Fortum Corporation
Interim Report
1 January – 31 March 2003

Fortum

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Strong financial performance by Fortum during the first quarter

- profits up by more than 50%

The first quarter in brief

- Earnings per share were EUR 0.32, up 52% on the corresponding period in 2002
- Operating profit excluding non-recurring items doubled
- Continued strong net cash from operating activities, EUR 344 million
- Net debt stood at EUR 4.624 million, a further decrease of EUR 1.2 billion, gearing at 63%
- Important strategic steps in Norway and Russia

Key figures	I/03	I/02	2002	Last 12 months (LTM)
Net sales, EUR million	3,593	2,571	11,148	12,170
Operating profit, EUR million	475	327	1,289	1,437
Profit before taxes, EUR million	410	269	1,008	1,149
Earnings per share, EUR	0.32	0.21	0.79	0.89
Shareholders' equity per share, EUR	6.96	6.48	6.97	
Capital employed (at end of period), EUR million	12,309	14,581	13,765	
Interest-bearing net debt (at end of period), EUR million	4,624	7,111	5,848	
Investments, EUR million	112	3,704	4,381	789
Net cash from operating activities, EUR million	344	325	1,351	
Return on capital employed, %	15.6	8.8	11.1	11.8
Return on shareholders' equity, %	16.5	8.5	10.5	11.4
Gearing, %	63	102	80	
Average number of employees	12,733	13,710	14,053	
Number of employees (at end of period)	12,645	14,809	13,670	
Average number of shares, 1000	845,776	845,609	845,642	845,692

The first three months of the year were characterised by gradually decreasing Nord Pool power prices after the record high levels around the year-end, staying, however, clearly above the prices during the corresponding period in 2002. The international refining margin was also very high during the first quarter, whereas the price of crude oil started to fall sharply in mid-March.

In January, Fortum took important strategic steps in Norway and north-western Russia by agreeing with E.ON AG on a swap of power assets. The disposal of the Norwegian oil and gas assets was completed in early March.

During the first quarter of the year, the integration of Birka Energi progressed as planned. The synergy benefits achieved during the first quarter exceeded EUR 30 million.

The Group’s quarterly financial performance was strong and cash flow continued to be at a good level. Net debt further decreased by 1.2 billion and gearing was at 63%, well below the target level of 70%. During the last 12 months, the net debt has decreased by EUR 2.5 billion.

Net sales and results

Group net sales stood at EUR 3,593 (2,571) million. The main reason for the increase was higher market prices for electricity and petroleum products.

Group operating profit totalled EUR 475 (327) million. The operating profit excluding non-recurring items, EUR 471 (237) million, improved by EUR 234 million compared to the corresponding period in 2002. The net amount of non-recurring items was EUR 4 (90) million.

Electricity and heat sales volumes increased. This together with higher electricity prices resulted in a significant improvement in the results of the Power, Heat and Gas segment. The contribution of the Service business was at the previous year’s level.

The results for the Markets segment were negative due to the poor performance of the sales of electricity. The results for the sales of heating oil developed positively.

The international oil refining margins were markedly higher than a year ago, significantly improving the results for Oil Refining and Marketing. The Shipping business enjoyed higher freight rates mainly because of heavy ice conditions.

Profit before taxes was EUR 410 (269) million.

The Group´s net financial expenses were EUR 65 (58) million.

Minority interests accounted for EUR 33 (22) million. These were mainly attributable to the preference shares issued by Fortum Capital Ltd in 2000 and to Fortum Värme Holding, in which the City of Stockholm has a 50% economic interest.

Taxes for the period totalled EUR 107 (65) million.

Net profit for the period was EUR 270 (182) million. Earnings per share were EUR 0.32 (0.21). Return on capital employed was 15.6% (8.8%) and return on shareholders´ equity was 16.5% (8.5%).

SEGMENT REVIEWS

Power, Heat and Gas

The main business area comprises power and heat generation and sales as well as gas operations in the Nordic countries and other parts of the Baltic Rim. The Service business (former Fortum Energy Solutions) is included in this segment as from 1 January 2003.

EUR million	I/03	I/02	2002	LTM
Net sales	1,214	933	3,644	3,925
- electricity sales	675	377	1,661	1,959
- heat sales	268	193	686	761
- other sales	271	362	1,297	1,206
Operating profit	293	149	617	761
- excluding non-recurring items	294	148	501	647
Return on net assets, %	13.4	7.9	7.5	8.6
Net assets (at end of period)	8,741	9,100	8,748	

Despite the slightly colder-than-normal temperatures, electricity consumption in the Nordic countries remained at the previous year's level and was 111 (112) terawatt-hours (TWh) during the period from January to March. Consumption in Finland increased by 6%, however. In Sweden, the consumption was at the previous year's level. Consumption in Norway decreased due to lower industrial consumption, caused by exceptionally high electricity prices and increased use of heating oil. Fortum's sales in the Nordic countries amounted to 17.3 (13.1) TWh in total and represented approximately 16% (12%) of total Nordic electricity consumption in the period from January to March. Sales outside the Nordic countries totalled 0.7 (2.2) TWh.

During the period from January to March, the average price of electricity on the Nordic power exchange Nord Pool was 53.3 (21.2) EUR/MWh, which is 152% higher than the corresponding figure for 2002 and 7% up on the last quarter of 2002. The high price was due to a significantly dryer-than-normal period, with low temperatures starting already in the fall of 2002 and leading to low hydro reservoir levels and hydro power production.

The average price of electricity sold by Fortum in the Nordic countries was up 49% on the corresponding period last year and up 27% compared to the last quarter of 2002.

Fortum's own power generation in the Nordic countries during January to March was 14.8 (11.4) TWh, of which about 4.1 (4.9) TWh or 28% (43%) was hydropower-based and 6.7 (5.4) TWh or 45% (48%) nuclear power-based. Due to low hydro power availability thermal power production went up to 4.0 (1.1) TWh and its share of own production increased to 27% (9%).

Fortum Service refocused its strategy to operation and maintenance services in the Nordic area and selected international markets.

Electricity sales by area TWh	I/03	I/02	2002	LTM
Sweden *)	8.9	6.3	28.0	30.6
Finland	8.4	6.8	26.1	27.7
Other countries	0.7	2.2	5.9	4.4
Total	18.0	15.3	60.0	62.7

Heat sales by area TWh	I/03	I/02	2002	LTM
Sweden *)	4.0	2.3	8.2	9.9
Finland	3.5	3.3	9.8	10.0
Other countries	0.8	1.2	4.5	4.1
Total	8.3	6.8	22.5	24.0

*) The effects of Birka Energi's change of ownership on electricity and heat sales volumes were 2.4 TWh and 1.4 TWh respectively.

Electricity Distribution

Fortum owns and operates distribution and regional networks and distributes electricity to a total of 1.3 million customers in Sweden, Finland and Estonia.

EUR million	I/03	I/02	2002	LTM
Net sales	199	162	640	677
- distribution network transmission	167	131	526	563
- regional network transmission	25	18	80	87
- other sales	7	13	34	28
Operating profit	81	113	279	247
- excluding non–recurring items	80	55	187	212
Return on net assets, %	10.2	16.2	9.3	7.7
Net assets (at end of period)	3,179	3,472	3,199	

Volume of distributed electricity by area TWh	I/03	I/02	2002	LTM
Sweden	4.9	3.3	14.4	16.0
Finland	2.0	1.4	5.4	6.0
Other countries	0.0	0.7	1.4	0.7
Total	6.9	5.4	21.2	22.7

The Birka Energi acquisition accounts for a 1.7 TWh increase in the volume transmitted via the distribution networks, and the sale of the German (Wesertal) distribution business accounts for the decrease in other countries.

Number of electricity distribution customers by area, thousands	31.3.2003	31.3.2002	2002
Sweden	890	890	890
Finland	390	280	390
Other countries	20	180	20
Total	1,300	1,350	1,300

The volumes of distribution and regional network transmissions totalled 6.9 (5.4) TWh and 5.9 (5.0) respectively.

Electricity transmissions via the regional distribution network to customers outside the Group totalled 4.3 (2.9) TWh in Sweden and 1.6 (2.1) TWh in Finland.

Markets

Markets focuses on the retail sale of electricity and heating oil as well as related services to a total of 1.3 million private and business customers.

EUR million	I/03	I/02	2002	LTM
Net sales	476	306	1,280	1,450
Operating profit	-7	2	-11	-20
- excluding non–recurring items	-7	1	-12	-21
Return on net assets, %	-62.6	6.0	-11.4	-23.2
Net assets (at end of period)	34	161	55	

The Markets business unit buys its electricity and heating oil at market terms.

The market environment was characterised by cold weather and a steep increase in the market price of electricity in the fourth quarter in 2002. The cold season around the turn of the year resulted in an unpredicted growth in electricity sales volumes. As a consequence, the procurement and sales portfolios were not properly hedged, leading to a negative impact on results. Although sales prices were increased, it was not enough to secure a positive operating profit.

Electricity sales totalled 9.3 (7.7) TWh during the period. The effect on electricity sales volumes of the change in Birka Energi ownership was 1.9 TWh during the period from January to February. Sales of heating oil amounted to 0.3 (0.3) million tonnes.

Oil Refining and Marketing

The activities cover the refining and marketing of oil as well as logistics. The main products are traffic fuels and heating oils.

EUR million	I/03	I/02	2002	LTM
Net sales	2,075	1,531	7,083	7,627
Operating profit	125	57	253	321
- excluding non–recurring items	123	28	205	300
Return on net assets, %	32.9	13.8	16.0	20.7
Net assets (at end of period)	1,527	1,622	1,510	

Throughout the first quarter, the international refining margin in north-western Europe (Brent Complex) was considerably higher than during the previous year, on average USD 3.8/bbl (-0.2/bbl). At its highest, the refining margin increased to almost USD 7/bbl. Fortum's premium margin continued to be on average about USD 2/bbl above the international reference margin.

The price of Brent crude averaged USD 31.5/bbl (21.1/bbl). However, at the end of the period under review, it went down considerably. The inventory gains during the period from January to March were EUR 3 (20) million.

Fortum refined a total of 3.2 (3.2) million tonnes of crude oil and other feedstocks. Some 1.9 (1.9) million tonnes of petroleum products were sold in Finland. Exports amounted to 1.2 (1.2) million tonnes. The retail sale volumes in Finland increased slightly.

Shipping freight rates were exceptionally high due to the difficult ice conditions and volatility in international oil markets. In January, the second super ice-class crude oil carrier Mastera was delivered to Fortum.

The new iso-octane production plant in Edmonton, Canada, was in full production and regular customer deliveries were made to California.

Following the sale of the oil and gas production assets in Norway and Oman, Fortum will not have any production of its own during the first half of 2003. Preparations to start production at the South Shapkino field in north-western Russia towards the end of 2003 continued as planned. Fortum's share of the exploitable oil reserves in this oil field, which is owned fifty-fifty by Fortum and the Russian Lukoil, have been estimated at approximately 82 million barrels.

Deliveries of petroleum products refined by Fortum – by product group (1,000 t)	I/03	I/02	2002	LTM
Gasoline	1,088	1,048	4,595	4,635
Diesel	796	956	3,619	3,458
Aviation fuel	120	136	586	570
Light fuel oil	423	386	1,503	1,540
Heavy fuel oil	386	414	1,233	1,205
Other	342	219	1,504	1,627
Total	3,155	3,159	13,040	13,036

Deliveries of petroleum products refined by Fortum – by area (1,000 t)	I/03	I/02	2002	LTM
Finland	1,929	1,932	7,845	7,842
Other Nordic countries	434	444	1,982	1,972
Baltic countries and Russia	8	11	41	38
USA and Canada	384	248	1,276	1,412
Other countries	400	524	1,896	1,772
Total	3,155	3,159	13,040	13,036

Business development and restructuring

In January, Fortum and E.ON AG agreed on a swap of power assets. Fortum acquired assets in Norway and north-western Russia and sold some non-core assets in Ireland, Germany and southern Sweden. The transactions will substantially strengthen Fortum´s position in its focus area, the Nordic countries and the rest of the Baltic Rim.

9.5% of the shares in the Russian Lenenergo were transferred to Fortum on 31 March 2003. The purchase price was EUR 25 million. Fortum now owns 15.9% of the share capital and 18.6% of the voting rights. The shares in the Norwegian Hafslund ASA were transferred to Fortum on 10 April 2003. Fortum owns 21.4% of the share capital and 26.4% of the voting rights. The purchase price was EUR 155 million. All remaining transactions are progressing well and are expected to be completed by the end of June, subject to authority approvals.

The disposal of the Norwegian E&P assets was completed in early March. The financial impact of the transaction was included in Fortum´s 2002 annual closing.

Investments and financing

Investments in fixed assets during the first quarter totalled EUR 112 (3,704) million.

At the end of the period, interest-bearing net debt stood at EUR 4,624 million. The gearing ratio at the end of March was 63% (80% at the end of 2002).

Group net financial expenses were EUR 65 (58) million.

In February, Fortum Corporation established a bond programme (Medium Term Note Programme) of SEK 7.0 billion for the purpose of enabling the issue of bonds on the Swedish capital markets in Swedish krona and euro. The programme replaces the SEK 7.0 billion programme in the name of Fortum Power and Heat AB.

In April, Fortum Corporation signed a EUR 1.2 billion revolving credit facility. This five-year facility is for general corporate purposes and replaces existing syndicated facilities established by various subsidiaries.

Shares and shareholdings

A total of 15,600 Fortum Corporation shares were subscribed for with the share warrants relating to Fortum Corporation’s 1999 warrant bond to employees. The increase in the share capital resulting from the share subscriptions, a total of EUR

53,040.00 was entered in the trade register on 20 February 2003. After the increase, Fortum Corporation's share capital is EUR 2,875,636,887 and the total number of shares is 845,775,555.

Annual General Meeting

At the Annual General Meeting held on 27 March 2003, a dividend of EUR 0.31 (0.26) per share was approved.

The following persons were re-appointed as members of the Supervisory Board: Klaus Hellberg, Rakel Hiltunen, Harri Holkeri, Jorma Huuhtanen, Mikko Immonen, Kimmo Kalela, Tanja Karpela, Leena Luhtanen, Matti Vanhanen and Ben Zyskowicz. Satu Hassi, Kalevi Lamminen and Juha Mikkilä were elected as new members. Leena Luhtanen was re-elected as Chairman and Ben Zyskowicz as Deputy Chairman of the Supervisory Board.

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

Group personnel

The average number of employees in the Group during the period from January to March was 12,733 (13,710). The number of employees at the end of the period was 12,645 (13,670 at the end of 2002). The reduction is mainly attributable to the formation of the new associated company Enprima at the beginning of this year.

Group management

Christian Lundberg was appointed President of Fortum Markets and member of the Corporate Executive Committee as of 1 February 2003.

Outlook

The key market drivers influencing Fortum´s performance are the market price of electricity and the international oil refining margin. Other important market drivers are the price of crude oil, the exchange rates of the US dollar and the Swedish krona.

According to general market information, electricity consumption in the Nordic countries is predicted to increase by about 1–2% each year over the next years. During the first quarter of 2003, the average spot price for electricity was EUR 53.3 per megawatt-hour on the Nordic electricity market, or 152% higher than the corresponding figure for 2002. At the beginning of April 2003, the spot price was in the range of EUR 29 - 36 per megawatt-hour. The electricity forwards for the rest of 2003 in mid-April were in the range of EUR 31 – 32 per megawatt-hour.

The synergy benefits generated by the creation of a pan-Nordic power and heat business following the acquisition of the remaining 50% of the former Birka Energi will exceed the target of EUR 100 million a year as of 2004. All transactions relating to the power asset swap with E.ON are expected to be completed by the end of the second quarter, subject to authority approvals. The transactions are expected to be earnings neutral in 2003.

The continuous operations of the power and heat businesses usually result in a significantly better performance in the first and last quarter of the year than in the second and third quarter.

The international refining margin in north-western Europe (Brent Complex) was considerably higher than at the beginning of 2002 and averaged USD 3.8/bbl (USD -0.2/bbl) during the period from January to March. In April 2003, the international refining margin has been averaging USD 3.3/bbl. For several years, the international Brent Complex refining margin has averaged USD 1.5 – 2.0/bbl. The management expects Fortum's premium margin to remain at the strong levels of previous years. During 2003, no major maintenance shutdowns are planned at the refineries.

The average price for Brent crude oil was USD 31.5/bbl in January-March 2003. On 31 March, it was USD 28.1/bbl. In April 2003, the price has been averaging USD 25.4/bbl while the International Petroleum Exchange's Brent futures for the remainder of 2003 have been averaging USD 24.6/bbl. The price of crude oil has an impact on the results of Oil Refining and Marketing through inventory gains and losses.

The exceptionally high freight rates in the first quarter have weakened towards the summer.

Due to the disposals of the oil and gas production assets in Oman and Norway, there will be no own production in the first half of 2003. Preparations for the start of oil production in late 2003 at the South Shapkino oil field in north-western Russia are continuing as planned.

The information contained in the Interim Financial Statements has not been audited.

Espoo, 24 April 2003
Fortum Corporation
The Board of Directors

FORTUM GROUP

JANUARY-MARCH 2003

Interim financial statements are unaudited

CONSOLIDATED INCOME STATEMENT

MEUR	Q1/03	Q1/02	2002	Last twelve months
Net sales	**3 593**	2 571	11 148	12 170
Share of profits of associated companies	**11**	9	31	33
Other operating income	**13**	89	370	294
Depreciation, amortisation and write-downs	**-133**	-151	-694	-676
Other operating expenses	**-3 009**	-2 191	-9 566	-10 384
Operating profit	**475**	327	1 289	1 437
Financial income and expenses	**-65**	-58	-281	-288
Profit before taxes	**410**	269	1 008	1 149
Income taxes	**-107**	-65	-269	-311
Minority interests	**-33**	-22	-73	-84
Net profit for the period	**270**	182	666	754

Earnings per share, EUR	**0.32**	0.21	0.79	0.89
Fully diluted earnings per share	**0.32**	0.21	0.78	
Average number of shares, 1,000 shares	**845 776**	845 609	845 642	845 692
Diluted adjusted average number of shares, 1 000 shares	**853 677**	850 986	851 482	

CONSOLIDATED BALANCE SHEET

MEUR	Mar 31 2003	Mar 31 2002	Dec 31 2002
ASSETS			
Fixed assets and other long-term investments	**13 674**	15 856	14 837
Current assets			
Inventories	**536**	591	504
Receivables	**1 938**	2 051	2 027
Cash and cash equivalents	**339**	523	592
Total	**2 813**	3 165	3 123
Total	**16 487**	19 021	17 960
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**2 876**	2 875	2 876
Other equity	**3 008**	2 603	3 020
Total	**5 884**	5 478	5 896
Minority interests	**1 461**	1 469	1 432
Provisions for liabilities and charges	**99**	145	133
Deferred tax liabilities	**1 798**	1 928	1 866
Long-term liabilities	**3 988**	5 447	4 699
Short-term liabilities	**3 257**	4 554	3 934
Total	**16 487**	19 021	17 960
Equity per share, EUR	**6.96**	6.48	6.97
Number of shares, 1,000 shares	**845 776**	845 609	845 776

FORTUM GROUP

JANUARY-MARCH 2003

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CASH FLOW STATEMENT

MEUR	**Mar 31 2003**	Mar 31 2002	Dec 31 2002
Net cash from operating activities	**344**	325	1 351
Capital expenditures	**-83**	-81	-649
Acquisition of shares	**-29**	-1 683	-1 771
Proceeds from sales of fixed assets	**63**	92	120
Proceeds from sales of shares	**933**	148	889
Change in other investments	**1**	-159	33
Cash flow before financing activities	**1 229**	-1 358	-27
Net change in loans	**-1 480**	1 307	209
Dividends paid	**-**	-	-220
Other financing items	**-1**	-	30
Net cash from financing activities	**-1 481**	1 307	19
Net increase (+)/decrease (-) in cash and marketable securities	**-252**	-51	-8

KEY RATIOS

	Mar 31 2003	Mar 31 2002	Dec 31 2002	Last twelve months
Capital employed	**12 309**	14 581	13 765	
Interest-bearing net debt, MEUR	**4 624**	7 111	5 848	
Investments, MEUR	**112**	3 704	4 381	789
Return on capital employed, %	**15.6**	8.8	11.1	11.8
Return on shareholders' equity, %	**16.5**	8.5	10.5	11.4
Interest coverage	**7.1**	5.9	4.7	5.0
FFO / interest-bearing net debt, % 1)	**37.6**	23.5	29.6	
Gearing, %	**63**	102	80	
Adjusted gearing, % 2)	**95**	145	115	
Equity-to-assets ratio, %	**45**	37	41	
Average number of employees	**12 733**	13 710	14 053	

1) FFO = Funds from Operations

2) The minority interest related to the preference shares amounting to EUR 1.2 billion and carrying fixed income dividend of 6.7 percent, issued by Fortum Capital Ltd, is treated as liability.

NET SALES BY SEGMENTS

MEUR	**Q1/03**	Q1/02	2002	Last twelve months
Power, Heat and Gas	**1 214**	933	3 644	3 925
Electricity Distribution	**199**	162	640	677
Oil Refining and Marketing	**2 075**	1 531	7 083	7 627
Markets	**476**	306	1 280	1 450
Other Operations	**20**	14	64	70
Eliminations	**-391**	-401	-1 668	-1 658
Total	**3 593**	2 545	11 043	12 091
Discontinuing operations*)	**-**	26	105	79
Total	**3 593**	2 571	11 148	12 170

*) Internal sales excluded

OPERATING PROFIT BY SEGMENTS

MEUR	**Q1/03**	Q1/02	2002	Last twelve months
Power, Heat and Gas	**293**	149	617	761
Electricity Distribution	**81**	113	279	247
Oil Refining and Marketing	**125**	57	253	321
Markets	**-7**	2	-11	-20
Other Operations	**-17**	-12	-64	-69
Eliminations	**-**	-1	-	-
Total	**475**	308	1 074	1 240
Discontinuing operations	**-**	19	215	197
Total	**475**	327	1 289	1 437

FORTUM GROUP

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NON-RECURRING ITEMS IN OPERATING PROFIT BY SEGMENTS

MEUR	Q1/03	Q1/02	2002	Last twelve months
Power, Heat and Gas	**-1**	1	116	114
Electricity Distribution	**1**	58	92	35
Oil Refining and Marketing	**2**	29	48	21
Markets	**-**	1	1	-
Other Operations	**2**	1	4	5
Eliminations	**-**	-	-	-
Total	**4**	90	261	175
Discontinuing operations	**-**	-	54	54
Total	**4**	90	315	229

DEPRECIATION, AMORTISATION AND WRITE-DOWNS BY SEGMENTS

MEUR	Q1/03	Q1/02	2002	Last twelve months
Power, Heat and Gas	**58**	50	236	244
Electricity Distribution	**37**	34	147	150
Oil Refining and Marketing	**30**	34	152	148
Markets	**4**	5	25	24
Other Operations	**4**	3	23	24
Eliminations	**-**	-	-1	-1
Total	**133**	126	582	589
Discontinuing operations	**-**	25	112	87
Total	**133**	151	694	676

INVESTMENTS BY SEGMENTS

MEUR	Q1/03	Q1/02	2002	Last twelve months
Power, Heat and Gas	**53**	2 392	2 619	280
Electricity Distribution	**23**	1 174	1 394	243
Oil Refining and Marketing	**32**	23	177	186
Markets	**-**	104	109	5
Other Operations	**4**	2	7	9
Eliminations	**-**	-	-	-
Total	**112**	3 695	4 306	723
Discontinuing operations	**-**	9	75	66
Total	**112**	3 704	4 381	789

NET ASSETS BY SEGMENTS

MEUR		Mar 31 2003	Mar 31 2002	Dec 31 2002
Power, Heat and Gas	3)	**8 741**	9 100	8 748
Electricity Distribution	3)	**3 179**	3 472	3 199
Oil Refining and Marketing		**1 527**	1 622	1 510
Markets		**34**	161	55
Other Operations		**126**	179	30
Eliminations		**-**	-	-
Total		**13 607**	14 534	13 542
Discontinuing operations		**-**	1 264	927
Total		**13 607**	15 798	14 469

3) Net assets include deferred tax liabilities due to the allocated goodwill: EUR 491 mill. March 31, 2003, and EUR 502 mill. December 31, 2002 in Power, Heat and Gas segment; and EUR 339 mill. March 31, 2003 EUR 344 mill. December 31, 2002 in Electricity Distribution.

RETURN ON NET ASSETS BY SEGMENTS 4)

%	Mar 31 2003	Mar 31 2003 *)	Mar 31 2002	Mar 31 2002 *)	Dec 31 2002	Dec 31 2002 *)	Last twelve months	Last twelve months *)
Power, Heat and Gas	**13.4**	**13.4**	7.9	7.9	7.5	6.1	8.6	7.3
Electricity Distribution	**10.2**	**10.0**	16.2	7.9	9.3	6.2	7.7	6.6
Oil Refining and Marketing	**32.9**	**32.4**	13.8	6.7	16.0	13.0	20.7	19.4
Markets	**-62.6**	**-62.6**	6.0	2.8	-11.4	-12.4	-23.2	-23.2

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

*) Non-recurring items deducted from operating profit

CONTINGENT LIABILITIES

MEUR	**Mar 31 2003**	Mar 31 2002	Dec 31 2002
Contingent liabilities			
On own behalf			
For debt			
Pledges	**492**	436	553
Real estate mortgages	**235**	241	237
Company mortgages	**7**	9	32
Other mortgages	**26**	52	26
For other commitments			
Pledges	**2**	-	7
Real estate mortgages	**55**	59	55
Company mortgages	**-**	3	1
Sale and leaseback	**9**	18	15
Other contingent liabilities	**94**	489	474
Total	**920**	1 307	1 400
On behalf of associated companies			
Pledges	**9**	8	9
Guarantees	**721**	189	345
Other contingent liabilities	**184**	184	184
Total	**914**	381	538
On behalf of others			
Guarantees	**5**	67	4
Other contingent liabilities	**9**	12	4
Total	**14**	79	8
Total	**1 848**	1 767	1 946
Operating lease liabilities			
Due within a year	**62**	70	58
Due after a year	**133**	87	91
Total	**195**	157	149
Finance leases have been recognised as assets and liabilities.			
Liability for nuclear waste disposal	**545**	516	545
Share of reserves in the Nuclear Waste Disposal Fund	**-535**	-506	-535
Liabilities in the balance sheet 5)	**10**	10	10

5) Mortgaged bearer papers as security

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.

FORTUM GROUP

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Interim financial statements are unaudited

Derivatives	**Mar 31 2003**			Mar 31 2002			Dec 31 2002		
Interest and currency derivates **MEUR**	**Contract or notional value**	**Fair value**	**Not recognised as an income**	Contract or notional value	Fair value	Not recognised as an income	Contract or notional value	Fair value	Not recognised as an income
Forward rate agreements	**1 863**	**-2**	**-2**	6 201	1	1	2 950	-2	-2
Interest rate swaps	**6 836**	**-18**	**40**	6 103	-22	34	6 898	21	34
Forward foreign exchange contracts 5)	**5 440**	**50**	**39**	4 892	-61	8	5 626	63	30
Currency swaps	**2 325**	**243**	**62**	3 222	228	18	2 334	227	60
Purchased currency options	**100**	**8**	**8**	173	-4	-4	248	9	11
Written currency options	**46**	**1**	**1**	85	1	1	66	1	1

5) Incl. also contracts used for equity hedging

Oil futures and forward instruments	**Volume**	**Fair value**	**Not recognised as an income**	Volume	Fair value	Not recognised as an income	Volume	Fair value	Not recognised as an income
	1000 bbl	MEUR	MEUR	1000 bbl	MEUR	MEUR	1000 bbl	MEUR	MEUR
Sales contracts	**17 800**	**1**	**1**	5 460	-15	-15	10 697	-11	-11
Purchase contracts	**14 868**	**-1**	**-1**	5 646	13	13	12 170	13	13
Purchased options	**1 100**	**-**	**-**	1 700	-1	-1	-	-	-
Written options	**850**	**1**	**1**	900	1	1	-	-	-

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
	TWh	MEUR	MEUR	*TWh*	MEUR	MEUR	TWh	MEUR	MEUR
Sales contracts	**82**	**-277**	**-205**	98	215	178	94	-2 065	-1 406
Purchase contracts	**68**	**239**	**168**	93	-209	-169	78	1 709	1 051
Purchased options	**2**	**-**	**1**	5	-1	-1	2	1	-1
Written options	**4**	**-**	**-1**	7	3	3	6	3	6

Natural gas derivates	**Volume**	**Fair value**	**Not recognised as an income**	Volume	Fair value	Not recognised as an income	Volume	Fair value	Not recognised as an income
	Mill.th.	MEUR	MEUR	Mill.th.	MEUR	MEUR	Mill.th.	MEUR	MEUR
Sales contracts	**3 590**	**7**	**7**	2 409	105	105	4 072	127	127
Purchase contracts	**3 271**	**-3**	**-3**	2 439	-104	-104	3 773	-115	-115
Purchased options	**1 378**	**-7**	**-7**	345	3	3	1 287	-7	-7
Written options	**1 202**	**5**	**5**	338	-	-	1 335	-	-

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. The amounts also include unsettled closed positions. Derivative contracts are mainly used to manage the group's currency, interest rate and price risk.

FORTUM GROUP

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QUARTERLY NET SALES BY SEGMENTS

MEUR	Q1/03	Q4/02	Q3/02	Q2/02	Q1/02
Power, Heat and Gas	**1 214**	1 234	694	783	933
Electricity Distribution	**199**	184	138	156	162
Oil Refining and Marketing	**2 075**	1 968	1 794	1 790	1 531
Markets	**476**	418	286	270	306
Other Operations	**20**	19	15	16	14
Eliminations	**-391**	-567	-344	-356	-401
Total	**3 593**	3 256	2 583	2 659	2 545
Discontinuing operations	**-**	34	22	23	26
Total	**3 593**	3 290	2 605	2 682	2 571

QUARTERLY OPERATING PROFIT BY SEGMENTS

MEUR	Q1/03	Q4/02	Q3/02	Q2/02	Q1/02
Power, Heat and Gas	**293**	284	28	156	149
Electricity Distribution	**81**	61	34	72	113
Oil Refining and Marketing	**125**	42	76	79	57
Markets	**-7**	-19	2	4	2
Other Operations	**-17**	-27	-17	-10	-12
Eliminations	**-**	-1	1	1	-1
Total	**475**	340	124	302	308
Discontinuing operations	**-**	51	25	120	19
Total	**475**	391	149	422	327