

# 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.*

## Restructuring according to strategy in Russia

In December, Fortum and Gazprom Energoholding signed a protocol to start a restructuring process of their ownership of TGC-1, a Territorial Generating Company in Russia. TGC-1 owns and operates hydro and thermal power plants in north-western Russia as well as heat distribution networks in St. Petersburg. Currently, Gazprom Energoholding owns 51.8 % of the TGC-1 shares and Fortum 29.5 %.

As part of the restructuring, Fortum will establish a company together with Rosatom to own the hydro assets of TGC-1, while Gazprom Energoholding will continue with the heat and thermal power businesses of TGC-1. By utilising our present stake in TGC-1, Fortum would obtain a more than 75 % ownership in the hydro power company. Rosatom would have a less than 25 % minority holding in the hydro power company. The company would be consolidated to

Fortum Group as a subsidiary.

Provided that Fortum obtains a more than 75 % ownership in TGC-1 hydro assets, Fortum would be ready to participate with a minority stake (max. 15 %) in the Finnish Fennovoima nuclear power project on the same terms and conditions as the other Finnish companies currently participating in the project.