



Teollisuuden Voima Oyj
Interim Report January–September 2009

Teollisuuden Voima Oyj's Interim Report 1 January–30 September 2009

The electricity production of Teollisuuden Voima Oyj continued reliably. In the Olkiluoto 3 project, the rooftop height of the reactor building was reached. TVO's application for the decision in principle with the necessary statements regarding Olkiluoto 4 is, according to TVO's opinion, ready for decision.

Operating Environment

During the first half of the year the use of electricity in Finland decreased by 9.8% compared to the corresponding period of the previous year.

Nuclear Power

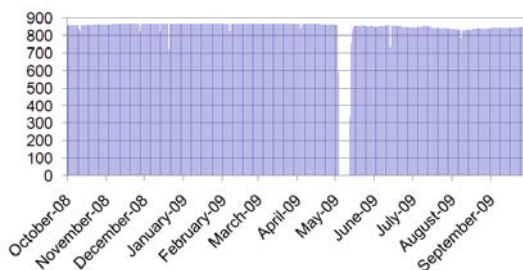
Olkiluoto 1 and Olkiluoto 2

The electricity production of the Olkiluoto power plant units, Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2) from 1 January to 30 September 2009 was 10,653 (1 January–30 September 2008: 10,571) GWh. The total capacity factor was 94.7 (93.6)%.

The plant units operated safely and reliably during the period under review. OL1's net production was 5,405 (5,166) GWh and the capacity factor 96.1 (91.5)%. OL2's net production was 5,248 (5,405) GWh and the capacity factor 93.2 (95.7)%.

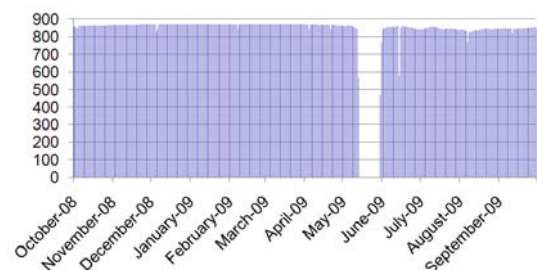
Olkiluoto 1

Average electrical power MW
1 October 2008–30 September 2009



Olkiluoto 2

Average electrical power MW
1 October 2008–30 September 2009



Annual Outages

The 2009 annual outages of the Olkiluoto nuclear power plant were completed on 30 May. The inspections proved the both power plant units to be in safe and reliable condition for the next operation cycle.

The short refuelling outage for OL1 lasted about eight days. Other works included, in addition to refuelling, maintenance of one of the recirculation pumps and inspections of the reactor internals and one low-pressure turbine.

The service outage at OL2 lasted about sixteen and a half days. In addition to refuelling, other major works included e.g. replacement of a cooling system valve of the shutdown reactor and inspections of two low-pressure turbines.

A new outage building was taken into use.

Besides TVO's own personnel there was a peak of about 800 external outage workers.

Olkiluoto 3

The nuclear power plant unit Olkiluoto 3 (OL3), currently under construction, was commissioned as a turnkey project from the consortium (referred to as the supplier) formed by AREVA NP GmbH, AREVA NP SAS and Siemens AG. Originally the commercial electricity production was scheduled to start at the end of April 2009. The completion of the plant unit, however, has been delayed and, according to the schedule given by the supplier, the commercial start-up will be postponed until June 2012. (See "Events After the Period Under Review".) TVO has commissioned the unit as a fixed-priced turnkey project and the supplier has the responsibility for the time schedule.

The design of the OL3 continued, along with the processing of documents by the authorities, the construction work and the manufacturing and installation of equipment. The dome part, or roof, of the steel liner that ensures the gas-tightness of the containment building was lifted into place. Equipment and component deliveries to Olkiluoto continued. Manufacture of the other main components, such as four steam generators and the pressurizer continued in France.

Installations at the turbine island continued.

The arbitration proceedings initiated in 2008 concerning the delay of the plant unit and the ensuing costs incurred by the delay as well as the cost of a technically resolved issue connected with the construction work, continued. The arbitration proceedings may continue for several years.

The workforce at the site at the end of the period under review was about 4,200. The safety level at the site remained good.

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

Olkiluoto 4 Project

In spring 2008, TVO submitted an application to the Finnish Government for a decision in principle for the construction of a fourth nuclear power plant unit (OL4) at Olkiluoto.

The Ministry of Employment and the Economy (TEM) has received all the statements necessary for the handling of the application. TVO has filed with TEM its answer regarding the statements. The statement by the Eurajoki municipality is legally valid. TVO's application for the decision in principle is, according to TVO's opinion completely ready for decision.

Feasibility studies with plant suppliers continued. The studies have been extended from safety and licensing to constructability, project implementation and power plant engineering.

According to the preliminary safety assessment of STUK, the Radiation and Nuclear Safety Authority in Finland, regarding the OL4 project, all the plant alternatives presented by TVO are feasible and TVO has the capabilities to realise the project according to high safety and quality culture. The Finnish government and parliament are expected to handle TVO's application for a decision in principle in 2010.

Nuclear Fuel

During the period under review, nuclear fuel purchases amounted to EUR 46.1 (47.2) million and the amount consumed to EUR 29.4 (28.0) million.

The nuclear fuel and uranium stock carrying value on 30 September 2009 was EUR 173.7 (30 September 2008: 165.8) million, of which the value of the fuel in the reactors was EUR 72.6 (71.0) million.

Nuclear Waste Management

Posiva Oy, TVO's joint venture company, is responsible for the final disposal of spent nuclear fuel on behalf of its shareholders, TVO and Fortum Power and Heat Oy. The construction work for the ONKALO research facility, which is part of the project for the final disposal repository, continued at Olkiluoto.

In order to cover the costs of nuclear waste management, TVO makes contributions into the Finnish State Nuclear Waste Management Fund. In January 2009, the Ministry of Employment and the Economy set TVO's liability for nuclear waste management at EUR 1,137.6 (1,079.8) million to the end of 2008 and the company's target reserve in the Fund at EUR 1,001.2 (927.7) million. The difference is covered by guarantees.

In March 2009, the Finnish State Nuclear Waste Management Fund confirmed the nuclear waste management fee for 2008 at EUR 32.6 (30.5) million, which was paid into the Fund on 31 March 2009 (31 March 2008).

The liabilities, in the consolidated financial statement, show a nuclear waste management liability of EUR 619.4 (589.7) 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.

Coal Power

Meri-Pori

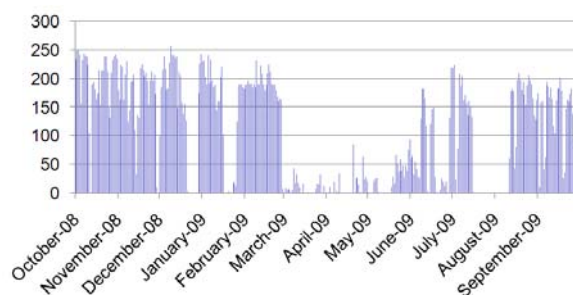
The amount of electricity produced by TVO's share at Meri-Pori coal-fired power plant on 1 January–30 September 2009 was 539.9 (436.5) GWh requiring 191.0 (97.3) thousand tons of coal and 443.2 (362.0) thousand tons of carbon dioxide emission rights.

The company's share of the free emission rights for the Meri-Pori coal-fired power plant totalled 1,479.7 thousand tons in 2008–2012. In 2009 the share is 295.9 thousand tons.

TVO's share of Meri-Pori's production

Average electrical power MW

1 October 2008–30 September 2009



Acquisitions of Tangible and Intangible Assets and Shares

Investments during the period under review were EUR 408.0 (493.4) million. Investments of the parent company were EUR 362.3 (488.3) million, of which EUR 320.9 (447.1) million was allocated to the OL3 project.

Preparations for a project to replace the low-pressure turbines and generators in the OL1 and OL2 plant units scheduled for 2010 and 2011 continued.

The carbon dioxide emission rights relinquished to the Energy Market Authority valued at EUR 10.6 (0.1) million. Carbon dioxide emission rights were acquired in 2009, costing EUR 4.5 (7.5) 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 supplier had filed a request for arbitration concerning the delay at OL3 and the ensuing costs incurred. The supplier's monetary claim is approximately EUR 1 billion. About one half of the claimed amount relates to alleged additional cost on account of the delay. The remainder relates to milestone payments pursuant to the OL3 Plant Contract that in TVO's opinion had not yet become payable. TVO has considered and found the claim by the supplier to be without merit.

In April 2009, TVO submitted to ICC its answer and counterclaim due to the supplier's request for arbitration filed with ICC in December 2008 concerning the delay at OL3 and the ensuing costs incurred. TVO's counterclaim in money is approximately EUR 1.4 billion.

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.

Arbitration proceedings may continue for several years.

No receivables or provisions have been recorded as a result of the arbitration proceedings.

Group Personnel

Group personnel numbered 813 at the end of the period under review (31 December 2008: 783, 30 September 2008: 796). The number of permanent employees at the end of the period under review was 729 (31 December 2008: 715, 30 September 2008: 718).

The number of people hired on a permanent basis was 29 (61) during the period under review. 15 (25) permanent employees left the Group, 8 (5) of them retired.

Changes in the Group Management

The following appointments have been made in the Group Management: Anna Lehtiranta has been appointed as Senior Vice President, Corporate Relations and

Anneli Nikula as Senior Adviser as of 11 May 2009, Risto Siilos as Senior Vice President, Corporate Resources as of 1 July 2009 and Olli-Pekka Luhta as Manager, OL4 Project as of 1 July 2009.

In the same connection, Reijo Sundell has been appointed as President, Posiva Oy.

Annual General Meeting

TVO's Annual General Meeting was held on 30 March 2009. The AGM approved the financial statement for the year 2008, confirmed the consolidated income statement and balance sheet and discharged the members of the Board of Directors and the President and CEO from liability.

Mr. Jukka Hakkila was elected as a new member of the Board of Directors to succeed Mr. Esa Tirkkonen. The other Board members were re-elected. At its organisation meeting held on the same day as the AGM, The Board of Directors elected Mr. Timo Rajala as Chairman and Mr. Tapio Kuula as Deputy Chairman.

Group's Financial Performance

The consolidated turnover for the period under review was EUR 226.1 (185.2) million. The amount of electricity delivered to shareholders was 11,146 (10,971) GWh.

The consolidated profit/loss was EUR -30.4 (-27.3) million. The adjusted consolidated profit/loss EUR -16.0 (-32.7) million differs from this in respect of the valuation of non-hedge accounted derivative financial instruments (see Key Figures).

Group's Financing and Liquidity

The Group's financial situation has developed as planned. Liquidity position was still exceptionally high due to the EUR 750 million bond issued in June 2009.

The Company's interest-bearing liabilities (non-current and current) totalled EUR 2,557.3 (1,886.2) million at the end of the period under review 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 1,112.7 (650.7) million in non-current liabilities, while repayments amounted to EUR 408.7 (53.5) million. The loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 55.1 (47.7) million. The OL3 project's share of financing costs has been capitalised 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. The amount of the loan is EUR 750.9 (695.8) million and it is included in interest-bearing liabilities.

In June, TVO established a 2 billion Euro Medium Term Note Programme (EMTN), which is listed on the Luxembourg Stock Exchange. The Company issued a EUR 750 million seven-year bond under the programme. The bond carries an annual coupon of 6%. Both the bond and the programme are rated A– (stable outlook) by Fitch Ratings (Fitch). The proceeds of the offering will be used for general corporate purposes. In addition, the company issued a NOK 550 million and another SEK 650 million private placement loan under the EMTN Programme.

Both the Japan Credit Rating Agency (JCR) and Fitch confirmed their credit ratings for TVO at their previous levels. The JCR rating was confirmed at AA Flat in January and the Fitch long-term credit rating at A– and short-term credit rating at F2 in June. The outlook was assessed as being stable.

The Annual General Meeting on 30 March 2009 decided to raise the company share capital by EUR 100.0 million by issuing 94,813,692 new B shares amounting to EUR 100.0 million. The subscription price shall be paid in 2009 at a date 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.

On 30 March 2009, TVO's B series shareholders committed to provide a EUR 300.0 million subordinated shareholder's loan to TVO. The loan has not been drawn.

Auditing

This Interim Report is unaudited.

Risks and Uncertainty Factors in the Near Future

The major risks and uncertainty factors in TVO's operations are to be found in the 2008 Annual Report on page 15.

The change in market interest rates will have an impact on the consolidated profit/loss for the period through the change in fair value of financial instruments.

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

Assessment of Year-end Developments

With the preconditions being good, production at the Olkiluoto nuclear power plant is expected to continue in the manner of the previous year.

TVO will continue cooperation with the supplier in the implementation of the OL3 nuclear power plant unit.

The decision in principle phase and planning of the resources and activities of OL4 project will continue.

TVO will employ the capacity at the Meri-Pori coal-fired power plant in line with the previous principles.

Events After the Period Under Review

Based on the schedule data in the progress report submitted by the supplier after the period under review TVO estimates that the completion of the OL3 plant unit may be postponed further than the previously informed June 2012.

However, the supplier has not confirmed any change to the previously submitted schedule of the completion of the OL3 plant unit.

There are no other material events or changes after the end of the interim report period that need reporting.

16 October 2009

Teollisuuden Voima Oyj
Board of Directors

Key Figures

TVO GROUP (IFRS) (€ million)	1.1. - 30.9.2009	1.1. - 30.9.2008	1.1. - 31.12.2008
Turnover	226	185	257
Profit/loss for the period	-30	-27	-53
Investments ¹⁾	408	1 893	610
Equity	870	898	823
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	2 627	1 893	2 005
Loans from equity holders of the company (included in the former) ³⁾	179	179	179
Loan from VYR ²⁾	751	696	696
Provision related to nuclear waste management	619	590	600
Balance sheet total	5 056	4 256	4 299
Equity ratio % ⁴⁾	28,5	36,3	33,4
Average number of personnel	844	819	812

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. - 30.9.2009	1.1. - 30.9.2008	1.1. - 31.12.2008
Profit/loss for the period (IFRS)	-30	-27	-53
The impact of the nuclear waste management obligation ¹⁾ (profit -/loss +)	0	1	-1
The impact of financial instruments ²⁾ (profit -/loss +)	14	-7	16
The impact of associated company sold (FAS) (profit-/loss +)	0	0	1
Profit/loss for the period before appropriations	-16	-33	-37
Sales profit of associated company sold	0	0	-9
Adjusted profit/loss for the period	-16	-33	-46

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. - 30.9.2009	1.1. - 30.9.2008	1.1. - 31.12.2008
Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).			
Turnover	219	178	245
Fuel costs	45	36	56
Nuclear waste management costs	48	40	56
Other income and expenses related to electricity production	94	89	109
Capital expenditure (depreciation and financial income and expenses)	49	46	61
Profit/loss before appropriations	-17	-33	-37
Investments ¹⁾	362	488	600
Equity	713	604	613
Appropriations	158	188	175
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	2 557	1 886	1 960
Loans from equity holders of the company (included in the former) ³⁾	179	179	179
Loan from VYR ²⁾	751	696	696
Balance sheet total	4 368	3 553	3 617
Equity ratio % ⁴⁾	29,0	34,0	33,1
Average number of personnel	838	813	806

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. - 30.9.2009	1.1. - 30.9.2008	1.1. - 31.12.2008
Nuclear power	10 606	10 534	14 327
Coal-fired power	540	437	817
Total	11 146	10 971	15 144

CONSOLIDATED FINANCIAL STATEMENT IN BRIEF AND NOTES

Consolidated Income Statement

1 000 €	1.1. - 30.9.2009	1.1. - 30.9.2008	1.1. - 31.12.2008
Turnover	226 146	185 165	257 275
Work performed for own purposes	7 888	7 639	10 390
Other income	6 104	6 044	16 688
Materials and services	-96 446	-92 881	-131 841
Personnel expenses	-42 331	-40 670	-55 704
Depreciation and impairment charges	-39 493	-38 522	-51 452
Other expenses	-59 288	-54 891	-74 055
Operating profit/loss	2 580	-28 116	-28 699
Share of the associated company's profit/loss	0	435	751
Finance income	40 440	80 704	84 497
Finance expenses	-73 454	-80 345	-109 678
Total finance income and expenses	-33 014	359	-25 181
Profit/loss before income tax	-30 434	-27 322	-53 129
Income taxes	-4	-5	-4
Profit/loss for the period	-30 438	-27 327	-53 133
Profit/loss for the period attributable to:			
Equity holders of the company	-30 438	-27 327	-53 133

Consolidated Statement of Comprehensive Income

1 000 €	1.1. - 30.9.2009	1.1. - 30.9.2008	1.1. - 31.12.2008
Profit/loss for the period	-30 438	-27 327	-53 133
Other comprehensive items			
Changes in fair values of the available-for-sale investments	2 432	-742	-3 073
Cash flow hedges	-24 569	7 878	-39 199
Total other comprehensive profit/loss items	-22 137	7 136	-42 272
Total comprehensive profit/loss for the period	-52 575	-20 191	-95 405
Total comprehensive profit/loss for the period attributable to:			
Equity holders of the company	-52 575	-20 191	-95 405

Consolidated Statement of Financial Position

1 000 €	30.9.2009	30.9.2008	31.12.2008
Assets			
Non-current assets			
Property, plant and equipment	2 848 587	2 384 417	2 484 603
Intangible assets	14 854	18 788	21 787
Loans and other receivables	756 746	701 119	700 890
Investments in associates and joint ventures	1 009	2 730	1 009
Investments in shares	12 288	11 364	9 855
Derivative financial instruments	359	17 168	4 883
Share in the Finnish State Nuclear Waste Management Fund	619 376	589 730	599 789
Total non-current assets	4 253 219	3 725 316	3 822 816
Current assets			
Inventories	204 886	187 625	181 272
Trade and other receivables	169 351	169 799	89 119
Derivative financial instruments	238	22 931	3 091
Fund units	0	75 823	0
Cash and cash equivalents	428 190	74 533	202 694
Total current assets	802 665	530 711	476 176
Total assets	5 055 884	4 256 027	4 298 992
Equity and liabilities			
Capital and reserves attributable to equity holders of the company			
Share capital	361 692	266 092	361 692
Share issue	100 000	95 600	0
Share premium reserve and statutory reserve	242 383	242 383	242 383
Fair value and other reserves	-55 066	16 479	-32 929
Retained earnings	221 246	277 490	251 684
Total equity	870 255	898 044	822 830
Liabilities			
Non-current liabilities			
Provision related to nuclear waste management	619 376	589 730	599 789
Loans from equity holders of the company	179 300	179 300	179 300
Loan from the Finnish State Nuclear Waste Management	750 900	695 775	695 775
Bonds	868 308	0	0
Other financial liabilities	1 022 350	1 280 145	1 321 687
Derivative financial instruments	53 075	8 749	43 982
Total non-current liabilities	3 493 309	2 753 699	2 840 533
Current liabilities			
Provisions	0	1 020	365
Current financial liabilities	471 021	421 606	451 455
Derivative financial instruments	32 625	3 335	8 910
Advance payments received	36 605	29 031	18 621
Trade payables	40 276	38 258	15 421
Other current liabilities	111 793	111 034	140 857
Total current liabilities	692 320	604 284	635 629
Total liabilities	4 185 629	3 357 983	3 476 162
Total equity and liabilities	5 055 884	4 256 027	4 298 992

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 1.1.2008	266 092	95 600	242 383	9 343	304 817	918 235	918 235
Total comprehensive income for the period				7 136	-27 327	-20 191	-20 191
Equity 30.9.2008	266 092	95 600	242 383	16 479	277 490	898 044	898 044

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 1.1.2009	361 692	0	242 383	-32 929	251 684	822 830	822 830
Share issue		100 000				100 000	100 000
Total comprehensive income for the period				-22 137	-30 438	-52 575	-52 575
Equity 30.9.2009	361 692	100 000	242 383	-55 066	221 246	870 255	870 255

Consolidated Statement of Cash Flows

1 000 €	30.9.2009	30.9.2008	31.12.2008
Operating activities			
Profit/loss for the period	-30 437	-27 327	-53 133
Adjustments:			
Income tax expenses	4	5	4
Finance income and expenses	33 014	-361	25 181
Depreciation and impairment charges	39 493	38 522	51 452
Share of the associated company's profit/loss	0	-434	-751
Other non-cash flow income and expenses	-9 007	2 419	-956
Sales profit/loss of property, plant and equipment and shares	-124	-288	-8 686
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	-45 065	-6 366	-11 512
Increase (-) or decrease (+) in inventories	-23 614	-27 887	-21 533
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	40 422	54 359	32 761
Interest paid and other finance expenses	-42 206	-26 884	-33 294
Dividends received	511	773	1 190
Interest received	37 386	26 069	27 570
Taxes paid	-4	-5	-1
Cash flow from operating activities	373	32 595	8 292
Investing activities			
Acquisition of property, plant and equipment	-368 108	-480 658	-579 070
Proceeds from sale of property, plant and equipment	16	146	146
Acquisition of intangible assets	-4 730	-7 789	-11 138
Proceeds from sale of intangible assets	2	3	3
Acquisition of shares	-4	-180	-180
Proceeds from sale of shares	198	530	10 578
Loan receivables granted	-55 125	-48 174	-48 259
Repayments of loans granted	0	0	311
Cash flow from investing activities	-427 751	-536 122	-627 609
Financing activities			
Share issue	0	0	95 600
Withdrawals of long-term loans	1 167 798	698 390	848 389
Repayment of long-term loans	-408 742	-53 476	-66 951
Increase (-) or decrease (+) in interest-bearing receivables	0	0	41
Increase (+) or decrease (-) in current financial liabilities	-106 182	-73 278	-136 493
Cash flow from financing activities	652 874	571 636	740 586
Change in cash and cash equivalents	225 496	68 109	121 269
Cash and cash equivalents at the beginning of period	202 694	81 498	81 498
Changes in fair value in fund units	0	749	-73
Cash and cash equivalents at the end of period	428 190	150 356	202 694

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 2008, with the exception of the following changes:

-IAS 1 (revised), Presentation of Financial Statements

The revised standard mainly changes the terminology and presentation of the income statement and the statement of changes in equity. The standard requires to separate changes in equity of an entity arising from transactions with owners from other changes in equity. The adoption of the standard had no impact on TVO's reported results or financial position.

-IAS 23 (amendment), Borrowing Costs

The amendment standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets as part of the cost of that asset. TVO has applied the amendment standard to qualifying assets for which capitalisation of borrowing costs commencing on or after 1 January 2009. The change did not have a material effect on Q1-Q3 2009 reported results or financial position.

-IFRS 8, Operating Segments

The standard replaces the IAS 14 standard. According to IFRS 8 the segment information has to be done through "the management's eye" and based on the management's internal reporting. TVO has applied IFRS 8 commencing on or after 1 January 2009. TVO has two reportable segments; nuclear power and coal-fired power.

Other new standards and interpretations effective for financial periods beginning on 1 January 2009 have not had any effect on the reported consolidated interim financial statements:

-Amendments to IAS 32, Financial Instruments: Presentation and IAS 1, Presentation of Financial Statements -Puttable Financial Instruments and Obligations Arising on Liquidation

-Amendment to IFRS 2, Share-based Payment

-IFRIC 11, IFRS 2 - Group and Treasury Share Transactions

-IFRIC 13, Customer Loyalty Programmes

-IFRIC 14, IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

-IFRIC 12, Service Concession Arrangements

-IFRIC 16, Hedges of a Net Investment in A Foreign Operation

-IFRIC 15, Agreements for the Construction of Real Estate

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 expense. 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 2008.

Power plant unit OL3 under construction

OL3 is a power plant unit under construction that has been ordered under a turnkey principle. According to an announcement of the OL3 turnkey supplier, the delivery will be delayed until June 2012 from the original schedule according to which the power plant unit should have been in production as of 30 April 2009. In compliance with the supply contract the company is entitled to compensation in case the delay is due to the supplier. Additionally, because of the delay the company has incurred and will incur direct and indirect expenses for which the company on the basis of the supply contract has claimed for compensation. In its Financial Statement and Interim Report the company handles liquidated damages and compensation receivables and the supplier's claims related to the delay as one entity. Since the financial result of the arbitration procedure currently in progress regarding the delay cannot be reliably estimated, no receivables or liabilities as required by IAS 37 have been booked.

No reserves have been booked for the supplier's claims and arbitration procedures as the claims have been considered and found to be groundless.

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

TVO GROUP

SEGMENT REPORTING

Segment structure in TVO

TVO Group has adopted IFRS 8 Operating Segment -standard as of 1 January 2009. The Board of Directors has been defined as the chief operation decision maker. The Group has two reportable segments; nuclear power and coal-fired power.

Nuclear power segment produces electricity at two nuclear power plant units, Olkiluoto 1 and Olkiluoto 2 (OL1 and OL2), at Olkiluoto. 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.

Coal-fired power segment produces electricity 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 year and assets.

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

TURNOVER FROM EXTERNAL CUSTOMERS BY SEGMENT

1 000 €	30.9.2009	30.9.2008	31.12.2008
Nuclear power	197 171	161 046	218 393
Coal-fired power	28 975	24 119	38 882
Total	226 146	185 165	257 275

PROFIT/LOSS FOR THE PERIOD BY SEGMENT

1 000 €	30.9.2009	30.9.2008	31.12.2008
Nuclear power	-12 927	-29 515	-31 618
Coal-fired power	-3 089	-3 218	-5 761
Profit/loss before appropriations (FAS)	-16 016	-32 733	-37 379
The impact of the nuclear waste management obligation	-287	-793	746
The impact of financial instruments	-14 135	6 199	-15 594
Other IFRS adjustments	0	0	-906
Total (IFRS)	-30 438	-27 327	-53 133

ASSETS BY SEGMENT

1 000 €	30.9.2009	30.9.2008	31.12.2008
Nuclear power	4 256 966	3 431 611	3 494 957
Coal-fired power	111 762	122 264	123 503
Total (FAS)	4 368 728	3 553 875	3 618 460
The impact of the nuclear waste management obligation	692 120	661 221	672 819
The impact of financial instruments	-15 762	28 490	-967
Other IFRS adjustments	10 798	12 441	8 680
Total (IFRS)	5 055 884	4 256 027	4 298 992

TVO GROUP

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

1 000 €	30.9.2009	30.9.2008	31.12.2008
Opening net book amount	2 484 603	1 937 015	1 937 015
Increase	403 305	485 532	598 416
Decrease	-916	-4 874	-5 231
Depreciation and impairment charges	-38 450	-37 472	-50 051
Accumulated depreciation from deduction	45	4 216	4 454
Closing net book amount	2 848 587	2 384 417	2 484 603

CHANGES IN INTANGIBLE ASSETS

1 000 €	30.9.2009	30.9.2008	31.12.2008
Opening net book amount	21 787	12 125	12 125
Increase	4 730	7 789	11 139
Decrease	-10 620	-76	-76
Depreciation and impairment charges	-1 043	-1 050	-1 401
Closing net book amount	14 854	18 788	21 787

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 2008.

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values of the derivative financial agreements

1 000 €	30.9.2009	30.9.2008	31.12.2008
Interest rate option agreements			
Purchased	810 000	1 320 000	1 290 000
Written	810 000	1 320 000	1 290 000
Interest rate swaps	1 448 446	1 570 000	1 578 446
Forward foreign exchange contracts	133 779	149 064	146 956
Foreign exchange options		14 492	
Total	3 202 225	4 373 556	4 305 402

Fair values of the derivative financial agreements 1 000 €	30.9.2009			30.9.2008			31.12.2008		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
Interest rate option agreements (non-hedge accounted)									
Purchased	178		178	10 165		10 165	1 914		1 914
Written		-10 575	-10 575		-455	-455		-4 841	-4 841
Interest rate swaps (hedge accounted)		-48 279	-48 279	14 754	-6 833	7 921		-42 339	-42 339
Interest rate swaps (non-hedge accounted)		-20 465	-20 465	12 593		12 593	1 150	-1 380	-230
Forward foreign exchange contracts (hedge accounted)	419	-6 381	-5 962	2 494	-4 796	-2 302	4 911	-4 333	578
Foreign exchange options (non-hedge accounted)			0	93		93			0
Total	597	-85 700	-85 103	40 099	-12 084	28 015	7 975	-52 893	-44 918

BONDS

During the second quarter TVO issued a EUR 750 million Eurobond under the 2 billion Euro Medium Term Note Programme. The bond matures in 2016 and carries an annual coupon of 6%. During the third quarter TVO issued two Private Placements under the Euro Medium Term Note Programme. Both NOK 550 million and SEK 650 million Private Placements (in total EUR 126.8 million) mature in 2017. The proceeds will be used for general financing purposes of the company.

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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

1 000 €	30.9.2009	30.9.2008	31.12.2008
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	619 376	589 730	599 789
Provision related to nuclear waste management (non-current liabilities)	619 376	589 730	599 789

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 €	30.9.2009	30.9.2008	31.12.2008
Liability for nuclear waste management according to the Nuclear Energy Act	1 137 600	1 079 800	1 137 600
TVO's funding target obligation 2009 (2008) to the Finnish State Nuclear Waste Management Fund	1 001 200	927 700	1 001 200
TVO's share in the Finnish State Nuclear Waste Management Fund	1 001 200	927 700	968 551
Difference between the liability and TVO's share of the fund	136 400	152 100	169 049

The cost of decommissioning of the power plant and disposal of spent fuel are covered by the provisions related to the nuclear waste management obligation. An updated cost estimate is done every year and an updated technical plan is made 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 time TVO has paid to the Finnish State Nuclear Waste Management Fund EUR 32.6 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 2009 is EUR 1001.2 million. The carrying amount in the balance sheet is EUR 619.4 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	30.9.2009	30.9.2008	31.12.2008
Pledged promissory notes to the Finnish State Nuclear Waste Management Fund	751	696	696
Guarantees given by shareholders related to the nuclear waste management obligation	254	265	265

Investment commitments

€ million	30.9.2009	30.9.2008	31.12.2008
Investment commitments:			
OL1 and OL2	75	95	89
OL3	1 039	1 178	1 174
Total	1 114	1 273	1 263

Pending Court Cases and Disputes

Pending Court Cases and Disputes are to be found in page 6.