

FINGRID OYJ
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19 February 2016, at
11:00 a.m. EET

FINGRID OYJ
ANNUAL REVIEW AND FINANCIAL STATEMENTS
1 January 2015 – 31 December 2015

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1 ANNUAL REVIEW

1.1 Report of the Board of Directors

Unless otherwise indicated, the figures in parentheses refer to the same period of the previous year.

1.1.1 Financial result

In preparing these consolidated financial statements, the Group has followed the same accounting principles as in 2014.

The Group's turnover was EUR 600.2 (567.2) million. Other operating income totalled EUR 5.2 (4.6) million.

Grid service income totalled EUR 333.0 (326.3) million. A two-per cent reduction in grid service fees was enacted at the start of 2015. Grid service income grew slightly compared to the previous year, as grid fees were lowered in December 2014. Electricity consumption in Finland decreased by 1.1 per cent (0.8) compared with the previous year. Fingrid transmitted 67.9 (67.1) terawatt hours of electricity in its grid, which represents 82.5 (80.7) per cent of all electricity transmitted in Finland. Sales of imbalance power decreased to EUR 137.1 (150.7) million due to lower imbalance power prices. Fingrid's congestion income between Finland and Sweden increased significantly, to EUR 86.8 (48.9) million. The increase in congestion income resulted from the growing area price difference between Finland and Sweden. Both Finland's and Sweden's area prices declined, but the decline was more pronounced in Sweden. The main reason for the low price level in Sweden was the high hydropower production in Sweden and Norway, as well as the growth in subsidised energy production in the Nordic countries and northern Europe. Congestion income between Finland and Estonia also increased as a result of the market situation, to EUR 4.2 (2.4) million. ITC income increased to EUR 15.3 (12.2) million mainly due to increased exports to Estonia. Cross-border transmission income between Finland and Russia increased to EUR 11.2 (9.4) million as a consequence of increased exports from Russia.

Imbalance power costs decreased from the previous year, to EUR 98.2 (107.2) million, due to lower imbalance power prices. Loss energy costs grew to EUR 68.6 (65.8) million. The average price of loss energy procurement was EUR 48.22 (49.98) per megawatt hours, but the volume of losses grew slightly. Depreciation costs increased by EUR 94.1 (91.5) million euros as new capital investment projects were completed. The cost of reserves to safeguard the grid's system security decreased to EUR 54.7 (62.4) million. With regard to reserve costs, the favourable market situation and lower maintenance costs of Fingrid's own reserve power plants, which act as rapid-response disturbance reserves, lowered the procurement costs of frequency-controlled reserves. Correspondingly, frequency-controlled disturbance reserve costs grew as a consequence of the problematic spring floods and high volumes of water in the autumn. Personnel costs grew somewhat and totalled EUR 25.8 (25.0) million. Maintenance costs, which amounted to EUR 19.2 (18.8) million, remained at the previous year's level. ITC costs decreased to EUR 9.4 (10.8) million.

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Turnover and other operating income, € million

	Jan-Dec/15	Jan-Dec/14	Oct-Dec/15	Oct-Dec/14
Grid service revenue	333.0	326.3	100.8	82.8
Sales of imbalance power	137.1	150.7	37.9	40.5
Cross-border transmission income	11.2	9.4	2.9	3.5
Finland-Estonia congestion income	4.2	2.4	0.8	0.5
Finland-Sweden congestion income	86.8	48.9	22.0	13.1
Peak load capacity income*	7.6	8.0	1.8	2.0
ITC income	15.3	12.2	4.5	3.8
Other turnover	5.1	9.3	1.8	1.9
Other operating income	5.2	4.6	3.0	2.5
Turnover and other income total	605.4	571.8	175.5	150.7

Costs, € million

	Jan-Dec/15	Jan-Dec/14	Oct-Dec/15	Oct-Dec/14
Purchase of imbalance power	98.2	107.2	29.6	31.4
Cost of loss energy	68.6	65.8	17.8	16.9
Depreciation	94.1	91.5	24.2	23.2
Cost of reserves	54.7	62.4	12.6	16.7
Personnel costs	25.8	25.0	6.8	7.3
Maintenance management costs	19.2	18.8	7.9	7.4
Cost of peak load capacity*	7.2	7.8	1.4	1.9
ITC charges	9.4	10.8	2.0	2.6
Other costs	41.3	45.9	11.4	11.3
Costs total	418.6	435.1	113.7	118.7
Operating profit excluding the change in the fair value of commodity derivatives	186.8	136.6	61.9	32.0
Operating profit of Group, IFRS	162.6	142.8	57.4	26.5

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

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The Group's operating profit was EUR 162.6 (142.8) million. Of the changes in the fair value of electricity derivatives, EUR -24 (6) million was recognised in the income statement.

Net financial costs in accordance with IFRS were EUR 33.7 (10.7) million, including a change of EUR 13.3 million negative (10.9 positive) in the fair value of derivatives.

The consolidated profit for the year was EUR 103.6 (106.5) million. The return on investments was 8.7 (7.6) per cent and the return on equity was 15.0 (16.3) per cent. The equity ratio improved and was 33.5 (31.0) per cent at the end of the review period.

The parent company's turnover was EUR 592.4 (559.4) million, profit for the financial year EUR 123.7 (81.0) million and the distributable funds EUR 162.1 million.

By the company's own calculations, the return according to the regulatory model that governs grid operations amounts to a surplus of some EUR 60 million for the 2012–2015 regulatory period. This has been taken into account in the grid service pricing for 2016, which has been set to generate a corresponding deficit in 2016.

1.1.2 Capital expenditure

Fingrid's grid investment programme promotes the national climate and energy strategy, improves system security, increases transmission capacity and promotes the electricity markets. The annual capital expenditure in the grid has remained extensive.

The company's total capital expenditure in 2015 amounted to EUR 147.5 (129.5) million, including a total of EUR 138.4 (117.5) million invested in the transmission grid and EUR 0.4 (1.0) million for reserve power. ICT investments totalled EUR 8.4 (11.1) million. A total of EUR 1.8 (1.7) million was used for R&D projects during the year under review.

At the end of 2015, Fingrid had eight 400 kilovolt substation sites and more than 370 kilometres of 400 kilovolt power line contracts as well as a significant number of 110 kilovolt substation and power line projects under construction.

The replacement of the ageing Ostrobothnian grid system, with its insufficient transmission capacity, continued in 2016. The 400 kilovolt ring network from Pori to Oulu, seven new substations and a 400 kilovolt transmission line spanning 380 kilometres will be completed on Finland's west coast by 2017. The projects in Ostrobothnia will secure the supply of electricity in the region and create the conditions for connecting wind and nuclear power to the grid. The new transmission connection will also improve the transmission capacity between northern and southern Finland and thus promote effective electricity markets. The related Hirvisuo–Pyhänselkä project has proceeded according to plan. The new 400/110/20 kilovolt substation for Jylkkä in Kalajoki, which is part of the overall project in Ostrobothnia, has been started and will be completed in autumn 2016. Two 400 kilovolt series capacitors will be built for the substation under construction in Hirvisuo. The project will be completed at the end of 2016.

The major project between Hikiä and Forssa is in the final stages of completion. The Forssa substation was completed in October and the project will be fully completed in early 2016. The project involves replacing the aging 110 kilovolt power line that connects eastern and western Finland and

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which dates back to the 1920s with new 400 and 110 kilovolt power lines. Of the power line, 230 kilometres has been replaced or is in the process of being replaced, and the remaining roughly 190 kilometres will be replaced by 2020. In the next phase, the 68-kilometre-long power line between Lieto and Forssa will be renewed. The construction work will start up in late 2016 with foundation work for the transmission line pylons, and the line is expected to be completed in spring 2018. The upgrading and expansion of the related Lieto substation will start up in 2016.

In June, the 117-kilometre-long, 110 kilovolt transmission line between Huutokoski and Kontiolahti was taken into use. The project is valued at some EUR 15 million.

A number of new investment decisions were made during the period under review. The main busbar of the switchgear of the 400 kilovolt Alajärvi substation, a significant substation in the main grid, is being modernised. The total costs of the projects due for completion in 2017 are estimated at roughly EUR 15 million.

The expansion of the Kristinestad substation will allow hundreds of megawatts of wind power to be connected to the grid and will improve the reliability of the electricity network in southern Ostrobothnia. The project, valued at around EUR 10 million, will be completed in autumn 2017.

An investment to develop the Länsisalmi substation in Vantaa will improve the supply of electricity into Helsinki and secure functions that are vital to society in the capital region. Construction work on the investment project, valued at some EUR 20 million, will begin in 2016 and the project is due for completion in 2017. The Espoo substation will be developed further. The investment will secure the electricity supply of western Uusimaa, particularly the areas of Espoo, Kirkkonummi and Kauniainen. The future investments in Espoo and Länsisalmi will keep the system security of the capital region's electricity supply at a high level, despite the reduction of local electricity generation.

A decision made in October to modernise the Huutokoski substation will help to ensure eastern Finland's electricity supply. The Huutokoski substation near Varkaus is important for eastern Finland's system security. In addition, Fingrid's reserve power plant, which ensures sufficient electricity in the event of disturbances to the grid, has been connected to the Huutokoski substation's 110 kilovolt switchgear. Construction work on the investment project, valued at some EUR 12 million, will begin in summer 2016 and the project will be completed by the end of 2017.

A decision was made on the modernisation of Koria's 400 kilovolt substation and the renovation of its 110 kilovolt switching gear. Koria's 400/110 kilovolt transformer substation is a central grid node in Southeast Finland. The project's investment costs are estimated at EUR 13 million and the targeted completion is early 2019.

Cross-border connections were a key focus of basic grid maintenance. The goal is to improve, in particular, the system security of four DC connections. The implemented measures are part of the company's multi-year strategic project. Substation maintenance agreements on cross-border connections were concluded for the 2016–2020 contractual period with the goal of improving availability and reliability. Particular attention was paid to ensuring the system security of our cross-border transmission connections, and multi-year maintenance agreements were concluded with two service providers. The objective is to improve the systematic maintenance of cross-border connections and to speed up the work related to settling disturbances.

Fingrid once again placed at the top in the International Transmission Asset Management Study (ITAMS). ITAMS is a qualitative study that seeks to find good operating models for managing grid

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companies' assets. Lloyd's Register carried out the annual on-site audit for the PAS 55 (Publicly Available Specification) certification. According to the audit results, Fingrid's asset management is at an excellent level.

The multi-year programme to develop the grid information and ERP system (Elvis) progressed to the second phase of implementation, and the goal is to have the system fully up and running this year.

Special attention was paid to preventing accidents at work sites. The ongoing occupational safety development project continued during the year under review. Its main focuses are occupational safety management, the creation of a virtual learning environment, and the introduction and further development of mobile reporting. The accident frequency rate and average severity of workplace accidents increased in 2015 compared to 2014. A total of 13 (8) absences due to accidents were recorded among Fingrid's service providers.

1.1.3 Power system

In 2015, electricity consumption in Finland amounted to 82.5 (83.4) terawatt hours. A total of 67.9 (67.1) terawatt hours of electricity was transmitted in Fingrid's grid, representing 82.5 (80.7) per cent of the total transmission volume in Finland (consumption and inter-TSO).

Electricity import and production capacity was well sufficient to cover the peak consumption, which amounted to a maximum of 13,500 (14,288) megawatts. During the consumption peaks early in the year, electricity production in Finland totalled approximately 11,200 (12,100) megawatts.

Electricity transmissions between Finland and Sweden consisted mostly of large imports to Finland. During 2015, 17.8 (18.2) terawatt hours of electricity was imported from Sweden to Finland, and 0.2 (0.2) terawatt hours were exported from Finland to Sweden.

The electricity transmission between Finland and Estonia was dominated by exports from Finland to Estonia, which amounted to 5.0 (3.5) terawatt hours.

Similar to previous years, electricity imports from Russia were at a low level. Nearly the full transmission capacity was available, however. Electricity imports from Russia totaled 3.9 (3.3) terawatt hours. Electricity was exported commercially from Finland to Russia for the first time on 7 June 2015, at the power rating of 140 megawatts. Previously, the transfer of electricity along 400 kilovolt cross-border transmission lines was only possible in one direction, from Russia to Finland.

With a transmission reliability rate of 99.9998 per cent, the reliability of the transmission grid was at an excellent level during the year under review. The number of disturbances in the Finnish grid was lower than normal during summer, and at the average level during the rest of the year.

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Counter trade	Jan-Dec/15	Jan-Dec/14	Oct-Dec/15	Oct-Dec/14
Counter-trade between Finland and Sweden, €M	0.8	7.6	0.2	1.0
Counter-trade between Finland and Estonia, €M	0.8	0.8	0.0	0.2
Counter-trade between Finland's internal connections, €M	2.2	1.7	0.6	0.0
Total counter-trade, €M	3.8	10.1	0.9	1.2

Reserves required to maintain the power balance of the power system were procured from Finland, the other Nordic countries, the Baltic countries and Russia. Countertrade costs totalled EUR 3.8 (10.1) million. Countertrade refers to special adjustments made in the management of electricity transmission which are used to eliminate short-term bottlenecks (an area where electricity transmission is congested) from the grid. Fingrid guarantees the cross-border transmission it has confirmed by carrying out countertrades, i.e. purchasing and selling electricity, up until the end of the 24-hour usage period. The need for countertrade can arise from, for example, a power outage or disruption in a power plant or in the grid.

An outage in a connection point in the grid caused by a disturbance in Fingrid's electricity network lasted an average of 2.1 minutes, which is well below the ten-year average of 3.3 minutes. The estimated cost of the disturbances was EUR 3.5 (4.1) million.

Power system operation	Jan-Dec/15	Jan-Dec/14	Oct-Dec/15	Oct-Dec/14
Electricity consumption in Finland TWh	82.5	83.4	22.1	22.5
Fingrid's transmission volume TWh	67.9	67.1	17.7	17.5
Fingrid's loss energy volume TWh	1.4	1.3	0.3	0.4
Electricity transmission Finland - Sweden				
Exports to Sweden TWh	0.2	0.2	0.1	0.1
Imports from Sweden TWh	17.8	18.2	4.7	4.1
Electricity transmission Finland - Estonia				
Exports to Estonia TWh	5.0	3.5	1.2	0.9
Imports from Estonia TWh	0.0	0.1	0.0	0.0
Electricity transmission Finland - Russia				
Imports from Russia TWh	3.9	3.3	1.0	1.4

1.1.4 Electricity market

The average market price of spot electricity on the electricity exchange (system price) was EUR 20.98 (29.61) per megawatt hour. The price level of electricity in the Nordic electricity market has

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been declining for some time, but at the same time, area price differences have grown. The increase in congestion income resulted from the growing area price difference between Finland and Sweden due to the low level of Sweden's area price. The low price level can be directly attributed to the low demand caused by the economic recession and the high hydropower production in Sweden and Norway. The subsidised production of renewable energy in the Nordic countries and northern Europe have also affected the market. This type of production has increased substantially in many countries, and it affects price levels in the entire region.

In 2015, prices on the Finnish wholesale market were higher than they were in other Nordic countries. In Sweden, for example, the average price was EUR 8 (5) lower per megawatt hour than in Finland. This was due to the structure of and significant deficit of electricity production in Finland, as the completion of Olkiluoto 3 has been delayed and other electricity production has been shut down due to unprofitability. Market demand for imports would have been higher than the cross-border transmission capacity allowed.

Transmission capacity was in full use and limited cross-border trade with Sweden for more than half of all the hours in 2015, which is historically a high amount. As a result, Fingrid accrued EUR 86.8 (48.9) million in congestion income. In addition, the links between Finland and Estonia generated EUR 4.2 (2.4) million in congestion income. Congestion income is used to maintain cross-border transmission capacity and for additional investments, as is also required by law.

Imports from Russia remained at the low level of 3.9 (3.3) terawatt hours. Electricity imports from Russia to Finland have decreased significantly in recent years, and the hourly import volumes from Russia have varied considerably. The reduction in electricity trade is attributed not only to Russia's capacity mechanism, but also to increased energy prices in the country. In June, a new cross-border transmission tariff was introduced, whereby the tariff is dependent on the difference between Finland's area price and north-western Russia's area price. The objective of the new tariff structure was to boost electricity trade between Finland and Russia particularly during periods of low price differences. At the end of 2014, an agreement concerning electricity exports from Finland to Russia was concluded. The first transmission to Russia took place in June 2015. Previously, it has only been possible to import electricity from Russia to Finland.

The possibility of an electricity shortage in Finland was prominently featured in the headlines in 2015. In January, Pöyry Management Consulting Oy released a study commissioned by Fingrid and other energy industry operators on the sufficiency of electricity. According to the study, Finland does not, nor will it in future, generate enough electricity to meet demand during peak consumption periods. By Fingrid's estimation, approximately 15,000 megawatts of electricity is needed during peak consumption on a cold winter's day. In such cases, 3,400 megawatts of electricity must be imported from neighbouring countries. There is not much room for defects among power plants and transmission connections.

The completion of Olkiluoto 3 will boost capacity towards the end of the decade, but electricity will need to be imported into Finland during extended periods of freezing temperatures also in the future. Electricity import connections and production capacity that exceeds the demand for electricity in neighbouring countries will, however, be sufficient to cover the deficit, but the likelihood of short-term consumption limits has grown. Fingrid's goal is to increase the transmission connections with Sweden, but that will not happen until the 2020s. Fingrid already has the capabilities for it.

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In spring, on the request of the Ministry of Employment and the Economy, Fingrid began developing a solution for electronic information exchange in the markets. The centralised solution, called Datahub, will be realised under a separate subsidiary. The Datahub will facilitate the processing of measurement data, simplify and speed up client agreement events, and enhance the reliability of the service. Data exchange among retail markets is needed in managing the various business processes of the electricity markets.

The European Union's first network code was published in August, with the entry into force of the Capacity Allocation and Congestion Management (CACM) network code. The entry into force of network codes is a major step towards creating an internal European electricity market, as it lays the foundation for establishing common ground rules for promoting effective electricity markets in Europe. The main players drawing up the network codes are the European Commission, European transmission system operators and energy sector control authorities. Fingrid actively participates in this work via ENTSO-E, the European Network of Transmission System Operators for Electricity.

The Finnish, Norwegian and Swedish TSOs continued with the switchover to shared Nordic balance settlement. The jointly owned company eSett Oy, which Fingrid owns one third of, aims to start up operations in October 2016.

Electricity market	Jan-Dec/15	Jan-Dec/14	Oct-Dec/15	Oct-Dec/14
Nord Pool system price, average €/MWh	20.98	29.61	21.92	30.73
Area price Finland, average €/MWh	29.66	36.02	30.59	36.44
Congestion income between Finland and Sweden, € million*	173.5	97.7	44.1	26.3
Congestion hours between Finland and Sweden %**	47.1	46.1	47.4	41.6
Congestion income between Finland and Estonia, € million*	8.4	4.8	1.6	1.0
Congestion hours between Finland and Estonia %	12.0	9.3	9.1	6.4

* The congestion income between Finland and Sweden and between Finland and Estonia is divided equally between the relevant TSOs. The income and costs of the transmission connections are presented in the tables under 'Financial result'. Congestion income is used for investments aimed at eliminating the cause of congestion.

** The calculation of a congestion hour between Finland and Sweden refers to an hour during which Finland's day-ahead area price differs from both Sweden's SE1 and its SE3 area prices.

At the start of the year, Fingrid launched an investigative project to determine a future electricity market information exchange solution for at least ten years. The investigation includes an assessment of the current information exchange situation and future needs. Factors relating to the selection of a solution were examined in September in a discussion event attended by over 120 information exchange specialists. As the result of its investigative work, Fingrid will present Datahub as the electricity market information exchange solution for the future. The final decision on the implementation of Datahub will be made by the Ministry of Employment and the Economy.

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1.1.5 Financing

The company's credit rating remained high, reflecting the company's strong overall financial situation and debt service capacity. The high credit rating and good bank and investor relations enable ready access to the debt capital market and thus minimises the company's debt refinancing risks and financing costs. Interest-bearing borrowings totalled EUR 1,143.4 (1,225.4) million, of which non-current borrowings accounted for EUR 907.2 (962.3) million and current borrowings for EUR 236.2 (263.0) million.

The company's liquidity remained good. Financial and cash assets on 31 December 2015 were EUR 116.9 (179.3) million. The company additionally has an undrawn revolving credit facility of EUR 300 million to secure liquidity and EUR 50 million in uncommitted overdraft facilities.

The counterparty risk arising from currency and interest rate derivative contracts (receivables) was EUR 11 (28) million. Fingrid's foreign exchange and commodity price risks were, as a general rule, fully hedged.

Of the international credit rating agencies, the company's credit rating was updated by Standard & Poor's Rating Services (S&P) and Fitch Ratings. The valid credit ratings are as follows:

- On 9 December 2014, Moody's Investors Service (Moody's) affirmed the rating 'A1' for Fingrid Oyj's long-term debt and company rating and 'P-1' for its short-term debt and company rating, with a stable outlook.
- On 15 January 2016, Fitch Ratings (Fitch) affirmed the rating 'A+' for Fingrid Oyj's unsecured senior debt, 'A' for its long-term company rating and 'F1' for its short-term company rating, with a stable outlook.
- On 26 October 2015, S&P affirmed the rating 'A+' for Fingrid Oyj's unsecured senior debt and long-term company rating and 'A-1' for its short-term company rating. S&P updated Fingrid's outlook to positive.

The company signed a five year revolving credit facility agreement of EUR 300 million on 11 December 2015. The facility has two one-year extension options. The revolving credit facility agreement replaces the EUR 250 million revolving credit facility signed in 2011.

In 2015, the company issued a three year SEK 1,000 million floating rate bond to refinance its current loans. The exchange rate risk and interest rate risk of the SEK-denominated bond are fully hedged.

1.1.6 Share capital and shareholders

The company's share capital is EUR 55,922,485.55. Fingrid shares 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 voting and dividend rights 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 company's website.

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LocalTapiola General Mutual Insurance Company and LocalTapiola Mutual Life Insurance Company sold their Fingrid shares to the State Pension Fund. The transaction was finalised on 9 April 2015.

In a share transaction completed on 7 May 2015, the Finnish State transferred a total of 443 of its Fingrid shares to the National Emergency Supply Agency. The State's total ownership in the company was thus not changed.

In an arrangement completed on 1 July 2015, Pohjola Insurance Ltd transferred a total of 149 of its Fingrid Series B Shares to Aino Holdingyhtiö Ky. Also on 1 July 2015, the State Pension Fund sold altogether 181 of its Fingrid Series B Shares to Aino Holdingyhtiö Ky.

In an arrangement completed on 25 September 2015, the State Pension Fund and Elo Mutual Pension Insurance Company invested the majority of their Fingrid Series B shares in Aino Holdingyhtiö Ky.

Aino Holdingyhtiö Ky is owned by OP Insurance and pension entities (Pohjola Insurance Ltd, OP Life Assurance Ltd., OP Pension Fund and OP Pension Foundation), the State Pension Fund and Elo Mutual Pension Insurance Company.

Share transfers

In a transaction completed on 17 June 2015, Fingrid Oyj sold its shares in Porvoon Alueverkko Oy to Porvoon Sähköverkko Oy, which is part of the Porvoon Energia Oy - Borgå Energi Ab Group. The transaction covered Fingrid's entire ownership in the company, i.e. 1/3 of all of Porvoon Alueverkko Oy's shares and votes. The transaction did not have a significant financial impact.

1.1.7 Personnel and remuneration systems

Fingrid Oyj employed 315 (313) persons, including temporary employees, at the end of the year. The number of permanent personnel was 282 (282).

Of the personnel employed by the company, 24.4 (23.0) per cent were women and 75.6 (77.0) per cent were men. The average age of the personnel was 44 (44).

During 2015, personnel received a total of 11,794 (9,797) hours of training, with an average of 37.4 (31.3) hours per person. Employee absences due to illness accounted for 2 (2) per cent of the total working hours. In addition to a compensation system that is based on the requirements of each position, Fingrid applies incentive bonus schemes.

1.1.8 Board of Directors and corporate management

Fingrid Oyj's Annual General Meeting was held in Helsinki on 14 April 2015. Helena Walldén, M.Sc. (Tech.) was elected Chair of the Board. Juha Majanen, Budget Counsellor and Head of the Fiscal Policy Unit of the Ministry of Finance, was elected Vice Chairman. Other members elected to the

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Board were Juhani Järvi (M.Sc. Finance.), Aalto University Professor Sanna Syri, and Esko Torsti, Head of Non-Listed Investments, Ilmarinen Mutual Pension Insurance Company.

The Board members until 14 April 2015 were Helena Walldén, Juha Majanen, Juhani Järvi, Sirpa Ojala and Esko Torsti.

PricewaterhouseCoopers Oy was elected as the auditor of the company, with Jouko Malinen serving as the responsible auditor.

The Board of Directors has two committees: the Audit Committee and the Remuneration Committee. As of 14 April 2015, the Audit Committee consists of Juha Majanen (Chairman), Juhani Järvi and Helena Walldén. The members of the Audit Committee until 14 April 2015 were Juha Majanen (Chairman), Juhani Järvi and Helena Walldén.

As of 14 April 2015, the Remuneration Committee consists of Helena Walldén (Chair), Sanna Syri and Esko Torsti. The members of the Remuneration Committee until 14 April 2015 were Helena Walldén (Chair), Sirpa Ojala and Esko Torsti.

Jukka Ruusunen serves as President & CEO of the company. Fingrid has an executive management group which supports the CEO in the company's management and decision-making.

A corporate governance statement, required by the Finnish Corporate Governance Code, has been provided separately. The statement and other information required by the Code are also available on the company's website at www.fingrid.fi.

1.1.9 Internal control and risk management

Fingrid's internal control is a natural component of the company's operations and deals with all those operating methods and procedures whose objective it is to ensure

- effective and profitable operations that are in line with the company's strategy,
- the reliability and integrity of the company's financial and management information,
- that assets are protected,
- that applicable legislation, guidelines, regulations, agreements and the company's own governance and operating guidelines are complied with, and
- a risk management to a high standard.

Risk management is planned as a whole with the objective of comprehensively identifying, assessing, monitoring and safeguarding the company's operations, the environment, personnel and assets from various threats and risks. Due to the nature of the company's basic mission, risks are also assessed from the perspective of society in general.

Continuity management is a part of risk management. Its objective is to improve the organisation's capacity to prepare and to react in the best possible way should risks occur, and to ensure the continuity of operations in such situations.

Well-functioning internal control is founded on good management, a healthy corporate culture, appropriate procedures and processes, sufficient monitoring procedures, open and transparent distribution of information, continuous monitoring and development of functions and processes and independent verification.

Further information on internal control, risk management, the foremost risks

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and factors of uncertainty is available on the company's website at www.fingrid.fi.

Board of Directors

The company's Board is responsible for organising internal control and risk management, and it improves the principles of internal control and risk management on an annual basis. The Board decides on the company's strategic risks and related management procedures as part of the company's strategy and action plan, and monitors their occurrence. The Board decides on the operating model for the company's internal audit. The Board regularly receives internal audit and financial audit reports, as well as a status update at least once a year on the strategic risks and continuity threats relating to the company's operations and their management and occurrence.

Line management and other organisation

Assisted by the executive management group, the CEO is responsible for executing and steering the company's governance, decision-making procedures, control and risk management, and for the assessment of strategic risks and continuity threats at the company level, and their related risk management.

The heads of functions are responsible for the practical implementation of the governance, decision-making procedures, controls and risk-management for their areas of responsibility, as well as for the reporting of deviations and the sufficiency of more detailed guidelines. Directors appointed in charge of the threats to continuity management are responsible for drawing up and maintaining continuity management plans and guidelines, and for arranging sufficient training and practice.

The CFO is responsible for arranging procedures, controls and monitoring at the company level as required by the harmonised operating methods of internal control and risk management. The company's general counsel is responsible for assuring the legality and regulation compliance of essential contracts and internal guidelines, as well as for the procedures these require. Each Fingrid employee is obligated to identify and report any risks or control deficiencies she or he observes and to carry out the agreed risk management procedures.

Internal auditor and auditor

The Board decides on the operating model for the company's internal audit. The internal audit acts on the basis of plans processed by the Audit Committee and approved by the Board. Audit results are reported to the object of inspection, the CEO, the Audit Committee and the Board. Upon decision of the Board, an internal audit outsourced to an authorised public accounting company acts within the company. From an administrative perspective, the internal audit is subordinate to the company's CEO. The internal audit provides a systematic approach to the assessment and development of the efficacy of the company's risk management, monitoring, management and administrative processes and ensures their sufficiency and functionality as an independent party. The internal audit has the authority to carry out reviews and to access all information that is essential to the audit. The company's internal audit carries out risk-based auditing on the company's various processes.

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An authorised public accounting company selected by the general meeting acts as auditor for the company. The company's financial auditor inspects the accounting, financial statements and financial administration for each financial period and provides the general meeting with reports required by accounting legislation or otherwise stipulated in legislation. The financial auditor reports on his or her work, observations and recommendations for the Board and may also carry out other authorisation-related tasks commissioned by the Board or management.

1.1.10 Foremost risks and uncertainty factors for society and Fingrid

One of the company's biggest business risks and the biggest risk where society is concerned is a major disturbance related to the functioning of the power system. A major disturbance or other electrical system disruption can cause significant financial and physical damage to Fingrid and society in general.

Other major risks for Fingrid and society are a loss of confidence in the electricity market, environmental risks and electricity and occupational health and safety risks.

The risks to Fingrid's operations are risks related to the unfavourable trend in official regulation, capital investments which have become unnecessary - an unexpected increase in costs or reduction in income, financing risks, personnel risks, risks related to ICT and data transfer, asset risks and reputation risks.

Risks to society arising from Fingrid's operations are unsuccessful timing of capital investments and long-term restrictions in transmission capacity.

The most significant of the above-mentioned risks to Fingrid are explored in greater detail in the company's annual report. Fingrid's financing risks are described in more detail in note 35 to the consolidated financial statements (IFRS). No substantial risks were realised in 2015.

1.1.11 Corporate responsibility

Fingrid's strategy and its various perspectives form the starting point also for its corporate responsibility. Key targets have been set by identifying matters that are essential to Fingrid's strategy and the company's basic operations.

Corporate responsibility is managed as an integrated part of Fingrid's management system. Corporate responsibility is a systematic, targeted component of the company's basic operations and annual cycle of management. Corporate responsibility is part of the annual planning of operations and an integral, strategy-based component in assessing development opportunities and risks and devising measures for the subsequent year.

Responsible operations are ensured through shared values and, among other things, Fingrid's Code of Conduct, which is based on the UN Global Compact Initiative. Managers and the entire work community ensure that behaviour is in line with the Code of Conduct. An online induction programme on Fingrid's Code of Conduct was introduced in 2015, as well as an external 'whistleblowing' channel for reporting behaviour that is in violation of the Code of Conduct.

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Responsible behaviour is also promoted throughout the supply chain. Service and goods suppliers must comply with a Supplier Code of Conduct or with their own similar code. Fulfilment of the requirements is monitored on a risk basis. The corporate responsibility standards are also criteria for entry into Fingrid's supplier registers, which are in use for regular substation and power line procurements. In addition, contractual partners are subject to separate contract conditions related to the use of subcontractors and workforce, and to occupational safety and environmental matters. In 2015, audits to ensure the realisation of responsibility requirements were continued on the grid's work sites and in the international operating environment.

In order to ensure transparency and comparability, Fingrid reports on its corporate responsibility in accordance with the international Global Reporting Initiative (GRI) framework. The reporting complies with the G4 core level guidelines of the latest GRI G4 framework. Requirements for corporate responsibility reporting by state-owned companies are also taken into account.

Fingrid continues with the balanced development of responsibility in all its strategic perspectives and processes, ensuring good leadership and management of corporate responsibility issues. The goal remains to encourage the participation of both personnel and the company's other stakeholders in the continuous development of practices and procedures.

1.1.12 Environmental matters

Changes to the landscape, restrictions on land use and ecological impacts caused by power lines, as well as the consumption of natural resources during the building and maintenance of the grid represent Fingrid's key areas of environmental responsibility. Fuel leaks at substations and reserve power plants may have an impact on soil and water in exceptional circumstances.

When designing, building and maintaining power lines, substations and reserve power plants, one of Fingrid's main objectives is to make sure that environmental and land-use issues are taken into account for the long term. Fingrid's principles for reducing its environmental impacts are contained in the company's land use and environmental policy, which can be found on the company website. The environmental impacts of the company's operations are carefully assessed, with special attention paid to managing environmental risks. In 2015, an Environmental Impact Assessment (EIA) was started up on the power lines required for the connection of the Hanhikivi 1 nuclear power plant to the grid, and the EIA procedure for the power line project between Hikiä and Orimattila was concluded. In addition to Fingrid's personnel, the company's contractors and service suppliers participating in grid construction and maintenance are also engaged in environmental sustainability with the help of contractual terms, auditing and environmental training.

Environmental aspects are monitored as part of work site monitoring. During the year under review, the company succeeded in its goal of completing grid investment projects and maintenance without any environmental deviations. In questionnaires of landowners after the completion of power line projects, Fingrid received a general score of good.

Fingrid's reserve power plants are subject to an environmental permit and covered by the EU's emissions trading scheme. A total of 6,697 (10,993) units (tCO₂) of emission allowances were returned, all of which consisted of acquired emission rights units. Fingrid has not been granted free-of-

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charge emission rights for the emissions trade period 2013–2020. No emission rights were purchased in 2015. Emissions trading had minor financial significance for Fingrid.

1.1.13 Legal proceedings and proceedings by authorities

On 19 January 2015, the Energy Authority granted Fingrid a licence to operate the electricity transmission system in the national grid and appointed Fingrid Oyj as the distribution system operator responsible for the transmission grid.

In its verdict on 29 June 2015, the Supreme Administrative Court rejected Fingrid's appeal concerning the Market Court's decision of 21 January 2013. The Market Court had rejected Fingrid's appeal concerning the methods confirmed by the Energy Authority which are applied in determining the grid owner's income from grid operations and payments for transmission service for the 2012–2015 regulatory period. The decision did not have financial impacts on the company.

In its decision of 30 June 2015, the Energy Authority demanded that Fingrid change its decision of 31 March 2015 on the naming of the grid. Fingrid appealed this decision to the Market Court on 24 July 2015. This was the first time a naming decision was made, and it is based on the Electricity Market Act, amended in 2013, according to which Section 31 stipulates that the grid owner must name the transmission lines, electricity substations and other devices which fall under the scope of its grid network for the regulatory period. The Energy Authority's change request concerns the eastern capital city region and the 400 kV Ulvila–Meri–Pori transmission line, which the Energy Authority requests be named to the national grid. Helen Sähköverkot Oy, Vantaan Energian Sähköverkot Oy have also appealed the Energy Authority's decision on the naming of the grid.

The Group is not aware of any other ongoing legal proceedings or proceedings by authorities that would have a significant impact on Fingrid's operations.

1.1.14 Events after the review period and estimate of future outlook

The Energy Authority decided on the regulation methods for electricity grid operations for the regulatory periods 2016–2019 and 2020–2023. The regulation methods entered into force on 1 January 2016 and the appeal period ended on 4 January 2016. Fingrid did not appeal the decision.

On 15 January 2016, the international credit rating agency Fitch Ratings (Fitch) affirmed the rating 'A+' for Fingrid Oyj's unsecured senior debt, 'A' for its long-term company rating and 'F1' for its short-term company rating, with a stable outlook.

On 1 February 2016, Fingrid finalised a competitive tender for rating services. Fingrid continued its rating service agreements with Standard & Poor's Ratings Services and Fitch Ratings, and terminated its rating service agreement with Moody's Investors Service. The ratings service agreement with Moody's Investors Service ended on 1 February 2016.

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On 16 February 2016, Fingrid established Fingrid Datahub Oy. The task of the subsidiary, wholly owned by Fingrid, is to implement an information exchange system for the electricity market in which information between retailers and grid companies is centralised in one service.

Fingrid Group's profit for the 2016 financial period, excluding changes in the fair value of derivatives and before taxes, is expected to decline clearly from the previous year. Grid service pricing for 2016 is set in such a way as to balance out the surplus that was generated in the previous regulatory period with a corresponding deficit. Due to a regulatory amendment, the company has changed the manner in which it recognises congestion income. Congestion income received by Fingrid will, in future, be entered directly in the company's balance sheet as accruals and will be recognised when their corresponding costs accrue as annual expenses or are entered against completed capital expenditure.

Results forecasts for the full financial year are complicated especially by the uncertainty related to grid income, ITC income and cross-border transmission income, and to reserve and loss energy costs. These are particularly dependent on temperature variations and precipitation and changes in water levels in the Nordic countries, which affect electricity consumption and electricity prices in Finland and its nearby areas, and thereby also the volume of electricity transmission in the grid. The company's debt service capacity is expected to remain stable.

1.1.15 Board of Directors' proposal for the distribution of profit

Fingrid updated its dividend policy in 2014. The guiding principle for Fingrid's dividend policy is to distribute substantially all of the parent company profit as dividend. When making the decision, however, the economic conditions, the company's near term investment and development needs as well as any prevailing financial targets of the company are always taken into account.

Fingrid Oyj's distributable funds in the financial statements total EUR 162,087,956.09. Since the close of the financial year, there have been no material changes in the company's financial position and, in the Board of Directors' view, the proposed dividend distribution does not threaten the company's solvency.

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

- a dividend of EUR33,686.24 per share be paid for Series A shares and EUR16,038.49 per share be paid for Series B shares, for a total of EUR 90,000,003.75.

- EUR 72,087,952.34 be retained in unrestricted equity.

Annual General Meeting 2016

Fingrid Oyj's Annual General Meeting is preliminarily scheduled for 6 April 2016 in Helsinki.

Helsinki, 19 February, 2016
Fingrid Oyj
Board of Directors

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CONSOLIDATED KEY FIGURES

		2015 IFRS	2014 IFRS	2013 IFRS	2012 IFRS	2011 IFRS
Extent of operations						
Turnover	MEUR	600.2	567.2	543.1	522.1	438.5
Capital expenditure, gross	MEUR	147.5	129.5	225.3	139.0	244.4
- % of turnover	%	24.6	22.8	41.5	26.6	55.7
Research and development expenses	MEUR	1.8	1.7	1.8	1.5	1.8
- % of turnover	%	0.3	0.3	0.3	0.3	0.4
Personnel, average		319	305	277	269	263
Personnel at the end of period		315	313	287	275	266
Salaries and remunerations total	MEUR	21.3	20.5	19.0	18.2	17.2
Profitability						
Operating profit	MEUR	162.6	142.8	115.3	94.6	56.5
- % of turnover	%	27.1	25.2	21.2	18.1	12.9
Profit before taxes	MEUR	129.3	132.9	87.3	88.3	34.2
- % of turnover	%	21.5	23.4	16.1	16.9	7.8
Return on investments (ROI)	%	8.7	7.6	6.3	5.6	3.6
Return on equity (ROE)	%	15.0	16.3	15.0	12.4	6.5
Financing and financial position						
Equity ratio	%	33.5	31.0	29.5	27.3	25.7
Interest-bearing net borrowings	MEUR	1,026.6	1,046.1	1,076.7	1,030.3	1,020.2
Share-specific key figures						
Profit/share	€	31,150.8	32,027.9	27,277.9	20,159.2	9,924.1
Dividend/A shares	€	33,686.24*	21,655.44	29,788.26	5,115.89	3,962.52
Dividend/B shares	€	16,038.49*	16,038.49	16,038.50	2,018.26	2,018.26
Dividend payout ratio A shares	%	108.1	67.6	109.2	25.4	39.9
Dividend payout ratio series B shares	%	51.5	50.1	58.8	10.0	20.3
Equity/share	€	213,822	200,568	193,293	171,365	152,573
Number of shares at 31 Dec						
– Series A shares	shares	2,078	2,078	2,078	2,078	2,078
– Series B shares	shares	1,247	1,247	1,247	1,247	1,247
Total	shares	3,325	3,325	3,325	3,325	3,325

* The Board of Directors proposal to the Annual General Meeting

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CALCULATION OF KEY FIGURES

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

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2 FINANCIAL STATEMENTS

2.1 Consolidated financial statements (IFRS)

2.1.1 Income statement

CONSOLIDATED STATEMENT OF COMPRE- HENSIVE INCOME		1 Jan - 31 Dec, 2015	1 Jan - 31 Dec, 2014
	Notes	€ 1000	€ 1000
TURNOVER	2	600,224	567,155
Other operating income	3	5,199	4,619
Raw materials and consumables used	4	-240,643	-264,304
Employee benefits expenses	5	-25,804	-24,993
Depreciation	6	-94,119	-91,511
Other operating expenses	7,8,9	-82,288	-48,149
OPERATING PROFIT		162,570	142,817
Finance income	10	706	1,172
Finance costs	10	-34,401	-11,910
Finance income and costs		-33,695	-10,738
Share of profit of associated companies		447	854
PROFIT BEFORE TAXES		129,321	132,934
Income taxes	11	-25,745	-26,441
PROFIT FOR THE FINANCIAL YEAR		103,576	106,493
OTHER COMPREHENSIVE INCOME			
Items that may subsequently be transferred to profit or loss			
Cash flow hedges	12	5,785	
Translation reserve	12	-309	-419
Available-for-sale financial assets	12	18	16
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		109,070	106,090
Profit attributable to:			
Equity holders of parent company		103,576	106,493
Total comprehensive income attributable to:			
Equity holders of parent company		109,070	106,090
Earnings per share, €	13	31,151	32,028
Earnings per share for profit attributable to the equity holders of the parent company:			
Undiluted earnings per share, €	13	31,151	32,028
Diluted earnings per share, €	13	31,151	32,028

Income tax related to other comprehensive income is presented in note 12.
Notes are an integral part of the financial statements.

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2.1.2 Consolidated balance sheet

ASSETS		31 Dec 2015	31 Dec 2014
	Notes	€ 1 000	€ 1 000
NON-CURRENT ASSETS			
Intangible assets:			
Goodwill	15	87,920	87,920
Other intangible assets	16	95,428	95,016
		183,348	182,937
Property, plant and equipment:	17		
Land and water areas		15,349	14,974
Buildings and structures		167,280	156,541
Machinery and equipment		567,627	576,891
Transmission lines		789,614	798,120
Other property, plant and equipment		7,548	7,906
Prepayments and purchases in progress		129,566	86,023
		1,676,984	1,640,454
Investments:	18		
Equity investments in associated companies		9,888	10,515
Available-for-sale investments		284	262
		10,173	10,777
Receivables:			
Derivative instruments	30	32,148	42,063
Deferred tax assets	27	16,479	10,674
Loan receivables from associated companies	20	2,500	1,600
Other receivables	20		991
		51,127	55,328
TOTAL NON-CURRENT ASSETS		1,921,632	1,889,496
CURRENT ASSETS			
Inventories	19	12,665	12,843
Derivative instruments	30	3,353	11,208
Trade receivables and other receivables	21	69,909	57,699
Financial assets recognised in the income statement at fair value	22	93,451	116,694
Cash in hand and cash equivalents	23	23,403	62,566
TOTAL CURRENT ASSETS		202,782	261,010
TOTAL ASSETS		2,124,414	2,150,507

Notes are an integral part of the financial statements.

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CONSOLIDATED BALANCE SHEET

EQUITY AND LIABILITIES		31 Dec 2015	31 Dec 2014
	Notes	€ 1 000	€ 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	-5,740	-11,543
Translation reserve	26	-731	-422
Retained earnings	26	605,585	567,009
TOTAL EQUITY		710,960	666,889
NON-CURRENT LIABILITIES			
Deferred tax liabilities	27	125,240	123,048
Borrowings	28	907,232	962,324
Provisions	29	1,668	1,685
Derivative instruments	30	46,952	44,974
		1,081,092	1,132,032
CURRENT LIABILITIES			
Borrowings	28	236,217	263,033
Derivative instruments	30	30,331	16,968
Trade payables and other liabilities	31	65,815	71,585
		332,363	351,586
TOTAL LIABILITIES		1,413,455	1,483,617
TOTAL EQUITY AND LIABILITIES		2,124,414	2,150,507

Notes are an integral part of the financial statements.

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2.1.3 Consolidated statement of changes in equity

Attributable to equity holders of the parent company, € 1,000

	Notes	Share capital	Share premium account	Revaluation reserves	Translation reserve	Retained earnings	Total capital equity
Balance on 1 Jan 2014		55,922	55,922	-11,559	-3	542,416	642,699
Comprehensive income							
Profit or loss	26					106,493	106,493
Other comprehensive income							
Translation reserve	12				-419		-419
Items related to long-term asset items available-for-sale	12			16			16
Total other comprehensive income adjusted by tax effects				16	-419		-403
Total comprehensive income				16	-419	106,493	106,090
Transactions with owners							
Dividend relating to 2013	26					-81,900	-81,900
Balance on 31 Dec 2015		55,922	55,922	-11,543	-422	567,009	666,889
Balance on 1 Jan 2015		55,922	55,922	-11,543	-422	567,009	666,889
Comprehensive income							
Profit or loss	26					103,576	103,576
Other comprehensive income							
Cash flow hedges	12			5,785			5,785
Translation reserve	12				-309		-309
Items related to long-term asset items available-for-sale	12			18			18
Total other comprehensive income adjusted by tax effects				5,803	-309		5,494
Total comprehensive income				5,803	-309	103,576	109,070
Transactions with owners							
Dividend relating to 2014	26					-65,000	-65,000
Balance on 31 Dec 2015		55,922	55,922	-5,740	-731	605,585	710,960

Notes are an integral part of the financial statements.

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2.1.4 Consolidated cash flow statement

CONSOLIDATED CASH FLOW STATE- MENT	Notes	1 Jan - 31 Dec, 2015	1 Jan - 31 Dec, 2014
		€ 1,000	€ 1,000
Cash flow from operating activities:			
Profit for the financial year	26	103,576	106,493
Adjustments:			
Business transactions not involving a payment transaction	36	115,978	83,495
Interest and other finance costs		34,401	11,910
Interest income		-701	-1,163
Dividend income		-5	-9
Taxes		25,745	26,441
Financial assets recognised in the income statement at fair value		-233	-192
Changes in working capital:			
Change in trade receivables and other receivables		-11,517	19,605
Change in inventories		178	-1,446
Change in trade payables and other liabilities		-8,332	974
Change in provisions	29	-18	-50
Interests paid		-23,734	-21,687
Interests received		821	1,225
Taxes paid	11	-20,470	-19,677
Net cash flow from operating activities		215,690	205,919
Cash flow from investing activities:			
Purchase of property, plant and equipment	17	-150,449	-124,479
Purchase of intangible assets	16	-3,421	-5,377
Purchase of other assets			
Proceeds from sale of other assets	18	500	57
Proceeds from sale of property, plant and equipment	17	5,066	1,389
Loans granted		-900	-1,600
Dividends received	10.18	556	346
Contributions received		15,000	19,935
Interests paid	10	-1,690	-1,326
Net cash flow from investing activities		-135,339	-111,055
Cash flow from financing activities:			
Proceeds from non-current financing (liabilities)		107,424	110,000
Payments of non-current financing (liabilities)		-104,220	-103,003
Change in current financing (liabilities)		-80,961	-58,012
Dividends paid	26	-65,000	-81,900
Net cash flow from financing activities		-142,757	-132,915
Change in current financing (liabilities)		-62,406	-38,051
Cash and cash equivalents 1 Jan		179,261	217,311
Cash and cash equivalents 31 Dec	22, 23	116,855	179,261

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2.1.5 Notes to the consolidated financial statements

1. ACCOUNTING PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS

Fingrid Oyj is a Finnish public limited liability company incorporated under the Finnish Companies Act. 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 the address P.O. Box 530 (Läkkisepäntie 21, 00620, Helsinki), 00101 Helsinki.

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

The amounts in the financial statements are expressed in thousands of euros and are 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 18 February 2016. In accordance with the Finnish Companies Act, the shareholders have the 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 market parties on a nationwide 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 to Estonia and Russia.

The consolidated financial statements include the parent company Fingrid Oyj and its wholly owned subsidiary Finextra Oy. The consolidated associated companies are Nord Pool Spot AS (ownership 18.8%) and eSett Oy (ownership 33.3%). 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 using the purchase method of accounting. The associated companies are consolidated using the equity method of accounting. The share corresponding to the Group's ownership interest is eliminated from the 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.

Segment reporting

The entire business of the Fingrid Group is deemed to comprise grid operations 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. For that reason, segment reporting in accordance with the IFRS 8 standard is not presented.

The operating segment is reported in a manner consistent with the internal reporting to the chief operating decision-maker. The chief operating decision-maker is the company's Board of Directors.

Revenue 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, etc., are deducted from the sales income when calculating turnover.

Public contributions

Public contributions received from the EU or other parties related to property, plant and equipment are deducted from the acquisition cost of the item, and the contributions consequently reduce the depreciation made on the item. Other contributions are distributed as income over those periods when costs linked with the contributions arise. Other contributions received are presented in other operating income.

Pension schemes

The Group currently has contribution-based pension schemes only. The pension security of the Group's personnel is arranged by an external pension insurance company. Pension premiums paid for contribution-based schemes are recognised as an expense in 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.

Research and development

Research and development by the Group aims to intensify intra-company operations. No new or separately sold services or products are created as a result of R&D. R&D costs are recognised in the income statement as an expense in the accounting year in which they arise.

Lease agreements

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

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Foreign currency transactions

The consolidated financial statements are presented in euros, which is the functional currency of the parent company. Transactions and financial items denominated in foreign currencies are recognised at the foreign exchange mid-rate quoted by the European Central Bank (ECB) at the transaction date. Receivables and liabilities denominated in foreign currencies are valued in the financial statements at the mid-rate quoted by the ECB at the closing date. Foreign exchange gains and losses from business are included in the corresponding items above operating profit. Foreign exchange gains and losses from financial instruments are recognised 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 closing rate 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 recognises deferred tax assets as non-current receivables and deferred tax liabilities as non-current liabilities.

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

The largest temporary differences result from the depreciation of property, plant and equipment and from financial instruments. No deferred tax is recognised on 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. The deferred tax asset from temporary differences is recognised up to an amount which can likely be utilised against future taxable income.

Earnings per share

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

Since Fingrid has no share option schemes or benefits bound to shareholders' equity or other equity financial instruments, there is no dilutive effect.

Goodwill and other intangible assets

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

Other intangible assets consist of computer software and land use rights. Computer software is valued at its original acquisition cost and depreciated on a straight line basis during its estimated useful life. Land use rights, which have an indefinite useful life, are not depreciated but are tested annually for impairment.

The depreciation periods of intangible assets are as follows:
Computer software 3 years

Subsequent expenses relating to intangible assets are only capitalised if their economic benefits to the company increase beyond the former performance level. In other cases, expenses are recognised in the income statement when they are incurred.

Emission rights

Emission rights acquired free of charge are recognised in intangible assets at their nominal value, and purchased emission rights at their acquisition cost. A liability is recognised for emission rights to be returned. If the Group has sufficient 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 value of the emission rights in question. No depreciation is recognised on 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 recognised in the income statement under the expense item 'Materials and services'.

Capital gains from emissions rights are recognised 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 valued in the balance sheet at the original acquisition cost less accumulated depreciation and potential impairment. If an asset is made up of several parts with useful lives of different lengths, the parts are treated as separate items.

When a part of property, plant and equipment that is treated as a separate item is replaced, the costs relating to the new part are capitalised. Other subsequent costs are capitalised only if it is likely that the future economic 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 when they are incurred.

Borrowing costs, such as interest costs and arrangement fees, directly linked with the acquisition, construction or manufacture of a qualifying asset form part of the acquisition cost of the asset item in question. A qualifying commodity is one that necessarily requires a considerably

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long time to be made ready for its intended purpose. Other borrowing costs are recognised as an expense. Borrowing costs included in the acquisition cost are calculated on the basis of the average borrowing cost of the Group.

Property, plant and equipment is depreciated over the useful life of the item using the straight-line method. Depreciation on property, plant and equipment taken into use during the financial year is calculated on an item-by-item basis 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	20–40 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 costs	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 recognised 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 impairment loss is recognised if the carrying amount of the asset or of a cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in the income statement.

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 proportionally reduce 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 cash-generating unit in question 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 to define 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 on it in the previous years. An impairment loss recognised on goodwill is not reversed.

Available-for-sale investments

Available-for-sale investments are non-current assets unless executive management intends to sell them within 12 months from the closing date. Publicly quoted shares are classified as available-for-sale investments and recognised at fair value, which is the market value at the closing date. Changes in fair value are recognised directly in shareholders' equity until the investment is sold or otherwise disposed of, at which time the changes in fair value are recognised in the income statement.

Inventories

Inventories are measured at the lower of 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 and other receivables

Loans and other receivables are recognised initially at fair value. The amount of doubtful receivables is estimated based on the risks of individual items. An impairment loss is recorded on receivables 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 be subject to other financial rearrangements, and payments overdue by more than 90 days). Impairment losses are recognised directly, under other operating expenses, to reduce the carrying amount of the receivables.

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Derivative instruments

Trading derivatives are classified as held-for-trading derivative assets or liabilities. Derivatives are initially recognised at fair value according to the date the derivative contract is entered into, and are subsequently re-measured at 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 the Corporate Finance and Financing principles and the loss energy hedging policy.

Electricity derivatives

The company enters into electricity derivative contracts in order to hedge the price risk of electricity purchases in accordance with the loss energy forecast, in compliance with the Corporate Finance and Financing Principles approved by the Board of Directors. Fingrid discontinued hedge accounting for electricity derivatives at the beginning of 2014. As a result, the entire change in the fair value of electricity derivatives was recorded and will continue to be recorded in the income statement. The hedge fund in the balance sheet will be dismantled in the income statement during 2015 and 2016 in fixed instalments such that it decreases the result by EUR 11.6 million.

Interest and currency derivatives

The company enters into derivative contracts in order to hedge financial risks (interest rate and foreign exchange exposure) in compliance with the Corporate Finance and Financing Principles approved by the Board of Directors. Fingrid does not apply hedge accounting to these derivatives. A derivative asset or liability is recognised at its original fair value. Derivatives are measured at fair value at the closing date, and the change in fair value is recognised in the income statement under 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 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 using generally accepted option pricing models in the market.

Held-for-trading financial assets

Financial securities are classified as financial assets held for trading. The category includes money market securities and current investments in short-term fixed income funds. Financial securities are recognised in the balance sheet at fair value at the settlement date. Subsequently, the financial assets are measured in the financial statements at fair value, and the change in their fair value is recognised in the income statement under 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 at most 12 months, and investments in short-term fixed income funds.

Financial assets 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. 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 are initially recognised at fair value net of the transaction costs incurred. Transaction costs consist of bond prices above or below par value, arrangement fees, commissions and administrative fees. Borrowings are subsequently measured at amortised cost; any difference between the loan amount and the amount to be repaid is recognised in the income statement over the loan period 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 the 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 the risks pertaining to the obligation.

Fingrid uses creosote-impregnated and CCA-impregnated wooden towers and cable trench covers. Decree YMA 1129/2001 by the Finnish Ministry of the Environment categorises decommissioned impregnated wood as hazardous waste. A provision on the costs arising from the disposal obligation in future decades was recognised in 2004.

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.

Critical accounting estimates and judgements

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 under the conditions which constitute the foundation for the estimates of the items recognised 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 and provisions.

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Estimate of the purchase and sale of imbalance power

The income and expenses of imbalance power are ascertained through a nationwide imbalance settlement procedure, which is based on the Ministry of Employment and Economy's 9 December 2008 decree on the disclosure obligation related to the settlement of electricity delivery.

The final imbalance settlement is completed no later than two months from the delivery month, which is why the income and expenses of imbalance power in the financial statements are partly based on preliminary imbalance settlement. The preliminary settlement has been made separately for consumption, production and foreign balances. For the two first balances, the volume of unsettled imbalance power has been estimated using reference group calculations. For foreign balances, the calculations have been verified with the foreign counterparties.

Inter-Transmission System Operator Compensation (ITC)

Compensation for the transit transmissions of electricity has been agreed upon through an ITC (Inter-Transmission System Operator Compensation) agreement. The centralised calculations are carried out by ENTSO-E (the European Network of Transmission System Operators of Electricity). ITC compensation is determined on the basis of the compensation paid for use of the grid and transmission losses. The ITC calculations take into account the electricity transmissions between the various ITC agreement countries. ITC compensation can represent both an income and a cost for a transmission system operator. Fingrid's share of the ITC compensation is determined on the basis of the cross-border electricity transmissions and imputed grid losses. ITC compensation is invoiced retroactively after all parties to the ITC agreement have approved the invoiced sums. Control is carried out monthly. This is why the uninvoiced ITC compensations for 2015 have been estimated in the financial statements. The estimate has been made using actual energy border transmissions in Finland and unit compensations, which have been estimated by analysing the actual figures from previous months and data on grid transmissions during these months.

Estimated impairment of goodwill

Goodwill is tested annually for potential impairment, in accordance with the accounting principles stated in note 15.

Application of new or revised IFRS standards and IFRIC interpretations

In preparing these consolidated financial statements, the Group has followed the same standards as in 2014.

Future application of new and amended standards and interpretations

The IASB has published the following new and amended standards and interpretations, which the company has not yet applied. The company will begin applying the standard and interpretation from the date of its entry into force or, if the date of entry into force does not fall on the first day of the financial period, from the start of the financial period after its entry into force.

IFRS 9 Financial Instruments, including amendments.*

The new standard replaces the current IAS 39 standard 'Financial Instruments: Recognition and Measurement'. IFRS 9 amends the classification and measurement of financial assets, and contains a new 'expected loss' impairment model. The classification and measurement of financial liabilities corresponds, for the most part, to the current requirements of IAS 39. Where hedge accounting is concerned, there are still three types of hedging relationships. With the amendment, more risk positions are eligible for hedge accounting, and the hedge accounting principles have been better aligned with risk management. The Group is currently examining the possible impacts of the standard.

IFRS 15 Revenue from Contracts with Customers*

The new standard includes a five-step model for recognising revenue received on the basis of customer contracts and replaces the current IAS 18 and IAS 11 standards and their related interpretations. Revenue is recognised as control is passed, either over time or at a certain point in time. The standard also increases the number of notes to be presented. The Group is currently examining the possible impacts of the standard.

Annual improvements to IFRS standards, cycle 2012–2014

The changes are not significant and they do not have an impact on the Group's financial statements.

Other standards that have not yet entered into force are not expected to have a material impact on current or future reporting periods or on expected transactions.

*not yet endorsed by the EU

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2. INFORMATION ON TURNOVER AND SEGMENTS

TURNOVER, € 1 000	2015	2014
Grid service revenue	333,005	326,327
Sales of imbalance power	137,127	150,734
Cross-border transmission	11,174	9,401
ITC income	15,298	12,157
Peak load capacity	7,585	8,009
Estlink congestion income	4,180	2,388
Nordic congestion income	86,762	48,857
Other operating income	5,093	9,282
Total	600,224	567,155

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, grid usage fee, connection point fee and market border fee for the grid service. The contractual 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 with 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 contractual terms are equal and public.

Each electricity market party must ensure its electricity balance by making an agreement with either Fingrid or some other party. Fingrid buys and sells imbalance power in order to stabilise the hourly power balance of an electricity market party (balance provider). Imbalance power trade and pricing 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 on 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.

Congestion income is revenues that the transmission system operator receives from market parties 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 share of Nordic congestion income.

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

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

Information on segments is not presented, because the entire business of the Fingrid Group is deemed to comprise grid operations in Finland with system responsibility, only constituting a single segment. There are no material differences in the risks and profitability of individual products and services.

3. OTHER OPERATING INCOME, €1,000	2015	2014
Rental income	1,196	1,267
Capital gains on fixed assets	2,265	1,048
Contributions received	199	200
Other income	1,539	2,105
Total	5,199	4,619

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4. MATERIALS AND SERVICES, €1,000	2015	2014
Purchases during financial year	222,773	244,132
Change in inventories, increase (-) or decrease (+)	178	-1,446
Materials and consumables	222,951	242,687
External services	17,691	21,618
Total	240,643	264,304

5. EMPLOYEE BENEFITS EXPENSES, €1,000	2015	2014
Salaries and bonuses	21,320	20,460
Pension expenses - contribution-based schemes	3,518	3,462
Other additional personnel expenses	967	1,071
Total	25,804	24,993

Salaries and bonuses of top management (note 37)	1,472	1,438
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In 2015, the Group applied a remuneration system whose general principles were accepted by the Board of Directors of Fingrid Oyj on 17 December 2014. The total remuneration of the members of the executive management group consists of a fixed total salary, a one-year bonus scheme, and a three-year long-term incentive scheme. The maximum amount of the one-year bonus scheme payable to the CEO is 25 per cent of the annual salary and to the other members of the executive management group 20 per cent of the annual salary. The maximum amount of the annual long-term incentive scheme payable to the CEO is 35 per cent and to the other members of the executive management group 25 per cent.

Number of salaried employees in the company during the financial year:	2015	2014
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Personnel, average	319	305
Personnel, 31 Dec	315	313

6. DEPRECIATION, €1,000	2015	2014
Intangible assets	1,441	1,580
Buildings and structures	7,307	6,659
Machinery and equipment	47,765	45,737
Transmission lines	36,448	36,408
Other property, plant and equipment	1,158	1,128
Total	94,119	91,511

7. OTHER OPERATING EXPENSES, €1,000	2015	2014
Contracts, assignments etc. undertaken externally	45,757	45,746
Gains/losses from measuring electricity derivatives at fair value	24,127	-6,044
Rental expenses	2,727	2,598

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Foreign exchange gains and losses	114	-103
Other expenses	9,563	5,951
Total	82,288	48,149

8. AUDITORS' FEES, €1,000	2015	2014
Auditing fee	45	50
Other fees	74	150
Total	119	200

9. RESEARCH AND DEVELOPMENT, €1,000	2015	2014
Research and development expenses	1,817	1,728
Total	1,817	1,728

10. FINANCE INCOME AND COSTS, €1,000	2015	2014
Interest income on held-for-trading financial assets	449	859
Interest income on cash and cash equivalents and bank deposits	174	176
Net foreign exchange gains and losses	77	
Dividend income	5	9
	706	1,044
Interest expenses on borrowings	-29,650	-33,371
Net interest expenses on interest rate and foreign exchange derivatives	8,250	10,508
Gains from measuring derivative contracts at fair value	3,749	13,784
Losses from measuring derivative contracts at fair value	-17,025	-2,870
Net foreign exchange gains and losses		128
Other finance costs	-1,416	-1,286
	-36,092	-13,108
Capitalised finance costs, borrowing costs; at a capitalisation rate of 2 % (note 17)	1,690	1,326
Total	-33,695	-10,738

11. INCOME TAXES, €1,000	2015	2014
Direct taxes	30,807	20,203
Change in deferred taxes (note 27)	-5,062	6,238
Total	25,745	26,441
Reconciliation of income tax:		
Profit before taxes	129,321	132,934

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Tax calculated in accordance with the statutory tax rate in Finland 20.0%	25,864	26,587
Non-deductible expenses and tax-free income	-120	-146
Income taxes in the Consolidated Income Statement	25,745	26,441

The company will pay its income taxes in accordance with the underlying tax rate, with no tax planning.

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

	2015			2014		
	Before taxes	Tax impact	After taxes	Before taxes	Tax impact	After taxes
Cashflow hedges	7,232	-1,446	5,785			
Translation reserve	-309		-309	-419		-419
Items related to long-term asset items available-for-sale	26	-8	18	20	-4	16
Total	6,949	-1,455	5,494	-399	-4	-403

13. EARNINGS PER SHARE

	2015	2014
Profit for the financial year, €1,000	103,576	106,493
Weighted average number of shares, qty	3,325	3,325
Undiluted earnings per share, €	31,151	32,028
Diluted earnings per share, €	31,151	32,028

14. DIVIDEND PER SHARE

Since the closing date, the Board of Directors has proposed that a dividend of EUR 33,686.24 for Series A shares and EUR 16,038.49 for Series B shares be distributed per share (2014: EUR21,655.4 for Series A shares; EUR16,038.5 for Series B shares), totalling EUR 90 (2014: 65.0) million.

15. GOODWILL, €1,000

	2015	2014
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 is grid operations in Finland with system responsibility, which the full goodwill of the Group is comprised of.

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 financial estimates derived from the company's ten-year strategy. The cash flows used in impairment testing are based on income and expenses from business operations and investments made according to the capital expenditure programme. The estimated cash flows cover the subsequent five-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 (4.0) per cent. The change in the discount rate is due to changes in the parameters of the weighted average cost of capital (WACC) model used to calculate a reasonable return. In management's view, reasonable changes in the primary assumptions used in the calculations will not lead to a need for recording impairment losses.

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16. INTANGIBLE ASSETS, €1,000	2015	2014
Land use rights		
Cost at 1 Jan	91,920	89,802
Increases 1 Jan - 31 Dec	2,758	2,155
Decreases 1 Jan - 31 Dec	-1,929	-37
Cost at 31 Dec	92,749	91,920
Carrying amount 31 Dec	92,749	91,920
Other intangible assets		
Cost at 1 Jan	29,829	28,102
Increases 1 Jan - 31 Dec	1,118	1,727
Decreases 1 Jan - 31 Dec	-95	
Cost at 31 Dec	30,853	29,829
Accumulated depreciation according to plan 1 Jan	-26,732	-25,153
Depreciation according to plan 1 Jan - 31 Dec	-1,441	-1,580
Carrying amount 31 Dec	2,680	3,097
Carrying amount 31 Dec	95,428	95,016

Land use rights are tested annually for impairment in connection with the testing of goodwill. No need for impairment has been noted as a result of the testing.

17. PROPERTY, PLANT AND EQUIPMENT, €1,000	2015	2014
Land and water areas		
Cost at 1 Jan	14,974	14,224
Increases 1 Jan - 31 Dec	442	750
Decreases 1 Jan - 31 Dec	-67	
Cost at 31 Dec	15,349	14,974
Carrying amount 31 Dec	15,349	14,974
Buildings and structures		
Cost at 1 Jan	202,370	181,231
Increases 1 Jan - 31 Dec	18,214	21,139
Decreases 1 Jan - 31 Dec	-227	
Cost at 31 Dec	220,357	202,370
Accumulated depreciation according to plan 1 Jan	-45,829	-39,169
Decreases, depreciation according to plan 1 Jan - 31 Dec	59	
Depreciation according to plan 1 Jan - 31 Dec	-7,307	-6,659
Carrying amount 31 Dec	167,280	156,541
Machinery and equipment		
Cost at 1 Jan	1,015,283	974,980
Increases 1 Jan - 31 Dec	38,826	40,316
Decreases 1 Jan - 31 Dec	-630	-13
Cost at 31 Dec	1,053,479	1,015,283
Accumulated depreciation according to plan 1 Jan	-438,393	-392,663

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Decreases, depreciation according to plan 1 Jan - 31 Dec	306	8
Depreciation according to plan 1 Jan - 31 Dec	-47,765	-45,737
Carrying amount 31 Dec	567,627	576,891
Transmission lines		
Cost at 1 Jan	1,213,542	1,167,798
Increases 1 Jan - 31 Dec	30,003	46,437
Decreases 1 Jan - 31 Dec	-5,283	-693
Cost at 31 Dec	1,238,261	1,213,542
Accumulated depreciation according to plan 1 Jan	-415,422	-379,409
Decreases, depreciation according to plan 1 Jan - 31 Dec	3,223	394
Depreciation according to plan 1 Jan - 31 Dec	-36,448	-36,408
Carrying amount 31 Dec	789,614	798,120
Other property, plant and equipment		
Cost at 1 Jan	22,232	21,948
Increases 1 Jan - 31 Dec	524	284
Decreases 1 Jan - 31 Dec		
Cost at 31 Dec	22,756	22,232
Accumulated depreciation according to plan 1 Jan	-14,326	-13,423
Decreases, depreciation according to plan 1 Jan - 31 Dec		
Depreciation according to plan 1 Jan - 31 Dec	-882	-903
Carrying amount 31 Dec	7,548	7,906
Prepayments and purchases in progress		
Cost at 1 Jan	78,687	81,674
Increases 1 Jan - 31 Dec	134,335	93,383
Transfers to other tangible and intangible assets 1 Jan - 31 Dec	-92,206	-96,371
Cost at 31 Dec	120,816	78,687
Carrying amount 31 Dec	120,816	78,687
Capitalised interest		
Cost at 1 Jan	7,735	6,410
Increases 1 Jan - 31 Dec	1,690	1,326
Cost at 31 Dec	9,426	7,735
Accumulated depreciation according to plan 1 Jan	-399	-174
Depreciation on capitalised interest according to plan 1 Jan - 31 Dec	-276	-225
Carrying amount 31 Dec	8,750	7,336
Carrying amount 31 Dec	129,566	86,023
Carrying amount 31 Dec Property, plant and equipment	1,676,984	1,640,454

18. INVESTMENTS, €1,000	2015	2014
Available-for-sale investments		
Cost at 1 Jan	262	300
Decreases 1 Jan - 31 Dec		-57
Changes in fair value 1 Jan - 31 Dec	22	20
Carrying amount 31 Dec	284	262

The changes in fair value are recorded in equity (note 26)

Equity investments in associated companies

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Cost at 1 Jan	10,515	10,416
Decreases 1 Jan - 31 Dec	-214	
Share of profit 1 Jan - 31 Dec	447	854
Translation reserve 1 Jan - 31 Dec	-309	-419
Dividends 1 Jan - 31 Dec	-551	-337
Carrying amount 31 Dec	9,888	10,515
Carrying amount 31 Dec	10,173	10,777
Carrying amount of associated companies includes goodwill 31 Dec.	3,245	3,245

There are no material temporary differences related to associated companies on which deferred tax assets or liabilities have been recognised.

Financial summary of associated companies, €1,000

	Non-current		Current assets		Turnover	Profit/loss	Dividends received during the financial period	Owners hip (%)
	Assets	Liabilities	Assets	Liabilities				
2015								
Nord Pool AS, Lysaker, Norway	3,489		66,698	40,194	25,851	6,422	551	18.8
eSett Oy, Helsinki, Finland	5,364	7,500	5,474	328		-2,141		33.3

Fingrid sold its shares in Porvoon Alueverkko in June 2015.

	Non-current		Current assets		Turnover	Profit/loss	Dividends received during the financial period	Owners hip (%)
	Assets	Liabilities	Assets	Liabilities				
2014								
Nord Pool AS, Lysaker, Norway	3,040		360,661	335,303	25,576	5,588	337	18.8
Porvoon Alueverkko Oy, Porvoo, Finland	3,352	2,871	1,217	1,007	7,486	9		33.3
eSett Oy, Helsinki, Finland	3,368	4,800	6,960	377		-851		33.3

The Group's associated companies indicated in the tables are treated in the consolidated financial statements using the equity method of accounting.

Introduction of the Nordic Balance Settlement (NBS) in Finland has been moved to autumn 2016. When the NBS begins its operations, management of the balance settlement will transfer from Fingrid's Balance Service Unit to eSett Oy.

Subsidiary shares 31 December 2015

	Ownership (%)	Ownership (%)
Finextra Oy, Helsinki, Finland	100	100

19. INVENTORIES, €1,000

	2015	2014
Materials and consumables at 1 Jan	12,647	12,604
Work in progress	18	239
Total	12,665	12,843

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The cost of inventories recognised as an expense was EUR 1.5 (2.4) million.

20. OTHER NON-CURRENT RECEIVABLES, €1,000	2015	2014
Depreciation on the electricity grid from associated companies	2,500	1,600
Guarantee fund Nasdaq OMX, pledged account		794
Guarantee account Nasdaq OMX		197
Total	2,500	2,591

21. TRADE RECEIVABLES AND OTHER RECEIVABLES, €1,000	2015	2014
Trade receivables	55,709	41,891
Trade receivables from associated companies	39	2,257
Prepayments and accrued income from associated companies	9	2
Prepayments and accrued income	13,241	13,514
Guarantee fund Nasdaq OMX, pledged account	863	
Other receivables	49	34
Total	69,909	57,699

Essential items included in prepayments and accrued income	2015	2014
Accruals of sales	4,046	3,051
Accruals of purchases/prepayments	4,016	4,132
Interest receivables	5,001	6,144
Rents/prepayments	178	188
Total	13,241	13,514

Ageing of trade receivables	2015	2014
Trade receivables not overdue	55,747	44,149
Trade receivables more than 60 days overdue		0
Total	55,747	44,149

Trade receivables and other receivables broken down by currency, €1,000	2015	2014
EUR	69,909	57,699
Total	69,909	57,699

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

22. FINANCIAL ASSETS, €1,000	2015	2014
Certificates of deposit		
Commercial papers	53,984	87,315
Money market funds	39,468	29,379
Total	93,451	116,694

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

23. CASH AND CASH EQUIVALENTS, €1,000	2015	2014
Bank deposits	10,000	
Cash assets and bank account balances	13,114	62,278
Pledged accounts	289	289
Total	23,403	62,566

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

	Loans and other receiva- bles/liabilities	Assets/ liabili- ties recognised in income statement at fair value	Available-for- sale financial assets	Financial as- sets/ liabilities measured at amortised cost	Total	Note
Balance sheet item 31 Dec 2015						
Non-current financial assets						
Available-for-sale investments			284		284	18
Interest rate and currency derivatives		36,082			36,082	30
Current financial assets						
Interest rate and currency derivatives		4,413			4,413	30
Electricity derivatives					0	30
Trade receivables and other receivables	64,915				64,915	21
Financial assets recognised in the in- come statement at fair value		93,451			93,451	22
Cash in hand and bank receivables		23,403			23,403	23
Financial assets total:	64,915	157,350	284		222,550	
Non-current financial liabilities:						
Borrowings				907,232	907,232	28
Interest rate and currency derivatives		22,787			22,787	30
Electricity derivatives		25,132			25,132	30
Current financial liabilities:						
Borrowings				236,217	236,217	28
Interest rate and currency derivatives		7,041			7,041	30
Electricity derivatives		23,928			23,928	30
Trade payables and other liabilities	39,398			13,925	53,323	31
Financial liabilities total		78,887		1,157,373	1,275,658	

	Loans and other receivables/liabilities	Assets/ liabilities recognised in income statement at fair value	Available-for-sale financial assets	Financial assets/ liabilities measured at amortised cost	Total	Note
Balance sheet item 31 Dec 2014						
Non-current financial assets						
Available-for-sale investments			262		262	18
Interest rate and currency derivatives		47,150			47,150	30
Current financial assets						

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Interest rate and currency derivatives	12,236	12,236	30
Electricity derivatives	29	29	30
Trade receivables and other receivables	51,555	51,555	21
Financial assets recognised in the income statement at fair value	116,694	116,694	22
Cash in hand and bank receivables	62,566	62,566	23
Financial assets total:	51,555	238,675	262
		290,493	

Non-current financial liabilities:

Borrowings		962,324	962,324	28
Interest rate and currency derivatives	29,160		29,160	30
Electricity derivatives	17,486		17,486	30

Current financial liabilities:

Borrowings		263,033	263,033	28
Interest rate and currency derivatives	2,492		2,492	30
Electricity derivatives	14,708		14,708	30
Trade payables and other liabilities	46,127	15,290	61,417	31

Financial liabilities total	46,127	63,846	1,240,647	1,350,620
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Netting of financial assets and liabilities

The following financial assets and liabilities relate to enforceable master netting agreements and similar agreements:

The fair values of derivatives are presented in the balance sheet in gross amounts. Under an ISDA agreement, netting can take place in conditional circumstances such as default or bankruptcy. The table presents a situation in which derivative receivables and liabilities are netted in the balance sheet.

Trade receivables and trade payables of the Balance Service Unit which are invoiced in net amounts in accordance with a balance service agreement.

	2015				2014			
	Gross amount of recognised financial assets	Gross amount of netted financial liabilities	Net amount of derivative receivables and liabilities under ISDA	Net amount of financial assets presented in the balance sheet	Gross amount of recognised financial assets	Gross amount of netted financial liabilities	Net amount of derivative receivables and liabilities under ISDA	Net amount of financial assets presented in the balance sheet
Derivative receivables	26,179	-12,255	13,924		46,094	-17,719	28,375	
Trade receivables	66,118	-10,371		55,747	53,342	-9,193		44,149
Total	92,297	-22,626	13,924	55,747	99,436	-26,912	28,375	44,149
Derivative liabilities	-15,510	12,255	-3,255		-18,360	17,719	-641	
Trade payables	25,025	-10,371		14,654	36,879	-9,193		27,686
Total	9,515	1,884	-3,255	14,654	18,519	8,525	-641	27,686

25. FAIR VALUE HIERARCHY, €1,000	2015			2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets held at fair value						
Available-for-sale investments	114	170		78	190	
Interest rate and currency derivatives		40,496			59,386	

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Financial assets recognised in the income statement at fair value	39,468	53,984	29,379	87,315
Financial assets recognised at fair value total	39,582	94,649	29,457	146,891
Financial liabilities held at fair value				
Interest rate and currency derivatives		29,827		31,652
Electricity forward contracts, NASDAQ OMX Commodities	49,060		32,194	
Financial liabilities held at fair value total	49,060	29,827	32,194	31,652

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

Level 1: inputs are publicly quoted in active markets.

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

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

26. EQUITY

Equity is composed of the share capital, share premium account, revaluation reserve (incl. hedging and fair value reserves), translation reserve, and retained earnings. The hedging reserve includes changes in the fair value of hedging instruments for loss energy. The fair value reserve includes 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 equity 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 2014	55,922	55,922	111,845
Change			
31 Dec 2014	55,922	55,922	111,845
Change			
31 Dec 2015	55,922	55,922	111,845
The share capital is broken down as follows	Number of shares	Of all shares %	Of votes %
Series A shares	2,078	62.50	83.33
Series B shares	1,247	37.50	16.67
Total	3,325	100.00	100.00
Number of shares	Series A shares	Series B shares	Total
1 Jan 2015	2078	1247	3,325
Change			
31 Dec 2015	2,078	1,247	3,325

The maximum number of shares is 13,300, as in 2014. The shares have no par value.

Series A shares confer three votes each at the Annual General Meeting and Series B shares one vote each. When electing members of the Board of Directors, Series A shares confer 10 votes each at the Annual General Meeting and Series B shares one vote each.

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Series B shares have the right before Series A shares to obtain the annual minimum dividend specified below from the funds available for profit distribution. If the annual minimum 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, such that Series B shares have the right over Series A shares to receive the annual minimum dividend and the undistributed amount. Series B shares have no right to receive any other dividend.

Fingrid Oyj's Annual General Meeting decides on the annual dividend.

Eighty-two (82) per cent of the dividends to be distributed for each financial year is distributed for all Series A shares and eighteen (18) per cent for all Series B shares, however such that EUR twenty (20) million of the dividends to be distributed for each financial year is first distributed for all Series B shares. If the above-mentioned EUR twenty (20) million minimum amount for the financial period is not distributed (all or in part) for Series B shares in a financial period, Series B shares confer the right to receive the undistributed minimum amount in question (or the accumulated undistributed minimum amount accrued during such financial periods) in the next profit distribution, in any disbursements paid out, or in any other distribution of assets prior to any other dividends, disbursements or asset distribution until the undistributed minimum amount has been distributed in full for Series B shares.

There are no non-controlling interests.

Shareholders by category	Number of shares	Of all shares %	Of votes %
Public organisations	1,768	53.17	70.87
Financial and insurance institutions	1,557	46.83	29.12
Total	3,325	100.00	100.00

Shareholders, 31 Dec 2015	Number of shares	Of all shares %	Of votes %
Republic of Finland, represented by the Ministry of Finance	939	28.24	37.66
Aino Holding Ky	878	26.41	11.74
National Emergency Supply Agency	828	24.90	33.20
Mutual Pension Insurance Company Ilmarinen	661	19.88	17.15
Imatran Seudun Sähkö Oy	10	0.30	0.13
Fennia Life	6	0.18	0.08
Elo Mutual Pension Insurance	1	0.03	0.01
Pohjola Insurance Ltd	1	0.03	0.01
The State Pension Fund	1	0.03	0.01
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. The share premium account consists of restricted equity as referred to in the Finnish Limited Liability Companies Act. The share capital can be increased by transferring funds from the share premium account. The share premium account can be decreased in order to cover losses or, under certain conditions, it can be returned to the owners.

Revaluation reserve

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

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Hedging reserve, €1,000	2015	2014
1 Jan	-11,571	-11,571
Changes in fair value during financial year	7,232	
Taxes	-1,446	
Hedging reserve 31 Dec	-5,785	-11,571

Fair value reserve, €1,000	2015	2014
1 Jan	28	12
Changes in fair value during financial year	26	20
Taxes	-8	-4
Fair value reserve 31 Dec	45	28

Translation reserve, €1,000	2015	2014
Translation reserve 31 Dec	-731	-422

The translation reserve includes the translation differences resulting from con-

Dividends, €1,000	2015	2014
Dividends paid	65,000	81,900

The proposal for dividend distribution for the financial year 2015 is presented in

Retained earnings, €1,000	2015	2014
Profit from previous financial years	502,009	460,516
Profit for the financial year	103,576	106,493
Retained earnings 31 Dec	605,585	567,009

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

Changes in deferred taxes in 2015:

	31 Dec 2014	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31 Dec 2015
Deferred tax assets				
Provisions	337	-4		334
Current financial receivables		422		422
Trade payables and other liabilities	365	5,971		6,336
Interest-bearing borrowings	957	-957		0
Derivative instruments	8,995	1,833	-1,446	9,382
Other items	21	-19	4	6
Total	10,674	7,246	-1,442	16,479

Deferred tax liabilities

Accumulated depreciations difference	-89,779			-89,779
Property, plant and equipment, tangible and intangible as- sets	-22,726	-2,170		-24,896
Available-for-sale investments	-25		-8	-33
Other receivables	-1,229	224		-1,005

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Financial assets recognised in the income statement at fair value	-85	47	-39
Interest-bearing borrowings		-3,259	-3,259
Non-current financial receivables	-8,299	2,069	-6,230
Current financial receivables	-905	905	0
Total	-123,048	-2,184	-8
			-125,240

Changes in deferred taxes in 2014:

	31 Dec 2013	Recorded in income statement at profit or loss	Recorded in other comprehensive income	31 Dec 2014
Deferred tax assets				
Provisions	347	-10		337
Current financial receivables	1,222	-1,222		
Trade payables and other liabilities	379	-15		365
Interest-bearing borrowings	3,932	-2,975		957
Derivative instruments	7,751	1,243		8,995
Other items	12	9		21
Total	13,643	-2,969		10,674

Deferred tax liabilities

Accumulated depreciations difference	-89,779			-89,779
Property, plant and equipment, tangible and intangible as-sets	-20,503	-2,223		-22,726
Available-for-sale investments	-21		-4	-25
Other receivables	-1,471	242		-1,229
Financial assets recognised in the income statement at fair value	-124	38		-85
Non-current financial receivables	-7,878	-422		-8,299
Current financial receivables		-905		-905
Total	-119,775	-3,269	-4	-123,048

28. BORROWINGS, €1,000

	2015		2014	
	Fair value	Balance sheet value	Fair value	Balance sheet value
Non-current				
Bonds	829,075	734,366	883,954	768,749
Loans from financial institutions	186,408	172,866	210,364	193,576
	1,015,483	907,232	1,094,318	962,324
Current				
Bonds	144,284	140,504	89,151	87,263
Loans from financial institutions	22,195	20,710	17,931	16,424
Other loans/Commercial papers (international and domestic)	75,022	75,003	159,480	159,346
	241,501	236,217	266,561	263,033
Total	1,256,984	1,143,448	1,360,879	1,225,358

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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 the ECB at the closing date.

The fair value of loans is categorised into level 2 of the fair value hierarchy.

Bonds included in borrowings, €1,000				2015	2014
Currency	Nominal value	Maturity	Interest		
EUR	20,000	11/04/2017	floating rate	20,000	20,000
EUR	25,000	11/04/2017	floating rate	25,000	25,000
EUR	30,000	15/06/2017	3.07%	30,000	30,000
EUR	30,000	11/09/2023	2.71%	30,000	30,000
EUR	300,000	03/04/2024	3.50%	298,837	298,718
EUR	25,000	27/03/2028	2.71%	25,000	25,000
EUR	10,000	12/09/2028	3.27%	10,000	10,000
EUR	80,000	24/04/2029	2.95%	80,000	80,000
EUR	30,000	30/05/2029	2.89%	30,000	30,000
				548,837	548,718
JPY	3,000,000	20/04/2015	1.45%		20,657
JPY	500,000	22/06/2017	1.28%	3,815	3,443
				3,815	24,100
NOK	200,000	17/10/2016	5.15%	20,827	22,119
NOK	200,000	11/04/2017	5.16%	20,827	22,119
NOK	200,000	10/11/2017	5.12%	20,827	22,119
NOK	200,000	12/11/2019	5.37%	20,827	22,119
NOK	100,000	16/09/2025	4.31%	10,413	11,060
				93,721	99,536
SEK	300,000	15/06/2015	3.20%		31,939
SEK	100,000	17/06/2015	3.10%		10,646
SEK	220,000	01/12/2015	interest rate structure		24,022
SEK	100,000	15/01/2016	3.30%	10,882	10,646
SEK	500,000	18/10/2016	interest rate structure	54,385	53,175
SEK	500,000	18/10/2016	3.50%	54,410	53,231
SEK	1,000,000	19/11/2018	interest rate structure	108,820	
				228,497	183,659
Bonds, long-term total				734,366	768,749
Bonds, short-term total				140,504	87,264
Total				874,870	856,013

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Maturity of non-current borrowings, €1,000

	2017	2018	2019	2020	2020+	Total
Bonds	120,468	108,820	20,827		484,251	734,366
Loans from financial institutions	21,662	21,662	21,662	17,662	90,216	172,866
Total	142,131	130,482	42,489	17,662	574,467	907,232

29. PROVISIONS, €1,000

	2015	2014
Provisions 1 Jan	1,685	1,735
Provisions used	-18	-50
Provisions 31 Dec	1,668	1,685

30. DERIVATIVE AGREEMENTS. 1 000 €

	2015				2014			
Interest and currency derivatives	Fair value pos.	Fair value neg.	Net fair value	Nominal value	Fair value pos.	Fair value neg.	Net fair value	Nominal value
	31.12.15	31.12.15	31.12.15	31.12.15	31.12.14	31.12.14	31.12.14	31.12.14
Cross-currency swaps	15,286	-20,297	-5,011	341,205	28,599	-19,758	8,841	321,383
Forward contracts		-88	-88	4,505	3,308		3,308	55,401
Interest rate swaps	24,348	-9,442	14,905	430,000	27,480	-11,894	15,585	435,000
Bought interest rate options	862		862	358,820				310,000
Total	40,496	-29,827	10,668	1,134,531	59,386	-31,652	27,734	1,121,783
Electricity derivatives	Fair value pos.	Fair value neg.	Net fair value	Volume TWh	Fair value pos.	Fair value neg.	Net fair value	Volume TWh
	31.12.15	31.12.15	31.12.15	31.12.15	31.12.14	31.12.14	31.12.14	31.12.14
Electricity forward contracts. NASDAQ OMX Commodities not designated as hedge accounting		-49,060	-49,060	4.22	6	-32,171	-32,165	4.19
Total		-49,060	-49,060	4.22	6	-32,171	-32,165	4.19

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The net fair value of derivatives indicates the realised profit/loss if they had been reversed on the last trading day of 2015. The net fair value cannot be used for deriving the net derivative liabilities or receivables in the balance sheet, as accrued interest is taken into account here.

The company uses electricity derivatives to hedge the price risk of future loss energy purchases.

Maturity of derivative contracts:

Nominal value, €1,000	2016	2017	2018	2019	2020	2020+	Total
Interest rate swaps	70,000	30,000	105,000	60,000		165,000	430,000
Interest rate options	90,000		108,820	160,000			358,820
Cross-currency swaps	144,809	52,852	107,308	23,725		12,512	341,205
Forward contracts	2,432	2,074					4,505
Total	307,241	84,926	321,127	243,725		177,512	1,134,531

TWh	2016	2017	2018	2019	2020	2020+	Total
Electricity derivatives	1.41	1.23	0.79	0.53	0.26		4.22
Total	1.41	1.23	0.79	0.53	0.26		4.22

31. TRADE PAYABLES AND OTHER LIABILITIES, €1,000	2015	2014
Trade payables	14,652	27,181
Trade payables to associated companies	2	504
Interest payable	15,529	17,193
Value added tax	7,787	5,304
Commitments received	15	437
Electricity tax	3,045	2,866
Accruals	24,147	17,409
Other debt	639	690
Total	65,815	71,585

Essential items included in accruals	2015	2014
Personnel expenses	4,310	3,590
Accruals of sales and purchases	5,515	9,622
Other accruals	14,321	4,198
Total	24,147	17,409

32. COMMITMENTS AND CONTINGENT LIABILITIES, 1 000 €

	2015	2014
Pledges		
Pledge covering property lease agreements	9	9
Pledge covering customs credit account	280	280

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Pledge covering electricity exchange purchases	863	991
	1,151	1,279
Unrecognised investment commitments	124,314	143,527
Other financial commitments		
Counterguarantee in favour of an associated company		1,700
Rent security deposit, guarantee	38	38
Credit facility commitment fee and commitment fee:		
Commitment fee for the next year	326	355
Commitment fee for subsequent years	1,154	815
	1,518	2,907

33. OTHER LEASE AGREEMENTS, €1,000	2015	2014
Minimum rental obligations of other irrevocable lease agreements:		
In one year	2,643	2,456
In more than one year and less than five years	10,698	10,686
In more than five years	12,601	13,907
Total	25,942	27,048
Right-of-use agreements for gas turbine power plants:		
In one year	8,017	7,945
In more than one year and less than five years	44,258	45,474
In more than five years	36,790	45,551
Total	89,065	98,970

The lease agreements of the Group relate to office premises. The durations of the lease agreements range from less than one year to fifteen 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 leased, for instance, several land areas and some 110 kilovolt transmission lines and circuit breaker bays.

Under its system responsibility, Fingrid is also obligated to maintain a rapid response disturbance reserve to prepare for disruptions to the power system. In order to ensure the availability of this disturbance reserve, Fingrid has, in addition to its reserve power plant capacity, acquired power plant capacity suited to this purpose as well as disconnectable loads for industry by long-term agreement.

34. LEGAL PROCEEDINGS AND PROCEEDINGS BY AUTHORITIES

On 19 January 2015, the Energy Authority granted Fingrid a licence to operate the electricity transmission system in the national grid and appointed Fingrid Oyj as the distribution system operator responsible for the transmission grid. In its verdict on 29 June 2015, the Supreme Administrative Court rejected Fingrid's appeal concerning the Market Court's decision of 21 January 2013. The Market Court had rejected Fingrid's appeal concerning the methods confirmed by the Energy Authority which are applied in determining the grid owner's income from grid operations and payments for transmission service for the 2012–2015 regulatory period. The decision did not have financial impacts.

In its decision of 30 June 2015, the Energy Authority demanded that Fingrid change its decision of 31 March 2015 on the naming of the grid. Fingrid appealed this decision to the Market Court on 24 July 2015. This was the first time a naming decision was made, and it is based on the Electricity Market Act, amended in 2013, according to which Section 31 stipulates that the grid owner must name the transmission lines, electricity substations and other devices which fall under the scope of its grid network for the regulatory period. The Energy Authority's change requests concerned the eastern capital city region and the 400

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kV Ulvila-Meri-Pori transmission line, which the Energy Authority requests be named to the national grid. Helen Sähköverkot Oy, Vantaan Energian Sähköverkot Oy have also appealed the Energy Authority's decision on the naming of the grid. There are no other ongoing legal proceedings or proceedings by authorities that would have a material impact on Fingrid's business.

35. 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 ensure the commitment of the entire personnel to considering the risks pertaining to the company, its various organisational units and each employee. In order to fulfil these objectives, risk management is 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 approves the key principles of internal control and risk management and any amendments to them. The Board of Directors approves the primary actions for risk management as part of the corporate strategy, indicators, action plan, and budget. The Board of Directors (Audit Committee) receives a situation report on the major risks relating to the operations of the company and on the management of such risks.

FINANCIAL RISK MANAGEMENT

Fingrid Oyj is exposed to market, liquidity and credit, among other, risks, when managing the company's financial position. The objective of financial risk management is to foster shareholder value by securing the financing required for the company's business operations, by hedging against the main financial risks and by minimising financing costs within the risk limits.

Principles for financing

The Board of Directors of Fingrid Oyj approves the Corporate Finance and Financing Principles which define how Fingrid Oyj manages financing as a whole, encompassing securing external financing, managing liquidity, managing counterparty risks and financial risks, and supporting business operations in matters related to financing in general. The external financing of Fingrid Group is carried out by Fingrid Oyj.

Risk management execution and reporting

Fingrid's Chief Financial Officer is responsible for the practical measures related to securing financing and managing liquidity and financial and counterparty risks, in line with the company's Corporate Finance and Financing Principles and Treasury Policy. The CFO oversees the day-to-day organisation, reporting and adequate control of financing, and reports regularly to the CEO and the Board (Audit Committee).

Risk management processes

The Treasury unit is in charge of risk monitoring, systems and the models and methods used to calculate and assess risks. The Treasury unit is furthermore responsible for identifying, measuring and reporting the financial risks that the company may be exposed to. The internal audit additionally ensures that there is compliance with the Corporate Finance and Financing Principles and the company's internal guidelines.

Market risks

Fingrid Oyj uses derivative contracts in order to hedge market risks such as foreign exchange, interest rate and commodity price risks. Derivative contracts are concluded for hedging purposes only. The permitted hedging instruments are defined in the Treasury or loss energy purchasing policies and are chosen in order to achieve the most effective hedging possible for the risks in question.

Currency risk

The functional currency of the company is the euro. Generally, currency risks (and the commodity price risk, excl. loss energy) and the foreign exchange interest rate risk are fully hedged. A risk that amounts to less than EUR 5 million when realised can be unhedged for reasons of cost-effectiveness.

Transaction risk

The company issues securities in the international and domestic money and debt capital markets. The company's loan portfolio is spread across different convertible currencies, and the total debt portfolio and the related interest rate flows are hedged against the currency risk. The currency risk for each bond is hedged in conjunction with its issuance. Business-related currency risks are small and they are mainly hedged.

During the financial year, the company used foreign exchange forwards and currency swaps to hedge transaction risks. The tables below first illustrate the currency distribution and degree of hedging on the company's borrowings, and then the sensitivity analysis of the euro against the foreign currency in question.

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Translation risk

Fingrid Oyj may have interests in companies whose operative currency is other than the euro. Fingrid is exposed to translation risks when these companies' results are reported as part of the Fingrid Group's result. The company generally does not hedge against translation risks.

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

Interest and currency derivatives 31.12.	2015			2014		
	Carrying amount	Share %	Hedging degree	Carrying amount	Share %	Hedging degree
EUR	817,416	71		863,688	70	
GBP				25,597	2	100
JPY	3,815	0	100	24,100	2	100
NOK	93,721	8	100	99,536	8	100
SEK	228,497	20	100	183,659	15	100
USD				28,779	2	100
Total	1,143,448	100		1,225,358	100	

The sensitivity analysis of changes in the foreign exchange rate is measured as a 10 per cent change between the euro and the currency in question. The company's result is not subject to exchange rate differentials, since the foreign-currency-denominated debt is hedged against changes in the foreign exchange rate. In the figures presented in the tables, a negative figure would increase foreign exchange losses and a positive figure would correspondingly increase foreign exchange gains.

Exchange rate changes, €1,000

31 Dec 2015		Bonds	Commercial papers	Total	Currency swaps	Forward contracts	Total	Net exposure Total
GBP	+10 %							0
	-10 %							0
JPY	+10 %	431		431	-431		-431	0
	-10 %	-353		-353	353		353	0
NOK	+10 %	11,513		11,513	-11,513		-11,513	0
	-10 %	-9,420		-9,420	9,420		9,420	0
SEK	+10 %	25,912		25,912	-25,912		-25,912	0
	-10 %	-21,201		-21,201	21,201		21,201	0
USD	+10 %							0
	-10 %							0

Exchange rate changes, €1,000

31 Dec 2014		Bonds	Commercial papers	Total	Currency swaps	Forward contracts	Total	Net exposure Total
GBP	+10 %		2,333	2,333		-2,333	-2,333	0
	-10 %		-2,852	-2,852		2,852	2,852	0

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JPY	+10 %	2,227	2,227	-2,227	-2,227	0
	-10 %	-2,721	-2,721	2,721	2,721	0
NOK	+10 %	10,318	10,318	-10,318	-10,318	0
	-10 %	-12,610	-12,610	12,610	12,610	0
SEK	+10 %	17,236	17,236	-17,236	-17,236	0
	-10 %	-21,066	-21,066	21,066	21,066	0
USD	+10 %		2,882		-2,882	0
	-10 %		-3,203		3,203	0

Translation risk

The company has an equity investment in Norwegian kroner in an associated company. The company generally does not hedge against translation risks. The sensitivity analysis is presented in the following table. The table shows the impact of the change between the euro and the Norwegian krone on the company's equity.

Translation risk, €1,000		2015	2014
		Equity 31 Dec 2015	Equity 31 Dec 2014
NOK	+10 %	627	531
	-10 %	-513	-434

Interest rate risk

The company is only exposed to the interest rate risk in euros, because the company's borrowings are, both in terms of principal and interest payments, hedged against exchange rate risks, and the financial assets are denominated in euros.

Interest rate risk management will include optimisation of the future interest rate risk of business operations (risk-free interest, WACC model) together with the company's net debt interest rate risk through a regulatory model specified by the Energy Authority. The objective of managing the interest rate risk on the loan portfolio is to minimise interest costs in the long term. The basic principle is to keep the interest rate exposure of the company's loan portfolio linked to a floating rate of interest, targeting at most an average interest rate period of 12 months.

Interest rate sensitivity is measured as a 1 percentage unit change in interest rate costs over a period of 12 months starting from the closing date. The analysis of interest rate sensitivity is carried out on borrowings, on the derivatives portfolio hedging the interest rate exposure, and on cash and cash equivalents, resulting in a net debt position exposed to interest rate fluctuations.

Interest rate sensitivity, €1,000	2015		2014	
	-1%-unit	+1%-unit	-1%-unit	+1%-unit
Borrowings	5,607	-5,607	4,982	-4,982
Interest rate derivatives	-1,369	1,369	-999	999
Borrowings total	4,237	-4,237	3,982	-3,982
Financial assets and cash	-532	532	-669	669
Net borrowings total	3,706	-3,706	3,314	-3,314

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Commodity risk

The company is exposed to electricity price and volume risk through transmission losses. Loss energy purchases and the hedging thereof are based on the Corporate Finance and Financing Principles approved 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 a loss energy purchasing policy, approved by the Executive Management Group, for hedging and for physical electricity purchases, as well as operative instructions, instructions for price hedging and control room instructions. For the price hedging of loss energy purchases, the company mainly uses NASDAQ OMX Commodities quoted products. The company can also use OTC products comparable with NASDAQ OMX Commodities products.

Commodity risks other than those related to loss energy purchases arise if the company enters into purchasing agreements in which the price of the underlying commodity influences the final price of the investment commodity (commodity price risk). As a rule, commodity price risks and exchange rate risks are fully hedged. A risk that amounts to less than EUR 5 million when realised can be unhedged for reasons of cost-effectiveness.

Liquidity risk and refinancing risk

Fingrid is exposed to liquidity and refinancing risks arising from the redemption of loans, payments and fluctuations in cash flow from operating activities.

The liquidity of the company must be arranged so that 110% of the refinancing needs for the next 12 months can be covered by liquid assets and available long-term committed credit lines. The company has a revolving credit facility of EUR 300 million to secure liquidity. The revolving credit facility will mature on 11 December 2020. The facility is committed and has not been drawn. The company additionally has uncommitted overdraft facilities totalling EUR 50 million.

The company's funding is handled through debt issuance programmes. The company operates in the international debt capital market by issuing bonds under the Euro Medium Term Note Programme. The programme size is EUR 1.5 billion. Short-term funding is arranged through commercial paper programmes: a Euro Commercial Paper Programme of EUR 600 million and a domestic commercial paper programme of EUR 150 million. The refinancing risk is minimised by building an even maturity profile such that the share of non-current loans in a single calendar year constitutes less than 30 per cent of the total debt and the average maturity of the company's loan portfolio is at least three years.

Contractual repayments and interest costs on borrowings are presented in the next table. The interest rates on floating-rate loans are defined using the zero coupon curve. The repayments and interest amounts are undiscounted values. Finance costs arising from interest rate swaps are often paid in net amounts depending on the nature of the swap. In the following table, they are presented in gross amounts.

Fingrid's existing loan agreements, debt or commercial paper programmes are unsecured and do not include any financial covenants based on financial key figures.

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

31 Dec 2015		2016	2017	2018	2019	2020	2020+	Total
Bonds	- repayments	140,504	120,468	108,820	20,827		484,251	874,870
	- interest costs	24,850	21,043	18,711	17,111	15,993	83,757	181,465
Loans from financial institutions	- repayments	20,710	21,662	21,662	21,662	17,662	90,216	193,576
	- interest costs	3,707	3,270	3,066	2,841	2,544	7,051	22,479
Commercial papers	- repayments	75,000						75,000
	- interest costs	-3						-3
Currency swaps	- payments	146,373	53,753	108,408	24,160	170	13,889	346,753
Interest rate swaps	- payments	3,632	2,102	1,991	1,029	534	3,715	13,003
Forward contracts	- payments	2,266	1,914					4,181
Guarantee commitments*	- payments							
Total		417,040	224,213	262,658	87,631	36,904	682,879	1,711,324
Currency swaps	- receivables	148,587	49,939	111,766	22,394	449	12,658	345,792
Interest rate swaps	- receivables	4,656	4,733	3,751	3,339	2,813	8,863	28,156
	- receivables	2,222	1,871					4,093
Total		155,465	56,544	115,517	25,733	3,262	21,520	378,041

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Total	261,575	167,669	147,141	61,897	33,642	661,358	1,333,282
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*Counter-guarantee in favour of an associated company. No payment claims have been presented to Fingrid.

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

31 Dec 2014		2015	2016	2017	2018	2019	2019+	Total
Bonds	- repayments	87,263	139,171	122,681		22,119	484,778	856,012
	- interest costs	27,508	24,703	20,477	17,208	17,208	99,919	207,023
Loans from financial institutions	- repayments	16,424	20,710	21,662	21,662	21,662	107,879	210,000
	- interest costs	4,360	3,860	3,591	3,274	2,928	9,512	27,525
Commercial papers	- repayments	159,346						159,346
	- interest costs	160						160
Currency swaps	- payments	89,320	146,414	53,499	410	24,199	13,930	327,772
Interest rate swaps	- payments	4,384	3,804	2,365	2,448	1,550	8,033	22,584
Forward contracts	- payments	52,093						52,093
Guarantee commitments*	- payments	1,700						1,700
Total		442,558	338,662	224,275	45,002	89,666	724,050	1,864,214
Currency swaps	- receivables	97,889	146,377	51,426	1,664	23,606	13,833	334,796
Interest rate swaps	- receivables	4,834	4,745	4,772	4,081	3,596	16,557	38,585
Forward contracts	- receivables	55,401						55,401
Total		158,124	151,122	56,198	5,745	27,202	30,390	428,781
Total		284,434	187,540	168,077	39,257	62,464	693,660	1,435,433

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

Credit risks

Fingrid's credit risks are caused by customers and suppliers. The company's credit risks are managed in accordance with the Corporate Finance and Financing Principles and the Treasury Policy. The Treasury defines, in the procurement policy and guidelines, as well as in separate instructions, the financial criteria for suppliers and how they should be monitored.

Financial counterparty risks

The company's counterparty risks are caused by counterparties related to liquidity management, derivatives counterparties and bank counterparties. The company is temporarily exposed to counterparty risks in its financial operations through the investment of surplus liquidity and derivative contracts. The company enters into derivative contracts or invests its liquid funds within the euro-denominated risk limits permitted specifically for each counterparty. Before entering into a derivative transaction, the company signs the International Swaps and Derivatives Association's (ISDA) Master Agreement with the counterparty. The company has not received any collaterals decreasing the credit risks covering the financial assets or derivative contracts.

The item 'Prepayments and purchases in progress' contains the prepayments of noncurrent property, plant and equipment and intangible assets, and acquisition costs caused by capital expenditure in progress.

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36. ADJUSTMENTS IN CASH FLOW FROM OPERATING ACTIVITIES, €1,000

	2015	2014
Business transactions not involving a payment transaction		
Depreciation	94,119	91,511
Capital gains/losses (-/+) on sale of property, plant and equipment	-1,970	-991
Share of profit of associated companies	-447	-854
Gains/losses from the valuation of assets and liabilities recognised in the income statement at fair value	24,276	-6,171
Total	115,978	83,495

37. RELATED PARTY TRANSACTIONS

The Group's related parties consist of, in addition to the parent company Fingrid Oyj and subsidiary Finextra Oy, the associated Nord Pool AS and eSett Oy, the shareholder entities listed in Note 26, and senior management and their related parties.

The top management is composed of the Board of Directors, the President & CEO, and the executive management group.

Other related party transactions include transactions concluded with entities in which the State of Finland has a holding in excess of 50 per cent.

The company has not lent money to the top management, and the company has no transactions with the top management.

Business with related parties is conducted at market prices.

Employee benefits of top management, €1,000	2015	2014
Salaries and other short-term employee benefits	1,472	1,438
Transactions with associated companies, €1,000	2015	2014
Sales	809	7,211
Expense adjustments	30	2
Purchases	39,659	41,894
Receivables	2,973	2,257
Liabilities	2	504

Fingrid sold its shares in Porvoon Alueverkko in June 2015. The figures include events during Jan–Jun 2015.

Transactions with associated companies, €1,000	2015	2014
1 Jan		
eSett Oy	2,500	1600
31 Dec	2,500	1,600

Transactions with owners, €1,000	2015	2014
Owners:		
Purchases	6,303	6,011
Liabilities	0	11

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Other related parties:

Sales	28,759	29,228
Purchases	69,538	7,330
Receivables	845	1,842
Liabilities	2,279	3,959

General procurement principles

The Group follows three alternative procurement methods when purchasing goods or services. When the value of the purchase is less than 30,000 euros and the benefits of a competitive tender are smaller than the costs of the purchase, the purchase can be realised without a competitive tender or it can be realised through an oral request. A written order or purchasing agreement is always drawn up. When the estimated value of the procurement exceeds 30,000 euros but is below the threshold values applied to public procurements, the procurement is subject to competitive bidding by requesting written bids from the supplier candidates. When the public procurement threshold values that apply to Fingrid (in 2015: EUR 414,000 for goods and services and approx. EUR 5,186,000 for construction projects) are exceeded, the company follows the public procurement legislation applied to special sectors.

38. EMISSION RIGHTS

Fingrid has not been granted free-of-charge emission rights for the emissions trade period 2013–2020. The use of emission rights had no impact on the financial result in 2015.

	2015	2014
Total CO ₂ emissions tCO ₂	6,697	10,993

39. EVENTS AFTER THE CLOSING DATE

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

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2.2 Parent company financial statements (FAS)

2.2.1 Parent company income statement

	Notes	Jan-Dec/2015 €	Jan-Dec/2014 €
TURNOVER	2	592,403,122.38	559,376,009.70
Other operating income	3	5,358,153.35	4,619,211.39
Materials and services	4	-233,431,910.68	-256,537,114.99
Personnel costs	5	-25,804,349.63	-24,992,709.21
Depreciation and amortisation expense	6	-103,322,929.47	-101,416,042.08
Other operating expenses	7,8	-57,903,667.10	-54,306,622.24
OPERATING PROFIT		177,298,418.85	126,742,732.57
Finance income and costs	9	-22,835,249.11	-25,495,979.84
PROFIT BEFORE EXTRAORDINARY ITEMS		154,463,169.74	101,246,752.73
PROFIT BEFORE APPROPRIATIONS AND TAXES		154,463,169.74	101,246,752.73
Income taxes	10	-30,721,273.94	-20,202,818.48
PROFIT FOR THE FINANCIAL YEAR		123,741,895.80	81,043,934.25

Notes are an integral part of the financial statements.

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2.2.2 Parent company balance sheet

ASSETS		31 Dec 2015	31 Dec 2014
	Notes	€	€
Intangible assets:			
Goodwill	11	10,721,980.26	17,155,168.42
Other intangible assets	12	82,342,061.28	86,490,344.28
		93,064,041.54	103,645,512.70
Tangible assets	13		
Land and water areas		15,348,845.85	14,973,832.40
Buildings and structures		167,200,800.50	156,458,575.61
Machinery and equipment		565,543,070.37	574,685,973.12
Transmission lines		772,984,715.15	781,024,069.73
Other property, plant and equipment		117,516.35	117,516.35
Prepayments and purchases in progress		120,815,913.42	78,686,612.48
		1,642,010,861.64	1,605,946,579.69
Investments:	14		
Interests in Group companies		504,563.77	504,563.77
Interests in associated companies		8,587,578.95	8,642,260.21
Other shares and interests		1,885,466.31	1,416,588.74
		10,977,609.03	10,563,412.72
TOTAL NON-CURRENT ASSETS		1,746,052,512.21	1,720,155,505.11
CURRENT ASSETS			
Inventories	15	12,664,970.40	12,842,932.89
Receivables			
Non-current			
Loan receivables from associated companies	16	2,500,000.00	1,600,000.00
Other receivables	16		990,560.83
		2,500,000.00	2,590,560.83
Current			
Trade receivables		53,462,739.39	39,421,020.87
Receivables from Group companies		209,433.70	141,170.90
Receivables from associated companies	17	47,937.43	2,259,112.52
Other receivables	18	912,108.40	34,276.66
Prepayments and accrued income	19,20	14,491,440.95	14,536,143.11
		69,123,659.87	56,391,724.06
Financial securities	21	93,258,506.42	116,267,973.20
Cash in hand and bank receivables	21	23,403,166.01	62,566,334.25
TOTAL CURRENT ASSETS		200,950,302.70	250,659,525.23

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TOTAL ASSETS	1,947,002,814.91	1,970,815,030.34
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Notes are an integral part of the financial statement

	Notes	€	€
EQUITY	22		
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		38,346,060.29	22,302,127.39
Profit for the financial year		123,741,895.80	81,043,934.25
TOTAL SHAREHOLDERS' EQUITY		273,932,927.19	215,191,032.74
ACCUMULATED APPROPRIATIONS	23	448,896,757.27	448,896,757.27
PROVISIONS FOR LIABILITIES AND CHARGES	30	1,667,546.78	1,685,046.78
LIABILITIES			
Non-current liabilities			
Bonds	24,25	746,396,266.02	783,897,840.95
Loans from financial institutions		172,865,800.86	193,575,757.57
		919,262,066.88	977,473,598.52
CURRENT LIABILITIES			
Bonds	24	144,809,226.23	87,484,781.53
Loans from financial institutions		20,709,956.71	16,424,242.43
Trade payables		14,617,272.60	24,640,790.65
Liabilities to Group companies	26	502,586.32	387,959.31
Liabilities to associated companies	27	2,057.00	504,191.00
Other liabilities	28	86,432,083.11	165,353,505.33
Accruals	29	36,170,334.82	32,773,124.78
		303,243,516.79	327,568,595.03
TOTAL LIABILITIES		1,222,505,583.67	1,305,042,193.55
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,947,002,814.91	1,970,815,030.34

Notes are an integral part of the financial statements.

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2.2.3 Parent company cash flow statement

	Note	1 Jan - 31 Dec, 2015 €	1 Jan - 31 Dec, 2014 €
Cash flow from operating activities:			
Profit for the financial year	22	123,741,895.80	81,043,934.25
Adjustments:			
Business transactions not involving a payment transaction	32	101,194,099.56	100,425,341.95
Interest and other finance costs		36,664,709.62	34,653,836.13
Interest income		-13,273,942.62	-8,773,603.99
Dividend income		-555,517.89	-384,252.30
Taxes		30,721,273.94	20,202,818.48
Changes in working capital:			
Change in trade receivables and other receivables		-11,701,326.72	20,324,217.04
Change in inventories		177,962.49	-1,445,855.19
Change in trade payables and other liabilities		-7,952,730.92	833,932.06
Change in provisions		-17,500.00	-49,700.00
Interest paid		-25,423,150.53	-23,905,643.97
Interest received		820,524.86	1,224,895.34
Taxes paid	10	-20,469,032.40	-19,659,013.72
Net cash flow from operating activities		213,927,265.19	204,490,906.08
Cash flow from investing activities:			
Purchase of property, plant and equipment	13	-151,451,793.93	-125,334,844.08
Purchase of intangible assets	12	-1,812,888.00	-4,170,608.56
Purchase of other assets	14	-414,196.31	-38,162.24
Proceeds from sale of other assets	14	500,000.00	0.00
Proceeds from sale of property, plant and equipment	13	5,065,609.18	1,389,481.60
Loans granted		-900,000.00	-1,600,000.00
Dividends received	9	555,517.89	384,252.30
Contributions received		15,000,000.00	19,935,004.81
Net cash flow from investing activities		-133,457,751.17	-109,434,876.17
Cash flow from financing activities:			
Proceeds from current financing (liabilities)		285,317,516.75	364,009,628.00
Payments of current financing (liabilities)		-366,163,563.46	-422,021,861.00
Proceeds from non-current financing (liabilities)		107,424,078.03	110,000,000.00
Payments of non-current financing (liabilities)		-104,220,179.01	-103,003,036.33
Dividends paid	22	-65,000,001.35	-81,900,013.78
Net cash flow from financing activities		-142,642,149.04	-132,915,283.11
Change in cash and cash equivalents and financial assets		-62,172,635.02	-37,859,253.20
Cash and cash equivalents and financial assets 1 Jan		178,834,307.45	216,693,560.65
Cash and cash equivalents and financial assets 31 Dec	21	116,661,672.43	178,834,307.45

Notes are an integral part of the financial statements.

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2.2.4 Notes to the financial statements of parent company

1. ACCOUNTING PRINCIPLES

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

Foreign currency transactions

Commercial transactions and financial items denominated in foreign currencies are recognised at the foreign exchange mid-rate quoted by the European Central Bank (ECB) at the transaction date. Interest-bearing liabilities and receivables and the derivatives hedging these items are valued at the mid-rate quoted by the ECB at the closing date. Foreign exchange gains and losses on interest-bearing liabilities and receivables, and on the instruments hedging these items, are recognised at maturity under finance income and costs. Foreign exchange rate differences arising from the derivatives used to hedge commercial currency flows are recognised to adjust the corresponding item in the income statement.

Interest and currency derivatives

Interest rate and currency swaps, foreign exchange forwards and interest rate options are used, in accordance with the Treasury Policy, to hedge the interest rate and foreign exchange risk, as well as the commercial items, in Fingrid's balance sheet items. The accounting principles for derivative contracts are the same as for the underlying items. The interest rate items of interest rate and currency swaps and interest rate options are accrued and recognised in the income statement under interest income and costs. The interest portion of forward foreign exchange contracts hedging the interest-bearing liabilities and receivables is accrued over the maturity of the contracts and recognised under finance income and costs. Premiums paid or received on interest rate options are accrued over the hedging period.

Electricity derivatives

Fingrid hedges its loss energy purchases by employing forward instruments quoted on the NASDAQ OMX Oslo ASA. There can also be trading in the OTC market in instruments corresponding to Nasdaq OMX Oslo ASA's financial instruments. The profits and losses arising from these contracts are used to adjust the loss energy purchases in the income statement in the period in which the hedging impacts profit or loss.

Research and development expenses

Research and development expenses are treated 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 useful life of the fixed asset. Depreciation on fixed assets taken into use during the financial year is calculated on an item-by-item basis 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 useful life, maximum	10 years
Computer software	3 years
Buildings and structures	
Substation buildings and separate buildings	40 years
Substation structures	30 years
Buildings and structures at gas turbine power plants	20–40 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 costs*	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

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*Disposal costs are discounted at present value and added to the value of the fixed asset and recognised under provisions for liabilities and charges.

Goodwill is depreciated over a 20-year period, since grid operations are 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 recognised according to the FIFO principle at 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 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 Euro Medium Term Note (EMTN) programme. The current interest-bearing liabilities consist of commercial papers issued under the domestic and international programmes and of the current portion of noncurrent borrowings 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 recognised as an expense, and the commitment fees are recognised as an expense over the maturity of the facility.

Financial risk management

The principles applied to the management of financial risks are presented in item 35 of the Notes to the Consolidated Financial Statements.

Income taxes

Taxes include the accrued tax corresponding to the profit for the financial year as well as tax adjustments for previous financial years.

Deferred taxes

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

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2. TURNOVER BY BUSINESS AREA

The business of Fingrid Oyj comprises entirely transmission grid business with system responsibility. For that reason, there is no distribution of turnover by business area.

TURNOVER, €1,000	2015	2014
Grid service income	333,005	326,327
Imbalance power sales	137,127	150,734
Cross-border transmission	11,174	9,401
ITC income	15,298	12,157
Estlink congestion income	4,180	2,388
Nordic congestion income	86,762	48,857
Income from peak load capacity services	273	184
Income from guarantee-of-origin services	458	210
Other operating income	4,127	9,117
Total	592,403	559,376

3. OTHER OPERATING INCOME, €1,000	2015	2014
Rental income	1,196	1,267
Capital gains of fixed assets	2,424	1,048
Contributions received	199	200
Other income	1,539	2,105
Total	5,358	4,619

4. MATERIALS AND SERVICES, €1,000	2015	2014
Purchases during the financial year	154,208	178,464
Loss energy purchases	68,566	65,668
Change in inventories, increase (-) or decrease (+)	178	-1,446
Materials and consumables	222,951	242,687
grid service charges	801	50
Other external services	9,679	13,801
Services	10,481	13,850
Total	233,432	256,537

5. PERSONNEL EXPENSES, €1,000	2015	2014
Salaries and bonuses	21,320	20,460
Pension expenses	3,518	3,462
Other personnel expenses	967	1,071
Total	25,804	24,993

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Salaries and bonuses of the members of the Board of Directors and President and CEO, €1,000

	2015	2014
Helena Walldén, Chairman (since 3 May 2011)	38	42
Juha Majanen, Vice Chairman (since 22 March 2012)	21	28
Juhani Järvi, Member of the Board (since 6 June 2014)	19	13
Sanna Syri, Member of the Board (since 14 April 2015)	13	0
Esko Torsti, Member of the Board (since 22 March 2012)	18	23
Sirpa Ojala, Member of the Board (until 14 April 2015)	5	22
Matti Rusanen, Member of the Board (until 12 June 2014)		11
Timo Ritonummi, Deputy Member of the Board (until 12 June 2014)		1
Marja Hanski, Deputy Member of the Board (until 12 June 2014)		2
Niko Ijäs, Deputy Member of the Board (until 12 June 2014)		1
Ari Hakala, Deputy Member of the Board (until 6 June 2014)		1
Katja Salovaara, Deputy Member of the Board (until 12 June 2014)		1
Eeva Grannenfelt, Deputy Member of the Board (6 June-12 June 2014)		
Jukka Ruusunen, President and CEO	324	333

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

Personnel, average	319	305
Personnel, 31 Dec	315	313

DEPRECIATION ACCORDING TO PLAN, €1,000

	2015	2014
Goodwill	6,433	6,433
Other non-current expenses	5,961	6,762
Buildings and structures	7,303	6,657
Machinery and equipment	47,643	45,623
Transmission lines	35,982	35,941
Total*	103,323	101,416
Depreciation on the electricity grid (notes 12 and 13)	94,249	92,004

7. OTHER OPERATING EXPENSES, €1,000

	2015	2014
Contracts, assignments etc. undertaken externally	45,722	45,737
Grid rents	229	226
Other rental expenses	2,498	2,372
Other costs	9,455	5,972
Total	57,904	54,307

8. AUDITORS' FEES, €1,000

	2015	2014
Auditing fee	42	50
Other fees	74	150

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Total	116	200
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9. FINANCE INCOME AND COSTS, €1,000	2015	2014
Dividend income from Group companies		38
Dividend income from others	556	346
Interest and other finance income from others	13,274	8,774
	13,829	9,158

Interest and other finance costs to Group companies	0	-2
Interest and other finance costs to others	-36,665	-34,652
	-36,665	-34,654

Total	-22,835	-25,496
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10. INCOME TAXES, €1,000	2015	2014
Income taxes for the financial year	30,721	20,203
Total	30,721	20,203

The company will pay its income taxes in accordance with the underlying tax rate, with no tax planning

Deferred tax assets and liabilities, €1,000

Deferred tax assets

On temporary differences	334	337
	334	337

Deferred tax liabilities

On temporary differences	256	269
On appropriations	89,779	89,779
	90,035	90,049

Total	89,701	89,712
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11. GOODWILL, €1,000	2015	2014
Cost at 1 Jan	128,664	128,664
Cost at 31 Dec	128,664	128,664
Accumulated depreciation according to plan 1 Jan	-111,509	-105,075
Depreciation according to plan 1 Jan–31 Dec	-6,433	-6,433
Carrying amount 31 Dec	10,722	17,155

Accumulated depreciation difference 1 Jan	-17,155	-23,588
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	-10,722	-17,155

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12. OTHER NON-CURRENT EXPENSES, €1,000	2015	2014
Cost at 1 Jan	180,215	176,287
Increases 1 Jan–31 Dec	2,576	4,208
Decreases 1 Jan–31 Dec	-1,929	-280
Cost at 31 Dec	180,861	180,215
Accumulated depreciation according to plan 1 Jan	-93,724	-87,205
Decreases, depreciation according to plan 1 Jan–31 Dec	1,166	243
Depreciation according to plan 1 Jan–31 Dec	-5,961	-6,762
Carrying amount 31 Dec*	82,342	86,490
Accumulated depreciation difference 1 Jan	-57,354	-56,073
Increase in depreciation difference reserve 1 Jan–31 Dec	-753	-8,277
Decrease in depreciation difference reserve 1 Jan–31 Dec	2,154	6,996
Accumulated depreciation in excess of plan 31 Dec	-55,954	-57,354
*Net capital expenditure in electricity grid, €1,000	2015	2014
Carrying amount 31 Dec	77,101	80,742
Carrying amount 1 Jan	-80,742	-82,295
Depreciation according to plan 1 Jan–31 Dec	5,050	5,494
Decreases 1 Jan–31 Dec	763	37
Total	2,171	3,979
13. TANGIBLE ASSETS, €1,000	2015	2014
Land and water areas		
Cost at 1 Jan	14,974	14,224
Increases 1 Jan–31 Dec	442	750
Decreases 1 Jan–31 Dec	-67	0
Cost at 31 Dec	15,349	14,974
Buildings and structures		
Cost at 1 Jan	200,650	179,553
Increases 1 Jan–31 Dec	18,214	21,097
Decreases 1 Jan–31 Dec	-227	0
Cost at 31 Dec	218,637	200,650
Accumulated depreciation according to plan 1 Jan	-44,192	-37,534
Decreases, depreciation according to plan 1 Jan–31 Dec	59	0
Depreciation according to plan 1 Jan–31 Dec	-7,303	-6,657
Carrying amount 31 Dec	167,201	156,459
Accumulated depreciation difference 1 Jan	-13,590	-12,330
Increase in depreciation difference reserve 1 Jan–31 Dec	-852	-7,917
Decrease in depreciation difference reserve 1 Jan–31 Dec	908	6,657

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Accumulated depreciation in excess of plan 31 Dec	-13,534	-13,590
Machinery and equipment		
Cost at 1 Jan	991,645	951,646
Increases 1 Jan–31 Dec	38,824	40,012
Decreases 1 Jan–31 Dec	-630	-13
Cost at 31 Dec	1,029,839	991,645
Accumulated depreciation according to plan 1 Jan	-416,959	-371,343
Decreases, depreciation according to plan 1 Jan–31 Dec	306	8
Depreciation according to plan 1 Jan–31 Dec	-47,643	-45,623
Carrying amount 31 Dec	565,543	574,686
Accumulated depreciation difference 1 Jan	-188,372	-105,227
Increase in depreciation difference reserve 1 Jan–31 Dec	-2,012	-128,771
Decrease in depreciation difference reserve 1 Jan–31 Dec	6,338	45,626
Accumulated depreciation in excess of plan 31 Dec	-184,046	-188,372
Transmission lines		
Cost at 1 Jan	1,197,089	1,151,345
Increases 1 Jan–31 Dec	30,003	46,437
Decreases 1 Jan–31 Dec	-5,283	-693
Cost at 31 Dec	1,221,808	1,197,089
Accumulated depreciation according to plan 1 Jan	-416,065	-380,518
Decreases, depreciation according to plan 1 Jan–31 Dec	3,223	394
Depreciation according to plan 1 Jan–31 Dec	-35,982	-35,941
Carrying amount 31 Dec	772,985	781,024
Accumulated depreciation difference 1 Jan	-357,675	-251,679
Increase in depreciation difference reserve 1 Jan–31 Dec	-14,391	-141,954
Decrease in depreciation difference reserve 1 Jan–31 Dec	2,175	35,958
Accumulated depreciation in excess of plan 31 Dec	-369,891	-357,675
Other property, plant and equipment		
Cost at 1 Jan	118	118
Cost at 31 Dec	118	118
Prepayments and purchases in progress		
Cost at 1 Jan	78,687	81,674
Increases 1 Jan–31 Dec	134,335	93,383
Transfers to other tangible and intangible assets 1 Jan - 31 Dec	-92,206	-96,371
Cost at 31 Dec	120,816	78,687
Total*	1,642,011	1,605,947
*Net capital expenditure in electricity grid, €1,000	2015	2014
Carrying amount 31 Dec	1,635,324	1,598,045
Carrying amount 1 Jan	-1,598,045	-1,580,737

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Depreciation according to plan 1 Jan–31 Dec	89,199	86,509
Decreases 1 Jan–31 Dec	2,451	304
Total	128,930	104,121

Fingrid's reserve power plants are included in the property, plant and equipment of the transmission system from 1 January 2012, in accordance with the third supervision period.

14. INVESTMENTS, €1,000	2015	2014
Interests in Group companies		
Cost at 1 Jan	505	505
Cost at 31 Dec	505	505

Interests in associated companies		
Cost at 1 Jan	8,642	8,642
Decreases 1 Jan–31 Dec	-55	0
Cost at 31 Dec	8,588	8,642

Other shares and interests		
Cost at 1 Jan	1,417	1,378
Increases 1 Jan–31 Dec	469	95
Decreases 1 Jan–31 Dec		-57
Cost at 31 Dec	1,885	1,417

Total	10,978	10,563
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15. INVENTORIES, €1,000	2015	2014
Materials and consumables at 31 Dec	12,647	12,604
Work in progress	18	239
Total	12,665	12,843

16. OTHER NON-CURRENT RECEIVABLES, €1,000	2015	2014
Loan receivables from associated companies	2,500	1,600
Guarantee fund Nasdaq OMX, pledged account		794
Guarantee account Nasdaq OMX		197
Total	2,500	2,591

17. RECEIVABLES FROM ASSOCIATED COMPANIES, €1,000	2015	2014
Current:		
Trade receivables	39	2,257
Interest receivables	9	2
Total	48	2,259

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18. OTHER RECEIVABLES, € 1,000	2015	2014
Current:		
Guarantee fund Nasdaq OMX, pledged account	863	
Other receivables	49	34
Total	912	34

19. PREPAYMENTS AND ACCRUED INCOME, €1,000	2015	2014
Interest and other financial items	8,202	8,170
Accruals of sales and purchases	6,111	6,179
Other prepayments and accrued income	178	188
Total	14,491	14,536

20. UNRECORDED EXPENSES AND PAR VALUE DIFFERENTIALS ON THE ISSUE OF LOANS INCLUDED IN PREPAYMENTS AND ACCRUED INCOME, €1,000	2015	2014
Par value differentials	1,184	1,963

21. CASH AND CASH EQUIVALENTS, €1,000	2015	2014
Commercial papers	53,935	87,268
Short-term money market funds	39,324	29,000
Bank deposits	10,000	
Cash in hand and bank receivables	13,114	62,278
Pledged accounts	289	289
Total	116,662	178,834

22. SHAREHOLDERS' EQUITY, €1,000	2015	2014
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
	103,346	104,202
Profit from previous financial years 1 Jan		
Dividend distribution	-65,000	-81,900
Profit from previous financial years 31 Dec	38,346	22,302
Profit for the financial year	123,742	81,044
Shareholders' equity 31 Dec	273,933	215,191
Distributable shareholders' equity	162,088	103,346

Number of shares	Series A shares	Series B shares	Total
1 Jan 2015	2,078	1,247	3,325
31 Dec 2015	2,078	1,247	3,325

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Series A shares confer three votes each at the Annual General Meeting and Series B shares one vote each. When electing members of the Board of Directors, Series A shares confer 10 votes each at the Annual General Meeting and Series B shares 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. 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, such that Series B shares have the right over Series A shares to receive the annual dividend and the undistributed amount. Series B shares have no right to receive any other dividend.

Fingrid Oyj's Annual General Meeting decides on the annual dividend.

Eighty-two (82) per cent of the dividends to be distributed for each financial year is distributed for all Series A shares and eighteen (18) per cent for all Series B shares, however such that EUR twenty (20) million of the dividends to be distributed for each financial year is first distributed for all Series B shares. If the above-mentioned EUR twenty (20) million minimum amount for the financial period is not distributed (all or in part) for Series B shares in a financial period, Series B shares confer the right to receive the undistributed minimum amount in question (or the accumulated undistributed minimum amount accrued during such financial periods) in the next profit distribution, in any disbursements paid out, or in any other distribution of assets prior to any other dividends, disbursements or asset distribution until the undistributed minimum amount has been distributed in full for Series B shares.

There are no non-controlling interests.

23. ACCUMULATED APPROPRIATIONS, €1,000

2015

2014

Accumulated depreciation from the difference between depreciation according to plan and depreciation carried out in taxation

448,897

448,897

24. BONDS, €1,000

2015

2014

Currency	Nominal value	Maturity date	Interest		
EUR	20,000	4/11/2017	floating rate	20,000	20,000
EUR	25,000	4/11/2017	floating rate	25,000	25,000
EUR	30,000	6/15/2017	3.07%	30,000	30,000
EUR	30,000	9/11/2023	2.71%	30,000	30,000
EUR	300,000	4/3/2024	3.50%	300,000	300,000
EUR	25,000	3/27/2028	2.71%	25,000	25,000
EUR	10,000	9/12/2028	3.27%	10,000	10,000
EUR	80,000	4/24/2029	2.95%	80,000	80,000
EUR	30,000	5/30/2029	2.89%	30,000	30,000
				550,000	550,000
JPY	3,000,000	4/20/2015	1.45%		21,563
JPY	500,000	6/22/2017	1.28%	4,507	4,507
				4,507	26,070
NOK	200,000	10/17/2016	5.15%	24,620	24,620
NOK	200,000	4/11/2017	5.16%	24,620	24,620
NOK	200,000	11/10/2017	5.12%	23,725	23,725
NOK	200,000	11/12/2019	5.37%	23,725	23,725
NOK	100,000	9/16/2025	4.31%	12,512	12,512
				109,201	109,201

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SEK	300,000	6/15/2015	3.20%		31,169
SEK	100,000	6/17/2015	3.10%		10,417
SEK	220,000	12/1/2015	interest rate structure		24,336
SEK	100,000	1/15/2016	3.30%	10,390	10,390
SEK	500,000	10/18/2016	floating rate	54,900	54,900
SEK	500,000	10/18/2016	3.50%	54,900	54,900
SEK	1,000,000	11/19/2018	floating rate	107,308	
				227,497	186,111

Bonds, non-current, total	746,396	783,898
Bonds, current, total	144,809	87,485

Total	891,205	871,383
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25. LOANS FALLING DUE IN FIVE YEARS OR MORE, €1,000	2015	2014
Bonds	487,512	511,237
Loans from financial institutions	107,879	129,541
Total	595,391	640,778

26. LIABILITIES TO GROUP COMPANIES, €1,000	2015	2014
Current:		
Other liabilities	503	388
Total	503	388

27. LIABILITIES TO ASSOCIATED COMPANIES, €1,000	2015	2014
Current:		
Trade payables	2	504
Total	2	504

28. OTHER LIABILITIES, €1,000	2015	2014
Current:		
Other loans/Commercial papers (international and domestic)	75,003	156,158
Value added tax	7,787	5,304
Electricity tax	3,045	2,866
advances received	15	430
Other liabilities	582	595
Total	86,432	165,354

29. ACCRUALS, €1,000	2015	2014
Current:		
Interest and other financial items	14,739	15,911
Salaries and additional personnel expenses	4,310	3,590
Accruals of sales and purchases	3,784	10,188

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Other accruals	13,336	3,084
Total	36,170	32,773

30. PROVISIONS FOR LIABILITIES AND CHARGES, €1,000	2015	2014
Creosote-impregnated and CCA-impregnated wooden towers, disposal costs	1,668	1,685
Total	1,668	1,685

31. COMMITMENTS AND CONTINGENT LIABILITIES, €1,000	2015	2014
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Rental liabilities		
Liabilities for the next year	2643	2,456
Commitment fee for subsequent years	23,299	24,593
	25,942	27,048
Commitment fee for subsequent years		
Liabilities for the next year	8017	7945
Commitment fee for subsequent years	81048	91025
	89,065	98,970

Pledges		
Pledge covering property lease agreements	9	9
Pledge covering customs credit account	280	280
Default fund covering electricity exchange purchases	863	991
	1,151	1,279

Other financial commitments		
Counter-guarantee in favour of an associated company		1,700
Rent security deposit, guarantee	38	38
Commitment fee for the next year	326	355
Commitment fee for subsequent years	1,154	815
	1,518	2,907

32. OPERATING CASH FLOW ADJUSTMENTS, €1,000	2015	2014
Business transactions not involving a payment transaction		
Depreciation	103,323	101,416
Capital gains/losses (-/+) on tangible and intangible assets	-2,129	-991
Total	101,194	100,425

33. LEGAL PROCEEDINGS AND PROCEEDINGS BY AUTHORITIES

On 19 January 2015, the Energy Authority granted Fingrid a licence to operate the electricity transmission system in the national grid and appointed Fingrid Oyj as the distribution system operator responsible for the transmission grid.

In its verdict on 29 June 2015, the Supreme Administrative Court rejected Fingrid's appeal concerning the Market Court's decision of 21 January 2013. The Market Court had rejected Fingrid's appeal concerning the methods confirmed by the Energy Authority which are applied in determining the grid owner's income from grid operations and payments for transmission service for the 2012–2015 regulatory period. The decision did not have financial impacts.

In its decision of 30 June 2015, the Energy Authority demanded that Fingrid change its decision of 31 March 2015 on the naming of the grid. Fingrid appealed this decision to the Market Court on 24 July 2015. This was the first time a naming decision was made, and it is based on the Electricity Market Act, amended in 2013, according to which Section 31 stipulates that the grid owner must name the transmission lines, electricity substations and other devices which fall under the scope of its grid network for the regulatory period. The Energy Authority's change requests concerned the eastern capital city region and the 400 kV Ulvila-Meri-Pori transmission line, which the Energy Authority requests be named to the national grid. Helen Sähköverkot Oy, Vantaan Energian Sähköverkot Oy have also appealed the Energy Authority's decision on the naming of the grid.

There are no other ongoing legal proceedings or proceedings by authorities that would have a material impact on Fingrid's business

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

Imbalance power and regulating power

Each electricity market party must ensure its electricity balance by making an agreement with either Fingrid or some other party. Fingrid buys and sells imbalance power in order to stabilise the hourly power balance of an electricity market party (balance provider). Imbalance power trade and pricing 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 on 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.

Fingrid is also responsible for the national balance settlement. The balance settlement takes place after the utilisation hours by determining the actual electricity generation, consumption and electricity trade. The outcome of the balance settlement is power balances for each party to the electricity trade.

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 by virtue of Chapter 12 of the Electricity Market Act. The management of balance operation is a part of grid operations.

The income statement of the balance service 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 principle
Finance income and costs	on the basis of imputed debt
Income taxes	based on result

The average number of personnel during 2015 was 14 (18). The operating profit was 6 (1) per cent of turnover.

	1 Jan - 31 Dec, 2015	1 Jan - 31 Dec, 2014
MANAGEMENT OF BALANCE OPERATION, SEPARATED INCOME STATEMENT	€1,000	€1,000
TURNOVER*	148,240	169,933
Other operating income	1	203
Materials and services*	-136,914	-165,476
Personnel costs	-1,552	-1,761
Depreciation and amortisation expense	-306	-359
Other operating expenses	-1,208	-1,389
OPERATING PROFIT	8,261	1,151
Finance income and costs	30	2
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	8,291	1,153
Appropriations	35	-208
PROFIT/LOSS FOR THE FINANCIAL YEAR	8,327	945

Turnover includes EUR 8.8 (11.9) million in sales of imbalance power to balance provider Fingrid Oyj, and Materials and services includes EUR 7.2 (10.9) million euros in purchases by Fingrid Oyj.

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MANAGEMENT OF BALANCE OPERATION, SEPARATED BALANCE SHEET

ASSETS	31 Dec 2015 €1,000	31 Dec 2014 €1,000
NON-CURRENT ASSETS		
Intangible assets		
Other non-current expenses	415	442
Tangible assets		
Machinery and equipment	254	375
Prepayments and purchases in progress	62	
Investments		
Interests in associated companies	2,001	2,001
TOTAL NON-CURRENT ASSETS	2,732	2,817
CURRENT ASSETS		
Non-current		
Loan receivables from associated companies	2,500	1,600
Current receivables		
Trade receivables	21,368	24,109
Receivables from Group companies	14,899	7,191
Receivables from associated companies	48	353
Other receivables	1,616	2,050
	37,931	33,703
Cash in hand and bank receivables	1	1
TOTAL CURRENT ASSETS	40,432	35,304
TOTAL ASSETS	43,164	38,121

EQUITY	31 Dec 2015 €1,000	31 Dec 2014 €1,000
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	32	32
Share premium account	286	286
Profit from previous financial years	8,293	7,348

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Profit for the financial year	8,327	945
TOTAL SHAREHOLDERS' EQUITY	16,937	8,610
ACCUMULATED APPROPRIATIONS	-560	-524
LIABILITIES		
Current liabilities		
Trade payables	26,020	29,028
Liabilities to Group companies	766	1,007
	26,786	30,035
TOTAL LIABILITIES	26,786	30,035
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	43,164	38,121

Development of information exchange

It is Fingrid's task to develop the exchange of information required for electricity trade and imbalance settlement as set out in the Electricity Market Act. Fingrid's information exchange services are part of the electricity markets' information exchange environment. In order to develop the effective and accurate exchange of information, Fingrid works in close co-operation with e.g. electricity market parties, interest groups, service providers, supervisory authorities, legislators, organisations that develop national and international communications and other transmission system operators.

In accordance with a decision by the Energy Market Authority, Fingrid Oyj must separate the duties pertaining to the development of information exchange by virtue of Chapter 12 of the Electricity Market Act. The development of information exchange is a part of grid operations.

The separation of the income statement for the development of information exchange is realised by means of cost accounting as follows:

Income	direct
Separate costs	direct
Administrative costs	matching principle
Income taxes	based on result

DEVELOPMENT OF INFORMATION EXCHANGE, SEPARATED INCOME STATEMENT	1 Jan - 31 Dec, 2015 €1,000	1 Jan - 31 Dec, 2014 €1,000
TURNOVER	528	5
Personnel costs	-165	-245
Other operating expenses	-236	-682
OPERATING PROFIT	127	-922
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	127	-922
Income taxes	-25	184
PROFIT/LOSS FOR THE FINANCIAL YEAR	102	-738

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DEVELOPMENT OF INFORMATION EXCHANGE, SEPARATED BALANCE SHEET

ASSETS	31 Dec 2015	31 Dec 2014
	€1,000	€1,000
CURRENT ASSETS		
Trade receivables	56	5
Other receivables	159	211
TOTAL CURRENT ASSETS	215	216
TOTAL ASSETS	215	216
SHAREHOLDERS' EQUITY AND LIABILITIES	31 Dec 2015	31 Dec 2014
	€1,000	€1,000
EQUITY		
Share capital	3	3
Profits/losses from previous financial years	-738	
Profit for the financial year	102	-738
TOTAL SHAREHOLDERS' EQUITY	-634	-735
LIABILITIES		
Current liabilities		
Trade payables	10	137
Liabilities to Group companies	716	814
Other liabilities	123	
	849	951
TOTAL LIABILITIES	849	951
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	215	216

Grid operations

Grid operations refers to licensed electricity system operation that takes place on the electricity grid. Electricity system operations are defined in Chapter 1 of the Electricity Market Act (588/2013) and grid operations are defined in Chapter 5. Of Fingrid Oyj's operations, activities related to the management of the power reserve system and guarantees of origin for electricity, as well as the data hub project that was started in 2015 are not included in grid operations. Operations that are not part of grid operations constitute 'other operations' as referred to in Chapter 12 of the Electricity Market Act and must be separated from grid operations in accordance with that Chapter.

The income statement and balance sheet of grid operations and other operations have, in compliance with Chapter 12 of the Electricity Market Act, been separated by means of cost accounting as follows:

Income	direct
Separate costs	direct
Production costs	matching principle

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Administrative costs	matching principle
Depreciation	matching principle in accordance with Fingrid Oyj's depreciation principle
Finance income and costs	on the basis of imputed debt
Income taxes	based on result
Balance sheet items	matching principle

	TRANSMISSION SYSTEM OPERATION	OTHER OPERATION
	1 Jan - 31 Dec, 2015	1 Jan - 31 Dec, 2015
SEPARATED INCOME STATEMENT	€1,000	€1,000
TURNOVER	591,671	733
Other operating income	5,358	
Materials and services	-233,432	
Personnel costs	-25,102	-703
Depreciation and amortisation expense	-103,323	
Other operating expenses	-57,196	-708
OPERATING PROFIT	177,976	-678
Finance income and costs	-22,835	
PROFIT BEFORE EXTRAORDINARY ITEMS	155,141	-678
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAXES	155,141	-678
Income taxes	-30,857	136
PROFIT/LOSS FOR THE FINANCIAL YEAR	124,284	-542

SEPARATED BALANCE SHEET	TRANSMISSION SYSTEM OPERATION	OTHER OPERATION
	31 Dec 2015	31 Dec 2015
ASSETS	€1,000	€1,000
Intangible assets:		
Goodwill	10,722	
Other intangible assets	82,342	
	93,064	
Tangible assets		
Land and water areas	15,349	
Buildings and structures	167,201	
Machinery and equipment	565,543	
Transmission lines	772,985	
Other property, plant and equipment	118	

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Prepayments and purchases in progress	120,816	
	1,642,011	
Investments:		
Interests in Group companies		505
Interests in associated companies	8,588	
Other shares and interests	1,885	
	10,473	505
TOTAL NON-CURRENT ASSETS	1,745,548	505
CURRENT ASSETS		
Inventories	12,665	
Receivables		
Non-current		
Loan receivables from associated companies	2,500	
	2,500	
Current		
Trade receivables	53,463	
Receivables from Group companies	1,123	209
Receivables from associated companies	48	
Other receivables	912	
Prepayments and accrued income	14,491	
	70,038	209
Financial securities	93,259	
Cash in hand and bank receivables	23,403	
TOTAL CURRENT ASSETS	201,864	209
TOTAL ASSETS	1,947,412	714

SEPARATED BALANCE SHEET

	TRANSMISSION SYSTEM OPE- RATION	OTHER OPERATION
SHAREHOLDERS' EQUITY AND LIABILITIES	31 Dec 2015	31 Dec 2015
	€1,000	€1,000
EQUITY		
Share capital	55,920	3
Share premium account	55,922	0
Profit from previous financial years	38,346	0

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Profit for the financial year	124,284	-542
TOTAL SHAREHOLDERS' EQUITY	274,473	-540
ACCUMULATED APPROPRIATIONS	448,897	
PROVISIONS FOR LIABILITIES AND CHARGES	1,668	
LIABILITIES		
Non-current liabilities		
Bonds	746,396	
Loans from financial institutions	172,866	
	919,262	
Current liabilities		
Bonds	144,809	
Loans from financial institutions	20,710	
Trade payables	14,617	
Liabilities to Group companies	503	1,123
Liabilities to associated companies	2	
Other liabilities	86,416	16
Accruals	36,056	115
	303,113	1,254
TOTAL LIABILITIES	1,222,375	1,254
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,947,412	714

35. KEY FIGURES OF TRANSMISSION SYSTEM OPERATION		
	2015	2014
Return on investment (ROI) in transmission system operation, %	10.6	7.4
Return on investment, %	$= \frac{\text{profit before extraordinary items} + \text{interest and other finance costs} + \text{interest portions of electricity grid leasing fees and rents}}{\text{balance sheet total} - \text{non-interest-bearing liabilities} + \text{leasing and rent liabilities related to electricity grid (average for the year)}} \times 100$	

36. EMISSION RIGHTS

Fingrid has not been granted free-of-charge emission rights for the emissions trade period 2013–2020.
The use of emission rights had no impact on the financial result in 2015.

	2015	2014
Total CO ₂ emissions tCO ₂	6,697	10,993

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3. SIGNATURES FOR THE ANNUAL REVIEW AND FOR THE FINANCIAL STATEMENTS

Helsinki, 18 February 2016

Helena Walldén
Chair

Juha Majanen
Deputy Chairman

Sanna Syri

Juhani Järvi

Esko Torsti

Jukka Ruusunen
President & CEO

Auditor's notation

A report on the audit carried out has been submitted today.

Helsinki, 18 February 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jouko Malinen, APA