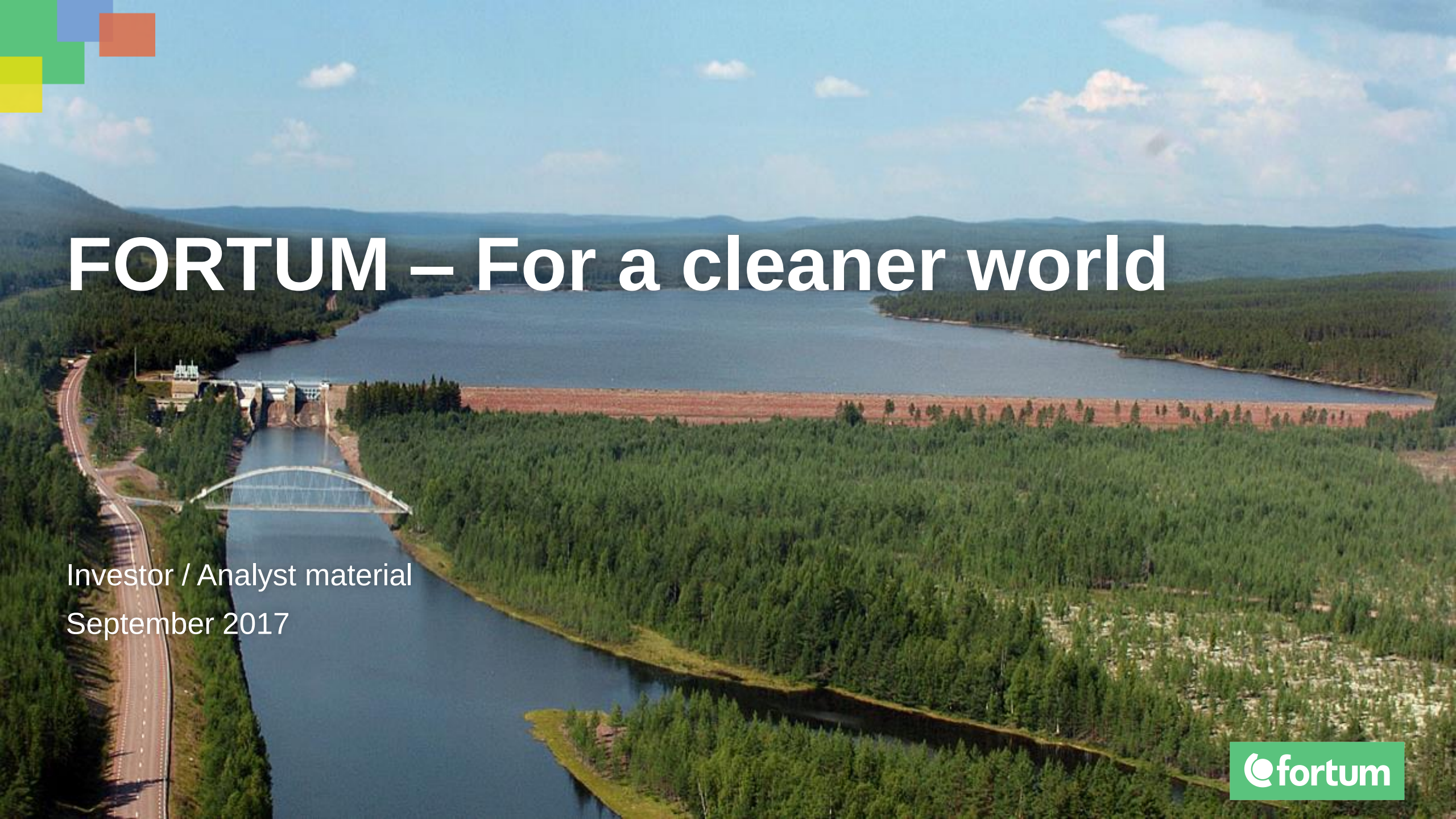

FORTUM – For a cleaner world

Investor / Analyst material

September 2017

Disclaimer

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Fortum shares.

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

Any references to the future represent the management's current best understanding. However the final outcome may differ from them.

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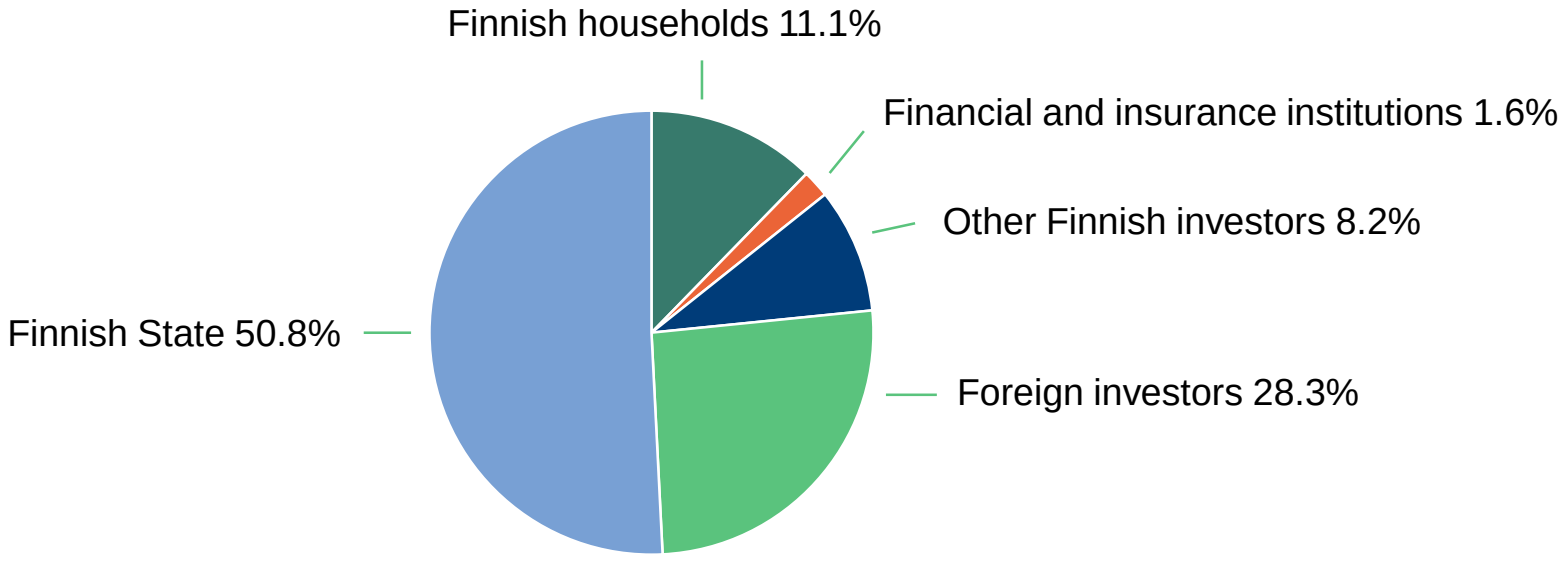
Appr. 135,000 shareholders

- Power and heat company in the Nordic countries, Russia, Poland and the Baltics
- Listed at the Helsinki Stock Exchange since 1998
- Among the most traded shares on the Nasdaq Helsinki stock exchange
- Market cap ~14 billion euros



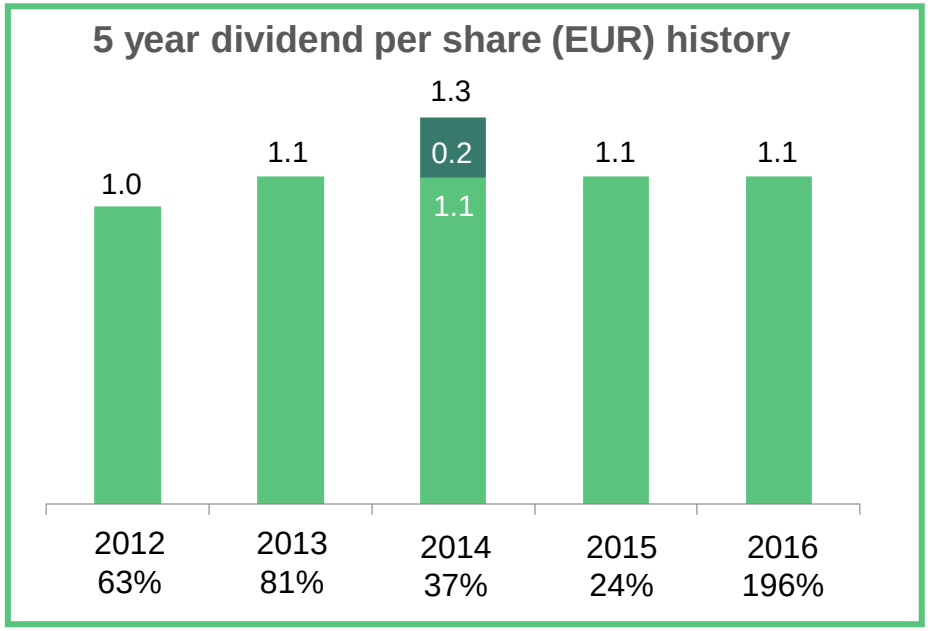
31 August 2017

Capital returns: 2016 EUR 1.10 per share ~ EUR 1 billion

- Fortum’s dividend policy is based on the following preconditions:
  - The dividend policy ensures that shareholders receive a fair remuneration for their entrusted capital, supported by the company’s long-term strategy that aims at increasing earnings per share and thereby the dividend.
  - When proposing the dividend, the Board of Directors looks at a range of factors, including the macro environment, balance sheet strength as well as future investment plans.

Fortum's target is to pay a stable, sustainable and over time increasing dividend of 50-80% of earnings per share excluding one-off items

Fortum has since 1998 annually paid dividends in total ~13,603 MEUR



Fortum – For a cleaner world

Megatrends

Climate change and resource efficiency
Urbanisation
Active customers
Digitalisation, new technologies

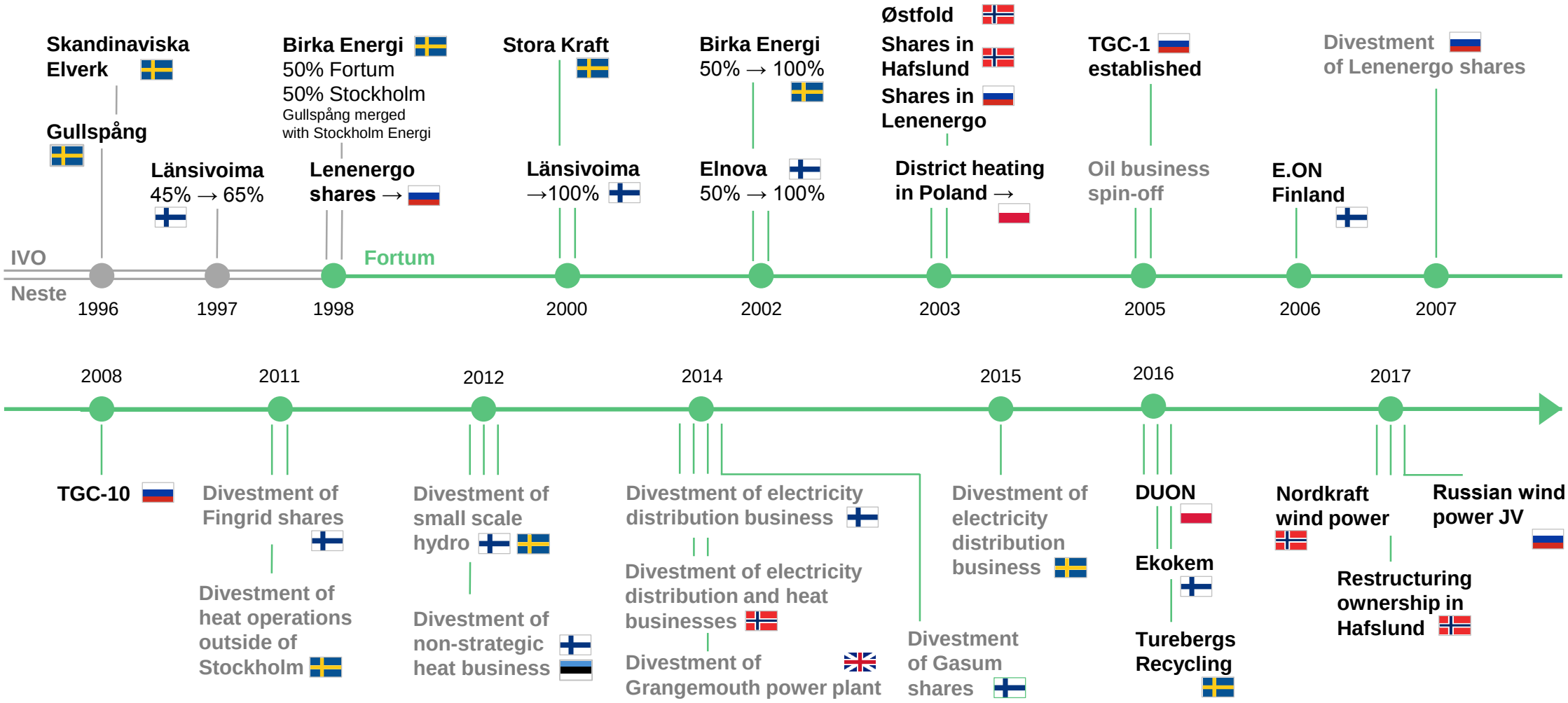
Mission

We engage our customers and society to drive the change towards a cleaner world.
Our role is to accelerate this change by reshaping the energy system, improving resource efficiency and providing smart solutions. This way we deliver excellent shareholder value.

Strategy

- Drive productivity and industry transformation
- Grow in solar and wind
- Create solutions for sustainable cities
- Build new energy ventures

Our strategic route



Our current geographical presence

Power generation

Heat

Electricity sales

Nordic countries

Power generation*	46.3 TWh
Heat sales*	5.4 TWh
Electricity customers*	2.4 million

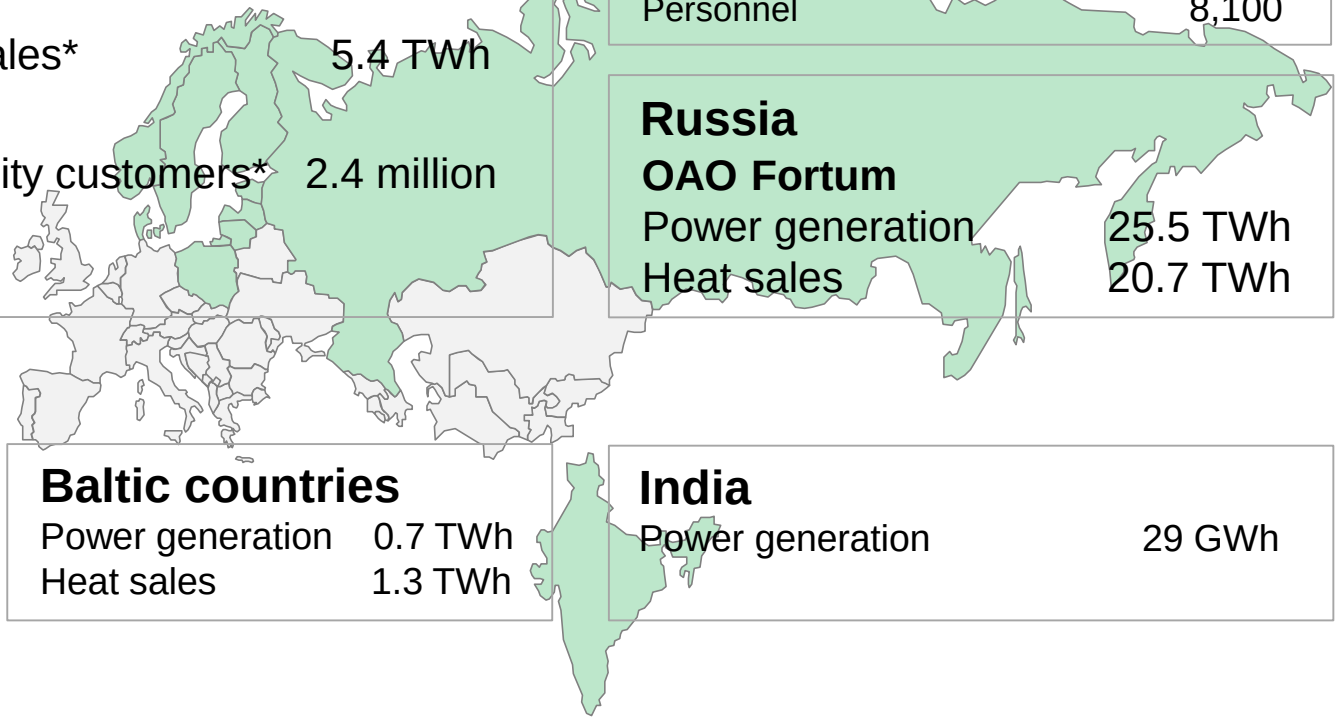
Key figures 2016

Sales	EUR 3.6 bn
Comparable operating profit	EUR 0.6 bn
Balance sheet	EUR 22 bn
Personnel	8,100

Russia

OAO Fortum

Power generation	25.5 TWh
Heat sales	20.7 TWh



Poland

Power generation	0.6 TWh
Heat sales	3.6 TWh

Baltic countries

Power generation	0.7 TWh
Heat sales	1.3 TWh

India

Power generation	29 GWh

* Pro forma figures including parts of Hafslund and Klemetsrud plant; 1.1 million electricity customers, heat sales 1.7 TWh and CHP power generation 0.1 TWh

fortum

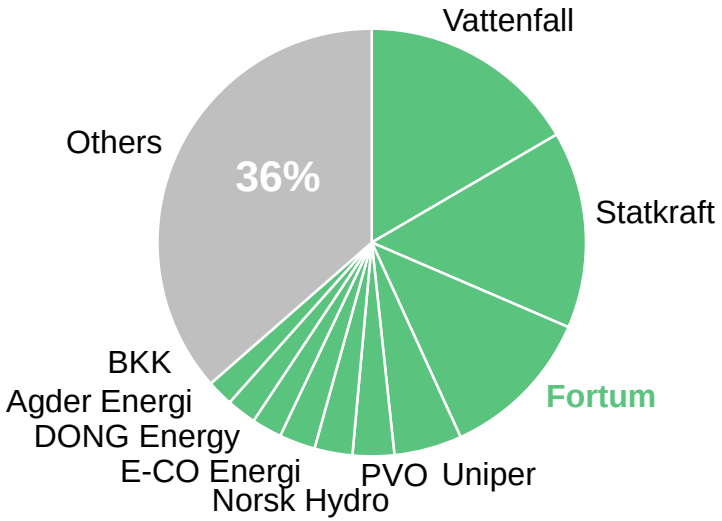
Still a highly fragmented Nordic power market

Fortum has largest electricity customer base in the Nordics

Power generation in 2016

395 TWh

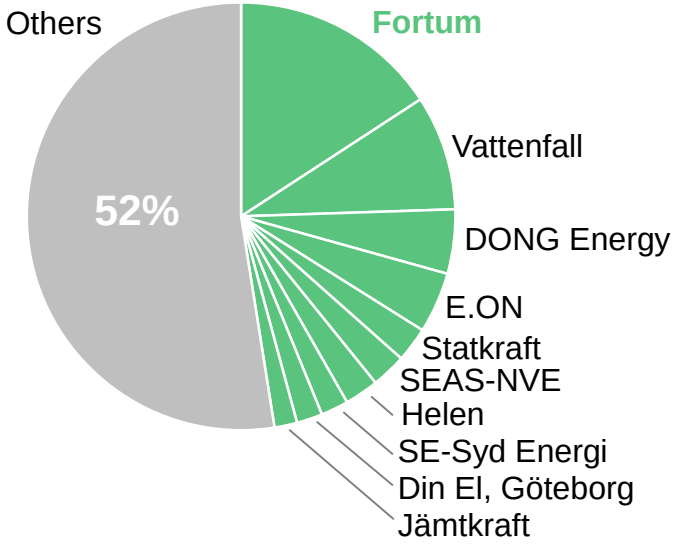
>350 companies



Electricity retail

15 million customers

~350 companies

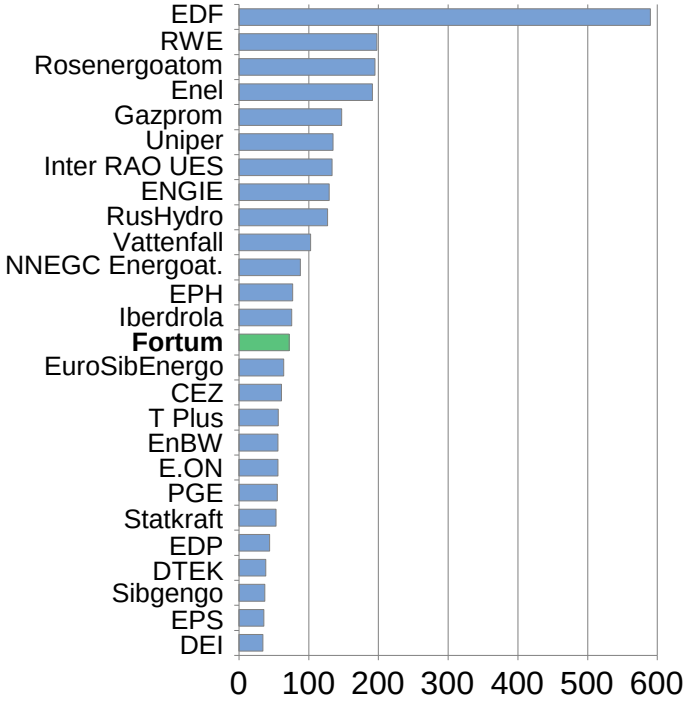


Source: Fortum, company data, shares of the largest actors, pro forma 2016 figures (Fortum incl. Hafslund's 1.1 million customers).

Fortum mid-sized European power generation player; major producer in global heat

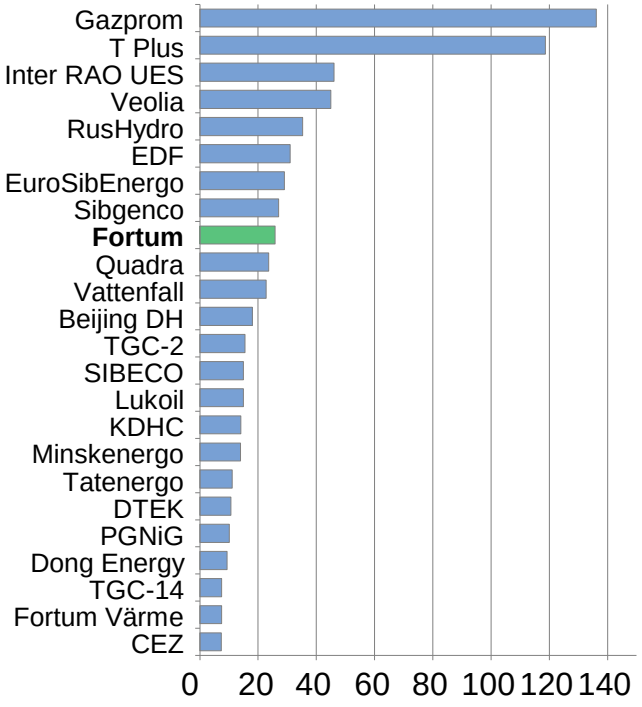
Power generation

Largest producers in Europe and Russia, 2015
TWh



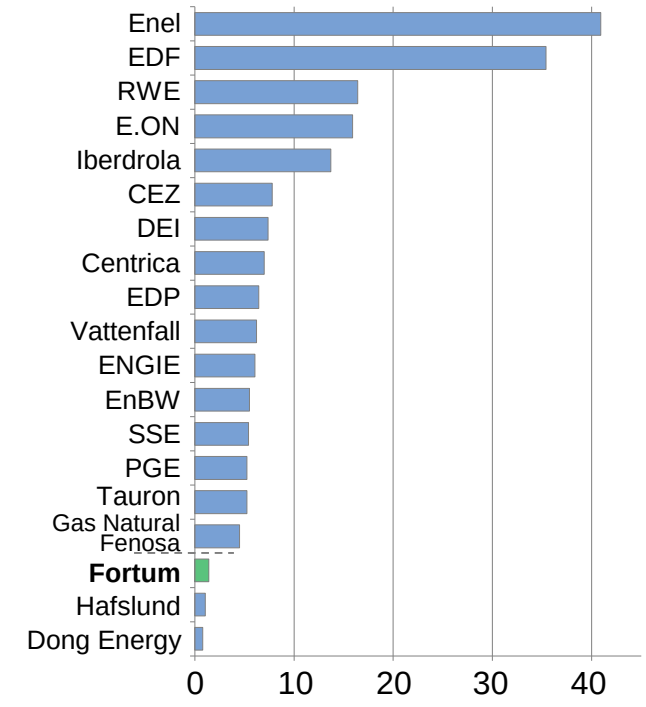
Heat production

Largest global producers, 2015
TWh



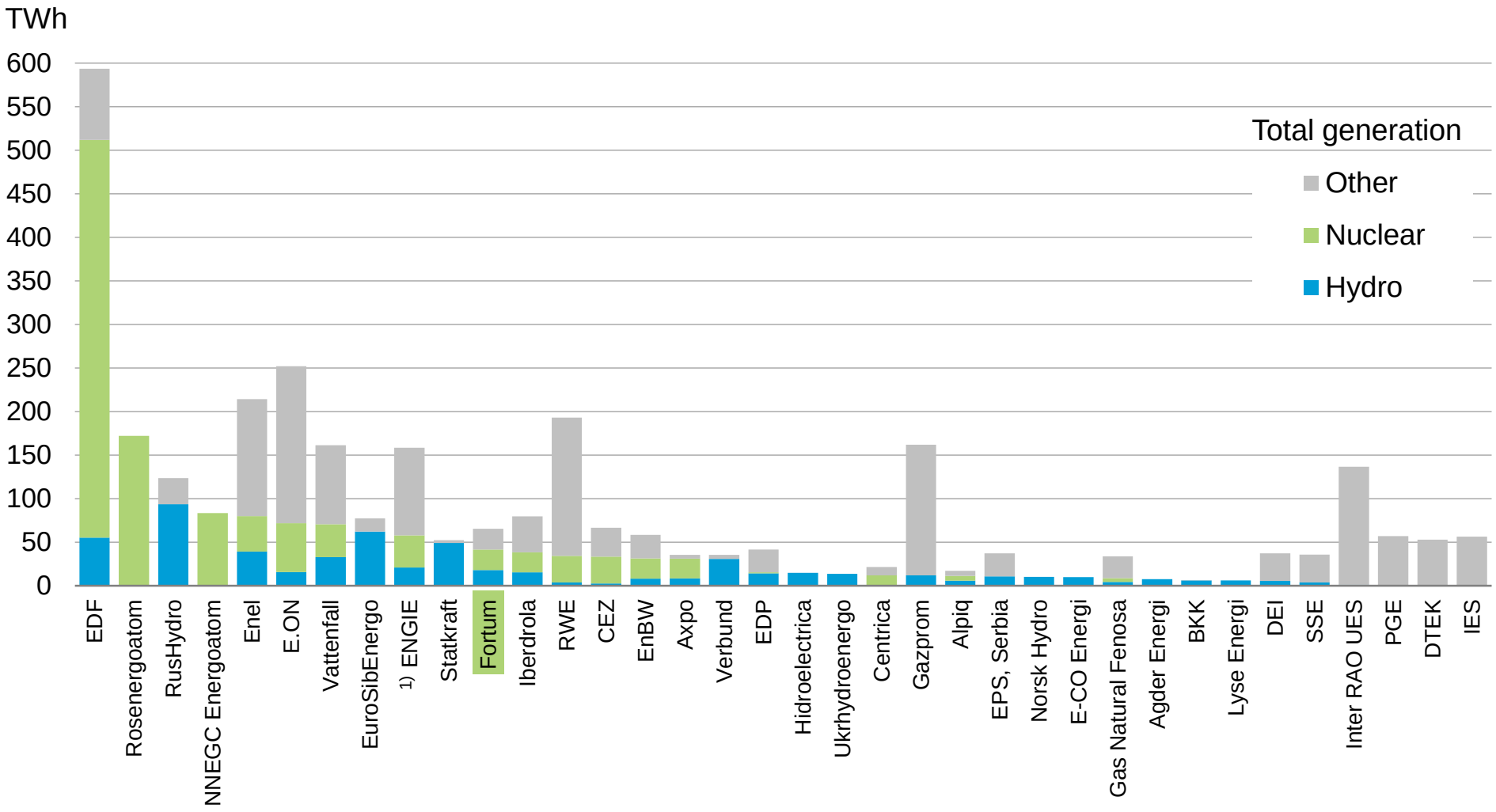
Customers

Electricity customers in EU, 2015
Millions



Source: Company information, Fortum analyses, 2015 figures pro forma, Chinese heat production data incomplete.

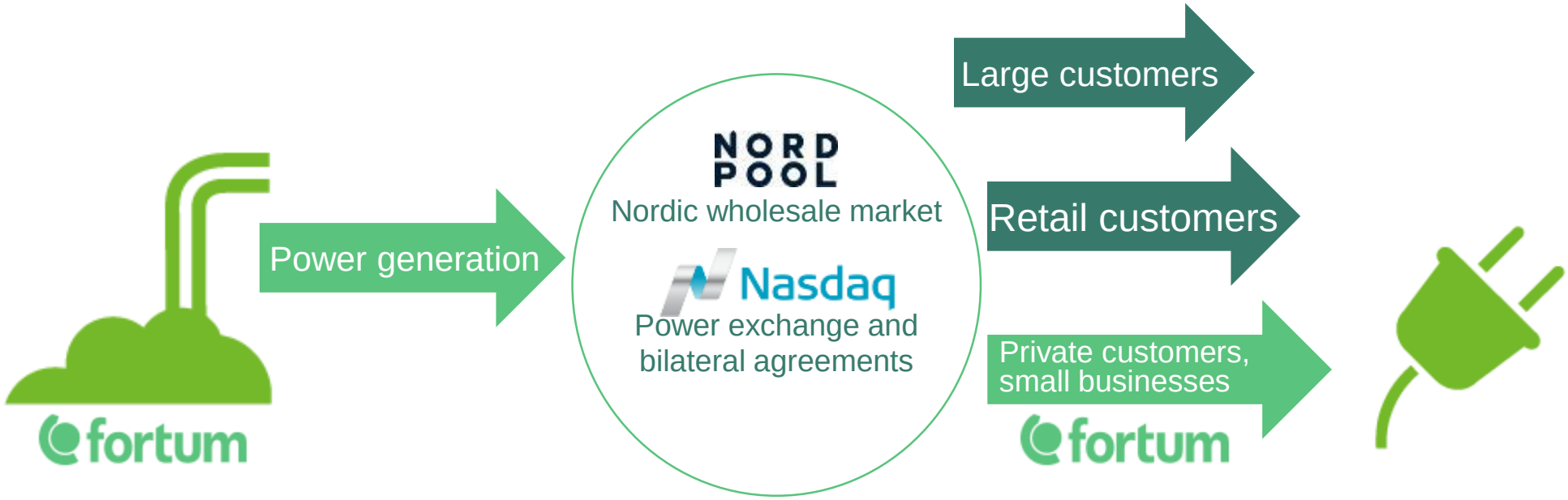
Biggest nuclear and hydro generators in Europe and Russia



1) Formerly GDF SUEZ

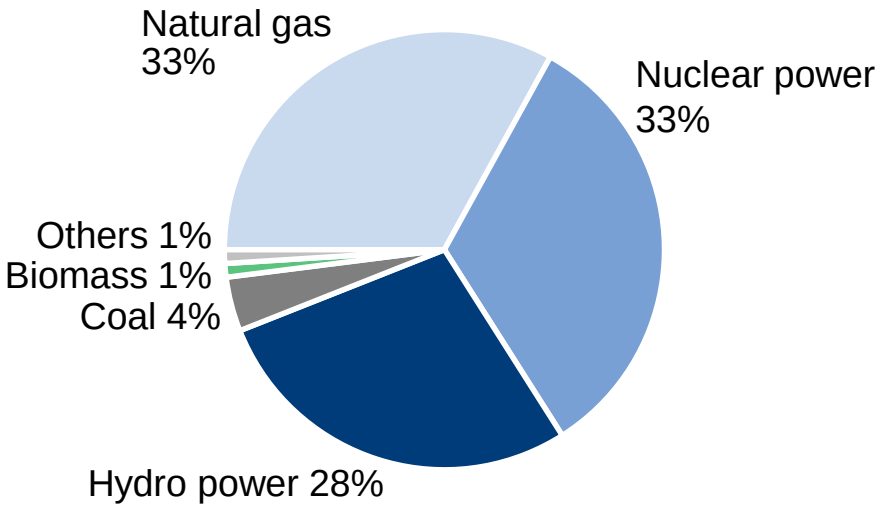
Source: Company information, Fortum analyses, 2013 figures pro forma

Fortum in the Nordic electricity value chain



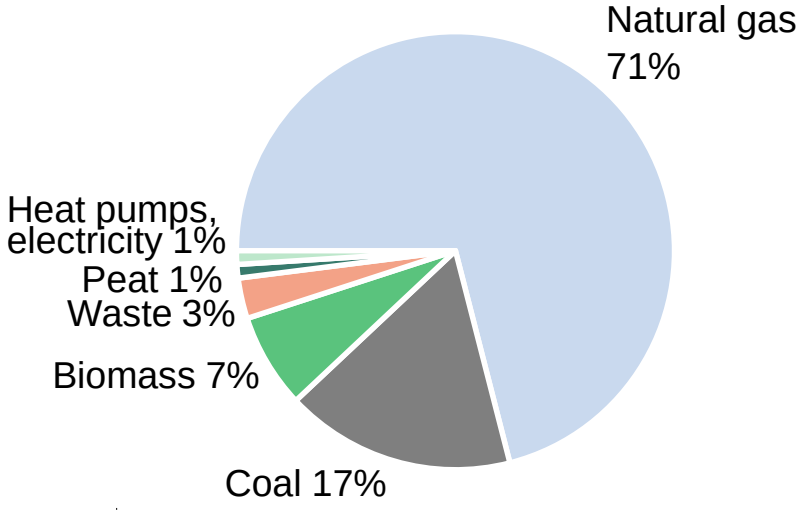
Fortum's power and heat production by source

Fortum's power generation in 2016



Total generation 73.1 TWh
(Generation capacity 13,334 MW)

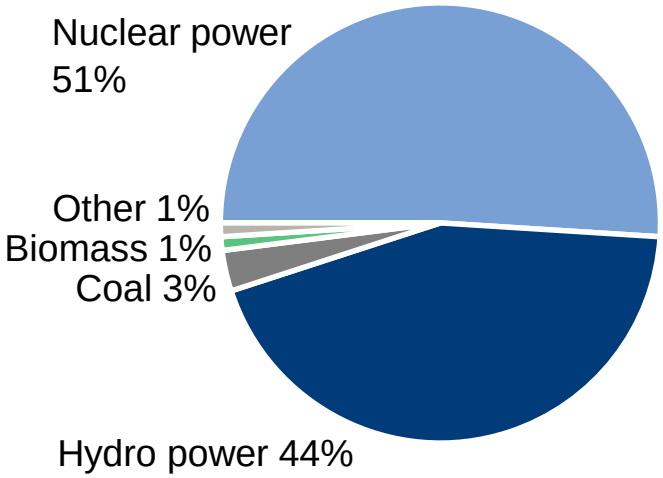
Fortum's heat production in 2016



Total production 27.8 TWh
(Production capacity 13,738 MW)

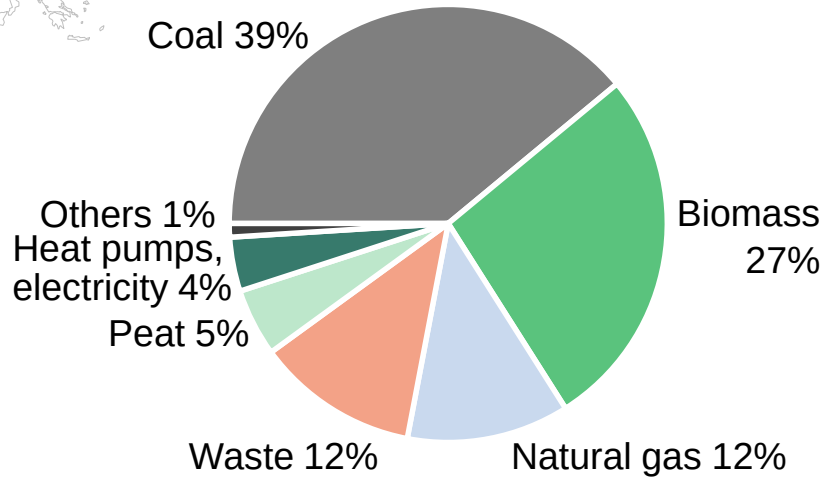
Fortum's European power and heat production

Fortum's European power generation in 2016



European generation 47.5 TWh
(Generation capacity 8,837 MW)

Fortum's European heat production in 2016



European production 7.1 TWh
(Production capacity 3,818 MW)

Fortum’s Nordic, Baltic and Polish generation capacity

Generation capacity MW

Hydro	4 652
Nuclear	3 011
CHP	760*
Other thermal	376
Wind	38**
Nordic, Baltic and Polish generation capacity	**8 837**

Figures 31 December 2016

Norway

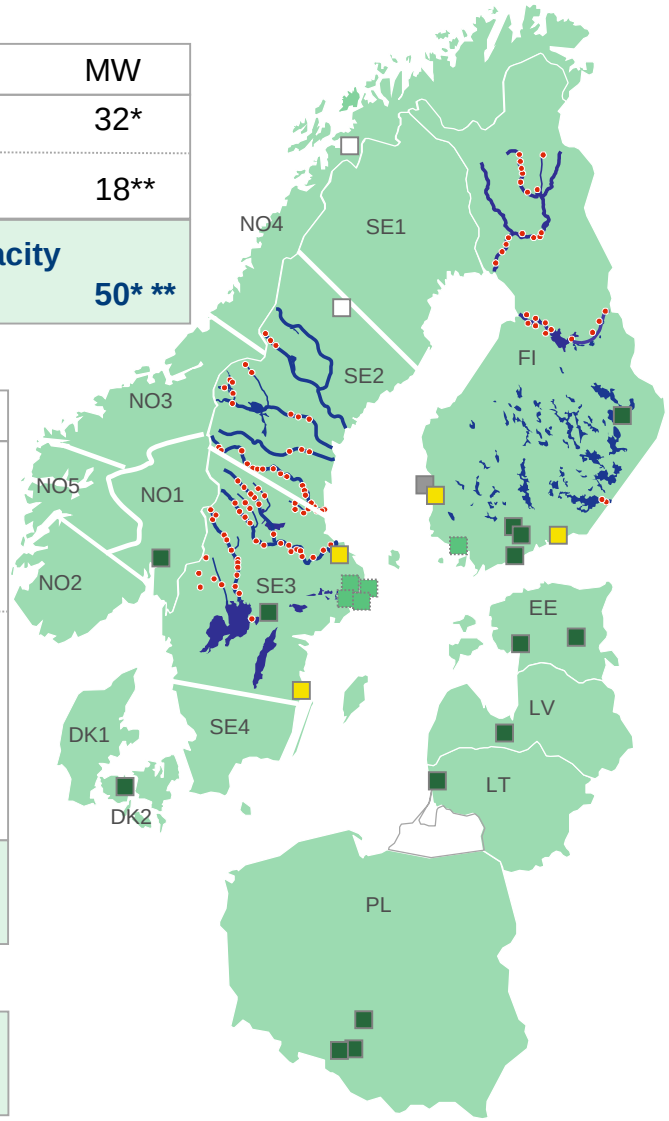
Price areas	MW
NO4, Wind	32*
NO1, CHP	18**
Generation capacity in Norway	**50* ****

Sweden

Price areas	MW
SE2	
Hydro	1 550
Wind	38
SE3	
Hydro	1 567
Nuclear	1 539
CHP	9
Generation capacity in Sweden	**4 703**

Denmark, DK2

	MW
Generation capacity, CHP in Denmark	**16**



Finland

	MW
Hydro	1 535
Nuclear	1 472
CHP	456
Other thermal	376
Generation capacity in Finland	**3 839**

Baltics and Poland

	MW
Generation capacity, CHP	
in Estonia	**49**
in Latvia	**26**
in Lithuania	**18**
in Poland	**186**

*
Fortum acquired the 32 MW Nygårdsfjellet wind farm in Norway in January 2017 (not included in the total 2016 MW figures)

**
Fortum owns the 18 MW Klemetsrud CHP plant in Norway together with City of Oslo since August 2017 (not included in the total 2016 MW figures)

Associated companies’ plants (not included in the MWs)
Fortum Värme, Stockholm; TSE, Naantali

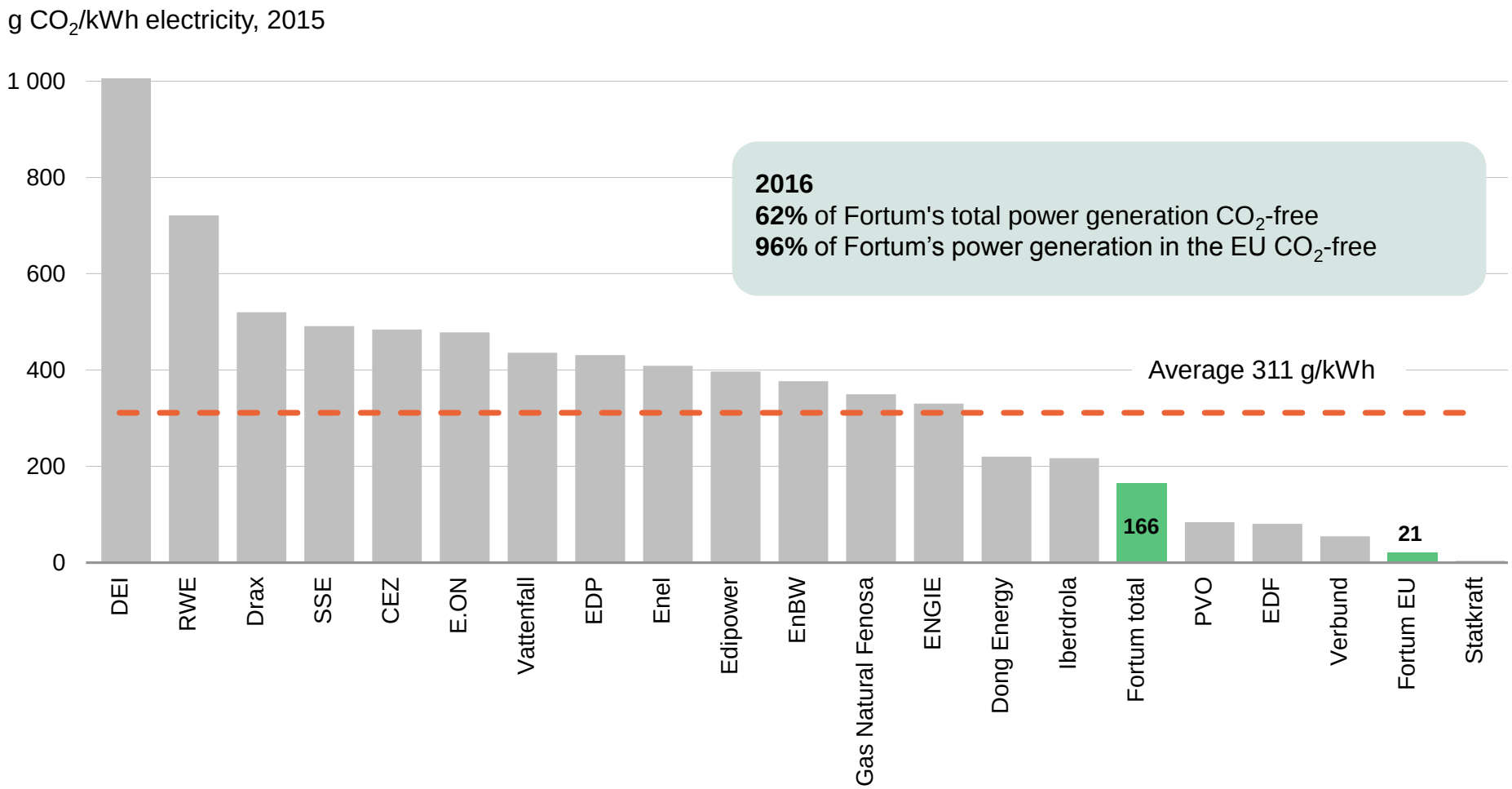
Fortum a forerunner in sustainability

We engage our customers and society to drive the change towards a cleaner world. Our role is to accelerate this change by reshaping the energy system, improving resource efficiency and providing smart solutions. This way we deliver excellent shareholder value.

Fortum is listed in several sustainability indexes:

- CDP Nordic rating
- STOXX® Global ESG Leaders indices
- ECPI® Indices
- oekom
- OMX GES Sustainability Finland index
- Euronext Vigeo Eurozone 120 index

Fortum's carbon exposure among the lowest in Europe



Note:
Only European generation except "Fortum total" which includes Russia. In 2016 most of E.ON's generation was transferred to Uniper.
Fortum's specific emissions of the power generation in 2016 in the EU were 28 g/kWh and in total 173 g/kWh.
Source: PWC, November 2016, Climate Change and Electricity, Fortum

Fortum’s renewables investment is already ramping up

Bio, MW	Power	Heat	Year
Zabrze, Poland, wast/coal CHP	75	145	2018

Associated companies, MW	Power	Heat	Year
Naantali, Finland, bio-CHP (49.5% share)	142	244	2017
Kaunas, Lithuania, waste-CHP (49% share)	24	~70	2020

Wind, MW	Power	Year
Uljanovsk, Russia	35	Q1 2018
Solberg, Sweden	75	Q4 2017
Ånstadblåheia, Norway	50	2018
Sørfjord, Norway	90	2019

Solar, India, MW	Power	Year
Bhadla, Rajasthan	70	Q1 2017
Pavagada, Karnataka	100	Q3 2017

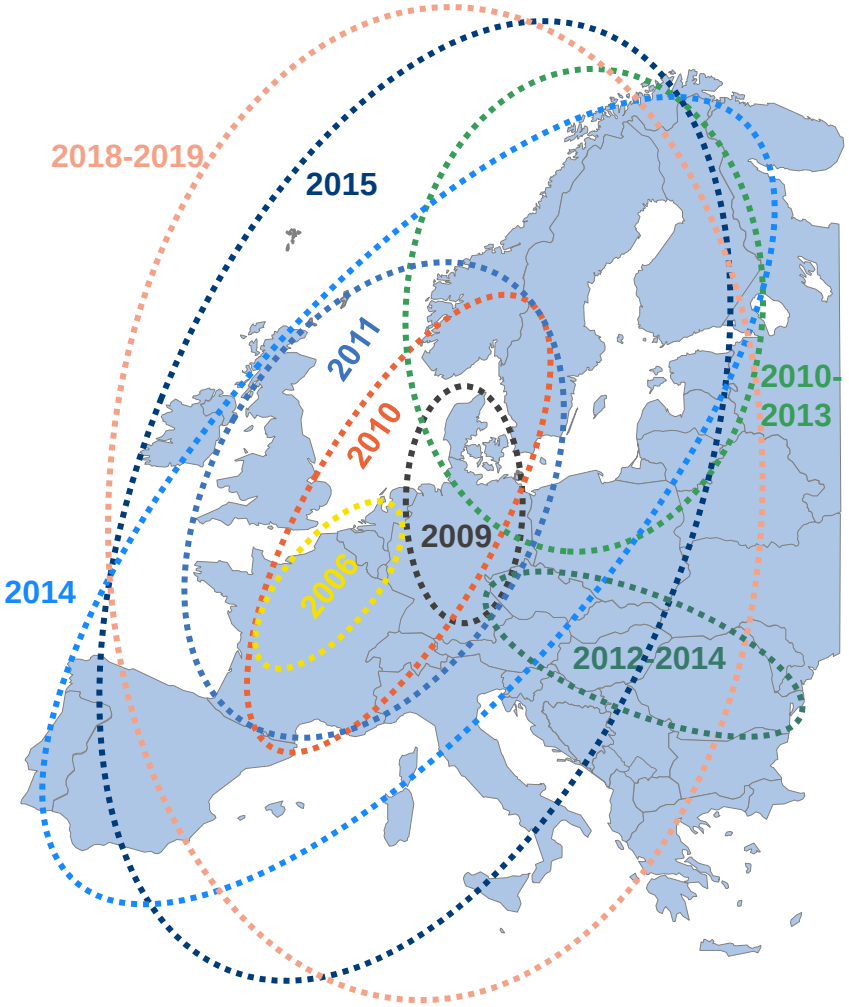
Hydro, MW	Power	Year
Maintenance/upgrade	~10	Annually

Total: ~ 580 MW power and ~ 300 MW heat capacity (Fortum’s share)

Market coupling milestones

- Cross-border power flows optimised by power exchanges

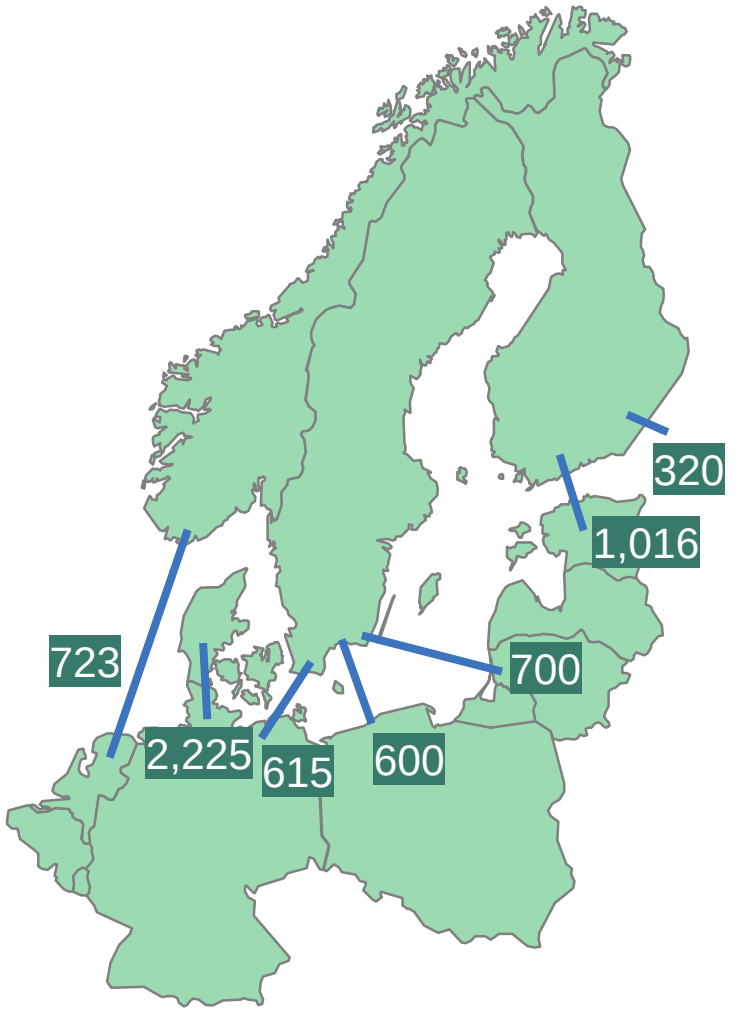
- Market coupling between NL, BE and FR since 2006
- Germany – Nord Pool coupling started 11/2009
- Market coupling for Central Western Europe (DE, FR, NL, BE) since 11/2010 with a continued coupling with Nord Pool. NorNed (NO-NL) and BritNed (UK-NL) included in 2011
- Nord Pool price area for Estonia in 2010, Lithuania in 2012 and Latvia in 2013. Poland coupled with Nord Pool since 2010
- Czech, Slovakia and Hungary coupled together since 2012. Romania joined in 2014
- A common day-ahead market coupling for the whole north-western Europe (incl. Spain & Portugal) was started in 2014. Italy and Slovenia joined in 2015
- Flow-based cross-border capacity allocation for further trade optimisation taken into use in May 2015 for the CWE region. Nordic flow-based implementation planned by 2020
- CEE (Central Eastern Europe) market coupling region due to join latest in 2019 with flow-based capacity allocation. Switzerland waiting for agreement with the EU
- In addition to day-ahead coupling, European-wide intraday market coupling is due to be implemented in 2018
- Balancing market integration under development as well, based on both regional projects and the EU Guideline on Electricity Balancing, approved in comitology 3/2017



Current transmission capacity from Nordic area is over 6,000 MW

Countries	Transmission capacity MW	
	From Nordics	To Nordics
Denmark - Germany	2,225	2,100
Sweden - Germany	615	615
Sweden - Poland	600	600
Sweden - Lithuania	700	700
Norway - Netherlands	723	723
Finland - Estonia	1,016	1,016
Finland - Russia	320	1,300
Total	**6,199**	**7,054**

- Theoretical maximum in transmission capacity ~40 TWh per annum, but restrictions especially between DK & DE
- Net export from the Nordic area to Continental Europe and Baltics during year 2016 was 10 TWh
- During 2015 the net export was 18 TWh
- Approximately 25 TWh of net export is now reachable



Nordic, Baltic, Continental and UK markets are integrating

– Interconnection capacity will double by 2023

The Northern Seas Offshore Grid and the Baltic Energy Market Integration Plan are included as priority electricity corridors in EU's Infrastructure Guidelines, approved in April 2013

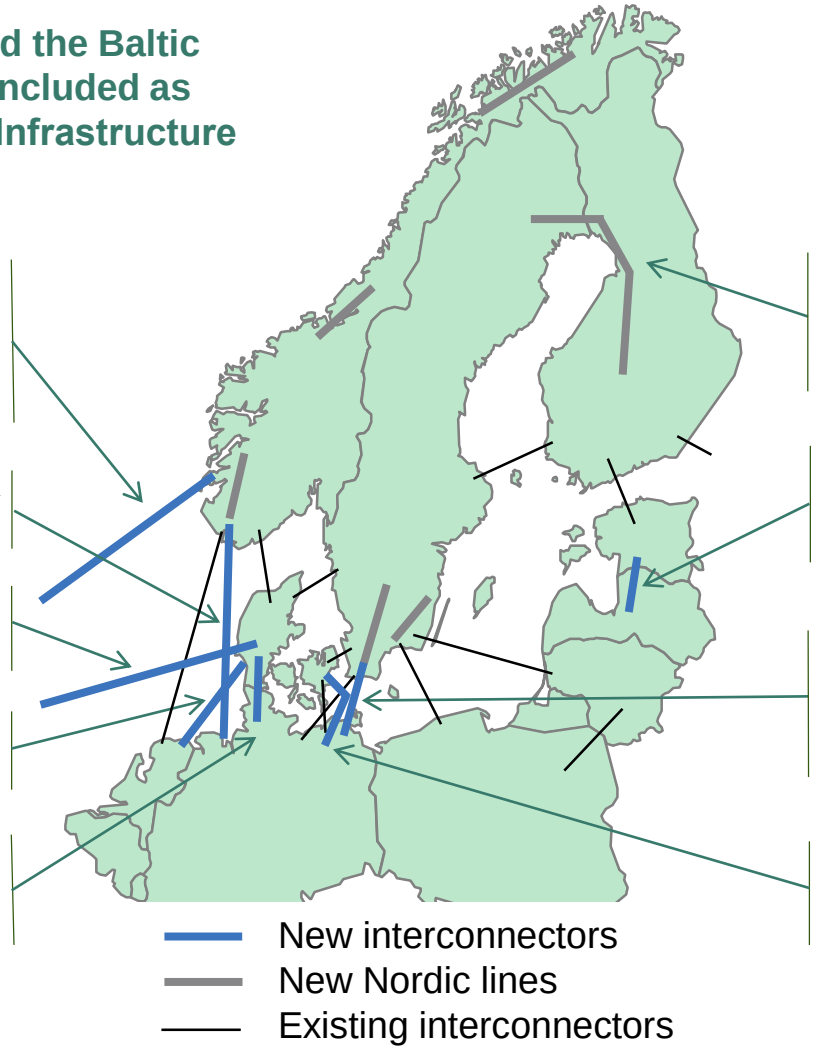
Two 1,400 MW NO-UK links as EU Projects of Common Interest: NSL to England due to be ready in 2021, NorthConnect to Scotland still requiring Norwegian permission

1,400 MW NordLink as first direct NO-DE link is being built by end-2019

New 1,400 MW DK-UK Viking Link not yet decided, but planned to be built by end-2022

700 MW COBRAcable from DK to NL due to be ready in March 2019

Jutland – DE capacity planned to grow by 860 MW in 2020, with further 1,000 MW increase in 2022



New interconnections will double the export capacity to over 12,000 MW by 2023

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

EU's Connecting Europe Facility co-financing 3rd EE-LV transmission line, due to be ready by 2020

Svenska Kraftnät and 50Hertz signed 1/2017 a cooperation agreement on building the 700 MW Hansa PowerBridge DC link between Sweden and Germany by 2025/26

New 400 MW Zealand – DE connection via Kriegers Flak offshore wind area by end-2018

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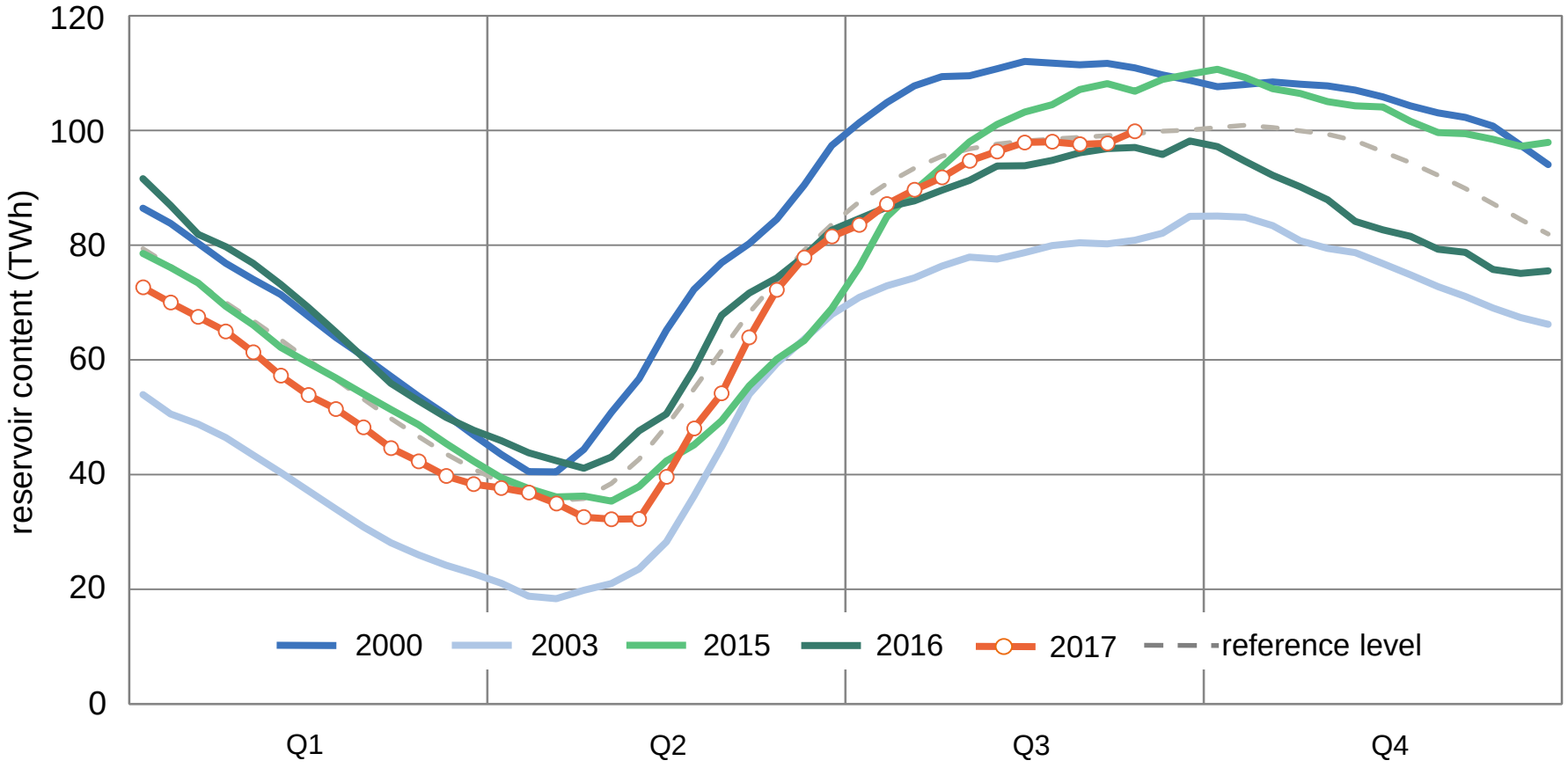
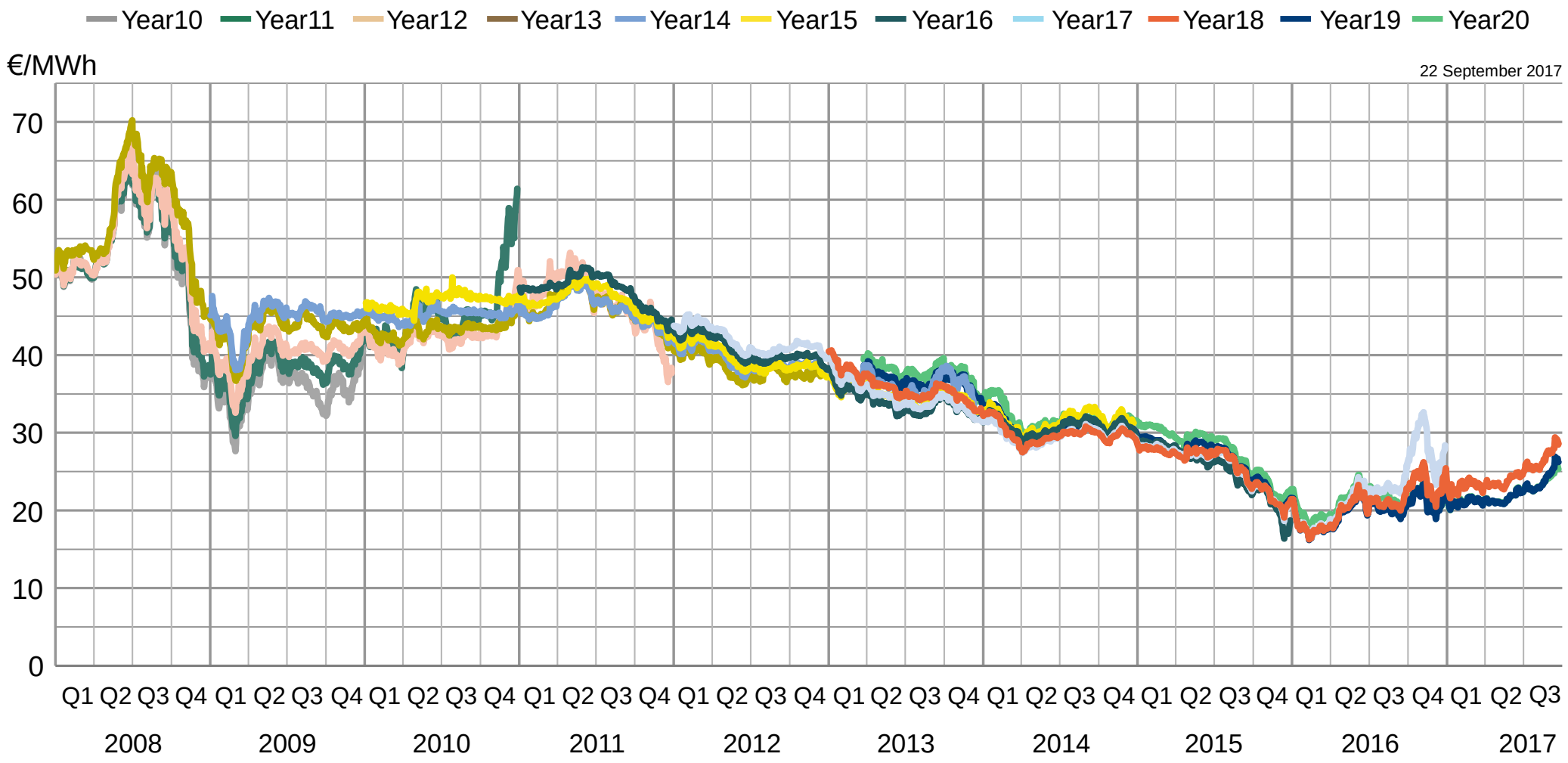
Nordic water reservoirs



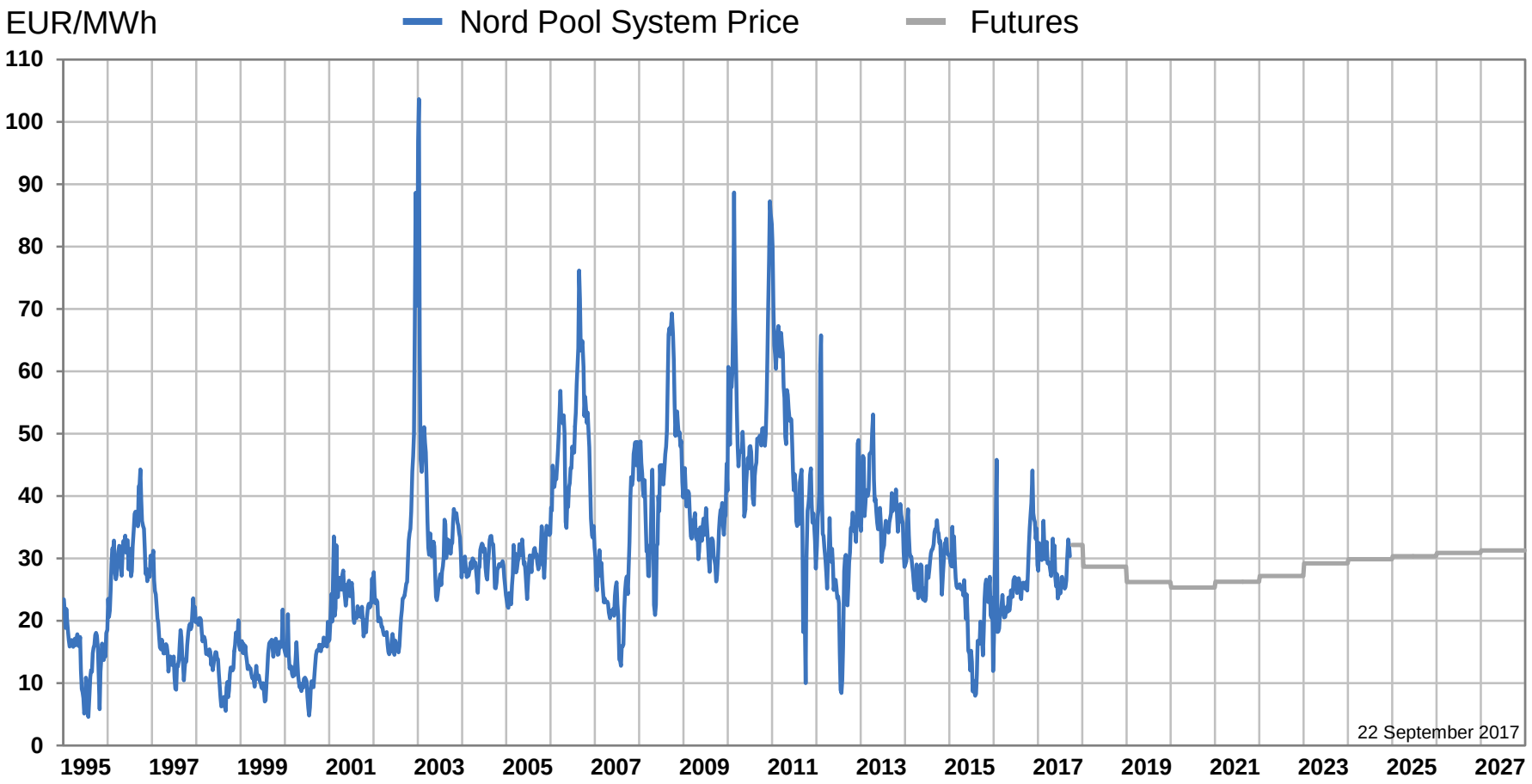
Source: Nord Pool

Nordic year forwards



Source: Nasdaq Commodities, Bloomberg

Wholesale power price



Source: Nord Pool, Nasdaq Commodities

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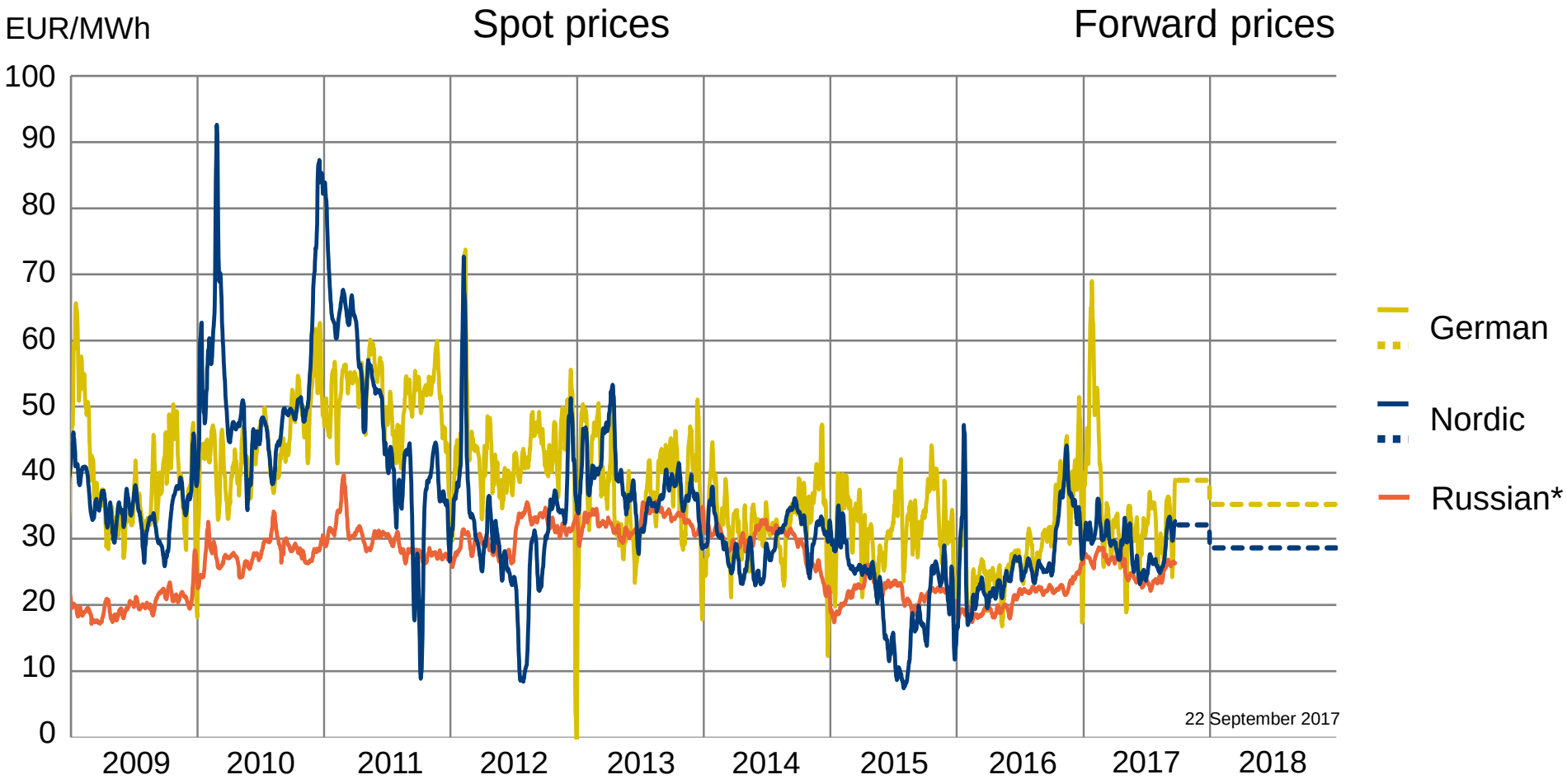
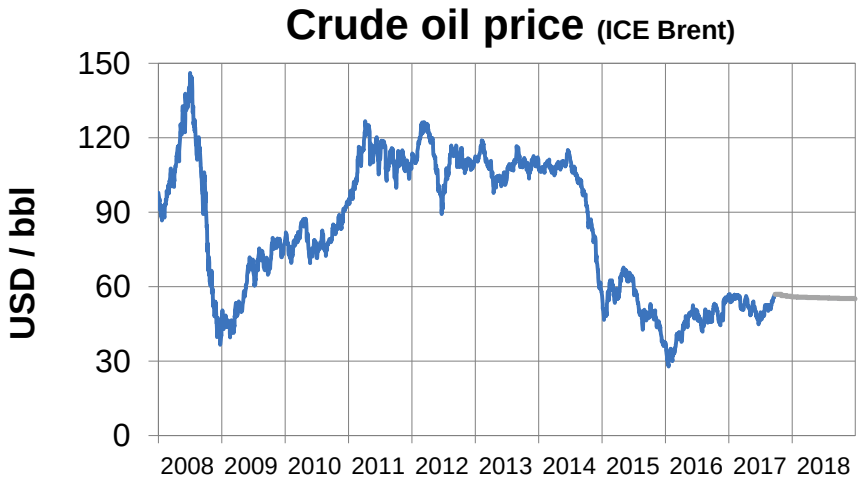
Wholesale power prices

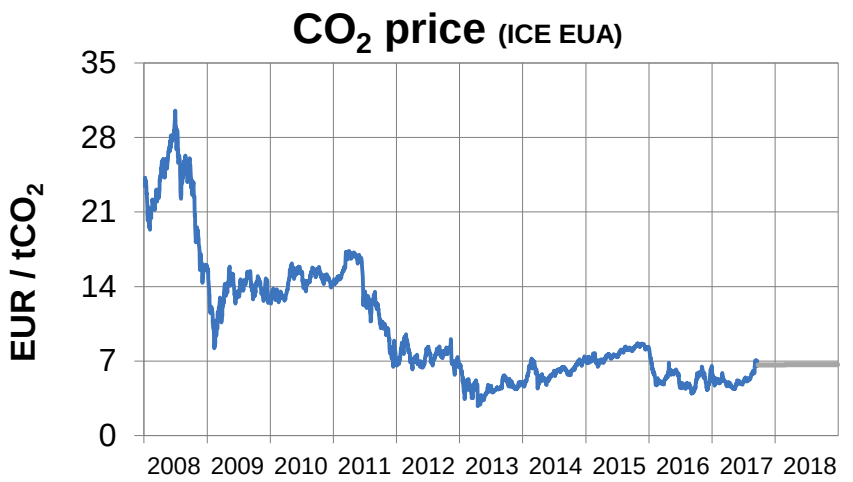


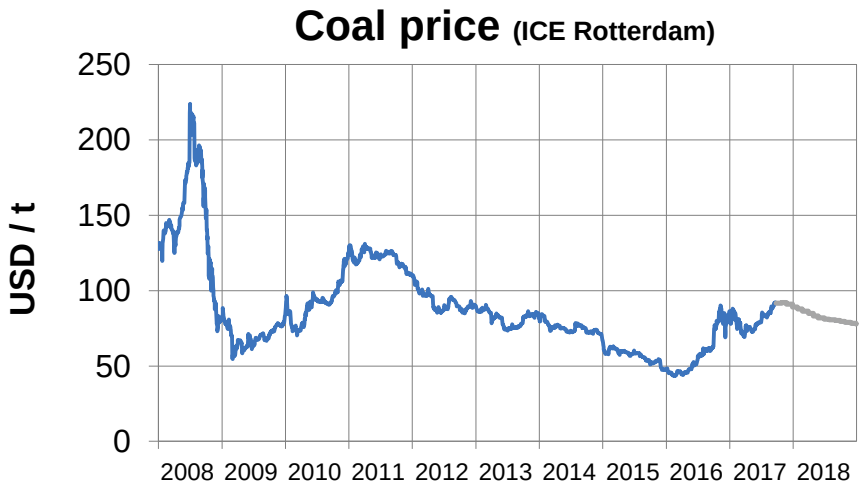
* Including weighted average capacity price

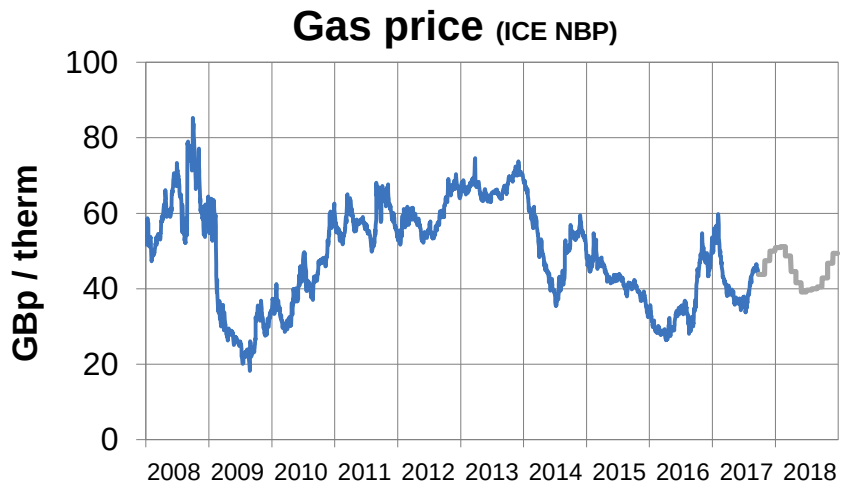
Source: Nord Pool, Nasdaq Commodities, Bloomberg Finance LP, ATS, NP “Market Council”, Fortum

Fuel and CO_2 allowance prices





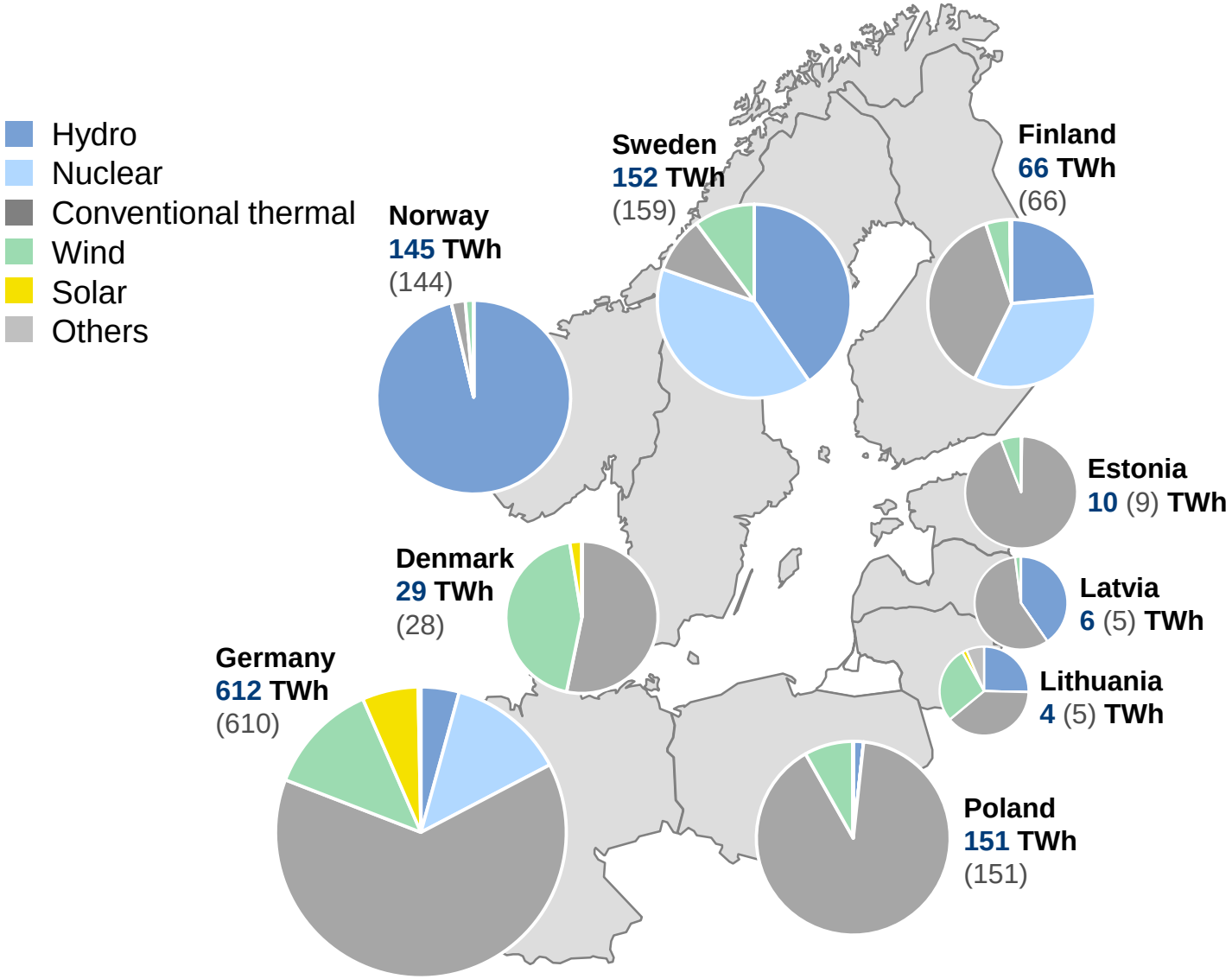




Source: ICE, Thomson Reuters

Market prices 22 September 2017; 2017-2018 future quotations

Power Generation in the Baltic Rim in 2016 (2015)



2016	Nordics TWh	Nordics %	Baltics TWh	Baltics %
Hydro	* 217	55	4	18
Nuclear	83	21	-	-
Conv. thermal	58	15	15	72
Wind	33	9	2	9
Solar	0.8	0.2	0.1	0.2
Others	0	0	0.3	1
Total generation	**392**		**21**	

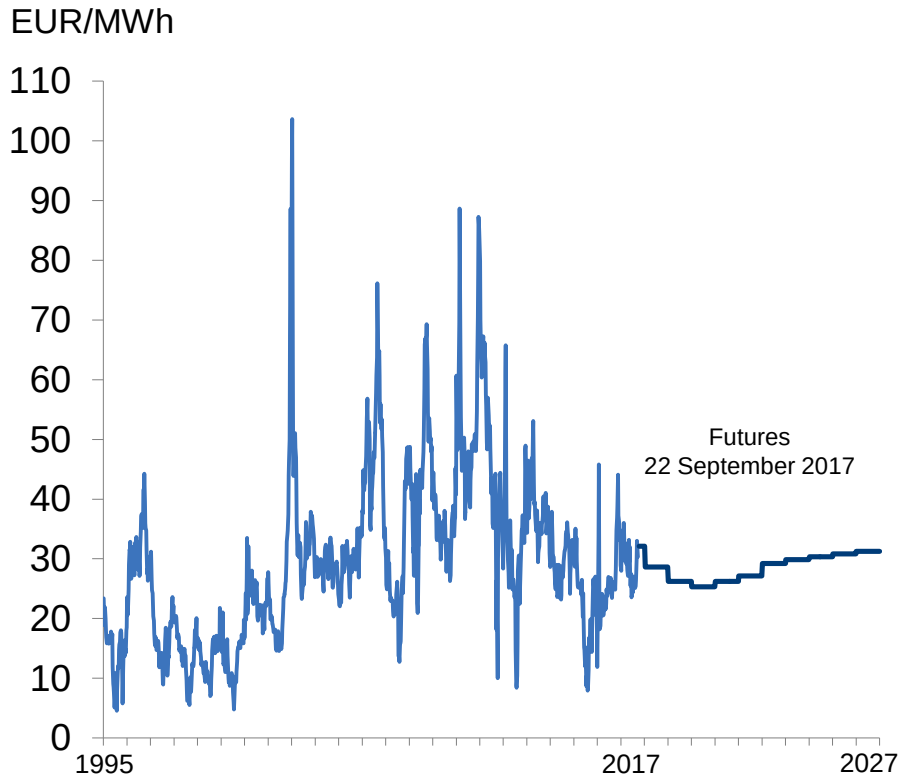
Net export **4** TWh

Net import **7** TWh

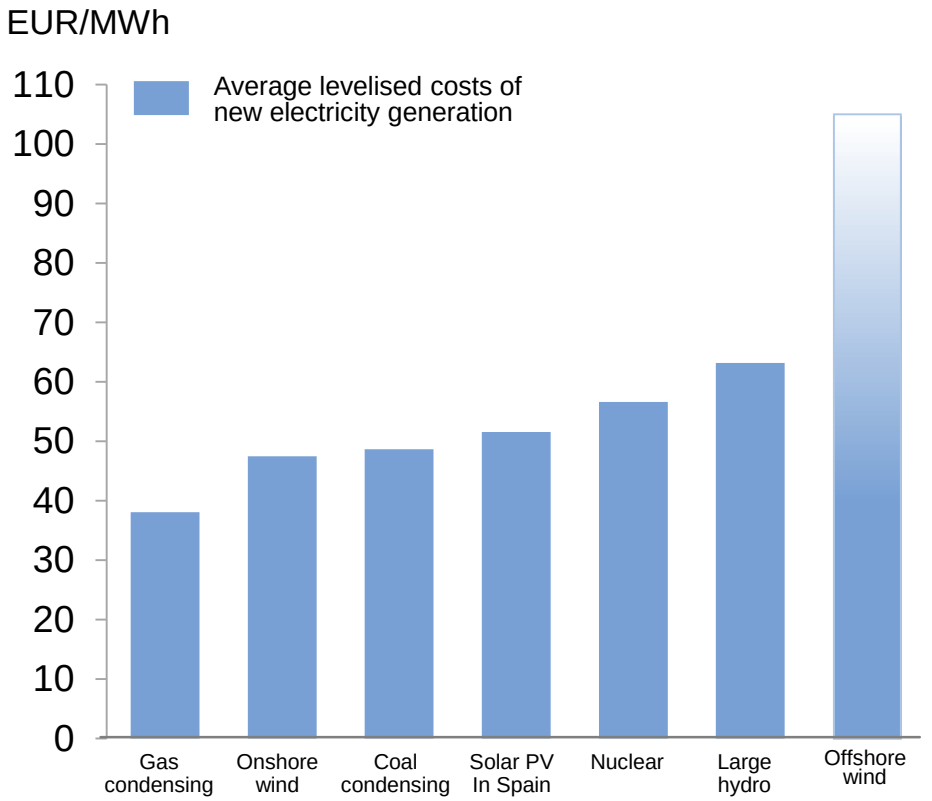
*) Normal annual Nordic hydro generation 200 TWh, variation +/- 40 TWh.

Source: Eurostat figures
Graph sizes are illustrative.

Wholesale electricity price too low to attract investments



Source: Nord Pool, Nasdaq Commodities



Commodity prices are forward prices as of April 2017, extended with inflation

NOTE: The presented figures are calculated based on data from recent public reports and do not represent Fortum's view. Average achieved price (€/MWh) for the production type depends on availability and flexibility. There are large variations in the cost of hydro, wind and solar depending on location and conditions.

Overview of Fortum’s nuclear fleet




	LOVIISA	OLKILUOTO	OSKARSHAMN	FORSMARK
Commercial operation started	Unit 1: 1977 Unit 2: 1981	Unit 1: 1978 Unit 2: 1980 Unit 3: (Under construction)	Unit 1: 1972 (out of oper.) Unit 2: 1974 (out of oper.) Unit 3: 1985	Unit 1: 1980 Unit 2: 1981 Unit 3: 1985
Generation Capacity	Unit 1: 502 MW Unit 2: 502 MW **Total: 1004 MW**	Unit 1: 880 MW Unit 2: 880 MW (Unit 3: 1,600 MW) **Total: 1,760 MW (3,360)**	Unit 1: 473 MW Unit 2: 638 MW Unit 3: 1,400 MW **Total: 1,873 MW**	Unit 1: 984 MW Unit 2: 1,120 MW Unit 3: 1,167 MW **Total: 3,271 MW**
Fortum’s share		27% 468 MW	43% 812 MW	22% 727 MW
Yearly production Fortum’s share of production	8 TWh 8 TWh	14 TWh 4 TWh	12 TWh 5 TWh	26 TWh 6 TWh
Share of Fortum’s Nordic production	18%	9%	12%	13%
Majority owner Fortum’s share	Fortum	Pohjolan Voima 26.6%	Uniper 43.4%	Vattenfall 22.2%
Operated by	Fortum	Teollisuuden Voima (TVO)	OKG Aktiebolag	Forsmarks Kraftgrupp

Responsibilities

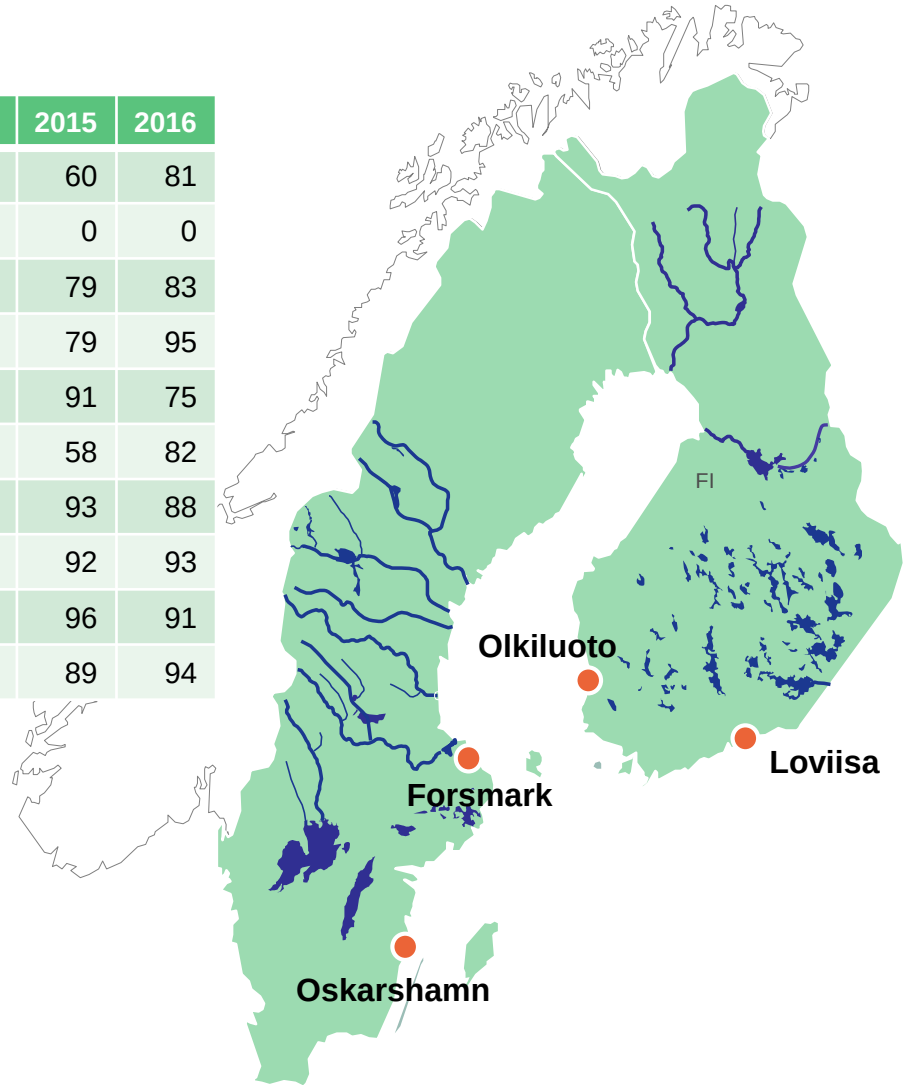
Loviisa: Fortum is the owner, licensee and operator with all the responsibilities specified in the Nuclear Energy Act, Nuclear Liability Act, and other relevant nuclear legislation

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.

Fortum's nuclear power in the Nordics

Load factor (%)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Oskarshamn 1	80	51	63	85	68	77	72	1	12	74	60	81
Oskarshamn 2	90	78	76	86	75	90	77	81	33	0	0	0
Oskarshamn 3	85	95	88	70	17	31	68	69	77	75	79	83
Forsmark 1	85	76	81	88	88	93	79	88	87	94	79	95
Forsmark 2	94	72	85	79	64	38	94	82	89	89	91	75
Forsmark 3	95	92	88	69	86	81	85	93	88	83	58	82
Loviisa 1	95	93	94	86	96	93	94	84	92	92	93	88
Loviisa 2	95	88	96	93	95	89	94	91	93	89	92	93
Olkiluoto 1	98	94	97	94	97	92	95	90	97	94	96	91
Olkiluoto 2	94	97	94	97	95	95	91	96	93	97	89	94

Source: Fortum



- Finnish units world class in availability
- Overview of production and consumption: www.fortum.com/investors - energy related links

Variety of technologies and ages

Unit	MWe (Net)	Share (%)	Share (MWe)	Commercial operation	Age	Type/ Generation [1)]	Supplier
Loviisa 1	498	100,0	498	1977-05-09	38	PWR / 1	AEE (Atomenergoexport)
Loviisa 2	500	100,0	500	1981-01-05	35	PWR / 1	AEE (Atomenergoexport)
Olkiluoto 1	880	26,6	234	1979-10-10	37	BWR / 3	Asea-Atom / Stal-Laval
Olkiluoto 2	880	26,6	234	1982-07-10	35	BWR / 3	Asea-Atom / Stal-Laval
Olkiluoto 3	(1,600)	25,0	(400)	(end of 2018)		PWR / 3	Areva / Siemens
Oskarshamn 1	473	43,4	205	1972-02-06	43	BWR / 1	Asea-Atom / Stal-Laval
Oskarshamn 2	638	43,4	277	1975-01-01	41	BWR / 2	Asea-Atom / Stal-Laval
Oskarshamn 3	1,400	43,4	607	1985-08-15	30	BWR / 4	Asea-Atom / Stal-Laval
Forsmark 1	984	23,4	230	1980-12-10	35	BWR / 3	Asea-Atom / Stal-Laval
Forsmark 2	1,120	23,4	262	1981-07-07	34	BWR / 3	Asea-Atom / Stal-Laval
Forsmark 3	1,167	20,1	236	1985-08-18	30	BWR / 4	Asea-Atom / Stal-Laval

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

Planned capacity increase:

- Forsmark 1, potential capacity increase of total ~110 MW in 2017-2020.

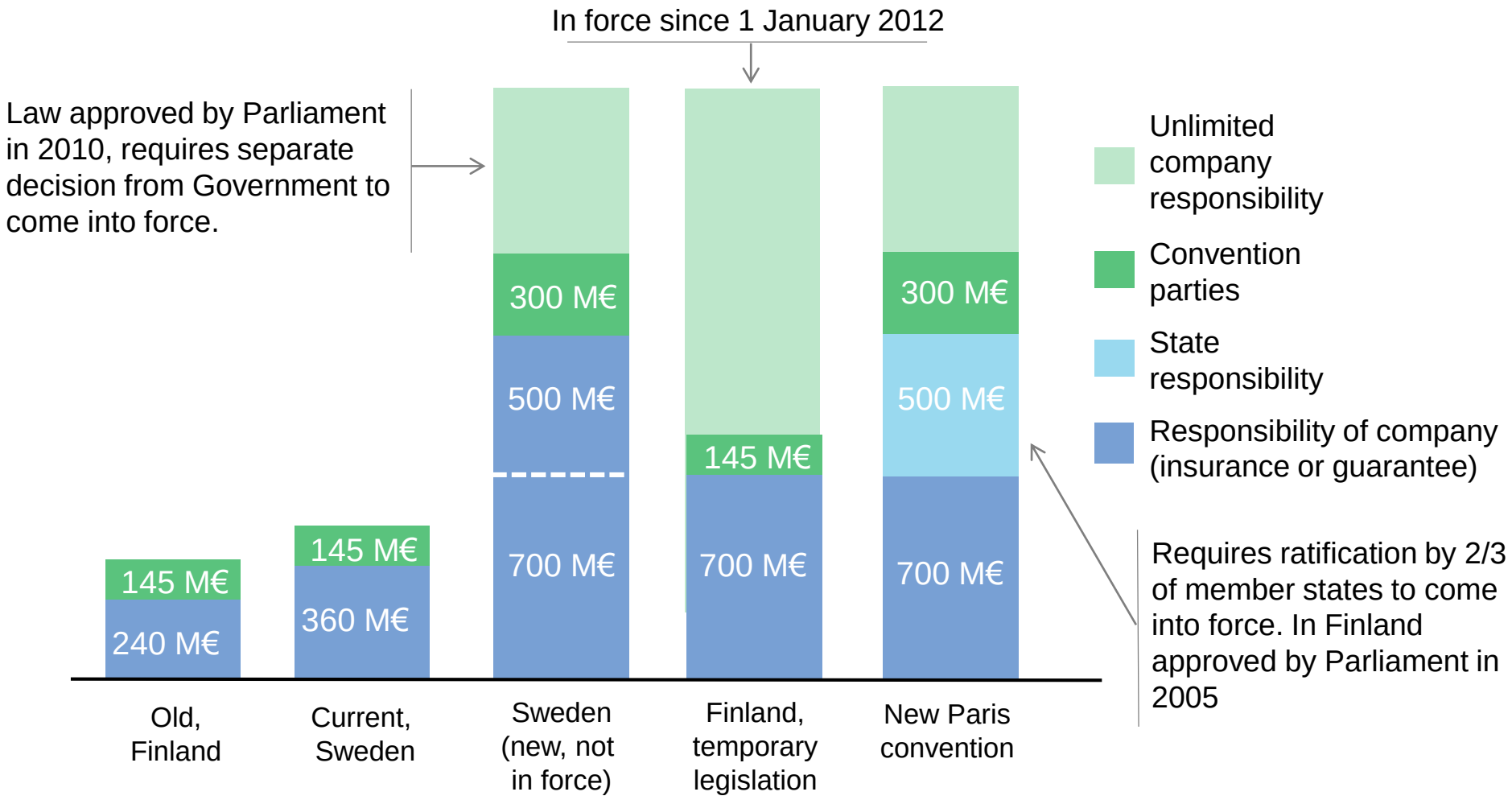
Closing of the units:

- OKG AB's Extraordinary shareholders' meeting decided on 14 October 2015 on the closure of Oskarshamn nuclear power plant units 1 and 2 in Sweden.
- Unit 1 was be taken out of operation on June 17, 2017. Unit 2 has been out of operation since June 2013 due to an extensive safety modernisation, and it will not be put back into operation. The closing process for both units is estimated to take several years.

PWR = (Pressurized Water Reactor) The most common reactor type in the world (e.g. all French units, most US units). Also the Loviisa units are PWRs, but based on Russian design. High pressure prevents water from boiling n the reactor. The steam rotating the turbine is generated in separate steam generators.

BWR = (Boiling Water Reactor) Similar to the PWR in many ways, but the steam is generated directly in the reactor. Popular reactor type e.g. in Sweden, the US and Japan.

Third party nuclear liability in case of severe accident



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
- 25 TWh power generation, 21 TWh heat production in 2016 Investment programme to add 85%, almost 2,200 MW to power generation capacity

TGC-1

- 29.5% of territorial generating company TGC-1 operating in north-west Russia
- ~7,000 MW electricity production capacity (more than 40% hydro), ~26 TWh electricity, ~28 TWh heat in 2016

In December 2014, Fortum and Gazprom Energoholding signed a protocol to start a restructuring process of TGC-1. Currently Gazprom Energoholding owns 51.8% of the TGC-1 shares and Fortum 29.5%. As part of the restructuring, Fortum will establish a joint venture together with Rosatom to own the hydro assets of TGC-1, while Gazprom Energoholding continues with the heat and thermal power businesses of TGC-1. By utilising its present stake in TGC-1, Fortum would obtain a 75-plus-percent ownership in the new hydro power company, and Rosatom a 25-minus-percent minority holding.

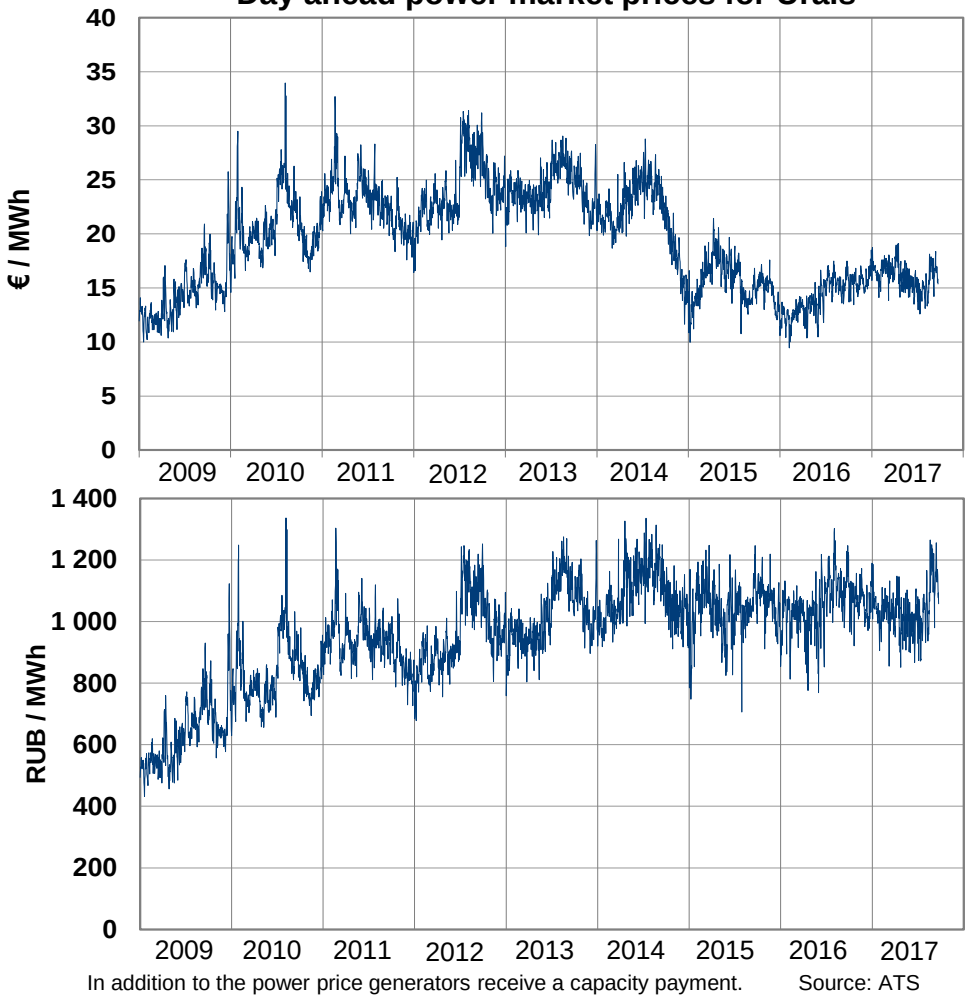
In October 2015, Fortum announced that the discussions related to the potential restructuring of TGC-1 will continue, and it is not possible to estimate the time schedule or outcome of the discussions.

Day ahead wholesale market prices in Russia

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

	II/17	II/16	I-II/17	I-II/16	2016	LTM
Electricity spot price (market price), Urals hub, RUB/MWh	1,012	1,011	1,023	1,015	1,055	1,059
Average regulated gas price, Urals region, RUB 1000 m^3	3,614	3,614	3,614	3,614	3,614	3,614
Average capacity price for CCS ”old capacity”, tRUB/MW/month	138	129	148	139	140	145
Average capacity price for CSA ”new capacity”, tRUB/MW/month	819	737	901	804	815	864
Average capacity price, tRUB/MW/month	492	434	539	467	481	517
Achieved power price for Fortum in Russia, RUB/MWh	1,738	1,663	1,807	1,665	1,734	1,808
Achieved power price for Fortum in Russia, EUR/MWh	27.0	22.6	28.5	21.5	23.5	27.0

Day ahead power market prices for Urals



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

Power generation capacity in Russia at 30.6.2017

Year	Supply starts	Power plant	Fuel type	Existing capacity	New investments	Production type	Total capacity
< 2011		Tyumen CHP-2	Gas	755		CHP/Condensing	755
		Chelyabinsk CHP-2	Gas, coal	320		CHP/Condensing	320
		Argayash CHP	Gas, coal	195		CHP/Condensing	195
		Chelyabinsk CHP-1	Gas, coal	134		CHP/Condensing	134
2011	Feb/2011	Tyumen CHP-1	Gas	450	210	CHP/Condensing	660
	June/2011	Chelyabinsk CHP-3	Gas	360	233	CHP/Condensing	593
	Oct/2011	Tobolsk CHP*	Gas	452	213	CHP/Condensing	665*
2013	April/2013	Nyagan 1 GRES	Gas		453	Condensing	453
	Dec/2013	Nyagan 2 GRES	Gas		453	Condensing	453
2015	Jan/2015	Nyagan 3 GRES	Gas		455	Condensing	455
	Dec/2015	Chelyabinsk GRES	Gas		247	CHP/Condensing	247
2016	March/2016	Chelyabinsk GRES	Gas		248	CHP/Condensing	248
				2,214 MW	**2,298 MW**		**4,512 MW**

*Tobolsk power plant was sold in Q1/2016

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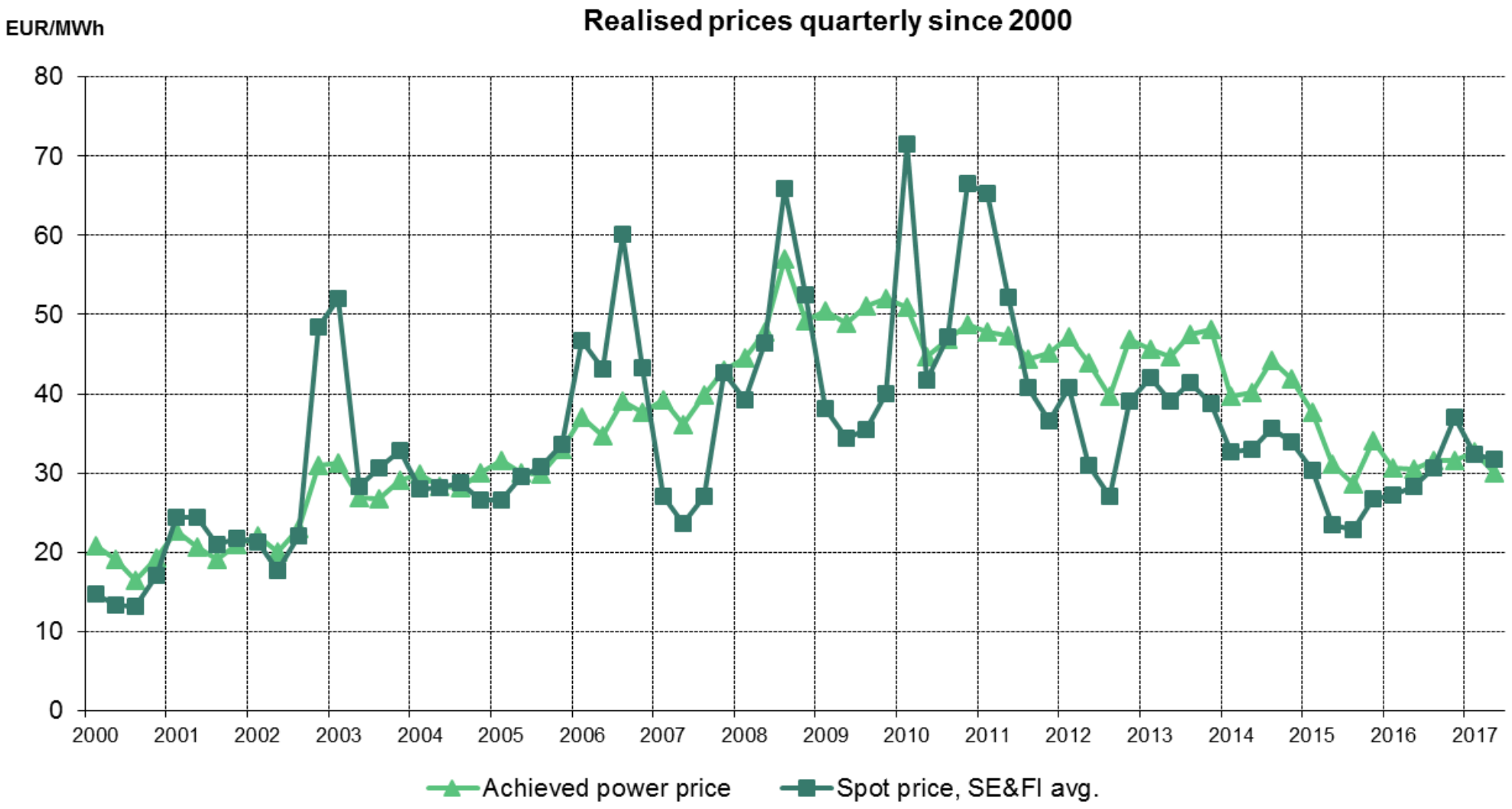
Hedging improves stability and predictability



2009 onwards thermal and import from Russia excluded

Half-Year Financial Report January-June 2017

Fortum Corporation

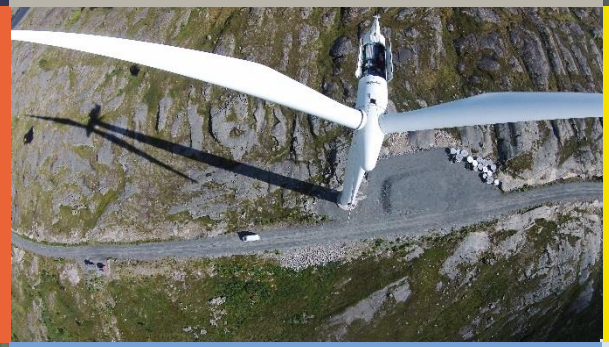
20 July 2017

Strategy implementation and capital redeployment continued

70 MW solar power in India

Nuclear services in Germany

Hafslund deal



Wind power in Nordics and Russia

Charge & Drive network expanded

Digitalising our customer interface; MyFortum app

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Fortum’s performance in Q2 2017

- Wholesale prices increased, but are still on low levels
- Comparable operating profit EUR 109 (122) million, decrease mainly due to lower hydro volumes
- Continued strong result in the Russia segment EUR 53 (34) million
- Earning per share EUR -0.08 (0.06) impacted by
  - Swedish income tax case EUR -0.14 (0.00) and
  - Items affecting comparability EUR -0.04 (-0.05)
- Hafslund restructuring announced in April, closing expected during Q3
- Reduction of fixed costs according to earlier announced plan (EUR 100 million) has proceeded well
- Increased development efforts in new ventures and R&D affected the results of the Other segment, but is expected to start paying back from 2018
- Oskarshamn, unit 1 shut down 17 June 2017

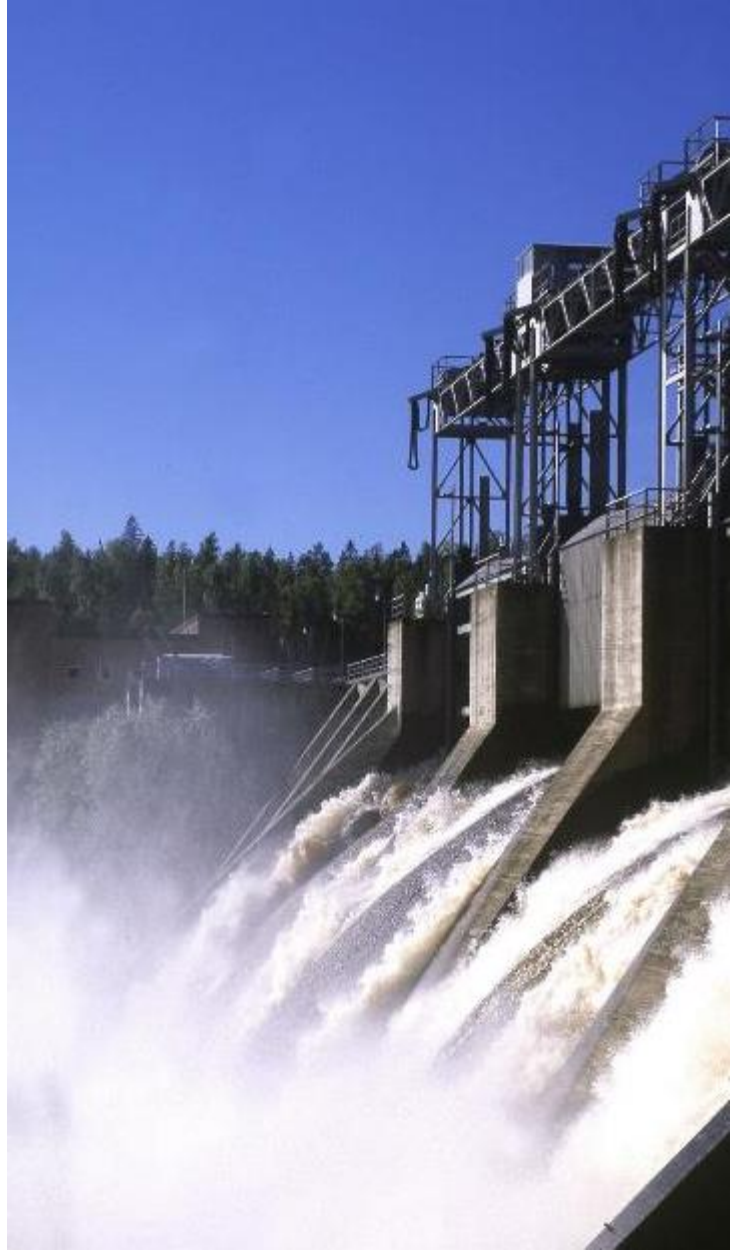
Market conditions in Q2 2017

Nordic countries

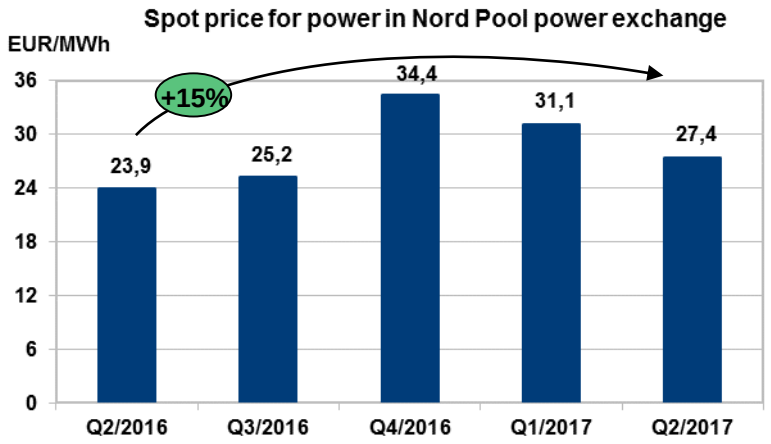
- Electricity consumption totalled 88 (86) TWh in Q2 2017. Colder weather in Q2 2017 than in Q2 2016. January-June consumption 202 (203) TWh
- System spot price 27.4 (23.9) EUR/MWh, Finnish area price was 30.9 (30.2) EUR/MWh and Swedish (SE3) area price 28.5 (26.5) EUR/MWh
- Market price of CO_2 emission allowances (EUA) was EUR 6.5 per tonne at the beginning of the year and EUR 5.0 per tonne at the end of the second quarter of 2017

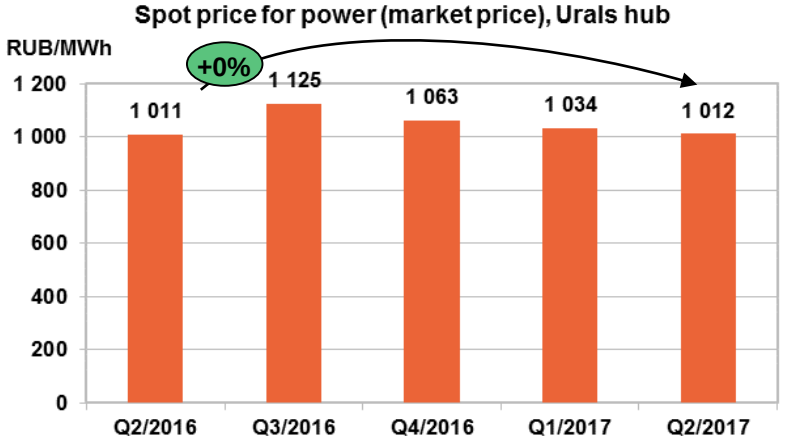
Russia

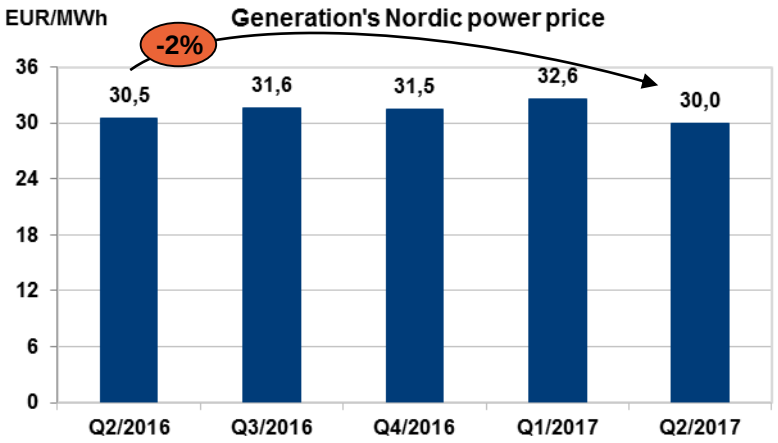
- Electricity consumption was 238 (230) TWh in Q2 2017. In Fortum's operating area in the First price zone 184 (176) TWh in Q2 2017
- Average electricity spot price, excluding capacity price, in Urals hub remained at the same level as in the second quarter of 2016

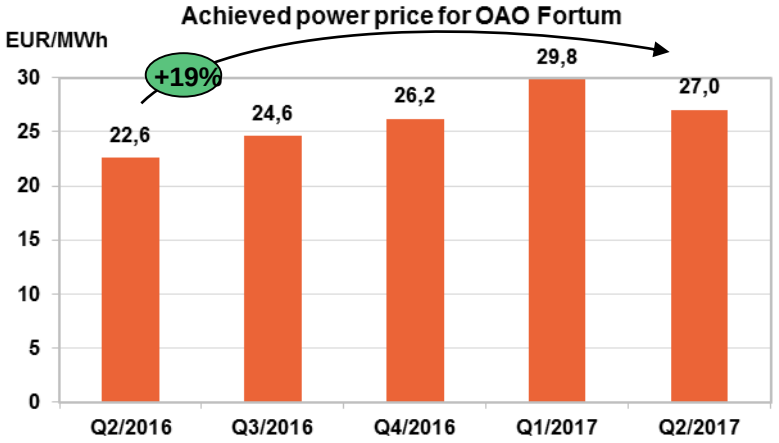


Price development in the Nordic region and Russia









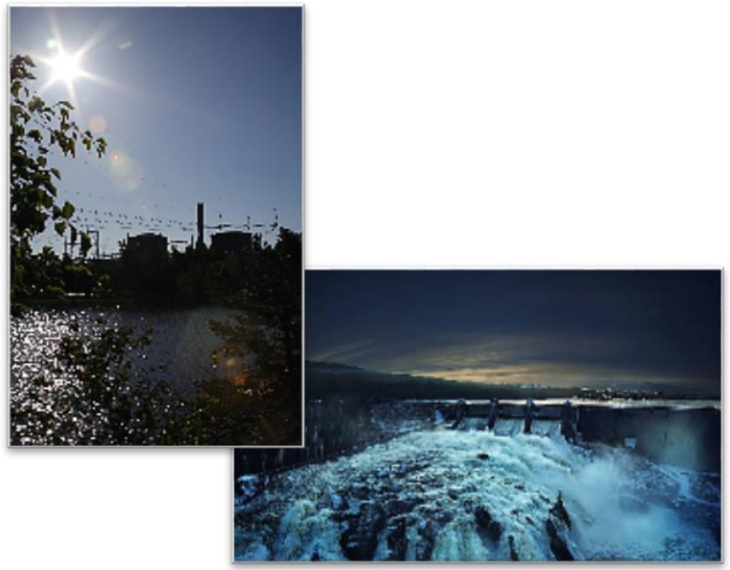
NOTE: *Achieved power price in roubles increased appr.5%*
Includes capacity income

Key figures Q2 2017

MEUR	II/17	II/16	I-II/17	I-II/16	2016	LTM
Sales	937	768	2,169	1,757	3,632	4,044
Comparable EBITDA	219	209	642	566	1,015	1,091
Operating profit	66	67	456	437	633	652
Comparable operating profit	109	122	421	397	644	668
Share of profits of associates and joint ventures	35	38	94	105	131	120
Profit before taxes	49	61	461	451	595	605
Earnings per share, EUR	-0.08	0.06	0.30	0.43	0.56	0.43
Net cash from operating activities	232	-5	514	370	621	765

Generation

- Lower hydro production volumes and lower achieved power price burdened the results
- Excellent nuclear availability and higher thermal volumes partly offset the result effect
- Nordic hydro reservoirs 2 TWh lower than a year ago



MEUR	II/17	II/16	I-II/17	I-II/16	2016	LTM
Sales	402	384	876	851	1,657	1,682
Comparable EBITDA	111	124	277	306	527	498
Comparable operating profit	78	98	214	253	417	378
Comparable net assets			5,724	5,832	5,815	
Comparable RONA %					6.9	6.0
Gross investments	42	50	67	77	203	193

City Solutions

- Colder weather positively impacted the heat sales 5.4 (4.7) TWh
- Strong sales and EBITDA improvement mainly due to Ekokem
- Comparable operating profit also positively impacted by favourable fuel mix

MEUR	II/17	II/16	I-II/17	I-II/16	2016	LTM
Sales	205	121	495	349	782	928
Comparable EBITDA	37	20	131	90	186	227
Comparable operating profit	1	-5	57	39	64	82
Comparable net assets			2,889	2,020	2,873	
Comparable RONA %					5.9	5.8
Gross investments	43	17	63	37	807	833

Consumer Solutions

- Sales increased, mainly due to the increased Nordic prices and the higher trading activity in Poland
- Lower average margins in electricity products and increased focus and spend on development of new digital services impacted the result negatively
- Strong competition in the Nordics is expected to continue challenging, putting pressure on sales margins
- Announced Hafslund deal will almost double the Nordic customer base to 2.4 million customers

MEUR	II/17	II/16	I-II/17	I-II/16	2016	LTM
Sales	164	146	406	321	668	753
Comparable EBITDA	8	15	22	29	55	48
Comparable operating profit	6	13	18	26	48	40
Comparable net assets			129	125	154	
Customer base, million			1.36	1.35	1.36	
Gross investments	1	3	3	117	120	6

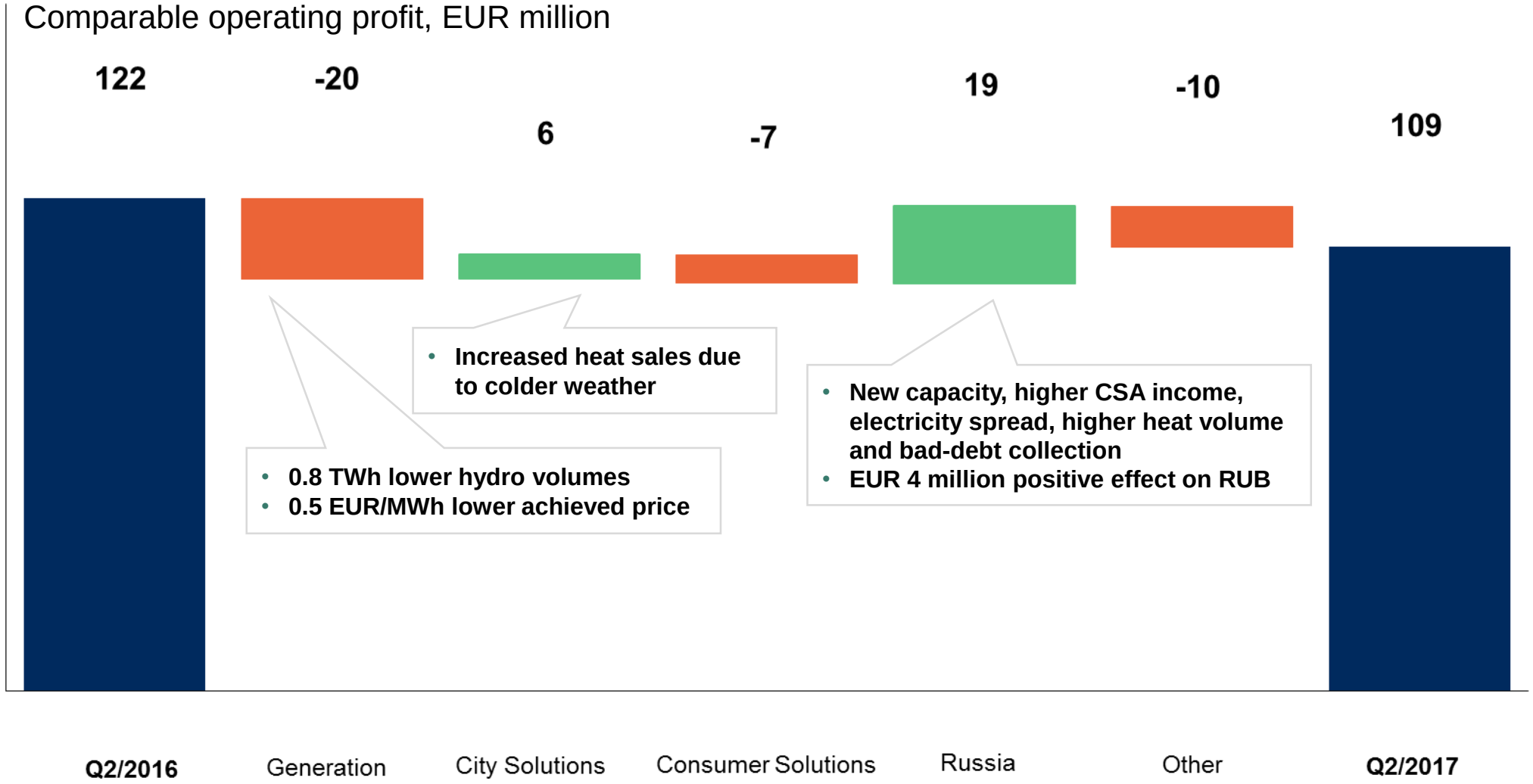
Russia

- Sales increased due to strengthening RUB, higher CSA payments and heat sales
- Lower fuel costs and improved bad-debt collection also improved the results
- 1,000 MW of 50/50 owned Fortum-RUSNANO wind investment fund bids selected in Russian CSA auction

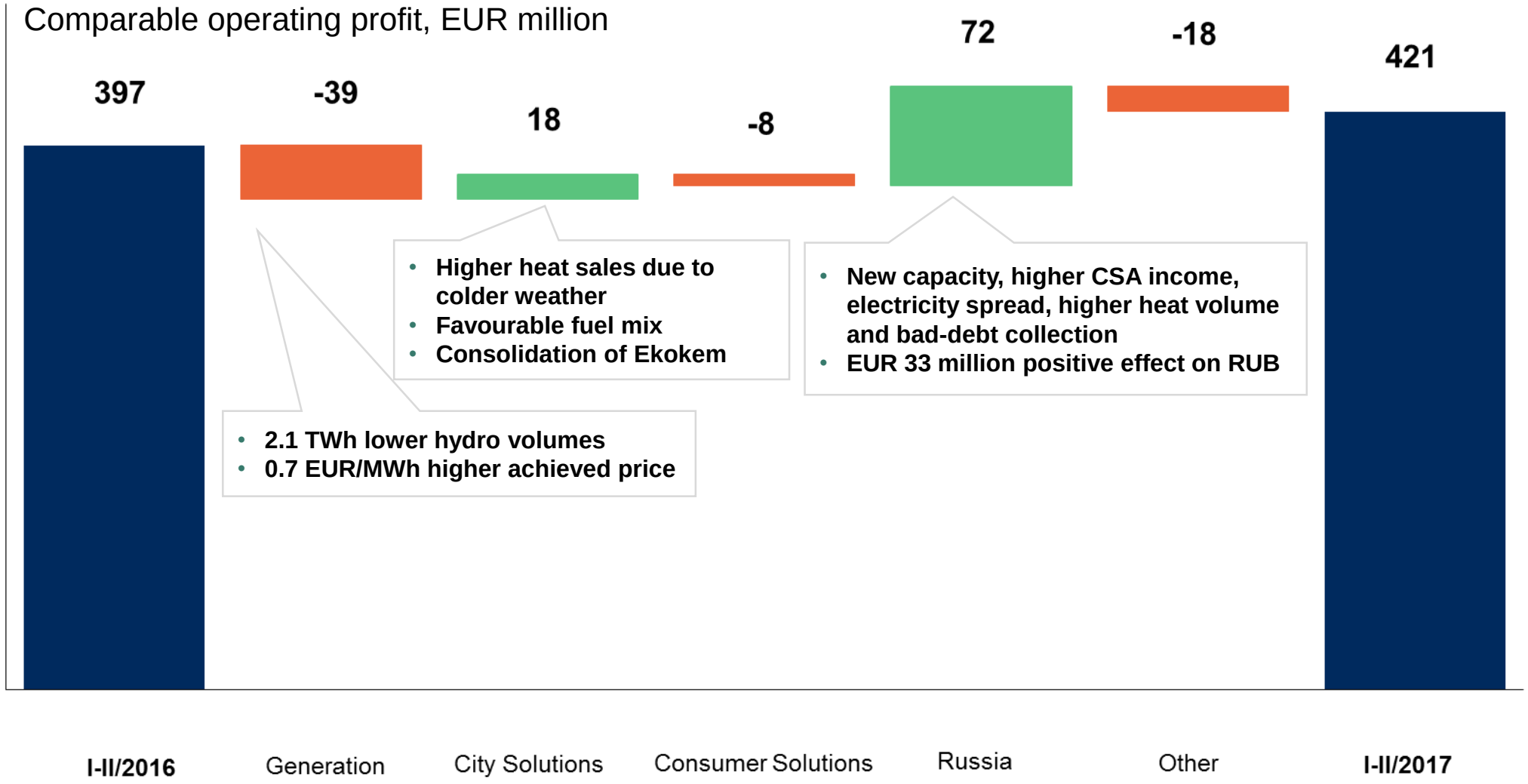
MEUR	II/17	II/16	I-II/17	I-II/16	2016	LTM
Sales	238	182	586	431	896	1,051
Comparable EBITDA*	88	64	256	169	312	399
Comparable operating profit	53	34	185	113	191	263
Comparable net assets			3,156	2,871	3,284	
Comparable RONA %					8.0	9.3
Gross investments	42	53	73	93	201	181

* Excluding the net release of CSA provision

Q2/2017: Lower hydro volumes – Russia results improved



I-II/2017: Lower hydro volumes – Russia results improved



Income statement

MEUR	II/17	II/16	I-II/17	I-II/16	2016	LTM
Sales	937	768	2,169	1,757	3,632	4,044
Other income and expenses	-828	-646	-1,748	-1,360	-2,988	-3,376
Comparable operating profit	**109**	**122**	**421**	**397**	**644**	**668**
Items affecting comparability	-42	-54	34	40	-11	-17
Operating profit	**66**	**67**	**456**	**437**	**633**	**652**
Share of profit of associates and joint ventures	35	38	94	105	131	120
Finance costs, net	-52	-44	-88	-91	-169	-166
Profit before taxes	**49**	**61**	**461**	**451**	**595**	**605**
Income tax expense	-118	-4	-190	-62	-90	-218
Net profit	**-69**	**57**	**271**	**389**	**504**	**386**
EPS (EUR)	-0.08	0.06	0.30	0.43	0.56	0.43

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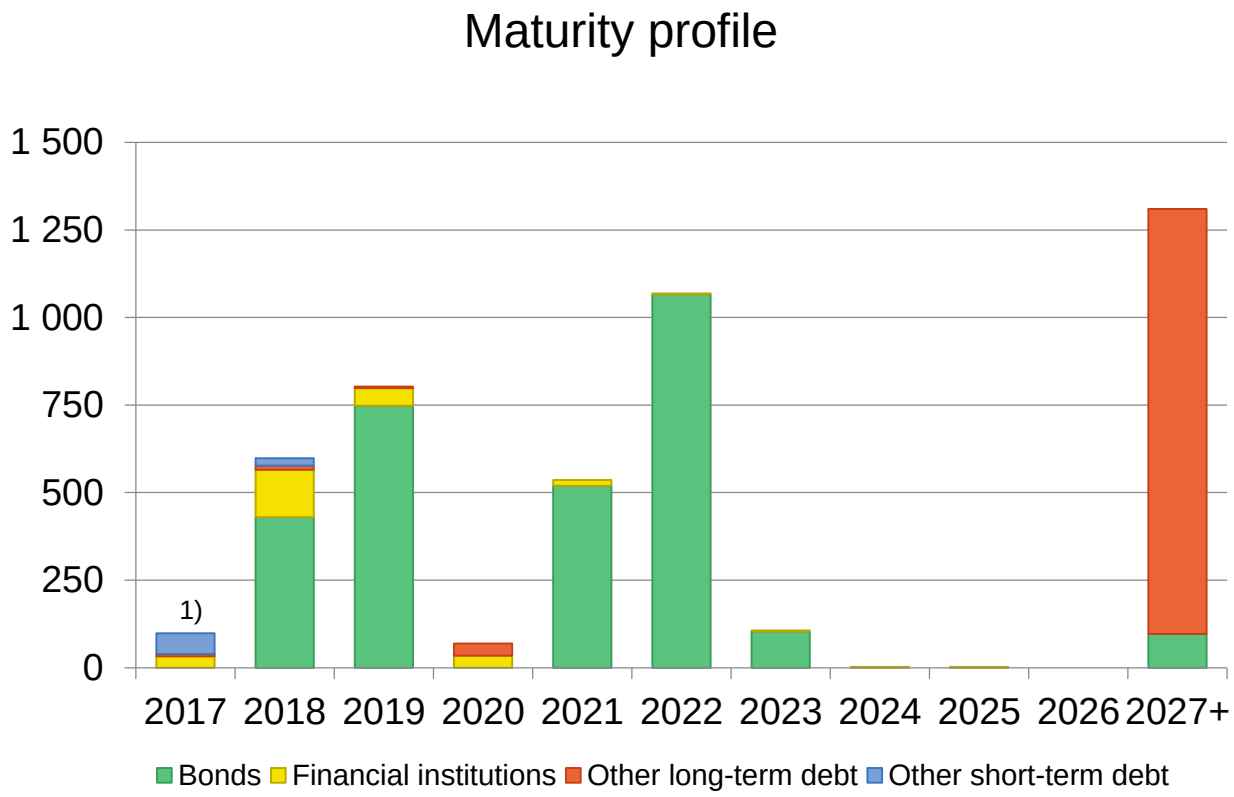
Cash flow statement

MEUR	II/17	II/16	I-II/17	I-II/16	2016	LTM
Cash from operating activities:						
Comparable EBITDA	219	209	642	566	1,015	1,091
Realised FX gains/losses	-6	-1	-63	128	110	-81
Paid net financial costs, income taxes and other	-35	-191*	-130	-331*	-402*	-201
Change in working capital	54	-22	65	7	-102	-44
Cash from operating activities	**232**	**-5**	**514**	**370**	**621**	**765**
Cash used in investing activities:						
Paid capital expenditures	-128	-130	-308	-244	-599	-663
Acquisitions of shares	-25	-9	-51	-113	-695	-633
Change in cash collaterals	-110	-93	72	-269	-359	-18
Other investing activities	65	-30	88	-15	-48	55
Total investing activities	**-198**	**-262**	**-199**	**-641**	**-1,701**	**-1,259**
Cash flow before financing activities	**34**	**-266**	**315**	**-271**	**-1,080**	**-494**

* Includes the payment of income taxes EUR 127 million regarding Swedish income tax case

Debt portfolio and average interest rate on the balance sheet date

30 June 2017



- Total interest-bearing debt EUR 4,711 million
  - Average interest 3.4% (2016: 3.5%)
  - Portfolio mainly in EUR and SEK with average interest cost 2.0% (2016: 2.1%)
  - EUR 761 million (2016: 805) swapped to RUB, average interest cost including cost for hedging 10,7% (2016: 11.4%)

[1)] In addition Fortum has received EUR 116 million based on Credit Support Annex agreements with several counterparties. This amount has been booked as a short term liability.

Fortum has significant financial headroom available for market consolidation

MEUR	LTM	2016	Target
Comparable EBITDA	1,091	1,015	
Interest-bearing net debt	605	-48	
Comparable net debt/EBITDA	0.6	0.0	Around 2.5
ROCE % Return on capital employed	4.3	4.0	At least 10%

Liquid funds totalled EUR 4.1 billion
Committed credit lines total EUR 1.9 billion

Outlook

Nordic markets

- Fortum continues to expect that the annual electricity demand growth will be approximately 0.5% on average
- Electricity is expected to continue to gain share of total energy consumption

2017 Annual capex estimate, excluding acquisitions

- Approximately EUR 800 million (maintenance capex below EUR 300 million)

Hedging

- Rest of 2017 approximately 45% hedged at EUR 30/MWh
- 2018 approximately 45% hedged at EUR 28/MWh

Taxation

- Effective tax rate for 2017 for the Group 19-21% *
- In Sweden
  - Nuclear taxes reduced from 1 July 2017 and abolished by 2018
  - Hydro assets' real estate tax rate decreased from 2.8% to 0.5% over a four-year period
- Swedish Administrative Court ruled (on 30 June 2017) in Fortum Sverige AB's favour regarding hydro real-estate tax for 2009-2014 (EUR 53 million). The tax authority may still appeal.

* Excluding the impact of the share of profits of associated companies and joint ventures, non-taxable capital gains, and a Swedish income tax case.

Fortum Investor Relations and Financial Communications

For more information, please visit www.fortum.com/investors

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