Hi, good morning, my name is Veiko Räim and I am head of Investor Relations and Treasury with Eesti Energia and I’m very happy to take you through the First Quarter results of our group. Hopefully, you have the presentation in front of you which you will find on our website. So, if you turn directly to page number 3 then you can see there a snapshot of our results for the first quarter. It is actually a very positive quarter; our revenues grew by 23 percent. Also, the operating cash flow was up by 15 percent and while our EBITDA was 11 percent lower than last year, then I will explain also the one-off items that affect some comparability there. So, all in all, positive quarter and even on the cash flow side we ended up earning more than we invested this quarter. So, if we go to the next page, page number 4, then essentially this depicts a bit about our new reporting structure whereby from this year onwards we report based on products. We have a distribution network as one product, electricity as a second one and Shale oil as the third product. A few numbers here on this page, I think, which are relevant is definitely the generation level that we had in the first quarter. We generated 3.1 terawatt hours of power this quarter which is essentially a record since over 20 years. So, on the generation side we were at a very good spot. We also sold a lot of electricity in this quarter, 3.5 terawatt hours to be exact and actually, even though most of it went to the retail market than actually wholesale markets, sales were actually very substantial as well. So, I think from there, we took the great comfort that our power generation assets profitability and competitiveness was very strong in this quarter.

I think without further ado, I shall move to slide number 5 to explain a bit more about how, basically, the power markets behaved this quarter. The Nord Pool power prices in Estonia were roughly the same level as the year before, that is, EUR42.4 per megawatt hour. They are actually almost the same or slightly above the Finnish prices and probably the most important fact is the level that Estonia and Finnish prices are increasingly converging and in the last quarter, 72 percent of the time the Estonian prices were equal with the Finnish prices. And obviously, this will be expected to increase even further next year after Estlink 2 becomes available between Estonia and Finland. Furthermore, which is important, is the profitability of our power generating assets. We measure this with clean dark spread as we call it which is essentially a power price available to our power generating units after the cost of CO2 and the fuel that we mine ourselves. So, if you look at on the right-hand side of slide 5 then the clean dark spread in the first quarter reached EUR28 per megawatt hour. I mean, this was mainly due to CO2 costs dropping substantially over the course of the quarter and compared to last year. So, it is actually the spread that we are seeing currently in the power markets are very favourable and our generating assets are very competitive in this environment.

Moving on to slide number 6; then another market that obviously affects us a lot or our second product is the liquid fuels markets in the world. The Brent Crude, obviously, compared to a year ago over the quarter and, obviously, also we have the heavy fuel oil prices which have been trending lower given that, you know, the crack spread have increased. So, I think EUR478 per ton that is a reference product of our Shale oil traded at; I mean, this is still, historically, a reasonably good level and we, obviously, use that for hedging purposes mainly. So, I think that really covers this slide.

So now, moving on towards Eesti Energia results in this quarter. Now, if you turn to page number 7 then this is the way we now outline our revenues as well as the EBITDA between our three products. Essentially, the three products I have mentioned are electricity, distribution and Shale oil and here you can see the breakdown of the sales and the EBITDA as well as, sort of, year-on-year developments in sale in the EBITDA. I think the most significant change, obviously, was that increase in electricity revenues in the first quarter by EUR60 million. That was due to two factors which I will discuss in more detail on the next slides. Essentially, it was both price impact as well as the volume impact that played a role. Also the distribution and Shale oil actually accrued revenues, positive performance there and I think what the other thing to mention here is that, and obviously EBITDA as mentioned before, already was affected somewhat by one-off items namely the first quarter in 2012 we sold our telecommunication business so that sort of boosted both the revenues and EBITDA in 2012.

Alright; turning to products, we have on page number 8 electricity revenues. What we have here plotted out is - on the left-hand side - is the increase in the power market price or rather the electricity revenues or sales price that we have earned and in addition, we have showed also Nord Pool Estonia average electricity price which is the main reference market for our product. So, last year a significant amount of our sales was still conducted on the regulated market, so obviously regulated market price being EUR31 per megawatt hour and then, obviously, brought down the average power sales price of last year first quarter to EUR37 per megawatt hour. Now this year, Estonia power market opened in its entirety from the 1st of January and our sales price, actually compared to last year, went up to 22 percent. And in this quarter, we sold power for EUR45.3 per megawatt hour. We have benefited a bit also by financial hedges which essentially earned us EUR2.8 million this quarter or which increased our power price but EUR0.8 per megawatt hour. And also, secondly, the impact of the power cable or Estlink 1 cable, the bottleneck fee that runs from there added a bit to our average sales price. But even without these influences, essentially our price earned was actually almost EUR2 above the Nord Pool Estonia power market price.

If you look at the right-hand side then, obviously, we have plotted out the volumes here. You can see that our wholesale market sales which in the first quarter of 2012 were just below 300 gigawatt hours, these have expanded to 1.5 terawatt hours. I mean, this is a very substantial development obviously, it demonstrates the
Good, I think we have covered distribution EBITDA as well. Now, on the liquid fuels side, if you turn to page 13, results in this quarter as well. EUR0.5 million and essentially we have reduced the maintenance levels quite in a little way, so that has helped our sales. We sold 1.9 terawatt hours of power that actually was quite a good result. So, if you put 22 percent price increase and 37 percent volume increase together then, actually, that is a very good quarter on the power side.

Now, if we turn on, actually, another slide which is slide number 9 on the market share: here we plot out the market share of, essentially, our retail market share in Estonia, Latvia and Lithuania. And so, we have 71 percent market share in Estonia in the first quarter and that is the share of the total market and also takes into consideration the universal supply that we have, that we serve as part of our distribution network. Obviously, that has reduced over the years compared to the first quarter in 2012 when we had 14 percent higher market share but this is actually a regular development in any market opening. So, we believe that maintaining a 70 percent market share actually was a good result. And actually furthermore, if you look at Latvia and Lithuania then, obviously, there our market share has increased. A slightly different methodology we use now; as you see we also plotted still regulated market in Latvia and Lithuania, so now we show essentially our market share of total market in the Baltics but, all in all, our developments in Latvia and Lithuania have been positive. And for the whole market in Estonia or rather in the Baltics we Eesti Energia, sell power for more than 31 percent of the volume consumed in the Baltics.

Final thing to note; as you saw previously then obviously the wholesale market in this region is strong enough to absorb any capacity and generation capacity that we have available. So, even ourselves actually losing market share in Estonia has not meant that we cannot sell our produce. So, we believe the market opening to have actually been a very positive event.

On the profitability on page number 10, we show that electricity EBITDA, obviously, has slightly increased by about EUR1 million and mainly the volume increase was behind that. So, as we sold 37 percent more power then, obviously, that had a very significant impact on our EBITDA that we earned. In terms of costs, obviously - or the margin, 2013 is the first year in the next CO2 emissions trading period where Estonia cannot anymore allocate the, sort of, free allowances for power generation. So, obviously, all power generators including ourselves now have to acquire all allowances for power generation from the market so, essentially, in the first quarter our emissions costs increased by EUR32 million and that, obviously, reduced the profitability of our power as well by reducing margins. So, all in all, we on the variable profit side, we still increased EUR9.8 million given that the volume impact still dominated. And I think on the fixed costs what deserves to be noted is that they were higher by EUR8.8 million but a very large amount of that actually is due to that in fact we are run down on our oil Shale fuel resource. So, in a way, that has actually meant utilising fixed costs previously borne and previously held in inventory.

Right; and I think that really takes care of the power EBITDA slide number 10. Moving on to slide number 11, we discussed distribution revenues. Obviously, distribution network as our remaining regulated and solid business is earning us 24 percent of our revenues, so there we have seen actually a flat volume or slightly even a negative volume as, obviously, there was some impact on people saving a bit on power given that the electricity price in Estonia increased quite substantially. However, on the actual sales side, we did see a 10 percent increase and primarily it is due to a few factors. One of them is, obviously, that compared to last year's first quarter than the tariff has increased due to the new Elering transmission system operator tariff increase. So this is, essentially, a pass-through element in the costs. And the second pass-through element in the costs was, obviously, that our distribution network did start to purchase electricity for network losses with open market price from 1st of January. So, that also, obviously, had an impact on both the distribution tariff and hence, also the sales revenues. All in all, sales price and revenues are both up by over 10 percent so actually that, you know, has also helped us.

And on the EBITDA side, if you turn to the next page, page number 12, then obviously on the margin side we actually had a key development. Essentially, we have managed to squeeze the costs a bit and not have them right in line with the revenues. So, essentially, we did earn EUR1.4 million more from the distribution margin whereas, obviously, the volume impact has been negative. The one final positive thing to note, obviously, is that distribution losses in this quarter have been low; they have been actually on the 5.9 percent level which is 2 percent less than the same time last year. So, actually that has also had a good impact on our results. And obviously, which also probably is meaningful is that we have controlled fixed expenses reasonably well by having them reduced by EUR0.5 million and essentially we have reduced the maintenance levels quite in a little way, so that has helped our results in this quarter as well.

Good, I think we have covered distribution EBITDA as well. Now, on the liquid fuels side, if you turn to page 13 then, obviously, there are revenues there. As you may remember from a few slides back, actually the reference product has not really behaved in a good way compared to a year ago and we have seen the reference product reducing essentially the heavy fuel oil one percent sulphur level reducing by 11.6 percent compared to 2012. However, our own sales price for liquid fuels or shale oil really, has actually increased; 10 percent compared to the last year and it is mainly due to the strong financial hedges that we have had in place. I mean, they have helped us to, essentially, carry this reduction in the wholesale market prices as well. And essentially, we sold our product for EUR447 per ton, so that actually has been a good result as well. On the volume side, I mean, there is no growth. I mean this as we will discuss shortly, this result we have achieved without any contribution from Enefit280, the new oil plant which is still undergoing the hot commissioning. So, the old oil plant that we have, I mean, this has behaved well and obviously, that is behind a, sort of, reasonably solid production figures that we have in the first quarter.

Final point here for the second, third and fourth quarter we have sold forward also the liquid fuels. We have
heded the prices for about 102 thousand tons of produce which is actually the produce of the old oil plant. The new oil plant we hedge by options only for the time being. Right, moving to slide number 14, and then on the liquid fuels EBITDA side. I mean it is 9 percent of our groups EBITDA, so I think that is quite an important and growing field we have here. On the margin side, the volume side, obviously, there has been positive impacts; I mean about EUR0.5 million in its entirety. However, on the fixed expenditure side, obviously, they have increased due to the fact that, essentially, we had the Enefit280, new oil plant, under commissioning. I mean, obviously, there are fixed costs, labour, some maintenance already involved there. So, we have about EUR1.2 million negative influence from the fixed expenditure. And obviously, also we have re-evaluations of Shale oil derivative instruments due to an increase in fuel oil market price in the first quarter. Essentially, these are the option premiums that we have had to revalue, the options are there for hedging the oil output of the new oil plant and, obviously, as these are going through the profit and loss statement then this is the impact they have had in this quarter.

Right, if we finally turn to the other products and services revenues and profitability on slide number 15 then there you can see the impact of Televõrk, the Telecommunication subsidiary, sale which happened last year in the first quarter, so we have not had this impact from, sort of, such positive impact from one-off items this year. What we have done is, obviously, we sold non-current assets, mainly a few properties that we have available in Tallinn that we are still using for the time being. We have sold these off in the first quarter; that has helped our results by EUR4 million in the first quarter of 2013 and obviously, it is not at the same level as Televõrk but it has helped us a bit. And on the EBITDA side, maybe also meaningful to mention that, obviously, we have had a reasonably positive EBITDA development from the heat sales which is the last part of other revenues and, obviously, that has helped us.

Right, last points maybe to be mentioned on slide number 15 is that as the Enefit280 construction process has ended and obviously, the subcontracting works that our subsidiary that deals with, essentially, various technical constructions and electrical equipment and recurring construction services sales have reduced also due to that, so that has been impacted.

Alright, now that we have covered profitability then let us move on to cash flows which is on page number 16. There we can see how we have generated the cash flow of the EBITDA in this quarter, EUR68 million cash from operations. Essentially, there has been a few main items here that change of inventories obviously has helped as we have drawn our inventories, then we have received, essentially, a positive impact on our operating cash flow from there. Sale of property, obviously, you take away from EBITDA as that is covered on the investment cash flows. And I think the CO2 impact here also deserves mention that as the EBITDA, obviously, includes non-monetary provisions for CO2 allowances then that would serve as a positive item for operating cash flow. On the other hand, as the CO2 price has dropped quite substantially over the quarter then we have had to conduct also pre-payments for CO2, so which have as we have hedged the CO2 purchases and done them on a forward market which is daily mark to market then essentially, that has had a negative influence on our cash flows. But, all in all, if you put these together then the negative influence from the first quarter on our operating cash flow has been EUR4 million. And the trade receivables we have also had as a sort of our old flow of cash as there is more cash trapped in trade receivables.

Right, if one now moves to page number 17 and compared the cash from operations compared to last year then, obviously, we have had quite a good development there. We have had a sale of subsidiary last year which, sort of, was part of operating - it was not part of operating cash flow. I mean, change of EBITDA, and actually the sale of property as well, together which we did this year, then these three items essentially balance each other out pretty much. So all in all, the positive impact has been from the draw down on inventory and change in trade receivables compared to last year's first quarter in combination for EUR14 million. And then the CO2 impact has reduced that a bit, given that, actually, the outflow of cash into CO2 prepayments has been substantial this year and obviously, also the correction of the CO2 allowances, vis-à-vis the EBITDA, has also increased quite a lot this year. But all in all, cash from operation 16 percent up year-on-year, so actually there has been a positive development.

If we turn to the investments and the capital expenditure on page number 18 there we paid down EUR74 million CAPEX that is conducted in the first quarter. Obviously, this is quite a slow quarter if you look at the whole year committed investments that we expect to have around EUR427 million in 2013. Positive news is that in 2014 and 15 the committed investments already, sort of, reducing substantially, so I think that is good news for our expected cash flows. If we have a brief look on the, sort of, distribution of the investments then the electricity network saw actually the most investment, EUR16 million. On the power side, the Auvere power plant, the power plant that we continue to build is going to stay there in investment products for another two-and-a-half years actually, so this is going to continue to require investments. Irso waste-to-energy block EUR10 million that we spent actually on this quarter is about to essentially complete. It is already producing heat and power and I think Narva wind park is also another completed investment that is currently already generating power. So, I think if you actually turn to page number 19 then there you can see that several projects, for instance, the desulphurisation equipment have pretty much been completed and the Enefit280 oil plant is under hot commissioning. Irso waste-to-energy is very close to completion; I mean quite a few of these projects are actually already very close to actually having their CAPEX done and starting to contribute to our EBITDA.

I think what deserves mention here is, obviously, distribution network and that it is halfway through there or almost two years through actually from its investment period, EUR300 million expected to be spent there and the power plant in Auvere is, obviously, a large investment that we will complete by 2016. Maybe another few words on
Veiko Räim: I think that has really completed our presentation, so thank you very much for all participating. In case you have any follow-up questions, obviously we will remain available via email and telephone, so feel free to contact us. Thank you very much.