



FINGRID GROUP'S INTERIM REPORT 1 JANUARY – 31 MARCH 2003

Review of operations

During the first three months of 2003, a total of 24,400 gigawatt hours (GWh) of electricity was consumed in Finland. This was 6.2 per cent more than during the corresponding period in 2002. Electricity consumption rose to record figures during the period of exceptionally cold weather in the early part of the year. The peak value, 13,920 megawatts (MW) as an hourly average power, was reached on 3 January 2003. The grid operated well despite the very cold weather.

The level of the Nordic water reservoirs continue to be exceptionally low, and Finland has continued to export large volumes of electricity to the other Nordic countries. The full transmission capacity has been in use for long periods of time, and as a result, Finland has constituted a price area of its own. However, the price difference to the system price has remained reasonable. Due to the transmission needs, it has been necessary to postpone the replacement of aluminium towers on a 400 kilovolt (kV) line running between Sweden and Finland; this replacement work was originally scheduled for the winter period.

The third 400 kV cross-border connection between Russia and Finland, which was completed at the end of 2002, has increased the import capacity by 400 MW to a total of 1,300 MW. From the beginning of the year the possibility to import has been almost 1500 MW, when including the regional 110 kV connections. This capacity has most of the time been in full use.

The environmental impact assessments concerning the new 400 kV transmission lines required by the fifth nuclear power unit to be built in Finland were launched together with the related public participations. These assessments will be ready in early 2004.

Financial result

The Group's turnover during the review period was EUR 104 million (EUR 76 million). Turnover grew considerably on the corresponding period in 2002 as a result of the exceptional power situation, increased consumption of electricity and significant growth in electricity imports from Russia. Moreover, the company's sales of balance power, which raise the turnover but have no impact on the financial result, were very high during the review period. The operating profit was EUR 41 million (EUR 37 million), and profit before taxes was EUR 28 million (EUR 24 million). At the end of the review period, the equity ratio was 17.3 per cent (16.9 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 three-month result.



Capital expenditure

Gross capital expenditure during the period examined totalled EUR 12 million (EUR 8 million).

Financing

The financial position of the Group remained good. The net financial expenses of the Group during the review period were EUR 13 million (EUR 13 million). Financial securities, money market holdings and bank balances at 31 March 2003 amounted to EUR 172 million (EUR 65 million). The interest-bearing liabilities totalled EUR 916 million (EUR 838 million), of which EUR 760 million (EUR 501 million) were long-term and EUR 156 million (EUR 337 million) were short-term.

Interest rate and currency swaps and forward contracts at 31 March 2003 totalled a nominal amount of EUR 1,316 million (EUR 1,161 million). These involved a counterparty risk of EUR 2 million (EUR 13 million). Available committed long-term loan facilities amounted to EUR 400 million (EUR 391 million).

Standard & Poor's Rating Services, the international rating agency, affirmed Fingrid Oyj's current credit ratings. The rating for long-term debt is AA- and for short-term debt A-1+. Standard & Poor's considered Fingrid's future outlook to be stable.

Organisation and personnel

The total personnel of the Fingrid Group averaged 215 (206) during the review period.

Annual General Meeting

Fingrid Oyj's Annual General Meeting was held on 21 March 2003. Taisto Turunen, Director General, was elected Chairman of the Board, Timo Rajala, President and CEO, was elected the First Deputy Chairman of the Board, and Tapio Kuula, President, the Second Deputy Chairman of the Board. The other Board members elected were Marjukka Aarnio, Chief Counsellor, Timo Karttinen, Executive Vice President, Pertti Simola, Vice President, and Pertti Voutilainen, M.Sc. (Eng.).

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.

Helsinki, 9 May 2003

Board of Directors



CONSOLIDATED PROFIT AND LOSS ACCOUNT	1 Jan - 31 Mar 2003 EUR million	1 Jan - 31 Mar 2002 EUR million	1 Jan - 31 Dec 2002 EUR million
Turnover	103.8	76.1	272.6
Operating profit	41.3	37.2	91.0
Profit before taxes	28.4	24.5	38.6
Profit for the period	20.2	17.4	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	31 Mar 2003 EUR million	31 Mar 2002 EUR million	31 Dec 2002 EUR million
ASSETS			
Intangible assets	186.6	195.9	189.4
Tangible assets	1,033.3	1,030.5	1,031.6
Investments	<u>6.7</u>	<u>1.0</u>	<u>6.8</u>
Noncurrent assets total	1,226.5	1,227.4	1,227.8
Inventories	2.9	3.8	2.9
Receivables	39.7	38.5	47.6
Financial securities	164.3	60.2	88.1
Cash in hand and bank receivables	<u>7.3</u>	<u>5.2</u>	<u>13.0</u>
Current assets total	214.1	107.7	151.6
Total	1,440.6	1,335.1	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	20.2	17.4	27.5
Capital loan	<u>167.9</u>	<u>167.9</u>	<u>167.9</u>
Shareholders' equity total	417.4	393.8	404.0
Provisions	0.0	0.0	0.0
Long-term liabilities	814.4	546.8	770.9
Short-term liabilities	<u>208.8</u>	<u>394.5</u>	<u>204.6</u>
Liabilities total	1,023.3	941.3	975.5
Total	1,440.6	1,335.1	1,379.4

CONSOLIDATED KEY INDICATORS	1 Jan - 31 Mar 2003 EUR million	1 Jan - 31 Mar 2002 EUR million	1 Jan - 31 Dec 2002 EUR million
Gross investments in noncurrent assets	11.8	8.2	50.2
% of turnover	11.3	10.7	18.4
Personnel, average	215	206	211
Equity ratio, %	17.3	16.9	17.1



DERIVATIVE AGREEMENTS	31 Mar 2003 EUR million		31 Mar 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	-37	457	15	269	-26	401
Forward contracts	-1	190	4	246	3	108
Interest rate swaps	-28	544	-15	641	-24	550
Call options, bought	0	125	0	5	0	95
Total	-66	1,316	4	1,161	-47	1,154
Electricity derivatives						
Futures contracts, Nord Pool	0	1	0	1	-1	1
Forward contracts of electricity, Nord Pool	11	80	1	46	21	79
Forward contracts of electricity, others	7	11	1	15	18	13
Call options, bought	0		0		1	
Total	18	92	2	62	39	93

PLEDGES, MORTGAGES AND CONTINGENT LIABILITIES	31 Mar 2003 EUR million	31 Mar 2002 EUR million	31 Dec 2002 EUR million
Pledges / bank balances	3	4	7
Guarantees	0	4	0
Leasing liabilities	0	0	0
Commitment fee of revolving credit facility	2	0	2
Total	5	8	9