FINGRID OYJ
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FINGRID GROUP'S INTERIM REPORT 1 JANUARY - 31 MARCH 2009

Review of operations

Power system operation

A total of 23.3 (25.1) terawatt hours of electricity was consumed in Finland from the beginning of 2009 to the end of March. The economic recession and reduced industrial production decreased electricity consumption. A total of 17.5 TWh of electricity was transmitted in Fingrid's grid during the same period, representing 75 per cent of the electricity consumption in Finland.

Because of the mild winter and recession, the electricity consumption peak was only 13,008 megawatts (13,763 MW in 2008 according to Finnish Energy Industries). The peak power was 755 MW less than the peak figure in the previous winter, and as much as 1,906 MW less than the record peak power of 14,914 MW attained two years ago.

From January to March, 0.4 TWh (1.9 TWh) of electricity was imported from Sweden into Finland, and 1.5 TWh (0.2 TWh) was exported from Finland into Sweden. Electricity imports from Russia from January to March were 3.1 TWh (2.5 TWh) and from Estonia 0.6 TWh (0.5 TWh).

During the review period, there were no significant extensive faults in the grid. The dimensioning fault in the Finnish power system had to be raised temporarily in January from the earlier level of just under 900 MW to 1,300 MW. This was due to the changes made at the Olkiluoto nuclear power plants in order to secure nuclear safety. In order to control the situation, the import capacity from Sweden has been reduced temporarily by 100-300 MW until May, and the present maximum import capacity is hence 1,750-1,950 MW. The protection changes at Olkiluoto have no impact on the export capacity.

Power system operation	**1.-3. 2009**	**1.-3. 2008**
Electricity consumption in Finland TWh	23.3	25.1
Fingrid's transmission volume TWh	17.5	17.3
Fingrid's loss energy volume TWh	0.3	0.3
Electricity transmissions Finland-Sweden		
exports to Sweden TWh	1.5	0.2
imports from Sweden TWh	0.4	1.9
Electricity transmissions Finland-Estonia		
imports from Estonia TWh	0.6	0.5
Electricity transmissions Finland-Russia		
imports from Russia TWh	3.1	2.5

Promotion of electricity market

The average price on the spot market in Nord Pool (system price) and the area price for Finland were almost the same, i.e. approx. 38 €/MWh, during the first quarter of 2009.

Maintenance work on the cross-border connection between Finland and Sweden restricted the available transmission capacity between the two countries, and transmission congestions restricted trading during 11 per cent of the hours in the early part of the year. The congestion income caused by transmission congestions on the border between Finland and Sweden totalled 0.5 million euros between January and March. The Nordic congestion income during the review period was 9.6 million euros (37.3 million euros). Fingrid´s share of this Nordic congestion income was 0.7 million euros (3.6 million euros).

A new Nordic balance service model was introduced at the beginning of 2009 in Finland, Sweden and Denmark. This reform will harmonise the rules of balance power trade in the Nordic countries. The main changes include the handling of electricity balances in two different balances –production and consumption balance – and the harmonisation of costs included in balance service. Another essential change was that production plans and regulating power bids must now be submitted 45 minutes before the beginning of each hour. The balance settlement for January was completed on schedule even though the new model required considerable changes in the procedures and data systems of both the electricity market parties and Fingrid.

Based on the Finnish act on securing the availability of peak load power reserves, Fingrid renewed the contracts for the power reserves for the period of 1 March 2009 to 28 February 2011.New principles for the starting of electricity generation by power plants covered by the power reserve arrangement on the Elspot market were taken into use in the same conjunction. The annual costs for maintaining the power reserve arrangement will increase from 10 million euros to approx. 13 million euros as a result of the new contracts. The power reserve fee was raised from 0.15 euros per MWh to 0.18 euros per MWh from 1 April 2009. The fee will be revised when needed to correspond to the actual costs and electricity consumption.

Between January and March, Fingrid’s counter trade costs were only a few thousand euros, like during the corresponding period in 2008.

The work group appointed by the Finnish Ministry of Employment and the Economy, studying the feed-in tariff for renewable energy, presented its proposal for the feed-in tariff system for wind power in the interim report published in early April. According to the proposal, Fingrid or its fully-owned subsidiary would administer the collection and payment system for the feed-in tariff for wind power. The final report of the work group will be complete by the end of June. The final report will also contain a proposal concerning a feed-in tariff for biogas electricity and an analysis of the application of the feed-in tariff arrangement to other sources of renewable energy.

Electricity market	1.-3. 2009	1.-3. 2008
Nord Pool system price, average €/MWh	38.23	37.99
Area price Finland, average €/MWh	38.10	39.27
Congestion income in the Nordic countries million €	9.6	37.3
Congestion income between Finland and Sweden million €	0.5	0.1
Congestion income between Finland and Sweden %	4.8	0.3
Fingrid's share of the congestion income in the Nordic countries million €	0.7	3.6

<u>Capital expenditure and grid maintenance</u>

The Group's gross capital expenditure during the review period was 16.3 million euros (13.6 million euros during the corresponding period in 2008).

In March, Fingrid completed its project extending over several years: replacement of 400 kilovolt aluminium towers. A total of 1,300 aluminium towers were replaced by steel towers over a distance of 750 kilometres because of aluminium corrosion. The project started south of Oulu in 2000 on the Pyhäselkä-Alapitkä-Huutokoski line. The last part of the project concerned line Vuolijoki-Huutokoski. The total costs of the project were approx. 32 million euros.

A grid analysis shared by Nordel and the Baltic region was completed in the early part of 2009. The analysis concluded, among other things, that a second transmission connection between Finland and Estonia is economically viable. Based on the findings, a survey concerning the implementation of the new connection has been launched. The EU has also included the project in its economy recovery package, and the use of this funding source is being studied.

Financial result

The Group's revenue was 115 million euros (115 million euros) during the period under review. The grid tariff and Russian transmission tariff were raised by 4.5 per cent at the beginning of 2009. The other operating income was 0.5 million euros (0.4 million euros). As a result of decreasing electricity consumption, grid revenue decreased slightly despite the 4.5 per cent tariff increase carried out at the beginning of the year.

Revenue from the sales of balance power grew from the previous year to 30 million euros (27 million euros). Correspondingly, the purchases of balance power also grew to 28 million euros (23 million euros). These changes in sales and purchases were mainly due to the fact that the consumption and production balances are now handled in two different balances. Cross-border transmission income and peak load power income increased slightly from the corresponding period in 2008. ITC or inter-TSO compensations between the European TSOs grew to 3 million euros. Income and costs related to the feed-in tariff of peat decreased. Depreciation, loss energy, reserve power and personnel costs rose slightly. The changes in the first quarter from the corresponding period in 2008 are shown in the table below (in million euros).

Revenue	**1-3/09**	**1-3/08**
Grid service revenue	66.1	67.4
Sales of balance power	29.5	27.5
Cross-border transmission	6.3	5.3
ITC income	7.8	4.3
Peak load power	3.3	3.0
Feed-in tariff for peat	0.1	2.2
Congestion income	0.7	3.6
Other operational revenue and other income	2.0	1.9
Revenue and other income total	115.9	115.2

Costs	**1-3/09**	**1-3/08**
Depreciation	15.3	14.2
Purchase of balance power	27.9	23.2
ITC charges	4.3	3.6
Peak load power	3.7	3.4
Feed-in tariff for peat	0.1	2.1
Purchase of loss energy	15.0	13.2
Reserves	4.8	4.5
Maintenance management	3.2	1.9
Personnel	5.0	4.9
Other costs	4.3	4.5
Costs total	83.6	75.4

Operating profit excluding the change in the fair value of electricity derivatives was 32 million euros (40 million euros). Operating profit decreased primarily because of reduced grid service revenue, congestion income, and result of balance service. The IFRS operating profit was 35 million euros (38 million euros), which contains 3 million euros (-2 million euros) of positive change in the fair value of electricity derivatives. The IFRS profit before taxes was 29 million euros (29 million euros). The total comprehensive income for the review period was 11 million euros (13 million euros). The equity ratio was 26.9 (27.9) per cent at the end of the review period.

The Group's income flow is characterised by seasonal fluctuations, which is why the financial result for the entire year cannot be directly estimated on the basis of the three-month result.

Financing

The financial position of the Group continued to be satisfactory. The uncertain situation in the money and capital markets continues, and it is difficult to anticipate its time frame. The net financial costs of the Group were 6 million euros (8 million euros) during the review period. Financial assets recognised at fair value in the income statement, and cash and cash equivalents amounted to 211 million euros (223 million euros) at 31 March 2009. The interest-bearing liabilities, including derivative liabilities, totalled 928 million euros (952 million euros), of which 633 million euros (732 million euros) were long-term and 295 million euros (220 million euros) were short-term.

The counterparty risk involved in the derivative contracts relating to financing was 8 million euros (9 million euros). The company has an undrawn revolving credit facility of 250 million euros.

On April 15 2009 international rating agency Fitch Ratings assigned Fingrid Oyj a Long-Term Issuer Default Rating (IDR) of ‘AA-’ (AA minus), senior unsecured debt rating of ‘AA’, and Short-Term IDR of ‘F1+’. The agency also revised the outlook on the Long-Term IDR from Stable to Negative.

Personnel

The total personnel of the Fingrid Group averaged 242 (243) during the review period.

Annual General Meeting

Fingrid Oyj's Annual General Meeting was held in Helsinki on 19 March 2009. The Annual General Meeting accepted the financial statements for 2008, adopted the income statement and balance sheet, and granted discharge from liability to the members of the Board of Directors and to the President.

Arto Lepistö, Deputy Director General, Ministry of Employment and the Economy, was elected as the Chairman of the Board, Timo Rajala, President and CEO, Pohjolan Voima Oy, as the First Deputy Chairman of the Board, and Timo Karttinen, Senior Vice President, Fortum Oyj, as the Second Deputy Chairman of the Board. The other Board members elected were Ari Koponen, Managing Director, Fortum Sähkönsiirto Oy, Ritva Nirkkonen, Fund Raising Manager, University of Jyväskylä, Special Duties, Anja Silvennoinen, Vice President, Energy, UPM-Kymmene Oyj, and Risto Autio, Director, Alternatives, Varma Mutual Pension Insurance Company.

Auditing

The consolidated figures in this Interim Report are unaudited.

Outlook for the remaining part of the year

The profit of the Fingrid Group for the entire year without the change in the fair value of derivatives is expected to decrease somewhat on the previous year.

Board of Directors

Appendices: Tables for the interim report 1 January - 31 March 2009

Further information:
Jukka Ruusunen, President & CEO, +358 (0)30 395 5140 or +358 (0)40 593 8428
Tom Pippingsköld, CFO, +358 (0)30 395 5157 or +358 (0)40 519 5041

Appendices: Tables for the Interim Report 1 January - 31 March 2009

Condensed consolidated statement of comprehensive income, million euros	2009 Jan-Mar	2008 Jan-Mar	Change	2008 Jan-Dec
Revenue	**115.4**	**114.8**	**0.7**	**382.3**
Other operating income	0.5	0.4	0.1	2.5
Depreciation and amortisation expense	-15.3	-14.2	-1.2	-59.5
Operating expenses	-65.8	-63.1	-2.7	-257.0
Operating profit	**34.8**	**37.9**	**-3.1**	**68.4**
Finance income and costs	-5.8	-8.1	2.3	-31.4
Portion of profit of associated companies	0.2	-0.3	0.5	0.5
Profit before taxes	**29.1**	**29.5**	**-0.4**	**37.5**
Income taxes	-7.5	-7.8	0.2	-9.7
Profit for the period	**21.6**	**21.7**	**-0.1**	**27.9**
Other comprehensive income				
Cash flow hedges	-10.6	-8.4	-2.1	-32.5
Translation reserve	0.2	0.0	0.3	-0.6
Available-for-sale financial assets				0.0
Total comprehensive income for the year	**11.3**	**13.3**	**-2.0**	**-5.3**
Profit attributable to:				
Equity holders of the company	21.6	21.7	-0.1	27.9
Total comprehensive income attributable to:				
Equity holders of the company	11.3	13.3	-2.0	-5.3
Earnings per share (euros)* belonging to the owners of the parent company, calculated from profit	6491	6532	-41	8 379

* no dilution effect

Condensed consolidated balance sheet, million euros	2009 31 Mar	2008 31 Mar	Change	2008 31 Dec
ASSETS				
Non-current assets				
Goodwill	87.9	87.9	0.0	87.9
Intangible assets	86.2	84.6	1.5	85.3
Property, plant and equipment	1 113.5	1 085.3	28.2	1 113.1
Investments	7.1	7.0	0.0	6.7
Receivables	13.4	17.7	-4.2	9.9
Current assets				
Inventories	5.0	4.7	0.4	4.6
Receivables	44.7	53.6	-8.9	48.0
Financial assets recognised in income statement at fair value	194.0	205.8	-11.7	200.0
Cash and cash equivalents	16.8	17.3	-0.5	6.1
Total assets	**1568.7**	**1 563.9**	**4.8**	**1 561.6**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity belonging to the owners of the parent company				
Shareholders' equity	422.2	436.1	-14.0	417.6
Non-current liabilities				
Non-current interest-bearing liabilities	633.1	732.3	-99.2	678.3
Other non-current liabilities	168.5	114.7	53.7	150.1
Current liabilities				
Current interest-bearing liabilities	295.0	219.8	75.2	254.5
Trade and other payables	49.9	60.9	-11.0	61.0
Total shareholders' equity and liabilities	**1568.7**	**1 563.9**	**4.8**	**1 561.6**

Key indicators, million euros	2009 Jan -Mar	2008 Jan - Mar	2008 Jan - Dec
Revenue	115.4	114.8	382.3
Capital expenditure, gross	16.3	13.6	87.9
- % of revenue	14.1	11.9	23.0
Research and development expenses	0.1	0.2	0.9
- % of revenue	0.1	0.2	0.2
Personnel, average	242	243	241
Operating profit	34.8	37.9	68.4
- % of revenue	30.1	33.0	17.9
Profit before taxes	29.1	29.5	37.5
- % of revenue	25.2	25.7	9.8
Interest bearing liabilities, net*	717.3	729.0	726.7
Equity ratio, %*	26.9	27.9	26.7
Shareholders' equity, million euros*	422.2	436.1	417.6
Equity per share, euros*	126 971	131 169	125 600
Earnings per share, euros*	6 491	6 532	8 379

* end of period

Consolidated statement of changes in total equity, million euros	Share capital	Share premium account	Revaluation reserve	Translation reserve	Retained earnings	Total
Capital and reserves 1 Jan 2008	**55.9**	**55.9**	**9.4**	**0.2**	**308.6**	**430.0**
Dividend distribution					-7.2	-7.2
Profit for period			-8.4	0.0	21.7	13.3
Capital and reserves 31 Mar 2008	**55.9**	**55.9**	**1.0**	**0.2**	**323.2**	**436.1**
Profit for period			-24.1	-0.5	6.1	-18.5
Capital and reserves 31 Dec 2008	**55.9**	**55.9**	**-23.2**	**-0.4**	**329.3**	**417.6**
Dividend distribution					-6.7	-6.7
Profit for period			-10.6	0.2	21.6	11.3
Capital and reserves 31 Mar 2009	**55.9**	**55.9**	**-33.7**	**-0.1**	**344.2**	**422.2**

Condensed consolidated cash flow statement, million euros	2009 Jan-Mar	2008 Jan-Mar	2008 Jan-Dec
Cash flow from operating activities			
Profit for the financial year	21.6	21.7	33.0
Adjustments	26.1	30.7	109.1
Changes in working capital	-6.8	-1.9	4.8
Interests paid	-7.1	-7.3	-40.8
Interests received	2.5	2.8	9.0
Taxes paid	-0.3	-0.6	-2.3
Net cash flow from operating activities	**36.0**	**45.4**	**112.6**
Cash flow from investing activities			
Purchase of property, plant and equipment	-22.0	-14.2	-83.6
Purchase of intangible assets	-1.2	-0.3	-3.1
Purchase of other assets	0.0	0.0	0.0
Proceeds from other investments	0.0	0.0	0.0
Proceeds from sale of property, plant and equipment	0.0	0.0	0.2
Repayment of loans receivable	0.0	0.0	0.1
Dividends received	0.0	0.0	0.6
Net cash flow from investing activities	**-23.2**	**-14.5**	**-85.7**
Cash flow from financing activities			
Withdrawal of loans	101.1	32.9	354.4
Repayment of loans	-101.7	-45.0	-382.0
Dividends paid	-6.7	-7.2	-7.2
Net cash flow from financing activities	**-7.4**	**-19.3**	**-34.7**
Net change in cash and cash equivalents	5.4	11.6	-7.9
Cash and cash equivalents 1 Jan	206.1	212.0	212.0
Impact of changes in fair value of investments	-0.7	-0.5	2.1
Cash and cash equivalents 31 Mar	**210.8**	**223.1**	**206.1**

Derivative agreements, million euros	31 Mar 2009		31 Mar 2008		31 Dec 2008	
	Net fair value	Notional value	Net fair value	Notional value	Net fair value	Notional value
Interest and currency derivatives						
Cross-currency swaps	-18	343	-37	384	-22	367
Forward contracts	0	22	-1	74	1	19
Interest rate swaps	0	159	-1	181	0	134
Call options, bought	1	360	8	360	2	330
Total	**-19**	**884**	**-31**	**999**	**-19**	**851**
	Net fair value	Volume MT	Net fair value	Volume MT	Net fair value	Volume MT
Commodity derivatives						
Call options on metals, bought			1	3400		
Total			**1**	**3400**		
	Net fair value	Volume TWh	Net fair value	Volume TWh	Net fair value	Volume TWh
Electricity derivatives						
Electricity forward contracts, Nord Pool Clearing designated as hedge accounting	-46	3.50	8	2.80	-35	3.52
Electricity forward contracts, Nord Pool Clearing	0	0.00	1	0.52	0	0.00
Forward contracts of electricity, others	0	0.06	1	0.09	0	0.07
Total	**-47**	**3.56**	**10**	**3.41**	**-35**	**3.59**

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Commitments and contingencies, million euros	31 Mar 2009	31 Mar 2008	31 Dec 2008
Pledges / bank balances	17	11	6
Rental liabilities	9	9	9
Commitment fee of revolving credit facility	1	0	1
Total	**26**	**20**	**16**
Capital commitments	**237**	**75**	**219**
Other financial liabilities	**2**	**2**	**2**

Changes in property, plant and equipment, million euros	31 Mar 2009	31 Mar 2008	31 Dec 2008
Carrying amount at beginning of period	**1 113**	**1 086**	**1 086**
Increases	15	13	81
Decreases			0
Depreciation and amortisation expense	-15	-14	-54
Carrying amount at end of period	**1 113**	**1 085**	**1 113**

Related party transactions and balances, million euros	31 Mar 2009	31 Mar 2008	31 Dec 2008
Sales	28	13	99
Purchases	25	45	109
Receivables	2	15	9
Liabilities	0	3	1

Accounting principles. This interim report has been drawn up in accordance with standard IAS 34, Interim Financial Reporting. In this interim report, Fingrid has followed the same principles as in the annual financial statements for 2008. The Group has adopted the new standards that came into force 1 January 2009 IAS Presentation of Financial Statements and IAS 23 Borrowing Costs.

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.

Corporate rearrangements. There have been no changes in the Group structure during the period reviewed.

Seasonal fluctuation. The Group's operations are characterised by extensive seasonal fluctuations.

General clause. Certain statements in this release concern the future and are based on the present views of management. Due to their nature, they contain some risk and uncertainty and are subject to changes in economy and the relevant business.