



WELL-BEING WITH
NUCLEAR ELECTRICITY



Interim Report

January–September 2014

Teollisuuden Voima Oyj's Interim Report January 1–September 30, 2014

During the first three quarters of the year, Teollisuuden Voima's electricity generation at Olkiluoto 1 and Olkiluoto 2 plant units continued safely and reliably. TVO received additional data about the schedule for Olkiluoto 3 project from the Supplier, according to which the start of regular electricity production of the plant unit would start in late 2018. The Finnish Government rejected TVO's application to extend the validity of the decision-in-principle of Olkiluoto 4.

Operating Environment

The use of electricity in Finland decreased during the first nine months of the year. There was a decrease of 1.7 percent compared to the corresponding period of the previous year.

The Finnish Government withdrew introduction of the new power plant tax ("windfall profit tax") in June. The tax adopted by Parliament in December 2013 did not come into force since it was still pending in the European Commission.

The amended nuclear safety directive for the EU came into force in August. The directive has to be transposed to the national legislation within three years. The directive aims at strengthening the powers and independence of national safety authorities and introduces EU-wide safety objectives. It also sets up a European system of regular peer reviews. The directive is not expected to bring TVO any significant needs for changes or investments.

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–September 30, 2014 was EUR 262.3 (January 1–September 30, 2013: EUR 284.8) million. The amount of electricity delivered to shareholders was 11,183.2 (11,413.6) GWh. The decline in turnover was mainly due to the lower electricity supply of the Meri-Pori coal-fired power plant compared to the previous year.

The consolidated profit/loss was EUR 9.9 (36.6) million. An updated cost estimate based on the new nuclear waste management technical plan and schedule and changes of the provision regarding nuclear waste management obligation had an effect on the profit/loss for the previous period under review. The positive profit impact of the updates and changes was mainly non-recurring.

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 relent to shareholders, totaled EUR 3,640.7 (December 31, 2013: 3,426.6) million, of which EUR 339.3 (339.3) million were subordinated shareholder loans. During the period under review, TVO raised a total of EUR 697.0 (361.5) million in non-current liabilities. Repayments during the period under review amounted to EUR 554.5 (155.6) million.

In March 2014 Japan Credit Rating Agency (JCR) kept its AA rating for TVO but changed its outlook to negative. In May Fitch Ratings held TVO's long-term issuer default rating (IDR) and senior unsecured rating of BBB and a short-term rating of F3 with a stable outlook, while Standard & Poor's Rating Services held its long-term BBB and a short-term A-2 corporate credit ratings for TVO but revised its outlook from stable to negative.

TVO updated the Euro Medium Term Note Program (EMTN) in June. During the first half of the year, TVO has issued under its EMTN Program a EUR 500 million 7-year bond with an annual coupon of 2.5 percent. The proceeds were used to buy back a bond maturing in June 2016. Furthermore, the Company issued an 18-year EUR 45 million and a 10-year EUR 20 million private placement. Additionally a 6-year SEK 550 million private placement was issued in the Swedish market and the proceeds were used to buy back maturing SEK denominated bonds. During the third quarter of the year, the Company issued a 5.5-year SEK 650 million private placement.

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, 2014 the amount of the loan was EUR 982.8 (December 31, 2013: 931.7) million and it has been relent to the Company's A-series shareholders. On March 31, 2014 loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 51.1 million (April 2, 2013: EUR 50.0 million).

Nuclear Power

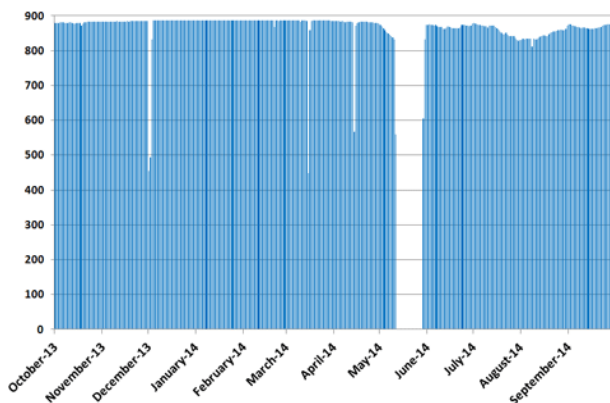
Olkiluoto 1 and Olkiluoto 2

The electricity production of the Olkiluoto power plant units Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2) during the period under review was 10,861 (10,742) GWh. The total load factor was 94.4 (93.4) per cent.

The plant units operated safely and reliably during the period under review. OL1's net production was 5,322 (5,539) GWh and the load factor 92.6 (96.3) %. OL2's net production was 5,539 (5,203) GWh and the load factor 96.3 (90.4) %.

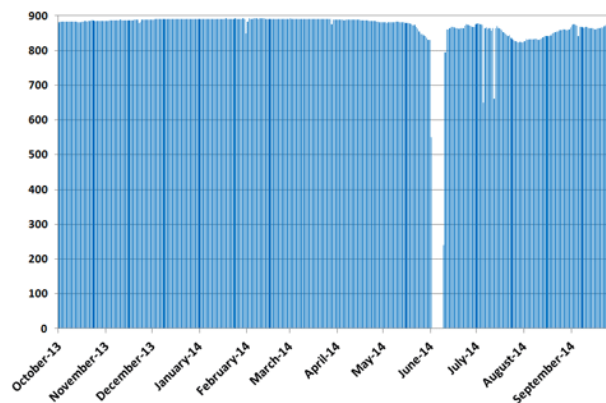
Olkiluoto 1

Average electrical power MW
October 1, 2013–September 30, 2014



Olkiluoto 2

Average electrical power MW
October 1, 2013–September 30, 2014



Annual Outages

The annual outages of 2014 at the Olkiluoto nuclear power plant were carried out in May 11–June 9, 2014. OL1 underwent a maintenance outage that lasted more than 17 days, and OL2 had a refueling outage taking less than 8 days.

The main maintenance activities during the outage at OL1 included the replacement of low-voltage switchgears in two subsystems, piping modifications in the auxiliary feedwater system, installation of a new auxiliary transformer, and several other modification and maintenance tasks.

OL2 had a refueling outage of about one week. In addition to refueling, maintenance and repair work as well as tests were carried out, and two main seawater pumps were replaced.

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

Both plant units have operated reliably after the annual outages.

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. Originally commercial electricity production was scheduled to start at the end of April 2009. The completion of the project, however, has been delayed. The Supplier's installation works at the plant unit and planning of the instrumentation and control (I&C) systems 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 slow.

In September 2014 TVO received additional data about the schedule for the OL3 project from the Supplier. According to this data, 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 are nearly completed. The major components of the reactor plant have been installed, and the primary coolant circuit pipeline has been welded. Pipeline welding works in the emergency power generating building continue. Commissioning phase of the building technology systems in the reactor plant is ongoing. Containment pressure and leak-tightness tests were completed in February. Testing of the I&C systems in the test bay in Erlangen, Germany continues. Planning and licensing of the I&C systems continue. The first phase of the turbine plant commissioning is ongoing.

The workforce at the site at the end of the period under review was about 700 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 32.6 (36.8) million and the amount consumed to EUR 37.7 (35.5) million.

The nuclear fuel and uranium stock carrying value on September 30, 2014 was EUR 202.9 (December 31, 2013: 207.9) 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.

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 has started. Detailed design of the encapsulation plant and its systems has been initiated.

In the technology development project DOPAS, casting of the concrete sealing plug (POPLU sub-project) is about to begin. The DOPAS project, partly funded by the EU, is coordinated by Posiva and its purpose is to test plugging and sealing systems for final disposal tunnels. Testing of the machines and equipment to be used in the final disposal has also started at the final disposal depth in ONKALO.

The construction license application for the final disposal facility has been supplemented by additional clarifications required by the Radiation and Nuclear Safety Authority, Finland (STUK). STUK informed in June that assessing the long-term safety of the construction license application will take longer than planned. STUK has informed that it will submit its statement on the long-term safety of the final disposal to MEE in January 2015.

Preparation of the investment decision to be made after obtaining the construction license has been initiated.

The interim storage facility for spent nuclear fuel in Olkiluoto is being expanded to provide interim storage facilities for the spent fuel elements of both the existing plant units, OL1 and OL2, and OL3 under construction. With the expansion TVO will double the capacity of the existing fuel pools. The expansion is scheduled to be taken into use in 2014.

The liabilities in the consolidated financial statement show a provision related to nuclear waste management liability of EUR 915.8 (December 31, 2013: 897.9) 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 2013, MEE set TVO's liability for nuclear waste management at EUR 1,317.8 (1,242.3) million to the end of 2013 and the Company's funding target for 2014 at EUR 1,310.4 (1,242.3) million.

In March 2014 the Finnish State Nuclear Management Fund confirmed TVO's nuclear waste management fee for 2013 at EUR 56.1 (43.1) million, which was paid into the Fund on March 31, 2014 (April 2, 2013). The nuclear waste management fee for 2014 will be confirmed in March 2015.

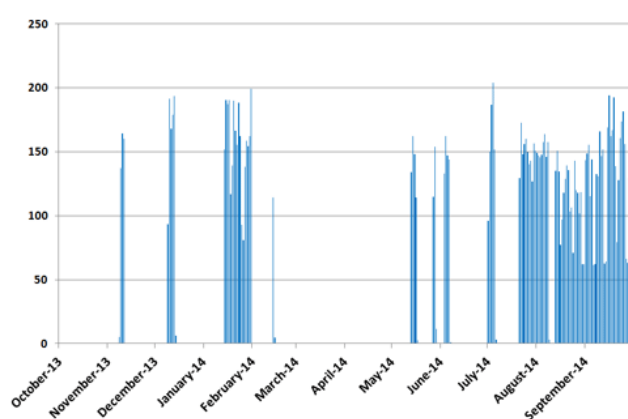
Coal Power

Meri-Pori

The amount of electricity produced by TVO's share at the Meri-Pori coal-fired power plant on January 1–September 30, 2014 was 339.3 (694.2) GWh requiring 123.5 (243.5) thousand tons of coal and 283.6 (564.8) thousand tons of carbon dioxide emission rights.

TVO's share of Meri-Pori's production

Average electrical power MW
October 1, 2013–September 30, 2014



Acquisitions of Tangible and Intangible Assets and Shares

Investments during the period under review were EUR 252.5 (247.4) million. Investments of the parent company were EUR 253.0 (213.5) million, of which EUR 220.4 (183.6) million was allocated to the OL3 project.

TVO continues 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 9 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 total investment of the replacement project is more than EUR 100 million. 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 with a total value of more than EUR 40 million. 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.

Carbon dioxide emission rights acquired for the Company's share of the Meri-Pori coal-fired power plant have been relinquished to the Energy Market authority worth EUR 2.7 (0.9) million. During the period under review, emission rights have been acquired worth EUR 1.6 (2.5) 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 was approximately EUR 1.8 billion which included TVO's actual claim and an estimated part until August 2014.

The proceedings were initiated in December 2008 by the OL3 Supplier. The monetary claim the Supplier updated in 2013 is in total approximately EUR 2.7 billion. The updated quantification is until the end of June 2011, and the sum includes approximately EUR 70 million of payments delayed by TVO under the plant contract as well as approximately EUR 700 million of penalty interest and approximately EUR 120 million of alleged loss of profit. TVO has considered and found the earlier claim by the Supplier to be without merit, scrutinizes the updated claim and will respond to it in due course.

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 829 (December 31, 2013: 857, September 30, 2013: 862). The number of permanent employees at the end of the period under review was 758 (December 31, 2013: 767, September 30, 2013: 766).

The Board of Directors of TVO appointed Marjo Mustonen as Senior Vice President, Nuclear Safety and Member of the Management Group of the Company. Marjo Mustonen also chairs the Safety Committee of the Company and continues as the responsible director for construction of OL3. The former Senior Vice President for Nuclear Safety, Esa Mannola, continues in the Company as Corporate Adviser. The appointments came into effect as from the beginning of 2014.

Annual General Meeting

TVO's Annual General Meeting was held on March 27, 2014. The AGM approved the financial statements for the year 2013, confirmed the consolidated income statement and balance sheet and discharged the members of the Board of Directors and the President and CEO from liability.

All Board members were re-elected. At its organization meeting held on the same day as the AGM, the Board elected Matti Ruotsala as Chairman and Lauri Virkkunen as Deputy Chairman. The Board chose also from among its members the members and chairmen of the Board Committees.

Auditing

The Interim Report is unaudited.

Risks and Uncertainty Factors in the Near Future

The major risks and uncertainty factors in TVO's operations have been presented in the Report of the Board of Directors 2013.

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.

October 17, 2014

Teollisuuden Voima Oyj
Board of Directors

KEY FIGURES OF TVO GROUP

TVO GROUP (IFRS) (M€)	1.1. - 30.9.2014	1.1. - 30.9.2013	1.1. - 31.12.2013
Turnover	262	285	366
Profit/loss for the period	10	37	31
Investments ¹⁾	253	247	335
Equity	1 480	1 468	1 462
Subordinated shareholder loans (hybrid equity) (included in the former) ³⁾	339	339	339
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	3 446	3 230	3 221
Loan from VYR ²⁾	983	932	932
Provision related to nuclear waste management	916	888	898
Balance sheet total	6 990	6 725	6 700
Equity ratio % ⁴⁾	29,1	29,9	30,0
Average number of personnel	876	906	894

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. - 30.9.2014	1.1. - 30.9.2013	1.1. - 31.12.2013
Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).			
Turnover	261	283	363
Profit/loss before appropriations	16	5	1
Fuel costs	50	59	73
Nuclear waste management costs	40	68	89
Capital expenditure (depreciation and financial income and expenses)	44	46	61
Investments ¹⁾	253	214	303
Equity	858	858	858
Appropriations	183	172	167
Non-current and current interest-bearing liabilities (excluding loan from VYR and shareholder loans) ²⁾	3 301	3 083	3 088
Loans from equity holders of the company ³⁾	339	339	339
Loan from VYR ²⁾	983	932	932
Balance sheet total	5 829	5 588	5 572
Equity ratio % ⁴⁾	28,5	29,4	29,4
Average number of personnel	871	902	890

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

ELECTRICITY DELIVERED TO EQUITY HOLDERS OF THE COMPANY (GWh)

	1.1. - 30.9.2014	1.1. - 30.9.2013	1.1. - 31.12.2013
Nuclear power	10 844	10 720	14 606
Coal-fired power	339	694	725
Total	11 183	11 414	15 331

TVO GROUP

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

EUR 1 000	1.1. - 30.9.2014	1.1. - 30.9.2013	1.1. - 31.12.2013
Turnover	262 290	284 780	365 865
Work performed for own purposes	9 598	10 720	14 878
Other income	6 854	6 500	9 311
Materials and services	-81 351	-93 125	-121 583
Personnel expenses	-45 801	-46 471	-63 318
Depreciation and impairment charges	-43 139	-42 880	-57 369
Other expenses	-67 570	-63 380	-84 922
Operating profit/loss	40 881	56 144	62 862
Finance income	19 374	27 224	30 870
Finance expenses	-50 397	-46 764	-63 203
Total finance income and expenses	-31 023	-19 540	-32 333
Profit/loss before income tax	9 858	36 604	30 529
Income taxes	-1	0	-3
Profit/loss for the period	9 857	36 604	30 526
Profit/loss for the period attributable to:			
Equity holders of the company	9 857	36 604	30 526

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1.1. - 30.9.2014	1.1. - 30.9.2013	1.1. - 31.12.2013
Profit/loss for the period	9 857	36 604	30 526
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	1 645	4 538	6 963
Cash flow hedges	9 751	9 295	7 345
Total other comprehensive profit/loss items for the period	11 396	13 833	14 308
Total comprehensive profit/loss for the period	21 253	50 437	44 834
Total comprehensive profit/loss for the period attributable to:			
Equity holders of the company	21 253	50 437	44 834

TVO GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
Assets			
Non-current assets			
Property, plant and equipment	4 556 830	4 288 446	4 358 082
Intangible assets	7 595	8 657	9 382
Loans and other receivables	986 706	935 962	935 633
Investments in joint ventures	1 009	1 009	1 009
Investments in shares	25 592	21 520	23 945
Derivative financial instruments	73 394	74 593	60 047
Share in the Finnish State Nuclear Waste Management Fund	915 844	888 138	897 919
Total non-current assets	6 566 970	6 218 325	6 286 017
Current assets			
Inventories	230 879	238 061	243 091
Trade and other receivables	51 295	47 202	25 465
Derivative financial instruments	12 291	1 556	1 553
Cash and cash equivalents	128 279	219 734	144 367
Total current assets	422 744	506 553	414 476
Total assets	6 989 714	6 724 878	6 700 493
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	9 215	-2 656	-2 181
Subordinated shareholder loans (hybrid equity)	339 300	339 300	339 300
Retained earnings	282 905	282 943	275 927
Total equity	1 479 996	1 468 163	1 461 622
Liabilities			
Non-current liabilities			
Provision related to nuclear waste management	915 844	888 138	897 919
Loan from the Finnish State Nuclear Waste Management Fund	982 800	931 725	931 725
Bonds	2 269 820	2 206 934	2 191 411
Other financial liabilities	788 796	811 076	784 216
Derivative financial instruments	36 309	31 902	34 999
Total non-current liabilities	4 993 569	4 869 775	4 840 270
Current liabilities			
Current financial liabilities	347 571	171 561	201 774
Derivative financial instruments	3 502	8 638	8 212
Advance payments received	42 701	47 006	21 365
Trade payables	27 401	30 507	10 823
Other current liabilities	94 974	129 228	156 427
Total current liabilities	516 149	386 940	398 601
Total liabilities	5 509 718	5 256 715	5 238 871
Total equity and liabilities	6 989 714	6 724 878	6 700 493

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 1.1.2014	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

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 1.1.2013	606 193	242 383	-16 489	229 300	248 539	1 309 926	1 309 926
Profit/loss for the period	0	0	0	0	36 604	36 604	36 604
Other comprehensive items:							
Changes in fair values of the available-for-sale investments	0	0	4 538	0	0	4 538	4 538
Cash flow hedges	0	0	9 295	0	0	9 295	9 295
Subordinated shareholder loans (hybrid equity)	0	0	0	110 000	0	110 000	110 000
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	0	0	-2 200	-2 200	-2 200
Equity 30.9.2013	606 193	242 383	-2 656	339 300	282 943	1 468 163	1 468 163

TVO GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
Operating activities			
Profit/loss for the period	9 857	36 604	30 526
Adjustments:			
Income tax expenses	1	0	3
Finance income and expenses	31 023	19 540	32 333
Depreciation and impairment charges	43 139	42 880	57 369
Other non-cash flow income and expenses	-23 078	-47 994	-58 441
Sales profit/loss of property, plant and equipment and shares	-156	-100	-100
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	-26 298	-21 892	1 262
Increase (-) or decrease (+) in inventories	13 380	13 730	7 756
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	-6 544	42 280	13 700
Interest paid and other finance expenses	-12 015	-25 334	-26 150
Dividends received	1 036	853	853
Interest received	7 221	25 309	25 327
Taxes paid	-1	0	-1
Cash flow from operating activities	37 565	85 876	84 437
Investing activities			
Acquisition of property, plant and equipment	-264 126	-224 079	-300 307
Proceeds from sale of property, plant and equipment	7	18	18
Acquisition of intangible assets	-325	-42	-951
Acquisition of shares	-21	-6	-6
Proceeds from sale of shares	280	314	314
Loan receivables granted	-51 075	-49 999	-50 136
Repayments of loans granted	0	0	390
Cash flow from investing activities	-315 260	-273 794	-350 678
Financing activities			
Withdrawals of subordinated shareholder loans (hybrid equity)	0	110 000	110 000
Withdrawals of long-term loans	752 830	301 518	301 518
Repayment of long-term loans	-556 149	-157 254	-177 496
Interest paid of subordinated shareholder loans (hybrid equity)	-1 893	-1 221	-3 066
Increase (-) or decrease (+) in interest-bearing receivables	0	0	73
Increase (+) or decrease (-) in current financial liabilities	66 819	19 054	44 024
Cash flow from financing activities	261 607	272 097	275 053
Change in cash and cash equivalents	-16 088	84 179	8 812
Cash and cash equivalents at the beginning of period	144 367	135 555	135 555
Cash and cash equivalents at the end of period	128 279	219 734	144 367

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 2013. Additionally the changes according to the revised IAS/IFRS standards have been adopted.

IFRS 11 standard replaces the previous IAS 31 Interests in joint ventures -standard. Classification of joint arrangements under IFRS 11 is determined through a separate vehicle, contractual terms between the parties and other facts and circumstances. When adopting the new IFRS 11 standard TVO has reassessed its control conclusions and re-evaluated its involvement in its joint venture. Joint venture Posiva Oy will continue to be recognised by applying the equity method and there will be no impact on the recognised assets, liabilities and comprehensive income.

The standards issued during 2014 have no impact in the consolidated financial statements.

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 2013.

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	30.9.2014	30.9.2013	31.12.2013
Nuclear power	239 124	248 914	325 508
Coal-fired power	23 166	35 866	40 357
Total	262 290	284 780	365 865

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
Nuclear power	17 856	6 989	4 215
Coal-fired power	-1 407	-1 676	-3 335
Profit/loss before appropriations (FAS)	16 449	5 313	880
The impact of the nuclear waste management obligation	-7 050	30 692	28 920
The impact of financial instruments	333	477	556
Other IFRS adjustments	125	122	170
Total (IFRS)	9 857	36 604	30 526

ASSETS BY SEGMENTS

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
Nuclear power	5 777 201	5 522 534	5 508 441
Coal-fired power	53 056	67 462	64 565
Total (FAS)	5 830 257	5 589 996	5 573 006
The impact of the nuclear waste management obligation	1 031 381	1 012 497	1 020 507
The impact of financial instruments	52 114	45 167	29 070
The impact of finance leases	60 851	62 535	61 691
Other IFRS adjustments	15 111	14 683	16 219
Total (IFRS)	6 989 714	6 724 878	6 700 493

TVO GROUP

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
Opening net book amount	4 358 082	4 095 056	4 095 056
Increase	250 674	244 606	331 226
Decrease	-10 118	-10 169	-15 764
Depreciation and impairment charges	-42 190	-41 965	-56 100
Accumulated depreciation from deduction	382	918	3 664
Closing net book amount	4 556 830	4 288 446	4 358 082

CHANGES IN INTANGIBLE ASSETS

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
Opening net book amount	9 382	7 729	7 729
Increase	1 849	2 776	3 855
Decrease	-2 687	-932	-933
Depreciation and impairment charges	-949	-916	-1 269
Closing net book amount	7 595	8 657	9 382

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 2013.

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values of the derivative financial instruments *

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
Interest rate swaps	901 446	1 031 446	1 001 446
Forward foreign exchange contracts and swaps	210 544	226 217	211 607
Cross-currency swaps	930 421	853 674	853 674
Total	2 042 411	2 111 337	2 066 727

Fair values of the derivative financial instruments *	30.9.2014			30.9.2013			31.12.2013		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
EUR 1 000									
Interest rate swaps									
Cash flow hedges	0	-21 998	-21 998	4	-21 978	-21 974	471	-19 560	-19 089
Fair value hedges	29 885	0	29 885	10 487	0	10 487	10 314	0	10 314
Non-hedges	0	-947	-947	0	-7 113	-7 113	0	-4 445	-4 445
Forward foreign exchange contracts and swaps									
Cash flow hedges	11 235	-4 825	6 410	3 506	-3 504	1	2 494	-7 009	-4 515
Non-hedges	500	-250	250	120	0	120	152	-33	119
Cross-currency swaps									
Non-hedges	44 065	-11 790	32 274	62 033	-7 945	54 088	48 157	-12 129	36 028
Currency options (non-hedges)									
Purchased	0	0	0	0	0	0	0	-35	-35
Written	0	0	0	0	0	0	12	0	12
Total	85 685	-39 810	45 874	76 149	-40 540	35 609	61 600	-43 212	18 388

* 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. Simultaneously, TVO bought back and cancelled a bond maturing in 2016, totalling EUR 479 million. The Company issued during the second quarter a SEK 550 million private placement and simultaneously bought back and cancelled private placements maturing in 2015 worth SEK 550 million. In addition, TVO has issued a EUR 45 million, a EUR 20 million and a SEK 650 million private placement during the reporting period.

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

EUR 1 000	30.9.2014			31.12.2013		
	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		44 564			48 321	
Derivative financial instruments designated as cash flow hedges		11 235			2 965	
Derivative financial instruments designated as fair value hedges		29 885			10 314	
Available-for-sale investments						
Investments in listed companies	23 546			21 901		
Investments in other stocks and shares			0			0
Total	23 546	85 685	0	21 901	61 600	0
Financial liabilities at fair value						
Derivative financial instruments at fair value through profit or loss		12 987			16 642	
Derivative financial instruments designated as cash flow hedges		26 823			26 570	
Derivative financial instruments designated as fair value hedges		0			0	
Total	0	39 810	0	0	43 212	0

On 30 September 2014, TVO has also unquoted shares worth EUR 2,046 (2,044) 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	30.9.2014			31.12.2013		
	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*	3 058 616	3 058 616	3 285 322	2 975 627	2 975 627	3 196 873

* 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	30.9.2014	30.9.2013	31.12.2013
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	915 844	888 138	897 919
Provision related to nuclear waste management (non-current liabilities)	915 844	888 138	897 919

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	30.9.2014	30.9.2013	31.12.2013
Liability for nuclear waste management according to the Nuclear Energy Act	1 317 800	1 242 300	1 317 800
Funding target obligation	1 310 400	1 242 300	1 310 400
TVO's share in the Finnish State Nuclear Waste Management Fund	1 310 400	1 242 300	1 253 300
Difference between the liability and TVO's share of the fund	7 400	0	64 500

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, 2014 is EUR 1,310.4 million. The carrying amount in the balance sheet is EUR 915.8 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 2014.

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	30.9.2014	30.9.2013	31.12.2013
Pledged promissory notes to the Finnish State Nuclear Waste Management Fund	982 800	931 725	931 725
Guarantees given by shareholders related to the nuclear waste management obligation	152 710	153 160	153 160

Investment commitments

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

EUR 1 000	30.9.2014	30.9.2013	31.12.2013
OL1 and OL2	115 000	77 000	75 000
OL3	785 000	780 000	774 000
OL4	0	3 000	2 000
Total	900 000	860 000	851 000

Pending Court Cases and Disputes

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