

Operational key figures, segments

As from 2005, Fortum applies International Financial Reporting Standards (IFRS) for the annual and interim reports. The 2005 annual report included one comparison year 2004, which was restated to IFRS. Segment numbers are presented based only on IFRS for comparison purposes, because in the transition to IFRS reportable segments were redefined and segment reporting as such was reassessed.

Following the acquisition of the Russian company, OAO Fortum, Fortum changed its segment reporting during 2008. Comparison numbers for 2004–2007 were restated in 2008.

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

The reorganisation did not lead to a change in Fortum's external financial reporting structure as the reportable segments have remained the same. However there have been some minor changes to the composition of the segments that have taken effect from the beginning of January 2010. The changes have also been reflected in the 2009 figures. The changes relate mainly to the transfer of the Power division's Power Solutions business area to Russia and Heat divisions as well as the establishment of the centralised Trading and Industrial Intelligence unit.

➔ For further information see Note 5 Segment reporting on page 60.

Sales by segment, EUR million	2004	2005	2006	2007	2008	2009	2010	2011
Power	2,084	2,058	2,439	2,350	2,892	2,531	2,702	2,481
– of which internal	128	–97	–133	323	0	254	–281	–24
Heat	1,025	1,063	1,268	1,356	1,466	1,399	1,770	1,737
– of which internal	49	–12	–32	38	0	23	–8	8
Russia	–	–	–	–	489	632	804	920
– of which internal	–	–	–	–	–	–	–	–
Distribution	707	707	753	769	789	800	963	973
– of which internal	10	–8	8	9	10	13	18	15
Electricity Sales	1,387	1,365	1,912	1,683	1,922	1,449	1,798	900
– of which internal	92	–101	149	155	177	67	158	95
Other	90	91	78	81	83	71	51	108
– of which internal	93	–63	62	72	82	–5	169	115
Eliminations	–1,458	–1,407	–1,959	–1,760	–2,005	–1,447	–1,792	–958
Total	3,835	3,877	4,491	4,479	5,636	5,435	6,296	6,161

Comparable operating profit by segment, EUR million	2004	2005	2006	2007	2008	2009	2010	2011
Power	730	854	985	1,095	1,528	1,454	1,298	1,201
Heat	207	253	253	290	250	231	275	278
Russia	–	–	–	–	–92	–20	8	74
Distribution	240	244	250	231	248	262	307	295
Electricity Sales	23	30	–4	–1	–33	22	11	27
Other	–52	–47	–47	–51	–56	–61	–66	–73
Comparable operating profit	1,148	1,334	1,437	1,564	1,845	1,888	1,833	1,802
Non-recurring items	18	30	61	250	85	29	93	284
Other items affecting comparability	29	–17	–43	33	33	–135	–218	316
Operating profit	1,195	1,347	1,455	1,847	1,963	1,782	1,708	2,402

Depreciation, amortisation and impairment charges by segment, EUR million	2004	2005	2006	2007	2008	2009	2010	2011
Power	104	112	108	103	97	93	100	109
Heat	124	123	144	163	169	162	187	193
Russia	–	–	–	–	67	75	86	108
Distribution	133	145	147	162	165	164	178	187
Electricity Sales	16	15	19	11	7	6	2	2
Other	11	12	11	12	10	10	10	7
Total	388	407	429	451	515	510	563	606

Share of profit of associates and joint ventures by segment, EUR million	2004	2005	2006	2007	2008	2009	2010	2011
Power	–21	–21	–9	–23	26	–35	–25	3
Heat	15	11	23	24	12	30	31	19
Russia	–	–	–	–	19	20	8	30
Distribution	16	20	15	18	16	10	19	14
Electricity Sales	0	1	1	0	5	0	1	2
Other	2	44	39	222	48	–4	28	23
Total	12	55	69	241	126	21	62	91

Capital expenditure by segment, EUR million	2004	2005	2006	2007	2008	2009	2010	2011
Power	84	83	95	93	134	96	97	131
Heat	123	124	184	309	408	358	304	297
Russia	–	–	–	–	256	215	599	670
Distribution	106	115	183	236	296	188	213	289
Electricity Sales	10	10	8	3	3	1	0	5
Other	12	14	15	14	11	4	9	16
Total	335	346	485	655	1,108	862	1,222	1,408

Gross investments in shares by segment, EUR million	2004	2005	2006	2007	2008	2009	2010	2011
Power	23	45	5	52	0	57	25	17
Heat	53	87	589	18	23	1	1	32
Russia	103	2	140	245	1,492	3	–	24
Distribution	0	–	130	1	0	5	0	–
Electricity Sales	0	–	6	0	0	–	–	–
Other	0	–	40	1	1	1	1	1
Total	179	134	910	317	1,516	67	27	74

Net assets by segment, EUR million	2004	2005	2006	2007	2008	2009	2010	2011
Power	5,804	5,493	5,690	5,599	5,331	5,494	5,806	6,247
Heat	2,440	2,551	3,407	3,507	3,468	3,787	4,182	4,191
Russia	151	153	294	456	2,205	2,260	2,817	3,273
Distribution	3,091	3,021	3,412	3,239	3,032	3,299	3,683	3,589
Electricity Sales	194	228	176	247	188	125	210	11
Other	220	447	835	1,237	796	382	29	208
Total	11,900	11,893	13,814	14,285	15,020	15,347	16,727	17,519

Return on net assets by segment, %	2004	2005	2006	2007	2008	2009	2010	2011
Power	12.6	14.3	17.5	19.2	29.6	24.5	19.5	24.6
Heat	9.8	11.6	9.6	9.3	8.9	7.9	8.4	9.9
Russia	–	–	–	66.3	–3.7	0.0	2.4	3.5
Distribution	8.1	8.8	8.4	7.7	8.1	8.7	9.7	13.7
Electricity Sales	25.2	17.4	–1.6	6.9	–14.0	28.9	38.4	4.2

Comparable return on net assets by segment, %	2004	2005	2006	2007	2008	2009	2010	2011
Power	12.0	14.9	17.4	18.9	28.0	26.4	22.3	19.9
Heat	9.3	11.0	9.2	9.2	7.3	7.3	7.7	7.4
Russia	–	–	–	0.0	–3.8	0.0	0.7	3.5
Distribution	8.3	8.6	8.3	7.6	8.2	8.6	9.3	8.6
Electricity Sales	17.1	16.4	–0.8	–0.6	–15.3	18.6	9.3	33.5

Average number of personnel	2004	2005	2006	2007	2008	2009	2010	2011
Power	4,588	4,374	4,147	3,475	3,591	2,068	1,891	1,873
Heat	1,605	2,186	2,345	2,302	2,422	2,652	2,482	2,682
Russia	–	–	–	–	5,566	6,170	4,555	4,436
Distribution	995	1,008	983	1,060	1,222	1,166	1,098	902
Electricity Sales	682	745	825	936	766	629	538	510
Other	722	626	610	531	510	593	592	607
Total	8,592	8,939	8,910	8,304	14,077	13,278	11,156	11,010

Definitions 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 can not exceed 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 usage/availability and/or maintains reliability. Productivity improves productivity in an existing asset. Growth investments' purpose is to build new assets and/or to increase customer base within existing businesses. Legislation investments are done at a 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, % = $\frac{\text{Profit before taxes + interest and other financial expenses}}{\text{Capital employed average}} \times 100$