



Teollisuuden Voima Oyj
Interim Report January–September 2010

Teollisuuden Voima Oyj's Interim Report 1 January–30 September 2010

During the third quarter of the year the electricity production of Teollisuuden Voima Oyj continued reliably in Olkiluoto 1 and Olkiluoto 2 plant units. An increase in the rated power of OL1 from 860 MW to 880 MW was confirmed as from 1 July 2010 due to the efficiency improvement modernization carried out. In the Olkiluoto 3 project, the civil construction works have been completed to a large extent and installation of the reactor main components is ongoing. After the Finnish Parliament's ratification of the Governments's favourable decision-in-principle on 1 July 2010 regarding OL4, the planning and evaluation of implementation methods of the project are proceeding.

Operating Environment

During the first eight months of the year the use of electricity in Finland increased by nearly 9 per cent compared to the corresponding period of the previous year. This was due to the growth of industrial production and the cold early winter.

Financial Performance

The consolidated turnover for the period under review 1 January–30 September 2010 was EUR 275.8 (1 January–30 September 2009: EUR 226.1) million. The amount of electricity delivered to shareholders was 11,364.0 (11,145.7) GWh.

The consolidated profit/loss was EUR 34.1 (-30.4) million. Changes in the cost estimates and accounting principles of the provision regarding nuclear waste management cash flows have an effect on the profit/loss for the period (see Notes: Assets and provision related to nuclear waste management obligation). The adjusted consolidated profit/loss EUR 3.8 (-16.0) million differs from the consolidated profit/loss in respect of the profit/loss effects from the nuclear waste management according to IFRS standard and on the comparison period in respect of the valuation of non-hedge accounted derivative financial instruments (see: Key Figures).

Financing and Liquidity

TVO's financial situation has developed as planned.

TVO's liabilities (non-current and current) totalled at the end of the period under review EUR 2,704.3 (30 September 2009: 2,557.3) million excluding the loan from the Finnish State Nuclear Waste Management Fund, relented to shareholders. During the period under review, TVO raised a total of EUR 323.2 (1,112.7) million in non-current liabilities, while repayments amounted to EUR 136.7 (408.7) million. The loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 51.5 (55.1) million. 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. The amount of the loan is EUR 802.4 (750.9) million and it is included in interest-bearing liabilities. The loan has been relented to the Company's A series owners.

In June, TVO updated and increased the size of the Euro Medium Term Note Program (EMTN) to EUR 2.5 billion. During 2010, TVO has issued six SEK private placements under the program totalling SEK 2,120 million. At the end of the reporting period the total amount issued under the program was EUR 1,149 million. In addition, the Company issued in August a USD 100 million private placement.

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 24 March 2010 decided on a private offering to the Company's B series owners, by which the company share capital will be raised by EUR 79.3 million. The subscription price shall be paid in 2010 at a date to be decided by the Board of Directors. The increase in share capital is based on the OL3 financing plan, according to which the equity required by investment accrues as the project proceeds.

Nuclear Power

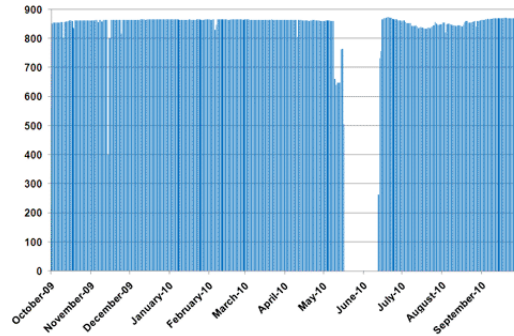
Olkiluoto 1 and Olkiluoto 2

The electricity production of the Olkiluoto power plant units, Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2) from 1 January to 30 September was 10,295 (1 January–30 September 2009: 10,653) GWh. The total capacity factor was 91.2 (94.7) %.

The plant units operated safely and reliably during the period under review. OL1's net production was 5,042 (5,405) GWh and the capacity factor 89.0 (96.1)%. OL2's net production was 5,253 (5,248) GWh and the capacity factor 93.3 (93.2) %.

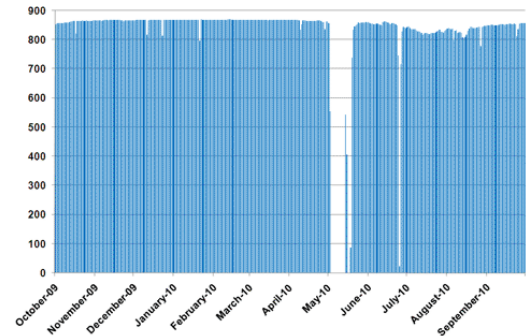
Olkiluoto 1

Average electrical power MW
1 October 2009–30 September 2010



Olkiluoto 2

Average electrical power MW
1 October 2009–30 September 2010



Annual outages

The 2010 annual outages of the Olkiluoto nuclear power plant were completed on 12 June. The inspections proved the both power plant units to be in safe and reliable condition for the next operation cycle.

The outage conducted at OL1 in 2010 was the most extensive maintenance outage in the history of the Olkiluoto power plant. Major work carried out during the outage included, e.g. replacement of all the four low-pressure turbines, refurbishment of the generator cooling system, the main seawater pumps and the inner extraction ducts of the turbine condenser as well as replacement of the inner isolation valves in the steam lines of the reactor. Thanks to the modernization work, the efficiency of the turbine plant improved, and the electrical output increased by approximately 20 MW. The outage lasted about 26 days.

OL2 had a refuelling outage which took about 11 days. In addition to refuelling, the major work included a periodical leak test of the reactor containment and inspection of two low-pressure turbines.

Besides TVO's own personnel there was a peak of about 1,500 external outage workers, of which approximately 1,200 were Finnish.

Olkiluoto 3

The nuclear power plant unit Olkiluoto 3 (OL3), currently under construction, was commissioned as a fixed price turnkey project from the Consortium (referred to as the Supplier) formed by AREVA NP GmbH, AREVA NP SAS and Siemens AG. Originally commercial electricity production was scheduled to start at the end of April 2009. The completion of the project, however, has been delayed. In June 2010, the Supplier informed that most of the work will be completed by the end of 2012. Consequently, electricity production has been estimated not to start until in 2013. According to the turnkey delivery contract the Supplier is responsible for the time schedule.

The civil construction works have been completed to a large extent. Manufacturing of the large components is nearing its end. Installation of the reactor main components is ongoing.

The arbitration proceedings initiated in 2008 concerning the delay of the plant unit and the costs resulting from the delay as well as, separately, the cost of a technically resolved issue connected with construction work continued. The arbitration proceedings may continue for several years. No receivables or provisions have been recorded as a result of the arbitration proceedings.

The workforce at the site at the end of the period under review was slightly above 4,000. The safety level at the site remained good.

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

Olkiluoto 4 Project

On 1 July 2010 the Finnish Parliament ratified the favourable decision-in-principle made by the Finnish Government regarding the construction of a fourth nuclear power plant unit (OL4) in Olkiluoto. The planning and evaluation of implementation methods of the project are proceeding.

Nuclear Fuel

During the period under review, nuclear fuel purchases amounted to EUR 49.7 (46.1) million and the amount consumed to EUR 30.0 (29.4) million.

The nuclear fuel and uranium stock carrying value on 30 September 2010 was EUR 182.5 (30 September 2009: 173.7) million, of which the value of the fuel in the reactors was EUR 74.5 (30 September 2009: 72.6) million.

Nuclear Waste Management

Posiva Oy, jointly owned by TVO and Fortum Power and Heat Oy, is responsible for the legal obligation of TVO to take care of the final disposal of spent nuclear fuel. The final disposal depth of spent nuclear fuel, approximately 420 metres in constructing the transport and research tunnel (ONKALO), which is part of the final disposal repository, was reached in June. The excavation works and deepening of the vertical ventilation shafts of ONKALO to 437 metres' level for certain technical facilities is proceeding.

TVO started construction work in order to extend the interim storage facility of spent nuclear fuel with three new storage pools. The extension covers both the need of OL1 and OL2 as well as of OL3.

The liabilities, in the consolidated financial statement, show a provision related to nuclear waste management liability of EUR 800.2 (30 September 2009: 619.4) million, calculated according to international IFRS accounting principles. A corresponding amount, under assets, represents the Company's share in the Finnish State Nuclear Waste Management Fund.

In order to cover the costs of nuclear waste management, TVO makes contributions into the Finnish State Nuclear Waste Management Fund. In January 2010, the Ministry of Employment and the Economy set TVO's liability for nuclear waste management at EUR 1,160.7 (1,137.6) million to the end of 2009 and the Company's target reserve in the Fund for 2010 at EUR 1,069.8 (1,001.2) million. The difference is covered by guarantees.

In March 2010, the Finnish State Nuclear Waste Management Fund confirmed TVO's nuclear waste management fee for 2009 at EUR 43.5 (32.6) million, which was paid into the Fund on 31 March 2010 (31 March 2009).

Coal Power

Meri-Pori

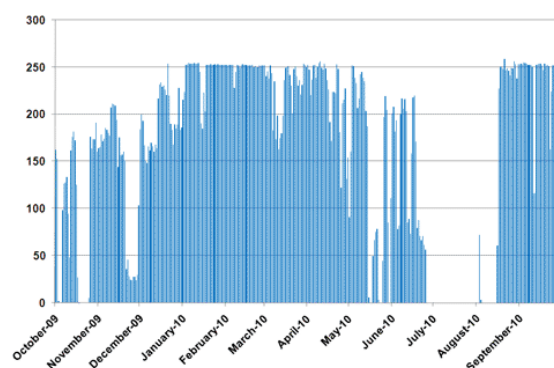
The amount of electricity produced by TVO's share at Meri-Pori coal-fired power plant on 1 January–30 September 2010 was 1,127.5 (539.9) GWh requiring 391.9 (191.0) thousand tons of coal and 919.9 (443.2) thousand tons of carbon dioxide emission rights.

The company's share of the free emission rights for the Meri-Pori coal-fired power plant for 2008–2012 totalled 1,479.7 thousand tons. In 2010 the share is 295.9 thousand tons.

TVO's share of Meri-Pori's production

Average electrical power MW

1 October 2009–30 September 2010



Acquisitions of Tangible and Intangible Assets and Shares

Investments during the period under review were EUR 312.2 (408.0) million. Investments of the parent company were EUR 257.2 (362.3) million, of which EUR 185.7 (320.9) million was allocated to the OL3 project.

At OL1, the installations (low-pressure turbines, inner isolation valves, seawater pumps) connected to the modernization project scheduled for 2010 and 2011 were carried out. Preparations for the modernization project at OL2 continued.

Carbon dioxide emission rights acquired for the company's share of the Meri-Pori coal-fired power plant have been relinquished to the Energy Market Authority worth of EUR 6.1 (10.6) million. For 2010, emission rights have been acquired worth of EUR 11.0 (4.5) 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 was approximately EUR 1 billion. About one half of the claimed amount related to alleged additional cost on account of the delay. The remainder related 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 was approximately EUR 1.4 billion. The arbitration proceeding may continue for several years.

TVO is also involved in another ICC arbitration proceeding under the ICC rules concerning the costs of a technically resolved issue in connection with the construction work at OL3. The amount is minor in the context of the value of the project.

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

Personnel

The total number of personnel in the Group at the end of the period under review was 804 (31 December 2009: 802, 30 September 2009: 813). The number of permanent

employees at the end of the period under review was 719 (31 December 2009: 722, 30 September 2009: 729).

The number of people hired on a permanent basis during the period under review was 23 (29). 26 (15) permanent employees left the Group, 15 (8) of them retired.

Annual General Meeting

TVO's Annual General Meeting was held on 24 March 2010. The AGM approved the financial statement for the year 2009, confirmed the consolidated income statement and balance sheet and discharged the members of the Board of Directors and the President and CEO from liability. In addition, it was decided to issue a private offering to the Company's B series owners.

Mr. Harri Pynnä and Ms. Tiina Tuomela were elected as new members of the Board of Directors to succeed Mr. Tapio Kuula and Mr. Juha Laaksonen. Mr. Lauri Virkkunen was elected as Member of the Board as from 1 July 2010 as Mr. Timo Rajala resigned from the Board with effect from 30 June 2010. The other Board members were re-elected. At its organization meeting held on the same day as the AGM, the Board elected Mr. Timo Rajala as Chairman until 1 July 2010 and Mr. Matti Ruotsala as Deputy Chairman. In its later meetings the Board elected Mr. Matti Ruotsala as Chairman and Mr. Lauri Virkkunen as Deputy Chairman of the Board as from 1 July 2010. 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 will be found in the Report of the Board of Directors 2009.

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

The annual and refuelling outages as well as the efficiency improvement of OLI being carried out according to plan, production at the Olkiluoto nuclear power plant is

expected to continue in the manner of the previous year. The production preconditions of the Olkiluoto power plant are good.

TVO will continue cooperation with the Supplier in the construction of the OL3 nuclear power plant unit.

The planning and evaluation of implementation methods 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

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

15 October 2010

Teollisuuden Voima Oyj
Board of Directors

TVO GROUP

Key Figures

TVO GROUP (IFRS) (€million)	1.1. - 30.9.2010	1.1. - 30.9.2009	1.1. - 31.12.2009
Turnover	276	226	305
Profit/loss for the period	34	-30	-41
Investments ¹⁾	312	408	845
Equity	989	870	866
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	2 839	2 627	2 642
Loans from equity holders of the company (included in the former) ³⁾	179	179	179
Loan from VYR ²⁾	802	751	751
Provision related to nuclear waste management	800	619	633
Balance sheet total	5 639	5 056	5 069
Equity ratio % ⁴⁾	29,0	28,5	28,4
Average number of personnel	852	844	835

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. - 30.9.2010	1.1. - 30.9.2009	1.1. - 31.12.2009
Profit/loss for the period (IFRS)	34	-30	-41
The impact of the nuclear waste management obligation ¹⁾ (profit -/loss +)	-31	0	3
The impact of financial instruments ²⁾ (profit -/loss +)	1	14	14
Adjusted profit/loss for the period	4	-16	-24

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. - 30.9.2010	1.1. - 30.9.2009	1.1. - 31.12.2009
Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).			
Turnover	270	219	296
Fuel costs	56	45	65
Nuclear waste management costs	49	48	66
Other income and expenses related to electricity production	112	94	121
Capital expenditure (depreciation and financial income and expenses)	50	49	68
Profit/loss before appropriations	3	-17	-24
Investments ¹⁾	257	362	803
Equity	793	713	713
Appropriations	153	158	150
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	2 704	2 557	2 587
Loans from equity holders of the company (included in the former) ³⁾	179	179	179
Loan from VYR ²⁾	802	751	751
Balance sheet total	4 659	4 368	4 377
Equity ratio % ⁴⁾	29,2	29,0	28,8
Average number of personnel	847	838	830

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. - 30.9.2010	1.1. - 30.9.2009	1.1. - 31.12.2009
Nuclear power	10 237	10 606	14 385
Coal-fired power	1 127	540	845
Total	11 364	11 146	15 230

TVO GROUP

CONSOLIDATED FINANCIAL STATEMENT IN BRIEF AND NOTES

Consolidated Income Statement

1 000 €	1.1. - 30.9.2010	1.1. - 30.9.2009	1.1. - 31.12.2009
Turnover	275 754	226 146	305 390
Work performed for own purposes	7 825	7 888	10 322
Other income	6 950	6 104	8 678
Materials and services	9 470	-96 446	-132 596
Personnel expenses	-42 874	-42 331	-55 943
Depreciation and impairment charges	-42 255	-39 493	-53 724
Other expenses	-69 460	-59 288	-77 932
Operating profit/loss	145 410	2 580	4 195
Finance income	21 361	40 440	51 771
Finance expenses	-132 677	-73 454	-97 357
Total finance income and expenses	-111 316	-33 014	-45 586
Profit/loss before income tax	34 094	-30 434	-41 391
Income taxes	-3	-4	-4
Profit/loss for the period	34 091	-30 438	-41 395
Profit/loss for the period attributable to:			
Equity holders of the company	34 091	-30 438	-41 395

Consolidated Statement of Comprehensive Income

1 000 €	1.1. - 30.9.2010	1.1. - 30.9.2009	1.1. - 31.12.2009
Profit/loss for the period	34 091	-30 438	-41 395
Other comprehensive items			
Changes in fair values of the available-for-sale investments	1 708	2 432	2 326
Cash flow hedges	8 270	-24 569	-17 950
Total other comprehensive profit/loss items	9 978	-22 137	-15 624
Total comprehensive profit/loss for the period	44 069	-52 575	-57 019
Total comprehensive profit/loss for the period attributable to:			
Equity holders of the company	44 069	-52 575	-57 019

Consolidated Statement of Financial Position

1 000 €	30.9.2010	30.9.2009	31.12.2009
Assets			
Non-current assets			
Property, plant and equipment	3 522 519	2 848 587	3 263 047
Intangible assets	20 292	14 854	16 161
Loans and other receivables	807 947	756 746	756 496
Investments in associates and joint ventures	1 009	1 009	1 009
Investments in shares	13 886	12 288	12 183
Derivative financial instruments	4 351	359	649
Share in the Finnish State Nuclear Waste Management Fund	800 208	619 376	633 484
Total non-current assets	5 170 212	4 253 219	4 683 029
Current assets			
Inventories	214 948	204 886	186 904
Trade and other receivables	150 868	169 351	83 931
Derivative financial instruments	604	238	404
Cash and cash equivalents	102 007	428 190	115 088
Total current assets	468 427	802 665	386 327
Total assets	5 638 639	5 055 884	5 069 356
Equity and liabilities			
Capital and reserves attributable to equity holders of the company			
Share capital	461 692	361 692	461 692
Share issue	79 300	100 000	0
Share premium reserve and statutory reserve	242 383	242 383	242 383
Fair value and other reserves	-38 576	-55 066	-48 553
Retained earnings	244 380	221 246	210 289
Total equity	989 179	870 255	865 811
Liabilities			
Non-current liabilities			
Provision related to nuclear waste management	800 208	619 376	633 484
Loans from equity holders of the company	179 300	179 300	179 300
Loan from the Finnish State Nuclear Waste Management Fund	802 350	750 900	750 900
Bonds	1 141 919	868 308	926 893
Other financial liabilities	1 119 145	1 022 350	979 150
Derivative financial instruments	81 360	53 075	40 324
Total non-current liabilities	4 124 282	3 493 309	3 510 051
Current liabilities			
Current financial liabilities	314 424	471 021	482 472
Derivative financial instruments	3 287	32 625	34 142
Advance payments received	41 994	36 605	20 943
Trade payables	47 330	40 276	18 702
Other current liabilities	118 143	111 793	137 235
Total current liabilities	525 178	692 320	693 494
Total liabilities	4 649 460	4 185 629	4 203 545
Total equity and liabilities	5 638 639	5 055 884	5 069 356

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 1.1.2010	461 692	0	242 383	-48 553	210 289	865 811	865 811
Profit/loss for the period	0	0	0	0	34 091	34 091	34 091
Other comprehensive items							
Changes in fair values of the available-for-sale investments	0	0	0	1 707	0	1 707	1 707
Cash flow hedges	0	0	0	8 270	0	8 270	8 270
Share issue	0	79 300	0	0	0	79 300	79 300
Equity 30.9.2010	461 692	79 300	242 383	-38 576	244 380	989 179	989 179

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
Profit/loss for the period	0	0	0	0	-30 438	-30 438	-30 438
Other comprehensive items							
Changes in fair values of the available-for-sale investments	0	0	0	2 432	0	2 432	2 432
Cash flow hedges	0	0	0	-24 569	0	-24 569	-24 569
Share issue	0	100 000	0	0	0	100 000	100 000
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 €	30.9.2010	30.9.2009	31.12.2009
Operating activities			
Profit/loss for the period	34 091	-30 437	-41 395
Adjustments:			
Income tax expenses	3	4	4
Finance income and expenses	111 315	33 014	45 586
Depreciation and impairment charges	42 255	39 493	53 724
Other non-cash flow income and expenses	-133 396	-9 007	-15 039
Sales profit/loss of property, plant and equipment and shares	-20	-124	-125
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	1 844	-45 065	-50 668
Increase (-) or decrease (+) in inventories	-28 044	-23 614	-5 632
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	34 035	40 422	5 545
Interest paid and other finance expenses	-31 057	-42 206	-43 998
Dividends received	638	511	513
Interest received	18 270	37 386	37 745
Taxes paid	-3	-4	-2
Cash flow from operating activities	49 931	373	-13 742
Investing activities			
Acquisition of property, plant and equipment	-240 765	-368 108	-801 090
Proceeds from sale of property, plant and equipment	83	16	16
Acquisition of intangible assets	-272	-4 730	-230
Proceeds from sale of intangible assets	0	2	2
Acquisition of shares	-21	-4	-4
Proceeds from sale of shares	62	198	198
Loan receivables granted	-51 450	-55 125	-55 243
Repayments of loans granted	0	0	355
Cash flow from investing activities	-292 363	-427 751	-855 996
Financing activities			
Share issue	0	0	100 000
Withdrawals of long-term loans	374 646	1 167 798	1 331 441
Repayment of long-term loans	-136 717	-408 742	-620 972
Increase (-) or decrease (+) in interest-bearing receivables	0	0	2
Increase (+) or decrease (-) in current financial liabilities	-8 578	-106 182	-28 339
Cash flow from financing activities	229 351	652 874	782 132
Change in cash and cash equivalents	-13 081	225 496	-87 606
Cash and cash equivalents at the beginning of period	115 088	202 694	202 694
Cash and cash equivalents at the end of period	102 007	428 190	115 088

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 2009. Additionally the changes according to revised IAS/IFRS standards have been adopted. The standards issued during the year 2010 have no impact in the consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Interim Report requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Annual results, that will occur, may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements as for the year ended on 31 December 2009, apart from the new evaluation in the accounting principles of the discount rate and inflation of the provision related to nuclear waste management, see note Assets and provision related to nuclear waste management obligation.

COMPARABILITY OF THE INCOME STATEMENT

Cost estimate based on the new technical plan of nuclear waste management obligation was updated in June 2010. Updated cost estimate together with the revised accounting principles increased the provision related to nuclear waste management, the amount of materials and services and finance expenses. The net effect on profit for the period is positive because the amount of the share in the Finnish State Nuclear Waste Management Fund and the provision related to nuclear waste management are equal and the difference is entered as an adjustment to materials and services, see note Assets and provisions related to nuclear waste management obligation.

TVO GROUP

SEGMENT REPORTING

Segment structure in TVO

The Group has two reportable segments; nuclear power and coal-fired power.

The electricity of the nuclear power segment is produced at two nuclear power plant units, Olkiluoto 1 and Olkiluoto 2 (OL1 and OL2). A new unit, Olkiluoto 3 (OL3), is under construction at Olkiluoto. The subsidiaries of TVO, TVO Nuclear Services Oy (TVONS), Olkiluodon Vesi Oy and Perusvoima Oy, of which operation is related to nuclear power, are also included in the nuclear power segment.

The electricity of coal-fired power segment is produced by TVO share at the Meri-Pori coal-fired power plant.

Segment calculation principles

TVO Group discloses in the segment information; turnover, profit/loss for the period and assets, which the chief operation decision maker follows.

The chief operation decision maker follows reporting according to Finnish Accounting Standards (FAS).

Adjustments made under IFRS accounting policies will be followed in group level.

TURNOVER BY SEGMENTS

1 000 €	30.9.2010	30.9.2009	31.12.2009
Nuclear power	229 297	197 171	263 162
Coal-fired power	46 457	28 975	42 228
Total	275 754	226 146	305 390

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

1 000 €	30.9.2010	30.9.2009	31.12.2009
Nuclear power	6 331	-12 927	-19 172
Coal-fired power	-2 545	-3 089	-5 212
Profit/loss before appropriations (FAS)	3 786	-16 016	-24 384
The impact of the nuclear waste management obligation	31 355	-287	-3 276
The impact of financial instruments	-1 050	-14 135	-13 735
Total (IFRS)	34 091	-30 438	-41 395

ASSETS BY SEGMENTS

1 000 €	30.9.2010	30.9.2009	31.12.2009
Nuclear power	4 560 571	4 256 966	4 284 411
Coal-fired power	100 084	111 762	93 412
Total (FAS)	4 660 655	4 368 728	4 377 823
The impact of the nuclear waste management obligation	901 318	692 120	703 238
The impact of financial instruments	-3 022	-15 762	-22 293
The impact of finance leases	67 527	239	135
Other IFRS adjustments	12 161	10 559	10 453
Total (IFRS)	5 638 639	5 055 884	5 069 356

TVO GROUP

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

1 000 €	30.9.2010	30.9.2009	31.12.2009
Opening net book amount	3 263 047	2 484 603	2 484 603
Increase	300 934	403 305	838 407
Decrease	-524	-916	-9 937
Depreciation and impairment charges	-41 260	-38 450	-52 337
Accumulated depreciation from deduction	322	45	2 311
Closing net book amount	3 522 519	2 848 587	3 263 047

CHANGES IN INTANGIBLE ASSETS

1 000 €	30.9.2010	30.9.2009	31.12.2009
Opening net book amount	16 161	21 787	21 787
Increase	11 275	4 730	6 380
Decrease	-6 149	-10 620	-10 620
Depreciation and impairment charges	-995	-1 043	-1 386
Closing net book amount	20 292	14 854	16 161

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 2009.

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values of the derivative financial instruments

1 000 €	30.9.2010	30.9.2009	31.12.2009
Interest rate option agreements			
Purchased	210 000	810 000	810 000
Written	210 000	810 000	810 000
Interest rate swaps	1 218 446	1 448 446	1 268 446
Forward foreign exchange contracts	101 830	133 779	130 561
Total	1 740 276	3 202 225	3 019 007

Fair values of the derivative financial instruments 1 000 €	30.9.2010			30.9.2009			31.12.2009		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
Interest rate option agreements (non-hedge accounted)									
Purchased	0	0	0	178	0	178	114	0	114
Written	0	-2 543	-2 543	0	-10 575	-10 575	0	-7 519	-7 519
Interest rate swaps (hedge accounted)	0	-51 190	-51 190	0	-48 279	-48 279	0	-36 795	-36 795
Interest rate swaps (non-hedge accounted)	306	-29 685	-29 379	0	-20 465	-20 465	159	-25 712	-25 553
Forward foreign exchange contracts (hedge accounted)	4 649	-1 229	3 420	419	-6 381	-5 962	649	-3 899	-3 250
Forward foreign exchange options (non-hedge accounted)	0	0	0	0	0	0	131	-541	-410
Total	4 955	-84 647	-79 692	597	-85 700	-85 103	1 053	-74 466	-73 413

BONDS

In June, TVO updated and increased the size of the Euro Medium Term Note Program (EMTN) to EUR 2.5 billion. During 2010, TVO has issued six SEK private placements under the program totalling SEK 2,120 million. In addition, TVO has issued a USD 100 million US private placement.

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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 €	30.9.2010	30.9.2009	31.12.2009
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	800 208	619 376	633 484
Provision related to nuclear waste management (non-current liabilities)	800 208	619 376	633 484

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 €	30.9.2010	30.9.2009	31.12.2009
Liability for nuclear waste management according to the Nuclear Energy Act	1 160 700	1 137 600	1 160 700
TVO's funding target obligation 2010 (2009) to the Finnish State Nuclear Waste Management Fund	1 069 800	1 001 200	1 069 800
TVO's share in the Finnish State Nuclear Waste Management Fund	1 069 800	1 001 200	1 026 180
Difference between the liability and TVO's share of the fund	90 900	136 400	134 520

The costs of decommissioning of the power plant and disposal of spent fuel are covered by the provision related to the nuclear waste management obligation. Cost estimates are updated annually and the technical plans every third year.

Cost estimate based on the new technical plan of nuclear waste management obligation was updated in June 2010. The accounting principles of the provision related to nuclear waste management were updated; discount rate 5.5% (earlier 5.2%) and inflation 3.0% (earlier 2.2%). Updated cost estimate together with the revised accounting principles increased the provision related to nuclear waste management, the amount of materials and services and finance expenses. The net effect on profit for the period is positive because the amount of the share in the Finnish State Nuclear Waste Management Fund and the provision related to nuclear waste management are equal and the difference is entered as an adjustment to materials and services. The provision on balance sheet compared to the value at the end of the previous year was increased by EUR 158.0 million of which EUR 106.5 million was due to changes in the accounting principles. The effect of revised cost estimate and the changes in the accounting principles to the consolidated income statement were about EUR 119 million decrease in materials and services and about EUR 85 million increase in finance expenses.

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 43.5 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 2010 is EUR 1,069.8 million. The carrying amount in the balance sheet is EUR 802.2 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.

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OBLIGATIONS AND OTHER COMMITMENTS

Pledged promissory notes and financial guarantees

€million	30.9.2010	30.9.2009	31.12.2009
Pledged promissory notes to the Finnish State Nuclear Waste Management Fund	751	751	751
Guarantees given by shareholders related to the nuclear waste management obligation	220	254	254

Investment commitments

€million	30.9.2010	30.9.2009	31.12.2009
Investment commitments:			
OL1 and OL2	47	75	69
OL3	680	1 039	686
Total	727	1 114	755

Pending Court Cases and Disputes

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