- a leading energy company in the Nordic area

Presentation for investors

June 2007
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.
• **Fortum today**
  • European power markets
  • Russia
  • Financials / outlook
  • Supplementary material
Fortum's strategy

Fortum focuses on the Nordic and Baltic Rim markets as a platform for profitable growth

Become the leading power and heat company  
Become the energy supplier of choice

Benchmark business performance
Presence in focus market areas

**Nordic**
- Generation: 53.2 TWh
- Electricity sales: 60.2 TWh
- Distribution cust.: 1.6 million
- Electricity cust.: 1.3 million
- Heat sales: 20.1 TWh

**NW Russia**
(in associated companies)
- Power generation: ~6 TWh
- Heat production: ~7 TWh

**Baltic countries**
- Heat sales: 1.0 TWh
- Distribution cust.: 23,000

**Poland**
- Heat sales: 3.6 TWh
- Electricity sales: 8 GWh

2006 numbers
Fortum Business structure

Fortum's comparable operating profit in 2006 EUR 1,437 million

- Fortum Power Generation
  - Nordic wholesale market
    - Nord Pool and bilateral
- Fortum Markets
  - Large customers
  - Small customers
  - Other retail companies
- Transmission and system services
- Fortum Distribution

Deregulated

Regulated

Power Generation 66%
Heat 17%
Distribution 17%
Markets 0%
Strong financial position

- **ROE (%)**
  - 2005: 13.5%
  - 2006: 14.4%
  - LTM: 18.4%

- **ROCE (%)**
  - 2005: 13.5%
  - 2006: 13.4%
  - LTM: 15.3%

- **EPS, cont. (eur)**
  - 2005: 1.01
  - 2006: 1.22
  - LTM: 1.41

- **Total assets (EUR billion)**
  - 2005: 15.1
  - 2006: 16.8
  - LTM: 17.7

- **Dividend, (eur)**
  - 2004: 0.58
  - 2005: 0.54
  - 2006: 0.53
  - LTM: 0.73

- **Net debt/EBITDA**
  - 2005: 1.8
  - 2006: 2.3
  - LTM: 2.1
Growing capital returns

**Dividend per share**

<table>
<thead>
<tr>
<th>Year</th>
<th>EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>0.13</td>
</tr>
<tr>
<td>1999</td>
<td>0.18</td>
</tr>
<tr>
<td>2000</td>
<td>0.23</td>
</tr>
<tr>
<td>2001</td>
<td>0.26</td>
</tr>
<tr>
<td>2002</td>
<td>0.31</td>
</tr>
<tr>
<td>2003</td>
<td>0.42</td>
</tr>
<tr>
<td>2004</td>
<td>0.58</td>
</tr>
<tr>
<td>2005</td>
<td>0.58*</td>
</tr>
<tr>
<td>2006</td>
<td>0.73**</td>
</tr>
</tbody>
</table>

* from continuing operations
** with 60% payout ratio

- Dividend of EUR 1.26 per share, in total over EUR 1.1 billion
- Mandate for repurchasing of the company’s own shares; maximum EUR 300 million
- Dividend policy of 50 - 60% payout of previous year's results on the average

Total ~ 3,775 MEUR
Fortum's shareholder value increase EUR 25.6 billion

- Total dividends EUR 6.9 billion
  - Neste Oil shares as dividends EUR 3.3 billion
  - Cash dividends EUR 3.6 billion
- Market cap 21.8 billion
- Cash dividends EUR 3.6 billion
- Neste Oil shares as dividends EUR 3.3 billion
- Market cap EUR 3.1 billion

Sep 2000 - May 28, 2007
• Fortum today
• **European power markets**
• Russia
• Financials / outlook
• Supplementary material
Huge need for new capacity...

Globally...

- Existing/remaining capacity
- Demand

Source: Eurprog 2005; Europe: EU25

... European wide...

- Existing/remaining capacity
- Demand

Source: Eurprog 2005; Europe: EU25

... and in Russia

- Demand growth
  - ~300-500 TWh by 2015

Source: Minister Kristenko
December 2006

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1 Production 2004: 17 408 TWh/IEA 2006


Source: Minister Kristenko
December 2006
Electricity demand is expected to increase by around 50 TWh by 2020 compared to 2005.

Estimated retirement approx. 30 TWh.

Total need for investments roughly 80 TWh:
- Approximately 40 TWh already committed
- Another 40 TWh still needed.
New capacity will require an EUR 40+ power price


Adjusted to indicate nominal costs year 2011.
Large variations in cost of new hydro and wind due to location and conditions.
Towards a functioning European power market

Yesterday – national
1990's

Today – regional Nordic
2000 -

Tomorrow – European
2010 -

Directives:
Market liberalisation
Strategy:
Market integration

• Market-based development
• Increased competition
• Increased efficiency

Benefiting customers and societies
Nordic market becoming more integrated into Europe

- Nord Pool introduced in 2005 a German spot market area "KONTEK" to enhance the Nordic-German trade
- Direct market coupling between Nord Pool and the German EEX planned by the fourth quarter of 2007
- Estlink (Estonia - Finland) taken into commercial operation in January 2007
- Jutland - Germany transmission capacity increased from 1200/800 MW to 1500/950 MW in February 2007
- NorNed (Norway - the Netherlands) by 2008 coupling Nord Pool and APX
- Nordel priority projects enhance internal Nordic market integration
Nordic markets – closely integrated by 2010

Nordic power market – the situation **today**
Market at least 390 TWh/a

**Homogenous price at the area to increase from 33% to 75% of time**

33% of time

Nordic power market – the situation in **2010**
Market at least 425 TWh/a

**Five new projects:**
- Fenno-Skan 2
- South-middle Sweden
- Nea-Järpströmmen
- Skagerrak
- Store Bält

- Reducing of bottlenecks

Source: Fingrid
European wide integration to follow

European power market – the situation **today**
Market at least 1,300 TWh/a

Market coupling:
- Nordic + kontek
- TLC (NL-BE-FR)
- Nordic-TLC
- Nordic-Germany
- Germany-TLC

European power market – the situation in the **future**
Market at least 1,500 TWh/a

- Bigger market
- More efficient use of production capacity
- Market based mechanisms
- Better availability of transmission capacity
- Better security of supply

Source: Fingrid
Key EU objectives by 2020

- Implementation of internal energy markets
- Energy efficiency +20% (2020)
- Increased resources for technology development
- Minimum reduction of EU CO₂ emissions 20% (2020)
- Renewables 20% (2020)
  Development of CO₂ capture and storage
- Development of cross-border transmission
- Increase in own production
- Enhancement of external energy relations
Fortum's investment programme

- Olkiluoto 3, Finland, nuclear
- Swedish nuclear
- Suomenoja, Finland (CHP)
- Värtan, Sweden (bio CHP)
- Järvenpää, Finland (bio CHP)
- Brista, Sweden (waste CHP)
- Refurbishing of existing hydro assets
- Wind power, Sweden

Total
~ 1,300 MW

Value of the investment programme around EUR 3 billion
of which ~90% CO₂-free

In addition
- Automated meter management (EUR 240 million)
- Security of supply in distribution (EUR 700 million)
Continued increase in CO₂-free power production

- ~9 TWh increase in CO₂-free production*
- ~10 TWh increase in total production*

* compared to 2006

Fortum's power production

- CO₂-free production
  (nuclear power, hydro power, bio fuels)
- Other
  (peat, gas, coal, other)
• Fortum today
• European power markets
• **Russia**
• Financials / outlook
• Supplementary material
Russian power markets are attractive

- 4th largest in the world
- Strong growth
- Potential for efficiency improvement
- Reform offers opportunities
Substantial need for new capacity

Russian power demand forecast

- Demand growth 500+ TWh before year 2020

- Power generation investment is expected to total € 90 billion by 2011:
  - nuclear € 40 billion (10,000 MW)
  - thermal € 40 billion (42,000 MW)
  - and hydro € 10 billion (4,800 MW)

- In addition grid and transmission investment expected to amount to € 40 billion
## Power sector reform impacts industry structure

### RAO UES restructuring

<table>
<thead>
<tr>
<th>Regulated monopolies</th>
<th>Competitive businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State-controlled companies</strong></td>
<td><strong>Privatised companies</strong></td>
</tr>
<tr>
<td><strong>System operator</strong></td>
<td><strong>Federal Grid Company (FGC)</strong></td>
</tr>
<tr>
<td><strong>Holding of IDCs</strong></td>
<td><strong>Holding of guaranteeing suppliers, isolated energos</strong></td>
</tr>
<tr>
<td><strong>Holdings of guaranteeing suppliers, isolated energos</strong></td>
<td><strong>1 hydro wholesale generation company (WGC)</strong></td>
</tr>
<tr>
<td><strong>6 thermal wholesale generation companies (WGCs)</strong></td>
<td><strong>14 territorial generation companies (TGCs)</strong></td>
</tr>
<tr>
<td><strong>4-5 inter-regional distribution companies (IDCs)</strong></td>
<td><strong>Sales companies</strong></td>
</tr>
<tr>
<td><strong>Share of private ownership</strong></td>
<td><strong>&lt;25%</strong></td>
</tr>
<tr>
<td><strong>Ownership share</strong></td>
<td><strong>49%</strong></td>
</tr>
</tbody>
</table>

**Target structure planned to emerge in 2008**
Fortum's current ownership in Russia

**TGC-1**
- Electricity production capacity 6,248 MW (of which hydro about 50%)
- Production volume (2006)
  - electricity ~24 TWh
  - heat ~26 TWh
- Over 25% stake in Territorial Generating Company No.1 (TGC-1)
- ~1/3 stake in other companies spun off companies
  - Lenenergo (distribution)
  - StP Sales Company
  - StP Main Power Circuit (transmission)
- < 1% stake in Wholesale Generating Company No.5 (WGC-5)

**WGC-5**
- Electricity production capacity 8,660 MW
- Annual generation (2006)
  - electricity ~ 40 TWh
- Four power stations in economically attractive regions

Fortum's investment EUR ~300 million, current market capitalisation EUR ~1.2 billion
Gas price is an important factor affecting electricity price

- Price of gas is the key factor affecting the electricity price in Russia since almost half of power is produced with gas-fired power generation.
- Gas price is regulated and is currently very low.
- Long term gas contracts available for the first time in power sector

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1) Source: RAO UES, MinPromEnergo
2) Annual average market prices for 2006 (for Russia liberal energy price). In Russia there is a separate capacity payment in addition to energy price.
RAO UES to release ownership in generation companies (WGCs and TGCs)

The new structure in generation ownership

- Rosenergoatom 11%
- Other standalone co's and stations 20%
- Krasnoyarskaya GES 3%
- Irkutskenergo 6%
- 1 hydro WGC 10%
- 6 thermal WGCs 24%
- 14 TGCs 26%

Indicative time schedule

WGCs
- WGC 1
- WGC 2
- WGC 3
- WGC 4
- WGC 5
- WGC 6

TGCs
- TGC 1
- TGC 2
- TGC 3
- TGC 4
- TGC 5
- TGC 6
- TGC 7
- TGC 8
- TGC 9
- TGC 10
- TGC 11
- TGC 12
- TGC 13
- TGC 14

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan

Q1 Q2 Q3 Q4 Q1 Q2 Q3 Q4 Q1-> Q1-> Q1->
• Fortum today
• European power markets
• Russia
• Financials / outlook
• Supplementary material
Current Fortum Group financial targets

- Return on capital employed: 12%
- Return on shareholder's equity: 14%
- Net debt/EBITDA: 3.0 - 3.5
# Key financials

<table>
<thead>
<tr>
<th>MEUR (Continuing operations)</th>
<th>LTM in Q1 2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>4 488</td>
<td>4 491</td>
<td>3 877</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1 473</td>
<td>1 455</td>
<td>1 347</td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td>1 345</td>
<td>1 151</td>
<td>1 271</td>
</tr>
<tr>
<td>Interest-bearing net debt</td>
<td>3 932</td>
<td>4 345</td>
<td>3 158</td>
</tr>
<tr>
<td>Balance sheet total</td>
<td>17 739</td>
<td>16 839</td>
<td>15 130</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>2.1</td>
<td>2.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Return on capital employed (%)</td>
<td>15.3</td>
<td>13.4</td>
<td>13.5</td>
</tr>
<tr>
<td>Return on shareholders' equity (%)</td>
<td>18.4</td>
<td>14.4</td>
<td>13.5</td>
</tr>
</tbody>
</table>
Nordic water reservoirs

Source: Nord Pool

The diagram shows the reservoir content (TWh) over weeks from 1996 to 2007, with a reference level indicated by a dotted line. The reservoir content peaks in later weeks for each year, with 2007 showing a higher peak compared to previous years.

Source: Nord Pool
Wholesale price for electricity

Source: Nord Pool
Nord Pool year forwards

€/MWh

Year 05  Year 06  Year 07  Year 08  Year 09  Year 10  Year 11  Year 12

June 4, 2007
Hedging of Power Generation's Nordic sales

<table>
<thead>
<tr>
<th>Status at the beginning of April 2007:</th>
<th>Hedge ratio</th>
<th>Hedge price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest of 2007</td>
<td>~ 70 %</td>
<td>~ EUR 40 per MWh</td>
</tr>
<tr>
<td>Calendar year 2008</td>
<td>~ 40 %</td>
<td>~ EUR 42 per MWh</td>
</tr>
</tbody>
</table>
Fortum is well positioned

• Continued focus on the Nordic and Baltic Rim countries
• Competitive corporate and cost structure
• Flexible and climate-benign production portfolio
• Strong financial position
• Promising opportunities in Russia
• Fortum today
• European power markets
• Russia
• Financials / outlook
• Supplementary material
Capital structure

• Fortum wants to have a prudent and efficient capital structure, which at the same time allows the implementation of its strategy

• Target: Net debt / EBITDA between 3.0 - 3.5

• Capital expenditure, acquisitions and capital returns are ways to move towards the target

• Dividend policy of 50 - 60% payout of previous year's results on the average
Nordic capacity structure

Total 91 300 MW (31 Dec 2005)

1) incl. power plants producing 100% of condensing in Denmark. The rest condensing power is included in CHP, district heating

Source: Nordel
Still a highly fragmented Nordic power market

**Power generation**
- 383 TWh
- >350 companies

**Electricity distribution**
- 14 million customers
- ~500 companies

**Electricity retail**
- 14 million customers
- >450 companies

Current market shares based on 2006 figures
Development of the European Emission Trading System

Future challenges

• EU committed to emission trading
• Improving the market by increasing market transparency
  – information available to all market participants at the same time
  – common procedures - harmonisation
  – stability and predictability
• Expansion of emission trading during the Kyoto period
  – JI and CDM utilisation
  – National allocation plans for second trading period (NAP 2)

![ETS price 2005-2007](image-url)
**Russian power industry reform**

### A Nordic/Western analogy

<table>
<thead>
<tr>
<th>Unbundling of businesses by type of activity</th>
<th>Key steps in the reform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitive businesses</strong></td>
<td>• &quot;Power industry law&quot; approved</td>
</tr>
<tr>
<td><strong>Regulated monopolies</strong></td>
<td>• Restructuring of regional energos (P&amp;H companies)</td>
</tr>
<tr>
<td>Generation</td>
<td>• Formation of new companies</td>
</tr>
<tr>
<td>Sales</td>
<td>• Establishment of Russian power exchange</td>
</tr>
<tr>
<td>Transmission</td>
<td>• Launch of the free-trade sector of the wholesale market</td>
</tr>
<tr>
<td>Distribution</td>
<td>• Introduction of vested bilateral contracts for a transitional period to replace the regulated sector of the wholesale market</td>
</tr>
</tbody>
</table>

### Market liberalisation in competitive businesses

- Pricing model reform – from tariff regulation to competitive pricing
- Gradual liberalisation of the retail market
- Competitive market of ancillary services and generating capacity
- Launch of balancing power market
## Russian power industry reform has progressed well

<table>
<thead>
<tr>
<th>Key steps in the reform</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Power industry law&quot; approved</td>
<td>2003</td>
</tr>
<tr>
<td>Establishment of Russian power exchange (ATS)</td>
<td>2001</td>
</tr>
<tr>
<td>Launch of the free-trade sector of the wholesale market</td>
<td></td>
</tr>
<tr>
<td>in European &amp; Urals</td>
<td>2003</td>
</tr>
<tr>
<td>in Siberia</td>
<td>2005</td>
</tr>
<tr>
<td>Launch of balancing power segment</td>
<td>2006</td>
</tr>
<tr>
<td>Launch of new wholesale market model</td>
<td>2006</td>
</tr>
<tr>
<td>Restructuring of regional energos (P&amp;H companies)</td>
<td>almost complete</td>
</tr>
<tr>
<td>Formation of new companies</td>
<td>almost complete</td>
</tr>
<tr>
<td>Capacity market</td>
<td>2007</td>
</tr>
<tr>
<td>Competitive market of ancillary services</td>
<td>2007</td>
</tr>
<tr>
<td>Financial derivatives market</td>
<td>2008</td>
</tr>
<tr>
<td>Full liberalisation of the power market</td>
<td>2011</td>
</tr>
</tbody>
</table>
Reform – Planned key events for 2007-2008

**Structural reform**
- Completion of the Structural reform
- RAO UES to release ownership from generation assets
  - Share placements and sales of stakes in WGCs and TGCs
  - Completion of the first spin-offs of RAO UES
  - Distribution of RAO UES’ assets to its shareholders
- Selling off maintenance and repairing companies
- Selling off sales companies

**Market liberalisation**
- Launch of Capacity Market
- Launch of Ancillary Services Market
- Launch of Financial Derivatives Market
Strong financial performance in Q1/2007

- Comparable operating profit EUR 512 (486) million, + 5%
- Earnings per share EUR 0.59 (0.39), + 51%
- Net cash from operating activities EUR 497 (303) million
- Fortum’s net debt decreased to EUR 3,932 (4,345 at year end) million
- A gain from the Hafslund sale of its REC shares in Q1 result
  - EUR 180 million booked in share of profit of associates
  - Fortum's share of the proposed special dividend approximately EUR 120 million

Comparison: I/2006 financial results
## Comparable operating profit

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Generation</td>
<td>328</td>
<td>293</td>
<td>985</td>
<td>1 020</td>
</tr>
<tr>
<td>Heat</td>
<td>137</td>
<td>126</td>
<td>253</td>
<td>264</td>
</tr>
<tr>
<td>Distribution</td>
<td>78</td>
<td>81</td>
<td>250</td>
<td>247</td>
</tr>
<tr>
<td>Markets</td>
<td>-14</td>
<td>0</td>
<td>-4</td>
<td>-18</td>
</tr>
<tr>
<td>Other</td>
<td>-17</td>
<td>-14</td>
<td>-47</td>
<td>-50</td>
</tr>
<tr>
<td><strong>Comparable operating profit</strong></td>
<td><strong>512</strong></td>
<td><strong>486</strong></td>
<td><strong>1 437</strong></td>
<td><strong>1 463</strong></td>
</tr>
<tr>
<td>Non-recurring items</td>
<td>1</td>
<td>0</td>
<td>61</td>
<td>62</td>
</tr>
<tr>
<td>Other items effecting comparability</td>
<td>-23</td>
<td>-14</td>
<td>-43</td>
<td>-52</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>490</strong></td>
<td><strong>472</strong></td>
<td><strong>1 455</strong></td>
<td><strong>1 473</strong></td>
</tr>
</tbody>
</table>
### Income statement

<table>
<thead>
<tr>
<th>MEUR</th>
<th>Q1/2007</th>
<th>Q1/2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>1 340</td>
<td>1 343</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>-850</td>
<td>-871</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>490</strong></td>
<td><strong>472</strong></td>
</tr>
<tr>
<td>Share of profit of associates and joint ventures</td>
<td>202</td>
<td>35</td>
</tr>
<tr>
<td>Financial expenses, net</td>
<td>-31</td>
<td>-15</td>
</tr>
<tr>
<td><strong>Profit before taxes</strong></td>
<td><strong>661</strong></td>
<td><strong>492</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-109</td>
<td>-120</td>
</tr>
<tr>
<td><strong>Net profit for the period</strong></td>
<td><strong>552</strong></td>
<td><strong>372</strong></td>
</tr>
<tr>
<td>Of which minority interest</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>EPS, basic (EUR)</td>
<td>0.59</td>
<td>0.39</td>
</tr>
<tr>
<td>EPS, diluted (EUR)</td>
<td>0.58</td>
<td>0.39</td>
</tr>
</tbody>
</table>
## Cash flow statement

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating profit before depreciations</strong></td>
<td>602</td>
<td>570</td>
<td>1 884</td>
</tr>
<tr>
<td>Non-cash flow items and divesting activities</td>
<td>1</td>
<td>24</td>
<td>-92</td>
</tr>
<tr>
<td>Financial items and taxes</td>
<td>-156</td>
<td>-110</td>
<td>-463</td>
</tr>
<tr>
<td><strong>Funds from operations (FFO)</strong></td>
<td>447</td>
<td>484</td>
<td>1 329</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>50</td>
<td>-181</td>
<td>-178</td>
</tr>
<tr>
<td><strong>Total cash from operating activities</strong></td>
<td>497</td>
<td>303</td>
<td>1 151</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>-100</td>
<td>-71</td>
<td>-485</td>
</tr>
<tr>
<td>Acquisition of shares</td>
<td>-8</td>
<td>-43</td>
<td>-899</td>
</tr>
<tr>
<td>Other investing activities</td>
<td>-29</td>
<td>-16</td>
<td>78</td>
</tr>
<tr>
<td><strong>Cash flow before financing activities</strong></td>
<td>360</td>
<td>173</td>
<td>-155</td>
</tr>
</tbody>
</table>
## Balance sheet

<table>
<thead>
<tr>
<th></th>
<th>Mar 31 2007</th>
<th>Dec 31 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MEUR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current assets</td>
<td>14 958</td>
<td>15 103</td>
</tr>
<tr>
<td>Current assets</td>
<td>2 781</td>
<td>1 736</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td>17 739</td>
<td>16 839</td>
</tr>
<tr>
<td>Total equity</td>
<td>7 594</td>
<td>8 161</td>
</tr>
<tr>
<td>of which minority interest</td>
<td>271</td>
<td>253</td>
</tr>
<tr>
<td>Interest-bearing liabilities</td>
<td>4 999</td>
<td>4 502</td>
</tr>
<tr>
<td>Non-interest bearing liabilities</td>
<td>5 146</td>
<td>4 176</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td><strong>17 739</strong></td>
<td><strong>16 839</strong></td>
</tr>
<tr>
<td>Equity per share (EUR)</td>
<td>8.22</td>
<td>8.91</td>
</tr>
<tr>
<td>Net debt, (MEUR)</td>
<td>3 932</td>
<td>4 345</td>
</tr>
<tr>
<td><strong>Net debt / EBITDA</strong></td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td></td>
<td>LTM</td>
<td>Dec 31 2006</td>
</tr>
</tbody>
</table>

Net debt / EBITDA
Wholesale prices for electricity

EUR/MWh

Spot prices

Forward prices

2005 2006 2007 2008 2009

0 10 20 30 40 50 60 70 80 90 100

UK

German

Nordic

Source: Reuters

http://www.fortum.com
Fortum's carbon exposure among the lowest in Europe

Source: PWC ja Enerpresse 2006, Fortum
A leading Nordic power and heat company

- Leading power and heat company in Nordic
- Founded and listed at the Helsinki Stock Exchange 1998
- More than 50,000 shareholders
- Among the most traded shares in Helsinki stock exchange
- Market cap ~20 billion euros

![Pie chart showing ownership percentages]

- Finnish State 50.6%
- Foreign investors 35.0%
- Other Finnish investors 7.4%
- Financial and insurance institutions 2.0%
- Households 5.0%

31 May 2007
Fortum's Nordic power generation

Fortum's Nordic power generation in 2006

- Hydro power: 37%
- Nuclear power: 46%
- Other: 2%
- Peat: 2%
- Biomass: 3%
- Coal: 10%

Total generation 53.2 TWh
(Generation capacity 10,768 MW)

Fortum's Nordic power generation in 2005

- Hydro power: 42%
- Nuclear power: 50%
- Other: 2%
- Peat: 1%
- Biomass: 2%
- Coal: 3%

Total generation 51.2 TWh
(Generation capacity 11,136 MW)
Fortum's Nordic heat production in 2006:
- Biomass fuels 25%
- Coal 20%
- Heat pumps, electricity 15%
- Other 12%
- Waste 6%
- Oil 8%
- Peat 7%
- Natural gas 7%

Total production 21.3 TWh
(Production capacity 9,239 MW)

Fortum's Nordic heat production in 2005:
- Biomass fuels 24%
- Coal 17%
- Heat pumps, electricity 16%
- Other 11%
- Waste 6%
- Oil 10%
- Peat 7%
- Natural gas 9%

Total production 20.6 TWh
(Production capacity 8,252 MW)
Territorial generation companies (TGCs)

- Companies combined on a territorial basis from regional energos' generation assets
- TGCs may include also heat assets

<table>
<thead>
<tr>
<th>TGC</th>
<th>Production capacity</th>
<th>of which hydro</th>
</tr>
</thead>
<tbody>
<tr>
<td>TGC-1</td>
<td>5,750 MW</td>
<td>2,874 MW</td>
</tr>
<tr>
<td>TGC-2</td>
<td>2,459 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-3</td>
<td>10,578 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-4</td>
<td>3,459 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-5</td>
<td>2,473 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-6</td>
<td>3,125 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-7</td>
<td>6,823 MW</td>
<td>90 MW</td>
</tr>
<tr>
<td>TGC-8</td>
<td>3,868 MW</td>
<td>293 MW</td>
</tr>
<tr>
<td>TGC-9</td>
<td>3,276 MW</td>
<td>28 MW</td>
</tr>
<tr>
<td>TGC-10</td>
<td>2,938 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-11</td>
<td>4,436 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-12</td>
<td>3,197 MW</td>
<td></td>
</tr>
<tr>
<td>TGC-13</td>
<td>2,362 MW</td>
<td>1,500 MW</td>
</tr>
<tr>
<td>TGC-14</td>
<td>646 MW</td>
<td></td>
</tr>
</tbody>
</table>

Total: 55,390 MW

Source: RAO UES
Thermal and hydro wholesale generation companies (WGCs)

- Each company will include power plants across the Russian Federation
- The size of thermal WGCs about 9,000 MW each, the hydro WGC about 22,000 MW

<table>
<thead>
<tr>
<th>Thermal WGCs:</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>WGC-1</td>
<td>8,736</td>
</tr>
<tr>
<td>WGC-2</td>
<td>8,695</td>
</tr>
<tr>
<td>WGC-3</td>
<td>8,497</td>
</tr>
<tr>
<td>WGC-4</td>
<td>8,570</td>
</tr>
<tr>
<td>WGC-5</td>
<td>8,663</td>
</tr>
<tr>
<td>WGC-6</td>
<td>9,042</td>
</tr>
<tr>
<td></td>
<td>52,203</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hydro WGC:</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22,024</td>
</tr>
</tbody>
</table>

Rosenergoatom
Nuclear Power

Non-RAO UES energos:
- Tatenergo
- Bashkirenergo
- Irkutskenergo
- Novosibirskenergo