



WELL-BEING WITH
NUCLEAR ELECTRICITY



Interim Report

January–March 2015

Teollisuuden Voima Oyj's Interim Report January 1–March 31, 2015

During the first quarter of the year, Teollisuuden Voima's electricity generation at Olkiluoto 1 and Olkiluoto 2 plant units continued safely. OL2 generator failure decreased production. The Olkiluoto 3 I&C system tests in the test bay in Erlangen, Germany proceeded. According to the plant supplier, the start of regular electricity production of the OL3 plant unit would take place in late 2018. The decision-in-principle of OL4 plant unit is valid until the end of June 2015. The employee information and consultation procedure was completed.

Operating Environment

During the first quarter of the year, the use of electricity in Finland decreased by 2.1 percent compared to the corresponding period of the previous year.

The Finnish Parliament approved in March the law of amending the Nuclear Energy Act and Radiation Act. The mandate of the Radiation and Nuclear Safety Authority in Finland (STUK) will be extended, and STUK will be authorized to give binding regulations regarding safety related to the use of radiation. The nuclear safety research fee collected from the operators of nuclear facilities and waste management fee collected from those liable for waste management will be increased for a fixed period. For TVO, the fees will increase by EUR 2–4 million per year, during 2016–2020. Validity of the OL4 decision-in-principle will have an effect on the amount of the fees.

The European Commission published in February a communication on the EU Energy Union. In the communication, the Commission outlines its future work and examines in which energy policy areas more EU-level actions are needed. The importance of diversifying nuclear fuel supply to ensure security of supply is brought up in the communication. The Commission also states that nuclear energy presently produces nearly 30 percent of the EU's electricity, and that EU must ensure that Member States use the highest standards of safety and waste management.

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. Because of the Company's operating principle, key indicators based on financial performance will not be presented.

The consolidated turnover for the period under review January 1–March 31, 2015 was EUR 79.0 (January 1–March 31, 2014: EUR 86.0) million. The amount of electricity delivered to shareholders was 3,434.7 (3,889.6) GWh. The decline in turnover was mainly due to an interruption in the power generation due to a leakage in the water-cooled generator of the OL2 plant unit.

The consolidated profit/loss was EUR 0.3 (-1.3) 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 relented to shareholders, totaled EUR 4,067.7 (December 31, 2014: 3,727.3) million, of which EUR 439.3 (439.3) million were subordinated shareholder loans. During the period under review, TVO raised a total of EUR 500.0 (545.0) million in non-current liabilities. Repayments during the period under review amounted to EUR 58.2 (479.4) million.

In January Japan Credit Rating Agency (JCR) downgraded its AA rating for TVO by one notch to a level of AA- and evaluated the Company's future outlook as stable.

In February TVO issued under its EMTN Program a EUR 500 million 10-year bond with an annual coupon of 2.125 percent.

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 March 31, 2015 the amount of the loan was EUR 1,009.1 (December 31, 2014: 982.8) million and it has been relented to the Company's A-series shareholders. On March 31, 2015 loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 26.3 (51.1) million.

Nuclear Power

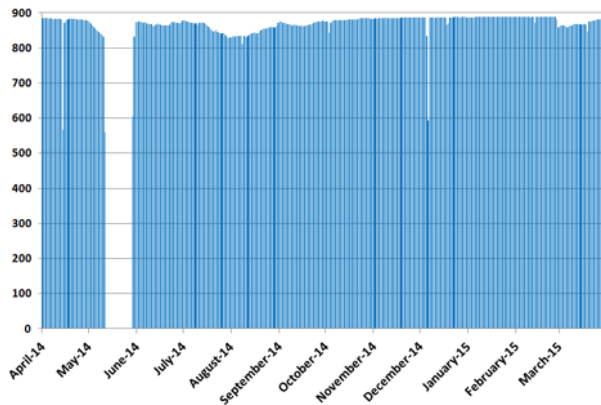
Olkiluoto 1 and Olkiluoto 2

The electricity production of the Olkiluoto power plant units, Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2), during the period under review was 3,404 (3,825) GWh. The total load factor was 89.7 (100.0) per cent.

The plant units operated safely during the period under review. OL1's net production was 1,903 (1,903) GWh and the load factor 100.0 (100.0) %. OL2's net production was 1,501 (1,922) GWh and the load factor 79.1 (100.0) %.

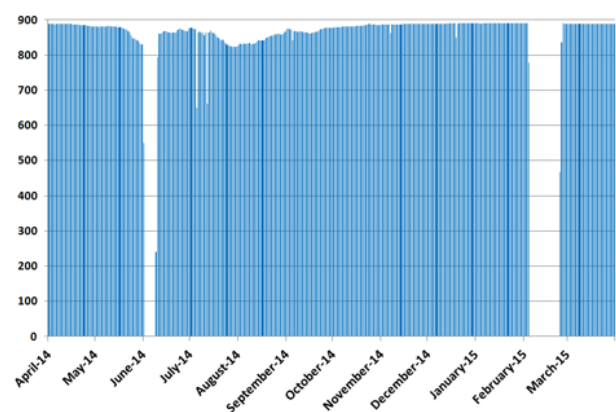
Olkiluoto 1

Average electrical power MW
April 1, 2014–March 31, 2015



Olkiluoto 2

Average electrical power MW
April 1, 2014–March 31, 2015



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

Olkiluoto 3

Olkiluoto 3 (OL3), currently under construction, was procured as a fixed-price turnkey project from the consortium (referred to as the Supplier) formed by AREVA GmbH, AREVA NP SAS and Siemens AG. The said companies belonging to the consortium are jointly and severally liable for the Plant Contract obligations. Originally commercial electricity production was scheduled to start at the end of April 2009. The completion of the project, however, has been significantly delayed. The Supplier's installation works at the plant unit and engineering have not progressed according to the Supplier's schedules.

In December 2013 the Supplier informed that they will reduce the number of subcontractors and employees at the OL3 site due to, among other things, the incomplete planning of the plant unit. For this reason, the progress of the installations at the site has been very slow.

In September 2014 TVO received additional data about the schedule for the OL3 project from the Supplier. According to the Supplier, the start of regular electricity production of the plant unit would take place in late 2018. Detailed evaluation of the received data is ongoing.

The civil construction works of the plant unit have been mainly completed, cladding works of the buildings' exterior walls will be completed later.

Pipeline installation and welding works in the emergency power generating building continued. Cabling works as well as preservation of pipelines and equipment continued. I&C system tests in the test bay in Erlangen, Germany proceeded.

The first phase of the turbine plant commissioning is completed. Preservation of the systems is ongoing. Conservation of the low-pressure turbine rotors has been completed.

During the period under review, the workforce at the site increased by more than a hundred persons and was at the end of the period under review about 900 persons. The occupational safety at the site remained at good level.

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

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 in the Group balance sheet.

Olkiluoto 4

On July 1, 2010 the Finnish Parliament approved the favorable decision-in-principle made by the Finnish Government on May 6, 2010 regarding TVO's application to construct a fourth nuclear power plant unit (Olkiluoto 4) in Olkiluoto.

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 decision that despite changes in 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 adopted a negative decision on TVO's application. The decision-in-principle is still in force, and the deadline for submitting the construction license application is June 30, 2015.

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 in the Group balance sheet.

Nuclear Fuel

During the period under review, nuclear fuel purchases amounted to EUR 20.1 (13.2) million and the amount consumed to EUR 13.5 (12.4) million.

The nuclear fuel and uranium stock carrying value on March 31, 2015 was EUR 218.0 (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.

On February 11, 2015 The Radiation and Nuclear Safety Authority in Finland (STUK) issued to the Finnish Ministry of Employment and the Economy (MEE) a favorable statement on the safety of the final disposal facility. STUK's safety statement is required for the decision on construction license that MEE will prepare and the Government will make.

Equipment of the underground ONKALO research facility with building technology facilities and systems is completed. Raise boring of the ventilation and elevator shafts is also completed. Construction of the second phase of the elevator and entrance building as well as detailed design of the encapsulation plant and its systems have been started. Testing of the machines and equipment to be used in the final disposal has proceeded to the final disposal depth in ONKALO after completing tests in the above-ground test hall.

The liabilities in the consolidated financial statement show a provision related to nuclear waste management liability of EUR 937.0 (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 to 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

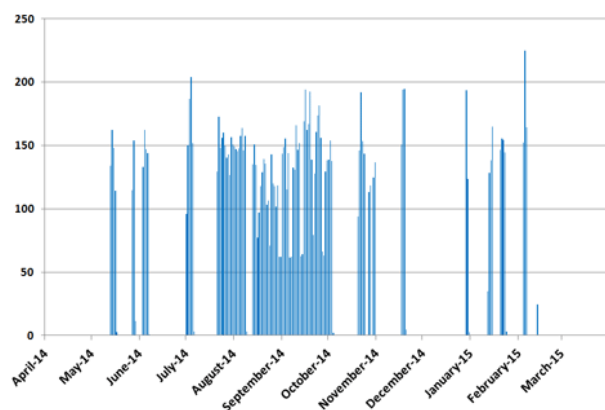
Meri-Pori

The amount of electricity produced by TVO's share at the Meri-Pori coal-fired power plant on January 1–March 31, 2015 was 39.3 (70.9) GWh requiring 14.1 (26.8) thousand tons of coal and 32.4 (59.8) thousand tons of carbon dioxide emission rights.

TVO's share of Meri-Pori's production

Average electrical power MW

April 1, 2014–March 31, 2015



Acquisitions of Tangible and Intangible Assets and Shares

Investments during the period under review were EUR 60.0 (117.6) million. Investments of the parent company were EUR 59.7 (117.5) million, of which EUR 49.2 (108.6) million was allocated to the OL3 project.

TVO continued to carry out modernization projects in the existing 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 project will start in 2016 and is estimated to continue until 2020. The replacement of the generators will be carried out as far as possible during normal power operation at the OL1 and OL2 plant units.

In July 2014 TVO made a contract with Westinghouse Electric Sweden (WSE) for the replacement of the main circulation pumps in OL1 and OL2. The contract covers 12 main circulation pumps. The replacement of the circulation pumps will take place on a turnkey basis. WSE will be responsible for installing the pumps and manufacturing of special tools as well as for design and engineering of the pumps in collaboration with their manufacturer. TVO will be responsible for organizing support services during the installation phase as specified in the contract. The main circulation pumps will be replaced during the annual outages in 2016–2018.

During the period under review, emission rights were acquired worth 0.3 (0.3) million. The Company's need for carbon dioxide emission rights for the period under review will be covered by acquired emission rights.

Pending Court Cases and Disputes

TVO submitted in 2012 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. The quantification estimate of TVO's costs and losses updated in October 2014 is approximately EUR 2.3 billion until the end of 2018, which according to the schedule submitted by the OL3 Supplier in September 2014, is the estimated start of the regular electricity production of OL3.

The proceedings were initiated in December 2008 by the OL3 Supplier. The updated quantification which the Supplier submitted in October 2014 and corrected in November 2014 brings the total amount claimed by the Supplier for events occurring during the construction period ending June 2011 to approximately EUR 3.4 billion. Among other things, this sum includes over EUR 1.2 billion in respect of penalty interest (calculated until October 2014) and payments allegedly delayed by TVO under the plant contract, as well as approximately EUR 150 million of alleged lost profit. TVO has considered the Supplier's previously submitted claims being without merit. TVO will scrutinize the new material which has been submitted, and respond to it in due course.

The companies belonging to the Plant Supplier Consortium (AREVA GmbH, AREVA NP SAS and Siemens) 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 821 (December 31, 2014: 809, March 31, 2014: 855). The number of permanent employees in the Group at the end of the period under review was 772 (December 31, 2014: 754, March 31, 2014: 768).

The employee information and consultation procedure initiated by TVO early January 2015 was completed at the end of February. The procedure was related to restructuring of the Company's functions and improving cost efficiency to ensure the Company's competitiveness in the challenging power generation market. The aim was to achieve annual cost savings of EUR 15 million. Prior to the negotiations, the need for personnel reduction was estimated to be 110 man-years at the most. Based on the employee information and consultation procedure, the personnel decreased by 42 persons, of which 11 were made redundant. In addition, personnel reductions will be realized through various voluntary arrangements so that the total number of reductions will be approximately 100 man-years. The personnel reductions are estimated to be completed in full by the end of the year. The information and consultation procedure covered nearly all of the Company's personnel, approximately 700 persons.

Annual General Meeting

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

Nine of the 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 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 2014.

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 will be continued. TVO will continue to support the Supplier to complete 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.

April 24, 2015

Teollisuuden Voima Oyj
Board of Directors

KEY FIGURES OF TVO GROUP

TVO GROUP (IFRS) (M€)	1.1. - 31.3.2015	1.1. - 31.3.2014	1.1. - 31.12.2014
Turnover	79	86	327
Profit/loss for the period	0	-1	-1
Investments ¹⁾	60	118	339
Equity	1 605	1 458	1 575
Subordinated shareholder loans (hybrid equity) (included in the former) ³⁾	439	339	439
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	3 787	3 348	3 428
Loan from VYR ²⁾	1 009	983	983
Provision related to nuclear waste management	937	903	930
Balance sheet total	7 468	6 837	7 054
Equity ratio % ⁴⁾	29,1	29,5	30,6
Average number of personnel	827	854	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
$$\frac{\text{equity}}{\text{balance sheet total} - \text{provision related to nuclear waste management} - \text{loan from the Finnish State Nuclear Waste Management Fund}}$$

KEY FIGURES OF TEOLLISUUDEN VOIMA OYJ

TEOLLISUUDEN VOIMA OYJ (FAS) (M€) 1.1. - 31.3.2015 1.1. - 31.3.2014 1.1. - 31.12.2014

Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).

Turnover	79	86	325
Profit/loss before appropriations	1	1	5
Fuel costs	15	15	66
Nuclear waste management costs	13	19	51
Capital expenditure (depreciation and financial income and expenses)	14	17	59
Investments ¹⁾	60	118	339
Equity	858	858	858
Appropriations	174	168	173
Non-current and current interest-bearing liabilities (excluding loan from VYR and shareholder loans) ²⁾	3 628	3 215	3 288
Loans from equity holders of the company ³⁾	439	339	439
Loan from VYR ²⁾	1 009	983	983
Balance sheet total	6 237	5 706	5 879
Equity ratio % ⁴⁾	28,1	28,9	30,0
Average number of personnel	823	849	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
$$\frac{\text{equity + appropriations + loans from equity holders of the company}}{\text{balance sheet total - loan from the Finnish State Nuclear Waste Management Fund}}$$

ELECTRICITY DELIVERED TO EQUITY HOLDERS OF THE COMPANY (GWh)

	1.1. - 31.3.2015	1.1. - 31.3.2014	1.1. - 31.12.2014
Nuclear power	3 396	3 819	14 740
Coal-fired power	39	71	400
Total	3 435	3 890	15 140

TVO GROUP

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

EUR 1 000	1.1. - 31.3.2015	1.1. - 31.3.2014	1.1. - 31.12.2014
Turnover	79 012	86 048	327 209
Work performed for own purposes	2 726	3 945	13 100
Other income	2 181	1 919	9 600
Materials and services	-22 325	-30 797	-98 744
Personnel expenses	-16 733	-14 905	-61 556
Depreciation and impairment charges	-14 214	-14 216	-57 716
Other expenses	-20 305	-20 334	-89 225
Operating profit/loss	10 342	11 660	42 668
Finance income	6 345	4 616	26 214
Finance expenses	-16 354	-17 566	-69 572
Total finance income and expenses	-10 009	-12 950	-43 358
Profit/loss before income tax	333	-1 290	-690
Income taxes	-1	0	-2
Profit/loss for the period	332	-1 290	-692
Profit/loss for the period attributable to:			
Equity holders of the company	332	-1 290	-692

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1.1. - 31.3.2015	1.1. - 31.3.2014	1.1. - 31.12.2014
Profit/loss for the period	332	-1 290	-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	5 240	1 186	1 910
Cash flow hedges	25 525	-2 289	16 352
Total other comprehensive profit/loss items for the period	30 765	-1 103	18 262
Total comprehensive profit/loss for the period	31 097	-2 393	17 570
Total comprehensive profit/loss for the period attributable to:			
Equity holders of the company	31 097	-2 393	17 570

TVO GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1 000	31.3.2015	31.3.2014	31.12.2014
Assets			
Non-current assets			
Property, plant and equipment	4 672 691	4 457 527	4 628 318
Intangible assets	8 167	9 444	7 893
Loans and other receivables	1 012 618	986 706	986 367
Investments in joint ventures	1 009	1 009	1 009
Investments in shares	30 865	25 132	25 857
Derivative financial instruments	122 573	48 862	74 198
Share in the Finnish State Nuclear Waste Management Fund	937 047	903 197	930 260
Total non-current assets	6 784 970	6 431 877	6 653 902
Current assets			
Inventories	250 258	246 419	239 531
Trade and other receivables	42 610	42 469	33 900
Derivative financial instruments	13 014	13 911	13 395
Fund units	200 232	0	0
Cash and cash equivalents	176 428	102 361	113 418
Total current assets	682 542	405 160	400 244
Total assets	7 467 512	6 837 037	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	46 847	-3 283	16 082
Subordinated shareholder loans (hybrid equity)	439 300	339 300	439 300
Retained earnings	270 372	273 701	271 160
Total equity	1 605 095	1 458 294	1 575 118
Liabilities			
Non-current liabilities			
Provision related to nuclear waste management	937 047	903 197	930 260
Loan from the Finnish State Nuclear Waste Management Fund	1 009 050	982 800	982 800
Bonds	2 759 091	2 128 614	2 250 999
Other financial liabilities	748 600	784 800	723 997
Derivative financial instruments	39 047	41 014	46 003
Total non-current liabilities	5 492 835	4 840 425	4 934 059
Current liabilities			
Current financial liabilities	238 809	389 975	401 752
Derivative financial instruments	1 647	4 046	5 471
Advance payments received	38 829	42 701	19 425
Trade payables	16 895	18 149	8 327
Other current liabilities	73 402	83 447	109 994
Total current liabilities	369 582	538 318	544 969
Total liabilities	5 862 417	5 378 743	5 479 028
Total equity and liabilities	7 467 512	6 837 037	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	332	332	332
Other comprehensive items:							
Changes in fair values of the available-for-sale investments	0	0	5 240	0	0	5 240	5 240
Cash flow hedges	0	0	25 525	0	0	25 525	25 525
Subordinated shareholder loans (hybrid equity)	0	0	0	0	0	0	0
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	0	0	-1 120	-1 120	-1 120
Equity 31.3.2015	606 193	242 383	46 847	439 300	270 372	1 605 095	1 605 095

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	-1 290	-1 290	-1 290
Other comprehensive items:							
Changes in fair values of the available-for-sale investments	0	0	1 187	0	0	1 187	1 187
Cash flow hedges	0	0	-2 289	0	0	-2 289	-2 289
Subordinated shareholder loans (hybrid equity)	0	0	0	0	0	0	0
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	0	0	-936	-936	-936
Equity 31.3.2014	606 193	242 383	-3 283	339 300	273 701	1 458 294	1 458 294

TVO GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	31.3.2015	31.3.2014	31.12.2014
Operating activities			
Profit/loss for the period	332	-1 290	-692
Adjustments:			
Income tax expenses	1	0	2
Finance income and expenses	10 009	12 950	43 358
Depreciation and impairment charges	14 214	14 216	57 716
Other non-cash flow income and expenses	-9 628	-7 984	-36 511
Sales profit/loss of property, plant and equipment and shares	0	0	-156
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	-15 711	-23 076	-6 046
Increase (-) or decrease (+) in inventories	-9 903	-1 904	3 560
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	12 536	-19 474	-42 049
Interest paid and other finance expenses	-4 079	-3 150	-13 600
Dividends received	0	0	1 036
Interest received	9 912	7 055	7 421
Taxes paid	-1	0	-2
Cash flow from operating activities	7 682	-22 657	14 037
Investing activities			
Acquisition of property, plant and equipment	-83 958	-145 920	-340 139
Proceeds from sale of property, plant and equipment	0	0	7
Acquisition of intangible assets	-277	-106	-523
Acquisition of shares	0	0	-33
Proceeds from sale of shares	0	0	280
Loan receivables granted	-26 250	-51 075	-51 209
Repayments of loans granted	0	0	422
Cash flow from investing activities	-110 485	-197 101	-391 195
Financing activities			
Withdrawals of subordinated shareholder loans (hybrid equity)	0	0	100 000
Withdrawals of long-term loans	526 250	596 075	752 830
Repayment of long-term loans	-59 071	-480 208	-581 635
Investments in fund units	-200 000	0	0
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	-3 854
Increase (-) or decrease (+) in interest-bearing receivables	0	0	20
Increase (+) or decrease (-) in current financial liabilities	-101 366	61 885	78 848
Cash flow from financing activities	165 813	177 752	346 209
Change in cash and cash equivalents	63 010	-42 006	-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	176 428	102 361	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.

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 decision-in-principle for Olkiluoto 4 (OL4) is still in force, and the deadline for submitting the construction license application is June 30, 2015. 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	31.3.2015	31.3.2014	31.12.2014
Nuclear power	74 333	80 175	298 377
Coal-fired power	4 679	5 873	28 832
Total	79 012	86 048	327 209

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

EUR 1 000	31.3.2015	31.3.2014	31.12.2014
Nuclear power	1 784	1 817	7 554
Coal-fired power	-545	-1 067	-2 177
Profit/loss before appropriations (FAS)	1 239	750	5 377
The impact of the nuclear waste management obligation	-1 051	-2 200	-6 441
The impact of financial instruments	19	116	148
Other IFRS adjustments	125	44	224
Total (IFRS)	332	-1 290	-692

ASSETS BY SEGMENTS

EUR 1 000	31.3.2015	31.3.2014	31.12.2014
Nuclear power	6 190 629	5 649 195	5 840 090
Coal-fired power	47 044	57 993	39 152
Total (FAS)	6 237 673	5 707 188	5 879 242
The impact of the nuclear waste management obligation	1 052 143	1 023 584	1 046 407
The impact of financial instruments	99 165	28 058	54 212
The impact of finance leases	60 007	61 694	60 007
Other IFRS adjustments	18 524	16 513	14 278
Total (IFRS)	7 467 512	6 837 037	7 054 146

TVO GROUP

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1 000	31.3.2015	31.3.2014	31.12.2014
Opening net book amount	4 628 318	4 358 082	4 358 082
Increase	59 442	117 268	336 038
Decrease	-1 623	-3 924	-12 623
Depreciation and impairment charges	-13 935	-13 899	-56 459
Accumulated depreciation from deduction	489	0	3 280
Closing net book amount	4 672 691	4 457 527	4 628 318

CHANGES IN INTANGIBLE ASSETS

EUR 1 000	31.3.2015	31.3.2014	31.12.2014
Opening net book amount	7 893	9 382	9 382
Increase	553	379	2 454
Decrease	0	0	-2 688
Depreciation and impairment charges	-279	-317	-1 256
Accumulated depreciation from deduction	0	0	1
Closing net book amount	8 167	9 444	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	31.3.2015	31.3.2014	31.12.2014
Interest rate swaps	1 151 446	1 111 446	1 001 446
Forward foreign exchange contracts and swaps	187 398	209 244	191 216
Cross-currency swaps	872 195	853 674	930 421
Total	2 211 040	2 174 364	2 123 084

Fair values of the derivative financial instruments *	31.3.2015			31.3.2014			31.12.2014		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
EUR 1 000									
Interest rate swaps									
Cash flow hedges	0	-22 329	-22 329	0	-20 375	-20 375	0	-21 509	-21 509
Fair value hedges	36 215	0	36 215	15 647	0	15 647	32 155	0	32 155
Non-hedges	0	-655	-655	0	-1 965	-1 965	0	-773	-773
Forward foreign exchange contracts and swaps									
Cash flow hedges	39 319	-105	39 214	951	-8 325	-7 374	17 835	-4 139	13 695
Non-hedges	0	0	0	151	-31	120	494	-426	69
Cross-currency swaps									
Non-hedges	60 053	-17 605	42 448	46 025	-14 363	31 662	37 109	-24 626	12 482
Total	135 587	-40 694	94 893	62 773	-45 060	17 714	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	31.3.2015			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		60 053			37 603	
Derivative financial instruments designated as cash flow hedges		39 319			17 835	
Derivative financial instruments designated as fair value hedges		36 215			32 155	
Available-for-sale investments						
Investments in listed companies	28 819			23 811		
Investments in other stocks and shares			0			0
Total	28 819	135 587	0	23 811	87 593	0
Financial liabilities at fair value						
Derivative financial instruments at fair value through profit or loss		18 260			25 825	
Derivative financial instruments designated as cash flow hedges		22 434			25 649	
Derivative financial instruments designated as fair value hedges		0			0	
Total	0	40 694	0	0	51 474	0

On 31 March 2015, TVO has also unquoted shares worth EUR 2,046 (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	31.3.2015			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*	3 507 691	3 507 691	3 710 522	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.

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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	31.3.2015	31.3.2014	31.12.2014
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	937 047	903 197	930 260
Provision related to nuclear waste management (non-current liabilities)	937 047	903 197	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	31.3.2015	31.3.2014	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 March 31, 2015 is EUR 1,345.4 million. The carrying amount in the balance sheet is EUR 937.0 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.

TVO GROUP

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

EUR 1 000	31.3.2015	31.3.2014	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	152 710	153 160	152 710

Investment commitments

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

EUR 1 000	31.3.2015	31.3.2014	31.12.2014
OL1 and OL2	134 000	74 000	135 000
OL3	800 000	794 000	779 000
Total	934 000	868 000	914 000

Pending Court Cases and Disputes

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