

14 February 2002

**Financial Statements 2001**

**DETERMINED IMPLEMENTATION OF STRATEGY**

**Slightly improved results, debt down, successful performance improvement actions**

Group net sales remained on the level of the previous year, and totalled EUR 10,410 million. Operating profit in 2001 stood at EUR 914 million. Profit before extraordinary items increased by 11% and was EUR 702 million. Earnings per share increased and were EUR 0.57.

2001 proved to be an eventful year for Fortum. During the year, we managed to achieve significant progress in several areas. In line with our strategy we focused and increased the efficiency of our operations. Net debt was reduced considerably, resulting in a stronger balance sheet. The most significant development was the agreement to purchase the remaining half of Birka Energi AB.

- Interest-bearing net debt decreased by almost one billion euro
- Cash flow remained strong throughout 2001
- The Nordic market price of electricity nearly doubled
- Crude oil price and international refining margin decreased markedly towards year-end
- Inventory losses amounted to EUR 81 million
- The Board of Director's dividend proposal to the Annual General Meeting planned for 26 March 2002 is EUR 0.26 per share

Key figures	IV/01	IV/00	2001	2000
Net sales, EUR mill.	2,536	3,082	10,410	10,614
Operating profit, EUR mill.	171	283	914	906
Profit before extraordinary items, EUR mill.	119	219	702	633
Earnings per share, EUR	0.08	0.16	0.57	0.55
Equity per share, EUR			6.49	6.32
Capital employed (at end of period), EUR mill.			11,032	11,365
Interest-bearing net debt (at end of period), EUR mill.			3,674	4,626
Investments, EUR mill.			713	3,131
Cash flow before financing activities, EUR mill.			844	-685
Return on capital employed, %			8.7	9.4
Return on shareholders' equity, %			8.3	8.6
Gearing, %			54	73
Average number of employees			14,803	16,220

**Net sales of electricity business up, oil down**

Group net sales remained on the level of the previous year, and totalled EUR 10,410 million (EUR 10,614 million). The electricity businesses' net sales were up, thanks to increased electricity sales and the rise in the average price of electricity. The decrease in the net sales of the oil businesses was mainly attributable to the fall in the price of crude oil and petroleum products compared with the previous year.

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*Net sales by segment, EUR mill.*

	2001	2000	Change %
Power, Heat and Gas	2,227	1,873	19
Electricity Distribution	473	470	1
Oil Refining and Marketing	7,223	7,807	-7
Oil and Gas Upstream	408	387	5
Fortum Energy Solutions	603	887	-32
Other operations	95	94	1
Internal invoicing	-619	-904	
Group	10,410	10,614	-2

**Slightly improved operating profit**

Fortum Group's operating profit was EUR 914 million (EUR 906 million). The rise in the price of electricity in 2001 together with increased production appreciably improved the results for Power Generation and Sales. The decline in the crude oil price and the pipeline repair work at the Åsgard gas field decreased the results for Oil and Gas Upstream. The results for Oil Refining and Marketing were substantially reduced on account of the weakening international refining margin, inventory losses and the maintenance shutdown at the Porvoo refinery. The result of the oil businesses declined substantially in the last quarter.

The pro-forma result for Fortum Energy Solutions (FES) was considerably higher than the previous year. It was weakened by the provisions made in connection with the sale of Transmission Engineering. On the other hand, the sale of the operation and maintenance contract relating to the Humber power plant improved the results of FES.

The trend in Fortum Markets was also positive. This was attributable in particular to the performance improvement programme implemented in the unit. The unit's figures are included in the figures for Power, Heat and Gas and Oil Refining and Marketing.

*Operating profit by segment, EUR mill.*

	2001	2000	Change %
Power, Heat and Gas	367	211	74
Electricity Distribution	135	127	6
Oil Refining and Marketing	242	386	-37
Oil and Gas Upstream	196	213	-8
Fortum Energy Solutions	13	-11	218
Other operations	-40	-22	-82
Eliminations	1	2	
Group	914	906	1

Inventory losses due to the decrease in crude oil prices and the depreciation of the coal stock totalled EUR 81 million (gains EUR 24 million). Inventory losses totalled EUR 65 million in the last quarter.

Operating profit includes gains on the sale of fixed assets and shareholdings, at EUR 149 million (EUR 119 million). Correspondingly, non-recurring write-downs and provisions totalled EUR 57 million (EUR 66 million).

Birka Energi has been consolidated by using the proportionate method on the basis of 50% ownership. The Birka Energi Group accounted for EUR 189 million (EUR 175 million) of Fortum's operating profit. The other associated companies have been consolidated by the equity method. Fortum's share of the results of these companies, excluding Birka Energi, totalled EUR 36 million (EUR 46 million).

Profit before extraordinary items was EUR 702 million (EUR 633 million).

Profit before taxes totalled EUR 702 million (EUR 623 million).

The minority interest accounted for EUR 83 million (EUR 46 million) of the result for the period. The minority share was comprised almost entirely of the share belonging to owners of preference shares issued by Fortum Capital Ltd in 2000.

Net profit for the period was EUR 459 million (EUR 423 million) and earnings per share were EUR 0.57 (EUR 0.55). Return on capital employed was 8.7% (9.4%) and return on shareholders' equity was 8.3% (8.6%).

Group net financing expenses were EUR 212 million (EUR 273 million). The figure for 2000 included non-recurring expenses of EUR 33 million, resulting from financing arrangements relating to the acquisition of power plant assets in Sweden. Taxes for the financial year totalled EUR 160 million (EUR 154 million).

### Considerable fluctuation in market prices, increase in own power generation

#### Power, Heat and Gas

*Fortum is the second largest company in the Nordic countries producing and selling electricity, and is also the leading heat producer in the region. The company is involved in gas pipeline projects and owns shares in gas companies in the Baltic Rim. The company also has gas business operations in the UK.*

	IV/01	IV/00	2001	2000
Net sales, EUR mill.	645	567	2,227	1,873
- electricity sales	318	299	1,269	1,170
- heat sales	127	121	464	411
Operating profit, EUR mill.	114	63	367	211
Identifiable assets, EUR mill.			5,873	6,050
RONA, %			6.2	3.9

The market price of electricity in the Nordic countries almost doubled compared with the previous year as a result of the decline in hydropower generation and growth in consumption. The average system price of the Nord Pool power exchange was EUR 23.2 (EUR 12.8) per MWh. The selling prices for end customers, too, increased in all the Nordic countries. Electricity consumption in the Nordic countries increased by a preliminary estimate of 2% from the previous year and totalled 392 TWh (384 TWh).

Our electricity generation capacity in the Nordic countries was 9,149 MW (9,243 MW) at the end of the year, while our total capacity was 10,223 MW (10,163 MW). Our electricity sales in the Nordic countries in 2001 amounted to 47.1 TWh (45.3 TWh). Sales in Finland amounted to 27.6 TWh (28.4 TWh) and in the other Nordic countries 19.5 TWh (16.9 TWh), including 50% of Birka Energi's electricity sales. Outside the Nordic countries, our sales totalled 6.6 TWh (6.1 TWh). The average price of our electricity sold in the Nordic countries increased by 8% from the previous year.

Our sales of heat in the Nordic countries were on last year's level, 15.6 TWh (15.6 TWh).

#### *Electricity sales by area, TWh*

	IV/01	IV/00	2001	2000
Total for Nordic countries	12.1	13.7	47.1	45.3
- Finland	6.9	8.1	27.6	28.4
- Other Nordic countries*	5.2	5.6	19.5	16.9
Germany	0.9	1.1	3.6	3.9
UK and Ireland	0.8	0.4	2.8	1.9
Other countries	0.0	0.1	0.2	0.2
Total	13.8	15.3	53.7	51.4

\*) includes 50% of Birka Energi's electricity sales, 11.4 TWh (12.4 TWh) in 2001

#### *Heat sales by area, TWh*

	IV/01	IV/00	2001	2000
Sweden*	1.6	1.2	4.7	4.1
Finland	3.1	2.9	10.9	11.5
Other countries	0.0	0.3	1.7	0.7
Total	4.7	4.4	17.3	16.3

\*) includes 50% of Birka Energi's sales of heat, which were 4.6 TWh (4.1 TWh) in 2001

## Electricity Distribution

*Fortum distributes electricity to a total of 910,000 customers in Finland, Sweden, Germany and Estonia.*

	IV/01	IV/00	2001	2000
Net sales, EUR mill.	135	129	473	470
Operating profit, EUR mill.	30	34	135	127
Identifiable assets, EUR mill.			2,113	2,264
RONA, %			6.2	5.7

At the beginning of July, Fortum harmonised the structure of its electricity distribution pricing in Finland and raised prices. Our distribution networks transmitted a total of 15.0 TWh (15.0 TWh) of electricity and our regional networks a total of 16.0 TWh (14.0 TWh).

### *Electricity transmission via distribution networks - by area, TWh*

	IV/01	IV/00	2001	2000
Sweden *)	1.7	2.3	7.7	8.1
Finland	1.4	1.1	4.4	4.0
Other countries	0.7	0.7	2.9	2.9
Total	3.8	4.1	15.0	15.0

\* 50% of Birka Energi's electricity distribution, which was 7.7 TWh in 2001

### *Number of electricity distribution customers - by area*

	31 Dec 2001	31 Dec 2000
Sweden*	447,000	438,000
Finland	283,000	282,000
Other countries	180,000	182,000
Total	910,000	902,000

\* 50% of Birka Energi's customers totalling 447,000 on 31 December 2001

## 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 and owns terminals.*

	IV/01	IV/00	2001	2000
Net sales, EUR mill. *)	1,636	2,219	7,223	7,807
Operating profit, EUR mill.	15	108	242	386
Identifiable assets, EUR mill.			1,688	1,842
RONA, %			13.7	22.4

\*) includes EUR 1,221 million from oil trading in 2001 and EUR 1,310 million in 2000

The international refining margins decreased in comparison with the previous year and were exceptionally low at the end of the year, on average USD 1 a barrel in the period from July to December. The Brent Complex margin averaged USD 1.9 a barrel in 2001, compared with USD 3.4 a barrel in 2000. Our additional margin in 2001 continued on an annual basis to be about USD 2 a barrel higher than the Brent Complex reference.

The price development of crude oil was steady at the beginning of the year, but towards the end of 2001 prices began to fall and at year-end were about USD 20. As a result inventory losses rose to EUR 79 million.

There was a six-week maintenance shutdown at our Porvoo refinery in the spring during which capacity extension for the production of Citydiesel and base oil was taken into use. The shutdown caused a production loss of about one million tonnes, meaning a loss of profit margin estimated at EUR 40 million. The next planned maintenance shutdown will be at the Naantali refinery in 2005.

The average shipping freight level was good. Successful timing in chartering and the high fleet utilisation rate ensured good profitability. During the year four new tankers were ordered and two sold.

Our wholesale deliveries of petroleum products in Finland totalled 7.8 million tonnes (7.8 million tonnes). Our market share continued to be about 75%. Wholesale deliveries of petroleum products outside Finland totalled 4.4 million tonnes (4.9 million tonnes). Gasoline, the majority of which was low-sulphur, accounted for over half of our refineries' exports. Our most important export markets were Sweden, Germany and the USA.

Our retail and direct sales of petroleum products in Finland were 3.8 million tonnes (3.8 million tonnes). The market share varied by product from 30% to 46%.

*Deliveries of petroleum products refined by Fortum – by product group, 1,000 t*

	IV/01	IV/00	2001	2000
Gasolines	1,027	998	3,823	3,941
Diesel	946	834	3 310	3,246
Aviation fuel	137	174	455	786
Light fuel oil	927	517	1,713	1,843
Heavy fuel oil	366	306	1,201	1,133
Others	178	343	1,641	1,360
Total	3,581	3,172	12,143	12,309

*Deliveries of petroleum products refined by Fortum – by area, 1,000 t*

	IV/01	IV/00	2001	2000
Finland	2,211	1,924	7,484	7,243
Other Nordic countries	607	505	1,991	2,142
Baltic countries and Russia	18	64	45	153
USA and Canada	198	287	682	1,029
Other countries	547	392	1,941	1,562
Total	3,581	3,172	12,143	12,309

Oil and Gas Upstream

*Fortum concentrates oil and gas production in Norway and Russia.*

	IV/01	IV/00	2001	2000
Net sales, EUR mill.	81	139	408	387
Operating profit, EUR mill.	33	84	196	213
Identifiable assets, EUR mill.			1,271	1,236
RONA, %			15.6	18.2

During 2001, crude oil prices varied from more than USD 30 to USD 17 a barrel. The average price of North Sea Brent light crude oil was USD 24.4 (USD 28.5) a barrel. The average price of oil sold by us was USD 23.7 (USD 27.6) a barrel. The price per oil-equivalent barrel of natural gas was USD 19.2 (USD 19.8).

In 2001, we produced an average of 40,200 oil-equivalent barrels of oil and gas a day (34,200 in 2000) – about 2.0 million tonnes (1.7 million tonnes) a year. Of this, slightly less than one fifth was accounted for by natural gas, its production following the production start at the Åsgard field amounting to 2.6 million (1.0 million) oil-equivalent barrels. During the year we decided to concentrate oil and gas production in Northern Europe and to divest our field interests in Oman.

## Fortum Energy Solutions (FES)

*Fortum Energy Solutions (FES) includes the former Service sector, Power Plant Engineering, international CHP projects and a significant part of the R&D unit that supported the power and heat business. The operations incorporate contract maintenance for power plants and industry in Finland and Sweden, energy supply from CHP plants, operation services for power plants outside the Group, and power plant engineering and contracting.*

	IV/01	IV/00	2001	2000
Net sales, EUR mill.	87	284	603	887
Operating profit, EUR mill.	5	-5	13	-11
Identifiable assets, EUR mill.			236	257
RONA, %			5.3	-6.4

Fortum operates a total of 79 power and heating plants of different sizes and types throughout Finland. Their availability continued to be very high. A number of major power plant projects were completed during the year, and new maintenance contracts were signed. The BioMAC power plant, which is the result of our own R&D, was launched on the market.

The Fortum Markets unit, formed in the spring, focuses on retailing of electricity and heating oil. There are some 500,000 business and private customers in Finland. Fortum Markets aims to expand operations elsewhere in the Nordic countries. Last year particular attention was devoted to customer satisfaction, efficiency and quality of operations. The figures for Fortum Markets are included in the figures for Power, Heat and Gas and Oil Refining and Marketing.

### **Net debt decreased significantly**

During 2001 Fortum's interest-bearing debt decreased significantly, thanks to the strong cash flow from operations and the disposal of fixed assets. Net debt was EUR 3,674 million (EUR 4,626 million) and gearing 54% (73%) at the end of the year.

The company did not make any new significant, long-term financing arrangements. At the end of the year, the financing arrangements to fund the Birka Energi transaction were agreed, and short-term syndicated loan agreements were made. The Group's liquidity continued to be good. At the end of the year, cash and marketable securities totalled EUR 602 million. In addition, we had a total of about EUR 1,150 million undrawn facilities. In 2001, our net financing expenses totalled EUR 212 million.

### **Additional production capacity through investments**

In 2001, the Group invested EUR 713 million (EUR 3,131 million). The most important investment was directed to increase production capacity of environmentally benign products, Citydiesel and base oils, at the Porvoo refinery.

### *Acquisition of Birka Energi AB*

In November, we signed an agreement with the City of Stockholm to purchase the City's 50% interest in Birka Energi AB for a total price of some EUR 1.5 billion. In addition, we will assume approximately EUR 1.9 billion of net interest-bearing debt and minority shares. The City of Stockholm will retain a share of Birka Energi's district heating operations, Birka Värme, entitling to a 50% share in the financial result of Birka Värme.

Birka Energi is the third largest electricity company in Sweden. It has hydropower, nuclear power and other capacity to generate electricity amounting to 4,484 MW. The company has 830,000 retail customers, 15 electricity distribution areas with almost 900,000 subscribers as well as a district heat network which serves 6,800 customers mainly in the Stockholm area. Birka Energi's net sales in 2001 were SEK 13.8 billion, with operating profit standing at SEK 2.9 billion. The average number of employees was 3,481.

The deal will strengthen our position as one of the leading actors on the Nordic electricity market and be an important strategic step when expanding our power and heat business. The transaction was approved by the Stockholm City Council on 17 December 2001 and by the European Commission on 10 January 2002. The aim is to finalise the transaction during the first quarter of 2002.

## **Progress in focusing and improving operations**

In line with our strategy we are focusing electricity generation in our core market, the Nordic countries, and elsewhere in the Baltic Rim. During the year we sold our share in the South Humber Bank power plant in the UK, our share in Budapesti Erömü Rt in Hungary and our interest in the Thai company, Union Power Development Company (UPDC), which is responsible for the Hin Krut coal-fired power plant project. We are also disposing of our power plants in the UK and Ireland as well as our power business operations in Germany.

As part of our plan to optimise the power and heat production portfolio we sold our power plant in Joensuu and our interest in Etelä-Pohjanmaan Voima Oy.

We decided to focus our oil and gas production on Northern Europe. In September, we decided to participate in the first phase of the development of the South Shapkino oil field located in Northwest Russia and to divest our oil field interests in Oman on the Arabian Peninsula.

Two new units to develop customerships were established during the spring. All the core know-how relating to power plant engineering, construction, operation and maintenance as well as to modifications was combined under Fortum Energy Solutions (FES). The entire share capital of IVO Transmission Engineering Oy was divested in June. Another new unit was Fortum Markets, which focuses on base products and services in electricity and heating oil retail sales.

We continued the Group-wide performance improvement programme throughout the year.

## **Treasury stock sold**

Fortum Corporation's wholly-owned subsidiary, Fortum Power and Heat Oy, disposed of its entire holding of 51,037,520 shares in Fortum Corporation on 4 December 2001. The shares represent 6.04% of the company's shares outstanding, and have a nominal value of EUR 173,527,568. The shares were placed at EUR 4.65 per share, raising total proceeds of EUR 237 million. Sales price less expenses and taxes have been entered as an increase in consolidated shareholders' equity. The shares came into Fortum Power and Heat Oy's possession in September 2000 in the merger with Länsivoima Oyj. The transaction increased our free float and liquidity. It also increased the share of international shareholders and strengthened our balance sheet.

## **Stock option programmes for key employees**

The 2001 annual general meeting approved a stock option programme for key employees. The programme comprises 24 million option rights, which entitle to subscribe for a maximum of 24 million Fortum Corporation shares if the subscription conditions are met. The proportion of shares subscribed under stock option schemes is a maximum of 2.8% of the company's present share capital and voting rights. The subscription period will be staggered, beginning on 15 October 2005, 15 January 2006 and 15 April 2006, and ending under all stock option rights on 1 May 2007. As a result of subscriptions made as part of this stock option programme, Fortum's share capital may rise, in total, by a maximum of EUR 81.6 million. At the end of 2001, the stock option programme covered 358 persons with a total of 13,287,500 option rights.

## **Human Resources**

In 2001, Fortum Group employed an average of 14,803 people (16,220 in 2000), and at the end of the year 13,425 people (15,770). 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 decreased by some 370. At the end of the year, Fortum Corporation employed 340 people (377).

## Changes in Group management

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 complies with Fortum's strategic direction.

On 4 April 2001, Kari Laitinen and Ben Zyskowitz were elected by the annual general meeting as Chairman and Deputy Chairman of the Supervisory Board respectively. The following new members were appointed: Jorma Huuhtanen, Rakel Hiltunen and Pertti Mäki-Hakola. Ben Zyskowitz has chaired the Supervisory Board since February 2002, following the death of Kari Laitinen.

In 2001, the members of Fortum's Board of Directors were Matti Vuoria (Chairman), L.J. Jouhki (Deputy Chairman until 4 July 2001), Heikki Pentti (Deputy Chairman from 31 August 2001), Olli-Pekka Kallasvuo, Birgitta Kantola and Erkki Virtanen.

Matti Vuoria (Chairman), Heikki Pentti (Deputy Chairman) Birgitta Kantola, Lasse Kurkilahti, Antti Lagerroos, Hans von Uthmann and Erkki Virtanen were elected members of the Board of Directors for 2002.

Eero Aittola, Group Executive Vice President, retired on 1 January 2002.

The companies of the Group were audited by SVH PricewaterhouseCoopers Oy, with Pekka Kaasalainen, authorised public accountant, having the principal responsibility.

## Events after the review period

In January we agreed on the sale of the tanker *Mastera* to the Middle East for EUR 40 million. In February we agreed on the sales of our oil and gas production operations in Oman to two Japanese companies. The sales proceeds of this transaction are expected to exceed EUR 180 million.

## Short-term outlook

Key market drivers which influence our performance are the market price of electricity, the crude oil price, the international oil refining margin, and the exchange rates of the US dollar and the Swedish krona. It is extremely difficult to forecast how these factors will develop in the year ahead.

Over the next couple of years, electricity consumption in the Nordic countries is estimated to increase by about 1-2% each year. In 2001, the average spot price for electricity almost doubled compared with 2000. In January 2002, the price was on average the same as for the comparable period last year. As a result of the closing of the Birka Energi AB deal, our electricity generation capacity will increase by 20%, heat generation capacity by 40% and the number of electricity distribution customers by 50%. We expect the transaction to have a positive effect on our net result from 2003 onwards and to benefit us by EUR 60 million a year as of 2004.

At the beginning of 2002 the price of crude oil seems to have settled at USD 20 a barrel. The oil producers' decision at the turn of the year to cut output supported prices, but poor demand and increased stocks are pushing prices down. It is estimated that gas production at the Åsgard field in 2002 will be approximately one third lower than usual on account of pipeline repairs to be continued in the spring. The disposal of the field shares in Oman is expected to be finalised during the spring.

Although no general 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. For several years, the international Brent Complex refining margin has averaged USD 1.5 to USD 2 a barrel. At the end of 2001, the international margin fell close to zero and there was no change for the better in January 2002. It is estimated that Fortum's additional margin will remain strong. Thanks to the investments last year, the proportion of high-quality petroleum products in the refineries' product yield increased, which further strengthened our additional margin.



**Dividend distribution proposal**

The Group's non-restricted equity and distributable equity as of 31 December 2001 amounted to EUR 2,503 million. The parent company's distributable equity as of 31 December 2001 stood at EUR 617,432,554.99.

The Board of Directors proposes to the annual general meeting to be held on 26 March that Fortum Corporation should pay a dividend of EUR 0.26 per share for 2001, totalling EUR 220 million.

Fortum Corporation  
Board of Directors

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The figures have been audited.

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**FORTUM GROUP**  
**JANUARY-DECEMBER 2001**  
*Audited*

**CONSOLIDATED INCOME STATEMENT**

<i>EUR mill.</i>	<b>Q4/01</b>	Q4/00	<b>2001</b>	2000
<b>Net sales</b>	<b>2 536</b>	3 082	<b>10 410</b>	10 614
Share of profits of associated companies	<b>9</b>	20	<b>36</b>	46
Other operating income	<b>21</b>	61	<b>203</b>	140
Depreciation, amortisation and write-downs	<b>-209</b>	-154	<b>-623</b>	-571
Other operating expenses	<b>-2 186</b>	-2 726	<b>-9 112</b>	-9 323
<b>Operating profit</b>	<b>171</b>	283	<b>914</b>	906
Financial income and expenses	<b>-52</b>	-64	<b>-212</b>	-273
<b>Profit before extraordinary items</b>	<b>119</b>	219	<b>702</b>	633
Extraordinary income and expenses	-	-2	-	-10
<b>Profit before taxes</b>	<b>119</b>	217	<b>702</b>	623
Income taxes	<b>-33</b>	-71	<b>-160</b>	-154
Minority interests	<b>-20</b>	-20	<b>-83</b>	-46
<b>Net profit for the period</b>	<b>66</b>	126	<b>459</b>	423

Earnings per share, EUR	<b>0,08</b>	0,16	<b>0,57</b>	0,55
Fully diluted earnings per share	<b>0,08</b>	0,16	<b>0,57</b>	0,55
Average number of shares, 1,000 shares			<b>798 346</b>	787 223
Diluted adjusted average number of shares, 1 000 shares			<b>799 308</b>	787 223

**CONSOLIDATED BALANCE SHEET**

<i>EUR mill.</i>	<b>Dec 31 2001</b>	Dec 31 2000
<b>ASSETS</b>		
<b>Fixed assets and other long-term investments</b>	<b>11 328</b>	11 712
<b>Current assets</b>		
Inventories	<b>598</b>	746
Receivables	<b>1 766</b>	1 933
Cash and cash equivalents	<b>602</b>	437
Total	<b>2 966</b>	3 116
<b>Total</b>	<b>14 294</b>	14 828

**SHAREHOLDERS' EQUITY AND LIABILITIES**

<b>Shareholders' equity</b>		
Share capital	<b>2 875</b>	2 875
Other equity	<b>2 610</b>	2 147
Total	<b>5 485</b>	5 022
<b>Minority interests</b>	<b>1 270</b>	1 281
<b>Provisions for liabilities and charges</b>	<b>144</b>	197
<b>Deferred tax liabilities</b>	<b>1 122</b>	1 177
<b>Long-term liabilities</b>	<b>3 516</b>	4 463
<b>Short-term liabilities</b>	<b>2 757</b>	2 688
<b>Total</b>	<b>14 294</b>	14 828

Equity per share, EUR	<b>6,49</b>	6,32
Number of shares, 1,000 shares	<b>845 609</b>	845 609
Number of shares, own shares excluded 1,000 shares	<b>845 609</b>	794 571

**FORTUM GROUP**  
**JANUARY-DECEMBER 2001**  
*Audited*

<b>CASH FLOW STATEMENT</b>	<b>Dec 31</b>	<b>Dec 31</b>
<i>EUR mill.</i>	<b>2001</b>	<b>2000</b>
<b>Net cash from operating activities</b>	<b>1 145</b>	424
Capital expenditures	<b>-708</b>	-1 742
Proceeds from sales of fixed assets	<b>438</b>	518
Change in other investments	<b>-31</b>	115
<b>Cash flow before financing activities</b>	<b>844</b>	-685
Net change in loans	<b>-653</b>	-666
Dividends paid	<b>-183</b>	-141
Other financing items	<b>147</b>	1 152
<b>Net cash from financing activities</b>	<b>-689</b>	345
<b>Net increase (+)/decrease (-) in cash and marketable securities</b>	<b>155</b>	-340

<b>KEY RATIOS</b>	<b>Dec 31</b>	<b>Dec 31</b>
	<b>2001</b>	<b>2000</b>
Interest-bearing net debt, EUR mill.	<b>3 674</b>	4 626
Investments, EUR mill.	<b>713</b>	3 131
Cash flow from operating activities	<b>1 145</b>	424
Cash flow before financing activities	<b>844</b>	-685
Average number of employees	<b>14 803</b>	16 220
Return on capital employed, %	<b>8,7</b>	9,4
Return on shareholders' equity, %	<b>8,3</b>	8,6
Gearing, %	<b>54</b>	73
Equity-to-assets ratio, %	<b>48</b>	43

**NET SALES BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>	<b>Q4/01</b>	<b>Q4/00</b>	<b>2001</b>	<b>2000</b>
Power, Heat and Gas <sup>1)</sup>	<b>645</b>	567	<b>2 227</b>	1 873
Electricity Distribution	<b>135</b>	129	<b>473</b>	470
Oil Refining and Marketing	<b>1 636</b>	2 219	<b>7 223</b>	7 807
Oil and Gas Upstream	<b>81</b>	139	<b>408</b>	387
Fortum Energy Solutions	<b>87</b>	284	<b>603</b>	887
Other Operations	<b>22</b>	26	<b>95</b>	94
Internal invoicing	<b>-70</b>	-282	<b>-619</b>	-904
<b>Total</b>	<b>2 536</b>	3 082	<b>10 410</b>	10 614

1) The figures have been adjusted to reflect the change in accounting practises adopted in natural gas trading.

**OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>	<b>Q4/01</b>	<b>Q4/00</b>	<b>2001</b>	<b>2000</b>
Power, Heat and Gas	<b>114</b>	63	<b>367</b>	211
Electricity Distribution	<b>30</b>	34	<b>135</b>	127
Oil Refining and Marketing	<b>15</b>	108	<b>242</b>	386
Oil and Gas Upstream	<b>33</b>	84	<b>196</b>	213
Fortum Energy Solutions	<b>5</b>	-5	<b>13</b>	-11
Other Operations	<b>-24</b>	-5	<b>-40</b>	-22
Eliminations	<b>-2</b>	4	<b>1</b>	2
<b>Total</b>	<b>171</b>	283	<b>914</b>	906

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**DEPRECIATION, AMORTISATION AND WRITE-DOWNS BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>	<b>Q4/01</b>	<b>Q4/00</b>	<b>2001</b>	<b>2000</b>
Power, Heat and Gas	<b>102</b>	58	<b>232</b>	188
Electricity Distribution	<b>33</b>	32	<b>121</b>	122
Oil Refining and Marketing	<b>36</b>	41	<b>140</b>	148
Oil and Gas Upstream	<b>31</b>	16	<b>102</b>	84
Fortum Energy Solutions	<b>4</b>	2	<b>18</b>	18
Other Operations and eliminations	<b>3</b>	5	<b>10</b>	11
<b>Total</b>	<b>209</b>	154	<b>623</b>	571

**INVESTMENTS BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>	<b>Q4/01</b>	<b>Q4/00</b>	<b>2001</b>	<b>2000</b>
Power, Heat and Gas	<b>84</b>	20	<b>197</b>	2 282
Electricity Distribution	<b>41</b>	37	<b>100</b>	489
Oil Refining and Marketing	<b>62</b>	42	<b>224</b>	129
Oil and Gas Upstream	<b>33</b>	32	<b>90</b>	133
Fortum Energy Solutions	<b>3</b>	41	<b>80</b>	92
Other Operations and eliminations	<b>7</b>	5	<b>22</b>	6
<b>Total</b>	<b>230</b>	177	<b>713</b>	3 131

**IDENTIFIABLE ASSETS BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>		<b>Dec 31 2001</b>	<b>Dec 31 2000</b>
Power, Heat and Gas	2)	<b>5 873</b>	6 050
Electricity Distribution	2)	<b>2 113</b>	2 264
Oil Refining and Marketing		<b>1 688</b>	1 842
Oil and Gas Upstream		<b>1 271</b>	1 236
Fortum Energy Solutions		<b>236</b>	257
Other Operations and eliminations		<b>154</b>	182
<b>Total</b>		<b>11 335</b>	11 831

2) Net assets include deferred tax liabilities due to the allocated goodwill: EUR 175 mill. December 31, 2001, and EUR 216 mill. December 31, 2000 in Power, Heat and Gas segment; and EUR 240 mill. December 31, 2001 EUR 262 mill. December 31, 2000 in Electricity Distribution.

**RETURN ON CAPITAL EMPLOYED BY BUSINESS OPERATIONS (SEGMENTS)<sup>3)</sup>**

<b>%</b>	<b>Dec 31 2001</b>	<b>Dec 31 2000</b>
Power, Heat and Gas	<b>6,2</b>	3,9
Electricity Distribution	<b>6,2</b>	5,7*)
Oil Refining and Marketing	<b>13,7</b>	22,4
Oil and Gas Upstream	<b>15,6</b>	18,2
Fortum Energy Solutions	<b>5,3</b>	-6,4

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

\*) The adjusted average capital employed for the year 200 has been taken into account

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

<i>EUR mill.</i>	<b>Q4/01</b>	<b>Q4/00</b>	<b>2001</b>	<b>2000</b>
Power, Heat and Gas	<b>16</b>	-33	<b>62</b>	4
Electricity Distribution	<b>3</b>	-3	<b>15</b>	-1
Oil Refining and Marketing	<b>-62</b>	-2	<b>-75</b>	31
Oil and Gas Upstream	-	-	-	2
Fortum Energy Solutions	<b>5</b>	7	<b>21</b>	13
Other Operations and eliminations	<b>-1</b>	21	<b>1</b>	23
<b>Total</b>	<b>-39</b>	-10	<b>24</b>	72

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**CONTINGENT LIABILITIES**

<i>EUR mill.</i>	<b>Dec 31</b>	Dec 31
	<b>2001</b>	2000
<b>Contingent liabilities</b>		
On own behalf		
For debt		
Pledges	<b>239</b>	188
Real estate mortgages	<b>144</b>	156
Company mortgages	<b>8</b>	22
Other mortgages	<b>52</b>	54
For other commitments		
Pledges	-	2
Real estate mortgages	<b>56</b>	87
Company mortgages	<b>3</b>	3
Other mortgages	<b>11</b>	6
Sale and leaseback	<b>18</b>	18
Other contingent liabilities	<b>462</b>	543
Total	<b>993</b>	1 079
On behalf of associated companies		
Pledges	<b>4</b>	-
Guarantees	<b>177</b>	165
Other contingent liabilities	<b>352</b>	368
Total	<b>533</b>	533
On behalf of others		
Pledges	-	1
Guarantees	<b>65</b>	140
Other contingent liabilities	<b>4</b>	20
Total	<b>69</b>	161
Total	<b>1 595</b>	1 773
<b>Operating lease liabilities</b>		
Due within a year	<b>80</b>	68
Due after a year	<b>97</b>	122
Total	<b>177</b>	190
Finance leases have been recognised as assets and liabilities.		
<b>Liability for nuclear waste disposal</b>		
Share of reserves in the Nuclear Waste Disposal Fund	<b>-506</b>	-460
Liabilities in the balance sheet	<b>10</b>	29

4) Mortgaged bearer papers as security

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<b>Derivatives</b>	<b>Dec 31 2001</b>			<b>Dec 31 2000</b>		
	<b>Contract or notional value</b>	<b>Fair value</b>	<b>Not recog- nised as an income</b>	<b>Contract or notional value</b>	<b>Fair value</b>	<b>Not recog- nised as an income</b>
<b>Interest and currency derivatives</b> <i>EUR mill.</i>						
Forward rate agreements	5 026	-2	-2	85	-	-
Interest rate swaps	5 545	-14	25	3 239	-7	2
Forward foreign exchange contracts 5), 6)	4 830	-27	-13	2 358	48	-16
Currency swaps	3 180	312	35	2 308	149	-6
Purchased currency options	163	-4	-4	144	1	1
Written currency options	76	-	-	90	1	1

5) Incl. also closed forward and future positions

6) Incl. also contracts used for equity hedging

<b>Oil futures and forward instruments</b>	<b>Volume 1000 bbl</b>	<b>Fair value EUR mill.</b>	<b>Not recog- nised as an income EUR mill.</b>	<b>Volume 1000 bbl</b>	<b>Fair value EUR mill.</b>	<b>Not recog- nised as an income EUR mill.</b>
Sales contracts	7 090	-1	-1	15 130	21	17
Purchase contracts	4 525	1	1	4 341	-10	-10
Purchased options	5 400	-1	-1	2 093	-	-
Written options	900	1	1	1 250	-	-

<b>Electricity derivatives</b>	<b>Volume TWh</b>	<b>Fair value EUR mill.</b>	<b>Not recog- nised as an income EUR mill.</b>	<b>Volume TWh</b>	<b>Fair value EUR mill.</b>	<b>Not recog- nised as an income EUR mill.</b>
Sales contracts	52	-34	-34	70	155	26
Purchase contracts	44	41	41	67	-163	-26
Purchased options	3	-1	-1	3	-	-
Written options	1	2	2	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.

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**QUARTERLY NET SALES BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>	2001	2000	Q4/01	Q3/01	Q2/01	Q1/01	Q4/00	Q3/00	Q2/00	Q1/00
Power, Heat and Gas	<b>2 227</b>	1 873	645	422	475	685	567	380	395	531
Electricity Distribution	<b>473</b>	470	135	96	105	137	129	103	106	132
Oil Refining and Marketing	<b>7 223</b>	7 807	1 636	1 863	1 772	1 952	2 219	1 984	1 923	1 681
Oil and gas Upstream	<b>408</b>	387	81	106	122	99	139	89	82	77
Fortum Energy Solutions	<b>603</b>	887	87	150	197	169	284	203	215	185
Other Operations	<b>95</b>	94	22	31	20	22	26	24	23	21
Internal invoicing	<b>-619</b>	-904	-70	-186	-188	-175	-282	-222	-196	-204
<b>Total</b>	<b>10 410</b>	10 614	2 536	2 482	2 503	2 889	3 082	2 561	2 548	2 423

**QUARTERLY OPERATING PROFIT BY BUSINESS OPERATIONS (SEGMENTS)**

<i>EUR mill.</i>	2001	2000	Q4/01	Q3/01	Q2/01	Q1/01	Q4/00	Q3/00	Q2/00	Q1/00
Power, Heat and Gas	<b>367</b>	211	114	41	49	163	63	2	44	102
Electricity Distribution	<b>135</b>	127	30	24	25	56	34	25	19	49
Oil Refining and Marketing	<b>242</b>	386	15	78	95	54	108	135	137	6
Oil and gas Upstream	<b>196</b>	213	33	46	68	49	84	46	41	42
Fortum Energy Solutions	<b>13</b>	-11	5	-1	21	-12	-5	-1	-3	-2
Other Operations	<b>-40</b>	-22	-24	-2	-9	-5	-5	-5	-13	1
Internal invoicing	<b>1</b>	2	-2	-1	2	2	4	-1	-	-1
<b>Total</b>	<b>914</b>	906	171	185	251	307	283	201	225	197