

Update on financials

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- Capital expenditures and financing

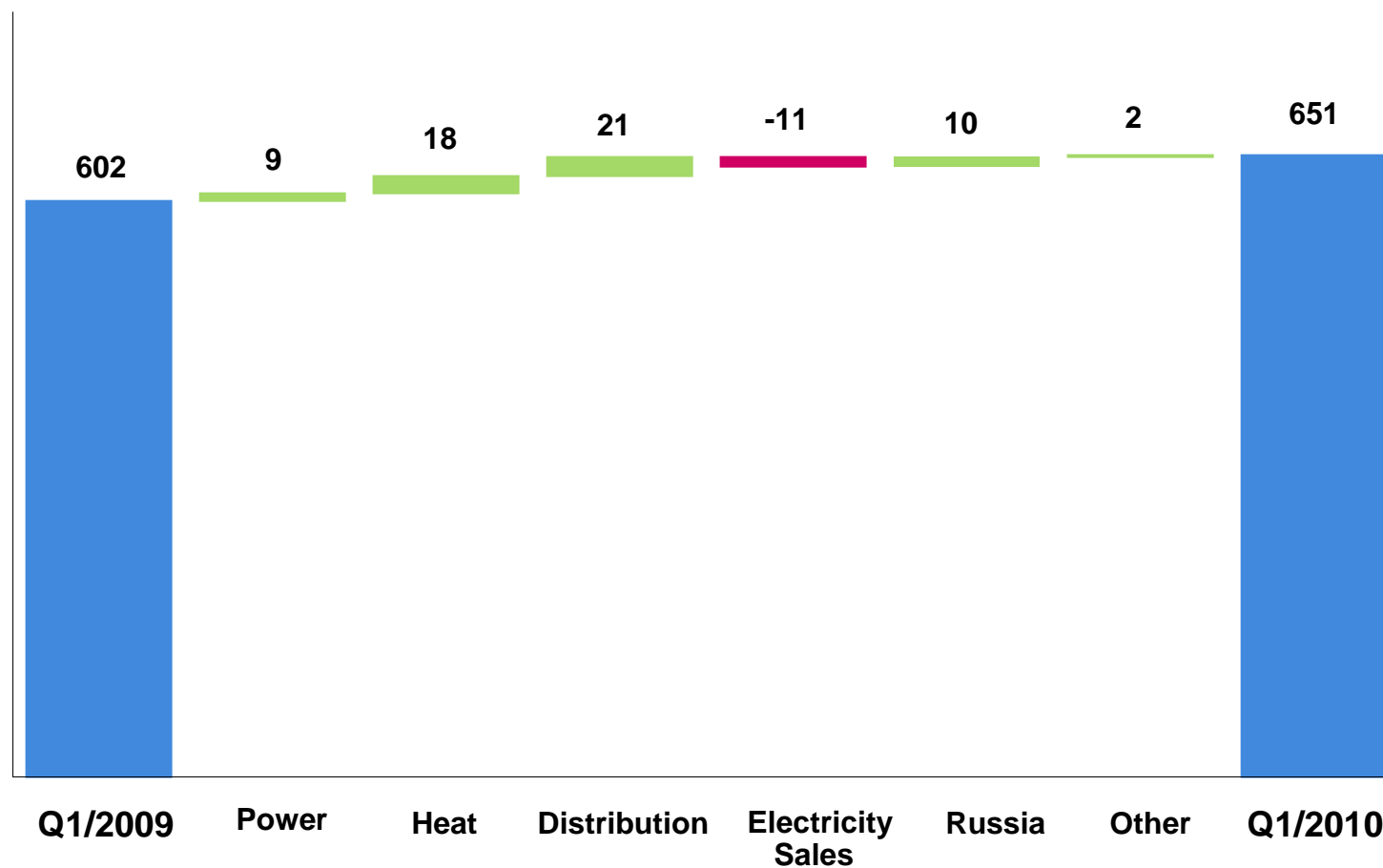
A strong start for the year

- Comparable operating profit, EUR 651 (602) million
 - Higher achieved Nordic sales price in Power
 - Improvement in Russia
 - SEK translation effect EUR +33 million
- Earnings per share EUR 0.63 (0.46)
 - Sales gains from Swedegas, Karlskoga Energi & Miljö, Kurgan and Federal grid company shares
- Net cash from operating activities EUR 521 (822) million
 - Decline due to financial items and SEK appreciation

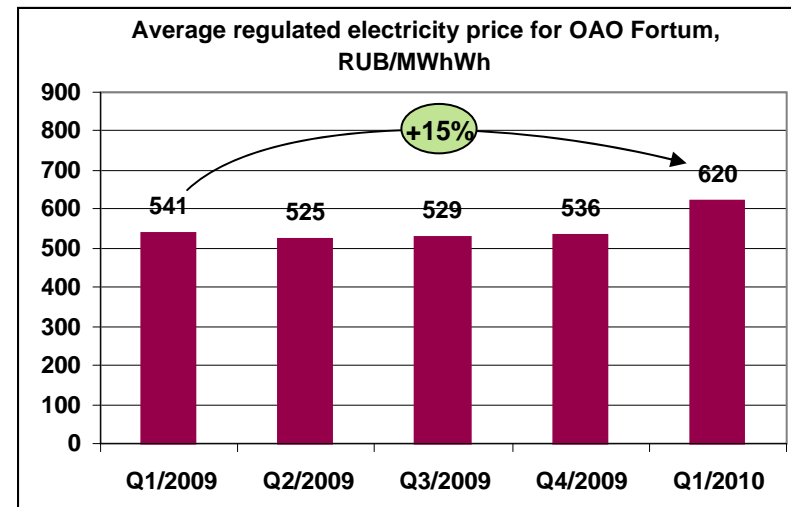
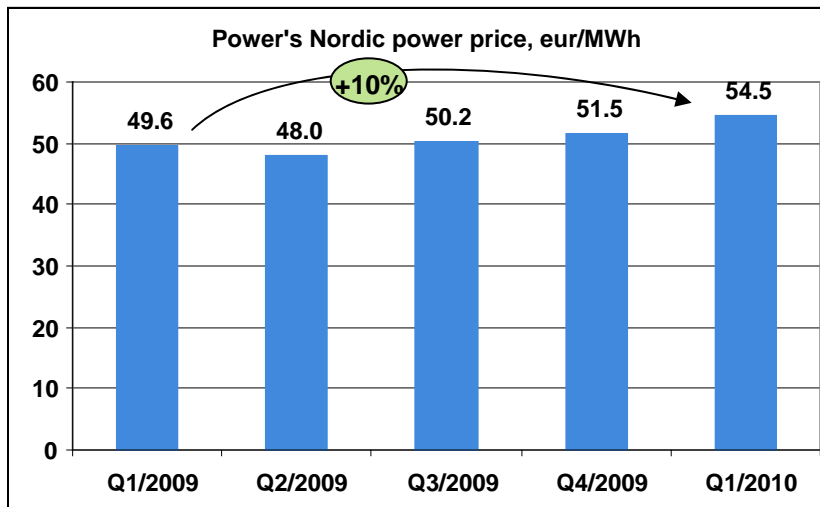
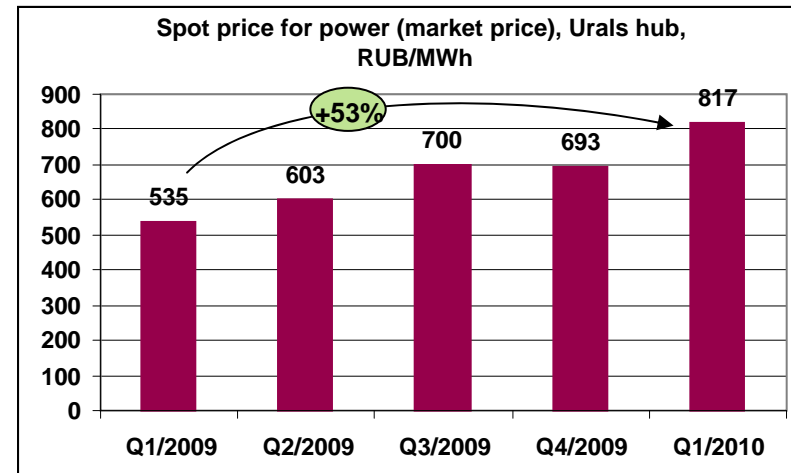
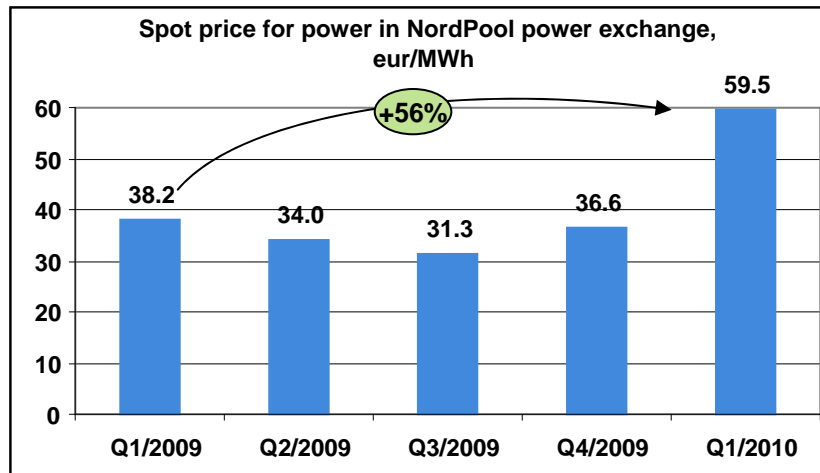
Better performance, except Electricity Sales

Comparable operating profit

EUR million



Price development in the Nordic region and Russia



Key events and highlights

- Performance development in Russia on track
 - Russian power reform proceeded as planned
 - OAO Fortum's productivity improved
 - Rules and price parameters for capacity market approved
- Suomenoja CHP plant in full operation
- Work continuing to improve efficiency, accountability and simplicity
 - Restructuring of the Business Market segment in Electricity Sales
- 82% (90%) of the generated power CO₂-free in the EU
 - Higher thermal condensing generation due to cold weather

Income statement

MEUR	I/2010	I/2009	2009	LTM
Sales	1 947	1 632	5 435	5 750
Expenses	-1 223	-1 033	-3 653	-3 843
Operating profit	724	599	1 782	1 907
Share of profit of associates and jv's	16	-33	21	70
Financial expenses, net	-27	-32	-167	-162
Profit before taxes	713	534	1 636	1 815
Income tax expense	-130	-111	-285	-304
Net profit for the period	583	423	1 351	1 511
Non-controlling interests	24	17	39	46
EPS, basic (EUR)	0.63	0.46	1.48	1.65
EPS, diluted (EUR)	0.63	0.46	1.48	1.65

Cash flow statement

MEUR	I/2010	I/2009	2009	LTM
Operating profit before depreciations	861	721	2 292	2 432
Non-cash flow items and divesting activities	-67	1	46	-22
Financial items and fx gains/losses	-177	139	146	-170
Taxes	-82	-14	-239	-307
Funds from operations (FFO)	535	847	2 245	1 933
Change in working capital	-14	-25	19	30
Total net cash from operating activities	521	822	2 264	1 963
Paid capital expenditures	-223	-180	-845	-888
Acquisition of shares	0	-50	-85	-35
Other investing activities	88	-7	-44	51
Cash flow before financing activities	386	585	1 290	1 091

Hedging of Power division's Nordic sales

Status at the end of March 2010

(Status at the end of Dec 2009)

	<u>Hedge ratio</u>	<u>Hedge price</u>
rest of 2010	~ 75% (~70%)	~ EUR 44 per MWh (~ EUR 44 per MWh)
2011	~ 45% (~40%)	~ EUR 43 per MWh (~ EUR 42 per MWh)

	Q3/2010	Q4/2010	2011
Current forward quotations at Nord Pool*:	~48 €/MWh	~52 €/MWh	~47 €/MWh

* 30 April 2010



- Q1 Update

- Capital expenditures, financing

Fortum Group financial targets are relevant for investments

Return on capital employed	12%
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Return on shareholders' equity	14%
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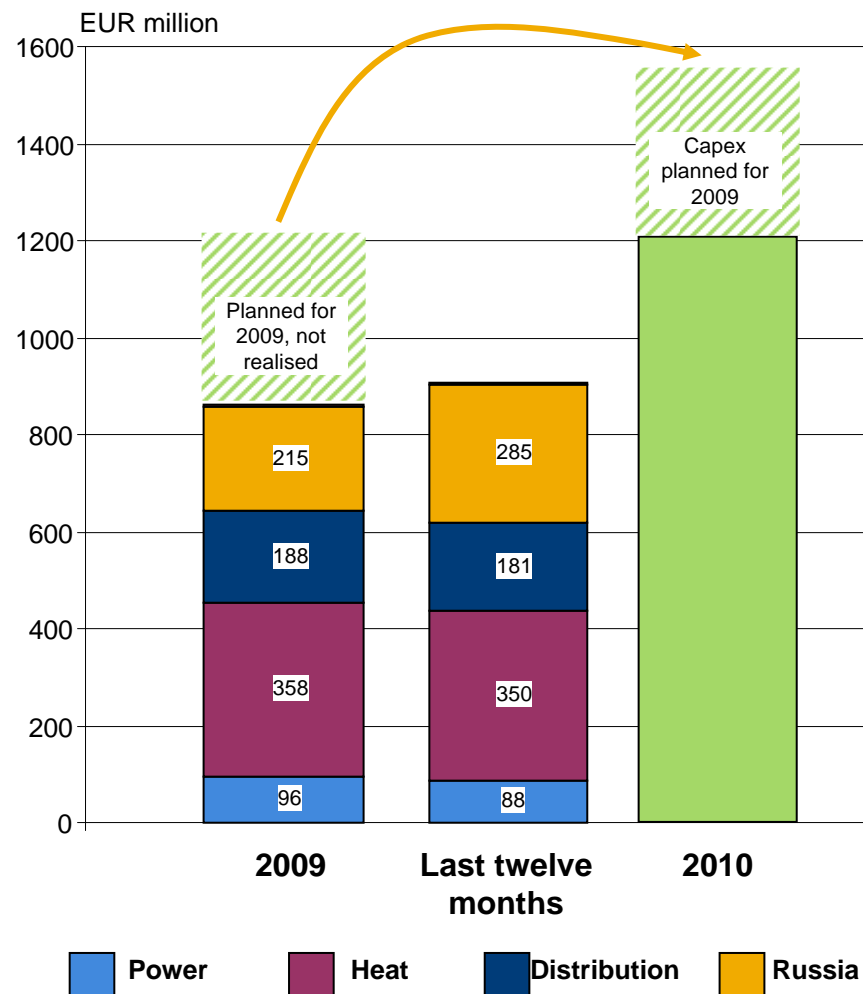
Net debt/EBITDA	3.0-3.5
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Key ratios

MEUR	LTM in Q1 '10	2009	2008
EBITDA	2 432	2 292	2 478
Net cash flow from operations	1 963	2 264	2 002
Interest-bearing net debt	5 679	5 969	6 179
Equity	8 465	8 491	8 411
Balance sheet total	21 318	19 841	20 278
Net debt/EBITDA	2.3	2.6	2.5
Return on capital employed (%)	12.3	12.1	15.0
Return on shareholders' equity (%)	17.6	16.0	18.7

Capital expenditures, 2010 vs. 2009

- Original plan and guidance:
 - EUR 0.8-1.2 billion for the next 4-5 years
 - 2009 and 2010 likely to be closer to the upper end of the range
- 2009 capex was EUR 862 million
- 2010 capex is expected to exceed the original EUR 1.2 billion upper end of the capex range
 - Capex shifting from 2009



Capital expenditures post 2010

- Annual capital expenditures EUR 0.8-1.2 billion
- Maintenance/productivity EUR 300–500 million p.a.
- Growth in Nordic and Baltic rim countries EUR 200-400 million p.a.
- Investments in Russian growth on average EUR 300 million per annum – but more in near future

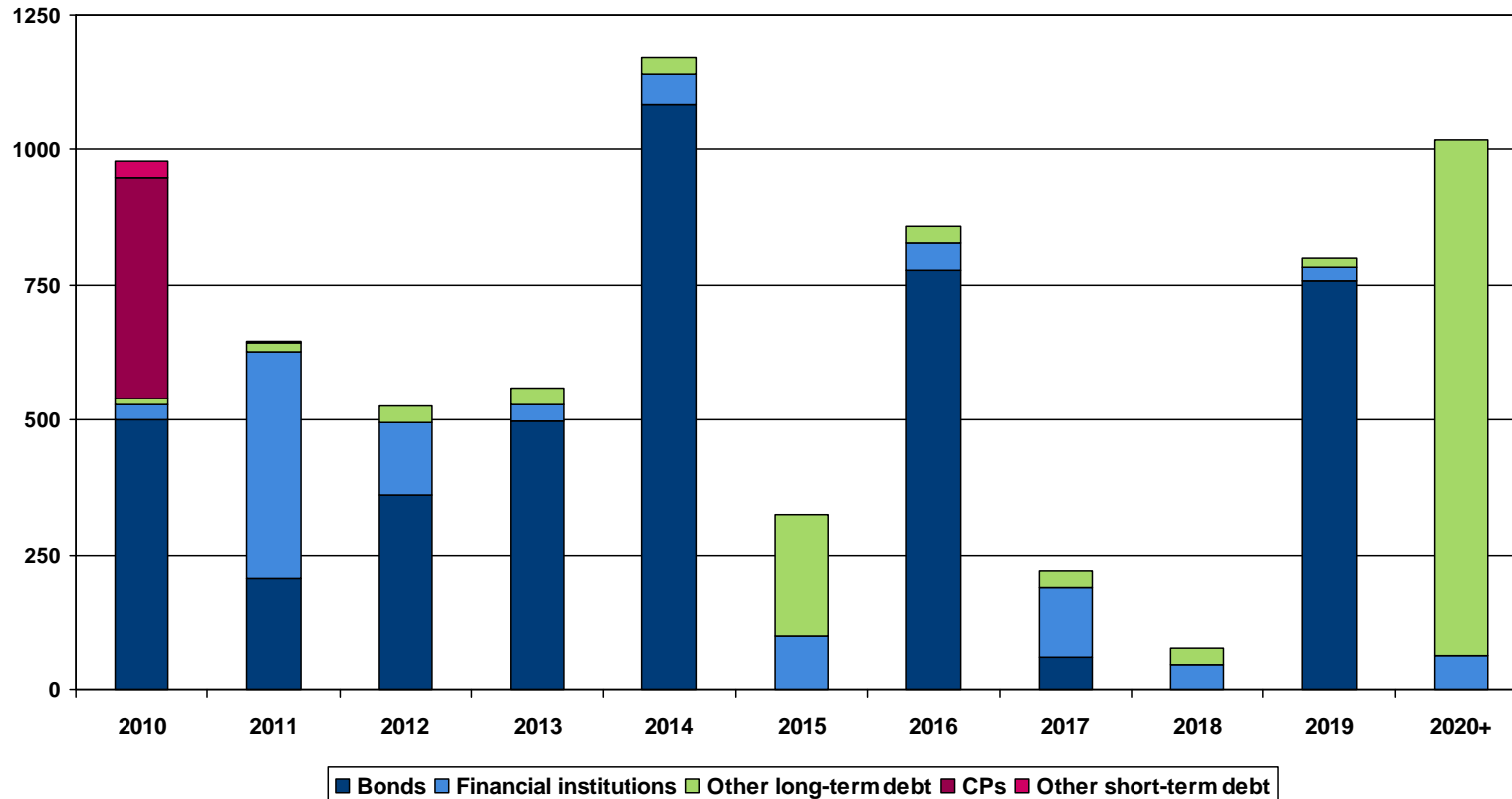
Estimated annual Capex 2011-2013

Maintenance ~ EUR 300–500 m

Growth ~ EUR 200–400 m

Russian growth ~ EUR 300 m

Debt maturity profile



	MEUR
2010	980
2011	645
2012	525
2013	560
2014	1.172
2015	322
2016	858
2017	220
2018	78
2019	799
2020+	1.018

Duration (years)

Average interest rate (incl. swaps and forwards)

Portion of floating / fixed debt

per 31 March, 2010

per 31 December, 2009

1.8

1.8

3.0%

3.4%

63 / 37%

62 / 38%

Liquidity at the end of Q1/2010

MEUR	Available	Outstanding	Total amount
<u>SHORT TERM FINANCING</u>			
Commercial Paper Programmes			
<i>Finnish CP Programme</i>	364	136	500
<i>SEK 5.000 M Swedish CP Programme</i>	241	274	515
	604	410	1 015
<u>LIQUID FUNDS AND COMMITTED CREDIT LINES</u>			
Committed Credit Lines			
<i>Short Term</i>	214	0	214
<i>Long Term</i>	2 700	0	2 700
	2 914	0	2 914
Liquid Funds			
<i>Cash and cash equivalents</i>	1 103		
<i>Bank Deposits over 3 months</i>	395		
	1 498		
<i>of which in Russia</i>	583		
Total Available Cash and Committed Financing	4 412		

Conclusions

- A good start for the year, strong Q1 results
- Good hedging positions for 2010 and 2011
- Strong balance sheet and liquidity
- Lower capex in 2009, higher in 2010
- Limited refinancing needs