12 February 2010

English translation

FINGRID OYJ

ANNUAL REVIEW AND FINANCIAL STATEMENTS

1 January 2009 - 31 December 2009

12 February 2010

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1. REPORT OF THE BOARD OF DIRECTORS

Operating environment

Power system operation

Electricity consumption in Finland in 2009 totalled 81.1 terawatt hours (87.2 terawatt hours in 2008), which was 7.0 per cent below that in 2008. The temperature adjusted electricity consumption decreased by 8.5 per cent. The economic recession decreased the need for electricity by industries in particular. A total of 62.8 terawatt hours (65.4 terawatt hours) of electricity was transmitted in Fingrid's grid, representing 77 per cent of the electricity consumption in Finland.

Electricity transmission between Finland and Sweden mainly consisted of exports from Finland to Sweden with the exception of the early summer and autumn. The replacement of overhead ground wires on the cross-border lines in the north and the construction of the Fenno-Skan direct current link in the south restricted the transmission capacity made available to the electricity market for several weeks. A total of 2.7 terawatt hours (3.7 terawatt hours in 2008) of electricity was imported from Sweden to Finland, and 4.1 terawatt hours (4.2 terawatt hours) was exported from Finland to Sweden in 2009.

Electricity transmission on the Estlink connection between Finland and Estonia consisted of imports from the Baltic countries to Finland with the exception of short export period in the summer. The transmission grid in Estonia occasionally restricted the transmission capacity made available from Finland to Estonia. Fingrid took care of the operation of the Estlink connection together with Elering, the transmission system operator in Estonia. The volume of electricity imports to Finland on the Estlink connection was 1.8 terawatt hours (2.3 terawatt hours), and 0.1 terawatt hours of electricity was exported from Finland.

Electricity imports from Russia to Finland totalled 11.7 terawatt hours (10.9 terawatt hours) in 2009. The transmission capacity was in use almost fully with the exception of a service interruption in August.

Power system operation	**2009**	**2008**
Electricity consumption in Finland TWh	81.1	87.2
Fingrid's transmission volume TWh	62.8	65.4
Fingrid's loss energy volume TWh	1.0	1.0
Electricity transmissions Finland-Sweden		
exports to Sweden TWh	4.1	4.2
imports from Sweden TWh	2.7	3.7
Electricity transmissions Finland-Estonia		
exports to Estonia TWh	0.1	
imports from Estonia TWh	1.8	2.3
Electricity transmissions Finland-Russia		
imports from Russia TWh	11.7	10.9

Promotion of electricity market

Congestions in the transmission grid in Southern Scandinavia complicated the access of Norwegian hydropower to the Nordic electricity market. The area prices of electricity often became segregated, although the price differences were not usually very large. There was a uniform spot price in the Nordic electricity market for only 25 per cent of the time. However, between Finland and Sweden there was a uniform price for 95 per cent of the time.

The price level in the spot market in 2009 was below that in 2008. The average system price was 35 €/MWh (45 €/MWh in 2008). The average area price for Finland was close to this, i.e. 37 €/MWh (51 €/MWh).

Progress was made in market integration in the Nordic countries and Continental Europe. Since November, the transmission capacity between Germany and Denmark has been distributed to the market using the principle of implicit auctioning. European Market Coupling Company (EMCC) administers the system together with the electricity exchanges. This procedure ensures that the transmission capacity is used as efficiently as possible.

At the request of the Ministry of Employment and the Economy, Fingrid examined the possibility of dividing Finland into two price or bidding areas for electricity. In the report published in November, Fingrid did not deem such division necessary, at least not at this point. However, managing transmission congestions within Finland will depend crucially on the location of the new generation capacity and will call for more comprehensive counter trade than at present, and activity from electricity producers to participate in counter trade. In 2009, Fingrid used 0.7 million euros for counter trade (0.1 million euros in 2008).

Electricity market	**2009**	**2008**
Nord Pool system price, average €/MWh	35.02	44.74
Area price Finland, average €/MWh	36.98	51.02
Congestion income in the Nordic countries million €	79.5	244.1
Congestion income between Finland and Sweden million €	1.1	1.3
Congestion hours between Finland and Sweden %	4.6	2.5
Fingrid’s share of the congestion income in the Nordic countries million €	4.9	23.2

Adequacy of transmission system

Eight major substations and approx. 270 kilometres of new transmission lines were completed for Fingrid in 2009. The autumn was the busiest period in terms of commissioning of new transmission facilities in Fingrid’s history. Fingrid also completed a project which had lasted for several years, a replacement of aluminium towers on 400 kilovolt lines.

In the spring, Fingrid launched the planning of a sizeable capital investment project together with the Estonian transmission system operator Elering. A transmission link of 650 megawatts is being planned between Finland and Estonia. The costs of the project are approx. 300 million euros. The 140-kilometre long link based on direct current technology is due to be ready in an expedited schedule in 2014 or even at the end of 2013. The completion time is influenced above all by the opening of the electricity market in the Baltic countries and by the potential investment subsidy granted by the European Union.

In February, the transmission system operators in the Baltic Sea area completed a shared transmission grid plan, which examined the linking of the Baltic countries to the electricity market in the Nordic countries and Continental Europe. The results were utilised in the market integration plan for the Baltic region, launched by the EU. The plan suggests that in addition to the EstLink 2 transmission connection between Finland and Estonia, connections from the Baltic countries to Sweden and Poland should also be constructed.

The establishment of ENTSO-E stabilised grid planning within the Baltic Sea region into a continuous process involving nine TSO organisations. On a European level, the regional plans are integrated into a Ten Year Network Development Plan updated every second year. The first plan will be completed in summer 2010.

Fingrid's gross capital expenditure in 2009 was 136 million euros (88 million euros in 2008). Of this amount, a total of 126 (81) million euros were used for the transmission grid and 5 (5) million euros for reserve power. IT-related capital expenditure was approximately 4 (2) million euros.

Research and development were allocated a total of 1.3 (0.9) million euros. In terms of grid technology, the most significant R&D input was used on the moisture monitoring of transformers and on the measurement and prevention of corrosion in guy wire rods. Related to corporate operations, the issues studied included the magnitude of disadvantage inflicted by outages on grid customers and the reliability of data systems and telecommunications in power cut situations.

Financial result

Revenue of the Fingrid Group in 2009 was 359 million euros (382 million euros in 2008). Other operating income was 2 million euros (3 million euros). Grid revenue decreased slightly despite the 4.5 per cent tariff increase carried out at the beginning of the financial year. This was due to a reduction in industrial electricity consumption in Finland.

Revenue from the sales of balance power decreased on the previous year to 92 (105) million euros. Correspondingly, the purchases of balance power also decreased to 85 (95) million euros. Cross-border transmission income exceeded the level of 2008 by approx. 2 million euros because of a growth of just under 1 TWh in electricity imports from Russia. Revenue from the power reserve operations grew on account of an elevated power reserve compensation. Fingrid's share of the Nordic congestion income decreased by 18 million euros as there were less Nordic transmission capacity restrictions and because of a changed division of congestion income as agreed by the Nordic TSOs.

Fingrid's portion of the European inter-TSO compensations grew by 4 million euros. Depreciation, loss energy, maintenance management and reserve costs rose from the previous year. Net income from the feed-in tariff for peat remained at about the same level as in the previous year. The corresponding changes during the last quarter of the financial year are shown in the table below (in million euros).

Revenue and other operating income	**1-12/09**	**1-12/08**	**10-12/09**	**10-12/08**
Grid service revenue	188	189	57	53
Sales of balance power	92	105	26	28
Cross-border transmission	24	22	6	6
ITC income	28	23	6	7
Power reserve	13	11	4	3
Feed-in tariff for peat	3	0.4	3	0.1
Congestion income	5	23	1	2
Other revenue	5	9	0.5	2
Other operating income	2	3	1	1
Revenue and other income total	361	385	105	103

Costs	**1-12/09**	**1-12/08**	**10-12/09**	**10-12/08**
Depreciation	65	59	16	15
Purchase of balance power	85	95	25	27
ITC charges	16	15	4	4
Power reserve	13	10	3	3
Feed-in tariff for peat	3	0.1	3	0.0
Purchase of loss energy	52	50	15	13
Reserves	21	20	5	5
Maintenance management	18	15	6	6
Personnel	20	20	6	6
Other costs	19	19	5	6
Costs total	312	302	89	84

Operating profit excluding the change in the fair value of electricity derivatives was 49 (83) million euros during the financial year. In the last quarter, operating profit excluding the change in the fair value of electricity derivatives was 16 (19) million euros.

The IFRS operating profit of the Group was 51 (68) million euros. Of the change in the fair value of electricity derivatives, +2 (-14) million euros were recognised in the income statement and a total of 16 (-44) million euros in equity and to reduce the tax receivables.

The Group's profit for the year was 25 (28) million euros.

The return on investment was 3.9 (5.8) per cent and the return on equity 5.7 (6.6) per cent. The equity ratio was 27.2 (26.7) per cent at the end of the review period. Revenue of the parent company was 356 (382) million euros and profit for the financial year 5 (6) million euros.

Financing

The financial position of the Group continued to be satisfactory. As a result of the international crisis in the financial market, the margins of corporate funding first rose considerably, followed by a decrease halfway through the financial year. In 2009, Fingrid managed its long-term funding by withdrawing a long-term loan of 30 million euros from the Nordic Investment Bank (NIB) and by issuing a total of 104 million euros worth of bonds, in form of private placements. Because of the global recession, both short-term and long-term interest rates have decreased during the financial year. The company has increased the hedging level of its interest costs by entering into primarily interest rate cap contracts extending over the next 3 to 5 years.

The net financial costs excluding the change in the fair value of derivatives decreased considerably to 20 (29) million euros. Interest income was 4 (11) million euros. The net financial costs in accordance with the IFRS were 18 (31) million euros, including the positive change of 3 (-2) million euros in the fair value of derivatives.

The cash flow from the operations of the Group deducted by capital expenditure and dividends was -74 (22) million euros.

The financial assets at 31 December 2009 totalled 204 (206) million euros. The interest-bearing borrowings, including derivative liabilities, totalled 1,001 (933) million euros, of which 685 (678) million euros were long-term and 316 (255) million euros were short-term. The counterparty risk arising from the currency derivative contracts and interest rate derivative contracts was 25 (10) million euros.

The company has a fully undrawn revolving credit facility of 250 million euros.

International rating agencies updated Fingrid's credit ratings in 2009. On 15 April 2009, Fitch Ratings affirmed Fingrid Oyj's long-term issuer default rating (IDR) of AA-, a short-term IDR of F-1+ and a senior unsecured debt rating of AA. Fitch Ratings assessed Fingrid's outlook to be negative. Standard & Poor's Rating Services (S&P) updated Fingrid's credit opinion on 17 July 2009.The long-term rating issued by S&P is A+ and the short-term rating is A-1. S&P assessed Fingrid's outlook to be stable. Moody's Investors Service downgraded Fingrid's long-term rating from Aa3 to A1 on 9 October 2009. Fingrid's short-term rating remained at P-1. Moody's assessed Fingrid's outlook to be negative.

Personnel and rewarding systems

The Fingrid Group and Fingrid Oyj employed 260 persons, including temporary employees, at the end of 2009. The corresponding figure a year before was 249 persons. The increase in the number of personnel was due to more numerous capital investment projects.

Of the personnel employed by the company, 22.7 per cent (21 per cent in 2008) were women and 77.3 (79) per cent were men at the end of the year. Among permanent personnel, those in age group 24 - 29 years of age numbered 24 (30) in 2009, 30 - 34 years 33 (34), 35 - 39 years 40 (38), 40 - 44 years 31 (31), 45 - 49 years 42 (37), 50 - 54 years 35 (37), 55 - 59 years 23 (26), and age group 60 - 65 years 17 (16).

During 2009, a total of 15,317 (11,820) hours were used for personnel training, with an average of 59 (49) hours per person. Employee absences on account of illness in 2009 accounted for 1.8 per cent of the total working hours. In addition to a compensation system which is based on the requirements of each position, Fingrid applies quality and incentive bonus schemes.

Board of Directors and corporate management

Fingrid Oyj's Annual General Meeting was held in Helsinki on 19 March 2009. Arto Lepistö, Industrial Councellor, was elected as Chairman of the Board, Timo Rajala, President and CEO, as First Deputy Chairman of the Board, and Timo Karttinen, Executive Vice President, as Second Deputy Chairman of the Board. The other Board members elected were Ari Koponen, Vice President, Ritva Nirkkonen, Fund Raising Manager, Anja Silvennoinen, Senior Vice President, Energy, and Risto Autio, Director, Alternatives.

PricewaterhouseCoopers Oy was elected as the auditor of the company, with Authorised Public Accountant Juha Tuomala serving as the responsible auditor.

The Board of Directors has two committees: an audit committee and a remuneration committee. The members of the audit committee in 2009 were Ritva Nirkkonen (Chairperson), Risto Autio, Arto Lepistö and Anja Silvennoinen. The remuneration committee consisted of Arto Lepistö (Chairman), Timo Rajala and Timo Karttinen.

Jukka Ruusunen serves as President & CEO of the company.

An account of the governance and control systems of the company, required by the Finnish Corporate Governance Code, has been provided separately. The account and other information required by the Code are also available on the company's website at www.fingrid.fi.

Internal control, risk management, internal audit

Fingrid’s internal control is based on independent internal audit, internal operating principles and guidelines, financial reporting, supervision, documentation, and transparent processes and procedures. Internal control intends to make sure that Fingrid works efficiently and productively, that financial reporting is reliable, and that the laws, regulations and the company's own procedural guidelines are followed.

The Board of Directors approves the risk management policy and any changes in it. The Board approves the risk management measures as part of the corporate strategy, performance indicators, action plan and budget. The audit committee of the Board of Directors obtains an annual report of the foremost risks pertaining to the company's operations and of their management.

The internal auditor monitors issues such as adherence to the internal rules of the company, acts and official regulations, and reports his findings concerning the company's procedural guidelines, authorisation and rules to the audit committee. The audit committee of the Board of Directors examines the functioning of internal control and reports to the Board of Directors.

As part of internal control, internal audit audited issues such as the company's data security and personnel administration together with the related processes in 2009. Internal audit is also responsible for auditing business risk management, and it reports the results of its work to the audit committee.

With regard to the foremost corporate-level risks, the main content of risk management has been specified as part of the strategy work of the executive management group as well as in the operating principles, and in the procedural guidelines concerning risk management. These risks are monitored, co-ordinated and managed by the executive management group, but each function and/or business process is responsible for implementing its own risk management. The executive management group identifies and assesses regularly the strategic risks pertaining to personnel and expertise, corporate finances, customers and stakeholders, and business processes. The financial administration of the Group is responsible for the control structures relating to the financial reporting process.

Foremost risks and factors of uncertainty

The foremost business risks of the company include risks relating to the functioning of the power system, such as a major disturbance or a power shortage, and incorrect or unanticipated capital expenditure projects, for example due to a change in regional electricity consumption or generation. Also, risks related to official regulation, such as changes in the Finnish or the European regulation, can weaken the financial position of the company or its opportunities to pursue the objectives related to the development of the electricity market. Other significant risks include counterparty risk as well as risks pertaining to the price of electricity and changes in the interest rate level. Other risks include personnel risks related to issues such as electrical safety.

Fingrid is prepared for a wide-spread disturbance concerning Finland or the Nordic power system by means of various reserves, procedural guidelines, contingency plans, and exercises. In its strategy, the company also focuses on the versatile utilisation of the operation control system, expedited disturbance management, and management of power shortage situations. A wide-spread disturbance in the power system may be caused by several simultaneous faults in the grid, inoperability of Fingrid's operation control system, insufficiency of production capacity, or an external event which prevents grid operation entirely or partially.

The objective is to avoid incorrect or unanticipated capital expenditure by updating the grid plans regularly, by means of constant interaction with the customers, and by conducting co-operation with the other transmission system operators.

Fingrid's operations are subject to official regulation and supervised by the Energy Market Authority. The company aims to establish well-working and transparent co-operation and interaction with the various stakeholders, to contribute actively to the reports and task forces of authorities, and to focus on working within ENTSO-E, the European organisation of transmission system operators.

An unanticipated increase in costs or decrease in income is restricted by enhancing financial control in the Group and assessment concerning financial latitude. Derivatives are used for hedging against changes in the price of electricity or the interest rate level, and the counterparty risk involved in the obligations of parties which have a contractual relationship with Fingrid is limited contractually by using various limits and by regularly monitoring the financial standing of the counterparties.

The expertise and occupational safety risks pertaining to personnel risks are limited by allocated training programmes for both the company's own personnel and service providers and by auditing the work sites systematically in order to attain the best practices and to enhance occupational safety.

As part of its corporate social responsibility, Fingrid has identified the risks that have a major impact on society. These include a major disturbance or an extensive disturbance with a long duration, diminished confidence in the electricity market, postponement of cross-border line construction projects, delayed reinforcement programme for the trunk grid, and unexpected and long-term restrictions in transmission capacity.

In its selected strategic focal areas, Fingrid has also taken the management of these risks into account and made preparations for the risks in its action plan using various means, such as those described above in conjunction with a major disturbance. The company aims to contribute to the integration of the European electricity market and intensification of market mechanisms by constructing new cross-border transmission connections and by publishing market information which has bearing on the transparency of the market. The company prepares and allocates resources for projects which reinforce the cross-border connections and the trunk grid, and takes environmental impacts into account in planning and construction with a long time span. Long-term restrictions in transmission capacity inflict financial disadvantage on the customers and society. This disadvantage is minimised by securing the critical items in the transmission grid and on the cross-border connections and by means of efficient outage planning, for example by optimising the timing of outages so that the financial impact on the customers is kept to a minimum.

Share capital and capital loans

The minimum share capital of the company is 55,900,000 euros and the maximum share capital is 223,600,000 euros, within which limits the share capital may be increased or lowered without amending the Articles of Association. At present, the share capital is 55,900,000 euros. The shares of the company are divided into series A shares and series B shares.

The number of series A shares is 2,078 and the number of series B shares is 1,247. The votes and dividends related to the shares are described in more detail in the notes to the financial statements and in the Articles of Association available on the website of the company.

The company had a capital loan of 30 million euros, which was redeemed in accordance with the loan terms on 30 November 2009.

Environment and corporate social responsibility

The environmental principles of the company have been described in Fingrid Oyj's way of working in environmental matters, published on the company's website. The primary environmental impacts of Fingrid's operations are caused by transmission lines which constitute the backbone of the electricity transmission system together with areas required by these plus substations serving as nodes in the transmission grid.

Fingrid has a total of 26,739 tonnes of creosote-impregnated and CCA-impregnated wooden towers and cable trench covers, categorised as hazardous waste. The related disposal costs of approx. 2 million euros have been entered in the financial statements under provisions for liabilities and charges, which in turn have been added correspondingly to property, plant and equipment. Equipment used in Fingrid's substations contains 25.5 tonnes of sulphur hexafluoride (SF_6 gas), which is categorised as a greenhouse gas. However, no provision has been made for the disposal costs of this gas because it can be re-used after cleaning.

Fingrid serves as the issuing body for guarantees of origin of electricity in Finland. The guarantee is included in the system required by the RES-E directive of the European Union.

Events after the closing of the financial year and estimate of future outlook

There have been no material events or changes in Fingrid's business or financial situation after the closing of the financial year.

The revival of electricity consumption in Finland is crucially influenced by the recovery of exports by the energy-intensive industries in Finland and consequently by the increased utilisation rates of industrial capacity. This is reflected directly in Fingrid's grid revenue. It continues to be difficult to anticipate the developments in the money and capital markets.

Fingrid is making capital investments totalling 1,600 million euros in the transmission grid and reserve power in the next 10 years. The investments on an annual level are about 100 - 200 million euros. The investment programme aims at retaining high system security and promoting the functioning of the policy decisions made in the climate and energy strategy of Finland. The extensive capital investments have a negative impact on cash flow and will require additional borrowing. This is why Fingrid will have to raise its grid transmission tariffs in the coming years.

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CONSOLIDATED KEY INDICATORS		2005 IFRS	2006 IFRS	2007 IFRS	2008 IFRS	2009 IFRS
Extent of operations						
Turnover	million €	316.7	351.3	334.6	382.3	358.9
Capital expenditure, gross	million €	63.3	69.6	79.2	87.9	135.6
- of turnover	%	20.0	19.8	23.7	23.0	37.8
Research and development expense	million €	1.6	1.2	1.2	0.9	1.3
- of turnover	%	0.5	0.4	0.4	0.2	0.4
Personnel, average		228	238	241	241	251
Personnel, end of year		231	233	244	249	260
Salaries and bonuses, total	million €	12.7	13.8	14.6	15.8	16.0
Profitability						
Operating profit	million €	110.0	79.5	90.7	68.4	50.8
- of revenue	%	34.7	22.6	27.1	17.9	14.1
Profit before taxes	million €	75.1	51.5	56.5	37.5	33.2
- of revenue	%	23.7	14.7	16.9	9.8	9.3
Return on investment (ROI)	%	8.7	6.4	7.3	5.8	3.9
Return on equity (ROE)	%	16.9	10.4	10.3	6.6	5.7
Financing and financial position						
Equity ratio	%	23.9	25.5	27.5	26.7	27.2
Interest-bearing net borrowings	million €	797.9	766.3	754.6	726.7	797.5
Share-specific indicators						
Earnings per share	€	16,761	11,531	12,616	8,379	7,417
Dividends per share	€	1,995	2,082	2,156	2,018	2,022*
Equity per share	€	106,439	115,952	129,338	125,600	134,676
Number of shares at 31 Dec						
- 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

*The Board of Directors' proposal to the General Annual Meeting.

CALCULATION OF KEY INDICATORS

Return on investment, %	=	Profit before taxes + interest and other finance costs --- Balance sheet total - non-interest-bearing liabilities (average for the year)	x 100
Return on equity, %	=	Profit for the financial year --- Shareholders' equity (average for the year)	x 100
Equity ratio, %	=	Shareholders' equity --- Balance sheet total - advances received	x 100
Earnings per share, €	=	Profit for the financial year --- Average number of shares	
Dividends per share, €	=	Dividends for the financial year --- Average number of shares	
Equity per share, €	=	Shareholders' equity --- Number of shares at closing date	
Interest-bearing net borrowings, €	=	Interest-bearing borrowings - cash and cash equivalents	

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THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

Fingrid Oyj's distributable funds in the financial statements are 7,710,698.26 euros. After the closing of the financial year, there have not been essential changes in the financial position of the company, nor does the proposed dividend distribution threaten the solvency of the company according to the Board of Directors.

The company’s Board of Directors will propose to the Annual General Meeting of Shareholders that

- 2,022.29 euros of dividend per share to be paid in accordance with article 5 of the Articles of Association, totalling 6,724,119.67 euros

- 986,578.59 euros to be carried over as unrestricted equity.

2. Financial statements

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Notes	1 Jan - 31 Dec 2009 1,000 €	1 Jan - 31 Dec 2008 1,000 €
REVENUE	2	358,938	382,309
Other operating income	3	2,248	2,508
Raw materials and consumables used	4	-188,468	-188,634
Employee benefits expenses	5	-19,803	-19,584
Depreciation	6	-64,612	-59,484
Other operating expenses	7, 8, 9	-37,522	-48,751
OPERATING PROFIT		**50,780**	**68,365**
Finance income	10	4,084	11,035
Finance costs	10	-21,911	-42,398
Finance income and costs		-17,827	-31,363
Portion of profit of associated companies	10	284	514
PROFIT BEFORE TAXES		**33,238**	**37,516**
Income taxes	11	-8,575	-9,658
PROFIT FOR THE FINANCIAL YEAR		**24,663**	**27,859**
OTHER COMPREHENSIVE INCOME			
Cash flow hedges	12	11,760	-32,515
Translation reserve	12	456	-581
Available-for-sale financial assets	12	8	-19
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**36,886**	**-5,258**
Profit attributable to:			
Equity holders of parent company		24,663	27,859
Total comprehensive income attributable to:			
Equity holders of the company		36,886	-5,258
Earnings per share, €	14	7,417	8,379
Earnings per share for profit attributable to the equity holders of the parent company			
Undiluted earnings per share, €	14	7,417	8,379
Diluted earnings per share, €	14	7,417	8,379

Notes are an integral part of the financial statements.

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CONSOLIDATED BALANCE SHEET

ASSETS	Notes	31 Dec 2009 1,000 €	31 Dec 2008 1,000 €
NON-CURRENT ASSETS			
Intangible assets:			
Goodwill	16	87,920	87,920
Other intangible assets	17	88,039	85,274
		175,960	173,194
Property, plant and equipment:	18		
Land and water areas		11,410	10,832
Buildings and structures		76,877	55,916
Machinery and equipment		412,155	392,202
Transmission lines		607,996	570,483
Other property, plant and equipment		3,253	2,628
Advance payments and purchases in progress		69,447	81,081
		1,181,139	1,113,141
Investments:	19		
Equity investments in associated companies		7,110	6,370
Available-for-sale investments		329	324
		7,439	6,694
Receivables:			
Finance receivables	24	11,740	1,205
Deferred tax assets	27	6,711	8,664
		18,451	9,868
TOTAL NON-CURRENT ASSETS		**1,382,988**	**1,302,897**
CURRENT ASSETS			
Inventories	20	5,415	4,628
Finance receivables	24	2,115	3,029
Trade receivables and other receivables	21	54,184	44,930
Financial assets recognised in income statement at fair value	22	199,766	200,040
Cash and cash equivalents	23	4,105	6,104
TOTAL CURRENT ASSETS		**265,585**	**258,730**
TOTAL ASSETS		**1,648,573**	**1,561,628**

Notes are an integral part of the financial statements.

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CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES	Notes	31 Dec 2009 1,000 €	31 Dec 2008 1,000 €
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Share capital	26	55,922	55,922
Share premium account	26	55,922	55,922
Revaluation reserve	26	-11,392	-23,159
Translation reserve	26	88	-368
Retained earnings	26	347,255	329,303
TOTAL EQUITY		**447,796**	**417,621**
NON-CURRENT LIABILITIES			
Deferred tax liabilities	27	121,774	112,796
Borrowings	29	685,379	678,336
Provisions	30	1,921	1,955
Other liabilities	31	17,787	35,361
		826,862	**828,448**
CURRENT LIABILITIES			
Borrowings	29	315,974	254,522
Trade payables and other liabilities	32	57,940	61,037
		373,915	**315,559**
TOTAL LIABILITIES		**1,200,776**	**1,144,007**
TOTAL EQUITY AND LIABILITIES		**1,648,573**	**1,561,628**

Notes are an integral part of the financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, 1,000 €

	Notes	Share capital	Share premium account	Revaluation reserve	Translation reserve	Retained earnings	Total
Attributable to equity holders of the parent company							
Equity 1 Jan 2008		**55,922**	**55,922**	**9,375**	**213**	**308,614**	**430,048**
Dividend distribution	15					-7,169	-7,169
Total comprehensive income for the year	12			-32,535	-581	27,859	-5,258
Equity 31 Dec 2008		**55,922**	**55,922**	**-23,159**	**-368**	**329,303**	**417,621**
Equity 1 Jan 2009		**55,922**	**55,922**	**-23,159**	**-368**	**329,303**	**417,621**
Dividend distribution	15					-6,711	-6,711
Total comprehensive income for the year	12			11,768	456	24,663	36,886
Equity 31 Dec 2009		**55,922**	**55,922**	**-11,392**	**88**	**347,255**	**447,796**

Notes are an integral part of the financial statements.

12 February 2010

CONSOLIDATED CASH FLOW STATEMENT

	Notes	1 Jan - 31 Dec 2009 1,000 €	1 Jan - 31 Dec 2008 1,000 €
Cash flow from operating activities:			
Profit for the financial year	26	24,663	27,859
Adjustments:			
Business transactions not involving a payment transaction*		62,841	73,162
Interest and other finance costs		21,911	42,398
Interest income		-4,080	-11,024
Dividend income		-4	-11
Taxes		8,575	9,658
Changes in working capital:			
Change in trade receivables and other receivables		-5,376	2,489
Change in inventories		-787	173
Change in trade payables and other liabilities		707	2,144
Change in provisions	30	-34	-52
Financial assets at fair value		-3,081	2,075
Interests paid		-43,703	-40,843
Interests received		7,157	8,951
Taxes paid	11	-1,956	-2,329
Net cash flow from operating activities		66,833	114,649
Cash flow from investing activities:			
Purchase of property, plant and equipment	18	-127,585	-83,551
Purchase of intangible assets	17	-6,937	-3,106
Purchase of other assets	19	1	
Proceeds from sale of property, plant and equipment	18	116	158
Repayment of loans receivable			110
Dividends received	10	4	647
Net cash flow from investing activities		-134,400	-85,742
Cash flow from financing activities:			
Withdrawal of loans		365,396	354,438
Repayment of loans		-293,391	-382,016
Dividends paid	26	-6,711	-7,169
Net cash flow from financing activities		65,294	-34,747
Net change in cash and cash equivalents		**-2,273**	**-5,840**
Cash and cash equivalents 1 Jan		**206,144**	**211,984**
Cash and cash equivalents 31 Dec	22, 23	**203,871**	**206,144**

Notes to consolidated cash flow statement

Adjustments:			
*Business transactions not involving a payment transaction		62,841	73,162
- Depreciation		64,612	59,484
- Capital gains/losses (-/+) on property, plant and equipment and intangible assets		183	-87
- Portion of profit of associated companies		-284	-514
- Gains/losses from the valuation of assets and liabilities recognised in income statement at fair value		-1,670	14,279

Notes are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS

Fingrid Oyj is a Finnish public limited company established in accordance with Finnish law. Fingrid's consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. Fingrid's registered office is in Helsinki at address P.O. Box 530 (Arkadiankatu 23 B), 00101 Helsinki.

A copy of the consolidated financial statements is available on the internet at www.fingrid.fi or at Fingrid Oyj's head office.

The amounts in the financial statements are in thousands of euros and based on the original acquisition costs unless otherwise stated in the accounting principles or notes.

Fingrid Oyj's Board of Directors has accepted the publication of these financial statements in its meeting on 12 February 2010. In accordance with the Finnish Companies Act, the shareholders have an opportunity to adopt or reject the financial statements in the shareholders' meeting held after their publication. The shareholders' meeting can also amend the financial statements.

Primary business areas
Fingrid Oyj is the national transmission system operator responsible for the main electricity transmission grid in Finland. The company's responsibilities are to develop the main grid, to maintain a continuous balance between electricity consumption and generation, to settle the electricity deliveries between the parties on a nation-wide level, and to promote the electricity market. The company is also in charge of the cross-border transmission connections to the other Nordic countries and Russia.

The consolidated financial statements contain the parent company Fingrid Oyj and its fully-owned subsidiary Finextra Oy. The consolidated associated companies are Porvoon Alueverkko Oy (ownership 33.3%) and Nord Pool Spot AS (ownership 20.0%). The Group has no joint ventures.

All intercompany transactions, internal margins on inventories and property, plant and equipment, internal receivables and liabilities as well as internal profit distribution are eliminated in consolidation. Ownership of shares between the Group companies is accounted for under the purchase method of accounting. The associated companies are consolidated using the equity method of accounting. The portion corresponding to the Group's ownership in the associated companies is eliminated of unrealised profits between the Group and its associated companies. If necessary, the accounting principles applied by the associated companies have been adjusted to correspond to the principles applied by the Group.

Use of estimates
When the consolidated financial statements are drawn up in accordance with the IFRS, the company management needs to make estimates and assumptions which have an impact on the amounts of assets, liabilities, income and expenses recorded and conditional items presented. These estimates and assumptions are based on historical experience and other justified assumptions which are believed to be reasonable in the conditions which constitute the foundation for the estimates of the items recorded in the financial statements. The actual amounts may differ from these estimates. In the financial statements, estimates have been used for example in the drawing up of impairment testing calculations, when specifying the economic lives of tangible and intangible asset items, and in conjunction with deferred taxes, provisions, and valuation of assets and liabilities related to benefit-based pensions.

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.

Revenue and sales recognition
Sales recognition takes place on the basis of the supply of the service. Electricity transmission is recognised once the transmission has taken place. Balance power services are recognised on the basis of the supply of the service. Connection fees are recognised on the basis of the relevant time. Indirect taxes and discounts, among others, are deducted from the sales income when calculating revenue.

Contributions
Contributions received from the EU or other parties are recognised in the income statement at the same time as the related expenses. Contributions received are presented in other operating income.

Pension schemes
The pension security of the Group's personnel is arranged by an outside pension insurance company. The Group has both contribution-based pension schemes in accordance with IAS 19 and benefit-based schemes. Pension premiums paid for contribution-based schemes are charged to the income statement in the year to which they relate. In contribution-based schemes, the Group has no legal or factual obligation to pay additional premiums if the party receiving the premiums is unable to pay the pension benefits. The present value of the commitment at the closing date is recorded as a liability in the balance sheet of benefit-based pension schemes. The fair value of the assets included in the scheme is deducted from this present value, and it is adjusted by unrecorded actuarial gains and losses and by expenses based on retroactive long-term work performance. The amount of the commitment resulting from benefit-based schemes is based on annual calculations by impartial actuaries, with the calculations employing the projected unit credit method. The present value of the commitment is determined by discounting the estimated future cash flows by an interest rate which corresponds to the interest rate of high-quality bonds issued by business enterprises. Actuarial gains and losses, which result from empirical adjustments and changes in actuarial assumptions and which exceed 10% of the fair value of the assets included in the scheme or 10% of the present value of the commitment resulting from a benefit-based scheme (depending on which of these two is higher), are recognised in the income statement at fair value.

Research and development
Research and development by the Group aim to intensify intra-company operations. No new services or products sold separately are created as a result of R&D. This is why R&D costs are recorded in the income statement as expenses in the accounting year in which they are created.

Leases
Lease obligations where the risks and rewards incident to ownership remain with the lessor are recorded as other leases. Lease obligations paid on the basis of other leases are recorded in other operating expenses, and they are recognised in the income statement as equally large items during the lease period. The other leases primarily concern office facilities, land areas and network leases. In accordance with the principles of standard IAS 17 Leases, those leases where the company is transferred substantially all the risks and rewards incident to ownership are categorised as finance leases.

Foreign currency transactions
The consolidated financial statements are presented in euros, which is the currency used by the parent company. Commercial flows and financial items denominated in foreign currencies are booked at the foreign exchange mid-rate quoted by the European Central Bank (ECB) at the transaction value date. Receivables and liabilities denominated in foreign currencies are translated at the mid-rate quoted by ECB at the closing day and recognised in the financial statements. Foreign exchange gains and losses from business are included in corresponding items above operating profit. Foreign exchange gains and losses from financial instruments are recorded at net amounts in finance income and costs.

Foreign exchange gains and losses from translating the income statement items of the foreign associated company to the mid-rate and from translating its balance sheet items to the rate at the closing date are presented as a separate item in shareholders' equity.

Income taxes
Taxes presented in the consolidated income statement include the Group companies' accrual taxes for the profit of the financial year, tax adjustments from previous financial years and changes in deferred taxes. In accordance with IAS 12, the Group records deferred tax assets as non-current receivables and deferred tax liabilities as non-current liabilities.

Deferred tax assets and liabilities are recorded of all temporary differences between the tax values of asset and liability items and their carrying amounts using the liability method. Deferred tax is recorded using tax rates valid at the closing date.

The largest temporary differences result from the depreciation of property, plant and equipment and from financial instruments. No deferred tax is recorded of the undistributed profits of the foreign associated company, because receiving the dividend does not cause a tax impact by virtue of a Nordic tax agreement (and the difference will not likely be realised in the foreseeable future). The deferred tax asset from temporary differences is recorded up to an amount which can likely be utilised against taxable income created in the future.

Earnings per share
The Group has calculated the undiluted earnings per share in accordance with standard IAS 33. The undiluted earnings per share are calculated using the weighted average number of shares outstanding during the financial year.

Since Fingrid has no option systems or benefits bound to the shareholders' equity nor other equity financial instruments, there is no dilution effect.

Goodwill and other intangible assets
Goodwill created as a result of the acquisition of enterprises and businesses is composed of the excess of the acquisition cost over the identifiable net assets of the acquired business valued at fair value. Goodwill is allocated to cash-generating units and it is tested annually for impairment. With associated companies, goodwill is included in the value of the investment in the associated company.

Other intangible assets comprise computer systems and land use rights. Computer systems are valued at the original acquisition cost and depreciated on a straight line basis during their estimated economic lives. Land use rights with unlimited economic lives are not depreciated but tested annually for impairment.

The depreciation periods of intangible assets are as follows:

Computer systems	3 years

Subsequent expenses relating to intangible assets are only capitalised if their financial benefit for the company increases above the former performance level. In other cases, the expenses are recorded in the income statement when they materialise.

Emission rights
Emission rights acquired free of charge are valued in intangible assets at their nominal value, and purchased emission rights are recorded at the acquisition cost. A liability is recorded of emission rights to be returned. If the Group has a sufficient volume of emission rights to cover the return obligations, the liability is recognised at the carrying amount corresponding to the emission rights in question. If there are not sufficient emission rights to cover the return obligations, the liability is recognised at the market price of the emission rights in question. No depreciation is recorded of emission rights. They are derecognised in the balance sheet at the time of transfer when the actual emissions have been ascertained. The expense resulting from the liability is recorded in the income statement under the expense item Materials and services. Capital gains from emissions rights are recorded under Other operating income.

Property, plant and equipment
Land areas, buildings, transmission lines, machinery and equipment constitute most of the property, plant and equipment. These are recognised in the balance sheet at the original acquisition cost less accumulated depreciation and potential impairment. Interest expenses during the construction period are not capitalised. If an asset is made up of several parts with economic lives of different lengths, the parts are recorded as separate items.

The revised standard IAS 23 Borrowing Costs requires that borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in the acquisition cost of that asset. The Group has applied the revised standard to those qualifying assets the capitalisation of whose borrowing costs has commenced at 1 January 2009, when the value of the assets exceeds 50,000 euros and when the completion of the investment takes more than 12 months. Borrowing costs capitalised to the acquisition cost are calculated on the basis of the average borrowing cost of the Group.

When a separately recorded part of property, plant and equipment is renewed, the costs relating to the new part are capitalised. Other subsequent costs are capitalised only if it is likely that the future financial benefit relating to the asset benefits the Group and the acquisition cost of the asset can be determined reliably. Repair and maintenance costs are recognised in the income statement once they have materialised.

Straight-line depreciation is recorded of property, plant and equipment on the basis of their economic lives. Depreciation on property, plant and equipment taken into use during the financial year is calculated asset-specifically from the month of introduction. Land and water areas are not depreciated. The expected economic lives are verified at each closing date, and if they differ significantly from the earlier estimates, the depreciation periods are amended accordingly.

The depreciation periods of property, plant and equipment are as follows:

Buildings and structures	
Substation buildings and separate buildings	40 years
Substation structures	30 years
Buildings and structures at gas turbine power plants	20 years
Separate structures	15 years
Transmission lines	
Transmission lines 400 kV	40 years
Direct current lines	40 years
Transmission lines 110-220 kV	30 years
Creosote-impregnated towers and related disposal expenses	30 years
Aluminium towers of transmission lines (400 kV)	10 years
Optical ground wires	10-20 years
Machinery and equipment	
Substation machinery	10-30 years
Gas turbine power plants	20 years
Other machinery and equipment	3-5 years

Gains or losses from the sale or disposition of property, plant and equipment are recorded in the income statement under either other operating income or expenses. Property, plant and equipment are derecognised in the balance sheet when the planned depreciation period has expired, the asset has been sold, scrapped or otherwise disposed of to an outsider.

Impairment
The carrying amounts of asset items are assessed at the closing date to detect potential impairment. If impairment is detected, the recoverable amount of the asset is estimated. An asset is impaired if the balance sheet value of the asset or of a cash-generating unit exceeds the recoverable amount. Impairment losses are recorded in the income statement.

The asset items subject to depreciation are examined for impairment also when events or changes in circumstances suggest that the amount corresponding to the carrying amount of the asset items may not be recovered.

The impairment loss of a cash-generating unit is first allocated to reduce the goodwill of the cash-generating unit and thereafter to reduce in proportion the other asset items of the unit.

The recoverable amount of intangible assets and property, plant and equipment is defined so that it is the higher of the fair value reduced by the costs resulting from sale or the value in use. When defining the value in use, the estimated future cash flows are discounted at their present value based on discount rates which reflect the average capital cost of the said cash-generating unit before taxes. The specific risk of the assets in question is also considered in the discount rates.

An impairment loss relating to property, plant and equipment and intangible assets other than goodwill is reversed if a change has taken place in the estimates used for defining the recoverable amount of the asset. An impairment loss is reversed at the most up to an amount which would have been defined as the carrying amount of the asset (reduced by depreciation) if no impairment loss had been recorded of it in the previous years. An impairment loss recorded of goodwill is not reversed.

Available-for-sale investments
Available-for-sale investments are long-term assets unless executive management intends to sell them within 12 months from the closing date. Publicly quoted securities are classified as available-for-sale investments and recorded at fair value, which is the market value at the closing date. Changes in fair value are recorded in the shareholders' equity until the investment is sold or otherwise disposed of, in which case the changes in fair value are recorded in the income statement. Permanent impairment of assets is recorded in the income statement. Unlisted securities are recorded at the acquisition cost as their fair values are not reliably available.

Inventories
Inventories are entered at the lower of the acquisition cost or net realisable value. The acquisition cost is determined using the FIFO principle. The net realisable value is the estimated market price in normal business reduced by the estimated future costs of completing and estimated costs required by sale. Inventories consist of material and fuel inventories.

Loans receivables and other receivables
Loans receivables and other receivables are recorded initially at fair value. The amount of bad receivables is estimated based on the risks of individual items. An impairment loss of receivables is recorded when there is valid evidence that the Group will not receive all of its receivables at the original terms (e.g. due to the debtor's serious financial problems, likelihood that the debtor will go bankrupt or subject to other financial rearrangements, and negligence of due dates of payments by more than 90 days). Impairment losses are recorded directly to reduce the carrying amount of receivables and under item Other operating expenses.

Derivative instruments
Trading derivatives are classified as a derivatives asset or liability. Derivatives are initially recognised at fair value on the date a derivative contract is entered into are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company uses derivative contracts only for hedging purposes according to a specific risk management policy.

Electricity derivatives
The company enters into electricity derivative contracts in order to hedge its electricity purchases in accordance with the loss energy forecast. The company applies hedge accounting for electricity derivatives based on cash flow hedging of loss energy purchases. The company documents at the inception of the contract the relationship between the hedged item and the hedging instrument. Similarly are the risk management objectives and strategy documentated for undertaking various hedging transactions. The effective portion of changes in the fair values of instruments that are designated and qualify as cash flow hedges are recorded in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other gains and losses. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit and loss. Changes in fair value of instruments which are designated and qualify for hedge accounting are recorded in equity, hedging reserve. Changes in the fair values of other electricity derivatives continue to be recorded in the income statement. Hedge accounting is applied to publicly quoted annual and quarterly instruments bought by the company. When a hedging instrument expires, is sold or no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity, and is recognised only when the forecast transaction is ultimately recognised in the income statement within other gains and losses.
Instruments quoted at Nord Pool ASA are valued at the market prices at the closing date. Bilateral price hedging contracts are valued using the price of a comparable instrument at Nord Pool ASA.

Interest rate and foreign exchange derivatives
The company enters into derivative contracts in order to hedge the financial risks (interest rate and foreign exchange exposures) in accordance with the primary principles for financing approved by the Board of Directors. Fingrid does not apply hedge accounting to the derivatives.
Derivative assets and liabilities are recognised at the original acquisition cost. Derivatives are measured at fair value at the closing date, and their change in fair value is recorded in the income statement in finance income and costs. The fair values of derivatives at the closing date are based on different calculation methods. Foreign exchange forwards have been measured at the forward prices. Interest rate and cross-currency swaps have been measured at the present value on the basis of the yield curve of each currency. Interest rate options have been valued by using generally accepted option pricing models in the market.

Financial securities
Financial securities at fair value through profit or loss are financial assets held for trading. The category includes money market securities and investments in short-term money market funds. Financial securities are recorded in the balance sheet at fair value at the settlement day. Subsequently financial securities are measured in the financial statements at fair value, and their change in fair value is recognised in the income statement in finance income and costs.

Financial assets recognised in the income statement at fair value primarily comprise certificates of deposit, commercial papers and municipality bills with maturities of 3 - 6 months, and investments in short-term money market funds.
Financial securities are derecognised when they mature, are sold or otherwise disposed of.
Assets in this category are classified as current assets.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and bank deposits. Bank deposits are classified as held-to-maturity assets and they are recognised at the original acquisition cost. In the financial statements, bank deposits are measured at the amortised acquisition cost.
Cash and cash equivalents are derecognised when they mature, are sold or otherwise disposed of.
Assets in this category are classified as current assets.

Borrowings
Borrowings include bond and commercial paper issuance and loans raised by the company, recognised initially at fair value net of the transaction costs incurred. Transaction costs consist of bond prices above or below par value, credit fees, commissions and administrative fees. Borrowings are subsequently carried at amortised cost; any difference between the proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are derecognised when they mature and are repaid.

Provisions
A provision is recorded when the Group has a legal or factual obligation based on an earlier event and it is likely that fulfilling the obligation will require a payment, and the amount of the obligation can be estimated reliably.
The provisions are valued at the present value of costs required to cover the obligation. The discounting factor used in calculating the present value is chosen so that it reflects the market view of the time value of money at the assessment date and of the risks pertaining to the obligation.

Fingrid uses creosote-impregnated and CCA-impregnated wooden towers and cable trench covers. Decree YMA 711/2001 by the Finnish Ministry of the Environment categorises decommissioned impregnated wood as hazardous waste. A provision was recorded in 2004 of the related disposal costs materialising in the future decades.

Dividend distribution
The Board of Directors' proposal concerning dividend distribution is not recorded in the financial statements. This is only recorded after a decision made by the Annual General Meeting of Shareholders.

Application of new or revised IFRS standards and IFRIC interpretations

Application of new and revised standards and interpretations as from 1 January 2009
Revision of standard IAS 1 Presentation of Financial Statements. The revised standard changes the presentation of events so that the statement of total comprehensive income presents those items recognised directly in equity that do not involve business transactions with the owners. The calculation concerning changes in equity has also been amended to conform to the revised standard.

IFRS 8 Operating Segments (replaces standard IAS 14). In accordance with the new standard, segment reporting is based on internal reporting by executive management and on the principles applied to it. The IFRS 8 standard has no impact on the information presented by the company, because due to Fingrid's nature of activities and the corporate governance structure the reported operating segment is the whole Group.

Revision of standard IAS 23 Borrowing Costs. The definition of borrowing costs has been revised so that interest costs are determined using the effective interest method specified in standard IAS 39 Financial Instruments: Recognition and Measurement. The revised standard eliminates the possibility to recognise borrowing costs, which are attributable to the acquisition, construction or production of a qualifying asset, as an expense. These borrowing costs must be capitalised as part of the acquisition cost of the asset in question. The Group has earlier recognised borrowing costs as an expense in that financial year in which they are created. This change has no material impact on the profit of the reporting period.

IFRS 7 Financial instruments: amendments of the presentation of Financial Instruments in the financial statements. The improvement introduces a three level hierarchy of the fair value presentation of derivative instruments.

The following new or revised standards and interpretations, which came into effect in 2009, have no material impact on the consolidated financial statements:
Annual Improvements to IFRSs 2008, IAS 32 (Amendment), Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable at Fair Value and Obligations Arising on Liquidation, IAS 27 (Amendment), Consolidated and separate financial statements, IAS 39 (Amendment), Financial instruments: Recognition and measurement - Eligible Hedged Items, IFRS 2 (Amendment), Share-based payment, IFRS 3 Business Combinations, IFRIC 13 Customer Loyalty Programmes, IFRIC 16 (Amendment), Hedges of a net investment in a foreign operation, IFRIC 17 Distributions of Non-cash Assets to Owners, IFRIC 18 Transfers of Assets from Customers, IFRIC 9 and IAS 39 (Amendment), Reassessment of embedded derivatives on reclassification.

The Group will adopt the following standards and interpretations in 2010:
Annual Improvements to IFRSs 2009. Through the Annual improvement process the minor and less urgent changes of the standards are collected into a complete ensamble and carried out once a year. The project includes changes for a total of 12 standards. The Group estimates that these changes of standards do not have a significant impact on the Group's future financial statements.

2. INFORMATION ON REVENUE AND SEGMENTS

REVENUE, 1,000 €	**2009**	**2008**
Transmission revenue	187,850	189,120
Sale of balance power	92,497	104,790
ITC income	27,904	22,767
Cross-border transmission	24,353	22,409
Peak load power	13,469	10,887
Congestion income	4,855	23,173

Feed-in tariff for peat	3,408	358
Other operating revenue	4,602	8,805
Total	**358,938**	**382,309**

Through the grid services, a customer obtains the right to transmit electricity to and from the main grid through its connection point. Grid service is agreed by means of a grid service contract signed between a customer connected to the main grid and Fingrid. Fingrid charges a consumption fee, use of grid fee, connection point fee and market border fee for the grid service. The contract terms are equal and public.

Transmission services on the cross-border connections to the other Nordic countries enable participation in the Nordic Elspot and Elbas exchange trade. Fingrid makes transmission services on the cross-border connections from Russia available to all electricity market parties. The transmission service is intended for fixed electricity imports. When making an agreement on transmission services from Russia, the customer reserves a transmission right (in MW) for a period of time to be agreed upon separately. The smallest unit that can be reserved is 50 MW. The contract terms are equal and public.

Each electricity market party must ensure that its electricity balance is in balance by making an agreement with either Fingrid or some other party. Fingrid buys and sells balance power in order to balance the hourly power balance of an electricity market party (balance provider). Balance power trade and pricing of balance power are based on a balance service agreement with equal and public terms and conditions.

Fingrid is responsible for the continuous power balance in Finland by buying and selling regulating power in Finland. The balance providers can participate in the Nordic balancing power market by submitting bids of their available capacity. The terms and conditions of participation in the regulating power market and the pricing of balancing power are based on the balance service agreement.

The congestion income is revenues that the transmission system operator receives from market actors for use of transmission capacity for those transmission links, on which the operational reliability of the power system restricts the power transmission. Fingrid receives a contractual portion of the Nordic congestion income.

ITC-compensation are income and/or costs for Fingrid, which the transmission system operator receives for the use of its grid by other European transmission operators and/or pays to other transmission system operators when using their grid when servicing its own customers.

Peak load power includes condensing power capacity, when it is under threat of being closed down, to be kept in readiness for use (peak load power) and the feed-in tariff for peat includes compensation for peat condensing power.

Information on segments is not presented, because 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.

3. OTHER OPERATING INCOME, 1,000 €	2009	2008
Rental income	1,751	1,618
Contributions received	105	129
Other income	392	761
Total	**2,248**	**2,508**

4. MATERIALS AND SERVICES, 1,000 €	2009	2008
Purchases during financial year	169,427	171,534
Change in inventories, increase (-) or decrease (+)	-787	173
Materials and consumables	168,640	171,707
External services	19,828	16,927
Total	**188,468**	**188,634**

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5. EMPLOYEE BENEFITS EXPENSES, 1,000 €	2009	2008
Salaries and bonuses	16,028	15,766
Pension expenses - contribution-based schemes	2,800	2,398
Pension expenses - benefit-based schemes (note 28)	-340	83
Other additional personnel expenses	1,314	1,337
Total	**19,803**	**19,584**
Salaries and bonuses of top management (note 37)	**1,358**	**1,126**

The Group uses a compensation system, of which the general principles have been approved by the Board of Directors on 23 October 2007. The principles for the bonus programme for the Executive Management Group have additionally been determined in a meeting held on 12 December 2007 by the Remuneration Committee. The base salary and the profit-based compensation for the Executive Management Group, is based on the strategic indicators of the company. The members of the Executive Management Group are paid a bonus decided by the Remuneration Committee of the Board of Directors, of which the maximum amount is 20 % for the President & CEO, 15 % for the Vice President and 10 % for the other members of the Management Executive Group of the annual salary. The system changes from a one-year to a three-year review period as of 1 January 2010, when the compensation will be based on a three-year average of the strategic indicators from 2008 until 2010.

Number of salaried employees in the company during the financial year:		
Personnel, average	251	241
Personnel, 31 Dec	260	249

6. DEPRECIATION, 1,000 €	2009	2008
Intangible assets	3,665	1,833
Buildings and structures	2,997	2,628
Machinery and equipment	31,760	30,477
Transmission lines	25,824	24,146
Other property, plant and equipment	367	399
Total	**64,612**	**59,484**

7. OTHER OPERATING EXPENSES, 1,000 €	2009	2008
Contracts, assignments etc. undertaken externally	30,696	26,327
Gains/losses from measuring electricity derivatives at fair value	-1,683	14,213
Rental expenses	2,199	2,100
Foreign exchange gains and losses	-289	-57
Other expenses	6,599	6,168
Total	**37,522**	**48,751**

8. AUDITORS FEES, 1,000 €	2009	2008
Auditing fee	34	57
Other fees	8	25
Total	**42**	**82**

9. RESEARCH AND DEVELOPMENT, 1,000 €	2009	2008
Research and development expenses	1 302	950
Total	**1 302**	**950**

10. FINANCE INCOME AND COSTS, 1,000 €	2009	2008
Interest income on held-for-trading financial assets	-3,982	-10,709
Interest income on cash and cash equivalents and bank deposits	-98	-316
Dividend income	-4	-11
	-4,084	-11,035
Interest expenses on borrowings	24,932	38,471

Net financial expenses on interest and foreign exchange derivatives	-863	1,584
Gains from measuring derivative contracts at fair value	-16,637	-7,346
Losses from measuring derivative contracts at fair value	13,973	9,349
Net foreign exchange gains and losses	22	-54
Other finance costs	548	394
	21,974	42,398
Capitalised finance costs, borrowing costs (note 18)	-63	
Total	**17,827**	**31,363**
Portion of profit of associated companies	**-284**	**-514**

11. INCOME TAXES, 1,000 €

	2009	2008
Direct taxes	1,779	2,070
Deferred taxes (note 27)	6,796	7,588
Total	**8,575**	**9,658**
Reconciliation of income tax:		
Profit before taxes	**33,238**	**37,516**
Tax calculated in accordance with statutory tax rate in Finland 26 %	8,642	9,754
Non-deductible expenses and tax-free income	-67	-96
Tax expense in income statement	**8,575**	**9,658**

12. TAXES RELATED TO OTHER ITEMS IN TOTAL COMPREHENSIVE INCOME, 1,000 €

	2009			2008		
	Before taxes	Tax impact	After taxes	Before taxes	Tax impact	After taxes
Cashflow hedges	15,891	-4,132	11,760	-43,940	11,424	-32,515
Translation reserve	456		456	-581		-581
Items related to long-term asset items available for sale	11	-3	8	-26	7	-19
Total	**16,358**	**-4,135**	**12,224**	**-44,547**	**11,431**	**-33,116**

13. OTHER ITEMS IN TOTAL COMPREHENSIVE INCOME, 1,000 €

	2009			2008		
	Recognised in other total compr. income items	Re-classific ation	Total	Recognised in other total compr. income items	Re-classific ation	Total
Cashflow hedges				-37,638	-5,123	-32,515
Total				**-37,638**	**-5,123**	**-32,515**

14. EARNINGS PER SHARE

	2009	2008
Profit for the financial year, 1,000 €	24,663	27,859
Weighted average number of shares, qty	3,325	3,325
Undiluted earnings per share, €	7,417	8,379
Diluted earnings per share, €	7,417	8,379

15. DIVIDEND PER SHARE

After the closing date, the Board of Directors has proposed that a dividend of 2,022.29 (2008: 2,018.26) euros per share be distributed, totalling 6.7 (2008: 6.7) million euros.

16. GOODWILL, 1,000 €

	2009	2008
Cost at 1 Jan	87,920	87,920
Cost at 31 Dec	**87,920**	**87,920**
Carrying amount 31 Dec	**87,920**	**87,920**

The entire business of the Fingrid Group comprises transmission system operation in Finland with system responsibility, which the full goodwill of the Group concerns.

In impairment testing, the recoverable amount from business is defined by means of value in use. The cash flow forecasts used in impairment calculations are based on ten year strategic financial estimates. The cash flows used in the imparement test are based on income and expenses deriving from the business operations and replacement capital expenditure according to the capital expenditure programme. The estimated cash flows cover the following ten year period. The expected cash flows during the subsequent years are estimated by extrapolating the expected cash flows using a growth estimate of zero per cent. The discount rate before taxes used in the calculations is 6.0%. The discout rate is based on the financial targets of the company.

According to the view of the management, reasonable changes in the primary assumptions used in the calculations will not lead to a need for recording impairment losses.

17. INTANGIBLE ASSETS, 1,000 €

	2009	2008
Land use rights		
Cost at 1 Jan	78,935	77,726
Increases 1 Jan - 31 Dec	3,179	1,253
Decreases 1 Jan - 31 Dec		-44
Cost at 31 Dec	**82,114**	**78,935**
Carrying amount 31 Dec	**82,114**	**78,935**
Other intangible assets		
Cost at 1 Jan	18,370	16,869
Increases 1 Jan - 31 Dec	3,252	1,501
Cost at 31 Dec	**21,623**	**18,370**
Accumulated depreciation according to plan 1 Jan	-12,032	-10,199
Depreciation according to plan 1 Jan - 31 Dec	-3,665	-1,833
Carrying amount 31 Dec	**5,925**	**6,338**
Carrying amount 31 Dec	**88,039**	**85,274**

18. PROPERTY, PLANT AND EQUIPMENT, 1,000 €

	2009	2008
Land and water areas		
Cost at 1 Jan	10,832	10,758
Increases 1 Jan - 31 Dec	583	74
Decreases 1 Jan - 31 Dec	-4	
Cost at 31 Dec	**11,410**	**10,832**
Carrying amount 31 Dec	**11,410**	**10,832**
Buildings and structures		
Cost at 1 Jan	73,883	67,642
Increases 1 Jan - 31 Dec	23,959	6,240
Decreases 1 Jan - 31 Dec		
Cost at 31 Dec	**97,842**	**73,883**
Accumulated depreciation according to plan 1 Jan	-17,967	-15,339
Decreases, depreciation according to plan 1 Jan - 31 Dec		
Depreciation according to plan 1 Jan - 31 Dec	-2,997	-2,628
Carrying amount 31 Dec	**76,877**	**55,916**

Machinery and equipment		
Cost at 1 Jan	612,269	600,885
Increases 1 Jan - 31 Dec	51,714	11,384
Decreases 1 Jan - 31 Dec		
Cost at 31 Dec	**663,983**	**612,269**
Accumulated depreciation according to plan 1 Jan	-220,068	-189,590
Decreases, depreciation according to plan 1 Jan - 31 Dec		
Depreciation according to plan 1 Jan - 31 Dec	-31,760	-30,477
Carrying amount 31 Dec	**412,155**	**392,202**
Transmission lines		
Cost at 1 Jan	806,702	762,644
Increases 1 Jan - 31 Dec	63,626	44,469
Decreases 1 Jan - 31 Dec	-417	-411
Cost at 31 Dec	**869,911**	**806,702**
Accumulated depreciation according to plan 1 Jan	-236,219	-212,457
Decreases, depreciation according to plan 1 Jan - 31 Dec	128	384
Depreciation according to plan 1 Jan - 31 Dec	-25,824	-24,146
Carrying amount 31 Dec	**607,996**	**570,483**
Other property, plant and equipment		
Cost at 1 Jan	12,838	12,569
Increases 1 Jan - 31 Dec	991	270
Cost at 31 Dec	**13,830**	**12,838**
Accumulated depreciation according to plan 1 Jan	-10,210	-9,811
Depreciation according to plan 1 Jan - 31 Dec	-367	-399
Carrying amount 31 Dec	**3,253**	**2,628**
Advance payments and purchases in progress		
Cost at 1 Jan	81,081	58,289
Increases 1 Jan - 31 Dec	84,961	80,076
Transfers to other property, plant, and equipment and to other intangible assets 1 Jan - 31 Dec	-96,659	-57,285
Borrowing costs capitalised in the financial year (note 10)	63	
Cost at 31 Dec	**69,447**	**81,081**
Carrying amount 31 Dec	**69,447**	**81,081**
Carrying amount 31 Dec	**1,181,138**	**1,113,141**

Item Advance payments and purchases in progress contains the advance payments of noncurrent property, plant and equipment and intangible assets, and acquisition costs caused by capital investments in progress.

19. INVESTMENTS, 1,000 €	**2009**	**2008**
Available-for-sale investments		
Cost at 1 Jan	324	350
Decreases 1 Jan - 31 Dec	-7	
Changes in fair value 1 Jan - 31 Dec	11	-26
Carrying amount 31 Dec	**329**	**324**
The changes in fair value are recorded in equity (note 26).		
Equity investments in associated companies		
Cost at 1 Jan	6,370	7,074
Portion of profit 1 Jan - 31 Dec	284	514
Translation differences 1 Jan - 31 Dec	456	-581
Dividends 1 Jan - 31 Dec		-637
Carrying amount 31 Dec	**7,110**	**6,370**
Carrying amount 31 Dec	**7,439**	**6,694**
Goodwill contained in the carrying amount of associated companies at 31 Dec	3,245	3,245

There are no such essential temporary differences with associated companies of which deferred tax assets or liabilities would have been recorded.

Financial summary of associated companies, 1,000 €

2008	Assets	Liabilities	Revenue	Profit/loss	Ownership (%)
Nord Pool Spot AS, Lysaker, Norway	319,037	304,048	11,878	2,550	20.0
Porvoon Alueverkko Oy, Porvoo, Finland	5,824	5,829	4,406	-60	33.3

2009	Assets	Liabilities	Revenue	Profit/loss	Ownership (%)
Nord Pool Spot AS, Lysaker, Norway	292,049	273,554	12,346	1,215	20.0
Porvoon Alueverkko Oy, Porvoo, Finland	5,931	5,832	5,066	96	33.3

Subsidiary shares 31 Dec 2009	Ownership (%)	Ownership (%)
Finextra Oy, Helsinki, Finland	100	100

20. INVENTORIES, 1,000 €

	2009	2008
Materials and consumables at 1 Jan	5,318	4,626
Work in progress	97	2
Total	**5,415**	**4,628**

The cost of inventories recognised as expense was 0.5 (2008: 0.4) million euros.

21. TRADE RECEIVABLES AND OTHER RECEIVABLES, 1,000 €

	2009	2008
Trade receivables	39,419	39,127
Trade receivables from associated companies (note 37)	777	844
Prepayments and accrued income	13,956	4,923
Other receivables	32	37
Total	**54,184**	**44,930**

Essential items included in prepayments and accrued income	2009	2008
Accruals of sales	8,996	3,868
Accruals of purchases/prepayments	533	693
Interest receivable	3,917	
Rents/prepayments	205	226
Total	**13,650**	**4,787**

Age distribution of trade receivables	2009	2008
Unmatured trade receivables	39,840	38,086
Trade receivables matured by 1-30 days	274	986
Trade receivables matured by 31-60 days	3	
Trade receivables matured by more than 60 days	79	899
Total	**40,196**	**39,970**

On 31 December 2009 or on 31 December 2008, the company did not have matured trade receivables of which impairment losses would have been recorded. Based on earlier payments, the company expects to receive the matured receivables in less than 3 months. Receivables where the due dates have been renegotiated are not included in matured trade receivables.

Trade receivables and other receivables broken down by currencies, 1,000 €	2009	2008
EUR	54,174	44,917
GBP	7	
SEK	4	13
Total	**54,184**	**44,930**

The fair value of trade receivables and other receivables does not differ essentially from the balance sheet value.

22. FINANCIAL ASSETS RECOGNISED AT FAIR VALUE, 1,000 €

	2009	2008
Certificates of deposit	74,881	78,856
Commercial papers	124,885	121,184
Total	**199,766**	**200,040**

Financial assets are recognised at fair value and the change in fair value is presented in the income statement in finance income and costs.

23. CASH AND CASH EQUIVALENTS, 1,000 €

	2009	2008
Cash and bank accounts	1,812	239
Pledged accounts	592	5,865
Money market deposits	1,700	
Total	**4,105**	**6,104**

24. CARRYING AMOUNTS OF FINANCIAL ASSETS AND LIABILITIES BY MEASUREMENT CATEGORIES, 1,000 €

Balance sheet item 31 Dec 2009	Loans and other receivables	Assets/ liabilities recognised in income statement at fair value	Available-for-sale financial assets	Financial assets/ liabilities measured at amortised cost	Total	Note
Non-current financial assets						
Available-for-sale investments			329		329	19
Derivative contracts		11,740			11,740	31
Current financial assets						
Derivative contracts		2,115			2,115	31
Other financial receivables	1				1	
Trade receivables and other receivables	54,184				54,184	21
Cash and cash equivalents recognised in income statement at fair value		199,766			199,766	22
Cash in hand and bank receivables	4,105				4,105	22
Financial Assets Total	**58,290**	**213,621**	**329**		**272,239**	
Non-current financial liabilities						
Borrowings				679,124	679,124	29
Derivative contracts		6,255			6,255	29, 31
Current financial liabilities						
Borrowings				315,974	315,974	29
Trade payables and other liabilities	45,548			8,665	54,213	32
Financial liabilities total	**45,548**	**6,255**		**1,003,763**	**1,055,566**	

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Balance sheet item 31 Dec 2008	Loans and other receivables	Assets/ liabilities recognised in income statement at fair value	Available-for-sale financial assets	Financial assets/ liabilities measured at amortised cost	Total	Note
Non-current financial assets						
Available-for-sale investments			324		324	19
Derivative contracts		1,205			1,205	31
Current financial assets						
Derivative contracts	1,857	1,097			2,954	31
Other financial receivables	74				74	
Trade receivables and other receivables	44,930				44,930	21
Cash and cash equivalents recognised in income statement at fair value		200,040			200,040	22
Cash in hand and bank receivables	6,104				6,104	22
Financial assets total	**52,965**	**202,342**	**324**		**255,632**	
Non-current financial liabilities						
Borrowings				660,353	660,353	29
Derivative contracts		17,982			17,982	29, 31
Current financial liabilities						
Borrowings				251,327	251,327	29
Derivative contracts		3,195			3,195	29, 31
Trade payables and other liabilities	42,713			13,610	56,323	32
Financial liabilities total	**42,713**	**21,177**		**925,291**	**989,181**	

25. FAIR VALUE HIERARCHY, 1,000 €

	2009			2008		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets held at fair value						
Available-for-sale investments	48	265		37	265	
Derivatives		11,567			3,667	
Financial assets recognised at fair value		199,766			200,040	
Financial assets held at fair value total	**48**	**211,598**		**37**	**203,972**	
Financial liabilities held at fair value						
Derivatives		1,391			22,314	
Electricity forward contracts, Nord Pool Clearing	17,605			35,236		
Electricity forward contracts, others		182			125	
Financial liabilities held at fair value total	**17,605**	**1,574**		**35,236**	**22,439**	

Fair value measurement of assets and liabilities are categorised in a three-level hierarchy in the fair value presentation. 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 in its entirety that is significant to the fair value measurement.
Level 1: inputs are publicly quoted in active markets.
Level 2: inputs are not publicly quoted and are observerable market parameters either directly or indirectly.
Level 3: inputs are unobserverable market parameters.

26. EQUITY

Equity is composed of the share capital, share premium account, fair value reserve (incl. hedge and revaluation reserves), translation reserve, and retained earnings. The hedge reserve includes the changes in the fair value of hedging instruments for loss energy. The fair value reserve includes the changes in the fair value of available-for-sale investments. The translation reserve includes translation differences in the net capital investments of associated companies in accordance with the purchase method of accounting. The profit for the financial year is recorded in retained earnings.

Share capital and share premium account, 1,000 €	Share capital	Share premium account	Total
1 Jan 2008	55,922	55,922	111,845
Change			
31 Dec 2008	55,922	55,922	111,845
Change			
31 Dec 2009	**55,922**	**55,922**	**111,845**

The share capital is broken down as follows:	Number of shares qty	Of all shares %	Of votes %
Series A shares	2,078	62.49	83.32
Series B shares	1,247	37.51	16.68
Total	**3,325**	**100.00**	**100.00**

Number of shares, qty	Series A shares	Series B shares	Total
1 Jan 2009	2,078	1,247	3,325
Change			
31 Dec 2009	**2,078**	**1,247**	**3,325**

The maximum number of shares is 13,000 as in 2008. The shares have no par value.

Series A shares confer three votes each at a shareholders’ meeting and series B shares one vote each. When electing members of the Board of Directors, series A share confers 10 votes each at a shareholders’ meeting and each series B share one vote each.

Series B shares have the right before series A shares to obtain the annual dividend specified below from the funds available for profit distribution. After this, a corresponding dividend is distributed to series A shares. If the annual dividend cannot be distributed in some year, the shares confer a right to receive the undistributed amount from the funds available for profit distribution in the subsequent years; however so that series B shares have the right before series A shares to receive the annual dividend and the undistributed amount.

The shareholders' meeting decides on the annual dividend.
The determination of the dividend: the amount of the annual dividend is calculated on the basis of calendar years so that the subscription price of the share added by amounts paid in conjunction with potential increases of share capital and reduced by potential amounts paid in refunds of equity, is multiplied by the dividend percentage; however so that the minimum dividend is 6%. The dividend percentage is defined on the basis of the yield of the 30-year German Government Bond.

The dividend proposal for the year 2009 is 6.012 %.

There are no minority interests.

Shareholders by different categories	Number of shares qty	Of all shares %	Of votes %
Public enterprises	834	25.08	33.44
Private enterprises	844	25.38	33.57
Public organisations	410	12.33	16.44
Financial and insurance institutions	1,237	37.20	16.55
Total	**3,325**	**100.00**	**100.00**

Shareholders	Number of shares qty	Of all shares %	Of votes %
Fortum Power and Heat Oy	834	25.08	33.44
Pohjolan Voima Oy	834	25.08	33.44
Republic of Finland	410	12.33	16.44
Varma Mutual Pension Insurance Company	405	12.18	5.41
Mutual Pension Insurance Company Ilmarinen	350	10.53	4.68
Tapiola Mutual Pension Insurance Company	150	4.51	2.01
Suomi Mutual Life Assurance Company	75	2.26	1.00
Pohjola Insurance Ltd	75	2.26	1.00
Mandatum Life Insurance Company Limited	54	1.62	0.72
Tapiola General Mutual Insurance Company	50	1.50	0.67
Tapiola Mutual Life Assurance Company	35	1.05	0.47
If P&C Insurance Company Ltd	25	0.75	0.33
Tapiola Corporate Life Insurance Company Ltd	12	0.36	0.16
Imatran Seudun Sähkö Oy	10	0.30	0.13
Fennia Life Insurance Company	6	0.18	0.08
Total	**3,325**	**100.00**	**100.00**

Share premium account
The share premium account includes the difference between the counter value of the shares and the value obtained. According to the Finnish Companies Act the premium fund means tied equity. The share capital can be increased by transferring funds from the premium fund account. The premium fund account can be decreased in order to cover losses or it can under certain conditions be returned to the owners.

Fair value reserves
The fair value reserves include the changes in the fair value of derivative instruments used for hedging cash flow (hedge reserve) and the changes in the fair value of available-for-sale investments (publicly quoted and unquoted securities) (revaluation reserve).

Hedge reserve, 1,000 €	**2009**	**2008**
1 Jan	-23,211	9,304
Changes in fair value during financial year	15,891	-43,940
Taxes	-4,132	11,424
Hedge reserve 31 Dec	**-11,452**	**-23,211**

Revaluation reserve, 1,000 €	**2009**	**2008**
1 Jan	52	71
Changes in fair value during financial year	11	-26
Taxes on changes in fair value during financial year	-3	7
Revaluation reserve 31 Dec	**60**	**52**

Translation reserve, 1,000 €	**2009**	**2008**
Translation reserve 31 Dec	**88**	**-368**

The translation reserve includes the translation differences resulting from converting the financial statements of the foreign associated company.

Dividends, 1,000 €	**2009**	**2008**
Dividends paid	**6,724**	**6,711**

The proposal for dividend distribution for the financial year 2009 is presented in note 15.

Retained earnings, 1,000 €	**2009**	**2008**
Profit from previous financial years	322,592	301,445
Profit for the financial year	24,663	27,859
Retained earnings 31 Dec	**347,255**	**329,303**

27. DEFERRED TAX ASSETS AND LIABILITIES, 1,000 €

	2009	2008
Deferred tax assets		
Valuation of derivative contracts and other financial assets and liabilities at fair value	6,198	11,152
Other temporary differences	513	526
	6,711	11,678
Deferred tax liabilities		
Accumulated depreciation difference	103,074	100,355
Tangible and intangible assets	14,997	12,557
Valuation of derivative contracts and other financial assets and liabilities at fair value	2,683	1,851
Other temporary differences	1,019	1,047
	121,774	115,810
Total*	**115,063**	**104,132**

	2009	2008
***Deferred net tax liability is broken down in the balance sheet as follows:**		
Deferred tax assets	6,711	11,678
Deferred tax liabilities	121,774	115,810
Deferred tax assets		
Deferred tax asset to be recovered after more than 12 months	5,334	10,269
Deferred tax asset to be recovered within 12 months	1,378	1,409
	6,711	11,678
Deferred tax liabilities		
Deferred tax liability to be recovered after more than 12 months	119,889	113,815
Deferred tax liability to be recovered within 12 months	1,885	1,995
	121,774	115,810
Total	**115,063**	**104,132**

Changes in deferred taxes in 2009:

	31 Dec 2008	Recorded in income statement at fair value	Recorded in other comprehensive income	31 Dec 2009
Deferred tax assets				
Provisions	508	-9		500
Current financial assets	1,408	-32		1,376
Non-current financial assets	548	-353		196
Derivate liabilities	1,039	-437		601
Electricity derivatives	8,155		-4,132	4,024
Other items	19	-4		15
Total	**11,678**	**-835**	**-4,132**	**6,711**
Deferred tax liabilities				
Accumulated depreciations difference	-100,355	-2,719		-103,074
Tangible and intangible assets	-12,557	-2,440		-14,997
Available-for-sale investments	-36		-3	-39
Other receivables	-57	-963		-1,020
Financial assets recognised in income statement at fair value	-949	801		-148
Interest-bearing liabilities	-865	-913		-1,778
Trade payables and other liabilities	-990	272		-718
Total	**-115,810**	**-5,961**	**-3**	**-121,774**
Deferred net liabilities	**-104,132**	**-6,796**	**-4,135**	**-115,062**

Changes in deferred taxes in 2008:

	31 Dec 2007	Recorded in income statement at fair value	Recorded in equity	31 Dec 2008
Deferred tax assets				
Provisions	522	-14		508
Current financial assets	1,317	91		1,408
Interest-bearing liabilities	741	-1,607		-865
Derivate liabilities		1,039		1,039
Electricity derivatives			8,155	8,155
Other items	40	-21		19
Total	**2,620**	**-512**	**8,155**	**10,264**
Deferred tax liabilities				
Accumulated depreciation difference	-91,846	-8,509		-100,355
Tangible and intangible assets	-10,134	-2,425		-12,557
Available-for-sale investments	-43		7	-36
Non-current financial assets	-1,287	1,836		548
Other receivables	-106	50		-57
Derivate assets	-2,657	2,657		
Financial assets recognised in income statement at fair value	-409	-540		-949
Trade payables and other liabilities	-845	-145		-990
Electricity derivatives	-3,269		3,269	
Total	**-110,596**	**-7,076**	**3,276**	**-114,396**
Deferred net liabilities	**-107,976**	**-7,588**	**11,431**	**-104,132**

28. PENSION COMMITMENTS

The most important pension scheme of the Group is a contribution-based scheme in accordance with TyEL (Finnish Employee Pensions Act), where the benefits are determined directly on the basis of the beneficiary's earnings.

The Group has a benefit-based supplementary pension scheme covering those born between 1945 and 1949 who have worked at Fingrid at least as of 1 September 1997. These persons can retire at certain discretionary conditions at the earliest at an age of 60 and at the earliest in 2006. The payment of the supplementary pension will finish when the person reaches old age pension and at the latest at the age of 63, after which the person's pension will be composed of the statutory pensions incurred by that time.

Benefit-based pension expense in income statement, 1,000 €	**2009**	**2008**
Expenses based on service during financial year	46	115
Expected return on scheme assets	-35	-83
Interest expenses	36	87
Other	24	
Actuarial gains (-) and losses (+)	-164	-36
Total	**-94**	**83**

Benefit-based pension liability in balance sheet, 1,000 €	**2009**	**2008**
Present value of funded obligations		600
Fair value of scheme assets		-593
Deficit/surplus		7
Unrecognised net actuarial gains (+) and losses (-)		-7
Net liability		**171**

Changes in present value of benefit obligations, 1,000 €	**2009**	**2008**
Present value of benefit obligations 1 Jan	600	1,543
Service cost	46	115
Interest cost on benefit obligations	36	87
Other	-681	
Actuarial gains (+) and losses (-)		-1,144
Present value of benefit obligations 31 Dec		**600**

Fair value of plan assets, 1,000 €	2009	2008
Fair value of plan assets 1 Jan	593	1,507
Expected return on plan assets	35	83
Contributions by employer	77	138
Other	-705	
Actuarial gains (+) and losses (-)		-1,135
Fair value of plan assets 31 Dec		**593**

Principal actuarial assumptions used	2009	2008
Discount rate (%)	5.00	5.50
Expected return on scheme assets (%)	5.00	5.50
Rate of increase in future compensation levels (%)	3.30	3.30
Future pension increases (%)	0.00	0.00
Inflation (%)	2.00	2.00

29. BORROWINGS, 1,000 €

	2009		2008	
Non-current	Fair value	Balance sheet value	Fair value	Balance sheet value
Capital loan*			31,888	30,000
Bonds	638,106	627,655	601,175	601,728
Loans from financial institutions	53,139	51,469	29,277	28,625
Derivative liabilities	7,595	6,255	18,792	17,982
	698,839	685,379	681,132	678,336
Current	Fair value	Balance sheet value	Fair value	Balance sheet value
Current portion of long-term borrowings maturing within a year	95,594	94,304	78,483	77,496
Derivative liabilities			4,015	3,195
Other loans / Commercial papers (international and domestic)	222,371	221,671	176,315	173,831
	317,965	315,974	258,812	254,522
Total	**1,016,804**	**1,001,353**	**939,945**	**932,858**

*The fair value of capital loan has been presented assuming that they are redeemed on the first possible repurchase date.

The fair values of borrowings are based on the present values of cash flows. Loans raised in various currencies are measured at the present value on the basis of the yield curve of each currency. The discount rate includes the company-specific and loan-specific risk premium. Borrowings denominated in foreign currencies are translated into euros at the mid-rate quoted by ECB at the closing day.

Derivative liabilities balance sheet value and fair value differ in terms of related accruals, which are recorded in the balance sheet under trade payables and other liabilities.

Capital loan included in borrowings, 1,000 €				2009	2008
		Maturity date	Interest		
EUR	30,000	30.11.2029	6.388%		30,000
Total					**30,000**

Fingrid Oyj decided to redeem, according to the terms and conditions of the loan agreement, capital loan at 100 % and the accrued interest coupon on 30 November 2009.

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Bonds included in borrowings, 1,000 €				**2009**	**2008**
International:		Maturity date	Interest		
EUR	25,000	06.04.2009	variable interest		25,000
EUR	10,000	31.03.2010	interest rate structure	10,000	10,000
EUR	10,000	16.03.2011	3.625 %	10,000	10,000
EUR	25,000	23.03.2011	variable interest	25,000	25,000
EUR	15,000	24.03.2011	variable interest	15,000	15,000
EUR	20,000	07.04.2011	variable interest	20,000	20,000
EUR	25,000	16.03.2012	variable interest	25,000	25,000
EUR	25,000	12.04.2012	variable interest	25,000	25,000
EUR	10,000	16.04.2013	variable interest	10,000	10,000
EUR	20,000	28.04.2013	variable interest	20,000	20,000
EUR	20,000	15.10.2013	4.30 %	20,000	20,000
EUR	24,000	02.07.2014	variable interest	24,000	24,000
EUR	18,000	11.11.2014	variable interest	18,000	
EUR	8,000	11.11.2014	variable interest	8,000	
EUR	10,000	20.11.2014	3.26 %	10,000	
EUR	20,000	11.04.2017	variable interest	20,000	20,000
EUR	25,000	11.04.2017	variable interest	25,000	25,000
				285,000	**274,000**
FIM	160,000	19.08.2013	5.20 %	26,906	26,906
				26,906	**26,906**
USD	30,000	23.03.2009	variable interest		21,556
					21,556
JPY	3,000,000	15.07.2009	1.84 %		23,783
JPY	1,000,000	12.07.2010	2.00 %	7,510	7,928
JPY	2,000,000	16.10.2010	1.022 %	15,020	15,855
JPY	3,000,000	05.07.2011	1.31 % *	22,529	23,783
JPY	3,000,000	25.07.2012	1.3575 % **	22,529	23,783
JPY	3,000,000	20.04.2015	1.45 %	22,529	23,783
				90,117	**118,915**
CHF	39,000	15.03.2010	2.24 %	26,287	26,263
CHF	39,000	22.05.2012	2.475 %	26,287	26,263
				52,575	**52,525**
CZK	750,000	05.05.2010	variable interest	28,331	27,907
				28,331	**27,907**
NOK	170,000	19.11.2014	4.68 %	20,482	
NOK	200,000	17.10.2016	5.15 %	24,096	20,513
NOK	200,000	11.04.2017	5.16 %	24,096	20,513
NOK	200,000	10.11.2017	5.12 %	24,096	
NOK	200,000	12.11.2019	5.37 %	24,096	
				116,867	**41,026**
SEK	225,000	03.04.2012	variable interest	21,947	20,699
SEK	225,000	11.04.2012	variable interest	21,947	20,699
SEK	100,000	21.03.2013	variable interest	9,754	9,200
SEK	200,000	03.04.2013	3.70 %	19,508	18,399
SEK	175,000	04.04.2014	4.30 %	17,070	16,099
SEK	220,000	01.12.2015	interest rate structure	24,779	24,135
				115,005	**109,232**
Bonds, long-term total				627,655	601,728
Bonds, short-term total				87,147	70,339
Total				**714,802**	**672,067**

*call option not exercised 5 July 2004
**call option not exercised 25 July 2006

Maturity of non-current borrowings, 1,000 €

	2010	2011	2012	2013	2014	2014+	Total
Bonds	87,147	92,529	142,711	106,169	97,552	188,694	**714,802**
Loans from financial institutions	7,156	7,156	9,156	11,156	4,000	20,000	**58,626**
Total	**94,304**	**99,686**	**151,867**	**117,326**	**101,552**	**208,694**	**773,428**

Capital structure
The corporate finances are planned over a long time span, and the company is ensured sufficient latitude and independent power of decision in the management of finances. The company aims to secure sufficient cash flow for the long-term development of transmission capacity, secured operational reliability and development of the electricity market so that the tariff level remains moderate. The company pursues as low average capital costs as possible by utilising a lower cost through debt financing as compared to equity cost. However, the goal is to keep the cash flow and debt service ratios of the company at such a level that the company retains its high credit rating. The high credit rating enables the company to tap the international and domestic money and capital markets.

30. PROVISIONS FOR LIABILITIES AND CHARGES, 1,000 €

	2009	2008
Provisions 1 Jan	1,955	2,007
Provisions used	-34	-52
Provisions 31 Dec	**1,921**	**1,955**

31. DERIVATIVE CONTRACTS, 1,000 €

	2009		2008	
Interest rate and currency derivatives	Net fair value 31 Dec 2009	Nominal value 31 Dec 2009	Net fair value 31 Dec 2008	Nominal value 31 Dec 2008
Cross-currency swaps	-1,391	399,576	-22,314	367,266
Forward contracts	218	14,079	1,097	19,418
Interest rate swaps	223	191,000	199	134,000
Interest rate options, bought	11,125	750,000	2,371	330,000
Total	**10,176**	**1,354,654**	**-18,648**	**850,684**

Electricity derivatives	Net fair value 31 Dec 2009	Volume TWh 31 Dec 2009	Net fair value 31 Dec 2008	Volume TWh 31 Dec 2008
Electricity forward contracts, designated as hedge accounting, Nord Pool Clearing	-17,528	3.61	-35,232	3.52
Electricity forward contracts, Nord Pool Clearing	-77	0.02	-4	0.00
Electricity forward contracts, others	-182	0.02	-125	0.07
Total	**-17,787**	**3.65**	**-35,361**	**3.59**

The fair values of financial derivatives are included in the balance sheet in non-current and current borrowings, interest and other financial liabilities, and noncurrent and current financial and other receivables.

Interest rate options included in financial derivatives are interest rate cap contracts with identical structures. The reference rate of the contract is the 6 month Euribor, and at the effective date a contract includes 6 or 8 caplets. The option premium has been paid in full to the counterparty at the contract date.

Electricity forward contracts, others, includes bilateral financial and physical purchase commitments concerning electricity purchases, not cleared separately by a clearing organisation. The derivatives hedge future electricity losses.

The net fair value of derivatives indicates the realised profit/loss if they had been reversed on the last business day of 2009.

Maturity of derivative contracts:

Nominal value, 1,000 €	2010	2011	2012	2013	2014	2014+	Total
Interest rate swaps	10,000	10,000	55,000	80,000	36,000		**191,000**
Interest rate options	150,000	20,000	30,000	185,000	345,000	20,000	**750,000**
Cross-currency swaps	77,147	22,529	92,711	29,263	37,552	140,374	**399,576**
Forward contracts	12,546	1,533					**14,079**
Total	**249,693**	**54,062**	**177,711**	**294,263**	**418,552**	**160,374**	**1,354,654**

TWh	2010	2011	2012	2013	2014	2014+	Total
Electricity derivatives	1.14	0.95	0.79	0.51	0.26		**3.65**
Total	**1.14**	**0.95**	**0.79**	**0.51**	**0.26**		**3.65**

32. TRADE PAYABLES AND OTHER LIABILITIES, 1,000 €

	2009	2008
Trade payables	28,047	24,693
Trade payables to associated companies	146	133
Interest liabilities	8,665	13,610
Value added tax	3,169	4,324
Electricity tax	559	389
Accruals	16,767	17,278
Other debt	589	610
Total	**57,940**	**61,037**

Essential items included in accruals	2009	2008
Personnel expenses	4,028	4,120
Accruals of sales and purchases	12,727	13,141
Other	12	17
Total	**16,767**	**17,278**

33. COMMITMENTS AND CONTINGENT LIABILITIES, 1,000 €

	2009	2008
Pledges		
Pledge covering property lease agreements	46	46
Pledged account in favour of the Customs Office	150	154
Pledged account covering electricity exchange purchases	396	5,664
	592	**5,865**
Unrecorded investment commitments	**177,277**	**219,213**
Other financial commitments		
Counterguarantee in favour of an associated company	1,700	1,700
Credit facility commitment fee and commitment fee:		
Commitment fee for the next year	158	158
Commitment fee for subsequent years	255	409
	2,113	**2,268**
Donation of five-year professorship to Helsinki University of Technology for 2006 - 2010	120	240

34. OTHER LEASE AGREEMENTS, 1,000 €

	2009	2008
Minimum rental obligations of other irrevocable lease agreements:		
In one year	1,793	2,012
In more than one year and less than five years	3,840	5,083
In more than five years	1,869	2,333
Total	**7,501**	**9,428**

The foremost lease agreements of the Group relate to office premises. The durations of the lease agreements range from less than one year to ten years, and the contracts can usually be extended after the original date of expiration. The index, renewal and other terms of the different agreements vary.

The Group has rented for instance several land areas and some 110 kilovolt transmission lines and circuit breaker bays.

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35. LEGAL PROCEEDINGS AND PROCEEDINGS BY AUTHORITIES

There are no ongoing legal proceedings or proceedings by authorities that would have a material impact on the business of the company. In relation to transmission line projects there are several complaints made to different instances of justice. According to the management of the company there are no ongoing legal proceedings or other such legal proceedings relating to other areas, which final outcome would have a material impact on the financial position of the Group.

In December 2008 the Market Court reached a decision concerning Fingrid´s appeal to the Energy Market Authority´s decision 13 December 2007 "Determination of the methodology for the assessment of the return of the grid owners' grid operations transmission services pricing for the review period starting on 1 January 2008 and ending on 31 December 2011". The Energy Market Authority has in turn appealed the decision to the Supreme Administrative Court.

36. RISK MANAGEMENT

The objective of Fingrid's risk management is to make preparations for cost-effective measures providing protection against damage and loss relating to risks and to make the entire personnel committed to considering the risks pertaining to the company, its various organisational units and each employee. In order to fulfil these objectives, risk management must be continuous and systematic. The significance of individual risks or risk entities is assessed against the present level of protection, taking into account the probability of a disadvantageous event, its financial impact and impact on corporate image or on the attainment of the business goals. The Board of Directors approves the primary principles for risk management and any amendments to them. The Board of Directors approves the primary action for risk management as part of the corporate strategy, indicators, operating plan, and budget. The control committee of the Board of Directors receives a situation report of the major risks relating to the operations of the company and of the management of such risks.

FINANCIAL RISK MANAGEMENT
Fingrid Oyj is exposed to market, liquidity and credit risks when managing the financial position of the company. The company's objective is to reduce risks such that the fluctuations of Fingrid's cash flow remain low.

Primary principles for financing
The Board of Directors of Fingrid Oyj approves the primary principles for financing, stating the guidelines for external funding, financial asset management, market, liquidity, refinancing and credit risks.

Risk management execution and reporting
The treasury is responsible for executing the external funding, the financial asset management and manages the market risks which the company is exposed to. The financial activities of the company are reported four times a year to the Board of Directors. The treasury is responsible for identifying, measuring and reporting the financial risks, which the company may be exposed to.

Risk management processes
The treasury is in charge of risk management monitoring, systems and models as well as methods, for risk calculation and assessment. The internal audit additionally ensures that there is compliance with the primary principles for financing activities and the internal guidelines.

Market risks
Fingrid Oyj uses derivative agreements in order to hedge market risks such as foreign exchange, interest rate risk and commodity risks. Derivatives are only used for hedging purposes, and therefore the company does not enter into any deals for market speculation. The hedging instruments are defined in the primary principles for financing or in the loss power procurement policy, and chosen in order to achieve efficient hedging of a risk exposure.

Foreign exchange risk
The functional currency of the company is the euro. The basic rule of the company is to hedge against foreign exchange risks, but can according to the primary principals for financing, leave an exposure unhedged, which may not exceed 10 % of the financial assets.

Transaction exposure
The company issues securities in the domestic and international money and capital markets. The loan portfolio of the company is distributed between different convertible currencies and the total debt portfolio and the related interest rate flows are hedged against currency risk. The foreign exchange risk of each bond is done in conjunction with the underlying debt issuance. Business related currency risks are small and they are hedged. Therefore there is no sensitivity analysis presentation. During the financial year the company used foreign exchange forwards and cross currency swaps for hedging the transaction exposure. The tables below first illustrate currency distribution and the hedging rate of the interest bearing debt of the company and then the sensitivity analysis of the euro against the foreign currencies, which also proves that the company does not have any open foreign exchange risk.

Currency distribution and hedging degree of borrowings, 1,000 €

Currency distribution 31 Dec 2009	Carrying amount	Portion %	Hedging degree	Currency distribution 31 Dec 2008	Carrying amount	Portion %	Hedging degree
EUR	592,203	60		EUR	522,829	57	
CHF	52,575	5	100	CHF	52,525	6	100
CZK	28,331	3	100	CZK	27,907	3	100

JPY	90,117	9	100	JPY	118,915	13	100
NOK	116,867	12	100	NOK	41,026	5	100
SEK	115,005	12	100	SEK	109,232	12	100
USD				USD	39,246	4	100
Total	**995,098**	**100**	**100**	**Total**	**911,681**	**100**	**100**

The sensitivity analysis of foreign exchange rate is measured as a 10 % change between the euro and the currency in question. The company's result will not be subject to exchange rate differentials, since the debt denominated in foreign currencies are hedged against foreign exchange changes. In the figures presented in the tables below, a negative figure would increase foreign exchange loss and a positive figure would correspondingly increase foreign exchange gain.

Exchange rate changes, 1,000 €

31 Dec 2009		Bonds	Commercial papers	Total	Cross-currency swaps	Forward contracts	Total	Net exposure Total
CHF	+10 %	-6,033		-6,033	6,033		6,033	0
	- 10 %	4,936		4,936	-4,936		-4,936	0
CZK	+10 %	-3,164		-3,164	3,164		3,164	0
	- 10 %	2,588		2,588	-2,588		-2,588	0
JPY	+10 %	-10,209		-10,209	10,209		10,209	0
	- 10 %	8,354		8,354	-8,354		-8,354	0
NOK	+10 %	-13,158		-13,158	13,158		13,158	0
	- 10 %	10,765		10,765	-10,765		-10,765	0
SEK	+10 %	-12,738		-12,738	12,738		12,738	0
	- 10 %	10,422		10,422	-10,422		-10,422	0

Exchange rate changes, 1,000 €

31 Dec 2008		Bonds	Commercial papers	Total	Cross-currency swaps	Forward contracts	Total	Net exposure Total
CHF	+10 %	-5,896		-5,896	5,896		5,896	0
	- 10 %	4,824		4,824	-4,824		-4,824	0
CZK	+10 %	-3,117		-3,117	3,117		3,117	0
	- 10 %	2,550		2,550	-2,550		-2,550	0
JPY	+10 %	-12,947		-12,947	12,947		12,947	0
	- 10 %	10,592		10,592	-10,592		-10,592	0
NOK	+10 %	-4,317		-4,317	4,317		4,317	0
	- 10 %	3,532		3,532	-3,532		-3,532	0
SEK	+10 %	-11,701		-11,701	11,701		11,701	0
	- 10 %	9,573		9,573	-9,573		-9,573	0
USD	+10 %	-2,393	-1,993	-4,386	2,393	1,993	4,386	0
	- 10 %	2,154	1,794	3,948	-2,154	-1,794	-3,948	0

Translation exposure
The company holds an equity investment in an associated company denominated in a foreign currency. This translation risk is unhedged. The sensitivity analysis (10 % changes) is presented in the following table. The table shows a 10 % change of the Norwegian krone and the impact of the change on the company's equity.

Translation exposure, 1,000 €		**2009**	**2008**
		Equity 31 Dec 2009	Equity 31 Dec 2008
NOK	+10 %	429	340
	- 10 %	-351	-278

Interest rate risk
The company is only exposed to interest rate risk in euros, because the interest bearing debt are both in terms of principal and interest payments hedged against exchange rate risk, and the financial assets are denominated in euros. The interest-bearing liabilities are mainly linked to floating rates.
Interest rate risk is managed in accordance with the main principles of financing so that 30 - 70 % of the interest costs are hedged over the next five years. When the interest rates are high, the hedging level is kept close to the lower limit of the range, and when the interest rates are

low, the hedging level is kept close to the upper limit of the range. The specified low level of interest rates is 3 % or less, and high level of interest rates is 5 % or more. At the end of 2009, 50 % of the interest costs for the next five years were hedged, and correspondingly 35 % were hedged at the end of 2008.

The sensitivity of the interest rate risk is measured as a 1 percentage unit interest rate fluctuation and by using the CfaR method (Cashflow at Risk). The assumed fluctuation in interest rates is the effect of a 1 percentage unit fluctuation during the next 12 months from the closing date. The analysis of interest rate sensitivity is carried out on borrowings including exchange rate hedging, the derivatives portfolio hedging the interest rate exposure, and on cash and cash equivalents, which result in a net debt position exposed to interest rate fluctuations.

Interest rate sensitivity, 1,000 €	**2009**		**2008**	
	-1%-unit	+1%-unit	-1%-unit	+1%-unit
Borrowings	7,664	-7,664	6,586	-6,586
Interest rate derivatives	-442	442	-235	2,772
Borrowings total	7,222	-7,222	6,351	-3,814
Cash and cash equivalents	-1,740	1,740	-1,448	1,448
Net borrowings total	**5,482**	**-5,482**	**4,903**	**-2,366**

The following table presents how the CfaR method is used for measuring the impact of borrowings, derivatives, and cash and cash equivalents, with a given confidence level and a time horizon of 12 months, on the cash flow of the company. The other finance costs of the company are not included in the calculation.

Cashflow at Risk, 1,000 €	**2009**			**2008**	
Confidence level	31 Dec 2009 Net finance costs		Confidence level	31 Dec 2008 Net finance costs	
96 %	min.	12,306	96 %	min.	25,121
	max.	20,073		max.	30,971
98 %	min.	11,908	98 %	min.	24,766
	max.	20,720		max.	31,277

Commodity risk
The company is exposed to price and volume risk through transmission losses. Loss energy purchases are hedged in accordance with the loss energy purchasing principles accepted by the Board of Directors. The time span of price hedging is five years, divided into three parts: basic, budgetary and operative hedging. Moreover, the company has operative instructions for physical electricity purchases, instructions for price hedging and control room instructions. For hedging of loss energy purchases, the company uses Nord Pool ASA's electricity derivative contracts and bilateral contracts.

If the market prices of electricity derivatives had been 20 % higher or lower on the closing date, the change in the fair value of electricity derivatives would have been 30.7 million euros higher or lower (28.3 million euros in 2008).

Liquidity risk and refinancing risk
Fingrid is exposed to liquidity and refinancing risk deriving from redemption of loans, payments and fluctuations in cash flow from operating activities.

The liquidity of the company must be arranged so that 100 % of the refinancing need for the next 12 months is covered by means of liquid assets and available long-term committed credit lines; however, so that the refinancing need may not account for more than 45 % of the total amount of the company's debt financing. As back-up for the liquidity the company has a revolving credit facility of 250 million euros. The revolving credit facility will mature on 16 November 2012. The revolving credit facility has not been drawn.

The company's funding is carried out through debt issuance programmes. The company operates in the international capital market by issuing bonds under the Medium Term Note Programme: The Programme size is 1.5 billion euros. Short-term funding is arranged through commercial paper programmes; a Euro Commercial Paper Programme of 600 million euros and a domestic commercial paper programme of 150 million euros. The refinancing risk is reduced by an even maturity profile so that the refinancing need over periods of 12 months in excess of one year must not exceed 30 % of the company's amount of debt financing. Contactual repayments and interest costs of borrowings are presented in the next table. The interest rate percentages of variable-interest loans are defined using the zero coupon curve. The repayments and interest amounts are undiscounted values. Finance costs relating to cross-currency swaps, interest rate swaps and forward contracts are often paid in net amounts depending on their nature. In the following table, they are presented in gross amounts.

Fingrid's existing loan agreements, debt or commercial paper programmes are uncollateralized. Neither does any of these agreements or programmes include any financial covenants.

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Contractual repayments and interest costs of borrowings and payments and receivables of financial derivatives, which are paid in cash 1,000 €

31 Dec 2009		2010	2011	2012	2013	2014	2014+	Total
Bonds	- repayments	87,147	92,529	142,711	106,169	97,552	188,694	714,802
	- interest costs	16,289	18,046	17,422	15,207	12,012	22,627	101,603
Loans from financial institutions	- repayments	7,156	7,156	9,156	11,156	4,000	20,000	58,626
	- interest costs	982	1,316	1,410	1,192	964	2,620	8,484
Commercial papers	- repayments	221,671						221,671
	- interest costs	829						829
Cross-currency swaps	- payments	79,965	36,259	107,470	39,178	46,019	158,754	467,646
Interest rate swaps	- payments	1,843	3,441	3,631	3,062	764		12,741
Forward contracts	- payments	7,496	1,501					8,997
Guarantee commitment*	- payments	1,700						1,700
Total		**425,079**	**160,249**	**281,800**	**175,965**	**161,311**	**392,695**	**1,597,099**
Cross-currency swaps	- receivables	87,834	32,962	103,084	37,928	45,443	158,013	465,264
Interest rate swaps	- receivables	2,419	3,709	3,487	2,527	723		12,865
Forward contracts	- receivables	7,672	1,531					9,203
Total		**97,925**	**38,203**	**106,571**	**40,455**	**46,166**	**158,013**	**487,332**
Grand total		**327,154**	**122,046**	**175,230**	**135,510**	**115,145**	**234,682**	**1,109,767**

*Counterguarantee in favour of an associated company. No payment claims have been presented to Fingrid.

31 Dec 2008		2009	2010	2011	2012	2013	2013+	Total
Capital loans	- repayments	30,000						30,000
	- interest costs	2,882						2,882
Bonds	- repayments	70,339	87,953	93,783	141,444	104,505	170,151	668,175
	- interest costs	19,465	15,869	15,321	13,081	10,025	17,909	91,670
Loans from financial institutions	- repayments	7,156	7,156	7,156	7,156	7,156		35,782
	- interest costs	1,138	811	702	423	162		3,236
Commercial papers	- repayments	173,830						173,830
	- interest costs	3,434						3,434
Cross-currency swaps	- payments	60,489	84,283	37,241	106,365	36,658	124,462	449,499
Interest rate swaps	- payments	1,987	1,636	1,632	1,215	751		7,221
Forward contracts	- payments	18,321						18,321
Total		**389,041**	**197,708**	**155,835**	**269,685**	**159,257**	**312,523**	**1,484,049**
Cross-currency swaps	- receivables	54,866	85,635	30,665	97,941	32,272	111,384	412,763
Interest rate swaps	- receivables	1,711	1,885	2,148	1,081	860		7,685
Forward contracts	- receivables	19,375						19,375
Total		**75,952**	**87,520**	**32,813**	**99,022**	**33,132**	**111,384**	**439,823**
Grand total		**313,088**	**110,189**	**123,022**	**170,663**	**126,125**	**201,139**	**1,044,226**

Credit risk
Credit risk arises from a counterparty not fulfilling its contractual commitments towards Fingrid. Such commitments arise in the company's operations and financial activities.

Credit risk in operations
The company measures and monitors its counterparty risks as part of business monitoring and reporting. The credit rating and payment behaviour of all counterparties and suppliers are regularly monitored. The company has no significant credit risk concentrations. The company did not incur credit losses or rearrange the terms of trade receivables during the financial year.

Credit risk in financing
The company is exposed to credit risk through derivative agreements and financial investments. The company only has derivatives outstanding and invests its funds within the permitted risk limits. There is an upper limit in euros for each counterparty. The company signs the International Swap Dealers Association's (ISDA) Master Agreement with each counterparty before entering into a derivative transaction. The company has not received any collaterals decreasing the credit risks covering the financial assets or derivative contracts. The counterparty risks of financial instruments did not incur any losses during the financial year.

37. RELATED PARTY TRANSACTIONS

Fingrid Group's related parties comprise associated companies Porvoon Alueverkko Oy and Nord Pool Spot AS, the biggest owners Fortum Power and Heat Oy and Pohjolan Voima Oy with their group companies, and top management with its related parties. The top management is composed of the Board of Directors, President, and management team.

The company has not lent money to the top management, and the company has no transactions with the top management. Fingrid Oyj has granted Porvoon Alueverkko Oy a counter guarantee of 1.7 million euros.

Business with related parties is conducted at market prices.

Employee benefits of top management, 1,000 €	**2009**	**2008**
Salaries and other short-term employee benefits	1,358	1,126

Transactions with associated companies, 1,000 €	**2009**	**2008**
Sales	4,208	3,788
Purchases	38,464	52,083
Receivables	777	844
Liabilities	252	176

Transactions with related parties, 1,000 €	**2009**	**2008**
Sales	86,417	95,582
Purchases	63,741	57,153
Receivables	7,840	8,208
Liabilities	1,082	855

General procurement principles
The group follows three alternative procurement methods when purchasing goods or services. When the costs and value of the purchase are less than 5,000 euros, an oral call for bid is usually made in addition to a written order or a purchasing contract. When the procurement exceeds 5,000 euros but is below the values applied to public procurements, bids are requested and competitive bidding is arranged. When the limits for public procurements concerning Fingrid (0.4 million euros for goods and services and approx. 5 million euros for construction projects) are exceeded, the company applies the public procurement procedure.

38. EMISSION RIGHTS

Fingrid was granted emission rights in total 126.3 thousand tonnes for the years 2008-2012, of which Olkiluoto power station was granted a share of 112.3 thousand tonnes. As a rule, the emission rights held by Fingrid at 31 December correspond at least to the annual CO_2 emissions.

	2009	**2008**
	tCO2	**tCO2**
Emission rights received free of charge	25.26	25.26
Emission volumes, Olkiluoto	1	1
Emission volumes, other power plants total	2	2
Sales of emission rights	22	15

39. EVENTS AFTER CLOSING DATE

The Group management is not aware of such essential events after the closing date that would affect the financial statements.

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PARENT COMPANY FINANCIAL STATEMENTS (FAS)

PARENT COMPANY PROFIT AND LOSS ACCOUNT	Notes	**1 Jan - 31 Dec 2009 €**	**1 Jan - 31 Dec 2008 €**
TURNOVER	2	355,754,732.51	382,229,533.99
Other operating income	3	2,247,927.52	2,508,339.28
Materials and services	4	-185,368,475.60	-188,546,066.57
Staff expenditure	5	-19,586,964.26	-19,500,943.64
Depreciation and amortisation expense	6	-74,041,085.44	-68,775,922.62
Other operating expenses	7, 8	-39,395,433.28	-34,561,619.82
OPERATING PROFIT		**39,610,701.45**	**73,353,320.62**
Finance income and costs	9	-22,437,872.95	-32,089,027.56
PROFIT BEFORE EXTRAORDINARY ITEMS		**17,172,828.50**	**41,264,293.06**
PROFIT BEFORE PROVISIONS AND TAXES		**17,172,828.50**	**41,264,293.06**
Provisions	10	-10,458,806.18	-32,727,823.79
Income taxes	11	-1,760,024.05	-2,066,073.31
PROFIT FOR THE FINANCIAL YEAR		**4,953,998.27**	**6,470,395.96**

Notes are an integral part of the financial statements.

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PARENT COMPANY BALANCE SHEET

ASSETS	Notes	31 Dec 2009 €	31 Dec 2008 €
NON-CURRENT ASSETS			
Intangible assets			
Goodwill	12	49,321,109.29	55,754,297.46
Other non-current expenses	13	75,675,200.97	75,152,925.49
		124,996,310.26	**130,907,222.95**
Tangible assets	14		
Land and water areas		11,410,363.85	10,831,759.91
Buildings and structures		76,826,448.30	55,862,651.91
Machinery and equipment		410,010,446.70	390,000,149.49
Transmission lines		607,692,130.64	570,470,701.80
Other tangible assets		117,516.35	107,377.76
Advance payments and purchases in progress		69,383,522.87	81,081,134.39
		1,175,440,428.71	**1,108,353,775.26**
Investments	15		
Equity investments in Group companies		504,563.77	504,563.77
Equity investments in associated companies		6,641,360.21	6,641,360.21
Other shares and equity investments		850,172.53	721,405.83
		7,996,096.51	**7,867,329.81**
TOTAL NON-CURRENT ASSETS		**1,308,432,835.48**	**1,247,128,328.02**
CURRENT ASSETS			
Inventories	16	**5,414,746.79**	**4,627,709.26**
Receivables			
Current receivables			
Trade receivables		39,418,784.93	39,126,644.80
Receivables from Group companies		274,500.00	274,500.00
Receivables from associated companies	17	777,395.89	843,612.07
Other receivables		31,875.78	36,657.35
Prepayments and accrued income	18, 19	26,030,991.45	15,937,528.78
		66,533,548.05	**56,218,943.00**
Financial assets	20	**199,198,409.69**	**196,391,703.87**
Cash in hand and bank receivables	20	**4,104,878.38**	**6,103,687.98**
TOTAL CURRENT ASSETS		**275,251,582.91**	**263,342,044.11**
TOTAL ASSETS		**1,583,684,418.39**	**1,510,470,372.13**

Notes are an integral part of the financial statements.

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PARENT COMPANY BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31 Dec 2009 €	31 Dec 2008 €
SHAREHOLDERS' EQUITY	21		
Share capital		55,922,485.55	55,922,485.55
Share premium account		55,922,485.55	55,922,485.55
Profit from previous financial years		2,756,699.99	2,997,002.30
Profit for the financial year		4,953,998.27	6,470,395.96
TOTAL SHAREHOLDERS' EQUITY		**119,555,669.36**	**121,312,369.36**
ACCUMULATED PROVISIONS	22	**396,440,121.32**	**385,981,315.14**
PROVISIONS FOR LIABILITIES AND CHARGES	30	**1,921,446.78**	**1,955,246.78**
LIABILITIES			
Non-current liabilities			
Capital loan	23		30,000,000.00
Bonds	24, 25	642,275,696.72	624,280,418.73
Loans from financial institutions		51,468,925.24	28,625,355.58
		693,744,621.96	**682,905,774.31**
Current liabilities			
Bonds	24	85,620,380.48	73,475,810.01
Loans from financial institutions		7,156,430.23	7,156,430.35
Trade payables		28,047,324.19	24,692,701.31
Liabilities to Group companies	26	507,844.15	259,243.05
Liabilities to associated companies	27	145,775.79	132,554.00
Other liabilities	28	225,934,339.97	177,902,946.29
Accruals	29	24,610,464.16	34,695,981.53
		372,022,558.97	**318,315,666.54**
TOTAL LIABILITIES		**1,065,767,180.93**	**1,001,221,440.85**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,583,684,418.39**	**1,510,470,372.13**

Notes are an integral part of the financial statements.

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PARENT COMPANY CASH FLOW STATEMENT	Notes	1 Jan - 31 Dec 2009 €	1 Jan - 31 Dec 2008 €
Cash flow from operating activities:			
Profit for the financial year	21	4,953,998.27	6,470,395.96
Adjustments:			
Business transactions not involving a payment transaction*		84,682,467.57	101,417,010.61
Interest and other finance costs		27,473,511.58	42,952,140.99
Interest income		-5,021,363.87	-10,102,322.91
Dividend income		-14,274.76	-760,790.52
Taxes		1,760,024.05	2,066,073.31
Changes in working capital:			
Change in trade receivables and other receivables		-2,002,886.10	1,088,300.63
Change in inventories		-787,037.53	172,816.92
Change in trade payables and other liabilities		-2,875,633.98	3,663,674.31
Change in provisions		-33,800.00	-52,100.00
Interests paid		-43,770,686.88	-40,859,549.96
Interests received		7,157,252.84	8,950,797.92
Taxes paid	11	-1,929,912.98	-2,281,871.58
Net cash flow from operating activities		69,591,658.21	112,724,575.68
Cash flow from investing activities:			
Purchase of tangible assets	14	-126,679,634.58	-83,777,788.58
Purchase of intangible assets	13	-7,649,031.55	-2,764,660.75
Investments in other assets	15	-128,766.70	-114,315.00
Proceeds from sale of tangible assets	14	116,312.00	157,800.00
Repayment of loans receivable			109,619.43
Dividends received	9	14,274.76	760,790.52
Net cash flow from investing activities		-134,326,846.07	-85,628,554.38
Cash flow from financing activities:			
Withdrawal of short-term loans		231,448,563.85	354,438,029.45
Repayment of short-term loans		-263,142,195.23	-330,605,523.55
Withdrawal of long-term loans		133,947,413.73	
Repayment of long-term loans		-30,000,000.00	-51,675,223.17
Dividends paid	21	-6,710,698.27	-7,169,262.65
Net cash flow from financing activities		65,543,084.08	-35,011,979.92
Net change in cash and cash equivalents		**807,896.22**	**-7,915,958.62**
Cash and cash equivalents 1 Jan		**202,495,391.85**	**210,411,350.47**
Cash and cash equivalents 31 Dec	20	**203,303,288.07**	**202,495,391.85**

Notes to parent company cash flow statement		
Adjustments:		
*Business transactions not involving a payment transaction	84,682,467.57	101,417,010.61
- Depreciation	74,041,085.44	68,775,922.62
- Increase or decrease in accumulated depreciation difference	10,458,806.18	32,727,823.79
- Capital gains/losses (-/+) on tangible and intangible assets	182,575.95	-86,735.80

Notes are an integral part of the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS OF PARENT COMPANY

1. ACCOUNTING PRINCIPLES

Fingrid Oyj's financial statements have been drawn up in accordance with Finnish Accounting Standards (FAS). The items in the financial statements are valued at original acquisition cost.

Foreign currency transactions
Commercial flows and financial items denominated in foreign currencies are booked at the foreign exchange mid-rate quoted by the European Central Bank (ECB) at the transaction value date. Interest-bearing liabilities and assets and the derivatives hedging these items are valued at the mid-rate quoted by ECB at the closing day. Realised foreign exchange gains and losses of interest-bearing liabilities and assets and of the related derivatives are booked under finance income and costs at maturity. The realised foreign exchange rate differences of derivatives hedging commercial flows adjust the corresponding item in the income statement.

Interest rate and foreign exchange derivatives
In accordance with the financial policy, interest rate and cross-currency swaps, foreign exchange forwards and interest rate options are used for hedging Fingrid's interest and foreign exchange exposure of balance sheet items, interest flows and commercial flows. The accounting principles for derivatives are the same as for the underlying items. The interest flow of interest rate and cross-currency swaps and interest rate options is accrued and booked under interest income and expenses. The interest portion of forward foreign exchange contracts hedging the interest-bearing liabilities and assets is accrued over their maturity and booked under finance income and costs. Up-front paid or received premiums for interest rate options are accrued over the hedging period.

Electricity derivatives
Fingrid hedges the loss energy purchases by using bilateral contracts and electricity exchange products, such as forwards, futures and options. The price differentials arising from these contracts are booked at maturity adjusting the loss energy purchases in the income statement. Up-front paid or received premiums for options are accrued over the hedging period.

Research and development expenses
Research and development expenses are entered as annual expenses.

Valuation of fixed assets
Fixed assets are capitalised under immediate acquisition cost. Planned straight-line depreciation on the acquisition price is calculated on the basis of the economic lives of fixed assets. Depreciation on fixed assets taken into use during the financial year is calculated asset-specifically from the month of introduction.

The depreciation periods are as follows:

Goodwill	20 years
Other non-current expenses	
Rights of use to line areas	30-40 years
Other rights of use according to economic lives, maximum	10 years
Computer systems	3 years
Buildings and structures	
Substation buildings and separate buildings	40 years
Substation structures	30 years
Buildings and structures at gas turbine power plants	20 years
Separate structures	15 years
Transmission lines	
Transmission lines 400 kV	40 years
Direct current lines	40 years
Transmission lines 110-220 kV	30 years
Creosote-impregnated towers and related disposal expenses*	30 years
Aluminium towers of transmission lines (400 kV)	10 years
Optical ground wires	10-20 years
Machinery and equipment	
Substation machinery	10-30 years
Gas turbine power plants	20 years
Other machinery and equipment	3-5 years

* The disposal expenses are discounted at present value and added to the value of fixed assets and booked under provisions for liabilities and charges.

Goodwill is depreciated over a 20-year period, since power transmission operation is a long-term business in which income is accrued over several decades.

Emission rights
Emission rights are treated in accordance with the net procedure in conformance with statement 1767/2005 of the Finnish Accounting Board.

Valuation of inventories
Inventories are entered according to the FIFO principle at the acquisition cost, or at the lower of replacement cost or probable market price.

Cash in hand, bank receivables and financial securities
Cash in hand and bank receivables include cash assets and bank balances. Financial securities include certificates of deposit, commercial papers, treasury bills and investments in short-term money-market funds. Quoted securities and comparable assets are valued at the lower of original acquisition cost or probable market price.

Interest-bearing liabilities
Fingrid's non-current interest-bearing liabilities consist of loans from financial institutions and bonds issued under the international and domestic Debt Issuance Programmes. The current interest-bearing liabilities consist of commercial papers issued under the domestic and international programmes and of the current portion of noncurrent debt and bonds maturing within a year. The outstanding notes under the programmes are denominated in euros and foreign currencies. Fingrid has both fixed and floating rate debt and debt with interest rate structures. The interest is accrued over the maturity of the debt. The differential of a bond issued over or under par value is accrued over the life of the bond. The arrangement fees of the revolving credit facilities are as a rule immediately entered as expenses and the commitment fees are accrued over the maturity of the facility.

Financial risk management
The principles applied to the management of financial risks are presented in the notes of the Group under item 36.

Income taxes
The taxes include the accrued tax corresponding to the profit of the financial year as well as adjustments of taxes for previous financial years.

Deferred taxes
Deferred tax assets and liabilities are not recorded in the profit and loss statement or balance sheet. Information concerning these is presented in the notes.

2. REVENUE BY BUSINESS AREAS

The business of Fingrid Oyj comprises entirely transmission grid business with system responsibility. Because of this there is no division of revenue into separate business areas.

REVENUE, 1, 000 €	2009	2008
Transmission revenue	187,850	189,120
Sale of balance power	92,497	104,790
ITC income	27,904	22,767
Cross-border transmission	24,353	22,409
Peak load power	13,469	10,887
Congestion income	4,855	23,173
Service fee for feed-in tariff	225	278
Other operating revenue	4,602	8,805
Total	**355,755**	**382,230**

3. OTHER OPERATING INCOME, 1,000 €

3. OTHER OPERATING INCOME, 1,000 €	2009	2008
Rental income	1,751	1,618
Contributions received	105	129
Other income	392	761
Total	**2,248**	**2,508**

4. MATERIALS AND SERVICES, 1,000 €

4. MATERIALS AND SERVICES, 1,000 €	2009	2008
Purchases during the financial year	117,360	121,616
Loss energy purchases	52,067	49,918
Change in inventories, increase (-) or decrease (+)	-787	173
Materials and supplies	168,640	171,707
Grid service charges	54	46
Other external services	16,675	16,793
Services	16,728	16,839
Total	**185,368**	**188,546**

5. STAFF EXPENDITURE, 1,000 €

	2009	2008
Salaries and bonuses	16,028	15,766
Pension expenses	2,244	2,398
Other additional personnel expenses	1,314	1,337
Total	**19,587**	**19,501**

Salaries and bonuses of the members of the Board of Directors and President	**376**	**341**
Arto Lepistö, Chairman of the Board	23	21
Timo Rajala, 1st Deputy Chairman of the Board	17	15
Timo Karttinen, 2nd Deputy Chairman of the Board	17	15
Ari Koponen, Member of the Board	12	11
Ritva Nirkkonen, Member of the Board	14	13
Anja Silvennoinen, Member of the Board	13	13
Risto Autio, deputy Member of the Board	12	5
Jorma Tammenaho, deputy Member of the Board	7	13
Jussi Hintikka, deputy Member of the Board	5	6
Pekka Kettunen, deputy Member of the Board	5	6
Kari Koivuranta, deputy Member of the Board	5	4
Jukka Mikkonen, deputy Member of the Board	5	4
Juha Laaksonen, deputy Member of the Board	5	5
Timo Ritonummi, deputy Member of the Board	5	5
Tapio Kuula, former Chairman of the Bord		4
Timo Koivuniemi, former deputy Member of the Board		1
Jukka Ruusunen, President & CEO	228	200

Pension commitments:
Pension commitments are described in the notes of the Group under item 28.

Number of salaried employees in the company during the financial year:

Personnel, average	251	241
Personnel, 31 Dec	260	249

6. DEPRECIATION ACCORDING TO PLAN, 1,000 €

	2009	2008
Goodwill	6,433	6,433
Other noncurrent expenses	7,127	5,188
Buildings and structures	2,995	2,626
Machinery and equipment	31,666	30,383
Transmission lines	25,821	24,146
Total*	**74,041**	**68,776**
*Depreciation on the electricity grid (notes 13 and 14)	61,172	53,839

7. OTHER OPERATING EXPENSES, 1,000 €

	2009	2008
Contracts, assignments etc. undertaken externally	30,683	26,324
Grid rents	431	449
Other rental expenses	1,768	1,652
Other expenses	6,513	6,137
Total	**39,395**	**34,562**

8. AUDITORS FEES, 1,000 €	2009	2008
Auditing fee	34	57
Other fees	8	25
Total	**42**	**82**

9. FINANCE INCOME AND COSTS, 1,000 €	2009	2008
Dividend income from Group companies	-10	-114
Dividend income from others	-4	-647
Interest and other finance income from Group companies		-4
Interest and other finance income from others	-5,021	-10,098
	-5,036	-10,863
Interest and other finance costs to Group companies	2	15
Interest and other finance costs to others	27,471	42,937
	27,474	42,952
Total	**22,438**	**32,089**

10. PROVISIONS, 1,000 €	2009	2008
Difference between depreciation according to plan and depreciation carried out in taxation	**10,459**	**32,728**

11. INCOME TAXES, 1,000 €	2009	2008
Income taxes for the financial year	1,760	2,066
Total	**1,760**	**2,066**
Deferred tax assets and liabilities, 1,000 €		
Deferred tax assets		
On temporary differences	500	508
	500	**508**
Deferred tax liabilities		
On temporary differences	440	458
On provisions	103,074	100,355
	103,514	**100,813**
Total	**103,015**	**100,305**

12. GOODWILL, 1,000 €	2009	2008
Cost at 1 Jan	128,664	128,664
Cost at 31 Dec	**128,664**	**128,664**
Accumulated depreciation according to plan 1 Jan	-72,909	-66,476
Depreciation according to plan 1 Jan - 31 Dec	-6,433	-6,433
Carrying amount 31 Dec	**49,321**	**55,754**
Accumulated depreciation difference 1 Jan	-55,754	-62,187
Increase in depreciation difference reserve 1 Jan - 31 Dec		
Decrease in depreciation difference reserve 1 Jan - 31 Dec	6,433	6,433
Accumulated depreciation in excess of plan 31 Dec	**-49,321**	**-55,754**

13. OTHER NON-CURRENT EXPENSES, 1,000 €	2009	2008
Cost at 1 Jan	128,824	126,085
Increases 1 Jan - 31 Dec	7,649	2,808

Decreases 1 Jan - 31 Dec		-69
Cost at 31 Dec	**136,473**	**128,824**
Accumulated depreciation according to plan 1 Jan	-53,671	-48,509
Decreases, depreciation according to plan 1 Jan - 31 Dec		26
Depreciation according to plan 1 Jan - 31 Dec	-7,127	-5,188
Carrying amount 31 Dec*	**75,675**	**75,153**
Accumulated depreciation difference 1 Jan	-65,057	-67,230
Increase in depreciation difference reserve 1 Jan - 31 Dec	-3,996	-3,059
Decrease in depreciation difference reserve 1 Jan - 31 Dec	7,127	5,231
Accumulated depreciation in excess of plan 31 Dec	**-61,927**	**-65,057**

*Net capital expenditure in electricity grid, 1,000 €	2009	2008
Carrying amount 31 Dec	73,747	67,685
Carrying amount 1 Jan	-67,685	-69,525
Depreciation according to plan 1 Jan - 31 Dec	6,654	3,086
Decreases 1 Jan - 31 Dec		44
Total	**12,715**	**1,290**

14. TANGIBLE ASSETS, 1,000 €

	2009	2008
Land and water areas		
Cost at 1 Jan	10,832	10,758
Increases 1 Jan - 31 Dec	583	74
Decreases 1 Jan - 31 Dec	-4	
Cost at 31 Dec	**11,410**	**10,832**
Buildings and structures		
Cost at 1 Jan	72,205	65,965
Increases 1 Jan - 31 Dec	23,959	6,240
Decreases 1 Jan - 31 Dec		
Cost at 31 Dec	**96,164**	**72,205**
Accumulated depreciation according to plan 1 Jan	-16,342	-13,716
Decreases, depreciation according to plan 1 Jan - 31 Dec		
Depreciation according to plan 1 Jan - 31 Dec	-2,995	-2,626
Carrying amount 31 Dec	**76,826**	**55,863**
Accumulated depreciation difference 1 Jan	-9,231	-9,101
Increase in depreciation difference reserve 1 Jan - 31 Dec	-3,504	-2,757
Decrease in depreciation difference reserve 1 Jan - 31 Dec	2,995	2,626
Accumulated depreciation in excess of plan 31 Dec	**-9,740**	**-9,231**
Machinery and equipment		
Cost at 1 Jan	588,811	577,433
Increases 1 Jan - 31 Dec	51,676	11,377
Decreases 1 Jan - 31 Dec		
Cost at 31 Dec	**640,486**	**588,811**
Accumulated depreciation according to plan 1 Jan	-198,810	-168,427
Decreases, depreciation according to plan 1 Jan - 31 Dec		
Depreciation according to plan 1 Jan - 31 Dec	-31,666	-30,383
Carrying amount 31 Dec	**410,010**	**390,000**
Accumulated depreciation difference 1 Jan	-87,667	-77,046
Increase in depreciation difference reserve 1 Jan - 31 Dec	-88,502	-41,004
Decrease in depreciation difference reserve 1 Jan - 31 Dec	31,666	30,383
Accumulated depreciation in excess of plan 31 Dec	**-144,504**	**-87,667**
Transmission lines		
Cost at 1 Jan	806,686	762,628
Increases 1 Jan - 31 Dec	63,331	44,469
Decreases 1 Jan - 31 Dec	-417	-411
Cost at 31 Dec	**869,600**	**806,686**

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Accumulated depreciation according to plan 1 Jan	-236,215	-212,453
Decreases, depreciation according to plan 1 Jan - 31 Dec	128	384
Depreciation according to plan 1 Jan - 31 Dec	-25,821	-24,146
Carrying amount 31 Dec	**607,692**	**570,471**
Accumulated depreciation difference 1 Jan	-168,272	-137,690
Increase in depreciation difference reserve 1 Jan - 31 Dec	-116,356	-54,819
Decrease in depreciation difference reserve 1 Jan - 31 Dec	26,002	24,237
Accumulated depreciation in excess of plan 31 Dec	**-258,625**	**-168,272**
Other tangible assets		
Cost at 1 Jan	107	100
Increases 1 Jan - 31 Dec	10	7
Decreases 1 Jan - 31 Dec		
Cost at 31 Dec	**118**	**107**
Advance payments and purchases in progress		
Cost at 1 Jan	81,081	58,289
Increases 1 Jan - 31 Dec	84,961	80,076
Decreases 1 Jan - 31 Dec	-96,659	-57,285
Cost at 31 Dec	**69,384**	**81,081**
Total*	**1,175,440**	**1,108,354**

***Net capital expenditure in electricity grid, 1,000 €**	**2009**	**2008**
Carrying amount 31 Dec	1,098,811	1,029,072
Carrying amount 1 Jan	-1,029,072	-1,000,588
Depreciation according to plan 1 Jan - 31 Dec	54,518	50,752
Decreases 1 Jan - 31 Dec	293	27
Total	**124,550**	**79,264**

15. INVESTMENTS, 1,000 €

	2009	**2008**
Equity investments in Group companies		
Cost at 1 Jan	505	505
Cost at 31 Dec	**505**	**505**
Equity investments in associated companies		
Cost at 1 Jan	6,641	6,641
Increases 1 Jan - 31 Dec		
Decreases 1 Jan - 31 Dec		
Cost at 31 Dec	**6,641**	**6,641**
Other shares and equity investments		
Cost at 1 Jan	721	607
Increases 1 Jan - 31 Dec	135	114
Decreases 1 Jan - 31 Dec	-7	0
Cost at 31 Dec	**850**	**721**
Total	**7,996**	**7,867**

16. INVENTORIES, 1,000 €

	2009	**2008**
Materials and supplies	5,318	4,626
Work in progress	97	2
Total	**5,415**	**4,628**

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17. RECEIVABLES FROM ASSOCIATED COMPANIES, 1,000 €	2009	2008
Current:		
Trade receivables	777	844
Total	**777**	**844**

18. PREPAYMENTS AND ACCRUED INCOME, 1,000 €	2009	2008
Interests and other financial items	19,902	11,760
Accruals of sales and purchases	5,618	3,815
Taxes	306	136
Other	205	226
Total	**26,031**	**15,938**

19. UNRECORDED EXPENSES AND PAR VALUE DIFFERENTIALS ON THE ISSUE OF LOANS INCLUDED IN PREPAYMENTS AND ACCRUED INCOME, 1,000 €	2009	2008
Par value differentials	**3,833**	**4,014**

20. CASH AND CASH EQUIVALENTS, 1,000 €	2009	2008
Certificates of deposit	74,590	77,138
Commercial papers	124,609	119,254
	199,198	196,392
Bank Deposits	1,700	
Cash in hand and bank receivables*	2,405	6,103
	4,105	6,103
Total	**203,303**	**202,494**

*includes pledged bank accounts (note 31)

21. SHAREHOLDERS' EQUITY, 1,000 €	2009	2008
Share capital 1 Jan	55,922	55,922
Share capital 31 Dec	**55,922**	**55,922**
Share premium account 1 Jan	55,922	55,922
Share premium account 31 Dec	**55,922**	**55,922**
Profit from previous financial years 1 Jan	9,467	10,166
Dividend distribution	-6,711	-7,169
Profit from previous financial years 31 Dec	**2,757**	**2,997**
Profit for the financial year	**4,954**	**6,470**
Shareholders' equity 31 Dec	**119,556**	**121,312**
Distributable shareholders' equity	**7,711**	**9,467**

Number of shares, qty	Series A shares	Series B shares	Total
1 Jan 2009	2,078	1,247	3,325
31 Dec 2009	**2,078**	**1,247**	**3,325**

Series A shares confer three votes each at a shareholders' meeting and series B shares one vote each. When electing members of the Board of Directors, series A share confers 10 votes each at a shareholders' meeting and each series B share one vote each.

Series B shares have the right before series A shares to obtain the annual dividend specified below from the funds available for profit distribution. After this, a corresponding dividend is distributed to series A shares. If the annual dividend cannot be distributed in some year, the shares confer a right to receive the undistributed amount from the funds available for profit distribution in the subsequent years; however so that series B shares have the right over series A shares to receive the annual dividend and the undistributed amount.

The shareholders' meeting decides on the annual dividend.
The determination of the dividend: the amount of the annual dividend is calculated on the basis of calendar years so that the subscription price of a share, added by amounts paid in conjunction with potential increases of share capital and reduced by potential amounts paid in refunds of equity, is multiplied by the dividend percentage; however so that the minimum dividend is 6%. The dividend percentage is defined on the basis of the yield of the 30-year German Government Bond.

The dividend proposal for the year 2009 is 6.012 %.

There are no minority interests.

22. ACCUMULATED PROVISIONS, 1,000 €

	2009	2008
Accumulated depreciation in excess of plan, the difference between depreciation according to plan and depreciation carried out in taxation	**396,440**	**385,981**

23. CAPITAL LOAN, 1,000 €

	2009	2008
Debenture of capital loan nature 1999		30,000
Total		**30,000**

The terms of the capital loan fulfil the requirements of Chapter 5, Section 1 of the Companies Act (29.9.1978). The principal and interest for capital loan can be repaid only after debts with higher claim in the event of the liquidation or bankruptcy of the company.

The capital loan was publicly quoted and registered in the book-entry system of Finnish Central Securities Depository Ltd.

<u>Debenture of capital loan nature 1999</u>
Fingrid Oyj decided to redeem, according to the terms and conditions of the loan agreement, the capital loan at 100 % and the accrued interest coupon on 30 November 2009.

24. BONDS, 1,000 €

				2009	2008
International:		Maturity date	Interest		
EUR	25,000	06.04.2009	variable interest		25,000
EUR	10,000	31.03.2010	interest rate structure	10,000	10,000
EUR	10,000	16.03.2011	3.625 %	10,000	10,000
EUR	25,000	23.03.2011	variable interest	25,000	25,000
EUR	15,000	24.03.2011	variable interest	15,000	15,000
EUR	20,000	07.04.2011	variable interest	20,000	20,000
EUR	25,000	16.03.2012	variable interest	25,000	25,000
EUR	25,000	12.04.2012	variable interest	25,000	25,000
EUR	10,000	16.04.2013	variable interest	10,000	10,000
EUR	20,000	28.04.2013	variable interest	20,000	20,000
EUR	20,000	15.10.2013	4.30 %	20,000	20,000
EUR	24,000	02.07.2014	variable interest	24,000	24,000
EUR	18,000	11.11.2014	variable interest	18,000	
EUR	8,000	11.11.2014	variable interest	8,000	
EUR	10,000	20.11.2014	3.26 %	10,000	
EUR	20,000	11.04.2017	variable interest	20,000	20,000
EUR	25,000	11.04.2017	variable interest	25,000	25,000
				285,000	**274,000**
FIM	160,000	19.08.2013	5.20 %	26,910	26,910
				26,910	**26,910**
USD	30,000	23.03.2009	variable interest		24,476
					24,476
JPY	3,000,000	15.07.2009	1.84 %		24,000
JPY	1,000,000	12.07.2010	2.00 %	10,215	10,215
JPY	2,000,000	16.10.2010	1.022 %	15,504	15,504
JPY	3,000,000	05.07.2011	1.31 % *	28,200	28,200
JPY	3,000,000	25.07.2012	1.3575 % **	25,400	25,400
JPY	3,000,000	20.04.2015	1.45 %	21,563	21,563
				100,881	**124,881**
CHF	39,000	15.03.2010	2.24 %	25,000	25,000
CHF	39,000	22.05.2012	2.475 %	25,000	25,000
				50,000	**50,000**
CZK	750,000	05.05.2010	variable interest	24,902	24,902
				24,902	**24,902**
NOK	170,000	19.11.2014	4.68 %	20,166	
NOK	200,000	17.10.2016	5.15 %	24,620	24,620
NOK	200,000	11.04.2017	5.16 %	24,620	24,620
NOK	200,000	10.11.2017	5.12 %	23,725	
NOK	200,000	12.11.2019	5.37 %	23,725	
				116,856	**49,240**
SEK	225,000	03.04.2012	variable interest	24,194	24,194
SEK	225,000	11.04.2012	variable interest	24,142	24,142
SEK	100,000	21.03.2013	variable interest	10,560	10,560
SEK	200,000	03.04.2013	3.70 %	21,305	21,305
SEK	175,000	04.04.2014	4.30 %	18,811	18,811
SEK	220,000	01.12.2015	interest rate structure	24,336	24,336
				123,347	**123,347**
Bonds, long-term total				642,276	624,280
Bonds, short-term total				85,620	73,476
Total				**727,896**	**697,756**

*call option not exercised 5 July 2004
**call option not exercised 25 July 2006

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25. LOANS FALLING DUE FOR PAYMENT IN FIVE YEARS OR MORE, 1,000 €	2009	2008
Capital loan		30,000
Bonds	187,589	182,950
Loans from financial institutions	20,000	
Total	**207,589**	**212,950**

26. LIABILITIES TO GROUP COMPANIES, 1,000 €	2009	2008
Current:		
Other debts	508	259
Total	**508**	**259**

27. LIABILITIES TO ASSOCIATED COMPANIES, 1,000 €	2009	2008
Current:		
Trade payables	146	133
Total	**146**	**133**

28. OTHER LIABILITIES, 1,000 €	2009	2008
Current:		
Other loans / Commercial papers (international and domestic)	221,671	172,649
Value added tax	3,169	4,324
Electricity tax	559	389
Other debts	537	541
Total	**225,934**	**177,903**

29. ACCRUALS, 1,000 €	2009	2008
Current:		
Interests and other financial items	11,602	17,621
Salaries and additional personnel expenses	4,028	4,120
Accruals of sales and purchases	8,980	12,955
Total	**24,610**	**34,696**

30. PROVISIONS FOR LIABILITIES AND CHARGES, 1,000 €	2009	2008
Creosote-impregnated and CCA-impregnated wooden towers, disposal expenses	1,921	1,955
Total	**1,921**	**1,955**

31. COMMITMENTS AND CONTINGENT LIABILITIES, 1,000 €	2009	2008
Rental liabilities		
Liabilities for the next year	1,793	2,012
Liabilities for subsequent years	5,709	7,417
	7,501	9,428
Pledges		
Pledge covering property lease agreements	46	46
Pledged account in favour of the Customs Office	150	154
Pledged account covering electricity exchange purchases	396	5,664
	592	5,865
Other financial commitments		
Counterguarantee in favour of an associated company	1,700	1,700
Credit facility commitment fee and commitment fee:		
Commitment fee for the next year	158	158
Commitment fee for subsequent years	255	409
	2,113	2,268
Donation of five-year professorship to Helsinki University of Technology for 2006 - 2010	120	240

32. LEGAL PROCEEDINGS AND PROCEEDINGS BY AUTHORITIES

There are no ongoing legal proceedings or proceedings by authorities that would have a material impact on the business of the company. In relation to transmission line projects there are several complaints made to different instances of justice. According to the management of the company there are no ongoing legal proceedings or other such legal proceedings relating to other areas, which final outcome would have a material impact on the financial position of the Group.

In December 2008 the Market Court reached a decision concerning Fingrid´s appeal to the Energy Market Authority´s decision 13 December 2007 "Determination of the methodology for the assessment of the return of the grid owners' grid operations transmission services pricing for the review period starting on 1 January 2008 and ending on 31 December 2011". The Energy Market Authority has in turn appealed the decision to the Supreme Administrative Court.

33. SEPARATION OF BUSINESSES IN ACCORDANCE WITH THE ELECTRICITY MARKET ACT

Balance power and regulating power

Each electricity market party must ensure that its electricity balance is in balance by making an agreement with either Fingrid or some other party. Fingrid buys and sells balance power in order to balance the hourly power balance of an electricity market party (balance provider). Balance power trade and pricing of balance power are based on a balance service agreement with equal and public terms and conditions.

Fingrid is responsible for the continuous power balance in Finland by buying and selling regulating power in Finland. The balance providers can participate in the Nordic balancing power market by submitting bids of their available capacity. The terms and conditions of participation in the regulating power market and the pricing of balancing power are based on the balance service agreement.

Management of balance operation

In accordance with a decision by the Energy Market Authority, Fingrid Oyj shall separate the duties pertaining to national power balance operation from the other businesses by virtue of Chapter 7 of the Electricity Market Act.

The profit and loss account of the balance operation unit is separated by means of cost accounting as follows:

Income	direct
Separate costs	direct
Production costs	matching principle
Administrative costs	matching principle
Depreciation	matching principle in accordance with Fingrid Oyj's depreciation principles
Finance income and costs	on the basis of imputed debt
Income taxes	based on result

The average number of personnel during 2009 was 14 (12). The operating profit was -5.1 (6.5) per cent of turnover.

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MANAGEMENT OF BALANCE OPERATION, SEPARATED PROFIT AND LOSS ACCOUNT	1 Jan - 31 Dec 2009 1,000 €	1 Jan - 31 Dec 2008 1,000 €
TURNOVER*	97,122	110,609
Materials and services*	-99,177	-100,932
Staff expenditure	-1,145	-1,226
Depreciation and amortisation expense	-908	-486
Other operating expenses	-829	-779
OPERATING PROFIT	**-4,936**	**7,186**
PROFIT BEFORE PROVISIONS AND TAXES	**-4,936**	**7,186**
Provisions	295	38
Income taxes		-1,878
PROFIT FOR THE FINANCIAL YEAR	**-4,641**	**5,345**

*Turnover includes 4.2 (5.8) million euros of sales of balance power to balance provider Fingrid Oyj, and Materials and services includes 3.7 (6.4) million euros of its purchases.

MANAGEMENT OF BALANCE OPERATION, SEPARATED BALANCE SHEET

ASSETS	31 Dec 2009 1,000 €	31 Dec 2008 1,000 €
NON-CURRENT ASSETS		
Intangible assets		
Other non-current expenses	680	394
Tangible assets		
Machinery and equipment	726	965
Advance payments and purchases in progress	64	578
	791	1,543
TOTAL NON-CURRENT ASSETS	**1,471**	**1,937**
CURRENT ASSETS		
Current receivables		
Trade receivables	976	18
Receivables from Group companies	12,113	16,954
	13,090	16,972
Cash in hand and bank receivables	1	1
TOTAL CURRENT ASSETS	**13,091**	**16,973**
TOTAL ASSETS	**14,562**	**18,910**

SHAREHOLDERS' EQUITY AND LIABILITIES	31 Dec 2009 1,000 €	31 Dec 2008 1,000 €
SHAREHOLDERS' EQUITY		
Share capital	32	32
Share premium account	286	286
Profit from previous financial years	15,979	10,634
Profit for the financial year	-4,641	5,345
TOTAL SHAREHOLDERS' EQUITY	**11,656**	**16,297**
ACCUMULATED PROVISIONS	**-290**	**4**
LIABILITIES		
Current liabilities		
Trade payables	2,739	2,321
Other liabilities	457	289
	3,196	2,609
TOTAL LIABILITIES	**3,196**	**2,609**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**14,562**	**18,910**

Transmission system operation
Transmission system operation is deemed to cover the entire business of Fingrid Oyj, including system responsibility, which in turn includes balance operation.

Therefore, Fingrid Oyj's financial statements represent the financial statements of transmission system operation.

34. KEY INDICATORS OF TRANSMISSION SYSTEM OPERATION	2009	2008
Return on investment (ROI) in transmission system operation, %	3.2	6.2

Return on investment % = $\dfrac{\text{profit before extraordinary items + interest and other finance costs + interest portions of leasing fees and rents of electricity grid}}{\text{balance sheet total - non-interest-bearing liabilities + leasing and rent liabilities related to electricity grid (average for the year)}} \times 100$

35. EMISSION RIGHTS

Fingrid was granted emission rights totaling 126.3 thousand tonnes for the years 2008 - 2012, of which Olkiluoto power station was granted a share of 112.3 thousand tonnes. As a rule, the emission rights held by Fingrid at 31 December correspond at least to the annual CO_2 emissions.

	2009 tCO2	2008 tCO2
Emission rights received free of charge	25.26	25.26
Emission volumes, Olkiluoto	1	1
Emission volumes, other power plants total	2	2
Sales of emission rights	22	15

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3. Signatures for the annual review and for the financial statements

Helsinki, 12 February 2010

Arto Lepistö Chairman	Timo Rajala 1st Deputy Chairman	Timo Karttinen 2nd Deputy Chairman
Ari Koponen	Ritva Nirkkonen	Anja Silvennoinen
Risto Autio	Jukka Ruusunen President & CEO	

Auditor's notation

The financial statements for the financial year 2009 have been prepared in accordance with Generally Accepted Accounting Principles. A report on the audit carried out has been submitted today.

Helsinki, 15 February 2010

PricewaterhouseCoopers Oy
Authorised Public Accountants

Juha Tuomala, Authorised Public Accountant