



**POHJOLAN
VOIMA**

ANNUAL REPORT 2008

Pohjolan Voima is a privately owned group of companies in the energy sector producing electricity and heat at cost for its shareholders in Finland.

Values

Responsibility. Reliability. Competence.

Pohjolan Voima

Shareholders by sector

Forest industry 61.7%
Energy and power supply companies 21.4%
Cities 7.0%
Chemical industry 5.6%
Metal industry 0.1%
Other 4.2%



Pohjolan Voima Oy

Hydropower
Nuclear power
Thermal power
New energy sources
Supply optimisation
Ownership of Fingrid



Powest Oy

Operation and maintenance of thermal power plants
Regional grid business
Pohjolan Voima's financial and payroll management services

The Pohjolan Voima operating model

Pohjolan Voima supplies electricity and heat to its shareholders at cost. The shareholders cover the costs of the operations. This operating model is also called the "Mankala principle". The name is derived from a ruling issued by the Supreme Administrative Court, constituting a precedent. According to this ruling, the shareholders of a company called Oy Mankala Ab were found not to have received taxable income when Mankala generated and supplied them with electricity at a price lower than the market price and the shareholders covered the company's costs on the basis of its Articles of Association.

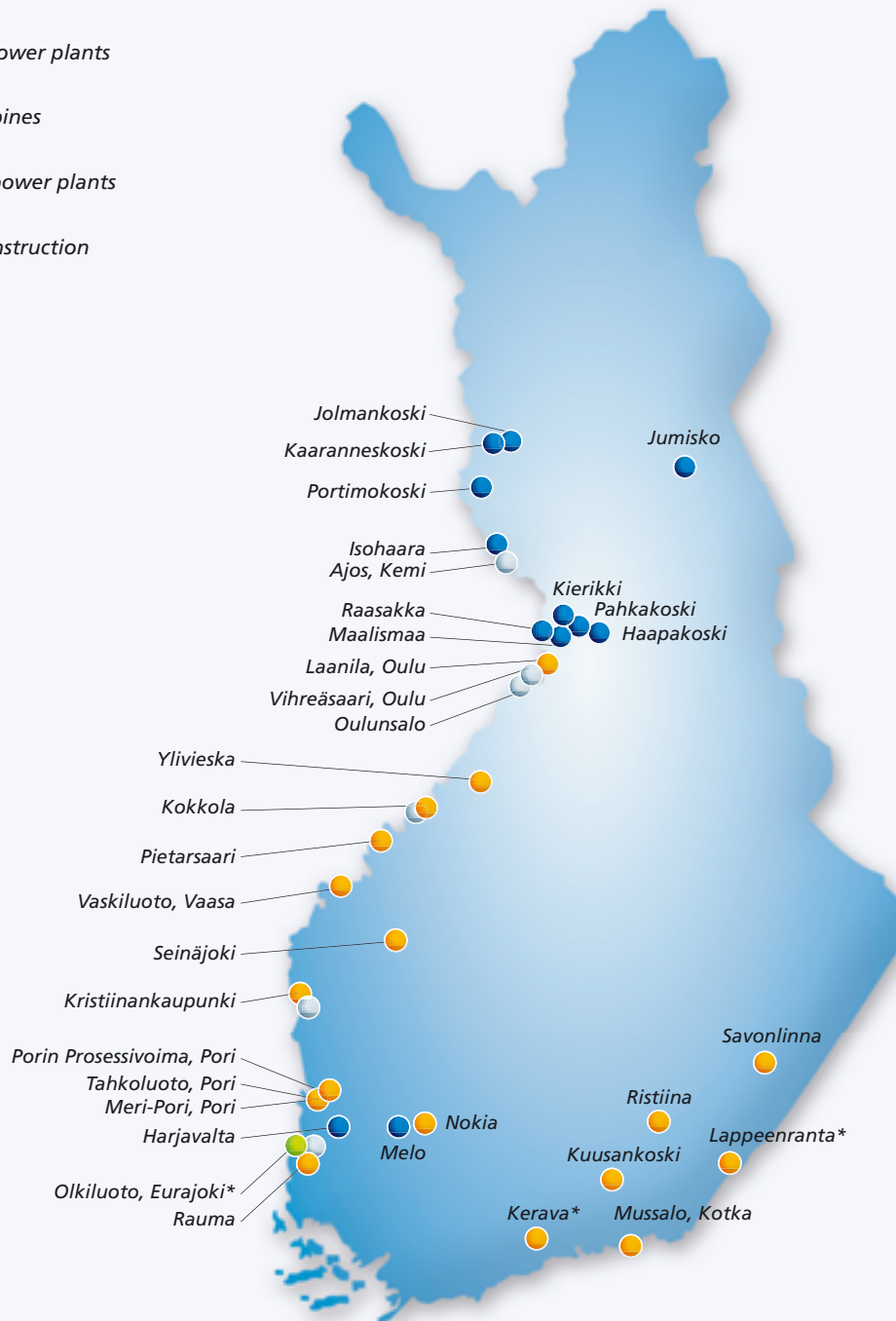
Productive co-operation based on the Mankala model generates advantages of scale and efficiency, makes it possible to build new power plants and enables small companies to take part in large investments.

Pohjolan Voima's key figures

	2008	2007	2006	2005	2004
Turnover, € million	919	766	888	601	667
Operating result, € million	-5	-23	-7	-8	0
Net interest-bearing liabilities, € million	2 597	1 977	1 790	1 633	1 063
As percentage of turnover, %	283	258	202	272	159
Equity ratio, %	26	32	33	36	43
Total assets, € million	4 728	3 839	3 586	3 311	2 664
Investments, € million	768	383	325	704	427
Average number of personnel	1 128	1 090	1 032	938	873

Production capacity

- Hydropower plants
- Nuclear power plants
- Wind turbines
- Thermal power plants
- * Under construction



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The Annual General Meeting of Pohjolan Voima Oy was held on Monday 23 March 2009 at 10.30 at Töölönkatu 4, Helsinki.



Review by the President

In 2008, Pohjolan Voima continued its programme of building up emission-free electricity generation capacity, albeit in a different mood than in previous years. Several projects are under construction and being planned, but no new significant investment decisions have been made. The general uncertainty of the economy is the main reason for this. Moving to nearly emission-free electricity generation in Finland by 2030 is clearly more challenging than before. As for additional nuclear power, it should rather be considered how projects amounting to billions of euros can be financed and realised in this economic situation than how many applicants should be granted a political permit. In connection with the objective of increasing the use of biofuels, a policy should be established on how to use the limited amounts of biofuel.

Investments in the energy sector are still necessary, and realising them is more cost-effective than before. The costs of construction and power plant components are decreasing. In order to accelerate investment in bioenergy, wind power, hydropower and nuclear power, the government and the energy industry should tighten their cooperation. A successful energy policy makes it possible to promote significantly the prevention of climate change, while creating jobs

in construction, fuel procurement and power plants for tens of thousands of people around Finland.

Pohjolan Voima and its partners still have favourable preconditions for continuing as the largest power plant investor in the Nordic countries. The group is about to complete plans for eight different investments. These projects, with a total value of more than seven billion euro, can be realised during the next ten years, but none of these environmentally-friendly electricity generation solutions will proceed without political decisions. For instance, the threat of windfall taxation on hydropower and nuclear power must be eliminated as soon as possible. The fear of new taxes freezes investment.

Construction of wind power, and the regulating power solution based on the Kollaja hydropower project which is a natural part of it, can be realised at an accelerated rate if necessary. This requires that the necessary amendments, permits and appeals are processed rapidly without delays of years. The most reasonable solution is to locate large-scale wind power production at sea, minimising the environmental and landscape effects. Our wind power projects in preparation require investment subsidies, even if the primary subvention is realised with the feed-in tariff. Due to

We aim to continue our investments and be the primary implementer of energy solutions for our wide range of shareholders, as well as a top specialist in the energy sector.

TIMO RAJALA

the Finnish winter and ice conditions, offshore construction is expensive, the risks are high and so far there is little experience of it.

Additional construction of hydropower does not require state subsidies, but it does require political will. The most significant and quickest way of increasing the amount of hydropower in Finland is to store the flood waters of the Iijoki river in the Kollaja reservoir and utilise them in energy production when demand is at its highest or wind power production is not achieved according to plans. When the supply of new hydropower is increased at the time of peak loads, this also eliminates the highest peaks in electricity prices. Hydropower would offer great help in the regulating problems of wind power. This would benefit all consumers of electricity.

It is time to increase the supply of fuel in our bioenergy programme. Reaching our targets requires better solutions for supporting the procurement of energy wood from young forests and securing sufficient production areas of peat, which is an indispensable auxiliary fuel. The reforms would make it possible to increase the use of forest chips manifold and thereby create jobs in sparsely populated areas. The 1.4 billion euro bioenergy plant investments realised by Poh-

jolan Voima lay the foundation for a demand for wood and agrobiomass covering nearly all of Finland in the coming years.

Our subsidiary Teollisuuden Voima has the best resources for realising the sixth nuclear power plant in Finland. As the project can be realised quickest and at the most competitive price, the required investors and funding are also the most certainly obtained. The OL4 project is a necessary capacity solution in terms of the Finnish wood, metal and chemical industries and dozens of regional electricity companies. The resources freed up from OL3 in stages can be efficiently utilised in the new project. In addition, there is cause to secure responsibly the share of renewable energy sources in line with EU targets, as our company has done.

The operation and development of our existing power plants and new bioenergy, wind and nuclear power capacity under construction filled the year with activity. I wish to thank our employees, shareholders and partners warmly for the successful year. We aim to continue our investments and be the primary implementer of energy solutions for our wide range of shareholders, as well as a top specialist in the energy sector.

Timo Rajala



Operating Environment

In 2008, Finnish electricity consumption was 86.9 TWh, less than in 2007 (90.3 TWh). The year 2008 was rainier than average and the winter was exceptionally mild, which decreased the need for heating. Industrial electricity consumption decreased considerably in the tightened economic situation.

The amount of electricity generated with hydropower reached all-time heights. Due to heavy rainfall, reservoirs were above average in Finland throughout the year, even at a record level early in the year. Nuclear power production accounted for one-fourth of Finland's energy supply. The amount of electricity generated with wind power increased, with a rise of over one-third in Finland's wind power capacity. Electricity generation in condensing power plants decreased considerably due to the high hydropower production and high prices of fossil fuels. Following two consecutive rainy summers, peat production remained at half the normal level in 2008, and peat-fired power plants had to prepare to use substitute fuels, such as oil, coal and wood. Imports of electricity from other Nordic countries decreased on the previous year.

Downturn of the global economy was evident in the energy market

The price of crude oil increased due to demand exceeding supply, increased consumption in the Asian market and high freight prices until June 2008. After that, the price of oil decreased rapidly as a consequence of the global economic problems that derived from the US financial market. The price of coal followed the price increase of oil during the first months of the year and was

at a record high level in the summer. The price of coal decreased towards the end of the year, although not as rapidly as that of oil.

The expectations of the beginning of the second EU emissions trading period that increased the average price of electricity in the Nordic electricity marketplace, Nord Pool, broke out as decreased prices at the beginning of 2008. The price of electricity followed the increase in fuel prices and turned into a sharp increase early in the summer. The price reached its peak in September, when the average monthly price in Finland was at its highest since the turn of the millennium. During the spring and summer, Nord Pool's Finland and Sweden area prices were considerably above the system price for a record-long time when cable failures in the southern parts of the Nordic countries limited the access of Norwegian hydropower to the market. In the autumn, the price of electricity and price expectations decreased steeply as the economy was on the decline and prices of emission allowances decreased.

After the beginning of the second emission trading period, the price of emission allowances were considerably higher in early 2008 than at the end of 2007, when the price was close to zero. The price decreased in late autumn following the decrease in the prices of raw materials.

Difficult winter seasons can be expected with regard to sufficiency of electricity

Finnish electricity generation capacity is not sufficient to cover peak loads; the insufficient production has to be compensated for with imports in 2009–2012. Ac-



Net supply of electricity in Finland in 2008, 86.9 TWh

Source: Finnish Energy Industries

- 19.4% hydropower
- 25.4% nuclear power
- 16.9% CHP, district heat
- 13.9% CHP, industry
- 9.4% condensing power
- 0.3% wind power
- 14.7% net imports

cording to several estimates, the need for electricity is approximately 2,000 MW more than the domestic electricity generation capacity during peak loads. If cold weather affects both Finland and its neighbouring countries at the same time, the neighbouring countries may need to limit their exports of electricity to Finland. Also, failures in production capacity or transmission connections make the situation more difficult.

The electricity transmission capacity between Finland and Sweden will increase in 2011 with the commissioning of the 800 MW direct current connection Fenno-Skan 2.

The 700 MW NorNed direct current cable between Southern Norway and the Netherlands was commissioned in May 2008, and it will mainly be used for exporting electricity to the Netherlands.

Electricity generation capacity in Finland will not increase considerably until the completion of Olkiluoto 3. The improvement is, however, temporary, as tightening emission requirements will probably result in the decommissioning of thousands of megawatts of outdated capacity by 2020. According to the Energy Market Authority's calculations, thermal power capacity commissioned more than 30 years ago totals approximately 4,000 MW, of which condensing power capacity accounts for 2,000 MW.

The Government set self-sufficiency of electricity as the target

In November, the Government approved Finland's long-term climate and energy strategy, which was submitted to Parliament as a report. In the strategy, the Government states that Finland must turn the end consumption of energy into a decrease, slow down the increase in electricity

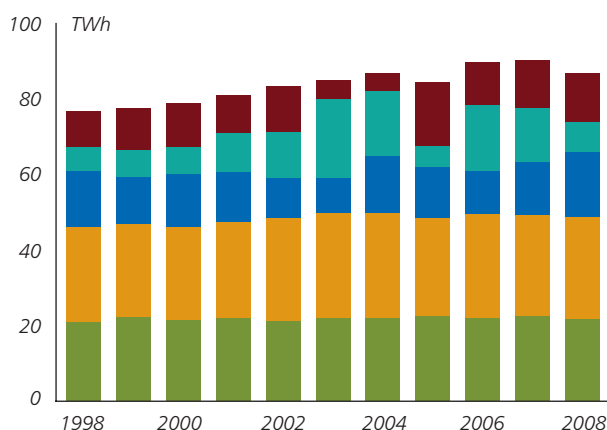
consumption and increase energy efficiency to achieve EU targets for decreasing greenhouse gas emissions, increasing renewable energy and improving energy efficiency.

The climate and energy strategy requires that Finland's own production capacity be able to cover the electricity consumption during peak loads as well as any import failures. In addition, preparations must be made to replace outdated capacity.

In the construction of new capacity, emission-free and low-emission plants should be favoured. The current government is preparing to make a decision in principle on the additional construction of nuclear power. Wind power capacity is required to increase to 2,000 MW by 2020. Financially feasible and environmentally acceptable hydro-power plants are also mentioned in the strategy.

The share of renewable energy is to be increased to 38%, in line with the EU target, by making subsidy and control systems more effective. The feed-in tariff for wind power and biogas, which is to be adopted in 2010, is being assessed as one way of doing this. The government increased the appropriations for renewable energy for 2008 and 2009.

The strategy also acknowledges that increasing wind power requires a considerable increase in regulating power, which substitutes for fluctuations in its production. The current Power Reserve Act, which guarantees the security of supply of electricity, particularly in the winter, will remain in force until 2011. The purpose of the Act is to keep threatened condensing power capacity in starting readiness during the winter season. The capacity is rented under the current agreements until the end of February 2009. An extension is being negotiated.



Net supply of electricity in Finland in 1998–2008, TWh

Source: Finnish Energy Industries

- net imports
- condensing power
- hydropower
- industrial CHP
- nuclear power

New emission-free production capacity planned

Teollisuuden Voima Oyj (TVO) applied to the Government for a Decision in Principle on the construction of the sixth Finnish nuclear power plant unit in Olkiluoto, Eurajoki, in April 2008. Fennovoima Oy submitted its application with three locations to the Government for a Decision in Principle in January 2009. Fortum Power and Heat Oy submitted its application to the Government for a Decision in Principle concerning a third plant unit in Loviisa in February 2009.

Several companies have reported that they are planning large offshore wind farms. According to a Finnish Energy Industries report, there is 470 MW of hydropower that can be technologically and economically utilised by 2020. The majority is located in waters conserved under the current legislation.

EU climate and energy package is an extensive entity of control methods

The EU reached a political consensus on the legislative package on climate and energy policy published by the Commission in January 2008. The EU aims to increase the share of renewable energy to 20%. Each Member State has its own binding target to increase the share of renewable energy. In addition, the directive package includes binding targets to cut greenhouse gas emissions by 20% and a post-2012 reform of the emission allowance directive.

The EU's second internal emissions trading period started in 2008 and will continue until the end of 2012. During this period, there is a smaller amount of free emission allowances distributed than in the first emissions

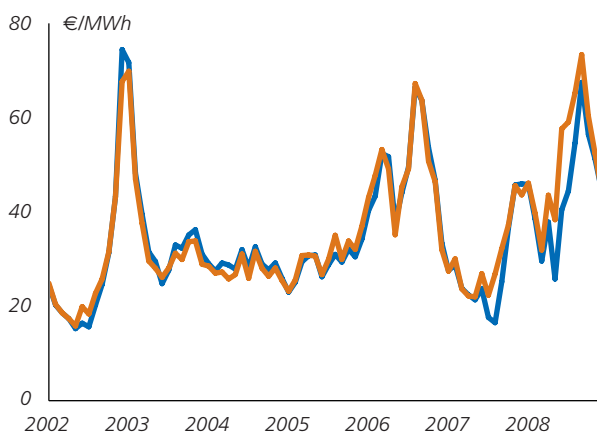
trading period. The amended emissions trading directive for 2013–2020 reduces the emission allowances to correspond to the EU's strict climate targets. The emission allowances are mainly distributed by auction, but energy-intensive industries are initially handed free emission allowances to maintain their global competitiveness.

The legislative package ratified in December includes a directive on Carbon Capture and Storage (CCS). The EU aims to promote the construction of facilities for the capture of carbon dioxide in new large coal-fired power plants. The EU aims to have 12 large pilot plants operational by 2015.

The EU has received a proposal for the update of the IPPC directive (Integrated Pollution Prevention and Control) introduced by the Commission in December 2007. The aim is to combine six sector directives in the new directive, and it applies to large industrial plants. The purpose is to prevent environmental damage caused by industrial plants. Details of the emission levels of the directive proposal have been criticised for ignoring local conditions. Processing of the IPPC directive will continue in 2009.

Ownership of main grids being considered

The EU is preparing its third legislative package concerning the single energy market. It aims to improve the functioning of the internal electricity and natural gas market. According to the directive draft on unbundling the ownership of main grids, electricity producers and sellers will have to give over their control in main grid companies. This would lead to changes of ownership also in the national grid company Fingrid. The processing of the legislative package will continue in the EU's decision-making organs in 2009.



Development of electricity market price in 2002–2008, Nord Pool Elspot, monthly average €/MWh

Source: Nord Pool

- system price
- Finland area price



Production in 2008

In this business review, the volumes of electricity and heat supply are shown in accordance with Pohjolan Voima's shares in power plants, for which reason they differ from the Group figures given in the Financial Statements.

In 2008, electricity generated at Pohjolan Voima's power plants amounted to 15.2 TWh, 10% down on the previous year. The volume of electricity produced by nuclear power remained at the previous year's level. The volume of electricity produced by hydropower increased to record-breaking production figures, but the production of condensing power plants decreased from the previous year's figures. Production of heat amounted to 5.2 TWh, 4% less than in 2007.

The levels of Nordic reservoirs remained high during the first months of the year but decreased at the end of the summer. Reservoirs were above average in Finland throughout the year. The high reservoir levels in the Nordic countries during the first half of the year due to the mild winter decreased the production of condensing power. Towards the end of the year, the weakened hydrological situation throughout the Nordic countries increased the need for running condensing power plants. As of the beginning of September, Pohjolan Voima's condensing power plants were all running except for the reserve power plants.

Hydropower production broke records

Pohjolan Voima has a total of 12 hydropower plants on the rivers Iijoki, Kemijoki, Kokemäenjoki and Tengeliönjoki. The combined electricity generation

capacity of the plants is 483 MW, of which Pohjolan Voima's share is 417 MW.

In 2008, hydropower production reached a new production record, 2.2 TWh, which is one-third above the average. The production was above average throughout the year, except for June.

Nuclear power at the previous year's level

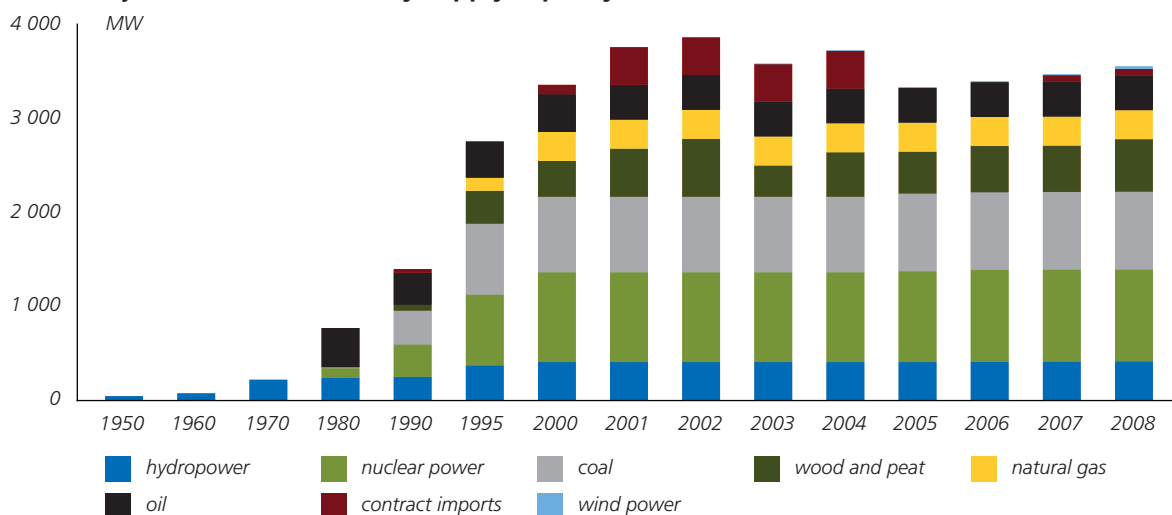
The nuclear power plant of Teollisuuden Voima, a subsidiary of Pohjolan Voima, is located in Olkiluoto, Eurajoki. The power plant comprises two 860-MW plant units. In 2008, the Olkiluoto nuclear power plant generated 14.4 TWh of electricity. Pohjolan Voima's share of the production amounted to 8.1 TWh. The average capacity factor of the plant units was 95.3%.

The annual production of the OL1 unit was 7.1 TWh with a capacity factor of 93.7%, while OL2 produced record-high 7.3 TWh of electricity at a 96.9% capacity factor. The OL2 unit experienced a brief production failure at the beginning of the year and OL1 had one in connection with the start-up following annual maintenance.

Thermal power production decreased

At the end of 2008 the electricity production capacity of Pohjolan Voima's thermal power plants totalled 2,062 MW. In addition to electricity, combined heat and power production plants produced district heat and

Pohjolan Voima's electricity supply capacity in 1950–2008, MW



process steam for consumption by local industry and communities.

The volume of electricity produced by thermal power plants in 2008 amounted to 4.9 TWh, 31% less than in 2007. Compared to the previous year, the volume of electricity produced in condensing power plants decreased in particular, amounting to a total of 1.7 TWh in 2008. This was due to the favourable levels of Nordic reservoirs and the increased hydropower production they enabled. The warm winter decreased the consumption of electricity and heat. Combined heat and power production plants generated 3.1 TWh of electricity. This was 10% less than the previous year.

Pohjolan Voima's heat production amounted to a total of 5.2 TWh in 2008, down 4% on 2007.

The thermal power plants consumed 6.7 TWh of coal, 6.5 TWh of biofuels, 2.9 TWh of peat, 0.6 TWh of natural gas and 0.3 TWh of oil. The consumption of fuels decreased from the previous year due to the decreased use of condensing power plants. In addition, poor availability decreased the use of peat as fuel.

Pohjolan Voima's oil-fired condensing power plants in Kristiinankaupunki and Vaasa and the gas-fired condensing power plant in Kotka have been included in the national power reserve system coordinated by Fingrid as of the beginning of 2007.

The national decision on the allocation of emission

allowances for 2008–2012 was issued early in 2008. The annual free emission allowances for Pohjolan Voima's power plants for 2008–2012 decreased to less than one-half of the level of 2005–2007.

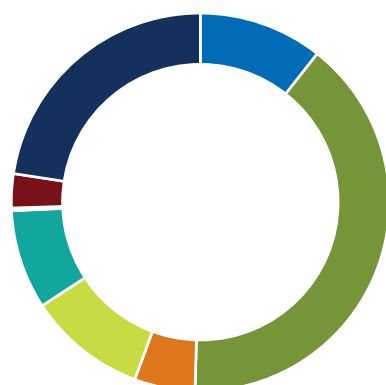
Wind power production in the increase

The wind turbines of Pohjolan Voima's subsidiary PVO-Innopower are located in Kokkola, Kristiinankaupunki, Oulu, Oulunsalo and Ajos, Kemi. In addition, TVO has a 1-MW wind turbine in Eurajoki at the Olkiluoto nuclear power plant site. Their combined electricity generation capacity is 35.3 MW, of which Pohjolan Voima's share is 27.3 MW. The volume of electricity produced with wind power increased on the previous year to 0.05 TWh. During 2008, wind power capacity increased by a total of 21 MW.

Purchases of electricity increased

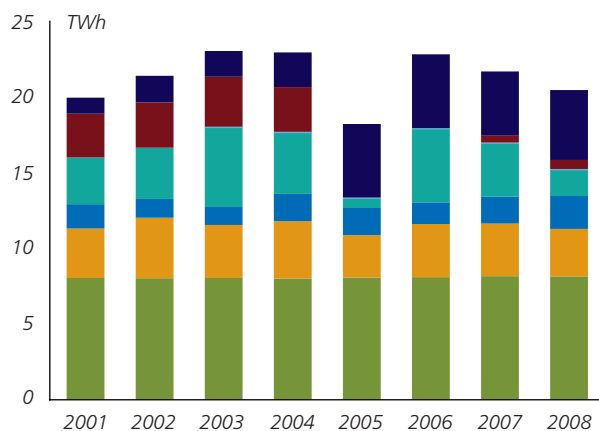
In 2008, Pohjolan Voima purchased a total of 4.6 TWh of electricity from the Nordic market. This was 9% more than in 2007.

In addition to the Nordic Countries, Pohjolan Voima purchased a total of 0.6 TWh of electricity from Estonia, based on a bilateral agreement. The Estlink cable between Finland and Estonia operated throughout the year without significant failures.



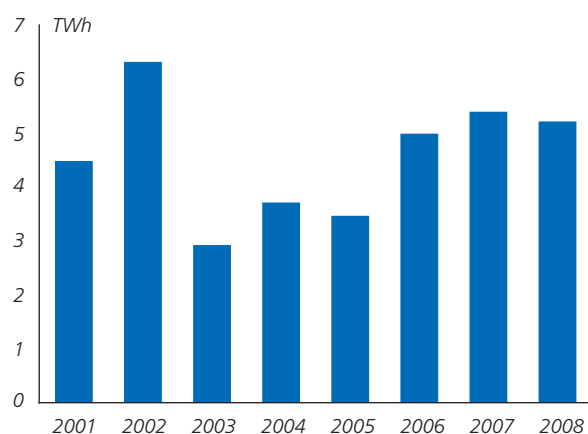
Pohjolan Voima's electricity supply in 2008, 20.4 TWh

- 10.6% ■ hydropower
- 39.8% ■ nuclear power
- 5.2% ■ CHP, district heat
- 10.2% ■ CHP, industry
- 8.5% ■ condensing power
- 0.2% ■ wind power
- 2.9% ■ contract imports
- 22.6% ■ electricity purchases

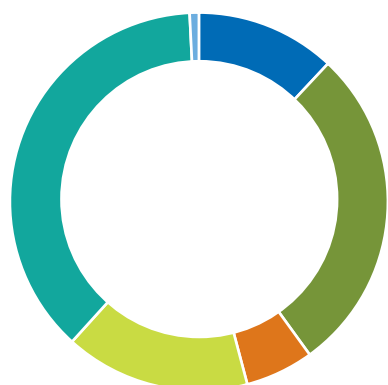


Pohjolan Voima's electricity supply in 2001–2008, TWh

- electricity purchases
- contract imports
- wind power
- condensing power
- hydropower
- CHP
- nuclear power



Pohjolan Voima's district heat and process steam production in 2001–2008, TWh



Pohjolan Voima's electricity production capacity on 31 Dec 2008, 3,483 MW

- 12.0% hydropower
- 28.0% nuclear power
- 5.9% CHP, district heat
- 15.8% CHP, industry
- 37.5% condensing power
- 0.8% wind power



Responsible electricity production

The basis of Pohjolan Voima's business is reliable, competitive and environmentally friendly electricity and heat production in Finland. Collaboration with shareholders and other stakeholders makes it possible to operate and maintain versatile electricity and heat production machinery, as well as building new production capacity.

Pohjolan Voima has 21 shareholders, representing industry, energy and distribution companies, and municipalities. The volume of Pohjolan Voima's electricity procurement is determined by its shareholders' need for electricity. Pohjolan Voima's production capacity comprises 41 power plants in 22 locations. Production forms include hydropower, nuclear power, thermal power and wind power.

Pohjolan Voima's corporate responsibility

Pohjolan Voima's responsible operations are guided by corporate responsibility policies approved by the Board and presented on the Pohjolan Voima Web site.

For Pohjolan Voima, corporate responsibility means responsible management of financial, social and environmental issues. It is an unprompted responsibility that supports business operations and is determined on the basis of our core values, operating principles and ethical principles, taking the requirements and expectations of key stakeholders into consideration.

The flow of information between the personnel and the employer and the personnel's possibility to influence decisions are ensured by way of representative collaboration. Group-level co-operation is called the Group meeting. Operational management groups have been established to support the Corporate Executive Team and the directors responsible for the operations.

Corporate responsibility is presented in more detail on the Pohjolan Voima Web site. Teollisuuden Voima draws up a separate report on corporate responsibility.

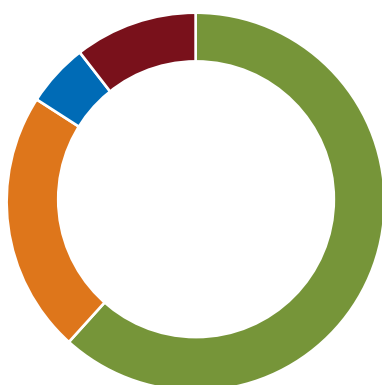
Committed and motivated personnel

Pohjolan Voima is a safe and solid employer willing to develop its working environment to become as encouraging as possible. The company aims at efficient operations by ensuring low personnel turnover, by increasing the required competence levels and by supporting the personnel in changes.

According to the results of a personnel survey conducted in spring 2008, Pohjolan Voima's personnel are committed and motivated. Pohjolan Voima is considered a good employer, and employees are satisfied with the contents of their work.

The Group-level results of the personnel survey were on a par with or slightly better than in 2006. All Pohjolan Voima Group companies except for TVO took part in the survey. The index corresponding to commitment is still above the comparison figures for Finland and Northern Europe. Work motivation and the possibility to influence decisions continue to rank high among the sectors; in addition, the overall results concerning the work of the management had improved on the previous survey. Management, compensation and flow of information were selected as Group-level targets for development. During the next two years, the focus will be on improving these aspects.

During 2008, the Pohjolan Voima group had 1,457 employees, on average. The figure for personnel includes the Powest subgroup, and therefore it is different from the number given in the Financial Statements. Men ac-



Breakdown of personnel by production form on 31 Dec 2008

61.7%	nuclear power
22.4%	thermal power
5.4%	hydropower
10.5%	others (incl. support functions)

counted for 79% and women 21% of the personnel. The employees' average age was approximately 46, and the average duration of employment 16.5 years. During the year, 98 new permanent employees joined the Group. A total of 43 persons left permanent employment with the Group and 34 retired. The Group had 249 summer employees.

Required under the Act on Co-operation within Undertakings, information is disseminated in Group-wide meetings, three in 2008. Representatives of the Group companies' personnel and the company's management are present at the meetings. TVO is not represented in the Group meetings. TVO has a procedure of its own. Moreover, the materialisation of co-operation is complemented through the co-operation committees at power plant locations, as well as the personnel representatives in the executive groups of the subsidiaries.

Events to celebrate Pohjolan Voima Oy's 65th anniversary were arranged for the personnel and those retired in Oulu, Pori, Helsinki and Kristiinankaupunki.

Training for supervisors was arranged in line with the company's established policy. In addition, longer-term management training and presentation coaching have been undergone. PVO-Vesivoima Oy continued the interaction coaching for the entire personnel which started in 2007. This training was also begun in Powest Oy in December. TVO has its own personnel development and training systems.

Pohjolan Voima aims to create a healthy, safe working environment. In order to reach this objective, the company takes care of the physical, mental and social wellbeing of its employees. There were 24 accidents at work or during the journey to or from work during the year. There were no accidents at all at the sites of Kok-

kolan Voima Oy, Laanilan Voima Oy and Proma-Palvelut Oy Nokia site, or at PVO-Vesivoima Oy's Isohaara, Jumisko and Kokemäenjoki sites. A total of 96 persons (excluding TVO) participated in occupational safety training during the year.

The employer sponsors the personnel's physical exercise and other hobbies with an annual allowance, the use of which is decided by local sport and recreation committees. In addition, holidaymaking facilities are available to the personnel in five locations. TVO has its own personnel- and leisure-related policies.

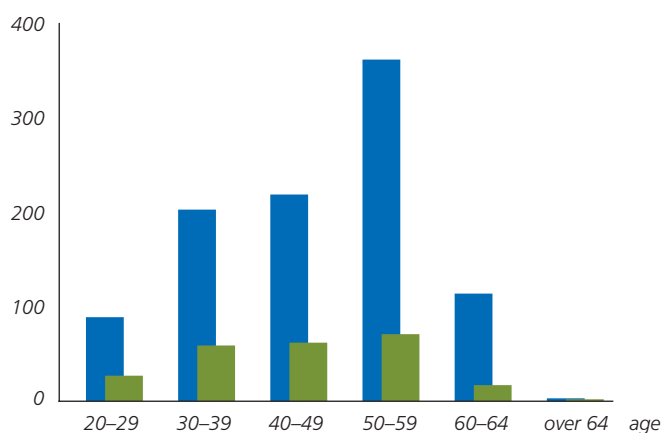
Environmental policy underpinned by values

A basic requirement for persistent and long-term energy production is maintaining a safe, healthy and diverse environment. Pohjolan Voima's production companies have certified environmental management systems according to the ISO 14001 standard.

Pohjolan Voima is committed to good management and continuous improvement of environmental issues. Environmental protection means not only compliance with legal requirements, but also efficient use of raw materials and safe handling, recycling and final disposal of by-products and waste. Pohjolan Voima aims to recycle as much of the by-products into raw materials as possible.

Environmental impact of operations

Environmental effects are distributed in accordance with the varied range of Pohjolan Voima's production forms. Hydropower plants change the landscape, waterways and fish stocks, wind power turbines change the landscape. The greatest environmental impact of nuclear power results from the heat released into the sea. The environmen-



Breakdown of personnel by age on 31 Dec 2008

permanent employment

■ male
■ female

tal impact of thermal power production primarily concerns the atmosphere.

In order to sustain the fish stocks of the Kemi-joki and Iijoki waterways and the sea area, 2.8 million fry were stocked, as planned. Due to the formation of jammed ice as a result of a frost period, the top limit of the regulation of Kostanjärvi had to be exceeded in January–March 2008.

TVO's operations complied with its environmental policy, environmental permits and environmental management system. No significant environment-related deviations were identified. The emissions from the Olkiluoto power plant were minor, only fractions of the permitted limits. A total of 238 new fuel rod bundles (38.6 tonnes) were loaded in the OL1 and OL2 plant units during yearly maintenance, and 234 bundles of spent nuclear fuel (40.8 tonnes) were removed from the reactors.

The carbon dioxide emissions from Pohjolan Voima's thermal power plants were 3.6 million tonnes. Combined particle emissions were 0.4 thousand tonnes, sulphur dioxide emissions 3.4 thousand tonnes and nitrogen oxide emissions 5.3 thousand tonnes. A total of 251 thousand tonnes of fly ash and gypsum, by-products of the flue gas cleaning, and bottom ash were produced. 74% of this was reutilised in earth construction and the construction industry.

A turbine lubricating oil leak onto the floor of the boiler compartment took place at the Tahkoluoto power plant in July 2008, and approximately five cubic metres of oil was released into the cooling water discharge channel. All the leaked oil could be retrieved, and oil did not spread outside the internal channels of the power plant. The leak was caused by a human error in the start-up of auxiliary equipment following maintenance.

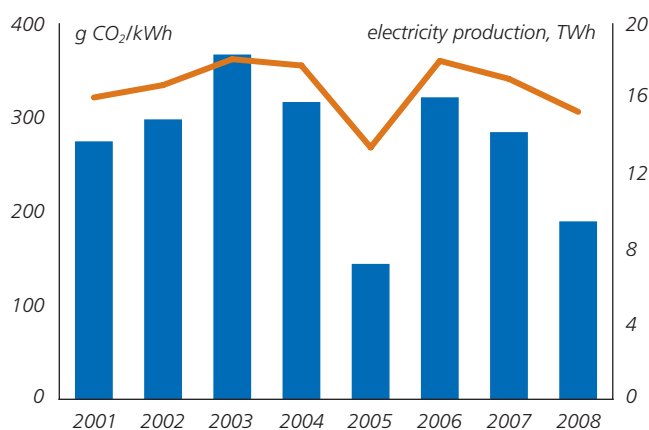
Active development

Pohjolan Voima is a significant actor in energy sector development in Finland. During the past few years, the focus has been on exploring methods to increase the energy efficiency of biofuels. In addition, the co-firing of biofuels and coal in current coal-firing boilers has been assessed. In this solution, the biofuel would be either converted into gas or pulverised.

Development of a multi-fuel concept (MFC) with Helsinki Energy continued. The feasibility study on the plant will be carried out in 2009. The development work aims to create the facilities for making the investment decision to construct a plant with an electricity generation capacity of 500 to 700 MW. The objective is to realise an advanced, next-generation power plant solution that allows the use of various fuels, and whose efficiency would be considerably better than that of present power plants.

Pohjolan Voima has initiated a project to develop offshore foundation technology for wind power. The aim is to develop an industrial-scale foundation solution for offshore wind farms that endures icy conditions. The project will explore the structure, durability and construction method of foundations by constructing a pilot foundation in Ajos, Kemi. Construction of the pilot foundation will begin in spring 2009. Several Finnish expert bodies will participate in the development project.

Pohjolan Voima is also participating in CLEEN Oy, a centre of strategic excellence of the energy and environmental business. It is a joint effort between companies in the industry and universities and research institutions. CLEEN Oy aims to promote high-quality research activity in Finland through novel co-operation, and thus increase the international competitiveness of the Finnish energy and environmental industries.



Pohjolan Voima's electricity production and CO₂ emissions in 2001–2008, g CO₂/kWh

■ CO₂ emissions
 ■ electricity production



Leading power plant investor

Pohjolan Voima continues to be the leading power plant investor in the Nordic countries. During the report year, projects with a total power of over 6,000 MW were completed, underway and planned.

Renovations yield more power from current hydropower plants

The renovation of the Haapakoski hydropower plant in Iijoki was started as part of VESPA, a hydropower renovation and efficiency project. Commercial use of the machine unit renewed during the winter season started in April before the spring floods of the Iijoki river. The renovation of the second machine unit began in December and will be complete in spring 2009.

The VESPA programme started at the Kierikki power plant during 2005–2007 and will continue after Haapakoski at Maalismaa in 2010. The aim is to renew the machine units of all five power plants by 2015. The programme will result in an additional 40 MW of capacity. The total costs of the project amount to approximately € 50 million.

Kollaja EIA was initiated

The environmental impact assessment (EIA) of the Kollaja project, which began in 2007, moved on. The final Kollaja 2008 plan could be published based on the completed environmental assessments. It takes environmental aspects into consideration in a new way. It would preserve the rapids and Natura values, improve the living conditions of riverine fish and offer people the chance to utilise the new reservoir for recreational

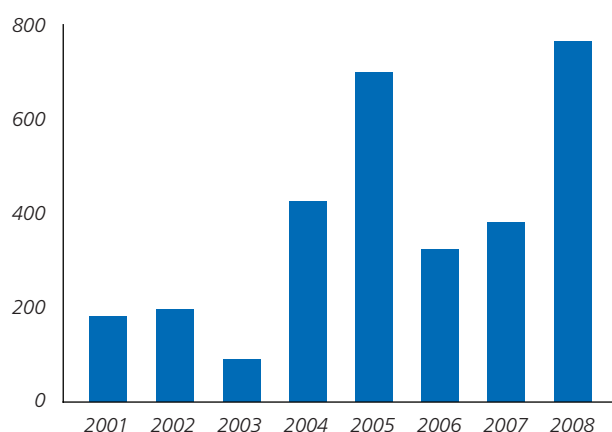
activities. The project would eliminate adversely shallow waters and free some 4,000 hectares of land from floods. Of the Kollaja hydropower potential, 20% would be left unutilised to preserve environmental values.

The Kollaja reservoir and power plant investment totals € 115 million. It would provide 32 MW of additional energy. The new reservoir would make the utilisation of the existing power plants more effective, so that the capacity available for production regulation would increase by a total of 100 MW. This is one-third of the estimated need for additional regulating power estimated in the new Finnish climate and energy strategy. The energy production of the river Iijoki would increase by approximately 200 GWh per year, including the renewal of the technology of the existing power plants. This corresponds to the private consumption of electricity of an average-sized city.

The Kollaja reservoir and power plant would be located immediately next to the existing power plant chain. The reservoir would be used for storing flood water and part of the other discharge from the river Iijoki, which would be utilised when the demand for electricity is highest. Granting the Kollaja power plant a permit requires reform of the Rapids Protection Act.

Construction of Olkiluoto 3 proceeded

Planning, regulatory processing of documents, construction and equipment manufacture and installation of OL3 continued. Manufacture of the main components of both the reactor and turbine plants advanced.



Pohjolan Voima's investments, € million

The manufacture of the reactor pressure vessel was completed in Japan, and the pressure vessel arrived in Olkiluoto at the beginning of 2009. Manufacture of steam generators and other components of the reactor coolant system continued. Manufacture of the turbine and generator were completed in Germany, and the turbine and generator were installed in Olkiluoto.

Work at the reactor plant site at Olkiluoto was still focused on construction. Work on the protective lining of the inner wall of the containment progressed when the second batch of steel liner rings was installed in May and the third batch in November. Concreting and reinforcing work at the reactor plant continued in the fuel building, the safety buildings, the waste processing building and the auxiliary buildings.

The emphasis of the turbine plant work was switched to installation. All the major turbine components and the generator were installed. Most of the heat exchangers, tanks and pumps have primarily been installed. The installation of piping advanced.

At the end of 2008, the site personnel numbered approximately 4,000. All the major work was carried out in shifts.

In January 2009, the turnkey supplier of Olkiluoto 3 gave TVO an estimate that the completion of the plant will be postponed to June 2012.

Application for a decision in principle on OL4 was submitted in April

TVO applied to the Government for a Decision in Principle on the construction of a fourth nuclear power

plant unit at Olkiluoto in April 2008. The EIA of the OL4 plant unit explored the construction of a nuclear power plant unit with an electricity generation capacity of some 1,000 to 1,800 MW and a thermal power of 2,800 to 4,600 MW in Olkiluoto. According to plan, the new plant unit will be either a pressurised-water or boiling-water type.

New biofuel-fired power plants

Laanilan Voima's turbine renewal completed

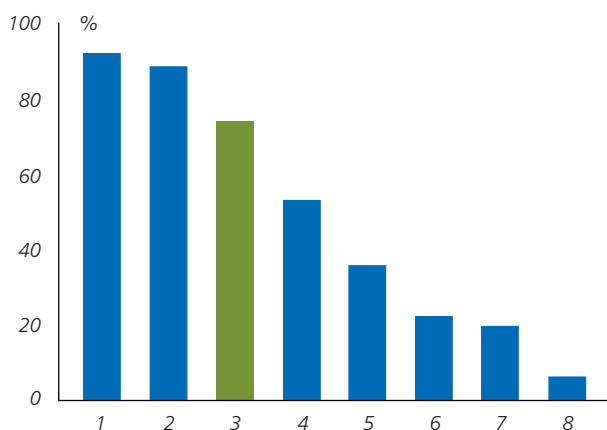
In Oulu, Laanilan Voima's new 19-MW turbine generator was taken into use in August 2008. The new turbine and the current main machine unit, which will be left as a reserve machine unit, will also improve the feasibility of possible future investments.

New process steam boiler in Kokkola

A 15-MW process steam boiler and steam transfer pipeline at the current Kokkolan Voima Oy power plant is under construction. The costs of the project are estimated to be € 7 million. Supply of steam began in August 2008, and the boiler will be complete during February 2009.

Porin Prosessivoima's power plant completed

Porin Prosessivoima's new bioenergy plant was completed and entered commercial use at the end of 2008. The plant is located at the Sachtleben Pigments Oy industrial site in Pori, and it produces both electricity and



Share of emission-free production (hydropower, nuclear power and wind power) in electricity production in 2005

- 1 Sweden
- 2 France
- 3 Pohjolan Voima
- 4 Finland
- 5 Germany
- 6 UK
- 7 Denmark
- 8 The Netherlands

heat for the needs of the area's industry and the City of Pori. Its electricity generation capacity is 65 MW. It can produce steam at 140 MW and district heat at 70 MW capacity.

New biofuel-fired power plant in Kerava

The construction of a bioenergy plant in Kerava began in January 2008, and the power plant will be complete at the end of 2009. The costs of the project are estimated to be € 65 million.

The plant will be fired by forest chips, stubs, reed canary grass and peat. The new bioenergy plant is the first to extend Pohjolan Voima's extensive biofuel programme to the Helsinki region.

The new power plant will produce electricity at 21 MW, district heating at 48 MW and process heat at 10 MW capacity. All the energy produced by the power plant will be supplied to Keravan Energia Oy, a shareholder in Etelä-Suomen Voima Oy. The production of the power plant will cover approximately 75% of the need for district heat in Kerava.

Kaukaan Voima's bioenergy plant reaches rooftop height in Lappeenranta

The construction of Kaukaan Voima's bioenergy plant, a joint venture of Pohjolan Voima, Lappeenrannan Energia and UPM, continued in Lappeenranta. The new power plant will be started towards the end of 2009.

Kaukaan Voima's power plant will produce process steam and electricity for UPM's Kaukas mill and elec-

tricity and district heat for Lappeenrannan Energia. The plant's thermal capacity is 385 MW. It will be fired by bark, chips, stubs and peat.

EIA of a new bioenergy plant in Oulu

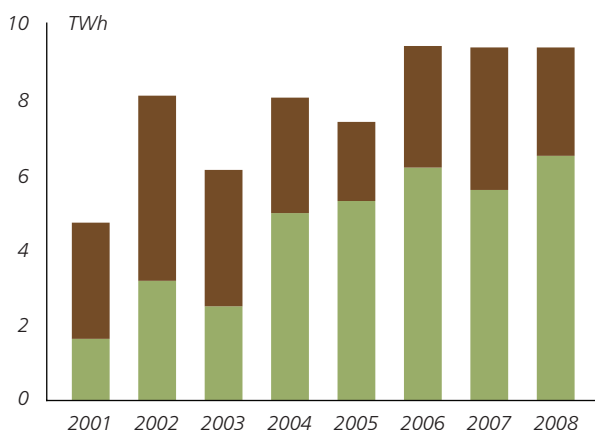
Pohjolan Voima has initiated an EIA of the construction of an approximately 300-MW bioenergy plant at Kemira's industrial site in Laanila, Oulu. The plan is one of the alternatives for solving the energy needs of the Kemira industrial site in the future. The EIA of the bioenergy plant also explores a co-firing alternative using biofuels and waste. The EIA will be completed during 2009.

Laanilan Voima's existing power plant produces electricity, process steam and district heat for the needs of Kemira's Oulu plant and the City of Oulu.

EIA of changing the Kristiina power plant boiler began

Pohjolan Voima is planning to construct a new power plant boiler to replace the existing oil-fired power plant at the power plant site in Kristiinankaupunki. The EIA programme was submitted to the coordinating authority in June 2008.

The project aims to increase the utilisation of bioenergy in the area. The investment pursues a solution in which Pohjolan Voima could utilise the existing plant more efficiently. The net electricity generation capacity of the new plant would amount to approximately 260 MW.



Pohjolan Voima's use of biomass in 2001–2008, TWh

■ peat
■ energy wood and agrobiomass

The EIA process is planned to be completed during 2009. The costs of the project are estimated to be € 200 million.

EIA of new boiler project in Mussalo, Kotka

Pohjolan Voima initiated an EIA concerning the construction of a new multi-fuel boiler in Mussalo, Kotka. The EIA will be completed in early 2009.

The multi-fuel boiler unit would replace the existing natural gas and oil-fired boiler of the reserve capacity Mussalo 2 power plant. The new boiler would be connected to the existing steam turbine of the Mussalo 2 plant.

Extensive increase in wind power completed and planned

The Ajos wind farm in Kemi was completed

The erection of the second phase of the wind farm totalling 30 MW in Ajos, Kemi, started in late summer and was completed in September. Pohjolan Voima started the construction of the largest wind farm in Finland so far in Ajos, Kemi, in 2006. The first five plants were erected in autumn 2007. Of the ten wind turbines, eight were constructed on manmade islands in water some 3 to 8 metres deep. Two were built on land. The wind farm will enter commercial use in early 2009. The total costs of the project are estimated to be € 50 million. The Ministry of Trade and Industry, the current Ministry of Employment and the Economy, granted the project an investment subsidy.

The Oulunsalo wind farm was complemented by two wind turbines

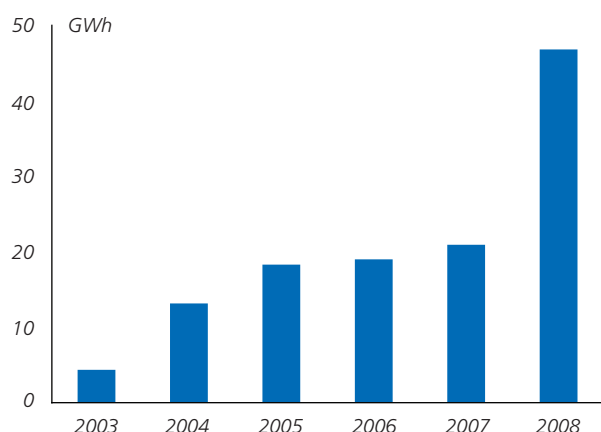
Pohjolan Voima has been constructing two new 3-MW wind turbines in Riutunkari, Oulunsalo. The new turbines were completed in spring 2008. They increased the total capacity of the Oulunsalo wind farm to 10.3 MW. The Ministry of Trade and Industry, the current Ministry of Employment and the Economy, granted the construction of the wind farm an investment subsidy.

Offshore wind farm planned off Kristiinankaupunki

Pohjolan Voima is exploring the possibility of constructing an offshore wind farm off Kristiinankaupunki. The EIA programme was submitted to the coordinating authority in May 2008.

The offshore wind farm is planned to be located mainly in the sea area of Kristiinankaupunki, and partially that of Närpiö. According to preliminary plans, the construction of the wind turbines could take place towards the end of the 2010s. The intention is to construct an offshore wind farm near the existing Kristiinankaupunki power plant site and port, which is feasible in terms of technology, finance and the environment. The wind farm will comprise a maximum of 80 wind turbines with unit capacities of 3 to 5 MW, or a total of 240 to 400 MW.

The EIA process is planned to be completed during 2009. Investment decisions on the project can be made once the EIA process is complete.



Pohjolan Voima's wind power production in 2003–2008, GWh

Oulu – Haukipudas offshore wind farm planned

Pohjolan Voima is assessing the possibility of constructing a 500-to-800-MW wind farm at sea off Oulu-Haukipudas in cooperation with Oulun Energia. The project's EIA programme was submitted to the coordinating authority in December 2008.

According to preliminary plans, the wind farm will consist of a maximum of 162 turbines of about 3 to 5 MW each. The project covers a wind farm to be constructed at sea and the transmission lines connecting it to the national grid. Pohjolan Voima has agreed with Metsähallitus (Forest and Park Service) on reserving the planned areas for the construction of wind power. The general planning of the project is carried out in connection with the EIA. Realisation and investment decisions on the project can be made after the project has been granted the required permits. Construction could take place towards the end of the 2010s.

Corporate Governance

Pohjolan Voima's governance is based on the Companies Act and the corporate documents. In addition to the regulations issued in the Companies Act and other applicable Finnish legislation, the Group's corporate governance is guided by the recommendation made by the Helsinki stock exchange for the management and control system of listed companies. Pohjolan Voima complies with the recommendation unless the corporate documents stipulate otherwise.

The Pohjolan Voima Group comprises the parent company Pohjolan Voima Oy and its subsidiaries, which include the subgroups Teollisuuden Voima and Powest.

The Group's subsidiaries and associated companies have their own governing bodies as well as some committees and corporate documents. Pohjolan Voima plays an active role in the management of its subsidiaries. Pohjolan Voima's General Meeting of Shareholders issues directives to the Board of Directors regarding the composition of the Boards of Directors of the subsidiaries and, if necessary, certain decisions by the subsidiaries. The parent company's Board of Directors and the Corporate Executive Team discuss the main principles of the Group's operations. Pohjolan Voima participates in the management and supervision of its subsidiaries through its representatives appointed to the governing bodies of these companies.

The Powest subgroup is not included in the consolidated financial statements, as Pohjolan Voima is not entitled to dividends although it has authority over Powest Oy.

General Meeting of Shareholders

Supreme authority is vested in the General Meeting of Shareholders. The General Meeting of Shareholders decides on statutory matters. It also elects the members of the Board of Directors, in accordance with the procedure specified in the corporate documents, and issues binding directives to the Board of Directors regarding the elections of the Board Members of the subsidiaries and any significant investments.

Board of Directors

The Board of Directors is responsible for managing the company and arranging its operations appropriately in accordance with

legislation, the corporate documents and any decisions taken in the General Meeting of Shareholders. The Board of Directors supervises the operations and management of Pohjolan Voima, as well as deciding on the Group's significant investments and borrowing. The Board of Directors discusses and approves, for example, the business code of conduct and the policies defining corporate responsibility and risk management of Pohjolan Voima. The Board of Directors annually assesses its own activities. The working order drawn up by the Board of Directors defines more closely its principal tasks and procedure.

The members of the Board of Directors are elected annually at the General Meeting of Shareholders. According to the Articles of Association, the Board consists of 5–13 ordinary members. The Board members and their deputies are nominated by the shareholders. In the General Meeting of Shareholders on 18 March 2008, eight members and their deputies were elected to the Board of Directors. In the Extraordinary General Meeting of Shareholders on 15 October 2008, new members were elected to replace the two members who had resigned.

The procedure for the election and organisation of the Board is specified in detail in the corporate documents. The Chairman of the Board of Directors is appointed by the company's largest shareholder and the Deputy Chairman is appointed by the second largest shareholder. The President & CEO presents the issues on the agenda of the Board of Directors. The President & CEO is not a member of the Board of Directors.

In 2008 the remuneration to the Members of the Board was € 376 000 (337 200). The Board of Directors convened 16 times in 2008. On average, 93% of the Board members were present at the meetings.

Committees of the Board of Directors

Pohjolan Voima's Board of Directors elects annually from its number a Salary working group to develop the incentive and remuneration system of the Group and to approve the criteria for the incentive bonuses. The Board of Directors may authorise the Salary working group or the Chairman of the Board to approve the criteria for the remuneration of the President & CEO and the Corporate Executive Team. The incentive bo-

nuses of the Corporate Executive Team are based on a long-range remuneration system and on the criteria determined in it. The incentive scheme does not include any shares or share derivatives. Esa Tirkkonen, Timo Rajala, and, until 15 October 2008, Markku Tynkkynen were members of the Salary working group. Tapio Korpeinen was elected to the Salary working group to replace Markku Tynkkynen who resigned from the Board of Directors. The Board has nominated the President & CEO to the Salary working group. However, he is not present when the working group is handling matters pertaining to the assessment and remuneration of the President & CEO.

In addition to the Salary working group the corporate documents have stipulated certain committees to be nominated to assist the Board of Directors and the Executive Team. The President & CEO presents the issues discussed in the committees to the Board. The preparation of the decisions of the Board and the tasks of the above-mentioned committees have been described in a document approved by the Board of Directors.

Pohjolan Voima does not have a separate Audit committee; the Board of Directors takes care of the Audit committee duties.

President & CEO and Corporate Executive Team

Timo Rajala serves as the company's President & CEO. Pertti Simola was nominated deputy to the President & CEO on 1 July 2008, until which time Minna Korkeaola was deputy to the President & CEO.

In operational management, the President & CEO is supported by the Corporate Executive Team, which discusses the main principles related to the operations of the Group and the parent company. In addition to the President & CEO, the Corporate Executive Team comprises Jussi Hintikka, Minna Korkeaola, Jari Niemelä, Pekka Ottavainen and Pertti Simola.

Furthermore, the Corporate Executive Team has appointed operational management groups to act as working groups that prepare issues to be discussed, thus supporting the Corporate Executive Team and the directors responsible for the operations.

Auditing and auditor

The principal task of statutory auditing is to verify that the financial statements give correct and sufficient information on the Group's results and financial position. The Annual General Meeting annually appoints one regular auditor, which shall be an auditing corporation approved by the Central Chamber of Commerce.

The Annual General Meeting on 18 March 2008 elected PricewaterhouseCoopers Oy, authorised public accountants, as the regular auditor. Eero Suomela, authorised public accountant, was the auditor in charge. The fees paid for the auditing are specified in the Notes to the Profit and Loss Account.

Internal control, risk management and internal auditing

The Board of Directors and the operational management are responsible for the arrangement and sufficiency of company-internal control. The aim of internal control is to ensure the efficiency and profitability of the operations, the reliability of information, as well as compliance with the regulations and operating principles. Pohjolan Voima's administrative system and internal control are based on the corporate documents and on the confirmed policies and operating principles.

At Pohjolan Voima, risk management is integrated into the corporate operations planning, business and management. The Board of Directors has confirmed the risk management policy. The director of risk management and the operational management group of risk management develop and monitor risk management and, if necessary, support the responsible persons in the implementation of risk management.

The operating principles and principal procedures of Pohjolan Voima's internal auditing have been defined in the audit charter confirmed by the Board of Directors. The operations of internal auditing support the management in the development of a good administrative system, risk management and internal control system, as well as in the assessment of their efficiency. Internal auditing function is subordinate to the President & CEO and reports to the Board of Directors.



Board of Directors on 31 December 2008

Ordinary Members

Tapio Korpeinen

Chairman

President, UPM-Kymmene Corporation, Energy and Pulp Business Group
Born 1963, M.Sc. (Eng.), MBA

Deputy Chairman of the Board of Kemijoki Oy,
Member of the Board of Teollisuuden Voima Oyj

Juha Vanhainen

Deputy Chairman

Country Manager Finland, Stora Enso Oyj
Born 1961, M.Sc. (Eng.)

Executive Vice President, Newsprint and Book Paper, Stora Enso Oyj.
Chairman or Member of the Boards of CEPIPRINT and
several Stora Enso subsidiaries

Seppo Ruohonen

Managing Director, Helsinki Energy
Born 1946, M.Sc. (Eng.)

Chairman of the Board of Finnish Energy Industries until 11 November 2008
Member of the Board of Confederation of Finnish Industries EK until 27 November 2008
Member of the Coal Industry Advisory Board (CIAB), Member of the Board of Energy
Forum of Finland, Member of the Boards of Kemijoki Oy, Teollisuuden Voima Oyj and
Etelä-Pohjanmaan Voima Oy, Member of the Board in Helen companies,
Deputy Chairman of the Energy Committee of the Confederation of Finnish Industries
EK as of 18 December 2008

Tapani Sointu

Vice President, UPM-Kymmene Corporation
Born 1955, M.Sc. (Econ.)

Vice Chairman of the Board of Steveco Oy
Member of the Boards of Suomen Kuitulevy Oy, Puhos Board Oy and Silvesta Oy

Personal Substitutes

Jussi Pesonen

President and CEO

UPM-Kymmene Corporation
Born 1960, M.Sc. (Eng.)

Mikael Hannus

Vice President, Energy

Stora Enso Oyj
Born 1968, M.Sc. (Eng.), eMBA

Tapani Kurkela

Managing Director

Oulun Energia
Born 1945, M.Sc. (Eng.)

Anja Silvennoinen

Vice President, Energy

UPM-Kymmene Corporation
Born 1960, M.Sc. (Eng.)



Members of the Board of Directors from left to right: Tapio Korpeinen, Juha Vanhainen, Seppo Ruuhonen, Tapani Sointu, Erkki Varis, Esa Tirkkonen, Kari Rämö and Rami Vuola

Ordinary Members

Erkki Varis

President and CEO, Oy Metsä-Botnia Ab until 31 August 2008
Born 1948, M.Sc. (Eng.)

Chairman of the Board of Botnia South America S.A.
Member of the Supervisory Board of Mutual Pension Insurance Company Ilmarinen

Esa Tirkkonen

Deputy CEO, Kemira Oyj
Born 1949, M.Sc. (Eng.)

Member of the Board of Teollisuuden Voima Oyj

Kari Rämö

Managing Director, Kymenlaakson Sähkö Oy
Born 1952, M.Sc. (Eng.)

Member of the Board of Kymppivoima Oy, Chairman of the Board of Finnish Energy Industries as of 11 November 2008, Member of the Board of the Confederation of Finnish Industries EK as of 27 November 2008

Rami Vuola

President & CEO, Etelä-Pohjanmaan Voima Oy (EPV)
Born 1968, M.Sc. (Eng.)

Chairman of the Board; EPV Bioturve Oy, EPV Tuulivoima Oy, Etelä-Pohjanmaan Alueverkko Oy, Rajakiiri Oy, Tornion Voima Oy
Member of the Board; Proma-Palvelut Oy, Rapid Power Oy, Suomen Merituuli Oy, Teollisuuden Voima Oyj, Vaskiluodon Voima Oy

Personal Substitutes

Hannu Anttila

Executive Vice President, Strategy
Metsäliitto Group
Born 1955, M.Sc. (Econ.)

Elina Engman

Vice President, Energy
Kemira Oyj
Born 1970, M.Sc. (Eng.)

Petri Kokko

Director
Kokkolan Energia
Born 1962, M.Sc. (Eng.)

Hannu Linna

CEO
Vaasan Sähkö Oy
Born 1955, M.Sc. (Eng.)



Corporate Executive Team on 31 December 2008

Timo Rajala

President & CEO

Pohjolan Voima Oy

Born in 1947, M.Sc. (Eng.), with the Group since 1975

Chairman of the Board of several Group companies

Deputy Chairman of the Board of Teollisuuden Voima Oyj

Vice Chairman of the Board of Fingrid Oyj

Member of the Council for Security of Supply and Infrastructure

Chairman of the Committee on Energy Policy, Confederation of Finnish Industries EK until 18 December 2008

Jari Niemelä

Executive Vice President

Thermal Power, Human Resources Management, Projects, Operation and Maintenance, Technology, Climate and Environmental issues

Born in 1958, M.Sc. (Eng.), with the Group since 1996

Chairman or Member of the Board of several Group companies

Member of the Electricity Production Committee of Finnish Energy Industries

Member of the Sector for Energy Supply in the Emergency Supply Organisation

Member of the Power and District Heat Pool Committee

Member of Eurelectric WG Energy Policy

Minna Korkeaaja

Executive Vice President

Finance, Services, Communications, Corporate Responsibility

Born in 1964, M.Sc. (Econ.), with the Group since 1989

Member of the Board of several Group companies

President, Powest Oy

Member of the Board of Finnish Energy Industries

Member of the Service Production Committee of Finnish Energy Industries

Member of the Board of Energy Forum of Finland



Members of the Executive Team from left to right:
Timo Rajala, Jari Niemelä, Minna Korkeaoja, Pertti Simola,
Pekka Ottavainen and Jussi Hintikka

Pertti Simola

Executive Vice President

Legislation issues, Corporate Planning, Hydropower and Wind power,
Power Systems and Fuels

Born in 1950, M.Sc. (Eng.), with the Group since 2004

Chairman or Member of the Board of several Group companies

Member of the General Assembly of the Confederation of Finnish Industries EK

Member of the Board of the Central Chamber of Commerce

Member of the Board of the Rauma Chamber of Commerce

Pekka Ottavainen

Executive Vice President

Nuclear power

Born in 1966, M.Sc. (Eng.), with the Group since 1996

Chairman or Member of the Board of several Group companies

Jussi Hintikka

Executive Vice President

Power Procurement, IT, Project Development and Shareholder Relations

Born in 1972, M.Sc. (Eng.), with the Group since 1997

Chairman or Member of the Board of several Group companies

Annual Report by the Board of Directors 2008

Electricity market

In 2008, electricity consumption in Finland was 86.9 TWh (90.4 TWh in 2007). 74.1 (77.8) TWh of electricity was produced in Finland, while net imports into Finland were 12.8 (12.6) TWh. The economic recession decreased industry's need for electricity by 7.1% compared to the previous year. Early in the year, the combined Nordic reservoirs were above average but decreased during the autumn to below the long-term average. Imports from Russia and Estonia increased, but Finland was a net exporter in electricity trading with the Nordic countries.

The volume of the physical electricity trading on the Nord Pool was 298 TWh (291 TWh in 2007). The annual average system price was € 44.73 (27.93) per MWh, while the annual average of the Finland area price was € 51.02 (30.01) per MWh.

The year 2008 was the first year of the second EU emission trading period. The price of emission allowances for carbon dioxide varied between € 13.72 and € 29.33 per tonne, decreasing towards the end of the year.

Pohjolan Voima's electricity and heat production

In 2008, Pohjolan Voima's total electricity supply was 27.4 (28.7) TWh. The Group's own electricity production accounted for 22.2 (24.0) TWh, of which the parent company's supplies to its shareholders were 15.2 (17.0) TWh. The subsidiaries supplied 7.0 (7.0) TWh to their other shareholders. Heat supplies were 5.8 (5.9) TWh. Purchases from the Nordic electricity markets were 4.6 (4.2) TWh, and imports from Estonia amounted to 0.6 TWh (0.5).

Nuclear power made up 52.5% (50.2%) of the electricity supply. Teollisuuden Voima Oyj's Olkiluoto nuclear power plant generated 14.4 (14.4) TWh of electricity, of which Pohjolan Voima obtained 8.1 (8.1) TWh, in accordance with its shareholding. The average capacity factor of the Olkiluoto plant units was 95.3% (95.6%).

Hydropower accounted for 2.2 (1.8) TWh, or 7.9% (6.2%), of the electricity supply.

Pohjolan Voima produced 2.1 (4.0) TWh of condensing power, which represented 7.8% (14.1%) of the electricity supply. The amount of electricity generated in condensing power plants decreased due to increased hydropower production in the Nordic countries as a re-

sult of the heavy rainfall in early 2008.

A total of 3.4 (3.7) TWh of electricity was generated by the CHP plants.

Pohjolan Voima's electricity supply in 2004–2008 (GWh)

	2004	2005	2006	2007	2008
Nuclear power	14,090	14,218	14,268	14,386	14,380
Hydropower	1,802	1,788	1,429	1,782	2,171
CHP	3,954	2,975	3,734	3,739	3,436
Condensing power	4,868	765	5,459	4,040	2,122
Wind power	20	27	27	28	60
Imports from Russia	2,951	0	0	0	0
Imports from Estonia	0	0	0	452	595
Purchases	2,288	4,852	4,868	4,239	4,614
Total	29,973	24,625	29,785	28,666	27,377

Investments

Investments of the Pohjolan Voima Group, excluding financial investments and purchases of emission allowances, were € 767.9 (383.7) million.

Investments in bioenergy plants were € 116.2 (117.9) million. Teollisuuden Voima invested € 537.0 (178.3) million in the OL3 project, € 13.9 (18.5) million in the related area and infrastructure work and € 36.9 (29.7) million mainly in the modernisations carried out in connection with the annual overhauls of the OL1 and OL2 plant units. PVO-Vesivoima Oy continued the Iijoki hydropower plant renovation programme by investing € 4.3 million in the renewal work at Haapakoski. PVO-Innopower Oy invested € 12.5 million (27.2) in the Ajos, Kemi, and Oulunsalo wind turbines. Power plant machine and equipment sale and leaseback agreements were conducted in Nokian Lämpövoima Oy with a residual value of € 14.0 million, and in PVO-Huippuvoima Oy with € 18.6 million. The remaining investments were mainly made in repairs and renovations.

Porin Prosessivoima Oy's bioenergy plant was completed at the Sachtleben Pigments Oy industrial site. Construction of Kaukaan Voima Oy's bioenergy plant continued at UPM-Kymmene Corporation's Kaukas mill site in Lappeenranta. The power plant will be completed in spring 2010. Also, the construction of Keravan Lämpövoima Oy's bioenergy plant continued. The plant will be complete at the end of 2009.

During 2008, the number of personnel working at the Olkiluoto 3 project site increased from 2,700 to

4,000. The focus of work at the turbine plant shifted to installation, and it is expected to be complete during 2009. Work at the reactor plant focused on construction activity. The main components were completed or are nearing completion. In line with the 2003 decision of the Pohjolan Voima Board, the company invested a total of € 392.7 (392.7) million in the OL3 project from 2004 to 2008. The investments are based on the OL3 financing plan, according to which the equity required by the investment is accumulated along with the progress of the project.

Research and development

R&D expenses were € 22.2 (17.9 in 2007 and 16.7 in 2006) million, most of which was allocated to nuclear waste management. Teollisuuden Voima accounted for € 2.9 (2.7) million of the finance for the State Nuclear Waste Management Fund, a funder of public programmes on reactor safety and nuclear waste management.

In recent years, Pohjolan Voima has been exploring the possibilities of more efficient utilisation of biofuels and the co-firing of biofuels and coal in current coal-firing boilers.

Planning is under way to replace the old heavy oil-fired boiler of the Kristiina 1 power plant with a multi-fuel boiler. A similar project assessment is underway for the Mussalo 2 power plant in Kotka.

The development of a multi-fuel power plant concept with Helsinki Energy continued. The feasibility study on the power plant will be conducted in 2009.

The Kollaja 2008 plan, which takes environmental aspects into consideration in an emphasised way and in which Iijoki hydropower is not maximally utilised, has been composed during the environmental impact assessment of the Kollaja project.

During the report year, a development programme of offshore foundation technology of wind power was initiated, exploring the structure, durability and construction method of foundation by implementing a test foundation in Ajos, Kemi.

Pohjolan Voima is participating in CLEEN Oy, a centre of strategic excellence of the energy and environmental business.

Personnel

The average number of employees working for the

Group was 1,128 (1,090 in 2007 and 1,032 in 2006). The Group's salaries and fees for the financial period totalled € 62,814 thousand (€ 57,473 thousand in 2007 and € 52,390 thousand in 2006).

The average number of employees working for the parent company was 77 (74 in 2007 and 71 in 2006). The salaries and fees for the financial period totalled € 6,322 thousand (€ 5,521 thousand in 2007 and € 4,965 thousand in 2006).

The average age of the personnel was 44.7 (45.4) years. Men formed 79% (76%) of the personnel. At year's end, the Group employed 217 wage earners and 877 salaried employees.

Environment

All of Pohjolan Voima's power plants have valid environmental permits. Renewal of the environmental permits of several thermal power plants, required by the Environmental Protection Act, is still underway due to the long permit process and appeal procedures. At these plants, the legislation in force and the old permits are complied with.

The Group's environmental management is based on the certified environmental management systems in accordance with the ISO 14001 standard. No significant deviations from the commitments of the environmental programme were identified during 2008. Operations related to the construction phase of the Olkiluoto 3 project are covered by the certified environmental management system.

Regulation of waterways and operation of hydropower plants took place under the permit conditions. The top limit of the regulation of Kostanjärvi had to be exceeded in January-March 2008 due to the formation of jammed ice as a result of a frost period. In order to sustain the fish stocks of the Kemijoki and Iijoki waterways and the sea area, 2.8 (3.0) million fry were stocked.

A turbine lubricating oil leak to the floor of the boiler compartment took place at the Tahkoluoto power plant in July 2008. All the leaked oil could be retrieved, and oil did not spread outside the internal channels of the power plant.

All the thermal power plants of the Group fall within the sphere of the Emissions Trading Act. Emissions from production decreased on the previous year, as production with condensing power plants remained lower

than in 2007. The carbon dioxide emissions from electricity and heat produced and supplied to shareholders were 3.6 (5.6) million tonnes. The Notes to the Financial Statements only report the CO₂ emissions of the subsidiaries, which amounted to 2.8 (4.4) million tonnes.

The emissions of nitrogen oxides and sulphur dioxide also decreased. The sulphur dioxide emissions were 3.4 (6.1) thousand tonnes, the nitrogen oxide emissions 5.3 (9.1) thousand tonnes and the particle emissions 0.4 (0.5) thousand tonnes.

The emission levels imposed by the LCP decree on large combustion plants entered into force on January 1, 2008. These emission limits must be complied with, even if the power plant does not have a new, valid environmental permit.

The national decision on the allocation of the emission allowances for 2008–2012 was issued in February 2008. The annual free emission allowances for Pohjolan Voima's power plants for 2008–2012 decreased to approximately one half compared to 2005–2007. Mussalton Kaukolämpö did not receive any emission allowances based on district heat production. The government's decision was appealed to the Supreme Administrative Court, which rejected the appeal on the grounds that the power plant does not operate in the Kotka district heating network.

Pohjolan Voima and its subsidiaries and associated companies are unaware of any environmental liabilities that have not been covered. Pohjolan Voima's more detailed environmental information is published on the company Internet site at www.pohjolanvoima.fi. Teollisuuden Voima provides information on the environmental issues related to nuclear power generation on its site at www.tvo.fi and in a separate social responsibility report.

Risk management

The aim of risk management is to ensure the materialisation of the strategy and the attainment of the business objectives, as well as to safeguard continuity and disturbance-free operations. Risk management takes place in line with the Group's risk management policy. Risk management follows a distributed operating model. Each unit is responsible for the risk management related to its own operative risks, as well as for the respective reporting.

When making operating plans, the risks that jeop-

ardise the attainment of objectives are estimated and measures for managing them are defined. In connection with planning operations, the risks of the areas of responsibility are collected and used to first consolidate the risks of business areas and then the Group-level risks based on these.

The significance of risks is estimated as a sum of the likelihood of occurrence and impact, not estimating the impact in euro. The risks have been divided into risks associated with the operating environment, operating model, internal processes, power plant investments and personnel and competence.

In line with the Group's insurance policy, all Pohjolan Voima companies are covered for risks of damage through insurance and other necessary measures.

Most significant risks and uncertainties

The Group's most significant risks are connected with the completion of the OL3 project. The completion of the plant unit has been delayed, and the start of production use will be postponed until 2012. This results in additional costs and losses, which Teollisuuden Voima has demanded the Supplier compensate.

The uncertain situation in the financial market has increased the financing margins of corporate loans in general, which has an impact on the costs of new loans.

Changes in Group structure

No new companies were acquired or Group companies divested during the financial year.

Finances

Pohjolan Voima operates at cost. The shareholders pay the fixed costs in accordance with their share of ownership, irrespective of whether they have used the capacity or energy share, as well as variable costs according to the energy supplied. As a result of this operating principle, it is irrelevant to present any financial key indicators to understand the companies' business, financial status or result.

The aims and risks of financing operations have been defined in the financing policy. The refinancing risk is managed through diversified sources of financing, sufficiently long loan maturity times and a balanced schedule of maturity, as well as derivative contracts. Interest risk management is based on the average period

of fixed interest rates of net liabilities defined in the financing policy. If loans are taken out in foreign currencies, the currency risk is eliminated by means of derivative contracts.

For liquidity management, the Group was able to rely on domestic commercial paper programmes of € 1,300 (1,300) million, of which € 861 (694) million was unused. At the end of the year, available long-term credit facilities amounted to € 1,785 (2,497) million.

The Group's liquidity remained good. Net interest-bearing liabilities at the end of the year stood at € 2,596.6 (1,976.8) million. There were no liabilities involving an exchange risk.

The Group has the following credit ratings:

	Long-term	Short-term
Pohjolan Voima Oy		
Japan Credit Rating Agency	AA	
Teollisuuden Voima Oyj		
Japan Credit Rating Agency	AA	
FitchRatings	A-	F2

At the end of the year, the Group had an equity ratio of 25.8% (32.0%). The deferred tax liability is not included in the figure, as it is not expected to materialise.

The consolidated result was € -27.6 million (-28.5). Due to the at-cost principle followed, the result for the financial year of the subsidiaries is, as a rule, zero. When the changes in the depreciation differences of the subsidiaries were recognised at Group level in the result for the financial year and in the deferred tax liability, the result was a € 25.6 (28.2) million loss.

Shareholders' equity and share issues

The following issues were subscribed to during the year under review:

- Increase of share capital tied to series I shares (March 19, 2008), 2,677 shares at a subscription price of € 0.151 million directed to Kymppivoima Oy
- Increase of share capital tied to series I2 shares (March 19, 2008), 2,681 shares at a subscription price of € 0.152 million directed to Kymppivoima Oy
- Increase of share capital tied to series I3 shares (March 19, 2008), 11,322 shares at a subscription price of € 0.644 million directed to Kymppivoima Oy
- Increase of share capital tied to series G6 shares (April 24, 2008), 117,600 shares at a subscription price of € 9.046 million directed to Kemira Oyj and 122,400 shares at a subscription price of € 6.854 mil-

lion directed to the City of Pori

- Increase of share capital tied to series G9 shares (April 24, 2008), 209,000 shares at a subscription price of € 11.704 million directed to UPM-Kymmene Oyj
- Increase of share capital tied to series K3 shares (April 24, 2008), 105,900 shares at a subscription price of € 5.930 million directed to Etelä-Suomen Voima Oy.

Pohjolan Voima Oy shareholders (general shareholding)

Shareholder	Shareholding in %	
	31 Dec 2007	31 Dec 2008
Etelä-Pohjanmaan Voima Oy	7.520	7.331
Etelä-Suomen Voima Oy	2.082	2.325
City of Helsinki	0.820	0.800
Ilmarinen Mutual Pension Insurance Company	4.290	4.182
Kemira Oyj (incl. pension foundation Neliapila)	3.137	3.908
City of Kokkola	2.447	2.515
Kymppivoima Oy	8.758	8.863
Oy Metsä-Botnia Ab	1.552	1.513
M-real Corporation	2.823	2.473
Myllykoski Corporation	0.861	0.839
City of Oulu	1.921	1.873
Outokumpu Oyj	0.090	0.087
Oy Perhonjoki Ab	2.674	2.606
City of Pori	1.267	1.817
Rautaruukki Oyj	0.022	0.022
Stora Enso Oyj	15.393	15.006
UPM-Kymmene Corporation	42.289	41.837
Vantaan Energia Oy	0.325	0.317
Yara Suomi Oy (incl. pension foundation (form. Kemira GrowHow Oyj))	1.730	1.687

Corporate management

The Annual General Meeting of 18 March 2008 elected the following members to the Board of Directors: Markku Tynkkynen, Executive Vice President (UPM-Kymmene Corporation); Markku Pentikäinen, Executive Vice President (Stora Enso Oyj); Seppo Ruohonen, Managing Director (Helsinki Energy); Kari Rämö, Managing Director (Kymenlaakson Sähkö Oy); Esa Tirkkonen, Deputy CEO (Kemira Oyj); Tapani Sointu, Vice President (UPM-Kymmene Corporation); Erkki Varis, President and CEO (Oy Metsä-Botnia Ab) and Rami

Vuola, President & CEO (Etelä-Pohjanmaan Voima Oy).

Markku Tynkkynen was elected Chairman and Markku Pentikäinen Deputy Chairman in the organising meeting of the Board of Directors on 18 March 2008. When the Chairman, Markku Tynkkynen and Deputy Chairman, Markku Pentikäinen gave notice that they will resign from the Board, the extraordinary general meeting of 15 October 2008 elected Tapio Korpeinen, President, Energy and Pulp, UPM-Kymmene Corporation, and Juha Vanhainen, Country Manager, Stora Enso Oyj, to replace them. In the Board meeting on 16 October 2008, Tapio Korpeinen was elected Chairman of the Board and Juha Vanhainen the Deputy Chairman. The Board of Directors convened 16 (12) times in 2008. Timo Rajala, M.Sc. (Eng.), has acted as the Company's President & CEO.

Legal actions pending

Teollisuuden Voima was informed in December 2008 by the International Chamber of Commerce (ICC) that the AREVA-Siemens consortium (the Supplier) has submitted a request to the ICC for an arbitration with them concerning the delay of the completion of OL3 and the resulting costs incurred. This concerns the Supplier's claim made already in December 2007, which Teollisuuden Voima has investigated and found without merit. Teollisuuden Voima has submitted a claim to the Supplier in August 2008 as well as a response to the Supplier's previous claim. In its claim, Teollisuuden Voima has demanded that the Supplier compensate the costs and losses incurred to Teollisuuden Voima due to the delay of the project and other actions of the Supplier. In addition, Teollisuuden Voima is a party to another arbitration procedure under the ICC rules, concerning the costs of a technically solved issue pertaining to the construction of OL3. The value of these is minor compared to the project's value. The arbitrations may continue for several years. No receivables or provisions have been recorded as a result of the arbitrations.

The agreement between the State and PVO-Vesivoima on the use of the Iijoki hydropower, owned by the State, at four power plants terminated at the end of 2005. The agreement was not extended, and PVO-Vesivoima applied for a permanent right to use the State's hydropower from the Northern Finland Environmental Permit Authority. The Permit Authority granted PVO-Vesivoima the permanent right in May 2008 and set the compensation at € 2.25 million. The State appealed

against the decision to the Vaasa Administrative Court. The resolution on granting the permanent right to use is not final, and the compensation has not been paid. The appeals have no impact on the operation of the Iijoki power plants.

The Northern Finland Environmental Permit Authority issued a decision on the changing of the minimum discharge volumes of the Kierikki and Maalismaa hydropower plants at the beginning of 2007. A private individual appealed to the Vaasa Administrative Court with regard to Maalismaa, and further to the Supreme Administrative Court. The entire Iijoki power plant chain cannot be used more effectively until the changes are legally valid.

The Finnish Association for Nature Conservation (Suomen luonnonsuojeluliitto ry) and Porin ympäristöseura have lodged an appeal against the environmental permit awarded to Porin Prosessivoima Oy's new power plant in December 2006. The Vaasa Administrative Court rejected the majority of the appeals in October 2008, but tightened the environmental permit conditions. An appeal has been lodged with the Supreme Administrative Court against the Administrative Court's resolution on the environmental permit changes.

Kotkan Energia Oy disconnected the district heating connection to the Mussalon Kaukolämpö Oy power plant in the middle of the contract period. Mussalon Kaukolämpö complained about the breach of agreement to a court of arbitrators. The court of arbitrators resolved in March 2008 that Kotkan Energia had breached the agreement between the companies and obliged Kotkan Energia to provide compensation for all legal costs arising from the appeal process. In addition, the Finnish Competition Authority was asked to investigate the actions of Kotkan Energia. The Competition Authority passed its resolution in December 2008, according to which Kotkan Energia had competitive reasons for refusing cooperation in district heating.

A private individual lodged an appeal against the environmental permit and building permit of Kaukaan Voima Oy in 2007. The Kouvola Administrative Court ignored an appeal against the building permit in February 2008. The Supreme Court did not issue a leave to appeal in the matter. The Vaasa Administrative Court rejected an appeal against an environmental permit and claim for compensation in October 2008. No appeal against the resolution has been lodged with the Supreme Court.

Future outlook

The European Council and the European Parliament approved the Commission's climate and energy package in December 2008. The climate and energy package includes an obligation for each EU member state to increase the use of renewable energy and reduce greenhouse gas emissions and deals with the renewal of the Emissions Trading Directive. In Finland, the use of renewable energy sources must account for 38% of total energy consumption in 2020, and electricity production will no longer receive free emission allowances after 2013.

The Government approved Finland's long-term climate and energy strategy in November. As one way of increasing the share of renewable energy sources in line with the EU objective, a feed-in tariff for wind power, which is intended to be adopted in 2010, is being explored. The climate and energy strategy requires that Finland's own production capacity is able to cover peak electricity consumption and any import failures. In addition, preparations must be made to replace outdated capacity.

International climate negotiations continued. A shared global view of the contents of the post-2012 agreement should be reached during spring 2009, so that the agreement can be made at the Copenhagen COP 15 meeting. The EU's emission cut will change from 20% to 30% if corresponding cuts in the emissions of industrial countries are approved internationally.

EU Member States agreed on the contents of the third legislative package concerning the single market for energy in 2008. Electricity producers and sellers will likely have to give up their control in main grid companies. This means that Pohjolan Voima would have to give up its share in Fingrid. Processing of the legislative package will continue in 2009.

The EIA report on the Kollaja project will be complete in early 2009. The realisation of the project would require a reform of the Rapids Protection Act, which is not being prepared. The reform proposals concerning the Water Act and the Act on Dam Safety have not yet been submitted to the Parliament. Should the Acts enter into force in the prepared form, legislation on hydropower will become clearer and simpler. Regional water resource management plans based on the Act on Water Resources Management are near completion. They are not expected to have at least any direct impact on hydropower production.

Teollisuuden Voima submitted an application for a decision in principle to the Government on the construction of a new nuclear power plant unit, OL4, on April 25, 2008. Preparation for the project and feasibility studies on plant alternatives continued in 2009. Posiva Oy also submitted an application for a decision in principle to extend the final disposal facility of spent fuel for OL4.

The difficult fuel situation will be a challenge in the near future. The availability of peat has decreased. At the same time, the weak market conditions in the forest industry have decreased the availability of wood fuel. The price of coal began to decrease towards the end of 2008, but prices of biofuels and peat are increasing rapidly due to demand exceeding supply.

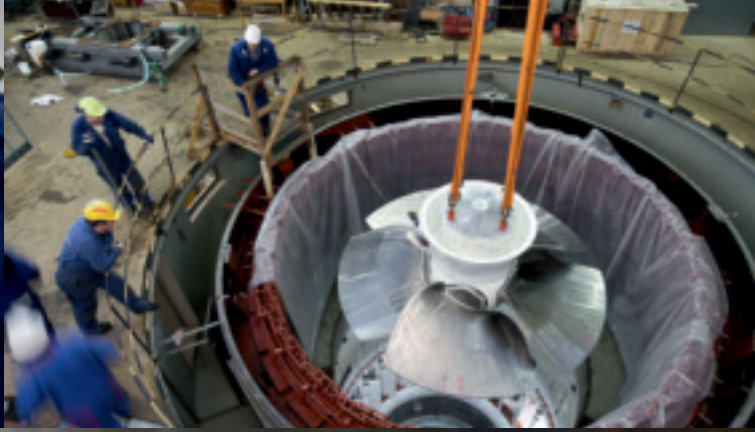
A decrease in the starting readiness of the Mussalo Kaukolämpö coal-fired power plant in Kotka is being planned during spring 2009. Changes in the operating environment, in particular the end of the district heat supply agreement and the emission allowances being transferred mainly to Kotkan Energia, have taken away the financial prerequisites of the plant. Keeping the power plant in reserve will decrease the services required for operation.

The environmental permit application concerning the investment project of Laanilan Voima in Oulu, utilising local energy waste, was submitted in October 2006. The construction of the waste combustion plant is likely to be resolved in 2009, after which more detailed plans on increasing the production capacity can be made.

The agreement signed with Fingrid on the use of the oil-fired condensing power plants in Kristiinankaupunki and Vaasa and the Mussalo gas-fired power plant as reserve capacity of will end on February 28, 2009. Negotiations are underway with Fingrid on the extension of the agreements and the possibility of renting the Mussalo gas turbine as a so-called fast power reserve plant.

Proposal of the Board of Directors regarding the distribution of profits

The parent company's distributable assets per December 31, 2008 were € 102,114,204.10, with the loss for the financial year accounting for € -7,605,977.16. The Board of Directors proposes to the Annual General Meeting that the loss for the financial year be transferred to the retained earnings account and that no dividends be distributed.



Financial Statements for 2008

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Profit and Loss Account

Eur 1 000 • 1 Jan–31 Dec	Group		Parent Company	
	2008	2007	2008	2007
Turnover (1)	919 005	766 407	509 786	474 371
Production for own use	29 338	25 850	-	-
Other operating income (2)	29 135	16 994	1 917	1 851
Materials and services (3)	-569 583	-453 387	-244 090	-229 220
Personnel expenses (4)	-78 156	-71 740	-7 986	-6 702
Depreciation and impairment (5)	-87 306	-88 651	-985	-956
Other operating expenses (6)	-255 354	-226 040	-251 040	-231 389
Share of associated companies' results	7 576	7 447	-	-
Operating result	-5 346	-23 120	7 602	7 955
Financial income and expenses (7)	-47 980	-36 128	-15 204	-10 136
Result before extraordinary items	-53 326	-59 248	-7 602	-2 181
Group contributions received (8)	-	-	-	136
Result before appropriations and taxes	-53 326	-59 248	-7 602	-2 045
Appropriations				
Increase (-) or decrease (+) in depreciation difference	-	-	83	178
Income taxes (9)	14 132	15 260	-87	-69
Minority interest	11 574	15 513	-	-
Result for the financial year	-27 620	-28 475	-7 606	-1 936

Balance Sheet

Eur 1 000 • 31 Dec	Group		Parent Company	
	2008	2007	2008	2007
Assets				
Non-current assets				
Intangible assets (10)	53 837	22 849	921	604
Tangible assets (11)	3 440 366	2 851 916	2 177	2 152
Investments (12)				
Holdings in Group companies	-	-	1 164 522	1 129 587
Other investments	475 078	449 193	305 892	295 934
	3 969 281	3 323 958	1 473 512	1 428 277
Current assets				
Inventories (13)	259 395	207 943	-	-
Non-current receivables (14)	8 789	8 902	7 789	7 959
Current receivables (15)	201 089	203 641	106 217	90 265
Securities included in liquid assets (16)	258 510	75 000	70 910	-
Cash and cash equivalents	30 822	19 525	26 911	1 320
	758 605	515 011	211 827	99 544
	4 727 887	3 838 969	1 685 339	1 527 821
Equity and liabilities				
Shareholders' equity (17)				
Share capital	60 327	58 810	60 327	58 810
Share issue	-	15 136	-	15 136
Share premium	387 663	387 663	384 194	384 194
Contingency reserve	547	547	547	547
Revaluation reserve	218 644	218 644	218 644	218 644
Reserve for invested non-restricted equity	77 229	28 228	77 229	28 228
Retained earnings	87 677	116 152	32 491	34 427
Result for the financial year	-27 620	-28 475	-7 606	-1 936
	804 467	796 705	765 826	738 050
Minority interest				
	343 595	346 141	-	-
Accumulated appropriations				
Depreciation difference	-	-	1 126	1 209
Obligatory provisions				
Other provisions (18)	539	1 275	-	-
Liabilities				
Deferred tax liability (19)	70 244	84 475	-	-
Non-current liabilities (20)	2 616 156	1 714 189	695 192	469 884
Current liabilities (21)	892 886	896 184	223 195	318 678
	3 579 286	2 694 848	918 387	788 562
	4 727 887	3 838 969	1 685 339	1 527 821

Cash Flow Statement

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
Cash flow from operating activities				
Operating result	-5 346	-23 120	7 602	7 955
Adjustments to operating result	69 593	80 100	850	693
Change in net working capital	-55 176	15 105	1 467	6 682
Interests paid	-49 847	-36 826	-27 795	-22 985
Interests received	12 671	13 417	17 975	14 825
Dividends received	2 993	2 893	1 800	1 738
Other financial items	3 040	-5 010	-221	-275
Income taxes	-4	-52	-	-
Net cash flow from operating activities	-22 075	46 507	1 677	8 633
Cash flow from investing activities				
Acquisition of subsidiaries	-943	-	-95 564	-80 758
Acquisition of other shares	-487	-1 169	-258	-122
Investments in tangible and intangible assets	-786 985	-373 080	-1 232	-349
Investment subsidies obtained	4 817	11 104	-	-
Divestment of shares	10 564	1 908	-	273
Proceeds from sales of tangible and intangible assets	89 796	61 971	488	34
Increase (-) or decrease (+) in loan receivables	-20 287	-11 853	-9 700	33 359
Net cash flow from investing activities	-703 525	-311 119	-106 266	-47 563
Cash flow from financing activities				
Withdrawals of non-current loans	1 130 804	271 863	328 808	63 974
Repayment of non-current loans	-108 722	-107 969	-103 500	-102 979
Increase (-) or decrease (+) in interest-bearing receivables	5 143	33 665	5 169	33 597
Increase (+) or decrease (-) in current interest-bearing liabilities	-192 187	-5 261	-66 769	16 535
Share issue	85 371	65 972	37 382	21 144
Group contributions received and paid	-	-	-	136
Net cash flow from financing activities	920 408	258 270	201 091	32 407
Net change in cash and cash equivalents	194 807	-6 342	96 501	-6 523
Cash and cash equivalents on 1 Jan	94 525	100 867	1 320	7 843
Cash and cash equivalents on 31 Dec	289 332	94 525	97 821	1 320
1) Adjustments to operating result				
Depreciation and impairment	87 306	88 651	985	956
Gains (-) or losses (+) from sales of non-current assets	-10 136	-1 104	-135	-263
Share of associated companies' results	-7 576	-7 447	-	-
	69 593	80 100	850	693
2) Change in net working capital				
Increase (-) or decrease (+) in inventories	-51 453	1 006	-	-
Increase (-) or decrease (+) in non-interest-bearing receivables	-37 121	-18 630	-22 902	-23 140
Increase (+) or decrease (-) in current non-interest-bearing liabilities	34 133	31 454	24 368	29 822
Change in provisions	-736	1 275	-	-
	-55 176	15 105	1 467	6 682

Accounting Principles

Consolidation principles

Pohjolan Voima Oy (Business ID 0210161-4, Helsinki) is the parent company of the Pohjolan Voima Group.

The consolidated financial statements include, in addition to the parent company, the companies in which the parent company holds more than half of the voting rights, either directly or indirectly, or companies over which it otherwise exercises a dominant influence, in accordance with Chapter 1, Sections 5 and 6 of the Accounting Act.

The Powest Group is an exception to the above. It has not been included in the consolidated financial statements since Pohjolan Voima only holds series K shares in its parent company, and these are not entitled to any dividend.

Subsidiaries acquired during the financial year are included in the financial statements from the date of acquisition, while those sold are included up to the date of their sale.

Accounting principles in the consolidated financial statements

Mutual shareholdings

The consolidated financial statements have been compiled in accordance with the acquisition cost method. The price paid for the energy-generating subsidiaries in excess of equity has been capitalised in full. This consolidation difference asset is depreciated according to the depreciation plan of the fixed asset item in question.

Inter-company transactions and margins

All transactions between Group companies, inter-company receivables and liabilities, margins on internal services and internal distribution of profits have been eliminated.

Minority interests

Minority interests have been excluded from the results for the financial year and the change in the depreciation difference, the consolidated shareholders' equity and the accumulated depreciation differences, and are shown as a separate item in the profit and loss account and balance sheet.

Depreciation difference

The depreciation difference has been divided between unrestricted shareholders' equity and deferred tax liability.

The change in depreciation difference during the financial year has been divided between the net result for the year and the change in deferred tax liability.

Associated companies

Associated companies have been consolidated using the equity method. The profit and loss account includes a portion of the result corresponding to the shareholding of the Group and the change in the depreciation difference of the associated companies less the tax liability. The value of shares shown in the balance sheet is the proportion of the shareholders' equity and accumulated depreciation difference less tax liability.

The result of the associated companies is shown in a separate item in the profit and loss account above operating profit.

Items in foreign currencies

The value of debts and receivables, as well as contingent liabilities, in foreign currencies has been adjusted to the exchange rate quoted by the European Central Bank on the closing date or to a contract rate. Foreign exchange gains and losses from the conversion of debts and receivables have been entered in the profit and loss account as exchange rate differences.

Non-current assets

Non-current assets have been entered in the balance sheet at their original acquisition cost less depreciation, according to plan and contributions received. Revaluation has been made on hydropower buildings and dam structures in 1992 and 1993, and these are included in the balance sheet values. The revaluations have not been depreciated.

Depreciation according to plan has been calculated according to the expected useful life.

Useful life has been defined as follows:

- hydropower plants 40–80 years
- nuclear power plants 10–61 years
- condensing power plants 25 years
- co-generation power plants 4–33 years
- wind turbines 10–20 years
- transmission lines 30 years
- other non-current assets 3–40 years

The depreciation plan also takes account of the annual utilisation of each plant.

Inventories

Inventories have been valued at the original acquisition cost, including variable expenses due to acquisition and manufacture, according to the FIFO principle. If the probable acquisition cost is lower than the original acquisition cost on the closing date, the difference is not entered as an expense due to the at-cost principle.

Turnover

When calculating turnover, discounts and indirect taxes are deducted from sales revenues. Sales revenues are entered as income at the time of delivery.

Research and development expenditure

Research and development expenses connected with production operations have been entered as an expense during the year of their emergence.

Pension arrangements

Pension cover in the Group companies has been arranged with a Finnish insurance company.

Income tax

The estimated taxes corresponding to the results of Group companies for the financial year, adjustments to taxes in previous financial years, and change in deferred tax liability are all entered as taxes. Deferred tax liability is calculated for the temporary difference between taxation and financial statements using the confirmed tax rate on the closing date.

Emission allowances

Acquired emission allowances are recognised at cost and presented under intangible assets in the balance sheet. Emission allowances obtained without consideration are off-balance sheet assets. An obligation concerning emission allowances to be returned is recognised at the carrying amount of the emission allowances held under current liabilities. If the amount of emission allowances is not sufficient to cover the realised emissions, a provision for the missing emission allowances is included in the obligatory provisions at the market price of emission allowances. Sales of emission allowances are included in turnover (other sales) and emission allowance expenses are recognised under materials and services.

Pohjolan Voima Group has made SWAP transactions of emission allowances and emission reductions in advance for the emission trade period 2008–2012. The term “SWAP transaction” refers to the simultaneous sale of an emission allowance (EUA) and purchase of an emission reduction (CER), i.e. trading an EUA unit for a corresponding number of CER units. Sales of emission allowances (EUA) in advance for 2009–2012 amount to 422,000 tonnes of carbon dioxide with a value of € 9,376 thousand, and purchases of emission reductions (CER) amount to 422,000 tonnes of carbon dioxide with a value of € 7,174 thousand, (EUA sales for 2008–2012 total 525,000 tonnes of carbon dioxide with a value of € 11,605 thousand, and CER purchases amount to 525,000 tonnes of carbon dioxide with a value of € 8,923 thousand). The number of emission allowances swapped in advance for CER units is limited in the Group companies to 40% of the estimated maximum return amount of CER units during the period 2008–2012.

Measurement of financial instruments Securities included in liquid assets

Securities included in liquid assets consist of liquid units in investment funds with short-term interest and certificates of deposit of financial institutions. Securities included in liquid assets are measured at the original acquisition cost on the balance sheet. They are included in cash and cash equivalents in the cash flow statement.

Handling of derivatives

The period of fixed interest rates applied to loans with floating interest rates has been prolonged through interest swaps as well as interest cap or floor agreements. The interest related to these agreements has been matched on an accrual basis in the accounts, shown as net sums under interest expenses. The premium part of interest options has been allocated over the duration of the options.

Derivative contracts, as well as their nominal and market values, have been specified in the Notes to the Accounts.

Exchange derivatives are forward contracts used to convert raw material purchases made in foreign currencies into euro. The exchange rate differences of derivatives have been recorded to adjust the corresponding acquisition costs.

Notes to the Profit and Loss Account

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(1) Turnover				
Sales of electricity produced	495 262	464 564	383 219	364 216
Sales of heat produced	155 398	131 252	121 361	103 095
Other sales	268 345	170 591	5 206	7 060
	919 005	766 407	509 786	474 371
(2) Other operating income				
Gains on sale of non-current assets	10 203	1 163	135	263
Rental income	2 927	3 336	1 513	1 465
National reserve capacity remuneration	9 880	9 904	-	-
Other income	4 768	1 787	269	123
Electricity production subsidies	1 358	804	-	-
	29 135	16 994	1 917	1 851
(3) Total materials and services				
Fuels	247 003	206 773	-	-
Other raw materials, supplies and consumables	326 600	199 690	244 069	229 234
Purchases during the financial year	573 603	406 463	244 069	229 234
Change in inventories	-52 998	1 531	-	-
External services	48 978	45 393	21	-14
	569 583	453 387	244 090	229 220

Emission allowances

	2008		2007	
	CO ₂ tonnes	1 000 €	CO ₂ tonnes	1 000 €
Emission allowances obtained without consideration	2 416 977		5 309 519	
Total emissions from the Group companies	2 789 661		4 442 686	
Emission allowances held by the Group companies	2 935 573		4 681 839	
Emission allowances sold	843 935	18 880	1 080 680	851
Emission allowances purchased	1 362 531	28 160	453 000	124

Notes to the Profit and Loss Account

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(4) Personnel expenses and average number of personnel				
Salaries and fees				
Board Members and CEO	1 675	1 870	878	729
Other salaries and wages	61 138	55 603	5 444	4 792
	62 814	57 473	6 322	5 521
Pension expenses	10 431	9 479	1 294	874
Other personnel-related expenses	4 912	4 788	370	307
	15 343	14 267	1 664	1 181
Total personnel expenses	78 156	71 740	7 986	6 702
Average number of personnel				
Salaried employees	888	853	76	71
Wage-earners	240	237	1	3
Total	1 128	1 090	77	74
The retirement age of the Group company presidents, CEOs and certain other management members is 62 years according to agreements made with them.				
(5) Depreciation and impairment				
Planned depreciation				
Intangible rights	122	143	-	-
Goodwill	55	50	-	-
Other capitalised long-term expenses	2 381	2 561	146	147
Buildings and constructions	15 120	13 658	42	43
Machinery and equipment	64 643	65 772	350	319
Other tangible assets	3 404	3 103	-	-
Impairment of non-current assets	1 582	3 364	-	-
Investments	-	-	447	447
	87 306	88 651	985	956
(6) Other operating expenses				
Purchases of energy	35 581	34 154	243 732	224 504
Share of associated companies' results	-7 576	-7 447	-	-
Repair, servicing and maintenance services	33 746	37 222	286	143
Rents	31 953	26 627	1 953	1 909
Real estate taxes	9 403	8 846	64	62
Other	144 673	119 191	5 005	4 772
	247 778	218 593	251 040	231 389
Auditor's fees				
PricewaterhouseCoopers Oy:				
Audit fees	283	291	85	85
Tax counselling	5	3	3	2
Auditor's statements	10	4	-	-
Other services	105	104	-	-
	404	402	88	88

Notes to the Profit and Loss Account

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(7) Financing income and expenses				
Dividend income				
From associated companies	-	-	1 798	1 737
From others	1 194	1 157	2	1
	1 194	1 157	1 800	1 738
Interest income from non-current investments				
From Group companies	-	-	13 085	11 828
From associated companies	149	797	149	797
From others	13 761	10 618	268	-
	13 911	11 415	13 502	12 625
Other interest and financial income				
From Group companies	-	-	3 470	1 856
From associated companies	251	256	251	256
From others	4 410	3 528	976	55
	4 662	3 784	4 697	2 167
Total interest and financial income	18 572	15 199	18 199	14 792
Interest and other financial expenses				
To Group companies	-	-	-19 509	-15 534
To associated companies	-	-	-	-
To others	-67 747	-52 484	-15 694	-11 132
Total interest and financial expenses	-67 747	-52 484	-35 203	-26 666
Total financial income and expenses	-47 980	-36 128	-15 204	-10 136
The item Other interest and financial income includes exchange rate differences, net	-170	-110	89	-16
(8) Extraordinary items				
Group contributions received	-	-	-	136
(9) Income taxes				
Taxes for the financial year	36	54	26	42
Taxes for the previous financial years	63	29	61	27
Change in deferred tax liability	-14 230	-15 343	-	-
	-14 132	-15 260	87	69

Notes to the Balance Sheet

(10) Intangible Assets

Eur 1 000	Intangible rights	Other capitalised expenses	Pre- payments	Goodwill	Total
Group					
Acquisition cost on 1 Jan	1 689	61 799	1 074	534	65 096
Increases	28 996	3 257	116	5	32 374
Decreases	-125	-34	0	-	-159
Transfers between accounts	1 592	782	-1 074	-	1 300
Acquisition cost on 31 Dec	32 152	65 803	116	539	98 610
Accumulated depreciation on 1 Jan	-807	-41 139	-	-301	-42 247
Accumulated depreciation on decreases and transfers	-	31	-	-	31
Depreciation during the financial year	-122	-2 381	-	-55	-2 558
Accumulated depreciation on 31 Dec	-929	-43 489	-	-356	-44 773
Book value on 31 Dec 2008	31 223	22 315	116	183	53 837
Book value on 31 Dec 2007	882	20 659	1 074	233	22 849
Subsidies decreasing the acquisition cost	29				29
Parent Company					
Acquisition cost on 1 Jan	33	1 928	-	-	1 961
Increases	294	168	-	-	462
Decreases	-	-31	-	-	-31
Transfers between accounts	-	-	-	-	0
Acquisition cost on 31 Dec	327	2 065	-	-	2 392
Accumulated depreciation on 1 Jan	-	-1 357	-	-	-1 357
Accumulated depreciation on decreases and transfers	-	31	-	-	31
Depreciation during the financial year	-	-146	-	-	-146
Accumulated depreciation on 31 Dec	-	-1 471	-	-	-1 471
Book value on 31 Dec 2008	327	594	-	-	921
Book value on 31 Dec 2007	33	571	-	-	604

Emission allowances on 31 Dec 2008:

Intangible assets include emission allowance assets totalling € 28,271 thousand.

The Group holds off-balance sheet emission allowance assets totalling € 2,561 thousand (161,052 CO₂ tonnes).

Notes to the Balance Sheet

(11) Tangible Assets

Eur 1 000	Land & water areas	Buildings & constructions	Machinery & equipment	Other tangible assets	Pre-payments	Total
Group						
Acquisition cost on 1 Jan	46 503	472 214	1 924 742	292 927	1 468 887	4 205 274
Increases	241	20 165	80 515	18 524	644 361	763 806
Decreases	-29	-93	-6 163	0	-88 750	-95 035
Transfers between accounts	163	22 367	31 082	6 248	-61 160	-1 300
Acquisition cost on 31 Dec	46 878	514 653	2 030 177	317 699	1 963 338	4 872 745
Accumulated depreciation on 1 Jan	-	-201 125	-1 121 077	-31 156	-	-1 353 358
Accumulated depreciation on decreases and transfers	-	93	5 634	0	-	5 727
Depreciation during the financial year	-	-15 120	-66 225	-3 404	-	-84 748
Accumulated depreciation on 31 Dec	-	-216 151	-1 181 668	-34 560	-	-1 432 379
Book value on 31 Dec 2008	46 878	298 502	848 509	283 140	1 963 338	3 440 366
Book value on 31 Dec 2007	46 503	271 089	803 665	261 771	1 468 887	2 851 916
Increases in value included in the acquisition cost per 31 Dec		66 296		198 849		265 145
Production machinery and equipment on 31 Dec			772 427			772 427
Subsidies decreasing the acquisition cost		5 470	18 940		3 559	27 969

Capitalised interests during construction

Eur 1 000	Other capitalised expenses	Buildings & constructions	Machinery & equipment	Other tangible assets	Pre-payments	Total
Group						
Acquisition cost on 1 Jan	3 530	31 564	114 584	2 609	126 322	278 609
Increases	-	-	2 508	-	-	2 508
Decreases	-	-	-	-	-197	-197
Acquisition cost on 31 Dec	3 530	31 564	117 092	2 609	126 125	280 920
Accumulated depreciation on 1 Jan	-2 088	-20 207	-73 047	-1 689	-	-97 032
Accumulated depreciation on decreases and transfers	-	-	-	-	-	-
Depreciation during the financial year	-107	-483	-1 867	-33	-	-2 490
Accumulated depreciation on 31 Dec	-2 195	-20 690	-74 914	-1 723	-	-99 522
Book value on 31 Dec 2008	1 335	10 874	42 178	886	126 125	181 398
Book value on 31 Dec 2007	1 442	11 357	41 537	920	126 322	181 578

Notes to the Balance Sheet

(11) Tangible assets

Eur 1 000	Land & water areas	Buildings & constructions	Machinery & equipment	Other tangible assets	Pre-payments	Total
Parent Company						
Acquisition cost on 1 Jan	198	962	3 956	7	0	5 123
Increases	-	-	683	-	87	770
Decreases	-	-	-760	-	-	-760
Transfers between accounts	-	-	-	-	-	0
Acquisition cost on 31 Dec	198	962	3 879	7	87	5 133
Accumulated depreciation on 1 Jan	-	-564	-2 407	-	-	-2 971
Accumulated depreciation on decreases and transfers	-	-	407	-	-	407
Depreciation during the financial year	-	-42	-350	-	-	-392
Accumulated depreciation on 31 Dec	-	-606	-2 350	-	-	-2 956
Book value on 31 Dec 2008	198	356	1 529	7	87	2 177
Book value on 31 Dec 2007	198	398	1 549	7	0	2 152
Production machinery and equipment on 31 Dec			556			

(12) Investments

Eur 1 000	Holdings in associated companies	Other shares and holdings	Other receivables	Total
Group				
Acquisition cost on 1 Jan	120 175	43 181	285 837	449 193
Increases	7 576	487	20 601	28 665
Decreases	-1 798	-683	-298	-2 779
Transfers between accounts	-	-	-	0
Acquisition cost on 31 Dec	125 952	42 986	306 139	475 078
Book value on 31 Dec 2008	125 952	42 986	306 139	475 078
Book value on 31 Dec 2007	120 175	43 181	285 837	449 193

Eur 1 000	Holdings in Group companies	Receivables from Group companies	Holdings in associated companies	Other shares and holdings	Total
Parent Company					
Acquisition cost on 1 Jan	1 129 587	243 695	48 839	3 400	1 425 521
Increases	35 382	10 000	-	258	45 640
Decreases	-447	-300	-	-	-747
Transfers between accounts	-	-	-	-	-
Acquisition cost on 31 Dec	1 164 522	253 395	48 839	3 658	1 470 414
Book value on 31 Dec 2008	1 164 522	253 395	48 839	3 658	1 470 414
Book value on 31 Dec 2007	1 129 587	243 695	48 839	3 400	1 425 521
Increases in value included in the acquisition cost per 31 Dec	265 145				

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(13) Inventories				
Fuels (coal + unrefined uranium)	127 161	84 649		
Raw materials, supplies (other fuels)	132 235	123 294		
	259 395	207 943		
Fuels (coal + unrefined uranium)				
Reacquisition price	178 237	245 723		
Book value	127 161	84 649		
Difference	51 076	161 074		
(14) Non-current receivables				
Loans receivable	8 520	8 730	7 788	7 958
Capital loan receivables	-	-	1	1
Non-current other receivables	269	172	-	-
	8 789	8 902	7 789	7 959
Receivables from Group companies				
Capital loan receivables			1	1
Receivables from associated companies				
Loans receivable	2 789	2 955	2 789	2 955
	2 789	2 955	2 789	2 955

Notes to the Balance Sheet

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(15) Current receivables				
Trade receivables	106 535	86 252	68 103	50 860
Loans receivable *)	397	5 426	-	5 000
Share issue receivables	-	40 019	-	2 000
Other receivables	18 027	7 655	4	29
Accrued income	76 131	64 289	38 110	32 375
	201 089	203 641	106 217	90 265
Receivables from Group companies				
Trade receivables			160	316
Other receivables			-	-
Accrued income			21 581	18 249
			21 741	18 565
Receivables from associated companies				
Trade receivables	715	1 022	1	92
Loans receivable	-	5 000	-	5 000
Other receivables	1 936	-	-	-
Accrued income	3 002	731	1 974	74
	5 654	6 753	1 975	5 166
Material items included in current accruals and deferred liabilities				
Personnel expenses allocated to financial year	259	28	-	-
Interest income allocated to financial year	14 773	11 475	1 079	943
Interest expenses allocated to financial year	10 828	8 281	-	-
Income taxes allocated to financial year	16	110	6	93
Indirect taxes allocated to financial year	3 110	1 834	-	-
SWAP transactions of emission allowances allocated to financial year	9 376	11 605	14 978	18 573
Group contribution	-	-	-	136
Other	37 770	30 957	22 047	12 631
	76 131	64 289	38 110	32 375
*) Loan receivables include Group account receivables of participating interest companies and other companies				
Interest-bearing receivables				
Non-current assets	305 455	285 168	253 395	243 695
Current assets	298 249	108 492	105 610	14 278
	603 704	393 660	359 005	257 973
(16) Securities included in liquid assets				
Units in investment funds with short-term interests and certificates of deposit of financial institutions				
Reacquisition price	259 759	75 073	70 938	-
Book value	258 510	75 000	70 910	-
Difference	1 249	73	29	-

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(17) Shareholders' equity				
Share capital on 1 Jan	58 810	58 159	58 810	58 159
Transfer from share issues	1 517	651	1 517	651
Share capital on 31 Dec	60 327	58 810	60 327	58 810
Share issue on 1 Jan	15 136	13 661	15 136	13 661
Transfer to share capital	-1 517	-651	-1 517	-651
Transfer to premium fund	-	-	-	-
Transfer to reserve for invested non-restricted equity	-49 001	-21 019	-49 001	-21 019
Share issues during the financial year	35 382	23 144	35 382	23 144
Share issue on 31 Dec	0	15 136	0	15 136
Share premium fund on 1 Jan	387 663	387 663	384 194	384 194
Share premium fund on 31 Dec	387 663	387 663	384 194	384 194
Contingency reserve on 1 Jan	547	547	547	547
Contingency reserve on 31 Dec	547	547	547	547
Revaluation reserve on 1 Jan	218 644	218 644	218 644	218 644
Revaluation reserve on 31 Dec	218 644	218 644	218 644	218 644
Reserve for invested non-restricted equity on 1 Jan	28 228	7 209	28 228	7 209
Share issues	49 001	21 019	49 001	21 019
Reserve for invested non-restricted equity on 31 Dec	77 229	28 228	77 229	28 228
Retained earnings on 1 Jan	87 677	116 152	32 491	34 427
Retained earnings on 31 Dec	87 677	116 152	32 491	34 427
Result for the financial year	-27 620	-28 475	-7 606	-1 936
Total shareholders' equity	804 467	796 705	765 826	738 050
Depreciation difference				
Share of depreciation difference recognised under Shareholders' equity	21 543	47 144		
Distributable funds on 31 Dec				
Retained earnings			32 491	34 427
Result for the financial year			-7 606	-1 936
Reserve for invested non-restricted equity			77 229	28 228
			102 114	60 719

Notes to the Balance Sheet

Share capital by share category	Number	1 000 €
Series A: entitling the holder to obtain energy produced or supplied by PVO-Vesivoima Oy	13 350 077	22 453
Series B: entitling the holder to obtain 56.8% of the energy produced or supplied by Teollisuuden Voima Oy's Olkiluoto 1 or 2 units	7 124 507	11 983
Series B2: entitling the holder to obtain 60.2% of the energy produced by Teollisuuden Voima Oy's Olkiluoto 3 unit once it is finalised	1 496 008	2 516
Series C: entitling the holder to obtain energy produced or supplied by PVO-Lämpövoima Oy	7 107 592	11 954
Series C2: entitling the holder to obtain 56.8% of the energy produced or supplied by Teollisuuden Voima Oy's Meri-Pori coal-fired unit	359 198	604
Series E1: entitling the holder to obtain energy produced by Mussalon Kaukolämpö Oy	229 741	386
Series G: entitling the holder to obtain 49.9% of the energy produced by Oy Alholmens Kraft Ab	354 290	596
Series G2: entitling the holder to obtain 76.0% of the energy produced by Kymin Voima Oy	238 216	401
Series G3: entitling the holder to obtain 50.0% of the energy produced by Järvi-Suomen Voima Oy	115 850	195
Series G4: entitling the holder to obtain 72.0% of the energy produced by Rauman Voima Oy	296 486	499
Series G5: entitling the holder to obtain energy produced by Laanilan Voima Oy	72 072	121
Series G6: entitling the holder to obtain energy produced by Porin Prosessivoima Oy	600 857	1 011
Series G7: entitling the holder to obtain 90.0% of the energy produced by Wisapower Oy	661 300	1 112
Series G9: entitling the holder to obtain 54.0% of the energy produced by Kaukaan Voima Oy	315 071	530
Series H: entitling the holder to obtain energy produced by PVO-Huippuvoima Oy	500 000	841
Series I: entitling the holder to obtain 82.5% of the energy produced by the PVO-Innopower Oy's Oulunsalo, Oulu, Kokkola and Kristiinankaupunki wind turbines	24 977	42
Series I2: entitling the holder to obtain 83.8% of the energy produced by the PVO-Innopower Oy's Riutunkari wind turbines	25 008	42
Series I3: entitling the holder to obtain 71.7% of the energy produced by the PVO-Innopower Oy's Ajos wind farm	121 711	205
Series K1: entitling the holder to obtain energy produced or supplied by Kokkolan Voima Oy	176 428	297
Series K2: entitling the holder to obtain energy produced or supplied by Vieskan Voima Oy	25 178	42
Series K3: entitling the holder to obtain energy produced or supplied by Keravan Lämpövoima Oy	120 507	203
Series N: entitling the holder to obtain 80.1% of the energy produced by Nokian Lämpövoima Oy	1 506 938	2 534
Series V: entitling the holder to obtain 50.0% of the energy produced by Vaskiluodon Voima Oy	1 046 823	1 761
	35 868 835	60 327

The owners of each series of shares are responsible for the overheads related to the series in question in proportion to their holdings, irrespective of whether they have used their capacity or energy share, as well as for the variable costs in proportion to the energy volumes supplied.

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(18) Obligatory provisions				
Other provisions	539	1 275		
(19) Deferred tax liability				
Deferred tax liability				
Of appropriations	70 244	84 475		
(20) Non-current liabilities				
Bonds	88 446			
Loans from credit institutions	1 731 114	987 129	270 000	90 000
Pension loans	21 694	-	21 694	-
Other non-current liabilities	774 901	727 060	403 498	379 884
	2 616 156	1 714 189	695 192	469 884
Amounts owed to Group companies				
Other non-current liabilities			403 498	379 884
Debts with maturity after 5 years or later				
Loans from credit institutions	690 351	434 901	50 000	-
Other non-current debts	198 970	185 412	13 559	-
	889 321	620 313	63 559	-

Notes to the Balance Sheet

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(21) Current liabilities				
Loans from credit institutions	128 382	23 745	-	2 979
Other current liabilities *)	455 789	632 500	90 393	154 183
Prepayments received	8 317	6 619	-	-
Trade payables	57 508	80 419	70 052	53 281
Other current liabilities	57 073	30 748	13 184	6 517
Accruals and deferred liabilities	185 817	122 153	49 566	101 718
	892 886	896 184	223 195	318 678
To Group companies				
Trade payables			61 962	45 268
Accruals and deferred liabilities			26 696	86 048
			88 658	131 316
To associated companies				
Trade payables	7 532	5 051	7 532	5 030
Other	97	67	-	-
Accruals and deferred liabilities	2 733	195	2 595	-
	10 362	5 313	10 127	5 030
Material items included in current accruals and deferred income				
Personnel expenses allocated to financial year	14 943	14 033	986	933
Interest expenses allocated to financial year	59 123	38 200	22 872	15 774
Indirect taxes allocated to financial year	394	2 277	-	-
SWAP transactions of emission allowances allocated to financial year	7 174	8 923	14 497	17 985
Other	104 183	58 720	11 211	67 026
	185 817	122 153	49 566	101 718
*) Other current liabilities include Group account liabilities of participating interest companies and other companies	29 632	42 582	29 632	42 582
Non-interest-bearing and interest-bearing liabilities				
Non-current				
Interest-bearing	2 616 156	1 714 189	695 192	469 884
	2 616 156	1 714 189	695 192	469 884
Current				
Non-interest-bearing	308 714	239 940	132 802	161 516
Interest-bearing	584 171	656 244	90 393	157 162
	892 886	896 184	223 194	318 678

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(22) Contingent liabilities				
Mortgages				
As security for own debt	-	11 773	-	-
Pledged deposits				
As security for own liabilities	4 104	4 476	196	1 271
Guarantees				
Guarantees for loans				
On behalf of associated companies	61 913	64 751	61 883	64 718
Other guarantees				
As security for own liabilities	27 869	7 106	21 694	-
For Group companies	-	-	4 500	24 901
	89 782	71 857	88 077	89 619
Leasing liabilities				
Payments during following financial year	23 084	27 646	21	19
Payments in subsequent years	280 435	340 909	55	-
	303 519	368 555	76	19
Leasing liabilities of power plants during construction	148 645	-	-	-
	452 164	368 555	76	18 943
Rental liabilities	19 374	21 240	12 739	14 163
Other liabilities				
Nuclear waste management liabilities	1 137 600	1 079 800		

Notes to the Balance Sheet

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
Nuclear waste management liabilities				
Amount of nuclear waste management under the Nuclear Energy Act	1 137 600	1 079 800		
Target for 2009 (2008) in the State Nuclear Waste Management Fund	1 001 200	927 700		
Share in the State Nuclear Waste Management Fund on 31 Dec	967 235	897 247		
Difference between the liability amount and the share in the fund on 31 Dec	170 365	182 553		
Guarantees for unforeseen expenses in nuclear waste management	264 700	120 400	150 342	68 384
Nuclear waste management receivables pledged to the State Nuclear Waste Management Fund	300 277	279 691		

Under the Finnish Nuclear Energy Act, Teollisuuden Voima, a subsidiary of which Pohjolan Voima Oy holds 58.12%, is obliged to fund the decommissioning of the nuclear power plant and final disposal of spent nuclear fuel (=nuclear waste management liabilities) through the State Nuclear Waste Management Fund.

The statutory fund target in the State Nuclear Waste Management Fund and the share in the fund differ at the end of 2008 due to the annual readjustment of liability and fund target. The difference is due to timing, as the annual statutory fund target is paid during the first quarter of the following financial year. The difference between the nuclear waste management liability amount under the Nuclear Energy Act and the fund target for 2009 is due to a temporary decrease in the fund target for 2008–2012 approved by the Government under Section 46 of the Nuclear Energy Act. Guarantees pledged to the State for the uncovered part of the nuclear waste management liability amounted to € 264.7 million on December 31, 2008 (€ 120.4 million on December 31, 2007). The guarantees also cover liability for any unforeseen expenses of nuclear waste management in accordance with the Nuclear Energy Act.

A party liable for nuclear waste management is entitled to loan 75% of the share in the State Nuclear Waste Management Fund. Teollisuuden Voima Oyj has lent the assets borrowed from the fund to its shareholders and pledged its receivables from the shareholders to the fund as a guarantee for its loan.

Pohjolan Voima Oy has a commitment to invest € 432.0 million in Teollisuuden Voima's OL3 nuclear plant unit in 2004–2009 and to give a shareholder loan of € 108.0 million. By December 31, 2008, Pohjolan Voima Oy had paid out € 392.7 million of its commitment. The investments are based on the OL3 financing plan, according to which the equity required by the investment is accumulated along with the progress of the project.

Teollisuuden Voima was informed in December 2008 by the International Chamber of Commerce (ICC) that the AREVA-Siemens consortium (the Supplier) has submitted a request to the ICC for an arbitration with them concerning the delay of the completion of OL3 and the resulting costs incurred. This concerns the Supplier's claim made already in December 2007, which Teollisuuden Voima has investigated and found without merit. Teollisuuden Voima has submitted a claim to the Supplier in August 2008 as well as a response to the Supplier's previous claim. In its claim, Teollisuuden Voima has demanded that the Supplier compensate the costs and losses incurred to Teollisuuden Voima due to the delay of the project and other actions of the Supplier. In addition, Teollisuuden Voima is a party to another arbitration procedure under the ICC rules, concerning the costs of a technically solved issue pertaining to the construction of OL3. The value of these is minor compared to the project's value. The arbitrations may continue for several years. No receivables or provisions have been recorded as a result of the arbitrations.

Kymin Voima Oy and the Kymi plant of UPM-Kymmene Corporation make joint use of the Lamminmäki landfill. According to the permit given by the South-East Finland Regional Environment Centre, the landfill can be used until 2019. The total costs incurred for the closing stage are estimated to be € 2.0 million, with Kymin Voima Oy standing for about € 1.4 million of the whole. The full materialisation of these costs is uncertain, because the ash can possibly be utilised and, on the other hand, the amount of ash and waste produced depends on the future degree of use of the power plant.

The agreement between the State and PVO-Vesivoima Oy on the use of the Iijoki hydropower, owned by the State, at four power plants terminated at the end of 2005. PVO-Vesivoima Oy applied for a permanent right to use the State's hydropower from the Northern Finland Environmental Permit Authority at the beginning of 2006. The Environmental Permit Authority passed its resolution on May 5, 2008. PVO-Vesivoima Oy was granted the permanent right to use State-owned hydropower, and the lump-sum compensation was set at € 2.25 million. The State appealed against the decision to the Vaasa Administrative Court. The resolution on granting the permanent right to use is not final, and the lump-sum compensation has not been paid. The appeals have no impact on the operation of the Iijoki power plants.

Notes to the Balance Sheet

Eur 1 000	Group		Parent Company	
	2008	2007	2008	2007
(23) Derivative contracts				
Interest derivatives				
Option contracts				
Purchased (nominal value)	1 290 000	1 320 000	-	-
Market value	1 914	5 890	-	-
Placed (nominal value)	1 290 000	1 320 000	-	-
Market value	-4 841	211	-	-
Interest swap contracts (nominal value)	1 773 446	1 170 000	245 000	90 000
Market value	-45 161	22 138	-2 478	1 311
Currency derivatives				
Forward contracts (nominal value)	225 239	222 401	78 283	77 200
Market value	78	-9 596	-500	-148

Financing risks

The aims and risks of financing operations have been defined in the financing policy adopted by the Board of Directors. The refinancing risk is managed through diversified sources of financing, sufficiently long maturity of loans and a balanced schedule of maturity. Agreements on the maturity and refinancing of long-term credits are made so that a maximum of 25% of the outstanding credits will fall due within the next 12 months. The primary loan currency is euro. If loans are taken out in other currencies, the currency risk is eliminated by means of derivative contracts. The currency risks included in the raw-material purchased paid in foreign currencies are managed through currency derivatives.

The interest rate risk is monitored by means of duration, which indicates the sensitivity of the loan portfolio to changes in the interest rate level. The duration of the loan portfolio is managed within the limits set by the financing policy using derivative contracts if necessary. The Group maintains a certain amount of liquid assets, credit limit arrangements and commercial paper programmes to reduce the liquidity risk. Free liquidity is invested in financial instruments issued by companies specified in the financing policy that can be liquidated quickly, if necessary.

Shares and Holdings

	Production form	Domicile	Group holding in %	Parent Company holding in %		
Group companies						
Järvi-Suomen Voima Oy	Thermal power	Helsinki	50.000	50.000		
Kaukaan Voima Oy	Thermal power	Helsinki	54.000	54.000		
Keravan Lämpövoima Oy	Thermal power	Helsinki	100.000	100.000		
Kokkolan Voima Oy	Thermal power	Helsinki	100.000	100.000		
Kymen Voima Oy	Thermal power	Helsinki	76.000	76.000		
Laanilan Voima Oy	Thermal power	Helsinki	100.000	100.000		
Mussalon Kaukolämpö Oy	Thermal power	Helsinki	100.000	100.000		
Mussalon Kiinteistöt Oy		Helsinki	100.000	100.000		
Nokian Lämpövoima Oy	Thermal power	Helsinki	80.100	80.100		
Olkiluodon Vesi Oy		Helsinki	58.121			
Perusvoima Oy		Helsinki	58.121			
Porin Prosessivoima Oy	Thermal power	Helsinki	100.000	100.000		
Posiva Oy		Helsinki	34.873			
PVO-Huippuvoima Oy	Thermal power	Helsinki	100.000	100.000		
PVO-Innopower Oy	Wind power	Helsinki	74.657	74.657		
PVO-Kiinteistöt Oy		Helsinki	100.000	100.000		
PVO-Lämpövoima Oy	Thermal power	Helsinki	100.000	100.000		
PVO-Pool Oy		Helsinki	100.000	100.000		
PVO-Vesivoima Oy	Hydropower	Helsinki	100.000	100.000		
Raahen Prosessivoima Oy	Thermal power	Helsinki	100.000	100.000		
Raahen Voima Oy	Thermal power	Helsinki	100.000	100.000		
Rauman Voima Oy	Thermal power	Helsinki	71.949	71.949		
Rouhialan Voimansiirto Oy		Helsinki	100.000	100.000		
Teollisuuden Voima Oyj	Nuclear power	Helsinki	58.121	58.121		
TVO Nuclear Services Oy		Eurajoki	58.121			
Vieskan Voima Oy	Thermal power	Helsinki	100.000	100.000		
Wisapower Oy	Thermal power	Helsinki	89.976	89.976		
Associated and participating interest companies						
Oy Alholmens Kraft Ab		Pietarsaari	49.900	49.900		
Fingrid Oyj		Helsinki	25.083	25.083		
Tahkoluodon Polttoöljy Oy		Pori	32.000		36	16
Tornionlaakson Voima Oy		Ylitornio	50.000			
Vaskiluodon Voima Oy		Vaasa	50.000	50.000		
Voimalohi Oy		Kemi	50.000		339	-19
Other holdings						
¹⁾ Powest Group		Helsinki		80.519	29 706	1 476

¹⁾ The Powest subgroup is not included in the Pohjolan Voima Consolidated Financial Statements (see Accounting Policies, entitlement to dividends).

Proposal of the Board of Directors for recording the financial result

The parent company Pohjolan Voima's profit and loss account indicates a loss of € 7,605,977.16.

The Board of Directors proposes to the Annual General Meeting that the loss be transferred to the retained earnings account, and that no dividends be distributed.

Helsinki, February 24, 2009

Tapio Korpeinen
Chairman

Juha Vanhainen
Deputy Chairman

Seppo Ruohonen

Kari Rämö

Esa Tirkkonen

Tapani Sointu

Erkki Varis

Rami Vuola

Timo Rajala
President & CEO

Auditor's report

To the Annual General Meeting of Pohjolan Voima Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Pohjolan Voima Oy for the year ended on 31 December, 2008. The financial statements comprise the consolidated balance sheet, income statement, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the President & CEO

The Board of Directors and the President & CEO are responsible for the preparation and fair presentation of the financial statements and the report of the Board of Directors 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 Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the President & CEO shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

We recommend that the Members of the Board of Directors and the President & CEO should be discharged from liability for the financial period audited by us.

Helsinki, 12 March 2009

PricewaterhouseCoopers Oy
Authorised Public Accountants

Eero Suomela
Authorised Public Accountant

Pohjolan Voima's production capacity 31 December 2008

	Plant	Location	Energy source	Year of completion	Electr. output (MW)	Pohjolan Voima's share (MW)	Production company
HYDROPOWER							
	Isohaara	Kemijoki	water	1949	106.0	106	PVO-Vesivoima Oy
	Jumisko	Kemijoki	water	1954	30.0	30	PVO-Vesivoima Oy
	Raasakka	Iijoki	water	1971	58.0	58	PVO-Vesivoima Oy
	Maalismaa	Iijoki	water	1967	33.0	33	PVO-Vesivoima Oy
	Kierikki	Iijoki	water	1965	38.0	38	PVO-Vesivoima Oy
	Pahkakoski	Iijoki	water	1961	34.0	34	PVO-Vesivoima Oy
	Haapakoski	Iijoki	water	1963	30.0	30	PVO-Vesivoima Oy
	Melo	Kokemäenjoki	water	1971	67.0	67	PVO-Vesivoima Oy
	Harjavalta	Kokemäenjoki	water	1939	73.0	15	Länsi-Suomen Voima Oy
	Kaaranneskoski	Tengeliönjoki	water	1954	2.5	1	Tornionlaakson Voima Oy
	Jolmankoski	Tengeliönjoki	water	1955	0.5	0	Tornionlaakson Voima Oy
	Portimokoski	Tengeliönjoki	water	1987	10.5	5	Tornionlaakson Voima Oy
	Yhteensä				483	417	
NUCLEAR POWER							
	Olkiluoto 1	Eurajoki	uranium	1978	860	488	Teollisuuden Voima Oyj
	Olkiluoto 2	Eurajoki	uranium	1980	860	488	Teollisuuden Voima Oyj
	Total				1 720	977	
WIND POWER							
	Kokkola: T1-T2	Kokkola	wind	2003	2	2	PVO-Innower Oy
	Riutunkari: T1-T6	Oulunsalo	wind	1999, 2003, 2008	10.3	9	PVO-Innower Oy
	Kristiina: T1-T3	Kristiinankaupunki	wind	2004	3	2	PVO-Innower Oy
	Vihreäsaari: T1-T2	Oulu	wind	2001, 2005	4	3	PVO-Innower Oy
	Ajos: T2,T3,T5-T7	Kemi	wind	2008	15	11	PVO-Innower Oy
	Olkiluoto	Eurajoki	wind	2005	1	1	Teollisuuden Voima Oyj
	Total				35.3	27	
THERMAL POWER							
	Kristiina 2	Kristiinankaupunki	coal	1989	242	242	PVO-Lämpövoima Oy
	Tahkoluoto	Pori	coal	1976	235	235	PVO-Lämpövoima Oy
	Vaskiluoto 2	Vaasa	coal	1998	230	115	Vaskiluodon Voima Oy
	Meri-Pori	Pori	coal	1994	565	146	Fortum Power and Heat Oy
	Mussalo 1	Kotka	coal, natural gas	1966	75	75	Mussalon Kaukolämpö Oy
	Mussalo 2	Kotka	natural gas	1973	238	238	Nokian Lämpövoima Oy
	Nokia	Nokia	natural gas	1997	70	70	Nokian Lämpövoima Oy
	Kristiina 1	Kristiinankaupunki	oil	1974	210	210	PVO-Lämpövoima Oy
	Vaskiluoto 3	Vaasa	oil	1972	160	160	PVO-Huippuvoima Oy
	Seinäjäjoki	Seinäjäjoki	peat, wood	1990	125	63	Vaskiluodon Voima Oy
	Alholmens Kraft 1	Pietarsaari	wood	1991	25	12	Oy Alholmens Kraft Ab
	Alholmens Kraft 2	Pietarsaari	peat, wood, coal	2001	240	120	Oy Alholmens Kraft Ab
	Kokkolan Voima	Kokkola	peat, wood	2001	20	20	Kokkolan Voima Oy
	Ylivieska	Ylivieska	peat, wood	1994	6	6	Vieskan Voima Oy
	Ristiina	Ristiina	wood	2002	8	8	Järvi-Suomen Voima Oy
	Savonlinna	Savonlinna	wood	2003	17	0	Järvi-Suomen Voima Oy
	Kymin Voima	Kuusankoski	wood, peat	2002	76	58	Kymin Voima Oy
	Wisapower	Pietarsaari	black liquor	2004	140	140	Wisapower Oy
	Laanilan Voima	Oulu	peat, wood	1982	19	19	Laanilan Voima Oy
	Porin Prosessivoima	Pori	peat, wood, coal, REF, oil	1987, 2008	78	78	Porin Prosessivoima Oy
	Rauma	Rauma	wood	2006	65	47	Rauman Voima Oy
	Total				2 844	2 062	
CAPACITY	TOTAL				5 082	3 483	

Pohjolan Voima Oy shareholders (general shareholding) on 31 Dec 2008

SHAREHOLDER	SHAREHOLDING, %
Etelä-Pohjanmaan Voima Oy	7.33
Etelä-Suomen Voima Oy	2.32
City of Helsinki	0.80
Kemira Oyj (incl. pension foundation)	3.91
Ilmarinen Mutual Pension Insurance Company	4.18
City of Kokkola	2.51
Kymppivoima Oy	8.86
M-real Corporation	2.47
Myllykoski Corporation	0.84
City of Oulu	1.87
Outokumpu Oyj	0.09
Oy Metsä-Botnia Ab	1.51
Oy Perhonjoki Ab	2.61
City of Pori	1.82
Rautaruukki Oyj	0.02
Stora Enso Oyj	15.01
UPM-Kymmene Corporation	41.84
Vantaan Energia Oy	0.32
Yara Suomi Oy (incl. pension foundation)	1.69
TOTAL	100.00%



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