



# Fortum to appeal court decision on Swedish hydro real estate tax

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On 11 June, the Swedish Administrative Court of Appeal gave its decisions on Fortum Sverige AB's hydro production related real estate tax assessments for the years 2009-2014. The court decisions are not in Fortum's favour and are contrary to the Administrative Court's earlier decision. Fortum will apply for leave to appeal to the Supreme Administrative Court. The disputed amount including interest for the time period totals approximately SEK 520 million (approximately EUR 50 million). In case the Administrative Court of Appeal's ruling becomes final, there will be no impact on Fortum's results.

In Sweden, hydro power plants have been subject to a real estate tax that has resulted in approximately 12 times higher real estate tax per kWh compared to any other production form due to different tax rates and different valuation factors.

"Over the years, hydro power production has been subjected to an increasing real estate tax burden. The tax burden has not only been detrimental to the investment climate but also been risking the sustainable operation of existing plants. The Swedish Parliament's decision to lower the real estate tax rate for hydro power production to the normal level supports the operations in the future, but the high real estate tax has burdened our business for several years," says **Reijo Salo**, Fortum's Vice President, Corporate Tax.

In 2014, Fortum's taxes borne totaled EUR 525 million, of which EUR 279 million was related to taxes in Sweden. In 2014, Fortum Group's total tax rate was 14.3 % and 54.9 % in Sweden.

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## Read more:

Fortum's tax footprint is available online: [http://apps.fortum.fi/investors/Fortum\\_Tax\\_Footprint\\_2017.pdf](http://apps.fortum.fi/investors/Fortum_Tax_Footprint_2017.pdf)

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## Fortum

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