



Interim Report

1 January – 30 September 2001

Fortum Corporation Interim Report 1 January – 30 September 2001

Fortum's January-September result improved by 20 per cent compared with previous year Net debt down, successful performance improvement actions

The first three quarters in brief

- Operating profit, EUR 743 million, was up 19% on the corresponding period in 2000.
- Profit before extraordinary items increased by 41% to EUR 583 million.
- Earnings per share increased by 26% to EUR 0.49.
- Cash flow before financing activities was strong at EUR 806 million.
- The balance sheet was strengthened, interest-bearing net debt decreased by EUR 871 million.
- The new corporate structure became effective at the beginning of October.
- Performance improvement actions were continued throughout the Group.

Key indicators

	III/01	III/00	I-III/01	I-III/00	2000
Net sales, EUR million	2,482	2,561	7,874	7,532	10,614
Operating profit, EUR million	184	201	743	623	906
Profit before extraordinary items, EUR million	134	144	583	414	633
Earnings per share, EUR	0.11	0.13	0.49	0.39	0.55
Shareholders' equity per share, EUR			6.52	6.21	6.32
Capital employed (at end of period), EUR million			10,580	11,722	11,365
Interest-bearing net debt (at end of period), EUR million			3,755	5,067	4,626
Investments in fixed assets, EUR million			483	2,954	3,131
Cash flow before financing activities, EUR million			806	-862	-685
Return on capital employed, %			9.4	8.3	9.4
Return on shareholders' equity, %			8.8	7.6	8.6
Gearing, %			58	81	73
Average number of employees			15,237	16,336	16,220

Net sales and results

Group net sales for the period from January to September stood at EUR 7,874 (7,532) million, an increase of 4.5% over the corresponding period in 2000. The increase in the production of power and gas and the rise in the price of electricity mainly contributed to this growth. The accounting principle in natural gas trading has been changed so that sales and purchases are accounted as net sales. The change does not affect the operating profit. The comparison figures for 2000 have been adjusted accordingly.

Group operating profit rose by 19% to EUR 743 (623) million.

Power and Heat Generation and Sales continued its positive trend. This was mainly attributable to the growth in power generation capacity and the rise in the price of electricity.

Oil and Gas Upstream results were boosted by the rise in gas production, in spite of the fact that the production of gas from the Åsgard field has been at a standstill due to pipeline repairs.

The performance of Oil Refining and Marketing was weakened by the very low refining margin of the summer months as well as by the refinery shutdown. The trend in Fortum Shipping was positive.

A significant proportion of the Service sector's operating profit was attributable to the sale of the operation and maintenance contract for the Humber power plant in Great Britain in the second quarter.

The Engineering sector's result was affected by some long-term projects of Transmission Engineering. The costs of completion of these projects were reported in the result of the first and second quarter. Transmission Engineering was sold at the end of June. Actions to improve the efficiency of Power Plant Engineering continued.

The Birka Energi Group, in which Fortum has a 50% interest, accounted for EUR 134 (110) million of Fortum's operating profit.

The Group result included non-recurring items amounting to EUR 63 (82) million net. Of these, gains on sales of assets, the most significant of which was the sale of the power company in Hungary in the second quarter, were EUR 140 million. Other items arose mainly from the non-recurring expenses from the power plant operations in Great Britain, and inventory losses totalling EUR 16 million, compared with gains of EUR 35 million in the corresponding period last year, mainly on account of the fall in the price of crude oil in September.

Profit before taxes totalled EUR 583 (406) million. Profit for the period was EUR 393 (297) million.

The Group's interest-bearing net debt decreased by EUR 871 million compared with the turn of the year, and net financial expenses declined to EUR 160 (209) million.

Review of business operations

Oil and Gas Upstream

Fortum concentrates oil and gas production in Norway and Russia. In Great Britain Fortum is engaged in gas trading and sells gas to end-users. In the Baltic area the company is involved in gas pipeline projects and owns shares in gas companies.

	III/01	III/00	I-III/01	I-III/00	2000
Net sales, EUR million*	175	117	556	331	533
Operating profit, EUR million	61	46	180	131	218
Net assets, EUR million			1,298	1,330	1,284
Return on net assets, %			18.6	13.4	18.0

* The total attributable to natural gas trading and retail sales was EUR 179 (60) million.

The average price of North Sea light Brent crude oil in the period from January to September was EUR 26.2 (28.0) USD/bbl. The average price per barrel of crude oil sold by Fortum was USD 25.6 (27.5).

The accounting principle in natural gas trading has been changed so that sales and purchases are accounted as net sales. The change does not affect the operating profit.

Oil and gas production

(boepd)	I - III/01	I - III/00	2000
Total	40,890	32,400	34,200

Production during the period January-September was equivalent to an annual output of 2.0 (1.7) million tonnes. Natural gas accounted for one fifth of the amount. Total production increased by 25% compared with the corresponding period last year.

Fortum is concentrating its oil and gas production in Norway and Russia and is selling its holdings in the oil field in Oman.

In September Fortum decided to participate in the first phase of the development of the South Shapkino oil field located in northwest Russia in the claim area held by SeverTEK, a company half owned by Fortum and the Russian oil company Lukoil. The estimated cost of the project during a period of three years is approximately USD 360 million. No more than half of this will be covered by shareholders' equity and the rest will be provided by means of an external long-term loan. Production at the field is planned to start in 2003. The maximum annual output of the whole field is 2.6 million tonnes of crude oil. The field has commercial oil reserves estimated at more than 23 million tonnes.

In Norway, gas production at the Åsgard field has been at a standstill since the end of August because of pipeline repairs. Production is expected to restart at the turn of the year. Repair work will continue next spring, and during this period the field's output is expected to be lower than planned. Oil production at the field is continuing normally.

Oil Refining and Marketing

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

	III/01	III/00	I-III/01	I-III/00	2000
Net sales, EUR million	1,846	1,972	5,544	5,550	7,759
Operating profit, EUR million	77	133	222	274	382
Net assets, EUR million			1,733	1,869	1,838
Return on net assets, %			16.6	19.7	22.2

The international refining margin in northwest Europe (Brent Complex) for the period from January to September averaged 2.2 (3.5) USD/bbl. In May the refining margin fell steeply and remained low in June and July as well. This was mainly attributable to the oversupply of gasoline on the world market. The average refining margin in the period from July to September was 1.1 (3.4) USD/bbl. Fortum's refining margin in the review period remained distinctly higher than the international margin by nearly USD 2/bbl.

Consumption of petroleum products in Finland totalled 6.7 (6.5) million tonnes in the nine-month period. In Finland Fortum's retail market share in gasoline was 29.9 (31.6)%, in diesel 43.1 (44.1)%, in light fuel oils 40.5 (39.9)% and in heavy fuel oils 48.5 (48.8)%.

During the period from January to September Fortum refined a total of 8.6 (9.3) million tonnes of crude oil and other feedstock. Some 5.3 (5.5) million tonnes of petroleum products were delivered to customers in Finland. Due to the scheduled maintenance shutdown of the Porvoo refinery, exports fell compared with last year to 3.1 (3.6) million tonnes.

Deliveries of petroleum products refined by Fortum – by product group

(1,000 t)	III/01	III/00	I-III/01	I-III/00	2000
Gasoline	1,146	988	2,796	2,943	3,941
Diesel	786	809	2,304	2,418	3,246
Aviation fuel	159	214	378	612	786
Light fuel oil	439	424	786	1,321	1,843
Heavy fuel oil	241	307	485	827	1,133
Others	339	373	1,813	1,016	1,360
Total	3,110	3,115	8,562	9,137	12,309

Deliveries of petroleum products refined by Fortum – by area

(1,000 t)	III/01	III/00	I-III/01	I-III/00	2000
Finland	1,759	1,862	5,273	5,497	7,423
Other Nordic countries	551	468	1,384	1,262	2,142
Baltic countries and Russia	0	21	27	90	153
USA and Canada	144	222	484	742	1,029
Other countries	656	542	1,394	1,546	1,562
Total	3,110	3,115	8,562	9,137	12,309

At the beginning of the year Fortum ordered four tankers for the transport of petroleum products. At least two of these will be for long-term bareboat charters. In addition, two vessels were sold, one of which was bareboat chartered for four years.

The strong fluctuation of the freight level continued in the third quarter. On average the freight level remained good, though. The contractual framework of the Shipping operations, successful timing in chartering and the high vessel utilisation rate ensured good profitability.

In Porvoo the new capacity for the production of Citydiesel and base oil was taken into use. As a result, sulphur-free Citydiesel capacity will increase to 3.9 million tonnes annually and base oil production to 150,000 tonnes annually. The Naantali refinery has begun investments to allow the production of sulphur-free gasoline.

Fortum already manufactures and exports sulphur-free fuels to countries which use differentiated taxation to enable them to start bringing these products onto the market. The company is also prepared to deliver sulphur-free traffic fuels to the Finnish market. Fortum also has the possibility to introduce ethanol in the production of motor gasoline.

Power and Heat Generation and Sales

Fortum is the second largest company in the Nordic countries producing and selling electricity, and is also the leading heat producer in the region. Its operations are centred in Finland and Sweden, but it is also active in continental Europe, Great Britain, Ireland and Southeast Asia.

	III/01	III/00	I-III/01	I-III/00	2000
Net sales, EUR million	379	359	1,401	1,246	1,760
- electricity sales, EUR million	263	285	951	871	1,170
- heat sales, EUR million	78	64	337	290	411
Operating profit, EUR million	23	2	228	148	211
Net assets, EUR million			5,673	6,549	6,193
Return on net assets, %			5.1	3.1	3.8

Electricity consumption in the Nordic countries totalled 284.9 (279.1) terawatt-hours (TWh) in the period from January to September. Of this amount, 35.0 (31.6) TWh was sold by the Group. Sales outside the Nordic countries came to 5.5 (4.4) TWh.

During the review period, sales in Sweden increased compared with the corresponding period a year ago. This was mainly attributable to increased power plant capacity.

The price of electricity on the Nordic spot market during the period from January to September was around 107% higher than the corresponding figure in 2000, averaging EUR 23.8 (11.5) per megawatt-hour. The price rise was mainly due to an increase in electricity consumption, lower rainfall and along with this a fall-off in hydropower production and water reserves as well as increased production costs following the rise in the price of coal. Because of the recent, heavier-than-usual rainfall, water supplies in the Nordic countries have increased somewhat since the end of September and come close to last year's level.

The average price of electricity sold by Fortum in the Nordic countries rose by about 11% on the corresponding period last year.

Annual maintenance operations were carried out as planned at the Loviisa power plant during August and September. The plant has subsequently been running normally.

Fortum continued to optimise the structure of its power generation and sold its 27.9% holding in Etelä-Pohjanmaan Voima Oy to a consortium made up of several energy companies for EUR 47 million.

Electricity sales by area (TWh)

	III/01	III/00	I-III/01	I-III/00	2000
Total for Nordic countries	10.1	10.2	35.0	31.6	45.3
- Finland	5.8	5.6	20.7	20.3	28.4
- Sweden*	4.3	4.6	14.3	11.3	16.9
Germany	1.1	1.1	3.2	2.8	3.9
Great Britain and Ireland	0.6	0.5	2.0	1.5	1.9
Other countries	0.2	0.0	0.3	0.1	0.3
Total	12.0	11.8	40.5	36.0	51.4

* includes 50% of Birka Energi's electricity sales January–September, 8.3 (9.1) terawatt-hours.

Of the Group's own electricity production during the period from January to September, 13 (10) TWh, or about 30 (28)% was hydropower-based and about 15 (13) TWh, or 36 (35)%, was based on nuclear power. Other energy sources were coal, peat, natural gas, biomass, wind power and oil.

Heat sales by area (TWh)

	III/01	III/00	I-III/01	I-III/00	2000
Finland	1.8	2.1	7.8	8.6	11.5
Sweden*	0.4	0.5	3.1	2.9	4.1
Other countries	0.9	0.0	1.7	0.4	0.7
Total	3.1	2.6	12.6	11.9	16.3

* 50% of Birka Energi's heat sales

Electricity distribution

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

	III/01	III/00	I-III/01	I-III/00	2000
Net sales, EUR million	95	101	335	338	467
Operating profit, EUR million	24	25	105	93	127
Net assets, EUR million			2,104	2,326	2,263
Return on net assets, %			6.4	5.4	6.4

Electricity transmissions via distribution networks - by area (TWh)

	III/01	III/00	I-III/01	I-III/00	2000
Finland	0.8	0.8	3.0	2.9	4.0
Sweden*	1.7	1.5	6.0	5.8	8.1
Germany	0.6	0.7	2.0	2.1	2.7
Estonia	0.1	0.0	0.2	0.1	0.2
Total	3.2	3.0	11.2	10.9	15.0

* 50% of Birka Energi's electricity distribution

Number of customers supplied electricity via distribution networks - by area

	30 Sep 2001	30 Sep 2000	31 Dec 2000
Finland	280,000	280,000	280,000
Sweden*	450,000	450,000	440,000
Germany	160,000	170,000	160,000
Estonia	20,000	20,000	20,000
Total	910,000	920,000	900,000

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

During the period from January to September a total of 11.2 (10.9) TWh of electricity was transmitted via our distribution networks.

Electricity transmissions via the regional distribution network to customers outside the Group totalled 4.9 (5.3) TWh in Finland and 5.8 (4.7) TWh in Sweden.

At the beginning of July Fortum harmonised the structure of its electricity distribution pricing in Finland and raised prices.

Service

The Service sector provides operation and maintenance services to power plant owners as well as maintenance services to process industries. These operations centre mainly on Finland and Sweden, but the unit also operates in continental Europe, Great Britain, Ireland and Southeast Asia.

	III/01	III/00	I-III/01	I-III/00	2000
Net sales, EUR million	84	83	253	234	356
Operating profit, EUR million	3	2	29	4	12
Net assets, EUR million			28	34	31
Return on net assets, %			131.1	16.4	32.9

The availability of the power plants operated and maintained by Fortum Service in this period remained at a good level of 97.1 (96.0)%. The seasonal fluctuation typical for maintenance services was reflected in the stabilisation of the order book following the strong demand in the spring and summer.

Engineering

The Engineering sector supplies energy generation systems, either as complete or part deliveries, and process unit deliveries for oil refineries and the chemical industry.

	III/01	III/00	I-III/01	I-III/00	2000
Net sales, EUR million	72	135	299	408	585
Operating profit, EUR million	1	1	-9	-5	-21
Net assets, EUR million			7	67	81
Return on net assets, %			-27.3	-9.0	-35.6

The 120 megawatt gas power plant built by Fortum Engineering for the site of the German chemical industry company Wacker Chemie in Burghausen was completed in September.

The value of Engineering's outstanding order book at the end of the period was significantly lower than the comparable period last year, standing at EUR 227 (672) million. The decrease is attributable to the completion of major power plant projects this year and the fact that similar major orders have not come in.

Investments and financing

Investments in fixed assets during the period from January to September totalled EUR 483 (2,954) million. A major proportion of the investments were focused on oil refining and power generation.

In July Fortum increased its shareholding in the Swedish company, Vattenfall Naturgas AB, from 10% to 20%. In August the Group relinquished its two per cent holding in the Latvian company A/S Latvijas Gaze, and in September it sold its 27.9% interest in Etelä-Pohjanmaan Voima Oy.

At the beginning of October Fortum sold its 17.46% interest in the Union Power Development Company (UPDC), which is responsible for carrying out the Hin Krut coal-fired power plant project in Thailand.

Cash flow before financing activities was EUR 806 (-862) million. Net cash flow from operating activities was EUR 889 (422) million.

Interest-bearing net debt decreased significantly and stood at EUR 3,755 million at the end of the period (EUR 4,626 million at the end of 2000). As a result, the gearing declined to 58% (73% at the end of 2000).

The change in working capital, the sales of fixed assets as well as the weakening of the Swedish krona against the euro accounted for the decrease in capital employed.

Business development and restructuring

Fortum's core market is the Nordic countries and other countries in the Baltic Rim area. Following its strategy the company is focusing most of its operations on this area. A firm foothold in the electricity markets in the Nordic countries, special know-how in oil refining and market leadership in high-quality traffic fuels are the strengths of our core business operations. A wide range of customers offers scope for development as well.

In connection with power operations Fortum wishes to participate in the ongoing Nordic consolidation, and has announced that it is interested in acquiring the entire share capital of the Swedish company Birka Energi AB.

The new corporate structure became effective at the beginning of October, replacing the 26 performance units with 12 business units. The larger entities provide the units with the critical mass to better allow the achievement of their targets and more independent operations. The new business structure is aligned with Fortum's strategic direction and emphasises line responsibility.

Most of the new units belong to two sectors: Exploration and Production, Oil Refining, Oil Retail and Shipping are part of the Oil Sector. Generation, Power Portfolio Management and Trading, Heat, Gas, Electricity Distribution and Birka Energi (Sweden) are part of the Power and Heat Sector. The other business units are Fortum Markets, which supplies energy products and services, and Fortum Energy Solutions, which in addition to Service also includes Power Plant Engineering.

The new corporate structure will be taken into account in the financial statements of 2001.

Performance improvement actions concerning the Group's corporate staff and service units were started in September.

Group personnel

The average number of people employed by the Fortum Group during the period from January to September was 15,237 (16,336). The sale of Transmission Engineering accounted for most of the decrease. On account of measures to improve performance carried out in various parts of the Group, the number of permanently employed personnel has to date decreased by some 380.

Short-term outlook

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

It is extremely difficult to forecast trends on the oil market. The Opec target price for crude oil is still USD 22 - 28 a barrel. In October the average price of Brent crude oil stood at USD 20.5/bbl, while in the period from January to September it was USD 26.2/bbl. Prices of the International Petroleum Exchange's Brent futures for the remainder of 2001 were USD 20.8/bbl. A decrease in the price of crude oil would weaken the estimated result for Fortum's oil and gas production and would also lead to inventory losses in the last quarter. Gas production at the Åsgard field is at a standstill for the remainder of the year on account of pipeline repairs. For this reason the Group's total oil and gas production is expected to increase during the current year by only 15%, instead of 25% as previously reported.

Although no increase in the consumption of petroleum products in Fortum's core markets is anticipated, there is a clear rise in the demand for low-sulphur and sulphur-free fuels. The international oil refining margin was extremely poor during the summer months. The situation improved with the arrival of autumn and in October the Brent Complex margin was about USD 2.2/bbl. In the last week of October, the margin was approximately USD 1/bbl. Fortum's refining margin is expected to remain distinctly higher than the international margin.

For the reasons mentioned above, the result for the Oil and Gas sector in the last quarter is expected to be considerably weaker than the comparable period in 2000.

Electricity consumption is expected to rise in the Nordic countries at an annual rate of about 1.5% during the next few years. The share of the annual electricity output accounted for by hydropower-based generation is expected to decrease in the Nordic markets, falling below the record high achieved in 2000. Market prices for electricity in the Nordic countries were substantially higher during 2001 than last year. At the end of October, Nord Pool electricity futures for the remainder of 2001 were priced at about EUR 21 per megawatt-hour. The continuous operations of power and heat generation usually result in a significantly better performance in the first and final quarters of the year than in the second and third quarters. At the present production capacity and in view of the current market outlook, it is predicted that Fortum's electricity output will be one fifth higher than last year.

It is estimated that the Group result in 2001 will be on the same level as last year.

The interim financial statements are unaudited.

Espoo, 1 November 2001
Fortum Corporation
Board of Directors

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CONSOLIDATED INCOME STATEMENT

<i>EUR mill.</i>	Q3/01	Q3/00	Q1-Q3/01	Q1-Q3/00	2000
Net sales	2 482	2 561	7 874	7 532	10 614
Share of profits (losses) of associated companies	9	10	27	26	46
Other operating income	50	25	182	79	140
Depreciation, amortisation and write-downs	-137	-142	-414	-417	-571
Other operating expenses	-2 220	-2 253	-6 926	-6 597	-9 323
Operating profit	184	201	743	623	906
Financial income and expenses	-50	-57	-160	-209	-273
Profit before extraordinary items	134	144	583	414	633
Extraordinary income and expenses	-	-	-	-8	-10
Profit before taxes	134	144	583	406	623
Income taxes	-26	-21	-127	-83	-154
Minority interests	-21	-22	-63	-26	-46
Profit for the period	87	101	393	297	423
Earnings per share, EUR	0,11	0,13	0,49	0,39	0,55
Diluted earnings per share	0,11	0,13	0,49	0,39	0,55
Average number of shares, 1,000 shares			794 571	784 783	787 223
Diluted adjusted average number of shares, 1 000 shares			795 337	784 783	787 223

1a) The figures have been adjusted to reflect the change in accounting practices adopted by natural gas trading entity.

1b) Accrued taxes for the financial period.

CONSOLIDATED BALANCE SHEET

<i>EUR mill.</i>	Sep 30 2001	Sep 30 2000	Dec 31 2000
ASSETS			
Fixed assets and other long-term investments	10 932	12 209	11 712
Current assets			
Inventories	639	758	746
Receivables	1 871	1 892	1 933
Cash and cash equivalents	377	417	437
Total	2 887	3 067	3 116
Total	13 819	15 276	14 828
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	2 875	2 875	2 875
Other equity	2 298	2 059	2 147
Total	5 173	4 934	5 022
Minority interests	1 270	1 304	1 281
Provisions for liabilities and charges	111	179	197
Deferred tax liabilities	1 044	1 229	1 177
Long-term liabilities	3 561	4 561	4 463
Short-term liabilities	2 660	3 069	2 688
Total	13 819	15 276	14 828
Equity per share, EUR	6,52	6,21	6,32
Number of shares, 1,000 shares	845 609	845 609	845 609
Number of shares, own shares excluded 1,000 shares	794 571	794 571	794 571

CASH FLOW STATEMENT

<i>EUR mill.</i>	30.9.01	30.9.01	30.9.01
Net cash from operating activities	889	422	424
Capital expenditures	-483	-1 620	-1 742
Proceeds from sales of fixed assets	418	336	518
Change in other investments	-18	0	115
Cash flow before financing activities	806	-862	-685
Net change in loans	-703	-556	-666
Dividends paid	-183	-141	-141
Other financing items	17	1 214	1 152
Net cash from financing activities	-869	517	345
Net increase (+)/decrease (-) in cash and marketable securities	-63	-345	-340

KEY RATIOS

	Sep 30 2001	Sep 30 2000	Dec 31 2000
Interest-bearing net debt, EUR mill.	3 755	5 067	4 626
Investments, EUR mill.	483	2 954	3 131
Cash flow from operating activities	889	422	424
Cash flow before financing activities	806	-862	-685
Average number of employees	15 237	16 336	16 220
Return on capital employed, %	9,4	8,3	9,4
Return on shareholders' equity, %	8,8	7,6	8,6
Gearing, %	58	81	73
Equity-to-assets ratio, %	47	41	43

NET SALES BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q3/01	Q3/00	Q1-Q3/01	Q1-Q3/00	2000
Oil and Gas Upstream	175	117	556	331	533
Oil Refining and Marketing	1 846	1 972	5 544	5 550	7 759
Power and Heat Generation and Sales	379	359	1 401	1 246	1 760
Electricity Distribution	95	101	335	338	467
Service	84	83	253	234	356
Engineering	72	135	299	408	585
Other Operations	31	23	73	67	94
Internal invoicing	-200	-229	-587	-642	-940
Total	2 482	2 561	7 874	7 532	10 614
Discontinued Operations	-	-	-	-	-
Net sales	2 482	2 561	7 874	7 532	10 614

2) The figures have been adjusted to reflect the change in accounting practices adopted by natural gas trading entity.

OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q3/01	Q3/00	Q1-Q3/01	Q1-Q3/00	2000
Oil and Gas Upstream	61	46	180	131	218
Oil Refining and Marketing	77	133	222	274	382
Power and Heat Generation and Sales	23	2	228	148	211
Electricity Distribution	24	25	105	93	127
Service	3	2	29	4	12
Engineering	1	1	-9	-5	-21
Other Operations	-2	-4	-16	-15	-20
Eliminations	-3	-4	4	-7	-3
Total	184	201	743	623	906
Discontinued Operations	-	-	-	-	-
Operating profit	184	201	743	623	906

DEPRECIATION BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q3/01	Q3/00	Q1-Q3/01	Q1-Q3/00	2000
Oil and Gas Upstream	24	24	72	68	85
Oil Refining and Marketing	35	36	103	106	147
Power and Heat Generation and Sales	45	46	134	134	191
Electricity Distribution	29	30	88	90	122
Service	2	1	5	5	7
Engineering	1	4	6	8	9
Other Operations and eliminations	1	1	6	6	10
Total	137	142	414	417	571
Discontinued Operations	-	-	-	-	-
Depreciation	137	142	414	417	571

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

<i>EUR mill.</i>	Q3/01	Q3/00	Q1-Q3/01	Q1-Q3/00	2000
Oil and Gas Upstream	14	2	14	2	2
Oil Refining and Marketing	-14	26	-13	33	32
Power and Heat Generation and Sales	12	10	34	41	14
Electricity Distribution	3	1	10	2	-1
Service	-	-	16	-	-
Engineering	-	2	-	2	2
Other Operations and eliminations	1	1	2	2	23
Total	16	42	63	82	72
Discontinued Operations	-	-	-	-	-
Non-recurring items	16	42	63	82	72

INVESTMENTS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q3/01	Q3/00	Q1-Q3/01	Q1-Q3/00	2000
Oil and Gas Upstream	37	41	74	105	137
Oil Refining and Marketing	52	30	162	86	128
Power and Heat Generation and Sales	55	102	167	2 299	2 343
Electricity Distribution	37	71	59	452	489
Service	1	1	2	4	5
Engineering	-	1	4	4	20
Other Operations and eliminations	7	-3	15	4	9
Total	189	243	483	2 954	3 131
Discontinued Operations	-	-	-	-	-
Investments	189	243	483	2 954	3 131

FORTUM GROUP
JANUARY-SEPTEMBER 2001

Interim financial statements are unaudited

NET ASSETS BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Sep 30 2001	Sep 30 2000	Dec 31 2000
Oil and Gas Upstream	1 298	1 330	1 284
Oil Refining and Marketing	1 733	1 869	1 838
Power and Heat Generation and Sales	5 673	6 549	6 193
Electricity Distribution	2 104	2 326	2 263
Service	28	34	31
Engineering	7	67	81
Other Operations and eliminations	151	157	141
Total	10 994	12 332	11 831
Discontinued Operations	-	-	-
Net assets	10 994	12 332	11 831

3) Net assets include deferred tax liabilities due to the allocated goodwill: EUR 175 mill. September 30, 2001, EUR 216 mill. September 30, 2000 and EUR 216 mill. December 31, 2000 in Power and Heat Generation and Sales; and EUR 235 mill. September 30, 2001, EUR 252 mill. September 30, 2000 and EUR 262 mill. December 31, 2000 in Electricity Distribution.

RETURN ON NET ASSETS BY BUSINESS OPERATIONS (SEGMENTS) 4)

%	Q1-Q3/01	Q1-Q3/00	2000
Oil and Gas Upstream	18,6	13,4	18,0
Oil Refining and Marketing	16,6	19,7	22,2
Power and Heat Generation and Sales	5,1	3,1	3,8
Electricity Distribution	6,4	5,4	6,4
Service	131,1	16,4	32,9
Engineering	-27,3	-9,0	-35,6

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

CONTINGENT LIABILITIES

<i>EUR mill.</i>	Sep 30 2001	Sep 30 2000	Dec 31 2000
Contingent liabilities			
On own behalf			
For debt			
Pledges	237	293	188
Real estate mortgages	139	312	156
Company mortgages	17	18	22
Other mortgages	53	58	54
For other commitments			
Pledges	-	61	2
Real estate mortgages	56	37	87
Company mortgages	-	1	3
Other mortgages	15	-	6
Sale and leaseback	17	18	18
Other contingent liabilities	429	668	543
Total	963	1 466	1 079
On behalf of associated companies			
Guarantees	150	397	165
Other contingent liabilities	346	183	368
Total	496	580	533
On behalf of others			
Pledges	-	1	1
Guarantees	111	168	140
Bill liabilities	-	6	-
Other contingent liabilities	4	8	20
Total	115	183	161
Total	1 574	2 229	1 773
Operating lease liabilities			
Due within a year	88	64	68
Due after a year	100	178	122
Total	188	242	190
Finance leases have been recognised as assets and liabilities.			
Liability for nuclear waste disposal	489	471	489
Share of reserves in the Nuclear Waste Disposal Fund	-460	-385	-460
Liabilities in the balance sheet	29	87	29
Excess of security given over obligations	-	1	-

5) Mortgaged bearer papers as security

FORTUM GROUP
JANUARY-SEPTEMBER 2001

Interim financial statements are unaudited

Derivatives	Sep 30 2001			Sep 30 2000			Dec 31 2000		
	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>									
FRAs and bond futures	2 595	-2	-2	223	-	-	85	0	-
Interest rate swaps	4 936	-5	18	3 944	-10	-5	3 239	-7	2
Forward foreign exchange contracts 6),7)	4 506	159	120	2 519	-11	-47	2 358	48	-16
Currency swaps	3 112	396	53	2 133	93	-21	2 308	149	-6
Purchased currency options	162	-1	-1	132	-2	-2	144	1	1
Written currency options	78	1	1	81	-2	-2	90	1	1

6) Incl. also closed forward and future positions

7) Incl. also contracts used for equity hedging

Oil futures and forward instruments	Volume		Fair value	Not recog- nised as an income	Volume		Fair value	Not recog- nised as an income	Volume		Fair value	Not recog- nised as an income
	1000 bbl	EUR mill.			EUR mill.	1000 bbl			EUR mill.	EUR mill.		
Sales contracts	1 796	4	4	25 117	-11	-11	15 130	21	17			
Purchase contracts	4 767	-2	-2	15 623	18	18	4 341	-10	-10			
Purchased options	100	-	-	1 600	-	-	2 093	-	-			
Written options	1 200	1	1	2 643	-1	-1	1 250	-	-			
Electricity derivatives	Volume		Fair value	Not recog- nised as an income	Volume		Fair value	Not recog- nised as an income	Volume		Fair value	Not recog- nised as an income
TWh	EUR mill.	EUR mill.			TWh	EUR mill.			EUR mill.	TWh		
Sales contracts	52	-84	-81	31	5	5	70	155	26			
Purchase contracts	47	105	105	29	-36	-25	67	-163	-26			
Purchased options	4	1	1	2	-	-	3	-	-			
Written options	6	-1	-1	2	1	1	3	-	-			

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

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

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

Own shares

Fortum Corporation's subsidiary Fortum Power and Heat Oy has 51,037,520 Fortum Corporation's shares, with a total par value of EUR 173,527,568.00 and with a book value of EUR 188,928,107.28. This represents 6,04% of the total number of Fortum Corporation's shares and share capital. Own shares have been eliminated in the balance sheet of Fortum Group.

QUARTERLY NET SALES BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/00	Q2/00	Q3/00	Q4/00	2000	Q1/01	Q2/01	Q3/01
Oil and Gas Upstream 8)	113	101	117	202	532	189	192	175
Oil Refining and Marketing	1 669	1 909	1 972	2 209	7 759	1 941	1 757	1 846
Power and Heat Generation and Sales	503	384	359	514	1 760	604	418	379
Electricity Distribution	131	106	101	129	467	135	105	95
Service	78	73	83	122	356	77	92	84
Engineering	118	155	135	177	585	104	123	72
Other Operations	21	23	23	27	94	22	20	31
Internal invoicing	-210	-203	-229	-298	-940	-183	-204	-200
Total	2 423	2 548	2 561	3 082	10 613	2 889	2 503	2 482
Discontinued Operations	-	-	-	-	-	-	-	-
Net sales	2 423	2 548	2 561	3 082	10 613	2 889	2 503	2 482

8) The figures have been changed to reflect the new accounting practices adopted by natural gas trading entity.

QUARTERLY OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)

<i>EUR mill.</i>	Q1/00	Q2/00	Q3/00	Q4/00	2000	Q1/01	Q2/01	Q3/01
Oil and Gas Upstream	45	40	46	87	218	51	68	61
Oil Refining and Marketing	4	137	133	108	382	52	93	77
Power and Heat Generation and Sales	100	46	2	63	211	157	48	23
Electricity Distribution	49	19	25	34	127	56	25	24
Service	4	-2	2	8	12	6	20	3
Engineering	-2	-4	1	-16	-21	-11	1	1
Other Operations	-1	-10	-4	-5	-20	-5	-9	-2
Eliminations	-2	-1	-4	4	-3	1	5	-3
Total	197	225	201	283	906	307	251	184
Discontinued Operations	-	-	-	-	-	-	-	-
Operating profit	197	225	201	283	906	307	251	184