

Fortum's Annual Report 2013

Fortum is an energy company highly committed to sustainability. Catering to the versatile needs of our customers, we generate, distribute and sell electricity and heat and offer related expert services.

Financial key figures

Fortum Corporation and its subsidiaries (together the Fortum Group) is a leading energy company focusing on the Nordic countries, Russia and the Baltic Rim area. Fortum's activities cover the generation, distribution and sale of electricity and heat, the operation and maintenance of power plants as well as energy-related services. Neste Oil was included in Fortum Group until 31 March 2005, when the Annual General Meeting made the final decision to separate the oil operations by distributing approximately 85% of Neste Oil Corporation shares as a dividend. The remaining approximately 15% of the shares were sold to investors in April 2005.

Oil operations were presented as discontinued operations in years 2004 and 2005.

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. The years 1998-2003 have not been restated to comply with IFRS. They are prepared under Finnish Accounting Standards (FAS).

EUR million or as indicated	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	Change
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	13/12
											%
Sales total Fortum	11,659	5,918	4,491	4,479	5,636	5,435	6,296	6,161	6,159	6,056	-2
Sales continuing operations	3,835	3,877	4,491	4,479	5,636	5,435	6,296	6,161	6,159	6,056	-2
EBITDA total Fortum ¹⁾	2,443	2,307	1,884	2,298	2,478	2,292	2,271	3,008	2,538	2,452	-3
EBITDA continuing operations	1,583	1,754	1,884	2,298	2,478	2,292	2,271	3,008	2,538	2,452	-3
Comparable EBITDA continuing operations		1,741	1,866	2,015	2,360	2,398	2,396	2,374	2,416	2,299	-5
Operating profit total Fortum	1,916	1,864	1,455	1,847	1,963	1,782	1,708	2,402	1,874	1,712	-9
- of sales %	16.4	31.5	32.4	41.2	34.8	32.8	27.1	39.0	30.4	28.3	
Operating profit continuing operations	1,195	1,347	1,455	1,847	1,963	1,782	1,708	2,402	1,874	1,712	-9
- of sales %	31.2	34.7	32.4	41.2	34.8	32.8	27.1	39.0	30.4	28.3	
Comparable operating profit continuing operations		1,148	1,334	1,437	1,564	1,845	1,888	1,833	1,802	1,752	-8
Profit before income tax total Fortum	1,700	1,776	1,421	1,934	1,850	1,636	1,615	2,228	1,586	1,499	-5
- of sales %	14.6	30.0	31.6	43.2	32.8	30.1	25.7	36.2	25.8	24.8	
Profit before income tax continuing operations	962	1,267	1,421	1,934	1,850	1,636	1,615	2,228	1,586	1,499	-5
- of sales %	25.1	32.7	31.6	43.2	32.8	30.1	25.7	36.2	25.8	24.8	
Profit for the period continuing operations	703	936	1,120	1,608	1,596	1,351	1,354	1,862	1,512	1,279	-15

- of which attributable to owners of the parent	670	884	1,071	1,552	1,542	1,312	1,300	1,769	1,416	1,204	-15
Capital employed total Fortum	12,890	11,357	12,663	13,544	15,911	15,350	16,124	17,931	19,420	19,780	2
Capital employed continuing operations	10,739	11,357	12,663	13,544	15,911	15,350	16,124	17,931	19,420	19,780	2
Interest-bearing net debt	5,095	3,158	4,345	4,466	6,179	5,969	6,826	7,023	7,814	7,849	0
Capital expenditure and gross investments in shares total Fortum	830	578	1,395	972	2,624	929	1,249	1,482	1,574	1,299	-17
- of sales %	7.1	9.8	31.1	21.7	46.6	17.1	19.8	24.1	25.6	21.4	
Capital expenditure and gross investments in shares continuing operations	514	479	1,395	972	2,624	929	1,249	1,482	1,574	1,299	-17
Capital expenditure continuing operations	335	346	485	655	1,108	862	1,222	1,408	1,558	1,284	-18
Net cash from operating activities total Fortum	1,758	1,404	1,151	1,670	2,002	2,264	1,437	1,613	1,382	1,836	33
Net cash from operating activities continuing operations	1,232	1,271	1,151	1,670	2,002	2,264	1,437	1,613	1,382	1,836	33
Return on capital employed total Fortum, %	15.8	16.6	13.4	16.5	15.0	12.1	11.6	14.8	10.2	9.2	
Return on capital employed continuing operations, %	11.4	13.5	13.4	16.5	15.0	12.1	11.6	14.8	10.2	9.2	
Return on shareholders' equity total Fortum, %	18.2	18.7	14.4	19.1	18.7	16.0	15.7	19.7	14.6	12.0	
Return on shareholders' equity continuing operations, % ²⁾		13.5	14.4	19.1	18.7	16.0	15.7	19.7	14.6	12.0	
Interest coverage	8.0	11.6	11.5	12.8	9.4	12.4	13.7	10.5	7.6	6.8	
Interest coverage including capitalised borrowing costs					8.6	10.3	10.0	8.5	5.7	5.3	
Funds from operations/interest-bearing net debt, %	36.4	43.2	30.6	36.3	34.1	37.6	20.5	21.5	19.9	21.8	
Gearing, % ³⁾	67	43	53	52	73	70	78	69	73	74	
Net debt/EBITDA	2.1	1.4	2.3	1.9	2.5	2.6	3.0	2.3	3.1	3.2	
Net debt/EBITDA continuing operations	-	1.8	2.3	1.9	2.5	2.6	3.0	2.3	3.1	3.2	
Comparable net debt/EBITDA continuing operations	-	1.8	2.3	2.2	2.6	2.5	2.8	3.0	3.2	3.4	
Equity-to-assets ratio, %	44	49	48	49	41	43	40	44	43	44	
Dividends ⁴⁾	506	987	1,122	1,198	888	888	888	888	888	977 ⁵⁾	10
Dividends continuing operations		511	650	683							
Dividends additional in 2006 and 2007/discontinued operations in 2005		476	472	515							

Research and development expenditure	26	14	17	21	27	30	30	38	41	49	20
- of sales %	0.2	0.2	0.4	0.5	0.5	0.5	0.5	0.6	0.7	0.8	
Average number of employees total Fortum	12,859	10,026	8,910	8,304	14,077	13,278	11,156	11,010	10,600	10,246	
Average number of employees continuing operations	8,592	8,939	8,910	8,304	14,077	13,278	11,156	11,010	10,600	10,246	

1) EBITDA is defined as Operating profit continuing operations + Depreciation, amortisation and impairment charges. According to Finnish Accounting Standards (FAS) share of profit of associated companies was included in operating profit. In calculating EBITDA presented under FAS share of profit of associated companies have been excluded in 1998-2003.

2) Return on equity for continuing operations for 2005 is calculated based on profit for the period from continuing operations divided by total equity at the end of the period. Profit for the period from discontinued operations has been subtracted from total equity on 31 December 2005.

3) Gearing is defined as interest-bearing net debt over shareholders' equity plus non-controlling interests. In 2000-2002 non-controlling interests included the preference shares amounting to EUR 1.2 billion, carrying fixed income dividend of 6.7 %, issued by Fortum Capital Ltd.

4) In addition to cash dividend Fortum distributed approximately 85% of Neste Oil Corporation shares as dividend in 2005.

5) Board of Directors' proposal for the Annual General Meeting on 8 April 2014.

[See Definitions of key figures.](#)