

Fortum Corporation  
Financial Statements 2005  
3 February 2006

## Fortum Corporation - Financial Statements 2005

### An outstanding year for Fortum

- Performance improvement in all business segments

#### The year in brief

- Profit before taxes from continuing operations EUR 1,267 (962) million (+32%)
- Earnings per share EUR 1.01 (0.79) from continuing operations (+28%)
- Successful separation and listing of Neste Oil
- Agreement to acquire E.ON Finland shares from the city of Espoo and E.ON Nordic
- Significant progress in Russia and Poland
- Proposed total dividend EUR 1.12 per share, of which EUR 0.58 from continuing operations
- Planned share repurchase program of EUR 1,000 million in the next three years, of which EUR 500 million proposed for 2006

Key figures	IV/05	IV/04	2005	2004
Net sales, EUR million	1,112	1,084	3,877	3,835
Operating profit, EUR million	474	363	1,347	1,195
Comparable operating profit, EUR million*)	460	349	1,334	1,148
Profit before taxes, EUR million	466	288	1,267	962
Earnings per share, continuing operations, EUR	0.36	0.21	1.01	0.79
Total earnings per share, EUR**)	0.36	0.39	1.55	1.48
Total net cash from operating activities, EUR million	424	455	1,404	1,758
Net cash from operating activities, continuing operations, EUR million	424	243	1,271	1,232
Average number of shares, 1,000s			872,613	852,625

\*) Comparable operating profit represents the underlying business performance by excluding items affecting comparability. These are mainly caused by the accounting effects from fair valuation of financial derivatives for future cash flows where hedge accounting is not applied (IAS 39) or non-recurring items.

\*\*\*) Total earnings per share in 2004 included a EUR 0.05 positive one-time effect from a change in the Finnish tax rate from 29% to 26%.

Key figures			2005	2004
<b>Balance sheet</b>				
Shareholders' equity per share, EUR			8.17	8.65
Interest-bearing net debt (at end of period), EUR million			3,158	5,095
Return on capital employed, continuing operations, %			13.5	11.4
Return on capital employed, %			16.6	15.8
Return on shareholders' equity, %			18.7	18.2
Gearing, %			43	67

2005 was an outstanding year for Fortum. Both the company's operating results and cash flow from operating activities improved. The key financial targets, ROCE and ROE 12%, were exceeded. The balance sheet was further strengthened as net debt decreased by EUR 1,937 million compared to year-end 2004, and Fortum's gearing stood at 43% at the

year end. Net cash from operating activities (continuing operations) increased to EUR 1,271 (1,232) million.

The comparable operating profits of all segments were higher than in 2004. The Power Generation, Heat and Markets segments delivered substantially better comparable operating profits. In Power Generation, the good results were mainly due to successful hedging and improvement in spot prices. Heat segment was able to improve its performance mainly due to improved cost efficiency through improved fuel mix in Värme.

The achieved Nordic Generation power price was EUR 31.2 (29.2), up by 7% from 2004. The average spot price of electricity in Nord Pool, the Nordic power exchange, was EUR 29.3 (28.9) per megawatt-hour (MWh), which was approximately 1% higher than in 2004.

The separation of the oil businesses and listing of Neste Oil was executed successfully through a share dividend and a sale of shares in April 2005.

During 2005, Fortum strengthened its position in the Russian electricity company, OAO Lenenergo and consequently increased its indirect ownership in the regional power generation company of north-west Russia, Territorial Generation Company 1 (TGC-1). As part of the major Russian power market reform, the generation assets of Kolenergo, Lenenergo and Karelenergo are to be merged to TGC-1. In November, Fortum agreed to acquire 24.83% of the shares in Kolenergo.

Fortum continued to expand its district heating business in Poland. In October, Fortum signed an agreement to purchase the majority shareholding of MPEC Wroclaw, the district heating company of the city of Wroclaw in Poland. In December, Fortum acquired the majority shareholding of the district heating company of the city of Plock.

## **Net sales and results**

### October-December

Group net sales stood at EUR 1,112 (EUR 1,084 million in October-December 2004) million.

Group operating profit totalled EUR 474 (363) million. Comparable operating profit increased by EUR 111 million to EUR 460 (349) million.

During the fourth quarter, the average price of electricity in Nord Pool was EUR 32.3 (27.6) per megawatt-hour, or 17% higher than during the corresponding period in 2004. In Continental Europe, the spot price for electricity has been higher than in Nord Pool, resulting in exports from the Nordic countries to Germany.

The comparable operating profit of the Power Generation segment was higher than last year, mainly due to Fortum's higher achieved Nordic Generation power price, which increased by 10% to EUR 33.0 (30.1) per megawatt-hour.

The comparable operating profit of the Heat segment was better than last year. This was mainly due to increased sales to business customers and better fuel mix due to increased production with waste and bio-fuels.

The Distribution segment's result improvement in the fourth quarter is explained mainly by a generally lower cost level thanks to efficiency improvements in the business and by lower grid loss costs.

The Markets segment's operating profit increased from last year. This was mostly due to increased sales and new product launches. Also costs related to improvements in the quality of customer service were at a lower level than last year.

The net amount of non-recurring items was EUR 10 (29) million, mainly consisting of the gain from the sale of some building rights, reported in the *Other* segment. The net amount of other items effecting comparability was EUR 4 (-15) million, mainly consisting of accounting effects from IAS 39.

#### Net sales from continuing operations, by segment

EUR million	IV/05	IV/04	2005	2004
Power Generation	598	583	2,058	2,084
Heat	325	316	1,063	1,025
Distribution	196	194	707	707
Markets	391	378	1,365	1,387
Other	20	23	91	90
Eliminations	-418	-410	-1,407	-1,458
Total	1,112	1,084	3,877	3,835

#### Comparable operating profit from continuing operations, by segment

EUR million	IV/05	IV/04	2005	2004
Power Generation	297	232	854	730
Heat	97	75	253	207
Distribution	76	57	244	240
Markets	8	-1	30	23
Other	-18	-14	-47	-52
Total	460	349	1,334	1,148

#### Operating profit from continuing operations, by segment

EUR million	IV/05	IV/04	2005	2004
Power Generation	296	241	825	763
Heat	94	75	269	218
Distribution	76	51	251	234
Markets	11	0	32	34
Other	-3	-4	-30	-54
Total	474	363	1,347	1,195

#### January-December

Group net sales stood at EUR 3,877 million (EUR 3,835 million in 2004). Higher wholesale prices of electricity had a positive impact, whereas lower power generation volumes decreased the net sales.

Group reported operating profit totalled EUR 1,347 (1,195) million. The comparable operating profit stood at EUR 1,334 (1,148) million, an increase of EUR 186 million over the 2004 figures.

The net amount of non-recurring items was EUR 30 (18) million, mainly consisting of the gains from the sale of North Transgas Oy and some building rights. The net amount of

other items effecting comparability was EUR -17 (29) million, mainly consisting of accounting effects from IAS 39.

In January-December, the average Nord Pool spot price was EUR 29.3 (28.9) per megawatt-hour, or 1% higher than during in 2004.

The comparable operating profit of the Power Generation segment was higher, mainly due to Fortum's 7% higher achieved Nordic Generation power price of EUR 31.2 (29.2) per megawatt-hour. The positive profit impact from the increased amount of hydropower generation was offset by a lower amount of thermal power generation. The low thermal power generation was caused by high CO<sub>2</sub>-prices, high coal and gas prices and good hydrological situation. However, Fortum maintained the full readiness of its condensing power capacity throughout the year.

The lost sales margin due to lower thermal generation was partly compensated by the sale of CO<sub>2</sub> emission allowances. The Power Generation segment's full year comparable operating profit includes approximately EUR 25 million positive impact from the sale of CO<sub>2</sub> emission allowances. The gain on the sale of CO<sub>2</sub>-allowances was booked in the fourth quarter.

Reported operating profit of the Power Generation segment was also higher than last year. The difference in reported and comparable operating profit was mainly due to the accounting effects from IAS 39.

The Heat segment's net sales were higher than last year, mainly due to the acquisitions in Poland. The Heat segment's power sales volume was lower than last year, mainly due to the pulp and paper industry strike and lock-out in Finland. Replacement of fossil fuels with bio-fuels and waste, and increased sales to business customers, increased the comparable operating profit of the Heat segment. The gain on the sale of the 50% stake in North Transgas Oy lifted the reported operating profit for the segment.

The Distribution segment's net sales were at the same level as last year. The segment's comparable operating profit was slightly higher than last year, despite the EUR 11 million costs from the January storms in Sweden and Norway, which were booked in the first-quarter earnings. The improvement in comparable operating profit is explained mainly by the generally lower cost level thanks to efficiency improvements in the business.

The Markets segment's net sales were slightly lower in 2005 than in 2004, mainly due to the termination of some large long-term contracts at the end of 2004. Markets has been able to slightly increase its total sales margin, due to successful launches of new products and successful procurement of electricity from Nord Pool. Markets' operations in Norway improved from last year. The segment's operating profit for the full year 2005 was still affected by the somewhat higher fixed cost base originating from actions to improve customer service quality.

Profit before taxes was EUR 1,267 (962) million.

The Group's net financial expenses from continuing operations amounted to EUR 135 (245) million. The decrease in net financial expenses is mainly attributable to lower net debt following the spin-off of the Oil businesses and positive changes in the fair values of outstanding derivatives contracts. Net financial expenses include a positive change of EUR 40 (-6) million in the fair values of derivatives in accordance with IAS 39. Net financial expenses in 2005 includes a one-time cost of EUR 15 million, due to early prepayment of US private placements bonds originally issued in 1991 and 1992.

The share of profit of associates and joint ventures from continuing operations was EUR 55 (12) million. The improvement is mainly explained by Hafslund's increased effect.

Minority interests accounted for EUR 52 (33) million. The minority interests are mostly attributable to Fortum Värme Holding, in which the City of Stockholm has a 50% economic interest.

Taxes for the period totalled EUR 331 (259) million. The tax rate according to the income statement was 26% (27%). In 2004, taxes for the period included a decrease in deferred tax liabilities of EUR 43 million due to the change in the Finnish corporate income tax rate from 29% to 26%. EUR 27 million of the decrease in deferred tax liabilities relates to continuing operations

Total net profit for the period was EUR 1,410 (1,292) million. The net profit from continuing operations was EUR 936 (703) million. Total Fortum earnings per share were EUR 1.55 (1.48), and earnings per share from continuing operations were EUR 1.01 (0.79). In 2004, total earnings per share included a positive effect of EUR 0.05 from the corporate tax rate change in Finland. Return on capital employed from continuing operations was 13.5% (11.4%) and return on shareholders' equity was 18.7% (18.2%).

### **Market conditions**

According to preliminary statistics, the Nordic countries consumed 391 (387) terawatt-hours (TWh) of electricity in 2005. This is 1% more than in 2004.

During the fourth quarter, the average spot price of electricity in Nord Pool was EUR 32.3 (27.6) per megawatt-hour or 17% higher than during the corresponding period in 2004. The corresponding price increase in electricity sold by Fortum was 10%.

During 2005, the average spot price of electricity in Nord Pool was EUR 29.3 (28.9) per megawatt-hour (MWh), which was approximately 1% higher than in 2004. The average monthly spot price varied from EUR 23 per megawatt-hour in January to EUR 34 per megawatt-hour in December.

Starting in 2005, emissions trading has become an important new factor affecting the wholesale price of electricity. The market price for CO<sub>2</sub> emissions allowances increased from around EUR 7 per tonne at the beginning of the year to nearly EUR 30 per tonne by mid-July. Since mid-July, the price has remained at a rather stable level of EUR 20-24 per tonne. At the end of the year, prices were at the level of EUR 21-23 per tonne.

The emergence of the market for CO<sub>2</sub> emissions allowances and a strengthening hydrological situation have decreased thermal power generation and increased hydro power generation in the Nordic countries compared to last year. Despite the high Nordic hydro production, the Nordic water reservoirs have recovered during the year. At the end of 2005, the Nordic water reservoirs were 7 TWh above the average and 5 TWh above the corresponding level in 2004.

In Continental Europe, the spot price of electricity has been clearly higher than in Nord Pool, resulting in exports from the Nordic countries to Germany.

## Total power and heat generation figures

Fortum's total power generation during 2005 was 52.3 (55.5) TWh, of which 51.2 (54.4) TWh was in the Nordic countries. Fortum's Nordic generation is 13% (14%) of the total Nordic electricity consumption.

At year end, Fortum's total power generating capacity was 11,281 (11,373) MW, of which 11,136 (11,220) MW was in the Nordic countries.

During the past six years, the volume of Fortum's CO<sub>2</sub>-free power generation has increased from 29 TWh to 49 TWh. Its share was 93% (83%) of Fortum's power generation in 2005.

Fortum's total power and heat generation figures are presented below. In addition, the segment reviews include the respective figures by segment.

<b>Fortum's total power and heat generation, TWh</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Power generation	14.3	16.0	52.3	55.5
Heat generation	7.6	8.0	25.1	25.4

<b>Fortum's own power generation by source, TWh, total in the Nordic countries</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Hydropower	5.8	6.1	21.2	19.1
Nuclear power	7.0	7.1	25.8	25.8
Thermal power	1.3	2.4	4.2	9.5
Total	14.1	15.6	51.2	54.4

<b>Fortum's own power generation by source, %, total in the Nordic countries</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Hydropower	41	39	42	35
Nuclear power	50	46	50	47
Thermal power	9	15	8	18
Total	100	100	100	100

## Total power and heat sales figures

Fortum's total power sales were 59.7 (62.3) TWh, of which 58.2 (60.7) TWh were in the Nordic countries. This represented approximately 15% (16%) of the region's total consumption. Heat sales in the Nordic countries amounted to 19.4 (20.2) TWh and in other countries to 4.4 (3.6) TWh.

The segments sell their electricity to Nord Pool or external customers and purchase electricity from Nord Pool or other external sources. In the table below, Fortum's Nord Pool transactions are calculated as a net amount of hourly sales and purchases at the Group level.

<b>Fortum's total electricity and heat sales, EUR million</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Electricity sales	575	573	2002	2017
Heat sales	264	256	867	809

<b>Fortum's total electricity sales by area, TWh</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Sweden	8.4	8.1	30.4	27.6
Finland	6.9	8.5	26.0	31.1
Other countries	0.9	1.0	3.3	3.6
Total	16.2	17.6	59.7	62.3

<b>Fortum's total heat sales by area, TWh</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Sweden	3.0	3.2	9.5	9.6
Finland	2.9	3.1	9.8	10.5
Other countries	1.3	1.2	4.5	3.7
Total	7.2	7.5	23.8	23.8

## SEGMENT REVIEWS

### Power Generation

*The business area comprises power generation and sales in the Nordic countries and the provision of operation and maintenance services in the Nordic area and selected international markets. The Power Generation segment sells its production to Nord Pool. The segment includes Generation, Portfolio Management and Trading (PMT), and Service business units.*

<b>EUR million</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Net sales	598	583	2,058	2,084
- power sales	487	491	1,682	1,695
- other sales	111	92	376	389
Operating profit	296	241	825	763
Comparable operating profit	297	232	854	730
Net assets (at end of period)			5,954	6,218
Return on net assets, %			14.0	12.1
Comparable return on net assets, %			14.5	11.5

The segment's power generation during the fourth quarter amounted to 12.8 (14.1) TWh in the Nordic countries.

In 2005, the segment's power generation in the Nordic countries was 47.2 (49.8) TWh, of which about 21.2 (19.1) TWh or 45% (38%) was hydropower-based, 25.8 (25.8) TWh or 55% (52%) nuclear power-based, and 0.2 (4.9) TWh or 0% (10%) thermal power-based. The increase in hydro power generation was due to a strengthened hydrological situation compared to the corresponding period last year. The decrease in thermal power generation was due to lower power prices during the first quarter and high fuel and CO<sub>2</sub> allowance prices.



At year end, the segment's power generation capacity totalled 10,003 (10,030) MW, of which 9,863 (9,890) MW was in the Nordic countries and 140 (140) MW in other countries.

<b>Power generation by area, TWh</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Sweden	7.9	7.7	28.4	25.8
Finland	4.9	6.4	18.8	24.0
Other countries	0.3	0.4	1.1	1.1
<b>Total</b>	<b>13.1</b>	<b>14.5</b>	<b>48.3</b>	<b>50.9</b>

<b>Nordic sales volume, TWh</b>	14.2	15.6	52.6	55.7
of which pass-through sales	1.1	1.2	4.5	4.7

<b>Sales price, EUR/MWh</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Nordic Generation power price*	33.0	30.1	31.2	29.2

\*) For the Power Generation segment in the Nordic area, excluding pass-through sales.

Fortum's average achieved Nordic Generation power price (excluding pass-through items) in the fourth quarter was 10% higher than a year ago, mainly due to improved hedging prices. In the fourth quarter, the average spot price of power in Nord Pool was 17% higher than a year ago. During 2005, Fortum's achieved Nordic Generation power price was 7% higher, the average spot price in Nord Pool being 1% higher than in 2004. The related sales volume was 13.1 (14.4) TWh in the fourth quarter and 48.1 (51.0) TWh for the year 2005.

During 2005, Fortum made small capacity increases both in hydro and nuclear power generation according to its investment plan. Four hydropower plant refurbishment projects were completed during the year.

Fortum began modernising Loviisa nuclear power plant automation in January 2005. The project aims at extending the lifetime of the plant. All of the new automation systems related to this project will be in use by 2014.

Fortum has strengthened its position in Russia. The regional power generation company of north-west Russia, Territorial Generation Company 1 (TGC-1), started its operations on the first of October. Fortum is an indirect owner of this company through its 33.2% ownership of the outstanding voting shares in Lenenergo. Fortum has three of the total 11 seats on the Board of Directors of TGC-1. The final ownership structure of TGC-1 will be set up in connection with the merger of the generation assets of Lenenergo, Karelenergo and Kolenergo into TGC-1, scheduled for the end of 2006.

Fortum has made an agreement with the Russian companies RAO UES of Russia and Kes-holding (IES, Integrated Energy Systems), aiming at developing a joint operating model for improving the competitiveness of the territorial generation companies. Additionally, Fortum signed a co-operation agreement with Interros, a leading Russian investment company, concerning future expertise as well as operation and maintenance services of the wholesale power companies acquired by Interros.

In August, Fortum Service signed a 15-year operation and maintenance agreement with Trianel Energie of Germany. The agreement covers the 800-MW combined cycle gas

turbine power plant in Hamm-Uentrop, Germany, which will be ready for commercial use in September 2007.

## **Heat**

*The business area comprises heat generation and sales in the Nordic countries and other parts of the Baltic Rim. Fortum is a leading heat producer in the region. The segment also generates power in the combined heat and power plants (CHP) and sells it to end-customers mainly by long-term contracts, as well as to Nord Pool. The segment includes the Heat and Värme business units.*

<b>EUR million</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Net sales	325	316	1,063	1,025
- heat sales	254	247	834	779
- power sales	48	49	145	159
- other sales	23	20	84	87
Operating profit	94	75	269	218
Comparable operating profit	97	75	253	207
Net assets (at end of period)			2,551	2,440
Return on net assets, %			11.6	9.8
Comparable return on net assets, %			11.0	9.3

The segment's heat sales during the fourth quarter amounted to 6.6 (6.9) TWh and to 21.7 (21.8) TWh during the whole year. This shows the significance of the first and last quarters of the year to the heat business.

Power generation at combined heat and power plants (CHP) was 1.3 (1.5) TWh during the fourth quarter and 4.1 (4.8) TWh during 2005. The decrease was due to the strike and lock-out in the Finnish paper industry during spring and summer and also due to the lower thermal generation volumes stemming from higher fuel and CO<sub>2</sub> allowance prices.

In April, Fortum acquired UAB Suomijos Energija, a Lithuanian district heat company with annual heat sales of 60 GWh and fuel sales 62 GWh. In May, Fortum continued the restructuring of its gas assets and sold its 50% stake in North Transgas Oy to OAO Gazprom.

In the fourth quarter, Fortum acquired two new district heating companies in Poland. In October, Fortum signed an agreement to purchase the majority shareholding of MPEC Wroclaw, the district heating company of the city of Wroclaw with annual net sales of EUR 70 million and heat sales of 2,100 GWh. In November, Fortum signed an acquisition agreement regarding the majority of the district heating company of the city of Plock. The annual net sales of the company are around EUR 13 million, with heat sales amounting to 500 GWh. Following the acquisitions, Fortum is a majority owner in four heating companies in Poland with aggregate net sales of close to EUR 130 million and annual heat sales of 3,900 GWh.

The new waste fuel-based combined heat and power plant in Högdalen, Stockholm, was inaugurated in October 2005.

<b>Heat sales by area, TWh</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Sweden	3.0	3.2	9.5	9.6
Finland	2.9	3.1	9.8	10.5
Other countries	0.7	0.6	2.4	1.7
<b>Total</b>	<b>6.6</b>	<b>6.9</b>	<b>21.7</b>	<b>21.8</b>

<b>Power sales, TWh</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
<b>Total</b>	<b>1.3</b>	<b>1.5</b>	<b>4.1</b>	<b>4.8</b>

### **Distribution**

*Fortum owns and operates distribution and regional networks and distributes electricity to a total of 1.4 million customers in Sweden, Finland, Norway and Estonia.*

<b>EUR million</b>	<b>IV/05</b>	<b>IV/04</b>	<b>2005</b>	<b>2004</b>
Net sales	196	194	707	707
- distribution network transmission	164	162	592	593
- regional network transmission	22	23	82	83
- other sales	10	9	33	31
Operating profit	76	51	251	234
Comparable operating profit	76	57	244	240
Net assets (at end of period)			3,021	3,091
Return on net assets, %			8.8	8.1
Comparable return on net assets,%			8.6	8.3

During the fourth quarter, the volume of distribution and regional transmissions totalled 6.6 (6.3) TWh and 5.0 (4.5) TWh, respectively.

For the whole year, the volumes of distribution and regional network transmissions totalled 23.1 (22.7) TWh and 18.0 (17.8) TWh, respectively. Electricity transmissions via the regional distribution network to customers outside the Group totalled 14.8 (14.6) TWh in Sweden and 3.2 (3.2) TWh in Finland.

The Energy Authority (EMI) in Sweden has performed supervision of 2003 year's net prices on basis of the Nätnyttomodell. The authority notified 16 companies in June and two companies in December of over debiting. All of these companies have filed a complaint.

Fortum has three grid areas that are affected by the supervision of 2003 net prices. A minor subsidiary of Fortum (Ekerö Energi) received a decision of over debiting in 2003 and filed a complaint. Decisions on two other Fortum areas are expected during the first quarter of 2006. Final court decisions on prices in 2003 are expected at during the third quarter of 2007, at the earliest.

In November, EMI published information on those companies that will be supervised more closely for their 2004 net prices. Based on EMI's decision on supervision, five Fortum areas exceeded the stipulated charge rate limit. However, Fortum believes that the charge rate calculation concerning two of its areas is not in compliance with EMI's own instructions. Fortum has applied for withdrawal of the supervision decision for these two areas. If Fortum will receive a decision of over debiting regarding the other three areas selected for supervision of 2004 net prices, Fortum expects to appeal to court.

As a result of the January storms, a government bill for a functional demand allowing no outages to exceed 24 hours starting in 2011 was passed by the Swedish parliament in December. The law calls for compensation to customers for outages exceeding 12 hours starting already in 2006.

The Fortum Reliability Programme to accelerate the reliability improvements in electricity distribution networks was kicked off in September. In total, the Distribution segment will invest around EUR 700 million during the next five years. Of this amount, around EUR 200 million is for the Nordic-wide plan especially focusing on upgrading reliability. The first scheduled phase of the plan is three years long.

Fortum has launched a project to provide an Automatic Meter Management system to all its Nordic customers. The system will be implemented in phases starting in 2006.

Distribution network transmission by area, TWh	IV/05	IV/04	2005	2004
Sweden	4.1	3.9	14.4	14.2
Finland	1.8	1.8	6.3	6.2
Norway	0.6	0.5	2.2	2.1
Estonia	0.1	0.1	0.2	0.2
Total	6.6	6.3	23.1	22.7

Number of electricity distribution customers by area, 1,000s	31 Dec 2005	31 Dec 2004
Sweden	860	860
Finland	410	405
Norway	97	93
Estonia	23	22
Total	1,390	1,380

## **Markets**

*Markets is responsible for retail sales of electricity to a total of 1.2 million private and business customers as well as to other electricity retailers in Sweden, Finland and Norway. Markets buys its electricity through Nord Pool.*

EUR million	IV/05	IV/04	2005	2004
Net sales	391	378	1,365	1,387
Operating profit	11	0	32	34
Comparable operating profit	8	-1	30	23
Net assets (at end of period)			228	194
Return on net assets, %			17.4	25.3
Comparable return on net assets, %			16.4	17.1

During the fourth quarter, Markets' electricity sales totalled 10.8 (11.9) TWh with sales for the full year 2005 amounting to 40.2 (43.5) TWh. The decrease was due to the termination of some large long-term contracts at the end of 2004.

Retail electricity prices on the Nordic market continued to increase also during the last quarter of the year. The retail price development has followed the wholesale price

development. The retail prices at the end of the 2005 were at a higher level compared to the end of 2004.

2005 was a good year with a positive net inflow of customers. The positive development was based on successful marketing campaigns and new product launches especially in the first half of the year. New products and services and the introduction of customer guarantees have improved customer satisfaction.

### **Capital expenditures and investments in shares**

Capital expenditures and investments in shares for continuing operations in 2005 totalled EUR 479 (514) million. Investments excluding acquisitions were EUR 346 (335) million.

During 2005, Fortum increased its ownership in OAO Lenenergo to 33.2% of the outstanding voting shares as a result of the redemption of Lenenergo's own shares relating to its reorganisation. Fortum secured four of the total 11 seats on the Board of Directors of Lenenergo on 30 June.

In November, Fortum agreed to acquire 24.83% of the shares in the Russian company Kolenergo and will obtain 23.33% of the voting shares of Kolenergo and its incorporated companies. The transaction is estimated to take place during the first quarter of 2006 after formal approval of the relevant authorities.

On 20 December, Fortum acquired 48.7 % of the share capital of the Polish district heating company MPEC Wroclaw, which has annual heat sales of some 2100 GWh. By the end of the year, Fortum's holding in the company increased to 53.7% of the share capital and 75.7% of the voting rights. Fortum also issued a public tender offer for all currently publicly-traded shares in the company. In the final closing of the public tender regarding the outstanding shares of MPEC Wroclaw on 24 January 2006, Fortum reached over 90 % of the share capital of the company.

The transfer of 85 % of the shareholding of the Polish district heating company PEC Plock to Fortum took place on 27 December.

Divestments during 2005 consisted of the sales of North Transgas Oy and some building rights. The gains on these sales are included in nonrecurring items.

### **Group restructuring**

In April 2005, Neste Oil was successfully separated by distributing 85% of its shares as dividends to Fortum's shareholders and by selling the remaining 15% of Neste Oil shares to institutional and individual investors. Neste Oil was subsequently listed on the Helsinki Stock Exchange on 18 April.

### **Financing**

During the fourth quarter, Fortum's financial position continued to improve and net debt decreased by EUR 175 million. At year end, the interest-bearing net debt stood at EUR 3.158 million (EUR 5.095 million), giving a total reduction in net debt of EUR 1.937 million for the year. The gearing ratio was 43% (67%).

The Group's net financial expenses for the fourth quarter were EUR 35 (78) million and for the full year 2005 EUR 135 (245) million. The decrease in net financial expenses is mainly attributable to lower net debt following the spin-off of the oil businesses and positive changes in the fair values of outstanding derivatives contracts. Net financial expenses for the fourth quarter includes a positive change in fair values of derivatives of EUR 14 (- 9) million and the full year 2005 includes a positive EUR 40 (-6) million change in the fair values of derivatives in accordance with IAS 39.

Net financial expenses in the fourth quarter included a one-time cost of EUR 15 million due to early prepayment of US private placements bonds originally issued in 1991 and 1992.

At year end, the average interest rate of Fortum's interest-bearing loans was 4%.

Group liquidity remained good. Year-end cash and marketable securities totalled EUR 788 million. In addition, the Group had a total of EUR 1.314 million available for drawings under committed credit facilities, such as the EUR 1.200 million Syndicated Revolving Credit Facility and bilateral overdraft facilities.

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

### **Shares and share capital**

During 2005, a total of 900.1 (478.8) million Fortum shares for a total of EUR 12,487 million were traded. Fortum's market capitalisation, calculated using the closing quotation on the last trading day of the year, was EUR 13,864 million. The highest quotation of Fortum Corporation's shares on the Helsinki Stock Exchange in 2005 was EUR 16.90, the lowest EUR 10.45, and the average quotation EUR 13.87 (10.29). The closing quotation on the last trading day of the year was EUR 15.84 (13.62).

Relating to the 1999 bond loan with warrants to employees, a total of 0.6 million warrants for a total of EUR 4.4 million were traded during 2005. Relating to the 1999 management share option scheme, a total of 563 options for a total of EUR 4.1 million were traded during 2005. Relating to the 2001A share option scheme for key employees, a total of 3.1 million options for a total of EUR 35.6 million was traded during 2005. Relating to the 2002A share option scheme for key employees, a total of 2.3 million options for a total of EUR 20.4 million was traded during 2005.

A total of 8,210,120 (18,251,430) shares subscribed for based on the basis of the above share option schemes were entered into the trade register in 2005. After these subscriptions, Fortum Corporation's share capital is EUR 2,975,999,685 and the total number of registered shares is 875,294,025 (867,083,905). Share capital of Fortum Corporation increased by a total of EUR 27,914,408 (62,054,862). The amount of shares that can still be subscribed for under the 2001A and 2002A share option schemes is a maximum of 0.5% of Fortum's year-end share capital and voting rights.

In addition to the above arrangements, Fortum has two share option programmes, 2001B and 2002B, for key employees. The subscription period for the 2001B option started on 16 January 2006; the period for the 2002B options will start on 1 October 2006. At the end of 2005, the option schemes covered some 320 persons. The amount of shares subscribed for under these share option schemes is a maximum of 1.9% of Fortum's year-end share capital and voting rights.

On 2 June, the Finnish state sold 62.9 million Fortum shares to Finnish and international investors. At year end, the Finnish State's holding in Fortum was 51.5% (59.3%). The proportion of international shareholders increased to 33.2% (25.2%).

Currently, the Board of Directors has no unused authorisations from the General Meeting of Shareholders to issue convertible loans or bonds with warrants, to issue new shares or acquire the company's own shares.

## **Group personnel**

In 2005, the Fortum Group employed an average of 10,026 (12,859) people. At year end, the number of employees totalled 8,955 (13,175), of which 8,769 (12,735) were permanent employees. The decreases are due to the separation of Neste Oil. The number of employees in the parent company, Fortum Corporation, at year end totalled 550 (619).

## **Events after the period under review**

The Espoo City Council approved in its meeting on 16 January 2006 the agreement, according to which Fortum acquires all the 5,351,859 E.ON Finland Oyj shares held by the City of Espoo, corresponding to 34.2% of the shares and the voting rights of the company. The agreement was signed on 18 January. The agreed purchase price was EUR 68 per share, i.e. approximately EUR 364 million in total. A prerequisite for the transaction to take effect is that the 10,246,565 E.ON Finland shares held by E.ON Nordic have been transferred to Fortum's ownership.

On 2 February 2006, Fortum and E.ON Nordic signed an agreement on the acquisition of E.ON Finland shares held by E.ON Nordic, subject to approval by the Finnish Competition Authority. Fortum will pay around EUR 380 million for this 65.56% stake in the company. In connection to the transaction, all related outstanding issues between E.ON and Fortum have been settled. As a consequence, Fortum will pay E.ON a total compensation of EUR 16 million. Fortum intends to redeem the remaining 0.2% of shares currently owned by minority shareholders.

Fortum is participating in the fifth Finnish nuclear power plant with a share of approximately 25%. In January, TVO, the company that is building and owns the plant, informed that the reactor building civil works and the manufacture of certain primary components are delayed as compared to the original schedule. However, TVO still believes that the new power plant will generate power in 2009.

Fortum's affiliate OKG announced in January that it is going to increase the capacity of the third unit of the Oskarshamn nuclear power plant from the current 1,200 megawatts to 1,450 megawatts. OKG will implement and fund the power increase and renovation investments through its own balance sheet, i.e. the investment will not increase Fortum's capital expenditures. However, Fortum may support OKG's financing through shareholder loans or guarantees. The investment will be mainly realised in 2008. Fortum's share of ownership in the Oskarshamn nuclear power plant entitles the company to a share of over 43% of the production of the power plant, which Fortum buys at cost price. Fortum's share of the power increase of the power plant's third unit is slightly over 100 megawatts.

At the end of January, Fortum agreed to sell its 40.67% ownership in Enprima Ltd to Swedish ÅF Group.

## Capital structure

Following the separation of the oil businesses Fortum's balance sheet has strengthened significantly. At year end, the company's gearing stood at 43%. Fortum wants to have a prudent and efficient capital structure which at the same time allows the implementation of its strategy.

The company targets a capital structure where net debt to EBITDA ratio is in the range of 3.0-3.5. In the medium term, allowing for the implementation of strategy and the returns of capital announced today, Fortum expects to have a net debt to EBITDA ratio around 3.0.

The definitions for calculating this target are included in the definitions of key figures at the end of these statements.

## Outlook

The key market driver influencing Fortum's business performance is the Nordic wholesale price of electricity. Key drivers behind the market price development are the Nordic hydrological situation, CO<sub>2</sub> emissions allowance prices and fuel prices. The Swedish krona exchange rate also affects Fortum's reported result, as results generated by Fortum in Sweden are translated into euros.

According to general market information, electricity consumption in the Nordic countries is predicted to increase by about 1% a year over the next few years.

At the end of January, the Nordic water reservoirs were about 5 TWh above the average and 0.3 TWh above the corresponding level for 2005. At the end of January, the market price for emissions allowances for 2006 ranged between EUR 26-27 per tonne of CO<sub>2</sub>. At the same time, the electricity forward price for 2007 was around EUR 40-41 per megawatt-hour and around EUR 38 per megawatt-hour for 2008.

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

At the end of January, Fortum had hedged approximately 75% of its Nordic Power Generation sales volume for the remainder of 2006 at approximately EUR 32 per megawatt-hour. For the calendar year 2007, Fortum has hedged approximately 40% of its Nordic Power Generation sales volume at approximately EUR 34 per megawatt-hour. These hedge ratios may vary significantly depending on Fortum's actions on the electricity derivatives markets. Hedge prices are also influenced by changes in the SEK/EUR exchange rates, as part of the hedges are conducted in SEK.

Fortum's achieved Nordic Generation power price typically depends on e.g., hedge ratio, hedge price, spot price, optimisation of Fortum's flexible production portfolio even on hourly basis and currency changes. If Fortum would not hedge any of its production volumes, a 1 EUR/MWh change would result in around EUR 50 million change in Fortum's operating profit.

Increases in nuclear and hydro power tax have been made in Sweden and Finland in conjunction with the governments' 2006 budgets. These taxes will be an additional cost element in nuclear and hydro power generation. Fortum estimates that its additional generation costs due to these taxes will be approximately EUR 60 million in 2006.



Following several years of positive development, Fortum's results in 2005 were outstanding and its financial position improved significantly. With good growth opportunities and favourable market fundamentals in the Nordic and Baltic Rim area, Fortum is well positioned also for the future.

### **Dividend distribution proposal**

The Group's distributable equity as of 31 December 2005 amounted to EUR 3,776 million. Parent company's distributable equity as of 31 December 2005 amounted to EUR 2,561 million.

The Board of Directors proposes to the Annual General Meeting that Fortum Corporation pay a cash dividend of EUR 1.12 per share for 2005, totalling EUR 980 million based on the number of shares registered as of 31 December 2005. Of this dividend, EUR 0.58 per share is attributable to the profit from the continuing operations in 2005, and EUR 0.54 per share to the profit from discontinued operations.

### **Proposal to authorise the Board of Directors to decide to repurchase Fortum shares**

The Board of Directors of Fortum Corporation proposes that the Annual General Meeting of Shareholders on 16 March 2006 authorise the Board of Directors to decide to repurchase the company's own shares by using funds available for distribution of profit. The authorisation is proposed to be valid for one year from the date of the decision of the Annual General Meeting. The proposal is the first step in a planned share repurchase programme targeting the repurchase of Fortum shares by using funds in the maximum amount of EUR 1000 million during the next three years.

The shares will be repurchased in order to develop the capital structure of the company.

The maximum amount of shares to be repurchased is 35 million shares. In addition, the amount of funds used for the repurchases may not exceed EUR 500 million. The proposed maximum amount of shares to be repurchased corresponds to approximately four per cent of the share capital of the company and the total voting rights.

The shares will be repurchased through public trading of the securities on the Helsinki Stock Exchange at the market price of the shares at the time of the repurchase. Shares repurchased by the company shall be invalidated. The repurchase of the shares will reduce the company's distributable retained earnings.

The repurchase will not have a material impact on the division of the ownership of the shares and the voting rights.

The Annual General Meeting will be held on 16 March at 1:00 pm at the Finlandia Hall in Helsinki.

Espoo, 2 February 2006  
Fortum Corporation  
Board of Directors

Further information:

Mikael Lilius, President and CEO, tel. +358 10 452 9100

Juha Laaksonen, CFO, tel. +358 10 452 4519

The figures have been audited.

Publication of results in 2006:

Interim Report January - March will be published on 25 April 2006

Interim Report January - June will be published on 19 July 2006

Interim Report January - September will be published on 19 October 2006

Distribution:

Helsinki Stock Exchange

Key media

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

Information on the financial statement release is available on Fortum's website at:

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**

<b>MEUR</b>	<b>Q4/2005</b>	<b>Q4/2004</b>	<b>2005</b>	<b>2004</b>
<b>Continuing operations:</b>				
<b>Sales</b>	<b>1 112</b>	<b>1 084</b>	<b>3 877</b>	<b>3 835</b>
Other income	67	11	101	91
Materials and services	-355	-420	-1 325	-1 507
Employee benefit costs	-122	-116	-481	-462
Depreciation, amortisation and impairment charges	-102	-106	-407	-388
Other expenses	-126	-90	-418	-374
<b>Operating profit</b>	<b>474</b>	<b>363</b>	<b>1 347</b>	<b>1 195</b>
Share of profit of associates and joint ventures	27	3	55	12
Finance costs-net	-35	-78	-135	-245
<b>Profit before income tax</b>	<b>466</b>	<b>288</b>	<b>1 267</b>	<b>962</b>
Income tax expense	-125	-96	-331	-259
<b>Profit for the period from continuing operations</b>	<b>341</b>	<b>192</b>	<b>936</b>	<b>703</b>
<b>Discontinued operations:</b>				
<b>Profit for the period from discontinued operations</b>	<b>0</b>	<b>157</b>	<b>474</b>	<b>589</b>
<b>Profit for the period</b>	<b>341</b>	<b>349</b>	<b>1 410</b>	<b>1 292</b>
<b>Attributable to:</b>				
Equity holders of the Company	320	335	1 358	1 259
Minority interest	21	14	52	33
	<b>341</b>	<b>349</b>	<b>1 410</b>	<b>1 292</b>
<b>Earnings per share for profit from total Fortum Group attributable to the equity holders of the company during the year (in € per share)</b>				
Basic	0.36	0.39	1.55	1.48
Diluted	0.36	0.39	1.53	1.46
<b>Earnings per share for profit from continuing operations attributable to the equity holders of the company during the year (in € per share)</b>				
Basic	0.36	0.21	1.01	0.79
Diluted	0.36	0.21	1.00	0.78
<b>Earnings per share for profit from discontinued operations attributable to the equity holders of the company during the year (in € per share)</b>				
Basic	-	0.18	0.54	0.69
Diluted	-	0.18	0.53	0.68

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**CONDENSED CONSOLIDATED BALANCE SHEET**

MEUR	Dec 31 2005	Dec 31 2004
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	80	116
Property, plant and equipment	10 176	11 925
Other long-term investments	2 112	2 355
Other long-term receivables	87	90
Long-term interest bearing receivables	620	727
<b>Total non-current assets</b>	<b>13 075</b>	<b>15 213</b>
<b>Current assets</b>		
Inventories	256	654
Trade and other receivables	1 011	1 555
Cash and cash equivalents	788	145
<b>Total current assets</b>	<b>2 055</b>	<b>2 354</b>
<b>Total assets</b>	<b>15 130</b>	<b>17 567</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	2 976	2 948
Other equity	4 175	4 552
<b>Total</b>	<b>7 151</b>	<b>7 500</b>
<b>Minority interest</b>	<b>260</b>	<b>150</b>
<b>Total equity</b>	<b>7 411</b>	<b>7 650</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Interest-bearing liabilities	3 118	4 450
Deferred tax liabilities	1 512	1 841
Provisions	606	608
Other liabilities	435	552
<b>Total non-current liabilities</b>	<b>5 671</b>	<b>7 451</b>
<b>Current liabilities</b>		
Interest-bearing liabilities	828	790
Trade and other payables	1 220	1 676
<b>Total current liabilities</b>	<b>2 048</b>	<b>2 466</b>
<b>Total liabilities</b>	<b>7 719</b>	<b>9 917</b>
<b>Total equity and liabilities</b>	<b>15 130</b>	<b>17 567</b>

**CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY**

MEUR	Share capital	Share premium	Other restricted funds	Fair value and other reserves	Retained earnings	Minority	Total
<b>Total equity at 31.12.2004</b>	<b>2 948</b>	<b>62</b>	<b>13</b>	<b>134</b>	<b>4 343</b>	<b>150</b>	<b>7 650</b>
Stock options exercised	28	8	-11				25
Translation and other differences					-55	-7	-62
Cash dividend					-506		-506
Share dividend *)					-920		-920
Cash flow hedges				-257		3	-254
Other fair value adjustments				6			6
Increase in minority through business combinations						62	62
Net profit for the period					1 358	52	1 410
<b>Total equity at 31.12.2005</b>	<b>2 976</b>	<b>70</b>	<b>2</b>	<b>-117</b>	<b>4 220</b>	<b>260</b>	<b>7 411</b>
<b>Total equity at 31.12.2003</b>	<b>2 886</b>	<b>36</b>	<b>5</b>	<b>63</b>	<b>3 399</b>	<b>120</b>	<b>6 509</b>
Stock options exercised	62	26	8				96
Translation and other differences					24	-2	22
Cash dividend					-357		-357
Cash flow hedges				67	14	-1	80
Other fair value adjustments				4	4		8
Net profit for the period					1 259	33	1 292
<b>Total equity at 31.12.2004</b>	<b>2 948</b>	<b>62</b>	<b>13</b>	<b>134</b>	<b>4 343</b>	<b>150</b>	<b>7 650</b>

\*) The effect from the share dividend on Fortum Group equity is EUR 920 million. In the parent company the effect on retained earnings is EUR 969 million.

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**CONSOLIDATED CASH FLOW STATEMENT**

MEUR	2005	2004
<b>Cash flow from operating activities</b>		
Operating profit before depreciations continuing operations	1 754	1 583
Non-cash flow items and divesting activities	15	-37
Financial items and realised foreign exchange gains and losses	-107	-181
Taxes	-298	-160
<b>Funds from operations continuing operations</b>	<b>1 364</b>	<b>1 205</b>
Change in working capital	-93	27
<b>Net cash from operating activities continuing operations</b>	<b>1 271</b>	<b>1 232</b>
<b>Net cash from operating activities discontinued operations</b>	<b>133</b>	<b>526</b>
<b>Total net cash from operating activities</b>	<b>1 404</b>	<b>1 758</b>
<b>Cash flow from investing activities</b>		
Capital expenditures	-346	-335
Acquisition of shares	-127	-179
Proceeds from sales of fixed assets	30	60
Proceeds from sales of shares	26	15
Change in other investments	19	-20
<b>Net cash used in investing activities continuing operations</b>	<b>-398</b>	<b>-459</b>
<b>Net cash used in investing activities discontinued operations</b>	<b>1 155</b>	<b>-277</b>
<b>Total net cash used in investing activities</b>	<b>757</b>	<b>-736</b>
<b>Cash flow before financing activities</b>		
	<b>2 161</b>	<b>1 022</b>
<b>Cash flow from financing activities</b>		
Net change in loans	-1 063	-811
Dividends paid to the Company's equity holders	-506	-357
Other financing items	22	94
<b>Net cash used in financing activities continuing operations</b>	<b>-1 547</b>	<b>-1 074</b>
<b>Net cash used in financing activities discontinued operations *)</b>	<b>29</b>	<b>-236</b>
<b>Total net cash used in financing activities</b>	<b>-1 518</b>	<b>-1 310</b>
<b>Total net increase (+)/decrease (-) in cash and marketable securities, continuing operations</b>	<b>643</b>	<b>-288</b>

\*) The cash flow from financing activities, discontinued operations in 2004 is shown as used to repay loans since the Treasury operations have been centralised for the total Fortum Group.

**KEY RATIOS <sup>1)</sup>**

MEUR	Dec 31 2005	Sept 30 2005	June 30 2005	March 31 2005	Dec 31 2004	Sept 30 2004	June 30 2004	March 31 2004
Earnings per share total Fortum (basic), EUR	1.55	1.19	0.99	0.38	1.48	1.09	0.80	0.36
Earnings per share continuing operations (basic), EUR	1.01	0.65	0.45	0.28	0.79	0.58	0.45	0.24
Capital employed, MEUR <sup>2)</sup>	11 357	11 154	10 987	11 891	12 890	12 762	12 447	12 156
Capital employed continuing operations, MEUR	11 357				10 739			
Interest-bearing net debt, MEUR	3 158	3 333	3 595	4 878	5 095	5 445	5 512	5 526
Capital expenditure and investments in shares continuing operations, MEUR	479	213	123	49	514	306	158	57
Capital expenditure continuing operations, MEUR	346	207	123	49	335	201	128	57
Return on capital employed, %	16.6	15.3	16.7	18.2	15.8	15.0	17.0	18.6
Return on capital employed continuing operations, %	13.5				11.4			
Return on shareholders' equity, %	18.7	17.6	19.2	19.5	18.2	18.4	20.9	19.9
Net debt / EBITDA	1.4				2.1			
Net debt / EBITDA continuing operations	1.8				-			
Interest coverage	11.6	10.6	11.3	11.6	8.0	7.8	8.3	7.1
Funds from operations/interest-bearing net debt, %	43.2	42.9	44.2	39.3	36.4	33.1	38.2	44.4
Gearing, %	43	47	53	71	67	77	82	86
Equity per share, EUR	8.17	7.86	7.64	7.67	8.65	8.19	7.77	7.41
Equity-to-assets ratio, %	49	47	43	43	44	41	40	38
Average number of employees	10 026	10 279	11 066	13 135	12 859	13 112	13 097	13 023
Average number of shares, 1 000 shares	872 613	872 438	872 316	871 710	852 625	849 823	849 698	849 698
Diluted adjusted average number of shares, 1 000 shares	887 653	889 157	883 629	883 774	861 772	870 806	867 907	867 344
Number of shares, 1 000 shares	875 294	872 981	872 793	871 854	867 084	850 262	849 813	849 813

1) Key ratios are based on Fortum total numbers including continuing and discontinued operations if otherwise not stated.

2) Capital employed at March 31 2005 does not represent continuing operations since 15% of the shares in Neste Oil and the interest-bearing receivable from Neste Oil are included

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**SALES BY SEGMENTS**

MEUR	Q4/05	Q4/04	2005	2004
Power Generation	598	583	2 058	2 084
- of which internal	23	55	97	128
Heat	325	316	1 063	1 025
- of which internal	0	9	12	49
Distribution	196	194	707	707
- of which internal	2	3	8	10
Markets	391	378	1 365	1 387
- of which internal	35	28	101	92
Other	20	23	91	90
- of which internal	13	28	63	93
Eliminations *)	-418	-410	-1 407	-1 458
<b>Sales from continuing operations</b>	<b>1 112</b>	<b>1 084</b>	<b>3 877</b>	<b>3 835</b>
Sales from discontinued operations	0	2 108	2 061	7 909
Eliminations	0	-17	-20	-85
<b>Total</b>	<b>1 112</b>	<b>3 175</b>	<b>5 918</b>	<b>11 659</b>

\*) Eliminations include sales and purchases with Nordpool that is netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour

**OPERATING PROFIT BY SEGMENTS**

MEUR	Q4/05	Q4/04	2005	2004
Power Generation	296	241	825	763
Heat	94	75	269	218
Distribution	76	51	251	234
Markets	11	0	32	34
Other	-3	-4	-30	-54
<b>Operating profit from continuing operations</b>	<b>474</b>	<b>363</b>	<b>1 347</b>	<b>1 195</b>
Operating profit from discontinued operations	0	183	517	721
<b>Total</b>	<b>474</b>	<b>546</b>	<b>1 864</b>	<b>1 916</b>

**COMPARABLE OPERATING PROFIT BY SEGMENTS, CONTINUING OPERATIONS**

MEUR	Q4/05	Q4/04	2005	2004
Power Generation	297	232	854	730
Heat	97	75	253	207
Distribution	76	57	244	240
Markets	8	-1	30	23
Other	-18	-14	-47	-52
<b>Comparable operating profit from continuing operations</b>	<b>460</b>	<b>349</b>	<b>1 334</b>	<b>1 148</b>
Non-recurring items	10	29	30	18
Other items effecting comparability	4	-15	-17	29
<b>Operating profit from continuing operations</b>	<b>474</b>	<b>363</b>	<b>1 347</b>	<b>1 195</b>

**NON-RECURRING ITEMS BY SEGMENTS**

MEUR	Q4/05	Q4/04	2005	2004
Power Generation	-6	18	-3	9
Heat	2	4	14	4
Distribution	0	2	1	2
Markets	0	0	0	0
Other	14	5	18	3
<b>Total</b>	<b>10</b>	<b>29</b>	<b>30</b>	<b>18</b>

**OTHER ITEMS EFFECTING COMPARABILITY BY SEGMENTS**

MEUR	Q4/05	Q4/04	2005	2004
Power Generation	5	-9	-26	24
Heat	-5	-4	2	7
Distribution	0	-8	6	-8
Markets	3	1	2	11
Other	1	5	-1	-5
<b>Total</b>	<b>4</b>	<b>-15</b>	<b>-17</b>	<b>29</b>

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES BY SEGMENTS**

<b>MEUR</b>	<b>Q4/05</b>	<b>Q4/04</b>	<b>2005</b>	<b>2004</b>
Power Generation	29	30	112	104
Heat	31	35	123	124
Distribution	36	34	145	133
Markets	4	4	15	16
Other	2	3	12	11
<b>Total depreciation, amortisation and impairment charges from continuing operations</b>	<b>102</b>	<b>106</b>	<b>407</b>	<b>388</b>
Total depreciation, amortisation and impairment charges from discontinued operations	0	38	36	139
<b>Total</b>	<b>102</b>	<b>144</b>	<b>443</b>	<b>527</b>

**SHARE OF PROFITS IN ASSOCIATES AND JOINT VENTURES BY SEGMENTS**

<b>MEUR</b>	<b>Q4/05</b>	<b>Q4/04</b>	<b>2005</b>	<b>2004</b>
Power Generation *)	17	-8	23	-18
Heat	3	6	11	15
Distribution	6	5	20	16
Markets	0	0	1	0
Other	1	0	0	-1
<b>Share of profits in associates and joint ventures from continuing operations</b>	<b>27</b>	<b>3</b>	<b>55</b>	<b>12</b>
Share of profits in associates and joint ventures from discontinued operations	0	7	-2	36
<b>Total</b>	<b>27</b>	<b>10</b>	<b>53</b>	<b>48</b>

\*) The main part of the associated companies in Power Generation are power production companies from which Fortum purchase produced electricity at cost.  
The share of profit according to IFRS also includes depreciations on fair value adjustments made when acquiring the shareholdings.

**INVESTMENTS IN ASSOCIATES AND JOINT VENTURES BY SEGMENTS**

<b>MEUR</b>	<b>Dec 31 2005</b>	<b>Dec 31 2004</b>
Power Generation	1 259	1 208
Heat	133	128
Distribution	210	196
Markets	8	8
Other	0	0
<b>Investments in associates and joint ventures from continuing operations</b>	<b>1 610</b>	<b>1 540</b>
Investments in associates and joint ventures from discontinued operations	0	140
<b>Total</b>	<b>1 610</b>	<b>1 680</b>

**CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES BY SEGMENTS**

<b>MEUR</b>	<b>Q4/05</b>	<b>Q4/04</b>	<b>2005</b>	<b>2004</b>
Power Generation	69	58	129	210
Heat	141	100	212	175
Distribution	50	41	115	106
Markets	3	2	10	6
Other	3	7	13	17
<b>Capital expenditure and investments in shares from continuing operations</b>	<b>266</b>	<b>208</b>	<b>479</b>	<b>514</b>
Capital expenditure and investments in shares from discontinuing operations	0	121	99	316
<b>Total</b>	<b>266</b>	<b>329</b>	<b>578</b>	<b>830</b>

**NET ASSETS BY SEGMENTS**

<b>MEUR</b>	<b>Dec 31 2005</b>	<b>Dec 31 2004</b>
Power Generation	5 954	6 218
Heat	2 551	2 440
Distribution	3 021	3 091
Markets	228	194
Other and Eliminations	139	-43
<b>Net assets from continuing operations</b>	<b>11 893</b>	<b>11 900</b>
Net assets from discontinued operations	0	2 011
Eliminations	0	2
<b>Total</b>	<b>11 893</b>	<b>13 913</b>

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**RETURN ON NET ASSETS BY SEGMENTS**

	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30	June 30	March 31
%	2005	2005	2005	2005	2004	2004	2004	2004
Power Generation	14.0	11.7	11.3	14.6	12.1	11.0	12.5	14.0
Heat	11.6	10.3	14.2	19.3	9.8	8.6	11.8	18.3
Distribution	8.8	8.2	9.1	10.1	8.1	8.3	9.4	11.3
Markets	17.4	15.6	14.6	11.5	25.3	37.9	36.8	77.6

**COMPARABLE RETURN ON NET ASSETS BY SEGMENTS**

	Dec 31	Sept 30	June 30	March 31	Dec 31	Sept 30	June 30	March 31
%	2005	2005	2005	2005	2004	2004	2004	2004
Power Generation	14.5	12.5	13.2	14.9	11.5	10.5	11.5	13.8
Heat	11.0	9.3	12.7	18.5	9.3	8.0	11.3	17.8
Distribution	8.6	7.9	8.7	9.4	8.3	8.3	9.0	11.1
Markets	16.4	16.4	15.7	13.5	17.1	26.7	24.5	43.4

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.

**ASSETS BY SEGMENTS**

	Dec 31	Dec 31
MEUR	2005	2004
Power Generation	6 522	7 108
Heat	2 895	2 742
Distribution	3 448	3 514
Markets	515	375
Other and Eliminations	216	-156
<b>Assets from continuing operations</b>	<b>13 596</b>	<b>13 583</b>
Assets from discontinuing operations		2 756
Eliminations		-32
<b>Assets included in Net assets</b>	<b>13 596</b>	<b>16 307</b>
Interest-bearing receivables	620	728
Deferred taxes	18	106
Other assets	108	281
Cash and cash equivalents	788	145
<b>Total assets</b>	<b>15 130</b>	<b>17 567</b>

**LIABILITIES BY SEGMENTS**

	Dec 31	Dec 31
MEUR	2005	2004
Power Generation	568	890
Heat	344	302
Distribution	427	423
Markets	287	181
Other and Eliminations	77	-113
<b>Liabilities from continuing operations</b>	<b>1 703</b>	<b>1 683</b>
Liabilities from discontinuing operations		745
Eliminations		-34
<b>Liabilities included in Net assets</b>	<b>1 703</b>	<b>2 394</b>
Deferred tax liabilities	1 512	1 841
Other	558	442
<b>Total liabilities included in capital employed</b>	<b>3 773</b>	<b>4 677</b>
<b>Interest-bearing liabilities</b>	<b>3 946</b>	<b>5 240</b>
<b>Total equity</b>	<b>7 411</b>	<b>7 650</b>
<b>Total equity and liabilities</b>	<b>15 130</b>	<b>17 567</b>

**CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**

	Dec 31	Dec 31
MEUR	2005	2004
Opening balance	12 041	11 923
Acquisition of subsidiary companies	171	31
Capital expenditures	346	648
Disposals	-31	-152
Depreciation, amortisation and impairment	-407	-527
Translation differences	-324	118
<b>Closing balance before de-consolidation of Neste Oil</b>	<b>11 796</b>	<b>12 041</b>
De-consolidation of Neste Oil	-1 540	
<b>Closing balance</b>	<b>10 256</b>	<b>12 041</b>



**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**BUSINESS COMBINATIONS**

In 20 December 2005, Fortum acquired 57,03 % of the share capital of MPEC Wroclaw S.A., a district heating distributor in Poland. The acquired business did not contribute any revenues or net profit to the Group in 2005.

Details of net assets acquired and goodwill are as follows:

Purchase consideration:	
- Cash paid	78
- Direct costs relating to the acquisition	1
Total purchase consideration	79
Fair value of the acquired net identifiable assets	82
Translation difference	-3
Goodwill	0

The assets and liabilities arising from the acquisition are as follows:

	Fair value	Acquiree's carrying amount
Cash and cash equivalents	12	12
Intangible assets	1	1
Property, plant and equipment	146	103
Receivables	18	18
Deferred tax assets	1	1
Non-interest bearing liabilities	-17	-17
Interest-bearing liabilities	-4	-4
Deferred tax liabilities	-13	-4
Net identifiable assets	144	110
Minority interests	-62	
Fair value of the acquired net identifiable assets	82	
Purchase consideration settled in cash		79
Cash and cash equivalents in subsidiary acquired		12
Cash outflow on acquisition		67

**QUARTERLY SALES BY SEGMENTS**

	Q4 2005	Q3 2005	Q2 2005	Q1 2005	Q4 2004	Q3 2004	Q2 2004	Q1 2004
<b>MEUR</b>								
Power Generation	598	450	476	534	583	453	488	560
- of which internal	23	6	13	55	55	11	26	36
Heat	325	147	206	385	316	149	198	361
- of which internal	0	1	-1	12	9	1	3	36
Distribution	196	149	160	202	194	150	157	206
- of which internal	2	2	2	2	3	3	1	3
Markets	391	284	298	392	378	287	303	419
- of which internal	35	19	22	25	28	17	22	25
Other	20	26	22	23	23	22	25	20
- of which internal	13	13	15	22	11	7	9	10
Eliminations	-418	-282	-304	-403	-410	-296	-314	-437
<b>Sales from continuing operations</b>	<b>1 112</b>	<b>774</b>	<b>858</b>	<b>1 133</b>	<b>1 084</b>	<b>765</b>	<b>857</b>	<b>1 129</b>
Sales from discontinued operations	-	-	-	2 061	2 108	2 091	2 000	1 710
Eliminations	-	-	-	-20	-17	-20	-27	-21
<b>Total</b>	<b>1 112</b>	<b>774</b>	<b>858</b>	<b>3 174</b>	<b>3 175</b>	<b>2 836</b>	<b>2 830</b>	<b>2 818</b>

**QUARTERLY OPERATING PROFIT BY SEGMENTS**

	Q4 2005	Q3 2005	Q2 2005	Q1 2005 *)	Q4 2004	Q3 2004	Q2 2004	Q1 2004
<b>MEUR</b>								
Power Generation	296	181	125	223	241	128	172	222
Heat	94	13	50	112	75	12	27	104
Distribution	76	48	56	71	51	45	55	83
Markets	11	7	8	6	0	13	5	16
Other	-3	-9	-12	-6	-4	-21	-11	-18
<b>Operating profit from continuing operations</b>	<b>474</b>	<b>240</b>	<b>227</b>	<b>406</b>	<b>363</b>	<b>177</b>	<b>248</b>	<b>407</b>
Operating profit from discontinued operations	-	-	390	127	183	165	223	150
<b>Total</b>	<b>474</b>	<b>240</b>	<b>617</b>	<b>533</b>	<b>546</b>	<b>342</b>	<b>471</b>	<b>557</b>

\*) The accounting treatment of CO2 emission allowances was changed in Q2 according to the decision of IASB to withdraw the IFRIC 3 Emission rights immediate effect.

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**QUARTERLY COMPARABLE OPERATING PROFIT BY SEGMENTS, CONTINUING OPERATIONS**

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
MEUR	2005	2005	2005	2005	2004	2004	2004	2004
Power Generation	297	161	172	224	232	135	145	218
Heat	97	12	37	107	75	7	24	101
Distribution	76	47	55	66	57	51	51	81
Markets	8	7	8	7	-1	10	5	9
Other	-18	-7	-11	-11	-14	-12	-14	-12
<b>Comparable operating profit from continuing operations</b>	<b>460</b>	<b>220</b>	<b>261</b>	<b>393</b>	<b>349</b>	<b>191</b>	<b>211</b>	<b>397</b>
Non-recurring items	10	2	12	6	29	-4	-1	-6
Other items effecting comparability	4	18	-46	7	-15	-10	38	16
<b>Operating profit from continuing operations</b>	<b>474</b>	<b>240</b>	<b>227</b>	<b>406</b>	<b>363</b>	<b>177</b>	<b>248</b>	<b>407</b>

**QUARTERLY NON-RECURRING ITEMS IN OPERATING BY SEGMENTS**

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
MEUR	2005	2005	2005	2005	2004	2004	2004	2004
Power Generation	-6	3	0	0	18	-2	-1	-6
Heat	2	1	11	0	4	0	0	0
Distribution	0	0	1	0	2	0	0	0
Markets	0	0	0	0	0	0	0	0
Other	14	-2	0	6	5	-2	0	0
<b>Total</b>	<b>10</b>	<b>2</b>	<b>12</b>	<b>6</b>	<b>29</b>	<b>-4</b>	<b>-1</b>	<b>-6</b>

Includes positive one-time effects of change in treatment of Finnish TEL disability pension liability in Q4 2004.

**QUARTERLY OTHER ITEMS EFFECTING COMPARABILITY**

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
MEUR	2005	2005	2005	2005	2004	2004	2004	2004
Power Generation	5	17	-47	-1	-9	-5	28	10
Heat	-5	0	2	5	-4	5	3	3
Distribution	0	1	0	5	-8	-6	4	2
Markets	3	0	0	-1	1	3	0	7
Other	1	0	-1	-1	5	-7	3	-6
<b>Total</b>	<b>4</b>	<b>18</b>	<b>-46</b>	<b>7</b>	<b>-15</b>	<b>-10</b>	<b>38</b>	<b>16</b>

DISCONTINUED OPERATIONS (including eliminations between Fortum and discontinued operations)

MEUR	Q4/05	Q4/04	2005 *)	2004
<b>Sales</b>	-	2 108	<b>2 061</b>	7 909
Other income	-	14	<b>395</b>	66
Materials and services	-	-1 610	<b>-1 726</b>	-6 439
Employee benefit costs	-	-59	<b>-57</b>	-211
Depreciation, amortisation and impairment charges	-	-38	<b>-36</b>	-139
Other expenses	-	-232	<b>-120</b>	-465
<b>Operating profit</b>	-	183	<b>517</b>	721
Share of profit of associates and joint ventures	-	7	<b>-2</b>	36
Finance costs-net	-	8	<b>-6</b>	-19
<b>Profit before income tax</b>	-	198	<b>509</b>	738
Income tax expense	-	-41	<b>-35</b>	-149
<b>Profit for the year from discontinued operations</b>	-	157	<b>474</b>	589

\*) The accounting treatment of CO2 emission allowances was changed in Q2 according to the decision of IASB to withdraw the IFRIC 3 Emission rights immediate effect.

Other income includes the capital gain, EUR 390 million, from the sale of approximately 15% of the shares in Neste Oil Oyj.

CONTINGENT LIABILITIES

MEUR	Dec 31 2005	Dec 31 2004
<b>Contingent liabilities</b>		
On own behalf		
For debt		
Pledges	144	160
Real estate mortgages	49	113
For other commitments		
Real estate mortgages	66	59
Other contingent liabilities	94	76
<b>Total</b>	<b>353</b>	<b>408</b>
On behalf of associated companies and joint ventures		
Pledges and real estate mortgages	3	12
Guarantees	208	335
Other contingent liabilities	125	182
<b>Total</b>	<b>336</b>	<b>529</b>
On behalf of others		
Guarantees	2	3
Other contingent liabilities	3	5
<b>Total</b>	<b>5</b>	<b>8</b>
<b>Total</b>	<b>694</b>	<b>945</b>

Fortum's 100% owned subsidiary Fortum Heat and Gas Oy has a collective contingent liability with Neste Oil Oyj of the demerged Fortum Oil and Gas Oy's li based on the Finnish Companies Act's Chapter 14a Paragraph 6.

Operating lease liabilities

Due within a year	17	87
Due after one year and within five years	31	81
Due after five years	9	64
<b>Total</b>	<b>57</b>	<b>232</b>

NUCLEAR RELATED ASSETS AND LIABILITIES

MEUR	Dec 31 2005	Dec 31 2004
Liability for nuclear waste management according to the Nuclear Energy Act 1)	618	596
Fortum's share of reserves in the Nuclear Waste Fund 2)	-610	-581
Difference covered by real estate mortgages 3)	8	15

1) The legal liability calculated according to the Nuclear Energy Act in Finland is EUR 618 (596) million as of 31 December 2005 (and 2004 respectively)

Discounted liability in the balance sheet calculated according to IAS 37 is EUR 418 (401) million as of 31 December 2005.

The main reason for the difference in liability is that the legal liability is not allowed to discount to net present value.

2) Fortum contributes to the Nuclear Waste Fund according to the legal liability. Fortum's share of the nuclear waste fund as of 31 December 2005 is EUR 610 (581) million.

The value of the fund asset in the balance sheet is EUR 418 (401) million as of 31 December 2005 due to IFRIC Interpretation 5, which states that it can not exceed the carrying value of the related liabilities.

3) At year end there is a difference between the legal liability and Fortum's share of the nuclear waste fund due to yearly revised calculation of the liability.

The difference is due to timing of the annual calculation of the liability and will be paid during first quarter the following year.

Fortum has given real estate mortgages as security. The real estate mortgages are included in contingent liabilities.

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**DERIVATIVES**

MEUR	Dec 31		Dec 31	
	2005		2004	
	Notional value	Net fair value	Notional value	Net fair value
<b>Interest and currency derivatives</b>				
Interest rate swaps	2 636	11	3 435	-45
Forward foreign exchange contracts	5 297	69	8 176	-32
Interest rate and currency swaps	2 169	3	310	-23
Purchased currency options	-	-	438	17
Written currency options	-	-	438	6
<b>Electricity derivatives</b>	<b>Volume</b>	<b>Net fair value</b>	<b>Volume</b>	<b>Net fair value</b>
	<b>TWh</b>	<b>MEUR</b>	<b>TWh</b>	<b>MEUR</b>
Sales swaps	84	-463	70	204
Purchase swaps	49	276	42	-53
Purchased options	1	-1	1	-1
Written options	3	2	1	-
<b>Oil derivatives</b>	<b>Volume</b>	<b>Net fair value</b>	<b>Volume</b>	<b>Net fair value</b>
	<b>1000 bbl</b>	<b>MEUR</b>	<b>1000 bbl</b>	<b>MEUR</b>
Sales swaps and futures	90	0	44 588	26
Purchase swaps and futures	571	6	70 258	7
Purchased options	-	-	4 797	2
Written options	-	-	6 784	-2

**Accounting principles**

This report has been prepared in accordance with IFRS. As of 2005 Fortum is applying International Financial reporting Standards (IFRS).

The most important changes for Fortum continuing operations are:

- Derivatives are being carried at fair value in the balance sheet. Fair value changes effects the income statement if hedge accounting is not applied. (IAS 39)
- Fortum's part of the Finnish nuclear waste fund and the future liabilities for spent fuel and decommissioning regarding nuclear production are disclosed gross in the balance sheet according to IFRIC Interpretation 5.
- The minority preference shares with option agreement in Nybroviken Kraft AB Group accounted for as minority interest under Finnish GAAP is reclassified as interest-bearing liabilities under IFRS.
- The accounting of pension liabilities according to IAS 19 creates a change to Finnish GAAP, but impacts mainly 2004 since the accounting treatment of the Finnish TEL's disability pension component changed during the year.
- The oil operations in Fortum are regarded as discontinued operations as of March 31, 2005. Discontinued operations are disclosed on one line in the income statement and shown separately in the cash-flow. 2004 comparison financials are restated.

Fortum has in a press release on April 26, 2005, described the impact of the transition to IFRS on 2004 financial information. The document also included restated quarterly information and reconciliations of equity and net profit between Finnish GAAP and IFRS.

The detailed accounting principles used can be found on the Fortum website: [www.fortum.com/Investors/Financial Information](http://www.fortum.com/Investors/Financial%20Information)

**Emission allowances**

As of January 1, 2005 Fortum implemented IFRIC interpretation 3 in accounting for CO2 emission allowances. In June 2005 the IASB decided to withdraw IFRIC 3 with immediate effect.

Following this decision, Fortum has changed accounting treatment for emission allowances retroactively. Fortum accounts for the CO2 allowances based on currently valid IFRS standards where purchased CO2 emission allowances are accounted for as intangible assets at cost, whereas CO2 emission allowances received free of charge are accounted for at nominal value. A provision is recognised to cover the obligation to return emission allowances and it is measured at its probable settlement amount. This means that the effect in operating profit will reflect the difference between what has been emitted and received emission allowances. This difference is valued at fair value or the value of the purchased allowances.

**FORTUM GROUP**  
**JANUARY-DECEMBER 2005**

**Definitions of key figures**

Comparable operating profit	=		Operating profit - non-recurring items - other items effecting comparability
Non-recurring items	=		Mainly capital gains and losses
Other items effecting 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.
Return on shareholders' equity, %	=	100 x	$\frac{\text{Profit for the year}}{\text{Total equity average}}$
Return on capital employed, %	=	100 x	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Capital employed average}}$
Return on capital employed continuing operations, %	=	100 x	$\frac{\text{Profit before taxes continuing operations + interest and other financial expenses continuing operations}}{\text{Capital employed continuing operations average}}$
Return on net assets, %	=	100 x	$\frac{\text{Operating profit + Share of profit (loss) in associated companies and joint ventures}}{\text{Net assets average}}$
Comparable return on net assets, %	=	100 x	$\frac{\text{Comparable operating profit + Share of profit (loss) in associated and joint ventures (adjusted for IAS 39 effects)}}{\text{Comparable net assets average}}$
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 inter tax and deferred tax and assets and liabilities from fair valuations of derivatives where hedge accounting is applied)
Comparable net assets	=		Net assets adjusted for non-interest bearing assets and liabilities arising from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39
Interest-bearing net debt	=		Interest-bearing liabilities - cash and cash equivalents
Gearing, %	=	100 x	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}}$
Equity per share, EUR	=		$\frac{\text{Shareholder's equity}}{\text{Number of shares at the end of the period}}$
Equity-to-assets ratio, %	=	100 x	$\frac{\text{Total equity including minority interest}}{\text{Total assets}}$
Net debt / EBITDA	=		$\frac{\text{Operating profit + Depreciation, amortisation and impairment charges}}{\text{Interest-bearing net debt}}$
Net debt / EBITDA continuing operations	=		$\frac{\text{Operating profit continuing operations + Depreciation, amortisation and impairment charges continuing operations}}{\text{Interest-bearing net debt}}$
Interest coverage	=		$\frac{\text{Operating profit}}{\text{Net interest expenses}}$
Earnings per share (EPS)	=		$\frac{\text{Profit for the period - minority interest}}{\text{Average number of shares during the period}}$