



FINGRID GROUP'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2003

Review of operations

Consumption of electricity in Finland totalled 62,134 gigawatt hours during January-September in 2003. This was 3.9 per cent more than during the corresponding period in 2002.

Shortage of hydropower production in the Nordic countries during the winter period continued in the summer and early autumn. Both electricity imports from Russia and exports to Sweden were high, and almost the full transmission capacities were utilised. A fault in the sea cable between Sweden and Finland in mid-July led to restricted transmission capacity for approximately two months. Due to insufficient transmission capacity, Finland has constituted a price area of its own considerably often, but the differences in the area prices have remained fairly small.

The regional electricity distribution disorders in the network of Helsinki Energy on 23 August and in Southern Sweden on 23 September did not disturb the operation of Fingrid's transmission grid.

Vattenfall AB initiated in September arbitration proceedings against Fingrid Oyj which relates to the contract for undersea cable connection between Finland and Sweden. This contract ended in 2000.

In September, Fingrid's Board of Directors made a decision to retain the prices for grid service in 2004 at the level applied in 2002.

The compensation arrangement applied to transit transmissions of electricity in electricity trade within the European Union will expand to the Nordic countries as of the beginning of next year. As a result of this arrangement, Fingrid will be subject to additional costs caused by electricity imported from outside the EU. This is why it has been decided to raise the fee levied on electricity imports from Russia at the beginning of next year.

Financial result

The Group's turnover during the review period was EUR 218 million (EUR 179 million during the corresponding period in 2002). Turnover grew considerably as a result of the exceptional power situation during the early part of 2003, continued increase in the consumption of electricity, and considerable increase in electricity imports from Russia since the beginning of the year. Moreover, the company's sales of balance power, which raise the turnover but have minor impact on the financial result, were very high during the review period. The operating profit was EUR 62 million (EUR 58 million), and profit before taxes was EUR 25 million (EUR 20 million). At the end of the review period, the equity ratio was 18.2 per cent (16.5 per cent).

The Group's income flow is characterised by seasonal fluctuations, which is why the financial result for the entire year cannot be directly estimated on the basis of the nine-month result.



Capital expenditure

Gross capital expenditure during the period examined totalled EUR 32 million (EUR 38 million).

Financing

The financial position of the Group continued to be good. The net financial expenses of the Group during the review period were EUR 36 million (EUR 38 million). Financial securities, cash in hand and bank receivables at 30 September 2003 amounted to EUR 105 million (EUR 85 million). The interest-bearing liabilities totalled EUR 849 million (EUR 864 million), of which EUR 617 million (EUR 724 million) were long-term and EUR 232 million (EUR 140 million) were short-term. Moreover, the company has EUR 168 million (EUR 168 million) of interest-bearing capital loans. The counterparty risk involved in the derivative contracts relating to financing was EUR 1 million (EUR 5 million).

Personnel

The total personnel of the Fingrid Group averaged 222 (212) during the review period.

Auditing

The consolidated figures in this Interim Report are unaudited.

Outlook for the remaining part of the year

The result of the Fingrid Group for the entire year is expected to remain stable.

Board of Directors



CONSOLIDATED PROFIT AND LOSS ACCOUNT	1 Jan - 30 Sep 2003 EUR million	1 Jan - 30 Sep 2002 EUR million	1 Jan - 31 Dec 2002 EUR million
Turnover	218.4	178.6	272.6
Operating profit	61.5	58.0	91.0
Profit before taxes	25.2	19.7	38.6
Profit for the period	17.9	14.0	27.5

The Group's income flow is characterised by strong seasonal fluctuations.
Tax figures in the consolidated profit and loss account only include the tax applying to the period under review.

CONSOLIDATED BALANCE SHEET	30 Sep 2003 EUR million	30 Sep 2002 EUR million	31 Dec 2002 EUR million
ASSETS			
Intangible assets	176.0	189.9	189.4
Tangible assets	1,037.3	1,031.7	1,031.6
Investments	6.4	6.9	6.8
Noncurrent assets total	1,219.7	1,228.5	1,227.8
Inventories	2.9	2.8	2.9
Receivables	29.4	28.1	47.6
Financial securities	102.2	79.8	88.1
Cash in hand and bank receivables	2.6	5.3	13.0
Current assets total	137.2	116.0	151.6
Total	1,356.9	1,344.5	1,379.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	55.9	55.9	55.9
Premium fund	55.9	55.9	55.9
Retained earnings	117.4	96.7	96.7
Profit for the period	17.9	14.0	27.5
Capital loan	167.9	167.9	167.9
Shareholders' equity total	415.0	390.4	404.0
Provisions	0.0	0.0	0.0
Long-term liabilities	669.5	766.1	770.9
Short-term liabilities	272.4	188.0	204.6
Liabilities total	941.9	954.1	975.5
Total	1,356.9	1,344.5	1,379.4

CONSOLIDATED KEY INDICATORS	1 Jan - 30 Sep 2003 EUR million	1 Jan - 30 Sep 2002 EUR million	1 Jan - 31 Dec 2002 EUR million
Gross investments in noncurrent assets	31.8	37.6	50.2
% of turnover	14.6	21.0	18.4
Personnel, average	222	212	211
Equity ratio, % (at the end of the period)	18.2	16.5	17.1

DERIVATIVE AGREEMENTS	30 Sep 2003 EUR million		30 Sep 2002 EUR million		31 Dec 2002 EUR million	
	Market value	Nominal value	Market value	Nominal value	Market value	Nominal value
Interest and currency derivatives						
Cross-currency swaps	-61	439	-11	417	-26	401
Forward contracts	-1	85	2	98	3	108
Interest rate swaps	-23	510	-23	604	-24	550
Call options, bought	1	195	0	55	0	95
Total	-84	1,229	-32	1,174	-47	1,154
Electricity derivatives						
Futures contracts, Nord Pool	0	0	0	2	-1	1
Forward contracts of electricity, Nord Pool	11	82	4	75	21	79
Forward contracts of electricity, others	4	11	3	15	18	13
Call options, bought	1		0		1	
Total	16	93	6	91	39	93

PLEDGES, MORTGAGES AND CONTINGENT LIABILITIES	30 Sep 2003 EUR million		30 Sep 2002 EUR million		31 Dec 2002 EUR million	
	Pledges / bank balances	1		3		7
Guarantees	0		4		0	
Leasing liabilities	0		0		0	
Commitment fee of revolving credit facility	2		0		2	
Total	3		7		9	