

FORTUM CORPORATION INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2000

Nine months in brief

- Group net sales increased by 31% to EUR 7,732 million.
- Operating profit increased by 19% to EUR 623 million.
- Profit before extraordinary items increased by 13% to EUR 414 million.
- Earnings per share improved by 30% to EUR 0.39.
- The result of upstream oil was good due to the production growth and the high prices of crude oil.
- The result of oil refining was healthy due to the company's strong refining margin.
- The low market price of electricity reduced the profit of power generation and sales.
- Power generation capacity increased in the Nordic countries by 1,317 MW and was 9,620 MW at the end of September.
- Following the merger of Länsivoima Oyj, the Finnish State ownership in Fortum Corporation decreased to 69.96%.
- Operating profit for 2000 is estimated to be significantly higher than in the previous year. Earnings per share are also estimated to improve from the previous year.

Key ratios

	III/00	III/99	I-III/00	I-III/99	1999
Net sales, EUR mill.	2,627	2,077	7,732	5,888	8,232
Operating profit, EUR mill.	201	178	623	522	705
Profit before extraordinary items, EUR mill.	144	123	414	367	494
Earnings per share, EUR	0.13	0.08	0.39	0.30	0.41
Equity per share, EUR			6.21	5.77	6.00
Capital employed (at the end of period), EUR mill.			11,722	9,161	9,425
Interest-bearing net debt (at the end of period), EUR mill.			5,067	4,102	3,818
Investments, EUR mill.			2,954	846	1,059
Net cash flow from operating activities, EUR mill.			289	349	494
Return on capital employed, %			8.3	8.0	8.4
Return on shareholders' equity, %			7.6	6.8	7.7
Gearing, %			81	88	79
Average number of employees			16,336	18,302	17,461

Results for January - September

The increase in net sales was mainly attributable to the higher prices of crude oil and petroleum products than in 1999. Comparable increase of net sales of the continuing business operations was 52%.

The increase in the Group's operating profit was mainly attributable to higher prices of crude oil and the improved refining margin. Gains on the sales of fixed assets amounted to EUR 56 million (EUR 112 million in January - September 1999). The effect of acquisitions on the operating profit was slightly positive. The amount of inventory gains totalled EUR 35 million (62). The comparable increase in the operating profit of the continuing business operations was 52%.

The price of electricity has been low for a long time, which has reduced the profit of power generation and sales. Fortum's share of operating profit from Birka Energi AB's result diminished by EUR 10 million from the previous year due to a lower demand for heat as a result of the mild winter and the price of electricity.

The result of Engineering was reduced by certain projects of Power Plant Engineering.

The group's net financial expenses amounted to EUR 209 million (155). The non-recurring costs of the financing arrangement in connection with the acquisition of Stora Enso power assets totalled some EUR 33 million.

EUR 26 million as minority interests have been entered in the income statement (19).

Structural re-organisation

Fortum is divesting its power generation assets in the UK, Ireland and Hungary, as well as the Transmission Engineering unit. The operating alternatives for the Power Plant Engineering unit are under review.

Business Review

Oil and Gas Upstream

The most important area in oil and gas exploration and production is Norway, with operations also in Oman and Russia. We are also involved in gas pipeline projects and have interests in gas companies in the Baltic Rim and the UK.

	III/00	III/99	I-III/00	I-III/99	1999
Net sales, EUR mill.	183	107	531	203	366
Operating profit, EUR mill.	46	32	131	42	82
Identifiable assets, EUR mill.			1,330	1,047	1,138

In net sales, trading and retail sales of natural gas amounted to EUR 284 million (73) in January – September 2000.

In January – September, the average price of the North Sea light Brent blend was USD 28 a barrel (16). The average price of oil sold by Fortum was USD 26.6 per barrel (15.8).

Oil and gas production

<i>(oil-equivalent barrels a day)</i>	I-III/00	I-III/99	1999
Total	32,400	31,700	32,700

The January – September production corresponded to an annual production of about 1.65 million tonnes (1.65).

Gas production was started in October at the Åsgard field in Norway. Fortum has a 7% share of the gas production, corresponding to the production of about 8,500 oil barrels a day, which will increase our production of oil and gas by about a quarter.

In September, a new oil and gas discovery was made on the Norwegian Continental Shelf near the Brage oil field, which is already in production. The reserves are currently being assessed. Fortum has a 13.2% share of the discovery and a 12.3% share of the Brage oil field.

Fortum has a 15% share in the first oil discovery made in October, in the Barents Sea on the Norwegian Continental Shelf. Further evaluations of the discovery and the test drillings in the area to assess the size and commercial value of the field are estimated to take two years.

Oil Refining and Marketing

Fortum has two oil refineries in Finland, a network of service stations and retail outlets in Finland and elsewhere in the Baltic Rim countries as well as business operations in lubricants, base oils, components and LPG. For logistics, we use our own and time-chartered tankers as well as terminals.

	III/00	III/99	I-III/00	I-III/99	1999
Net sales, EUR mill.	1,972	1,360	5,550	3,462	5,064
Operating profit, EUR mill.	133	87	274	133	182
Identifiable assets, EUR mill.			1,869	1,699	1,609

In January – September, the average international refining margin was USD 3.5 a barrel (0.6). Significant reasons for the increase included the tightening environmental requirements on motor fuels and the heavy demand for products fulfilling these requirements. Fortum's refining margin continued to be higher than the international margin.

Consumption of petroleum products in Finland totalled 7.6 million tonnes in the review period (7.9). Due to high gasoline prices, the demand decreased by 3.2%, whereas the demand for diesel oil increased by 3.2%. There were no significant changes in Fortum's market shares.

In the review period, Fortum refined a total of 9.3 (9.7) million tonnes of crude oil and other feedstock. The decrease was mainly the result of an interruption in production due to a strike in March – April and to a turnaround shutdown at the Naantali refinery in September.

Deliveries of petroleum products refined by Fortum, by product group

(1,000 t)	III/00	III/99	I-III/00	I-III/99	1999
Gasoline	988	1,144	2,943	3,166	4,186
Diesel	809	602	2,418	1,933	2,692
Aviation gasoline	214	248	612	779	1,005
Light fuel oil	424	472	1,321	1,600	2,223
Heavy fuel oil	307	195	827	707	1,003
Other	373	402	1,016	1,045	1,380
Total	3,115	3,063	9,137	9,230	12,489

Deliveries of petroleum products refined by Fortum, by area

(1,000 t)	III/00	III/99	I-III/00	I-III/99	1999
Finland	1,862	1,903	5,497	5,660	7,713
Sweden	468	445	1,262	1,534	2,022
Baltic countries and Russia	21	104	90	283	417
USA and Canada	222	228	742	777	777
Other countries	542	383	1,546	976	1,560
Total	3,115	3,063	9,137	9,230	12,489

Power and heat generation and sales

In power generation and sales, Fortum is among the two largest companies in the Nordic countries. As a heat producer Fortum is the leading company in the Nordic countries. Operations are most significant in Finland and Sweden, and we also have operations in Continental Europe, the UK, Ireland, and South-East Asia.

	III/00	III/99	I-III/00	I-III/99	1999
Net sales, EUR mill.	359	305	1,246	1,038	1,443
- Electricity sales	285	232	871	762	1,037
- Heat sales	64	66	290	257	360
Operating profit, EUR mill.	2	- 1	148	176	236
Identifiable assets, EUR mill.			6,558	4,878	4,852

In January – September, the average price of electricity in the Nordic electricity exchange was EUR 11.5 per MWh (12.5). In the third quarter, the price was EUR 10.1 per MWh (12.6). The fall in prices was attributable to the exceptionally high production of hydropower and the heavy rains in central Sweden in the third quarter. The area prices in Finland were almost EUR 3 per MWh and in Sweden close to EUR 2 per MWh higher than the average price in the Nordic electricity exchange. This is mainly due to the increased hydropower output caused by the exceptionally abundant reservoir influx in Norway and Central Sweden and to the power transmission capacity, which has proved to be too small in relation to the exceptional situation.

Electricity consumption in the Nordic countries totalled 278 TWh (270).

Electricity sales by area

(TWh)	III/00	III/99	I-III/00	I-III/99	1999
Nordic countries, total	10.2	9.1	31.6	30.4	41.6
- Sweden*	4.6	2.7	11.3	9.0	12.0
- Finland	5.6	6.4	20.3	21.4	29.6
Germany	1.1	0.0	2.8	0.1	0.2
UK	0.5	0.4	1.5	1.4	1.9
Estonia	0.0	0.0	0.1	0.0	0.1
Total	11.8	9.5	36.0	31.9	43.9

* includes 50% of Birka Energi's electricity sales

Electricity sales increased from the previous year due to the acquisitions in Sweden and Germany. Fortum's share in the electricity sales of Birka Energi was 9.1 TWh (9.0).

The volume of so called old electricity contracts expiring in 2000 is just under 4 TWh. This will reduce the operating profit in 2000 by almost EUR 50 million compared with the reference period. Corresponding contracts to the value of some 10 TWh will be expiring over the next three years, the effect on profitability of which is estimated to be relatively smaller than this year.

The consumption of district heat in the Nordic countries diminished due to the warm winter months.

Heat sales by area

(TWh)	III/00	III/99	I-III/00	I-III/99	1999
Sweden*	0.5	0.3	2.9	2.5	3.8
Finland	2.1	2.1	8.6	8.3	11.9
Other countries	0.1	0	0.4	0	0.0
Total	2.7	2.4	11.9	10.8	15.7

* includes 50% of Birka Energi's heat sales

Fortum's share in the heat sales of Birka Energi amounted to 2.8 TWh (2.5).

In January, Fortum finalised the acquisition of Wesertal. The operation of Wesertal has been improved by cutting the costs of the Afferde district heating plant by about 30% and by selling the functions not related to energy. The number of employees will be reduced by a quarter, i.e. by about 200.

At the turn of May – June, Fortum acquired Stora Enso's power plant capacity corresponding to a total of 1,511 MW and 6.7 TWh of annual production. At the same time, Fortum agreed on electricity deliveries to Stora Enso mills in Sweden. The agreed annual volume is more than 2 TWh over the next three years.

At the end of September, Fortum's power generation capacity in the Nordic countries totalled 9,620 MW. At the end of 1999, the corresponding amount was 8,303 MW. The increase is attributable to the acquisition of Stora Enso power assets. During the review period, Fortum disposed of almost 200 MW of its power generation capacity in the Nordic countries.

Electricity Distribution

Fortum distributes electricity to a total of 922,000 customers by its distribution networks in Sweden, Finland, Germany, and Estonia.

	III/00	III/99	I-III/00	I-III/99	1999
Net sales, EUR mill.	101	73	338	249	347
Operating profit, EUR mill.	25	18	93	77	115
Identifiable assets, EUR mill.			2,497	1,816	1,851

In January - September, the distribution of electricity amounted to a total of 10.9 TWh (8.4). The increase is mainly attributable to the acquisition of Wesertal. Fortum's share in the electricity distribution of Birka Energi was 5.8 TWh. Regional network distribution totalled in Finland 5.3 TWh (4.9) and in Sweden 4.7 TWh (3.0).

In order to boost profitability, Fortum is in the process of organising the electricity distribution in Finland into one unit.

Distribution prices of electricity were stable.

Electricity distribution by area

(TWh)	III/00	III/99	I-III/00	I-III/99	1999
Sweden*	1.5	1.6	5.8	5.6	8.6
Finland	0.7	0.7	2.9	2.8	4.0
Germany	0.7	0.0	2.1	0.0	0.0
Estonia	0.0	0.0	0.1	0.0	0.0
Total	2.9	2.3	10.9	8.4	12.6

* includes 50% of Birka Energi's electricity distribution

Number of electricity distribution customers by area

	30 Sept 2000	30 Sept 1999
Sweden*	453,000	436,000
Finland	279,000	277,000
Germany	171,000	0
Estonia	19,000	0
Total	922,000	713,000

* includes 50% of Birka Energi's electricity distribution customers

Service

Service offers operation and maintenance services for power plant owners, and maintenance services for the process industry. In addition to Finland and Sweden, we have operations in Central Europe and South-East Asia.

	III/00	III/99	I-III/00	I-III/99	1999
Net sales, EUR mill.	83	68	234	196	290
Operating profit, EUR mill.	2	- 1	4	2	12
Identifiable assets, EUR mill.			34	29	42

The operation-time energy availability of power plants under the responsibility of Fortum Service continued to be excellent. In respect of thermal power plants in Finland it was 96.0% (95.7% in 1999) and in respect of hydropower plants 99,1% (99.2% in 1999). The profit development reflects normal annual seasonal variation.

Engineering

Engineering specialises in turnkey contracts for energy generation and transmission systems, deliveries for oil refining and chemical industries, railway electrification, and communications networks.

	III/00	III/99	I-III/00	I-III/99	1999
Net sales, EUR mill.	135	105	408	294	479
Operating profit, EUR mill.	1	5	-5	0	12
Identifiable assets, EUR mill.			67	88	37

At the end of the review period, the volume of uninvoiced order book of Fortum Engineering totalled EUR 610 million (EUR 675 million at the end of 1999).

Investments and financing

In January – September, investments totalled EUR 2,954 million (846). The largest investments were the acquisition of the German energy company Elektrizitätswerk Wesertal GmbH and the power assets of Stora Enso.

In June, in the financing arrangement implemented in connection with the acquisition of Stora Enso power assets, Fortum Capital Ltd issued preferred shares worth EUR 1.2 billion, carrying a fixed dividend of 6.7% per annum. The dividend is included in minority interest in the income statement. As a result of the interest-rate swap arrangements made in connection with the financing arrangement, the costs of the arrangement to Fortum are currently about one percentage unit lower than the dividend. The increase in the minority interest entered in the balance sheet of the consolidated financial statements is a result of this financing arrangement.

Changes in Group structure

Länsivoima Oyj merged with Fortum Corporation on 30 September.

Changes in the share capital

In the merger between Länsivoima Oyj and Fortum Corporation, one Länsivoima's share was equivalent to 10 Fortum's new shares. In connection with the merger, 60,825,940 new Fortum shares were issued, and the share capital was increased by EUR 206,808,196. The new shares were combined with Fortum's existing share type on 30 September 2000. The current number of Fortum's shares is 845,608,575 and share capital EUR 2,875,069,155.

When the merger became effective, Länsivoima's convertible bond loan transferred to Fortum, who is responsible for payment of the loan capital and the interest provided in the terms of the loan to the holders of convertible bonds. The terms of the convertible bond loan remain unaltered, excluding the conversion right relating to the loan. The convertible bonds cannot be exchanged for Fortum Corporation's shares.

In the merger on 30 September, Fortum Power and Heat Oy, Fortum Corporation's wholly owned subsidiary, received 51,037,520 Fortum Corporation's shares, with a total par value of EUR 173,527,568.00, which is 6.04% of the total number of Fortum Corporation's shares and share capital. At the same time, the Finnish State share in the company's share capital decreased from 75.38% to 69.96%. The share of the State's voting right is currently 74.45%, as the shares owned by Fortum Power and Heat Oy do not have the voting right at the moment.

Group organisation and personnel

Mikael Lilius started as President and CEO on 1 September 2000. Eero Aittola was appointed Group Executive Vice President on 7 September 2000.

Ilkka-Christian Björklund resigned from the Supervisory Board and the duties of Chairman on 1 August 2000. Deputy Chairman Ben Zyskowicz is responsible for the Chairmanship of the meetings of the Supervisory Board. Ville Itälä resigned from the Supervisory Board on 1 September 2000.

In January – September, Fortum Group employed an average of 16,336 people (18,302).

Outlook for the remainder of the year

The price of crude oil and the refining margin will be significantly higher on an annual level than in 1999. The price of electricity will probably remain very low.

Operating profit for 2000 is estimated to be significantly higher than in 1999. Earnings per share is also estimated to improve from the previous year.

The interim financial statements are unaudited.

Espoo, 2 November 2000
Fortum Corporation
Board of Directors

APPENDICES

Consolidated income statement, consolidated balance sheet, key ratios and net sales, depreciation, operating profit, investments, identifiable assets and significant non-recurring items by business operations, contingent liabilities, and quarterly net sales and operating profit.

FORTUM GROUP**JANUARY-SEPTEMBER 2000**

Interim financial statements are unaudited.

CONSOLIDATED INCOME STATEMENT

<i>EUR mill.</i>	Q3/00	Q3/99	Q1-Q3/00	Q1-Q3/99	1999
Net sales	2 627	2 077	7 732	5 888	8 232
Share of profits (losses) of associated companies	10	4	26	34	36
Other operating income	25	54	79	133	187
Depreciation, amortisation and write-downs	-142	-132	-417	-389	-523
Other operating expenses	-2 319	-1 825	-6 797	-5 144	-7 227
Operating profit	201	178	623	522	705
Financial income and expenses	-57	-55	-209	-155	-211
Profit before extraordinary items	144	123	414	367	494
Extraordinary income	-	69	-	393	493
Extraordinary expenses	0	-1	-8	-1	-33
Profit before taxes	144	191	406	759	954
Income taxes	-21	-72	-83	-186	-229
Minority interests	-22	-2	-26	-19	-22
Net profit for the period	101	117	297	554	703
Earnings per share, EUR	0,13	0,08	0,39	0,30	0,41
Average number of shares, 1,000 shares			784 783	784 783	784 783

1) Accrued taxes for the financial period.

CONSOLIDATED BALANCE SHEET

<i>EUR mill.</i>	Sep 30 2000	Sep 30 1999	Dec 31 1999
ASSETS			
Fixed assets and other long-term investments	12 209	9 919	9 724
Current assets			
Inventories	758	695	661
Receivables	1 892	1 399	1 379
Cash and cash equivalents	417	397	775
Total	3 067	2 491	2 815
Total	15 276	12 410	12 539
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2 875	2 640	2 640
Other equity	2 059	1 890	2 065
Total	4 934	4 530	4 705
Minority interests	1 304	133	126
Provisions for liabilities and charges	179	78	83
Deferred tax liabilities	1 229	1 131	1 128
Long-term liabilities	4 561	4 557	3 644
Short-term liabilities	3 069	1 981	2 853
Total	15 276	12 410	12 539
Equity per share, EUR	6,21	5,77	6,00
Number of shares, 1,000 shares	845 609	784 783	784 783
Number of shares, own shares excluded 1,000 shares	794 571	784 783	784 783

FORTUM GROUP**JANUARY-SEPTEMBER 2000***Interim financial statements are unaudited.*

KEY RATIOS	Sep 30 2000	Sep 30 1999	Dec 31 1999
Interest-bearing net debt, EUR mill.	5 067	4 102	3 818
Investments, EUR mill.	2 954	846	1 059
Average number of employees	16 336	18 302	17 461
Return on capital employed, %	8,3	8,0	8,4
Return on shareholders' equity, %	7,6	6,8	7,7
Gearing, %	81	88	79
Equity-to-assets ratio, %	41	38	39

NET SALES BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q3/00	Q3/99	Q1-Q3/00	Q1-Q3/99	1999
Oil and Gas Upstream	183	107	531	203	366
Oil Refining and Marketing	1 972	1 360	5 550	3 462	5 064
Power and Heat Generation and Sales	359	305	1 246	1 038	1 443
Electricity Distribution	101	73	338	249	347
Service	83	68	234	196	290
Engineering	135	105	408	294	479
Other Operations	23	34	67	99	137
Internal invoicing	-229	-184	-642	-462	-717
Total	2 627	1 868	7 732	5 079	7 409
Discontinued Operations	2) -	209	-	809	823
Net sales	2 627	2 077	7 732	5 888	8 232

2) Includes Gasum, Enermet, Infrarödteknik and Neste Chemicals in 1999.

DEPRECIATIONS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q3/00	Q3/99	Q1-Q3/00	Q1-Q3/99	1999
Oil and Gas Upstream	24	20	68	49	77
Oil Refining and Marketing	36	35	106	101	137
Power and Heat Generation and Sales	46	42	134	125	166
Electricity Distribution	30	19	90	56	75
Service	1	1	5	5	7
Engineering	4	2	8	6	8
Other Operations and eliminations	1	3	6	8	12
Total	142	122	417	350	482
Discontinued Operations	3) -	10	-	39	41
Depreciations	142	132	417	389	523

3) Includes Gasum, Enermet, Infrarödteknik and Neste Chemicals in 1999.

FORTUM GROUP**JANUARY-SEPTEMBER 2000***Interim financial statements are unaudited.***OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>		Q3/00	Q3/99	Q1-Q3/00	Q1-Q3/99	1999
Oil and Gas Upstream	4)	46	32	131	42	82
Oil Refining and Marketing		133	87	274	133	182
Power and Heat Generation and Sales		2	-1	148	176	236
Electricity Distribution		25	18	93	77	115
Service		2	-1	4	2	12
Engineering		1	5	-5	0	12
Other Operations		-4	-5	-15	-9	-24
Eliminations		-4	-4	-7	-11	-17
Total		201	131	623	410	598
Discontinued Operations	5)	-	47	-	112	107
Operating profit		201	178	623	522	705

4) Treatment of Gasum has been changed from a subsidiary company to an associated company in 1999.

5) Includes the impact of change in Gasum holding, Enermet, Infrarödteknik, Neste Chemicals and Asko in 1999.

INVESTMENTS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>		Q3/00	Q3/99	Q1-Q3/00	Q1-Q3/99	1999
Oil and Gas Upstream		41	50	105	170	199
Oil Refining and Marketing		30	34	86	105	140
Power and Heat Generation and Sales		102	88	2 299	334	445
Electricity Distribution		71	53	452	194	226
Service		1	0	4	7	9
Engineering		1	2	4	8	12
Other Operations and eliminations		-3	3	4	6	5
Total		243	230	2 954	824	1 036
Discontinued Operations	6)	-	7	-	22	23
Investments		243	237	2 954	846	1 059

6) Includes Gasum, Enermet, Infrarödteknik and Neste Chemicals in 1999.

IDENTIFIABLE ASSETS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>		Sep 30 2000	Sep 30 1999	Dec 31 1999
Oil and Gas Upstream		1 330	1 047	1 138
Oil Refining and Marketing		1 869	1 699	1 609
Power and Heat Generation and Sales		6 558	4 878	4 852
Electricity Distribution		2 497	1 816	1 851
Service		34	29	42
Engineering		67	88	37
Other Operations and eliminations		157	184	181
Total		12 512	9 741	9 710
Discontinued Operations	7)	-	374	-
Identifiable assets		12 512	10 115	9 710

7) Includes Gasum, Enermet, Infrarödteknik and Neste Chemicals in September 30 1999.

FORTUM GROUP**JANUARY-SEPTEMBER 2000***Interim financial statements are unaudited.***SIGNIFICANT NON-RECURRING ITEMS IN OPERATING PROFIT
BY BUSINESS OPERATIONS (SEGMENTS)***EUR mill.*

	Q3/00	Q3/99	Q1-Q3/00	Q1-Q3/99	1999
Oil and Gas Upstream	2	0	2	0	0
Oil Refining and Marketing	26	51	33	71	120
Power and Heat Generation and Sales	10	2	47	50	63
Electricity Distribution	1	0	2	0	0
Service	0	0	0	0	0
Engineering	2	0	2	0	0
Other Operations and eliminations	1	3	2	4	4
Total	42	56	88	125	187
Discontinued Operations	8) -	41	-	48	48
Non-recurring performances	42	97	88	173	235

8) Includes Gasum, Enermet, Infrarödtechnik, Neste Chemicals and Asko in 1999.

CONTINGENT LIABILITIES

<i>EUR mill.</i>	Sep 30 2000	Sep 30 1999	Dec 31 1999
Contingent liabilities			
On own behalf			
For debt			
Pledges	293	305	290
Real estate mortgages	312	160	134
Company mortgages	18	44	44
Other mortgages	58	58	54
For other commitments			
Pledges	61	71	86
Real estate mortgages	37	100	96
Company mortgages	1	-	6
Sale and leaseback	18	26	28
Other contingent liabilities	668	760	748
Total	1 466	1 524	1 486
On behalf of associated companies			
Pledges	-	-	4
Real estate mortgages	-	-	1
Guarantees	397	91	79
Other contingent liabilities	183	182	182
Total	580	273	266
On behalf of persons referred to in § 11:7 of the Companies Act			
Guarantees	-	0	0
On behalf of others			
Pledges	1	12	0
Real estate mortgages	0	0	0
Company mortgages	-	-	-
Guarantees	168	41	91
Bill liabilities	6	-	-
Other contingent liabilities	8	33	2
Total	183	86	93
Total	2 229	1 883	1 845

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Interim financial statements are unaudited.
Operating lease liabilities

Due within a year	64	45	50
Due after a year	178	141	138
Total	242	186	188

Finance leases have been recognised as assets and liabilities.

Liability for nuclear waste disposal

Share of reserves in the Nuclear Waste Disposal Fund	471	459	471
Liabilities in the balance sheet	-385	-372	-385
Liabilities in the balance sheet 9)	87	87	87
Excess of security given over obligations	1	-	1

9) Mortgaged bearer papers as security

Derivatives	Sep 30 2000			Sep 30 1999			Dec 31 1999		
	Contract or notional value	Fair value	Not recog- nised as an income	Contract or notional value	Fair value	Not recog- nised as an income	Contract or notional value	Fair value	Not recog- nised as an income
Interest and currency derivatives <i>EUR mill.</i>									
Forward rate agreements	223	0	0	46	0	0	-	-	-
Interest rate swaps	3 944	-10	-5	1 520	5	19	1 975	0	17
Purchased interest rate options	-	-	-	16	0	0	2	0	0
Written interest rate options	-	-	-	22	0	0	-	-	-
Forward foreign exchange contracts 10),11)	2 519	-11	-47	2 600	19	-3	1 767	-18	-19
Currency swaps	2 133	93	-21	597	-21	-21	885	1	-27
Purchased currency options	132	-2	-2	51	0	0	54	-1	-1
Written currency options	81	-2	-2	51	0	0	54	-1	-1

10) Incl. also closed forward and future positions

11) Incl. also contracts used for equity hedging

Oil futures and forward instruments	Volume 1000 bbl	Fair value <i>EUR mill.</i>	Not recog- nised as an income <i>EUR mill.</i>	Volume 1000 bbl	Fair value <i>EUR mill.</i>	Not recog- nised as an income <i>EUR mill.</i>	Volume 1000 bbl	Fair value <i>EUR mill.</i>	Not recog- nised as an income <i>EUR mill.</i>
Sales contracts	25 117	-11	-11	23 245	-12	-12	22 154	-26	-4
Purchase contracts	15 623	18	18	19 253	5	5	17 063	7	3
Purchased options	1 600	0	0	700	-1	-1	1 477	0	0
Written options	2 643	-1	-1	1 299	1	1	1 546	-1	0
Electricity derivatives	Volume TWh	Fair value <i>EUR mill.</i>	Not recog- nised as an income <i>EUR mill.</i>	Volume TWh	Fair value <i>EUR mill.</i>	Not recog- nised as an income <i>EUR mill.</i>	Volume TWh	Fair value <i>EUR mill.</i>	Not recog- nised as an income <i>EUR mill.</i>
Sales contracts	31	5	5	20	29	29	21	44	44
Purchase contracts	29	-36	-25	23	-44	-43	21	-61	-43
Purchased options	2	0	0	1	0	0	0	0	0
Written options	2	1	1	4	-1	-1	2	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

In the merger of Länsivoima Oyj on 30 September, Fortum Power and Heat Oy, Fortum's wholly owned subsidiary, received 51,037,520

Fortum Corporation's shares, with a total par value of EUR 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. At the same time, the Finnish State ownership of the company's share capital decreased from 75.38% to 69.96% and the share of voting rights decreased to 74.45%. Own shares have been eliminated in the balance sheet of Fortum Group.

FORTUM GROUP**JANUARY-SEPTEMBER 2000***Interim financial statements are unaudited.***QUARTERLY NET SALES BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>	I/99	II/99	III/99	IV/99	1999	I/00	II/00	III/00
Oil and Gas Upstream	45	51	107	163	366	215	133	183
Oil Refining and Marketing	948	1 154	1 360	1 602	5 064	1 669	1 909	1 972
Power and Heat Generation and Sales	439	294	305	405	1 443	503	384	359
Electricity Distribution	99	77	73	98	347	131	106	101
Service	63	65	68	94	290	78	73	83
Engineering	78	111	105	185	479	118	155	135
Other Operations	25	40	34	38	137	21	23	23
Internal invoicing	-123	-155	-184	-255	-717	-210	-203	-229
Total	1 574	1 637	1 868	2 330	7 409	2 525	2 580	2 627
Discontinued Operations 12)	325	275	209	14	823	-	-	-
Net sales	1 899	1 912	2 077	2 344	8 232	2 525	2 580	2 627

12) Includes Gasum, Enermet, Infrarödteknik and Neste Chemicals in 1999.

QUARTERLY OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	I/99	II/99	III/99	IV/99	1999	I/00	II/00	III/00
Oil and Gas Upstream 13)	1	9	32	40	82	45	40	46
Oil Refining and Marketing	6	40	87	49	182	4	137	133
Power and Heat Generation and Sales	158	19	-1	60	236	100	46	2
Electricity Distribution	42	17	18	38	115	49	19	25
Service	3	0	-1	10	12	4	-2	2
Engineering	0	-5	5	12	12	-2	-4	1
Other Operations	6	-10	-5	-15	-24	-1	-10	-4
Eliminations	-10	3	-4	-6	-17	-2	-1	-4
Total	206	73	131	188	598	197	225	201
Discontinued Operations 14)	34	31	47	-5	107	-	-	-
Operating profit	240	104	178	183	705	197	225	201

13) Treatment of Gasum has been changed from a subsidiary company to an associated company in 1999.

14) Includes the impact of change in Gasum holding, Enermet, Infrarödteknik, Neste Chemicals and Asko in 1999.

As a change to the accounting policy, deferred tax liabilities due to the allocated goodwill are entered in the consolidated balance sheet under fixed assets and deferred tax liabilities. The impacts of these changes have been accounted for in respect of the comparable periods.

1 EUR = 5,94573 FIM