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Helsinki, Finland, 2016-07-27 10:00 CEST (GLOBE NEWSWIRE) -- Fingrid Oyj
Half Year financial report 27 July 2016 at 11.00 EET

The consolidated financial statements have been drawn up in accordance with the International Financial Reporting Standards (IFRS). Unless otherwise indicated, the figures in parentheses refer to the same period of the previous year.

Financial development in January - June 2016

-- The Group's turnover in January - June was EUR 297.3 (293.1) million -- The Group's operating profit was EUR 100.4 (82.1) million -- Group profit for the period was EUR 77.4 (52.3) million -- Cash flow from the Group's operations, after capital expenditure, was EUR 73.4 (46.1) million
-- Interest-bearing net borrowing amounted to EUR 1,041.0 (1,067.2) million -- Capital expenditure totalled EUR 75.4 (67.8) million
-- The equity ratio was 33.5 (31.8) per cent -- Earnings per share totalled EUR 23,285 (15,744)

Financial development in April - June 2016

-- The Group's turnover in April - June was EUR 113.4 (113.2) million -- The Group's operating profit for April - June was EUR 26.3 (9.3) million -- Group profit for the April-June period was EUR 18.5 (-3.0) million -- Cash flow from the Group's operations for April - June, after capital expenditure, was EUR -19.0 (-6.3) million -- Capital expenditure for April-June totalled EUR 48.1 (43.8) million

KEY 1-6/16 1-6/15 change 4-6/16 4-6/15 change 1-12/15

FIGUR % %

ES

Turnov [Eur]M 297.3 293.1 1.4 113.4 113.2 0.2 600.2 er

Capita [Eur]M 75.4 67.8 11.2 48.1 43.8 9.9 147.5 l expen diture , gross

- of % 25.4 23.1 42.4 38.7 24.6 turno ver

Resear [Eur]M 1.2 0.8 47.8 0.6 0.4 42.5 1.8 ch and devel opment expen ses

- of % 0.4 0.3 0.5 0.4 0.3 turno ver

Averag 332 319 4.1 343 325 5.5 319 e numbe r of emplo yees

Number 355 332 6.9 355 332 6.9 315 of emplo yees at end of perio d

Salari [Eur]M 11.5 11.2 3.1 5.9 5.7 3.6 21.3 es and bonus es, total

Operat [Eur]M 100.4 82.1 22.3 26.3 9.3 182.2 162.6 ing profi t

- of % 33.8 28.0 23.1 8.2 27.1 turno ver

Profit [Eur]M 96.7 65.4 47.8 23.1 -3.7 719.7 129.3 befor e taxes

- of % 32.5 22.3 20.4 -3.3 21.5 turno ver

Profit [Eur]M 77.4 52.3 47.9 18.5 -3.0 709.4 103.6 for the perio d

Compre [Eur]M 80.5 55.4 45.3 20.0 -1.6 1,341.6 109.1 hensiv e incom e for the perio d

Equity % 33.5 31.8 33.5 31.8 33.5 ratio

Intere [Eur]M 1,041.0 1,067.2 -2.5 1,041.0 1,067.2 1,026.6 st-bea ring net borro wings

Net 1.5 1.6 1.5 1.6 1.4 geari ng

Earnin [Eur] 23,285.31 15,744.04 47.9 5,555.21 -911.57 709.4 31,150.79 gs per share

Divide [Eur] 33,686.24 nd, Serie s A share s

Divide [Eur] 16,038.49 nd, Serie s B share s

Equity [Eur] 210,971 197,687 6.7 213,822 per share

Number of share s

- qty 2,078 2,078 2,078 2,078 2,078 Serie s A share s

- qty 1,247 1,247 1,247 1,247 1,247 Serie s B share s

Total qty 3,325 3,325 3,325 3,325 3,325

Jukka Ruusunen, President & CEO: 'The national grid is preparing for major changes in power system: record number of construction projects underway - electricity markets in need of an overhaul'

The electricity system of the future will pose new requirements for the national grid. As part of its operations to develop the grid system, Fingrid currently has an extensive, 260-million-euro investment programme underway in western Finland. The programme consists of 29 sub-projects, of which 17 are being implemented this year. By reinforcing our electricity network, we will secure the regional supply of electricity and make it possible to connect more wind and nuclear power to the grid. The programme reached a major milestone in April when a high-capacity transmission line extending from Kristiinankaupunki to Vaasa and further on to Kokkola was commissioned.

The earliest parts of Finland's national grid have been in use for nearly 90 years. The oldest transmission line, referred to as the 'Iron Lady', runs between southeast and southwest Finland. This line is under gradual modernisation for a total investment cost of EUR 135 million. In March, 80 kilometres of power line were taken into use as a part of this project, between Hikia in Hausjarvi and Forssa. In the next phase, the work will continue west of Forssa, towards Lieto, and will involve the modernisation of nearly 70 kilometres of power line.

As a transmission system operator, we are currently deeply concerned about the state of the electricity market. The market faces major challenges as a consequence of the considerable support schemes for renewable energy. The energy surplus of the northern European electricity market can be felt throughout the Baltic Sea area and is artificially pushing down prices.

The market price of wholesale electricity has plummeted, which has forced production capacity out of the market. Achieving a reliable, cost-effective and low-carbon energy system requires a more market-driven approach. The impacts of subsidies need to be reduced and mechanisms harmonised throughout the Baltic Sea area in order to allow markets to function. We studied various possibilities to re-invigorate the electricity market during the spring and published a discussion paper on the topic. The paper presents concrete market-based alternatives for the transition period before the adoption of new future technologies.

Fingrid Group's Interim Report 1.1. - 30.6.2016

Accounting principles

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

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

Financial result

The Group's second quarter turnover was EUR 113.4 (113.2) million. Grid service income in Q2 totalled EUR 70.2 (60.3) million. Other operating income totalled EUR 5.9 (1.1) million. Costs during the period amounted to EUR 106.3 (101.5) million.

The Group's turnover for January-June was EUR 297.3 (293.1) million. Grid service income increased during the first six months of 2016 to EUR 198.0 (175.7) million, as a result of the change in grid pricing enacted at the start of the year and due to the growth in electricity consumption. Other operating income totalled EUR 8.3 (1.9) million. The increase in the other operating income resulted from a EUR 3.7 million profit from sales of property, plant and equipment and from EUR 3.5 million in recognised congestion income. The total costs between January and June amounted to EUR 215.5 (205.4) million.

Between January and June, electricity consumption totalled 43.5 (42.3) terawatt hours. Imbalance power sales amounted to EUR 74.6 (69.7) million. The growth in the imbalance power sales resulted from increase in the volume of imbalance power and higher imbalance power prices. Cross-border transmission income from the connection between Finland and Russia increased to EUR 10.8 (7.1) million. This was due to the new tariff structure that was introduced as well as increased imports from Russia.

Fingrid's congestion income from the connections between Finland and Sweden increased to EUR 29.9 (24.3) million as a result of the low price level for electricity in Sweden. Fingrid's congestion income from the links between Finland and Estonia amounted to EUR 2.3 (3.2) million. As a consequence of the change in the way congestion income is recognised, it will no longer be reported

in Fingrid's turnover as of the beginning of 2016.

Imbalance power costs increased from the previous year's level to EUR 58.2 (47.9) million, due to the increase in the volume and price of imbalance power. Loss energy costs amounted to EUR 30.7 (30.9) million. At the end of June, approximately 100 (96) per cent of Fingrid's projected loss energy procurement for the remainder of 2016 was hedged at an average price of EUR 35.9 (39.9) per megawatt hour.

The cost of reserves to safeguard the grid's system security decreased to EUR 24.1 (29.4) million. The reason for the decreased cost was an interruption in the procurement of the automatic frequency control reserve as well as the lower procurement cost of frequency controlled reserves for normal operation and disturbances due to high availability on the markets. Depreciation amounted to EUR 48.2 (46.2) million. Grid maintenance costs grew to EUR 9.5 (7.1) million, due to higher spending on cutting down trees along power line right-of-ways and preventive maintenance on power lines compared to the same period in 2015. Personnel costs grew as a consequence of the increased number of personnel and were EUR 14.3 (13.5) million.

Turnover and other income 1-6/16 1-6/15 change % 4-6/16 4-6/15 change % ([Eur]M)

Grid service income 198 176 12.7 70 60 16.3

Imbalance power sales 75 70 7.0 33 30 11.1

ITC income 8 7 15.7 3 3 29.0

Cross-border transmission 11 7 51.2 4 1 151.5 income

Finland-Estonia congestion 0 3 -100.0 0 3 -100.0 income*

Finland-Sweden congestion 0 24 -100.0 0 13 -100.0 income*

Peak load capacity income** 3 4 -13.5 2 2 -13.2

Other turnover 3 2 16.4 1 1 43.4

Other operating income 8 2 336.5 6 1 432.8

Turnover and other income 306 295 3.6 119 114 4.4 total

Costs ([Eur]M)	1-6/16	1-6/15	change %	4-6/16	4-6/15	change %
Purchase of imbalance power	58	48	21.4	25	20	25.2
Loss energy costs	31	31	-0.6	14	15	-6.2
Depreciation	48	46	4.2	24	23	4.9
Cost of reserves	24	29	-18.0	13	17	-22.6
Personnel costs	14	13	6.1	7	7	7.2
Peak load capacity costs**	3	4	-14.6	2	2	-16.9
Maintenance costs	9	7	33.8	6	4	32.8
ITC charges	6	5	18.1	3	1	90.9
Other costs	22	22	-0.5	12	11	6.3
Costs total	216	205	4.9	106	101	4.7
Operating profit, excl. the	90	90	0.5	13	13	1.4

change in the fair value of commodity derivatives

Consolidated operating profit, 100 82 22.3 26 9 182.2 IFRS

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

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

The Group's operating profit for the second quarter was EUR 26.3 (9.3) million. Profit before taxes was EUR 23.1 (-3.7) million. Profit for the period was EUR 18.5 (-3.0) million and the comprehensive income was EUR 20.0 (-1.6) million. The Group's net cash flow from operations, with net capital expenditure deducted, was -19.0 (-6.3) million euros in the period under review.

The Group's operating profit in the first six months of the year was EUR 100.4 (82.1) million. Profit before taxes was EUR 96.7 (65.4) million. The biggest differences from the corresponding period last year are explained by changes in the market value of derivatives (EUR +30.2 million), the growth in grid service income (EUR +22.3 million), and the elimination of congestion income from the turnover (EUR -27.5 million), due to the change in how congestion income is reported. Profit for the review period was EUR 77.4 (52.3) million and comprehensive income was EUR 80.5 (55.4) million. The Group's net cash flow from operations, with net capital expenditure deducted, was EUR 73.4 (46.1) million in the first six months of the year. The equity ratio was 33.5 (31.8) per cent at the end of the review period.

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

Investments and maintenance

The extensive project to develop the grid system in western Finland, totaling EUR 260 million, is proceeding according to the investment programme. A new 110 kilovolt substation in Siikajoki, the 400 kilovolt Tuovila substation in Vaasa and Hirvisuo transformer substation in Kokkola were started up during the period under review. Simultaneously, the previously built 400 kilovolt transmission line between Kristiinankaupunki and Kokkola, which had only been used at 200 kilovolt, was also commenced in its entirety. Work on the new 400 kilovolt transmission line along Finland's western coast, from Kokkola to the Oulu region, will be started up later this year. Fingrid decided to add another transformer to the Hirvisuo substation. The investment cost of the new transformer, to be completed in 2018, will amount to approximately EUR 7 million.

The EUR 130 million modernisation project on Finland's oldest transmission line, the 'Iron Lady' from Imatra to Turku, is proceeding as planned. Fingrid decided on an investment to modernise the 82-kilometre Ylikkala-Koria section of the Iron Lady between Lappeenranta and Kouvola. The project's investment costs will amount to some EUR 14 million and it will be completed in 2018.

Fingrid has decided to modernise a 51-kilometre-long transmission line between Hameenlinna and Valkeakoski. The project, valued at roughly EUR 9.5 million, includes the dismantling of the aged and worn out power line supported by wooden towers and replacing it with a new line. The project is due for completion in 2018.

Fingrid is planning to build a new Vuoksi substation and a roughly 24-kilometre-long Lempiala-Vuoksi transmission line between Lappeenranta and Imatra. The investment of EUR 20 million will be accelerated due to an extension to Kemira's industrial plant in Joutseno. The project is due for completion in 2018.

Fingrid declared a public competition to brainstorm development ideas for improving the grid system's maintenance and repair work. A total of 36 competition entries were received, from which four feasible ideas were selected. The brainstorming competition represented a big step towards Fingrid's goal of more open innovation activities.

Power system

Between April and June, electricity consumption in Finland totalled 18.7 (18.8) terawatt hours. Inter-TSO transmission in the same period amounted to 1.2 (1.6) terawatt hours. The total electricity transmission in Finland was 19.8 (20.4) terawatt hours. Fingrid transmitted a total of 16.1 (15.9) terawatt hours in its grid, representing 81.1 (78.0) per cent of the total electricity transmission in Finland. During this period, Fingrid transmitted 14.9 (14.4) terawatt hours of electricity to its customers which amounts to 79.7 (76.2) per cent of Finland's total consumption.

In January-June, electricity consumption in Finland amounted to 43.5 (42.3) terawatt hours. Inter-TSO transmission in the same period amounted to 2.6 (2.9) terawatt hours. The total electricity transmission in Finland was 46.0 (45.1) terawatt hours. Fingrid transmitted a total of 35.3 (33.9) terawatt hours in its grid, representing 76.8 (75.0) per cent of the total electricity transmission in Finland. During this period, Fingrid transmitted 32.7 (31.0) terawatt hours of electricity to its customers which amounts to 75.3 (73.3) per cent of Finland's total consumption.

Between April and June, 3.9 (4.1) terawatt hours of electricity were imported from Sweden to Finland, and 0.1 (0.1) terawatt hours were exported from Finland to Sweden. In January-June, 8.9 (8.3) terawatt hours of electricity were imported from Sweden to Finland and 0.1 (0.11) terawatt hours were exported from Finland to Sweden. The most significant event affecting international transmission capacity was the pre-planned maintenance work on the 400 kV Letsi-Petajaskoski cross-border power line between 17 April and 27 April 2016, during which time the power line was out of operation and the transmission capacity was limited.

In April-June, 1.1 (1.4) terawatt hours were exported to Estonia. In January-June, 2.4 (2.6) terawatt hours were exported to Estonia. The EstLink 2 DC connection was out of operation for two weeks in early April, between 1 April and 15 April 2016, due to pre-planned maintenance work.

Between April and June, 1.3 (0.5) terawatt hours of electricity were imported from Russia to Finland and between January and June imports totalled 3.0 (2.6) terawatt hours. Transmission capacity from Russia to Finland was fully available during the reporting period, with the exception of some short disturbances. Due to a fault at the Vyborg DC station, the transmission capacity from Finland to Russia was not available between 1 May and 3 June 2016. Electricity imports from Russia were relatively low, as in the previous year. There are major intraday variations in import volumes, however.

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

Power system operation 1-6/16 1-6/15 4-6/16 4-6/15

Electricity consumption in Finland, TWh 43.5 42.3 18.7 18.8

TSO transmission in Finland, TWh 2.6 2.9 1.2 1.6

Transmission within Finland, TWh 46.0 45.1 19.8 20.4

Fingrids electricity transmission volume, TWh 35.3 33.9 16.1 15.9

Fingrid's electricity transmission to customers, 32.7 31.0 14.9 14.4 TWh

Fingrid's loss energy volume, TWh 0.7 0.7 0.3 0.3

Electricity transmission Finland - Sweden Exports to Sweden TWh 0.1 0.1 0.1 0.1

Imports from Sweden, TWh 8.9 8.3 3.9 4.1

Electricity transmission Finland - Estonia Exports to Estonia, TWh 2.4 2.6 1.1 1.4

Imports from Estonia, TWh 0.1 0.0 0.0 0.0

Electricity transmission Finland - Russia Exports to Russia, TWh 0.02 0.02

Imports from Russia, TWh 3.0 2.6 1.3 0.5

Electricity market

In the second quarter of the year, the average day-ahead Nordic market price (system price) of electricity between April and June was EUR 23.94 (20.71) per megawatt hour and the area price for Finland was EUR 30.21 (25.83) per megawatt hour. In January-June, the average day-ahead market price for the Nordics was EUR 23.97 (24.40) per megawatt hour and Finland's area price was EUR 30.32 (28.95) per megawatt hour.

Between April and June, congestion income between Finland and Sweden totalled EUR 20.0 (26.6) million. The decrease in congestion income was affected by a lower area price difference between Finland and Sweden, which was partly a result of Nordic water levels returning to more normal values.

In May, Fingrid published a discussion paper concerning the challenges on the electricity markets and possible solutions to them. The paper, titled 'Electricity markets need fixing - What can we do?', spurred public debate on energy policies in general and on the necessity of subsidy mechanisms for renewable energy for instance. The public consultation related to the discussion paper and its solution proposals will remain open until mid-September 2016.

Electricity market 1-6/16 1-6/15 4-6/16 4-6/15

Nord Pool system price, average [Eur]/MWh 23.97 24.40 23.94 20.71

Area price Finland, average [Eur]/MWh 30.32 28.95 30.21 25.83

Congestion income between Finland and Sweden, 59.8 48.6 20.0 26.6 [Eur]M*

Congestion hours between Finland and Sweden %* 46.3 35.0 37.4 31.2

Congestion income between Finland and Estonia, 4.6 6.3 1.1 5.6 [Eur]M*

Congestion hours between Finland and Estonia %* 17.8 18.4 14.8 30.1

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

In the second quarter of the year, Fingrid used EUR 1.5 (1.7) million for countertrade. The biggest costs were caused by the countertrade carried out to maintain system security in the Ostrobothnia region in connection with investment projects requiring interruptions in the power supply.

In the first half of the year, Fingrid used EUR 2.6 (2.7) million for countertrade.

Countertrade 1-6/16 1-6/15 4-6/16 4-6/15

Countertrade between Finland and Sweden, [Eur]M 1.0 0.5 0.0 0.3

Countertrade between Finland and Estonia, [Eur]M 0.1 0.7 0.0 0.7

Countertrade between Finland's internal 1.5 1.4 1.5 0.6 connections, [Eur]M

Total countertrade, [Eur]M 2.6 2.7 1.5 1.7

Financing

The company's credit rating remained high, reflecting the company's strong overall financial situation and debt service capacity. The Group's net financial costs between April and June were EUR 3.2 (13.0) million. Between January and June the Group's net financial costs amounted to EUR 4.0 (16.9) million, including the change in the fair value of derivatives of EUR 5.5 million positive (EUR 6.9 million negative).

Interest-bearing borrowings totalled EUR 1,120.5 (1,176.2) million, of which non-current borrowings accounted for EUR 800.3 (951.5) million and current borrowings for EUR 320.2 (224.7) million.

The company's liquidity remained good. Financial and cash assets recognised at fair value through profit or loss on 30 June 2016 were EUR 79.6 (109.1) million. The company additionally has an undrawn revolving credit facility of EUR 300 million to secure liquidity and a total of EUR 50 million in uncommitted overdraft facilities.

The change in the fair value of electricity derivatives during the period under review includes EUR 3.6 million from a dismantled hedge reserve resulting from the discontinuation of hedge accounting, as an item reducing the Group's result.

The counterparty risk arising from derivative contracts relating to financing was EUR 15 (23) million. Fingrid's foreign exchange and commodity price risks are generally full hedged.

Personnel

The total number of personnel employed by the Group averaged 332 (319), of which 284 (283) were in a permanent employment relationship.

Other matters

Fingrid's annual general meeting (AGM) was held in Helsinki on 6 April 2014. The AGM approved the financial statements for 2015, confirmed the income statement and balance sheet, and discharged the members of the Board of Directors and the CEO from liability.

The AGM elected Fingrid's Board of Directors for the term that ends at the close of the next Annual General Meeting. Juhani Jarvi was appointed Chairman of Fingrid's Board of Directors. The other Board members are Juha Majanen, (Vice Chairman), Esko Torsti, and Sanna Syri, as well as Anu Hamalainen, who was elected as a new Board member at the AGM.

The AGM decided on a dividend payment of EUR 33,686.24 for each Series A share and EUR 16,038.49 for each Series B share, representing a total dividend payout of EUR 90,000,003.75.

PricewaterhouseCoopers Oy, which appointed Jouko Malinen as the principal auditor, was elected as the auditor of the company.

Auditing

The consolidated figures in this Interim Report are unaudited.

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

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

Notes: Tables for Fingrid's Interim Report 1.1.-30.6.2016

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Notes: Tables for Fingrid's Interim Report 1.1.-30.6.2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

[Eur]M	1- 6/20 16	1- 6/20 15	Change	4- 6/20 16	4- 6/20 15	Change	1-12/2 015
Turnover	297.3	293.1	4.2	113.4	113.2	0.2	600.2
Other operating income	8.3	1.9	6.4	5.9	1.1	4.8	5.2
Depreciation	-48.2	-46.2	-2.0	-24.5	-23.3	-1.1	-94.1
Operating expenses	-157.0	-166.6	9.7	-68.6	-81.7	13.1	-348.7
Operating profit	100.4	82.1	18.3	26.3	9.3	17.0	162.6
Finance income and costs	-4.0	-16.9	12.9	-3.2	-13.0	9.8	-33.7
Share of profit of assoc. companies	0.3	0.2	0.1	0.1	0.0	0.1	0.4
Profit before taxes	96.7	65.4	31.3	23.1	-3.7	26.8	129.3
Income taxes	-19.3	-13.1	-6.2	-4.6	0.7	-5.3	-25.7
Profit for the period	77.4	52.3	25.1	18.5	-3.0	21.5	103.6
Other comprehensive income							
Cash flow hedges	2.9	2.9	0.0	1.4	1.4	0.0	5.8
Translation reserve	0.2	0.2	0.0	0.1	0.0	0.1	-0.3
Items related to long-term asset							
Items available for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income for the review period	80.5	55.4	25.1	20.0	-1.6	21.6	109.1
Profit attributable to:							
Shareholders of the company	77.4	52.3	25.1	18.5	-3.0	21.5	103.6
Comprehensive income attributable to:							
Shareholders of the company	80.5	55.4	25.1	20.0	-1.6	21.6	109.1
Earnings per share on profit attributable to shareholders of the parent company (EUR)*:	23,285	15,744	7,541	5,555	-912	6,467	31,151
* no dilution effect							

ASSETS

Non-current assets

Goodwill 87.9 87.9 0.0 87.9

Intangible assets 95.1 95.1 0.0 95.4

Property, plant and equipment 1,704.2 1,647.7 56.5 1,677.0

Investments 9.9 10.4 -0.5 10.2

Derivatives 36.0 33.7 2.4 32.1

Receivables 16.3 12.4 3.9 19.0

Total non-current assets 1,949.5 1,887.2 62.3 1,921.6

Current assets

Inventories 12.1 12.7 -0.6 12.7

Derivatives 3.2 6.6 -3.5 3.4

Receivables 51.4 54.9 -3.5 69.9

Financial assets recognised in income

statement at fair value 53.9 92.5 -38.5 93.5

Cash and cash equivalents and financial 25.6 16.6 9.1 23.4 assets

Total current assets 146.3 183.3 -37.1 202.8

Total assets 2,095.7 2,070.6 25.2 2,124.4

SHAREHOLDERS' EQUITY AND LIABILITIES

Equity attributable to shareholders of the parent company

Shareholders' equity 701.5 657.3 44.2 711.0

Non-current liabilities

Interest-bearing 800.3 951.5 -151.2 907.2

Derivatives 43.8 44.5 -0.7 47.0

Non-interest-bearing 129.4 123.2 6.2 126.9

Total non-current liabilities 973.5 1,119.2 -145.7 1,081.1

Current liabilities

Interest-bearing 320.2 224.7 95.5 236.2

Derivatives 19.3 12.5 6.8 30.3

Non-interest-bearing 81.2 56.8 24.4 65.8

Total current liabilities 420.7 294.0 126.7 332.4

Total shareholders' equity and liabilities 2,095.7 2,070.6 25.2 2,124.4

Consolidated statement of changes in total equity, [Eur]M

-

Equity attributable to Share Share Revalua Transla Retain Shareho

shareholders							
of the parent company	capital	premium	reserve	reserve	earnings	equity	
	account	s			gs	total	

Balance on 1 January 2015	55.9	55.9	-11.5	-0.4	567.0	666.9
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Comprehensive income for the review period						
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Profit or loss	52.3	52.3				
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Other comprehensive income						
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Cash flow hedges	2.9	2.9				
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Translation reserve	0.2	0.2				
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Items related to long-term	0.0	0.0	asset items available for sale			
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Total other comprehensive	2.9	0.2	3.1	income adjusted by tax effects		
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Total comprehensive income	2.9	0.2	52.3	55.4		
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Transactions with owners						
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Dividend relating to 2014	-65.0	-65.0				
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Balance on 30 June 2015	55.9	55.9	-8.6	-0.3	554.4	657.3
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Comprehensive income for the review period						
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Profit or loss	51.2	51.2				
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Other comprehensive income						
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Cash flow hedges	2.9	2.9				
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Translation reserve	-0.5	-0.5				
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Items related to long-term	0.0	0.0	asset items available for sale			
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Total other comprehensive	2.9	-0.5	2.4	income adjusted by tax effects		
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Total comprehensive income	2.9	-0.5	51.2	53.7		
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Balance on 1 January 2016	55.9	55.9	-5.7	-0.7	605.6	711.0
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Comprehensive income for the review period						
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Profit or loss	77.4	77.4				
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Other comprehensive income						
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Cash flow hedges	2.9	2.9				
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Translation reserve	0.2	0.2				
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Items related to long-term	0.0	0.0	asset items available for sale			
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Total other comprehensive	2.9	0.2	3.1	income adjusted by tax effects		
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Total comprehensive income	2.9	0.2	77.4	80.5		
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Transactions with owners						
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Dividend relating to 2015	-90.0	-90.0				
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Balance on 30 June 2016	55.9	55.9	-2.8	-0.5	593.0	701.5
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CONSOLIDATED CASH FLOW STATEMENT, [Eur]M	1-6/201	1-6/201	Change	1-12/201
	6	5		5

Cash flow from operating activities				
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Profit for the review period	77.4	52.3	25.1	103.6
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Adjustments	57.2	83.2	-25.9	175.2
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Changes in working capital	41.5	-10.6	52.0	-19.7
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Interest paid	-14.1	-14.3	0.1	-23.7
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Interest received	0.3	0.7	-0.4	0.8
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Taxes paid	-23.5	-11.6	-11.9	-20.5
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Net cash flow from operating activities	138.8	99.8	39.0	215.7
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Cash flow from investing activities				
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Purchase of property, plant and equipment	-69.4	-67.2	-2.2	-150.4
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Purchase of intangible assets	-1.2	-1.7	0.4	-3.4
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Purchase of other assets				
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Proceeds from sale of other assets	0.2	0.5	-0.3	0.8
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Proceeds from sale of property, plant and equipment	5.6	0.2	5.4	5.1
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Loans granted	-0.9			
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Dividend received	0.6	0.6	0.0	0.6
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Contributions received	15.0	-15.0	15.0	
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Interest paid	-1.2	-1.1	0.0	-1.7
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Net cash flow from investing activities	-65.4	-53.7	-11.7	-135.0
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Cash flow from financing activities				
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Proceeds from non-current financing	107.4			(liabilities)
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Payments of non-current financing	-15.7	-65.1	49.4	-104.2
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Change in current financing	(liabilities)	-5.0	13.8	-18.8
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Dividends paid	-90.0	-65.0	-25.0	-65.0
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Net cash flow from financing activities	-110.7	-116.3	5.7	-142.8
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Change in cash and cash equivalents and financial assets	-37.3	-70.2	32.9	-62.0
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Cash and cash equivalents 1 Jan	116.9	179.3	-62.4	179.3
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Cash and cash equivalents 31 Mar.	79.6	109.1	-29.5	117.2
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QUARTERLY FIGURES

Q2/2016	Q1/2016	Q4/2015	Q3/2015	Q2/2015	Q1/2015
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Turnover [Eur]M	113.4	183.9	172.5	134.6	113.2	179.9
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Operating profit [Eur]M	26.3	74.2	57.4	23.1	9.3	72.8
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Operating profit %	23.1	40.3	33.3	17.1	8.2	40.5
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INVESTMENTS, [Eur]M	1-6/2016	1-6/2015	Change	1-12/2015
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Grid investments	69.9	62.6	7.3	138.4
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Substations	41.5	32.5	9.0	77.1
Transmission lines	28.4	30.0	-1.7	61.3
Gas turbine investments	0.8	0.4	0.4	0.7
Existing gas turbine plants	0.8	0.8	0.3	
New gas turbine plants	0.4	-0.4	0.4	
Other investments	4.7	4.8	-0.1	8.4
ICT	4.7	4.8	-0.1	8.4
Total investments	75.4	67.8	7.6	147.5

RESEARCH AND DEVELOPMENT EXPENSES, [Eur]M 1-6/2016 1-6/2015 Change 1-12/2015

Research and development expenses 1.2 0.8 0.4 1.8

DERIVATIVE CONTRACTS, [Eur]M

30 June 2016 30 June 2015 31 Dec 2015

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Total 1 -36 -35 4.12 0 -36 -36 4.13
-49 -49 4.22

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

Fair value hierarchy of financial instruments, [Eur]M 30 June 2016

Level 1 Level 2 Level 3

Financial assets recognised at fair value

Available-for-sale investments 0

Interest and currency derivatives 44

Financial assets recognised at fair value 30 24

Financial assets recognised in the income statement 30 69 at fair value

Financial liabilities held at fair value

Interest and currency derivatives, liabilities 30

Electricity forward contracts. NASDAX OMX Commodities 36

Total financial liabilities held at fair value 36 30

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

Level 1: inputs are publicly quoted in active markets.

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

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

Commitments	Contingent liabilities,	30 June	30 June	Change	31 Dec
[Eur]M		2016	2015	2015	2015

Pledged cash assets	0	1	-1	1
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Rental liabilities	25	27	-2	26
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Right-of-use agreements for reserve	85	95	-10	89
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power plants

Credit facility commitment fees	1	1	0	1
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Total	112	124	-12	118
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Investment commitments	102	147	-45	124
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Other financial liabilities

Changes in property, plant and equipment, [Eur]M	30 June	30 June	Change	31 Dec
	2016	2015	2015	2015

Carrying amount at beginning of period	1,677	1,640	37	1,640
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period

Increases	73	52	21	133
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Decreases	2	1	1	-3
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Depreciation and amortisation	-47	-46	-2	-93
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Carrying amount at end of period	1,704	1,648	56	1,677
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Transactions with associated companies, [Eur]M	30 June	30 June	Change	31 Dec
	2016	2015	2015	2015

Sales	0	3	-3	1
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Interest income	0	0	0	0
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Purchases	19	18	1	40
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Trade receivables	0	4	-4	3
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Trade payables	0	0	0	0
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Loan receivables	3	2	1	3
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Transactions with owners, [Eur]M 30 June 2016 30 June 2015 Change 31 Dec 2015

Owners

Purchases 6 6 1 6

Trade payables 0 0 0 0

Other related parties

Sales 28 13 16 29

Purchases 30 29 1 70

Trade receivables 2 2 0 1

Trade payables 2 2 0 2

Accounting principles

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

Segment reporting

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

Corporate restructuring

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

Seasonal fluctuations

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

General clause

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

Click on, or paste the following link into your web browser, to view the associated documents

<https://cns.omxgroup.com/cds/DisclosureAttachmentServlet?messageAttachmentId=579986>

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