State Shareholdings in Finland
2003

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Review by the Minister of Trade and Industry

In Finland economic growth was slower in 2003 compared to the previous year, and the total production volume increased by 1.9% according to preliminary estimates. This growth was mainly based on domestic demand. The value of exports decreased by nearly 2%, when the instability of international economy persisted and the rate of the US dollar remained weak. Share prices rose by 4.4%, measured by the HEX general index.

Since the uncertainty of last year, the international economic outlook has improved. The demand for Finnish exports is anticipated to pick up. As the prospects of domestic demand are also more favourable than the year before, economic growth is expected to become stronger in Finland in 2004.

The Government made a Decision-in-Principle on the State's Ownership Policy at the beginning of 2004. In line with it, state-owned companies and the State's associated companies will be developed so that the value of the holdings will rise in the long term. The companies operating on market terms are to yield good profits and be competitive. The general aim of companies tending to the State's special tasks is profitable activity, at the same time as they strive for the best possible overall result in societal terms.

According to its active and pragmatic ownership policy, the Government is ready to continue reducing the State's ownership in the companies where the holdings are mainly based on the shareholder interest. Ownership arrangements are always considered on a company-to-company basis.

In the context of the Decision-in-Principle, the Cabinet Committee on Economic Policy adopted a stand "Competitive Rewarding Based on Production of Shareholder Value in State-Owned Companies and the State's Associated Companies". The State as an owner recommends the use of share-based bonuses to encourage the management and key personnel in companies with market-based operations. The conventional, formalistic option models should not be used at all.

The Government Programme states that the Government will investigate how the ownership control in the state-owned companies and in the State's associated companies operating on market terms could be appropriately centralised. The Ministry of Trade and Industry set up an ownership steering group to make preparations for the centralisation. In its report published in December 2003, the work group proposed that the ownership steering of all companies with market-based operations would be transferred into an ownership steering unit to be established. It would also be responsible for the general drafting and coordination of the State's ownership policy. The transition to the centralisation would be implemented so that at the first stage a specific ownership steering management group, consisting of the officials responsible for the ownership steering of three central ministries, would be set up.

The statements given on the report by the ownership steering group supported, as a rule, the group's proposals. The objective is that the Government would on this basis handle the centralisation by next summer and that it would decide to set up a management group for the State's ownership steering, which would become operational in good time this year. The management group is to ensure that the drafting and implementation of ownership steering measures are consistent throughout the public administration.

As mere operational centralisation of ownership steering does not yet bring all the benefits to be obtained from the centralisation, it is important that the Government also decides to establish an ownership steering unit. This decision should be taken so as to enable the new unit to start its operations in 2007 at the latest.

Minister of Trade and Industry
Mauri Pekkarinen
May 2004

State-owned Companies and Associated Companies

The State has shareholdings in some 50 major companies, of which 10 are listed (cf. the Annex on page 34). At the end of 2003, the market value of the State's share portfolio in listed companies amounted to EUR 13.1 billion. The value of the State's holdings was highest in Fortum Corporation, i.e. EUR 4.2 billion.

The administration of the corporate assets is divided between nine ministries. The Ministry of Trade and Industry is responsible for development and overall steering of the State's ownership policy, as well as for drafting of the related stands.

Ownership policy decisions and measures

The ownership steering group, which drafted the centralisation of the State's ownership steering, submitted its report to the Ministry of Trade and Industry in December 2003. The group proposed that the State would establish a specific ownership steering unit with which the ownership steering of companies with market-based operations would be vested and which would be responsible for the overall drafting and coordination of the State's ownership policy.

Mr Matti Vuoria, an evaluator of State ownership steering appointed by the Ministry of Trade and Industry, completed his report towards the end of 2003. The report included a proposal for revising the Government Decision-in-Principle defining the State's ownership policy. In addition, the evaluator proposed, among others, amending ownership policy legislation.

In February 2004, the Government approved the Decision-in-Principle on the State's Ownership Policy. It defines the State's objectives as an owner, the general principles to be followed and the practical procedures. Regarding the Decision-in-Principle, the Cabinet Committee on Economic Policy adopted a stand on the rewarding policy of companies and another stand on the appointment procedure of the Board member candidates of publicly listed state-owned companies and associated companies (cf. the Article on page 4.).

Based on the decision made in 2002 by the Ministry of Trade and Industry, nearly all companies shifted in 2003 over to a new practice of external Boards of Directors, in which the Managing Director or other executives are not members. Increasing the number of female members in the Boards of companies was continued.

The duties and powers of Supervisory Boards were cut in some companies following the policy outlines decided earlier by the State. The Supervisory Board of Finnair Oyj was terminated at the general meeting in 2003.

Strategic arrangements related to ownership policy

The activities of state-owned companies and associated companies with market-based operations must be profitable. To strengthen their operating conditions in the tightening competition situation, the companies must participate in the structural development that is in progress on the market, when necessary. The State will continue to expand the ownership base of companies on the basis of company-specific considerations.

The merger of the base metal business of Outokumpu Oyj and the Swedish Boliden Abp was among the restructurings effectuated in 2003. As the largest shareholder of Outokumpu, the State considered this arrangement justified.

In March the State sold the share capital of Suomen Autokatsastus Oy, the national car inspection and registration firm, to a limited company to be established, whose majority shareholder is MB Rahastot, a Finnish private equity group.

The Government decided in September to terminate the operations of the asset management company OHY Arsenal Plc and OHY Arsenal-SSP Plc by means of a voluntary liquidation procedure. The liquidation aims to accelerate the winding up of these companies and to dissolve the companies after settling the final accounts.

In October the State sold all of its 3 million B-series shares of Kone Corporation for EUR 136.5 million. The shares were sold by means of the so-called accelerated offering procedure to domestic and foreign institutional investors.

Towards the end of the year, Parliament gave its approval for measures that allow the State to relinquish its majority holdings in the oil business of Fortum Group, so that the authority over the new limited liability company engaged in the oil sector will still be vested with the State, together with Fortum Corporation.

In December the State purchased from TeliaSonera Ab its shares in the network operator Suomen Erillisverkot Oy. After the deal, Suomen Erillisverkot is fully owned by the State.

In March 2004 the State made a deal with the other shareholders of Kemijoki and with the company itself that it sells its B-series shares of Kemijoki Oy to the company. The other shareholders are entitled to buy these shares from the company. As a result of the arrangement, the State's holdings of the entire share capital of Kemijoki are 50.1% at the lowest.

The State sold in March 2004 around 8% of the share capital of Sampo plc to Varma Mutual Employee Insurance Company. The price of the deal was EUR 408.3 million. After the arrangement, the State's holdings in the share capital of Sampo fell to 32.4%.

Key figures summed up

The net sales of the 10 state-owned companies presented in this publication totalled EUR 20.1 billion in 2003 (19.7 billion in 2002). The profit after the financial items rose to EUR 1.5 billion (EUR 1.3 billion). The average equity ratio was 45%, which is the same as in the previous year. The total number of clerical personnel and employees was 78,700, i.e. almost the same as the year before.

The net sales of the associated companies in this publication, excluding Sampo plc, totalled EUR 34.4 billion (EUR 34.9 billion in 2002). The profit after the financial items stood at EUR 1.5 billion. The total number of personnel was 131,800, i.e. a little less than in 2002.

State's dividend yield

Based on the results of the previous financial year, all state-owned companies and the State's associated companies paid dividend to the State for the worth of EUR 600 million in 2003 (cf. the Figure on page 7).

The total sum of the dividends of the state-owned companies and the State's associated companies presented in this publication that were distributed on the basis of the returns of 2003 was EUR 2,357 million. Of this, the share of the state-owned companies was EUR 509 million and that of the listed associated companies EUR 1,848 million. The dividends paid to the State from the total dividend sum amounted to EUR 793 million; the sum accrued from the state-owned companies was EUR 342 million and that from the associated companies EUR 451 million.

The 2003 dividend yield of the State's portfolio of listed shares exceeded the average of the listed companies, with banks and insurance companies excluded from the comparison. The dividend ratio of the portfolio was lower than in the companies on average. The valuation level of the listed state-owned companies and the State's associated companies, measured by the P/E ratio, was below the average of the listed companies (cf. the Table on page 6).

Outlines of the State's Ownership Policy and Ownership Steering

Prime Minister Vanhanen's Government revised the Government Decision-in-Principle on the State's Corporate Ownership Policy in February 2004. The Decision-in-Principle gives the central outlines for ownership policy and ownership steering, according to which all ministries responsible for the administration of state-owned companies and the State's associated companies operate during the governmental term. The drafting of the Decision-in-Principle was based on the report submitted in December 2003 by Mr Matti Vuoria (then chairman of the board of Fortum Corporation), who acted as the evaluator of the State's ownership policy.

Four general principles of ownership policy

The general principles of ownership policy are the most important new element in the Decision-in-Principle. They crystallise the general starting points that must be taken into account in all decision-making related to ownership policy, also in application of the Decision-in-Principle and the supplementary guidelines.

The first and most central general principle of ownership policy is separation of regulation and ownership steering. This principle is closely connected with the debate on centralisation of ownership steering and requires that the State as an owner makes it clear what kind of shareholder interest it has in different companies. In this regard, a central policy outline was defined in the report by the ownership steering group published in December 2003, in which the companies were divided into companies operating on market terms and companies tending to special duties.

A company operates on market terms, when it functions in a competitive environment and seeks to achieve profit for its operations. Naturally, all listed companies operate on market terms, as well as the majority of unlisted companies that the State owns. In these companies, too, the State may hold strategic interests that affect ownership-related decisions, but do not shift the companies from one group to another. Separation of regulation and ownership steering concerns particularly companies with market-based operations, in the case of which the State's ownership function is tended independently, consistently and clearly apart from any regulatory tasks.

The second general principle is linked to situations in which a company has other owners besides the State. Then equality of the owners, the regulation of the securities market, which has an essential effect in listed companies, and the information dissemination obligations imposed on the companies must be taken into account. Another general principle of ownership policy is that the State as an owner operates subject to the Finnish Companies Act and the Securities Market Act, exercises its shareholder power at the annual general meetings and does not require nor demand exemptions or rights deviating from those of the other owners.

The State's decision-making concerning ownership policy has often been blamed for its varying and unpredictable nature. In this respect, the central allocation of powers is based on the Act titled The State's Exercise of its Partnership Authority in Certain Limited Companies Engaging in Economic Activities (740/1991). The Decision-in-Principle takes note of both the need to assess the up-to-datedness of this so-called State-owned Companies Act and the need to comply with its allocation of powers. The third general principle of ownership policy is clear allocation of work between Parliament and the Government, which complies with the State-owned Companies Act. According to it, Parliament decides on the State's holdings within the relevant limits in view of the Finnish Companies Act and the Government both implements the possible ownership arrangements in each particular case in the best and appropriate manner and tends to the practical ownership steering.

In discussions on the State's ownership steering it has often been unclear what the owner's position is in the decision-making of companies and how significant the Government Decisions-in-Principle and other regulation are for the companies. The new Decision-in-Principle makes it clear that it has been intended for authorities in charge of ownership policy, and not for companies. At the same time, the practical allocation of work is emphasised; in fact, the fourth general principle of ownership policy is that decision-making related to ownership policy belongs to the State, and business-related decision-making to the bodies of the companies.

Bases of ownership steering

According to the Decision-in-Principle, the prime goal of the State's corporate ownership policy and ownership steering is to develop the companies and to support long-term rise in the shareholder value. The key principles of ownership steering are the owner's open and consistent behaviour, proposing responsible and competent members for the Boards of Directors of the companies, the owner's inputs in the management resources of the companies and in getting the management commit themselves to the company, as well as considering the interests of all shareholders and other stakeholders. The most important tools of the owner are independent drafting of the ownership strategy and development of corporate governance.

The ownership steering of companies operating on market terms implements the above general principle of keeping the owner and management apart. The State as an owner participates in making business decisions at the general meetings. The executive management and administrative bodies are responsible for the company's result, making the operational decisions within the framework of the Finnish Companies Act and the Articles of Association. In practice it is clear that the Board of Directors and the executive management ensure in advance the attitudes of the major owners not only in state-owned companies and the State's associated companies, but also in other companies at least when the actions planned in the company would require the use of the company shares as a payment instrument or other corporate arrangement on which a decision is made at the general meeting. In practice the important strategic issues and restructurings are discussed with the major shareholders, although it is clear to all parties concerned that the power of decision is vested with the company's Board of Directors.

Objectives of ownership policy

The State's ownership policy is based on raising the shareholder value in a manner that takes all the stakeholders into account. The Decision-in-Principle emphasises that the owner expects the state-owned companies and the State's associated companies to meet all the statutory requirements remarkably well. Taking the various stakeholders into account means especially that the position of the personnel must be considered and that the activities must be responsible in terms of the environment. Thus the State as an owner is ready to promote creation of new jobs and appreciates long-term personnel policy in which the continuity of employment and the knowledge capital of the employees are taken into account. The State is ready, also as owner, to enhance arrangements by which the companies aim to coordinate aspects concerning production and finance with the environment in a manner that promotes the company's competitiveness. However, the decisions are made in the companies and not in the ministries.

The Decision-in-Principle also reiterates the fact, which has already been underlined earlier, that due to the long-term nature of the shareholding the dividend policy of the companies plays a central role towards the State. The State appreciates predictable dividend policy that takes the owner's interests into account and that is based on a comparable and even flow of dividends in the sector concerned.

Boards of Directors and Appointment Committees

For ownership steering, an important decision-making body is the company's Board of Directors, for which experts independent of the companies are appointed. When proposing Board members, essential criteria are the candidates' experience, expertise, diversified skills and ability to work as team members.

In preparations for the appointment of the Board members and for Board bonuses, the State adopted a policy that deviated from the corporate governance recommendation of Helsinki Stock Exchange: these are not to be prepared by the Board members themselves, but the general meetings select appointment committees in which representatives nominated by a few major shareholders and the Chairperson of the Board of Directors as an expert member participate. The justification for this policy is simply the fact that appointing the Board of Directors is an important means of the shareholders to influence the company's matters and that the Board is to enjoy the trust of the shareholders. In addition, it is probable that the representatives of the shareholders assess the Boards of Directors more critically than the Board itself. The presence of the Chairperson of the Board ensures that the appointment committee gets the best possible information on the Board's work and the Chairperson's assessments of the inputs of individual members in the Board's work.

Rewarding

The Decision-in-Principle also stresses that the owner, too, is to contribute to safeguarding the competitiveness of the companies. The more detailed policy for rewarding is based on a stand by the Cabinet Committee on Economic Policy.

Among important objectives of ownership steering are that the company has a skilled, committed management that operates in line with the owners' interests and that the company may both recruit and keep such persons employed that it needs for successful activity. Thus the owners are to ensure that the company is capable of competing for management professionals and other key persons under competitive terms. It is essential that the long-term nature of the State's holdings and the related sufficiently long commitment needs are taken into account in the rewarding schemes intended for the management.

In ownership steering, it is to be noted that the success of the companies does not solely depend on, nor is attributable to, the management or the Board of Directors. A competent and motivated personnel is an important success factor in business activities, so that a fair opportunity to profit from the good results of the company must be ensured to the entire personnel. Rewarding of personnel can also serve, through a personnel fund or otherwise, in maintaining a high level of motivation and commitment to the targets of the company.

The stand concerning rewarding emphasises that the remuneration of the company management and key persons should be viewed as a whole, of which the result-based bonuses and incentive schemes constitute an integral part. The State as an owner is ready to accept such incentive schemes only for which there are justifications closely connected with the expectations related to the company and the development of its operations and that at the same lead to sufficient commitment of the owners. The use of conventional, formalistic option models is not acceptable, and other option models are not recommendable, either.

If option schemes are used for special reasons, part of the options must be used to subscribing shares of the company and certain shares must be retained at least for a certain period of time. Instead of options, the State favours share-based rewarding models, which must be linked to such transfer restrictions for shares that ensure the share recipients' commitment to the company and to raising its shareholder value. A justified aim is considered to be shareholding that corresponds to around one year's basic salary. If the company is publicly unlisted, the share-based bonus schemes must be connected with such redemption conditions that safeguard the realisation of the shares after the termination of an employment relationship.

As the company's Board of Directors is also an essential decision-making body in terms of ownership steering, the State considers it important that the bonuses of the Chairmen and members of Boards of Directors are competitive with respect to those of the competitors. As a general rule, the bonuses of the Board members are to be paid in money. Share-based bonuses may only be used for special reasons and if they become common practice in the competing companies. The bonuses of the Chairpersons and members of the Supervisory Boards are primarily assessed in the light of the tasks of the Supervisory Board.

In conclusion

The greatest challenges of the State's ownership policy and ownership steering are maintaining the independent shareholder role and implementing ownership steering that is as consistent as possible. The Government Decision-in-Principle, the related outlines of the Cabinet Committee on Economic Policy and advancing the centralisation of the State's ownership steering under preparation are important tools in meeting these challenges.

Markku Tapio
Director General

Pekka Timonen
Chief Counsellor

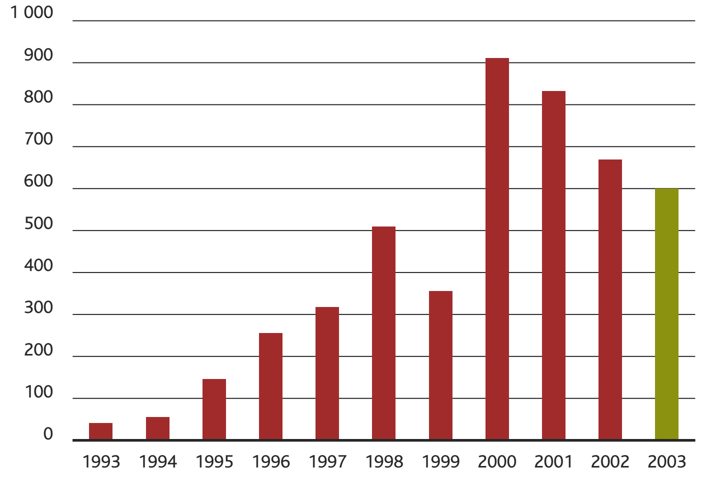
Ministry of Trade and Industry
State's Shareholdings Unit

Profitability and returns of listed companies*

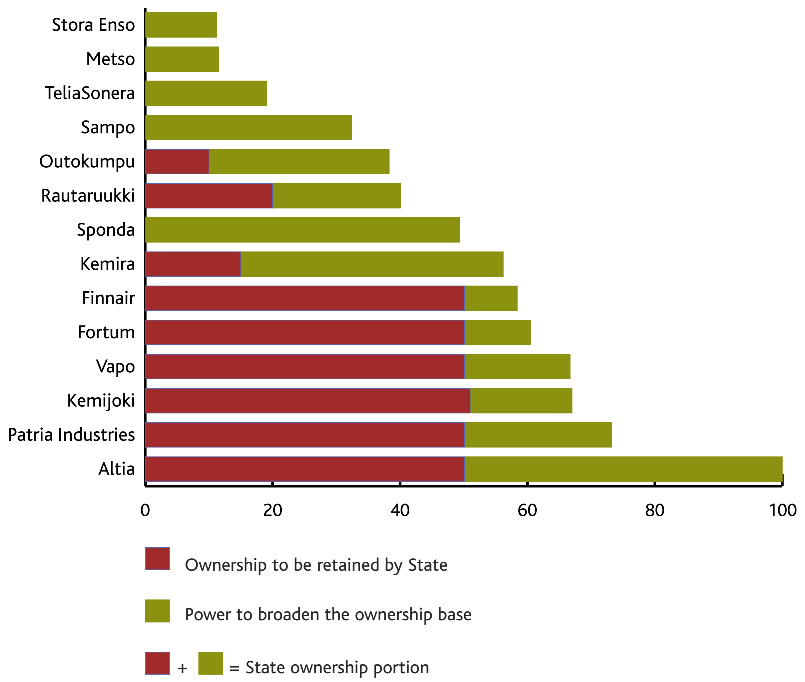
Growth of net sales%	1999	2000	2001	2002	2003	Average
Entire stock exchange	13.7	31.9	6.1	4.6	5.7	12.4
Entire stock exchange excl. Nokia	6.0	25.7	7.1	6.7	7.5	10.6
Listed state-owned companies and associated companies	–0.4	20.3	9.2	6.4	0.0	7.1
Operating margin%	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	10.0	11.1	9.5	8.6	8.2	9.5
Entire stock exchange excl. Nokia	7.8	8.7	7.5	6.2	6.0	7.3
Listed state-owned companies and associated companies	8.6	10.1	7.5	6.9	8.4	8.3
Net profit margin%	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	5.8	6.9	5.8	5.6	4.9	5.8
Entire stock exchange excl. Nokia	4.2	5.1	4.0	3.6	3.2	4.0
Listed state-owned companies and associated companies	4.7	5.8	4.0	4.7	4.6	4.8
Return on equity ratio%	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	13.9	17.2	12.7	11.3	9.9	13.0
Entire stock exchange excl. Nokia	9.6	11.9	8.4	7.2	6.4	8.7
Listed state-owned companies and associated companies	9.6	11.4	6.8	7.7	6.7	8.4
Equity ratio%	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	43.7	43.4	45.2	46.3	47.6	45.2
Entire stock exchange excl. Nokia	42.3	41.5	43.4	43.7	44.7	43.1
Listed state-owned companies and associated companies	39.8	40.4	43.9	43.7	46.1	42.8
EVA per sales%	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	1.9	3.5	1.3	–0.5	0.2	1.3
Entire stock exchange excl. Nokia	–0.3	1.2	–1.0	–2.9	–2.1	–1.0
Listed state-owned companies and associated companies	–1.1	1.1	–2.6	–5.4	–3.0	–2.2
P/B ratio	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	6.8	5.0	2.7	1.8	2.2	3.7
Entire stock exchange excl. Nokia	3.0	1.6	1.3	1.1	1.4	1.7
Listed state-owned companies and associated companies	3.9	1.4	1.1	1.1	1.2	1.7
P/E ratio	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	52.5	32.0	22.8	16.9	22.0	29.2
Entire stock exchange excl. Nokia	33.0	14.7	16.0	16.3	21.5	20.3
Listed state-owned companies and associated companies	42.9	13.9	16.3	15.4	18.1	21.3
Dividend yield%	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	1.0	1.2	2.1	2.9	2.9	2.0
Entire stock exchange excl. Nokia	1.8	3.1	3.7	3.9	4.0	3.3
Listed state-owned companies and associated companies	1.0	2.8	3.0	3.3	3.4	2.7
Payout ratio%	**1999**	**2000**	**2001**	**2002**	**2003**	**Average**
Entire stock exchange	50.7	39.6	47.4	49.4	64.6	50.4
Entire stock exchange excl. Nokia	60.6	44.8	58.9	63.8	87.3	63.1
Listed state-owned companies and associated companies	43.5	39.7	49.4	49.9	61.7	48.9

* Excl. banks and insurance.
Counted from aggregates, growth of net sales weighted by net sales.

Dividend yield to the State Treasury 1993–2003, M€



Authorisation by Parliament for expanding the ownership base on 15 April 2004, %



Publicly Quoted State-owned Companies

Finnair is a travel industry group, offering scheduled passenger flight, leisure flight, travel agency and cargo services in Finland and abroad. Scheduled passenger traffic operations represent 80 per cent of the Group's external turnover. Half of Finnair's scheduled passenger traffic revenue comes from European routes and a quarter from Asian routes. Domestic traffic accounts for around one fifth of sales revenue.

Finnair has a competitive advantage granted by geographical location in traffic between Europe and the Far East. Annually Finnair carries around seven million passengers and more than 70 million kilos of cargo. Finnair celebrated its 80th birthday in November 2003. Finnair is the world's sixth oldest, currently operating, airline.

In 2003 Finnair's long-haul fleet grew from four aircraft to five. In the spring of 2004 a sixth Boeing MD-11 aircraft joins the fleet. The increased capacity will be used to up frequencies to Asian destinations.

Air transport has had three difficult years in succession. The terrorist attacks in autumn 2001 initiated an upheaval in the industry. Strong fluctuations in demand resulting from various external factors have followed one after another. In 2003 the war in Iraq and the SARS epidemic were particularly significant.

Competition for market share between the traditional airlines has reduced price levels. At the same time, new operators have entered the sector, helped by the availability of unemployed aircraft and personnel on flexible terms.

Finnair responded to the tighter competitive situation by implementing a major price reform in September. The price formation of flights was changed from prices based on rules to flight-specific pricing driven by demand. The new price structure increased demand sharply and Finnair increased its market share.

The continual decline in average price has required robust cost-cutting. In spring 2003 Finnair launched a 160 million euro efficiency programme in order to achieve permanent, structural cost savings.

Finnair continued to expand its Asian traffic in 2003. New destinations were opened – to Osaka, Japan in June and to Shanghai, China in September. Asian traffic grew by around 40 per cent after the SARS epidemic subsided. Asians make up the majority of passengers on Asian flights.

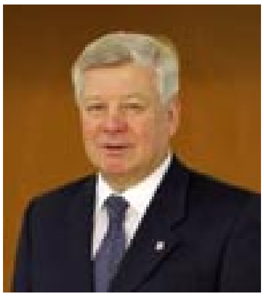
In a new growth area, Finnair began budget airline operations in the Scandinavian market by acquiring 85 per cent of the Swedish airline Nordic Airlink. At the end of 2003, the reorganized company started operating from Stockholm on routes where there is high demand and low competition.

Despite the difficult years, Finnair's fleet renewal programme has been implemented according to plan. One third of the fleet has been renewed during the last three years. The customer- and environment-friendly Airbus A320 series aircraft have been acquired for European traffic and domestic trunk routes. At the end of 2003 the company had 25 of such aircraft. On the completion of the acquisition programme in autumn 2004 there will be 29 aircraft in the Airbus fleet.

Consolidated		**2000***	**2001**	**2002**	**2003**
Net sales	M€	1,658	1,631	1,656	1,558
Operating income	M€	111	13	60	–19
Income after financial items	M€	149	9	54	–22
Return on investment	%	15.3	2.9	7.6	0.0
Equity ratio	%	42.6	41.3	44.3	44.4
Balance sheet total	M€	1,539	1,508	1,480	1,415
Gross investments	M€	247	281	102	82
Personnel, average		11,051	10,847	10,476	9,981
Parent company					
Share capital	M€	72.0	72.0	72.0	72.0
Dividends	M€	33.9	5.9	12.7	8.5

* Pro forma figures calendar year 2000

Distribution of shares in Finnair Oyj
State of Finland 58.4%
Others 41.6%
President and CEO
Keijo Suila
Head Office
Tietotie 11 A
FI-01053 FINNAIR, Finland
Tel. +358 9 81 881
www.finnair.com/group
Board of Directors (as April 7, 2004)
Christoffer Taxell, Chairman
Samuli Haapasalo
Markku Hyvärinen
Kari Jordan
Veli Sundbäck
Helena Terho
Kaisa Vikkula



President and CEO Keijo Suila

Key share figures		1999/2000*	2000**	2001	2002	2003
Price/earnings (P/E ratio)		10.71	4.71	44.52	8.63	–27.66
Earnings/share (EPS)	€	0.37	0.95	0.08	0.43	–0.19
Equity/share	€	6.81	7.60	7.29	7.58	7.24
Dividend/share	€	0.25	0.40	0.07	0.15	0.10
Dividend/earnings	%	68.4	42.2	83.1	34.5	–52.2
Effective dividend yield	%	6.4	9.0	1.9	4.0	1.89

Market value of the company		
Dec 31, 2003	M€	449,1

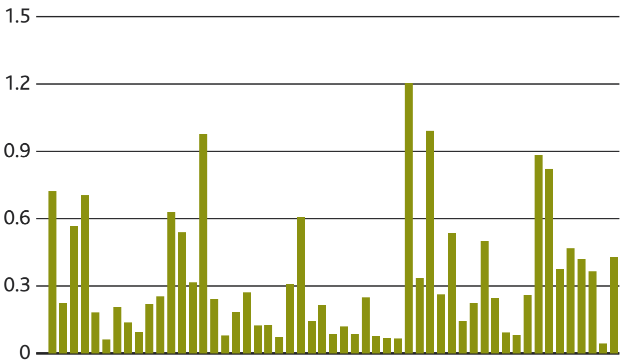
Types and quantities of shares	1999/2000*	2000**	2001	2002	2003
Average number of shares adjusted by issue	84,739,098	84,739,098	84,739,098	84,740,792	84,743,171
Average number of shares adjusted by issue, Dec 31 ***	84,739,098	84,739,098	84,739,098	84,743,163	84,745,663
Number of shares, Dec 31 ***	84,739,098	84,739,098	84,739,098	84,743,163	84,745,663

Shares traded and price trend		1999/2000*	2000**	2001	2002	2003
Shares traded	Mill.	17.6	8.1	10.9	16.7	17.8
Shares traded/shares outstanding	%	20.7	9.6	12.9	19.7	21.0
Shares traded	M€	81.0	34.7	47.9	72.3	76.4
Average share price	€	4.25	4.27	4.40	4.33	4.29
Lowest share price	€	3.95	3.65	3.48	3.70	3.20
Highest share price	€	5.49	4.99	5.20	5.10	5.58
Share price on closing of books	€	3.95	4.47	3.75	3.75	5.30

State ownership	
Dec 31, 2003	58.4%
Limit to which the Government has been authorised to decrease the State's holding	50.1%

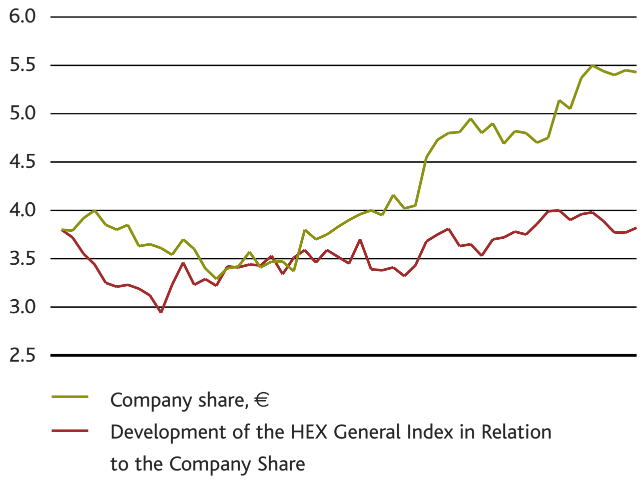
* Financial year 1 April – 31 March 2000
** Pro forma figures calendar year 2000
***March 31 in the financial year 1999/2000

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



Fortum

Fortum is a leading energy company in the Nordic countries and the other parts of the Baltic Rim. Fortum's activities cover the generation, distribution and sale of electricity and heat, the production, refining and marketing of oil, the operation and maintenance of power plants, as well as other energy-related services. The main products are electricity, heat and steam, traffic fuels and heating oils.

Fortum's competitiveness in the power and heat business is based on a pan-Nordic concept which is characterised by a high level of operational efficiency and a broad customer base. As an oil refiner, Fortum is the leading manufacturer of environmentally benign oil products.

In line with its strategy Fortum continued to focus on the Nordic energy market in 2003. Fortum secured an important foothold in Norway by acquiring shares in electricity company Hafslund and some other Norwegian companies. Fortum now has almost 100,000 Norwegian customers. Fortum also increased its ownership in Lenenergo in St Petersburg, which gave Fortum a window seat to the opening up of the Russian electricity market.

During the last few years, Fortum has increased its carbon dioxide-free power generation. In 2003, 78% of Fortum's power generation was CO2-free. In December 2003, Fortum decided to participate in Finland's fifth nuclear power unit with a 25% share.

In September 2003, Fortum announced it would separate its oil business into a new company, and subsequently list it on the Helsinki Exchanges. This arrangement enables Fortum to further increase its focus on its Nordic utility strategy and allows the oil business to implement its own independent strategy and take full advantage of attractive market developments. The timing of the initial public offering will be dependant on market conditions.

This arrangement also enables an investment of EUR 500 million in the Porvoo refinery. As a result of the project, the production of sulphur-free diesel fuel will grow by approximately one million tons per year. Fortum currently refines some four million tons of diesel a year. The investment does not increase the refinery's total refining capacity.

In September 2003, Fortum decided to invest EUR 500 million in the Porvoo refinery. The aim is to raise the production of sulphur-free diesel fuel made from competitive Russian raw materials. The investment in scheduled for completion by the end of 2006.

Consolidated		2000	2001	2002	2003
Net sales	M€	10,614	10,410	11,148	11,392
Operating income	M€	906	914	1,289	1,420
Income after financial items	M€	633	702	1,008	1,184
Return on investment	%	9.4	8.7	11.1	11.4
Equity ratio	%	43	48	41	40
Balance sheet total	M€	14,828	14,294	17,960	16,562
Gross investments	M€	3,131	713	4,381	1,136
Personnel, average		16,220	14,803	14,053	13,343
Parent company					
Share capital	M€	2,875	2,875	2,876	2,886
Dividends	M€	194	220	262	357

Distribution of shares in Fortum Corporation

General government 67.33%
Households 5.30%
Outside Finland and nominee registrations 22.21%
Financial and insurance institutions 2.90%
Private non-financial corporations 1.13%
Public non-financial corporations 0.03%
Non-profit organisations 1.10%

President and CEO

Mikael Lilius

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Board of Directors

(as from March 25, 2004)

Peter Fagernäs, Chairman
Heikki Pentti, Deputy Chairman
Birgitta Johansson-Hedberg
Birgitta Kantola
Lasse Kurkilahti
Antti Lagerroos
Erkki Virtanen

President and CEO
Mikael Lilius

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		10.9	7.9	8.3	7.5	9.0
Earnings/share (EPS)	€	0.41	0.55	0.57	0.79	0.91
Equity/share	€	6.00	6.32	6.49	6.97	7.55
Dividend/share	€	0.18	0.23	0.26	0.31	0.42
Dividend/earnings	%	43.4	41.9	45.6	39.3	46.2
Effective dividend yield	%	4.0	5.3	5.5	5.3	5.1

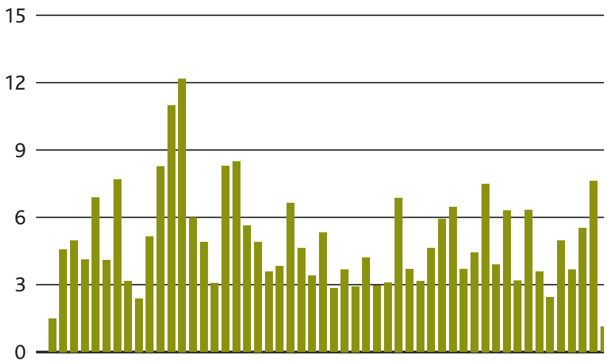
Market value of the company		
Dec 31, 2003	M€	6.943

Amount of shares	1999	2000	2001	2002	2003
Number of shares, Dec 31	784,782,635	845,608,575	845,608,575	845,775,555	849,813,479
Number of own shares, Dec 31	–	51,037,520	–	–	–

Shares traded and price trend		1999	2000	2001	2002	2003
Shares traded	Number	112,397,961	93,900,112	134,498,556	251,216,856	270,277,275
Shares traded/ shares outstanding	%	14.3	11.9	16.8	29.7	31.9
Shares traded	M€	535.5	392.2	644.7	1,475	1,867
Average share price	€	4.76	4.18	4.79	5.87	6.94
Lowest share price	€	4.24	3.50	4.05	4.75	5.66
Highest share price	€	5.80	4.94	5.70	6.52	8.75
Share price on closing of books	€	4.50	4.35	4.75	6.25	8.18

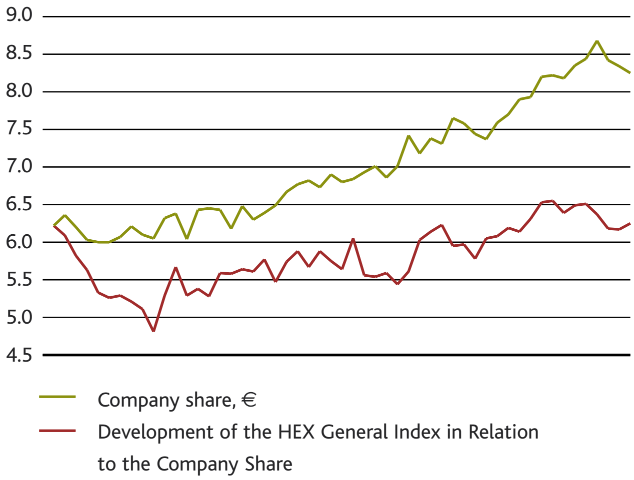
State ownership	
Dec 31, 2003	60.53%
Limit to which the Government has been authorised to decrease the State's holding	50.1%

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



Kemira

All the Kemira Group's businesses except GrowHow were able to improve their operating income last year despite the continued slow economic growth in Europe. The early part of 2004 has been in line with expectations and full-year net sales, operating income and earnings per share are estimated to improve on the previous year.

Kemira is seeking a position of world leadership within pulp and paper chemicals and water treatment chemicals. The growth area for the paints business is the Baltic Rim and eastern Europe, particularly Russia. Within industrial chemicals, development will be based on organic growth, cost-effectiveness and creating added value through speciality businesses. In the area of plant nutrients and animal nutrition, added value will be created through tailor-made solutions, building growth from the unit's own cash flow.

The 2003 net sales were up 5% on the previous year and were EUR 2,738 million. Operating income was EUR 144 million. Capital expenditures totalled EUR 236 million. The Group spent about EUR 48 million on research and development, or about 2% of net sales.

For pulp and paper chemicals, the low business cycle in the client industry is forecast to continue in 2004. Following the acquisitions made last year, the company has strengthened its geographical presence and expanded its portfolio of products and services, especially in North America. Pulp and paper chemicals' full-year operating income is set to improve on the figure reported a year ago.

Demand for water treatment chemicals is expected to show further favourable development. Raw material prices have risen rapidly in 2004, cutting into profitability, at least in the short term. Operating income is nevertheless estimated to improve on last year.

The trend for industrial chemicals has been good, particularly for Kemira Fine Chemicals. Within titanium dioxide pigments and the unit's other products, sales volumes and prices are lower than they were last year. Thanks to measures aiming at saving on fixed costs, operating income is expected to come in ahead of last year's result.

Demand for paints and coatings appears relatively good, especially after last summer's weak painting season. Sales in Russia will continue to grow. Fixed-cost savings and synergy benefits will contribute to improving full-year operating income.

Prices of GrowHow's fertilizers were substantially higher than during the same period last year. Although raw material prices have risen too, GrowHow's operating income is expected to improve on last year.

Paper is a vital part of our daily life and Kemira plays a central role in its manufacture. We are seeking to become the world's leading player within both pulp and paper chemicals and water treatment chemicals.

Consolidated		2000	2001	2002	2003
Net sales	M€	2,486	2,454	2,612	2,738
Operating income	M€	175	144	40	144
Income after financial items	M€	144	113	16	118
Return on investment	%	10	8	3	8
Equity ratio	%	48	46	43	44
Balance sheet total	M€	2,408	2,450	2,491	2,495
Gross investments	M€	218	298	243	236
Personnel, average		9,644	10,207	10,377	10,536
Parent company					
Share capital	M€	217	217	217	217
Dividends	M€	37	36	36	39

Distribution of shares in Kemira
State of Finland 56.2%
Finnish institutional investors 27.7%
International institutional investors 5.9%
Private investors 6.8%
Kemira 3.4%

Chief Executive Officer
Lasse Kurkilahti

CEO Lasse Kurkilahti

Kemira Group
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Fax + 358 10 862 1119
firstname.surname@kemira.com
www.kemira.com

Board of Directors (from April 6, 2004)
Anssi Soila, Chairman
Eija Malmivirta, Vice Chairman
Elizabeth Armstrong
Heikki Bergholm
Ove Mattsson
Kaija Pehu-Lehtonen
Markku Tapio

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		26.57	7.34	11.50	94.14	14.82
Earnings/share (EPS)	€	0.23	0.73	0.58	0.07	0.62
Equity/share	€	7.57	9.08	9.35	8.94	9.04
Dividend/share	€	0.23	0.30	0.30	0.30	0.33
Dividend/earnings	%	100.0	18.2	51.7	428.6	53.2
Effective dividend yield	%	3.8	5.6	4.5	4.6	3.6

Market value of the company		1999	2000	2001	2002	2003
Dec 31	M€	781	663	795	779	1,086

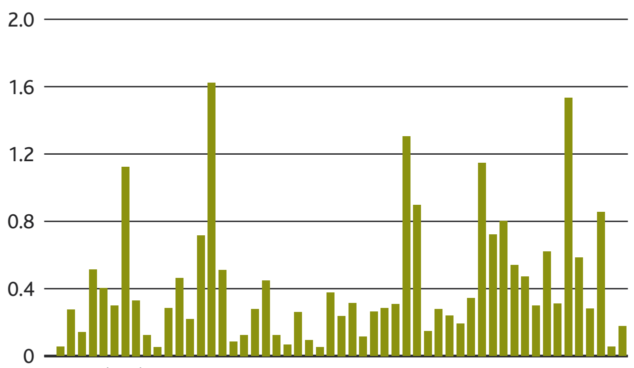
Types and quantities of shares	1999	2000	2001	2002	2003
Average number of shares (1,000) [1)]	128,318	126,623	121,075	118,170	118,170
Number of shares, Dec 31 (1,000) [1)]	127,800	123,645	119,208	118,170	118,170

Shares traded and price trend		1999	2000	2001	2002	2003
Shares traded	(1,000)	20,703	17,366	72,176	24,606	23,011
Shares traded/ shares outstanding	%	16.20	14.06	60.54	20.82	19.47
Shares traded	M€	121	98	532	178	170
Average share price	€	5.85	5.67	7.36	7.22	7.39
Lowest share price	€	5.20	4.92	5.30	5.75	5.75
Highest share price	€	6.90	6.80	8.75	8.50	9.30
Share price on closing of books	€	6.11	5.36	6.67	6.59	9.19

[1)] Weighted average number of shares outstanding, adjusted by the number of shares bought back.

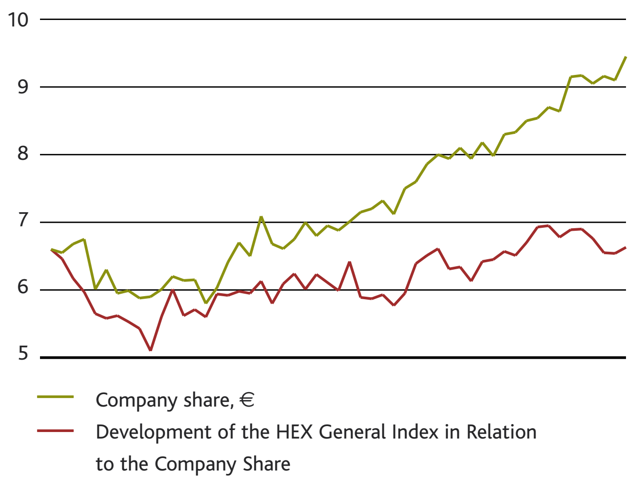
State ownership	
Dec 31, 2003	56.2%
Limit to which the Government has been authorised to decrease the State's holding	15%

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



Other State-owned Companies

Alko is an independent company fully owned by the state. The company's basic function is the retail sale of alcoholic beverages under a monopoly granted under the Alcohol Act, with the aim of preventing the harmful effects of alcohol consumption.

The Alcohol Act gives Alko a monopoly over the retail sale of all beverages containing alcohol, apart from fermented beverages containing up to 4.7% alcohol by volume and wines sold by Finnish farm wineries containing up to 13% alcohol by volume.

In 2003, over 62 million customers visited Alko shops. Alko shops must comply with strict requirements concerning responsible control over their sales. Alcoholic beverages are not sold to underage or intoxicated persons. We also strive to prevent the handover of alcohol to underage persons.

At the end of 2003, Alko had 314 shops and 142 supplementary order points. All Alko shops provide a service for corporate customers. In addition, Alko has 23 shops specializing in serving corporate customers in major towns and northern holiday resorts.

The principles governing relations between Alko and its suppliers are presented in a booklet called Listing Procedure and Retail Sale of Alcoholic Beverages. About 460 new products were added to Alko's product range in 2003.

In 2003, Alko's sales per litre amounted to more than 106 million, a growth of 2.7 per cent compared with 2002. Taken on a product-group basis, the biggest increase in sales came in mild wines, particularly red wines, and long drinks. Bag-in-box wines rose to 22 per cent of wine sales in terms of litres.

Alko's Alcohol Control Laboratory (ACL) tests the quality and safety of products sold by Alko. Products in the standard range are tested at regular intervals for the properties that the authorities require to be tested in the EU area. In 2003, such studies focused on the microbiological purity of wines, the quality of bag-in-box wines, the allergens in beer, and the authenticity of alcoholic beverages.

With respect to environmental protection, Alko subscribes to the Business Charter for Sustainable Development of the International Chamber of Commerce, for example. Thanks to sound consumer information and efficient cooperation partnerships, Finland has the world's most efficient recycling systems for drink containers. Some 94 per cent of all containers sold by Alko are recycled.

Alko has an extensive range of high-quality products.

Consolidated		2000	2001	2002	2003
Net sales	M€	962.8	1,029.5	1,091.5	1,133.1
Operating income	M€	44.3	32.6	–1.1	42.9
Income after financial items	M€	47.1	36.3	0.7	43.8
Return on investment	%	54.5	43.5	1.2	87.0
Equity ratio	%	36.9	33.5	20.0	25.0
Balance sheet total	M€	237.7	238.3	232.9	217.3
Gross investments	M€	6.7	8.9	8.3	9.8
Personnel, average		2,142	2,209	2,508	2,574
Parent company					
Share capital	M€	17	17	17	17
Dividends	M€	33.6	26.1	20.0	20.0

Distribution and shares in Alko Inc
State of Finland 100%
President and CEO
Jaakko Uotila
Head Office
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Fax +358 9 576 5386
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www.alko.fi
Board of Directors (as from May 3, 2004)
Jussi Huttunen, Chairman
Reijo Väärälä, Vice Chairman
Matti Elovaara
Raija Koskinen
Jussi Simpura
Soili Suonoja

President and CEO
Jaakko Uotila

ALTIA
1888

Altia is a reliable Finnish wine and spirits house that started operations in Rajamäki, Finland in 1888. Altia produces, imports and markets strong alcoholic beverages and wines. Altia represents several well-known international brands in Finland and the Baltic region.

Altia Corporation's net sales totaled EUR 200.3 million and its operating profit stood at EUR 24.8 million. Profit before taxes was EUR 25.3 million. The Corporation employed an average of 676 persons.

Altia's business areas are Altia Spirits, Altia Wines, Grain Processing and Enzymes. Altia's share of total spirits sales in Finland is two-thirds and its strong brands include Koskenkorva Viina, Jaloviina and Monopol Cognac. The company is also the Finnish representative of some world-leading brands such as the cognacs of Sociéte Jas Hennessy & Cie, the whiskies of William Grant & Sons and Brown-Forman and the liquers of De Kuyper. Altia's share of total wine sales in Finland is about one third. The wine selection includes both products bottled by Altia and international brands.

Brown-Forman Corporation is responsible for Finlandia Vodka's business operations and has an 80% holding in Finlandia Vodka Worldwide Ltd. Altia has a 20% holding and exclusive rights to the production of Finlandia Vodka until 2017. SkyCellar Ltd, a joint venture established in partnership with Finnair, is Finnair's official wine supplier. In Estonia Altia operates through its subsidiaries Altia Eesti AS and AS Ofelia.

The Grain Processing business comprises the grain spirits, starch and animal feed produced at the Koskenkorva plant and the technical ethanol and food products made at the Rajamäki plant.

Roal Ltd, 50% owned by Altia, is engaged in the production, research and development of enzymes. Roal's other owner is ABF Overseas Ltd.

Altia aims not only to achieve good financial results, but also to be the best partner in terms of quality and reliability. The basic pillars of our strategy are to build a product range that meets customer needs, to manage principal and partner relationships, to create and maintain brands and to develop cost-efficient production and logistics. Our high-quality products are safe, and well-known to all Finns.

Altia Academy´s fully equipped Altia Bar is used to train professionals in the field. Facilitator Pekka Pellinen instructs Riitta Stockmakare.

Consolidated		**2000**	**2001**	**2002**	**2003**
Net sales	M€	221.1	227.1	248.1	200.3
Operating income	M€	110.2	32.6	102.3	24.2
Income after financial items	M€	115.3	35.0	103.4	25.3
Return on investment	%	10.8	22.0	61.0	15.4
Equity ratio	%	59.3	58.0	60.8	58.8
Balance sheet total	M€	381.4	256.2	306.7	236.4
Gross investments	M€	6.6	9.3	28.0	14.0
Personnel, average		827	729	699	676
Parent company					
Share capital	M€	60.5	60.5	60.5	60.5
Dividends	M€	112.7	25.0	66.0	10.0

Distribution of shares in Altia Corporation
State of Finland 100%
President and CEO
Veikko Kasurinen
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www.altiagroup.fi
Board of Directors (as from March 18, 2004)
Markku Tapio, Chairman
Heikki Hakala, Vice Chairman
Satu Heikintalo
Jarmo Leppiniemi
Jaakko Nenonen
Riitta Vermas

President and CEO Veikko Kasurinen

KEMIJOKI OY

Kemijoki Oy is the most prominent producer of hydropower and the related services in Finland. The company owns sixteen hydropower plants in the waterway of the Kemijoki River. In addition, it regulates the artificial lakes of Lokka and Porttipahta, as well as Lake Kemijärvi and Lake Olkkajärvi. The electric power produced is sold in whole to the joint hydropower owners.

Kemijoki Oy is the Group's parent company. The Group includes subsidiaries that generate electricity with hydropower in the Rivers Kymijoki and Lieksanjoki, carry out electric network activities and sell services and products related to hydropower technology.

The hydropower plants of Kemijoki Oy produced a total of 3,227 million kilowatt hours of electric power, which was about 18% less than during an average hydropower year. The subsidiaries produced 243 million kilowatt hours of electric power in all at the power plants situated on the Rivers of Kymijoki and Lieksanjoki. The Group's total production corresponded to over 37 per cent of all indigenous electricity produced with hydropower. The total power plant uptime was a remarkable 98.1 per cent.

During the review year, investments focused on the Valajaskoski power plant. The three-year investment programme of implementing the plant's refurbishment and raising of its power capacity was completed. In addition, the river bed beneath the Valajaskoski Falls was cleaned out. Along with these projects, the plant's output rose by 40%.

The company achieved its most important economic and operative targets, in terms of the price of partnership electricity, for example. The economic status of the parent company remained stable. Its equity ratio was 34.0 per cent and the balance sheet totalled € 417.0 million. The company's share portfolio stood at € 41.3 million.

To develop the operations further, the operating processes were mapped out and a new organisation was prepared and then taken into use at the beginning of 2004. The measures aim at cost-effectiveness, which is a key factor in ensuring the competitiveness of power production.

In 2004 implementation of the investment scheme will be continued by upgrading and raising the power capacity of Unit 1 of the Seitakorva power plant. The planning process of the new Sierilä hydropower plant project will reach the stage of placing a licence application.

The three-year programme of implementing the Valajaskoski power plant's upgrading and raising of its power capacity was completed. At the same time, the river bed beneath the Valajaskoski Falls was cleaned out. As a result of these projects, the output of the plant, built in 1960, rose by 40 per cent.

Consolidated		2000	2001	2002	2003
Net sales	M€	48.0	52.6	48.3	43.6
Operating income	M€	8.7	10.8	–8.0	5.4
Income after financial items	M€	1.2	1.3	–16.6	-2.2
Return on investment	%	2.0	3.0	–2.3	1.8
Equity ratio	%	39.2	39.2	36.9	38.0
Balance sheet total	M€	439.2	441.1	433.2	417.0
Gross investments	M€	143.6	20.5	10.7	10.4
Personnel, average		412	416	356	345
Parent company					
Share capital	M€	41.1	41.3	41.3	41.3
Dividends	M€	0.2	0.2	0.0	0.8

Distribution of shares in Kemijoki Oy
Republic of Finland 66.99%
Fortum Power and Heat Oyj 17.50%
Lapin Sähkövoima Oy 9.34%
UPM-Kymmene Oyj 4.13%
City of Helsinki 0.94%
Rovakairan Tuotanto Oy 0.70%
Rovaniemen Energia Oy 0.40%

Managing Director
Aimo Takala

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Board of Directors (as from January 1, 2004)
Tapio Kuula, Chairman
Heikki Sara, Vice-Chairman
Hannu Haase
Paula Nybergh
Marjut Ontronen
Pekka Päätiläinen
Seppo Ruohonen

Managing Director Aimo Takala

Patria

The year 2003 brought Patria considerable international success and raised the Group among Europe's leading defence industry companies in its selected core competence areas. Patria today is an internationally acknowledged, successful Group with unique defence industry know-how, known for its world class product solutions. This was made possible by the good cooperation of our personnel, customers and partners. Furthermore Patria will increasingly focus on its selected core competence areas.

Consolidated net sales for 2003 totalled EUR 259.1 million (EUR 232.5 million), up 11.4% on the previous year. Defence material and maintenance accounted for 75.2% and civilian products for 24.8% of net sales. Sales outside Finland generated 36.7% of net sales for the financial period under review. The value of new orders received during the financial period under review was EUR 325.7 million (EUR 184.1 million), of which 80.7% was defence material and maintenance, and 19.3% civilian products. The most significant new orders during the review period were the Patria AMV armoured wheeled vehicles to be supplied to the Polish customer and that of the Finnish Defence Forces placed for 24 AMOS mortar systems on a Patria AMV chassis. At the year's end the Group's order stock totalled EUR 492.7 million (EUR 426.1 million).

Patria's main business areas are armoured wheeled vehicles, mortars and field gun systems and their life cycle support as well as life cycle support of helicopters and aircraft. Important areas for Patria are also military sensor and surveillance systems, advanced composite structures and solutions within aviation and space. Patria's strategy and structure were reviewed in order to respond to the new challenges presented by the competitive environment and from the beginning of 2004, Patria is a Group with four Business Areas: Patria Vehicles, Patria Weapon Systems, Patria Aviation and Patria Advanced Solutions.

The past year 2003 brought the Group significant new orders both in Finland and abroad, indicating that the fourth generation Patria AMV was introduced to the market at the right time. In the autumn, the most modern production premises in Europe for advanced composite structures were inaugurated at Patria's Jämsä plant and the new assembly premises for the Nordic NH90 transport helicopters were put into service. As part of its internationalisation strategy, Patria set up subsidiaries in Poland and the Czech Republic in 2003.

The key issues for Patria in 2004 are domestic and international partnerships and continued development of our international competitiveness and profitability. Apart from the Polish project that received a great deal of publicity, we have also been active in many other countries. The outlook for the aviation and space industries is better than in previous years and this will create opportunities for positive development.

Patria is the leading supplier of armoured wheeled vehicles in Europe.

Consolidated		2000	2001	2002	2003
Net sales	M€	208.5	218.7	232.5	259.1
Operating income	M€	9.7	1.6	7.0	15.9
Income after financial items	M€	10.2	4.4	9.5	16.4
Return on investment	%	7.8	3.3	5.7	9.0
Equity ratio	%	61.6	75.4	68.5	56.7
Balance sheet total	M€	293.3	318.1	333.8	375.2
Gross investments	M€	14.7	7.8	14.9	12.7
Personnel. average		2,214	2,257	2,117	2,032
Parent company					
Share capital	M€	29.9	38.0	38.0	38.0
Dividends	M€	0.0	2.3	2.3	2.9

Distribution of shares in Patria Plc.
State of Finland 73.2%
European Aeronautic Defence and Space Company EADS N.V. 26.8%

President and CEO
Jorma Wiitakorpi

Group Administration
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www.patria.fi

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Eero Rantala, Vice Chairman
Matti Ahola
Friedrich Dörhöfer
Hervé Garnier
Ritva Hainari
Jussi Itävuori
Tuija Soanjärvi
Anneli Tuominen

President and CEO Jorma Wiitakorpi

posti

Finland Post Group is the leading company providing messaging and logistics services in Finland and in selected markets in the Baltic Rim. Finland Post Group is seeking growth especially in logistics and electronic messaging services. It aims to develop its business towards integrated information and materials flow management, enabling versatile messaging and logistics solutions.

Three core businesses

Finland Post's business is organised into three business units.

Messaging is responsible for letter, magazine, newspaper and direct mail delivery services in Finland, while also being engaged in the provision of such services abroad.

Electronic Messaging is responsible for providing printing and outsourcing services, electronic invoicing and operator services, data management services, as well as direct mail services for companies and other organisations in Finland and elsewhere in the Baltic Rim.

Logistics provides transport, parcel and warehousing services, as well as complete logistics solutions and logistics systems solutions for companies and other organisations in Finland and neighbouring regions.

Profitable growth

Finland Post aims at profitable growth. The company aims to increase its annual net turnover by 4–5 per cent during the next few years, without any major company acquisitions. Although Finland Post's strong balance sheet enables expansion through acquisitions, the company seeks to grow through appealing product offerings and market expansion.

As the market leader in traditional messaging services in its home market, Finland Post aims to seek growth in Finland by strengthening its position in the market for corporate logistics and electronic messaging services. It also aims to further reinforce its distribution business.

On an international scale, the Group aims to expand its electronic messaging services in the Baltic Rim, and its warehouse and terminal services business in neighbouring regions; it also aims to expand through networking.

It also goes without saying that Finland Post aims at continuous profitability improvements. Ever-intensifying competition coupled with higher capital efficiency requirements necessitate new ongoing efforts to achieve cost-efficiency gains. Finland Post is confident that its expanding international operations will provide enhanced synergies in the years to come.

Year 2003

Finland Post Group reported a net turnover of EUR 1,146 million, up 3 per cent on the year before, and improved its operating profit to EUR 74 million (EUR 56 million), accounting for 6 per cent of net turnover. At year-end, Finland Post Group had a staff off 23,740, of whom 531 worked abroad.

In September 2003, Finland Post's corporate administration moved into a new head office in northern Pasila, Helsinki.

Consolidated		2000	2001	2002	2003
Net sales	M€	1,068.9	1,046.1	1,112.1	1,145.5
Operating income	M€	92.0	32.0	55.6	73.7
Income after financial items	M€	97.9	32.9	58.3	76.1
Return on investment	%	20.4	6.5	10.5	12.9
Equity ratio	%	65.2	63.0	62.3	65.8
Balance sheet total	M€	767.0	801.1	853.0	856.4
Gross investments	M€	85.3	160.8	98.3	71.6
Personnel, average		25,543	23,304	23,077	23,592
Parent company					
Share capital	M€	67.3	70.0	70.0	70.0
Dividends	M€	11.8	8.0	15.0	20.0

Distribution of shares in Finland Post Group
State of Finland 100%

President and CEO
Jukka Alho

Head Office
Street address
Postintaival 7 A, Helsinki
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P.O. Box 1, FI-00011 POSTI, Finland
Tel. +358 204 511
(from Finland 0204 511)
Call Centre: +358 200 27100
(from Finland 0200 27100)
www.posti.fi

Board of Directors (as from April 6, 2004)
Matti Elovaara, Chairman
Eero Kasanen, Deputy Chairman
Samuli Haapasalo
Erkki Helaniemi
Mikko Kosonen
Antero Palmolahti
Mirja Sandberg
Soili Suonoja

President and CEO Jukka Alho

In the Baltic Sea region, Vapo is the leading supplier in three important future sectors: in local and renewable fuels, bioelectricity and bio heat, and in solutions of biowaste and dry waste management.

The Vapo Group consists of the parent company Vapo Oy, which comprises Vapo Energy's production of biofuels, Vapo Power's heat and power production, as well as Vapo Biotech's environment-related business. The subsidiary Vapo Timber Oy processes wood and Kekkilä Oyj produces and markets growing media and fertilisers. In 2003 the Group's net sales totalled € 472.2 million and the operating income € 38.4 million.

The business of Vapo Energy is divided into three business sectors: local power plant fuels, refined fuels and other peat products. Vapo Energy operates in Finland, Sweden and in the Baltic countries. The local organisations that know well the clients' needs are responsible for the operations in the various areas. Vapo Energy supplied a total of 25 TWh of fuel peat and wood, which is 15 per cent more than in the previous year. Deliveries of peat briquettes increased to 153 500 tons, which is 80 per cent more than in 2002. Growth in accordance with Vapo's strategy continued in the Baltic Sea region; acquisitions were made both in Estonia and Sweden.

In 2003 Vapo's heat and power production was separated from Vapo Energy as a branch of its own, into Vapo Power. The branch focuses on heat and power production by means of local biofuels. The aim is to develop into the leading producer of local bioelectricity and bio heat in Finland.

The business of Vapo Biotech consists of biowaste and sewage treatment, deliveries of composting plants, regional waste management and treatment of dry waste. Vapo Biotech intends to grow into one of the top actors in both regional waste management in general and in dry waste treatment.

Vapo Timber Oy is a subsidiary wholly owned by Vapo, manufacturing sawn goods and processed timber. It is the fourth biggest in Finland and ranks among the ten largest sawmill industry companies in Europe. A total of 80 per cent of the products are exported mainly to Europe, North Africa and Japan.

Kekkilä Oyj develops, produces and markets the gardening sector's growing media and fertilizers to hobby gardeners, professional growers and to landscaping contractors in the Nordic countries, as well as for the export market.

The power plant in Forssa utilises local biofuels: wood, peat and recycled fuel.

Consolidated		**2000**	**2001**	**2002**	**2003**
Net sales	M€	381	412	434	472
Operating income	M€	32	31	38	38
Income after financial items	M€	27	28	34	34
Return on investment	%	9.0	8.7	9.5	8.8
Equity ratio	%	53.9	56.2	53	53
Balance sheet total	M€	482	471	525	550
Gross investments	M€	58	26	62	54
Personnel, average		1,289	1,209	1,311	1,744
Parent company					
Share capital	M€	50	50	50	50
Dividends	M€	11	10	12	12

Distribution of shares in Vapo
Republic of Finland 66.66%
Metsäliitto Cooperative 33.34%

Managing Director
Matti Hilli

Group administration
Visiting address
Yrjönkatu 42, Jyväskylä
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info@vapo.fi
www.vapo.fi

Board of Directors (as from March 17, 2004)
Aarno Heinonen, Chairman
Leif Ekström, Vice-Chairman
Ritva Hainari
Eeva Hellström
Mauri Jaakonaho
Matti Packalén

Managing Director
Matti Hilli

VR's core businesses are transport and track maintenance services. VR provides safe, high-standard and environmentally friendly transport and related services for freight customers and passengers. For the Finnish state, other public bodies and industrial corporations, VR provides professional track design, construction and maintenance services.

VR Group's net profit in 2003 totalled EUR 41.3 million compared with EUR 21.7 million in the year before. The operating profit was EUR 53.0 (26.8) million. Net turnover amounted to EUR 1,160.5 (1,139.9) million. The Group's financial position and liquidity remained good. The improvement in profits was due to growth in rail traffic volumes combined with a reduction in personnel expenses compared to the previous year.

VR Ltd, the Group´s largest company, is responsible for rail transport. In 2003 VR Ltd carried altogether 43.5 million tonnes of freight. This comprised domestic carryings of 25.0 million tonnes and international transports of 18.5 million tonnes. Domestic carryings rose by a good per cent and international freight traffic crossing Finland´s borders by train increased 9%. Transit traffic via Finland to third countries totalled 3.2 million tonnes, which was 8% less than one year earlier. The net turnover of freight services totalled EUR 351.8 (330.1) million.

In passenger services 59.9 million journeys were made during the year. Most of this growth came from commuter traffic in the zone administered by the Helsinki Metropolitan Area Council (Helsinki, Vantaa, Espoo, Kauniainen), where the volume of commuter traffic rose by 5.5%. Long-distance traffic increased by 2% to 11.9 million journeys. The net turnover of passenger services totalled EUR 296.9 (288.0) million.

VR-Track Ltd specializes in track design, construction and maintenance services. The company´s customers include the Finnish government, local authorities, ports, industrial companies using the rail network and other track maintenance contractors. The net turnover of track construction and maintenance was EUR 208.9 (231.8) million. Slightly over 90% of this total was commissioned by the Finnish Rail Administration, the government body responsible for maintaining the Finnish rail network.

Pohjolan Liikenne, a subgroup of the VR Group, carried a total of 8.6 million tonnes of freight in 2003, 5% more than in the previous year. Pohjolan Liikenne buses and coaches carried 13.7 million passengers. The net turnover of road services amounted to EUR 201.6 (195.7) million.

The Group's capital expenditure totalled EUR 151.5 (143.9) million, which included EUR 104.2 million covering rolling stock for VR Ltd. The most important new investment decision was the order for 20 new-generation sleeper cars to be manufactured at Talgo Oy's Otanmäki works.

VR and the local authorities in the Helsinki metropolitan area set up a rolling stock company in November 2003 to purchase and administer new commuter trains. The new company is owned 65% by the municipalities in the Helsinki metropolitan area and 35% by VR.

Major changes have taken place at Helsinki railway station in the past few years. In the spring 2003 a new hotel and office building was completed at the station and in the autumn new commercial premises were opened.

Consolidated		**2000**	**2001**	**2002**	**2003**
Net sales	M€	1,143	1,151	1,140	1,160
Operating income	M€	65	49	27	53
Profit before extraordinary items and taxes	M€	76	61	37	61
Return on investment	%	6.5	5.2	3.2	5.1
Equity ratio	%	78.5	79.1	82.9	83.1
Balance sheet total	M€	1,499	1,515	1,450	1,466
Gross investments	M€	152	178	144	151
Personnel, average		15,405	14 ,913	14,401	13,716
Parent company					
Share capital	M€	370	370	370	370
Dividends	M€	20	17	30	40

Distribution of shares in VR-Group Ltd
State of Finland 100%

President and CEO
Henri Kuitunen

Head Office
Vilhonkatu 13
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Board of Directors (as from March 25, 2004)
Martin Granholm, Chairman
Antti Remes, Deputy Chairman
Kalevi Alestalo
Kari Kallio
Kirsti Lehtovaara-Kolu
Eija Malmivirta
Veli-Matti Ropponen
Jukka Ruuska

President and CEO
Henri Kuitunen

Associated Companies

Metso Corporation is a global supplier of process industry machinery and systems, as well as know-how and aftermarket services. The Corporation's core businesses are fiber and paper technology (Metso Paper), rock and minerals processing (Metso Minerals) and automation and control technology (Metso Automation). Metso's fourth business area, Metso Ventures, comprises units that serve the Corporation's other businesses or are under strategic development. In 2003, Metso's net sales amounted to EUR 4,250 million and the number of personnel totalled approximately 26,000. Metso's shares are listed on the Helsinki and New York Stock Exchanges.

Consolidated		2000	2001	2002	2003
Net sales	M€	3,891	4,343	4,691	4,250
Operating profit (loss)	M€	200	246	167	(229)
Income (loss) before extraordinary items and income taxes	M€	180	222	93	(303)
Return on capital employed	%	12.2	12.3	6.4	(8.7)
Equity to assets ratio	%	45.4	31.1	33.3	28.3
Balance sheet total	M€	3,564	5,042	4,399	3,823
Gross capital expenditure	M€	313	982	194	130
Personnel, average		22,372	25,613	29,258	27,400
Parent company					
Share capital	M€	230	232	232	232
Dividends	M€	81	82	82	27

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		neg.	13.00	10.62	21.54	neg.
Earnings/share (EPS)	€	(0.22)	0.90	1.09	0.48	(1.89)
Equity/share	€	7.98	10.51	10.78	10.12	7.51
Dividend/share	€	0.40	0.60	0.60	0.60	0.20
Dividend/earnings	%	neg.	67	55	126	neg.
Effective dividend yield	%	3.0	5.2	5.2	5.8	2.1
Trading volume/share amount	%	46.0	40.5	52.5	77.2	73.3

State ownership	
Dec 31, 2003	11.5%
Limit to which the Government has been authorised to decrease the State's holding	0%

Shareholders of Metso Corporation
(December 31, 2003)
UPM-Kymmene Corporation 14.6%
State of Finland 11.5%
Nominee-registered and non-Finnish holders 45.7%
Finnish private investors 7.1%
Others 21.1%

President and CEO
Jorma Eloranta

Metso Corporation
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Fabianinkatu 9 A
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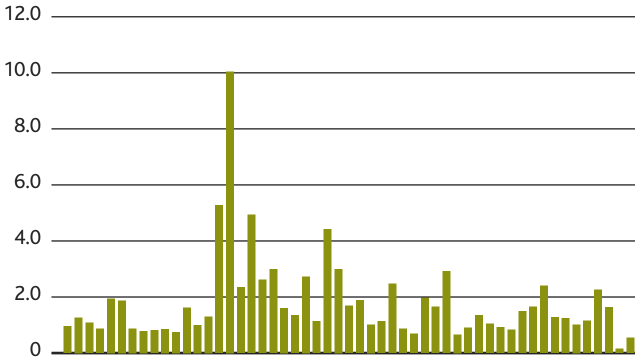
metso.info@metso.com
www.metso.com

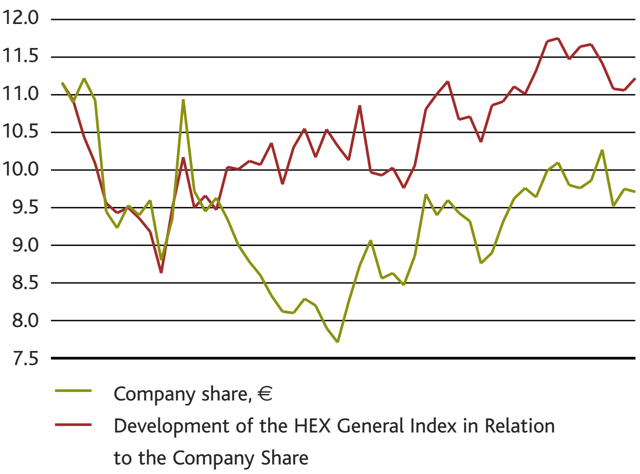
Board of Directors (as from April 6, 2004)
Matti Kavetvuo, Chairman
Jaakko Rauramo, Vice Chairman
Maija-Liisa Friman
Risto Hautamäki
Satu Huber
Juhani Kuusi
Pentti Mäkinen

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



Outokumpu is a metals and technology Group. Outokumpu specializes in stainless steel, fabricated copper products and development and sales of related technology. Outokumpu operates worldwide – more than 90 percent of net sales are generated outside Finland and the Group employs approximately 19,000 people in more than 40 countries.

Consolidated		2000	2001	2002	2003
Net sales	M€	3,693	5,324	5,558	5,921
Operating income	M€	427	183	267	206
Income after financial items	M€	391	147	213	100
Return on investment	%	19.8	6.7	7.0	5.0
Equity ratio	%	50.6	41.6	31.1	32.3
Balance sheet total	M€	3,222	5,401	6,327	6,137
Gross investments	M€	242	914	2 042	622
Personnel, average		12,193	19,010	20,196	21,442
Parent company					
Share capital	M€	212	212	294	304
Dividends	M€	99.6	75.2	68.6	35.5

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		17.9	3.4	19.4	7.2	19.9
Earnings/share (EPS)	€	0.71	2.29	0.55	1.15	0.54
Equity/share	€	9.85	11.70	11.37	11.14	10.84
Dividend/share	€	0.23	0.72	0.55	0.40	0.20
Dividend/earnings	%	32.4	33.5	100.0	43.5	38.4
Effective dividend yield	%	1.8	9.9	5.1	4.8	1.9
Shares traded/shares outstanding	%	19.8	17.4	27.1	42.3	44.0

State ownership	
Dec 31, 2003	38.3%
Limit to which the Government has been authorised to decrease the State's holding	10%

Distribution of shares in Outokumpu Oyj

State of Finland 38.3%
The Finnish Social Insurance Institution 11.8%
Other Finnish organizations 16.3%
Private Finnish investors 8.6%
International shareholders 25.0%

Chief Executive

Jyrki Juusela

Head Office

Street address
Riihitontuntie 7 B, Espoo
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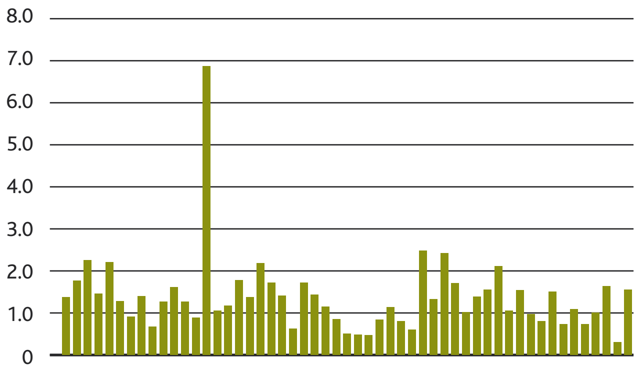
Fax +358 9 421 3888
www.outokumpu.com

Board of Directors (as from April 2, 2004)

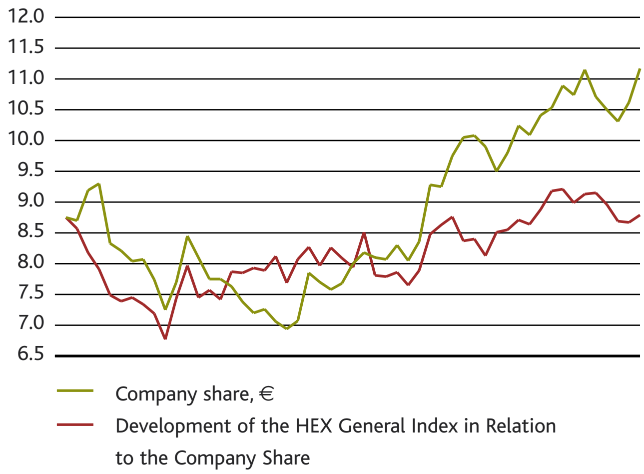
Heimo Karinen, Chairman
Juha Rantanen, Vice Chairman
Evert Henkes
Arto Honkaniemi
Jorma Huuhtanen
Ole Johansson
Leena Saarinen
Soili Suonoja
Arto Vilppola

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



RAUTARUUKKI

Rautaruukki produces total solutions for the construction, mechanical engineering and metal fabrication industries. The group has a wide selection of products and services in metal products. Rautaruukki is a listed company that has operations in 22 countries. The Group's turnover is EUR 3 billion and it employs about 12000 people.

Consolidated		2000	2001	2002	2003
Net sales	M€	2,708	2,906	2,884	2,953
Operating income	M€	156	93	6	128
Income after financial items	M€	106	41	–46	70
Return on investment	%	8.7	5.0	0.6	7.1
Equity ratio	%	34.1	33.3	31.1	34.6
Balance sheet total	M€	2,523	2,559	2,561	2,403
Gross investments	M€	176	162	142	102
Personnel, average		13,176	13,678	13,325	12,782
Parent company					
Share capital	M€	236	236	236	236
Dividends	M€	34	27	0	27

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		–53.7	7.6	18.8	–13.2	15.0
Earnings/share (EPS)	€	–0.13	0.51	0.22	–0.26	0.39
Equity/share	€	6.02	6.23	6.21	5.81	6.07
Dividend/share	€	0.20	0.25	0.20	0	0.20
Dividend/earnings	%	–154.6	49.4	91.9	0	51.3
Effective dividend yield	%	2.9	6.5	4.9	0	3.4
Shares traded/shares outstanding	%	30	25	29	25	33

State ownership	
Dec 31, 2003	40.1%
Limit to which the Government has been authorised to decrease the State's holding	20%

Distribution of shares in Rautaruukki Oyj

State of Finland 40.1%
Private households 12.8%
Other Finnish owners 30.0%
Foreign owners 17.1%

Managing director

Sakari Tamminen

Head office

Street address
Suolakivenkatu 1, Helsinki
Postal address
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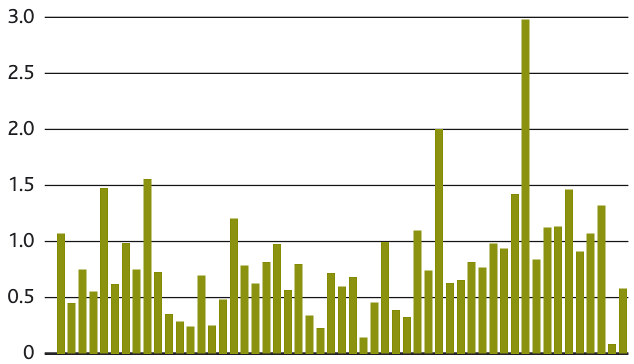
Tel +358 20 5911
Fax +358 20 592 9088
www.rautaruukki.com

Board of Directors

(as from March 23, 2004)

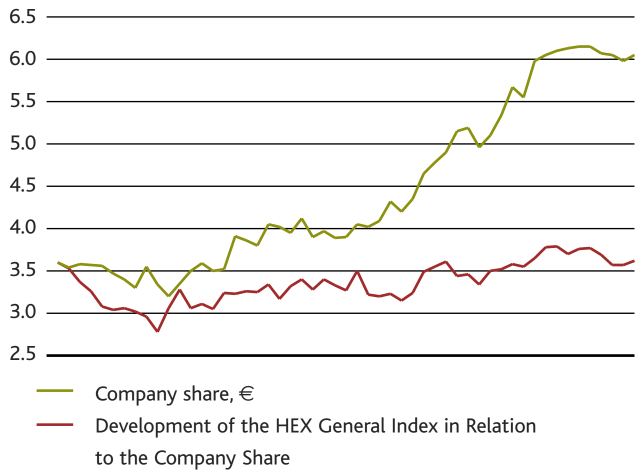
Jukka Viinanen, Chairman
Georg Ehrnrooth, Deputy Chairman
Maarit Aarni
Christer Granskog
Pirkko Juntti
Pekka Timonen
Maarit Toivanen-Koivisto

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



Sampo plc is the holding company of Sampo Group offering financial services. Sampo brand covers a wide range of investment, savings and traditional banking services to retail, corporate and institutional customers in Finland and the Baltic countries. Private banking and certain services to investors operate under Mandatum brand. Sampo also offers services for pension saving in Poland. Group's P&C insurance operations have been transferred to If P&C insurance group. Sampo plc announced in February 2004 that it will acquire a majority holding in the leading Nordic P&C insurance group If. Sampo Group's P&C insurance, banking and long-term savings businesses have over 4 million retail customers and nearly 500,000 corporate and institutional customers in the Nordic and Baltic countries after the acquisition.

Consolidated		2000	2001	2002	2003
Net sales	M€	3,581	3,572	2,877	2,347
Operating income	M€	1,375	1,104	542	464
Net income from financial operations	M€	426	469	448	404
Premiums written	M€	769	755	613	528
Deposits	M€	8,855	9,062	9,230	9,392
Loans	M€	14,471	13,597	12,490	13,908
Mutual funds	M€	2,002	2,675	3,858	5,214
Balance sheet total	M€	32,795	27,157	25,094	25,250
Personnel, average		9,184	10,162	5,977	5 529
Parent company					
Share capital	M€	87	93	94	93
Dividends	M€	889	417	194	831

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		7.4	6.5	5.9	11.6	12.8
Earnings/share (EPS)	€	0.94	1.78	1.50	0.63	0.64
Equity/share	€	4.91	5.52	5.18	5.15	5.43
Dividend/share	€	0.48	1.60	0.75	0.35	1.50
Dividend/earnings	%	50.6	89.8	50.0	56.0	234.4
Effective dividend yield	%	6.9	13.9	8.5	4.8	18.3

State ownership	
Dec 31, 2003 *)	40.37%
Limit to which the Government has been authorised to decrease the State's holding	0%

*) Government sold 8 per cent of Sampo's shares to Varma on March 24, 2004, which reduced the holding to 32.35 per cent.

Distribution of shares in Sampo plc (A and B shares)

State of Finland 40.37%*)
Varma Mutual Pension Insurance Company 7.61%
Wahlroos Björn 2.12%
Kaleva Mutual Insurance Company 1.71%
Stora Enso Oyj 1.58%
Ilmarinen Mutual Pension Insurance Company 1.33%

Chief Executive Officer

Björn Wahlroos

Contact information

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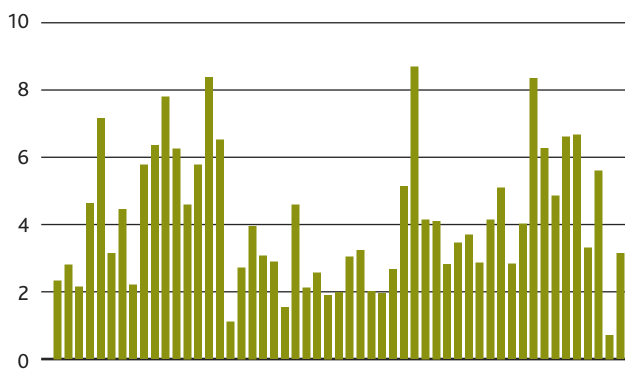
Fax +358 10 516 0051
firstname.lastname@sampo.fi
Internet: www.sampo.com

Board of Directors (as from April 7, 2004)

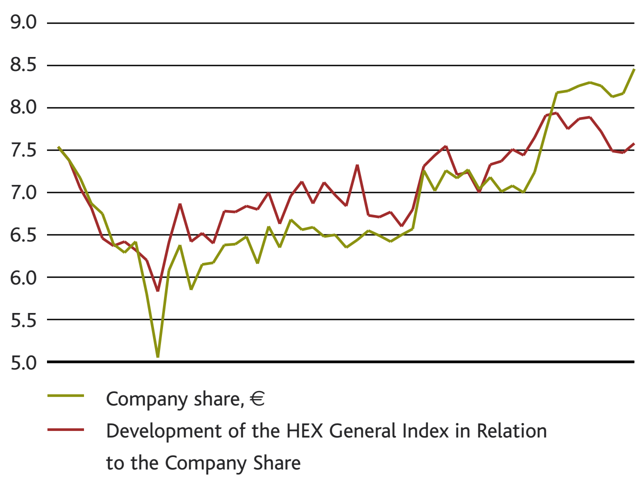
Olli-Pekka Kallasvuo, Chairman
Jyrki Juusela, Vice Chairman
Tom Berglund
Anne Brunila
Georg Ehrnrooth
Christoffer Taxell
Matti Vuoria
Björn Wahlroos

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



Sponda

Sponda Plc is a property investment company specializing in business premises in the Helsinki Metropolitan Area. Sponda's business concept is to create operating environments that promote the success of its clients. Sponda's property portfolio has a market value of approximately EUR 1.2 billion and a total leasable area of about 800,000 m². Sponda is the largest real estate investment company listed on the Helsinki Stock Exchange. The market capitalization of Sponda's share capital on December 31, 2003 was EUR 519 million.

Sponda has chosen office, retail and logistics premises in the Helsinki Metropolitan Area as its area of focus. Some 90% of Sponda's net operating income comes from the Helsinki Metropolitan Area, where Sponda owns 70 properties.

Sponda concentrates on large real estate entities. These are City-Center and Havis Business Center in Helsinki Business District, Upseerin Avec in Espoo, and Honkatalo in Vantaa.

Consolidated		2000	2001	2002	2003
Net sales	M€	109.4	122.2	100.7	100.4
Operating income	M€	69.1	77.7	125.3	62.7
Income after financial items	M€	36.8	41.9	108.2	39.5
Return on investment	%	6.5	6.7	12.4	6.0
Equity ratio	%	41.6	41.6	52.9	45.4
Balance sheet total	M€	1,185.1	1,198.7	1,038.9	1,094.0
Gross investments	M€	80.8	62.1	94.4	83.6
Personnel, average		49	54	50	52
Parent company					
Share capital	M€	68.9	82.0	81.2	78.4
Dividends	M€	20.5	24.3	70.3	23.5

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		9.6	10.9	12.0	5.6	17.0
Earnings/share (EPS)	€	0.41	0.36	0.39	0.97	0.39
Equity/share	€	5.85	5.97	6.12	6.81	6.33
Dividend/share	€	0.17	0.25	0.30	0.90	0.30
Dividend/earnings	%	41.5	69.4	76.6	92.8	76.9
Effective dividend yield	%	4.32	6.39	6.41	16.51	4.5
Shares traded/shares outstanding	%				8.8	45.3

State ownership	
Dec 31, 2003	49.3%
Limit to which the Government has been authorised to decrease the State's holding	0%

Distribution of shares in Sponda Plc

State of Finland 49.3%
Nordea Bank Finland 8.0%
The State Pension Fund 1.9%
Nokia Corporation Pension Fund 1.3%
SITRA, the Finnish National Fund for Research and Development 1.3%

President and CEO

Kari Kolu

Head Office

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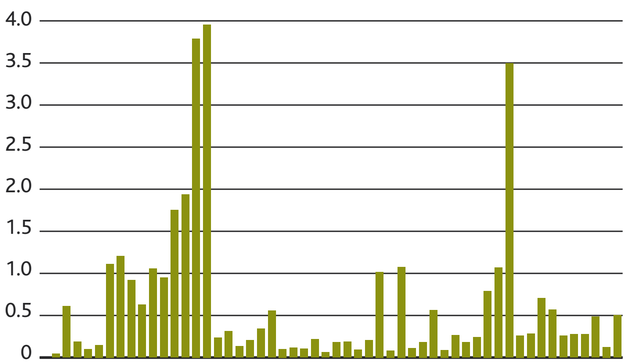
Fax +358 9 6805 8222
firstname.lastname@sponda.fi
www.sponda.fi

Board of Directors (as from April 8, 2004)

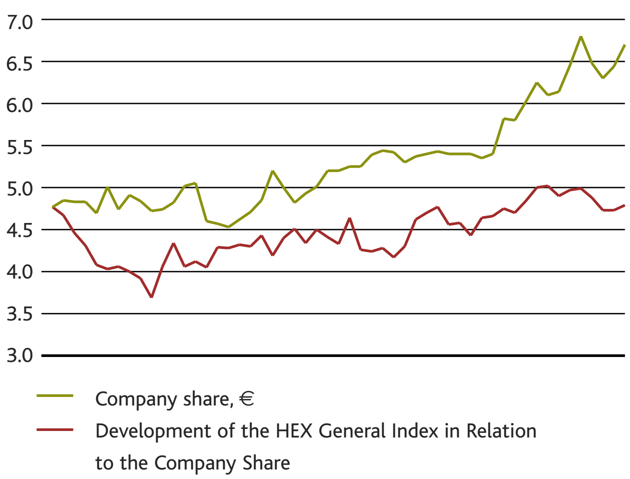
Anssi Soila, Chairman
Jarmo Väisänen, Vice Chairman
Kaj-Gustaf Bergh
Maija-Liisa Friman
Jarmo Laiho
Harri Pynnä

Shares traded in 2003, Mill. shares



Source: Bloomberg

Share price performance in 2003



Stora Enso is an integrated paper, packaging and forest products company producing publication and fine papers, packaging boards and wood products, areas in which the Group is a global market leader. Stora Enso sales totalled EUR 12.2 billion in 2003. The Group has some 44 000 employees in more than 40 countries in five continents and an annual production capacity of 15.7 million tonnes of paper and board and 7.4 million cubic metres of sawn wood products, including 2.8 million cubic metres of value-added products. Stora Enso's shares are listed in Helsinki, Stockholm and New York.

Consolidated		2000	2001	2002	2003
Sales	M€	13,017	13,509	12,783	12,172
Operating profit	M€	1,926	1,495	927	538
Profit after financial items	M€	1,654	1,231	735	331
Return on investment	%	16.8	10.8	7.1	4.6
Equity ratio	%	40.9	44.0	45.0	45.4
Balance sheet total	M€	21,323	20,558	18,214	17,942
Capital expenditure	M€	769	857	878	1 248
Personnel, average		41,785	44,275	43,853	44,264
Parent company					
Share capital	M€	1,576	1,542	1,530	1,470
Dividend	M€	407	409	392	389

Key share figures		1999	2000	2001	2002	2003
Price/earnings (P/E ratio) (Series R)		19.4	9.5	15.3	17.6	42.7
Earnings/share (EPS)	€	0.89	1.32	0.94	0.57	0.25
Equity/share	€	7.84	9.41	10.03	9.36	9.65
Dividend/share	€	0.40	0.45	0.45	0.45	0.45
Payout ratio	%	45	34	48	79	180
Effective dividend yield (Series R)	%	2.3	3.6	3.1	4.5	4.2
Shares traded/number of shares	%	38	50	62	85	92

State ownership	
Dec 31, 2003	11.2%
Limit to which the Government has been authorised to decrease the State's holding	0%

Distribution of shares in Stora Enso Oyj

(as per March 31, 2004)

State of Finland 11.2%
Knut and Alice Wallenberg Foundation 6.8%
Social Insurance Institution of Finland 3.2%
Varma Mutual Pension Insurance Company 1.0%
Erik Johan Ljungberg's Education Fund 0.8%

CEO

Jukka Härmälä

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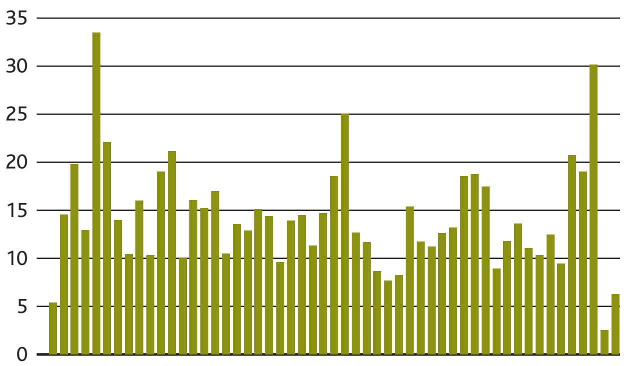
Board of Directors

(as from March 18, 2004)

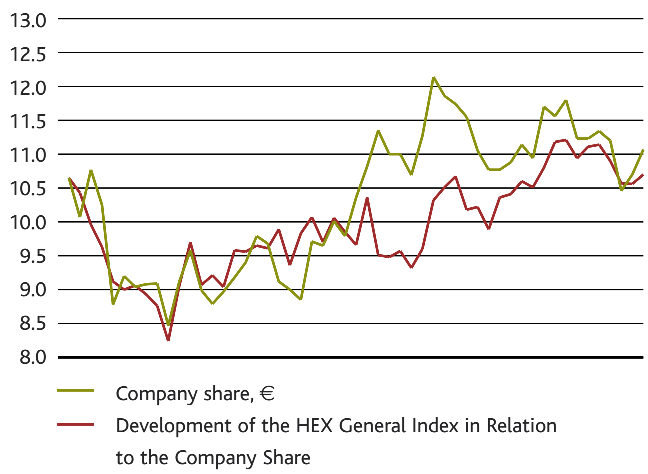
Claes Dahlbäck, Chairman
Krister Ahlström, Vice Chairman
Lee A. Chaden
Harald Einsmann
Björn Hägglund
Jukka Härmälä
Barbara Kux
Ilkka Niemi
Paavo Pitkänen
Jan Sjöqvist
Marcus Wallenberg

Shares traded in Helsinki in 2003, Series R, Mill. shares



Source: Bloomberg

Share price performance in Helsinki in 2003, Series R



TeliaSonera

TeliaSonera is the leading telecommunications company in the Nordic and Baltic regions. We also hold strong positions within mobile communications in Russia, Eurasia and Turkey. TeliaSonera offers reliable, innovative and easy-to-use services for transferring and packaging voice, images, data, information, transactions and entertainment. We also offer wholesale international carrier services in Europe and across the Atlantic.

At year-end 2003, TeliaSonera had over 22 million customers and an additional 27 million customers through associated companies. Sales totaled SEK 81,772 million and operating income totaled SEK 13,140 million in 2003. We see simplicity and service as the most important tools for creating long-term growth and value for our customers and our shareholders. The TeliaSonera share is listed on Stockholmsbörsen, Helsinki Exchanges and Nasdaq.

Consolidated[1), 2)]		2000	2001	2002	2003
Net sales	M€	8,161	8,917	8,923	9,010
Operating income	M€	2,298	1,056	–5,064	1,448
Income after financial items	M€	2,246	579	–5,156	1,360
Return on investment	%	n/a	n/a	–28	9
Equity ratio	%	n/a	n/a	52	57
Balance sheet total	M€	n/a	n/a	22,628	20,941
Capital expenditures	M€	2,260	2,391	1,290	987
Personnel, average		n/a	44,441	29,321	25,906
Parent company					
Share capital	M€	1,058	1,058	1,624	1,648
Dividends	M€	232	66	206	515

Key share figures[1), 2)]		1999	2000	2001	2002	2003
Price/earnings (P/E ratio)		n/a	14.8	102.9	–4.7	23.0
Earnings/share (EPS)	€	n/a	0.36	0.05	–0.77	0.18
Equity/share	€	n/a	n/a	n/a	2.60	2.65
Dividend/share	€	0.05	0.05	0.01	0.04	0.11
Dividend/earnings	%	n/a	14.1	28.3	neg.	0.01
Effective dividend yield	%	n/a	0.9	0.2	1.1	2.7
Shares traded/shares outstanding	%	n/a	n/a	n/a	n/a	66

State ownership	
Dec 31, 2003	19.1%
Limit to which the Government has been authorised to decrease the State's holding	0%

1) TeliaSonera reports in Swedish kronor. Convenience translation only, conversion rate SEK 1 = EUR 0.110183.

2) Pro forma presentation as if Telias and Soneras merger took effect already 1 Jan, 2000.

Distribution of shares
Dec 31, 2003
State of Sweden 45.3%
State of Finland 19.1%
Robur funds 2.8%
SEB funds 1.6%
Nordea funds 1.3%
AMF Pension 1.2%
Skandia 1.1%

President and CEO
Anders Igel

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firstname.lastname@teliasonera.com
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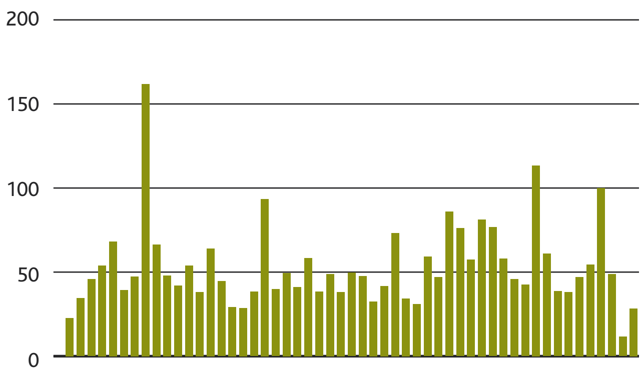
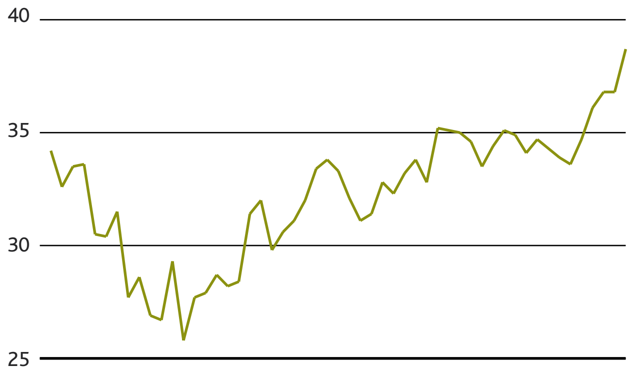
Board of Directors (as from April 2, 2004)
Tom von Weymarn, Chairman
Carl Bennet, Vice Chairman
Ingvar Carlsson
Eva Liljeblom
Sven-Christer Nilsson
Paul Smits
Caroline Sundewall
Roger Talermo
Employee representatives:
Berith Westman
Yvonne Karlsson
Elof Isaksson

Shares traded in 2003 in Stockholm, Mill. shares



Source: Bloomberg

Share price performance in 2003 in Stockholm, SEK



Appendix

Major State-owned Companies and Associated Companies December 31, 2003 (Group Data)

	Branch	Net sales 2003 M €	Personnel 2003	State share %	Supervising ministry
State-owned companies					
Alko Inc.	Alcoholic beverage retail trade	1,133	2,574	100.0	STM
Altia Corporation	Alcoholic beverage production and wholesale trade	200	676	100.0	KTM
OHY Arsenal Plc*	Property management	8	14	100.0	VM
Boreal Plant Breeding Ltd	Breeding and marketing of field crop varieties	6	66	65.0	MMM
CSC Scientific Computing Ltd	ADP services related to computational engineering	13	138	100.0	OPM
Edita Plc	Printing and publishing	171	1,398	100.0	VM
Finland Post Corporation	Postal service	1,146	23,592	100.0	LVM
Finnair Oyj	Air transport	1,558	9,981	58.4	LVM
Finnish Export Credit Plc	Export financing	13	4	100.0	VM
Finnish Fund for Industrial Cooperation Ltd (Finnfund)	Special financing	..	25	79.9	UM
Finnish Industry Investment Ltd	Capital investment	..	8	100.0	KTM
Finnvera plc	Special financing	153	411	100.0	KTM
Fortum Corporation	Energy production and oil refining	11,392	13,343	60.5	KTM
Hansel Oy 1)	Procurement services	147	45	100.0	VM
Haus kehittämiskeskus Oy	Domestic public administration development and training	8	66	60.0	VM
Kapiteeli Oy	Property and share management	300	121	100.0	VM
Kemijoki Oy	Energy production	44	345	67.0	KTM
Kemira Oyj	Chemicals	2,738	10,536	56.2	KTM
Mint of Finland Ltd	Metals	94	241	100.0	VM
Motiva Oy	Promotion of efficient use of energy	4	25	100.0	KTM
Patria Industries Oyj	Defence materiels and technology	259	2,032	73.2	KTM
Raskone Oy	Heavy-duty machinery repair and service operations	31	346	90.0	LVM
Solidium Oy	Investment company	3	1	100.0	VM
Suomen Erillisverkot Oy	Telecommunications	20	40	60.0	LVM
Suomen Viljava Oy	Grain warehousing, handling and processing services	19	125	100.0	MMM
Tietokarhu Oy 2)	IT services for tax authorities	26	239	20.0	VM
Vapo Oy	Peat and timber industry	472	1,744	66.7	KTM
Oy Veikkaus Ab	Football pools and lottery	1,159	371	99.6	OPM
VPU Garment Factory Ltd	Clothing	7	112	100.0	PLM
VR-Group Ltd	Rail transport	1,161	13,716	100.0	LVM
Yleisradio Oy	Broadcasting	330	4,066	99.98	LVM

	Branch	Net sales 2003 M €	Personnel 2003	State share %	Supervising ministry
Associated Companies					
Ekokem Oy Ab	Handling of hazardous waste	62	315	34.1	YM
Engel Group Ltd	Property management and cleaning	189	7,036	43.0	VM
Fingrid Oyj	Electric power transmission	298	221	12.3	KTM
Gasum Corporation	Natural gas wholesale trade	653	200	24.0	KTM
Licentia Ltd	Licensing and commercialisation of scientific findings	2	9	37.5	KTM
Metso Corporation	Metal engineering	4,250	27,400	11.5	KTM
OM-HEX Abp [3)]	Exchanges and securities and related services	295	1,682	1.3	VM
Outokumpu Oyj	Metals and technology	5,921	21,442	38.3	KTM
Rautaruukki Corporation	Metal engineering	2,954	12,782	40.1	KTM
Sampo plc	Banking and insurance	2,347	5,529	40.3 [4)]	VM
Santapark Ltd [5)]	Tourism and theme park	1	5	31.5	KTM
Silta Oy	Outsourcing of personnel services	14	212	10.2	VM
Sponda Plc	Property investment	100	52	49.3	VM
Stora Enso Oyj	Forest products industry	12,172	44,264	11.2	KTM
Suomen Siemenperunakeskus Oy [6)]	Maintenance, production and marketing of potato varieties	3	11	22.0	MMM
TeliaSonera AB	Telecommunications	9,010	25,906	19.1	LVM
Vuotekno Oy	Premises services	2	9	15.4	KTM

* in liquidation

.. no information available

1) financial year ended March 31, 2004

2) percentage of votes 80%

3) OM and HEX merged on July 1, 2003

4) 32.4% on March 24, 2004

5) financial year March 1, 2003 – February 29, 2004

6) financial year December 1, 2002 – November 30, 2003

KTM = Ministry of Trade and Industry
LVM = Ministry of Transport and Communications
MMM = Ministry of Agriculture and Forestry
OPM = Ministry of Education
STM = Ministry of Social Affairs and Health
PLM = Ministry of Defence
UM = Ministry for Foreign Affairs
VM = Ministry of Finance
YM = Ministry of the Environment

Ministry of Trade and Industry

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