



FINGRID GROUP'S INTERIM REPORT 1 JANUARY – 31 MARCH 2002

Review of operations

Consumption of electricity in Finland during the first three months of 2002 totalled 23,167 gigawatt hours (GWh). This was 0.1 per cent less than during the corresponding period in 2001.

The year 2002 started with very cold weather, and a new electricity consumption record in Finland was reached on 2 January, when the maximum hourly consumption was 13,704 megawatts (MW). The previous record value of 13,310 MW was reached at the beginning of February a year ago.

The transmission capacity in the grid within Finland and on the cross-border connections between Finland and the other Nordic countries was sufficient during the review period. As a result, Finland had a price area of its own for only four hours.

The new three-year contract period in grid service commenced at the beginning of 2002. The new balance power and reserve contracts also came into force at the beginning of the year.

The 400 kilovolt (kV) transmission line in the Tornio region in northern Finland together with the related 400/110 kV substation modification as well as the extension of the Ylikkälä substation in southeastern Finland were commissioned in the early part of 2002. The construction of the third 400 kV cross-border connection to Russia and the concurrent building of the new 400/110 kV substation in Kymenlaakso in southeastern Finland have progressed according to plans. Both projects will be completed at the end of this year. The new cross-border connection will increase the import capacity by approx. 400 MW.

In February, ETSO (European Transmission System Operators) made a decision to introduce a temporary transit arrangement in electricity trading within Europe as of the beginning of March. This arrangement enables electricity transmission across national borders using simple and uniform rules. ETSO is already working on a more permanent transit arrangement to be introduced at the beginning of 2003.

At the end of last year, the Nordic transmission system operators agreed on principles that have enabled the access of Nordic electricity market parties to the electricity market in Continental Europe and vice versa.

In February, the Energy Market Authority issued its decision on a complaint concerning Fingrid's priority transmission service between Finland and Sweden. The complaint did not cause changes in the pricing principles.

Financial result

The Group's turnover was EUR 76 million (EUR 77 million). The operating profit was EUR 37 million (EUR 40 million) and profit before taxes EUR 24 million (EUR 27 million). At the end of the period examined, the equity ratio was 16.9 per cent (15.8 per cent) when excluding the capital loans and 29.5 per cent (28.4 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 three-month result.

Capital expenditure

Gross capital expenditure during the period examined totalled EUR 8 million (EUR 14 million).

Financing

The net financial expenses of the Group during the review period were EUR 13 million (EUR 13 million). The financial position of the Group was good throughout the period examined. Financial securities, money market holdings and bank balances at 31 March 2002 amounted to EUR 65 million (EUR 50 million). The interest-bearing liabilities totalled EUR 838 million (EUR 863 million), of which EUR 501 million (EUR 515 million) were long-term and EUR 337 million (EUR 348 million) were short-term.

Interest rate and currency swaps and forward contracts at 31 March 2002 totalled a nominal amount of EUR 1,161 million (EUR 1,091 million). These involved a counterparty risk of EUR 13 million (EUR 22 million). Available committed long-term credit facilities amounted to EUR 391 million (EUR 391 million). Contingent liabilities consisted of leasing liabilities of EUR 0.2 million (EUR 0.2 million), guarantees of EUR 4 million (EUR 4 million) for power exchange purchases and other guarantees of EUR 4 million (EUR 4 million).

Personnel

The total personnel of the Fingrid Group averaged 206 (229) during the review period.

Annual General Meeting

Fingrid Oyj's Annual General Meeting was held on 25 March 2002. Taisto Turunen, Director General, was elected Chairman of the Board, Timo Rajala, President and CEO, as the First Deputy Chairman of the Board, and Tapio Kuula, President, as the Second Deputy Chairman of the Board. The other Board members elected were Pertti Voutilainen, M.Sc. (Eng.) and Chairman of the Board, Timo Karttinen, President, Timo Pekkarinen, Government Counsellor, and Pertti Simola, Vice President.

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, 26 April 2002

Board of Directors



CONSOLIDATED PROFIT AND LOSS ACCOUNT	1 Jan - 31 Mar 2002 EUR million	1 Jan - 31 Mar 2001 EUR million	1 Jan - 31 Dec 2001 EUR million
Turnover	76.1	77.4	241.6
Operating profit	37.2	39.7	84.8
Profit before taxes	24.5	26.9	32.8
Profit for the period	17.4	19.0	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	31 Mar 2002 EUR million	31 Mar 2001 EUR million	31 Dec 2001 EUR million
ASSETS			
Intangible assets	195.9	206.1	198.9
Tangible assets	1,030.5	1,035.4	1,032.5
Investments	<u>1.0</u>	<u>1.2</u>	<u>1.0</u>
Noncurrent assets total	1,227.5	1,242.6	1,232.4
Inventories	3.8	3.2	4.3
Receivables	38.5	40.7	37.4
Financial securities	60.2	46.6	60.9
Cash in hand and bank receivables	<u>5.2</u>	<u>3.0</u>	<u>3.4</u>
Current assets total	107.6	93.4	106.1
Total	1,335.1	1,336.0	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	17.4	19.0	23.2
Capital loan	<u>167.9</u>	<u>167.9</u>	<u>167.9</u>
Shareholders' equity total	393.8	379.6	383.7
Provisions	0.0	0.6	0.0
Long-term liabilities	546.8	554.5	647.4
Short-term liabilities	<u>394.5</u>	<u>401.3</u>	<u>307.3</u>
Liabilities total	941.3	955.9	954.7
Total	1,335.1	1,336.0	1,338.4

CONSOLIDATED KEY INDICATORS	1 Jan - 31 Mar 2002 EUR million	1 Jan - 31 Mar 2001 EUR million	1 Jan - 31 Dec 2001 EUR million
Gross investments in noncurrent assets	8.2	13.8	43.5
% of turnover	10.7	17.8	18.0
Personnel, average	206	229	221
Equity ratio (including capital loans), %	29.5	28.4	28.7
Equity ratio (excluding capital loans), %	16.9	15.8	16.1