



WELL-BEING WITH
NUCLEAR ELECTRICITY



Interim Report

January–September 2015

Teollisuuden Voima Oyj's Interim Report January 1–September 30, 2015

Teollisuuden Voima's electricity generation at Olkiluoto 1 and Olkiluoto 2 plant units continued safely through the first three quarters of the year. A generator failure in OL2 had a negative effect on production in February. Co-operation negotiations were held in January–February. In June, Teollisuuden Voima's General Meeting decided, as proposed by the Board of Directors, not to apply for a construction license for the Olkiluoto 4 nuclear power plant unit during the validity of the decision-in-principle made in 2010. The factory acceptance testing of the Olkiluoto 3 process control and instrumentation (I&C) system was completed in the plant supplier's testing environment in Germany in July, and the system was delivered to Olkiluoto in August. According to the plant supplier, regular electricity production at the OL3 plant unit will commence by the end of 2018.

Operating Environment

From January to September, the use of electricity in Finland decreased by 0.8 per cent compared to the corresponding period of the previous year.

In March, Parliament passed a bill to amend the Finnish Nuclear Energy Act and the Radiation Act. The Radiation and Nuclear Safety Authority (STUK) received a wider mandate to issue binding regulations on the safe use of radiation. The nuclear safety research fee collected from nuclear plant holders and the fees charged to licensees under their waste management obligation will be increased for a fixed term. For TVO, the fees charged will increase by approximately EUR 2 million per year, over the period 2016–2020.

The Program of Prime Minister Sipilä's Government was finalized at the end of May. The Government's objective includes replacing imported fossil fuel-based energy and achieving the 2020 climate objectives during the government term.

In the early part of the year, the European Commission released a communication on the proposed EU Energy Union. According to the communication, diversification of the supply of nuclear fuel is important to ensure supply security. In July, the Commission released another communication on the electricity market and launched the related stakeholder consultation. Legislative initiatives are expected from the Commission in 2016.

In July, the European Commission published a proposal for new legislation to reform the EU emissions trading scheme. Over the long term, the Commission aims to improve the system so that in future, the emissions trading scheme could be used as the primary control system to reach the climate objectives.

In September, the Finnish Government issued a legislative proposal to increase the maximum limit of the power plant property tax. The proposal entails an increase of the maximum property tax rate from 2.85 per cent to 3.10 per cent starting from 2016. The proposal will be next processed by the Parliament.

Financial Performance

TVO operates on a cost-price principle (Mankala principle). TVO's goal is not to make profit or pay dividends. The shareholders are charged incurred costs on the price of electricity and thus in principle the profit/loss for the period under review is zero. The shareholders pay variable costs based on the volumes of energy supplied and fixed costs in proportion to their ownership, regardless of whether they have made any use of their share of the output or not. Key indicators based on financial performance will not be presented due to the Company's operating principle.

The consolidated turnover for the period under review January 1–September 30, 2015 was EUR 217.1 (January 1–September 30, 2014: 262.3) million. The amount of electricity delivered to shareholders was 10,416.9 (11,183.2) GWh. The drop in the amount of electricity delivered to shareholders was mainly caused by a near three-week shutdown in OL2 due to water leakage in the generator in February, as well as the decreased supply of electricity from the Meri-Pori coal-fired power plant.

The consolidated profit/loss was EUR 18.3 (9.9) million.

Financing and Liquidity

TVO's financial situation has developed as planned.

TVO's liabilities (non-current and current) at the end of the period under review, excluding the loan from the Finnish State Nuclear Waste Management Fund lent to shareholders, totaled EUR 3,912.2 (December 31, 2014: 3,727.3) million, of which EUR 379.3 (439.3) million were subordinated shareholder loans. During the period under review, TVO raised a total of EUR 500.0 (697.0) million in non-current liabilities. Repayments during the period under review amounted to EUR 152.9 (554.5) million, of which EUR 60.0 (0.0) million were subordinated shareholder loans.

In January, Japan Credit Rating Agency (JCR) lowered its AA rating for TVO to AA- and deemed the outlook to be stable. In May, Fitch Ratings reinstated its rating to BBB/F3 with a stable outlook. Standard & Poor's lowered its rating for TVO in May from BBB/A-2 to BBB-/A-3 with a continued negative outlook.

In February, TVO issued a EUR 500 million 10-year bond with an annual coupon of 2.125 per cent under its Euro Medium Term Note (EMTN) Program. In June, the value of the EMTN Program was increased from EUR 3.5 billion to EUR 4 billion.

The OL3 project's share of financing costs has been capitalized in 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 September 30, 2015, the amount of the loan was EUR 1,009.1 (December 31, 2014: 982.8) million, which has been re-lent to the Company's A-series shareholders. The loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 26.3 (51.1) million on March 31, 2015.

Nuclear Power

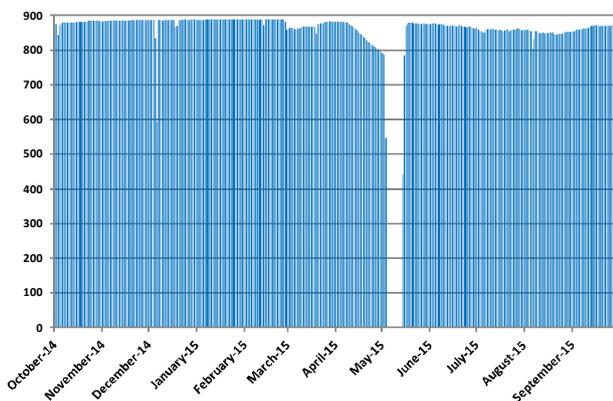
Olkiluoto 1 and Olkiluoto 2

The electricity production of the Olkiluoto power plant units Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2) during the period under review was 10,356 (10,861) GWh. The combined load factor of the two plant units was 90.0 (94.4) per cent.

The plant units operated safely during the period under review. OL1's net production was 5,451 (5,322) GWh and the load factor 94.8 (92.6) %. OL2's net production was 4,905 (5,539) GWh and the load factor 85.3 (96.3) %.

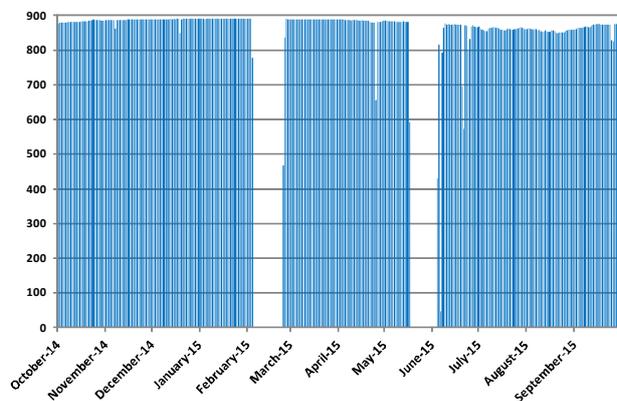
Olkiluoto 1

Average electrical power MW
October 1, 2014–September 30, 2015



Olkiluoto 2

Average electrical power MW
October 1, 2014–September 30, 2015



OL2 was out of production nearly three weeks in February. On February 4, a water leak was detected in the water-cooled generator of the plant unit, and the generation of electricity was interrupted. After examination by TVO experts and the generator supplier, TVO decided to replace the rotor of the generator. Generation of electricity recommenced on February 24.

Annual Outages

The annual outages of 2015 at the Olkiluoto nuclear power plant were carried out from May 3 to June 5, 2015. OL1 underwent a refueling outage that lasted more than 10 days, and OL2 had a maintenance outage taking more than 17 days.

In addition to refueling, maintenance, repair work and tests were carried out in OL1, and a mixing unit in the feedwater system was replaced.

Apart from refueling, the major activities carried out in OL2 included equipment work in two sub-systems, one of them comprising the replacement of low-voltage equipment. Both feedwater mixing units were also replaced.

Apart from TVO's own personnel, up to 800 subcontractor employees were involved in the annual outage work.

Olkiluoto 3

Olkiluoto 3 (OL3), currently under construction, was procured as a fixed-price turnkey project from a consortium (Supplier) formed by AREVA GmbH, AREVA NP SAS and Siemens AG. As stipulated in the plant contract, the consortium companies have joint and several liability for the contractual obligations. Originally, commercial electricity production was scheduled to start at the end of April 2009.

According to the schedule updated by the Supplier in September 2014, regular electricity production in the unit will commence at the end of 2018.

Most of the construction work for the plant unit have been completed. The installation of the electrical systems, the instrumentation and control system (I&C), and mechanical systems is still in progress. Factory acceptance testing of the process I&C system was completed, and the system was transferred to Olkiluoto in August. The factory testing of the safety I&C systems is still unfinished.

The first phase of the commissioning of the turbine plant has been completed. Some of the systems and components will be kept in operation; the rest will be preserved in accordance with a separate plan.

During the period under review, the workforce at the site has increased by approximately 500 people, amounting to approximately 1,600 at the end of the period. Occupational safety at the site remained at a good level.

The pending disputes concerning the plant unit are described in the paragraph ‘Pending Court Cases and Disputes’

All realized costs of the OL3 project that can be recognized in the cost of the asset have been entered as property, plant and equipment in 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 (Olkiluoto 4) in Olkiluoto. According to the decision-in-principle, it will expire unless an application for a construction license is submitted a maximum of five years after the date of Parliament’s decision to approve the decision-in-principle.

On May 20, 2014, TVO submitted an application to the Government asking for a new time limit for submitting the construction license application, and for a decision addressing the fact that despite changes to the timing of the project, the construction of the OL4 plant unit is still in accordance with the overall good of society. On September 25, 2014, the Government rejected TVO’s application.

TVO’s Extraordinary General Meeting on June 24, 2015 decided, as proposed by the Company's Board of Directors, not to apply for a construction license for OL4 during the validity of the decision-in-principle and not to carry out the project referred to in the contractual undertaking which the shareholders and TVO signed earlier for the bidding and engineering phase.

The value of property, plant and equipment relating to the OL4 project, amounting to EUR 58.2 million, was recognized as an asset write-down in TVO's balance sheet and recorded as impairment charge to the profit and loss statement. The impairment charge does not affect TVO's consolidated profit/loss, as TVO has invoiced the impairment charge from the shareholders in proportion to their shareholder loans to OL4. The impairment charge invoiced from the shareholders is presented under other income. TVO has settled the invoices against the OL4 shareholder loans and has refunded EUR 1.8 million to the shareholders. On September 30, 2015, there are no remaining OL4 shareholder loans or shareholder loan commitments.

TVO will remain prepared for applying for a new decision-in-principle for OL4. The application is subject to a separate decision.

Nuclear Fuel

During the period under review, nuclear fuel purchases amounted to EUR 46.4 (32.6) million and the amount consumed to EUR 39.3 (37.7) million.

The nuclear fuel and uranium stock carrying value on September 30, 2015 was EUR 218.5 (December 31, 2014: 211.4) 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.

The Government is expected to issue a decision on the construction license for Posiva's encapsulation plant and final repository during the Parliament's fall session of 2015.

The construction works for the second phase of the hoist building of ONKALO were completed in July 2015. After the completion of the construction project, a personnel hoist to underground facilities may be installed to the hoist building. Work also continues in the underground research facility ONKALO, where installation tests for the bentonite buffer were completed during the summer.

Posiva's owners have submitted a nuclear waste management program to the Ministry of Employment and the Economy (MEE) at the end of September 2015. The program includes the main objectives and tasks for nuclear waste management for 2016–2021.

The liabilities in the consolidated financial statement show a provision related to nuclear waste management liability of EUR 953.6 (December 31, 2014: 930.3) 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 to the Finnish State Nuclear Waste Management Fund. In December 2014, MEE set TVO's liability for nuclear waste management at EUR 1,349.1 (1,317.8) million at the end of 2014 and the Company's funding target for 2015 at EUR 1,345.4 (1,310.4) million.

In March 2015, the Finnish State Nuclear Management Fund confirmed TVO's nuclear waste management fee for 2014 at EUR 20.8 (56.1) million, which was paid into the Fund on March 31, 2015 (March 31, 2014). The nuclear waste management fee for 2015 will be confirmed in March 2016.

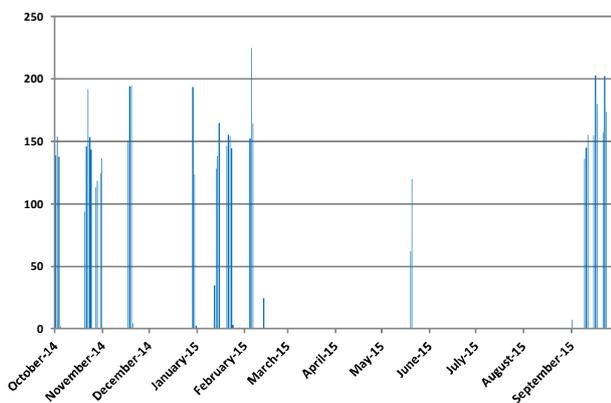
Coal Power

Meri-Pori

The amount of electricity produced by TVO's share at the Meri-Pori coal-fired power plant on January 1–September 30, 2015 was 80.1 (339.3) GWh requiring 29.3 (123.5) thousand tons of coal and 66.5 (283.6) thousand tons of carbon dioxide emission rights.

TVO's share of Meri-Pori's production

Average electrical power MW
October 1, 2014–September 30, 2015



Acquisitions of Tangible and Intangible Assets and Shares

Investments during the period under review were EUR 186.9 (252.5) million. Investments of the parent company were EUR 184.8 (253.0) million, of which EUR 150.9 (220.4) million was allocated to the OL3 project.

TVO continued to carry out modernization projects in the operating plant units.

In May 2013, TVO signed an agreement with Wärtsilä Finland Oy for the delivery of emergency diesel generators and associated auxiliary systems to Olkiluoto. A total of nine generators will be delivered, and TVO is in charge of the construction work required for the project, as well as for the connection of the diesel generators to TVO's other systems. The emergency diesel generators of OL1 and OL2 are to be replaced by 2022. This is the largest plant modification project ever carried out in Olkiluoto.

In July 2014, TVO signed a contract with Westinghouse Electric Sweden (WSE) for the replacement of the main circulation pumps at OL1 and OL2. The contract covers 12 main circulation pumps. The replacement of the pumps takes place under a turnkey contract. WSE is responsible for the installation of the pumps and for the manufacture of special tools, as well as for the design and engineering of the pumps in collaboration with their manufacturer. TVO's scope of the delivery

covers the provision of the supporting services specified in the contract during the erection period. The main circulation pumps will be replaced during the annual outages of 2016–2018.

Carbon dioxide emission allowances have been relinquished to the Energy Market authority worth EUR 1.9 (2.7) million. During the period under review, emission allowances have been acquired worth EUR 0.5 (1.6) million. The Company's need for carbon dioxide emission allowances for the period under review are covered by acquired emission allowances.

Pending Court Cases and Disputes

In 2012, TVO submitted a claim and defense in the International Chamber of Commerce (ICC) arbitration proceedings concerning the delay and the ensuing costs incurred at the Olkiluoto 3 project. In July 2015, TVO updated its quantification estimate of its costs and losses to amount to approximately EUR 2.6 billion until December 2018, which, according to the schedule submitted by the OL3 Supplier in September 2014, is the estimated start of regular electricity production of OL3.

The proceedings were initiated in December 2008 by the OL3 Supplier. The Supplier's monetary claim, updated in July 2015, is approximately EUR 3.4 billion in total. The claim covers events that occurred during the construction period until the end of June 2011. The sum includes penalty interest (calculated until July 2015) and payments delayed by TVO under the plant contract amounting to a total of approximately EUR 1.4 billion, as well as approximately EUR 140 million in alleged loss of profit. Having considered and found the earlier claims by the Supplier to be without merit, TVO will scrutinize the updated claim and respond to it in due course.

The Supplier consortium companies (AREVA GmbH, AREVA NP SAS and Siemens AG) are jointly and severally liable for the plant contract obligations.

The arbitration proceedings may continue for several years, and the claimed amounts may be updated.

TVO has not recorded any receivables or provisions 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 760 (December 31, 2014: 809; September 30, 2014: 829). The number of permanent employees at the end of the period under review was 734 (December 31, 2014: 754; September 30, 2014: 758). During summer 2015, TVO employed a total of 76 (2014: 129) vocational students for a period of one to three months.

TVO's co-operation negotiations initiated in the beginning of January 2015 concluded at the end of February. The negotiations focused on reorganizing functions and improving cost efficiency with the view to secure TVO's competitive edge on the challenging electricity supply market. The aim was to generate savings of EUR 15 million per year. Prior to the negotiations, the estimated maximum need of personnel reductions was 110 man-years. Through the negotiations, the number of personnel was cut by 42 employees, including 11 terminated contracts. Other personnel reductions will be achieved through voluntary arrangements so that the total amount of reductions will be

approximately 100 man-years. According to estimates, the total reductions will be achieved by the end of the year. The co-operation negotiations concerned the near-entire TVO personnel of approximately 700 employees.

Annual General Meeting

TVO's Annual General Meeting was held on March 20, 2015. The AGM approved the financial statements for the year 2014, confirmed the consolidated income statement and balance sheet and discharged the members of the Board of Directors, along with the President and CEO and his deputy from liability.

Nine Board members were re-elected. Markus Mannström was elected as a new member to replace Juha Taavila. 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 also chose the members and chairmen of the Board Committees from among its members.

Extraordinary General Meeting

TVO's Extraordinary General Meeting was held on June 24, 2015. The EGM decided, as proposed by the Board of Directors, not to apply for a construction licence for the Olkiluoto 4 nuclear power plant unit during the validity of the decision-in-principle made in 2010.

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 2014 Report of the Board of Directors.

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.

Realization of the OL3 nuclear power plant project and preparing the plant unit for production use will be continued. TVO continues to support the Supplier to finalize the project.

The Meri-Pori coal-fired power plant capacity will be used in accordance with the former principles.

Posiva is preparing to start the construction projects of the encapsulation plant and final repository after the construction license has been granted.

Events after the Period under Review

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

October 19, 2015

Teollisuuden Voima Oyj
Board of Directors

KEY FIGURES OF TVO GROUP

TVO GROUP (IFRS) (M€)	1.1. - 30.9.2015	1.1. - 30.9.2014	1.1. - 31.12.2014
Turnover	217	262	327
Profit/loss for the period	18	10	-1
Investments ¹⁾	187	253	339
Equity	1 528	1 480	1 575
Subordinated shareholder loans (hybrid equity) (included in the former) ³⁾	379	339	439
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	3 670	3 446	3 428
Loan from VYR ²⁾	1 009	983	983
Provision related to nuclear waste management	954	916	930
Balance sheet total	7 307	6 990	7 054
Equity ratio % ⁴⁾	28,6	29,1	30,6
Average number of personnel	806	876	863

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⁾ Equity ratio % =100 x $\frac{\text{equity}}{\text{balance sheet total - provision related to nuclear waste management - loan from the Finnish State Nuclear Waste Management Fund}}$

KEY FIGURES OF TEOLLISUUDEN VOIMA OYJ

TEOLLISUUDEN VOIMA OYJ (FAS) (M€)	1.1. - 30.9.2015	1.1. - 30.9.2014	1.1. - 31.12.2014
Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).			
Turnover	215	261	325
Profit/loss before appropriations	19	16	5
Fuel costs	42	50	66
Nuclear waste management costs	32	40	51
Capital expenditure (depreciation and financial income and expenses)	98	44	59
Investments ¹⁾	185	253	339
Equity	858	858	858
Appropriations	191	183	173
Non-current and current interest-bearing liabilities (excluding loan from VYR and shareholder loans) ²⁾	3 533	3 301	3 288
Loans from equity holders of the company ³⁾	379	339	439
Loan from VYR ²⁾	1 009	983	983
Balance sheet total	6 117	5 829	5 879
Equity ratio % ⁴⁾	28,0	28,5	30,0
Average number of personnel	803	871	858

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⁾ Equity ratio %

=100 x

$$\frac{\text{equity} + \text{appropriations} + \text{loans from equity holders of the company}}{\text{balance sheet total} - \text{loan from the Finnish State Nuclear Waste Management Fund}}$$

⁵⁾ OL4 impairment charge EUR 58 million (2015)

ELECTRICITY DELIVERED TO EQUITY HOLDERS OF THE COMPANY (GWh)

	1.1. - 30.9.2015	1.1. - 30.9.2014	1.1. - 31.12.2014
Nuclear power	10 337	10 844	14 740
Coal-fired power	80	339	400
Total	10 417	11 183	15 140

TVO GROUP

CONSOLIDATED FINANCIAL STATEMENT IN BRIEF AND NOTES**CONSOLIDATED INCOME STATEMENT**

EUR 1 000	1.1. - 30.9.2015	1.1. - 30.9.2014	1.1. - 31.12.2014
Turnover	217 136	262 290	327 209
Work performed for own purposes	6 231	9 598	13 100
Other income	93 830	6 854	9 600
Materials and services	-56 480	-81 351	-98 744
Personnel expenses	-44 101	-45 801	-61 556
Depreciation and impairment charges	-100 593	-43 139	-57 716
Other expenses	-68 906	-67 570	-89 225
Operating profit/loss	47 117	40 881	42 668
Finance income	16 391	19 374	26 214
Finance expenses	-45 226	-50 397	-69 572
Total finance income and expenses	-28 835	-31 023	-43 358
Profit/loss before income tax	18 282	9 858	-690
Income taxes	-1	-1	-2
Profit/loss for the period	18 281	9 857	-692

Profit/loss for the period attributable to:

Equity holders of the company	18 281	9 857	-692
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1.1. - 30.9.2015	1.1. - 30.9.2014	1.1. - 31.12.2014
Profit/loss for the period	18 281	9 857	-692
Other comprehensive items			
Items that may be reclassified to profit or loss in subsequent periods:			
Changes in fair values of the available-for-sale investments	-23 614	1 645	1 910
Cash flow hedges	20 998	9 751	16 352
Total other comprehensive profit/loss items for the period	-2 616	11 396	18 262
Total comprehensive profit/loss for the period	15 665	21 253	17 570

Total comprehensive profit/loss for the period attributable to:

Equity holders of the company	15 665	21 253	17 570
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TVO GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Assets			
Non-current assets			
Property, plant and equipment	4 710 466	4 556 830	4 628 318
Intangible assets	6 419	7 595	7 893
Loans and other receivables	1 012 617	986 706	986 367
Investments in joint ventures	1 009	1 009	1 009
Investments in shares	1 934	25 592	25 857
Derivative financial instruments	99 344	73 394	74 198
Share in the Finnish State Nuclear Waste Management Fund	953 583	915 844	930 260
Total non-current assets	6 785 372	6 566 970	6 653 902
Current assets			
Inventories	248 561	230 879	239 531
Trade and other receivables	22 848	51 295	33 900
Derivative financial instruments	8 303	12 291	13 395
Fund units	100 183	0	0
Cash and cash equivalents	141 303	128 279	113 418
Total current assets	521 198	422 744	400 244
Total assets	7 306 570	6 989 714	7 054 146
Equity and liabilities			
Capital and reserves attributable to equity holders of the company			
Share capital	606 193	606 193	606 193
Share premium reserve and statutory reserve	242 383	242 383	242 383
Fair value and other reserves	13 466	9 215	16 082
Subordinated shareholder loans (hybrid equity)	379 300	339 300	439 300
Retained earnings	286 236	282 905	271 160
Total equity	1 527 578	1 479 996	1 575 118
Liabilities			
Non-current liabilities			
Provision related to nuclear waste management	953 583	915 844	930 260
Loan from the Finnish State Nuclear Waste Management Fund	1 009 050	982 800	982 800
Bonds	2 467 679	2 269 820	2 250 999
Other financial liabilities	724 175	788 796	723 997
Derivative financial instruments	46 312	36 309	46 003
Total non-current liabilities	5 200 799	4 993 569	4 934 059
Current liabilities			
Current financial liabilities	430 792	347 571	401 752
Derivative financial instruments	927	3 502	5 471
Advance payments received	38 829	42 701	19 425
Trade payables	20 027	27 401	8 327
Other current liabilities	87 618	94 974	109 994
Total current liabilities	578 193	516 149	544 969
Total liabilities	5 778 992	5 509 718	5 479 028
Total equity and liabilities	7 306 570	6 989 714	7 054 146

TVO GROUP

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1 000	Share capital	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
Equity 1.1.2015	606 193	242 383	16 082	439 300	271 160	1 575 118	1 575 118
Profit/loss for the period	0	0	0	0	18 281	18 281	18 281
Other comprehensive items:							
Changes in fair values of the available-for-sale investments	0	0	-23 614	0	0	-23 614	-23 614
Cash flow hedges	0	0	20 998	0	0	20 998	20 998
Subordinated shareholder loans (hybrid equity)	0	0	0	-60 000	0	-60 000	-60 000
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	0	0	-3 205	-3 205	-3 205
Equity 30.9.2015	606 193	242 383	13 466	379 300	286 236	1 527 578	1 527 578

EUR 1 000	Share capital	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
Equity 1.1.2014	606 193	242 383	-2 181	339 300	275 927	1 461 622	1 461 622
Profit/loss for the period	0	0	0	0	9 857	9 857	9 857
Other comprehensive items:							
Changes in fair values of the available-for-sale investments	0	0	1 645	0	0	1 645	1 645
Cash flow hedges	0	0	9 751	0	0	9 751	9 751
Subordinated shareholder loans (hybrid equity)	0	0	0	0	0	0	0
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	0	0	-2 879	-2 879	-2 879
Equity 30.9.2014	606 193	242 383	9 215	339 300	282 905	1 479 996	1 479 996

TVO GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Operating activities			
Profit/loss for the period	18 281	9 857	-692
Adjustments:			
Income tax expenses	1	1	2
Finance income and expenses	28 835	31 023	43 358
Depreciation and impairment charges	100 593	43 139	57 716
Other non-cash flow income and expenses	-30 490	-23 078	-36 511
Sales profit/loss of property, plant and equipment and shares	-27 972	-156	-156
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	7 543	-26 298	-6 046
Increase (-) or decrease (+) in inventories	-8 600	13 380	3 560
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	21 171	-6 544	-42 049
Interest paid and other finance expenses	-6 644	-12 015	-13 600
Dividends received	1 219	1 036	1 036
Interest received	9 983	7 221	7 421
Taxes paid	-1	-1	-2
Cash flow from operating activities	113 919	37 565	14 037
Investing activities			
Acquisition of property, plant and equipment	-194 484	-264 126	-340 139
Proceeds from sale of property, plant and equipment	0	7	7
Acquisition of intangible assets	-746	-325	-523
Acquisition of shares	-62	-21	-33
Proceeds from sale of shares	28 248	280	280
Loan receivables granted	-26 250	-51 075	-51 209
Repayments of loans granted	0	0	422
Cash flow from investing activities	-193 294	-315 260	-391 195
Financing activities			
Withdrawals of subordinated shareholder loans (hybrid equity)	0	0	100 000
Repayment of subordinated shareholder loans (hybrid equity)	-60 000	0	0
Withdrawals of long-term loans	526 250	752 830	752 830
Repayment of long-term loans	-94 581	-556 149	-581 635
Investments in fund units	-100 000	0	0
Interest paid of subordinated shareholder loans (hybrid equity)	-2 265	-1 893	-3 854
Increase (-) or decrease (+) in interest-bearing receivables	0	0	20
Increase (+) or decrease (-) in current financial liabilities	-162 144	66 819	78 848
Cash flow from financing activities	107 260	261 607	346 209
Change in cash and cash equivalents	27 885	-16 088	-30 949
Cash and cash equivalents at the beginning of period	113 418	144 367	144 367
Cash and cash equivalents at the end of period	141 303	128 279	113 418

TVO GROUP

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 2014. Additionally the changes according to the revised IAS/IFRS standards have been adopted.

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

The value of property, plant and equipment relating to the OL4 project, amounting to EUR 58.2 million, was recognized as an asset write-down in TVO's balance sheet and recorded as impairment charge to the profit and loss statement. The impairment charge invoiced from the shareholders is presented under other income.

MANAGEMENT'S 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 2014.

TVO GROUP

SEGMENT REPORTING**Segment structure in TVO**

The Group has two reportable segments; nuclear power and coal 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 subsidiary of TVO, TVO Nuclear Services Oy (TVONS), of which operation is related to nuclear power, is 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

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Nuclear power	204 647	239 124	298 377
Coal-fired power	12 489	23 166	28 832
Total	217 136	262 290	327 209

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Nuclear power	21 632	17 856	7 554
Coal-fired power	-2 347	-1 407	-2 177
Profit/loss before appropriations (FAS)	19 285	16 449	5 377
The impact of the nuclear waste management obligation	-1 415	-7 050	-6 441
The impact of financial instruments	34	333	148
Other IFRS adjustments	377	125	224
Total (IFRS)	18 281	9 857	-692

ASSETS BY SEGMENTS

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Nuclear power	6 077 464	5 777 201	5 840 090
Coal-fired power	40 163	53 056	39 152
Total (FAS)	6 117 627	5 830 257	5 879 242
The impact of the nuclear waste management obligation	1 068 315	1 031 381	1 046 407
The impact of financial instruments	73 633	52 114	54 212
The impact of finance leases	59 160	60 851	60 007
Other IFRS adjustments	-12 165	15 111	14 278
Total (IFRS)	7 306 570	6 989 714	7 054 146

TVO GROUP

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Opening net book amount	4 628 318	4 358 082	4 358 082
Increase	185 560	250 674	336 038
Decrease	-4 563	-10 118	-12 623
Depreciation and impairment charges	-99 750	-42 190	-56 459
Accumulated depreciation from deduction	901	382	3 280
Closing net book amount	4 710 466	4 556 830	4 628 318

CHANGES IN INTANGIBLE ASSETS

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Opening net book amount	7 893	9 382	9 382
Increase	1 301	1 849	2 454
Decrease	-1 932	-2 687	-2 688
Depreciation and impairment charges	-843	-949	-1 256
Accumulated depreciation from deduction	0	0	1
Closing net book amount	6 419	7 595	7 893

TVO GROUP

FINANCIAL RISK MANAGEMENT

The objectives of financial risk management and finance policy are the same as those applied to the annual financial statement for the year ended 31 December 2014.

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values of the derivative financial instruments *

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Interest rate swaps	1 151 446	901 446	1 001 446
Forward foreign exchange contracts and swaps	172 748	210 544	191 216
Cross-currency swaps	856 898	930 421	930 421
Total	2 181 092	2 042 411	2 123 084

Fair values of the derivative financial instruments *

EUR 1 000	30.9.2015			30.9.2014			31.12.2014		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
Interest rate swaps									
Cash flow hedges	0	-18 135	-18 135	0	-21 998	-21 998	0	-21 509	-21 509
Fair value hedges	26 277	0	26 277	29 885	0	29 885	32 155	0	32 155
Non-hedges	0	-354	-354	0	-947	-947	0	-773	-773
Forward foreign exchange contracts and swaps									
Cash flow hedges	31 205	-351	30 854	11 235	-4 825	6 410	17 835	-4 139	13 695
Non-hedges	0	0	0	500	-250	250	494	-426	69
Cross-currency swaps									
Non-hedges	50 165	-28 400	21 765	44 065	-11 790	32 274	37 109	-24 626	12 482
Total	107 647	-47 240	60 406	85 685	-39 810	45 874	87 593	-51 474	36 119

* Cross-currency swaps related to Private Placements included.

BONDS

Under the EMTN Program, the Company has issued during the first quarter of the year a EUR 500 million bond.

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DISCLOSURE OF FAIR VALUE MEASUREMENTS BY THE LEVEL OF FAIR VALUE MEASUREMENT HIERARCHY

EUR 1 000	30.9.2015			31.12.2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets at fair value						
Derivative financial instruments at fair value through profit or loss		50 165			37 603	
Derivative financial instruments designated as cash flow hedges		31 205			17 835	
Derivative financial instruments designated as fair value hedges		26 277			32 155	
Available-for-sale investments						
Investments in listed companies	0			23 811		
Investments in other stocks and shares			0			0
Total	0	107 647	0	23 811	87 593	0
Financial liabilities at fair value						
Derivative financial instruments at fair value through profit or loss		28 754			25 825	
Derivative financial instruments designated as cash flow hedges		18 486			25 649	
Derivative financial instruments designated as fair value hedges		0			0	
Total	0	47 240	0	0	51 474	0

On 30 September 2015, TVO has also unquoted shares worth EUR 1,934 (2014: 2,046) thousand that are measured at acquisition cost because their fair value cannot be reliably determined.

Fair value estimation

Available-for-sale investments include investments in shares and fund units. Listed shares and fund units are measured at fair value, which is the market price at closing date (Level 1). TVO has not level 3 investments (assets that are not based on observable market data).

The derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. The fair values are determined using a variety of methods and financial valuation techniques, and assumptions are based on market quotations at the balance sheet date (Level 2). The fair value of the interest rate swaps is the present value of the estimated future cash flows. The forward contracts are measured using the market quotes at the closing date.

BOOK VALUES OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

EUR 1 000	30.9.2015			31.12.2014		
	Financial liabilities measured at amortized cost	Book Value	Fair value	Financial liabilities measured at amortized cost	Book Value	Fair value
Non-current liabilities						
Other financial liabilities*	3 191 854	3 191 854	3 248 622	2 974 996	2 974 996	3 186 874

* Bonds and EUR-fixed loans included

For other financial assets and liabilities than the ones presented in the table, the book value corresponds to their fair value.

TVO GROUP

ASSETS AND PROVISION RELATED TO NUCLEAR WASTE MANAGEMENT OBLIGATION

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

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	953 583	915 844	930 260
Provision related to nuclear waste management (non-current liabilities)	953 583	915 844	930 260

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

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Liability for nuclear waste management according to the Nuclear Energy Act	1 349 100	1 317 800	1 349 100
Funding target obligation	1 345 400	1 310 400	1 345 400
TVO's share in the Finnish State Nuclear Waste Management Fund	1 345 400	1 310 400	1 324 200
Difference between the liability and TVO's share of the fund	3 700	7 400	24 900

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 and total cost estimates 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. The difference between the funding obligation target decided by the Ministry of Employment and the Economy (MEE) and TVO's actual share of the Finnish State Nuclear Waste Management Fund is paid in Q1 each year. TVO's share in the Finnish State Nuclear Waste Management Fund on September 30, 2015 is EUR 1,345.4 million. The carrying amount in the balance sheet is EUR 953.6 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.

MEE has adopted the procedure mentioned in the Nuclear Energy Act (section 40, subsection 3) and specified in the Government Decision 1339/1996 for a temporary reduction of the funding target when confirming Teollisuuden Voima Oyj's funding target obligation for 2015.

TVO has issued the State the shareholders' guarantees as security to cover the unexpected events as determined in the Nuclear Energy Act. The guarantees are presented in the note Obligations and other commitments.

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OBLIGATIONS AND OTHER COMMITMENTS**Pledged promissory notes and financial guarantees**

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
Pledged promissory notes to the Finnish State Nuclear Waste Management Fund	1 009 050	982 800	982 800
Guarantees given by shareholders related to the nuclear waste management obligation	137 620	152 710	152 710

Investment commitments

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

EUR 1 000	30.9.2015	30.9.2014	31.12.2014
OL1 and OL2	133 000	115 000	135 000
OL3	781 000	785 000	779 000
Total	914 000	900 000	914 000

Pending Court Cases and Disputes

Pending Court Cases and Disputes are to be found on page 8.