Fortum Corporation

Interim Report
January-September 2010

21 October 2010

Fortum Corporation
Domicile Espoo
Business ID 1463611-4

Solid performance continued

- Comparable operating profit EUR 1,292 (1,318) million, -2.0%
- Earnings per share EUR 1.20 (1.02), +17.6 %
- Power upgrade and modernisation programmes in Swedish associated nuclear generating companies continued
- 70% of Power's forecast volume for 2011 hedged at EUR 44 per MWh and 35 % for 2012 hedged at EUR 43 per MWh

Key figures	III/10	III/09	I-III/10	I-III/09	2009	LTM
Sales, EUR million	1,152	1,046	4,394	3,872	5,435	5,957
Operating profit, EUR million	312	286	1,387	1,260	1,782	1,909
Comparable operating profit, EUR million	302	316	1,292	1,318	1,888	1,862
Profit before taxes, EUR million	285	242	1,330	1,131	1,636	1,835
Earnings per share, EUR	0.27	0.24	1.20	1.02	1.48	1.66
Net cash from operating activities, EUR million	273	342	1,216	1,868	2,264	1,612
Shareholders' equity per share, EUR			9.27	8.89	9.04	
Interest-bearing net debt (at end of period), EUR million			6,608	6,041	5,969	
Average number of shares, 1,000s			888,367	888,230	888,230	888,367

Key financial ratios	2009	LTM
Return on capital employed, %	12.1	12.9
Return on shareholders' equity, %	16.0	17.9
Net debt/EBITDA	2.6	2.7

Fortum's President and CEO Tapio Kuula on the January-September 2010 results:

"Fortum has had a stable three quarters in 2010. The Heat and Russia divisions as well as the Distribution business area were able to clearly improve their profits from a year ago. Electricity Sales had a poor first quarter, but achieved better results in the second and third quarters. The Power Division's financial results were clearly below last year's level, mainly due to continued power upgrade and modernisation programmes in Swedish associated nuclear generating companies. This resulted in increased power procurement costs in the Power Division.

In the third quarter all divisions, except Power, had better results compared to the same period last year.

The overall Nordic and Russian power consumption figures continued to increase in 2010 from last year. Industrial activity has clearly picked up in Fortum's key market areas and the Russian economy has sustained its fast path of recovery.

The Russian wholesale power sector reform is progressing. Starting 1 July 2010, 80% of all produced power in Russia was sold on the competitive market. The wholesale power market is expected to be fully liberalised from the beginning of 2011. An agreement on the Russian capacity market rules has been reached and the new regulation is expected to significantly increase payments for new capacity under the Government's Capacity Supply Agreement. Recovering electricity demand and the development of the capacity market has prompted Fortum to slightly adjust the schedule of its Russian investment programme, now to be finalised one year earlier than previously estimated.

In August 2010, the Supreme Administrative Court in Finland overruled an appeal by the Finnish Competition Authority concerning Fortum's market position. In its ruling, the Supreme Administrative Court concluded that Fortum cannot be considered to have a dominant position in the power generation and wholesale market, because the relevant geographical market area consists of at least Finland and Sweden.

Strategy development and financial targets

At our Capital Markets Day in September, we presented Fortum's strategy. The strategy builds on our core competence in CO_2-free nuclear and hydro power, resource-efficient combined heat and power production as well as the company's expertise in operating in competitive energy markets. In the coming years, we will continue to leverage our strong position in the Nordic power and heat market while creating solid earnings growth in Russia. An integration of the European energy market and Russian business' increasing weight will gradually decrease the importance of the Nordic power price as the main driver of Fortum's earnings.

Further opportunities for future growth stem from the need for CO_2-free and energy-efficient solutions, and increasing demand in fast-growing, liberalising energy markets. Fortum's existing electricity distribution and retail sales businesses will continue to have a substantial role in the Nordic market.

I would like to underline competitiveness as the key to value creation: I believe that our core competences provide a solid basis for the future value creation for Fortum. We are preparing for growth, which I see as taking place through the right balance of faster returning acquisitions and slower returning greenfield investments. In the long run, positions taken and the solutions applied have to be financially sound on their own merits; basing decisions on a continuous high level of subsidies is not sustainable.

At the Capital Markets Day we also announced that we have adjusted our financial targets, net debt to EBITDA target is now ~3; previously the target was between 3 and 3.5.

Fortum's dividend policy remained unchanged. Fortum aims to pay a dividend which corresponds to an average payout ratio of 50% to 60%. I would like to reiterate that continuously providing an attractive dividend to investors is an integral part of Fortum's way of thinking - the dividend payment is not a residual."

Financial results

July-September

Group sales were EUR 1,152 (1,046) million. Group operating profit totalled EUR 312 (286) million. Comparable operating profit totalled EUR 302 (316) million.

The total of non-recurring items, mark-to-market effects and nuclear fund adjustments in the third quarter of 2010 amounted to EUR 10 (-30) million. Of this total, non-recurring items were EUR 36 (7) million.

Sales by division

EUR million	III/10	III/09	I-III/10	I-III/09	2009	LTM
Power	584	572	1,950	1,868	2,531	2,613
Heat	220	177	1,172	941	1,399	1,630
Distribution*	196	168	676	573	800	903
Electricity Sales*	305	272	1,269	1,039	1,449	1,679
Russia	137	111	550	435	632	747
Other	23	16	44	54	71	61
Netting of Nord Pool transactions	-264	-200	-1,208	-770	-1,095	-1,533
Eliminations	-49	-70	-59	-268	-352	-143
Total	1,152	1,046	4,394	3,872	5,435	5,957

* Part of the Electricity Solutions and Distribution Division

Comparable operating profit by division

EUR million	III/10	III/09	I-III/10	I-III/09	2009	LTM
Power	267	308	962	1,063	1,454	1,353
Heat	-12	-13	153	127	231	257
Distribution*	61	47	216	182	262	296
Electricity Sales*	11	7	8	11	22	19
Russia	-16	-20	-9	-28	-20	-1
Other	-9	-13	-38	-37	-61	-62
Total	302	316	1,292	1,318	1,888	1,862

* Part of the Electricity Solutions and Distribution Division

Operating profit by division

EUR million	III/10	III/09	I-III/10	I-III/09	2009	LTM
Power	256	297	1,003	1,036	1,363	1,330
Heat	-15	-11	179	143	252	288
Distribution*	62	47	228	182	263	309
Electricity Sales*	12	-7	6	-8	29	43
Russia	14	-19	37	-28	-20	45
Other	-17	-21	-66	-65	-105	-106
Total	312	286	1,387	1,260	1,782	1,909

* Part of the Electricity Solutions and Distribution Division

January-September

Group sales were EUR 4,394 (3,872) million. Group operating profit totalled EUR 1,387 (1,260) million. Comparable operating profit totalled EUR 1,292 (1,318) million.

Non-recurring items, mark-to-market effects and nuclear fund adjustments in the first three quarters of the year amounted to EUR 95 (-58) million. Out of this, the share of non-recurring items was EUR 86 (21) million and consisted of sales gains from the Swedegas and Karlskoga Energi & Miljö shares in Sweden as well as the Kurgan Generating Company, Federal Grid Company and St. Petersburg Sales Company shares in Russia.

The average SEK rate was approximately 10% higher in the first nine months of 2010 than in the first nine months of 2009. The positive translation effect caused by the higher average SEK rate was approximately EUR 70 million in the comparable operating profit compared to last year, the bulk of which was in Power Division and in the first quarter of the year.

The share of profits/losses of associates and joint ventures was EUR 41 (-1) million. The improvement from last year was mainly due to the improvement in the contribution from Hafslund ASA.

The Group's net financial expenses decreased to EUR 98 (128) million. The decrease is attributable to lower interest expenses. The change in fair value of financial instruments was EUR 20 (5) million.

Profit before taxes was EUR 1,330 (1,131) million.

Taxes for the period totalled EUR 236 (211) million. The tax rate according to the income statement was 17.7% (18.7%).

The profit for the period was EUR 1,094 (920) million. Fortum's earnings per share were EUR 1.20 (1.02).

Non-controlling (minority) interests amounted to EUR 25 (14) million. These are mainly attributable to Fortum Värme Holding AB, in which the city of Stockholm has a 50% economic interest.

The return on capital employed was 12.9% for the last twelve months (12.1% in 2009), and the return on shareholders' equity was 17.9% for the last twelve months (16.0% in 2009).

Cash flow from operating activities was affected by the realised foreign exchange gains and losses, which were EUR -394 (356) million during the first three quarters of 2010. The foreign exchange gains and losses mainly relate to the roll over of foreign exchange contracts hedging loans to Fortum’s Swedish subsidiaries.

Fortum's net debt to EBITDA for the last twelve months was 2.7 (2.6 at the end of 2009).

Market conditions

Nordic countries

During the third quarter, the average system spot price for power in Nord Pool was EUR 45.9 (31.3) per megawatt-hour (MWh). The Finnish and Swedish area prices were above the system price level, at EUR 47.7 (35.6) per MWh in Finland and EUR 46.7 (35.4) per MWh in Sweden. The difference between the system price and the Finnish and Swedish area prices was mainly due to congestion between Sweden and Southern Norway.

In January-September 2010, the average system spot price for power in Nord Pool was EUR 50.0 (34.5) per MWh. The Finnish and Swedish area prices were above the system price level, at EUR 53.3 (36.0) per MWh in Finland and EUR 53.5 (36.0) per MWh in Sweden. The difference between the system price and the Finnish and Swedish area prices was mainly related to the two days in the first quarter when transmission capacity between Norway and Sweden was considerably below normal.

Year 2010 started with the Nordic water reservoirs at 7 terawatt-hours (TWh) below the long-term average. At the end of the third quarter, the Nordic water reservoirs were 17 TWh below the long-term average and 18 TWh below the corresponding level last year.

According to preliminary statistics, the Nordic countries consumed 78 (76) TWh of electricity in the third quarter of 2010, about 3% more than in the previous year. The increase was mainly due to higher industrial consumption. During the first three quarters of 2010, the Nordic countries consumed about 282 (268) TWh. The increase is mainly due to the cold weather in the first quarter and higher industrial consumption.

Russia

According to preliminary statistics, Russia consumed 223 (212) TWh of electricity in the third quarter of 2010, about 5% more than in the corresponding period of the previous year. During the first three quarters of the year, Russia consumed about 729 (693) TWh. The increase is mainly due to the general recovery of the Russian economy and increased industrial activity.

OAO Fortum operates in the Tyumen and Chelyabinsk areas. In the Tyumen area, where industrial production is dominated by the oil and gas industries, electricity demand was approximately at the same level compared to the previous year. The recession did not affect electricity demand in the Tyumen region in the previous year. In the Chelyabinsk area, which is dominated by the metal industry, electricity demand increased by about 8% in the third quarter compared to the previous year. The increase is mainly due to the recovery in industrial consumption.

The average electricity spot price, excluding capacity price, in the First price zone (European and Urals part of Russia) increased 36% to RUB 975 (715) per MWh in the third quarter of 2010.

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

Fortum's CO_2 emissions

During the first three quarters of 2010, approximately 67% (69%) of the power generated by Fortum was CO_2 free. The corresponding figure for Fortum's generation within the EU was 87% (92%).

Fortum's total CO_2 emissions during the first three quarters of the year amounted to 17.4 (15.4) million tonnes (Mt), of which 6.7 (5.0) Mt were within the EU's emission trading scheme (ETS).

Fortum’s target in the EU is to decrease its emissions in power generation to less than 80 grams per kilowatt-hour (g/kWh) by 2020 as a five-year average. After the first three quarters of 2010 the five-year average performance is below the target level at 64 g/kWh. In heat production, Fortum aims at reducing the specific emissions in each EU country by at least 10% from 2006 until 2020. Outside the EU, Fortum is committed to increasing energy efficiency and thereby reducing specific emissions.

Fortum’s total CO_2 emissions (million tonnes)	III/10	III/09	I-III/10	I-III/09	2009	LTM
Total emissions	3.8	3.9	17.4	15.4	22.0	24.0
Emissions subject to ETS	1.0	1.2	6.7	5.0	7.7	9.4
Free emissions allocation	-	-	-	-	5.5	-
Emissions in Russia	2.6	2.7	10.2	9.9	13.8	14.1

Fortum's specific CO_2 emissions from power generation (g/kWh)	III/10	III/09	I-III/10	I-III/09	2009	LTM
Total emissions	178	166	178	158	155	173
Emissions in the EU	46	29	71	34	41	68
Emissions in Russia	606	581	528	530	493	503

Division reviews

Power

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

EUR million	III/10	III/09	I-III/10	I-III/09	2009	LTM
Sales	584	572	1,950	1,868	2,531	2,613
- power sales	556	541	1,865	1,774	2,413	2,504
- other sales	28	31	85	94	118	109
Operating profit	256	297	1,003	1,036	1,363	1,330
Comparable operating profit	267	308	962	1,063	1,454	1,353
Net assets (at period-end)			5,818	5,516	5,494	
Return on net assets, %					24.5	22.9
Comparable return on net assets, %					26.4	23.3
Capital expenditure and gross investments in shares	32	20	87	120	153	120
Number of employees			1,892	1,977	1,916	

The division's power generation during the third quarter of 2010 amounted to 10.5 (9.7) TWh in the Nordic countries. Approximately 95% (96%) of that was CO_2-free.

In January–September, the division's power generation in the Nordic countries was 34.0 (32.6) TWh and approximately 94% (97%) of the division's power generation was CO_2-free.

During the third quarter, the division's power generation in the Nordic countries increased by 8% compared to the same period last year. Nuclear generation volumes increased year-on-year although Oskarshamn 3 and Forsmark 2 had operating difficulties and Loviisa had a longer scheduled annual outage. The share of thermal power generation was insignificant.

During the first three quarters of 2010, Nordic power generation was 1.4 TWh higher than in the corresponding period last year. Increased thermal generation and improved nuclear generation volumes were partly offset by lower hydro volumes.

Oskarshamn 3 is under the annual re-fuelling outage and turbine investigation. Its forecasted start-up is on 8 November 2010. To secure availability during the winter months, the plan is to run the unit at an approximately 1,100-MW power level, which corresponds to the power level before the capacity increase. The commissioning test runs on the increased power level will re-start on 1 March 2011. Forsmark 2 has been running at significantly reduced capacity after the capacity increase modifications. The unit is currently in outage, and the actions to recover the power production are ongoing. Full power is estimated to be reached on 18 November 2010.

Power generation by source, TWh	III/10	III/09	I-III/10	I-III/09	2009	LTM
Hydropower, Nordic	5.5	5.3	16.0	16.2	22.1	21.9
Nuclear power, Nordic	4.7	4.3	16.6	16.3	21.4	21.7
Thermal power, Nordic	0.3	0.1	1.4	0.1	0.2	1.5
Total in the Nordic countries	10.5	9.7	34.0	32.6	43.7	45.1
Thermal power in other countries	0.3	0.3	0.8	0.9	1.2	1.1
Total	10.8	10.0	34.8	33.5	44.9	46.2

Nordic sales volume, TWh	11.7	10.9	37.8	36.4	48.8	50.2
of which pass-through sales	0.7	0.8	2.5	2.6	3.6	3.5

Sales price, EUR/MWh	III/10	III/09	I-III/10	I-III/09	2009	LTM
Power's Nordic power price*	47.2	50.2	49.0	49.2	49.8	49.6

* For the Power Division in the Nordic countries, excluding pass-through sales.

The Power Division's achieved Nordic power price in the third quarter of 2010 amounted to EUR 47.2 per MWh, which was EUR 3.0 per MWh lower than last year. The decrease was due to lower hedge prices during the third quarter. Nord Pool spot prices were higher than in 2009.

In January-September 2010, the division's achieved Nordic power price was EUR 49.0 per MWh, which is EUR 0.2 per MWh lower than same period last year. The decrease was due to lower hedge prices. Nord Pool spot prices were higher.

In the third quarter of 2010, Power's comparable operating profit was lower than in the corresponding period last year. This was mainly due to the clearly lower achieved power price and the higher costs in associated nuclear generating companies partly offset by higher generation volumes.

In the first three quarters of 2010, Power's comparable operating profit was lower than in the corresponding period last year. The decline in the division's profits stemmed from the lower achieved power price and continued power upgrade and modernisation programmes in Swedish associated nuclear generating companies. The costs of associated nuclear generating companies increased due to the ongoing Oskarshamn 3 and Forsmark 2 power upgrade and modernisation programmes. Furthermore, an increase in nuclear-related provisions and Loviisa 3 project-related costs contributed to the profit decrease. Higher generation volumes only partly offset the profit decline.

In July, Fortum signed a contract with the Polish Południowy Koncern Energetyczny (PKE), part of Tauron Group, to reduce nitrogen oxides at a Polish power plant. The EUR 55-million contract is the largest of its kind in terms of value in Poland. The project is being implemented in co-operation with Zakłady Remontowe Energetyki Katowice. In the project, Fortum is responsible for the technological solutions and the deliveries of basic equipment.

Fortum’s 308-MW share of the Meri-Pori power plant’s production capacity was reverted to the company’s own use on 1 July 2010. Fortum’s share has been leased since 1 January 2007. The fixed-period lease on the share of production capacity was one of the conditions set by the Finnish Competition Authority for approval of Fortum’s acquisition of E.ON Finland in summer 2006.

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	III/10	III/09	I-III/10	I-III/09	2009	LTM
Sales	220	177	1,172	941	1,399	1,630
- heat sales	153	132	841	714	1,055	1,182
- power sales	39	19	239	140	224	323
- other sales	28	26	92	87	120	125
Operating profit	-15	-11	179	143	252	288
Comparable operating profit	-12	-13	153	127	231	257
Net assets (at period-end)			4,021	3,655	3,787	
Return on net assets, %					7.9	8.3
Comparable return on net assets, %					7.3	7.6
Capital expenditure and gross investments in shares	67	91	188	258	359	289
Number of employees			2,434	2,578	2,552	

Heat sales during the third quarter of 2010 amounted to 2.4 (2.0) TWh and were mainly generated in the Nordic countries. During the same period, power sales totalled 0.8 (0.4) TWh. The volume increase was mainly due to new CHP capacity in Finland (Suomenoja) and higher sales to industrial customers.

Heat sales during the first three quarters of 2010 amounted to 17.3 (15.1) TWh and were mainly generated in the Nordic countries. During the same period, power sales totalled 4.3 (2.8) TWh. The increased volumes were a result of colder weather during the first quarter, increased industrial sales and new CHP capacity in Finland and Estonia (Tartu).

The division’s third-quarter comparable operating profit was EUR -12 million, EUR 1 million better than the corresponding period last year.

The comparable operating profit for the first three quarters of 2010 for the Heat Division was EUR 153 million, which is EUR 26 million higher than in the corresponding period last year. The increase was mainly due to higher volumes and power prices and stronger SEK and PLN currencies. Fuel costs were higher than last year due to higher market prices and the peak-load impact in the winter.

In September, Fortum inaugurated a CHP plant in Poland in the city of Częstochowa. Also Fortum’s new bio-fuel CHP plant in Pärnu, Estonia, was synchronised to the grid in September. Commercial operation at both plants will begin during the fourth quarter of 2010.

In the fourth quarter of 2010, Fortum will start construction of a new waste-to-energy CHP plant in Klaipeda, Lithuania.

In Finland, the Finnish Government is proposing significant changes to fuel taxation as of 2011. Among other measures, the fuel tax for natural gas in the first stage is proposed to be increased by approximately 200%. This is clearly more than the proposed increase for e.g. coal and peat. The increase in the gas tax would lead to increases in Fortum's Finnish district heat prices.

The Swedish Competition Authority (SCA) is investigating district heating price setting. The investigation concerns also Fortum Värme, which is jointly owned by the City of Stockholm.

Heat sales by area, TWh	III/10	III/09	I-III/10	I-III/09	2009	LTM
Finland	1.2	0.8	6.5	5.3	8.0	9.2
Sweden	0.8	0.9	7.2	6.6	9.8	10.4
Poland	0.3	0.1	2.6	2.3	3.7	4.0
Other countries	0.1	0.2	1.0	0.9	1.4	1.5
Total	2.4	2.0	17.3	15.1	22.9	25.1

Power sales, TWh	III/10	III/09	I-III/10	I-III/09	2009	LTM
Total	0.8	0.4	4.3	2.8	4.4	5.9

Electricity Solutions and Distribution

The Electricity Solutions and Distribution Division is responsible for Fortum's electricity sales, solutions and distribution activities. The division 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, Norway and Estonia.

EUR million	III/10	III/09	I-III/10	I-III/09	2009	LTM
Sales	196	168	676	573	800	903
- distribution network transmission*	163	142	580	493	685	772
- regional network transmission*	21	15	68	54	75	89
- other sales	12	11	28	26	40	42
Operating profit	62	47	228	182	263	309
Comparable operating profit	61	47	216	182	262	296
Net assets (at period-end)			3,560	3,248	3,299	
Return on net assets, %					8.7	9.5
Comparable return on net assets, %					8.6	9.1
Capital expenditure and gross investments in shares	51	51	127	130	193	190
Number of employees			1,090	1,154	1,088	

*) Q1/2010 has been restated.

The volume of distribution and regional network transmissions during the third quarter of 2010 totalled 5.0 (4.8) TWh and 3.8 (3.5) TWh, respectively.

During the first three quarters of 2010, electricity transmission via the regional distribution network totalled 10.9 (10.0) TWh in Sweden and 2.0 (2.0) TWh in Finland.

The Distribution business area's comparable operating profit in the third quarter was EUR 61 million, which is MEUR 14 million better than in the corresponding period last year. The main reason for this was higher sales combined with a stronger SEK during the third quarter.

During the first three quarters of the year, the business area's comparable operating profit was EUR 216 million, which is EUR 34 million higher than in January-September 2009. The main reasons for the increase are higher sales due to the colder weather during the first quarter and a stronger SEK.

The pilot rollout of smart metering to the network customers in Finland started in October 2010. For customers, smart metering has several benefits including better control and therefore better understanding of electricity consumption.

Distribution improves efficiency through automation and focusing on the core business. As a consequence, parts of the field operations are being outsourced.

Volume of distributed electricity in distribution network, TWh	III/10	III/09	I-III/10	I-III/09	2009	LTM
Sweden	2.8	2.7	10.7	10.1	14.0	14.6
Finland	1.8	1.7	7.0	6.6	9.4	9.8
Norway	0.4	0.4	1.8	1.6	2.3	2.5
Estonia	0.0	0.0	0.1	0.1	0.2	0.2
Total	5.0	4.8	19.6	18.4	25.9	27.1

Number of electricity distribution customers by area, thousands	30 Sep 2010	30 Sep 2009
Sweden	888	888
Finland	616	609
Other countries	124	123
Total	1,628	1,620

Electricity Sales

The Electricity Sales business area is responsible for retail sales of electricity to a total of 1.2 million private and business customers as well as to other electricity retailers in Sweden, Finland and Norway. Electricity Sales buys its electricity through Nord Pool. Electricity Sales sells approximately 70% of its volume to business customers and 30% to retail consumers.

EUR million	III/10	III/09	I-III/10	I-III/09	2009	LTM
Sales	305	272	1,269	1,039	1,449	1,679
- power sales	301	266	1,254	1,017	1,417	1,654
- other sales	4	6	15	22	32	25
Operating profit	12	-7	6	-8	29	43
Comparable operating profit	11	7	8	11	22	19
Net assets (at period-end)			55	46	125	
Return on net assets, %					28.9	48.0
Comparable return on net assets, %					18.6	17.9
Capital expenditure and gross investments in shares	0	0	0	1	1	0
Number of employees			521	638	611	

In the third quarter of 2010, the business area's electricity sales totalled 5.6 (5.7) TWh while electricity sales in January-September 2010 totalled 21.7 (21.7) TWh. The restructuring of the unprofitable Business Market segment started in February 2010 and will affect the sales volume of Electricity Sales business area from the fourth quarter of 2010 onwards.

Electricity Sales' comparable operating profit in the third quarter continued to improve as a result of lower fixed costs and better sales margins, especially in Sweden. The price peaks during the first quarter of 2010 had a negative impact on the business area's profitability, leading to a decline in the comparable operating profit for the period January-September.

Russia

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

EUR million	III/10	III/09	I-III/10	I-III/09	2009	LTM
Sales	137	111	550	435	632	747
- power sales	111	87	355	281	390	464
- heat sales	24	18	189	143	219	265
- other sales	2	6	6	11	23	18
EBITDA	35	-1	100	27	55	128
Operating profit	14	-19	37	-28	-20	45
Comparable operating profit	-16	-20	-9	-28	-20	-1
Net assets (at period-end)			2,522	2,112	2,260	
Return on net assets, %					0.0	2.9
Comparable return on net assets, %					0.0	1.0
Capital expenditure and gross investments in shares	84	58	342	120	218	440
Number of employees			4,332	5,107	4,855	

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

The Russia Division's power sales during the third quarter of 2010 amounted to 3.8 (4.0) TWh. During the same period, heat sales totalled 2.3 (2.3) TWh.

During the first three quarters of 2010, OAO Fortum sold 59% of its power production at the liberalised electricity price.

Key electricity, capacity and gas prices for OAO Fortum	III/10	III/09	Change	I-III/10	I-III/09	Change
Electricity spot price (market price), Urals hub, RUB/MWh	936	700	34%	842	613	37%
Average regulated electricity price for OAO Fortum, RUB/MWh	607	529	15%	614	533	15%
Average regulated capacity price, tRUB/MW/month	169	186	-9%	169	188	-10%
Average regulated gas price in Urals region, RUB/1000 m^3	2,221	1,837	21%	2,221	1,731	28%

The division booked a comparable operating loss of EUR 16 (20) million in the third quarter of 2010. The improvement is mainly attributable to OAO Fortum's efficiency improvement programme.

The division's comparable operating loss for January-September 2010, EUR 9 million, was EUR 19 million smaller than in the same period last year due to the efficiency improvement programme. The positive effect of slightly higher electricity and heat margins was partly offset by lower capacity income for existing capacities.

OAO Fortum's business is typically very seasonal: Its results are usually strongest during the first and last quarters of the year.

The Russian wholesale power sector reform is proceeding. From 1 January 2010 onwards, 60% of all produced power in Russia was sold on the competitive market. The share increased to 80% at the beginning of July 2010. The wholesale power market is expected to be fully liberalised from the beginning of 2011.

Currently, approximately one third of Fortum's power sales in Russia come from capacity payments, which the generating company receives based on its available capacity. The general rules for the long-term capacity market starting from 2011 have been approved by the Russian Government. The detailed specifications are still under preparation.

The generation capacity built after 2007 under government capacity supply agreements (CSA) will receive guaranteed payments for a period of 10 years. Prices for capacity under CSA are defined in order to ensure a sufficient return on investments. The price parameters for the CSA's were approved in April. Capacity not under CSA will compete in competitive capacity selection (CCS), where price is defined in auctions, but can be limited by price caps.

In light of the recovering post-crises demand and development of the Russian capacity market, Fortum has accelerated the schedule of OAO Fortum's committed 2,300 MW-investment programme and plans to commission the new units by the end of 2014. The first three units are now estimated to be in commercial operation during the first half of 2011, approximately 2-3 months later than previously expected.

The new capacity is a key driver for solid earnings growth in Russia as it will bring income from new volumes sold and is expected to receive at least a 3-4 times higher price in the capacity market than the old capacity received. The value of the remaining part of the investment programme, calculated at the end of September 2010 exchange rates, is estimated to be EUR 1.7 billion from October 2010 onwards.

OAO Fortum's efficiency improvement programme is proceeding according to plans. The annual efficiency improvements are expected to be approximately EUR 100 million in 2011.
The Russia Division's comparable operating loss has decreased by EUR 86 million since the first quarter 2009 when the division's first full twelve-month result in Fortum was reported (LTM comparable operating profit in the first quarter of 2009 was EUR -87 million and LTM comparable operating profit in the third quarter of 2010 was EUR -1 million).

Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares in January-September 2010 totalled EUR 750 (634) million. Investments, excluding acquisitions, were EUR 723 (571) million.

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

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts*
Heat				
Częstochowa, Poland	CHP bio, coal	64	120	Q4/2010
Pärnu, Estonia	CHP bio, peat	24	50	Q4/2010
Power				
Hydro refurbishment	Hydropower	20-30		2010
Russia				
Tyumen 1	CCGT, gas	231		Q1/2011
Tobolsk	CCGT, gas	200		Q2/2011
Chelyabinsk 3	CCGT, gas	226		Q2/2011

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

Power

In August 2010, Fortum announced that it will acquire a 40% stake in the Blaiken wind power project in Sweden. The remaining 60% is held by the Swedish energy company Skellefteå Kraft. Fortum and Skellefteå Kraft's joint venture, Blaiken Vind AB, is planning to start construction of the wind farm in the Blaiken region in northern Sweden. The wind farm will have a maximum of 100 wind turbines with a total capacity of 250 MW and its estimated annual production is 600-720 gigawatt-hours (GWh). According to the plan, the wind farm will be built in phases, with construction to begin in 2011 and to be completed in 2015. Fortum's share of the total investment during the project will amount to a maximum of EUR 160 million.

The Finnish Government gave a negative decision-in-principle on Fortum's application concerning the construction of a new nuclear power plant unit, Loviisa 3. Fortum is also, with an approximately 25% interest, a shareholder in Teollisuuden Voima Oyj (TVO), whose decision-in-principle application for a new nuclear power plant unit, Olkiluoto 4, was approved by the Finnish Government and ratified by the Finnish Parliament.

Through its interest in TVO Fortum is participating in the building of Olkiluoto 3, a 1,600-MW nuclear power plant unit in Finland. The AREVA-Siemens Consortium, TVO's turnkey supplier of Olkiluoto 3 announced in June that in light of the current progress most of the works will be completed in 2012 while regular operation of the plant unit is foreseen during 2013.

In September 2010, Fortum divested its share in the Finnish wind power producer Hyötytuuli Oy.

Heat

In January 2010, Fortum acquired the CHP plant in Nokia, Finland. The plant's capacity is around 85 MW heat and 70 MW electricity.

In February 2010, Fortum decided to invest in a new waste-fuelled CHP plant in Klaipeda, Lithuania. The value of the investment amounts to approximately EUR 140 million. The power plant is planned to be ready for production by the end of 2013. The fuel will consist of municipal and industrial waste and biomass. The production capacity will be approximately 50 MW heat and 20 MW electricity.

The sale of Fortum's shares in the Swedish gas transmission company Swedegas AB was closed in February. The gain from the sales was included in the first-quarter non-recurring items.

In September 2010, Fortum inaugurated a CHP plant in Poland in the city of Częstochowa. Commercial operation starts during the fourth quarter. The plant is fuelled by biomass (around 25%) and coal. The total value of the investment was about EUR 135 million. The new Częstochowa CHP plant has an electricity production capacity of 64 MW and a heat production capacity of 120 MW.

Also Fortum’s new CHP plant in Pärnu, Estonia, was synchronised to the grid in September 2010. Commercial operation starts during the fourth quarter. The total value of the investment was around EUR 80 million. The production capacity of the biomass and peat-fired power plant will be 50 MW heat and 24 MW electricity.

In September 2010, Fortum informed that it has made an investment decision to build a new waste-fired unit for its CHP plant in Brista, Sweden. The value of the project is about EUR 200 million, and completion of the new production unit, Brista 2, is planned for 2013. The estimated capacity of the unit is 57 MW heat and 20 MW electricity. In conjunction with the investment decision, Fortum opened up the possibility for future co-ownership of Brista 2 with Sollentuna Energi, the energy company of the nearby Sollentuna municipality.

Distribution

In early February 2010, Fortum divested its 49% share in Karlskoga Energi & Miljö in Sweden to the Karlskoga municipality for approximately EUR 42 million. The sales gain was included in the first quarter non-recurring items.

The EU's third energy market package entered into force in early September 2009. One of the consequences is that Fortum will have to divest its 25% ownership in the Finnish electricity transmission system operator Fingrid Oyj by early 2012. Consequently, Fortum is investigating alternatives for the sale of the Fingrid shares.

Russia

Fortum sold its shares in Federal Grid Company (Fortum's ownership was 0.119%) and in Kurgan Generating Company (49% of the voting rights) in Russia during the first quarter of 2010. The sales gains were included in the first-quarter non-recurring items.

Fortum divested its approximately 31% holding in JOINT STOCK COMPANY "SAINT-PETERSBURG SALE COMPANY" (JSC "SSC") to the Russian INTER RAO UES. The sales gains were included in the third-quarter non-recurring items.

Financing

Net debt increased during the third quarter by EUR 102 million to EUR 6,608 million (year-end 2009: EUR 5,969 million). The increase in net debt is mainly linked to the SEK strengthening and translation of SEK denominated debt in the Group.

Total liquid funds increased by EUR 286 million from EUR 694 million to EUR 980 million (year-end 2009: 890 million). Liquid funds include cash and bank deposits held by OAO Fortum amounting to EUR 452 million (year-end 2009: 632 million). In addition to the liquid funds, Fortum had access to approximately EUR 2.9 billion of undrawn committed credit facilities.

The Group's net financial expenses were EUR 98 (128) million. The decrease is mainly attributable to lower average interest rates in 2010 compared to the corresponding period last year. Net financial expenses include changes in the fair value of financial instruments of EUR 20 (5) million. Net debt to EBITDA for the last twelve months was 2.7 (2.6 at year-end 2009).

Fortum Corporation’s long-term credit rating from Moody’s and Standard and Poor's was A2 (stable) and A (stable), respectively.

Shares and share capital

In January-September 2010, a total of 396.5 (453.0) million Fortum Corporation shares, totalling EUR 7,394 million, were traded on the NASDAQ OMX Helsinki. Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the third quarter 2010, was EUR 17,048 million. The highest quotation of Fortum Corporation shares on the NASDAQ OMX Helsinki during the reporting period was EUR 19.92, the lowest EUR 17.18, and the volume-weighted average EUR 18.65. The closing quotation on the last trading day of the third quarter was EUR 19.19 (17.52).

At the end of the reporting period, 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 Finnish State's holding in Fortum was 50.8% at the end of the reporting period. The proportion of nominee registrations and direct foreign shareholders was 29.9%.

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

The number of employees at the end of the period was 10,865 (11,613 at the end of 2009).

Research and development

Swedish Energy Agency and Vinnova approved substantial funding to initiate a pre-study on the Royal Seaport of Stockholm. The aim of the Royal Seaport programme is to build a new residential and commercial area in Stockholm in a sustainable way. Fortum can – by being the grid owner – be an enabler of the new energy system through a smart construction of the grid system.

As an outcome of Fortum's long-term nuclear R&D work, an application for higher burn-up of nuclear fuel has been submitted to STUK, the safety authority in Finland.

Outlook

Key drivers and risks

The key factor influencing Fortum's business performance is the wholesale price of electricity. The key drivers behind wholesale price development are the supply-demand balance, fuel and CO_2 emissions allowance prices as well as the hydrological situation. The exchange rates of the Swedish krona and Russian rouble also affect Fortum's financials. The balance sheet translation effects from changes in currency exchange rates are booked in Fortum’s equity.

Fortum's financial results are exposed to a number of strategic, financial and operational risks. For further details on Fortum's risks and risk management, see Fortum's Operating and Financial Review and Financial Statements for 2009.

Nordic market

Fortum currently expects Nordic power demand to recover back to the 2008 level by 2012-2014. Electricity will continue to gain a higher share of the total energy consumption.

In mid-October 2010, the electricity forward price in Nord Pool for the rest of 2010 was around EUR 51 per MWh. The electricity forward price for 2011 was around EUR 45 per MWh and for 2012 around EUR 42 per MWh. At the same time, the future quotations for coal (ICE Rotterdam) for the rest of 2010 were around USD 100 per barrel and the market price for CO2 emissions allowances (EUA) for 2010 was about EUR 16 per tonne.

In mid-October 2010, Nordic water reservoirs were about 15 TWh below the long-term average and 16 TWh below the corresponding level of 2009.

Russia

The Russian wholesale power sector reform is proceeding. The wholesale power market is expected to be fully liberalised from the beginning of 2011. Furthermore, an agreement on the capacity market rules has been reached and the new regulation is expected to significantly increase payments for new capacity under the Government's Capacity Supply Agreement.

In light of the recovering post-crises demand and development of the capacity market, Fortum has accelerated the schedule of OAO Fortum's committed 2,300 MW-investment programme and plans to commission the new units by the end of 2014. The first three units are now estimated to be in commercial operation during the first half of 2011, approximately 2-3 months later than previously expected. Completion of the programme is a key driver for solid earnings growth in Russia. The value of the remaining part of the programme, calculated at the end of September 2010 exchange rates, is estimated to be EUR 1.7 billion from October 2010 onwards.

The average regulated gas price increased by 24% in the first quarter compared to the average price in 2009. The regulated gas price is expected to remain unchanged for the rest of 2010. The current official plan for 2011 is to increase the regulated gas price by 15%. The regulated electricity price is indexed to the regulated gas price and inflation on an annual basis.

Annual efficiency improvements are expected to be approximately EUR 100 million in 2011.

Capital expenditure

Fortum's capital expenditure in 2010 is estimated to be around EUR 1.4 billion – slightly less than indicated earlier. In 2011, Fortum currently expects capital expenditure of around EUR 1.6 billion, exceeding the earlier forecast range of EUR 0.8-1.2 billion. The annual level of Fortum's capital expenditure in 2012-2013 is estimated to exceed the company's normal guidance of EUR 0.8-1.2 billion. The main reason for higher capital expenditures in 2010-2013 is the acceleration in Fortum's Russian investment programme.

Taxation

The Swedish Government has made a proposal to increase hydro property tax rates from the beginning of 2011. Fortum estimates that the additional cost from the possible tax rate increase would be around EUR 15 million.

The windfall tax was removed from the Government agenda in Finland.

Hedging

At the end of September 2010, approximately 80% of the Power Division's estimated Nordic electricity sales volume for the rest of 2010 was hedged at approximately EUR 45 per MWh. For the calendar year 2011, approximately 70% of the division's estimated Nordic electricity sales volume was hedged at approximately EUR 44 per MWh. For the calendar year 2012, approximately 35% of the division's estimated Nordic electricity sales volume was hedged at approximately EUR 43 per MWh.

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 or standardised futures, consisting of several types of products and maturities.

Profitability

The first and last quarters of the year are usually the strongest quarters for the power and heat businesses.

Fortum Power Division's achieved Nordic power price typically depends on e.g. the hedge ratio, hedge price, 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 Power's achieved Nordic sales price results in an approximately EUR 50 million change in Fortum's annual operating profit.

Fortum's results in the first three quarters of the year were solid. The company has a flexible, cost-efficient and climate-benign generation portfolio. Fortum's financial position and liquidity are strong.

Espoo, 20 October 2010
Fortum Corporation
Board of Directors

Further information:
Tapio Kuula, President and CEO, tel. +358 10 452 4112
Juha Laaksonen, CFO, tel. +358 10 452 4519

Fortum's Investor Relations, tel. +358 10 453 6150 / 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.

Fortum's Annual General Meeting is planned to take place on 31 March 2011 and the possible dividend-related dates planned for 2011 are:
- Ex-dividend date 1 April 2011,
- Record date for dividend payment 5 April 2011 and
- Dividend payment date 12 April 2011

Fortum's annual report for 2010 will be published on week 10 at the latest.

Publication of financial results in 2011:
- Financial statements bulletin for the year 2010 will be published on 2 February 2011 at approximately 9.00 EET
- Interim Report January-March on 28 April 2011 at approximately 9.00 EEST,
- Interim Report January-June on 19 July 2011 at approximately 9.00 EEST and
- Interim Report January-September on 20 October 2011 at approximately 9.00 EEST.

Distribution:
NASDAQ OMX Helsinki
Key media
www.fortum.com

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

Contents to the interim financial statements

Condensed consolidated income statement

EUR million	Note	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Sales	4	**1 152**	1 046	**4 394**	3 872	5 435	5 957
Other income		**30**	16	**85**	55	84	114
Materials and services		**-475**	-352	**-1 936**	-1 419	-2 027	-2 544
Employee benefit costs		**-116**	-114	**-374**	-373	-495	-496
Depreciation, amortisation and impairment charges	4, 12	**-140**	-128	**-416**	-374	-510	-552
Other expenses		**-149**	-152	**-461**	-443	-599	-617
Items affecting comparability		**10**	-30	**95**	-58	-106	47
Operating profit		**312**	286	**1 387**	1 260	1 782	1 909
Share of profit/loss of associates and joint ventures	4, 13	**10**	3	**41**	-1	21	63
Interest expense		**-48**	-56	**-140**	-188	-241	-193
Interest income		**18**	23	**53**	76	98	75
Fair value gains and losses on financial instruments		**1**	-8	**20**	5	-1	14
Other financial expenses - net		**-8**	-6	**-31**	-21	-23	-33
Finance costs - net		**-37**	-47	**-98**	-128	-167	-137
Profit before income tax		**285**	242	**1 330**	1 131	1 636	1 835
Income tax expense	9	**-45**	-39	**-236**	-211	-285	-310
Profit for the period		**240**	203	**1 094**	920	1 351	1 525
Attributable to:							
Owners of the parent		**247**	211	**1 069**	906	1 312	1 475
Non-controlling interests		**-7**	-8	**25**	14	39	50
		240	203	**1 094**	920	1 351	1 525
Earnings per share (in € per share)	10						
Basic		**0.27**	0.24	**1.20**	1.02	1.48	1.66
Diluted		**0.27**	0.24	**1.20**	1.02	1.48	1.66

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Comparable operating profit	**302**	316	**1 292**	1 318	1 888	1 862
Non-recurring items (capital gains and losses)	**36**	7	**86**	21	29	94
Changes in fair values of derivatives hedging future cash flow	**-16**	-32	**5**	-53	-76	-18
Nuclear fund adjustment	**-10**	-5	**4**	-26	-59	-29
Items affecting comparability	**10**	-30	**95**	-58	-106	47
Operating profit	**312**	286	**1 387**	1 260	1 782	1 909

Condensed consolidated statement of comprehensive income

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	2008
Profit for the period	**240**	203	**1 094**	920	1 351	1 596
Other comprehensive income						
Cash flow hedges						
Fair value gains/losses in the period	**39**	221	**-119**	131	-195	453
Transfers to income statement	**-15**	-71	**-18**	-154	-218	160
Transfers to inventory/fixed assets	**2**	-1	**-6**	-2	-4	-4
Tax effect	**-5**	-39	**34**	8	108	-168
Net investment hedges						
Fair value gains/losses in the period	**-20**	-6	**-30**	-8	-25	-
Tax effect	**5**	2	**8**	0	6	-
Available for sale financial assets						
Fair value changes in the period	**-1**	-	**-1**	2	0	-1
Exchange differences on translating foreign operations	**-189**	75	**255**	-52	21	-621
Share of other comprehensive income of associates [1)]	**19**	40	**-61**	1	-37	-628
Other changes	**-1**	1	**0**	-6	1	1
Other comprehensive income for the period, net of tax	**-166**	222	**62**	-80	-343	-808
Total comprehensive income for the year	**74**	425	**1 156**	840	1 008	788
Total comprehensive income attributable to						
Owners of the parent	**79**	420	**1 093**	832	971	797
Non-controlling interests	**-5**	5	**63**	8	37	-9
	74	425	**1 156**	840	1 008	788
1) Of which fair value change in Hafslund ASA's shareholding in REC incl. translation differences	**16**	32	**-69**	4	**-37**	-667

Condensed consolidated balance sheet

EUR million	Note	Sept 30 2010	Sept 30 2009	Dec 31 2009
ASSETS				
Non-current assets				
Intangible assets	12	**382**	365	391
Property, plant and equipment	12	**14 193**	12 683	12 855
Participations in associates and joint ventures	4, 13	**2 130**	2 194	2 188
Share in State Nuclear Waste Management Fund	16	**616**	588	570
Pension assets		**66**	64	59
Other non-current assets		**70**	61	69
Deferred tax assets		**57**	7	47
Derivative financial instruments	6	**232**	319	195
Long-term interest-bearing receivables		**1 109**	908	918
Total non-current assets		**18 855**	17 189	17 292
Current assets				
Inventories		**455**	463	447
Derivative financial instruments	6	**128**	380	182
Trade and other receivables		**784**	712	1 030
Bank deposits		**9**	395	397
Cash and cash equivalents		**971**	420	493
Liquid funds	15	**980**	815	890
Total current assets		**2 347**	2 370	2 549
Total assets		**21 202**	19 559	19 841
EQUITY				
Equity attributable to owners of the parent				
Share capital	14	**3 046**	3 046	3 046
Share premium		**73**	73	73
Retained earnings		**5 155**	4 281	4 762
Other equity components		**-35**	496	153
Total		**8 239**	7 896	8 034
Non-controlling interests		**497**	432	457
Total equity		**8 736**	8 328	8 491
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities	15	**6 464**	6 531	6 002
Derivative financial instruments	6	**157**	173	191
Deferred tax liabilities		**1 810**	1 810	1 750
Nuclear provisions	16	**616**	588	570
Other provisions		**231**	212	209
Pension obligations		**22**	50	23
Other non-current liabilities		**468**	461	472
Total non-current liabilities		**9 768**	9 825	9 217
Current liabilities				
Interest-bearing liabilities	15	**1 124**	325	857
Derivative financial instruments	6	**619**	266	276
Trade and other payables		**955**	815	1 000
Total current liabilities		**2 698**	1 406	2 133
Total liabilities		**12 466**	11 231	11 350
Total equity and liabilities		**21 202**	19 559	19 841

Condensed consolidated statement of changes in total equity

EUR million	Share capital	Share premium	Retained earnings: Retained earnings and other funds	Retained earnings: Translation of foreign operations	Other equity components: Cash flow hedges	Other equity components: Other OCI items	Other equity components: OCI items associated companies	Owners of the parent	Non-controlling interests	Total equity
Total equity 31 December 2009	**3 046**	**73**	**5 329**	**-567**	**21**	**1**	**131**	**8 034**	**457**	**8 491**
Net profit for the period			1 069					1 069	25	1 094
Translation differences				211	1		11	223	44	267
Other comprehensive income			1		-105	-23	-72	-199	-6	-205
Total comprehensive income for the period			1 070	211	-104	-23	-61	1 093	63	1 156
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-22	-22
Changes due to business combinations								0	-1	-1
Total equity 30 September 2010	**3 046**	**73**	**5 511**	**-356**	**-83**	**-22**	**70**	**8 239**	**497**	**8 736**
Total equity 31 December 2008	**3 044**	**73**	**4 888**	**-576**	**321**	**36**	**168**	**7 954**	**457**	**8 411**
Net profit for the period			906					906	14	920
Translation differences				-59	-5		25	-39	7	-32
Other comprehensive income			-2		-3	-6	-24	-35	-13	-48
Total comprehensive income for the period			904	-59	-8	-6	1	832	8	840
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-19	-19
Changes due to business combinations			-4					-4	-14	-18
Stock options exercised [1)]	2		16			-16		2		2
Total equity 30 September 2009	**3 046**	**73**	**4 916**	**-635**	**313**	**14**	**169**	**7 896**	**432**	**8 328**
Total equity 31 December 2008	**3 044**	**73**	**4 888**	**-576**	**321**	**36**	**168**	**7 954**	**457**	**8 411**
Net profit for the period			1 312					1 312	39	1 351
Translation differences				9	-4		28	33	12	45
Other comprehensive income			6		-296	-19	-65	-374	-14	-388
Total comprehensive income for the period			1 318	9	-300	-19	-37	971	37	1 008
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-19	-19
Changes due to business combinations			-5					-5	-18	-23
Stock options exercised [1)]	2		16			-16		2		2
Total equity 31 December 2009	**3 046**	**73**	**5 329**	**-567**	**21**	**1**	**131**	**8 034**	**457**	**8 491**

1) Accounting effect of the last stock option program (2002B) upon ending of the subscription period on 1 May 2009.

Translation differences

Translation differences impacted equity attributable to owners of the parent company with EUR 223 million during Q1-Q3 2010 (Q1-Q3 2009: -39) including net effect from SEK, NOK and RUB amounting to EUR 216 million in Q1-Q3 2010 (Q1-Q3 2009: -39). Part of the translation difference is arising from the NOK effect in fair valuation of Hafslund's REC shares, EUR 4 million accumulated until Q1-Q3 2010 (Q1-Q3 2009: 19), which is shown together with the change in fair value in OCI items associated companies.

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 8 Exchange rates.

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges, EUR -104 million during Q1-Q3 2010 (Q1-Q3 2009: -8), mainly relates to cash flow hedges hedging electricity price for future transactions. When electricity price is lower/higher than the hedging price, the impact on equity is positive/negative.

Cash dividend

The dividend for 2009 was decided at the Annual General Meeting on 25 March 2010. The dividend was paid on 8 April 2010.
The dividend for 2008 was decided at the Annual General Meeting on 7 April 2009.

Condensed consolidated cash flow statement

EUR million	Note	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Cash flow from operating activities							
Operating profit before depreciations (EBITDA)		**452**	414	**1 803**	1 634	2 292	2 461
Non-cash flow items and divesting activities		**-25**	31	**-98**	50	46	-102
Financial items and realised foreign exchange gains and losses		**-126**	-51	**-449**	248	146	-551
Taxes		**-93**	-74	**-248**	-205	-239	-282
Funds from operations		**208**	320	**1 008**	1 727	2 245	1 526
Change in working capital		**65**	22	**208**	141	19	86
Total net cash from operating activities		**273**	342	**1 216**	1 868	2 264	1 612
Cash flow from investing activities							
Capital expenditures 1)	4, 12	**-216**	-228	**-702**	-579	-845	-968
Acquisition of subsidiaries, net of cash acquired	7	**0**	-3	**-1**	-25	-27	-3
Acquisition of associates 2)	13	**-6**	-1	**-6**	-32	-58	-32
Acquisition of other long-term investments		**-1**	-1	**-1**	-2	-2	-1
Proceeds from sales of fixed assets		**0**	27	**3**	38	48	13
Proceeds from sales of subsidiaries, net of cash disposed	7	**1**	-1	**1**	10	11	2
Proceeds from sales of associates	13	**11**	1	**122**	1	2	123
Proceeds from sales of other non-current assets		**6**	0	**17**	1	1	17
Change in interest-bearing receivables		**-7**	-33	**-60**	-65	-104	-99
Total net cash used in investing activities		**-212**	-239	**-627**	-653	-974	-948
Cash flow before financing activities		**61**	103	**589**	1 215	1 290	664
Cash flow from financing activities							
Net change in loans		**277**	-722	**390**	-757	-758	389
Dividends paid to the Company's equity holders		**0**	-	**-888**	-888	-888	-888
Other financing items		**-13**	-4	**-32**	-12	-25	-45
Total net cash used in financing activities		**264**	-726	**-530**	-1 657	-1 671	-544
Total net increase (+)/decrease (-) in liquid funds		**325**	-623	**59**	-442	-381	120
Liquid funds at the beginning of the period		**694**	1 440	**890**	1 321	1 321	815
Foreign exchange differences in liquid funds		**-39**	-2	**31**	-64	-50	45
Liquid funds at the end of the period		**980**	815	**980**	815	890	980

1) Capital expenditures in cash flow do not include investments not yet paid. Capitalised borrowing costs are included in interest costs paid.
2) Acquisition of associates includes paid share issues.

Non-cash flow items and divesting activities

Non-cash flow items and divesting activities mainly consist of adjustments for capital gains. The actual proceeds for divestments, EUR 143 million for Q1-Q3 2010 (Q1-Q3 2009: 50), are shown under cash flow from investing activities.

Financial items and realised foreign exchange gains and losses

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Interest and finance cost paid, net	**-11**	-16	**-108**	-131	-185	-162
Dividends received	**2**	1	**53**	23	33	63
Realised foreign exchange gains and losses	**-117**	-36	**-394**	356	298	-452
Total	**-126**	-51	**-449**	248	146	-551

Realised foreign exchange gains and losses arise from currency forwards hedging balance sheet exposure, which mainly relates to financing of Swedish subsidiaries in SEK and the fact, that the Group's main external financing currency is EUR. Major part of these forwards are entered into with short maturities i.e. less than twelve months.

Change in net debt

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Net debt beginning of the period	**6 506**	6 004	**5 969**	6 179	6 179	**6 041**
Foreign exchange rate differences	**124**	107	**196**	151	144	**189**
EBITDA	**452**	414	**1 803**	1 634	2 292	**2 461**
Paid net financial costs, taxes and adjustments for non-cash and divestment items	**-244**	-94	**-795**	93	-47	**-935**
Change in working capital	**65**	22	**208**	141	19	**86**
Capital expenditures	**-216**	-228	**-702**	-579	-845	**-968**
Acquisitions	**-7**	-5	**-8**	-59	-87	**-36**
Divestments	**18**	27	**143**	50	62	**155**
Change in interest-bearing receivables	**-7**	-33	**-60**	-65	-104	**-99**
Dividends	**-**	-	**-888**	-888	-888	**-888**
Other financing activities	**-13**	-4	**-32**	-12	-25	**-45**
Net cash flow (- increase in net debt)	**48**	99	**-331**	315	377	**-269**
Fair value change of bonds, amortised cost valuation and other	**26**	29	**112**	26	23	**109**
Net debt end of period	**6 608**	6 041	**6 608**	6 041	5 969	**6 608**

Key ratios

	Sept 30 2010	June 30 2010	March 31 2010	Dec 31 2009	Sept 30 2009	June 30 2009	March 31 2009	Last twelve months
EBITDA, EUR million	**1 803**	1 351	861	2 292	1 634	1 220	721	**2 461**
Earnings per share (basic), EUR	**1.20**	0.93	0.63	1.48	1.02	0.78	0.46	**1.66**
Capital employed, EUR million	**16 324**	15 862	15 642	15 350	15 184	15 347	17 404	N/A
Interest-bearing net debt, EUR million	**6 608**	6 506	5 679	5 969	6 041	6 004	5 634	N/A
Capital expenditure and gross investments in shares, EUR million	**750**	513	216	929	634	412	181	**1 045**
Capital expenditure, EUR million	**723**	493	196	862	571	352	150	**1 014**
Return on capital employed, % [1)]	**12.2**	14.3	18.7	12.1	11.4	13.1	14.5	**12.9**
Return on shareholders' equity, % [1)]	**16.6**	19.3	25.7	16.0	14.6	17.4	19.6	**17.9**
Net debt / EBITDA [1)]	**2.8**	2.5	1.7	2.6	2.8	2.5	2.0	**2.7**
Interest coverage	**15.9**	18.7	24.2	12.4	11.3	12.3	16.0	**16.1**
Interest coverage including capitalised borrowing costs	**11.4**	13.7	18.7	10.3	9.5	10.5	12.9	**11.8**
Funds from operations/interest-bearing net debt, % [1)]	**22.3**	28.8	44.9	37.6	35.7	38.9	45.1	**23.1**
Gearing, %	**76**	75	67	70	73	76	65	N/A
Equity per share, EUR	**9.27**	9.19	8.96	9.04	8.89	8.42	9.34	N/A
Equity-to-assets ratio, %	**41**	42	40	43	43	41	40	N/A
Number of employees	**10 865**	11 406	11 290	11 613	12 054	13 586	14 267	N/A
Average number of employees	**11 302**	11 393	11 435	13 278	13 737	14 310	14 644	N/A
Average number of shares, 1 000 shares	**888 367**	888 367	888 367	888 230	888 230	888 230	888 095	**888 367**
Diluted adjusted average number of shares, 1 000 shares	**888 367**	888 367	888 367	888 230	888 230	888 230	888 250	**888 367**
Number of registered shares, 1 000 shares	**888 367**	888 367	888 367	888 367	888 367	888 367	888 166	N/A

1) Quarterly figures are annualised.
For definitions, see Note 24.

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 annual financial statements for the year ended 31 December 2009. The interim financial statements have not been audited.

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 as at and for the year ended 31 December 2009, except for the effects of the adoption of the standards and presentation changes described below:

- IFRS 3 (revised) Business combinations (effective for annual periods beginning on or after 1 July 2009.) The amendment effects the accounting of transaction costs, step acquisitions, goodwill and non-controlling interest and contingent consideration. Fortum applies the revised standard to business combinations taking place on or after 1 January 2010.
- IAS 27 (amended) Consolidated and separate financial statements (to be adopted for annual periods beginning on or after 1 July 2009). The amendments to IAS 27 require the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. Fortum applies the amended standard prospectively to transactions with non-controlling interests from 1 January 2010.
- IAS 17 (amendment) Leases (effective for annual periods beginning on or after 1 January 2010). The amendment is part of the IASB's annual improvements project published in April 2009. The requirements of IAS 17 Leases regarding the classification of leases of land were amended. Prior to amendment, IAS 17 generally required leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either 'finance' or 'operating' in accordance with the general principles of IAS 17. Fortum has adopted the amendment as of 1 January 2010. The amendment did not have a material impact on Fortum's financial statements as the classification of major land lease agreements did not change.

For changes in accounting practice relating to TGC-1 results, see Note 13 below.

Additional line item in the income statement

Items affecting comparability are excluded from relevant income statement line items and disclosed separately in Fortum's income statement as they are necessary for understanding the financial performance when comparing results for the current period with previous periods.
The following items are included in the line "Items affecting comparability":
– non-recurring items, consisting of capital gains and losses;
– effects from fair valuations of derivatives hedging future cash flows where hedge accounting is not applied according to IAS 39. The major part of Fortum´s cash flow hedges obtain hedge accounting status and the fair value changes are thus recorded in equity;
– effects from the accounting of Fortum´s part of the State Nuclear Waste Management Fund where the assets in the balance sheet cannot exceed the related liabilities according to IFRIC 5.
In segment disclosures these items have been deducted from operating profit to arrive to comparable operating profit, because that is considered to reflect better the segments' business performance.

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. Annual 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 2009.

4. Segment information

In October 2009 Fortum restructured its organisation into four business divisions and four staff functions in order to increase the organisation's efficiency, performance accountability and simplicity. The new business divisions are Power, Heat, Russia and Electricity Solutions and Distribution. The Electricity Solutions and Distribution (ESD) division consists of business areas Distribution and Electricity Sales (former Markets). The reportable segments under IFRS have been renamed correspondingly.

The reorganisation did not lead to a change in Fortum's external financial reporting structure as the reportable segments have remained the same. However there have been some minor changes to the composition of the segments that have taken effect from beginning of January 2010. Changes relate mainly to the transfer of the Power division's Power Solutions business area to Russia and Heat divisions as well as the establishment of the centralised Trading and Industrial Intelligence unit.

Please see the attachment to Q1 2010 press release for the new and old segment information.

Sales EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power sales excluding indirect taxes	**743**	717	**2 569**	2 315	3 192	3 446
Heating sales	**186**	160	**1 059**	887	1 314	1 486
Network transmissions	**184**	157	**648**	547	760	861
Other sales	**39**	12	**118**	123	169	164
Total	**1 152**	1 046	**4 394**	3 872	5 435	5 957

Sales by segment EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power [1)]	**584**	572	**1 950**	1 868	2 531	2 613
- of which internal	***-10***	*70*	***-144***	*204*	*254*	*-94*
Heat [1)]	**220**	177	**1 172**	941	1 399	1 630
- of which internal	***1***	*2*	***-3***	*15*	*23*	*5*
Distribution	**196**	168	**676**	573	800	903
- of which internal	***3***	*2*	***10***	*6*	*13*	*17*
Electricity Sales [1)]	**305**	272	**1 269**	1 039	1 449	1 679
- of which internal	***20***	*9*	***100***	*39*	*67*	*128*
Russia	**137**	111	**550**	435	632	747
- of which internal	***-***	*-*	***-***	*-*	*-*	*-*
Other [1)]	**23**	16	**44**	54	71	61
- of which internal	***35***	*-13*	***96***	*4*	*-5*	*87*
Netting of Nord Pool transactions [2)]	**-264**	-200	**-1 208**	-770	-1 095	-1 533
Eliminations	***-49***	*-70*	***-59***	*-268*	*-352*	*-143*
Total	**1 152**	1 046	**4 394**	3 872	5 435	5 957

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 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.

Operating profit by segment EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power	**256**	297	**1 003**	1 036	1 363	1 330
Heat	**-15**	-11	**179**	143	252	288
Distribution	**62**	47	**228**	182	263	309
Electricity Sales	**12**	-7	**6**	-8	29	43
Russia	**14**	-19	**37**	-28	-20	45
Other	**-17**	-21	**-66**	-65	-105	-106
Total	**312**	286	**1 387**	1 260	1 782	1 909

Comparable operating profit by segment EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power	**267**	308	**962**	1 063	1 454	1 353
Heat	**-12**	-13	**153**	127	231	257
Distribution	**61**	47	**216**	182	262	296
Electricity Sales	**11**	7	**8**	11	22	19
Russia	**-16**	-20	**-9**	-28	-20	-1
Other	**-9**	-13	**-38**	-37	-61	-62
Comparable operating profit	**302**	316	**1 292**	1 318	1 888	1 862
Non-recurring items	**36**	7	**86**	21	29	94
Other items affecting comparability	**-26**	-37	**9**	-79	-135	-47
Operating profit	**312**	286	**1 387**	1 260	1 782	1 909

Non-recurring items by segment

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power	**5**	0	**6**	5	6	7
Heat	**0**	6	**22**	15	21	28
Distribution	**1**	0	**12**	0	1	13
Electricity Sales	**-**	0	**-**	0	0	0
Russia	**30**	1	**46**	0	0	46
Other	**0**	0	**0**	1	1	0
Total	**36**	7	**86**	21	29	94

Non-recurring items include capital gains and losses.

Other items affecting comparability by segment

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power [1)]	**-16**	-11	**35**	-32	-97	-30
Heat	**-3**	-4	**4**	1	0	3
Distribution	**0**	0	**0**	0	0	0
Electricity Sales	**1**	-14	**-2**	-19	7	24
Russia	**-**	-	**-**	-	-	-
Other	**-8**	-8	**-28**	-29	-45	-44
Total	**-26**	-37	**9**	-79	-135	-47
1) Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):	**-10**	-5	**4**	-26	-59	-29

Other items affecting comparability mainly include effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39. 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.

Depreciation, amortisation and impairment charges by segment

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power	**26**	24	**74**	69	93	98
Heat	**46**	41	**137**	117	162	182
Distribution	**45**	42	**132**	122	164	174
Electricity Sales	**0**	1	**2**	4	6	4
Russia	**21**	18	**63**	55	75	83
Other	**2**	2	**8**	7	10	11
Total	**140**	128	**416**	374	510	552

Share of profit/loss in associates and joint ventures by segment

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power [1), 2)]	**-4**	-9	**-27**	-20	-35	-42
Heat	**3**	6	**22**	18	30	34
Distribution	**2**	-1	**13**	8	10	15
Electricity Sales	**0**	0	**1**	1	0	0
Russia	**1**	1	**10**	6	20	24
Other	**8**	6	**22**	-14	-4	32
Total	**10**	3	**41**	-1	21	63
1) Including effects from the accounting of Fortum's associates part of Finnish and Swedish Nuclear Waste Management Funds with (EUR million):	**0**	1	**0**	-5	-5	0

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	Sept 30 2010	Sept 30 2009	Dec 31 2009
Power	**898**	878	863
Heat	**159**	173	178
Distribution	**212**	226	230
Electricity Sales	**13**	12	12
Russia	**418**	404	425
Other	**430**	501	480
Total	**2 130**	2 194	2 188

Capital expenditure by segment

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power	**27**	20	**62**	64	96	94
Heat	**66**	91	**187**	258	358	287
Distribution	**51**	48	**127**	127	188	188
Electricity Sales	**0**	0	**0**	1	1	0
Russia	**84**	58	**342**	117	215	440
Other	**2**	2	**5**	4	4	5
Total	**230**	219	**723**	571	862	1 014
Of which capitalised borrowing costs	**13**	7	**34**	21	30	43

Gross investments in shares by segment

EUR million	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Power	**5**	0	**25**	56	57	26
Heat	**1**	0	**1**	0	1	2
Distribution	**-**	3	**-**	3	5	2
Electricity Sales	**-**	-	**-**	-	-	-
Russia	**-**	0	**-**	3	3	0
Other	**1**	0	**1**	1	1	1
Total	**7**	3	**27**	63	67	31

Gross investments in shares during Q1 2010 in Power segment include additional share capital to be paid to Teollisuuden Voima Oyj. See Note 13.

Net assets by segment

EUR million	Sept 30 2010	Sept 30 2009	Dec 31 2009
Power	**5 818**	5 516	5 494
Heat	**4 021**	3 655	3 787
Distribution	**3 560**	3 248	3 299
Electricity Sales	**55**	46	125
Russia	**2 522**	2 112	2 260
Other	**238**	374	382
Total	**16 214**	14 951	15 347

Return on net assets by segment %	Last twelve months	Dec 31 2009
Power	22.9	24.5
Heat	8.3	7.9
Distribution	9.5	8.7
Electricity Sales	48.0	28.9
Russia	2.9	0.0
Other	-22.8	-19.4

Comparable return on net assets by segment %	Last twelve months	Dec 31 2009
Power	23.3	26.4
Heat	7.6	7.3
Distribution	9.1	8.6
Electricity Sales	17.9	18.6
Russia	1.0	0.0
Other	-5.7	-17.0

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.

Assets by segments **EUR million**	**Sept 30 2010**	Sept 30 2009	Dec 31 2009
Power	**6 820**	6 191	6 260
Heat	**4 373**	4 007	4 244
Distribution	**4 024**	3 692	3 765
Electricity Sales	**323**	482	475
Russia	**2 835**	2 370	2 542
Other	**599**	785	621
Eliminations	**-236**	-315	-293
Assets included in Net assets	**18 738**	17 212	17 614
Interest-bearing receivables	**1 161**	913	943
Deferred taxes	**57**	7	47
Other assets	**266**	612	347
Liquid funds	**980**	815	890
Total assets	**21 202**	19 559	19 841

Liabilities by segments **EUR million**	**Sept 30 2010**	Sept 30 2009	Dec 31 2009
Power	**1 002**	675	766
Heat	**352**	352	456
Distribution	**464**	443	466
Electricity Sales	**268**	436	350
Russia	**313**	258	282
Other	**361**	412	240
Eliminations	**-236**	-315	-293
Liabilities included in Net assets	**2 524**	2 261	2 267
Deferred tax liabilities	**1 810**	1 810	1 750
Other liabilities	**544**	304	474
Total liabilities included in Capital employed	**4 878**	4 375	4 491
Interest-bearing liabilities	**7 588**	6 856	6 859
Total equity	**8 736**	8 328	8 491
Total equity and liabilities	**21 202**	19 559	19 841

Other assets and Other liabilities not included in segment's 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	**Sept 30 2010**	Sept 30 2009	Dec 31 2009
Power	**1 892**	1 977	1 916
Heat	**2 434**	2 578	2 552
Distribution	**1 090**	1 154	1 088
Electricity Sales	**521**	638	611
Russia	**4 332**	5 107	4 855
Other	**596**	600	591
Total	**10 865**	12 054	11 613

Average number of employees	**Q1-Q3 2010**	Q1-Q3 2009	2009
Power	**1 907**	2 113	2 068
Heat	**2 504**	2 678	2 652
Distribution	**1 126**	1 188	1 166
Electricity Sales	**544**	633	629
Russia	**4 629**	6 532	6 170
Other	**592**	593	593
Total	**11 302**	13 737	13 278

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

5. Quarterly segment information

Extended quarterly information is available on Fortum's website www.fortum.com (about Fortum/Investors/Interim reports).

Quarterly sales by segment

EUR million	**Q3 2010**	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**584**	597	769	663	572	608	688
- of which internal	***-10***	*-10*	*-124*	*50*	*70*	*64*	*70*
Heat	**220**	301	651	458	177	250	514
- of which internal	***1***	*2*	*-6*	*8*	*2*	*4*	*9*
Distribution	**196**	200	280	227	168	176	229
- of which internal	***3***	*3*	*4*	*7*	*2*	*3*	*1*
Electricity Sales	**305**	327	637	410	272	298	469
- of which internal	***20***	*19*	*61*	*28*	*9*	*8*	*22*
Russia	**137**	169	244	197	111	138	186
- of which internal	**-**	-	-	-	-	-	-
Other	**23**	16	5	17	16	19	19
- of which internal	***35***	*40*	*21*	*-9*	*-13*	*4*	*13*
Netting of Nord Pool transactions	**-264**	-261	-683	-325	-200	-212	-358
Eliminations	***-49***	*-54*	*44*	*-84*	*-70*	*-83*	*-115*
Total	**1 152**	1 295	1 947	1 563	1 046	1 194	1 632

Quarterly operating profit by segments

EUR million	**Q3 2010**	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**256**	280	467	327	297	307	432
Heat	**-15**	35	159	109	-11	39	115
Distribution	**62**	53	113	81	47	54	81
Electricity Sales	**12**	23	-29	37	-7	20	-21
Russia	**14**	-9	32	8	-19	-15	6
Other	**-17**	-31	-18	-40	-21	-30	-14
Total	**312**	351	724	522	286	375	599

Quarterly comparable operating profit by segments

EUR million	**Q3 2010**	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**267**	271	424	391	308	340	415
Heat	**-12**	33	132	104	-13	26	114
Distribution	**61**	53	102	80	47	54	81
Electricity Sales	**11**	10	-13	11	7	6	-2
Russia	**-16**	-9	16	8	-20	-14	6
Other	**-9**	-19	-10	-24	-13	-12	-12
Total	**302**	339	651	570	316	400	602

Quarterly non-recurring items by segment

EUR million	**Q3 2010**	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power	**5**	1	0	1	0	1	4
Heat	**0**	3	19	6	6	9	0
Distribution	**1**	0	11	1	0	0	0
Electricity Sales	**-**	-	-	0	0	0	0
Russia	**30**	0	16	0	1	-1	0
Other	**0**	0	0	0	0	1	0
Total	**36**	4	46	8	7	10	4

Quarterly other items affecting comparability

EUR million	**Q3 2010**	Q2 2010	Q1 2010	Q4 2009	Q3 2009	Q2 2009	Q1 2009
Power [1)]	**-16**	8	43	-65	-11	-34	13
Heat	**-3**	-1	8	-1	-4	4	1
Distribution	**0**	0	0	0	0	0	0
Electricity Sales	**1**	13	-16	26	-14	14	-19
Russia	**-**	-	-	-	-	-	-
Other	**-8**	-12	-8	-16	-8	-19	-2
Total	**-26**	8	27	-56	-37	-35	-7
1) Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million)	**-10**	23	-9	-33	-5	-10	-11

6. 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 as at and for the year ended 31 December 2009.

The tables below disclose the notional values or volumes and net fair values for the Group's derivatives used in different areas mainly for hedging purposes.

Derivatives		Sept 30 2010		Sept 30 2009		Dec 31 2009
Interest and currency derivatives	**Notional value**	**Net fair value**	Notional value	Net fair value	Notional value	Net fair value
	MEUR	**MEUR**	MEUR	MEUR	MEUR	MEUR
Interest rate swaps	**3 990**	**120**	3 437	41	3 995	41
Forward foreign exchange contracts	**7 704**	**-362**	5 621	-166	6 334	-123
Forward rate agreements	**-**	**-**	49	0	-	-
Interest rate and currency swaps	**534**	**-17**	1 452	62	1 454	65

Electricity derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	TWh	**MEUR**	TWh	MEUR	TWh	MEUR
Sales swaps	**138**	**-375**	165	1 554	157	9
Purchase swaps	**80**	**220**	109	-1 205	102	-79
Purchased options	**1**	**-1**	11	-21	1	-1
Written options	**4**	**4**	13	4	3	1

Oil derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	1000 bbl	**MEUR**	1000 bbl	MEUR	1000 bbl	MEUR
Sales swaps and futures	**9 998**	**-12**	730	2	1 555	-4
Purchase swaps and futures	**10 028**	**-4**	952	-3	1 450	4

Coal derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	kt	**MEUR**	kt	MEUR	kt	MEUR
Sold	**5 280**	**-16**	825	2	1 259	-3
Bought	**6 290**	**19**	1 329	-11	1 762	-1

CO_2 emission allowance derivatives	**Volume**	**Net fair value**	Volume	Net fair value	Volume	Net fair value
	ktCO2	**MEUR**	ktCO2	MEUR	ktCO2	MEUR
Sold	**16 863**	**-11**	2 269	5	366	1
Bought	**19 199**	**17**	2 250	-5	686	-2

Share derivatives	**Notional value**	**Net fair value**	Notional value	Net fair value	Notional value	Net fair value
	MEUR	**MEUR**	MEUR	MEUR	MEUR	MEUR
Share forwards [1)]	**19**	**17**	24	19	24	21

1) Cash-settled share forwards are used as a hedging instrument for Fortum Group's performance share arrangement.

7. Acquisitions and disposals

There were no material investments or disposals of subsidiary shares during the period of Q1-Q3 2010.

8. 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-Sept 2010	Jan-June 2010	Jan-March 2010	Jan-Dec 2009	Jan-Sept 2009	Jan-June 2009	Jan-March 2009
Sweden (SEK)	9.6665	9.8144	9.9826	10.6092	10.6830	10.8633	10.9679
Norway (NOK)	8.0258	8.0464	8.1423	8.7708	8.8817	9.0049	9.1034
Poland (PLN)	4.0137	4.0186	3.9970	4.3321	4.3827	4.4764	4.5018
Russia (RUB)	40.1288	40.1535	41.4799	44.0684	44.2745	44.1087	44.3928

Balance sheet date rate	Sept 30 2010	June 31 2010	March 31 2010	Dec 31 2009	Sept 30 2009	June 30 2009	March 31 2009
Sweden (SEK)	9.1421	9.5259	9.7135	10.2520	10.2320	10.8125	10.9400
Norway (NOK)	7.9680	7.9725	8.0135	8.3000	8.4600	9.0180	8.8900
Poland (PLN)	3.9847	4.1470	3.8673	4.1045	4.2295	4.4520	4.6885
Russia (RUB)	41.6923	38.2820	39.6950	43.1540	43.9800	43.8810	45.0320

9. Income tax expense

Tax rate according to the income statement for the period Q1-Q3 2010 was 17.7% (Q1-Q3 2009: 18.7%) The tax rate for the period is lower than in the comparable period mainly due to the tax exempt capital gains.

The tax rate for the period Q1-Q3 2010, excluding the impact of share of profits of associated companies and joint ventures, non-taxable capital gains and other one-time items was 19.3% (Q1-Q3 2009: 18.6%). The tax rate used in the income statement is always impacted by the fact that share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax.

The tax rate for the full year 2009, excluding the impact of share of profits of associated companies and joint ventures, non- taxable capital gains and other one-time items was 18.5%.

10. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Q1-Q3 2010	Q1-Q3 2009	2009
Earnings (EUR million):			
Profit attributable to the owners of the parent	**1 069**	906	1 312
Number of shares (thousands):			
Weighted average number of shares for the purpose of basic earnings per share	**888 367**	888 230	888 230
Effect of dilutive share options		-	-
Weighted average number of shares for the purpose of diluted earnings per share	**888 367**	888 230	888 230

11. Dividend per share

A dividend in respect of 2009 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million based on the number of shares registered as of 30 March 2010, was decided at the Annual General Meeting on 25 March 2010. The dividend was paid on 8 April 2010.

A dividend in respect of 2008 of EUR 1.00 per share, amounting to EUR 888 million based on the number of shares registered as of 14 April 2009, was decided at the Annual General Meeting on 7 April 2009. The dividend was paid on 21 April 2009.

12. Changes in intangible assets and property, plant and equipment

EUR million	Sept 30 2010	Sept 30 2009	Dec 31 2009
Opening balance	**13 246**	12 533	12 533
Increase through acquisition of subsidiary companies	**-**	1	2
Capital expenditures	**723**	571	862
Changes of nuclear asset retirement cost	**16**	2	-7
Changes of emission rights	**-12**	-12	0
Disposals	**-2**	-23	-26
Depreciation, amortisation and impairment	**-416**	-374	-510
Sale of subsidiary companies	**-6**	-5	-5
Translation differences and other adjustments	**1 026**	355	397
Closing balance	**14 575**	13 048	13 246
Goodwill included in closing balance	**295**	280	285
Change in goodwill during the period due to translation differences	**10**	-18	-13

13. Changes in participations in associates and joint ventures

EUR million	Sept 30 2010	Sept 30 2009	Dec 31 2009
Opening balance	**2 188**	2 112	2 112
Share of profits of associates and joint ventures	**41**	-1	21
Investments	**6**	32	33
Share issues and shareholders' contributions	**20**	25	25
Reclassifications	**-**	-6	-7
Divestments	**-88**	0	-1
Dividend income received	**-52**	-23	-32
OCI items associated companies	**-61**	1	-36
Translation differences	**76**	54	73
Closing balance	**2 130**	2 194	2 188

Share of profits from associates and joint ventures

Share of profits from associates in Q3 2010 was EUR 10 million (Q3 2009: 3) of which Fortum's share of profits in Hafslund ASA was EUR 8 million (Q3 2009: 6). Hafslund sold 26 million shares in REC in May 2010. In accordance with the accounting policy Fortum recognised EUR 2 million in relation to Hafslund's divestment of REC shares as a part of the share of profit from associates and joint ventures in Q2 2010. Fortum's share of profits for the period from January to September 2010 amounted to EUR 41 million (Q1-Q3 2009: -1), of which Hafslund represented EUR 22 million (Q1-Q3 2009: -14) and Gasum EUR 20 million (Q1-Q3 2009: 16). Fortum's share of profits for the full year 2009 amounted to EUR 21 million, of which Hafslund represented EUR -4 million. According to Fortum Group accounting policies the share of profits from Hafslund has been included in Fortum Group figures based on the previous quarter information since updated interim information is not normally available. Hafslund will publish their interim report for Q3 2010 on 28 October 2010. The effect of Hafslund's Q3 is not included in Fortum's Q3 results.

In Q2 2010 Fortum changed its accounting practice for recognition of TGC-1 results. Previously Fortum has booked its share of results including any impairment losses and reversals of prior impairments recognised by TGC-1. In the future Fortum is eliminating the impairment losses or reversals of prior impairments from its share of results and assessing the need for impairment separately. The accounting practice change was done prospectively adjusting for previous periods as the impact on the comparative year information is immaterial.

TGC-1 has previously published IFRS financial information twice a year. The 2009 IFRS consolidated financial statements were released in June 2010. From 2010 TGC-1 publishes IFRS interim financial statements quarterly. The first quarter 2010 IFRS results were published in the beginning of July 2010 and the second quarter 2010 in the beginning of September 2010. This interim report includes Fortum's share of TGC-1's profits for the second half of 2009 as well as for the first half of 2010.

Investments and share issues

Teollisuuden Voima Oyj's (TVO) Annual General meeting in March 2010 decided to raise the company's share capital by EUR 79.3 million of which Fortum's share is EUR 19.8 million. The increase in Fortum's participation in TVO has been booked in Q1 2010 and will be paid in 2010 at a date to be decided by TVO's Board of Directors.

Divestments

In early February 2010 Distribution business area divested Fortum's 49% shareholding in Karlskoga Energi & Miljö AB. In the first quarter of 2010 Heat Division divested Fortum's 20.4% shareholding in Swedegas AB and Russia Division divested OAO Fortum's 49% shareholding in Kurgan Generating Company. In the third quarter Russia Division divested Fortum's approcimately 31% shareholding in St Petersburg Sale Company.

OCI items in associated companies

OCI items in associated companies mainly represents the fair value change in Hafslund's shareholding in REC. In Q3 2010 the fair value change of the remaining REC shares was 16 million (Q3 2009: 32) and the fair value change since year-end was EUR -64 million (Q1-Q3 2009: 4). The cumulative fair value change in Fortum's equity, based on the remaining number of shares reported by Hafslund, was EUR 21 million at 30 September 2010.

14. Share capital

EUR million	Number of shares Sept 30 2010	Share capital Sept 30 2010	Number of shares Dec 31 2009	Share capital Dec 31 2009
Registered shares at 1 January	**888 367 045**	**3 046**	887 638 080	3 044
Shares subscribed with options and registered at the end of the period	**-**	**-**	728 965	2
Registered shares at the end of the period	**888 367 045**	**3 046**	888 367 045	3 046
Unregistered shares	**-**		-	

There were no unexercised stock options remaining on 30 September 2010.

15. Interest-bearing liabilities

The reported interest-bearing debt increased during the quarter by EUR 388 million from EUR 7,200 million to EUR 7,588 million (year-end 2009: 6,859). Total liquid funds increased by EUR 286 million from EUR 694 million to EUR 980 million (year-end 2009: 890).

During the first quarter Fortum increased the amount of re-borrowing from the Finnish nuclear waste fund by EUR 61 million to EUR 835 million. During the second quarter Fortum Oyj raised a 10 year loan from Nordic Investment Bank of EUR 60 million. The loan will partially finance investments in automatic meter reading equipment. During the third quarter Fortum Oyj issued a dual-tranche SEK 3.1 billion fixed rate bond due 2015 and a SEK 3.1 billion Floating Rate Note due 2015 under Fortum's Euro Medium-Term Note Program. The 3 year EUR 2,000 million Term loan facility raised in connection with the acquisition of TGC-10 (renamed as OAO Fortum) in March 2008 was cancelled during the quarter as the remaining outstanding drawn amount of EUR 350 million under the facility was amortized.

Fortum Oyj regularly issues short term Commercial Papers (CPs) in the Finnish and Swedish markets. The amount of outstanding CPs decreased by EUR 88 million during the quarter to EUR 244 million (year-end 2009: 250 million).

16. Nuclear related assets and liabilities

EUR million	Sept 30 2010	Sept 30 2009	Dec 31 2009
Carrying values in the balance sheet			
Nuclear provisions	**616**	588	570
Share in the State Nuclear Waste Management Fund	**616**	588	570
Legal liability and actual share of the State Nuclear Waste Mangement Fund			
Liability for nuclear waste management according to the Nuclear Energy Act	**913**	895	913
Funding obligation target	**830**	767	830
Fortum's share of the State Nuclear Waste Management Fund	**830**	767	786

Nuclear related provisions

According to the renewed Nuclear Energy Act Fortum submitted the proposal for the nuclear waste management liability regarding the Loviisa nuclear power plant to the Ministry of Employment and the Economy at the end of June. The liability is based on a technical plan, which is made every third year. The new technical plan and the updated cost estimates were completed in Q2 2010. The future costs are estimated to increase mainly due to updated technical plans related to interim and final storage of spent fuel. The liability will be decided by the Ministry of the Employment and the Economy by the end of year 2010.

The legal liability on 30 September 2010, decided by the Ministry of Employment and the Economy in January 2010 is EUR 913 million. The legal liability at the end of 2010, based on the proposal to the Ministry of Employment and the Economy is EUR 944 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, has increased due to new technical plan by EUR 46 million compared to 31 December 2009, totalling EUR 616 million on 30 September 2010. 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 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 based on the legal liability decided in January 2010 and approved periodising of the payments to the Fund is EUR 830 million. The Fund is from an IFRS perspective overfunded with EUR 214 million, since Fortum's share of the Fund on 30 September 2010 is EUR 830 million and the carrying value in the balance sheet is EUR 616 million.

Effects to comparable operating profit and operating profit

Following the updated cost estimates, Fortum had in Q2 2010 a one-time effect to Comparable operating profit of EUR -9 million in Power segment due to higher nuclear waste management costs related to already spent fuel. After the refined cost estimates in Q3 2010 Fortum had a one-time effect to Comparable operating profit of EUR +2 million, resulting to a cumulative effect of EUR -7 million in 2010. Any cost increase or decrease which is related to already spent fuel is always recognised immediately in Comparable 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 Q3 2010 of EUR -10 million, compared to EUR -5 million in Q3 2009. The cumulative effect 2010 was EUR 4 million compared to EUR -26 million in 2009.

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.

17. Pledged assets

EUR million	**Sept 30 2010**	Sept 30 2009	Dec 31 2009
On own behalf			
For debt			
Pledges	**292**	286	293
Real estate mortgages	**137**	137	137
For other commitments			
Real estate mortgages	**181**	220	220
On behalf of associated companies and joint ventures			
Pledges and real estate mortgages	**3**	2	2

Pledged assets for debt

Finnish participants in the State Nuclear Waste Management Fund are allowed to borrow from the Fund. During Q1 2010 Fortum increased its borrowing from the Fund (see Note 15) and therefore pledged additional Kemijoki shares as security. The value of the pledged shares amount to EUR 269 million (2009: 263 million) as of 30 September 2010 (and 31 December 2009 respectively).

Pledged assets for other commitments

Fortum has given real estate mortgages in Naantali and Inkoo power plants in Finland, total value of EUR 181 million (2009: 220 million), as a security to the State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs for decomissioning and disposal of spent fuel in Loviisa nuclear power plant.The size of the securities given was updated in Q2 based on the decisions regarding the legal liabilities and the funding target which takes place around year end every year. Due to the yearly update, the amount of real estate mortgages given as a security decreased by EUR 39 million in Q2 2010 (see also note 16 Nuclear related assets and liablities).

18. Operating lease commitments

EUR million	**Sept 30 2010**	Sept 30 2009	Dec 31 2009
Due within a year	**26**	22	23
Due after one year and within five years	**46**	41	35
Due after five years	**93**	83	93
Total	**165**	146	151

The increase in operating lease commitments from the end of 2009 is mainly due to exchange rate differences

19. Capital commitments

EUR million	**Sept 30 2010**	Sept 30 2009	Dec 31 2009
Property, plant and equipment	**1 219**	1 359	1 326
Intangible assets	**7**	5	5
Total	**1 226**	1 364	1 331

Capital commitments have decreased compared to year end 2009. Commitments have decreased due to acquisition of combined heat and power plant (CHP) in Nokia, Finland and progressing of OAO Fortum's investment program as well as Czestochowa power plant investment. On the other hand a stronger Russian rouble and commitments relating to CHP investment in Klaipeda, Lithuania and CHP investment Brista 2, Sweden have increased commitments.

20. Contingent liabilities

EUR million	Sept 30 2010	Sept 30 2009	Dec 31 2009
On own behalf			
Other contingent liabilities	**190**	319	321
On behalf of associated companies and joint ventures			
Guarantees	**349**	593	592
Other contingent liabilities	**125**	125	125
On behalf of others			
Guarantees	**4**	10	12
Other contingent liabilities	**0**	1	1

Guarantees on own behalf

Other contingent liabilities on own behalf, EUR 190 million, have decreased by EUR 131 million compared to year-end 2009. The decrease is due to cancellation of parent company guarantee related to Fortum's operating and maintenance business in the UK, and progressing of the investments in Russia and Poland.

Guarantees on behalf of associated companies

According to law, nuclear companies operating in Finland and Sweden shall give securities to the Finnish State Nuclear Waste Management Fund and the Swedish Nuclear Waste Fund respectively, to guarantee that sufficient funds exist to cover future expenses of decommissioning of power plant and disposal of spent fuel.

The guarantee given on behalf of Teollisuuden Voima Oyj (TVO) to the Finnish fund amount to EUR 58 million at 30 September 2010 (EUR 67 at year-end 2009). The size of the guarantee was updated in Q2, based on the decisions regarding legal liability and the funding target made in January 2010 (see note 16).

In Sweden, Fortum has given guarantees on behalf of Forsmarks Kraftgrupp AB (FKA) and OKG AB (OKG) to the Swedish Nuclear Waste Fund to cover Fortum's part of FKA's and OKG's liability. The guarantees for 2010 and 2011 were decided in December 2009 by the Swedish government and they became effective from June 2010. The total amount of guarantees for FKA and OKG decreased from SEK 5,314 million (EUR 518 million) at year-end 2009 to SEK 2,574 million (EUR 282 million) in June 2010. The decrease is due to a change made by the Swedish government in the calculation method of the guarantees. The guarantees were previously based on nominal values, but from June 2010 onwards they are based on discounted cash flows.

21. Legal actions and official proceedings

In August 2010 The Supreme Administrative Court in Finland overruled the appeal by the Finnish Competition Authority on the decision of the Market Court on 14 March 2008. The Market Court decided then that Fortum's E.ON Finland acquisition in 2006 did not give Fortum a dominant market position or strengthen the market position.

Fortum is, through its interest in TVO, participating in the building of a 1,600 MW nuclear power plant unit (Olkiluoto 3) in Finland. The AREVA-Siemens Consortium, the turnkey supplier of the Olkiluoto 3 nuclear power plant unit to TVO, announced in June that in light of the current progress most of the works will be completed in 2012 while regular operation of the plant unit is foreseen during 2013.

No other material changes in legal actions and official proceedings have occurred during Q1-Q3 2010 compared to the year-end 2009.

22. Related party transactions

Related parties are described in the annual financial statements as of the year ended 31 December 2009. No material changes have occurred during Q1-Q3 2010.

The Finnish State owned 50.76% of the shares in Fortum 31 December 2009. There has been no change in the amount of shares during 2010.

Associated company transactions

EUR million	Q1-Q3 2010	Q1-Q3 2009	2009
Sales to associated companies	**41**	61	86
Interest on associated company loan receivables	**28**	27	37
Purchases from associated companies	**547**	397	555

Associated company balances

EUR million	Sept 30 2010	Sept 30 2009	Dec 31 2009
Long-term interest-bearing loan receivables	**1 025**	827	852
Trade receivables	**11**	7	14
Other receivables	**21**	15	5
Long-term loan payables	**213**	199	199
Trade payables	**19**	6	23
Other payables	**25**	34	22

Transactions and balances with joint ventures

Transactions and balances with joint ventures as at and for the period ended 30 September 2010 are not material for the group.

23. Events after the balance sheet date

No material events have taken place after the balance sheet date.

24. Definition of key figures

EBITDA (Earnings before interest, taxes, depreciation and amortisation)	=	Operating profit + Depreciation, amortisation and impairment charges
Comparable operating profit	=	Operating profit - non-recurring items - other items affecting comparability
Non-recurring items	=	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 investment improves 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, %	=	$\frac{\text{Comparable operating profit + Share of profit (loss) in associated companies and joint ventures (adjusted for IAS 39 effects and major sales gains or losses)}}{\text{Comparable net assets average}} \times 100$
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)
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 - liquid funds	
Gearing, %	=	Interest-bearing net debt / Total equity	x 100
Equity-to-assets ratio, %	=	Total equity including non-controlling interest / Total assets	x 100
Net debt / EBITDA	=	Interest-bearing net debt / Operating profit + Depreciation, amortisation and impairment charges	
Interest coverage	=	Operating profit / Net interest expenses	
Interest coverage including capitalised borrowing costs	=	Operating profit / Net interest expenses - capitalised borrowing costs	
Earnings per share (EPS)	=	Profit for the period - non-controlling interest / Average number of shares during the period	
Equity per share	=	Shareholder's equity / Number of shares excluding treasury shares at the end of the period	
Last twelve months (LTM)	=	Twelve months preceding the reporting date	

Market conditions

Power consumption TWh	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Nordic countries	**78**	76	**282**	268	374	388
Russia	**223**	212	**729**	693	964	1 000
Tyumen	**19**	19	**60**	60	81	82
Chelyabinsk	**8**	7	**26**	23	32	35
Russia Urals area	**56**	54	**178**	171	236	243

Avarage prices	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Spot price for power in Nord Pool power exchange, eur/MWh	**46**	31	**50**	34	35	47
Spot price for power in Finland, eur/MWh	**48**	36	**53**	36	37	50
Spot price for power in Sweden, eur/MWh	**47**	35	**54**	36	37	50
Spot price for power in European and Urals part of Russia, RUB/MWh [1)]	**975**	715	**879**	646	667	838
Spot price for power (market price), Urals hub, RUB/MWh [1)]	**936**	700	**842**	613	633	804
Average regulated electricity price for OAO Fortum, RUB/MWh [1)]	**607**	529	**614**	533	533	585
Average regulated capacity price, tRUB/MW/month	**169**	186	**169**	188	187	174
Spot price for power in Germany, eur/MWh	**44**	37	**42**	39	39	41
Average regulated gas price in Urals region, RUB/1000 m^3	**2 221**	1 837	**2 221**	1 731	1 781	2 150
CO_2, (ETS EUA), eur/tonne CO_2	**15**	14	**14**	14	13	14
Coal (ICE Rotterdam), USD/tonne	**93**	69	**86**	68	70	84
Oil (Brent Crude), USD/bbl	**77**	69	**78**	58	63	77

1) Excluding capacity tariff

Water reservoirs TWh	Sept 30 2010	Sept 30 2009	Dec 31 2009
Nordic water reservoirs level	**84**	102	74
Nordic water reservoirs level, long-term average	**101**	102	81

Export/import between Nordic Area and Continental Europe TWh (+ = import to, - = export from Nordic area)	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Export / import	**4**	1	**14**	5	8	17

Power market liberalisation in Russia '%	Q3 2010	Q3 2009	Q1-Q3 2010	Q1-Q3 2009	2009	Last twelve months
Share of power sold on the liberalised market	**80**	50	**67**	37	40	63
Share of power sold at the liberalised price by OAO Fortum	**72**	44	**59**	33	34	53

Production and sales volumes

Power Generation TWh	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Power generation in the EU and Norway	**11.4**	10.4	**38.9**	36.2	49.3	52.0
Power generation in Russia	**3.4**	3.4	**11.6**	11.7	16.0	67.9
Total	**14.8**	13.8	**50.5**	47.9	65.3	66.9

Heat production TWh	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Heat production in the EU and Norway	**3.0**	2.5	**17.8**	15.8	23.2	25.2
Heat production in Russia	**2.8**	2.8	**17.8**	17.2	25.6	26.2
Total	**5.8**	5.3	**35.6**	33.0	48.8	51.4

Power generation capacity by division MW	**Sept 30 2010**	Dec 31 2009
Power	**9 714**	9 709
Heat	**1 518**	1 446
Russia	**2 785**	2 785
Total	**14 017**	13 940

Heat production capacity by division MW	**Sept 30 2010**	Dec 31 2009
Power	**250**	250
Heat	**10 297**	10 284
Russia	**13 796**	13 796
Total	**23 343**	24 330

Power generation by source in the Nordic countries TWh	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Hydropower	**5.5**	5.3	**16.0**	16.2	22.1	21.9
Nuclear power	**4.7**	4.3	**16.6**	16.3	21.4	21.7
Thermal power	**0.8**	0.4	**5.4**	2.8	4.6	7.2
Total	**11.0**	10.0	**38.0**	35.3	48.1	50.8

Power generation by source in the Nordic countries %	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Hydropower	**50**	53	**42**	46	46	43
Nuclear power	**43**	43	**44**	46	44	43
Thermal power	**7**	4	**14**	8	10	14
Total	**100**	100	**100**	100	100	100

Power sales EUR million	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Power sales in the EU and Norway	**631**	630	**2 213**	2 034	2 802	2 981
Power sales in Russia	**112**	87	**356**	281	390	464
Total	**743**	717	**2 569**	2 315	3 192	3 445

Heat sales EUR million	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Heat sales in the EU and Norway	**162**	142	**870**	744	1 095	1 221
Heat sales in Russia	**24**	18	**189**	143	219	265
Total	**186**	160	**1 059**	887	1 314	1 486

Power sales by area TWh	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Finland	**6.5**	5.3	**21.9**	19.0	26.1	29.0
Sweden	**6.5**	6.0	**20.9**	20.1	26.9	27.7
Russia	**3.8**	4.0	**13.8**	14.2	19.5	19.1
Other countries	**0.5**	0.6	**2.2**	2.2	3.2	3.2
Total	**17.3**	15.9	**58.8**	55.5	75.7	77.6

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

Heat sales by area TWh	**Q3 2010**	Q3 2009	**Q1-Q3 2010**	Q1-Q3 2009	2009	Last twelve months
Russia	**2.3**	2.3	**17.8**	16.7	25.6	26.7
Finland	**1.2**	0.8	**6.5**	5.3	8.0	9.2
Sweden	**0.8**	0.9	**7.2**	6.6	9.8	10.4
Poland	**0.3**	0.1	**2.6**	2.3	3.7	4.0
Other countries [1)]	**0.6**	0.7	**2.5**	2.5	3.5	3.5
Total	**5.2**	4.8	**36.6**	33.4	50.6	53.8

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