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28.10.2016, at 12:30 a.m
EET

- Series A shares	qty	2,078	2,078		2,078	2,078		2,078
- Series B shares	qty	1,247	1,247		1,247	1,247		1,247
Total	qty	3,325	3,325		3,325	3,325		3,325

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28.10.2016, at 12:30 a.m
EET

CEO Jukka Ruusunen: “Import pressure from Sweden eased during the third quarter”

The Nordic system price for electricity nearly doubled in the third quarter of 2016 compared to the corresponding period a year ago. The increase was due to the weakened hydrological situation in the Nordics. The higher price of electricity in Sweden, as well as the increase in transmission connections between the Baltics and Sweden resulted in a decrease of roughly one fifth in imports to Finland from Sweden. However, exports from Finland to Estonia were down nearly 70 per cent. The price of electricity in Finland was at the previous year's level.

Due to the market situation, situations between Finland and Sweden in the third quarter where electricity transmission is constrained, i.e. congestion hours, were only one third of the amount of the corresponding period. Congestion income, which reflects the adverse economic impact caused by the limited transmission capacity, on that border declined from EUR 81 million last year to approximately EUR 11 million in 2016. Fingrid's actions to improve the reliability of DC connections have also produced results. We will continue with this development work in the coming years.

Fingrid received positive attention in the international arena. We placed at the top of the International Transmission Operations and Maintenance Study (ITOMS). We are among the best transmission system operators in the world for the 11th time in a row. In addition, we were nominated one of the top four electricity network brands in the world at an international energy sector brand seminar in Iceland. For a monopoly company like Fingrid, social reputation and confidence are central elements in safeguarding our operating capabilities, now and going forward. This helps us to serve our customers and Finnish society in the best way possible.

FINGRID GROUP'S INTERIM REPORT 1.1.-30.9.2016

Accounting principles

Fingrid's interim report has been drawn up in accordance with the standard IAS 34 Interim Financial Reporting. In preparing this report, where the recognition of congestion income is concerned, Fingrid changed its accounting principles from those applied in its annual financial statements for 2015. The change was implemented as of the beginning of 2016. In other respects, the interim report complies with the same accounting principles as those used for Fingrid's 2015 financial statements.

As a consequence of the change in the regulation governing Fingrid's grid pricing, the company will include the congestion income received after 1 January 2016 as accruals in the "other liabilities" balance sheet item. Of the accruals, congestion income will be recognised in the income statement as other operating income when their corresponding costs, as defined in the regulation, accrue as annual expenses in the income statement. Alternatively, they are booked in the balance sheet against investments, as defined by regulation, to lower the acquisition cost of property, plant and equipment, which lowers the depreciation of the property, plant and equipment in question.

Financial result

The Group's third quarter turnover was EUR 110.8 (134.6) million. Grid service income in third quarter totalled EUR 71.3 (56.5) million. Other operating income totalled EUR 2.5 (0.3) million. Costs during the third quarter amounted to EUR 103.3 (99.5) million.

Fingrid's congestion income from connections between Finland and Sweden declined to EUR 35.6 (64.7) million as a consequence of the weaker hydrological situation in the Nordic countries during the third quarter; this reduced the differences in Finland's and Sweden's area prices. Fingrid's congestion income from the connections between Finland and Estonia amounted to EUR 2.3 (3.4) million. Due to the change in the way congestion income is recognised, it will no longer be reported in Fingrid's turnover as of the beginning of 2016.

The Group's turnover in January–September was EUR 408.1 (427.7) million. Grid service income increased during the period under review to EUR 269.3 (232.2) million, as a result of the change in grid pricing enacted at the start of the year and due to the growth in electricity consumption. Other operating income totalled EUR 10.7 (2.2) million. The increase in other operating income resulted from the capital gain of EUR 3.7 million on the sale of property, plant and equipment and from EUR 5.4 million in recognised congestion income. Total costs between January and September amounted to EUR 318.8 (304.9) million.

Between January and September, electricity consumption totalled 61.8 (60.4) terawatt hours. Imbalance power sales amounted to EUR 106.5 (99.2) million. The growth in imbalance power sales resulted from an increase in the volume of imbalance power and higher imbalance power prices. Cross-border transmission income from the connection between Finland and Russia increased to EUR 14.0 (8.2) million. This was due to the new tariff structure that was introduced and to increased imports from Russia.

Imbalance power costs increased from the previous year's level to EUR 84.2 (68.6) million, due to the increase in the volume and price of imbalance power. Loss energy costs amounted to EUR 44.8 (50.8) million. The declining loss energy costs have been affected by the lower price of loss energy procurement and the slightly lower volume of loss energy. At the end of September, approximately 101 (101) per cent of Fingrid's projected loss energy procurement for the remainder of 2016 was hedged at an average price of EUR 36.9 (39.7) per megawatt hour.

The cost of reserves to safeguard the grid's system security decreased to EUR 36.7 (42.0) million. The reason for the decreased cost was an interruption in the procurement of the automatic frequency control reserve until the end of August, as well as the lower procurement cost of frequency controlled reserves for normal operation and disturbances due to high availability on the markets. Depreciation amounted to EUR 73.8 (69.9) million. Grid maintenance costs grew to EUR 15.0 (11.3) million, due to higher costs arising from maintenance projects carried out as preventive maintenance on substations and from cutting down trees along power line right-of-ways. Personnel costs increased due to the increased number of personnel and were EUR 20.2 (19.0) million.

Turnover and other income (€M)	1-9/16	1-9/15	change %	7-9/16	7-9/15	change %
Grid service income	269	232	16.0	71	57	26.2
Imbalance power sales	107	99	7.3	32	29	8.1
ITC income	9	11	-12.6	2	4	-60.9
Cross-border transmission	14	8	70.0	3	1	190.1
Finland-Estonia congestion income*	0	3	-100.0	0	0	-100.0
Finland-Sweden congestion income*	0	65	-100.0	0	40	-100.0
Peak load capacity in-	5	6	-9.7	2	2	-0.9
Other turnover	4	3	10.5	1	1	-1.5
Other operating income	11	2	383.3	2	0	654.7
Turnover and other income total	419	430	-2.6	113	135	-16.1
Costs (€M)	1-9/16	1-9/15	change %	7-9/16	7-9/15	change %
Purchase of imbalance po-	84	69	22.8	26	21	26.0
Loss energy costs	45	51	-11.8	14	20	-29.2
Depreciation	74	70	5.5	26	24	7.9
Cost of reserves	37	42	-12.7	13	13	-0.3
Personnel costs	20	19	6.1	6	6	6.2
Peak load capacity costs**	5	6	-14.8	2	2	-15.2
Maintenance costs	15	11	32.3	6	4	29.8
ITC charges	8	7	14.3	3	3	7.0
Other costs	31	30	2.5	9	8	10.4
Costs total	319	305	4.5	103	100	3.7
Operating profit, excl. the change in the fair value of commodity derivatives	100	125	-19.9	10	35	-71.8
Consolidated operating profit, IFRS	125	105	18.5	24	23	5.0

*A change was made in how congestion income is reported, and it is not reported in the turnover as of the beginning of 2016.

** Peak load capacity income and costs are related to the securing of sufficient electricity supply during peak consumption hours in compliance with the Finnish Peak Load Capacity Act.

The Group's operating profit in the third quarter was EUR 24.2 (23.1) million. Profit before taxes was EUR 19.1 (18.8) million. Profit for the period was EUR 14.9 (15.1) million and comprehensive income was EUR 16.5 (16.1) million. The Group's net cash flow from operations, with net capital expenditure deducted, was EUR 9.6 (19.6) million during the review period.

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28.10.2016, at 12:30 a.m
EET

The Group's operating profit during the period was EUR 124.6 (105.2) million. Profit before taxes was EUR 115.8 (84.2) million. The biggest differences from the corresponding period last year are explained by changes in the market value of derivatives (change EUR +54.7 million), the growth in grid service income (change EUR +37.1 million), and the elimination of congestion income from the turnover (change EUR -68.1 million), due to the change in how congestion income is reported. Profit for the period was EUR 92.3 (67.4) million and comprehensive income was EUR 97.1 (71.5) million. The Group's net cash flow from operations, with net capital expenditure deducted, was EUR 83.0 (65.7) million during the review period. The equity to total assets ratio was 32.8 (32.5) per cent at the end of the review period.

The Group's profit for the review period is characterised by seasonal fluctuations, which is why the profit for the entire year cannot be directly estimated on the basis of profit from the period under review.

Investments and maintenance

The project to reinforce the grid in western Finland, an investment totalling EUR 260 million, is progressing according to plan, and most of the projects will be completed this year. There are a total of 17 projects under way in 2016. Co-ordinating these projects, as well as planning and implementing outages, has been extremely challenging. The outages required for the commissioning of the projects have, whenever possible, been scheduled on weekends to minimise the impact on society.

Several new investment decisions were made during the period under review. The electricity supply for Äänekoski's new bioproduct mill will be secured with the construction of a new 110 kilovolt transmission line between Äänekoski's Koivisto and Laukaa's Vihtavuori substations. The investment costs for the new transmission line are EUR 4.6 million and the project will be completed at the end of 2017. Olkiluoto's 400 kilovolt switching station, which is outdated and has insufficient system security, will be modernised. The Olkiluoto substation is one of the most important grid nodes, with three nuclear power plants connected to it. The project, with an estimated cost of EUR 17 million, is due for completion in 2019.

Fingrid has concluded an agreement with Siemens Osakeyhtiö on the modernisation of Huutokoski's 110 kilovolt switching station near Varkaus. The agreement is valued at approximately EUR 9.5 million, and the project will be completed in summer 2018. It will secure eastern Finland's electricity supply. Fingrid has also made a procurement decision on the modernisation of the 110 kilovolt transmission line between Vanaja in Hämeenlinna and Tikinmaa in Valkeakoski, to be supplied by TLT Building Oy. The agreement is valued at roughly EUR 8 million and the project will be completed in autumn 2018.

Fingrid's maintenance management is, by international standards, still world-class. Fingrid has placed at the top of the International Transmission Operations and Maintenance Study (ITOMS) for the 11th consecutive time now. This serves as a guarantee to Fingrid's customers of high-quality electricity transmission at low costs.

The massive ERP and asset management IT system ELVIS, which integrates eight systems into one application, was launched in the summer and further improves Fingrid's maintenance management. The unique system entity has sparked wide interest: representatives from close to 20 countries attended an event to introduce the project in September.

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28.10.2016, at 12:30 a.m
EET

Power system

Between July and September, electricity consumption in Finland totalled 18.2 (18.1) terawatt hours. Inter-TSO transmission in the same period amounted to 0.5 (1.3) terawatt hours. The total electricity transmission in Finland was 18.7 (19.3) terawatt hours. Fingrid transmitted a total of 15.9 (16.3) terawatt hours in its grid, representing 85.2 (84.3) per cent of the total electricity transmission in Finland. During this period, the volume of electricity Fingrid transmitted to its customers amounted to 15.5 (15.0) terawatt hours, which represents 85.1 (82.9) per cent of Finland's total consumption.

In January–September, electricity consumption in Finland amounted to 61.8 (60.4) terawatt hours. Inter-TSO transmission in the same period amounted to 3.1 (4.2) terawatt hours. The total electricity transmission in Finland was 64.9 (64.5) terawatt hours. Fingrid transmitted a total of 51.3 (50.2) terawatt hours in its grid, representing 79.0 (77.8) per cent of the total electricity transmission in Finland. During this period, the electricity Fingrid transmitted to its customers amounted to 48.2 (46.0) terawatt hours, which represents 78.0 (76.2) per cent of Finland's total consumption.

Between July and September, 4.0 (4.9) terawatt hours of electricity were imported from Sweden to Finland, and 0.2 (0.0) terawatt hours were exported from Finland to Sweden. In January–September, 12.9 (13.2) terawatt hours of electricity were imported from Sweden to Finland and 0.2 (0.2) terawatt hours were exported from Finland to Sweden. Transmission capacity between the countries was partly limited in August and September for about a month due to construction of the new 400 kilovolt power line and substations in northern Finland.

In July–September, 0.4 (1.2) terawatt hours were exported to Estonia. In January–September, 2.9 (3.8) terawatt hours were exported to Estonia. Transmission capacity between the countries was partly limited between 7–15 September, due to maintenance work carried out on Estonia's internal network.

Between July and September, 1.0 (0.3) terawatt hours of electricity were imported from Russia to Finland and between January and September imports totalled 4.0 (2.9) terawatt hours. Transmission capacity from Russia to Finland was fully available during the reporting period, except for the period from 1–9 September, when it was partly limited due to scheduled maintenance work on the Russian side. Electricity imports from Russia were relatively low, as in the previous years. There are major intraday variations in import volumes, however.

According to Fingrid's measurements and assessments, Finland's total wind power production exceeded for the first time the hourly average production of 1,000 megawatts on the 27th of August. During that measured peak production hour, wind power made up some 16 per cent of Finland's electricity production and was used to cover roughly 14 per cent of the total consumption. Finland currently has installed wind power production of more than 1,300 megawatts.

There were no major disturbances with extensive consequences in the grid during the period under review.

Power system operation	1-9/16	1-9/15	7-9/16	7-9/15
Electricity consumption in Finland, TWh	61.8	60.4	18.2	18.1
TSO transmission in Finland, TWh	3.1	4.2	0.5	1.3
Transmission within Finland, TWh	64.9	64.5	18.7	19.3
Fingrids electricity transmission volume,	51.3	50.2	15.9	16.3
Fingrid's electricity transmission to cus-	48.2	46.0	15.5	15.0
Fingrid's loss energy volume, TWh	1.0	1.0	0.3	0.4
Electricity transmission Finland - Sweden				
Exports to Sweden TWh	0.2	0.2	0.1	0.0
Imports from Sweden, TWh	12.9	13.2	4.0	4.9
Electricity transmission Finland - Estonia				
Exports to Estonia, TWh	2.9	3.8	0.4	1.2
Imports from Estonia, TWh	0.2	0.0	0.1	0.0
Electricity transmission Finland - Russia				
Exports to Russia, TWh		0.02		
Imports from Russia, TWh	4.0	2.9	1.0	0.3

Electricity market

In the third quarter of the year, the average day-ahead Nordic market price (system price) of electricity between July and September was EUR25.23 (13.31) per megawatt hour and the area price for Finland was EUR 31.62 (30.13) per megawatt hour. In January-September, the average day-ahead market price for the Nordics was EUR 24.39 (20.66) per megawatt hour and Finland's area price was EUR 30.76 (29.35) per megawatt hour.

Between July and September, congestion income between Finland and Sweden totalled EUR 11.3 (80.9) million. The substantial decrease in congestion income was affected by the lower area price difference between Finland and Sweden. This was partly due to the weakening hydrological situation in the Nordics and to the completion of the NordBalt transmission link between Sweden and Lithuania earlier in the year. Electricity transmission from Sweden to Finland declined by roughly one fifth in the third quarter of the year compared to the same period in 2015.

Roughly half of the cross-border transmission capacity between Finland and Sweden is generated by the Fenno-Skan high-voltage DC connections. They provided the electricity markets with almost their full capacity during the third quarter of 2016. Thanks to measures initiated at the start of 2016 to develop the reliability of cross-border transmission connections, the duration of three interruptions during the third quarter were kept very brief, and the availability of the connections has been clearly better compared to the corresponding periods in 2013–2015.

In September, the Ministry of Economic Affairs and Employment set up a working group to look into the opportunities of smart grids for the electricity market. The aim of the working group is to forge a common vision of future smart grids and to propose concrete measures for using smart grids as a means of increasing customers' opportunities to participate in the electricity market and contribute to maintaining a secure supply of electricity. The members of the working group broadly represent the stakeholders in the sector. Fingrid actively participates in the group.

Electricity market	1-9/16	1-9/15	7-9/16	7-9/15
Nord Pool system price, average €/MWh	24.39	20.66	25.23	13.31
Area price Finland, average €/MWh	30.76	29.35	31.62	30.13
Congestion income between Finland and Sweden, €M*	71.1	129.5	11.3	80.9
Congestion hours between Finland and Sweden %*	40.0	46.9	27.6	70.4
Congestion income between Finland and Estonia, €M*	4.6	6.8	0.1	0.4
Congestion hours between Finland and Estonia %*	12.0	13.0	0.5	2.5

* The congestion income between Finland and Sweden and between Finland and Estonia is divided equally between the relevant TSOs. The income and costs of the transmission connections are presented in the tables in the financial result section.

In the third quarter of the year, Fingrid used EUR 0.6 (0.2) million for countertrade. The majority of the countertrade costs was caused by the countertrade carried out to safeguard system security in connection with investment projects requiring interruptions in the power supply, but costs also arose due to several cross-border transmission disturbances.

Fingrid used EUR 3.2 (2.9) million for countertrade during the review period.

Countertrade	1-9/16	1-9/15	7-9/16	7-9/15
Countertrade between Finland and Sweden, €M	1.0	0.5	0.0	0.0
Countertrade between Finland and Estonia, €M	0.1	0.8	0.0	0.0
Countertrade between Finland's internal connections,	2.1	1.6	0.6	0.2
Total countertrade, €M	3.2	2.9	0.6	0.2

Financing

The company's credit rating remained high. This reflects the company's strong overall financial situation and debt service capacity. The Group's net financial costs between July and

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28.10.2016, at 12:30 a.m
EET

September were EUR 5.2 (4.3) million. Between January and September the Group's net financial costs amounted to EUR 9.2 (21.1) million, including the change in the fair value of derivatives of EUR 4.6 million positive (EUR 5.8 million negative). Interest-bearing borrowings totalled EUR 1,202.7 (1,138.5) million, of which non-current borrowings accounted for EUR 878.1 (939.5) million and current borrowings for EUR 324.6 (199.0) million.

The company's liquidity remained good. Financial and cash assets recognised at fair value through profit or loss on 30 September 2016 were EUR 172.2 (101.7) million. The company's liquidity was strengthened in September with bond issues totalling EUR 80 million, which will be used to repay long term borrowings maturing in the fourth quarter. The company additionally has an undrawn revolving credit facility of EUR 300 million to secure liquidity and a total of EUR 50 million in uncommitted overdraft facilities.

The change in the fair value of electricity derivatives during the period under review includes EUR 5.4 million from a dismantled hedge reserve resulting from the discontinuation of hedge accounting, as an item reducing the Group's result.

The counterparty risk arising from derivative contracts relating to financing was EUR 15 (16) million. Fingrid's foreign exchange and commodity price risks are mainly hedged.

Personnel

The total number of personnel employed by the Group averaged 337 (320), of which 285 (283) were in a permanent employment relationship.

Auditing

The consolidated figures in this Interim Report are unaudited.

Events after the review period and outlook for the rest of the year

Fingrid Oyj announced on 17 October 2016 that it will raise grid service fees at the start of 2017 by an average of seven per cent. The increase will be used to cover the company's future investments and operating costs. Grid pricing is expected to remain stable in the future.

Fingrid Group's profit for the 2016 financial period, excluding changes in the fair value of derivatives and before taxes, is expected to decline from the previous year. Grid service pricing for 2016 is set in such a way as to balance out the surplus that was generated in the previous regulatory period with a corresponding deficit. Comparability is also affected by the different way of recognising congestion income as of the start of 2016. Results forecasts for the full year are complicated especially by the uncertainty related to grid income, ITC income and cross-border transmission income, and to reserve and loss energy costs. In the Nordic countries, these are dependent on temperature variations as well as changes in precipitation and hydrological situation, which affect electricity consumption and electricity prices in Finland and its nearby areas, and thereby also the volume of electricity transmission in the grid. The company's debt service capacity is expected to remain stable.

Notes: Tables for Fingrid's Interim Report 1.1.-30.9.2016

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28.10.2016, at 12:30 a.m
EET

Further information: Jukka Ruusunen, President & CEO, tel. +358 30 395 5140 or +358 40 593 8428
Jan Montell, Chief Financial Officer, tel. +358 30 395 5213 or +358 40 592 4419

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28.10.2016, at 12:30 a.m
EET

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME							
€M	1-9/2016	1-9/2015	Change	7-9/2016	7-9/2015	Change	1-12/2015
Turnover	408.1	427.7	-19.6	110.8	134.6	-23.8	600.2
Other operating income	10.7	2.2	8.5	2.5	0.3	2.1	5.2
Depreciation	-73.8	-69.9	-3.8	-25.6	-23.7	-1.9	-94.1
Operating expenses	-220.4	-254.8	34.3	-63.4	-88.1	24.7	-348.7
Operating profit	124.6	105.2	19.4	24.2	23.1	1.1	162.6
Finance income and costs	-9.2	-21.1	11.9	-5.2	-4.3	-1.0	-33.7
Share of profit of assoc. companies	0.4	0.1	0.3	0.1	0.0	0.1	0.4
Profit before taxes	115.8	84.2	31.6	19.1	18.8	0.3	129.3
Income taxes	-23.5	-16.8	-6.7	-4.2	-3.7	-0.5	-25.7
Profit for the period	92.3	67.4	24.9	14.9	15.1	-0.2	103.6
Other comprehensive income							
Cash flow hedges	4.3	4.3	0.0	1.4	1.4	0.0	5.8
Translation reserve	0.4	-0.2	0.6	0.2	-0.4	0.6	-0.3
Items related to long-term asset							
Items available for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the review	97.0	71.5	25.5	16.5	16.1	0.4	109.1
Profit attributable to:							
Shareholders of the company	92.3	67.4	24.9	14.9	15.1	-0.2	103.6
Comprehensive income attributable to:							
Shareholders of the company	97.1	71.5	25.5	16.5	16.1	0.4	109.1
Earnings per share on profit attributable to shareholders of the parent company (EUR)*:	27,764	20,278	7,486	4,478	4,534	-56	31,151

* no dilution effect

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28.10.2016, at 12:30 a.m
EET

CONDENSED CONSOLIDATED BALANCE				
€M	1-9/2016	1-9/2015	Change	1-12/2015
ASSETS				
Non-current assets				
Goodwill	87.9	87.9	0.0	87.9
Intangible assets	96.0	95.4	0.6	95.4
Property, plant and equipment	1,709.3	1,656.4	52.9	1,677.0
Investments	10.2	9.9	0.3	10.2
Derivatives	35.3	34.9	0.4	32.1
Receivables	13.6	14.6	-1.0	19.0
Total non-current assets	1,952.4	1,899.2	53.2	1,921.6
Current assets				
Inventories	11.9	12.7	-0.8	12.7
Derivatives	2.1	5.8	-3.8	3.4
Receivables	52.4	51.0	1.5	69.9
Financial assets recognised in income statement at fair value	73.7	79.8	-6.1	93.5
Cash and cash equivalents and financial as-	98.5	21.9	76.6	23.4
Total current assets	238.6	171.1	67.5	202.8
Total assets	2,191.0	2,070.3	120.7	2,124.4
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to shareholders of the parent				
Shareholders' equity	718.0	673.4	44.6	711.0
Non-current liabilities				
Interest-bearing	878.1	939.5	-61.4	907.2
Derivatives	33.6	68.1	-34.5	47.0
Non-interest-bearing	130.3	124.0	6.3	126.9
Total non-current liabilities	1,041.9	1,131.5	-89.6	1,081.1
Current liabilities				
Interest-bearing	324.6	199.0	125.6	236.2
Derivatives	13.4	9.5	4.0	30.3
Non-interest-bearing	93.0	56.9	36.1	65.8
Total current liabilities	431.0	265.4	165.7	332.4
Total shareholders' equity and liabilities	2,191.0	2,070.3	120.7	2,124.4

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28.10.2016, at 12:30 a.m
EET

Consolidated statement of changes in total equity, €M						
Equity attributable to shareholders of the parent company	Share capital	Share premium account	Revaluation reserves	Translation reserve	Retained earnings	Shareholders' equity total
Balance on 1 January 2015	55.9	55.9	-11.5	-0.4	567.0	666.9
Comprehensive income for the review period						
Profit or loss					67.4	67.4
Other comprehensive income						
Cash flow hedges			4.3			4.3
Translation reserve				-0.2		-0.2
Items related to long-term asset items available for sale			0.0			0.0
Total other comprehensive income adjusted by tax effects			4.4	-0.2		4.1
Total comprehensive income			4.4	-0.2	67.4	71.5
Transactions with owners						
Dividend relating to 2014					-65.0	-65.0
Balance on 30 September 2015	55.9	55.9	-7.2	-0.7	569.4	673.4
Comprehensive income for the review period						
Profit or loss					36.2	36.2
Other comprehensive income						
Cash flow hedges			1.4			1.4
Translation reserve				-0.1		-0.1
Items related to long-term asset items available for sale			0.0			0.0
Total other comprehensive income adjusted by tax effects			1.4	-0.1		1.4
Total comprehensive income			1.4	-0.1	36.2	37.5
Balance on 1 January 2016	55.9	55.9	-5.7	-0.7	605.6	711.0
Comprehensive income for the review period						
Profit or loss					92.3	92.3
Other comprehensive income						
Cash flow hedges			4.3			4.3
Translation reserve				0.4		0.4
Items related to long-term asset items available for sale			0.0			0.0
Total other comprehensive income adjusted by tax effects			4.4	0.4		4.7
Total comprehensive income			4.4	0.4	92.3	97.1
Transactions with owners						
Dividend relating to 2015					-90.0	-90.0
Balance on 30 September 2016	55.9	55.9	-1.4	-0.3	607.9	718.0

FINGRID OYJ
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28.10.2016, at 12:30 a.m
EET

CONSOLIDATED CASH FLOW STATEMENT, €M	1-9/2016	1-9/2015	Change 1-12/2015	
Cash flow from operating activities				
Profit for the review period	92.3	67.4	24.9	103.6
Adjustments	77.9	127.2	-49.3	175.2
Changes in working capital	49.5	-6.8	56.3	-19.7
Interest paid	-15.5	-16.9	1.3	-23.7
Interest received	0.4	0.8	-0.4	0.8
Taxes paid	-28.7	-16.1	-12.6	-20.5
Net cash flow from operating activities	175.9	155.6	20.2	215.7
Cash flow from investing activities				
Purchase of property, plant and equipment	-94.9	-102.4	7.5	-150.4
Purchase of intangible assets	-2.8	-2.7	-0.2	-3.4
Purchase of other assets				
Proceeds from sale of other assets	0.2	0.5	-0.3	0.8
Proceeds from sale of property, plant and equip-	5.9	0.2	5.6	5.1
Loans granted				-0.9
Dividend received	0.6	0.6	0.0	0.6
Contributions received		15.0	-15.0	15.0
Interest paid	-1.8	-1.2	-0.6	-1.7
Net cash flow from investing activities	-92.9	-89.9	-3.0	-135.0
Cash flow from financing activities				
Proceeds from non-current financing (liabilities)	80.0		80.0	107.4
Payments of non-current financing (liabilities)	-17.6	-67.1	49.5	-104.2
Change in current financing (liabilities)	0.0	-11.2	11.2	-81.0
Dividends paid	-90.0	-65.0	-25.0	-65.0
Net cash flow from financing activities	-27.7	-143.3	115.7	-142.8
Change in cash and cash equivalents and financial assets	55.3	-77.6	132.9	-62.0
Cash and cash equivalents 1 Jan	116.9	179.3	-62.4	179.3
Cash and cash equivalents 31 Mar.	172.2	101.7	70.5	117.2

QUARTERLY FIGURES							
		Q3/2016	Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015
Turnover	€M	110.8	113.4	183.9	172.5	134.6	113.2
Operating profit	€M	24.2	26.3	74.2	57.4	23.1	9.3
Operating profit	%	21.9	23.1	40.3	33.3	17.1	8.2

INVESTMENTS, €M	1-9/2016	1-9/2015	Change	1-12/2015
Grid investments	99.1	93.7	5.4	138.4
Substations	63.6	51.4	12.2	77.1
Transmission lines	35.5	42.3	-6.8	61.3
Gas turbine investments	1.7	0.5	1.3	0.7
Existing gas turbine plants	1.7	0.0	1.7	0.3

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28.10.2016, at 12:30 a.m
EET

New gas turbine plants		0.4	-0.4	0.4
Other investments	5.8	6.3	-0.5	8.4
ICT	5.8	6.3	-0.5	8.4
Total investments	106.6	100.4	6.1	147.5

RESEARCH AND DEVELOPMENT EXPENSES,	1-9/2016	1-9/2015	Change	1-12/2015
Research and development expenses	1.6	1.1	0.5	1.8

DERIVATIVE CONTRACTS, €M														
	30 Sept 2016				30 Sept 2015				31 Dec 2015					
	Fair va- lue pos.	Fair va- lue neg.	Net fair value	Nominal value	Fair va- lue pos.	Fair va- lue neg.	Net fair value	Nominal value	Fair va- lue pos.	Fair va- lue neg.	Net fair value	Nominal value		
Interest and cur- rency derivatives														
Currency swaps	12	-21	-8	331	25	-23	2	258	15	-20	-5	341		
Forward contracts		0	0	3		0	0	1		0	0	5		
Interest rate	31	-8	23	360	24	-10	14	430	24	-9	15	430		
Call options. bought	1		1	454	0		0	150	1		1	359		
Total	44	-29	15	1,148	49	-33	16	839	40	-30	11	1,135		
Electricity deri- vatives														
	Fair va- lue pos.	Fair va- lue neg.	Net fair value	Volume TWh	Fair va- lue pos.	Fair va- lue neg.	Net fair value	Volume TWh	Fair va- lue pos.	Fair va- lue neg.	Net fair value	Volume TWh		
Electricity forward contracts, NASDAQ OMX Commodities	1	-20	-19	4.06	0	-47	-46	4.27		-49	-49	4.22		
Total	1	-20	-19	4.06	0	-47	-46	4.27		-49	-49	4.22		

The Group terminated hedge accounting for electricity derivatives at the start of 2014. As a result, the entire change in the fair value of the derivatives in question was recorded and will, in future as well, be recorded in the income statement. The hedge fund in the balance sheet will be dismantled in the income statement during 2015 and 2016 in fixed instalments such that it decreases the result by EUR 11.6 million.

Fair value hierarchy of financial instruments, €M	30 Sept 2016		
	Level 1	Level 2	Level 3
Financial assets recognised at fair value			
Available-for-sale investments	0		
Interest and currency derivatives		44	
Electricity forward contracts. NASDAX OMX	1		
Financial assets recognised at fair value	45	29	
Financial assets recognised in the income statement at fair value	46	73	
Financial liabilities held at fair value			
Interest and currency derivatives, liabilities		29	
Electricity forward contracts. NASDAX OMX	20		
Total financial liabilities held at fair value	20	29	

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28.10.2016, at 12:30 a.m

EET

In the presentation of fair value, assets and liabilities measured at fair value are categorised into a three-level hierarchy. The appropriate hierarchy is based on the input data of the instrument. The level is determined on the basis of the lowest level of input for the instrument that is significant to the overall fair value measurement.

Level 1: inputs are publicly quoted in active markets.

Level 2: inputs are not publicly quoted and are based on observable market parameters either directly or indirectly.

Level 3: inputs are not publicly quoted and are unobservable market parameters.

Commitments Contingent liabilities, €M	30 Sept	30 Sept	Change	31 Dec
Pledged cash assets	0	1	-1	1
Rental liabilities	33	27	7	26
Right-of-use agreements for reserve power plants	82	93	-11	89
Credit facility commitment fees	1	1	0	1
Total	116	121	-5	118
Investment commitments	99	127	-28	124
Other financial liabilities				

Changes in property, plant and equipment, €M	30 Sept 2016	30 Sept 2015	Change	31 Dec 2015
Carrying amount at beginning of period	1,677	1,640	37	1,640
Increases	103	84	19	133
Decreases	2	1	2	-3
Depreciation and amortisation expense	-73	-69	-4	-93
Carrying amount at end of period	1,709	1,656	53	1,677

Transactions with associated companies, €M	30 Sept	30 Sept	Change	31 Dec
Sales	0	6	-5	1
Interest income	0	0	0	0
Purchases	29	29	-1	40
Trade receivables	0	2	-2	3
Trade payables	0		0	0
Loan receivables	3	2	1	3

Transactions with owners, €M	30 Sept 2016	30 Sept 2015	Change	31 Dec 2015
Owners				
Purchases	5	6	-1	6
Trade payables	0		0	0
Other related parties				
Sales	41	21	20	29
Purchases	44	41	3	70
Trade receivables	3	1	1	1
Trade payables	1	2	-1	2

Accounting principles

This Interim Report has been drawn up in accordance with standard IAS 34, Interim Financial Reporting. In preparing this report, where the recognition of congestion income is concerned, Fingrid changed its accounting principles from those applied in its annual financial statements for 2015. The change was implemented as of the beginning of 2016. In other respects, the interim report complies with the same accounting principles as those used for Fingrid's 2015 financial statements. As a consequence of the change in the regulation governing the reasonableness of Fingrid's grid pricing, the company will include the congestion income received after 1 January 2016 as accruals in the "other liabilities" balance sheet item. Of the accruals, congestion income will be recognised in the income statement as other operating income when their corresponding costs, as defined in the regulation, accrue as annual expenses in the income statement. Alternatively, they are entered in the balance sheet against investments, as defined by regulation, to lower the acquisition cost of property, plant and equipment, which lowers the depreciation of the property, plant and equipment in question.

Segment reporting

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

Corporate restructuring

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28.10.2016, at 12:30 a.m

EET

On 16 February 2016, Fingrid established Fingrid Datahub Oy. The task of the subsidiary, wholly owned by Fingrid, is to implement a centralised information exchange system for the electricity markets, in which the exchange of information between retail sellers and transmission system operators is concentrated into a single service.

Seasonal fluctuations

The Group's operations are characterised by substantial seasonal fluctuations.

General clause

Certain statements in this report are forward-looking and are based on the current views of the company's management. Due to their nature, they contain some risks and uncertainties and are subject to general changes in the economy and the business sector.