FINGRID GROUP'S INTERIM REPORT 1 JANUARY - 30 JUNE 2006

Review of operations

A total of 46 terawatt hours of electricity was consumed in Finland during the first half of 2006. This was 11.3 per cent more than during the corresponding period in 2005. Most of the increase came from the impact of the labour market dispute in the Finnish forest product industry in 2005. At Midsummer, the lowest electricity consumption was just over 6,000 MW, which is almost 2,000 MW higher than in the previous years. This growth was due to the changed practices for Midsummer shutdowns in the Finnish pulp and paper industry.

During the review period, electricity transmissions between Finland and Sweden mainly consisted of imports into Finland. Restrictions in the transmission capacity offered to the market, resulting from the replacement of aluminium towers which continued in Northern Finland and from Svenska Kraftnät's internal transmission situation in Sweden, led to the occasional separation of Finland into a price area of its own in the winter period.

The transmission capacity from Russia to Finland was in almost full use with the exception of electricity delivery restrictions from Russia, which were carried out unlike in the previous years during the period of very cold weather in January, and the normal annual maintenance period of the direct current link which commenced in June.

Nordel, the co-operation organisation of the Nordic transmission system operators, published a follow-up report of the conditions for the development of the Nordic electricity market in the spring, and in June Nordel published a forecast of the sufficiency of electricity for 2009. The forecast indicates that once the new nuclear power unit being constructed at Olkiluoto in Finland is ready, the Nordic power plant capacity is sufficient to cover consumption in average water reservoir conditions. Before the new unit is completed there could exist insufficiency. Nordel's chairmanship and secretarial duties were transferred to Fingrid for a two-year period as of June.

Fingrid made a decision concerning the construction of the Petäjäskoski - Kittilä - Vajukoski 220 kV line (240 kilometres) and related upgrading of substations in Northern Finland. The budget for this project is more than 40 million euros, and it is scheduled to be complete in stages between 2009 and 2010. The environmental impact assessment for the 400 kV line to be constructed between Petäjäskoski and Keminmaa in Northern Finland was completed. The line is due to be ready in 2009.

ETSO, the Association of European Transmission System Operators, published a report of the prices of electricity transmission services applied in the 23 member states of the EU. Fingrid's transmission prices are one of the most inexpensive prices.

In June Fingrid Oyj's Board of Directors appointed Ph.D. Jukka Ruusunen new President and CEO of the company from 1 January 2007 onwards, when Fingrid Oyj´s President and CEO Timo Toivonen will retire. Mr Ruusunen will start his employment at Fingrid Oyj on 2 October 2006.

Capital expenditure

Gross capital expenditure during the period examined totalled 24 million euros (29 million euros during the corresponding period in 2005).

Financial result

The Group's revenue during the review period was 180 million euros (157 million euros). Revenue grew regardless of lower tariffs because of considerable increase in electricity consumption and higher sales volume of balance power.

Operating profit without the change in the fair value of derivatives increased to 58 million euros (53 million euros). The operating profit in accordance with IFRS was 68 million euros (70 million euros), which contains 10 million euros (17 million euros) of positive change in the fair value of electricity derivatives. The IFRS profit before taxes was 53 million euros (51 million euros). The equity ratio was 25.8 per cent (22.9 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 15 million euros (19 million euros). Financial assets recognised at fair value in the income statement, and cash and cash equivalents amounted to 206 million euros (195 million euros) at 30 June 2006. The interest-bearing liabilities, including derivative liabilities, totalled 977 million euros (1,011 million euros), of which 786 million euros (742 million euros) were non-current and 192 million euros (269 million euros) were current liabilities.

The counterparty risk involved in the derivative contracts relating to financing was 8 million euros (12 million euros). The company has an unraised revolving credit facility of 250 million euros.

Personnel

The total personnel of the Fingrid Group averaged 237 (226) 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 remain on the previous year's level due to increased electricity consumption.

Board of Directors

Appendix: Tables for the interim report 1 January – 30 June 2006

Further information:

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Appendix: Tables for the interim report 1 January - 30 June 2006

Condensed consolidated income statement, million euros	2006 Jan - Jun	2005 Jan - Jun	Change	2006 Apr - Jun	2005 Apr - Jun	Change	2005 Jan - Dec
Revenue	**180.4**	**157.1**	**23.3**	**66.9**	**58.4**	**8.6**	**316.7**
Other operating income	0.9	1.0	-0.1	0.5	0.6	-0.1	2.4
Depreciation	-25.4	-22.5	-2.9	-12.9	-11.3	-1.7	-48.6
Operating expenses	-87.7	-65.9	-21.7	-47.6	-28.5	-19.1	-160.5
Operating profit	**68.2**	**69.6**	**-1.4**	**6.9**	**19.2**	**-12.3**	**110.0**
Finance income and costs	-15.3	-18.6	3.3	-7.5	-9.5	1.9	-35.7
Portion of profit of associated companies	0.5	0.4	0.2	0.3	0.2	0.1	0.7
Profit before taxes	**53.4**	**51.4**	**2.0**	**-0.4**	**10.0**	**-10.3**	**75.1**
Income taxes	-13.8	-13.3	-0.5	0.2	-2.5	2.7	-19.3
Profit for the period	**39.7**	**38.2**	**1.5**	**-0.2**	**7.5**	**-7.7**	**55.7**
Earnings per share (euros)* belonging to the owners of the parent company, calculated from profit	11 929	11 482	447	-57	2 246	-2 304	16 761

*no dilution effect

Condensed consolidated balance sheet, million euros	2006 30 Jun	2005 30 Jun	Change	2005 31 Dec
ASSETS				
Non-current assets				
Goodwill	87.9	87.9	0.0	87.9
Intangible assets	80.6	80.7	0.0	80.4
Property, plant and equipment	1 047.3	1 043.2	4.1	1 048.4
Investments	6.6	6.3	0.3	6.7
Receivables	37.7	22.2	15.4	20.5
Current assets				
Inventories	3.0	3.0	-0.1	2.9
Receivables	30.1	27.3	2.7	47.4
Financial assets recognised in income statement at fair value	203.5	191.1	12.4	184.9
Cash and cash equivalents	2.7	3.8	-1.0	3.0
Total assets	**1 499.4**	**1 465.7**	**33.7**	**1 482.2**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity belonging to the owners of the parent company				
Shareholders' equity	387.0	336.3	50.6	353.9
Non-current liabilities				
Non-current interest-bearing liabilities	785.7	741.8	43.9	693.8
Other non-current liabilities	95.9	79.1	16.8	83.3
Current liabilities				
Current interest-bearing liabilities	191.7	269.3	-77.5	292.0
Trade and other payables	39.1	39.1	0.0	59.2
Total sharehoulders' equity and liabilities	**1 499.4**	**1 465.7**	**33.7**	**1 482.2**

Key indicators. million euros	2006 Jan - Jun	2005 Jan - Jun	2005 Jan - Dec
Revenue	180.4	157.1	316.7
Capital expenditure, gross	24.5	28.5	63.3
- % of revenue	13.6	18.2	20.0
Research and development expenses	0.6	0.6	1.6
- % of revenue	0.3	0.4	0.5
Personnel, average	237	226	228
Operating profit	68.2	69.6	110.0
- % of revenue	37.8	44.3	34.7
Profit before taxes	53.4	51.4	75.1
- % of revenue	29.6	32.7	23.7
Interest bearing liabilities, net*	771.1	816.2	797.9
Equity ratio, %*	25.8	22.9	23.9
Shareholders' equity*	387.0	336.3	353.9
Equity per share, euros*	116 381	101 157	106 439
Earnings per share, euros*	11 929	11 482	16 761

* 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 2005	**55.9**	**55.9**	**0.0**	**0.1**	**192.8**	**304.7**
Change in translation				0.1		0.1
Dividend distribution					-6.6	-6.6
Profit for period					38.2	38.2
Capital and reserves 30 Jun 2005	**55.9**	**55.9**	**0.0**	**0.2**	**224.3**	**336.3**
Change in translation				0.0		0.0
Profit for period					17.6	17.6
Other changes			0.0			0.0
Capital and reserves 31 Dec 2005	**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**

Condensed consolidated cash flow statement. million euros	2006 Jan - Jun	2005 Jan - Jun	2005 Jan - Dec
Cash flow from operating activities			
Cash from sales	191.6	165.9	315.5
Cash from other operating income	1.0	1.1	2.1
Charges paid for operating expenses	-101.9	-80.0	-169.3
Cash flow from operating activities before financial items and taxes	90.8	87.0	148.4
Interests and charges paid for other financial costs of operating activities	-27.7	-35.5	-48.6
Interests received from operating activities	1.9	7.2	8.9
Direct taxes paid	-1.3	-1.3	-2.5
	63.7	**57.3**	**106.2**
Cash flow from investing activities			
Purchase of property. plant and equipment and intangible assets	-29.6	-22.8	-53.8
Proceeds from sale of property, plant and equipment and intangible assets		0.0	4.2
Investments in other assets		0.0	0.0
Repayment of loans receivable	0.1	0.1	0.1
Dividends received from investing activities	0.6	0.7	0.7
	-28.9	**-22.0**	**-48.8**
Cash flow from financing activities			
Withdrawal of short-term loans	34.7	51.7	124.1
Repayment of short-term loans	-51.3	-34.6	-89.3
Withdrawal of long-term loans	151.6	140.6	140.6
Repayment of long-term loans	-145.4	-135.0	-181.7
Dividends paid and other profit distribution	-6.6	-6.6	-6.6
	-17.1	**16.0**	**-12.9**
Change in cash and cash equivalents increase (+) / decrease (-)	**17.7**	**51.3**	**44.5**
Cash and cash equivalents at beginning of period	187.9	143.4	143.4
Change in fair value of investments	0.6	0.2	0.0
Cash and cash equivalents at end of period	**206.3**	**194.9**	**187.9**

Derivative agreements. million euros	30 Jun 2006 Net fair value	30 Jun 2006 Notional value	30 Jun 2005 Net fair value	30 Jun 2005 Notional value	31 Dec 2005 Net fair value	31 Dec 2005 Notional value
Interest and currency derivatives						
Cross-currency swaps	-36	332	-27	332	-25	301
Forward contracts	0	101	4	106	3	126
Interest rate swaps	-1	228	-6	248	-3	218
Call options, bought	10	530	2	420	3	420
Total	**-27**	**1 190**	**-28**	**1 106**	**-22**	**1 066**
	30 Jun 2006 Net fair value	30 Jun 2006 Volume TWh	30 Jun 2005 Net fair value	30 Jun 2005 Volume TWh	31 Dec 2005 Net fair value	31 Dec 2005 Volume TWh
Electricity derivatives						
Forward contracts of electricity, Nord Pool Clearing	24	1.98	16	1.49	15	1.94
Forward contracts of electricity, others	2	0.14	3	0.37	1	0.20
Total	**26**	**2.12**	**19**	**1.86**	**16**	**2.14**

Commitments and contingensies, million euros	2006 30 Jun	2005 30 Jun	2005 31 Dec
Pledges / bank balances	0	0	0
Rental liabilities	9	9	8
Commitment fee of revolving credit facility	1	1	1
Total	**10**	**10**	**9**
Capital commitments	**85**	**102**	**86**
Other financial liabilities	**1**	**1**	**2**

Changes in property, plant and equipment, million euros	2006 30 Jun	2005 30 Jun	2005 31 Dec
Carrying amount at beginning of period	**1 048**	**1 040**	**1 040**
Increases	24	25	62
Decreases	0	0	-6
Depreciation and impairment losses	-25	-22	-47
Carrying amount at end of period	**1 047**	**1 043**	**1 048**

Related party transactions and balances, milllion euros	2006 30 Jun	2005 30 Jun	2005 31 Dec
Sales	44	42	59
Purchases	53	32	72
Receivables	0	4	1
Liabilities	3	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 2005; however, so that the company introduced the following new standards and revisions of standards on 1 January 2006: IFRIC 4 (Determining whether an Arrangement Contains a Lease) and IFRS 7 (Financial Instruments: Disclosures). 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