

# Fortum Corporation

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Interim Report  
January–September 2015

22 October 2015

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The financial results discussed in this interim report are related to the continuing operations of Fortum Group. The Distribution segment has been reclassified as discontinued operations in the tables including the comparative period information. As a result, continuing operations and discontinued operations are presented separately for Fortum Group. Comparative period information for 2014 has been restated accordingly and can be found in the stock exchange release published on 15 April 2015. For further information, see notes 2 and 7.

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

## Swedish co-owned nuclear write-down and low power prices impacted results negatively

### July–September 2015, continuing operations

- Comparable operating profit EUR 79 (147) million, -46%
- Operating profit EUR -682 (113) million, of which EUR -761 (-34) million relates to items affecting comparability, mainly to the negative impact due to the decision of early closure of Oskarshamn nuclear units 1 and 2 in Sweden
- Earnings per share EUR -0.74 (0.06), of which EUR -0.80 per share relates to the early closure of Oskarshamn nuclear units 1 and 2 in Sweden.
- Cash flow from operating activities totalled EUR 151 (212) million, -29%
- Fortum to participate in the Fennovoima nuclear power project in Finland with a 6.6 percent stake
- Russia segment's operating profit (EBIT) target level RUB 18.2 billion delayed by 2 to 3 years
- Fortum's new President and CEO Pekka Lundmark started on 7 September 2015

### January–September 2015, continuing operations

- Comparable operating profit EUR 565 (715) million, -21%
- Operating profit EUR -188 (712) million, of which EUR -752 (-3) million relates to items affecting comparability, mainly to the negative impact due to the decision of the early closing of Oskarshamn nuclear units 1 and 2 in Sweden.
- Earnings per share EUR -0.28 (0.63), of which EUR -0.80 per share relates to the decision of early closure of Oskarshamn nuclear units 1 and 2 in Sweden. EPS for total Fortum, including the discontinued operations, is EUR 4.64 (2.91)
- Cash flow from operating activities totalled EUR 896 (1,011) million, -11%
- Fortum's Distribution divestment completed in June
- Distribution business treated as discontinued operations from Q1/2015, consistent with IFRS 5

### Summary of outlook

- Fortum continues to expect the annual electricity demand to grow in the Nordic countries by approximately 0.5% on average in the coming years
- Power and Technology segment's Nordic generation hedges: for the rest of 2015, approximately 65% hedged at EUR 36 per MWh; and for 2016, approximately 35% hedged at EUR 34 per MWh; and for 2017 approximately 15% hedged at EUR 33 per MWh.
- The targeted operating profit level (EBIT) for the Russia segment, RUB 18.2 billion is delayed by 2 to 3 years. Previously the run-rate operating profit level (EBIT) was targeted to be reached during 2015 after finalising the investment programme.

Key financial ratios *	2014	LTM
Return on capital employed, %	19.5	25.8
Net debt/EBITDA	1.1	-0.4
Comparable net debt/EBITDA	2.3	-1.3
Comparable net debt/EBITDA without Värme financing	2.0	-1.4

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

Key figures	III/15	III/14	I-III/15	I-III/14	2014	LTM
Sales, EUR million	661	861	2,495	2,955	4,088	3,628
Operating profit, EUR million						
continuing operations	-682	113	-188	712	1,296	396
discontinued operations	0	36	4,395	2,066	2,132	4,461
total Fortum	-682	149	4,207	2,778	3,428	4,857
Comparable operating profit, EUR million						
continuing operations	79	147	565	715	1,085	935
discontinued operations	0	36	113	200	266	179
total Fortum	79	183	678	915	1,351	1,114
Profit before taxes, EUR million						
continuing operations	-818	61	-325	658	1,232	249
discontinued operations	0	34	4,393	2,063	2,128	4,458
total Fortum	-819	95	4,068	2,721	3,360	4,707
Earnings per share, EUR						
continuing operations	-0.74	0.06	-0.28	0.63	1.22	0.31
discontinued operations	0.00	0.04	4.92	2.28	2.33	4.97
total Fortum	-0.74	0.10	4.64	2.91	3.55	5.28
Net cash from operating activities, EUR million, continuing operations	151	212	896	1,011	1,406	1,291
Shareholders' equity per share, EUR			15.54	12.67	12.23	
Interest-bearing net debt (at end of period), EUR million			-1,936	4,790	4,217	
Interest-bearing net debt without Värme financing, EUR million			-2,113	4,152	3,664	

## Fortum's President and CEO Pekka Lundmark:

"This is my first quarterly report as President & CEO of Fortum, and I would therefore like to take this opportunity to give my first reflections on the company as well as the energy business. Whilst it is clear that the market needs a new direction, the range of factors that must steer the change forward are greater and more complex than ever before. The entire energy sector is going through a significant transition, and the reshaping of the energy markets will force utilities to develop new ways to capture value.

At Fortum, we are currently in an intensive business planning period to outline our future direction after the recent divestments of our distribution businesses. We are specifically looking into three areas: First, to decide the best way to increase investments in renewables. Second, to look for ways to grow faster in modern energy services for consumers, communities and businesses. And third, to keep our eyes open for opportunities as the restructuring of the energy industry proceeds. In addition, and equally importantly, we are continuing to look for ways to further improve the productivity of our existing fleet in order to stay competitive in the current low-price environment.

Our overall performance in the third quarter of 2015 was largely in line with the company's own expectations. Exceptionally high inflow increased water reservoirs rapidly, corresponding to clearly lower electricity spot prices and a lower achieved price, which impacted the result negatively. This was, however, somewhat compensated by higher hydro volumes. In addition, the Heat, Electricity Sales and Solutions segment's as well as the Russia segment's results were impacted by seasonal volatility caused by the nature of the heat business – the third quarter being typically weak. The third-quarter results were also strongly burdened by a non-recurring impact from the decision by OKG AB's extraordinary shareholders' meeting to close two of the oldest Oskarshamn nuclear units in Sweden before the end of their planned operational lifetimes.

In August, we announced that we will participate in the Fennovoima nuclear power project in Finland with a 6.6 percent minority share. In September, we received a new order for ion exchange materials for purification of radioactive waters at the Fukushima nuclear power plant in Japan – an evidence of our broad competence. The discussions related to the potential restructuring of Territorial Generating Company TGC-1 will continue. At this time it is not possible to estimate the time schedule or outcome of the discussions.

Overall, I can state that the first two months at Fortum have been positive, a warm thank you for this to everyone in Fortum. We will continue our work in order to strengthen our leading position in the energy industry.”

## Fortum's Distribution divestment completed

In June 2015, Fortum completed the divestment of its Swedish electricity distribution business.

The total consideration was approximately SEK 60.6 billion on a debt- and cash-free basis, corresponding to approximately EUR 6.4 billion. Fortum booked a one-time sales gain of approximately EUR 4.3 billion, corresponding to EUR 4.82 per share, in the second-quarter 2015 results.

The transaction concluded the divestment of Fortum's Distribution, a process that began in 2013. The total consideration from the divestments in Finland, Sweden and Norway was approximately EUR 9.3 billion on a debt- and cash-free basis and approximately EUR 6.3 billion in non-taxable sales gains booked during 2014 and 2015.

## IFRS restatement relating to discontinued operations

After the divestment of the Swedish distribution business, Fortum has no distribution operations. Therefore, as of the first-quarter 2015 interim report, the Distribution segment has been treated as discontinued operations, consistent with IFRS 5 "Non-current assets held for sale and Discontinued operations". The income statement, including other comprehensive income, cash flow statement and certain key ratios, has been restated for the 2014 comparative period. In the segment information, the Distribution segment is reclassified as discontinued operations.

Financial results discussed in this interim report are for the continuing operations of Fortum Group.

# Financial results

## July–September 2015

In the third quarter of 2015, sales were EUR 661 (861) million. Comparable operating profit totalled EUR 79 (147) million and the reported operating profit EUR -682 (113) million. Fortum's operating profit for the period was affected by non-recurring items, including the approximately EUR -784 million impact from the early closure of Oskarshamn nuclear units 1 and 2 in Sweden (Note 4 and 6).

### Sales by segment

EUR million	III/15	III/14	I-III/15	I-III/14	2014	LTM
Power and Technology	377	495	1,282	1,568	2,156	1,870
Heat, Electricity Sales and Solutions	185	224	835	939	1,332	1,228
Russia	154	207	627	774	1,055	908
Other	28	14	86	42	58	102
Netting of Nord Pool transactions	-57	-67	-240	-301	-422	-361
<i>Eliminations</i>	-26	-12	-95	-66	-91	-120
<b>Total continuing operations</b>	<b>661</b>	<b>861</b>	<b>2,495</b>	<b>2,955</b>	<b>4,088</b>	<b>3,628</b>
Discontinued operations	0	130	274	578	751	447
<i>Eliminations</i>	0	-15	-31	-68	-89	-52
<b>Total Fortum</b>	<b>660</b>	<b>976</b>	<b>2,738</b>	<b>3,466</b>	<b>4,751</b>	<b>4,023</b>

### Comparable operating profit by segment

EUR million	III/15	III/14	I-III/15	I-III/14	2014	LTM
Power and Technology	102	167	419	601	877	695
Heat, Electricity Sales and Solutions	-13	-4	55	55	104	104
Russia	0	1	132	102	161	191
Other	-10	-16	-42	-43	-57	-56
<b>Total continuing operations</b>	<b>79</b>	<b>147</b>	<b>565</b>	<b>715</b>	<b>1,085</b>	<b>935</b>
Discontinued operations	0	36	113	200	266	179
<b>Total Fortum</b>	<b>79</b>	<b>183</b>	<b>678</b>	<b>915</b>	<b>1,351</b>	<b>1,114</b>

### Operating profit by segment

EUR million	III/15	III/14	I-III/15	I-III/14	2014	LTM
Power and Technology	-651	124	-332	537	855	-14
Heat, Electricity Sales and Solutions	-22	4	51	116	337	272
Russia	1	1	134	102	161	193
Other	-9	-16	-41	-44	-58	-55
<b>Total continuing operations</b>	<b>-682</b>	<b>113</b>	<b>-188</b>	<b>712</b>	<b>1,296</b>	<b>396</b>
Discontinued operations	0	36	4,395	2,066	2,132	4,461
<b>Total Fortum</b>	<b>-682</b>	<b>149</b>	<b>4,207</b>	<b>2,778</b>	<b>3,428</b>	<b>4,857</b>

## January–September 2015

In January–September 2015, sales were EUR 2,495 (2,955) million. Comparable operating profit totalled EUR 565 (715) million and the reported operating profit EUR -188 (712) million. Fortum's operating profit for the period was affected by non-recurring items, including the approximately EUR -784 million impact from the early closure of Oskarshamn nuclear units 1 and 2 in Sweden and the approximately EUR -15 million impact from the cancellation of the Olkiluoto 4 nuclear power project, as well as an IFRS accounting treatment (IAS 39) of derivatives, mainly used for hedging Fortum's power production, and nuclear fund adjustments for continuing operations amounting to EUR 25 (-

70) million (Note 4). Total Fortum's operating profit EUR 4,207 (2,778) million included the sales gain from the divestment of the Swedish electricity distribution business, approximately EUR 4.3 billion in the second quarter of 2015 (approximately EUR 1.9 billion from Finnish and Norwegian operations in 2014).

The share of profit from associates was EUR -15 (108) million. The decision on the early closure of Oskarshamn nuclear units 1 and 2 impacted the share of profit from associates by EUR -104 million (Note 6). Fortum Värme represented EUR 23 (42) million, the decrease was mainly due to the paid compensation for refinancing the interest-bearing loans from Fortum. The share of profit from Hafslund and TGC-1 are based on the companies' published second-quarter 2015 interim reports (Note 14).

The net financial expenses were EUR -123 (-163) million. Net financial expenses include changes in the fair value of financial instruments of EUR -14 (-10) million.

Profit before taxes, amounting to EUR -325 (658) million, was impacted by EUR -888 million due to the closing of Oskarshamn nuclear units 1 and 2.

Taxes for the period totalled EUR 80 (-92) million. Taxes for the period are positive as the write-down related to early closure of Oskarshamn nuclear units 1 and 2 will be tax deductible over time. Therefore, the tax rate according to the income statement was negative at 24.5% (14.0%). The tax rate, excluding the impact of the share of profit from associated companies, joint ventures as well as non-taxable capital gains, was negative at 25.6% (18.5%).

The profit for the period for continuing operations was EUR -246 (566) million. Earnings per share for continuing operations were EUR -0.28 (0.63). The impact on earnings per share from the early closure of Oskarshamn nuclear units 1 and 2 was EUR -0.80 per share.

Earnings per share for total Fortum, including discontinued operations, were EUR 4.64 (2.91), including the EUR 4.82 gain from the sale of the Swedish electricity distribution business and EUR -0.80 per share due to the closing of Oskarshamn nuclear units 1 and 2 in Sweden. Earnings per share for total Fortum in 2014 were impacted by EUR 2.08 per share from the sale of the Finnish electricity distribution business (Note 8).

## Financial position and cash flow

### Cash flow

In January-September 2015, net cash from operating activities from continuing operations decreased by EUR 115 million to EUR 896 (1,011) million, mainly due to lower EBITDA. Realised foreign exchange gains and losses of EUR 249 (216) million were related to the rollover of foreign exchange contract hedging loans to Fortum's Swedish and Russian subsidiaries. Total net cash from operating activities including discontinued operations amounted to EUR 1,050 (1,310) million.

Capital expenditures for the continuing operations decreased by EUR 75 million to EUR 347 (422) million. Net cash from investing activities for total Fortum was EUR 6,303 (2,677) million, including the impact from discontinued operations amounting to EUR 6,303 (2,619) million. Cash flow before financing activities for total Fortum increased by EUR 3,366 million to EUR 7,353 (3,987) million, including the net impact of discontinued operations of EUR 6,457 (2,917) million.

Fortum paid dividends totalling EUR 1,155 million in April. The net increase in liquid funds during the period was EUR 5,318 million.

## Assets and capital employed

Total assets increased by EUR 1,224 million to EUR 22,599 (21,375 at year-end 2014) million. Liquid funds increased by EUR 5,266 million to EUR 8,032 (2,766 at year-end 2014) million, and property, plant and equipment decreased by EUR 2,431 million, both arising mainly from the divestment of the Swedish distribution business. The long-term interest-bearing receivables decreased by EUR 1,098 million to EUR 943 (2,041 at year-end 2014) million mainly due to the early closure of Oskarshamn nuclear units 1 and 2 in Sweden, and repayments by Fortum Värme.

Capital employed for total Fortum was EUR 19,969 (17,918 at year-end 2014) million, an increase of EUR 2,051 million.

## Equity

Total equity was EUR 13,873 (10,935 at year-end 2014) million, of which equity attributable to owners of the parent company totalled EUR 13,806 (10,864 at year-end 2014) million.

The increase in equity attributable to owners of the parent company totalled EUR 2,942 million and was mainly from the gain on the divestment of the Swedish distribution business of approximately EUR 4.3 billion, the dividend payment for 2014, EUR -1,155 million, net profit of EUR -245 million for continuing operations for the period, and translation differences totalling EUR -104 million.

## Financing

Fortum was net cash positive at the end of the period, as net debt decreased by EUR 6,153 million during January-September 2015 from net debt of EUR 4,217 million at year-end 2014 to net cash of EUR 1,936 million. Net cash without Fortum Värme financing was EUR 2,113 (net debt 3,664 at year-end 2014) million.

At the end of September 2015, the Group's liquid funds totalled EUR 8,032 (2,766 at year-end 2014) million. Liquid funds include cash and bank deposits held by OAO Fortum amounting to EUR 94 (134 at year-end 2014) million. In addition to liquid funds, Fortum had access to approximately EUR 2.2 billion of undrawn committed credit facilities.

The net financial expenses in January-September were EUR -123 (-163) million. Net financial expenses include changes in the fair value of financial instruments of EUR -14 (-10) million.

On 5 June 2015, Standard & Poor's downgraded Fortum's long-term rating to BBB+ from A- and affirmed the A-2 short-term rating. The outlook is stable. The long-term corporate credit rating was removed from CreditWatch, where it had been placed since 18 March 2015. The Fitch rating remained unchanged as A- (negative outlook).

## Key figures

For the last twelve months, net debt to EBITDA was -0.4 (1.1 at year-end 2014) and comparable net debt to EBITDA -1.3 (2.3 at year-end 2014). Fortum is currently financing Fortum Värme, and these loans, EUR 177 (553 at year-end 2014) million, are presented as interest-bearing loan receivables in Fortum's balance sheet. The aim is to refinance the loans during 2015. If these loans are deducted from the net debt, the last-twelve-months comparable net debt to EBITDA was -1.4 (2.0 at the year-end 2014).

Gearing was -14% (39% at year-end 2014) and the equity-to-assets ratio 61% (51% at year-end 2014). Equity per share was EUR 15.54 (12.23 at the year-end 2014). For the last twelve months, return on capital employed totalled 25.8% (19.5% at the year-end 2014).



# Market conditions

## Nordic countries

According to preliminary statistics, electricity consumption in the Nordic countries was 81 (79) terawatt-hours (TWh) during the third quarter of 2015. In January-September 2015, it was 278 (275) terawatt-hours (TWh).

At the beginning of 2015, the Nordic water reservoirs were at 80 TWh, 3 TWh below the long-term average and 2 TWh lower than a year earlier. At the beginning of the third quarter, water reservoirs were 15 TWh below the long-term average and 14 TWh below the corresponding period in 2014. During the quarter, reservoirs increased rapidly, due to exceptional inflow, and, at the end of the quarter, were at 9 TWh above the long-term average and 19 TWh above the corresponding period in 2014.

In the third quarter of 2015, the average system spot price of electricity in Nord Pool was EUR 13.3 (31.8) per megawatt-hour (MWh). The decline was mainly due to a high amount of precipitation and the late snow melt that made inflow peak at a time of seasonally low power consumption. In Finland, the average area price was EUR 30.1 (37.8) per MWh and in Sweden SE3 (Stockholm) EUR 15.5 (33.6) per MWh. The price in Finland decreased less, as the price area is exposed to hydrological pressure to a much lesser extent than Norway and Sweden.

During January–September 2015, the average system spot price was EUR 20.7 (29.2), and the area price in Finland EUR 29.3 (35.9) and in Sweden SE3 (Stockholm) EUR 21.7 (31.7).

In Germany, the average spot price during the third quarter of 2015 was EUR 32.8 (31.5) per MWh and during January-September 2015 EUR 31.1 (32.1) per MWh.

The market price of CO<sub>2</sub> emission allowances (EUA) was at approximately EUR 7.1 per tonne at the beginning of the year and EUR 8.2 at the end of September 2015.

## Russia

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

According to preliminary statistics, Russia consumed 225 (226) TWh of electricity during the third quarter of 2015. The corresponding figure in Fortum's operating area in the first price zone (European and Urals part of Russia) was 173 (175) TWh. In January-September 2015, Russia consumed 731 (733) TWh of electricity. The corresponding figure in Fortum's operating area in the first price zone (European and Urals part of Russia) was 561 (562) TWh.

In the third quarter of 2015, the average electricity spot price, excluding capacity price, decreased by 4% to RUB (Russian rouble) 1,184 (1,233) per MWh in the first price zone. In January-September 2015, the average electricity spot price, excluding capacity price, decreased by 3% to RUB 1,146 (1,180) 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 57).

## European business environment and carbon market

### EU electricity market design

The public consultation on the new EU electricity market design was closed in early October 2015. Although the aim of the consultation is to collect input from different stakeholders, the European Commission has already stated quite clearly that its preference is to focus on further development of the current energy-only market design rather than going towards capacity markets. In particular, fixed capacity payments are not favoured because of their highly distortive nature. The Commission will put forward proposals for a comprehensive revision of the energy market-related legislation in 2016. In its response to the consultation, Fortum highlights the importance of more market-orientated energy policies, improved internal energy market governance, and a common approach to security of supply in the further development of the electricity market design.

### EU emissions trading reform

In September 2015, the EU Council formally adopted the European Commission's proposal to create a reserve to hold surplus CO2 permits under the EU Emissions Trading System, in the final stage of the legislative process. This means that the proposed Market Stability Reserve will become operational in January 2019 and will remove 12% of the net surplus each year, as long as it remains above 833 million tonnes. The EU Environment Council adopted the legislation on behalf of the wider EU Council.

## Segment reviews

### Power and Technology

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

EUR million	III/15	III/14	I-III/15	I-III/14	2014	LTM
Sales	377	495	1,282	1,568	2,156	1,870
- power sales	343	466	1,206	1,466	2,026	1,766
of which Nordic power sales*	326	406	1,135	1,325	1,845	1,655
- other sales	34	29	75	101	130	104
Operating profit	-651	124	-332	537	855	-14
Comparable operating profit	102	167	419	601	877	695
Comparable EBITDA	131	197	506	692	998	812
Net assets (at period-end)			5,944	6,083	6,001	
Return on net assets, %					13.6	-1.9
Comparable return on net assets, %					14.2	11.6
Capital expenditure and gross investments in shares	52	66	122	138	198	182
Number of employees			1,358	1,678	1,639	

Power generation by source, TWh	III/15	III/14	I-III/15	I-III/14	2014	LTM
Hydro and wind power, Nordic	6.6	4.1	19.3	16.3	22.4	25.4
Nuclear power, Nordic	5.1	5.4	16.8	17.0	23.8	23.6
Thermal power, Nordic	0.1	0.6	0.2	0.8	0.9	0.3
<b>Total in the Nordic countries</b>	<b>11.8</b>	<b>10.0</b>	<b>36.2</b>	<b>34.1</b>	<b>47.1</b>	<b>49.2</b>
Thermal power in other countries	0.0	0.2	0.0	0.8	0.7	-0.1
<b>Total</b>	<b>11.8</b>	<b>10.2</b>	<b>36.2</b>	<b>34.8</b>	<b>47.9</b>	<b>49.2</b>

Nordic sales volumes, TWh	III/15	III/14	I-III/15	I-III/14	2014	LTM
Nordic sales volume	12.2	10.3	37.9	35.2	48.6	51.3
of which Nordic power sales volume*	11.4	9.2	34.8	32.2	44.6	47.2

\* 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/15	III/14	I-III/15	I-III/14	2014	LTM
Power and Technology's Nordic power price**	28.7	44.2	32.6	41.1	41.4	35.0

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

## July–September 2015

In the third quarter of 2015, the Power and Technology segment's comparable operating profit was EUR 102 (167) million, i.e. EUR 65 million lower than in the corresponding period in 2014. The main reason was the clearly lower achieved power price. The high inflow resulting in high hydro power production volumes during the seasonally low demand period put pressure on prices, especially in Norway and Sweden.

Operating profit, EUR -651 (124) million, was affected by non-recurring items totalling EUR -770 (1) million, including approximately EUR -784 million from the decision on the early closure of Oskarshamn nuclear units 1 and 2 in Sweden (Note 6), sales gains from sale of property, plant and equipment amounting to EUR 15 million, and from the IFRS accounting treatment (IAS 39) of derivatives, mainly used for hedging Fortum's power production, and by nuclear fund adjustments amounting to EUR 17 (-43) million.

Power and Technology's achieved Nordic power price was EUR 28.7 (44.2) per MWh, EUR 15.5 per MWh lower than in the corresponding period in 2014. The system price and all area prices were clearly lower during the third quarter of 2015 compared to the same period in 2014. The average system spot price of electricity in Nord Pool was EUR 13.3 (31.8) per MWh. The average area price in Finland was EUR 30.1 (37.8) per MWh and in Sweden SE3 (Stockholm) EUR 15.5 (33.6) per MWh.

The segment's total power generation in the Nordic countries was 11.8 (10.0) TWh. Thermal production totalled 0.1 (0.7) TWh. CO<sub>2</sub>-free production amounted to 97% (93%) of the total production.

In September, Fortum received an order from the American EnergySolutions for Nures® (ion exchange materials) for purification of radioactive waters at the Fukushima Dai-ichi nuclear power plant in Japan. Fortum's ion exchange materials have been used in the Advanced Liquid Processing System (ALPS) in the power plant area to purify radioactive waters for the past three years. The order is one of Fortum's largest deliveries of Nures® to date.

## January–September 2015

In January-September 2015, the Power and Technology segment's comparable operating profit was EUR 419 (601) million, i.e. EUR 182 million lower than in the corresponding period in 2014. The

achieved power price was clearly lower and offset the positive impact from increased hydro volumes.

Operating profit, EUR -332 (537) million, was affected by non-recurring items totalling EUR -782 (6) million, including approximately EUR -784 million from the decision on the early closure of Oskarshamn nuclear units 1 and 2 in Sweden, a sales gains from sale of property, plant and equipment amounting to EUR 18 million, an approximately EUR -15 million effect of the cancelled Olkiluoto 4 nuclear power project in Finland (Note 4) as well as the IFRS accounting treatment (IAS 39) of derivatives, mainly used for hedging Fortum's power production, and by nuclear fund adjustments amounting to EUR 31 (-70) million.

Power and Technology's achieved Nordic power price was EUR 32.6 (41.1) per MWh, EUR 8.6 per MWh lower than in the corresponding period in 2014. The system price and all area prices were clearly lower during the first three quarters of 2015 compared to the same period in 2014. The average system spot price of electricity in Nord Pool was EUR 20.7 (29.2) per MWh. The average area price in Finland was EUR 29.3 (35.9) per MWh and in Sweden SE3 (Stockholm) EUR 21.7 (31.7) per MWh. The weather during the first three quarters of the year was extraordinary. The first quarter in 2015 was exceptionally mild, while the amount of precipitation in the second quarter was among the highest in recent history. In the third quarter, exceptional inflows caused by the late snow melt, increased hydro production during the low demand season, hence putting pressure on electricity prices.

The segment's total power generation in the Nordic countries was 36.2 (34.1) TWh. Thermal production totalled 0.2 (1.5) TWh. CO<sub>2</sub>-free production amounted to 99% (96%).

## Heat, Electricity Sales and Solutions

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

EUR million	III/15	III/14	I-III/15	I-III/14	2014	LTM
Sales	185	224	835	939	1,332	1,228
- heat sales	49	50	293	293	430	430
- power sales	111	141	483	559	783	707
- other sales	25	33	59	87	119	91
Operating profit	-22	4	51	116	337	272
Comparable operating profit	-13	-4	55	55	104	104
of which Electricity Sales	11	14	35	35	48	48
Comparable EBITDA	12	20	129	130	204	203
Net assets (at period-end)			2,049	2,188	2,112	
Return on net assets, %					19.1	15.6
Comparable return on net assets, %					8.7	7.7
Capital expenditure and gross investments in shares	33	59	67	85	124	106
Number of employees			1,440	1,862	1,807	

### July–September 2015

In the third quarter of 2015, heat sales volumes of the Heat, Electricity Sales and Solutions segment amounted to 0.6 (0.7) TWh. During the same period, power sales volumes from CHP production totalled 0.3 (0.4) TWh.

Comparable operating profit was EUR -13 (-4 ) million. The result was negatively affected mainly by a lower achieved power price for power sales from CHP production.

Operating profit totalled EUR -22 (4) million, including sales gains totalling EUR 0 (8) million and the IFRS accounting treatment (IAS 39) of derivatives totalling EUR -9 (1) million (Note 4).

### January–September 2015

Heat sales volumes of the Heat, Electricity Sales and Solutions segment amounted to 5.2 (5.3) TWh in January-September 2015. During the same period, power sales volumes from CHP production totalled 1.7 (2.0) TWh.

Comparable operating profit was EUR 55 (55) million. The impact of lower power price was offset by lower fuel prices. Operating profit totalled EUR 51 (116) million and was affected by sales gains totalling EUR 3 (61) million and the IFRS accounting treatment (IAS 39) of derivatives totalling -8 (0) (Note 4).

In retail electricity sales, the customer base continued to grow and the sales margin improved. At the end of September, Fortum's customer base in Electricity Sales was over 1.3 million.

Heat sales by country, TWh	III/15	III/14	I-III/15	I-III/14	2014	LTM
Finland	0.3	0.3	2.1	2.2	3.2	3.1
Poland	0.2	0.2	2.2	2.2	3.4	3.4
Other countries	0.1	0.1	0.8	0.8	1.3	1.3
<b>Total</b>	<b>0.6</b>	<b>0.7</b>	<b>5.2</b>	<b>5.3</b>	<b>7.9</b>	<b>7.8</b>

Power sales, TWh	III/15	III/14	I-III/15	I-III/14	2014	LTM
CHP	0.3	0.4	1.7	2.0	2.8	2.5
Electricity Sales	2.9	2.4	10.3	9.7	13.8	14.4
<b>Total</b>	<b>3.2</b>	<b>2.8</b>	<b>12.0</b>	<b>11.7</b>	<b>16.5</b>	<b>16.8</b>

## Russia

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

EUR million	III/15	III/14	I-III/15	I-III/14	2014	LTM
Sales	154	207	627	774	1,055	908
- power sales	131	175	479	576	758	661
- heat sales	23	32	147	194	285	238
- other sales	0	1	2	4	11	9
Operating profit	1	1	134	102	161	193
Comparable operating profit	0	1	132	102	161	191
Comparable EBITDA	27	40	186	217	304	273
Net assets (at period-end)			2,736	3,670	2,597	
Return on net assets, %					5.6	7.4
Comparable return on net assets, %					5.6	7.3
Capital expenditure and gross investments in shares	84	105	198	261	367	304
Number of employees			4,172	4,253	4,213	

The liberalisation of the Russian wholesale power market was completed in the beginning of 2011. However, all generating companies continue to sell a part of their electricity and capacity – an

amount equalling the consumption of households and a few special groups of consumers – under regulated prices. During January-September 2015, Fortum sold approximately 83% of its power production in Russia at a liberalised electricity price.

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

The generation capacity built after 2007 under the Russian Government's capacity supply agreements (CSA – “new capacity”) receives guaranteed payments for a period of 10 years. The period and the prices for capacity under CSA were defined to ensure a sufficient return on investments. At the time of the acquisition in 2008, Fortum made a provision, as penalty clauses are included in the CSA agreement in case of possible delays. If the new capacity is delayed or if the agreed major terms of the capacity supply agreement are not otherwise fulfilled, possible penalties can be claimed. The effect of changes in the timing of commissioning of new units is assessed at each balance sheet date and the provision is changed accordingly (Note 18).

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

### July–September 2015

In the third quarter of 2015, the Russia segment's power sales volumes amounted to 5.9 (5.8) TWh and heat sales volumes totalled 2.8 (2.8) TWh.

The Russia segment's comparable operating profit was EUR 0 (1) million. The positive effect from the new units receiving CSA payments, approximately EUR 36 (36) million, was affected by EUR -19 million due to the weaker rouble. Lower electricity prices impacted the result negatively.

Operating profit was EUR 1 (1) million.

### January–September 2015

In January-September 2015, the Russia segment's power sales volumes amounted to 20.8 (18.7) TWh and heat sales volumes totalled 16.7 (17.0) TWh.

The Russia segment's comparable operating profit was EUR 132 (102) million. The positive effect from the new units receiving CSA payments amounted to approximately EUR 170 (122) million, including a EUR 32 (5) million CSA provision release and EUR -69 million due to the weaker rouble. Lower heat volumes, due to warm weather, lower electricity prices, as well as bad debt provisions for heat trade receivables impacted the result negatively. Overall, the weakened Russian rouble affected the Russia segment's result negatively by EUR 54 million.

Operating profit was EUR 134 (102) million.

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

Key electricity, capacity and gas prices for Fortum Russia	III/15	III/14	I-III/15	I-III/14	2014	LTM
Electricity spot price (market price), Urals hub, RUB/MWh	1,051	1,164	1,041	1,105	1,089	1,041
Average regulated gas price, Urals region, RUB/1000 m3	3,614	3,362	3,446	3,362	3,362	3,425
Average capacity price for CCS "old capacity", tRUB/MW/month*	134	150	146	162	167	155
Average capacity price for CSA "new capacity", tRUB/MW/month*	567	499	620	535	552	616
Average capacity price, tRUB/MW/month	319	276	346	294	304	343
Achieved power price for Fortum in Russia, EUR/MWh	28.0	31.5	27.7	31.5	30.4	27.8

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

## Discontinued operations (Distribution)

EUR million	III/15	III/14	I-III/15	I-III/14	2014	LTM
Sales	0	130	274	578	751	447
- distribution network transmission	0	97	229	452	590	367
- regional network transmission	0	23	40	94	120	66
- other sales	0	9	7	32	41	16
Operating profit	0	36	4,395	2,066	2,132	4,461
Comparable operating profit	0	36	113	200	266	179
Comparable EBITDA	0	67	163	318	416	261
Net assets (at period-end)			0	2,634	2,615	
Capital expenditure and gross investments in shares	0	29	44	89	147	102
Number of employees				380	390	

The table above includes January-May 2015 and full-year 2014 for the Swedish electricity distribution business, January-March 2014 for the Finnish electricity distribution business, and January-May 2014 for the Norwegian electricity distribution business.

### January–September 2015

In June 2015, Fortum completed the divestment of its Swedish electricity distribution business.

The transaction concluded the divestment of Fortum's Distribution segment, a process that began in 2013. The total consideration from the divestments in Finland, Sweden and Norway was approximately EUR 9.3 billion on a debt- and cash-free basis and approximately EUR 6.3 billion in non-taxable sales gains booked during 2014 and 2015.

The comparable operating profit from the discontinued operations was EUR 113 (200) million, and operating profit totalled EUR 4,395 (2,066) million, including the sales gain of approximately EUR 4.3 billion from the divestment of the Swedish electricity distribution business (approximately EUR 1.9 billion from Finnish and Norwegian operations in 2014).

# Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares for continuing operations totalled EUR 171 (237) million in the third quarter of 2015.

Capital expenditures and investments in shares for continuing operations totalled EUR 391 (492) million in January-September 2015. Investments, excluding acquisitions, were EUR 385 (432) million (Note 4).

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

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts
<b>Power and Technology</b>				
Hydro refurbishment	Hydro	12		2015
<b>Russia*</b>				
Chelyabinsk 1	Gas (CCGT)	248	175	2H 2015
Chelyabinsk 2	Gas (CCGT)	248	175	2H 2015

\* Start of commercial operation

## Power and Technology

Through its interest in Teollisuuden Voima Oyj (TVO), Fortum is participating in the building of Olkiluoto 3 (OL3), a 1,600-MW nuclear power plant unit in Finland. The start of commercial electricity production of the plant is expected towards the end of 2018, according to the plant supplier AREVA-Siemens Consortium. TVO has withdrawn a EUR 200 million shareholder loan from the total EUR 600 million commitment. Fortum's share of the EUR 200 million withdrawal is approximately EUR 50 million. Fortum's remaining commitment for OL3 is EUR 100 million (Note 15).

In June 2015, the Extraordinary General Meeting of TVO decided not to apply for a construction licence for the Olkiluoto 4 (OL4) nuclear power plant during the validity of the decision-in-principle made in 2010 (Note 15).

In August 2015, Fortum decided to participate in the Fennovoima nuclear power project in Finland, with a 6.6 per cent share, on the same terms and conditions as the other Finnish companies currently participating in the project. Participation will be carried out through Voimaosakeyhtiö SF.

## Heat, Electricity Sales and Solutions

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

In addition, Fortum is participating in its joint venture Turun Seudun Energiantuotanto Oy's (TSE) new CHP plant in Naantali, Finland, which will replace the existing old plant. The plan is to commission the new power plant in 2017. The plant's production capacity will be 244 MW heat and 142 MW electricity.



In March 2015, Fortum decided to build a new multifuel CHP plant in Zabrze, Poland. The total value of the investment is approximately EUR 200 million. The new plant is planned to start commercial operation by the end of 2018. The plant's production capacity will be 145 MW heat and 75 MW electricity.

## Shares and share capital

Fortum Corporation is listed on the Nasdaq Helsinki. During January-September 2015, a total of 385.3 (361.1) million Fortum Corporation shares, totalling EUR 6,673 million, were traded. The highest quotation of Fortum Corporation shares during the reporting period was EUR 21.59, the lowest EUR 13.14, and the volume-weighted average EUR 17.54. The closing quotation on the last trading day of the quarter, 30 September 2015, was EUR 13.23 (19.31). Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the review period, was approximately EUR 11,753 million.

In addition to the Nasdaq Helsinki, Fortum shares were traded on several alternative market places, for example Boat, BATS Chi-X and Turquoise, and on the OTC market. In the first three quarters of 2015, approximately 58% of Fortum's shares were traded on markets other than the Nasdaq Helsinki.

On 30 September 2015, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 888,367,045. Fortum Corporation did not own its own shares. The number of registered shareholders was 128,682. The Finnish State's holding in Fortum was 50.8%, and the proportion of nominee registrations and direct foreign shareholders was 28.0% at the end of the review period.

On 25 March 2015, Fortum Corporation received notification pursuant to Chapter 9, Section 5, of the Securities Markets Act that Capital Group Companies Inc's ("CGC") holding in Fortum was below the threshold of 5 percent on 18 March 2015.

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

## Group personnel

Fortum's operations are mainly based in the Nordic countries, Russia and the Baltic Rim area. The total number of employees at the end of September 2015 was 7,942 (8,202 at the end of 2014).

At the end of September 2015, Power and Technology had 1,358 (1,639) employees; Heat, Electricity Sales and Solutions 1,440 (1,807); Russia 4,172 (4,213); and Other 972 (543).

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

## Research and development

Sustainability is at the core of Fortum's strategy and, alongside Fortum's current businesses, the company is carefully exploring and developing new sources of growth within renewable energy production. Fortum is particularly interested in developing environmentally-benign energy solutions (CO<sub>2</sub>-free) and new CHP concepts, such as pyrolysis. The company is also researching and

developing its solar energy competences and is also involved in wave power pilot projects. In addition, Fortum is developing new customer solutions in electricity and heat for better user experience and demand-response services.

In January, Fortum launched a greenfield solar PV plant in Kapeli, in Madhya Pradesh, India. This solar plant is Fortum's second solar energy project in the country. The 10-MW solar plant will offset more than 18,000 tonnes of CO<sub>2</sub> emissions equivalent annually. In September, the plant was awarded with the "solar project of the year" by Asian Power Awards 2015. At the end of August, Fortum delivered its first export batch of bio-oil produced in Finland. In addition, Fortum's Charge & Drive business system was chosen by a leading property company in Sweden for operating their electric vehicle charging infrastructure.

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

## Sustainability

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

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

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

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

### Fortum's sustainability targets and performance<sup>1</sup>

Targets		III/15	I-III/15	Five-year average
Specific CO <sub>2</sub> emissions from power generation in the EU as a five-year average, g/kWh	< 80	16	20	53
Specific CO <sub>2</sub> emissions from total energy production (electricity and heat) as a five-year average, g/kWh	< 200	165	178	193
Number of major EHS incidents <sup>2</sup>	≤ 27	3	15	-
Energy availability of CHP plants, %	> 95	94.5	97.0	-
Total recordable injury frequency (TRIF) for own personnel <sup>2</sup>	≤ 2.5	2.0	1.7	-
Lost workday injury frequency (LWIF) for contractors <sup>2</sup>	≤ 3.2	4.9	3.1	-
Number of serious accidents <sup>2</sup>	≤ 8	5	12	-

<sup>1</sup> Targets for reputation, customer satisfaction and energy efficiency are monitored annually.

<sup>2</sup> Includes the Distribution segment until divested.

## Economic responsibility

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

## Environmental responsibility

Fortum's environmental responsibility emphasises mitigation of climate change, efficient use of resources as well as management of the impacts of its energy production and supply chain. The company's know-how in carbon-free hydro and nuclear power production and in energy-efficient CHP production is highlighted in environmental responsibility. Fortum's Group-level environmental targets are related to CO<sub>2</sub> emissions, energy efficiency as well as major environmental, health and safety (EHS) incidents. At the end of September 2015, ISO 14001 certification covered 100% of Fortum's power and heat production worldwide.

Fortum's climate targets over the next five years are: specific CO<sub>2</sub> emissions from power generation in the EU below 80 grams per kilowatt-hour (g/kWh) and total specific CO<sub>2</sub> 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 2015, the five-year average for specific CO<sub>2</sub> emissions from power generation in the EU was at 53 (60) g/kWh and the total specific CO<sub>2</sub> emissions from energy production was at 193 (199) g/kWh, both better than the target level.

Fortum's total CO<sub>2</sub> emissions in January-September 2015 amounted to 13.4 (14.5) million tonnes (Mt), of which 1.4 (2.8) Mt were within the EU's emissions trading scheme (ETS). Since 2013, electricity production has not received free allowances in the EU ETS. The amount of free allowances for heat will also gradually decrease during 2013-2020. Fortum's free allowances for 2015 total 1.3 Mt.

Fortum's total CO <sub>2</sub> emissions (million tonnes, Mt)	III/15	III/14	I-III/15	I-III/14	2014	LTM
Total emissions	3.3	4.4	13.4	14.5	20.3	19.2
Emissions subject to ETS	0.3	1.0	1.4	2.8	3.6	2.2
Free emissions allocation					1.4	
Emissions in Russia	3.1	3.3	11.9	11.7	16.7	16.9

By 2020, Fortum's target is to improve energy efficiency of the existing power plants and heat distribution networks by over 1,400 GWh annually, as compared with 2012. At the end of 2014, about 680 GWh of this target was achieved. During January-September 2015, Fortum commissioned the Suomenoja heat pump facility in Finland and the Kapeli solar power plant in India. A flue-gas condenser was commissioned at the Joensuu power plant in October. The projects in 2015 are estimated to result in an annual energy savings of at least 350 GWh.

Fortum's target is fewer than 27 major EHS incidents annually. In January-September 2015, 15 (17) major EHS incidents had taken place in Fortum's operations: one explosion, two leaks into the environment and 12 non-compliances with environmental permits. These incidents did not have significant environmental or financial impact.

## Social responsibility

In the area of social responsibility, Fortum's innovations and the secure production of low-CO<sub>2</sub> power and heat support the development of society and increase well-being. Good corporate citizenship and ensuring a safe working environment for all employees and contractors at Fortum's sites are emphasised. At the end of September 2015, OHSAS 18001 certification covered 100% of Fortum's power and heat production worldwide.

In January-September 2015, the average energy availability of Fortum's CHP plants was 97.0% (95.4%), which is clearly above the annual target level of 95%.

At the end of September 2015, the total recordable injury frequency (TRIF) for Fortum employees was 1.7. This complies with the Group-level frequency target of less than 2.5 per million working hours for own personnel. The lost-workday injury frequency for contractors was 3.1 (3.1), which is also below targeted level of 3.2 per million working hours for contractors. The number of serious occupational accidents was 12, which is clearly too many and means that the annual target of 8 will not be met. Implementation of the agreed actions to improve contractor safety continues with a specific focus on construction projects. Fortum's target is to eliminate serious injuries by 2020.

Fortum expects its business partners to act responsibly and to comply with the Fortum Code of Conduct and the Fortum Supplier Code of Conduct. Fortum assesses the performance of its business partners with supplier pre-selection and supplier audits. In January-September 2015, Fortum audited seven suppliers in Poland, the Czech Republic, India and Kazakhstan.

## Changes in Fortum's Management

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

On 2 April 2015, Pekka Lundmark, M.Sc. (Eng.), 51, was appointed President and CEO of Fortum Corporation. Mr. Lundmark started at Fortum on 7 September 2015. He moved from Konecranes Plc, where he had been President and CEO for the past ten years. CFO Timo Karttinen acted as interim President and CEO from December 2014 until Pekka Lundmark's start date.

## Annual General Meeting 2015

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

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

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

The Annual General Meeting confirmed the remuneration of EUR 75,000 per year to the Chairman, EUR 57,000 per year to the Deputy Chairman and EUR 40,000 per year to each member of the

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

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

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

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

In September 2015, Eero Heliövaara (Chairman), Director General of Finnish Government Ownership Steering Department, Prime Minister's Office, Reima Rytsölä, Executive Vice President, Investments, Varma Mutual Pension Insurance Company and Liisa Hyssälä, Director General, The Social Insurance Institution of Finland KELA, were appointed to Fortum's Shareholders' Nomination Board. In addition, the Chairman of Fortum's Board of Directors Sari Baldauf is a member of the Shareholders' Nomination Board.

## Events after the balance sheet date

14 October 2015, OKG AB's Extraordinary shareholders' meeting decided to close the units 1 and 2 in Oskarshamn nuclear power plant in Sweden. The decision will not affect the operation of unit 3 in Oskarshamn, which is the biggest and newest unit.

15 October 2015, Fortum and Lietuvos Energija announced their intention to form a joint venture to build a waste-to-energy combined heat and power plant (CHP) in Kaunas, Lithuania. The CHP plant is expected to be commissioned in the autumn 2019. The total investment cost of the plant is approximately EUR 150 million, of which Fortum's direct commitment is approximately EUR 20 million.

## Outlook

### Key drivers and risks

Fortum's financial results are exposed to a number of economic, strategic, political, financial and operational risks. One of the key factors influencing Fortum's business performance is the wholesale price of electricity in the Nordic region. The key drivers behind the wholesale price development in the Nordic region are the supply-demand balance, prices of fuel and CO<sub>2</sub> emissions allowances as well as the hydrological situation. The completion of Fortum's investment programme in Russia is also one key driver to the company's result growth, due to the increase in production volumes and CSA payments.

The continued global and European uncertainty has kept the outlook for economic growth unpredictable. The overall economic uncertainty impacts commodity and CO<sub>2</sub> emissions allowance

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

## Nordic market

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

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

In mid-October 2015, the future quotation for coal (ICE Rotterdam) for the rest of 2015 was around USD 50 per tonne, and the price for CO<sub>2</sub> emission allowances for 2015 was about EUR 8 per tonne. The electricity forward price in Nasdaq Commodities for the rest of 2015 was around EUR 26 per MWh and for 2016 around EUR 23 per MWh. In Germany, the electricity forward price for the rest of 2015 was around EUR 31 per MWh and for 2016 around EUR 29 per MWh. Nordic water reservoirs were about 9 TWh above the long-term average and 17 TWh above the corresponding level of 2014.

## Power and Technology

The Power and Technology segment'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 changes in the power generation mix, a 1 EUR/MWh change in the Power and Technology segment's Nordic power sales (achieved) price will result in an approximately EUR 45 million change in Fortum's annual comparable operating profit. In addition, the comparable operating profit of the Power and Technology segment will be affected by the possible thermal power generation volumes and its profits.

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

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

In June 2015, the Swedish Parliament decided to approve the proposed tax increase of 17% on installed nuclear capacity. The tax was implemented as of 1 August 2015. The estimated impact on Fortum is approximately EUR 15 million annually, albeit corporate tax-deductible.

In August 2015, Fortum decided to participate in the Fennovoima nuclear power project in Finland, with a 6.6 per cent share, on the same terms and conditions as the other Finnish companies currently participating in the project. Participation will be carried out through Voimaosakeyhtiö SF.

OKG AB's Extraordinary shareholders' meeting on 14 October 2015 decided on the closure of Oskarshamn nuclear power plant units 1 and 2 in Sweden. For unit 1, it means that the unit will be taken out of operation and transferred into service mode after the applied environmental permit has been received, approximately during 2017– 2019. For unit 2, which has been out of operation since June 2013 due to an extensive safety modernisation, it means that the unit will not be put back into operation. The closing process for both units is estimated to take several years.

## 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.

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

In August 2015, the Russian Government approved changes in the CCS rules. According to the new rules, the CCS takes place annually for the next four years. The CCS for year 2016 takes place by the end of October 2015 and the CCS for 2017, 2018 and 2019 by the end of December 2015. The main feature of the new CCS model is an elastic demand curve (EDC). The parameters are set by the Government and the model features, for example, a bigger volume of capacity to be selected and paid (compared to the current model); a price cap to insure consumers against high CCS-prices; and a threshold to cover a capacity price collapse.

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

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

The value of the remaining part of Fortum's investment programme, calculated at the exchange rates prevailing at the end of September 2015, is estimated to be approximately EUR 0.1 billion, as of October 2015.

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

The targeted operating profit (EBIT) level of RUB 18.2 billion in the Russia segment is delayed by 2 to 3 years. The segment's profits are impacted by changes in power demand, gas prices and other regulatory development. The economic sanctions, currency crisis, oil price and the surge in inflation has impacted overall demand. As a result gas prices and the electricity prices have not developed favourably as expected. In addition, a regulation draft concerning the extension of CSA payments from 10 to 15 years has been submitted to the Russian Government, and a decision is anticipated, probably during 2015. The prolonged period is expected to have a neutral net present value impact. Previously the run-rate operating profit level (EBIT) was targeted to be reached during 2015 after finalising the investment programme.

The euro-denominated result level will be volatile due to the translation effect. The income statements of non-euro subsidiaries are translated into the Group reporting currency using the average exchange rates.

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

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

### Restructuring of TGC-1 according to strategy in Russia

In December 2014, Fortum, Gazprom Energoholding LLC and Rosatom State Corporation signed a protocol to start a restructuring process of the ownership of TGC-1 in Russia. The discussions have not yet come to a conclusion. It is not possible to estimate the timetable.

## Capital expenditure and divestments

Fortum currently expects its capital expenditure for its continuing operations in 2015 to be approximately EUR 600 million (EUR 800 million in Q2 2015). The annual maintenance capital expenditure is estimated to be about EUR 300-350 million in 2015, below the level of depreciation.

During 2015, Fortum will gradually decrease its financing to Fortum Värme, the CHP joint venture with the City of Stockholm operating in the capital area in Sweden. At the end of September 2015, Fortum Värme's remaining interest-bearing liability to Fortum was approximately EUR 180 million.

## Taxation

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

In August 2014, the Finnish Board of Adjustment of the Large Taxpayers' Office approved Fortum Corporation's appeal of the income tax assessment imposed on Fortum in December 2013 for the year 2007. The Tax Recipients' Legal Services Unit appealed the matter (Note 23). In December 2014, Fortum received a non-taxation decision regarding its financing companies for the remaining years 2008–2011, based on the same audit. This is in line with the Supreme Administrative Court's (SAC) precedent decision. The Tax Recipients' Legal Services Unit appealed the decisions in February 2015, and the cases for years 2008–2011 are now pending the Board of Adjustment of the Large Taxpayers' Office decision. In line with the 2007 case, Fortum considers the claims unjustifiable.

In June 2015, the Swedish Parliament approved the 17% increase on the tax on installed nuclear capacity, re-proposed by the Swedish Government. The tax was implemented as of 1 August 2015. The estimated impact on Fortum is approximately EUR 15 million annually, albeit corporate tax-deductible.

On 1 October 2015, the Court of Justice of the European Union (CJEU) issued a preliminary ruling regarding the nuclear capacity tax in Sweden. The case was originally raised by OKG AB on the grounds that the levy violates the EU's Energy Taxation Directive. According to CJEU's preliminary ruling, the Energy Taxation Directive cannot be applied to the Swedish nuclear capacity tax. The final decision will be made by the Swedish court after hearing from OKG and the tax office. In Fortum's view, the current nuclear capacity taxation in Sweden is unfair and distorts competition.



## Hedging

At the end of September 2015, approximately 65% of Power and Technology's estimated Nordic power sales volume was hedged at approximately EUR 36 per MWh for the rest of 2015. The corresponding figures for the 2016 calendar year were approximately 35% at approximately EUR 34 per MWh and for the calendar year 2017 approximately 15% at approximately EUR 33 per MWh.

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

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

## Fortum's long-term financial targets

Fortum updated its long-term financial targets in March 2015. After the divestment of Distribution, Fortum's business has a somewhat higher risk profile, which requires a stronger balance sheet in order to maintain financial flexibility. The financial targets continue to reflect the long-term business nature of the company and give relevant guidance on Fortum's view of the company's long-term value creation potential and growth strategy.

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

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

## Dividend payment

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

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

*Espoo, 21 October 2015  
Fortum Corporation  
Board of Directors*

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

## Fortum's financial information in 2016

Fortum Corporation's financial statements bulletin for the year 2015 will be published on 3 February 2016 at approximately 9: 00 EET.

Fortum's Financial statements and Operating and financial review for 2015 will be published in week 10 at the latest.

Fortum will publish three interim reports in 2016:

- January-March on 28 April 2016 at approximately 9:00 EET
- January-June on 20 July 2016 at approximately 9:00 EET
- January-September on 25 October 2016 at approximately 9:00 EET

Fortum's Annual General Meeting is planned to take place on 5 April 2016 and the possible dividend related dates planned for 2016 are:

- Ex-dividend date 6 April 2016
- Record date for dividend payment 7 April 2016
- Dividend payment date 14 April 2016

Distribution:

Nasdaq Helsinki

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[www.fortum.com](http://www.fortum.com)

More information, including detailed quarterly information, is available on Fortum's website at [www.fortum.com/investors](http://www.fortum.com/investors).

## Condensed consolidated income statement

EUR million	Note	Q3 2015	Q3 2014 restated*	Q1-Q3 2015	Q1-Q3 2014 restated*	2014 restated*	Last twelve months
<b>Continuing operations:</b>							
<b>Sales</b>	4	<b>661</b>	861	<b>2,495</b>	2,955	4,088	3,628
Other income		<b>10</b>	12	<b>29</b>	27	60	62
Materials and services		<b>-312</b>	-414	<b>-1,108</b>	-1,352	-1,825	-1,581
Employee benefits		<b>-80</b>	-89	<b>-256</b>	-277	-369	-348
Depreciation, amortisation and impairment charges	4,12,13	<b>-83</b>	-96	<b>-254</b>	-289	-377	-342
Other expenses		<b>-116</b>	-128	<b>-341</b>	-348	-492	-485
<b>Comparable operating profit</b>	4	<b>79</b>	147	<b>565</b>	715	1,085	935
Items affecting comparability		<b>-761</b>	-34	<b>-752</b>	-3	211	-538
<b>Operating profit</b>	4	<b>-682</b>	113	<b>-188</b>	712	1,296	396
Share of profit/loss of associates and joint ventures	4, 14	<b>-95</b>	1	<b>-15</b>	108	146	23
Interest expense		<b>-52</b>	-57	<b>-156</b>	-187	-249	-218
Interest income		<b>12</b>	23	<b>41</b>	65	84	60
Fair value gains and losses on financial instruments		<b>-2</b>	-9	<b>-14</b>	-10	-5	-9
Other financial expenses - net		<b>0</b>	-11	<b>6</b>	-31	-40	-3
Finance costs - net		<b>-42</b>	-54	<b>-123</b>	-163	-210	-170
<b>Profit before income tax</b>		<b>-818</b>	61	<b>-325</b>	658	1,232	249
Income tax expense	10	<b>160</b>	-3	<b>80</b>	-92	-143	29
<b>Profit for the period from continuing operations</b>		<b>-659</b>	58	<b>-246</b>	566	1,089	277
<b>Discontinued operations:</b>							
<b>Profit for the period from discontinued operations</b>	7	<b>0</b>	27	<b>4,369</b>	2,021	2,073	4,421
<b>Profit for the period</b>		<b>-659</b>	84	<b>4,123</b>	2,587	3,161	4,697
<b>Attributable to:</b>							
Owners of the parent		<b>-654</b>	85	<b>4,124</b>	2,583	3,154	4,695
Non-controlling interests		<b>-5</b>	-1	<b>-1</b>	4	7	2
		<b>-659</b>	84	<b>4,123</b>	2,587	3,161	4,697
<b>Earnings per share for profit attributable to the equity owners of the company (EUR per share)</b>							
Total Fortum		<b>-0.74</b>	0.10	<b>4.64</b>	2.91	3.55	5.28
Continuing operations		<b>-0.74</b>	0.06	<b>-0.28</b>	0.63	1.22	0.31
Discontinued operations		<b>0.00</b>	0.04	<b>4.92</b>	2.28	2.33	4.97

As Fortum currently has no dilutive instruments outstanding, diluted earnings per share is the same as basic earnings per share.

EUR million	Q3 2015	Q3 2014 restated*	Q1-Q3 2015	Q1-Q3 2014 restated*	2014 restated*	Last twelve months
<b>Comparable operating profit</b>	<b>79</b>	147	<b>565</b>	715	1,085	935
Non-recurring items	<b>-770</b>	8	<b>-778</b>	67	305	-540
Changes in fair values of derivatives hedging future cash flow	<b>5</b>	-40	<b>16</b>	-65	-91	-10
Nuclear fund adjustment	<b>3</b>	-2	<b>9</b>	-6	-3	12
Items affecting comparability	<b>-761</b>	-34	<b>-752</b>	-3	211	-538
<b>Operating profit</b>	<b>-682</b>	113	<b>-188</b>	712	1,296	396

The decision made by the Extraordinary shareholders' meeting of OKG AB to close Oskarshamn nuclear power plant units 1 and 2 in Sweden impacted the Q3/2015 net result attributable to the owners of the parent by EUR -710 million. The impact is recognised on several rows of the income statement, but major part is included in non-recurring items. See more information in Note 6.

\*Comparative period information for the income statement and cash flow for 2014 in this interim statement has been restated as Distribution segment has been treated as discontinued operations according to IFRS 5. For further information, see Notes 2 and 7.

Condensed consolidated statement of comprehensive income

EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
<b>Profit for the period</b>	<b>-659</b>	84	<b>4,123</b>	2,587	3,161	4,697
<b>Other comprehensive income</b>						
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>						
Cash flow hedges						
Fair value gains/losses in the period	46	-19	94	-24	17	135
Transfers to income statement	-13	-20	-40	-58	-70	-52
Transfers to inventory/fixed assets	-2	-1	-5	-4	-4	-5
Deferred taxes	-7	9	-11	18	12	-17
Net investment hedges						
Fair value gains/losses in the period	36	13	-12	35	149	102
Deferred taxes	-8	-3	2	-6	-28	-20
Exchange differences on translating foreign operations	-536	-193	-104	-299	-1,323	-1,128
Share of other comprehensive income of associates and joint ventures	0	-2	3	5	-3	-5
Other changes	0	0	3	-3	-3	3
	<b>-484</b>	-216	<b>-70</b>	-336	-1,253	-987
<b>Items that will not be reclassified to profit or loss in subsequent periods:</b>						
Actuarial gains/losses on defined benefit plans	43	-31	43	-36	-77	2
Actuarial gains/losses on defined benefit plans in associates	3	-12	0	-8	-13	-5
	46	-43	43	-44	-90	-3
<b>Other comprehensive income for the period from continuing operations, net of tax</b>	<b>-438</b>	-259	<b>-27</b>	-380	-1,344	-991
<b>Other comprehensive income for the period from discontinued operations, net of tax</b>	<b>0</b>	0	<b>0</b>	-10	-19	-9
<b>Total comprehensive income for the year</b>	<b>-1,096</b>	-174	<b>4,096</b>	2,197	1,799	3,698
<b>Total comprehensive income attributable to</b>						
Owners of the parent	<b>-1,086</b>	-169	<b>4,097</b>	2,199	1,815	3,713
Non-controlling interests	<b>-10</b>	-5	<b>-1</b>	-2	-16	-15
	<b>-1,096</b>	-174	<b>4,096</b>	2,197	1,799	3,698

Condensed consolidated balance sheet

EUR million	Note	Sept 30 2015	Sept 30 2014	Dec 31 2014
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	12	232	346	276
Property, plant and equipment	13	8,764	12,233	11,195
Participations in associates and joint ventures	4, 14	1,918	2,318	2,027
Share in State Nuclear Waste Management Fund	17	798	763	774
Other non-current assets		74	68	68
Deferred tax assets		119	126	98
Derivative financial instruments	5	515	478	595
Long-term interest-bearing receivables	15	943	2,096	2,041
<b>Total non-current assets</b>		<b>13,362</b>	<b>18,429</b>	<b>17,074</b>
<b>Current assets</b>				
Inventories		258	257	256
Derivative financial instruments	5	374	187	448
Trade and other receivables		574	588	830
Deposits and securities (maturity over three months)		5,642	0	757
Cash and cash equivalents		2,390	2,178	2,009
Liquid funds	16	8,032	2,178	2,766
<b>Total current assets</b>		<b>9,238</b>	<b>3,211</b>	<b>4,301</b>
<b>Total assets</b>		<b>22,599</b>	<b>21,640</b>	<b>21,375</b>
<b>EQUITY</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital		3,046	3,046	3,046
Share premium		73	73	73
Retained earnings		10,573	8,159	7,708
Other equity components		114	-24	36
<b>Total</b>		<b>13,806</b>	<b>11,255</b>	<b>10,864</b>
<b>Non-controlling interests</b>		<b>67</b>	<b>81</b>	<b>71</b>
<b>Total equity</b>		<b>13,873</b>	<b>11,336</b>	<b>10,935</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Interest-bearing liabilities	16	5,010	5,954	5,881
Derivative financial instruments	5	258	220	247
Deferred tax liabilities		546	1,265	1,159
Nuclear provisions	17	798	763	774
Other provisions	18	13	13	17
Pension obligations		107	86	140
Other non-current liabilities		158	151	154
<b>Total non-current liabilities</b>		<b>6,890</b>	<b>8,451</b>	<b>8,373</b>
<b>Current liabilities</b>				
Interest-bearing liabilities	16	1,086	1,015	1,103
Derivative financial instruments	5	123	76	76
Trade and other payables		627	762	888
<b>Total current liabilities</b>		<b>1,836</b>	<b>1,853</b>	<b>2,067</b>
<b>Total liabilities</b>		<b>8,726</b>	<b>10,303</b>	<b>10,440</b>
<b>Total equity and liabilities</b>		<b>22,599</b>	<b>21,640</b>	<b>21,375</b>

## Condensed consolidated statement of changes in total equity

	Share capital	Share premium	Retained earnings		Other equity components			Owners of the parent	Non-controlling interests	Total equity
			Retained earnings and other funds	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associated companies and joint ventures			
<b>EUR million</b>										
<b>Total equity 31 December 2014</b>	<b>3,046</b>	<b>73</b>	<b>9,676</b>	<b>-1,968</b>	<b>19</b>	<b>-5</b>	<b>22</b>	<b>10,864</b>	<b>71</b>	<b>10,935</b>
Net profit for the period			4,124					4,124	-1	4,123
Translation differences				-104	0	0	0	-104	0	-104
Other comprehensive income			1		38	36	2	78		78
Total comprehensive income for the period			4,125	-104	38	36	3	4,097	-1	4,096
Cash dividend			-1,155					-1,155		-1,155
Dividends to non-controlling interests									-2	-2
Other			-1					-1	-1	-1
<b>Total equity 30 September 2015</b>	<b>3,046</b>	<b>73</b>	<b>12,645</b>	<b>-2,072</b>	<b>58</b>	<b>31</b>	<b>25</b>	<b>13,806</b>	<b>67</b>	<b>13,873</b>
<b>Total equity 31 December 2013</b>	<b>3,046</b>	<b>73</b>	<b>7,500</b>	<b>-649</b>	<b>66</b>	<b>-51</b>	<b>38</b>	<b>10,024</b>	<b>101</b>	<b>10,124</b>
Net profit for the period			2,583					2,583	4	2,587
Translation differences				-291	-1	1	-1	-293	-6	-299
Other comprehensive income			-3		-68	-7	-3	-81	0	-81
OCI related to discontinued operations				-12		2		-10		-10
Total comprehensive income for the period			2,580	-303	-69	-5	-4	2,199	-2	2,197
Cash dividend			-977					-977		-977
Dividends to non-controlling interests									-2	-2
Changes due to business combinations			8					8	-15	-7
<b>Total equity 30 September 2014</b>	<b>3,046</b>	<b>73</b>	<b>9,111</b>	<b>-952</b>	<b>-3</b>	<b>-56</b>	<b>34</b>	<b>11,255</b>	<b>81</b>	<b>11,336</b>
<b>Total equity 31 December 2013</b>	<b>3,046</b>	<b>73</b>	<b>7,500</b>	<b>-649</b>	<b>66</b>	<b>-51</b>	<b>38</b>	<b>10,024</b>	<b>101</b>	<b>10,124</b>
Net profit for the period			3,154					3,154	7	3,161
Translation differences				-1,299	-3	2	0	-1,300	-23	-1,323
Other comprehensive income			-3		-43	44	-17	-19	0	-20
OCI related to discontinued operations				-20				-19		-19
Total comprehensive income for the period			3,151	-1,319	-47	46	-16	1,815	-16	1,799
Cash dividend			-977					-977		-977
Dividends to non-controlling interests									-2	-2
Changes due to business combinations			6					6	-11	-5
Other			-4					-4	-1	-4
<b>Total equity 31 December 2014</b>	<b>3,046</b>	<b>73</b>	<b>9,676</b>	<b>-1,968</b>	<b>19</b>	<b>-5</b>	<b>22</b>	<b>10,864</b>	<b>71</b>	<b>10,935</b>

### Translation differences

Translation differences impacted equity attributable to owners of the parent company with EUR -104 million during Q1-Q3 2015 (Q1-Q3 2014: -293). Translation differences are mainly related to SEK and RUB. Part of this translation exposure has been hedged and the foreign currency hedge result amounting to EUR 2 million during Q1-Q3 2015 (Q1-Q3 2014: 20), is included in the other OCI items.

Translation of financial information from subsidiaries in foreign currency is done using average rate for the income statement and end rate for the balance sheet. The exchange rate differences occurring from translation to EUR are booked to equity. For information regarding exchange rates used, see Note 9 Exchange rates.

### Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges, EUR 38 million during Q1-Q3 2015 (Q1-Q3 2014: -69), mainly relates to cash flow hedges hedging electricity price for future transactions, where hedge accounting is applied. When electricity price is lower/higher than the hedging price, the impact on equity is positive/negative.

### Cash dividends

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

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

## Condensed consolidated cash flow statement

EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
<b>Cash flow from operating activities</b>						
Profit for the period from continuing operations	-659	58	-246	566	1,089	277
<b>Adjustments:</b>						
Income tax expenses	-160	3	-80	92	143	-29
Finance costs - net	42	54	123	163	210	170
Share of profit of associates and joint ventures	95	-1	15	-108	-146	-23
Depreciation, amortisation and impairment charges	83	96	254	289	377	342
<b>Operating profit before depreciations</b>	<b>-598</b>	<b>209</b>	<b>66</b>	<b>1,001</b>	<b>1,673</b>	<b>738</b>
Non-cash flow items and divesting activities	762	19	703	-34	-244	493
Interest received	10	18	38	62	99	75
Interest paid	-34	-38	-230	-275	-323	-278
Dividends received	3	9	52	57	58	53
Realised foreign exchange gains and losses and other financial items	56	60	283	213	349	419
Taxes	-38	-66	-75	-111	-163	-127
<b>Funds from operations</b>	<b>161</b>	<b>210</b>	<b>836</b>	<b>912</b>	<b>1,447</b>	<b>1,371</b>
Change in working capital	-10	2	60	99	-42	-81
<b>Net cash from operating activities continuing operations</b>	<b>151</b>	<b>212</b>	<b>896</b>	<b>1,011</b>	<b>1,406</b>	<b>1,291</b>
<b>Net cash from operating activities discontinued operations</b>	<b>0</b>	<b>76</b>	<b>154</b>	<b>298</b>	<b>356</b>	<b>212</b>
<b>Total net cash from operating activities</b>	<b>151</b>	<b>288</b>	<b>1,050</b>	<b>1,310</b>	<b>1,762</b>	<b>1,502</b>
<b>Cash flow from investing activities</b>						
Capital expenditures	-138	-165	-347	-422	-622	-547
Acquisitions of shares	-1	-32	-6	-60	-69	-15
Proceeds from sales of fixed assets	16	8	26	18	26	34
Divestments of shares	0	0	27	97	473	403
Shareholder loans to associated companies and joint ventures	53	197	301	420	425	306
Change in other interest-bearing receivables	0	-9	-1	5	8	2
<b>Net cash used in investing activities continuing operations</b>	<b>-69</b>	<b>-1</b>	<b>0</b>	<b>58</b>	<b>241</b>	<b>183</b>
<b>Net cash used in investing activities discontinued operations</b>	<b>0</b>	<b>-29</b>	<b>6,303</b>	<b>2,619</b>	<b>2,574</b>	<b>6,258</b>
<b>Total net cash from investing activities</b>	<b>-69</b>	<b>-29</b>	<b>6,303</b>	<b>2,677</b>	<b>2,816</b>	<b>6,442</b>
<b>Cash flow before financing activities</b>	<b>82</b>	<b>259</b>	<b>7,353</b>	<b>3,987</b>	<b>4,578</b>	<b>7,944</b>
<b>Cash flow from financing activities</b>						
Proceeds from long-term liabilities	1	2	38	48	50	40
Payments of long-term liabilities	-717	-226	-881	-1,450	-1,480	-911
Change in short-term liabilities	74	-9	-38	-667	-580	49
Dividends paid to the owners of the parent	0	0	-1,155	-977	-977	-1,155
Other financing items	0	16	0	9	-1	-10
<b>Net cash used in financing activities continuing operations</b>	<b>-641</b>	<b>-217</b>	<b>-2,035</b>	<b>-3,037</b>	<b>-2,988</b>	<b>-1,986</b>
<b>Net cash used in financing activities discontinued operations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-19</b>	<b>-19</b>	<b>0</b>
<b>Total net cash used in financing activities</b>	<b>-641</b>	<b>-218</b>	<b>-2,035</b>	<b>-3,057</b>	<b>-3,007</b>	<b>-1,985</b>
<b>Total net increase(+)/ decrease(-) in liquid funds</b>	<b>-560</b>	<b>42</b>	<b>5,318</b>	<b>929</b>	<b>1,571</b>	<b>5,960</b>
<b>Liquid funds at the beginning of the period</b>	<b>8,612</b>	<b>2,157</b>	<b>2,766</b>	<b>1,265</b>	<b>1,265</b>	<b>2,178</b>
<b>Foreign exchange differences in liquid funds</b>	<b>-20</b>	<b>-20</b>	<b>-52</b>	<b>-16</b>	<b>-70</b>	<b>-106</b>
<b>Liquid funds at the end of the period</b>	<b>8,032</b>	<b>2,178</b>	<b>8,032</b>	<b>2,178</b>	<b>2,766</b>	<b>8,032</b>

### Non-cash flow items and divesting activities

Non-cash flow items and divesting activities Q1-Q3 2015 mainly consist of reversal non-recurring items EUR -778 million (Q1-Q3 2014: 68), unrealised fair value changes of derivatives EUR 18 million (Q1-Q3 2014: -62) and changes in provisions EUR 60 million (Q1-Q3 2014: 37). The actual proceeds for divestments are shown under cash flow from investing activities.

### Realised foreign exchange gains and losses and other financial items

Realised foreign exchange gains and losses and other financial items include foreign exchange gains and losses of EUR 249 million for Q1-Q3 2015 (Q1-Q3 2014: 216) related mainly to financing of Fortum's Swedish and Russian subsidiaries and the fact that the Group's main external financing currency is EUR. The foreign exchange gains and losses arise from rollover of foreign exchange contracts hedging these internal loans as major part of the forwards is entered into with short maturities i.e. less than twelve months.

## Additional cash flow information for continuing operations

### Change in working capital

EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Change in interest-free receivables, decrease (+)/increase (-)	24	5	199	242	4	-39
Change in inventories, decrease (+)/increase (-)	8	3	0	2	-13	-15
Change in interest-free liabilities, decrease (-)/increase (+)	-42	-5	-139	-144	-33	-28
<b>Total</b>	<b>-10</b>	<b>2</b>	<b>60</b>	<b>99</b>	<b>-42</b>	<b>-81</b>

### Capital expenditure in cash flow

EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Capital expenditure	170	205	385	432	626	579
Change in not yet paid investments, decrease(+)/increase(-)	-21	-27	-3	26	44	15
Capitalised borrowing costs	-11	-14	-35	-35	-47	-47
<b>Total</b>	<b>138</b>	<b>165</b>	<b>347</b>	<b>422</b>	<b>622</b>	<b>547</b>

Capital expenditures for intangible assets and property, plant and equipment were in Q1-Q3 2015 EUR 385 million (Q1-Q3 2014: 432). Capital expenditure in cash flow in Q1-Q3 2015 EUR 347 million (Q1-Q3 2014: 422) is without not yet paid investments i.e. change in trade payables related to investments EUR -3 million (Q1-Q3 2014: 26) and capitalised borrowing costs EUR -35 million (Q1-Q3 2014: -35), which are presented in interest paid.

### Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 6 million during Q1-Q3 2015 (Q1-Q3 2014: 60).

### Divestment of shares in cash flow

EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Proceeds from sales of subsidiaries, net of cash disposed	0	0	0	95	160	65
Proceeds from sales of associates	0	0	27	1	311	337
Proceeds from available for sale financial assets	0	0	0	1	1	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>97</b>	<b>473</b>	<b>403</b>



## Change in net debt, total Fortum

EUR million	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	Last twelve months
<b>Net debt beginning of the period</b>	<b>-1,846</b>	5,008	<b>4,217</b>	7,793	7,793	4,790
Foreign exchange rate differences	<b>-24</b>	30	<b>54</b>	-68	-81	41
EBITDA	<b>-599</b>	276	<b>4,510</b>	3,185	3,954	5,279
Paid net financial costs, taxes and adjustments for non-cash and divestment items	<b>759</b>	-3	<b>-3,563</b>	-2,015	-2,147	-3,695
Change in working capital	<b>-10</b>	15	<b>103</b>	140	-46	-83
Capital expenditures	<b>-138</b>	-194	<b>-413</b>	-524	-768	-657
Acquisitions	<b>-1</b>	-33	<b>-6</b>	-60	-69	-15
Divestments	<b>17</b>	9	<b>6,215</b>	2,705	3,089	6,599
Proceeds from the interest-bearing receivables relating to divestments	<b>0</b>	0	<b>207</b>	131	131	207
Shareholder loans to associated companies	<b>53</b>	197	<b>301</b>	420	425	306
Change in other interest-bearing receivables	<b>0</b>	-9	<b>-1</b>	5	8	2
Dividends	<b>0</b>	0	<b>-1,155</b>	-977	-977	-1,155
Other financing activities	<b>0</b>	16	<b>0</b>	9	-1	-10
Net cash flow (- increase in net debt)	<b>82</b>	275	<b>6,199</b>	3,018	3,600	6,781
Fair value change of bonds, amortised cost valuation and other	<b>16</b>	27	<b>-8</b>	83	105	14
<b>Net debt end of the period</b>	<b>-1,936</b>	4,790	<b>-1,936</b>	4,790	4,217	-1,936

## Key ratios

	Sept 30 2015	Sept 30 2014	Dec 31 2014	Last twelve months
EBITDA total Fortum, EUR million	4,510	3,185	3,954	<b>5,279</b>
EBITDA continuing operations, EUR million	66	1,001	1,673	<b>738</b>
Comparable EBITDA total Fortum, EUR million	950	1,317	1,873	<b>1,506</b>
Comparable EBITDA continuing operations, EUR million	787	1,000	1,457	<b>1,244</b>
Earnings per share total Fortum (basic) EUR	4.64	2.91	3.55	<b>5.28</b>
Earnings per share continuing operations (basic), EUR	-0.28	0.63	1.22	<b>0.31</b>
Earnings per share discontinued operations (basic), EUR	4.92	2.28	2.33	<b>4.97</b>
Capital employed, EUR million	19,969	18,305	17,918	
Interest-bearing net debt, EUR million	-1,936	4,790	4,217	
Interest-bearing net debt without Värme financing, EUR million	-2,113	4,152	3,664	
Capital expenditure and gross investments in shares total Fortum, EUR million	435	581	843	<b>697</b>
Capital expenditure total Fortum, EUR million	429	521	774	<b>682</b>
Capital expenditure and gross investments in shares continuing operations, EUR million	391	492	695	<b>594</b>
Capital expenditure continuing operations, EUR million	385	432	626	<b>579</b>
Return on capital employed total Fortum, %	23.5	17.4	19.5	<b>25.8</b>
Return on shareholders' equity total Fortum, %	34.8	26.4	30.0	<b>37.3</b>
Net debt / EBITDA total Fortum	-0.4	1.3	1.1	<b>-0.4</b>
Comparable net debt / EBITDA total Fortum	-1.5	2.7	2.3	<b>-1.3</b>
Comparable net debt / EBITDA without Värme financing total Fortum	-1.7	2.4	2.0	<b>-1.4</b>
Interest coverage total Fortum	36.2	21.7	19.9	<b>30.3</b>
Interest coverage including capitalised borrowing costs total Fortum	27.8	17.0	15.7	<b>23.4</b>
Funds from operations/interest-bearing net debt total Fortum, %	-60.9	31.1	42.9	<b>-81.9</b>
Funds from operations/interest-bearing net debt without Värme financing total Fortum, %	-55.8	35.8	49.3	<b>-75.0</b>
Gearing, %	-14	42	39	
Equity per share, EUR	15.54	12.67	12.23	
Equity-to-assets ratio, %	61	52	51	
Number of employees continuing operations	<b>7,942</b>	8,321	8,202	
Average number of employees continuing operations	<b>8,053</b>	8,364	8,329	
Average number of shares, 1 000 shares	<b>888,367</b>	888,367	888,367	888,367
Diluted adjusted average number of shares, 1 000 shares	<b>888,367</b>	888,367	888,367	888,367
Number of registered shares, 1 000 shares	<b>888,367</b>	888,367	888,367	888,367

For definitions, see Note 26.

## Notes to the condensed consolidated interim financial statements

### 1. Basis of preparation

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

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

### 2. Accounting policies

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

#### Discontinued operations

On 15 April 2015 Fortum published a stock exchange release regarding the IFRS 5 restatement of income statement and cash flow for 2014. As described in the release, Distribution segment is treated as discontinued operations from the first quarter interim report 2015 onwards. The income statement and cash flow for the comparative period 2014 have been restated accordingly. Reclassification of discontinued operations does not impact the balance sheet.

More information on the impact of the reclassification can be found in Note 7 and the stock exchange release published on 15 April 2015.

### 3. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In this interim report Fortum has estimated the impact of the early closure of nuclear power plant units 1 and 2 in Fortum's associated company OKG Aktiebolag (OKG) located in Oskarshamn, Sweden. The closing process will take several years and Fortum will monitor the impacts.

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

### 4. Segment information

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

The distribution operations have been classified as discontinued operations from the first quarter interim report 2015 onwards. See further information on the reclassification in Note 7 and in the stock exchange release on 15 April 2015.

Due to the seasonal nature of Fortum's operations the comparable operating profits are usually higher for the first and fourth quarter of the year.

Sales		Q3 2014	Q1-Q3	Q1-Q3	2014	Last
EUR million	Q3 2015	restated	2015	restated	restated	twelve
Power sales excluding indirect taxes	522	716	1,890	2,267	3,102	2,725
Heating sales	72	94	439	524	753	668
Other sales	68	52	165	163	233	235
<b>Total for continuing operations</b>	<b>661</b>	<b>861</b>	<b>2,495</b>	<b>2,955</b>	<b>4,088</b>	<b>3,628</b>
Discontinued operations (Distribution)	0	115	243	511	662	394
<b>Total</b>	<b>660</b>	<b>976</b>	<b>2,738</b>	<b>3,466</b>	<b>4,751</b>	<b>4,023</b>

Sales by segment		Q3 2014	Q1-Q3	Q1-Q3	2014	Last
EUR million	Q3 2015	restated	2015	2014	restated	twelve
Power and Technology <sup>1)</sup>	377	495	1,282	1,568	2,156	1,870
- of which internal	14	8	65	62	85	88
Heat, Electricity Sales and Solutions <sup>1)</sup>	185	224	835	939	1,332	1,228
- of which internal	-5	4	-5	26	34	3
Russia	154	207	627	774	1,055	908
- of which internal	0	0	0	0	0	0
Other <sup>1)</sup>	28	14	86	42	58	102
- of which internal	17	11	59	33	44	70
Netting of Nord Pool transactions <sup>2)</sup>	-57	-67	-240	-301	-422	-361
Eliminations	-26	-12	-95	-66	-91	-120
<b>Total for continuing operations</b>	<b>661</b>	<b>861</b>	<b>2,495</b>	<b>2,955</b>	<b>4,088</b>	<b>3,628</b>
Discontinued operations (Distribution)	0	130	274	578	751	447
Eliminations <sup>3)</sup>	0	-15	-31	-68	-89	-52
<b>Total</b>	<b>660</b>	<b>976</b>	<b>2,738</b>	<b>3,466</b>	<b>4,751</b>	<b>4,023</b>

<sup>1)</sup> 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.

<sup>2)</sup> 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.

<sup>3)</sup> Sales to and from discontinued operations.

Comparable operating profit by segment		Q3 2014	Q1-Q3	Q1-Q3	2014	Last
EUR million	Q3 2015	restated	2015	2014	restated	twelve
Power and Technology	102	167	419	601	877	695
Heat, Electricity Sales and Solutions	-13	-4	55	55	104	104
Russia	0	1	132	102	161	191
Other	-10	-16	-42	-43	-57	-56
<b>Total for continuing operations</b>	<b>79</b>	<b>147</b>	<b>565</b>	<b>715</b>	<b>1,085</b>	<b>935</b>
Discontinued operations (Distribution)	0	36	113	200	266	179
<b>Total</b>	<b>79</b>	<b>183</b>	<b>678</b>	<b>915</b>	<b>1,351</b>	<b>1,114</b>

Operating profit by segment		Q3 2014	Q1-Q3	Q1-Q3	2014	Last
EUR million	Q3 2015	restated	2015	2014	restated	twelve
Power and Technology	-651	124	-332	537	855	-14
Heat, Electricity Sales and Solutions	-22	4	51	116	337	272
Russia	1	1	134	102	161	193
Other	-9	-16	-41	-44	-58	-55
<b>Total for continuing operations</b>	<b>-682</b>	<b>113</b>	<b>-188</b>	<b>712</b>	<b>1,296</b>	<b>396</b>
Discontinued operations (Distribution)	0	36	4,395	2,066	2,132	4,461
<b>Total</b>	<b>-682</b>	<b>149</b>	<b>4,207</b>	<b>2,778</b>	<b>3,428</b>	<b>4,857</b>

Non-recurring items by segment		Q3 2014	Q1-Q3	Q1-Q3	2014	Last
EUR million	Q3 2015	restated	2015	2014	restated	twelve
Power and Technology	-770	1	-782	6	52	-736
Heat, Electricity Sales and Solutions	0	8	3	61	254	196
Russia	0	0	1	0	0	1
Other	0	0	0	0	0	0
<b>Total for continuing operations</b>	<b>-770</b>	<b>8</b>	<b>-778</b>	<b>67</b>	<b>305</b>	<b>-540</b>
Discontinued operations (Distribution)	0	0	4,282	1,865	1,865	4,282
<b>Total</b>	<b>-770</b>	<b>8</b>	<b>3,504</b>	<b>1,933</b>	<b>2,171</b>	<b>3,742</b>

Non-recurring items of Power and Technology segment in Q3/2015 relates to impairment charges regarding the Swedish nuclear company, OKG Aktiebolag (OKG AB) EUR -784 million and sales gains from sale of property, plant and equipment, EUR 15 million. For additional information regarding OKG AB impairments, see Note 6. In Q2/2015 the non-recurring items in Power and Technology segment included EUR -15 million arising from Teollisuuden Voima Oyj's (TVO) decision to discontinue the Olkiluoto 4 project.

Sales gain from the Swedish electricity distribution business of approximately EUR 4.3 billion (Finnish and Norwegian electricity distribution business of approximately EUR 1.9 billion) is included in the non-recurring items in Discontinued operations, see Note 7 and 8.

Other items affecting comparability by segment						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power and Technology <sup>1)</sup>	17	-43	31	-70	-73	28
Heat, Electricity Sales and Solutions	-9	1	-8	0	-20	-28
Russia	1	0	1	0	0	1
Other	1	0	1	0	0	1
<b>Total for continuing operations</b>	<b>9</b>	<b>-42</b>	<b>25</b>	<b>-70</b>	<b>-94</b>	<b>1</b>
Discontinued operations (Distribution)	0	0	-1	1	0	-2
<b>Total</b>	<b>9</b>	<b>-42</b>	<b>24</b>	<b>-69</b>	<b>-94</b>	<b>-1</b>

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

	3	-2	9	-6	-3	12
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Other items affecting comparability mainly include effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39. Other segment includes mainly the effect arising from changes in hedge accounting status on group level. In Power and Technology segment there are also effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund where the asset in the balance sheet cannot exceed the related liabilities according to IFRIC interpretation 5. See more information in Note 17.

Comparable EBITDA by segment						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power and Technology	131	197	506	692	998	812
Heat, Electricity Sales and Solutions	12	20	129	130	204	203
Russia	27	40	186	217	304	273
Other	-7	-15	-35	-39	-49	-45
<b>Total for continuing operations</b>	<b>163</b>	<b>242</b>	<b>787</b>	<b>1,000</b>	<b>1,457</b>	<b>1,244</b>
Discontinued operations (Distribution)	0	67	163	318	416	261
<b>Total</b>	<b>162</b>	<b>309</b>	<b>950</b>	<b>1,317</b>	<b>1,873</b>	<b>1,506</b>

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

Depreciation, amortisation and impairment charges by segment						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power and Technology	30	30	87	91	121	117
Heat, Electricity Sales and Solutions	25	25	73	75	100	98
Russia	27	39	86	119	147	114
Other	2	2	7	4	8	11
<b>Total for continuing operations</b>	<b>83</b>	<b>96</b>	<b>254</b>	<b>289</b>	<b>377</b>	<b>342</b>
Discontinued operations (Distribution)	0	31	50	118	150	82
<b>Total</b>	<b>83</b>	<b>126</b>	<b>303</b>	<b>407</b>	<b>526</b>	<b>422</b>

Share of profit/loss in associates and joint ventures by segment						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power and Technology <sup>1), 2), 3)</sup>	-106	-7	-115	-27	-14	-102
Heat, Electricity Sales and Solutions	-6	0	34	63	88	59
Russia	6	5	34	36	35	33
Other	11	4	32	35	37	34
<b>Total for continuing operations</b>	<b>-95</b>	<b>1</b>	<b>-15</b>	<b>108</b>	<b>146</b>	<b>23</b>
Discontinued operations (Distribution)	0	0	0	3	3	0
<b>Total</b>	<b>-95</b>	<b>1</b>	<b>-15</b>	<b>111</b>	<b>149</b>	<b>23</b>

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

	1	2	1	-2	-1	2
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<sup>2)</sup> The main part of the associated companies in Power and Technology are power production companies from which Fortum purchases produced electricity at production costs including interest costs, production taxes and income taxes.

<sup>3)</sup> Q3/2015 includes impairment charges EUR -104 million, see Note 6.

Participation in associates and joint ventures by segment			
EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Power and Technology	748	859	859
Heat, Electricity Sales and Solutions	499	623	523
Russia	350	472	326
Other	321	364	319
<b>Total</b>	<b>1,918</b>	<b>2,318</b>	<b>2,027</b>

See Note 14 for information on participation in associates and joint ventures and Note 8 for information on divestments of associated company shares.

Capital expenditure by segment						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power and Technology	52	65	117	137	197	177
Heat, Electricity Sales and Solutions	33	30	66	56	86	96
Russia	84	105	198	234	340	304
Other	1	5	4	5	3	2
<b>Total for continuing operations</b>	<b>170</b>	<b>205</b>	<b>385</b>	<b>432</b>	<b>626</b>	<b>579</b>
Discontinued operations (Distribution)	0	29	44	89	147	102
<b>Total</b>	<b>170</b>	<b>234</b>	<b>429</b>	<b>521</b>	<b>774</b>	<b>682</b>
Of which capitalised borrowing costs	11	14	35	35	47	47

Gross investments in shares by segment						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power and Technology	0	1	5	1	2	6
Heat, Electricity Sales and Solutions	0	29	1	29	37	9
Russia	0	0	0	27	27	0
Other	0	3	0	3	4	1
<b>Total for continuing operations</b>	<b>1</b>	<b>32</b>	<b>6</b>	<b>60</b>	<b>69</b>	<b>15</b>

Gross divestments of shares by segment						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power and Technology	0	0	0	1	67	66
Heat, Electricity Sales and Solutions	0	0	27	136	446	337
Russia	0	0	0	1	0	-1
Other	0	0	0	2	2	0
<b>Total for continuing operations</b>	<b>0</b>	<b>0</b>	<b>27</b>	<b>140</b>	<b>515</b>	<b>402</b>
Discontinued operations (Distribution)	0	0	6,369	2,682	2,681	6,368
<b>Total</b>	<b>0</b>	<b>1</b>	<b>6,396</b>	<b>2,821</b>	<b>3,196</b>	<b>6,771</b>

See Note 8 and additional cash flow information for more information about gross divestments in shares.

Net assets by segment			
EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Power and Technology	5,944	6,083	6,001
Heat, Electricity Sales and Solutions	2,049	2,188	2,112
Russia	2,736	3,670	2,597
Other	240	338	496
Net assets related to discontinued operations (Distribution)		2,634	2,615
<b>Total</b>	<b>10,970</b>	<b>14,913</b>	<b>13,820</b>

Comparable return on net assets by segment			Last twelve months	Dec 31 2014 restated
%				
Power and Technology			11.6	14.2
Heat, Electricity Sales and Solutions			7.7	8.7
Russia			7.3	5.6
Other			-7.9	-5.8

Return on net assets by segment			Last twelve months	Dec 31 2014 restated
%				
Power and Technology			-1.9	13.6
Heat, Electricity Sales and Solutions			15.6	19.1
Russia			7.4	5.6
Other			-7.2	-5.3

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 2015	Sept 30 2014	Dec 31 2014
Power and Technology	7,027	7,071	7,064
Heat, Electricity Sales and Solutions	2,482	2,616	2,650
Russia	2,866	3,904	2,769
Other	454	482	643
Discontinued operations (Distribution)		2,712	2,707
Eliminations	-133	-151	-186
<b>Assets included in net assets</b>	<b>12,695</b>	<b>16,635</b>	<b>15,647</b>
Interest-bearing receivables	944	2,101	2,045
Deferred taxes	119	126	98
Other assets	809	599	818
Liquid funds	8,032	2,178	2,766
<b>Total assets</b>	<b>22,599</b>	<b>21,640</b>	<b>21,375</b>

Liabilities by segments			
EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Power and Technology	1,084	988	1,063
Heat, Electricity Sales and Solutions	433	429	538
Russia	129	234	172
Other	213	145	147
Discontinued operations (Distribution)		78	92
Eliminations	-133	-151	-186
<b>Liabilities included in net assets</b>	<b>1,726</b>	<b>1,722</b>	<b>1,827</b>
Deferred tax liabilities	546	1,265	1,159
Other liabilities	359	345	470
<b>Total liabilities included in capital employed</b>	<b>2,630</b>	<b>3,331</b>	<b>3,456</b>
Interest-bearing liabilities	6,096	6,969	6,983
Total equity	13,873	11,336	10,935
<b>Total equity and liabilities</b>	<b>22,599</b>	<b>21,640</b>	<b>21,375</b>

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

Number of employees	Sept 30 2015	Sept 30 2014	Dec 31 2014 restated
Power and Technology	1,358	1,678	1,639
Heat, Electricity Sales and Solutions	1,440	1,862	1,807
Russia	4,172	4,253	4,213
Other	972	528	543
<b>Total for continuing operations</b>	<b>7,942</b>	<b>8,321</b>	<b>8,202</b>
Discontinued operations (Distribution)		380	390
<b>Total</b>		<b>8,701</b>	<b>8,592</b>

Average number of employees	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated
Power and Technology	1,403	1,697	1,685
Heat, Electricity Sales and Solutions	1,469	1,943	1,913
Russia	4,190	4,188	4,196
Other	990	537	536
<b>Total for continuing operations</b>	<b>8,053</b>	<b>8,364</b>	<b>8,329</b>
Discontinued operations (Distribution)		524	492
<b>Total</b>		<b>8,888</b>	<b>8,821</b>

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

IT and customer service functions were centralised in January 2015.

## 5. Financial risk management

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

### Fair value hierarchy information

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

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

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

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

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

### Financial assets

EUR million	Level 1			Level 2			Level 3			Netting <sup>2)</sup>			Total		
	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014
<b>In non-current assets</b>															
Available for sale financial assets <sup>1)</sup>	1	1	1				28	29	29				29	30	30
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				37	15	6				-8	-5	-5	29	10	1
Non-hedge accounting	1			169	62	66				-63	-19	-17	107	43	49
Interest rate and currency derivatives															
Hedge accounting				239	214	335							239	214	335
Non-hedge accounting				123	205	206							123	205	206
Oil and other futures and forward contracts															
Non-hedge accounting	25	8	1		1	6				-9	-3	-3	17	7	3
<b>Total in non-current assets</b>	<b>27</b>	<b>9</b>	<b>2</b>	<b>568</b>	<b>497</b>	<b>619</b>	<b>28</b>	<b>29</b>	<b>29</b>	<b>-80</b>	<b>-27</b>	<b>-25</b>	<b>544</b>	<b>508</b>	<b>625</b>
<b>In current assets</b>															
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				93	56	79				-12	-13	-11	81	44	67
Non-hedge accounting		2		250	91	153				-174	-54	-106	76	40	47
Interest rate and currency derivatives															
Hedge accounting				77	19	48							77	19	48
Non-hedge accounting				111	55	274							111	55	274
Oil and other futures and forward contracts															
Non-hedge accounting	52	49	30		4	9				-25	-22	-26	28	30	12
<b>Total in current assets</b>	<b>52</b>	<b>51</b>	<b>30</b>	<b>531</b>	<b>225</b>	<b>563</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-211</b>	<b>-89</b>	<b>-143</b>	<b>374</b>	<b>187</b>	<b>448</b>
<b>Total</b>	<b>79</b>	<b>60</b>	<b>32</b>	<b>1,099</b>	<b>722</b>	<b>1,182</b>	<b>28</b>	<b>29</b>	<b>29</b>	<b>-291</b>	<b>-116</b>	<b>-168</b>	<b>918</b>	<b>696</b>	<b>1,073</b>



Financial liabilities

EUR million	Level 1			Level 2			Level 3			Netting <sup>2)</sup>			Total		
	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014
<b>In non-current liabilities</b>															
Interest-bearing liabilities <sup>3)</sup>				1,268	1,258	1,454							1,063	1,258	1,454
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				12	13	11				-8	-5	-5	4	8	7
Non-hedge accounting				158	57	62				-64	-19	-17	95	38	45
Interest rate and currency derivatives															
Hedge accounting				84	79	96							84	79	96
Non-hedge accounting				57	92	96							57	92	96
Oil and other futures and forward contracts															
Non-hedge accounting	27	5	5			2				-9	-3	-3	18	3	3
<b>Total in non-current liabilities</b>	<b>27</b>	<b>5</b>	<b>5</b>	<b>1,579</b>	<b>1,499</b>	<b>1,721</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-81</b>	<b>-27</b>	<b>-25</b>	<b>1,321</b>	<b>1,478</b>	<b>1,701</b>
<b>In current liabilities</b>															
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				14	14	12				-12	-13	-11	1	2	1
Non-hedge accounting				213	65	134				-174	-54	-106	40	12	27
Interest rate and currency derivatives															
Hedge accounting				7	18	22							7	18	22
Non-hedge accounting				60	31	22							60	31	22
Oil and other futures and forward contracts															
Non-hedge accounting	40	36	29			2				-25	-22	-26	15	14	4
<b>Total in current liabilities</b>	<b>40</b>	<b>36</b>	<b>29</b>	<b>294</b>	<b>128</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-211</b>	<b>-89</b>	<b>-143</b>	<b>123</b>	<b>76</b>	<b>76</b>
<b>Total</b>	<b>67</b>	<b>41</b>	<b>34</b>	<b>1,873</b>	<b>1,627</b>	<b>1,913</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-292</b>	<b>-116</b>	<b>-168</b>	<b>1,444</b>	<b>1,554</b>	<b>1,778</b>

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

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

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

Net fair value amount of interest rate and currency derivatives is EUR 343 million, assets EUR 551 million and liabilities EUR 208 million. Fortum has cash collaterals based on Credit Support Annex agreements with some counterparties. At the end of September 2015 Fortum had received EUR 200 million from Credit Support Annex agreements. The received cash has been booked as short term liability.

Regarding the relevant interest-bearing liabilities, see Note 16 Interest-bearing liabilities, liquid funds and net debt and Note 19 Pledged assets.

## 6. Effects from early closure of unit 1 and 2 in OKG AB

The financial impacts of the decision on 14 October 2015 to close early units 1 and 2 in Oskarshamn, Sweden are recognised in this interim report. OKG Aktiebolag's (OKG) Board of Directors decided on 30 September to invite an Extraordinary shareholders' meeting on 14 October 2015 in order to be able to make a decision on the closing of the units 1 and 2 in Oskarshamn nuclear power plant. E.ON is the majority owner of OKG and can unilaterally decide on the closing of units.

OKG is a non profit making company and sells produced electricity at production costs to its owners in proportion to the ownership. OKG is funded entirely by its shareholders. Fortum's part of the funding is recognised as long-term interest bearing receivables, which are increased when OKG needs additional funds and decreased when OKG invoices Fortum for the produced electricity.

OKG's impairment charges in Fortum income statement	
EUR million	Q3 2015
<b>Comparable operating profit</b>	<b>0</b>
Items affecting comparability	-784
<b>Operating profit</b>	<b>-784</b>
Share of profit/loss of associates and joint ventures	-104
<b>Profit before income tax</b>	<b>-888</b>
Income tax expenses	173
<b>Profit for the period from continuing operations</b>	<b>-715</b>
<b>Attributable to:</b>	
Owners of the parent	-710
Non-controlling interests	-5

Earnings per share effect of the closing of Oskarshamn 1 and 2 nuclear units in Sweden is EUR -0.80 per share.

Items affecting comparability include EUR -564 million which mainly relates to write-down of existing assets in OKG. Impairment charges also include a provision of EUR -220 million, which relates to additional future costs due to the early closure of units 1 and 2 as well as to future committed investments. These future costs and investments will have an impact on Fortum's net cash when they occur. The total amount of EUR -784 million has been netted against the shareholder loans to OKG, since it will be invoiced to Fortum.

Share of profit/loss in associates and joint ventures includes the impairment of IFRS adjustments related to units 1 and 2 for OKG in Fortum's consolidated financial statements, mainly related to write-down of asset retirement obligations and capitalised borrowing costs. These adjustments are recognised net of taxes. The asset retirement obligation represents the future costs for decommissioning of the nuclear power plant. The initial net present value of the provision for decommissioning (at the time of commissioning the nuclear power plant) has been included in the investment cost and is depreciated over the estimated operating time of the nuclear power plant.

Income tax expenses relates to the items affecting comparability.

## 7. Discontinued operations

In March 2015 Fortum signed a binding agreement to sell the Swedish Distribution business. The transaction was completed in June 2015. In 2014 Fortum divested both the Finnish and Norwegian Distribution operations. For information regarding the divestments see Note 8.

After the divestment of the Swedish Distribution business Fortum does not have any distribution operations and therefore Distribution segment has been treated as discontinued operations since the first quarter 2015 according to IFRS 5 Non-current Assets held for Sale and Discontinued operations. Discontinued operations are disclosed on one line, net of tax, in the face of the income statement. In the cash flow statement the net cash flows attributable to the operating, investing and financing activities of the discontinued operations are disclosed separately. In accordance with IFRS 5 the 2014 comparable information for income statement and cash flow statement has been restated.

Discontinued operations include the distribution operations in Fortum, including sales gains from the divestment of Swedish operations in June 2015 and Finnish and Norwegian distribution operations in 2014, and effects from internal sales and purchases have also been included. The net financial costs allocated to discontinued operations are based on the fact that the financing activities and risk management have been centralised on group level and subsidiaries have been funded with intra-group loans. No corporate overhead costs have been allocated to the discontinued operations. The assets relating to Distribution businesses have continued to be depreciated until the businesses were disposed.

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

Results of discontinued operations						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Sales	0	115	243	511	662	394
Other income	0	1	2	10	15	7
Materials and services	0	-20	-34	-92	-114	-56
Employee benefits	0	-7	-14	-35	-44	-23
Depreciation, amortisation and impairment charges	0	-31	-50	-118	-150	-82
Other expenses	0	-23	-34	-76	-104	-62
<b>Comparable operating profit</b>	<b>0</b>	<b>36</b>	<b>113</b>	<b>200</b>	<b>266</b>	<b>179</b>
Changes in fair values of derivatives	0	0	-1	1	0	-2
Capital gains <sup>1)</sup>	0	0	4,282	1,865	1,865	4,282
<b>Operating profit</b>	<b>0</b>	<b>36</b>	<b>4,395</b>	<b>2,066</b>	<b>2,132</b>	<b>4,461</b>
Share of profit/loss of associates and joint ventures	0	0	0	3	3	0
Finance costs - net	0	-2	-1	-6	-7	-2
<b>Profit before income tax</b>	<b>0</b>	<b>34</b>	<b>4,393</b>	<b>2,063</b>	<b>2,128</b>	<b>4,458</b>
Income tax expenses	0	-8	-24	-42	-56	-38
<b>Profit for the year from discontinued operations attributable to the owners of the parent</b>	<b>0</b>	<b>27</b>	<b>4,369</b>	<b>2,021</b>	<b>2,073</b>	<b>4,421</b>

<sup>1)</sup> Including gains on sale of shares of Swedish Distribution in Q2 2015 and Finnish and Norwegian Distribution in 2014. All gains are tax exempt.

Net cash flows attributable to the discontinued operations						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Net cash from operating activities	0	76	154	298	356	212
Net cash used in investing activities	0	-29	6,303	2,619	2,574	6,258
Net cash from financing activities	0	0	0	-19	-19	0
<b>Total net increase in liquid funds</b>	<b>0</b>	<b>47</b>	<b>6,457</b>	<b>2,898</b>	<b>2,911</b>	<b>6,470</b>

## 8. Acquisitions and disposals

### Acquisitions

There were no material acquisitions during the first three quarters of 2015.

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

### Disposals

#### *Disposals during 2015*

In March 2015 Fortum signed a binding agreement to sell the Swedish Distribution business to a consortium comprising Swedish national pension funds Första AP-Fonden (12.5%) and Tredje AP-Fonden (20.0%), Swedish mutual insurance and pension savings company Folksam (17.5%) and the international infrastructure investor, Borealis Infrastructure Management Inc. (50%). The divestment was completed on 1 June 2015. The total consideration from the divestment is SEK 60.6 billion on a debt- and cash-free basis corresponding to approximately EUR 6.5 billion. Fortum recognised a one-time sales gain of approximately EUR 4.3 billion corresponding to close to EUR 5 per share. The sales gain is reported as part of the second quarter 2015 results of the discontinued operations. Distribution segment has been presented as discontinued operations since the first quarter of 2015.

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

#### *Disposals during 2014*

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

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

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

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

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

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

**Gross divestments of shares, Fortum total operations**

EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Gross divestments in subsidiary companies <sup>1)</sup>	0	0	6,369	2,819	2,884	6,434
Gross divestments in associated companies	0	0	27	1	311	337
Gross divestments of available for sale financial assets	0	0	0	1	1	0
<b>Gross divestment of shares</b>	<b>0</b>	<b>1</b>	<b>6,395</b>	<b>2,821</b>	<b>3,196</b>	<b>6,770</b>

**Divestments of shares in subsidiaries - Impact on financial position**

EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Gross divestments in subsidiary companies <sup>1)</sup>	0	0	6,369	2,819	2,884	6,434
Proceeds from interest-bearing receivables	0	0	207	135	134	206
<b>Sales price for the shares (net of cash)</b>	<b>0</b>	<b>0</b>	<b>6,162</b>	<b>2,684</b>	<b>2,750</b>	<b>6,228</b>
Liquid funds in sold subsidiaries	0	0	12	9	10	13
<b>Sales price received</b>	<b>0</b>	<b>0</b>	<b>6,174</b>	<b>2,692</b>	<b>2,761</b>	<b>6,243</b>
Intangible assets and property, plant and equipment <sup>2)</sup>	0	0	2,577	1,319	1,342	2,600
Other non-current and current assets	0	0	120	185	204	139
Liquid funds	0	0	12	9	10	13
Interest-bearing loans	0	0	-207	-135	-131	-203
Other liabilities and provisions	0	0	-611	-603	-622	-630
<b>Net assets divested</b>	<b>0</b>	<b>0</b>	<b>1,891</b>	<b>775</b>	<b>803</b>	<b>1,919</b>
<b>Gain on sale</b>	<b>0</b>	<b>0</b>	<b>4,282</b>	<b>1,917</b>	<b>1,958</b>	<b>4,323</b>

<sup>1)</sup> In addition to the proceeds from shares and repayments of interest-bearing debt in sold subsidiary, totalling approximately EUR 6.4 billion, Swedish distribution paid group contribution liability net of cash amounting to approximately EUR 0.1 billion as a part of the total consideration of the divestment of Swedish distribution.

<sup>2)</sup> Divestments of subsidiaries include assets and liabilities that were classified as Assets held for sale in the balance sheet as of December 2013.

**9. 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 2015	Jan-June 2015	Jan-March 2015	Jan-Dec 2014	Jan-Sept 2014	Jan-June 2014	Jan-March 2014
Sweden (SEK)	9.3656	9.3260	9.3534	9.1004	9.0380	8.9774	8.8777
Norway (NOK)	8.8749	8.6949	8.7883	8.3940	8.2893	8.3174	8.3510
Poland (PLN)	4.1682	4.1521	4.1796	4.1909	4.1807	4.1776	4.1857
Russia (RUB)	67.6327	65.9096	70.9755	51.4243	48.0976	47.8497	47.9490

Balance sheet date rate	Sept 30 2015	June 30 2015	March 31 2015	Dec 31 2014	Sept 30 2014	June 30 2014	March 31 2014
Sweden (SEK)	9.4083	9.2150	9.2901	9.3930	9.1465	9.1762	8.9483
Norway (NOK)	9.5245	8.7910	8.7035	9.0420	8.1190	8.4035	8.2550
Poland (PLN)	4.2448	4.1911	4.0854	4.2732	4.1776	4.1568	4.1719
Russia (RUB)	73.2416	62.3550	62.4400	72.3370	49.7653	46.3779	48.7800

## 10. Income tax expense

Taxes for the period are positive as the write-down related to early closure of 1 and 2 units in Oskarshamn will be tax deductible over time. Therefore the tax rate according to the income statement for Q1-Q3 2015 was negative 24.5% (Q1-Q3 2014: 14%). The tax rate used in the income statement is always impacted by the fact that the share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax. Tax rate for Q1-Q3 2015, excluding the impact of share of profits of associated companies and joint ventures as well as non-taxable capital gains, was 25.6% (Q1-Q3 2014: 18.5%).

## 11. Dividend per share

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

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

## 12. Changes in intangible assets

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Opening balance	276	384	384
Capital expenditures	7	18	22
Changes of emission rights	-13	-14	-1
Disposals	0	-1	0
Depreciation, amortisation and impairment <sup>1)</sup>	-15	-18	-25
Divestments <sup>2)</sup>	-30	-18	-23
Reclassifications	7	18	21
Translation differences and other adjustments	-1	-23	-102
<b>Closing balance</b>	<b>232</b>	<b>346</b>	<b>276</b>
Goodwill included in closing balance	168	247	170
Change in goodwill during the period due to translation differences	-2	-24	-101

<sup>1)</sup> Including depreciations related to discontinued operations, see Note 7.

<sup>2)</sup> Divestment of assets related to Finnish Distribution business are not included in the comparative period figure as they were presented as 'Assets held for sale' in balance sheet of 31 December 2013. For more information for divestments of subsidiaries, see Note 8.

## 13. Changes in property, plant and equipment

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Opening balance	11,195	12,849	12,849
Acquisitions	1	0	0
Capital expenditures	422	503	752
Changes of nuclear asset retirement cost	0	-2	-3
Disposals	-2	-6	-7
Depreciation, amortisation and impairment <sup>1)</sup>	-288	-389	-502
Divestments <sup>2)</sup>	-2,527	-206	-229
Reclassifications	-7	-18	-21
Translation differences and other adjustments	-29	-498	-1,643
<b>Closing balance</b>	<b>8,764</b>	<b>12,233</b>	<b>11,195</b>

<sup>1)</sup> Including depreciations related to discontinued operations, see Note 7.

<sup>2)</sup> Divestment of assets related to Finnish Distribution business are not included in the comparative period figure as they were presented as 'Assets held for sale' in balance sheet of 31 December 2013. For more information for divestments of subsidiaries, see Note 8.

## 14. Changes in participations in associates and joint ventures

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Opening balance	2,027	2,341	2,341
Acquisitions	5	58	62
Share of profits of associates and joint ventures <sup>1), 2)</sup>	-15	111	149
Dividend income received	-52	-57	-57
OCI items associated companies	3	-4	-16
Translation differences and other adjustments	-23	-59	-270
Divestments	-26	-71	-181
<b>Closing balance</b>	<b>1,918</b>	<b>2,318</b>	<b>2,027</b>

<sup>1)</sup> Including share of profits related to discontinued operations.

<sup>2)</sup> Including impairment charges of EUR -104 million, see more information in Note 6.

### Share of profits from associates and joint ventures

Fortum's share of profit from associates and joint ventures in Q3 2015 was EUR -95 million (Q3 2014: 1), of which Hafslund represented EUR 10 million (Q3 2014: 3), TGC-1 EUR 6 million (Q3 2014: 5) and Fortum Värme EUR -8 million (Q3 2014: -5). Share of profits from associates and joint ventures includes impairment charges of EUR -104 million related to the Swedish nuclear associated company OKG AB. For additional information see Note 6.

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

Fortum's share of profit for the period January-September 2015 amounted to EUR -15 million (Q1-Q3 2014: 111), of which Hafslund represented EUR 31 million (Q1-Q3 2014: 34), TGC-1 EUR 34 million (Q1-Q3 2014: 36), and Fortum Värme EUR 23 million (Q1-Q3 2014: 42). Share of profits from associates and joint ventures includes impairment charges of EUR -104 million related to the Swedish nuclear associated company OKG AB. For additional information see Note 6.

Fortum's share of profits for the full year 2014 amounted to EUR 149 million, of which Hafslund represented EUR 36 million, TGC-1 EUR 35 million and Fortum Värme EUR 67 million.

### Dividends received

During Q1-Q3 2015 Fortum has received EUR 52 million (Q1-Q3 2014: 57) in dividends from associates and joint ventures of which EUR 21 million (Q1-Q3 2014: 22) was received from Fortum Värme and EUR 19 million (Q1-Q3 2014: 20) from Hafslund.

## 15. Interest-bearing receivables

EUR million	Carrying amount Sept 30 2015	Fair value Sept 30 2015	Carrying amount Dec 31 2014	Fair value Dec 31 2014
Long-term loan receivables from associated companies	621	635	1,327	1,407
Long-term loan receivables from joint ventures	322	351	714	805
Other long-term loan receivables	1	1	4	4
<b>Total long-term loan receivables <sup>1)</sup></b>	<b>944</b>	<b>987</b>	<b>2,045</b>	<b>2,216</b>

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

Long-term loan receivables include receivables from associated companies and joint ventures EUR 943 million (Dec 31 2014: 2,041). These receivables include EUR 604 million (Dec 31 2014: 1,310) from Swedish nuclear companies, OKG AB and Forsmarks Kraftgrupp AB, which are mainly funded with shareholder loans, pro rata each shareholder's ownership. The impairment charges in OKG AB due to the decision to close down nuclear power units 1 and 2 will be invoiced from the shareholders when the costs are incurred. Fortum has estimated the impact to be EUR 784 million and netted that against the shareholder loan. For additional information see Note 6. Long-term loan receivables include also receivables from Fortum Värme, EUR 177 (Dec 31 2014: 553) and Teollisuuden Voima Oyj (TVO), EUR 95 million (Dec 31 2014: 110).

TVO is building Olkiluoto 3, a nuclear power plant, which is funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. At the end of September 2015 Fortum has EUR 95 million outstanding receivables regarding Olkiluoto 3 and is additionally committed to provide at maximum EUR 100 million.

TVO's Extraordinary General Meeting made a decision on 24 June 2015 not to apply for a construction license for Olkiluoto 4. The incurred costs relating to the project were invoiced from TVO's shareholders in June and Fortum's share of these costs was EUR 15 million. The invoice was netted against the subordinated shareholder loan that Fortum has given to TVO for funding the planning of Olkiluoto 4. The additional commitment related to Olkiluoto 4, EUR 57 million, has been cancelled and Fortum does not have any further commitments related to Olkiluoto 4.

## 16. Interest-bearing liabilities, liquid funds and net debt

Interest-bearing debt EUR million	Carrying amount	Fair value	Carrying amount	Fair value
	Sept 30 2015	Sept 30 2015	Dec 31 2014	Dec 31 2014
Bonds	4,075	4,339	4,748	5,093
Loans from financial institutions	513	561	722	777
Reborrowing from the Finnish State Nuclear Waste Management Fund	1,074	1,131	1,040	1,104
Other long term interest-bearing debt <sup>1)</sup>	184	198	186	192
Total long term interest-bearing debt <sup>2)</sup>	5,847	6,229	6,696	7,166
Short term interest-bearing debt	250	250	287	287
<b>Total</b>	<b>6,096</b>	<b>6,479</b>	<b>6,983</b>	<b>7,453</b>

<sup>1)</sup> Including loans from Finnish pension institutions EUR 73 million (Dec 31 2014: 78) and other loans EUR 111 million (Dec 31 2014: 108).

<sup>2)</sup> Including current portion of long-term debt.

The reborrowing from the Finnish State Nuclear Waste Management Fund includes the part relating to Loviisa nuclear power plant as well as borrowing done through TVO.

In March 2015 Fortum increased the amount of reborrowing from the Finnish State Nuclear Waste Management Fund and TVO by EUR 34 million to EUR 1,074 million. In the second quarter Fortum repaid bilateral loans of EUR 164 million and in the third quarter two SEK bonds equivalent to EUR 664 million (SEK 6,200 million) and EUR 50 million bilateral loan.

At the end of September 2015, the amount of short term financing was EUR 250 million (Dec 31 2014: 287). The interest-bearing debt decreased during the third quarter by EUR 669 million from EUR 6,765 million to EUR 6,096 million.

The average interest rate for the portfolio consisting mainly of EUR and SEK loans was 2.8% at the balance sheet date (Dec 31 2014: 2.9%). Part of the external loans EUR 669 million (Dec 31 2014: 681) have been swapped to RUB and the average interest cost for these loans including cost for hedging the RUB was 13.8% at the balance sheet date (Dec 31 2014: 11.3%). The average interest rate on total loans and derivatives at the balance sheet date was 4.0% (Dec 31 2014: 3.7%).

Maturity of interest-bearing liabilities EUR million	Sept 30 2015
2015	286
2016	836
2017	503
2018	588
2019	803
2020 and later	3,080
<b>Total</b>	<b>6,096</b>

Liquid funds EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Deposits and securities with maturity more than 3 months	5,642	0	757
Cash and cash equivalents	2,390	2,178	2,009
<b>Total</b>	<b>8,032</b>	<b>2,178</b>	<b>2,766</b>

Total liquid funds decreased by EUR 580 million from EUR 8,612 million to EUR 8,032 million during the third quarter mainly as a result of repayment of debt.

Liquid funds consists of deposits and cash in bank accounts amounting to EUR 6,787 million and commercial papers EUR 1,245 million. The average interest on liquid funds excluding OAO Fortum was 0.1% at the balance sheet date. Liquid funds held by OAO Fortum amounted to EUR 94 million (Dec 31 2014: 134) and the average interest rate for this portfolio was 8.3% at the balance sheet date.



Deposits and securities include fixed term deposits and commercial papers with maturity more than three months but less than twelve months.

Fixed term deposits as well as other deposits in cash and cash equivalents totalling to EUR 6,748 million are in banks with investment credit rating. Counterparties of commercial papers have similar rating or they are separately reviewed and approved by the Group's credit control department.

Net debt	Sept 30 2015	Sept 30 2014	Dec 31 2014
<b>EUR million</b>			
Interest-bearing liabilities	6,096	6,969	6,983
Liquid funds	8,032	2,178	2,766
<b>Net debt</b>	<b>-1,936</b>	<b>4,790</b>	<b>4,217</b>
<b>Net debt without Värme financing</b>	<b>-2,113</b>	<b>4,152</b>	<b>3,664</b>

### 17. Nuclear related assets and liabilities

Fortum owns Loviisa nuclear power plant in Finland. In Fortum's consolidated balance sheet, Share in the State Nuclear Waste Management Fund and the Nuclear provisions relate to Loviisa nuclear power plant.

Fortum also has minority interests in nuclear power companies, i.e. Teollisuuden Voima Oyj (TVO) in Finland and OKG Aktiebolag (OKG) and Forsmarks Kraftgrupp AB (Forsmark) in Sweden. The minority shareholdings are classified as associated companies and joint ventures and are consolidated with equity method. Both the Finnish and the Swedish companies are non-profit making, i.e. electricity production is invoiced to the owners at cost including depreciations, interest costs and production taxes accounted for according to local GAAP.

Both in Finland and in Sweden nuclear operators are legally obligated for the decommissioning of the plants and the disposal of spent fuel (nuclear waste management). In both countries the nuclear operators are obligated to secure the funding of nuclear waste management by paying to government operated nuclear waste funds. The nuclear operators also have to give securities to guarantee that sufficient funds exist to cover future expenses of decommissioning of the power plant and disposal of spent fuel.

#### 17.1 Nuclear related assets and liabilities for 100% owned nuclear power plant, Loviisa

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
<b>Carrying values in the balance sheet</b>			
Nuclear provisions	798	763	774
Fortum's share of the State Nuclear Waste Management Fund	798	763	774
<b>Legal liability and actual share of the State Nuclear Waste Management Fund</b>			
Liability for nuclear waste management according to the Nuclear Energy Act	1,084	1,059	1,084
Funding obligation target	1,074	1,039	1,074
Fortum's share of the State Nuclear Waste Management Fund	1,074	1,039	1,039
Share of the fund not recognised in the balance sheet	276	276	265

#### Legal liability for Loviisa nuclear power plant

The legal liability on 30 September 2015, decided by the Ministry of Employment and Economy in December 2014, was EUR 1,084 million.

The legal liability is based on a cost estimate, which is done every year, and a technical plan, which is made every third year. The current technical plan was updated in 2013. Following the update of the technical plan in 2013, the liability increased due to updated cost estimates related to interim and final storage of spent fuel. The legal liability is determined by assuming that the decommissioning would start at the beginning of the year following the assessment year.

#### Fortum's share in the State Nuclear Waste Management Fund

According to Nuclear Energy Act, Fortum is obligated to contribute funds in full to the State Nuclear Waste Management Fund to cover the legal liability. Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in December in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2014 is EUR 1,074 million. Fortum has paid the fee of EUR 24 million in March 2015 where after Fortum's funding obligation target was fulfilled.

#### Nuclear provision and fund accounted according to IFRS

Nuclear provisions include the provision for decommissioning and the provision for disposal of spent fuel. The carrying value of the nuclear provisions, calculated according to IAS 37, increased by EUR 24 million compared to 31 December 2014, totaling EUR 798 million on 30 September 2015. The provisions are based on the same cash flows for future costs as the legal liability, but based on the estimated future timing of the expenditures. 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.

The carrying value of the Fund in the balance sheet cannot exceed the carrying value of the nuclear provisions according to IFRIC Interpretation 5. The Fund is from an IFRS perspective overfunded with EUR 276 million, since Fortum's share of the Fund on 30 September 2015 was EUR 1,074 million and the carrying value in the balance sheet was EUR 798 million.

-Fortum's share of the Finnish Nuclear Waste Management 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.

#### Borrowing from the State Nuclear Waste Management Fund

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the fund according to certain rules. Fortum uses the right to borrow back and has pledged shares in Kemijoki Oy as security for the loans. The loans are renewed yearly. (See Note 16 Interest-bearing liabilities, liquid funds and net debt and Note 19 Pledged assets)

#### 17.2 Nuclear power plants in associated companies and joint ventures

OKG, Forsmark and TVO are non-profit making companies, i.e. electricity production is invoiced to the owners at cost including depreciations, interest costs and production taxes. Invoiced cost is accounted according to local GAAP. In addition to the invoiced electricity production cost, Fortum makes IFRS adjustments to comply with Fortum's accounting principles. These adjustments include also Fortum's share of the companies' nuclear waste funds and nuclear provisions.

The tables below present the 100% figures relating to nuclear funds and provisions for the companies as well as Fortum's net share.

TVO's total nuclear related assets and liabilities (100%)			
EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
<b>Carrying values in TVO's balance sheet</b>			
Nuclear provisions	954	916	930
Share of the State Nuclear Waste Management Fund	954	916	930
<b>of which Fortum's net share consolidated with equity method</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TVO's legal liability and actual share of the State Nuclear Waste Management Fund</b>			
Liability for nuclear waste management according to the Nuclear Energy Act	1,349	1,318	1,349
Share of the State Nuclear Waste Management Fund	1,345	1,310	1,345
Share of the fund not recognised in the balance sheet	391	394	415

TVO's legal liability and contribution to the fund are based on same principles as described above for Loviisa nuclear power plant.

TVO's share of the Finnish State Nuclear Waste Management Fund is from an IFRS perspective overfunded with EUR 391 million (of which Fortum's share EUR 104 million), since TVO's share of the Fund on 30 September 2015 was EUR 1,345 million and the carrying value in the balance sheet was EUR 954 million.

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the fund according to certain rules. Fortum is using the right to reborrow funds through TVO based on its ownership. See more information in Note 16.

OKG's and Forsmark's total nuclear related assets and liabilities (100%)			
EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
<b>OKG's and Forsmark's nuclear related assets and liabilities <sup>1)</sup></b>			
Nuclear provisions	3,207	3,201	3,143
Share in the State Nuclear Waste Management Fund	2,859	2,859	2,790
<b>Net amount</b>	<b>-348</b>	<b>-342</b>	<b>-353</b>
<b>of which Fortum's net share consolidated with equity method</b>	<b>-121</b>	<b>-122</b>	<b>-138</b>

<sup>1)</sup> Accounted for according to Fortum's accounting principles. Companies' statutory financial statements are not prepared according to IFRS.

In Sweden Svensk Kärnbränslehantering AB (SKB), a company owned by the nuclear operators, takes care of all nuclear waste management related activities on behalf of nuclear operators. SKB receives its funding from the Swedish State Nuclear Waste Management Fund, which in turn is financed by the nuclear operators.

In addition to nuclear waste fees nuclear power companies provide guarantees for any uncovered liability and unexpected events. Fortum's guarantees given on behalf of nuclear associated companies are presented in Note 22.

Nuclear waste fees and guarantees are updated every third year by governmental decision after a proposal from Swedish Radiation Safety Authority (SSM). Proposal is based on cost estimates done by SKB. Currently the fees and guarantees are decided for years 2015-2017. Nuclear waste fees are based on future costs with the assumed lifetime of 40 years for each unit of a nuclear power plant.

## 18. Other provisions

EUR million	CSA provisions			Other provisions		
	Sept 30 2015	Sept 30 2014	Dec 31 2014	Sept 30 2015	Sept 30 2014	Dec 31 2014
Opening balance	56	103	103	26	14	14
Unused provisions reversed	-31	-5	-4	-1	-3	-3
Increase in the provisions	0	0	0	9	8	22
Provisions used	0	-15	-14	-12	-3	-4
Unwinding of discount	1	5	6	0	0	0
Exchange rate differences	2	-9	-35	-1	0	-3
<b>Closing balance</b>	<b>27</b>	<b>80</b>	<b>56</b>	<b>22</b>	<b>16</b>	<b>26</b>
<b>Current provisions<sup>1)</sup></b>	<b>27</b>	<b>80</b>	<b>56</b>	<b>9</b>	<b>3</b>	<b>10</b>
<b>Non-current provisions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>13</b>	<b>17</b>

<sup>1)</sup> Included in trade and other payables in the balance sheet.

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

The remaining CSA provision at the end of Q3 2015 amounts to EUR 27 million (at year end 2014: 56). In Q1 2015 EUR 31 million of the provision was reversed to the income statement after the finalisation of Nyagan 3.

## 19. Pledged assets

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
On own behalf			
For debt			
Pledges	288	296	292
Real estate mortgages	137	137	137
For other commitments			
Real estate mortgages	118	137	137

### 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 2015 the value of the pledged shares amounted to EUR 269 million (Dec 31 2014: 269).

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

Regarding the relevant interest-bearing liabilities, see Note 16 Interest-bearing liabilities, liquid funds and net debt.

### Pledged assets for other commitments

Fortum has given real estate mortgages in power plants in Finland, total value of EUR 118 million in September 2015 (Dec 31 2014: 137), as a security to the Finnish State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs for decommissioning and disposal of spent fuel in Loviisa nuclear power plant. According to the Nuclear Energy Act, Fortum is obligated to contribute the funds in full to the State Nuclear Waste Management Fund to cover the legal liability. Any uncovered legal liability relates to periodising of the payments to the fund, see more information in Note 17. 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.

## 20. Operating lease commitments

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Due within a year	12	22	24
Due after one year and within five years	23	32	43
Due after five years	25	79	76
<b>Total</b>	<b>61</b>	<b>133</b>	<b>142</b>

## 21. Capital commitments

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Property, plant and equipment	469	521	458
Intangible assets	2	6	3
<b>Total</b>	<b>471</b>	<b>526</b>	<b>461</b>

## 22. Contingent liabilities

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
On own behalf			
Other contingent liabilities	70	79	64
On behalf of associated companies and joint ventures			
Guarantees	636	487	459
Other contingent liabilities	125	125	125

### 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). New guarantees for the period of 2015-2017 has been given on behalf of Forsmarks Kraftgrupp AB and OKG AB amounting to SEK 5,393 million (EUR 573 million) at 30 September 2015 (Dec 31 2014: EUR 393 million). There are two types of guarantees given on behalf of Forsmark Kraftgrupp AB and OKG AB. The Financing Amount is given to compensate for the current deficit in the Nuclear Waste Fund, assuming that no further nuclear waste fees are paid in. This deficit is calculated as the difference between the expected costs and the funds to cover these costs at the time of the calculation. The Supplementary Amount constitutes a guarantee for deficits that can arise as a result of unplanned events. The Financing Amount given by Fortum on behalf of Forsmark Kraftgrupp AB and OKG AB was SEK 3,843 million (EUR 409 million) and the Supplementary Amount was SEK 1,550 million (EUR 165 million) at 30 September 2015.

The guarantee given on behalf of Teollisuuden Voima Oyj to the Finnish State Nuclear Waste Management Fund amounted to EUR 37 million at 30 September 2015 (Dec 31 2014: 41). The guarantee covers the unpaid legal liability due to periodisation as well as risks for unexpected future costs.

Fortum has minority shares in legal companies owning nuclear power plants in Finland and Sweden. Fortum consolidates these companies according to equity method meaning that Fortum's share of the assets and liabilities are netted to the balance sheet. For information regarding nuclear related assets and liabilities of Loviisa nuclear power plant as well as Swedish and Finnish nuclear production companies where Fortum has a minority shareholding see Note 17.

Meri-Pori power plant in Finland is owned by Fortum 54.55% and TVO 45.45%. Based on the participation agreement Fortum has to give a guarantee to TVO against possible loss of asset or breach in contract of TVO's share of the asset, EUR 125 million (2014: 125).

### **23. Legal actions and official proceedings**

#### **Group companies**

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

Based on legal analysis supporting legal opinions, no provision has been recognised in the financial statements. If the decisions by the tax authority remain final despite the appeals processes, the impact on net profit would be approximately SEK 425 million (EUR 45 million) for the year 2009, approximately SEK 379 million (EUR 40 million) for the year 2010, approximately SEK 511 million (EUR 55 million) for the year 2011 and approximately SEK 173 million (EUR 18 million) for the year 2012.

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

In September 2015 Fortum received a notice of adjustment from the Belgian tax authorities for the year 2012. In the notice of adjustment the tax authorities disagree with the tax treatment of Fortum Project Finance NV. Fortum finds the tax authorities' interpretation not to be based on the local regulation and will file an objection against the intended tax adjustment. In line with treatment of the cases concerning 2008-2011, no provision has been accounted for in the financial statements. If the decision of the tax authorities will be made according to the notice of adjustment and the decision would remain final despite an appeal process, the impact on net profit would be approximately EUR 15 million for the year 2012.

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

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

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

### Associated companies

In Finland Fortum is participating in the country's fifth nuclear power plant unit, Olkiluoto 3 (OL3), through the shareholding in Teollisuuden Voima Oyj (TVO) with an approximately 25% share representing some 400 MW in capacity. The civil construction works of the Olkiluoto 3 plant unit have been mainly completed. The installation of the electrical systems, the instrumentation and control system (I&C), and mechanical systems is still in progress. Factory acceptance testing of the process I&C system was completed, and the system was transferred to Olkiluoto in August. The factory testing of the safety I&C systems is still unfinished. The first phase of the turbine plant commissioning is completed. Some of the systems and components will be kept in operation; the rest will be preserved in accordance with a separate plan. According to the schedule updated by the AREVA-Siemens in September 2014, regular electricity production in the unit will commence at the end of 2018.

In December 2008 the OL3 Supplier initiated the International Chamber of Commerce (ICC) arbitration proceedings and submitted a claim concerning the delay and the ensuing costs incurred at the Olkiluoto 3 project. The Supplier's monetary claim, updated in July 2015, is approximately EUR 3.4 billion in total. The claim covers events that occurred during the construction period until the end of June 2011.

In 2012, TVO submitted a counter-claim and defense in the matter. In July 2015, TVO updated its quantification estimate of its costs and losses to amount to approximately EUR 2.6 billion until December 2018, which is the estimated start of the regular electricity production of OL3.

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

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

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

### 24. Related party transactions

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

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

#### Transactions with associated companies and joint ventures

EUR million	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated
Sales	59	52	76
Interest on loan receivables	22	46	59
Purchases	370	432	564

#### Associated company and joint ventures balances

EUR million	Sept 30 2015	Sept 30 2014	Dec 31 2014
Long-term interest-bearing loan receivables	943	2,095	2,041
Trade receivables	21	14	17
Other receivables	21	31	15
Long-term loan payables	318	279	262
Trade payables	2	5	7
Other payables	3	2	4

### 25. Events after the balance sheet date

OKG AB's Extraordinary shareholders' meeting has on 14 October decided to close down early two of its three units in Oskarshamn nuclear power plant in Sweden. The estimated effects from the decision have been included in this interim report.

## 26. 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 and impairment charges
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)

## 26. Definition of key figures

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



Market conditions and achieved power prices

Power consumption						Last
TWh	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	twelve months
Nordic countries	81	79	278	275	378	381
Russia	225	226	731	733	1,021	1,019
Tyumen	22	21	68	68	93	93
Chelyabinsk	8	8	26	26	36	36
Russia Urals area	59	59	188	189	260	259

Average prices						Last
	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	twelve months
Spot price for power in Nord Pool power exchange, EUR/MWh	13.3	31.8	20.7	29.2	29.6	23.2
Spot price for power in Finland, EUR/MWh	30.1	37.8	29.3	35.9	36.0	31.1
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	15.5	33.6	21.7	31.7	31.6	24.1
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	14.7	33.6	21.0	31.6	31.4	23.5
Spot price for power in European and Urals part of Russia, RUB/MWh <sup>1)</sup>	1,184	1,233	1,146	1,180	1,163	1,140
Average capacity price, tRUB/MW/month	319	276	346	294	304	343
Spot price for power in Germany, EUR/MWh	32.8	31.5	31.1	32.1	32.8	32.0
Average regulated gas price in Urals region, RUB/1000 m <sup>3</sup>	3,614	3,362	3,446	3,362	3,362	3,425
Average capacity price for old capacity, tRUB/MW/month <sup>2)</sup>	134	150	146	162	167	155
Average capacity price for new capacity, tRUB/MW/month <sup>2)</sup>	567	499	620	535	552	616
Spot price for power (market price), Urals hub, RUB/MWh <sup>1)</sup>	1,051	1,164	1,041	1,105	1,089	1,041
CO <sub>2</sub> , (ETS EUA), EUR/tonne CO <sub>2</sub>	8	6	7	6	6	7
Coal (ICE Rotterdam), USD/tonne	56	75	59	76	75	62
Oil (Brent Crude), USD/bbl	51	103	57	107	99	62

<sup>1)</sup> Excluding capacity tariff.

<sup>2)</sup> Capacity prices paid only for the capacity available at the time.

Water reservoirs			
TWh	Sept 30 2015	Sept 30 2014	Dec 31 2014
Nordic water reservoirs level	110	91	80
Nordic water reservoirs level, long-term average	101	101	83

Export/import						Last
TWh (+ = import to, - = export from Nordic area)	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	twelve months
Export / import between Nordic area and Continental Europe+Baltics	-5	-2	-14	-10	-14	-18
Export / import between Nordic area and Russia	0	1	3	2	4	5
Export / import Nordic area, Total	-5	-1	-11	-8	-10	-13

Power market liberalisation in Russia						Last
%	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	twelve months
Share of power sold at the liberalised price	81	79	83	80	81	83

Achieved power prices						Last
EUR/MWh	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	twelve months
Power segment's Nordic power price	28.7	44.2	32.6	41.1	41.4	35.0
Russia segment's power price	28.0	31.5	27.7	31.5	30.4	27.8

## Fortum's production and sales volumes

Power generation						
TWh	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	Last twelve months
Power generation in the EU and Norway	12.0	10.7	37.7	36.7	50.1	51.1
Power generation in Russia	5.1	5.0	18.2	16.2	23.3	25.3
<b>Total</b>	<b>17.1</b>	<b>15.6</b>	<b>55.9</b>	<b>52.9</b>	<b>73.4</b>	<b>76.4</b>

Heat production						
TWh	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	Last twelve months
Heat production in the EU and Norway	0.8	1.2	4.4	6.0	8.2	6.6
Heat production in Russia	2.9	2.8	16.8	17.2	26.4	26.0
<b>Total</b>	<b>3.7</b>	<b>4.0</b>	<b>21.2</b>	<b>23.2</b>	<b>34.6</b>	<b>32.6</b>

Power generation capacity by segment						
MW				Sept 30 2015	Sept 30 2014	Dec 31 2014
Power <sup>1)</sup>				8,796	9,177	9,063
Heat, Electricity Sales and Solutions				749	793	803
Russia <sup>2)</sup>				4,667	4,292	4,758
<b>Total</b>				<b>14,211</b>	<b>14,262</b>	<b>14,624</b>

- 1) Including 750 MW mothballed capacity of Inkoo power plant. Capacity for Q3 2015 has decreased by 277 MW due to the decision to close the unit 2 in Oskarshamn. Capacities includes unit 1 (205 MW) in Oskarshamn that will be transferred into service mode after the applied environmental permit is received.  
2) Including 43 MW mothballed capacity.

Heat production capacity by segment						
MW				Sept 30 2015	Sept 30 2014	Dec 31 2014
Power				0	250	0
Heat, Electricity Sales and Solutions				3,927	3,962	3,936
Russia <sup>1)</sup>				12,994	13,466	13,466
<b>Total</b>				<b>16,920</b>	<b>17,678</b>	<b>17,402</b>

1) of which 240 MW mothballed

Power generation by source in the Nordic area						
TWh	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	Last twelve months
Hydro and wind power	6.6	4.1	19.2	16.3	22.4	25.3
Nuclear power	5.1	5.4	16.8	17.0	23.8	23.6
Thermal power	0.1	0.7	0.6	1.4	1.8	1.0
<b>Total</b>	<b>11.8</b>	<b>10.2</b>	<b>36.7</b>	<b>34.7</b>	<b>48.0</b>	<b>50.0</b>

Power generation by source in the Nordic area						
%	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	Last twelve months
Hydro and wind power	57	40	52	47	46	51
Nuclear power	43	53	46	49	50	47
Thermal power	1	7	2	4	4	2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Power sales						
EUR million	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Power sales in the EU and Norway	391	541	1,411	1,691	2,344	2,064
Power sales in Russia	131	175	479	576	758	661
<b>Total</b>	<b>522</b>	<b>716</b>	<b>1,890</b>	<b>2,267</b>	<b>3,102</b>	<b>2,725</b>

## Fortum's production and sales volumes

Heat sales						
EUR million	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	Last twelve months
Heat sales in the EU and Norway	49	62	293	331	468	430
Heat sales in Russia	23	32	147	194	285	238
<b>Total</b>	<b>72</b>	<b>94</b>	<b>439</b>	<b>524</b>	<b>753</b>	<b>668</b>

Power sales by area						
TWh	Q3 2015	Q3 2014 restated	Q1-Q3 2015	Q1-Q3 2014 restated	2014 restated	Last twelve months
Finland	5.1	4.9	16.5	16.0	21.6	22.1
Sweden	7.5	5.9	22.6	20.0	28.2	30.8
Russia	5.9	5.8	20.8	18.7	26.5	28.6
Other countries	0.5	0.7	2.0	2.8	3.8	3.0
<b>Total</b>	<b>18.9</b>	<b>17.3</b>	<b>61.9</b>	<b>57.5</b>	<b>80.1</b>	<b>84.5</b>

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

Heat sales by area						
TWh	Q3 2015	Q3 2014	Q1-Q3 2015	Q1-Q3 2014	2014	Last twelve months
Russia	2.8	2.8	16.7	17.0	26.0	25.7
Finland	0.3	0.3	2.1	2.2	3.2	3.1
Poland	0.2	0.2	2.2	2.2	3.4	3.4
Other countries <sup>1)</sup>	0.1	0.6	0.8	2.3	2.8	1.3
<b>Total</b>	<b>3.5</b>	<b>3.9</b>	<b>21.9</b>	<b>23.7</b>	<b>35.4</b>	<b>33.6</b>

<sup>1)</sup> Until October 2014 including the UK, which is reported in the Power and Technology segment, other sales.