Eesti Energia

Interim Report

01/04/2003 – 31/03/2004

Contents

Overview

Key figures	FY 03/04	FY 02/03	Change
Revenues, € th.	379 366	369 215	2.7%
incl. Domestic sales of electric energy	270 923	257 943	5.0%
EBITDA, € th.	132 455	132 001	0.3%
EBIT, € th.	49 097	53 340	-8.0%
Net Profit, € th.	32 916	37 576	-12.4%
Net Fixed Assets, € th.	1 128 590	1 015 001	11.2%
Equity, € th.	793 736	760 276	4.4%
Net Debt, € th.	249 580	180 369	38.4%
CAPEX, € th.	198 358	238 111	-16.7%
Net cash from operating activities, € th.	117 687	114 827	2.5%
Debt/(Debt+Equity)	27.1%	26.6%	0.5%
ROIC	4.6%	5.8%	-1.2%
EBITDA interest cover	7.5	9.1	-1.6
FFO/Net Debt	45.8%	67.2%	-21.4%
FFO/Interest Expense	6.4	8.4	-1.9
FFO/Capex	57.6%	50.9%	6.7%
EBITDA margin	34.9%	35.8%	-0.8%
EBIT margin	12.9%	14.4%	-1.5%
Profit margin	8.7%	10.2%	-1.5%

Eesti Energia has completed another successful year. Sizeable repowering programme at Narva Power Plants is nearing its completion. First of the two electrical energy production units, which is being renovated at Narva, started operating at February 2004. In the network business we managed to make a significant leap in efficiency by achieving the lowest level of Distribution network power losses in company history. Both domestic sales of electricity and electricity exports grew more than 5%, despite the fact that air temperatures were higher compared to the previous financial year. Strong sales, meticulous investment policies and focus on cost reduction has allowed us to achieve corporate issuer rating, which is the highest among electric utilities in the Eastern Europe. Estonia's accession to the European Union provides the country and business community new challenges – Eesti Energia is looking forward to take advantage of opportunities of changing environment.

Core electricity business revenues rose 5,4%

Revenues increased to **€379.4m** in the FY 2003/04, which was **2.7%** higher compared to the same period in the previous financial year. The largest contributor to the increase was core electricity business, which revenues experienced a **5.4%** (**€15.5m**) growth. Sales of heat decreased due to relatively warm winter by **€4.8m** (**12.3%**) to **€34.1m**.

Operating and net performance EBITDA experienced a slight increase by **0.3%** to **€132m**. The pressure on operating result is due to high investments in last years, which has increased depreciation costs to **€83.4m**, a **6.0%** (**€4.7m**) increase compared with the previous financial year. Large investments have also increased debt burden and correspondingly interest costs, which rose **€3.2m** (**22.2%**). Net profit for the financial year amounted to **€32.9m**.

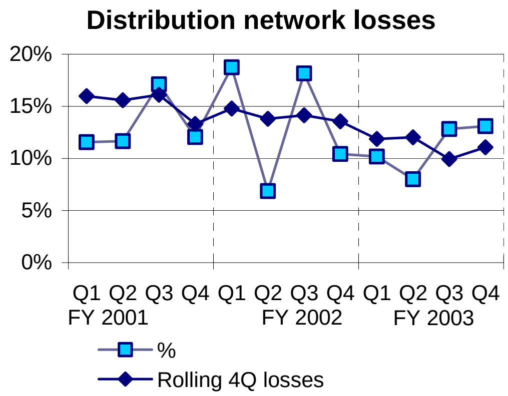
Economic environment Third and fourth quarter GDP growth rates were reassuring after relatively low growth in the second quarter. The fourth quarter growth is especially notable, if compared with the quarterly growth rates in the 2001 and 2002 (both were above 5.5%). Robust growth was due to increases in private consumption and investments. 2003 was also characterized by decreasing unemployment and inflation. Low interest rates helped to invigorate the activity of enterprises, also encouraging private lending. Analysts maintain, that economic growth induced by private consumption cannot form a sustainable basis for future developments of the economy if not supported by progress in net exports.

Source: Statistical Office of Estonia

In calendar year 2003 fourth quarter real GDP growth in Estonia was **5.7%**. Poll held by the Estonian Institute in Economic Research (EKI) indicated, that the expectations about the economy are in the range of previous three years average. The macroeconomic environment is expected to strive in the following quarters, reflecting the anticipation of increase of exports. Provided that the external demand proceeds as expected, we should see a slightly higher real GDP growth in 2004 compared with the 2003. Furthermore, Estonian accession to European Union adds a positive notion to support the expectations about exports. The growth of economy in Estonia is well above the euro area and as recent history has signaled, is more than capable of inducing the fundamental demand for electricity in Estonia.

Financial strength One of the world's leading rating agencies – Moody's – upgraded in March 2004 Eesti Energia's issuer rating to **A3** from **Baa1**, while senior unsecured rating (**€200 m** Eurobond issue) remained at **A3**. Standard & Poor's Ratings Services revised its outlook to negative from stable. At the same time, Standard & Poor's affirmed its **A-** long-term corporate credit rating as well as **A-** senior unsecured debt rating. The revision of the outlook reflects the risk of weakening credit quality as a consequence of a potential restructuring and split-up of the company. S&P still considers the Estonian government's implicit support for Eesti Energia to be strong. According to S&P, Eesti Energia's financial profile is expected to remain robust despite sizeable investment.

Interest coverage ratios have declined due to increased gearing (i.e. EBITDA interest cover from **9.1** to **7.5**), but are still solid. Operating cash flows are steadily strong, escalating to **€117.7m**. CAPEX declined by **16.7%** (**€39.8m),** which can be traced to excellent progress made in Narva repowering project. FFO/CAPEX showed a respectable increase of **6.7%**. Due to the completion of reconstruction of two 215MW units at Narva during next two quarters, we are expecting a further strengthening of cash flow multiples.



Network losses Network losses are one of the most important characteristics of Eesti Energia's network business. Due to careful investments and diligent work with the clients we have been able in past 5 years to cut Distribution network losses from **19.5%** to **11.1%**, which in turn has positively influenced our income statement and cash flows. We are confident that excellent track record shown in past 5 years continues.

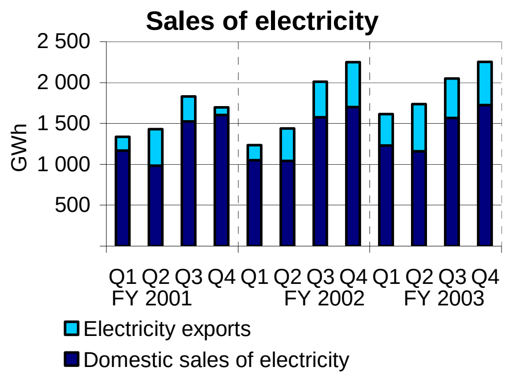
Investment programme. More than 90% of the electrical energy produced in Estonia is based on oil shale. At 2001, Eesti Energia started a repowering initiative to upgrade its production capacities. In the future the two repowered units are to utilize the Circulating Fluidized Bed (CFB) technology, which should significantly reduce pollution as well as to provide a substantial boost to fuel efficiencies. After two and a half years the installation process is nearing its finish. First of the two 215 MW units that are being renovated was synchronized with the Estonia's electricity system in November 2003 and started producing electricity in February 2004. The second energy production unit is expected to complete necessary tests and become operational at the end of first half of FY2004/05. During the financial year 2003/04, the first 215MW unit (unit 8 at Eesti Power Plant) produced a total of **307 GWh** of electrical energy.

Profitability took a hit from increasing environmental taxes as well as relatively high planned maintenance costs assigned for this financial year. Massive investments resulted in higher depreciation and interest costs, thus also lowering the net profit. Profit margin reduced from **10.2%** to **8.7%**. Return on invested capital (ROIC) was **4.6%** compared to **5.8%** in FY 2003/04.

Operating results

Revenues € th.	FY 2003/04	FY 2002/03
Oil Shale Company	116 755	111 900
Power and Heat	263 113	262 262
Transmission	57 684	55 254
Distribution	132 850	127 175
Supply	320 300	324 236
Support Services	40 010	37 191
Eliminations	-551 345	- 548 802
Consolidated Revenues	**379 366**	**369 215**

Core electricity business was the main driver behind strong operating result. Group electricity sales rose by **743GWh** (**+7.9%**) to **7 674 GWh**.



Domestic electricity sales increased to **€270.9m**, an increase of **5.0%** (**€13.0 m)** on FY 2002/03. The negative impact of relatively warm weather conditions from November to March was offset by positive influence of strong economic growth.

In quantitative terms, domestic electricity sales increased by **6.2%** (**333 GWh**) to **5 701GWh**. Electricity wholesale increased by **26.9%** (**208GWh**), whereas sales to retail customers grew by **2.7%** (**124GWh**).

Electricity exports Another factor compensating for negative impact of warm weather was dynamic electricity exports. The Group earned **€31.2m** from the export of electric power, a **8.9%** or **€2.6m** increase on previous financial year. In quantitative terms, exports increased by **411GWh**, or **26.3%** (exports to Latvia grew by **194GWh** and to Russia by **217Wh**).

Heat sales amounted to **€34.1m** (**-12.3%)**. In quantitative terms, sales decreased by **193GWh** (**8.2%**). Warm temperatures experienced in the heating period reversed positive effect of colder temperatures experienced in April and May. In Narva PP heat production decreased by **77GWh** (**9%**), in Iru Power Plant (Iru PP) by **79GWh** (**6%**) and in AS Kohtla-Järve Soojus (Kohtla-Järve PP) by **80GWh** (**15%**).

Oil Shale sales increased by **4.6%** (**634 th. tonnes**). The sales growth was mainly induced by higher electricity production at Narva Power Plants, which buys approximately **84%** of oil shale produced at the Oil Shale Company. Consolidated revenues from oil shale were flat at **€14.5m** (**-2.2%**). Local oil industries are the main outside group consumers of oil shale.

Shale Oil In monetary terms, the sale of shale oil decreased by **4.7%** (**€0.5m**) on the previous financial year. Oil sales decreased compared to the same period of the previous financial year. The decrease was due to the fact that significant amount of shale oil was used in initial tests on Eesti Power Plant unit 8 and therefore could not be used to produce shale oil (as the shale oil plant is operating near its current capacity).

Other goods and products Sale of other goods and products totaled **€9.8m**, a decrease of **5.5%** on the same period of the previous financial year. Exports of energy equipment manufactured by AS Energoremont advanced to **€4.7m** (an increase of **€1.9m**, or **66.0%**).

Services Sale of services amounted to **€6.4m**, an increase of **41.0%** on the previous financial year. The largest increase was experienced in the sales of repair and construction services (**+77.5%**) and telecommunication services (**+22.3%**).

Expenses In the FY 2003/04, operating expenses totaled **€330.3m**, an increase of **€14.4m** (**4.6%**) on the same period in the previous financial year.

Materials, consumables and supplies increased by **€3.9m** (**3.2%**), while net electricity production increased **7.9%**. Environmental charges increased by **12.1%** (**€2.4m**), which is due to the increased output and higher pollution tariffs.

Personnel expenses increased by **€5.6m** (**6.9%**). Most of the increase came from the Oil Shale Company, where personnel costs increased by **€5.4m** (**14.8%**). The growth in personnel costs can be traced to the growth of mining volumes as well as establishment of health care provisions in the amount of **€2.0m**.

Depreciation and value adjustments of fixed assets increased by a total of **6.0%** (**€4.7m**).

EBIT € th.	FY 2003/04	FY 2002/03
Oil Shale Company	9 919	16 642
Power and Heat	35 964	38 612
Transmission	3 461	6 038
Distribution	11 761	8 627
Supply	-12 485	-16 943
Support Services	633	365
Eliminations	-155	0
Consolidated EBIT	**49 097**	**53 340**

Oil Shale production segment experienced a **€6.7m** decrease in EBIT. The decrease is mainly due to higher depreciation costs (**+€2.0m**) and the established healthcare provisions (**€2.0m**).

Power and heat segment experienced a decrease of **€2.6m** in EBIT, of which **€1.7m** was attributable to higher planned maintenance costs.

Networks Transmission network and distribution network EBIT increased by **€0.5m** to **€9.1m**.

Net profit € m	FY 2003/04	FY 2002/03
Consolidated EBIT	49 097	53 340
Consolidated interest on debt	17 733	14 518
Consolidated interest on provisions	1 179	1 491
Cons. net other fin. income	2 238	3 981
Minority interest	-493	3 737
Consolidated Net Profit	**32 916**	**37 576**

Net financial revenues decreased by **€4.6m** (**38.6%**). Interest expenses on debt increased by **€3.2m** (**22.2%**) due to the higher debt burden compared to previous FY, interest on provisions decreased by **€0.3m**. Interest income and other financial income decreased by **€1.7m**.

Net profit for the period amounted **€32.9m**, a **12.4%** decrease compared with the FY 2002/03.

Investments

Investments In the FY 2003/04 Group's capital expenditures reached **€198.4m**. During last 5 years Eesti Energia has invested more than **€700m**.

Carrying out investment policies has had a significant role in dramatically increasing the reliability and efficiency of the electricity system of Estonia and consequentially improving the economic performance of the company. The most important achievements include upgrading two 215 MW power generation units from Soviet era technology to modern CFB technology, thus gaining in efficiency, as well as installing electrostatic precipitators to 10 power units to meet the stringent environmental regulations imposed by the European Union at Narva Power Plants.

Within the power networks National Grid's goal is to maintain reliable and efficient high voltage transmission network in Estonia. In few last years National Grid has applied scrupulous investment policies due to which all the key high-voltage substations (save Eesti 330 kV substation at Narva) are renovated by the end of FY 2006. The Distribution Network has been able to decrease losses by more than 40%, at the same time sharply reducing the number unplanned power outages.

Investments € th.	FY 2003/04	FY 2002/03
Oil Shale Company	21 556	20 820
Power and Heat	106 247	148 723
Transmission	15 559	16 950
Distribution	45 823	42 098
Other and eliminations	9 174	5 228
Total Investments	**198 238**	**238 111**

Medium term strategic investment programme proceeds as planned in power production as well in power networks and oil shale production. Strategically vital project – the renovation of two power production units at Narva PP – proceeded as scheduled.

Generation Investments in power and heat production amounted **€106.2m**, of which repowering of Narva PP was **€91.5m**.

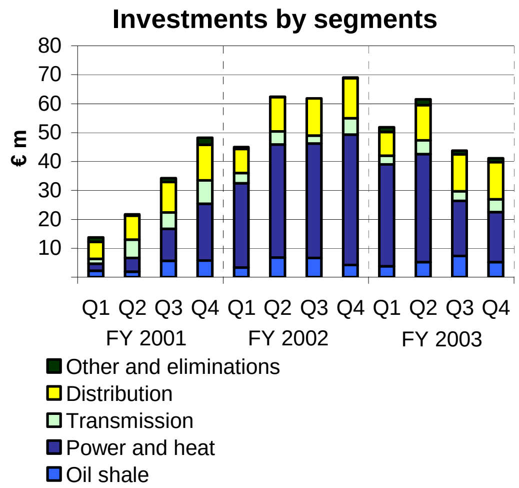
Transmission In the FY 2003/04, a total of **€15.6m** was invested in the National Grid (**€4.5m** in the fourth quarter). During the FY 2003/04 Eesti Energia completed several important investment projects in the National Grid:

Object	Operational
Expanding Püssi substation	Q2
Renovation of Järve 110 kV switchgear	Q3
Renovation of Võru 110 kV substation	Q3
Renovation of Jüri 110 kV substation	Q4
Renovation of Kehra 110 kV switchyard	Q4
Renovation of Reinu 110 kV substation	Q4

Completion of renovation works at Järve substation was necessary to commence significant projects, such as building of Harku 330kV substation and Harku-Kiisa 330kV power line. Harku high voltage substation and power line form a basis for further development in the strategically significant Tallinn – Narva direction. The objects are expected to be operational at the second half of FY 2004/05.

Distribution In the FY 2003/04, a total of **€45.8m** was invested into the Distribution Network. Major investment projects in the Distribution Network were the renovation of the 0.4-20 kV networks and the Voltage Quality Programme (**€13.2m**); switching voltage from 3x220 V to 3x400 V (**€1.6m**); reconstruction of 35-330 kV substations and 6-20 kV switchgear (**€4.7m**). Due to these investments we have been able to cut down unplanned power outages from 42 thousand outages in 2001/02 to 19 thousand outages in 2003/04.

In addition to previous, we invested to new customer connections (**€15.2m**); planned replacement of direct metering systems (**€2.9m**) and power network development (**€3.6m**).



Debt

Loans and bonds as of 31/03/2004 € m	Used	Un-used	Maturity
NIB	13		2 009
NIB	15		2 012
Syndicate loan	50		2 006
KWf		90	2 017
NIB	20	40	2 017
Eurobond	200		2 009
Total long term	298		
Short- term	0		
Total loans and bonds	298	130	

All loans are denominated in euros. Majority of loans had a floating interest rate. The weighted average interest rate was 6 months **EURibor + 0.70%** as of 31 March, 2004. Since the end of last financial year the average interest rate has fallen by 10 basis points. The average margin is expected to decrease also in the next financial year. **€200m** Eurobond issue (July 2002) has fixed interest rate at **6%.**

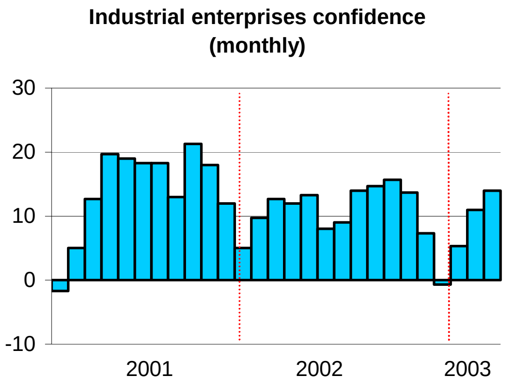
The floating interest rates of the syndicate loan in the amount of **€50,000,000** (until 2 006) and of the Nordic Investment Bank loan in the amount of **€15,000,000** (until 2 012) are fixed by means of interest rate swap, having the weighted average interest rate of **5.8%**. This makes **95%** of the debt portfolio fixed. During 2003/04 Eesti Energia drew down **€20m** from NIB's **€60m** facility, which rate was also fixed. In May 2004 we signed a loan agreement with EIB for the amount of **€80m** with maturity 2019.

Short-term outlook

Eesti Energia's satisfactory results during FY 2003/04 were based on growth in electricity sales and keeping the growth of costs as low as possible. Negative impact on profits inherited from high investment volumes in previous periods and consequentially higher depreciation and interest costs as well as planned maintenance.

After completion of Narva repowering programme Eesti Energia enters to a new phase. We should expect even higher depreciation cost, which in turn places some pressure on the income statement. As the CAPEX gradually decreases company's free cash flow becomes stronger.

Confidence indicator of industrial enterprises has experienced a seasonal upturn. To add further positive note we can observe, that the confidence has slightly improved compared with the same period in the previous financial year.

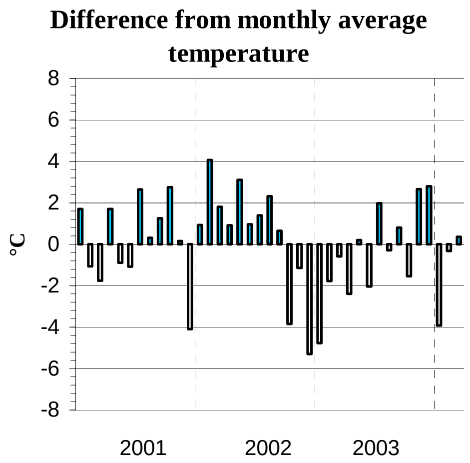


Source: Estonian Institute of Economic Research

Domestic demand for electricity is closely related to the state of Estonian economy. Strong GDP growth in the fourth quarter 2003 has inspired analysts to rise their growth targets for Estonian economy in 2004. According to macroanalysts, the GDP growth of Estonia's economy in 2004 should exceed the growth in 2003.

Electricity exports produced a strong growth in the FY 2003/04. In FY 2004/05 we expect to see some decrease in exports to Latvia. Exports to Russia should remain in the FY 2003/04 level.

Average temperature in Estonia in the FY 2003/04 was **0.5°C** warmer compared with the previous financial year. Nevertheless, domestic energy sales continued to show a solid growth. This fact solidifies the position of the growth of economy as the main driver behind the growth of electricity consumption.



Running four-quarter losses trend in the Distribution network is stable and moving in favorable direction. We expect the positive trend to continue.

Our investment programs are showing positive results (i.e. completion of energy production units, reduction of power losses and outages), the electricity demand is increasing at satisfactory pace. In spite of large investments we have managed to keep equity to assets ratio close to previous years value. The macroeconomic environment continues to be stable and provides a solid foundation for enterprises and thus to the growth of demand for electricity.

Definitions

Financial

EBITDA –	Earnings before interest, taxes, depreciation and amortization
EBIT –	Earnings before interest and taxes
Interest –	Interest on debt
Net Debt –	Debt less cash and equivalents
Invested capital –	Shareholders equity plus Debt
FFO –	Funds from operations; Operating cash flow less Changes in working capital
ROIC –	Return on invested capital; EBIT divided by average Invested capital
EBITDA interest cover –	EBITDA divided by Interest on debt
EBIT margin –	EBIT divided by Total revenue
Profit margin –	Net profit divided by Total revenue

Other

CFB –	Circulating Fluidised Bed

Notes

Financial tables

Accounting policies

These consolidated interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2003.

The statements should be read in conjunction with the 2002/03 annual financial statements.

The information contained in the Interim Financial Statements has not been audited.

Consolidated income statement, € th.

	12 months	
	1/4/2003-31/03/2004	1/4/2002-31/03/2003
Revenue		
Net sales	377 223	365 661
Other revenue	2 024	2 149
Government grant	120	1 405
Total revenue	**379 366**	**369 215**
Expenses		
Materials, consumables and supplies	124 805	120 889
Other operating expenses	34 758	34 004
Personnel expenses	86 486	80 905
Other expenses	861	1 416
EBITDA	**132 455**	**132 001**
Depreciation and impairment	83 359	78 661
Total expenses	**330 269**	**315 875**
EBIT	**49 097**	**53 340**
Interest expense on borrowings	17 733	14 518
Interest on provisions	1 179	1 491
Other net financial income	2 238	3 981
Minority interest	-493	3 737
Net profit/loss for the period	**32 916**	**37 576**

Consolidated balance sheet, € th.

	31/3/2004	31/3/2003
Assets		
Current assets		
Cash and cash equivalents	45 110	95 303
Shares and other securities	354	354
Trade receivables	46 051	46 028
Other receivables	83	53
Accrued income	1 747	3 077
Prepaid expenses	884	7 854
Inventories	16 591	11 600
Total current assets	**110 821**	**164 269**
Non- current assets		
Long- term financial investments	2 756	2 968
Tangible assets	1 128 590	1 015 001
Intangible assets	2 494	2 727
Total non- current assets	**1 133 840**	**1 020 697**
Total assets	**1 244 661**	**1 184 966**
Liabilities		
Current liabilities		
Borrowings	1 192	1 067
Customer prepayments	57	500
Trade payables	50 817	50 390
Other payables	1 435	1 741
Taxes payable	12 532	12 273
Accrued expenses	25 265	23 745
Provisions	5 713	5 640
Prepaid income	45	0
Total current liabilities	**97 056**	**95 356**
Non- current liabilities		
Long- term borrowings	293 497	274 605
Long- term trade payables	0	5 223
Prepaid income	38 388	29 440
Long- term provisions	20 809	18 399
Total non- current liabilities	**352 694**	**327 666**
Total liabilities	**449 751**	**423 022**
Minority interest	**1 174**	**1 668**
Shareholder's equity		
Share capital	464 899	424 455
Non- registered share capital	0	40 443
Share premium	259 832	259 832
Statutory reserve	40 020	23 489
Hedging reserve	-3 930	-4 474
Retained earnings	0	-21 044
Net profit for the period	32 916	37 576
Total shareholder's equity	**793 736**	**760 276**
Total liabilities and equity	**1 244 661**	**1 184 966**

Consolidated cash flow statement, € th.

	1/4/2003-31/3/2004	1/4/2002-31/3/2003
Cash flows from operating activities		
Adjusted net profit	129 833	124 791
Changes in working capital	3 356	-6 406
Paid interest and loan fees	-16 910	-6 403
Received interest	1 407	2 845
Net cash from operating activities	**117 687**	**114 827**
Cash flows from investing activities		
Purchase of tangible fixed assets	-200 393	-214 106
Proceeds from connection fees	10 236	8 968
Proceeds from sale of tangible fixed assets	2 199	1 594
Dividends received from associates	1 139	1 103
Proceeds from sale of financial investments	6	0
Other cash flows from investing activities	0	4
Net cash used in investing activities	**-186 813**	**-202 436**
Cash flows from financing activities		
Received long- term bank loans	20 000	0
Proceeds from issue of long- term bonds	0	197 260
Repayment of bank loans	-1 055	-45 000
Finance lease principal payments	-12	-38
Proceeds from issue of short- term bonds	0	11 089
Redemption of short- term bonds	0	-11 089
Dividends paid to minority shareholders	0	-511
Net cash from financing activities	**18 933**	**151 710**
Net increase/decrease in cash and cash equivalents	-50 193	64 101
Cash and cash equivalents at the beginning of the period	95 303	31 202
Cash and cash equivalents at the end of the period	45 110	95 303
Cash in cash and cash equivalents	**-50 193**	**64 101**

Consolidated statement of changes in shareholders' equity, € th.

	Share capital	Share premium	Statutory reserve	Hedging reserve	Retained earnings	Total
Balance at 31/3/2002	**424 455**	**259 832**	**0**	**0**	**2 445**	**686 732**
Transfer to statutory reserve	0	0	23 489	0	-23 489	0
Share capital expansion						
From Government decree no. 612 (17/9/2002)	3 502	1	0	0	0	3 503
From Government decree no. 17 (8/1/2003)	36 941	0	0	0	0	36 941
Revaluation of cash flow hedges	0	0	0	-4 474	0	-4 474
Net profit for 2002/2003 as previously reported	0	0	0	0	37 576	37 576
Balance at 31/03/2003	**464 899**	**259 832**	**23 489**	**-4 474**	**16 532**	**760 276**
Transfer to statutory reserve	0	0	16 532	0	-16 532	0
Revaluation of cash- flow hedges	0	0	0	544	0	544
Net profit for the period	0	0	0	0	32 916	32 916
Balance at 31/03/2004	**464 899**	**259 832**	**40 020**	**-3 930**	**32 916**	**793 736**

Notes to the financial statements

1 Segment reporting

For segment reporting purposes, the group's business units and subsidiaries are divided into business segments based on the internal management reporting structure and statutory requirements stipulated in the Electricity Market Act of Estonia. The Electricity Market Act of Estonia requires separate accounting to be held for electricity production, transmission, distribution and sales. Operating revenues and expenses are allocated to different segments based on internal invoices. The pricing of inter-segment transfers is based on the prices approved by the Estonian Energy Market Inspectorate, or if not available, on the market prices. If no market prices exist, the budget committee of the Group affirms the internal prices.

No information on geographical segments is presented, as all significant activities of the Group take place in Estonia.

For segment reporting, the companies and units are divided into the following business segments:

Oil shale mining - Eesti Põlevkivi;
Production of electricity and heat - Narva Elektrijaamad, Iru Elektrijaam, AS Kohtla-Järve Soojus, Renewable energy;
Transmission of electricity - Põhivõrk;
Distribution of electricity - Jaotusvõrk, Mõõteteenused;
Sales and customer service - Teenindus;
Support services - Energoremont, AS Elektriteenused, AS Elpec, Televõrgu AS, Administration, Support services.

1/4/2003-31/3/2004	€ th. Oil shale mining	Production of electricity and heat	Transmission of electricity	Distribution of electricity	Sales and customer service	Support services	Intra-group eliminations	Total group
Revenue	116 755	263 113	57 684	132 850	320 300	40 010	-551 345	379 366
EBIT	9 919	35 964	3 461	11 761	-12 485	633	-155	49 097

1/4/2002-31/3/2003	€ th. Oil shale mining	Production of electricity and heat	Transmission of electricity	Distribution of electricity	Sales and customer service	Support services	Intra-group eliminations	Total group
Revenue	111 900	262 262	55 254	127 175	324 236	37 191	-548 802	369 215
EBIT	16 642	38 612	6 038	8 627	-16 943	365	0	53 340

2 Operating profit

In November 2003 Estonian Tax Board annuled the claim against Kohtla- Järve Soojus AS (compensation for delay of long- term social tax liability at discounted value of € 458 th.).

This amount has been deducted from the other business expenses in the income statement.

3 Tangible assets, € th.

	Land	Buildings	Const-ructions	Plant and equipment	Other	Total
Balance at 31/3/2003						
Acquisition cost	4 268	109 405	693 465	621 999	1 924	1 431 061
Accumulated depreciation	0	-61 727	-251 570	-279 391	-1 149	-593 838
Opening net book value	4 267	47 677	441 895	342 607	775	837 223
Construction and renovation in progress	0	332	11 174	165 035	0	176 541
Prepayments	261	21	18	936	0	1 237
Total balance at 31/3/2003	**4 529**	**48 030**	**453 088**	**508 579**	**775**	**1 015 001**
Movements for the period 1/4/2003-31/3/2004						
Acquisitions	66	10 207	33 420	154 019	645	198 358
Depreciation	-1	-3 773	-30 171	-48 826	-355	-83 126
Disposals	-27	-390	-95	-1 131	-1	-1 644
Total movements for the period 1/4/2003-31/3/2004	**39**	**6 044**	**3 154**	**104 062**	**290**	**113 589**
Balance at 31/3/2004						
Acquisition cost	4 303	115 875	719 572	676 377	2 518	1 518 645
Accumulated depreciation	-1	-64 909	-277 380	-320 232	-1 453	-663 975
Closing net book value	4 301	50 967	442 192	356 145	1 065	854 670
Construction and renovation in progress	0	3 100	13 879	255 969	0	272 948
Prepayments	266	8	171	526	0	971
Total balance at 31/3/2004	**4 568**	**54 075**	**456 241**	**612 641**	**1 065**	**1 128 590**