

Fortum Corporation

Interim Report January-March 2013

25 April 2013

Good first quarter - Nyagan unit 1 started commercial operation

January-March 2013

- Comparable operating profit EUR 650 (654) million, -1%
- Operating profit EUR 603 (739) million, of which EUR -47 (85) million relates to items affecting comparability, i.e. derivatives and sales gains
- Earnings per share EUR 0.45 (0.56), -20%, of which EUR -0.04 (0.10) per share relates to items affecting comparability, i.e. derivatives and sales gains
- Strong cash flow EUR 646 (553) million
- Assessment of the strategic position of the electricity distribution business was started
- New defined timetables for Nyagan unit 2 and 3 – target of EUR 500 million in run-rate EBIT for the Russia Division during 2015

Key figures	I/13	I/12*	2012*	LTM
Sales, EUR million	1,991	1,901	6,159	6,249
Operating profit, EUR million	603	739	1,874	1,738
Comparable operating profit, EUR million	650	654	1,752	1,748
Profit before taxes, EUR million	559	655	1,586	1,490
Earnings per share, EUR	0.45	0.56	1.59	1.49
Net cash from operating activities, EUR million	646	553	1,382	1,475
Shareholders' equity per share, EUR	11.82	11.48	11.30	N/A
Interest-bearing net debt (at end of period), EUR million	7,433	6,523	7,814	N/A
Average number of shares, 1,000s	888,367	888,367	888,367	888,367

Key financial ratios	2012*	LTM
Return on capital employed, %	10.2	9.1
Return on shareholders' equity, %	14.6	13.0
Net debt/EBITDA	3.1	3.1
Comparable net debt/EBITDA	3.2	3.1

*Comparative period figures for 2012 presented in the interim report are restated due to an accounting change for pensions; see page 4 as well as Note 2.

Outlook

- Fortum currently expects the annual electricity demand growth in the Nordic countries to be on average 0.5% in the coming years.
- Capital expenditure guidance: EUR 1.1-1.4 billion in 2013 and EUR 0.9-1.1 billion in 2014.
- Power Division's Nordic generation hedges: For the rest of 2013, 80% hedged at EUR 45 per megawatt-hour (MWh); for 2014, 45% hedged at EUR 42 per MWh.

Fortum's CFO Markus Rauramo

"Fortum's first quarter comparable result was good. Group comparable operating profit totalled EUR 650 million and was at last year's first-quarter level. Net cash flow from operating activities was EUR 646 million. The cash flow improved compared to the first quarter last year, even though the stronger Swedish krona (SEK) impacted negatively. The efficiency programme that was launched in 2012 has proceeded according to plan.

In the Power Division, the effect of increased nuclear and thermal volumes combined with declined hydro volumes, due to lower water reservoir levels, and a lower achieved power price impacted the comparable result negatively. Nuclear availability was at a high level in all of the reactors except Oskarshamn 1, which was out of operation for the entire quarter.

The Heat Division's comparable operating profit in the first quarter increased compared to the first quarter in 2012. The increase was mainly attributable to the higher volumes in Sweden, lower fixed costs and a stronger SEK currency. In Finland, a new sales concept for bio-oil was launched; besides heat and electricity, bio-oil will be produced in future CHP+ plants where pyrolysis is integrated in the CHP production.

In late March, Fortum finished the final stages in the construction of its Nyagan power plant unit 1 and, after thorough analysis, we now estimate that the commissioning of Nyagan unit 2 will take place at the end of 2013 and Nyagan 3 will be finalised at the end of 2014 at the latest. The overall schedule and financial targets of the investment programme – planned to be constructed by the end of 2014 and reaching about EUR 500 million in run-rate operating profit (EBIT) during 2015 – have not been changed. The Russia Division's comparable operating profit declined in the first quarter of 2013 compared to the same period in 2012. The positive effect from the commissioning of the new units was mainly offset by lower heat volumes.

In January, Fortum announced that the company is assessing the strategic position of its electricity distribution business. The assessment is expected to be finalised during 2013. During the first quarter, the Distribution business area's comparable operating profit increased. The result increase is mainly due to higher volumes because of colder weather than last year, a stronger SEK and the costs related to the massive storm at the end of 2011 that burdened the first-quarter result in 2012. Electricity Sales' comparable operating profit in the first quarter of 2013 was very good. The result increase was mainly the result of a bigger customer base as well as favourable wholesale market conditions during the first quarter of 2013.

During the quarter, a plan to decrease the corporate tax rate in Finland from 24.5% to 20% as of 1 January 2014 was announced. The decrease would cause a one-time positive effect. The Finnish Government also announced that the planned so-called windfall tax would be cut to EUR 50 million from EUR 170 million. At the same time, the process to update and increase the real estate taxation values for the year 2013 is ongoing in Sweden and is expected to be finalised in July 2013.

In April, the European Parliament voted against the backloading of carbon emissions allowances. Fortum considers the rejection of the "backloading" as a disappointment and a setback for a common European climate policy. There is an increasing risk that the European wide market-based emission trading scheme will be replaced by other measures to price CO₂, such as national carbon taxes, carbon price floors and other policies, leading to a situation where there are 27 different climate policies instead of one. In such a situation, making investment decisions on electricity generation becomes demanding, and total cost of energy would increase. Despite the negative outcome in the Parliament, the Commission is not withdrawing the proposal; it was referred back to the Parliament's Environmental Committee.

Customers, sustainability and safety are cornerstones in our daily work. The safety of our own staff was at a very good level during the first quarter, however, our contractors' safety performance need improvement. We have therefore intensified the focus on safety work with our suppliers on all levels. We met our sustainability targets on CO₂ emissions, but were slightly below in fuel efficiency and

plant availability. What is satisfactory, is that we clearly met the target-availability for our electricity customers, and that the number of both our heat and electricity customers continued to increase.

We will continue with our daily work to accomplish our long-term strategy. ”

Efficiency programme 2013-2014

Fortum started an efficiency programme in 2012 in order to maintain and strengthen its strategic flexibility and competitiveness, and to enable the company to reach its financial targets in the future.

The aim is to improve the company's cash flow by more than approximately EUR 1 billion during 2013–2014 by reducing capital expenditures (capex) by EUR 250–350 million, divesting approximately EUR 500 million of non-core assets, reducing fixed costs and focusing on working capital efficiency.

Capex in 2013 will be EUR 1.1–1.4 billion and in 2014 EUR 0.9–1.1 billion. At the end of 2014, the cost run-rate will be approximately EUR 150 million lower compared to 2012, including growth projects.

If headcount reductions are needed, Fortum seeks to limit redundancies by using natural rotation and retirement whenever possible. The assessments will therefore be done at a unit level.

The programme has proceeded according to plan.

Restatement related to IFRS changes in pension accounting

Fortum is applying an amended IFRS standard for pensions as of 1 January, 2013. Adoption of the new standard is done retrospectively and comparative information for 2012 is therefore restated to reflect the change (Note 2). The change had only a minor impact on Fortum's financial results and financial position; however, it reduced the equity by EUR 124 million as of 1 January 2012. The restated comparative figures for the year 2012 are presented in the attachment to this interim report.

Financial results

January-March

In the first quarter of 2013, Group sales were EUR 1,991 (1,901) million. The comparable operating profit totalled EUR 650 (654) million and the reported operating profit totalled EUR 603 (739) million. Fortum's operating profit for the period was affected by non-recurring items, an IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging Fortum's power production, and nuclear fund adjustments amounting to EUR -47 (85) million (Note 4).

The share of profits from associates in the first quarter was EUR 29 (-7) million. The share of profits from Hafslund and TGC-1 are based on the companies' published fourth-quarter 2012 interim reports; however, the share of profits for TGC-1 fourth-quarter 2011 results were not included in the first quarter of 2012 (Note 11).

Sales by division

EUR million	I/13	I/12	2012	LTM
Power	664	655	2,415	2,424
Heat	629	625	1,628	1,632
Russia	344	310	1,030	1,064
Distribution*	342	308	1,070	1,104
Electricity Sales*	262	247	722	737
Other	16	44	137	109
Netting of Nord Pool transactions	-188	-188	-503	-503
Eliminations	-78	-100	-340	-318
Total	1,991	1,901	6,159	6,249

* Part of the Electricity Solutions and Distribution Division

Comparable operating profit by division

EUR million	I/13	I/12	2012	LTM
Power	303	342	1,146	1,107
Heat	170	162	271	279
Russia	41	48	68	61
Distribution*	137	110	320	347
Electricity Sales*	15	9	39	45
Other	-16	-17	-92	-91
Total	650	654	1,752	1,748

* Part of the Electricity Solutions and Distribution Division

Operating profit by division

EUR million	I/13	I/12	2012	LTM
Power	263	368	1,175	1,070
Heat	175	214	344	305
Russia	40	48	79	71
Distribution*	136	117	331	350
Electricity Sales*	5	11	39	33
Other	-16	-19	-94	-91
Total	603	739	1,874	1,738

* Part of the Electricity Solutions and Distribution Division

The Group's net financial expenses decreased to EUR 73 (77) million. Net financial expenses were negatively affected by changes in the fair value of financial instruments of EUR -2 (-7) million.

Profit before taxes was EUR 559 (655) million.

Taxes for the period totalled EUR 107 (119) million. The tax rate according to the income statement was 19.2% (18.3%). The tax rate, excluding the impact of the share of profits of associated companies and joint ventures as well as non-taxable capital gains, was 20.6% (21.0%).

The profit for the period was EUR 452 (536) million. Fortum's earnings per share were EUR 0.45 (0.56), of which EUR -0.04 (0.10) per share relates to items affecting comparability. Non-controlling (minority) interests amounted to EUR 51 (39) million. These are mainly attributable to Fortum Värme Holding AB, in which the city of Stockholm has a 50% economic interest.

Financial position and cash flow

Cash flow

In the first quarter of 2013, total net cash from operating activities increased by EUR 93 million to EUR 646 (553) million. Capital expenditures increased by EUR 15 million to EUR 287 (272) million. Proceeds from divestments totalled EUR 37 (276) million. Cash flow before financing activities, i.e. dividend distributions and financing, decreased by EUR 135 million to EUR 401 (536) million. The strong SEK had a negative impact on the cash flow through realised net foreign exchange losses related to the rollover of foreign exchange contract hedging loans to Fortum's Swedish subsidiaries. Realised foreign exchange gains and losses were EUR -108 (-84) million.

Assets and capital employed

Total assets increased by EUR 974 million to EUR 25,535 million (24,561 at year-end 2012). Non-current assets increased by EUR 299 million from EUR 21,677 million to EUR 21,976 million. The majority, EUR 319 million, came from the increased value of property, plants and equipment due to investments and the stronger Swedish krona and other currencies. The increase in current assets was EUR 675 million, totalling EUR 3,559 million. The increase relates mainly to the EUR 756 million increase in liquid funds and the higher trade and other receivables of EUR 39 million. The increase in current assets was partly offset by a EUR 99 million decrease in inventories.

Capital employed was EUR 20,322 million (19,420 at year-end 2012), an increase of EUR 902 million. The increase was mainly due to the higher amount of total assets, totalling EUR 25,535 million.

Equity

Total equity was EUR 11,170 million (10,643 at year-end 2012), of which equity attributable to owners of the parent company totalled EUR 10,503 (10,040) million and non-controlling interests EUR 667 (603) million.

Financing

Net debt decreased during the first quarter by EUR 371 million to EUR 7,443 (7,814 at year-end 2012) million.

In March 2013, Fortum issued two five-year bonds under its existing Euro Medium Term Note (EMTN) programme. The total nominal value was SEK 3,150 million (about EUR 376 million) consisting of SEK 2,000 million at a floating rate and SEK 1,150 million at a 2.75% fixed rate.

At the end of March 2013, the Group's cash and cash equivalents totalled 1,719 (963 at year-end 2012) million, including cash and bank deposits held by OAO Fortum amounting to EUR 169 (128 at year-end 2012) million. In addition to cash and cash equivalents, Fortum had access to approximately EUR 2.7 billion of undrawn committed credit facilities.

The Group's net financial expenses during the first quarter of 2013 were EUR 73 (77) million. Net financial expenses include changes in fair value of financial instruments of EUR -2 (-7) million.

Fortum Corporation's long-term credit rating with S&P was A- (negative).

In February, Fortum decided to terminate its current rating relationship with Moody's Investors Service. Moody's had an A2 rating with a negative outlook. As of April, Fortum and Fitch Ratings entered into an agreement. Fitch will provide a rating of Fortum Corporation and any subsequently

issued securities issued under Fortum's EMTN-program. Fitch's current long-term issuer default rating of Fortum Corporation is A-, negative outlook.

Key figures

For the last twelve months, net debt to EBITDA was 3.1 (3.1 at year-end 2012) and comparable net debt to EBITDA 3.1 (3.2). Gearing was 67% (73%) and the equity-to-assets ratio 44% (43%). Equity per share was EUR 11.82 (11.30). For the last twelve months, return on capital employed was 9.1 (10.2) and return on equity 13.0 (14.6).

Market conditions

Nordic countries

According to preliminary statistics, electricity consumption in the Nordic countries during the first quarter of 2013 increased some 3% from the corresponding period in 2012 and was 117 (113) terawatt-hours (TWh). The increase was attributable to lower temperature and thus high non-industrial consumption.

At the beginning of the year, the Nordic water reservoirs were at 85 TWh, i.e. 2 TWh above the long-term average. By the end of the first quarter, the reservoir level had declined to 35 TWh, which is 6 TWh lower than the long-term average and 21 TWh lower than the year before.

During the first quarter of 2013, the average system spot price of electricity in Nord Pool was EUR 42.0 (38.3) per megawatt-hour (MWh). The average area price in Finland was EUR 42.1 (42.5) per MWh, and in Sweden (SE3) EUR 42.0 (39.1) per MWh. The growing deficit in the hydro reservoirs raised prices especially in the hydro-intensive areas, which led to smaller differences between these areas and other Nordic price areas. Imports from Russia decreased during the Russian peak hours.

In Germany, the average spot price during the first quarter of 2013 was EUR 42.3 (45.1) per MWh.

At the beginning of 2013, the market price for CO₂ European emission allowances (EUA) was approximately EUR 6.6 per tonne. During the first quarter, EUA traded between approximately EUR 3.4 and 6.7 per tonne, and closed at around EUR 4.8 per tonne. The volatility of the CO₂ emission price was mainly due to the European Parliament's ENVI Committee's meeting and voting, as well as news flow concerning backloading.

Russia

OAO Fortum operates in the Tyumen and Chelyabinsk areas. In the Tyumen area, where industrial production is dominated by the oil and gas industries, the electricity demand increased approximately 4% in the first quarter compared to the same period of the previous year. During the same period in the Chelyabinsk area, which is dominated by the metals industry, electricity demand decreased by approximately 3%, mainly due to decreasing demand from the steel industry.

According to preliminary statistics, Russia consumed 288 (293) TWh of electricity during the first quarter of 2013. The corresponding figure in Fortum's operating area in the First price zone (European and Urals part of Russia) was 213 (217) TWh.

In the first quarter of 2013, the average electricity spot price, excluding capacity price, increased by approximately 10% to RUB 1,002 (915) per MWh in the First price zone compared to the first quarter in 2012.

More detailed information about the market fundamentals is included in the tables at the end of the report (page 49).

Division reviews

Power

The Power Division consists of Fortum's power generation, power trading and power capacity development as well as expert services for power producers.

EUR million	I/13	I/12	2012	LTM
Sales	664	655	2,415	2,424
- power sales	631	631	2,282	2,282
of which Nordic power sales*	552	569	2,086	2,069
- other sales	33	24	133	142
Operating profit	263	368	1,175	1,070
Comparable operating profit	303	342	1,146	1,107
Comparable EBITDA	334	370	1,260	1,224
Net assets (at period-end)	6,394	6,059	6,389	
Return on net assets, %			18.7	16.8
Comparable return on net assets, %			18.5	17.6
Capital expenditure and gross investments in shares	27	24	190	193
Number of employees	1,884	1,842	1,846	

Power generation by source, TWh	I/13	I/12	2012	LTM
Hydropower, Nordic	5.8	6.1	25.2	24.9
Nuclear power, Nordic	6.7	6.5	23.4	23.6
Thermal power, Nordic	0.7	0.2	0.6	1.1
Total in the Nordic countries	13.2	12.8	49.2	49.6
Thermal power in other countries	0.3	0.3	1.1	1.1
Total	13.5	13.1	50.3	50.7

Nordic sales volumes, TWh	I/13	I/12	2012	LTM
Nordic sales volume	13.7	13.2	50.7	51.2
of which Nordic power sales volume*	12.1	12.0	46.8	46.9

* The Nordic power sales income and volume does not include thermal generation, market price-related purchases or minorities (i.e. Meri-Pori, Inkoo and imports from Russia).

Sales price, EUR/MWh	I/13	I/12	2012	LTM
Power's Nordic power price**	45.7	47.2	44.6	47.2

** Power's Nordic power price does not include sales income from thermal generation, market price-related purchases or minorities (i.e. Meri-Pori, Inkoo and imports from Russia).

January–March

In the first quarter of 2013, the Power Division's comparable operating profit was EUR 303 (342) million, i.e. EUR 39 million lower than in the corresponding period in 2012.

Operating profit, EUR 263 (368) million, was affected by a capital gain EUR 4 (47) million, non-recurring items, IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging Fortum's power generation totalling EUR -41 (-12) million, and nuclear fund adjustments (Note 4).

The system price and Swedish area prices were higher, but the Finnish area prices slightly lower during the first quarter of 2013 compared to the same period in 2012. The average system spot price of electricity in Nord Pool was EUR 42.0 (38.3) per MWh. The average area price in Helsinki, Finland, was EUR 42.1 (42.5) per MWh and in Stockholm, Sweden, (SE3) EUR 42.0 (39.1) per MWh. Power's achieved Nordic power price, was EUR 45.7 (47.2) per MWh, or EUR 1.5 per MWh lower than in the corresponding period in 2012.

Fortum's hydro production during the first quarter of 2013 was 0.3 TWh lower than in the first quarter of 2012. At the beginning of the year, the Nordic water reservoir levels were at 85 TWh, i.e. 2 TWh above the long-term average. By the end of the first quarter, the reservoir levels had declined to 35 TWh, 6 TWh lower than the long-term average and 21 TWh lower than last year.

Fortum's nuclear production was 0.2 TWh higher than in the first quarter of 2012, mainly due to higher production in Oskarshamn 3. The company's thermal production volume in the Nordic countries was also higher (0.5 TWh) than in the first quarter of 2012. Hence, the CO₂-free production amounted to 93% (96%).

In the first quarter of 2013, the division's total power generation in the Nordic countries was 13.2 (12.8) TWh, some 3% higher than in the corresponding period in 2012.

The effect of increased nuclear and thermal volumes combined with lower hydro volumes and a lower achieved power price had a negative impact of approximately EUR 20 million during the first quarter in 2013 compared to the corresponding period 2012. During the first quarter, operating costs increased by approximately EUR 17 million, mainly due to higher SEK (EUR 6 million) and higher taxation values concerning Swedish hydro assets, which are to be confirmed in July 2013.

Fortum has two fully-owned reactors in Loviisa and is a co-owner in eight reactors at the Olkiluoto, Oskarshamn and Forsmark nuclear power plants. Nuclear availability was at a high level in all of the reactors except in Oskarshamn 1, which was out of operation throughout the entire first quarter 2013. The unit was shut down in December 2012 due to a failure in the periodic test of emergency diesel generators and, according to current data, the unit will stay shut down until the end of May 2013. Oskarshamn 3 has been running smoothly, and in March the monthly production from the unit was at the highest since the plant started commercial operation in 1985. At Forsmark 2, commissioning tests in advance of its power upgrade from 996 MW to 1,120 MW started in March; the new upgraded capacity output is expected to be in operation in May.

Heat

The Heat Division consists of combined heat and power (CHP) generation, district heating activities and business-to-business heating solutions in the Nordic countries and other parts of the Baltic Rim.

EUR million	I/13	I/12	2012	LTM
Sales	629	625	1,628	1,632
- heat sales	512	465	1,158	1,205
- power sales	84	96	232	220
- other sales	33	64	238	207
Operating profit	175	214	344	305
Comparable operating profit	170	162	271	279
Comparable EBITDA	222	212	481	491
Net assets (at period-end)	4,393	4,126	4,286	
Return on net assets, %			8.8	7.7
Comparable return on net assets, %			7.0	7.1
Capital expenditure and gross investments in shares	74	67	474	481
Number of employees	2,192	2,352	2,212	

January–March

The Heat Division's heat sales volumes amounted to 8.2 (8.1) TWh during the first quarter of 2013. During the same period, power sales volumes totalled 1.7 (1.7) TWh. The increase in heat volumes was attributable to somewhat colder weather and good availability in base production, particularly in Sweden. In Finland, restructurings in the beginning of last year reduced heat and steam volumes.

The Heat Division's comparable operating profit in the first quarter was EUR 170 (162) million, EUR 8 million more than in the corresponding period of 2012. The increase was mainly attributable to the higher volumes in Sweden, lower fixed costs and stronger SEK currency.

Operating profit in the first quarter totalled EUR 175 (214) million. Sales gains related to divestments totalled EUR 0 (58) million.

Heat sales by area, TWh	I/13	I/12	2012	LTM
Finland	2.0	2.2	5.8	5.6
Sweden	3.8	3.3	8.5	9.0
Poland	2.0	2.0	4.3	4.2
Other countries	0.4	0.6	1.1	1.0
Total	8.2	8.1	19.7	19.8

Power sales, TWh	I/13	I/12	2012	LTM
Total	1.7	1.7	4.2	4.2

In the first quarter 2013, the new waste-fuelled Klaipeda CHP plant in Lithuania reached full-capacity operation, and the plant was taken into commercial operation. Heat Finland launched a new commercial concept for bio-oil. Besides heat and electricity, bio-oil will be produced in future CHP+ plants where pyrolysis is integrated in the CHP-production. The first commercial scale CHP+ plant is under construction in Joensuu, Finland. In addition, Fortum's Open District Heating project was officially launched in Stockholm, Sweden, as a large pilot customer was connected to the grid and started delivering its excess heat.

Russia

The Russia Division consists of power and heat generation and sales in Russia. The division also includes Fortum's over 25% holding in TGC-1, which is an associated company and is accounted for using the equity method.

EUR million	I/13	I/12	2012	LTM
Sales	344	310	1,030	1,064
- power sales	226	181	713	758
- heat sales	116	126	300	290
- other sales	2	3	17	16
EBITDA	71	77	200	194
Operating profit	40	48	79	71
Comparable operating profit	41	48	68	61
Comparable EBITDA	71	77	189	183
Net assets (at period-end)	3,998	3,549	3,848	
Return on net assets, %			3.0	3.2
Comparable return on net assets, %			2.7	2.9
Capital expenditure and gross investments in shares	71	81	568	558
Number of employees	4,284	4,337	4,253	

Fortum operates in the well-developed industrial regions of the Urals and in oil-producing western Siberia.

The liberalisation of the Russian wholesale power market has been completed since the beginning of 2011. However, all generating companies continue to sell a part of their electricity and capacity – an amount equalling the consumption of households and a few special groups of consumers – under regulated prices. During the first quarter of 2013, Fortum sold approximately 83% of its power production in Russia at a liberalised electricity price.

The capacity selection for generation built prior to 2008 (CCS -“old capacity”) for 2013 was held at the end of 2012. In the selection auction, the majority of Fortum's power plants were selected, with a price level close to the level received in 2012. Approximately 10% (265 MW) of the old capacity was not allowed to participate in the selection for 2013, due to tightened minimal technical requirements. It will, however, receive capacity payments at the capacity market price during 2013.

The generation capacity built after 2007 under the government capacity supply agreements (CSA – “new capacity”) receives guaranteed payments for a period of 10 years. The period and the prices for capacity under CSA are defined to ensure a sufficient return on investments. At the time of the acquisition in 2008, Fortum made a provision, as penalty clauses are included in the CSA agreement in case of possible delays. If the new capacity is delayed or if the agreed major terms of the capacity supply agreement are not otherwise fulfilled, possible penalties can be claimed. The effect of changes in the timing of commissioning of new units is assessed at each balance sheet date and the provision is changed accordingly (Note 15).

The new capacity will bring income from new volumes sold and receive considerably higher capacity payments than the old capacity. However, received capacity payments will differ depending on the age, location, type and size of the plant as well as seasonality and availability. The regulator will review the guaranteed CSA payments by re-examining earnings from the electricity-only market after three years and six years, after the commissioning of a unit, and could revise the CSA payments accordingly. In addition, CSA payments can vary somewhat annually because they are linked to Russian Government long-term bonds with 8 to 10 years maturity.

The company's extensive investment programme, due to be completed by the end of 2014, is a key driver of growth in Russia. After the completion of the investment programme, the power generation capacity of the Russia Division will have nearly doubled and will exceed 5,100 MW, Fortum's goal is to achieve an annual operating profit level of about EUR 500 million in its Russia Division and to create positive economic value added in Russia.

January–March

The Russia Division's power sales volumes amounted to 7.4 (6.2) TWh during the first quarter of 2013. Heat sales totalled 9.7 (11.3) TWh during the same period.

The Russia Division's comparable operating profit was EUR 41 (48) million in the first quarter of 2013. The positive effect from the new units, receiving CSA payments, amounted to approximately EUR 29 (24) million in the first quarter. The main reasons for the decreased result were lower heat volumes, which were a result of an especially warm winter in 2013 in the Chelyabinsk area, and the divestment of the heating network assets in Surgut in 2012. In addition, the good hydrological situation in Russia pressured electricity spot prices.

Operating profit was EUR 40 (48) million in the first quarter of 2013.

Key electricity, capacity and gas prices for OAO Fortum	I/13	I/12	2012	LTM
Electricity spot price (market price), Urals hub, RUB/MWh	931	849	956	977
Average regulated gas price, Urals region, RUB/1000 m ³	2,924	2,548	2,736	2,830
Average capacity price for CCS "old capacity", tRUB/MW/month*	177	166	152	155
Average capacity price for CSA "new capacity", tRUB/MW/month*	678	577	539	565
Average capacity price, tRUB/MW/month	273	243	227	235
Achieved power price for OAO Fortum, EUR/MWh	30.6	29.3	30.6	31.0

*Capacity prices paid for the capacity volumes, excluding unplanned outages, repairs and own consumption

In late March, Fortum finished the final stages in the construction of its Nyagan power plant unit 1. Accordingly, the company started receiving capacity payments for the unit from 1 April 2013 onwards. The unit capacity was certified to exceed 420 MW and is one of the most energy-efficient in the Tyumen energy system with an efficiency rate exceeding 57%.

Nyagan is the first and largest greenfield thermal power plant project in Russia since 1990 and the most significant part of Fortum's investment programme. The Nyagan project, comprising three 418-MW combined-cycle gas units, is being constructed in the northern Urals, northeast of Moscow. When completed, the power production capacity of the natural gas-fuelled power plant will be approximately 1,250 MW.

Fortum has worked hard to resolve the construction delays in Nyagan; after thorough analysis, the company now estimates that the commissioning of Nyagan unit 2 will take place at the end of 2013. Nyagan 3 will be finalised at the end of 2014 at the latest and will optimise the investment with regards to both capital and operational expenditures, and received electricity sales as well as capacity payments. The capacity payments for Nyagan unit 3 will start as of 1 January 2015. In accordance with the CSA terms, no penalties for unit 3 can be claimed before 1 January 2016.

There have been no changes in the overall schedule or financial targets of the investment programme: construction to be completed by the end of 2014 and reaching about EUR 500 million in run-rate in operating profit (EBIT) during 2015.

In 2008 Fortum made a provision for penalties caused by possible commissioning delays. In addition, according to the agreement with the contractor, Fortum is also entitled to adequate remedies in case of damages caused by contractor delays. The process with the main contractor continues.

The last two units of Fortum's Russian investment programme will be built in Chelyabinsk instead of Tyumen, as originally planned. The units are to be constructed at the Chelyabinsk GRES power plant. These last new units of the CSA agreement are planned to be constructed by the end of 2014. In addition, Fortum plans to modernise and upgrade the existing equipment of the power plant.

Electricity Solutions and Distribution

The division is responsible for Fortum's electricity sales and distribution activities and consists of two business areas: Distribution and Electricity Sales.

Distribution

Fortum owns and operates distribution and regional networks and distributes electricity to a total of 1.6 million customers in Sweden, Finland and Norway.

EUR million	I/13	I/12	2012	LTM
Sales	342	308	1,070	1,104
- distribution network transmission	295	261	877	911
- regional network transmission	37	35	125	127
- other sales	10	12	68	66
Operating profit	136	117	331	350
Comparable operating profit	137	110	320	347
Comparable EBITDA	191	159	529	561
Net assets (at period-end)	3,965	3,618	3,889	
Return on net assets, %			9.1	9.5
Comparable return on net assets, %			8.8	9.4
Capital expenditure and gross investments in shares	50	44	324	330
Number of employees	866	851	870	

January–March

The volume of distribution and regional network transmissions during the first quarter of 2013 totalled 8.6 (8.3) TWh and 4.8 (4.9) TWh, respectively. The higher distribution network transmission volumes were a result of a cold January and March this year.

The Distribution business area's comparable operating profit was EUR 137 (110) million. The result increase is mainly due to higher volumes because of colder weather than last year, a stronger SEK and the costs related to the massive storm at the end of 2011 that burdened the first-quarter result in 2012.

Operating profit in the first quarter of 2013 totalled EUR 136 (117) million.

In January, Fortum announced that the company has decided to assess the strategic position of its electricity distribution business. The assessment has no impact on Fortum's electricity distribution customers and excludes the company's electricity retail business. Fortum expects to conclude the assessment during 2013.

The rollout of smart metering with hourly measurement capabilities to network customers in Finland continued as planned. By the end of the first quarter of 2013, approximately 487,000 customers had received new meters (434,000 at the end of 2012). By the end of this year, a total of approximately 620,000 network customers will have smart metering. Invoicing based on actual electricity consumption and better control of the use of electricity are among the benefits of the new system.

A new network income regulation came into effect both in Finland and Sweden on 1 January 2012, covering the current regulatory period 2012-2015. In Finland, the industry appealed the decision introduced by the Energy Market Authority (EMV) to the Market Court. The Market Court ruling came in December 2012. The process continues, since Fingrid, the national transmission system operator, decided to appeal the Market Court ruling regarding the weighted average cost of capital (WACC) to the Supreme Administrative Court. The outcome is still pending.

In March 2013, the Finnish government made a proposal for the renewal of the electricity market act. The proposal includes implementation of the 3rd electricity market directive into national legislation and functional demands on electricity grids. According to the proposal, the maximum length of outages should be limited to six hours for urban areas and 36 hours for rural areas after a 15-year transition period. The legislation is currently in parliament and is expected to be in force from 1 July 2013. Also, gradual increases of customer compensation for long outages have been proposed; 150% of the annual grid fee after 8 days of outage and 200% of the annual grid fee for outages longer than 12 days. The maximum amount would be increased from 750 euros to 2000 euros by 2015.

In Sweden, the Energy Market Inspectorate (EI) introduced a new network income regulation model with a first ex ante regulatory period of 2012-2015 and with an income decided by EI in advance. Among other things, the new model introduced a transition rule that Fortum and approximately half of the Swedish network companies believe lacks legal ground. The network companies therefore appealed the new network regulation. During the fall, EI agreed to some adjustments to the model. A second commenting round is on-going as a preparation for the court process. The court ruling is expected by the end of 2013.

Volume of distributed electricity in distribution network, TWh	I/13	I/12	2012	LTM
Sweden	4.6	4.4	14.4	14.6
Finland	3.1	3.1	9.8	9.8
Norway	0.9	0.8	2.4	2.5
Total	8.6	8.3	26.6	26.9

Number of electricity distribution customers by area, thousands	31 March 2013	31 March 2012
Sweden	901	898
Finland	634	628
Norway	102	102
Total	1,637	1,628

Electricity Sales

The Electricity Sales business area is responsible for retail sales of electricity as well as smart electricity solutions and services to a total of 1.2 million private customers. In addition, standardised products are offered for large corporate customers (Sales Trading). Fortum is a leading seller of CO₂-free electricity in the Nordic countries. Electricity Sales buys its electricity from the Nordic power exchange.

EUR million	I/13	I/12	2012	LTM
Sales	262	247	722	737
- power sales	256	240	697	713
- other sales	6	7	25	24
Operating profit	5	11	39	33
Comparable operating profit	15	9	39	45
Comparable EBITDA	15	9	40	46
Net assets (at period-end)	71	50	51	
Return on net assets, %			152.3	84.6
Comparable return on net assets, %			203.1	125.7
Capital expenditure and gross investments in shares	0	0	1	1
Number of employees	502	516	509	

January–March

During the first quarter of 2013, the business area's electricity volume sales to retail customers totalled 4.4 (4.2) TWh and Sales Trading 0.4 (0.3) TWh (reported until 2012 in other segment). The higher volume to retail customers was due to colder than normal weather in January and March.

Electricity Sales' comparable operating profit in the first quarter of 2013 totalled EUR 15 (9) million. The increase was mainly a result of colder than normal weather in January and March, an increased customer base as well as favourable wholesale market conditions in the first quarter.

Operating profit totalled EUR 5 (11) million and was affected by non-recurring items and an IFRS accounting treatment (IAS 39) of derivatives (Note 4).

Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares totalled EUR 222 (218) million in the first quarter of 2013. Investments, excluding acquisitions, were EUR 221 (218) million.

Fortum expects to start the supply of power and heat from new power plants and to upgrade existing plants as follows:

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts *
Power				
Hydro refurbishment	Hydropower	10		2013
Blaiken, Sweden	Wind power	30		2013
Heat				
Järvenpää, Finland	Biofuel (CHP)	23	63	Q2 2013
Jelgava, Latvia	Biofuel (CHP)	23	45	Q3 2013
Brista, Sweden	Waste (CHP)	20	57	Q4 2013
Russia**				
Nyagan 2	Gas (CCGT)	418		2H 2013
Nyagan 3	Gas (CCGT)	418		2H 2014
Chelyabinsk 1	Gas (CCGT)	248		2H 2014
Chelyabinsk 2	Gas (CCGT)	248		Q4 2014/Q1 2015

*) Start of commercial operation, preceded by test runs, licensing, etc.

**) Start of capacity sales, preceded by test runs, licensing, etc.

Power

Through its interest in Teollisuuden Voima Oyj (TVO), Fortum is participating in the building of Olkiluoto 3, a 1,600-MW nuclear power plant unit in Finland. Based on the recent progress reports received from the plant supplier, AREVA-Siemens Consortium, TVO is preparing for the possibility that the start of regular electricity production at Olkiluoto 3 may be postponed until 2016.

In February, the Board of Directors of TVO proposed a new shareholder loan commitment of EUR 300 million to the shareholders of the company. Fortum's share in TVO's Olkiluoto 3 (OL3) project is about 25%. By means of the proposed new shareholder loan, the company is prepared to maintain a sufficient level of equity for the OL3 project, cope with possible additional delays and possible additional costs in finalising the project. TVO has committed to finance the OL3 project so that the shareholders' share of the share capital or shareholder loans is kept at the minimum of 25% .

Heat

In January, the cornerstone was laid in Stockholm for the new EUR 500 million, biofuel-fired CHP plant that will be ready in 2016. This project is the largest ongoing investment in the Heat Division.

In March, the new waste-fuelled Klaipeda CHP plant in Lithuania reached full-capacity operation, and the plant was taken into commercial operation. The formal inauguration will take place during May.

In addition, in the first quarter of 2013, Heat launched a new bio-oil commercial concept in Finland. Besides heat and electricity, bio-oil will be produced in the future CHP+ plants, where pyrolysis is integrated into the CHP production process. The first commercial scale CHP+ plant of is under construction in Joensuu, Finland.

Russia

In late March, Fortum finished the final stages in the construction of its Nyagan power plant unit 1. Accordingly, the company started receiving capacity payments for the unit from 1 April 2013 onwards. The unit's capacity was certified to exceed 420 MW and is one of the most energy-efficient units in the Tyumen energy system with an efficiency rate exceeding 57%.

Shares and share capital

Fortum Corporation is listed on the NASDAQ OMX Helsinki Ltd. In January-March 2013, a total of 165.2 (157.2) million Fortum Corporation shares, totalling EUR 2,399 million, were traded on the NASDAQ OMX Helsinki Ltd. The highest quotation of Fortum Corporation shares during the reporting period was EUR 16.38, the lowest EUR 13.10, and the volume-weighted average was EUR 14.52. The closing quotation on the last trading day of the first quarter of 2013 was EUR 15.72 (18.20). Fortum's market capitalisation, calculated using the closing quotation on the last trading day of the quarter, was EUR 13,965 million.

In addition to the NASDAQ OMX Helsinki Ltd., Fortum shares were traded on several alternative market places, for example at Boat, BATS Chi-X and Turquoise, and on the OTC market. During January-March 2013, approximately 54% of Fortum's traded shares were traded on markets other than NASDAQ OMX Helsinki Ltd.

At the end of the first quarter 2013, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 888,367,045. Fortum Corporation did not own its own shares. The number of registered shareholders was 134,541. The Finnish State's holding in Fortum was 50.8%, and the proportion of nominee registrations and direct foreign shareholders was 23.6% at the end of the review period.

The Board of Directors has no unused authorisations from the Annual General Meeting of Shareholders to issue convertible loans or bonds with warrants or to issue new shares.

Group personnel

Fortum's operations are mainly based in the Nordic countries, Russia and the Baltic Rim area. The total number of employees at the end of the period was 10,313 (10,371 at year-end 2012).

At the end of the first quarter 2013, the Power Division had 1,884 (1,846) employees, the Heat Division 2,192 (2,212), the Russia Division 4,284 (4,253), the Distribution business area 866 (870), the Electricity Sales business area 502 (509) and Other 585 (681).

Research and development

Sustainability is at the core of Fortum's strategy, and Fortum's research and development activities promote environmentally-benign energy solutions. Investments in developing renewable energy production, like wave and solar power, are an important part of Fortum's strategy implementation.

The Group reports its R&D expenditure on a yearly basis. In 2012, Fortum's R&D expenditure was EUR 41 (38) million or 0.7% (0.6%) of sales.

Sustainability

Fortum strives for balanced management of economic, social and environmental responsibility in the company's operations. The company's sustainability approach consists of Group-level indicators and division-level indicators.

The achievements of the sustainability targets are monitored through monthly, quarterly and annual reporting. As of the beginning of 2013, results of the sustainability indicators are also regularly reported to Fortum's Board of Directors.

The renewed targets since the beginning of 2013 emphasise Fortum's role in society and measure not only environmental and safety targets but also Fortum's reputation, customer satisfaction and the security of supply of power and heat.

The company is listed on the Dow Jones Sustainability Index World and the STOXX Global ESG Leaders, the NASDAQ OMX and OMX GES Sustainability Finland indices.

Economic responsibility

In the area of economic responsibility, the focus is on competitiveness, performance excellence and market-driven production. The aim is to create long-term economic value and enable profitable growth and added value for shareholders, customers, employees, goods suppliers, and other key stakeholders in the company's operating areas. Fortum's goal is to achieve excellent financial performance in strategically selected core areas through strong competence and responsible ways of operating. The key figures by which Fortum measures its financial success include return on capital employed (target: 12%), return on shareholders' equity (target: 14%) and capital structure (target: comparable net debt/EBITDA around 3). In addition, Fortum also uses the applicable Global Reporting Initiative (GRI) G3.1 indicators for reporting economic responsibility.

Environmental responsibility

Fortum's environmental responsibility emphasises mitigation of climate change, efficient use of resources, and management of the impacts of our energy production, distribution and supply chain. Our know-how in CO₂-free hydro and nuclear power production and in energy-efficient CHP production is highlighted in environmental responsibility. Fortum's Group-level environmental targets are related to carbon-dioxide emissions, energy efficiency and environmental performance management. The achievements of the environmental targets are monitored through monthly, quarterly and annual reporting. During the first quarter 2013, ISO certifications for the Polish plants in Zabrze and Bytom were completed. All Fortum's Polish operations are now ISO-certified. At the end of March 2013, ISO 14001 certification covered 96% of Fortum's power and heat production and distribution operations worldwide.

Fortum's climate targets over the next five years comprise specific CO₂ emissions from power generation in the EU of below 80 grams per kilowatt-hour (g/kWh) and specific CO₂ emissions from the total energy production (electricity and heat) of below 200 g/kWh, covering all operating countries. Both targets are calculated as a five-year average. At the end of March 2013, the five-year average for specific CO₂ emissions from power generation in the EU was at 62 g/kWh and the specific CO₂ emissions from the total energy production was at 180 g/kWh, both better than the target level.

Fortum's total CO₂ emissions in January-March 2013 amounted to 7.1 (6.6) million tonnes (Mt), of which 2.3 (1.9) Mt were within the EU's emissions trading scheme (ETS). As of 2013, electricity production does not receive free allowances in the EU ETS. The Commission has not yet confirmed the free allocation for heat and other industrial sectors for 2013. The European Commission has not yet confirmed the allocation of free emission allowances for 2013. The preliminary estimate for Fortum is about 2.9 Mt, which is clearly less than the 5.4 Mt in 2012.

Fortum's total CO ₂ emissions, million tonnes	I/13	I/12	2012	LTM
Total emissions	7.1	6.6	20.7	21.1
Emissions subject to ETS	2.3	1.9	4.8	5.2
Free emissions allocation			5.4	
Emissions in Russia	4.7	4.7	15.6	15.6

Fortum's energy-efficiency target is to raise the overall efficiency in fuel use to 70% as a five-year average. In January-March 2013, the overall efficiency of fuel use was 69% (72%) and the five-year average after March was 67% (68%), which is below the target.

Fortum's target is to have less than 40 major environmental incidents annually. In January-March 2013, 11 (8) environmental incidents took place in Fortum's operations. This includes 4 leaks or spills of oil into the environment, 3 fires, one explosion and one INES 1 nuclear incident (INES=International Nuclear Event Scale). None of these incidents caused material damage or liability to Fortum.

Social responsibility

In the area of social responsibility, Fortum's innovations and the secure supply of low-carbon power and heat support the development of society and increase well-being. Good corporate citizenship, reliable energy supply and ensuring a safe working environment for all employees and contractors at Fortum sites are emphasised. At the end of March 2013, OHSAS 18001-certification covered 71% of Fortum's power and heat production and distribution operations worldwide.

In January-March 2013 the average energy availability of the Heat Division's CHP plants was 91% (93%), slightly below the annual target level of 92%. In electricity distribution, the cumulative SAIDI (System Average Interruption Duration Index) was 21 (32) minutes, while the annual target is less than 110 minutes.

In January-March 2013, the Group-level lost workday injury frequency (LWIF) improved to 0.9 (1.3). Fortum's safety target is to reach an LWIF level that is less than one per million working hours for its own personnel. This reflects the Group's zero tolerance for accidents.

Fortum's sustainability targets and performance*

	Target setting	I/13	Five years average
Specific CO ₂ emissions from power generation in the EU as a five-year average, g/kWh	< 80	78	62
Specific CO ₂ emissions from total energy production (electricity and heat) as a five-year average, g/kWh	< 200	186	180
Overall efficiency of fuel use as a five-year average, %	> 70	69	67
Environmental incidents	< 40	11	-
Energy availability of CHP plants in the EU, %	> 92	91	-
SAIDI, minutes in 2013	< 110	21	-
Lost workday injury frequency (LWIF) for own personnel	< 1.0	0.9	-

*Targets for reputation and customer satisfaction are monitored annually

Changes in Fortum's Management

In March, Fortum Corporation's President and CEO Tapio Kuula was diagnosed with a condition requiring medical treatment. He started his sick leave immediately.

During Tapio Kuula's leave of absence, Fortum's CFO Markus Rauramo assumes responsibility for the duties of President and CEO.

Annual General Meeting 2013

Fortum Corporation's Annual General Meeting, which was held in Helsinki on 9 April 2013, adopted the financial statements of the parent company and the Group for 2012 and discharged the members of Fortum's Board of Directors as well as the President and CEO from liability for 2012.

The Annual General Meeting decided to pay a dividend of EUR 1.00 per share for 2012. The record date for the dividend payment was 12 April 2013 and the dividend payment date was 19 April 2013.

The Annual General Meeting confirmed the number of members in the Board of Directors to be seven. Sari Baldauf was re-elected as Chairman and Christian Ramm-Schmidt as Deputy Chairman, and members Minoo Akhtarzand, Heinz-Werner Binzel, Ilona Ervasti-Vaintola, Kim Ignatius and Joshua Larson were re-elected.

The Annual General Meeting confirmed the annual compensation of EUR 75,000 per year to the Chairman, EUR 57,000 per year to the Deputy Chairman and EUR 40,000 per year to each member of the Board, as well as EUR 57,000 per year to the Chairman of the Audit and Risk Committee if he or she is not at the same time acting as Chairman or Deputy Chairman. In addition, a EUR 600 fee is paid for Board meetings as well as for committee meetings. The meeting fee is doubled for Board members who live outside Finland but in Europe and tripled for members living elsewhere outside Finland. Members of the Board of Directors are compensated for travel expenses in accordance with the company's travel policy.

The Annual General Meeting also resolved to appoint a permanent Shareholders' Nomination Board to prepare proposals concerning Board members and their remuneration to the Annual General Meeting, and, if necessary, to an Extraordinary General Meeting. The Nomination Board will consist of four members, three of which shall be appointed by the Company's three largest shareholders, who will appoint one member each. The Chairman of the Company's Board of Directors serves as the fourth member. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Board. The Nomination Board shall elect a Chairman from among its members and the Nomination Board's Chairman shall be responsible for convening subsequent meetings. The Nomination Board is established to exist and serve until the General Meeting of the Company decides otherwise. The members shall be nominated annually and their term of office shall end when new members are nominated to replace them. The Nomination Board shall forward its proposals for the Annual General Meeting to the Company's Board of Directors by 31 January each year. Proposals intended for an Extraordinary General Meeting shall be forwarded to the Company's Board of Directors in time for them to be included in the notice to the General Meeting.

In addition, Authorised Public Accountant Deloitte & Touche Oy was re-elected as auditor and the auditor's fee is paid pursuant to an invoice approved by the company.

Events after the balance sheet date

In April, Fortum's Board of Directors decided to update the company's dividend policy. The new 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 Corporation's target is to pay a stable, sustainable and over time increasing dividend in the range of 50-80% of earnings per share excluding one-off items.

In addition, in mid-April, the European Parliament rejected the proposal to temporarily withdraw 900 million emission allowances from the market (so called backloading) by 334 votes against vs. 315 in favour. The Commission will not withdraw the proposal, and the proposal was referred back to the Parliament's leading Environmental Committee.

Outlook

Key drivers and risks

Fortum's financial results are exposed to a number of strategic, political, financial and operational risks. The key factor influencing Fortum's business performance is the wholesale price of electricity in the Nordic region. The key drivers behind the wholesale price development in the Nordic region are the supply-demand balance, fuel and CO₂ emissions allowance prices as well as the hydrological situation. The completion of Fortum's investment programme in Russia is also one key driver to the company's result growth, due to the increase in production volumes.

The continued global economic uncertainty and Europe's sovereign-debt crisis has kept the outlook for economic growth unpredictable. The overall economic uncertainty impacts commodity and CO₂ emission allowance prices, and this could maintain downward pressure on the Nordic wholesale price for electricity in the short-term. In the Russian business, the key factors are the regulation around the heat business and further development of electricity and capacity markets. Operational risks related to the investment projects in the current investment programme are still valid. In all regions, fuel prices and power plant availability also impact the profitability. In addition, increased volatility in exchange rates due to financial turbulence could have both translation and transaction effects on Fortum's financials, especially through the SEK and RUB. In the Nordic countries, also the regulatory and fiscal environment for the energy sector has added risks for utility companies.

Nordic market

Despite macroeconomic uncertainty, electricity will continue to gain a higher share of the total energy consumption. Fortum currently expects the average annual growth rate in electricity consumption to be 0.5%, while the growth rate for the nearest years will largely be determined by macroeconomic development in Europe and especially in the Nordic countries.

During the first quarter of 2013, the price of coal and CO₂ emissions allowances (EUA) declined clearly. The forward price of electricity for the upcoming twelve months increased in the Nordic area but decreased in Germany. The Nordic prices for the rest of 2013 are clearly above the short run marginal cost of coal-fired production, due to the low Nordic hydrological balance, which is a result of exceptionally low precipitation over winter.

In late April 2013, the future quotations for coal (ICE Rotterdam) for the rest of 2013 were around USD 80 per tonne, and the market price for CO₂ emissions allowances (EUA) for 2013 was about EUR 3 per tonne.

In late April 2013, the electricity forward price in Nord Pool for the rest of 2013 was around EUR 37 per MWh. For 2014, the electricity forward price was around EUR 36 per MWh and for 2015 around EUR 35 per MWh. In Germany, the electricity forward price for the rest of 2013 was around EUR 37 per MWh and for 2014 EUR 39 per MWh.

In late April 2013, Nordic water reservoirs were about 7 TWh below the long-term average and 21 TWh below the corresponding level of 2012.

Power

The Power Division's Nordic power price typically depends on such factors as the hedge ratios, hedge prices, spot prices, availability and utilisation of Fortum's flexible production portfolio, and currency fluctuations. Excluding the potential effects from the changes in the power generation mix, a 1 EUR/MWh change in the Power Division's Nordic power sales price will result in an approximately EUR 45 million change in Fortum's annual comparable operating profit. In addition,

the comparable operating profit of the Power Division will be affected by the possible thermal power generation amount and its profit.

The several years of ongoing Swedish nuclear investment programmes will enhance safety, improve availability and increase the capacity of the current nuclear fleet. The implementation of the investment programmes could, however, affect availability. Fortum's power procurement costs from co-owned nuclear companies are affected by these investment programmes through increased depreciation and finance costs of associated companies.

Russia

The Russian wholesale power market is liberalised. However, all generating companies continue to sell a part of their electricity and capacity equalling the consumption of households and a special group of consumers (Northern Caucasus Republic, Tyva Republic, Buryat Republic) under regulated prices.

The generation capacity CSA built after 2007 under government receives guaranteed payments for a period of 10 years. Prices for capacity under CSA are defined in order to ensure a sufficient return on investments.

Capacity not under Capacity Supply Agreements (CSA – “new capacity”) competes in competitive capacity selection (CCS – “old capacity”). The capacity selection for 2013 was held at the end of 2012. The majority of Fortum's power plants were selected in the auction, with a price level close to the level received in 2012. Approximately 10% (265 MW) of the old capacity was not allowed to participate in the selection for 2013, due to tightened minimal technical requirements. It will, however, receive capacity payments at the capacity market price for 2013.

The Russia Division's new capacity will be a key driver for earnings growth in Russia as it will bring income from new volumes sold and also receive considerably higher capacity payments than the old capacity. However, the received capacity payment will differ depending on the age, location, size and type of the plants as well as seasonality and availability. The return on the new capacity is guaranteed as regulated in the Capacity Supply Agreement. The regulator will review the earnings from the electricity-only market after three years and six years, after the commissioning of a unit, and could revise the CSA payments accordingly. CSA payments can vary somewhat annually because they are linked to Russian Government long-term bonds with 8 to 10 years maturity.

Fortum has worked hard to resolve the construction delays in Nyagan; after thorough analysis, the company now estimates the commissioning of Nyagan unit 2 will take place at the end of 2013 and that Nyagan 3 will be finalised at the end of 2014 at the latest. This will optimise the investment with regards to both capital and operational expenditures, and received electricity sales as well as capacity payments. The capacity payments for Nyagan unit 3 will start as of 1 January 2015. In accordance with the CSA terms, no penalties for unit 3 will be claimed before 1 January 2016.

In 2012, Fortum announced its decision to build the last two units of its Russian investment programme at Chelyabinsk in the Urals. Initially, the units were planned for construction in the Tyumen region in western Siberia. The units are included within the sphere of the Capacity Supply Agreement originally agreed in 2008 and are to be constructed at the Chelyabinsk GRES power plant. Fortum also plans to modernise and upgrade the existing power plant equipment.

The value of the remaining part of the investment programme, calculated at the exchange rates prevailing at the end of March 2013, is estimated to be approximately EUR 490 million as of April 2013.

After completing the on-going investment programme by the end of 2014, Fortum's goal is to achieve an operating profit level (EBIT) of about EUR 500 million run-rate in its Russia Division during 2015 and to create positive economic added value in Russia.

A commission for heat business development has been set up by the Russian Government. Top priorities will be issues regarding heat regulation, centralised district heating and co-generation efficiency.

In February 2013, the Board of Russia's Federal Tariff Service (FST) adopted a decision according to which the wholesale gas price for industrial consumers is to be decreased by 3% as of the second quarter 2013, compared to first quarter. According to FST, this reduction follows the decrease in the estimated price of Russian natural gas in Europe. The reduction in the gas price has been driven by the price drop in heating oil, especially fuel oil, in Europe. Since the beginning of 2013, wholesale gas prices (except private household and industrial consumers) have been reviewed quarterly, following quarterly updates of fuel oil and gas oil prices in the nine-month period in Europe. According to applicable legislation, the price for natural gas will increase 15% year-on-year.

Efficiency programme 2013-2014

Due to the increasingly demanding business environment, Fortum started an efficiency programme in order to maintain and strengthen strategic flexibility and competitiveness and to enable the company to reach its financial targets in the future.

The aim is to improve the company's cash flow by more than approximately EUR 1 billion during 2013—2014 by reducing capital expenditures (capex) by EUR 250—350 million, divesting approximately EUR 500 million of non-core assets, reducing fixed costs and focusing on working capital efficiency. At the end of 2014, the cost run-rate will be approximately EUR 150 million lower compared to 2012, including growth projects.

The Board's decision to review the strategic position of the electricity distribution business does not change the basics of the efficiency programme, which will continue as originally planned.

Capital expenditure

Fortum currently expects its capital expenditure in 2013 to be EUR 1.1—1.4 billion and in 2014 EUR 0.9—1.1 billion, excluding potential acquisitions. The annual maintenance capital expenditure is estimated to be about EUR 500—550 million in 2013, somewhat below the level of depreciation.

Taxation

The effective corporate tax rate for Fortum in 2013 is estimated to be 19—21%, excluding the impact of the share of profits of associated companies and joint ventures, non-taxable capital gains and non-recurring items. In Finland, a plan to reduce the corporate tax rate from 24.5% to 20% starting 1 January 2014 has been presented. The decrease would cause a one-time positive effect that would be booked in the fourth quarter 2013. In Sweden, the corporate tax rate was decreased from 26.3% to 22% starting 1 January 2013.

The process to update the real estate taxation values for the year 2013 is ongoing in Sweden and is expected to be finalised in July 2013. It is estimated, based on the latest Swedish Government budget proposal, that Fortum's costs would increase by approximately EUR 40 million in 2013 compared to 2012. The update is done on a six-year cycle.

In March 2013, the Finnish Government announced that the planned so-called windfall tax, to be introduced in 2014, will be cut to EUR 50 million from EUR 170 million.

Hedging

At the end of March 2013, approximately 80% of the Power Division's estimated Nordic power sales volume was hedged at approximately EUR 45 per MWh for the rest of the year 2013. The

corresponding figures for the calendar year 2014 were about 45% at approximately EUR 42 per MWh.

The hedge price for the Power Division's Nordic generation excludes hedging of the condensing power margin. In addition, the hedge ratio excludes the financial hedges and physical volume of Fortum's coal-condensing generation as well as the division's imports from Russia.

The reported hedge ratios may vary significantly, depending on Fortum's actions on the electricity derivatives markets. Hedges are mainly financial contracts, most of them Nord Pool forwards.

Dividend payment

The Annual General Meeting 2013 decided to pay a dividend of EUR 1.00 per share for 2012. The record date for the dividend was 12 April 2013, and the dividend payment date was 19 April 2013.

*Espoo, 24 April 2013
Fortum Corporation
Board of Directors*

*Further information:
Markus Rauramo, CFO, tel. +358 10 452 1909*

*Fortum's Investor Relations, Sophie Jolly, +358 10 453 2552, Rauno Tiihonen, +358 10 453 6150
and Janna Haahtela, +358 10 453 2538 / investors@fortum.com*

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The interim financials have not been audited.

Publication of financial results in 2013:

- Interim Report January – June on 19 July 2013 at approximately 9:00 EEST
- Interim Report January – December on 23 October 2013 at approximately 9:00 EEST

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More information, including detailed quarterly information, is available on Fortum's website at www.fortum.com/investors.

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Condensed consolidated income statement

EUR million	Note	Q1 2013	Q1 2012 restated*	2012 restated*	Restate- ment	2012 old	Last twelve months
Sales	4	1,991	1,901	6,159		6,159	6,249
Other income		12	14	109		109	107
Materials and services		-885	-801	-2,548		-2,548	-2,632
Employee benefits		-140	-135	-543	13	-556	-548
Depreciation, amortisation and impairment charges	4,9,10	-169	-158	-664		-664	-675
Other expenses		-159	-167	-761		-761	-753
Comparable operating profit		650	654	1,752	13	1,739	1,748
Items affecting comparability		-47	85	122		122	-10
Operating profit		603	739	1,874	13	1,861	1,738
Share of profit/loss of associates and joint ventures	4, 11	29	-7	23	2	21	59
Interest expense		-69	-76	-300		-300	-293
Interest income		10	14	54		54	50
Fair value gains and losses on financial instruments		-2	-7	-23		-23	-18
Other financial expenses - net		-12	-8	-42	-4	-38	-46
Finance costs - net		-73	-77	-311	-4	-307	-307
Profit before income tax		559	655	1,586	11	1,575	1,490
Income tax expense	8	-107	-119	-74	-2	-72	-62
Profit for the period		452	536	1,512	9	1,503	1,428
Attributable to:							
Owners of the parent		401	497	1,416	7	1,409	1,320
Non-controlling interests		51	39	96	2	94	108
		452	536	1,512	9	1,503	1,428
Earnings per share (in € per share)							
Basic		0.45	0.56	1.59	0.00	1.59	1.49
Diluted		0.45	0.56	1.59	0.00	1.59	1.49

EUR million	Q1 2013	Q1 2012 restated*	2012 restated*	Restate- ment	2012 old	Last twelve months
Comparable operating profit	650	654	1,752	13	1,739	1,748
Non-recurring items (capital gains and losses)	4	110	155		155	49
Changes in fair values of derivatives hedging future cash flow	-48	-16	-2		-2	-34
Nuclear fund adjustment	-3	-9	-31		-31	-25
Items affecting comparability	-47	85	122		122	-10
Operating profit	603	739	1,874	13	1,861	1,738

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Condensed consolidated statement of comprehensive income

EUR million	Q1 2013	Q1 2012 restated*	2012 restated*	Restate- ment	2012 old	Last twelve months
Profit for the period	452	536	1,512	9	1,503	1,428
Other comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods						
Cash flow hedges						
Fair value gains/losses in the period	-40	66	15		15	-91
Transfers to income statement	-1	-32	-152		-152	-121
Transfers to inventory/fixed assets	0	-2	-5		-5	-3
Tax effect	9	-9	33		33	51
Net investment hedges						
Fair value gains/losses in the period	0	0	0		0	0
Tax effect	0	0	0		0	0
Available for sale financial assets						
Fair value changes in the period	0	0	0		0	0
Exchange differences on translating foreign operations	78	214	204	-3	207	68
Share of other comprehensive income of associates	1	-12	-23		-23	-10
Other changes	0	-1	0		0	1
	47	224	72	-3	75	-105
Items that will not be reclassified to profit or loss in subsequent period						
Actuarial gains/losses on defined benefit plans	0	1	-24	-24	-	-25
Actuarial gains/losses on defined benefit plans in associates	34	-35	-36	-36	-	33
	34	-34	-60	-60	0	8
Other comprehensive income for the period, net of tax	81	190	12	-63	75	-97
Total comprehensive income for the year	533	726	1,524	-54	1,578	1,331
Total comprehensive income attributable to						
Owners of the parent	469	681	1,412	-54	1,466	1,200
Non-controlling interests	64	45	112	0	112	131
	533	726	1,524	-54	1,578	1,331

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Condensed consolidated balance sheet

EUR million	Note	March 31 2013	March 31 2012 restated*	Dec 31 2012 restated*	Restate- ment	Dec 31 2012 old
ASSETS						
Non-current assets						
Intangible assets	9	444	455	442		442
Property, plant and equipment	10	16,816	15,541	16,497		16,497
Participations in associates and joint ventures	4, 11	2,049	1,999	1,979	-40	2,019
Share in State Nuclear Waste Management Fund	14	684	659	678		678
Pension assets		0	0	0	-54	54
Other non-current assets		69	66	69	-2	71
Deferred tax assets		128	174	177	29	148
Derivative financial instruments	5	375	401	451		451
Long-term interest-bearing receivables		1,411	1,228	1,384		1,384
Total non-current assets		21,976	20,523	21,677	-67	21,744
Current assets						
Inventories		329	479	428		428
Derivative financial instruments	5	202	385	223		223
Trade and other receivables		1,309	1,079	1,270		1,270
Cash and cash equivalents	13	1,719	1,574	963		963
Total current assets		3,559	3,517	2,884		2,884
Total assets		25,535	24,040	24,561	-67	24,628
EQUITY						
Equity attributable to owners of the parent						
Share capital		3,046	3,046	3,046		3,046
Share premium		73	73	73		73
Retained earnings		7,477	7,021	7,020	7	7,013
Other equity components		-93	62	-99	-172	73
Total		10,503	10,202	10,040	-165	10,205
Non-controlling interests		667	561	603	-13	616
Total equity		11,170	10,763	10,643	-178	10,821
LIABILITIES						
Non-current liabilities						
Interest-bearing liabilities	13	7,344	7,192	7,699		7,699
Derivative financial instruments	5	179	179	182		182
Deferred tax liabilities		1,842	2,021	1,879	-14	1,893
Nuclear provisions	14	684	659	678		678
Other provisions	15	201	220	207		207
Pension obligations		154	119	152	125	27
Other non-current liabilities		465	466	472		472
Total non-current liabilities		10,869	10,856	11,269	111	11,158
Current liabilities						
Interest-bearing liabilities	13	1,808	905	1,078		1,078
Derivative financial instruments	5	339	293	264		264
Trade and other payables		1,349	1,223	1,307		1,307
Total current liabilities		3,496	2,421	2,649		2,649
Total liabilities		14,365	13,277	13,918	111	13,807
Total equity and liabilities		25,535	24,040	24,561	-67	24,628

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Condensed consolidated statement of changes in total equity

	Share capital	Share premium	Retained earnings		Other equity components			Owners of the parent	Non-controlling interests	Total equity
			Retained earnings and other funds	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associated companies			
EUR million										
Total equity 31 December 2012	3,046	73	7,193	-173	34	-133	0	10,040	603	10,643
Net profit for the period			401					401	51	452
Translation differences				62		-2	2	62	16	78
Other comprehensive income					-29	1	34	6	-3	3
Total comprehensive income for the period			401	62	-29	-1	36	469	64	533
Other			-6					-6		-6
Total equity 31 March 2013	3,046	73	7,588	-111	5	-134	36	10,503	667	11,170
Total equity 1 January 2012	3,046	73	6,670	-352	136	-108	56	9,521	516	10,037
Net profit for the period			497					497	39	536
Translation differences				205	2			207	7	214
Other comprehensive income			1		23		-47	-23	-1	-24
Total comprehensive income for the period			498	205	25	0	-47	681	45	726
Total equity 31 March 2012	3,046	73	7,168	-147	161	-108	9	10,202	561	10,763
Total equity 31 December 2011, as previously reported	3,046	73	6,670	-352	136	-2	61	9,632	529	10,161
Change in accounting policy*						-106	-5	-111	-13	-124
Total equity 1 January 2012	3,046	73	6,670	-352	136	-108	56	9,521	516	10,037
Net profit for the period			1,416					1,416	96	1,512
Translation differences				179	4	-3	3	183	21	204
Other comprehensive income					-106	-22	-59	-187	-5	-192
Total comprehensive income for the period			1,416	179	-102	-25	-56	1,412	112	1,524
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-26	-26
Changes due to business combinations								0	2	2
Other			-5					-5	-1	-6
Total equity 31 December 2012	3,046	73	7,193	-173	34	-133	0	10,040	603	10,643

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Translation differences

Translation differences impacted equity attributable to owners of the parent company with EUR 62 million during Q1 2013 (Q1 2012: 207) mainly relating to RUB and SEK amounting to EUR 77 million in Q1 2013 (in Q1 2012 mainly relating to RUB: 181).

Translation of financial information from subsidiaries in foreign currency is done using average rate for the income statement and end rate for the balance sheet. The exchange rate differences occurring from translation to EUR are booked to equity. For information regarding exchange rates used, see Note 7 Exchange rates.

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges, EUR -29 million during Q1 2013 (Q1 2012: 23), mainly relates to cash flow hedges hedging electricity price for future transactions, where hedge accounting is applied. When electricity price is lower/higher than the hedging price, the impact on equity is positive/negative.

Cash dividend

A dividend for 2012 of EUR 1.00 per share, amounting to a total of EUR 888 million, was decided at the Annual General Meeting on 9 April 2013. These Financial statements do not reflect this dividend. The dividend was paid on 19 April 2013.

The dividend in respect of 2011 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million, was decided at the Annual General Meeting on 11 April 2012. The dividend was paid on 23 April 2012.

Condensed consolidated cash flow statement

EUR million	Q1 2013	Q1 2012 restated*	2012 restated *	Restate- ment	2012 old	Last twelve months
Cash flow from operating activities						
Net profit for the period	452	536	1,512	9	1,503	1,428
Adjustments:						
Income tax expenses	107	120	74	2	72	61
Finance costs-net	73	76	311	4	307	308
Share of profit of associates and joint ventures	-29	7	-23	-2	-21	-59
Depreciation, amortisation and impairment charges	169	158	664		664	675
Operating profit before depreciations (EBITDA)	772	897	2,538	13	2,525	2,413
Non-cash flow items and divesting activities	27	-101	-192	-11	-181	-64
Interest received	7	14	59		59	52
Interest paid	-115	-70	-352		-352	-397
Dividends received	1	0	45		45	46
Realised foreign exchange gains and losses and other financial items	-109	-86	-274		-274	-297
Taxes	-24	-78	-269		-269	-215
Funds from operations	559	576	1,555	2	1,553	1,538
Change in working capital	87	-23	-173	-2	-171	-63
Total net cash from operating activities	646	553	1,382	0	1,382	1,475
Cash flow from investing activities						
Capital expenditures	-287	-272	-1,422		-1,422	-1,437
Acquisitions of shares	-1	0	-14		-14	-15
Proceeds from sales of fixed assets	2	0	13		13	15
Divestments of shares	13	129	239		239	123
Proceeds from the interest-bearing receivables relating to divestments	22	147	181		181	56
Shareholder loans to associated companies	6	-24	-138		-138	-108
Change in other interest-bearing receivables	0	3	13		13	10
Total net cash used in investing activities	-245	-17	-1,128		-1,128	-1,356
Cash flow before financing activities	401	536	254		254	119
Cash flow from financing activities						
Proceeds from long-term liabilities	379	318	1,375		1,375	1,436
Payments of long-term liabilities	-4	-12	-669		-669	-661
Change in short-term liabilities	-22	-22	168		168	168
Dividends paid to the owners of the parent	-	-	-888		-888	-888
Other financing items	-1	-7	-33		-33	-27
Total net cash used in financing activities	352	277	-47		-47	28
Total net increase(+)/decrease(-) in cash and cash equivalents	753	813	207		207	147
Cash and cash equivalents at the beginning of the period	963	747	747		747	1,574
Foreign exchange differences in cash and cash equivalents	3	14	9		9	-2
Cash and cash equivalents at the end of the period	1,719	1,574	963		963	1,719

Non-cash flow items and divesting activities

Non-cash flow items and divesting activities mainly consist of adjustments for unrealised fair value changes of derivatives EUR 46 million (Q1 2012: 16) and capital gains EUR -4 million (Q1 2012: -110). The actual proceeds for divestments are shown under cash flow from investing activities.

Realised foreign exchange gains and losses and other financial items

Realised foreign exchange gains and losses EUR -108 million for Q1 2013 (Q1 2012: -84) mainly related to financing of Fortum's Swedish subsidiaries and the fact that the Group's main external financing currency is EUR. The foreign exchange gains and losses arise for rollover of foreign exchange contracts hedging the internal loans as major part of these forwards is entered into with short maturities i.e. less than twelve months.

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Additional cash flow information

Change in working capital

EUR million	Q1 2013	Q1 2012*	2012*	Last twelve months
Change in interest-free receivables, decrease (+)/increase (-)	-60	-63	-226	-223
Change in inventories, decrease (+)/increase (-)	102	54	109	157
Change in interest-free liabilities, decrease (-)/increase (+)	45	-14	-56	3
Total	87	-23	-173	-63

Positive effect from change in working capital during Q1 2013, EUR 87 million (Q1 2012: -23) is mainly due to decrease in inventories.

Capital expenditure in cash flow

EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Capital expenditure	221	218	1,558	1,561
Change in not yet paid investments	90	72	-56	-38
Capitalised borrowing costs	-24	-18	-80	-86
Total	287	272	1,422	1,437

Capital expenditures for intangible assets and property, plant and equipment were in Q1 2013 EUR 221 million (Q1 2012: 218). Capital expenditure in cash flow in Q1 2013 EUR 287 million (Q1 2012: 272) is without not yet paid investments i.e. change in trade payables related to investments EUR 90 million (Q1 2012: 72) and capitalised borrowing costs EUR -24 million (Q1 2012: -18), which are presented in interest paid.

Acquisition of shares in cash flow

EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Acquisition of subsidiaries, net of cash acquired	-	0	3	3
Acquisition of associates ¹⁾	-	-	10	10
Acquisition of available for sale financial assets	1	0	1	2
Total	1	0	14	15

¹⁾ Acquisition of associates includes share issues and other capital contributions.

Acquisition of shares in subsidiaries, net of cash acquired

EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Gross investments of shares	-	0	5	5
Interest bearing debt in acquired subsidiaries	-	-	-2	-2
Total	-	0	3	3

Acquisition of shares in associates

EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Gross investments of shares	-	-	10	10
Total	-	-	10	10

Divestment of shares in cash flow

EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Proceeds from sales of subsidiaries, net of cash disposed	13	126	223	110
Proceeds from sales of associates	-	3	13	10
Proceeds from available for sale financial assets	-	0	3	3
Total	13	129	239	123

Gross divestment of shares totalled EUR 35 million in Q1 2013 (Q1 2012: 295) including interest-bearing debt in sold subsidiaries of EUR 22 million (Q1 2012: 147), see Note 6. Proceeds from divestments of shares totalled EUR 13 million in Q1 2013 (Q1 2012: 129) relating to divestment of small hydropower plants in Sweden.

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Change in net debt

EUR million	Q1 2013	Q1 2012 restated*	2012 restated*	Restate- ment	2012 old	Last twelve months
Net debt beginning of the period	7,814	7,023	7,023		7,023	6,523
Foreign exchange rate differences	57	29	89		89	117
EBITDA	772	897	2,538	13	2,525	2,413
Paid net financial costs, taxes and adjustments for non-cash and divestment items	-213	-321	-983	-11	-972	-875
Change in working capital	87	-23	-173	-2	-171	-63
Capital expenditures	-287	-272	-1,422		-1,422	-1,437
Acquisitions	-1	0	-14		-14	-15
Divestments	15	129	252		252	138
Proceeds from the interest-bearing receivables relating to divestments	22	147	181		181	56
Shareholder loans to associated companies	6	-24	-138		-138	-108
Change in other interest-bearing receivables	0	3	13		13	10
Dividends	-	-	-888		-888	-888
Other financing activities	-1	-7	-45		-45	-39
Net cash flow (- increase in net debt)	400	529	-679	0	-679	-808
Fair value change of bonds, amortised cost valuation and other	-28	0	23		23	-5
Net debt end of the period	7,443	6,523	7,814	0	7,814	7,443

Key ratios

	March 31 2013	March 31 2012 restated*	Dec 31 2012 restated*	Restate- ment	Dec 31 2012 old	Last twelve months
EBITDA, EUR million	772	897	2,538	13	2,525	2,413
Comparable EBITDA, EUR million	819	812	2,416	13	2,403	2,423
Earnings per share (basic), EUR	0.45	0.56	1.59	0.00	1.59	1.49
Capital employed, EUR million	20,322	18,860	19,420	-178	19,598	
Interest-bearing net debt, EUR million	7,433	6,523	7,814		7,814	
Capital expenditure and gross investments in shares, EUR million	222	218	1,574		1,574	
Capital expenditure, EUR million	221	218	1,558		1,558	
Return on capital employed, % ¹⁾	13.4	14.6	10.2	0.2	10.0	9.1
Return on shareholders' equity, % ¹⁾	17.8	18.2	14.6	0.3	14.3	13.0
Net debt / EBITDA ¹⁾	2.3	2.0	3.1	0.0	3.1	3.1
Comparable net debt / EBITDA ¹⁾	2.3	2.0	3.2	-0.1	3.3	3.1
Interest coverage	10.2	11.9	7.6	0.1	7.5	7.1
Interest coverage including capitalised borrowing costs	7.2	9.3	5.7	0.0	5.7	5.3
Funds from operations/interest-bearing net debt, % ¹⁾	34.4	39.2	19.9	0.0	19.9	20.7
Gearing, %	67	61	73	1	72	
Equity per share, EUR	11.82	11.48	11.30	-0.19	11.49	
Equity-to-assets ratio, %	44	45	43	-1	44	
Number of employees	10,313	10,542	10,371		10,371	
Average number of employees	10,335	10,587	10,600		10,600	
Average number of shares, 1 000 shares	888,367	888,367	888,367		888,367	888,367
Diluted adjusted average number of shares, 1 000 shares	888,367	888,367	888,367		888,367	888,367
Number of registered shares, 1 000 shares	888,367	888,367	888,367		888,367	888,367

¹⁾ Quarterly figures are annualised except items affecting comparability.
For definitions, see Note 23.

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU. The condensed interim financial report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012.

2. Accounting policies

The same accounting policies and presentation have been followed in these condensed interim financial statements as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2012 except for the policies and presentation described below.

Changes in accounting policies for pensions

Fortum has applied the amended IAS19 *Employee benefits* - standard starting from 1 January 2013. The amendment changes the accounting for defined benefit plans by eliminating the corridor approach. Accordingly actuarial gains and losses are immediately recognised in the period they occur in equity. The change did not have a material effect on Fortum's financial results or financial position, however it impacted equity through other comprehensive income.

Restated quarterly information for 2012 (including effects for segments) is presented in the attachment to this interim report. The following table summarises the adjustments made to the statement of financial position.

EUR million	Balances at 1 Jan 2012, previously reported	Impact of change in accounting policy	Restated balances at 1 Jan 2012	Balances at 31 Dec 2012, previously reported	Impact of change in accounting policy	Restated balances at 31 Dec 2012
Participation in associates and joint ventures	2,019	-5	2,014	2,019	-40	1,979
Deferred tax assets	150	25	175	148	29	177
Pension assets	60	-60	0	54	-54	0
Other non-current assets	69	-4	65	71	-2	69
Impact to assets		-44			-67	
Equity	10,161	-124	10,037	10,821	-178	10,643
Deferred tax liability	2,013	-16	1,997	1,893	-14	1,879
Pension liability	26	95	121	27	125	152
Other non-current liabilities	465	1	466	472	0	472
Impact to equity and liabilities		-44			-67	

The effect on the consolidated income statement and consolidated statement of comprehensive income for 2012 is presented below. When starting to apply the amended IAS19 standard, Fortum has decided to present the net interest in financial items.

EUR million	Previously reported 2012	Impact of change in accounting policy	Restated 2012
Effect to income statement			
Employee benefits	-556	13	-543
Comparable operating profit	1,739	13	1,752
Share of profit in associates and joint ventures	21	2	23
Other financial expenses - net	-38	-4	-42
Income tax expense	-72	-2	-74
Profit for the year	1,503	9	1,512
Effect to other comprehensive income			
Actuarial gains/losses on defined benefit plans	-	-24	-24
Actuarial gains/losses on defined benefit plans in associates	-	-36	-36

New disclosures for financial assets and liabilities

Fortum has applied the new IFRS 13 *Fair value measurement* -standard and amended IFRS 7 *Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities* -standard from 1 January 2013 onwards. IFRS 13 establishes guidance under IFRS for all fair value measurements. IFRS 13 does not change when to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by Fortum. IFRS 13 also requires specific disclosures on fair value hierarchy. These disclosures are given in Note 5.

IFRS 7 as amended requires disclosures for financial instruments such as fair value and carrying amount disclosures for each class of financial assets and liabilities as well as information on collaterals. This information is disclosed in Notes 5, 12, 13 and 16.

3. Critical accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2012.

4. Segment information

Sales				
	Q1	Q1		Last twelve
EUR million	2013	2012	2012	months
Power sales excluding indirect taxes	996	948	3,413	3,461
Heating sales	641	604	1,501	1,538
Network transmissions	332	296	1,002	1,038
Other sales	22	53	243	212
Total	1,991	1,901	6,159	6,249

Sales by segment				
	Q1	Q1		Last twelve
EUR million	2013	2012	2012	months
Power ¹⁾	664	655	2,415	2,424
- of which internal	23	47	296	272
Heat ¹⁾	629	625	1,628	1,632
- of which internal	3	9	18	12
Russia	344	310	1,030	1,064
- of which internal	-	-	-	-
Distribution	342	308	1,070	1,104
- of which internal	9	10	37	36
Electricity Sales ¹⁾	262	247	722	737
- of which internal	27	26	55	56
Other ¹⁾	16	44	137	109
- of which internal	16	8	-66	-58
Netting of Nord Pool transactions ²⁾	-188	-188	-503	-503
Eliminations	-78	-100	-340	-318
Total	1,991	1,901	6,159	6,249

¹⁾ Sales, both internal and external, includes effects from realised hedging contracts. Effect on sales can be negative or positive depending on the average contract price and realised spot price.

²⁾ Sales and purchases with Nord Pool Spot is netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Comparable operating profit by segment				
	Q1	Q1		Last twelve
EUR million	2013	2012*	2012*	months
Power	303	342	1,146	1,107
Heat	170	162	271	279
Russia	41	48	68	61
Distribution	137	110	320	347
Electricity Sales	15	9	39	45
Other	-16	-17	-92	-91
Total	650	654	1,752	1,748

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Operating profit by segment					
EUR million		Q1 2013	Q1 2012*	2012*	Last twelve months
Power		263	368	1,175	1,070
Heat		175	214	344	305
Russia		40	48	79	71
Distribution		136	117	331	350
Electricity Sales		5	11	39	33
Other		-16	-19	-94	-91
Total		603	739	1,874	1,738

Non-recurring items by segment					
EUR million		Q1 2013	Q1 2012	2012	Last twelve months
Power		4	47	57	14
Heat		0	58	80	22
Russia		0	0	11	11
Distribution		0	5	5	0
Electricity Sales		-	-	1	1
Other		0	0	1	1
Total		4	110	155	49

Non-recurring items in Power segment in Q1 2013 includes a gain of EUR 4 million from divestment of small hydropower plants in Sweden.

Other items affecting comparability by segment					
EUR million		Q1 2013	Q1 2012	2012	Last twelve months
Power ¹⁾		-44	-21	-28	-51
Heat		5	-6	-7	4
Russia		-1	-	0	-1
Distribution		-1	2	6	3
Electricity Sales		-10	2	-1	-13
Other		0	-2	-3	-1
Total		-51	-25	-33	-59

¹⁾ Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):

	-3	-9	-31	-25
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Other items affecting comparability mainly include effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39. Other segment includes mainly the effect arising from changes in hedge accounting status on group level. In Power segment there are also effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund where the asset in the balance sheet cannot exceed the related liabilities according to IFRIC interpretation 5.

Comparable EBITDA by segment					
EUR million		Q1 2013	Q1 2012*	2012*	Last twelve months
Power		334	370	1,260	1,224
Heat		222	212	481	491
Russia		71	77	189	183
Distribution		191	159	529	561
Electricity Sales		15	9	40	46
Other		-14	-15	-83	-82
Total		819	812	2,416	2,423

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Depreciation, amortisation and impairment charges by segment				
EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Power	31	28	114	117
Heat	52	50	210	212
Russia	30	29	121	122
Distribution	54	49	209	214
Electricity Sales	0	0	1	1
Other	2	2	9	9
Total	169	158	664	675

Share of profit/loss in associates and joint ventures by segment				
EUR million	Q1 2013	Q1 2012*	2012*	Last twelve months
Power ^{1), 2)}	-11	-7	-12	-16
Heat	9	9	20	20
Russia	19	0	27	46
Distribution	3	1	8	10
Electricity Sales	0	0	0	0
Other	9	-10	-20	-1
Total	29	-7	23	59

¹⁾ Including effects from the accounting of Fortum's associates part of Finnish and Swedish Nuclear Waste Management Funds with (EUR million):

-2 **-2** **-9** **-9**

²⁾ The main part of the associated companies in Power are power production companies from which Fortum purchases produced electricity at production costs including interest costs, production taxes and income taxes.

Participation in associates and joint ventures by segment				
EUR million	March 31 2013	March 31 2012*	Dec 31 2012*	
Power	913	899	903	
Heat	166	168	157	
Russia	502	471	476	
Distribution	110	104	109	
Electricity Sales	0	0	0	
Other	358	357	334	
Total	2,049	1,999	1,979	

Capital expenditure by segment				
EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Power	26	24	190	192
Heat	74	67	464	471
Russia	71	81	568	558
Distribution	50	44	324	330
Electricity Sales	0	0	1	1
Other	0	2	11	9
Total	221	218	1,558	1,561
Of which capitalised borrowing costs	24	18	80	86

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Gross investments in shares by segment				
EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Power	1	0	-	1
Heat	-	0	10	10
Russia	-	0	-	0
Distribution	-	-	-	-
Electricity Sales	-	-	-	-
Other	-	0	6	6
Total	1	0	16	17

Gross divestments in shares by segment				
EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Power	35	63	102	74
Heat	-	195	269	74
Russia	-	-	-	-
Distribution	-	37	37	0
Electricity Sales	-	-	2	2
Other	-	0	0	0
Total	35	295	410	150

See Note 6 and additional cash flow information for more information about the gross divestment in shares.

Net assets by segment				
EUR million	March 31 2013	March 31 2012*	Dec 31 2012*	
Power	6,394	6,059	6,389	
Heat	4,393	4,126	4,286	
Russia	3,998	3,549	3,848	
Distribution	3,965	3,618	3,889	
Electricity Sales	71	50	51	
Other	129	162	158	
Total	18,950	17,564	18,621	

Comparable return on net assets by segment				
%			Last twelve months	Dec 31 2012*
Power			17.6	18.5
Heat			7.1	7.0
Russia			2.9	2.7
Distribution			9.4	8.8
Electricity Sales			125.7	203.1
Other			-26.8	-34.1

Return on net assets by segment				
%			Last twelve months	Dec 31 2012*
Power			16.8	18.7
Heat			7.7	8.8
Russia			3.2	3.0
Distribution			9.5	9.1
Electricity Sales			84.6	152.3
Other			-69.8	-68.8

Return on net assets is calculated by dividing the sum of operating profit and share of profit of associated companies and joint ventures with average net assets. Average net assets are calculated using the opening balance and end of each quarter values.

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Assets by segments			
EUR million	March 31 2013	March 31 2012*	Dec 31 2012*
Power	7,478	7,078	7,380
Heat	4,853	4,549	4,785
Russia	4,450	3,984	4,309
Distribution	4,513	4,170	4,428
Electricity Sales	361	343	292
Other	493	768	660
Eliminations	-317	-606	-403
Assets included in Net assets	21,831	20,286	21,451
Interest-bearing receivables	1,420	1,274	1,393
Deferred taxes	128	174	177
Other assets	437	732	577
Cash and cash equivalents	1,719	1,574	963
Total assets	25,535	24,040	24,561

Liabilities by segments			
EUR million	March 31 2013	March 31 2012*	Dec 31 2012*
Power	1,084	1,019	991
Heat	460	423	499
Russia	452	435	461
Distribution	548	552	539
Electricity Sales	290	293	241
Other	364	606	502
Eliminations	-317	-606	-403
Liabilities included in Net assets	2,881	2,722	2,830
Deferred tax liabilities	1,842	2,021	1,879
Other liabilities	490	437	432
Total liabilities included in Capital employed	5,213	5,180	5,141
Interest-bearing liabilities	9,152	8,097	8,777
Total equity	11,170	10,763	10,643
Total equity and liabilities	25,535	24,040	24,561

Other assets and Other liabilities not included in segments' Net assets consists mainly of income tax receivables and liabilities, accrued interest expenses, derivative receivables and liabilities qualifying as hedges and receivables and liabilities for interest rate derivatives.

Number of employees			
	March 31 2013	March 31 2012	Dec 31 2012
Power	1,884	1,842	1,846
Heat	2,192	2,352	2,212
Russia	4,284	4,337	4,253
Distribution	866	851	870
Electricity Sales	502	516	509
Other	585	644	681
Total	10,313	10,542	10,371

Average number of employees			
	Q1 2013	Q1 2012	2012
Power	1,908	1,843	1,896
Heat	2,203	2,386	2,354
Russia	4,268	4,347	4,301
Distribution	866	860	873
Electricity Sales	506	514	515
Other	584	637	661
Total	10,335	10,587	10,600

Average number of employees is based on a monthly average for the whole period in question.

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

5. Financial risk management

The Group has not made any significant changes in policies regarding risk management during the period. Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2012.

Fair value hierarchy information

Financial instruments that are measured in the balance sheet at fair value are presented according to following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that is not based on observable market data (unobservable inputs).

See Note 1 Accounting policies, 1.30 Fair value estimation in the consolidated financial statements for 2012.

Financial assets

EUR million	Level 1		Level 2		Level 3		Netting ³⁾		Total	
	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012
In non-current assets										
Available for sale financial assets ¹⁾	1	1			30	31			31	32
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			46	56			-18	-14	28	42
Non-hedge accounting		1	54	55		2 ²⁾	-23	-24	31	34
Interest rate and currency derivatives										
Hedge accounting			165	183					165	183
Non-hedge accounting			129	175					129	175
Oil and other futures and forward contracts										
Non-hedge accounting	36	10		17			-14	-10	22	17
Total in non-current assets	37	12	394	486	30	33 0	-55	-48	406	483
In current assets										
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			46	96			-32	-41	14	55
Non-hedge accounting	16	18	145	175			-103	-114	58	79
Interest rate and currency derivatives										
Hedge accounting			4	4					4	4
Non-hedge accounting			42	38					42	38
Oil and other futures and forward contracts										
Hedge accounting	3			2					3	2
Non-hedge accounting	235	125		60			-154	-140	81	45
Total in current assets	254	143	237	375	0	0 0	-289	-295	202	223
Total	291	155	631	861	30	33 0	-344	-343	608	706

Financial liabilities

EUR million	Level 1		Level 2		Level 3		Netting ³⁾		Total	
	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012	March 31 2013	Dec 31 2012
In non-current liabilities										
Interest-bearing liabilities ⁴⁾			1,766	1,895					1,766	1,895
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			23	17		1 ²⁾	-18	-14	5	4
Non-hedge accounting	1	12	33	22			-23	-24	11	10
Interest rate and currency derivatives										
Hedge accounting			59	57					59	57
Non-hedge accounting			98	108					98	108
Oil and other futures and forward contracts										
Non-hedge accounting		3	20	10			-14	-10	6	3
Total in non-current liabilities	1	15	1,999	2,109	0	1 0	-55	-48	1,945	2,077
In current liabilities										
Derivative financial instruments										
Electricity derivatives										
Hedge accounting			40	42			-32	-41	8	1
Non-hedge accounting	14	23	108	109			-103	-114	19	18
Interest rate and currency derivatives										
Hedge accounting			4	4					4	4
Non-hedge accounting			228	197					228	197
Oil and other futures and forward contracts										
Hedge accounting	5			4					5	4
Non-hedge accounting	229	116		64			-154	-140	75	40
Total in current liabilities	248	139	380	420	0	0 0	-289	-295	339	264
Total	249	154	2,379	2,529	0	1 0	-344	-343	2,284	2,341

¹⁾ Available for sale financial assets, i.e. shares which are not classified as associated companies or joint ventures, consists mainly of shares in unlisted companies of EUR 30 million (Dec 31 2012: 31), for which the fair value cannot be reliably determined. These assets are measured at cost less possible impairment. Available for sale financial assets include listed shares at fair value of EUR 1 million (Dec 31 2012: 1). The cumulative fair value change booked in Fortum's equity was EUR -3 million (Dec 31 2012: -3).

²⁾ In 2012 NASDAQ OMX Commodities Europe quoted the closest 5 years and in 2013 for the closest 10 years, for years beyond a systematic price estimate made by Fortum is used. Reason for transferring electricity derivatives from level 3 to level 2 is the maturity of contracts.

³⁾ Receivables and liabilities against electricity, oil and other commodity exchanges arising from standard derivative contracts with same delivery period are netted.

⁴⁾ Fair valued part of bond when hedge accounting is applied (fair value hedge).

Net fair value amount of interest rate and currency derivatives is EUR -49 million, assets EUR 340 million and liabilities EUR 389 million. Fortum has cash collateral based on Credit Support Annex agreements with some counterparties. At the end of March 2013 Fortum has received EUR 170 from the Credit Support Annex agreements. The received cash has been booked as short-term liability.

Regarding the relevant interest-bearing liabilities, see Note 13 Interest-bearing liabilities and Note 16 Pledged assets.

6. Acquisitions, disposals and assets held for sale

Acquisitions

There were no material acquisitions during Q1 2013 nor 2012.

Disposals

Disposals for Q1 2013

During Q1 2013 Fortum divested small hydropower plants in Sweden and a minor gain was recognised in the Power segment.

Disposals for 2012

In December 2012 Fortum sold its shares in Fortum Heat Naantali Oy to Turun Seudun Maakaasu ja Energiantuotanto Oy (TSME) in which Fortum has 49.5% interest. The total sales price (less liquid funds in the sold company) was approximately EUR 74 million, of which EUR 2 million is unpaid as of 31 March 2013. Fortum's capital gain EUR 21 million was recognised in Heat segment. In connection with the sale Fortum participated in a share issue in TSME with EUR 10 million and gave a shareholder loan to the company amounting to EUR 13 million.

Fortum closed its divestment of Fortum Energiaratkaisut Oy and Fortum Termest AS to EQT Infrastructure Fund as of January 31, 2012. The total sales price, including net debt, was approximately EUR 200 million. Fortum's capital gain was EUR 58 million.

In January 2012 Fortum sold Distribution's Estonian subsidiary Fortum Elekter AS to Imatran Seudun Sähkö. In connection with the sale, Fortum also sold its ownership in Imatran Seudun Sähkö Oy.

During Q1 2012 Fortum divested small hydropower plants in Finland with the sale of a 60% share in Killin Voima Oy to Koillis-Satakunnan Sähkö Oy and sale of 14 small hydropower plants in Finland to Koskienergia Oy. Capital gain from these transactions was EUR 47 million booked in the Power segment's first-quarter results. During Q4 2012 Fortum divested also small hydropower plants in Sweden and a minor gain was recognised in the Power segment.

Gross divestments of shares

EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Proceeds settled in cash	13	126	223	110
Interest bearing debt in sold subsidiaries	22	147	181	56
Proceeds not yet settled in cash	-	22	2	20
Gross divestments of shares in subsidiaries ¹⁾	35	295	406	166
Gross divestment of associates	-	-	1	1
Gross divestment of available for sale financial assets	-	-	3	3
Total	35	295	410	170

¹⁾ Cash and cash equivalents in sold subsidiaries EUR 0 million (Q1 2012: 9) are netted from gross divestments.

7. Exchange rates

The balance sheet date rate is based on exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of each months ending rate from the European Central Bank during the year and ending rate previous year. Key exchange rates for Fortum Group applied in the accounts:

Average rate	Jan-March 2013	Jan-Dec 2012	Jan-Sept 2012	Jan-June 2012	Jan-March 2012
Sweden (SEK)	8.5043	8.7015	8.7275	8.8756	8.8658
Norway (NOK)	7.4456	7.4840	7.5182	7.5855	7.6136
Poland (PLN)	4.1501	4.1900	4.2152	4.2524	4.2389
Russia (RUB)	40.2378	40.2354	40.1847	40.1999	39.9714

Balance sheet date rate	March 31 2013	Dec 31 2012	Sept 30 2012	June 30 2012	March 31 2012
Sweden (SEK)	8.3553	8.5820	8.4498	8.7728	8.8455
Norway (NOK)	7.5120	7.3483	7.3695	7.5330	7.6040
Poland (PLN)	4.1804	4.0740	4.1038	4.2488	4.1522
Russia (RUB)	39.7617	40.3295	40.1400	41.3700	39.2950

8. Income tax expense

Tax rate according to the income statement for Q1 2013 was 19.2% (Q1 2012: 18.3%). The tax rate for the Q1 2013, excluding the impact of share of profits of associated companies and joint ventures as well as non-taxable capital gains was 20.6% (Q1 2012: 21.0%). The tax rate used in the income statement is always impacted by the fact that the share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax.

In Sweden, the corporate tax rate was decreased to 22.0% from 26.3% starting 1 January 2013. In 2012, the one-time positive effect from the tax rate change was approximately EUR 230 million of which EUR 34 million is attributable to non-controlling interests. The tax rate for the year 2012, excluding the tax rate change in Sweden, the impact of share of profits of associated companies and joint ventures as well as non-taxable capital gains was 21.2% (2011: 21.4%).

9. Changes in intangible assets

EUR million	March 31 2013	March 31 2012	Dec 31 2012
Opening balance	442	433	433
Increase through acquisition of subsidiary companies	-	-	2
Capital expenditures	5	4	35
Changes of emission rights	-2	1	-25
Depreciation, amortisation and impairment	-6	-5	-22
Moved to Assets held for sale	-	-	-
Reclassifications	-1	2	6
Translation differences and other adjustments	6	20	13
Closing balance	444	455	442
Goodwill included in closing balance	313	313	309
Change in goodwill during the period due to translation differences	4	19	15

10. Changes in property, plant and equipment

EUR million	March 31 2013	March 31 2012	Dec 31 2012
Opening balance	16,497	15,234	15,234
Increase through acquisition of subsidiary companies	-	-	0
Capital expenditures	216	214	1,523
Changes of nuclear asset retirement cost	0	0	-1
Disposals	0	0	-15
Depreciation, amortisation and impairment	-163	-153	-642
Sale of subsidiary companies	-28	-18	-84
Moved to assets held for sale	-	-	-
Reclassifications	1	-2	-6
Translation differences and other adjustments	293	266	488
Closing balance	16,816	15,541	16,497

11. Changes in participations in associates and joint ventures

EUR million	March 31 2013	March 31 2012*	Dec 31 2012*
Opening balance	1,979	2,014	2,014
Share of profits of associates and joint ventures	29	-7	23
Investments	-	-	10
Dividend income received	-2	0	-45
OCI items associated companies	36	-47	-56
Translation differences and other adjustments	7	39	33
Closing balance	2,049	1,999	1,979

*Comparative period information has been restated, see Note 2 and the attachment to this interim report.

Share of profits from associates and joint ventures

Share of profits from associates in Q1 2013 was EUR 29 million (Q1 2012: -7) of which Hafslund ASA represented EUR 9 million (Q1 2012: -9) and TGC-1 EUR 19 million (Q1 2012: 0).

According to Fortum Group accounting policies the share of profits from Hafslund and TGC-1 will be included in Fortum Group figures based on the previous quarter information since updated interim information is not normally available.

Investments, divestments and share issues

There were no investments, divestments or share issues in associated companies during the first quarter of 2013.

12. Interest-bearing receivables

Interest-bearing receivables	Carrying amount	Fair value	Carrying amount	Fair value
	March 31 2013	March 31 2013	Dec 31 2012	Dec 31 2012
EUR million				
Long term loan receivables	1,413	1,452	1,389	1,440
Leasing receivables	3	5	3	5
Total long term interest-bearing receivables ¹⁾	1,416	1,457	1,392	1,445
Other current receivables	4	9	1	1
Total interest-bearing receivables	1,420	1,466	1,393	1,446

¹⁾ Carrying amount including current portion of long-term receivables EUR 5 million (Dec 31 2012: 8).

Long-term loan receivables include receivables from associated companies EUR 1,360 million (Dec 31 2012: 1,332), mainly from Swedish nuclear companies, OKG AB and Forsmarks Kraftgrupp AB, EUR 1,275 million (Dec 31 2012: 1,249). These companies are mainly funded with shareholder loans, pro rata each shareholder's ownership. The increase is related to investments made according to plan in OKG AB and Forsmarks Kraftgrupp AB.

Long-term loan receivables also include receivables from the associated company Teollisuuden Voima Oyj (TVO) amounting to EUR 58 million (Dec 31 2012: 58). Olkiluoto 3, the nuclear power plant being built by TVO, is funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. In March 2009, TVO's shareholders committed to providing a EUR 300 million subordinated shareholders' loan to TVO. The facility will be available until the end of 2015. Fortum's share of this commitment is at maximum EUR 75 million. In March 2012 a new subordinated shareholder loan was given to fund planning of Olkiluoto 4, where Fortum's share of the commitment is EUR 72 million of which EUR 13 was paid during 2012. No further payments have been made during Q1 2013.

13. Interest-bearing liabilities and cash and cash equivalents

Interest-bearing debt	Carrying amount	Fair value	Carrying amount	Fair value
	March 31 2013	March 31 2013	Dec 31 2012	Dec 31 2012
EUR million				
Bonds	6,211	6,661	5,841	6,239
Loans from financial institutions	997	1,080	983	1,062
Other long term interest-bearing debt ¹⁾	1,532	1,574	1,521	1,566
Total long term interest-bearing debt ²⁾	8,740	9,315	8,345	8,867
Commercial papers	241	242	228	228
Other short term interest-bearing debt	171	171	204	204
Total short term interest-bearing debt	412	413	432	432
Total interest-bearing debt	9,152	9,728	8,777	9,299

¹⁾ Including loan from Finnish State Nuclear Waste Fund EUR 940 million (Dec 31 2012: 940), loans from Fortum's Finnish pension institutions EUR 228 million (Dec 31 2012: 228), financial leases EUR 25 million (Dec 31 2012: 25) and other loans EUR 339 million (Dec 31 2012: 328).

²⁾ Carrying amounts include current portion of long-term debt of EUR 1,396 million as of 31 March 2013 (Dec 31 2012: 646).

On 13 March 2013, Fortum issued two 5 year bonds under its existing Euro Medium Term Note programme. The total nominal value of the bonds is SEK 3,150 million (about EUR 376 million) consisting of SEK 2,000 million at floating rate and SEK 1,150 million at 2.75% fixed rate.

At the end of March 2013, the short term financing was EUR 412 million (Dec 31 2012: 432). The interest-bearing debt increased during the first quarter by EUR 375 million from EUR 8,777 million to EUR 9,152 million. Total cash and cash equivalent increased by EUR 756 million from EUR 963 million to EUR 1,719 million during the quarter.

14. Nuclear related assets and liabilities

EUR million	March 31 2013	March 31 2012	Dec 31 2012
Carrying values in the balance sheet			
Nuclear provisions	684	659	678
Share in the State Nuclear Waste Management Fund	684	659	678
Legal liability and actual share of the State Nuclear Waste Management Fund			
Liability for nuclear waste management according to the Nuclear Energy Act	996	968	996
Funding obligation target	996	941	996
Fortum's share of the State Nuclear Waste Management Fund	956	903	956

Nuclear related provisions

The liability regarding the Loviisa nuclear power plant is calculated according to the Nuclear Energy Act and was decided by the Ministry of Employment and Economy in December 2012. The liability is based on a technical plan, which is made every third year. The technical plan and the cost estimates were last updated in Q2 2010. New technical plan has been published and the related cost estimates will be updated in Q2 2013.

The legal liability on 31 March 2013 was EUR 996 million. The provision in the balance sheet related to nuclear waste management is based on cash flows for future costs which uses the same basis as the legal liability. The carrying value of the nuclear provision, calculated according to IAS 37, increased by EUR 6 million compared to 31 December 2012, totalling EUR 684 million on 31 March 2013. The main reason for the difference between the carrying value of the provision and the legal liability is the fact that the legal liability is not discounted to net present value.

Fortum's share in the State Nuclear Waste Management Fund

Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in December in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2012 is EUR 996 million. Fortum has paid after the interim reporting the fee of EUR 40 million at 2 April 2013 whereafter Fortum's share of the State Nuclear Waste Management Fund is fully funded. The Fund is from an IFRS perspective overfunded with EUR 272 million, since Fortum's share of the Fund on 31 March 2013 was EUR 956 million and the carrying value in the balance sheet was EUR 684 million.

Effects to comparable operating profit and operating profit

Operating profit in Power segment is affected by the accounting principle for Fortum's share of the Finnish Nuclear Waste Management Fund, since the carrying value of the Fund in Fortum's balance sheet can in maximum be equal to the amount of the provisions according to IFRS. As long as the Fund is overfunded from an IFRS perspective, the effects to operating profit from this adjustment will be positive if the provisions increase more than the Fund and negative if actual value of the fund increases more than the provisions. This accounting effect is not included in Comparable operating profit in Fortum financial reporting, see Other items affecting comparability in Note 4. Fortum had an effect from this adjustment in Q1 2013 of EUR -3 million, compared to EUR -9 million in Q1 2012.

Associated companies

Fortum has minority shareholdings in associated Finnish and Swedish nuclear production companies. Fortum has for these companies accounted for its share of the effects from nuclear related assets and provisions according to Fortum accounting principles.

15. Other provisions

EUR million	CSA provisions			Other provisions		
	March 31 2013	March 31 2012	Dec 31 2012	March 31 2013	March 31 2012	Dec 31 2012
Opening balance	178	180	180	36	29	29
Unused provisions reversed	-	-	-	-2	-	-2
Change in the provision	-	-	-	2	2	15
Provisions used	-11	-	-23	-1	-3	-7
Unwinding of discount	4	4	15	-	0	-
Exchange rate differences	2	11	6	1	0	1
Closing balance	173	195	178	36	28	36
Current provisions	-	-	-	8	3	7
Non-current provisions	173	195	178	28	25	29

Fortum's extensive investment programme in Russia is subject to possible penalties that can be claimed if the new capacity is substantially delayed or agreed major terms of the capacity supply agreement (CSA) are not otherwise fulfilled. The provision for possible penalties amounts to EUR 173 million (Dec 31 2012: 178). The effect on the provision from changes in the timing of commissioning of new power plants is assessed at each balance sheet date and provision is adjusted accordingly. The increase in the provision due to the discounting during Q1 2013 amounted to EUR 4 million. This amount was recognised in other financial expenses. Paid penalties during Q1 2013 amounted to EUR 11 million (Q1 2012: 0).

16. Pledged assets

EUR million	March 31 2013	March 31 2012	Dec 31 2012
On own behalf			
For debt			
Pledges	293	294	293
Real estate mortgages	137	137	137
For other commitments			
Real estate mortgages	124	148	124
On behalf of associated companies and joint ventures			
Pledges and real estate mortgages	3	3	3

Pledged assets for debt

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the Fund. Fortum has pledged shares in Kemijoki Oy as a security. As of 31 March 2013 the value of the pledged shares amounts to EUR 269 million (Dec 31 2012: 269).

Pledges also include bank deposits as trading collateral of EUR 4 million (Dec 31 2012: 4) for trading of electricity and CO₂ emission allowances in Nasdaq OMX Commodities Europe, in Intercontinental Exchange (ICE) and European Energy Exchange (EEX). Fortum Tartu in Estonia (60% owned by Fortum) has given real estate mortgages for a value of EUR 96 million (Dec 31 2012: 96) as a security for an external loan. Real estate mortgages have also been given for loans from Fortum's pension fund for EUR 41 million (Dec 31 2012: 41).

Regarding the relevant interest-bearing liabilities, see Note 13 Interest-bearing liabilities.

Pledged assets for other commitments

Fortum has given real estate mortgages in power plants in Finland, total value of EUR 124 million in March 2013 (Dec 31 2012: 148), as a security to the Finnish State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs for decommissioning and disposal of spent fuel in Loviisa nuclear power plant. The size of the securities given is updated yearly in Q2 based on the decisions regarding the legal liabilities and the funding target which takes place around year end every year.

17. Operating lease commitments

EUR million	March 31 2013	March 31 2012	Dec 31 2012
Due within a year	37	33	32
Due after one year and within five years	98	75	73
Due after five years	181	155	176
Total	316	263	281

18. Capital commitments

EUR million	March 31 2013	March 31 2012	Dec 31 2012
Property, plant and equipment	1,140	1,051	1,168
Intangible assets	5	9	4
Total	1,145	1,060	1,172

Capital commitments relates mainly to OAO Fortum's investment programme, dam safety investments in Sweden, as well as CHP investments in Joensuu, Finland, in Stockholm, Sweden and in Jelgava, Latvia.

19. Contingent liabilities

EUR million	March 31 2013	March 31 2012	Dec 31 2012
On own behalf			
Other contingent liabilities	66	67	67
On behalf of associated companies and joint ventures			
Guarantees	498	349	487
Other contingent liabilities	125	125	125
On behalf of others			
Guarantees	1	1	0

Guarantees on behalf of associated companies

Guarantees and other contingent liabilities on behalf of associated companies and joint ventures mainly consist of guarantees relating to Fortum's associated nuclear companies (Teollisuuden Voima Oyj, Forsmarks Kraftgrupp AB and OKG AB). The guarantees given on behalf of Forsmarks Kraftgrupp AB and OKG AB amount to SEK 3,696 million (EUR 442 million) at 31 March 2013 (Dec 31 2012: 431).

The guarantee given on behalf of Teollisuuden Voima Oyj (TVO) to the Finnish State Nuclear Waste Management Fund amount to EUR 39 million at 31 March 2013 (Dec 31 2012: 39).

20. Legal actions and official proceedings

The legal actions and official proceedings presented below should be read in conjunction with the consolidated financial statements for the year ended 31 December 2012. No other material changes have occurred during Q1 2013 compared to the year-end 2012.

The Swedish Energy Authority (EI), which regulates and supervises the distribution network tariffs in Sweden, has issued a decision concerning the allowed income frame for the years 2012-2015. EI has based its decision on a model with a transition rule stating that it takes 18 years to reach the allowed level of income according to the new model. The EI decision has been appealed to the County Administrative Court by more than 80 distribution companies, including Fortum Distribution AB. The basis for Fortum Distribution AB's appeal is that the model is not compatible with the existing legislation and that EI has applied an incorrect method for the calculation of Weighted Average Cost of Capital (WACC).

Fortum received income tax assessments in Sweden for the year 2009 in December 2011. The appeal process is ongoing and based on legal analysis, no provision has been accounted for in the financial statements.

Fortum Sweden AB, Fortum Nordic AB and Fortum 1 AB have received income tax assessments for the year 2010 in December 2012 from the Swedish tax authorities. According to the tax authorities, Fortum would have to pay additional income taxes for the reallocation of the loans between the Swedish subsidiaries in 2004-2005 and for financing of the acquisition of TGC 10 (current OAO Fortum) in 2008. The claims are based on the change in tax regulation as of 2009. Fortum considers the claims unjustifiable and has appealed the decisions. No provision has been recognised in the financial statements. If the decision by the tax authority remains final despite the appeals process, the impact on the net profit for the period would be approximately SEK 444 million (EUR 53 million). Years 2009 and 2010 assessments are totally SEK 869 million (EUR 104 million).

Fortum has 2012 received an income tax assessment in Belgium for the year 2008. Tax authorities disagree with the tax treatment of Fortum EIF NV. Fortum finds the tax authorities interpretation not to be based on the local regulation. No provision has been accounted for in the financial statements. If the decision by the tax authorities remains final despite the appeal process, the impact on the net profit for the period would be approximately EUR 36 million. The tax is already paid. If the appeal is approved, Fortum will receive a 7% interest on the amount.

Fortum has on-going tax audits in Finland, Belgium and some other countries.

In Finland Fortum is participating in the country's fifth nuclear power plant unit, Olkiluoto 3 (OL3), through the shareholding in Teollisuuden Voima Oyj (TVO) with an approximately 25% share representing some 400 MW in capacity. The civil construction works of the Olkiluoto 3 plant unit have been mainly completed, and the reactor main components are installed. Installation of the other components and engineering of the plant automation system continued. Based on the progress reports of AREVA-Siemens Consortium, TVO estimates that the start of the regular electricity production of the plant unit may be postponed until year 2016. The supplier is responsible for the time schedule.

In 2012 TVO submitted a claim and defense in the International Chamber of Commerce (ICC) arbitration proceedings concerning the delay and the ensuing costs incurred at the Olkiluoto 3 project. The quantification estimate of TVO's costs and losses was approximately EUR 1.8 billion, which included TVO's current actual claim and estimated part. The arbitration proceedings may continue for several years and TVO's claimed amounts will be updated. The proceedings were initiated in December 2008 by the OL3 supplier, AREVA-Siemens. The supplier's latest monetary claim including indirect items and interest is approximately EUR 1.9 billion. TVO has considered and found the claim by the supplier to be without merit.

In addition to the litigations described above, some Group companies are involved in tax and other disputes incidental to their business. In management's opinion the outcome of such disputes will not have material effect on the Group's financial position.

21. Related party transactions

Related parties are described in the annual financial statements as of the year ended 31 December 2012. No material changes have occurred during Q1 2013.

The Finnish State owned 50.76% of the shares in Fortum 31 March 2013. There has been no change in the shareholding during 2013.

Transactions with associated companies and joint ventures

EUR million	Q1 2013	Q1 2012	2012
Sales	7	22	123
Interest on loan receivables	8	10	42
Purchases	206	182	679

Sales during 2012 include sales of inventory to Turun Seudun Maakaasu ja Energiantuotanto Oy (TSME).

For information regarding the sale of Fortum Heat Naantali Oy shares to TSME in 2012, see Note 6.

Associated company and joint ventures balances

EUR million	March 31 2013	March 31 2012	Dec 31 2012
Long-term interest-bearing loan receivables	1,398	1,219	1,370
Trade receivables	15	17	15
Other receivables	28	15	16
Long-term loan payables	234	223	234
Trade payables	23	14	23
Other payables	8	16	7

22. Events after the balance sheet date

There are no material events after the balance sheet date.

23. Definition of key figures

EBITDA (Earnings before interest, taxes, depreciation and amortisation)	=	Operating profit + Depreciation, amortisation and impairment charges
Comparable EBITDA	=	EBITDA - items affecting comparability - Net release of CSA provision
Items affecting comparability	=	Non-recurring items + other items affecting comparability
Comparable operating profit	=	Operating profit - non-recurring items - other items affecting comparability
Non-recurring items	=	Mainly capital gains and losses
Other items affecting comparability	=	Includes effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39 and effects from the accounting of Fortum's part of the Finnish Nuclear Waste Fund where the asset in the balance sheet cannot exceed the related liabilities according to IFRIC interpretation 5.
Funds from operations (FFO)	=	Net cash from operating activities before change in working capital
Capital expenditure	=	Capitalised investments in property, plant and equipment and intangible assets including maintenance, productivity, growth and investments required by legislation including borrowing costs capitalised during the construction period. Maintenance investments expand the lifetime of an existing asset, maintain useage/availability and/or maintains reliability. Productivity investments improve productivity in an existing asset. Growth investments' purpose is to build new assets and/or to increase customer base within existing businesses. Legislation investments are done at certain point of time due to legal requirements.
Gross investments in shares	=	Investments in subsidiary shares, shares in associated companies and other shares in available for sale financial assets. Investments in subsidiary shares are net of cash and grossed with interest-bearing liabilities in the acquired company.
Return on shareholders' equity, %	=	$\frac{\text{Profit for the year}}{\text{Total equity average}} \times 100$
Return on capital employed, %	=	$\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Capital employed average}} \times 100$
Return on net assets, %	=	$\frac{\text{Operating profit + Share of profit (loss) in associated companies and joint ventures}}{\text{Net assets average}} \times 100$
Comparable return on net assets, %	=	$\frac{\text{Comparable operating profit + Share of profit (loss) in associated companies and joint ventures (adjusted for IAS 39 effects, nuclear fund adjustments and major sales gains or losses)}}{\text{Comparable net assets average}} \times 100$
Capital employed	=	Total assets - non-interest bearing liabilities - deferred tax liabilities - provisions
Net assets	=	Non-interest bearing assets + interest-bearing assets related to the Nuclear Waste Fund - non-interest bearing liabilities - provisions (non-interest bearing assets and liabilities do not include finance related items, tax and deferred tax and assets and liabilities from fair valuations of derivatives where hedge accounting is applied)

23. Definition of key figures

Comparable net assets	=	Net assets adjusted for non-interest bearing assets and liabilities arising from financial derivatives hedging future cash flows where hedge accounting is not applied according to IAS 39
Interest-bearing net debt	=	Interest-bearing liabilities - cash and cash equivalents
Gearing, %	=	$\frac{\text{Interest-bearing net debt}}{\text{Total equity}} \times 100$
Equity-to-assets ratio, %	=	$\frac{\text{Total equity including non-controlling interest}}{\text{Total assets}} \times 100$
Net debt / EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{Operating profit} + \text{Depreciation, amortisation and impairment charges}}$
Comparable net debt / EBITDA	=	$\frac{\text{Interest-bearing net debt}}{\text{Comparable EBITDA}}$
Interest coverage	=	$\frac{\text{Operating profit}}{\text{Net interest expenses}}$
Interest coverage including capitalised borrowing costs	=	$\frac{\text{Operating profit}}{\text{Net interest expenses} - \text{capitalised borrowing costs}}$
Earnings per share (EPS)	=	$\frac{\text{Profit for the period} - \text{non-controlling interest}}{\text{Average number of shares during the period}}$
Equity per share	=	$\frac{\text{Shareholder's equity}}{\text{Number of shares at the end of the period}}$
Last twelve months (LTM)	=	Twelve months preceding the reporting date

Market conditions and achieved power prices

Power consumption				
TWh	Q1 2013	Q1 2012	2012	Last twelve months
Nordic countries	117	113	391	395
Russia	288	293	1,037	1,032
Tyumen	23	22	83	84
Chelyabinsk	10	10	36	36
Russia Urals area	69	69	252	252

Average prices				
	Q1 2013	Q1 2012	2012	Last twelve months
Spot price for power in Nord Pool power exchange, EUR/MWh	42.0	38.3	31.2	32.1
Spot price for power in Finland, EUR/MWh	42.1	42.5	36.6	36.5
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	42.0	39.1	32.3	33.0
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	41.8	38.0	31.8	32.7
Spot price for power in European and Urals part of Russia, RUB/MWh ¹⁾	1,002	915	1,001	1,026
Average capacity price, tRUB/MW/month	273	243	227	235
Spot price for power in Germany, EUR/MWh	42.3	45.1	42.6	41.9
Average regulated gas price in Urals region, RUB/1000 m ³	2,924	2,548	2,736	2,830
Average capacity price for old capacity, tRUB/MW/month ²⁾	177	166	152	155
Average capacity price for new capacity, tRUB/MW/month ²⁾	678	577	539	565
Spot price for power (market price), Urals hub, RUB/MWh ¹⁾	931	849	956	977
CO ₂ , (ETS EUA), EUR/tonne CO ₂	5	8	7	7
Coal (ICE Rotterdam), USD/tonne	87	101	93	89
Oil (Brent Crude), USD/bbl	113	118	112	110

¹⁾ Excluding capacity tariff.

²⁾ Capacity prices paid only for the capacity available at the time.

Water reservoirs				
TWh	March 31 2013	March 31 2012	Dec 31 2012	
Nordic water reservoirs level	35	56	85	
Nordic water reservoirs level, long-term average	41	41	83	

Export/import				
TWh (+ = import to, - = export from Nordic area)	Q1 2013	Q1 2012	2012	Last twelve months
Export / import between Nordic area and Continental Europe+Baltics	-2	-5	-19	-16
Export / import between Nordic area and Russia	2	2	5	5
Export / import Nordic area, Total	0	-3	-14	-11

Power market liberalisation in Russia				
%	Q1 2013	Q1 2012	2012	Last twelve months
Share of power sold at the liberalised price by OAO Fortum	83	84	82	82

Achieved power prices				
EUR/MWh	Q1 2013	Q1 2012	2012	Last twelve months
Power's Nordic power price	45.7	47.2	44.6	47.2
Achieved power price for OAO Fortum	30.6	29.3	30.6	31.0

Production and sales volumes

Power generation				
TWh	Q1 2013	Q1 2012	2012	Last twelve months
Power generation in the EU and Norway	14.9	14.5	53.9	54.3
Power generation in Russia	5.5	5.4	19.2	19.3
Total	20.4	19.9	73.1	73.6

Heat production				
TWh	Q1 2013	Q1 2012	2012	Last twelve months
Heat production in the EU and Norway	7.4	7.3	18.5	18.6
Heat production in Russia	9.6	10.2	24.8	24.2
Total	17.0	17.5	43.3	42.8

Power generation capacity by division				
MW	March 31 2013	March 31 2012	Dec 31 2012	
Power	9,666	9,742	9,702	
Heat	1,481	1,565	1,569	
Russia	3,404	3,404	3,404	
Total	14,551	14,711	14,675	

Heat production capacity by division				
MW	March 31 2013	March 31 2012	Dec 31 2012	
Power	250	250	250	
Heat	8,248	8,892	8,785	
Russia	13,396	13,909	13,396	
Total	21,894	23,051	22,431	

Power generation by source in the Nordic area				
TWh	Q1 2013	Q1 2012	2012	Last twelve months
Hydropower	5.8	6.1	25.2	24.9
Nuclear power	6.7	6.5	23.4	23.6
Thermal power	1.7	1.3	3.0	3.4
Total	14.2	13.9	51.6	51.9

Power generation by source in the Nordic area				
%	Q1 2013	Q1 2012	2012	Last twelve months
Hydropower	41	44	49	48
Nuclear power	47	46	45	45
Thermal power	12	10	6	7
Total	100	100	100	100

Power sales				
EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Power sales in the EU and Norway	770	767	2,700	2703
Power sales in Russia	226	181	713	758
Total	996	948	3,413	3,461

Production and sales volumes

Heat sales				
EUR million	Q1 2013	Q1 2012	2012	Last twelve months
Heat sales in the EU and Norway	525	478	1,201	1248
Heat sales in Russia	116	126	300	290
Total	641	604	1,501	1,538

Power sales by area				
TWh	Q1 2013	Q1 2012	2012	Last twelve months
Finland	7.1	7.3	21.6	21.4
Sweden	7.8	7.9	30.1	30.0
Russia	7.4	6.2	23.3	24.5
Other countries	1.4	1.1	3.8	4.1
Total	23.7	22.5	78.8	80.0

NordPool transactions are calculated as a net amount of hourly sales and purchases at the Group level.

Heat sales by area				
TWh	Q1 2013	Q1 2012	2012	Last twelve months
Russia	9.7	11.3	26.4	24.8
Finland	2.0	2.2	5.8	5.6
Sweden	3.8	3.3	8.5	9.0
Poland	2.0	2.0	4.3	4.3
Other countries ¹⁾	1.0	1.1	2.9	2.8
Total	18.5	19.9	47.9	46.5

¹⁾ Including the UK, which is reported in the Power division, other sales.

RESTATED AND PREVIOUSLY COMMUNICATED (OLD) QUARTERLY INFORMATION FOR 2012

The following tables present the quarterly information for 2012 as restated due to changes in accounting for pensions.

Condensed consolidated income statement

EUR million	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
Sales	1,901	3,185	4,325	6,159	1,901	3,185	4,325	6,159
Other income	14	30	63	109	14	30	63	109
Materials and services	-801	-1,333	-1,816	-2,548	-801	-1,333	-1,816	-2,548
Employee benefits	-135	-275	-400	-543	-138	-281	-409	-556
Depreciation, amortisation and impairment charges	-158	-321	-489	-664	-158	-321	-489	-664
Other expenses	-167	-348	-522	-761	-167	-348	-522	-761
Comparable operating profit	654	938	1,161	1,752	651	932	1,152	1,739
Items affecting comparability	85	87	90	122	85	87	90	122
Operating profit	739	1,025	1,251	1,874	736	1,019	1,242	1,861
Share of profit/loss of associates and joint ventures	-7	19	26	23	-7	19	26	21
Interest expense	-76	-151	-228	-300	-76	-151	-228	-300
Interest income	14	28	41	54	14	28	41	54
Fair value gains and losses on financial instruments	-7	-8	-16	-23	-7	-8	-16	-23
Other financial expenses - net	-8	-20	-31	-42	-7	-18	-28	-38
Finance costs - net	-77	-151	-234	-311	-76	-149	-231	-307
Profit before income tax	655	893	1,043	1,586	653	889	1,037	1,575
Income tax expense	-119	-166	-196	-74	-119	-165	-195	-72
Profit for the period	536	727	847	1,512	534	724	842	1,503
Attributable to:								
Owners of the parent	497	684	810	1,416	495	681	806	1,409
Non-controlling interests	39	43	37	96	39	43	36	94
	536	727	847	1,512	534	724	842	1,503
Earnings per share (in € per share)								
Basic	0.56	0.77	0.91	1.59	0.56	0.77	0.91	1.59
Diluted	0.56	0.77	0.91	1.59	0.56	0.77	0.91	1.59

EUR million	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
Comparable operating profit	654	938	1,161	1,752	651	932	1,152	1,739
Non-recurring items (capital gains and losses)	110	121	122	155	110	121	122	155
Changes in fair values of derivatives hedging future cash flow	-16	-18	-8	-2	-16	-18	-8	-2
Nuclear fund adjustment	-9	-16	-24	-31	-9	-16	-24	-31
Items affecting comparability	85	87	90	122	85	87	90	122
Operating profit	739	1,025	1,251	1,874	736	1,019	1,242	1,861

RESTATED AND PREVIOUSLY COMMUNICATED (OLD) QUARTERLY INFORMATION FOR 2012

The following tables present the quarterly information for 2012 as restated due to changes in accounting for pensions.

Condensed consolidated statement of comprehensive income

EUR million	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
Profit for the period	536	727	847	1,512	534	724	842	1,503
Other comprehensive income								
Items that may be reclassified to profit or loss in subsequent periods								
Cash flow hedges								
Fair value gains/losses in the period	66	83	39	15	66	83	39	15
Transfers to income statement	-32	-88	-128	-152	-32	-88	-128	-152
Transfers to inventory/fixed assets	-2	-4	-4	-5	-2	-4	-4	-5
Tax effect	-9	2	23	33	-9	2	23	33
Net investment hedges								
Fair value gains/losses in the period	0	-	0	0	0	-	0	0
Tax effect	0	-	0	0	0	-	0	0
Available for sale financial assets								
Fair value changes in the period	0	0	0	0	0	0	0	0
Exchange differences on translating foreign operations	214	70	230	204	214	70	233	207
Share of other comprehensive income of associates	-12	-11	-11	-23	-12	-11	-11	-23
Other changes	-1	0	0	0	-1	0	0	0
	224	52	149	72	224	52	152	75
Items that will not be reclassified to profit or loss in subsequent periods								
Actuarial gains/losses on defined benefit plans	1	-1	-4	-24	0	0	0	0
Actuarial gains/losses on defined benefit plans in associates	-35	-36	-38	-36				
Other comprehensive income for the period, net of tax	190	15	107	12	224	52	152	75
Total comprehensive income for the year	726	742	954	1,524	758	776	994	1,578
Total comprehensive income attributable to								
Owners of the parent	681	693	892	1,412	714	728	933	1,466
Non-controlling interests	45	49	62	112	44	48	61	112
	726	742	954	1,524	758	776	994	1,578

RESTATED AND PREVIOUSLY COMMUNICATED (OLD) QUARTERLY INFORMATION FOR 2012

The following tables present the quarterly information for 2012 as restated due to changes in accounting for pensions.

Condensed consolidated balance sheet

	March 31 2012 restated	June 30 2012 restated	Sept 30 2012 restated	Dec 31 2012 restated	March 31 2012 old	June 30 2012 old	Sept 30 2012 old	Dec 31 2012 old
ASSETS								
Non-current assets								
Intangible assets	455	411	418	442	455	411	418	442
Property, plant and equipment	15,541	15,625	16,291	16,497	15,541	15,625	16,291	16,497
Participations in associates and joint ventures	1,999	1,976	2,007	1,979	2,039	2,016	2,049	2,019
Share in State Nuclear Waste Management Fund	659	664	670	678	659	664	670	678
Pension assets	0	0	0	0	60	59	60	54
Other non-current assets	66	65	65	69	69	68	68	71
Deferred tax assets	174	170	178	177	150	146	152	148
Derivative financial instruments	401	403	465	451	401	403	465	451
Long-term interest-bearing receivables	1,228	1,250	1,303	1,384	1,228	1,250	1,303	1,384
Total non-current assets	20,523	20,564	21,397	21,677	20,602	20,642	21,476	21,744
Current assets								
Inventories	479	470	487	428	479	470	487	428
Derivative financial instruments	385	358	326	223	385	358	326	223
Trade and other receivables	1,079	745	739	1,270	1,079	745	739	1,270
Cash and cash equivalents	1,574	404	1,117	963	1,574	404	1,117	963
Total current assets	3,517	1,977	2,669	2,884	3,517	1,977	2,669	2,884
Total assets	24,040	22,541	24,066	24,561	24,119	22,619	24,145	24,628
EQUITY								
Equity attributable to owners of the parent								
Share capital	3,046	3,046	3,046	3,046	3,046	3,046	3,046	3,046
Share premium	73	73	73	73	73	73	73	73
Retained earnings	7,021	6,177	6,443	7,020	7,019	6,174	6,439	7,013
Other equity components	62	30	-39	-99	208	179	117	73
Total	10,202	9,326	9,523	10,040	10,346	9,472	9,675	10,205
Non-controlling interests	561	540	552	603	573	552	564	616
Total equity	10,763	9,866	10,075	10,643	10,919	10,024	10,239	10,821
LIABILITIES								
Non-current liabilities								
Interest-bearing liabilities	7,192	7,266	8,277	7,699	7,192	7,266	8,277	7,699
Derivative financial instruments	179	160	207	182	179	160	207	182
Deferred tax liabilities	2,021	2,021	2,071	1,879	2,038	2,037	2,087	1,893
Nuclear provisions	659	664	670	678	659	664	670	678
Other provisions	220	211	218	207	220	211	218	207
Pension obligations	119	121	127	152	25	25	26	27
Other non-current liabilities	466	464	467	472	466	464	467	472
Total non-current liabilities	10,856	10,907	12,037	11,269	10,779	10,827	11,952	11,158
Current liabilities								
Interest-bearing liabilities	905	558	604	1,078	905	558	604	1,078
Derivative financial instruments	293	324	445	264	293	324	445	264
Trade and other payables	1,223	886	905	1,307	1,223	886	905	1,307
Total current liabilities	2,421	1,768	1,954	2,649	2,421	1,768	1,954	2,649
Total liabilities	13,277	12,675	13,991	13,918	13,200	12,595	13,906	13,807
Total equity and liabilities	24,040	22,541	24,066	24,561	24,119	22,619	24,145	24,628

RESTATED AND PREVIOUSLY COMMUNICATED (OLD) QUARTERLY INFORMATION FOR 2012

The following tables present the quarterly information for 2012 as restated due to changes in accounting for pensions.

Condensed consolidated cash flow statement

EUR million	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
Cash flow from operating activities								
Net profit for the period	536	727	847	1,512	534	724	842	1,503
Adjustments:								
Income tax expenses	120	166	196	74	119	165	195	72
Finance costs-net	76	151	234	311	76	149	231	307
Share of profit of associates and joint ventures	7	-19	-27	-23	7	-19	-26	-21
Depreciation, amortisation and impairment charges	158	321	489	664	158	321	489	664
Operating profit before depreciations (EBITDA)	897	1,346	1,739	2,538	894	1,340	1,731	2,525
Non-cash flow items and divesting activities	-101	-119	-156	-192	-99	-115	-150	-181
Interest received	14	23	31	59	14	23	31	59
Interest paid	-70	-213	-274	-352	-70	-213	-274	-352
Dividends received	0	32	45	45	0	32	45	45
Realised foreign exchange gains and losses and other financial items	-86	-116	-237	-274	-86	-115	-237	-274
Taxes	-78	-167	-252	-269	-78	-167	-252	-269
Funds from operations	576	786	896	1,555	575	785	894	1,553
Change in working capital	-23	86	87	-173	-22	87	89	-171
Total net cash from operating activities	553	872	983	1,382	553	872	983	1,382
Cash flow from investing activities								
Capital expenditures	-272	-577	-919	-1,422	-272	-577	-919	-1,422
Acquisitions of shares	0	-3	-3	-14	0	-3	-3	-14
Proceeds from sales of fixed assets	0	9	9	13	0	9	9	13
Divestments of shares	129	132	137	239	129	132	137	239
Proceeds from the interest-bearing receivables relating to divestments	147	169	169	181	147	169	169	181
Shareholder loans to associated companies	-24	-27	-38	-138	-24	-27	-38	-138
Change in other interest-bearing receivables	3	4	7	13	3	4	7	13
Total net cash used in investing activities	-17	-293	-638	-1,128	-17	-293	-638	-1,128
Cash flow before financing activities	536	579	345	254	536	579	345	254
Cash flow from financing activities								
Proceeds from long-term liabilities	318	374	1,365	1,375	318	374	1,365	1,375
Payments of long-term liabilities	-12	-542	-546	-669	-12	-542	-546	-669
Change in short-term liabilities	-22	158	116	168	-22	158	116	168
Dividends paid to the owners of the parent	-	-888	-888	-888	-	-888	-888	-888
Other financing items	-7	-26	-32	-33	-7	-26	-32	-33
Total net cash used in financing activities	277	-924	15	-47	277	-924	15	-47
Total net increase(+) / decrease(-) in cash and cash equivalents	813	-345	360	207	813	-345	360	207
Cash and cash equivalents at the beginning of the period	747	747	747	747	747	747	747	747
Foreign exchange differences in cash and cash equivalents	14	2	10	9	14	2	10	9
Cash and cash equivalents at the end of the period	1,574	404	1,117	963	1,574	404	1,117	963

RESTATED AND PREVIOUSLY COMMUNICATED (OLD) QUARTERLY INFORMATION FOR 2012

The following tables present the quarterly information for 2012 as restated due to changes in accounting for pensions.

Key ratios

	March 31 2012 restated	June 30 2012 restated	Sept 30 2012 restated	Dec 31 2012 restated	March 31 2012 old	June 30 2012 old	Sept 30 2012 old	Dec 31 2012 old
EBITDA, EUR million	897	1,346	1,740	2,538	894	1,340	1,731	2,525
Comparable EBITDA, EUR million	812	1,259	1,650	2,416	809	1,253	1,641	2,403
Earnings per share (basic), EUR	0.56	0.77	0.91	1.59	0.56	0.77	0.91	1.59
Capital employed, EUR million	18,860	17,690	18,956	19,420	19,016	17,848	19,120	19,598
Interest-bearing net debt, EUR million	6,523	7,420	7,764	7,814	6,523	7,420	7,764	7,814
Capital expenditure and gross investments in shares, EUR million	218	566	942	1,574	218	566	942	1,574
Capital expenditure, EUR million	218	561	937	1,558	218	561	937	1,558
Return on capital employed, % ¹⁾	14.6	11.3	9.1	10.2	14.5	11.2	9.0	10.0
Return on shareholders' equity, % ¹⁾	18.2	13.7	10.9	14.6	17.9	13.5	10.7	14.3
Net debt / EBITDA ¹⁾	2.0	2.8	3.4	3.1	2.0	2.9	3.4	3.1
Comparable net debt / EBITDA ¹⁾	2.0	2.9	3.5	3.2	2.0	3.0	3.5	3.3
Interest coverage	11.9	8.3	6.7	7.6	11.9	8.3	6.6	7.5
Interest coverage including capitalised borrowing costs	9.3	6.4	5.1	5.7	9.2	6.4	5.1	5.7
Funds from operations/interest-bearing net debt, % ¹⁾	39.2	22.7	16.4	19.9	39.1	22.7	16.4	19.9
Gearing, %	61	75	77	73	60	74	76	72
Equity per share, EUR	11.48	10.50	10.72	11.30	11.65	10.66	10.89	11.49
Equity-to-assets ratio, %	45	44	42	43	45	44	42	44
Number of employees	10,542	10,848	10,584	10,371	10,542	10,848	10,584	10,371
Average number of employees	10,587	10,644	10,661	10,600	10,587	10,644	10,661	10,600
Average number of shares, 1 000 shares	888,367	888,367	888,367	888,367	888,367	888,367	888,367	888,367
Diluted adjusted average number of shares, 1 000 shares	888,367	888,367	888,367	888,367	888,367	888,367	888,367	888,367
Number of registered shares, 1 000 shares	888,367	888,367	888,367	888,367	888,367	888,367	888,367	888,367

¹⁾ Quarterly figures are annualised except items affecting comparability.

For definitions, see Note 23.

RESTATED AND PREVIOUSLY COMMUNICATED (OLD) QUARTERLY INFORMATION FOR 2012

The following tables present the quarterly information for 2012 as restated due to changes in accounting for pensions.

Segment information

Comparable operating profit by segment	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
EUR million								
Power	342	564	765	1,146	341	563	764	1,144
Heat	162	186	177	271	161	184	173	266
Russia	48	52	40	68	48	52	40	68
Distribution	110	161	218	320	110	159	216	317
Electricity Sales	9	20	29	39	9	20	29	38
Other	-17	-45	-68	-92	-18	-46	-70	-94
Total	654	938	1,161	1,752	651	932	1,152	1,739

Operating profit by segment	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
EUR million								
Power	368	582	787	1,175	367	581	786	1,173
Heat	214	235	225	344	213	233	221	339
Russia	48	63	51	79	48	63	51	79
Distribution	117	169	227	331	117	167	225	328
Electricity Sales	11	22	33	39	11	22	33	38
Other	-19	-46	-72	-94	-20	-47	-74	-96
Total	739	1,025	1,251	1,874	736	1,019	1,242	1,861

Comparable EBITDA by segment	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
EUR million								
Power	370	620	850	1,260	369	619	849	1,258
Heat	212	285	328	481	211	283	324	476
Russia	77	113	132	189	77	113	132	189
Distribution	159	262	371	529	159	260	369	526
Electricity Sales	9	20	30	40	9	20	30	39
Other	-15	-41	-61	-83	-16	-42	-63	-85
Total	812	1,259	1,650	2,416	809	1,253	1,641	2,403

Share of profit/loss in associates and joint ventures by segment	Q1 2012 restated	Q1-Q2 2012 restated	Q1-Q3 2012 restated	2012 restated	Q1 2012 old	Q1-Q2 2012 old	Q1-Q3 2012 old	2012 old
EUR million								
Power	-7	-14	-20	-12	-7	-14	-20	-12
Heat	9	10	12	20	9	10	12	20
Russia	0	21	25	27	0	21	25	27
Distribution	1	2	3	8	1	2	3	8
Electricity Sales	0	0	0	0	0	0	0	0
Other	-10	0	6	-20	-10	0	6	-22
Total	-7	19	26	23	-7	19	26	21

Participation in associates and joint ventures by segment	March 31 2012 restated	June 30 2012 restated	Sept 30 2012 restated	Dec 31 2012 restated	March 31 2012 old	June 30 2012 old	Sept 30 2012 old	Dec 31 2012 old
EUR million								
Power	899	892	898	903	903	896	903	906
Heat	168	167	160	157	168	167	160	157
Russia	471	467	484	476	471	467	484	476
Distribution	104	102	104	109	104	102	104	109
Electricity Sales	0	0	0	0	0	0	0	0
Other	357	347	361	334	393	384	398	371
Total	1,999	1,975	2,007	1,979	2,039	2,016	2,049	2,019

RESTATED AND PREVIOUSLY COMMUNICATED (OLD) QUARTERLY INFORMATION FOR 2012

The following tables present the quarterly information for 2012 as restated due to changes in accounting for pensions.

Net assets by segment	March 31 2012 restated	June 30 2012 restated	Sept 30 2012 restated	Dec 31 2012 restated	March 31 2012 old	June 30 2012 old	Sept 30 2012 old	Dec 31 2012 old
Power	6,059	6,199	6,409	6,389	6,117	6,258	6,471	6,454
Heat	4,126	4,027	4,199	4,286	4,171	4,072	4,245	4,335
Russia	3,549	3,439	3,639	3,848	3,547	3,437	3,637	3,846
Distribution	3,618	3,678	3,826	3,889	3,641	3,700	3,847	3,911
Electricity Sales	50	22	1	51	56	28	7	59
Other	162	159	50	158	230	227	122	237
Total	17,564	17,524	18,124	18,621	17,762	17,722	18,329	18,842

Comparable return on net assets by segment	Dec 31 2012 restated	Dec 31 2012 old
Power	18.5	18.2
Heat	7.0	6.8
Russia	2.7	2.7
Distribution	8.8	8.7
Electricity Sales	203.1	148.4
Other	-34.1	-30.9

Return on net assets by segment	Dec 31 2012 restated	Dec 31 2012 old
Power	18.7	18.4
Heat	8.8	8.5
Russia	3.0	3.0
Distribution	9.1	9.0
Electricity Sales	152.3	118.0
Other	-68.8	-57.6

Assets by segment	March 31 2012 restated	June 30 2012 restated	Sept 30 2012 restated	Dec 31 2012 restated	March 31 2012 old	June 30 2012 old	Sept 30 2012 old	Dec 31 2012 old
Power	7,078	7,183	7,416	7,380	7,112	7,218	7,452	7,412
Heat	4,549	4,389	4,552	4,785	4,564	4,403	4,566	4,797
Russia	3,984	3,840	4,051	4,309	3,985	3,841	4,052	4,309
Distribution	4,170	4,172	4,322	4,428	4,175	4,178	4,328	4,433
Electricity Sales	343	230	203	292	344	231	204	293
Other	768	790	728	660	816	837	776	707
Eliminations	-606	-504	-433	-403	-606	-504	-434	-403
Assets included in Net assets	20,286	20,100	20,839	21,451	20,390	20,204	20,944	21,548
Interest-bearing receivables	1,274	1,274	1,321	1,393	1,274	1,273	1,321	1,393
Deferred taxes	174	170	178	177	150	146	152	148
Other assets	732	593	611	577	731	592	611	576
Liquid funds	1,574	404	1,117	963	1,574	404	1,117	963
Total assets	24,040	22,541	24,066	24,561	24,119	22,619	24,145	24,628

Liabilities by segment	March 31 2012 restated	June 30 2012 restated	Sept 30 2012 restated	Dec 31 2012 restated	March 31 2012 old	June 30 2012 old	Sept 30 2012 old	Dec 31 2012 old
Power	1,019	984	1,007	991	995	960	981	958
Heat	423	362	353	499	393	331	321	462
Russia	435	401	412	461	438	404	415	463
Distribution	552	494	496	539	534	478	481	522
Electricity Sales	293	208	202	241	288	203	197	234
Other	606	631	678	502	586	610	654	470
Eliminations	-606	-504	-433	-403	-606	-504	-434	-403
Liabilities included in Net assets	2,722	2,576	2,715	2,830	2,628	2,482	2,615	2,706
Deferred tax liabilities	2,021	2,021	2,071	1,879	2,038	2,037	2,088	1,893
Other liabilities	437	254	324	432	437	252	322	431
Total liabilities included in Capital employed	5,180	4,851	5,110	5,141	5,103	4,771	5,025	5,030
Interest-bearing liabilities	8,097	7,824	8,881	8,777	8,097	7,824	8,881	8,777
Total equity	10,763	9,866	10,075	10,643	10,919	10,024	10,239	10,821
Total equity and liabilities	24,040	22,541	24,066	24,561	24,119	22,619	24,145	24,628