Fortum Corporation
Financial statements release 2009

3 February 2010

Fortum Corporation
Financial statements release 2009
3 February 2010 at 9:00

Stable performance in turbulent times

- Comparable operating profit EUR 1,888 (1,845) million
- Earnings per share EUR 1.48 (1.74)
- Strong cash flow at EUR 2,264 (2,002) million
- 91% (92%) of power generated by Fortum in the EU was CO_2-free
- Progress in Russia on track
- Fortum's Board proposes a dividend of EUR 1.00 per share

Key figures	IV/09	IV/08	2009	2008
Sales, EUR million	1,563	1,602	5,435	5,636
Operating profit, EUR million	522	611	1,782	1,963
Comparable operating profit, EUR million	570	508	1,888	1,845
Profit before taxes, EUR million	505	605	1,636	1,850
Earnings per share, EUR	0.46	0.64	1.48	1.74
Net cash from operating activities, EUR million	396	562	2,264	2,002
Shareholders' equity per share, EUR			9.04	8.96
Interest-bearing net debt (at end of period), EUR million			5,969	6,179
Average number of shares, 1,000s			888,230	887,256

Key financial ratios	2009	2008
Return on capital employed, %	12.1	15.0
Return on shareholders' equity, %	16.0	18.7
Net debt/EBITDA	2.6	2.5

Fortum's President and CEO Tapio Kuula in connection with the financial statements release:

"Fortum was, once again, able to weather the turbulent times and deliver good results. We improved our operational performance from a year ago and Fortum's comparable operating profit increased clearly in the last quarter of the year.

Thanks to successful and consistent hedging, Fortum's achieved power price in Power Division clearly exceeded the Nord Pool system average in 2009. However, there was a disappointment in the Power Division as well: nuclear volumes were clearly below normal as the planned schedules of upgrade projects were exceeded at co-owned nuclear plants in Sweden. In total, Fortum lost approximately 4 terawatt-hours (TWh) of nuclear volume in Sweden during 2009 due to the unplanned outages.

I am especially delighted that the Markets business area has turned positive. Our restructuring and cost savings actions have proven a success.

The Russia Division is on track to reach the targeted EUR 100 million efficiency improvements in 2011. This is no small achievement, bearing in mind difficult economic conditions. Furthermore, the market price for power has been increasing from quarter to another during 2009, indicating that the worst is likely to be over also in Russian economy.

Power sector reform in Russia progressed as planned: The share of wholesale power sold on the competitive market in Russia was increased from 30% to 50% at the beginning of July 2009. The share increased further to 60% from the beginning of 2010.

The overall Nordic power consumption decreased about 5% in 2009. The colder than usual weather and the pick-up in industrial activity improved the power demand outlook towards the end of the year. We currently expect Nordic demand for power to recover back to the 2008 level by 2012-2014.

I want to express my gratitude to all Fortum's employees on continued good work. We all have shown that we can do a lot to improve our performance. I believe that the ongoing work to improve efficiency, accountability and simplicity in our operations will create a good platform for the future."

Financial results

October–December

Group sales were EUR 1,563 (1,602) million. Group operating profit totalled EUR 522 (611) million. Comparable operating profit totalled EUR 570 (508) million.

The fourth-quarter reported operating profit was affected by negative mark-to-market accounting effects (IAS 39) from the decrease in the value of Fortum's power derivatives portfolio and in the value of the currency derivatives used for hedging the power derivatives portfolio. The difference between nonrecurring items, mark-to-market effects and nuclear fund adjustments between the fourth quarters of 2009 and 2008 was EUR -151 million, explaining the decline in the fourth quarter reported operating profit.

The fourth-quarter net profit decreased EUR 176 million from a year ago. Earnings per share were EUR 0.46 (0.64), 28% lower than in the fourth quarter of last year. The decline stems from lower reported operating profit in 2009 and from the positive one-time tax effects booked mainly in the fourth-quarter results in 2008.

Sales by division

EUR million	IV/09	IV/08	2009	2008
Power	679	736	2,596	2,892
Heat	457	463	1,394	1,466
Distribution*	227	206	800	789
Markets*	410	531	1,449	1,922
Russia	194	197	623	489
Other	19	21	74	83
Netting of Nord Pool transactions	-325	-476	-1,095	-1,736
Eliminations	-98	-76	-406	-269
Total	1,563	1,602	5,435	5,636

* Part of the Electricity Solutions and Distribution Division

Comparable operating profit by division

EUR million	IV/09	IV/08	2009	2008
Power	394	378	1,469	1,528
Heat	103	109	227	250
Distribution*	80	63	262	248
Markets*	11	0	22	-33
Russia	7	-20	-26	-92
Other	-25	-22	-66	-56
Total	570	508	1,888	1,845

* Part of the Electricity Solutions and Distribution Division

Operating profit by division

EUR million	IV/09	IV/08	2009	2008
Power	330	470	1,335	1,599
Heat	108	155	248	307
Distribution*	81	61	263	248
Markets*	19	-29	22	-35
Russia	7	-19	-26	-91
Other	-23	-27	-60	-65
Total	522	611	1,782	1,963

* Part of the Electricity Solutions and Distribution Division

January–December

Group sales were EUR 5,435 (5,636) million. Group operating profit totalled EUR 1,782 (1,963) million. Comparable operating profit totalled EUR 1,888 (1,845) million.

The difference in nonrecurring items, mark-to-market effects and nuclear fund adjustments between 2009 and 2008 was EUR -224 million, explaining the decline in the reported operating profit.

The average SEK rate in 2009 decreased by approximately 9% compared to 2008. The translation effect caused by the lower average SEK rate was approximately EUR -96 million in Fortum's 2009 comparable operating profit compared to last year.

The share of profits/losses of associates and joint ventures was EUR 21 million, EUR 105 million lower than in the previous year. This was mainly due to the lower contribution from Hafslund ASA. Hafslund’s effect was EUR 52 million of the decrease.

Fortum's liquidity remained strong. Liquid funds at the end of the year 2009 amounted to EUR 890 million and undrawn committed credit facilities were approximately EUR 2.9 billion.

The Group's net financial expenses decreased to EUR 167 (239) million. The decrease is attributable to lower interest expenses. The change in fair value of financial instruments was EUR -1 (-11) million.

Profit before taxes was EUR 1,636 (1,850) million.

Taxes for the period totalled EUR 285 (254) million. The tax rate according to the income statement was 17.4% (13.7%).

The profit for the period was EUR 1,351 (1,596) million. Fortum's earnings per share were EUR 1.48 (1.74). As reported a year ago, the 2008 net earnings included EUR 184 million from one-time tax effects and non-recurring sales gains, mostly booked into the fourth-quarter results in 2008.

Non-controlling (minority) interests accounted for EUR 39 (54) million. These are mainly attributable to Fortum Värme Holding AB, in which the city of Stockholm has a 50% economic interest.

Return on capital employed was 12.1% for the year (15.0%), and return on shareholders' equity was 16.0% (18.7%).

Fortum's net debt to EBITDA for 2009 stood at 2.6 (2.5).

Market conditions

NORDIC COUNTRIES
According to preliminary statistics, the Nordic countries consumed 103 (104) TWh of electricity in the fourth quarter of 2009, about 1% less than in the previous year. During 2009, the Nordic countries consumed about 372 (393) TWh. The decrease is mainly due to the drop in industrial consumption as a result of the recession. According to Fortum's estimate, Nordic industrial consumption decreased by close to 15% compared to 2008.

The price of coal remained relatively stable during the fourth quarter of 2009, continuing on a clearly lower level compared to one year before. The average market price of coal (ICE Rotterdam) during the fourth quarter was USD 76 (101) per tonne. The average market price of coal (ICE Rotterdam) during the year 2009 was USD 70 (146) per tonne. During the fourth quarter, the average market price of CO_2 emission allowances (EUA) was EUR 13.8 per tonne CO_2. The corresponding price for CO_2 emission allowances for 2009 was EUR 13.4 per tonne CO_2.

Year 2009 started with the Nordic water reservoirs 5 TWh below the long-term average. At the end of the fourth quarter, the Nordic water reservoirs were 7 TWh below the long-term average and 2 TWh below the corresponding level last year.

During the fourth quarter, the average system spot price for power in Nord Pool was EUR 36.6 (50.8) per megawatt-hour (MWh). The Finnish and Swedish area prices were above the system price level, at EUR 40.0 (52.4) per MWh in Finland and EUR 40.0 (52.8) per MWh in Sweden.

In 2009, the average system spot price for power in Nord Pool was EUR 35.0 (44.7) per MWh. The average Finnish area price was EUR 37.0 (51.0), and the Swedish area price was EUR 37.0 (51.1) per MWh.

In Germany, the average spot price for the fourth quarter of 2009 was higher than in the Nordic area and was EUR 38.8 (68.0) per MWh. This resulted in a net export from the Nordic area to Germany. In Germany, the average spot price for the year 2009 was EUR 38.9 (65.8) per MWh. Market coupling between Denmark and Germany was relaunched on 9 November 2009.

RUSSIA
According to preliminary statistics, electricity demand in Russia in 2009 decreased by approximately 5.0% compared to 2008.

Russia's overall electricity demand in the fourth quarter of 2009 increased by approximately 1.3% compared to the corresponding period of the previous year. OAO Fortum operates in the Tyumen and Chelyabinsk areas, which belong to the Urals price zone. Electricity consumption in 2009 in the Urals region decreased by about 6% compared to the previous year. In the Tyumen area, where industrial production is dominated by oil and gas industries, electricity demand in 2009 was at the same level as in 2008. Electricity demand in the Chelyabinsk area, which is dominated by the metals industry, is showing signs of picking up: The year-on-year increase in the fourth quarter was approximately 6% while demand decreased by approximately 12% in the third quarter.

The average electricity spot price, excluding capacity price, in the European and Urals part of Russia increased to RUB 728 per MWh from RUB 597 per MWh in the fourth quarter of 2008. The average electricity spot price, excluding capacity price, in the European and Urals part of Russia in 2009 was 666 (708) RUB per MWh. The regulated electricity prices increased from a year ago. The capacity prices are still mainly regulated and were, on average, higher than a year ago.

The share of power sold on the liberalised market was increased from 50% to 60% at the beginning of 2010.

Total power and heat generation figures

Fortum's total power generation during 2009 was 65.3 (64.2) TWh, of which 48.1 (51.6) TWh was in the Nordic countries, representing 13% (13%) of the total Nordic electricity consumption. Fortum's total heat production during 2009 was 48.8 (40.3) TWh, of which 19.0 (20.8) TWh was in the Nordic countries.

The increase in the total power and heat generation volumes is due to the inclusion of OAO Fortum, which has been consolidated from the beginning of April 2008.

The decrease in Nordic hydropower generation was mainly due to lower precipitation and inflows into Nordic water reservoirs during the first half of 2009. Year 2008 was an exceptionally good hydro year. The decrease in Fortum's Nordic nuclear power generation is mainly due to the long upgrade outage in Oskarshamn 3 in 2009.

At year end, Fortum's total power generating capacity was 13,940 (13,573) megawatts (MW), of which 10,981 (10,643) MW was in the Nordic countries. At year end, Fortum's total heat production capacity was 24,330 (24,263) MW, of which 8,414 (8,448) MW was in the Nordic countries.

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

Fortum's total power and heat generation in the EU and Norway, TWh	**IV/09**	**IV/08**	**2009**	**2008**
Power generation	13.1	13.1	49.3	52.6
Heat generation	7.4	7.4	23.2	25.0

Fortum's total power and heat generation in Russia, TWh	IV/09	IV/08	2009	2008
Power generation	4.3	4.4	16.0	11.6
Heat generation	8.4	8.1	25.6	15.3

Fortum's own power generation by source, TWh total in the Nordic countries	IV/09	IV/08	2009	2008
Hydropower	5.9	6.0	22.1	22.9
Nuclear power	5.1	5.3	21.4	23.7
Thermal power	1.8	1.6	4.6	5.0
Total	12.8	12.9	48.1	51.6

Fortum's own power generation by source, %, total in the Nordic countries	IV/09	IV/08	2009	2008
Hydropower	46	47	46	44
Nuclear power	40	41	44	46
Thermal power	14	12	10	10
Total	100	100	100	100

Total power and heat sales figures

Fortum's total power sales during 2009 were 75.7 (75.0) TWh, of which 54.9 (59.1) TWh were in the Nordic countries. This represents approximately 15% (15%) of the estimated Nordic electricity consumption during 2009. Fortum's total heat sales during 2009 were 50.6 (42.2) TWh, of which 18.0 (20.0) TWh were in the Nordic countries.

Fortum's total electricity* and heat sales in the EU and Norway, EUR million	IV/09	IV/08	2009	2008
Electricity sales	768	771	2,802	2,959
Heat sales	351	365	1,095	1,157

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

Fortum's total electricity and heat sales in Russia, EUR million	IV/09	IV/08	2009	2008
Electricity sales	109	115	390	332
Heat sales	76	75	219	141

Fortum's total electricity sales* by area, TWh	IV/09	IV/08	2009	2008
Finland	7.1	7.7	26.1	28.7
Sweden	6.8	6.7	26.9	28.5
Russia	5.3	5.6	19.5	14.8
Other countries	1.0	0.8	3.2	3.0
Total	20.2	20.8	75.7	75.0

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

Fortum's total heat sales by area, TWh	IV/09	IV/08	2009	2008
Russia	8.9	8.6	25.6	15.3
Finland	2.7	3.1	8.0	10.8
Sweden	3.2	3.0	9.8	9.1
Poland	1.4	1.3	3.7	3.6
Other countries**	1.0	1.0	3.5	3.4
Total	17.2	17.0	50.6	42.2

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

Fortum's CO_2 emissions

In 2009, approximately 91% (92%) of the power generated by Fortum within the EU countries was CO_2-free.

Fortum’s total CO_2 emissions subject to the EU’s emissions trading scheme (ETS) in 2009 amounted to 7.7 (7.2) million tonnes of CO_2.

Fortum’s total annual CO_2 allowance allocation for its power and heat plants is approximately 5.5 million tonnes per year during 2009-2012.

Fortum’s target in the EU countries is to decrease its emissions in power generation to less than 80 g/kWh by 2020 as a five-year average. In heat production, Fortum aims at reducing the specific emissions in each country by at least 10% from 2006 until 2020. Outside the EU, Fortum is committed to increasing energy efficiency, thus reducing specific emissions.

Total CO_2 emissions of Fortum (million tonnes)	IV/09	IV/08	2009	2008
Total emissions	6.6	6.8	22.0	17.6
Emissions subject to ETS	2.7	2.7	7.7	7.2
Free emissions allocation	-	-	5.5	5.9
Emissions in Russia	3.9	4.0	13.8	9.8

Specific CO_2 emissions of Fortum (g/kWh)	2009	2008	2007
Specific emissions within ETS	41	41	64

FORTUM'S NEW BUSINESS STRUCTURE

In October 2009 Fortum restructured its organisation into four business divisions and four staff functions in order to increase the organisation’s efficiency, performance accountability and simplicity.

The new business divisions are Power, Heat, Russia, and Electricity Solutions and Distribution. The Electricity Solutions and Distribution (ESD) consists of business areas Distribution and Markets. The reportable segments under IFRS have been renamed correspondingly.

DIVISION REVIEWS

Power

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

EUR million	IV/09	IV/08	2009	2008
Sales	679	736	2,596	2,892
- power sales	637	638	2,414	2,566
- other sales	42	98	182	326
Operating profit	330	470	1,335	1,599
Comparable operating profit	394	378	1,469	1,528
Net assets (at period-end)			5,512	5,331
Return on net assets, %			23.9	29.6
Comparable return on net assets, %			26.6	28.0
Gross investments	34	49	154	134
Number of employees			3,063	3,520

The division's power generation during the fourth quarter of 2009 amounted to 11.1 (11.4) TWh in the Nordic countries.

In 2009, the division's power generation in the Nordic countries was 43.7 (46.9) TWh. Approximately 97% (97%) of that was CO_2-free.

The decrease in Nordic hydropower generation was mainly due to lower precipitation and inflows into Nordic water reservoirs during the first half of 2009.

The decrease in Nordic nuclear power generation is mainly due to the extensive power increase and safety modernisation outage in Oskarshamn 3, which started at the beginning of March 2009 and ended in mid December 2009. Oskarshamn 3's capacity has increased by ~250 MW, of which Fortum's share is approximately 110 MW. Currently, the increased capacity is only partly available due to the ongoing testing period.

Power generation by source, TWh	IV/09	IV/08	2009	2008
Hydropower, Nordic	5.9	6.0	22.1	22.9
Nuclear power, Nordic	5.1	5.3	21.4	23.7
Thermal power, Nordic	0.1	0.1	0.2	0.3
Total in the Nordic countries	**11.1**	**11.4**	**43.7**	**46.9**
Thermal in other countries	0.3	0.3	1.2	1.0
Total	**11.4**	**11.7**	**44.9**	**47.9**

Nordic sales volume, TWh	12.4	12.8	48.8	52.1
of which pass-through sales	1.0	0.8	3.6	3.7

Sales price, EUR/MWh	IV/09	IV/08	2009	2008
Power's Nordic power price*	51.5	49.1	49.8	49.3

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

During the fourth quarter of 2009, the average system spot price in Nord Pool was EUR 36.6 per MWh, while Finnish and Swedish area prices were above the system price level, at EUR 40.0 per MWh. During the same period, Power's achieved Nordic power price was EUR 51.5 (49.1) per MWh. The division's Nordic sales volume without pass-through items was 11.4 (12.0) TWh.

During 2009, the average system spot price in Nord Pool was EUR 35.0 per MWh, while the Finnish and Swedish area prices were EUR 37.0 per MWh. Power's achieved Nordic power price was EUR 49.8 per MWh, approximately the same level as last year.

In the fourth quarter, Power's comparable operating profit was slightly higher than in the corresponding period last year. Power's achieved Nordic power price increased. Both hydro and nuclear generation volumes were slightly lower than in the corresponding period last year.

In 2009, Power's comparable operating profit was lower than in the corresponding period last year. This was mainly due to the lower hydro and nuclear generation volumes. The translation effect from the lower SEK was approximately EUR -70 million in the division's 2009 comparable operating profit.

In February 2009, Fortum submitted to the Government of Finland an application for a decision-in-principle concerning the construction of a new nuclear power plant unit in Loviisa. Fortum is one of three applicants applying for the decision-in-principle. The Government is expected to make its proposal to the Parliament during 2010.

Fortum is a shareholder in Teollisuuden Voima Oyj (TVO), a nuclear generation company operating two nuclear power units in Olkiluoto, Finland. TVO is in the process of building a third unit, Olkiluoto 3. Based on the latest progress report submitted by the plant supplier, AREVA-Siemens, TVO has estimated that the start-up of the plant may be postponed beyond June 2012, which was the schedule confirmed by the supplier.

In late March, TVO's shareholders committed to providing a EUR 300 million subordinated shareholder's loan to TVO. Fortum's share of this commitment is at maximum EUR 75 million.

Heat

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

EUR million	IV/09	IV/08	2009	2008
Sales	457	463	1,394	1,466
- heat sales	340	354	1,054	1,120
- power sales	84	76	224	228
- other sales	33	33	116	118
Operating profit	108	155	248	307
Comparable operating profit	103	109	227	250
Net assets (at period-end)			3,786	3,468
Return on net assets, %			7.8	8.9
Comparable return on net assets, %			7.2	7.3
Gross investments	101	144	359	431
Number of employees			2,246	2,318

The division's heat sales during 2009 amounted to 22.9 (24.9) TWh, most of which was generated in the Nordic countries. During the same period, power sales from CHP production totalled 4.4 (4.7) TWh.

The decrease in the sales volume is mainly due to the sale of a CHP company in Jyväskylä, Finland, at the end of 2008 and lower demand from industrial customers.

The Heat Division’s fourth-quarter comparable operating profit was EUR 103 million, EUR 6 million lower than the corresponding period last year. The decrease was mainly due to the lower Nord Pool power price and translation effects from a weaker SEK. Cold weather increased heating volumes.

In 2009, the division’s comparable operating profit was EUR 227 million, EUR 23 million lower than the year before. The decrease was mainly due to the EUR -17 million translation effect from a weaker SEK and PLN, mainly in the first half of the year.

Fortum started the commercial operation of the new CHP unit in Espoo, Finland, during the fourth quarter. The construction of the CHP plants in Czestochowa, Poland, and Pärnu, Estonia, proceeded.

Heat sales by area, TWh	IV/09	IV/08	2009	2008
Finland	2.7	3.1	8.0	10.8
Sweden	3.2	3.0	9.8	9.1
Poland	1.4	1.3	3.7	3.6
Other countries	0.5	0.5	1.4	1.4
Total	7.8	7.9	22.9	24.9

Power sales, TWh	IV/09	IV/08	2009	2008
Total	1.6	1.4	4.4	4.7

Electricity Solutions and Distribution

Distribution

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

EUR million	IV/09	IV/08	2009	2008
Sales	227	206	800	789
- distribution network transmission	192	175	685	669
- regional network transmission	21	18	75	77
- other sales	14	13	40	43
Operating profit	81	61	263	248
Comparable operating profit	80	63	262	248
Net assets (at period-end)			3,299	3,032
Return on net assets, %			8.7	8.1
Comparable return on net assets, %			8.6	8.2
Gross investments	63	93	193	296
Number of employees			1,088	1,336

The volume of distribution and regional network transmission during the fourth quarter of 2009 totalled 7.5 (7.2) TWh and 4.4 (4.5) TWh, respectively.

In 2009, the volume of distribution and regional network transmission totalled 25.9 (25.8) TWh and 16.4 (17.7) TWh, respectively.

Electricity transmission via the regional distribution network totalled 13.6 (14.8) TWh in Sweden and 2.8 (2.9) TWh in Finland.

The comparable operating profit of the Distribution business area was EUR 80 million in the fourth quarter, EUR 17 million higher than in the corresponding period of the previous year. In the fourth quarter of 2009 sales were higher due to colder weather than in the corresponding quarter of 2008. The result in 2008 was burdened by AMM implementation-related costs in the Swedish operations.

The comparable operating profit of the Distribution business area was EUR 262 million in 2009, EUR 14 million higher than the previous year, though the 2009 results were somewhat affected by a negative translation effect from weaker SEK.

The new Swedish legislation on monthly meter reading came into effect on 1 July 2009. In order to meet the new requirements, Fortum has replaced 844,000 electricity meters with new smart meters.

In August 2009, a contract for the automatic meter management in Finland was signed with service provider Telvent. The total value of the investment is approximately EUR 170 million over a period of nine years. The investment includes the purchase of the smart meters, installation, operation and development of the system as well as the related services. The new Finnish legislation on meter reading requirements will be effective as of 1 January 2014.

In October 2009, the Swedish Energy Market Inspectorate (EI) delivered an investigation regarding the handling of capital costs and basic principles of the new Ex-Ante regulation model, and launched principles for the intermediate regulation for the period 2008-2011. The formal decision regarding the Ex-Ante regulation in Sweden starting from 2012 was made by the Swedish Parliament in June 2009. In the new regulation, network pricing will be determined in advance.

Volume of distributed electricity in distribution network, TWh	IV/09	IV/08	2009	2008
Sweden	3.9	3.8	14.0	14.0
Finland	2.8	2.6	9.4	9.3
Norway	0.7	0.7	2.3	2.3
Estonia	0.1	0.1	0.2	0.2
Total	7.5	7.2	25.9	25.8

Number of electricity distribution customers by area, thousands	31 Dec 2009	31 Dec 2008
Sweden	895	877
Finland	611	606
Other countries	123	123
Total	1,629	1,606

Markets

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

EUR million	IV/09	IV/08	2009	2008
Sales	410	531	1,449	1,922
- power sales	400	519	1,417	1,865
- other sales	10	12	32	57
Operating profit	19	-29	22	-35
Comparable operating profit	11	0	22	-33
Net assets (at period-end)			147	188
Return on net assets, %			16.8	-14.0
Comparable return on net assets, %			18.6	-15.3
Gross investments	0	0	1	3
Number of employees			611	635

In the fourth quarter of 2009, Markets' electricity sales totalled 8.3 (9.6) TWh. In 2009, Markets' sales volume was 30.0 (36.6) TWh.

The decrease in the sales volume continued mainly due to the lower consumption by business customers and discontinued contracts with some large business customers. The customer churn in the consumer market segment increased clearly during 2009.

The improvement in Markets' performance in 2009 was based on Markets' successful turnaround programme, including the launch of the new pricing model in the Consumer Market segment, renegotiated sales agreements in the Business Customer segment, renewed hedging operations and tighter cost controls. Markets' fourth-quarter comparable operating profit continued to improve from a year ago.

Russia

The Russia Division consists of power and heat generation and sales in Russia. It includes OAO Fortum and Fortum's over 25% holding in TGC-1. OAO Fortum is accounted for as a subsidiary and fully consolidated from 1 April 2008. TGC-1 is an associated company and accounted for using the equity method.

EUR million	IV/09	IV/08	2009	2008
Sales	194	197	623	489
- power sales	109	115	390	332
- heat sales	76	75	219	141
- other sales	9	7	14	16
EBITDA	27	3	49	-24
Operating profit	7	-19	-26	-91
Comparable operating profit	7	-20	-26	-92
Net assets (at period-end)			2,248	2,205
Return on net assets, %			-0.3	-3.7
Comparable return on net assets, %			-0.3	-3.8
Gross investments	98	126	218	1,748
Number of employees*			4,090	7,262

* In January 2009, around 1,100 persons working at OAO Fortum were transferred internally from the Russia Division to the Power Division.

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

The division's power sales during the fourth quarter of 2009 amounted to 5.3 (5.6) TWh. During the same period, heat sales totalled 8.9 (8.6) TWh. In 2009, the power sales were 19.5 TWh (14.8 TWh in Q2-Q4/2008) and the heat sales 25.6 TWh (15.3 TWh in Q2-Q4/2008). The division sold approximately 2/3 of its power in Tyumen and other oil- and gas-producing areas in the OAO Fortum region. The remaining 1/3 of its volumes were sold in the Chelyabinsk region, where the metals industry dominates wholesale electricity demand.

During the fourth quarter of 2009, OAO Fortum sold 37% of its electricity production at the liberalised electricity price. For the full year 2009, the share of electricity sold at the liberalised price was 34%.

Key electricity, capacity and gas prices for OAO Fortum	IV/09	IV/08	Change %	2009	2008	Change %
Electricity spot price (market price), Urals hub, RUB/MWh	693	540	28	633	672	-6
Average regulated electricity price for OAO FORTUM, RUB/MWh	536	476	13	533	475	12
Average regulated capacity price, tRUB/MW/month	186	160.8	16	187.3	167.8	12
Average limit gas price in Urals region, RUB/1000 m^3	1,937	1,560	24	1,782	1,560	14

The division booked a comparable operating profit of EUR 7 (-20) million in the fourth quarter of 2009. The improvement was due to OAO Fortum's efficiency improvement programme and a higher electricity sales margin.

In 2009, the Russia Division’s comparable operating profit, EUR -26 million, was an improvement of EUR 66 million over the previous year. The increase mainly stems from OAO Fortum's efficiency improvement programme and a higher electricity sales margin.

OAO Fortum figures have been consolidated from the beginning of April 2008.

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

The Russian power sector reform is proceeding. Starting 1 January 2009, 30% of all produced power in Russia was sold on the competitive market. The share increased to 50% at the beginning of July 2009 and further to 60% from the beginning of January 2010. The wholesale power market is expected to be fully liberalised from the beginning of 2011. The rules for the long-term capacity market are currently under consideration by the Russian government and a decision is expected before the end of 2010.

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

Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares in 2009 totalled EUR 929 (2,624) million. Investments, excluding acquisitions, were EUR 862 (1,108) million.

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

	Type	Capacity electricity, MW	Capacity heat, MW	Available
Heat				
Częstochowa, Poland	CHP bio, coal	65	120	Q3/2010
Pärnu, Estonia	CHP bio, peat	20	45	end of 2010
Power				
Hydro refurbishment	Hydropower	20-30		2010
Russia				
Tyumen 1	CCGT, gas	190		Q3/2010
Tobolsk	CCGT, gas	210		Q3/2010
Chelyabinsk 3	CCGT, gas	220		Q4/2010

POWER

Fortum and the Norwegian Hafslund Infratek ASA combined their businesses of construction and operating of infrastructure in Sweden, Finland and Norway as of 15 January 2009.

HEAT

Heat continued its development programme to ensure future competitiveness and an optimal asset portfolio.

A new CHP plant in Tartu, Estonia, was taken into commercial use in late March 2009 and a new CHP plant in Espoo was taken into use in December 2009. The construction of the new CHP plants in Czestochowa, Poland and in Pärnu, Estonia, proceeded.

In August Fortum sold its CHP plant in Kokkola, Finland, to the city of Kokkola. The transaction price was around EUR 24 million.

In December, Fortum agreed to sell its shares in the Swedish gas transmission company Swedegas AB. The transaction will take place in early 2010.

DISTRIBUTION

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

RUSSIA

OAO Fortum's ongoing investment programme will increase its power capacity from the current ~3,000 MW to 5,300 MW. The value for the remaining part of the programme, calculated at year-end 2009 exchange rates, is estimated to be EUR 1.8 billion from January 2010 onwards.

The Russian Government is currently reviewing the investment programmes of the generating companies in light of the decreased power demand. Fortum has confirmed its commitment to fulfil OAO Fortum’s investment programme. However, the potential postponement of some projects by 1-3 years is currently under review with a favourable outlook.

Financing

At year end, the interest-bearing net debt stood at EUR 5,969 (year-end 2008: EUR 6,179) million, resulting in a total decrease in net debt during the year of EUR 210 million.

Cash flow during the year was strong with net cash from operating activities amounting to EUR 2,264 (2,002) million. Cash generated was primarily used for investing activities and dividend payments. Net cash used for investment activities in 2009 was EUR 974 (2,282) million, and dividend payments amounted to EUR 888 (1,198) million.

Net debt to EBITDA for the last twelve months was 2.6 (2.5).

The Group's net financial expenses in 2009 were EUR 167 (239) million. The decrease in financial expenses is mainly attributable to lower average interest rates in 2009 compared to 2008. Net financial expenses include a fair value loss on financial instruments of EUR 1 million (2008: fair value loss 11).

The average interest rate on Fortum's interest-bearing debt (including derivatives) for 2009 was 3.7% (5.3%).

Group liquidity remained strong. Year-end liquid funds totalled EUR 890 (1,321) million, of which EUR 632 (1,020) million was cash held by OAO Fortum and earmarked for the company's investment programme. In addition, the Group had a total of approximately EUR 2.9 (2.3) billion available for drawing under committed credit facilities.

During the year Fortum raised new long-term financing in excess of EUR 2 billion, through the approximately EUR 1.6 billion bond issuance under Fortum's Euro Medium Term Note Programme, and bilateral long-term loans in excess of EUR 0.5 billion. The proceeds of these new financings were used to refinance maturing debt in 2009 as well as to partially repay loan facilities maturing in 2011 and approximately RUB 8 billion (EUR 180 million) of bonds due in 2010 and 2013. Short-term financing (mainly the issuance of commercial paper) decreased to EUR 308 (520) million at year end.

During the year Fortum Corporation's long-term credit rating from Standard and Poor's was, following a change in their rating methodology of "Government-related entities", increased from "A- to "A" (stable). The long-term credit rating from Moody's was at year end "A2" (stable).

Shares and share capital

In 2009, a total of 580.9 (628.2) million Fortum Corporation shares, totalling EUR 9,244 million, were traded on the NASDAQ OMX Helsinki. Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the year, was EUR 16,852 million. The highest quotation of Fortum Corporation shares on the NASDAQ OMX Helsinki in 2009 was EUR 19.20, the lowest EUR 12.60, and the volume-weighted average EUR 15.95. The closing quotation on the last trading day of the year was EUR 18.97 (15.23).

In addition to NASDAQ OMX Helsinki, Fortum shares were traded on several alternative market places, primarily at Chi-X Europe and Turquoise. In 2009, a total of 49.1 million Fortum Corporation shares were traded at Chi-X Europe and 17.8 million Fortum Corporation shares were traded at Turquoise.

At the end of 2009, Fortum Corporation did not own its own shares.

At the end of 2009, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 888,367,045.

The subscription period for the last remaining option scheme ended on 1 May 2009 and thus no further shares can be subscribed for and registered under the share option schemes.

At year end, the Finnish state's holding in Fortum was 50.8%. The proportion of nominee registrations and direct foreign shareholders was 31.0%.

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

Group personnel

The number of employees at the end of the period was 11,613 (2008: 15,579), of which 11,332 (2008: 15,264) were permanent employees.

The outsourcing of certain infrastructure service functions to Infratek ASA in January 2009 reduced the number of people in Power and Distribution.

In the first quarter of 2009, around 1,100 persons working at OAO Fortum were transferred internally from the Russia division to the Power division.

OAO Fortum discontinued its operation and maintenance contract with the city of Tyumen for the operation of municipal heat networks as of 1 July 2009. This has reduced the number of OAO Fortum employees by approximately 750.

The number of employees in the parent company, Fortum Corporation, at year end totalled 409 (2008: 434).

	2009	2008	2007
Number of employees, 31 Dec.	11,613	15,579	8,303
Average number of employees	13,278	14,077	8,304
Total amount of employee costs, EUR million	491	587	495

Research and development

Fortum's R&D activities are geared towards the company's long-term goal to be carbon dioxide-free. Activities are based on building networks and partnerships with leading research organisations, engineering companies, and equipment and plant suppliers. Fortum also conducts in-house research and development in strategically significant key areas.

In 2009, Fortum's R&D activities focused strongly on the development of a nuclear combined heat and power (CHP) plant concept, smart grids and electric vehicles. Important steps were taken also in carbon capture and storage activities.

Replacing coal- and natural gas-fired CHP-production in the Helsinki metropolitan area with district heat produced at the Loviisa 3 nuclear power plant unit could reduce Finland's $CO2$ emissions by 4 million tonnes per year. Fortum worked to develop concepts for steam extraction from the turbines together with turbine manufacturers, studied options for heat transport, modelled the district heat transport system and with the Apros simulation software, analysed safety issues associated with the system.

Smart grids became an important new priority in Fortum's R&D in 2009. A smart grid is an electricity network that can intelligently integrate the actions of all users connected to it – electricity generators, consumers and those that do both – in order to efficiently deliver sustainable, economic and secure electricity. Fortum started several concrete development projects in the realm of smart grids and electricity in transportation during the year.

Fortum and TVO announced cooperation with Siemens Energy and with Maersk Oil and Maersk Tankers in the field of carbon capture and storage. Siemens Energy has been selected as the capture technology partner for the FINNCAP - Meri-Pori Carbon Capture and Storage (CCS) project. The partners wish to combine carbon capture at the Meri-Pori power plant with CO2 transportation by Maersk Tankers' vessels and Maersk Oil's geological storage.

The group's total R&D expenditure in 2009 was EUR 30 (27) million.

Fortum's R&D expenditure amounts to 0.5% of sales (0.5% in 2008) and 0.9% (0.8%) of total expenses.

R&D of Fortum	2009	2008	2007
R&D expenditure, EUR million	30	27	21
R&D expenditure, % of sales	0.5	0.5	0.5
R&D expenditure, % of total expenses	0.9	0.8	0.8

Events after period under review

In January 2010, Fortum acquired the combined heat and power plant in the city of Nokia, Finland.

The share of produced wholesale power sold on the competitive market in Russia was increased from 50% to 60% from the beginning of January 2010.

Outlook

KEY DRIVERS AND RISKS

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

Fortum's financial results are exposed to a number of strategic, financial and operational risks. For further details on Fortum's risks and risk management, see Fortum's Operating and Financial Review and Financial Statements for 2008 and Fortum's web site. The annual report for 2009 will be published before the end of week 9.

MARKET DEMAND

The recession has impacted the markets in which Fortum operates. This may increase Fortum's counterparty risk. The electricity consumption in the Nordic countries and Russia may continue to be depressed. Fortum currently expects Nordic power demand to recover back to the 2008 level by 2012-2014. Electricity will continue to gain a higher share of the total energy consumption.

RUSSIA

In Russia, one of the key assumptions in the OAO Fortum acquisition is the continuation of the Russian power sector reform. As planned, the share of power sold at a competitive price was increased from 30% to 50% on 1 July 2009 and from 50% to 60% at the beginning of January 2010. The share is planned to be increased from 60% to 80% at the beginning of July 2010. The wholesale power market is expected to be fully liberalised by 2011.

The rules for the long-term capacity market are currently under consideration by the Russian government and a decision is expected before the end of the year 2010.

The average limit gas price (regulated gas price) for the first quarter of 2010 will increase by 15%. The planned increase for the full year 2010 is 24%. The regulated electricity price is indexed to the regulated gas price and inflation on an annual basis.

OAO Fortum is committed and contractually obligated to a significant investment programme, amounting to approximately EUR 1.8 billion for 2010 and onwards. The Russian Government is currently reviewing the investment programmes of the generating companies in light of the decreased power demand stemming from the current recession. Fortum has confirmed its commitment to fulfil OAO Fortum's investment programme. However, the potential postponement of some projects by 1-3 years is currently under review with a favourable outlook.

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

CAPITAL EXPENDITURE

Fortum expects its annual capital expenditure in the next 4-5 years to be within a range of EUR 0.8-1.2 billion.

HEDGING

In late January 2010, the electricity forward price in Nord Pool for the rest of 2010 was around EUR 44 per MWh. The electricity forward price for 2011 was around EUR 42 per MWh and for 2012 around EUR 41 per MWh. At the same time, the future quotations for coal (ICE Rotterdam) for the rest of 2010 were around USD 84 per tonne and the market price for CO_2 emissions allowances (EUA) for 2010 was about EUR 13 per tonne.

In late January 2010, Nordic water reservoirs were about 14 TWh below the long-term average, and 6 TWh below the corresponding level of 2009.

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

At the end of December 2009, Fortum had hedged approximately 70% of the Power Division's estimated Nordic electricity sales volume for the year 2010 at approximately EUR 44 per MWh. For the calendar year 2011, approximately 40% of the division's estimated Nordic electricity sales volume was hedged at approximately EUR 42 per MWh.

The reported hedge ratios may vary significantly, depending on Fortum's actions on the electricity derivatives markets. Hedges are mainly financial contracts, most of them Nord Pool forwards or standardised futures, consisting of several types of products and maturities.

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

Fortum's results in 2009 were good, despite the challenging economic environment. The company has a flexible, cost-efficient and climate-benign generation portfolio. Fortum's financial position and liquidity are strong.

Dividend distribution proposal

The parent company's distributable equity as of 31 December 2009 amounted to EUR 4,052 million. Since the end of the financial period, there have been no material changes in the financial position of the Company.

The Board of Directors proposes to the Annual General Meeting that Fortum Corporation pay a cash dividend of EUR 1.00 per share for 2009, totalling EUR 888 million based on the number of registered shares as of 2 February 2010.

Espoo, 2 February 2010
Fortum Corporation
Board of Directors

Further information:
Tapio Kuula, President and CEO, tel. +358 10 452 4112
Juha Laaksonen, CFO, tel. +358 10 452 4519

Fortum’s Investor Relations, tel. +358 10 452 4138 / investors@fortum.com

The Board of Directors has approved Fortum's 2009 financial statements and Fortum's auditors have issued their audit report for 2009 on 2 February 2010. The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU.

Fortum's Annual General Meeting will take place on 25 March 2010 and the dividend-related dates for 2010 are:

- Ex-dividend date 26 March 2010
- Record date for dividend payment 30 March 2010
- Dividend payment date 8 April 2010

The annual report for 2009 will be published before the end of week 9.

Publication of results in 2010:

- Interim Report January-March will be published on 27 April 2010 at approx. 09;00 EET.
- Interim Report January-June will be published on 16 July 2010 at approx. 09:00 EET.
- Interim Report January-September will be published on 21 October 2010 at approx. 09:00 EET.

Distribution:
NASDAQ OMX Helsinki
Key media
www.fortum.com

Information on the full-year report, including detailed quarterly information, is available on Fortum’s website at www.fortum.com/investors.

FORTUM GROUP
JANUARY-DECEMBER 2009
The Interim Statement is based on the audited 2009 Financial Statements approved by the Board on 2 February 2010.

CONDENSED CONSOLIDATED INCOME STATEMENT

MEUR	Note	Q4 2009	Q4 2008	2009	2008
Sales	4	**1 563**	1 602	**5 435**	5 636
Other income		**13**	155	**34**	230
Materials and services		**-608**	-652	**-2 027**	-2 117
Employee benefit costs		**-123**	-158	**-491**	-587
Depreciation, amortisation and impairment charges	4, 12	**-136**	-132	**-510**	-515
Other expenses		**-187**	-204	**-659**	-684
Operating profit		**522**	611	**1 782**	1 963
Share of profit/loss of associates and joint ventures	4, 13	**22**	48	**21**	126
Interest expense		**-53**	-96	**-241**	-351
Interest income		**22**	66	**98**	143
Fair value gains and losses on financial instruments		**-6**	-16	**-1**	-11
Other financial expenses - net		**-2**	-8	**-23**	-20
Finance costs - net		**-39**	-54	**-167**	-239
Profit before income tax		**505**	605	**1 636**	1 850
Income tax expense	9	**-74**	2	**-285**	-254
Profit for the period		**431**	607	**1 351**	1 596
Attributable to:					
Owners of the parent		**406**	563	**1 312**	1 542
Non-controlling interests		**25**	44	**39**	54
		431	607	**1 351**	1 596
Earnings per share (in € per share)	10				
Basic		**0.46**	0.64	**1.48**	1.74
Diluted		**0.46**	0.64	**1.48**	1.74

Condensed consolidated statement of comprehensive income

MEUR	Q4 2009	Q4 2008	2009	2008	2007
Profit for the period	**431**	607	**1 351**	1 596	1 608
Other comprehensive income:					
Cash flow hedges					
Fair value gains/losses in the period	**-326**	542	**-195**	453	-167
Transfers to income statement	**-64**	71	**-218**	160	-69
Transfers to inventory/fixed assets	**-2**	-4	**-4**	-4	-
Tax effect	**100**	-168	**108**	-168	64
Net investment hedges					
Fair value gains/losses in the period	**-17**	-	**-25**	-	2
Tax effect	**4**	-	**6**	-	-
Available for sale financial assets					
Fair value losses in the period	**0**	-1	**0**	-1	-
Exchange differences on translating foreign operations	**73**	-568	**21**	-621	-36
Share of other comprehensive income of associates [1)]	**-38**	-110	**-37**	-628	366
Other changes	**7**	1	**1**	1	6
Other comprehensive income for the period, net of tax	**-263**	-237	**-343**	-808	166
Total comprehensive income for the year	**168**	370	**1 008**	788	1 774
Total comprehensive income attributable to:					
Owners of the parent	**139**	375	**971**	797	1 731
Non-controlling interests	**29**	-5	**37**	-9	43
	168	370	**1 008**	788	1 774
1) Of which fair value change in Hafslund ASA's shareholding in REC incl. translation differences	**-41**	-140	**-37**	-667	353

CONDENSED CONSOLIDATED BALANCE SHEET

MEUR	Note	Dec 31 2009	Dec 31 2008
ASSETS			
Non-current assets			
Intangible assets	12	**391**	395
Property, plant and equipment	12	**12 855**	12 138
Participations in associates and joint ventures	4, 13	**2 188**	2 112
Share in State Nuclear Waste Management Fund	16	**570**	566
Pension assets		**59**	59
Other non-current assets		**69**	58
Deferred tax assets		**47**	2
Derivative financial instruments	6	**195**	445
Long-term interest-bearing receivables		**918**	742
Total non-current assets		**17 292**	16 517
Current assets			
Inventories		**447**	444
Derivative financial instruments	6	**182**	761
Trade and other receivables		**1 030**	1 235
Bank deposits		**397**	588
Cash and cash equivalents		**493**	733
Liquid funds	15	**890**	1 321
Total current assets		**2 549**	3 761
Total assets		**19 841**	20 278
EQUITY			
Equity attributable to owners of the parent			
Share capital	14	**3 046**	3 044
Share premium		**73**	73
Retained earnings		**4 762**	4 312
Other equity components		**153**	525
Total		**8 034**	7 954
Non-controlling interests		**457**	457
Total equity		**8 491**	8 411
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	15	**6 002**	6 520
Derivative financial instruments	6	**191**	120
Deferred tax liabilities		**1 750**	1 851
Nuclear provisions	16	**570**	566
Other provisions		**209**	199
Pension obligations		**23**	51
Other non-current liabilities		**472**	470
Total non-current liabilities		**9 217**	9 777
Current liabilities			
Interest-bearing liabilities	15	**857**	980
Derivative financial instruments	6	**276**	126
Trade and other payables		**1 000**	984
Total current liabilities		**2 133**	2 090
Total liabilities		**11 350**	11 867
Total equity and liabilities		**19 841**	20 278

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

MEUR	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			
Total equity 31 December 2008	**3 044**	**73**	**4 888**	**-576**	**321**	**36**	**168**	**7 954**	**457**	**8 411**
Net profit for the period			1 312					1 312	39	1 351
Translation differences				9	-4		28	33	12	45
Other comprehensive income			6		-296	-19	-65	-374	-14	-388
Total comprehensive income for the period			1 318	9	-300	-19	-37	971	37	1 008
Cash dividend [1]			-888					-888		-888
Dividends to non-controlling interests								0	-19	-19
Changes due to business combinations			-5					-5	-18	-23
Stock options exercised [2]	2		16			-16		2		2
Total equity 31 December 2009	**3 046**	**73**	**5 329**	**-567**	**21**	**1**	**131**	**8 034**	**457**	**8 491**
Total equity 31 December 2007	**3 040**	**73**	**4 552**	**-21**	**-120**	**35**	**800**	**8 359**	**292**	**8 651**
Net profit for the period			1 542					1 542	54	1 596
Translation differences				-555			-148	-703	-66	-769
Other comprehensive income					441	1	-484	-42	3	-39
Total comprehensive income			1 542	-555	441	1	-632	797	-9	788
Cash dividend [1]			-1 198					-1 198		-1 198
Dividends to non-controlling interests								0	-18	-18
Changes due to business combinations			-8					-8	192	184
Stock options exercised	4							4		4
Total equity 31 December 2008	**3 044**	**73**	**4 888**	**-576**	**321**	**36**	**168**	**7 954**	**457**	**8 411**

1) See Note 11 Dividend per share.
2) Accounting effect of the last stock option program (2002B) upon ending of the subscription period on 1 May 2009.

Starting from Q1 2009 Fortum has implemented IAS 1 (revised) Presentation of financial statements, see Note 2 Accounting policies. The consolidated statement of changes in total equity has changed format. Comparison numbers have been reclassified to be in line with the new format.

Translation differences[*)]
Translation differences impacted equity attributable to owners of the parent company with EUR 33 million during 2009 (2008: -703) including net effect from SEK, NOK and RUB amounting to EUR 27 million in 2009 (2008: -680). Part of the translation differences is arising from the NOK effect in fair valuation of Hafslund's REC shares, EUR 22 million (2008: -148), which is shown together with the change in fair value in OCI items associated companies.

Cash flow hedges
The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges, EUR -296 million during 2009 (2008: 441), mainly relates to cash flow hedges hedging electricity price for future transactions. When electricity price is higher than the hedging price, the impact on equity is negative.

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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	Note	Q4 2009	Q4 2008	2009	2008
Cash flow from operating activities					
Operating profit before depreciations (EBITDA)		**658**	743	**2 292**	2 478
Non-cash flow items and divesting activities		**-4**	-237	**46**	-275
Financial items and realised foreign exchange gains and losses		**-102**	326	**146**	233
Taxes		**-34**	-53	**-239**	-332
Funds from operations		**518**	779	**2 245**	2 104
Change in working capital		**-122**	-217	**19**	-102
Total net cash from operating activities		**396**	562	**2 264**	2 002
Cash flow from investing activities					
Capital expenditures [1]	4, 12	**-266**	-338	**-845**	-1 018
Acquisition of subsidiaries, net of cash acquired	7	**-2**	-4	**-27**	-1 210
Acquisition of associates [2]	13	**-26**	-24	**-58**	-32
Acquisition of other long-term investments		**0**	0	**-2**	-1
Proceeds from sales of fixed assets		**10**	28	**48**	37
Proceeds from sales of subsidiaries, net of cash disposed	7	**1**	43	**11**	44
Proceeds from sales of associates	13	**1**	10	**2**	34
Proceeds from sales of other non-current assets		**0**	0	**1**	0
Change in interest-bearing receivables		**-39**	-58	**-104**	-136
Total net cash used in investing activities		**-321**	-343	**-974**	-2 282
Cash flow before financing activities		**75**	219	**1 290**	-280
Cash flow from financing activities					
Net change in loans		**-1**	44	**-758**	2 622
Dividends paid to the Company's equity holders		**-**	-	**-888**	-1 198
Other financing items		**-13**	30	**-25**	-104
Total net cash used in financing activities		**-14**	74	**-1 671**	1 320
Total net increase (+)/decrease (-) in liquid funds		**61**	293	**-381**	1 040
Liquid funds at the beginning of the period		**815**	1 179	**1 321**	427
Foreign exchange differences in liquid funds		**14**	-151	**-50**	-146
Liquid funds at the end of the period		**890**	1 321	**890**	1 321

[1] Capital expenditures in cash flow do not include investments not yet paid. Capitalised borrowing costs are included in interest costs paid.

[2] Acquisition of associates include share issues.

Change in net debt	**Q4 2009**	Q4 2008	**2009**	2008
Net debt beginning of the period	**6 041**	6 520	**6 179**	4 466
Foreign exchange rate differences	**-7**	-109	**144**	-203
EBITDA	**658**	743	**2 292**	2 478
Paid net financial costs, taxes and adjustments for non-cash and divestment items	**-140**	36	**-47**	-374
Change in working capital	**-122**	-217	**19**	-102
Capital expenditures	**-266**	-338	**-845**	-1 018
Acquisitions	**-28**	-28	**-87**	-1 243
Divestments	**12**	81	**62**	115
Change in interest-bearing receivables	**-39**	-58	**-104**	-136
Dividends	**-**	-	**-888**	-1 198
Other financing activities	**-13**	31	**-25**	-103
Net cash flow (- increase in net debt)	**62**	250	**377**	-1 581
Loans in acquired companies	**-**	0	**-**	272
Fair value change of bonds and amortised cost valuation	**-3**	18	**23**	63
Net debt end of period	**5 969**	6 179	**5 969**	6 179

KEY RATIOS

MEUR	**Dec 31 2009**	Sept 30 2009	June 30 2009	March 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	March 31 2008
EBITDA, MEUR	**2 292**	1 634	1 220	721	2 478	1 735	1 203	720
Earnings per share (basic), EUR	**1.48**	1.02	0.78	0.46	1.74	1.10	0.78	0.51
Capital employed, MEUR	**15 350**	15 184	15 347	17 404	15 911	15 756	15 593	16 868
Interest-bearing net debt, MEUR	**5 969**	6 041	6 004	5 634	6 179	6 520	6 254	5 228
Capital expenditure and gross investments in shares, MEUR	**929**	634	412	181	2 624	2 210	1 459	1 227
Capital expenditure, MEUR	**862**	571	352	150	1 108	716	408	175
Return on capital employed, % [1]	**12.1**	11.4	13.1	14.5	15.0	13.7	14.6	17.3
Return on shareholders' equity, % [1]	**16.0**	14.6	17.4	19.6	18.7	15.7	17.2	21.0
Net debt / EBITDA [1]	**2.6**	2.8	2.5	2.0	2.5	2.8	2.6	1.8
Interest coverage	**12.4**	11.3	12.3	16.0	9.4	7.6	8.6	14.1
Interest coverage including capitalised borrowing costs	**10.3**	9.5	10.5	12.9	8.6	7.1	8.1	13.8
Funds from operations/interest-bearing net debt, % [1]	**37.6**	35.7	38.9	45.1	34.1	27.1	30.1	42.9
Gearing, %	**70**	73	76	65	73	81	77	56
Equity per share, EUR	**9.04**	8.89	8.42	9.34	8.96	8.49	8.08	9.53
Equity-to-assets ratio, %	**43**	43	41	40	41	39	39	44
Number of employees	**11 613**	12 054	13 586	14 267	15 579	15 785	16 069	15 689
Average number of employees	**13 278**	13 737	14 310	14 644	14 077	13 585	12 603	8 356
Average number of shares, 1 000 shares	**888 230**	888 230	888 230	888 095	887 256	887 241	887 131	887 085
Diluted adjusted average number of shares, 1 000 shares	**888 230**	888 230	888 230	888 250	887 839	887 986	888 165	888 177
Number of registered shares, 1 000 shares	**888 367**	888 367	888 367	888 166	887 638	887 517	887 191	887 123

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The Interim Statement is based on the 2009 Financial Statements approved by the Board and the auditors on 2 February 2010. The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The condensed interim financial report should be read in conjunction with the annual financial statements for the year ended 31 December 2008.

2. ACCOUNTING POLICIES

The same accounting policies and presentation have been followed in these condensed interim financial statements as were applied in the preparation of the consolidated financial statements as at and for the year ended 31 December 2008, except for the effects of the adoption of the standards described below:

- IAS 23 (amendment) Borrowing costs

The revised standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed. The adoption of the revised IAS 23 changed slightly Fortum's accounting policy for capitalising borrowing costs as previously only borrowings costs meeting determined criteria were capitalised. Fortum has applied the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after 1 January 2009. The change did not have a material effect on the reported results or financial position.

- IAS 1 (revised) Presentation of financial statements

IAS 1 (revised) changed the terminology and presentation of the income statement and the statement of changes in equity. The standard requires to separate changes in equity of an entity arising from transactions with owners from other changes in equity. The adoption of the standard had no impact on Fortum's reported results or financial position.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2008.

4. SEGMENT INFORMATION

SALES

MEUR	**Q4 2009**	Q4 2008	**2009**	2008
Power sales excluding indirect taxes	**877**	886	**3 192**	3 291
Heating sales	**427**	440	**1 314**	1 298
Network transmissions	**213**	193	**760**	746
Other sales	**46**	83	**169**	301
Total	**1 563**	1 602	**5 435**	5 636

SALES BY SEGMENT

MEUR	Q4 2009	Q4 2008	2009	2008
Power	**679**	736	**2 596**	2 892
- of which internal	***35***	*5*	***231***	*0*
Heat	**457**	463	**1 394**	1 466
- of which internal	***8***	*-3*	***22***	*0*
Distribution	**227**	206	**800**	789
- of which internal	***7***	*3*	***13***	*10*
Markets	**410**	531	**1 449**	1 922
- of which internal	***29***	*50*	***68***	*177*
Russia	**194**	197	**623**	489
- of which internal	**-**	-	**-**	-
Other	**19**	21	**74**	83
- of which internal	***19***	*21*	***72***	*82*
Netting of Nord Pool transactions [1]	**-325**	-476	**-1 095**	-1 736
Eliminations	***-98***	*-76*	***-406***	*-269*
Total	**1 563**	1 602	**5 435**	5 636

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

OPERATING PROFIT BY SEGMENT

MEUR	Q4 2009	Q4 2008	2009	2008
Power	**330**	470	**1 335**	1 599
Heat	**108**	155	**248**	307
Distribution	**81**	61	**263**	248
Markets	**19**	-29	**22**	-35
Russia	**7**	-19	**-26**	-91
Other	**-23**	-27	**-60**	-65
Total	**522**	611	**1 782**	1 963

COMPARABLE OPERATING PROFIT BY SEGMENT

MEUR	Q4 2009	Q4 2008	2009	2008
Power	**394**	378	**1 469**	1 528
Heat	**103**	109	**227**	250
Distribution	**80**	63	**262**	248
Markets	**11**	0	**22**	-33
Russia	**7**	-20	**-26**	-92
Other	**-25**	-22	**-66**	-56
Comparable operating profit	**570**	508	**1 888**	1 845
Non-recurring items	**8**	68	**29**	85
Other items effecting comparability	**-56**	35	**-135**	33
Operating profit	**522**	611	**1 782**	1 963

NON-RECURRING ITEMS BY SEGMENT

MEUR	Q4 2009	Q4 2008	2009	2008
Power	**0**	7	**6**	18
Heat	**6**	60	**21**	64
Distribution	**1**	0	**1**	2
Markets	**0**	-	**0**	-
Russia	**0**	1	**0**	1
Other	**1**	0	**1**	0
Total	**8**	68	**29**	85

Non-recurring items mainly include capital gains and losses.

OTHER ITEMS EFFECTING COMPARABILITY BY SEGMENT

MEUR	Q4 2009	Q4 2008	2009	2008
Power [1]	**-64**	85	**-140**	53
Heat	**-1**	-14	**0**	-7
Distribution	**0**	-2	**0**	-2
Markets	**8**	-29	**0**	-2
Russia	**-**	-	**-**	-
Other	**1**	-5	**5**	-9
Total	**-56**	35	**-135**	33

	Q4 2009	Q4 2008	2009	2008
[1] Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):	**-33**	-12	**-59**	-19

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

DEPRECIATION, AMORTISATION AND IMPAIRMENT CHARGES BY SEGMENT

	Q4 2009	Q4 2008	2009	2008
Power	**24**	24	**93**	97
Heat	**45**	41	**162**	169
Distribution	**42**	41	**164**	165
Markets	**2**	1	**6**	7
Russia	**20**	22	**75**	67
Other	**3**	3	**10**	10
Total	**136**	132	**510**	515

SHARE OF PROFIT/LOSS IN ASSOCIATES AND JOINT VENTURES BY SEGMENT

	Q4 2009	Q4 2008	2009	2008
Power [1], [2]	**-15**	39	**-35**	26
Heat	**12**	4	**30**	12
Distribution	**2**	3	**10**	16
Markets	**-1**	0	**0**	5
Russia	**14**	0	**20**	19
Other	**10**	2	**-4**	48
Total	**22**	48	**21**	126

	Q4 2009	Q4 2008	2009	2008
[1] Including effects from the accounting of Fortum's associates part of Finnish and Swedish Nuclear Waste Management Funds with (EUR million):	**0**	14	**-5**	9

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

PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES BY SEGMENT

	Dec 31 2009	Dec 31 2008
Power	**863**	818
Heat	**178**	160
Distribution	**230**	210
Markets	**12**	12
Russia	**425**	429
Other	**480**	483
Total	**2 188**	2 112

CAPITAL EXPENDITURE BY SEGMENT

MEUR	Q4 2009	Q4 2008	2009	2008
Power	**33**	49	**97**	134
Heat	**100**	144	**358**	408
Distribution [1]	**61**	93	**188**	296
Markets	**0**	0	**1**	3
Russia	**98**	104	**215**	256
Other	**-1**	2	**3**	11
Total	**291**	392	**862**	1 108
Of which capitalised borrowing costs	**9**	8	**30**	21

1) Decrease is mainly due to the finalisation of installation of new meters in Fortum's network areas in Sweden (Automatic Meter Management, AMM).

GROSS INVESTMENTS IN SHARES BY SEGMENT

MEUR	Q4 2009	Q4 2008	2009	2008
Power	**1**	0	**57**	0
Heat	**1**	0	**1**	23
Distribution	**2**	-	**5**	-
Markets	**-**	0	**-**	0
Russia	**0**	22	**3**	1 492
Other	**0**	0	**1**	1
Total	**4**	22	**67**	1 516

Gross investments in shares during 2009 comprise mainly of Hafslund Infratek ASA shares acquired in January 2009 and additional share capital paid to Teollisuuden Voima Oyj. See Note 13.

NET ASSETS BY SEGMENT

MEUR	Dec 31 2009	Dec 31 2008
Power	**5 512**	5 331
Heat	**3 786**	3 468
Distribution	**3 299**	3 032
Markets	**147**	188
Russia	**2 248**	2 205
Other	**355**	796
Total	**15 347**	15 020

RETURN ON NET ASSETS BY SEGMENT

%	Dec 31 2009	Dec 31 2008
Power	**23.9**	29.6
Heat	**7.8**	8.9
Distribution	**8.7**	8.1
Markets	**16.8**	-14.0
Russia	**-0.3**	-3.7
Other	**-12.2**	-1.8

COMPARABLE RETURN ON NET ASSETS BY SEGMENT

%	Dec 31 2009	Dec 31 2008
Power	**26.6**	28.0
Heat	**7.2**	7.3
Distribution	**8.6**	8.2
Markets	**18.6**	-15.3
Russia	**-0.3**	-3.8
Other	**-18.7**	-1.7

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

ASSETS BY SEGMENTS

MEUR	Dec 31 2009	Dec 31 2008
Power	**5 976**	5 732
Heat	**4 240**	3 923
Distribution	**3 765**	3 546
Markets	**497**	663
Russia	**2 529**	2 476
Other	**607**	997
Assets included in Net assets	**17 614**	17 337
Interest-bearing receivables	**943**	799
Deferred taxes	**47**	2
Other assets	**347**	819
Liquid funds	**890**	1 321
Total assets	**19 841**	20 278

LIABILITIES BY SEGMENTS

MEUR	Dec 31 2009	Dec 31 2008
Power	**464**	401
Heat	**454**	455
Distribution	**466**	514
Markets	**350**	475
Russia	**281**	271
Other	**252**	201
Liabilities included in Net assets	**2 267**	2 317
Deferred tax liabilities	**1 750**	1 851
Other liabilities	**474**	199
Total liabilities included in Capital employed	**4 491**	4 367
Interest-bearing liabilities	**6 859**	7 500
Total equity	**8 491**	8 411
Total equity and liabilities	**19 841**	20 278

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

NUMBER OF EMPLOYEES	Dec 31 2009	Dec 31 2008
Power	**3 063**	3 520
Heat	**2 246**	2 318
Distribution	**1 088**	1 336
Markets	**611**	635
Russia	**4 090**	7 262
Other	**515**	508
Total	**11 613**	15 579

Number of employees in Fortum decreased during 2009 mainly due to outsourcing of certain infrastructure functions from Power segment's Service Business unit and Distribution segment to Hafslund Infratek ASA in Q1 2009 as well as restructuring in Russia segment. Within the Group, a number of people working in OAO Fortum (former TGC-10) were transferred to Power segment's Service Business unit in Q1 2009.

AVERAGE NUMBER OF EMPLOYEES	2009	2008
Power	**3 373**	3 591
Heat	**2 208**	2 422
Distribution	**1 166**	1 222
Markets	**629**	766
Russia	**5 380**	5 566
Other	**522**	510
Total	**13 278**	14 077

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

5. QUARTERLY SEGMENT INFORMATION

Extended quarterly information is available on Fortum's website www.fortum.com (about Fortum/investors/financial information).

QUARTERLY SALES BY SEGMENTS

MEUR	**Q4 2009**	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Power	**679**	587	625	705	736	718	721	717
- of which internal	***35***	*53*	*64*	*79*	*5*	*-79*	*21*	*53*
Heat	**457**	176	248	513	463	226	284	493
- of which internal	***8***	*2*	*3*	*9*	*-3*	*-4*	*0*	*7*
Distribution	**227**	168	176	229	206	171	180	232
- of which internal	***7***	*2*	*3*	*1*	*3*	*2*	*2*	*3*
Markets	**410**	272	298	469	531	461	411	519
- of which internal	***29***	*9*	*8*	*22*	*50*	*61*	*34*	*32*
Russia	**194**	109	136	184	197	140	152	-
- of which internal	**-**	-	-	-	-	-	-	-
Other	**19**	18	19	18	21	21	21	20
- of which internal	***19***	*18*	*18*	*17*	*21*	*20*	*21*	*20*
Netting of Nord Pool transactions	**-325**	-200	-212	-358	-476	-465	-369	-426
Eliminations	***-98***	*-84*	*-96*	*-128*	*-76*	*0*	*-78*	*-115*
Total	**1 563**	1 046	1 194	1 632	1 602	1 272	1 322	1 440

QUARTERLY OPERATING PROFIT BY SEGMENTS

MEUR	**Q4 2009**	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Power	**330**	278	304	423	470	438	260	431
Heat	**108**	-12	39	113	155	-15	37	130
Distribution	**81**	47	54	81	61	50	51	86
Markets	**19**	7	7	-11	-29	-17	31	-20
Russia	**7**	-22	-16	5	-19	-39	-33	-
Other	**-23**	-12	-13	-12	-27	-22	2	-18
Total	**522**	286	375	599	611	395	348	609

QUARTERLY COMPARABLE OPERATING PROFIT BY SEGMENTS

MEUR	**Q4 2009**	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Power	**394**	310	346	419	378	371	384	395
Heat	**103**	-14	26	112	109	-7	27	121
Distribution	**80**	47	54	81	63	49	49	87
Markets	**11**	7	6	-2	0	-8	-15	-10
Russia	**7**	-22	-16	5	-20	-39	-33	-
Other	**-25**	-12	-16	-13	-22	-13	-9	-12
Total	**570**	316	400	602	508	353	403	581

QUARTERLY NON-RECURRING ITEMS BY SEGMENT

MEUR	**Q4 2009**	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Power	**0**	1	1	4	7	11	0	0
Heat	**6**	6	9	0	60	2	0	2
Distribution	**1**	0	0	0	0	2	0	0
Markets	**0**	0	0	0	-	-	-	-
Russia	**0**	0	0	0	1	0	-	-
Other	**1**	0	0	0	0	0	0	0
Total	**8**	7	10	4	68	15	0	2

QUARTERLY OTHER ITEMS EFFECTING COMPARABILITY

MEUR	**Q4 2009**	Q3 2009	Q2 2009	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Power [1)]	**-64**	-33	-43	0	85	56	-124	36
Heat	**-1**	-4	4	1	-14	-10	10	7
Distribution	**0**	0	0	0	-2	-1	2	-1
Markets	**8**	0	1	-9	-29	-9	46	-10
Russia	**-**	-	-	-	-	-	-	-
Other	**1**	0	3	1	-5	-9	11	-6
Total	**-56**	-37	-35	-7	35	27	-55	26
1) Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):	**-33**	-5	-10	-11	-12	10	-8	-9

6. FINANCIAL RISK MANAGEMENT

The Group has not made any significant change in policies regarding risk management during the period. Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2008.

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

DERIVATIVES

MEUR		**Dec 31 2009**		Dec 31 2008
Interest and currency derivatives	**Notional value**	**Net fair value**	Notional value	Net fair value
	MEUR	**MEUR**	MEUR	MEUR
Interest rate swaps	**3 995**	**41**	2 993	-12
Forward foreign exchange contracts	**6 334**	**-123**	4 521	370
Forward rate agreements	**-**	**-**	230	0
Interest rate and currency swaps	**1 454**	**65**	2 240	218

Electricity derivatives	**Volume**	**Net fair value**	Volume	Net fair value
	TWh	**MEUR**	TWh	MEUR
Sales swaps	**157**	**9**	165	2 102
Purchase swaps	**102**	**-79**	123	-1 692
Purchased options	**1**	**-1**	2	0
Written options	**3**	**1**	4	-14

Oil derivatives	**Volume**	**Net fair value**	Volume	Net fair value
	1000 bbl	**MEUR**	1000 bbl	MEUR
Sales swaps and futures	**1 555**	**-4**	1 047	-14
Purchase swaps and futures	**1 450**	**4**	1 230	11

Coal derivatives	**Volume**	**Net fair value**	Volume	Net fair value
	kt	**MEUR**	kt	MEUR
Sold	**1 259**	**-3**	276	7
Bought	**1 762**	**-1**	641	-16

CO2 emission allowance derivatives	**Volume**	**Net fair value**	Volume	Net fair value
	ktCO2	**MEUR**	ktCO2	MEUR
Sold	**366**	**1**	592	4
Bought	**686**	**-2**	592	-4

Share derivatives	**Notional value**	**Net fair value**	Notional value	Net fair value
	MEUR	**MEUR**	MEUR	MEUR
Share forwards [1)]	**24**	**21**	37	24

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

7. ACQUISITIONS AND DISPOSALS

Gross investments in subsidiary shares during 2009 amounted to EUR 8 million (2008: 1,506). In June 2009 OAO Fortum has redeemed additional shares, approximately 0.2%. At the end of December 2009, Fortum's ownership in OAO Fortum was 94.51% including treasury shares and shares held by OAO Fortum's 100% owned subsidiary. During last half of 2009 Fortum has acquired the remaining non-controlling interest in Ekerö Energy Group.

Final purchase price allocation for the acquisition of OAO Fortum
The initial purchase price allocation as of 31 March 2008 has been finalised during Q1 2009 as permitted by International Financial Reporting Standards. No material changes have been made compared to the information disclosed in the Consolidated Financial statements for 2008. The initial purchase price allocation calculated in Russian roubles has been translated into euros by using the exchange rate from the acquisition date. The shares redeemed in June 2009 are not included in the purchase consideration disclosed in the table below.

MEUR	OAO Fortum
Purchase consideration	
Cash paid	2 533
Direct costs relating to the acquisition	8
Total purchase consideration	2 541
Fair value of the acquired assets	2 211
Translation differences	-9
Goodwill	339

Fair value of the acquired net identifiable assets:	Acquired Book Values	Allocated Fair Values	Total Value
Cash and cash equivalents	1 321		1 321
Property, plant and equipment	625	1 005	1 630
Other assets	182		182
Non-interest-bearing liabilities	-107	-388	-495
Interest-bearing liabilities	-272		-272
Net identifiable assets	1 749	617	2 366
Minority interests	-117	-38	-155
Total	1 632	579	2 211

Gross investment in OAO Fortum:	
Purchase consideration settled in cash	2 541
Cash and cash equivalents in subsidiaries acquired	1 321
Cash outflow on acquisition	1 220
Interest-bearing debt in subsidiaries acquired	272
Total	1 492

Disposals
In January 2009 Fortum and (Norwegian) Hafslund Infratek ASA combined their businesses of construction and operating of infrastructure in Sweden, Finland and Norway. In the transaction Fortum received 33% ownership in the new combined company. For more information see Note 13.

In the end of December 2008 Fortum sold its 60% ownership in Jyväskylän Energiantuotanto Oy to Jyväskylän Energia. The transaction included both subsidiary shares, land on which the power plant is located on and assets related to business operations. In July 2008 Fortum sold its 100% ownership in Recotech AB to Tellestate AB.

8. EXCHANGE RATES

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of each months ending rate from the European Central Bank during the year and ending rate previous year.

Key exchange rates for Fortum Group applied in the accounts:

Average rate	**Jan-Dec 2009**	Jan-Sept 2009	Jan-June 2009	Jan-March 2009	Jan-Dec 2008	Jan-Sept 2008	Jan-June 2008	Jan-March 2008
Sweden (SEK)	**10.6092**	10.6830	10.8633	10.9679	9.6647	9.4559	9.4088	9.4265
Norway (NOK)	**8.7708**	8.8817	9.0049	9.1034	8.2605	8.0187	7.9843	7.9998
Poland (PLN)	**4.3321**	4.3827	4.4764	4.5018	3.5328	3.4402	3.4926	3.5676
Russia (RUB)	**44.0684**	44.2745	44.1087	44.3928	36.6905	36.5670	36.6348	36.4660

Balance sheet date rate	**Dec 31 2009**	Sept 30 2009	June 30 2009	March 31 2009	Dec 31 2008	Sept 30 2008	June 30 2008	March 31 2008
Sweden (SEK)	**10.2520**	10.2320	10.8125	10.9400	10.8700	9.7943	9.4703	9.3970
Norway (NOK)	**8.3000**	8.4600	9.0180	8.8900	9.7500	8.3330	8.0090	8.0510
Poland (PLN)	**4.1045**	4.2295	4.4520	4.6885	4.1535	3.3967	3.3513	3.5220
Russia (RUB)	**43.1540**	43.9800	43.8810	45.0320	41.2830	36.4095	36.9477	37.1130

9. INCOME TAX EXPENSE

Tax rate according to the income statement for 2009 was 17.4% (2008: 13.7%). The tax rate for the year is higher than in 2008 mainly due to the impact of the positive one time-effect of EUR 113 million in 2008 from revaluating the deferred taxes due to the decreased tax rates in Sweden and Russia.

The tax rate for the full year 2009, excluding the impact of share of profits of associated companies and joint ventures, non-taxable capital gains and other one-time items was 18.5% (2008: 22.1%). The tax rate used in the income statement is always impacted by the fact that share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax.

10. EARNINGS PER SHARE

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

	2009	2008
Earnings (MEUR):		
Profit attributable to the owners of the parent	**1 312**	1 542
Number of shares (thousands):		
Weighted average number of shares for the purpose of basic earnings per share	**888 230**	887 256
Effect of dilutive share options	**-**	583
Weighted average number of shares for the purpose of diluted earnings per share	**888 230**	887 839

11. DIVIDEND PER SHARE

A dividend in respect of 2009 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million based on the number of shares registered as of 2 February 2010, is to be proposed at the Annual General Meeting on 25 March 2010. These financial statements do not reflect this dividend.

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

The Annual General Meeting on 1 April 2008 decided to distribute a dividend in respect of 2007 of EUR 1.35 per share to the shareholders of which EUR 0.77 per share was paid from Fortum's recurring earnings and EUR 0.58 per share as additional dividend in order to steer the company's capital structure towards the target. The total dividend was EUR 1,198 million based on the amount of shares registered as of 4 April 2008. The dividend was paid out 11 April 2008.

12. CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

MEUR	Dec 31 2009	Dec 31 2008
Opening balance	**12 533**	11 428
Increase through acquisition of subsidiary companies	**2**	1 980
Capital expenditures	**862**	1 108
Changes of nuclear asset retirement cost	**-7**	22
Changes of emission rights	**0**	14
Disposals	**-26**	-14
Depreciation, amortisation and impairment	**-510**	-515
Sale of subsidiary companies	**-5**	-31
Translation differences and other adjustments	**397**	-1 459
Closing balance	**13 246**	12 533

Goodwill included in Closing balance	**285**	298
Change in goodwill during the period due to translation differences	**-13**	-41

13. CHANGES IN PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

MEUR	Dec 31 2009	Dec 31 2008
Opening balance	**2 112**	2 853
Share of profits of associates and joint ventures	**21**	126
Investments	**33**	7
Share issues and shareholders' contributions	**25**	1
Increase through acquisition of subsidiary companies	**-**	36
Reclassifications	**-7**	-3
Divestments	**-1**	-13
Dividend income received	**-32**	-51
OCI items associated companies	**-36**	-628
Translation differences	**73**	-216
Closing balance	**2 188**	2 112

Share of profits from associates and joint ventures
Share of profits from associates in Q4 2009 was EUR 22 million (2008: 48) of which Fortum's share of profits in Hafslund ASA was EUR 10 million (2008: 2). Hafslund sold 18 million shares in REC in November 2009. In accordance with the accounting policy Fortum recognised EUR 13 million in relation to Hafslund's divestment of REC shares as a part of the share of profit from associates and joint ventures in Q4 2009. Fortum's share of profits for the full year 2009 amounted to EUR 21 million (2008: 126), of which Hafslund represented EUR -4 million (2008: 48). According to Fortum Group accounting policies the share of profits from Hafslund has been included in Fortum Group figures based on the previous quarter information since updated interim information is not normally available.

Share of profits in Q4 includes EUR 14 million (2008: 0) regarding TGC-1. Total share of profits booked in 2009 for TGC-1 is EUR 19 million (2008: 17). The company published it's IFRS financial statements for 2008 in July 2009 and half-year IFRS financial statements for Q1-Q2/2009 in October 2009. Fortum accounted for it's share of profits for 2008 in Q3 and for first half of 2009 in Q4. According to Fortum's accounting policy the share of TGC-1's profits is recognised based on most recently publised IFRS financial statements.

Investments and share issues
Fortum and (Norwegian) Hafslund Infratek ASA combined their businesses of construction and operating of infrastructure in Sweden, Finland and Norway at the beginning of 2009. Fortum received newly issued shares in Hafslund Infratek ASA resulting in 33% ownership in the new combined company.

Teollisuuden Voima Oyj's (TVO) Annual General meeting decided to raise company's share capital by EUR 100 million of which Fortum's share is EUR 25 million. Increase in Fortum's participation in TVO was booked in Q2 2009.

Divestments
Fortum has agreed to divest its shares in Swedegas AB in the first quarter of 2010.

Dividends received
During 2009 Fortum has received EUR 32 million (2008: 51) in dividends from associates of which EUR 17 million (2008: 24) was received from Hafslund.

OCI items in associated companies
OCI items in associated companies mainly represents the fair value change in Hafslund's shareholding in REC. In Q4 the fair value change of the remaining REC shares was EUR -17 million (2008: -140) and the fair value change since year-end was EUR -17 million (2008: -667). The cumulative fair value change in Fortum's equity, based on the remaining number of shares reported by Hafslund, was EUR 89 million at 31 December 2009.

14. SHARE CAPITAL

MEUR	Number of shares Dec 31 2009	Share capital Dec 31 2009	Number of shares Dec 31 2008	Share capital Dec 31 2008
Registered shares at 1 January	**887 638 080**	**3 044**	886 683 058	3 040
Shares subscribed with options and registered at the end of the period	**728 965**	**2**	955 022	4
Registered shares at the end of the period	**888 367 045**	**3 046**	887 638 080	3 044
Unregistered shares	**-**		56 000	

There are no unexercised stock options remaining on 31 December 2009.

15. INTEREST-BEARING LIABILITIES

During the first quarter Fortum Oyj issued a dual-tranche Euro Bond of EUR 750 million due 2014 and EUR 750 million due 2019 under Fortum's Euro Medium-Term Note Program. The amount of re-borrowing from the Finnish nuclear waste fund was increased by EUR 66 million to EUR 774 million. During the first quarter EUR 300 million under the EUR 1.5 billion 5 year revolving Credit Facility was repaid. OAO Fortum repaid almost fully the RUB 5,000 million bond (EUR 112 million).

During the second quarter Fortum completed three major long-term financing transactions, of which one was a dual-tranche Private Placement of NOK 500 million due 2014 and NOK 500 million due 2017 (totally EUR 110 million). Fortum Oyj also raised a 10 year loan of EUR 250 million from the European Investment Bank to finance investment projects in Sweden and Poland. In addition, Fortum Oyj with its Finnish subsidiaries (mainly Fortum Power and Heat Oy) agreed a 10 year loan of EUR 240 million from Varma Mutual Insurance Company.

During the second quarter Fortum Oyj repaid maturing bonds issued in 2006 of SEK 2,500 million (EUR 231 million) as well as amortised EUR 1,000 million of a 3 year EUR 2,000 million Term-loan and all drawn amounts (EUR 300 million) under the EUR 1,500 million 5 year Revolving Credit Facility. Both facilities raised in March 2008 in connection with the acquisition of OAO Fortum (TGC-10). In June OAO Fortum repaid RUB 2,937 million (EUR 67 million) of local bond financing.

During the third quarter Fortum Oyj amortised twice on the 3 year EUR 2,000 million Term-loan. Amortisations were EUR 400 million and EUR 250 million. The outstanding amount on the Term loan after all amortisations is 350 million.

No major new financing transactions were made in the Group during the last quarter.

Fortum Oyj also uses short term financing by issuing Commercial Papers (CPs) in the Finnish and Swedish markets. At 31 December 2009 the amount of short term CPs outstanding was EUR 250 million.

The reported interest-bearing debt increased during the last quarter by EUR 3 million from EUR 6,856 million to EUR 6,859 million. Total liquid funds increased by EUR 75 million from EUR 815 million to EUR 890 million. Liquid funds, including deposits and cash held by OAO Fortum, amounted to EUR 632 million.

Fortum is a shareholder in Teollisuuden Voima Oyj (TVO), a nuclear generation company operating two reactors in Olkiluoto, Finland. TVO is in the process of building a third reactor, Olkiluoto 3, which is planned to start operating in 2012. In late March, TVO's shareholders signed a EUR 300 million subordinated shareholder's loan commitment to TVO. The facility will be available until the end of 2013. Fortum's share of this commitment is maximum EUR 75 million.

Dividends both in 2009, EUR 888 million, and in 2008, EUR 1,198 million, were paid in Q2 the respective year.

16. NUCLEAR RELATED ASSETS AND LIABILITIES

MEUR	Dec 31 2009	Dec 31 2008
Carrying values in the balance sheet:		
Nuclear provisions	**570**	566
Share in the State Nuclear Waste Management Fund	**570**	566
Legal liability and actual share of the State Nuclear Waste Management Fund:		
Liability for nuclear waste management according to the Nuclear Energy Act	**913**	895
Funding obligation target	**830**	767
Fortum's share of the State Nuclear Waste Management Fund	**786**	728

Nuclear related provisions

Fortum submitted the yearly proposal for the nuclear waste management liability regarding the Loviisa nuclear power plant to the Ministry of Employment and the Economy in September. The liability regarding the Loviisa nuclear power plant is calculated according to the Nuclear Energy Act and was decided by Ministry of Employment and the Economy in January 2010. The liability is based on an updated cost estimate, which is done every year, and on a technical plan, which is made every third year. Following the annual update, the discounted liability decreased due to updated cost estimate and timing for the disposal of the spent fuel. The technical plan was updated last time in 2007, and the new technical plan with updated cost estimates is expected in 2010.

The legal liability at the end of 2009, decided by the Ministry of Employment and the Economy is EUR 913 million. The provision in the balance sheet related to nuclear waste management is based on cash flows for future costs which uses the same basis as the legal liability. The carrying value of the nuclear provision, calculated according to IAS37, has increased by EUR 4 million compared to 31 December 2008, totalling EUR 570 million as of 31 December 2009. The nuclear provision decreased by EUR 18 million during the last quarter 2009 due to the updated cost estimate. The main reason for the difference between the carrying value of the provision and the legal liability is the fact that the legal liability is not discounted to net present value.

Fortum's share in the State Nuclear Waste Management Fund

Fortum contributes funds to the State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in January each year in connection with the decision of size of the legal liability. The funding obligation target based on the decided legal liability and approved periodising of the payments to the Fund is EUR 830 million. The Fund is from an IFRS perspective overfunded with EUR 216 million, since Fortum's share of the Fund as of 31 December 2009 is EUR 786 million and the carrying value in the balance sheet is EUR 570 million.

Effects to comparable operating profit and operating profit

Following the updated cost estimate, Fortum had in Q4 2009 a one-time effect to Comparable operating profit of EUR 7 million in the Power segment mainly due to lower nuclear waste management costs related to already spent fuel. In Q4 2008 a one-time effect of EUR - 3 million was reported following the updated cost estimate. Any cost increase which is related to already spent fuel is always recognised immediately in Comparable operating profit.

Operating profit in Power segment is affected by the accounting principle for Fortum's share of the Finnish Nuclear Waste Management Fund, since the carrying value of the Fund in Fortum's balance sheet can in maximum be equal to the amount of the provisions according to IFRS. As long as the Fund is overfunded from an IFRS perspective, the effects to operating profit from this adjustment will be positive if the provisions increase more than the Fund and negative if actual value of the fund increases more than the provisions. This accounting effect is not included in Comparable operating profit in Fortum financial reporting, see Other items effecting comparability in Note 4. Fortum had an effect from this adjustment in Q4 2009 of EUR -33 million, compared to EUR -12 million in Q4 2008. The cumulative effect 2009 was EUR -59 million compared to EUR -19 million in 2008.

Associated companies

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

Fortum has received at year-end updated cash flow information for its nuclear associated companies, Teollisuuden Voima Oyj, OKG AB and Forsmarks Kraftgrupp AB. Based on the updated cost estimates, the effect in share of profits was EUR -13 million in 2009 which included EUR -5 million due to decrease of the carrying value of the Finnish Nuclear Waste Fund. In 2008, the effect in share of profits was EUR 42 million which included EUR +9 million due to the change of the carrying values of the Finnish (EUR -7 million) and Swedish Nuclear Waste Funds (EUR +16 million). The Finnish Nuclear Waste Fund is overfunded whereas the value of the Swedish Nuclear Fund is estimated to be slightly below the value of provisions at year-end 2009.

17. PLEDGED ASSETS

MEUR	Dec 31 2009	Dec 31 2008
On own behalf		
For debt		
Pledges	**293**	229
Real estate mortgages	**137**	137
For other commitments		
Real estate mortgages	**220**	206
On behalf of associated companies and joint ventures		
Pledges and real estate mortgages	**2**	2

Pledged assets for debt
Finnish participants in the State Nuclear Waste Management Fund are allowed to borrow from the Fund. During Q1 2009 Fortum increased its borrowing from the Fund (see Note 15) and has therefore pledged additional Kemijoki shares as security. The value of the pledged shares amount to EUR 263 million (2008: 208 million) as of 31 December 2009 (and 31 December 2008 respectively).

Pledged assets for other commitments
Fortum has given real estate mortgages in Naantali and Inkoo power plants in Finland, total value of EUR 220 million, as a security to the State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs.

18. OPERATING LEASE COMMITMENTS

MEUR	Dec 31 2009	Dec 31 2008
Due within a year	**23**	28
Due after one year and within five years	**35**	47
Due after five years	**93**	86
Total	**151**	161

The decrease in operating lease commitments from the end of 2008 is mainly due to the sale of infrastructure companies and exchange rate differences.

19. CAPITAL COMMITMENTS

MEUR	Dec 31 2009	Dec 31 2008
Property, plant and equipment	**1 326**	1 321
Intangible assets	**5**	7
Total	**1 331**	1 328

The capital commitments have increased from 31 December 2008 due to the automatic meter reading investments in Distribution Finland as well as the progressing of OAO Fortum's investment program. On the other hand finalisation of the automatic meter reading investment in Distribution Sweden, decline of the Russian rouble and progressing of the CHP plant investments in the Heat business in Finland, Estonia and Poland have decreased the capital commitments since 31 December 2008.

20. CONTINGENT LIABILITIES

MEUR	Dec 31 2009	Dec 31 2008
On own behalf		
Other contingent liabilities	**321**	362
On behalf of associated companies and joint ventures		
Guarantees	**592**	565
Other contingent liabilities	**125**	125
On behalf of others		
Guarantees	**12**	10
Other contingent liabilities	**1**	1

Guarantees on own behalf
Other contingent liabilities on own behalf amounts to EUR 321 million. The decrease of EUR 41 million from 31 December 2008 refers mainly to changes in contractual obligations relating to Russia and Fortum's business in the UK and exchange rate changes.

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

The guarantee given on behalf of Teollisuuden Voima Oyj (TVO) to the Finnish fund has decreased from EUR 70 million at year-end 2008 to EUR 67 million at 31 December 2009. The size of the guarantee is updated yearly in Q2, based on the decisions regarding legal liability and the funding target which takes place around year-end.

21. LEGAL ACTIONS AND OFFICIAL PROCEEDINGS

Group companies
Two subsidiaries of Fortum, Grangemouth CHP Limited and Fortum O&M (UK) Limited, are defendants in a court case regarding CO_2 emission allowances in the High Court of Justice in London. Grangemouth CHP Limited is a party to an Electricity Supply Agreement with Ineos Manufacturing Scotland Limited, pursuant to which Grangemouth CHP Limited provides electricity from its CHP plant to the Grangemouth site in Scotland until April 2016. Ineos Manufacturing Scotland Limited claims that it is entitled to all of the emissions allowances allocated under the EU ETS scheme for CO_2 emission allowance trading with respect to the CHP plant. Grangemouth CHP Limited denies this claim. The case was stayed in 2008, but the stay was lifted in late 2009. The court decision is likely to be rendered in late 2010 or early 2011.

The Finnish Competition Authority gave on 2 June 2006 its conditional approval to the transaction by which Fortum acquired control in E.ON Finland Oyj. On 3 July 2006 Fortum appealed against the decision to the Market Court. In March 2008 the Finnish Market Court decision overruled the conditional decision given by the Finnish Competition Authority in June 2006 on the acquisition of E.ON Finland. In their ruling, the Market Court stated that the Finnish Competition Authority had no grounds for setting conditions, because Fortum cannot be considered to have a dominant position in the power generation and wholesale market. According to the Market Court, the relevant geographical market area in power generation and wholesale consist of at least Finland and Sweden. The Finnish Competition authority has appealed the decision to the Supreme Administrative Court.

Associated companies
In Finland, Fortum is participating in the country's fifth nuclear power plant unit, Olkiluoto 3, through the shareholding in Teollisuuden Voima Oyj (TVO) with an approximately 25% share representing some 400 MW in capacity. In January 2009 the constructor TVO disclosed information, confirmed by the plant supplier, consortium AREVA-Siemens that the construction of the unit is delayed and the unit is estimated to start up in June 2012. In October 2009 TVO informed that the start-up of the plant may be postponed even beyond June 2012. TVO has requested a re-analysis of the time schedule from AREVA-Siemens. In June 2009, TVO informed that the arbitration filed in December 2008 by AREVA-Siemens, concerning Olkiluoto 3 delay and related costs amounted to EUR 1.0 billion. In response, TVO has filed in April 2009 a counter-claim for costs and losses that TVO is incurring due to the delay and other defaults on the part of the supplier. The value of TVO's counterclaim is currently approximately EUR 1.4 billion.

22. RELATED PARTY TRANSACTIONS

Related party transactions are described in the annual financial statements as of the year ended 31 December 2008. No material changes have occurred during the period.

The Finnish State owned 50.80% of the shares in Fortum 31 December 2008. After the changes in amount of shares during 2009 due to the share subscriptions under the last option scheme 2002B, the Finnish state owned 50.76% of the Company's shares at 31 December 2009.

ASSOCIATED COMPANY TRANSACTIONS

MEUR	**2009**	2008
Sales to associated companies	**86**	113
Interest on associated company loan receivables	**37**	34
Purchases from associated companies	**555**	563

ASSOCIATED COMPANY BALANCES

MEUR	**Dec 31 2009**	Dec 31 2008
Long-term interest-bearing loan receivables	**852**	659
Trade receivables	**14**	24
Other receivables	**5**	5
Long-term loan payables	**199**	184
Trade payables	**23**	26
Other payables	**22**	18

TRANSACTIONS AND BALANCES WITH JOINT VENTURES

Transactions and balances with joint ventures as at and for the period ended 31 December 2009 are not material for the group.

23. EVENTS AFTER THE BALANCE SHEET DATE

In December 2009, Fortum agreed to sell its shares in the Swedish gas transmission company Swedegas AB. The transaction will take place in early 2010.

In January 2010, Fortum acquired the combined heat and power plant in the city of Nokia, Finland from Nokian Lämpövoima Oy. At the same time Fortum sold its shares in Nokian Lämpövoima Oy to PVO Oy.

In February 2010, Fortum signed an agreement to sell its 49% shareholding in Karlskoga Energi & Miljö AB to the Karlskoga municipality in Sweden for SEK 435 million (EUR 42 million).

24. DEFINITION OF KEY FIGURES

EBITDA (Earnings before interest, taxes, depreciation and amortisation)	=	Operating profit + Depreciation, amortisation and impairment charges
Comparable operating profit	=	Operating profit - non-recurring items - other items 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 accountin 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 improves productivity in an existing asset. Growth investments' purpose is to build new assets and/or to increase customer base within existing businesses. Legislation investments are done at certain point of time due to legal requirements.
Gross investments in shares	=	Investments in subsidiary shares, shares in associated companies and other shares in available for sale financial assets. Investments in subsidiary shares are net of cash and grossed with interest-bearing liabilities in the acquired company.
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, %	=	$\frac{\text{Comparable operating profit + Share of profit (loss) in associated companies and joint ventures (adjusted for IAS 39 effects and major sales gains or losses)}}{\text{Comparable net assets average}} \times 100$
Capital employed	=	Total assets - non-interest bearing liabilities - deferred tax liabilities - provisions
Net assets	=	Non-interest bearing assets + interest-bearing assets related to the Nuclear Waste Fund - non-interest bearing liabilities - provisions (non-interest bearing assets and liabilities do not include finance related items, tax and deferred tax and assets and liabilities from fair valuations of derivatives where hedge accounting is applied)
Comparable net assets	=	Net assets adjusted for non-interest bearing assets and liabilities arising from financial derivatives hedging future cash flows where hedge accounting is not applied according to IAS 39
Interest-bearing net debt	=	Interest-bearing liabilities - liquid funds
Gearing, %	=	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}} \times 100$
Equity-to-assets ratio, %	=	$\frac{\text{Total equity including non-controlling interest}}{\text{Total assets}} \times 100$
Net debt / EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{Operating profit + Depreciation, amortisation and impairment charges}}$
Interest coverage	=	$\frac{\text{Operating profit}}{\text{Net interest expenses}}$
Interest coverage including capitalised borrowing costs	=	$\frac{\text{Operating profit}}{\text{Net interest expenses-capitalised borrowing costs}}$
Earnings per share (EPS)	=	$\frac{\text{Profit for the period - non-controlling interest}}{\text{Average number of shares during the period}}$
Equity per share	=	$\frac{\text{Shareholder's equity}}{\text{Number of shares excluding treasury shares at the end of the period}}$
Last twelve months	=	Twelve months preceding the reporting date