FORTUM
A leading power and heat company in the Nordic area

Investor/Analyst material

May 2011

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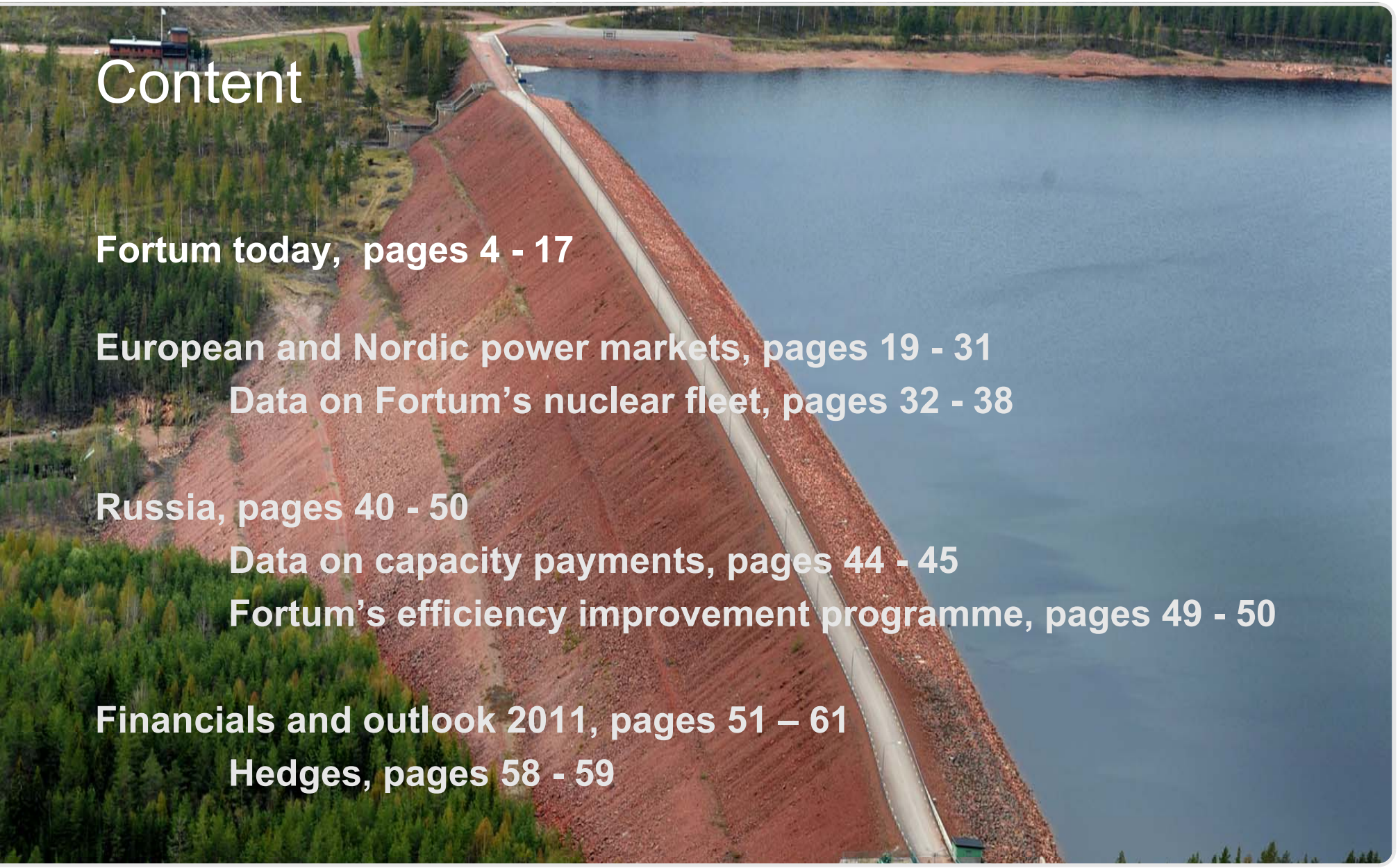
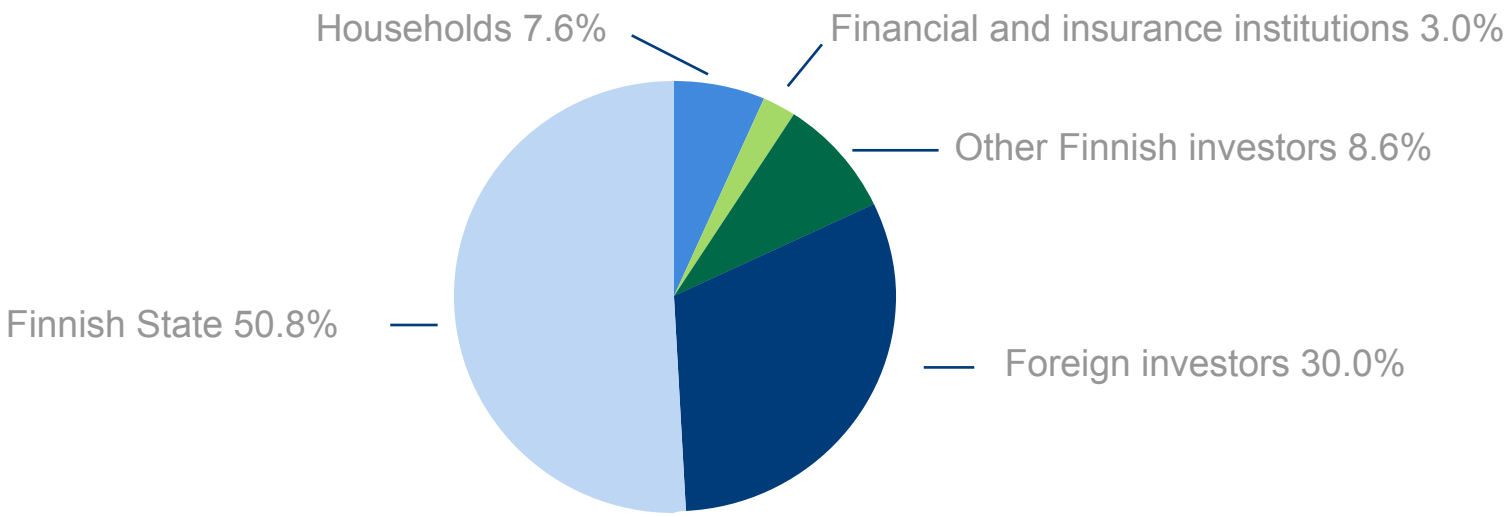
Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

Content



A leading Nordic power and heat company

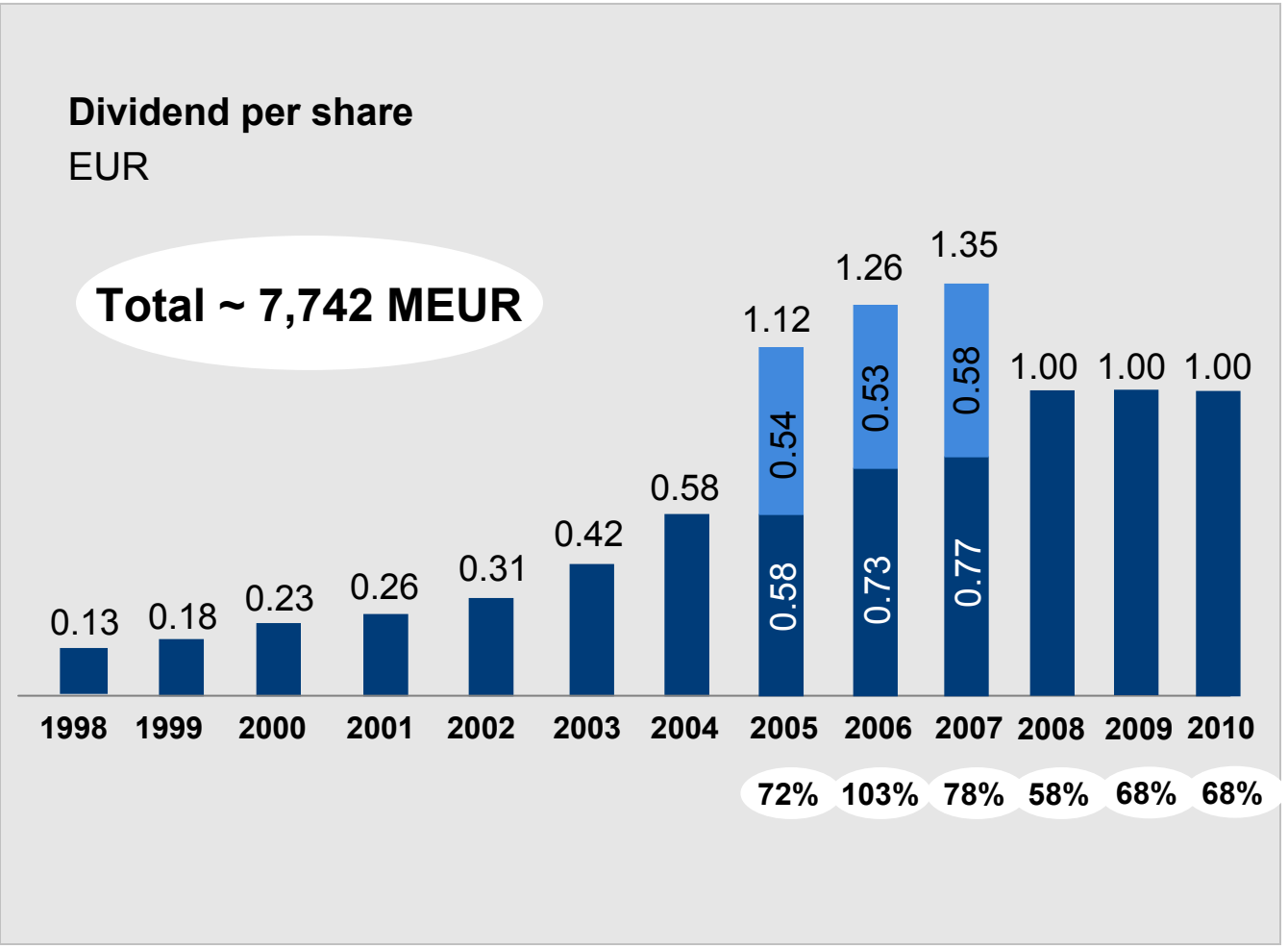
- Leading power and heat company in Nordic countries
- Listed at the Helsinki Stock Exchange 1998
- 100,000 shareholders
- Among the most traded shares in Helsinki stock exchange
- Market cap ~20 billion euros



31 March 2011

Fortum

Capital returns



- Dividend 2010 EUR 1.00 per share, in total ~EUR 0.9 billion
- Dividend policy of 50-60% payout of previous year's results on the average

Fortum

Fortum's Mission and Strategy

Mission

Fortum's purpose is to create energy that improves life for present and future generations. We provide sustainable solutions that fulfill the needs for low emissions, resource efficiency and energy supply security, and deliver excellent value to our shareholders.

Strategy

- Leverage the strong Nordic core
- Create solid earnings growth in Russia
- Build platform for future growth

Competence in CO_2-free nuclear, hydro and energy efficient CHP production, and operating in competitive energy markets

Fortum

Strategy builds on our competences and industry beliefs

Two strong platforms for growth

- Nordic power wholesale and heat market
- Russian power and heat market

Competitiveness key for long term value creation

- Sustainable business models cannot rely on a continuous high level of subsidies

Integrating European energy markets and a gradual decrease in the weight of the Nordic power price

- Leverage our competences in nuclear, hydro and CHP
- Industrial restructuring opportunities

More attractive growth prospects in power and heat generation

- Electricity solutions and distribution part of the Nordic core

Strong focus on delivering value and stable returns to shareholders

Fortum

Our geographical presence today

Nr 1  Heat

Nr 1  Distribution

Nr 2  Power generation

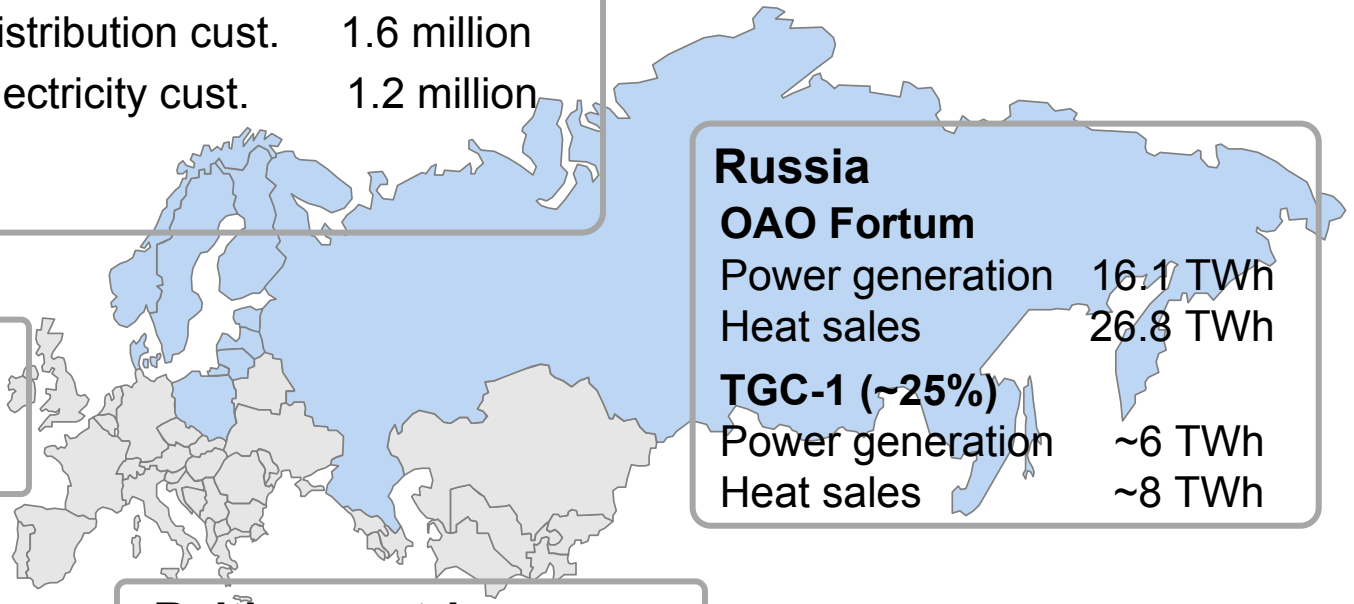
Nr 2  Electricity sales

Nordic countries

Power generation	52.3 TWh
Heat sales	20.7 TWh
Distribution cust.	1.6 million
Electricity cust.	1.2 million

Key figures 2010

Sales	EUR 6.3 bn
Operating profit	EUR 1.7 bn
Personnel	10,600



Russia

OAO Fortum

Power generation	16.1 TWh
Heat sales	26.8 TWh

TGC-1 (~25%)

Power generation	~6 TWh
Heat sales	~8 TWh

Poland

Heat sales	4.0 TWh
Electricity sales	0.1 TWh

Baltic countries

Heat sales	1.4 TWh
Electricity sales	0.3 TWh
Distribution cust.	~24,000

Fortum

Divisions of Fortum

	Power	Heat	Russia	Electricity Solutions and Distribution
Business description	**Power Division** Fortum's power generation, physical operation and trading as well as expert services for power producers.	**Heat Division** Combined heat and power generation, district heating and cooling activities and b- to-b heating solutions.	**Russia Division** Power and heat generation and sales in Russia. It includes OAO Fortum and Fortum's slightly over 25% holding in TGC-1.	**Electricity Solutions and Distribution Division** Fortum's electricity sales and distribution activities. Two business areas: Distribution and Electricity Sales.
Comparable operating profit	EUR 1,298 million	EUR 275 million	EUR 8 million	Distr.: EUR 307 million El. sales: EUR 11 million
Net assets	EUR 5,806 million	EUR 4,182 million	EUR 2,817 million	Distr.: EUR 3,683 million El. sales: EUR 210 million
Volume (TWh)	Nordic generation 48.3	Heat sales 26.1 Power sales: 6.5	Power gen.: 16.1 Heat prod.: 26.0	Distr.net. 27.9, reg.net. 17.6 El. sales: 29.8
Drivers	Nordic power price, generation volumes	Fuel mix, heat and power price	New capacity, and price for that, power and heat price	Distr.: Regulated El. sales: Sales margin

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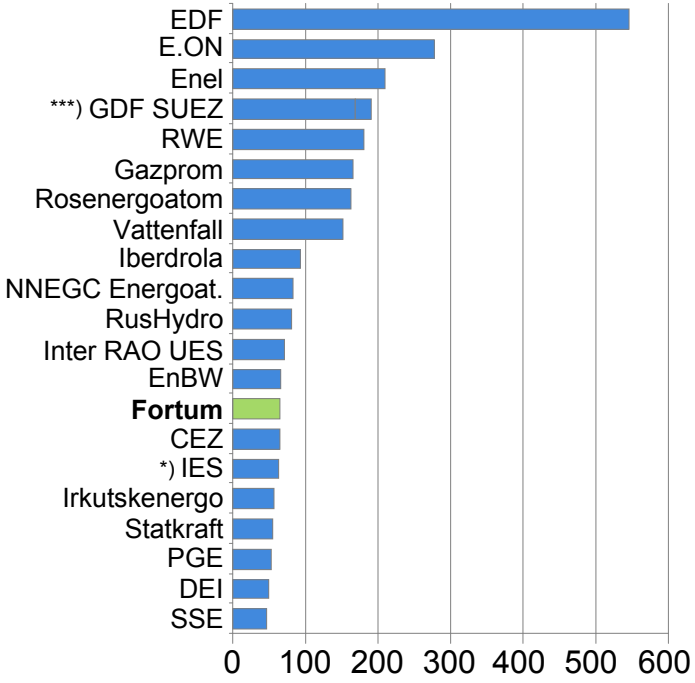
Fortum mid-sized European power generation player; Global #4 in heat

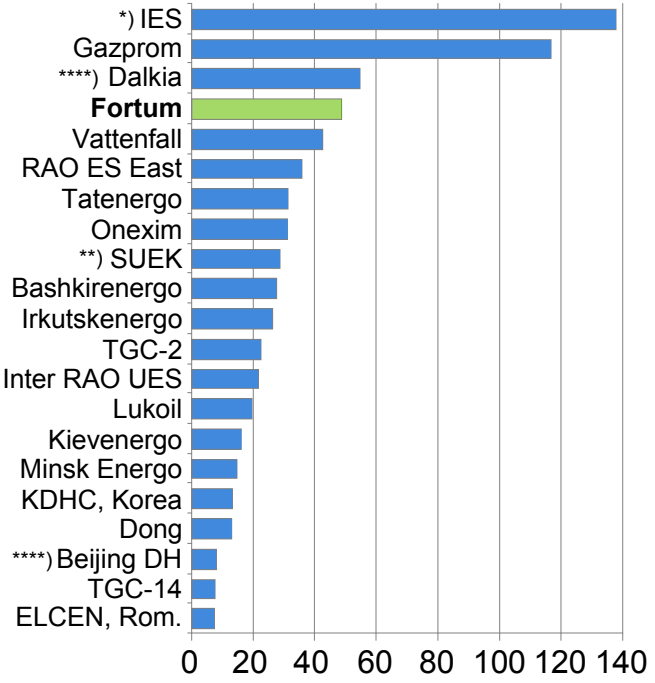
Power generation

Largest producers in Europe and Russia, 2009 TWh



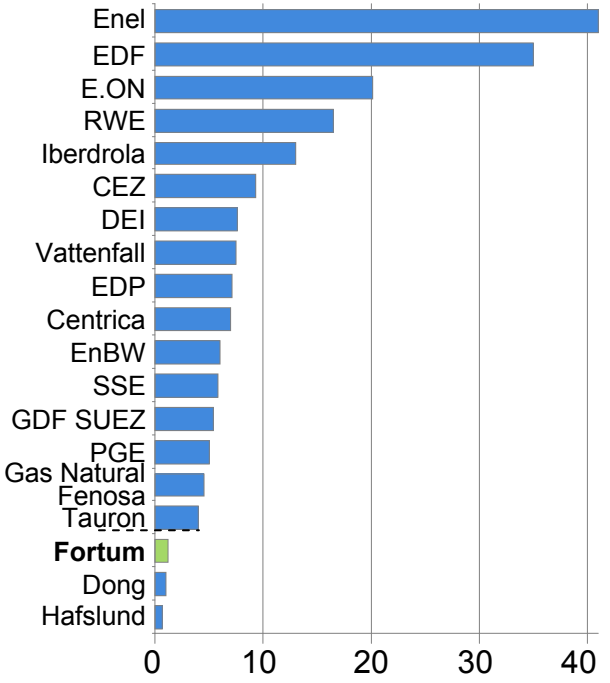
Heat production

Largest global producers, 2009 TWh



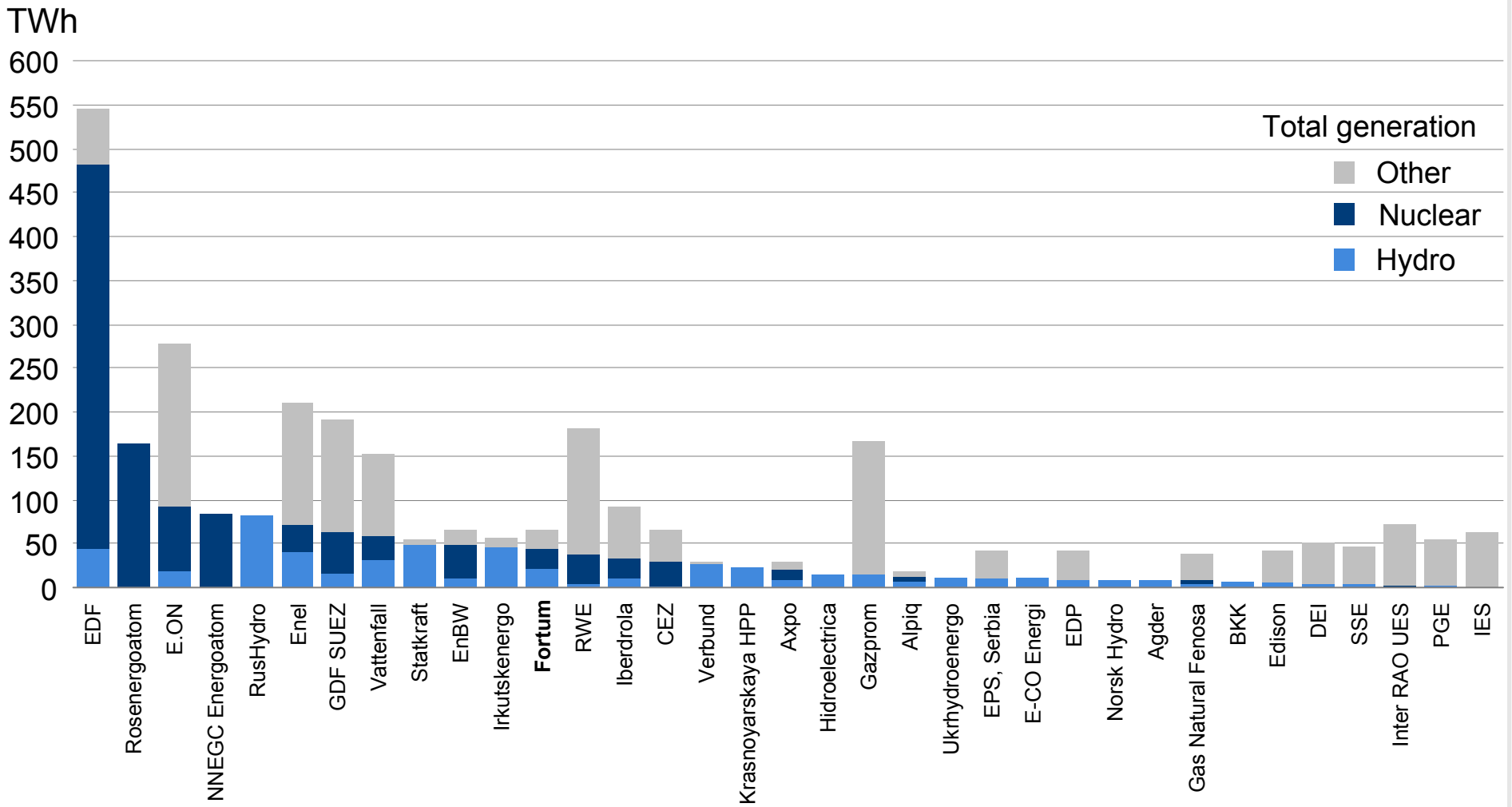
Customers

Electricity customers in EU, 2009 millions



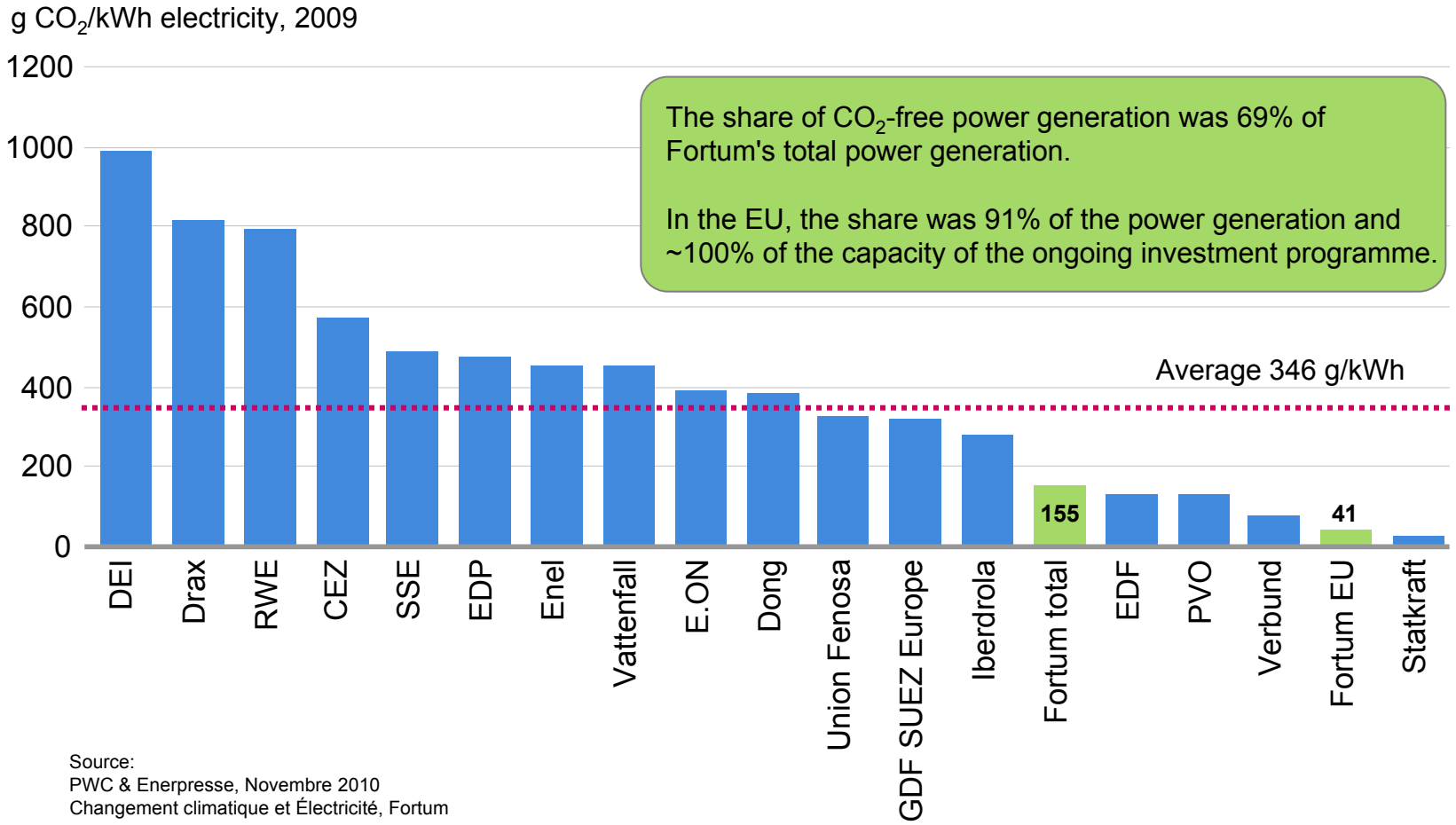
* incl. TGC-5, TGC-6, TGC-7, TGC-9, ** incl. TGC-12, TGC-13. *** incl. International Power
Source Company information, Fortum analyses, 2009 figures pro forma, **** 2007

Biggest nuclear and hydro generators in Europe and Russia



Figures 2009 pro forma

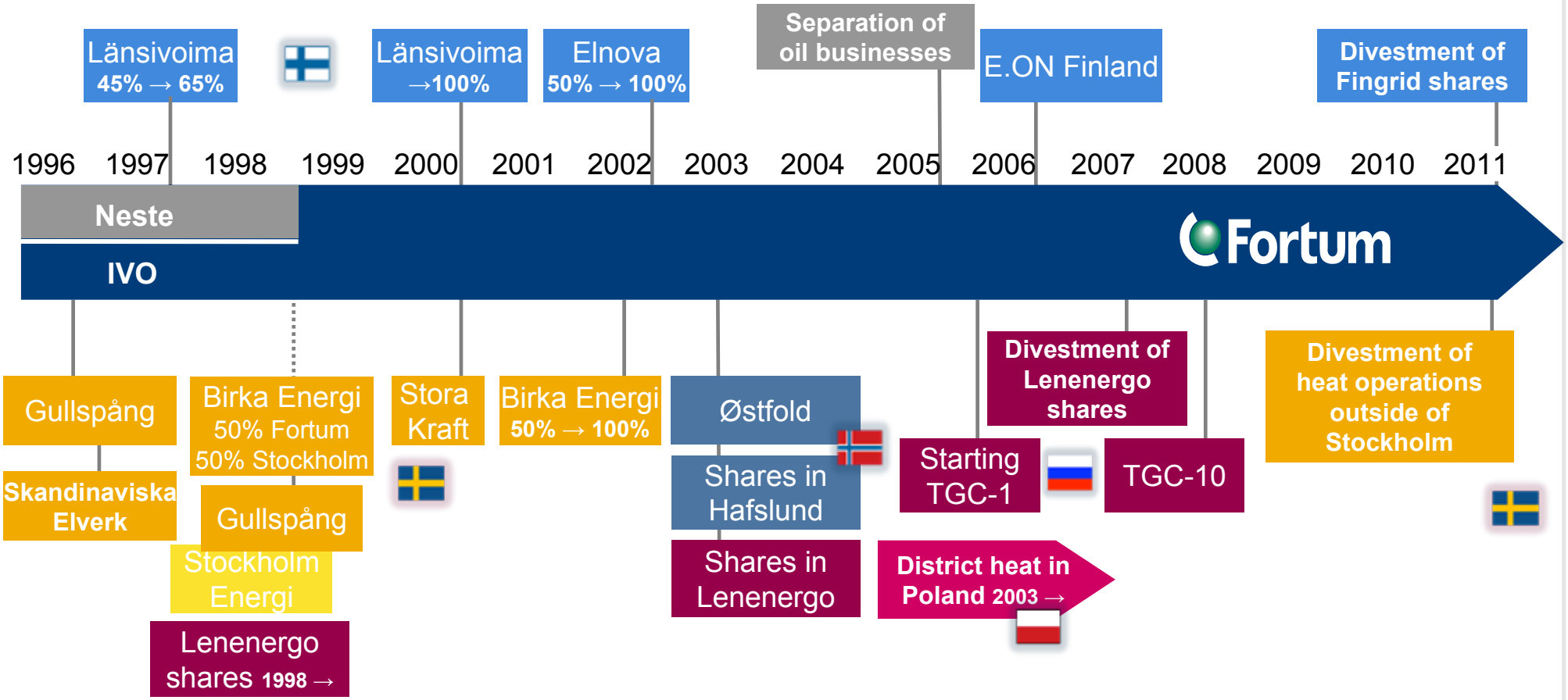
Fortum's carbon exposure among the lowest in Europe



Source:
PWC & Enerpresse, Novembre 2010
Changement climatique et Électricité, Fortum

Note:
Fortum's specific emission of the power generation in 2010 in the EU were 84 g/kWh and in total 189 g/kWh, 86 % (91 %) emission free in EU and 66 % (69 %) emission free overall.
Figures for all other companies include only European generation.

Fortum's strategic route



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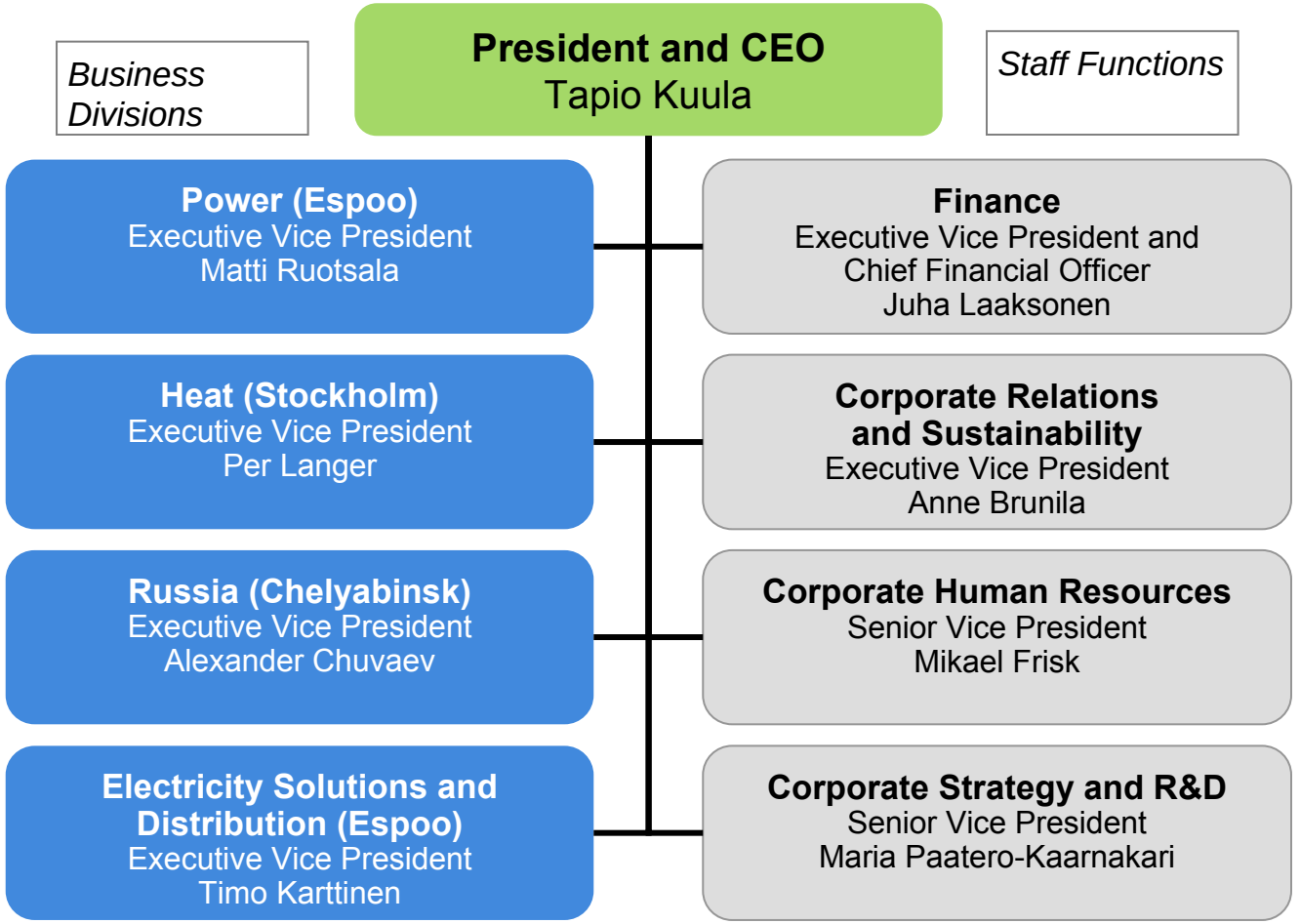
Organisational structure



Country responsibles: Timo Karttinen / Finland, Norway; Per Langer / Sweden, Poland, Baltics; Alexander Chuvaev / Russia

Improved efficiency, accountability, simplicity

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Fortum in the Nordic electricity value chain

Fortum

Generation

nordpool spot

NASDAQ OMX

Nordic wholesale market

Power exchanges and bilateral

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Large customers

Retail companies

Private customers, small businesses

Competitive businesses

Regulated businesses

Transmission and system services

Independent transmission system operator

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Distribution

Independent distribution companies

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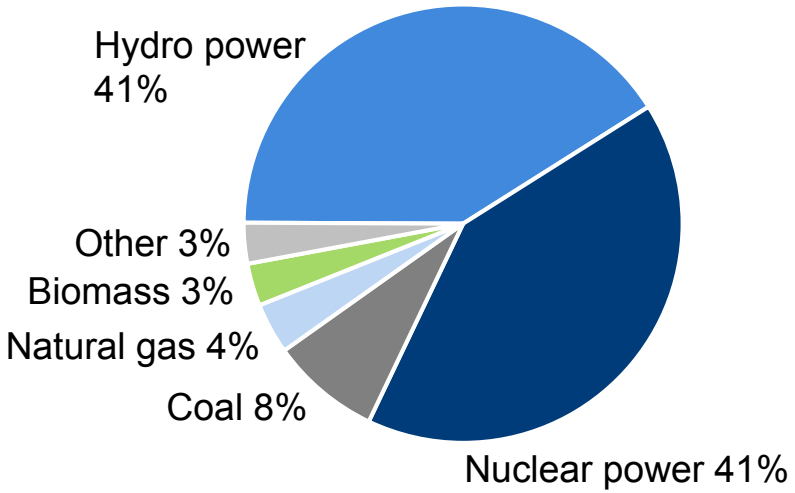
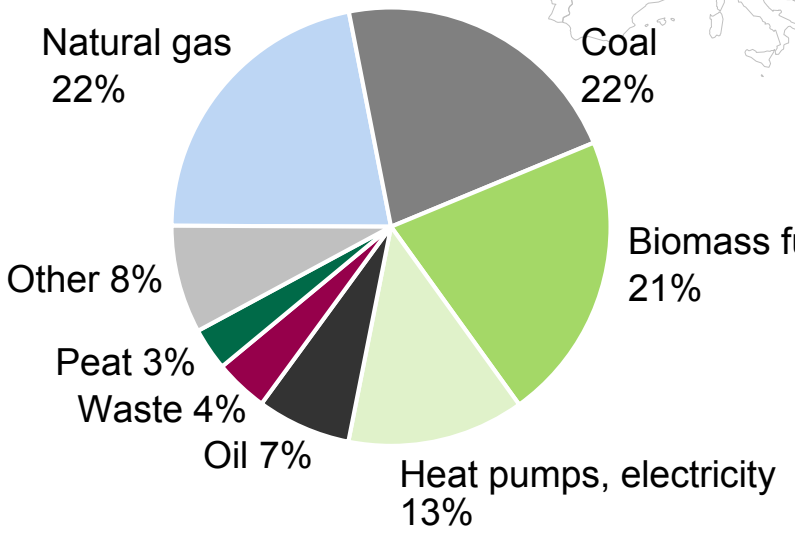
A portfolio of hydro, nuclear and energy efficient CHP* in Europe

Fortum's European power generation in 2010



European generation 53.7 TWh
(Generation capacity 11,328 MW)

Fortum's European heat production in 2010



European production 26.1 TWh
(Production capacity 10,698 MW)

* Combined heat and power

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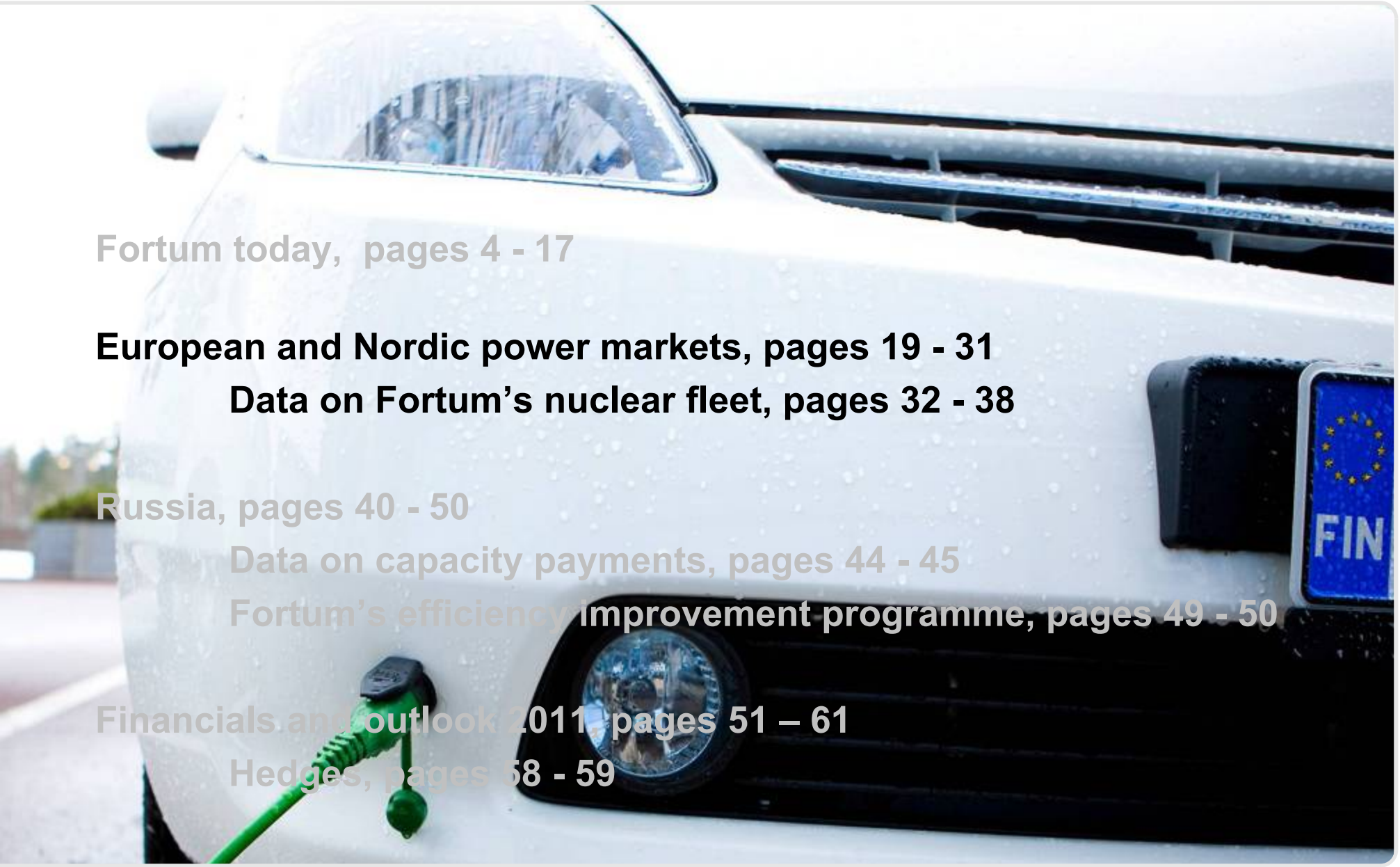
A major player in Russia

OAO Fortum (former TGC-10)

- Operates in the heart of Russia's oil and gas producing region, fleet mainly gas-fired CHP capacity
- 16 TWh power generation, 26 TWh heat production in 2010; more than Fortum's Nordic heat sales
- Investment programme to add 85%, almost 2,400 MW to power generation capacity
- Annual efficiency improvement approximately EUR 100 million in 2011

TGC-1

- Slightly over 25% of territorial generating company TGC-1 operating in north-west Russia
- ~6,350 MW electricity production capacity (appr. 50% hydro), ~27 TWh/a electricity, ~31 TWh/a heat



Fortum today, pages 4 - 17

European and Nordic power markets, pages 19 - 31

Data on Fortum's nuclear fleet, pages 32 - 38

Russia, pages 40 - 50

Data on capacity payments, pages 44 - 45

Fortum's efficiency improvement programme, pages 49 - 50

Financials and outlook 2011, pages 51 – 61

Hedges, pages 58 - 59

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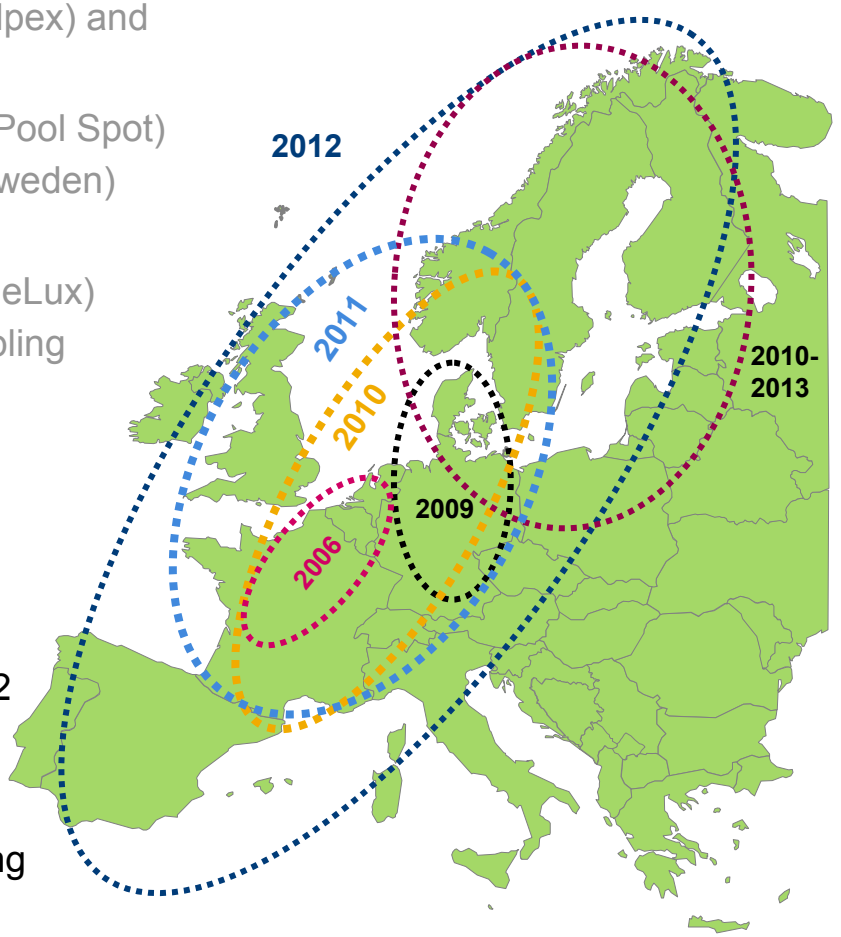
Market coupling milestones

- cross-border power flows optimised by power exchanges

- Market coupling between Netherlands (APX), Belgium (Belpex) and France (Powernext) since 2006
- Market coupling Germany (EPEX Spot) – Denmark (Nord Pool Spot) started in November 2009 with Baltic Cable (Germany – Sweden) included in May 2010
- Market coupling for Central Western Europe (DE, FR, BeNeLux) started in November 2010 combined with a continued coupling mechanism with Nord Pool Spot
- NorNed cable (NO-NL) included in January 2011
- Poland coupled with Nord Pool Spot in December 2010
- UK coupling started trough BritNed cable in April 2011
- The TSOs and power exchanges are developing a single market coupling for the whole western Europe by end-2012
- Estonian price area in Nord Pool Spot since April 2010 with full integration of the Baltic States during 2011–2013
- EU's European Target Model for cross-border power trading sets 2014 as deadline for an EU-wide market coupling



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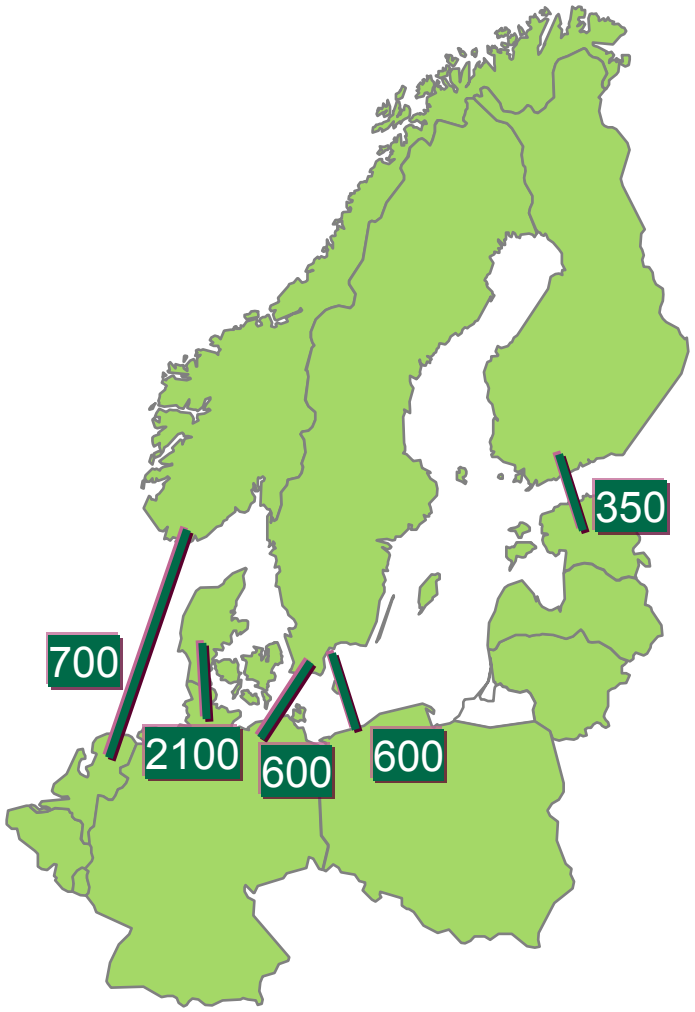
Current transmission capacity from Nordic area to Continental Europe is ~4000 MW

Countries	Transmission capacity MW	
	From Nordel	To Nordel
Denmark - Germany	2 100	1 550
Sweden - Germany	600	600
Sweden - Poland	600	600
Norway - Netherlands	700	700
Total	**4 000**	**3 450**

- Theoretical maximum in transmission capacity ~35 TWh per annum
- Net export from Nordic area to Continental Europe in 2008 was ~15 TWh and in 2009 ~5 TWh
- Approximately 20 TWh net export fairly easily reachable



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Nordic and Continental markets are integrating – interconnection capacity could double by 2020

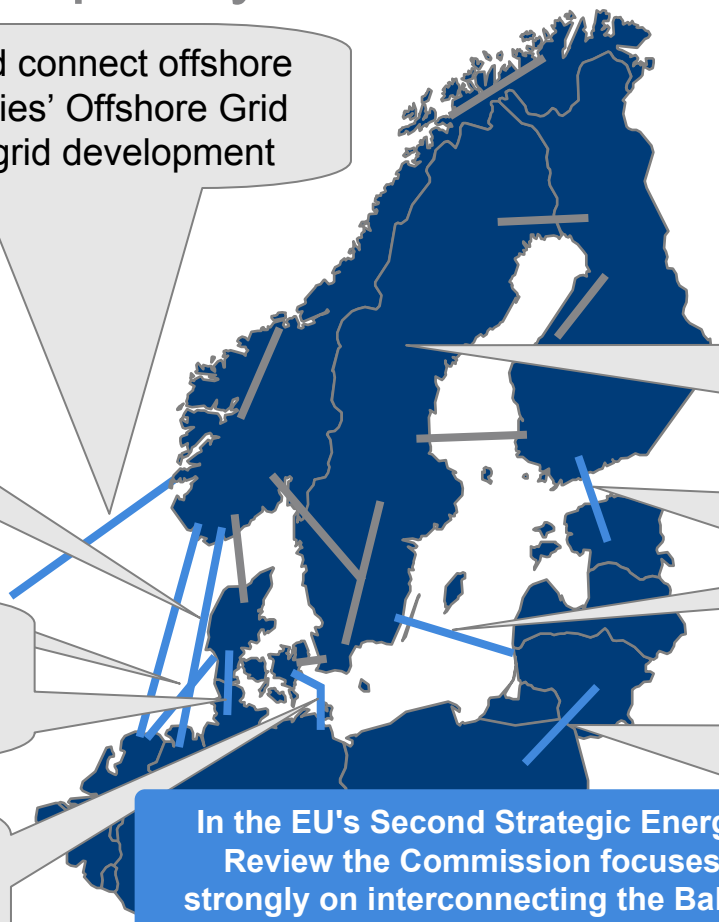
1400 MW link to the UK could connect offshore wind, too; North Seas Countries' Offshore Grid Initiative launched for supergrid development

Additional 700 MW cable NO-NL, as well 1400 MW NO-DE links studied

EU financial support for 700 MW DK-NL link to connect offshore wind, too

Jutland – DE capacity to be increased by 500 MW in 2012 and by further 500 MW by 2018

EU support to connect Kriegers Flak offshore wind area to DK&DE; new 400 kV AC cable SE-DK by 2017



New interconnections could double the capacity to over 8000 MW by 2020

New internal Nordic grid investments provide for increased available capacity for export to the Continent and Baltics

EU's European Energy Programme for Recovery to cofinance to Estlink 2 and NordBalt

LitPol Link of 1000 MW to connect the Baltic market to Poland by 2015/20. It would open a new transmission route from the Nordic market to the Continent

In the EU's Second Strategic Energy Review the Commission focuses strongly on interconnecting the Baltic states and Poland to form an electricity market around the Baltic Sea

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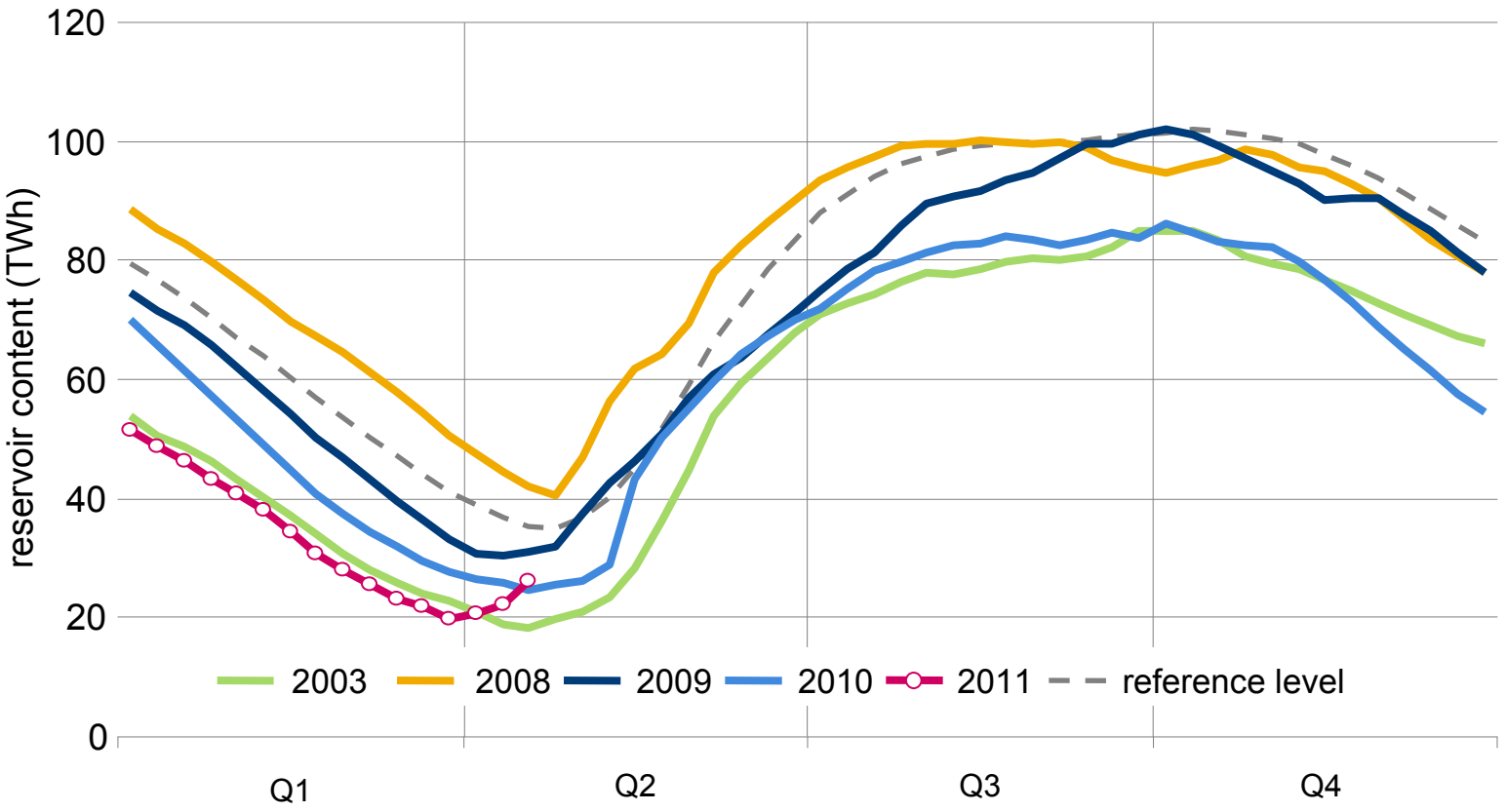
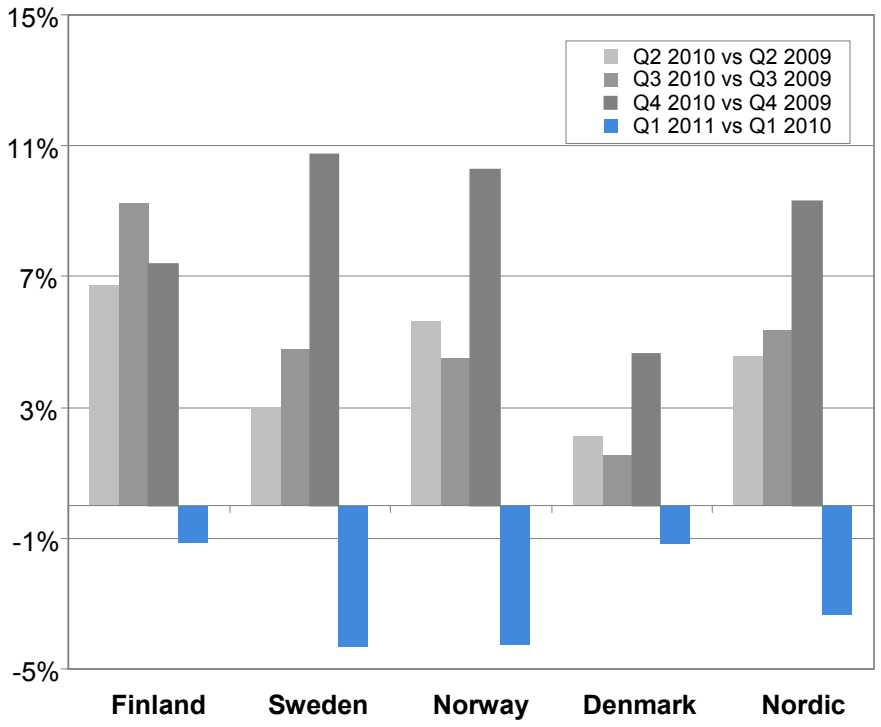
Nordic water reservoirs

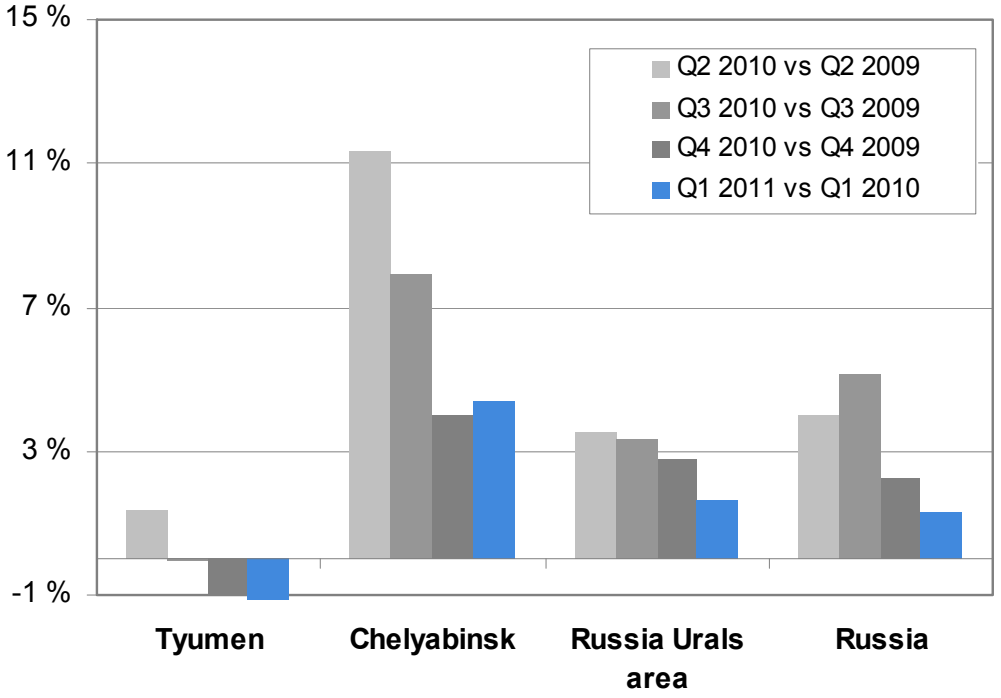


Source: Nord Pool Spot

Fortum

Power consumption





Fortum currently expects Nordic power demand to recover back to the 2008 level by 2012-2014
Temperature corrected power consumption in Nordic countries is still appr. 4% (~16 TWh) lower than in 2008.

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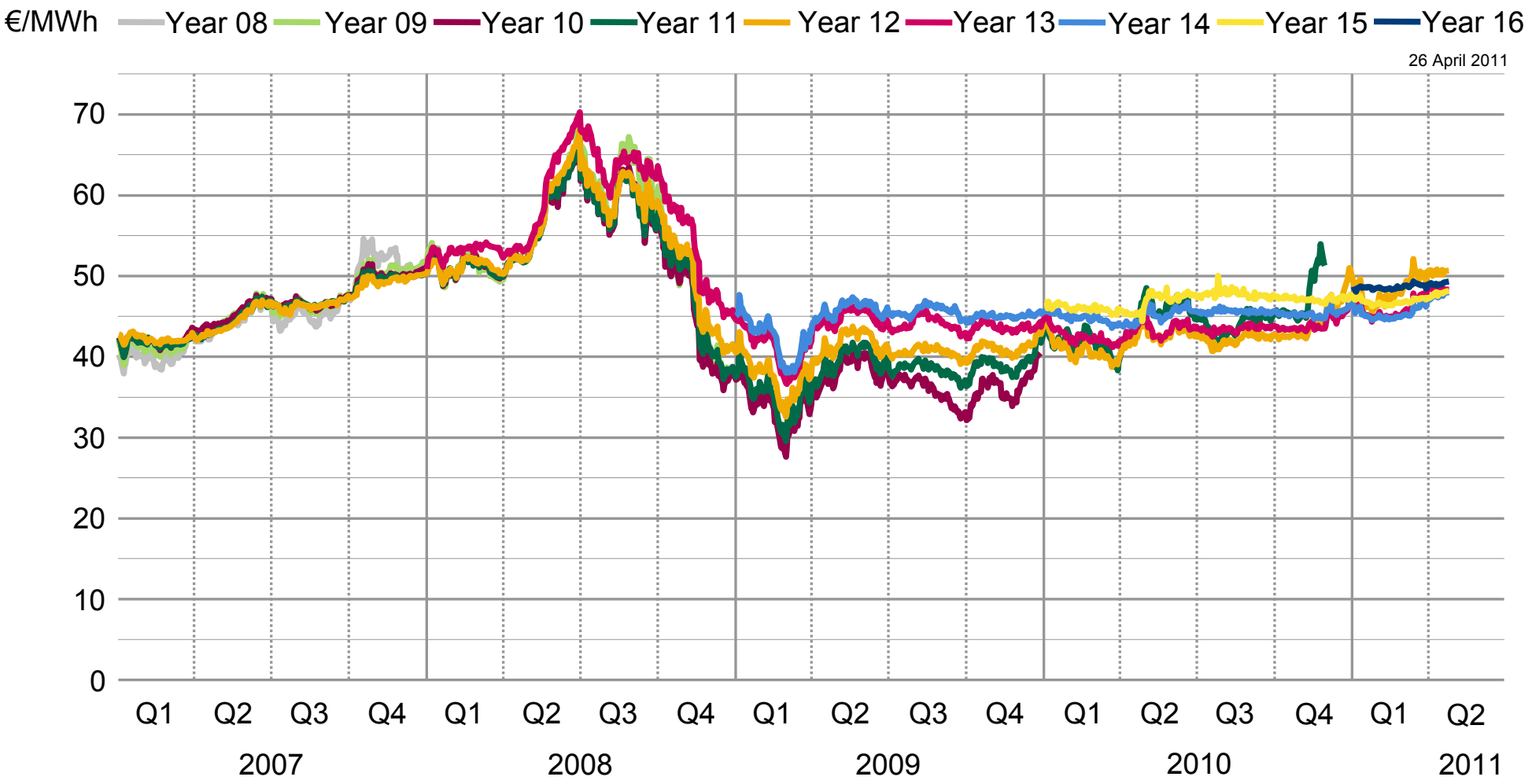
Nordic year forwards



Source: NASDAQ OMX Commodities Europe

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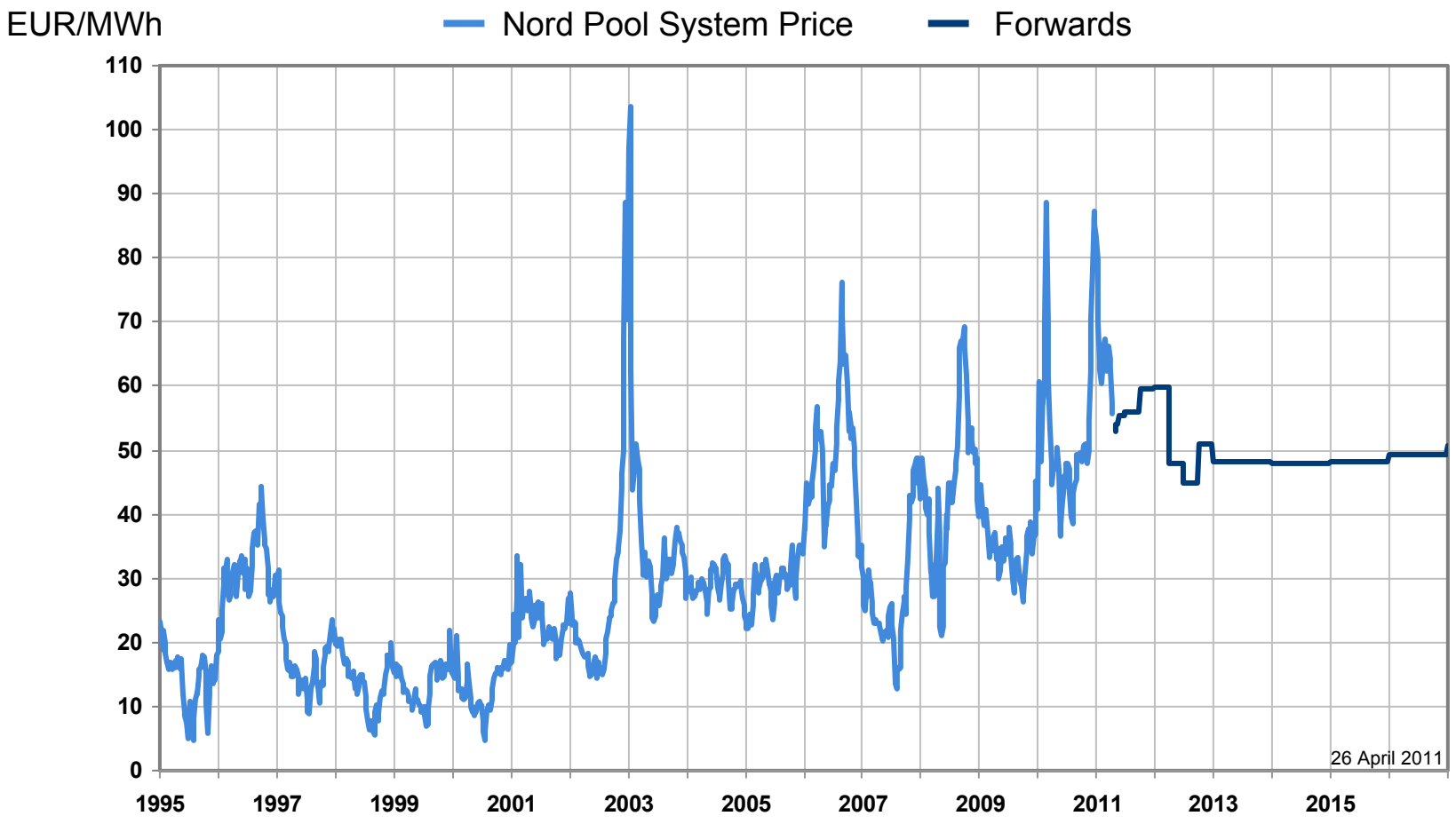
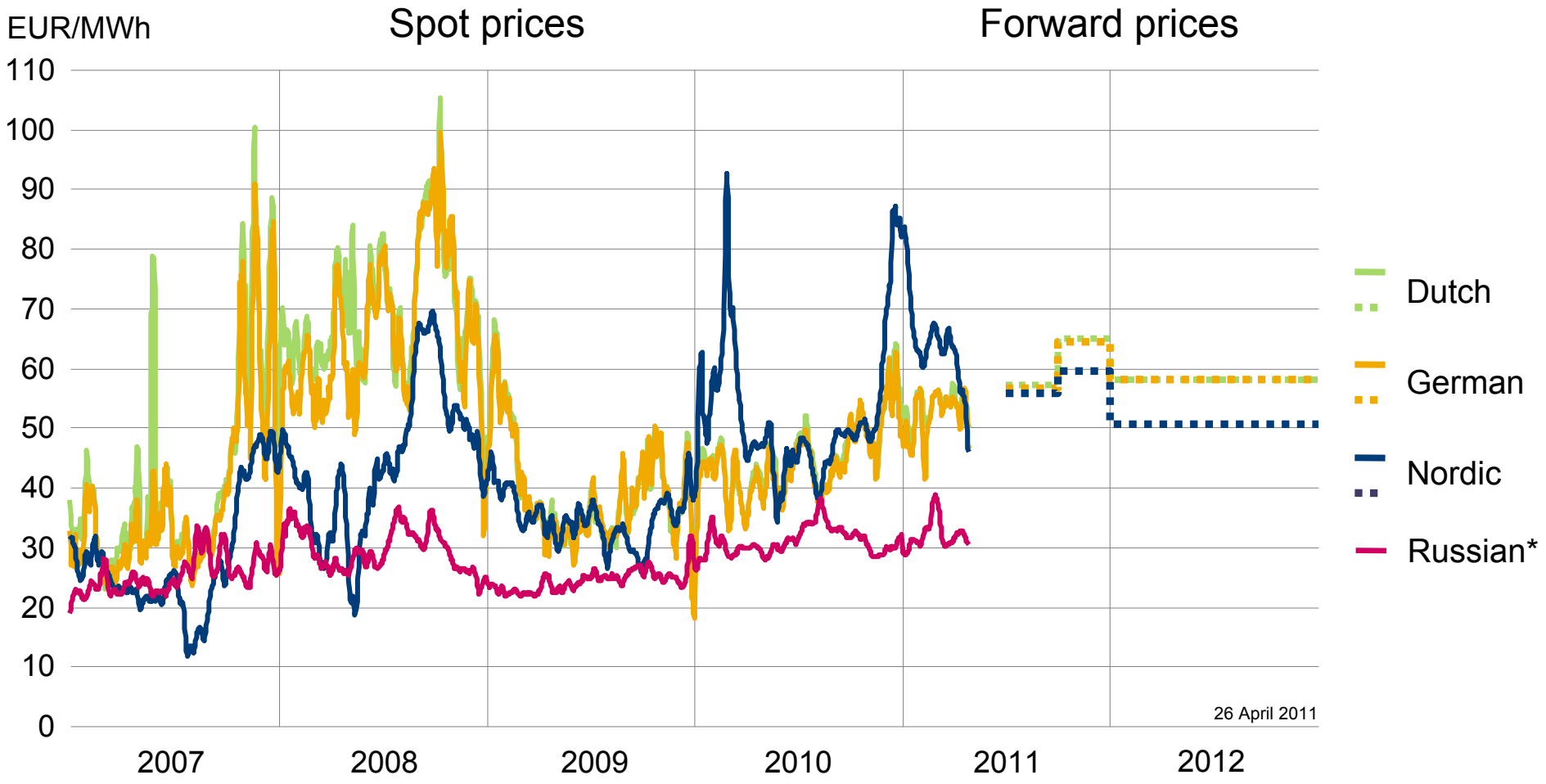
Wholesale price for electricity



Source: Nord Pool Spot, NASDAQ OMX Commodities Europe

Fortum

Wholesale prices for electricity

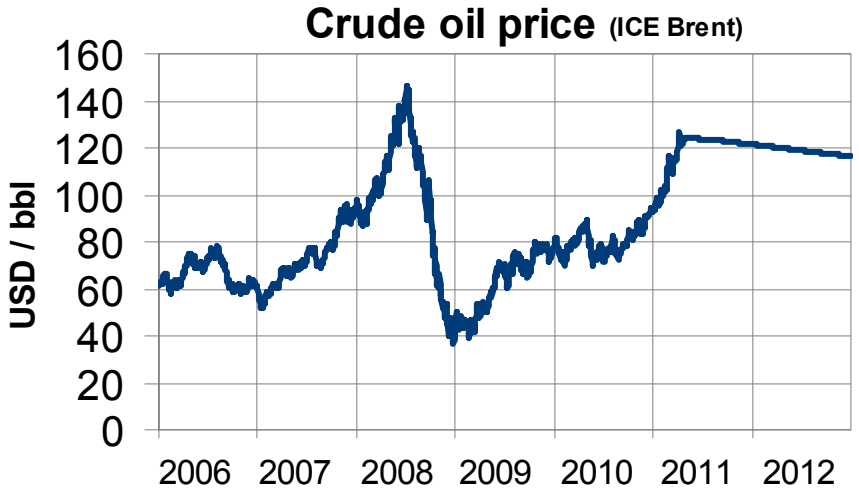


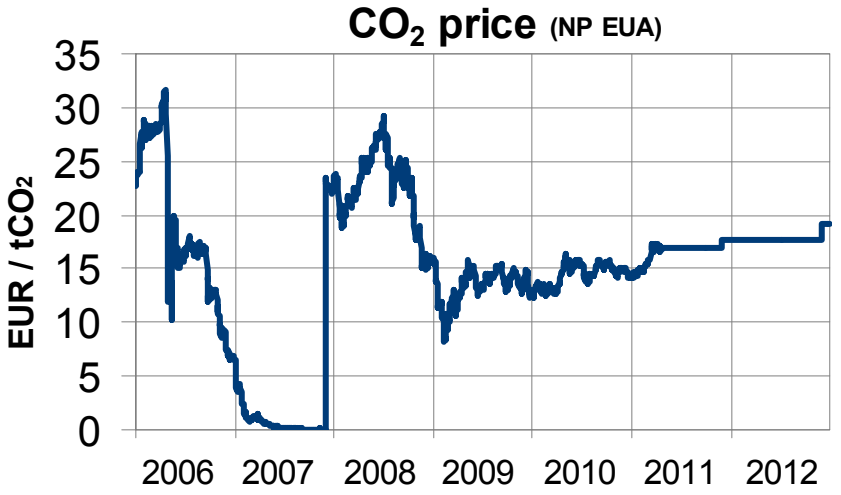
Including capacity tariff estimate.
E.g 9.4 €/MWh for 2010 and 6.8 for 2011.

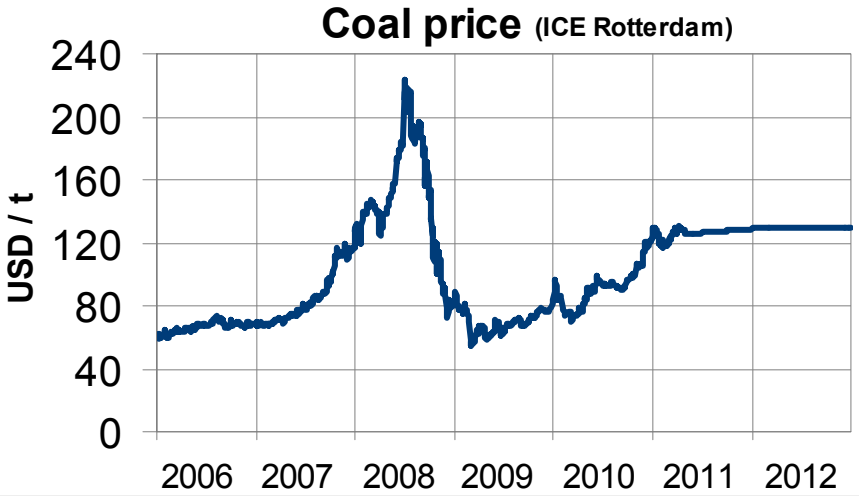
Source: POWERED BY THOMSON REUTERS , ATS

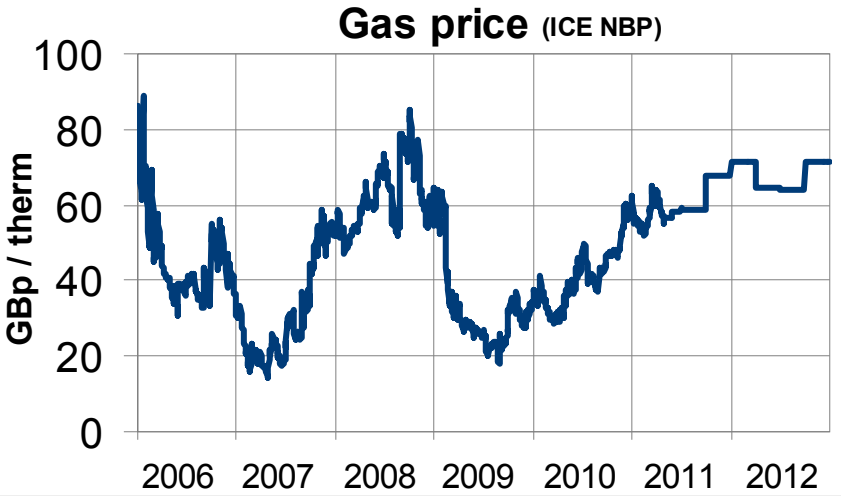
Fortum

Fuel and CO2 allowance prices









Source: ICE, NASDAQ OMX Commodities Europe

Market prices 26 April 2011; 2011-2012 future quotations

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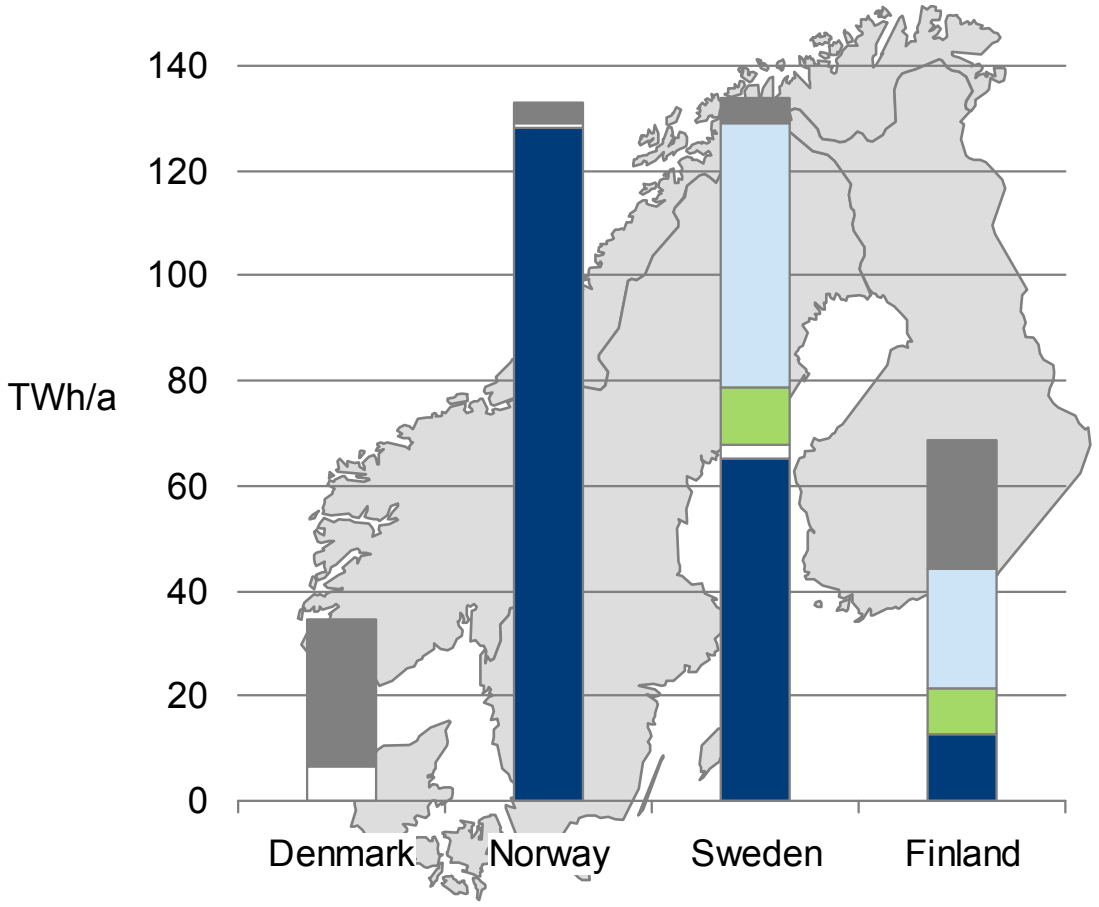
Nordic power generation

– dominated by hydro, but fossil needed



Total Nordic generation
370 TWh in 2009

	TWh	%
Fossil fuels	61	16
Nuclear	73	20
Biomass	20	5
Wind	10	3
Hydro *	206	56

Net import in 2009: 5 TWh

Source: ENTSO-E Memo 2009, wind generation Eurostat

*) Normal annual Nordic hydro generation 200 TWh, variation +/- 40 TWh.

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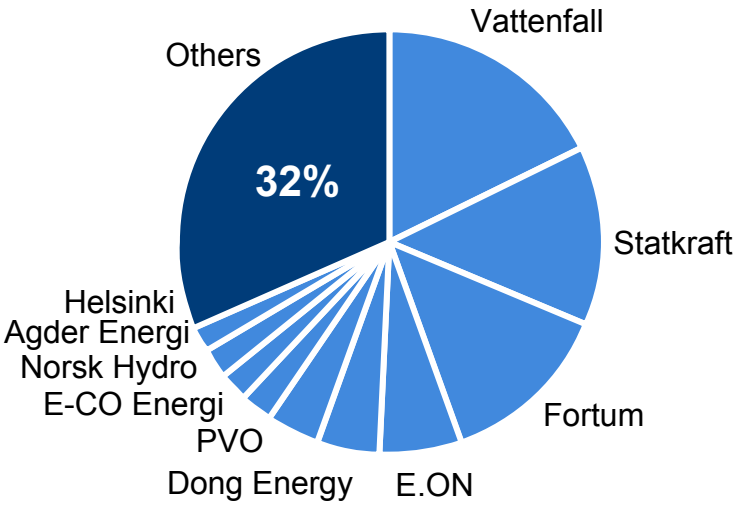
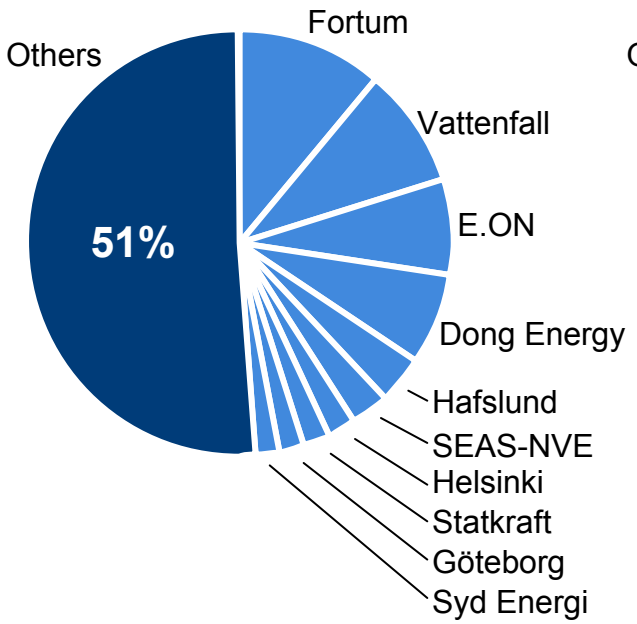
Still a highly fragmented Nordic power market

Power generation
370 TWh
>350 companies



Electricity distribution
14 million customers
~500 companies



Electricity retail
14 million customers
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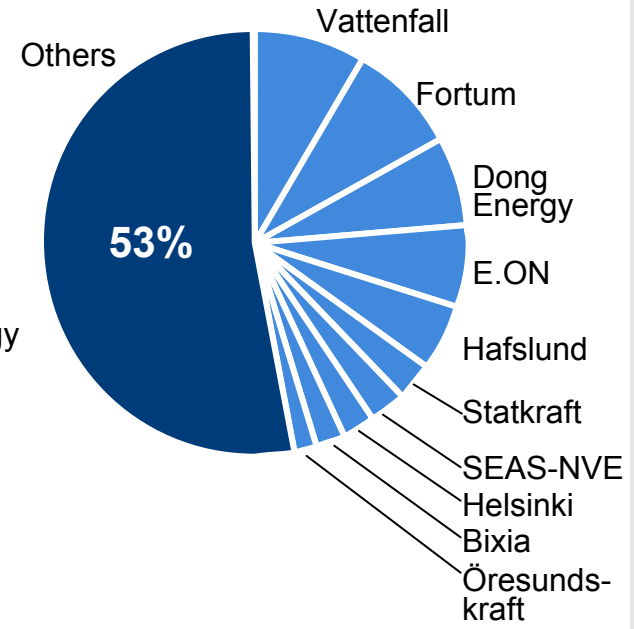

Source: Fortum, company data, shares of the largest actors, 2009 figures.

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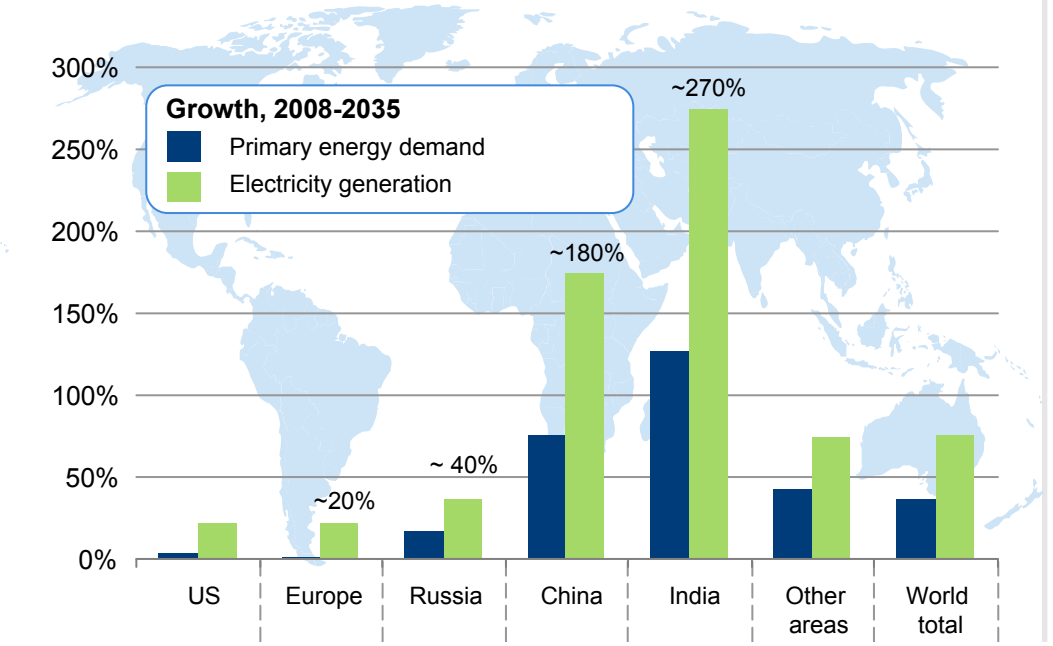
New capacity needed for increasing demand and retiring capacity replacements

- Growing global energy demand will be increasingly fulfilled by electricity in the future
- Substantial demand growth in the emerging markets
- Retirements and moderate demand growth in the EU
- Globally, 5 700 GW of new capacity needed by 2035



Capacity changes, 2010-2035 (GW)

	US	Europe	Russia	China	India	Other areas	World total
Retiring capacity	531	506	156	180	80	527	1980
New capacity, total (1	**842**	**835**	**229**	**1533**	**628**	**1606**	**5673**

1) Total new capacity needed for increasing demand and retiring capacity replacements

Source: IEA WEO 2010 (New polices scenario)

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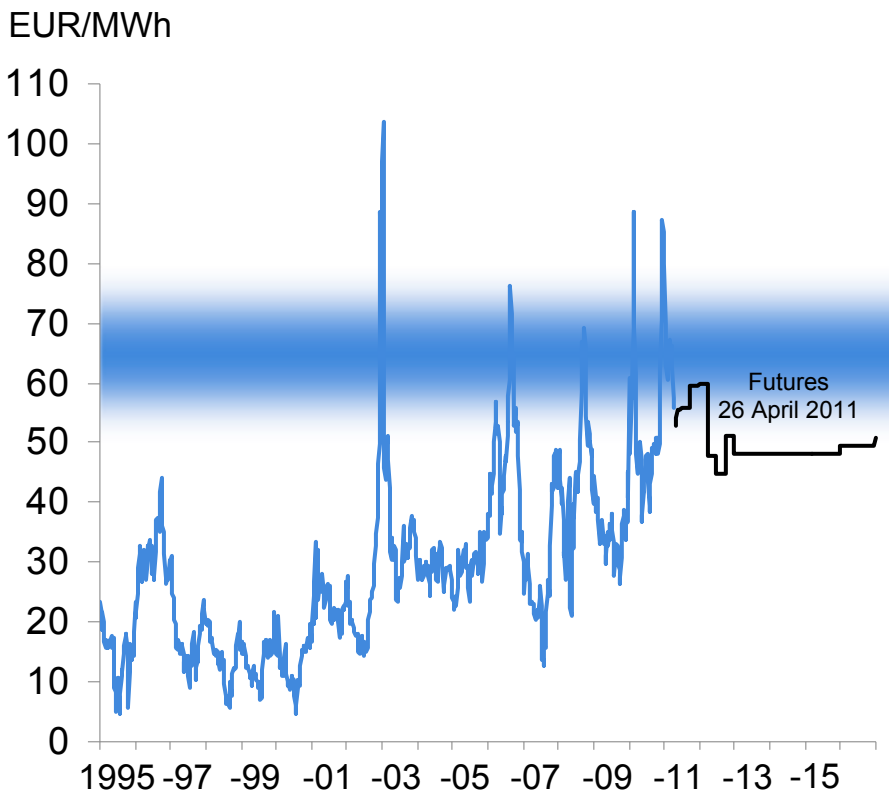
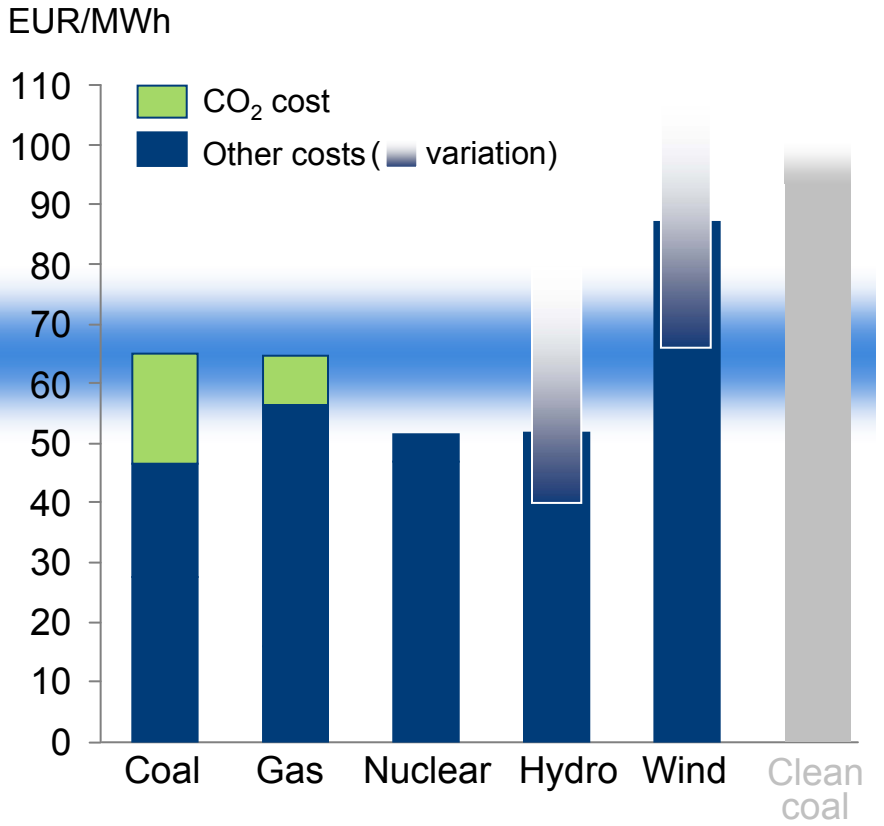
New capacity, except nuclear, will require over 60 EUR/MWh power price



Source: Nord Pool spot, NASDAQ OMX Commodities Europe



Estimated lifetime average cost in nominal 2014 terms.
Large variations in cost of new hydro and wind due to location and conditions.

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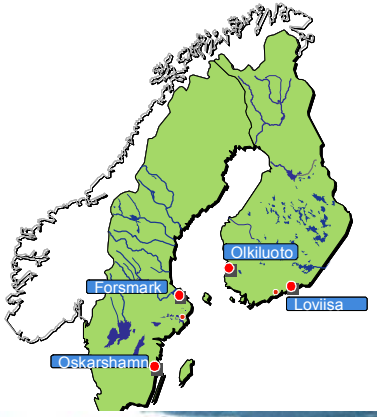
Overview of Fortum's nuclear fleet



Loviisa

Two units, built 1977 and 1982

2 × 498 MW = 996 MW

Fortum's share: 100 %

Yearly production 8 TWh

Share of Fortum's Nordic power production: 18 %

Olkiluoto

Two units, built 1978 and 1980
one under construction

880 + 860 MW = 1740 MW
Under construction 1600 MW

Fortum's share: 27 % (463 MW)

Yearly production 14 TWh
Fortum's share: 4 TWh

Share of Fortum's Nordic power production: 9 %

Oskarshamn

Three units, built 1972,1974 and 1985
473 + 638 + 1400 = 2511 MW

Fortum's share: 43 % (1089 MW)

Yearly production 17 TWh
Fortum's share: 7 TWh

Share of Fortum's Nordic power production: 16 %

Forsmark

Three units, built 1980,1981 and 1985
978 + 990 + 1170 = 3138 MW

Fortum's share: 22 % (696 MW)

Yearly production 25 TWh
Fortum's share: 5,5 TWh

Share of Fortum's Nordic power production: 13 %

Fortum

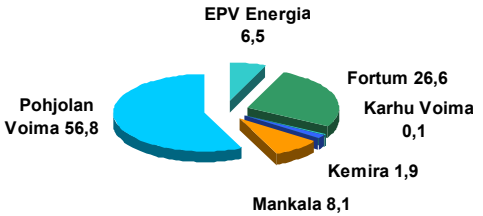
Ownership structures and formal responsibilities

Site	Licensee	Operator
Loviisa	Fortum Power and Heat Oy	Fortum Power and Heat Oy
Olkiluoto	Teollisuuden Voima Oyj	Teollisuuden Voima Oyj
Oskarshamn	OKG Aktiebolag	OKG Aktiebolag
Forsmark	Forsmarks Kraftgrupp AB	Forsmarks Kraftgrupp AB

Loviisa: Fortum is the owner, licensee and operator with all the responsibilities specified in the Nuclear Energy Act, Nuclear Liability Act, and other relevant nuclear legislation

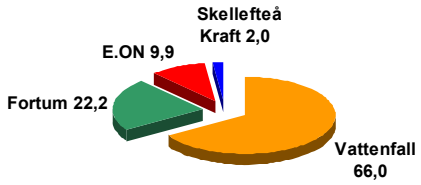
Other units: Fortum is solely an owner with none of the responsibilities assigned to the licensee in the nuclear legislation. Other responsibilities are specified in the Companies Act and the Articles of Association and are mostly financial.

Teollisuuden Voima Oyj



OKG Aktiebolag

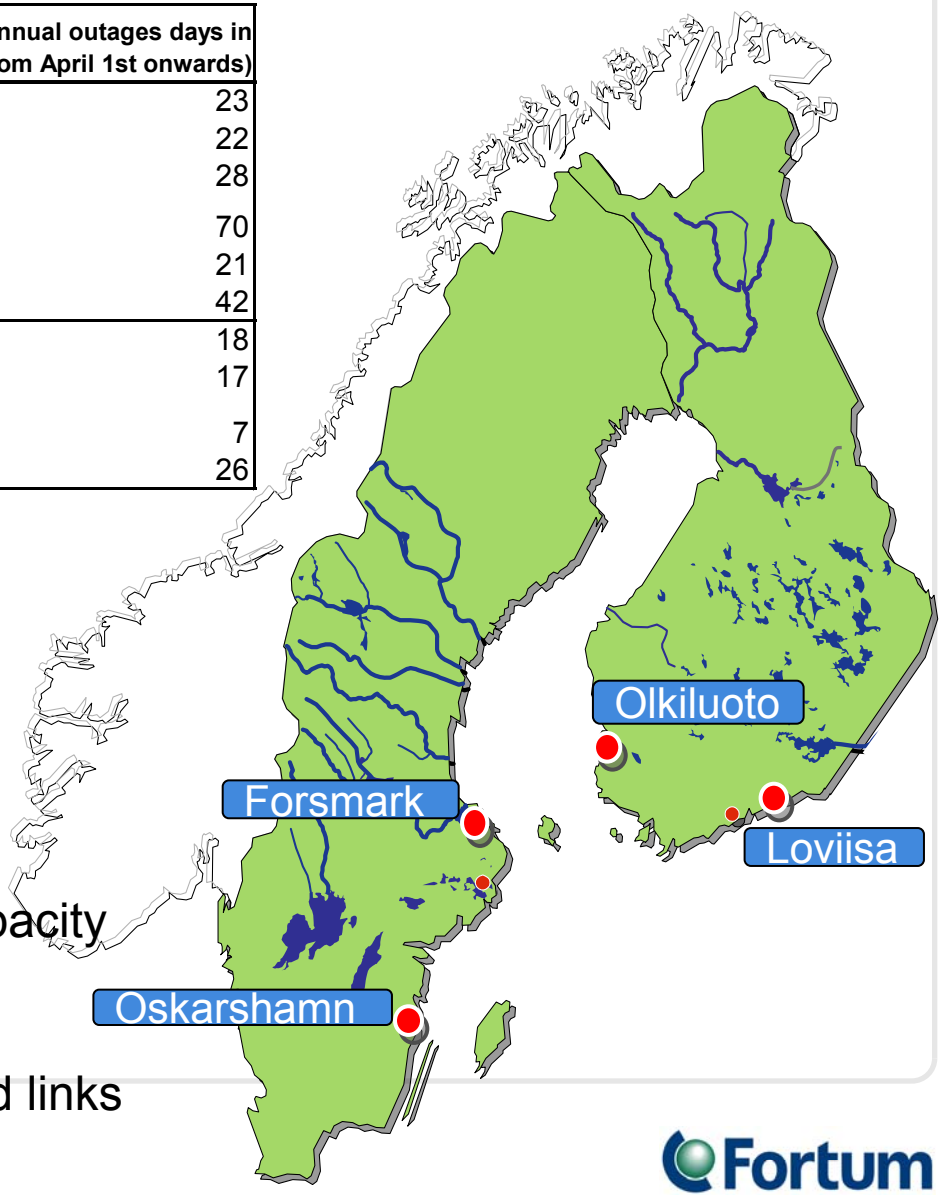
Forsmarks Kraftgrupp AB



Fortum's nuclear power capacity in Nordics

Load factor (%)	2005	2006	2007	2008	2009	2010	Planned annual outages days in 2011 (from April 1st onwards)
Oskarshamn 1	80	51	63	85	68	77	23
Oskarshamn 2	90	78	76	86	75	90	22
Oskarshamn 3	85	95	88	70	17	31	28
Forsmark 1	85	76	81	81	88	93	70
Forsmark 2	94	72	85	79	64	39	21
Forsmark 3	95	92	88	69	86	81	42
Loviisa 1	95	93	94	86	96	93	18
Loviisa 2	95	88	96	93	95	89	17
Olkiluoto 1	98	94	97	94	97	92	7
Olkiluoto 2	94	97	94	97	95	95	26

Source: IAEA, NordPool. Rounded numbers.
Situation on 27 April 2011



- Finnish units world class in availability
- Currently all units running – Oskarshamn 3 with old capacity and Forsmark 2 at full capacity
- Overview of production and consumption: www.fortum.com – investors - energy related links

Fortum

Variety of technologies and ages

Unit	MWe (net)	share [%]	share [Mwe]	Commercial operation	Age	Type / Generation*	Supplier
Loviisa-1	498	100,0	498	1977-05-09	33	PWR / 1	AEE (Atomenergoexport)
Loviisa-2	498	100,0	498	1981-01-05	30	PWR / 1	AEE (Atomenergoexport)
Olkiluoto-1	880	26,6	234	1979-10-10	31	BWR / 3	Asea-Atom / Stal-laval
Olkiluoto-2	860	26,6	229	1982-07-10	28	BWR / 3	Asea-Atom / Stal-laval
Olkiluoto-3	(1600)	25,0	(400)	2013 (?)		PWR / 3	Areva / Siemens
Oskarshamn-1	473	43,4	205	1972-02-06	39	BWR / 1	ABB-Atom (Asea-Atom)
Oskarshamn-2	638	43,4	277	1975-01-01	36	BWR / 2	ABB-Atom (Asea-Atom)
Oskarshamn-3	1400	43,4	607	1985-08-15	25	BWR / 4	ABB-Atom (Asea-Atom)
Forsmark-1	978	23,4	229	1980-12-10	30	BWR / 3	ABB-Atom (Asea-Atom)
Forsmark-2	990	23,4	231	1981-07-07	29	BWR / 3	ABB-Atom (Asea-Atom)
Forsmark-3	1170	20,1	236	1985-08-18	25	BWR / 4	ABB-Atom (Asea-Atom)

*Generation refers to technical resemblence based on KSU (Kärnsäkerhet och utbildning) classification and not to reactor design generations. All reactors are of Generation II except Olkiluoto-3 (EPR) which is of Generation III.

PWR = Pressurized Water Reactor

The most common reactor type in the world (all French units, most US units). The Loviisa units are based on Russian design and normally referred to as VVER. High pressure prevents water from boiling in the reactor. The steam rotating the turbine is generated in separate steam generators.

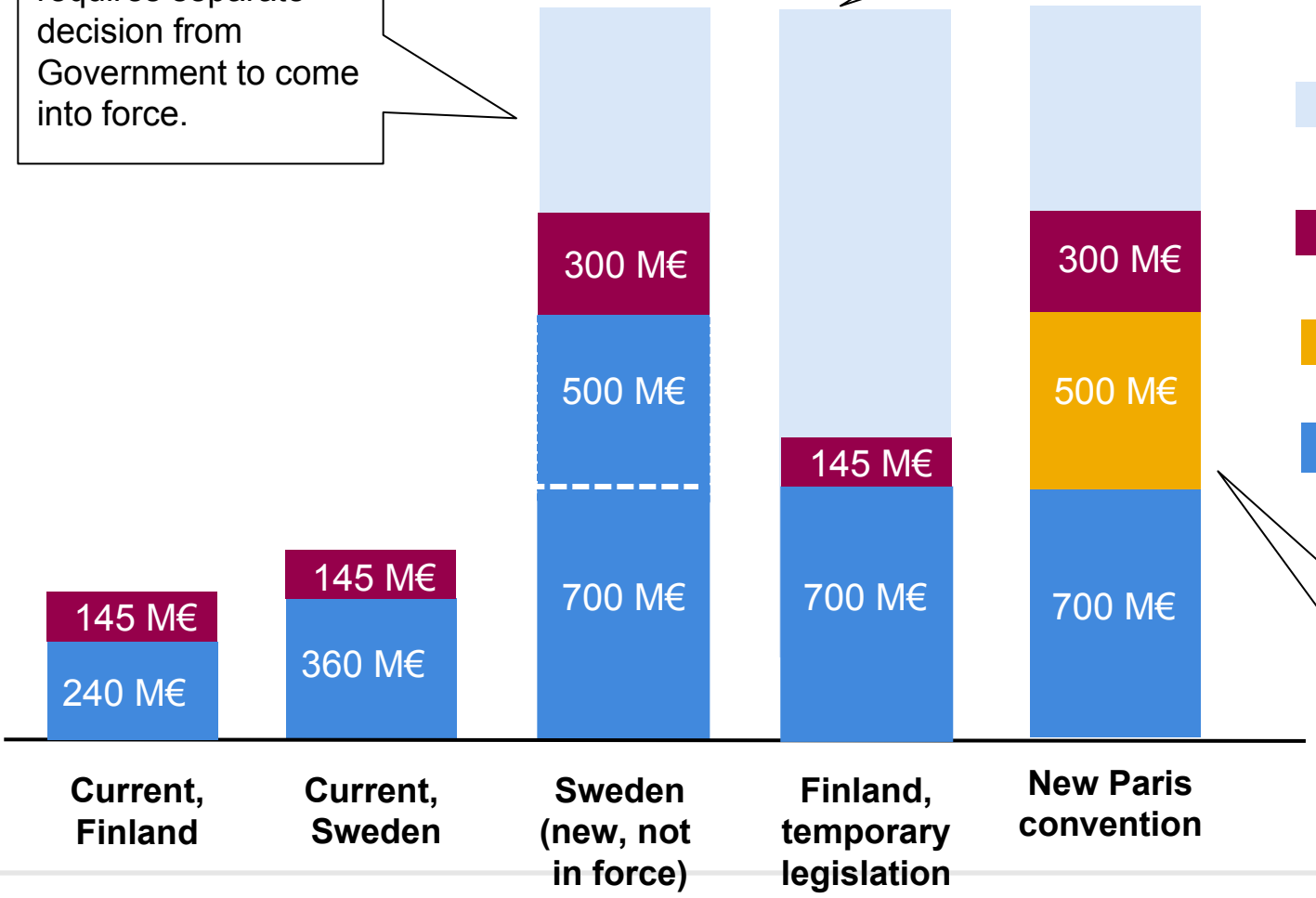
BWR = Boiling Water Reactor

Steam is generated directly in the reactor. Popular reactor type in Sweden, the US and Japan.

Nuclear liability

Law approved by Parliament in 2010, requires separate decision from Government to come into force.

Has been approved by the Parliament. Planned to come into force 1.1.2012.



Unlimited company responsibility

Convention parties

State responsibility

Responsibility of company (incurance or guarantee)

Requires ratification by 2/3 of member states to come into force. In Finland approved by Parliament in 2005.

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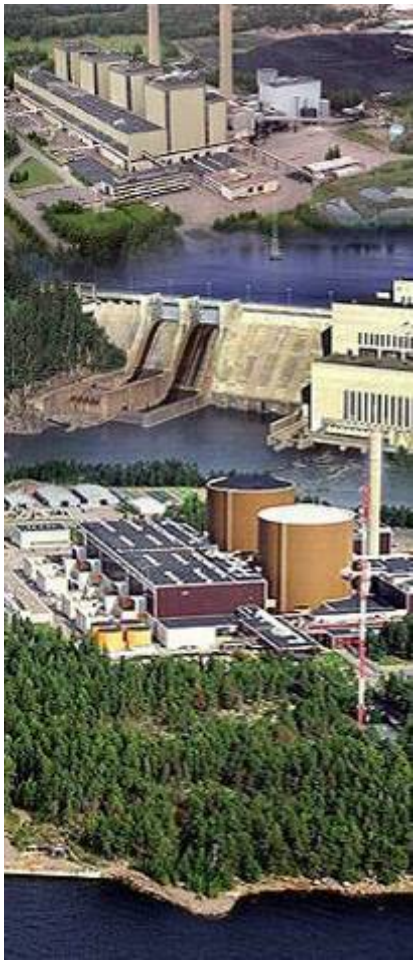
Fortum's investment programme
– Nordic region, Poland and Baltic countries

Project	Electricity, MW	Heat, MW	Commissioned
Olkiluoto 3, Finland	400		2013
Swedish nuclear upgrades	260		by 2013
- Forsmark 3 upgrade (to be decided)	30		post 2013
Refurbishing of hydro power	20-30		annually
Brista, Sweden *(waste CHP)*	20	60	2013
Klaipeda, Lithuania *(biofuel/waste CHP)*	20	60	2012
Total by ~2013	**~750**	**~120**	

Additional electricity capacity around 750 MW
~100% CO_2-free



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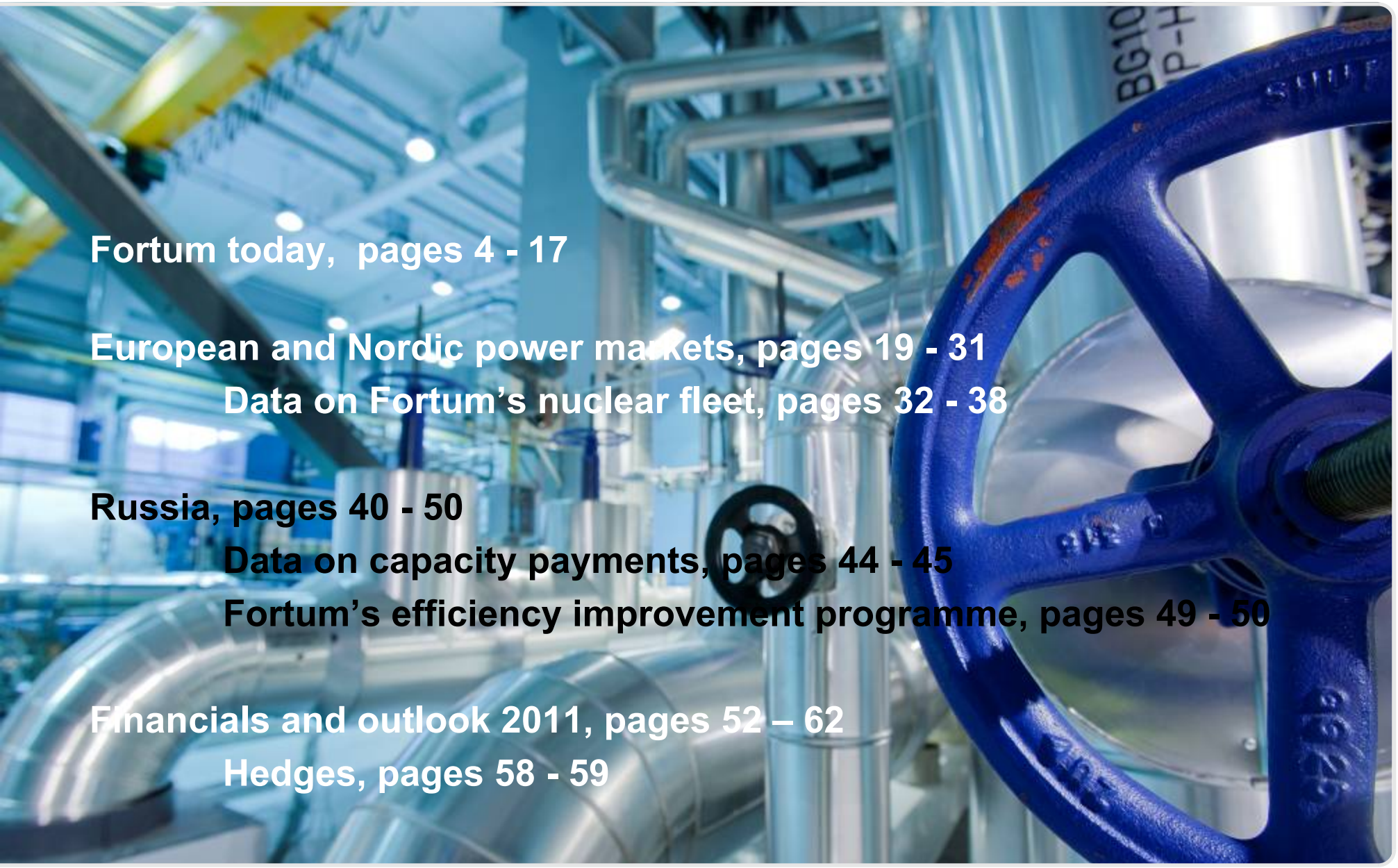
Fortum to get 290 MW CO_2 free capacity through upgrades in Sweden

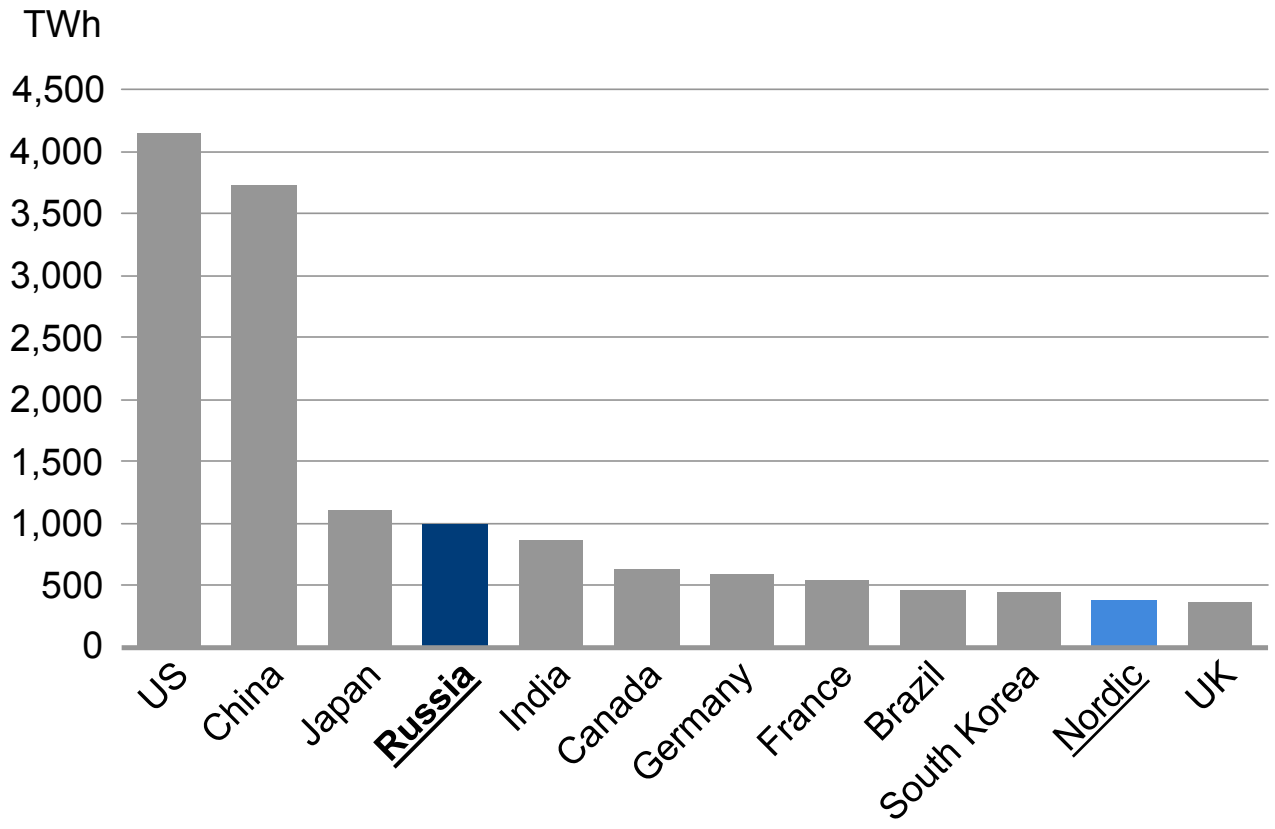
Reactor	Completion	Increase 100% (MW)	Fortum's capacity increase (MW)	Additional generation for Fortum (TWh/a)	Fortum's capacity after increase (MW)	Fortum's generation after increase (TWh/a)
OKG 1	-	0	-		205	~2
OKG 2	2009, 2013	30 + 180	95		355	~3
OKG 3	2011	255	110		607	~5
FKA 1	Decision 2011	120	~25		257	~2
FKA 2	2012	120	25		259	~2
FKA 3	Decision 2013	170	~35		270	~2
Total			**~290**	**~2**	**~1,950***	**~15**

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.

Fortum



Russia is the World's 4th largest power market



Data 2009 based on gross output.
Source: BP Statistical Review of World Energy June 2010

Fortum

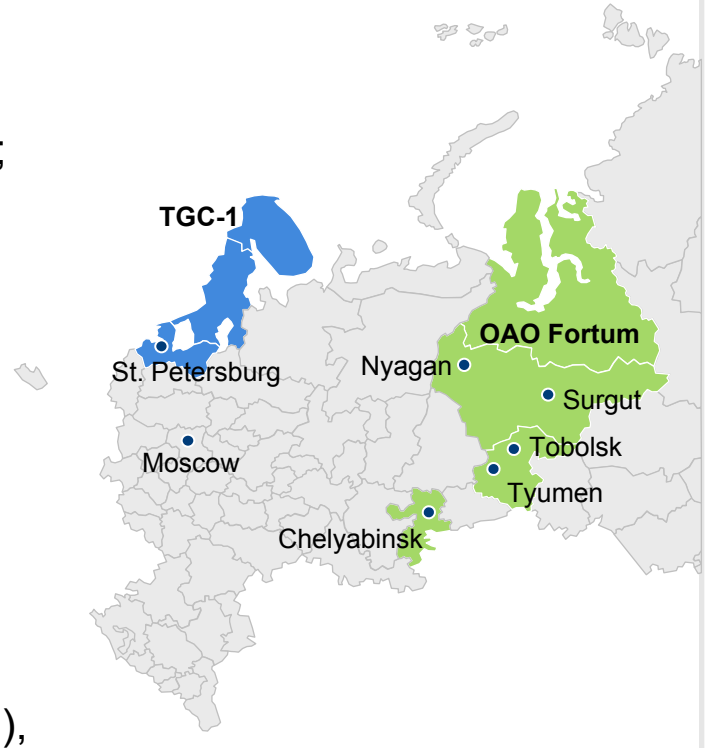
Fortum - a major player in Russia

OAO Fortum (former TGC-10)

- Operates in the heart of Russia's oil and gas producing region, fleet mainly gas-fired CHP capacity
- 16 TWh power generation, 26 TWh heat production in 2010; more than Fortum's Nordic heat sales
- Investment programme to add 85%, almost 2,400 MW to power generation capacity
- Annual efficiency improvement approximately EUR 100 million in 2011

TGC-1

- Slightly over 25% of territorial generating company TGC-1 operating in north-west Russia
- ~6,350 MW electricity production capacity (appr. 50% hydro), ~27 TWh/a electricity, ~31 TWh/a heat



Power market liberalisation – two markets

Capacity wholesale market

Capacity prices

- Competitive capacity selection (CCS) and free bilateral agreements (FBA)
- A higher, fixed capacity price for new capacity (CSA* agreements, built after 2007)
- Lower capacity price for old capacity, price caps limits the price in some areas
- Old capacity intended for households are priced by regulated bilateral agreements (RBA)

Electricity wholesale market

Electricity prices

- Day ahead (spot) market, financial market, free bilateral agreements (FBA) and regulated bilateral agreements (RBA)
- Fully liberalised from 1 Jan 2011 except for volumes intended for households priced by RBA (~10% of volume)

- CSA is the intended mechanism for earning a (reasonable) return on invested capital in new capacity
- Capacity prices are a big part of a power generator's income
  - a typical CHP plant ~35%, CCGT ~55%, of revenues
- In the day ahead (spot) market, the price mechanism is a day ahead hourly auction. Supply – demand balance and variable cost (fuel) are the key drivers for the spot price
- Financial market for electricity started in June, 2010

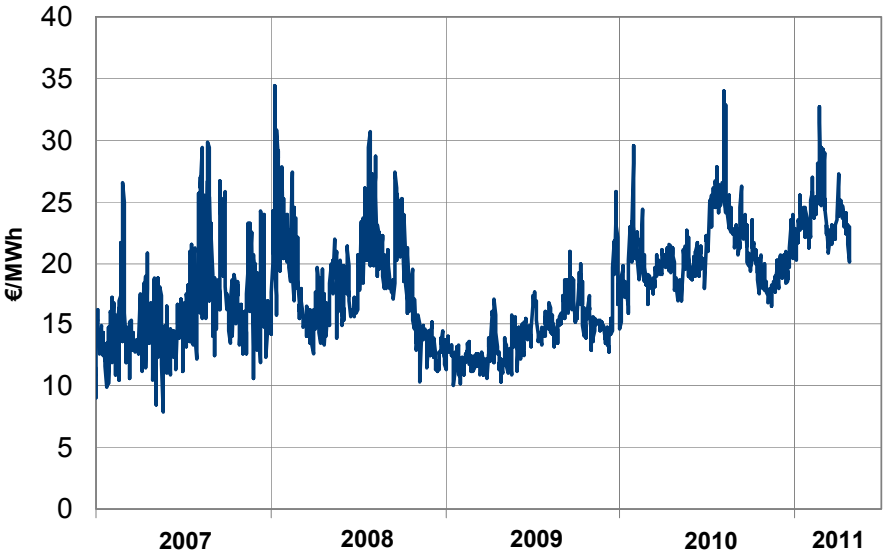
* Capacity supply agreement

Day ahead wholesale market prices
– increase driven by recovering demand and gas price

Key electricity, capacity and gas prices in the OAO Fortum area

	I/2011	I/2010	2010	LTM	Change
Electricity spot price (market price), Urals hub, RUB/MWh	950	817	835	868	33
Average regulated electricity price for OAO Fortum, RUB/MWh	718	620	614	627	13
Average capacity price, tRUB/MW/month	214	181	191	199	8
Average regulated capacity price, tRUB/MW/month	183	168	169	171	2
Average regulated gas price in Urals region, RUB/1000 m3	2,548	2,221	2,221	2,303	82
Average power price for OAO Fortum, EUR/MWh	29.2	23.7	27.0	28.6	1.6

Day ahead power market prices for Urals



In addition to the power price generators receive a capacity payment.

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Capacity prices for new capacity 3-4 times current old capacity prices

- Long term rules and price parameters approved
- Both “old” and “new” capacity can participate in capacity auctions
- Old capacity (pre 2007) and new capacity priced differently
  - Old capacity is priced by capacity auctions; price cap possibility
  - New capacity under capacity supply agreements to receive guaranteed payments
- The payments for new capacity are based on approved pricing formulas
  - Vary according to plant size, fuel, geographic location, capital costs, …
  - Allow the recovery of capital costs and include return on invested capital; the targeted ROCE level 12-14% (with current government benchmark bond yields)
  - After three years (2014), the regulator will review the earnings from the electricity-only market and can revise the payments, same goes after 6 years.

- “Old” capacity prices will depend on auction outcomes, but likely remain relatively low; potentially price caps could limit price
- “New” capacity prices (under agreements) to be 3-4 times the “old” capacity prices

New capacity and higher payments

Estimated capacity price for new capacity, RUB/MW/month

	Gas condensing (CCGT)			Coal condensing	
Region	>250 MW	150-250 MW	<150 MW	>225 MW	<225 MW
Urals	554,000	685,000	858,000	1,165,000	1,257,000

Estimated capacity price for new capacity*, EUR/MWh with a 65% load rate

	Gas condensing (CCGT)			Coal condensing	
Region	>250 MW	150-250 MW	<150 MW	>225 MW	<225 MW
Urals	29	35	44	60	65

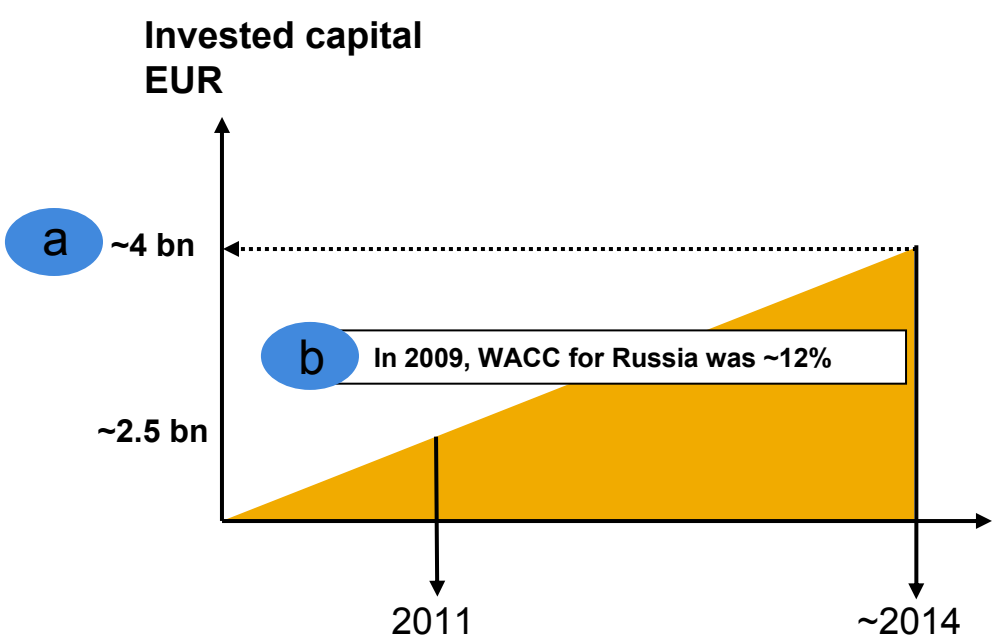
Pace of new capacity increase of Fortum investment programme in Russia

2011 - 657 MW
2012 - 836 MW
2013 - 418 MW
2014 - 450 MW
Total - 2,361 MW

Source: Market Council, Troika, Fortum

* RUB/EUR at 40, a month with 31 days

Long-term financial target will be dictated by basic economic logic



~EUR 100 million improvement in EBITDA through the efficiency improvement programme

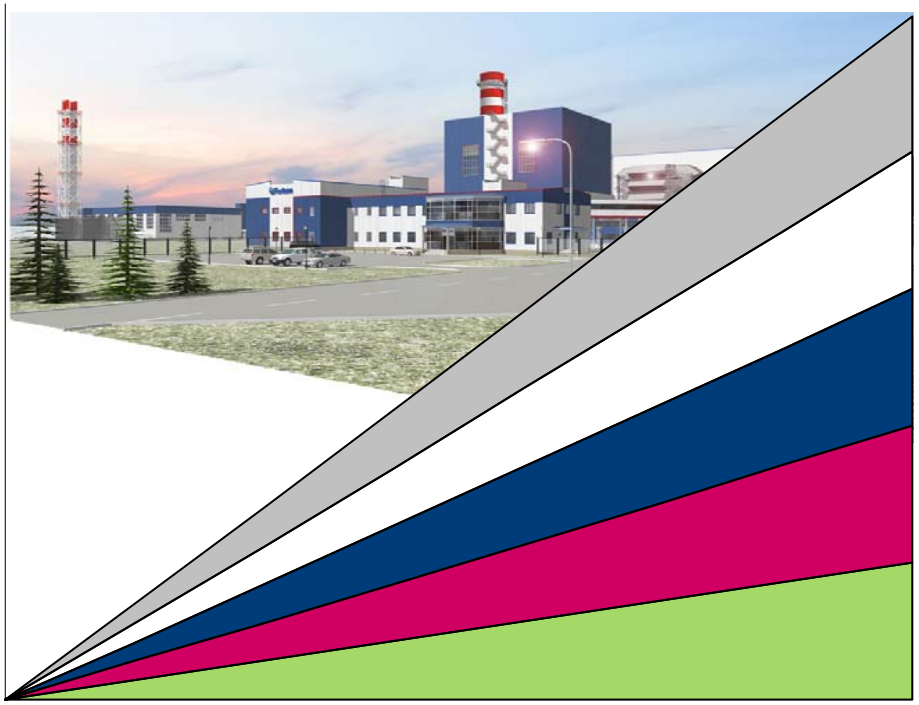
Assuming, having completed the investment programme, an invested capital of a

… and an unchanged cost of capital b

The annual comparable operating profit in Russia needs to be in excess of ~EUR 500 million in order to beat to cost of capital (WACC) …soon after the completion of the investment programme

Fortum

Key factors behind the profitability improvement in Russia



Efficiency improvement programme 2008-2011

- Increasing heat production profitability
- Fuel efficiency improvement
- Cost savings

New capacity commissioning 2011-2014

- Additional capacity 2,360 MW; +85%
- Capacity is sold at CSA* contracts with guaranteed higher price

* Capacity Supply Agreement

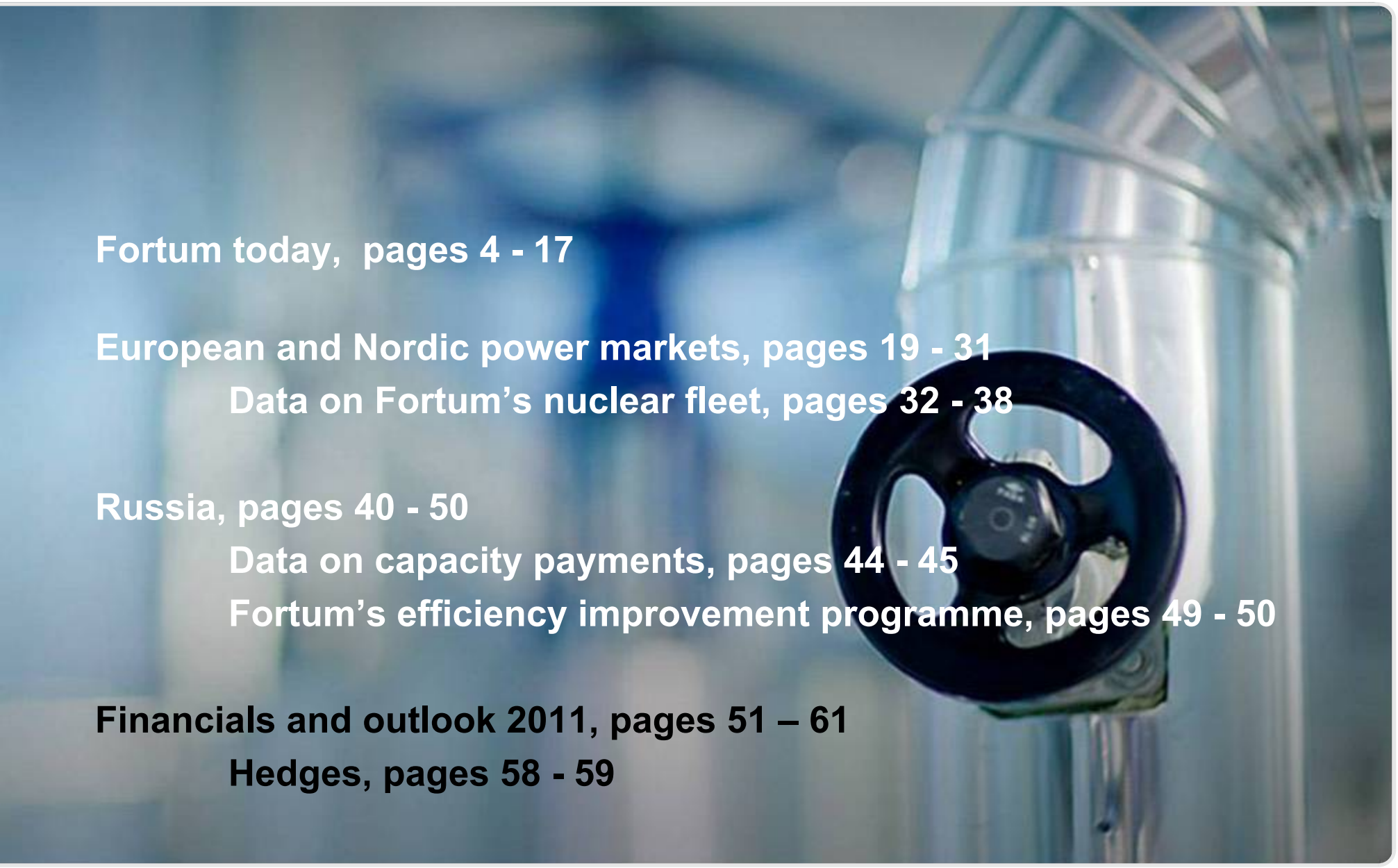
Efficiency improvement programme in Russia: ~100 M€ EBITDA improvement in 2011

- Purchasing
- Portfolio Management and Trading (PMT)
- Heat regulation
- Heat - technical and business improvements
- Generation - technical improvements
- Others

85% increase in power generation capacity by the end of 2014 through the investment programme

			Power generation capacity (MW)			
Plant	**Supply date**	**Fuel type**	**Existing**	**Planned**		**Total**
Tyumen CHP-2		Gas	755			755
Tyumen CHP-1	H1/2011; 2014	Gas	472	**231; 2*225**	(CHP/Condensing)	1153
Tobolsk CHP	H1/2011	Gas	452	**200**	(Condensing)	652
Chelyabinsk CHP-3	H1/2011	Gas	360	**226**	(CHP/Condensing)	586
Chelyabinsk CHP-2		Gas, coal	320			320
Argayash CHP		Gas, coal	195			195
Chelyabinsk CHP-1		Gas, coal	149			149
Chelyabinsk GRES		Gas	82			82
Nyagan GRES	2012, 2012, 2013	Gas		**3x418**	(Condensing)	1,254
Boilers		-				
Total			**2,785**	**2,361**		**5,146**

Fortum



Q1 Summary

- Solid performance continued - seasonality
- Power
  - Improved nuclear availability - low hydro volumes
  - Results year-end weighted compared to 2010
- Russia
  - Power reform proceeding, liberalised as of January 2011
  - The return for the new capacity is guaranteed. Capacity price is mainly impacted by the Russian Government long-term bond yields
- Nordic countries
  - Water reservoirs historically low during the first quarter
- Strong financial position

Q1: Income statement

MEUR	I/2011	I/2010	2010	LTM
Sales	2 034	1 947	6 296	6 383
Expenses	-1 385	-1 296	-4 463	-4 552
Comparable operating profit	**649**	**651**	**1 833**	**1 831**
Other items affecting comparability	251	73	-125	53
Operating profit	**900**	**724**	**1 708**	**1 884**
Share of profit of associates and jv's	59	16	62	105
Financial expenses, net	-55	-27	-155	-183
Profit before taxes	**904**	**713**	**1 615**	**1 806**
Income tax expense	-158	-130	-261	-289
Net profit for the period	**746**	**583**	**1 354**	**1 517**
Non-controlling interests	68	24	54	98
EPS, basic (EUR)	0.76	0.63	1.46	1.60
EPS, diluted (EUR)	0.76	0.63	1.46	1.60

Fortum

Comparable and reported operating profit

MEUR	Comparable operating profit		Reported operating profit		Comparable operating profit	Reported operating profit
	I/2011	**I/2010**	**I/2011**	**I/2010**	**2010**	**2010**
Power	325	424	489	467	1 298	1 132
Heat	171	132	265	159	275	303
Russia	34	16	34	32	8	53
Distribution	124	102	125	113	307	321
Electricity Sales	11	-13	-20	-29	11	46
Other	-16	-10	7	-18	-66	-147
Total	**649**	**651**	**900**	**724**	**1 833**	**1 708**

- IFRS accounting treatment (IAS 39) of derivatives had a positive impact on the reported operating profit EUR 173 million or earnings per share EUR 0.14 (0.03)

Fortum

Q1: Cash flow statement

MEUR	I/2011	I/2010	2010	LTM
Operating profit before depreciations	1 049	861	2 271	2 459
Non-cash flow items and divesting activities	-270	-67	124	-79
Financial items and fx gains/losses	-302	-177	-641	-766
Taxes	-114	-82	-355	-387
Funds from operations (FFO)	**363**	**535**	**1 399**	**1 227**
Change in working capital	91	-14	38	143
Total net cash from operating activities	**454**	**521**	**1 437**	**1 370**
Paid capital expenditures	-206	-223	-1 134	-1 117
Acquisition of shares	-19	0	-28	-47
Other investing activities	210	88	60	182
Cash flow before financing activities	**439**	**386**	**335**	**388**

Fortum

Key ratios

MEUR	LTM Q1 '11	2010	2009
EBITDA	2 459	2 271	2 292
Comparable EBITDA	2 406	2 396	2 398
Interest-bearing net debt	6 367	6 826	5 969
Net debt/EBITDA	2.6	3.0	2.6
Comparable Net debt/EBITDA	2.6	2.8	2.5
Return on capital employed (%)	12.6	11.6	12.1
Return on shareholders' equity (%)	17.5	15.7	16.0

Outlook

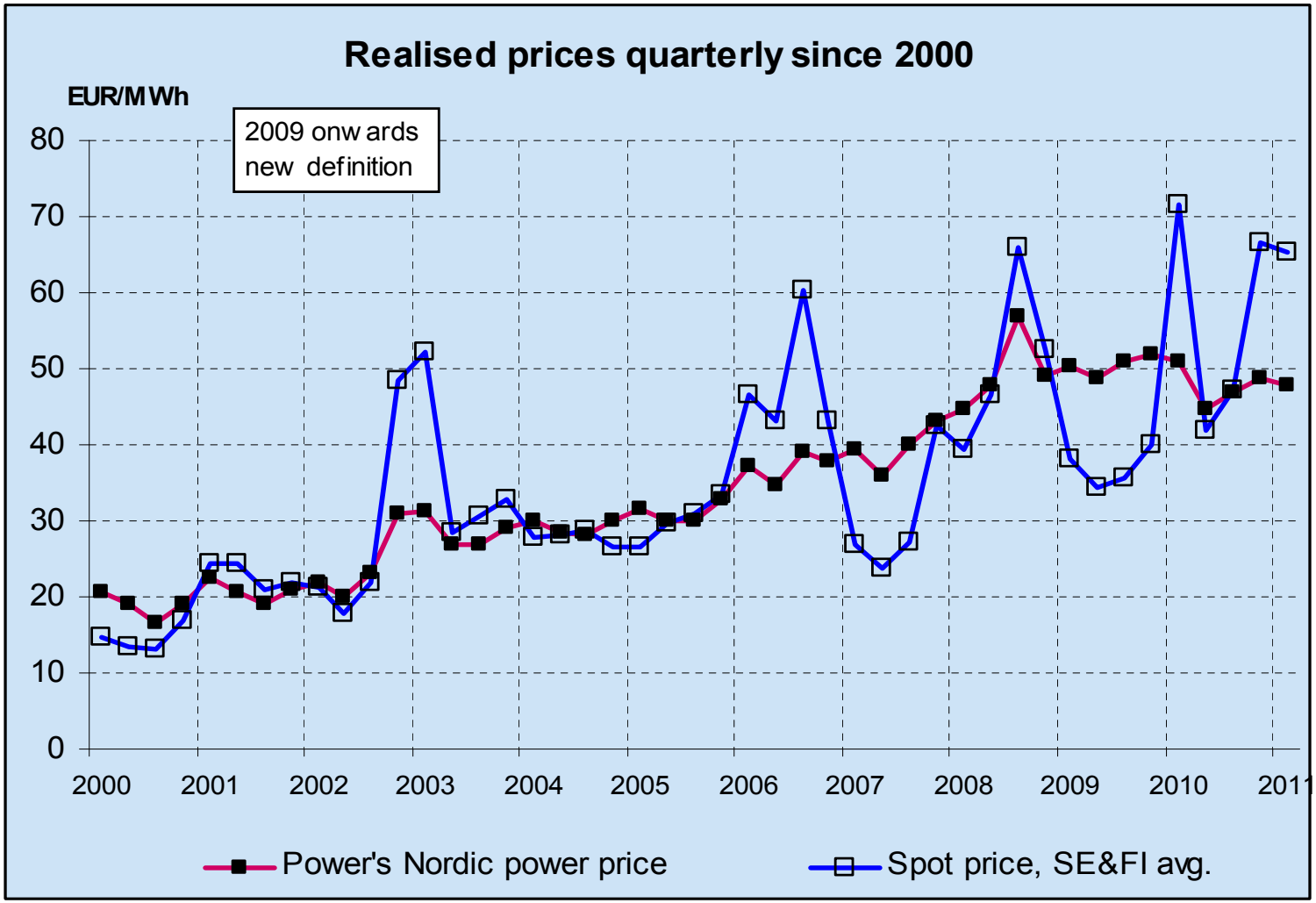
- Key drivers and risks
  - Wholesale price of electricity
    - Fuels
    - CO_2 emissions prices
    - Water reservoirs
    - Nuclear availability
- Nordic Markets
  - Market continues to recover – 2008 level to be reached by 2012-2014
  - Electricity continues to gain share of total energy consumption
- Russia
  - Wholesale market liberalised
  - Achieved efficiency improvements are expected to be approximately EUR 100 million in 2011 compared to the time of the acquisition
  - Profits from Russia build up in pace with the capacity increases

NOTE: Fuels, Co_2 emissions and Nordic forward prices are found in appendix

Outlook

- Capex (excluding potential acquisitions)
  - 2011-2012 around EUR 1.6 to 1.8 billion (mainly due to Russian investment programme)
  - 2013-2014 around EUR 1.1 to 1.4 billion
  - Disclosed divestments totalled approximately EUR 0.5 billion in Q1
- Hedging
  - 2011 approximately 70% hedge ratio at approximately EUR 44/MWh
  - 2012 approximately 45% hedge ratio at approximately EUR 45/MWh

Hedging improves stability and predictability



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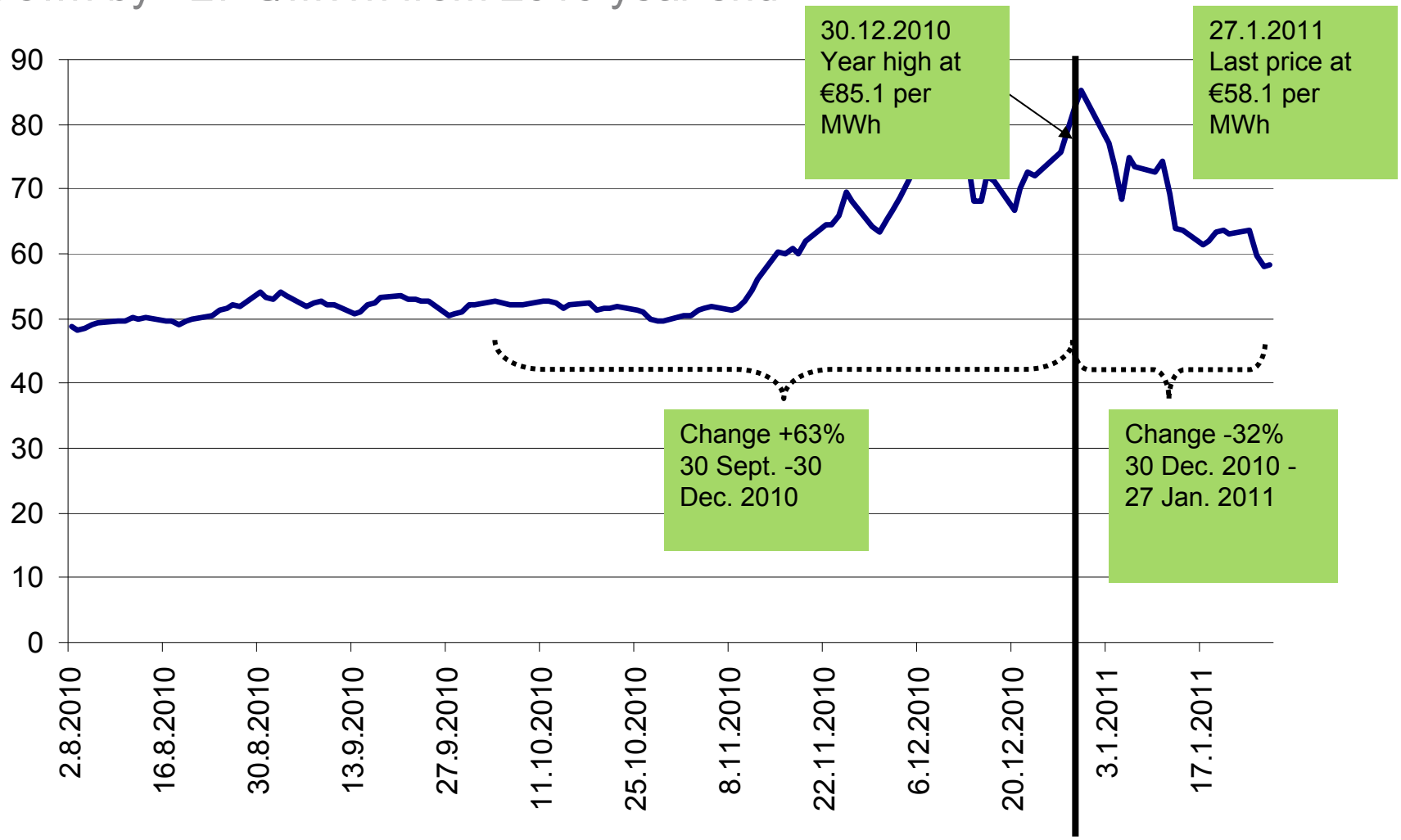
2011 February Nordic Power Exchange forward development

– Down by ~27 €/MWh from 2010 year end



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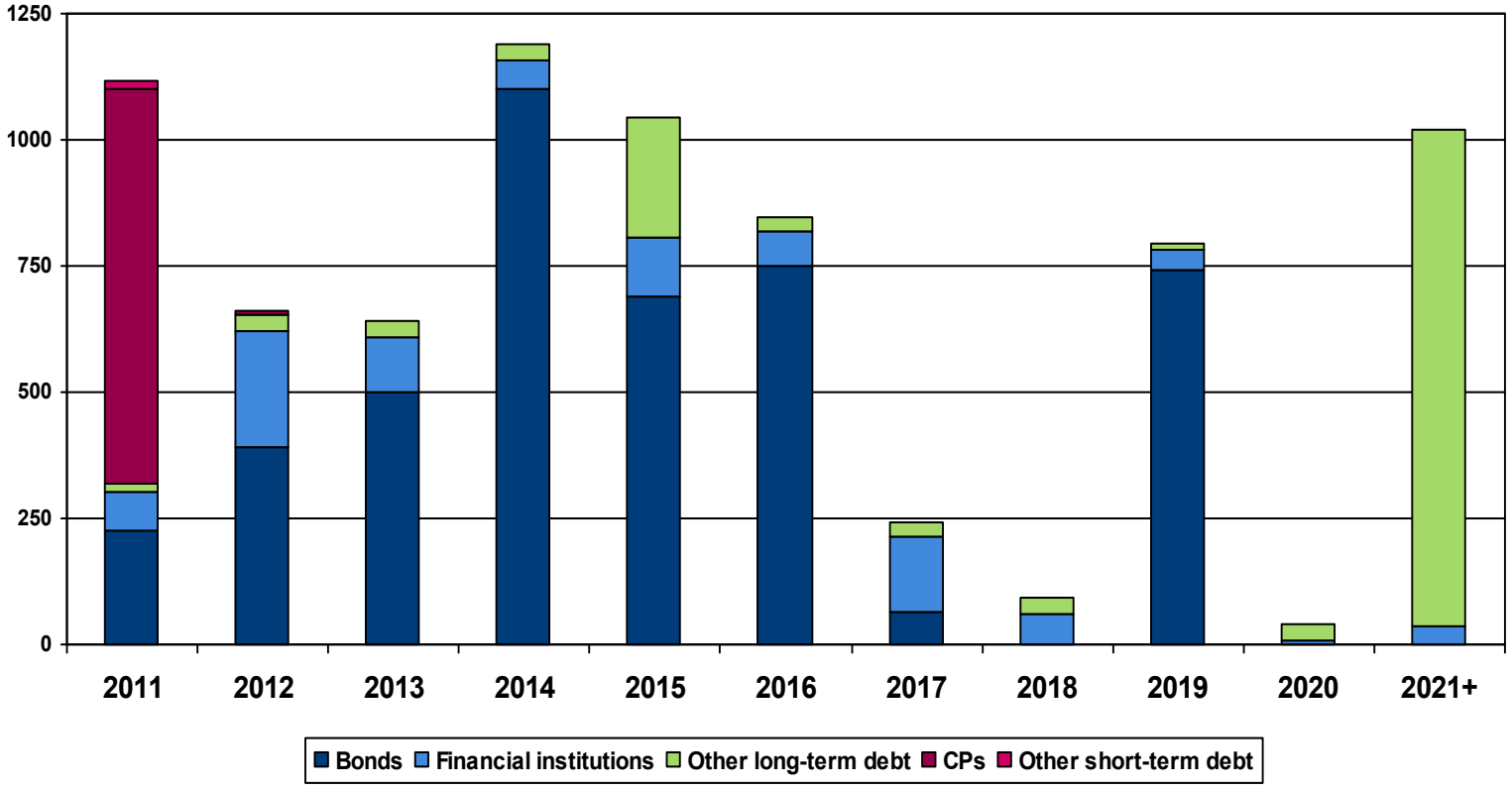
Debt maturity profile



	MEUR
2011	1 116
2012	663
2013	640
2014	1 189
2015	1 045
2016	848
2017	243
2018	93
2019	796
2020	43
2021+	1 020

	per 31 March 2011	*per* 31 Dec. 2010
Average interest rate (incl. swaps and forwards)	4.0%	3.5%
Portion of floating / fixed debt	46 / 54%	49 / 51%

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Liquidity at the end of 2010

MEUR	Available	Outstanding	Total amount
SHORT TERM FINANCING			
Commercial Paper Programmes			
Finnish CP Programme	352	148	500
SEK 5.000 M Swedish CP Programme	171	386	558
	524	534	1 058
LIQUID FUNDS AND COMMITTED CREDIT LINES			
Committed Credit Lines			
Short Term	1 418	0	1 418
Long Term	1 500	0	1 500
	2 918	0	2 918
Liquid Funds			
Cash and cash equivalents	285		
Bank Deposits over 3 months	271		
	556		
of which in Russia	348		
Total Available Cash and Committed Financing	**3 474**		

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Fortum