

Interim Report

1 January 2016 – 31 March 2016



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Summary of Q1 Results

Dear reader

The first quarter of 2016 was somewhat a period of opposites. In the cold of January, our power plants set a number of consecutive electricity production records of the independence period – at the peak time we supplied to the grid over 2,100 MW of electricity per hour. This was tangible proof of how necessary Eesti Energia's power generation capacities are for the region and allowed to export massive quantities of electricity to both Finland and Latvia. However, in February electricity prices were very low, mostly because of exceptionally warm weather.

The first quarter also saw the launch of the NordBalt submarine cable that links the Lithuanian and Swedish power systems and further integrates the Baltic region with the Nordic electricity market. On the one hand, the cable provides the Baltic countries with Scandinavia's cheap nuclear and hydro energy which reduces congestion across the Baltics. On the other hand, the submarine power link allows us to increase electricity sales to Latvia as it reduces long-term network overload on the border between Estonia and Latvia. Interconnections between Estonia and Latvia and sufficient transmission capacities are essential for electricity export. Hopefully, by 2020 there will be additional transmission capacities between Estonia and Latvia. In the first quarter, the average electricity price in the Estonian area of the Nord Pool power exchange was 31.8 €/MWh, 2% lower than a year ago.

At the beginning of the year, the oil markets were oversupplied and the world market price of oil on which the sales price of our shale oil depends plunged to the past 12 years' lowest level – a barrel of Brent crude cost 23.7 euros. In addition to the oil industry, this hit the Estonian oil shale industry. In March, the government decided to respond to the situation by lowering the resource and environmental charges levied on oil shale in order to maintain the oil

shale industry's contribution to public revenue. The change in legislation, which takes effect in July, will lower our break-even cost. It will help us overcome the hard times and retain jobs and production capacities until market prices recover. Although in March the oil price rallied somewhat, the average price for the quarter remained at 30.5 euros, which is still 37% weaker than a year ago and times lower than the price level before the end of 2014.

Despite the harsh environment, Eesti Energia has remained a profitable company. We ended the first quarter of 2016 with sales revenues of 197 million euros, a 10% decrease compared with the same period last year. We generated EBITDA (earnings before interest, tax, depreciation and amortisation) of 60 million euros and earned a net profit of 19 million euros. Compared with the first quarter of 2015, EBITDA declined by 31% and net profit by 64%. The decrease in sales revenues is mainly attributable to weaker electricity and shale oil revenues resulting from the prices of both products having been low for a long time. However, first quarter profit decreased also due to by some one-off transactions which we did not have this year.

Eesti Energia's first quarter electricity sales revenue amounted to 90 million euros. Altogether, we sold in the retail and wholesale markets 2,016 GWh of electricity, 8% less than a year ago. In the months following the record-breaking beginning of the year, we have pursued our usual production model – in hours where the prices are higher we sell the maximum quantities of electricity to the power exchange and in hours where the prices are low we reduce the load of the Narva power plants so as not to weaken our performance indicators.

We have increased our electricity sales in Latvia and Lithuania where we operate under the Enefit brand. In the first quarter, our electricity sales in Latvia and Lithuania totalled 446 GWh, a 31% improvement year over year, and our market share in both countries as well as the whole Baltic region grew. Moreover, one

of the biggest successes was the winning of a contract for supplying electricity to the city of Riga by our Latvian subsidiary.

Our first quarter shale oil sales totalled 34 thousand tonnes, a 51% decrease compared with the same period last year. Sales volume was smaller due to lower oil prices, which made it more reasonable to increase shale oil inventories. Our shale oil output was 67 thousand tonnes, 21% smaller than a year ago. We took advantage of the low world market price time period by scheduling oil plant maintenance there. During the quarter, our new Enefit280 oil plant increased its output to 38 thousand tonnes and for the first time contributed more than half of our total shale oil output.

Eesti Energia's capital expenditures have decreased because a period of major capital outlays has reached its final phase. In the first quarter, the largest capital investments were made in the quality of the distribution network. We spent 18 million euros on renovating existing and building new substations and power lines, and continued installing smart meters. By the end of the quarter, smart meters accounted for 85% of all the power meters of Elektrilevi, the subsidiary that operates the distribution network. Transition to smart meters will be completed this year, which means that Estonia will have one of the smartest power networks in the world. A smarter network benefits both the network operator that can make more precise and smarter investments and the consumers who do not have to submit the reading and can better manage their electricity consumption.

At the Auvere power plant, the pre-delivery tests of the generating unit continued until February, after which electrostatic precipitators were adjusted to achieve the exceptionally low emission levels of the design specifications. Pre-delivery tests of the power plant will continue in the second quarter. Final delivery and acceptance of the power plant has also been scheduled for the second quarter.

In recent years the situation in the energy sector has changed radically and we carried out several streamlining projects. Last January we launched the Industry 3.5 programme with a view to reviewing all of Eesti Energia's core processes and identifying opportunities for increasing efficiency through digitalisation. We expect the programme to provide important input for our strategy.

In the near term, energy prices will remain volatile and we must be able to cope with it. We will continue development of our oil and electricity cogeneration technology because it is the most efficient oil shale processing technology in the world. New Enefit-technology based investments will depend, above all, on the recovery of the market. We are one of the largest renewable energy producers in the Baltics and have also development ambitions in that area.

Hando Sutter

CEO and Chairman of the Management Board of Eesti Energia

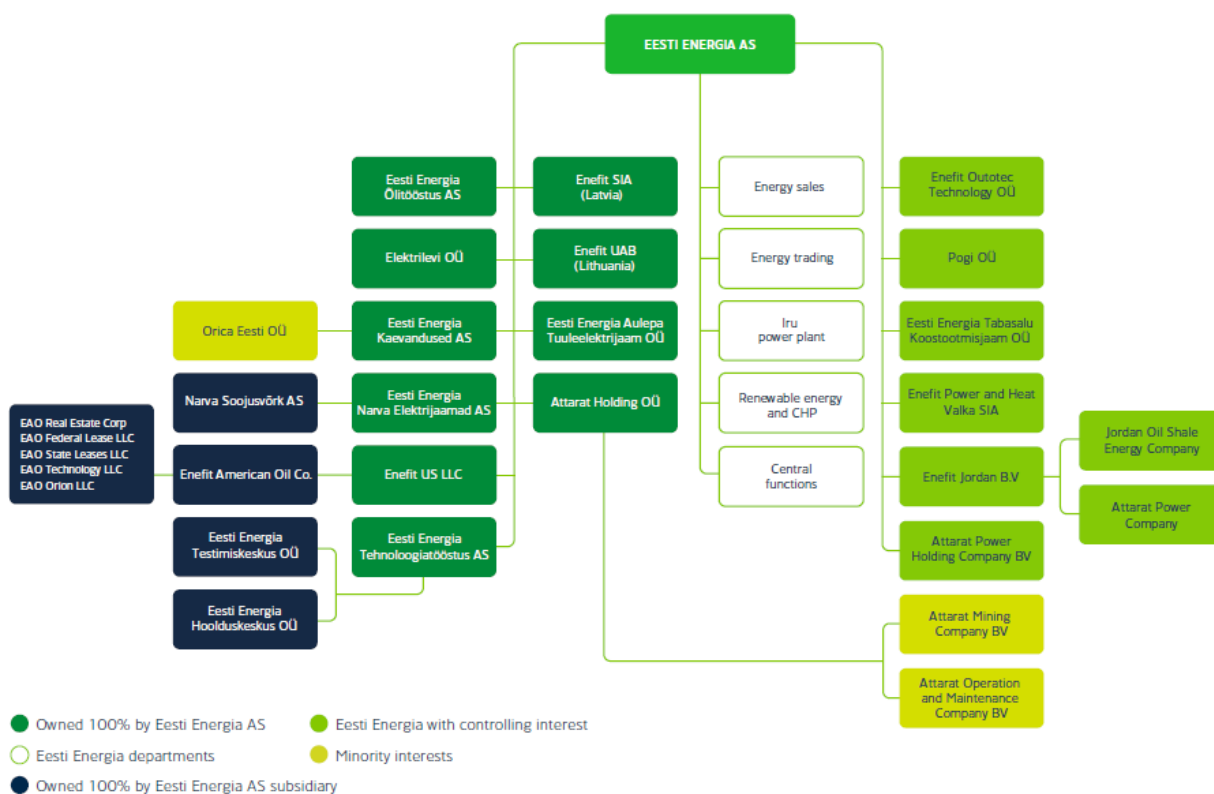
Summary of Eesti Energia

Eesti Energia is an international energy company that operates in the unified electricity market of the Baltic and Nordic countries. Its sole shareholder is the Republic of Estonia.

Eesti Energia offers energy solutions ranging from electricity, heat and fuel production to sales,

Legal Structure

customer service and ancillary energy services. Eesti Energia sells electricity to the Baltic retail customers and the wholesale market and Group entity Elektrilevi distributes electricity to customers in Estonia. Outside Estonia, the Group operates under the Enefit brand. With its approximately 5,900 employees, Eesti Energia is one of the largest employers in Estonia.



Key Figures and Ratios

		Q1 2016	Q1 2015	Change
Total electricity sales, of which	GWh	2,016	2,188	-7.8%
wholesale sales	GWh	243	631	-61.4%
retail sales	GWh	1,773	1,556	+13.9%
Electricity distributed	GWh	1,941	1,789	+8.5%
Shale oil sales	th t	34	70	-51.0%
Heat sales	GWh	549	460	+19.3%
Distribution grid losses	%	4.8	5.3	-0.5pp
Average number of employees	No.	5,873	6,545	-10.3%
Sales revenues	m€	197.0	219.8	-10.4%
EBITDA	m€	60.3	87.8	-31.4%
Operating profit	m€	25.0	52.8	-52.6%
Net profit	m€	19.4	54.7	-64.5%
Investments	m€	31.7	52.4	-39.5%
Cash flow from operating activities	m€	33.0	162.6	-79.7%
FFO	m€	57.4	83.3	-31.0%
Non-current assets	m€	2,547.1	2,537.6	+0.4%
Equity	m€	1,589.6	1,661.5	-4.3%
Net debt	m€	792.1	727.7	+8.8%
Net debt / EBITDA*	times	3.3	2.3	+44.7%
FFO* / net debt	times	0.27	0.30	-9.3%
FFO* / interest cover*	times	5.7	5.8	-3.3%
EBITDA* / interest cover*	times	6.3	8.6	-26.3%
Leverage	%	33.3	30.5	+2.8pp
ROIC*	%	1.2	8.0	-6.7pp
EBITDA margin	%	30.6	40.0	-9.4pp
Operating profit margin	%	12.7	24.0	-11.3pp

Definitions of ratios and terms are explained in the Glossary section of the report, page 43

* rolling 12 months result

Operating Environment

In Q1 2016, energy prices were lower than a year earlier. The business activities of Eesti Energia are connected with the Nordic region and global energy markets as well. Oil prices continue to be low, the market is oversupplied and demand is weaker than expected. In Q1, prices on the Nord Pool power exchange were low due to warmer than usual air temperature and cheap Swedish energy supplied to the Baltic countries via the NordBalt power cable linking Lithuania and Sweden that was opened in February.

According to the projections of the International Monetary Fund (IMF), the world economy will sustain growth in line with the previous years but growth is becoming more fragile. The IMF forecasts that in 2016 global growth will be 3.2% (+0.1pp compared with 2015), developed countries will grow by 1.9% (at the same rate as last year) and emerging market and developing economies will grow by 4.1% (+0.1pp). The US economy is expected to grow by 2.4% (at the same rate as last year) and the growth forecast for the euro area is 1.5% (-0.1pp).

Liquid Fuels Prices

In Q1 2016, the average Brent crude oil price was 30.5 €/bbl (-36.5%, -17.5 €/bbl compared with the same period last year).

Average price		Q1 2016	Q1 2015	Change
Brent crude oil	€/bbl	30.5	48.0	-36.5%
Fuel oil (1% sulphur content)	€/t	126.5	250.5	-49.5%
Fuel oil 1% crack spread	€/bbl	-11.9	-9.7	+22.7%
Euro exchange rate	EUR/USD	1.1041	1.1268	-2.0%

After trending downward for over a year, Brent crude hit a new low on 20 January 2016 when it fell to 23.7 €/bbl, its weakest level since 2004. In January the average price of Brent crude was 28.3 €/bbl and in February it did not change substantially. At the end of the quarter, the price of Brent crude recovered

slightly and the average price for March was 34.2 €/bbl.

In January, the price of Brent crude was driven down by factors which have had the strongest impact on the market during the past year: low demand in advanced industrial countries and abundant supply from OPEC and other producers. At the end of the month, chilly weather in Europe and the USA increased energy consumption, pushing the crude oil price above 30 €/bbl.

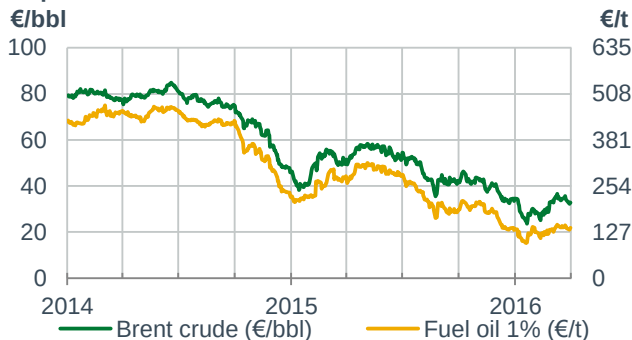
In February, OPEC announced that it would launch diplomatic efforts involving Russia in order to limit global oil output. On 16 February, Saudi Arabia, Qatar, Venezuela and Russia announced that oil production would be maintained at the level of January and would not be increased. In response to the news, the oil price rallied, closing at 33.2 €/bbl at the end of the month.

In March, the average crude oil price was the period's highest (34.2 €/bbl), primarily thanks to the production limitation announcement made by OPEC and its partners in February.

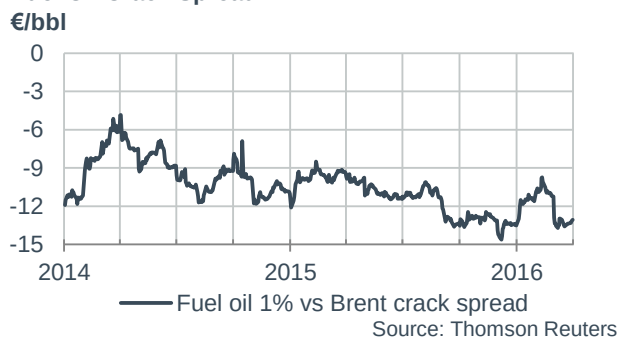
In Q1, the average price of fuel oil (1% sulphur content) was 126.5 €/t, 49.5% (-124.0 €/t) weaker than a year ago. Similarly to the oil price, fuel oil hit its recent years' lowest level in January when its average price dropped to 115.5 €/t. In Q1 2016, the crack spread which measures the difference between the prices of Brent crude oil and the fuel oil extracted from it was 2.2 €/bbl wider than a year ago. In January and February, the crack spread narrowed because fuel oil imports from Russia declined due to colder weather which increased local demand. At the same time, arbitrage opportunities to Asia increased. In March, the crack spread widened (-13.3 €/bbl) because the price of fuel oil did not grow at the same rate as that of Brent crude due to seasonal factors: the heating season was coming to an end, demand was weakening, and the need for air conditioning and cruise vessels' fuel consumption had not yet started

to grow. Moreover, in the last weeks of March arbitrage opportunities to Singapore were limited owing to abundant inventories in the region.

Liquid Fuels Prices



Fuel Oil Crack Spread



Source: Thomson Reuters

Emission Allowance Prices

In Q1, the average price of CO₂ emission allowance futures maturing in December 2016 was 21.5% lower than in 2015. During the quarter, the average price dropped from 6.9 €/t in January to 5.0 €/t in March.

CO₂ Emission Allowance Prices

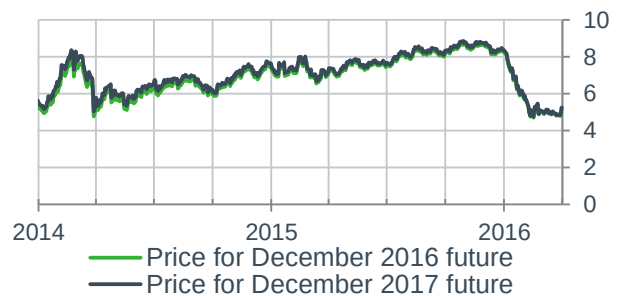
Average price (€/t)	Q1 2016	Q1 2015	Change
CO ₂ December 2013	5.6	7.2	-21.5%
CO ₂ December 2014	5.7	7.3	-22.1%

One of the reasons for the price decline is the general downturn in the oil and energy markets which also influences natural gas. When the price of natural gas whose carbon dioxide emissions are lower than those of traditional fossil fuels decreases, its use for energy production increases, which reduces demand for CO₂ emission allowances.

The carbon market was also influenced by the fact that in February the EU countries allocated free emission allowances, providing market players with allowances for free emission of 535 million tonnes of CO₂. This was done to help the EU industrial

enterprises maintain their competitiveness in comparison with companies operating in countries with more lenient environmental requirements.

Prices of CO₂ Emission Allowances, €/t



Source: Thomson Reuters

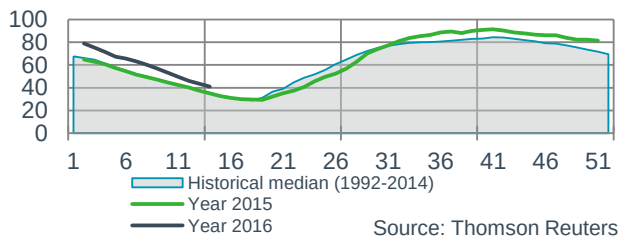
Electricity Prices

In Q1 2016, the average Nord Pool system price fell by 14.7% (-4.1 €/MWh) compared to Q1 2015. Electricity prices dropped in both the Nordic and the Baltic price areas although in January exceptionally cold weather raised electricity consumption to recent years' highest level. In February, demand for electricity decreased due to warmer than usual weather; in addition, the newly-launched NordBalt undersea cable that connects the Lithuanian and Swedish power systems began transmitting energy even though it was still officially in the test phase. As a result, in February the electricity price in Latvia and Lithuania dropped to a historic low of 29.7 €/MWh. Although in March prices in all Nord Pool market areas rose, they still remained exceptionally low.

Electricity Prices on Nord Pool (NP) Electricity Exchange

Average price (€/MWh)	Q1 2016	Q1 2015	Change
System price	24.0	28.1	-14.7%
Finland	30.4	32.1	-5.2%
Estonia	31.8	32.5	-2.0%
Latvia	36.7	37.1	-1.1%
Lithuania	37.1	37.1	+0.0%

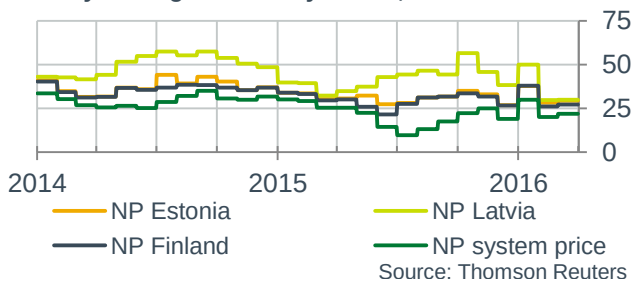
Week Levels of Nordic Water Reservoirs, % of Maximum



In Q1, the level of the Nordic hydro resources was substantially above that of a year ago and the historical median (+10 percentage points).

In 2015, heavy precipitation and above-average water quantities resulting from mountain snowmelt raised the Nordic hydro resources to their recent decades' highest level. The high level of water stored in the reservoirs by the end of last year is also reflected in the figures for Q1 2016. In March, the difference from Q1 2015 and the historical median decreased.

Monthly Average Electricity Prices, €/MWh



In Q1 2016, the average Finnish electricity price exceeded the Swedish one by 6.7 €/MWh (Q1 2015: 3.8 €/MWh). Similarly to previous periods, Finland's electricity production fell short of its domestic consumption. In Q1, the average electricity price in Estonia was 1.4 €/MWh higher than in Finland; compared with the same time last year, the price gap widened by 1.0 €/MWh.

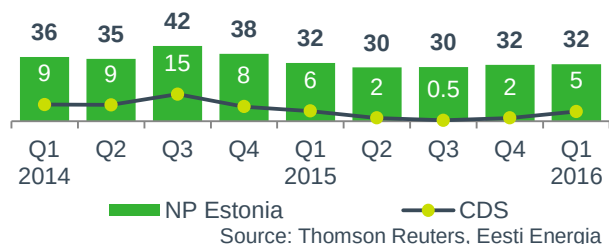
In January 2016, cold weather increased the average electricity price in the Estonian price area of the Nord Pool power exchange to 37.6 €/MWh, the highest level since October 2014 when the average price was 40.2 €/MWh. Exceptionally, in January the average electricity price in Estonia was lower than the one in Finland which was 37.8 €/MWh. Since 2013 when the Estonian electricity market was fully opened, this has occurred in five months. The difference is attributable

to strong electricity exports from Estonia to Finland, which in January totalled 49.7 GWh, more than twice the quantity supplied from Estonia to Finland in 2015 (24.5 GWh). From February, the price difference between Estonia and Finland normalised and the average electricity price in Estonia became higher than in Finland: by 2.2 €/MWh in February and 2.3 €/MWh in March.

In Q1 2016, the average price gap between the Estonian and Latvian price areas was 4.8 €/MWh with the price higher in Latvia. Compared with a year ago, the price gap widened by 0.2 €/MWh. In contrast to January when the average electricity price in Estonia was 12.4 €/MWh lower than in Latvia, since February the prices have been similar. In February, the NordBalt power link between Lithuania and Sweden began operating in a stable mode, supplying Lithuania, and through Lithuania also Latvia, with the cheaper Swedish nuclear and hydro energy. Thanks to warm weather, in February the Latvian and Lithuanian electricity price dropped to 29.7 €/MWh, a historic low for the area. In March, the NordBalt power cable which was still in the test phase continued to keep prices in the Latvian and Lithuanian price areas low. In the middle of March, there was a cable outage, which increased electricity prices in both Latvia and Lithuania; the price in Lithuania was further increased by the limitation of transmission capacity between Latvia and Lithuania, undertaken to prevent overload. In March, the average electricity price in Latvia was 29.9 €/MWh and in Lithuania 30.8 €/MWh.

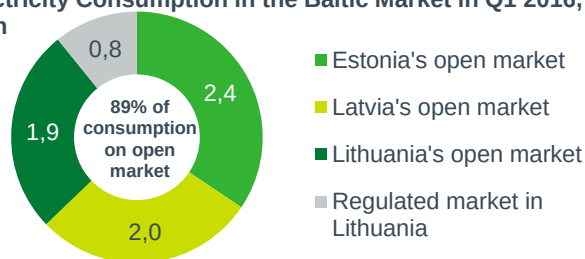
In Q1, Eesti Energia's clean dark spread (CDS) in the NP Estonia electricity price was 5.4 €/MWh (-0.3 €/MWh, -4.5% compared with a year ago)¹. The electricity price declined by 0.6 €/MWh, the impact of the change in CO₂ and oil shale costs was +0.4 €/MWh mainly due to lower CO₂ price.

Eesti Energia Clean Dark Spread (CDS) in NP Estonia Electricity Price, €/MWh



The Estonian and Latvian retail electricity markets have been fully open since the beginning of 2013 and 2015 respectively, which means that there is free competition and market prices apply. In Q1 2016, the Lithuanian electricity market was partly open to competition. All companies in Lithuania purchased electricity from the open market but household consumers did not have to do so. According to estimates, in Q1 2016 around 71% of the Lithuanian electricity market (in terms of consumption volume) was open to competition.

Electricity Consumption in the Baltic Market in Q1 2016, TWh



¹ CDS calculation methodology has been adjusted in Q1 2016 by taking into account oil shale costs used in electricity wholesale bidding strategy

Financial Results

Sales Revenues and EBITDA

The Group ended Q1 2016 with sales revenues of EUR 197.0 million (-10.4%, EUR -22.8 million compared with Q1 2015) and EBITDA of EUR 60.3 million (-31.4%, EUR -27.5 million).

The decline in sales revenues is mainly attributable to lower shale oil and electricity sales revenue, caused by the situation in energy markets where prices have been low for a long time.

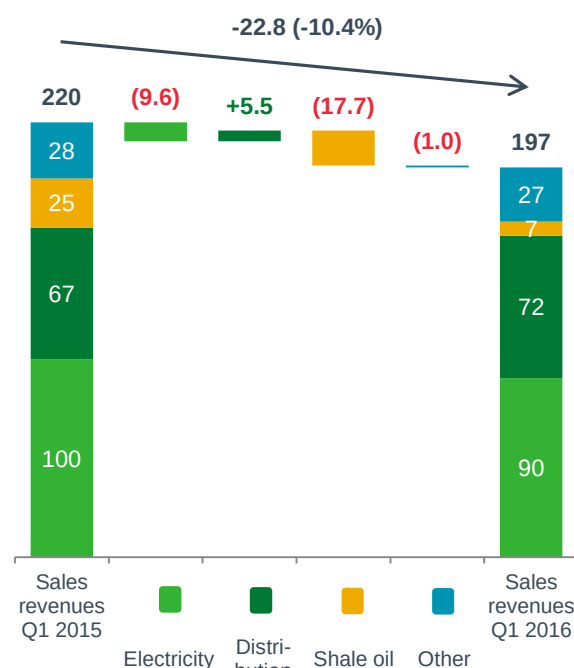
Electricity EBITDA² decreased (-25.5%, EUR -9.4 million), mainly due to smaller sales volume and a lower sales margin; gain on derivative instruments was also smaller than a year ago. Distribution EBITDA grew (+15.4%, EUR +3.7 million) thanks to growth in sales volume.

Shale oil EBITDA weakened (-96.4%, EUR -13.7 million), mostly because of lower sales volume and margin, but also due to smaller gain on derivatives.

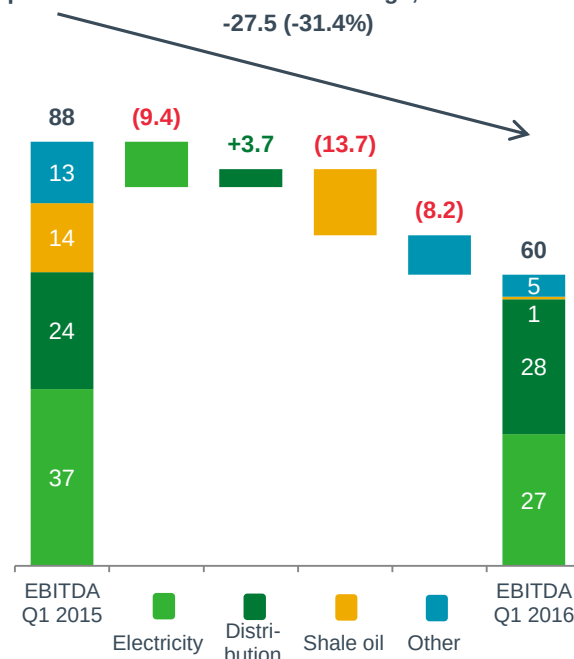
EBITDA on the Group's other products and services declined (-64.3%, EUR -8.2 million), mainly because in Q1 this year the Group did not earn gain on the sale of CO₂ emission allowances.

The Group earned a net profit of EUR 19.4 million (-64.5%, EUR -35.2 million). Besides lower EBITDA, net profit was weakened by a rise in non-cash finance costs which resulted from adverse movements in foreign exchange rates (impact on net profit EUR -5.8 million), primarily the exchange rate of the loan provided to the Group's Jordanian project in US dollars. In Q1 2016, the US dollar weakened against the euro by approx. 5%, whereas in the comparative period the US dollar strengthened by approx. 11%.

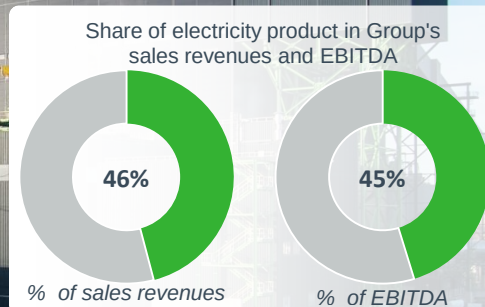
Group's Sales Revenues Breakdown and Change, m€



Group's EBITDA Breakdown and Change, m€



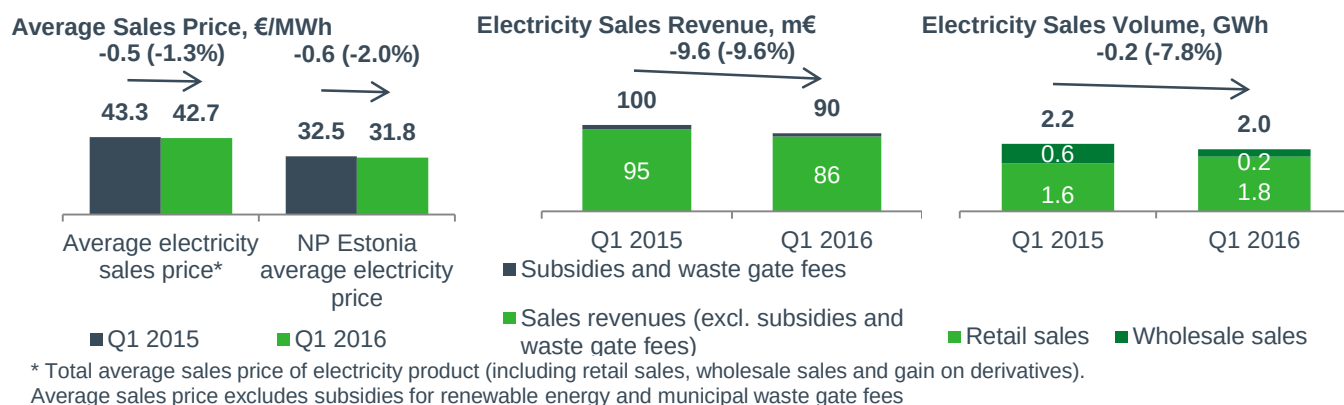
² Compared to Q1 2015 interim report, segment reporting has been adjusted due to changes in accounting principles



Electricity

Electricity sales revenue in Q1 2016 amounted to EUR 90.4 million (-9.6%, EUR -9.6 million). In Q1 2016, Eesti Energia sold 2,016 GWh of electricity (-7.8%, -171 GWh), retail sales accounting for 1,773 GWh (+13.9%, +217 GWh) and wholesale sales for 243 GWh (-61.4%, -388 GWh) of the total. The average sales price of electricity including gain on derivative instruments (but excluding renewable energy subsidies and municipal waste gate fees) was

42.7 €/MWh (-1.3%, -0.5 €/MWh). The average sales price of electricity excluding gain on derivative instruments (and subsidies and municipal waste gate fees) was 41.7 €/MWh (+5.1%, +2.0 €/MWh). Gain on derivative instruments accounted for 1.0 €/MWh (-72.8%, -2.6 €/MWh) of the average sales price. Total gain on derivative instruments amounted to EUR 2.0 million (-75.0%, EUR -5.8 million).



In the wholesale segment, electricity sales volume contracted due to changes in the Group's electricity pricing strategy as well as low market prices (electricity price in the Estonian price area of the Nord Pool power exchange was 2% lower than a year ago). In the retail segment, sales volumes in Latvia and Lithuania grew primarily through stronger sales in the large customer segment and in Estonia because of cold winter weather at the beginning of the year.

In Estonia, retail sales of electricity amounted to 1,327 GWh (+9.1%, +111.2 GWh). In terms of customers' electricity consumption volume, in Q1 2016 Eesti Energia's market share in Estonia was

60% (-2 percentage points compared with Q1 2015)³. Market share decline is related to changes in large customer segment.

At 1 April 2016, Estonian customers purchased electricity from Eesti Energia at around 456,000 consumption points, a decrease of around 1,000 during the quarter, mostly due to shrinkage in the number of residential customers. Universal service was consumed at around 102,600 consumption points, 900 less than at the beginning of Q1.

In Latvia and Lithuania, the Group operates under the Enefit brand. As Eesti Energia does not own

³ According to the Estonian TSO Elering

substantial generation capacities in Latvia and Lithuania it must buy electricity from the power exchange in order to meet its sales commitments. In Q1 2016, prices in the Estonian and the Latvian and Lithuanian price areas remained divergent (on average, the Latvian exchange price was 4.8 €/MWh higher than the Estonian one). Due to the price difference, in Q1 2016 Eesti Energia incurred border crossing expenses of EUR 2.2 million (+9.2%, EUR +0.2 million). In Q1 2016, open market retail sales in Latvia and Lithuania totalled 446.4 GWh (+30.9%, +105.4 GWh). In Q1 2016, Eesti Energia's market shares in Latvia and Lithuania were 15% and 6% respectively, up 3 percentage points and 2 percentage points on Q1 2015 respectively. In both countries, the Group's market share has grown mainly through the addition of new customers, which has also increased sales volumes. At the end of Q1 2016, Latvian and Lithuanian customers purchased electricity from Eesti Energia at approx. 17,800 consumption points, an increase of around 700 (+4%) during the quarter.

The Group's total market share in the Baltic retail electricity market rose to 27%, 1 percentage point up year over year.

In Q1 2016, the Group generated 2,175 GWh of electricity (-5.3%, -121 GWh). Electricity production decreased because the pricing strategy of electricity sold to the power exchange changed and market prices were low. However, in Q1 2016 the Group generated more electricity in hours when the market prices were higher, taking maximum advantage of the peak time sales potential.

In Q1 2016, electricity generated from renewable sources amounted to 83.7 GWh (-13.2%, -12.7 GWh). Around half of it was produced at wind farms (43.8 GWh, -41.3%, -30.8 GWh). Wind energy output declined due to less favourable wind conditions. Production of renewable energy from biodegradable waste and biofuels grew by 19.2 GWh (+100.7%). Electricity output eligible to renewable energy and efficient cogeneration subsidies totalled 79.1 GWh

(-23.5%, -24.3 GWh). Renewable energy and efficient cogeneration subsidies received by the Group totalled EUR 3.9 million (-22.8%, EUR -1.1 million).

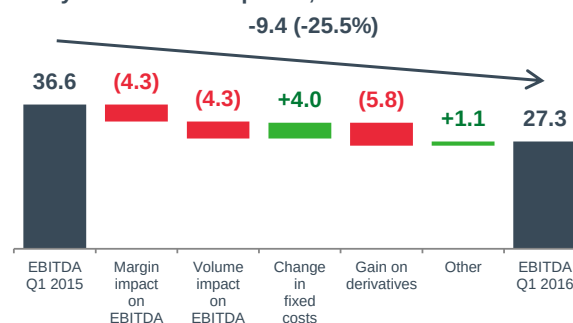
Key Figures of Electricity Product

		Q1 2016	Q1 2015
Return on fixed assets*	%	6.9	11.4
Electricity EBITDA	€/MWh	13.5	16.7

* Excluding impairment of generation assets in December 2013 and 2015

Electricity EBITDA for Q1 2016 was EUR 27.3 million, decreasing 25.5% or EUR -9.4 million year-on-year.

Electricity EBITDA Development, m€



The impact of margin change was EUR -4.3 million (-2.1 €/MWh). Average electricity sales revenue grew by 1.7 €/MWh (impact on EBITDA EUR +3.5 million). The average sales price of electricity excluding renewable energy subsidies and municipal waste gate fees (and gain on derivative instruments) grew by 2.0 €/MWh; subsidies decreased by 0.4 €/MWh. Higher variable costs lowered EBITDA by EUR 7.8 million. Variable costs grew mostly through a rise in CO₂ emission charges, brought about by growth in the average price.

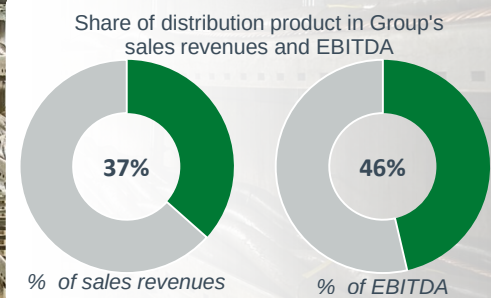
The decrease in electricity sales volume (-8%) lowered EBITDA by EUR 4.3 million.

The change in fixed costs improved electricity EBITDA by EUR 4.0 million. The main contributors were lower repair and labour costs (+3.1 million and +4.3 million respectively). The impact of the fixed cost component which is linked to inventory change was EUR -3.7 million.

Realised gain on derivative instruments decreased by EUR 5.8 million year over year.

Other impacts on electricity EBITDA (EUR +1.1 million in total) resulted mainly from the following: the value of derivative instruments changed (impact EUR +1.4 million), in the comparative period the Group

reduced the provisions made for the Latvian and Lithuanian electricity portfolios (impact EUR -0.6 million) and in Q1 2016 the Group recognised a smaller amount of environmental protection provisions (impact EUR +0.3 million).



Distribution

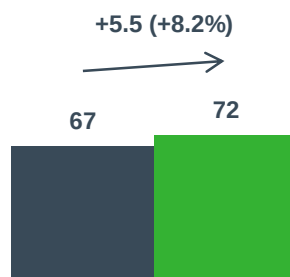
Distribution sales revenue for Q1 2016 was EUR 72.1 million (+8.2%, EUR +5.5 million) and distribution sales volume amounted to 1,941 GWh (+8.5%, +152.4 GWh). The growth in sales volume is mainly attributable to the weather in January which was, on average, colder than in the previous year.

Network losses totalled 89.6 GWh or 4.3% (Q1 2015: 104.0 GWh or 5.3%). Network losses have decreased through more accurate measuring achieved by the installation of smart and balance meters, and more effective monitoring of consumption along with the detection of illegal and unmetered consumption.

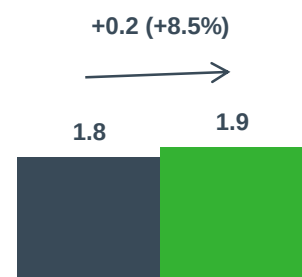
Average Distribution Tariff, €/MWh



Distribution Sales Revenue, m€



Distribution Volume, TWh



■ Q1 2015 ■ Q1 2016

In Q1 2016, the average distribution tariff was 37.1 €/MWh (-0.3%, -0.1 €/MWh).

The average duration of unplanned interruptions was 27 minutes (Q1 2015: 30.5 minutes) and the average duration of planned interruptions was 20 minutes (Q1 2015: 17 minutes). The latter indicator increased because in the reporting period the Group replaced more bare conductors with insulated overhead cables and installed more balance meters than a year ago.

Outages of the low-voltage network can be reduced by replacing regular overhead lines with weather-proof cables. In addition, the number of network interruptions is strongly influenced by weather conditions.

Key Figures of Distribution Product

		Q1 2016	Q1 2015
Return on fixed assets	%	6.9	6.7
Distribution losses	GWh	89.6	104.0
SAIFI	index	0.35	0.36
SAIDI (unplanned)	index	27.0	30.5
SAIDI (planned)	index	20.0	17.0
Adjusted RAB	mln €	729.2	690.5

Distribution EBITDA for Q1 2016 amounted to EUR 28.0 million, increasing 15.4% or EUR +3.7 million year-on-year.

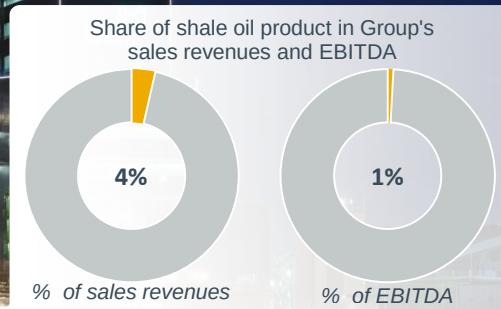
Distribution EBITDA Development, m€
+3.7 (+15.4%)



Distribution margin remained more or less at the same level as in Q1 2015, its impact on distribution EBITDA was EUR +0.1 million (+0.1 €/MWh).

Distribution sales volume grew by 9%, its impact on EBITDA was EUR +3.1 million.

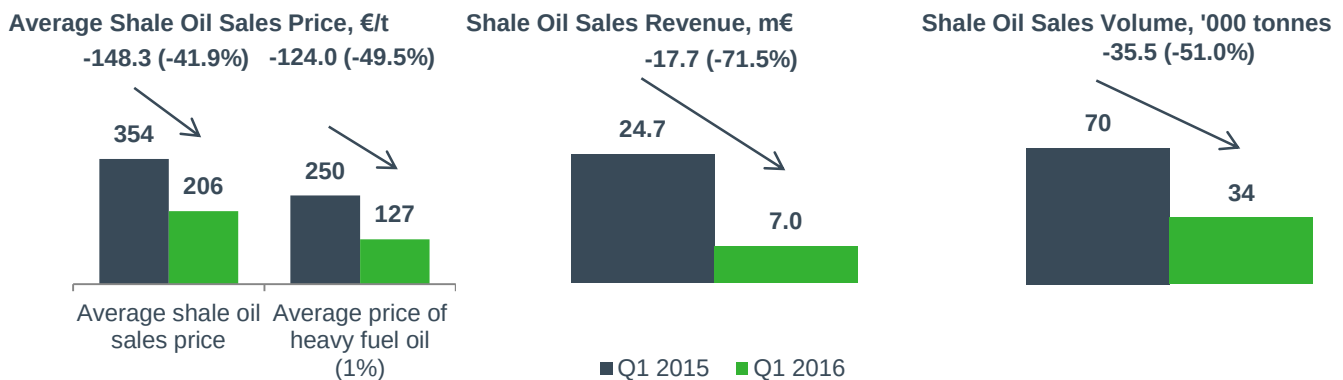
The impact of a change in fixed costs was EUR +0.5 million, mostly because the head office costs which are allocated to the distribution segment decreased.



Shale Oil

Shale oil sales revenue in Q1 2016 amounted to EUR 7.0 million (-71.5%, EUR -17.7 million). In Q1 2016, Eesti Energia sold 34.2 thousand tonnes of shale oil (-51.0%, -35.5 thousand tonnes). Sales volume decreased in connection with the low world

market prices of oil; due to unattractive market prices it was more reasonable to increase shale oil inventories.



Shale oil sales revenue declined because both sales volume and the average sales price decreased. In Q1 2016, the average sales price of shale oil was 206.1 €/t (-41.9%, -148.3 €/t). The average sales price was supported by gain on derivative instruments of 68.6 €/t (-45.1 €/t), EUR 2.3 million in total (-70.4%, EUR -5.6 million). Excluding the impact of derivative instruments, the average sales price of shale oil declined to 137.5 €/t (-42.9%, -103.2 €/t) which is less compared to the world market price of the reference product, heavy fuel oil (fell by 124 €/t year over year). The decrease in the average price of shale oil was also counterbalanced by the sale of shale oil gasoline at a price higher than in the comparative period.

The Group's shale oil output for Q1 2016 was 66.5 thousand tonnes (-21.5%, -18.2 thousand tonnes). The output of the new Enefit280 oil plant grew to 38.2 thousand tonnes (+35.4%, +10.0 thousand tonnes)

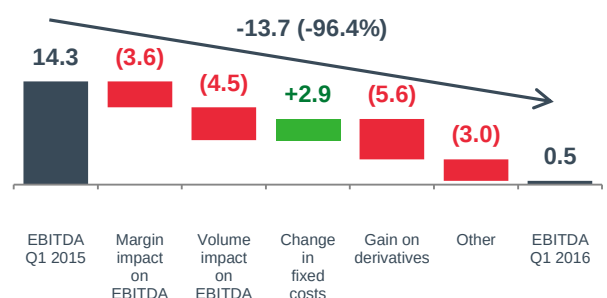
through an increase in load and operational reliability. The output of the Enefit140 oil plant decreased year over year (-49.9%, -28.2 thousand tonnes), mostly due to maintenance works brought forward into Q1 2016.

Key Performance Indicators of Shale Oil Product

		Q1 2016	Q1 2015
Return on fixed assets	%	4.1	27.3
Shale oil EBITDA	€/t	15.2	204.6

Shale oil EBITDA for Q1 2016 was EUR 0.5 million, decreasing 96.4% or EUR -13.7 million year-on-year.

Shale Oil EBITDA Development, m€



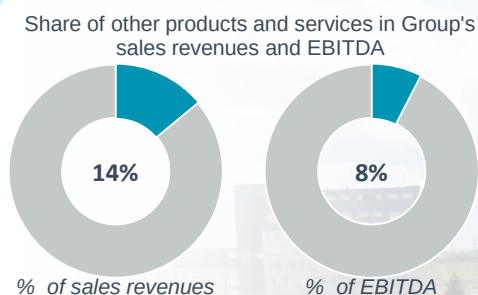
Margin decrease had a EUR -3.6 million (-105 €/t) impact on EBITDA. The average sales price declined by 103 €/t, which had a EUR -3.5 million impact on EBITDA. Higher variable costs lowered EBITDA by EUR 0.1 million.

The decrease in sales volume had an impact of EUR -4.5 million; sales volume fell by 51%.

The impact of a change in fixed costs was EUR +2.9 million, resulting mainly from the fixed cost component which is linked to inventory change.

Gain on shale oil derivatives decreased by EUR 5.6 million year over year.

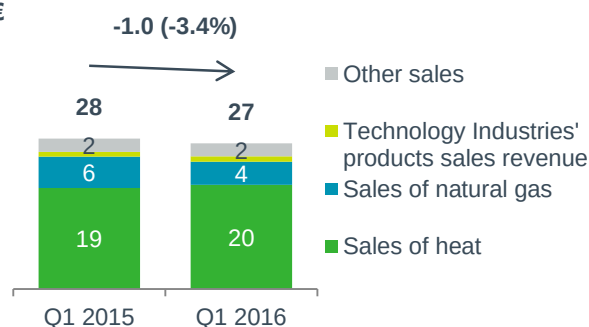
Other impacts on shale oil EBITDA were EUR -3.0 million, consisting mostly of a change in the value of derivative instruments (impact EUR -3.1 million) and the recognition of smaller environmental protection provisions (impact EUR +0.1 million).



Other Products and Services

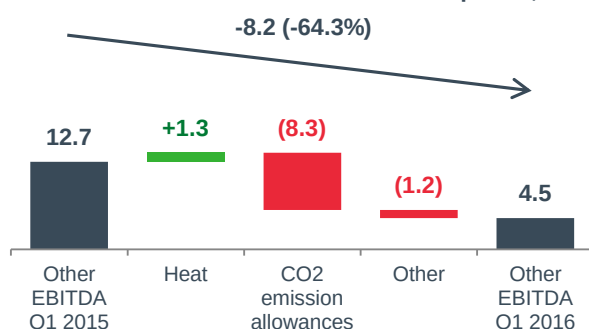
Sales revenues from other products and services totalled EUR 27.4 million (-3.4%, EUR -1.0 million) in Q1 2016.

Sales Revenues From Other Products and Services, m€



EBITDA on other products and services amounted to EUR 4.5 million (-64.3%, EUR -8.2 million).

Other Products and Services EBITDA Development, m€



Heat sales volume grew by 19.3% (+89.0 GWh) and heat sales revenue increased by EUR 0.6 million (+3.1%). Heat EBITDA grew by EUR 1.3 million, fuel costs decreased considerably.

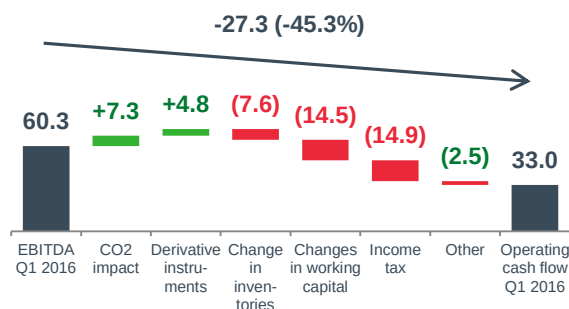
Revenue from sales of natural gas declined by EUR 1.5 million (-26.1%) due to a decrease in the average sales price (-38%) even though sales volume increased (+19%). The fall in the sales price of gas is mainly attributable to the downtrend in the market price of oil because in Eastern Europe the sales prices of natural gas are generally linked to the oil price.

Impact of sale of surplus CO₂ emission allowances in Q1 2015 was EUR -8.3 million, other impacts on EBITDA totalled EUR -1.2 million.

Cash Flows

The Group's net operating cash flow for Q1 2016 was EUR 33.0 million, 45.3% or EUR 27.3 million lower than EBITDA (EUR 60.3 million).

EBITDA to Operating Cash Flows Development, m€



Compared with EBITDA (EUR 60.3 million), operating cash flow was increased the most (EUR +7.3 million) by transactions with CO₂ emission allowances.

Operating cash flow was improved, relative to EBITDA, by EUR +4.8 million resulting from changes in the value of derivative financial instruments and cash received concerning derivatives. The profit was recognized in earlier time periods.

Inventory (mostly shale oil inventory) growth had an impact of EUR -7.6 million.

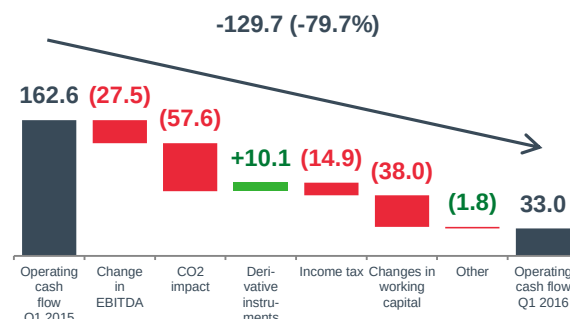
The impact of changes in working capital was EUR -14.5 million including the impact of growth in receivables of EUR -4.3 million and the impact of settlement of payables of EUR -10.3 million.

The impact of income tax paid was EUR -14.9 million.

Other impacts totalled EUR -2.5 million.

Compared with Q1 2015, net operating cash flow decreased by 79.7% (EUR -129.7 million).

Operating Cash Flow Changes, m€



Operating cash flow was EUR 57.6 million smaller than in Q1 2015 because in the comparative period the Group sold surplus CO₂ emission allowances.

Derivative financial instruments had a positive impact (EUR +10.1 million) resulting from changes in the value of derivative financial instruments and cash received concerning derivatives in Q1 2016 (EUR +4.8 million) compared with Q1 2015 (EUR -5.3 million).

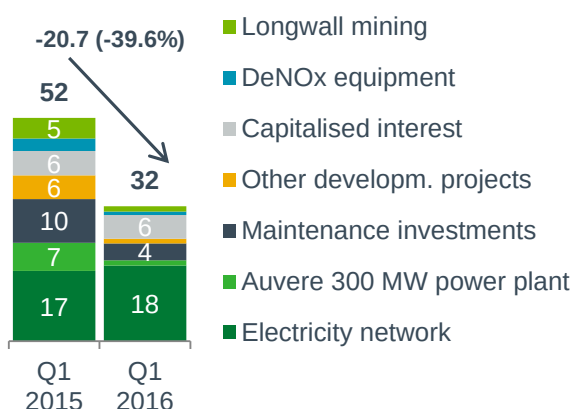
The income tax payable on the Group's dividend distribution for 2015 was settled in a different period than in the previous year (in January 2016). Therefore, the impact of income tax paid was EUR -14.9 million larger than in the comparative period.

The impact of changes in working capital was EUR -38.0 million, including the impact of a decrease in the settlement of receivables of EUR -26.2 million and the impact of growth in the settlement of payables of EUR -11.8 million.

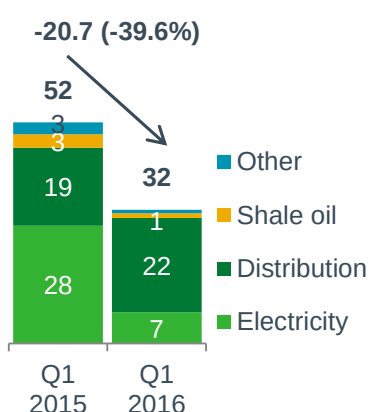
Investment

In Q1 2016, the Group's investments totalled EUR 31.7 million (-39.5%, EUR -20.7 million). Investments decreased mostly in connection with the Auvere power plant project coming to completion (-80.6%, EUR -5.3 million). Maintenance and repair investments (excl. distribution) totalled EUR 4.0 million (-61.1%, EUR -6.3 million), decreasing mostly at mining (EUR -4.3 million) and Narva power plants (EUR -2.1 million) subsidiaries. In Q1 2016, the largest capital investments were made in the distribution network in an amount of EUR 17.7 million (+7.1%, EUR +1.2 million).

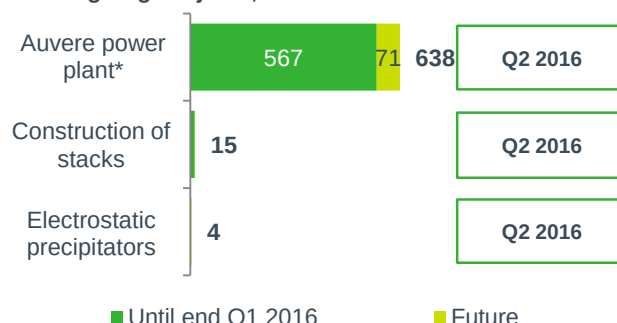
Capex Breakdown by Projects, m€



Investment Breakdown by Products, m€



Main Ongoing Projects, m€



* Actual capex impacted by monthly clearing of costs related to commissioning (mainly by electricity sales revenues)

Construction of the 300 MW Power Plant in Auvere

In summer 2011, Eesti Energia started to build a modern circulating fluidised bed (CFB) power plant in Auvere. The new plant can use biofuel alongside oil shale (to the extent of 50%), which helps reduce its emissions to the level of a contemporary gas-fired plant. The maximum annual net generation of the Auvere power plant is 2.2 TWh. As support for its construction, the European Commission permitted Estonia to allocate to Eesti Energia 17.7 million tonnes of free CO₂ emission allowances for the period 2013-2020. Of this amount, 5 million tonnes was received in April 2014, 4.3 million tonnes in April 2015 and 3.6 million tonnes in April 2016.

Tests of the generating unit continued until February 2016. In March, the generating unit was shut down for around a month to improve the efficiency of electrostatic precipitators. The down time was also used for other work such as maintenance and adjustment of the cleaning systems of the boiler's heating surfaces.

The tests required for the delivery and acceptance of the Auvere power plant will continue in April. The power plant is expected to be taken into commercial use in Q2 2016, when all tests have been completed. The total budgeted cost of the project (including the fuel feeding system) is EUR 638 million. By the end of Q1 2016, EUR 567 million (89%) of this had been invested.

Reduction of NO_x Emissions at Eesti Power Plant

The EU Industrial Emissions Directive that took effect in January 2011 provides that starting from 2016 the concentrations of nitrogen oxides (NO_x) in the waste gases released by large combustion plants may not exceed 200 mg/Nm³. In 2013, one boiler of the Eesti power plant was supplied with a NO_x capture (DeNO_x) system which reduced its NO_x emissions almost two-fold, bringing them in compliance with the new limit. In 2014, the Group decided to equip another seven boilers of four generating units with DeNO_x systems. In the same year, work was completed on the second boiler of generating unit 3 and both boilers of generating unit 6 were supplied with DeNO_x systems.

In 2015, generating unit 6 was successfully adjusted and unit 5 was supplied with DeNO_x systems. Testing of the systems installed to generating unit 4 began in November and was completed in January 2016.

The project completed in Q1 2016 and today the DeNO_x systems of the four generating are already in commercial use. The total cost of the project was EUR 22 million.

Improvement of Network Quality

In Q1 2016, investments in maintaining and improving the quality of the distribution network totalled EUR 17.7 million compared with EUR 16.5 million in Q1 2015. During the quarter, 48 substations and 421 kilometres of network cables were built (46 substations and 290 kilometres of network in Q1 2015).

In 2013-2016, distribution network operator Elektrilevi will install remote reading meters at all consumption points in Estonia. Implementation of the remote reading system, which releases the consumer from the obligation to submit the reading, is required by law. In the future, the system can also be used to determine network quality and profile loads more accurately.

In Q1 2016, 38 thousand remote reading meters were installed and 47 thousand meters were switched over to the remote reading system as part of the remote reading project. By the end of the quarter, 536 thousand new hourly smart meters had been installed and 87% of the meters had been switched over to the remote reading system in the framework of the remote reading project. Meters with remote reading capability accounted for 85% of all of Elektrilevi's power meters.

Implementation of Longwall Mining

Eesti Energia is implementing longwall mining at its Estonia mine. Under the longwall technology, the costs of oil shale mining are lower than under the previously applied room-and-pillar technology because road way construction volumes are smaller. The method is similar to conventional room-and-pillar mining where pillars support the overlying strata but mining takes place along a long work face that may extend to 700 metres in place of the conventional 200 metres. Preparations for the project began in 2014.

The longwall mining project is running on schedule. In Q1, two feeder-crushers and an underground loader machine were delivered. According to plan, project-related work will be completed in 2016. Production operations under the new technology started up in January 2016 and full capacity should be achieved at the beginning of 2017 when the additional oil shale output should amount to approximately 0.8 million tonnes per year. The total cost of the project is EUR 21 million. By the end of Q1 2016, EUR 18.2 million (87%) of this had been invested.

Preliminary Development of Electricity and Shale Oil Projects in Jordan

Eesti Energia owns 65% of its electricity and shale oil production projects in Jordan. The Group's project partners are YTL Power International Berhad from Malaysia with a 30% interest and Near East Investment from Jordan with a 5% interest.

In January 2016, the Group and its partners signed financing agreements of USD 1.623 billion with Chinese banks. The guarantee to be provided to the loan must also be approved by the Chinese ministry of finance. In Q1 2016, the main focus of the project's development activities was on meeting the preliminary requirements imposed by the financing agreements of the electricity project. For successful completion of the project, it is necessary to obtain various permits, sign different agreements and meet other requirements. Among other things, the project partners completed the negotiations and signed a subcontracting agreement for the mine.

The planned net capacity of the first Jordanian oil shale power plant which is scheduled for completion in 2019 is 470 MW.

The Group is planning to sell most of its stake in the Jordanian electricity project in 2016.

The plan for the preliminary development of the oil project will be reviewed in more detail when the electricity project's financing activities have been completed.

Preliminary Development of the US Shale Oil Production Project

In March 2011, Eesti Energia acquired an oil shale resource in Uintah County, Utah (USA), which is currently estimated to contain 6 billion (metric) tonnes of oil shale (based on "best" in-place estimate)⁴. In Utah, Eesti Energia operates under the name of Enefit American Oil.

By March 2016, the Environmental Impact Statement required for the project had received all the necessary approvals from the US Bureau of Land Management and in April it was published in the Federal Register. Public hearings for the discussion of the statement are expected to be completed in June.

⁴ Measured resource 3.5 billion (metric) tonnes, indicated resource 2.3 billion tonnes, and inferred resource 0.2 billion tonnes of oil shale.

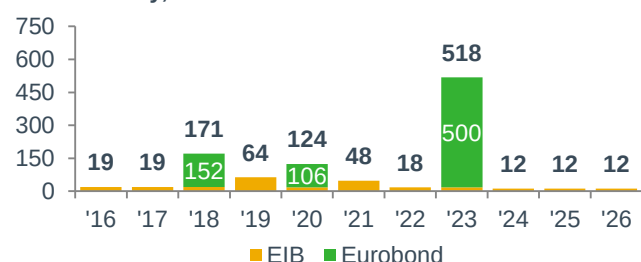
Financing

Eesti Energia's main sources of debt capital are the international bond market and investment loans from the European Investment Bank (EIB). In addition, liquidity loan and guarantee facilities have been obtained from regional banks.

At the end of Q1 2016, the total nominal value of the Group's borrowings was EUR 1,017.8 million (at the end of 2015: EUR 1,018.5 million). The amortised cost of borrowings was EUR 952.9 million (at the end of 2015: EUR 951.8 million). At the reporting date, long-term borrowings comprised Eurobonds listed on the London Stock Exchange with a nominal value of EUR 758.3 million and loans from the EIB with a nominal value of EUR 259.5 million.

In Q1, the Group made EIB loan repayments of EUR 0.7 million in line with the agreed schedule. There were no other changes in borrowings.

Debt Maturity, m€

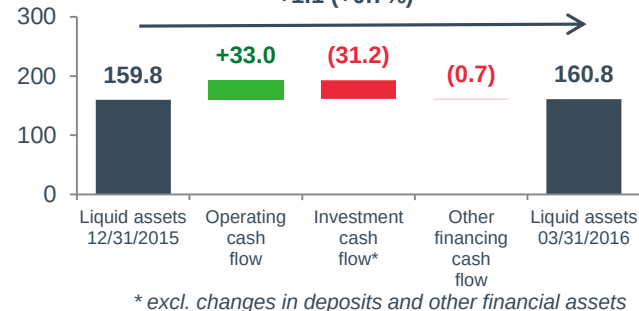


At the end of Q1 2016, the Group's liquid assets stood at EUR 160.8 million. In addition, the Group had available undrawn loans of EUR 220 million. The figure comprises bilateral revolving credit facilities of EUR 150 million in aggregate, signed with two regional banks (SEB and Pohjola), which will mature in July 2020, and a long-term loan agreement signed with EIB in the amount of EUR 70 million.

At the end of Q1 2016, the weighted average interest rate of Eesti Energia's borrowings was 2.92%, i.e. the same as at the end of 2015. The Group has predominantly locked the risk resulting from fluctuations in the base interest rate (for 82% of borrowings the base interest rate is locked until maturity, for 13% until July 2016 and 5% of

borrowings have floating rates). All borrowings are denominated in euros.

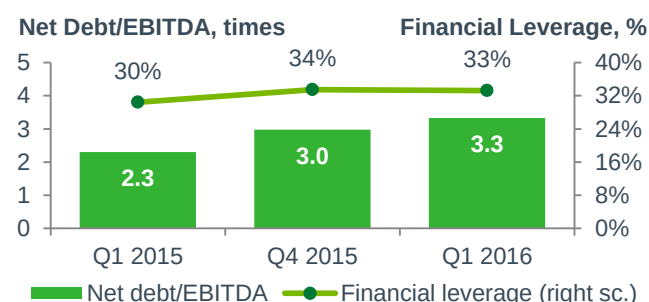
Liquidity Development in Q1 2016, m€



At the end of Q1 2016, the Group's credit ratings were at the level of BBB (Standard & Poor's) and Baa2 (Moody's). In February 2016, rating agency Moody's announced that it was going to review the rating due to low energy prices and in April it downgraded Eesti Energia's credit rating to Baa3 (stable outlook). In February, rating agency Standard & Poor's also announced that for similar reasons it had changed the outlook of Eesti Energia's credit rating from stable to negative.

The Group's net debt as at the end of Q1 2016 amounted to EUR 792.1 million (EUR +0.1 million compared to the end of 2015) and net debt to EBITDA ratio was 3.3 (3.0 at the end of 2015). The objective of Eesti Energia's financing policy is to maintain the net debt to EBITDA ratio below 3.5. Under its loan agreements, Eesti Energia has undertaken to comply with certain financial covenants. At the end of Q1 2016, the Group's financial indicators complied with all contractual covenants.

Net Debt to EBITDA Ratio and Financial Leverage



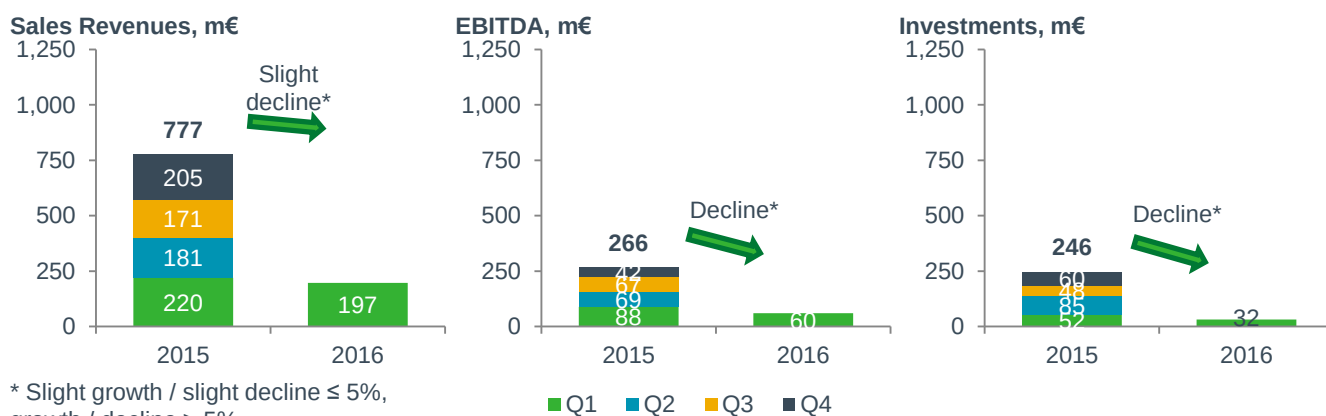
Outlook for FY 2016

Compared with the forecast provided in 2015 annual report, the Group's outlook for 2016 remains unchanged. In 2016 the Group's sales revenues will decline slightly and EBITDA and investments will decline compared with 2015*.

The Group's results will mostly be impacted by low prices in liquid fuels and electricity markets and

smaller amount of hedged transactions comparing with 2015. Negative impact is somewhat counterbalanced by a probable reduction of environmental fees in the second half of 2016, which will likely increase electricity generation in 2016.

Dividend payment EUR 40.0 million and income tax EUR 10.0 million is proposed to the General Meeting by Management and Supervisory board.



Hedging transactions

The Group's sales revenues from electricity and shale oil sales depend on global market prices. The key factors that influence the Group's performance indicators are electricity price on the Nord Pool power exchange and the world market price of fuel oil with 1% sulphur content, which is a reference product for shale oil.

The Group's forward sales for delivery in Q2-Q3 2016 comprise 3.0 TWh of electricity (including retail electricity sales) with an average price of 36.2 €/MWh

and 118 thousand tonnes of oil with an average price of 321 €/t. Forward sales for delivery in 2017 comprise 1.7 TWh of electricity (average price 35.3 €/MWh).

The Group's CO₂ emission allowance position for 2016 amounts to 12.0 million tonnes at an average price of 6.0 €/t (including forward transactions, free emission allowances received as investment support and the surplus of previous periods). The position for 2017 amounts to 3.1 million tonnes consisting mostly of free allowances received as investment support.

Condensed Consolidated Interim Income Statement and Statement of Comprehensive Income

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT		3 months		12 months		Note
in million EUR		1 January - 31 March		1 April - 31 March		
		2016	2015	2015/16	2014/15	
Revenue		197.0	219.8	753.9	873.3	3
Other operating income		4.8	6.5	14.5	25.9	
Government grants		0.1	-	0.4	0.3	
Change in inventories of finished goods and work-in-progress		5.2	4.1	29.1	(3.4)	
Raw materials and consumables used		(95.9)	(90.7)	(331.8)	(364.0)	
Payroll expenses		(33.3)	(34.9)	(138.0)	(142.8)	
Depreciation, amortisation and impairment		(35.3)	(35.0)	(208.8)	(129.7)	
Other operating expenses		(17.6)	(17.0)	(90.0)	(72.6)	
OPERATING PROFIT		25.0	52.8	29.3	187.0	
Financial income		0.1	1.4	4.9	4.9	
Financial expenses		(5.6)	0.5	(16.6)	(2.8)	
Net financial income (expense)		(5.5)	1.9	(11.7)	2.1	
Profit from associates using equity method		(0.1)	-	2.5	(2.4)	
PROFIT BEFORE TAX		19.4	54.7	20.1	186.7	
CORPORATE INCOME TAX EXPENSE		-	-	(14.9)	(23.7)	
PROFIT FOR THE PERIOD		19.4	54.7	5.2	163.0	
Equity holder of the Parent Company		19.3	54.8	5.0	163.3	
Non-controlling interest		0.1	(0.1)	0.2	(0.3)	
Basic earnings per share (euros)		0.03	0.09	0.01	0.26	8
Diluted earnings per share (euros)		0.03	0.09	0.01	0.26	8
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		3 months		12 months		
in million EUR		1 January - 31 March		1 April - 31 March		
		2016	2015	2015/16	2014/15	
PROFIT FOR THE PERIOD		19.4	54.7	5.2	163.0	
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss:						
Revaluation of hedging instruments		(0.7)	(17.4)	(13.5)	(28.0)	
Currency translation differences attributable to foreign subsidiaries		(1.0)	6.0	(1.7)	10.7	
Other comprehensive income for the period		(1.7)	(11.4)	(15.2)	(17.3)	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		17.7	43.3	(10.0)	145.7	
Equity holder of the Parent Company		17.6	43.4	(10.2)	146.0	
Non-controlling interest		0.1	(0.1)	0.2	(0.3)	

Condensed Consolidated Interim Statement of Financial Position

in million EUR	31 March		31 December	Note
ASSETS	2016	2015	2015	
Non-current assets				
Property, plant and equipment	2,470.9	2,426.6	2,473.9	5
Intangible assets	39.3	70.3	41.1	
Investments in associates	2.5	2.0	4.6	
Derivative financial instruments	-	1.2	-	6
Long-term receivables	34.4	37.5	32.9	
Total non-current assets	2,547.1	2,537.6	2,552.5	
Current assets				
Inventories	79.5	46.7	71.9	
Greenhouse gas allowances	33.5	74.0	33.5	
Trade and other receivables	107.7	98.5	99.8	
Derivative financial instruments	25.4	61.2	40.3	6
Deposits not recognised as cash equivalents	-	144.0	-	
Cash and cash equivalents	160.8	62.5	159.8	
Total current assets	406.9	486.9	405.3	
Total assets	2,954.0	3,024.5	2,957.8	3
EQUITY				
Capital and reserves attributable to equity holder of the Parent Company				
Share capital	621.6	621.6	621.6	7
Share premium	259.8	259.8	259.8	
Statutory reserve capital	62.1	59.0	62.1	
Hedge reserve	16.1	29.6	16.8	
Unrealised exchange rate differences	10.0	11.7	11.0	
Retained earnings	618.8	678.8	599.5	
Total equity and reserves attributable to equity holder of the Parent Company	1,588.4	1,660.5	1,570.8	
Non-controlling interest	1.2	1.0	1.1	
Total equity	1,589.6	1,661.5	1,571.9	
LIABILITIES				
Non-current liabilities				
Borrowings	933.6	927.3	932.5	9
Other payables	1.1	2.0	1.2	
Derivate financial instruments	-	1.8	-	6
Deferred income	172.5	163.1	171.4	
Provisions	31.3	32.5	31.0	11
Total non-current liabilities	1,138.5	1,126.7	1,136.1	
Current liabilities				
Borrowings	19.3	6.9	19.3	9
Trade and other payables	142.5	161.8	179.0	
Derivative financial instruments	12.1	0.9	11.8	6
Provisions	52.0	66.7	39.7	11
Total current liabilities	225.9	236.3	249.8	
Total liabilities	1,364.4	1,363.0	1,385.9	
Total liabilities and equity	2,954.0	3,024.5	2,957.8	

Condensed Consolidated Interim Statement of Cash Flows

in million EUR	3 months		12 months		Note
	1 January - 31 March		1 April - 31 March		
	2016	2015	2015/16	2014/15	
Cash flows from operating activities					
Cash generated from operations	47.9	162.7	236.3	394.6	10
Interest and loan fees paid	(0.1)	(0.1)	(44.0)	(37.3)	
Interest received	0.1	-	0.5	0.7	
Corporate income tax paid	(14.9)	-	(14.9)	(23.5)	
Net cash generated from operating activities	33.0	162.6	177.9	334.5	
Cash flows from investing activities					
Purchase of property, plant and equipment and intangible assets	(39.6)	(62.2)	(202.3)	(233.7)	
Proceeds from connection and other fees	2.7	2.7	14.1	11.6	
Proceeds from sale of property, plant and equipment	0.3	0.8	2.5	2.4	
Net change in deposits not recognised as cash equivalents	-	(104.0)	144.0	(7.0)	
Net change in cash with limited usage	4.8	4.3	1.1	(0.2)	
Loans granted	(1.5)	-	(4.4)	(5.0)	12
Dividends received from long-term financial investments	2.0	-	3.9	1.7	
Proceeds from disposal of subsidiary	-	-	-	4.7	
Proceeds from repurchase of shares and liquidation of associate	-	-	-	11.6	
Net cash used in investing activities	(31.3)	(158.4)	(41.1)	(213.9)	
Cash flows from financing activities					
Received long-term loans	-	-	30.4	0.5	
Repayments of bank loans	(0.7)	(0.7)	(6.9)	(1.4)	
Repayments of other loans	-	-	(0.1)	(0.1)	
Acquisition of non-controlling interest in a subsidiary	-	(1.2)	-	(1.2)	
Dividends paid	-	-	(61.9)	(93.6)	
Net cash used in financing activities	(0.7)	(1.9)	(38.5)	(95.8)	
Net cash flows	1.0	2.3	98.3	24.8	
Cash and cash equivalents at the beginning of the period	159.8	60.2	62.5	37.7	
Cash and cash equivalents at the end of the period	160.8	62.5	160.8	62.5	
Net increase/(-)decrease in cash and cash equivalents	1.0	2.3	98.3	24.8	

Condensed Consolidated Interim Statement of Changes in Equity

in million EUR	Attributable to equity holder of the Parent Company						Non-control -ling inter- est	Total
	Share capi- tal (Note 7)	Share pre- mium	Statu- tory legal reserve	Other re- serves	Retaine d earnin gs	Total		
Equity as at 31 December 2014	621.6	259.8	59.0	52.7	624.0	1,617.1	2.3	1,619.4
Profit for the period	-	-	-	-	54.8	54.8	(0.1)	54.7
Other comprehensive income for the period	-	-	-	(11.4)	-	(11.4)	-	(11.4)
Total comprehensive income for the period	-	-	-	(11.4)	54.8	43.4	(0.1)	43.3
Acquisition of non-controlling interest of subsidiary	-	-	-	-	-	-	(1.2)	(1.2)
Total transactions with owners of the company, recognised directly in equity	-	-	-	-	-	-	(1.2)	(1.2)
Equity as at 31 March 2015	621.6	259.8	59.0	41.3	678.8	1,660.5	1.0	1,661.5
Equity as at 31 December 2015	621.6	259.8	62.1	27.8	599.5	1,570.8	1.1	1,571.9
Profit for the period	-	-	-	-	19.3	19.3	0.1	19.4
Other comprehensive income for the period	-	-	-	(1.7)	-	(1.7)	-	(1.7)
Total comprehensive income for the period	-	-	-	(1.7)	19.3	17.6	0.1	17.7
Total transactions with owners of the company, recognised directly in equity	-	-	-	-	-	-	-	-
Equity as at 31 March 2016	621.6	259.8	62.1	26.1	618.8	1,588.4	1.2	1,589.6

Notes to the Condensed Interim Consolidated Financial Statements

1. Accounting Policies

These condensed consolidated interim financial statements have been prepared in accordance with **International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations** as adopted by the European Union. These consolidated interim condensed financial statements are prepared in accordance with IAS 34 "Interim Financial Reporting". The consolidated condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies and presentation of financial statements applied to this interim report were consistent with those used in financial statements for the financial year that ended on 31 December 2015.

New International Financial Reporting Standards, amendments to previously published standards and International Financial Reporting Interpretations Committee interpretations that became mandatory for the Group from 1 January 2016 did not have any

impact on the Group's accounting policies and financial statements.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, 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 that applied to the consolidated financial statements for the year ended 31 December 2015.

According to the Management Board the interim report prepared for the period 1 January 2016 - 31 March 2016 presents a true and fair view of the financial position, the cash flows and the results of operations of Eesti Energia AS and its subsidiaries (Group).

The information contained in the interim financial statements has not been audited or otherwise verified by auditors.

2. Financial Risk Management

2.1. Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2015. There have been no material changes in any risk management policies compared to the previous year end.

2.2. Fair Value Estimation

The tables below analyse financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2);
- inputs for the asset or liability that are not based on observable market data (Level 3).

The following tables present the Group's assets and liabilities that are measured at fair value by the level in the fair value hierarchy as at 31 March 2016 and 31 December 2015:

	31 March 2016	31 March 2014		
in million EUR	Level 1	Level 2	Level 3	Total
Assets				
Trading derivatives (Note 6)	-	2.4	-	2.4
Cash flow hedges (Note 6)	-	2.7	20.3	23.0
Total financial assets	-	5.1	20.3	25.4
Liabilities	-	-	-	-
Trading derivatives (Note 6)	9.6	11.0	-	20.6
Cash flow hedges (Note 6)	(8.5)	-	-	(8.5)
Total financial liabilities	1.1	11.0	-	12.1

	31 December 2015	31 March 2014		
in million EUR	Level 1	Level 2	Level 3	Total
Assets				
Trading derivatives (Note 6)	-	1.8	-	1.8
Cash flow hedges (Note 6)	7.5	7.4	23.6	38.5
Total financial assets	7.5	9.2	23.6	40.3
Liabilities	-	-	-	-
Trading derivatives (Note 6)	10.0	1.8	-	11.8
Cash flow hedges (Note 6)	-	-	-	-
Total financial liabilities	10.0	1.8	-	11.8

2. Financial Risk Management, cont.

2.2. Fair Value Estimation, cont.

Valuation techniques and inputs used on measurement in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. In level 1 are classified the Group's electricity derivatives that have been cleared in Nasdaq OMX.

Valuation techniques and inputs used on measurement in level 2

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. An instrument is included in level 2 if all the significant inputs required to establish the

fair value of the instrument are observable. If one or more significant inputs are not based on observable market data, an instrument is included in level 3. The value of trading derivatives and cash flow hedges are found using notations of Nasdaq OMX, ICE, Platt's European Marketscan and Nymex.

- The fair value of forward, swap and future contracts is determined using forward prices at the balance sheet date, with the resulting value discounted back to present value.

Valuation techniques and inputs used on measurement in level 3

All instruments in Level 3 are options. The fair value of options is found using analytical solution of Turnbull-Wakeman Asian-type option pricing, inputs for which include the futures price, the strike price, volatility of the underlying, the risk free interest rate, time to maturity, time to the beginning of average period, the already realised average futures price during the average period.

The following table represents the changes in Level 3 instruments for the period 1 January – 31 March 2016:

in million EUR	Cash flow hedges	Total
Opening balance at 1 January 2016	23.6	23.6
Gains(+) and losses(-) recognised in profit or loss	2.9	2.9
Gains(+) and losses(-) recognised in other comprehensive income	(1.4)	(1.4)
Settlements (receipts-/payments+)	(4.8)	(4.8)
Closing balance at 31 March 2016	20.3	20.3
Total gains(+) or losses(-) for the period included in profit or loss for assets held at the end of the reporting period under "Other operating income/expenses"		0.9
Change in unrealised gains(+) or losses(-) for the period included in profit or loss for assets held at the end of the reporting period		-

2. Financial Risk Management, cont.

2.3. Fair Value of Financial Assets and Liabilities Measured at Amortised Cost

The fair value of bonds and bank loans:

in million EUR	31 March 2016	31 December 2015
Nominal value of bonds	758.3	758.3
Market value of bonds on the basis of quoted sales price	795.1	789.7
Nominal value of bank loans with fixed interest rate	210.4	210.4
Fair value of bank loans with fixed interest rate	222.2	223.1
Nominal value of bank loans with floating interest rate	49.1	49.8
Fair value of bank loans with floating interest rate	49.1	49.8

The bonds are denominated in euros and listed on the London Stock Exchange. The fair value of the bonds is based on the input that is within level 1 of the fair value hierarchy; the fair value of bank loans with fixed interest rate is based on the cash flows discounted using input that is within level 3 of the fair value hierarchy.

Management estimates that the fair value of the loans with a floating interest rate at the end of reporting and comparative period does not differ from their carrying amounts as the risk margins have not changed.

Other financial assets and liabilities of which fair value is approximate to their carrying amount:

- Trade and other receivables
- Deposits not recognised as cash equivalents
- Cash and cash equivalents
- Trade and other payables

3. Segment Reporting

For the purposes of monitoring the Group's performance and making management decisions, the Management Board uses product-based reporting. The Group has determined main products and services, i.e. value-creating units that generate external revenues and profit, and has built up a methodology of allocation of revenues and expenses, and assets to the products.

The Group has distinguished three main products and services, which are presented as separately reportable segments, and a number of minor products and services that are presented together as "Other segments":

1. Electricity (production and sale of electricity generated from renewable and non-renewable sources, and electricity trading);
2. Distribution (sale of electricity distribution network services on regulated market);
3. Shale oil (production and sale of liquid fuels);
4. Other segments (including production and sale of heat, sale of oil-shale, construction of electrical network, power engineering equipment and services, sale of old metal, ash of oil-shale, other products and services).

Other segments include co-products which individual share of the Group's revenue and EBITDA is immaterial. Non of these co-products meet the quantitative thresholds that would require reporting separate information.

Segment revenues include revenues from external customers only, generated by the sale of respective products or services.

All operating expenses of the Group are allocated to the products and services to which they relate. If a product (eg electricity) is created by several Group

entities in a vertically integrated chain, then the related expenses include the production cost of each entity involved in preparation of the product (eg the cost of electricity includes the cost of oil shale used for its production). Group overheads are allocated to products and services proportionally to the services provided.

The Management Board assesses the performance of the segments primarily based on EBITDA and it also monitors operating profit. Finance income and expenses, and income tax are not allocated to the segments.

The Group's assets are allocated to the segments based on the same proportion as the related expenses. Liabilities are not allocated to the segments as they are managed centrally by the Group's finance department.

As the segments are based on externally sellable products and services (as opposed to legal entities), there are no transactions between segments to be eliminated.

For Distribution segment, the sales prices need to be approved by the Estonian Competition Authority as stipulated by the Electricity Market Act of Estonia. The Estonian Competition Authority has an established methodology for approving the prices that considers the costs necessary to fulfil the legal obligations and ensures justified profitability on invested capital. Generally, the Estonian Competition Authority considers the annual average carrying amount of non-current assets plus 5% of external sales revenue as invested capital. The rate for justified profitability is the Company's weighted average cost of capital (WACC). The sales prices for all other segments are not regulated by the law.

3. Segment Reporting, cont.

Revenue

The revenue from external customers reported to the management board of the Parent Company is measured in a manner consistent with that in the consolidated income statement.

in million EUR	1 January - 31 March 2016	1 January - 31 March 2015
	Revenue from external customers	Revenue from external customers*
Electricity	90.4	100.1
Distribution	72.1	66.6
Shale oil	7.0	24.7
Other	27.4	28.4
Total	197.0	219.8

EBITDA		
in million EUR	1 January - 31 March 2016	1 January - 31 March 2015
	EBITDA	EBITDA*
Electricity	27.3	36.6
Distribution	28.0	24.2
Shale oil	0.5	14.3
Other	4.5	12.7
Total	60.3	87.8
Depreciation and amortisation	(35.3)	(35.0)
Net financial income (expense)	(5.5)	1.9
Profit from associates using equity method	(0.1)	-
Profit before tax	19.4	54.7

ASSETS		
in million EUR	31 March 2016	31 December 2015
	Assets	Assets
Electricity	1,219.4	1,236.1
Distribution	978.7	968.8
Shale oil	357.7	360.4
Other	398.3	392.5
Total	2,954.0	2,957.8

* In connection with the adjustment of the methodology the comparative figures have been changed compared to the data disclosed in the interim report as at 31 March 2015

4. Seasonality of Operating Profit

Temperature is the most important factor influencing the domestic electricity and heat demand. Lower temperatures in winter induce higher energy consumption and thus higher revenues and operating profit. In summer, higher temperatures lead to lower electricity and heat consumption and correspondingly to lower revenues and lower operating profit.

5. Property, Plant and Equipment

in million EUR	Land	Build-ings	Const-ruktion	Plant and equipment	Other	Cons-truction in progress and prepayme-nts	Total
Property, plant and equipment as at 31 December 2015							
Cost	43.6	256.6	953.5	2,024.9	5.9	610.0	3,894.5
Accumulated depreciation	-	(103.6)	(385.0)	(927.8)	(4.2)	-	(1,420.6)
Net book amount	43.6	153.0	568.5	1,097.1	1.7	610.0	2,473.9
Total property, plant and equipment as at 31 December 2015	43.6	153.0	568.5	1,097.1	1.7	610.0	2,473.9
Movements 1 January - 31 March 2016							
Purchases of property, plant and equipment	-	-	-	2.1	-	29.1	31.2
Depreciation charge	-	(1.6)	(6.8)	(25.3)	(0.1)	(0.1)	(33.9)
Net book amount of non-current assets disposed	-	-	-	(0.2)	-	-	(0.2)
Exchange differences	(0.1)	-	-	-	-	-	(0.1)
Transfers	-	0.6	9.2	46.6	-	(56.4)	-
Movements 1 January - 31 March 2016	(0.1)	(1.0)	2.4	23.2	(0.1)	(27.4)	(3.0)
Property, plant and equipment as at 31 March 2016							
Cost	43.5	257.2	962.7	2,071.5	5.9	582.6	3,923.4
Accumulated depreciation	-	(105.2)	(391.8)	(951.2)	(4.3)	-	(1,452.5)
Net book amount	43.5	152.0	570.9	1,120.3	1.6	582.6	2,470.9
Total property, plant and equipment as at 31 March 2016	43.5	152.0	570.9	1,120.3	1.6	582.6	2,470.9

As at 31 March 2016, the Group had contractual liabilities relating to the acquisition of non-current assets totalling EUR 93.8 million

(31 December 2015 EUR 94.4 million).

6. Derivative Financial Instruments

in million EUR	31 March 2016		31 December 2015	
	Assets	Liabilities	Assets	Liabilities
Forward contracts for buying and selling electricity as cash flow hedges	-	(8.5)	7.5	-
Forward contracts for buying and selling electricity as trading derivatives	2.4	10.2	1.3	11.0
Future contracts for buying and selling greenhouse gas emissions allowances as trading derivatives	-	10.4	0.1	0.8
Swap and option contracts for selling shale oil as cash flow hedges	23.0	-	31.0	-
Swap and option contracts for selling shale oil as trading derivatives	-	-	0.4	-
Total derivative financial instruments	25.4	12.1	40.3	11.8

7. Share Capital and Dividends

As at 31 March 2016, Eesti Energia AS had 621 645 750 registered shares (31 December 2015: 621 645 750 registered shares). The nominal value of each share is 1 euro.

8. Earnings per Share

Basic earnings per share are calculated by dividing profit attributable to the equity holder of the Parent Company by the weighted average number of ordinary shares outstanding. As there are no potential ordinary shares, diluted earnings per share equal to basic earnings per share all the periods.

	3 months		12 months	
	1 January - 31 March 2016	1 January - 31 March 2015	1 April - 31 March 2015/16	1 April - 31 March 2014/15
Profit attributable to the equity holders of the company (million EUR)	19.3	54.8	5.0	163.3
Weighted average number of shares (million)	621.6	621.6	621.6	621.6
Basic earnings per share (EUR)	0.03	0.09	0.01	0.26
Diluted earnings per share (EUR)	0.03	0.09	0.01	0.26

9. Nominal Value and Amortised Cost of Borrowings

in million EUR	31 March 2016		31 December 2015	
	Nominal value	Amortised cost	Nominal value	Amortised cost
Short- term borrowings				
Current portion of long-term bank loans	19.3	19.3	19.3	19.3
Total short-term borrowings	19.3	19.3	19.3	19.3
Long- term borrowings				
Bank loans	240.2	240.0	240.9	240.6
Bonds issued	758.3	693.6	758.3	691.9
Total long- term borrowings	998.5	933.6	999.2	932.5
Total borrowings	1,017.8	952.9	1,018.5	951.8

As at 31 March 2016 the Group had undrawn loan facilities of EUR 220.0 million (31 December 2015: EUR 220.0 million), the figure includes bilateral liquidity loan agreements with floating interest rate of EUR 150 million in aggregate, with SEB and Pohjola bank contracted in July 2015, which will mature in five years (July 2020).

In October 2013 the Group contracted investment loan agreement with EIB of EUR 100.0 million. The loan can be taken into use until October 2016 and as of 31 March 2016 EUR 30.0 million had been drawn. The interest rate will be agreed when the loan is taken into use.

10. Cash Generated From Operations

in million EUR	3 months		12 months	
	1 January - 31 March		1 April - 31 March	
	2016	2015	2015/16	2014/15
Profit before tax	19.4	54.7	20.1	186.7
Adjustments				
Depreciation and impairment of property, plant and equipment	33.9	33.7	203.3	124.0
Amortisation of intangible assets	1.4	1.3	5.5	5.7
Deferred income from connection and other service fees	(1.7)	(1.6)	(6.6)	(6.2)
Gain on disposal of subsidiaries	-	-	-	(3.4)
Gain on disposal of property, plant and equipment	(0.2)	(0.4)	(1.4)	(1.3)
Amortisation of government grant received to purchase non-current assets	(0.1)	(0.1)	(0.3)	(0.2)
Profit/loss from associates using equity method	0.1	-	(2.5)	2.4
Unpaid/unsettled gain/loss on derivatives	14.5	(2.2)	32.9	(27.9)
Loss from doubtful loan receivables	-	-	11.0	-
Foreign exchange gain/loss from lending in foreign currency	1.5	(4.1)	1.8	(7.3)
Interest expense on borrowings	3.7	3.4	13.2	9.0
Interest and other financial income	(0.1)	(1.4)	(4.9)	(4.9)
Adjusted net profit before tax	72.4	83.3	272.1	276.6
Net change in current assets relating to operating activities				
Change in receivables related to operating activities	3.5	16.3	2.8	4.1
Change in inventories	(7.6)	(5.9)	(32.8)	0.9
Net change in other current assets relating to operating activities	(17.7)	75.9	24.6	114.7
Total net change in current assets relating to operating activities	(21.8)	86.3	(5.4)	119.7
Net change in current liabilities relating to operating activities				
Change in provisions	12.4	(7.2)	(17.0)	(15.6)
Change in trade payables	(6.9)	1.1	(7.7)	10.7
Net change in liabilities relating to other operating activities	(8.2)	(0.8)	(5.7)	3.2
Total net change in liabilities relating to operating activities	(2.7)	(6.9)	(30.4)	(1.7)
Cash generated from operations	47.9	162.7	236.3	394.6

11. Provisions

in million EUR	Opening balance	Recognition and reversal	Interest charge	Use	Closing balance	
	31 December 2015	of provisions			31 March 2016	
					Short-term provision	Long-term provision
Environmental protection provisions	28.3	0.1	0.2	(0.7)	5.2	22.7
Provision for termination of mining operations	0.7	-	-	-	-	0.7
Employee related provisions	6.6	-	-	(1.0)	1.1	4.5
Provision for dismantling cost of assets	3.3	-	0.1	-	-	3.4
Provision for greenhouse gas emissions	28.3	13.7	-	-	42.0	-
Provision for obligations arising from treaties	3.5	0.2	-	-	3.7	-
Total provisions	70.7	14.0	0.3	(1.7)	52.0	31.3

12. Related Party Transactions

The sole shareholder of Eesti Energia AS is the Republic of Estonia. In preparing the Group's financial statements, the related parties include associates, members of the management and supervisory boards of the parent company, and other companies over which these persons have significant influence.

Related parties also include entities under the control or significant influence of the state.

in million EUR	1 January - 31 March	
	2016	2015
Transactions with associates		
Purchase of goods and services	4.4	5.8
Proceeds from sale of goods and services	0.2	0.3
Financial income	-	1.3
Loans granted	1.5	-

in million EUR	31 March 2016	31 December 2015
Receivables from associates and payables to associates		
Receivables	43.8	44.2
<i>incl long-term loan receivables</i>	43.6	42.5
Allowance for doubtful loan receivables	(11.0)	(11.0)
Payables	4.1	4.8
<i>incl long-term payables</i>	1.1	1.1

Upon premature termination of the service contract with a member of the Management Board, the service contracts stipulate the payment of 3 months' remuneration as termination benefits. During the period 1 January - 31 March 2016 remuneration to management and supervisory boards amounted to EUR 0.6 million.

In purchasing and selling network services, the prices set by the Estonian Competition Authority are used. All other transactions are concluded using agreed prices.

The sales of electricity, network services and heat to the entities over which the state has control or significant influence have been taken place under normal business activity. The Group has performed in the reporting and comparative period purchase and sales transactions in the material amounts with Elering AS, which is fully state-owned enterprise.

in million EUR	1 January - 31 March	
	2016	2015
Transactions with Elering AS Group		
Purchase of goods and services	31.3	29.7
Purchase of property, plant and equipment and prepayments	0.1	0.2
Sale of goods and services (incl. renewable energy grant)	5.6	6.8
Sale of property, plant and equipment	-	0.4

in million EUR	31 March 2016	31 December 2015
Receivables from Elering AS and payables to Elering AS		
Receivables	2.0	3.4
Payables	18.5	18.4

13. Effects of Changes in Condensed Consolidated Interim Income Statement

In the current interim report the sales revenue of greenhouse gas allowances and the cost of the allowances sold are presented in net amount which is different from the presentation in the interim report of 2015 Q1. Because of that some reclassifications have been made retrospectively between the the income statement' lines. The information about the changes is disclosed in the table below:

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT in million EUR	3 months 1 January - 31 March 2015		
	changed	before	difference
Other operating income	6.5	69.9	(63.4)
Raw materials and consumables used	(90.7)	(154.1)	63.4

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT in million EUR	12 kuud 1 April - 31 March 2014/15		
	changed	before	difference
Other operating income	25.9	89.3	(63.4)
Raw materials and consumables used	(364.0)	(427.4)	63.4

Glossary

1 MWh – 1 megawatt hour. The unit of energy generated (or consumed) in one hour by a device operating at a constant power of 1 MW (megawatt).

1,000,000 MWh = 1,000 GWh = 1 TWh.

Circulating fluidised bed (CFB) technology – Circulating fluidised bed combustion technology whereby larger (unburnt) particles are returned to the furnace.

Clean Dark Spread (CDS) – Eesti Energia's margin between the price of electricity (in NP Estonia) and oil shale costs and CO₂ costs (taking into account the price of CO₂ allowance futures maturing in December and the amount of CO₂ emitted in the generation of a MWh of electricity).

CO₂ emission allowance – According to the European Union Emissions Trading System (ETS), one emission allowance gives the holder the right to emit one tonne of carbon dioxide (CO₂). The limit on the total number of emission allowances available gives them a monetary value.

EBITDA margin – Earnings before interest, taxes, depreciation and amortisation divided by revenues.

FFO – Funds from operations. Cash flow from operations, excluding changes in working capital.

Financial leverage – Net debt divided by the sum of net debt and equity.

Level of water reservoirs – The largest part of the Nordic countries' electricity generation is based on hydro power whose output depends on the level of water reservoirs.

Liquidity – Amount of liquid assets. Sum of cash and cash equivalents, short term financial investments and deposits with a maturity of more than 3 months

Net debt – Debt obligations (amortised) less cash and cash equivalents (incl. bank deposits with maturities exceeding 3 months), units in money market funds and investments in fixed income bonds.

Network losses – The amount of electricity delivered to customers is somewhat smaller than the amount supplied from power plants to the network because during transfer a part of electricity in the power lines and transformers converts into heat.

To a lesser extent, network losses are caused by power theft and incorrect measuring. The network operator has to compensate energy losses and for this a corresponding amount of electricity has to be purchased every hour.

NP system price – The price on the Nord Pool power exchange that is calculated on the basis of all purchase and sale bids without taking into account transmission capacity limitations.

Oil shale resource estimates – Outside Estonia, oil shale resources with high economic potential have been estimated based on exploration results, without taking into consideration any modifying factors. In Estonia, in conformity with the earth's crust regulation and resource exploration practice, relevant technical, environmental and socio-economic modifying factors are taken into consideration. Resource records are kept based on the environmental register's list of deposits. Oil shale resources are classified into the following categories: measured, indicated and inferred, in the order of decreasing geological confidence

Position hedged with forward transactions – The average price and the corresponding amount of electricity and shale oil sold and emission allowances purchased in the future is previously fixed.

RAB – Regulated Asset Base, which represents the value of assets used to provide regulated services.

Return on Fixed Assets (ROFA) – Operating profit (rolling 12 months) divided by average fixed assets excluding assets under construction (allocated to specific product).

ROIC – Return on Invested Capital, calculated by dividing operating profit by average invested capital

SAIDI – System Average Interruption Duration Index. The sum of all customer interruption durations in minutes divided by the total number of customers served.

SAIFI – System Average Interruption Frequency Index. The total number of customer interruptions divided by the total number of customers served.

Variable profit – Profit after deducting variable costs from sales revenues