



FINANCIAL STATEMENTS
AND ANNUAL REPORT
OF METSÄHALLITUS´
BUSINESS OPERATIONS
31 JAN 2010



Financial statements and Annual report of Metsähallitus´ Business operations 31 Jan 2010

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Director General's Review

Last year Metsähallitus achieved good financial results in all of its operations. Forestry's operating result was at record high. Also the business portfolio consisting of the rest of our business operations was able to improve its results in several aspects despite the difficult market situation. The productivity of Natural Heritage Services continued at a good level and was able to reach all of its financial goals.

The entire Business Operations Group produced its all-time best operating result (EUR 113.7 million). The total turnover of the Group increased to EUR 367 million. Throughout our Group units, we were also able to maintain strict cost discipline.

The turnover of our business operations has been excellent for a long time. In the last four years, we have achieved a turnover of over EUR 100 million three times, and even the weaker year 2009 was at the normal level of previous years. In the good years, our contribution to state revenue (dividend) has been approximately EUR 100 million or even more.

Glints of Light

This past year our positive tune was not only due to good financial results, but many other factors as well. The new wood-structured office and exhibition building Pilke was finished in Rovaniemi. We made good progress in issues pertaining to multi-purpose forestry and cooperation, for instance, with reindeer herders' associations and the Sámi Parliament. The visitor centre project in Nuuksio advanced well. The demand for wood from the state forests increased and became more versatile. Additional examples of the success and the positive development of Metsähallitus are the inventory of cultural heritage objects in state areas, which also has archaeological merits, our significant investment in the

conservation of forests in South Finland, the expedition of the project development of wind-power areas, the finishing of the Evo youth camp centre and the international recognition received by our game and fisheries unit.

Wheels in Motion

In 2009, we decided to keep the wheels in motion in forestry despite the recession, and in 2010, we continued along the same lines. Keeping the timber harvesting and transport machinery up and running and investing in the condition of forest roads were reflected on the continuation of forestry operations and on the strength of our flow of income: Metsähallitus had wood to sell, and the contractors and the infrastructure ready are for coming upswings in the economy. Investing in the infrastructure of timber harvesting was also a preparation for seasons of frost damaged roads, which will likely become more difficult due to the climate change.

At the end of the year we started a project for making timber transport more efficient and energy effective by adopting transport methods and equipment that are more cost-effective and ecological. This is a much needed project also because of the longer distance in timber transport and increasing transport expenses that are due to the structural reorganizations in forestry.

Financing Worries

The cuts in the financing of Natural Heritage Services that were included in the state budget proposal led the entire Group into a co-determination process. Luckily, the cuts were much decreased after the parliamentary proceedings, and no decisions on laying off personnel had to be made. However, the amount of financing and its development were alarming, when at same time there were preparations for the founding of new national parks and visitor centres. The maintenance and development of services and structures is jeopardized if financial resources are not increased accordingly.

Wellbeing from the Nature

The national parks maintained their attraction and their financial benefits to the local economy. Last year, some 1.96 million visits were made to national parks, and the visitors generated a profit of about EUR 108.9 million in total to the surrounding areas. When compared with the costs of the hiking services, the cost-benefit ratio is sevenfold, on average. The effects of both protected and managed forests on public health and wellbeing were clearly extensive, although their monetary value has not been assessed as of yet.

In addition to the visits to national parks, also the visits to the national hiking areas and four other popular nature destinations managed by Metsähallitus were counted. The effect on local economy of the visitors of all these areas combined was EUR 143.5 million. In terms of employment, the effect was 1,840 person years.

Carbon sinks and merchantable timber

The growth of state-owned forests was over 13 million cubic metres in total, of which managed forests accounted for a little over 11 million. At the same time, the yearly timber harvests were 5 to 6 million cubic meters and the total removal some 7 million cubic meters – the total removal includes not only harvested merchantable timber, but also logging residue and natural removal. In other words, there is a significant amount of carbon bound in state-managed forests. Harvest opportunities were and still are growing strongly, as the standing timber on regeneration areas cleared after the wars mature for harvesting.

Extensive Cooperation

In updating the natural resource plans for wide areas, we were able to once again add new harvest proposals and take biodiversity, recreational use, reindeer husbandry and the viewpoints of the Sámi culture into consideration with even more emphasis than before. In the natural resource plan for Lapland, we were able to reach an understanding together with the essential interest groups concerning the plans on forest use in all Forest Lapland and Upper Lapland sites. At the end of the year, the harvesting situation in state forests was unusually quiet in the entire country. For our collaboration efforts in preserving the Sámi culture, Metsähallitus received an award by the Sámi Parliament for its use of the Sámi language.

The state-managed forests are in very diverse use and they also serve nature tourism by completing the offering of national parks and hiking areas. Metsähallitus's general social obligations, as laid down in section four of the Act on Metsähallitus, within the business operations, decreased the financial result by approximately EUR 53 million.

Innovations and Professorships

A new innovation system encompassing the entire Group was employed in order to improve our already strong research, development and innovation activities. We also increased our investments in joint studies serving the practical nature resource sector. We took part in three joint professorships and decided to found a fourth. The themes of these professorships – nature tourism, the economy of multiple-use forestry, ecological decision analysis and geoinformatics – are essential areas of research to Metsähallitus.

For instance, for a long time now we have been international pioneers in the multi-objective planning of not only managed forests but also conservation areas and wilderness reserves. In addition, our Group units continued their strong development work within their own sectors. Some examples of our innovations that make our operations even more efficient include the introduction of a new CTI tyre pressure system that increases the traction of the tyres of timber trucks and decreases the load on roads, laser scanning used in the inventory of underwater nature and new production techniques in the utilisation of kaolin clay.

Becoming Better Known

Metsähallitus was prominent in the national and regional media. Recurring themes in the publicity were the development of Metsähallitus's legal model, the proposal for cutting down the state budget financing of Natural Heritage Services and the opposition it raised, the new wood-structured building, Pilke, in Rovaniemi, the saimaa ringed seal, the inventory of cultural heritage objects in managed forests, the wind-power projects, the development of land use in the tourist centres of North Finland, the preparations of new national parks and visitor centres as well as game stocks and their taxation with or without permits, which is an enduring subject matter.

As much as 98 percent of the media coverage of Metsähallitus was positive or neutral in tone, while only two percent were negative.

Organizational Models and Synergy

The ministers of our branch, Sirkka-Liisa Anttila and Paula Lehtomäki declared in November as their joint stand that Metsähallitus should continue as one consolidated entity. Only then can we maintain the overall management of the different state-owned areas and the synergy benefits it produces. At last this prolonged organizational project settled, as political will was formed and made clear. The viewpoint is in concordance with the new strategy for state properties approved at the end of the year.

The cabinet evening session of the Government set a minister working group to confirm the political stand on the future Metsähallitus. All government parties were represented in the group. In accordance with the unanimous stand of the five ministers, the work to develop Metsähallitus into a body governed by public law, which in many respects is similar to the current Metsähallitus as an enterprise, started. An independent body governed by public law is suitable for the production of public services, for the management of protected areas and for forestry and other versatile business operations. The goal is to get a framework into the new operation model for more united corporate governance and a more consistent management system.

Also the rest of our business operations in the open market are meant to be incorporated as subsidiaries of the new Metsähallitus Group, including forestry. This change does not affect our policies concerning the management and use of managed forests – we will continue to take biodiversity, recreational use and nature tourism, reindeer husbandry and the Sámi culture as well as other viewpoints of multiple-use forestry into consideration. Even in corporate form, forestry must be organized as an integral part of Metsähallitus, so that the new Act on Metsähallitus will prescribe the subsidiary's business duties and societal duties as the user of state-owned managed forests.

Our Greatest Resource

All credit for our good work belongs to our personnel. In 2010, an average of 2,062 people worked at Metsähallitus. The number of person-years was 1,944 in total, of which forestry accounted for 992, Natural Heritage Services 577 and the business portfolio 231. Forest workers' share of Forestry's person-years was two-thirds. Of all the salaries paid by Metsähallitus 28.2 percent went to the area of the Regional State Administrative Agency of Lapland, 23.6 percent to North Finland and 15.1 percent to East Finland, which tells of the strong decentralization of our personnel and operations.

During the past year, it was great to notice how we were able to maintain our ability to achieve practical results and be determinate in strengthening it despite the change in the state enterprise model and the insecurity it produced. In addition to practical results, our employee satisfaction survey showed that our leadership and management as well as our willingness to develop remained good at all levels – the average grades were even somewhat improved. The employee satisfaction survey carried out in the autumn showed that we have both the will and the ability to achieve good results also in the future.

Jyrki Kangas
Director General

Enterprise, Business Operations and the Group

Group

All the operations of Metsähallitus, including business operations, business units, Natural Heritage Services and subsidiaries.

Forestry
Laatumaa
Wild North
Natural Heritage Services

Morenia Oy	100 %
Morenia Baltic OÜ	100 %
E. Hyvönen Oy	100 %
Eräsetti Oy	100 %
Siemen Forelia Oy	100 %
Metsähallitus Holding Oy	100 %
Fin Forelia Oy	57 %
Eesti Metsataim AS	40 %

Enterprise

Same as above, but excluding subsidiaries.

Business operations–Group

Only includes the business units and subsidiaries of Metsähallitus without Natural Heritage Services. A criterion used in the external communications of Metsähallitus.

Business operations

Same as above, but excluding subsidiaries.

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (EUR)	Group		Metsähallitus	
	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009
TURNOVER	369 235 195,52	291 249 488,27	331 297 997,84	254 413 493,84
Variation in inventories of finished products and change in work in progress	-1 281 363,34	-1 634 694,77	0,00	0,00
Other operating income	16 268 581,61	13 261 932,48	15 884 960,82	13 213 988,59
Raw materials and services				
Raw materials and consumables				
Purchases during the financial year	10 621 157,51	9 794 636,08	8 705 446,15	7 653 185,98
Variation in inventories	1 674 294,11	-688 743,96	306 842,94	-4 149 955,50
External services	164 534 923,31	136 231 322,94	146 182 041,82	117 857 473,79
Staff expenses				
Wages and salaries	67 042 559,01	65 403 210,51	60 598 561,84	58 139 555,25
Social security expenses				
Pension expenses	12 505 297,19	11 883 788,10	11 392 570,08	10 666 264,25
Other social security expenses	3 083 145,64	2 685 737,80	2 742 815,89	2 374 260,80
Depreciation and reduction in value				
Depreciation according to plan	7 218 721,45	9 810 800,63	4 839 110,13	7 818 926,19
Other operating charges	43 008 365,86	45 846 074,04	38 955 704,38	39 567 228,86
Share of associated undertakings' profit/loss	4 334,87	27 507,04	0,00	0,00
OPERATING PROFIT	74 538 284,58	21 937 406,88	73 459 865,43	27 700 542,81
Financial income and expenses				
Income from other investments under non-current assets	120 496,62	105 089,23	162 127,09	222 875,20
Other interest and financial income	374 972,09	566 621,70	255 426,34	465 502,43
Interest and other financial expenses	464 143,64	629 792,72	190 211,47	219 147,33
Reductions in value of investments held as non-current assets	0,00	0,00	0,00	4 547 768,01
	31 325,07	41 918,21	227 341,96	-4 078 537,71
PROFIT BEFORE FINANCING FOR OTHER OPERATIONS FROM THE STATE BUDGET	74 569 609,65	21 979 325,09	73 687 207,39	23 622 005,10
Financing for other operations from the State budget	37 810 756,03	36 851 373,98	37 810 756,03	36 851 373,98
Income taxes	11 100 571,64	3 803 896,29	11 097 749,34	3 750 463,83
Minority share	-147 341,79	-181 796,44	0,00	0,00
PROFIT FOR THE FINANCIAL YEAR	101 132 452,25	54 845 006,34	100 400 214,08	56 722 915,25

BALANCE SHEET (EUR)

BALANCE SHEET (EUR)	Group		Metsähallitus	
	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	145 429,33	145 931,17	92 774,59	73 904,55
Other capitalised long-term expenses	500 516,49	453 887,48	19 966,15	29 638,07
	645 945,82	599 818,65	112 740,74	103 542,62
Goodwill on consolidation	736 606,91	1 032 449,37	0,00	0,00
Tangible assets				
Land and water areas	3 632 343 132,54	3 606 275 112,03	3 625 475 845,11	3 599 901 773,35
Roads	11 621 492,49	7 623 862,15	11 365 491,16	7 377 480,20
Buildings and structures	54 796 813,00	48 604 563,62	49 075 022,73	41 972 993,84
Machinery and equipment	3 969 240,95	4 738 404,52	963 783,88	1 034 539,58
Other tangible assets	568 403,78	606 830,95	10 599,04	10 599,04
Advance payments and construction in progress	9 583 935,22	11 339 533,19	8 562 825,38	11 359 101,73
	3 712 883 017,98	3 679 188 306,46	3 695 453 567,30	3 661 656 487,74
Investments				
Shares in Group subsidiaries	0,00	0,00	35 992 132,17	32 286 615,10
Holdings in associated undertakings	1 746 381,52	2 086 938,35	2 199 950,00	2 499 950,00
Other shares and holdings	1 980 258,68	2 524 143,21	1 868 898,28	1 335 080,83
Other receivables	22 300,00	22 300,00	0,00	0,00
	3 748 940,20	4 633 381,56	40 060 980,45	36 121 645,93
NON-CURRENT ASSETS IN TOTAL	3 718 014 510,91	3 685 453 956,04	3 735 627 288,49	3 697 881 676,29
CURRENT ASSETS				
Inventories				
Finished products	26 919 873,00	28 817 230,82	13 083 736,54	13 390 579,48
Work in progress	835 343,37	1 893 643,00	0,00	0,00
	27 755 216,37	30 710 873,82	13 083 736,54	13 390 579,48
Receivables				
Non-current				
Other receivables	218 968,21	275 719,75	0,00	0,00
Prepayments and accrued income	0,00	21 780,46	0,00	0,00
Current				
Accounts receivable	41 930 667,31	32 687 269,86	39 022 088,55	29 780 565,51
Receivable from Group subsidiaries	0,00	0,00	423 420,69	542 814,67
Receivables from associated undertakings	1 333,97	1 257,26	0,00	0,00
Other receivables	675 891,56	693 848,80	184 333,14	131 692,90
Prepayments and accrued income	3 331 108,91	2 809 755,71	2 987 622,04	2 581 780,60
	45 939 001,75	36 192 131,63	42 617 464,42	33 036 853,68
Securities	1 000 000,00	0,00		0,00
Cash in hand and at banks	70 362 045,35	35 107 095,12	52 585 726,68	22 782 977,08
CURRENT ASSETS IN TOTAL	145 275 231,68	102 307 600,78	108 286 927,64	69 210 410,24
ASSETS IN TOTAL	3 863 289 742,59	3 787 761 556,82	3 843 914 216,13	3 767 092 086,53

BALANCE SHEET (EUR)

BALANCE SHEET (EUR)	Business operations–Group		Business operations	
	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009
EQUITY AND LIABILITIES				
EQUITY				
Basic equity	2 553 491 109,57	2 545 378 977,06	2 553 491 109,57	2 545 378 977,06
Other equity	1 074 428 035,06	1 058 709 737,59	1 074 428 035,06	1 058 709 737,59
Retained earnings	21 158 110,57	52 197 104,23	26 983 070,46	56 144 155,21
Profit for the financial year	101 132 452,25	54 845 006,34	100 400 214,08	56 722 915,25
EQUITY IN TOTAL	3 750 209 707,45	3 711 130 825,22	3 755 302 429,17	3 716 955 785,11
MINORITY HOLDINGS	11 524 476,42	10 303 134,66	0,00	0,00
PROVISIONS				
Other provisions	3 475 640,11	4 005 328,91	1 300 000,00	1 300 000,00
LIABILITIES				
Non-current				
Loans from financial institutions	2 770 000,00	4 113 805,55	0,00	0,00
Other liabilities	746 747,46	716 536,60	45 564,59	0,00
Current				
Loans from financial institutions	1 287 544,23	4 594 366,38	0,00	0,00
Advances received	16 426 829,89	12 388 598,62	15 436 395,59	11 925 810,65
Accounts payable	13 124 292,59	10 988 869,02	11 767 869,62	8 624 231,70
Payables to Group subsidiaries	0,00	0,00	372 707,66	263 230,15
Payables to associated undertakings	104 287,50	0,00		0,00
Other liabilities	2 787 318,54	2 140 645,85	1 058 007,00	1 977 192,92
Accruals and deferred income	60 822 550,11	27 370 711,75	58 631 242,50	26 045 836,00
Deferred tax liabilities	10 348,29	8 734,26	0,00	0,00
LIABILITIES IN TOTAL	98 079 918,61	62 322 268,03	87 311 786,96	48 836 301,42
EQUITY AND LIABILITIES IN TOTAL	3 863 289 742,59	3 787 761 556,82	3 843 914 216,13	3 767 092 086,53

CASH FLOW STATEMENT

CASH FLOW STATEMENT (EUR)	Group		Metsähallitus	
	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009
BUSINESS OPERATIONS				
Payments from sales	359 548 900,16	296 730 495,25	321 770 027,34	253 999 985,90
Payments from other operating income	7 894 120,18	1 811 022,76	7 240 151,66	1 771 385,28
Payments for operating charges	-295 090 171,60	-269 207 171,01	-262 054 965,68	-234 596 135,83
Cash flow from business operations before financial items and taxes	72 352 848,74	29 334 347,00	66 955 213,32	21 175 235,35
Interest and other financial expenses	-464 143,64	-629 792,72	-190 211,47	-219 147,33
Interest income from business operations	374 972,09	566 621,70	255 426,34	465 502,43
Dividends received	120 496,62	105 089,23	162 127,09	222 875,20
Direct taxes	-11 100 571,64	-3 803 896,29	-11 097 749,34	-3 750 463,83
Cash flow from business operations	61 283 602,17	25 572 368,92	56 084 805,94	17 894 001,82
INVESTMENTS				
Purchase of environmental protection areas, owners' investment	-578 795,73	-4 112 092,45	-578 795,73	-4 112 092,45
Purchase of fixed assets, funding by the Ministry	-939 072,97	-509 508,18	-939 072,97	-509 508,18
Purchase of fixed assets, funding by the EU	-133 523,85	-92 564,14	-133 523,85	-92 564,14
Purchase of other fixed assets, other funding	-158 810,35	-329 914,43	-158 810,35	-329 914,43
Purchase of tangible and intangible assets	-23 415 489,26	-14 577 452,97	-22 325 766,71	-13 018 136,07
Sale of tangible and intangible assets	17 682 539,76	16 616 938,06	17 127 125,65	16 525 407,00
Purchase of subsidiaries' shares	0,00	0,00	-3 800 000,00	-1 500 000,00
Purchase of associated undertakings' shares	0,00	-399 950,00	0,00	-399 950,00
Total cash used in investments	-7 543 152,40	-3 404 544,11	-10 808 843,96	-3 436 758,27
FINANCING				
Government's budget funding for other activities	37 810 756,03	36 851 373,98	37 810 756,03	36 851 373,98
Owners' investment on purchase of environmental protection areas and shares	3 354 467,00	4 112 092,45	3 354 467,00	4 112 092,45
Investment by the owners of Nuuksiokeskus	1 160 000,00	0,00	0,00	0,00
Change in non-current loans from financial institutions	-1 343 805,55	-1 914 593,68	0,00	0,00
Change in other non-current loans	30 210,86	0,00	45 564,59	0,00
Change in current loans from financial institutions	-3 306 822,15	-3 335 928,97	0,00	0,00
Other current interest-bearing debts, change	1 493 694,27	0,00	0,00	0,00
Contribution to state revenue	-85 884 000,00	-71 000 000,00	-85 884 000,00	-71 000 000,00
account debited on 3rd January 2011	29 200 000,00	0,00	29 200 000,00	0,00
Total financing	-17 485 499,54	-35 287 056,22	-15 473 212,38	-30 036 533,57
CHANGE IN LIQUID FUNDS				
Liquid funds on 1 Jan.	35 107 095,12	48 226 326,53	22 782 977,08	38 362 267,10
Liquid funds on 31 Dec.	71 362 045,35	35 107 095,12	52 585 726,68	22 782 977,08
Change	36 254 950,23	-13 119 231,41	29 802 749,60	-15 579 290,02

The financial statements of the year 2010 have been prepared in accordance with the State Enterprise Act (1185/2002) and Government decrees 160/2004, 1402/2004 and 1403/2004.

FINANCING FOR PUBLIC ADMINISTRATION DUTIES FROM THE STATE BUDGET

In the profit and loss account of the enterprise, the financing received from the State budget is reported as an income item on an accrued basis, so that it corresponds with the expenses (excluding depreciations), expense adjustments and the acquisition costs of fixed assets subject to wear and tear of the accounting period. Notes of the public administration duties give an account of financing received from the State budget.

VALUATION AND ALLOCATION PRINCIPLES

Valuation of fixed assets

By the decision of the Government (Dec. 30, 2004), the land and water areas of the State, including plots and gravel resources, were transferred to the business operations of Metsähallitus, as defined in the new act, at fair value measured according to the Income Capitalisation Approach. Other assets of the business operations and the assets of the public administration duties were transferred at book value. At the same time, the basic equity capital of the business operations was increased.

After this, all assets transferred to or from the possession of the business operations without a consideration are measured in fair value in connection with the transfer. After the Enterprise has received a decision on the transfer of assets and an auditors' report, the assets are recorded to or from the asset account of the balance sheet. The counter item is "Equity adjustment" under "Other liabilities" of the balance sheet, from which the transfer to or from the basic equity is made after the Government has issued its decision on the change in basic equity capital.

Assets transferred to or from the possession of the public administration duties are remeasured to the book value of the releasing party. The transfer of assets is recorded on the basis of the received transfer decision to or from the asset account of the balance sheet; the counter item is "Other equity" of the public administration duties.

Other non-current assets that can be depreciated are recorded in the balance sheet in acquisition cost, subtracted with depreciations according to plan. Asset items are depreciated by the straight-line method over their estimated useful life. Depreciations for decrease in substance have been made of the remeasured gravel resources.

At agreed times, the Enterprise assesses the difference between the balance sheet value and the fair value of assets, on the basis of which the balance sheet values are adjusted, if necessary.

Valuation of current assets

Inventories

The immediate acquisition cost of inventories remaining at the end of the accounting period has been activated. If the probable acquisition cost or net realisable value of the inventories is under the acquisition cost at the end of the accounting period, the difference is recorded as expense.

Financial assets

Securities held as financial assets have been measured to acquisition cost or a lower probable net realisable value.

COMPARABILITY WITH THE PREVIOUS YEAR

Organisational restructuring

The organisational structure remained unchanged.

ITEMS IN FOREIGN CURRENCY IN THE FINANCIAL STATEMENTS

Items denominated in foreign currency have been converted into Finnish currency at the exchange rate valid on the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All companies owned at the end of the year are included in the consolidated financial statement. The consolidated financial statements have been prepared using the purchase method. The difference between the acquisition cost of subsidiaries and the equity corresponding the acquired holdings is presented as consolidated goodwill, depreciated in five years.

Associated undertakings have been consolidated using the equity method. The Group's share of the profit/loss of the associate undertakings determined by the Groups holding is presented as a separate item before the item "Operating profit".

Intra-Group transactions as well as intra-Group receivables and liabilities have been eliminated. Minority holdings have been separated from the equity and the profit and presented as a separate item in the consolidated profit and loss account and balance sheet.

Items denominated in foreign currency have been converted into Finnish currency at the exchange rate valid on the balance sheet date.

During the accounting period, Morenia Oy has written down the book value of its holdings in the subsidiary E.Hyvönen by EUR 250,000.

NOTES TO PROFIT AND LOSS ACCOUNT

Notes to profit and loss account, EUR mill.

Turnover by business unit	Group		Metsähallitus	
	2010	2009	2010	2009
Forestry and related services	314,679	237,867	315,075	238,311
Nature tourism	6,472	7,317	3,445	3,703
Seed and seedling production	9,723	11,692	0,000	0,000
Land and plot sales	4,731	4,476	4,731	4,477
Sale of soil resources, crushing business	25,934	22,246	0,000	0,000
Consulting	0,000	0,086	0,000	0,000
Other	7,696	7,565	8,046	7,922
Total	369,235	291,249	331,298	254,413
Other operating income				
Gains on the sale of fixed assets	12,413	11,467	12,155	11,400
Other income	3,856	1,800	3,730	1,814
Total	16,269	13,267	15,885	13,214
Depreciation according to plan				
Intangible assets	0,326	0,230	0,074	0,077
Depreciation for decrease of substance	0,890	0,371	0,652	0,072
Roads	0,470	3,972	0,427	3,952
Buildings and structures	4,145	3,721	3,236	3,229
Machinery and equipment, other tangible assets	1,072	1,212	0,451	0,489
Goodwill on consolidation	0,315	0,304	0,000	0,000
Total	7,219	9,811	4,839	7,819
Depreciation according to plan, depreciation periods:				
Intangible rights, other long-term expenditures			4-5 years	
Gravel areas			depreciation for decrease of substance	
Roads			mainly 25 years	
Fish structures			mainly 10 years	
Log floating structures			25 years	
Buildings			20-40 years	
Structures			4-10 years	
Machinery and equipment			4-8 years	
Other tangibles: asphaltting, growth medium			15-20 years	
Depreciation according to plan has been calculated by fixed asset as straight line depreciations from the original purchase prices in accordance with the economic usage time.				
Other interest and financial income				
	2010	2009	2010	2009
Dividend income from external sources	0,120	0,105	0,162	0,147
Dividend income from subsidiaries	0,000	0,000	0,000	0,076
Interest income	0,375	0,567	0,255	0,466
Total	0,495	0,672	0,418	0,689
Interest and other financial expenses				
	2010	2009	2010	2009
Interest expenses	0,360	0,549	0,108	0,211
Other financial expenses	0,104	0,081	0,082	0,008
Reduction in value of subsidiaries' shares	0,000	0,000	0,000	4,548
Total	0,464	0,630	0,190	4,767

NOTES TO BALANCE SHEET

Non-current assets, EUR mill.

Business operations–Group	Intangible assets	Goodwill and consolidation	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery and equipment, other tangible assets	Construction in progress	Shares and holdings, other receivables	Total
Acquisition cost on 1 Jan.	4,1	2,4	3 609,2	70,3	87,7	25,9	11,3	7,3	3 818,3
Reduction in value on 1 Jan.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-2,7	-2,7
Increases	0,4	0,0	44,5	4,5	10,7	0,3	0,0	0,2	60,6
Decreases	0,0	0,0	17,5	0,0	0,5	0,1	1,8	1,1	20,9
Acquisition cost on 31 Dec. to decreases and transfers	4,5	2,4	3 636,2	74,8	97,9	26,1	9,6	3,8	3 855,3
Accumulated depreciation and reduction in value 1 Jan.	3,5	1,4	2,9	62,7	39,1	20,6	0,0	0,0	130,2
Accumulated depreciation relating	0,0	0,0	0,0	0,0	-0,1	-0,0	0,0	0,0	-0,1
Depreciation during the financial year	0,3	0,3	0,9	0,5	4,1	1,1	0,0	0,0	7,2
Accumulated depreciation on 31 Dec.	3,8	1,7	3,8	63,2	43,1	21,6	0,0	0,0	137,2
Book value on 1 Jan.	0,6	1,0	3 606,3	7,6	48,6	5,3	11,3	4,6	3 685,5
Book value on 31 Dec.	0,6	0,7	3 632,3	11,6	54,8	4,5	9,6	3,8	3 718,1
Production machinery and equipment						3,5			
Metsähallitus	Intangible assets	Goodwill and consolidation	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery and equipment, other tangible assets	Construction in progress	Shares and holdings, other receivables	Total
Acquisition cost on 1 Jan.	3,1	0,0	3 600,6	70,1	77,7	15,8	11,4	49,5	3 828,2
Reduction in value on 1 Jan.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-13,4	-13,4
Increases	0,1	0,0	43,8	4,4	10,7	0,4	0,0	4,1	63,5
Decreases	0,0	0,0	17,5	0,0	0,5	0,1	2,8	0,1	21,0
Reduction in value	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Acquisition cost on 31 Dec.	3,2	0,0	3 626,9	74,5	87,9	16,1	8,6	40,1	3 857,2
Accumulated depreciation on 1 Jan.	3,0	0,0	0,7	62,7	35,7	14,8	0,0	0,0	116,9
Accumulated depreciation relating to decreases and transfers	0,0	0,0	0,0	0,0	-0,1	-0,0	0,0	0,0	-0,1
Depreciation during the financial year	0,1	0,0	0,7	0,4	3,2	0,5	0,0	0,0	4,8
Accumulated depreciation on 31 Dec.	3,1	0,0	1,4	63,1	38,9	15,2	0,0	0,0	121,6
Book value on 1 Jan.	0,1	0,0	3 599,9	7,4	42,0	1,0	11,4	36,1	3 697,9
Book value on 31 Dec.	0,1	0,0	3 625,5	11,4	49,1	1,0	8,6	40,1	3 735,6
Production machinery and equipment, book value on 31 Dec.						0,016			
Shares and holdings, book value, mill. EUR	Business operations–Group			Business operations					
			2010	2009		2010		2009	
Shares in subsidiaries			0,0	0,0		36,0		32,3	
Shares in associated undertakings			2,0	2,1		2,5		2,5	
Other shares			1,7	2,5		1,6		1,3	
			3,7	4,6		40,1		36,1	
Shares in subsidiaries						Holding %		Book value in parent company, EUR	
Metsähallitus									
Eräsetti Oy, Rovaniemi						100		1 728 720,87	
Fin Forelia Oy, Kuopio						57		9 179 330,19	
Metsähallitus Holding Oy, Vantaa						100		0,00	
Morenia Oy, Oulu						100		11 061 000,00	
Tikkurila 2 Oy (formerly Santa Claus Safaris Oy), Rovaniemi						100		181 969,68	
Siemen Forelia Oy, Jyväskylä						100		2 976 000,00	
Kiinteistö Oy Järviluonnon keskus, Rantasalmi						66,7		565 111,43	
Nuuksiokeskus Oy						66,6		10 300 000,00	
Total								35 992 132,17	
Morenia Oy									
E.Hyvönen Oy, Sodankylä						100		250 000,00	
Morenia Baltic OÜ, Viro						100		160 709,69	
Total								410 709,69	
Shares in associated undertakings									
Metsähallitus									
AS Eesti Metsataim, Estonia						40		1 200 000,00	
Metsähallitus Holding Oy									
Foria-ÖBf Forstmanagement GmbH, Austria						50		0,00	

NOTES TO BALANCE SHEET

Partner enterprise shares				
Metsähallitus				
Oy Estar Studios LTD, Rovaniemi			19,98	999 950,00
Receivables from the group's subsidiaries, mill. EUR				
			Metsähallitus	
			2010	2009
Accounts receivable			0,3	0,4
Prepayments and accrued income			0,1	0,1
Total			0,4	0,5
	Group		Metsähallitus	
Current prepayments and accrued income, EUR	2010	2009	2010	2009
Life projects, accrued income	0,3	0,4	0,3	0,4
EU's structural funds' projects, accrued income	0,3	0,5	0,3	0,5
Employment programs, accrued income	1,2	1,5	1,2	1,5
Project receivables, other accrued income	1,4	0,3	1,2	0,1
Other prepaid expenses / purchase invoices	0,1	0,1	0,0	0,1
Total	3,3	2,8	3,0	2,6
Other receivables, non-current and current				
Other advances, non-current	0,2	0,3	0,0	0,0
Prepayments and accrued income, non-current	0,0	0,0	0,0	0,0
Other advances, current	0,5	0,4	0,2	0,1
VAT receivables	0,2	0,3	0,0	0,0
Total current	0,7	0,7	0,2	0,1
Equity, mill. EUR				
Basic equity on 1 Jan.	2 545,4	2 541,2	2 545,4	2 541,2
Transfers of possession, inheritance by the State	1,2	4,6	1,2	4,6
Changes in land use	6,9	-0,4	6,9	-0,4
Other changes	0,0	-0,0	0,0	-0,0
Basic equity on 31 Dec.	2 553,5	2 545,4	2 553,5	2 545,4
Other equity on 1 Jan.	1 058,7	1 042,0	1 058,7	1 042,0
Transfers of possession, inheritance by the State	10,9	11,9	10,9	11,9
Changes in land use, others	1,4	0,7	1,4	0,7
Owner's investment on purchase of environmental conservation areas	3,4	4,1	3,4	4,1
Other equity on 31 Dec.	1 074,4	1 058,7	1 074,4	1 058,7
Retained earnings on 1 Jan.	107,0	123,2	112,9	127,1
Contribution to state revenue	-85,9	-71,0	-85,9	-71,0
Transfer from depreciation difference to equity	0,0	0,0	0,0	0,0
Profit for the financial year without the transfer of depreciation difference to equity	101,2	54,9	100,4	56,7
Retained earnings and profit for the financial year in total on 31 Dec.	122,3	107,0	127,4	112,9
Equity in total on 31 Dec.	3 750,2	3 711,1	3 755,3	3 717,0
Provisions, mill. EUR				
Restoration of gravel areas	0,354	0,4	0,0	0,0
Other provisions	3,122	3,7	1,3	1,3
Total	3,476	4,0	1,3	1,3
Amount of debt not paid to the State yet, mill. EUR				
Debt to the State, withholding tax liabilities, social security contribution liabilities, pension contributions, VaEL, TyEL	2,7	2,5	2,3	2,2
Debt to the Group's subsidiaries, mill. EUR				
			Metsähallitus	
			2010	2009
Accounts payable			0,3	0,2
Accruals and deferred income			0,1	0,0
Total			0,4	0,3
	Group		Metsähallitus	
Accruals and deferred income, mill. EUR	2010	2009	2010	2009
Withholding taxes and social security contributions and other statutory staff expenses	2,7	2,5	2,3	2,2
Holiday pay liabilities, including social security expenses	12,5	12,4	11,9	11,8
VAT liabilities	11,5	9,0	11,2	9,1
Other	34,1	3,4	33,1	3,0
Total	60,8	27,4	58,6	26,0

OTHER NOTES

Contingent liabilities, EUR million	Group		Metsähallitus	
	2010	2009	2010	2009
Leasing liabilities				
paid during the financial year	2,2	2,0	1,6	1,5
to be paid during the following year	2,6	2,0	2,1	1,8
to be paid during following years	3,6	2,7	2,8	2,3
Business mortgages	0,0	0,4	0,0	0,0
Mortgages on leasing rights	0,9	0,9	0,0	0,0
Installment liabilities, other loans/credits	0,2	0,4	0,0	0,0
Bank guarantee liabilities	3,8	3,5	0,2	0,2
Deposited securities, guarantee deposits	0,0	0,0	0,0	0,0
Guarantee limit	0,1	0,0	0,0	0,0

The leasing contracts for business operations include a redemption clause after the residual value reaches the agreed level.

The contracts can be terminated with a period of notice of 3 months.

The Group also has contracts without a redemption clause, mainly for a duration of five years.

Number of personnel, person-years	Business operations–Group		Business operations	
	2010	2009	2010	2009
Blue-collar employees	764	779	659	678
Salaried employees	1 199	1 169	1 119	1 090
Total	1 963	1 948	1 778	1 769

Deferred tax assets and tax liabilities	Business operations–Group	
	2010	2009
Deferred tax assets		
from postponed depreciations	0,4	0,4
from a subsidiary's losses	1,6	1,8
from provisions	0,1	0,8
Total	2,1	3,0

Auditors' fees, teur	Business operations–Group		Business operations	
	2010	2009	2010	2009
KPMG Audit				
audit, financial year	33,7	31,6	28,5	23,4
audit, previous financial year	35,7	22,6	13,2	16,5
tax consultancy	1,8	5,7	1,8	5,7
other services	16,2	16,9	13,3	7,3
Total	87,5	76,8	56,8	52,9

METSÄHALLITUS OPERATING PROFIT TARGETS

Long-term shareholder policy targets

Operational efficiency will be increased and profitability improved, within the limitations of social obligations.

In its business operations Metsähallitus remains committed to its social obligations, particularly in the following areas: the preservation and appropriate propagation of biodiversity; promoting the use of nature for recreational purposes and employment; ensuring conditions to allow for the preservation of Sami culture within the Sami Homeland area; fulfilling the obligations stipulated in the Reindeer Husbandry Act; taking precautions for emergency situations; and providing expert assistance to

emergency services authorities. The needs of other parties paying for the use of state-owned land, such as research institutions, educational institutions, the Defence Forces and Border Guard are also taken into consideration in Metsähallitus The business operations.

The goal is to increase the return on investment (ROI) to 3% by the year 2010. The contribution to state revenue is 95% of the annual profit (after taxes).

Unprofitable business operations should be eliminated, provided that the business in question does not have significant social importance from a state ownership standpoint.

Financial position and result

	Business group				Business			
	Budg. 2010	Act. 2010	Act. 2009	Act. 2008	Budg. 2010	Act. 2010	Act. 2009	Act. 2008
Turnover (MEUR)	311.8	367.5	289.8	342.4	275.9	329.4	252.7	301.1
Operating profit (MEUR)	80.0	113.7	61.9	109.4	77.7	112.4	67.6	110.0
% of turnover	26%	31%	21%	32%	28%	34%	27%	37%
Profit/loss for the financial period (MEUR)	72.8	102.3	57.8	104.4	71.5	101.5	59.7	105.5
% of turnover	23%	28%	20%	30%	26%	31%	24%	35%
Return on investment (%)	2.9%	4.3%	2.3%	4.2%	2.9%	4.2%	2.5%	4.2%
Investment (% of turnover)	9%	6%	5%	7%	9%	7%	6%	8%
Solvency ratio (%)	98%	97%	98%	98%	99%	98%	99%	99%
Balance sheet total (MEUR)	2 734	2 771	2 711	2 725	2 717	2 758	2 695	2 704
Person-years (PY)	1 388	1 384	1 406	1 517	1 203	1 201	1 228	1 257

$$\text{Return on investment \%} = \frac{\text{Net result} + \text{financing expenses} + \text{taxes (12 mos)}}{\text{Average investment during the financial period}}$$

Targets set for 2010

Metsähallitus' profit target was EUR 71.5 million, which is equivalent to 2.9% of the ROI and a state contribution target of EUR 67.9 million. Metsähallitus' operating profit for 2010 totalled EUR 101.5 million. The ROI was 4.2%.

Financial position and result

In comparing the different years, it must be taken into account that the income tax for state-owned enterprises was approx. 6% in 2008, which was retroactively increased so that the 9% income tax paid in 2010 also applies to 2009. Subsidiaries pay 26% income tax.

Forestry

2010 was a successful year for the wood trade. The Forestry unit, which accounts for a majority of Metsähallitus' turnover and profit, increased its turnover by 32% to EUR 316 million.

The operating profit target was exceeded by EUR 35 million. The timber market recovered from the recession in 2009 more quickly than expected and Metsähallitus Forestry responded quickly to the increase in demand. Approximately 6.1 million cubic metres of commercial timber was supplied to the forest industry.

Price trends in 2010 were also favourable, even though they did not reach 2007 and 2008 levels. The result was good.

Another key development for Metsähallitus Forestry involved resolutions for the harmonisation of forest use in Northern Fin-

land. Issues arising from conflicts over forestry, reindeer husbandry and conservation were resolved.

In addition to an improved result, Forestry also provided greater social benefits than previously. The harmonisation of different interests toward the promotion of commercial forest biodiversity, recreational use, reindeer husbandry, Sami culture and employment generated a great many intangible benefits. The measurable influence these have on sustainable felling is approximately 1.6 million cubic metres a year.

Launched in 2009, the wood energy business got off to a flying start in 2010. The challenge of expanding the wood energy business, however, will continue to be finding suitable delivery sites.

Laatunmaa

Turnover for Laatunmaa remained the same as for the previous year: EUR 4.9 million. Plot leasing, which accounts for a majority of Laatunmaa's turnover, saw a slight increase. EUR 8.6 million in land sales revenue was earned, representing an increase of EUR 0.6 million over 2009. Development of wind power areas was initiated according to plan. Laatunmaa's profit improved over the previous year and its result was good.

Fin Forelia Oy

2010 was the first year of operation following the fusion of Fin Forelia Oy and Forelia Oy. Turnover was slightly over EUR 10 million. Turnover saw a sharp decline due to the previous year's low volume of regeneration felling and the resulting low demand

for seedlings. Fin Forelia's profitability remained the same as for the previous year and the company recorded a positive result. The combined figures of Forelia Oy and Fin Forelia Oy were used as reference values for 2009.

Morenia Group

Turnover for the Morenia Group was EUR 27 million, which represents an 18% increase over the previous year. Market recovery improved turnover. Profitability improved significantly and the result was positive. In addition to growth in turnover, operative development measures contributed to the increase in profitability.

Siemen Forelia Oy

Company turnover during the financial period was EUR 1.6 million, which is the same as for 2009. Siemen Forelia's diverse development programme was completed. The company's operating profit improved considerably and was positive, but non-recurring items, such as a reduction in the inventory value of the germinating spruce seed and the recovery of state aid, pushed the result slightly into the red.

Wild North and Eräsetti

The combined turnover of Wild North and Eräsetti was EUR 7.1 million, a decrease from the previous year. Sales for private domestic customers grew, but the market for experiential tourism did not recover from the global recession. In addition, problems

caused by airline strikes and the cloud of volcanic ash from Iceland resulted in less demand for business travel. Turnover and result targets were not achieved and the result for the industry as a whole was negative.

IMPLEMENTATION OF PARLIAMENT DECISIONS

The targets specified in the State budget for 2010 have been achieved as follows:

Change in basic capital

Metsähallitus' basic capital was increased by EUR 8.1 million, which included the transfer of holdings worth EUR 13.7 million to basic capital, made as an internal transfer for a state-owned company, and the transfer of holdings worth EUR 6.8 million to the balance sheet for public administration duties. Administrative transfers and inheritances by the state increased the value of basic capital EUR 1.2 million. After the change, the value of basic capital is EUR 2,553.50 million.

Key service targets and other operational goals

General social obligations, such as preserving biodiversity, promoting the use of nature for recreational purposes and ensuring conditions to allow for the practice of reindeer husbandry and Sami traditions, were taken into consideration by Metsähallitus in its business operations. A more detailed description of this matter is found under "Implementation of Ministry of Agriculture and Forestry decisions".

Maximum number of investments and investment commitments

Investments amounting to EUR 22.4 million were made. The maximum amount of investment set by Parliament was EUR 30 million. A total of EUR 6.5 million in investment commitments were made. The maximum amount of investment set by Parliament was EUR 34 million.

Maximum amount for business loans

Metsähallitus did not have any long-term loans in 2010. The maximum amount set by Parliament was EUR 69 million.

Guarantees for subsidiary loans

Metsähallitus did not issue any guarantees for subsidiary loans. The authorisation of guarantees granted by Parliament was EUR 15 million.

Maximum amount for business collateral

Metsähallitus did not provide any collateral for its business operations. The authorisation granted by Parliament was EUR 0.5 million.

IMPLEMENTATION OF MINISTRY OF AGRICULTURE AND FORESTRY DECISIONS

Based on a mandate from the 2010 State budget, the Ministry of Agriculture and Forestry issued its decision concerning the business targets for Metsähallitus on 21 January 2010.

The profit target set for Metsähallitus was set at EUR 71.5

million, which accounts for 2.9% of the return on investment and a state contribution target of EUR 67.9 million. Metsähallitus' business result for 2010 was EUR 101.5 million and its return on investment was 4.2%.

Metsähallitus' adherence to its general social obligations resulted in an estimated EUR 53 million decrease (calculated) in operating profit (2009: EUR 45 million).

Restrictions were placed on 624,000 (17.5%) hectares of forested land with a required rate of return (2009: 632,200 ha and 17.7 %) in order to preserve biodiversity, promote the use of nature for recreational purposes and ensure conditions to allow for the practice of reindeer husbandry and Sami traditions. Of this, 238,400 ha (6.7%) was fully excluded from commercial use (2009: 246,100 ha and 6.9%) and 385,600 ha (10.8%) in limited use (2009: 386,100 ha and 10.8%). These factors resulted in a calculated decrease of EUR 46 million in Metsähallitus' operating profit (2009: EUR 38 million). In addition, other factors related to the promotion of reindeer husbandry and Sami culture, the promotion of employment and an increase in planning costs resulted in operating profit by a total of EUR 7 million (2009: 7 million).

Working in co-operation with research institutions, Metsähallitus continued examining the beneficial impact of honouring its general social obligations. The goal is to improve the research database for benefits analysis, so that a more comprehensive assessment of benefits will be possible by 2012.

The obligations stipulated in the Reindeer Husbandry Act were taken into consideration outside the Sami Homeland area,

in accordance with a co-operative agreement between Metsähallitus and the Reindeer Herders' Association.

Metsähallitus promoted employment through personnel policy measures, by refraining from laying off forest management and wood procurement personnel during the period January-March, when work output is at its lowest levels. Flexibility in the seasonal work schedules of forest employees was enhanced by means of a system that equalises working hours. Employment in the three northernmost municipalities was promoted through special measures, which meant that approximately 84% of the timber harvested was done manually.

In its procurement of land Metsähallitus took the needs of the Defence Forces into consideration, procuring land for approximately EUR 0.8 million in 2010 for their use; the set target was EUR 0.8 million.

Metsähallitus initiated an inventorying of cultural heritage sites in 2010.

OTHER ANNUAL REPORT SECTIONS

Key events during the financial period

There has been a great deal of discussion concerning the new operational structure of Metsähallitus.

The Market Court handed down its decision regarding the timber cartel issue.

A plan for developing subsidiary operations and improving profitability was drafted for the Ministry of Agriculture and Forestry. The plan was put into practice through subsidiary-specific business plans.

The new wooden Pilke Science Centre was opened in Rovaniemi.

Key events after the financial period

Metsähallitus filed compensation claims in the timber cartel case.

On 24 February 2011, the Austrian Supreme Court issued its ruling on judicial proceedings, in which the primary defendant is ÖBf Beteiligungs GmbH, a subsidiary of Austrian company ÖBf AG, and the secondary defendant is Metsähallitus subsidiary, Metsähallitus Holding Oy. The Supreme Court ruling went to the plaintiff, Austrian Raiffeisen Zentralbank AG. The Supreme Court rejected the ruling issued by the court of second instance (ruling for the defendant) and upheld the ruling of the court of first instance (ruling against the defendant). Rulings issued by the Supreme Court may not be appealed.

The only legal issue remaining open is determining causality between the breach of contract obligations and damages caused to Raiffeisen Zentralbank AG. The Supreme Court returned this issue to the court of second instance for resolution or for transfer to the court of first instance.

Metsähallitus has made an entry of EU 1.3 million for expenses incurred by the judicial proceedings in its financial statement for 2009.

Estimate on business development for the current financial period

Development of Metsähallitus' Forestry unit is expected to remain positive. In its other business areas expectations are reserved. On the whole, both turnover and the result are expected

to rise slightly. Special attention should be given to improving the profitability of Metsähallitus' business operations during the coming financial period.

Risk management and key risks

An audit committee was formed and a quality and risk management director was appointed for the Metsähallitus Group.

The goal of risk management at Metsähallitus is to ensure the achievement of set targets, fulfilment of legal obligations and operational continuity.

At Metsähallitus, risk management focuses on preventive measures, operational safety, the limitation of hazards and capitalising on opportunities. Metsähallitus takes a moderate stance where risk-taking is concerned.

Metsähallitus divides risks into strategic, operative, financial and accidental. The significance of risks is assessed as a combination of the probability and impact of an event.

The Metsähallitus Board oversees the functionality and comprehensiveness of risk management and reinforces risk management policy.

The biggest risks in Metsähallitus business operations involve forest sector market price trends.

Corporate governance

The principles of corporate governance are observed in state-owned enterprises. This primarily involves the proper, functional exercise of decision-making power and oversight as a whole. Metsähallitus' corporate governance principles have been drafted in co-operation with other state-owned enterprises.

Metsähallitus has published its Corporate Governance State-

ment on its website. The statement outlines Metsähallitus' general administrative principles, regulation of business operations (under Parliamentary, Governmental and Ministerial authority), regulation of public administrative duties (under Parliamentary, Governmental and Ministerial authority), Board of Directors, Managing Director, Management Group, incentive and bonus systems, internal supervision, auditing, publishing of information, and information related to corporate governance.

The Corporate Governance Statement supplements the Board of Directors decision on Metsähallitus' organisational structure, which addresses such matters as ownership steering, Board duties, management duties and authority, and hiring and terminating personnel.

Metsähallitus possesses certification based on the ISO 14001 Environmental Management System. All profit areas and subsidiaries are included in the system. In forestry a special emphasis is placed on environmental issues, but these also receive due attention in our other business areas.

Personnel 31 December 2010

The number of person-years in business operations was 1,201 (2009: 1,228, 2008: 1,257). Every year, employees take part in a job satisfaction survey, whose results are examined by top management. If any areas requiring improvement are found, they are given attention in the operational plan. Job satisfaction at Metsähallitus has been quite high, despite the enormous pressures caused by change and uncertain future prospects.

Scope of research and development

EUR 3.3. million was spent on research and development (2009:

EUR 3.3 million, 2008: EUR 3.1 million). A new innovation system was introduced during the financial period.

Salaries, bonuses and other compensation paid to the Board of Directors and Managing Director

Salaries, bonuses and other compensation amounting to EUR 349,000 (2009: EUR 335,000, 2008: EUR 292,000) were paid to the Board of Directors and Managing Director. Salaries paid to other employees amounted to EUR 40.3 million (EUR 39.2 million, EUR 39.3 million).

All employees of Metsähallitus have been included in the profit sharing system since the beginning of 2008.

Board proposal concerning profit measures

Metsähallitus' business profit totalled EUR 101,502,226.19.

The Board proposes that EUR 96,427,000 in dividends be paid out in 4 increments in 2011.

The remaining profit will be transferred to a profit and loss account.

Data on the number of fixed asset transfers, transfer prices, profits and losses for 2010.

Business	no.	Book value	Transfer price	Profits	Losses
Exchanges	11	78 863,00	368 208,00	289 345,00	
Sales, land and water areas	157	3 996 359,87	14 405 670,44	10 481 051,31	71 740,74
Sales, buildings	6	316 610,95	388 500,00	183 265,89	111 376,84
Sales to public administration	32	302 241,00	558 581,03	271 735,02	15 394,99
Change in land use	66	6 766 684,29	6 766 684,29		
Other, land areas	50	71 716,00	71 716,00		
Total	322	11 532 475,11	22 559 359,76	11 225 397,22	198 512,57



Arto Tiitinen
Chairman



Jaana Korpi



Timo E Korva



Riitta Rainio



Ville Schildt
Vice Chairman



Jari Sirviö



Helena Wallden

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT (EUR)	Business operations-Group		Business operations	
	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009
TURNOVER	367 489 194,57	289 787 049,48	329 359 837,14	252 742 281,62
Variation in the inventory of finished products and change in work in progress	-1 281 363,34	-1 634 694,77	0,00	0,00
Other operating income	14 493 395,76	13 977 696,63	14 094 176,52	13 948 158,34
Raw materials and services				
Raw materials and consumables				
Purchases during the financial year	9 327 350,17	8 421 512,48	7 322 568,37	6 201 037,20
Variation in inventories	1 399 365,17	-966 961,46	31 914,00	-4 428 173,00
External services	162 516 494,90	133 760 916,59	144 048 485,06	115 240 936,69
Staff expenses				
Wages and salaries	47 458 558,02	47 340 396,74	41 142 520,81	40 197 442,74
Social security expenses				
Pension expenses	8 809 105,05	8 667 820,34	7 712 634,73	7 467 674,20
Other social security expenses	2 404 067,77	1 989 436,58	2 067 777,14	1 681 430,41
Depreciation and reduction in value				
Depreciation according to plan	4 348 409,38	6 822 166,50	1 968 798,06	4 830 292,06
Other operating charges	30 770 387,67	34 246 962,59	26 743 322,82	27 929 859,51
Share of associated undertakings' profit/loss	4 334,87	25 994,36	0,00	0,00
OPERATING PROFIT	113 671 823,73	61 873 795,34	112 415 992,67	67 569 940,15
Financial income and expenses				
Income from other investments under non-current assets	116 185,71	104 894,53	157 816,18	222 680,50
Other interest and financial income	275 636,91	416 825,25	211 612,84	390 087,99
Interest and other financial expenses	459 351,03	626 297,12	185 446,16	216 614,39
Reductions in value of investments held as non-current assets	0,00	0,00	0,00	4 547 768,01
	-67 528,41	-104 577,34	183 982,86	-4 151 613,91
PROFIT BEFORE FINANCING FOR OTHER OPERATIONS FROM THE STATE BUDGET	113 604 295,32	61 769 218,00	112 599 975,53	63 418 326,24
Income taxes	11 100 571,64	3 803 896,29	11 097 749,34	3 750 463,83
Minority share	-185 472,78	-217 877,45	0,00	0,00
PROFIT FOR THE FINANCIAL YEAR	102 318 250,90	57 747 444,26	101 502 226,19	59 667 862,41

BALANCE SHEET

BALANCE SHEET (EUR)	Business operations–Group		Business operations	
	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Intangible rights	127 762,08	111 424,97	75 107,34	39 398,35
Other capitalised long-term expenses	500 516,49	447 179,01	19 966,15	22 929,60
	628 278,57	558 603,98	95 073,49	62 327,95
Goodwill on consolidation	736 606,91	1 032 449,37	0,00	0,00
Tangible assets				
Land and water areas	2 601 310 424,13	2 587 929 412,12	2 594 931 625,74	2 582 044 562,48
Roads	10 984 024,89	6 886 142,16	10 728 023,56	6 639 760,21
Buildings and structures	24 075 569,31	16 116 429,08	19 748 717,00	10 879 797,26
Machinery and equipment	2 962 494,10	3 664 064,16	2 536,31	5 698,50
Other tangible assets	528 032,53	566 459,70	10 599,04	10 599,04
Advance payments and construction in progress	7 617 112,47	10 402 441,20	7 617 112,47	10 646 680,06
	2 647 477 657,43	2 625 564 948,42	2 633 038 614,12	2 610 227 097,55
Investments				
Shares in Group subsidiaries	0,00	0,00	25 127 020,74	25 221 503,67
Holdings in associated undertakings	1 746 381,52	1 784 654,62	2 199 950,00	2 199 950,00
Other shares and holdings	988 554,00	2 066 255,98	877 193,60	877 193,60
Other receivables	22 300,00	22 300,00	0,00	0,00
	2 757 235,52	3 873 210,60	28 204 164,34	28 298 647,27
NON-CURRENT ASSETS IN TOTAL	2 651 599 778,43	2 631 029 212,37	2 661 337 851,95	2 638 588 072,77
CURRENT ASSETS				
Inventories				
Finished products	23 777 927,48	26 209 760,86	9 941 791,02	9 973 705,02
Work in progress	835 343,37	1 084 238,50	0,00	0,00
	24 613 270,85	27 293 999,36	9 941 791,02	9 973 705,02
Receivables				
Non-current				
Other receivables	218 968,21	275 719,75	0,00	0,00
Prepayments and accrued income	0,00	21 780,46	0,00	0,00
Current				
Accounts receivable	40 967 048,90	32 269 331,83	38 058 470,14	29 361 370,22
Receivables from public admin. Duties	1 574 667,72	2 274 327,97	1 569 235,86	2 261 585,38
Receivable from Group subsidiaries	2 306,58	15 209,58	408 278,74	534 851,00
Receivables from associated undertakings	1 333,97	0,00	0,00	0,00
Other receivables	646 828,38	614 776,95	167 106,60	105 654,35
Prepayments and accrued income	388 436,57	254 705,18	51 389,02	22 623,84
	43 580 622,12	35 428 351,51	40 254 480,36	32 286 084,79
Securities	1 000 000,00	0,00		0,00
Cash in hand and at banks	49 703 995,23	16 528 074,11	46 052 821,22	14 070 195,27
CURRENT ASSETS IN TOTAL	119 116 856,41	79 547 925,19	96 249 092,60	56 329 985,08
ASSETS IN TOTAL	2 770 716 634,84	2 710 577 137,56	2 757 586 944,55	2 694 918 057,85

BALANCE SHEET

BALANCE SHEET (EUR)	Business operations–Group		Business operations	
	31 Dec. 2010	31 Dec. 2009	31 Dec. 2010	31 Dec. 2009
EQUITY AND LIABILITIES				
EQUITY				
Basic equity	2 553 491 109,57	2 545 378 977,06	2 553 491 109,57	2 545 378 977,06
Retained earnings	19 126 081,65	47 262 637,39	25 414 669,20	51 630 806,79
Profit for the financial year	102 318 250,90	57 747 444,26	101 502 226,19	59 667 862,41
EQUITY IN TOTAL	2 674 935 442,12	2 650 389 058,71	2 680 408 004,96	2 656 677 646,26
MINORITY HOLDINGS	5 891 376,93	5 791 904,15	0,00	0,00
PROVISIONS				
Other provisions	3 475 640,11	4 005 328,91	1 300 000,00	1 300 000,00
LIABILITIES				
Non-current				
Loans from financial institutions	2 770 000,00	4 113 805,55	0,00	0,00
Other liabilities	741 247,46	716 536,60	40 564,59	0,00
Current				
Loans from financial institutions	1 287 544,23	4 594 366,38	0,00	0,00
Advances received	10 240 531,91	5 397 463,76	9 250 097,61	4 934 675,79
Accounts payable	12 162 933,15	10 118 162,59	10 830 318,25	7 787 033,83
Payables to public admin. Duties	306 550,24	330 543,45	291 408,30	322 579,76
Payables to Group subsidiaries	933,58	0,00	348 145,51	232 494,13
Payables to associated undertakings	104 287,50	0,00	0,00	0,00
Other liabilities	2 787 318,50	2 140 645,85	1 058 007,00	1 977 192,92
Accruals and deferred income	56 002 480,82	22 970 587,35	54 060 398,33	21 686 435,16
Deferred tax liabilities	10 348,29	8 734,26	0,00	0,00
LIABILITIES IN TOTAL	86 414 175,68	50 390 845,79	75 878 939,59	36 940 411,59
EQUITY AND LIABILITIES IN TOTAL	2 770 716 634,84	2 710 577 137,56	2 757 586 944,55	2 694 918 057,85

CASH FLOW STATEMENT

CASH FLOW STATEMENT (EUR)	Business operations–Group		Business operations	
	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2009	1 Jan.-31 Dec. 2010	1 Jan.-31 Dec. 2010
BUSINESS OPERATIONS				
Payments from sales	359 447 507,39	290 033 757,62	321 452 893,82	250 467 370,57
Payments from other operating income	8 025 510,56	3 272 577,67	7 355 943,59	3 058 867,82
Payments for operating charges	-256 145 520,03	-231 708 862,74	-222 839 624,28	-196 967 743,44
Cash flow from business operations before financial items and taxes	111 327 497,92	61 597 472,55	105 969 213,13	56 558 494,95
Interest and other financial expenses	-459 351,03	-626 297,12	-185 446,16	-216 614,39
Interest income from business operations	275 636,91	416 825,25	211 612,84	390 087,99
Dividends received	116 185,71	104 894,53	157 816,18	222 680,50
Direct taxes	-11 100 571,64	-3 803 896,29	-11 097 749,34	-3 750 463,83
Cash flow from business operations	100 159 397,87	57 688 998,92	95 055 446,65	53 204 185,22
INVESTMENTS				
Purchase of tangible and intangible assets	-23 415 489,26	-13 879 036,38	-22 325 766,71	-13 018 136,07
Sale of tangible and intangible assets	17 248 235,08	16 591 615,29	15 896 381,42	16 497 168,75
Purchase of subsidiaries' shares	0,00	0,00	0,00	-1 500 000,00
Purchase of associated undertakings' shares	0,00	-399 950,00	0,00	-399 950,00
Total cash used in investments	-6 167 254,18	2 312 628,91	-6 429 385,29	1 579 082,68
FINANCING				
Change in non-current loans from financial institutions	-1 343 805,55	-1 809 734,68	0,00	0,00
Change in other non-current loans	24 710,86	-104 859,00	40 564,59	0,00
Change in current loans from financial institutions	-3 306 822,15	-3 335 928,97	0,00	0,00
Other current interest-bearing debts, change	1 493 694,27	0,00	0,00	0,00
Contribution to state revenue	-85 884 000,00	-71 000 000,00	-85 884 000,00	-71 000 000,00
account debited on 3rd January 2011	29 200 000,00	0,00	29 200 000,00	0,00
Total financing	-59 816 222,57	-76 250 522,65	-56 643 435,41	-71 000 000,00
CHANGE IN LIQUID FUNDS				
Liquid funds on 1 Jan.	16 528 074,11	32 776 968,93	14 070 195,27	30 286 927,37
Liquid funds on 31 Dec.	50 703 995,23	16 528 074,11	46 052 821,22	14 070 195,27
Change	34 175 921,12	-16 248 894,82	31 982 625,95	-16 216 732,10

NOTES TO PROFIT AND LOSS ACCOUNT, BUSINESS OPERATIONS

Turnover by business unit, EUR	Business operations–Group		Business operations	
	2010	2009	2010	2009
Forestry and related services	315 734 109,51	239 118 758,98	316 129 699,83	239 562 422,27
Nature tourism	6 887 806,20	7 702 830,05	3 861 297,53	4 086 894,31
Seed and seedling production	9 831 235,23	11 831 132,37	0,00	0,00
Land and plot sales	4 931 416,42	4 917 563,43	4 931 416,42	4 918 423,43
Sale of soil resources, murskausliiket.	25 947 573,12	22 250 312,31	0,00	0,00
Consulting	0,00	85 627,26	0,00	0,00
Other	4 157 054,09	3 880 825,08	4 437 423,36	4 174 541,61
Total	367 489 194,57	289 787 049,48	329 359 837,14	252 742 281,62
of which turnover for public admin. duties and its subsidiaries	5 826 052,24 29 861,00	5 957 991,06 28 815,71	5 704 299,60 29 861,00	5 815 008,58 28 815,71
Other operating income, EUR				
Gains on the sale of fixed assets	11 310 953,35	11 262 328,93	11 053 654,75	11 238 182,51
Income from services to public admin. duties	2 650 697,62	2 342 343,12	2 650 697,62	2 342 343,12
Income from services to subsidiaries	8 991,00	8 887,73	312 364,00	249 437,68
Other income	522 753,79	364 136,85	77 460,15	118 195,03
Total	14 493 395,76	13 977 696,63	14 094 176,52	13 948 158,34
Depreciation according to plan, EUR				
Intangible assets	302 755,86	200 111,13	50 370,18	46 539,38
Depreciation for decrease of substance	889 854,87	370 741,82	652 224,52	72 011,15
Roads	369 349,47	3 867 009,40	326 254,21	3 846 734,17
Buildings and structures	1 846 566,47	1 351 255,96	936 786,96	859 291,48
Machinery and equipment, other tangible assets	624 523,18	729 398,90	3 162,19	5 715,88
Goodwill on consolidation	315 359,53	303 649,29	0,00	0,00
Total	4 348 409,38	6 822 166,50	1 968 798,06	4 830 292,06
Depreciation according to plan, depreciation periods:				
Intangible rights, other long-term expenditures		4-5 years		
Gravel areas		depreciation for decrease of substance		
Roads		mainly 25 years		
Fish structures		mainly 10 years		
Log floating structures		25 years		
Buildings		20-40 years		
Structures		4-10 years		
Machinery and equipment		4-8 years		
Muut aineelliset hyödykkeet: asfaltointi, kasvatusalustat		15-20 years		
Depreciation according to plan has been calculated by fixed asset				
Other interest and financial income, EUR				
	Business operations–Group	Business operations		
	2010	2009	2010	2009
Dividend income from external sources	116 185,71	104 894,53	157 816,18	146 192,50
Dividend income from subsidiaries	0,00	0,00	0,00	76 488,00
Interest income	275 636,91	416 825,25	211 612,84	390 087,99
Total	391 822,62	521 719,78	369 429,02	612 768,49
Interest and other financial expenses, EUR				
Interest expenses	458 783,54	626 297,12	185 446,16	216 614,39
Reduction in investments	567,49	0,00	0,00	0,00
Reduction in value of subsidiaries' shares	0,00	0,00	0,00	4 547 768,01
Total	459 351,03	626 297,12	185 446,16	4 764 382,40

NOTES TO BALANCE SHEET, BUSINESS OPERATIONS

Non-current assets, EUR mill.

Business operations–Group	Intangible assets	Goodwill and consolidation	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery and equipment, other tangible assets	Construction in progress	Shares and holdings, other receivables	Total
Acquisition cost on 1 Jan.	3,7	2,4	2 590,9	68,5	40,8	19,7	10,4	6,6	2 742,9
Reduction in value on 1 Jan.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-2,7	-2,7
Increases	0,4	0,0	25,5	4,5	10,1	0,6	0,0	0,0	41,1
Decreases	0,0	0,0	11,3	0,0	0,4	0,7	2,8	1,1	16,2
Acquisition cost on 31 Dec.	4,1	2,4	2 605,1	72,9	50,6	19,5	7,6	2,8	2 765,1
Accumulated depreciation and reduction in value 1 Jan	3,2	1,4	2,9	61,6	24,7	15,4	0,0	0,0	109,2
Accumulated depreciation relating to decreases and transfers	0,0	0,0	0,0	0,0	-0,1	0,0	0,0	0,0	0,0
Depreciation during the financial year	0,3	0,3	0,9	0,4	1,8	0,6	0,0	0,0	4,3
Accumulated depreciation on 31 Dec.	3,5	1,7	3,8	62,0	26,5	16,0	0,0	0,0	113,5
Book value on 1 Jan.	0,6	1,0	2 587,9	6,9	16,1	4,2	10,4	3,9	2 631,0
Book value on 31 Dec.	0,6	0,7	2 601,3	11,0	24,1	3,5	7,6	2,8	2 651,6
Production machinery and equipment Book value on 31 Dec.						3,5			

Business operations	Intangible assets	Goodwill and consolidation	Land and water areas	Roads, land and water structures	Buildings and structures	Machinery and equipment, other tangible assets	Construction in progress	Shares and holdings, other receivables	Total
Acquisition cost on 1 Jan.	2,7	0,0	2 582,8	68,2	32,3	9,6	10,6	41,7	2 747,9
Reduction in value on 1 Jan.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-13,4	-13,4
Increases	0,1	0,0	24,8	4,4	10,1	0,0	0,0	0,0	39,5
Decreases	0,0	0,0	11,3	0,0	0,4	0,0	3,0	0,1	14,8
Reduction in value	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Acquisition cost on 31 Dec.	2,8	0,0	2 596,3	72,6	42,0	9,6	7,6	28,2	2 759,2
Accumulated depreciation on 1 Jan.	2,7	0,0	0,7	61,6	21,4	9,6	0,0	0,0	96,0
Accumulated depreciation relating to decreases and transfers	0,0	0,0	0,0	0,0	-0,1	0,0	0,0	0,0	-0,1
Depreciation during the financial year	0,1	0,0	0,7	0,3	0,9	0,0	0,0	0,0	2,0
Accumulated depreciation on 31 Dec.	2,7	0,0	1,4	61,9	22,2	9,6	0,0	0,0	97,8
Book value on 1 Jan.	0,1	0,0	2 582,0	6,6	10,9	0,0	10,6	28,3	2 638,6
Book value on 31 Dec.	0,1	0,0	2 594,9	10,7	19,7	0,0	7,6	28,2	2 661,3
Production machinery and equipment, book value on 31 Dec.						0,00			

Shares and holdings, book value, EUR	Business operations–Group		Business operations	
	2010	2009	2010	2009
Shares in subsidiaries	0,00	0,00	25 127 020,74	25 221 503,67
Shares in associated undertakings	790 584,65	784 704,62	1 200 000,00	1 200 000,00
Partner enterprise shares	999 950,00	999 950,00	999 950,00	999 950,00
Other shares	988 554,00	2 066 255,98	877 193,60	877 193,60
Total	2 779 088,65	3 850 910,60	28 204 164,34	28 298 647,27

Other receivables, EUR	
Subscription fee receivables	22 300,00 22 300,00

Shares in subsidiaries	Holding	Book value
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Metsähallitus

Eräsetti Oy, Rovaniemi	100	1 728 720,87
Fin Forelia Oy, Kuopio	57	9 179 330,19
Metsähallitus Holding Oy, Vantaa	100	0,00
Morenia Oy, Oulu	100	11 061 000,00
Tikkurila 2 Oy (formerly Santa Claus Safaris Oy), Rovaniemi	100	181 969,68
Siemen Forelia Oy, Jyväskylä	100	2 976 000,00
Total		25 127 020,74

Morenia Oy

E.Hyvönen Oy, Sodankylä	100	250 000,00
Morenia Baltic OÜ, Estonia	100	160 709,69
Total		410 709,69

NOTES TO BALANCE SHEET, BUSINESS OPERATIONS

Shares in associated undertakings	share %	Book value in parent company, EUR	
Metsähallitus			
AS Eesti Metsataim, Estonia	40	1 200 000,00	
Metsähallitus Holding Oy			
Foria-ÖBf Forstmanagement GmbH, Austria	50	0,00	
Partner enterprise shares			
Metsähallitus			
Oy Estar Studios LTD, Rovaniemi	19,98	999 950,00	
Receivables from public administration duties, EUR			
	Business operations–Group		Liiketoiminta
	2010	2009	2010
			2009
Accounts receivable	495 638,12	188 627,67	490 938,11
Prepayments and accrued income	1 079 029,60	2 085 700,30	1 078 297,75
Total	1 574 667,72	2 274 327,97	1 569 235,86
Receivables from the group's subsidiaries, EUR			
Accounts receivable	2 215,08	3 715,59	340 097,32
Prepayments and accrued income	91,50	11 493,99	68 181,42
Total	2 306,58	15 209,58	408 278,74
Current external prepayments and accrued income, EUR			
Tax assets	0,00	4 106,24	0,00
Muut tulojäät	388 436,57	250 598,94	51 389,02
Total	388 436,57	254 705,18	51 389,02
Other receivables, EUR			
Other advances	438 258,37	346 049,10	167 106,60
VAT receivables	208 570,01	268 728,85	0,00
Total	646 828,38	614 777,95	167 106,60
Equity, EUR			
Basic equity on 1 Jan.	2 545 378 977,06	2 541 245 295,40	2 545 378 977,06
decrease in basic equity during the financial year			
Transfers of possession	40 919,80	190 662,00	40 919,80
Inheritance by the State	1 203 160,00	4 393 730,00	1 203 160,00
Changes in land use	6 865 146,71	-426 776,00	6 865 146,71
Other	2 906,00	-23 934,34	2 906,00
Basic equity on 31 Dec.	2 553 491 109,57	2 545 378 977,06	2 553 491 109,57
Other equity on 1 Jan.	0,00	0,00	0,00
Other equity on 31 Dec.	0,00	0,00	0,00
Retained earnings on 1 Jan.	105 010 081,65	118 262 637,39	111 298 669,20
Contribution to state revenue	-85 884 000,00	-71 000 000,00	-85 884 000,00
Retirement of own shares	0,00	0,00	0,00
Profit for the financial year	102 318 250,90	57 747 444,26	101 502 226,19
Retained earnings and profit for the financial year in total on 31 Dec.	121 444 332,55	105 010 081,65	126 916 895,39
Equity in total on 31 Dec.	2 674 935 442,12	2 650 389 058,71	2 680 408 004,96
Provisions, EUR			
Restoration of gravel areas	353 640,11	354 618,11	0,00
Other provisions	3 122 000,00	3 650 711,80	1 300 000,00
Total	3 475 640,11	4 005 329,91	1 300 000,00

NOTES TO BALANCE SHEET, BUSINESS OPERATIONS

Amount of debt not paid to the State, EUR	Business operations–Group		Business operations	
	2010	2009	2010	2009
Debt to the State, withholding tax liabilities, social security contribution liabilities, pension contributions, VaEL, TyEL	1 887 293,78	1 895 195,57	1 538 642,24	1 494 647,21
Payables to public administration duties, EUR				
Accounts payable	171 842,90	94 588,49	156 700,95	86 624,82
Accruals and deferred income	134 707,34	235 954,96	134 707,35	235 954,94
Total	306 550,24	330 543,45	291 408,30	322 579,76
Payables to subsidiaries, EUR				
Accounts payable	0,00	0,00	269 675,30	230 064,76
Accruals and deferred income	933,57	0,00	78 470,21	2 429,37
Total	933,57	0,00	348 145,51	232 494,13
External accruals and deferred income, EUR				
Withholding taxes and social security contributions and other statutory staff expenses	1 887 293,78	1 895 195,57	1 538 642,24	1 494 647,21
Holiday pay liabilities, including social security expenses	9 367 010,49	9 352 964,15	8 794 969,96	8 694 042,42
VAT liabilities	11 510 739,51	9 018 597,07	11 213 613,52	9 130 808,05
Other	33 237 437,04	2 703 830,56	32 513 172,62	2 366 937,48
Total	56 002 480,82	22 970 587,35	54 060 398,34	21 686 435,16

OTHER NOTES, BUSINESS

Contingent liabilities, EUR million	Business operations–Group		Business operations	
	2010	2009	2010	2009
Leasing liabilities				
paid during the financial year	1,8	1,7	1,2	1,2
to be paid during the following year	2,6	2,0	2,1	1,8
to be paid during following years	3,6	2,7	2,8	2,3
Business mortgages	0,0	0,4	0,0	0,0
Mortgages on leasing rights	0,9	0,9	0,0	0,0
Installment liabilities, other credits/loans	0,2	0,4	0,0	0,0
Bank guarantee liabilities	3,8	3,5	0,2	0,2
Deposited securities, guarantee deposits	0,0	0,0		
Guarantee limit	0,1	0,0	0,0	0,0

The leasing contracts for business operations include a redemption clause after the residual value reaches the agreed level.

The contracts can be terminated with a period of notice of 3 months.

The Group also has contracts without a redemption clause, mainly for a duration of five years.

Deferred tax assets and tax liabilities	Business operations–Group	
	2010	2009
Deferred tax assets		
from postponed depreciations	0,4	0,4
from a subsidiary's losses	1,6	1,8
from provisions	0,1	0,8
Total	2,1	3,0

Self-financed investments, EUR million	Business operations–Group		Business operations	
	2010	2010	2010	2010
	Inv. Plan	Actual	Inv.plan.	Actual
Land, water and gravel areas	12,7	10,8	9,9	10,1
Roads	3,6	3,9	3,6	3,9
Buildings and structures	8,5	8,0	8,5	8,0
Machinery and equipment	1,1	0,3	1,0	0,3
Other	0,8	0,4	0,8	0,1
Total	26,6	23,4	23,6	22,3

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