

ELENIA HEAT OY

FINANCIAL

STATEMENTS

31 December 2013

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ANNUAL REPORT

General information This annual report covers the financial year from 1 January to 31 December 2013. The head office of Elenia Heat is located in Hämeenlinna. The company's main products are district heating production and distribution, natural gas sales and distribution, and electricity generation. The company engages in business operations in the Häme, Central Finland and Northern Ostrobothnia regions.

Risks The risks associated with the company's business operations are primarily related to fuel prices and electricity acquisition. Changes in average temperature influence the demand for the products sold by the company and thereby affect its total revenue.

Ownership structure The company is 100% owned by Elenia Oy.

Result and key figures Due to warm temperatures during the year, heating sales declined by more than 8%, electricity generation fell by nearly 16% and gas sales decreased by more than 7%. Despite price increases, the operating profit was lower than in the previous year. The company's total revenue declined by 2%, while operating profit fell by 5%. Despite this, the company's solvency improved. The company's financial position and result is illustrated by the following key figures:

	2013	2012	2011
Total revenue (EUR thousand)	73,022	74,599	72,488
Operating profit(EUR thousand)	9,592	10,139	11,067
Operating profit %	13.1	13.6	15.3
<u>Return on investment</u>	11.9	12.4	13.1
Capital ratio	34.5	33.1	28.7
Investments (EUR million)	5.7	4.4	6.9

Share capital The company's share capital in the financial year was EUR 55,000.00. The share capital is divided into 100 shares with a nominal value of EUR 550 each. All shares carry equal voting rights in shareholders' meetings.

Personnel The average number of personnel during the financial year was 90. Salaries and other personnel costs amounted to EUR 6,230 thousand.

Environment Elenia Heat Oy has continued to reduce its CO2 emissions per unit of energy generated in its production operations. This has been achieved by increasing the share of renewable biofuels and reducing the share of fossil fuels, natural gas in particular. In June, the company began construction on a 10MW bio boiler plant in Turenki to replace previous production that primarily used natural gas as the fuel. The boiler plant is scheduled to be commissioned in late 2014.

Events after the reporting period

There have been no material events since the end of the reporting period.

Outlook

Business operations are expected to continue in a similar manner as before.

Board of Directors

The company's Board of Directors was comprised of the following members: The Chairman of the Board of Directors was Matti Manninen and the other members were Matteo Botto Poala, Andrew Cox and Mikko Räsänen. The company's auditor is Ernst & Young Oy.

The Board's proposal for the distribution of profit

The Board of Directors proposes to the General Meeting of Shareholders that the profit for the period, EUR 56,206.96, be transferred to retained earnings and that no dividend be paid.

ELENIA HEAT OY

Business ID: 0991064-1

Income statement		1.1.- 31.12.2013	1.1. - 31.12.2012
Revenue	1.1	73,022,193.53	74,598,606.16
Other operating income	1.2	1,403,903.45	3,299,230.75
Materials and services	1.3	44,558,722.57	46,360,414.03
Employee benefit expenses	1.4	6,229,951.04	6,058,486.03
Depreciation and amortisation	1.5	8,936,662.69	9,321,087.85
Other operating expenses	1.6	5,108,905.19	6,019,1118.43
Operating profit		9,591,855.49	10,138 730.57
Finance income and costs	1.7	-410,698.00	-1,099,043.69
Profit before non-recurring items		9,181,157.49	9,039,686.88
Non-recurring items	1.8	-8,600,000.00	0.00
Profit before appropriations and taxes		581,157.49	9,039,686.88
Appropriations	1.9	-362,871.65	-1,970,316.54
Income tax	2.0	-162,078.88	-1,768,606.29
Profit for the period		56,206.96	5,300,764.05

ELENIA HEAT OY

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Balance sheet		31.12.2013	31.12.2012
ASSETS			
Non-current assets			
Intangible assets	2.1		
Intangible rights		39,702.78	42 145.98
Goodwill		4,616,418.73	6,650,678.29
Other capitalized long-term expenditure		1,362,430.33	850,891.52
		<u>6,018,551.84</u>	<u>7,543,715.79</u>
Tangible assets Land and water areas	2.2	324,595.95	324,595.95
Buildings and constructions		6,507,463.94	7,422,994.90
District heating network		27,362,369.42	29,790,182.74
Natural gas network		1,813,324.35	2,362,343.26
Machinery and equipment		47,154,109.25	46,134,788.12
Other tangible assets		672,690.79	181,374.91
Advance payments and construction in		1,384,067.74	739,579.03
		<u>85,218,621.44</u>	<u>86,955,858.91</u>
Investments	2.3		
Holdings in associated companies		51,280.00	51,280.00
Other shares and holdings		33.64	33.64
		<u>51,313.64</u>	<u>51,313.64</u>
Total non-current assets		91,288,486.92	94,550,888.34
Current assets			
Inventories			
Materials and supplies		16,517,555.58	14,944,457.30
Short-term receivables	2.4		
Trade receivables		835,050.94	1,470,100.13
Receivables from group companies		629,290.15	582,426.80
Other receivables		115,327.80	1,564.92
Prepayments and accrued income		9,280,117.72	11,750,694.00
Prepayments to and accrued income from		0.00	56,080.61
Total short-term receivables		<u>10,859,786.61</u>	<u>13,860,866.46</u>
Cash and cash equivalents		4,265,577.35	3,818,696.04
Total current assets		31,642,919.54	32,624,019.80
TOTAL ASSETS		122,931,406.46	127,174,908.14

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Balance sheet		31.12.2013	31.12.2012
EQUITY AND LIABILITIES	Note		
Capital and reserves	3.1		
Subscribed capital		55,000.00	55,000.00
Share premium fund		82,687.57	82,687.57
Legal reserve		82,687.57	82,687.96
Retained earnings		6,791,951.31	1,491,187.26
Profit for the financial year (+) / loss (-)		56,206.96	7,023,439.80
Accumulated accelerated depreciation	3.2	46,900,084.17	46,900,084.17
Provisions	3.3		0.00
Liabilities	3.4		
Non-current liabilities			
Connection fees		36,853,013.60	36,853,013.60
Current liabilities			
Trade payables		3,215,840.42	1,816,169.78
Liabilities to group companies		23,757,920.70	26,272,509.67
Other liabilities		492,578.49	1,638,619.77
Accruals and deferred income		4,688,529.28	32,154,868.89
Total liabilities		69,007,882.49	73,620,462.78
TOTAL EQUITY AND LIABILITIES		122,931,406.46	127,174,908.14

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Differentiated financial statements

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Income statement	Gas business	01.01.2013 .31.12.2013		01.01.2012 .31.12.2012		Gas sales		Gas sales		Gas distribution		Gas distribution	
		01.01.2013	.31.12.2013	01.01.2012	.31.12.2012	01.01.2013	.31.12.2013	01.01.2012	.31.12.2012	01.01.2013	.31.12.2013	01.01.2012	.31.12.2012
Total revenue			7,457,127.98		7,691,104.48		4,495,830.81		4,930,536.47		2,961,297.17		2,760,568.01
Other operating income			59,206.00		1,940.00		38,295.00		737.50		20,911.00		1,202.50
Materials and services			5,671,924.04		5,981,489.77		3,413,081.92		3,808,089.44		2,258,842.12		2,173,400.33
Personnel expenses			68,788.69		119,507.24		11,140.96		74,461.66		57,647.73		45,045.58
Depreciation and amortisation			617,443.51		624,501.32		0.00		0.00		617,443.51		624,501.32
Other operating expenses			66,542.91		42,200.55		36,362.80		21,909.54		30,180.11		20,291.01
Operating profit			1,091,634.83		925,345.60		1,073,540.13		1,026,813.33		18,094.70		-101,467.73
Finance income and expenses			-41,069.80		-109,904.37		-24,760.59		-70,456.40		-16,309.21		.39,447.97
Profit before non-recurring items			1,050,565.03		815,441.23		1,048,779.54		956,356.93		1,785.49		-140,915.70
Non-recurring items +/-			-860,000.00		0.00		-860,000.00		0.00		0.00		0.00
Profit before appropriations and taxes			190,565.03		815,441.23		188,779.54		956,356.93		1,785.49		-140,915.70
Appropriations			470,808.09		415,819.79		0.00		0.00		470,808.09		415,819.79
Income tax			-162,036.41		-232,357.61		-162,036.41		-232,357.61		0.00		0.00
Profit for the financial year			499,336.71		998,903.41		26,743.13		723,999.32		472,593.58		274,904.09

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31.12.2013

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Differentiated
financial statements

Gas sales

Gas sales

Gas
distribution

Gas distribution

Balance sheet Gas business

31.12.2013

31.12.2012

31.12.2013

31.12.2012

31.12.2013

31.12.2012

ASSETS

Non-current assets

Intangible assets	810,766.56	1,172,463.84	0.00	0.00	810,766.56	1,172,463.84
Tangible assets	2,124,914.54	2,366,283.40	0.00	0.00	2,124,914.54	2,366,283.40
Total non-current assets	2,935,681.10	3,538,747.24	0.00	0.00	2,935,681.10	3,538,747.24

Current assets

Short-term receivables

Prepayments and accrued
income

Prepayments and accrued income	705,170.34	883,191.36	425,151.27	576,059.22	280,019.08	307,132.14
Cash and cash equivalents	6,862,443.11	6,377,123.27	6,862,443.11	6,377,123.27	0.00	0.00
Total current assets	7,567,613.45	7,260,314.63	7,287,594.38	6,953,182.49	280,019.08	307,132.14
TOTAL ASSETS	10,503,294.56	10,799,061.87	7,287,594.38	6,953,182.49	3,215,700.18	3,845,879.38

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Differentiated
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31.12.2013

			Gas sales	Gas sales	Gas transmission	Gas transmission	
Balance sheet	Gas business	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
EQUITY AND LIABILITIES							
Capital and reserves							
Subscribed capital	Legal						
Retained earnings		716,040.80	-282,862.61	6,241,874.30	5,517,874.98	-5,525,833.50	-5,800,737.59
Profit for the financial year (+) / loss (-)		499,336.71	998,903.41	26,743.13	723,999.32	472,593.58	274,904.09
TOTAL CAPITAL AND RESERVES		1,215,377.51	716,040.80	6,268,617.42	6,241,874.30	-5,053,239.92	-5,525,833.51
Accumulated accelerated depreciation		2,390,619.15	2,861,427.24	0.00	0.00	2,390,619.15	2,861,427.24
Liabilities							
Non-current liabilities							
Connection fees		1,014,899.66	1,038,885.66	0.00	0.00	1,014,899.66	1,038,885.66
		1,014,899.66	1,038,885.66	0,00	0,00	1,014,899.66	1,038,885.66
Current liabilities							
Trade payables		328,406.10	187,246.82	197,992.88	120,038.32	130,413.22	67,208.50
Liabilities to group companies		2,427,587.99	2,708,691.59	540,049.39	84,105.53	1,887,538.60	2,624,586.06
Other short-term liabilities		2,660,424.46	2,495,648.17			2,660,424.46	2,495,648.17
Accruals and deferred income		465,979.70	791,121.60	280,934.68	507,164.34	185,045.02	283,957.26
		5,882,398.25	6,182,708.17	1,018,976.96	711,308.19	4,863,421.29	5,471,399.99
Total liabilities		6,897,297.91	7,221,593.83	1,018,976.96	711,308.19	5,878,320.95	6,510,285.65
TOTAL EQUITY AND LIABILITIES		10,503,294.56	10,799,061.87	7,287,594.38	6,953,182.49	3,215,700.18	3,845,879.38

31. 12.2013

Allocation principles

Differentiated calculations for gas

Items for which the allocation principle applied is the share of the gas business of total revenue, the allocation principle applied is 10% (in 2012, 10%)

Income statement, gas business

Total revenue	revenue differentiated by business segment
Other operating income	other income differentiated by business segment
Materials and services	Materials and services differentiated by business segment
Personnel expenses	Personnel expenses differentiated by business segment
Depreciation and amortisation	Depreciation differentiated by business segment
Other operating expenses	Other expenses differentiated by business segment
Finance income and expenses	Share of gas business of total revenue
Non-recurring items	Share of gas business of total revenue
Income tax sheet	Based on the business segment's differentiated income statement and balance

Balance sheet Gas business

Intangible assets	Intangible assets are differentiated by business segment
Tangible assets	Tangible assets are differentiated by business segment
Short-term receivables	Receivables are differentiated by business segment
Cash and cash equivalents sheet	Allocated in such a way as to balance the segment's differentiated balance
Subscribed capital	Subscribed capital, funds and reserves have not been allocated
Profit for the financial year (+) / loss (-)	based on the business segment's differentiated result
Depreciation difference	Depreciation difference is differentiated by business segment
Connection fees	Connection fees are differentiated by business segment
Trade payables	Share of gas business of total revenue
Liabilities to group companies	Share of gas business of total revenue
Accruals and deferred income	Share of gas business of total revenue

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Cash flow statement	1.1.- 31.12.2013	1.1. - 31.12.2012
Cash flow from operating activities		
Operating profit	9,591,855.49	10,138,730.57
Reversal of amortisation	8,936,662.69	9,321,087.85
Change in working capital	-2,579,663.51	-2,728,409.61
Finance expenses	-490,918.97	-1,175,770.02
Dividend income	45,000.00	40,675.66
Finance income	35,220.97	36,050.67
Taxes paid	-50,218.34	-1,064,351.93
Cash flow from operating activities	15,487,938.33	14,568,013.19
Investments		-4,430,926.83
Capital expenditure on intangible and tangible assets	-5,674,261.27	
Investment subsidies received	0.00	415,373.00
Divestment of intangible and tangible assets	0.00	426,193.57
Cash flow from investing activities	-5,674,261.27	.3,589,360.26
Cash flow before financial items	9,813,677.06	10,978,652.93
Financial items		
Increase in connection fees	633,204.25	1,302,417.61
Repayment of short-term loans	-10,000,000.00	-10,000,000.00
Short-term loans withdrawn	0.00	5,871,312.05
Dividends paid and other distribution of profit	0.00	
Group contribution (+/-)	0.00	-4,550,000.00
Cash flow from financing activities	-9,366,795.75	-7,376,270.34
Change in cash and cash equivalents	446,881.31	3,602,382.59
Cash and cash equivalents at the start of the period	3,818,696.04	216,313.45
Cash and cash equivalents at the end of the period	4,265,577.35	3,818,696.04

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Notes to the financial statements

1.1.- 31.12.2013

1.1. - 31.12.2012

The company is a subsidiary of the Elenia Group, which is domiciled in Finland.

The consolidated financial statements are available from the following address: Televisiokatu 4, 00240 Helsinki

Notes on the preparation of the financial statements

Measurement of non-current assets

Intangible and tangible assets are recorded in the balance sheet at acquisition cost less planned depreciation. Planned depreciation is calculated using straight-line depreciation over the economic life of the asset. The values of buildings and land areas do not include revaluations.

The depreciation periods

are:

Intangible rights	
Goodwill	3-5
Other capitalized long-term expenditures	10-15
Buildings and constructions	5-10
District heating network	15-25
Natural gas network	30
Machinery and equipment	30
Other tangible assets	5-30
	20

Measurement of inventories

Inventories are recorded under the FIFO principle at acquisition cost, lower repurchasing cost or likely selling price.

Comparability with the previous year's figures

The figures in these financial statements are comparable with the previous year's figures.

Amounts in foreign currencies

Receivables and payables in foreign currencies have been converted to Finnish currency at the average exchange rate on the balance sheet date.

Investment subsidies

No investment subsidies were received.

NOTES TO THE INCOME STATEMENT

1.1 Revenue by segment

Heat	62,753,733.20	63,471,378.90
Natural gas	7,454,195.82	7,702,955.11
Electricity	2,201,200.00	2,660,629.87
Other sales	613,064.51	763,642.28
Total	73,022,193.53	74,598,606.16

1.2 Other operating income

Lease income	75,325.73	49,665.03
Capital gains	2,700.00	152,136.55
Other operating income	1,325,877.72	3,097,429.17
Total	1,403,903.45	3,299,230.75

1.3 Materials and services

Fuels	42,728,451.37	43,695,496.74
Change in inventory (increase -) / (decrease +)	300,825.06	672,456.98
Other purchases	0.00	-3,043,405.13

External services.	1,529,446.14	5,035,865.44
Total	44,558,722.57	<hr/> 46,360,414.03

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Notes to the financial statements	1.1.- 31.12.2013	1.1.- 31.12.2012
1.4 Personnel expenses		
Average number of personnel	90	91
Salaries	5,096,612.56	4,988,677.14
Pension expenses	947,562.76	831,557.51
Other employee expenses	185,775.72	238,251.38
Total	<u>6,229,951.04</u>	<u>6,058,486.03</u>
1.5 Depreciation and impairment		
Intangible rights	2,443.20	2,443.24
Goodwill	2,034,259.56	2,034,259.37
Other capitalized long-term expenditure	249,637.05	730,933.87
Buildings and constructions	483,244.00	503,459.95
District heating network	2,229,608.60	2,240,797.03
Natural gas network	220,077.62	239,578.34
Machinery and equipment	3,679,590.07	3,534,118.08
Other tangible assets	37,802.59	35,497.97
Total	<u>8,936,662.69</u>	<u>9,321,087.85</u>
1.6 Other operating expenses		
Rent and property expenses	1,068,759.06	929,925.15
Use and maintenance	607,779.44	922,052.95
External services	1,661,638.47	2,174,386.27
Other operating expenses	1,705,248.22	1,966,342.06
Total	<u>5,043,425.19</u>	<u>5,992,706.43</u>
1.6.1 Auditors' fees		
Audit	65,480.00	26,412.00
Total	<u>65,480.00</u>	<u>26,412.00</u>
1.7 Finance income and expenses		
Dividend		
From associated companies	45,000.00	40,500.00
From other companies	0.00	175.66
Total	<u>45,000.00</u>	<u>40,675.66</u>
Interest and other financial income		
Other interest income	35,220.97	36,050.67
Total	<u>35,220.97</u>	<u>36,050.67</u>
Interest and other financial expenses		
To group companies	486,231.11	1,124,951.64
Other interest expenses	4,687.86	50,788.98
Other financial expenses	0.00	29.40
Total	<u>490,918.97</u>	<u>1,175,770.02</u>
Financial income and expenses total	-410,698.00	-1,099,043.69
1.8 Non-recurring items		
Group contributions paid	8,600,000.00	0.00
Total	<u>8,600,000.00</u>	<u>0.00</u>

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Notes to the financial statements	1.1. - 31.12.2013	1.1. - 31.12.2012
1.9 Appropriations		
Change in depreciation difference	362,871.65	1,970,316.54
Total	362,871.65	1,970,316.54
2.0 Income tax		
Tax effect of non-recurring items	-2,107,000.00	0.00
Income taxes on ordinary operations	2,269,078.88	1,768,606.29
Total	162,078.88	1,768,606.29
NOTES TO THE BALANCE SHEET		
Non-current assets		
2.1 Intangible assets		
Intangible rights		
Acquisition cost 1.1.	78,724.43	78,724.43
Transfers between items	16,415.56	0.00
Acquisition cost 31.12.	95,139.99	78,724.43
Accumulated depreciation 1.1.	-36,578.45	-34,135.21
Transfers between items	-16,415.56	0.00
Depreciation	-2,443.20	-2,443.24
Book value 31.12.	39,702.78	42,145.98
Goodwill		
Acquisition cost 1.1.	30,363,890.51	30,363,890.51
Additions	0.00	0.00
Acquisition cost 31.12.	30,363,890.51	30,363,890.51
Accumulated depreciation 1.1.	-23,713,212.22	-21,678,952.85
Depreciation	-2,034,259.56	-2,034,259.37
Book value 31.12.	4,616,418.73	6,650,678.29
Other capitalized long-term expenditure		
Acquisition cost 1.1.	2,100,609.26	1,817,252.32
Additions	712,567.06	283,356.94
Transfers between items	122,846.38	0.00
Acquisition cost 31.12.	2,936,022.70	2,100,609.26
Accumulated depreciation 1.1.	-1,249,717.74	-518,783.87
Depreciation transfers between items	-74,237.58	0.00
Depreciation	-249,637.05	-730,933.87
Book value 31.12.	1,362,430.33	850,891.52
2.2 Tangible assets		
Land and water areas		
Acquisition cost	324,595.95	324,595.95
Acquisition cost 31.12.	324,595.95	324,595.95
Book value 31.12.	324,595.95	324,595.95

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Notes to the financial statements	1.1. - 31.12.2013	1.1. - 31.12.2012
Buildings and constructions		
Acquisition cost 1.1.	11,140,241.89	11,244,131.89
Additions	102,077.38	0.00
Transfers between items	-348,421.62	0.00
Disposals	0.00	-103,890.00
Acquisition cost 31.12.	10,893,897.65	11,140,241.89
Accumulated depreciation 1.1.	-3,717,246.99	-3,213,787.04
Depreciation	-483,244.00	-503,459.95
Depreciation transfers between items	-185,942.72	0.00
Book value 31.12.	6,507,463.94	7,422,994.90
District heating network		
Acquisition cost 1.1.	60,934,627.08	58,189,543.94
Additions	2,572,105.68	224,675.00
Transfers between items	-2,770,310.40	0.00
Additions from construction in progress	0.00	2,550,981.06
Divestments	0.00	-30,572.92
Acquisition cost 31.12.	60,736,422.36	60,934,627.08
Accumulated depreciation 1.1.	-31,144,444.34	-28,904,156.86
Depreciation	-2,229,608.60	-2,240,797.03
Depreciation transfers between items	0.00	509.55
Book value 31.12.	27,362,369.42	29,790,182.74
Natural gas network		
Acquisition cost 1.1.	6,395,167.93	6,272,610.20
Transfers between items	-357,310.86	0.00
Additions	12,719.37	122,557.73
Acquisition cost 31.12.	6,050,576.44	6,395,167.93
Accumulated depreciation 1.1.	-4,032,824.67	-3,793,246.33
Depreciation	-220,077.62	-239,578.34
Depreciation transfers between items	15,650.20	0.00
Book value 31.12.	1,813,324.35	2,362,343.26
Machinery and equipment		
Acquisition cost 1.1.	66,111,053.05	64,812,719.00
Additions	1,586,940.14	30,572.92
Additions from construction in progress	0.00	1,519,244.13
Transfers between items	3,144,634.53	0.00
Divestments	-12,411.06	-251,483.00
Acquisition cost 31.12.	70,830,216.66	66,111,053.05
Accumulated depreciation 1.1.	-19,976,264.93	-16,441,637.30
Depreciation divestments	12,411.06	0.00
Depreciation merger	0.00	-509.55
Depreciation transfers between items	-32,663.47	0.00
Depreciation	-3,679,590.07	-3,534,118.08
Book value 31.12.	47,154,109.25	46,134,788.12

ELENIA HEAT OY

Business ID: 0991064-1

Notes to the financial statements	1.1. - 31.12.2013	1.1. - 31.12.2012
Other tangible assets		
Acquisition cost 1.1.	659,066.55	659,066.55
Transfers between items	192,146.41	0.00
Additions	43,362.93	0.00
Acquisition cost 31. 12.	894,575.89	659,066.55
Accumulated depreciation 1.1.	-477,691 .64	-442,193.67
Transfers between items	293,609.13	0.00
Depreciation	-37,802.59	-35,497.97
Book value 31.12.	672,690.79	181,374.91
Advance payments and construction in progress		
Acquisition cost 1 .1.	739,579.03	1,069,467.06
Additions	6,403,840.30	4,143,658.34
Transferred to fixed assets	-5,759,351.59	-4,473,546.37
Book value 31.12.	1,384,067.74	739,579.03
2.3 Investments		
Shares in associated companies		
Acquisition cost 1.1.	51,280.00	474,143.45
Divestments	0.00	-422,863.45
Acquisition cost 31.12.	51,280.00	51,280.00
Book value 31.12.	51,280.00	51,280.00
Other shares and participations		
Acquisition cost 1.1.	33.64	3,363.76
Divestments	0.00	-3,330.12
Acquisition cost 31.12.	33.64	33.64
Book value 31.12.	33.64	33.64
Itemized on page 18		
2.4 Receivables		
Receivables from group companies		
Short-term		
Trade receivables	9,820.64	582,426.80
Prepayments and accrued income	619,469.51	56,080.61
Total	629,290.15	638,507.41
Receivables from external parties		
Trade receivables	835,050.94	1,470,100.13
Other receivables	115,327.80	1,564.92
Prepayments and accrued income		
Periodized sales income	8,162,008.30	10,886,971.40
Other prepayments and accrued income	1,118,109.42	863,722.60
Total receivables	10,859,786.61	13,860,866.46

ELENIA HEAT OY

Business ID: 0991064-1

Notes to the financial statements	1.1. - 31.12.2013	1.1.- 31.12.2012
3.1 Capital and reserves		
Restricted equity		
Subscribed capital 1.1.	55,000.00	55,000.00
Subscribed capital 31.12.	55,000.00	55,000.00
Total	<u>55,000.00</u>	<u>55,000.00</u>
Share premium fund 1.1.	82,687.57	82,687.57
Share premium fund 31.12.	82,687.57	82,687.57
Legal reserve 1.1.	37,593.96	37,593.96
Legal reserve 31.12.	37,593.96	37,593.96
Total restricted equity	175,281.53	175,281.53
Unrestricted equity		
Retained earnings	6,791,951.31	1,491,187.26
Dividend distribution	0.00	0.00
Profit/loss for the financial year	56,206.96	5,300,764.05
Total unrestricted equity	<u>6,848,158.27</u>	<u>6,791,951.31</u>
Total capital and reserves	7,023,439.80	6,967,232.84
Distributable equity	6,848,158.27	6,791,951.31
3.2 Accumulated accelerated depreciation		
The accelerated depreciation is comprised of depreciation differences.		
Depreciation difference		
Intangible rights	1,205.54	1,618.16
Goodwill	1,993,403.22	1,987,974.86
Other capitalized long-term expenditure	-152,830.93	179,489.48
Buildings and constructions	35,975.42	19,939.34
District heating network	-831,076.59	-1,020,139.30
Natural gas network	124,275.40	93,882.18
Machinery and equipment	-1,537,638.46	-3,233,261.77
Other tangible assets	3,814.75	180.51
	-362,871.65	-1,970,316.54
Cumulative depreciation		
difference Intangible	-39,702.78	-40,908.32
Goodwill	-4,550,990.56	-6,544,393.78
Other capitalized long-term expenditure	-338,071.84	-185,240.91
Buildings and constructions	-821,042.09	-857,017.51
District heating network	-9,307,519.18	-8,476,442.59
Natural gas network	-1,525,917.99	-1,650,193.39
Machinery and equipment	-30,244,350.40	-28,706,711.94
Other tangible assets	-72,489.33	-76,304.08
	-46,900,084.17	-46,537,212.52
Deferred tax liability on the cumulative depreciation difference	9,380,016.83	

ELENIA HEAT OY

Business ID: 0991064-1

Notes to the financial statements	1.1. - 31.12.2013	1.1. - 31.12.2012
3.3 Mandatory provisions		
Other mandatory provisions		
Provisions	0.00	50,000.00
3.4 Liabilities		
Long-term liabilities		
Long-term		
liabilitiesConnection fee	36,219,809.35	34,917,391.74
Connection fee debt 31.12.	36,853,013.60	36,219,809.35
Total long-term liabilities	36,853,013.60	36,219,809.35
Short-term liabilities		
Short-term liabilities to external parties		
Trade payables	3,215,840.42	1,816,169.78
Other short-term liabilities	492,578.49	1,638,619.77
Accruals and deferred income		
Salaries and social security contributions	1,567,526.91	1,701,835.04
Other accrued expenses	3,121,002.37	5,971,519.17
Total	4,688,529.28	<u>7,673,354.21</u>
Total short-term liabilities to external parties	8,396,948.19	11,128,143.76
Short-term liabilities to group companies		
Trade payables	332.22	947,134.60
Other short-term liabilities	15,017,747.37	25,000,000.00
Accruals and deferred income	8,739,841.11	325,375.07
Total	<u>23,757,920.70</u>	<u>26,272,509.67</u>
Total short-term liabilities	32,154,868.89	37,400,653.43
Total liabilities	69,007,882.49	73,620,462.78
Commitments and contingencies		
Provided on behalf of own and group liabilities		
Floating charges	4,500,000,000.00	3,000,000,000.00
Mortgages	27,000,000.00	26,000,000.00
Guarantees	650,000,000.00	0.00
Pledged shares	51,280.00	51,280.00
Bank account	4,265,577.35	3,818,696.04
	5,181,316,857.35	<u>3,029,869,976.04</u>
Leasing liabilities		
Falling due in the next financial year	112,161.32	94,674.38
Payments in future years	114,183.12	96,725.37
	<u>226,344.44</u>	<u>191,399.75</u>

Leasing agreements are primarily contracts for periods of 3-5 years with no redemption obligation.

ELENIA HEAT OY

Business ID: 0991064-1

FINANCIAL
STATEMENTS

31.12.2013

Shares and
participations

	Holding	Share of votes	Nominal value quantity	value of shares (EUR)	Book (EUR)
Associated companies					
Oriveden Aluelämpö Oy	50.0%	50.0%	300	51,000.00	51,280.00
Other shares and participations					
Oulaisten Vesiosuuskunta					33.64
					51,313.64

ELENIA HEAT OY

Business ID:
0991064-1

Financial statements
31.12.2013

Signatures

14 February 2014

Matteo Botto Poala

Andrew Cox

Mikko Räsänen

Matti Manninen, Chairman of the Board of Directors

Matti Tynjälä, Chief Executive Officer

LIST OF ACCOUNTING BOOKS AND STORAGE METHODS

Journal and general ledger	Computer file
Accounts payable	Computer file
Accounts receivable	Computer file
Memo vouchers	Paper vouchers, computer file
Accounts payable vouchers	Paper vouchers, computer file
Accounts receivable vouchers	Paper vouchers, computer file
Cash vouchers	Paper vouchers, computer file
Payroll vouchers	Paper vouchers, computer file
Inventory records	Computer file
Fixed asset register	Computer file

Auditor's report

(Translation)

To the Annual General Meeting of Elenia Lämpö Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Elenia Lämpö Oy for the year ended 31 December, 2013. The financial statements comprise the balance sheet, the income statement, the cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

The profit and loss accounts, the balance sheets and the notes for the separately presented natural gas operations are drawn up in accordance with the rules and provisions laid down in the Natural Gas Market Act.

Helsinki, March 11, 2014

Ernst & Young Oy
Authorized Public Accountant Firm

Mikko Ryttilähti
Authorized Public Accountant