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Helsinki, Finland, 2017-05-05 12:00 CEST (GLOBE NEWSWIRE) -- Fingrid Oyj
Management's review, 5 May at 13:00 EET

Fingrid follows a six-month reporting period as referred to in the Securities Markets Act and publishes management's reviews for the first three and nine months of the year; the Management's Reviews contain key information illustrating the company's financial and other development.

The information presented in the Management's Review relates to the Fingrid Group's performance in January-March 2017 and the corresponding period of 2016, unless otherwise indicated. The figures presented here have been drawn up in accordance with International Financial Reporting Standards (IFRS). The Management's Review is not an interim report in accordance with the IAS 34 standard. The figures are unaudited.

- Fingrid's January-March proceeded according to expectations.
- Turnover during the period under review amounted to EUR 193.0 (183.9) million and operating profit, excluding the change in the fair value of derivatives, amounted to EUR 88.1 (77.0) million
- The company's profitability and liquidity remained at a good level.

CEO Jukka Ruusunen: The transformation of the electricity system is putting north-south transmission connections in Finland to the test and calls for major investments from Fingrid

Electricity consumption in Finland has concentrated on southern Finland, which will have a shortage of electricity supply even after the Olkiluoto 3 power plant is completed. Electricity produced in northern Finland and northern Sweden must be transferred to the south to serve the needs of industry and consumers.

In close co-operation with Sweden's TSO, we have launched the development of a third 400 kilovolt AC connection between Finland and Sweden. The project is due to be completed by 2025 at the latest. We are seeking to get the connection, which will cost around EUR 200 million, included in the EU's list of energy infrastructure priority projects. The new connection will increase the transmission capacity between the two countries by 800 megawatts, representing an increase of 30 per cent from the current transmission capacity. This connection will see considerably more hydro and wind power production transmitted from Sweden to Finland, which will increase the volume of surplus electricity in northern Finland.

We have begun planning a north-south transmission connection, called the Forest Line, from Oulu to Petäjävesi. Construction will begin within the next two years. The connection will be roughly 300 kilometres long and will have a transmission capacity of approximately 700 megawatts. The cost of the investment is estimated at EUR 85 million.

Alongside these projects, we are planning, together with our Swedish colleagues, the replacement of the Fenno-Skan 1 HVDC link, which is reaching the end of its service life, by the end of the 2020s. According to the preliminary plan, the new link will be located in Kvarken and will have a capacity of roughly 800 megawatts. The cost of the investment is EUR 350-400 million.

The new transmission connections will bring market benefits to the entire Baltic Sea Region and enable a transformation of the power system, which will involve a major increase in renewable electricity generation.

Key figures

€M	1-3/17	1-3/16	change %	1-12/16
Turnover	193.0	183.9	4.9	586.1
Operating profit*	88.1	77.0	14.4	156.6
Profit before taxes	73.3	73.6	-0.5	173.9
Profit for the period	58.5	59.0	-0.7	138.7
Capital expenditure, gross	23.6	27.3	-13.9	146.7
Net cash flow from operations**	97.9	91.5	7.0	93.6
Interest-bearing net debt	929.8	936.1	-0.7	1,028.0
Balance sheet total	2,160.9	2,171.9	-0.5	2,101.8
Equity ratio %	38.1	35.5		36.4

* Operating profit excluding the change in the fair value of derivatives

** Net cash flow from operations, after capital expenditure

- Turnover grew since the beginning of the year as a consequence of the tariff change.
- Operating profit improved as expenses remained almost unchanged.
- Fewer investments were made during the review period than in the comparison period.

Main business events

- There were no major disturbances with extensive consequences in Fingrid's transmission grid in January-March.
- Between January-March, electricity consumption in Finland totalled 24.0 (24.8) terawatt hours. In the same period, Fingrid transmitted a total of 17.4 (19.3) terawatt hours in its grid, representing 71.4 (73.5) per cent of the total electricity transmission in Finland. The electricity Fingrid transmitted to its customers amounted to 17.0 (17.8) terawatt hours, which represents 70.7 (71.9) per cent of Finland's total consumption.
- Peak electricity consumption during the period was reached on 5 January 2017 between 5 pm and 6 pm, when the average hourly power rating reached close to 14,300 megawatts. During the same hour, Finland generated approximately 10,000 megawatts of electricity; the remainder was imported from neighbouring countries. The electricity supply was not in jeopardy during the peak consumption period. On the same day, a record-high 4,750 megawatts of electricity was imported.
- A total of 32 investment projects are under way in 2017. Investment decisions totalling EUR 13 million were made in the first quarter.
- During the period, Fingrid became the first European TSO to introduce an open service that centrally distributes information about Finland's electricity system and market. The open data service will enable the development of new services and applications.

The company has not changed its earnings guidance from what is stated in the financial statements Bulletin on 17 February 2017.

In Helsinki, on 5 May 2017

Fingrid Oyj

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Fingrid Oyj is Finland's transmission system operator, which takes care of the functioning of the nation-wide high-voltage grid, the backbone of electricity transmission. We transmit electricity continuously from electricity generating companies to distribution network companies and industrial companies. We take care of the cross-border connections and promote the functioning of the electricity market.

Fingrid delivers. Responsibly.

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