Fortum Corporation

Interim Report
January-June 2010

16 July 2010

Fortum Corporation
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A good first half of the year

- Comparable operating profit EUR 990 (1,002) million, -1.2%
- Earnings per share EUR 0.93 (0.78), +19%
- Progress in Russia on track, comparable operating profit EUR 7 (-8) million

Key figures	II/10	II/09	I-II/10	I-II/09	2009	LTM
Sales, EUR million	1,295	1,194	3,242	2,826	5,435	5,851
Operating profit, EUR million	351	375	1,075	974	1,782	1,883
Comparable operating profit, EUR million	339	400	990	1,002	1,888	1,876
Profit before taxes, EUR million	332	355	1,045	889	1,636	1,792
Earnings per share, EUR	0.30	0.32	0.93	0.78	1.48	1.62
Net cash from operating activities, EUR million	422	704	943	1,526	2,264	1,681
Shareholders' equity per share, EUR			9.19	8.42	9.04	
Interest-bearing net debt (at end of period), EUR million			6,506	6,004	5,969	
Average number of shares, 1,000s			888,367	888,230	888,230	888,367

Key financial ratios	2009	LTM
Return on capital employed, %	12.1	12.8
Return on shareholders' equity, %	16.0	18.0
Net debt/EBITDA	2.6	2.7

Fortum's President and CEO Tapio Kuula on the January-June 2010 results:

"Fortum had a good first half of the year considering the exceptional market conditions. The Heat, and Russia Divisions as well as Distribution business area were able to clearly improve their profits from a year ago. Electricity Sales had a poor first quarter, but achieved better results in the April-June reporting period. The Power Division's second quarter financial results were not quite at the same level as in the excellent first quarter.

The overall Nordic and Russian power consumption figures continued to increase from last year during the first two quarters of 2010. Industrial activity is clearly picking up in Fortum's key market areas. The Russian economy sustained its fast path of recovery.

The first quarter of the year was characterised by an unusually cold winter and power price peaks at Nord Pool. The market environment was less extreme during the second quarter, although water and snow reservoir levels remained low and nuclear modernisation programmes in Sweden still decreased the availability of nuclear capacity.

Nord Pool spot prices stayed at a higher level in January-June than in the same period 2009. Also Power Division's achieved Nordic power price increased by EUR 1 per megawatt-hour (MWh) from year ago. However, the achieved Nordic power price in the second quarter decreased by EUR ~3 per MWh from a year ago. The decline in the division's profitability stems from the lower achieved price in the second quarter, less benign power generation mix and also from an increase in the costs of Fortum's associated (co-owned) nuclear generating companies.

The Russian wholesale power sector reform is progressing. Starting 1 July 2010, 80% of all produced power in Russia was sold on the competitive market. The wholesale power market is expected to be fully liberalised from the beginning of 2011. The regulation for new capacity is expected to significantly increase the capacity payments for new capacities to Fortum.

I am satisfied with the results achieved in the first half of 2010, still remembering there are areas where results could have been better. Thus, the first priority is to steadily improve our long term performance."

Financial results

April-June

Group sales were EUR 1,295 (1,194) million. Group operating profit totalled EUR 351 (375) million. Comparable operating profit totalled EUR 339 (400) million.

The total of non-recurring items, mark-to-market effects and nuclear fund adjustments in the second quarter of 2010 amounted to EUR 12 (-25) million. Of this total, non-recurring items were EUR 4 (10) million.

Sales by division

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Power	597	608	1,366	1,296	2,531	2,601
Heat	301	250	952	764	1,399	1,587
Distribution*	200	176	480	405	800	875
Electricity Sales*	327	298	964	767	1,449	1,646
Russia	169	138	413	324	632	721
Other	16	19	21	38	71	54
Netting of Nord Pool transactions	-261	-212	-944	-570	-1,095	-1,469
Eliminations	-54	-83	-10	-198	-352	-164
Total	1,295	1,194	3,242	2,826	5,435	5,851

* Part of the Electricity Solutions and Distribution Division

Comparable operating profit by division

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Power	271	340	695	755	1,454	1,394
Heat	33	26	165	140	231	256
Distribution*	53	54	155	135	262	282
Electricity Sales*	10	6	-3	4	22	15
Russia	-9	-14	7	-8	-20	-5
Other	-19	-12	-29	-24	-61	-66
Total	339	400	990	1,002	1,888	1,876

* Part of the Electricity Solutions and Distribution Division

Operating profit by division

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Power	280	307	747	739	1,363	1,371
Heat	35	39	194	154	252	292
Distribution*	53	54	166	135	263	294
Electricity Sales*	23	20	-6	-1	29	24
Russia	-9	-15	23	-9	-20	12
Other	-31	-30	-49	-44	-105	-110
Total	**351**	**375**	**1,075**	**974**	**1,782**	**1,883**

* Part of the Electricity Solutions and Distribution Division

January-June

Group sales were EUR 3,242 (2,826) million. Group operating profit totalled EUR 1,075 (974) million. Comparable operating profit totalled EUR 990 (1,002) million.

Non-recurring items, mark-to-market effects and nuclear fund adjustments in the first half of the year amounted to EUR 85 (-28) million. Out of this, the share of non-recurring items was EUR 50 (14) million and consisted mainly of sales gains in the first quarter of 2010: The sale of Swedegas and Karlskoga Energi & Miljö shares in Sweden as well as Kurgan Generating Company and Federal Grid Company shares in Russia.

The average SEK rate was approximately 10.7% higher in the first half of 2010 than in the first half of 2009. The positive translation effect caused by the higher average SEK rate was approximately EUR 53 million in the comparable operating profit compared to last year, the bulk of which was in Power Division and in the first quarter of the year.

The share of profits/losses of associates and joint ventures was EUR 31 (-4) million. The improvement from last year was mainly due to the improvement in the contribution from Hafslund ASA.

The Group's net financial expenses decreased to EUR 61 (81) million. The decrease is attributable to lower interest expenses. The change in fair value of financial instruments was EUR 19 (13) million.

Profit before taxes was EUR 1,045 (889) million.

Taxes for the period totalled EUR 191 (172) million. The tax rate according to the income statement was 18.3% (19.3%).

The profit for the period was EUR 854 (717) million. Fortum's earnings per share were EUR 0.93 (0.78).

Non-controlling (minority) interests amounted to EUR 32 (22) million. These are mainly attributable to Fortum Värme Holding AB, in which the city of Stockholm has a 50% economic interest.

The return on capital employed was 12.8% for the last twelve months (12.1% in 2009), and the return on shareholders' equity was 18.0% for the last twelve months (16.0% in 2009).

Cash flow from operating activities was affected by the realised foreign exchange gains and losses, which were EUR -277 (+392) million during the first half of 2010. The foreign exchange gains and losses mainly relate to the roll over of foreign exchange contracts hedging loans to Fortum’s Swedish subsidiaries.

Fortum's net debt to EBITDA for the last twelve months was 2.7 (2.6 at the end of 2009).

Market conditions

Nordic countries

During the second quarter, the average system spot price for power in Nord Pool was EUR 44.9 (34.0) per MWh. The Finnish and Swedish area prices were below the system price level, at EUR 41.7 (34.3) per MWh in Finland and EUR 41.9 (34.3) per MWh in Sweden. The difference between the system price and the Finnish and Swedish area prices was mainly due to the stronger hydro balance in Sweden compared to Norway.

In January-June 2010, the average system spot price for power in Nord Pool was EUR 52.1 (36.1) per MWh. The Finnish and Swedish area prices were above the system price level, at EUR 56.2 (36.2) per MWh in Finland and EUR 57.0 (36.3) per MWh in Sweden. The difference between the system price and the Finnish and Swedish area prices was mainly related to the two days in the first quarter when transmission capacity between Norway and Sweden was considerably below normal.

Year 2010 started with the Nordic water reservoirs at 7 terawatt-hours (TWh) below the long-term average. At the end of the second quarter, the Nordic water reservoirs were 14 TWh below the long-term average and 1 TWh below the corresponding level last year.

According to preliminary statistics, the Nordic countries consumed 85 (80) TWh of electricity in the second quarter of 2010, about 6% more than in the previous year. The increase was mainly due to higher industrial consumption. During the first half of the year, the Nordic countries consumed about 204 (192) TWh. The increase is mainly due to the cold weather in the first quarter and higher industrial consumption.

Russia

According to preliminary statistics, Russia consumed 224 (216) TWh of electricity in the second quarter of 2010, about 4% more than in the corresponding period of the previous year. During the first half of the year, Russia consumed about 506 (481) TWh. The increase is mainly due to the general recovery of the Russian economy and increased industrial activity.

OAO Fortum operates in the Tyumen and Chelyabinsk areas. In the Tyumen area, where industrial production is dominated by the oil and gas industries, electricity demand decreased during the second quarter by about 1% compared to the previous year.The recession did not affect electricity demand in the Tyumen region in the previous year. In the Chelyabinsk area, which is dominated by the metal industry, electricity demand increased by about 11% in the second quarter compared to the previous year. The increase is mainly due to the recovery in industrial consumption.

The average electricity spot price, excluding capacity price, in the First price zone (European and Urals part of Russia) increased 26% to RUB 804 (640) per MWh in the second quarter of 2010.

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

Fortum's CO_2 emissions

During the first half of 2010, approximately 66% (69%) of the power generated by Fortum was CO_2-free. The corresponding figure for Fortum's generation within the EU was 86% (94%).

Fortum's total CO_2 emissions during the first half of the year amounted to 13.7 (11.5) million tonnes (Mt), of which 5.7 (3.8) Mt were within the EU's emission trading scheme (ETS).

Fortum's target in the EU is to decrease its emissions in power generation to less than 80 grams per kilowatt-hour (g/kWh) by 2020 as a five-year average. After the first half of 2010, the five-year average performance is below the target level at 61 g/kWh, but higher than the year before. In heat production, Fortum aims at reducing the specific emissions in each EU country by at least 10% from 2006 until 2020. Outside the EU, Fortum is committed to increasing energy efficiency and thereby reducing specific emissions.

Fortum's total CO_2 emissions (million tonnes)	II/10	II/09	I-II/10	I-II/09	2009	LTM
Total emissions	4.6	4.5	13.7	11.5	22.0	24.2
Emissions subject to ETS	1.7	1.2	5.7	3.8	7.7	9.6
Free emissions allocation	-	-	-	-	5.5	-
Emissions in Russia	2.7	3.1	7.6	7.2	13.8	14.2

Fortum's specific CO_2 emissions of power generation (g/kWh)	II/10	II/09	I-II/10	I-II/09	2009	LTM
Total emissions	154	166	178	155	155	170
Emissions in the EU	46	29	81	37	41	65
Emissions in Russia	539	596	496	510	493	497

Division reviews

Power

The Power Division consists of Fortum's power generation, physical operation and trading, operation, maintenance and development of power plants as well as expert services for power producers.

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Sales	597	608	1,366	1,296	2,531	2,601
- power sales	564	576	1,309	1,233	2,413	2489
- other sales	33	32	57	63	118	112
Operating profit	280	307	747	739	1,363	1,371
Comparable operating profit	271	340	695	755	1,454	1,394
Net assets (at period-end)			5,726	5,353	5,494	
Return on net assets, %					24.5	23.9
Comparable return on net assets, %					26.4	24.4
Gross investments	22	48	55	100	153	108
Number of employees			1,983	2,026	1,916	

The division's power generation during the second quarter of 2010 amounted to 11.4 (10.8) TWh in the Nordic countries. Approximately 95% (97%) of that was CO_2-free.

In January–June, the division's power generation in the Nordic countries was 23.5 (22.9) TWh and approximately 93% (97%) of the division's power generation was CO_2-free.

During the second quarter, the division's power generation in the Nordic countries increased by 6%. Higher Nord Pool spot prices enabled more thermal power generation, while increased nuclear production in Oskarshamn 3 resulted in higher power generation volumes compared to last year.

During the first half of 2010, Nordic power generation was 0.6 TWh higher than in the corresponding period last year. Increased thermal generation more than offset lower hydro and nuclear volumes. The decrease in hydropower generation was mainly due to lower precipitation and inflows into Nordic water reservoirs. Nuclear power generation was roughly at the same level as last year. The higher generation at Oskarshamn 3 reactor in Sweden was offset by significantly lower generation at Forsmark 2 in Sweden.

At Oskarshamn 3, a testing period is ongoing and output power is limited to about 1,050 megawatt (MW) until further notice. The efforts to reach full generation are ongoing, but the date it is reached will be confirmed later. Forsmark 2 has been running at significantly reduced capacity after the capacity increase modifications.

Power generation by source, TWh	II/10	II/09	I-II/10	I-II/09	2009	LTM
Hydropower, Nordic	5.1	5.2	10.5	10.9	22.1	21.7
Nuclear power, Nordic	6.0	5.6	11.9	12.0	21.4	21.3
Thermal power, Nordic	0.3	0.0	1.1	0.0	0.2	1.3
Total in the Nordic countries	11.4	10.8	23.5	22.9	43.7	44.3
Thermal power in other countries	0.2	0.3	0.5	0.6	1.2	1.1
Total	11.6	11.1	24.0	23.5	44.9	45.4

Nordic sales volume, TWh	12.5	12.1	26.1	25.5	48.8	49.4
of which pass-through sales	0.9	0.9	1.8	1.8	3.6	3.6

Sales price, EUR/MWh	II/10	II/09	I-II/10	I-II/09	2009	LTM
Power's Nordic power price*	44.8	48.0	49.8	48.8	49.8	50.3

* For the Power Division in the Nordic countries, excluding pass-through sales.

The Power Division's achieved Nordic power price in the second quarter of 2010 amounted to EUR 44.8 per MWh, which was EUR 3.2 per MWh lower than last year. The decrease was mainly due to lower hedge prices during quarter; Nord Pool spot prices were higher than in 2009.

In the first half of 2010, the division's achieved Nordic power price was EUR 49.8 per MWh, which is EUR 1.0 per MWh higher than last year. The increase was mainly due to higher Nord Pool spot prices.

In the second quarter of 2010 Power's comparable operating profit was lower than in the corresponding period last year. This was mainly due to the lower achieved power price, less benign generation mix and the higher costs in associated nuclear generating companies. Furthermore, an increase in nuclear related provisions and Loviisa 3 project related costs contributed to the decline in the comparable operating profit (in total EUR -11 million in the second quarter of 2010).

In the first half of 2010, Power's comparable operating profit was lower than in the corresponding period last year, despite higher achieved Nordic power price. The decline in the division's profitability stems from lower hydro and nuclear volumes (a less benign power generation mix) and also from an increase in the costs of associated nuclear generating companies. Also the increase in nuclear related provisions and Loviisa 3 project related costs contributed to the decline in the comparable operating profit.

Fortum’s 308-MW share of the Meri-Pori power plant’s production capacity was reverted to the company’s own use on 1 July 2010. Fortum’s share has been leased since 1 January 2007. The fixed-period lease on the share of production capacity was one of the conditions set by the Finnish Competition Authority for approval of Fortum’s acquisition of E.ON Finland in summer 2006.

Heat

The Heat Division consists of combined heat and power (CHP) generation, district heating activities and business-to-business heating solutions in the Nordic countries and other parts of the Baltic Rim.

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Sales	301	250	952	764	1,399	1,587
- heat sales	218	185	688	582	1,055	1,161
- power sales	55	37	200	121	224	303
- other sales	28	28	64	61	120	123
Operating profit	35	39	194	154	252	292
Comparable operating profit	33	26	165	140	231	256
Net assets (at period-end)			3,884	3,503	3,787	
Return on net assets, %					7.9	8.8
Comparable return on net assets, %					7.3	7.8
Gross investments	59	97	121	167	359	313
Number of employees			2,549	2,666	2,552	

Heat sales during the second quarter of 2010 amounted to 4.3 (3.7) TWh, mainly generated in the Nordic countries. During the same period, power sales from CHP production totalled 1.1 (0.8) TWh. Sales to industrial customers in Finland have recovered from last year’s reductions in production.

Heat sales during the first half of 2010 amounted to 14.9 (13.1) TWh, mainly generated in the Nordic countries. During the same period, power sales from CHP production totalled 3.5 (2.4) TWh. The increased volumes were a result of colder weather during the first quarter, increased industrial sales and new CHP capacity in Finland (Suomenoja).

The division’s second-quarter comparable operating profit was EUR 33 million, EUR 7 million higher than the corresponding period last year.

The comparable operating profit for the first half of 2010 for the Heat Division was EUR 165 million, EUR 25 million higher than in the corresponding period last year. The increase was mainly due to higher volumes and power prices. Fuel costs were higher than last year.

In Finland, the Finnish Government is proposing significant changes to fuel taxation as of 2011. Among other measures, the fuel tax for natural gas is proposed to be lifted by approximately 400% with emissions trading alleviations taken into account. This is clearly more than the proposed increase for e.g. coal and peat. The fourfold increase of the gas tax would lead to increases in Fortum's Finnish district heat pricing.

The Swedish Competition Authority (SCA) is investigating district heating price setting. The investigation concerns also Fortum Värme, which is jointly owned by the City of Stockholm.

Heat sales by area, TWh	II/10	II/09	I-II/10	I-II/09	2009	LTM
Finland	1.8	1.4	5.3	4.5	8.0	8.8
Sweden	1.8	1.7	6.4	5.7	9.8	10.5
Poland	0.5	0.4	2.3	2.2	3.7	3.8
Other countries	0.2	0.2	0.9	0.7	1.4	1.6
Total	4.3	3.7	14.9	13.1	22.9	24.7

Power sales, TWh	II/10	II/09	I-II/10	I-II/09	2009	LTM
Total	1.1	0.8	3.5	2.4	4.4	5.5

Electricity Solutions and Distribution

Electricity Solutions and Distribution Division is responsible for Fortum's electricity sales, solutions and distribution activities. The division consists of two business areas: Distribution and Electricity Sales.

Distribution

Fortum owns and operates distribution and regional networks and distributes electricity to a total of 1.6 million customers in Sweden, Finland, Norway and Estonia.

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Sales	200	176	480	405	800	875
- distribution network transmission*	173	152	417	351	685	751
- regional network transmission*	21	18	47	39	75	83
- other sales	6	6	16	15	40	41
Operating profit	53	54	166	135	263	294
Comparable operating profit	53	54	155	135	262	282
Net assets (at period-end)			3,482	3,106	3,299	
Return on net assets, %					8.7	9.2
Comparable return on net assets, %					8.6	8.9
Gross investments	47	43	76	79	193	190
Number of employees			1,144	1,169	1,088	

*) Q1/2010 has been restated.

The volume of distribution and regional network transmissions during the second quarter of 2010 totalled 5.7 (5.4) TWh and 4.1 (3.7) TWh, respectively.

In the first half of 2010, electricity transmission via the regional distribution network totalled 7.7 (7.1) TWh in Sweden and 1.4 (1.4) TWh in Finland.

The comparable operating profit of the Distribution business area was EUR 53 million in the second quarter, at the same level as last year.

In the first half of the year, the comparable operating profit of the Distribution business area was EUR 155 million, which is EUR 20 million higher than the previous year. The main reasons for the increase are higher sales due to the colder weather and a stronger SEK during the first quarter.

Volume of distributed electricity in distribution network, TWh	II/10	II/09	I-II/10	I-II/09	2009	LTM
Sweden	3.2	3.0	7.9	7.4	14.0	14.5
Finland	2.0	2.0	5.2	4.9	9.4	9.7
Norway	0.5	0.4	1.4	1.2	2.3	2.5
Estonia	0.0	0.0	0.1	0.1	0.2	0.2
Total	5.7	5.4	14.6	13.6	25.9	26.9

Number of electricity distribution customers by area, thousands	30 June 2010	30 June 2009
Sweden	888	880
Finland	614	607
Other countries	124	124
Total	1,626	1,611

Electricity Sales

The Electricity Sales business area is responsible for retail sales of electricity to a total of 1.2 million private and business customers as well as to other electricity retailers in Sweden, Finland and Norway. Electricity Sales buys its electricity through Nord Pool. Electricity Sales sells approximately 70% of its volumes to business customers and 30% to retail consumers.

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Sales	327	298	964	767	1,449	1,646
- power sales	321	289	953	751	1,417	1,619
- other sales	6	9	11	16	32	27
Operating profit	23	20	-6	-1	29	24
Comparable operating profit	10	6	-3	4	22	15
Net assets (at period-end)			59	81	125	
Return on net assets, %					28.9	26.4
Comparable return on net assets, %					18.6	14.0
Gross investments	0	0	0	1	1	0
Number of employees			549	637	611	

In the second quarter of year 2010, the business area's electricity sales totalled 6.3 (6.3) TWh. The electricity sales in the period January - June totalled 16.1 (16.0) TWh.

Electricity Sales' comparable operating profit in the second quarter was improved by lower fixed costs and better sales margins, especially in Sweden and Norway. The price peaks during the first quarter of the year had a negative impact on the business area's profits, leading to a decline in the comparable operating profit for the first half of the year.

In February 2010, a restructuring of the unprofitable Business Market segment was initiated. The related union negotiation process ended in May. As a result, approximately 70 positions will be reduced in the Business Market segment in Finland, Sweden and Norway.

Russia

The Russia Division consists of power and heat generation and sales in Russia. It includes OAO Fortum and Fortum's over 25% holding in TGC-1, which is an associated company and accounted for using the equity method.

EUR million	II/10	II/09	I-II/10	I-II/09	2009	LTM
Sales	169	138	413	324	632	721
- power sales	114	91	244	194	390	440
- heat sales	52	44	165	125	219	259
- other sales	3	3	4	5	23	22
EBITDA	13	3	65	28	55	92
Operating profit	-9	-15	23	-9	-20	12
Comparable operating profit	-9	-14	7	-8	-20	-5
Net assets (at period-end)			2,690	2,062	2,260	
Return on net assets, %					0.0	1.5
Comparable return on net assets, %					0.0	0.8
Gross investments	167	41	258	62	218	414
Number of employees			4,584	6,483	4,855	

OAO Fortum operates in the well-developed industrial regions of the Urals and in oil-producing western Siberia.

The division's power sales during the second quarter of 2010 amounted to 4.5 (4.6) TWh. During the same period, heat sales totalled 4.0 (4.2) TWh.

During the first half of 2010, OAO Fortum sold 53% of its electricity production at the liberalised electricity price.

Key electricity, capacity and gas prices for OAO Fortum	II/10	II/09	Change %	I-II/10	I-II/09	Change %
Electricity spot price (market price), Urals hub, RUB/MWh	770	603	28	794	569	39
Average regulated electricity price for OAO Fortum, RUB/MWh	610	525	16	615	534	15
Average regulated capacity price, tRUB/MW/month	169	187	-9	169	188	-10
Average regulated gas price in Urals region, RUB/1000 m^3	2,221	1,730	28	2,221	1,676	33

The division booked a comparable operating loss of EUR -9 (-14) million in the second quarter of 2010. The improvement was mainly due to the efficiency improvement programme.

Comparable operating profit for January - June 2010, EUR 7 million, was EUR 15 million higher than in the last year due to the efficiency improvement programme. The positive effect of slightly higher electricity and heat margins was partly offset by lower capacity income for existing capacities.

OAO Fortum's business is typically very seasonal: Its results are usually strongest during the first and last quarters of the year.

The Russian wholesale power sector reform is proceeding. Starting 1 January 2010, 60% of all produced power in Russia was sold on the competitive market. The share increased to 80% at the beginning of July 2010. The wholesale power market is expected to be fully liberalised from the beginning of 2011.

Currently, approximately one third of Fortum's power sales in Russia comes from capacity payments, which the generating company receives based on its available capacity. The rules for the long-term capacity market starting from 2011 have been approved by the Russian Government. The price parameters for the capacity market were approved in April.

The generation capacity built after 2007 under government capacity supply agreements (CSA) will receive higher capacity payments than other, older capacity, for a period of 10 years. Prices for the new capacities will be set as economically justified to ensure a sufficient return on investments. Old capacity (capacity not under CSA) will compete in a capacity market.

OAO Fortum's efficiency improvement programme is proceeding according to plans.
The annual efficiency improvements are expected to be approximately EUR 100 million in 2011.

Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares in January-June 2010 totalled EUR 513 (412) million. Investments, excluding acquisitions, were EUR 493 (352) million.

In 2010, Fortum expects to commission new power and heat capacity as follows:

	Type	Electricity capacity, MW	Heat capacity, MW	Available
Heat				
Częstochowa, Poland	CHP bio, coal	65	120	Q3/2010
Pärnu, Estonia	CHP bio, peat	20	45	Q4/2010
Power				
Hydro refurbishment	Hydropower	20-30		2010
Russia				
Tyumen 1	CCGT, gas	230		Q3/2010
Tobolsk	CCGT, gas	200		Q4/2010
Chelyabinsk 3	CCGT, gas	220		Q4/2010

Power

The Finnish Government gave a negative decision-in-principle on Fortum's application concerning the construction of a new nuclear power plant unit, Loviisa 3. Fortum is also, with an approximately 25% interest, a shareholder in TVO, whose decision-in-principle application for a new nuclear power plant unit, Olkiluoto 4, was approved by the Finnish Government and ratified by the Finnish Parliament.

Through its interest in Teollisuuden Voima Oyj (TVO) Fortum is participating in the building of Olkiluoto 3, a 1,600-MW nuclear power plant unit in Finland. The AREVA-Siemens Consortium, the turnkey supplier of the Olkiluoto 3 for TVO, announced in June that in light of the current progress most of the works will be completed in 2012 while regular operation of the plant unit is foreseen during 2013.

Heat

In January 2010, Fortum acquired the CHP plant in Nokia, Finland. The plant's capacity is around 85 MW heat and 70 MW electricity.

In February, Fortum decided to invest in a new waste-fuelled CHP plant in Klaipeda, Lithuania. The value of the investment amounts to approximately EUR 140 million. The power plant is planned to be ready for production by the end of 2013. The fuel will consist of municipal and industrial waste and biomass. The production capacity will be approximately 50 MW heat and 20 MW electricity.

The CHP projects in Pärnu, Estonia and Czestochowa, Poland are proceeding. The plant in Pärnu is expected to start commercial operation in December 2010 and Czestochowa in autumn 2010.

The sale of Fortum's shares in the Swedish gas transmission company Swedegas AB was closed in February. The gain from the sales was included in the first-quarter non-recurring items.

Distribution

In early February 2010, Fortum divested its 49% share in Karlskoga Energi & Miljö in Sweden to the Karlskoga municipality for approximately EUR 42 million. The sales gain was included in the first- quarter non-recurring items.

The EU's third energy market package entered into force in early September 2009. One of the consequences is that Fortum will have to divest its 25% ownership in the Finnish electricity transmission system operator Fingrid Oyj by early 2012. Consequently, Fortum is investigating alternatives for the sale of the Fingrid shares. Currently Fortum expects the sales process of the Fingrid shares to take place during 2010.

Russia

Fortum sold its shares in Federal Grid Company (Fortum's ownership was 0.119%) and in Kurgan Generating Company (49% of the voting rights) in Russia during the first quarter of 2010. The sales gains were included in the first-quarter non-recurring items.

OAO Fortum's ongoing investment programme will increase its power capacity from the current approximately 2,800 MW to approximately 5,100 MW. The value of the remaining part of the programme, calculated at the end of June 2010 exchange rates, is estimated to be EUR 1.7 billion from July 2010 onwards.

Fortum has confirmed its commitment to fulfil the OAO Fortum investment programme. The first three units are expected to be commissioned during the current year.

Financing

Net debt increased during the second quarter by EUR 827 million to EUR 6,506 million (year-end 2009: EUR 5,969 million). The increase in net debt is due to the EUR 888 million dividend payment made in April.

The liquidity position normalised, and, at the end of the second quarter, the Group's liquid funds totalled EUR 694 million (year-end 2009: EUR 890 million). Liquid funds include cash and bank deposits held by OAO Fortum amounting to EUR 479 million (year-end 2009: 632 million). In addition to the liquid funds, Fortum had access to approximately EUR 2.9 billion of undrawn committed credit facilities.

The Group's net financial expenses were EUR 61 (81) million. The decrease is mainly attributable to lower average interest rates during the first half of 2010 compared to the corresponding period last year.

Net financial expenses include changes in the fair value of financial instruments of EUR 19 (13) million. Net debt to EBITDA for the last twelve months was 2.7 (2.6 at year-end 2009).

Fortum Corporation's long-term credit rating from Moody's and Standard and Poor's was A2 (stable) and A (stable), respectively.

Shares and share capital

In January-June 2010, a total of 284.6 (344.1) million Fortum Corporation shares, totalling EUR 5,324 million, were traded on the NASDAQ OMX Helsinki. Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the second quarter 2010, was EUR 16,062 million. The highest quotation of Fortum Corporation shares on the NASDAQ OMX Helsinki during the reporting period was EUR 19.92, the lowest EUR 17.18, and the volume-weighted average EUR 18.70. The closing quotation on the last trading day of the second quarter was EUR 18.08 (16.22).

At the end of the reporting period, 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 Finnish state's holding in Fortum was 50.8% at the end of the reporting period. The proportion of nominee registrations and direct foreign shareholders was 30.1%.

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

The number of employees at the end of the period was 11,406 (11,613 at the end of 2009).

Research and development

Development activities around Smart Grids and Sustainable Cities continued at a high level. Fortum signed a contract with Skanska with the objective to develop a new Sustainable Urban Living concept, which will be tested in new apartment buildings in Espoo, Finland. The new concept will comprise near real-time measurements of energy consumption in each apartment, tools to affect energy consumption and cost, electric vehicles, and local power generation with solar panels on the building.

Fortum is preparing a large Smart Grid initiative, the Royal Seaport of Stockholm, jointly with partners such as ABB, Ericsson and Electrolux. In parallel with these and other collaboration activities, Fortum is also stepping up its own solutions and services development activities towards Smart Home and electric vehicles charging solutions, targeting market launches still this year.

Next-generation bioenergy technologies, which can be integrated with CHP plants to generate more value, are one of the R&D priorities at Fortum. For example, the objective with pyrolysis is to produce bio-oil in parallel with power and heat in a bio-CHP. This bio-oil can replace fossil oil e.g. in heat production. The first stage of the integrated pyrolysis project in cooperation with Metso, UPM, and VTT, the Technical Research Center of Finland, was completed successfully this spring. This development theme will continue strongly, as Tekes decided to fund integrated pyrolysis development for a different type of plant, the Bubbling Fluidized Bed boiler, which is an important plant type in Fortum's CHP fleet.

Outlook

Key drivers and risks

The key factor influencing Fortum's business performance is the wholesale price of electricity. The key drivers behind wholesale price development are the supply-demand balance, fuel and CO_2 emissions allowance prices as well as the hydrological situation. The exchange rates of the Swedish krona and Russian rouble also affect Fortum's financials. The balance sheet translation effects from changes in currency exchange rates are booked in Fortum's equity.

Fortum's financial results are exposed to a number of strategic, financial and operational risks. For further details on Fortum's risks and risk management, see Fortum's Operating and Financial Review and Financial Statements for 2009.

Nordic market

Fortum currently expects Nordic power demand to recover back to the 2008 level by 2012-2014. Electricity will continue to gain a higher share of the total energy consumption.

In mid-July 2010, the electricity forward price in Nord Pool for the rest of 2010 was around EUR 47 per MWh. The electricity forward price for 2011 was around EUR 44 per MWh and for 2012 around EUR 42 per MWh. At the same time, the future quotations for coal (ICE Rotterdam) for the rest of 2010 were around USD 94 per tonne and the market price for CO2 emissions allowances (EUA) for 2010 was about EUR 15 per tonne.

In mid-July 2010, Nordic water reservoirs were about 14 TWh below the long-term average and 1 TWh below the corresponding level of 2009.

Russia

In Russia, one of the key assumptions in the OAO Fortum acquisition is the continuation of the Russian power sector reform. The share of power sold at a competitive price was increased from 50% to 60% on 1 January 2010 and further from 60% to 80% at the beginning of July 2010. The wholesale power market is expected to be fully liberalised by 2011.

The price parameters for the long-term capacity market were approved in April 2010. According to the rules, new capacity is expected to receive clearly higher capacity payments than existing, old capacity for a period of ten years.

The average regulated gas price increased by 24% in the first quarter compared to the average price in 2009. The regulated gas price is expected to remain unchanged for the rest of 2010. The current official plan for 2011 is to increase the regulated gas price by 15%. The regulated electricity price is indexed to the regulated gas price and inflation on an annual basis.

The Russian Government is currently reviewing the investment programmes of the generating companies in light of the increased power demand stemming from the current recovery of the Russian economy. Fortum has confirmed its commitment to fulfil the OAO Fortum investment programme, albeit with some modifications to the original completion times.

Annual efficiency improvements are expected to be approximately EUR 100 million in 2011.

Capital expenditure

Fortum expects its annual capital expenditure in the next 4-5 years to be within a range of EUR 0.8-1.2 billion. Fortum's current forecast for capital expenditure in 2010 is above the higher end of the range, approximately EUR 1.5 billion. Some investments originally planned for 2009, especially in Russia, have shifted to 2010 instead.

Taxation

The Swedish Government has made a proposal to increase hydro property tax rates from the beginning of 2011. Fortum estimates that the additional cost from the possible tax rate increase would be around EUR 15 million.

Hedging

At the end of June 2010, approximately 80% of the Power Division's estimated Nordic electricity sales volume for the rest of 2010 was hedged at approximately EUR 44 per MWh. For the calendar year 2011, approximately 60% of the division's estimated Nordic electricity sales volume was hedged at approximately EUR 44 per MWh.

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 Nord Pool forwards or standardised futures, consisting of several types of products and maturities.

Profitability

The first and last quarters of the year are usually the strongest quarters for the power and heat businesses.

Fortum Power Division's achieved Nordic power price typically depends on e.g. the hedge ratio, hedge price, spot prices, availability and utilisation of Fortum's flexible production portfolio and currency fluctuations. Excluding the potential effects from the changes in the power generation mix, a 1 EUR/MWh change in Power’s achieved Nordic sales price results in an approximately EUR 50 million change in Fortum's annual operating profit.

Fortum's results in the first half of the year were good. The company has a flexible, cost-efficient and climate-benign generation portfolio. Fortum's financial position and liquidity are strong.

Espoo, 15 July 2010
Fortum Corporation
Board of Directors

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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 interim financials have not been audited.

Publication of results in 2010:

- Interim Report January-September will be published on 21 October 2010 at approx. 09:00 EET.

Distribution:
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Key media
www.fortum.com

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

Contents to the interim financial statements

Condensed consolidated income statement

EUR million	Note	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Sales	4	**1 295**	1 194	**3 242**	2 826	5 435	5 851
Other income		**18**	21	**55**	39	84	100
Materials and services		**-544**	-411	**-1 461**	-1 067	-2 027	-2 421
Employee benefit costs		**-128**	-129	**-258**	-259	-495	-494
Depreciation, amortisation and impairment charges	4, 12	**-139**	-124	**-276**	-246	-510	-540
Other expenses		**-163**	-151	**-312**	-291	-599	-620
Items affecting comparability		**12**	-25	**85**	-28	-106	7
Operating profit		**351**	375	**1 075**	974	1 782	1 883
Share of profit/loss of associates and joint ventures	4, 13	**15**	29	**31**	-4	21	56
Interest expense		**-45**	-64	**-92**	-132	-241	-201
Interest income		**18**	22	**35**	53	98	80
Fair value gains and losses on financial instruments		**8**	2	**19**	13	-1	5
Other financial expenses - net		**-15**	-9	**-23**	-15	-23	-31
Finance costs - net		**-34**	-49	**-61**	-81	-167	-147
Profit before income tax		**332**	355	**1 045**	889	1 636	1 792
Income tax expense	9	**-61**	-61	**-191**	-172	-285	-304
Profit for the period		**271**	294	**854**	717	1 351	1 488
Attributable to:							
Owners of the parent		**263**	289	**822**	695	1 312	1 439
Non-controlling interests		**8**	5	**32**	22	39	49
		271	294	**854**	717	1 351	1 488
Earnings per share (in € per share)	10						
Basic		**0.30**	0.32	**0.93**	0.78	1.48	1.62
Diluted		**0.30**	0.32	**0.93**	0.78	1.48	1.62

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Comparable operating profit	**339**	400	**990**	1 002	1 888	1 876
Non-recurring items (capital gains and losses)	**4**	10	**50**	14	29	65
Changes in fair values of derivatives hedging future cash flow	**-15**	-25	**21**	-21	-76	-34
Nuclear fund adjustment	**23**	-10	**14**	-21	-59	-24
Items affecting comparability	**12**	-25	**85**	-28	-106	7
Operating profit	**351**	375	**1 075**	974	1 782	1 883

Condensed consolidated statement of comprehensive income

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	2008
Profit for the period	**271**	294	**854**	717	1 351	1 596
Other comprehensive income						
Cash flow hedges						
Fair value gains/losses in the period	**-185**	-282	**-158**	-90	-195	453
Transfers to income statement	**-11**	-60	**-3**	-83	-218	160
Transfers to inventory/fixed assets	**-3**	-6	**-8**	-1	-4	-4
Tax effect	**50**	90	**39**	47	108	-168
Net investment hedges						
Fair value gains/losses in the period	**-6**	-1	**-10**	-2	-25	-
Tax effect	**2**	0	**3**	0	6	-
Available for sale financial assets						
Fair value losses in the period	**0**	0	**0**	0	0	-1
Exchange differences on translating foreign operations	**131**	87	**444**	-127	21	-621
Share of other comprehensive income of associates 1)	**-29**	-36	**-80**	-39	-37	-628
Other changes	**-1**	-3	**1**	-7	1	1
Other comprehensive income for the period, net of tax	**-52**	-211	**228**	-302	-343	-808
Total comprehensive income for the year	**219**	83	**1 082**	415	1 008	788
Total comprehensive income attributable to						
Owners of the parent	**201**	70	**1 014**	412	971	797
Non-controlling interests	**18**	13	**68**	3	37	-9
	219	83	**1 082**	415	1 008	788
1) Of which fair value change in Hafslund ASA's						
shareholding in REC incl. translation differences	**-33**	-24	**-85**	-28	**-37**	-667

Condensed consolidated balance sheet

EUR million	Note	June 30 2010	June 30 2009	Dec 31 2009
ASSETS				
Non-current assets				
Intangible assets	12	**411**	363	391
Property, plant and equipment	12	**13 919**	12 172	12 855
Participations in associates and joint ventures	4, 13	**2 119**	2 105	2 188
Share in State Nuclear Waste Management Fund	16	**612**	577	570
Pension assets		**64**	62	59
Other non-current assets		**67**	58	69
Deferred tax assets		**61**	4	47
Derivative financial instruments	6	**196**	275	195
Long-term interest-bearing receivables		**1 050**	809	918
Total non-current assets		**18 499**	16 425	17 292
Current assets				
Inventories		**418**	431	447
Derivative financial instruments	6	**142**	371	182
Trade and other receivables		**853**	806	1 030
Bank deposits		**394**	432	397
Cash and cash equivalents		**300**	1 008	493
Liquid funds	15	**694**	1 440	890
Total current assets		**2 107**	3 048	2 549
Total assets		**20 606**	19 473	19 841
EQUITY				
Equity attributable to owners of the parent				
Share capital	14	**3 046**	3 046	3 046
Share premium		**73**	73	73
Retained earnings		**5 100**	4 009	4 762
Other equity components		**-59**	348	153
Total		**8 160**	7 476	8 034
Non-controlling interests		**502**	427	457
Total equity		**8 662**	7 903	8 491
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities	15	**5 681**	7 061	6 002
Derivative financial instruments	6	**163**	174	191
Deferred tax liabilities		**1 784**	1 762	1 750
Nuclear provisions	16	**612**	577	570
Other provisions		**242**	201	209
Pension obligations		**24**	48	23
Other non-current liabilities		**464**	460	472
Total non-current liabilities		**8 970**	10 283	9 217
Current liabilities				
Interest-bearing liabilities	15	**1 519**	383	857
Derivative financial instruments	6	**531**	125	276
Trade and other payables		**924**	779	1 000
Total current liabilities		**2 974**	1 287	2 133
Total liabilities		**11 944**	11 570	11 350
Total equity and liabilities		**20 606**	19 473	19 841

Condensed consolidated statement of changes in total equity

EUR million	Share capital	Share premium	Retained earnings: Retained earnings and other funds	Retained earnings: Translation of foreign operations	Other equity components: Cash flow hedges	Other equity components: Other OCI items	Other equity components: OCI items associated companies	Owners of the parent	Non-controlling interests	Total equity
Total equity 31 December 2009	**3 046**	**73**	**5 329**	**-567**	**21**	**1**	**131**	**8 034**	**457**	**8 491**
Net profit for the period			822					822	32	854
Translation differences				403	8		8	419	41	460
Other comprehensive income			1		-133	-7	-88	-227	-5	-232
Total comprehensive income for the period			823	403	-125	-7	-80	1 014	68	1 082
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-22	-22
Changes due to business combinations								0	-1	-1
Total equity 30 June 2010	**3 046**	**73**	**5 264**	**-164**	**-104**	**-6**	**51**	**8 160**	**502**	**8 662**
Total equity 31 December 2008	**3 044**	**73**	**4 888**	**-576**	**321**	**36**	**168**	**7 954**	**457**	**8 411**
Net profit for the period			695					695	22	717
Translation differences				-120	-4		12	-112	-7	-119
Other comprehensive income			-2		-116	-2	-51	-171	-12	-183
Total comprehensive income for the period			693	-120	-120	-2	-39	412	3	415
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-19	-19
Changes due to business combinations			-4					-4	-14	-18
Stock options exercised 1)	2		16			-16		2		2
Total equity 30 June 2009	**3 046**	**73**	**4 705**	**-696**	**201**	**18**	**129**	**7 476**	**427**	**7 903**
Total equity 31 December 2008	**3 044**	**73**	**4 888**	**-576**	**321**	**36**	**168**	**7 954**	**457**	**8 411**
Net profit for the period			1 312					1 312	39	1 351
Translation differences				9	-4		28	33	12	45
Other comprehensive income			6		-296	-19	-65	-374	-14	-388
Total comprehensive income for the period			1 318	9	-300	-19	-37	971	37	1 008
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-19	-19
Changes due to business combinations			-5					-5	-18	-23
Stock options exercised 1)	2		16			-16		2		2
Total equity 31 December 2009	**3 046**	**73**	**5 329**	**-567**	**21**	**1**	**131**	**8 034**	**457**	**8 491**

1) Accounting effect of the last stock option program (2002B) upon ending of the subscription period on 1 May 2009.

Translation differences

Translation differences impacted equity attributable to owners of the parent company with EUR 419 million during Q1-Q2 2010 (Q1-Q2 2009: -112) including net effect from SEK, NOK and RUB amounting to EUR 411 million in Q1-Q2 2010 (Q1-Q2 2009: -112). Part of the translation differences is arising from the NOK effect in fair valuation of Hafslund's REC shares, EUR 4 million accumulated until Q1-Q2 2010 (Q1-Q2 2009: 10), which is shown together with the change in fair value in OCI items associated companies.

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 -125 million during Q1-Q2 2010 (Q1-Q2 2009: -120), mainly relates to cash flow hedges hedging electricity price for future transactions. When electricity price is lower/higher than the hedging price, the impact on equity is positive/negative.

Cash dividend

The dividend for 2009 was decided at the Annual General Meeting on 25 March 2010. The dividend was paid on 8 April 2010. The dividend for 2008 was decided at the Annual General Meeting on 7 April 2009.

Condensed consolidated cash flow statement

EUR million	Note	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Cash flow from operating activities							
Operating profit before depreciations (EBITDA)		**490**	499	**1 351**	1 220	2 292	2 423
Non-cash flow items and divesting activities		**-6**	18	**-73**	19	46	-46
Financial items and realised foreign exchange gains and losses		**-146**	160	**-323**	299	146	-476
Taxes		**-73**	-117	**-155**	-131	-239	-263
Funds from operations		**265**	560	**800**	1 407	2 245	1 638
Change in working capital		**157**	144	**143**	119	19	43
Total net cash from operating activities		**422**	704	**943**	1 526	2 264	1 681
Cash flow from investing activities							
Capital expenditures 1)	4, 12	**-263**	-171	**-486**	-351	-845	-980
Acquisition of subsidiaries, net of cash acquired	7	**-1**	-3	**-1**	-22	-27	-6
Acquisition of associates 2)	13	**0**	0	**0**	-31	-58	-27
Acquisition of other long-term investments		**0**	-1	**0**	-1	-2	-1
Proceeds from sales of fixed assets		**1**	10	**3**	11	48	40
Proceeds from sales of subsidiaries, net of cash disposed	7	**0**	0	**0**	11	11	0
Proceeds from sales of associates	13	**5**	0	**111**	0	2	113
Proceeds from sales of other non-current assets		**0**	1	**11**	1	1	11
Change in interest-bearing receivables		**-22**	-13	**-53**	-32	-104	-125
Total net cash used in investing activities		**-280**	-177	**-415**	-414	-974	-975
Cash flow before financing activities		**142**	527	528	1 112	1 290	706
Cash flow from financing activities							
Net change in loans		**-62**	-1 242	**113**	-35	-758	-610
Dividends paid to the Company's equity holders		**-888**	-888	**-888**	-888	-888	-888
Other financing items		**-14**	-21	**-19**	-8	-25	-36
Total net cash used in financing activities		**-964**	-2 151	**-794**	-931	-1 671	-1 534
Total net increase (+)/decrease (-) in liquid funds		**-822**	-1 624	**-266**	181	-381	-828
Liquid funds at the beginning of the period		**1 498**	3 041	**890**	1 321	1 321	1 440
Foreign exchange differences in liquid funds		**18**	23	**70**	-62	-50	82
Liquid funds at the end of the period		**694**	1 440	**694**	1 440	890	694

1) Capital expenditures in cash flow do not include investments not yet paid. Capitalised borrowing costs are included in interest costs paid.
2) Acquisition of associates includes paid share issues.

Non-cash flow items and divesting activities

Non-cash flow items and divesting activities mainly consist of adjustments for capital gains. The actual proceeds for divestments, EUR 125 million for Q1-Q2 2010 (Q1-Q2 2009: 23), are shown under cash flow from investing activities.

Financial items and realised foreign exchange gains and losses

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Interest and finance cost paid, net	**-54**	-61	**-97**	-115	-185	-167
Dividends received	**48**	21	**51**	22	33	62
Realised foreign exchange gains and losses	**-140**	200	**-277**	392	298	-371
Total	**-146**	160	**-323**	299	146	-476

Realised foreign exchange gains and losses arise from currency forwards hedging balance sheet exposure, which mainly relates to financing of Swedish subsidiaries in SEK and the fact, that the Group's main external financing currency is EUR. Major part of these forwards are entered into with short maturities i.e. less than twelve months.

Change in net debt

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Net debt beginning of the period	**5 679**	5 634	**5 969**	6 179	6 179	**6 004**
Foreign exchange rate differences	**17**	7	**72**	44	144	**172**
EBITDA	**490**	499	**1 351**	1 220	2 292	**2 423**
Paid net financial costs, taxes and adjustments for non-cash and divestment items	**-225**	61	**-551**	187	-47	**-785**
Change in working capital	**157**	144	**143**	119	19	**43**
Capital expenditures	**-263**	-171	**-486**	-351	-845	**-980**
Acquisitions	**-1**	-4	**-1**	-54	-87	**-34**
Divestments	**6**	11	**125**	23	62	**164**
Change in interest-bearing receivables	**-22**	-13	**-53**	-32	-104	**-125**
Dividends	**-888**	-888	**-888**	-888	-888	**-888**
Other financing activities	**-14**	-21	**-19**	-8	-25	**-36**
Net cash flow (- increase in net debt)	**-760**	-382	**-379**	216	377	**-218**
Fair value change of bonds,amortised cost valuation and other	**50**	-19	**86**	-3	23	**112**
Net debt end of period	**6 506**	6 004	**6 506**	6 004	5 969	**6 506**

Key ratios

	June 30 2010	March 31 2010	Dec 31 2009	Sept 30 2009	June 30 2009	March 31 2009	Last twelve months
EBITDA, EUR million	**1 351**	861	2 292	1 634	1 220	721	**2 423**
Earnings per share (basic), EUR	**0.93**	0.63	1.48	1.02	0.78	0.46	**1.62**
Capital employed, EUR million	**15 862**	15 642	15 350	15 184	15 347	17 404	N/A
Interest-bearing net debt, EUR million	**6 506**	5 679	5 969	6 041	6 004	5 634	N/A
Capital expenditure and gross investments in shares, EUR million	**513**	216	929	634	412	181	**1 030**
Capital expenditure, EUR million	**493**	196	862	571	352	150	**1 003**
Return on capital employed, % [1)]	**14.3**	18.7	12.1	11.4	13.1	14.5	**12.8**
Return on shareholders' equity, % [1)]	**19.3**	25.7	16.0	14.6	17.4	19.6	**18.0**
Net debt / EBITDA [1)]	**2.5**	1.7	2.6	2.8	2.5	2.0	**2.7**
Interest coverage	**18.7**	24.2	12.4	11.3	12.3	16.0	**15.5**
Interest coverage including capitalised borrowing costs	**13.7**	18.7	10.3	9.5	10.5	12.9	**11.9**
Funds from operations/interest-bearing net debt, % [1)]	**28.8**	44.9	37.6	35.7	38.9	45.1	**25.2**
Gearing, %	**75**	67	70	73	76	65	N/A
Equity per share, EUR	**9.19**	8.96	9.04	8.89	8.42	9.34	N/A
Equity-to-assets ratio, %	**42**	40	43	43	41	40	N/A
Number of employees	**11 406**	11 290	11 613	12 054	13 586	14 267	N/A
Average number of employees	**11 393**	11 435	13 278	13 737	14 310	14 644	N/A
Average number of shares, 1 000 shares	**888 367**	888 367	888 230	888 230	888 230	888 095	**888 367**
Diluted adjusted average number of shares, 1 000 shares	**888 367**	888 367	888 230	888 230	888 230	888 250	**888 367**
Number of registered shares, 1 000 shares	**888 367**	888 367	888 367	888 367	888 367	888 166	N/A

1) Quarterly figures are annualised.
For definitions, see Note 24.

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 annual financial statements for the year ended 31 December 2009. The interim financial statements have not been audited.

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 as at and for the year ended 31 December 2009, except for the effects of the adoption of the standards and presentation changes described below:

- IFRS 3 (revised) Business combinations (effective for annual periods beginning on or after 1 July 2009.) The amendment effects the accounting of transaction costs, step acquisitions, goodwill and non-controlling interest and contingent consideration. Fortum applies the revised standard to business combinations taking place on or after 1 January 2010.
- IAS 27 (amended) Consolidated and separate financial statements (to be adopted for annual periods beginning on or after 1 July 2009). The amendments to IAS 27 require the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. Fortum applies the amended standard prospectively to transactions with non-controlling interests from 1 January 2010.
- IAS 17 (amendment) Leases (effective for annual periods beginning on or after 1 January 2010). The amendment is part of the IASB’s annual improvements project published in April 2009. The requirements of IAS 17 Leases regarding the classification of leases of land were amended. Prior to amendment, IAS 17 generally required leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either ‘finance’ or ‘operating’ in accordance with the general principles of IAS 17. Fortum has adopted the amendment as of 1 January 2010. The amendment did not have a material impact on Fortum's financial statements as the classification of major land lease agreements did not change.

For changes in accounting practice relating to TGC-1 results, see Note 13 below.

Additional line item in the income statement

Items affecting comparability are excluded from relevant income statement line items and disclosed separately in Fortum's income statement as they are necessary for understanding the financial performance when comparing results for the current period with previous periods.
The following items are included in the line "Items affecting comparability":
– non-recurring items, consisting of capital gains and losses;
– effects from fair valuations of derivatives hedging future cash flows where hedge accounting is not applied according to IAS 39. The major part of Fortum´s cash flow hedges obtain hedge accounting status and the fair value changes are thus recorded in equity;
– effects from the accounting of Fortum´s part of the State Nuclear Waste Management Fund where the assets in the balance sheet cannot exceed the related liabilities according to IFRIC 5.
In segment disclosures these items have been deducted from operating profit to arrive to comparable operating profit, because that is considered to reflect better the segments' business performance.

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. Annual 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 2009.

4. Segment information

In October 2009 Fortum restructured its organisation into four business divisions and four staff functions in order to increase the organisation's efficiency, performance accountability and simplicity. The new business divisions are Power, Heat, Russia and Electricity Solutions and Distribution. The Electricity Solutions and Distribution (ESD) division consists of business areas Distribution and Electricity Sales (former Markets). The reportable segments under IFRS have been renamed correspondingly.

The reorganisation did not lead to a change in Fortum's external financial reporting structure as the reportable segments have remained the same. However there have been some minor changes to the composition of the segments that have taken effect from beginning of January 2010. Changes relate mainly to the transfer of the Power division's Power Solutions business area to Russia and Heat divisions as well as the establishment of the centralised Trading and Industrial Intelligence unit.

Please see the attachment to Q1 2010 press release for the new and old segment information.

Sales EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power sales excluding indirect taxes	**759**	711	**1 826**	1 598	3 192	3 420
Heating sales	**280**	239	**873**	727	1 314	1 460
Network transmissions	**194**	170	**464**	390	760	834
Other sales	**62**	74	**79**	111	169	137
Total	**1 295**	1 194	**3 242**	2 826	5 435	5 851

Sales by segment EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power [1)]	**597**	608	**1 366**	1 296	2 531	2 601
- of which internal	***-10***	*64*	***-134***	*134*	*254*	*-14*
Heat [1)]	**301**	250	**952**	764	1 399	1 587
- of which internal	***2***	*4*	***-4***	*13*	*23*	*6*
Distribution	**200**	176	**480**	405	800	875
- of which internal	***3***	*3*	***7***	*4*	*13*	*16*
Electricity Sales [1)]	**327**	298	**964**	767	1 449	1 646
- of which internal	***19***	*8*	***80***	*30*	*67*	*117*
Russia	**169**	138	**413**	324	632	721
- of which internal	**-**	-	**-**	-	-	-
Other [1)]	**16**	19	**21**	38	71	54
- of which internal	***40***	*4*	***61***	*17*	*-5*	*39*
Netting of Nord Pool transactions [2)]	**-261**	-212	**-944**	-570	-1 095	-1 469
Eliminations	***-54***	*-83*	***-10***	*-198*	*-352*	*-164*
Total	**1 295**	1 194	**3 242**	2 826	5 435	5 851

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 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.

Operating profit by segment EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power	**280**	307	**747**	739	1 363	1 371
Heat	**35**	39	**194**	154	252	292
Distribution	**53**	54	**166**	135	263	294
Electricity Sales	**23**	20	**-6**	-1	29	24
Russia	**-9**	-15	**23**	-9	-20	12
Other	**-31**	-30	**-49**	-44	-105	-110
Total	**351**	375	**1 075**	974	1 782	1 883

Comparable operating profit by segment EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power	**271**	340	**695**	755	1 454	1 394
Heat	**33**	26	**165**	140	231	256
Distribution	**53**	54	**155**	135	262	282
Electricity Sales	**10**	6	**-3**	4	22	15
Russia	**-9**	-14	**7**	-8	-20	-5
Other	**-19**	-12	**-29**	-24	-61	-66
Comparable operating profit	**339**	400	**990**	1 002	1 888	1 876
Non-recurring items	**4**	10	**50**	14	29	65
Other items affecting comparability	**8**	-35	**35**	-42	-135	-58
Operating profit	**351**	375	**1 075**	974	1 782	1 883

Non-recurring items by segment

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power	**1**	1	**1**	5	6	2
Heat	**3**	9	**22**	9	21	34
Distribution	**0**	0	**11**	0	1	12
Electricity Sales	**-**	0	**-**	0	0	0
Russia	**0**	-1	**16**	-1	0	17
Other	**0**	1	**0**	1	1	0
Total	**4**	10	**50**	14	29	65

Non-recurring items include capital gains and losses.

Other items affecting comparability by segment

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power [1)]	**8**	-34	**51**	-21	-97	-25
Heat	**-1**	4	**7**	5	0	2
Distribution	**0**	0	**0**	0	0	0
Electricity Sales	**13**	14	**-3**	-5	7	9
Russia	**-**	-	**0**	-	-	0
Other	**-12**	-19	**-20**	-21	-45	-44
Total	**8**	-35	**35**	-42	-135	-58
1) Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):	**23**	-10	**14**	-21	-59	-24

Other items affecting comparability mainly include effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39. In Power 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.

Depreciation, amortisation and impairment charges by segment

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power	**24**	22	**48**	45	93	96
Heat	**46**	38	**91**	76	162	177
Distribution	**44**	41	**87**	80	164	171
Electricity Sales	**1**	2	**2**	3	6	5
Russia	**22**	18	**42**	37	75	80
Other	**2**	3	**6**	5	10	11
Total	**139**	124	**276**	246	510	540

Share of profit/loss in associates and joint ventures by segment

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power [1), 2)]	**-15**	-5	**-23**	-11	-35	-47
Heat	**1**	7	**19**	12	30	37
Distribution	**6**	5	**11**	9	10	12
Electricity Sales	**2**	1	**1**	1	0	0
Russia	**9**	5	**9**	5	20	24
Other	**12**	16	**14**	-20	-4	30
Total	**15**	29	**31**	-4	21	56
1) Including effects from the accounting of Fortum's associates part of Finnish and Swedish Nuclear Waste Management Funds with (EUR million):	**2**	-3	**0**	-6	-5	1

2) The main part of the associated companies in Power 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	June 30 2010	June 30 2009	Dec 31 2009
Power	**881**	864	863
Heat	**157**	166	178
Distribution	**209**	218	230
Electricity Sales	**12**	12	12
Russia	**454**	405	425
Other	**406**	440	480
Total	**2 119**	2 105	2 188

Capital expenditure by segment

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power	**22**	23	**35**	44	96	87
Heat	**59**	97	**121**	167	358	312
Distribution	**47**	43	**76**	79	188	185
Electricity Sales	**0**	0	**0**	1	1	0
Russia [1)]	**167**	38	**258**	59	215	414
Other	**2**	1	**3**	2	4	5
Total	**297**	202	**493**	352	862	1 003
Of which capitalised borrowing costs	**12**	5	**21**	14	30	37

1) Increase is due to the progressing of OAO Fortum's ongoing investment program.

Gross investments in shares by segment

EUR million	Q2 2010	Q2 2009	Q1-Q2 2010	Q1-Q2 2009	2009	Last twelve months
Power	**-**	25	**20**	56	57	21
Heat	**0**	0	**0**	0	1	1
Distribution	**-**	0	**-**	0	5	5
Electricity Sales	**-**	-	**-**	-	-	-
Russia	**-**	3	**-**	3	3	0
Other	**0**	1	**0**	1	1	0
Total	**0**	29	**20**	60	67	27

Gross investments in shares during Q1 2010 include additional share capital to be paid to Teollisuuden Voima Oyj. See Note 13.

Net assets by segment

EUR million	June 30 2010	June 30 2009	Dec 31 2009
Power	**5 726**	5 353	5 494
Heat	**3 884**	3 503	3 787
Distribution	**3 482**	3 106	3 299
Electricity Sales	**59**	81	125
Russia	**2 690**	2 062	2 260
Other	**285**	476	382
Total	**16 126**	14 581	15 347

Return on net assets by segment %	Last twelve months	Dec 31 2009
Power	23.9	24.5
Heat	8.8	7.9
Distribution	9.2	8.7
Electricity Sales	26.4	28.9
Russia	1.5	0.0
Other	-21.7	-19.4

Comparable return on net assets by segment %	Last twelve months	Dec 31 2009
Power	24.4	26.4
Heat	7.8	7.3
Distribution	8.9	8.6
Electricity Sales	14.0	18.6
Russia	0.8	0.0
Other	-7.9	-17.0

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	June 30 2010	June 30 2009	Dec 31 2009
Power	**6 680**	6 081	6 260
Heat	**4 237**	3 844	4 244
Distribution	**3 929**	3 553	3 765
Electricity Sales	**379**	448	475
Russia	**3 024**	2 327	2 542
Other	**534**	726	621
Eliminations	**-242**	-272	-293
Assets included in Net assets	**18 541**	16 707	17 614
Interest-bearing receivables	**1 079**	837	943
Deferred taxes	**61**	4	47
Other assets	**231**	485	347
Liquid funds	**694**	1 440	890
Total assets	**20 606**	19 473	19 841

Liabilities by segments EUR million	June 30 2010	June 30 2009	Dec 31 2009
Power	**954**	728	766
Heat	**353**	341	456
Distribution	**447**	447	466
Electricity Sales	**320**	367	350
Russia	**334**	265	282
Other	**249**	250	240
Eliminations	**-242**	-272	-293
Liabilities included in Net assets	**2 415**	2 126	2 267
Deferred tax liabilities	**1 784**	1 762	1 750
Other liabilities	**545**	238	474
Total liabilities included in Capital employed	**4 744**	4 126	4 491
Interest-bearing liabilities	**7 200**	7 444	6 859
Total equity	**8 662**	7 903	8 491
Total equity and liabilities	**20 606**	19 473	19 841

Other assets and Other liabilities not included in segment's 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	June 30 2010	June 30 2009	Dec 31 2009
Power	**1 983**	2 026	1 916
Heat	**2 549**	2 666	2 552
Distribution	**1 144**	1 169	1 088
Electricity Sales	**549**	637	611
Russia	**4 584**	6 483	4 855
Other	**597**	605	591
Total	**11 406**	13 586	11 613

Average number of employees	June 30 2010	June 30 2009	2009
Power	**1 900**	2 164	2 068
Heat	**2 516**	2 704	2 652
Distribution	**1 134**	1 202	1 166
Electricity Sales	**551**	632	629
Russia	**4 701**	7 018	6 170
Other	**591**	590	593
Total	**11 393**	14 310	13 278

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

5. Quarterly segment information

Extended quarterly information is available on Fortum's website www.fortum.com (about Fortum/Investors/Interim reports).

Quarterly sales by segment

EUR million	**Q2 2010**	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**597**	769	663	572	608	688
- of which internal	***-10***	*-124*	*50*	*70*	*64*	*70*
Heat	**301**	651	458	177	250	514
- of which internal	***2***	*-6*	*8*	*2*	*4*	*9*
Distribution	**200**	280	227	168	176	229
- of which internal	***3***	*4*	*7*	*2*	*3*	*1*
Electricity Sales	**327**	637	410	272	298	469
- of which internal	***19***	*61*	*28*	*9*	*8*	*22*
Russia	**169**	244	197	111	138	186
- of which internal	***-***	*-*	*-*	*-*	*-*	*-*
Other	**16**	5	17	16	19	19
- of which internal	***40***	*21*	*-9*	*-13*	*4*	*13*
Netting of Nord Pool transactions	**-261**	-683	-325	-200	-212	-358
Eliminations	***-54***	*44*	*-84*	*-70*	*-83*	*-115*
Total	**1 295**	1 947	1 563	1 046	1 194	1 632

Quarterly operating profit by segments

EUR million	**Q2 2010**	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**280**	467	327	297	307	432
Heat	**35**	159	109	-11	39	115
Distribution	**53**	113	81	47	54	81
Electricity Sales	**23**	-29	37	-7	20	-21
Russia	**-9**	32	8	-19	-15	6
Other	**-31**	-18	-40	-21	-30	-14
Total	**351**	724	522	286	375	599

Quarterly comparable operating profit by segments

EUR million	**Q2 2010**	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**271**	424	391	308	340	415
Heat	**33**	132	104	-13	26	114
Distribution	**53**	102	80	47	54	81
Electricity Sales	**10**	-13	11	7	6	-2
Russia	**-9**	16	8	-20	-14	6
Other	**-19**	-10	-24	-13	-12	-12
Total	**339**	651	570	316	400	602

Quarterly non-recurring items by segment

EUR million	**Q2 2010**	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**1**	0	1	0	1	4
Heat	**3**	19	6	6	9	0
Distribution	**0**	11	1	0	0	0
Electricity Sales	**-**	-	0	0	0	0
Russia	**0**	16	0	1	-1	0
Other	**0**	0	0	0	1	0
Total	**4**	46	8	7	10	4

Quarterly other items affecting comparability

EUR million	**Q2 2010**	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power [1)]	**8**	43	-65	-11	-34	13
Heat	**-1**	8	-1	-4	4	1
Distribution	**0**	0	0	0	0	0
Electricity Sales	**13**	-16	26	-14	14	-19
Russia	**-**	-	-	-	-	-
Other	**-12**	-8	-16	-8	-19	-2
Total	**8**	27	-56	-37	-35	-7
1) Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million)	**23**	-9	-33	-5	-10	-11

6. Financial risk management

The Group has not made any significant change 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 as at and for the year ended 31 December 2009.

The tables below disclose the notional values or volumes and net fair values for the Group's derivatives used in different areas mainly for hedging purposes.

Derivatives		**June 30 2010**		June 30 2009		Dec 31 2009
Interest and currency derivatives	**Notional value**	**Net fair value**	Notional value	Net fair value	Notional value	Net fair value
	MEUR	**MEUR**	MEUR	MEUR	MEUR	MEUR
Interest rate swaps	**3 710**	**72**	3 406	-15	3 995	41
Forward foreign exchange contracts	**6 585**	**-232**	5 111	23	6 334	-123
Forward rate agreements	**-**	**-**	139	0	-	-
Interest rate and currency swaps	**930**	**-25**	1 669	164	1 454	65

Electricity derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	TWh	**MEUR**	TWh	MEUR	TWh	MEUR
Sales swaps	**151**	**-419**	176	1 107	157	9
Purchase swaps	**91**	**255**	118	-911	102	-79
Purchased options	**1**	**-1**	11	-12	1	-1
Written options	**2**	**3**	13	2	3	1

Oil derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	1000 bbl	**MEUR**	1000 bbl	MEUR	1000 bbl	MEUR
Sales swaps and futures	**11 311**	**64**	1 274	-5	1 555	-4
Purchase swaps and futures	**11 341**	**-83**	1 437	0	1 450	4

Coal derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	kt	**MEUR**	kt	MEUR	kt	MEUR
Sold	**4 860**	**-25**	795	2	1 259	-3
Bought	**5 596**	**29**	1 108	-10	1 762	-1

CO_2 emission allowance derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	ktCO2	**MEUR**	ktCO2	MEUR	ktCO2	MEUR
Sold	**8 226**	**-6**	1 620	5	366	1
Bought	**9 569**	**11**	1 886	-5	686	-2

Share derivatives	**Notional value**	**Net fair value**	Notional value	Net fair value	Notional value	Net fair value
	MEUR	**MEUR**	MEUR	MEUR	MEUR	MEUR
Share forwards [1)]	**19**	**16**	24	16	24	21

1) Cash-settled share forwards are used as a hedging instrument for Fortum Group's performance share arrangement.

7. Acquisitions and disposals

There were no material investments or disposals of subsidiary shares during the first half of 2010.

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-June 2010**	Jan-March 2010	Jan-Dec 2009	Jan-Sept 2009	Jan-June 2009	Jan-March 2009
Sweden (SEK)	**9.8144**	9.9826	10.6092	10.6830	10.8633	10.9679
Norway (NOK)	**8.0464**	8.1423	8.7708	8.8817	9.0049	9.1034
Poland (PLN)	**4.0186**	3.9970	4.3321	4.3827	4.4764	4.5018
Russia (RUB)	**40.1535**	41.4799	44.0684	44.2745	44.1087	44.3928

Balance sheet date rate	**June 31 2010**	March 31 2010	Dec 31 2009	Sept 30 2009	June 30 2009	March 31 2009
Sweden (SEK)	**9.5259**	9.7135	10.2520	10.2320	10.8125	10.9400
Norway (NOK)	**7.9725**	8.0135	8.3000	8.4600	9.0180	8.8900
Poland (PLN)	**4.1470**	3.8673	4.1045	4.2295	4.4520	4.6885
Russia (RUB)	**38.2820**	39.6950	43.1540	43.9800	43.8810	45.0320

9. Income tax expense

Tax rate according to the income statement for the period Q1-Q2 2010 was 18.3% (Q1-Q2 2009: 19.3%). The tax rate for the period is lower than in the comparable period mainly due to the tax exempt capital gains.

The tax rate for the period Q1-Q2 2010, excluding the impact of share of profits of associated companies and joint ventures, non-taxable capital gains and other one-time items was 19.5% (Q1-Q2 2009: 19.3%). The tax rate used in the income statement is always impacted by the fact that share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax.

The tax rate for the full year 2009, excluding the impact of share of profits of associated companies and joint ventures, non-taxable capital gains and other one-time items was 18.5%.

10. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Q1-Q2 2010	Q1-Q2 2009	2009
Earnings (EUR million):			
Profit attributable to the owners of the parent	**822**	695	1 312
Number of shares (thousands):			
Weighted average number of shares for the purpose of basic earnings per share	**888 367**	888 230	888 230
Effect of dilutive share options	-	-	-
Weighted average number of shares for the purpose of diluted earnings per share	**888 367**	888 230	888 230

11. Dividend per share

A dividend in respect of 2009 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million based on the number of shares registered as of 30 March 2010, was decided at the Annual General Meeting on 25 March 2010. The dividend was paid on 8 April 2010.

A dividend in respect of 2008 of EUR 1.00 per share, amounting to EUR 888 million based on the number of shares registered as of 14 April 2009, was decided at the Annual General Meeting on 7 April 2009. The dividend was paid on 21 April 2009.

12. Changes in intangible assets and property, plant and equipment

EUR million	June 30 2010	June 30 2009	Dec 31 2009
Opening balance	**13 246**	12 533	12 533
Increase through acquisition of subsidiary companies	**-**	-	2
Capital expenditures	**493**	352	862
Changes of nuclear asset retirement cost	**15**	-1	-7
Changes of emission rights	**-12**	-13	0
Disposals	**-2**	-3	-26
Depreciation, amortisation and impairment	**-276**	-246	-510
Sale of subsidiary companies	**-**	-5	-5
Translation differences and other adjustments	**866**	-82	397
Closing balance	**14 330**	12 535	13 246

Goodwill included in closing balance	**321**	280	285
Change in goodwill during the period due to translation differences	**36**	-18	-13

13. Changes in participations in associates and joint ventures

EUR million	June 30 2010	June 30 2009	Dec 31 2009
Opening balance	**2 188**	2 112	2 112
Share of profits of associates and joint ventures	**31**	-4	21
Investments	**-**	31	33
Share issues and shareholders' contributions	**20**	25	25
Reclassifications	**-**	-5	-7
Divestments	**-87**	-	-1
Dividend income received	**-51**	-22	-32
OCI items associated companies	**-80**	-39	-36
Translation differences	**98**	7	73
Closing balance	**2 119**	2 105	2 188

Share of profits from associates and joint ventures

Share of profits from associates in Q2 2010 was EUR 15 million (Q2 2009: 29) of which Fortum's share of profits in Hafslund ASA was EUR 12 million (Q2 2009: 16). Hafslund sold 26 million shares in REC in May 2010. In accordance with the accounting policy Fortum recognised EUR 2 million in relation to Hafslund's divestment of REC shares as a part of the share of profit from associates and joint ventures in Q2 2010. Fortum's share of profits for the period from January to June 2010 amounted to EUR 31 million (Q1-Q2 2009: -4), of which Hafslund represented EUR 14 million (Q1-Q2 2009: -20) and Gasum EUR 18 million (Q1-Q2 2009: 9). Fortum's share of profits for the full year 2009 amounted to EUR 21 million, of which Hafslund represented EUR -4 million. According to Fortum Group accounting policies the share of profits from Hafslund has been included in Fortum Group figures based on the previous quarter information since updated interim information is not normally available. Hafslund published their interim report for Q2 2010 on 14 July 2010. The effect of Hafslund's Q2 is not included in Fortum's Q2 results.

In Q2 2010 Fortum changed its accounting practice for recognition of TGC-1 results. Previously Fortum has booked its share of results including any impairment losses and reversals of prior impairments recognised by TGC-1. In the future Fortum is eliminating the impairment losses or reversals of prior impairments from its share of results and assessing the need for impairment separately. The accounting practice change was done prospectively adjusting for previous periods as the impact on the comparative year information is immaterial.

TGC-1 has previously published IFRS financial information twice a year. The 2009 IFRS consolidated financial statements were released in June 2010. After that the company informed that it will release IFRS financial information quarterly. The first quarter 2010 IFRS results were published in the beginning of July 2010. These interim accounts include Fortum's share of TGC-1's results for the second half of 2009 as well as for the first quarter of 2010.

Investments and share issues

Teollisuuden Voima Oyj's (TVO) Annual General meeting in March 2010 decided to raise the company's share capital by EUR 79.3 million of which Fortum's share is EUR 19.8 million. The increase in Fortum's participation in TVO has been booked in Q1 2010 and will be paid in 2010 at a date to be decided by TVO's Board of Directors.

Divestments

In early February Distribution business area divested Fortum's 49% shareholding in Karlskoga Energi & Miljö AB. In the first quarter of 2010 Heat Division divested Fortum's 20.4% shareholding in Swedegas AB and Russia Division divested OAO Fortum's 49% shareholding in Kurgan Generating Company.

OCI items in associated companies

OCI items in associated companies mainly represents the fair value change in Hafslund's shareholding in REC. In Q2 2010 the fair value change of the remaining REC shares was EUR -29 million (Q2 2009: -24) and the fair value change since year-end was EUR -80 million (Q1-Q2 2009: -28). The cumulative fair value change in Fortum's equity, based on the remaining number of shares reported by Hafslund, was EUR 4 million at 30 June 2010.

14. Share capital

EUR million	Number of shares June 30 2010	Share capital June 30 2010	Number of shares Dec 31 2009	Share capital Dec 31 2009
Registered shares at 1 January	**888 367 045**	**3 046**	887 638 080	3 044
Shares subscribed with options and registered at the end of the period	**-**	**-**	728 965	2
Registered shares at the end of the period	**888 367 045**	**3 046**	888 367 045	3 046
Unregistered shares	**-**		-	

There were no unexercised stock options remaining on 30 June 2010.

15. Interest-bearing liabilities

The reported interest-bearing debt increased during the quarter by EUR 23 million from EUR 7,177 million to EUR 7,200 million. Total liquid funds decreased by EUR 804 million from EUR 1,498 million to EUR 694 million.

During the first quarter Fortum increased the amount of re-borrowing from the Finnish nuclear waste fund by EUR 61 million to EUR 835 million. During the second quarter Fortum Oyj raised a 10 year loan from Nordic Investment Bank of EUR 60 million. The loan will partially finance investments in automatic meter reading equipment. Fortum Oyj regularly issues short term Commercial Papers (CPs) in the Finnish and Swedish markets. Per quarter end the amount of short term CPs outstanding was EUR 332 (year-end 2009: 250 million).

16. Nuclear related assets and liabilities

EUR million	June 30 2010	June 30 2009	Dec 31 2009
Carrying values in the balance sheet			
Nuclear provisions	**612**	577	570
Share in the State Nuclear Waste Management Fund	**612**	577	570
Legal liability and actual share of the State Nuclear Waste Mangement Fund			
Liability for nuclear waste management according to the Nuclear Energy Act	**913**	895	913
Funding obligation target	**830**	767	830
Fortum's share of the State Nuclear Waste Management Fund	**830**	767	786

Nuclear related provisions

According to the renewed 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 the Economy by the end of June every third year. Earlier this was done annually by end September. The liability is based on a technical plan, which is also made every third year. The new technical plan and the updated cost estimates were completed in Q2 2010. The future costs are estimated to increase mainly due to updated technical plans related to interim and final storage of spent fuel. The liability will be decided by the Ministry of the Employment and the Economy by end of year 2010.

The legal liability on 30 June 2010, decided by the Ministry of Employment and the Economy in January 2010 is EUR 913 million. The legal liability at the end of 2010, based on the proposal to the Ministry of Employment and the Economy is EUR 944 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, has increased due to new technical plan by EUR 42 million compared to 31 December 2009, totalling EUR 612 million on 30 June 2010. 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 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 based on the legal liability decided in January 2010 and approved periodising of the payments to the Fund is EUR 830 million. The Fund is from an IFRS perspective overfunded with EUR 218 million, since Fortum's share of the Fund on 30 June 2010 is EUR 830 million and the carrying value in the balance sheet is EUR 612 million.

Effects to comparable operating profit and operating profit

Following the updated cost estimates, Fortum had in Q2 2010 a one-time effect to Comparable operating profit of EUR -9 million in Power segment due to higher nuclear waste management costs related to already spent fuel. Any cost increase which is related to already spent fuel is always recognised immediately in Comparable operating profit.

Operating profit in Power 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 Q2 2010 of EUR +23 million, compared to EUR -10 million in Q2 2009. The cumulative effect 2010 was EUR +14 million compared to EUR -21 million in 2009.

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. Pledged assets

EUR million	**June 30 2010**	June 30 2009	Dec 31 2009
On own behalf			
For debt			
Pledges	**293**	292	293
Real estate mortgages	**137**	137	137
For other commitments			
Real estate mortgages	**181**	220	220
On behalf of associated companies and joint ventures			
Pledges and real estate mortgages	**2**	2	2

Pledged assets for debt

Finnish participants in the State Nuclear Waste Management Fund are allowed to borrow from the Fund. During Q1 2010 Fortum increased its borrowing from the Fund (see Note 15) and therefore pledged additional Kemijoki shares as security. The value of the pledged shares amount to EUR 269 million (2009: 263 million) as of 30 June 2010 (and 31 December 2009 respectively).

Pledged assets for other commitments

Fortum has given real estate mortgages in Naantali and Inkoo power plants in Finland, total value of EUR 181 million (2009: 220 million), as a security to the State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs for decomissioning 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 takes place around year end every year. Due to the yearly update, the amount of real estate mortgages given as a security have decreased by EUR 39 million in Q2 2010 (see also note 16 Nuclear related assets and liablities).

18. Operating lease commitments

EUR million	**June 30 2010**	June 30 2009	Dec 31 2009
Due within a year	**23**	22	23
Due after one year and within five years	**42**	40	35
Due after five years	**97**	81	93
Total	**162**	143	151

The increase in operating lease commitments from the end of 2009 is mainly due to exchange rate differences.

19. Capital commitments

EUR million	**June 30 2010**	June 30 2009	Dec 31 2009
Property, plant and equipment	**1 248**	1 120	1 326
Intangible assets	**8**	7	5
Total	**1 256**	1 127	1 331

Capital commitments have decreased compared to year end 2009. Commitments have decreased due to acquisition of combined heat and power plant (CHP) in Nokia, Finland and progressing of OAO Fortum's investment program as well as Czestochowa power plant investment. On the other hand a stronger Russian rouble and commitments relating to CHP investment in Klaipeda, Lithuania have increased commitments.

20. Contingent liabilities

EUR million	June 30 2010	June 30 2009	Dec 31 2009
On own behalf			
Other contingent liabilities	**234**	340	321
On behalf of associated companies and joint ventures			
Guarantees	**338**	565	592
Other contingent liabilities	**125**	125	125
On behalf of others			
Guarantees	**8**	13	12
Other contingent liabilities	**0**	1	1

Guarantees on own behalf

Other contingent liabilities on own behalf, EUR 234 million, have decreased by EUR 87 million compared to year-end 2009. The decrease is due to progressing of the investments in Russia and Poland.

Guarantees on behalf of associated companies

According to law, nuclear companies operating in Finland and Sweden shall give securities to the Finnish State Nuclear Waste Management Fund and the Swedish Nuclear Waste Fund respectively, to guarantee that sufficient funds exist to cover future expenses of decommissioning of power plant and disposal of spent fuel.

The guarantee given on behalf of Teollisuuden Voima Oyj (TVO) to the Finnish fund amount to EUR 58 million at 30 June 2010 (EUR 67 at year-end 2009). The size of the guarantee was updated in Q2, based on the decisions regarding legal liability and the funding target made in January 2010 (see note 16).

In Sweden, Fortum has given guarantees on behalf of Forsmarks Kraftgrupp AB (FKA) and OKG AB (OKG) to the Swedish Nuclear Waste Fund to cover Fortum's part of FKA's and OKG's liability. The guarantees for 2010 and 2011 were decided in December 2009 by the Swedish government and they are effective from June 2010. The total amount of guarantees for FKA and OKG has decreased from SEK 5,314 million (EUR 518 million) at year-end 2009 to SEK 2,574 million (EUR 270 million) in June 2010. The decrease is due to a change made by the Swedish government in the calculation method of the guarantees. The guarantees were previously based on nominal values, but from June 2010 onwards they are based on discounted cash flows.

21. Legal actions and official proceedings

No material changes in legal actions and official proceedings have occurred during the first half of 2010 compared to 2009.

Fortum is, through its interest in TVO, participating in the building of a 1,600 MW nuclear power plant unit (Olkiluoto 3) in Finland. The AREVA-Siemens Consortium, the turnkey supplier of the Olkiluoto 3 nuclear power plant unit to TVO, announced in June that in light of the current progress most of the works will be completed in 2012 while regular operation of the plant unit is foreseen during 2013.

22. Related party transactions

Related party transactions are described in the annual financial statements as of the year ended 31 December 2009. No material changes have occurred during the period.

The Finnish State owned 50.76% of the shares in Fortum 31 December 2009. There has been no change in the amount of shares during 2010.

Associated company transactions

EUR million	Q1-Q2 2010	Q1-Q2 2009	2009
Sales to associated companies	**27**	48	86
Interest on associated company loan receivables	**18**	17	37
Purchases from associated companies	**384**	275	555

Associated company balances

EUR million	June 30 2010	June 30 2009	Dec 31 2009
Long-term interest-bearing loan receivables	**964**	736	852
Trade receivables	**6**	6	14
Other receivables	**21**	6	5
Long-term loan payables	**213**	199	199
Trade payables	**11**	31	23
Other payables	**24**	4	22

Transactions and balances with joint ventures

Transactions and balances with joint ventures as at and for the period ended 30 June 2010 are not material for the group.

23. Events after the balance sheet date

Fortum’s 308-megawatt share of the Meri-Pori power plant’s production capacity was reverted to the company’s own use on 1 July 2010. Fortum’s share has been leased since 1 January 2007. The fixed-period lease on the share of production capacity was one of the conditions set by the Finnish Competition Authority for approval of Fortum’s acquisition of E.ON Finland in summer 2006.

24. Definition of key figures

EBITDA (Earnings before interest, taxes, depreciation and amortisation)	=	Operating profit + Depreciation, amortisation and impairment charges
Comparable operating profit	=	Operating profit - non-recurring items - other items affecting comparability
Non-recurring items	=	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 investment improves 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.

$$\text{Return on shareholders' equity, \%} = \frac{\text{Profit for the year}}{\text{Total equity average}} \times 100$$

$$\text{Return on capital employed, \%} = \frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Capital employed average}} \times 100$$

$$\text{Return on net assets, \%} = \frac{\text{Operating profit + Share of profit (loss) in associated companies and joint ventures}}{\text{Net assets average}} \times 100$$

$$\text{Comparable return on net assets, \%} = \frac{\text{Comparable operating profit + Share of profit (loss) in associated companies and joint ventures (adjusted for IAS 39 effects and major sales gains or losses)}}{\text{Comparable net assets average}} \times 100$$

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)
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, %	=	Interest-bearing net debt / Total equity x 100
Equity-to-assets ratio, %	=	Total equity including non-controlling interest / Total assets x 100
Net debt / EBITDA	=	Interest-bearing net debt / Operating profit + Depreciation, amortisation and impairment charges
Interest coverage	=	Operating profit / Net interest expenses
Interest coverage including capitalised borrowing costs	=	Operating profit / Net interest expenses - capitalised borrowing costs
Earnings per share (EPS)	=	Profit for the period - non-controlling interest / Average number of shares during the period
Equity per share	=	Shareholder's equity / Number of shares excluding treasury shares at the end of the period
Last twelve months (LTM)	=	Twelve months preceding the reporting date

Market conditions

Power consumption **TWh**	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Nordic countries	**85**	80	**204**	192	374	386
Russia	**224**	216	**506**	481	964	989
Tyumen	**19**	19	**41**	41	82	82
Chelyabinsk	**8**	7	**18**	16	32	34
Russia Urals area	**56**	54	**123**	117	236	242

Avarage prices	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Spot price for power in Nord Pool power exchange, eur/MWh	**45**	34	**52**	36	35	43
Spot price for power in Finland, eur/MWh	**42**	34	**56**	36	37	47
Spot price for power in Sweden, eur/MWh	**42**	34	**57**	36	37	47
Spot price for power in European and Urals part of Russia, RUB/MWh [1)]	**804**	640	**836**	610	667	780
Spot price for power (market price), Urals hub, RUB/MWh [1)]	**770**	603	**794**	569	633	745
Average regulated electricity price for OAO Fortum, RUB/MWh [1)]	**610**	525	**615**	534	533	570
Average regulated capacity price, tRUB/MW/month	**169**	187	**169**	188	187	178
Spot price for power in Germany, eur/MWh	**42**	32	**41**	40	39	40
Average regulated gas price in Urals region, RUB/1000 m^3	**2 221**	1 730	**2 221**	1 676	1 781	2 054
CO_2, (ETS EUA), eur/tonne CO_2	**15**	14	**14**	13	13	14
Coal (ICE Rotterdam), USD/tonne	**88**	65	**83**	68	70	78
Oil (Brent Crude), USD/bbl	**79**	60	**78**	53	76	75

1) Excluding capacity tariff

Water reservoirs **TWh (at period end)**			**Q2 2010**	Q2 2009	2009	
Nordic water reservoirs level			**70**	71	74	
Nordic water reservoirs level, long-term average			**84**	84	81	

Export/import between Nordic Area and Continental Europe **TWh (+ = import to, - = export from Nordic area)**	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Export / import	**3**	3	**10**	3	8	15

Power market liberalisation in Russia **'%**	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Share of power sold on the liberalised market	**60**	30	**60**	30	40	55
Share of power sold at the liberalised price by OAO Fortum	**48**	27	**53**	29	34	47

Production and sales volumes

Power Generation TWh	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Power generation in the EU and Norway	**12.7**	11.8	**27.5**	25.8	49.3	51.0
Power generation in Russia	**3.5**	3.6	**8.2**	8.3	16.0	15.9
Total	**16.2**	15.4	**35.7**	34.1	65.3	66.9

Heat production TWh	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Heat production in the EU and Norway	**4.5**	4.2	**14.8**	13.3	23.2	24.4
Heat production in Russia	**4.0**	4.2	**15.0**	14.4	25.6	26.4
Total	**8.5**	8.4	**39.8**	27.7	48.8	50.8

Power generation capacity by division MW (at period end)	**Q2 2010**	2009
Power	**9 709**	9 709
Heat	**1 518**	1 446
Russia	**2 785**	2 785
Total	**14 012**	13 940

Heat production capacity by division MW (at period end)	**Q2 2010**	2009
Power	**250**	250
Heat	**10 182**	10 284
Russia	**13 796**	13 796
Total	**24 228**	24 330

Power generation by source in the Nordic countries TWh	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Hydropower	**5.1**	5.2	**10.5**	10.9	22.1	21.7
Nuclear power	**6.0**	5.6	**11.9**	12.0	21.4	21.3
Thermal power	**1.4**	0.8	**4.6**	2.4	4.6	6.8
Total	**12.5**	11.6	**27.0**	25.3	48.1	49.8

Power generation by source in the Nordic countries %	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Hydropower	**41**	45	**39**	43	46	43
Nuclear power	**48**	48	**44**	48	44	43
Thermal power	**11**	7	**17**	9	10	14
Total	**100**	100	**100**	100	100	100

Power sales EUR million	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Power sales in the EU and Norway	**645**	620	**1 582**	1 404	2 802	2 982
Power sales in Russia	**114**	91	**244**	194	390	440
Total	**759**	711	**1 826**	1 598	3 192	3 422

Heat sales **EUR million**	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Heat sales in the EU and Norway	**228**	195	**708**	602	1 095	1 201
Heat sales in Russia	**52**	44	**165**	125	219	259
Total	**280**	239	**873**	727	1 314	1 460

Power sales by area **TWh**	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Finland	**6.8**	6.3	**15.4**	13.7	26.1	27.8
Sweden	**7.0**	6.6	**14.4**	14.1	26.9	27.2
Russia	**4.5**	4.6	**10.0**	10.2	19.5	19.3
Other countries	**0.7**	0.7	**1.7**	1.6	3.2	3.3
Total	**19.0**	18.2	**41.5**	39.6	75.7	77.6

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

Heat sales by area **TWh**	**Q2 2010**	Q2 2009	**Q1-Q2 2010**	Q1-Q2 2009	2009	Last twelve months
Russia	**4.0**	4.2	**15.5**	14.4	25.6	26.7
Finland	**1.8**	1.4	**5.3**	4.5	8.0	8.8
Sweden	**1.8**	1.7	**6.4**	5.7	9.8	10.5
Poland	**0.5**	0.4	**2.3**	2.2	3.7	3.8
Other countries [1)]	**0.7**	0.7	**1.9**	1.8	3.5	3.6
Total	**8.8**	8.4	**31.4**	28.6	50.6	53.4

1) Including the UK, which is reported in the Power Division, other sales.