



Fortum

Creating Two Leading Nordic Energy Companies

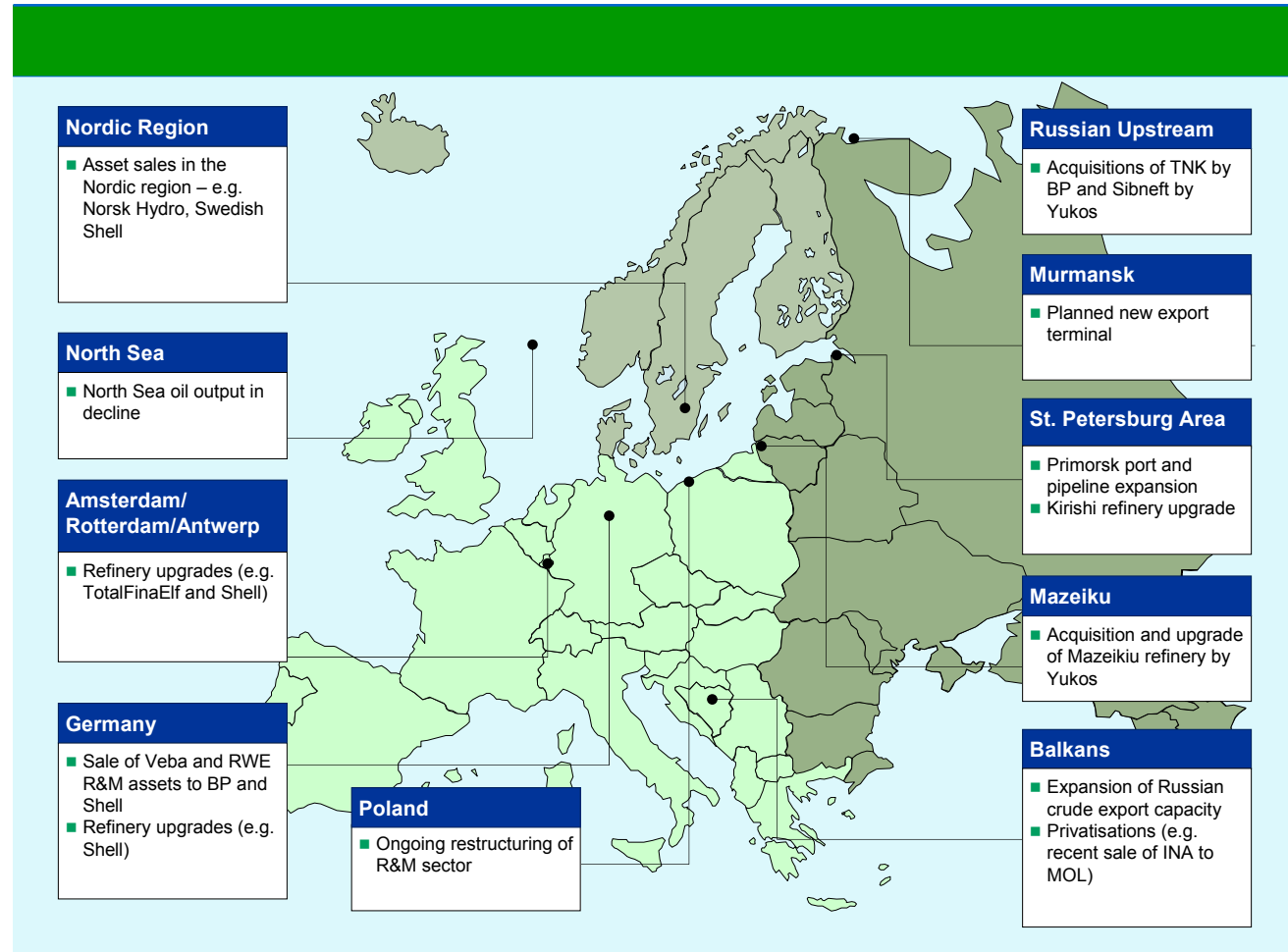
Investor Presentation

September 9, 2003



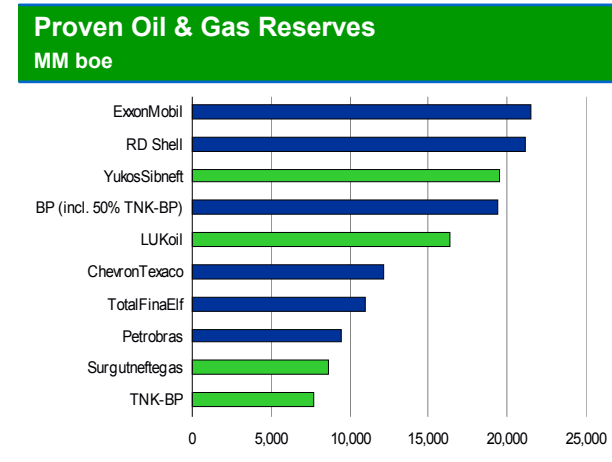
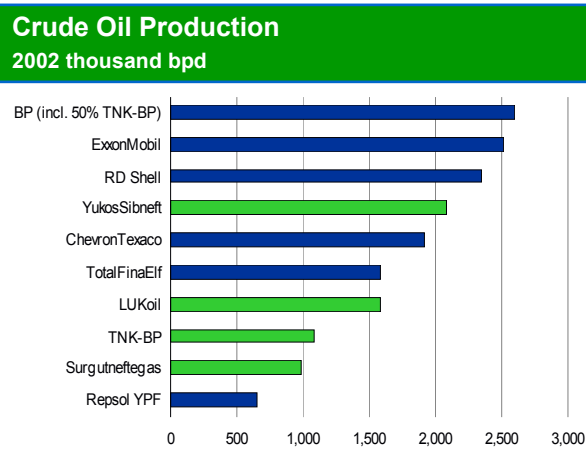
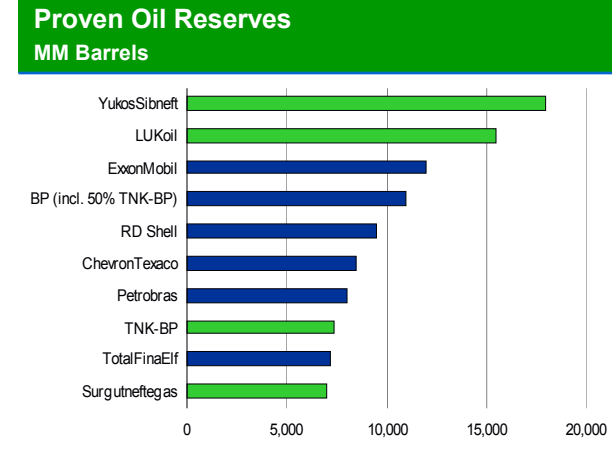
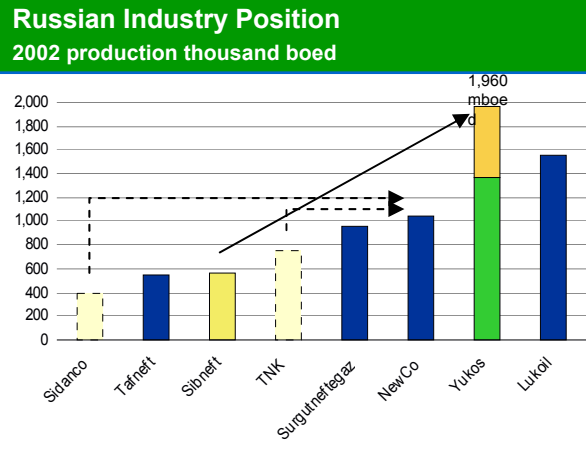
Fundamental Changes in the European Oil Sector

- Consolidation and privatisations
- New environmental requirements
- Major demand shift away from gasoline and fuel oil to sulphur-free diesel
- Upgrades to meet existing and future demand and fuel specifications
- Decline in North Sea oil output and growing importance of Russian crude



Major Consolidation in the Russian Oil Sector

- The Russian majors are comparable to the western super majors in terms of size of their reserves
- The Russian majors are still lagging somewhat behind the “supermajors” in production volumes



Overview

- Process initiated to list Fortum's oil business as a separate company on the Helsinki stock exchange
- Investment of EUR 0.5 billion to upgrade the Porvoo refinery
- The separation and listing will
 - Enable Fortum to further increase its focus on its Nordic utility strategy
 - Allow Fortum's oil business to take full advantage of attractive market developments
 - Facilitate the upgrade of the Porvoo refinery

IPO Allows Both Companies to Take Advantage of Strategic Opportunities

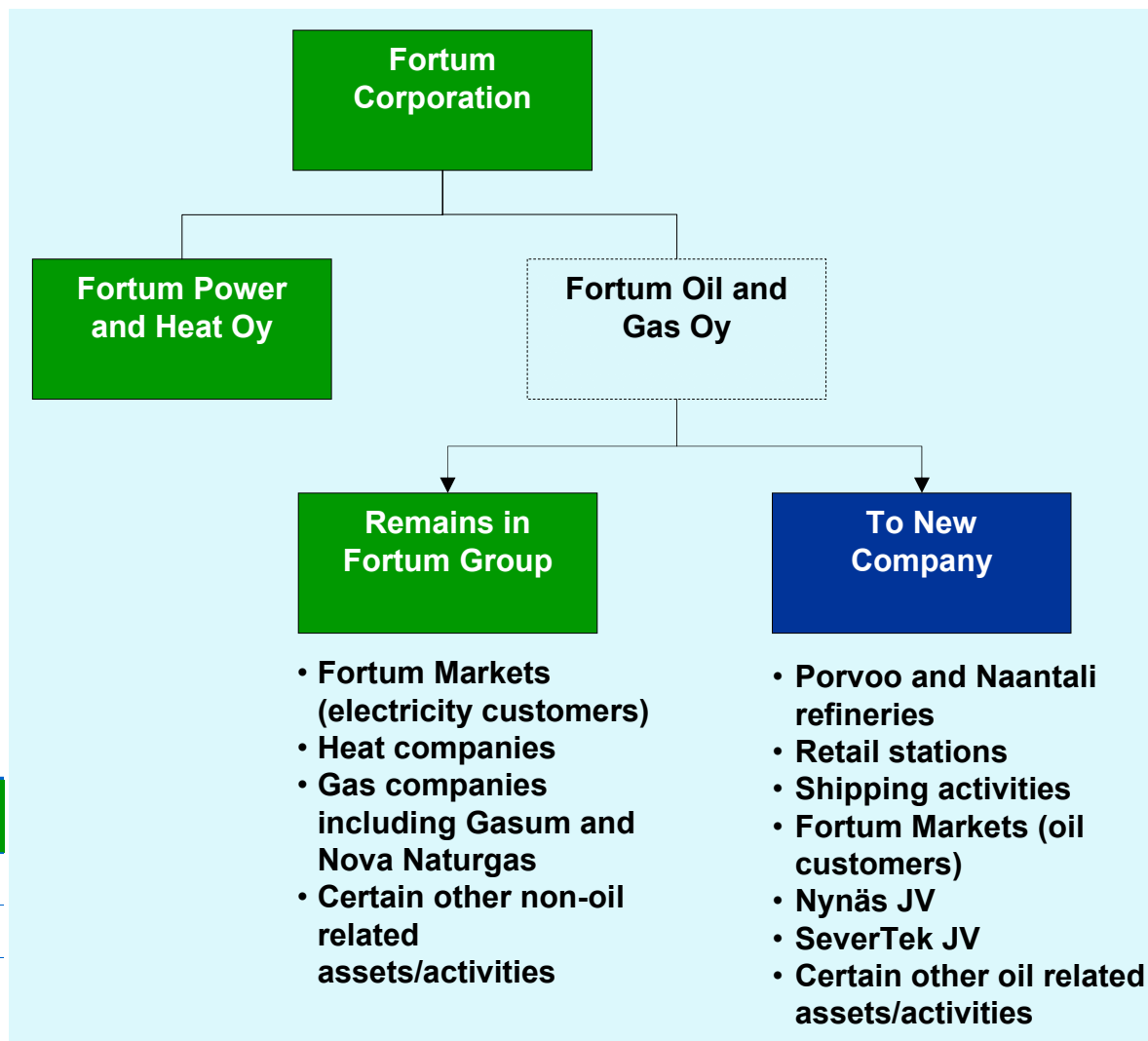
- Fortum wants to ensure the availability of sufficient resources to secure the strategic development of both businesses
 - Both businesses very capital intensive
- The listing of the oil business will enable the new company to best pursue an independent strategy and facilitates the Porvoo upgrade
- Following the listing Fortum will increase focus on its core Power & Heat operations in the Nordic region
- ➔ These measures will create two focused and leading Nordic energy companies with strong competitive positions

Implementation of the Separation and IPO

- Process will start by internal separation of the oil business
 - Expected completion by the end of 1H 2004
- The new company will include Fortum's oil refining, marketing, shipping and production assets and operations
- Fortum will assess the timing of the IPO based on market conditions, following the internal restructuring,

Assets to be Included in the New Company

- The three core businesses of Fortum's oil business (refining, marketing and shipping) will be included in the new company
- Existing employee benefits will remain unchanged following the separation



Illustrative Financials for IPO Company 2002

Net Sales	EUR 7.2 Bn
EBIT	EUR 260 MM
Number of Employees	4,300

Upgrade Takes Advantage of Well Established Market Trends

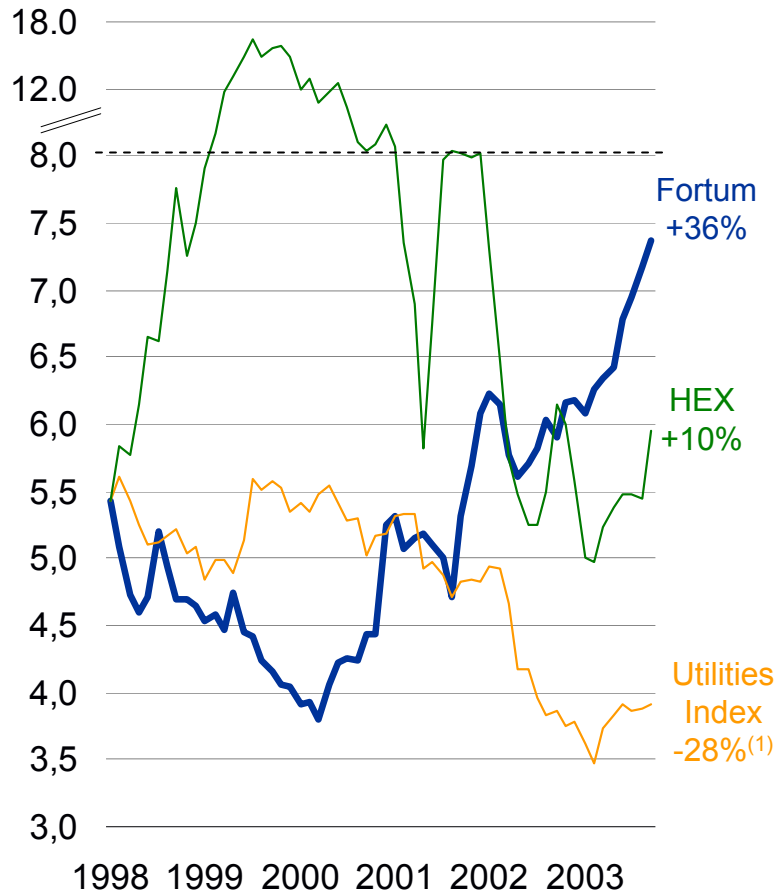
- Demand for sulphur-free and higher margin diesel is rapidly growing in Europe
- Demand for low margin heavy fuel oil is in decline
- ➔ The current deficit of diesel is anticipated to grow while surplus of heavy fuel oil is expected to increase
- North Sea crude production is in decline
- Production of less expensive Russian crude is increasing rapidly
- ➔ Provides an attractive opportunity to further improve profitability by changing the product mix and crude intake without increasing production capacity

Overview of the Porvoo Upgrade

- Will allow increased production of sulphur-free diesel from less expensive crude oil
- Total refining capacity maintained
- Proven and tested technology
- Investment of EUR 500 MM
- Expected completion by the end of 2006
- The upgrade is a highly attractive investment opportunity
 - Increase in refining margin premium by at least USD 1/bbl
 - Provides attractive returns on investment using relatively conservative assumptions

Creation of Fortum Was An Important Step

Fortum Share Price Performance
Euro (rebased to Fortum's share price)



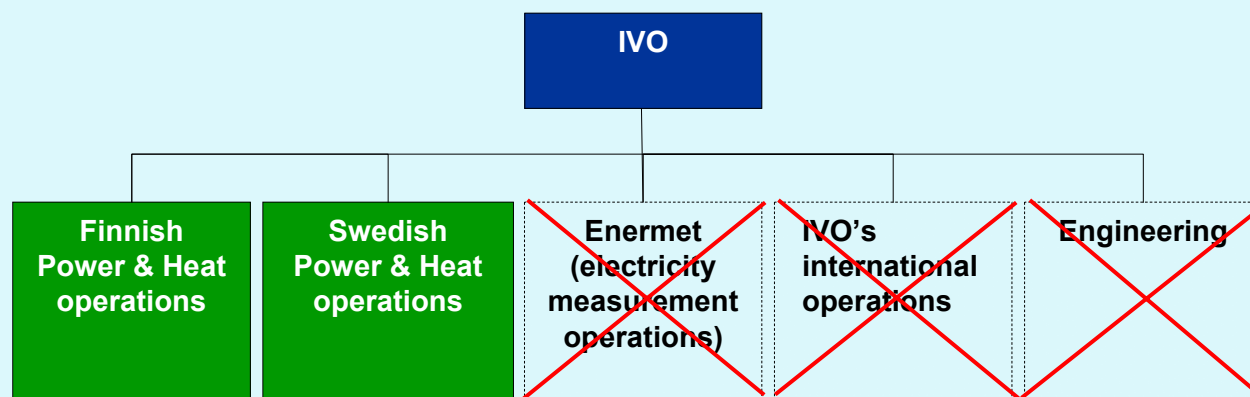
Notes
1. MSCI Europe Utilities index

- The creation of Fortum in 1997 was a necessary step and a right decision at the time
- The merger of IVO and Neste created a strong company with sufficient resources to advance the restructuring of both the oil and utility businesses and the Nordic expansion
 - These measures have been very successful
- The creation of Fortum made it possible to reach the current situation which allows Fortum to take advantage of new market opportunities in both the utility and refining & marketing industries

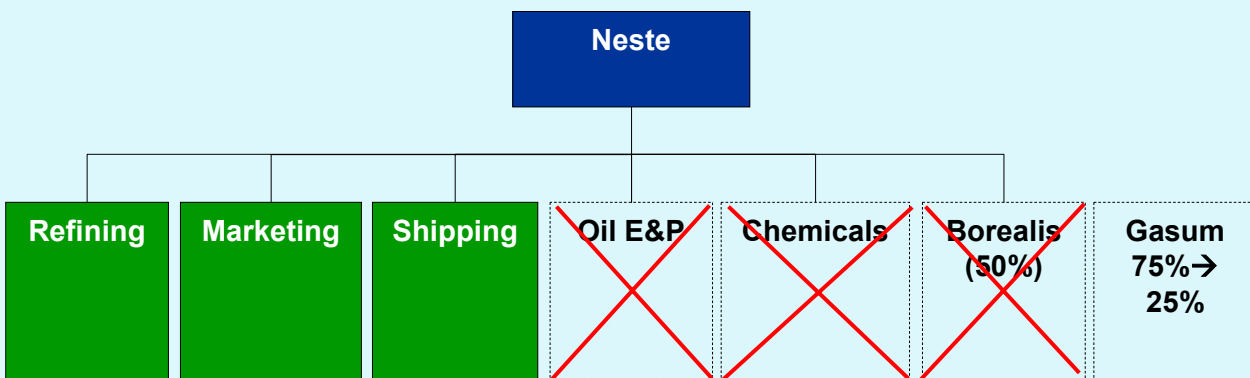
The Group Has Changed Significantly Since the Merger of Neste and IVO

- Fortum has sold euro 4.2 billion worth of assets since the end of 1997
- During the same time, Fortum has acquired new assets worth approximately euro 7.9 billion

IVO at the End of 1997



Neste at the End of 1997



Summary Conclusions

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