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FINGRID GROUP'S INTERIM REPORT 1 JANUARY - 30 JUNE 2007**Review of operations**

A total of 46 terawatt hours of electricity was consumed in Finland during the first half of 2007. This was 0.9 per cent less than during the corresponding period in 2006.

During the early part of the year, electricity transmissions between Finland and Sweden mainly consisted of imports into Finland.

Almost a full volume of electricity was imported from Russia during the review period. Annual maintenance work, which restricted the import capacity on the Russian connection, commenced in June and continued until July.

The system agreement which governs imports from Russia and the agreements on the entire commercial import capacity of 1,300 megawatts will be renewed at the end of this year. Fingrid has launched discussions with the Russian parties on the application of increasingly market-focused procedures to electricity transmissions from Russia.

Most of the transmissions on the Estlink connection, which was taken into commercial operation at the beginning of 2007, have comprised imports into Finland, but electricity has also been exported to the Baltic countries during some hours. Border tariffs on electricity trade were abolished between Finland and Estonia in June when Estonia joined the European transit compensation mechanism.

During the second quarter, there were no significant faults in the grid affecting the transmission capacity made available to the market. The protection system for power shortfall, installed at Fingrid's substations, was commissioned in the spring. The system is the last protection step in serious disturbance situations, preventing frequency from decreasing so low that power plants would be disconnected from the grid.

The volume of loss energy in the grid (550 GWh) was slightly higher than during the corresponding period in 2006 (517 GWh).

The environmental impact assessment report of the 400 kV transmission line Seinäjoki - Tuovila was displayed for public review, and an expropriation permit was granted for the 400 kV transmission line Keminmaa - Petäjaskoski.

Capital expenditure

Gross capital expenditure during the period examined totalled 36 million euros (24 million euros during the corresponding period in 2006).

At the end of June, there were 25 ongoing grid projects with a value of more than one million euros. Six of these were projects in excess of 10 million euros. The elevation of series compensation levels at the Uusnivala and Vuolijoki substations were completed in the spring and early summer, and a new 110 kV transmission line between Korja and Orimattila was also finalised.



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Financial result

The Group's revenue during the review period was 161 million euros (180 million euros during the corresponding period in 2006). Revenue declined due to lower sales of balance power and decrease in grid revenues. Sales of balance power were decreased by a lower price of balance power, and grid revenues were diminished by the tariff reduction which became into force at the beginning of this year and by a decrease in electricity consumption.

Operating profit without the change in the fair value of derivatives was 41 million euros (58 million euros). Operating profit declined mainly because of the tariff reductions, repair costs of the sea cable damage, and rise in the purchase costs of loss energy. The operating profit in accordance with IFRS was 53 million euros (68 million euros), which contains 12 million euros (10 million euros) of positive change in the fair value of electricity derivatives. The IFRS profit before taxes was 34 million euros (53 million euros). The equity ratio was 26.7 per cent (25.8 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 six-month result.

Financing

The financial position of the Group continued to be good throughout the review period. The net finance costs of the Group were 20 million euros (15 million euros). Financial assets recognised at fair value in the income statement, and cash and cash equivalents amounted to 200 million euros (206 million euros) at 30 June 2007. The interest-bearing liabilities, including derivative liabilities, totalled 966 million euros (977 million euros), of which 788 million euros (786 million euros) were long-term and 178 million euros (192 million euros) were short-term.

The counterparty risk involved in the derivative contracts relating to financing was 6 million euros (8 million euros). The company has an undrawn revolving credit facility of 250 million euros.

Fingrid Oyj used its premature right of repayment on 15 May 2007 by paying back the full capital loan of 138 million euros which had been issued on 1 September 1997.

Personnel

The total personnel of the Fingrid Group averaged 237 (237) during the review period.

Auditing

The consolidated figures in this Interim Report are unaudited.

Outlook for the remaining part of the year

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 2007 (Appendix 1)

Further information:

Jukka Ruusunen, President & CEO, +358 (0)30 395 5140 or +358 (0)40 593 8428

Tom Pippingsköld, CFO, +358 (0)30 395 5157 or +358 (0)40 519 5041



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Appendix: Tables for the Interim Report 1 January - 30 June 2007

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| Condensed consolidated income statement, million euros | 2007 | 2006 | Change | 2007 | 2006 | Change | 2006 |
|---|--------------|--------------|--------------|-------------|-------------|-------------|--------------|
| | Jan - Jun | Jan - Jun | | Apr - Jun | Apr - Jun | | Jan - Dec |
| Revenue | 161.0 | 180.4 | -19.4 | 59.9 | 66.9 | -7.0 | 351.3 |
| Other operating income | 0.9 | 0.9 | 0.0 | 0.5 | 0.5 | 0.0 | 2.2 |
| Depreciation and amortisation expense | -25.5 | -25.4 | -0.1 | -12.7 | -12.9 | 0.2 | -52.3 |
| Operating expenses | -83.5 | -87.7 | 4.1 | -28.0 | -47.6 | 19.7 | -221.7 |
| Operating profit | 53.0 | 68.2 | -15.3 | 19.7 | 6.9 | 12.9 | 79.5 |
| Finance income and costs | -19.7 | -15.3 | -4.4 | -11.8 | -7.5 | -4.2 | -29.3 |
| Portion of profit of associated companies | 0.3 | 0.5 | -0.2 | 0.1 | 0.3 | -0.2 | 1.2 |
| Profit before taxes | 33.5 | 53.4 | -19.9 | 8.1 | -0.4 | 8.5 | 51.5 |
| Income taxes | -8.7 | -13.8 | 5.1 | -2.1 | 0.2 | -2.2 | -13.1 |
| Profit for the period | 24.9 | 39.7 | -14.8 | 6.0 | -0.2 | 6.2 | 38.3 |
| Earnings per share (euros)* belonging to the owners of the parent company, calculated from profit | 7 483 | 11 929 | -4 446 | 1 817 | -57 | 1 874 | 11 531 |

*no dilution effect

| Condensed consolidated balance sheet, million euros | 2007 | 2006 | Change | 2006 |
|--|----------------|----------------|-------------|----------------|
| | 30 Jun | 30 Jun | | 31 Dec |
| ASSETS | | | | |
| Non-current assets | | | | |
| Goodwill | 87.9 | 87.9 | 0.0 | 87.9 |
| Intangible assets | 80.6 | 80.6 | -0.1 | 80.4 |
| Property, plant and equipment | 1 076.2 | 1 047.3 | 28.8 | 1 065.8 |
| Investments | 7.6 | 6.6 | 1.0 | 7.2 |
| Receivables | 25.3 | 37.7 | -12.3 | 13.4 |
| Current assets | | | | |
| Inventories | 4.8 | 3.0 | 1.8 | 3.8 |
| Receivables | 30.8 | 30.1 | 0.7 | 51.2 |
| Financial assets recognised in income statement at fair value | 193.7 | 203.5 | -9.8 | 186.7 |
| Cash and cash equivalents | 6.4 | 2.7 | 3.7 | 17.4 |
| Total assets | 1 513.2 | 1 499.4 | 13.8 | 1 513.8 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity belonging to the owners of the parent company | | | | |
| Shareholders' equity | 403.6 | 387.0 | 16.7 | 385.5 |
| Non-current liabilities | | | | |
| Non-current interest-bearing liabilities | 788.0 | 785.7 | 2.3 | 757.5 |
| Other non-current liabilities | 101.9 | 95.9 | 6.0 | 97.0 |
| Current liabilities | | | | |
| Current interest-bearing liabilities | 178.4 | 191.7 | -13.3 | 212.8 |
| Trade and other payables | 41.3 | 39.1 | 2.2 | 60.9 |
| Total shareholders' equity and liabilities | 1 513.2 | 1 499.4 | 13.8 | 1 513.8 |

| Key indicators, million euros | 2007 | 2006 | 2006 |
|------------------------------------|-----------|-----------|-----------|
| | Jan - Jun | Jan - Jun | Jan - Dec |
| Revenue | 161.0 | 180.4 | 351.3 |
| Capital expenditure, gross | 36.1 | 24.5 | 69.6 |
| - % of revenue | 22.4 | 13.6 | 19.8 |
| Research and development expenses | 0.5 | 0.6 | 1.2 |
| - % of revenue | 0.3 | 0.3 | 0.4 |
| Personnel, average | 237 | 237 | 238 |
| Operating profit | 53.0 | 68.2 | 79.5 |
| - % of revenue | 32.9 | 37.8 | 22.6 |
| Profit before taxes | 33.5 | 53.4 | 51.5 |
| - % of revenue | 20.8 | 29.6 | 14.7 |
| Interest bearing liabilities, net* | 766.3 | 771.1 | 766.3 |
| Equity ratio, %* | 26.7 | 25.8 | 25.5 |
| Shareholders' equity* | 403.6 | 387.0 | 385.5 |
| Equity per share, euros* | 121 389 | 116 381 | 115 952 |
| Earnings per share, euros* | 7 483 | 11 929 | 11 531 |

* end of period



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| 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 2006 | 55.9 | 55.9 | 0.0 | 0.2 | 241.9 | 353.9 |
| Change in translation | | | | 0.0 | | 0.0 |
| Dividend distribution | | | | | -6.6 | -6.6 |
| Profit for period | | | | | 39.7 | 39.7 |
| Capital and reserves 30 Jun 2006 | 55.9 | 55.9 | 0.0 | 0.2 | 274.9 | 387.0 |
| Change in translation | | | | -0.1 | | -0.1 |
| Profit for period | | | | | -1.3 | -1.3 |
| Other changes | | | 0.0 | | | 0.0 |
| Capital and reserves 31 Dec 2006 | 55.9 | 55.9 | 0.0 | 0.1 | 273.6 | 385.5 |
| Change in translation | | | | 0.1 | | 0.1 |
| Dividend distribution | | | | | -6.9 | -6.9 |
| Profit for period | | | | | 24.9 | 24.9 |
| Capital and reserves 30 Jun 2007 | 55.9 | 55.9 | 0.0 | 0.2 | 291.5 | 403.6 |

| Condensed consolidated cash flow statement, million euros | 2007 Jan - Jun | 2006 Jan - Jun | 2006 Jan - Dec |
|--|-------------------|-------------------|-------------------|
| Cash flow from operating activities | | | |
| Profit for the financial year | 24.9 | 39.7 | 38.3 |
| Adjustments | 41.9 | 44.2 | 111.6 |
| Changes in working capital | 13.3 | 6.9 | -6.8 |
| Interests paid | -25.5 | -27.7 | -41.6 |
| Interests received | 3.1 | 1.9 | 5.4 |
| Taxes paid | -1.2 | -1.3 | -2.3 |
| Net cash flow from operating activities | 56.4 | 63.7 | 104.7 |
| Cash flow from investing activities | | | |
| Purchase of property, plant and equipment | -42.8 | -28.2 | -65.5 |
| Purchase of intangible assets | -1.3 | -1.4 | -2.4 |
| 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 | 0.0 |
| Repayment of loans receivable | 0.1 | 0.1 | 0.1 |
| Dividends received | 0.0 | 0.6 | 0.6 |
| Net cash flow from investing activities | -44.0 | -28.9 | -67.3 |
| Cash flow from financing activities | | | |
| Withdrawal of loans | 246.7 | 197.9 | 228.4 |
| Repayment of loans | -257.6 | -208.4 | -243.3 |
| Dividends paid | -6.9 | -6.6 | -6.6 |
| Net cash flow from financing activities | -17.9 | -17.1 | -21.5 |
| Net change in cash and cash equivalents | -5.4 | 17.7 | 15.9 |
| Cash and cash equivalents 1 Jan | 204.1 | 187.9 | 187.9 |
| Impact of changes in exchange rates | 0.0 | 0.0 | 0.0 |
| Impact of changes in fair value of investments | 1.4 | 0.6 | 0.3 |
| Cash and cash equivalents 30 Jun | 200.1 | 206.3 | 204.1 |



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| Derivative agreements, million euros | 30 Jun 2007 | | 30 Jun 2006 | | 31 Dec 2006 | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Net fair value | Notional value | Net fair value | Notional value | Net fair value | Notional value |
| Interest and currency derivatives | | | | | | |
| Cross-currency swaps | -62 | 418 | -36 | 332 | -44 | 322 |
| Forward contracts | -1 | 79 | 0 | 101 | -3 | 94 |
| Interest rate swaps | 0 | 191 | -1 | 228 | -1 | 213 |
| Call options, bought | 14 | 470 | 10 | 530 | 11 | 530 |
| Total | -50 | 1 158 | -27 | 1 190 | -37 | 1 159 |
| | 30 Jun 2007 | | 30 Jun 2006 | | 31 Dec 2006 | |
| | Net fair value | Volume TWh | Net fair value | Volume TWh | Net fair value | Volume TWh |
| Electricity derivatives | | | | | | |
| Futures contracts, Nord Pool ASA | | | | | | |
| Forward contracts of electricity, Nord Pool Clearing | 8 | 3.04 | 24 | 1.98 | -3 | 2.81 |
| Forward contracts of electricity, others | 2 | 0.14 | 2 | 0.14 | 1 | 0.14 |
| Call options, bought | | | | | | |
| Total | 10 | 3.18 | 26 | 2.12 | -2 | 2.96 |

| Commitments and contingencies, million euros | 30 Jun 2007 | 30 Jun 2006 | 31 Dec 2006 |
|---|-------------|-------------|-------------|
| Pledges / bank balances | 5 | 0 | 14 |
| Rental liabilities | 10 | 9 | 10 |
| Commitment fee of revolving credit facility | 1 | 1 | 1 |
| Total | 15 | 10 | 25 |
| Capital commitments | 80 | 85 | 64 |
| Other financial liabilities | 1 | 1 | 1 |

| Changes in property, plant and equipment, million euros | 30 Jun 2007 | 30 Jun 2006 | 31 Dec 2006 |
|--|--------------|--------------|--------------|
| Carrying amount at beginning of period | 1 066 | 1 048 | 1 048 |
| Increases | 35 | 24 | 68 |
| Decreases | 0 | | 0 |
| Depreciation and amortisation expense | -25 | -25 | -51 |
| Carrying amount at end of period | 1 076 | 1 047 | 1 066 |

| Related party transactions and balances, million euros | 30 Jun 2007 | 30 Jun 2006 | 31 Dec 2006 |
|--|-------------|-------------|-------------|
| Sales | 48 | 44 | 73 |
| Purchases | 38 | 53 | 73 |
| Receivables | 3 | 0 | 1 |
| Liabilities | 5 | 3 | 5 |

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 2006. IFRS 7 (Financial Instruments: Disclosures) will be adopted in the annual financial statements for 2007. The Group has analysed the potential impacts of these revised standards and interpretations, and they are not expected to be significant.

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 IAS 14 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.