 244,00	2 901 177,75	1 524 244,00
		173 866 877,47	156 711 821,24	87 242 101,02	88 151 939,82
Investments					
Shares in group companies		0,00	0,00	80 000,00	80 000,00
Holdings in associated companies		23 276 806,43	22 614 198,10	21 545 835,26	21 545 835,26
Other shares and participations		32 157 084,41	30 330 283,28	32 154 283,36	30 327 482,23
Other long-term investments		2 000 000,00	2 000 000,00	2 000 000,00	2 000 000,00
		57 433 890,84	54 944 481,38	55 780 118,62	53 953 317,49
Total fixed assets and other long-term investments		**234 443 916,65**	**214 386 330,59**	**144 854 973,07**	**144 165 658,81**
Current assets	14				
Inventories					
Oil reserve		10 910 283,97	11 083 214,77	10 910 283,97	11 083 214,77
Coal reserve		8 311 930,34	15 878 706,74	8 311 930,34	15 878 706,74
		19 222 214,31	26 961 921,51	19 222 214,31	26 961 921,51
Long-term receivables					
Loan receivables from group companies		0,00	0,00	10 500 000,00	0,00
Loan receivables from associated companies		64 214 812,50	65 757 062,50	64 214 812,50	65 757 062,50
Other receivables		2 224 333,33	1 000,00	1 000,00	1 000,00
Short-term receivables					
Sales receivables		29 615 288,64	22 599 192,98	20 138 189,95	16 084 942,50
Connection charge receivables		76 283,00	174 636,48	26 480,00	134 301,48
Receivables from group companies		0,00	0,00	23 916 135,42	9 842 687,33
Receivables from associated companies		1 773 875,58	1 755 633,68	1 773 875,58	1 755 633,68
Advances paid		740 563,20	1 180 496,40	740 563,20	1 180 496,40
Accrued income		21 768 596,65	9 584 569,62	17 705 409,20	6 362 088,45
Other receivables		4 323 670,78	10 331 001,71	4 323 670,78	10 299 938,45
Receivables, total		124 737 423,68	111 383 593,37	143 340 136,63	111 418 150,79
Financial asset securities		24 688 601,24	8 048 912,77	19 675 592,26	6 040 761,90
Cash in hand and at banks		23 592 237,62	23 321 073,16	23 592 237,62	23 321 073,16
Total current assets		**192 240 476,85**	**169 715 500,81**	**205 830 180,82**	**167 741 907,36**
TOTAL ASSETS		**426 684 393,50**	**384 101 831,40**	**350 685 153,89**	**311 907 566,17**

Balance sheet

	Appendix	GROUP 31.12.2010	GROUP 31.12.2009	PARENT COMPANY 31.12.2010	PARENT COMPANY 31.12.2009
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	15				
Share capital		3 421 816,00	3 421 816,00	3 421 816,00	3 421 816,00
Retained earnings		132 105 108,19	118 366 993,12	77 935 904,45	67 689 081,52
Net profit for the period		46 505 937,55	38 485 481,75	43 205 169,15	35 263 343,73
Translation differences		256 216,97	269 154,12	--	--
Total shareholders' equity		**182 289 078,71**	**160 543 444,99**	**124 562 889,60**	**106 374 241,25**
Accrued appropriations					
Depreciation difference		--	--	**30 489 893,78**	**31 328 295,63**
Obligatory reserves	16	**2 545 012,00**	**785 368,00**	**2 545 012,00**	**785 368,00**
Liabilities	17				
Long-term liabilities					
Connection charges		116 817 950,28	110 174 341,95	81 530 769,09	79 809 357,14
Loans from financial institutions		64 214 812,50	65 757 062,50	64 214 812,50	65 757 062,50
Deferred tax liabilities		19 184 857,65	18 409 414,81	0,00	0,00
		200 217 620,43	194 340 819,26	145 745 581,59	145 566 419,64
Short-term liabilities					
Loans from financial institutions		1 542 250,00	1 542 250,00	1 542 250,00	1 542 250,00
Advance payments received		1 537 267,20	1 169 460,00	1 537 267,20	1 169 460,00
Trade payables		19 177 538,25	14 770 534,17	18 158 361,42	13 515 595,25
Amounts owed to group companies		0,00	0,00	8 750 649,68	2 473 625,26
Accruals and deferred income		18 382 324,18	9 784 716,53	16 834 483,08	8 125 474,54
Other liabilities		993 302,72	1 165 238,45	518 765,54	1 026 836,60
		41 632 682,35	28 432 199,15	47 341 776,92	27 853 241,65
Total liabilities		**241 850 302,78**	**222 773 018,41**	**193 087 358,51**	**173 419 661,29**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITY		**426 684 393,50**	**384 101 831,40**	**350 685 153,89**	**311 907 566,17**

Cash flow statement

	GROUP		PARENT COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Cash flow from operating activities				
Profit before extraordinary items	61 271 135,07	49 957 600,08	43 015 079,23	33 788 370,33
Adjustments				
Depreciation according to plan	21 980 297,04	19 582 120,68	12 380 146,81	10 231 102,82
Other non-cash income and expenses	1 447 172,85	-406 717,71	-389 499,71	-584 859,30
Financial income and expenses	-297 479,37	-893 508,61	-4 715 333,91	-3 009 990,10
Share of the profit of associated companies/other adjustments	-4 588 608,39	-5 841 793,36	1 760 005,89	785 368,00
Cash flow before change in working capital	79 812 517,20	62 397 701,08	52 050 398,31	41 209 991,75
Change in working capital				
Change in inventories	7 739 707,20	-4 977 755,98	7 739 707,20	-4 977 755,98
Change in short-term receivables	-12 672 746,98	3 547 339,91	-14 464 235,84	7 447 336,38
Change in short-term loans	13 200 483,20	2 775 407,32	19 488 535,27	2 750 266,96
Cash flow from operating activities before financial items and taxes	88 079 960,62	63 742 692,33	64 814 404,94	46 429 839,11
Interest paid and decrease in operating receivables	-994 973,38	-1 982 428,47	-993 279,26	-1 982 428,47
Dividends received	4 239 601,29	2 051 004,50	4 239 601,29	2 051 004,50
Interest received	1 235 068,49	2 786 172,92	1 469 011,88	2 941 414,07
Direct taxes paid	-13 989 754,67	-11 826 885,33	-13 748 311,93	-11 703 337,39
Cash flow from operating activities	**78 569 902,35**	**54 770 555,95**	**55 781 426,92**	**37 736 491,82**
Cash flow from investments				
Investment in tangible and intangible assets	-41 884 763,29	-21 260 144,31	-11 278 949,59	-11 131 733,08
Proceeds from sale of tangible and intangible assets	141 628,10	1 972 898,33	141 628,10	1 272 898,33
Other investments	-1 941 237,36	-2 212 905,46	-1 941 237,36	-2 222 905,46
Proceeds from sale of other investments	398 235,60	234 972,00	398 235,60	234 972,00
Cash flow from investments	**-43 286 136,95**	**-21 265 179,44**	**-12 680 323,25**	**-11 846 768,21**
Cash flow before financing activities	**35 283 765,40**	**33 505 376,51**	**43 101 103,67**	**25 889 723,61**
Financing cash flow				
Payment of long-term loans	-1 542 250,00	-1 542 250,00	-1 542 250,00	-1 542 250,00
Loans receivable, increase (-) / decrease (+)	1 542 250,00	1 542 250,00	-17 457 750,00	-2 457 750,00
Increase (+) or decrease (-) in connection charges	6 643 608,33	2 523 662,12	1 721 411,95	1 631 164,15
Dividends paid	-24 979 256,80	-24 979 256,80	-24 979 256,80	-24 979 256,80
Group contributions received and paid	-	-	13 100 000,00	12 500 000,00
Other	-37 264,00	-43 400,00	-37 264,00	-43 400,00
Financing cash flow	**-18 372 912,47**	**-22 498 994,68**	**-29 195 108,85**	**-14 891 492,65**
Change in liquid assets	**16 910 852,93**	**11 006 381,83**	**13 905 994,82**	**10 998 230,96**
Liquid assets on 1 Jan.	**31 369 985,93**	**20 363 604,10**	**29 361 835,06**	**18 363 604,10**
Liquid assets on 31 Dec.	**48 280 838,86**	**31 369 985,93**	**43 267 829,88**	**29 361 835,06**

Key Figures

	Group			Vantaa Energy Ltd		
	2010	**2009**	**2008**	**2010**	**2009**	**2008**
Turnover, EUR mill.	283,3	234,1	203,5	240,4	200,0	174,5
Operating profit, EUR mill.	61,0	49,1	35,8	38,3	30,8	26,1
% of turnover	21,5	21,0	17,6	15,9	15,4	15,0
Profit before extraordinary items, appropriations and taxes, EUR mill.	61,3	50,0	37,7	43,0	33,8	31,5
% of turnover	21,6	21,3	18,5	17,9	16,9	18,1
Profit before appropriations and taxes, EUR mill.	61,3	50,0	37,7	56,1	46,3	41,5
% of turnover	21,6	21,3	18,5	23,3	23,1	23,8
Return on investment (ROI), %,	26,3	23,4	19,2	21,6	18,5	18,9
Return on equity (ROE), %	27,1	25,0	19,4	23,6	20,3	19,9
Equity ratio, %	42,7	41,8	39,9	42,0	41,5	40,1
Current ratio	3,0	3,7	3,4	2,8	3,7	3,4
Gross investment, EUR mill.	43,8	23,5	29,5	13,2	13,4	21,2
% of turnover	15,5	10,0	14,5	5,5	6,7	12,1
Personnel on average	350	341	335	271	272	271

Formulae for the key figures

Return on investment (ROI), %	=	(Profit/loss before extraordinary items + interest and other financial expenses) / (Balance sheet total – interest-free liabilities – obligatory reserves) *)	x 100
Return on equity (ROE), %	=	(Profit/loss before extraordinary items – taxes) / (Equity) *)	x 100
Equity ratio, %	=	(Equity) / Balance sheet total	x 100
Current ratio	=	Inventories + liquid assets / Short-term liabilities	
Equity	=	Equity + depreciation reserve excluding deferred tax liabilities	

*) Average between the beginning and end of the year

Vantaa Energy
Peltolantie 27, Tikkurila
P.O. Box 95, FI-01301 Vantaa, Finland
Tel. +358 (09) 82 901
Fax + 358 (09) 826 517
firstname.lastname@vantaanenergia.fi
www.vantaanenergia.fi