



Fortum

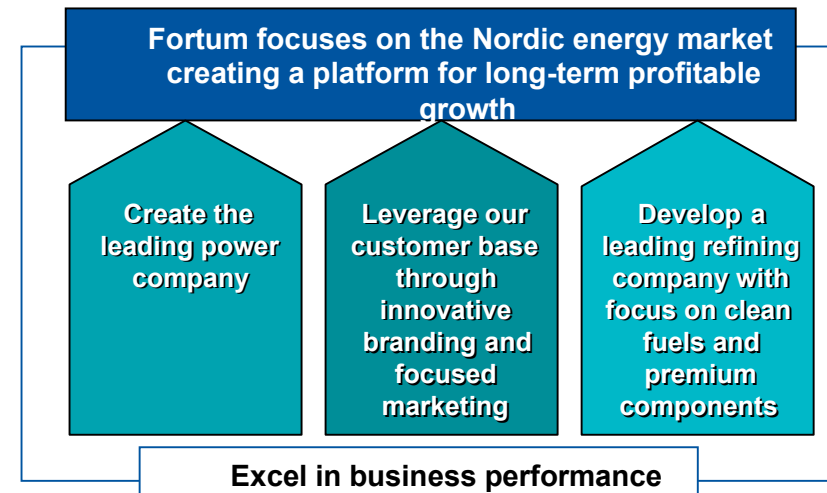
Interim Report 1 January - 31 March 2002
25 April 2002
Teleconference

Highlights of the quarter

- Delivering on strategic agenda
- Slightly improved results
- Weakened market conditions

Delivering on strategic agenda

- Completed the Birka Energi transaction
- Focusing oil and gas production
 - sale of interests in oil fields in Oman,
 - acquiring a stake in a gas field in Norway
- Sale of stake in Espoon Sähkö
- Divestment of major part of power and heat business in Germany (April)
- Purchase of remaining shares in a Finnish electricity distributor and a local district heating company (April)



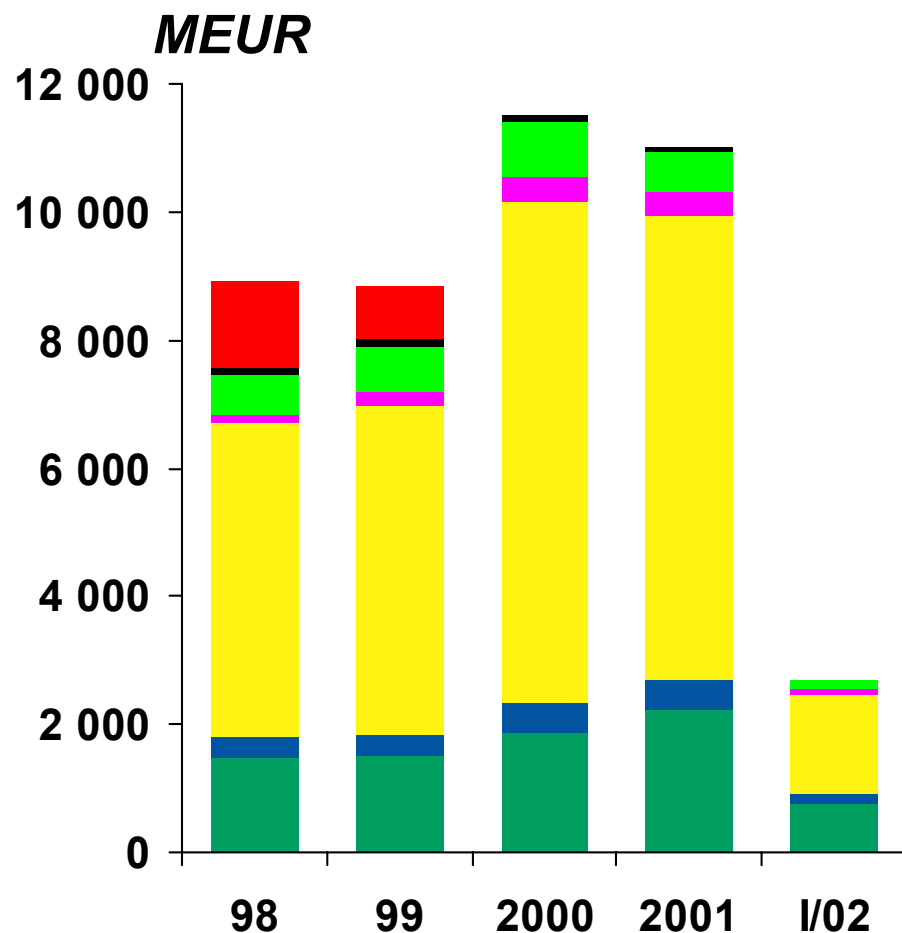
Results improved slightly

- Operating profit improved by 7%: € **327** (307) million
- Profit before extraordinary items up by 9%: € **269** (246) million
- Earnings per share € **0.21** (0.20)
- Net cash from operating activities € **325** (447) million
- Net debt stood at € **7,111** million (€ 3,674 million at the end of 2001)
- Gearing **102%**, (54% at the end of 2001)
- ROCE **8.8%** (11.7%), ROE **8.5%** (11.8%)

Market conditions weakened

- The price of electricity on the Nordic electricity exchange was about 13% lower than the corresponding figure in 2001, averaging € **21.2** (24.5) per megawatt-hour.
- The average price of North Sea light Brent crude oil was about 18% lower than the corresponding figure in 2001, averaging \$ **21.1** (25.8) per barrel.
- The international refining margins remained weak for the whole quarter, averaging \$ **-0.2** (2.25) per barrel. However, Fortum maintained significant premium over the benchmark margin.

Net sales

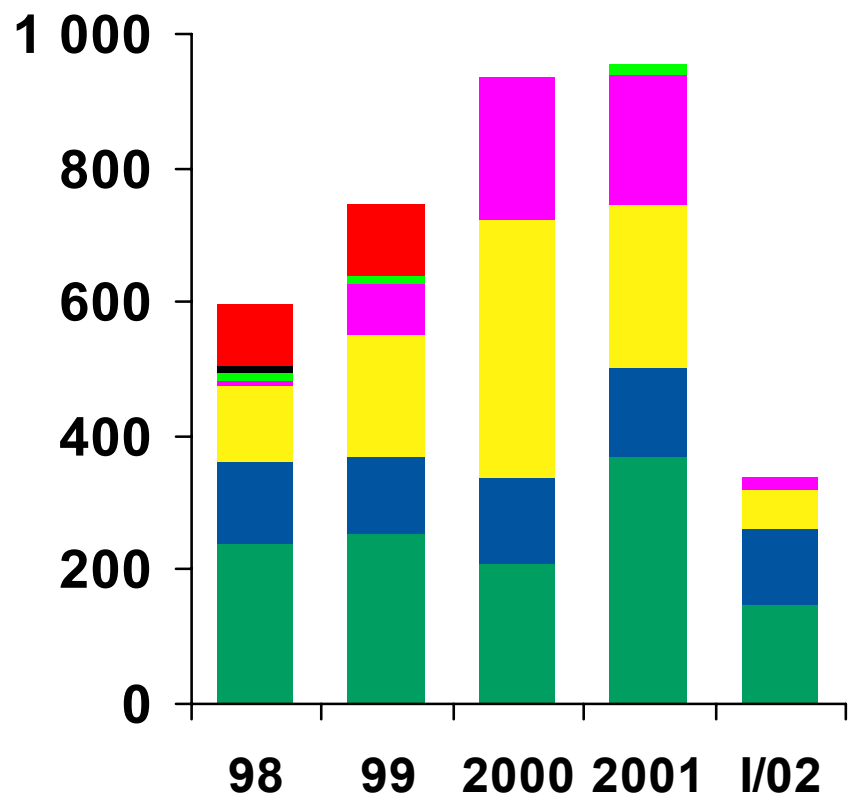


<i>MEUR</i>	<u>I / 02</u>	<u>I / 01</u>	<u>2001</u>
Power, Heat and Gas	753	685	2,227
Electricity Distribution	162	137	473
Refining & Marketing	1,560	1,952	7,223
Oil & Gas Upstream	73	99	408
Fortum Energy Solutions	138	169	603
Other Operations	14	22	95
Eliminations	-129	-175	-619
Group	<u><u>2,571</u></u>	<u><u>2,889</u></u>	<u><u>10,410</u></u>

■ P&H&G
 ■ Distr.
 ■ R&M
 ■ Upstream
 ■ FES
 ■ Other
 ■ Disc.

Operating profit

MEUR

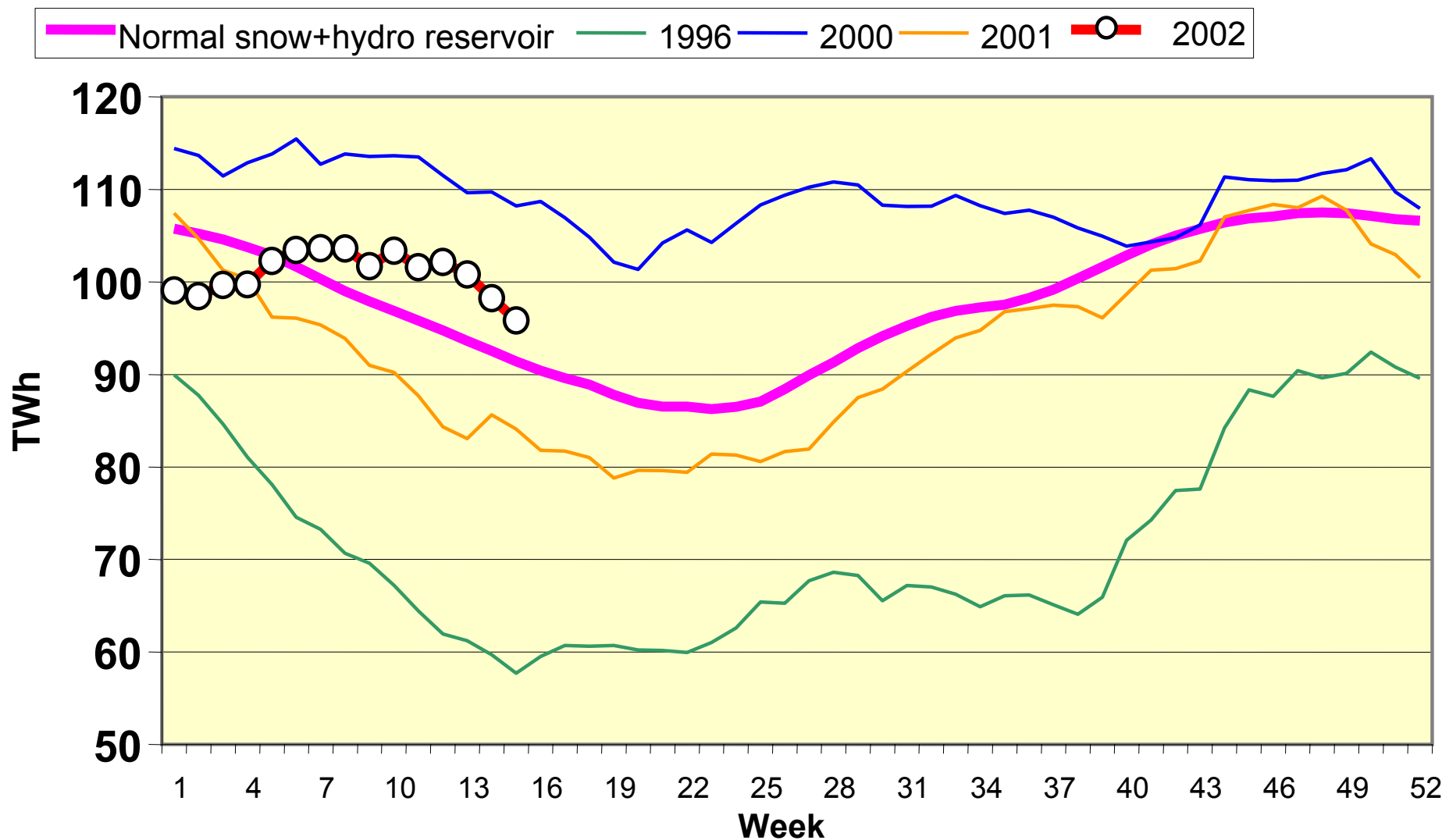


MEUR

	I / 02	I / 01	2001
Power, Heat and Gas	148	163	367
Electricity Distribution	113	56	135
Refining & Marketing	58	54	242
Oil & Gas Upstream	18	49	196
Fortum Energy Solutions	1	-12	13
Other Operations	-11	-5	-40
Eliminations	-	2	1
Group	327	307	914

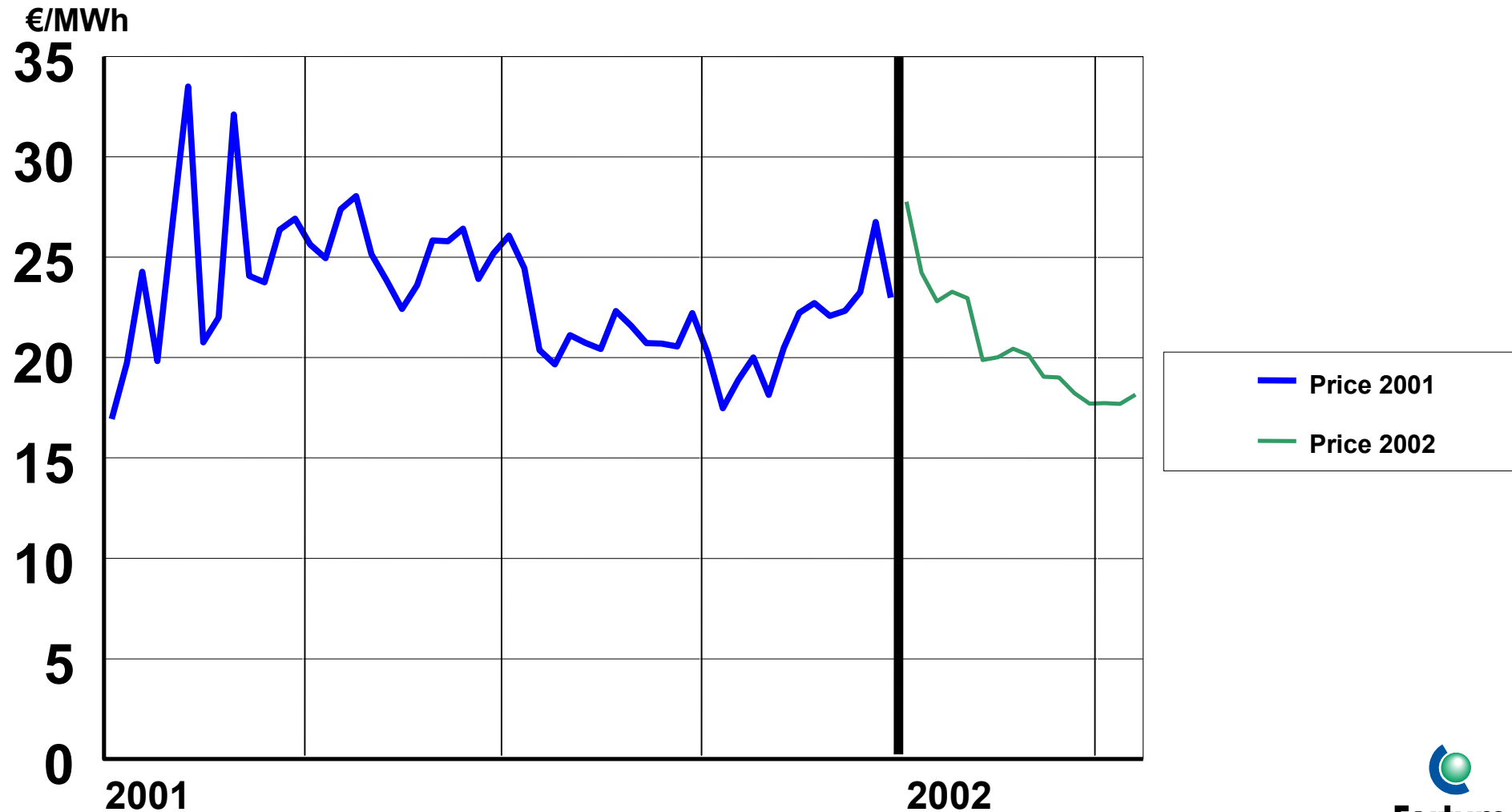


Snow + Hydro reservoir in Sweden and Norway



Electricity Price Performance

Nord Pool system price, weekly average 2001 - 2002



Power, Heat and Gas

January-March 2002

- Birka Energi transaction completed, 100% consolidated as of 1 March
- Fortum's electricity sales **15.1** (15.3) TWh, heat sales **6.2** (6.0) TWh
- The average price of electricity sold by Fortum in the Nordic countries improved slightly
- Sale of Fortum Energie in Germany (April)

Key figures	Q1/02	Q1/01
Net sales, M€	753	685
Operating profit, M€	148	163
Net assets, M€	8,981	5,983
Employees, average	2,938	2,809
RONA, %	8.0	10.8

Electricity Distribution

January-March 2002

- The distribution of electricity in distribution networks **5.4** (4.8) TWh
- Electricity transmission via the regional distribution network **5.0** (4.7) TWh
- Sale of stake in Espoon Sähkö
- Acquisition of the remaining 50% share in the Elnova Group

Key figures	Q1/02	Q1/01
Net sales, M€	162	137
Operating profit, M€	113	56
Net assets, M€	3,472	2,201
Employees, average	1,002	958
RONA, %	16.2	10.0

Fortum Energy Solutions

- Maintenance services for power plants and industry in Finland and Sweden
- Combined heat and power technology
- Operation services for power plants outside the Group
- Power plant engineering and contracting

January-March 2002

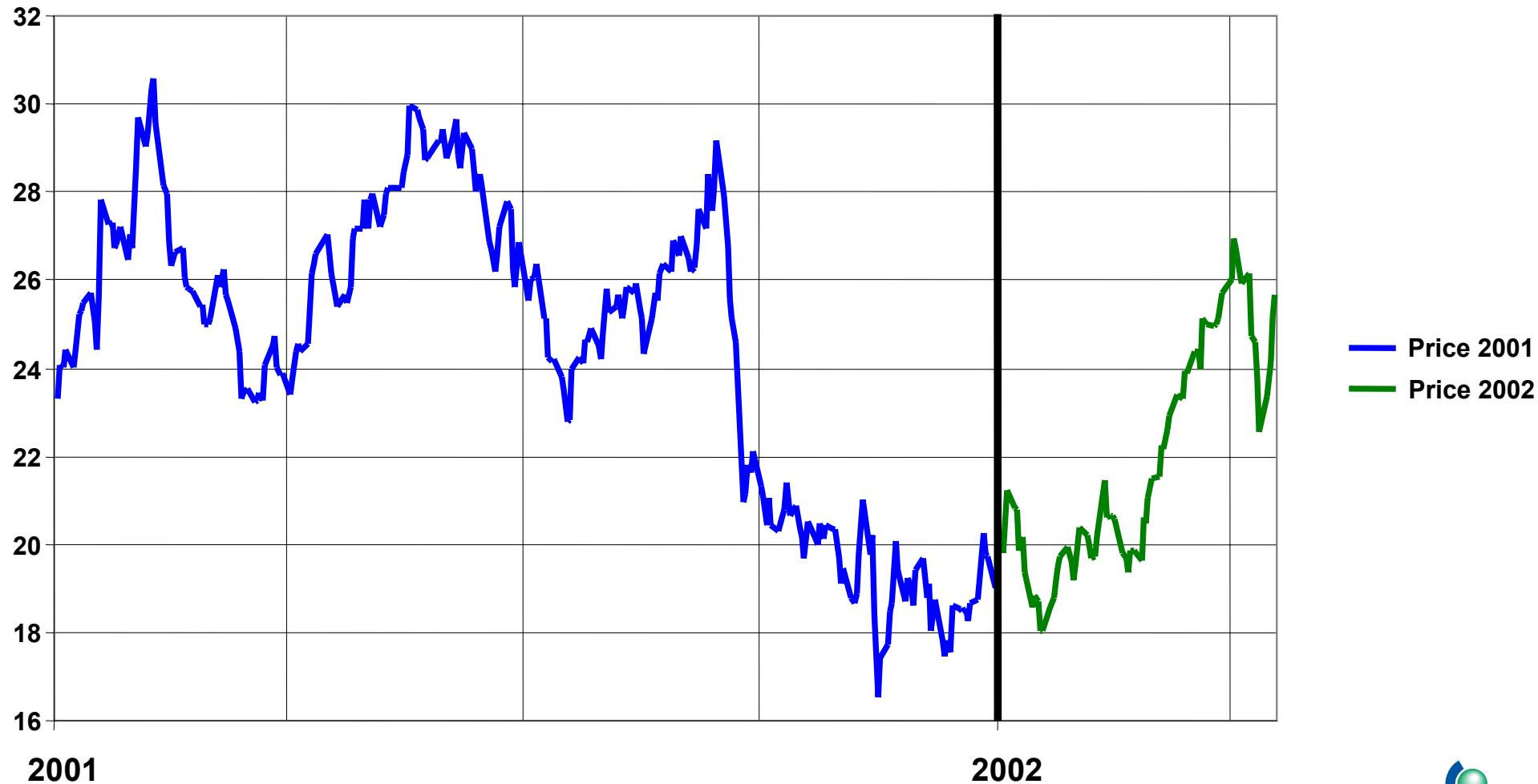
- Positive sales development

Key figures	Q1/02	Q1/01
Net sales, M€	138	169
Operating profit, M€	1	-12
Net assets, M€	282	243
Employees, average	4,618	6,360
RONA, %	1.5	-19.2

Crude Oil Price Performance

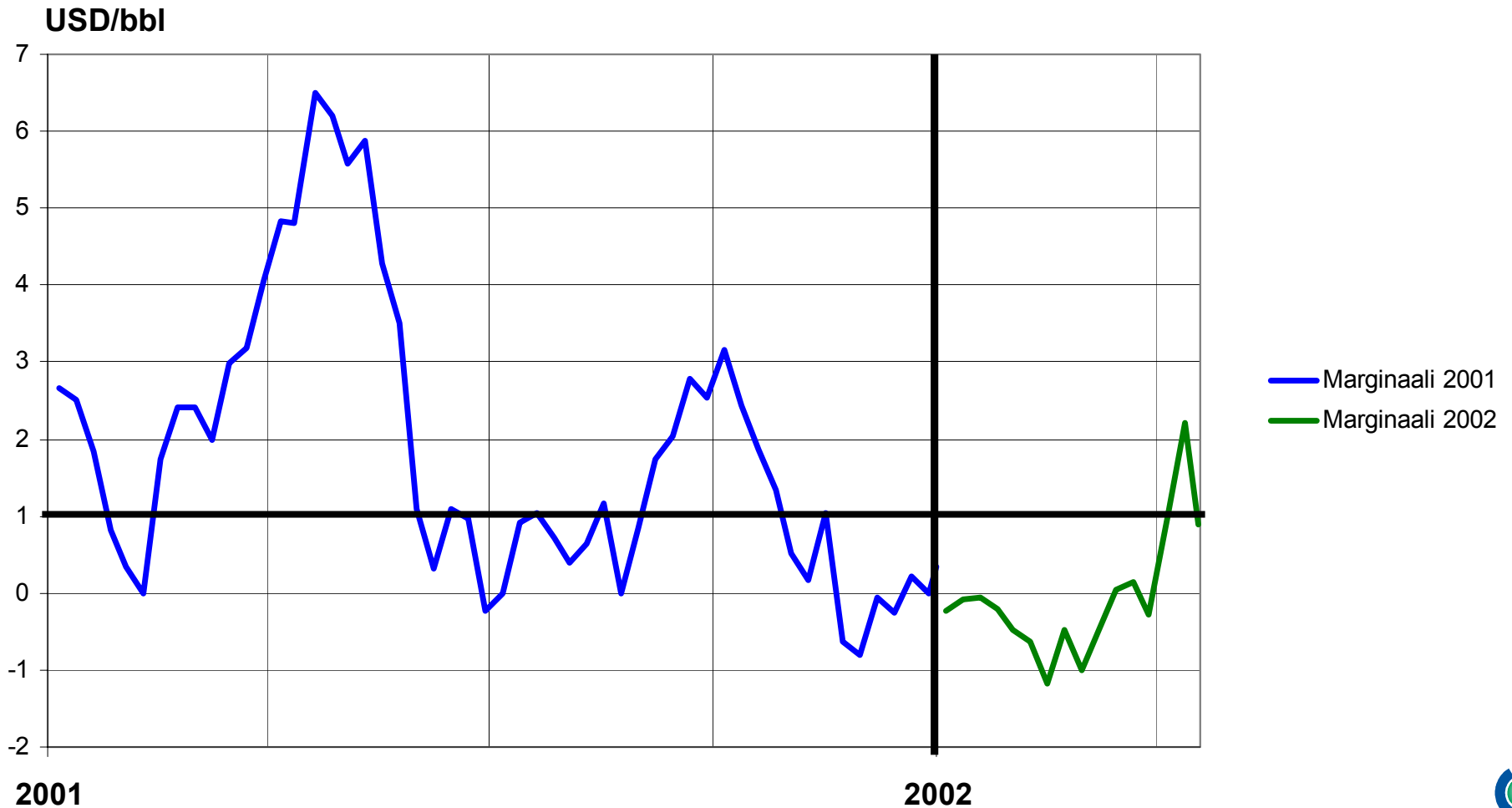
Brent, weekly averages 2001 - 2002

USD/bbl



Refining margin, Brent complex

weekly averages 2000 - 2001



Oil Refining and Marketing

January-March 2002

- The average North-West European refining margin **-0.2** (2.25) USD/bbl, Fortum's premium refining margin about 2 USD/bbl
- Use of crude oil and other feedstocks **3.2** (3.3) million tonnes
- Sales of petroleum products: **1.9** (1.8) million tonnes to Finland, **1.2** (1.4) million tonnes to other countries
- Gasoline desulphurisation unit at the Naantali refinery

Key figures	Q1/02	Q1/01
Net sales, M€	1,560	1,952
Operating profit, M€	58	54
Net assets, M€	1,639	1,584
Employees, average	4,305	4,527
RONA, %	13.9	12.6

Oil and Gas Upstream

January-March 2002

- Production at an average of **34,500** (40,500) boe/d, i.e. about **1.7** (2.0) million t/a
- Average price of oil sold by Fortum **22.1** (25.8) USD/bbl, the price of natural gas **16.5** (21.8) USD/boe
- Announced sale of the oil field interest in Oman (February)
- Acquisition of 7% share of the Mikkel gas and condensate field (March)

Key figures	Q1/02	Q1/01
Net sales, M€	73	99
Operating profit, M€	18	49
Net assets, M€	1,273	1,281
Employees, average	62	62
RONA, %	5.7	15.6

Income statement

MEUR	<u>I / 02</u>	<u>I / 01</u>	<u>2001</u>
Net sales	2,571	2,889	10,410
Expenses	<u>-2,244</u>	<u>-2,582</u>	<u>-9,496</u>
Operating profit	327	307	914
Financial expenses, net	<u>-58</u>	<u>-61</u>	<u>-212</u>
Profit before extraordinary items	269	246	702
Extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>
Profit before taxes	269	246	702
Income taxes total	-65	-67	-160
Minority interests	<u>-22</u>	<u>-21</u>	<u>-83</u>
Net profit for the period	<u>182</u>	<u>158</u>	<u>459</u>
EPS (EUR)	0.21	0.20	0.57

Balance sheet

MEUR	Mar 31, 2002	Mar 31, 2001	Dec 31, 2001
Fixed assets and other long-term investments	15 856	11 333	11 328
Current assets	3 165	3 204	2 966
Assets	19 021	14 537	14 294
Shareholders' equity	5 478	4 977	5 485
Minority interests	1 469	1 306	1 270
Interest-bearing liabilities	7 634	4 476	4 276
Interest-free liabilities	4 440	3 778	3 263
Equity and liabilities	19 021	14 537	14 294
Gearing (%)	102	64	54
Adjusted gearing (%) 1)	145	103	88
Equity-to-assets ratio (%)	37	44	48
Equity per share (EUR)	6.48	6.26	6.49

Cash flow statement

MEUR	I / 02	I / 01	2001
Net cash from operating activities	325	447	1,145
Capital expenditures	-1,764	-123	-708
Proceeds from sales of fixed assets	240	90	438
Change in other investments	-159	7	-31
Cash flow before financing activities	-1,358	421	844
Net change in loans	1,307	-447	-643
Dividends paid	-	-1	-183
Other financing items	-	7	147
Net cash from financing activities	1,307	-441	-679
Net increase (+)/decrease (-) in cash and marketable securities	-51	-20	165

Key ratios

	I / 02	I / 01	2001
Capital employed (at the end of the period) EUR mill.	14 581	10 760	11 032
Interest-bearing net debt (at the end of the period), EUR mill.	7 111	4 046	3 674
Investments, EUR mill.	3 704	123	713
Cash flow before financing activities, EUR mill.	-1 358	421	844
Return on capital employed, %	8.8	11.7	8.7
Return on shareholders' equity, %	8.5	11.8	8.3
Gearing, %	102	64	54
Adjusted gearing, % 1)	145	103	88
Average number of employees	13 710	15 602	14 803

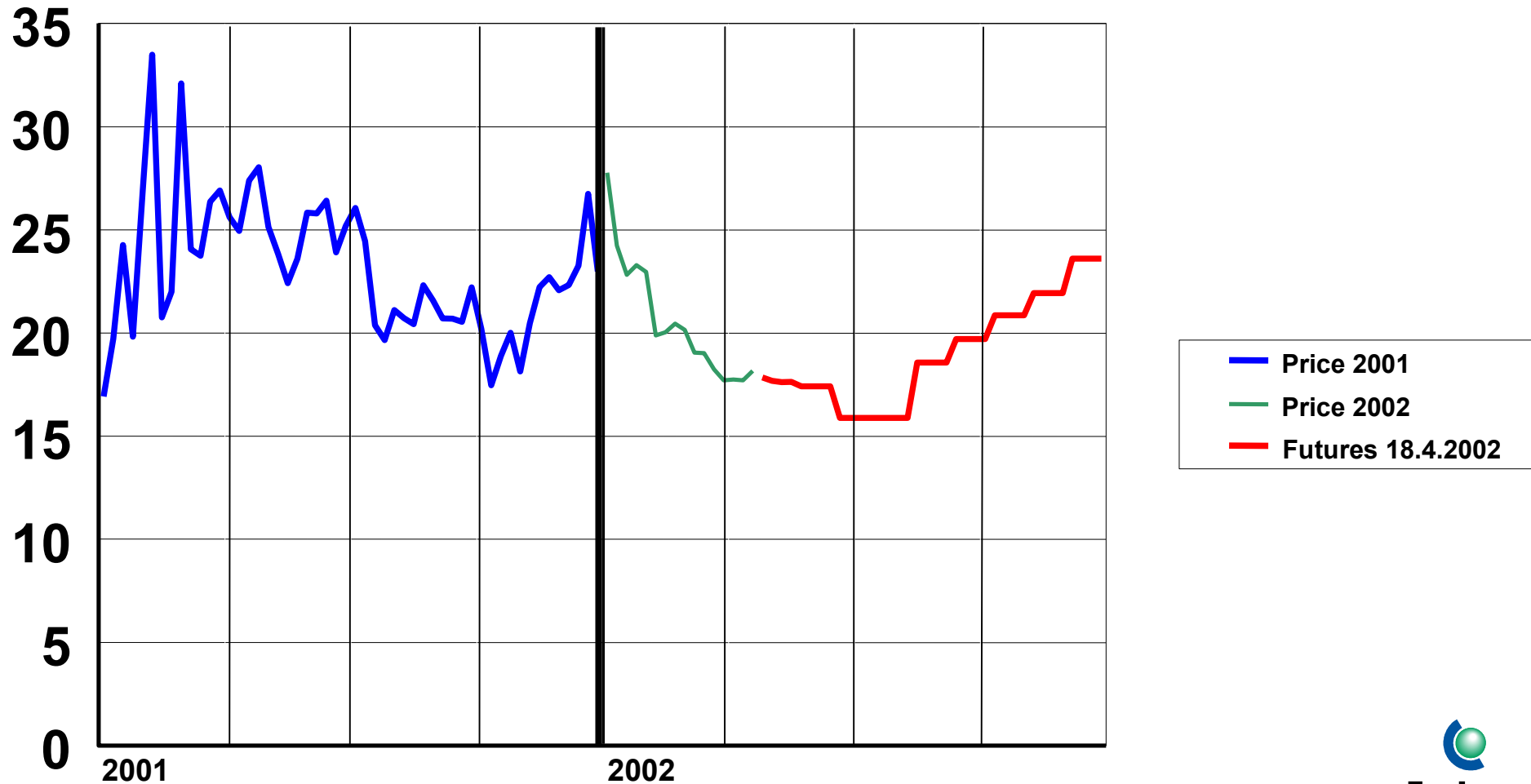
1) Minority interest of Fortum Capital Ltd included in liabilities

Short-term outlook

Nord Pool electricity system price and futures

Weekly average

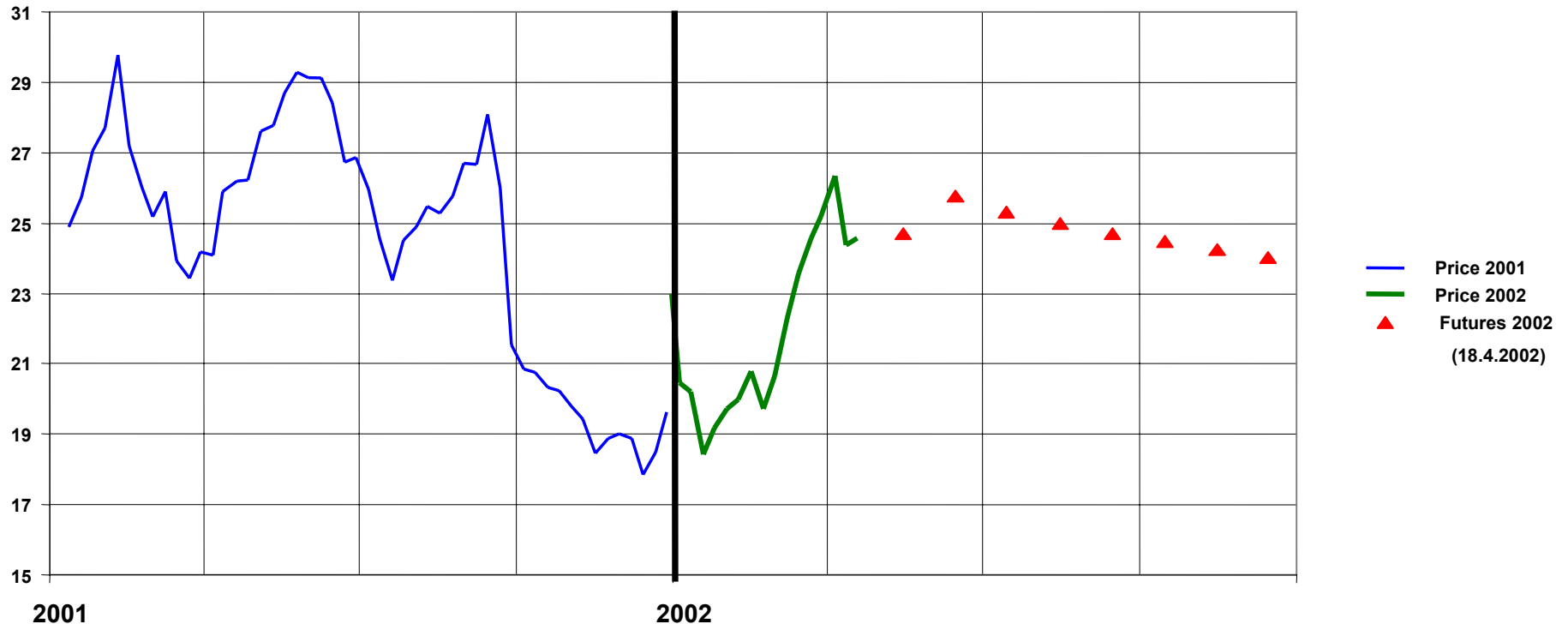
EUR/MWh



Short-term outlook

Crude oil price development

Brent, weekly averages 2001 - 2002, USD/bbl



In the first quarter of 2002, the international refining margin was close to zero, but April saw a marked improvement. Fortum's premium margin is expected to remain on previous years' level.

Agenda for the year 2002

- Successful transformation of Fortum and Birka operations
- Focus on cash flow and reduction of debt
 - Agreed divestments, totalling € 1.1 billion
 - Treasury stock Dec. 2001 € 230 million
 - Oil interest in Oman Feb. 2002 € 180 million
 - Crude tanker + other Feb. 2002 € 50 million
 - Espoon Sähkö, stake March 2002 € 140 million
 - Fortum Energie GmbH April 2002 € 545 million
- Continuous restructuring of operations
- Improving competitiveness