FINGRID GROUP'S INTERIM REPORT 1 JANUARY - 30 SEPTEMBER 2007

Review of operations

Electricity consumption

A total of 66 terawatt hours of electricity was consumed in Finland from the beginning of 2007 to the end of September. This was as much as during the corresponding period in 2006.

Transmission management

Electricity transmissions between Finland and Sweden mainly consisted of imports from Sweden into Finland during the early part of the year. The transmission situation in September was varying. A good water reservoir situation in Southern Norway but insufficient transmission capacity from Southern Norway to the other Nordic countries led to the continuous separation of system price and area prices in the Nordic countries from the late summer onwards. However, the price between Finland and Sweden has been practically the same: the prices have only been different for about one per cent of the time.

Maintenance work in Russia, which restricted the import capacity on the Russian connection, commenced in June, and the restrictions continued throughout the summer and early autumn. A significant capacity restriction of 900 megawatts (MW) also took place in electricity imports from Russia in September. The restriction was caused by a fault in the Russian grid near Moscow.

The entire commercial transmission capacity of 1,300 MW on Fingrid’s cross-border lines from Russia to Finland will become available at the beginning of 2008. The transmission capacity offered by Fingrid to the electricity market players has raised interest, and reservation requests for 4,000 - 5,500 MW were received by the end of September. Fingrid will confirm the transmission reservations after it has received an account of corresponding reservations on the transmission connections in Russia from the Russian transmission system operator.

System security

During the summer, there were fewer disturbance situations in the grid caused by thunder than in the previous years. During the construction work of the grid errors caused short-term disturbances in the Lahti region in August and in the Oulu region in early October.

The update of the operation control system for the Finnish grid, costing approx. 8 million euros, has been introduced. The system is now highly user friendly and provides facilities for increasingly versatile utilisation of grid data. The reliability of the operation control system is also enhanced.

Nordel, the organisation of the Nordic transmission system operators (TSOs), published its forecast of the power balance in the Nordic countries for the winter period of 2007 - 2008. The Nordic power balance is expected to be positive at peak demand without imports from the neighbouring regions to the Nordic area. The power balance in Finland will show a deficit without imports.

Electricity market

Nordel published its strategy for the coming years at the end of September. The concrete agenda aims at more efficient functioning of the Nordic electricity market, further integration of the Nordic electricity market with other markets, and strengthened co-operation with the TSOs in the neighbouring North European regions. By 2013, the Nordic TSOs will implement the package of five priority cross-sections agreed earlier. The total investments will be one thousand million euros. The next Nordic development plan will be published in the early part of 2008.

In mid-September, the European Commission published a legislative package concerning the electricity market. The energy package of the Commission contains several proposals related to TSO operations. The foremost suggestions of changes concern ownership of companies, strengthened status of the regulatory authority, promotion of TSO co-operation, and enhanced transparency in the wholesale market of electricity.

Capital expenditure

There were several ongoing modernisation and construction projects in the Finnish grid throughout the summer, with several major projects to be completed during the latter part of the year. A contract worth 9 million euros on the construction of a 400 kilovolt transmission line Keminmaa - Petäjäskoski was signed with Eltel Networks Oy. Once completed, this transmission line will contribute to strengthened alternating current connections in the north.

Gross capital expenditure during the period examined totalled 56 million euros (44 million euros during the corresponding period in 2006).

Financial result

The Group's revenue during the review period was 234 million euros (256 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.

Operating profit without the change in the fair value of derivatives decreased to 56 million euros (68 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 68 million euros (85 million euros), which contains 12.6 million euros (17 million euros) of positive change in the fair value of electricity derivatives. Fingrid introduced hedge accounting in Group reporting for electricity derivatives as of 1 July. The Group’s positive change in the fair value of electricity derivatives totalled 12.6 million euros, of which 11.7 million euros materialised during the first six months of the year, when the change in the fair value was recorded completely in the income statement. The change in the fair value recognised in the income statement for the third quarter was 0.9 million euros, and the portion recorded in equity and deferred tax liabilities was 1.3 million euros.

The IFRS profit before taxes was 41 million euros (63 million euros). The equity ratio was 26.6 per cent (26.0 per cent) at the end of the review period.

The Group's income flow is mainly accumulated during the first and fourth quarters, therefore 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 good throughout the review period. The net finance costs of the Group were 28 million euros (23 million euros). Financial assets recognised at fair value in the income statement, and cash and cash equivalents amounted to 221 million euros (204 million euros) at 30 September 2007. The interest-bearing liabilities, including derivative liabilities, totalled 986 million euros (986 million euros), of which 768 million euros (757 million euros) were long-term and 217 million euros (229 million euros) were short-term.

The counterparty risk involved in the derivative contracts relating to financing was 7 million euros (9 million euros). The company has an undrawn revolving credit facility of 250 million euros.

Personnel

The total personnel of the Fingrid Group averaged 240 (238) during the review period.

Auditing

The consolidated figures in this Interim Report are unaudited.

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

In early October, the Finnish Ministry of Trade and Industry granted a cross-border line permit to the extension of the submarine cable link between Finland and Sweden. The extension will be carried out in co-operation between Fingrid Oyj and Svenska Kraftnät. This project of approx. 300 million euros is Fingrid’s biggest construction project to date. The project due to be complete in 2010 will improve the functioning of the Nordic electricity market.

On 23 October 2007 Fitch Ratings has assigned Fingrid Oyj a long-term issuer default rating (IDR) of AA- (AA minus), a short-term IDR of F1+ and a senoir unsecured debt rating of AA. The outlook is stable.

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

Appendix: Tables for the interim report 1 January - 30 September 2007

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

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

Condensed consolidated income statement, million €	2007 Jan - Sep	2006 Jan - Sep	Change	2007 Jul-Sep	2006 Jul-Sep	Change	2006 Jan - Dec
Revenue	**234.3**	**255.7**	**-21.4**	**73.3**	**75.2**	**-2.0**	**351.3**
Other operating income	1.5	1.4	0.0	0.5	0.5	0.0	2.2
Depreciation and amortisation expense	-38.3	-38.1	-0.2	-12.8	-12.7	-0.1	-52.3
Operating expenses	-129.0	-133.6	4.6	-45.5	-45.9	0.4	-221.7
Operating profit	**68.5**	**85.4**	**-16.9**	**15.5**	**17.2**	**-1.7**	**79.5**
Finance income and costs	-28.0	-22.8	-5.2	-8.3	-7.5	-0.8	-29.3
Portion of profit of associated companies	0.5	0.8	-0.4	0.2	0.3	-0.1	1.2
Profit before taxes	**40.9**	**63.4**	**-22.5**	**7.3**	**10.0**	**-2.6**	**51.5**
Income taxes	-10.5	-16.3	5.8	-1.9	-2.5	0.7	-13.1
Profit for the period	**30.3**	**47.1**	**-16.8**	**5.5**	**7.4**	**-2.0**	**38.3**
Earnings per share (euros)* belonging to the owners of the parent company, calculated from profit	9 128	14 167	-5 039	1 645	2 238	-594	11 531

*no dilution effect

Condensed consolidated balance sheet, million euros	2007 30 Sep	2006 30 Sep	Change	2006 31 Dec
ASSETS				
Non-current assets				
Goodwill	87.9	87.9	0.0	87.9
Intangible assets	80.7	80.4	0.3	80.4
Property, plant and equipment	1 082.9	1 054.4	28.5	1 065.8
Investments	7.9	6.8	1.1	7.2
Receivables	23.9	43.0	-19.1	13.4
Current assets				
Inventories	4.7	3.1	1.6	3.8
Receivables	30.3	36.0	-5.7	51.2
Financial assets recognised in income statement at fair value	206.9	200.8	6.1	186.7
Cash and cash equivalents	14.6	3.0	11.6	17.4
Total assets	**1 539.7**	**1 515.4**	**24.3**	**1 513.8**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity belonging to the owners of the parent company				
Shareholders' equity	410.2	394.3	15.9	385.5
Non-current liabilities				
Non-current interest-bearing liabilities	768.3	757.0	11.3	757.5
Other non-current liabilities	103.8	97.8	6.0	97.0
Current liabilities				
Current interest-bearing liabilities	217.2	229.2	-12.0	212.8
Trade and other payables	40.2	37.1	3.2	60.9
Total sharehoulders' equity and liabilities	**1 539.7**	**1 515.4**	**24.3**	**1 513.8**

Key indicators, million euros	2007 Jan - Sep	2006 Jan - Sep	2006 Jan - Dec
Revenue	234.3	255.7	351.3
Capital expenditure, gross	55.7	44.1	69.6
- % of revenue	23.8	17.2	19.8
Research and development expenses	0.7	0.8	1.2
- % of revenue	0.3	0.3	0.4
Personnel, average	240	238	238
Operating profit	68.5	85.4	79.5
- % of revenue	29.2	33.4	22.6
Profit before taxes	40.9	63.4	51.5
- % of revenue	17.4	24.8	14.7
Interest bearing liabilities, net*	764.0	782.4	766.3
Equity ratio, %*	26.6	26.0	25.5
Shareholders' equity*	410.2	394.3	385.5
Equity per share, euros*	123 366	118 586	115 952
Earnings per share, euros*	9 128	14 167	11 531

* 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 2006	**55.9**	**55.9**	**0.0**	**0.2**	**241.9**	**353.9**
Change in translation				-0.1		-0.1
Dividend distribution					-6.6	-6.6
Profit for period					47.1	47.1
Capital and reserves 30 Sep 2006	**55.9**	**55.9**	**0.0**	**0.1**	**282.4**	**394.3**
Change in translation				0.0		0.0
Profit for period					-8.8	-8.8
Other changes			0.0			0.0
Capital and reserves 31 Dec 2006	**55.9**	**55.9**	**0.0**	**0.1**	**273.6**	**385.5**
Cash flow hedges			1.0			1.0
Change in translation				0.3		0.3
Dividend distribution					-6.9	-6.9
Profit for period					30.3	30.3
Capital and reserves 30 Sep 2007	**55.9**	**55.9**	**1.0**	**0.3**	**297.0**	**410.2**

Condensed consolidated cash flow statement, million euros	2007 Jan - Sep	2006 Jan - Sep	2006 Jan - Dec
Cash flow from operating activities			
Profit for the financial year	30.3	47.1	38.3
Adjustments	63.9	59.3	111.6
Changes in working capital	14.0	0.4	-6.8
Interests paid	-35.1	-36.8	-41.6
Interests received	5.7	2.6	5.4
Taxes paid	-1.2	-1.9	-2.3
Net cash flow from operating activities	**77.7**	**70.7**	**104.7**
Cash flow from investing activities			
Purchase of property, plant and equipment	-63.7	-49.1	-65.5
Purchase of intangible assets	-1.9	-1.8	-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	**-65.5**	**-50.1**	**-67.3**
Cash flow from financing activities			
Withdrawal of loans	319.8	227.9	228.4
Repayment of loans	-308.7	-227.5	-243.3
Dividends paid	-6.9	-6.6	-6.6
Net cash flow from financing activities	**4.2**	**-6.2**	**-21.5**
Net change in cash and cash equivalents	**16.4**	**14.3**	**15.9**
Cash and cash equivalents 1 Jan	204.1	187.9	187.9
Impact of changes in fair value of investments	1.0	1.6	0.3
Cash and cash equivalents 30 Sep	**221.5**	**203.8**	**204.1**

Derivative agreements, million euros	30 Sep 2007 Net fair value	30 Sep 2007 Notional value	30 Sep 2006 Net fair value	30 Sep 2006 Notional value	31 Dec 2006 Net fair value	31 Dec 2006 Notional value
Interest and currency derivatives						
Cross-currency swaps	-45	382	-37	327	-44	322
Forward contracts	-6	138	1	112	-3	94
Interest rate swaps	1	181	0	228	-1	213
Call options, bought	11	440	8	550	11	530
Total	**-39**	**1 141**	**-27**	**1 217**	**-37**	**1 159**
	30 Sep 2007 Net fair value	30 Sep 2007 Volume TWh	30 Sep 2006 Net fair value	30 Sep 2006 Volume TWh	31 Dec 2006 Net fair value	31 Dec 2006 Volume TWh
Electricity derivatives						
Forward contracts of electricity, Nord Pool Clearing*	11	3.17				
Forward contracts of electricity, Nord Pool Clearing	-1	0.06	31	2.49	-3	2.81
Forward contracts of electricity, others	2	0.11	2	0.12	1	0.14
Total	**12**	**3.34**	**33**	**2.61**	**-2**	**2.96**

Commitments and contingensies, million euros	30 Sep 2007	30 Sep 2006	31 Dec 2006
Pledges / bank balances	4	1	14
Rental liabilities	9	9	10
Commitment fee of revolving credit facility	1	1	1
Total	**14**	**10**	**25**
Capital commitments	**74**	**82**	**64**
Other financial liabilities	**1**	**1**	**1**

Changes in property, plant and equipment, million euros	30 Sep 2007	30 Sep 2006	31 Dec 2006
Carrying amount at beginning of period	**1 066**	**1 048**	**1 048**
Increases	54	43	68
Decreases	0		0
Depreciation and amortisation expense	-37	-37	-51
Carrying amount at end of period	**1 083**	**1 054**	**1 066**

Related party transactions and balances, milllion euros	30 Sep 2007	30 Sep 2006	31 Dec 2006
Sales	64	62	87
Purchases	54	76	108
Receivables	3	3	3
Liabilities	3	2	6

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.

Hedge accounting*
Since 1 July 2007, the company has adopted hedge accounting for electricity derivatives, according to IAS 39, based on cash flow hedging of loss power procurement. Hedge accounting is adpoted on exchange traded annual and quarter contracts bought by the company (* marked contracts). Changes in fair value of the contracts that qualify for hedge accounting are recorded in the equity, hedge accounting reserve. Changes in fair value of the other electricity derivatives are onwards recorded in the income statement.

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.