Fortum Corporation

Interim Report
January-September 2013

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23 October 2013

Fortum Corporation
Domicile Espoo
Business ID 1463611-4

Typically weak third-quarter results further burdened by very low hydro volumes – strong cash flow

July−September 2013

- Comparable operating profit EUR 166 (223) million, -26%
- Operating profit EUR 97 (226) million, of which EUR -69 (3) million relates to items affecting comparability
- Earnings per share EUR 0.04 (0.14), -71%, of which EUR -0.05 (0.01) per share relates to items affecting comparability
- Cash flow from operating activities totalled EUR 414 (111) million, +273%
- Nearly all-time low hydro production, 3.9 (6.3) TWh
- 2014: 65% hedged at EUR 42 per MWh; and 2015: 20% hedged at EUR 41 per MWh
- Finalisation of the Russian investment programme postponed by some months; ready by mid-2015
- Electricity production at the Inkoo coal-fired power plant in Finland to be discontinued

January−September 2013

- Comparable operating profit EUR 1,114 (1,161) million, -4%
- Operating profit EUR 1,138 (1,251) million, of which EUR 24 (90) million relates to items affecting comparability
- Earnings per share EUR 0.84 (0.91), -8%, of which EUR 0.03 (0.11) per share relates to items affecting comparability
- Cash flow from operating activities totalled EUR 1,460 (983) million, +49%
- Efficiency programme continued to develop well
- Assessment of the electricity distribution business progressed

Key figures	III/13	III/12*	I-III/13	I-III/12*	2012*	LTM**
Sales, EUR million	1,148	1,140	4,466	4,325	6,159	6,300
Operating profit, EUR million	97	226	1,138	1,251	1,874	1,761
Comparable operating profit, EUR million	166	223	1,114	1,161	1,752	1,705
Profit before taxes, EUR million	23	150	970	1,043	1,586	1,513
Earnings per share, EUR	0.04	0.14	0.84	0.91	1.59	1.52
Net cash from operating activities, EUR million	414	111	1,460	983	1,382	1,859
Shareholders’ equity per share, EUR			10.81	10.72	11.30	
Interest-bearing net debt (at end of period), EUR million			7,897	7,764	7,814	
Average number of shares, 1,000s			888,367	888,367	888,367	

Key financial ratios	2012*	LTM**
Return on capital employed, %	10.2	9.5
Return on shareholders' equity, %	14.6	14.4
Net debt/EBITDA	3.1	3.2
Comparable net debt/EBITDA	3.2	3.3

*) Comparative period figures for 2012 presented in the interim report are restated due to an accounting change for pensions; see page 4 as well as Note 2.
**) Last twelve months

Summary of outlook

- Fortum currently expects the annual electricity demand growth in the Nordic countries to be on average 0.5% in the coming years.
- Capital expenditure guidance: EUR 1.1-1.4 billion in 2013 and EUR 0.9-1.1 billion in 2014, excluding potential acquisitions.
- Power Division's Nordic generation hedges: For the rest of the calendar year 2013, 85% hedged at EUR 44 per MWh; for the 2014 calendar year, 65% hedged at EUR 42 per MWh; and for the 2015 calendar year, 20% hedged at EUR 41 per MWh.
- Fortum's goal is to achieve an operating profit level (EBIT) of about EUR 500 million run-rate in its Russia Division during 2015.

Fortum's CFO Markus Rauramo

”Characteristic for the third-quarter result was the industry-typical seasonality, however, the result was also burdened by very low hydro production and the impairment of the Inkoo coal-fired power plant in Finland as well as unplanned outages in Russia. Comparable operating profit amounted to a disappointing EUR 166 million, cash flow for operating activities from all divisions was, however, very strong at EUR 414 million. The on-going efficiency programme continued to proceed according to plan, and divestments as well as the cost level have developed very well.

Electricity consumption in the Nordic countries was slightly lower than last year at 79 TWh, even though non-industrial consumption is partly offsetting the decrease in industrial demand. In Russia, consumption increased marginally to 230 TWh. Nordic hydro reservoirs were below the long-term average at the end of the quarter and clearly lower than last year's record-high level. Precipitation has been weak in Fortum's operating areas and this has put pressure on hydro volumes, which were exceptionally low during the quarter and thus impacted the result negatively.

The business environment continues to be challenging not only for energy companies, but for the whole economy. Fortum is well positioned to capture the opportunities that the upcoming changes in the operating environment can provide. We are improving efficiency and have supportive on-going investments. During the quarter, we inaugurated two new power plants. The first large-scale biomass-fired combined heat and power plant in Jelgava, Latvia, and Fortum's most significant investment in Russia, the gas-fired thermal power plant Nyagan GRES. The second of the Nyagan GRES units, Nyagan 2, is currently under testing and is expected to be commissioned by the end of this year.

The Russian government's target to increase gas prices by 15% annually to reach netback price parity with European prices by 2018 has recently been changed. The forecast by the Russian ministry of economic development now suggests much lower annual increases. The Russia Division's profits are impacted by possible changes in gas prices, currency exchange rates and other regulations. The suggested gas price development and the weaker Russian rouble makes the EUR 500 million operating profit level (EBIT) goal during 2015 more challenging, however, the company is making every effort to mitigate the negative impacts.

The assessment of the Distribution business is progressing well and, as communicated before, it should be finalised by the end of this year.

In early October, CDP (Carbon Disclosure Project), representing over 700 institutional investors, ranked Fortum as the best company in the Nordic climate index. The index assesses the climate performance of companies. Fortum received its all-time high scoring – a full 100/100. Fortum is featured in the CDP's Nordic Climate Disclosure Leadership Index (CDLI) for the 6th consecutive year. This recognition is highly valued by our company, as climate change mitigation is embedded in Fortum's strategy.

Our emphasis continues to be on customers, sustainability and safety. I have confidence that 2013 will be a good year for Fortum. We will continue to drive efficiency in our operations and in that way mitigate external volatile conditions."

Efficiency programme 2013-2014

Fortum started an efficiency programme in 2012 in order to maintain and strengthen its strategic flexibility and competitiveness and to enable the company to reach its financial targets in the future.

The aim is to improve the company's cash flow by more than approximately EUR 1 billion during 2013–2014 by reducing capital expenditures (capex) by EUR 250–350 million, divesting approximately EUR 500 million of non-core assets, reducing fixed costs and focusing on working capital efficiency.

Capex in 2013 will be EUR 1.1–1.4 billion and in 2014 EUR 0.9–1.1 billion. At the end of 2014, the cost run-rate will be approximately EUR 150 million lower compared to 2012, including growth projects.

If headcount reductions are needed, Fortum seeks to limit redundancies by using natural rotation and retirement whenever possible. The assessments will therefore be done at a unit level.

At the end of September 2013, Fortum had divested approximately EUR 200 million in non-core assets since the start of the efficiency programme.

Restatement related to IFRS changes in pension accounting

Fortum is applying an amended IFRS standard for pensions as of 1 January 2013. Adoption of the new standard is done retrospectively and comparative information for 2012 is therefore restated to reflect the change. The change had only a minor impact on Fortum's financial results and financial position; however, it reduced the equity by EUR 124 million as of 1 January 2012. The restated comparative figures for the year 2012 are presented in the attachment to the first-quarter 2013 interim report.

Financial results

July−September

In the third quarter of 2013, Group sales were EUR 1,148 (1,140) million. Comparable operating profit totalled EUR 166 (223) million and the reported operating profit totalled EUR 97 (226) million. Fortum's operating profit for the period was affected by non-recurring items, an IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging Fortum's power production and nuclear fund adjustments amounting to EUR -69 (3) million (Note 4).

The share of profits from associates in the third quarter was EUR 4 (7) million. The share of profits from Hafslund and TGC-1 are based on the companies' published second-quarter interim reports (Note 12).

Sales by division

EUR million	III/13	III/12	I-III/13	I-III/12	2012	LTM
Power	495	506	1,706	1,696	2,415	2,425
Heat	214	205	1,126	1,151	1,628	1,603
Russia	210	203	805	711	1,030	1,124
Distribution*	219	225	791	756	1,070	1,105
Electricity Sales*	133	119	548	501	722	769
Other	16	23	47	96	137	88
Netting of Nord Pool transactions	-92	-66	-378	-342	-503	-539
Eliminations	-47	-75	-179	-244	-340	-275
Total	**1,148**	**1,140**	**4,466**	**4,325**	**6,159**	**6,300**

* Part of the Electricity Solutions and Distribution Division

Comparable operating profit by division

EUR million	III/13	III/12	I-III/13	I-III/12	2012	LTM
Power	138	201	651	765	1,146	1,032
Heat	-14	-9	167	177	271	261
Russia	-15	-12	46	40	68	74
Distribution*	57	57	254	218	320	356
Electricity Sales*	13	9	41	29	39	51
Other	-13	-23	-45	-68	-92	-69
Total	**166**	**223**	**1,114**	**1,161**	**1,752**	**1,705**

* Part of the Electricity Solutions and Distribution Division

Operating profit by division

EUR million	III/13	III/12	I-III/13	I-III/12	2012	LTM
Power	43	205	643	787	1,175	1,031
Heat	-3	-10	180	225	344	299
Russia	-15	-12	46	51	79	74
Distribution*	75	58	272	227	331	376
Electricity Sales*	14	11	45	33	39	51
Other	-17	-26	-48	-72	-94	-70
Total	**97**	**226**	**1,138**	**1,251**	**1,874**	**1,761**

* Part of the Electricity Solutions and Distribution Division

January−September

In January-September, Group sales were EUR 4,466 (4,325) million. Comparable operating profit totalled EUR 1,114 (1,161) million and the reported operating profit totalled EUR 1,138 (1,251) million. Fortum's operating profit for the period was affected by non-recurring items, an IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging Fortum's power production and nuclear fund adjustments amounting to EUR 24 (90) million (Note 4).

The share of profits of associates and joint ventures was EUR 66 (26) million. The increase comes mainly from TGC-1. The share of profits from Hafslund and TGC-1 are based on the companies' published fourth-quarter 2012 as well as first- and second-quarter 2013 interim reports (Note 12).

The Group's net financial expenses were EUR 234 (234) million. Net financial expenses were negatively affected by changes in the fair value of financial instruments of EUR 7 (16) million.

Profit before taxes was EUR 970 (1,043) million.

Taxes for the period totalled EUR 177 (196) million. The tax rate according to the income statement was 18.3% (18.8%). The tax rate, excluding mainly the impact of the share of profits of associated companies and joint ventures as well as non-taxable capital gains, was 20.4% (21.2%).

The profit for the period was EUR 793 (847) million. Fortum's earnings per share were EUR 0.84 (0.91), of which EUR 0.03 (0.11) per share relates to items affecting comparability.

Non-controlling (minority) interests amounted to EUR 47 (37) million. These are mainly attributable to AB Fortum Värme Holding, in which the city of Stockholm has a 50% economic interest.

Financial position and cash flow

Cash flow

In January-September 2013, total net cash from operating activities increased by EUR 477 million to EUR 1,460 (983) million, mainly due to a decrease in working capital EUR 234 million, lower realised foreign exchange losses EUR 187 million and lower amount of paid taxes EUR 94 million. Capital expenditures decreased by EUR 42 million to EUR 877 (919) million. Proceeds from divestments totalled EUR 145 (315) million. Cash flow before financing activities, i.e. dividend distributions and financing, increased by EUR 325 million to EUR 670 (345) million. The strong SEK (Swedish krona) during January-September had a negative impact on the cash flow through realised net foreign exchange losses related to the rollover of foreign exchange contract hedging loans to Fortum's Swedish subsidiaries. Realised foreign exchange gains and losses were EUR -46 (-233) million.

During the reporting period, dividends totalling EUR 888 million were paid on 19 April 2013 using the cash and cash equivalents.

Assets and capital employed

Total assets decreased by EUR 731 million to EUR 23,830 (24,561 at year-end 2012) million. Non-current assets decreased by EUR 227 million from EUR 21,677 million to EUR 21,450 million. The majority, EUR 179 million, was a result of the decreased value of intangible assets, property, plants and equipment as well as participations in associates and joint ventures due to the weakening Russian rouble, Swedish krona and other currencies and a decrease in derivative financial instruments of EUR 129 million. Other non-current assets increased with EUR 81 million. The decrease in current assets was EUR 504 million, totalling EUR 2,380 million. The decrease relates mainly to the decrease in trade and other receivables, totalling EUR 529 million, which is offset by an increase of EUR 132 million in liquid funds.

Capital employed was EUR 19,213 (19,420 at year-end 2012) million, a decrease of EUR 207 million. The decrease was due to the lower amount of total assets, EUR 731 million, and a EUR 524 million decrease in interest-free liabilities.

Equity

Total equity was EUR 10,221 (10,643 at year-end 2012) million, of which equity attributable to owners of the parent company totalled EUR 9,601 (10,040) million and non-controlling interests EUR 620 (603) million.

The decrease in equity attributable to owners of the parent company totalled EUR 439 million and is mainly due to the payment of dividends totalling EUR 888 million, net profit of EUR 746 million for the period and translation differences of EUR -321 million.

Financing

Net debt increased during January-September by EUR 83 million to EUR 7,897 (7,814 at year-end 2012) million, mainly as a result of the dividend payment of EUR 888 million in April.

During January-September Fortum Oyj issued new long term debt in SEK and EUR amounting to approximately EUR 760 million (Note 14).

At the end of September 2013, the Group's liquid funds totalled EUR 1,095 (963 at year-end 2012) million. Liquid funds include cash and bank deposits held by OAO Fortum amounting to EUR 142 (128 at year-end 2012) million. In addition to the liquid funds, Fortum had access to approximately EUR 2.2 billion of undrawn committed credit facilities.

The Group's net financial expenses during January-September 2013 were EUR 234 (234) million. Net financial expenses include changes in the fair value of financial instruments of EUR -7 (-16) million.

Fortum Corporation's long-term credit rating with S&P was A- (negative outlook).

In February, Fortum decided to terminate the rating relationship with Moody's Investors Service. Moody's had an A2 rating with a negative outlook. As of April, Fortum and Fitch Ratings entered into an agreement. Fitch will provide a rating of Fortum Corporation and any subsequently issued securities issued under Fortum's EMTN programme. Fitch's current long-term issuer default rating of Fortum Corporation is A- (negative outlook).

Key figures

For the last twelve months, net debt to EBITDA was 3.2 (3.1 at year-end 2012) and comparable net debt to EBITDA 3.3 (3.2), impacted by EUR 888 million in dividend payments. Gearing was 77% (73%) and the equity-to-assets ratio 43% (43%). Equity per share was EUR 10.81 (11.30). For the last twelve months, return on capital employed was 9.5% (10.2%) and return on shareholders' equity 14.4% (14.6%).

Market conditions

Nordic countries

According to preliminary statistics, electricity consumption in the Nordic countries during the third quarter was 79 (81) terawatt-hours (TWh). The decrease in industrial demand was partly offset by an increase in non-industrial consumption. In January–September, electricity consumption in the Nordic countries was 283 (282) TWh.

At the beginning of the year, the Nordic water reservoirs were at 85 TWh, i.e. 2 TWh above the long-term average. By the beginning of the third quarter, the reservoirs had declined to 82 TWh, i.e. 2 TWh below the long-term average and 4 TWh below the corresponding level in 2012. At the end of the quarter, the reservoirs were up, at 91 TWh, which is 10 TWh below the long-term average and 18 TWh below the corresponding level in 2012. Precipitation during the third quarter was clearly below last year's level, particularly in Sweden, where precipitation was concentrated more to the northern part of the country.

During the third quarter of 2013, the average system spot price of electricity in Nord Pool was EUR 35.8 (20.8) per megawatt-hour (MWh). The average area price in Finland was EUR 42.7 (30.9) per MWh and in Sweden (SE3) 40.0 (23.2) per MWh. The Finnish and Swedish prices were higher than the system price mainly during annual maintenances of nuclear and condensing power plants. In addition, several simultaneous grid works limited the possibility to import power from cheaper areas.

During January–September 2013, the average system spot price was EUR 38.8 (29.1) per MWh. In Finland, the average area price was EUR 41.6 (35.2) per MWh and in Sweden (SE3) EUR 40.1 (30.6) per MWh.

In Germany, the average spot price during the third quarter of 2013 was EUR 38.8 (43.5) per MWh and during January–September 2013 EUR 37.9 (43.0) per MWh.

The market price of CO_2 emission allowances (EUA) dropped from approximately EUR 6.6 per tonne at the beginning of the year to approximately EUR 4.2 per tonne at the beginning of the third quarter, but then recovered to approximately EUR 5.2 per tonne by the quarter-end. During January–September, EUA traded between EUR 2.8 and EUR 6.7 per tonne.

The volatility in prices in the reporting period was largely due to the on-going EU process on whether to implement the so-called backloading of allowances to support the EU Emissions Trading Scheme (ETS). The backloading would mean a temporary withdrawal of 900 million allowances from the market in 2013-2015 and returning them towards the end of the 2013-2020 period. A decision on backloading is expected towards the end of the year and it could be implemented at the earliest during the first half of 2014. In parallel, the process to set the 2030 climate target and to revise the ETS structurally is expected to proceed and impact the carbon market.

Russia

Fortum operates in the Urals and Western Siberia. Both in the Tyumen and Khanty-Mansiysk area, where industrial production is dominated by the oil and gas industries, and in the Chelyabinsk area, which is dominated by the metal industry, electricity demand increased marginally in the third quarter compared to the same period of the previous year.

According to preliminary statistics, Russia consumed 230 (229) TWh of electricity during the third quarter of 2013. The corresponding figure in Fortum's operating area in the First price zone (European and Urals part of Russia) was 174 (172) TWh.

In January-September 2013, Russia consumed 753 (753) TWh of electricity. The corresponding figure in Fortum's operating area in the First price zone (European and Urals part of Russia) was 564 (563) TWh.

In the third quarter of 2013, the average electricity spot price, excluding capacity price, increased by 10% to RUB (Russian rouble) 1,255 (1,143) per MWh in the First price zone.

In January-September 2013, the average electricity spot price, excluding capacity price, increased by 11% to RUB 1,092 (988) per MWh in the First price zone.

More detailed information about the market fundamentals is included in the tables at the end of the report (page 54).

Division reviews

Power

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

EUR million	III/13	III/12	I-III/13	I-III/12	2012	LTM
Sales	495	506	1,706	1,696	2,415	2,425
- power sales	469	475	1,617	1,614	2,282	2,285
of which Nordic power sales*	409	435	1,411	1,477	2,086	2,020
- other sales	26	31	89	82	133	140
Operating profit	43	205	643	787	1,175	1,031
Comparable operating profit	138	201	651	765	1,146	1,032
Comparable EBITDA	188	230	762	850	1,260	1,172
Net assets (at period-end)			6,258	6,409	6,389	
Return on net assets, %					18.7	16.0
Comparable return on net assets, %					18.5	16.3
Capital expenditure and gross investments in shares	48	66	118	126	190	182
Number of employees			1,876	1,921	1,846	

Power generation by source, TWh	III/13	III/12	I-III/13	I-III/12	2012	LTM
Hydropower, Nordic	3.9	6.3	14.2	18.1	25.2	21.3
Nuclear power, Nordic	5.1	5.0	17.7	16.9	23.4	24.2
Thermal power, Nordic	0.4	0.2	1.6	0.4	0.6	1.8
Total in the Nordic countries	**9.4**	**11.5**	**33.5**	**35.4**	**49.2**	**47.3**
Thermal power in other countries	0.3	0.2	0.9	0.8	1.1	1.2
Total	**9.7**	**11.7**	**34.4**	**36.2**	**50.3**	**48.5**

Nordic sales volumes, TWh	III/13	III/12	I-III/13	I-III/12	2012	LTM
Nordic sales volume	9.8	11.8	34.7	36.5	50.7	48.9
of which Nordic power sales volume*	8.7	11.0	30.8	33.8	46.8	43.8

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

Sales price, EUR/MWh	III/13	III/12	I-III/13	I-III/12	2012	LTM
Power's Nordic power price**	47.4	39.7	45.8	43.7	44.6	46.1

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

July–September

In the third quarter of 2013, the Power Division's comparable operating profit was EUR 138 (201) million, i.e. EUR 63 million lower than in the corresponding period in 2012. The nearly all-time low hydro power production and the impairment loss, resulting from of the discontinuation of the Inkoo power plant, were the main reasons for the decrease.

The operating profit, EUR 43 (205) million, was affected by sales gains totalling EUR 14 (0) million and by non-recurring items, an IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging Fortum's power production and nuclear fund adjustments amounting to EUR -109 (4) million (Note 4).

The system and all area prices were higher during the third quarter of 2013 compared to the same period in 2012. The average system spot price of electricity in Nord Pool was EUR 35.8 (20.8) per MWh. The average area price in Finland was EUR 42.7 (30.9) per MWh and in Stockholm, Sweden, (SE3) EUR 40.0 (23.2) per MWh. Power's achieved Nordic power price was EUR 47.4 (39.7) per MWh, or EUR 7.7 per MWh higher than in the corresponding period in 2012.

The Power Division’s result was burdened by the nearly all-time low hydro power production 3.9 (6.3) TWh compared to the record-high production in 2012. Production volumes were affected by the clearly lower reservoir levels. During July–September 2013, Fortum’s nuclear production was 5.1 (5.0) TWh and the company had 0.4 (0.2) TWh of thermal production in the Nordic countries. The CO_2-free production amounted to 93% (97%).

The combined effect of volumes and the achieved Nordic power price had a negative impact of approximately EUR 30 million in the third quarter of 2013 compared to the corresponding period in 2012. During July–September 2013, operating costs increased by approximately EUR 10 million; the higher taxation values (EUR 12 million) on Swedish hydro assets was partly offset by the lower SEK (EUR 5 million) and the savings achieved through the efficiency programme. In addition, Fortum decided to discontinue electricity production at its Inkoo coal-fired power plant in Finland, and impairment loss of approximately EUR 20 million was booked in the third quarter. Production operations will end in February 2014, after which the company will mothball three units. The decision was based on the weak profitability of the power plant.

In the third quarter of 2013, the division's total power generation in the Nordic countries was 9.4 (11.5) TWh, which corresponds to an approximately 18% decrease compared to the same period in 2012.

In August, Fortum signed a three-year operation and maintenance agreement with Maintpartner regarding Fortum’s hydropower plants in the Oulujoki and Imatra regions of Finland. Under the agreement, the local operation and maintenance personnel of Fortum’s hydropower plants will transfer to Maintpartner as existing employees, effective as of 1 December 2013.

Furthermore, Fortum signed a collaboration agreement with the Russian State Atomic Energy Corporation ROSATOM and Rolls-Royce Plc. in the area of nuclear power development. The collaboration will jointly investigate the feasibility of ROSATOM's VVER-type (water-cooled and water-moderated) reactors for the UK new build programme.

January–September

In January–September 2013, the Power Division’s comparable operating profit was EUR 651 (765) million, i.e. EUR 114 million lower than in the corresponding period in 2012. Lower hydro volumes and increased real-estate tax for hydropower in Sweden were the main reasons for the decreased profit.

Operating profit was EUR 643 (787) million. The operating profit was affected by sales gains totalling EUR 18 (47) million and by the IFRS accounting treatment (IAS 39) of derivatives used mainly for hedging Fortum's power production and nuclear fund adjustments amounting to EUR -26 (-25) million (Note 4).

The achieved Nordic power price was EUR 45.8 per MWh, or EUR 2.1 per MWh higher than in January–September in 2012. The average system spot price was EUR 38.8 (29.1) per MWh, and the average area price in Finland EUR 41.6 (35.2) per MWh and in Stockholm, Sweden, (SE3) EUR 40.1 (30.6) per MWh.

Low water reservoir levels and lower inflow decreased hydro generation significantly compared to the comparable period in 2012. Nuclear availability was at a good level in all reactors except in Oskarshamn 1, which came back into operation in September after a long outage. The total nuclear volume was thus higher than during the corresponding period in 2012. During the first nine months of 2013, Fortum had 1.6 TWh of thermal production in the Nordic countries. Hence, the CO_2-free production amounted to 93% (97%).

The combined effect of volumes and the achieved Nordic power price had a negative impact of approximately EUR 65 million during January-September 2013 compared to the corresponding period in 2012. Operating costs increased by approximately EUR 30 million; the higher taxation values (EUR 32 million) on Swedish hydro assets, higher SEK (EUR 6 million) and higher depreciations (EUR 7 million) were partly offset by savings resulting from the efficiency programme. The discontinuation of the Inkoo power plant caused an impairment loss of approximately EUR 20 million.

In January-September 2013, the division's total power generation in the Nordic countries was 33.5 (35.4) TWh, which corresponds to an approximately 5% decrease compared to the same period in 2012.

Fortum has two fully-owned reactors in Loviisa, Finland, and the company is also a co-owner in eight reactors at the Olkiluoto, Oskarshamn and Forsmark nuclear power plants in Finland and Sweden. Nuclear availability was at a good level in all of the reactors except Oskarshamn 1, and all the annual outages were executed with good results.

The Swedish State has increased the real-estate tax for hydropower as of 2013. The tax is based on the production volumes and, according to the latest information received, it will increase Fortum's costs by approximately EUR 45 million in 2013 compared to 2012. Fortum has filed a complaint with the European Commission and, according to a notification to Fortum, the European Commission has decided to investigate the matter and has asked for further information from the Swedish authorities. The process is on-going.

Fortum’s preparations for the French hydro concession bidding have progressed as planned. According to official information from the Economy, Budget, Ecology and Energy ministries, the process for hydro concession renewal could start during the first half of 2014.

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	III/13	III/12	I-III/13	I-III/12	2012	LTM
Sales	214	205	1,126	1,151	1,628	1,603
- heat sales	133	134	836	792	1,158	1,202
- power sales	33	24	165	164	232	233
- other sales	48	47	125	195	238	168
Operating profit	-3	-10	180	225	344	299
Comparable operating profit	-14	-9	167	177	271	261
Comparable EBITDA	39	43	325	328	481	478
Net assets (at period-end)			4,235	4,199	4,286	
Return on net assets, %					8.8	7.6
Comparable return on net assets, %					7.0	6.7
Capital expenditure and gross investments in shares	96	118	266	284	474	456
Number of employees			2,107	2,341	2,212	

July–September

The Heat Division's heat sales volumes amounted to 1.9 (1.9) TWh during the third quarter of 2013. During the same period, power sales volumes from CHP production totalled 0.7 (0.4) TWh.

The Heat Division's comparable operating profit in the third quarter was EUR -14 (-9) million. The result decreased due to lower CO_2 allowance sales and the weaker SEK, despite lower fixed costs.

The operating profit in the third quarter totalled EUR -3 (-10) million and was affected by sales gains totalling EUR 9 (-1) million (Note 4).

In September, Fortum disclosed that Fortum and the City of Stockholm have renewed their co-ownership agreement of Fortum Värme, the jointly-owned power and heat company operating in the capital area in Sweden. The agreement will come into force as of 2016, when the existing ownership agreement expires. The decision in Stockholm city council is still subject to coming into legal force.

January–September

Heat sales volumes during January-September 2013 amounted to 13.3 (13.3) TWh. During the same period, power sales volumes from CHP production totalled 3.3 (2.9) TWh.

The Heat Division's comparable operating profit in January-September 2013 was EUR 167 (177) million. The decrease in the result was mainly due to lower CO_2 allowance sales and lower achieved power prices. Fixed costs were clearly lower than during the corresponding period in 2012.

Operating profit in January-September 2013 totalled EUR 180 (225) million. Sales gains related to divestments totalled EUR 9 (57) million (Note 4).

Heat sales by area, TWh	III/13	III/12	I-III/13	I-III/12	2012	LTM
Finland	0.8	0.9	3.9	4.1	5.8	5.6
Sweden	0.7	0.7	6.0	5.6	8.5	8.9
Poland	0.3	0.2	2.7	2.8	4.3	4.2
Other countries	0.1	0.1	0.7	0.8	1.1	1.0
Total	**1.9**	**1.9**	**13.3**	**13.3**	**19.7**	**19.7**

Power sales, TWh	III/13	III/12	I-III/13	I-III/12	2012	LTM
Total	**0.7**	**0.4**	**3.3**	**2.9**	**4.2**	**4.6**

Russia

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

EUR million	III/13	III/12	I-III/13	I-III/12	2012	LTM
Sales	210	203	805	711	1,030	1,124
- power sales	180	175	608	506	713	815
- heat sales	28	25	192	198	300	294
- other sales	2	3	5	7	17	15
Operating profit	-15	-12	46	51	79	74
Comparable operating profit	-15	-12	46	40	68	74
Comparable EBITDA	23	19	143	132	189	200
Net assets (at period-end)			3,795	3,639	3,848	
Return on net assets, %					3.0	3.2
Comparable return on net assets, %					2.7	3.2
Capital expenditure and gross investments in shares	125	104	294	311	568	551
Number of employees			4,197	4,270	4,253	

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

The liberalisation of the Russian wholesale power market has been completed since the beginning of 2011. However, all generating companies continue to sell a part of their electricity and capacity – an amount equalling the consumption of households and a few special groups of consumers – under regulated prices. During the third quarter of 2013, Fortum sold approximately 77% of its power production in Russia at a liberalised electricity price.

The capacity selection for generation built prior to 2008 (CCS -"old capacity") for 2013 was held at the end of 2012. In the selection auction, the majority of Fortum's power plants were selected, with a price level close to the level received in 2012. Approximately 10% (265 megawatts, MW) of the old capacity was not allowed to participate in the selection for 2013, due to tightened technical requirements. It will, however, receive capacity payments at the capacity market price during 2013.

The generation capacity built after 2007 under the government capacity supply agreements (CSA – "new capacity") receives guaranteed payments for a period of 10 years. The period and the prices for capacity under CSA are defined to ensure a sufficient return on investments. At the time of the acquisition in 2008, Fortum made a provision, as penalty clauses are included in the CSA agreement in case of possible delays. If the new capacity is delayed or if the agreed major terms of the capacity supply agreement are not otherwise fulfilled, possible penalties can be claimed. The effect of changes in the timing of commissioning of new units is assessed at each balance sheet date and the provision is changed accordingly (Note 16).

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

The company's extensive investment programme is a key driver of growth in Russia. The last units have been slightly delayed by some months and the programme is now due to be completed during the first half of 2015. After the completion of the investment programme, the power generation capacity of the Russia Division will have nearly doubled and will exceed 5,100 MW. Fortum's goal is to achieve an operating profit level (EBIT) of about EUR 500 million run-rate in its Russia Division during 2015 and to create positive economic value added in Russia.

July–September

The Russia Division's power sales volumes amounted to 5.4 (5.3) TWh during the third quarter of 2013. Heat sales totalled 2.5 (2.3) TWh during the same period.

The Russia Division's comparable operating profit was EUR -15 (-12) million in the third quarter of 2013. The positive effect from the new units, receiving CSA payments, amounted to approximately EUR 21 (19) million in the third quarter. The result was negatively impacted by bad debt losses for Energostream group (which has been excluded from the wholesale market in 2013) as well as unplanned outages and therefore lost capacity and electricity income.

The operating profit was EUR -15 (-12) million in the third quarter of 2013.

Key electricity, capacity and gas prices for Fortum Russia	III/13	III/12	I-III/13	I-III/12	2012	LTM
Electricity spot price (market price), Urals hub, RUB/MWh	1,136	1,114	1,013	951	956	1,030
Average regulated gas price, Urals region, RUB/1000 m3	3,327	2,924	3,029	2,673	2,736	3,127
Average capacity price for CCS "old capacity", tRUB/MW/month*	149	138	158	147	152	160
Average capacity price for CSA "new capacity", tRUB/MW/month*	507	485	550	510	539	564
Average capacity price, tRUB/MW/month	251	207	258	218	227	257
Achieved power price for Fortum Russia, EUR/MWh	33.8	33.1	31.6	30.5	30.6	31.4

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

January−September

The Russia Division's power sales volumes amounted to 19.2 (16.6) TWh during January-September 2013. Heat sales totalled 16.3 (17.8) TWh during the same period.

The Russia Division's comparable operating profit was EUR 46 (40) million in January-September 2013. The positive effect from the commissioning of the new units amounted to approximately EUR 85 (61) million including a reversal of the CSA provision totalling EUR 10 million booked in April. The result was burdened by EUR 14 million bad debt losses for Energostream group and unplanned outages. In addition, lower heat volumes due to an exceptionally warm winter in 2013 in the Chelyabinsk area and the divestment of the heating network assets in Surgut in 2012 impacted the volumes negatively. Fortum's total bad debt losses for Energostream group are estimated to amount to EUR 16 million in 2013.

Operating profit was EUR 46 (51) million in January-September 2013. In 2012, the operating profit included a gain of EUR 11 million relating to the divestment of heating network assets in Surgut.

In late March, Fortum finished the final stages in the construction of its Nyagan power plant unit 1. Accordingly, the company started receiving capacity payments for the unit from 1 April 2013 onwards. The unit capacity was certified to exceed 420 MW and is one of the most energy-efficient plants in Russia.

Nyagan is the first and largest greenfield thermal power plant project in Russia since 1990 and the most significant part of Fortum's investment programme. The Nyagan project, comprising three 418-MW combined-cycle gas units, is being constructed in the northern Urals, northeast of Moscow.

When completed, the power production capacity of the natural gas-fuelled power plant will be approximately 1,250 MW.

The second of the Nyagan GRES units, Nyagan 2, is currently under testing and is expected to be commissioned by the end of year. Nyagan 3 will be finalised at the end of 2014, at the latest, and will optimise the investment with regard to both capital and operational expenditures, received electricity sales and capacity payments. The capacity payments for the Nyagan unit 3 will start as of 1 January 2015.

In 2008, Fortum made a provision for penalties caused by possible commissioning delays. In addition, according to the agreement with the contractor, Fortum is also entitled to adequate remedies in case of damages caused by contractor delays. The process with the main contractor continues (Note 16).

Electricity Solutions and Distribution

The division is responsible for Fortum's electricity sales and distribution activities and 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 and Norway.

EUR million	III/13	III/12	I-III/13	I-III/12	2012	LTM
Sales	219	225	791	756	1,070	1,105
- distribution network transmission	177	183	662	627	877	912
- regional network transmission	30	29	96	92	125	129
- other sales	12	13	33	37	68	64
Operating profit	75	58	272	227	331	376
Comparable operating profit	57	57	254	218	320	356
Comparable EBITDA	112	109	417	371	529	575
Net assets (at period-end)			3,786	3,826	3,889	
Return on net assets, %					9.1	10.0
Comparable return on net assets, %					8.8	9.5
Capital expenditure and gross investments in shares	57	84	168	207	324	285
Number of employees			860	870	870	

July–September

The volume of distribution and regional network transmissions during the third quarter of 2013 totalled 4.8 (4.9) TWh and 3.4 (3.8) TWh, respectively. Volumes were lower due to warmer weather.

The Distribution business area's comparable operating profit was EUR 57 (57) million.

Operating profit in the third quarter of 2013 totalled EUR 75 (58) million and was affected by sales gains totalling EUR 17 (0) million (Note 4).

January–September

In January-September 2013, the volume of distribution and regional network transmissions totalled 19.0 (18.8) TWh and 12.0 (12.6) TWh, respectively.

The Distribution business area's comparable operating profit was EUR 254 (218) million. The increased profits are mainly attributable to higher volumes in the first quarter of 2013 (cold weather), due to an increased amount of relocation of cables and parts of the network, a stronger SEK and the costs related to the massive storm at the end of 2011 that burdened results in 2012.

Operating profit in January-September 2013 totalled EUR 272 (227) and was affected by sales gains totalling EUR 17 (5) million (Note 4).

A total of almost 620,000 smart meters with hourly measurement capabilities have been installed for network customers in Finland over the course of three years in Fortum's electricity distribution areas (434,000 at year-end 2012). The new meters are part of the smart electricity network of the future, enabling more efficient energy use through, for example, hourly measurement of electricity consumption and real-time billing, and supporting the transition towards a more sustainable energy system. The new legislation on hourly meter reading in Finland will become effective as of 1 January 2014.

In January, Fortum announced that it had decided to assess the strategic position of its electricity distribution business. The assessment has no impact on Fortum's electricity distribution customers and excludes the company's electricity retail business. Fortum expects to conclude the assessment during 2013.

In March 2013, the Finnish government submitted a Government Bill for the renewal of electricity market legislation, and the new Electricity Market act came into force on 1 September 2013. The new legislation includes implementation of the 3rd electricity market directive and functional demands on electricity grids. This includes that the maximum length of outages should be limited to six hours for urban areas and 36 hours for rural areas after a 15-year transition period. Also, gradual increases in customer compensation for long outages have been included; 150% of the annual grid fee after 8 days of outage and 200% of the annual grid fee for outages longer than 12 days. The maximum amount would be increased from 700 euros to 2,000 euros by 2015.

Both in Finland and Sweden, legal processes are under way concerning the appeals filed regarding the network income regulatory period 2012-2015, which came into force as of 1 January 2012. In Finland, the appeal of the national grid company Fingrid is being processed in the Supreme Administrative Court; in Sweden, court negotiations were held in the Administrative Court during the first two weeks of October 2013, and a decision on the appeals is expected by the end of the year.

Volume of distributed electricity in distribution network, TWh	III/13	III/12	I-III/13	I-III/12	2012	LTM
Sweden	2.6	2.7	10.3	10.2	14.4	14.5
Finland	1.8	1.9	6.9	7.0	9.8	9.7
Norway	0.4	0.3	1.8	1.6	2.4	2.6
Total	**4.8**	**4.9**	**19.0**	**18.8**	**26.6**	**26.8**

Number of electricity distribution customers by area, thousands	30 September 2013	30 September 2012
Sweden	903	898
Finland	640	632
Norway	102	102
Total	**1,645**	**1,632**

Electricity Sales

The Electricity Sales business area is responsible for retail sales of electricity as well as smart electricity solutions and services to a total of 1.2 million private customers. In addition, standardised products are offered for large corporate customers (Sales Trading). Fortum is a leading seller of CO_2-free electricity in the Nordic countries. Electricity Sales buys its electricity from the Nordic power exchange.

EUR million	III/13	III/12	I-III/13	I-III/12	2012	LTM
Sales	133	119	548	501	722	769
- power sales	128	114	532	483	697	746
- other sales	5	5	16	18	25	23
Operating profit	14	11	45	33	39	51
Comparable operating profit	13	9	41	29	39	51
Comparable EBITDA	13	10	42	30	40	52
Net assets (at period-end)			8	1	51	
Return on net assets, %					152.3	170.0
Comparable return on net assets, %					203.1	179.6
Capital expenditure and gross investments in shares	0	0	0	0	1	1
Number of employees			500	514	509	

July–September

During the third quarter of 2013, the business area's electricity volume sales to retail customers totalled 2.0 (2.0) TWh and Sales Trading 0.3 (0.5) TWh (reported until 2012 in the Other segment).

Electricity Sales' comparable operating profit in the third quarter of 2013 totalled EUR 13 (9) million. The increase was mainly a result of favourable wholesale market conditions.

The operating profit totalled EUR 14 (11) million and was affected by an IFRS accounting treatment (IAS 39) of derivatives (Note 4).

January–September

During January–September 2013, the business area's electricity sales volume to retail customers totalled 8.8 (8.4) TWh and Sales Trading 1.1 (1.6) TWh (reported until 2012 in the Other segment). The higher volume to retail customers was due to colder than average weather in the first quarter and a higher customer base.

Electricity Sales' comparable operating profit in January-September 2013 totalled EUR 41 (29) million. The increase was mainly due to cold weather in the first quarter, an increased customer base, favourable wholesale market conditions and Sales Trading.

The operating profit totalled EUR 45 (33) million and was affected by an IFRS accounting treatment (IAS 39) of derivatives (Note 4).

Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares totalled EUR 329 (376) million in the third quarter of 2013. Investments, excluding acquisitions, were EUR 329 (376) million.

In January-September 2013, capital expenditures and investments in shares totalled EUR 862 (942) million. Investments, excluding acquisitions, were EUR 850 (937) million.

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

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts *
Power				
Hydro refurbishment	Hydropower	10		2013
Heat				
Brista, Sweden	Waste (CHP)	20	57	Q4 2013
Värtan, Sweden	Biofuel (CHP)	130	280	Q2 2016
Russia*				
Nyagan 2	Gas (CCGT)	418		2H 2013
Nyagan 3	Gas (CCGT)	418		2H 2014
Chelyabinsk 1	Gas (CCGT)	248	175	1H 2015
Chelyabinsk 2	Gas (CCGT)	248	175	1H 2015

*) Start of commercial operation.

Power

Through its interest in Teollisuuden Voima Oyj (TVO), Fortum is participating in the building of Olkiluoto 3 (OL3), a 1,600-MW nuclear power plant unit in Finland. Based on the progress reports received from the plant supplier, AREVA-Siemens Consortium, TVO is preparing for the possibility that the start of regular electricity production at OL3 may be postponed until 2016.

The Board of Directors of TVO proposed in February a new EUR 300 million shareholder loan commitment to the company's B-series shareholders. By means of the shareholder loan, TVO will prepare to maintain a sufficient level of equity in the OL3 project and cope with possible additional delays and costs in finalising the project. In June, all the B-series shareholders signed the loan agreement in accordance with the proposal made by the Board of Directors. Fortum's share of the new shareholder loan is 25% (EUR 75 million). In addition, Fortum has earlier committed to another EUR 300 million shareholder loan in the OL3 project; Fortum’s share of that shareholder loan is 25% as well.

In June, TVO withdrew EUR 100 million from the first EUR 300 million shareholder loan commitment for the OL3 project; Fortum’s share was EUR 25 million.

Wind power production was started at the Blaiken wind power park (75 MW) in the first quarter of the year. The first 30 wind mills underwent test runs in February and commercial production was started in the second quarter. The Blaiken wind power park is co-owned by Skellefteå Kraft (60%) and Fortum (40%).

In July, Fortum completed the divestment of its 33% holding in Infratek ASA to a fund managed by Triton, following the approval of the Swedish and Norwegian competition authorities. The sales price was approximately EUR 38 million. A sales gain of EUR 11 million was booked in the Power Division's third-quarter 2013 results.

In September, Fortum and Metsähallitus agreed to sell their Kuolavaara-Keulakkopää (50 MW) and Joukhaisselkä (25 MW) pre-construction stage wind power projects in Lapland to the Impax New Energy Investors II Fund ("NEF II") managed by Impax Asset Management. Fortum's share of the projects is 51% and Metsähallitus' 49%. The transaction will be implemented in phases and the sale is expected to be completed during the first quarter of 2014. The transaction will have a minor impact on Fortum's Power Division's financial results and it will be booked over several quarters. The sale price and other terms are not disclosed.

Heat

In January, the cornerstone for the new, EUR 500 million biofuel-fired CHP plant was laid in Stockholm (Värtan), Sweden; the plant will be ready in 2016. This project is the largest ongoing investment in the Heat Division.

In addition, in the first quarter of 2013, Heat launched a new commercial concept for bio-oil in Finland. In the future, besides heat and electricity, bio-oil will be produced CHP+ plants, where pyrolysis is integrated into the production process. The first commercial scale CHP+ plant is under construction in Joensuu, Finland.

In May, Fortum's new waste-fuelled CHP plant was inaugurated in Klaipeda, Lithuania. Commercial operation started at the end of the first quarter. The Klaipeda CHP plant has a capacity of 60 MW heat and 20 MW electricity. With an efficiency of almost 90%, it is able to incinerate 230,000 tonnes of waste and biomass annually and by replacing gas-fired capacity it reduces CO_2 emissions by approximately 100,000 tons annually.

In June, a new bio-fuelled CHP plant was inaugurated in Järvenpää, Finland. Commercial operation started in May. The plant has a capacity of 63 MW heat and 23 MW electricity. Also in June, Fortum announced that it is acquiring district heating operations from the Estonian company Eraküte in the city of Tartu. Eventually, Fortum plans to connect the acquired network area to Fortum's current network supplied by the company's biomass and peat-fired Tartu CHP plant. This will enable a larger use of biomass, reduce CO_2 emissions and increase efficiency of heat production. After the acquisition, Fortum owns the whole district heating network of Tartu.

In September, Fortum inaugurated the first large-scale biomass combined heat and power plant in Latvian city of Jelgava. The new plant covers approximately 85% of the city's district heating demand. Fortum's new power plant uses wood chips as fuel and replaces old natural gas-fired heat production in Jelgava. The production capacity of the Jelgava power plant is 23 MW electricity and 45 MW heat. The plant will produce approximately 110 GWh of electricity and 230 GWh of heat per year.

In addition, Fortum sold its Kuusamo combined heat and power plant to the Finnish energy company Adven Oy. The sale has a minor impact on Fortum's financial performance and the gain was booked in the Heat Division's third-quarter 2013 results.

Russia

In late March, Fortum finished the final stages in the construction of its Nyagan power plant unit 1. Accordingly, the company started receiving capacity payments for the unit as of 1 July 2013. The unit's capacity was certified to exceed 420 MW and is one of the most energy-efficient plants in Russia.

Distribution

In June, Fortum agreed to sell its 47.9% ownership in the Swedish energy company Härjeåns Kraft Ab to the Finnish energy company Oy Herrfors Ab, a subsidiary of Katternö Group. The sales price was SEK 445 million (approximately EUR 51 million). The transaction was completed in July and Fortum booked a sales gain of EUR 17 million to Distribution's third-quarter 2013 financial result.

Other

In June, Fortum acquired a solar power plant in the state of Rajasthan, north-western India. The company's short-term ambition is to build a small photo-voltaic (PV) solar portfolio in order to gain experience in different solar technologies and in operating in the Indian power market. The power plant's nominal peak capacity is 5.4 MW and its annual production is approximately 9 gigawatt-hours. The plant will receive a higher, guaranteed electricity price for 25 years. The period and the prices for power generation under the government's power purchase agreement are defined to ensure a sufficient return on investment. In the short term, Fortum is looking to invest some tens of millions of euros − including this acquisition − in developing its PV solar competence and operations in India.

Shares and share capital

Fortum Corporation is listed on the NASDAQ OMX Helsinki Ltd. During January-September 2013, a total of 376.2 (392.1) million Fortum Corporation shares, totalling EUR 5,543 million, were traded on the NASDAQ OMX Helsinki Ltd. The highest quotation of Fortum Corporation shares during the reporting period was EUR 16.84, the lowest EUR 13.10, and the volume-weighted average EUR 14.73. The closing quotation on the last trading day of the third quarter of 2013 was EUR 16.66 (14.33). Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the quarter, was approximately EUR 14,800 million.

In addition to the NASDAQ OMX Helsinki Ltd., Fortum shares were traded on several alternative market places, for example at Boat, BATS Chi-X and Turquoise, and on the OTC market. During January-September 2013, approximately 61% of Fortum's traded shares were traded on markets other than the NASDAQ OMX Helsinki Ltd.

At the end of September 2013, Fortum Corporation’s share capital was EUR 3,046,185,953 and the total number of registered shares was 888,367,045. Fortum Corporation did not own its own shares. The number of registered shareholders was 132,200. The Finnish State's holding in Fortum was 50.8% and the proportion of nominee registrations and direct foreign shareholders was 25.9% at the end of the review period.

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

Group personnel

Fortum’s operations are mainly based in the Nordic countries, Russia and Baltic Rim area. The total number of employees at the end of September was 10,105 (10,371 at the end of 2012).

The Power Division had 1,876 (1,846) employees, the Heat Division 2,107 (2,212), the Russia Division 4,197 (4,253), the Distribution business area 860 (870), the Electricity Sales business area 500 (509) and Other 565 (681) at the end of September 2013.

Research and development

Sustainability is at the core of Fortum's strategy, and Fortum's research and development activities promote environmentally-benign energy solutions. Investments in developing renewable energy production, like wave and solar power, are an important part of Fortum's strategy implementation.

During the reporting period, Fortum announced that it will participate in the Sustainable Bioenergy Solutions for Tomorrow (BEST) research programme established by two Strategic Centres for Science, Technology and Innovation (SHOK), CLEEN Oy and FIBIC Oy, in Finland and India. The programme is the first joint programme of the two SHOKs, and its goal is to encompass a completely new kind of collaboration between forest and energy know-how. TERI (The Energy and Resources Institute) is the main partner from India during the first phase of the programme. In addition, Fortum has acquired a solar power plant in the state of Rajasthan, north-western India. The company's short-term ambition is to build a small photo-voltaic (PV) solar portfolio in order to gain experience in different solar technologies and in operating in the Indian power market.

Fortum has also signed together with DCNS and AW-Energy a development agreement in wave power research and development with the support of La Région Bretagne. As part of the agreement, the companies will develop a joint 1.5-MW wave power demonstration project. Fortum will be responsible for the project development and will be the owner of the demonstration park. The agreement is an extension to the wave power research and development collaboration initiated in 2011 by DCNS and Fortum.

In addition, Fortum received a special award for innovation from the Global District Energy Climate Awards organisation in September. The prize was awarded to Fortum for its investment project using fast pyrolysis technology to produce bio oil in connection with existing district heating production and a combined heat and power plant. Fortum has been developing CHP-integrated fast pyrolysis technology together with Metso Power, UPM and VTT (Technical Research Centre of Finland), and the first commercial plant using this concept is being built in Joensuu, in eastern Finland.

The Group reports its R&D expenditure on a yearly basis. In 2012, Fortum's R&D expenditure was EUR 41 (38) million or 0.7% (0.6%) of sales.

Sustainability

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

The Group-level sustainability targets emphasise Fortum's role in society and measure not only environmental and safety targets, but also Fortum's reputation, customer satisfaction, and the security of supply of power and heat.

The achievements of the sustainability targets are monitored through monthly, quarterly and annual reporting. As of the beginning of 2013, results of the sustainability indicators have been regularly reported to Fortum's Board of Directors. In June 2013, the Board of Directors decided on a more systematic handling of sustainability issues and supplemented their working order with the approval of Fortum Corporation's Sustainability Policy, sustainability target setting as well as follow-up and review of Fortum's Sustainability Report.

The company is listed on the STOXX Global ESG Leaders, the NASDAQ OMX and OMX GES Sustainability Finland indices. In October 2013, Fortum was awarded as the best Nordic company in the Nordic Climate Disclosure Leadership Index focusing on management and reporting of climate issues. Fortum received its all-time high scoring – a full 100/100.

Sustainability target setting and performance

Sustainability targets		III/13	I-III/13	Five-year average
Specific CO_2 emissions from power generation in the EU as a five-year average, g/kWh	< 80	68	71	64
Specific CO_2 emissions from total energy production (electricity and heat) as a five-year average, g/kWh	< 200	204	196	184
Overall efficiency of fuel use as a five-year average, %	> 70	55	61	66
Environmental incidents	< 40	5	35	-
Energy availability of CHP plants in the EU, %	> 92	94.1	94.1	-
SAIDI*, minutes in 2013	< 110	19	63	-
Lost workday injury frequency (LWIF) for own personnel	< 1.0	1,2	1,2	-

* System Average Interruption Duration Index

Targets for reputation and customer satisfaction are monitored annually. In the One Fortum Survey for 2013 the result was 69.8 (target for 2013 was 69.6) and the company's reputation among the key stakeholders was good. Customer satisfaction improved in all Divisions.

Economic responsibility

In the area of economic responsibility, the focus is on competitiveness, performance excellence and market-driven production. The aim is to create long-term economic value and enable profitable growth and added value for shareholders, customers, employees, suppliers, and other key stakeholders in the company's operating areas. Fortum's goal is to achieve excellent financial performance in strategically selected core areas through strong competence and responsible ways of operating. The key figures by which Fortum measures its financial success include return on capital employed (target: 12%), return on shareholders' equity (target: 14%) and capital structure (target: comparable net debt/EBITDA around 3). In addition, Fortum also uses the applicable Global Reporting Initiative (GRI) G3.1 indicators for reporting economic responsibility.

Environmental responsibility

Fortum's environmental responsibility emphasises mitigation of climate change, efficient use of resources as well as management of the impacts of our energy production, distribution and supply chain. Our know-how in CO_2-free hydro and nuclear power production and in energy-efficient CHP production is highlighted in environmental responsibility. Fortum's Group-level environmental targets are related to CO_2 emissions, energy efficiency as well as environmental incidents and non-compliances. At the end of September 2013, ISO 14001 certification covered 96% of Fortum's power and heat production and distribution operations worldwide.

Fortum's climate targets over the next five years are: specific CO_2 emissions from power generation in the EU below 80 grams per kilowatt-hour (g/kWh) and total specific CO_2 emissions from both electricity and heat production in all countries below 200 g/kWh. Both targets are calculated as a five-year average. At the end of September 2013, the five-year average for specific CO_2 emissions from power generation in the EU was at 64 (61) g/kWh and the total specific CO_2 emissions from energy production were at 184 (176) g/kWh, both better than the target level.

Fortum's total CO_2 emissions in January–September 2013 amounted to 16.1 (14.4) million tonnes (Mt), of which 4.6 (3.1) Mt were within the EU's emissions trading scheme (ETS). Since 2013, electricity production does not receive free allowances in the EU ETS. The amount of free allowances for heat will gradually decrease during 2013-2020 as well. Plant-specific free allowances have not yet been confirmed for 2013. The preliminary estimate for Fortum is about 2.9 Mt, which is clearly less than the 5.4 Mt in 2012.

Fortum's total CO_2 emissions (million tonnes, Mt)	III/13	III/12	I-III/13	I-III/12	2012	LTM
Total emissions	4.0	3.7	16.1	14.4	20.7	22.3
Emissions subject to ETS	1.0	0.6	4.6	3.1	4.8	6.3
Free emissions allocation					5.4	
Emissions in Russia	2.9	3.2	11.4	11.1	15.6	15.9

Fortum's energy efficiency target is to raise the overall efficiency of fuel use to 70% as a five-year average. In January–September 2013, the overall efficiency of fuel use was 61% (62%) and the five-year average after September was 66% (67%), meaning the target level was not met.

Fortum's target is to have less than 40 environmental incidents annually. In January–September 2013, a total of 35 (27) environmental incidents took place in Fortum's operations. This includes twelve leaks or spills of oil into the environment, ten fires, two explosions, one International Nuclear Event Scale 1 incident (INES) and ten environmental non-compliances. None of these incidents had significant environmental or financial impacts.

Social responsibility

In the area of social responsibility, Fortum's innovations and the secure supply of low-carbon power and heat support the development of society and increase well-being. Good corporate citizenship, reliable energy supply and ensuring a safe working environment for all employees and contractors at Fortum sites are emphasised. At the end of September 2013, OHSAS 18001 certification covered 71% of Fortum's power and heat production and distribution operations worldwide.

In January-September 2013, the average energy availability of Fortum's European CHP plants was 94.1 (92.8), which is above the annual target level of 92%. In electricity distribution, the cumulative SAIDI (System Average Interruption Duration Index) was 63 (70) minutes in January–September, while the annual target is less than 110 minutes.

In January–September 2013, the Group-level lost workday injury frequency (LWIF) was 1.2 (1.6) which is close to the target level of less than one per million working hours for Fortum's own personnel. In contrast to Fortum's own employees, contractor safety has not developed as desired. Injury frequency is higher than in 2012. In addition, a fatal contractor accident took place in Fortum's Russian operations in May. As a result of the accident, safety improvements have been implemented including more precise instructions and requirements and increased supervision of high risk works. Fortum's categorical target is to avoid serious injuries.

Fortum wants to conduct business with viable companies that act responsibly and comply with the Fortum Code of Conduct and Fortum Supplier Code of Conduct. In January–September 2013, Fortum audited four suppliers: biofuel suppliers in Brazil and Russia, a partner in Poland and a contractor in Sweden.

Changes in Fortum's Management

In March, Fortum Corporation's President and CEO Tapio Kuula was diagnosed with a condition requiring medical treatment. He started his sick leave immediately. He will return to work during the second half of November 2013.

During Tapio Kuula's leave of absence, Fortum's CFO Markus Rauramo assumes responsibility for the duties of President and CEO.

Kaarina Ståhlberg, LL.M. (Helsinki University), LL.M. (Columbia University, New York), 46, was appointed General Counsel and member of Fortum Corporation's Management Team as of 1 September 2013. She reports to the President and CEO.

Annual General Meeting 2013

Fortum Corporation's Annual General Meeting, which was held in Helsinki on 9 April 2013, adopted the financial statements of the parent company and the Group for 2012 and discharged the members of Fortum's Board of Directors as well as the President and CEO from liability for 2012.

The Annual General Meeting decided to pay a dividend of EUR 1.00 per share for 2012. The record date for the dividend payment was 12 April 2013 and the dividend payment date was 19 April 2013.

The Annual General Meeting confirmed the number of members in the Board of Directors to be seven. Sari Baldauf was re-elected as Chairman and Christian Ramm-Schmidt as Deputy Chairman, and members Minoo Akhtarzand, Heinz-Werner Binzel, Ilona Ervasti-Vaintola, Kim Ignatius and Joshua Larson were re-elected.

The Annual General Meeting confirmed the annual compensation of EUR 75,000 per year to the Chairman, EUR 57,000 per year to the Deputy Chairman and EUR 40,000 per year to each member of the Board, as well as EUR 57,000 per year to the Chairman of the Audit and Risk Committee if he or she is not at the same time acting as Chairman or Deputy Chairman. In addition, a EUR 600 fee is paid for Board meetings as well as for committee meetings. The meeting fee is doubled for Board members who live outside Finland but in Europe and tripled for members living elsewhere outside Finland. Members of the Board of Directors are compensated for travel expenses in accordance with the company's travel policy.

The Annual General Meeting also resolved to appoint a permanent Shareholders' Nomination Board to prepare proposals concerning Board members and their remuneration to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting. The Nomination Board will consist of four members, three of which shall be appointed by the Company's three largest shareholders, who will appoint one member each. The Chairman of the Company's Board of Directors serves as the fourth member. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Board. The Nomination Board shall elect a Chairman from its members and the Nomination Board's Chairman shall be responsible for convening subsequent meetings. The Nomination Board is established to exist and serve until the General Meeting of the Company decides otherwise. The members shall be nominated annually and their term of office shall end when new members are nominated to replace them. The Nomination Board shall forward its proposals for the Annual General Meeting to the Company's Board of Directors by 31 January each year. Proposals intended for an Extraordinary General Meeting shall be forwarded to the Company's Board of Directors in time for them to be included in the notice to the General Meeting.

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

Updated dividend policy

In April 2013, Fortum's Board of Directors decided to update the company's dividend policy. The new dividend policy ensures that shareholders receive a fair remuneration for their entrusted capital, supported by the company's long-term strategy that aims at increasing earnings per share and thereby the dividend. When proposing the dividend, the Board of Directors looks at a range of factors, including the macro environment, balance sheet strength as well as future investment plans. Fortum Corporation's target is to pay a stable, sustainable and over time increasing dividend in the range of 50-80% of earnings per share excluding one-off items.

Outlook

Key drivers and risks

Fortum's financial results are exposed to a number of strategic, political, financial and operational risks. The key factor influencing Fortum's business performance is the wholesale price of electricity in the Nordic region. The key drivers behind the wholesale price development in the Nordic region are the supply-demand balance, fuel and CO_2 emissions allowance prices as well as the hydrological situation. The completion of Fortum's investment programme in Russia is also one key driver to the company's result growth, due to the increase in production volumes.

The continued global economic uncertainty and Europe's sovereign-debt crisis has kept the outlook for economic growth unpredictable. The overall economic uncertainty impacts commodity and CO_2 emission allowance prices, and this could maintain downward pressure on the Nordic wholesale price for electricity in the short term. In the Russian business, the key factors are the regulation around the heat business and further development of electricity and capacity markets. Operational risks related to the investment projects in the current investment programme are still valid. In all regions, fuel prices and power plant availability also impact the profitability. In addition, increased volatility in exchange rates due to financial turbulence could have both translation and transaction effects on Fortum's financials, especially through the SEK and RUB. In the Nordic countries, also the regulatory and fiscal environment for the energy sector has added risks for utility companies.

Nordic market

Despite macroeconomic uncertainty, electricity will continue to gain a higher share of the total energy consumption. Fortum currently expects the average annual growth rate in electricity consumption to be 0.5%, while the growth rate for the nearest years will largely be determined by macroeconomic development in Europe and especially in the Nordic countries.

During the third quarter of 2013, the prices of coal, oil and CO_2 improved, as did the forward prices of electricity for the upcoming twelve months both in the Nordic area and in Germany.

In mid-October 2013, the future quotation for coal (ICE Rotterdam) for the rest of 2013 was around USD 83 per tonne, and the price for CO_2 for year 2013 about EUR 5 per tonne.

In mid-October 2013, the electricity forward price in Nord Pool for the rest of 2013 was around EUR 40 per MWh. For 2014, the price was around EUR 38 per MWh and for 2015 around EUR 36 per MWh. In Germany, the electricity forward price for the rest of 2013 was around EUR 40 per MWh and for 2014 EUR 38 per MWh.

In mid-October 2013, Nordic water reservoirs were about 12 TWh below the long-term average and 19 TWh below the corresponding level of 2012.

Power

The Power Division's Nordic power price typically depends on such factors as hedge ratios, hedge prices, 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 the Power Division's Nordic power sales (achieved) price will result in an approximately EUR 45 million change in Fortum's annual comparable operating profit. In addition, the comparable operating profit of the Power Division will be affected by the possible thermal power generation volumes and its profits.

The on-going Swedish nuclear investment programmes, lasting for several years, will enhance safety, improve availability and increase the capacity of the current nuclear fleet. The implementation of the investment programmes could, however, affect availability. Fortum's power procurement costs from co-owned nuclear companies are affected by these investment programmes through increased depreciation and finance costs of associated companies.

Russia

The generation capacity built after 2007 under the Russian Government's Capacity Supply Agreements (CSA – "new capacity") receives guaranteed capacity payments for a period of 10 years. Prices for capacity under CSA are defined in order to ensure a sufficient return on investments.

Capacity not under CSA competes in the competitive capacity selection (CCS – "old capacity"). The capacity selection for 2014 was held in September 2013. In the selection auction, the majority of Fortum's power plants were selected, with a capacity price level higher than the level received in 2013. The volume of Fortum's installed capacity not selected in the auction totalled 132 MW, which is 4.6% of Fortum's total installed capacity. All Fortum's capacity was allowed to participate in the selection for year 2014.

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

Fortum estimates that the commissioning of the Nyagan unit 2 will take place at the end of 2013 and that Nyagan 3 will be finalised at the end of 2014 at the latest. This will optimise the investment with regard to both capital and operational expenditures, received electricity sales and capacity payments. The capacity payments for Nyagan unit 3 will start as of 1 January 2015, one year earlier than originally planned in 2008. In accordance with the CSA terms, no penalties for unit 3 can start to run before 1 January 2016.

The last two units of Fortum's Russian investment programme under construction are being built in Chelyabinsk instead of Tyumen, as originally planned. The units constructed at the Chelyabinsk GRES power plant, originally planned to be commissioned by the end of 2014, have been slightly delayed and are scheduled to be finalised during the first half of 2015 mainly due to extensive groundwork at the brownfield site. The delay will not cause any penalties. In addition, Fortum plans to modernise and upgrade the existing equipment of the power plant.

The value of the remaining part of the investment programme, calculated at the exchange rates prevailing at the end of September 2013, is estimated to be approximately EUR 440 million, as of October 2013.

After completing the on-going investment programme by mid 2015, Fortum's goal is to achieve an operating profit level (EBIT) of about EUR 500 million run-rate in its Russia Division during 2015 and to create positive economic added value in Russia. The Russian government earlier target to increase gas prices by 15% annually to reach netback price parity with European prices by 2018 has recently been changed. The forecast by the Russian Ministry of Economic Development now suggests much lower annual increases. The Russia Division's profits are impacted by possible changes in gas prices, currency exchange rates and other regulations. The suggested gas price development and the weaker Russian rouble make the about EUR 500 million operating profit level (EBIT) goal more challenging for the Division, but the company is making every effort to mitigate the negative impacts.

A commission for heat business development has been set up by the Russian Government. The top priorities will be issues regarding heat regulation, centralised district heating and co-generation efficiency.

Since the beginning of 2013, wholesale gas prices (except for private household and industrial consumers) have been reviewed quarterly. In February 2013, the Board of Russia's Federal Tariff Service (FTS) adopted a decision according to which the wholesale gas price for industrial consumers decreased by 3% as of the second quarter 2013, compared to first quarter. As of 1 July 2013, the Russian Government increased gas prices by 15% compared to June 2013, and in October 2013 they were further increased by 1.9% in order to reach the planned total increase of approximately 15% in 2013 compared to 2012. According to a forecast made by the Russian Ministry of Economic Development, Russian gas price indexation will not take place as of July 2014. However, year-on-year gas price growth is estimated to be 7.6% in 2014.

Capital expenditure and divestments

Fortum currently expects its capital expenditure in 2013 to be EUR 1.1–1.4 billion and in 2014 EUR 0.9–1.1 billion, excluding potential acquisitions. The annual maintenance capital expenditure is estimated to be about EUR 500–550 million in 2013, somewhat below the level of depreciation.

Taxation

The effective corporate tax rate for Fortum in 2013 is estimated to be 19–21%, excluding the impact of the share of profits of associated companies and joint ventures, non-taxable capital gains and non-recurring items. In Finland, a plan to reduce the corporate tax rate from 24.5% to 20% as of 1 January 2014 has been presented. The decrease would cause a one-time positive effect that would be booked in the fourth quarter 2013. In Sweden, the corporate tax rate was decreased from 26.3% to 22% as of 1 January 2013.

The process to update the real estate taxation values, in Sweden, for the year 2013 was finalised in the third quarter 2013. The update is done on a six-year cycle and Fortum estimates that its costs would increase by approximately EUR 45 million in 2013 compared to 2012. At the end of April, Fortum filed a complaint with the EU Commission on the Swedish hydro tax to find out whether the structure of the tax is in line with the EU tax and state aid regulations. The EU Commission informed Fortum in June that it will investigate the case in more detail.

In March 2013, the Finnish Government announced that the planned power plant tax (so-called windfall tax), to be introduced in 2014, will be cut to a total of EUR 50 million from EUR 170 million. The Government submitted the respective Government Bill to the Parliament on 26 September. If implemented, the estimated impact on Fortum would be approximately EUR 25 million annually. The proposal is currently under EU Commission scrutiny.

Hedging

At the end of September 2013, approximately 85% of the Power Division's estimated Nordic power sales volume was hedged at approximately EUR 44 per MWh for the rest of the calendar year 2013. The corresponding figures for the calendar year 2014 were about 65% at approximately EUR 42 per MWh. The corresponding figures for the calendar year 2015 were about 20% at approximately EUR 41 per MWh.

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

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

Dividend Payment

The Annual General Meeting 2013 decided to pay a dividend of EUR 1.00 per share for 2012. The record date for the dividend was 12 April 2013, and the dividend payment date was 19 April 2013.

Espoo, 22 October 2013
Fortum Corporation
Board of Directors

Further information:
Markus Rauramo, CFO, tel. +358 10 452 1909

Fortum’s Investor Relations, Sophie Jolly, tel. +358 10 453 2552, Rauno Tiihonen, tel. +358 10 453 6150, Janna Haahtela, tel. +358 10 453 2538 and investors@fortum.com

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 financial results in 2014:
- Financial statements bulletin for the year 2013 will be published on 4 February 2014 at approximately 9.00 EET
- Interim Report January-March on 29 April 2014 at approximately 9.00 EEST
- Interim Report January-June on 18 July 2014 at approximately 9.00 EEST
- Interim Report January-September on 23 October 2014 at approximately 9.00 EEST

Fortum’s Financial statements and Operating and financial review for 2013 will be published in week 12 at the latest.

Fortum's Annual General Meeting is planned to take place on 8 April 2014 and the possible dividend-related dates planned for 2014 are:
- Ex-dividend date 9 April 2014
- Record date for dividend payment 11 April 2014
- Dividend payment date 22 April 2014

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

Tables to the interim financial statements

Condensed consolidated income statement

EUR million	Note	Q3 2013	Q3 2012 *	Q1-Q3 2013	Q1-Q3 2012 *	2012 *	Last twelve months
Sales	4	**1,148**	1,140	**4,466**	4,325	6,159	6,300
Other income		**10**	33	**42**	63	109	88
Materials and services		**-500**	-483	**-1,939**	-1,816	-2,548	-2,671
Employee benefits		**-114**	-125	**-389**	-400	-543	-532
Depreciation, amortisation and impairment charges	4,10,11	**-198**	-168	**-546**	-489	-664	-721
Other expenses		**-180**	-174	**-520**	-522	-761	-759
Comparable operating profit		**166**	223	**1,114**	1,161	1,752	1,705
Items affecting comparability		**-69**	3	**24**	90	122	56
Operating profit		**97**	226	**1,138**	1,251	1,874	1,761
Share of profit/loss of associates and joint ventures	4, 12	**4**	7	**66**	26	23	63
Interest expense		**-75**	-77	**-222**	-228	-300	-294
Interest income		**11**	13	**31**	41	54	44
Fair value gains and losses on financial instruments		**-1**	-8	**-7**	-16	-23	-14
Other financial expenses - net		**-13**	-11	**-36**	-31	-42	-47
Finance costs - net		**-78**	-83	**-234**	-234	-311	-311
Profit before income tax		**23**	150	**970**	1,043	1,586	1,513
Income tax expense	8	**4**	-30	**-177**	-196	-74	-55
Profit for the period		**27**	120	**793**	847	1,512	1,458
Attributable to:							
Owners of the parent		**31**	126	**746**	810	1,416	1,352
Non-controlling interests		**-4**	-6	**47**	37	96	106
		27	120	**793**	847	1,512	1,458
Earnings per share (in € per share)							
Basic		**0.04**	0.14	**0.84**	0.91	1.59	1.52
Diluted		**0.04**	0.14	**0.84**	0.91	1.59	1.52

EUR million	Q3 2013	Q3 2012 *	Q1-Q3 2013	Q1-Q3 2012 *	2012 *	Last twelve months
Comparable operating profit	**166**	223	**1,114**	1,161	1,752	1,705
Non-recurring items (capital gains and losses)	**40**	1	**44**	122	155	77
Changes in fair values of derivatives hedging future cash flow	**-105**	10	**-47**	-8	-2	-41
Nuclear fund adjustment	**-4**	-8	**27**	-24	-31	20
Items affecting comparability	**-69**	3	**24**	90	122	56
Operating profit	**97**	226	**1,138**	1,251	1,874	1,761

**Comparative period information has been restated, see Note 2.*

Condensed consolidated statement of comprehensive income

EUR million	**Q3 2013**	Q3 2012 *	**Q1-Q3 2013**	Q1-Q3 2012 *	2012 *	Last twelve months
Profit for the period	**27**	120	**793**	847	1,512	1,458
Other comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods						
Cash flow hedges						
Fair value gains/losses in the period	**-57**	-44	**16**	39	15	-8
Transfers to income statement	**-21**	-40	**-46**	-128	-152	-70
Transfers to inventory/fixed assets	**-8**	21	**-7**	-4	-5	-8
Tax effect	**27**	0	**10**	23	33	20
Net investment hedges						
Fair value gains/losses in the period	**6**	0	**18**	0	0	18
Tax effect	**-2**	0	**-5**	0	0	-5
Available for sale financial assets						
Fair value changes in the period	**0**	0	**0**	0	0	0
Exchange differences on translating foreign operations	**-48**	160	**-331**	230	204	-357
Share of other comprehensive income of associates	**8**	0	**20**	-11	-23	8
Other changes	**0**	0	**0**	0	0	0
	-95	97	**-325**	149	72	-402
Items that will not be reclassified to profit or loss in subsequent periods						
Actuarial gains/losses on defined benefit plans	**11**	-3	**13**	-4	-24	-7
Actuarial gains/losses on defined benefit plans in associates	**-2**	-2	**21**	-38	-36	23
	9	-5	**34**	-42	-60	16
Other comprehensive income for the period, net of tax	**-86**	92	**-291**	107	12	-386
Total comprehensive income for the year	**-59**	212	**502**	954	1,524	1,072
Total comprehensive income attributable to						
Owners of the parent	**-60**	199	**464**	892	1,412	984
Non-controlling interests	**1**	13	**38**	62	112	88
	-59	212	**502**	954	1,524	1,072

**Comparative period information has been restated, see Note 2.*

Condensed consolidated balance sheet

EUR million	Note	**Sept 30 2013**	Sept 30 2012 *	Dec 31 2012 *
ASSETS				
Non-current assets				
Intangible assets	10	**416**	418	442
Property, plant and equipment	11	**16,424**	16,291	16,497
Participations in associates and joint ventures	4, 12	**1,899**	2,007	1,979
Share in State Nuclear Waste Management Fund	15	**736**	670	678
Other non-current assets		**69**	65	69
Deferred tax assets		**169**	178	177
Derivative financial instruments	5	**322**	465	451
Long-term interest-bearing receivables		**1,415**	1,303	1,384
Total non-current assets		**21,450**	21,397	21,677
Current assets				
Inventories		**376**	487	428
Derivative financial instruments	5	**168**	326	223
Trade and other receivables		**741**	739	1,270
Cash and cash equivalents	14	**1,095**	1,117	963
Total current assets		**2,380**	2,669	2,884
Total assets		**23,830**	24,066	24,561
EQUITY				
Equity attributable to owners of the parent				
Share capital		**3,046**	3,046	3,046
Share premium		**73**	73	73
Retained earnings		**6,538**	6,443	7,020
Other equity components		**-56**	-39	-99
Total		**9,601**	9,523	10,040
Non-controlling interests		**620**	552	603
Total equity		**10,221**	10,075	10,643
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities	14	**7,086**	8,277	7,699
Derivative financial instruments	5	**153**	207	182
Deferred tax liabilities		**1,845**	2,071	1,879
Nuclear provisions	15	**736**	670	678
Other provisions	16	**176**	218	207
Pension obligations		**121**	127	152
Other non-current liabilities		**466**	467	472
Total non-current liabilities		**10,583**	12,037	11,269
Current liabilities				
Interest-bearing liabilities	14	**1,906**	604	1,078
Derivative financial instruments	5	**128**	445	264
Trade and other payables		**992**	905	1,307
Total current liabilities		**3,026**	1,954	2,649
Total liabilities		**13,609**	13,991	13,918
Total equity and liabilities		**23,830**	24,066	24,561

**Comparative period information has been restated, see Note 2.*

Condensed consolidated statement of changes in total equity

	Share capital	Share premium	Retained earnings		Other equity components			Owners of the parent	Non-controlling interests	Total equity
EUR million			Retained earnings and other funds	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associated companies			
Total equity 31 December 2012	**3,046**	**73**	**7,193**	**-173**	**34**	**-133**	**0**	**10,040**	**603**	**10,643**
Net profit for the period			746					746	47	793
Translation differences				-325	-1	1	4	-321	-10	-331
Other comprehensive income					-28	26	41	39	1	40
Total comprehensive income for the period			746	-325	-29	27	45	464	38	502
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-26	-26
Other			-15					-15	5	-10
Total equity 30 Sept 2013	**3,046**	**73**	**7,036**	**-498**	**5**	**-106**	**45**	**9,601**	**620**	**10,221**
Total equity 1 January 2012	**3,046**	**73**	**6,670**	**-352**	**136**	**-108**	**56**	**9,521**	**516**	**10,037**
Net profit for the period			810					810	37	847
Translation differences				205	6	-3	4	212	28	240
Other comprehensive income					-73	-4	-53	-130	-3	-133
Total comprehensive income for the period			810	205	-67	-7	-49	892	62	954
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-26	-26
Changes due to business combinations								0	1	1
Other			-2					-2	-1	-3
Total equity 30 Sept 2012	**3,046**	**73**	**6,590**	**-147**	**69**	**-115**	**7**	**9,523**	**552**	**10,075**
Total equity 31 December 2011, as previously reported	**3,046**	**73**	**6,670**	**-352**	**136**	**-2**	**61**	**9,632**	**529**	**10,161**
Change in accounting policy*						**-106**	**-5**	**-111**	**-13**	**-124**
Total equity 1 January 2012	**3,046**	**73**	**6,670**	**-352**	**136**	**-108**	**56**	**9,521**	**516**	**10,037**
Net profit for the period			1,416					1,416	96	1,512
Translation differences				179	4	-3	3	183	21	204
Other comprehensive income					-106	-22	-59	-187	-5	-192
Total comprehensive income for the period			1,416	179	-102	-25	-56	1,412	112	1,524
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-26	-26
Changes due to business combinations								0	2	2
Other			-5					-5	-1	-6
Total equity 31 December 2012	**3,046**	**73**	**7,193**	**-173**	**34**	**-133**	**0**	**10,040**	**603**	**10,643**

**Comparative period information has been restated, see Note 2.*

Translation differences

Translation differences impacted equity attributable to owners of the parent company with EUR -321 million during Q1-Q3 2013 (Q1-Q3 2012: 212). Translation differences are mainly related to RUB, NOK and SEK amounting to EUR -300 million in Q1-Q3 2013 (Q1-Q3 2012: 201).

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 7 Exchange rates.

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges, EUR -29 million during Q1-Q3 2013 (Q1-Q3 2012: -67), mainly relates to cash flow hedges hedging electricity price for future transactions, where hedge accounting is applied. When electricity price is lower/higher than the hedging price, the impact on equity is positive/negative.

Cash dividend

A dividend in respect of 2012 of EUR 1.00 per share, amounting to a total of EUR 888 million, was decided at the Annual General Meeting on 9 April 2013. The dividend was paid on 19 April 2013.

The dividend in respect of 2011 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million, was decided at the Annual General Meeting on 11 April 2012. The dividend was paid on 23 April 2012.

Condensed consolidated cash flow statement

EUR million	Q3 2013	Q3 2012 *	Q1-Q3 2013	Q1-Q3 2012 *	2012 *	Last twelve months
Cash flow from operating activities						
Net profit for the period	**27**	120	**793**	847	1,512	1,458
Adjustments:						
Income tax expenses	**-4**	30	**177**	196	74	55
Finance costs-net	**78**	83	**234**	234	311	311
Share of profit of associates and joint ventures	**-4**	-7	**-66**	-26	-23	-63
Depreciation, amortisation and impairment charges	**198**	168	**546**	489	664	721
Operating profit before depreciations (EBITDA)	**295**	394	**1,684**	1,740	2,538	2,482
Non-cash flow items and divesting activities	**57**	-38	**-104**	-157	-192	-139
Interest received	**8**	8	**21**	31	59	49
Interest paid	**-49**	-61	**-302**	-274	-352	-380
Dividends received	**14**	13	**48**	45	45	48
Realised foreign exchange gains and losses and other financial items	**91**	-121	**-50**	-237	-274	-87
Taxes	**-76**	-85	**-158**	-252	-269	-175
Funds from operations	**340**	110	**1,139**	896	1,555	1,798
Change in working capital	**74**	1	**321**	87	-173	61
Total net cash from operating activities	**414**	111	**1,460**	983	1,382	1,859
Cash flow from investing activities						
Capital expenditures	**-330**	-342	**-877**	-919	-1,422	-1,380
Acquisitions of shares	**0**	0	**-12**	-3	-14	-23
Proceeds from sales of fixed assets	**13**	0	**16**	9	13	20
Divestments of shares	**92**	5	**107**	137	239	209
Proceeds from the interest-bearing receivables relating to divestments	**0**	0	**22**	169	181	34
Shareholder loans to associated companies	**-39**	-11	**-45**	-38	-138	-145
Change in other interest-bearing receivables	**0**	3	**-1**	7	13	5
Total net cash used in investing activities	**-264**	-345	**-790**	-638	-1,128	-1,280
Cash flow before financing activities	**150**	-234	**670**	345	254	579
Cash flow from financing activities						
Proceeds from long-term liabilities	**9**	991	**783**	1,365	1,375	793
Payments of long-term liabilities	**-75**	-4	**-96**	-546	-669	-219
Change in short-term liabilities	**-19**	-42	**-309**	116	168	-257
Dividends paid to the owners of the parent	**0**	0	**-888**	-888	-888	-888
Other financing items	**4**	-6	**-14**	-32	-33	-15
Total net cash used in financing activities	**-81**	939	**-524**	15	-47	-586
Total net increase(+) / decrease(-) in cash and cash equivalents	**69**	705	**146**	360	207	-7
Cash and cash equivalents at the beginning of the period	**1,028**	404	**963**	747	747	1,117
Foreign exchange differences in cash and cash equivalents	**-2**	8	**-14**	10	9	-15
Cash and cash equivalents at the end of the period	**1,095**	1,117	**1,095**	1,117	963	1,095

Non-cash flow items and divesting activities

Non-cash flow items and divesting activities consist mainly of changes in provisions (including nuclear) EUR -106 million (Q1-Q3/2012: -26), adjustments for unrealised fair value changes of derivatives EUR 46 million (Q1-Q3/2012: -9) and capital gains EUR -44 million (Q1-Q3/2012: -122). The actual proceeds for divestments are shown under cash flow from investing activities.

Realised foreign exchange gains and losses and other financial items

Realised foreign exchange gains and losses of EUR -46 million for Q1-Q3/2013 (Q1-Q3/2012: -233) related mainly to financing of Fortum's Swedish subsidiaries and the fact that the Group's main external financing currency is EUR. The foreign exchange gains and losses arise for rollover of foreign exchange contracts hedging the internal loans as major part of these forwards is entered into with short maturities i.e. less than twelve months.

**Comparative period information has been restated, see Note 2.*

Additional cash flow information

Change in working capital

EUR million	**Q3 2013**	Q3 2012 *	**Q1-Q3 2013**	Q1-Q3 2012 *	2012 *	Last twelve months
Change in interest-free receivables, decrease (+)/increase (-)	**80**	28	**466**	279	-226	-39
Change in inventories, decrease (+)/increase (-)	**-5**	-9	**41**	53	109	97
Change in interest-free liabilities, decrease (-)/increase (+)	**-1**	-17	**-186**	-245	-56	3
Total	**74**	2	**321**	87	-173	61

Positive effect from change in working capital during Q1-Q3 2013, EUR 321 million (Q1-Q3 2012: 87) is mainly due to decrease in receivables.

Capital expenditure in cash flow

EUR million	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Capital expenditure	**329**	376	**850**	937	1,558	1,471
Change in not yet paid investments	**16**	-15	**81**	38	-56	-13
Capitalised borrowing costs	**-15**	-19	**-54**	-56	-80	-78
Total	**330**	342	**877**	919	1,422	1,380

Capital expenditures for intangible assets and property, plant and equipment were in Q1-Q3 2013 EUR 850 million (Q1-Q3 2012: 937). Capital expenditure in cash flow in Q1-Q3 2013 EUR 877 million (Q1-Q3 2012: 919) is without not yet paid investments i.e. change in trade payables related to investments EUR 81 million (Q1-Q3 2012: 38) and capitalised borrowing costs EUR -54 million (Q1-Q3 2012: -56), which are presented in interest paid.

Acquisition of shares in cash flow

Acquisition of subsidiaries, net of cash acquired, amounted to EUR 11 million in Q1-Q3 2013 (Q1-Q3 2012: 3).

Divestment of shares in cash flow

EUR million	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Proceeds from sales of subsidiaries, net of cash disposed	3	-	**18**	126	223	115
Proceeds from sales of associates	89	3	**89**	9	13	93
Proceeds from available for sale financial assets		2		2	3	1
Total	**92**	5	**107**	137	239	209

Gross divestment of shares totalled EUR 127 million in Q1-Q3 2013 (Q1-Q3 2013: 297) including interest-bearing debt in sold subsidiaries of EUR 22 million (Q1-Q3 2012: 169), see Note 6. Proceeds from divestments of shares totalled EUR 107 million in Q1-Q3 2013 (Q1-Q3 2012: 137) relating to divestment of Fortum's shareholding in Härjeåns Kraft AB, Infratek ASA and divestments of small hydropower plants in Sweden.

**Comparative period information has been restated, see Note 2.*

Change in net debt

EUR million	Q3 2013	Q3 2012 *	Q1-Q3 2013	Q1-Q3 2012 *	2012 *	Last twelve months
Net debt beginning of the period	**8,035**	7,420	**7,814**	7,023	7,023	7,764
Foreign exchange rate differences	**42**	96	**-43**	138	89	-92
EBITDA	**295**	394	**1,684**	1,740	2,538	2,482
Paid net financial costs, taxes and adjustments for non-cash and divestment items	**45**	-284	**-545**	-844	-983	-684
Change in working capital	**74**	1	**321**	87	-173	61
Capital expenditures	**-330**	-342	**-877**	-919	-1,422	-1,380
Acquisitions	**0**	0	**-12**	-3	-14	-23
Divestments	**105**	5	**123**	146	252	229
Proceeds from the interest-bearing receivables relating to divestments	**0**	0	**22**	169	181	34
Shareholder loans to associated companies	**-39**	-11	**-45**	-38	-138	-145
Change in other interest-bearing receivables	**0**	3	**-1**	7	13	5
Dividends	**0**	0	**-888**	-888	-888	-888
Other financing activities	**4**	-6	**-14**	-32	-45	-27
Net cash flow (- increase in net debt)	**154**	-240	**-232**	-575	-679	-336
Fair value change of bonds, amortised cost valuation and other	**-26**	8	**-106**	28	23	-111
Net debt end of the period	**7,897**	7,764	**7,897**	7,764	7,814	7,897

Key ratios

	Sept 30 2013	Sept 30 2012 *	Dec 31 2012 *	Last twelve months
EBITDA, EUR million	1,684	1,740	2,538	**2,482**
Comparable EBITDA, EUR million	1,650	1,650	2,416	**2,416**
Earnings per share (basic), EUR	0.84	0.91	1.59	**1.52**
Capital employed, EUR million	19,213	18,956	19,420	**N/A**
Interest-bearing net debt, EUR million	7,897	7,764	7,814	**N/A**
Capital expenditure and gross investments in shares, EUR million	862	942	1,574	**1,494**
Capital expenditure, EUR million	850	937	1,558	**1,471**
Return on capital employed, % [1)]	8.2	9.1	10.2	**9.5**
Return on shareholders' equity, % [1)]	10.1	10.9	14.6	**14.4**
Net debt / EBITDA [1)]	3.5	3.4	3.1	**3.2**
Comparable net debt / EBITDA [1)]	3.6	3.5	3.2	**3.3**
Interest coverage	6.0	6.7	7.6	**7.0**
Interest coverage including capitalised borrowing costs	4.7	5.1	5.7	**5.4**
Funds from operations/interest-bearing net debt, % [1)]	19.4	16.4	19.9	**22.8**
Gearing, %	77	77	73	**N/A**
Equity per share, EUR	10.81	10.72	11.30	**N/A**
Equity-to-assets ratio, %	43	42	43	**N/A**
Number of employees	10,105	10,584	10,371	**N/A**
Average number of employees	10,328	10,661	10,600	**N/A**
Average number of shares, 1 000 shares	888,367	888,367	888,367	**888,367**
Diluted adjusted average number of shares, 1 000 shares	888,367	888,367	888,367	**888,367**
Number of registered shares, 1 000 shares	888,367	888,367	888,367	**888,367**

[1)] Quarterly figures are annualised except items affecting comparability.
For definitions, see Note 24.

**Comparative period information has been restated, see Note 2.*

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The condensed interim financial report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012.

2. Accounting policies

The same accounting policies and presentation have been followed in these condensed interim financial statements as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2012 except for the policies and presentation described below.

Changes in accounting policies for pensions

Fortum has applied the amended IAS19 *Employee benefits* - standard starting from 1 January 2013. The amendment changes the accounting for defined benefit plans by eliminating the corridor approach. Accordingly actuarial gains and losses are immediately recognised in the period they occur in equity. The change did not have a material effect on Fortum's financial results or financial position, however it impacted equity through other comprehensive income.

Amendments in IAS19 entail that the financial information for 2012 is restated. More information about the impact from the restatement can be found in the Q1/2013 report.

New disclosures for financial assets and liabilities

Fortum has applied the new IFRS 13 *Fair value measurement* -standard and amended IFRS 7 *Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities* -standard from 1 January 2013 onwards. IFRS 13 establishes guidance under IFRS for all fair value measurements. IFRS 13 does not change when to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by Fortum. IFRS 13 also requires specific disclosures on fair value hierarchy. These disclosures are given in Note 5.

IFRS 7 as amended requires disclosures for financial instruments such as fair value and carrying amount disclosures for each class of financial assets and liabilities as well as information on collaterals. This information is disclosed in Notes 5, 13, 14 and 17.

3. Critical accounting estimates and judgements

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

4. Segment information

Sales

EUR million	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Power sales excluding indirect taxes	**716**	719	**2,522**	2,422	3,413	3,513
Heating sales	**171**	165	**1,064**	1,020	1,501	1,545
Network transmissions	**207**	212	**758**	719	1,002	1,041
Other sales	**54**	44	**122**	164	243	201
Total	**1,148**	1,140	**4,466**	4,325	6,159	6,300

Sales by segment

EUR million	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Power [1]	**495**	506	**1,706**	1,696	2,415	2,425
- of which internal	***9***	*113*	***45***	*239*	*296*	102
Heat [1]	**214**	205	**1,126**	1,151	1,628	1,603
- of which internal	***1***	*1*	***6***	*12*	*18*	12
Russia	**210**	203	**805**	711	1,030	1,124
- of which internal	***-***	*-*	***-***	*0*	*-*	-
Distribution	**219**	225	**791**	756	1,070	1,105
- of which internal	***9***	*8*	***26***	*25*	*37*	38
Electricity Sales [1]	**133**	119	**548**	501	722	769
- of which internal	***13***	*1*	***56***	*33*	*55*	78
Other [1]	**16**	23	**47**	96	137	88
- of which internal	***15***	*-48*	***46***	*-65*	*-66*	45
Netting of Nord Pool transactions [2]	**-92**	-66	**-378**	-342	-503	-539
Eliminations	***-47***	*-75*	***-179***	*-244*	*-340*	*-275*
Total	**1,148**	1,140	**4,466**	4,325	6,159	6,300

[1] Sales, both internal and external, includes effects from realised hedging contracts. Effect on sales can be negative or positive depending on the average contract price and realised spot price.
[2] Sales and purchases with Nord Pool Spot is netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Comparable operating profit by segment

EUR million	**Q3 2013**	Q3 2012*	**Q1-Q3 2013**	Q1-Q3 2012*	2012*	Last twelve months
Power	**138**	201	**651**	765	1,146	1,032
Heat	**-14**	-9	**167**	177	271	261
Russia	**-15**	-12	**46**	40	68	74
Distribution	**57**	57	**254**	218	320	356
Electricity Sales	**13**	9	**41**	29	39	51
Other	**-13**	-23	**-45**	-68	-92	-69
Total	**166**	223	**1,114**	1,161	1,752	1,705

Operating profit by segment

EUR million	**Q3 2013**	Q3 2012*	**Q1-Q3 2013**	Q1-Q3 2012*	2012*	Last twelve months
Power	**43**	205	**643**	787	1,175	1,031
Heat	**-3**	-10	**180**	225	344	299
Russia	**-15**	-12	**46**	51	79	74
Distribution	**75**	58	**272**	227	331	376
Electricity Sales	**14**	11	**45**	33	39	51
Other	**-17**	-26	**-48**	-72	-94	-70
Total	**97**	226	**1,138**	1,251	1,874	1,761

**Comparative period information has been restated, see Note 2.*

Non-recurring items by segment

EUR million	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Power	**14**	0	**18**	47	57	28
Heat	**9**	-1	**9**	57	80	32
Russia	**0**	0	**0**	11	11	0
Distribution	**17**	0	**17**	5	5	17
Electricity Sales	**0**	1	**0**	1	1	0
Other	**0**	1	**0**	1	1	0
Total	**40**	1	**44**	122	155	77

Non-recurring items in Power segment during Q1-Q3 2013 includes a gain of EUR 4 million from divestment of small hydropower plants in Sweden and a gain of EUR 11 million from sale of Fortum's 33% shareholding in Infratek ASA. In Heat segment the non-recurring items mainly relate to the divestment of the combined heat and power plant in Kuusamo. In Distribution segment the divestment of 47.9% shareholding in Härjeåns Kraft AB resulted in a gain of EUR 17 million.

Other items affecting comparability by segment

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Power [1)]	**-109**	4	**-26**	-25	-28	-29
Heat	**2**	0	**4**	-9	-7	6
Russia	**0**	-	**0**	-	0	0
Distribution	**1**	1	**1**	4	6	3
Electricity Sales	**1**	1	**4**	3	-1	0
Other	**-4**	-4	**-3**	-5	-3	-1
Total	**-109**	2	**-20**	-32	-33	-21
[1)] Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):	**-4**	-8	**27**	-24	-31	20

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

Comparable EBITDA by segment

EUR million	Q3 2013	Q3 2012*	Q1-Q3 2013	Q1-Q3 2012*	2012*	Last twelve months
Power	**188**	230	**762**	850	1,260	1,172
Heat	**39**	43	**325**	328	481	478
Russia	**23**	19	**143**	132	189	200
Distribution	**112**	109	**417**	371	529	575
Electricity Sales	**13**	10	**42**	30	40	52
Other	**-11**	-20	**-39**	-61	-83	-61
Total	**364**	391	**1,650**	1,650	2,416	2,416

Depreciation, amortisation and impairment charges by segment

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Power [1)]	**50**	29	**111**	85	114	140
Heat	**53**	52	**158**	151	210	217
Russia	**38**	31	**107**	92	121	136
Distribution	**55**	52	**163**	153	209	219
Electricity Sales	**0**	1	**1**	1	1	1
Other	**2**	3	**6**	7	9	8
Total	**198**	168	**546**	489	664	721

[1)] Including EUR 20 million impairment loss relating to Inkoo power plant in Q3 2013.

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

EUR million	Q3 2013	Q3 2012*	Q1-Q3 2013	Q1-Q3 2012*	2012*	Last twelve months
Power [1), 2)]	**-13**	-6	**-22**	-20	-12	-14
Heat	**3**	2	**15**	12	20	23
Russia	**6**	4	**47**	25	27	49
Distribution	**2**	1	**4**	3	8	9
Electricity Sales	**0**	0	**0**	0	0	0
Other	**6**	6	**22**	6	-20	-4
Total	**4**	7	**66**	26	23	63
[1)] Including effects from the accounting of Fortum's associates part of Finnish and Swedish Nuclear Waste Management Funds with (EUR million):	**-3**	-2	**-5**	-6	-9	-8

[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.

**Comparative period information has been restated, see Note 2.*

Participation in associates and joint ventures by segment EUR million	Sept 30 2013	Sept 30 2012 *	2012*
Power	**869**	898	903
Heat	**156**	160	157
Russia	**479**	484	476
Distribution	**69**	104	109
Electricity Sales	**0**	0	0
Other	**326**	361	334
Total	**1,899**	2,007	1,979

Capital expenditure by segment EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Power	**48**	66	**117**	126	190	181
Heat	**96**	118	**266**	284	464	446
Russia	**125**	104	**294**	311	568	551
Distribution	**57**	84	**168**	207	324	285
Electricity Sales	**0**	0	**0**	0	1	1
Other	**3**	4	**5**	9	11	7
Total	**329**	376	**850**	937	1,558	1,471
Of which capitalised borrowing costs	**15**	19	**54**	56	80	78

Gross investments in shares by segment EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Power	**0**	-	**1**	0	-	1
Heat	**0**	-	**0**	0	10	10
Russia	**0**	0	**0**	0	-	0
Distribution	**0**	-	**0**	-	-	0
Electricity Sales	**-**	-	**-**	-	-	-
Other	**0**	0	**11**	5	6	12
Total	**0**	0	**12**	5	16	23

Gross divestments of shares by segment EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Power	**40**	0	**75**	63	102	114
Heat	**0**	0	**0**	195	269	74
Russia	**-**	-	**-**	-	-	-
Distribution	**52**	0	**52**	37	37	52
Electricity Sales	**-**	2	**-**	2	2	-
Other	**-**	0	**-**	0	0	-
Total	**92**	2	**127**	297	410	240

See Note 6 and additional cash flow information for more information about gross divestment in shares.

Net assets by segment EUR million	Sept 30 2013	Sept 30 2012 *	Dec 31 2012*
Power	**6,258**	6,409	6,389
Heat	**4,235**	4,199	4,286
Russia	**3,795**	3,639	3,848
Distribution	**3,786**	3,826	3,889
Electricity Sales	**8**	1	51
Other	**314**	50	158
Total	**18,396**	18,124	18,621

**Comparative period information has been restated, see Note 2.*

Comparable return on net assets by segment %	Last twelve months	Dec 31 2012*
Power	16.3	18.5
Heat	6.7	7.0
Russia	3.2	2.7
Distribution	9.5	8.8
Electricity Sales	179.6	203.1
Other	-21.5	-34.1

Return on net assets by segment %	Last twelve months	Dec 31 2012*
Power	16.0	18.7
Heat	7.6	8.8
Russia	3.2	3.0
Distribution	10.0	9.1
Electricity Sales	170.0	152.3
Other	-34.0	-68.8

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	**Sept 30 2013**	Sept 30 2012 *	Dec 31 2012*
Power	**7,286**	7,416	7,380
Heat	**4,565**	4,552	4,785
Russia	**4,189**	4,051	4,309
Distribution	**4,260**	4,322	4,428
Electricity Sales	**193**	203	292
Other	**465**	728	660
Eliminations	**-203**	-433	-403
Assets included in Net assets	**20,755**	20,839	21,451
Interest-bearing receivables	**1,421**	1,321	1,393
Deferred taxes	**169**	178	177
Other assets	**390**	611	577
Cash and cash equivalents	**1,095**	1,117	963
Total assets	**23,830**	24,066	24,561

Liabilities by segments EUR million	**Sept 30 2013**	Sept 30 2012 *	Dec 31 2012*
Power	**1,028**	1,007	991
Heat	**330**	353	499
Russia	**394**	412	461
Distribution	**474**	496	539
Electricity Sales	**185**	202	241
Other	**151**	678	502
Eliminations	**-203**	-433	-403
Liabilities included in Net assets	**2,359**	2,715	2,830
Deferred tax liabilities	**1,845**	2,071	1,879
Other liabilities	**413**	324	432
Total liabilities included in Capital employed	**4,617**	5,110	5,141
Interest-bearing liabilities	**8,992**	8,881	8,777
Total equity	**10,221**	10,075	10,643
Total equity and liabilities	**23,830**	24,066	24,561

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

**Comparative period information has been restated, see Note 2.*

Number of employees	Sept 30 2013	Sept 30 2012	Dec 31 2012
Power	**1,876**	1,921	1,846
Heat	**2,107**	2,341	2,212
Russia	**4,197**	4,270	4,253
Distribution	**860**	870	870
Electricity Sales	**500**	514	509
Other	**565**	668	681
Total	**10,105**	10,584	10,371

Average number of employees	Q1-Q3 2013	Q1-Q3 2012	2012
Power	**1,922**	1,909	1,896
Heat	**2,181**	2,388	2,354
Russia	**4,265**	4,316	4,301
Distribution	**869**	874	873
Electricity Sales	**508**	517	515
Other	**583**	657	661
Total	**10,328**	10,661	10,600

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

5. Financial risk management

The Group has not made any significant changes in policies regarding risk management during the period. Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2012.

Fair value hierarchy information

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

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

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

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

See Note 1 Accounting policies, 1.30 Fair value estimation in the consolidated financial statements for 2012.

Financial assets

	Level 1		Level 2		Level 3		Netting [3]		Total	
EUR million	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012
In non-current assets										
Available for sale financial assets [1]	1	1			28	31			29	32
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			34	56			-14	-14	20	42
Non-hedge accounting		1	45	55		2 [2]	-20	-24	25	34
Interest rate and currency derivatives										
Hedge accounting			82	183					82	183
Non-hedge accounting			167	175					167	175
Oil and other futures and forward contracts										
Non-hedge accounting	34	10		17			-6	-10	28	17
Total in non-current assets	**35**	**12**	**328**	**486**	**28**	**33**	**-40**	**-48**	**351**	**483**
In current assets										
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			35	96			-25	-41	10	55
Non-hedge accounting	8	18	84	175			-66	-114	26	79
Interest rate and currency derivatives										
Hedge accounting			3	4					3	4
Non-hedge accounting			58	38					58	38
Oil and other futures and forward contracts										
Hedge accounting	2			2					2	2
Non-hedge accounting	169	125		60			-100	-140	69	45
Total in current assets	**179**	**143**	**180**	**375**	**0**	**0**	**-191**	**-295**	**168**	**223**
Total	**214**	**155**	**508**	**861**	**28**	**33**	**-231**	**-343**	**519**	**706**

Financial liabilities

	Level 1		Level 2		Level 3		Netting [3]		Total	
EUR million	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012	Sept 30 2013	Dec 31 2012
In non-current liabilities										
Interest-bearing liabilities [4]			1,413	1,895					1,413	1,895
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			20	17		1 [2]	-14	-14	6	4
Non-hedge accounting		12	32	22			-20	-24	12	10
Interest rate and currency derivatives										
Hedge accounting			57	57					57	57
Non-hedge accounting			65	108					65	108
Oil and other futures and forward contracts										
Non-hedge accounting	19	3		10			-6	-10	13	3
Total in non-current liabilities	**19**	**15**	**1,587**	**2,109**	**0**	**1**	**-40**	**-48**	**1,566**	**2,077**
In current liabilities										
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			27	42			-25	-41	2	1
Non-hedge accounting	5	23	69	109			-66	-114	8	18
Interest rate and currency derivatives										
Hedge accounting			3	4					3	4
Non-hedge accounting			57	197					57	197
Oil and other futures and forward contracts										
Hedge accounting	5			4					5	4
Non-hedge accounting	153	116		64			-100	-140	53	40
Total in current liabilties	**163**	**139**	**156**	**420**	**0**	**0**	**-191**	**-295**	**128**	**264**
Total	**182**	**154**	**1,743**	**2,529**	**0**	**1**	**-231**	**-343**	**1,694**	**2,341**

[1] Available for sale financial assets, i.e. shares which are not classified as associated companies or joint ventures, consists mainly of shares in unlisted companies of EUR 28 million (Dec 31 2012: 31), for which the fair value cannot be reliably determined. These assets are measured at cost less possible impairment. Available for sale financial assets include listed shares at fair value of EUR 1 million (Dec 31 2012: 1). The cumulative fair value change booked in Fortum's equity was EUR -3 million (Dec 31 2012: -3).

[2] In 2012 NASDAQ OMX Commodities Europe quoted the closest 5 years and in 2013 for the closest 10 years, for years beyond a systematic price estimate made by Fortum is used. Reason for transferring electricity derivatives from level 3 to level 2 is the maturity of contracts.

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

[4] Fair valued part of bond when hedge accounting is applied (fair value hedge).

Net fair value amount of interest rate and currency derivatives is EUR 128 million, assets EUR 310 million and liabilities EUR 182 million. Fortum has cash collaterals based on Credit Support Annex agreements with some counterparties. At the end of September 2013 Fortum had received EUR 121 million from Credit Support Annex agreements. The received cash has been booked as short term liability.

Regarding the relevant interest-bearing liabilities, see Note 14 Interest-bearing liabilities and Note 17 Pledged assets.

6. Acquisitions, disposals and assets held for sale

Acquisitions
There were no material acquisitions during Q1-Q3 2013 nor 2012.

Disposals

Disposals for Q1-Q3 2013
During Q1 2013 Fortum divested small hydropower plants in Sweden and a minor gain was recognised in the Power segment.

In June 2013, Fortum agreed to sell its 47.9% ownership in the Swedish energy company Härjeåns Kraft AB to the Finnish energy company Oy Herrfors Ab, a subsidiary of Katternö Group. The sales price was SEK 445 million (approximately EUR 51 million). The transaction was completed in July and a capital gain of EUR 17 million was booked to Distribution segment's third quarter results.

In July 2013 Fortum completed the divestment of its 33% holding in Infratek ASA to a fund managed by Triton. The sales price was NOK 295 million (approximately EUR 38 million). A capital gain of EUR 11 million was booked in the Power segment's third quarter results.

Disposals for 2012
In December 2012 Fortum sold its shares in Fortum Heat Naantali Oy to Turun Seudun Energiantuotanto Oy (TSE) in which Fortum has 49.5% interest. The total sales price (less liquid funds in the sold company) was approximately EUR 74 million, of which EUR 2 million was paid during Q2 2013. Fortum's capital gain EUR 21 million was recognised in Heat segment. In connection with the sale Fortum participated in a share issue in TSE with EUR 10 million and gave a shareholder loan to the company amounting to EUR 13 million.

Fortum closed its divestment of Fortum Energiaratkaisut Oy and Fortum Termest AS to EQT Infrastructure Fund as of January 31, 2012. The total sales price, including net debt, was approximately EUR 200 million. Fortum's capital gain was EUR 58 million.

In January 2012 Fortum sold Distribution's Estonian subsidiary Fortum Elekter AS to Imatran Seudun Sähkö. In connection with the sale, Fortum also sold its ownership in Imatran Seudun Sähkö Oy.

During Q1 2012 Fortum divested small hydropower plants in Finland with the sale of a 60% share in Killin Voima Oy to Koillis-Satakunnan Sähkö Oy and sale of 14 small hydropower plants in Finland to Koskienergia Oy. Capital gain from these transactions was EUR 47 million booked in the Power segment's first-quarter results. During Q4 2012 Fortum divested also small hydropower plants in Sweden and a minor gain was recognised in the Power segment.

Gross divestments of shares

EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Proceeds settled in cash	3	-	18	126	223	115
Interest bearing debt in sold subsidiaries	-	-	22	169	181	34
Change in receivables relating to divestments	-	-	-2	0	2	0
Gross divestments of shares in subsidiaries [1]	3	-	38	295	406	149
Gross divestment of associates	89	-	89	0	1	90
Gross divestment of available for sale financial assets	-	2	-	2	3	1
Total	92	2	127	297	410	240

[1] Cash and cash equivalents in sold subsidiaries EUR 0 million (Q1-Q3 2012: 12) are netted from gross divestments.

Assets held for sale
There were no assets held for sale at the end of September 2013.

7. 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-Sept 2013	Jan-June 2013	Jan-March 2013	Jan-Dec 2012	Jan-Sept 2012	Jan-June 2012	Jan-March 2012
Sweden (SEK)	8.6040	8.5599	8.5043	8.7015	8.7275	8.8756	8.8658
Norway (NOK)	7.6958	7.5555	7.4456	7.4840	7.5182	7.5855	7.6136
Poland (PLN)	4.2097	4.1954	4.1501	4.1900	4.2152	4.2524	4.2389
Russia (RUB)	41.7516	40.8468	40.2378	40.2354	40.1847	40.1999	39.9714

Balance sheet date rate	Sept 30 2013	June 30 2013	March 31 2013	Dec 31 2012	Sept 30 2012	June 30 2012	March 31 2012
Sweden (SEK)	8.6575	8.7773	8.3553	8.5820	8.4498	8.7728	8.8455
Norway (NOK)	8.1140	7.8845	7.5120	7.3483	7.3695	7.5330	7.6040
Poland (PLN)	4.2288	4.3376	4.1804	4.0740	4.1038	4.2488	4.1522
Russia (RUB)	43.8240	42.8450	39.7617	40.3295	40.1400	41.3700	39.2950

8. Income tax expense

Tax rate according to the income statement for Q1-Q3 2013 was 18.3% (Q1-Q3 2012: 18.8%). Tax rate for the Q1-Q3 2013, excluding the impact of share of profits of associated companies and joint ventures as well as non-taxable capital gains was 20.4% (Q1-Q3 2012: 21.2%). The tax rate used in the income statement is always impacted by the fact that the share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax.

In Sweden, the corporate tax rate was decreased to 22.0% from 26.3% starting 1 January 2013. In 2012, the one-time positive effect from the tax rate change was approximately EUR 230 million of which EUR 34 million is attributable to non-controlling interests. The tax rate for the year 2012, excluding the tax rate change in Sweden, the impact of share of profits of associated companies and joint ventures as well as non-taxable capital gains was 21.2% (2011: 21.4%).

9. Dividend per share

A dividend in respect of 2012 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million, was decided at the Annual General Meeting on 9 April 2013. The dividend was paid on 19 April 2013.

A dividend in respect of 2011 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million, was decided at the Annual General Meeting on 11 April 2012. The dividend was paid on 23 April 2012.

10. Changes in intangible assets

EUR million	**Sept 30 2013**	Sept 30 2012	Dec 31 2012
Opening balance	**442**	433	433
Increase through acquisition of subsidiary companies	**-**	2	2
Capital expenditures	**32**	21	35
Changes of emission rights	**-15**	-42	-25
Depreciation, amortisation and impairment	**-19**	-17	-22
Reclassifications	**2**	3	6
Translation differences and other adjustments	**-26**	18	13
Closing balance	**416**	418	442
Goodwill included in closing balance	**285**	310	309
Change in goodwill during the period due to translation differences	**-24**	16	15

11. Changes in property, plant and equipment

EUR million	**Sept 30 2013**	Sept 30 2012	Dec 31 2012
Opening balance	**16,497**	15,234	15,234
Increase through acquisition of subsidiary companies	**9**	0	0
Capital expenditures	**818**	916	1,523
Changes of nuclear asset retirement cost	**46**	-1	-1
Disposals	**-3**	-14	-15
Depreciation, amortisation and impairment	**-527**	-472	-642
Sale of subsidiary companies	**-27**	-18	-84
Reclassifications	**-2**	-3	-6
Translation differences and other adjustments	**-387**	649	488
Closing balance	**16,424**	16,291	16,497

12. Changes in participations in associates and joint ventures

EUR million	Sept 30 2013	Sept 30 2012*	Dec 31 2012*
Opening balance	**1,979**	2,014	2,014
Share of profits of associates and joint ventures	**66**	26	23
Investments	**-**	-	10
Dividend income received	**-48**	-45	-45
OCI items associated companies	**45**	-49	-56
Translation differences and other adjustments	**-81**	61	33
Divestments	**-62**	-	-
Closing balance	**1,899**	2,007	1,979

**Comparative period information has been restated, see Note 2.*

Share of profits from associates and joint ventures

Fortum's share of profit for the period January-September 2013 amounted to EUR 66 million (Q1-Q3 2012: 26), of which Hafslund represented EUR 22 million (Q1-Q3 2012: 6), TGC-1 EUR 47 million (Q1-Q3 2012: 25) and Gasum EUR 7 million (Q1-Q3 2012: 9).

Fortum's share of profits for the full year 2012 amounted to EUR 23 million, of which Hafslund represented EUR -20 million, TGC-1 EUR 27 million, and Gasum EUR 15 million.

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

Investments and divestments

During the third quarter Power segment divested Fortum's 33% shareholding in Infratek ASA and Distribution segment divested Fortum's 47.9% shareholding in Härjeåns Kraft AB.

See note 6 Acquisitions, disposals and assets held for sale for additional information.

Dividends received

During Q1-Q3 2013 Fortum had received EUR 48 million (Q1-Q3 2012: 45) in dividends from associates of which EUR 22 million (Q1-Q3 2012: 22) was received from Hafslund and EUR 12 million (Q1-Q3 2012: 10) from Gasum.

13. Interest-bearing receivables

EUR million	Carrying amount Sept 30 2013	Fair value Sept 30 2013	Carrying amount Dec 31 2012	Fair value Dec 31 2012
Long-term loan receivables	**1,417**	**1,467**	1,389	1,440
Leasing receivables	**3**	**4**	3	5
Total long-term interest-bearing receivables [1)]	**1,420**	**1,471**	1,392	1,445
Other current receivables	**1**	**1**	1	1
Total	**1,421**	**1,472**	1,393	1,446

[1)] Carrying amount including current portion of long-term receivables EUR 5 million (Dec 31 2012: 8).

Long-term loan receivables include receivables from associated companies EUR 1,366 million (Dec 31 2012: 1,332), mainly from Swedish nuclear companies, OKG AB and Forsmarks Kraftgrupp AB, EUR 1,255 million (Dec 31 2012: 1,249). These companies are mainly funded with shareholder loans, pro rata each shareholder’s ownership. The increase is related to investments made according to plan in OKG AB and Forsmarks Kraftgrupp AB.

Long-term loan receivables also include receivables from the associated company Teollisuuden Voima Oyj (TVO) amounting to EUR 85 million (Dec 31 2012: 58). Olkiluoto 3, the nuclear power plant being built by TVO, is funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. In March 2009, TVO’s shareholders committed to provide a EUR 300 million subordinated shareholders' loan to TVO. The facility will be available until the end of 2015. Fortum’s share of this commitment is at maximum EUR 75 million of which EUR 25 was outstanding at end of September 2013. In March 2012 a new subordinated shareholder loan was given to fund planning of Olkiluoto 4, where Fortum´s share of the commitment is EUR 72 million of which EUR 15 was outstanding at end of September 2013. In June 2013, TVO’s shareholders committed to provide additional EUR 300 million subordinated shareholders' loan related to Olkiluoto 3. The facility will be available until the end of 2018. Fortum’s share of this commitment is at maximum EUR 75 million. At the end of September 2013 no drawdowns were done on this facility.

14. Interest-bearing liabilities and cash and cash equivalents

Interest-bearing debt EUR million	Carrying amount Sept 30 2013	Fair value Sept 30 2013	Carrying amount Dec 31 2012	Fair value Dec 31 2012
Bonds	**6,400**	**6,825**	5,841	6,239
Loans from financial institutions	**903**	**968**	983	1,062
Other long term interest-bearing debt [1]	**1,568**	**1,595**	1,521	1,566
Total long term interest-bearing debt [2]	**8,871**	**9,388**	8,345	8,867
Commercial paper	**0**	**0**	228	228
Other short term interest-bearing debt	**121**	**121**	204	204
Total short term interest-bearing debt	**121**	**121**	432	432
Total	**8,992**	**9,509**	8,777	9,299

[1] Including loan from Finnish State Nuclear Waste Fund and Teollisuuden Voima EUR 995 million (Dec 31 2012: 940), loans from Fortum´s Finnish pension institutions EUR 213 million (Dec 31 2012: 228), financial leases EUR 24 million (Dec 31 2012: 25) and other loans EUR 336 million (Dec 31 2012: 328).

[2] Including current portion of long-term debt.

On 13 March 2013, Fortum issued two 5 year bonds under its existing Euro Medium Term Note programme. The total nominal value of the bonds is SEK 3,150 million (about EUR 376 million) consisting of SEK 2,000 million at floating rate and SEK 1,150 million at 2.75% fixed interest rate. In April Fortum increased the amount of re-borrowing from the Finnish nuclear waste fund and Teollisuuden Voima by EUR 55 million to EUR 995 million. In the second quarter Fortum issued three new bonds: one 30 year EUR 100 million bond at fixed interest rate 3.5% and two SEK denominated bonds of 1 billion each (in total about EUR 231 million) at floating rate maturing 2018 and 2023. In June the amount of Fortum's Revolving Credit Facility (RCF) was lowered from EUR 2.5 billion to EUR 2.0 billion. Parallel with the reduction of the facility amount, the majority of the facility was extended one year. The amount of the facility is EUR 2 billion until July 2016 and EUR 1.9 billion until July 2017. In connection with the acquisition of solar assets in India in June, Fortum raised INR 515 million approximately EUR 6.7 million) in local bank financing. During the third quarter OAO Fortum repaid bilateral loans of RUB 3,057 million (approximately EUR 72 million).

At the end of September 2013, the amount of short term financing was EUR 121 million (Dec 31 2012: 432). The interest-bearing debt decreased during the third quarter by EUR 71 million from EUR 9,063 million to EUR 8,992 million.

Total cash and cash equivalents increased by EUR 67 million from EUR 1,028 million to EUR 1,095 million during the quarter. At the end of the quarter the cash and cash equivalents held by OAO Fortum amounted to EUR 142 (128 at year-end 2012) million.

15. Nuclear related assets and liabilities

EUR million	Sept 30 2013	Sept 30 2012	Dec 31 2012
Carrying values in the balance sheet			
Nuclear provisions	**736**	670	678
Share in the State Nuclear Waste Management Fund	**736**	670	678
Legal liability and actual share of the State Nuclear Waste Management Fund			
Liability for nuclear waste management according to the Nuclear Energy Act	**996**	968	996
Funding obligation target	**996**	941	996
Fortum's share of the State Nuclear Waste Management Fund	**996**	941	956

Nuclear related provisions

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

The legal liability on 30 September 2013, decided by the the Ministry of Employment and Economy in December 2012, was EUR 996 million. The legal liability at the end of 2013, based on the proposal to the Ministry of Employment and Economy, is expected to increase to EUR 1,059 million. The provision in the balance sheet related to nuclear waste management is based on cash flows for future costs which uses the same basis as the legal liability. The carrying value of the nuclear provision, calculated according to IAS 37, increased due to the new cost estimates by EUR 58 million compared to 31 December 2012, totalling EUR 736 million on 30 September 2013. The main reason for the difference between the carrying value of the provision and the legal liability is the fact that the legal liability is not discounted to net present value.

Fortum's share in the State Nuclear Waste Management Fund

Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in December in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2012 is EUR 996 million. Fortum paid in Q2 the fee of EUR 40 million whereafter Fortum's share of the State Nuclear Waste Management Fund is fully funded. The Fund is from an IFRS perspective overfunded with EUR 260 million, since Fortum's share of the Fund on 30 September 2013 was EUR 996 million and the carrying value in the balance sheet was EUR 736 million.

Effects to comparable operating profit and operating profit

Following the updated cost estimates, Fortum had in Q2 2013 a one-time effect to Comparable operating profit of EUR +4 million in Power segment due to lower forecasted nuclear waste management costs related to already spent fuel. Any cost change which is related to already spent fuel is always recognized 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 Q3 2013 of EUR -4 million, compared to -8 EUR million in Q3 2012. The cumulative effect 2013 was EUR +27 million compared to EUR -24 million in 2012.

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.

16. Other provisions

	CSA provisions			Other provisions		
EUR million	**Sept 30 2013**	Sept 30 2012	Dec 31 2012	**Sept 30 2013**	Sept 30 2012	Dec 31 2012
Opening balance	**178**	180	180	**36**	29	29
Unused provisions reversed	**-10**	-	-	**-1**	-1	-2
Increase in the provisions	**-**	-	-	**16**	7	15
Provisions used	**-21**	-13	-23	**-13**	-1	-7
Unwinding of discount	**10**	11	15	**0**	-	-
Exchange rate differences	**-13**	7	6	**-1**	1	1
Closing balance	**144**	185	178	**37**	35	36
Current provisions	**-**	-	-	**5**	2	7
Non-current provisions	**144**	185	178	**32**	33	29

Fortum's extensive investment programme in Russia is subject to possible penalties that can be claimed if the new capacity is substantially delayed or agreed major terms of the capacity supply agreement (CSA) are not otherwise fulfilled. The provision for possible penalties amounts to EUR 144 million (Dec 31 2012: 178). The effect on the provision from changes in the timing of commissioning of new power plants is assessed at each balance sheet date and provision is adjusted accordingly. During Q2 2013 EUR 10 million of the provision was reversed to the income statement relating to the finalisation of Nyagan 1. The increase in the provision due to the unwinding of the discounting during Q1-Q3 2013 amounted to EUR 10 million (Q1-Q3 2012: 11). This amount was recognised in other financial expenses. Paid penalties during Q1-Q3 2013 amounted to EUR 21 million (Q1-Q3 2012: 13).

17. Pledged assets

EUR million	Sept 30 2013	Sept 30 2012	Dec 31 2012
On own behalf			
For debt			
Pledges	**288**	300	293
Real estate mortgages	**137**	137	137
For other commitments			
Real estate mortgages	**103**	124	124
On behalf of associated companies and joint ventures			
Pledges and real estate mortgages	**3**	3	3

Pledged assets for debt

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the Fund. Fortum has pledged shares in Kemijoki Oy as a security. As of 30 September 2013 the value of the pledged shares amounted to EUR 269 million (Dec 31 2012: 269).

Fortum Tartu in Estonia (60% owned by Fortum) has given real estate mortgages for a value of EUR 96 million (Dec 31 2012: 96) as a security for an external loan. Real estate mortgages have also been given for loans from Fortum's pension fund for EUR 41 million (Dec 31 2012: 41).

Regarding the relevant interest-bearing liabilities, see Note 14 Interest-bearing liabilities and cash and cash equivalents.

Pledged assets for other commitments

Fortum has given real estate mortgages in power plants in Finland, total value of EUR 103 million in September 2013 (Dec 31 2012: 124), as a security to the Finnish State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs for 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 take place around year end every year.

18. Operating lease commitments

EUR million	Sept 30 2013	Sept 30 2012	Dec 31 2012
Due within a year	**30**	35	32
Due after one year and within five years	**73**	83	73
Due after five years	**167**	159	176
Total	**270**	277	281

19. Capital commitments

EUR million	Sept 30 2013	Sept 30 2012	Dec 31 2012
Property, plant and equipment	**1,007**	1,041	1,168
Intangible assets	**6**	5	4
Total	**1,013**	1,046	1,172

Capital commitments relates mainly to OAO Fortum's investment programme, nuclear related investments in Finland, as well as CHP investments in Stockholm, Sweden.

20. Contingent liabilities

EUR million	Sept 30 2013	Sept 30 2012	Dec 31 2012
On own behalf			
Other contingent liabilities	**59**	71	67
On behalf of associated companies and joint ventures			
Guarantees	**483**	493	487
Other contingent liabilities	**125**	125	125
On behalf of others			
Guarantees	**0**	1	0

Guarantees on behalf of associated companies

Guarantees and other contingent liabilities on behalf of associated companies and joint ventures mainly consist of guarantees relating to Fortum's associated nuclear companies (Teollisuuden Voima Oyj, Forsmarks Kraftgrupp AB and OKG AB). The guarantees given on behalf of Forsmarks Kraftgrupp AB and OKG AB amount to SEK 3,696 million (EUR 427 million) at 30 September 2013 (Dec 31 2012: EUR 431 million).

The guarantee given on behalf of Teollisuuden Voima Oyj (TVO) to the Finnish State Nuclear Waste Management Fund amount to EUR 40 million at 30 September 2013 (Dec 31 2012: 39).

21. Legal actions and official proceedings

The legal actions and official proceedings presented below should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012. No other material changes have occurred during Q1-Q3 2013 compared to the year-end 2012.

The Swedish Energy Authority (EI), which regulates and supervises the distribution network tariffs in Sweden, has issued a decision concerning the allowed income frame for the years 2012-2015. EI has based its decision on a model with a transition rule stating that it takes 18 years to reach the allowed level of income according to the new model. The EI decision has been appealed to the County Administrative Court by more than 80 distribution companies, including Fortum Distribution AB. The basis for Fortum Distribution AB's appeal is that the model is not compatible with the existing legislation and that EI has applied an incorrect method for the calculation of Weighted Average Cost of Capital (WACC).

Fortum received income tax assessments in Sweden for the years 2009 and 2010 in December 2011 and December 2012 respectively. According to the tax authorities, Fortum would have to pay additional income taxes for the years 2009 and 2010 for the reallocation of the loans between the Swedish subsidiaries in 2004-2005 as well as additional income taxes for the year 2010 for financing of the acquisition of TGC 10 (current OAO Fortum) in 2008. The claims are based on the change in tax regulation as of 2009. Fortum considers the claims unjustifiable and has appealed the decisions. Based on legal analysis, no provision has been recognised in the financial statements.

If the decisions by the tax authority remain final despite the appeals processes, the impact on net profit would be approximately SEK 425 million (EUR 49 million) for the year 2009 and approximately SEK 444 million (EUR 51 million) for the year 2010.

The administrative court has now investigated the appeal for the year 2009 and, on 9 October 2013, ruled against the tax authority. The administrative court approved Fortum's appeal on legal grounds. The authority may appeal the court's decision.

Fortum has received income tax assessments in Belgium for the years 2008-2009. Tax authorities disagree with the tax treatment of Fortum EIF NV. Fortum finds the tax authorities interpretation not to be based on the local regulation. No provision has been accounted for in the financial statements. If the decision by the tax authorities remains final despite the appeal process, the impact on the net profit would be approximately EUR 36 million for the year 2008 and approximately EUR 27 million for the year 2009. The tax is already paid. If the appeal is approved, Fortum will receive a 7% interest on the amount.

Fortum has on-going tax audits in Finland, Belgium and some other countries.

In Finland Fortum is participating in the country's fifth nuclear power plant unit, Olkiluoto 3 (OL3), through the shareholding in Teollisuuden Voima Oyj (TVO) with an approximately 25% share representing some 400 MW in capacity. The civil construction works of the Olkiluoto 3 plant unit have been mainly completed, and the reactor main components are installed. Installation of the other components and engineering of the plant automation system continued. Based on the progress reports of AREVA-Siemens Consortium, TVO estimates that the start of the regular electricity production of the plant unit may be postponed until year 2016. The supplier is responsible for the time schedule.

In 2012 TVO submitted a claim and defense in the International Chamber of Commerce (ICC) arbitration proceedings concerning the delay and the ensuing costs incurred at the Olkiluoto 3 project. The quantification estimate of TVO's costs and losses was approximately EUR 1.8 billion, which included TVO's actual claim and estimated part. The arbitration proceedings may continue for several years and TVO's claimed amounts will be updated. The proceedings were initiated in December 2008 by the OL3 supplier, AREVA-Siemens. The supplier's latest monetary claim including indirect items and interest is approximately EUR 1.9 billion. TVO has considered and found the claim by the supplier to be without merit.

In addition to the litigations described above, some Group companies are involved in tax and other disputes incidental to their business. In management's opinion the outcome of such disputes will not have material effect on the Group's financial position.

22. Related party transactions

Related parties are described in the annual financial statements as of the year ended 31 December 2012. No material changes have occurred during year 2013.

The Finnish State owned 50.76% of the shares in Fortum 30 September 2013. There has been no change in the shareholding during 2013.

Transactions with associated companies and joint ventures

EUR million	**Q1-Q3 2013**	Q1-Q3 2012	2012
Sales	**52**	88	123
Interest on loan receivables	**23**	31	42
Purchases	**518**	497	679

Sales during 2012 include sale of inventory to Turun Seudun Energiantuotanto Oy (TSE).

For information regarding the sale of Fortum Heat Naantali Oy shares to TSE in 2012, see Note 6.

Associated company and joint ventures balances

EUR million	**Sept 30 2013**	Sept 30 2012	Dec 31 2012
Long-term interest-bearing loan receivables	**1,403**	1,287	1,370
Trade receivables	**19**	14	15
Other receivables	**24**	29	16
Long-term loan payables	**248**	234	234
Trade payables	**5**	7	23
Other payables	**6**	7	7

23. Events after the balance sheet date

There are no material events after balance sheet date.

24. Definition of key figures

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

24. Definition of key figures

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

Market conditions and achieved power prices

Power consumption TWh	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Nordic countries	**79**	81	**283**	282	391	392
Russia	**230**	229	**753**	753	1,037	1,037
Tyumen	**20**	19	**64**	61	83	86
Chelyabinsk	**8**	8	**26**	27	36	35
Russia Urals area	**58**	57	**186**	185	252	253

Average prices	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Spot price for power in Nord Pool power exchange, EUR/MWh	**35.8**	20.8	**38.8**	29.1	31.2	38.5
Spot price for power in Finland, EUR/MWh	**42.7**	30.9	**41.6**	35.2	36.6	41.1
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	**40.0**	23.2	**40.1**	30.6	32.3	39.4
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	**39.7**	22.8	**39.9**	29.9	31.8	39.3
Spot price for power in European and Urals part of Russia, RUB/MWh [1)]	**1,255**	1,143	**1,092**	988	1,001	1,110
Average capacity price, tRUB/MW/month	**251**	207	**258**	218	227	257
Spot price for power in Germany, EUR/MWh	**38.8**	43.5	**37.9**	43.0	42.6	38.7
Average regulated gas price in Urals region, RUB/1000 m^3	**3,327**	2,924	**3,029**	2,673	2,736	3,127
Average capacity price for old capacity, tRUB/MW/month [2)]	**149**	138	**158**	147	152	160
Average capacity price for new capacity, tRUB/MW/month [2)]	**507**	485	**550**	510	539	564
Spot price for power (market price), Urals hub, RUB/MWh [1)]	**1,136**	1,114	**1,013**	951	956	1,030
CO_2, (ETS EUA), EUR/tonne CO_2	**5**	8	**4**	8	7	5
Coal (ICE Rotterdam), USD/tonne	**76**	92	**81**	94	93	83
Oil (Brent Crude), USD/bbl	**110**	109	**109**	112	112	109

1) Excluding capacity tariff.

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

Water reservoirs TWh	Sept 30 2013	Sept 30 2012	Dec 31 2012
Nordic water reservoirs level	**91**	109	85
Nordic water reservoirs level, long-term average	**101**	101	83

Export/import TWh (+ = import to, - = export from Nordic area)	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Export / import between Nordic area and Continental Europe+Baltics	**0**	-5	**-2**	-15	-19	-6
Export / import between Nordic area and Russia	**1**	0	**4**	3	5	6
Export / import Nordic area, Total	**1**	-5	**2**	-12	-14	0

Power market liberalisation in Russia %	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Share of power sold at the liberalised price by OAO Fortum	**77**	81	**80**	81	82	81

Achieved power prices EUR/MWh	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Power's Nordic power price	**47.4**	39.7	**45.8**	43.7	44.6	46.1
Achieved power price for OAO Fortum	**33.8**	33.1	**31.6**	30.5	30.6	31.4

Fortum's production and sales volumes

Power generation TWh	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Fortum power generation in the EU and Norway	**10.2**	12.0	**37.1**	38.7	53.9	52.3
Fortum power generation in Russia	**4.2**	4.5	**14.5**	14.1	19.2	19.6
Total	**14.4**	16.5	**51.6**	52.8	73.1	71.9

Heat production TWh	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Heat production in the EU and Norway	**2.3**	1.9	**13.2**	12.5	18.5	19.2
Heat production in Russia	**2.5**	2.2	**16.2**	16.1	24.8	24.9
Total	**4.8**	4.1	**29.4**	28.6	43.3	44.1

Power generation capacity by division MW	Sept 30 2013	Sept 30 2012	Dec 31 2012
Power	**9,725**	9,757	9,702
Heat	**1,524**	1,565	1,569
Russia	**3,825**	3,404	3,404
Other (solar in India)	**5**	-	-
Total	**15,079**	14,726	14,675

Heat production capacity by division MW	Sept 30 2013	Sept 30 2012	Dec 31 2012
Power	**250**	250	250
Heat	**8,362**	8,864	8,785
Russia	**13,466**	13,396	13,396
Total	**22,078**	22,510	22,431

Power generation by source in the Nordic area TWh	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Hydropower	**3.9**	6.3	**14.2**	18.1	25.2	21.3
Nuclear power	**5.1**	5.0	**17.7**	16.9	23.4	24.2
Thermal power	**0.9**	0.2	**3.7**	2.0	3.0	4.7
Total	**9.9**	11.5	**35.6**	37.0	51.6	50.2

Power generation by source in the Nordic area %	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Hydropower	**39**	55	**40**	49	49	42
Nuclear power	**52**	43	**50**	46	45	48
Thermal power	**9**	2	**10**	5	6	10
Total	**100**	100	**100**	100	100	100

Power sales EUR million	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	2012	Last twelve months
Power sales in the EU and Norway	**536**	543	**1,914**	1,916	2,700	2698
Power sales in Russia	**180**	176	**608**	506	713	815
Total	**716**	719	**2,522**	2,422	3,413	3,513

Fortum's production and sales volumes

Heat sales **EUR million**	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Heat sales in the EU and Norway	**143**	140	**872**	822	1,201	1251
Heat sales in Russia	**28**	25	**192**	198	300	294
Total	**171**	165	**1,064**	1,020	1,501	1,545

Power sales by area **TWh**	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Finland	**4.9**	4.5	**18.0**	15.6	21.6	24.0
Sweden	**5.3**	7.1	**19.0**	21.5	30.1	27.6
Russia	**5.4**	5.3	**19.2**	16.6	23.3	25.9
Other countries	**0.7**	0.7	**3.0**	2.7	3.8	4.1
Total	**16.3**	17.6	**59.2**	56.4	78.8	81.6

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

Heat sales by area **TWh**	**Q3 2013**	Q3 2012	**Q1-Q3 2013**	Q1-Q3 2012	2012	Last twelve months
Russia	**2.5**	2.3	**16.3**	17.8	26.4	24.9
Finland	**0.8**	0.9	**3.9**	4.1	5.8	5.6
Sweden	**0.7**	0.7	**5.8**	5.6	8.5	8.7
Poland	**0.3**	0.2	**2.8**	2.8	4.3	4.3
Other countries[1)]	**0.5**	0.3	**2.3**	2.0	2.9	3.2
Total	**4.8**	4.4	**31.1**	32.3	47.9	46.7

[1)] Including the UK, which is reported in the Power division, other sales.