



Interim Report 1 January – 31 March, 2001

Fortum Corporation Interim Report 1 January – 31 March, 2001

Major improvement in results

- operating profit up by over 50%, profit before extraordinary items up by over 70%

The first quarter in brief

- Group net sales increased by 27% to EUR 3,202 million.
- Operating profit increased by 56% to EUR 307 million.
- Profit before extraordinary items increased by 72% to EUR 246 million.
- Earnings per share increased by 33% to EUR 0.20.
- Power and Heat Generation and Sales saw its results boosted by increased electricity sales and the rise in the price of electricity in the Nordic countries.
- Oil and Gas Upstream improved its results following a slight increase in output. On average the price of crude oil remained on a par with the corresponding figure for the previous year.
- Oil Refining and Marketing's results were up reflecting the increase in Fortum's refining margin compared to the corresponding period in 2000.

Key Indicators

	I/01	I/00	2000
Net sales, EUR million	3,202	2,525	11,026
Operating profit, EUR million	307	197	906
Profit before extraordinary items, EUR million	246	143	633
Earnings per share, EUR	0.20	0.15	0.55
Shareholders' equity per share, EUR million	6.26	6.03	6.32
Capital employed (at end of period), EUR million	10,760	9,605	11,365
Interest-bearing net debt (at end of period), EUR million	4,046	4,350	4,626
Investments in fixed assets, EUR million	123	514	3,131
Net cash from operating activities, EUR million	447	52	424
Return on capital employed, %	11.7	8.9	9.4
Return on equity, %	11.8	9.5	8.6
Gearing, %	64	90	73
Average number of employees	15,602	16,081	16,220

Net sales and results

Group net sales stood at EUR 3,202, an increase of 27% over the corresponding figure for the previous year (EUR 2,525 million). The rise was mainly attributable to the following: Oil Refining and Marketing's higher sales volumes coupled with a stronger dollar, the growth in trading revenue following the sharp increase in the price of natural gas, increased electricity output, and the rise in the electricity price.

Group operating profit rose by 56% to EUR 307 (197) million. The substantial increase in power plant capacity and the rise in the price of electricity both had a positive impact on the results of Power and Heat Generation and Sales. Oil and Gas Upstream's results were boosted by the rise in gas production. Oil Refining and Marketing showed a significant increase in operating profit due to the improvement in Fortum's refining margin. Fortum's shipping operations and the brisk demand for gasoline components also contributed to the rise.

The Birka Energi Group, in which Fortum has a 50% interest, accounted for EUR 75 (63) million of Fortum's operating profit.

Inventory losses totalled EUR 41 (11) million and gains from the disposal of fixed assets totalled EUR 1 (4) million.

Pre-tax profits totalled EUR 246 (143) million. Profit for the first quarter was EUR 158 (114) million.

The Group's net financial expenses were EUR 61 (54) million. A total of EUR 21 (3) million has been entered under minority interests in the income statement. The increase is due to the financing arrangements for the acquisition of power assets in Sweden, which came into effect on 1 June 2000.

Review of Business Operations

Oil and Gas Upstream

Oil and gas exploration and production is centred on Norway but there are also operations in Oman and Russia. In Britain Fortum is engaged in gas trading and sells gas to end-users while in the Baltic region the company is involved in gas pipeline projects and owns shares in gas companies.

	I/01	I/00	2000
Net sales, EUR million*	502	215	945
Operating profit, EUR million	51	45	218
Identifiable assets, EUR million	1,329	1,206	1,284
Return on net assets, %	15.6	15.4	18.0

* The total attributable to natural gas trading and retail sales was EUR 402 (132) million.

The average price of North Sea Brent light crude during the period from January to March was USD 25.8 (approx. USD 27) a barrel. The average price per barrel of oil sold by Fortum was USD 25.8 (27).

Oil and gas production

(boepd)	I/01	I/00	2000
Total	40,500	35,400	34,200

Production at the beginning of the year was equivalent to an annual output of 2.0 (1.7) million tonnes. Natural gas accounted for one fifth of the oil and gas production for the period from January to March.

In March, the Norwegian subsidiary, Fortum Petroleum AS, acquired a 30% interest in a new licence for exploration and production on the Norwegian Continental Shelf.

SeverTEK, which is owned jointly by Fortum and the Russian oil company, Lukoil, began test production at the Jushno-Shapkinskoje oil field in Timan Petshora in northern Russia. The field's oil reserves total over 20 million tonnes.

Oil Refining and Marketing

Fortum owns two oil refineries in Finland and a network of service stations and retail outlets in Finland and the Baltic countries. The company also sells lubricants, base oils, components and LPG. On the logistics side, Fortum owns and charters tankers and also owns oil storage depots.

	I/01	I/00	2000
Net sales, EUR million	1,941	1,669	7,759
Operating profit, EUR million	52	4	382
Identifiable assets, EUR million	1,584	1,645	1,838
Return on net assets, %	12.2	1.0	22.2

The international refining margin in north-west Europe for the period from January to March averaged USD 2.25 (2.27) a barrel. The margins increased towards the end of the first quarter, partly as a result of strong demand for motor fuels that comply with environmental restrictions. Fortum's refining margin was around USD 2 higher than the corresponding international margin.

Consumption of petroleum products in Finland totalled 2.7 (2.5) million tonnes. Demand for gasoline fell by around 1.7% while demand for diesel rose by 2.0%. There was a rise of approximately 10% in demand for light fuel oils and low-sulphur heavy fuel oils. There were no significant changes in Fortum's market share.

During the period from January to March Fortum refined a total of 3.3 (2.9) million tonnes of crude oil and other feedstock. 1.8 (1.9) million tonnes of petroleum products were delivered to customers in Finland with exports totalling nearly 1.4 (1.0) million tonnes.

At the beginning of the year, around 110,000 tonnes of extra-clean gasoline from the Porvoo refinery was delivered to Germany for long-term storage. Total deliveries are set to rise during the year to hundreds of thousands of tonnes. The product's sulphur content is only one fifth of that found in the gasoline typically on sale within the EU.

The Porvoo refinery made preparations for the maintenance shutdown of around five weeks planned for April/May. The total cost of the work to be carried out during this period is estimated at around EUR 34 million. The expense has been accrued over a four-year period commencing in 1997. Work on the installation of new production units is also to be done while the plant is shut down. The main purpose of the new units is to increase the plant's capacity to produce low-sulphur motor fuels and lubricant base oil. Citydiesel production capacity is to rise to 3.9 million tonnes a year while output of base oil is set to increase three-fold to 150,000 tonnes a year. The maintenance shutdown will result in a production loss of around 1 million tonnes.

Fortum is to invest in a gasoline desulphurisation unit for its Naantali refinery. The unit is scheduled for completion in the spring of 2002. The total cost of the investment is around EUR 20 million.

Deliveries of petroleum products refined by Fortum – by product group

(1,000 t)	I/01	I/00	2000
Gasoline	989	924	3,941
Diesel	1,001	667	3,246
Aviation fuel	84	185	786
Light fuel oil	558	546	1,843
Heavy fuel oil	287	265	1,133
Other	240	281	1,360
Total	3,159	2,868	12,309

Deliveries of petroleum products refined by Fortum – by area

(1,000 t)	I/01	I/00	2000
Finland	1,809	1,853	7,423
Sweden	483	446	2,142
Baltic countries and Russia	29	51	153
USA and Canada	340	233	1,029
Other countries	498	285	1,562
Total	3,159	2,868	12,309

Power and Heat Generation and Sales

Fortum is one of the two largest companies in the Nordic countries producing and selling electricity and is also the leading heat producer in the region. Its operations are centred on Finland and Sweden but it is also active in continental Europe, Britain, Ireland and south-east Asia.

	I/01	I/00	2000
Net sales, EUR million	604	503	1 760
- electricity sales, EUR million	393	318	1 170
- heat sales, EUR million	136	140	411
Operating profit, EUR million	157	100	211
Identifiable assets, EUR million	6,098	5,176	6,193
Return on net assets, %	10.2	8.0	3.8

Electricity consumption in the Nordic countries totalled 117 (111) terawatt-hours, of which 13.6 (11.7) terawatt-hours was sold by Fortum. Sales outside the Nordic countries stood at 1.7 (1.5) terawatt-hours.

During the period under review, there was a substantial increase in sales in Sweden compared to the corresponding figure for the previous year. This was attributable to the major investment in additional power plant capacity in 2000.

The price of electricity on the Nordic spot market during the period from January to March was around 80% higher than the corresponding figure in 2000, averaging EUR 24.5 (13.6) per megawatt-hour. The price rise was mainly due to the fall-off in hydropower production which is returning to normal following the high precipitation levels in recent years. The average price of electricity sold by Fortum in the Nordic countries was up by nearly 7% on the corresponding period for the previous year.

Electricity sales by area (TWh)

	I/01	I/00	2000
Total for Nordic countries	13,6	11,7	45,3
- Finland	8,1	8,2	28,4
- Sweden*	5,5	3,5	16,9
Germany	1,1	0,9	3,9
Great Britain and Ireland	0,5	0,5	1,9
Estonia	0,1	0,1	0,3
Total	15,3	13,2	51,4

* includes 50% of Birka Energi's electricity sales - 3.5 (3.5) terawatt-hours.

The electricity contracts expiring in 2001 - most of which were signed prior to deregulation – provide for the supply of 3 terawatt-hours of electricity and around 7 terawatt-hours in the following three years. The contracts expiring this year are not expected to have an adverse impact on the results.

During the period from January to March, around 33% (25%) of Fortum's electricity output was hydropower-based and around 35% (36%) was nuclear power-based. Other energy sources were coal, peat, natural gas, biomass, wind power and oil.

At the end of March, a contract was agreed covering the sale of the Joensuu power plant. Ownership of the plant was transferred to Espoon Sähkö Group on 2 April.

Heat sales by area (TWh)

	I/01	I/00	2000
Finland	3.8	4.2	11.5
Sweden*	1.9	1.6	4.1
Other countries	0.3	0.2	0.7
Total	6.0	6.0	16.3

* 50% of Birka Energi's heat sales

Electricity distribution

Fortum distributes electricity to a total of 900,000 customers in Sweden, Finland, Germany and Estonia.

	I/01	I/00	2000
Net sales, EUR million	135	131	467
Operating profit, EUR million	56	49	127
Identifiable assets, EUR million	2,200	2,182	2,263
Return on net assets, %	10.0	10.1	6.4

During the period from January to March, a total of 4.8 (4.5) terawatt-hours of electricity was transmitted through the distribution networks.

Electricity transmissions via distribution networks - by area (TWh)

	I/01	I/00	2000
Sweden*	2.6	2.5	8.1
Finland	1.4	1.3	4.0
Germany	0.8	0.7	2.7
Estonia	0.0	0.0	0.2
Total	4.8	4.5	15.0

* 50% of Birka Energi's electricity transmissions

Number of customers supplied electricity via distribution networks - by area

	31.3.2001	31.3.2000	31.12.2000
Sweden*	440,000	440,000	440,000
Finland	280,000	280,000	280,000
Germany	160,000	170,000	160,000
Estonia	20,000	20,000	20,000
Total	900,000	910,000	900,000

* includes 50% of Birka Energi's customers that are supplied electricity via distribution networks

Electricity transmissions via the regional distribution network to customers outside the Group totalled 1.0 (1.1) TWh in Finland and 2.4 (1.5) TWh in Sweden.

Electricity transmission prices remained stable.

Service

The Service sector provides operation and maintenance services to power plant owners as well as maintenance services to process industries. In addition to Finland and Sweden the unit has operations in central Europe and Asia.

	I/01	I/00	2000
Net sales, EUR million	77	78	356
Operating profit, EUR million	6	4	12
Identifiable assets, EUR million	24	33	31
Return on net assets, %	87.3	42.7	32.9

The availability of the power plants operated and maintained by Fortum Service remained excellent, standing at 98% (98.6%) for the period from January to March. Fortum Service is responsible for a total of 76 power and heating plants of varying sizes and types throughout Finland.

In March Fortum Service signed a long-term contract with Joensuu Energia covering the operation and maintenance of the Joensuu power plant. The maintenance unit secured a number of orders for turbine maintenance and substation projects as well as for transformer maintenance assignments. Demand for its services outside Finland is also growing.

Engineering

The Engineering sector supplies energy production and transmission systems, either complete or in part, and plant and equipment for the oil refinery and chemical industries. It also specialises in railway electrification and communications networks.

	I/01	I/00	2000
Net sales, EUR million	104	118	585
Operating profit, EUR million	-11	-2	-21
Identifiable assets, EUR million	49	24	81
Return on net assets, %	-67.7	-26.2	-35.6

The value of Engineering's outstanding order book at the end of the period was EUR 466 (609) million.

The Power Plant and Power Transmission units showed a loss for the first quarter. The restructuring programme that was initiated in 2000 continued.

Investments and finance

Investments in fixed assets during the period from January to March totalled EUR 123 (514) million.

At the end of the period, interest-bearing net debt stood at EUR 4,046 million (EUR 4,626 million at the end of 2000). The gearing ratio was 64% (73% at the end of 2000).

Business development and restructuring

Fortum's core markets are the Nordic countries and other countries in the Baltic area.

Fortum has a firm foothold in the electricity markets in the Nordic countries. The company is keen to further strengthen its position and to that end it has expressed an interest in acquiring the entire share capital of the Swedish company, Birka Energi AB.

During the first part of the year, changes were made to the Group's organisational structure. Fortum Energy Solutions, the sector responsible for energy services and solutions, began operations at the beginning of March. The new sector also incorporates the former Service sector and some parts of the other sectors. The Group aims to expand its business in selected European and south-east Asian markets by giving customers direct access to expert support during the development, investment and production phases of energy projects. The work of the sector is underpinned by the Group's specialist know-how in power plant operation and maintenance and related technologies.

The new Fortum Markets sector was started up at the beginning of April. Its remit covers business development in the Nordic countries with the focus on the selling and marketing of services and products designed for the Finnish market. The other sectors within Fortum are Oil and Gas, Power and Heat, and Engineering.

The sale of BERT of Hungary to EdF International S.A., which was agreed at the end of 2000, is still waiting for some official approvals. Progress on the sale of power plants in Great Britain and Ireland has been slow for three reasons: the current price differential between gas and electricity, competition from the sale of other electricity generating facilities, and the new electricity trading system (NETA), the introduction of which was delayed until March 2001.

The negotiations relating to the sale of the Power Transmission Engineering unit are moving forward.

The research and development unit, which supports the Group's power and heat business, underwent reorganisation. Under the restructuring programme, the unit's activities will be placed closer to the business operations they are designed to support while some of the unit's work will be discontinued.

Annual General Meeting

At the Annual General Meeting held on 4 April 2001, a dividend of EUR 0.23 (0.18) per share was approved.

The following people were re-appointed as members of the Supervisory Board: Henrik Aminoff, Tuija Brax, Kaarina Dromberg, Klaus Hellberg, Harri Holkeri, Mikko Immonen, Kyösti Karjula, Tanja Karpela, Kari Laitinen, Jouko K. Leskinen, Leena Luhtanen, Matti Vanhanen, Sirkka Vilkkamo and Ben Zyskowicz. The following new members were appointed: Jorma Huuhtanen, Rakel Hiltunen and Pertti Mäki-Hakola. Kari Laitinen and Ben Zyskowicz were elected as Chairman and Deputy Chairman of the Supervisory Board respectively.

SVH PricewaterhouseCoopers Oy, Authorised Public Accountants, were re-appointed as auditors.

The changes to the Articles of Association and the granting of share options to key people within the Group as proposed by the Board of Directors was approved at the Annual General Meeting.

Group personnel

The average number of people employed by the Fortum Group during the period from January to March was 15,602 (16,081).

Short-term outlook

The most important market factors influencing Fortum's results are the market price of electricity, the price of crude oil, the oil refining margin and the US dollar exchange rate.

Electricity consumption is predicted to rise in the Nordic countries over the next few years at an annual rate of approximately 1.5%. The share of the annual electricity output accounted for by hydropower-based generation is expected to decrease in the Nordic markets, falling below the record high achieved in 2000 while coal-based output is forecast to increase its share. At the end of April, Nord Pool electricity futures for the remainder of 2001 were priced at EUR 22 - 26 per megawatt-hour. The continuous operations of power and heat generation and sales usually result in a significantly better performance in the first and final quarters of the year than in the second and third quarters.

The Opec target price for crude oil is USD 22 - 28 a barrel. At the end of April the price of the International Petroleum Exchange's Brent futures for 2001 was USD 26 - 28 a barrel. Fortum expects to increase its oil and gas production during the current year by around 25% following the start-up of gas production at Åsgard.

During the first quarter of 2001, the international oil refining margin was on average at the same high level as the previous year's figure. A major reason for this was the tightening of the environmental requirements for motor fuels and the subsequent brisk demand for products that comply with the new standards. In April the Brent Complex margin was over USD 5 a barrel mainly due to the high price of gasoline. No increase in oil consumption in Fortum's core markets is anticipated. The maintenance shutdown at Fortum's Porvoo refinery scheduled for April/May 2001 will reduce output of refined petroleum products during the current year by around 1 million tonnes.

The interim financial statements are unaudited.

Espoo, 4 May 2001
Fortum Corporation
Board of Directors

FORTUM GROUP
JANUARY-MARCH 2001

Interim financial statements are unaudited.

CONSOLIDATED INCOME STATEMENT

<i>EUR mill.</i>	Q1/01	Q1/00	2000
Net sales	3 202	2 525	11 026
Share of profits (losses) of associated companies	11	12	46
Other operating income	14	12	140
Depreciation, amortisation and write-downs	-137	-137	-571
Other operating expenses	-2 783	-2 215	-9 735
Operating profit	307	197	906
Financial income and expenses	-61	-54	-273
Profit before extraordinary items	246	143	633
Extraordinary income	0	-	0
Extraordinary expenses	0	-	-10
Profit before taxes	246	143	623
Income taxes	-67	-26	-154
Minority interests	-21	-3	-46
Net profit for the period	158	114	423

Earnings per share, EUR	0.20	0.15	0.55
Average number of shares, 1,000 shares	794 571	784 783	787 223

1) Accrued taxes for the financial period.

CONSOLIDATED BALANCE SHEET

<i>EUR mill.</i>	Mar 31 2001	Mar 31 2000	Dec 31 2000
ASSETS			
Fixed assets and other long-term investments	11 333	10 636	11 712
Current assets			
Inventories	683	648	746
Receivables	2 091	1 495	1 933
Cash and cash equivalents	430	395	437
Total	3 204	2 538	3 116
Total	14 537	13 174	14 828

SHAREHOLDERS' EQUITY AND LIABILITIES

Shareholders' equity			
Share capital	2 875	2 640	2 875
Other equity	2 102	2 094	2 147
Total	4 977	4 734	5 022
Minority interests	1 306	125	1 281
Provisions for liabilities and charges	209	86	197
Deferred tax liabilities	1 138	1 248	1 177
Long-term liabilities	4 161	4 246	4 463
Short-term liabilities	2 746	2 735	2 688
Total	14 537	13 174	14 828

Equity per share, EUR	6.26	6.03	6.32
Number of shares, 1,000 shares	845 609	784 783	845 609
Number of shares, own shares excluded 1,000 shares	794 571	784 783	794 571

FORTUM GROUP
JANUARY-MARCH 2001

Interim financial statements are unaudited.

KEY RATIOS	Mar 31 2001	Mar 31 2000	Dec 31 2000
Interest-bearing net debt, EUR mill.	4 046	4 350	4 626
Investments, EUR mill.	123	514	3 131
Average number of employees	15 602	16 081	16 220
Return on capital employed, %	11.7	8.9	9.4
Return on shareholders' equity, %	11.8	9.5	8.6
Gearing, %	64	90	73
Equity-to-assets ratio, %	44	37	43

NET SALES BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/01	Q1/00	2000
Oil and Gas Upstream	502	215	945
Oil Refining and Marketing	1 941	1 669	7 759
Power and Heat Generation and Sales	604	503	1 760
Electricity Distribution	135	131	467
Service	77	78	356
Engineering	104	118	585
Other Operations	22	21	94
Internal invoicing	-183	-210	-940
Total	3 202	2 525	11 026
Discontinued Operations	-	-	-
Net sales	3 202	2 525	11 026

DEPRECIATIONS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/01	Q1/00	2000
Oil and Gas Upstream	24	23	85
Oil Refining and Marketing	34	35	147
Power and Heat Generation and Sales	43	46	191
Electricity Distribution	29	27	122
Service	2	2	7
Engineering	3	2	9
Other Operations and eliminations	2	2	10
Total	137	137	571
Discontinued Operations	-	-	-
Depreciations	137	137	571

FORTUM GROUP
JANUARY-MARCH 2001

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OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/01	Q1/00	2000
Oil and Gas Upstream	51	45	218
Oil Refining and Marketing	52	4	382
Power and Heat Generation and Sales	157	100	211
Electricity Distribution	56	49	127
Service	6	4	12
Engineering	-11	-2	-21
Other Operations	-5	-1	-20
Eliminations	1	-2	-3
Total	307	197	906
Discontinued Operations	-	-	-
Operating profit	307	197	906

INVESTMENTS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/01	Q1/00	2000
Oil and Gas Upstream	16	29	137
Oil Refining and Marketing	30	27	128
Power and Heat Generation and Sales	63	190	2 343
Electricity Distribution	10	258	489
Service	1	2	5
Engineering	2	2	20
Other Operations and eliminations	1	6	9
Total	123	514	3 131
Discontinued Operations	-	-	-
Investments	123	514	3 131

IDENTIFIABLE ASSETS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Mar 31 2001	Mar 31 2000	Dec 31 2000
Oil and Gas Upstream	1 329	1 206	1 284
Oil Refining and Marketing	1 584	1 645	1 838
Power and Heat Generation and Sales	6 098	5 176	6 193
Electricity Distribution	2 200	2 182	2 263
Service	24	33	31
Engineering	49	24	81
Other Operations and eliminations	144	141	141
Total	11 428	10 407	11 831
Discontinued Operations	-	-	-
Identifiable assets	11 428	10 407	11 831

2) Identifiable assets include deferred tax liabilities due to the allocated goodwill: EUR 196 mill. March 31, 2001, EUR 259 mill. March 31, 2000 and EUR 216 mill. December 31, 2000 in Power and Heat Generation and Sales; and EUR 247 mill. March 31, 2001, EUR 246 mill. March 31, 2000 and EUR 262 mill. December 31, 2000 in Electricity Distribution.

FORTUM GROUP
JANUARY-MARCH 2001

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RETURN ON NET ASSETS BY BUSINESS OPERATIONS (SEGMENTS) ³⁾

%	Q1/01	Q1/00	2000
Oil and Gas Upstream	15.6	15.4	18.0
Oil Refining and Marketing	12.2	1.0	22.2
Power and Heat Generation and Sales	10.2	8.0	3.8
Electricity Distribution	10.0	10.1	6.4
Service	87.3	42.7	32.9
Engineering	-67.7	-26.2	-35.6

3) Return on net assets, % = Operating profit/average identifiable assets

SIGNIFICANT NON-RECURRING ITEMS IN OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/01	Q1/00	2000
Oil and Gas Upstream	0	0	2
Oil Refining and Marketing	-43	-12	32
Power and Heat Generation and Sales	-1	-2	14
Electricity Distribution	0	0	-1
Service	0	0	0
Engineering	0	0	2
Other Operations and eliminations	0	1	23
Total	-44	-13	72
Discontinued Operations	-	-	-
Non-recurring items	-44	-13	72

CONTINGENT LIABILITIES

<i>EUR mill.</i>	Mar 31 2001	Mar 31 2000	Dec 31 2000
Contingent liabilities			
On own behalf			
For debt			
Pledges	187	295	188
Real estate mortgages	149	174	156
Company mortgages	32	27	22
Other mortgages	54	54	54
For other commitments			
Pledges	2	86	2
Real estate mortgages	85	96	87
Company mortgages	0	1	3
Other mortgages	7	-	6
Sale and leaseback	19	21	18
Other contingent liabilities	385	811	543
Total	920	1 565	1 079
On behalf of associated companies			
Pledges	-	5	-
Real estate mortgages	-	2	-
Guarantees	235	270	165
Other contingent liabilities	369	-	368
Total	604	277	533
On behalf of persons referred to in § 11:7 of the Companies Act			
Guarantees	-	0	-
On behalf of others			
Pledges	0	0	1
Real estate mortgages	0	0	-
Company mortgages	-	-	-
Guarantees	59	87	140
Other contingent liabilities	4	3	20
Total	63	90	161
Total	1 587	1 932	1 773

FORTUM GROUP
JANUARY-MARCH 2001

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<i>EUR mill.</i>	Mar 31 2001	Mar 31 2000	Dec 31 2000
Operating lease liabilities			
Due within a year	70	53	68
Due after a year	114	140	122
Total	184	193	190

Finance leases have been recognised as assets and liabilities.

Liability for nuclear waste disposal	489	471	489
Share of reserves in the Nuclear Waste Disposal Fund	-460	-385	-460
Liabilities in the balance sheet	29	87	29
Excess of security given over obligations	0	1	0

4) Mortgaged bearer papers as security

Derivatives	Mar 31 2001			Mar 31 2000			Dec 31 2000		
	Contract or notional value	Fair value	Not recogn- ised as an income	Contract or notional value	Fair value	Not recogn- ised as an income	Contract or notional value	Fair value	Not recogn- ised as an income
Interest and currency derivatives									
<i>EUR mill.</i>									
Forward rate agreements	186	0	0	48	0	0	85	0	-
Interest rate swaps	4 148	-49	-26	2 329	5	21	3 239	-7	2
Purchased interest rate options	-	-	-	2	0	0	-	-	-
Written interest rate options	-	-	-	-	-	-	-	-	-
Forward foreign exchange contracts 5),6)	3 720	52	20	2 247	-41	-34	2 358	48	-16
Currency swaps	3 270	285	60	907	-10	-30	2 308	149	-6
Purchased currency options	174	-4	-4	51	-1	-1	144	1	1
Written currency options	77	0	0	51	-2	-2	90	1	1

5) Incl. also closed forward and future positions

6) Incl. also contracts used for equity hedging

Oil futures and forward instruments	Fair value			Fair value			Fair value		
	Volume	Fair value	Not recognised as an income	Volume	Fair value	Not recognised as an income	Volume	Fair value	Not recognised as an income
	<i>1000 bbl</i>	<i>EUR mill.</i>	<i>EUR mill.</i>	<i>1000 bbl</i>	<i>EUR mill.</i>	<i>EUR mill.</i>	<i>1000 bbl</i>	<i>EUR mill.</i>	<i>EUR mill.</i>
Sales contracts	11 676	6	6	18 324	9	-2	15 130	21	17
Purchase contracts	10 269	-9	-9	15 547	12	-2	4 341	-10	-10
Purchased options	1 117	1	1	2 525	1	1	2 093	0	0
Written options	1 675	0	0	2 525	0	0	1 250	0	0
Electricity derivatives									
	Volume	Fair value	Not recognised as an income	Volume	Fair value	Not recognised as an income	Volume	Fair value	Not recognised as an income
	<i>TWh</i>	<i>EUR mill.</i>	<i>EUR mill.</i>	<i>TWh</i>	<i>EUR mill.</i>	<i>EUR mill.</i>	<i>TWh</i>	<i>EUR mill.</i>	<i>EUR mill.</i>
Sales contracts	78	-270	-188	28	45	45	70	155	26
Purchase contracts	73	281	192	22	-64	-48	67	-163	-26
Purchased options	3	5	4	1	0	0	3	0	0
Written options	5	-9	-7	5	1	1	3	0	0

In addition to other contingent liabilities, a guarantee has been given on behalf of Gasum Oy, which covers 75% of the natural gas commitments arising from the natural gas supply agreement between Gasum and OOO Gazexport.

The fair values of derivative contracts subject to public trading are based on market prices as of the balance sheet date. The fair values of other derivatives are based on the present value of cash flows resulting from the contracts, and, in respect of options, on evaluation models.

Derivative contracts are mainly used to manage the group's currency, interest rate and price risk

Own shares

Fortum Corporation's subsidiary Fortum Power and Heat Oy has 51,037,520 Fortum Corporation's shares, with a total par value of EUR

FORTUM GROUP
JANUARY-MARCH 2001

Interim financial statements are unaudited.

173,527,568.00 and with a book value of EUR 188,928,107.28. This represents 6,04% of the total number of Fortum Corporation's shares and share capital. Own shares have been eliminated in the balance sheet of Fortum Group.

QUARTERLY NET SALES BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/00	Q2/00	Q3/00	Q4/00	2000	Q1/01
Oil and Gas Upstream	215	133	183	414	945	502
Oil Refining and Marketing	1 669	1 909	1 972	2 209	7 759	1 941
Power and Heat Generation and Sales	503	384	359	514	1 760	604
Electricity Distribution	131	106	101	129	467	135
Service	78	73	83	122	356	77
Engineering	118	155	135	177	585	104
Other Operations	21	23	23	27	94	22
Internal invoicing	-210	-203	-229	-298	-940	-183
Total	2 525	2 580	2 627	3 294	11 026	3 202
Discontinued Operations	-	-	-	-	-	-
Net sales	2 525	2 580	2 627	3 294	11 026	3 202

QUARTERLY OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/00	Q2/00	Q3/00	Q4/00	2000	Q1/01
Oil and Gas Upstream	45	40	46	87	218	51
Oil Refining and Marketing	4	137	133	108	382	52
Power and Heat Generation and Sales	100	46	2	63	211	157
Electricity Distribution	49	19	25	34	127	56
Service	4	-2	2	8	12	6
Engineering	-2	-4	1	-16	-21	-11
Other Operations	-1	-10	-4	-5	-20	-5
Eliminations	-2	-1	-4	4	-3	1
Total	197	225	201	283	906	307
Discontinued Operations	-	-	-	-	-	-
Operating profit	197	225	201	283	906	307

1 EUR = 5,94573 FIM