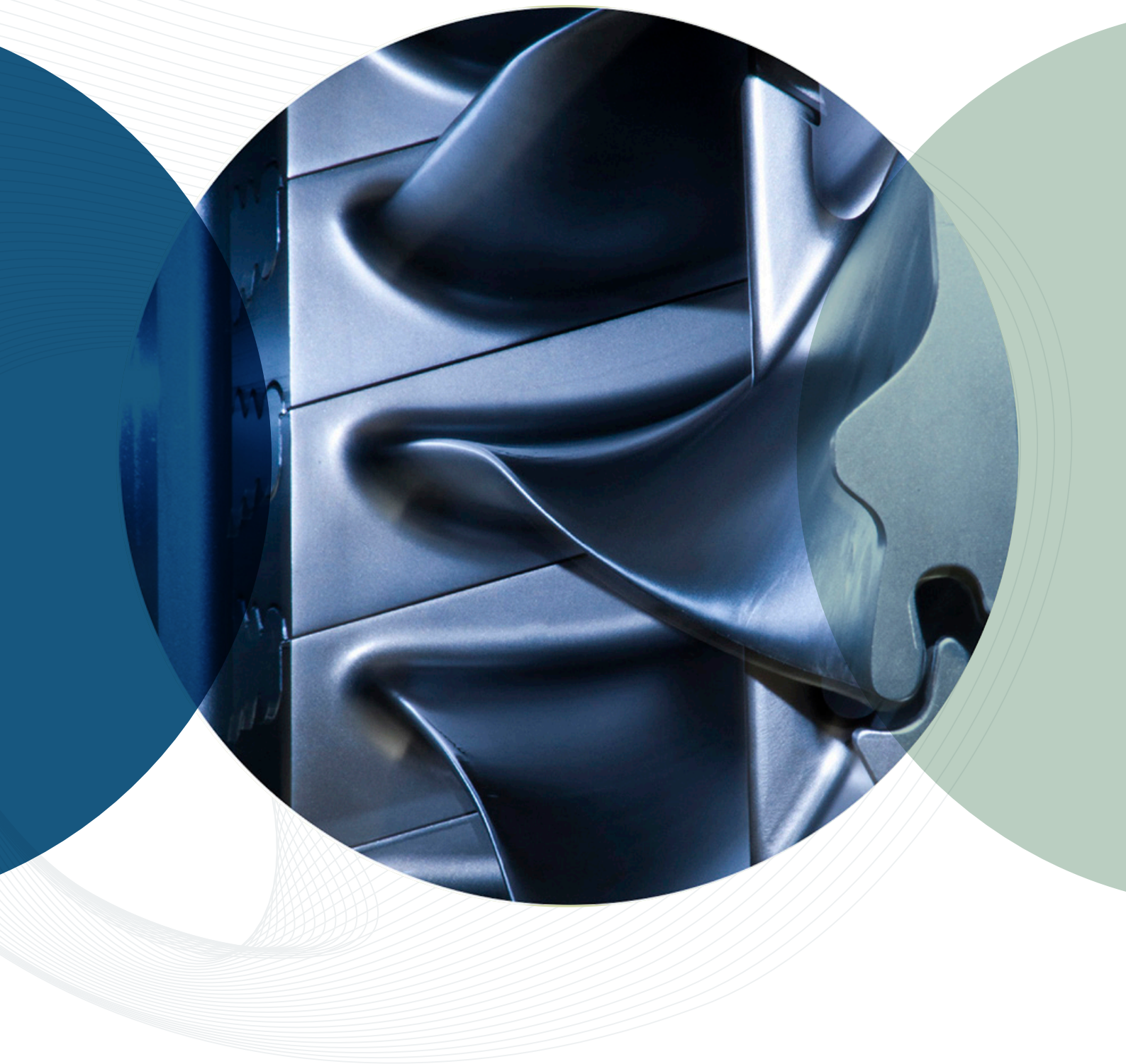




WELL-BEING WITH
NUCLEAR ELECTRICITY



Interim Report

January-March 2016

Teollisuuden Voima Oyj's Interim Report January 1–March 31, 2016

During the first quarter of the year, Teollisuuden Voima's electricity generation at Olkiluoto 1 and Olkiluoto 2 plant units continued safely and reliably. Testing of the process instrumentation and control systems of Olkiluoto 3 plant unit commenced in Olkiluoto, and the safety automation systems were transferred from Erlangen, Germany, to Olkiluoto. Posiva is preparing for the construction of the encapsulation plant and final repository for spent nuclear fuel.

Operating Environment

The energy sector is in the midst of a transition which may take several years. The economic stagnation has led to a drop in demand. On the other hand, the electricity supply has increased since different subsidy mechanisms promote investments in renewable energy, especially in wind power. As a result the market price of electricity has significantly fallen in the past few years.

During the first quarter of the year, the use of electricity in Finland increased by 5.9 percent compared to the corresponding period of the previous year.

In 2015, the Finnish Government launched the preparation of a new energy and climate strategy. In February 2016, the Ministry of Employment and the Economy (MEE) presented energy policy scenarios for assessing the need for energy and climate policy guidelines in Finland. The strategy will be submitted as a Government Report to Parliament by the end of 2016.

The European Commission's proposal for redesigning the electricity market legislation as well as the European Parliament's report on the electricity market progressed on schedule. The Parliament will vote on the draft report in June 2016, and the Commission will most likely give its proposal in December 2016.

Financial Performance

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

The consolidated turnover for the period under review January 1–March 31, 2016 was EUR 92.8 (January 1–March 31, 2015: EUR 79.0) million. The amount of electricity delivered to shareholders was 4,049.5 (3,434.7) GWh. The higher delivery volume of electricity to shareholders was due to increased delivery volumes of both OL2 and the Meri-Pori coal-fired power plant compared to the previous year.

The consolidated profit/loss was EUR 6.3 (0.3) million.

Financing and Liquidity

TVO's financial situation has developed as planned.

TVO's liabilities (non-current and current) at the end of the period under review, excluding the loan from the Finnish State Nuclear Waste Management Fund relented to shareholders, totaled EUR 4,077.0 (December 31, 2015: 3,987.5) million, of which EUR 479.3 (479.3) million were subordinated shareholder loans. During the period under review, TVO raised a total of EUR 0.0 (500.0) million in non-current liabilities. Repayments during the period under review amounted to EUR 0.0 (58.2) million.

In February, Japan Credit Rating Agency (JCR) kept unchanged its AA- rating for TVO and evaluated the Company's future outlook as stable.

In February, TVO signed a new revolving credit facility (the "Facility") of EUR 1,300 million. The Facility refinances TVO's existing revolving credit facility signed in March 2011 and consists of two tranches: EUR 1,000 million 5-year tranche and EUR 300 million 3 year tranche. Both tranches include two one-year extension options. The Facility will be used for general corporate purposes.

The OL3 project's share of financing costs has been capitalized in the balance sheet.

TVO uses its right to borrow funds back from the Finnish State Nuclear Waste Management Fund within the framework of legal regulations. On March 31, 2016 the amount of the loan was EUR 1,027.1 (December 31, 2015: 1,009.1) million and it has been relented to the Company's A-series shareholders. On March 31, 2016 loan from the Finnish State Nuclear Waste Management Fund was increased by EUR 18.0 (26.3) million.

Nuclear Power

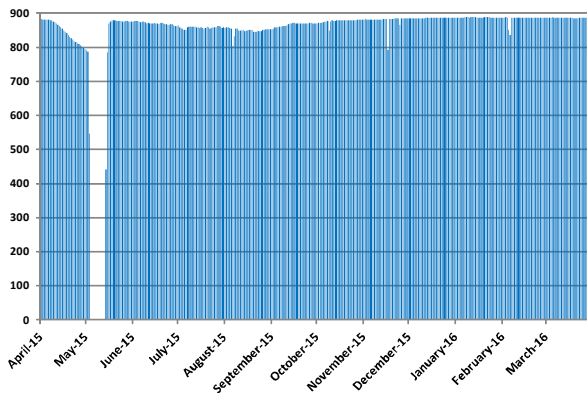
Olkiluoto 1 and Olkiluoto 2

The electricity production of the Olkiluoto power plant units, Olkiluoto 1 (OL1) and Olkiluoto 2 (OL2), during the period under review was 3,882 (3,404) GWh. The total load factor was 100.0 (89.7) per cent.

The plant units operated safely during the period under review. OL1's net production was 1,935 (1,903) GWh and the load factor 100.0 (100.0) %. OL2's net production was 1,947 (1,501) GWh and the load factor 100.0 (79.1) %.

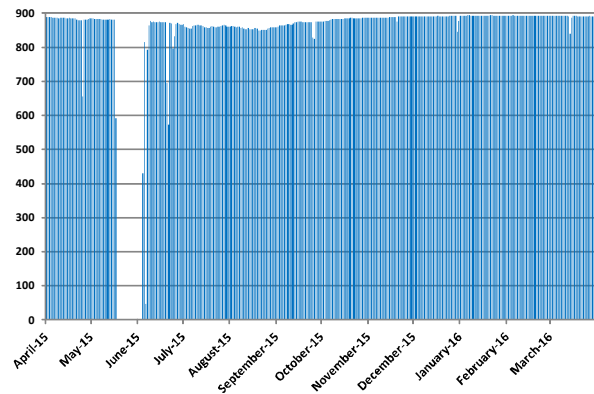
Olkiluoto 1

Average electrical power MW
April 1, 2015–March 31, 2016



Olkiluoto 2

Average electrical power MW
April 1, 2015–March 31, 2016



Olkiluoto 3

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

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

Most of the construction works for the plant unit have been completed. The installation of the electrical systems, the instrumentation and control system (I&C), and mechanical systems is still in progress. Test runs with the I&C commenced in January 2016.

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

The workforce at the site at the end of the period under review was about 2,400 persons. Occupational safety at the site remained at a good level.

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

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

Nuclear Fuel

During the period under review, nuclear fuel purchases amounted to EUR 19.9 (20.1) million and the amount consumed to EUR 13.6 (13.5) million.

The nuclear fuel and uranium stock carrying value on March 31, 2016 was EUR 230.5 (December 31, 2015: 224.2) 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.

An application for a building permit for the disposal facility for spent nuclear fuel was submitted to the municipality of Eurajoki in March. The application material was also submitted to the Satakunta Rescue Service and the Radiation and Nuclear Safety Authority for statements. Preparations for the construction of the encapsulation plant have started and the area is being cleared. The last excavation stage in the ONKALO research facility began in March. The contract covers the excavation work for both the driving tunnels to the final disposal area and the service and parking facility at the depth of 430–440 meters underground.

The liabilities in the consolidated financial statement show a provision related to nuclear waste management liability of EUR 978.4 (December 31, 2015: 971.2) 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 2015, MEE set TVO's liability for nuclear waste management at EUR 1,369.4 (1,349.1) million to the end of 2015 and the Company's funding target for 2016 at EUR 1,369.4 (1,345.4) million.

In March 2016, the Finnish State Nuclear Management Fund confirmed TVO's nuclear waste management fee for 2015 at EUR 11.4 (20.8) million, which was paid into the Fund on March 31, 2016 (March 31, 2015). The nuclear waste management fee for 2016 will be confirmed in March 2017.

Coal Power

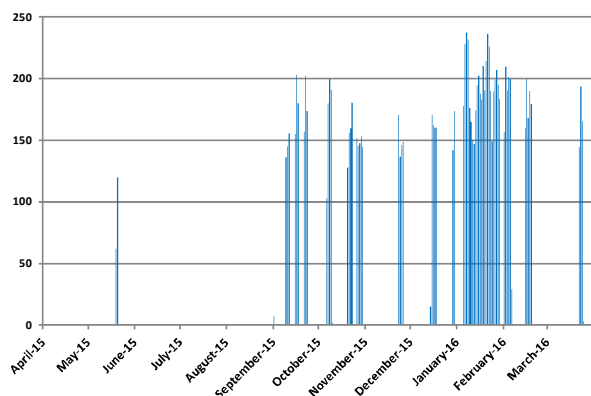
Meri-Pori

The amount of electricity produced by TVO's share at the Meri-Pori coal-fired power plant on January 1–March 31, 2016 was 173.8 (39.3) GWh requiring 61.7 (14.1) thousand tons of coal and 147.4 (32.4) thousand tons of carbon dioxide emission rights.

TVO's share of Meri-Pori's production

Average electrical power MW

April 1, 2015–March 31, 2016



Acquisitions of Tangible and Intangible Assets and Shares

Investments during the period under review were EUR 63.4 (60.0) million. Investments of the parent company were EUR 61.8 (59.7) million, of which EUR 58.2 (49.2) million was allocated to the OL3 project.

At present, several plant modifications are planned and implemented in Olkiluoto to prepare the OL1 and OL2 plant units for the renewal of the operating license in 2018.

During the period under review, emission rights were acquired worth 0.8 (0.3) million. The Company's need for carbon dioxide emission rights for the period under review will be covered by acquired emission rights.

Pending Court Cases and Disputes

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

The proceedings were initiated in December 2008 by the OL3 Supplier. The Supplier's monetary claim, updated in February 2016, is approximately EUR 3.52 billion in total. The sum is based on the Supplier's updated analysis of events that occurred through September 2014, with certain claims quantified to December 31, 2014. The sum includes penalty interest (calculated to June 30, 2016) and payments allegedly delayed by TVO under the plant contract amounting to a combined total of approximately EUR 1.45 billion, as well as approximately EUR 135 million in alleged loss of profit. TVO has considered and found the earlier claims by the Supplier to be without merit, and will scrutinize the updated claim.

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

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 753 (December 31, 2015: 749, March 31, 2015: 821). The number of permanent employees in the Group at the end of the period under review was 732 (December 31, 2015: 731, March 31, 2015: 772).

Based on the personnel survey 2015, TVO has initiated a new program *Tulokselliset ja hyvinvoivat tekijät 2020* (“Productive and prospering experts”). The program will focus on the items identified in the personnel survey. As part of the program, among other things, a Well-being at work 2016 program was launched.

In early 2016, TVO also launched a company-wide competence survey project. The aim of the project is to ensure successful commissioning of OL3 and safe operations of all the Olkiluoto plant units, including Posiva's final disposal facility.

Annual General Meeting

TVO's Annual General Meeting was held on March 23, 2016. The AGM approved the financial statements for 2015, 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 also chose 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 2015.

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. Commissioning of the process systems is planned to start in the spring. At the same time, the operating license application addressed to the Government will be submitted to the Finnish Ministry of Employment and the Economy. TVO will continue to support the Supplier to complete the project.

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

Posiva is preparing to start the construction projects of the encapsulation plant and final repository.

Events after the Period under Review

In early April, defective fuel rods were detected at OL1. Therefore, three fuel elements were removed from the reactor and replaced with new ones. The electricity generation at the plant unit was interrupted from April 11 to April 16.

On April 14, 2016, TVO submitted the Operating License application for OL3 to the Finnish Government. TVO expects to obtain the operating license towards the end of 2017. After the license has been granted, nuclear commissioning will commence.

April 22, 2016

Teollisuuden Voima Oyj
Board of Directors

KEY FIGURES OF TVO GROUP

TVO GROUP (IFRS) (M€)	1.1. - 31.3.2016	1.1. - 31.3.2015	1.1. - 31.12.2015
Turnover	93	79	276
Profit/loss for the period	6	0	5
Investments ¹⁾	63	60	345
Equity	1 595	1 605	1 612
Subordinated shareholder loans (hybrid equity) (included in the former) ³⁾	479	439	479
Non-current and current interest-bearing liabilities (excluding loan from VYR) ²⁾	3 749	3 787	3 654
Loan from VYR ²⁾	1 027	1 009	1 009
Provision related to nuclear waste management	978	937	971
Balance sheet total	7 482	7 468	7 464
Equity ratio % ⁴⁾	29,1	29,1	29,4
Average number of personnel	751	827	794

¹⁾ Acquisitions of property, plant and equipment, intangible assets and shares are based on gross investments.

²⁾ The Finnish State Nuclear Waste Management Fund (VYR)

³⁾ Subordinated loans

⁴⁾ Equity ratio % = 100 x $\frac{\text{equity}}{\text{balance sheet total} - \text{provision related to nuclear waste management} - \text{loan from the Finnish State Nuclear Waste Management Fund}}$

KEY FIGURES OF TEOLLISUUDEN VOIMA OYJ

TEOLLISUUDEN VOIMA OYJ (FAS) (M€)	1.1. - 31.3.2016	1.1. - 31.3.2015	1.1. - 31.12.2015
Parent company's interim financial statement has been made in accordance with the Finnish Accounting Standards (FAS).			
Turnover	92	79	273
Profit/loss before appropriations	7	1	7
Fuel costs	18	15	59
Nuclear waste management costs	22	13	38
Capital expenditure (depreciation and financial income and expenses)	13	14	111
Investments ¹⁾	62	60	344
Equity	858	858	858
Appropriations	187	174	180
Non-current and current interest-bearing liabilities (excluding loan from VYR and shareholder loans) ²⁾	3 598	3 628	3 509
Loans from equity holders of the company ³⁾	479	439	479
Loan from VYR ²⁾	1 027	1 009	1 009
Balance sheet total	6 282	6 237	6 252
Equity ratio % ⁴⁾	29,0	28,1	28,9
Average number of personnel	750	823	791

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. - 31.3.2016	1.1. - 31.3.2015	1.1. - 31.12.2015
Nuclear power	3 876	3 396	14 238
Coal-fired power	174	39	167
Total	4 050	3 435	14 405

TVO GROUP

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

EUR 1 000	1.1. - 31.3.2016	1.1. - 31.3.2015	1.1. - 31.12.2015
Turnover	92 755	79 012	275 746
Work performed for own purposes	2 424	2 726	9 137
Other income	2 931	2 181	96 950
Materials and services	-33 693	-22 325	-71 647
Personnel expenses	-13 477	-16 733	-59 186
Depreciation and impairment charges	-13 549	-14 214	-114 615
Other expenses	-20 439	-20 305	-89 036
Operating profit/loss	16 952	10 342	47 349
Finance income	4 664	6 345	22 284
Finance expenses	-15 348	-16 354	-65 008
Total finance income and expenses	-10 684	-10 009	-42 724
Profit/loss before income tax	6 268	333	4 625
Income taxes	-1	-1	0
Profit/loss for the period	6 267	332	4 625

Profit/loss for the period attributable to:

Equity holders of the company	6 267	332	4 625
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 1 000	1.1. - 31.3.2016	1.1. - 31.3.2015	1.1. - 31.12.2015
Profit/loss for the period	6 267	332	4 625
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	109	5 240	-23 412
Cash flow hedges	-22 012	25 525	19 911
Total other comprehensive profit/loss items for the period	-21 903	30 765	-3 501
Total comprehensive profit/loss for the period	-15 636	31 097	1 124

Total comprehensive profit/loss for the period attributable to:

Equity holders of the company	-15 636	31 097	1 124
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TVO GROUP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Assets			
Non-current assets			
Property, plant and equipment	4 899 945	4 672 691	4 852 768
Intangible assets	7 976	8 167	7 128
Loans and other receivables	1 030 465	1 012 618	1 012 464
Investments in joint ventures	1 009	1 009	1 009
Investments in shares	1 934	30 865	1 934
Derivative financial instruments	90 850	122 573	110 469
Share in the Finnish State Nuclear Waste Management Fund	978 411	937 047	971 241
Total non-current assets	7 010 590	6 784 970	6 957 013
Current assets			
Inventories	253 156	250 258	250 420
Trade and other receivables	49 025	42 610	31 496
Derivative financial instruments	9 933	13 014	4 441
Fund units	50 494	200 232	100 385
Cash and cash equivalents	109 178	176 428	120 236
Total current assets	471 786	682 542	506 978
Total assets	7 482 376	7 467 512	7 463 991
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	-9 322	46 847	12 581
Subordinated shareholder loans (hybrid equity)	479 300	439 300	479 300
Retained earnings	276 171	270 372	271 542
Total equity	1 594 725	1 605 095	1 611 999
Liabilities			
Non-current liabilities			
Provision related to nuclear waste management	978 411	937 047	971 241
Loan from the Finnish State Nuclear Waste Management Fund	1 027 050	1 009 050	1 009 050
Bonds	2 488 354	2 759 091	2 480 900
Other financial liabilities	462 279	748 600	642 370
Derivative financial instruments	47 647	39 047	37 030
Total non-current liabilities	5 003 741	5 492 835	5 140 591
Current liabilities			
Current financial liabilities	743 897	238 809	493 307
Derivative financial instruments	6 588	1 647	755
Advance payments received	44 461	38 829	22 241
Trade payables	6 606	16 895	12 971
Other current liabilities	82 358	73 402	182 127
Total current liabilities	883 910	369 582	711 401
Total liabilities	5 887 651	5 862 417	5 851 992
Total equity and liabilities	7 482 376	7 467 512	7 463 991

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 1.1.2016	606 193	242 383	12 581	479 300	271 542	1 611 999	1 611 999
Profit/loss for the period	0	0	0	0	6 267	6 267	6 267
Other comprehensive items:							
Changes in fair values of the available-for-sale investments	0	0	109	0	0	109	109
Cash flow hedges	0	0	-22 012	0	0	-22 012	-22 012
Subordinated shareholder loans (hybrid equity)	0	0	0	0	0	0	0
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	0	0	-1 638	-1 638	-1 638
Equity 31.3.2016	606 193	242 383	-9 322	479 300	276 171	1 594 725	1 594 725

EUR 1 000	Share capital	Share premium reserve and statutory reserve	Fair value and other reserves	Subordinated shareholder loans (hybrid equity)	Retained earnings	Attributable to equity holders of the company	Total equity
Equity 1.1.2015	606 193	242 383	16 082	439 300	271 160	1 575 118	1 575 118
Profit/loss for the period	0	0	0	0	332	332	332
Other comprehensive items:							
Changes in fair values of the available-for-sale investments	0	0	5 240	0	0	5 240	5 240
Cash flow hedges	0	0	25 525	0	0	25 525	25 525
Subordinated shareholder loans (hybrid equity)	0	0	0	0	0	0	0
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	0	0	-1 120	-1 120	-1 120
Equity 31.3.2015	606 193	242 383	46 847	439 300	270 372	1 605 095	1 605 095

TVO GROUP

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Operating activities			
Profit/loss for the period	6 267	332	4 625
Adjustments:			
Income tax expenses	1	1	1
Finance income and expenses	10 684	10 009	42 724
Depreciation and impairment charges	13 549	14 214	114 615
Other non-cash flow income and expenses	-10 478	-9 628	-43 493
Sales profit/loss of property, plant and equipment and shares	0	0	-27 978
Change in working capital:			
Increase (-) or decrease (+) in non-interest-bearing receivables	-23 799	-15 711	525
Increase (-) or decrease (+) in inventories	-1 892	-9 903	-10 889
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	19 024	12 536	-2 705
Interest paid and other finance expenses	-2 538	-4 079	-6 775
Dividends received	0	0	1 219
Interest received	8 100	9 912	10 001
Taxes paid	-2	-1	-1
Cash flow from operating activities	18 916	7 682	81 869
Investing activities			
Acquisition of property, plant and equipment	-168 236	-83 958	-256 586
Proceeds from sale of property, plant and equipment	0	0	6
Acquisition of intangible assets	-358	-277	-1 095
Acquisition of shares	0	0	-135
Proceeds from sale of shares	0	0	28 248
Loan receivables granted	-18 000	-26 250	-26 234
Repayments of loans granted	0	0	274
Cash flow from investing activities	-186 594	-110 485	-255 522
Financing activities			
Withdrawals of subordinated shareholder loans (hybrid equity)	0	0	100 000
Repayment of subordinated shareholder loans (hybrid equity)	0	0	-60 000
Withdrawals of long-term loans	18 000	526 250	526 250
Repayment of long-term loans	-849	-59 071	-164 309
Investments in fund units	50 000	-200 000	-100 000
Interest paid of subordinated shareholder loans (hybrid equity)	0	0	-4 311
Increase (-) or decrease (+) in interest-bearing receivables	0	0	12
Increase (+) or decrease (-) in current financial liabilities	89 469	-101 366	-117 171
Cash flow from financing activities	156 620	165 813	180 471
Change in cash and cash equivalents	-11 058	63 010	6 818
Cash and cash equivalents at the beginning of period	120 236	113 418	113 418
Cash and cash equivalents at the end of period	109 178	176 428	120 236

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 2015. Additionally the changes according to the revised IAS/IFRS standards have been adopted.

MANAGEMENT'S CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of Interim Report requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. The actual results may differ from these estimates. Significant assumptions made by the management in applying Group's accounting policies and crucial uncertainties were the same as the ones applied to the annual financial statements as for the year ended on 31 December 2015.

TVO GROUP

SEGMENT REPORTING**Segment structure in TVO**

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

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

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

Segment calculation principles

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

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

TURNOVER BY SEGMENTS

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Nuclear power	84 289	74 333	256 843
Coal-fired power	8 466	4 679	18 903
Total	92 755	79 012	275 746

PROFIT/LOSS FOR THE PERIOD BY SEGMENTS

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Nuclear power	7 808	1 784	10 823
Coal-fired power	-655	-545	-3 506
Profit/loss before appropriations (FAS)	7 153	1 239	7 317
The impact of the nuclear waste management obligation	-1 072	-1 051	-3 258
The impact of financial instruments	5	19	27
Other IFRS adjustments	181	125	539
Total (IFRS)	6 267	332	4 625

ASSETS BY SEGMENTS

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Nuclear power	6 251 500	6 190 629	6 218 056
Coal-fired power	30 978	47 044	34 562
Total (FAS)	6 282 478	6 237 673	6 252 618
The impact of the nuclear waste management obligation	1 090 227	1 052 143	1 084 129
The impact of financial instruments	65 545	99 165	81 771
The impact of finance leases	58 310	60 007	58 310
Other IFRS adjustments	-14 184	18 524	-12 837
Total (IFRS)	7 482 376	7 467 512	7 463 991

TVO GROUP

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Opening net book amount	4 852 768	4 628 318	4 628 318
Increase	62 253	59 442	342 846
Decrease	-1 795	-1 623	-8 715
Depreciation and impairment charges	-13 281	-13 935	-113 501
Accumulated depreciation from deduction	0	489	3 820
Closing net book amount	4 899 945	4 672 691	4 852 768

CHANGES IN INTANGIBLE ASSETS

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Opening net book amount	7 128	7 893	7 893
Increase	1 115	553	2 282
Decrease	0	0	-1 932
Depreciation and impairment charges	-267	-279	-1 115
Closing net book amount	7 976	8 167	7 128

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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 2015.

DERIVATIVE FINANCIAL INSTRUMENTS

Nominal values of the derivative financial instruments *

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Interest rate swaps	2 129 518	1 151 446	1 809 518
Forward foreign exchange contracts and swaps	148 105	187 398	159 508
Cross-currency swaps	856 898	872 195	856 963
Total	3 134 521	2 211 040	2 825 989

Fair values of the derivative financial instruments *	31.3.2016			31.3.2015			31.12.2015		
	Positive	Negative	Total	Positive	Negative	Total	Positive	Negative	Total
EUR 1 000									
Interest rate swaps									
Cash flow hedges	0	-31 649	-31 649	0	-22 329	-22 329	0	-17 731	-17 731
Fair value hedges	35 768	-1 843	33 925	36 215	0	36 215	25 876	0	25 876
Non-hedges	0	0	0	0	-655	-655	0	-176	-176
Forward foreign exchange contracts and swaps									
Cash flow hedges	21 118	-228	20 890	39 319	-105	39 214	30 304	-475	29 829
Non-hedges	0	0	0	0	0	0	0	0	0
Cross-currency swaps									
Non-hedges	43 898	-20 515	23 383	60 053	-17 605	42 448	58 731	-19 404	39 327
Total	100 783	-54 235	46 549	135 587	-40 694	94 893	114 910	-37 785	77 125

* Cross-currency swaps related to Private Placements included.

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

EUR 1 000	31.3.2016			31.12.2015		
	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		43 898			58 731	
Derivative financial instruments designated as cash flow hedges		21 118			30 304	
Derivative financial instruments designated as fair value hedges		35 768			25 876	
Available-for-sale investments						
Investments in listed companies	0			0		
Investments in other stocks and shares			0			0
Total	0	100 783	0	0	114 910	0
Financial liabilities at fair value						
Derivative financial instruments at fair value through profit or loss		20 515			19 580	
Derivative financial instruments designated as cash flow hedges		31 877			18 205	
Derivative financial instruments designated as fair value hedges		1 843			0	
Total	0	54 235	0	0	37 785	0

On 31 March 2016, TVO has also unquoted shares worth EUR 1,934 (1,934) thousand that are measured at acquisition cost because their fair value cannot be reliably determined.

Fair value estimation

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

BOOK VALUES OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES

EUR 1 000	31.3.2016			31.12.2015		
	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*	2 950 633	2 950 633	3 039 449	3 123 270	3 123 270	3 173 706

* Bonds and EUR-fixed loans included

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

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ASSETS AND PROVISION RELATED TO NUCLEAR WASTE MANAGEMENT OBLIGATION

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

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
The carrying value of TVO's share in the Finnish State Nuclear Waste Management Fund (non-current assets)	978 411	937 047	971 241
Provision related to nuclear waste management (non-current liabilities)	978 411	937 047	971 241

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

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
Liability for nuclear waste management according to the Nuclear Energy Act	1 369 400	1 349 100	1 369 400
Funding target obligation	1 369 400	1 345 400	1 369 400
TVO's share in the Finnish State Nuclear Waste Management Fund	1 369 400	1 345 400	1 357 800
Difference between the liability and TVO's share of the fund	0	3 700	11 600

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

TVO contributes funds to the Finnish State Nuclear Waste Management Fund to cover future obligations based on the legal liability calculated according to the Nuclear Energy Act. The difference between the funding obligation target decided by the Ministry of Employment and the Economy (MEE) and TVO's actual share of the Finnish State Nuclear Waste Management Fund is paid in Q1 each year. TVO's share in the Finnish State Nuclear Waste Management Fund on March 31, 2016 is EUR 1,369.4 million. The carrying amount in the balance sheet is EUR 978.4 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.

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	31.3.2016	31.3.2015	31.12.2015
Pledged promissory notes to the Finnish State Nuclear Waste Management Fund	1 027 050	1 009 050	1 009 050
Guarantees given by shareholders related to the nuclear waste management obligation	137 620	152 710	137 620

Investment commitments

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

EUR 1 000	31.3.2016	31.3.2015	31.12.2015
OL1 and OL2	137 000	134 000	140 000
OL3	789 000	800 000	692 000
Total	926 000	934 000	832 000

Pending Court Cases and Disputes

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