

TVO



Interim Report

January–September 2011

Teollisuuden Voima Oyj's Interim Report January 1–September 30, 2011

During the third 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 completed to a large extent and the reactor main components are installed. The OL3 training simulator has been taken into test use. The Olkiluoto 4 project planning and preparation work continued. After the nuclear power plant accident in Japan, safety assessments have been made at Olkiluoto. The final reports related to EU stress tests will be submitted to the Radiation and Nuclear Safety Authority in Finland by the end of October.

Operating Environment

After the nuclear power plant accident in Japan in March the Radiation and Nuclear Safety Authority in Finland (STUK) started at the request of the Ministry of Employment and the Economy (TEM) an assessment on how Finnish nuclear power plants (NPPs) are prepared for the impacts that natural phenomena and absence of external power sources may have on the safety of the plants. The power companies submitted their reports to STUK by mid-April. In its report given to TEM on May 16, 2011, STUK stated that no new threat factors or deficiencies that would require immediate safety improvements had been identified in the Finnish NPPs. STUK stated further that although there is no need for immediate safety improvements, there is reason for the nuclear power companies to continue more detailed plant unit specific investigations into preparation for certain exceptional natural conditions. In the investigations, for example ensuring of the power supply and reactor cooling is examined in situations when simultaneously malfunctions in the multiple back-up and security systems are expected. Investigations and plans for safety improvements can be compiled in connection with the stress tests carried out at the request of the EU Council of Ministers.

The assessments required by STUK are being made according to instructions prepared by the cooperation bodies of the European nuclear safety authorities, ENSREG (European Nuclear Safety Regulators Group) and WENRA (Western European Nuclear Regulators Association). Nuclear power companies must submit their final reports related to EU stress tests to STUK by October 31, 2011. STUK will draw up a national final report by the end of 2011.

After the Fukushima accident, significant energy policy changes regarding nuclear power have been made in some countries. Germany made in May and confirmed in the beginning of July a political decision to close all its nuclear power plants by 2023. Also Switzerland stopped all its NPP projects. In Italy, a referendum carried out in June continued the moratorium of nuclear power. Other EU countries have not changed their energy policies. Especially Germany's decision to phase out nuclear power will have an effect also at EU level on the ongoing preparation of the long-term

energy strategy, implementation of the forthcoming energy infrastructure package and realization of the agreed carbon dioxide emission reduction targets.

On July 19, 2011, The EU Council of Ministers adopted a radioactive waste and spent fuel management directive that entered into force in September 2011. The directive is the first EU-wide framework directive regarding the management of nuclear waste and spent fuel. The governments of the Member States have two years to incorporate the directive into national legislation, and the first national nuclear waste programs will have to be submitted to the Commission by 2015.

The new Finnish Government Program was completed on June 17, 2011. According to the program, the Government will make no new decisions-in-principle on nuclear power, will handle NPP construction license decisions without delay and will make decisions regarding the final disposal of nuclear waste once the studies have been completed, in accordance with the Parliament decision, by seeking a national solution. In addition, a new tax on carbon dioxide-free electricity production is being planned. In the Government Program, the amount of the tax is mentioned to be EUR 170 million.

On June 22, 2011, the EU Commission published a proposal for a directive on energy efficiency. It would oblige the Member States to measures by which the EU's objective of 20% energy savings in 2020 could be achieved. The principle of the directive is that all new thermal power plants of over 20 MWth should be built as cogeneration plants.

Financial Performance

The consolidated turnover for the period under review January 1–September 30, 2011 was EUR 273.7 (1 January–30 September 2010: EUR 275.8) million. The amount of electricity delivered to shareholders was 11,048.6 (11,364.0) GWh.

The consolidated profit/loss was EUR 6.4 (34.1) million. The adjusted consolidated profit/loss EUR 8.9 (3.8) million differs from the consolidated profit/loss in respect of the profit/loss effects from the nuclear waste management according to IFRS standard and on the comparison period in respect of the valuation of non-hedge accounted derivative financial instruments (see: Key Figures).

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 2,879.0 (December 31, 2010: 2,683.8) million excluding the loan from the Finnish State Nuclear Waste Management Fund, relented to shareholders. During the period under review, TVO raised a total of EUR 33.9 (323.2) million in non-current

liabilities while repayments amounted to EUR 5.8 (136.7) million. Loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 40.2 (51.5) million. 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. The amount of the loan is EUR 842.6 (December 31, 2010: 802.4) million and it is included in interest-bearing liabilities. The loan has been relented to the Company's A series shareholders.

In June, TVO updated the EUR 2.5 billion Euro Medium Term Note Program (EMTN). During the period under review TVO issued SEK 300 million private placement under the EMTN Program.

In March, TVO signed EUR 1.5 billion syndicated revolving credit facility. The maturity of the credit facility is five years with two one-year extension options. With this facility the Company replaced the revolving credit facility that was due in June 2012. At the end of the reporting period, TVO had undrawn credit facilities and cash and cash equivalents amounting to EUR 2,092 million.

Both Fitch Ratings (Fitch) and Japan Credit Rating Agency (JCR) confirmed TVO's credit ratings at their previous levels. The Fitch long-term credit rating was confirmed at A- in June and the JCR rating at AA in January. The outlook was assessed as being stable by both agencies.

The Annual General Meeting on March 24, 2011 decided on a private offering to the Company's B series shareholders, by which the company share capital will be raised by EUR 65.2 million. The subscription price will be paid during 2011 at a date to be decided by the Board of Directors. The increase in share capital is based on the OL3 financing plan, according to which the equity required by investment accrues as the project proceeds.

Nuclear Power

Olkiluoto 1 and Olkiluoto 2

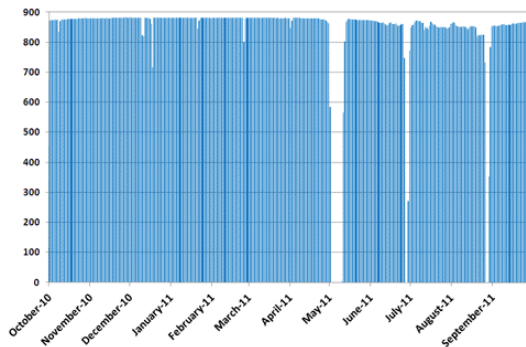
The electricity production of the Olkiluoto power plant units, Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2) during the period under review was 10,334 (10,295) GWh. The total capacity factor was 90.5 (91.2) %.

The plant units operated safely and reliably during the period under review. OL1's net production was 5,367 (5,042) GWh and the capacity factor 93.3 (89.0) %. OL2's net production was 4,967 (5,253) GWh and the capacity factor 87.6 (93.3) %.

In August, OL1 and OL2 were shut down over a weekend for some repair and inspection work.

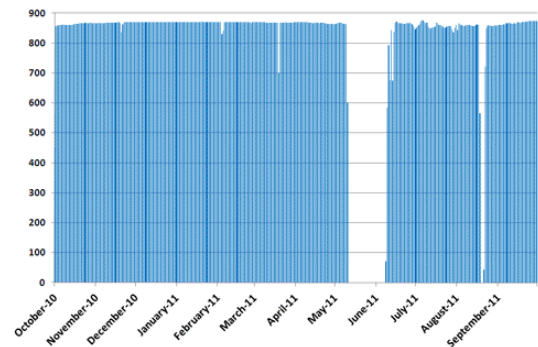
Olkiluoto 1

Average electrical power MW
October 1, 2010–September 30, 2011



Olkiluoto 2

Average electrical power MW
October 1, 2010–September 30, 2011



Annual Outages

The 2011 annual outages were completed on June 8. The outage at OL2 was the most extensive maintenance outage ever carried out at Olkiluoto, taking nearly 29 days. OL1 had a short refueling outage that was completed in 9 days. In addition to refueling, some periodic maintenance work as well as inspections and tests were carried out.

During the outage at OL2, low-pressure turbines, generator and its cooling system, inner isolation valves of main steam lines, seawater pumps and steam extraction lines were replaced. Also low voltage switchgears and I&C for condensate clean up system were replaced. The upgrades improved further the technical reliability of the plant unit. As a result of enhanced efficiency of the turbine island the net electrical output of the plant unit increased by about 20 megawatts. OL1 underwent a similar major maintenance outage in 2010, except for the generator replacement.

During the inspections, some indications were identified in the safety and relief valves of OL2. Altogether, 12 valves were inspected, and indications not affecting functionality were identified in some of them. The incident was rated as 1 on the international INES scale (0–7). The corresponding valves at OL1 were inspected and inner parts of the valves were replaced during maintenance after Midsummer. Valves at OL2 were replaced during a weekend outage in August.

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. The Supplier informed TVO in 2010 that most of the works at the plant unit will be completed in 2012. According to the Supplier, commissioning will take about eight months and operation will start during the latter half of 2013. (See page 11: Events After the Period Under Review.) According to the turnkey delivery contract the Supplier is responsible for the time schedule.

The civil construction works of the plant unit have been completed to a large extent. 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 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 as well as, separately, the costs of a technically resolved issue connected with construction work continued.

With reference to the arbitration concerning the delay at OL3 and the ensuing costs incurred the Supplier has in June 2011 submitted its statement of claim, which includes 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.

The workforce at the site at the end of the period under review was slightly over 3,000. 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 regarding TVO's application to construct a fourth nuclear power plant unit (OL4) in Olkiluoto.

Project planning, preparation of the tender material for the project, and assessment of implementation alternatives as well other preparation work continued.

Organization of the project was continued. Janne Mokka has been appointed as Senior Vice President, OL4 Project as of July 1, 2011.

Nuclear Fuel

During the period under review, nuclear fuel purchases amounted to EUR 34.7 (49.7) million and the amount consumed to EUR 31.9 (30.0) million.

The nuclear fuel and uranium stock carrying value on September 30, 2011 was EUR 174.7 (December 31, 2010: 171.9) million, of which the value of the fuel in the reactors was EUR 81.0 (December 31, 2010: 63.3) 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 final disposal facility, some 420 meters below ground level, excavation of two so called demonstration tunnels started at the beginning of the year. 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 the beginning of June and construction of the other has progressed halfway, to about 60 meters. The actual excavation works of ONKALO, the underground rock characterization facility, were completed in June. The work has continued by excavating technical and auxiliary facilities, which should be completed in spring 2012. The ventilation and hoist equipment buildings started to be built in the summer 2010 will be taken over in October after system tests. The spent fuel generated in Finland by the NPP units of TVO and Fortum Power and Heat Oy 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 can be used for the needs of OL1, OL2, and OL3.

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. These so called small-scale wastes are radiation sources used for

example in hospitals and teaching. The extension of the final repository for operating waste is estimated to become topical in the 2030's when the existing final disposal silos fill up. The current operating license is valid until the end of 2051.

The liabilities, in the consolidated financial statement, show a provision related to nuclear waste management liability of EUR 824.3 (December 31, 2010: 806.3) million, calculated according to 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. TEM set TVO's liability for nuclear waste management at EUR 1,179.1 (1,160.7) million to the end of 2010 and the Company's target reserve in the Fund for 2011 at EUR 1,123.4 (1,069.8) million. The difference is covered by guarantees.

In March 2011, the Finnish State Nuclear Management Fund confirmed TVO's nuclear waste management fee for 2010 at EUR 36.9 (43.5) million, which was paid into the Fund on March 31, 2011 (March 31, 2010).

Coal Power

Meri-Pori

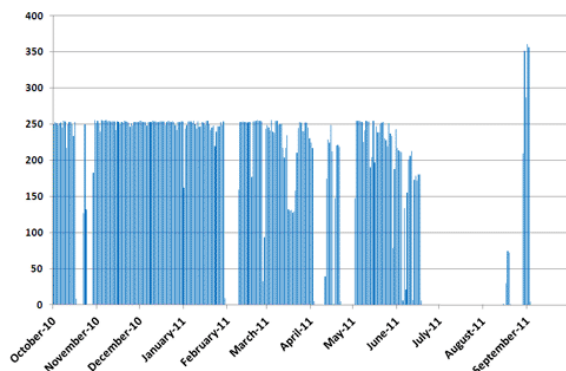
The amount of electricity produced by TVO's share at Meri-Pori coal-fired power plant on January 1–September 30, 2011 was 772.2 (1,127.5) GWh requiring 257.9 (391.9) thousand tons of coal and 614.6 (919.9) thousand tons of carbon dioxide emission rights.

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 2011, the share is 295.9 thousand tons.

TVO's share of Meri-Pori's production

Average electrical power MW

October 1, 2010–September 30, 2011



Acquisitions of Tangible and Intangible Assets and Shares

Investments during the period under review were EUR 242.8 (312.2) million. Investments of the parent company were EUR 239.8 (257.2) million, of which EUR 185.9 (185.7) million was allocated to the OL3 project.

At OL2, installations (low-pressure turbines, steam extraction lines, generator and its cooling system, I&C for condensate clean up system, inner isolation valves of main steam lines, low voltage switchgears and main seawater pumps) connected with the modernization project were carried out in connection with the annual outage.

Carbon dioxide emission rights acquired for the company's share of the Meri-Pori coal-fired power plant have been relinquished to the Energy Market Authority worth of EUR 14.5 (6.1) million. In 2011, emission rights and certified emission reductions for the company's share of the Meri-Pori coal-fired power plant have been acquired worth EUR 6.5 (11.0) million. The need of carbon dioxide emission rights of the company for the period under review will be covered by the 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.

TVO is 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 is minor in the context of the value of the project.

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

Personnel

The total number of personnel in the Group at the end of the period under review was 826 (December 31, 2010: 803, September 30, 2010: 804). The number of permanent employees at the end of the period under review was 748 (December 31, 2010: 719, September 30, 2010: 719).

In the TVO Management, the following appointments were made as of July 1, 2011: Janne Mokka, Senior Vice President, Engineering was appointed as Senior Vice President, OL4 Project, and Sami Jakonen, Senior Manager as Senior Vice President, Engineering.

Annual General Meeting

TVO's Annual General Meeting was held on March 24, 2011. The AGM approved the financial statement for the year 2010, 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 issue a private offering to the Company's B series shareholders.

The Board members were re-elected. At its organization meeting held on the same day as the AGM, the Board elected Lauri Virkkunen as Chairman and Matti Ruotsala 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 2010.

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 the previous year. The prerequisites for nuclear power production at Olkiluoto are good. Nuclear fuel availability is guaranteed by long-term agreements.

Due to the nuclear power plant accident in Japan, STUK sent to TVO in early June a request to report on making the so called stress tests defined by EU authorities responsible for nuclear power. The reports will be submitted to STUK by the end of October. Other additional assessments to be made in Finland regarding the preparedness for the impacts of natural phenomena and power supply disturbances are aimed to be completed in 2011.

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

TVO will continue the OL4 project preparation and assessment of implementation alternatives.

TVO will use its capacity at the Meri-Pori coal-fired power plant in accordance with the earlier principles.

The recruitment and training of personnel will continue 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 by Posiva Oy with TEM during 2012 as planned.

TVO Nuclear Services Oy (TVONS) will continue to market and sell services.

Events After the Period Under Review

Based on the progress information submitted by the Supplier, TVO estimates that the start of regular operation of OL3 plant unit may be postponed until 2014. The Supplier is responsible for the time schedule, and TVO has requested an analysis of the anticipated date for the start of the regular operation.

October 19, 2011

Teollisuuden Voima Oyj
Board of Directors

TVO GROUP

Key Figures

TVO GROUP (IFRS) (€million)	1.1. - 30.9.2011	1.1. - 30.9.2010	1.1. - 31.12.2010
Turnover	274	276	363
Profit/loss for the period	6	34	37
Investments ¹⁾	243	312	393
Equity	1 079	989	1 006
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	2 984	2 839	2 800
Loans from equity holders of the company (included in the former) ³⁾	179	179	179
Loan from VYR ²⁾	843	802	802
Provision related to nuclear waste management	824	800	806
Balance sheet total	5 915	5 639	5 589
Equity ratio % ⁴⁾	29,6	29,0	29,8
Average number of personnel	862	852	842

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

²⁾ The Finnish State Nuclear Waste Management Fund (VYR).

³⁾ Subordinated loans.

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

CONSOLIDATED ADJUSTED PROFIT/LOSS (€million)	1.1. - 30.9.2011	1.1. - 30.9.2010	1.1. - 31.12.2010
Profit/loss for the period (IFRS)	6	34	37
The impact of the nuclear waste management obligation ¹⁾ (profit -/loss +)	3	-31	-30
The impact of financial instruments ²⁾ (profit -/loss +)	0	1	0
Adjusted profit/loss for the period	9	4	7

¹⁾ Includes profit/loss effects from nuclear waste management according to IFRS standard.

²⁾ Includes effects from financial derivatives hedging future cash-flows where hedge accounting is not applied according to IAS 39.

TEOLLISUUDEN VOIMA OYJ (FAS) (€million)	1.1. - 30.9.2011	1.1. - 30.9.2010	1.1. - 31.12.2010
Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).			
Turnover	270	270	355
Fuel costs	55	56	80
Nuclear waste management costs	51	49	65
Other income and expenses related to electricity production	104	112	135
Capital expenditure (depreciation and financial income and expenses)	51	50	68
Profit/loss before appropriations	9	3	7
Investments ¹⁾	240	257	339
Equity	858	793	793
Appropriations	166	153	157
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	2 879	2 704	2 684
Loans from equity holders of the company (included in the former) ³⁾	179	179	179
Loan from VYR ²⁾	843	802	802
Balance sheet total	4 930	4 659	4 611
Equity ratio % ⁴⁾	29,4	29,2	29,7
Average number of personnel	856	847	837

¹⁾ Acquisitions of tangible and intangible assets and shares are based on gross investments.

²⁾ The Finnish State Nuclear Waste Management Fund (VYR).

³⁾ Subordinated loans.

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

ELECTRICITY DELIVERED TO EQUITY HOLDERS OF THE COMPANY (GWh)	1.1. - 30.9.2011	1.1. - 30.9.2010	1.1. - 31.12.2010
Nuclear power	10 276	10 237	14 063
Coal-fired power	772	1 127	1 622
Total	11 048	11 364	15 685

TVO GROUP

CONSOLIDATED FINANCIAL STATEMENT IN BRIEF AND NOTES

Consolidated Income Statement

1 000 €	1.1. - 30.9.2011	1.1. - 30.9.2010	1.1. - 31.12.2010
Turnover	273 701	275 754	362 552
Work performed for own purposes	8 085	7 825	10 233
Other income	6 628	6 950	9 936
Materials and services	-100 711	9 470	-30 312
Personnel expenses	-44 220	-42 874	-56 378
Depreciation and impairment charges	-43 343	-42 255	-56 955
Other expenses	-65 239	-69 460	-81 152
Operating profit/loss	34 901	145 410	157 924
Finance income	29 231	21 361	28 824
Finance expenses	-57 759	-132 677	-149 466
Total finance income and expenses	-28 528	-111 316	-120 642
Profit/loss before income tax	6 373	34 094	37 282
Income taxes	-3	-3	-3
Profit/loss for the period	6 370	34 091	37 279
Profit/loss for the period attributable to:			
Equity holders of the company	6 370	34 091	37 279

Consolidated Statement of Comprehensive Income

1 000 €	1.1. - 30.9.2011	1.1. - 30.9.2010	1.1. - 31.12.2010
Profit/loss for the period	6 370	34 091	37 279
Other comprehensive items			
Changes in fair values of the available-for-sale investments	-688	1 708	1 851
Cash flow hedges	2 201	8 270	21 288
Total other comprehensive profit/loss items	1 513	9 978	23 139
Total comprehensive profit/loss for the period	7 883	44 069	60 418
Total comprehensive profit/loss for the period attributable to:			
Equity holders of the company	7 883	44 069	60 418

Consolidated Statement of Financial Position

1 000 €	30.9.2011	30.9.2010	31.12.2010
Assets			
Non-current assets			
Property, plant and equipment	3 763 628	3 522 519	3 578 775
Intangible assets	14 753	20 292	23 633
Loans and other receivables	847 393	807 947	807 193
Investments in associates and joint ventures	1 009	1 009	1 009
Investments in shares	13 668	13 886	14 029
Derivative financial instruments	5 189	4 351	4 165
Share in the Finnish State Nuclear Waste Management Fund	824 331	800 208	806 301
Total non-current assets	5 469 971	5 170 212	5 235 105
Current assets			
Inventories	223 224	214 948	192 742
Trade and other receivables	119 152	150 868	61 919
Derivative financial instruments	950	604	657
Cash and cash equivalents	101 678	102 007	98 100
Total current assets	445 004	468 427	353 418
Total assets	5 914 975	5 638 639	5 588 523
Equity and liabilities			
Capital and reserves attributable to equity holders of the company			
Share capital	540 992	461 692	540 992
Share issue	65 201	79 300	0
Share premium reserve and statutory reserve	242 383	242 383	242 383
Fair value and other reserves	-23 901	-38 576	-25 414
Retained earnings	253 938	244 380	247 568
Total equity	1 078 613	989 179	1 005 529
Liabilities			
Non-current liabilities			
Provision related to nuclear waste management	824 331	800 208	806 301
Loans from equity holders of the company	179 300	179 300	179 300
Loan from the Finnish State Nuclear Waste Management Fund	842 550	802 350	802 350
Bonds	1 253 842	1 141 919	1 219 000
Other financial liabilities	1 042 239	1 119 145	1 169 733
Derivative financial instruments	56 322	81 360	61 739
Total non-current liabilities	4 198 584	4 124 282	4 238 423
Current liabilities			
Current financial liabilities	448 806	314 424	166 915
Derivative financial instruments	3 123	3 287	3 403
Advance payments received	45 674	41 994	22 510
Trade payables	29 804	47 330	11 580
Other current liabilities	110 371	118 143	140 163
Total current liabilities	637 778	525 178	344 571
Total liabilities	4 836 362	4 649 460	4 582 994
Total equity and liabilities	5 914 975	5 638 639	5 588 523

Consolidated Statement of Changes in Equity

1 000 €	Share capital	Share issue	Share premium reserve and statutory reserves	Fair value and other reserves	Retained earnings	Attributable to equity holders of the company	Total equity
Equity 1.1.2011	540 992	0	242 383	-25 414	247 568	1 005 529	1 005 529
Profit/loss for the period	0	0	0	0	6 370	6 370	6 370
Other comprehensive items							
Changes in fair values of the available-for-sale investments	0	0	0	-688	0	-688	-688
Cash flow hedges	0	0	0	2 201	0	2 201	2 201
Share issue	0	65 201	0	0	0	65 201	65 201
Equity 30.9.2011	540 992	65 201	242 383	-23 901	253 938	1 078 613	1 078 613

1 000 €	Share capital	Share issue	Share premium reserve and statutory reserves	Fair value and other reserves	Retained earnings	Attributable to equity holders of the company	Total equity
Equity 1.1.2010	461 692	0	242 383	-48 553	210 289	865 811	865 811
Profit/loss for the period	0	0	0	0	34 091	34 091	34 091
Other comprehensive items							
Changes in fair values of the available-for-sale investments	0	0	0	1 707	0	1 707	1 707
Cash flow hedges	0	0	0	8 270	0	8 270	8 270
Share issue	0	79 300	0	0	0	79 300	79 300
Equity 30.9.2010	461 692	79 300	242 383	-38 576	244 380	989 179	989 179

Consolidated Statement of Cash Flows

1 000 €	30.9.2011	30.9.2010	31.12.2010
Operating activities			
Profit/loss for the period	6 370	34 091	37 279
Adjustments:			
Income tax expenses	3	3	2
Finance income and expenses	28 528	111 315	120 642
Depreciation and impairment charges	43 343	42 255	56 955
Other non-cash flow income and expenses	-18 737	-133 396	-139 531
Sales profit/loss of property, plant and equipment and shares	-109	-20	-182
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	9 182	1 844	13 019
Increase (-) or decrease (+) in inventories	-30 477	-28 044	-5 838
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	32 999	34 035	-10 141
Interest paid and other finance expenses	-31 090	-31 057	-28 981
Dividends received	726	638	641
Interest received	10 986	18 270	18 169
Taxes paid	-3	-3	-4
Cash flow from operating activities	51 721	49 931	62 030
Investing activities			
Acquisition of property, plant and equipment	-243 204	-240 765	-316 840
Proceeds from sale of property, plant and equipment	0	83	83
Acquisition of intangible assets	-105	-272	-426
Acquisition of shares	-357	-21	-116
Proceeds from sale of shares	303	62	782
Loan receivables granted	-40 200	-51 450	-51 583
Repayments of loans granted	0	0	374
Cash flow from investing activities	-283 563	-292 363	-367 726
Financing activities			
Share issue	0	0	79 300
Withdrawals of long-term loans	74 098	374 646	507 526
Repayment of long-term loans	-5 823	-136 717	-142 978
Increase (-) or decrease (+) in interest-bearing receivables	0	0	508
Increase (+) or decrease (-) in current financial liabilities	167 145	-8 578	-155 648
Cash flow from financing activities	235 420	229 351	288 708
Change in cash and cash equivalents	3 578	-13 081	-16 988
Cash and cash equivalents at the beginning of period	98 100	115 088	115 088
Cash and cash equivalents at the end of period	101 678	102 007	98 100

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 2010. Additionally the changes according to revised IAS/IFRS standards have been adopted. The standards issued during the year 2011 have no impact in the consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Interim Report requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Annual results, that will occur, may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as for the year ended on 31 December 2010.

COMPARABILITY OF THE INCOME STATEMENT

When comparing the consolidated income statement and profit/loss for the period under review to the consolidated income statement for 1.1. - 30.9.2010 it has to be taken into account that the cost estimate based on the new technical plan of nuclear waste management obligation was updated in June 2010. The updated cost estimate together with the revised accounting principles increased in 2010 the provision related to nuclear waste management as well as the amount of materials and services and finance expenses. The net effect on profit for 2010 was positive because the amount of the share in the Finnish State Nuclear Waste Management Fund and the provision related to nuclear waste management were equal and the difference was entered as an adjustment to materials and services. The effect of the revised cost estimate and changes in the accounting principles to the consolidated income statement for 2010 were about EUR 119 million decrease in materials and services and about EUR 85 million increase in finance expenses.

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. 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

1 000 €	30.9.2011	30.9.2010	31.12.2010
Nuclear power	233 905	229 297	297 312
Coal-fired power	39 796	46 457	65 240
Total	273 701	275 754	362 552

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

1 000 €	30.9.2011	30.9.2010	31.12.2010
Nuclear power	8 964	6 331	11 737
Coal-fired power	-72	-2 545	-4 632
Profit/loss before appropriations (FAS)	8 892	3 786	7 105
The impact of the nuclear waste management obligation	-3 162	31 355	30 465
The impact of financial instruments	640	-1 050	-291
Total (IFRS)	6 370	34 091	37 279

ASSETS BY SEGMENTS

1 000 €	30.9.2011	30.9.2010	31.12.2010
Nuclear power	4 834 828	4 560 571	4 522 287
Coal-fired power	96 591	100 084	89 129
Total (FAS)	4 931 419	4 660 655	4 611 416
The impact of the nuclear waste management obligation	921 387	901 318	906 520
The impact of financial instruments	-15 273	-3 022	-8 121
The impact of finance leases	65 826	67 527	66 404
Other IFRS adjustments	11 616	12 161	12 304
Total (IFRS)	5 914 975	5 638 639	5 588 523

TVO GROUP

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

1 000 €	30.9.2011	30.9.2010	31.12.2010
Opening net book amount	3 578 775	3 263 047	3 263 047
Increase	235 814	300 934	377 962
Decrease	-8 758	-524	-9 087
Depreciation and impairment charges	-42 367	-41 260	-55 628
Accumulated depreciation from deduction	164	322	2 481
Closing net book amount	3 763 628	3 522 519	3 578 775

CHANGES IN INTANGIBLE ASSETS

1 000 €	30.9.2011	30.9.2010	31.12.2010
Opening net book amount	23 633	16 161	16 161
Increase	6 619	11 275	14 950
Decrease	-14 523	-6 149	-6 150
Depreciation and impairment charges	-976	-995	-1 328
Closing net book amount	14 753	20 292	23 633

TVO GROUP

FINANCIAL RISK MANAGEMENT

The Group's Finance Policy and the objective of financial risk management are the same as those applied to the annual financial statement as for the year ended 31 December 2010.

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values of the derivative financial instruments

1 000 €	30.9.2011	30.9.2010	31.12.2010
Interest rate option agreements			
Purchased	30 000	210 000	210 000
Written	30 000	210 000	210 000
Interest rate swaps	1 188 446	1 218 446	1 188 446
Forward foreign exchange contracts and swaps	109 562	101 830	101 865
Total	1 358 008	1 740 276	1 710 311

Fair values of the derivative financial instruments 1 000 €	30.9.2011			30.9.2010			31.12.2010		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
Interest rate option agreements (non-hedge accounted)									
Purchased	0	0	0	0	0	0	0	0	0
Written	0	-126	-126	0	-2 543	-2 543	0	-1 749	-1 749
Interest rate swaps (hedge accounted)	0	-38 458	-38 458	0	-51 190	-51 190	0	-38 733	-38 733
Interest rate swaps (non-hedge accounted)	300	-20 302	-20 002	306	-29 685	-29 379	288	-23 832	-23 544
Forward foreign exchange contracts and swaps (hedge accounted)	5 770	-391	5 379	4 649	-1 229	3 420	4 533	-827	3 706
Forward foreign exchange contracts and swaps (non-hedge accounted)	0	-168	-168	0	0	0	0	0	0
Forward foreign exchange options (non-hedge accounted)	69	0	69	0	0	0	0	0	0
Total	6 139	-59 445	-53 306	4 955	-84 647	-79 692	4 821	-65 141	-60 320

BONDS

During the period under review, TVO issued SEK 300 million private placement under the 2.5 billion Euro Medium Term Note Program (EMTN).

TVO GROUP

ASSETS AND PROVISION RELATED TO NUCLEAR WASTE MANAGEMENT OBLIGATION

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

1 000 €	30.9.2011	30.9.2010	31.12.2010
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	824 331	800 208	806 301
Provision related to nuclear waste management (non-current liabilities)	824 331	800 208	806 301

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

1 000 €	30.9.2011	30.9.2010	31.12.2010
Liability for nuclear waste management according to the Nuclear Energy Act	1 179 100	1 160 700	1 179 100
TVO's funding target obligation 2011 (2010) to the Finnish State Nuclear Waste Management Fund	1 123 400	1 069 800	1 123 400
TVO's share in the Finnish State Nuclear Waste Management Fund	1 123 400	1 069 800	1 086 400
Difference between the liability and TVO's share of the fund	55 700	90 900	92 700

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. During this interim reporting period TVO has paid to the Finnish State Nuclear Waste Management Fund EUR 36.9 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 30 September 2011 is EUR 1,123.4 million. The carrying amount in the balance sheet is EUR 824.3 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

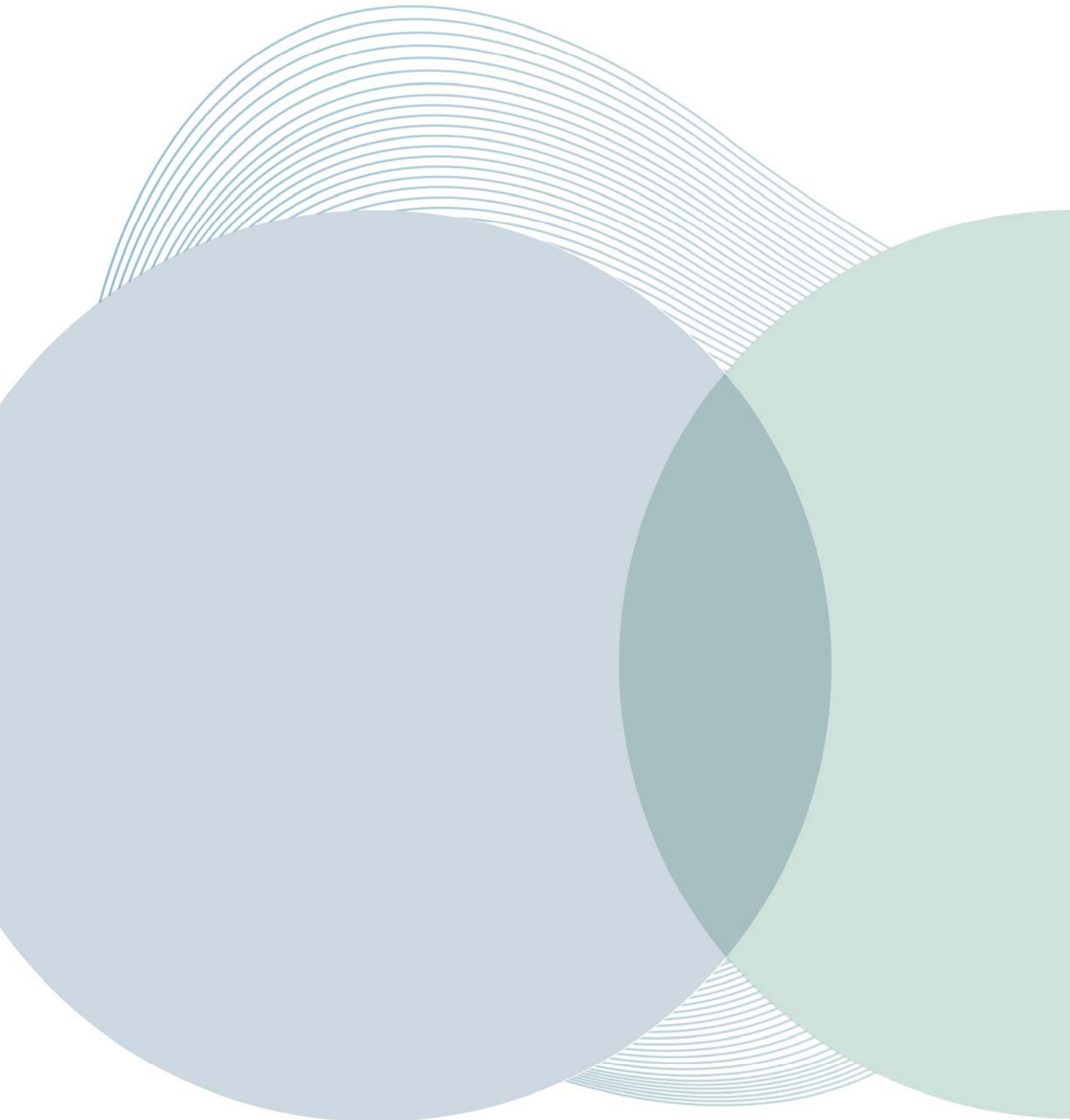
€million	30.9.2011	30.9.2010	31.12.2010
Pledged promissory notes to the Finnish State Nuclear Waste Management Fund	843	802	802
Guarantees given by shareholders related to the nuclear waste management obligation	165	220	220

Investment commitments

€million	30.9.2011	30.9.2010	31.12.2010
Investment commitments:			
OL1 and OL2	14	47	47
OL3	688	680	680
Total	702	727	727

Pending Court Cases and Disputes

Pending Court Cases and Disputes are to be found in page 9.



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