

The TVO logo is located in the top left corner. It consists of the letters 'TVO' in a bold, blue, sans-serif font. The letter 'O' has a small white gap in its upper right portion.

TVO

The background features a large, central blue circle with a pattern of fine, concentric white lines. This circle overlaps with a light grey circle on the left and a light green circle on the right. The overall design is clean and modern, with a focus on geometric shapes and color contrast.

# Interim Report

January–March 2012

## Teollisuuden Voima Oyj's Interim Report January 1–March 31, 2012

During the first quarter of the year the electricity production of Teollisuuden Voima Oyj continued safely and reliably in Olkiluoto 1 and Olkiluoto 2 plant units. In the Olkiluoto 3 project, the civil construction works have been mainly completed and the reactor main components are installed. Installation of the other components and planning of the reactor plant automation continued. Bidding process as part of the bidding and engineering phase of the Olkiluoto 4 project was started. Bids for the new nuclear power plant unit are expected at the beginning of 2013.

### Operating Environment

During the first quarter of the year the use of electricity in Finland decreased by 3.4 per cent compared to the corresponding period of the previous year.

The Finnish Government will assess the possibility of introducing a new tax related to carbon dioxide-free nuclear and hydro power generation, which aims to collect the state EUR 170 million a year. The tax will be introduced in 2014 at the earliest. Details of the tax are still open.

### Financial Performance

The consolidated turnover for the period under review January 1–March 31, 2012 was EUR 86.9 (January 1–March 31, 2011: EUR 99.3) million. The amount of electricity delivered to shareholders was 3,941.0 (4,186.4) GWh.

The consolidated profit/loss was EUR -0.1 (3.7) million.

### Financing and Liquidity

TVO's financial situation has developed as planned.

TVO's liabilities (non-current and current) totaled at the end of the period under review EUR 3,185.7 (December 31, 2011: 2,922.0) million excluding the loan from the Finnish State Nuclear Waste Management Fund, lent to shareholders. During the period under review, TVO raised a total of EUR 520.0 (33.9) million in non-current liabilities, of which EUR 20.0 million were subordinated shareholder loans. No repayments were made during the period under review.

During the first quarter of the year, TVO has issued a EUR 500 million bond under the Euro Medium Term Note Program. The maturity of the bond is 7 years and it pays an annual coupon of 4.625 per cent.

In March 2011, TVO signed a EUR 1.5 billion five-year syndicated credit facility with two one-year extension options. In March 2012, the facility was extended by one year with EUR 1.45 billion.

In February, the Company raised a EUR 20 million shareholder loan designated for the bidding and engineering phase of the OL4 project.

The OL3 project's share of financing costs has been capitalized on the balance sheet.

TVO uses its right to borrow funds back from the Finnish State Nuclear Waste Management Fund within the framework of legal regulations. On March 31, 2012, the amount of the loan was EUR 842.6 (December 31, 2011: 842.6) million and it has been relented to the Company's A series shareholders. After the end of the reporting period, on April 2, 2012, loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 39.2 million (March 31, 2011: EUR 40.2 million).

## Nuclear Power

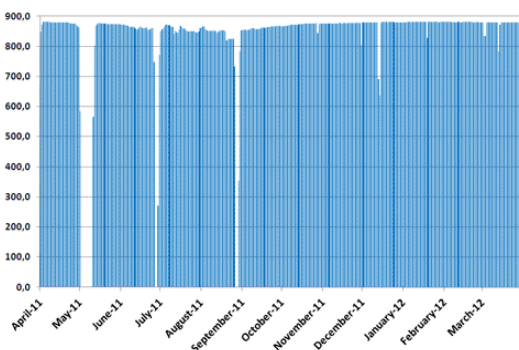
### Olkiluoto 1 and Olkiluoto 2

The electricity production of the Olkiluoto power plant units, Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2) during the period under review was 3,861 (3,770) GWh. The total capacity factor was 100.0 (100.0) %.

The plant units operated safely and reliably during the period under review. OL1's net production was 1,915 (1,899) GWh and the capacity factor 100.0 (100.0) %. OL2's net production was 1,946 (1,871) GWh and the capacity factor 100.0 (100.0) %.

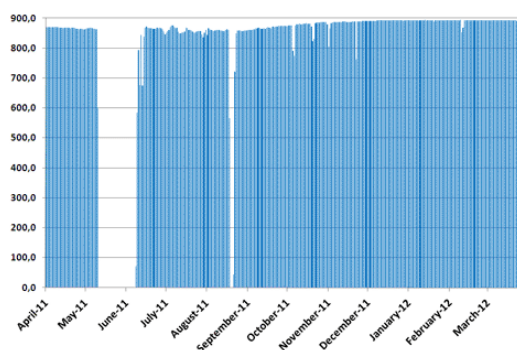
#### Olkiluoto 1

Average electrical power MW  
April 1, 2011–March 31, 2012



#### Olkiluoto 2

Average electrical power MW  
April 1, 2011–March 31, 2012



## Olkiluoto 3

OL3, currently under construction, was commissioned as a fixed-price turnkey project from the Consortium (referred to as the Supplier) formed by AREVA NP GmbH, AREVA NP SAS and Siemens AG. Originally commercial electricity production was scheduled to start at the end of April 2009. The completion of the project, however, has been delayed. In December 2011, the Supplier informed TVO that the plant unit is scheduled to be ready for regular electricity production in August 2014. The Supplier is responsible for the time schedule.

The civil construction works of the plant unit have been mainly completed. Construction of TVO's office building continued. The major components of the reactor plant, such as reactor pressure vessel, pressurizer and four steam generators have been installed. Welding works of the primary coolant circuit pipeline have been completed. Installation of the inner parts of the reactor pressure vessel as well as equipment of the reactor pressure vessel lid continued. In the fuel building, installation of the spent fuel mast bridge continued. Installation of the other components and pipeline welding works as well as pressure tests at the reactor plant continued. Commissioning tests of the automation cabinets at the turbine plant are ongoing. Planning, documentation and licensing of the reactor plant automation are not yet completed. The OL3 training simulator has been delivered and installed at Olkiluoto. The simulator is under testing.

The arbitration proceedings initiated in 2008 concerning the delay of the plant unit and the costs resulting from the delay continued. In June 2011, the Supplier submitted its statement of claim, which included updated claimed amounts with specified sums of indirect items and interest. The Supplier's latest monetary claim including indirect items and interest is approximately EUR 1.9 billion. TVO has considered and found the claim by the Supplier to be without merit and has made a counterclaim which currently amounts to approximately EUR 1.4 billion. TVO will update its counterclaim during the arbitration proceedings. The arbitration proceedings may continue for several years and the claimed and counter-claimed amounts may change. No receivables or provisions have been recorded on the basis of claims presented in the arbitration proceedings.

TVO was also involved in another ICC arbitration proceeding under the ICC rules concerning the costs of a technically resolved issue in connection with the construction work at OL3. The amount was minor in the context of the value of the project. The arbitration ended with an award during the reporting period. The economic impacts of the award are considered to be minor.

The workforce at the site at the end of the period under review was about 3,500. The occupational safety level at the site remained good.

All the realized costs of the OL3 project that can be recognized in the cost of the asset have been entered as property, plant and equipment on the Group balance sheet.

## Olkiluoto 4

On July 1, 2010, Parliament approved the favorable decision-in-principle made by the Government on May 6, 2010 regarding TVO's application to construct a fourth nuclear power plant unit (OL4) in Olkiluoto.

TVO has continued preparations for the OL4 nuclear power plant project. Engineering with the potential plant suppliers to clarify licensability and constructability of the plant alternatives has been started. Also the procurement process aiming at the plant selection has been initiated. Bids for the new plant unit are expected at the beginning of 2013.

All the realized costs of the OL4 project that can be recognized in the cost of the asset have been entered as property, plant and equipment on the Group balance sheet.

## Nuclear Fuel

During the period under review, nuclear fuel purchases amounted to EUR 3.8 (9.1) million and the amount consumed to EUR 11.5 (11.0) million.

The nuclear fuel and uranium stock carrying value on March 31, 2012 was EUR 170.7 (December 31, 2011: 178.4) million, of which the value of the fuel in the reactors was EUR 57.9 (December 31, 2011: 69.4) million.

## Nuclear Waste Management

Under the Finnish Nuclear Energy Act, the Company is responsible for the measures related to nuclear waste management and the related costs. Posiva Oy, jointly owned by TVO and Fortum Power and Heat Oy, is responsible for taking care of the final disposal of TVO's spent nuclear fuel.

At the final disposal depth of the repository, 420 meters below ground level, excavation of two so called demonstration tunnels started at the beginning of 2011. The purpose of excavating the demonstration tunnels is to show in practice that Posiva is capable of building and excavating the final disposal tunnels as well as define position for the final disposal tunnels and holes in order to secure a safe final disposal. The excavation of one, approximately 50-meter-long, tunnel was completed in June 2011 and excavation work of the other, 120 meter-long tunnel, has progressed to 100 meters. In the finished tunnel, three final disposal holes, each 8 meters deep and 1.8 meters in diameter, have been drilled by a new boring machine taken over in 2011. The second device to be used in the final disposal tunnels, machine for handling and transporting capsules, was ordered in March.

When the actual excavation works of ONKALO, the underground rock characterization facility, were completed in June 2011, work has continued by excavating technical and auxiliary facilities. The remaining excavation works will take about two

months. In the beginning of 2012, injections of one of the two ventilation shafts and personnel shaft have been continued. The raise boring of the shafts will be started during the spring. The most significant construction project in 2012 will be the second phase's excavation works of the hoist equipment building. The actual construction works will start in 2013.

The spent fuel produced by the NPP units of TVO and Fortum in Finland will be disposed of in the Olkiluoto final disposal facility.

The construction work to extend the interim storage facility of spent nuclear fuel with three new storage pools continued. The extension will be used for the needs of Olkiluoto nuclear power plant units.

On September 21, 2011, TVO filed an application to the Government concerning a change of terms of the operating license for the final repository for operating waste. TVO applies for a permit for disposing of the low and intermediate level waste of OL3 plant unit and the state trusted radioactive waste in the final repository for operating waste. The license application is pending in the Ministry of Employment and the Economy (MEE).

The liabilities, in the consolidated financial statement, show a provision related to nuclear waste management liability of EUR 837.3 (December 31, 2011: 831.8) million, calculated according to the international IFRS accounting principles. A corresponding amount, under assets, represents the Company's share in the Finnish State Nuclear Waste Management Fund.

In order to cover the costs of nuclear waste management, TVO makes contributions into the Finnish State Nuclear Waste Management Fund. MEE set TVO's liability for nuclear waste management at EUR 1,207.1 (1,179.1) million to the end of 2011 and the Company's target reserve in the Fund for 2012 at EUR 1,179.1 (1,123.4) million. The difference is covered by guarantees.

In March 2012, the Finnish State Nuclear Management Fund confirmed TVO's nuclear waste management fee for 2011 at EUR 34.1 (36.9) million, which was paid into the Fund after the period under review, on April 2, 2012 (March 31, 2011).

## Coal Power

### Meri-Pori

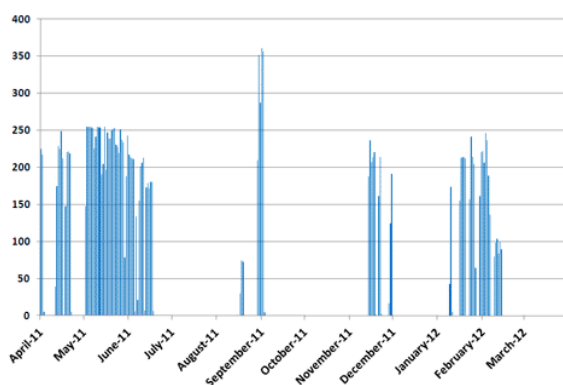
The amount of electricity produced by TVO's share at the Meri-Pori coal-fired power plant on January 1–March 31, 2012 was 102.8 (443.1) GWh requiring 35.1 (151.1) thousand tons of coal and 84.9 (354.0) thousand tons of carbon dioxide emission rights.

The Company's share of the free emission rights for the Meri-Pori coal-fired power plant for 2008–2012 totaled 1,479.7 thousand tons. In 2012, the share is 295.9 thousand tons.

### **TVO's share of Meri-Pori's production**

Average electrical power MW

April 1, 2011–March 31, 2012



## **Acquisitions of Tangible and Intangible Assets and Shares**

Investments during the period under review were EUR 66.1 (79.3) million. Investments of the parent company were EUR 64.7 (79.0) million, of which EUR 54.7 (55.3) million was allocated to the OL3 project.

In 2012, emission rights and certified emission reductions for the company's share of the Meri-Pori coal-fired power plant have been acquired worth 0.1 (4.2) million. The Company's need for carbon dioxide emission rights for the period under review will be covered by acquired and free emission rights.

## **Pending Court Cases and Disputes**

In December 2008, TVO was informed by the International Chamber of Commerce (ICC) that the OL3 Supplier had filed a request for arbitration concerning the delay at OL3 and the ensuing costs incurred. In June 2011, the Supplier submitted its statement of claim, which included updated claimed amounts with specified sums of indirect items and interest. The Supplier's latest monetary claim including indirect items and interest is approximately EUR 1.9 billion.

TVO has considered and found the claim by the Supplier to be without merit and has made a counterclaim which currently amounts to approximately EUR 1.4 billion. TVO will update its counterclaim during the arbitration proceedings. The arbitration proceedings may continue for several years and the claimed and counter-claimed amounts may change.

No receivables or provisions have been recorded on the basis of claims presented in the arbitration proceedings.

TVO was also involved in another ICC arbitration proceeding under the ICC rules concerning the costs of a technically resolved issue in connection with the construction work at OL3. The amount was minor in the context of the value of the project. The arbitration ended with an award during the reporting period. The economic impacts of the award are considered to be minor.

## Personnel

The total number of personnel in the Group at the end of the period under review was 849 (December 31, 2011: 818, March 31, 2011: 809). The number of permanent employees at the end of the period under review was 756 (December 31, 2011: 742, March 31, 2011: 734).

On February 29, 2012, the Board of Directors of TVO appointed Anja Ussa as Senior Vice President, Finance and member of the Executive Team, and Lauri Piekkari as Senior Vice President, Treasury and member of the Executive Team. In this connection, the Company also implemented an organizational change by dividing the Finance Department into Finance and Treasury Departments. Klaus Luotonen, the current Senior Vice President for Finance will continue in the employment of the Company as Senior Adviser. The appointments will take effect as of May 1, 2012.

## Annual General Meeting

TVO's Annual General Meeting was held on March 22, 2012. The AGM approved the financial statement for the year 2011, confirmed the consolidated income statement and balance sheet and discharged the members of the Board of Directors and the President and CEO from liability. In addition, it was decided to make an amendment to the Articles of Association concerning the number of auditors as well as a change to the shareholder loan terms.

Eight Board members were re-elected. The new Board members elected were Pekka Manninen to replace Seppo Ruohonen and Juha Taavila to replace Mikael Hannus. At its organization meeting held on the same day as the AGM, the Board elected Matti Ruotsala as Chairman and Lauri Virkkunen as Deputy Chairman. The Board chose also from among its members the members and chairmen of the Board Committees.



## Auditing

The Interim Report is unaudited.

## Risks and Uncertainty Factors in the Near Future

The major risks and uncertainty factors in TVO's operations have been presented in the Report of the Board of Directors 2011.

During the period under review, no remarkable new risks connected with the Company's operation have arisen.

## Assessment of Year-End Developments

Electricity production is expected to continue as in previous years. The prerequisites for nuclear power production at Olkiluoto are good. Nuclear fuel availability is guaranteed by long-term agreements.

In accordance with STUK's new safety guidelines under preparation, TVO has initiated pre-planning of the required systems changes. The plans will be completed during 2012. Based on the current estimate, the changes will not have major impact on TVO's capital expenditure program.

TVO will continue to realize the OL3 nuclear power plant project and prepare the plant unit for production use as planned.

TVO will continue preparations for the OL4 nuclear power plant project, clarification of the licensability and constructability of the plant alternatives with the potential plant suppliers, and procurement process aiming at the plant selection.

TVO will use its capacity at the Meri-Pori coal-fired power plant on the same principles as before.

Personnel recruitment and training will be continued as planned.

Posiva Oy will continue the construction of the underground research facility at Olkiluoto and preparation of the construction license application. The construction license will be filed with the Ministry of Employment and the Economy during 2012 as planned.

TVONS will continue to market and sell services.

## **Events After the Period Under Review**

No major events have taken place after the end of the interim report period.

April 17, 2012

Teollisuuden Voima Oyj  
Board of Directors

## Key Figures of TVO Group

TVO GROUP (IFRS) (M€)	1.1. - 31.3.2012	1.1. - 31.3.2011	1.1. - 31.12.2011
Turnover	87	99	352
Profit/loss for the period	0	4	6
Investments <sup>1)</sup>	66	79	316
Equity	1 282	1 085	1 083
Subordinated shareholder loans (hybrid equity) (included in the former) <sup>3)5)</sup>	199	0	0
Non-current and current interest-bearing liabilities (excluding loan from VYR) <sup>2)</sup>	3 086	2 618	2 847
Loans from equity holders of the company <sup>3)5)</sup>	0	179	179
Loan from VYR <sup>2)</sup>	843	843	843
Provision related to nuclear waste management	837	810	832
Balance sheet total	6 272	5 731	5 939
Equity ratio % <sup>4)</sup>	27,9	31,0	29,6
Average number of personnel	838	807	853

<sup>1)</sup> Acquisitions of property, plant and equipment, intangible assets and shares are based on gross investments.

<sup>2)</sup> The Finnish State Nuclear Waste Management Fund (VYR)

<sup>3)</sup> Subordinated loans

<sup>4)</sup> Equity ratio %  $=100 \times \frac{\text{equity + loans from equity holders of the company}}{\text{balance sheet total - provision related to nuclear waste management - loan from the Finnish State Nuclear Waste Management Fund}}$

<sup>5)</sup> During the reporting period, the terms of the loans of the equity holders of the company have been changed and the loans are included in equity according to IFRS standards.

## Key Figures of Teollisuuden Voima Oyj

TEOLLISUUDEN VOIMA OYJ (FAS) (M€)	1.1. - 31.3.2012	1.1. - 31.3.2011	1.1. - 31.12.2011
Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).			
Turnover	86	98	347
Profit/loss before appropriations	1	5	8
Fuel costs	15	23	67
Nuclear waste management costs	20	17	68
Capital expenditure (depreciation and financial income and expenses)	17	18	68
Investments <sup>1)</sup>	65	79	314
Equity	858	858	858
Appropriations	166	162	165
Non-current and current interest-bearing liabilities (excluding loan from VYR) <sup>2)</sup>	2 987	2 529	2 743
Loans from equity holders of the company <sup>3)</sup>	199	179	179
Loan from VYR <sup>2)</sup>	843	843	843
Balance sheet total	5 276	4 766	4 944
Equity ratio % <sup>4)</sup>	27,6	30,6	29,3
Average number of personnel	833	801	847

<sup>1)</sup> Acquisitions of tangible and intangible assets and shares are based on gross investments.

<sup>2)</sup> The Finnish State Nuclear Waste Management Fund (VYR)

<sup>3)</sup> Subordinated loans

<sup>4)</sup> Equity ratio % = 100 x  $\frac{\text{equity} + \text{appropriations} + \text{loans from equity holders of the company}}{\text{balance sheet total} - \text{loan from the Finnish State Nuclear Waste Management Fund}}$

## ELECTRICITY DELIVERED TO EQUITY HOLDERS OF THE COMPANY (GWh)

	1.1. - 31.3.2012	1.1. - 31.3.2011	1.1. - 31.12.2011
Nuclear power	3 838	3 743	14 129
Coal-fired power	103	443	815
Total	3 941	4 186	14 944

TVO GROUP

## CONSOLIDATED FINANCIAL STATEMENT IN BRIEF AND NOTES

### Consolidated Income Statement

<b>1 000 €</b>	<b>1.1. - 31.3.2012</b>	<b>1.1. - 31.3.2011</b>	<b>1.1. - 31.12.2011</b>
<b>Turnover</b>	<b>86 914</b>	<b>99 291</b>	<b>352 372</b>
Work performed for own purposes	3 367	3 360	11 173
Other income	2 153	2 220	9 086
Materials and services	-34 128	-41 497	-126 250
Personnel expenses	-14 240	-14 250	-59 219
Depreciation and impairment charges	-14 526	-14 395	-58 022
Other expenses	-21 368	-21 104	-85 406
<b>Operating profit/loss</b>	<b>8 172</b>	<b>13 625</b>	<b>43 734</b>
Finance income	11 460	5 118	39 184
Finance expenses	-19 685	-15 023	-77 265
Total finance income and expenses	-8 225	-9 905	-38 081
<b>Profit/loss before income tax</b>	<b>-53</b>	<b>3 720</b>	<b>5 653</b>
Income taxes	0	-1	-2
<b>Profit/loss for the period</b>	<b>-53</b>	<b>3 719</b>	<b>5 651</b>

#### Profit/loss for the period attributable to:

Equity holders of the company	-53	3 719	5 651
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### Consolidated Statement of Comprehensive Income

<b>1 000 €</b>	<b>1.1. - 31.3.2012</b>	<b>1.1. - 31.3.2011</b>	<b>1.1. - 31.12.2011</b>
Profit/loss for the period	-53	3 719	5 651
Other comprehensive items			
Changes in fair values of the available-for-sale investments	1 974	1 497	-538
Cash flow hedges	-1 995	9 162	6 934
Total other comprehensive profit/loss items for the period	-21	10 659	6 396
<b>Total comprehensive profit/loss for the period</b>	<b>-74</b>	<b>14 378</b>	<b>12 047</b>

#### Total comprehensive profit/loss for the period attributable to:

Equity holders of the company	-74	14 378	12 047
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**Consolidated Statement of Financial Position**

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 873 051	3 630 556	3 821 833
Intangible assets	14 670	27 618	14 988
Loans and other receivables	847 076	846 647	847 076
Investments in associates and joint ventures	1 009	1 009	1 009
Investments in shares	15 355	15 533	13 819
Derivative financial instruments	5 070	1 290	8 951
Share in the Finnish State Nuclear Waste Management Fund	837 286	809 994	831 828
<b>Total non-current assets</b>	<b>5 593 517</b>	<b>5 332 647</b>	<b>5 539 504</b>
<b>Current assets</b>			
Inventories	233 782	188 199	234 334
Trade and other receivables	89 147	113 861	58 562
Derivative financial instruments	1 691	362	996
Fund units	50 438	0	0
Cash and cash equivalents	303 434	95 809	105 535
<b>Total current assets</b>	<b>678 492</b>	<b>398 231</b>	<b>399 427</b>
<b>Total assets</b>	<b>6 272 009</b>	<b>5 730 878</b>	<b>5 938 931</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to equity holders of the company</b>			
Share capital	606 193	540 992	606 193
Share issue	0	65 201	0
Share premium reserve and statutory reserve	242 383	242 383	242 383
Fair value and other reserves	-19 038	-14 755	-19 018
Subordinated shareholder loans (hybrid equity)	199 300	0	0
Retained earnings	253 166	251 287	253 219
<b>Total equity</b>	<b>1 282 004</b>	<b>1 085 108</b>	<b>1 082 777</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision related to nuclear waste management	837 286	809 994	831 828
Loans from equity holders of the company	0	179 300	179 300
Loan from the Finnish State Nuclear Waste Management Fund	842 550	842 550	842 550
Bonds	1 752 636	1 253 209	1 254 160
Other financial liabilities	920 456	1 162 583	922 169
Derivative financial instruments	54 544	40 582	53 108
<b>Total non-current liabilities</b>	<b>4 407 472</b>	<b>4 288 218</b>	<b>4 083 115</b>
<b>Current liabilities</b>			
Current financial liabilities	356 056	157 624	612 411
Derivative financial instruments	1 828	3 700	4 992
Advance payments received	45 117	45 187	22 922
Trade payables	12 071	19 227	11 003
Other current liabilities	167 461	131 814	121 711
<b>Total current liabilities</b>	<b>582 533</b>	<b>357 552</b>	<b>773 039</b>
<b>Total liabilities</b>	<b>4 990 005</b>	<b>4 645 770</b>	<b>4 856 154</b>
<b>Total equity and liabilities</b>	<b>6 272 009</b>	<b>5 730 878</b>	<b>5 938 931</b>

**Consolidated Statement of Changes in Equity**

1 000 €	Share capital	Share issue	Share premium reserve and statutory reserve	Fair value and other reserves	Subordinated shareholder loans (hybrid equity)	Retained earnings	Attributable to equity holders of the company	Total equity
<b>Equity 1.1.2012</b>	<b>606 193</b>	<b>0</b>	<b>242 383</b>	<b>-19 018</b>	<b>0</b>	<b>253 219</b>	<b>1 082 777</b>	<b>1 082 777</b>
Profit/loss for the period	0	0	0	0	0	-53	-53	-53
Other comprehensive items								
Changes in fair values of the available-for-sale investments	0	0	0	1 974	0	0	1 974	1 974
Cash flow hedges	0	0	0	-1 994	0	0	-1 994	-1 994
Subordinated shareholder loans (hybrid equity)	0	0	0	0	199 300	0	199 300	199 300
<b>Equity 31.3.2012</b>	<b>606 193</b>	<b>0</b>	<b>242 383</b>	<b>-19 038</b>	<b>199 300</b>	<b>253 166</b>	<b>1 282 004</b>	<b>1 282 004</b>

1 000 €	Share capital	Share issue	Share premium reserve and statutory reserve	Fair value and other reserves	Subordinated shareholder loans (hybrid equity)	Retained earnings	Attributable to equity holders of the company	Total equity
<b>Equity 1.1.2011</b>	<b>540 992</b>	<b>0</b>	<b>242 383</b>	<b>-25 414</b>	<b>0</b>	<b>247 568</b>	<b>1 005 529</b>	<b>1 005 529</b>
Profit/loss for the period	0	0	0	0	0	3 719	3 719	3 719
Other comprehensive items								
Changes in fair values of the available-for-sale investments	0	0	0	1 497	0	0	1 497	1 497
Cash flow hedges	0	0	0	9 162	0	0	9 162	9 162
Share issue	0	65 201	0	0	0	0	65 201	65 201
<b>Equity 31.3.2011</b>	<b>540 992</b>	<b>65 201</b>	<b>242 383</b>	<b>-14 755</b>	<b>0</b>	<b>251 287</b>	<b>1 085 108</b>	<b>1 085 108</b>

**Consolidated Statement of Cash Flows**

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
<b>Operating activities</b>			
Profit/loss for the period	-53	3 719	5 651
Adjustments:			
Income tax expenses	0	1	2
Finance income and expenses	8 225	9 905	38 082
Depreciation and impairment charges	14 526	14 395	58 022
Other non-cash flow income and expenses	-4 323	-5 522	-25 796
Sales profit/loss of property, plant and equipment and shares	10	-59	-143
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	-26 920	2 946	9 313
Increase (-) or decrease (+) in inventories	685	4 542	-41 592
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	48 395	8 817	-4 124
Interest paid and other finance expenses	-2 384	-14 212	-25 565
Dividends received	0	19	728
Interest received	408	10 618	10 731
Taxes paid	0	-1	-1
<b>Cash flow from operating activities</b>	<b>38 569</b>	<b>35 168</b>	<b>25 308</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	-54 333	-63 017	-321 068
Proceeds from sale of property, plant and equipment	31	0	33
Acquisition of intangible assets	-6	-45	-447
Acquisition of shares	-1	-6	-473
Proceeds from sale of shares	0	241	363
Loan receivables granted	0	-39 453	-40 337
Repayments of loans granted	0	0	382
<b>Cash flow from investing activities</b>	<b>-54 309</b>	<b>-102 280</b>	<b>-361 547</b>
<b>Financing activities</b>			
Share issue	0	0	65 201
Withdrawals of subordinated shareholder loans (hybrid equity)	20 000	0	0
Withdrawals of long-term loans	500 000	74 098	74 098
Repayment of long-term loans	0	0	-11 645
Increase (-) or decrease (+) in interest-bearing receivables	0	0	69
Increase (+) or decrease (-) in current financial liabilities	-256 361	-9 276	215 951
<b>Cash flow from financing activities</b>	<b>263 639</b>	<b>64 822</b>	<b>343 674</b>
<b>Change in cash and cash equivalents</b>	<b>247 899</b>	<b>-2 290</b>	<b>7 435</b>
Cash and cash equivalents at the beginning of period	105 535	98 100	98 100
Changes in fair values of the fund units	438	0	0
<b>Cash and cash equivalents at the end of period</b>	<b>353 872</b>	<b>95 810</b>	<b>105 535</b>



## Notes to the Interim Report

### ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting -standard. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended on 31 December 2011. Additionally the changes according to revised IAS/IFRS standards have been adopted. The standards issued during the year 2012 have no impact in the consolidated financial statements.

### Subordinated shareholder loans (hybrid equity)

Subordinated shareholder loans (hybrid equity) are treated as equity. Subordinated shareholder loans (hybrid equity) are initially recognized at fair value including related transaction costs. There is no maturity date for the subordinated shareholder loans (hybrid equity), but the borrower is entitled to repay the loan in one or several installments. The Board of Directors of the borrower has the right to decide not to pay interest during any current interest period. Unpaid interest does not accumulate to the following interest periods.

The interest of the subordinated shareholder loans (hybrid equity) are recognized in liabilities when the obligation to pay interest is incurred. Interest expenses are recognized in the retained earnings and are not recognized in profit or loss.

### Property, plant and equipment

OL4 is a nuclear power plant unit under bidding and engineering phase. All the realized costs on the OL4 project that meet recognition criteria are shown as incomplete plant investment.

### Derivative financial instruments and hedge accounting

The Group applies fair value hedge accounting for hedging fixed interest rate risk on publicly traded bonds. Changes in the fair value of derivative financial instruments that qualify as fair value hedges are recognized in the income statement under financial items, along with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The carrying amounts of hedged items and fair values of hedging instruments are included in interest-bearing liabilities and assets. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item, for which the effective interest method is used, is recognized to profit or loss over the period to maturity.

### Consolidated cash flow statement

The consolidated cash flow statement of the comparison period has been corrected with regard to interest paid and other financial expenses, interest received and acquisition of property, plant and equipment.

### CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of Interim Report requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. Significant assumptions made by the management in applying Group's accounting policies and crucial uncertainties were the same as the ones applied to the annual financial statements as for the year ended on 31 December 2011.

## TVO GROUP

### SEGMENT REPORTING

#### Segment structure in TVO

The Group has two reportable segments; nuclear power and coal-fired power.

The electricity of the nuclear power segment is produced at two nuclear power plant units, Olkiluoto 1 and Olkiluoto 2 (OL1 and OL2). A new unit, Olkiluoto 3 (OL3), is under construction at Olkiluoto. In order to build a fourth plant unit (OL4) at Olkiluoto, it has been decided to start a bidding and engineering phase. The subsidiaries of TVO, TVO Nuclear Services Oy (TVONS), Olkiluodon Vesi Oy and Perusvoima Oy, of which operation is related to nuclear power, are also included in the nuclear power segment.

The electricity of coal-fired power segment is produced by TVO share at the Meri-Pori coal-fired power plant.

#### Segment calculation principles

TVO Group discloses in the segment information; turnover, profit/loss for the period and assets, which the chief operation decision maker follows.

The chief operation decision maker follows reporting according to Finnish Accounting Standards (FAS). Adjustments made under IFRS accounting policies are reported in group level.

### TURNOVER BY SEGMENTS

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Nuclear power	80 337	78 819	307 846
Coal-fired power	6 577	20 472	44 526
<b>Total</b>	<b>86 914</b>	<b>99 291</b>	<b>352 372</b>

### PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Nuclear power	2 440	4 685	10 028
Coal-fired power	-1 363	270	-1 982
Profit/loss before appropriations (FAS)	1 077	4 955	8 046
The impact of the nuclear waste management obligation	-790	-2 228	-3 107
The impact of financial instruments	-340	992	712
<b>Total (IFRS)</b>	<b>-53</b>	<b>3 719</b>	<b>5 651</b>

### ASSETS BY SEGMENTS

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Nuclear power	5 165 313	4 677 744	4 844 479
Coal-fired power	111 758	89 519	100 226
Total (FAS)	5 277 071	4 767 263	4 944 705
The impact of the nuclear waste management obligation	933 608	907 985	928 940
The impact of financial instruments	-17 422	-24 852	-10 943
The impact of finance leases	65 012	66 681	64 463
Other IFRS adjustments	13 740	13 801	11 766
<b>Total (IFRS)</b>	<b>6 272 009</b>	<b>5 730 878</b>	<b>5 938 931</b>

TVO GROUP

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT**

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
<b>Opening net book amount</b>	<b>3 821 833</b>	<b>3 578 775</b>	<b>3 578 775</b>
Increase	66 065	74 777	308 529
Decrease	-695	-9 031	-10 884
Depreciation and impairment charges	-14 202	-14 067	-56 721
Accumulated depreciation from deduction	50	102	2 134
<b>Closing net book amount</b>	<b>3 873 051</b>	<b>3 630 556</b>	<b>3 821 833</b>

**CHANGES IN INTANGIBLE ASSETS**

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
<b>Opening net book amount</b>	<b>14 988</b>	<b>23 633</b>	<b>23 633</b>
Increase	6	4 251	7 181
Decrease	0	0	-14 524
Depreciation and impairment charges	-324	-329	-1 302
Accumulated depreciation from deduction	0	63	0
<b>Closing net book amount</b>	<b>14 670</b>	<b>27 618</b>	<b>14 988</b>

TVO GROUP

**FINANCIAL RISK MANAGEMENT**

The objective of financial risk management and finance policy are the same as those applied to the annual financial statement for the year ended 31 December 2011.

**DERIVATIVE FINANCIAL INSTRUMENTS**

Nominal values of the derivative financial instruments \*

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Interest rate option agreements			
Purchased	0	180 000	30 000
Written	0	180 000	30 000
Interest rate swaps	1 358 446	1 188 446	1 108 446
Forward foreign exchange contracts and swaps	161 849	96 376	144 192
<b>Total</b>	<b>1 520 295</b>	<b>1 644 822</b>	<b>1 312 638</b>

Fair values of the derivative financial instruments \*

<b>1 000 €</b>	<b>31.3.2012</b>			<b>31.3.2011</b>			<b>31.12.2011</b>		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
Interest rate swaps									
Cash flow hedges	0	-36 774	-36 774	0	-25 458	-25 458	0	-38 131	-38 131
Fair value hedges	913	0	913	0	0	0	0	0	0
Non-hedges	141	-19 220	-19 079	183	-15 718	-15 535	288	-19 327	-19 039
Forward foreign exchange contracts and swaps									
Cash flow hedges	5 698	-333	5 365	1 461	-1 993	-532	9 564	-361	9 203
Non-hedges	9	-45	-36	8	-166	-158	95	-232	-137
Forward foreign exchange options (non-hedges)									
Purchased	0	0	0	0	-17	-17	0	0	0
Written	0	0	0	0	-12	-12	0	0	0
Interest rate option agreements (non-hedges)									
Purchased	0	0	0	0	0	0	0	0	0
Written	0	0	0	0	-918	-918	0	-49	-49
<b>Total</b>	<b>6 761</b>	<b>-56 372</b>	<b>-49 611</b>	<b>1 652</b>	<b>-44 282</b>	<b>-42 630</b>	<b>9 947</b>	<b>-58 100</b>	<b>-48 153</b>

\* Cross-currency swaps related to Private Placements not included.

**BONDS**

In February 2012, TVO issued a EUR 500 million bond. The maturity of the bond is 7 years and it pays an annual coupon of 4.625 per cent.

TVO GROUP

**ASSETS AND PROVISION RELATED TO NUCLEAR WASTE MANAGEMENT OBLIGATION**

**The balance sheet contains assets and liabilities concerning the nuclear waste management obligation**

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	837 286	809 994	831 828
Provision related to nuclear waste management (non-current liabilities)	837 286	809 994	831 828

**TVO's legal liability as stated in the Nuclear Energy Act and the company's share in the Finnish State Nuclear Waste Management Fund**

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Liability for nuclear waste management according to the Nuclear Energy Act	1 207 100	1 179 100	1 207 100
TVO's funding target obligation 2012 (2011) to the Finnish State Nuclear Waste Management Fund	1 179 100	1 123 400	1 179 100
TVO's share in the Finnish State Nuclear Waste Management Fund	1 145 100	1 123 400	1 145 100
Difference between the liability and TVO's share of the fund	62 000	55 700	62 000

The costs of decommissioning of the power plant and disposal of spent fuel are covered by the provision related to the nuclear waste management obligation. Cost estimates are updated annually and the technical plans every third year.

TVO contributes funds to the Finnish State Nuclear Waste Management Fund to cover future obligations based on the legal liability calculated according to the Nuclear Energy Act. TVO will pay after this interim reporting period 2.4.2012 to the Finnish State Nuclear Waste Management Fund EUR 34.1 million which has been decided by the supervising authority (Ministry of Employment and the Economy). TVO's share in the Finnish Nuclear Waste Management Fund on 31 March 2012 is EUR 1,145.1 million. The carrying amount in the balance sheet is EUR 837.3 million. The difference is due to the fact that IFRIC 5 limits the carrying amount of TVO's interest in the Finnish State Nuclear Waste Management Fund to the amount of the related liability since TVO does not have control over the Finnish State Nuclear Waste Management Fund.

In 2007 by virtue of section 46 of the Nuclear Energy Act the Council of State accepted TVO's petition to reduce the funding target obligation for the years 2008 - 2012. TVO has issued the State the shareholders' guarantees as security for the unfunded legal liability. The security also covers unexpected events as determined in the Nuclear Energy Act. The guarantees are included in the nuclear waste management obligations, and are to be found in note Obligations and other commitments.

TVO GROUP

**OBLIGATIONS AND OTHER COMMITMENTS**

**Pledged promissory notes and financial guarantees**

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
Pledged promissory notes to the Finnish State Nuclear Waste Management Fund	842 550	842 550	842 550
Guarantees given by shareholders related to the nuclear waste management obligation	165 140	219 950	165 140

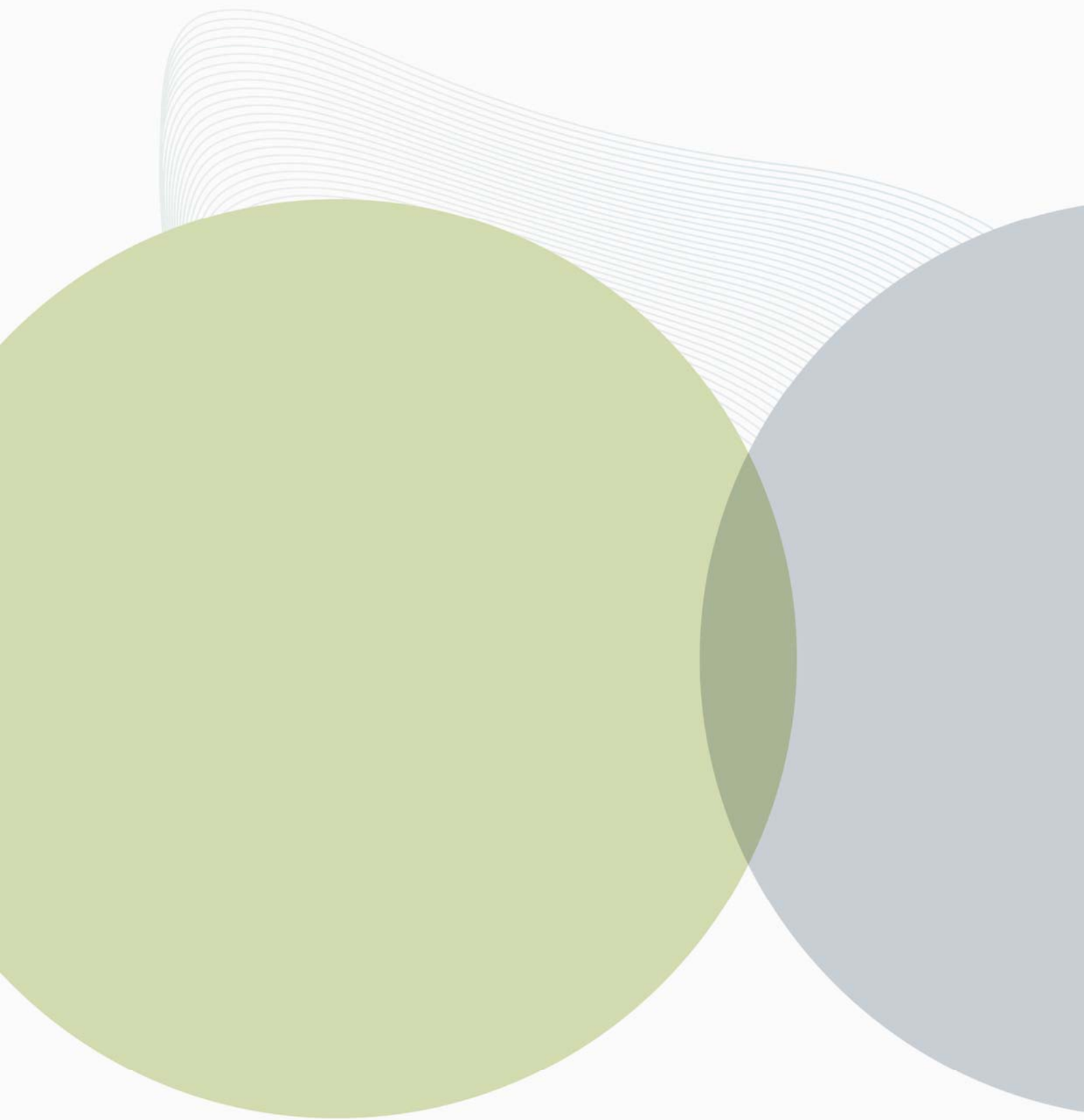
**Investment commitments**

Agreement-based commitments regarding the acquisition of property, plant and equipment:

<b>1 000 €</b>	<b>31.3.2012</b>	<b>31.3.2011</b>	<b>31.12.2011</b>
OL1 and OL2	24 000	40 000	14 000
OL3	704 000	701 000	687 000
OL4	29 000	0	0
<b>Total</b>	<b>757 000</b>	<b>741 000</b>	<b>701 000</b>

**Pending Court Cases and Disputes**

Pending Court Cases and Disputes are to be found in page 7.



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