Fortum Corporation

Interim Report January-September 2014

23 October 2014

Fortum Corporation
Domicile Espoo
Business ID 1463611-4

Contents

Tables to the interim financial statements

Figures in brackets refer to the comparison period, i.e. the same period last year, unless otherwise stated

Flexible hydro production partly offset weak electricity prices

July−September 2014

- Comparable operating profit EUR 183 (167) million, +10%
- Operating profit EUR 149 (96) million, of which EUR -34 (-70) million relates to items affecting comparability
- Earnings per share EUR 0.10 (0.04), +150%, of which EUR -0.03 (-0.05) per share relates to items affecting comparability
- Cash flow from operating activities totalled EUR 288 (401) million, -28%

January−September 2014

- Comparable operating profit EUR 915 (979) million, -7%
- Operating profit EUR 2,778 (1,002) million, of which EUR 1,863 (22) million relates to items affecting comparability, i.e. mainly to the sale of the electricity distribution business in Finland
- Earnings per share EUR 2.91 (0.84), +246%, of which EUR 2.11 (0.03) per share relates to items affecting comparability. The main effect relates to the sale of the Finnish electricity distribution business totalling EUR 2.08 per share
- Sale of the Finnish and Norwegian electricity distribution as well as the Norwegian heat business finalised
- Cash flow from operating activities totalled EUR 1,310 (1,150) million, +14%

Key figures	III/14	III/13*	I-III/14	I-III/13	2013*	LTM**
Sales, EUR million	976	1,060	3,466	3,918	5,309	4,857
Operating profit, EUR million	149	96	2,778	1,002	1,508	3,284
Comparable operating profit, EUR million	183	167	915	979	1,403	1,339
Profit before taxes, EUR million	95	27	2,721	904	1,398	3,215
Earnings per share, EUR	0.10	0.04	2.91	0.84	1.36	3.42
Net cash from operating activities, EUR million	288	401	1,310	1,150	1,548	1,708
Shareholders' equity per share, EUR			12.67	10.81	11.28	
Interest-bearing net debt (at end of period), EUR million			4,790	7,834	7,793	

Key financial ratios	2013*	LTM**
Return on capital employed, %	9.0	18.9
Return on shareholders' equity, %	12.0	29.0
Net debt/EBITDA	3.7	1.2
Comparable net debt/EBITDA	3.9	2.6
Comparable net debt/EBITDA without Värme financing	3.4	2.2

*) Comparative period figures for 2013 presented in the interim report are restated due to an accounting change for Fortum Värme and segment reporting changes; see page 6 as well as Notes 2 and 4.
**) LTM, Last 12 months

Summary of outlook

- Fortum continues to expect the annual electricity demand growth in the Nordic countries to be on average 0.5% in the coming years
- Capital expenditure guidance: EUR 0.9-1.1 billion in 2014, excluding potential acquisitions
- Power and Technology Segment's Nordic generation hedges: for the rest of the calendar year 2014, approx. 70% hedged at EUR 43 per MWh; for the 2015 calendar year, approx. 40% hedged at EUR 41 per MWh; and for 2016, 10% hedged at EUR 39 per MWh
- The run-rate operating profit (EBIT) target for the Russia Segment RUB 18.2 billion, is to be reached during 2015. The euro-denominated result level will be volatile mainly due to the translation effect

Fortum's President and CEO Tapio Kuula

”During the third quarter of 2014, electricity demand was flattish both in the Nordic countries and in Fortum's operating areas in Russia. However, Fortum was able to use its flexible production portfolio to its advantage in a market otherwise characterised by low electricity prices.

Hydro production volumes, in particular, contributed positively in the third quarter and partly offset the negative effects from lower electricity prices. Heat and distribution volumes were lower and hence impacted negatively on the results. The new capacity in Russia had a positive effect on the result. In late September, the third unit at Fortum's Nyagan Power Plant passed the comprehensive certification tests that precede commissioning. The commercial operation of the unit is planned to take place by the end of 2014 and capacity payments are scheduled to start as of 1 January 2015. Cash flow from operating activities for the company continued strong.

The efficiency programme started in late 2012 to maintain and strengthen Fortum's flexibility and competitiveness, is close to completion and is estimated to be successfully finalised by the end of 2014.

We continued the work on preparing and evaluating the possible future divestment of our Swedish electricity distribution business.

It is important to be prepared for possible industrial restructuring opportunities in today's market. The successful execution of the ongoing efficiency programme and divestments of the Finnish and Norwegian electricity distribution business have further strengthened Fortum's balance sheet. Fortum possesses the competencies, strategic positioning and balance sheet strength to take advantage of new opportunities that might occur in the market, and our target is to grow in line with our strategy."

Efficiency programme 2013-2014

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

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

At the end of 2014, the cost run-rate is targeted to be approximately EUR 150 million lower compared to 2012, including growth projects.

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

At the end of September, Fortum had announced non-core asset divestments of approximately EUR 500 million since the start of the efficiency programme.The company has also been able to decrease its costs and improve its working capital efficiency according to plan. The programme is close to completion and is estimated to be successfully finalised by the end of 2014.

Assessment of the electricity distribution business

The decision to start a strategic assessment of future alternatives for Fortum's electricity distribution business was made in 2013.

In March 2014, Fortum completed the divestment of its Finnish electricity distribution business. In June, Fortum finalised its sale of the Norwegian electricity distribution business. The sales gains from the both transactions were booked in Fortum's Distribution Segment in the first and second quarter of 2014, respectively (Note 6).

Fortum is currently preparing and evaluating possibilities to divest its distribution business in Sweden.

Restatement related to IFRS changes and the new reporting structure

As of 1 January 2014, Fortum has applied the new IFRS 10 Consolidated Financial Statements and 11 Joint Arrangements standards. The major effect of this reassessment relates to Fortum Värme, which is treated as a joint venture and thus consolidated with the equity method (Note 2). Comparative information for 2013 presented in this interim report has been restated accordingly.

The segment information for 2013 has been restated due to the change in the organisation from 1 March 2014.

As of 2014, presented figures have been rounded and consequently the sum of individual figures may deviate from the sum presented.

Financial results

July–September

In the third quarter of 2014, Group sales were EUR 976 (1,060) million. Comparable operating profit totalled EUR 183 (167) million and the reported operating profit totalled EUR 149 (96) million. Fortum's operating profit for the period was affected by non-recurring items. Sales gains as well as an IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging Fortum's power production and nuclear fund adjustments amounted to EUR -34 (-70) million (Note 4).

Sales by segment

EUR million	III/14	III/13	I-III/14	I-III/13	2013	LTM
Power and Technology	495	496	1,568	1,709	2,252	2,111
Heat, Electricity Sales and Solutions	224	255	939	1,094	1,516	1,361
Russia	207	210	774	805	1,119	1,088
Distribution	130	217	578	784	1,064	858
Other	14	14	42	43	63	62
Netting of Nord Pool transactions	-67	-90	-301	-356	-478	-423
Eliminations	-26	-42	-134	-161	-228	-201
Total	**976**	**1,060**	**3,466**	**3,918**	**5,309**	**4,857**

Comparable operating profit by segment

EUR million	III/14	III/13	I-III/14	I-III/13	2013	LTM
Power and Technology	167	139	601	652	859	808
Heat, Electricity Sales and Solutions	-4	-3	55	68	109	96
Russia	1	-15	102	46	156	212
Distribution	36	59	200	256	332	276
Other	-16	-14	-43	-42	-54	-55
Total	**183**	**167**	**915**	**979**	**1,403**	**1,339**

Operating profit by segment

EUR million	III/14	III/13	I-III/14	I-III/13	2013	LTM
Power and Technology	124	44	537	644	922	815
Heat, Electricity Sales and Solutions	4	8	116	83	134	167
Russia	1	-15	102	46	156	212
Distribution	36	76	2,066	274	349	2,141
Other	-16	-17	-44	-45	-53	-52
Total	**149**	**96**	**2,778**	**1,002**	**1,508**	**3,284**

January−September

In January-September 2014, Group sales were EUR 3,466 (3,918) million. Comparable operating profit totalled EUR 915 (979) million and the reported operating profit totalled EUR 2,778 (1,002) million. Fortum's operating profit for the period was affected by non-recurring items, mainly the sale of the Finnish electricity distribution business, the Norwegian electricity distribution and heat businesses as well as an IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging

Fortum's power production and nuclear fund adjustments amounting to EUR 1,863 (22) million (Note 4).

The share of profit from associates in January-September was EUR 111 (115) million, of which Fortum Värme represents EUR 42 (49) million. The share of profit from Hafslund and TGC-1 are based on the companies' published second-quarter 2014 interim reports (Note 12).

The Group’s net financial expenses were EUR 169 (212) million. Net financial expenses include changes in the fair value of financial instruments of EUR -10 (-8) million.

Profit before taxes was EUR 2,721 (904) million.

Taxes for the period totalled EUR 134 (157) million. The tax rate according to the income statement was 4.9% (17.4%). In Finland, the corporate tax rate was decreased from 24.5% to 20.0% starting 1 January 2014. The tax rate, excluding the impact of the share of profit from associated companies and joint ventures as well as non-taxable capital gains, was 19.4% (20.7%).

The profit for the period was EUR 2,587 (748) million. Fortum's earnings per share were EUR 2.91 (0.84), of which EUR 2.11 (0.03) per share relates to items affecting comparability. The earnings per share impact from the sale of the Finnish electricity distribution business was EUR 2.08 per share (Note 6).

Financial position and cash flow

Cash flow

In January-September 2014, total net cash from operating activities increased by EUR 160 million to EUR 1,310 (1,150) million, mainly due to the EUR 262 million positive impact of realised foreign exchange differences, which were partly offset with a lower EBITDA. Realised foreign exchange gains and losses of EUR 216 (-46) million were related to the rollover of foreign exchange contract hedging loans to Fortum's Swedish and Russian subsidiaries. Capital expenditures decreased by EUR 146 million to EUR 524 (670) million. Proceeds from divestments of shares totalled EUR 2,687 (107) million, mainly from the divestment of the Finnish distribution business as well as the Norwegian electricity distribution and heat businesses (Note 6). Proceeds from interest-bearing receivables included EUR 467 million paid by Fortum Värme. Total net cash used in investing activities was positive EUR 2,677 (-497) million. Cash flow before financing activities, i.e. financing, increased by EUR 3,334 million to EUR 3,987 (653) million.

The proceeds were partially used to pay dividends totalling EUR 977 million in April as well as payments of interest-bearing debt amounting to EUR 2,136 million. Cash and cash equivalents at the end of the period were EUR 2,178 (1,265 at year-end 2013) million.

Assets and capital employed

Total assets decreased by EUR 1,708 million to EUR 21,640 (23,348 at year-end 2013) million, which includes the decrease of non-current assets, EUR 1,057 million. Translation differences decreased intangible assets, property, plant and equipment as well as participation in associates and joint ventures by EUR 580 million and divestments by EUR 302 million.

Assets of the Finnish distribution business, amounting to EUR 1,173 million, were presented as Assets held for sale at the end of 2013. Cash and cash equivalents increased by EUR 913 million.

Capital employed was EUR 18,305 (19,183 at year-end 2013) million, a decrease of EUR 878 million.

Equity

Total equity was EUR 11,336 (10,124 at year-end 2013) million, of which equity attributable to owners of the parent company totalled EUR 11,255 (10,024) million and non-controlling interests EUR 81 (101) million.

The increase in equity attributable to owners of the parent company totalled EUR 1,231 million and was mainly from the net profit of EUR 2,583 million for the period, offset by translation differences of EUR -305 million and paid dividends of EUR 977 million.

Financing

Net debt decreased during January-September 2014 by EUR 3,003 million to EUR 4,790 (7,793 at year-end 2013) million.

At the end of September 2014, the Group’s liquid funds totalled EUR 2,178 (1,265 at year-end 2013) million. Liquid funds include cash and bank deposits held by OAO Fortum amounting to EUR 259 (113 at year-end 2013) million. In addition to the liquid funds, Fortum had access to approximately EUR 2,2 billion of undrawn committed credit facilities.

The Group's net financial expenses during January-September 2014 were EUR 169 (212) million. Net financial expenses include changes in the fair value of financial instruments of EUR -10 (-8) million.

Fortum Corporation's long-term credit rating with both S&P and Fitch has remained unchanged and is A- (negative outlook).

Key figures

For the last twelve months, net debt to EBITDA was 1.2 (3.7 at year-end 2013) and comparable net debt to EBITDA 2.6 (3.9 at year-end 2013). Fortum is currently financing Fortum Värme, and these loans, EUR 639 (1,135 at year-end 2013) million, are presented as interest-bearing loan receivables in Fortum’s balance sheet. However, the aim is to refinance the loans during 2014-2015. If these loans are deducted from the net debt, the last-twelve-months comparable net debt to EBITDA is 2.2 (3.4 at the year-end 2013).

Gearing was 42% (77%) and the equity-to-assets ratio 52% (43%). Equity per share was EUR 12.67 (11.28). For the last twelve months, return on capital employed totalled 18.9% (9.0% at year-end 2013) and return on shareholders’ equity 29% (12.0% at year-end 2013). Both return on capital employed and return on equity were positively affected by the capital gain from the sale of the Finnish electricity distribution business as well as the sale of the Norwegian electricity distribution and heat businesses.

Market conditions

Nordic countries

According to preliminary statistics, electricity consumption in the Nordic countries during the third quarter of 2014 was 79 (80) terawatt-hours (TWh). In January–September 2014, electricity consumption in the Nordic countries was 275 (284) TWh. Industrial consumption was nearly unchanged, however, other consumption decreased due to mild weather.

At the beginning of the year, the Nordic water reservoirs were at 82 TWh, which is 1 TWh lower than the long-term average and 3 TWh lower than a year earlier. By the beginning of the third quarter, the reservoirs were 1 TWh below the long-term average and 1 TWh higher than the year before. The third quarter ended with reservoirs at 91 TWh, which is 10 TWh below the long-term average and at the same level as the corresponding level in 2013. Precipitation during the third quarter was below the long-term average but above the level the year before.

In the third quarter of 2014, the average system spot price of electricity in Nord Pool was EUR 31.8 (35.8) per megawatt-hour (MWh). Nordic water reservoirs were above last year's levels early in the quarter, which depressed prices in the hydropower intensive areas. However, low precipitation in the latter part of the quarter decreased the reservoirs to last year's levels. The variable cost of coal-fired generation increased slightly from last year's levels.

The average area price in Finland was EUR 37.8 (42.7) per MWh and in Sweden SE3 (Stockholm) EUR 33.6 (40.0) per MWh. Finnish prices were lower than last year as better availability of nuclear power, condensing power, and key interconnectors reduced price spikes. Swedish prices were affected by higher availability of nuclear power.

During January–September 2014, the average system spot price was EUR 29.2 (38.8) per MWh. In Finland, the average area price was EUR 35.9 (41.6) per MWh and in Sweden SE3 (Stockholm) EUR 31.7 (40.1) per MWh.

In Germany, the average spot price during the third quarter of 2014 was EUR 31.5 (38.8) per MWh and during January–September 2014 EUR 32.1 (37.9) per MWh.

The market price of CO_2 emission allowances (EUA) was at approximately EUR 4.8 per tonne at the beginning of the year and EUR 5.8 per tonne by the end of September. During January–September 2014, the EUAs daily close ranged between EUR 4.4 and EUR 7.2 per tonne.

Russia

Fortum operates in the Urals and Western Siberia in the Tyumen and Khanty-Mansiysk area, where industrial production is dominated by the oil and gas industries, and in the Chelyabinsk area, which is dominated by the metal industry.

According to preliminary statistics, Russia consumed 226 (225) TWh of electricity during the third quarter of 2014. The corresponding figure in Fortum’s operating area in the First price zone (European and Urals part of Russia) was 175 (174) TWh. In January-September 2014, Russia consumed 739 (743) TWh of electricity. The corresponding figure in Fortum’s operating area in the First price zone (European and Urals part of Russia) was 562 (563) TWh.

In the third quarter of 2014, the average electricity spot price, excluding capacity price, decreased by 2% to RUB (Russian rouble) 1,233 (1,255) per MWh in the First price zone. In January-September 2014, the average electricity spot price, excluding capacity price, increased by 8% to RUB 1,180 (1,092) per MWh in the First price zone.

More detailed information about the market fundamentals is included in the tables at the end of the report (page 56).

European business environment and carbon market

EU institutional changes

Following the European Parliament election in May and the nomination of Jean Claude Juncker as the next Commission President, the new structure for the next Commission 2015-2019 was presented in September 2014 and includes among others a dedicated Vice President for Energy Union. Energy and climate policies will be merged in the new Commission structure, a change that should improve the coordination between these two policy areas.

EU power market development

The start of the new Commission coincides with a time of important power market-related decisions in Europe. Many countries are considering setting up capacity mechanisms for security of supply reasons. One illustration of the increasing concern of domestic security of supply in many member states is that the EU Commission found the UK plans to subsidise the construction and operation of a new nuclear power plant at Hinkley Point to be in line with EU state-aid rules.

However, a common EU-wide, competitive and strongly networked internal energy market, where also renewable energy is developed on a market basis, would not just improve competitiveness and mitigate environmental impacts, it would also improve the EU's internal energy availability and security of supply as well.

EU 2030 climate and energy policy framework

The European Council is expected to agree on the headline targets for 2030 climate and energy policies on October 23-24 after which the new EU Commission can start preparing legislative proposals to implement the new framework.

Fortum considers the proposed framework as a good compromise provided that the targets for renewable energy and energy efficiency will remain only as EU-level targets (one important target being reducing CO_2 emission by 40%), without national effort sharing, and that the focus in implementation will be on non-ETS sectors. This way, the 2030 framework would enforce the role of emissions trading as the main instrument for emissions reduction.

New government in Sweden

Based on the results of the Swedish Parliamentary election in September, a minority government coalition of the Social Democrats and the Green Party took the office at the beginning of October. Due to the minority, there is a need to seek consensus in the Parliament on numerous issues.

The declaration by the new government stated that a broad parliamentary energy commission will be established in order to set long-term energy policy with the aim of a fully renewable energy system in Sweden.

As a result of the nuclear stress tests in the EU, the Swedish nuclear safety authority (SSM) has decided to propose new regulations for Swedish nuclear reactors. The process is on-going and the final decision is expected by the end 2014. Fortum emphasises that maintaining a high level of nuclear safety is the highest priority, but considers EU-level harmonisation of nuclear safety requirements to be of utmost importance.

New government in Poland

A new prime minister was elected in September after the former prime minister was elected President of the European Council. Parliamentary elections in Poland are scheduled for fall 2015. The new prime minister represents the same political party as the previous one, and hence we do not expect any major changes to current legal developments in the energy sector.

Investigation of taxation of power plants in Sweden

The former government in Sweden initiated an investigation of the real estate taxation of electricity generation assets. The investigation aims for effective real estate taxation that would not discriminate between different power production technologies, power production, other economic activities or power plant size.

The new Swedish government has proposed to increase the tax on installed nuclear capacity by 17% as of 2015. Fortum's position is that the tax issue should be referred to an upcoming parliamentary energy commission in order to get a broadly established view on how the needs of energy and effect can be resolved.

Ukrainian crisis and EU sanctions

In September, as a consequence of the situation in Ukraine, an amended list of EU restrictive measures against Russia entered into force; the gas industry and nuclear energy are not included.

Finnish nuclear decisions

In September, the government rejected Teollisuuden Voima Oyj's (TVO) application for a prolongation of the deadline for submitting the construction license for Olkiluoto 4, while at the same time issued a positive decision-in-principle (DIP) for Fennovoima (Finnish nuclear power company) to construct a 1,200-MW nuclear power plant in Pyhäjoki, western Finland.

Segment reviews

Power and Technology

Power and Technology consists of Fortum's hydro, nuclear and thermal power generation, Power Solutions with expert services, portfolio management and trading as well as technology and R&D functions. The segment incorporates two divisions: the Hydro Power and Technology Division and the Nuclear and Thermal Power Division.

EUR million	III/14	III/13	I-III/14	I-III/13	2013	LTM
Sales	495	496	1,568	1,709	2,252	2,111
- power sales	466	469	1,466	1,617	2,117	1,966
of which Nordic power sales*	406	409	1,325	1,411	1,866	1,780
- other sales	29	26	101	89	131	143
Operating profit	124	44	537	644	922	815
Comparable operating profit	167	139	601	652	859	808
Comparable EBITDA	197	190	692	765	1,007	934
Net assets (at period-end)			6,083	6,285	6,355	
Return on net assets, %					14.5	13.1
Comparable return on net assets, %					13.8	13.2
Capital expenditure and gross investments in shares	66	48	138	118	181	201
Number of employees			1,678	1,889	1,723	

Power generation by source, TWh	III/14	III/13	I-III/14	I-III/13	2013	LTM
Hydropower, Nordic	4.1	3.9	16.3	14.2	18.1	20.2
Nuclear power, Nordic	5.4	5.1	17.0	17.7	23.7	23.0
Thermal power, Nordic	0.6	0.4	0.8	1.6	1.9	1.1
Total in the Nordic countries	**10.0**	**9.4**	**34.1**	**33.5**	**43.7**	**44.3**
Thermal power in other countries	0.2	0.3	0.8	0.9	1.0	0.9
Total	**10.2**	**9.7**	**34.8**	**34.4**	**44.7**	**45.1**

Nordic sales volumes, TWh	III/14	III/13	I-III/14	I-III/13	2013	LTM
Nordic sales volume	10.3	9.8	35.2	34.7	45.3	45.8
of which Nordic power sales volume*	9.2	8.7	32.2	30.8	40.2	41.6

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

Sales price, EUR/MWh	III/14	III/13	I-III/14	I-III/13	2013	LTM
Power and Technology's Nordic power price**	44.2	47.4	41.1	45.8	46.4	42.7

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

July–September

In the third quarter of 2014, Power and Technology's comparable operating profit was EUR 167 (139) million, i.e. EUR 28 million higher than in the corresponding period in 2013. The lower achieved price impacted negatively to the results; however, the increase in hydro and nuclear production volumes and SEK impacted positively. In addition, in 2013 an impairment loss, totalling EUR 20 million was booked due to the decision to discontinue electricity production at Fortum's Inkoo coal-fired power plant in Finland.

Operating profit, EUR 124 (44) million, was affected by sales gains totalling EUR 1 (14) million and by the IFRS accounting treatment (IAS 39) of derivatives mainly used for hedging Fortum's power production, and by nuclear fund adjustments amounting to EUR -43 (-109) million (Note 4).

Power and Technology's achieved Nordic power price was EUR 44.2 (47.4) per MWh, or EUR 3.2 per MWh lower than in the corresponding period in 2013. The system and all area prices were clearly lower during the third quarter of 2014 compared to the same period in 2013. The average system spot price of electricity in Nord Pool was EUR 31.8 (35.8) per MWh. The average area price in Finland was EUR 37.8 (42.7) per MWh and in Sweden SE3 (Stockholm) EUR 33.6 (40.0) per MWh.

Nuclear availability in the third quarter was at a high level in all operating reactors, except in Oskarshamn 2, which has been shut down since 1 June 2013 for an extensive safety modernisation.

In the third quarter of 2014, the segment's total power generation in the Nordic countries was 10.0 (9.4) TWh. The CO_2-free production amounted to 93% (93%).

January–September

In January-September 2014, Power and Technology's comparable operating profit was EUR 601 (652) million, i.e. EUR 51 million lower than in the corresponding period. This was mainly due to the lower achieved power price caused by lower spot prices. The negative impact was partly offset by higher hydro-power production volumes, lower operating costs and SEK.

Operating profit, EUR 537 (644) million, was affected by sales gains totalling EUR 6 (18) million and by the IFRS accounting treatment (IAS 39) of derivatives, mainly used for hedging Fortum's power production, and by nuclear fund adjustments amounting to EUR -70 (-26) million (Note 4).

Power and Technology's achieved Nordic power price was EUR 41.1 (45.8) per MWh, or EUR 4.7 per MWh lower than in the corresponding period in 2013. The system and all area prices were clearly lower during January-September 2014 compared to the same period in 2013. The average system spot price of electricity in Nord Pool was EUR 29.2 (38.8) per MWh. The average area price in Finland was EUR 35.9 (41.6) per MWh and in Sweden SE3 (Stockholm) EUR 31.7 (40.1) per MWh.

In January-September 2014, the segment's total power generation in the Nordic countries was 34.1 (33.5) TWh. Due to normalised hydro inflow and reservoir levels, hydropower production was 2.1 TWh higher during January-September 2014 compared to the same period in 2013. Nuclear volumes were 0.7 TWh lower due to the extensive safety modernisation in Oskarshamn 2 and the longer planned annual maintenance outages in the other nuclear powerplants. Thermal production was 0.8 (1.6) TWh in the Nordic countries. The CO_2-free production amounted to 96% (93%).

Nuclear availability was at a high level in all operating reactors, except in Oskarshamn 2, which has been shut down since 1 June 2013 and is currently expected to be up and running in the summer of 2015. At the end of September, all planned annual maintenance outages of Fortum's own and co-owned nuclear units had been completed, except in Oskarshamn 2.

Heat, Electricity Sales and Solutions

Heat, Electricity Sales and Solutions consists of combined heat and power (CHP) production as well as heat and electricity sales and development of customer-oriented solutions. The business operations are located in the Nordics, the Baltic countries, Poland and India. The segment also includes Fortum's 50% holding in Fortum Värme, which is a joint venture and is accounted for using the equity method.

EUR million	III/14	III/13	I-III/14	I-III/13	2013	LTM
Sales	224	255	939	1,094	1,516	1,361
- heat sales	50	62	293	346	492	439
- power sales	141	157	559	655	900	804
- other sales	33	36	87	93	124	118
Operating profit	4	8	116	83	134	167
Comparable operating profit	-4	-3	55	68	109	96
of which Electricity Sales	14	12	35	39	47	43
Comparable EBITDA	20	23	130	142	211	199
Net assets (at period-end)			2,188	2,275	2,295	
Return on net assets, %					9.7	11.4
Comparable return on net assets, %					8.7	8.3
Capital expenditure and gross investments in shares	59	37	85	107	134	112
Number of employees			1,862	1,987	1,968	

As of 2014, the former Heat Division and Electricity Sales and Solutions business area are reported as one segment (Note 4). In addition, Fortum Värme, which earlier was consolidated as a subsidiary under the Heat Division, is treated as a joint venture and thus consolidated with the equity method. The effect of Fortum Värme is hence included in the share of profits in associates and joint ventures. In January-September, this represented EUR 42 (49) million (Note 2).

July–September

Heat sales volumes of Heat, Electricity Sales and Solutions amounted to 0.7 (1.2) TWh during the third quarter. During the same period, power sales volumes from CHP production totalled 0.4 (0.6) TWh. Despite the new capacity, heat and power sales volumes were lower mainly due to the divestments made in 2013 and 2014 and warm weather.

Comparable operating profit in the third quarter was EUR -4 (-3) million.

Operating profit in the third quarter totalled EUR 4 (8) million and was affected by sales gains totalling EUR 8 (9) million (Note 4).

January–September

Heat sales volumes of Heat, Electricity Sales and Solutions amounted to 5.3 (7.4) TWh during January-September 2014. Power sales volumes from CHP production totalled 2.0 (2.5) TWh. Despite the new capacity, heat and power sales volumes were lower mainly due to the warmer than average weather during the first and third quarter of 2014 and the divestments made in 2013 and 2014. The warm weather also burdened retail sales, especially during the first quarter of 2014.

Comparable operating profit in January-September was EUR 55 (68) million. The result decreased mainly due to the lower volumes and lower power prices.

Operating profit in January-September totalled EUR 116 (83) million and was affected by sales gains totalling EUR 62 (9) million (Note 4).

At the end of September 2014, Fortum's customer base in Electricity Sales was approximately 1.3 million.

Heat sales by country, TWh	III/14	III/13	I-III/14	I-III/13	2013	LTM
Finland	0.3	0.8	2.2	3.9	5.4	3.7
Poland	0.2	0.3	2.2	2.7	4.1	3.6
Other countries	0.1	0.1	0.8	0.7	1.2	1.3
Total	**0.7**	**1.2**	**5.3**	**7.4**	**10.7**	**8.6**

Power sales, TWh	III/14	III/13	I-III/14	I-III/13	2013	LTM
CHP	0.4	0.6	2.0	2.5	3.5	3.0
Electricity Sales	2.4	2.3	9.7	9.9	13.6	13.4
Total	**2.8**	**2.9**	**11.7**	**12.4**	**17.1**	**16.4**

Russia

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

EUR million	III/14	III/13	I-III/14	I-III/13	2013	LTM
Sales	207	210	774	805	1,119	1,088
- power sales	175	180	576	608	822	790
- heat sales	32	28	194	192	290	292
- other sales	1	2	4	5	7	6
Operating profit	1	-15	102	46	156	212
Comparable operating profit	1	-15	102	46	156	212
Comparable EBITDA	40	23	217	143	258	332
Net assets (at period-end)			3,670	3,795	3,846	
Return on net assets, %					5.2	6.6
Comparable return on net assets, %					5.2	6.6
Capital expenditure and gross investments in shares	105	125	261	294	435	402
Number of employees			4,253	4,197	4,162	

The liberalisation of the Russian wholesale power market has been completed since the beginning of 2011. However, all generating companies continue to sell a part of their electricity and capacity – an amount equalling the consumption of households and a few special groups of consumers – under regulated prices. During January-September 2014, Fortum sold approximately 80% of its power production in Russia at a liberalised electricity price.

The capacity selection for generation built prior to 2008 (CCS – “old capacity”) for 2014 was held in September 2013. All of Fortum’s capacity was allowed to participate in the selection for 2014 and the majority of Fortum’s power plants were also selected. The volume of Fortum’s installed capacity not selected in the auction totalled 132 MW, which represents 4.6% of Fortum’s total old capacity in Russia.

The generation capacity built after 2007 under the Government capacity supply agreements (CSA – “new capacity”) receives guaranteed payments for a period of 10 years. The period and the prices for capacity under CSA were defined to ensure a sufficient return on investments. At the time of the acquisition in 2008, Fortum made a provision, as penalty clauses are included in the CSA agreement in case of possible delays. If the new capacity is delayed or if the agreed major terms of the capacity supply agreement are not otherwise fulfilled, possible penalties can be claimed. The effect of changes in the timing of commissioning of new units is assessed at each balance sheet date and the provision is changed accordingly (Note 16).

Received capacity payments differ depending on the age, location, type and size of the plant as well as seasonality and availability. The CSA payments can also vary somewhat annually because they are linked to the Russian Government long-term bonds with 8 to 10 years maturity. In addition, the regulator will review the guaranteed CSA payments by re-examining earnings from the electricity-only market three and six years after the commissioning of a unit and may revise the CSA payments accordingly.

July–September

The Russia Segment's power sales volumes amounted to 5.8 (5.4) TWh during the third quarter of 2014. Heat sales totalled 2.8 (2.5) TWh during the same period.

The Russia Segment’s comparable operating profit was EUR 1 (-15) million in the third quarter of 2014. The positive effect from the new units, receiving CSA payments, amounted to approximately EUR 36 (22) million, including EUR -4 million due to the weak rouble. In addition, better electricity and heat spreads had a positive effect on the result. Overall, the weakened Russian rouble affected the Russian result marginally.

Operating profit was EUR 1 (-15) million in the third quarter of 2014.

In late September, the third unit at Fortum's Nyagan Power Plant passed the comprehensive and certification tests that precede commissioning. Fortum plans to start commercial operation of the unit by the end of 2014. Capacity payments under the Russian government's Capacity Supply Agreement for 418 megawatts (MW) are scheduled to start as of 1 January 2015.

January–September

The Russia Segment's power sales volumes amounted to 18.7 (19.2) TWh in January-September 2014. Heat sales totalled 17.0 (16.3) TWh during the same period.

The Russia Segment’s comparable operating profit was EUR 102 (46) million in January-September 2014. The positive effect from the new units, receiving CSA payments, amounted to approximately EUR 122 (84) million, including EUR -19 million due to the weak rouble and a reversal of the CSA provisions totalling EUR 5 (10) million. In addition, better electricity and heat spreads, improved bad-debt collections and increased efficiency positively affected the result. Overall, the weakened Russian rouble affected the result negatively by approximately EUR 16 million.

Operating profit was EUR 102 (46) million in January-September 2014.

Key electricity, capacity and gas prices for Fortum Russia	III/14	III/13	I-III/14	I-III/13	2013	LTM
Electricity spot price (market price), Urals hub, RUB/MWh	1,164	1,136	1,105	1,013	1,021	1,090
Average regulated gas price, Urals region, RUB/1000 m3	3,362	3,327	3,362	3,029	3,131	3,378
Average capacity price for CCS "old capacity", tRUB/MW/month*	150	149	162	158	163	166
Average capacity price for CSA "new capacity", tRUB/MW/month*	499	507	535	550	576	557
Average capacity price, tRUB/MW/month	276	251	294	258	276	302
Achieved power price for OAO Fortum, EUR/MWh	31.5	33.8	31.5	31.6	32.1	31.9

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

Distribution

Fortum owns and operates electricity distribution and regional networks and distributes electricity to a total of 0.9 million customers in Sweden.

EUR million	III/14	III/13	I-III/14	I-III/13	2013	LTM
Sales	130	217	578	784	1,064	858
- distribution network transmission	97	177	452	662	896	686
- regional network transmission	23	30	94	96	129	127
- other sales	9	11	32	26	39	45
Operating profit	36	76	2,066	274	349	2,141
Comparable operating profit	36	59	200	256	332	276
Comparable EBITDA	67	113	318	417	548	449
Net assets (at period-end)			2,634	3,759	3,745	
Return on net assets, %					9.3	68.5
Comparable return on net assets, %					8.8	8.9
Capital expenditure and gross investments in shares	29	56	89	165	255	179
Number of employees			380	802	805	

July–September

The volume of distribution and regional network transmissions during the third quarter of 2014 totalled 2.7 (4.8) TWh and 2.8 (3.4) TWh, respectively. Volumes in Sweden were in line with last year. The lower volume in total, compared to the same period in 2013, was due to the divestment of the Finnish electricity business in the first quarter and the Norwegian distribution business in the second quarter of 2014.

The Distribution Segment's comparable operating profit was EUR 36 (59) million.

Operating profit in the third quarter of 2014 totalled EUR 36 (76) million and was affected by sales gains totalling EUR 0 (17) million.

January–September

The volume of distribution and regional network transmissions during January-September 2014 totalled 13.7 (19.0) TWh and 10.3 (12.0) TWh, respectively. Volumes were lower due to warmer weather, especially during the first quarter of 2014. The lower total volume was mainly due to the divestment of the Finnish and Norwegian distribution businesses.

The Distribution Segment's comparable operating profit was EUR 200 (256) million. The decrease was mainly due to the very mild weather during the first quarter and to the divestment of the electricity distribution in Finland that was finalised at the end of March.

Operating profit in January-September 2014 totalled EUR 2,066 (274) million and was affected by sales gains totalling approximately EUR 1,865 billion from the Finnish and Norwegian electricity distribution businesses (Note 6).

Volume of distributed electricity in distribution network, TWh	III/14	III/13	I-III/14	I-III/13	2013	LTM
Sweden	2.7	2.6	9.8	10.3	14.1	13.6
Finland		1.8	2.8	6.9	9.5	5.4
Norway		0.4	1.1	1.8	2.5	1.8
Total	**2.7**	**4.8**	**13.7**	**19.0**	**26.1**	**20.8**

Number of electricity distribution customers by area, thousands	30 September 2014	30 September 2013
Sweden	905	903
Finland		640
Norway		102
Total	**905**	**1,645**

Capital expenditures, divestments and investments in shares

Capital expenditures and investments in shares totalled EUR 266 (269) million in the third quarter of 2014 (Note 4).

Capital expenditures and investments in shares totalled EUR 581 (690) million in January-September 2014 (Note 4). Investments, excluding acquisitions, were EUR 521 (677) million.

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

	Type	Electricity capacity, MW	Heat capacity, MW	Supply starts *
Power and Technology				
Hydro refurbishment	Hydropower	14		2015
Russia*				
Nyagan 3	Gas (CCGT)	418		2H 2014
Chelyabinsk 1	Gas (CCGT)	248	175	1H 2015
Chelyabinsk 2	Gas (CCGT)	248	175	1H 2015

*) Start of commercial operation.

Power and Technology

Through its interest in Teollisuuden Voima Oyj (TVO), Fortum is participating in the building of Olkiluoto 3 (OL3), a 1,600-MW nuclear power plant unit in Finland. The start of commercial electricity production of the plant is expected to take place in late 2018, according to the plant supplier AREVA-Siemens Consortium (Note 13).

In March 2014, Fortum started an extensive refurbishment of two of the Imatra hydropower plant's seven units. The refurbishment will increase the capacity of the power plant by 14 MW to 192 MW and will improve safety and reliability. After the refurbishment, the Imatra plant is Finland's largest hydropower plant in terms of capacity and production.

In May 2014, Fortum and the Areva-Siemens Consortium agreed on the discontinuation of the current automation modernisation project agreement at the Loviisa nuclear power plant in Finland. The Areva-Siemens Consortium will complete the ongoing agreed and resized work in cooperation with Fortum. Furthermore, Fortum signed an agreement with Rolls-Royce for the continued modernisation of the power plant's automation. The modernisation will be carried out over several years.

In September 2014, the Finnish Government rejected TVO's application to extend the period of validity of the existing decision-in-principle of Olkiluoto 4 nuclear power plant. The decision-in-principle is still in force, and the deadline for submitting the construction license application is 30 June 2015.

Heat, Electricity Sales and Solutions

Through Fortum's interests in Fortum Värme, Fortum's joint venture with the City of Stockholm, the company is investing in a new biofuelled combined heat and power (CHP) plant in Värtan, Stockholm. The new CHP plant will replace some existing heat production and is planned to be commissioned in 2016. The new plant will have a production capacity of 280 MW heat and 130 MW electricity.

In addition, Fortum is participating in its joint venture Turun Seudun Energiantuotanto Oy's (TSE) new CHP plant in Naantali, Finland, which will replace the old existing plant. The plan is to commission the new power plant in 2017. The plant's production capacity will be 244 MW heat and 142 MW electricity.

In June 2014, Fortum completed the divestment of its Norwegian heat business to the iCON Infrastructure Partners II, L.P. fund (Note 6).

In September 2014, finalisesd the acquisitions of E.ON Ruhrgas International GmbH's shareholding of 33.66% in the Estonian natural gas import, sales and distribution company AS Eesti Gaas and a similar shareholding in the gas transmission service company AS Võrguteenus Valdus. The acquired shares increased Fortum's holding in both companies to approximately 51%. Fortum continues to account for its holdings in the Estonian natural gas businesses using the equity method.

Distribution

In March 2014, Fortum completed the divestment of its Finnish electricity distribution business to Suomi Power Networks Oy. The total consideration was EUR 2.55 billion on a debt- and cash-free basis. Fortum's one-time sales gain of approximately EUR 1.85 billion corresponds to EUR 2.08 per share. The sales gain is booked in Fortum's Distribution Segment in the first quarter of 2014 (Note 6).

In May 2014, Fortum completed the divestment of its Norwegian electricity distribution business to the Hafslund Group (Note 6).

Shares and share capital

Fortum Corporation is listed on the NASDAQ OMX Helsinki Ltd. During January-September 2014, a total of 361.1 (376.2) million Fortum Corporation shares, totalling EUR 6,392 million, were traded. The highest quotation of Fortum Corporation shares during the reporting period was EUR 20.32, the lowest EUR 15.13, and the volume-weighted average EUR 17.71. The closing quotation on the last trading day of the quarter, 30 September 2014, was EUR 19.31 (16.66). Fortum's market capitalisation, calculated using the closing quotation of the last trading day of the review period, was approximately EUR 17,154 million.

In addition to the NASDAQ OMX Helsinki Ltd., Fortum shares were traded on several alternative market places, for example Boat, BATS Chi-X and Turquoise, and on the OTC market. In the first three quarters of 2014, approximately 57% of Fortum's shares were traded on markets other than the NASDAQ OMX Helsinki Ltd.

On 30 September 2014, Fortum Corporation's share capital was EUR 3,046,185,953 and the total number of registered shares was 888,367,045. Fortum Corporation did not own its own shares. The number of registered shareholders was 111,511. The Finnish State's holding in Fortum was 50.8%, and the proportion of nominee registrations and direct foreign shareholders was 32.2% at the end of the review period.

Fortum Corporation received on 5 April 2014 notification under Chapter 2 Section 9 of the Securities Markets Act that Capital Group Companies Inc's ("CGC") holding in Fortum was above the threshold of 5 per cent on 3 April 2014.

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

Group personnel

Fortum's operations are mainly based in the Nordic countries, Russia and the Baltic Rim area. The total number of employees at the end of September was 8,701 (9,186 at the end of 2013).

At the end of September 2014, Power and Technology had 1,678 (1,723) employees; Heat, Electricity Sales and Solutions 1,862 (1,968); Russia 4,253 (4,162); Distribution 380 (805); and Other 528 (528).

Headcount reductions were mainly due to the sale of the Finnish and Norwegian distribution businesses and Fortum's efficiency programme. Reductions related to the efficiency programme have been implemented on a unit level by using natural rotation, rearrangement of vacancies and by retirement. Vacant jobs have primarily been filled internally. The possibilities for internal rotation have been improved. By rotating staff between different countries and divisions, the company improves know-how and develops the exchange of competencies throughout the organisation.

Research and development

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

In January-September 2014, Fortum, UPM and Valmet joined forces to develop a new technology to produce advanced, high-value lignocellulosic fuels, such as transportation fuels, or higher value bio liquids in order to develop catalytic pyrolysis technology for upgrading bio-oil and to commercialise the new technology. Furthermore, Fortum's leasing agreement, signed during the period, with the UK-based Wave Hub provides Fortum with an opportunity to study advanced, full-scale wave power converters in ocean conditions. Fortum also acquired a minority share in the Finnish wave energy developer Wello Oy.

The Group reports its R&D expenditure on a yearly basis. In 2013, Fortum's R&D expenditure was EUR 49 (41) million or 0.8% (0.7%) of sales.

Sustainability

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

The Group-level sustainability targets emphasise Fortum's role in society and measure not only environmental and safety targets, but also Fortum's reputation, customer satisfaction, and the security of supply of power and heat.

The achievement of the sustainability targets is monitored through monthly, quarterly and annual reporting. Sustainability target-setting and follow-up as well as the approval of Fortum's Sustainability policy and the review of Fortum's Sustainability Report are included in the working order of the Board of Directors.

The company is listed on STOXX Global ESG Leaders, the NASDAQ OMX, OMX GES Sustainability Finland and ECPI® indices. Fortum is also included in the Carbon Disclosure Project's Nordic Climate Index and has received Prime Status (B-) rating by the German oekom research AG.

Fortum's sustainability targets and performance*

Targets		III/14	I-III/2014	Five-year average
Specific CO_2 emissions from power generation in the EU as a five-year average, g/kWh	< 80	66	44	60
Specific CO_2 emissions from total energy production (electricity and heat) as a five-year average, g/kWh	< 200	220	195	199
Overall efficiency of fuel use as a five-year average, %	> 70	51	61	63
Major EHS incidents	< 35	5	17	-
Energy availability of CHP plants in the EU, %	> 95	92	95	-
SAIDI, (minutes) Sweden	< 100	40	73	-
Lost workday injury frequency (LWIF) for own personnel	< 1.0	0.5	0.9	-
Lost workday injury frequency (LWIF) for contractors	< 3.5	2.8	3.1	-

* Targets for reputation and customer satisfaction are monitored annually.

Economic responsibility

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

Environmental responsibility

Fortum's environmental responsibility emphasises mitigation of climate change, efficient use of resources as well as management of the impacts of our energy production, distribution and supply chain. Our know-how in CO_2-free hydro and nuclear power production and in energy-efficient CHP production is highlighted in environmental responsibility. Fortum’s Group-level environmental targets are related to CO_2 emissions, energy efficiency as well as major environment, health and safety (EHS) incidents. At the end of September 2014, ISO 14001 certification covered 100% of Fortum's power and heat production and distribution operations worldwide.

Fortum’s climate targets over the next five years are: specific CO_2 emissions from power generation in the EU below 80 grams per kilowatt-hour (g/kWh) and total specific CO_2 emissions from both electricity and heat production in all countries below 200 g/kWh. Both targets are calculated as a five-year average. At the end of September 2014, the five-year average for specific CO_2 emissions from power generation in the EU was at 60 (60) g/kWh and the total specific CO_2 emissions from energy production was at 199 (197) g/kWh, both better than the target level.

Fortum's total CO_2 emissions in January-September 2014 amounted to 14.5 (15.2) million tonnes (Mt), of which 2.8 (4.0) Mt were within the EU's emissions trading scheme (ETS). Since 2013, electricity production does not receive free allowances in the EU ETS. The amount of free allowances for heat will gradually decrease during 2013-2020 as well. Fortum's free allowances in 2014 total 1.4 Mt.

Fortum’s total CO_2 emissions (million tonnes, Mt)	III/14	III/13	I-III/14	I-III/13	2013	LTM
Total emissions	4.4	3.9	14.5	15.2	20.5	19.8
Emissions subject to ETS	1.0	0.9	2.8	4.0	5.1	3.9
Free emissions allocation					1.8	
Emissions in Russia	3.3	2.9	11.7	11.0	15.3	15.9

Fortum's energy-efficiency target is to raise the overall efficiency of fuel use to 70% as a five-year average. In January-September 2014, the overall efficiency of fuel use was 61% (58%) and the five-year average after September 2014 was 63% (66%), meaning the target level was not met.

Fortum's target is for fewer than 35 major EHS incidents annually. In January-September 2014, a total of 17 (21) major EHS incidents took place in Fortum's operations. This includes eight environmental permit non-compliances, three explosions, three leaks into the environment, two fires and one International Nuclear Event Scale1 incident (INES). These incidents did not have significant environmental or financial impacts, but the explosion in the Pyrolysis unit in Joensuu caused a prolonged interruption in the production of pyrolysis oil. The cause of the explosion has been indentified and work has been commenced to restart production.

Social responsibility

In the area of social responsibility, Fortum's innovations and the secure supply of low-carbon power and heat support the development of society and increase well-being. Good corporate citizenship, reliable energy supply and ensuring a safe working environment for all employees and contractors at Fortum sites are emphasised. At the end of September 2014, OHSAS 18001 certification covered 74% of Fortum's power and heat production and distribution operations worldwide.

In January-September 2014, the average energy availability of Fortum's CHP plants was 95.4%, which is above the annual target level of 95%. In electricity distribution in Sweden, the cumulative SAIDI (System Average Interruption Duration Index) was 73 (47) minutes, while the annual target is less than 100 minutes.

The lost workday injury frequency (LWIF) for Fortum employees was 0.9 (1.2). This complies with the Group-level frequency target of less than one per million working hours for own personnel. The lost-workday injury frequency for contractors has improved and was 3.1 (5.0). Unfortunately, there have been two fatal accidents for contractors this year in Fortum's operations in Sweden. Implementation of agreed actions to improve contractor safety continues. Fortum's categorical target is to avoid serious injuries.

Fortum wants to conduct business with viable companies that act responsibly and comply with the Fortum Code of Conduct and the Fortum Supplier Code of Conduct. In January-September 2014, Fortum audited altogether 11 suppliers located in Brazil, China, Czech Republic, Russia and Sweden. The emphasis in the audits was on contractors and biofuel suppliers.

Changes in Fortum’s Management

Fortum renewed its business structure as of 1 March 2014. The target of the reorganisation is to strengthen Fortum's capability to execute the company's strategy in the fast-developing operating environment.

Matti Ruotsala was appointed Chief Operating Officer (COO) and is acting as Deputy to the CEO. Fortum's CFO is Timo Karttinen. New Executive Management members are Tiina Tuomela, who was appointed Executive Vice President (EVP), Nuclear and Thermal Power; Kari Kautinen, Senior Vice President (SVP), Strategy, Mergers and Acquisitions; and Esa Hyvärinen, Senior Vice President, Corporate Relations.

In the new structure, Fortum has four reporting segments:
- Power and Technology (reporting to COO)
    - Hydro Power and Technology, Per Langer, EVP
    - Nuclear and Thermal Power, Tiina Tuomela, EVP
- Heat, Electricity Sales and Solutions (reporting to COO), Markus Rauramo, EVP
- Russia, Alexander Chuvaev, EVP
- Distribution, Timo Karttinen, CFO

Fortum's six staff functions are:
- Finance, Timo Karttinen, CFO
- Strategy and Mergers & Acquisitions, Kari Kautinen, SVP
- Legal, Sirpa-Helena Sormunen, General Counsel (as of September)
- Human Resources and IT, Mikael Frisk, SVP
- Communications, Helena Aatinen, SVP
- Corporate Relations, Esa Hyvärinen, SVP

COO Matti Ruotsala, CFO Timo Karttinen and Alexander Chuvaev, EVP of Russia Division, as well as the heads of the staff functions report to President and CEO Tapio Kuula.

In April 2014, Fortum announced that the company's General Counsel and Executive Team member Kaarina Ståhlberg left her position as General Counsel and member of Fortum's Executive Management as of 8 April 2014, due to family reasons.

In June 2014, Sirpa-Helena Sormunen, LL.M., 54, was appointed General Counsel and member of Fortum Corporation's Executive Management as of 1 September 2014. She reports to President and CEO Tapio Kuula.

Annual General Meeting 2014

Fortum Corporation’s Annual General Meeting, which was held in Helsinki on 8 April 2014, adopted the financial statements of the parent company and the Group for the financial period 1 January-31 December 2013 and discharged the members of Fortum's Board of Directors as well as the President and CEO and his deputy from liability for the year 2013.

The Annual General Meeting decided to pay a dividend of EUR 1.10 per share for the financial year that ended 31 December 2013. The record date for the dividend payment was 11 April 2014 and the dividend payment date was 22 April 2014.

The Annual General Meeting confirmed the number of members in the Board of Directors to be eight. Ms Sari Baldauf was re-elected as Chairman, Mr Kim Ignatius was elected as Deputy Chairman, and Ms Minoo Akhtarzand, Mr Heinz-Werner Binzel, Ms Ilona Ervasti-Vaintola, Mr Christian Ramm-Schmidt were re-elected as members, and Mr Petteri Taalas and Mr Jyrki Talvitie were elected as new members.

The Annual General Meeting confirmed the compensation of EUR 75,000 per year to the Chairman, EUR 57,000 per year to the Deputy Chairman and EUR 40,000 per year to each member of the Board, as well as EUR 57,000 per year to the Board member acting as the Chairman of the Audit and Risk Committee if he or she is not at the same time acting as Chairman or Deputy Chairman of the Board. In addition, a EUR 600 meeting fee is paid for Board meetings as well as for committee meetings. The meeting fee is doubled for Board members who live outside Finland in Europe and tripled for members living outside Europe.

The Annual General Meeting also resolved to amend the Articles of Association as follows. Firstly, in accordance with the stand of the Ownership Steering of the Finnish State, the age limit of Board member elects is removed from § 6. Secondly, the possibility to deliver the notice to a General Meeting by publishing the notice on the company’s website is added to § 12; and thirdly, certain linguistic and technical amendments are made to § 3 and 4, i.a. by removing the par value of shares referred to in the Finnish Companies Act.

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

In September 2014, Eero Heliövaara, Director General of the Government Ownership Steering Department, Prime Minister's Office and Liisa Hyssälä, Director General, The Social Insurance Institution of Finland, KELA were appointed to Fortum's Shareholders' Nomination Board. In addition, the Chairman of Fortum's Board of Directors Sari Baldauf is a member.

Events after the balance sheet date

In October, Fortum agreed to sell its UK-based subsidiary Grangemouth CHP Limited to INEOS Industries Holdings Ltd. Grangemouth CHP Limited owns and operates a natural gas-fired CHP plant located at Grangemouth in Scotland.

The total sales price is approximately GBP 54 million (corresponding to approximately EUR 70 million). The sale has a positive impact on Fortum's Power and Technology segment's financial performance, and the final sales gain will be booked in the segment's fourth-quarter 2014 results.

The transaction is part of Fortum's efficiency programme launched in October 2012 and aiming at the disposal of non-core assets.

Outlook

Key drivers and risks

Fortum's financial results are exposed to a number of economic, strategic, political, financial and operational risks. One of the key factors influencing Fortum's business performance is the wholesale price of electricity in the Nordic region. The key drivers behind the wholesale price development in the Nordic region are the supply-demand balance, fuel and CO_2 emissions allowance prices as well as the hydrological situation. The completion of Fortum's investment programme in Russia is also one key driver to the company's result growth, due to the increase in production volumes and CSA payments.

The continued global economic uncertainty and Europe's sovereign-debt crisis has kept the outlook for economic growth unpredictable. The overall economic uncertainty impacts commodity and CO_2 emissions allowance prices, and this could maintain downward pressure on the Nordic wholesale price for electricity in the short term. In Fortum's Russian business, the key factors are economic growth, the rouble exchange rate, the regulation around the heat business, and further development of electricity and capacity markets. Operational risks related to the investment projects in the current investment programme are still valid. In all regions, fuel prices and power plant availability also impact profitability. In addition, increased volatility in exchange rates due to financial turbulence could have both translation and transaction effects on Fortum's financials, especially through the Swedish krona (SEK) and the Russian rouble (RUB). In the Nordic countries, also the regulatory and fiscal environment for the energy sector has added risks for utility companies.

Nordic market

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

During January-September 2014, the price of oil and European Union emissions allowances (EUA) appreciated, whereas the coal price declined. The price of electricity for the upcoming twelve months ended practically unchanged in the Nordic area whereas in Germany it decreased.

In mid-October 2014, the future quotation for coal (ICE Rotterdam) for the rest of 2014 was around USD 71 per tonne, and the price for CO_2 for 2014 was about EUR 6 per tonne. The electricity forward price in Nord Pool for the rest of 2014 was around EUR 32 per MWh. For 2015, the price was around EUR 31 per MWh, and, for 2016, around EUR 30 per MWh. In Germany, the electricity forward price for the rest of 2014 was around EUR 34 per MWh and for 2015 EUR 34 per MWh. Nordic water reservoirs were about 10 TWh below the long-term average and 2 TWh above the corresponding level of 2013.

Power and Technology

The Power and Technology Segments Nordic power price typically depends on factors such as hedge ratios, hedge prices, spot prices, availability and utilisation of Fortum's flexible production portfolio, and currency fluctuations. Excluding the potential effects from the changes in the power generation mix, a 1 EUR/MWh change in the Power and Technology Segment's Nordic power sales (achieved) price will result in an approximately EUR 45 million change in Fortum's annual comparable operating profit. In addition, the comparable operating profit of the Power and Technology Segment will be affected by the possible thermal power generation volumes and its profits.

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

As a result of the nuclear stress tests in the EU, the Swedish nuclear safety authority (SSM) has decided to propose new regulations for Swedish nuclear reactors. The process is on-going and the final proposal is expected by the end 2014. Fortum emphasises that maintaining a high level of nuclear safety is the highest priority, but considers EU-level harmonisation of nuclear safety requirements to be of utmost importance.

The process to review the Swedish nuclear waste fees is done in a three-year cycle, and therefore SSM has given a new proposal for the nuclear waste fees. A government decision is expected by the end of 2014.

The new Swedish government has proposed to increase the tax on installed nuclear capacity by 17% as of 2015. Fortum's position is that the tax issue should be referred to an upcoming parliamentary energy commission in order to get a broadly established view on how the needs of energy and effect can be resolved.

Russia

The generation capacity built after 2007 under the Russian Government's Capacity Supply Agreements (CSA – "new capacity") receives guaranteed capacity payments for a period of 10 years. Prices for capacity under CSA are defined in order to ensure a sufficient return on investments. The issue of prolonged CSA payments from 10 to 15 years have been under discussion in the Russian Government; however, no official decisions have yet been made.

Capacity not under CSA competes in the competitive capacity selection (CCS – "old capacity"). The capacity selection for generation built prior to 2008 (CCS – "old capacity") for 2015 was held in September 2014. All of Fortum's capacity was allowed to participate in the selection for 2015 and the majority of Fortum's plants were also selected. The volume of Fortum's installed capacity not selected in the auction totalled 195 MW (approximately 3.7% of Fortum's total old capacity in Russia) for which Fortum plans to obtain forced mode status.

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

The value of the remaining part of the investment programme, calculated at the exchange rates prevailing at the end of September 2014, is estimated to be approximately EUR 0.3 billion, as of October 2014.

The Russian result is impacted by seasonal volatility caused by the nature of the heat business, with the first and last quarter being clearly the strongest.

At the time of the acquisition of the Russian subsidiary OAO Fortum in 2008, the EUR 500 million run-rate level in operating profit (EBIT) target set to be reached during 2015 in the Russia Segment corresponded to approximately RUB 18.2 billion at the then prevailing euro-rouble exchange rates. As earlier communicated, the segment's profits are mainly impacted by changes in currency exchange rates as well as power demand, gas prices and other regulatory development. Fortum is keeping its rouble-denominated target intact, but, mainly due to the translation effect, the euro-denominated result level will be volatile. Currently, the unfavourable exchange balance converts into a lower profit level in euros. However, every effort to mitigate the negative impacts is continuously being made.

In 2013, the Ministry of Energy stated that the heat reform should be developed before changing the current electricity and capacity market model.The Ministry of Energy proposed a new heat market model (for public discussion), which is supposed to ensure a transition to economically justified heat tariffs by 2020 and attract investments into the heat sector. In September 2014, the heat market reform road map was approved by Russian Government. According to the roadmap the reform shall give heat market liberalization by 2020 or, in some specific areas, by 2023.

As forecasted by the Russian Ministry of Economic Development, Russian gas price indexation did not take place in July 2014. However, year-on-year gas price growth is estimated to be 7.6% in 2014.

Distribution

Fortum is preparing for a possible sale of the Swedish electricity distribution business. The decision to complete the process is dependent on market development and development of national regulation, among other factors.

In Sweden, legal processes are under way concerning the appeal filed regarding the network income regulatory period 2012-2015. The Administrative Court in Sweden ruled in favour of the network companies in December 2013. The Energy Market Inspectorate decided to appeal the decision, and was given during leave to appeal to the Administrative Court of Appeals during the first quarter; therefore, the process continues. The court hearing is expected in Q4 2014 or Q1 2015.

The work to define the Swedish network income regulation model for the next regulatory period 2016-2019 is ongoing. In September 2014, the Swedish government made a decision regarding the capital base ordinance; however, the details will be decided by the Energy Market Inspectorate. Decisions are expected to be made during 2014.

Capital expenditure and divestments

Fortum currently expects its capital expenditure in 2014 to be approximately EUR 0.9-1.1 billion, excluding potential acquisitions. The Finnish distribution business is included in the figure until the end of the first quarter 2014 and the Norwegian distribution business until the end of the second quarter 2014. The annual maintenance capital expenditure is estimated to be about EUR 400-500 million in 2014, below the level of depreciation. Capex for electricity distribution in Finland and Norway was approximately EUR 150 million annually.

Fortum will gradually decrease its financing to Fortum Värme, the co-owned power and heat company operating in the capital area in Sweden, during 2014-2015. At the end of September 2014, Fortum Värme's remaining interest bearing liability to Fortum is approximately EUR 0.6 billion.

Taxation

The effective corporate income tax rate for Fortum in 2014 is estimated to be 19–21%, excluding the impact of the share of profits of associated companies and joint ventures, non-taxable capital gains and non-recurring items. In Finland, the corporate tax rate was reduced from 24.5% to 20% as of 1 January 2014.

The Finnish government decided in June that it will not, after all, introduce a power plant tax (windfall tax) on nuclear, hydro and wind power built before 2004. The final decision to revoke the tax will be made by the Parliament in autumn 2014.

In August, the Finnish Board of Adjustment of the Large Taxpayers' Office had unanimously approved Fortum Corporation's appeal for the income tax assessment imposed on Fortum for the year 2007 in December 2013. The Tax Recipients' Legal Services Unit has the right to appeal in the matter (Note 21).

Hedging

At the end of September 2014, approximately 70% of Power and Technology's estimated Nordic power sales volume was hedged at approximately EUR 43 per MWh for the rest of 2014. The corresponding figures for the calendar year 2015 were approximately 40% at approximately EUR 41 per MWh and for the calendar year 2016 approximately 10% at approximately EUR 39 per MWh.

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

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

Dividend payment

The Annual General Meeting 2014 decided to pay a dividend of EUR 1.10 per share for 2013. The record date for the dividend was 11 April 2014, and the dividend payment date was 22 April 2014.

Espoo, 22 October 2014
Fortum Corporation
Board of Directors

Further information:
Tapio Kuula, President and CEO, tel. +358 10 452 4112
Timo Karttinen, CFO, tel. +358 10 453 6555

Fortum's Investor Relations, Sophie Jolly, tel. +358 10 453 2552, Rauno Tiihonen, tel. +358 10 453 6150, Marja Mäkinen, tel. +358 10 452 3338 and 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 Corporation's Financial statements bulletin for the year 2014 will be published on 4 February 2015 at approximately 9.00 EET.

Fortum will publish three interim reports in 2015:
- January-March on 29 April 2015 at approximately 9.00 EEST

- January-June on 17 July 2015 at approximately 9.00 EEST
- January-September on 22 October 2015 at approximately 9.00 EEST

Fortum's Financial statements and Operating and financial review for 2014 will be published during week 10 at the latest.

Fortum's Annual General Meeting is planned to take place on 31 March 2015 and the possible dividend related dates planned for 2015 are:
- Ex-dividend date 1 April 2015
- Record date for dividend payment 2 April 2015
- Dividend payment date 14 April 2015

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.

Condensed consolidated income statement

EUR million	Note	Q3 2014	Q3 2013 restated*	Q1-Q3 2014	Q1-Q3 2013 restated*	2013 restated*	Last twelve months
Sales	4	**976**	1,060	**3,466**	3,918	5,309	4,857
Other income		**13**	9	**36**	40	93	89
Materials and services		**-433**	-476	**-1,444**	-1,726	-2,270	-1,988
Employee benefits		**-97**	-101	**-312**	-338	-460	-434
Depreciation, amortisation and impairment charges	4,10,11	**-126**	-169	**-407**	-459	-621	-569
Other expenses		**-151**	-158	**-424**	-456	-648	-616
Comparable operating profit		**183**	167	**915**	979	1,403	1,339
Items affecting comparability		**-34**	-70	**1,863**	22	106	1,947
Operating profit		**149**	96	**2,778**	1,002	1,508	3,284
Share of profit/loss of associates and joint ventures	4, 12	**1**	3	**111**	115	178	174
Interest expense		**-59**	-77	**-193**	-226	-301	-268
Interest income		**23**	19	**65**	56	75	84
Fair value gains and losses on financial instruments		**-9**	-2	**-10**	-8	-16	-18
Other financial expenses - net		**-11**	-12	**-31**	-35	-47	-43
Finance costs - net		**-56**	-72	**-169**	-212	-289	-246
Profit before income tax		**95**	27	**2,721**	904	1,398	3,215
Income tax expense	8	**-11**	3	**-134**	-157	-186	-163
Profit for the period		**84**	30	**2,587**	748	1,212	3,051
Attributable to:							
Owners of the parent		**85**	31	**2,583**	746	1,204	3,041
Non-controlling interests		**-1**	-1	**4**	2	8	10
		84	30	**2,587**	748	1,212	3,051
Earnings per share (in € per share)							
Basic		**0.10**	0.04	**2.91**	0.84	1.36	**3.42**
Diluted		**0.10**	0.04	**2.91**	0.84	1.36	**3.42**

EUR million	Q3 2014	Q3 2013 restated*	Q1-Q3 2014	Q1-Q3 2013 restated*	2013 restated*	Last twelve months
Comparable operating profit	**183**	167	**915**	979	1,403	1,339
Non-recurring items (capital gains and losses)	**8**	39	**1,933**	44	61	1,950
Changes in fair values of derivatives hedging future cash flow	**-40**	-105	**-64**	-48	21	5
Nuclear fund adjustment	**-2**	-4	**-6**	27	23	-10
Items affecting comparability	**-34**	-70	**1,863**	22	106	1,947
Operating profit	**149**	96	**2,778**	1,002	1,508	3,284

**Comparative period information for 2013 presented in this interim statement has been restated due to the accounting change for Fortum Värme, see Note 2.*

Condensed consolidated statement of comprehensive income

EUR million	Q3 2014	Q3 2013 restated	Q1-Q3 2014	Q1-Q3 2013 restated	2013 restated	Last twelve months
Profit for the period	**84**	30	**2,587**	748	1,212	3,051
Other comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods						
Cash flow hedges						
Fair value gains/losses in the period	**-19**	-52	**-24**	15	96	57
Transfers to income statement	**-20**	-22	**-58**	-47	-51	-62
Transfers to inventory/fixed assets	**-1**	-8	**-4**	-7	-8	-5
Tax effect	**9**	25	**18**	10	-6	2
Net investment hedges						
Fair value gains/losses in the period	**13**	6	**35**	18	28	45
Tax effect	**-3**	-2	**-6**	-5	-7	-8
Exchange differences on translating foreign operations	**-191**	-55	**-310**	-326	-478	-462
Share of other comprehensive income of associates	**-2**	17	**5**	20	42	27
Other changes	**0**	0	**-3**	0	0	-3
	-214	-91	**-347**	-322	-384	-409
Items that will not be reclassified to profit or loss in subsequent periods						
Actuarial gains/losses on defined benefit plans	**-31**	11	**-34**	13	44	-3
Actuarial gains/losses on defined benefit plans in associates	**-12**	-13	**-8**	21	9	-20
	-43	-2	**-42**	34	53	-23
Other comprehensive income for the period, net of tax	**-257**	-93	**-389**	-288	-331	-432
Total comprehensive income for the year	**-174**	-62	**2,197**	460	882	2,619
Total comprehensive income attributable to						
Owners of the parent	**-169**	-60	**2,199**	464	881	2,616
Non-controlling interests	**-5**	-2	**-2**	-4	1	3
	-174	-62	**2,197**	460	882	2,619

Condensed consolidated balance sheet

EUR million	Note	**Sept 30 2014**	Sept 30 2013 restated	Dec 31 2013 restated	Jan 1 2013 restated
ASSETS					
Non-current assets					
Intangible assets	10	**346**	408	384	427
Property, plant and equipment	11	**12,233**	14,095	12,849	14,235
Participations in associates and joint ventures	4, 12	**2,318**	2,311	2,341	2,373
Share in State Nuclear Waste Management Fund	15	**763**	736	744	678
Other non-current assets		**68**	69	77	68
Deferred tax assets		**126**	160	126	169
Derivative financial instruments	5	**478**	324	367	452
Long-term interest-bearing receivables	13	**2,096**	2,491	2,598	2,555
Total non-current assets		**18,429**	20,594	19,486	20,958
Current assets					
Inventories		**257**	286	264	298
Derivative financial instruments	5	**187**	174	307	233
Trade and other receivables		**588**	668	869	1,044
Cash and cash equivalents	14	**2,178**	1,094	1,250	961
Assets held for sale	6	**0**	0	1,173	0
Total current assets		**3,211**	2,221	3,863	2,537
Total assets		**21,640**	22,816	23,348	23,495
EQUITY					
Equity attributable to owners of the parent					
Share capital		**3,046**	3,046	3,046	3,046
Share premium		**73**	73	73	73
Retained earnings		**8,159**	6,538	6,851	7,020
Other equity components		**-24**	-56	54	-99
Total		**11,255**	9,601	10,024	10,039
Non-controlling interests		**81**	101	101	108
Total equity		**11,336**	9,702	10,124	10,147
LIABILITIES					
Non-current liabilities					
Interest-bearing liabilities	14	**5,954**	7,061	6,936	7,647
Derivative financial instruments	5	**220**	156	181	182
Deferred tax liabilities		**1,265**	1,527	1,338	1,561
Nuclear provisions	15	**763**	736	744	678
Other provisions	16	**13**	168	94	199
Pension obligations		**86**	89	50	120
Other non-current liabilities		**151**	462	148	467
Total non-current liabilities		**8,451**	10,198	9,492	10,854
Current liabilities					
Interest-bearing liabilities	14	**1,015**	1,866	2,103	1,071
Derivative financial instruments	5	**76**	132	95	271
Trade and other payables		**762**	917	994	1,152
Liabilities related to assets held for sale	6	**0**	0	540	0
Total current liabilities		**1,853**	2,915	3,732	2,494
Total liabilities		**10,303**	13,113	13,224	13,348
Total equity and liabilities		**21,640**	22,816	23,348	23,495

Condensed consolidated statement of changes in total equity

EUR million	Share capital	Share premium	Retained earnings		Other equity components			Owners of the parent	Non-controlling interests	Total equity
			Retained earnings and other funds	Translation of foreign operations	Cash flow hedges	Other OCI items	OCI items associated companies			
Total equity 31 December 2013	**3,046**	**73**	**7,500**	**-649**	**66**	**-51**	**38**	**10,024**	**101**	**10,124**
Net profit for the period			2,583					2,583	4	2,587
Translation differences				-303	-1	1	-1	-305	-6	-310
Other comprehensive income			-3		-68	-5	-3	-79	0	-79
Total comprehensive income for the period			2,580	-303	-69	-4	-4	2,199	-2	2,197
Cash dividend			-977					-977		-977
Dividends to non-controlling interests								0	-2	-2
Changes due to business combinations			8					8	-15	-7
Total equity 30 Sept 2014	**3,046**	**73**	**9,111**	**-952**	**-3**	**-56**	**34**	**11,255**	**81**	**11,336**
Total equity 1 January 2013	**3,046**	**73**	**7,193**	**-173**	**36**	**-118**	**-17**	**10,039**	**108**	**10,147**
Net profit for the period			746					746	2	747
Translation differences				-325	-1	1	4	-321	-5	-326
Other comprehensive income					-29	26	42	39	-1	38
Total comprehensive income for the period			746	-325	-30	27	46	464	-4	459
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-3	-3
Other			-15					-15		-15
Total equity 30 Sept 2013	**3,046**	**73**	**7,036**	**-498**	**6**	**-91**	**29**	**9,601**	**101**	**9,702**
Total equity 31 December 2012, as previously reported	**3,046**	**73**	**7,193**	**-173**	**34**	**-133**	**0**	**10,040**	**603**	**10,643**
Change in accounting policy (Note 2)					2	15	-17	-1	-495	-496
Total equity 1 January 2013	**3,046**	**73**	**7,193**	**-173**	**36**	**-118**	**-17**	**10,039**	**108**	**10,147**
Net profit for the period			1,204					1,204	8	1,212
Translation differences				-476	-1	2	4	-471	-7	-478
Other comprehensive income					31	65	51	148	0	148
Total comprehensive income for the period			1,204	-476	30	67	55	881	1	882
Cash dividend			-888					-888		-888
Dividends to non-controlling interests								0	-3	-3
Changes due to business combinations			1					1		1
Other			-10					-10	-5	-15
Total equity 31 December 2013	**3,046**	**73**	**7,500**	**-649**	**66**	**-51**	**38**	**10,024**	**101**	**10,124**

Translation differences

Translation differences impacted equity attributable to owners of the parent company with EUR -305 million during Q1-Q3 2014 (Q1-Q3 2013: -321). Translation differences are mainly related to RUB and SEK amounting to EUR -324 million in Q1-Q3 2014 (Q1-Q3 2013 mainly related to RUB, NOK and SEK: -300).

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

Cash flow hedges

The impact on equity attributable to owners of the parent from fair valuation of cash flow hedges, EUR -69 million during Q1-Q3 2014 (Q1-Q3 2013: -30), mainly relates to cash flow hedges hedging electricity price for future transactions, where hedge accounting is applied. When electricity price is lower/higher than the hedging price, the impact on equity is positive/negative.

Cash dividends

A dividend for 2013 of EUR 1.10 per share, amounting to a total of EUR 977 million, was decided at the Annual General Meeting on 8 April 2014. The dividend was paid on 22 April 2014.

A dividend for 2012 of EUR 1.00 per share, amounting to a total of EUR 888 million, was decided at the Annual General Meeting on 9 April 2013. The dividend was paid on 19 April 2013.

Condensed consolidated cash flow statement

EUR million	Q3 2014	Q3 2013 restated	Q1-Q3 2014	Q1-Q3 2013 restated	2013 restated	Last twelve months
Cash flow from operating activities						
Net profit for the period	**84**	30	**2,587**	748	1,212	3,051
Adjustments:						
Income tax expenses	**11**	-3	**134**	157	186	163
Finance costs - net	**56**	72	**169**	212	289	246
Share of profit of associates and joint ventures	**-1**	-3	**-111**	-115	-178	-174
Depreciation, amortisation and impairment charges	**126**	169	**407**	459	620	568
Operating profit before depreciations (EBITDA)	**276**	265	**3,185**	1,461	2,129	3,853
Non-cash flow items and divesting activities	**18**	59	**-1,903**	-104	-262	-2,061
Interest received	**17**	11	**62**	36	62	88
Interest paid	**-40**	-49	**-281**	-301	-371	-351
Dividends received	**9**	15	**57**	71	74	60
Realised foreign exchange gains and losses and other financial items	**60**	91	**213**	-49	47	309
Taxes	**-68**	-68	**-164**	-149	-210	-225
Funds from operations	**273**	324	**1,170**	966	1,469	1,673
Change in working capital	**15**	77	**140**	185	79	34
Total net cash from operating activities	**288**	401	**1,310**	1,150	1,548	1,708
Cash flow from investing activities						
Capital expenditures	**-194**	-259	**-524**	-670	-1,004	-858
Acquisitions of shares	**-33**	0	**-60**	-12	-15	-63
Proceeds from sales of fixed assets	**9**	12	**18**	16	66	68
Divestments of shares	**1**	92	**2,687**	107	122	2,702
Proceeds from interest-bearing receivables from sold subsidiaries	**0**	0	**131**	22	22	131
Shareholder loans to associated companies and joint ventures	**197**	-96	**420**	40	-136	244
Change in other interest-bearing receivables	**-9**	0	**5**	-1	2	8
Total net cash used in investing activities	**-29**	-249	**2,677**	-497	-944	2,230
Cash flow before financing activities	**259**	152	**3,987**	653	604	3,938
Cash flow from financing activities						
Proceeds from long-term liabilities	**1**	7	**48**	775	781	54
Payments of long-term liabilities	**-226**	-75	**-1,469**	-94	-636	-2,011
Change in short-term liabilities	**-9**	-20	**-667**	-309	438	80
Dividends paid to the owners of the parent	**0**	0	**-977**	-888	-888	-977
Other financing items	**16**	5	**9**	10	22	21
Total net cash used in financing activities	**-218**	-82	**-3,057**	-507	-284	-2,834
Total net increase(+) / decrease(-) in cash and cash equivalents	**42**	70	**929**	146	320	1,103
Cash and cash equivalents at the beginning of the period	**2,157**	1,025	**1,265**	961	961	1,094
Foreign exchange differences in cash and cash equivalents	**-20**	-1	**-16**	-14	-17	-19
Cash and cash equivalents at the end of the period [1)]	**2,178**	1,094	**2,178**	1,094	1,265	2,178

[1)] Including cash balances of EUR 15 million relating to assets held for sale as of 31 December 2013.

Non-cash flow items and divesting activities

Non-cash flow items and divesting activities mainly consist of capital gains EUR -1,933 million (Q1-Q3 2013: -44) and adjustments for unrealised fair value changes of derivatives EUR 39 million (Q1-Q3 2013: -46). The actual proceeds for divestments are shown under cash flow from investing activities.

Realised foreign exchange gains and losses and other financial items

Realised foreign exchange gains and losses and other financial items include foreign exchange gains and losses of EUR 216 million for Q1-Q3 2014 (Q1-Q3 2013: -46) related mainly to financing of Fortum's Swedish and Russian subsidiaries and the fact that the Group's main external financing currency is EUR. The foreign exchange gains and losses arise from rollover of foreign exchange contracts hedging the internal loans as major part of these forwards is entered into with short maturities i.e. less than twelve months.

Additional cash flow information

Change in working capital

EUR million	**Q3 2014**	Q3 2013 restated	**Q1-Q3 2014**	Q1-Q3 2013 restated	2013 restated	Last twelve months
Change in interest-free receivables, decrease (+)/increase (-)	**12**	81	**206**	332	92	-34
Change in inventories, decrease (+)/increase (-)	**3**	-2	**2**	3	24	23
Change in interest-free liabilities, decrease (-)/increase (+)	**0**	-2	**-68**	-150	-37	45
Total	**15**	77	**140**	185	79	34

Capital expenditure in cash flow

EUR million	**Q3 2014**	Q3 2013 restated	**Q1-Q3 2014**	Q1-Q3 2013 restated	2013 restated	Last twelve months
Capital expenditure	**234**	270	**521**	677	1,005	849
Change in not yet paid investments, decrease(+)/increase(-)	**-26**	3	**37**	41	60	56
Capitalised borrowing costs	**-14**	-13	**-35**	-48	-60	-47
Total	**194**	259	**524**	670	1,004	858

Capital expenditures for intangible assets and property, plant and equipment were in Q1-Q3 2014 EUR 521 million (Q1-Q2 2013: 677). Capital expenditure in cash flow in Q1-Q3 2014 EUR 524 million (Q1-Q3 2013: 670) is without not yet paid investments i.e. change in trade payables related to investments EUR 37 million (Q1-Q3 2013: 41) and capitalised borrowing costs EUR -35 million (Q1-Q3 2013: -48), which are presented in interest paid.

Acquisition of shares in cash flow

Acquisition of shares, net of cash acquired, amounted to EUR 60 million during Q1-Q3 2014 (Q1-Q3 2013: 12).

Divestment of shares in cash flow

EUR million	**Q3 2014**	Q3 2013 restated	**Q1-Q3 2014**	Q1-Q3 2013 restated	2013 restated	Last twelve months
Proceeds from sales of subsidiaries, net of cash disposed	**0**	2	**2,684**	18	22	2,688
Proceeds from interest-bearing receivables from sold subsidiaries	**0**	0	**131**	22	22	131
Proceeds from sales of associates	**0**	90	**1**	90	100	11
Proceeds from available for sale financial assets	**0**	0	**1**	0	0	1
Total	**1**	92	**2,818**	129	144	2,833

Gross divestment of shares totalled EUR 2,821 million in Q1-Q3 2014 (Q1-Q3 2013: 129), see Note 6.

Change in net debt

EUR million	**Q3 2014**	Q3 2013 restated	**Q1-Q3 2014**	Q1-Q3 2013 restated	2013 restated	Last twelve months
Net debt beginning of the period	**5,008**	7,975	**7,793**	7,757	7,757	7,834
Foreign exchange rate differences	**30**	40	**-68**	-44	-106	-130
EBITDA	**276**	265	**3,185**	1,461	2,129	3,853
Paid net financial costs, taxes and adjustments for non-cash and divestment items	**-3**	59	**-2,015**	-496	-660	-2,179
Change in working capital	**15**	77	**140**	185	79	34
Capital expenditures	**-194**	-259	**-524**	-670	-1,004	-858
Acquisitions	**-33**	0	**-60**	-12	-15	-63
Divestments	**9**	104	**2,705**	123	188	2,770
Proceeds from the interest-bearing receivables relating to divestments	**0**	0	**131**	22	22	131
Shareholder loans to associated companies	**197**	-96	**420**	40	-136	244
Change in other interest-bearing receivables	**-9**	0	**5**	-1	2	8
Dividends	**0**	0	**-977**	-888	-888	-977
Other financing activities	**16**	5	**9**	10	22	21
Net cash flow (- increase in net debt)	**275**	155	**3,018**	-226	-261	2,983
Fair value change of bonds, amortised cost valuation and other	**27**	-26	**83**	-105	-119	69
Net debt end of the period	**4,790**	7,834	**4,790**	7,834	7,793	4,790

Key ratios

	Sept 30 2014	Sept 30 2013 restated	Dec 31 2013 restated	Last twelve months
EBITDA, EUR million	3,185	1,461	2,129	**3,854**
Comparable EBITDA, EUR million	1,317	1,429	1,975	**1,864**
Earnings per share (basic), EUR	2.91	0.84	1.36	**3.42**
Capital employed, EUR million	18,305	18,630	19,183	**18,305**
Interest-bearing net debt, EUR million	4,790	7,834	7,793	**4,790**
Interest-bearing net debt without Värme financing, EUR million	4,152	6,758	6,658	**4,152**
Capital expenditure and gross investments in shares, EUR million	581	690	1,020	**911**
Capital expenditure, EUR million	521	677	1,005	**849**
Return on capital employed, % 1)	17.4	8.0	9.0	**18.9**
Return on shareholders' equity, % 1)	26.4	10.0	12.0	**29.0**
Net debt / EBITDA 1)	1.3	4.0	3.7	**1.2**
Comparable net debt / EBITDA 1)	2.7	4.1	3.9	**2.6**
Comparable net debt / EBITDA without Värme financing 1)	2.4	3.5	3.4	**2.2**
Interest coverage	21.7	5.9	6.7	**17.8**
Interest coverage including capitalised borrowing costs	17.0	4.6	5.3	**14.2**
Funds from operations/interest-bearing net debt, % 1)	31.1	16.6	18.8	**34.9**
Funds from operations/interest-bearing net debt without Värme financing, % 1)	35.8	19.3	22.1	**40.3**
Gearing, %	**42**	81	77	
Equity per share, EUR	**12.67**	10.81	11.28	
Equity-to-assets ratio, %	**52**	43	43	
Number of employees	**8,701**	9,412	9,186	
Average number of employees	**8,888**	9,611	9,532	
Average number of shares, 1 000 shares	**888,367**	888,367	888,367	
Diluted adjusted average number of shares, 1 000 shares	**888,367**	888,367	888,367	
Number of registered shares, 1 000 shares	**888,367**	888,367	888,367	

1) Quarterly figures are annualised except items affecting comparability.
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 consolidated financial statements for the year ended 31 December 2013.

All figures in the consolidated interim financial statements have been rounded and consequently the sum of individual figures may deviate from the sum presented. Key figures have been calculated using exact figures.

2. Accounting policies

The same accounting policies and presentation have been followed in these condensed interim financial statements as were applied in the preparation of the consolidated financial statements for the year ended 31 December 2013 except for the policies and presentation described below.

Adoption of new IFRS standards from 1 Jan 2014

Change in accounting for Fortum Värme

Fortum has applied the new IFRS 10 Consolidated financial statements and IFRS 11 Joint arrangements from 1 January 2014 onwards. IFRS 10 builds on the principle of identifying the concept of control as the determining factor whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. IFRS 11 replaces IAS 31 Interests in joint ventures. Joint control under IFRS 11 is defined as the contractual sharing of control of an arrangement, which exists only when the decisions about the relevant activities require unanimous consent of the parties sharing control.

The effect of applying the new standards to Fortum Group financial information relates to AB Fortum Värme samägt med Stockholm Stad (Fortum Värme), that is treated as a joint venture and thus consolidated with equity method from 1 January 2014 onwards. Fortum Värme is a district heating company producing heat and power with CHP plants in Stockholm area. Before the change the company was consolidated as a subsidiary with 50% minority interest.

More information of the impact from the restatement can be found in Q1/2014 interim report (Note 2 and separate attachment).

3. Critical accounting estimates and judgements

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

4. Segment information

Fortum renewed its business structure as of 1 March 2014. The reorganisation lead to a change in Fortum's external financial reporting structure as previously separately reported segments Heat and Electricity Sales are now combined into one segment: Heat, Electricity Sales and Solutions. Reorganisation had also some minor changes to the composition of the segments mainly due to the transfer of certain centralised functions to the business areas. Fortum reports its 2014 first quarter financial results according to the new structure. The reportable segments under IFRS have been renamed correspondingly.

The four reporting segments and their business divisions are as follows:
- Power and Technology consists of Fortum's hydro, nuclear and thermal power generation, Power solutions with expert services, portfolio management and trading as well as technology and R&D functions. The segment incorporates two divisions Hydro Power and Technology and Nuclear and Thermal Power.
- Heat, Electricity Sales and Solutions comprises of Fortum's combined heat and power (CHP) production, district heating activities and business to business heating solutions, solar business, electricity sales and related customer offering and corporate sustainability.
- Russia comprises of Fortum's activities in Russia.
- Distribution comprises of Fortum's electricity distribution activities.

Please see the attachment to Q1/2014 interim report for the quarterly segment information 2013 revised based on the new business structure.

The divested distribution and heat operations have been included in the segment information until the closing of the transactions. See additional information relating to distribution operations by country in the Quarterly information excel published with this interim report.

Sales EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power sales excluding indirect taxes	**709**	710	**2,234**	2,481	3,284	3,037
Heating sales	**94**	101	**524**	575	828	777
Network transmissions	**120**	207	**546**	758	1,024	812
Other sales	**54**	42	**162**	104	173	231
Total	**976**	1,060	**3,466**	3,918	5,309	4,857

Sales by segment EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology [1]	**495**	496	**1,568**	1,709	2,252	2,111
- of which internal	***8***	*9*	***62***	*44*	*69*	*87*
Heat, Electricity Sales and Solutions [1]	**224**	255	**939**	1,094	1,516	1,361
- of which internal	***4***	*15*	***26***	*66*	*87*	*47*
Russia	**207**	210	**774**	805	1,119	1,088
- of which internal	***0***	*0*	***0***	*0*	*0*	*0*
Distribution	**130**	217	**578**	784	1,064	858
- of which internal	***4***	*6*	***12***	*13*	*19*	*18*
Other [1]	**14**	14	**42**	43	63	62
- of which internal	***11***	*12*	***33***	*37*	*54*	*50*
Netting of Nord Pool transactions [2]	**-67**	-90	**-301**	-356	-478	-423
Eliminations	***-26***	*-42*	***-134***	*-161*	*-228*	*-201*
Total	**976**	1,060	**3,466**	3,918	5,309	4,857

[1] Sales, both internal and external, includes effects from realised hedging contracts. Effect on sales can be negative or positive depending on the average contract price and realised spot price.
[2] Sales and purchases with Nord Pool Spot is netted on Group level on an hourly basis and posted either as revenue or cost depending on if Fortum is a net seller or net buyer during any particular hour.

Comparable operating profit by segment EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology	**167**	139	**601**	652	859	808
Heat, Electricity Sales and Solutions	**-4**	-3	**55**	68	109	96
Russia	**1**	-15	**102**	46	156	212
Distribution	**36**	59	**200**	256	332	276
Other	**-16**	-14	**-43**	-42	-54	-55
Total	**183**	167	**915**	979	1,403	1,339

Operating profit by segment EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology	**124**	44	**537**	644	922	815
Heat, Electricity Sales and Solutions	**4**	8	**116**	83	134	167
Russia	**1**	-15	**102**	46	156	212
Distribution	**36**	76	**2,066**	274	349	2,141
Other	**-16**	-17	**-44**	-45	-53	-52
Total	**149**	96	**2,778**	1,002	1,508	3,284

Non-recurring items by segment EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology	**1**	14	**6**	18	25	13
Heat, Electricity Sales and Solutions	**8**	9	**61**	9	18	70
Russia	**0**	0	**0**	0	0	0
Distribution	**0**	17	**1,865**	17	17	1,865
Other	**0**	0	**0**	0	1	1
Total	**8**	39	**1,933**	44	61	1,950

Non-recurring items in third quarter 2014 include gains from sale of property, plant and equipment.

Other items affecting comparability by segment

EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology [1)]	**-43**	-109	**-70**	-26	38	-6
Heat, Electricity Sales and Solutions	**1**	2	**0**	6	7	1
Russia	**0**	0	**0**	0	0	0
Distribution	**0**	0	**1**	1	0	0
Other	**0**	-3	**0**	-2	1	3
Total	**-42**	-110	**-69**	-21	45	-3
[1)] Including effects from the accounting of Fortum's part of the Finnish State Nuclear Waste Management Fund with (EUR million):	-2	-4	-6	27	23	-10

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

Comparable EBITDA by segment

EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology	**197**	190	**692**	765	1,007	934
Heat, Electricity Sales and Solutions	**20**	23	**130**	142	211	199
Russia	**40**	23	**217**	143	258	332
Distribution	**67**	113	**318**	417	548	449
Other	**-15**	-13	**-39**	-39	-49	-49
Total	**309**	336	**1,317**	1,429	1,975	1,863

EBITDA is calculated by adding back depreciation, amortisation and impairment charges to operating profit. Comparable EBITDA does not include items affecting comparability and net release of CSA provision.

Depreciation, amortisation and impairment charges by segment

EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology [1)]	**30**	51	**91**	113	148	126
Heat, Electricity Sales and Solutions	**25**	26	**75**	75	102	102
Russia	**39**	37	**119**	107	150	162
Distribution	**31**	54	**118**	161	216	173
Other	**2**	1	**4**	4	5	5
Total	**126**	169	**407**	459	621	569

[1)] Including EUR 20 million impairment loss relating to the closure of Inkoo power plant in Q3/2013.

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

EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology [1), 2)]	**-7**	-13	**-27**	-22	4	-1
Heat, Electricity Sales and Solutions	**0**	1	**63**	64	91	90
Russia	**5**	6	**36**	47	46	35
Distribution	**0**	3	**3**	4	4	3
Other	**4**	6	**35**	23	32	44
Total	**1**	3	**111**	115	178	174
[1)] Including effects from the accounting of Fortum's associates part of Finnish and Swedish Nuclear Waste Management Funds with (EUR million):	**2**	-3	**-2**	-5	-6	-3

[2)] The main part of the associated companies in Power and Technology 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 2014	Sept 30 2013	Dec 31 2013
Power and Technology	**859**	868	896
Heat, Electricity Sales and Solutions	**623**	569	592
Russia	**472**	479	463
Distribution	**0**	53	52
Other	**364**	341	339
Total	**2,318**	2,311	2,341

See Note 12 for information on participation in associates and joint ventures and Note 6 for information on associated company divestments.

Capital expenditure by segment

EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology	**65**	48	**137**	117	179	199
Heat, Electricity Sales and Solutions	**30**	37	**56**	96	123	83
Russia	**105**	125	**234**	294	435	375
Distribution	**29**	56	**89**	165	255	179
Other	**5**	3	**5**	5	12	12
Total	**234**	269	**521**	677	1,005	849
Of which capitalised borrowing costs	**14**	13	**35**	48	60	47

Gross investments in shares by segment

EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology	**1**	0	**1**	1	2	2
Heat, Electricity Sales and Solutions	**29**	0	**29**	11	11	29
Russia	**0**	0	**27**	0	0	27
Distribution	**0**	0	**0**	0	0	0
Other	**3**	0	**3**	0	2	5
Total	**32**	0	**60**	13	15	62

Gross divestments of shares by segment

EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Power and Technology	**0**	40	**1**	75	79	5
Heat, Electricity Sales and Solutions	**0**	0	**136**	0	11	147
Russia	**0**	0	**1**	0	0	1
Distribution	**0**	52	**2,682**	52	52	2,682
Other	**0**	0	**2**	0	0	2
Total	**1**	92	**2,821**	127	142	2,836

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

Net assets by segment

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Power and Technology	**6,083**	6,285	6,355
Heat, Electricity Sales and Solutions	**2,188**	2,275	2,295
Russia	**3,670**	3,795	3,846
Distribution	**2,634**	3,759	3,745
Other	**338**	297	295
Total	**14,913**	16,410	16,537

Comparable return on net assets by segment %	Last twelve months	Dec 31 2013
Power and Technology	13.2	13.8
Heat, Electricity Sales and Solutions	8.3	8.7
Russia	6.6	5.2
Distribution	8.9	8.8
Other	-3.3	-6.9

Return on net assets by segment %	Last twelve months	Dec 31 2013
Power and Technology	13.1	14.5
Heat, Electricity Sales and Solutions	11.4	9.7
Russia	6.6	5.2
Distribution [1]	68.5	9.3
Other	-2.4	-8.5

[1] LTM figure impacted by capital gain (see Note 6).

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 2014	Sept 30 2013	Dec 31 2013
Power and Technology	**7,071**	7,315	7,366
Heat, Electricity Sales and Solutions	**2,616**	2,705	2,860
Russia	**3,904**	4,189	4,150
Distribution	**2,712**	4,229	4,271
Other	**482**	446	437
Eliminations	**-151**	-229	-293
Assets included in net assets	**16,635**	18,655	18,791
Interest-bearing receivables	**2,101**	2,453	2,477
Deferred taxes	**126**	160	126
Other assets [1]	**599**	452	704
Cash and cash equivalents	**2,178**	1,094	1,250
Total assets	**21,640**	22,816	23,348

[1] Other assets 31 December 2013 includes cash, EUR 15 million, included in assets held for sale.

Liabilities by segments EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Power and Technology	**988**	1,031	1,010
Heat, Electricity Sales and Solutions	**429**	429	565
Russia	**234**	394	304
Distribution	**78**	471	526
Other	**145**	149	142
Eliminations	**-151**	-229	-293
Liabilities included in net assets	**1,722**	2,244	2,254
Deferred tax liabilities	**1,265**	1,527	1,338
Other liabilities	**345**	415	573
Total liabilities included in capital employed	**3,331**	4,186	4,166
Interest-bearing liabilities [1]	**6,969**	8,927	9,058
Total equity	**11,336**	9,700	10,124
Total equity and liabilities	**21,640**	22,816	23,348

[1] Interest-bearing liabilities 31 December 2013 includes interest-bearing liabilities, EUR 20 million, included in Liabilities related to assets held for sale.

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

Number of employees	Sept 30 2014	Sept 30 2013	Dec 31 2013
Power and Technology	**1,678**	1,889	1,723
Heat, Electricity Sales and Solutions	**1,862**	1,987	1,968
Russia	**4,253**	4,197	4,162
Distribution	**380**	802	805
Other	**528**	537	528
Total	**8,701**	9,412	9,186

Average number of employees	Q1-Q3 2014	Q1-Q3 2013	2013
Power and Technology	**1,697**	1,935	1,900
Heat, Electricity Sales and Solutions	**1,943**	2,074	2,051
Russia	**4,188**	4,265	4,245
Distribution	**524**	780	786
Other	**537**	556	550
Total	**8,888**	9,611	9,532

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

5. Financial risk management

The Group has not made any significant changes in policies regarding risk management during the period. Aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2013.

Fair value hierarchy information

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

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

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

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

See also accounting policies in the consolidated financial statements 2013, in Note 17 Financial assets and liabilities by fair value hierarchy

Financial assets

	Level 1			Level 2			Level 3			Netting [2)]			Total		
EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013
In non-current assets															
Available for sale financial assets [1)]	**1**	1	1				**29**	29	30				**30**	30	31
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				**15**	34	54				**-5**	-14	-12	**10**	19	42
Non-hedge accounting				**62**	46	71				**-19**	-20	-28	**43**	26	43
Interest rate and currency derivatives															
Hedge accounting				**214**	84	94							**214**	84	94
Non-hedge accounting				**205**	167	186							**205**	167	186
Oil and other futures and forward contracts															
Hedge accounting													**0**	0	0
Non-hedge accounting	**8**	34	3	**1**						**-3**	-6		**7**	27	3
Total in non-current assets	**9**	35	4	**497**	331	405	**29**	29	30	**-27**	-40	-40	**508**	354	399
In current assets															
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				**56**	35	127				**-13**	-25	-23	**44**	10	104
Non-hedge accounting	**2**	4	2	**91**	89	250				**-54**	-66	-164	**40**	27	88
Interest rate and currency derivatives															
Hedge accounting				**19**	5	5							**19**	6	5
Non-hedge accounting				**55**	58	80							**55**	58	80
Oil and other futures and forward contracts															
Hedge accounting		2	1									-1	**0**	2	0
Non-hedge accounting	**49**	171	59	**4**						**-22**	-100	-32	**30**	71	29
Total in current assets	**51**	177	62	**225**	187	462	**0**	0	0	**-89**	-191	-220	**187**	174	307
Total	**60**	212	66	**722**	518	867	**29**	29	30	**-116**	-231	-260	**696**	528	706

Financial liabilities

EUR million	Level 1			Level 2			Level 3			Netting [2]			Total		
	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013	Sept 30 2014	Sept 30 2013	Dec 31 2013
In non-current liabilities															
Interest-bearing liabilities [3]				1,258	1,413	1,299							1,258	1,413	1,299
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				13	21	19				-5	-14	-12	8	6	7
Non-hedge accounting				57	33	58				-19	-20	-28	38	14	30
Interest rate and currency derivatives															
Hedge accounting				79	58	72							79	58	72
Non-hedge accounting				92	65	71							92	65	71
Oil and other futures and forward contracts															
Non-hedge accounting	5	19	2							-3	-6		3	12	2
Total in non-current liabilities	5	19	2	1,499	1,590	1,519	0	0	0	-27	-40	-40	1,478	1,568	1,480
In current liabilities															
Derivative financial instruments															
Electricity derivatives															
Hedge accounting				14	26	23				-13	-25	-23	2	2	0
Non-hedge accounting		5	3	65	71	192				-54	-66	-164	12	10	31
Interest rate and currency derivatives															
Hedge accounting				18	5	5							18	5	5
Non-hedge accounting				31	57	48							31	57	48
Oil and other futures and forward contracts															
Hedge accounting		5	2									-1	0	5	1
Non-hedge accounting	36	153	41							-22	-100	-32	14	53	10
Total in current liabilities	36	163	46	128	159	268	0	0	0	-89	-191	-220	76	132	95
Total	41	182	48	1,627	1,749	1,787	0	0	0	-116	-231	-260	1,554	1,700	1,575

[1] Available for sale financial assets, i.e. shares which are not classified as associated companies or joint ventures, consists mainly of shares in unlisted companies of EUR 29 million (Dec 31 2013: 30), for which the fair value cannot be reliably determined. These assets are measured at cost less possible impairment. Available for sale financial assets include listed shares at fair value of EUR 1 million (Dec 31 2013: 1). The cumulative fair value change booked in Fortum's equity was EUR -3 million (Dec 31 2013: -3).

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

[3] Fair valued part of bonds when hedge accounting is applied (fair value hedge).

Net fair value amount of interest rate and currency derivatives is EUR 273 million, assets EUR 493 million and liabilities EUR 220 million. Fortum has cash collaterals based on Credit Support Annex agreements with some counterparties. At the end of September 2014 Fortum had received EUR 182 million from Credit Support Annex agreements. The received cash has been booked as short term liability.

Regarding the relevant interest-bearing liabilities, see Note 14 Interest-bearing liabilities and Note 17 Pledged assets.

6. Acquisitions, disposals and assets held for sale

Acquisitions

In July 2014, Fortum acquired E.ON Ruhrgas International GmbH's shareholding of 33.66% in the Estonian natural gas import, sales and distribution company AS Eesti Gaas and a similar shareholding in the gas transmission service company AS Võrguteenus Valdus. For additional information see Note 12.

There were no material acquisitions during 2013.

Disposals

Disposals during Q1-Q3 2014

In April 2014 Fortum agreed to sell its Norwegian electricity distribution to the Hafslund Group, listed on the Oslo Stock Exchange, and its heat businesses in Norway to iCON Infrastructure Partners II, L.P. fund. In addition, Fortum agreed to sell its shareholding in Fredrikstad Energi AS (49%) and Fredrikstad Energi Nett AS (35%) to the Hafslund Group. The divestments were completed during the second quarter after the necessary regulatory approvals and customary closing conditions were met.

The total consideration is approximately EUR 340 million on a debt- and cash-free basis. The sales gains are booked in Fortum's Distribution segment, EUR 16 million, and Heat and Electricity Sales and Solutions segment, EUR 52 million in the second quarter 2014 results. The one time sales gains correspond to approximately EUR 0.08 per share.

In January 2014, Fortum agreed to sell its Tohkoja wind power project located in Kalajoki, in western Finland, to wpd europe GmbH, part of the international wpd group. The transaction was completed during the second quarter of 2014 and had a minor positive impact on Power and Technology segment's results.

In January 2014 Fortum agreed to sell its 30%-stake in the Swedish power company Karlshamns Kraft AB to the company's majority owner E.ON. The sale has a minor impact on Power and Technology segment's first quarter 2014 results.

In December 2013 Fortum announced that it had agreed to sell its Finnish electricity distribution business to Suomi Power Networks Oy, owned by a consortium of Finnish and international investors.

The total consideration is EUR 2.55 billion on a debt- and cash-free basis. Fortum booked a one-time sales gain of EUR 1.85 billion corresponding to EUR 2.08 per share. The sales gain was reported in Fortum's Distribution segment in the first quarter of 2014.

Disposals during 2013

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

In June 2013, Fortum agreed to sell its 47.9% ownership in the Swedish energy company Härjeåns Kraft AB to the Finnish energy company Oy Herrfors Ab, a subsidiary of Katternö Group. The sales price was SEK 445 million (approximately EUR 51 million). The transaction was completed in July and a capital gain of EUR 17 million was booked to Distribution segment's third quarter results.

In July 2013 Fortum completed the divestment of its 33% holding in Infratek ASA to a fund managed by Triton. The sales price was NOK 295 million (approximately EUR 38 million). A capital gain of EUR 11 million was booked in Power and Technology segment's third quarter results.

During fourth quarter there were several divestments that had a minor effect to Fortum's Heat, Electricity Sales and Solutions segment's results. In November 2013 Fortum sold its 50% ownership in the Finnish district heating company Riihimäen Kaukolämpö Oy to the City of Riihimäki (40%) and to Riihimäen Kaukolämpö Oy (10%).

In December 2013 Fortum sold its Kauttua combined heat and power (CHP) plant in Eura, Finland to the Finnish energy company Adven Oy. Also in December 2013 Fortum sold its CHP plant as well as its natural gas and district heating network in the town of Nokia to Leppäkosken Sähkö Oy. Furthermore Fortum's Uimaharju CHP plant ownership was transferred to Stora Enso on 31 December 2013 according to an earlier agreement signed in 1990.

Gross divestments of shares

EUR million	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Proceeds settled in cash	**0**	3	**2,684**	18	22	2,688
Interest bearing debt in sold subsidiaries	**0**	0	**135**	22	22	135
Change in receivables relating to divestments	**0**	0	**0**	-2	-2	0
Gross divestments of shares in subsidiaries	**0**	3	**2,819**	39	42	2,822
Gross divestment of associates	**0**	90	**1**	90	100	11
Gross divestment of available for sale financial assets	**0**	0	**1**	0	0	1
Total	**1**	92	**2,821**	129	142	2,834

Assets held for sale at the balance sheet date

As of 30 September 2014 there were no Assets held for sale. The assets, EUR 1,173 million, and liabilities, EUR 540 million, relating to Finnish distribution business were classified as assets held for sale in the balance sheet as of 31 December 2013. The sale was completed in March 2014.

Impact on Distribution segment information

The divested distribution operations are included in the segment information until the closing of the transactions. See additional information by country in the Quarterly information excel published with this interim report.

7. Exchange rates

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

Average rate	**Jan-Sept 2014**	Jan-June 2014	Jan-March 2014	Jan-Dec 2013	Jan-Sept 2013	Jan-June 2013	Jan-March 2013
Sweden (SEK)	**9.0380**	8.9774	8.8777	8.6624	8.6040	8.5599	8.5043
Norway (NOK)	**8.2893**	8.3174	8.3510	7.8266	7.6958	7.5555	7.4456
Poland (PLN)	**4.1807**	4.1776	4.1857	4.2027	4.2097	4.1954	4.1501
Russia (RUB)	**48.0976**	47.8497	47.9490	42.4441	41.7516	40.8468	40.2378

Balance sheet date rate	**Sept 30 2014**	June 30 2014	March 31 2014	Dec 31 2013	Sept 30 2013	June 30 2013	March 31 2013
Sweden (SEK)	**9.1465**	9.1762	8.9483	8.8591	8.6575	8.7773	8.3553
Norway (NOK)	**8.1190**	8.4035	8.2550	8.3630	8.1140	7.8845	7.5120
Poland (PLN)	**4.1776**	4.1568	4.1719	4.1543	4.2288	4.3376	4.1804
Russia (RUB)	**49.7653**	46.3779	48.7800	45.3246	43.8240	42.8450	39.7617

8. Income tax expense

Tax rate according to the income statement for Q1-Q3 2014 was 4.9% (Q1-Q3 2013: 17.4%). The main impact on the tax rate related to tax exempt capital gain in Finland and Norway. The tax rate used in the income statement is also always impacted by the fact that the share of profits of associates and joint ventures is recorded based on Fortum's share of profits after tax. Tax rate for Q1-Q3 2014, excluding the impact of share of profits of associated companies and joint ventures, non-taxable capital gains was 19.4% (Q1-Q3 2013: 20.7%).

In Finland, the corporate tax rate was decreased to 20.0% from 24.5% starting 1 January 2014. In Q4 2013, the one-time positive effect from the tax rate change was approximately EUR 79 million.

9. Dividend per share

A dividend in respect of 2013 of EUR 1.10 per share, amounting to a total dividend of EUR 977 million, was decided at the Annual General Meeting on 8 April 2014. The dividend was paid on 22 April 2014.

A dividend in respect of 2012 of EUR 1.00 per share, amounting to a total dividend of EUR 888 million, was decided at the Annual General Meeting on 9 April 2013. The dividend was paid on 19 April 2013.

10. Changes in intangible assets

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Opening balance	**384**	427	427
Capital expenditures	**18**	29	46
Changes of emission rights	**-14**	-8	7
Disposals	**-1**	0	0
Depreciation, amortisation and impairment	**-18**	-17	-26
Divestments	**-18**	0	-3
Reclassifications	**18**	2	2
Moved to assets held for sale[1)]	**0**	0	-35
Translation differences and other adjustments	**-23**	-26	-34
Closing balance	**346**	408	384

Goodwill included in closing balance	**247**	285	275
Change in goodwill during the period due to translation differences	**-24**	-24	-34

11. Changes in property, plant and equipment

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Opening balance	**12,849**	14,235	14,235
Acquisitions	**0**	9	10
Capital expenditures	**503**	648	959
Changes of nuclear asset retirement cost	**-2**	46	45
Disposals	**-6**	-3	-47
Depreciation, amortisation and impairment	**-389**	-443	-594
Divestments	**-206**	-27	-27
Reclassifications	**-18**	-2	-2
Moved to assets held for sale [1)]	**0**	0	-1,081
Translation differences and other adjustments	**-498**	-367	-649
Closing balance	**12,233**	14,095	12,849

[1)] Finnish Distribution business which was classified as assets held for sale at the end of 2013.

12. Changes in participations in associates and joint ventures

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Opening balance	**2,341**	2,373	2,373
Acquisitions	**58**	0	0
Share of profits of associates and joint ventures	**111**	115	178
Dividend income received	**-57**	-71	-73
OCI items associated companies	**-4**	46	55
Translation differences and other adjustments	**-59**	-90	-128
Divestments	**-71**	-62	-65
Moved to assets held for sale	**0**	0	0
Closing balance	**2,318**	2,311	2,341

Share of profits from associates and joint ventures

Fortum's share of profit from associates and joint ventures in Q3 2014 was EUR 1 million (Q3 2013: 3), of which Hafslund represented EUR 3 million (Q3 2013: 6), TGC-1 EUR 5 million (Q3 2013: 6) and Fortum Värme EUR -5 million (Q3 2013: -2).

According to Fortum Group accounting policies the share of profits from Hafslund and TGC-1 is included in Fortum Group figures based on the previous quarter information since updated interim information is not normally available. Hafslund published their interim report for Q3 2014 on 22 October 2014. The effect of Hafslund's Q3 is not included in Fortum's Q3 results.

Fortum's share of profit for the period January-September 2014 amounted to EUR 111 million (Q1-Q3 2013: 115), of which Fortum Värme represented EUR 42 million (Q1-Q3 2013: 49), Hafslund EUR 34 million (Q1-Q3 2013: 22), TGC-1 EUR 36 million (Q1-Q3 2013: 47) and Gasum EUR 10 million (Q1-Q3 2013: 7).

Fortum's share of profits for the full year 2013 amounted to EUR 178 million, of which Fortum Värme represented EUR 73 million, Hafslund EUR 31 million, TGC-1 EUR 46 million, and Gasum EUR 8 million.

Acquisitions and divestments

During 2014 Fortum has acquired additional shares in its associated company, Territorial Generating Company 1. After the acquisition Fortum owns 29.45% of the shares in TGC-1.

In July 2014, Fortum acquired E.ON Ruhrgas International GmbH's shareholding of 33.66% in the Estonian natural gas import, sales and distribution company AS Eesti Gaas and a similar shareholding in the gas transmission service company AS Võrguteenus Valdus. The acquired shares increased Fortum's holding in both companies to approximately 51%. The transaction was finalised during the third quarter of 2014. Fortum continues to account for its holdings in the Estonian natural gas businesses using the equity method.

During the first quarter 2014 Power and Technology segment divested Fortum's 30% shareholding in Karlshamn Kraft AB (see Note 6).

Dividends received

During Q1-Q3 2014 Fortum has received EUR 57 million (Q1-Q3 2013: 71) in dividends from associates of which EUR 22 million (Q1-Q3 2013: 23) was received from Fortum Värme and EUR 20 million (Q1-Q3 2013: 22) from Hafslund.

13. Interest-bearing receivables

EUR million	Carrying amount Sept 30 2014	Fair value Sept 30 2014	Carrying amount Dec 31 2013	Fair value Dec 31 2013
Long-term loan receivables	**2,101**	**2,225**	2,600	2,702
Leasing receivables	**0**	**0**	2	4
Total long-term interest-bearing receivables [1)]	**2,101**	**2,225**	2,602	2,706
Other current receivables	**0**	**0**	1	1
Total	**2,101**	**2,225**	2,603	2,707

[1)] Carrying amount including current portion of long-term receivables EUR 5 million (Dec 31 2013: 5).

Long-term loan receivables include receivables from associated companies and joint ventures EUR 2,095 million (Dec 31 2013 EUR 2,587). These receivables include EUR 1,308 million (Dec 31 2013: 1,312) from Swedish nuclear companies, OKG AB and Forsmarks Kraftgrupp AB, which are mainly funded with shareholder loans, pro rata each shareholder's ownership. Long-term loan receivables include also receivables from Fortum Värme, EUR 639 (Dec 31 2013: 1,135) and Teollisuuden Voima Oyj (TVO), EUR 85 million (Dec 31 2013: 85).

TVO is building Olkiluoto 3, the nuclear power plant, which is funded through external loans, share issues and shareholder loans according to shareholders' agreement between the owners of TVO. At end of September 2014 Fortum has EUR 70 million outstanding receivables regarding Olkiluoto 3 and is additionally committed to provide at maximum EUR 125 million. A subordinated shareholder loan EUR 15 million has also been given to fund planning of Olkiluoto 4, to which Fortum has additionally committed to provide EUR 57 million.

14. Interest-bearing liabilities and cash and cash equivalents

Interest-bearing debt EUR million	Carrying amount Sept 30 2014	Fair value Sept 30 2014	Carrying amount Dec 31 2013	Fair value Dec 31 2013
Bonds	**4,773**	**5,123**	5,839	6,232
Loans from financial institutions	**764**	**825**	854	912
Other long term interest-bearing debt [1]	**1,231**	**1,301**	1,494	1,515
Total long term interest-bearing debt [2]	**6,768**	**7,249**	8,187	8,659
Commercial paper	**0**	**0**	718	719
Other short term interest-bearing debt	**200**	**200**	154	154
Total short term interest-bearing debt	**200**	**200**	872	873
Total [3]	**6,969**	**7,449**	9,059	9,532

[1] Including loans from Finnish State Nuclear Waste Fund and Teollisuuden Voima EUR 1,040 million (Dec 31 2013: 995), loans from Fortum´s Finnish pension institutions EUR 83 million (Dec 31 2013: 198) and other loans EUR 108 million (Dec 31 2013: 301).

[2] Including current portion of long-term debt.

[3] Including interest-bearing liabilities, EUR 20 million, in Liabilities related to assets held for sale at 31 December 2013.

In March Fortum increased the amount of re-borrowing from the Finnish nuclear waste fund and Teollisuuden Voima by EUR 45 million to EUR 1,040 million. During the first quarter Fortum repaid a maturing EUR 750 million bond.

In the second quarter Fortum repaid two bonds equivalent to EUR 350 million (SEK 2 600 million and NOK 500 million) and EUR 95 million of pension loans.

In the third quarter OAO Fortum repaid bilateral debt RUB 2 bn (41 MEUR). Fortum Värme Holding prepaid SEK 1,67 bn (182 MEUR) to Fortum Oyj who prepaid the same amount to the City of Stockholm. Both loans were orginally due in December 2015.

At the end of September 2014, the amount of short term financing was EUR 200 million (Dec 31 2013: 872). The interest-bearing debt decreased during the third quarter by EUR 197 million from EUR 7,166 million to EUR 6,969 million.

Total cash and cash equivalents increased by EUR 21 million from EUR 2,157 million to EUR 2,178 million during the quarter. At the end of the quarter the cash and cash equivalents held by OAO Fortum amounted to EUR 259 (Dec 31 2013: 113) million.

15. Nuclear related assets and liabilities

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Carrying values in the balance sheet			
Nuclear provisions	**763**	729	744
Share in the State Nuclear Waste Management Fund	**763**	729	744
Legal liability and actual share of the State Nuclear Waste Management Fund			
Liability for nuclear waste management according to the Nuclear Energy Act	**1,059**	996	1,059
Funding obligation target	**1,039**	996	1,039
Fortum's share of the State Nuclear Waste Management Fund	**1,039**	996	1,005

Nuclear related provisions

According to Nuclear Energy Act Fortum submits the proposal for the nuclear waste management liability regarding the Loviisa nuclear power plant to the Ministry of Employement and Economy by end of June every third year. The liability is based on nuclear waste management plan which is also updated every third year. The cost estimates related to the new nuclear waste management plan were completed in Q2 2013. The overall future cost estimate increased mainly due to higher costs for interim and final storage of spent fuel and decommissioning of the power plant. The liability was decided by the Ministry of Employment and Economy at the end of year 2013.

The legal liability on 30 September 2014, decided by the the Ministry of Employment and Economy in December 2013, was EUR 1,059 million. The provision in the balance sheet related to nuclear waste management is based on cash flows for future costs which uses the same basis as the legal liability. The carrying value of the nuclear provision, calculated according to IAS 37, increased by EUR 19 million compared to 31 December 2013, totalling EUR 763 million on 30 September 2014. The main reason for the difference between the carrying value of the provision and the legal liability is the fact that the legal liability is not discounted to net present value.

Fortum's share in the State Nuclear Waste Management Fund

Fortum contributes funds to the Finnish State Nuclear Waste Management Fund based on the yearly funding obligation target decided by the governmental authorities in December in connection with the decision of size of the legal liability. The current funding obligation target decided in December 2013 is EUR 1,039 million. Fortum has paid the fee of EUR 34 million in March 2014 whereafter Fortum's share of the State Nuclear Waste Management Fund is fully funded. According to Nuclear Energy Act, Fortum is obligated to contribute fund in full to the State Nuclear Waste Management Fund to cover legal liability. Based on the law, Fortum applied for periodising of the payments to the fund over three years, due to proposed increase in the legal liability. The application was approved by the Ministry of the Employment and the Economy in December 2013. The Fund is from an IFRS perspective overfunded with EUR 276 million, since Fortum's share of the Fund on 30 September 2014 was EUR 1,039 million and the carrying value in the balance sheet was EUR 763 million.

Effects to comparable operating profit and operating profit

Operating profit in Power and Technology 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 2014 of EUR -2 million, compared to EUR -4 million in Q3 2013. The cumulative effect 2014 was EUR -6 million compared to EUR +27 million in 2013.

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.

16. Other provisions

	CSA provisions			Other provisions		
EUR million	**Sept 30 2014**	Sept 30 2013	Dec 31 2013	**Sept 30 2014**	Sept 30 2013	Dec 31 2013
Opening balance	**103**	178	178	**14**	28	28
Unused provisions reversed	**-5**	-10	-48	**-3**	-1	-10
Increase in the provisions	**0**	0	0	**8**	14	9
Provisions used	**-15**	-21	-24	**-3**	-12	-13
Unwinding of discount	**5**	10	12	**0**	0	0
Exchange rate differences	**-9**	-13	-16	**0**	0	0
Closing balance	**80**	144	103	**16**	28	14
Current provisions [1)]	**80**	0	20	**3**	4	3
Non-current provisions	**0**	144	83	**13**	24	12

[1)] Included in trade and other payables in the balance sheet.

Fortum's investment programme in Russia is subject to possible penalties that can be claimed if the new capacity is substantially delayed or agreed major terms of the capacity supply agreement (CSA) are not otherwise fulfilled. The provision made for possible penalties is assessed at each balance sheet date and the assessment is based on changes in estimated risks and timing related to commissioning of the remaining power plants in the investment programme.

The remaining CSA provision at the end of Q3 2014 amounts to EUR 80 million (at year end 2013: 103). During Q2-Q3 2014 EUR 5 million of the provision was reversed to the income statement relating to the lower penalties for Nyagan 2. Paid penalties during Q1-Q3 2014 amounted to EUR 15 million (Q1-Q3 2013: 21). The provision increases due to unwinding of the discounting of potential future penalty payments, which during Q1-Q3 2014 resulted in an increase of the provision with EUR 5 million (Q1-Q3 2013: 10). The unwinding effect is recognised in other financial expenses.

17. Pledged assets

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
On own behalf			
For debt			
Pledges	**296**	288	301
Real estate mortgages	**137**	137	137
For other commitments			
Real estate mortgages	**137**	103	103
On behalf of associated companies and joint ventures			
Pledges and real estate mortgages	**0**	3	3

Pledged assets for debt

Participants in the Finnish State Nuclear Waste Management Fund are allowed to borrow from the Fund. Fortum has pledged shares in Kemijoki Oy as a security. As of 30 September 2014 the value of the pledged shares amounted to EUR 269 million (Dec 31 2013: 269).

Pledges also include bank deposits as trading collateral of EUR 8 million (Dec 31 2013: 12) for trading of electricity and CO_2 emission allowances in Nasdaq OMX Commodities Europe, in Intercontinental Exchange (ICE) and European Energy Exchange (EEX).

Fortum Tartu in Estonia (60% owned by Fortum) has given real estate mortgages for a value of EUR 96 million (Dec 31 2013: 96) as a security for an external loan. Real estate mortgages have also been given for loans from Fortum's pension fund for EUR 41 million (Dec 31 2013: 41).

Regarding the relevant interest-bearing liabilities, see Note 14 Interest-bearing liabilities and cash and cash equivalents.

Pledged assets for other commitments

Fortum has given real estate mortgages in power plants in Finland, total value of EUR 137 million in June 2014 (Dec 31 2013: 103), as a security to the Finnish State Nuclear Waste Management Fund for the uncovered part of the legal liability and unexpected events relating to future costs for decomissioning and disposal of spent fuel in Loviisa nuclear power plant. The size of the securities given is updated yearly in Q2 based on the decisions regarding the legal liabilities and the funding target which take place around year end every year.

18. Operating lease commitments

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Due within a year	**22**	23	27
Due after one year and within five years	**32**	50	47
Due after five years	**79**	119	108
Total	**133**	192	181

19. Capital commitments

EUR million	Sept 30 2014	Sept 30 2013	Dec 31 2013
Property, plant and equipment	**521**	783	524
Intangible assets	**6**	6	6
Total	**526**	789	530

20. Contingent liabilities

EUR million	**Sept 30 2014**	Sept 30 2013	Dec 31 2013
On own behalf			
Other contingent liabilities	**79**	59	77
On behalf of associated companies and joint ventures			
Guarantees	**487**	525	514
Other contingent liabilities	**125**	125	125
On behalf of others			
Guarantees	**1**	0	3

Guarantees on behalf of associated companies

Guarantees and other contingent liabilities on behalf of associated companies and joint ventures mainly consist of guarantees relating to Fortum's associated nuclear companies (Teollisuuden Voima Oyj, Forsmarks Kraftgrupp AB and OKG AB). The guarantees given on behalf of Forsmarks Kraftgrupp AB and OKG AB amounted to SEK 3,696 million (EUR 404 million) at 30 September 2014 (Dec 31 2013: EUR 417 million). The guarantee given on behalf of Teollisuuden Voima Oyj to the Finnish State Nuclear Waste Management Fund amounted to EUR 41 million at 30 September 2014 (Dec 31 2013: 40).

21. Legal actions and official proceedings

Group companies

The Swedish Energy Authority (EI), which regulates and supervises the distribution network tariffs in Sweden, has issued a decision concerning the allowed income frame for the years 2012-2015. EI has based its decision on a model with a transition rule stating that it takes 18 years to reach the allowed level of income. The EI decision has been appealed to the County Administrative Court by more than 80 distribution companies, including Fortum Distribution AB. The basis for Fortum Distribution AB's appeal is that the model is not compatible with the existing legislation and that EI has applied an incorrect method for the calculation of Weighted Average Cost of Capital (WACC). In December 2013, the court decided in favor of the industry on all major topics. However, the decision has been appealed by EI to the next level, the Administrative Court of Appeal. EI has filed a detailed appeal in February 2014 and developed grounds for the appeal in March 2014. Fortum has commented the grounds and received replies. The final comments were posted in the beginning of September from all parties. The decision is expected during Q4 2014.

Fortum received income tax assessments in Sweden for the years 2009, 2010 and 2011 in December 2011, December 2012 and December 2013, respectively. According to the tax authorities, Fortum would have to pay additional income taxes for the years 2009, 2010 and 2011 for the reallocation of loans between the Swedish subsidiaries in 2004-2005, as well as additional income taxes for the years 2010 and 2011 for financing of the acquisition of TGC 10 (current OAO Fortum) in 2008. The claims are based on a change in tax regulation as of 2009. Fortum considers the claims unjustifiable and has appealed the decisions. Based on legal analysis, no provision has been recognised in the financial statements. If the decisions by the tax authority remain final despite the appeals processes, the impact on net profit would be approximately SEK 425 million (EUR 46 million) for the year 2009, approximately SEK 444 million (EUR 49 million) for the year 2010 and approximately SEK 511 million (EUR 56 million) for the year 2011.

The Administrative Court has investigated Fortum's appeal for the year 2009 and, on 9 October 2013, ruled against the tax authority. The Administrative Court approved the appeal on formal legal grounds. Both the tax authority and Fortum have appealed the court's decision. The second level court ruled the case in tax authorities favor. Fortum has appealed this decision to Supreme Administrative Court. Decision from the Supreme Administrative Court of appeal is expected in 2015.

Fortum has received income tax assessments in Belgium for the years 2008, 2009 and 2010. Tax authorities disagree with the tax treatment of Fortum EIF NV. Fortum finds the tax authorities' interpretation not to be based on the local regulation. The court of first instance in Antwerpen gave a negative decision to Fortum's appeal on the 25th June 2014. The court's view was that Fortum EIF NV has received an abnormal benefit from Fortum Oyj as no interest on the equity invested was paid. Fortum has appealed the decision to the second instance court on the 30th June 2014. Decision is expected earliest in December 2015. No provision has been accounted for in the financial statements and this view is supported by a legal opinion. If the decision by the tax authorities remains final despite the appeal process, the impact on the net profit would be approximately EUR 36 million for the year 2008, approximately EUR 27 million for the year 2009 and approximately EUR 15 million for the year 2010. The tax has already been paid. If the appeal is approved, Fortum will receive a 7% interest on the amount.

Fortum received an income tax assessment in Finland for 2007 in December 2013. Tax authorities claim in the transfer pricing audit, that detailed business decisions are done by Fortum Oyj and therefore re-characterize the equity Fortum has injected to its Belgium subsidiary Fortum Project Finance NV not to be equity, but funds to be available for the subsidiary. Tax authorities' view is that the interest income that Fortum Project Finance NV received from its loans should be taxed in Finland, not Belgium. Fortum has appealed the tax assessment decision in February 2014. Fortum has also appealed the tax authorities communication obligation concerning the audit documents. Further Fortum has started the mutual agreement procedure (MAP) between Finland, Belgium and Netherlands all the audited years. The appeals are based on national legislation in Finland and the EU arbitration between Finland and Belgium. The board of adjustment approved Fortum's appeal on 21 August 2014 for the total assessed amount. Tax authorities may appeal this decision. If the decisions by the tax authorities had remained final, the impact of net profit would have been approximately EUR 136 million for the year 2007.

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

Associated companies

In Finland Fortum is participating in the country's fifth nuclear power plant unit, Olkiluoto 3 (OL3), through the shareholding in Teollisuuden Voima Oyj (TVO) with an approximately 25% share representing some 400 MW in capacity. The civil construction works of the Olkiluoto 3 plant unit have been mainly completed, and the reactor main components are installed. Reactor containment pressure and leak-tightness tests have been completed. Planning, testing and licensing of the instrumentation and control systems continued. In September 2014 TVO received additional data about the schedule for the OL3 project from the Supplier, AREVA-Siemens. According to this data, the start of regular electricity production of the plant unit will take place in late 2018.

In December 2008 the OL3 Supplier initiated the International Chamber of Commerce (ICC) arbitration proceedings and submitted a claim concerning the delay and the ensuing costs incurred at the Olkiluoto 3 project. In 2012, TVO submitted a counter-claim and defense in the matter. The quantification estimate of TVO's costs and losses was approximately EUR 1.8 billion, which included TVO's actual claim and estimated part until August 2014.

The Supplier updated its original claim in October 2013. The updated claim including quantification until the end of June 2011 and together with the original claim, is in total approximately EUR 2.7 billion. In October 2014 TVO submitted an updated estimate amounting to approximately EUR 2.3 billion. Estimate includes TVO’s costs and losses until the end of 2018, which is the latest schedule estimate for regular electricity production as submitted by the Supplier in September 2014.

The arbitration proceedings may continue for several years and the claimed amounts may change.

In addition to the litigations described above, some Group companies are involved in other routine tax and other disputes incidental to their normal conduct of business. Based on the information currently available, management does not consider the liabilities arising out of such litigations likely to be material to the Group's financial position.

22. Related party transactions

Related parties are described in the annual financial statements as of the year ended 31 December 2013. No material changes have occurred during Q1-Q3 2014.

At the year-end 2013 the Finnish State owned 50.76% of the shares in Fortum. There has been no change in the shareholding during Q1-Q3 2014.

Transactions with associated companies and joint ventures

EUR million	**Q1-Q3 2014**	Q1-Q3 2013	2013
Sales	**57**	70	94
Interest on loan receivables	**46**	49	62
Purchases	**435**	523	652

Associated company and joint ventures balances

EUR million	**Sept 30 2014**	Sept 30 2013	Dec 31 2013
Long-term interest-bearing loan receivables	**2,095**	2,906	2,587
Trade receivables	**14**	22	28
Other receivables	**31**	42	33
Long-term loan payables	**279**	248	248
Trade payables	**5**	8	15
Other payables	**2**	7	3

23. Events after the balance sheet date

In October Fortum has divested its UK-based subsidiary Grangemouth CHP Limited to its long term customer INEOS Industries Holdings Ltd. Grangemouth CHP Limited owns and operates a natural gas-fired combined heat and power (CHP) plant located at Grangemouth in Scotland. The total sales price was approximately GBP 54 million (corresponding to approximately EUR 70 million). The sale has a positive impact on Fortum's Power and Technology segment's financial performance, and the final sales gain will be booked in the segment's fourth quarter 2014 results.

24. Definition of key figures

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

24. Definition of key figures

Comparable net assets	=	Net assets adjusted for non-interest bearing assets and liabilities arising from financial derivatives hedging future cash flows where hedge accounting is not applied according to IAS 39	
Interest-bearing net debt	=	Interest-bearing liabilities - cash and cash equivalents	
Gearing, %	=	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	
Comparable net debt / EBITDA	=	Interest-bearing net debt / Comparable EBITDA	
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 at the end of the period	
Last twelve months (LTM)	=	Twelve months preceding the reporting date	

Market conditions and achieved power prices

Power consumption TWh	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Nordic countries	**79**	80	**275**	284	386	377
Russia	**226**	225	**739**	743	1,026	1,022
Tyumen	**22**	21	**68**	67	87	88
Chelyabinsk	**8**	8	**26**	26	36	36
Russia Urals area	**59**	59	**189**	189	257	257

Average prices	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Spot price for power in Nord Pool power exchange, EUR/MWh	**31.8**	35.8	**29.2**	38.8	38.1	30.9
Spot price for power in Finland, EUR/MWh	**37.8**	42.7	**35.9**	41.6	41.2	36.9
Spot price for power in Sweden, SE3, Stockholm EUR/MWh	**33.6**	40.0	**31.7**	40.1	39.4	33.2
Spot price for power in Sweden, SE2, Sundsvall EUR/MWh	**33.6**	39.7	**31.6**	39.9	39.2	32.9
Spot price for power in European and Urals part of Russia, RUB/MWh [1)]	**1,233**	1,255	**1,180**	1,092	1,104	1,166
Average capacity price, tRUB/MW/month	**276**	251	**294**	258	276	302
Spot price for power in Germany, EUR/MWh	**31.5**	38.8	**32.1**	37.9	37.8	33.4
Average regulated gas price in Urals region, RUB/1000 m^3	**3,362**	3,327	**3,362**	3,029	3,131	3,378
Average capacity price for old capacity, tRUB/MW/month [2)]	**150**	149	**162**	158	163	166
Average capacity price for new capacity, tRUB/MW/month [2)]	**499**	507	**535**	550	576	557
Spot price for power (market price), Urals hub, RUB/MWh [1)]	**1,164**	1,136	**1,105**	1,013	1,021	1,090
CO_2, (ETS EUA), EUR/tonne CO_2	**6**	5	**6**	4	5	6
Coal (ICE Rotterdam), USD/tonne	**75**	76	**76**	81	82	78
Oil (Brent Crude), USD/bbl	**103**	110	**107**	109	109	108

[1)] Excluding capacity tariff.

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

Water reservoirs TWh	**Sept 30 2014**	Sept 30 2013	Dec 31 2013
Nordic water reservoirs level	**91**	91	82
Nordic water reservoirs level, long-term average	**101**	101	83

Export/import TWh (+ = import to, - = export from Nordic area)	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Export / import between Nordic area and Continental Europe+Baltics	**-2**	0	**-10**	-2	-3	-11
Export / import between Nordic area and Russia	**1**	1	**2**	4	5	3
Export / import Nordic area, Total	**-1**	1	**-8**	2	2	-8

Power market liberalisation in Russia %	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Share of power sold at the liberalised price by OAO Fortum	**79**	77	**80**	80	81	81

Achieved power prices EUR/MWh	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Power's Nordic power price	**44.2**	47.4	**41.1**	45.8	46.4	42.7
Achieved power price for OAO Fortum	**31.5**	33.8	**31.5**	31.6	32.1	31.9

Fortum's production and sales volumes

Power generation TWh	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Fortum power generation in the EU and Norway	**10.7**	10.1	**36.7**	36.2	47.4	47.9
Fortum power generation in Russia	**5.0**	4.2	**16.2**	14.5	20.0	21.7
Total	**15.6**	14.3	**52.9**	50.7	67.4	69.6

Heat production TWh	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Heat production in the EU and Norway	**1.2**	1.5	**6.0**	7.3	10.4	9.1
Heat production in Russia	**2.8**	2.5	**17.2**	16.2	24.2	25.2
Total	**4.0**	4.0	**23.2**	23.5	34.6	34.3

Power generation capacity by segment MW	**Sept 30 2014**	Sept 30 2013	Dec 31 2013
Power	**9,177**	9,725	9,475
Heat, Electricity Sales and Solutions	**793**	919	793
Russia	**4,292**	3,825	4,250
Total	**14,262**	14,469	14,518

Heat production capacity by segment MW	**Sept 30 2014**	Sept 30 2013	Dec 31 2013
Power	**250**	250	250
Heat, Electricity Sales and Solutions	**3,962**	4,724	4,317
Russia	**13,466**	13,466	13,466
Total	**17,678**	18,440	18,033

Power generation by source in the Nordic area TWh	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Hydropower	**4.1**	3.9	**16.3**	14.2	18.1	20.2
Nuclear power	**5.4**	5.1	**17.0**	17.7	23.7	23.0
Thermal power	**0.7**	0.6	**1.4**	2.7	3.4	2.1
Total	**10.2**	9.6	**34.7**	34.6	45.2	45.3

Power generation by source in the Nordic area %	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Hydropower	**40**	41	**47**	41	40	46
Nuclear power	**53**	53	**49**	51	52	50
Thermal power	**7**	6	**4**	8	8	4
Total	**100**	100	**100**	100	100	100

Power sales EUR million	**Q3 2014**	Q3 2013	**Q1-Q3 2014**	Q1-Q3 2013	2013	Last twelve months
Power sales in the EU and Norway	**534**	530	**1,658**	1,873	2,462	2,247
Power sales in Russia	**175**	180	**576**	608	822	790
Total	**709**	710	**2,234**	2,481	3,284	3,037

Fortum's production and sales volumes

Heat sales EUR million	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Heat sales in the EU and Norway	**62**	73	**331**	383	538	486
Heat sales in Russia	**32**	28	**194**	192	290	292
Total	**94**	101	**524**	575	828	777

Power sales by area TWh	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Finland	**4.9**	4.9	**16.0**	18.0	23.4	21.4
Sweden	**5.9**	5.2	**20.0**	18.2	23.3	25.1
Russia	**5.8**	5.4	**18.7**	19.2	25.6	25.1
Other countries	**0.7**	0.7	**2.8**	3.0	4.3	4.1
Total	**17.3**	16.2	**57.5**	58.4	76.6	75.7

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

Heat sales by area TWh	Q3 2014	Q3 2013	Q1-Q3 2014	Q1-Q3 2013	2013	Last twelve months
Russia	**2.8**	2.5	**17.0**	16.3	24.1	24.8
Finland	**0.3**	0.8	**2.2**	3.9	5.5	3.8
Poland	**0.2**	0.3	**2.2**	2.8	4.1	3.5
Other countries[1)]	**0.6**	0.5	**2.3**	2.3	3.1	3.1
Total	**3.9**	4.1	**23.7**	25.3	36.8	35.2

[1)] Including the UK, which is reported in the Power and Technology segment, other sales.