Fortum in Russia
OAO Fortum (former TGC-10)

- Operations in the Urals and Western Siberia in the Tyumen and Khanty-Mansiysk area (oil and gas industries) and in the Chelyabinsk area (metal industry)
- Production fleet mainly gas-fired CHP capacity (2014)
  - 23 TWh power
  - 26 TWh heat, more than Fortum’s Nordic heat sales

TGC-1 in 2014

- 29,5% of territorial generating company TGC-1 operating in north-west Russia
- ~7,200 MW electricity production capacity (43% hydro), ~25 TWh electricity, ~28 TWh heat in 2014
Extensive investment programme in OAO Fortum nearly finished – 2 units still to be commissioned

- Total amount of investments EUR 2.5 billion
  - Of which approximately EUR 0.2 billion still to be invested as of April 2015
- Increasing capacity by ~ 85% by the end of 2015

- Six units commissioned
  - Nyagan 3 was commissioned in October 2014 and started commercial operations in January 2015
- Two new units in Chelyabinsk during H2/2015
Fortum’s Russia segment key figures 2014

Power generation capacity 4,758 MW
Heat production capacity 13,466 MW
Employees, 31 Sept 2014 4,213

Sales in 2014 EUR 1,055 million
Share of Fortum’s sales 20%
Comparable operating profit EUR 161 million
Fortum has long experience of co-operation with the Soviet Union and Russia

- **1950**: Construction of hydro power plants in Kola area
- **1960**: Electricity import to Finland
- **1970**: Construction of Loviisa nuclear power plant, Permanent presence in Moscow & St. Petersburg
- **1980**: Nuclear fuel import to Finland*, Automation & information system deliveries to thermal power plants
- **1990**: Construction of North-West CHP in St. Petersburg, Safety improvements for nuclear power plants, Hydro refurbishments
- **2000**: Lenenergo shareholding, Lenenergo split - TGC-1, Generation, Lenenergo, Distribution (divested in 2007), TGC-10 acquisition, today OAO Fortum
- **2010**: Agreement on Joint Implementation of Kyoto Protocol with TGC-1, Executing of 2400 MW CSA investments in OAO Fortum (6 plants ready out of 8)

*) Including single largest purchase agreement of uranium with TVEL
Fortum’s key competitive advantages in Russia

- Newest and the most efficient fleet among competitors
- Most of the fleet are combined heat and power (CHP) plants
- Solid financial results, reliable, safe and operations with low emission
- Good reputation among peers, authorities and regulators

Run-rate operating profit (EBIT) target for the Russia Segment
- Original target RUB 18.2 billion
- Expected to be reached during 2015
- Euro-denominated result level will be volatile, mainly due to the translation effect
Fortum is the one of most efficient companies in Russian power sector

Russian utilities in 2013
(Net profit*/Installed capacity (kEUR/MWe))

- E.ON Russia
- Fortum
- Mosenergo
- TGC-1
- TGC-7
- Enel OGC-5
- Inter RAO
- OGC-2

0 20 40 60

* According to Russian accounting system

Russian utilities consensus forecast
(EBITDA/Installed capacity (kEUR/MWe))**

- Fortum
- E. ON Russia
- TGC-1
- Mosenergo
- Enel OGC-5
- Inter RAO
- OGC-2

** Source: Bloomberg

Production costs of generating companies in 2013***, EUR/MWh

- Fortum
- TGC-9
- E.ON Russia
- Mosenergo
- TGC-1
- Enel OGC-5
- Inter RAO
- OGC-2

*** Whole costs of the company divided by the total energy output (electricity and heat). Based on Market Council data.
Russia is the world’s 5th largest power market

Power generation in 2013 based on gross output.
Source: BP Statistical Review of World Energy June 2014
### Fortum’s power plants in Russia

<table>
<thead>
<tr>
<th>Plant Name</th>
<th>Electricity (MW)</th>
<th>Heat (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chelyabinsk GRES</td>
<td>82</td>
<td>946</td>
</tr>
<tr>
<td>Chelyabinsk CHP-1</td>
<td>237</td>
<td>1,559</td>
</tr>
<tr>
<td>Chelyabinsk CHP-2</td>
<td>320</td>
<td>1,111</td>
</tr>
<tr>
<td>Chelyabinsk CHP-3</td>
<td>576</td>
<td>1,325</td>
</tr>
<tr>
<td>Tyumen CHP-1</td>
<td>662</td>
<td>1,896</td>
</tr>
<tr>
<td>Tyumen CHP-2</td>
<td>755</td>
<td>1,639</td>
</tr>
<tr>
<td>Tobolsk</td>
<td>665</td>
<td>2,807</td>
</tr>
<tr>
<td>Argayash CHP</td>
<td>195</td>
<td>669</td>
</tr>
<tr>
<td>Nyagan 1+2+3</td>
<td>The capacity of the whole plant is 1,250 MW</td>
<td></td>
</tr>
</tbody>
</table>
Argayash CHP

Commissioned in 1954
Fuelled by coal and natural gas
Electricity production capacity 195 MW
Heat production capacity 669 MW
Chelyabinsk GRES

Commissioned in 1930
Fuelled by natural gas
Electricity production capacity 82 MW
Heat production capacity 946 MW
Chelyabinsk CHP-1

Commissioned in 1942
Fuelled by natural gas and coal
Electricity production capacity 237 MW
Heat production capacity 1,559 MW
Chelyabinsk CHP-2

Commissioned in 1962
Fuelled by natural gas and coal
Electricity production capacity 320 MW
Heat production capacity 1,111 MW
Chelyabinsk CHP-3

Commissioned in 1996
Fuelled by natural gas
Electricity production capacity 576 MW
Heat production capacity 1,325 MW
Commissioned in 1960
Fuelled by natural gas
Electricity production capacity 662 MW
Heat production capacity 1,896 MW
Tyumen CHP-2

Commissioned in 1986
Fuelled by natural gas
Electricity production capacity 755 MW
Heat production capacity 1,639 MW
Tobolsk CHP

Commissioned in 1980
Fuelled by natural gas
Electricity production capacity 665 MW
Heat production capacity 2,807 MW
Nyagan

Nyagan 1 and 2 commissioned in 2013, Nyagan 3 in January 2015

The capacity of the whole plant is 1,250 MW
Next generation energy company