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FINGRID GROUP'S INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2009

Review of operations

Fingrid achieved excellent results in a benchmarking survey carried out by the Council of European Energy Regulators (CEER), measuring the overall efficiency of electricity transmission system operation. The benchmarking involved 22 European transmission system operators (TSOs) from 19 countries, and its results were published in early September. Fingrid Oyj and two other TSOs were found to be exceptionally efficient.

The working group appointed by the Finnish Ministry of Employment and the Economy, studying the feed-in tariff for renewable energy, completed its final report at the end of September. The working group suggests that Fingrid or its fully-owned subsidiary would co-ordinate the feed-in tariff system. At the moment, Fingrid manages similar arrangements such as the feed-in tariff for peat and the power reserve system.

Power system operation

From July to September 2009, electricity consumption in Finland totalled 17.1 terawatt hours (19.4 TWh during the corresponding period in 2008). A total of 13.9 TWh of electricity was transmitted in Fingrid’s grid during the same period, representing 81 per cent of the electricity consumption in Finland. Electricity consumption in Finland from January to September was 58.0 TWh (64.8 TWh), which was 10.5 per cent less than in 2008.

Between July and September, 1.2 TWh of electricity (0.5 TWh) was imported from Sweden to Finland, and 0.4 TWh (1.3 TWh) was exported from Finland to Sweden. From January to September, 2.2 TWh (3.5 TWh) of electricity was imported from Sweden to Finland, and 2.8 TWh (2.2 TWh) was exported from Finland to Sweden.

The volume of electricity imported from Estonia from July to September was 0.2 TWh (0.6 TWh), and 1.1 TWh (1.6 TWh) was imported from Estonia to Finland from January to September.

Electricity imports from Russia to Finland between July and September were 2.5 TWh (2.8 TWh), and between January and September 8.6 TWh (7.8 TWh).

A thunderstorm on 10 August caused a cross-border line disturbance between Finland and Sweden, as a result of which the Finnish power system segregated from the other Nordic countries into a frequency area of its own. The disturbance did not cause significant supply interruptions or disconnection of power plants. The previous time that the Finnish power system separated from the other Nordic countries was on 27 December 1983 as a result of a major disturbance originating from Hamra in Sweden.

An extensive power failure concerning some 60,000 people occurred in Northern Finland on 15 September. The failure originated from a failed protective relay at the Petäjäskoski substation, which is undergoing a major renovation project and was therefore subject to an exceptional switching situation.

Power system operation	**1-9/09**	**1-9/08**	**7-9/09**	**7-9/08**
Electricity consumption in Finland TWh	58.0	64.8	17.1	19.4
Fingrid's transmission volume TWh	45.6	48.1	13.9	15.5
Fingrid's loss energy volume TWh	0.7	0.7	0.2	0.2
Electricity transmissions Finland-Sweden				
exports to Sweden TWh	2.8	2.2	0.4	1.3
imports from Sweden TWh	2.2	3.5	1.2	0.5
Electricity transmissions Finland-Estonia				
exports to Estonia TWh	0.1	0	0	0
imports from Estonia TWh	1.1	1.6	0.2	0.6
Electricity transmissions Finland-Russia				
imports from Russia TWh	8.6	7.8	2.5	2.8

Promotion of electricity market

The average price (system price) in Nord Pool’s spot market during the third quarter in 2009 was 31.28 €/MWh (55.51 €/MWh during the corresponding period in 2008), and the area price for Finland was 35.56 €/MWh (65.90 €/MWh). From January to September, Nord Pool’s spot market price averaged 34.51 €/MWh (42.74 €/MWh) and the area price for Finland 35.99 €/MWh (50.56 €/MWh).

Transmission congestions between Finland and Sweden restricted trading for 5.14 per cent of the hours in the early part of the year. The congestion income caused by transmission congestions on the border between Finland and Sweden totalled 0.38 million euros from July to September. The Nordic congestion income during the same period was 36.17 million euros (81.19 million euros). Fingrid’s portion of this Nordic congestion income was 2.4 million euros (7.7 million euros). Between January and September, the congestion income resulting from transmission congestions on the border between Finland and Sweden was 0.92 million euros (0.22 million euros). The Nordic congestion income between January and September was 54.36 million euros (222.12 million euros). Fingrid’s portion of this congestion income in the early part of the year was 3.7 million euros (21.2 million euros).

Fingrid’s counter trade costs from January to September were approx. 0.6 million euros (0 million euros during the corresponding period in 2008).

The Commission of the European Union reprimanded all the EU member states for neglect concerning electricity market regulations. For Finland, the relevant issues mainly concerned efforts by authorities and to some extent also Fingrid. The Finnish Government contested the neglect in its response. The complaints made by the Commission were irrelevant in many respects, and potential earlier shortcomings have already been corrected.

On 9 September, the Finnish Competition Authority made a decision as a result of a request for action made by RAO Nordic. RAO Nordic claimed that Fingrid had misused its dominating market position on the market for cross-border transmission of electricity. The Competition Authority considered that there is no reason to take further action in the matter, and the Competition Authority removed the matter from processing.

Electricity market	**1-9/09**	**1-9/08**	**7-9/09**	**7-9/08**
NordPool system price, average €/MWh	34.51	42.74	31.28	55.51
Area price Finland, average €/MWh	35.99	50.56	35.56	65.90
Congestion income in the Nordic countries million €	54.4	222.1	36.2	81.2
Congestion income between Finland and Sweden million €	0.9	0.2	0.4	0.1
Congestion hours between Finland and Sweden %	5.1	0.7	3.7	1.3
Fingrid's share of the congestion income in the Nordic countries million €	3.7	21.2	2.4	7.7

Capital expenditure and grid maintenance

The Group's gross capital expenditure from July to September was 34.8 million euros (20 million euros during the corresponding period in 2008). Gross capital expenditure between January and September totalled 88.1 million euros (55 million euros).

In 2009, Fingrid is making significant capital investments in the grid in Finland and in cross-border connections. Several new and renovated connections will be commissioned in the autumn. One project completed in the summer of 2009 was the 400/110/20 kilovolt transformer substation at Pikkarala, contracted by Siemens Osakeyhtiö.

Fingrid is gradually shifting from the 220 kilovolt voltage level to 400 kilovolts in Ostrobothnia in Western Finland. In the first stage, the contractor for the Seinäjoki-Tuovila transmission line is the German company SAG, and the contractor for the Tuovila substation is Infratek Oy. Fingrid has also signed a contract with Eltel Networks on renewing the 2x110 kilovolt transmission line between Lieto and Koroinen.

Major renovation and maintenance management projects on the existing grid have also been launched in the autumn. Fingrid and Svenska Kraftnät have ordered from ABB the renewal of the control and protection system of the Fenno-Skan 1 submarine cable link between Finland and Sweden originally commissioned in 1989. Basic renovations of the 220 kilovolt lines Leväsuo-Kalajoki and Kalajoki-Ventusneva as well as repair work for guy corrosion for 2009-2010 have been ordered from Empower Oy.

The opening of the electricity market in Estonia, required by the EstLink 2 project, has made progress. The Estonian Government has made a decision to open the Estonian wholesale market for electricity, and the Estonian Parliament will handle the proposal later in the autumn. The rules for the present connection EstLink1 are being changed so that the Nordic electricity exchange could begin work in Estonia in April 2010.

Financial result

The Group's revenue from July to September was 71 million euros (87 million euros). The sales of balance power were 18 million euros (28 million euros) and purchases of balance power 18 million euros (22 million euros). The IFRS loss before taxes was -6 million euros (9 million euros).

The Group's revenue was 255 million euros (280 million euros) from January to September. The grid tariff and Russian transmission tariff were raised by 4.5 per cent at the beginning of 2009. The other operating income was 1.5 million euros (1.6 million euros). As a result of decreasing electricity consumption, grid revenue decreased despite the 4.5 per cent tariff increase carried out at the beginning of the year.

Revenue from the sales of balance power decreased on the previous year to 66 million euros (76 million euros). The purchases of balance power, 61 million euros, were also below those in 2008 (68 million euros). These changes in purchases were mainly due to the fact that the consumption and production balances are now handled in two different balances. The Nordic congestion income, 4 million euros, decreased significantly from the previous year (21 million euros). Cross-border transmission income and peak load power income increased slightly from the corresponding period in 2008. Net proceeds from the ITC or inter-TSO compensations between the European TSOs grew to 10 million euros. Income and costs related to the feed-in tariff of peat increased somewhat. Depreciation costs, maintenance management costs, reserve power costs and personnel costs rose, while loss energy costs decreased slightly. The changes between January and September as well as July and September 2009 from the corresponding periods in 2008 are shown in the table below.

Revenue	**1-9/09**	**1-9/08**	**7-9/09**	**7-9/08**
Grid service revenue	130.7	135.6	32.2	33.7
Sales of balance power	66.4	76.3	18.3	27.9
Cross-border transmission	18.0	16.4	5.4	5.8
ITC income	21.9	16.3	7.8	6.7
Peak load power	9.4	7.8	3.0	2.5
Feed-in tariff for peat	0.3	0.2	0.1	0.1
Congestion income	3.7	21.2	2.4	7.7
Other revenue	4.2	6,5	1.6	2.7
Other operating income	1.5	1.6	0.5	0.6
Revenue and other income total	255.9	281.9	71.3	87.7

Costs	**1-9/09**	**1-9/08**	**7-9/09**	**7-9/08**
Depreciation	48.2	44.5	15.9	14.9
Purchase of balance power	60.8	67.6	17.5	21.6
ITC charges	11.9	11.0	3.4	4.1
Peak load power	9.9	7.2	3.1	2.0
Feed-in tariff for peat	0.2	0.0	0.0	0.0

Purchase of loss energy	36.7	37.5	11.4	11.0
Reserves	15.7	14.2	5.9	4.9
Maintenance management	12.3	9.0	4.7	3.3
Personnel	14.1	13.7	3.9	3.9
Other costs	13.6	13.6	4.3	5.3
Costs total	223.4	218.5	70.0	71.1

From January to September, operating profit excluding the change in the fair value of electricity derivatives was 33 million euros (63 million euros). Operating profit decreased primarily because of reduced grid service revenue, and smaller congestion income resulting from transmission congestions. The IFRS operating profit was 35 million euros (61 million euros), which contains 2 million euros (-2 million euros) of positive change in the fair value of electricity derivatives. The IFRS profit before taxes was 20 million euros (37 million euros), and the total comprehensive income for the review period was 11 million euros (38 million euros). The equity ratio was 26.4 (29.3) per cent at the end of the review period.

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

Financing

The financial position of the Group continued to be satisfactory. The net financial costs of the Group from July to September were -6 million euros (-7 million euros). The net financial costs of the Group also decreased between January and September to -15 million euros (-25 million euros). Financial assets recognised at fair value in the income statement, and cash and cash equivalents amounted to 204 million euros (213 million euros) at 30 September 2009. The interest-bearing liabilities, including derivative liabilities, totalled 977 million euros (939 million euros), of which 627 million euros (686 million euros) were long-term and 350 million euros (254 million euros) were short-term.

The counterparty risk involved in the derivative contracts relating to financing was 19 million euros. The company has an undrawn revolving credit facility of 250 million euros.

Personnel

The total personnel of the Fingrid Group averaged 250 (240) during the review period.

Auditing

The consolidated figures in this Interim Report are unaudited.

Events after the review period and outlook for the remaining part of the year

On 9 October 2009, Moody's Investors Service downgraded Fingrid's long-term rating to A1 from Aa3. The short-term rating remained at P-1. The outlook changed from stable to negative.

The profit of the Fingrid Group for the entire year without the change in the fair value of derivatives is expected to decrease somewhat on the previous year.

Board of Directors

Appendices: Tables for the interim report 1 January - 30 June 2009

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Appendices: Tables for the Interim Report 1 January - 30 September 2009

Condensed consolidated statement of comprehensive income, million euros	2009 Jan-Sep	2008 Jan-Sep	Change	2009 Jul-Sep	2008 Jul-Sep	Change	2008 Jan-Dec
Revenue	**254.5**	**280.3**	**-25.8**	**70.8**	**87.1**	**-16.3**	**382.3**
Other operating income	1.4	1.6	-0.2	0.5	0.6	-0.1	2.5
Depreciation and amortisation expense	-48.2	-44.5	-3.7	-15.9	-14.9	-1.0	-59.5
Operating expenses	-173.2	-176.0	2.8	-55.3	-57.3	1.9	-257.0
Operating profit	**34.5**	**61.4**	**-26.9**	**0.1**	**15.5**	**-15.4**	**68.4**
Finance income and costs	-14.5	-24.7	10.2	-5.8	-6.9	1.1	-31.4
Portion of profit of associated companies	0.2	0.6	-0.3	0.0	0.8	-0.8	0.5
Profit before taxes	**20.2**	**37.3**	**-17.0**	**-5.7**	**9.4**	**-15.1**	**37.5**
Income taxes	-5.2	-9.6	4.4	1.5	-2.3	3.8	-9.7
Profit for the period	**15.0**	**27.7**	**-12.7**	**-4.2**	**7.2**	**-11.3**	**27.9**
Other comprehensive income							
Cash flow hedges	-4.3	10.7	-15.1	-7.5	-26.0	18.4	-32.5
Translation reserve	0.4	-0.1	0.5	0.2	-0.1	0.3	-0.6
Available-for-sale financial assets							0.0
Total comprehensive income for the year	**11.1**	**38.3**	**-27.2**	**-11.5**	**-18.9**	**7.4**	**-5.3**
Profit attributable to:							
Equity holders of the company	15.0	27.7	-12.7	-4.2	7.2	-11.3	27.9
Total comprehensive income attributable to:							
Equity holders of the company	11.1	38.3	-27.2	-11.5	-18.9	7.4	-5.3
Earnings per share (euros)* belonging to the owners of the parent company, calculated from profit	4,517	8,330	-3,813	-1,257	2,156	-3,413	8,379

* no dilution effect

Condensed consolidated balance sheet, million euros	2009 30 Sep	2008 30 Sep	Change	2008 31 Dec
ASSETS				
Non-current assets				
Goodwill	87.9	87.9	0.0	87.9
Intangible assets	85.9	84.6	1.3	85.3
Property, plant and equipment	1,152.5	1,096.2	56.4	1,113.1
Investments	7.3	7.2	0.1	6.7
Receivables	21.9	43.5	-21.6	9.9
Current assets				
Inventories	5.6	4.7	0.9	4.6
Receivables	31.4	35.1	-3.7	48.0
Financial assets recognised in income statement at fair value	199.5	212.3	-12.8	200.0
Cash and cash equivalents	4.8	0.8	4.0	6.1
Total assets	**1,596.9**	**1,572.2**	**24.6**	**1,561.6**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity belonging to the owners of the parent company				
Shareholders' equity	422.0	461.2	-39.2	417.6
Non-current liabilities				
Non-current interest-bearing liabilities	627.4	685.9	-58.5	678.3
Other non-current liabilities	158.0	122.3	35.7	150.1
Current liabilities				
Current interest-bearing liabilities	349.9	253.6	96.4	254.5
Trade and other payables	39.6	49.3	-9.7	61.0
Total shareholders' equity and liabilities	**1,596.9**	**1,572.2**	**24.6**	**1,561.6**

Key indicators, million euros	2009 Jan-Sep	2008 Jan-Sep	2008 Jan-Dec
Revenue	254.5	280.3	382.3
Capital expenditure, gross	88.1	55.1	87.9
- % of revenue	34.6	19.7	23.0
Research and development expenses	0.8	0.6	0.9
- % of revenue	0.3	0.2	0.2
Personnel, average	250	240	241
Operating profit	34.5	61.4	68.4
- % of revenue	13.6	21.9	17.9
Profit before taxes	20.2	37.3	37.5
- % of revenue	7.9	13.3	9.8
Interest bearing liabilities, net*	773.0	726.4	726.7
Equity ratio,%*	26.4	29.3	26.7
Shareholders' equity*	422.0	461.2	417.6
Equity per share, euros*	126,910	138,697	125,600
Earnings per share, euros*	4,517	8,330	8,379

* end of period

Consolidated statement of changes in total equity, million euros	Share capital	Share premium account	Revaluation reserve	Translation reserve	Retained earnings	Total
Capital and reserves 1 Jan 2008	**55.9**	**55.9**	**9.4**	**0.2**	**308.6**	**430.0**
Dividend distribution					-7.2	-7.2
Total comprehensive income for the year			10.7	-0.1	27.7	38.3
Capital and reserves 30 Sep 2008	**55.9**	**55.9**	**20.1**	**0.1**	**329.1**	**461.2**
Total comprehensive income for the year			-43.3	-0.4	0.2	-43.5
Capital and reserves 31 Dec 2008	**55.9**	**55.9**	**-23.2**	**-0.4**	**329.3**	**417.6**
Dividend distribution					-6.7	-6.7
Total comprehensive income for the year			-4.3	0.4	15.0	11.1
Capital and reserves 30 Sep 2009	**55.9**	**55.9**	**-27.5**	**0.0**	**337.6**	**422.0**

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Condensed consolidated cash flow statement, million euros	2009 Jan-Sep	2008 Jan-Sep	2008 Jan-Dec
Cash flow from operating activities			
Profit for the financial year	15.0	27.7	27.9
Adjustments	65.7	80.2	114.2
Changes in working capital	4.3	8.3	4.8
Interests paid	-38.6	-29.6	-40.8
Interests received	6.7	6.5	9.0
Taxes paid	-1.4	-1.8	-2.3
Net cash flow from operating activities	**51.7**	**91.3**	**112.6**
Cash flow from investing activities			
Purchase of property, plant and equipment	-86.4	-54.7	-83.6
Purchase of intangible assets	-3.9	-1.7	-3.1
Purchase of other assets	0.0	0.0	0.0
Proceeds from other investments	0.0	0.0	0.0
Proceeds from sale of property, plant and equipment	0.0	0.0	0.2
Repayment of loans receivable	0.0	0.1	0.1
Dividends received	0.0	0.6	0.6
Net cash flow from investing activities	**-90.3**	**-55.7**	**-85.7**
Cash flow from financing activities			
Withdrawal of loans	248.8	193.6	354.4
Repayment of loans	-202.3	-221.6	-382.0
Dividends paid	-6.7	-7.2	-7.2
Net cash flow from financing activities	**39.8**	**-35.1**	**-34.7**
Net change in cash and cash equivalents	1.2	0.5	-7.9
Cash and cash equivalents 1 Jan	206.1	212.0	212.0
Impact of changes in fair value of investments	-3.1	0.6	2.1
Cash and cash equivalents 30 Sep	**204.3**	**213.1**	**206.1**

Derivative agreements, million euros	30 Sep 2009 Net fair value	30 Sep 2009 Notional value	30 Sep 2008 Net fair value	30 Sep 2008 Notional value	31 Dec 2008 Net fair value	31 Dec 2008 Notional value
Interest and currency derivatives						
Cross-currency swaps	-2	332	-31	365	-22	367
Forward contracts	0	12	1	17	1	19
Interest rate swaps	1	155	0	144	0	134
Call options, bought	11	780	9	330	2	330
Total	**11**	**1 279**	**-21**	**857**	**-19**	**851**
	30 Sep 2009 Net fair value	30 Sep 2009 Volume TWh	30 Sep 2008 Net fair value	30 Sep 2008 Volume TWh	31 Dec 2008 Net fair value	31 Dec 2008 Volume TWh
Electricity derivatives						
Electricity forward contracts, Nord Pool Clearing designated as hedge accounting	-39	3.64	34	3.56	-35	3.52
Electricity forward contracts, Nord Pool Clearing	0	-0.01	0	0.00	0	0
Forward contracts of electricity, others	-1	0.04	1	0.07	0	0.07
Total	**-40**	**3.67**	**35**	**3.63**	**-35**	**3.59**

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Commitments and contingencies, million euros	30 Sep 2009	30 Sep 2008	31 Dec 2008
Pledges/ bank balances	4	0	6
Rental liabilities	8	8	9
Commitment fee of revolving credit facility	0	0	1
Total	**12**	**9**	**16**
Capital commitments	**224**	**234**	**219**
Other financial liabilities	**2**	**2**	**2**

Changes in property, plant and equipment, million euros	30 Sep 2009	30 Sep 2008	31 Dec 2008
Carrying amount at beginning of period	**1,113**	**1,086**	**1,086**
Increases	85	54	81
Decreases	0		0
Depreciation and amortisation expense	-45	-43	-54
Carrying amount at end of period	**1,153**	**1,096**	**1,113**

Related party transactions and balances, million euros	30 Sep 2009	30 Sep 2008	31 Dec 2008
Sales	65	71	99
Purchases	71	75	109
Receivables	4	7	9
Liabilities	0	2	1

Accounting principles. This interim report has been drawn up in accordance with standard IAS 34, Interim Financial Reporting. In this interim report Fingrid has followed the same principles as in the annual financial statements for 2008. The Group has adopted the new standards that came into force 1 January 2009 IAS 1. Presentation of Financial Statements and IAS 23 Borrowing Costs.

Segment reporting. The entire business of the Fingrid Group is deemed to comprise transmission system operation in Finland with system responsibility, only constituting a single segment. There are no essential differences in the risks and profitability of individual products and services. This is why segment reporting in accordance with the IFRS 8 standard is not presented.

Corporate rearrangements. There have been no changes in the Group structure during the period reviewed.

Seasonal fluctuation. The Group's operations are characterised by extensive seasonal fluctuations.

General clause. Certain statements in this release concern the future and are based on the present views of management. Due to their nature, they contain some risk and uncertainty and are subject to changes in economy and the relevant business.