

Date 04/11/2013

Consensus Rating*: -0.24 (Hold)

 Previous rating **0.06 (Hold)**

 Stock price (in Euro) **16.42**

 High/Low (52 weeks) **16.94/13.38**

 Market cap (in Euro m) **14,587.0**

 ISIN **FI0009007132**

 Reuters **FUM1V.HE**

 Bloomberg **FUM1V FH**

 Exchange **OMX**

 Sector **Utilities**

 Internet www.fortum.com

 Coverage **18**
EPS Estimates in Euro:**

YoY Change in Estimates

	Q4 13E	Q4 12A	Change
Sales	1,832.1	1,834.0	-0.1%
EBIT clean	546.0	587.0	-7.0%
EBIT	554.0	619.0	-10.5%
EPS clean	0.40	0.64	-37.5%
EPS	0.41	0.68	-39.4%

*** Consensus Rating (CR):**
Classification:

Buy: 1.50 ≤ CR < 2.00

Accumulate: 0.50 ≤ CR < 1.50

Hold: -0.50 < CR < 0.50

Reduce: -1.50 ≤ CR < -0.50

Sell: -2.00 ≤ CR < -1.50

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Fortum

Summary

Outlook given by the company after Q3 2013 results:
Nordic markets

- Annual electricity demand growth estimated to be on average 0.5%
- Electricity continues to gain share of total energy consumption

Russia

- Fortum's goal is to achieve an operating profit level (EBIT) of about EUR 500 million run-rate in its Russia Division during 2015

Annual capex estimate excluding potential acquisitions:

- 2013 EUR 1.1 to 1.4 billion ; 2014 EUR 0.9 to 1.1 billion

Hedging

Rest of 2013 approximately 85% hedge ratio at approximately EUR 44/MWh (Q2: 75% at EUR 45/MWh); 2014 approximately 65% hedge ratio at approximately EUR 42/MWh (Q2: 50% at EUR 42/MWh); 2015 approximately 20% hedge ratio at approximately EUR 41/MWh

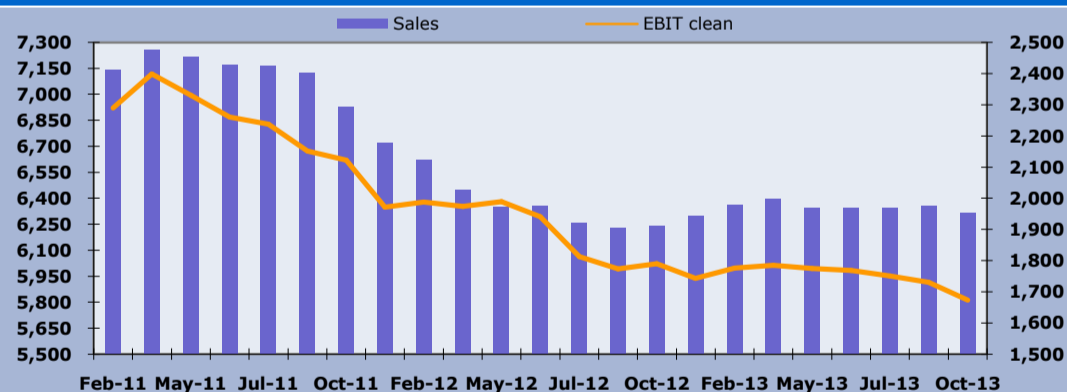
Fortum will release its 2013 financial statements bulletin on 4th February 2014.

Price targets in Euro

	Current	Previous	Change	Up-/Downside
Current Price	16.42			
Highest	19.00	19.00	0.0%	15.7%
Consensus	15.57	15.02	3.7%	-5.2%
Median	15.50	14.75	5.1%	-5.6%
Lowest	11.00	11.00	0.0%	-33.0%

Consensus Valuation

	EPS clean	EBIT clean	P/E	EV/Sales	EV/EBIT	Div.Yield
2010	1.64	1,833	13.7	4.25	14.6	4.5%
2011	1.32	1,802	12.5	3.52	12.0	6.1%
2012	1.45	1,752	10.3	3.42	12.0	6.7%
2013E	1.20	1,673	13.7	3.56	13.4	6.1%
2014E	1.22	1,662	13.5	3.49	13.5	6.1%

FY 2013 Consensus Estimates

Quarterly Development (in Euro m)
