Fortum Corporation
Interim Report
1 January – 30 June 2003

Fortum

Continued strong performance by Fortum
- significant improvement in ongoing business

The first half-year in brief
- Operating profit excluding non-recurring items improved by 71% and was EUR 743 (435) million
- Net cash from operating activities continued to be strong and was EUR 1,060 million
- The balance sheet was further strengthened, gearing at 60%
- Market position was strengthened in Norway and north-western Russia

Key figures	II/03	II/02	I-II/03	I-II/02	2002	Last 12 months (LTM)
Net sales, EUR million	2,435	2,682	6,028	5,253	11,148	11,923
Operating profit, EUR million	286	422	761	749	1,289	1,301
- excluding non-recurring items	272	198	743	435	974	1,282
Profit before taxes, EUR million	216	346	626	615	1,008	1,019
Earnings per share, EUR	0.17	0.29	0.49	0.50	0.79	0.77
Shareholders' equity per share, EUR			7.13	6.72	6.97	
Capital employed (at end of period), EUR million			13,077	13,734	13,765	
Interest-bearing net debt (at end of period), EUR million			4,502	6,182	5,848	
Investments, EUR million			761	3,956	4,381	1,186
Net cash from operating activities, EUR million			1,060	775	1,351	
Return on capital employed, %			12.1	10.3	11.1	10.6
Return on shareholders' equity, %			11.9	9.1	10.5	10.0
Gearing, %			60	87	80	
Average number of employees			13,272	14,659	14,053	
Average number of shares, 1000			845,823	845,638	845,642	845,785

During the first half of the year, the key market drivers, the market price of electricity and the international oil refining margin were significantly higher than during the corresponding period in 2002. After the record high levels around the year-end, Nord Pool electricity prices decreased, however, to a level clearly above that of last year. The international oil refining reference margin was very high at the beginning of the year, decreasing somewhat towards the summer.

Fortum took important strategic steps in Norway and north-western Russia by agreeing with E.ON AG on a swap of power assets. In addition, Fortum acquired more shares in Hafslund on the market, leading to a 34.1% share ownership.

The integration of Birka Energi progressed as planned. The synergy benefits achieved during the first half of the year exceeded EUR 60 million.

The Group’s financial performance in the period from January to June remained strong and cash flow continued to be at a good level supported by a decreased working capital and realised foreign exchange gains. Net debt was further decreased from the first quarter, despite approximately EUR 500 million worth of strategic acquisitions. As a result, gearing decreased to 60%.

Net sales and results

April-June

During the second quarter, the Nord Pool electricity price and the international oil refining margin were lower than in the first quarter, but exceeded the corresponding level in 2002.

Group operating profit totalled EUR 286 (422) million. The operating profit excluding non-recurring items, EUR 272 (198) million, improved by EUR 74 million compared to the corresponding period in 2002. The improvement was EUR 141 million including the effect of discontinuing operations. The net amount of non-recurring items was EUR 14 (224) million.

Typically for the seasons, the results for power and heat businesses were lower than in the first quarter. However, the operating profit excluding non-recurring items for the Power, Heat and Gas segment nearly tripled compared to the corresponding period last year. The performance of the Markets segment developed positively. The results of Oil Refining and Marketing segment stayed almost at last year’s level despite an inventory loss owing to the decrease in the price of crude oil. Thus, the operational result of this segment was clearly improved compared to last year.

January-June

Group net sales stood at EUR 6,028 (5,253) million. The main reason for the increase was higher market prices for electricity and petroleum products.

Group operating profit totalled EUR 761 (749) million. The operating profit excluding non-recurring items, EUR 743 (435) million, improved by EUR 308 million compared to the corresponding period in 2002. The net amount of non-recurring items was EUR 18 (314) million. Most of the non-recurring items last year were gains on sales of fixed assets.

Electricity and heat sales volumes increased. This, together with higher electricity prices, resulted in a significant improvement in the result for the Power, Heat and Gas segment.

The result for Electricity Distribution segment was lower because of considerable gains on sales in 2002. The operating profit excluding non-recurring items was improved compared to last year, however.

The result for the Markets segment improved compared to last year.

The international oil refining margins were markedly higher than a year ago, considerably improving the results of the Oil Refining and Marketing segment. The Shipping business enjoyed high freight rates, mainly during the first quarter.

Profit before taxes was EUR 626 (615) million.

The Group´s net financial expenses were EUR 135 (134) million.

Minority interests accounted for EUR 47 (40) 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 167 (149) million.

Net profit for the period was EUR 412 (426) million. Earnings per share were EUR 0.49 (0.50). Return on capital employed was 12.1% (10.3%) and return on shareholders´ equity was 11.9% (9.1%).

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	II/03	II/02	I-II/03	I-II/02	2002	LTM
Net sales	718	783	1,932	1,716	3,644	3,860
- electricity sales	381	326	1,056	703	1,661	2,014
- heat sales	165	146	433	339	686	780
- other sales	172	311	443	674	1,297	1,066
Operating profit	136	156	429	305	617	741
- excluding non-recurring items	136	48	430	196	501	735
Return on net assets, %			9.9	7.7	7.5	8.5
Net assets (at end of period)			8,566	8,735	8,748	

Electricity consumption in the Nordic countries decreased by 2% during the second quarter and was 85.7 (87.5) terawatt-hours (TWh). Consumption in Finland decreased by 4%. In Sweden, consumption was at the same level as last year and in Norway it was down by 3% on the corresponding period last year.

During the period from January to June, electricity consumption in the Nordic countries remained at the previous year's level and was 197 (198) TWh. Consumption in Finland increased by 6%. In Sweden, consumption was at the same level as last year and in Norway it was down by 5% on the corresponding period last year.

During the second quarter, the average spot price for electricity on the Nordic power exchange (Nord Pool) was EUR 28.6 per megawatt-hour compared to EUR 53.3 during the first quarter. The average price of electricity during the period from January to June was EUR 40.9 (18.7) per megawatt-hour. The price level was supported by the deficit in water reservoirs at the beginning of the year and lower-than-normal hydro inflows during the first two quarters. Despite the lower-than-normal hydro inflows, the hydrological situation strengthened due to low hydro production.

The average price of electricity on the Nordic power exchange increased by 119% in the period from January to June compared to last year. The corresponding price increase of electricity sold by Fortum in the Nordic countries was 43%. The Nord Pool price during the second quarter was down by 46% compared to the first quarter. The corresponding decrease for Fortum was 19%.

The Power, Heat and Gas segment's sales in the Nordic countries amounted to 30.2 (26.6) TWh in total and represented approximately 15% (14%) of total Nordic electricity consumption during the period from January to June.

Fortum's own power generation in the Nordic countries during January to June was 26.7 (22.6) TWh, of which about 8.4 (9.7) TWh or 31% (43%) was hydropower-based and 12.7 (10.6) TWh or 48% (47%) nuclear power-based. Due to low hydro power availability thermal power production increased to 5.6 (2.3) TWh and its share of own production increased to 21% (10%). Of the total Nordic electricity consumption during the first half of the year, 14% was provided from Fortum's production facilities, compared to 11% last year.

In April, Fortum completed majority share acquisitions of two heat companies, one in Poland (73% of the company D.Z.T. S.p.z.o.o.), and one in Estonia (60% of the company Tartu Energia AS).

Electricity sales by area TWh	**II/03**	**II/02**	**I-II/03**	**I-II/02**	**2002**	**LTM**
Sweden *)	6.3	8.2	15.2	14.5	28.0	28.7
Finland	6.6	5.3	15.0	12.1	26.1	29.0
Other countries	1.0	1.9	1.7	4.1	5.9	3.5
Total	13.9	15.4	31.9	30.7	60.0	61.2

Heat sales by area TWh	**II/03**	**II/02**	**I-II/03**	**I-II/02**	**2002**	**LTM**
Sweden *)	1.7	1.6	5.7	3.9	8.2	10.0
Finland	2.3	2.0	5.8	5.3	9.8	10.3
Other countries	1.4	1.0	2.2	2.2	4.5	4.5
Total	5.4	4.6	13.7	11.4	22.5	24.8

*) The effects of Birka Energi's change of ownership on electricity and heat sales volumes were 2.4 TWh and 1.4 TWh respectively in 2002.

Electricity Distribution

Fortum owns and operates distribution and regional networks and distributes electricity to a total of 1.4 million customers in Sweden, Finland, Norway and Estonia.

EUR million	**II/03**	**II/02**	**I-II/03**	**I-II/02**	**2002**	**LTM**
Net sales	160	156	359	317	640	682
- distribution network transmission	130	136	297	267	526	556
- regional network transmission	20	19	45	37	80	88
- other sales	10	1	17	13	34	38
Operating profit	61	72	142	185	279	236
- excluding non–recurring items	41	40	121	94	187	214
Return on net assets, %			9.0	12.7	9.3	7.5
Net assets (at end of period)			3,064	3,145	3,199	

Volume of distributed electricity by area TWh	II/03	II/02	I-II/03	I-II/02	2002	LTM
Sweden *)	3.4	3.3	8.3	6.6	14.4	16.1
Finland	1.3	1.1	3.3	2.5	5.4	6.2
Other countries	0.3	0.6	0.3	1.3	1.4	0.4
Total	5.0	5.0	11.9	10.4	21.2	22.7

*)The Birka Energi acquisition accounts for a 1.7 TWh increase in the volume transmitted via the distribution networks in 2002.

Number of electricity distribution customers by area, thousands	30.6.2003	30.6.2002	2002
Sweden	850	890	890
Finland	395	390	390
Other countries *)	115	20	20
Total	1,360	1,300	1,300

*) Østfold Energi Nett AS with 94,000 customers is included in the figures as of 1 May, 2003.

The volumes of distribution and regional network transmissions totalled 11.9 (10.4) TWh and 10.6 (9.6) TWh respectively.

Electricity transmissions via the regional distribution network to customers outside the Group totalled 7.8 (6.5) TWh in Sweden and 2.8 (3.1) TWh in Finland.

Markets

Markets focuses on the retail sale of electricity and oil products, mainly heating oil, as well as related services to a total of 1.4 million private and business customers.

EUR million	II/03	II/02	I-II/03	I-II/02	2002	LTM
Net sales	327	270	803	576	1,280	1,507
Operating profit	15	4	8	6	-11	-9
- excluding non–recurring items	15	4	8	5	-12	-9
Return on net assets, %			23.1	9.5	-11.4	-11.5
Net assets (at end of period)			119	109	55	

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

The market environment during the period was characterised by falling wholesale prices of electricity. However, overall prices were higher than during the corresponding period last year.

Electricity sales totalled 17.2 (15.6) TWh during the period. The effect on electricity sales volumes of the change in Birka Energi's ownership was 1.9 TWh during the period from January to February 2002. Sales of heating oil amounted to 0.4 (0.4) million tonnes during the period from January to June.

As of May 2003, Markets has been serving 83,000 customers in Norway through the acquisition of Østfold Energi Kraftsalg AS.

A programme to improve business processes was launched during the spring.

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	II/03	II/02	I-II/03	I-II/02	2002	LTM
Net sales	1,643	1,790	3,718	3,321	7,083	7,480
Operating profit	75	79	200	135	253	318
- excluding non–recurring items	93	70	216	97	205	324
Return on net assets, %			26.8	16.8	16.0	21.0
Net assets (at end of period)			1,435	1,543	1,510	

During the period, the international refining margin in north-western Europe (Brent Complex) averaged USD 2.9/bbl (0.4/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 28.8/bbl (23.1/bbl). It was at its highest at the beginning of June, about USD 29/bbl. The inventory losses during the period from January to June were EUR 14 (gains 29) million.

Fortum refined a total of 6.4 (6.3) million tonnes of crude oil and other feedstocks. A total of 3.8 (3.9) million tonnes of petroleum products were sold in Finland. Exports amounted to 2.6 (2.4) million tonnes.

In Shipping, two product tankers, in which Fortum's holding is 50%, were agreed to be sold in June. In July, a letter of intent was signed concerning selling the oil terminal in Tallinn, Estonia. The final contract is scheduled to be signed during this year.

In June, Fortum sold its bitumen wholesale business to the Swedish Nynäs Petroleum, in which Fortum has a 50% holding.

Fortum did not have any oil or gas production of its own during the first half of 2003. Oil production at the South Shapkino field in north-western Russia started in mid-July. Fortum's share of the exploitable oil reserves in this oil field, which is owned fifty-fifty by Fortum and the Russian Lukoil, has been estimated at approximately 82 million barrels.

Deliveries of petroleum products refined by Fortum – by product group (1,000 t)	II/03	II/02	I-II/03	I-II/02	2002	LTM
Gasoline	971	1,095	2,060	2,143	4,595	4,512
Diesel	1,110	887	1,905	1,843	3,619	3,681
Aviation fuel	131	164	251	300	586	537
Light fuel oil	296	337	719	723	1,503	1,499
Heavy fuel oil	296	265	682	679	1,233	1,236
Other	446	396	788	615	1,504	1,677
Total	3,250	3,144	6,405	6,303	13,040	13,142

Deliveries of petroleum products refined by Fortum – by area (1,000 t)	II/03	II/02	I-II/03	I-II/02	2002	LTM
Finland	1,860	1,938	3,789	3,870	7,845	7,764
Other Nordic countries	533	484	967	928	1,982	2,021
Baltic countries and Russia	21	8	29	19	41	51
USA and Canada	133	339	517	587	1,276	1,206
Other countries	703	375	1,103	899	1,896	2,100
Total	3,250	3,144	6,405	6,303	13,040	13,142

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.

As a result of these transactions, the shares involved in the Russian Lenenergo were transferred to Fortum in March and the shares in the Norwegian Hafslund ASA as well as Østfold Energi Kraftsalg AS, Østfold Energi Nett AS and Østfold Entreprenor AS in April. After some further acquisitions from the market, Fortum owned 34.1% of the share capital in Hafslund at the end of June. The total acquisition cost of the Hafslund shares was EUR 279 million.

At the end of June, Fortum completed the divestments of power plants in Burghausen, Germany and Edenderry, Ireland as well as Fortum Distribution Småland AB in Sweden.

Transactions relating to the swap of assets with E.ON were completed by the end of June. The transaction relating to the shares in the Norwegian Fredrikstad Energi AS is still waiting for technical conclusion.

The disposal of the Norwegian E&P assets was completed in March. The financial impact of the transaction was included in Fortum´s 2002 annual closing. In June, Fortum divested its retail gas sales operations in the U.K.

Investments and financing

Investments in fixed assets during the period from January to June totalled EUR 761 (3,956) million. Of this, EUR 517 (3,706) million were acquisitions.

At the end of the period, interest-bearing net debt stood at EUR 4,502 (6,182) million. The gearing ratio at the end of June was 60% (80% at the end of 2002).

Group net financial expenses were EUR 135 (134) 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.

In July, Fortum Corporation established a bond programme (Euro Medium Term Note Programme) of EUR 4.0 billion in order to enable the issue of bonds on the international capital markets.

Shares and shareholdings

A total of 72,060 Fortum Corporation shares were subscribed to with the share warrants relating to Fortum Corporation's 1999 warrant bond to employees and management stock option scheme. The increase in the share capital resulting from the share subscriptions, a total of EUR 245,004, was entered in the trade register on 5 May 2003. After the increase, Fortum Corporation's share capital is EUR 2,875,881,891 and the total number of shares is 845,847,615.

Group personnel

The average number of employees in the Group during the period from January to June was 13,272 (14,659). The reduction is mainly attributable to the combination of the businesses of Birka Energi and Fortum, as well as to the formation of the new associated company Enprima at the beginning of this year. The number of employees at the end of the period was 13,969 (13,670 at the end of 2002).

Fortum has decided to launch a new share-based long-term incentive programme (Performance Share Arrangement) for key personnel in the Group. The potential reward under the arrangement will be based on the performance of the Group, its business units and the individual manager, as well as appreciation of the Fortum share. At this stage the new arrangement concerns some 190 managers.

Fortum estimates that 0.1 to 0.3 per cent of the outstanding Fortum shares i.e. 1,000,000 to 2,500,000 shares, will be allocated under each individual plan. The shares will be bought on the market and thus there will be no dilution effect. This arrangement is intended to replace other possible long term incentive schemes for top management.

Appointments and resignations

In April, Tanja Karpela, Leena Luhtanen and Matti Vanhanen announced their resignations from Fortum's Supervisory Board after their appointment as members of the Council of State.

In June, Kari Huopalahti, Senior V.P. Corporate Development and member of the Corporate Executive Committee, left the company.

The Chairman of the Board of Directors, Matti Vuoria, has been appointed President and CEO of Varma-Sampo, a major Finnish mutual pension insurance company, as of 1 June 2004. Matti Vuoria continues as Fortum´s Executive Chairman until the end of this year.

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, and 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 half of 2003, the average spot price for electricity was EUR 40.9 per megawatt-hour on the Nordic electricity market, or 119% higher than the corresponding figure for 2002. The electricity forwards for the rest of 2003 at the beginning of July were in the range of EUR 29-30 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.

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 2.9/bbl (USD 0.4/bbl) during the period from January to June. In July 2003, the international refining margin has been averaging USD 2.7/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 27.5/bbl in January-June 2003. On 30 June, it was USD 28.3/bbl. In July 2003, the price has been averaging USD 28.4/bbl while the International Petroleum Exchange’s Brent futures for the remainder of 2003 have been averaging USD 26.3/bbl. The price of crude oil has an impact on the results of Oil Refining and Marketing through inventory gains and losses.

Due to the disposals of the oil and gas production assets in Oman and Norway, there was no own production in the first half of 2003. Oil production at the South Shapkino oil field in north-western Russia started in mid-July. A production level of 12,500 bbl/d (Fortum’s 50% share) is expected to be reached in September. Production will gradually be increased and full capacity (25,000 bbl/d) will be reached during 2004. The operations will be earnings neutral during 2003.

The repositioning of Fortum has now been virtually completed. Most of the targets set out in the strategic agenda have been reached: a strong balance sheet and well performing businesses, which generate a healthy cash flow. This gives Fortum a solid platform to further strengthen its position as a leading Nordic energy company.

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

Espoo, 24 July 2003
Fortum Corporation
The Board of Directors

FORTUM GROUP

JANUARY-JUNE 2003

Interim financial statements are unaudited

CONSOLIDATED INCOME STATEMENT

MEUR	Q2/03	Q2/02	Q1-Q2/03	Q1-Q2/02	2002	Last twelve months
Net sales	**2 435**	2 682	**6 028**	5 253	11 148	11 923
Share of profits of associated companies	**9**	4	**20**	13	31	38
Other operating income	**63**	238	**76**	327	370	119
Depreciation, amortisation and write-downs	**-134**	-172	**-267**	-323	-694	-638
Other operating expenses	**-2 087**	-2 330	**-5 096**	-4 521	-9 566	-10 141
Operating profit	**286**	422	**761**	749	1 289	1 301
Financial income and expenses	**-70**	-76	**-135**	-134	-281	-282
Profit before taxes	**216**	346	**626**	615	1 008	1 019
Income taxes	**-60**	-84	**-167**	-149	-269	-287
Minority interests	**-14**	-18	**-47**	-40	-73	-80
Net profit for the period	**142**	244	**412**	426	666	652
Earnings per share, EUR	**0.17**	0.29	**0.49**	0.50	0.79	0.77
Fully diluted earnings per share	**0.16**	0.29	**0.48**	0.50	0.78	
Average number of shares, 1,000 shares			**845 823**	845 638	845 642	845 785
Diluted adjusted average number of shares, 1 000 shares			**855 935**	851 580	851 482	

CONSOLIDATED BALANCE SHEET

MEUR	Jun 30 2003	Jun 30 2002	Dec 31 2002
ASSETS			
Fixed assets and other long-term investments	**13 908**	14 868	14 837
Current assets			
Inventories	**539**	622	504
Receivables	**1 382**	1 638	2 027
Cash and cash equivalents	**665**	428	592
Total	**2 586**	2 688	3 123
Total	**16 494**	17 556	17 960
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	**2 876**	2 875	2 876
Other equity	**3 151**	2 807	3 020
Total	**6 027**	5 682	5 896
Minority interests	**1 434**	1 443	1 432
Provisions for liabilities and charges	**76**	95	133
Deferred tax liabilities	**1 775**	1 804	1 866
Long-term liabilities	**4 095**	5 402	4 699
Short-term liabilities	**3 087**	3 130	3 934
Total	**16 494**	17 556	17 960
Equity per share, EUR	**7.13**	6.72	6.97
Number of shares, 1,000 shares	**845 848**	845 666	845 776

FORTUM GROUP

JANUARY-JUNE 2003

Interim financial statements are unaudited

CASH FLOW STATEMENT

MEUR	Jun 30 2003	Jun 30 2002	Dec 31 2002
Net cash from operating activities	**1 060**	775	1 351
Capital expenditures	**-244**	-250	-649
Acquisition of shares	**-503**	-1 756	-1 771
Proceeds from sales of fixed assets	**80**	102	120
Proceeds from sales of shares	**1 219**	754	889
Change in other investments	**-32**	154	33
Cash flow before financing activities	**1 580**	-221	-27
Net change in loans	**-1 204**	295	209
Dividends paid	**-264**	-220	-220
Other financing items	**-40**	-48	30
Net cash from financing activities	**-1 508**	27	19
Net increase (+)/decrease (-) in cash and marketable securities	**72**	-194	-8

KEY RATIOS

	Jun 30 2003	Jun 30 2002	Dec 31 2002	Last twelve months
Capital employed, MEUR	**13 077**	13 734	13 765	
Interest-bearing net debt, MEUR	**4 502**	6 182	5 848	
Investments, MEUR	**761**	3 956	4 381	1 186
Return on capital employed, %	**12.1**	10.3	11.1	10.6
Return on shareholders' equity, %	**11.9**	9.1	10.5	10.0
Interest coverage	**5.4**	5.2	4.7	4.7
FFO / interest-bearing net debt, % 1)	**42.6**	24.5	28.1	
Gearing, %	**60**	87	80	
Adjusted gearing, % 2)	**91**	125	115	
Equity-to-assets ratio, %	**45**	41	41	
Average number of employees	**13 272**	14 659	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	Q2/03	Q2/02	Q1-Q2/03	Q1-Q2/02	2002	Last twelve months
Power, Heat and Gas	**718**	783	**1 932**	1 716	3 644	3 860
Electricity Distribution	**160**	156	**359**	317	640	682
Oil Refining and Marketing	**1 643**	1 790	**3 718**	3 321	7 083	7 480
Markets	**327**	270	**803**	576	1 280	1 507
Other Operations	**19**	16	**39**	30	64	73
Eliminations	**-432**	-356	**-823**	-756	-1 668	-1 735
Total	**2 435**	2 659	**6 028**	5 204	11 043	11 867
Discontinuing operations*)	**-**	23	**-**	49	105	-
Total	**2 435**	2 682	**6 028**	5 253	11 148	11 867

*) Internal sales excluded

OPERATING PROFIT BY SEGMENTS

MEUR	Q2/03	Q2/02	Q1-Q2/03	Q1-Q2/02	2002	Last twelve months
Power, Heat and Gas	**136**	156	**429**	305	617	741
Electricity Distribution	**61**	72	**142**	185	279	236
Oil Refining and Marketing	**75**	79	**200**	135	253	318
Markets	**15**	4	**8**	6	-11	-9
Other Operations	**-2**	-10	**-19**	-21	-64	-62
Eliminations	**1**	1	**1**	-	-	1
Total	**286**	302	**761**	610	1 074	1 225
Discontinuing operations	**-**	120	**-**	139	215	76
Total	**286**	422	**761**	749	1 289	1 301

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NON-RECURRING ITEMS IN OPERATING PROFIT BY SEGMENTS

MEUR	Q2/03	Q2/02	Q1-Q2/03	Q1-Q2/02	2002	Last twelve months
Power, Heat and Gas	**-**	108	**-1**	109	116	6
Electricity Distribution	**20**	32	**21**	91	92	22
Oil Refining and Marketing	**-18**	9	**-16**	38	48	-6
Markets	**-**	-	**-**	1	1	-
Other Operations	**12**	8	**14**	8	4	10
Total	**14**	157	**18**	247	261	32
Discontinuing operations	**-**	67	**-**	67	54	-13
Total	**14**	224	**18**	314	315	19

DEPRECIATION, AMORTISATION AND WRITE-DOWNS BY SEGMENTS

MEUR	Q2/03	Q2/02	Q1-Q2/03	Q1-Q2/02	2002	Last twelve months
Power, Heat and Gas	**58**	65	**116**	115	236	237
Electricity Distribution	**39**	42	**76**	76	147	147
Oil Refining and Marketing	**31**	33	**61**	67	152	146
Markets	**3**	7	**7**	12	25	20
Other Operations	**3**	4	**7**	7	23	23
Eliminations	**-**	-2	**-**	-2	-1	1
Total	**134**	149	**267**	275	582	574
Discontinuing operations	**-**	23	**-**	48	112	64
Total	**134**	172	**267**	323	694	638

INVESTMENTS BY SEGMENTS

MEUR	Q2/03	Q2/02	Q1-Q2/03	Q1-Q2/02	2002	Last twelve months
Power, Heat and Gas	**351**	76	**404**	2 468	2 619	555
Electricity Distribution	**201**	113	**224**	1 287	1 394	331
Oil Refining and Marketing	**64**	41	**96**	64	177	209
Markets	**26**	4	**26**	108	109	27
Other Operations	**7**	1	**11**	3	7	15
Total	**649**	235	**761**	3 930	4 306	1 137
Discontinuing operations	**-**	17	**-**	26	75	49
Total	**649**	252	**761**	3 956	4 381	1 186

NET ASSETS BY SEGMENTS

MEUR		Jun 30 2003	Jun 30 2002	Dec 31 2002
Power, Heat and Gas	3)	**8 566**	8 735	8 748
Electricity Distribution	3)	**3 064**	3 145	3 199
Oil Refining and Marketing		**1 435**	1 543	1 510
Markets		**119**	109	55
Other Operations		**112**	143	30
Total		**13 296**	13 675	13 542
Discontinuing operations		**-**	1 013	927
Total		**13 296**	14 688	14 469

3) Net assets include deferred tax liabilities due to the allocated goodwill: EUR 501 mill. June 30, 2003, and EUR 502 mill. December 31, 2002 in Power, Heat and Gas segment; and EUR 260 mill. June 30, 2003 EUR 344 mill. December 31, 2002 in Electricity Distribution.

RETURN ON NET ASSETS BY SEGMENTS 4)

%	Jun 30 2003	Jun 30 2003 *)	Jun 30 2002	Jun 30 2002 *)	Dec 31 2002	Dec 31 2002 *)	Last twelve months	Last twelve months *)
Power, Heat and Gas	**9.9**	**9.9**	7.7	4.9	7.5	6.1	8.5	8.4
Electricity Distribution	**9.0**	**7.7**	12.7	6.5	9.3	6.2	7.5	6.8
Oil Refining and Marketing	**26.8**	**28.9**	16.8	12.0	16.0	13.0	21.0	21.4
Markets	**23.1**	**23.1**	9.5	7.9	-11.4	-12.4	-11.5	-11.5

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

*) Non-recurring items deducted from operating profit

CONTINGENT LIABILITIES

MEUR	Jun 30 2003	Jun 30 2002	Dec 31 2002
Contingent liabilities			
On own behalf			
For debt			
Pledges	**512**	453	553
Real estate mortgages	**233**	236	237
Company mortgages	**-**	82	32
Other mortgages	**-**	52	26
For other commitments			
Real estate mortgages	**54**	54	55
Pledges, company and other mortgages	**1**	6	8
Sale and leaseback	**9**	16	15
Other contingent liabilities	**99**	534	474
Total	**908**	1 433	1 400
On behalf of associated companies			
Pledges and real estate mortgages	**12**	8	9
Guarantees	**637**	218	345
Other contingent liabilities	**182**	184	184
Total	**831**	410	538
On behalf of others			
Guarantees	**23**	5	4
Other contingent liabilities	**6**	14	4
Total	**29**	19	8
Total	**1 768**	1 862	1 946
Operating lease liabilities			
Due within a year	**61**	60	58
Due after a year	**121**	66	91
Total	**182**	126	149

Finance leases have been recognised as assets and liabilities.

Liability for nuclear waste disposal	**545**	515	545
Share of reserves in the Nuclear Waste Disposal Fund	**-535**	-505	-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.

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Derivatives		**Jun 30 2003**			Jun 30 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	**784**	**-1**	**-1**	6 015	1	1	2 950	-2	-2
Interest rate swaps	**6 015**	**8**	**46**	6 833	-2	33	6 898	21	34
Forward foreign exchange contracts 6)	**7 599**	**57**	**46**	6 351	38	1	5 626	63	30
Currency swaps	**530**	**36**	**10**	2 951	237	46	2 334	227	60
Purchased currency options	**64**	**7**	**7**	277	11	11	248	9	11
Written currency options	**29**	**1**	**1**	94	2	2	66	1	1

6) 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	**16 589**	**-**	**-**	10 364	1	1	10 697	-11	-11
Purchase contracts	**19 241**	**3**	**3**	8 351	1	1	12 170	13	13
Purchased options	**400**	**-**	**-**	-	-	-	-	-	-
Written options	**600**	**-**	**-**	25	-	-	-	-	-

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	**77**	**-368**	**-226**	87	74	73	94	-2 065	-1 406
Purchase contracts	**74**	**337**	**195**	86	-72	-73	78	1 709	1 051
Purchased options	**3**	**-2**	**-2**	5	-2	-1	2	1	-1
Written options	**7**	**-**	**-**	9	4	4	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	**3 135**	**-38**	**-38**	2 568	43	43	4 072	127	127
Purchase contracts	**2 965**	**38**	**38**	2 650	-39	-39	3 773	-115	-115
Purchased options	**980**	**-5**	**-5**	574	-	-	1 287	-7	-7
Written options	**1 039**	**7**	**7**	-504	2	2	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.

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QUARTERLY NET SALES BY SEGMENTS

MEUR	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	Q1/02
Power, Heat and Gas	**718**	**1 214**	1 234	694	783	933
Electricity Distribution	**160**	**199**	184	138	156	162
Oil Refining and Marketing	**1 643**	**2 075**	1 968	1 794	1 790	1 531
Markets	**327**	**476**	418	286	270	306
Other Operations	**19**	**20**	19	15	16	14
Eliminations	**-432**	**-391**	-567	-344	-356	-401
Total	**2 435**	**3 593**	3 256	2 583	2 659	2 545
Discontinuing operations	**-**	**-**	34	22	23	26
Total	**2 435**	**3 593**	3 290	2 605	2 682	2 571

QUARTERLY OPERATING PROFIT BY SEGMENTS

MEUR	Q2/03	Q1/03	Q4/02	Q3/02	Q2/02	Q1/02
Power, Heat and Gas	**136**	**293**	284	28	156	149
Electricity Distribution	**61**	**81**	61	34	72	113
Oil Refining and Marketing	**75**	**125**	42	76	79	57
Markets	**15**	**-7**	-19	2	4	2
Other Operations	**-2**	**-17**	-27	-17	-10	-12
Eliminations	**1**	**-**	-1	1	1	-1
Total	**286**	**475**	340	124	302	308
Discontinuing operations	**-**	**-**	51	25	120	19
Total	**286**	**475**	391	149	422	327