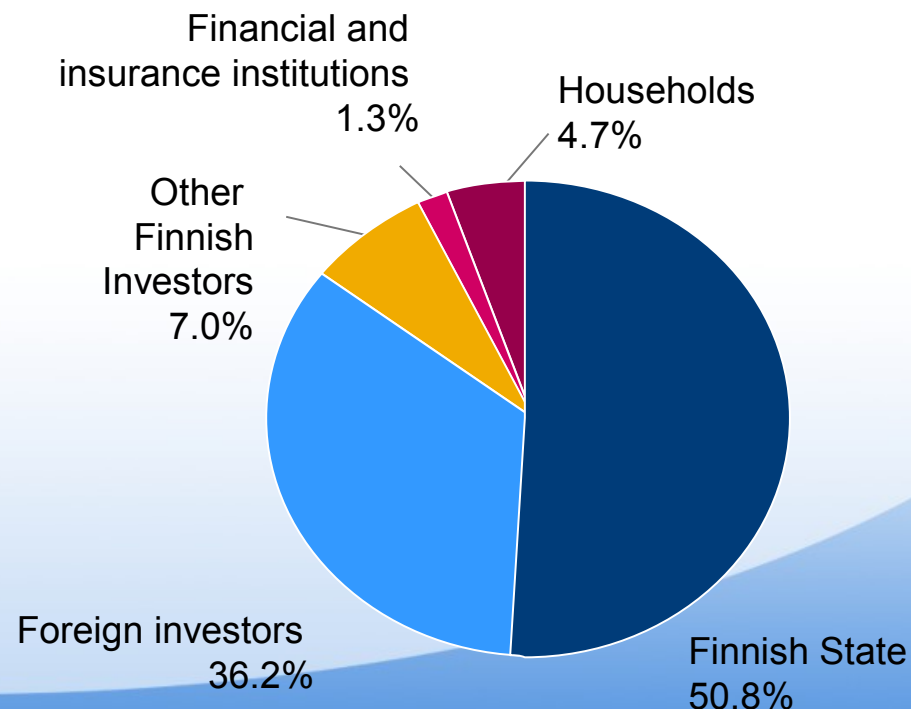


Fortum and CCS

Mikael Lilius
President and CEO

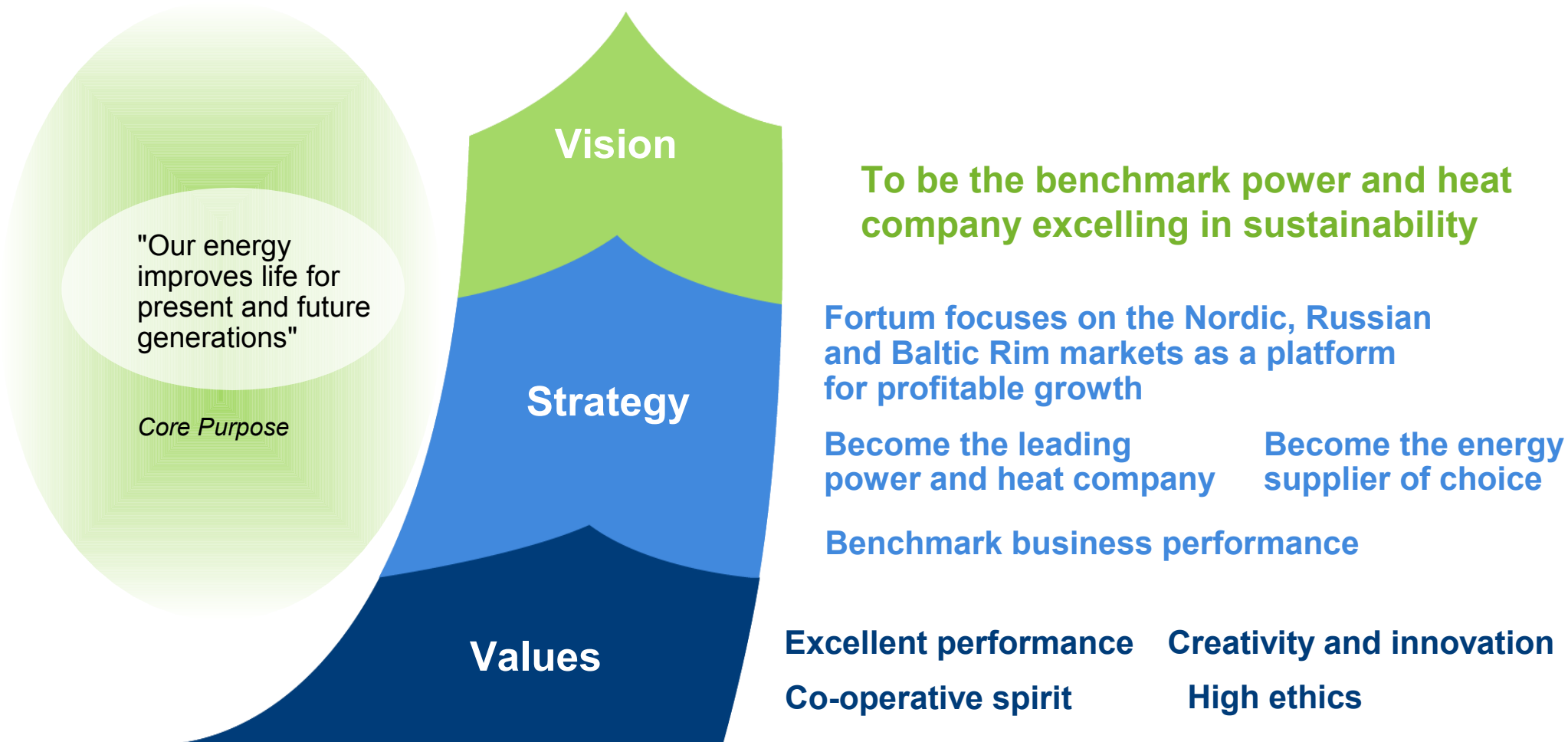
Fortum is a stock quoted company

- Listed at the Helsinki Stock Exchange since 1998
- More than 50,000 shareholders
- Among the most traded shares in the Helsinki stock exchange
- Market capitalisation ~14 billion euros



Data 31 July 2008

Fortum's compass crystallises our goals and way forward



Today, Fortum is leading in the Nordic market and we have a strong platform in Russia, Baltics and Poland

Nr 1



Heat



Distribution



Electricity sales

Nr 2



Power generation

Nordic countries

Generation	51.6 TWh
Electricity sales	59.1 TWh
Heat sales	20.0 TWh
Distribution cust.	1.6 million
Electricity cust.	1.3 million

Poland

Heat sales	3.6 TWh
Electricity sales	18 GWh

Russia

TGC-1 (~25%)

Power generation	~7 TWh
Heat sales	~7 TWh

TGC-10*

Power generation	16.6 TWh
Heat sales	25.7 TWh

*pro forma

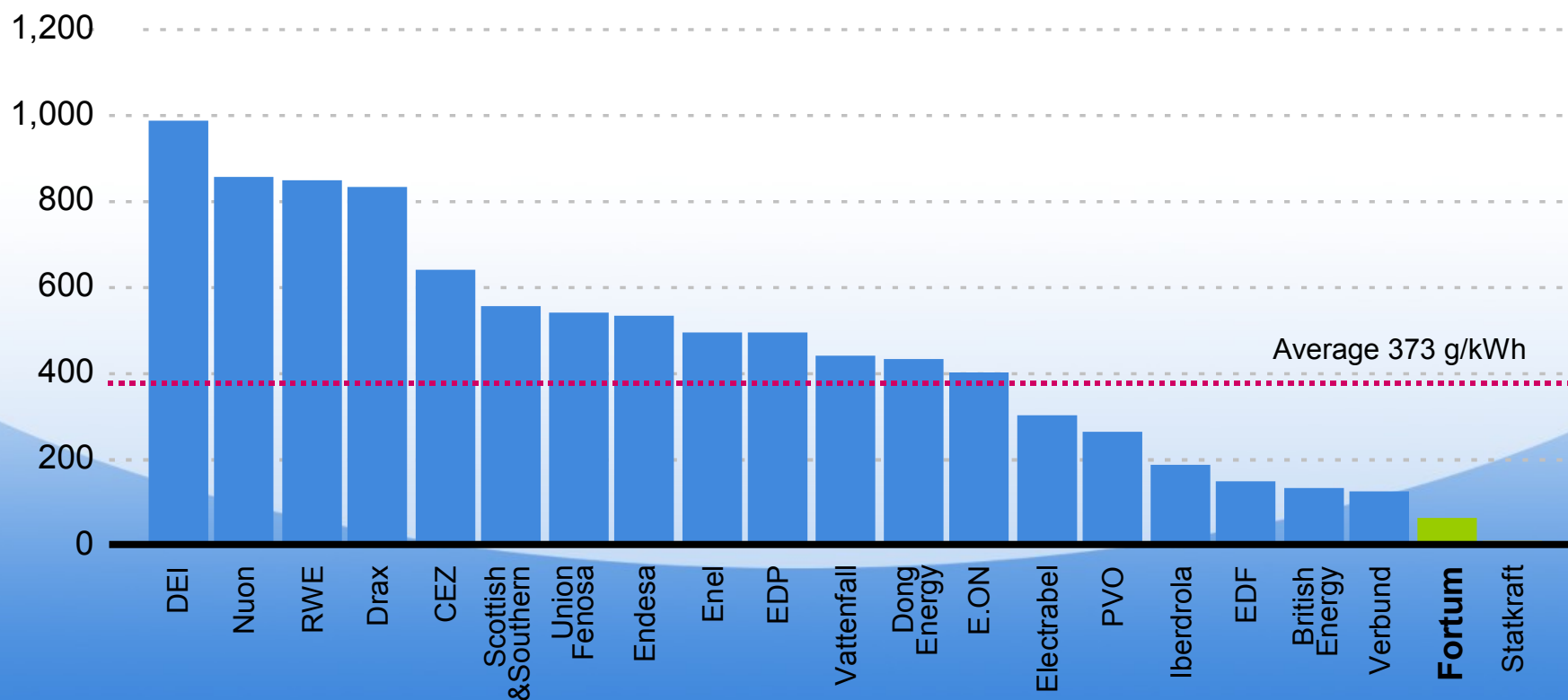
Baltic countries

Heat sales	1.3 TWh
Distribution cust.	24,000

2008 data (preliminary)

We rank among the leaders in Europe on specific emissions

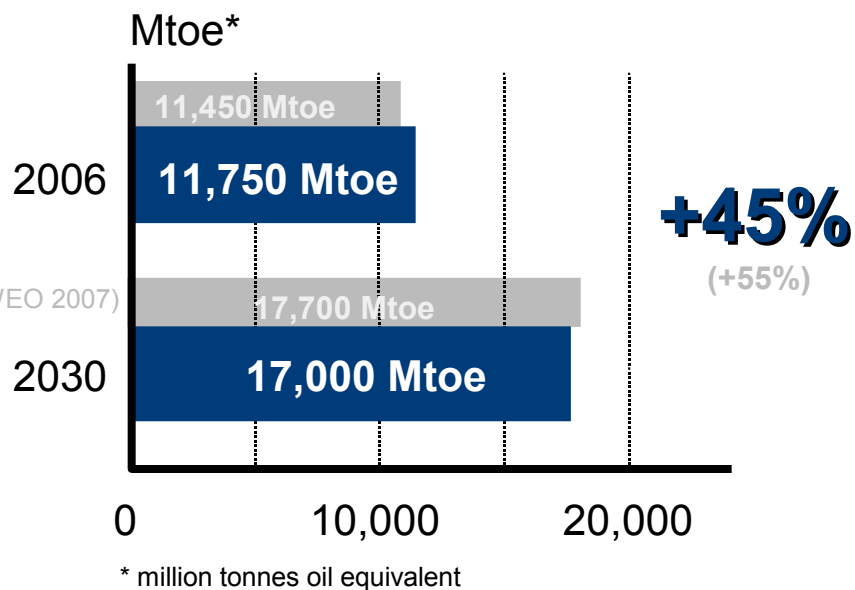
Specific emissions, gCO₂/kWh electricity, 2007



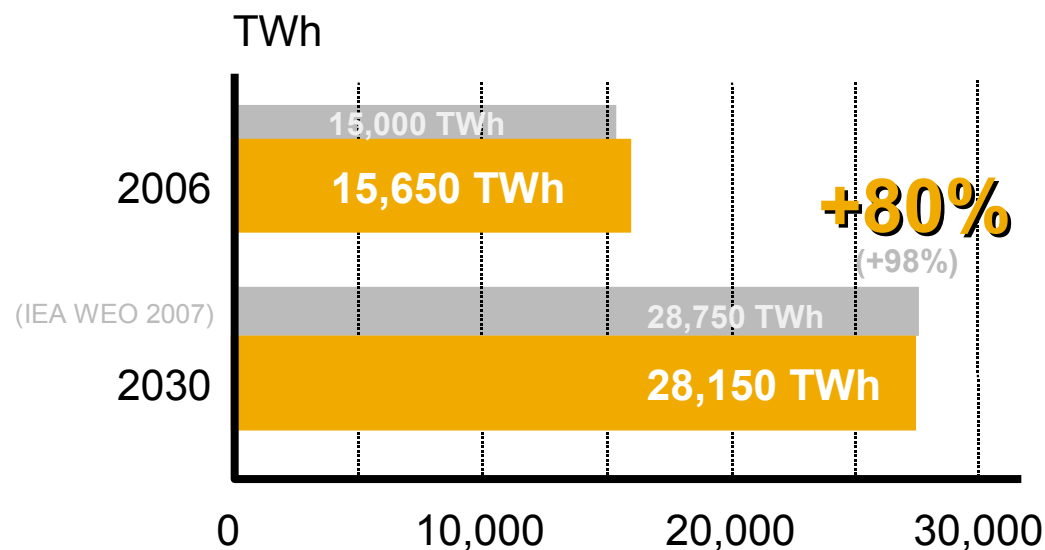
Source: PWC & Enerpresse, 2008
Changement climatique et Électricité

Longer-term, primary energy and electricity demand will increase

A huge growth in primary energy demand...



... and in demand for electricity



Source: IEA World Energy Outlook 2008 (The Reference Scenario)

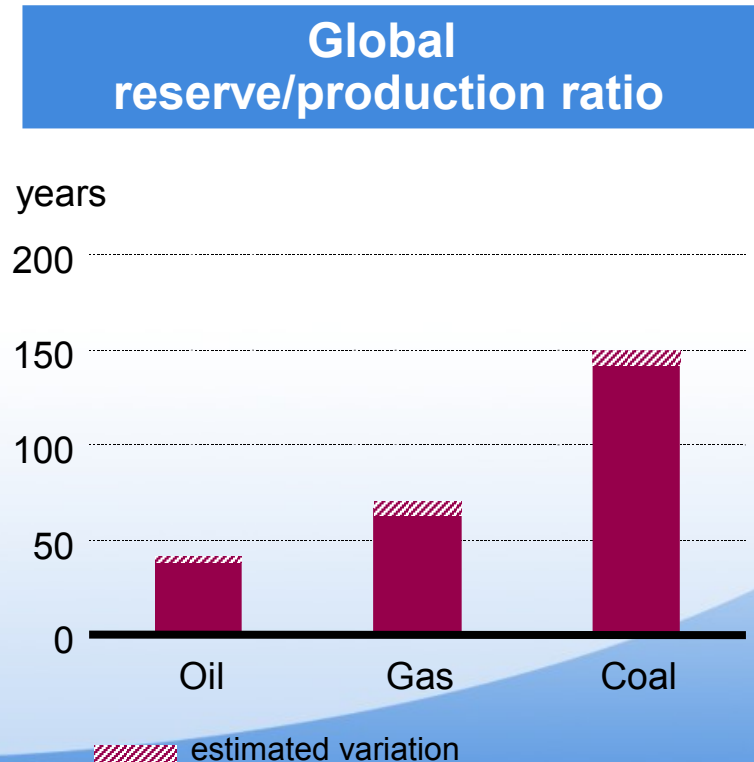
Fossil fuels will continue to play a key role

- Abundance of reserves
- The existing industrial and logistical infrastructure supports continuation of usage
- Fossil fuel based energy continues to cover around 80% (84%) of the total need for energy in 2030



- Global energy based CO₂ emissions to increase by 45% to 2030
- The projected rise in emissions raises global average temperature by 6°C by the end of this century

(in parenthesis WEO 2007 figure)



Note: Variation in coal reserves estimates significantly reduced from earlier estimates.

Source IEA World Energy Outlook 2008 (The Reference Scenario)

*World Energy Council - Survey of energy resources 2007; World Coal Institute - coal facts 2007; BP Statistical Review of World Energy 2007; WEO-2008

Consequences from the global climate policy inaction are devastating


- WWF: Global warming is accelerating beyond IPCC's 2007 forecasts
 - the Arctic Ocean is losing sea ice 30 or more years ahead of IPCC projections
 - projected global sea level rise by the end of the century could double from the previous maximum estimate (0.59 m)
 - 80% cut in global greenhouse gas emissions needed by 2050 to keep temperature rise below 2°C



Source: WWF "Climate change: faster, stronger, sooner" A European update of climate science, 10/2008

Greenhouse gas emissions can be reduced

- Price on emissions, i.e. on CO₂
- More CO₂ -free production; renewables, nuclear, fossil with CCS (carbon capture and storage)
- Energy conservation and increased energy efficiency

- 
- **All measures are needed**
 - **Next decade(s) are crucial**
 - **The role of R&D is emphasized**

Carbon capture and storage (CCS)

- Most efficient CO₂-emission reduction measure within power production
 - 40% of global electricity production from coal-fired plants
- Important for Fortum because of activity in Russia, Poland
- Fortum wants to demonstrate CCS at the Meri-Pori plant:
 - participating in the EU flagship demonstration program with 10 – 12 CCS-demoprojects to be launched in 2015
 - joint project with TVO, moving into front-end engineering and design phase
 - investment decision in 2011
 - funding also from EU needed

