



FINGRID GROUP'S INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2002

Review of operations

Consumption of electricity in Finland totalled 60.0 terawatt hours (TWh) by the end of September. This was 1.5 per cent more than during the corresponding period in 2001.

Almost 4 TWh of electricity was imported into Finland from the other Nordic countries during the early part of 2002, and there was sufficient transmission capacity. During the summer, the import volumes grew close to the grid's maximum transmission capacity. Due to the low precipitation summer months which was exceptional in the Nordic countries, electricity imports gave way at the beginning of autumn to abundant exports from Finland to the other Nordic countries.

The market situation which prevailed in the summer caused more area price differences than what had been anticipated, and raised Fingrid's so-called bottleneck revenues to a higher level than expected. Therefore, Fingrid decided to refund approximately EUR 3 million to its customers.

As a result of Nordic co-operation, the maintenance of instantaneous balance between electricity consumption and production, which is the responsibility of the Nordic transmission system operators, was shifted from a country-specific operating model to an inter-Nordic model at the beginning of September.

In June, Fingrid offered to the market parties a total of 600 megawatts (MW) of electricity transmission capacity to be reserved on Fingrid's cross-border connections from Russia, with the transmissions starting at the beginning of 2003. Of this volume, 200 MW is transmission capacity which becomes available on the existing connections, and 400 MW comes from the additional transmission capacity provided by the third cross-border connection to be completed this year.

Related to potential construction of a new nuclear power unit in Finland, Fingrid launched preliminary assessments of environmental impacts on power line projects required by both the Loviisa and Olkiluoto locations.

Fingrid's improved efficiency of operations enables it to apply the 2002 unit prices in the grid services also in 2003. For Fingrid's customers, this decision means that the price increase of approx. 1.5 per cent stated in the contracts will not be implemented. The price level has remained the same since the beginning of the year 2000.



Financial result

The Group's turnover during the review period was EUR 179 million (EUR 171 million). The operating profit was EUR 58 million (EUR 59 million), and profit before taxes was EUR 20 million (EUR 21 million). At the end of the review period, the equity ratio was 16.5 per cent (15.5 per cent) when excluding the capital loans and 29.0 per cent (28.0 per cent) when including these.

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 38 million (EUR 33 million).

Financing

The net financial costs of the Group during the review period were EUR 38 million (EUR 38 million). The financial position of the Group remained good. Financial securities, money market holdings and bank balances at 30 September 2002 amounted to EUR 85 million (EUR 72 million). The interest-bearing liabilities totalled EUR 864 million (EUR 879 million), of which EUR 724 million (EUR 658 million) were long-term and EUR 140 million (EUR 221 million) were short-term.

Interest rate and currency swaps and forward contracts at 30 September 2002 totalled a nominal amount of EUR 1,174 million (EUR 1,131 million). These involved a counterparty risk of EUR 5 million (EUR 10 million). Available committed long-term loan facilities amounted to EUR 391 million (EUR 341 million). Contingent liabilities consisted of leasing liabilities of EUR 0.2 million (EUR 0.2 million), guarantees of EUR 3 million (EUR 5 million) for power exchange purchases and other guarantee engagements of EUR 4 million (EUR 4 million).

Organisation and personnel

Fingrid System Oy, a fully-owned subsidiary of Fingrid Oyj, will be merged into the parent company at the beginning of 2003.

The total personnel of the Fingrid Group averaged 212 (228) 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.

Helsinki, 29 October 2002

Board of Directors



CONSOLIDATED PROFIT AND LOSS ACCOUNT	1 Jan - 30 Sep 2002 EUR million	1 Jan - 30 Sep 2001 EUR million	1 Jan - 31 Dec 2001 EUR million
Turnover	178.6	170.6	241.6
Operating profit	58.0	58.8	84.8
Profit before taxes	19.7	20.6	32.8
Profit for the period	14.0	14.3	23.2

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 2002 EUR million	30 Sep 2001 EUR million	31 Dec 2001 EUR million
ASSETS			
Intangible assets	189.9	200.9	198.9
Tangible assets	1,031.7	1,034.1	1,032.5
Investments	<u>6.9</u>	<u>1.1</u>	<u>1.0</u>
Noncurrent assets total	1,228.5	1,236.0	1,232.4
Inventories	2.8	3.8	4.3
Receivables	28.1	24.6	37.4
Financial securities	79.8	68.4	60.9
Cash in hand and bank receivables	<u>5.3</u>	<u>3.9</u>	<u>3.4</u>
Current assets total	116.0	100.7	106.1
Total	1,344.5	1,336.7	1,338.4
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	55.9	55.9	55.9
Premium fund	55.9	55.9	55.9
Retained earnings	96.7	80.8	80.8
Profit for the period	14.0	14.3	23.2
Capital loan	<u>167.9</u>	<u>167.9</u>	<u>167.9</u>
Shareholders' equity total	390.4	374.9	383.7
Provisions	0.0	0.1	0.0
Long-term liabilities	766.1	694.7	647.4
Short-term liabilities	<u>188.0</u>	<u>267.0</u>	<u>307.3</u>
Liabilities total	954.1	961.7	954.7
Total	1,344.5	1,336.7	1,338.4

CONSOLIDATED KEY INDICATORS	1 Jan - 30 Sep 2002 EUR million	1 Jan - 30 Sep 2001 EUR million	1 Jan - 31 Dec 2001 EUR million
Gross investments in noncurrent assets	37.6	33.0	43.5
% of turnover	21.0	19.4	18.0
Personnel, average	212	228	221
Equity ratio (including capital loans), %	29.0	28.0	28.7
Equity ratio (excluding capital loans), %	16.5	15.5	16.1