

Financial statements and report on operations 2008



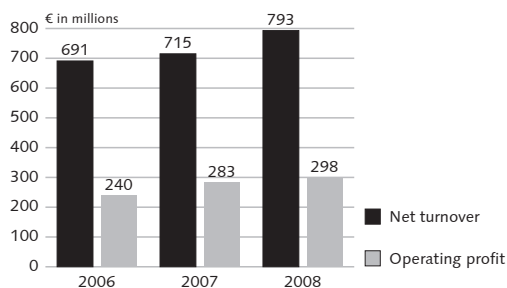
Helsingin Energia

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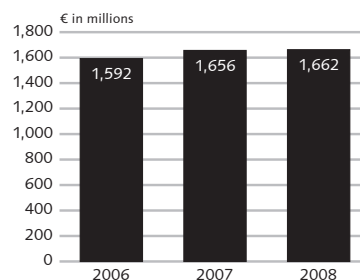
Helen Group Key Figures

	2008	2007	2006
Net turnover (M€)	793	715	691
Operating profit (M€)	298	283	240
Total assets (M€)	1,662	1,656	1,592
Return on investment, %	20	20	19
Equity ratio	63	62	60

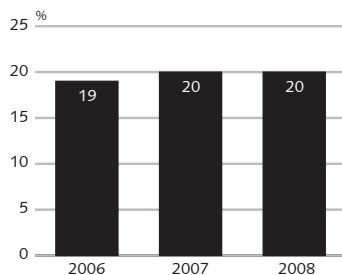
Net turnover and operating profit



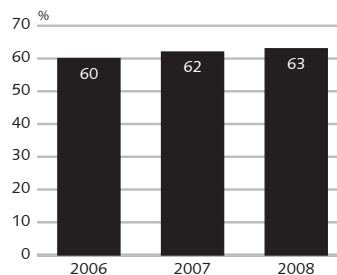
Total assets



Return on investment



Equity ratio



Computations of indicators

Return on investment, %

$$\frac{\text{Net profit before extraordinary items + other interest and financial expenses}}{\text{Average invested capital}} \times 100$$

Equity ratio, %

$$\frac{\text{Equity + reserves}}{\text{Total equity and liabilities - advances received}} \times 100$$

HELEN GROUP'S REPORT ON OPERATIONS FOR THE FINANCIAL YEAR 1.1.–31.12.2008

Helen Group is a commercial entity, which consists of the parent company Helsingin Energia and its wholly owned subsidiaries Helen Sähköverkko Oy, Mitox Oy, Oy Mankala Ab, the real estate company Helsingin Sähkötalo, three apartment house companies (Asunto Oy Helsingin Kaaarlenkatu 3-5, Asunto Oy Helsingin Käenkuja 6 and Asunto Oy Helsingin Laajasuontie 32), as well as of Suomen Energia-Urakointi Oy, 60% owned by Helsingin Energia. The associated companies of the Helen Group are Suomen Merituuli Oy, Vantaan Energia Oy and Finestlink Oy.

In the accounts of the City of Helsinki, Helsingin Energia is included in the financial statements of the City of Helsinki, and the subsidiaries of Helen Group are included in the consolidated financial statements of the City of Helsinki.

As a municipal corporation, Helsingin Energia operates in the whole Finnish electricity retail market and in the Nordic electricity wholesale market. Over 90% of the heat demand in Helsinki is covered with district heat, and district cooling is vigorously expanding. Helsingin Energia's operations model is based on unbundled business and service operations in compliance with the Electricity Market Act, the Natural Gas Market Act and the Act on Competition Restrictions. The key starting points of Helsingin Energia's business operations are competitiveness, operational reliability and environmental awareness.

The operations model is composed of the following businesses: HelenElectricity, HelenDistrictHeat, HelenPortfolioManagement, HelenEngineering, HelenPower, HelenService, HelenCooling and the separate businesses: HelenRealEstate, HelenOutdoorLighting and HelenTunnels. The service operations comprise Customer Service and Communications, as well as Group Services. ICT Services operate as a separate unit.

Sales trend

Intense competition in the electricity market affected electricity sales to end customers. The sales volume was 3,558 GWh, down approx. 7% from the previous year. Electricity sales to households increased in terms of both customer members and sales volumes. At 4,251 GWh, the sales volume of wholesale electricity was at the previous year's level. The total sales volume was 7,809 GWh.

The year 2008 was two degrees warmer than the average year and 0.6 degrees warmer than the year before. District heat sales to the distribution area amounted to 6,156 GWh, down approx. 4% from the previous year. The sales volume of district cooling was 42 GWh.

The revenues from electricity sales totalled EUR 398.1 million, with an increase of EUR 40 million over the previous year. The revenues from heat sales amounted to EUR 252.3 million, up EUR 27.9 million over the previous year. The increase in heat revenues was due to the effect of higher fuel prices on heat tariffs. Other operating income decreased by EUR 3.2 million from the previous year.

Subsidiaries

Helen Sähköverkko Oy concentrates on electricity network operation in compliance with the Electricity Market Act and provides transmission and distribution services to its customers in the Helsinki area. Helen Sähköverkko Oy's turnover accounts for approx. 12% of Helen Group's turnover. The turnover for the review year amounted to EUR 94.6 million. Helen Sähköverkko Oy had 104 permanent employees at the end of the review year.

Total electricity consumption in Helsinki was 4,671 GWh. Consumption increased by 2.5% from the previous year in spite of the mild weather. The increase electricity consumption is mainly due to the amount of electricity consumed by Helsingin Energia's Katri Vala heating and cooling plant.

Mitox Oy produces a wide range of energy metering services for companies operating in the energy and real-estate sectors. Mitox Oy provides the metering services required by Helsingin Energia and Helen Sähköverkko Oy. Mitox Oy had 107 employees at the end of the review year.

The company operates in a competitive metering market. The sector's total volume is on the increase. Behind the increase is the fact that energy companies increasingly invest in remote reading of energy meters. Another reason is that the need for metering increases as the electricity market develops.

Mitox Oy's turnover amounted to EUR 8.1 million. The bulk of the turnover came from selling metering services to the Helen Group.

Oy Mankala Ab is a hydropower company owned by Helsingin Energia. The company owns the Mankala, Ahvenkoski, Klåsarö and Ediskoski hydropower plants on the River Kymijoki. Oy Mankala Ab has an 8% share in Teollisuuden Voima Oy.

Total precipitation in 2008 in the Päijänne catchment area was 121% of the long-term average. In the operating year, the Mankala hydropower plant produced a total of 194,102 MWh of energy, and production in Anvenkoski amounted to 157,482 MWh, in Klåsarö 33,298 MWh, and in Ediskoksi 2,863 MWh. These energy production amounts were record-high.

Oy Mankala Ab operates on the absorption principle. The company's turnover for the year of operation was EUR 24 million.

Real estate company Helsingin Sähkötalo is responsible for the development of the Sähkötalo real estate. Sähkötalo is also Helsingin Energia's Main Building. The main part of the renovated business premises in Sähkötalo were taken into use at the end of 2007, and the year 2008 was the first whole year of operation for the real estate company as part of the Kamppi shopping centre. The Sähkötalo premises have become a well-integrated part of the Kamppi Centre. The number of visitors to the Sähkötalo premises was 4.2 million in 2008. Helsingin Energia's customer service functions were concentrated on the third floor of the Sähkötalo building and the second floor was released to be leased out to new users.

Suomen Energia-Urakointi Oy is a service company specialised in electronic urban technology, providing design, installation, operation and data transmission services in networks and equipment related to electricity transmission, distribution and use. Helsingin Energia owns approx. 60% of the company. The other owners are Vantaa Energy Ltd and Lahti Energy Ltd.

The company's turnover amounted to EUR 39.9 million, with profit for the financial period of EUR 2.1 million. The key proportion of the company's installation activities was still composed of the construction and maintenance of medium and low-voltage networks, traffic lights and lighting networks in the Helsinki region and in Lahti and its surroundings.

Group turnover

Turnover for the operating year was EUR 792.5 million, with an increase of EUR 77 million over the previous year.

Expenses

Expenses excluding depreciation amounted to EUR 453.6 million. Fuel costs increased by EUR 36.3 million from the year before, and there was an increase of EUR 7.8 million in electricity purchases and electricity procurement from our shares in partly-owned power plants. In addition, other cost items were increased by operation and maintenance measures taken in power plants. Production for own use amounted to EUR 3.8 million. Planned depreciation amounted to EUR 63.8 million, and depreciation on goodwill to EUR 3.1 million.

Fixed assets and other long-term investments

The increase in Helen Group's investments in 2008 was EUR 110 million, including EUR 12 million of intangible rights.

Helsingin Energia invested a total of EUR 38.9 million in district heating, EUR 7.2 million in district cooling, EUR 5.9 million in power plants, and EUR 6.1 million in outdoor lighting systems. The investments of Helen Sähköverkko Oy amounted to EUR 25.8 million.

Profit trend

The Group's operating profit was EUR 297.7 million, accounting for 38% of the turnover. Profit before appropriations was EUR 283.1 million (EUR 267.5 million in the previous year). Return on investment (ROI) was 20%, calculated according to the mean value of the capital invested in the financial year.

Key financial indicators

	2008	2007	2006
Turnover M€	792.5	715.3	690.6
Operating profit M€	297.7	283.0	239.7
Operating profit, %	38	40	35
Return on equity, %	27	27	25
Equity ratio	63	62	60
Personnel, on average	1,721	1,739	1,565

Environment and quality

The corner stones of Helen Group's business operations are excellent security of supply and other qualitative factors. Energy generation is based on environmentally friendly combined heat and power generation and district heating in accordance with the principles of sustainable development. District cooling is obtained from the same production processes, which further increases energy efficiency.

Centralised energy production lies within the scope of the national and ever-tightening EU control. The energy package of the EU Commission and the energy and climate policy of the Helsinki City Council will impact future energy production decisions. Helsingin Energia's most significant tool is to continue to ensure the energy efficiency and operating preconditions of cogeneration, as well as of energy transmission and distribution. The renewable-energy priority will be kept up-to-date and the use of carbon dioxide-free and low-emission energy sources will be increased. Helsingin Energia has also taken an active part in the development of state-of-the-art combustion plants.

Our tools for keeping environmental impacts under control are the power plants' common environmental management system ISO 14001, the environmental handbooks of the various businesses, and the Green Office environmental criteria applied to all office premises.

Helsingin Energia will draw up a separate environmental report and environmental financial statements, which will not be audited by an independent outside party.

Organisation of internal control and risk management

It is the responsibility of Helsingin Energia's management to ensure that the municipal corporation has functional risk management and internal control practices with respect to the extent and content of its economy and business operations.

Internal control and risk management within the municipal corporation have been organised by including risk-management thinking in all activities. The responsibility for controlling risks has been differentiated by assigning it to persons who are independent of operational business. The state of internal control and risk management within the municipal corporation has been assessed by conducting internal interviews.

The assessment shows that in internal control and risk management, attention should be paid to risk management reporting and sufficiency of human resources. Internal control and risk management have been developed in 2008 by improving the forecast and analysis methods related to energy procurement and trading. The efficacy of risk management will be improved further by setting up a separate working group on developing risk management. Sufficiency of risk-management personnel will be ensured at the same time.

With respect to the extent and structure of its operations, Helsingin Energia has extensively assessed the most significant risks and uncertainty factors, as well as other factors affecting operational development. In risk management, the different types of risks are identified and operating procedures are documented and maintained. The essential thing is that business risks are managed and that the related control functions are in order.

Operating principles and risk management instructions approved by the Technical Committee of the City of Helsinki have been drawn up for Helsingin Energia's energy trading. The electricity market is highly volatile and predictability is expected to weaken. Competition will become tighter in the end customer market. Fluctuation of electricity exchange prices will cause business risks in wholesale and retail sales to end customers and also in electricity procurement. Helsingin Energia is prepared for risks and uses derivatives to hedge procurement and sales.

The price trend of fuels and emissions trading pose a profitability risk relating to increases in production costs. In addition, the availability of fuels constitutes an uncertainty factor. The power plant real estates have been insured by the Insurance Fund of the City of Helsinki and the production of the power plants has been insured by taking out business interruption insurance.

Organisation and auditors

Seppo Ruohonen has been the Managing Director of Helsingin Energia and Oy Mankala Ab, Risto Harjanne the Managing Director of Helen Sähköverkko Oy, Lassi Metsälä the Managing Director of Mitox Oy, Olli-Pekka Näsänen the Managing Director of the Real Estate Company Helsingin Sähkötalo, and Taisto Lehonmaa the Managing Director of Suomen Energia-Urakointi Oy.

Ernst & Young Julkispalvelut Oy, Authorised Public Accountants, have audited the consolidated financial statements of the Helen Group Mikko Rytilahti, authorised public accountant, has acted as the auditor with the main responsibility.

Outlook for 2009

Economic uncertainty and the deterioration of the general economic outlook are reflecting exceptionally strongly on the financial year 2009. The impact of the crisis in the financial markets on the real economy significantly increases the uncertainty of forecasts. A precondition for productive operations is competitiveness, coupled with increased cost awareness. The quantity and quality of resources must be adjusted according to the growth and profitability of business operations, while at the same time ensuring the retention and development of strategic know-how.

Climate change mitigation is the most demanding challenge in our operating environment, requiring actions at all levels of the energy chain. For Helsingin Energia, policies on increased utilisation of renewable energy, and the use of carbon dioxide emission-free and low-emission energy sources will bring significant investment needs in the next few years.

Price development in the electricity market, development of fuel prices, and anticipation of the cost effects of emissions trading pose many challenges. The total sales volume of electricity is expected to fall below the previous year's level. Intense competition in the end customer market will be reflected on the sales volume. We will not try to attain growth by sacrificing profitability.

The forecast for the heat sales volume has been reduced. The sales volume is, however, expected to grow from the year 2008, which was considerably milder than a normal year. The heat price will follow the price development of fuels, and the impact of emissions trading has also been taken into account in pricing. The profit level is forecast to fall from the level of 2008.

PROFIT AND LOSS ACCOUNT 1.1.–31.12.

	HELEN GROUP		HELSINGIN ENERGIA	
	2008 1,000 €	2007 1,000 €	2008 1,000 €	2007 1,000 €
NET TURNOVER	792,538	715,277	694,387	622,170
Variation in work in progress	-487 (decr)	483 (incr)	-	-
Work performed by the undertaking for its own purpose and capitalized	3,823	3,523	3,012	2,767
Other operating income	22,348	29,473	30,014	34,380
OPERATING EXPENSES				
Raw materials and consumables				
Fuel	-241,741	-200,355	-241,741	-200,355
Energy, materials and consumables	-72,647	-61,990	-68,256	-55,777
Variation in inventories	10,162 (incr)	4,911 (incr)	10,169 (incr)	4,973 (incr)
External services	-28,766	-27,253	-26,404	-21,065
Staff expenses	-90,105	-86,188	-67,603	-63,946
Depreciation according to plan	-63,844	-64,832	-41,336	-43,364
Depreciation in goodwill	-3,068	-2,799	-	-
Other operating charges	-30,471	-27,207	-25,795	-22,663
OPERATING PROFIT	297,742	283,043	266,447	257,121
Financial income and expenses				
Income from associated companies	6,834	7,195	-	-
Dividend income	-	-	11,310	11,637
Other interest and financial income	13,539	11,973	20,179	17,846
Interest and other financial expenses	-34,978	-34,698	-23,066	-24,072
PROFIT BEFORE APPROPRIATIONS AND TAXES	283,137	267,513	274,870	262,533
Change in depreciation reserve	-	-	2,668	2,668
Change in other reserves	-	-	-258	-208
Income taxes	-3,163	-1,298	-	-
Return on equity capital	-47,429	-47,429	-47,429	-47,429
Minority interests	-580	-449	-	-
PROFIT FOR THE FINANCIAL YEAR	231,965	218,337	229,851	217,564

BALANCE SHEET

	HELEN GROUP		HELSINGIN ENERGIA	
	2008	2007	2008	2007
	1,000 €	1,000 €	1,000 €	1,000 €
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	30,096	20,133	29,543	19,565
Goodwill	33,200	36,287	-	-
	63,296	56,420	29,543	19,565
Tangible assets				
Land and waters	27,631	27,639	-	-
Buildings and constructions	153,371	155,106	88,122	94,074
Machinery and equipment	727,296	698,267	502,030	471,279
Advance payments and construction in progress	46,155	43,410	35,100	39,630
	954,453	924,422	625,252	604,983
Investments				
Holdings in group undertakings	-	-	253,469	253,469
Investments in associated companies	105,886	108,558	128,205	128,205
Participating interests	117,688	109,387	19,580	19,059
Other shares and similar rights of ownership	668	568	146,666	146,566
	224,242	218,513	547,920	547,299
CURRENT ASSETS				
Inventories				
Fuel	71,286	60,116	71,286	60,116
Work in progress	1,211	1,697	-	-
Other inventories	1,356	1,365	-	106
	73,853	63,178	71,286	60,116
Current receivables				
Accounts receivable	48,927	37,463	54,398	44,416
Prepayments and accrued income	52,107	43,461	32,890	31,851
Other receivables	32,805	29,187	14,999	7,336
	133,839	110,111	102,287	83,603
Financial securities	2,400	250	-	-
Cash in hand and at banks	209,788	283,214	182,953	244,405
TOTAL ASSETS	1,661,871	1,656,108	1 559,241	1,559,971

BALANCE SHEET

	HELEN GROUP		HELSINGIN ENERGIA	
	2008	2007	2008	2007
	1,000 €	1,000 €	1,000 €	1,000 €
EQUITY				
CAPITAL AND RESERVES				
Share and basic capital	474,290	474,290	474,290	474,290
Revaluation reserve	59	59	-	-
Other reserves	52,793	52,693	52,693	52,693
Retained earnings	289,230	271,976	329,807	312,527
Profit for the financial year	231,965	218,337	229,851	217,564
	1,048,337	1,017,355	1,086,641	1,057,074
MINORITY INTERESTS	1,762	1,683	-	-
APPROPRIATIONS				
Depreciation reserve	-	-	54,761	57,429
Reserve for investment	-	-	95,300	95,300
Other untaxed reserves	-	-	991	733
PROVISIONS	9,998	16,014	9,998	16,014
LIABILITIES				
Long-term debts				
Loans from credit institutions	147,498	216,438	-	-
Loans from the city	209,663	228,937	209,663	228,937
Other interest-bearing liabilities	56,836	52,930	44	32
Deferred tax liabilities	1,658	742	-	-
	415,655	499,048	209,707	228,970
Current liabilities				
Loans from credit institutions	61,246	3,106	-	-
Loan instalments	19,274	19,274	19,274	19,274
Accounts payable	52,687	29,589	55,204	46,555
Deferred income and accrued liabilities	36,310	35,111	18,058	16,112
Other current liabilities	16,602	34,928	9,307	22,508
	186,119	122,008	101,843	104,450
TOTAL EQUITY AND LIABILITIES	1,661,871	1,656,108	1,559,241	1,559,971

CASH FLOW STATEMENT 1.1.–31.12.

	HELEN GROUP		HELSINGIN ENERGIA	
	2008	2007	2008	2007
	1,000 €	1,000 €	1,000 €	1,000 €
CASH FLOW FROM OPERATING ACTIVITIES				
Income financing				
Operating profit	297,742	283,043	266,447	257,121
Depreciations	66,912	67,631	41,336	43,364
Provision affecting operating profit	-19,156	-4,786	-19,156	-4,786
Financial income and expenses	-14,605	-15,530	8,423	5,411
Return on equity capital	-47,429	-47,429	-47,429	-47,429
Other corrections	81	1,050	-14,833	-15,738
Cash flow before change in working capital	283,545	283,979	234,788	237,944
Change in working capital				
Increase (-) or decrease (+) in inventories	-10,675	-8,018	-11,169	-4,973
Increase (-) or decrease (+) in current receivables	-23,728	-17,559	14,223	18,517
Increase (+) or decrease (-) in current liabilities	19,129	7,114	-9,700	-16,711
Income taxes	-3,163	-1,114	-	-
CASH FLOW FROM OPERATING ACTIVITIES (A)	265,108	264,402	228,142	234,777
CASH FLOW FROM INVESTING ACTIVITIES				
Change in non-current assets	-109,565	-82,108	-70,047	-46,002
CASH FLOW FROM INVESTING ACTIVITIES (B)	-109,565	-82,108	-70,047	-46,002
CASH FLOW FROM FINANCING ACTIVITIES				
Increase (+) or decrease (-) in current liabilities	58,140	-	-	-
Change in long-term debts	-83,393	-6,992	-19,262	-19,361
Other changes in equity	-201,566	-150,924	-200,285	-150,150
CASH FLOW FROM FINANCING ACTIVITIES (C)	-226,819	-157,916	-219,547	-169,511
CHANGE IN CASH AND CASH EQUIVALENTS (A + B + C)	-71,276	24,378	-61,452	19,264
Cash and cash equivalents at the beginning of the year	283,464	259,086	244,405	225,141
Cash and cash equivalents at the end of the year	212,188	283,464	182,953	244,405
	-71 276	24,378	-61,452	19,264

NOTES TO THE FINANCIAL STATEMENTS

Accounting principles

Financial statements are prepared according to Finnish Accounting Standards.

Depreciation plan

Depreciation according to plan is calculated as straight-line depreciation on the original acquisition cost based on the useful economic life of the non-current assets.

Depreciation period, years

Residential buildings	30–40
Other buildings and constructions	20–40
Network	15–40
Production machinery and equipment	15–40
Other machinery and equipment	3–10
Intangible assets	3–5

	HELEN GROUP		HELSINGIN ENERGIA	
	2008 1,000 €	2007 1,000 €	2008 1,000 €	2007 1,000 €
1. Net turnover				
Electricity sales	398,149	357,662	398,149	357,662
Electricity transmission	91,493	79,400	-	-
Heat	252,306	224,396	252,306	224,396
Other income	50,590	53,819	43,932	40,112
Total €	792,538	715,277	694,387	622,170
2. Variation in work in progress	-487	483	-	-
3. Work performed by the undertaking for its own purpose and capitalized	3,823	3,523	3,012	2,767
4. Other operating income				
Rents	6,009	7,494	6,457	7,132
Capital gains	10,556	1,110	7,447	1,110
Emission allowances	1,787	10,428	1,787	10,428
Other income	1,238	995	8,456	9,373
Total €	22,348	29,473	30,014	34,380
5. Energy and fuels				
Electricity supplied by group undertakings and participating interests	33,275	31,665	33,275	31,665
Purchases of electricity	15,890	9,700	15,890	9,700
Purchases of heat	314	242	314	242
Purchases of fuels	241,741	200,355	241,741	200,355
Change in fuel inventories	-10,169	-5,079	-10,169	-5,079
Other goods and materials	23,175	20,550	18,777	14,275
Total €	304,226	257,434	299,828	251,159
6. External services				
Base network payments	8,570	8,005	-	-
Other external services	22,521	19,248	26,404	21,065
Total €	28,766	27,253	26,404	21,065

	HELEN GROUP		HELSINGIN ENERGIA	
	2008	2007	2008	2007
	1,000 €	1,000 €	1,000 €	1,000 €
7. Staff				
Average number of personnel				
Number of monthly salaried employees	1,399	1,402	946	944
Number of hourly waged employees	322	337	322	337
Personnel	1,721	1,739	1,268	1,281
Wages and salaries	67,705	65,035	49,544	47,271
Pension expenses	17,058	15,767	13,992	13,422
Other personnel expenses	5,342	5,386	4,067	3,253
Personnel expenses total €	90,105	86,188	67,603	63,946
Tax value of perks	129	132	123	126
Total €	90,234	86,320	67,726	64,072
8. Other operating charges				
Change in provision	-3,600	-4,786	-3,600	-4,786
Purchase of emission allowances	1,072	22	1,072	22
Other expenses	32,999	31,971	28,323	27,427
Total €	30,471	27,207	25,795	22,663
9. Financial income and expenses				
Income from associated companies	6,834	7,195	-	-
Dividend income	-	-	11,310	11,637
Other financial income	13,539	11,973	20,179	17,846
Financial income €	20,373	19,168	31,489	29,483
Interest expenses of the establishment loan	21,562	22,403	21,562	22,403
Other interest expenses to the city	1,433	1,662	1,433	1,662
Other interest expenses	11,983	10,633	71	8
Financial expenses €	34,978	34,698	23,066	24,072
10. Decrease in depreciation reserve				
Covered with investment reserve €	-	-	2,668	2,668
11. Change in other reserves				
Reserve for supporting renewable power sources	-	-	258	208

	HELEN GROUP		HELSINGIN ENERGIA	
	2008 1,000 €	2007 1,000 €	2008 1,000 €	2007 1,000 €
12. Non-current assets				
Intangible assets				
Acquisition cost 1 Jan.	43,115	42,308	42,106	41 500
Increases 1 Jan. - 31 Dec.	12,142	808	11,989	607
Decreases 1 Jan. - 31 Dec.	41	-	41	-
Acquisition cost 31 Dec.	55,217	43,115	54,055	42 106
Accumulated depreciation according to plan 1 Jan.	22,983	20,661	22,542	20 469
Depreciation 1 Jan. - 31 Dec.	2,138	2,321	1,970	2 072
Book Value 31 Dec.	30,096	20,133	29,543	19 565
Goodwill				
Acquisition cost 1 Jan.	53,234	50,497	-	-
Increases 1 Jan. - 31 Dec.	-	2,737	-	-
Decreases 1 Jan. - 31 Dec.	19	-	-	-
Acquisition cost 31 Dec.	53,215	53,234	-	-
Accumulated depreciation 1.1.	16,947	14,148	-	-
Depreciation 1 Jan. - 31 Dec.	3,068	2,799	-	-
Book Value 31 Dec.	33,200	36,287	-	-
Land and waters				
Acquisition cost 1 Jan.	27,639	27,624	-	-
Increases 1 Jan. - 31 Dec.	-	15	-	-
Decreases 1 Jan. - 31 Dec.	8	-	-	-
Acquisition cost 31 Dec.	27,631	27,639	-	-
Book Value 31 Dec.	27,631	27,639	-	-
Buildings and structures				
Acquisition cost 1 Jan.	286,363	264,917	221,765	220,008
Increases 1 Jan. - 31 Dec.	8,910	27,038	1,380	4,241
Decreases 1 Jan. - 31 Dec.	1	5,591	1	2,483
Acquisition cost 31 Dec.	295,272	286,363	223,144	221,765
Accumulated depreciation according to plan 1 Jan.	131,257	121,001	127,691	119,972
Depreciation 1 Jan. - 31 Dec.	10,643	10,257	7,331	7,720
Book Value 31 Dec.	153,371	155,106	88,122	94,074
Machinery and equipment				
Acquisition cost 1 Jan.	1,344,859	1,291,710	1,076,011	1,040,278
Increases 1 Jan. - 31 Dec.	86,154	57,620	66,549	38,558
Connection fees	5,041	4,472	2,742	2,825
Decreases 1 Jan. - 31 Dec.	1,021	-	1,021	-
Acquisition cost 31 Dec.	1,424,951	1,344,859	1,138,797	1,076,011
Accumulated depreciation according to plan 1 Jan.	646,592	594,338	604,732	571,159
Depreciation 1 Jan. - 31 Dec.	51,062	52,254	32,035	33,572
Book Value 31 Dec.	727,297	698,267	502,030	471,280
Advance payments and construction in progress				
Acquisition cost 1 Jan.	43,410	42,661	39,630	28,772
Increases 1 Jan. - 31 Dec.	30,879	24,133	23,597	19,847
Decreases 1 Jan. - 31 Dec.	28,135	23,384	28,127	8,989
Acquisition cost 31 Dec.	46,155	43,410	35,100	39,630
Book Value 31 Dec.	46,155	43,410	35,100	39,630

Investments 31.12.2008

	Residence	HELEN GROUP			HELSINGIN ENERGIA		
		Amount	Share-%	Book value 1,000 €	Amount	Share-%	Book value 1,000 €
Shares							
Holdings in group undertakings							
Oy Mankala Ab	Iitti	-	-	-	42,400,262	100.00	137,144
Helen Sähköverkko Oy	Helsinki	-	-	-	42,000	100.00	84,000
Mitox Oy	Helsinki	-	-	-	520	100.00	1,560
Kiinteistöosakeyhtiö							
Helsingin Sähkötalo Oy	Helsinki	-	-	-	1,000,000	100.00	22,000
Asunto Oy							
Helsingin Kaarlenkatu 3-5	Helsinki	-	-	-	3,215	100.00	3,025
Asunto Oy Helsingin Käenkuja 6	Helsinki	-	-	-	1,926	100.00	1,206
Asunto Oy Helsingin							
Laajasuontie 32	Helsinki	-	-	-	1,158	100.00	1,127
Suomen Energia-Urakointi Oy	Helsinki	-	-	-	3,625	60.40	3,407
Investments in associated undertakings							
Vantaan Energia Oy	Vantaa	684,363	40.00	104,492	684,363	40.00	127,305
Finestlink Oy	Helsinki	9,000	40.00	894	9,000	40.00	900
Suomen Merituuli Oy	Vaasa	500	50.00	500			
Other shares							
Teollisuuden Voima Oyj	Helsinki	80,765,486	8.10	98,076			
Etelä-Pohjanmaan Voima Oy	Vaasa	452,152	7.29	17,265	452,152	7.29	17,265
Pohjolan Voima Oy	Helsinki	286,791	0.82	1,216	286,791	0.82	1,216
Kemijoki Oy	Rovaniemi	22,982	0.94	1,075	22,982	0.94	1,075
Asunto Oy Meri-Kamppi	Helsinki	776		401	776		401
Elisa Communications Oyj	Helsinki	53,364		137	53,364		137
Cleen Oy	Helsinki	100	17.00	100	100	17.00	100
POWEST Oy	Helsinki	4,436		30	4,436		30
Suomen Hyötytuuli Oy	Pori	20	11.10	34			
Tunturituuli Oy	Espoo	141	3.50	24	141	3.50	24
Suomen Messut osuuskunta	Helsinki	1		0	1		0

AUDITOR'S REPORT

AUDITOR'S REPORT

We have audited the accounts, the financial statements and the report of the Board of Directors of Helsingin Energia, which operates as a public corporation of the City of Helsinki, for the period from 1 January to 31 December 2008. The financial statements comprise both the consolidated and the public corporation's balance sheet, income statement, cash flow statement, and notes to the financial statements.

Managing Director's responsibility

The Managing Director is responsible for the preparation of the financial statements and the report of the Board of Directors and for the fact that they give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements and the report of the Board of Directors in Finland.

Auditor's responsibilities

The auditor shall perform an audit in accordance with good auditing practice in Finland, and to issue a statement on the financial statements, consolidated financial statements and the report of the Board of Directors based on the 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. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 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

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company 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.

Helsinki, 24 February 2009

Ernst & Young Julkispalvelut Oy
Chartered Public Finance Auditors

Mikko Rytilahti
Chartered Public Finance Auditor, Authorised Public Accountant

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Kellosaari Stand-by Power Plant

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