

FORTUM
Capital
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Day/10

2010/09/16

MATTI

Ruotsala

Nuclear

GENERATION

2010/09/16

Agenda

- Power Division
- Fortum's nuclear generation
- Nuclear capacity upgrades in Sweden
- Nuclear's strategic role

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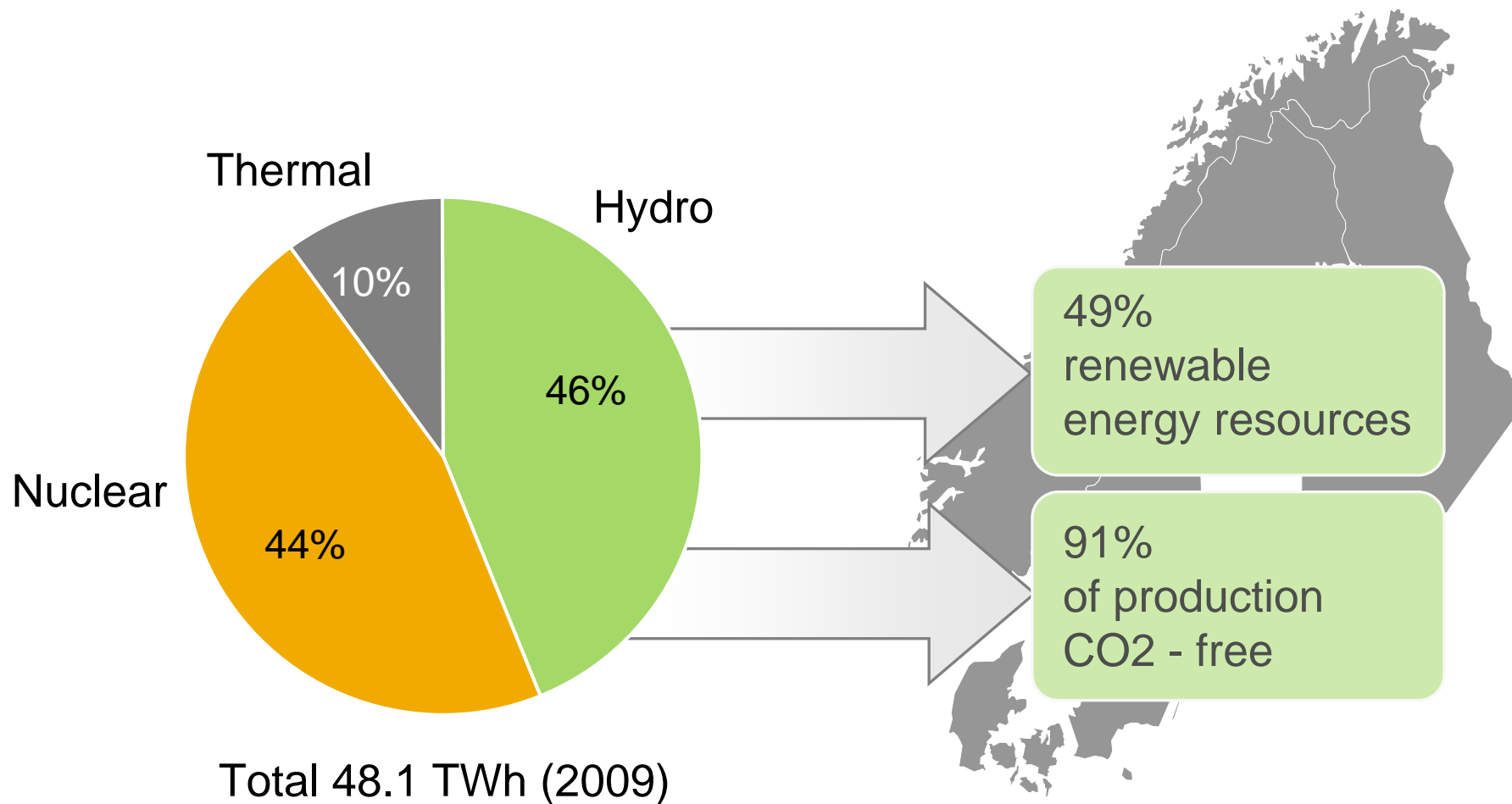
Power key figures Q2/2010

- Operations in Finland, Sweden, UK, Germany, UAE
- 1,700 employees

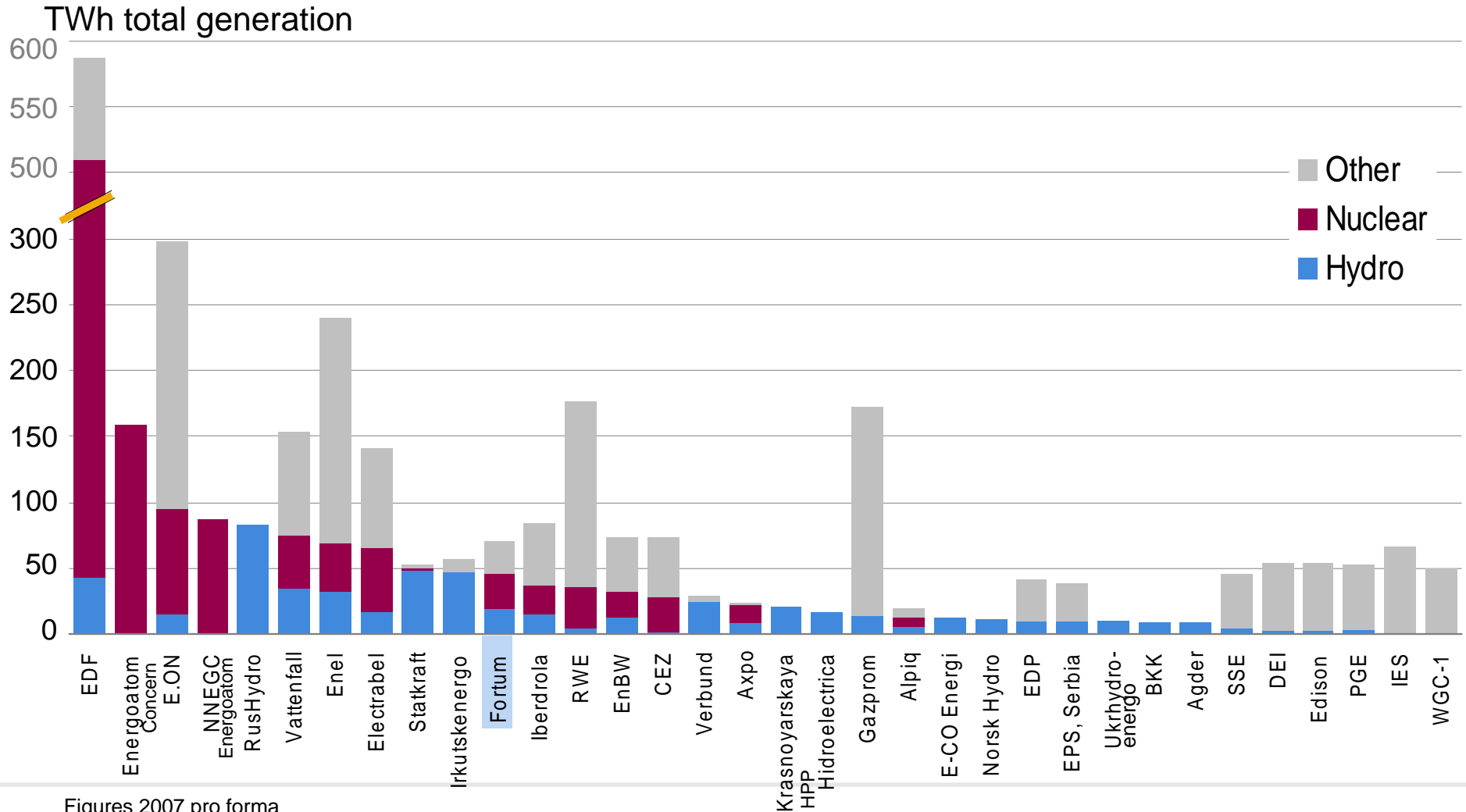
MEUR	I-II/2010	I-II/2009	LTM
Sales	1,366	1,296	2,601
Comparable operating profit	695	755	1,394
Net Assets	5,726	5,353	
Comparable RONA, %			24.4
Gross Investments	55	100	108



Fortum's power production in the Nordic countries



Fortum a significant nuclear and hydro generator



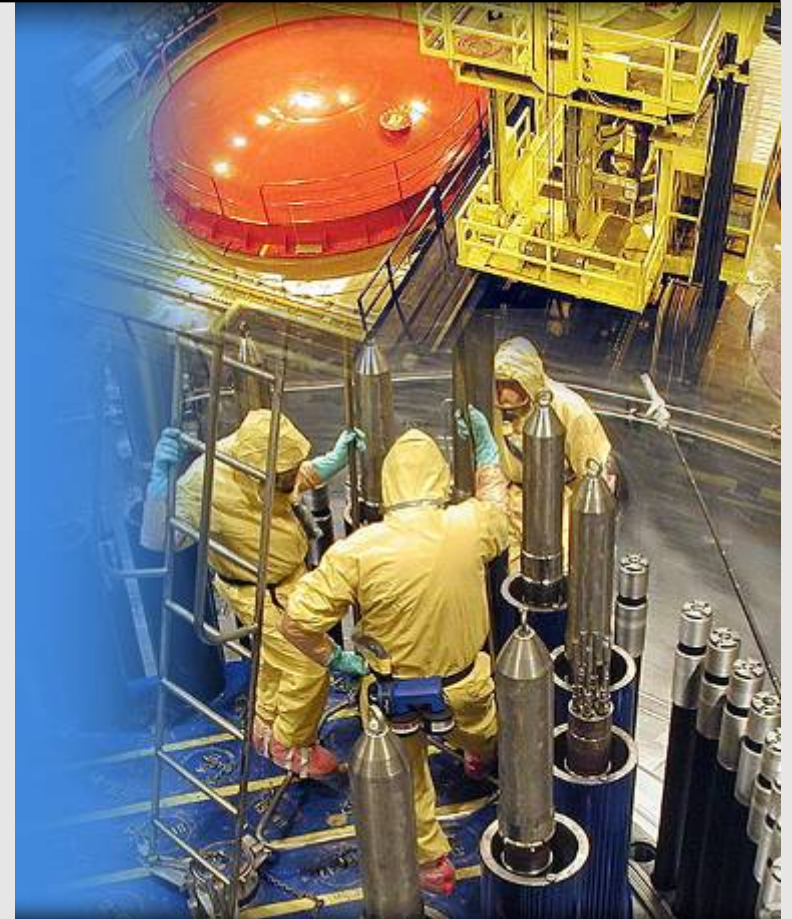
Figures 2007 pro forma

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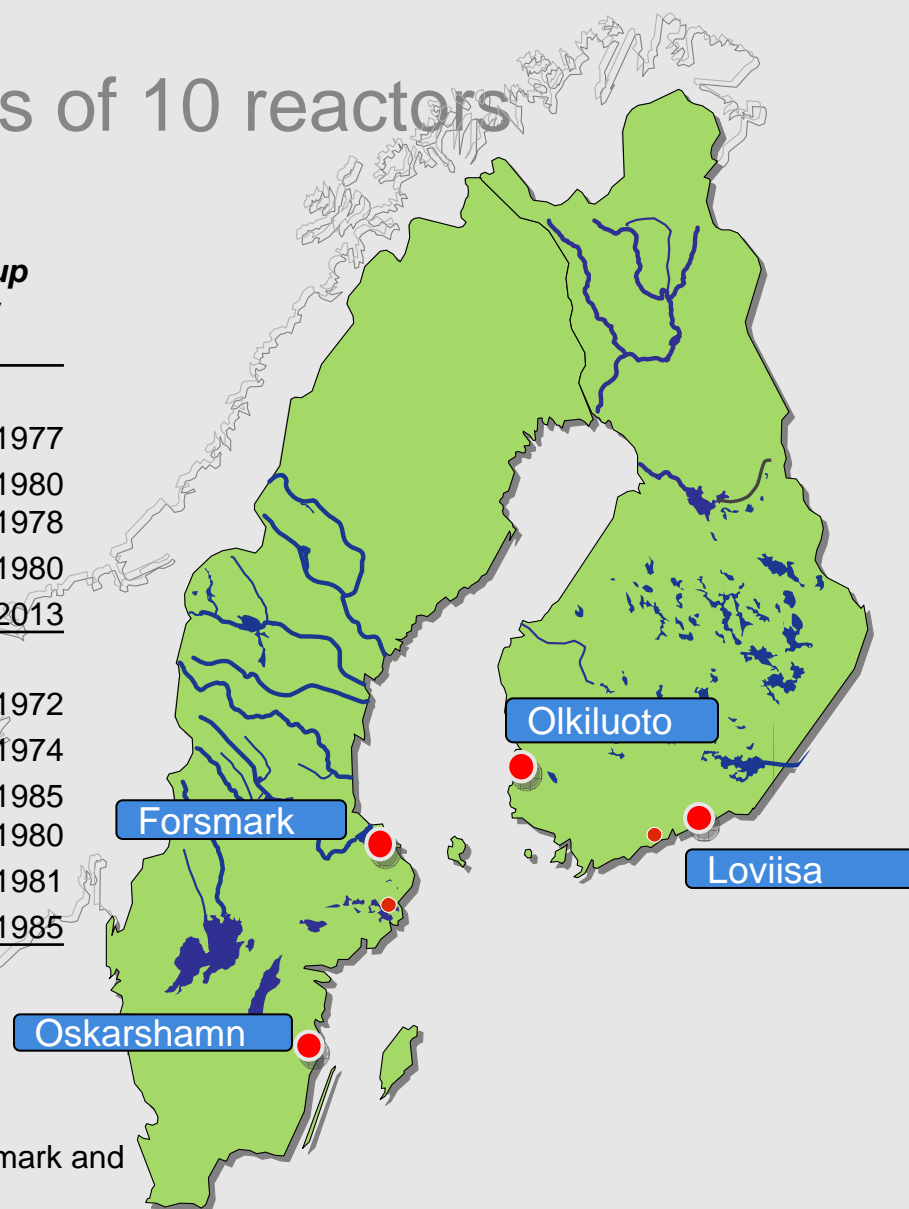
Active owner in diversified fleet

- Diversified fleet secures stable and reliable production
- Active ownership assures involvement in all major decision making
- Active industrial partner with relevant technical competence
 - Project development
 - Modernisation and power upgrade utilisation
 - Lifetime extension



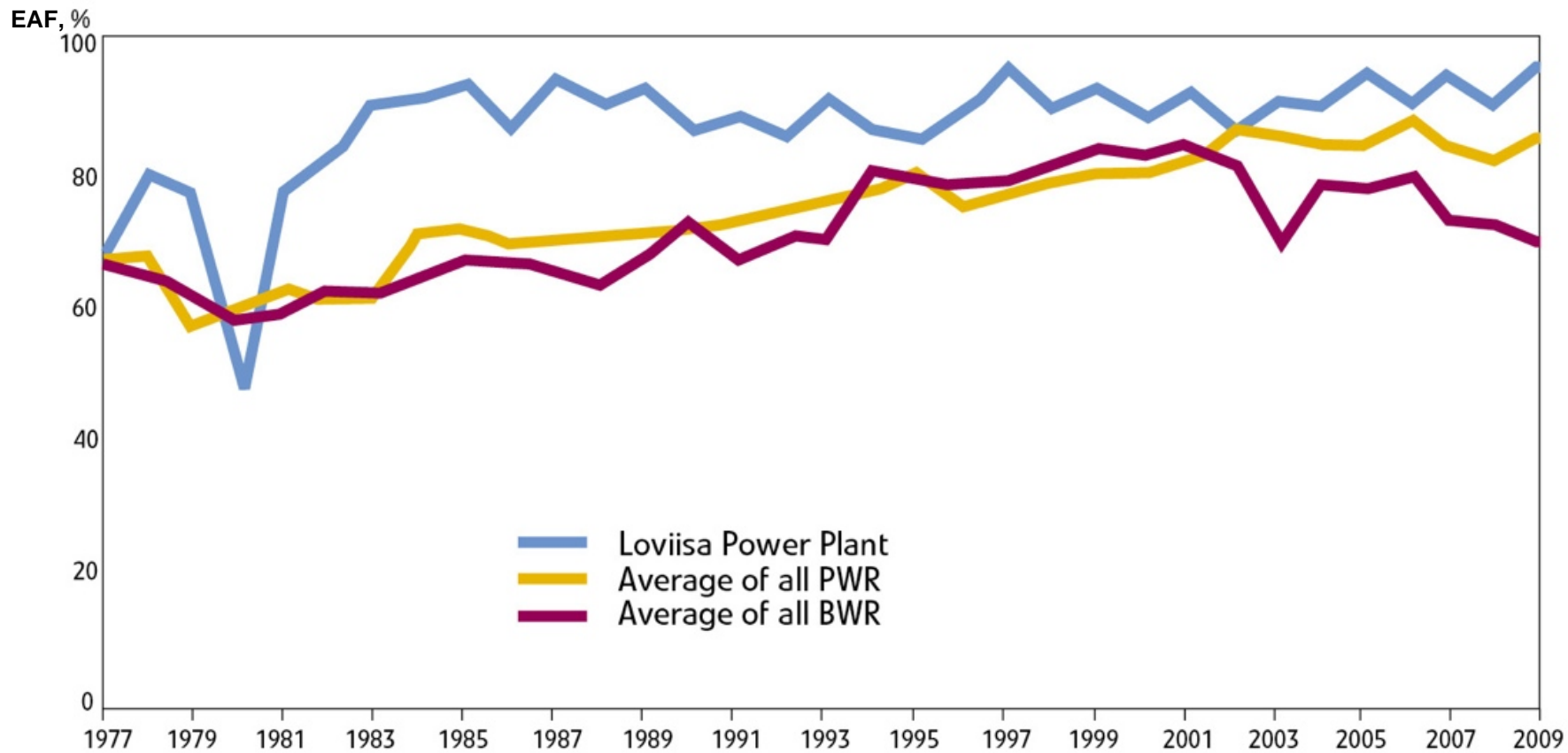
Fortum's nuclear fleet consists of 10 reactors

	Fortum's share (MW)	Fortum's production (TWh/a)	# of NPP units	Start-up year
<u>Finland</u>				
Loviisa (100%)	976	8.2	2	LO1: 1977 LO2: 1980
Olkiluoto (26%)	457	3.8	2+1	OL1: 1978 OL2: 1980 OL3: 2013
<u>Sweden</u>				
Oskarshamn (43%)	1,083	3.7	3	OKG1: 1972 OKG2: 1974 OKG3: 1985
Forsmark (22%)	695	4.8	3	FKA1: 1980 FKA2: 1981 FKA3: 1985
TOTAL	3,211	20.5	10+1	



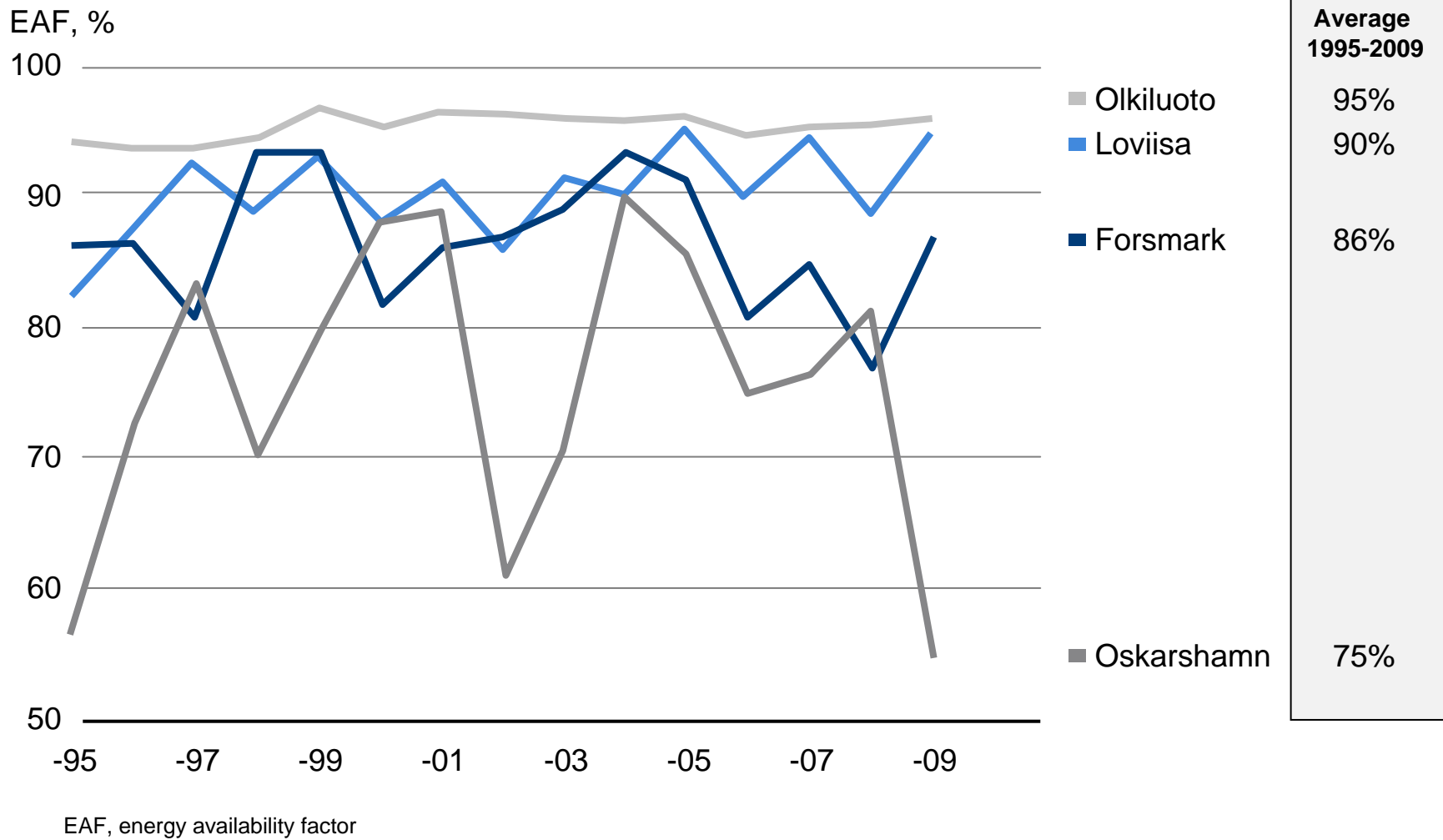
* Power capacity refers respectively to Fortum's shares of fully and jointly-owned power plants as of 31 Dec 2009. Forsmark and Oskarshamn excluding minorities.

Loviisa NPP is one of the best plants



Loviisa PWR
EAF, energy availability factor

Nuclear fleet availability in Finland and Sweden



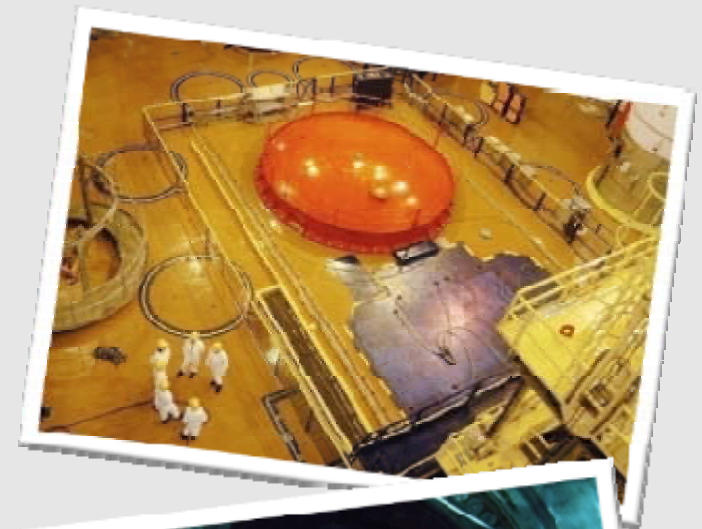
Active industrial investor with strong in-house competence

Over 30 years experience of safe and reliable nuclear operation, maintenance and engineering.

Active co-ownership and co-operation in Finland and Sweden.

Strong in-house nuclear engineering:

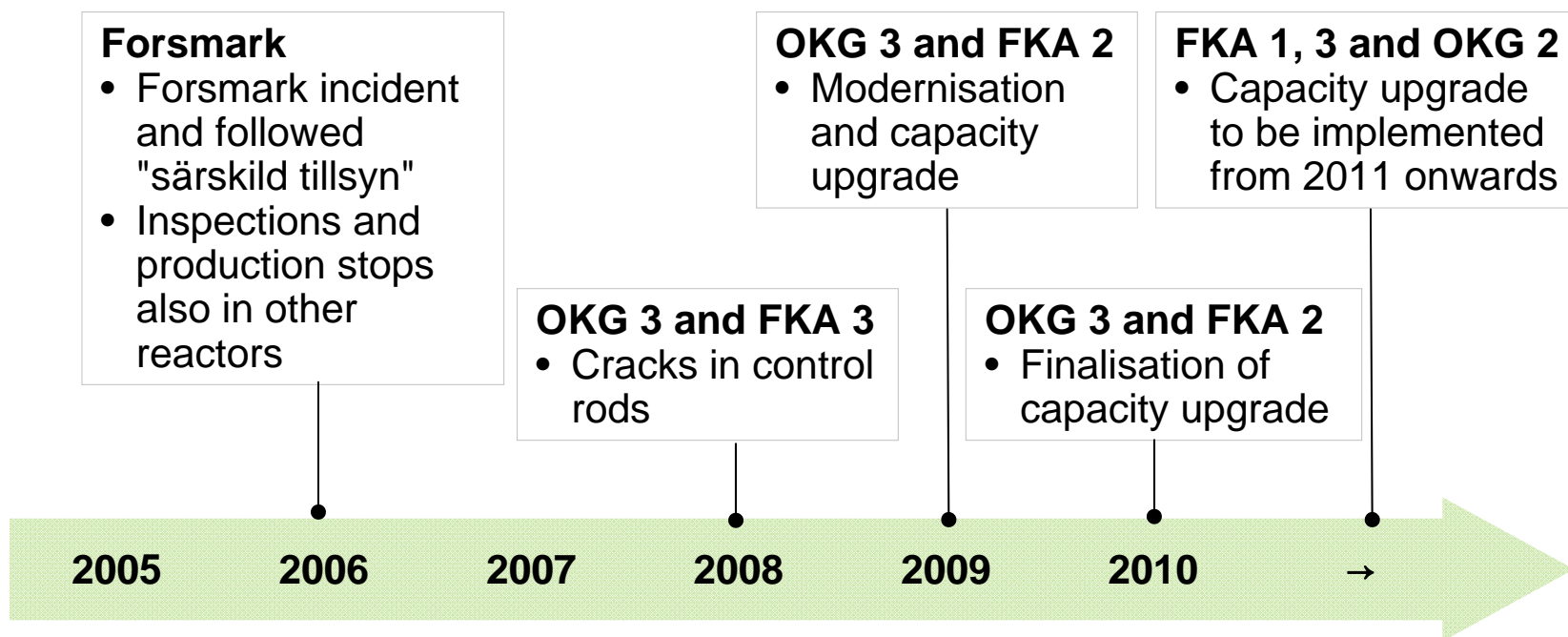
- Process technology
- Plant life-time technologies
- Waste and fuel management
- Nuclear safety
- Providing consultant and engineering services and system supplies



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Incidents during 2006 - 2010 have decreased availability



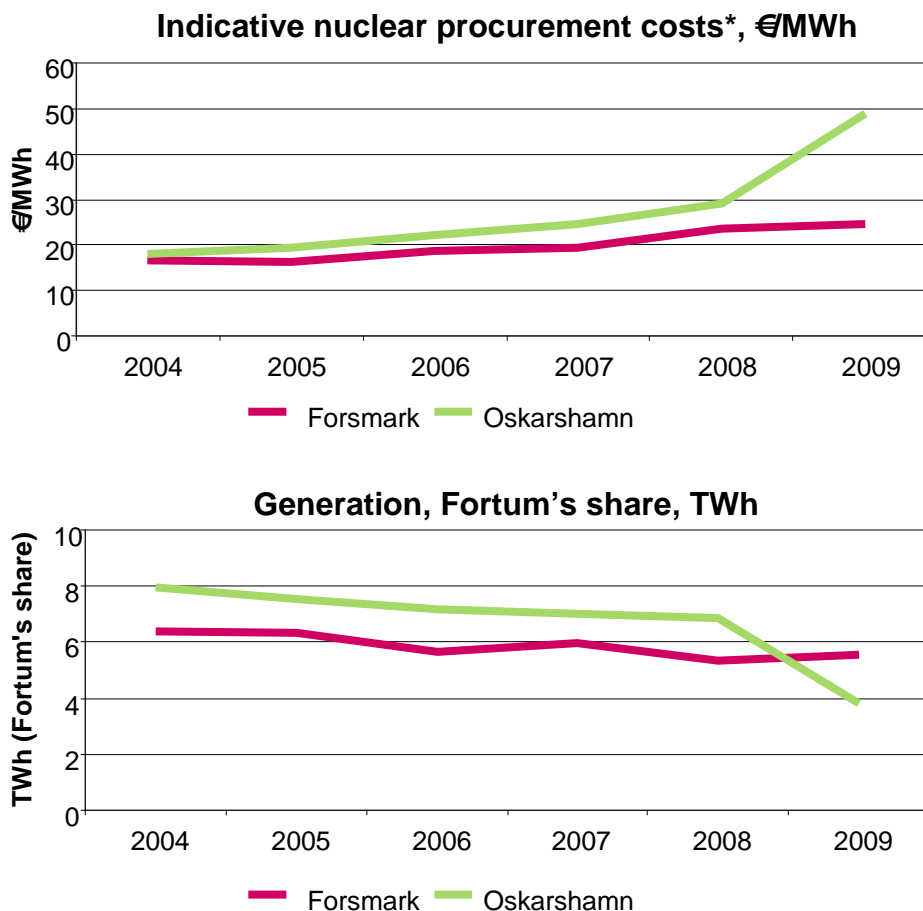
Availability

Forsmark	92.5%	80.6%	84.7%	76.5%	79.8%
Oskarshamn	86.2%	75.7%	77.1%	82.8%	55.0%

Source: Availabilities from WANO

Nuclear unit costs temporarily on a higher level – but nuclear will remain cost-efficient to the future

- The bulk of costs are fixed costs and/or costs not directly linked to production volume
 - 20-30% fuel and waste management
 - 40-50% of operational costs
 - 20-35% of depreciation and financing
 - Nuclear tax in Sweden (5-7€/MWh)
- During 2009 - 2010 generation volumes in Swedish nuclear reactors (especially OKG 3 and FKA 2) lower due to delayed starts up after upgrades
 - Fixed costs higher due to repair costs
- Lifetime extension and power upgrade works slightly increase depreciation and financing costs
- Nuclear power upgrades still among the most profitable investments in new capacity



* Assuming EUR/SEK rate 9,64 for all years. Procurement costs are calculated based on company annual reports (power sales divided by production volume)

Fortum to get 290 MW CO₂ free capacity through upgrades in Sweden

- Two reactors in process to be completed and three to be implemented in coming years
- Fortum's share of potential electricity generation after upgrades is about 2 TWh/a

Reactor	Increase 100% (MW)	Comp- letion (act/est)	Fortum's share	
			Capacity after estimate (MW)	Annual generation estimate (TWh/a)
OKG 1	0	-	205	~2
OKG 2	30 + 180	2009, 2012 - 13	363	~3
OKG 3	255	2009 -10	607	~5
FKA 1	120	2011	257	~2
FKA 2	120	2009 -10	259	~2
FKA 3	170	>2013	270	~2
Total			1,961	~15
Capacity upgrade effect			291	~2

Capacity increase and completion timetable based on recent estimate (Nord Pool). At 31.12.2009 Fortum's share of Swedish nuclear capacity was 1,778 MW

Efforts implemented to improve availability and profitability

- New unit established to bring Fortum competence to co-owned nuclear power plants in Sweden
 - New technical co-operation model agreed with other owners
 - High and experienced competence from Fortum's nuclear operations
- Active co-ownership assures involvement in all major decision makings
- Nuclear safety, good availability and profitability main priorities in all nuclear operations and investments



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Olkiluoto 3

- Currently under construction as a fixed price turnkey delivery from Areva-Siemens consortium
- Main civil construction works completed
- Estimated that the unit will be in operation 2013 (originally 2009)
- Arbitration process initiated 2008 concerning the delay. The process may continue for several years
- No new major technical concerns identified



Olkiluoto 4

- Favourable decision-in-principle ratified by the Finnish Parliament to construct Olkiluoto 4
- TVO continues project preparations and feasibility studies of the plant alternatives
- Fortum is with 26% interest a shareholder in TVO



Nuclear in the strategic core of Fortum also in the future

- Power upgrades and Olkiluoto 3: approximately 700 MW new nuclear capacity
- Olkiluoto 4: additional 400 MW
- Acting as an industrial partner in attractive nuclear investments in Europe
- Increasing the use of Fortum's nuclear competence at co-owned power plants
- Developing nuclear CHP concept further



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