

Fortum Corporation

Interim Report
January–March 2015

29 April 2015

Contents

Successful divestment of the Swedish electricity distribution business	3
Fortum's interim CEO Timo Karttinen	4
Fortum's Distribution divestment concluded	5
Fortum updated its long-term financial targets	5
IFRS restatement relating to discontinued operations	6
Financial results	6
Financial position and cash flow	7
Market conditions	9
Segment reviews	10
Capital expenditures, divestments and investments in shares	15
Shares and share capital	16
Group personnel	16
Research and development	16
Sustainability	17
Changes in Fortum's Management	19
Annual General Meeting 2015	19
Outlook	20
Dividend payment	23

Tables to the financial statements bulletin

Condensed consolidated income statement	25
Condensed consolidated balance sheet	27
Condensed consolidated statement of changes in total equity	28
Condensed consolidated cash flow statement	29
Change in net debt and key ratios	31
Notes to the condensed consolidated interim financial statements	32
Definition of key figures	49
Market conditions and achieved power prices	51
Production and sales volumes	52

Figures in brackets refer to the comparison period, i.e. the same period last year, unless otherwise stated.

Successful divestment of the Swedish electricity distribution business

January–March 2015, continuing operations

- Comparable operating profit EUR 343 (358) million, -4%
- Operating profit EUR 350 (366) million, of which EUR 7 (8) million relates to items affecting comparability and sales gains
- Earnings per share EUR 0.33 (0.35), -6%, of which EUR 0.01 (0.01) per share relates to items affecting comparability and sales gains. EPS for total Fortum including the effect from discontinued operations is 0.40 (2.53), -84%.
- Cash flow from operating activities totalled EUR 516 (405) million, +27%
- Sale of Fortum's electricity distribution business in Sweden concludes the Distribution divestment process
- Distribution business treated as discontinued operations according to IFRS 5
- Pekka Lundmark appointed President and CEO; to start in the beginning of September

Key figures	I/15	I/14	2014	LTM
Sales, EUR million	1,040	1,208	4,088	3,920
Operating profit, EUR million				
continuing operations	350	366	1,296	1,280
discontinued operations	81	1,968	2,132	245
total Fortum	431	2,333	3,428	1,526
Comparable operating profit, EUR million				
continuing operations	343	358	1,085	1,070
discontinued operations	82	119	266	229
total Fortum	425	477	1,351	1,299
Profit before taxes, EUR million				
continuing operations	350	374	1,232	1,208
discontinued operations	80	1,968	2,128	240
total Fortum	431	2,341	3,360	1,450
Earnings per share, EUR				
continuing operations	0.33	0.35	1.22	1.20
discontinued operations	0.07	2.18	2.33	0.22
total Fortum	0.40	2.53	3.55	1.42
Net cash from operating activities, EUR million, continuing operations	516	405	1,406	1,517
Shareholders' equity per share, EUR	11.73	13.63	12.23	
Interest-bearing net debt (at end of period), EUR million	3,714	4,838	4,217	
Interest-bearing net debt without Värme financing	3,176	3,765	3,664	

Key financial ratios *	2014	LTM
Return on capital employed, %	19.5	9.0
Net debt/EBITDA	1.1	1.8
Comparable net debt/EBITDA	2.3	2.1
Comparable net debt/EBITDA without Värme financing	2.0	1.8

* Key figure financial ratios are based on total Fortum, including discontinued operations

Summary of outlook

- Fortum continues to expect the annual electricity demand to grow in the Nordic countries on average by approximately 0.5% in the coming years
- Power and Technology segment's Nordic generation hedges: for the rest of the year 2015, approx. 50% hedged at EUR 41 per MWh; and for 2016, approx. 20% hedged at EUR 37 per MWh
- The run-rate operating profit level (EBIT) for the Russia segment, RUB 18.2 billion, is targeted to be reached during 2015. The euro-denominated result level will be volatile, due to the translation effect

Fortum's interim CEO Timo Karttinen

"Fortum's market environment remained weak during the first quarter of 2015. Results declined, mainly due to lower electricity prices and warm weather.

Comparable operating profit totalled EUR 343 million. Cash flow from operating activities was strong and totalled EUR 516 million. This was mainly due to the positive impact of realised foreign exchange differences and changes in working capital.

Looking at the comparable operating profit per segment, Power and Technology's comparable result was burdened by the low electricity system spot-price levels as well as somewhat lower volumes. Heat, Electricity Sales and Solutions' results improved mainly due to lower fuel costs. The Russia segment's comparable result showed improvement due to the new capacity, although the weak rouble, especially at the beginning of the year, clearly had a negative impact on the segment's euro results.

Fortum's binding agreement to sell the Swedish electricity distribution business, signed during the first quarter, was an important step in the company's transformation. This concludes the total sale of the Distribution segment. The Swedish deal is to be finalised in the second quarter of this year and is the biggest in Fortum's history.

After the finalisation of the sale of Distribution, Fortum will be a producer and supplier with strategic focus on clean energy. The company already has a very strong competitive position, whether measured by emissions-free production volumes, expertise, production structure, flexibility of capacity, cost structure, sustainable operations, or occupational safety. About 2/3 of Fortum's production and a significant share of our expertise are based on emissions-free hydro and nuclear power. Supplemented by efficient combined heat and power production, Fortum is well prepared for capturing opportunities in Fortum's current areas as well as in wider integrated European markets.

We continue to develop Fortum in line with our strategy. Discussions and preparations regarding Fortum's and Gazprom Energoholding's possible ownership restructuring of Territorial Generating Company 1 (TGC-1) in Russia continue. We are also pursuing combined heat and power opportunities, and we recently announced that we will build a new multifuel CHP plant in Zabrze, Poland, to be commissioned in 2018.

The divestment of our distribution assets also presented an opportune time to update Fortum's financial targets so that they better describe the future Fortum. The new targets reflect the new business mix and give relevant guidance on Fortum's view of the company's long-term value creation potential and growth strategy.

Finally, I would like to take this opportunity to welcome Fortum's newly appointed President and CEO Pekka Lundmark, who will join the company at the beginning of September."

Fortum's Distribution divestment concluded

In March 2015, Fortum signed a binding agreement to divest its electricity distribution business in Sweden. The agreement is subject to the necessary regulatory approvals as well as customary closing conditions.

The total consideration is approximately SEK 60.6 billion on a debt- and cash-free basis, corresponding to approximately EUR 6.6 billion. Fortum expects to complete the divestment and to book a one-time sales gain of approximately EUR 4.4 billion, corresponding to approximately EUR 5 per share, in its second-quarter 2015 results.

The buyer is a consortium comprising Swedish national pension funds Första AP-Fonden (12.5%) and Tredje AP-Fonden (20.0%), the Swedish mutual insurance and pension savings company Folksam (17.5%) and the international infrastructure investor Borealis Infrastructure Management Inc. (50%).

The transaction concludes the divestment process of Fortum's Distribution segment. The total consideration from divestments in Finland, Sweden and Norway will be approximately EUR 9.3 billion on a debt- and cash-free basis with approximately EUR 6.3 billion non-taxable sales gain booked during 2014 and 2015. The strategic assessment of the future alternatives of Fortum's electricity distribution business was originally made in 2013.

Fortum updated its long-term financial targets

After the divestment of Distribution, Fortum's business has a somewhat higher risk profile, which will correspondingly require a stronger balance sheet in order to maintain financial flexibility. The financial targets continue to reflect the long-term business nature of the company and give relevant guidance on Fortum's view of the company's long-term value creation potential and growth strategy.

The updated long-term financial targets are: Return on capital employed (ROCE) 12% and comparable net debt/EBITDA around 2.5 times.

The previous financial targets were: ROCE 12%, comparable net debt/EBITDA around 3 and return on shareholders' equity (ROE) 14%.

IFRS restatement relating to discontinued operations

After the divestment of the Swedish distribution business, Fortum will not have any distribution operations; therefore, as of the first-quarter 2015 interim financial statements, the Distribution segment will be treated as discontinued operations according to IFRS 5 "Non-current assets held for sale and Discontinued operations". The IFRS standard requires restatement of the 2014 comparative period information for the income statement and cash flow. The restatement is done to the income statement including other comprehensive income, cash flow statement and certain key ratios. In the segment information, the Distribution segment is reclassified as discontinued operations.

Reclassification of discontinued operations does not impact the balance sheet. The assets and liabilities of the Swedish distribution business are classified as assets held for sale in the balance sheet of 31 March 2015.

Financial results discussed in this interim release are for the continuing operations of Fortum Group. The Distribution segment has been reclassified as Discontinued operations in the tables including the comparative period information. Restated information for the interim periods of 2014 can be found in the stock exchange release published on 15 April 2015.

Financial results

January–March 2015

In the first quarter of 2015, sales were EUR 1,040 (1,208) million. Comparable operating profit totalled EUR 343 (358) million and the reported operating profit totalled EUR 350 (366) million. Fortum's operating profit for the period was affected by non-recurring items. Sales gains, IFRS accounting treatment (IAS 39) of derivatives, mainly used for hedging Fortum's power production, as well as nuclear fund adjustments amounted to EUR 7 (8) million (Note 4).

Sales by segment

EUR million	I/15	I/14	2014	LTM
Power and Technology	500	586	2,156	2,070
Heat, Electricity Sales and Solutions	406	446	1,332	1,292
Russia	263	333	1,055	985
Other	29	14	58	73
Netting of Nord Pool transactions	-119	-133	-422	-408
<i>Eliminations</i>	-38	-37	-91	-92
Total continuing operations	1,040	1,208	4,088	3,920
Discontinued operations	180	300	751	631
<i>Eliminations</i>	-20	-35	-89	-74
Total Fortum	1,200	1,473	4,751	4,478

Comparable operating profit by segment

EUR million	I/15	I/14	2014	LTM
Power and Technology	203	251	877	829
Heat, Electricity Sales and Solutions	58	48	104	114
Russia	97	73	161	185
Other	-15	-14	-57	-58
Total continuing operations	343	358	1,085	1,070
Discontinued operations	82	119	266	229
Total Fortum	425	477	1,351	1,299

Operating profit by segment

EUR million	I/15	I/14	2014	LTM
Power and Technology	203	262	855	796
Heat, Electricity Sales and Solutions	64	45	337	356
Russia	98	73	161	186
Other	-15	-14	-58	-59
Total continuing operations	350	366	1,296	1,280
Discontinued operations	81	1,968	2,132	245
Total Fortum	431	2,333	3,428	1,526

The share of profit from associates was EUR 58 (69) million, of which Fortum Värme represents EUR 38 (44) million. The share of profit from Hafslund and TGC-1 are based on the companies' published fourth-quarter 2014 interim reports (Note 13).

The net financial expenses were EUR -57 (-62) million. Net financial expenses include changes in the fair value of financial instruments of EUR -8 (-3) million.

Profit before taxes was EUR 350 (374) million.

Taxes for the period totalled EUR -55 (-62) million. The tax rate according to the income statement was 15.8% (16.6%). The tax rate, excluding the impact of the share of profit from associated companies and joint ventures as well as non-taxable capital gains, was 19.0% (20.5%).

The profit for the period was EUR 295 (312) million. Earnings per share for continuing operations were EUR 0.33 (0.35), of which EUR 0.01 (0.01) per share relates to items affecting comparability. Earnings per share for total Fortum, including the effect from discontinued operations were EUR 0.40 (2.53). Earnings per share for total Fortum in 2014 were impacted by EUR 2.08 per share from the sale of the Finnish electricity distribution business.

Financial position and cash flow

Cash flow

In the first quarter of 2015, total net cash from operating activities increased by EUR 111 million to EUR 516 (405) million, mainly due to the EUR 94 million positive impact of realised foreign exchange differences and of EUR 74 million changes in working capital, which were partly offset by lower EBITDA. Realised foreign exchange gains and losses of EUR 168 (76) million were related to the rollover of foreign exchange contract hedging loans to Fortum's Swedish and Russian subsidiaries. Capital expenditures decreased by EUR 22 million to EUR 101 (123) million. Total net cash used in investing activities was EUR -46 (-74) million. Cash flow before financing activities, i.e. financing, decreased by EUR 2,439 million to EUR 514 (2,953) million including the net impact of

discontinued operations of EUR -2,578 million, mainly arising from the divestment of the Finnish distribution business during the first quarter of 2014.

Assets and capital employed

Total assets increased by EUR 807 million to EUR 22,182 (21,375 at year-end 2014) million. Translation differences increased intangible assets, property, plant and equipment as well as participation in associates and joint ventures by EUR 535 million.

Liquid funds increased by EUR 502 million to EUR 3,268 (2,766 at year-end 2014) million.

Presenting the Swedish distribution business as Assets held for sale impacted the structure of the balance sheet as all assets and liabilities belonging to the operations were presented separately on one line both in assets and liabilities (Note7).

Capital employed for total Fortum was EUR 17,482 (17,918 at year-end 2014) million, a decrease of EUR 436 million.

Equity

Total equity was EUR 10,501 (10,935 at year-end 2014) million, of which equity attributable to owners of the parent company totalled EUR 10,421 (10,864 at year-end 2014) million. The decrease in equity attributable to owners of the parent company totalled EUR 443 million and was mainly from the dividend for 2014, EUR -1,155 million, offset by the net profit of EUR 354 million for the period and translation differences of EUR 386 million.

Financing

Net debt decreased during the first quarter of 2015 by EUR 503 million to EUR 3,714 (4,217 at year-end 2014) million. Net debt without Värme financing was EUR 3,176 million (3,664 at year-end 2014).

At the end of March 2015, the Group's liquid funds totalled EUR 3,268 (2,766 at year-end 2014) million. Liquid funds include cash and bank deposits held by OAO Fortum amounting to EUR 200 (134 at year-end 2014) million. In addition to liquid funds, Fortum had access to approximately EUR 2.2 billion of undrawn committed credit facilities.

The net financial expenses in the first quarter of 2015 were EUR -57 (-62) million. Net financial expenses include changes in the fair value of financial instruments of EUR -8 (-3) million.

Fortum Corporation's long-term credit rating with both S&P and Fitch is A- (negative outlook). In March, S&P put Fortum on Credit Watch negative.

Key figures

For the last twelve months, net debt to EBITDA was 1.8 (1.1 at year-end 2014) and comparable net debt to EBITDA 2.1 (2.3). Fortum is currently financing Fortum Värme, and these loans, EUR 538 (553) million, are presented as interest-bearing loan receivables in Fortum's balance sheet. However, the aim is to refinance the loans during 2015. If these loans are deducted from the net debt, the last-twelve-months comparable net debt to EBITDA is 1.8 (2.0).

Gearing was 35% (39%) and the equity-to-assets ratio 47% (51%). Equity per share was EUR 11.73 (12.23). Return on capital employed totalled 9.0% (19.5%).

Market conditions

Nordic countries

According to preliminary statistics, electricity consumption in the Nordic countries was 110 (110) terawatt-hours (TWh) during the first quarter of 2015. In the beginning of the year, the temperature in the Nordic countries was 2.6 degrees above normal, and 0.2 degrees above the exceptionally mild first quarter of 2014. Both industrial and non-industrial consumption were nearly unchanged from the year-ago period.

At the beginning of 2015, the Nordic water reservoirs were at 80 TWh, 3 TWh below the long-term average and 3 TWh lower than a year earlier. By the beginning of the second quarter, the reservoirs were 1 TWh above the long-term average, but 3 TWh lower than a year before. Precipitation during the first quarter was 9 TWh above average and 8 TWh above last year's level.

In the first quarter of 2015, the average system spot price of electricity in Nord Pool was EUR 28.1 (30.2) per megawatt-hour (MWh). The decline was driven by decreased cost of coal condense (and high precipitation) which typically is the benchmark price in the Nordic market. Prices were also affected by high wind power generation volumes. The intense precipitation early in the quarter caused price volatility. High net exports continued, but also imports from Russia increased. The average area price in Finland was EUR 32.1 (35.2) per MWh, and in Sweden SE3 (Stockholm) EUR 28.6 (30.0) per MWh. The difference in area prices compared to the spot price was mainly due to the fact that Finland continued exporting power to Estonia, while high Swedish hydropower volumes and good availability of the Swedish nuclear power plants kept Swedish area prices close to the system level.

In Germany, the average spot price during the first quarter of 2015 was EUR 32.1 (33.5) per MWh.

The market price of CO₂ emission allowances (EUA) was at approximately EUR 7 per tonne at the beginning of the year as well as at the end of March 2015. Prices were, however, volatile during the quarter, following newsflows on the market stability reserve (MSR). Dialogue on MSR and its potential implementation will continue at least over the current quarter.

Russia

Fortum operates in the Urals and Western Siberia in the Tyumen and Khanty-Mansiysk area, where industrial production is dominated by the oil and gas industries, and in the Chelyabinsk area, which is dominated by the metal industry.

According to preliminary statistics, Russia consumed 276 (277) TWh of electricity during the first quarter of 2015. The corresponding figure in Fortum's operating area in the First price zone (European and Urals part of Russia) was 211 (211) TWh.

In the first quarter of 2015, the average electricity spot price, excluding capacity price, increased by 1% to RUB (Russian rouble) 1,122 (1,116) per MWh in the First price zone.

More detailed information about the market fundamentals is included in the tables at the end of the report (page 51).

European business environment and carbon market

Energy Union

The EU Commission published a policy Communication on the EU Energy Union in February. Although security of supply concerns have been the main driver for the Energy Union initiative, the

Commission is expected to utilise the momentum to strive for a better coordinated and more harmonised energy policy for Europe with a high focus on completion of the internal energy market. The first concrete proposals can be expected during the second half of 2015.

EU power market development

In line with the Energy Union Communication, the Commission has started to prepare a document on the development of the current wholesale power market design. Developing a reference model for capacity mechanisms will be one of the key issues. The Commission has indicated to start investigating the compatibility of national capacity mechanisms with EU legislation. The UK capacity mechanism is the only one approved by the Commission, so far.

EU emissions trading reform

The proposal on the market stability reserve (MSR) of the EU emissions trading system is being negotiated in the trilogue between the European Parliament, the Council and the Commission. The adoption of the legislation is expected during the first half of 2015. The MSR will be followed by the Commission's proposal for the revision of the Emissions Trading Directive.

Heating and cooling strategy

A conference for drafting a Heating and Cooling Strategy for Europe was held in February. The Commission is addressing the sector, due to its large share of final energy consumption and the big potential associated with it in terms of efficiency improvements and emissions reductions, thereby contributing to the EU energy and climate policy targets. Fortum hopes the strategy will promote market-based developments, competition and customer choice in the heating and cooling sectors. The strategy proposal is expected by the end of 2015.

Segment reviews

Power and Technology

Power and Technology consists of Fortum's hydro, nuclear and thermal power generation, Power Solutions with expert services, portfolio management and trading, as well as technology and R&D functions. The segment incorporates two divisions: the Hydro Power and Technology Division and the Nuclear and Thermal Power Division.

EUR million	I/15	I/14	2014	LTM
Sales	500	586	2,156	2,070
- power sales	484	546	2,026	1,964
of which Nordic power sales*	453	500	1,845	1,798
- other sales	16	40	130	106
Operating profit	203	262	855	796
Comparable operating profit	203	251	877	829
Comparable EBITDA	232	282	998	948
Net assets (at period-end)	6,019	6,276	6,001	
Return on net assets, %			13.6	12.9
Comparable return on net assets, %			14.2	13.6
Capital expenditure and gross investments in shares	28	35	198	191
Number of employees	1,350	1,672	1,639	

Power generation by source, TWh	I/15	I/14	2014	LTM
Hydro and wind power, Nordic	6.2	6.4	22.4	22.2
Nuclear power, Nordic	6.3	6.6	23.8	23.5
Thermal power, Nordic	0.1	0.2	0.9	0.8
Total in the Nordic countries	12.6	13.2	47.1	46.5
Thermal power in other countries	0.0	0.3	0.7	0.4
Total	12.6	13.5	47.9	47.0

Nordic sales volumes, TWh	I/15	I/14	2014	LTM
Nordic sales volume	13.2	13.6	48.6	48.2
of which Nordic power sales volume*	12.0	12.6	44.6	44.0

* The Nordic power sales income and volume does not include thermal generation, market price-related purchases or minorities (i.e. Meri-Pori, Inkoo and imports from Russia).

Sales price, EUR/MWh	I/15	I/14	2014	LTM
Power and Technology's Nordic power price**	37.7	39.7	41.4	40.8

** Power and Technology's Nordic power price does not include sales income from thermal generation, market price-related purchases or minorities (i.e. Meri-Pori, Inkoo and imports from Russia).

January–March 2015

In the first quarter of 2015, the Power and Technology segment's comparable operating profit was EUR 203 (251) million, i.e. EUR 48 million lower than in the corresponding period in 2014. The achieved power price was lower than in the corresponding period in 2014. In addition, hydro volumes were lower due to later spring floods than in 2014. Nuclear volumes were impacted by several small unplanned outages in Fortum's co-owned nuclear power plants.

Operating profit, EUR 203 (262) million, was affected by sales gains totalling EUR 3 (1) million and by the IFRS accounting treatment (IAS 39) of derivatives, mainly used for hedging Fortum's power production, and by nuclear fund adjustments amounting to EUR -3 (10) million (Note 4).

Power and Technology's achieved Nordic power price was EUR 37.7 (39.7) per MWh, EUR 2.0 per MWh lower than in the corresponding period in 2014. The system and all area prices were lower during the first quarter of 2015 compared to the same period in 2014. The average system spot price of electricity in Nord Pool was EUR 28.1 (30.2) per MWh. The average area price in Finland was EUR 32.1 (35.2) per MWh and in Sweden SE3 (Stockholm) EUR 28.6 (30.0) per MWh.

The segment's total power generation in the Nordic countries was 12.6 (13.2) TWh. Thermal production totalled 0.1 (0.2) TWh. CO₂-free production amounted to 99% (96%).

Heat, Electricity Sales and Solutions

Heat, Electricity Sales and Solutions consists of combined heat and power (CHP) production as well as heat and electricity sales and development of customer-oriented solutions. The business operations are located in the Nordics, the Baltic countries, Poland and India. The segment also includes Fortum's 50% holding in Fortum Värme, which is a joint venture and is accounted for using the equity method.

EUR million	I/15	I/14	2014	LTM
Sales	406	446	1,332	1,292
- heat sales	161	164	430	427
- power sales	230	257	783	756
- other sales	15	25	119	109
Operating profit	64	45	337	356
Comparable operating profit	58	48	104	114
of which Electricity Sales	12	9	48	51
Comparable EBITDA	82	74	204	212
Net assets (at period-end)	2,164	2,365	2,112	
Return on net assets, %			19.1	19.6
Comparable return on net assets, %			8.7	8.6
Capital expenditure and gross investments in shares	12	13	124	123
Number of employees	1,434	1,960	1,807	

January–March 2015

In the first quarter of 2015, heat sales volumes of the Heat, Electricity Sales and Solutions segment amounted to 3.2 (3.3) TWh. During the same period, power sales volumes from CHP production totalled 0.9 (1.0) TWh.

Comparable operating profit was EUR 58 (48) million. The main drivers for the improvement were lower fuel costs and higher heat prices during the period. In retail electricity the customer base continued to grow and the sales margin improved.

Operating profit totalled EUR 64 (45) million and was affected by sales gains totalling EUR 3 (1) million and an IFRS accounting treatment (IAS 39) (Note 4).

Heat sales by country, TWh	I/15	I/14	2014	LTM
Finland	1.2	1.2	3.2	3.2
Poland	1.5	1.5	3.4	3.4
Other countries	0.5	0.6	1.3	1.2
Total	3.2	3.3	7.9	7.8

Power sales, TWh	I/15	I/14	2014	LTM
CHP	0.9	1.0	2.8	2.7
Electricity Sales	4.4	4.4	13.8	13.8
Total	5.2	5.4	16.5	16.3

Russia

The Russia segment consists of power and heat generation and sales in Russia. The segment also includes Fortum's over 29% holding in TGC-1, which is an associated company and is accounted for using the equity method.

EUR million	I/15	I/14	2014	LTM
Sales	263	333	1,055	985
- power sales	183	218	758	723
- heat sales	80	112	285	253
- other sales	0	3	11	8
Operating profit	98	73	161	186
Comparable operating profit	97	73	161	185
Comparable EBITDA	94	113	304	285
Net assets (at period-end)	3,104	3,619	2,597	
Return on net assets, %			5.6	6.5
Comparable return on net assets, %			5.6	6.5
Capital expenditure and gross investments in shares	45	59	367	353
Number of employees	4,198	4,169	4,213	

The liberalisation of the Russian wholesale power market was completed in the beginning of 2011. However, all generating companies continue to sell a part of their electricity and capacity – an amount equalling the consumption of households and a few special groups of consumers – under regulated prices. During January-March 2015, Fortum sold approximately 83% of its power production in Russia at a liberalised electricity price.

The capacity selection for generation built prior to 2008 (CCS – “old capacity”) for 2015 was held in September 2014. All of Fortum's capacity was allowed to participate in the selection for 2015, and the majority of Fortum's plants were also selected. The volume of Fortum's installed capacity not selected in the auction totalled 195 MW (approximately 7% of Fortum's total old capacity in Russia) for which Fortum has obtained forced mode status, i.e. will get payments for the capacity.

The generation capacity built after 2007 under the Russian Government's capacity supply agreements (CSA – “new capacity”) receives guaranteed payments for a period of 10 years. The period and the prices for capacity under CSA were defined to ensure a sufficient return on investments. At the time of the acquisition in 2008, Fortum made a provision, as penalty clauses are included in the CSA agreement in case of possible delays. If the new capacity is delayed or if the agreed major terms of the capacity supply agreement are not otherwise fulfilled, possible penalties can be claimed. The effect of changes in the timing of commissioning of new units is assessed at each balance sheet date and the provision is changed accordingly (Note 17).

Received capacity payments differ depending on the age, location, type and size of the plant as well as seasonality and availability. The CSA payments can also vary somewhat annually because they are linked to the Russian Government long-term bonds with 8 to 10 years maturity. In addition, the regulator will review the guaranteed CSA payments by re-examining earnings from the electricity-only market three and six years after the commissioning of a unit and could revise the CSA payments accordingly.

In February 2015, the System Administrator of the wholesale market published data on the weighted average cost of capital (WACC) and the consumer price index (CPI) for the year of 2014, which is used to calculate the sales price on CSA in 2015. The CSA payments were revised upwards accordingly to reflect the higher bond rates.

January–March 2015

In the first quarter of 2015, the Russia segment's power sales volumes amounted to 8.4 (7.1) TWh. Heat sales totalled 9.5 (9.7) TWh during the same period.

The Russia segment's comparable operating profit was EUR 97 (73) million. The positive effect from the new units receiving CSA payments amounted to approximately EUR 85 (49) million, including EUR 29 (0) million of CSA provision release and EUR -41 (-9) million due to the weaker rouble. Lower heat volumes, due to warm weather, and bad debt provisions for heat trade receivables impacted the result negatively. Overall, the weakened Russian rouble affected the Russian result negatively by EUR 47 (14) million.

Operating profit was EUR 98 (73) million.

The third unit of Fortum's Nyagan power plant started commercial operation at the end of 2014 and started receiving capacity payments under the Russian Government's capacity supply agreement for 418 megawatts (MW) as of 1 January 2015.

Key electricity, capacity and gas prices for Fortum Russia	I/15	I/14	2014	LTM
Electricity spot price (market price), Urals hub, RUB/MWh	1,051	1,018	1,089	1,097
Average regulated gas price, Urals region, RUB/1000 m3	3,362	3,362	3,362	3,362
Average capacity price for CCS "old capacity", tRUB/MW/month*	163	183	167	162
Average capacity price for CSA "new capacity", tRUB/MW/month*	715	609	552	589
Average capacity price, tRUB/MW/month	394	335	304	321
Achieved power price for OAO Fortum, EUR/MWh	26.0	30.7	30.4	29.0

*Capacity prices paid for the capacity volumes, excluding unplanned outages, repairs and own consumption

Discontinued operations (Distribution)

EUR million	I/15	I/14	2014	LTM
Sales	180	300	751	631
- distribution network transmission	152	241	590	501
- regional network transmission	24	46	120	98
- other sales	4	14	41	31
Operating profit	81	1,968	2,132	245
Comparable operating profit	82	119	266	229
Comparable EBITDA	112	171	416	357
Net assets (at period-end)	2,634	2,872	2,615	
Return on net assets, %			73.6	9.1
Comparable return on net assets, %			9.3	8.5
Capital expenditure and gross investments in shares	20	25	147	142
Number of employees	401	466	390	

The table above includes January-March 2014 results for the Finnish Distribution business, January-May 2014 results for the Norwegian Distribution business and full-year 2014 results for the Swedish Distribution business.

January–March 2015

In March 2015, Fortum signed a binding agreement to divest its electricity distribution business in Sweden. The transaction is expected to be completed during the second quarter of 2015.

In the first quarter of 2015, the Swedish electricity distribution and regional network transmission volume totalled 4.2 (4.2) TWh and 3.7 (3.8) TWh, respectively.

The comparable operating profit from the discontinued operations was EUR 82 (119) million, and operating profit totalled EUR 81 (1,968) million.

Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares, for continuing operations, totalled EUR 87 (111) million in the first quarter of 2015. Investments, excluding acquisitions, were EUR 85 (110) million (Note 4).

Fortum expects to start the supply of power and heat from new power plants and to upgrade existing plants as follows:

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts
Power and Technology				
Hydro refurbishment	Hydro	12		2015
Loviisa 1 refurbishment	Nuclear	6		2H 2015
Russia*				
Chelyabinsk 1	Gas (CCGT)	248	175	2H 2015
Chelyabinsk 2	Gas (CCGT)	248	175	2H 2015

* Start of commercial operation.

Power and Technology

Through its interest in Teollisuuden Voima Oyj (TVO), Fortum is participating in the building of Olkiluoto 3 (OL3), a 1,600-MW nuclear power plant unit in Finland. The start of commercial electricity production of the plant is expected to take place in late 2018, according to the plant supplier AREVA-Siemens Consortium. TVO has withdrawn a EUR 200 million shareholder loan from the total EUR 600 million commitment. Fortum's share of the EUR 200 million withdrawal is approximately EUR 50 million. Fortum's remaining commitment for OL3 is EUR 100 million (Note 14).

Heat, Electricity Sales and Solutions

Through Fortum's interests in Fortum Värme, Fortum's joint venture with the City of Stockholm, the company is investing in a new biofuel CHP plant in Värtan, Stockholm, Sweden. The new CHP plant will replace some of the existing heat production, and it is planned to be commissioned in 2016. The new plant will have a production capacity of 280 MW heat and 130 MW electricity.

In addition, Fortum is participating in its joint venture Turun Seudun Energiantuotanto Oy's (TSE) new CHP plant in Naantali, Finland, which will replace the old existing plant. The plan is to

commission the new power plant in 2017. The plant's production capacity will be 244 MW heat and 142 MW electricity.

In March 2015, Fortum decided to build a new multifuel CHP plant in Zabrze, Poland. The total value of the investment is approximately EUR 200 million. The new plant is planned to start commercial operation by the end of 2018, providing district heating to some 70,000 households in Zabrze and Bytom.

Shares and share capital

Fortum Corporation is listed on the Nasdaq Helsinki. During the first quarter of 2015, a total of 133.8 (130.6) million Fortum Corporation shares, totalling EUR 2,607 million, were traded. The highest quotation of Fortum Corporation shares during the reporting period was EUR 21.59, the lowest EUR 16.83, and the volume-weighted average EUR 19.47. The closing quotation on the last trading day of the first quarter was EUR 19.56 (16.50). Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the review period, was approximately EUR 17,376 million.

In addition to the Nasdaq Helsinki, Fortum shares were traded on several alternative market places, for example Boat, BATS Chi-X and Turquoise, and on the OTC market. During the first quarter of 2015, approximately 60% of Fortum's shares were traded on markets other than the Nasdaq Helsinki.

On 31 March 2015, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 888,367,045. Fortum Corporation did not own its own shares. The number of registered shareholders was 113,231. The Finnish State's holding in Fortum was 50.8%, and the proportion of nominee registrations and direct foreign shareholders was 29.5% at the end of the review period.

Fortum Corporation received on 25 March 2015 an announcement under Chapter 9 Section 5 of the Securities Markets Act, according to which Capital Group Companies Inc's ("CGC") holding in Fortum was below the threshold of 5 per cent on 18 March 2015.

The Board of Directors has no unused authorisations from the Annual General Meeting of Shareholders to issue convertible loans or bonds with warrants or to issue new shares.

Group personnel

Fortum's operations are mainly based in the Nordic countries, Russia and the Baltic Rim area. The total number of employees at the end of March was 8,378 (8,592 at the end of 2014).

At the end of March 2015, Power and Technology had 1,350 (1,639) employees; Heat, Electricity Sales and Solutions 1,434 (1,807); Russia 4,198 (4,213); Other 995 (543); and Discontinued operations 401 (390).

In the beginning of 2015, Fortum centralised the IT and customer service functions. As a result of the centralisation a total of 464 employees transferred from Heat, Electricity Sales and Solutions and Power and Technology segments to Other.

Research and development

Sustainability is at the core of Fortum's strategy and, alongside Fortum's current businesses, the company is carefully exploring and developing new sources of growth within renewable energy production. Fortum is particularly interested in developing environmentally-benign energy solutions (CO₂-free) and new CHP concepts, such as pyrolysis. The company is also researching and developing its solar energy competences and is also involved in wave power pilot projects. In addition, Fortum is developing new customer solutions in electricity and heat for better user experience and demand-response services.

In January, Fortum launched a greenfield solar PV plant Kapeli, in Madhya Pradesh, India. This solar plant is Fortum's second solar energy project in the country. The 10-MW solar plant will offset more than 18,000 tonnes of CO₂ emissions equivalent annually.

The Group reports its R&D expenditure on a yearly basis. In 2014, Fortum's R&D expenditure was EUR 41 (49) million or 0.9% (0.9%) of sales.

Sustainability

Fortum strives for balanced management of economic, social and environmental responsibility in the company's operations. Fortum's sustainability targets consist of Group-level key indicators and division-level indicators.

The Group-level sustainability targets emphasise Fortum's role in society and measure not only environmental and safety targets, but also Fortum's reputation, customer satisfaction, and the security of supply of power and heat. At the beginning of 2015, Group-level target setting was changed by taking the energy savings yielded by energy-efficiency measures as an indicator in energy efficiency, and total recordable injury frequency (TRIF) as an indicator in occupational safety for Fortum employees. Moreover, a new target of reducing serious injuries by 50% as compared to 2014 was added to Group-level target setting.

The achievement of the sustainability targets is monitored in the monthly, quarterly and annual reporting. Sustainability target-setting and follow-up as well as the approval of Fortum's Sustainability policy and the review of Fortum's Sustainability Report are included in the working order of the Board of Directors. Complete data on Fortum's sustainability performance in 2014 was published as part of the online Annual Report in March 2015.

The company is listed on STOXX Global ESG Leaders, Nasdaq Helsinki, OMX GES Sustainability Finland and ECPI® indices. Fortum is also included in the Carbon Disclosure Project's Nordic Climate Index and has received Prime Status (B-) rating by the German oekom research AG.

Fortum's sustainability targets and performance¹

Targets		I/15	2014	Five-year average
Specific CO ₂ emissions from power generation in the EU as a five-year average, g/kWh	< 80	27	39	57
Specific CO ₂ emissions from total energy production (electricity and heat) as a five-year average, g/kWh	< 200	188	189	197
Number of major EHS incidents ²	≤ 27	2	27	-
Energy availability of CHP plants, %	> 95	97.4	94.7	-

Total recordable injury frequency (TRIF) for own personnel ²	≤ 2.5	2.0	2.0	-
Lost workday injury frequency (LWIF) for contractors ²	≤ 3.2	2.6	3.2	-
Number of serious accidents ²	≤ 8	5	15	

¹ Targets for reputation, customer satisfaction and energy efficiency are monitored annually.

² Includes the impact from the Distribution divestment

Economic responsibility

In the area of economic responsibility, the focus is on competitiveness, performance excellence and market-driven production. The aim is to create long-term economic value and enable profitable growth and added value for shareholders, customers, employees, suppliers, and other key stakeholders in the company's operating areas. Fortum's goal is to achieve excellent financial performance in strategically selected core areas through strong competence and responsible ways of operating. Fortum updated its long-term financial targets in March 2015, and measures financial success with return on capital employed (target: 12%) and capital structure (target: net debt/EBITDA around 2.5). In addition, as of January 1, 2014, Fortum has used the applicable Global Reporting Initiative (GRI) G4 indicators for reporting economic responsibility.

Environmental responsibility

Fortum's environmental responsibility emphasises mitigation of climate change, efficient use of resources as well as management of the impacts of its energy production and supply chain. The company's know-how in carbon-free hydro and nuclear power production and in energy-efficient CHP production is highlighted in environmental responsibility. Fortum's Group-level environmental targets are related to CO₂ emissions, energy efficiency as well as major environmental, health and safety (EHS) incidents. At the end of March 2015, ISO 14001 certification covered 100% of Fortum's power and heat production and distribution operations worldwide.

Fortum's climate targets over the next five years are: specific CO₂ emissions from power generation in the EU below 80 grams per kilowatt-hour (g/kWh) and total specific CO₂ emissions from both electricity and heat production in all countries below 200 g/kWh. Both targets are calculated as a five-year average. At the end of March 2015, the five-year average for specific CO₂ emissions from power generation in the EU was at 57 (59) g/kWh and the total specific CO₂ emissions from energy production was at 197(197) g/kWh, both better than the target level.

Fortum's total CO₂ emissions in the first quarter of 2015 amounted to 6.0 (6.0) million tonnes (Mt), of which 0.8 (1.1) Mt were within the EU's emissions trading scheme (ETS). Since 2013, electricity production has not received free allowances in the EU ETS. The amount of free allowances for heat will gradually decrease during 2013-2020 as well. Fortum's free allowances in 2014 totalled 1.4 Mt and the estimate for 2015 is 1.3 Mt.

Fortum's total CO ₂ emissions (million tonnes, Mt)	I/15	I/14	2014	LTM
Total emissions	6.0	6.0	20.2	20.4
Emissions subject to ETS	0.8	1.1	3.6	3.3
Free emissions allocation			1.4	
Emissions in Russia	5.2	4.9	16.6	17.0

By 2020, Fortum's target is to improve energy efficiency of the existing power plants and heat distribution networks by over 1,400 GWh annually, as compared with 2012. At the end of 2014, about 680 GWh of this target was achieved. In January 2015, a heat pump facility was inaugurated at the Suomenoja power plant in Finland. Heat pumps will transfer heat energy from the waste waters of the city of Espoo to the district heat network in Espoo. The annual energy savings is estimated to be 200 GWh. In India, Fortum inaugurated the Kapeli solar power plant, which will produce about 20 GWh of renewable power annually.

Fortum's target is for fewer than 27 major EHS incidents annually. In January-March 2015, 2 (10) major EHS incidents took place in Fortum's operations, one explosion and one leak of district heat water into the environment. These incidents did not have significant environmental or financial impacts.

Social responsibility

In the area of social responsibility, Fortum's innovations and the secure supply of low-CO₂ power and heat support the development of the society and increase well-being. Good corporate citizenship, reliable energy supply and ensuring a safe working environment for all employees and contractors at Fortum sites are emphasised. At the end of March 2015, OHSAS 18001 certification covered 75% of Fortum's power and heat production and distribution operations worldwide.

In the first quarter of 2015, the average energy availability of Fortum's CHP plants was 97% (98%), which is clearly above the annual target level of 95%.

At the end of March 2015, the total recordable injury frequency (TRIF) for Fortum employees was 2.0 (1.3). This complies with the Group-level frequency target of less than 2.5 per million working hours for own personnel. The lost-workday injury frequency for contractors was 2.6 (3.9). The number of serious occupational accidents was 5, which is still too many. Implementation of the agreed actions to improve contractor safety continues with a specific focus on construction projects. Fortum's categorical target is to avoid serious injuries.

Fortum expects its business partners to act responsibly and to comply with the Fortum Code of Conduct and the Fortum Supplier Code of Conduct. Fortum assesses the performance of its business partners with supplier pre-selection and supplier audits. The target is to audit 15 suppliers based on risk and materiality assessments during 2015.

Changes in Fortum's Management

Tapio Kuula, President and CEO, retired starting 1 February 2015. Tapio Kuula had been the President and CEO of Fortum Corporation since 2009.

On 2 April 2015, Pekka Lundmark, M.Sc. (Eng.), 51, was appointed President and CEO of Fortum Corporation. He is transferring from Konecranes Plc, where he has been President and CEO for the past ten years. Mr. Lundmark will start at Fortum at the beginning of September 2015.

Until the commencement of Mr. Lundmark as President and CEO, CFO Timo Karttinen will also act as interim President and CEO of Fortum.

Annual General Meeting 2015

Fortum Corporation's Annual General Meeting, which was held in Helsinki on 31 March 2015, adopted the financial statements of the parent company and the Group for the financial period 1 January 31 December 2014 and discharged the members of Fortum's Board of Directors as well as the President and CEO and his deputy from liability for the year 2014.

The Annual General Meeting decided to pay a dividend of EUR 1.10 per share and an extra dividend of EUR 0.20 per share, i.e. a total amount of EUR 1.30 per share for the financial year that ended 31 December 2014. The record date for the dividend payment was 2 April 2015, and the dividend payment date was 14 April 2015.

The Annual General Meeting confirmed the number of members in the Board of Directors to be eight. Ms Sari Baldauf was re-elected as Chairman, Mr Kim Ignatius was elected as Deputy Chairman, Ms Minoo Akhtarzand, Mr Heinz-Werner Binzel, Mr Petteri Taalas and Mr Jyrki Talvitie were re-elected as members, and Ms Eva Hamilton and Mr Tapio Kuula were elected as new members.

The Annual General Meeting confirmed the remuneration of EUR 75,000 per year to the Chairman, EUR 57,000 per year to the Deputy Chairman and EUR 40,000 per year to each member of the Board, as well as EUR 57,000 per year to the Board member acting as the Chairman of the Audit and Risk Committee if he or she is not at the same time acting as Chairman or Deputy Chairman of the Board. In addition, a EUR 600 meeting fee is paid for Board meetings as well as for committee meetings. The meeting fee is doubled for Board members who live outside Finland in Europe and tripled for members living outside Europe. For Board members living in Finland, the proposed fee for each Board and Board Committee meeting will be doubled for meetings held outside Finland, and tripled for meetings outside Europe. For Board and Committee meetings held as a telephone conference, the proposed fee will be paid as single to all members. No fee will be paid for decisions made without a separate meeting.

In addition, Authorised Public Accountant Deloitte & Touche Ltd was re-elected as auditor, and the auditor's fee is paid pursuant to an invoice approved by the company.

After the Annual General Meeting, Fortum's Board of Directors elected from among its members to the Nomination and Remuneration Committee Sari Baldauf as Chairman and Eva Hamilton, Tapio Kuula, and Petteri Taalas as members.

Furthermore, the Board elected to the Audit and Risk Committee Kim Ignatius as Chairman and Minoo Akhtarzand, Heinz-Werner Binzel and Jyrki Talvitie as members.

Outlook

Key drivers and risks

Fortum's financial results are exposed to a number of economic, strategic, political, financial and operational risks. One of the key factors influencing Fortum's business performance is the wholesale price of electricity in the Nordic region. The key drivers behind the wholesale price development in the Nordic region are the supply-demand balance, prices of fuel and CO₂ emissions allowances as well as the hydrological situation. The completion of Fortum's investment programme in Russia is also one key driver to the company's result growth, due to the increase in production volumes and CSA payments.

The continued global economic uncertainty and Europe's sovereign-debt crisis has kept the outlook for economic growth unpredictable. The overall economic uncertainty impacts commodity and CO₂ emissions allowance prices, and this could maintain downward pressure on the Nordic wholesale price for electricity. In Fortum's Russian business, the key factors are economic growth, the rouble exchange rate, the regulation around the heat business, and further development of electricity and capacity markets. Operational risks related to the investment projects in the current investment programme are still valid. In all regions, fuel prices and power plant availability also impact profitability. In addition, increased volatility in exchange rates due to financial turbulence could have both translation and transaction effects on Fortum's financials, especially through the Russian rouble (RUB) and Swedish krona (SEK). In the Nordic countries, also the regulatory and fiscal environment for the energy sector has added risks for utility companies.

Nordic market

Despite macroeconomic uncertainty, electricity is expected to continue to gain a higher share of the total energy consumption. Fortum continues to expect the annual growth rate in electricity consumption to be on average approximately 0.5%, while the growth rate for the next few years will largely be determined by macroeconomic development in Europe and especially in the Nordic countries.

During the first quarter of 2015, the price of European Union emissions allowances (EUA) appreciated, whereas oil and coal prices declined. The price of electricity for the upcoming twelve months declined in the Nordic area as well as in Germany.

In late April 2015, the future quotation for coal (ICE Rotterdam) for the rest of 2015 was around USD 58 per tonne, and the price for CO₂ emission allowances for 2015 was about EUR 7 per tonne. The electricity forward price in Nasdaq Commodities for the rest of 2015 was around EUR 25 per MWh and for 2016 around EUR 28 per MWh. In Germany, the electricity forward price for the rest of 2015 was around EUR 32 per MWh and for 2016 around EUR 32 per MWh. Nordic water reservoirs were about 1 TWh above the long-term average and 3 TWh below the corresponding level of 2014.

Power and Technology

The Power and Technology segment's Nordic power price typically depends on factors such as hedge ratios, hedge prices, spot prices, availability and utilisation of Fortum's flexible production portfolio, and currency fluctuations. Excluding the potential effects from changes in the power generation mix, a 1 EUR/MWh change in the Power and Technology segment's Nordic power sales (achieved) price will result in an approximately EUR 45 million change in Fortum's annual comparable operating profit. In addition, the comparable operating profit of the Power and Technology segment will be affected by the possible thermal power generation volumes and its profits.

The ongoing, multi-year Swedish nuclear investment programmes are expected to enhance safety, improve long-term availability and increase the capacity of the current nuclear fleet. The implementation of the investment programmes could, however, affect availability. Fortum's power procurement costs from co-owned nuclear companies are affected by these investment programmes through increased depreciation and finance costs of associated companies.

As a result of the nuclear stress tests in the EU, the Swedish nuclear safety authority (SSM) has decided to propose new regulations for Swedish nuclear reactors. The process is ongoing. Fortum emphasises that maintaining a high level of nuclear safety is the highest priority, but considers EU-level harmonisation of nuclear safety requirements to be of utmost importance.

In 2014, the Swedish Government decided to increase the nuclear waste fund fee from approximately 0.022 to approximately 0.04 SEK/kWh for the period 2015 to 2017. The estimated impact on Fortum will be approximately EUR 25 million annually. The process to review the Swedish nuclear waste fees is done in a three-year cycle.

In March 2015, the Swedish Government decided to re-propose an increase of 17% on the tax on installed nuclear capacity to the spring budget.

Provided that Fortum obtained a more than 75% ownership in TGC-1 hydro assets, Fortum would be ready to participate with a minority stake (max. 15%) in the Finnish Fennovoima nuclear power project on the same terms and conditions as the other Finnish companies currently participating in the project.

Russia

The generation capacity built after 2007 under the Russian Government's capacity supply agreements (CSA – “new capacity”) receives guaranteed capacity payments for a period of 10

years. Prices for capacity under CSA are defined in order to ensure a sufficient return on investments. A regulation draft concerning the prolonging of CSA payments from 10 to 15 years has been submitted to the Russian Government, and the decision is anticipated during 2015. A prolonged period is expected to have a neutral net present value impact.

The capacity selection for generation built prior to 2008 (CCS – “old capacity”) for 2015 was held in September 2014. All of Fortum’s capacity was allowed to participate in the selection for 2015, and the majority of Fortum’s plants were also selected. The volume of Fortum’s installed capacity not selected in the auction totalled 195 MW (approximately 7% of Fortum’s total old capacity in Russia) for which Fortum has obtained forced mode status, i.e. will get payments for the capacity.

The Russia segment's new capacity will be a key driver for earnings growth in Russia, as it is expected to bring income from new volumes sold and to also receive considerably higher capacity payments than the old capacity. The received capacity payment will differ depending on the age, location, size and type of the plants as well as on seasonality and availability. The return on the new capacity is guaranteed, as regulated in the CSA. CSA payments can vary somewhat annually because they are linked to Russian Government long-term bonds with 8 to 10 years maturity. In addition, the regulator will review the earnings from the electricity-only market three years and six years after the commissioning of a unit and could revise the CSA payments accordingly.

In February 2015, the System Administrator of the wholesale market published data on the weighted average cost of capital (WACC) and the consumer price index (CPI) for the year of 2014, which is used to calculate the sales price on CSA in 2015. The CSA payments were revised upwards accordingly to reflect the higher bond rates.

The new units in Chelyabinsk are estimated to be delayed by some months. The value of the remaining part of the investment programme calculated at the exchange rates prevailing at the end of March 2015, is estimated to be approximately EUR 0.2 billion, as of April 2015.

The Russian result is impacted by seasonal volatility caused by the nature of the heat business, with the first and last quarter being clearly the strongest.

The run-rate operating profit (EBIT) level of RUB 18.2 billion in the Russia segment is targeted to be reached during 2015 after finalising the ongoing investment programme. The segment’s profits are mainly impacted by changes in power demand, gas prices and other regulatory development. Fortum is keeping its rouble-denominated target intact, but, mainly due to the translation effect, the euro-denominated result level will be volatile. The income statements of non-euro subsidiaries are translated into the Group reporting currency using the average exchange rates.

In 2014, the new heat market model roadmap proposed by the Ministry of Energy was approved by the Russian Government; the reform should give heat market liberalisation by 2020 or, in some specific areas, by 2023.

As forecasted by the Russian Ministry of Economic Development, Russian gas price growth is estimated to be 3.5% in 2015.

Restructuring of TGC-1 according to strategy in Russia

In December 2014, Fortum and Gazprom Energoholding signed a protocol to start a restructuring process of their ownership of TGC-1 in Russia. Discussions and preparations have continued during the first quarter of 2015.

TGC-1 owns and operates hydro and thermal power plants in north-western Russia as well as heat distribution networks in St. Petersburg. Currently, Gazprom Energoholding owns 51.8% of the TGC-1 shares and Fortum owns 29.5%. As part of the restructuring, Fortum would establish a company together with Rosatom to own the hydro assets of TGC-1, while Gazprom Energoholding would continue with the heat and thermal power businesses of TGC-1. By utilising its present stake in TGC-1, Fortum would obtain a more than 75% ownership in the hydro power company. Rosatom would have a less than 25% minority holding in the hydro power company. The company would be consolidated to Fortum Group as a subsidiary.

Capital expenditure and divestments

Fortum currently expects its capital expenditure in 2015 to be approximately EUR 0.8 billion, excluding potential acquisitions and excluding the Distribution segment. The annual maintenance capital expenditure (excluding the Distribution segment) is estimated to be about EUR 300-350 million in 2015, below the level of depreciation.

During 2015, Fortum will gradually decrease its financing to Fortum Värme, the CHP joint venture with the City of Stockholm, operating in the capital area in Sweden. At the end of March 2015, Fortum Värme's remaining interest-bearing liability to Fortum was approximately EUR 0.5 billion.

Taxation

The effective corporate income tax rate for Fortum in 2015 is estimated to be 19–21%, excluding the impact of the share of profits of associated companies and joint ventures, non-taxable capital gains and non-recurring items.

In August 2014, the Finnish Board of Adjustment of the Large Taxpayers' Office approved Fortum Corporation's appeal of the income tax assessment imposed on Fortum for the year 2007 in December 2013. The Tax Recipients' Legal Services Unit appealed the matter (Note 22). In December 2014, Fortum received a non-taxation decision regarding its financing companies for the remaining years 2008–2011, based on the same audit. This is in line with the Supreme Administrative Court's (SAC) precedent decision. The Tax Recipients' Legal Services Unit has appealed the decisions in February 2015 and the cases for years 2008–2011 are now pending the Board of Adjustment of the Large Taxpayers' Office decision. In line with the 2007 case, Fortum considers the claims unjustifiable.

In March 2015, the Swedish Government decided to re-propose an increase of 17% on the tax on installed nuclear capacity to the spring budget. The budget proposal was presented to the Parliament on 15 April, and the voting on the budget will take place at the end of May or in the beginning of June. The implementation is proposed as of 1 August 2015. Fortum's position is that the tax issue should be referred to the upcoming parliamentary energy commission in order to get a broadly established view on how the needs of energy and effect can be resolved. If implemented, the estimated impact on Fortum would be approximately EUR 15 million annually, albeit tax-deductable.

Hedging

At the end of March 2015, approximately 50% of Power and Technology's estimated Nordic power sales volume was hedged at approximately EUR 41 per MWh for the rest of the year 2015. The corresponding figures for the calendar year 2016 were approximately 20% at approximately EUR 37 per MWh.

The hedge price for Power and Technology segment's Nordic generation excludes hedging of the condensing power margin. In addition, the hedge ratio excludes the financial hedges and physical volume of Fortum's coal-condensing generation as well as the segment's imports from Russia.

The reported hedge ratios may vary significantly, depending on Fortum's actions on the electricity derivatives markets. Hedges are mainly financial contracts, most of them Nasdaq Commodities forwards.

Dividend payment

The Annual General Meeting decided to pay a dividend of EUR 1.10 per share and an extra dividend of EUR 0.20 per share, i.e. a total amount of EUR 1.30 per share for the financial year that ended 31 December 2014.

The record date for the dividend was 2 April 2015, and the dividend payment date was 14 April 2015.

*Espoo, 28 April 2015
Fortum Corporation
Board of Directors*

*Further information:
Timo Karttinen, CFO, Interim President and CEO, tel. +358 10 453 6555*

Fortum's Investor Relations, Sophie Jolly, tel. +358 10 453 2552, Rauno Tiihonen, tel. +358 10 453 6150, Marja Mäkinen +358 10 452 3338 and investors@fortum.com

The condensed interim report has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The interim financials have not been audited.

Publication of financial results in 2015
- January-June on 17 July 2015 at approximately 9:00 EEST
- January-September on 22 October 2015 at approximately 9:00 EEST

Distribution:
Nasdaq Helsinki
Key media
www.fortum.com

More information, including detailed quarterly information, is available on Fortum's website at www.fortum.com/investors.

Condensed consolidated income statement

EUR million	Note	Q1 2015	Q1 2014 restated*	2014 restated*	Last twelve months
Continuing operations:					
Sales	4	1,040	1,208	4,088	3,920
Other income		8	6	60	62
Materials and services		-433	-551	-1,825	-1,707
Employee benefits		-83	-97	-369	-355
Depreciation, amortisation and impairment charges	4,11,12	-83	-97	-377	-363
Other expenses		-105	-110	-492	-487
Comparable operating profit	4	343	358	1,085	1,070
Items affecting comparability		7	8	211	210
Operating profit	4	350	366	1,296	1,280
Share of profit/loss of associates and joint ventures	4, 13	58	69	146	135
Interest expense		-53	-68	-249	-234
Interest income		14	19	84	79
Fair value gains and losses on financial instruments		-8	-3	-5	-10
Other financial expenses - net		-10	-11	-40	-39
Finance costs - net		-57	-62	-210	-205
Profit before income tax		350	374	1,232	1,208
Income tax expense	9	-55	-62	-143	-136
Profit for the period from continuing operations		295	312	1,089	1,072
Discontinued operations:					
Profit for the period from discontinued operations	6	63	1,943	2,073	193
Profit for the period		358	2,255	3,161	1,264
Attributable to:					
Owners of the parent		354	2,251	3,154	1,257
Non-controlling interests		4	4	7	7
		358	2,255	3,161	1,264
Earnings per share for profit from total Fortum attributable to the equity owners of the company during the year (in € per share)					
Basic		0.40	2.53	3.55	1.42
Diluted		0.40	2.53	3.55	1.42
Earnings per share for profit from continuing operations attributable to the equity owners of the company during the year (in € per share)					
Basic		0.33	0.35	1.22	1.20
Diluted		0.33	0.35	1.22	1.20
Earnings per share for profit from discontinued operations attributable to the equity owners of the company during the year (in € per share)					
Basic		0.07	2.18	2.33	0.22
Diluted		0.07	2.18	2.33	0.22

EUR million	Q1 2015	Q1 2014 restated*	2014 restated*	Last twelve months
Comparable operating profit	343	358	1,085	1,070
Non-recurring items (capital gains and losses)	7	1	305	311
Changes in fair values of derivatives hedging future cash flow	-3	10	-91	-104
Nuclear fund adjustment	3	-4	-3	4
Items affecting comparability	7	8	211	210
Operating profit	350	366	1,296	1,280

*Comparative period information for the income statement and cash flow for 2014 in this interim statement has been restated as Distribution segment has been treated as discontinued operations according to IFRS 5. For further information, see Notes 2 and 6.

Condensed consolidated statement of comprehensive income

EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Profit for the period	358	2,255	3,161	1,264
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Cash flow hedges				
Fair value gains/losses in the period	16	57	17	-24
Transfers to income statement	-9	-13	-70	-66
Transfers to inventory/fixed assets	-1	-2	-4	-3
Tax effect	-2	-9	12	19
Net investment hedges				
Fair value gains/losses in the period	-33	36	149	80
Tax effect	7	-7	-28	-14
Exchange differences on translating foreign operations	387	-232	-1,323	-704
Share of other comprehensive income of associates and joint ventures	0	1	-3	-4
Other changes	0	0	-3	-3
	366	-169	-1,253	-718
Items that will not be reclassified to profit or loss in subsequent periods:				
Actuarial gains/losses on defined benefit plans	-1	0	-77	-78
Actuarial gains/losses on defined benefit plans in associates	-2	0	-13	-15
	-2	0	-90	-92
Other comprehensive income for the period from continuing operations, net of tax	363	-169	-1,344	-812
Other comprehensive income for the period from discontinuing operations, net of tax	5	-3	-19	-11
Total comprehensive income for the year	724	2,083	1,799	440
Total comprehensive income attributable to				
Owners of the parent	715	2,083	1,815	447
Non-controlling interests	9	0	-16	-7
	724	2,083	1,799	440

Condensed consolidated balance sheet

EUR million	Note	March 31 2015	March 31 2014	Dec 31 2014
ASSETS				
Non-current assets				
Intangible assets	11	277	381	276
Property, plant and equipment	12	9,074	12,536	11,195
Participations in associates and joint ventures	4, 13	2,130	2,374	2,027
Share in State Nuclear Waste Management Fund	16	781	750	774
Other non-current assets		70	67	68
Deferred tax assets		83	118	98
Derivative financial instruments	5	512	461	595
Long-term interest-bearing receivables	14	2,041	2,526	2,041
Total non-current assets		14,969	19,213	17,074
Current assets				
Inventories		247	237	256
Derivative financial instruments	5	345	382	448
Trade and other receivables		637	852	830
Bank deposits		1,494	0	757
Cash and cash equivalents	15	1,773	2,989	2,009
Liquid funds		3,268	2,989	2,766
Assets held for sale	7	2,716	0	0
Total current assets		7,212	4,460	4,301
Total assets		22,182	23,673	21,375
EQUITY				
Equity attributable to owners of the parent				
Share capital		3,046	3,046	3,046
Share premium		73	73	73
Retained earnings		7,290	8,874	7,708
Other equity components		12	116	36
Total		10,421	12,109	10,864
Non-controlling interests		80	97	71
Total equity		10,501	12,207	10,935
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities	15	5,944	6,903	5,881
Derivative financial instruments	5	254	198	247
Deferred tax liabilities		692	1,332	1,159
Nuclear provisions	16	781	750	774
Other provisions	17	13	95	17
Pension obligations		142	49	140
Other non-current liabilities		156	148	154
Total non-current liabilities		7,983	9,475	8,373
Current liabilities				
Interest-bearing liabilities	15	1,038	924	1,103
Derivative financial instruments	5	177	109	76
Trade and other payables ¹⁾		1,874	958	888
Liabilities related to assets held for sale	7	609	0	0
Total current liabilities		3,698	1,991	2,067
Total liabilities		11,681	11,466	10,440
Total equity and liabilities		22,182	23,673	21,375

¹⁾ Trade and other payables as of 31 March 2015 include dividends EUR 1 155 million (31 March 2014: 0) paid on 14 April 2015.

Condensed consolidated statement of changes in total equity

	Share capital	Share premium	Retained earnings		Other equity components			Owners of the parent	Non-controlling interests	Total equity
			Retained earnings and other funds	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associated companies and joint ventures			
EUR million										
Total equity 31 December 2014	3,046	73	9,676	-1,968	19	-5	22	10,864	71	10,935
Net profit for the period			354					354	4	358
Translation differences				382	2	-1	-1	382	5	387
Other comprehensive income					4	-26	-2	-24		-24
OCI related to discontinued operations				5				5		5
Total comprehensive income for the period			354	386	6	-27	-3	715	9	724
Cash dividend			-1,155					-1,155		-1,155
Other			-3					-3		-3
Total equity 31 March 2015	3,046	73	8,871	-1,581	25	-32	19	10,421	80	10,501
Total equity 31 December 2013	3,046	73	7,500	-649	66	-51	38	10,024	101	10,124
Net profit for the period			2,251					2,251	4	2,255
Translation differences				-227	-1			-227	-4	-232
Other comprehensive income					33	29	1	63		63
OCI related to discontinued operations				-3				-4		-4
Total comprehensive income for the period			2,251	-230	32	29	1	2,083	0	2,083
Other			2					2	-3	-1
Total equity 31 March 2014	3,046	73	9,753	-879	98	-22	40	12,109	97	12,207
Total equity 31 December 2013	3,046	73	7,500	-649	66	-51	38	10,024	101	10,124
Net profit for the period			3,154					3,154	7	3,161
Translation differences				-1,299	-3	2	0	-1,300	-23	-1,323
Other comprehensive income			-3		-43	44	-17	-19	0	-20
OCI related to discontinued operations				-20				-19		-19
Total comprehensive income for the period			3,151	-1,319	-47	46	-16	1,815	-16	1,799
Cash dividend			-977					-977		-977
Dividends to non-controlling interests								0	-2	-2
Changes due to business combinations			6					6	-11	-5
Other			-4					-4	-1	-4
Total equity 31 December 2014	3,046	73	9,676	-1,968	19	-5	22	10,864	71	10,935

Translation differences

Translation differences impacted equity attributable to owners of the parent company with EUR 386 million during Q1 2015 (Q1 2014: -231). Translation differences are mainly related to RUB. Part of this translation exposure has been hedged and the hedge result, amounting to EUR -33 million during Q1 2015 (Q1 2014: 37), is included in the other OCI items.

Translation of financial information from subsidiaries in foreign currency is done using average rate for the income statement and end rate for the balance sheet. The exchange rate differences occurring from translation to EUR are booked to equity. For information regarding exchange rates used, see Note 8 Exchange rates.

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges, EUR 6 million during Q1 2015 (Q1 2014: 32), mainly relates to cash flow hedges hedging electricity price for future transactions, where hedge accounting is applied. When electricity price is lower/higher than the hedging price, the impact on equity is positive/negative.

Cash dividends

A dividend for 2014 of EUR 1.10 per share and an extra dividend of EUR 0.20 per share, amounting to a total of EUR 1,155 million, was decided at the Annual General Meeting on 31 March 2015. The dividend and the extra dividend were paid on 14 April 2015.

A dividend for 2013 of EUR 1.10 per share, amounting to a total of EUR 977 million, was decided at the Annual General Meeting on 8 April 2014. The dividend was paid on 22 April 2014.

Condensed consolidated cash flow statement

EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Cash flow from operating activities				
Net profit for the period	295	312	1,089	1,072
Adjustments:				
Income tax expenses	55	62	143	136
Finance costs - net	57	62	210	205
Share of profit of associates and joint ventures	-58	-69	-146	-135
Depreciation, amortisation and impairment charges	83	97	376	362
Operating profit before depreciations	433	463	1,673	1,643
Non-cash flow items and divesting activities	-46	-14	-244	-276
Interest received	14	27	99	86
Interest paid	-104	-126	-323	-301
Dividends received	0	0	58	58
Realised foreign exchange gains and losses and other financial items	168	76	349	441
Taxes	18	20	-163	-165
Funds from operations	482	446	1,447	1,483
Change in working capital	34	-40	-42	32
Net cash from operating activities continuing operations	516	405	1,406	1,517
Net cash from operating activities discontinued operations	87	161	356	282
Total net cash from operating activities	603	566	1,762	1,799
Cash flow from investing activities				
Capital expenditures	-101	-123	-622	-600
Acquisitions of shares	-1	-1	-69	-69
Proceeds from sales of fixed assets	9	2	26	33
Divestments of shares	27	1	473	499
Shareholder loans to associated companies and joint ventures	20	46	425	399
Change in other interest-bearing receivables	0	1	8	7
Net cash used in investing activities continuing operations	-46	-74	241	269
Net cash used in investing activities discontinued operations	-43	2,461	2,574	70
Total net cash from investing activities	-89	2,387	2,816	340
Cash flow before financing activities	514	2,953	4,578	2,139
Cash flow from financing activities				
Proceeds from long-term liabilities	33	47	50	36
Payments of long-term liabilities	-3	-753	-1,480	-730
Change in short-term liabilities	-75	-494	-580	-161
Dividends paid to the owners of the parent	0	0	-977	-977
Other financing items	2	-1	-1	2
Net cash used in financing activities continuing operations	-42	-1,201	-2,988	-1,829
Net cash used in financing activities discontinued operations	0	-19	-19	0
Total net cash used in financing activities	-42	-1,220	-3,007	-1,829
Total net increase(+) / decrease(-) in liquid funds	473	1,734	1,571	310
Liquid funds at the beginning of the period	2,766	1,265	1,265	2,989
Foreign exchange differences in liquid funds	29	-10	-70	-31
Liquid funds at the end of the period	3,268	2,989	2,766	3,268

Non-cash flow items and divesting activities

Non-cash flow items and divesting activities mainly consist of capital gains EUR -7 million (Q1 2014: -2) and adjustments for unrealised fair value changes of derivatives EUR 3 million (Q1 2014: -12). The actual proceeds for divestments are shown under cash flow from investing activities.

Realised foreign exchange gains and losses and other financial items

Realised foreign exchange gains and losses and other financial items include foreign exchange gains and losses of EUR 168 million for Q1 2015 (Q1 2014: 74) related mainly to financing of Fortum's Swedish and Russian subsidiaries and the fact that the Group's main external financing currency is EUR. The foreign exchange gains and losses arise from rollover of foreign exchange contracts hedging the internal loans as major part of these forwards is entered into with short maturities i.e. less than twelve months.

Additional cash flow information for continuing operations

Change in working capital

EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Change in interest-free receivables, decrease (+)/increase (-)	51	-14	4	69
Change in inventories, decrease (+)/increase (-)	14	24	-13	-23
Change in interest-free liabilities, decrease (-)/increase (+)	-31	-50	-33	-14
Total	34	-40	-42	32

Capital expenditure in cash flow

EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Capital expenditure	85	108	625	602
Change in not yet paid investments, decrease(+)/increase(-)	26	25	44	45
Capitalised borrowing costs	-10	-10	-47	-47
Total	101	123	622	600

Capital expenditures for intangible assets and property, plant and equipment were in Q1 2015 EUR 85 million (Q1 2014: 108). Capital expenditure in cash flow in Q1 2015 EUR 101 million (Q1 2014: 123) is without not yet paid investments i.e. change in trade payables related to investments EUR 26 million (Q1 2014: 25) and capitalised borrowing costs EUR -10 million (Q1 2014: -10), which are presented in interest paid.

Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 1 million during Q1 2015 (Q1 2014: 1).

Divestment of shares in cash flow

EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Proceeds from sales of subsidiaries, net of cash disposed	0	0	160	160
Proceeds from sales of associates	27	1	311	337
Proceeds from available for sale financial assets	0	0	1	1
Total	27	1	473	499

Change in net debt

EUR million	Q1 2015	Q1 2014	2014	Last twelve months
Net debt beginning of the period	4,217	7,793	7,793	4,838
Foreign exchange rate differences	1	-23	-81	-57
EBITDA	544	2,483	3,954	2,015
Paid net financial costs, taxes and adjustments for non-cash and divestment items	0	-1,917	-2,147	-230
Change in working capital	60	0	-46	14
Capital expenditures	-144	-162	-768	-750
Acquisitions	-1	-1	-69	-69
Divestments	35	2,427	3,089	697
Proceeds from the interest-bearing receivables relating to divestments	0	77	131	54
Shareholder loans to associated companies	20	46	425	399
Change in other interest-bearing receivables	0	1	8	7
Dividends	0	0	-977	-977
Other financing activities	2	-1	-1	2
Net cash flow (- increase in net debt)	517	2,953	3,600	1,164
Fair value change of bonds, amortised cost valuation and other	13	21	105	97
Net debt end of the period	3,714	4,838	4,217	3,714

Key ratios

	March 31 2015	March 31 2014	Dec 31 2014	Last twelve months
EBITDA total Fortum, EUR million	544	2,483	3,954	2,015
EBITDA continuing operations, EUR million	433	463	1,673	1,643
Comparable EBITDA total Fortum, EUR million	508	627	1,873	1,754
Comparable EBITDA continuing operations, EUR million	396	456	1,457	1,397
Earnings per share total Fortum Group (basic) EUR	0.40	2.53	3.55	1.42
Earnings per share continuing operations (basic), EUR	0.33	0.35	1.22	1.20
Earnings per share discontinued operations (basic), EUR	0.07	2.18	2.33	0.22
Capital employed, EUR million	17,482	20,033	17,918	
Interest-bearing net debt, EUR million	3,714	4,838	4,217	
Interest-bearing net debt without Värme financing, EUR million	3,176	3,765	3,664	
Capital expenditure and gross investments in shares total Fortum, EUR million	106	135	843	814
Capital expenditure total Fortum, EUR million	105	134	774	745
Capital expenditure and gross investments in shares continuing operations, EUR million	86	111	695	670
Capital expenditure continuing operations, EUR million	85	110	626	601
Return on capital employed total Fortum, %	10.9	20.8	19.5	9.0
Return on shareholders' equity total Fortum, %	13.2	30.9	30.0	11.1
Net debt / EBITDA total Fortum	1.7	1.1	1.1	1.8
Comparable net debt / EBITDA total Fortum	1.8	1.9	2.3	2.1
Comparable net debt / EBITDA without Värme financing total Fortum	1.6	1.5	2.0	1.8
Interest coverage total Fortum	10.9	45.6	19.9	9.5
Interest coverage including capitalised borrowing costs total Fortum	8.6	38.1	15.7	7.3
Funds from operations/interest-bearing net debt total Fortum, %	45.0	42.3	42.9	48.0
Funds from operations/interest-bearing net debt without Värme financing total Fortum, %	52.6	54.4	49.3	56.2
Gearing, %	35	40	39	
Equity per share, EUR	11.73	13.63	12.23	
Equity-to-assets ratio, %	47	52	51	
Number of employees total Fortum	8,378	8,770	8,592	
Number of employees continuing operations	7,977	8,304	8,202	
Average number of employees total Fortum	8,431	9,054	8,821	
Average number of employees continuing operations	8,037	8,335	8,329	
Average number of shares, 1 000 shares	888,367	888,367	888,367	
Diluted adjusted average number of shares, 1 000 shares	888,367	888,367	888,367	
Number of registered shares, 1 000 shares	888,367	888,367	888,367	

For definitions, see Note 25.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The condensed interim financial report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014.

All figures in the consolidated interim financial statements have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

2. Accounting policies

The same accounting policies and presentation have been followed in these condensed interim financial statements as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2014.

Discontinued operations

On 15 April 2015 Fortum published a stock exchange release regarding the IFRS 5 restatement of income statement and cash flow for 2014. As described in the release, Distribution segment is treated as discontinued operations in the first quarter interim report 2015 and the income statement and cash flow for the comparative period 2014 have been restated accordingly. Reclassification of discontinued operations does not impact the balance sheet. However, the Swedish distribution business' assets and liabilities are classified as assets held for sale in the balance sheet of 31 March 2015.

More information on the impact of the reclassification can be found in Note 6 and the stock exchange release published on 15 April 2015.

3. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2014.

4. Segment information

As of January 1 2015 Fortum centralised the IT and customer service functions. As a result of this centralisation a total of 464 employees transferred from Heat, Electricity Sales and Solutions and Power and Technology segments to Other segment. The comparable segment information has not been restated due to the reorganisation.

The distribution operations have been classified as discontinued operations in the first quarter interim report. See further information on the reclassification in Note 6 and in the stock exchange release on 15 April 2015.

Sales		Q1 2014	2014	Last
EUR million	Q1 2015	restated	restated	twelve
Power sales excluding indirect taxes	757	861	3,102	2,998
Heating sales	241	289	753	705
Other sales	42	58	233	217
Total for continuing operations	1,040	1,208	4,088	3,920

Sales by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology ¹⁾	500	586	2,156	2,070
- of which internal	29	39	85	75
Heat, Electricity Sales and Solutions ¹⁾	406	446	1,332	1,292
- of which internal	3	18	34	19
Russia	263	333	1,055	985
- of which internal	0	0	0	0
Other ¹⁾	29	14	58	73
- of which internal	21	12	44	53
Netting of Nord Pool transactions ²⁾	-119	-133	-422	-408
Eliminations	-38	-37	-91	-92
Total for continuing operations	1,040	1,208	4,088	3,920
Discontinued operations (Distribution)	180	300	751	631
Eliminations ³⁾	-20	-35	-89	-74
Total	1,200	1,473	4,751	4,478

¹⁾ Sales, both internal and external, includes effects from realised hedging contracts. Effect on sales can be negative or positive depending on the average contract price and realised spot price.

²⁾ Sales and purchases with Nord Pool Spot is netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

³⁾ Sales to and from discontinued operations

Comparable operating profit by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	203	251	877	829
Heat, Electricity Sales and Solutions	58	48	104	114
Russia	97	73	161	185
Other	-15	-14	-57	-58
Total for continuing operations	343	358	1,085	1,070
Discontinued operations (Distribution)	82	119	266	229
Total	425	477	1,351	1,299

Operating profit by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	203	262	855	796
Heat, Electricity Sales and Solutions	64	45	337	356
Russia	98	73	161	186
Other	-15	-14	-58	-59
Total for continuing operations	350	366	1,296	1,280
Discontinued operations (Distribution)	81	1,968	2,132	245
Total	431	2,333	3,428	1,526

Non-recurring items by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	3	1	52	54
Heat, Electricity Sales and Solutions	3	1	254	256
Russia	1	0	0	1
Total for continuing operations	7	1	305	311
Discontinued operations (Distribution)	0	1,850	1,865	15
Total	7	1,851	2,171	327

Non-recurring items in first quarter 2015 include gains from sale of property, plant and equipment.

Other items affecting comparability by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology ¹⁾	-3	10	-73	-86
Heat, Electricity Sales and Solutions	3	-4	-20	-13
Total for continuing operations	0	6	-94	-100
Discontinued operations (Distribution)	-1	-1	0	0
Total	-1	5	-94	-100

¹⁾ Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):

3	-4	-3	4
---	----	----	---

Other items affecting comparability mainly include effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39. Other segment includes mainly the effect arising from changes in hedge accounting status on group level. In Power and Technology segment there are also effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund where the asset in the balance sheet cannot exceed the related liabilities according to IFRIC interpretation 5.

Comparable EBITDA by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	232	282	998	948
Heat, Electricity Sales and Solutions	82	74	204	212
Russia	94	113	304	285
Other	-13	-13	-49	-49
Total for continuing operations	396	456	1,457	1,397
Discontinued operations (Distribution)	112	171	416	357
Total	508	627	1,873	1,754

EBITDA is calculated by adding back depreciation, amortisation and impairment charges to operating profit. Comparable EBITDA does not include items affecting comparability and net release of CSA provision.

Depreciation, amortisation and impairment charges by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	29	31	121	119
Heat, Electricity Sales and Solutions	24	25	100	99
Russia	27	40	147	134
Other	3	1	8	10
Total for continuing operations	83	97	377	363
Discontinued operations (Distribution)	30	52	150	128
Total	113	150	526	489

Share of profit/loss in associates and joint ventures by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology ^{1), 2)}	-4	-10	-14	-8
Heat, Electricity Sales and Solutions	43	57	88	74
Russia	12	14	35	33
Other	7	9	37	35
Total for continuing operations	58	69	146	135
Discontinued operations (Distribution)	0	3	3	0
Total	58	72	149	135

¹⁾ Including effects from the accounting of Fortum's associates part of Finnish and Swedish Nuclear Waste Management Funds with (EUR million):

0	-2	-1	1
---	----	----	---

²⁾ The main part of the associated companies in Power and Technology are power production companies from which Fortum purchases produced electricity at production costs including interest costs, production taxes and income taxes.

Participation in associates and joint ventures by segment				
EUR million	March 31 2015	March 31 2014	Dec 31 2014	
Power and Technology	859	882	859	
Heat, Electricity Sales and Solutions	543	532	523	
Russia	391	444	326	
Other	338	463	319	
Assets related to discontinued operations (Distribution)	0	54	0	
Total	2,130	2,374	2,027	

See Note 13 for information on participation in associates and joint ventures and Note 7 for information on associated company divestments.

Capital expenditure by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	28	35	197	190
Heat, Electricity Sales and Solutions	11	13	86	84
Russia	45	58	340	327
Other	1	3	3	1
Total for continuing operations	85	110	626	601
Discontinued operations (Distribution)	20	25	147	142
Total	105	134	774	745
Of which capitalised borrowing costs	10	10	47	47

Gross investments in shares by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	0	0	2	2
Heat, Electricity Sales and Solutions	1	0	37	38
Russia	0	1	27	26
Other	0	0	4	4
Total for continuing operations	1	1	69	69
Discontinued operations (Distribution)	0	0	0	0
Total	1	1	69	69

Gross divestments of shares by segment				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power and Technology	0	1	67	66
Heat, Electricity Sales and Solutions	27	0	446	473
Russia	0	0	0	0
Other	0	0	2	2
Total for continuing operations	27	1	515	541
Discontinued operations (Distribution)	0	2,501	2,681	180
Total	27	2,502	3,196	721

See Note 7 and additional cash flow information for more information about gross divestments in shares.

Net assets by segment				
EUR million	March 31 2015	March 31 2014	Dec 31 2014	
Power and Technology	6,019	6,276	6,001	
Heat, Electricity Sales and Solutions	2,164	2,365	2,112	
Russia	3,104	3,619	2,597	
Other	180	374	496	
Net assets related to discontinued operations (Distribution)	2,634	2,872	2,615	
Total	14,101	15,505	13,820	

Comparable return on net assets by segment		
%	Last twelve months	Dec 31 2014 restated
Power and Technology	13.6	14.2
Heat, Electricity Sales and Solutions	8.6	8.7
Russia	6.5	5.6
Other	-6.7	-5.8
Discontinued operations (Distribution)	8.5	9.3

Return on net assets by segment		
%	Last twelve months	Dec 31 2014 restated
Power and Technology	12.9	13.6
Heat, Electricity Sales and Solutions	19.6	19.1
Russia	6.5	5.6
Other	-6.3	-5.3
Discontinued operations (Distribution) ¹⁾	9.1	73.6

¹⁾ Dec 31 2014 figure impacted by capital gains (see Note 7).

Return on net assets is calculated by dividing the sum of operating profit and share of profit of associated companies and joint ventures with average net assets. Average net assets are calculated using the opening balance and end of each quarter values.

Assets by segments			
EUR million	March 31 2015	March 31 2014	Dec 31 2014
Power and Technology	7,110	7,300	7,064
Heat, Electricity Sales and Solutions	2,625	2,962	2,650
Russia	3,255	3,893	2,769
Other	501	485	643
Discontinued operations (Distribution)	2,715	3,012	2,707
Eliminations	-178	-244	-186
Assets included in net assets	16,028	17,407	15,647
Interest-bearing receivables	2,045	2,531	2,045
Deferred taxes	83	118	98
Other assets	757	628	818
Liquid funds	3,268	2,989	2,766
Total assets	22,182	23,673	21,375

Liabilities by segments			
EUR million	March 31 2015	March 31 2014	Dec 31 2014
Power and Technology	1,090	1,024	1,063
Heat, Electricity Sales and Solutions	461	597	538
Russia	151	275	172
Other	321	111	147
Discontinued operations (Distribution)	81	140	92
Eliminations	-178	-244	-186
Liabilities included in net assets	1,927	1,902	1,827
Deferred tax liabilities	1,191	1,332	1,159
Other liabilities ¹⁾	1,581	406	470
Total liabilities included in capital employed	4,699	3,640	3,456
Interest-bearing liabilities	6,982	7,827	6,983
Total equity	10,501	12,207	10,935
Total equity and liabilities	22,182	23,673	21,375

¹⁾ Other liabilities as of 31 March 2015 include dividends EUR 1 155 million (31 March 2014: 0) paid on 14 April 2015.

Other assets and Other liabilities not included in segments' Net assets consists mainly of income tax receivables and liabilities, accrued interest expenses, derivative receivables and liabilities qualifying as hedges and receivables and liabilities for interest rate derivatives.

Number of employees	March 31 2015	March 31 2014 restated	Dec 31 2014 restated
Power and Technology	1,350	1,672	1,639
Heat, Electricity Sales and Solutions	1,434	1,960	1,807
Russia	4,198	4,169	4,213
Other	995	503	543
Total for continuing operations	7,977	8,304	8,202
Discontinued operations (Distribution)	401	466	390
Total	8,378	8,770	8,592

Average number of employees	Q1 2015	Q1 2014 restated	2014 restated
Power and Technology	1,399	1,695	1,685
Heat, Electricity Sales and Solutions	1,442	1,952	1,913
Russia	4,198	4,165	4,196
Other	998	524	536
Total for continuing operations	8,037	8,335	8,329
Distribution (Distribution)	394	719	492
Total	8,431	9,054	8,821

Average number of employees is based on a monthly average for the whole period in question.

5. Financial risk management

The Group has not made any significant changes in policies regarding risk management during the period. Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2014.

Fair value hierarchy information

Financial instruments that are measured in the balance sheet at fair value are presented according to following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

See also accounting policies in the consolidated financial statements 2014, in Note 17 Financial assets and liabilities by fair value hierarchy

Financial assets

EUR million	Level 1			Level 2			Level 3			Netting ²⁾			Total		
	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014
In non-current assets															
Available for sale financial assets ¹⁾	1	1	1				28	29	29				29	30	30
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				6	64	6				-5	-12	-5	2	52	1
Non-hedge accounting				76	110	66				-19	-44	-17	58	66	49
Interest rate and currency derivatives															
Hedge accounting				281	165	335							281	165	335
Non-hedge accounting				158	171	206							158	171	206
Oil and other futures and forward contracts															
Hedge accounting													0	0	0
Non-hedge accounting	6	7	1	7	1	6						-3	13	8	3
Total in non-current assets	7	8	2	528	511	619	28	29	29	-24	-56	-25	541	492	625
In current assets															
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				87	165	79				-11	-25	-11	76	140	67
Non-hedge accounting		2		155	278	153				-103	-177	-106	52	103	47
Interest rate and currency derivatives															
Hedge accounting				98	6	48							98	6	48
Non-hedge accounting				75	72	274							75	72	274
Oil and other futures and forward contracts															
Hedge accounting											0		0	0	0
Non-hedge accounting	37	64	30	11		9				-4	-2	-26	44	62	12
Total in current assets	37	66	30	426	521	563	0	0	0	-118	-204	-143	346	382	448
Total	44	74	32	954	1,032	1,182	28	29	29	-142	-260	-168	886	874	1,073

Financial liabilities

EUR million	Level 1			Level 2			Level 3			Netting ²⁾			Total		
	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014	Mar 31 2015	Mar 31 2014	Dec 31 2014
In non-current liabilities															
Interest-bearing liabilities ³⁾				1,040	1,196	1,454							1,040	1,196	1,454
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				6	20	11				-5	-12	-5	1	8	7
Non-hedge accounting				73	97	62				-19	-44	-17	55	53	45
Interest rate and currency derivatives															
Hedge accounting				103	69	96							103	69	96
Non-hedge accounting				82	63	96							82	63	96
Oil and other futures and forward contracts															
Non-hedge accounting	11	5	5	2		2						-3	12	5	3
Total in non-current liabilities	11	5	5	1,306	1,445	1,721	0	0	0	-24	-56	-25	1,293	1,394	1,701
In current liabilities															
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				12	25	12				-11	-25	-11	1	0	1
Non-hedge accounting		3		130	208	134				-103	-177	-106	26	34	27
Interest rate and currency derivatives															
Hedge accounting				21	6	22							21	6	22
Non-hedge accounting				95	27	22							95	27	22
Oil and other futures and forward contracts															
Hedge accounting													0	0	0
Non-hedge accounting	33	45	29	4		2				-4	-2	-26	35	43	4
Total in current liabilities	33	48	29	262	266	192	0	0	0	-118	-204	-143	177	109	76
Total	44	53	34	1,568	1,711	1,913	0	0	0	-142	-260	-168	1,470	1,503	1,778

¹⁾ Available for sale financial assets, i.e. shares which are not classified as associated companies or joint ventures, consists mainly of shares in unlisted companies of EUR 28 million (Dec 31 2014: 29), for which the fair value cannot be reliably determined. These assets are measured at cost less possible impairment. Available for sale financial assets include listed shares at fair value of EUR 1 million (Dec 31 2014: 1). The cumulative fair value change booked in Fortum's equity was EUR -3 million (Dec 31 2014: -3).

²⁾ Receivables and liabilities against electricity, oil and other commodity exchanges arising from standard derivative contracts with same delivery period are netted.

³⁾ Fair valued part of bonds when hedge accounting is applied (fair value hedge).

Net fair value amount of interest rate and currency derivatives is EUR 311 million, assets EUR 612 million and liabilities EUR 301 million. Fortum has cash collaterals based on Credit Support Annex agreements with some counterparties. At the end of March 2015 Fortum had received EUR 211 million from Credit Support Annex agreements. The received cash has been booked as short term liability.

Regarding the relevant interest-bearing liabilities, see Note 15 Interest-bearing liabilities and Note 18 Pledged assets.

6. Discontinued operations

In March 2015 Fortum signed a binding agreement to sell the Swedish Distribution business. The total consideration is approximately SEK 60.6 billion on a debt- and cash-free basis (corresponding to approximately EUR 6.6 billion). Fortum expects to complete the divestment during the second quarter of 2015 after the necessary regulatory approvals and the fulfilment of customary closing conditions. Fortum expects to book a one-time sales gain of approximately EUR 4.4 billion corresponding to approximately EUR 5 per share in its second quarter 2015 results. In 2014 Fortum divested both the Finnish and Norwegian Distribution operations. For information regarding the divestments and assets held for sale see Note 7.

After the divestment of the Swedish Distribution business Fortum does not have any distribution operations and therefore Distribution segment has been treated as discontinued operations in these interim financial statements according to IFRS 5 Non-current Assets held for Sale and Discontinued operations. Discontinued operations are disclosed on one line, net of tax, in the face of the income statement. In the cash flow statement the net cash flows attributable to the operating, investing and financing activities of the discontinued operations are disclosed separately. In accordance with IFRS 5 the 2014 comparable information for income statement and cash flow statement has been restated.

Discontinued operations include the distribution operations in Fortum, including sales gains from the divestment of Finnish and Norwegian distribution operations in 2014, and effects from internal sales and purchases have also been included. The net financial costs allocated to discontinued operations are based on the fact that the financing activities and risk management have been centralised on group level and subsidiaries have been funded with intra-group loans. No corporate overhead costs have been allocated to the discontinued operations.

Cash flow from discontinued operations include cash flow from distribution operations and allocated taxes, impact from sale of shares in Distribution companies and proceeds from interest-bearing receivables from sold subsidiaries.

Result of discontinued operations ¹⁾				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Sales	160	265	662	557
Other income	1	2	15	14
Materials and services	-21	-49	-114	-86
Employee benefits	-9	-18	-44	-35
Depreciation, amortisation and impairment charges	-30	-52	-150	-128
Other expenses	-19	-29	-104	-94
Comparable operating profit	82	119	266	229
Items affecting comparability	-1	1,849	1,866	16
Operating profit	81	1,968	2,132	245
Share of profit/loss of associates and joint ventures	0	3	3	0
Finance costs - net	-1	-2	-7	-6
Profit before income tax	80	1,968	2,128	240
Income tax expenses	-18	-24	-56	-50
Profit for the year from discontinued operations attributable to the owners of the parent	63	1,943	2,073	193

¹⁾ Including eliminations between continuing and discontinued operations.

Net cash flows attributable to the discontinued operations				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Net cash from operating activities	87	161	356	282
Net cash used in investing activities	-43	2,461	2,574	70
Net cash from financing activities	0	-19	-19	0
Total net increase in liquid funds	44	2,603	2,911	352

7. Acquisitions, disposals and assets held for sale

Acquisitions

There were no material acquisitions during the first quarter of 2015.

In July 2014, Fortum acquired E.ON Ruhrgas International GmbH's shareholding of 33.66% in the Estonian natural gas import, sales and distribution company AS Eesti Gaas and a similar shareholding in the gas transmission service company AS Võrguteenus Valdu.

Disposals

Disposals during 2015

Fortum has during Q1 sold its 51.4%-shareholding in the associated company AS Võrguteenus Valdu to the Estonian electricity transmission system operator Elering AS.

Disposals during 2014

In November 2014 Fortum sold its 31 %-shareholding in the Finnish natural gas company Gasum Oy to the Finnish State. The sales price for the total amount of Fortum's shares was approximately EUR 310 million. Fortum booked a gain of roughly EUR 190 million, corresponding to approximately EUR 0.22 per share. The sales gain was booked in 2014 fourth quarter results of Fortum's Heat, Electricity Sales and Solutions segment.

In October 2014 Fortum sold its UK-based subsidiary Grangemouth CHP Limited to its long term customer INEOS Industries Holdings Ltd. Grangemouth CHP Limited owns and operates a natural gas-fired combined heat and power (CHP) plant located at Grangemouth in Scotland. The total sales price was approximately GBP 54 million (corresponding to approximately EUR 70 million). Fortum booked a gain in 2014 fourth quarter results of Fortum's Power and Technology segment.

In April 2014 Fortum agreed to sell its Norwegian electricity distribution to the Hafslund Group, listed on the Oslo Stock Exchange, and its heat businesses in Norway to iCON Infrastructure Partners II, L.P. fund. In addition, Fortum agreed to sell its shareholding in Fredrikstad Energi AS (49%) and Fredrikstad Energi Nett AS (35%) to the Hafslund Group. The divestments were completed during the second quarter after the necessary regulatory approvals and customary closing conditions were met. The total consideration was approximately EUR 340 million on a debt- and cash-free basis. The sales gains were booked in Fortum's Distribution segment, EUR 16 million, and Heat and Electricity Sales and Solutions segment, EUR 52 million in the second quarter 2014 results. The one time sales gains correspond to approximately EUR 0.08 per share.

In January 2014, Fortum agreed to sell its Tohkoja wind power project located in Kalajoki, in western Finland, to wpd europe GmbH, part of the international wpd group. The transaction was completed during the second quarter of 2014 and had a minor positive impact on Power and Technology segment's results.

In January 2014 Fortum agreed to sell its 30%-stake in the Swedish power company Karlshamns Kraft AB to the company's majority owner E.ON. The sale had a minor impact on Power and Technology segment's first quarter 2014 results.

In December 2013 Fortum announced that it had agreed to sell its Finnish electricity distribution business to Suomi Power Networks Oy, owned by a consortium of Finnish and international investors. The total consideration was EUR 2.55 billion on a debt- and cash-free basis. Fortum booked a one-time sales gain of EUR 1.85 billion corresponding to EUR 2.08 per share. The sales gain was reported in Fortum's Distribution segment in the first quarter of 2014.

Gross divestments of shares, Fortum total operations

EUR million	Q1 2015	Q1 2014	2014	Last twelve months
Proceeds settled in cash	0	2,424	2,750	326
Interest bearing debt in sold subsidiaries	0	77	131	54
Change in receivables relating to divestments	0	0	2	2
Gross divestments of shares in subsidiaries	0	2,501	2,884	383
Gross divestment of associates	27	1	311	337
Gross divestment of available for sale financial assets	0	0	1	1
Total	27	2,502	3,196	721

Assets held for sale at the balance sheet date

In March 2015 Fortum has signed a binding agreement to sell the Swedish Distribution business to a consortium comprising Swedish national pension funds Första AP-Fonden (12.5%) and Tredje AP-Fonden (20,0%), Swedish mutual insurance and pension savings company Folksam (17.5%) and the international infrastructure investor, Borealis Infrastructure Management Inc. (50%). Assets and liabilities related to the Swedish Distribution operations have been classified as Assets held for sale as of 31 March 2015.

As of 31 December 2014 there were no Assets held for sale.

Assets held for sale¹⁾

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Intangible assets and property, plant and equipment	2,573	0	0
Other assets	142	0	0
Cash and cash equivalents	1	0	0
Total	2,716	0	0

Liabilities related to assets held for sale¹⁾

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Interest-bearing liabilities	0	0	0
Deferred tax liabilities	499	0	0
Other liabilities	110	0	0
Total	609	0	0

¹⁾ Amounts are presented net of internal balances with other Fortum subsidiaries, such as internal financing amounting to EUR 194 million.

8. Exchange rates

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of each months ending rate from the European Central Bank during the year and ending rate previous year. Key exchange rates for Fortum Group applied in the accounts:

Average rate	Jan-March 2015	Jan-Dec 2014	Jan-Sept 2014	Jan-June 2014	Jan-March 2014
Sweden (SEK)	9.3534	9.1004	9.0380	8.9774	8.8777
Norway (NOK)	8.7883	8.3940	8.2893	8.3174	8.3510
Poland (PLN)	4.1796	4.1909	4.1807	4.1776	4.1857
Russia (RUB)	70.9755	51.4243	48.0976	47.8497	47.9490

Balance sheet date rate	March 31 2015	Dec 31 2014	Sept 30 2014	June 30 2014	March 31 2014
Sweden (SEK)	9.2901	9.3930	9.1465	9.1762	8.9483
Norway (NOK)	8.7035	9.0420	8.1190	8.4035	8.2550
Poland (PLN)	4.0854	4.2732	4.1776	4.1568	4.1719
Russia (RUB)	62.4400	72.3370	49.7653	46.3779	48.7800

9. Income tax expense

Tax rate according to the income statement for Q1 2015 was 15.8% (Q1 2014: 16.6%). The tax rate used in the income statement is always impacted by the fact that the share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax. Tax rate for Q1 2015, excluding the impact of share of profits of associated companies and joint ventures, non-taxable capital gains was 19.0% (Q1 2014: 20.5%).

10. Dividend per share

A dividend for 2014 of EUR 1.10 per share and an extra dividend of EUR 0.20 per share, amounting to a total of EUR 1,155 million, was decided at the Annual General Meeting on 31 March 2015. The dividend and the extra dividend were paid on 14 April 2015.

A dividend in respect of 2013 of EUR 1.10 per share, amounting to a total dividend of EUR 977 million, was decided at the Annual General Meeting on 8 April 2014. The dividend was paid on 22 April 2014.

11. Changes in intangible assets

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Opening balance	276	384	384
Capital expenditures	2	12	22
Changes of emission rights	0	1	-1
Depreciation, amortisation and impairment ¹⁾	-6	-7	-25
Divestments	0	0	-23
Reclassifications	5	8	21
Moved to assets held for sale ²⁾	-29	0	0
Translation differences and other adjustments	29	-17	-102
Closing balance	277	381	276
Goodwill included in closing balance	197	256	170
Change in goodwill during the period due to translation differences	27	-19	-101

12. Changes in property, plant and equipment

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Opening balance	11,195	12,849	12,849
Acquisitions	1	0	0
Capital expenditures	104	122	752
Changes of nuclear asset retirement cost	0	-1	-3
Disposals	-2	0	-7
Depreciation, amortisation and impairment ¹⁾	-107	-143	-502
Divestments	0	0	-229
Reclassifications	-5	-8	-21
Moved to assets held for sale ²⁾	-2,544	0	0
Translation differences and other adjustments	431	-284	-1,643
Closing balance	9,074	12,536	11,195

¹⁾ Including depreciations related to discontinued operations

²⁾ Swedish Distribution business which was classified as assets held for sale at the end of March 2015.

13. Changes in participations in associates and joint ventures

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Opening balance	2,027	2,341	2,341
Acquisitions	0	0	62
Share of profits of associates and joint ventures ¹⁾	58	72	149
Dividend income received	0	-1	-57
OCI items associated companies	-3	1	-16
Translation differences and other adjustments	75	-39	-270
Divestments	-26	0	-181
Closing balance	2,130	2,374	2,027

¹⁾ Including shares of profits related to discontinued operations

Share of profits from associates and joint ventures

Fortum's share of profit from associates and joint ventures in Q1 2015 was EUR 58 million (Q1 2014: 72), of which Hafslund represented EUR 8 million (Q1 2014: 8), Territorial Generating Company 1 (TGC-1) EUR 12 million (Q1 2014: 14) and Fortum Värme EUR 38 million (Q1 2014: 44).

According to Fortum Group accounting policies the share of profits from Hafslund and TGC-1 are included in Fortum Group figures based on the previous quarter information since updated interim information is not normally available.

14. Interest-bearing receivables

EUR million	Carrying amount March 31 2015	Fair value March 31 2015	Carrying amount Dec 31 2014	Fair value Dec 31 2014
Long-term loan receivables ¹⁾	2,044	2,177	2,044	2,216

¹⁾ Carrying amount including current portion of long-term receivables EUR 3 million (Dec 31 2014: 3).

Long-term loan receivables include receivables from associated companies and joint ventures EUR 2,041 million (Dec 31 2014: 2,041). These receivables include EUR 1,326 million (Dec 31 2014: 1,310) from Swedish nuclear companies, OKG AB and Forsmarks Kraftgrupp AB, which are mainly funded with shareholder loans, pro rata each shareholder's ownership. Long-term loan receivables include also receivables from Fortum Värme, EUR 538 (Dec 31 2014: 553) and Teollisuuden Voima Oyj (TVO), EUR 110 million (Dec 31 2014: 110).

TVO is building Olkiluoto 3, a nuclear power plant, which is funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. At end of March 2015 Fortum has EUR 95 million outstanding receivables regarding Olkiluoto 3 and is additionally committed to provide at maximum EUR 100 million. A subordinated shareholder loan EUR 15 million has also been given to fund planning of Olkiluoto 4, to which Fortum has additionally committed to provide EUR 57 million.

15. Interest-bearing liabilities and cash and cash equivalents

EUR million	Carrying amount March 31 2015	Fair value March 31 2015	Carrying amount Dec 31 2014	Fair value Dec 31 2014
Bonds	4,779	5,204	4,748	5,093
Loans from financial institutions	729	788	722	777
Other long term interest-bearing debt ¹⁾	1,260	1,331	1,226	1,296
Total long term interest-bearing debt ²⁾	6,768	7,323	6,696	7,166
Short term interest-bearing debt	214	214	287	287
Total	6,982	7,537	6,983	7,453

¹⁾ Including loans from Finnish State Nuclear Waste Fund and Teollisuuden Voima EUR 1,074 million (Dec 31 2014: 1,040), loans from Fortum's Finnish pension institutions EUR 78 million (Dec 31 2014: 78) and other loans EUR 108 million (Dec 31 2014: 108).

²⁾ Including current portion of long-term debt.

In March 2015 Fortum increased the amount of re-borrowing from the Finnish nuclear waste fund and Teollisuuden Voima by EUR 34 million to EUR 1,074 million.

At the end of March 2015, the amount of short term financing was EUR 214 million (Dec 31 2014: 287). The interest-bearing debt decreased during the first quarter by EUR 1 million from EUR 6,983 million to EUR 6,982 million.

Total liquid funds increased by EUR 502 million from EUR 2,766 million to EUR 3,268 million during the first quarter. At the end of the quarter liquid funds held by OAO Fortum amounted to EUR 200 (Dec 31 2014: 134) million.

16. Nuclear related assets and liabilities

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Carrying values in the balance sheet			
Nuclear provisions	781	750	774
Share in the State Nuclear Waste Management Fund	781	750	774
Legal liability and actual share of the State Nuclear Waste Management Fund			
Liability for nuclear waste management according to the Nuclear Energy Act	1,084	1,059	1,084
Funding obligation target	1,074	1,039	1,074
Fortum's share of the State Nuclear Waste Management Fund	1,074	1,039	1,039

Nuclear related provisions

According to Nuclear Energy Act Fortum submits the proposal for the nuclear waste management liability regarding the Loviisa nuclear power plant to the Ministry of Employment and Economy by end of June every third year. The liability is based on nuclear waste management plan which is also updated every third year. The cost estimates related to the new nuclear waste management plan were completed in Q2 2013. The overall future cost estimate increased mainly due to higher costs for interim and final storage of spent fuel and decommissioning of the power plant. The liability was decided by the Ministry of Employment and Economy at the end of year 2014.

The legal liability on 31 March 2015, decided by the the Ministry of Employment and Economy in December 2014, was EUR 1,084 million. The provision in the balance sheet related to nuclear waste management is based on cash flows for future costs which uses the same basis as the legal liability. The carrying value of the nuclear provision, calculated according to IAS 37, increased by EUR 7 million compared to 31 December 2014, totalling EUR 781 million on 31 March 2015. The main reason for the difference between the carrying value of the provision and the legal liability is the fact that the legal liability is not discounted to net present value.

Fortum's share in the State Nuclear Waste Management Fund

Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in December in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2014 is EUR 1,074 million. Fortum has paid the fee of EUR 24 million in March 2015 whereafter Fortum's share of the State Nuclear Waste Management Fund is fully funded. According to Nuclear Energy Act, Fortum is obligated to contribute fund in full to the State Nuclear Waste Management Fund to cover legal liability. Based on the law, Fortum applied for periodising of the payments to the fund over three years, due to proposed increase in the legal liability. The application was approved by the Ministry of the Employment and the Economy in December 2013. The Fund is from an IFRS perspective overfunded with EUR 293 million, since Fortum's share of the Fund on 31 March 2015 was EUR 1,074 million and the carrying value in the balance sheet was EUR 781 million.

Effects to comparable operating profit and operating profit

Operating profit in Power and Technology segment is affected by the accounting principle for Fortum's share of the Finnish Nuclear Waste Management Fund, since the carrying value of the Fund in Fortum's balance sheet can in maximum be equal to the amount of the provisions according to IFRS. As long as the Fund is overfunded from an IFRS perspective, the effects to operating profit from this adjustment will be positive if the provisions increase more than the Fund and negative if actual value of the fund increases more than the provisions. This accounting effect is not included in Comparable operating profit in Fortum financial reporting, see Other items affecting comparability in Note 4. Fortum had an effect from this adjustment in Q1 2015 of EUR 3 million, compared to EUR -4 million in Q1 2014.

Associated companies

Fortum has minority shareholdings in associated Finnish and Swedish nuclear production companies. Fortum has for these companies accounted for its share of the effects from nuclear related assets and provisions according to Fortum accounting principles.

17. Other provisions

EUR million	CSA provisions			Other provisions		
	March 31 2015	March 31 2014	Dec 31 2014	March 31 2015	March 31 2014	Dec 31 2014
Opening balance	56	103	103	26	14	14
Unused provisions reversed	-29	0	-4	0	-1	-3
Increase in the provisions	0	0	0	1	8	22
Provisions used	0	0	-14	-4	-1	-4
Unwinding of discount	0	2	6	0	0	0
Exchange rate differences	5	-7	-35	1	0	-3
Moved to assets held for sale	0	0	0	-1	0	0
Closing balance	32	97	56	23	19	26
Current provisions ¹⁾	32	19	56	9	2	10
Non-current provisions	0	78	0	13	17	17

¹⁾ Included in trade and other payables in the balance sheet.

Fortum's investment programme in Russia is subject to possible penalties that can be claimed if the new capacity is substantially delayed or agreed major terms of the capacity supply agreement (CSA) are not otherwise fulfilled. The provision made for possible penalties is assessed at each balance sheet date and the assessment is based on changes in estimated risks and timing related to commissioning of the remaining power plants in the investment programme.

The remaining CSA provision at the end of Q1 2015 amounts to EUR 32 million (at year end 2014: 56). In Q1 2015 EUR 29 million of the provision was reversed to the income statement after the finalisation of Nyagan 3.

18. Pledged assets

EUR million	March 31 2015	March 31 2014	Dec 31 2014
On own behalf			
For debt			
Pledges	289	299	292
Real estate mortgages	137	137	137
For other commitments			
Real estate mortgages	137	103	137

There are no pledged assets for discontinued operations at 31 March 2015.

Pledged assets for debt

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the Fund. Fortum has pledged shares in Kemijoki Oy as a security. As of 31 March 2015 the value of the pledged shares amounted to EUR 269 million (Dec 31 2014: 269).

Pledges also include bank deposits as trading collateral of EUR 1 million (Dec 31 2014: 3) for trading of electricity and CO₂ emission allowances in Nasdaq OMX Commodities Europe, in Intercontinental Exchange (ICE) and European Energy Exchange (EEX).

Fortum Tartu in Estonia (60% owned by Fortum) has given real estate mortgages for a value of EUR 96 million (Dec 31 2014: 96) as a security for an external loan. Real estate mortgages have also been given for loans from Fortum's pension fund for EUR 41 million (Dec 31 2014: 41).

Regarding the relevant interest-bearing liabilities, see Note 15 Interest-bearing liabilities and cash and cash equivalents.

Pledged assets for other commitments

Fortum has given real estate mortgages in power plants in Finland, total value of EUR 137 million in March 2015 (Dec 31 2014: 137), as a security to the Finnish State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs for decommissioning and disposal of spent fuel in Loviisa nuclear power plant. The size of the securities given is updated yearly in Q2 based on the decisions regarding the legal liabilities and the funding target which take place around year end every year.

19. Operating lease commitments

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Due within a year	24	23	24
Due after one year and within five years	42	38	43
Due after five years	79	102	76
Total ¹⁾	145	162	142

¹⁾ Including operating lease commitments for discontinued operations EUR 75 million at 31 March 2015.

20. Capital commitments

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Property, plant and equipment	460	504	458
Intangible assets	4	6	3
Total ¹⁾	464	510	461

¹⁾ Including capital commitments for discontinued operations EUR 29 million at 31 March 2015.

21. Contingent liabilities

EUR million	March 31 2015	March 31 2014	Dec 31 2014
On own behalf			
Other contingent liabilities	67	72	64
On behalf of associated companies and joint ventures			
Guarantees	463	510	459
Other contingent liabilities	125	125	125
On behalf of others			
Guarantees	0	2	0

There are no contingent liabilities for discontinued operations at 31 March 2015.

Guarantees on behalf of associated companies

Guarantees and other contingent liabilities on behalf of associated companies and joint ventures mainly consist of guarantees relating to Fortum's associated nuclear companies (Teollisuuden Voima Oyj, Forsmarks Kraftgrupp AB and OKG AB). The guarantees given on behalf of Forsmarks Kraftgrupp AB and OKG AB amounted to SEK 3,696 million (EUR 398 million) at 31 March 2015 (Dec 31 2014: EUR 393 million). The guarantee given on behalf of Teollisuuden Voima Oyj to the Finnish State Nuclear Waste Management Fund amounted to EUR 41 million at 31 March 2015 (Dec 31 2014: 41).

22. Legal actions and official proceedings

Group companies

Fortum received income tax assessments in Sweden for the years 2009, 2010, 2011 and 2012 in December 2011, December 2012, December 2013 and October 2014, respectively. According to the tax authorities, Fortum would have to pay additional income taxes for the years 2009, 2010, 2011 and 2012 for the reallocation of loans between the Swedish subsidiaries in 2004-2005, as well as additional income taxes for the years 2010, 2011 and 2012 for financing of the acquisition of TGC 10 (current OAO Fortum) in 2008. The claims are based on a change in tax regulation as of 2009. Fortum considers the claims unjustifiable and has appealed the decisions. The cases are pending before the Administrative Court. In January 2015 the Swedish tax authority announced to the Administrative Court that it has abandoned its claim regarding the year 2010 with respect to financing the acquisition of TGC 10.

Based on legal analysis supporting legal opinions, no provision has been recognised in the financial statements. If the decisions by the tax authority remain final despite the appeals processes, the impact on net profit would be approximately SEK 425 million (EUR 46 million) for the year 2009, approximately SEK 379 million (EUR 41 million) for the year 2010, approximately SEK 511 million (EUR 55 million) for the year 2011 and approximately SEK 173 million (EUR 19 million) for the year 2012.

Fortum has received income tax assessments in Belgium for the years 2008, 2009, 2010 and 2011. Tax authorities disagree with the tax treatment of Fortum EIF NV. Fortum finds the tax authorities' interpretation not to be based on the local regulation and has appealed the decisions. The court of First instance in Antwerpen rejected Fortum's appeal for the years 2008 and 2009 in June 2014. Fortum finds the decision unjustifiable and has appealed to the Court of Appeal. Based on legal analysis and a supporting legal opinion, no provision has been accounted for in the financial statements. If the decision of the tax authorities remain final despite the appeal process, the impact on the net profit would be approximately EUR 36 million for the year 2008, approximately EUR 27 million for the year 2009, approximately EUR 15 million for the year 2010 and approximately EUR 21 million for the year 2011. The tax has already been paid. If the appeal is approved, Fortum will receive a 7% interest on the amount.

Fortum received an income tax assessment in Finland for 2007 in December 2013. Tax authorities claim in the transfer pricing audit, that detailed business decisions are done by Fortum Oyj and therefore re-characterize the equity Fortum has injected to its Belgium subsidiary Fortum Project Finance NV not to be equity, but funds to be available for the subsidiary. Tax authorities' view is that the interest income that Fortum Project Finance NV received from its loans should be taxed in Finland, not Belgium. Fortum considered the claims unjustifiable both for legal grounds and interpretation. Fortum appealed the decision.

The Board of Adjustment of the Large Taxpayers' Office approved Fortum's appeal for the year 2007 on 21 August 2014. The Board of Adjustment's decision is in line with the principle adopted in the Supreme Administrative Court's precedent in June 2014, according to which, under transfer pricing rules, the nature of business cannot be re-characterized for tax purposes, but can only adjust the pricing of goods or services. Despite the new precedent, the Tax Recipients' Legal Services Unit within the tax authorities has appealed this decision to the Administrative Court in Helsinki. If the appeal of the Tax Recipients' Legal Services Unit would be successful in court, the impact on net profit would be approximately EUR 136 million for the year 2007. Based on legal analysis and a supporting legal opinion, no provision has been accounted for in the financial statements.

In December 2014 Fortum Oyj received a non-taxation decision from the large Taxpayers' office for the years 2008-2011 regarding the activities in the Belgian and Dutch financing companies. The decision was given due to the transfer pricing audit carried out in 2013-2014 and was in line with the Board of Adjustment's decision with respect to Fortum for the year 2007. The Tax Recipients' Legal Services Unit has appealed the decisions in February 2015 and the cases are now pending before the Board of Adjustment of the Large Taxpayers' Office. According to the claim of correction, the non-taxation decision of the Large Taxpayers' office should be reversed and the interest income that Fortum Project Finance NV has received from its loans in 2008-2011 should be taxed in Finland, not in Belgium. If the claim of correction of the Tax Recipients' Legal Services Unit would be successful, the impact on net profit would be approximately EUR 140 million for the year 2008, EUR 99 million for the year 2009, EUR 76 million for the year 2010 and EUR 90 million for the year 2011. Moreover, Fortum Oyj would be liable to pay penalty interest. In line with the 2007 case Fortum considers the claims unjustifiable. Based on legal analysis and a supporting legal opinion, no provision has been accounted for in the financial statements.

The Swedish Energy Authority (EI), which regulates and supervises the distribution network tariffs in Sweden, has issued a decision concerning the allowed income frame for the years 2012-2015. The decision was appealed by more than 80 distribution companies and the dispute is now finally settled. EI was not granted leave of appeal to Supreme Administrative Court and, therefore, the decision of the Court of Appeal has become legally binding. New decision regarding allowed revenue will be taken by EI for each company.

Associated companies

In Finland Fortum is participating in the country's fifth nuclear power plant unit, Olkiluoto 3 (OL3), through the shareholding in Teollisuuden Voima Oyj (TVO) with an approximately 25% share representing some 400 MW in capacity. The civil construction works of the Olkiluoto 3 plant unit have been mainly completed, and the reactor main components are installed. The first phase of the turbine plant commissioning is completed. Preservation of the systems is ongoing. Conservation of the low-pressure turbine rotors has been completed. Reactor containment pressure and leak-tightness tests have been completed. Instrumentation and control system tests in the test bay in Erlangen, Germany continued alongside planning and licensing. In September 2014 TVO received additional data about the schedule for the OL3 project from the Supplier, AREVA-Siemens. According to this data, the start of regular electricity production of the plant unit will take place in late 2018. Detailed evaluation of the received data is ongoing.

In December 2008 the OL3 Supplier initiated the International Chamber of Commerce (ICC) arbitration proceedings and submitted a claim concerning the delay and the ensuing costs incurred at the Olkiluoto 3 project. The updated quantification which the Supplier submitted in October 2014 and corrected in November 2014 brings the total amount claimed by the Supplier for events occurring during the construction period ending June 2011 to approximately EUR 3.4 billion.

In 2012, TVO submitted a counter-claim and defense in the matter. The quantification estimate of TVO's costs and losses updated in October 2014 is approximately EUR 2.3 billion until the end of 2018, which according to the schedule submitted by the OL3 Supplier in September 2014, is the estimated start of the regular electricity production of OL3.

The companies belonging to the Plant Supplier Consortium (AREVA GmbH, AREVA NP SAS and Siemens AG) are jointly and severally liable of the Plant Contract obligations.

The arbitration proceedings may continue for several years and the claimed amounts may change.

In addition to the litigations described above, some Group companies are involved in other routine tax and other disputes incidental to their normal conduct of business. Based on the information currently available, management does not consider the liabilities arising out of such litigations likely to be material to the Group's financial position.

23. Related party transactions

Related parties are described in the annual financial statements as of the year ended 31 December 2014. No material changes have occurred during 2015.

At the year-end 2014 the Finnish State owned 50.76% of the shares in Fortum. There has been no change in the shareholding during 2015.

In November 2014 Fortum sold its 31 %-shareholding in the Finnish natural gas company Gasum Oy to the Finnish State. See further information on the disposal in note 7 Acquisitions, disposals and assets held for sale.

Transactions with associated companies and joint ventures

EUR million	Q1 2015	Q1 2014 restated	2014 restated
Sales	14	6	76
Interest on loan receivables	8	16	59
Purchases	131	170	564

Associated company and joint ventures balances

EUR million	March 31 2015	March 31 2014	Dec 31 2014
Long-term interest-bearing loan receivables	2,041	2,517	2,041
Trade receivables	6	14	17
Other receivables	16	20	15
Long-term loan payables	271	261	262
Trade payables	1	11	7
Other payables	4	3	4

24. Events after the balance sheet date

There are no material events after balance sheet date.

25. Definition of key figures

EBITDA (Earnings before interest, taxes, depreciation and amortisation)	=	Operating profit + Depreciation, amortisation and impairment charges
Comparable EBITDA	=	EBITDA - items affecting comparability - Net release of CSA provision
Items affecting comparability	=	Non-recurring items + other items affecting comparability
Comparable operating profit	=	Operating profit - non-recurring items - other items affecting comparability
Non-recurring items	=	Mainly capital gains and losses
Other items affecting comparability	=	Includes effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39 and effects from the accounting of Fortum's part of the Finnish Nuclear Waste Fund where the asset in the balance sheet cannot exceed the related liabilities according to IFRIC interpretation 5.
Funds from operations (FFO)	=	Net cash from operating activities before change in working capital
Capital expenditure	=	Capitalised investments in property, plant and equipment and intangible assets including maintenance, productivity, growth and investments required by legislation including borrowing costs capitalised during the construction period. Maintenance investments expand the lifetime of an existing asset, maintain useage/availability and/or maintains reliability. Productivity investments improve productivity in an existing asset. Growth investments' purpose is to build new assets and/or to increase customer base within existing businesses. Legislation investments are done at certain point of time due to legal requirements.
Gross investments in shares	=	Investments in subsidiary shares, shares in associated companies and other shares in available for sale financial assets. Investments in subsidiary shares are net of cash and grossed with interest-bearing liabilities in the acquired company.
Return on shareholders' equity, %	=	$\frac{\text{Profit for the year}}{\text{Total equity average}} \times 100$
Return on capital employed, %	=	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Capital employed average}} \times 100$
Return on net assets, %	=	$\frac{\text{Operating profit + Share of profit (loss) in associated companies and joint ventures}}{\text{Net assets average}} \times 100$
Comparable return on net assets, %	=	$\frac{\text{Comparable operating profit + Share of profit (loss) in associated companies and joint ventures (adjusted for IAS 39 effects, nuclear fund adjustments and major sales gains or losses)}}{\text{Comparable net assets average}} \times 100$
Capital employed	=	Total assets - non-interest bearing liabilities - deferred tax liabilities - provisions
Net assets	=	Non-interest bearing assets + interest-bearing assets related to the Nuclear Waste Fund - non-interest bearing liabilities - provisions (non-interest bearing assets and liabilities do not include finance related items, tax and deferred tax and assets and liabilities from fair valuations of derivatives where hedge accounting is applied)

25. Definition of key figures

Comparable net assets	=	Net assets adjusted for non-interest bearing assets and liabilities arising from financial derivatives hedging future cash flows where hedge accounting is not applied according to IAS 39	
Interest-bearing net debt	=	Interest-bearing liabilities - liquid funds	
Gearing, %	=	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$	x 100
Equity-to-assets ratio, %	=	$\frac{\text{Total equity including non-controlling interest}}{\text{Total assets}}$	x 100
Net debt / EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{Operating profit + Depreciation, amortisation and impairment charges}}$	
Comparable net debt / EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{Comparable EBITDA}}$	
Interest coverage	=	$\frac{\text{Operating profit}}{\text{Net interest expenses}}$	
Interest coverage including capitalised borrowing costs	=	$\frac{\text{Operating profit}}{\text{Net interest expenses - capitalised borrowing costs}}$	
Earnings per share (EPS)	=	$\frac{\text{Profit for the period - non-controlling interest}}{\text{Average number of shares during the period}}$	
Equity per share	=	$\frac{\text{Shareholder's equity}}{\text{Number of shares at the end of the period}}$	
Last twelve months (LTM)	=	Twelve months preceding the reporting date	

Market conditions and achieved power prices

Power consumption				Last twelve months
TWh	Q1 2015	Q1 2014	2014	
Nordic countries	110	110	378	378
Russia	276	277	1,021	1,020
Tyumen	24	24	93	93
Chelyabinsk	10	10	36	36
Russia Urals area	69	70	260	259

Average prices				Last twelve months
	Q1 2015	Q1 2014	2014	
Spot price for power in Nord Pool power exchange, EUR/MWh	28.1	30.2	29.6	29.1
Spot price for power in Finland, EUR/MWh	32.1	35.2	36.0	35.2
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	28.6	30.0	31.6	31.3
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	27.7	29.8	31.4	30.9
Spot price for power in European and Urals part of Russia, RUB/MWh ¹⁾	1,122	1,116	1,163	1,165
Average capacity price, tRUB/MW/month	394	335	304	321
Spot price for power in Germany, EUR/MWh	32.1	33.5	32.8	32.4
Average regulated gas price in Urals region, RUB/1000 m ³	3,362	3,362	3,362	3,362
Average capacity price for old capacity, tRUB/MW/month ²⁾	163	183	167	162
Average capacity price for new capacity, tRUB/MW/month ²⁾	715	609	552	589
Spot price for power (market price), Urals hub, RUB/MWh ¹⁾	1,051	1,018	1,089	1,097
CO ₂ , (ETS EUA), EUR/tonne CO ₂	7	6	6	6
Coal (ICE Rotterdam), USD/tonne	61	79	75	71
Oil (Brent Crude), USD/bbl	55	108	99	86

¹⁾ Excluding capacity tariff.

²⁾ Capacity prices paid only for the capacity available at the time.

Water reservoirs			
TWh	March 31 2015	March 31 2014	Dec 31 2014
Nordic water reservoirs level	42	45	80
Nordic water reservoirs level, long-term average	41	41	83

Export/import				Last twelve months
TWh (+ = import to, - = export from Nordic area)	Q1 2015	Q1 2014	2014	
Export / import between Nordic area and Continental Europe+Baltics	-4	-5	-14	-13
Export / import between Nordic area and Russia	2	1	4	5
Export / import Nordic area, Total	-2	-4	-10	-8

Power market liberalisation in Russia				Last twelve months
%	Q1 2015	Q1 2014	2014	
Share of power sold at the liberalised price by OAO Fortum	83	82	81	82

Achieved power prices				Last twelve months
EUR/MWh	Q1 2015	Q1 2014	2014	
Power's Nordic power price	37.7	39.7	41.4	40.8
Achieved power price for OAO Fortum	26.0	30.7	30.4	29.0

Fortum's production and sales volumes

Power generation				
TWh	Q1 2015	Q1 2014	2014	Last twelve months
Fortum power generation in the EU and Norway	13.3	14.3	50.1	49.1
Fortum power generation in Russia	7.5	6.3	23.3	24.5
Total	20.8	20.6	73.4	73.6

Heat production				
TWh	Q1 2015	Q1 2014	2014	Last twelve months
Heat production in the EU and Norway	2.3	3.0	8.2	7.5
Heat production in Russia	9.5	9.9	26.4	26.0
Total	11.9	12.9	34.6	33.6

Power generation capacity by segment				
MW	March 31 2015	March 31 2014	March 31 2014	Dec 31 2014
Power	9,068		9,176	9,063
Heat, Electricity Sales and Solutions	749		793	803
Russia	4,663		4,292	4,758
Total	14,479		14,261	14,624

Heat production capacity by segment				
MW	March 31 2015	March 31 2014	March 31 2014	Dec 31 2014
Power	0		250	0
Heat, Electricity Sales and Solutions	3,913		4,230	3,936
Russia	12,994		13,466	13,466
Total	16,906		17,946	17,402

Power generation by source in the Nordic area				
TWh	Q1 2015	Q1 2014	2014	Last twelve months
Hydro and wind power	6.2	6.4	22.4	22.2
Nuclear power	6.3	6.6	23.8	23.5
Thermal power	0.4	0.5	1.8	1.7
Total	12.8	13.5	48.0	47.3

Power generation by source in the Nordic area				
%	Q1 2015	Q1 2014	2014	Last twelve months
Hydro and wind power	48	48	46	46
Nuclear power	49	49	50	50
Thermal power	3	3	4	4
Total	100	100	100	100

Power sales				
EUR million	Q1 2015	Q1 2014 restated	2014 restated	Last twelve months
Power sales in the EU and Norway	574	643	2,344	2,275
Power sales in Russia	183	218	758	723
Total	757	861	3,102	2,998

Fortum's production and sales volumes

Heat sales				
EUR million	Q1 2015	Q1 2014	2014	Last twelve months
Heat sales in the EU and Norway	161	177	468	452
Heat sales in Russia	80	112	285	253
Total	241	289	753	705

Power sales by area				
TWh	Q1 2015	Q1 2014	2014	Last twelve months
Finland	5.7	6.0	21.6	21.3
Sweden	8.0	8.2	28.2	28.0
Russia	8.4	7.1	26.5	27.8
Other countries	0.9	1.1	3.8	3.6
Total	23.1	22.4	80.1	80.8

NordPool transactions are calculated as a net amount of hourly sales and purchases at the Group level.

Heat sales by area				
TWh	Q1 2015	Q1 2014	2014	Last twelve months
Russia	9.5	9.7	26.0	25.8
Finland	1.2	1.3	3.2	3.1
Poland	1.5	1.5	3.4	3.4
Other countries ¹⁾	0.5	1.1	2.8	2.2
Total	12.7	13.6	35.4	34.5

¹⁾ Including the UK, which is reported in the Power and Technology segment, other sales.