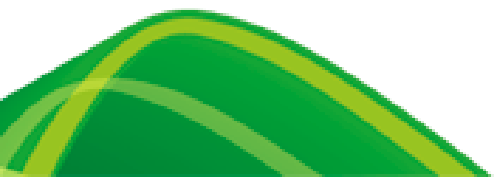


Eesti Energia Unaudited Financial Results for Q1 2014

30 April 2014

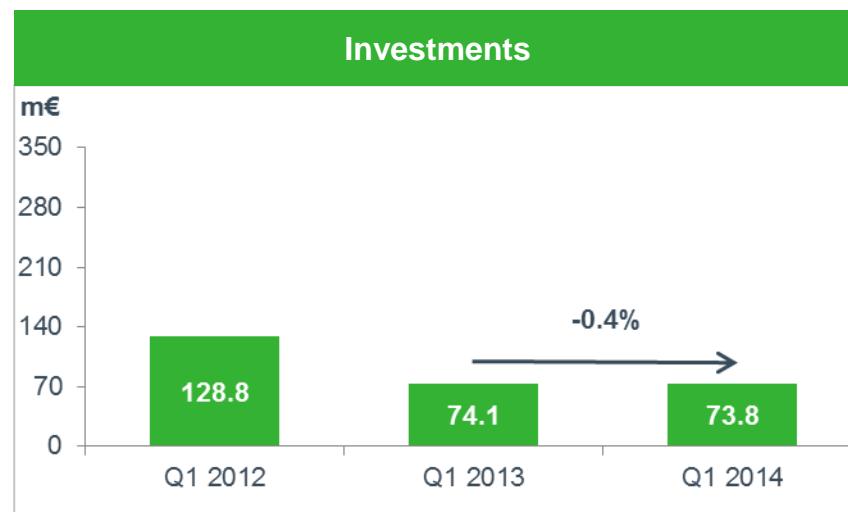
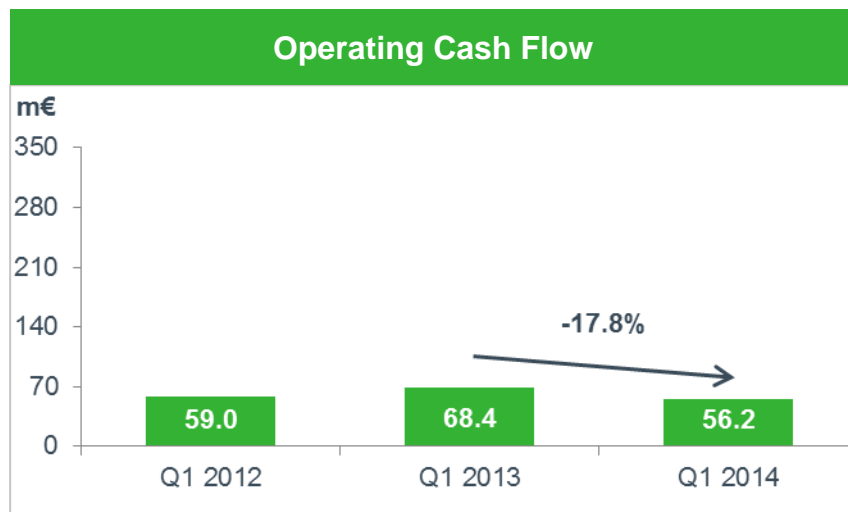
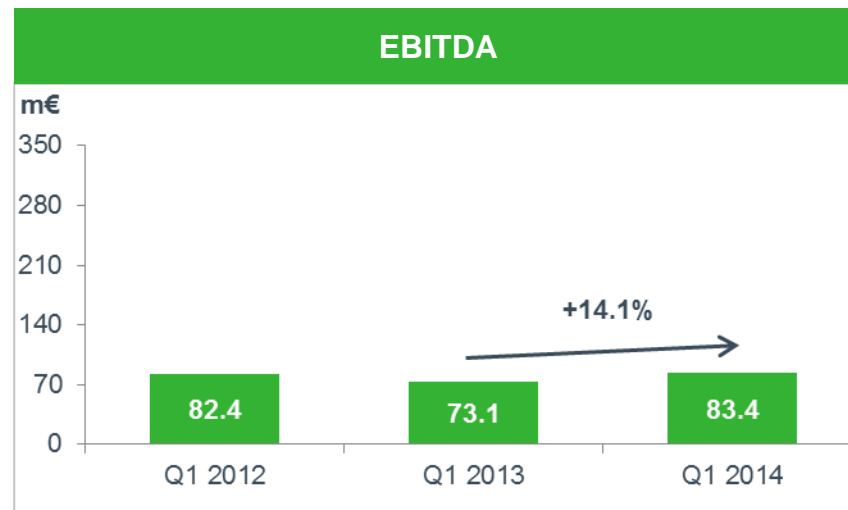
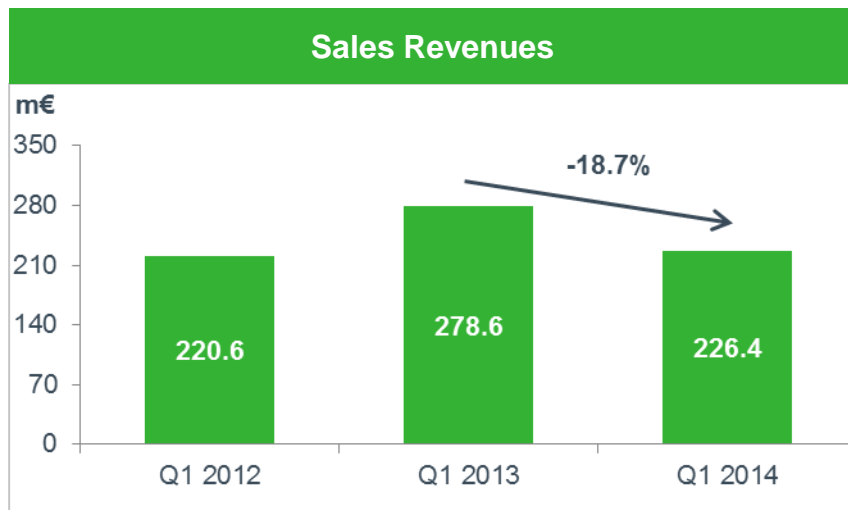


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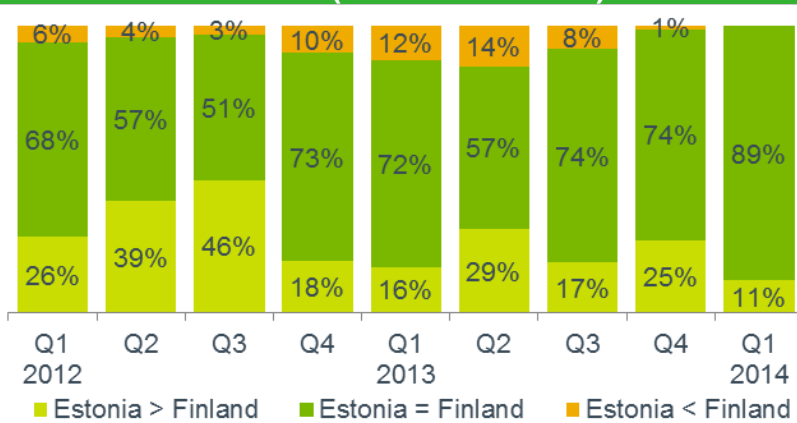
EBITDA Increased in Spite of Lower Sales Revenues



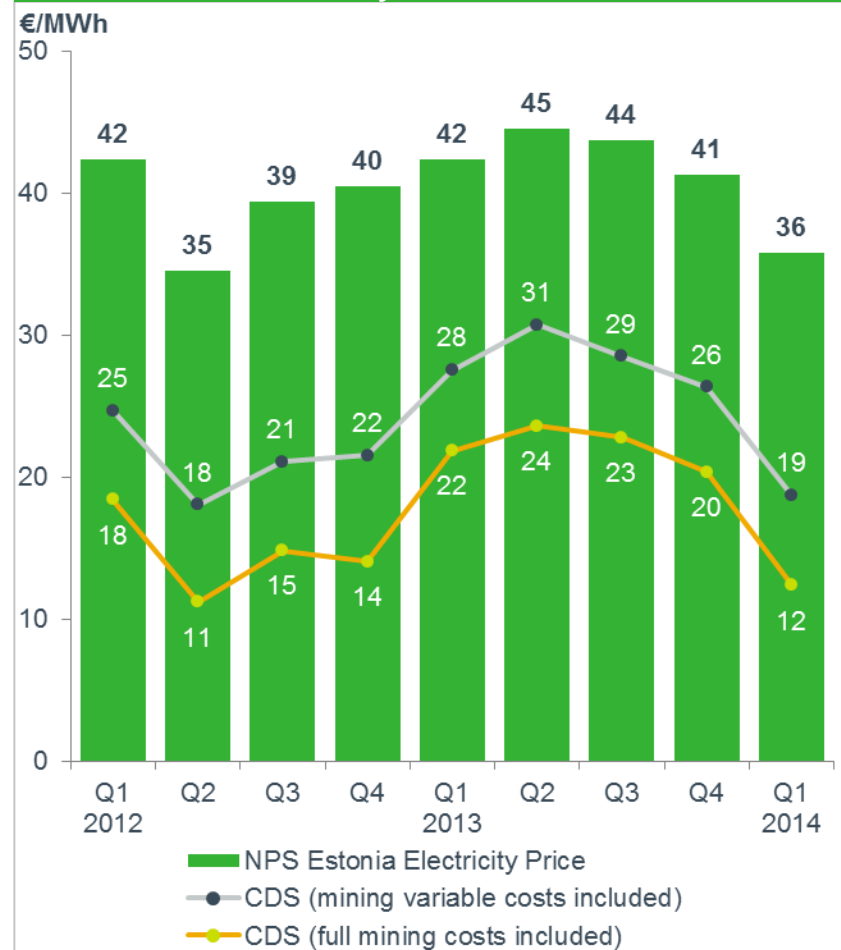
Warm Weather Behind Lower Power Prices

- Average price in Nord Pool Spot Estonia price area 35.8 €/MWh (-6.6 €/MWh, -15.5%), in the Finnish price area 35.2 €/MWh (-6.9 €/MWh, -16.3%)
- Clean Dark Spread (excl. full oil shale and CO₂ costs) 9.5 €/MWh lower due to decreased electricity price (-6.6 €/MWh) and higher CO₂ and oil shale costs (+2.9 €/MWh)
- Hourly price in Estonian price area equal to Finnish price for 89% of hours and above the latter for 11% of hours

Electricity Price Spread Between NPS Estonia and Finland (% of Total Hours)

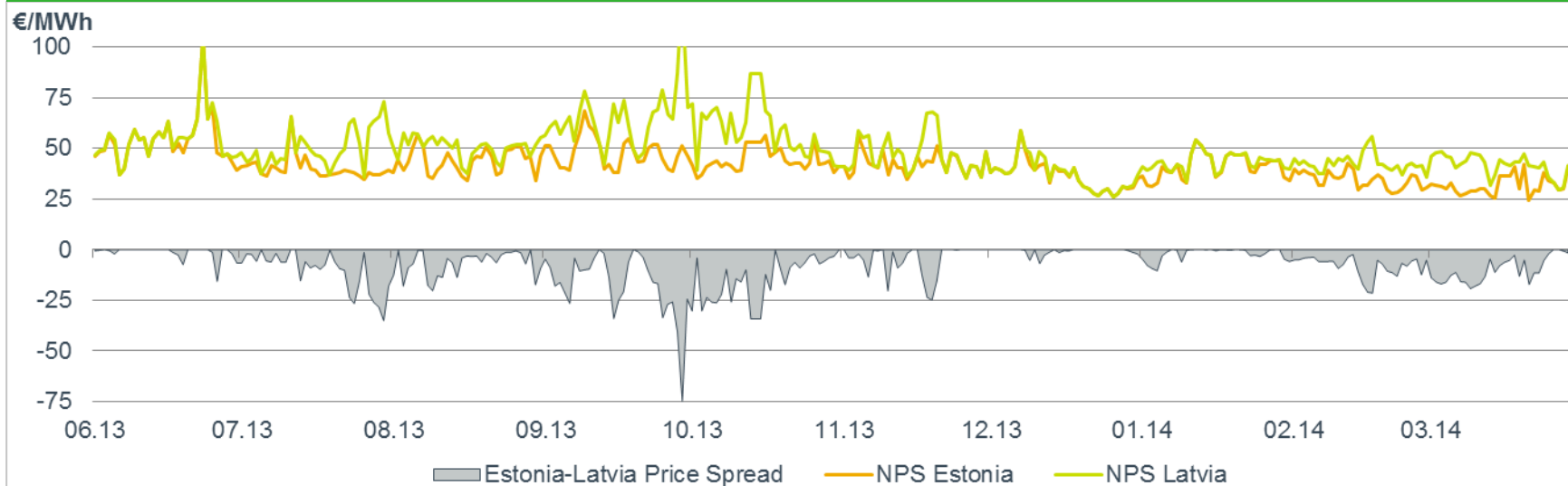


Eesti Energia Electricity Clean Dark Spread (CDS) Dynamics



Estonia-Latvia Electricity Price Spread Decreased

Electricity Price Spread Between Nord Pool Spot Estonia and Latvia



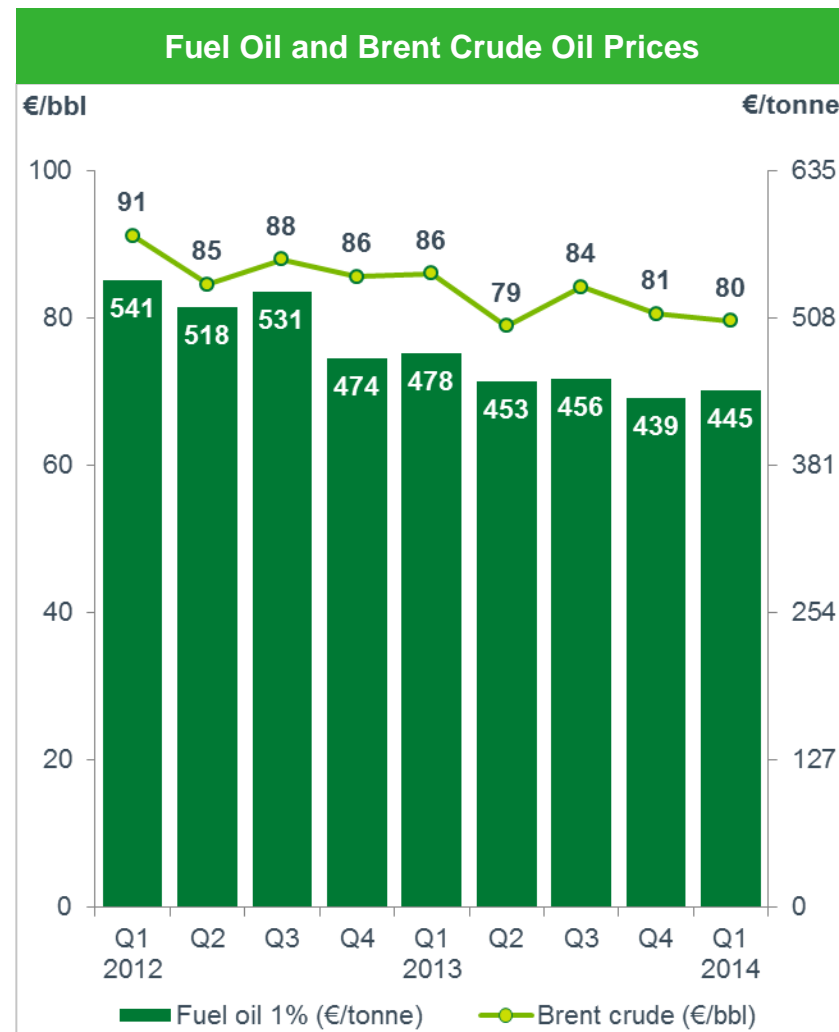
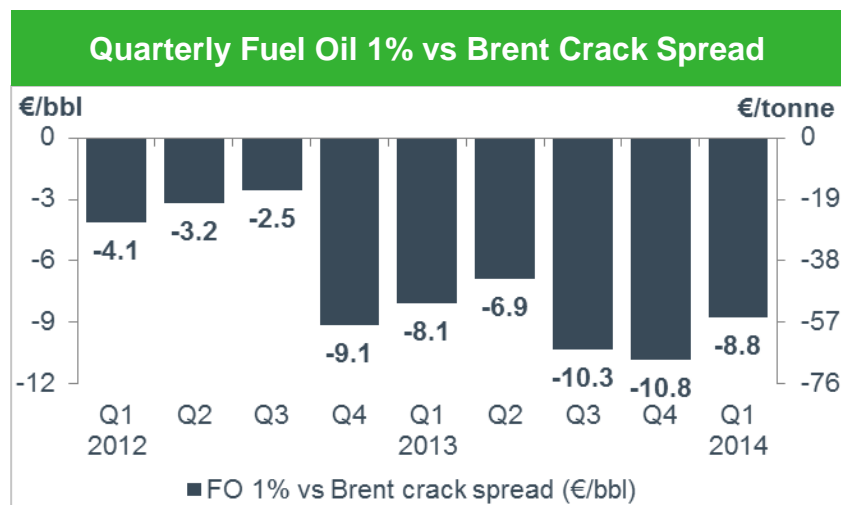
- NPS Latvia price area was opened in 3 June 2013. Average Estonia-Latvia price spread has decreased from -8.1 €/MWh (until 31 December 2013) to -6.6 €/MWh (in Q1 2014)
- Border crossing costs between Estonia and Latvia could not be hedged in 2013. Limited month ahead hedging possibility via PTR* contracts available in 2014**
- Entering into new fixed price electricity contracts in Latvia and Lithuania suspended in September 2013
- Total amount of future fixed price contracts in Latvia and Lithuania 1,911 GWh (as of 31 March 2014). Latvia and Lithuania energy sales portfolio write-off was partially reversed in March 2014 (+€6.4m)

* PTR – Physical Transmission Rights. Price differences between Estonia and Latvia price areas are returned to market participants by TSO-s

**50-150 MW auctioned monthly (5-16% of total Estonia-Latvia transmission capacity) for the next month

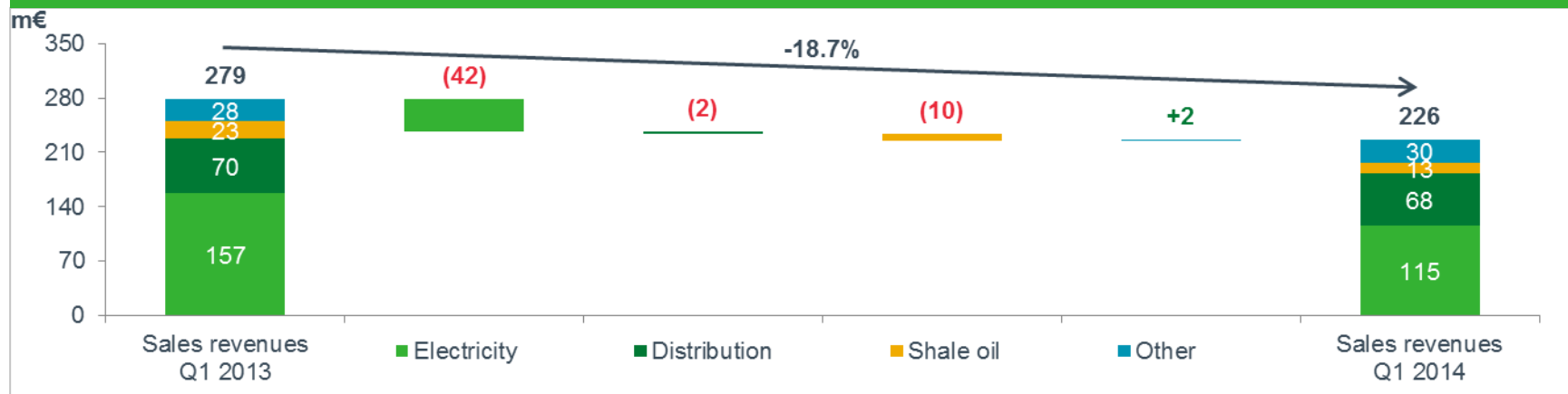
Fuel Oil Price Decreased by 7% as Demand in Europe Remained Weak

- Average price of Brent crude oil 79.6 €/bbl (-6.4 €/bbl, -7.5%)
- Brent crude oil mainly impacted by geopolitical tensions in Libya and Ukraine during Q1 2014
- Fuel oil vs Brent crack spread widened by 0.7 €/bbl to -8.8 €/bbl, compared to Q1 2013
- Fuel oil demand in Europe driven by exports to Asia and US East Coast during Q1 2014

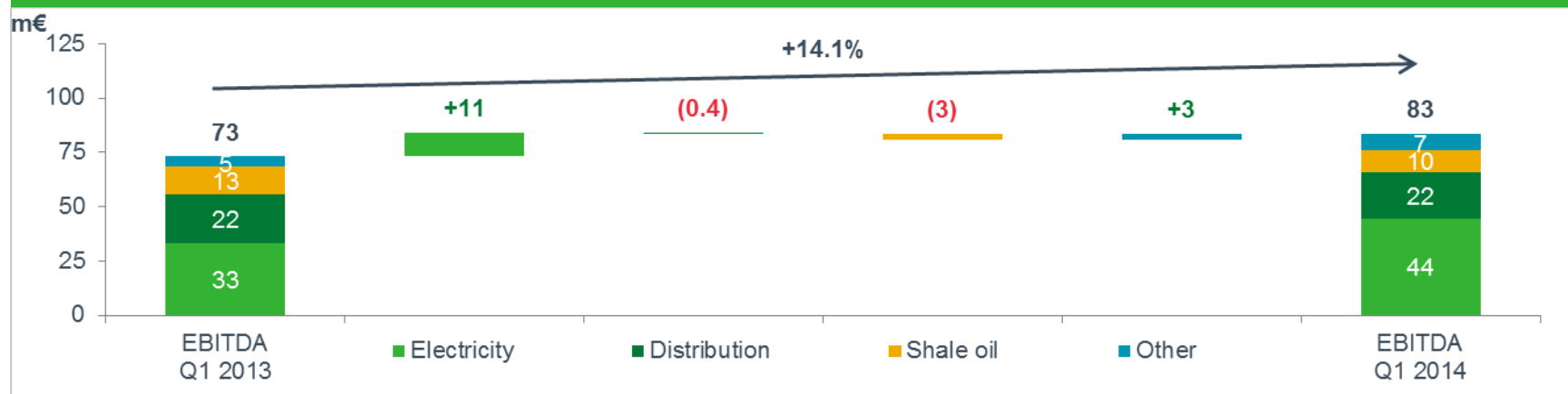


Higher EBITDA due to Increase of Electricity Profitability

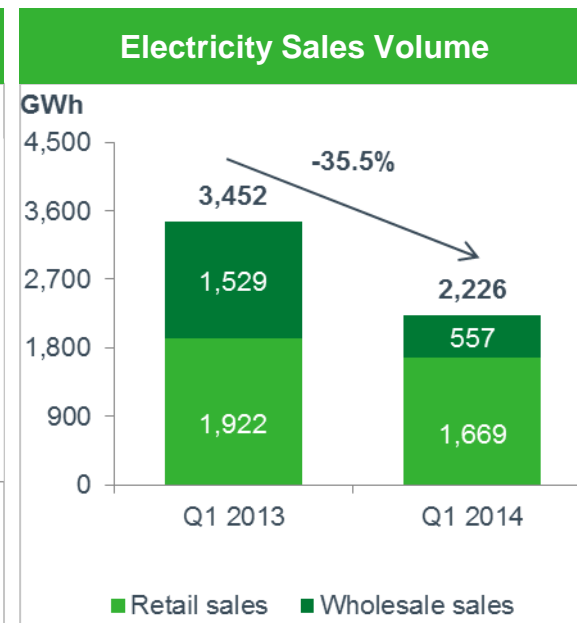
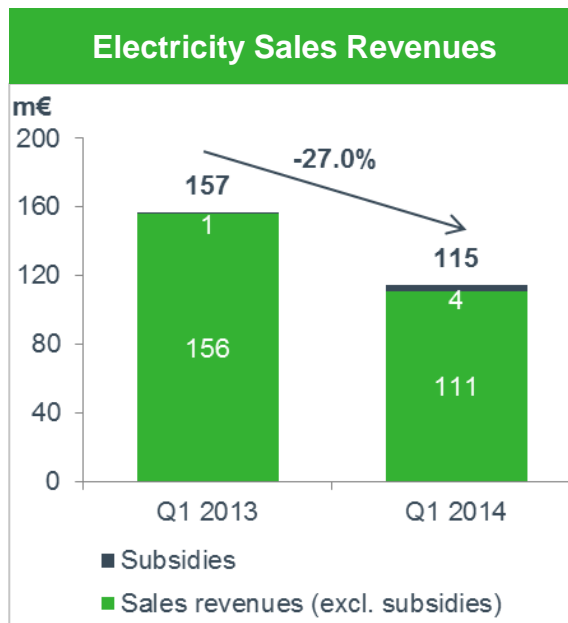
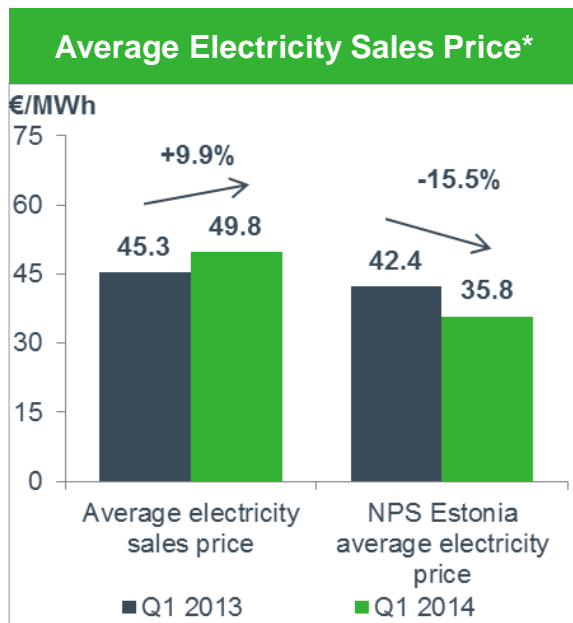
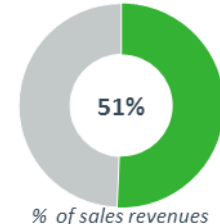
Sales Revenues Breakdown and Y-o-Y Change



EBITDA Breakdown and Y-o-Y Change



Electricity Sales Decreased due to Lower Wholesale Market Prices



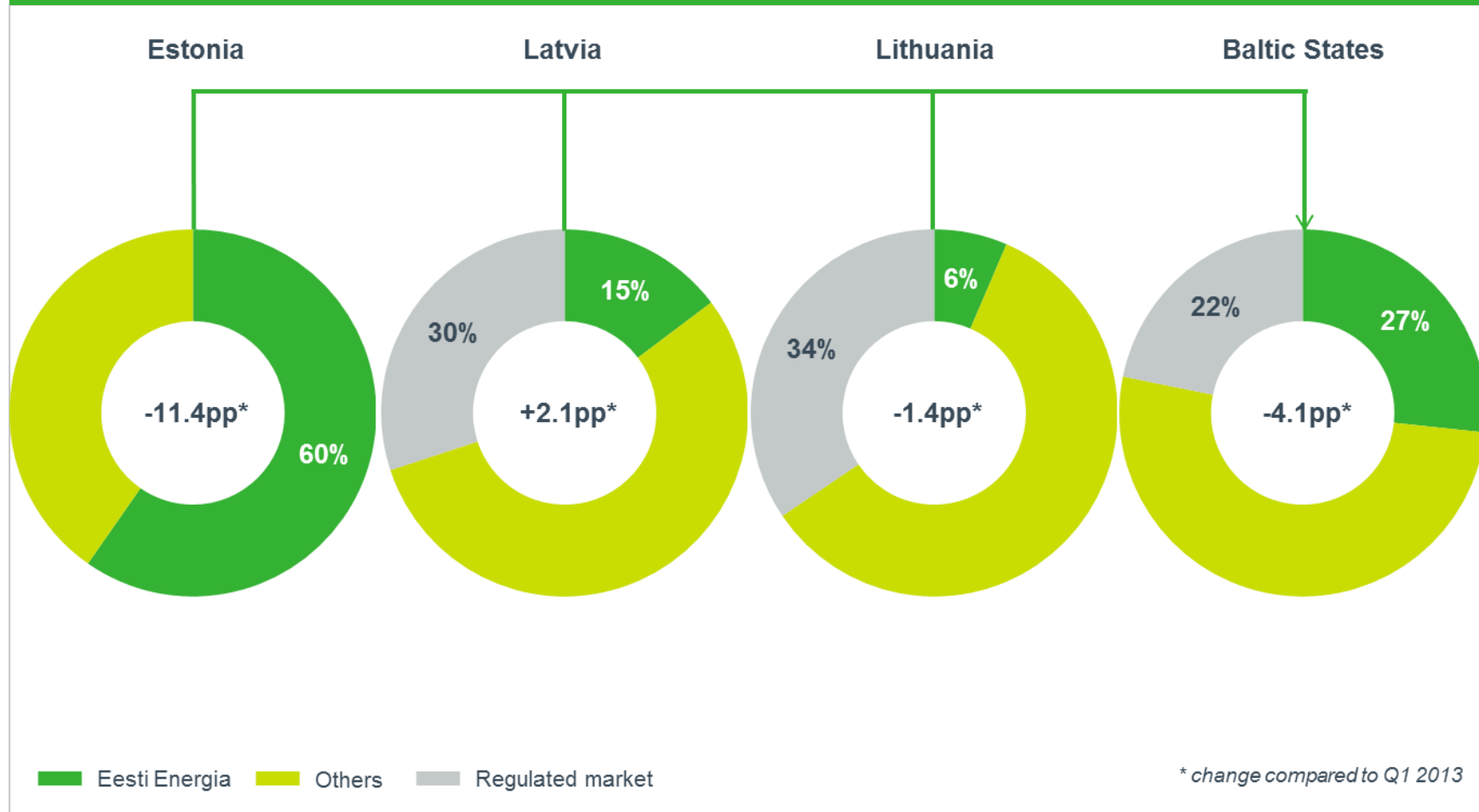
- Average electricity sales price* increased to 49.8 €/MWh (+4.5 €/MWh, +9.9%)
 - Financial hedges impacted price by 6.9 €/MWh (€15.3m in abs. terms, +€12.5m, +452%)
 - Average electricity sales price* excl. financial hedges 42.9 €/MWh (-1.4 €/MWh, -3.1%)**
- Electricity sales volume decreased by 1.2 TWh due to lower market prices in Nord Pool Spot related to warmer weather
- 2014 Q2-Q4 sales hedged against price risk amounted to 6.8 TWh with an average price of 43.1 €/MWh. 2015 sales hedged against price risk amounted to 5.7 TWh with an average price of 39.6 €/MWh

* Average sales price excludes subsidies

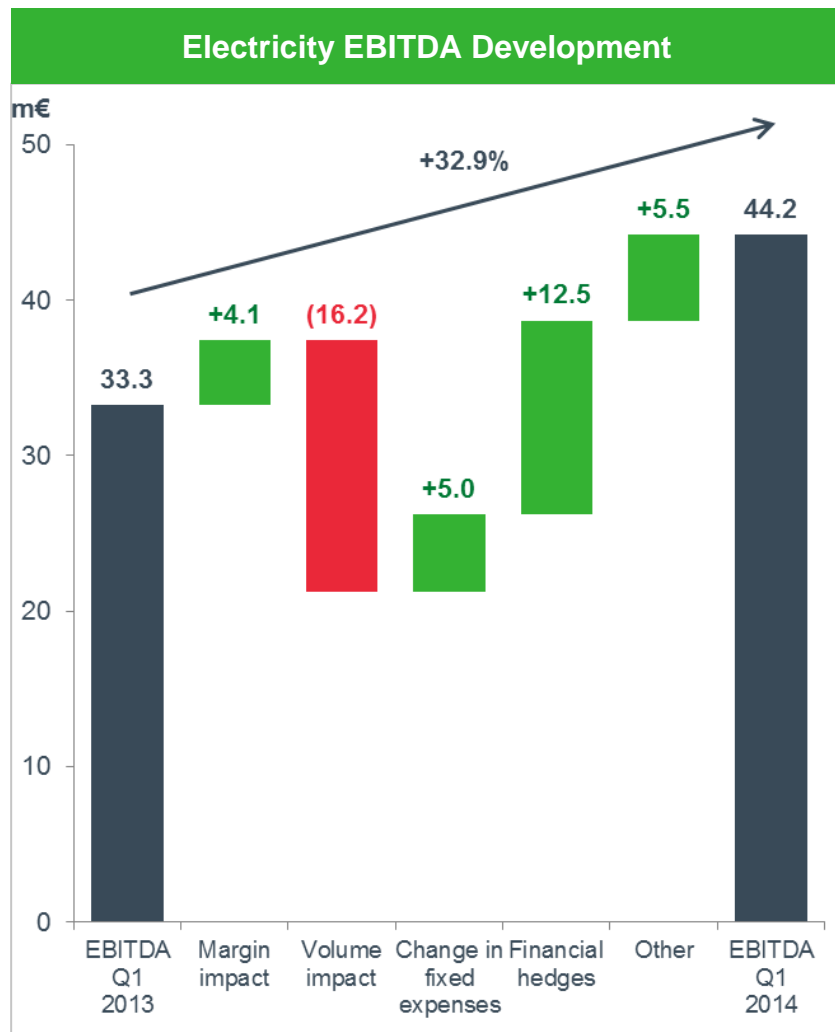
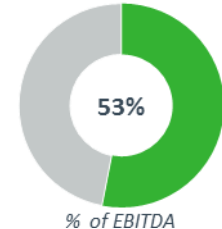
** Estlink1 cable revenues impacted sales price by 0.2 €/MWh in Q1 2013

Loss of Certain Larger Clients Reduced Market Share

Eesti Energia Retail Market Share in Baltic Countries



Electricity EBITDA Increased



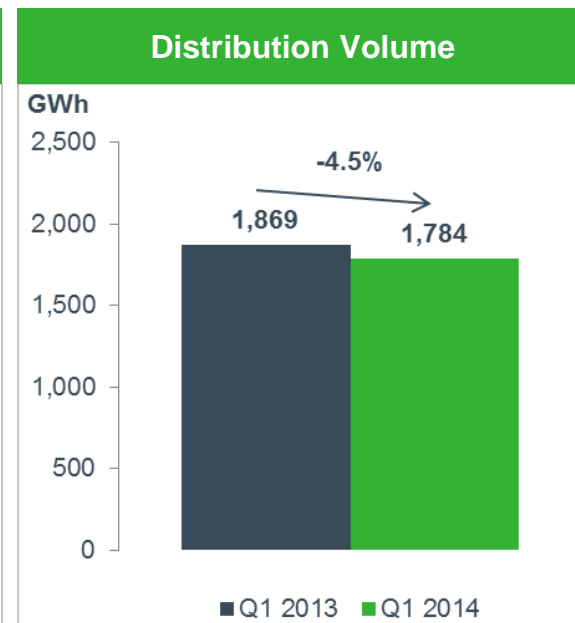
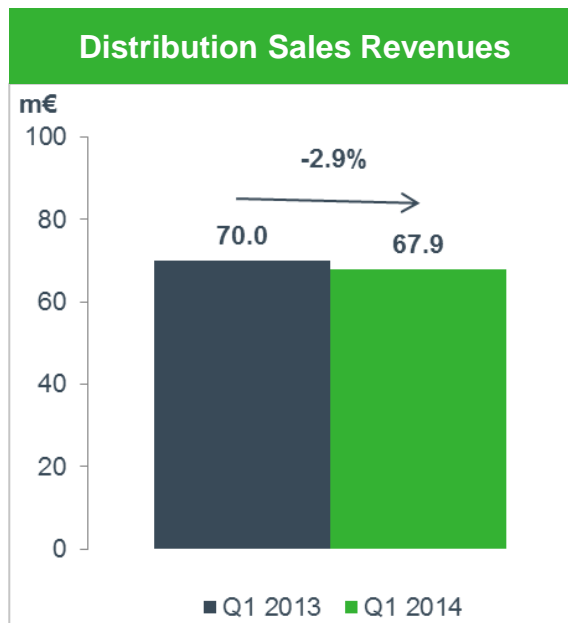
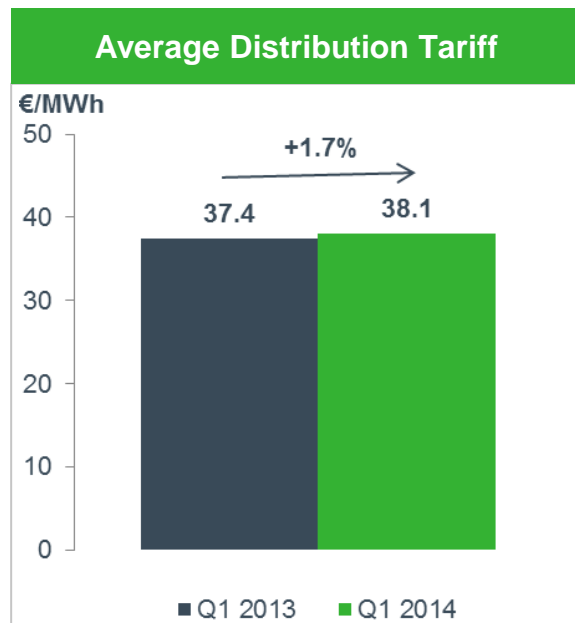
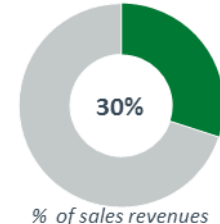
- ✓ Electricity margin was impacted by increased subsidies (+€3.3m), CO₂ costs decreased mainly due to increased amount of free CO₂ allowances (+€3.0m), border crossing costs impacted margin by -€2.5m. Total impact on margin +€4.1m (+1.9 €/MWh)
- ✗ Volume of electricity sold decreased by 35.5% (-1.2 TWh). Volume impact on profitability -€16.2m
- ✓ Fixed costs decreased by €5.0m mainly due to lower fuel usage (-€4.3m, oil shale usage in electricity generation decreased 15.8%) and decreased fixed costs in energy sales divisions (-€0.5m)
- ✓ Financial hedges increased electricity EBITDA by €12.5m
- ✓ Other changes (+€5.5m) due to changes in provision related to Latvia and Lithuania energy sales portfolio (+€6.4m) and revaluation of derivatives (-€1.0m)

Key Figures		
	Q1 2014	Q1 2013
Return on fixed assets* (%)	16.6	10.1
Electricity EBITDA (€/MWh sold)	19.9	9.6

* excluding impairment of generation assets in December 2012 and December 2013



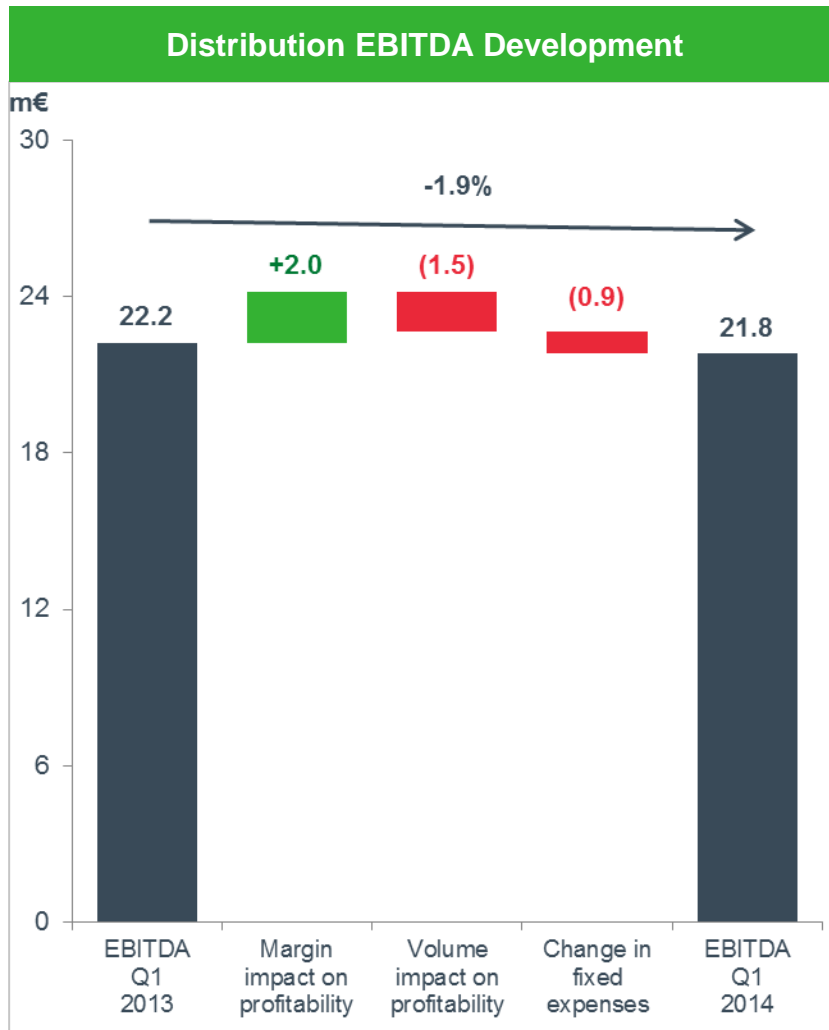
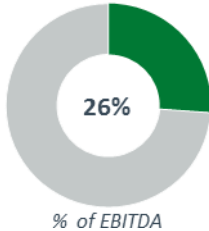
Distribution Sales Decreased while Average Sales Price Grew by 2%



- Sales volume decreased due to decrease in general Estonian electricity consumption related to warmer weather compared to Q1 2013
- Network losses 127 GWh in Q1 2014 (+5.4 GWh), 6.4% (+0.5 percentage points)
- Regulated return 6.76% as of August 2013



Distribution EBITDA Impacted by Lower Sales Volume

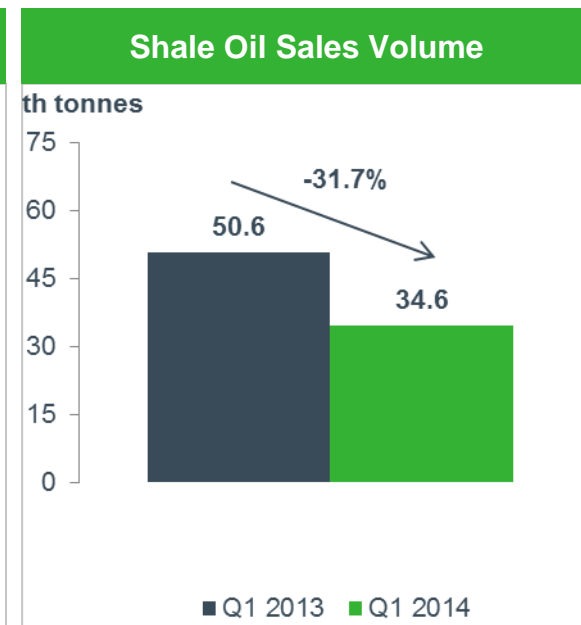
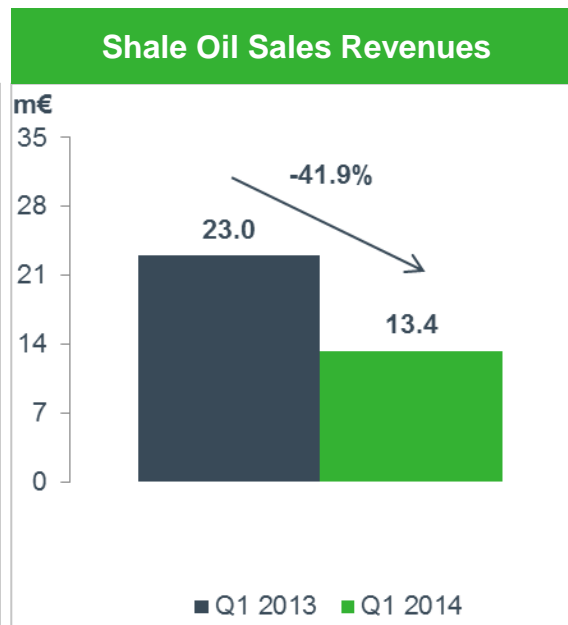
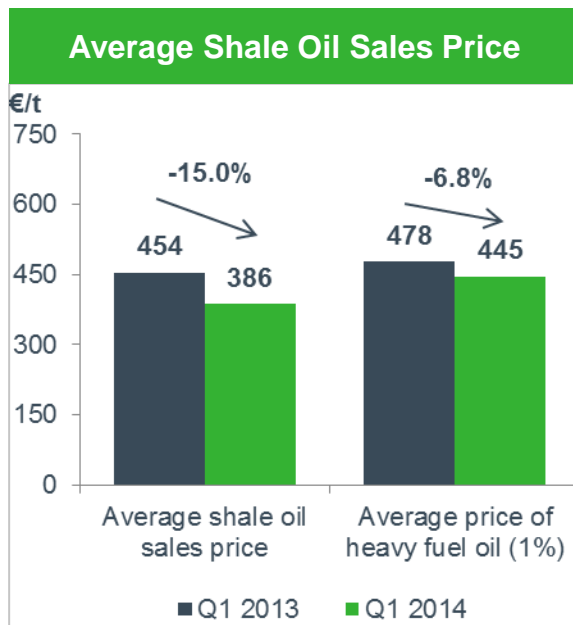
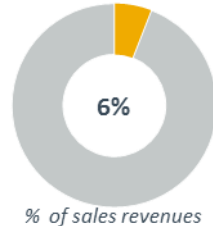


- ✓ Average distribution sales price grew by 2%. Margin growth was driven by increase of average sales price and lower expenses for network losses. Expenses for network losses decreased due to significantly lower electricity price.
Total margin impact +€2.0m (+1.1 €/MWh)
- ✗ Distribution volume decreased 4.5% (-84 GWh). Impact on profitability -€1.5m
- ✗ Fixed expenses increased slightly (+€0.9m) due to increased repair costs

Key Figures		
	Q1 2014	Q1 2013
Distribution losses (GWh)	127.0	121.5
Return on fixed assets (%)	5.9	7.2
SAIFI	0.2	0.3
SAIDI (planned)	18.6	17.6
SAIDI (unplanned)	20.0	16.7
Adjusted RAB* (m€)	641.8	588.8

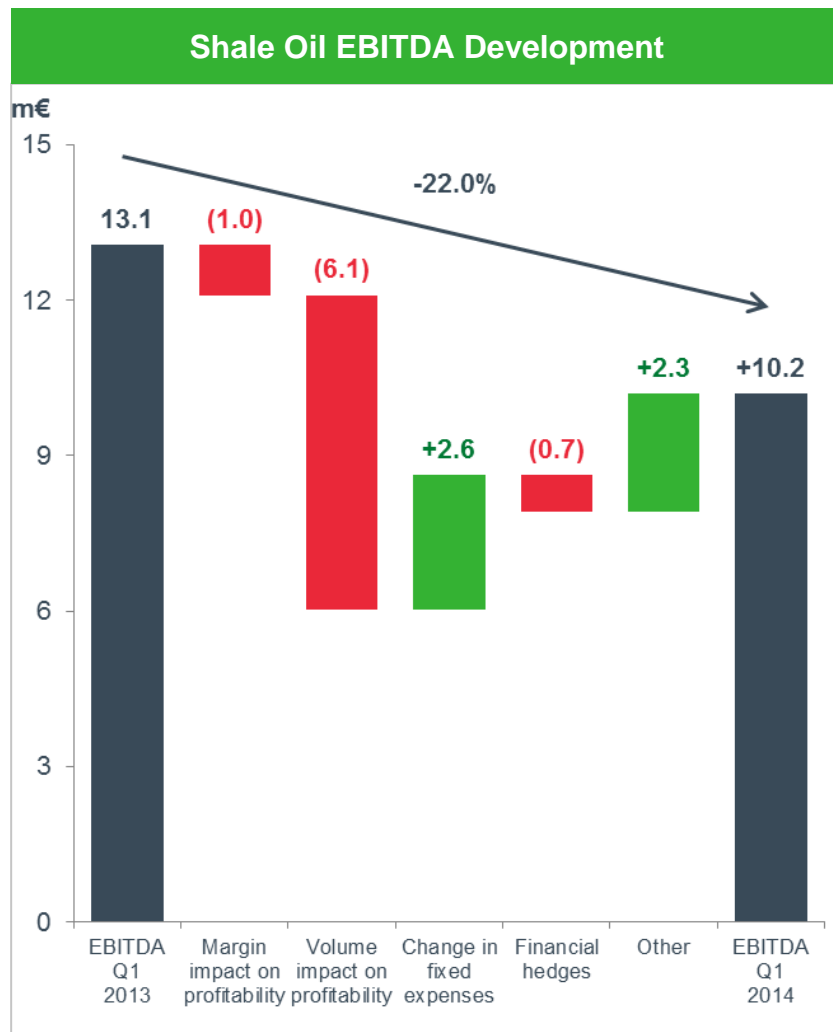
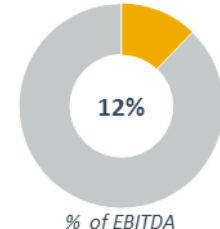
* RAB (Regulated Asset Base) allocated to distribution product

Shale Oil Sales Revenues Decreased



- Average shale oil sales price decreased to 386.0 €/tonne (-68.1 €/tonne, -15.0%)
 - Financial hedges impacted price by -28.5 €/tonne (€-1.0m in abs. terms, -€0.7m)
 - Average sales price excl. financial hedges decreased to 414.5 €/tonne (-45.2 €/tonne, -9.8%)
- Sales volume decreased by 31.7% (-16 th tonnes) mainly due to temporary changes in oil specifications. Shale oil production increased by 15.3% to 61.9 th tonnes (+8.2 th tonnes)
- 2014 Q2-Q4 sales hedged against price risk amounted to 130 th tonnes with an average price of 468 €/tonne. 2015 sales hedged against price risk amounted to 192 th tonnes with an average price of 446 €/tonne

Lower Sales Price and Volume Decreased Shale Oil EBITDA

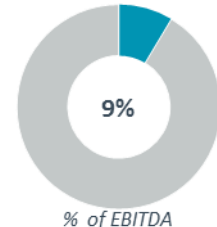
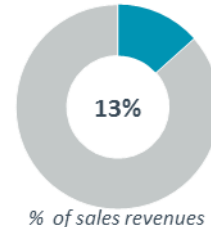


- ✗ Decreased sales revenue (-€2.3m) due to lower sales price was partially offset by lower variable costs mostly related to decreased CO₂ and other expenses (total impact +€1.3m). Combined margin impact -€1.0m (-19.2 €/tonne)
- ✗ Sales volume decreased (-31.7%, -16.0 th tonnes), volume impact on profitability -€6.1m
- ✓ Decrease of fixed costs (-€2.6m) mainly due to fixed cost component in increased inventories (-€2.4m)
- ✗ Financial hedges impacted EBITDA by -€0.7m
- ✓ Revaluations impact +€2.3m mainly due to revaluation of oil derivative instruments

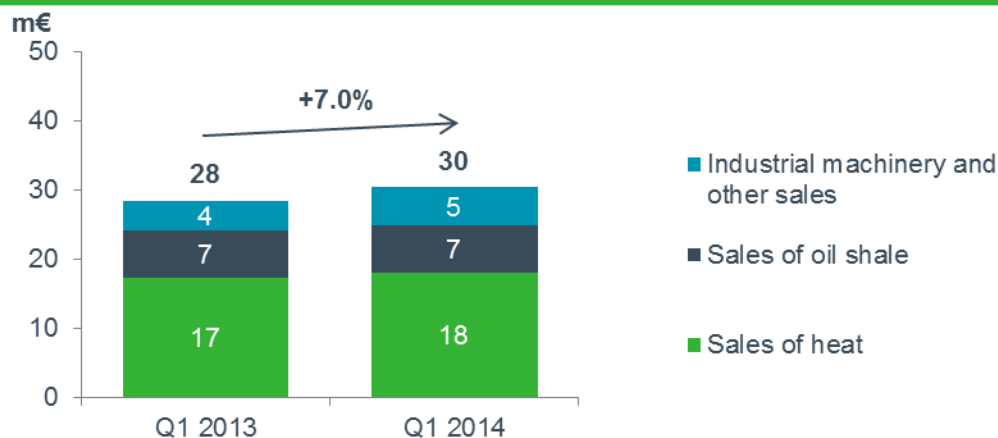
Key Figures		
	Q1 2014	Q1 2013
Return on fixed assets (%)	23.8	37.0
Shale oil EBITDA (€/tonne)	294.6	258.2



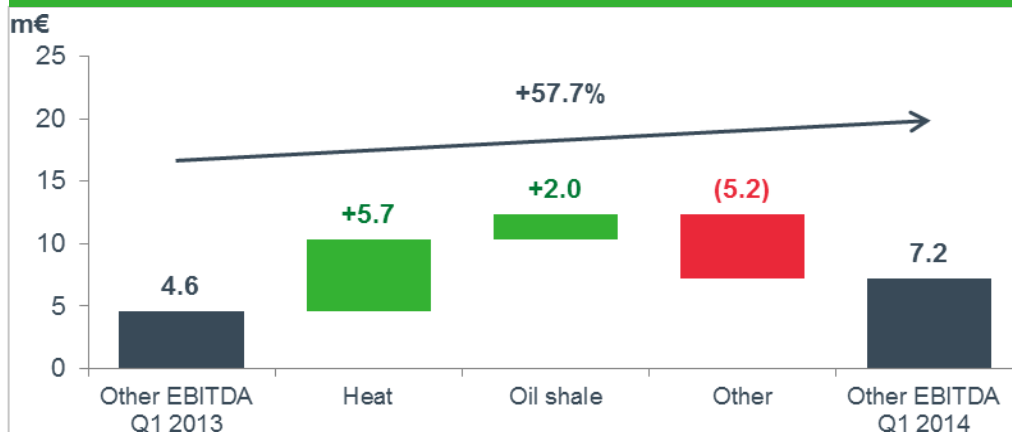
Other Sales Revenues and Profitability Increased



Sales Revenues From Other Products and Services



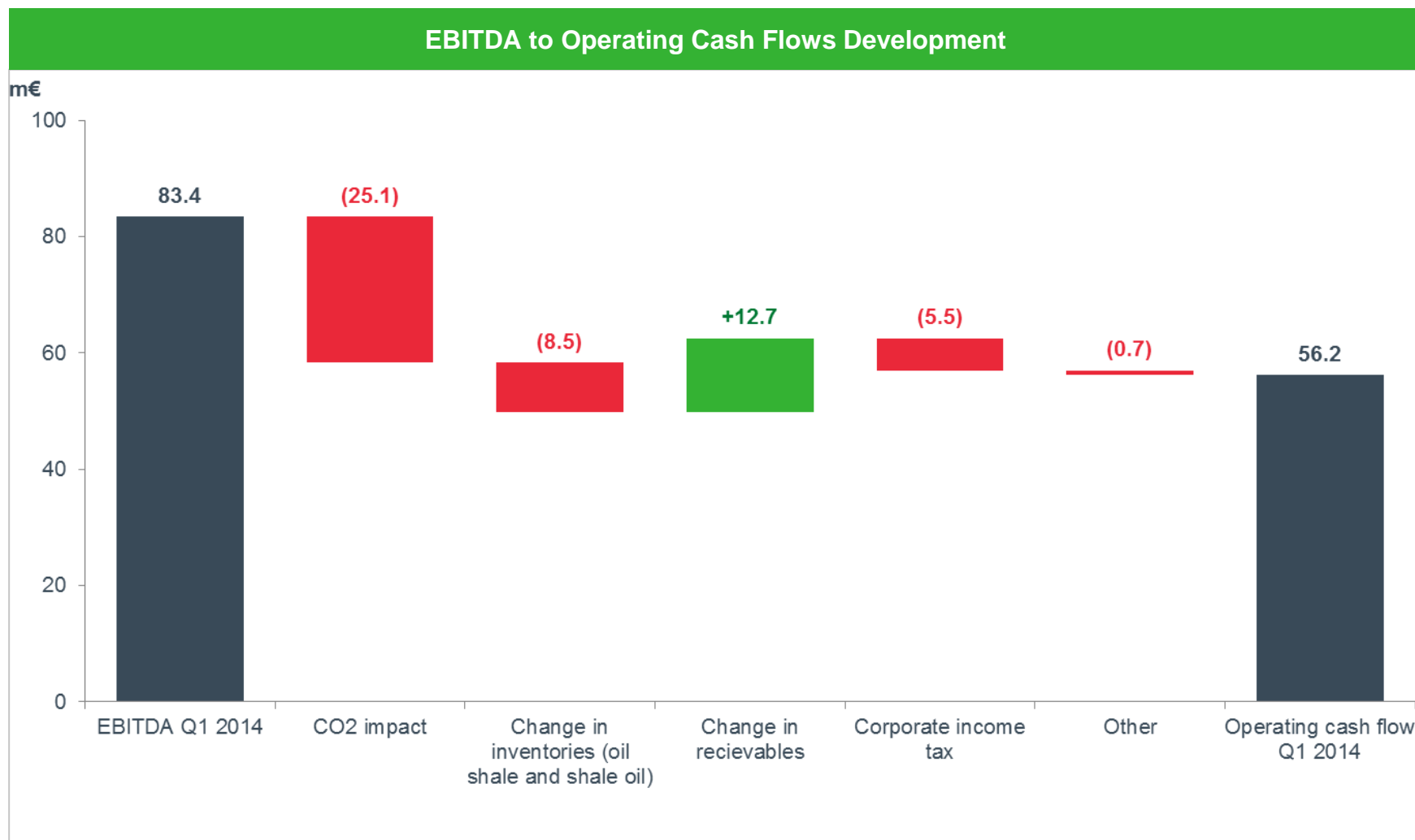
Other Products and Services EBITDA Development



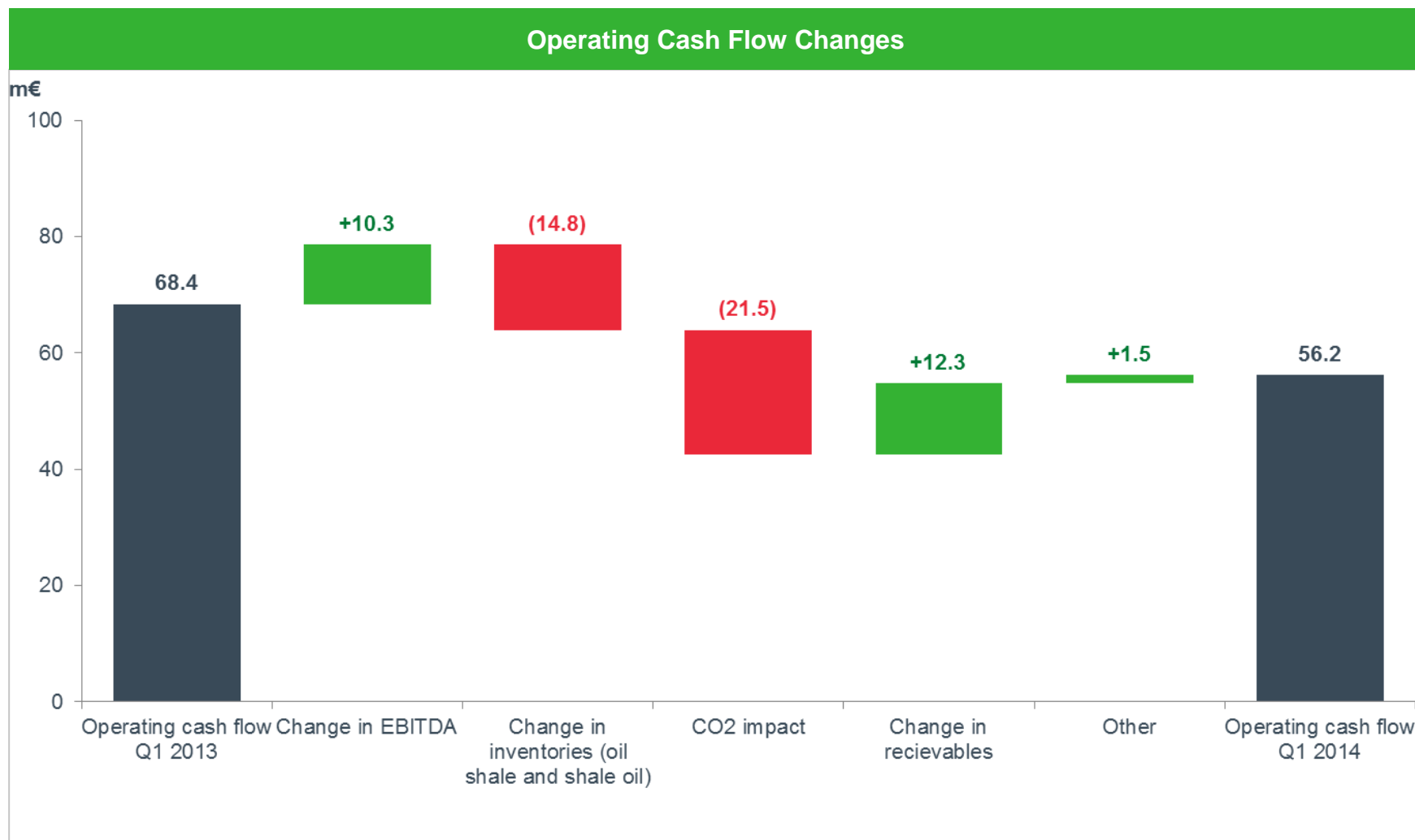
- Heat sales revenues increased by €0.8m mainly due to municipal waste gate fees (+€0.7m). Heat sales EBITDA increased by €5.7m due to heat production from oil shale being partially replaced by heat produced from municipal waste
- Oil shale sales volume has decreased by 29%, sales revenues increased by €0.1m. Oil shale EBITDA grew by €2.0m due to oil shale costs increasing less than average sales price
- Industrial machinery and other sales revenues increased by €1.2m mainly due to sales of scrap metal and other products (+€1.8m)
- Other EBITDA decrease of €5.2m mainly related to sale of fixed assets in 2013



€56m Cash Flow from Operations

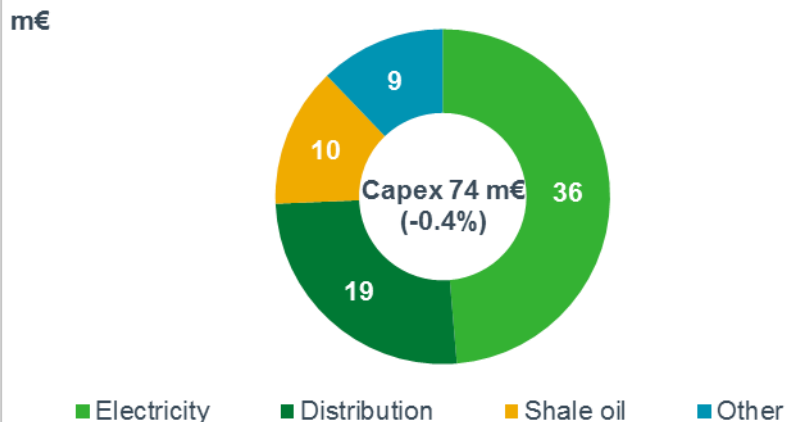


Cash From Operations 18% Lower

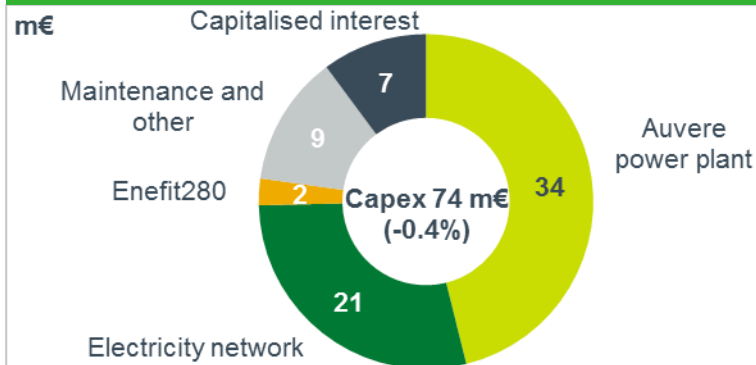


Capital Expenditure €74m in Q1 2014

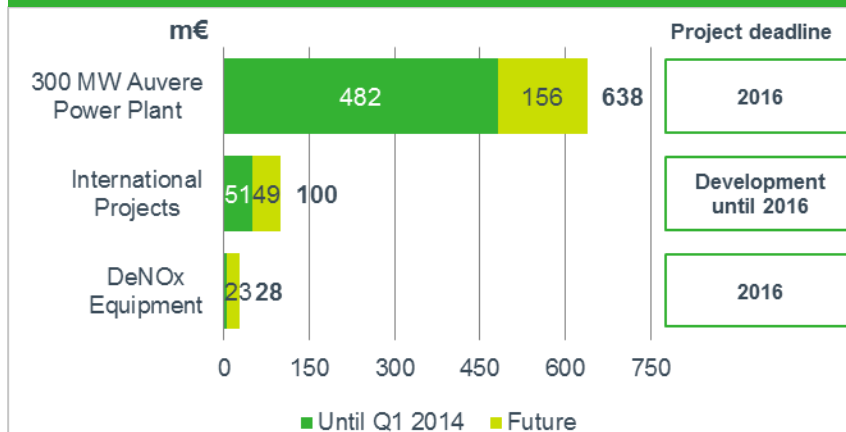
Q1 2014 Capex Breakdown by Products



Q1 2014 Capex Breakdown by Projects



Main Ongoing Projects

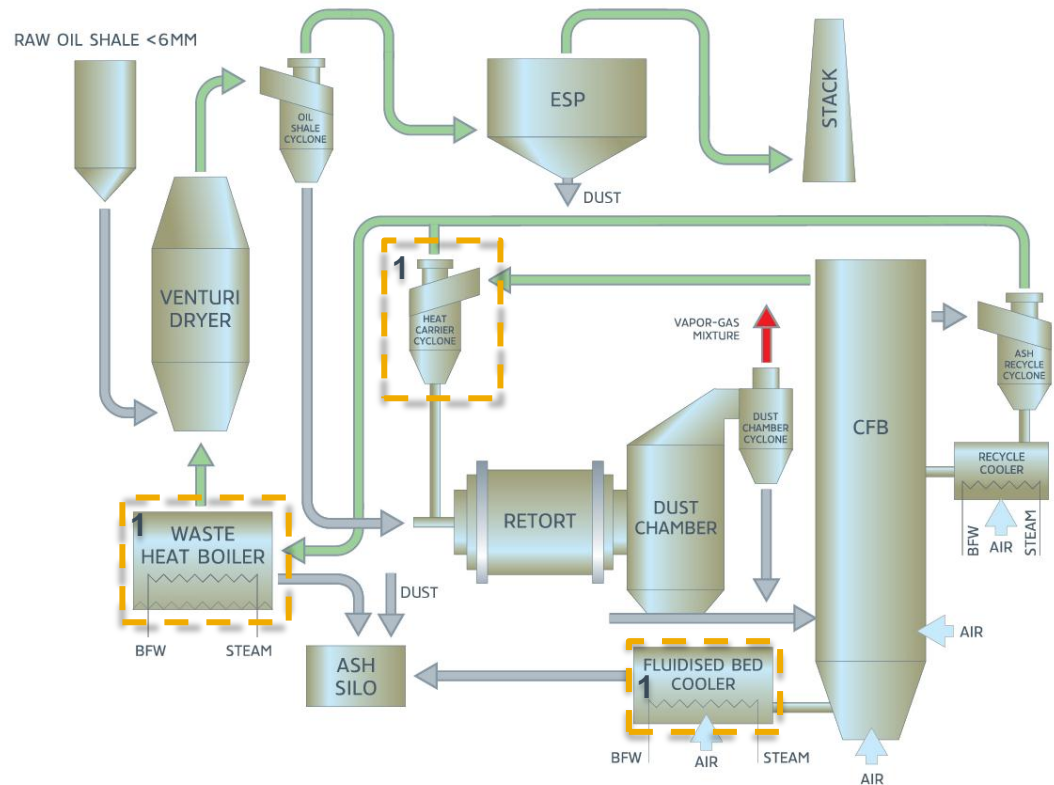


- Transportation and installation of equipment continued in Auvere power plant in parallel with construction in related buildings
- 82 distribution substations and 233 kilometres of underground and overhead cables renovated and built. Installation of remote power meters in all Estonian consumption sites ongoing (55% of total meters installed)
- Second phase of DeNOx project started in March 2014. Installation of nitrogen emissions reducing equipment on 4 generating units* in Eesti Power Plant will be completed in 2016

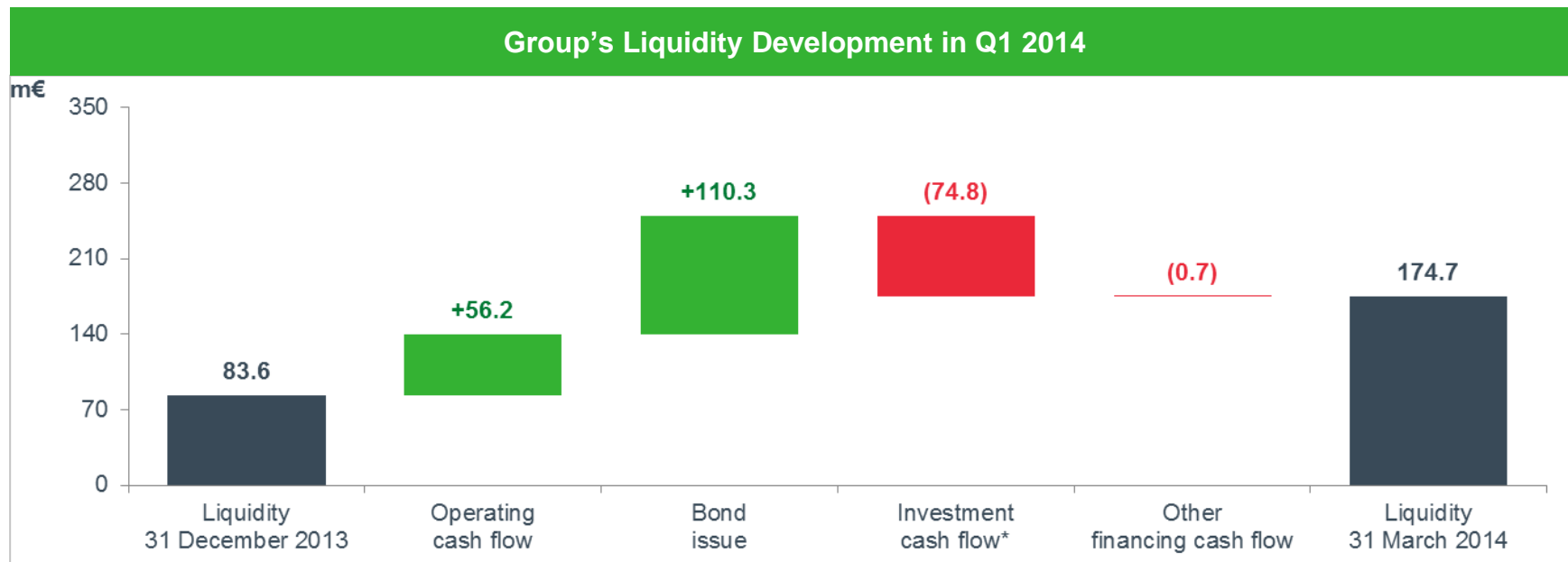
* Units net generating capacity 672 MW

Enefit280 Update

- Continuous operation time of the plant has been growing
- Problems currently attended to in order to increase the capacity usage and stable operation:
 - improving plant ash particles distribution and plant ash balance **(1)** by increasing the efficiency of cyclones and ash coolers and modifying ash conveying system in waste heat boiler and ash coolers
 - resolving some mechanical issues, which have caused interruptions during previous commissioning runs
- Improvements will be carried out in July-August 2014, commissioning activities to reach higher capacity usage will be continued after that
- The quality of produced oil meets our expectations, oil yield 11.6%



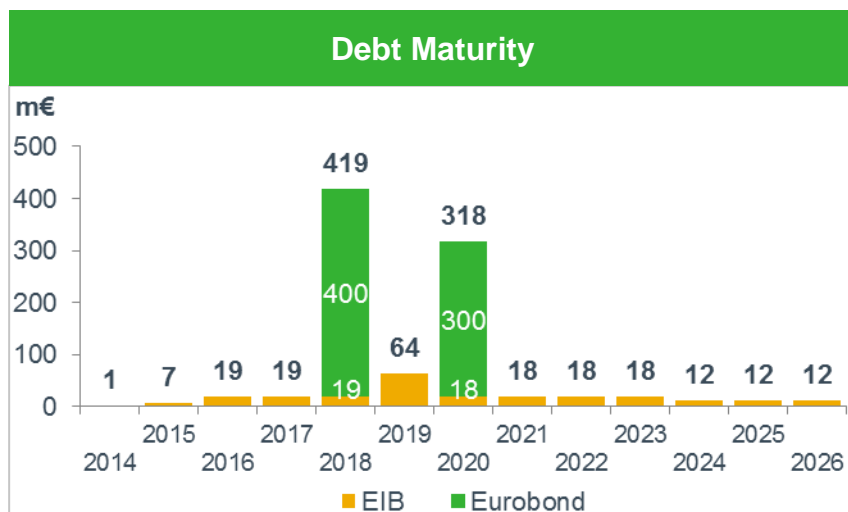
Sufficient Liquidity Buffer Available



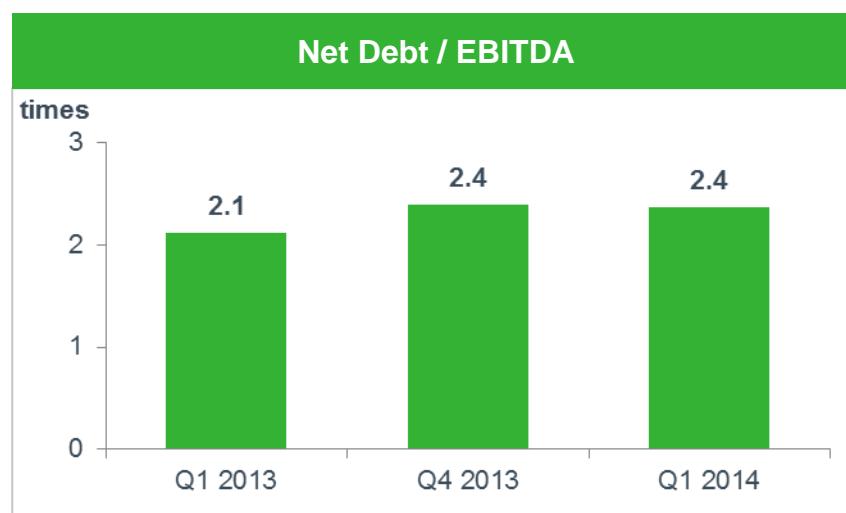
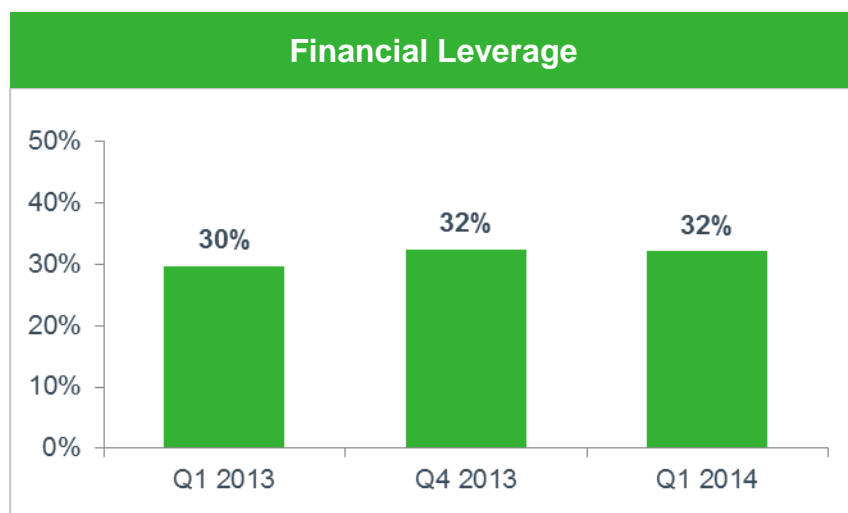
- €425m of liquid assets and unused loans available as of 31 March 2014 of which
 - €175m of liquid assets
 - €150m amount of liquidity contracts with SEB, Pohjola and Nordea
 - €100m loan agreement signed with European Investment Bank in 2013 to finance distribution network investments (loan not yet drawn)
- Eurobond due 2018 increased by additional €100m in January 2014

* excl. changes in deposits and other financial assets

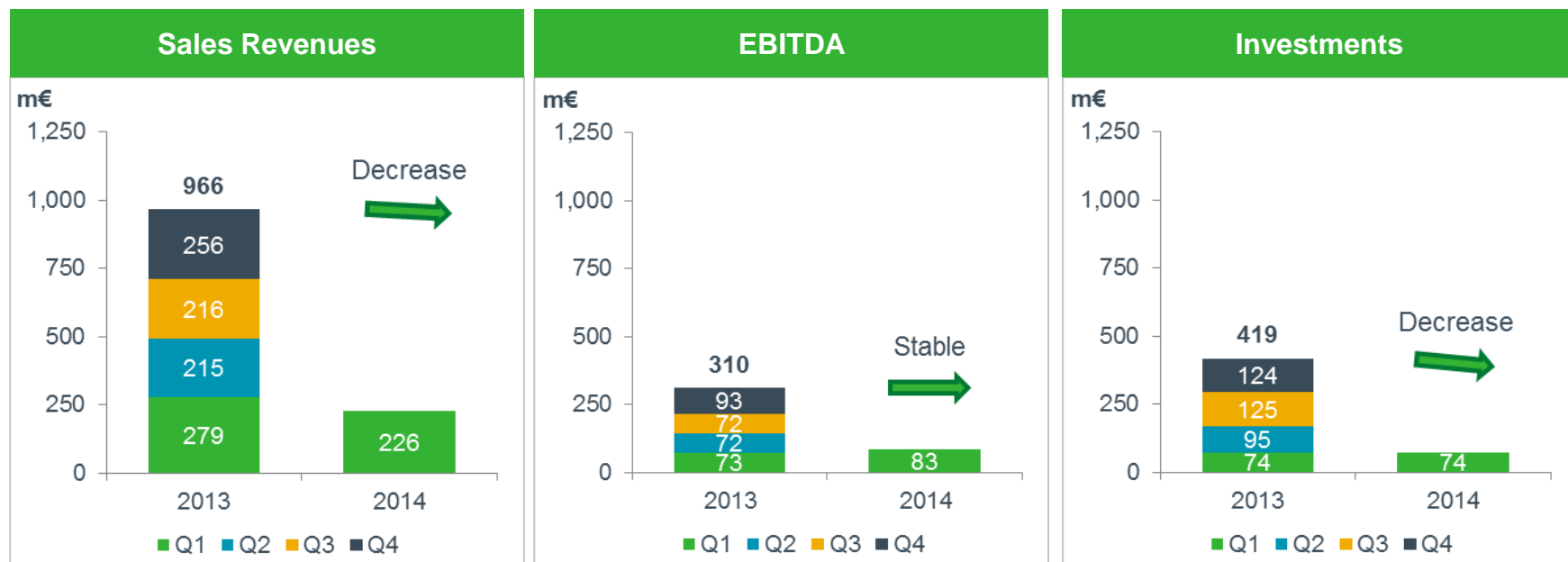
Balanced Debt Maturity Profile



- Eesti Energia credit ratings:
 - BBB+ (S&P), stable outlook
 - Baa2 (Moody's), stable outlook
- Total debts €935.9m as of 31 March 2014
- Balanced maturity profile with bond maturities in 2018 and 2020



EBITDA & Investments Outlook for FY2014 Remains Unchanged



- Sales revenues outlook changed to decrease
 - ✗ Expected decline in electricity generation compared to 2013
- Dividend payment to sole shareholder will increase to €114m, income tax to the state €30m

Summary

- Q1 2014 sales revenues decreased 19% to 226 million euros
 - Electricity sales revenue decreased by 42 million euros related to lower sales volume. Liquid fuels sales revenues decreased due to lower sales volume and price
- Q1 2014 EBITDA increased 14% to 83 million euros
 - Electricity EBITDA grew due to successful financial hedges, higher subsidies, lower CO₂ costs and reversal of Latvia and Lithuania portfolio valuation
 - Increase of heat and oil shale sales profitability supported the Group's EBITDA growth by 8 million euros
- Investments remained on Q1 2013 level. Lower investment needs in nearer future

APPENDICES



Production and Sales in Q1 2014

Distribution Network



1,784 GWh of distribution network services sold to clients

Electricity



1,669 GWh sold in retail market

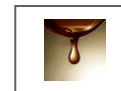
557 GWh sold in wholesale market

2,226 GWh of electricity sold

73 GWh renewable electricity produced, **63 GWh** of electricity purchased

2,296 GWh of non-renewable electricity produced

Shale oil



35 th tonnes of oil sold to clients

62 th tonnes of shale oil produced

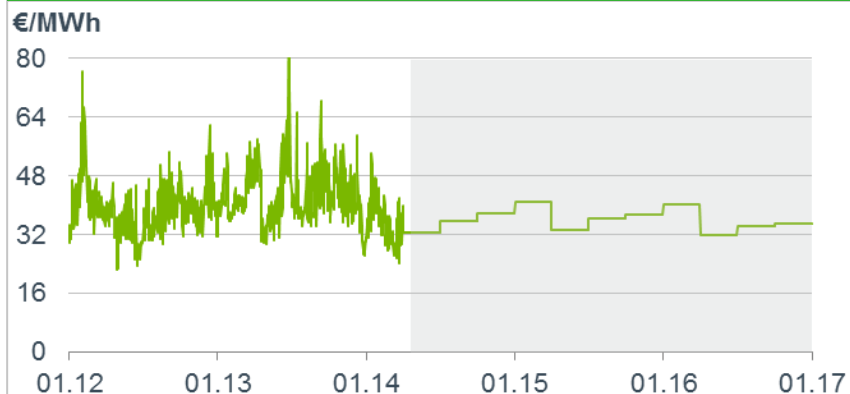
4 m tonnes used in electricity and shale oil production



Oil shale mined 4 m tonnes

Commodity Markets*

Nord Pool Estonia Electricity price



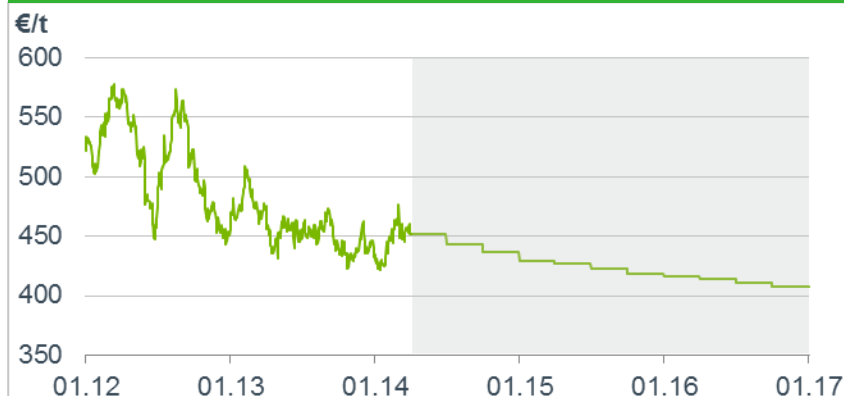
December CO₂ Emission Allowance



Brent Crude Oil



Fuel Oil 1% NWE



* futures prices as of 31 March 2014



Closed Positions as of 31 March 2014*



* closed positions include forward contracts and exclude options

** including free CO₂ allowances related to power plant construction in Auvergne

Profit and Loss Statement

million euros	Q1 2014	Q1 2013	Change
Sales revenues	226.4	278.6	-18.7%
Other revenues	3.8	10.5	-63.6%
Expenses (excl. depreciation)	146.8	216.0	-32.0%
EBITDA	83.4	73.1	+14.1%
Depreciation	31.6	28.9	+9.2%
EBIT	51.8	44.2	+17.1%
Net financial income (-expenses)	-0.8	-0.2	+357.6%
Income tax	0.0	19.3	-100.0%
Net profit	51.0	24.7	+106.4%

Balance Sheet

million euros	March 2014	March 2013	Change y-o-y	December 2013	Change q-o-q
Assets	2,981.2	2,568.9	+16.0%	2,817.9	+5.8%
Current assets	571.2	412.6	+38.4%	449.5	+27.1%
Cash and cash equivalents	37.7	128.7	-70.7%	62.6	-39.8%
Deposits with maturity of more than 3 months	137.0	33.0	+315.2%	21.0	+552.4%
Trade receivables	92.5	116.6	-20.7%	114.8	-19.5%
Inventories and prepaid expenses	94.5	91.8	+2.9%	84.4	+11.9%
Other current assets	209.6	42.5	+393.4%	166.7	+25.8%
Non-current assets	2,410.0	2,156.3	+11.8%	2,368.3	+1.8%
Liabilities and equity	2,981.2	2,568.9	+16.0%	2,817.9	+5.8%
Liabilities	1,370.6	1,217.1	+12.6%	1,270.1	+7.9%
Trade payables	79.6	88.3	-9.9%	109.1	-27.1%
Borrowings	935.9	732.7	+27.7%	827.9	+13.1%
Current liabilities	1.4	1.4	-0.5%	1.4	-
Long-term liabilities	934.6	731.3	+27.8%	826.5	+13.1%
Provisions	113.3	74.3	+52.5%	102.1	+11.0%
Deferred income	156.4	141.0	+10.9%	151.0	+3.6%
Other liabilities	85.3	180.8	-13.5%	80.1	+6.6%
Equity	1,610.6	1,351.8	+19.1%	1,547.8	+4.1%



Cash Flow Statement

million euros	Q1 2014	Q1 2013	Change
Net cash from operating activities	56.2	68.4	-17.8%
Purchase of fixed assets	-88.7	-86.5	+2.6%
Proceeds from sales of fixed assets	0.1	12.5	-99.1%
Proceeds from bonds issued	110.3		
Change in bank loans	-0.7	0.3	-313.5%
Net change in deposits with maturities greater than 3 months	-116.0	57.0	-303.5%
Other	13.8	16.9	-18.3%
Net cash flows	-24.9	68.6	-136.3%

Glossary

- **Net debt**
 - Debt obligations at amortized cost, less cash and cash equivalents (incl. deposits with maturity of more than 3 months), units in money market funds, investments into fixed income bonds
- **Financial leverage**
 - $\text{Net debt} / (\text{net debt} + \text{equity})$
- **ROFA (Return On Fixed Assets)**
 - $\text{EBIT (rolling 12 months)} / \text{average fixed assets excl. assets in construction (allocated to specific product)}$
- **RAB (Regulated Asset Base)**
- **SAIFI (System Average Interruption Frequency Index)**
 - $\text{Total number of customer interruptions} / \text{total number of customers served}$
- **SAIDI (System Average Interruption Duration Index)**
 - $\text{Sum of all customer interruption durations} / \text{total number of customers served}$