

Fortum's Annual Report 2014

Fortum is an energy company highly committed to sustainability. We strive to respond to the needs of our customers by generating, selling and distributing low-carbon electricity and heat and by offering energy-sector expert services.

Consolidated cash flow statement

EUR million	Note	2014	2013
Cash flow from operating activities			
Net profit for the period		3,161	1,212
Adjustments:			
Income tax expenses		199	186
Finance costs - net		217	289
Share of profit of associates and joint ventures		-149	-178
Depreciation, amortisation and impairment charges		526	620
Operating profit before depreciations (EBITDA)		3,954	2,129
Non-cash flow items and divesting activities		-2,111	-262
Interest received		99	62
Interest paid		-330	-371
Dividends received		58	74
Realised foreign exchange gains and losses and other financial items		349	47
Taxes		-211	-210
Funds from operations		1,808	1,469
Change in working capital		-46	79
Total net cash from operating activities		1,762	1,548
Cash flow from investing activities			
Capital expenditures	5, 18, 19	-768	-1,004
Acquisitions of shares		-69	-15
Proceeds from sales of fixed assets		26	66
Divestments of shares		3,062	122
Proceeds from interest-bearing receivables relating to divestments		131	22
Shareholder loans to associated companies		425	-136
Change in other interest-bearing receivables		8	2
Total net cash used in investing activities		2,816	-944
Cash flow before financing activities		4,578	604
Cash flow from financing activities			
Proceeds from long-term liabilities		50	781
Payments of long-term liabilities		-1,499	-636
Change in short-term liabilities		-580	438
Dividends paid to the owners of the parent	15	-977	-888
Other financing items		-1	22
Total net cash used in financing activities		-3,007	-284
Total net increase(+)/decrease(-) in liquid funds		1,571	320
Liquid funds at the beginning of the year		1,265	961
Foreign exchange differences in liquid funds		-70	-17
Liquid funds at the end of the period ¹⁾	25	2,766	1,265

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

1 Non-cash flow items and divesting activities consist mainly of changes in provisions (including nuclear) EUR -29 million (2013: -168), adjustments for unrealised fair

value changes of derivatives EUR 88 million (2013: -22) and capital gains EUR -2.171 million (2013: -61). The actual proceeds for divestments are shown under cash flow from investing activities.

2 Realised foreign exchange gains and losses and other financial items include realised foreign exchange gains and losses of EUR 352 million for 2014 (2013: 52) 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 for 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.

3 Capital expenditures in cash flow do not include not yet paid investments. Capitalised borrowing costs are included in interest costs paid.

Change in net debt

EUR million	2014	2013
Net debt 1 January	7,793	7,757
Foreign exchange rate differences	-81	-106
EBITDA	3,954	2,129
Paid net financial costs, taxes and adjustments for non-cash and divestment items	-2,147	-660
Change in working capital	-46	79
Capital expenditures	-768	-1,004
Acquisitions	-69	-15
Divestments	3,089	188
Proceeds from interest-bearing receivables relating to divestments	131	22
Shareholder loans to associated companies	425	-136
Change in other interest-bearing receivables	8	2
Dividends	-977	-888
Other financing activities	-1	22
Net cash flow (- increase in net debt)	3,600	-261
Fair value change of bonds and amortised cost valuation	105	-119
Net debt 31 December	4,217	7,793