Annual report 2014

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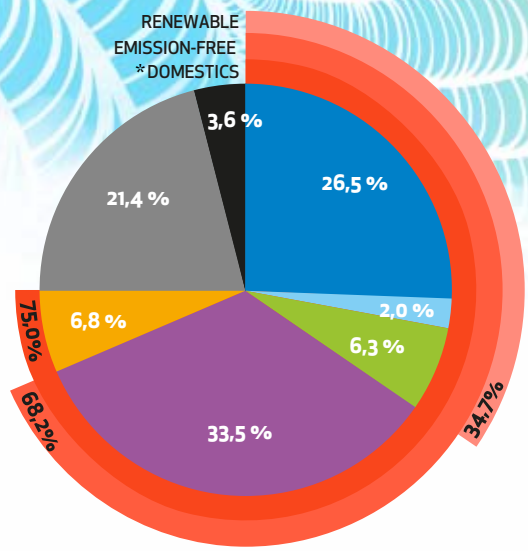
HYDROPOWER	977 GWh
WIND POWER	72 GWh
WOOD + OTHER BIO	233 GWh
NUCLEAR POWER	1237 GWh
PEAT	252 GWh
COAL	791 GWh
OTHER FOSS.	132 GWh

* Swedish and Norwegian hydropower are treated as domestic



EPV Energy Ltd

EPV Energy Ltd (EPV) is a Finnish energy company specialized in generation of electricity and heat. The basic task of EPV is to acquire cost-efficient electricity for its owners, Finnish energy companies, according to the Mankala principle through efficient management of the power shares owned by the company.

The company generates and acquires approximately 5 percent of the electricity consumed in Finland. Last year the company acquired approximately 4 TWh of electricity and 1.2 TWh of heat.

EPV is a pioneer within emission-free energy generation, utilizing both wind power and biofuels. Good examples of this are the Torkkola wind power farm about to be completed in Vaasa, and the first biomass gasification plant in the world operating on an industrial scale in Vaskiluoto. The company's strategy for emission-free energy generation also includes nuclear power and hydropower.

Turnover 2014 249,41 M€
2013 **219,12**
2012 **179,72**
2011 **173,67**
2010 **188,39**

Solvency ratio 2014 53,2 %
2013 **55,9 %**
2012 **53,1 %**
2011 **51,0 %**
2010 **44,9 %**

Investments 2014 70,33 M€
2013 **49,13**
2012 **16,43**
2011 **20,48**
2010 **51,98**

Personnel 2014 62
2013 **55**
2012 **32**
2011 **25**
2010 **24**

An unprejudiced pioneer

EPV Energy Ltd (EPV) has been a pioneer in the Finnish energy business since the very start. Due to the concern of small electricity companies for the future of the region, and the need to secure the supply of sufficient energy, the then called Etelä Pohjanmaan Voima saw the light of day already in 1952. The company's first generation plant, Vaskiluoto 1, was the largest condense plant in Finland by the time it was completed in 1958.

In the 21st century, EPV, which has expanded its operations to cover all of Finland, and through its power shares also other Nordic countries, has resolutely invested in emission-free energy generation. The company manages a dozen or so significant wind power projects of its own, and holds shares in several associated companies, which are building wind power.

Instead of fossil fuels, the company has developed the use of domestic biofuels, especially at the power plants of Vaskiluodon Voima in Vaasa and Seinäjoki, owned jointly with Pohjolan Voima Oy. The main fuel at the Seinäjoki power plant is domestic peat. Thanks to the biomass gasification plant representing state-of-the-art technology, in Vaskiluoto, Vaasa domestic forest energy is used.

EPV's strategy for emission-free energy generation also includes a share of Finnish nuclear power, acquired through Teollisuuden Voima. In addition, EPV has acquired and aims at increasing its shares in hydropower from Finland and other Nordic countries.

The most recent addition to the environmentally friendly generation pallet of EPV is clean-burning liquefied natural gas (LNG). As a shareholder in Manga LNG Oy, EPV takes part in the construction of the largest LNG storage facility in the Nordic countries in Röyttä, Tornio. The gas deliveries are scheduled to begin in 2018. Thanks to this investment in LNG, EPV maintains the opportunity to invest in quick-start load following power in Tornio.

Asset development (balance, assets) **2014** 549,53 M€

	2010	2011	2012	2013	**2014**
Non-current assets	276,24	286,67	303,81	348,38	399,60
Inventories	0,00	0,00	1,03	3,18	4,82
Non-current receivables	13,29	34,37	39,07	61,09	65,08
Current receivables	46,97	44,28	39,88	39,85	44,23
Receivables, marketable securities, cash and cash equivalents	28,13	26,11	34,93	14,24	35,80
M€	**364,63**	**391,44**	**418,72**	**466,74**	**549,53**

2013 **466,74**
2012 **418,72**
2011 **391,44**
2010 **364,63**

Development of financing items (balance, liabilities) **2014** 549,53 M€

	2010	2011	2012	2013	**2014**
Equity	158,76	194,63	216,96	253,92	284,74
Minority interest	4,87	5,10	5,44	6,82	7,86
Non-current liabilities	163,95	124,13	138,84	164,75	210,47
Current liabilities	37,04	67,59	57,47	41,24	46,46
M€	**364,63**	**391,44**	**418,72**	**466,74**	**549,53**

2013 **466,74**
2012 **418,72**
2011 **391,44**
2010 **364,63**

2014 – a year of great changes

The year of 2014 was a year of great changes for the energy business. Our operating environment is very much different from last year: oil and coal prices have plummeted, the euro has weakened, and a war is fought in our vicinity.

Nuclear power generation peaks

The Olkiluoto power plants 1 and 2 generated a record amount of electricity for the second year in a row. However, the difficulties with constructing additional plants continued. To the disappointment of EPV Energy, the commissioning of Olkiluoto 3 was yet again postponed. According to the latest information, the plant will be finished in December 2018.

Another unfortunate event was the decision of the Finnish government to decline additional time for the construction permit application for Olkiluoto 4. The Finnish state should keep a cool head, and refrain from playing too significant a part in energy matters. Treating parties in the energy business equally requires a game with open cards and clear rules. At the moment, the actions of political decision-makers are far from fair play.

Hydropower electricity from neighbouring countries

EPV's emission-free generation of hydropower in Finland, Sweden and Norway is working well. Yet again it is interesting to see an anti-hydropower people movement trying to gain a foothold both in Finland and Sweden. The phenomenon is well-known in the energy business, and clearly depicts how all methods of energy generation give rise to an opposition. It is always so easy to object, but very hard to defend.

Condense power faces a profitability crisis

Where heat generation is concerned, condense power is facing a profitability crisis. Simultaneously, Finland is suffering a significant lack of power. Unfortunately, by the look of things we will be forced to take actions in 2015, which will further increase this deficiency. The responsibility for unprofitable units must be shouldered together, or else the units will be shut down.

Energy policies require stability

At the end of the year, we received further examples of struggling energy policies, as the government's plan to cut the generation subsidies for forest chips was announced. The government's wish to decrease the generation subsidy for fuel wood by half demonstrates that the government is willing to change the previously agreed rules in certain cases. This kind of action undermines the operating environment of the energy business. The business is continually facing unexpected and almost unreasonable threats as a consequence of political decision-making.

The EPV Group stands tall

The EPV Group is, regardless of its operating environment, in great shape. We are making good acquisitions and our personnel have a positive attitude at work.

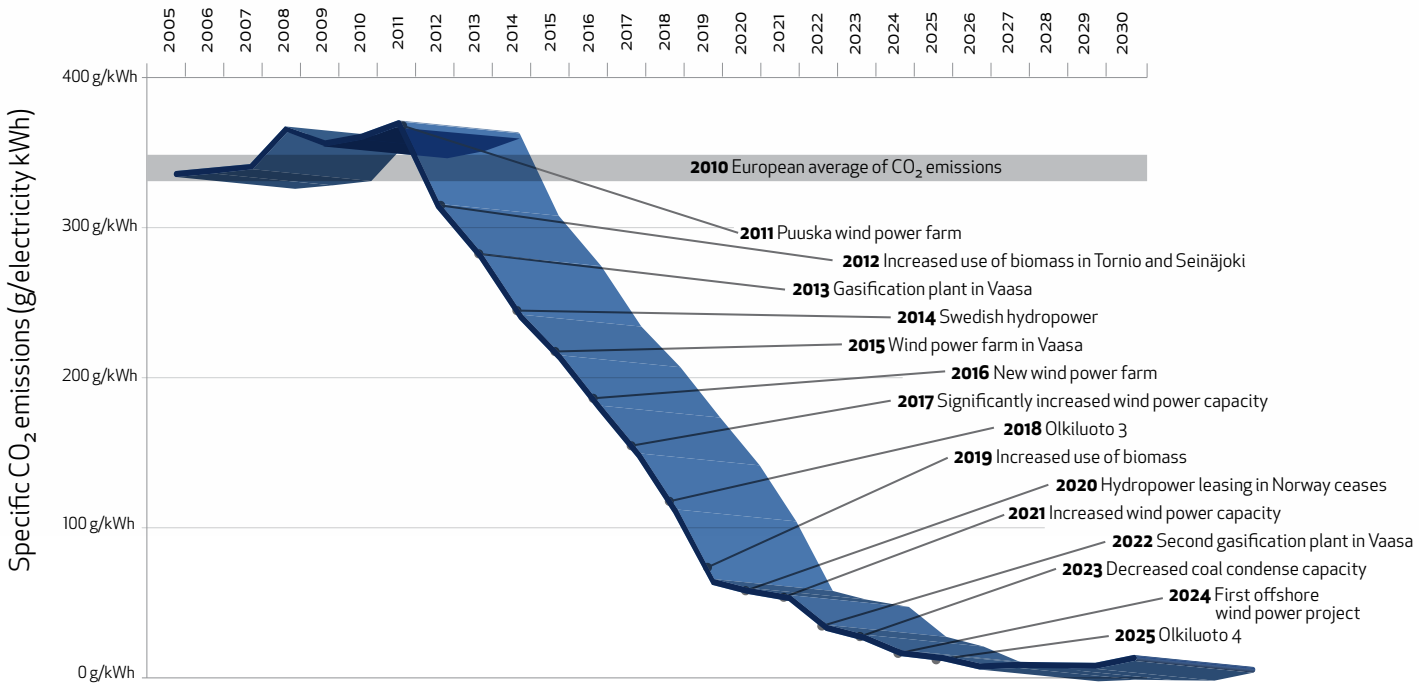
The wind power farm in Torkkola, Vaasa is proceeding excellently, and we are already making preparations for building another wind power farm in Ostrobothnia. Decisions are due to be made during 2015.

The biomass gasification plant at the Vaskiluoto power plant is working well. The test runs at the plant show that the gasificator can also be run on wood chips alone. We are thus able to generate energy completely without coal, but in order to do so, domestic fuel is required.

All in all, I see a bright future for the energy business. The European Commission's proposal to restructure the emissions trading starting in 2020 would make the markets sound and encourage future investments.

March 2015
Rami Vuola

Towards low-emission energy generation



Group structure and business areas

EPV Energy is divided into four business areas, which are EPV Power, EPV Heat, EPV Wind and EPV Infra.

EPV POWER

Pohjolan Voima Oy	**7,1%**
Rapid Power Oy	**50%**
Teollisuuden Voima Oyj	**6,6%**
Voimapiha Oy	**33,3%**

EPV HEAT

EPM Metsä Oy	**50%**
EPV Bioturve Oy	**100%**
Raahen Voima Oy	**25%**
Tornion Voima Oy	**100%**
Vaskiluodon Voima Oy	**50%**

EPV WIND

EPV Tuulivoima Oy	**100%**
Innopower Oy	**9,8%**
Rajakiiri Oy	**60,2%**
Suomen Merituuli Oy	**50%**

EPV INFRA

EPV Alueverkko Oy	**100%**
EPV Tase Oy	**100%**
EPV Teollisuusverkot Oy	**90%**
Suomen Energiavarat Oy	**>90%**
Vaskiluodon Teollisuuskiinteistöt Oy	**100%**

EPV Power

The purpose of EPV Energy is to ensure the energy supply of its shareholders. This is the reason why EPV Energy participates in the most significant energy projects in Finland.

The distribution of EPV's electricity acquisition by type of fuel 2014

4 069 GWh

Hydropower	**977**
Nuclear power	**1 237**
Coal	**791**
Peat	**252**
Other foss.	**131**
Natural gas	**232**
Wind power	**72**
Market electricity	**375**

In 2014, the total electricity acquisition of EPV was 4,069 GWh. This corresponded to 4.9 percent of the total electricity consumed in Finland.

In 2014, 1,236.9 GWh of the electricity acquisition was generated with nuclear power, 790.6 GWh with coal, 977.4 GWh with hydropower, 252.4 GWh with peat, 232.5 GWh with biofuels, and 72.1 GWh with wind power.

Generation records at Olkiluoto

The Olkiluoto power plants 1 and 2 of Teollisuuden Voima generated a record amount of electricity for the second year in a row in the company's history: 14.76 TWh. The result of Olkiluoto 2, 7.50 TWh, was more than either of the plants has ever generated previously.

The difficulties with Olkiluoto 3 continued, although in spring STUK, the Radiation and Nuclear Safety Authority, approved the general automation plan of the plant. The commissioning of Olkiluoto 3 was yet again postponed. According to the plant supplier, commercial operations at the plant will commence in December 2018.

Hydropower from neighbouring countries

Electricity generated with environmentally friendly hydropower was acquired throughout the year from Finland, Sweden and Norway. In Finland, EPV holds hydropower shares through Pohjolan Voima Oy, in Sweden through Voimapiha Oy and in Norway through Rapid Power Oy.

LNG replaces oil

In December the subsidiary of Manga LNG Oy, Manga Terminal Oy, decided to invest in the construction of an import terminal for liquefied natural gas (LNG) in Tornio.

EPV Energy is a shareholder in Manga LNG Oy.

The import terminal is scheduled to be completed in the beginning of 2018. The terminal is supplied by Wärtsilä Oyj as a turnkey delivery.

LNG is an environmentally friendly fuel, by means of which e.g. oil can be replaced in industry, energy generation and shipping. The use of liquefied natural gas reduces carbon dioxide, sulphur oxide and particle emissions compared to fossil fuels.

Condense plants are run down

The domestic electricity generation in Finland is insufficient to cover consumption during extremely cold winters. The difference between consumption and generation peaks even during a normal winter is up to 2,800 MW. In order to cover consumption peaks, Finland is forced to import electricity from abroad. Not even the future commissioning of Olkiluoto 3 will be enough to cover the generation shortfall.

The capacity shortfall will increase even more when the peak load capacity oil condense power plants in Kristinestad and Vaasa are run down at the end of 2015. Due to the low price of electricity, we will probably be forced to run down several unprofitable power plants over the next few years.

In order to keep the unprofitable power plants operational, they would have to be included in the peak load capacity system.

The environmental quality of electricity

The electricity acquisition is based mainly on emission-free methods of energy generation. In 2014, the average carbon dioxide emissions of the electricity supplied by EPV Power were 227 g CO_2/kWh.

The average nitrogen dioxide emissions of the electric energy acquired through generation shares were 375 mg/kWh. The sulphur dioxide emissions were 150 mg/kWh and the particle emissions 9.8 mg/kWh.

The average use of nuclear fuels in the generation of the electricity supplied to EPV's shareholders was 0.8 mg/kWh.

Distribution of electricity acquisition: EPV 2014 4 069 GWh

Hydropower	**977**
Nuclear power	**1 237**
Condensation	**173**
CHP production	**1 234**
Wind power	**72**
Market electricity	**375**

Distribution of electricity acquisition: Finland 2014 83 344 GWh

Hydropower	**13 198**
Nuclear power	**22 654**
Condensation	**6 666**
CHP production	**21 750**
Wind power	**1 110**
Net import	**17 967**

EPV Heat

Electricity and heat for the industry and urban areas were generated at cogeneration plants in Vaasa, Seinäjoki, Tornio and Raahe. The wood biofuel gasification plant built at the Vaasa power plant is working well. However, using domestic wood biofuels would reduce the plant's competitiveness compared to the use of other fuels.

The generation companies of EPV Heat's area of operations include the partnership companies Vaskiluodon Voima Oy and Raahen Voima Oy, as well as the subsidiary Tornion Voima Oy. Vaskiluodon Voima and Tornion Voima generate the majority of the district heating for the cities of Vaasa, Seinäjoki and Tornio. In addition, Tornion Voima generates fabrication steam for the Outokumpu steel works. Raahen Voima generates electricity and heat at the SSAB industrial site in Raahe. A share of the heat generated by the company is sold as district heat to Raahen Energia.

The availability of the Vaasa and Seinäjoki power plants of Vaskiluodon Voima was good. In connection with the annual maintenance, the generators at both plants were fully serviced. In Vaasa the maintenance went according to plan, but in Seinäjoki the annual maintenance schedule was prolonged by approximately five weeks due to a fault discovered in the generator rotor.

At the Vaasa power plant, 1,243.9 GWh of electricity and 421.6 GWh of district heat were generated. The Seinäjoki plant generated 389.9 GWh of electricity and 353 GWh of district heat.

The power plant of Tornion Voima generated 174.9 GWh of electricity and 448 GWh of heat, of which a total of 21.4 GWh of heat was generated at the boiler plants in Pirkkiö and Kemi. The power plant of Raahen Voima commissioned halfway through the year generated a total of 85.9 GWh of partnership electricity for EPV during that period.

The gasification plant operates excellently

The wood biofuel gasification plant built at the Vaasa power plant operated without fault all year. In spring 2014, the company decided to invest in a wood biomass crushing plant, to be located in the vicinity of the gasification plant. The crushing plant is due to begin operations in autumn 2015.

At the end of September, a test run was conducted by the Vaasa power plant. The coal supply was cut for 24 hours, using only gas from the biomass gasification plant as fuel. Wood chips were used.

During the test the biomass gasification plant ran at full load, and wood chips were gasified into fuel. During the test the plant generated an even load of approximately 45 MW of electricity and a maximum of nearly 50 MW of heat, running 100 percent on domestic forest energy raw materials.

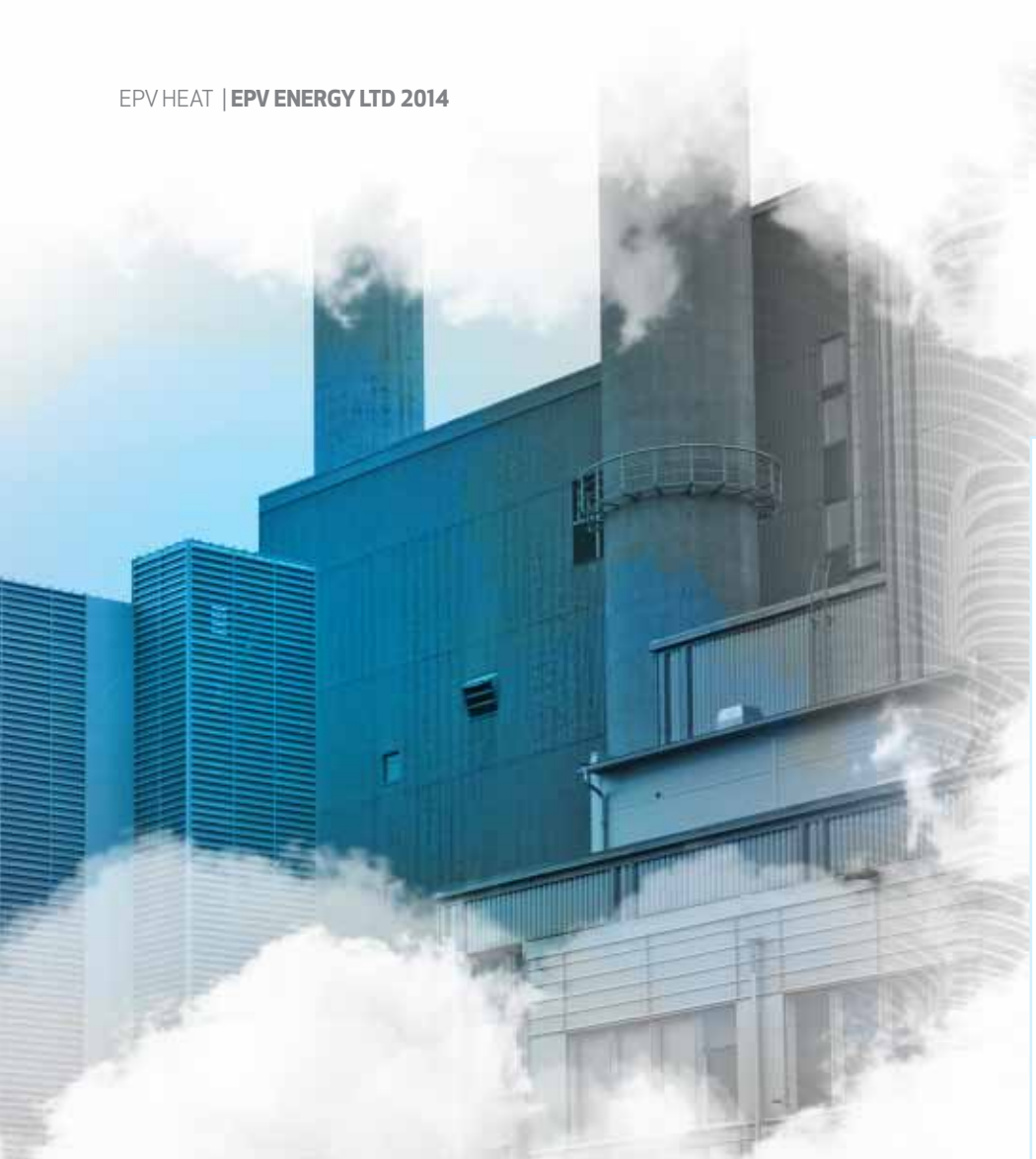
During the successful testing period, plenty of data on the boiler's processing values were collected for further study, including e.g. the corrosion risk of the superheater and the combustion gas emissions of the power plant.

EPV's electricity acquisition 2014 4 068,7 GWh

2013	**4 104,2**
2012	**3 815,0**
2011	**3 791,6**
2010	**4 440,6**

Comparative CO_2 emissions of theelectrical energy: EPV 2014 227 g/kWh

Helsingin Energia 2013	**217**
Kuopion Energia 2013	**282**
E.ON Group 2013	**450**
RWE 2013	**756**



Domestic fuels

In the Ostrobothnian and Tornio regions the peat production in summer was good, and domestic fuel was available all year, even leaving some in store. The competitiveness of wood chips compared to peat and coal remained weak. The reasons for this were the price inflexibility of chips and the low prices for CO_2 emission rights, as well as the reduction in input tariff subsidies for wood chips from the previous year.

There was good news for power plants using domestic fuels, when the government decided to reduce the taxes on peat and increase the input tariff subsidies beginning in 2015.

In March 2015, the government approved a law proposal suggesting that the subsidies for wood chips increase to the level of 2012. Still, input tariff subsidies for fuel wood would be limited to 60 percent of the full subsidy for wood chips. The coming into force of this amendment to wood chip subsidies requires the approval of the European Commission, making the outcome unsure. The proposed subsidy limit for fuel wood would reduce the use of wood chips at the power plants of Vaskiluodon Voima and Tornion Voima, since at the moment, more than half of the domestic wood fuel used is namely fuel wood.

Total heat production of Vaskiluodon Voima and Tornion Voima 2014 1 223 GWh

2013	**1 199**
2012	**1 413**
2011	**1 362**
2010	**1 580**

Combined electricity supply of Tornion Voima and Raahen Voima 2014 174,9+85,9= 260,8 GWh

2013	**187,5**
2012	**156,2**
2011	**147,5**
2010	**167,1**

A new power plant commissioned at the Raahe industrial site

Raahen Voima was established in spring 2014, when SSAB (previously Rautaruukki) decided to build a new power plant at its factory. For this purpose, SSAB and EPV Energy Ltd founded a new company. At the same time, the old power plant at the site became the property of Raahen Voima. EPV holds a 25 percent share in the new company.

The power plant of SSAB generates electricity and heat for the industrial site, running on furnace and coke battery furnace gas from the factory's processes. A share of the heat generated by the company is sold as district heat to Raahen Energia.

By means of the investment in a new power plant, the equipment at the old power plant, which has reached the end of its lifecycle, is replaced. Also, the performance and environmental friendliness of the power plant are improved. The investment projects commenced last spring will culminate when the new plant is commissioned in summer 2016. The turbine plant is supplied by the Power Machines OJSC & Energico Oy group, and the boiler plant by Valmet Power Oy. The budget for the investment is MEUR 121.

Torkkola wind power farm

Location Along road Merikaarrontie, south of River Kyrönjoki in Vaasa
Wind power farm area 1000 hectares
Infrastructure There are 13 kilometres of roads in the area. 20 kilometres 10 cm thick underground electric cables of 20 kilovolts
Size 16 power plants with 3.3 MW output
Total output 52.8 MW
Annual generation 150,000 MW, which covers the consumption of approximately 10,000 private houses with electric heating
Wind power plant hub height 137 metres
Completed Summer 2015
Price EPV Energy Ltd invests nearly MEUR 100 in the project

Wind power plant components in figures

- The diameter of each of the 16 power plant's foundation is 22 metres and their height 3.5 metres. The foundations are dug into the ground at a depth of three metres. A total of 10,000 cubic metres of concrete has been used for the foundations, and one million kilos of steel for the reinforcements.
- The wind power components were brought to the Port of Vaasa onboard seven vessels from all over Europe. In port, the components were lifted onto trucks using two hoisting cranes, and transported to the site. In order to transport the components for one power plant, 15 special transports were required.
- The towers were assembled from parts 30–40 metres long, each of these weighing 50–70 tons. The engine room on top, the so-called nacelle, weighs 120 tons. The length of the blades rotating at a height of 140 metres is 62 metres.

EPV Wind

EPV Tuulivoima, Rajakiiri, Suomen Merituuli and Innopower currently have around twenty wind power projects in different stages of progress. The construction of the Torkkola wind power farm in Vaasa began in spring 2014, and electricity generation commenced 1 January 2015.

In total, EPV Tuulivoima Oy is prepared to build approximately ten wind power farms in Ostrobothnia.

The earthwork of the first industrial scale wind power farm in Ostrobothnia began in Torkkola, Vaasa at the beginning of the year. The foundations for the 16 wind power plants were cast in summer, and the installation began in November. The wind power farm will be completed in summer 2015, when all wind power plants have been installed and test run.

Electricity generation commenced 1 January 2015, when four wind power plants had been installed at the farm. The wind power farm, once completed, will generate more than 150,000 MWh annually.

Following the Vaasa project, another industrial scale wind power farm will be built in Ostrobothnia. The decision to build an 11–17 power plant wind power farm in Santavuori, Ilmajoki is due to be made in spring 2015.

Puuska expands

The Puuska wind power farm of Rajakiiri Oy in Röyttä, Tornio has now been in operation for four years, and has reached the set generation targets every year. The farm with eight wind power plants will be expanded by five new 3.3 MW plants. The foundations for the expansion have been cast, and installations begin in spring. The expansion will be complete until autumn 2015.

The total output of the wind power farm will increase from 28.8 MW to over 45 MW. The annual electricity generation will be more than 130,000 MW, which corresponds to the consumption of slightly over 8,500 private houses with electric heating.

Promising prospects for onshore wind power

EPV Tuulivoima has nearly 140 zoned wind power plants in Ostrobothnia and South Ostrobothnia. Rajakiiri is planning to build two wind power farms of maximum 40 power plants each in Simo.

Wind power technology has been developed to suit the conditions in Finland's inland areas. The tower heights and rotor diameters have grown, so that even the weakest of winds can generate enough energy.

The current input tariff system is working according to the set targets, and is enabling the construction of new wind power in the current situation, where the price level of electricity on the Nordic electricity market has sunk lower than ever before. Without the tariff, investing in energy generation would be unprofitable regardless of generation method.

Maintenance costs reduce profits

There are profitability risks with energy generated with wind power, which increase the larger the relative share of wind power gets. Should old coal condense power plants be removed from the market at the same time, the supply of regulatory power wind power requires will be reduced. The increase in demand and decrease in supply makes the price of regulatory power go up, which reduces the profitability of wind power. Another factor which reduces profitability is the investments required to maintain wind power plants which are becoming obsolete.

Innopower has unique and long experience from wind power operations in Finland. Last year, the company managed to improve the low availability during previous years significantly by renewing the maintenance concept for the wind power farm in Ajos, Kemi. Increased maintenance costs are, however, an unavoidable consequence of the extensive repairs required at aging power plants. In summer 2014, e.g. two gearboxes were replaced at Ajos.

Offshore wind power projects are under consideration

The opportunities for generating energy by means of offshore wind power are still good in Finland in the long run, even though the current level of subsidies for renewable energy alone is insufficient to enable building of offshore wind power.

The schedule for making offshore wind power projects happen is depending on the EU's promotion of renewable energy generation, as well as the development of emissions trading and certificate markets.

Over the last years, the offshore foundation technologies have also developed to become more cost-efficient. The Finnish State has also approved separate investment subsidies for a so-called offshore wind power demonstration project.

Rajakiiri and Suomen Merituuli are planning a total of four offshore wind power farms. The zoning for Rajakiiri's Kiiri project in Tornio and the Pauha project in Raahe have been approved. The zoning for Suomen Merituuli off Sideby is about to clear, and for Ingå-Raseborg the zoning has just started.

Wind power for EPV

2014	**72,1** GWh
2013	**61,7**
2012	**67,5**
2011	**71,7**
2010	**10,8**

EPV Infra

The companies belonging to EPV Infra's area of operations provide services for the group companies by owning facilities and networks, transmitting energy, acquiring market electricity, and producing balance services as well as managing domestic fuel shares.

Vaskiluodon Teollisuuskiinteistöt Oy manages the office and industrial facilities in Vaskiluoto, Vaasa. EPV Tase Oy produces balance services for the shareholders and generation companies owned by EPV. Suomen Energiavarat Oy administrates EPV's holdings in Vapo Oy.

Network operations play a significant role

EPV Alueverkko Oy (EPA) transmits energy in Ostrobothnia, South Ostrobothnia, Tornio, Kokkola and Kemi. The company's customers are the local distribution network companies, the industry and the energy sector generation plants in the company's area of operations.

EPV Teollisuusverkot Oy is a company owned by EPV Energy and Outokumpu. In the beginning of 2014, the company acquired the 110 kV power lines in Tornio previously owned by Outokumpu. The approximately 45 kilometers long 110 kV power lines between Fingrid's power station in Keminmaa and Röyttä, Tornio were previously leased by EPV Alueverkko. The new holding company has also leased these networks to EPV Alueverkko, which will continue its network operations in the area as before.

The network is developed sustainably

From an operational point of view, last year meant the usual for EPA. The year was characterized by focus on normal operations and maintenance, including improvement and construction work according to the long-term plan.

The network plans for the Ostrobothnian coast were updated in co-operation with the main grid company, in order to enable the connection of the soon to be complete wind power plants to the grid, and transmission of the generated electricity to the main grid. New wind power plants were connected to EPA's network in Kristinestad in August, and in Vaasa right at the turn of the year, when the wind power plants first installed at the Torkkola wind power farm were connected to EPA's new power station in Korkeamäki.

The most noticeable network improvement took place in Vaasa in summer, when the pylons of the power lines across the water between Vaasa city centre and Vaskiluoto were replaced. The new landscape pylons called Vaskilinnut (Vaski birds) are a part of a project for replacing and improving the power lines from Vaskiluoto to Toby until summer 2015. In connection with the project,

the circuit breaker fields in Purola were also constructed.

A stabile year in electricity transmission

In 2014, the amount of energy transmitted to consumption via the transmission network of EPA was 6,980 GWh, which was a slight increase compared to the previous year.

In 2014, Fingrid Oyj increased its main grid tariffs by eight percent. However, in December there was a non-recurring reduction of 50 percent. The consumption charge transmission tariffs of EPA charged from its customers are always adjusted in accordance with the main grid tariff. In 2015, the main grid tariffs are expected to decrease by two percent.

Although there were many blackouts in Finland last year, only three blackouts lasting over three minutes were registered in the network of EPA. The longest of these was an error caused by an external network, lasting 13 minutes. Not a single one of these blackouts was the result of a component failure in EPA's network.

Prospects for 2015

There are currently many wind power projects being planned and approved in EPA's area of operations. Connecting the pending development projects to the grid is a great challenge for the network company. EPA has created a common letter of intent for all wind power project developers. The letter defines the requirements and location for, as well as the manner of connection. Capacity is also reserved for the project developer, with whom the letter has been signed in the phase when the municipality has approved the wind power farm plan, or admitted a building permit. The challenges are met through close co-operation between the main grid company, the wind power parties, and the local distribution network companies.

EPA's turnover 2014 38,2 M€
2013 **38,3**
2012 **33,7**

EPA's profit 2014 3,6 M€
2013 **3,3**
2012 **3,2**

EPA transmission from network to consumption 2014 6 980 GWh
2013 **6896**
2012 **6296**

EPA peak hour capacity for consumption 2014 1 200 GWh
2013 **1109**
2012 **1111**

Management, Board of Directors and personnel

General Shareholders' Meeting

EPV Energy Ltd's highest authority in is vested in the General Shareholders' Meeting, which elects the Board, makes decisions in statutory issues, as well as in other issues specifically defined in the Articles of Association. In 2014 the General Shareholders' Meeting was assembled two times.

Board of Directors

The Board of Directors is responsible for the company's administration and for organizing the company's operation according to the Law, Articles of Association and the decisions of the Shareholders' Meeting. The Board also supervises the company's operation and administration, company strategy, operational policy, significant investments and financing.

The Board is elected for one year at a time in an Ordinary General Meeting. The Board has 10-12 ordinary members and five deputy members. The deputy members have the right to attend the General Meetings. The Chairman of the Board is nominated by the biggest shareholder. The Vice Chairman is nominated by the Board.

Ordinary Members of the Board

- **Miapetra Kumpula-Natri**, Member of the European Parliament
- **Hannu Linna**, CEO
- **Pekka Manninen**, CEO
- **Heikki Miilumäki**, Dr Tech. h.c. (Chairman of the Board)
- **Jorma Rasinmäki**, Mayor
- **Eero Seesvaara**, CEO
- **Kaj Skåtar**, Master of Law
- **Anders Renvall**, CEO (Vice Chairman of the Board)
- **Markku Vartia**, Director
- **Antti Vilkuna**, Director

Kaj Skåtar, who was a member of the board for many years, passed away 22 January 2015.

Deputy Members of the Board

- **Olli Arola**, Director
- **Martti Haapamäki**, CEO
- **Juhani Järvelä**, CEO
- **Esa Kaunisto**, M. Ed.
- **Markku Pernaa**, CEO

CEO and Management Team

The company's CEO is M. Sc. **Rami Vuola**, and his Deputy CEO is Director of Finance, M. Econ. Sc. and Engineer **Markku Källström**. The Management Team also includes the following members: M. Sc. **Mauri Blomberg**, M. Sc. **Frans Liski**, M. Sc. **Sami Kuitunen** and M. Sc. **Reima Neva**.

Subsidiary management

The subsidiaries and partnership companies belonging to the EPV Energy Ltd Group have their own administrative bodies, in the management and supervision of which EPV participates actively.

Auditors

The community of chartered accountants Ernst & Young Oy have been selected as the Ordinary Auditors of EPV, with CA **Mikko Rytilahti** and CA **Tatu Huhtala** as main responsible Auditors, and CA **Ari Lehto** and CA **Kristian Berg** as Vice Auditors.

An expert organization

Good personnel management and competent personnel are EPV's success factors. The company operations and management are governed by the traditional corporate documents as well as the Corporate Governance documents separately sanctioned by the Board of Directors. The documents guide the operations of the company personnel and function as a means of communication between the company and its shareholders.

Due to the nature of the company's operations, the personnel are few, but consist of prime experts within the trade; people who have the ability, motivation and skills to research and adopt new data, and apply it in practice. The group has 62 employees.

The services purchased from co-operation partners are an important part of EPV's business operations. They enable EPV's constant access to the best possible resources.

Missing from the picture
Miapetra Kumpula-Natri
Martti Haapamäki
Kaj Skåtar

Heikki Miilumäki Olli Arola Markku Pernaa

Board of Directors' report 2014

EPV Energy Ltd (EPV) is a company specialized in energy acquisition and investment, which operates on an absorption principle. The aim is to supply the owners with competitive electricity and to ensure inexpensive electricity acquisition in a changing operating environment. The company's strategic objective is that the energy acquisition should be low-emission in the long term. The energy acquisition is mainly transacted through the generation shares owned by the company. EPV's acquired amount of electricity in 2014 was 4,069 (4,104) GWh. This corresponds to 4.9 (4.9) percent of the electricity consumption in Finland.

EVENTS DURING THE FINANCIAL YEAR

Operating environment

According to preliminary statistics, 378 (386) TWh of electricity was consumed in the Nordic countries in 2014. Industrial consumption remained nearly at the same level as the previous year, while other consumption decreased slightly. The main reason for the decrease was the mild weather during the first six months of 2014.

In 2014, the Finnish electricity consumption was 83.3 (84.0) TWh, which meant a decrease by approximately 0.8 percent compared to 2013. The industrial share of the consumed electricity was 47.2 percent, and other consumption 52.8 percent. Last year, industrial consumption decreased by 0.6 percent, and the consumption in other sectors by 0.3 percent.

In 2014, 21.6 percent of the energy consumption was covered with imports, and 78.4 percent with domestic generation. Combined generation of power and heat (CHP) covered approximately 26 percent of the consumed electricity, nuclear power 27, hydropower 16, and coal and other condense power 8 percent. The share of wind power was 1.3 percent. The electricity import from Russia decreased by another 28 percent, which is only a third of the peak level. The profitability of Russian electricity import has been reduced due to the capacity fees paid in the country. However, due to the economic development in Russia and the devaluation of the rouble, electricity import to Finland has recovered at the end of 2014.

In the beginning of 2014, the snow and water reserves, i.e. the hydrological balance, of the Nordic countries were 10 TWh above the long-term average, and at the end of the year still level with the long-term average. The fluctuations related to hydropower generation are clearly depicted in the fact that over the year, the hydrological balance went from up to 18 TWh above the long-term average, down to 13 TWh below the long-term

Markku Källström Markku Vartia Juhani Järvelä Jorma Rasinmäki Anders Renvall

average. By the turn of the year, the Nordic water reserves were approximately 78 TWh in total.

In 2014, the energy generation CO_2 emissions were 8.7 million tons, which is 20 percent less than the previous year. The decreased emissions were mainly due to the increased import of electricity, and the decrease in separate electricity generation resulting from it. The electricity generated in Finland was free from greenhouse gas emissions to 74 percent. The share of renewable energy sources was 36 percent of the electricity generated, and domestic fuels covered 45 percent.

Generation

The electricity generation in 2014 at the power plants of the partnership company **Vaskiluodon Voima Oy** (50%) was 1,634 (1,829) GWh. A total of 775 (762) GWh district heating was generated. On the basis of its interest, EPV acquired a total of 793 (894) GWh of electrical energy. The targets of the financial year were achieved.i.

The total output of the **Olkiluoto 1** and **2** power plants of the associated company **Teollisuuden Voima Oyj** (TVO) in 2014 was 14,760 (14,630) GWh. Just like the previous year, the generation year of 2014 was the best in the history of Teollisuuden Voima. EPV's direct interest in Teollisuuden Voima is 6.6% and 1,000 (1,013) GWh of energy was acquired in proportion to the share. The acquisition includes the condense generation share from **Meri-Pori**.

The pressure and sealing tests of the reactor's protective structure at the Olkiluoto 3 unit currently under construction were conducted successfully in February. The automation tests will begin in April in the plant supplier **Areva-Siemens**' test facilities in Germany. The purpose of the tests is to prove the functionality of the automation before it is delivered to the plant site in Olkiluoto.

The partnership company **Pohjolan Voima Oy** is an electricity acquisition company, which operates on an absorption principle, supplying electricity to its owners at cost price. EPV's interest in Pohjolan Voima Oy is 7.1% and a total of 681 (810) GWh electricity was acquired accordingly. The acquisition decreased slightly due to the reduced condense generation.

The electricity supplied by the Norwegian hydroelectric power plant of the partnership company **Rapid Power Oy** (50%) lived up to the set targets. The power plant had no significant generation stops during the accounting period. In 2014 the total electricity supply to EPV was 633 (611) GWh.

Voimapiha Oy (17%) generates hydropower electricity in Sweden. Voimapiha holds approximately a 25 percent share in **Kraftgården Ab**. The hydropower plants owned by Kraftgården are located in river Indalsälven, one of the most significant hydropower reserves in Sweden, and the company has approximately 161 MW of generation power, which corresponds to approximately 862 GWh of average annual generation. During the first entire year of operation, Voimapiha Oy supplied EPV with 254 GWh of hydropower electricity generated in Sweden.

Antti Vilkuna Eero Seesvaara Esa Kaunisto

Tornion Voima Oy is a subsidiary of EPV (100%), which generates electricity and heat in connection with the steel works in Tornio. The plant delivers combined generation electricity to EPV, district heating and fabrication steam to the Tornio steel works and district heating to Tornion Energia Oy. The total electricity supply for EPV was 175 (187) GWh.

Raahen Voima Oy is EPV's new partnership company (25%), which generates electricity and heat by the Raahe steel works. Of the energy generated at the plant, cogeneration electricity is delivered to EPV, electricity, district heat and process steam to Raahe steel works, as well as electricity, heat and district heat to Raahen Energia Oy. EPV became a shareholder and deliveries started 1 April 2014. The operations have begun as planned. The total electricity supply for EPV was 86 GWh (9 months).

EPV Tuulivoima Oy (100%) has concentrated on investigating the conditions for wind power generation in the coastal area of Ostrobothnia and in the inland. The project development is proceeding as planned. The power plant land use plans for a total of 41 plants in Laihia and Teuva now in the zoning phase have been approved. In Närpes, a plan permitting the construction of 28 plants received a go-ahead after the Administrative Court of Vaasa decided in favour of the company. The first wind farm of EPV Tuulivoima is now under construction, and the company is building a 16 turbine wind power farm in Torkkola village, Vaasa. The investment is estimated to nearly MEUR 100. The first wind power plants were commissioned at the end of 2014, and during that year a total of 0.5 GWh of electricity was generated. The entire farm will be completed in spring 2015.

The fifth year of generation for the Puuska wind power farm of **Rajakiiri Oy** (60.2%), located in Tornio, lived up to the expectations and the generation targets were achieved. Over the year the wind farm generated 84 (89) GWh of electricity, which corresponds to 2,900 (3,080) h/a full load hours, the rated power of the farm being 28.8 MW. The company has decided to expand the current wind power farm by another five wind power plants. The new plants will be completed halfway through 2015.

Suomen Merituuli Oy is an associated company, the objective of which is to build future offshore wind power plants in the Gulf of Finland and the Bothnian Sea. The company has development projects for offshore wind power in the Ingå and Sideby areas. EPV's interest in the company is 50%.

Regional grid company

The subsidiary **EPV Alueverkko Oy** (100%) practices electricity transmission and network operations mainly in the power transmission network rented from its parent company. During the elapsed year, the network operations received new clients as the power station of a greenhouse farm, and two wind power farms were connected. In 2014, the electricity transmissions of EPV Alueverkko were 6,980 (6,892) GWh.

The completed financial year was the third year of the Energy Market Authority's control period for network operations. The

Pekka Manninen Hannu Linna Rami Vuola

authority control for network operations, especially the significant reduction in imputed interest based on the ten-year obligation interest rate has proven to be a challenge for network companies that need to remain below the permitted profit level. According to the Energy Market Authority's yet unconfirmed estimate, the cumulative proceeds of EPA during the second (2008–2011) and third (2012–2015) control period were approximately MEUR 6.8 below the permitted maximum profit level.

Other companies

EPV Energy Ltd's subsidiary **Suomen Energiavarat Oy** has been founded for the purpose of, as a shareholder in Vapo Oy, developing Vapo's operations with the strategic goal to increase the ownership value and to primarily aim the resources at the generation and development of domestic fuels.

The purpose of **EPV Bioturve Oy** (100%) is to acquire land areas suitable for peat production in the regions of Ostrobothnia and South Ostrobothnia, and to prepare these areas for peat production. Environmental permits are pending for several peat production areas. The licensing process for some of these marshes will be continued at the Administrative Court of Vaasa. The preparation of the marshes has proceeded as planned, and the work has begun to make the first marsh areas ready for production. During the last financial year, the company has also actively acquired bioenergy in its operating area.

The operations of **EPV Tase Oy** (100%) began 1 November 2013. The purpose of the company is to provide balance-related services for EPV's owners and the generation companies owned, entirely or partly, by EPV. The company's operations during its first full accounting period lived up to the expectations.

EPV Teollisuusverkot Oy (90%) was established 30 December 2013 in co-operation with **Outokumpu Stainless Oy**, in order to manage the transmission operations of the 110 kV high voltage power lines in Röyttä, Tornio. EPV Alueverkko Oy manages the operative operations of the network.

The subsidiary **Vaskiluodon Teollisuuskiinteistöt Oy** operates in the rental of industrial, office and storage facilities. The facilities are located in a reserve area for power generation.

Manga LNG Oy (5%) was established in 2013. The long-term purpose of the company is to deliver competitive liquefied natural gas to its shareholders. The decision to invest in constructing a terminal in Tornio was made in December 2014. The terminal will be 50,000 m3 in size, which is the largest LNG storage facility under construction in the Nordic countries. The gas deliveries to customers is estimated to commence during 2018.

TURNOVER, PROFIT AND RESULT

The turnover of the EPV Energy Group was MEUR 249.4 (219.1). The turnover share of the electricity sales was MEUR 183.2 (156.2) and of the remaining operations MEUR 66.2 (62.9). The increased turnover is due to the growth in balance service sales.

The business result of the group was profitable by MEUR 10.4 (11.6). The net financing costs of the financial year were MEUR 3.9 (3.9). According to the financial statement the profit was MEUR 3.9 (6.2).

EPV Energy Ltd operates according to an absorption principle. The shareholders pay for the variable costs according to the supplied amounts of energy and for the fixed costs in relation to their holdings regardless of whether the power share has been utilized or not. Due to the operational principle, presenting economic indexes is irrelevant for understanding the operations, the financial position or the result.

FINANCING AND INVESTMENTS

The grand total of the group's balance increased to MEUR 549.5 (466.7). The non-current liabilities were MEUR 201.2 (157.0), and the current liabilities MEUR 46.5 (41.2). By the end of the year the solvency ratio of the group was 53.2 (55.9) percent, which means achieving the target level set by the company.

The liquidity of the group was good all year. By the end of the year there was a total of MEUR 35.8 (14.2) in liquid assets and investments. By the end of the year the unused stand-by credit and limit reservations amounted to more than MEUR 80.

The total net investments of the group were MEUR 70.3 (49.1). The investments in tangible and intangible assets were MEUR 53.1. The acquisitions of shares were MEUR 10.6. The investments were financed by lifting long-term loans of MEUR 52.3, and by issuing shares for MEUR 25.3.

The interest rate risk has been hedged through interest rate swap agreements.

THE SHAREHOLDERS, GENERAL SHAREHOLDERS' MEETING AND BOARD OF DIRECTORS

Shareholders

The number of shareholders and their interests at the end of 2014 were as follows:

	2014	2013
Alajärven Sähkö Oy	1.29 %	1.31 %
Helen Oy	6.88 %	7.14 %
Imatran Seudun Sähkö Oy	0.35 %	0.29 %
Jylhän Sähköosuuskunta	3.96 %	3.98 %
Järviseudun Sähkövoiman Kuntayhtymä	1.69 %	1.76 %
Kaakon Energia Oy	0.36 %	0.31 %
KSS Energia Oy	0.55 %	0.48 %
Kumera Oy	0.31 %	0.29 %
Kymppivoima Oy	8.53 %	8.59 %
Lahti Energia Oy	8.07 %	8.09 %
Lehtimäen Sähkö Oy	0.57 %	0.57 %
Oulun Energia Oy	0.97 %	0.87 %
Outokumpu Oyj	1.57 %	1.66 %
Oy Perhonjoki Ab	1.77 %	1.77 %
Rauman Energia Oy	0.70 %	0.65 %
Seinäjoen Energia Oy	10.50 %	10.49 %
Vaasan Sähkö Oy	42.68 %	42.56 %
Vantaan Energia Oy	8.29 %	8.27 %
Vimpelin Voima Oy	0.47 %	0.47 %
Äänekosken Energia Oy	0.49 %	0.45 %
In total	**100.00 %**	**100.00 %**

As a result of the amendment to the municipal law, as of 1 January 2015, the shareholders City of Helsinki/Helsingin Energia has become Helen Oy, and City of Oulu/Oulun Energia has become Oulun Energia Oy.

General Shareholders' Meetings

The Ordinary General Shareholders' Meeting of 2014 was assembled 28 March 20134. The issues belonging to the Ordinary General Meeting, the Board of Directors' proposed amendment to the articles of association, well as the Board of Directors' proposed increase of share capital and the directed share issue of the T2 series of shares were discussed.

At the Extraordinary General Shareholders' Meeting 31 May 2013, the directed share issue and the increased share capital of series W4 were discussed. At the meeting, the Board of Directors was also completed by selecting **Eero Seesvaara** as new replacing Ordinary Member instead of the resigned **Janne Savelainen**.

Board of Directors

In 2014 the Ordinary Members of the Board elected in the Ordinary General Meeting were **Miapetra Kumpula-Natri**, **Hannu Linna**, **Pekka Manninen**, **Heikki Miilumäki**, **Jorma Rasinmäki**, **Eero Seesvaara**, **Kaj Skåtar** (deceased 22 January 2015), **Anders Renvall**, **Markku Vartia** and **Antti Vilkuna**.

The Deputy Members of the Board were **Olli Arola**, **Martti Haapamäki**, **Juhani Järvelä**, **Esa Kaunisto** and **Markku Pernaa**.

The Chairman of the Board was **Heikki Miilumäki** and the Vice Chairman **Anders Renvall**.

CEO

The CEO was M. Sc. **Rami Vuola**.

Auditors

In the General Meeting the community of chartered accountants **Ernst & Young Oy** was elected Ordinary Auditors during the period until the Ordinary General Meeting in 2015, with CA **Mikko Rytilahti** and CA **Tatu Huhtala** as main responsible Auditors and CA **Ari Lehto** and CA **Kristian Berg** as Vice Auditors.

PERSONNEL

The central responsibility of the personnel includes electricity acquisition, and the

efficient management of power plant and network operational assets. The objective is to create added value for the company's shareholders by governing the assets and supervising the operational entities connected to these. Maintaining the know-how of the personnel has a central role in ensuring the continuous development of the operations.

Over the year the average number of group employees was 62 (55). At the end of 2014, EPV Energy had 39 (37) employees, EPV Alueverkko 3 (3) and Tornion Voima Oy 18 (17) employees. Of the group's total personnel, 47 are officials and 15 employees.

CURRENT LEGAL PROCESSES

The company has no current legal processes.

EVENTS FOLLOWING THE FINANCIAL YEAR

The company is unaware of any significant events following the financial year.

RISK ASSESSMENT

According to Teollisuuden Voima Oyj (TVO), in September TVO received further information on the schedule for the OL3 project from the plant supplier AREVA-Siemens. According to this information, the start of commercial electricity generation at the OL3 plant unit will commence at the end of 2018.

In October TVO updated its estimate regarding the ICC arbitration proceedings concerning the delay of the OL3 project. The updated quantification estimate of TVO's costs and losses is approximately EUR 2.3 billion until the end of 2018. The updated quantification which the Supplier submitted in October and corrected in November brings the total amount claimed by the Supplier for events occurring during the construction period ending June 2011 to approximately EUR 3.4 billion. TVO has considered the Supplier's previously submitted claims being without merit. The ICC arbitration proceedings may take years, and the amounts claimed may yet be updated.

The company's generation is divided into different forms of production, the purpose of which is to minimize the risks connected with certain forms of production. The company is unaware of any other exceptional risks concerning the operations.

NEAR FUTURE PROSPECTS

The company's most crucial task is to ensure that the electricity supplied to its shareholders remains competitive. This requires a continuous follow-up of the operating environment and influencing the development of existing generation resources. In addition the company must maintain its capacity to make new investments should the operating environment change.

The crucial factors influencing the electricity price development in the Nordic countries are the balance between demand and supply, the price level for fuels and CO_2 emission rights as well as the water resource situation. At the end of February 2015, the hydrological water reserves of the Nordic countries were approximately 6 TWh above the long-term average, and 1 TWh below the level for this period in 2014. The market price of emission rights for 2015 was about EUR 7 per ton of carbon dioxide. At the same time, the average electricity price on the derivatives market for the rest of 2015 was approximately EUR 28 per megawatt hour, and for 2016 EUR 29 per megawatt hour. The regional price in Finland was slightly higher. Correspondingly, the future price of coal for the rest of 2015 was approximately USD 58 per ton.

Due to the prevailing Nordic market situation and the uncertainty in the beginning of 2015, the generation of the resources owned by EPV has been lower than the average generation year. It is difficult to predict the generation volumes for the rest of the year, particularly in condense generation.

The European Union has several important development projects in progress. Currently, the Market Stability Reserve (MSR) is being outlined, the implementation of which is expected to take time. Capacity mechanisms and the implementation of these are also under discussion. The technologies or mechanisms related to this must be weighed so that they include both existing and new capacity. The climate change is a significant factor concerning the development of the energy market, and the EU continues to discuss the matter. One example of this is that the EU has decided to set a CO_2 emissions reduction target of 40 percent by 2030.

On 9 March 2015, the Finnish government will decide on a law proposal, suggesting that the generation subsidy for electricity generated by means of wood chips be amended. The proposal contains an amendment to the law of generation subsidies for renewable energy, in order to ensure the availability of commercial timber for the forest industry. Should the law be approved, it will divide the subsidy into two categories, endangering the increased use of forest energy as well as increasing bureaucracy and endangering the functionality of the forest energy market. The organizations in the business have expressed their concerns in the matter, as according to different surveys, there is enough wood for both industrial and energy purposes. From the point of view of the energy industry, the proposal is estimated to reduce even the current levels of wood chips used in electricity generation. The new practice would bring plenty of additional bureaucracy and costs, causing a threat of concentrating forest energy acquisition to large businesses only.

The demand for electric power during consumption peaks will remain high over the next few years. Due to these consumption peaks, the probability for restricted use of electricity has grown. The worst case scenario is that condense capacity is taken of market due to the current system, endangering the existence of the entire peak load capacity system. It is fairly clear that within the set schedule, there is no time to improve the situation by constructing new power plants or transmission connections. A prerequisite for a functional electricity market is that there is a functional peak load capacity system in Finland, which can ensure that there is sufficient electric power available in cases of consumption peaks.

THE BOARD'S PROPOSITION FOR DISTRIBUTION OF PROFITS

The Board proposes to the General Shareholders' Meeting that the net profit of the parent company, EUR 225,752.34, is assigned to the closing account of the previous accounting periods and that no dividends are to be paid.

Financial statements

CONSOLIDATED INCOME STATEMENT €	**1.1.-31.12.2014**	1.1.-31.12.2013	Notes
TURNOVER	**249 409 128.73**	**219 119 158.60**	1
Manufacture for own use	-598 966.23	511 914.07	
Share of the partnership companies' result	761 269.56	547 379.72	
Other income	2 354 222.74	2 036 632.86	2
Materials and services	-160 049 102.07	-128 369 968.11	3
Personnel expenses	-5 643 696.26	-4 821 904.83	4
Depreciation and impairment charges	-8 728 301.93	-7 859 058.39	5
Other expenses	-67 114 283.13	-69 580 639.65	6
RESULT	**10 390 271.41**	**11 583 514.27**	
Financial income and expenses	-3 878 029.59	-3 934 758.28	7
RESULT BEFORE TAXES	**6 512 241.82**	**7 648 755.99**	
Direct taxes paid	-1 535 746.59	-78 674.53	8
Minority interest	-1 042 748.26	-1 343 820.08	
RESULT OF THE FINANCIAL YEAR	**3 933 746.97**	**6 226 261.39**	

CONSOLIDATED BALANCE SHEET €	**31.12.2014**	31.12.2013	Notes
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	15 989 929.61	15 926 151.50	9
Tangible assets	197 358 026.27	153 009 672.41	10
Investments			12
Holdings in group companies	263 570.01	263 570.01	
Holdings in associated companies	175 141 702.01	168 990 033.24	
Other holdings and interests	10 850 972.03	10 190 572.03	
NON-CURRENT ASSETS IN TOTAL	**399 604 199.93**	**348 379 999.19**	
CURRENT ASSETS			
Inventories	4 819 274.74	3 179 769.61	13
Long-term receivables	65 083 643.62	61 094 049.24	14
Current receivables	44 231 857.75	39 848 241.57	15
Cash and cash equivalents	35 798 732.25	14 240 353.54	
CURRENT ASSETS IN TOTAL	**149 933 508.36**	**118 362 413.96**	
	549 537 708.29	**466 742 413.15**	
EQUITY AND LIABILITIES			
EQUITY			16
Share capital	12 192 989.90	11 519 851.10	
Share issue	764 014.00	944 950.10	
Share premium reserve	57 849 805.02	57 849 805.02	
Revaluation reserve	1 244 855.67	1 244 855.67	
Statutory reserve	5 272 584.10	5 272 584.10	
Invested unrestricted equity reserve	141 089 752.90	102 354 502.74	
Retained result	62 392 131.46	68 513 911.97	
Result of the financial year	3 933 746.97	6 226 261.39	
EQUITY IN TOTAL	**284 739 880.02**	**253 926 722.09**	
MINORITY INTEREST	**7 863 931.32**	**6 821 182.39**	
LIABILITIES			
Imputed tax liabilities	9 296 958.25	7 766 297.07	17
Non-current liabilities	201 173 561.80	156 986 871.76	18
Current liabilities	46 463 376.90	41 241 339.84	19
LIABILITIES IN TOTAL	**256 933 896.95**	**205 994 508.67**	
	549 537 708.29	**466 742 413.15**	

CONSOLIDATED CASH FLOW STATEMENT €

	2014	2013
OPERATIONS		
Result	10 390 271.41	11 583 514.27
Adjustments to operating result [1)]	9 328 086.71	7 386 531.06
Change in working capital [2)]	-1 574 160.90	176 417.55
Dividends received	240 199.00	120 279.00
Interest received	452 243.48	411 078.40
Interest paid	-1 995 654.91	-1 779 920.72
Other financial income and expences	-2 574 817.16	-2 686 194.96
Taxes	-5 085.42	-1 128.42
CASH FLOW FROM OPERATIONS	**14 261 082.21**	**15 210 576.18**
INVESTMENTS		
Acquisition of shares	-10 636 837.55	-23 239 787.00
Investments in intangible and tangible assets	-53 140 433.90	-20 208 173.81
Investment support	0.00	324 278.00
Proceeds from sales of non-current assets	0.00	549 710.12
Increase (-) or decrease (+) in loan receivables	-6 553 265.00	-6 553 265.00
CASH FLOW FROM INVESTMENTS	**-70 330 536.45**	**-49 127 237.69**
FINANCING		
Share issue	25 313 593.90	13 838 064.40
Withdrawals of long-term loans	58 644 239.26	29 480 507.70
Repayment of long-term loans	-6 330 000.00	-30 095 159.48
CASH FLOW FROM FINANCING	**77 627 833.16**	**13 223 412.62**
CHANGE IN CASH AND CASH EQUIVALENTS	**21 558 378.92**	**-20 693 248.89**
Liquid assets 1 January	14 240 353.54	34 933 602.64
LIQUID ASSETS 31 DECEMBER	**35 798 732.25**	**14 240 353.54**
1) ADJUSTMENTS TO OPERATING RESULT		
Interest in partnership companies' result	598 966.23	-511 914.07
Depreciation and write-downs	8 728 301.93	7 859 058.39
Gain (-) or loss (+) from divestment of non-current assets	818.55	39 386.74
	9 328 086.71	7 386 531.06
2) CHANGE IN WORKING CAPITAL		
Increase (-) or decrease(+) in non-interest-bearing receivables	-254 128.33	1 167 822.22
Increase (-) or decrease(+) in inventories	-1 639 505.13	-2 153 823.28
Increase (+) or decrease (-) in non-interest-bearing liabilities	319 472.56	1 162 418.61
	-1 574 160.90	176 417.55

PARENT COMPANY'S INCOME STATEMENT €	**1.1.-31.12.2014**	1.1.-31.12.2013	Notes
TURNOVER	**145 031 747.71**	**148 595 231.46**	1
Other income	3 624 808.54	3 028 710.77	2
Materials and services	-79 932 364.11	-82 553 156.76	3
Personnel expenses	-3 858 012.91	-3 442 956.63	4
Depreciation and impairment charges	-2 273 227.51	-1 861 029.92	5
Other expenses	-62 107 359.78	-63 340 383.01	6
RESULT	**485 591.94**	**426 415.91**	
Financial income and expenses	-2 610 882.81	-2 528 635.24	7
RESULT BEFORE EXTRAORDINARY ITEMS	**-2 125 290.87**	**-2 102 219.33**	
Extraordinary items			
Received group subventions	3 592 065.93	3 221 312.14	
RESULT BEFORE APPROPRIATIONS AND TAXES	**1 466 775.06**	**1 119 092.81**	
Appropriations			
Change in depreciation difference	-1 238 927.48	-727 535.80	
Direct taxes paid	-2 095.24	0.00	8
RESULT OF THE FINANCIAL YEAR	**225 752.34**	**391 557.01**	

PARENT COMPANY'S BALANCE SHEET €	**31.12.2014**	31.12.2013	Notes
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	8 270 663.10	7 446 892.74	9
Tangible assets	33 967 181.44	28 007 752.70	10
Investments			12
Holdings in group companies	59 891 282.96	36 133 970.83	
Holdings in associated companies	164 447 278.84	157 696 643.84	
Other holdings and interests	10 850 972.03	10 190 572.03	
NON-CURRENT ASSETS IN TOTAL	**277 427 378.37**	**239 475 832.14**	
CURRENT ASSETS			
Long-term receivables	65 043 876.86	61 061 282.48	14
Current receivables	33 800 940.18	50 096 744.39	15
Cash and cash equivalents	16 888 142.43	11 789 964.91	
CURRENT ASSETS IN TOTAL	**115 732 959.47**	**122 947 991.78**	
	393 160 337.84	**362 423 823.92**	
EQUITY AND LIABILITIES			
EQUITY			16
Share capital	12 192 989.90	11 519 851.10	
Share issue	764 014.00	944 950.10	
Share premium reserve	57 849 805.02	57 849 805.02	
Revaluation reserve	1 244 855.67	1 244 855.67	
Statutory reserve	5 272 584.10	5 272 584.10	
Invested unrestricted equity reserve	141 089 752.90	102 354 502.74	
Retained result	23 137 481.99	35 093 966.69	
Result of the financial year	225 752.34	391 557.01	
EQUITY IN TOTAL	**241 777 235.92**	**214 672 072.43**	
APPROPRIATIONS			
Depreciation	**17 112 001.67**	**15 873 074.19**	
LIABILITIES			
Non-current liabilities	106 545 512.32	106 806 773.00	18
Current liabilities	27 725 587.93	25 071 904.30	19
LIABILITIES IN TOTAL	**134 271 100.25**	**131 878 677.30**	
	393 160 337.84	**362 423 823.92**	

PARENT COMPANY'S CASH FLOW STATEMENT €	**2014**	2013
OPERATIONS		
Result	485 591.94	426 415.91
Adjustments to operating result [1)]	2 274 046.06	1 674 718.29
Change in working capital [2)]	128 337.37	4 136 800.29
Dividends received	240 199.00	167 879.00
Interest received	624 628.94	674 293.72
Interest paid	-1 348 305.85	-1 102 525.04
Other financial income and expenses	-2 127 404.90	-2 268 282.92
Taxes paid	-2 095.24	0.00
CASH FLOW FROM OPERATIONS	**274 997.32**	**3 709 299.25**
INVESTMENTS		
Acquisition of shares	-30 636 837.55	-25 674 787.00
Investments in non-current assets	-9 056 426.61	-2 702 740.14
Profit from disposal of intangible and tangible assets	0.00	485 490.12
Increase (-) or decrease (+) in loan receivables	-6 553 265.00	-6 553 265.00
CASH FLOW FROM INVESTMENTS	**-46 246 529.16**	**-34 445 302.02**
FINANCING		
Withdrawals of long-term loans	2 963 723.32	29 049 906.95
Increase (-) or decrease(+) in interest-bearing receivables	19 200 326.21	-13 122 494.18
Increase (+) or decrease (-) in short term interest-bearing liabilities	0.00	-20 574 362.82
Received group subventions	3 592 065.93	3 221 312.14
Share issue	25 313 593.90	13 838 064.40
CASH FLOW FROM FINANCING	**51 069 709.36**	**12 412 426.49**
CHANGE IN CASH AND CASH EQUIVALENTS	**5 098 177.52**	**-18 323 576.28**
Liquid assets 1 January	11 789 964.91	30 113 541.19
Liquid assets 31 December	**16 888 142.43**	**11 789 964.91**
1) ADJUSTMENTS TO OPERATING RESULT		
Depreciation and write-downs	2 273 227.51	1 861 029.92
Gain (-) or loss (+) from divestment of non-current assets	818.55	-186 311.63
	2 274 046.06	1 674 718.29
2) CHANGE IN WORKING CAPITAL		
Increase (-) or decrease(+) in non-interest-bearing receivables	1 231 965.87	5 201 022.34
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	-1 103 628.50	-1 064 222.05
	128 337.37	4 136 800.29

ACCOUNTING POLICIES

The scope of the consolidated financial statement

The EPV Energy Group consists of EPV Energy Ltd and its subsidiaries. The registered domicile of the parent company of the group, EPV Energy Ltd, is Vaasa. The consolidated financial statement incorporates all subsidiaries and partnership companies, excluding Voimapiha Oy.

EPV Energy Ltd owns all the shares in the A series of Suomen Energiavarat Oy. The financial statement has not been incorporated in the consolidated financial statement, since Suomen Energiavarat Oy has been founded for a certain purpose, and the shares in the A series owned by EPV do not entitle to any dividends. The partnership company Voimapiha Oy has not been incorporated in the consolidated financial statement either, since the shares in the A series owned by EPV do not entitle to any dividends.

The basis of preparation for the consolidated financial statement

Apart from Vaskiluodon Teollisuuskiinteistöt Oy, the subsidiaries have all been incorporated in accordance with the acquisition cost method. The subsidiaries are companies founded by the parent company. Vaskiluodon Teollisuuskiinteistöt Oy has been incorporated with the equity method.

The internal business transactions of the group and the internal claims and debts have been eliminated.

The minority interests have been separated from the result of the financial year and the equity, and presented as a separate item in the income statement and the balance sheet.

The accumulated depreciation has been divided into unrestricted equity and imputed tax liabilities. The alteration in depreciation in the income statement has been divided into the result of the financial year and the change in imputed tax liabilities.

The partnership companies have been incorporated with the equity method. A share of the partnership companies' result and alteration in depreciation excluding imputed tax liabilities equivalent to the group's interest is included in the income statement.

In the balance sheet, the share of the partnership company's equity and the accumulated depreciation excluding imputed tax liabilities are presented as share value.

Non-current assets

The non-current assets have been entered in the balance sheet at the original direct acquisition cost reduced from planned depreciation and received supports. The made book values are aimed at land areas. The depreciations according to plan have been calculated according to the estimated useful economic lives.

The depreciation periods are:

Intangible rights (main grid connection fees)	20 years
Other long-term expenses	5-40 years
Goodwill	5-15 years
Buildings and construction	20-54 years
Machinery and equipment	5-52 years
Transmission and distribution network	30 years

The direct acquisition costs for bog areas planned for peat production concerning wasteland and standing crop have been entered under land areas. The remaining direct acquisition costs for bog areas have been entered as pending peat acquisitions.

Once the bog area is prepared, the pending peat acquisitions of the area which has been granted a permit are entered as peat resources, which are depreciated by the use of substance depreciation.

The expenses directly linked to the wind power projects have been entered as pending acquisitions. They are part of preparatory investments. The prerequisites for completing the projects are investigated annually and separately for each project.

Valuation of inventories

Inventories are mainly evaluated as direct acquisition costs according to the FIFO principle. Should the probable acquisition cost of the inventories be lower than the original acquisition cost on the date of the financial statements, the difference is not entered as a cost due to the absorption principle.

Emission reductions and rightst

The acquisition of emission reductions and the indirect expenses in connection with these have been entered under intellectual property rights and presented as emission reductions. Gratuitous emission rights are assets not included in the balance sheet.

Feed-in tariff system

The feed-in tariff system covers the fluctuating generation subsidy, or feed-in tariff, based on the electricity market price or emission rights price, granted for wind, biogas, wood chip and wood-based fuel power plants.

The subsidies granted based on the feed-in tariff system have been added to the company's turnover.

Derivatives management

The interest rate tying period of the floating-rate loans has been extended with interest rate swap agreements, using hedge accounting principles. The interests connected to these agreements have been performance-based divided, and they are presented as net amounts in the main group of financial income and expenses. The nominal values and fair values of the derivative agreements are presented in the notes.

Pension benefits

The pension benefits for the company personnel have been arranged for by an external pension insurance company.

The comparability of former financial statements

During the financial year, the average number of group employees increased from 55 to 62.

NOTES TO THE INCOME STATEMENT (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
1 .TURNOVER				
Sales of electricity	183 175	156 216	138 674	143 237
Sales of heat	22 643	22 218	1 384	1 358
Other operations	43 591	40 685	4 974	4 000
	249 409	**219 119**	**145 032**	**148 595**
2. OTHER INCOME				
Rental income	537	535	536	534
Profits from saled of fixed assets	0	67	0	245
Other income	1 817	1 435	3 089	2 250
	2 354	**2 037**	**3 625**	**3 029**
3. MATERIALS AND SERVICES				
Energy purchases and transfer payments	135 790	106 834	74 439	77 562
Fuels	18 921	17 732	0	0
Emission rights purchases	4 725	5 334	4 720	4 596
Purchases during the financial year	159 436	129 900	79 159	82 157
Storage increase (-) or decrease (+)	-1 640	-2 154	0	0
External services	2 253	624	774	396
	160 049	**128 370**	**79 932**	**82 553**
4. PERSONNEL EXPENSES				
Wages and salaries	4 578	3 917	3 115	2 780
Pension expenses	842	757	595	555
Other personnel expenses	224	148	148	108
	5 644	**4 822**	**3 858**	**3 443**
Salaries and fees paid to the CEO and the Board of Directors	402	405	390	394
Average number of personnel				
Officials	47	42	39	36
Employees	15	13	0	0
In total	62	55	39	36
5. DEPRECIATION AND IMPAIRMENT CHARGES				
Depreciation according to plan				
Intangible assets	460	460	60	60
Other capitalised long-term expenses	690	618	330	276
Buildings and construction	672	637	98	91
Machinery and equipment	5 066	4 863	299	226
Transmission and distribution network	1 840	1 281	1 487	1 208
	8 728	**7 859**	**2 273**	**1 861**

NOTES TO THE INCOME STATEMENT (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
6. OTHER EXPENSES				
Fixed energy purchases	59 177	60 505	60 024	60 909
External services	4 773	5 213	996	1 248
Administrative expenses	514	587	326	363
Rents	914	1 584	122	118
Materials and equipment	861	783	190	177
Other personnel expenses	412	450	322	359
Commitment expenses and public payments	463	397	126	108
Other expenses	1	60	1	59
	67 114	**69 581**	**62 107**	**63 340**
Auditor's fees				
Auditing fees	59	52	37	31
Certificates and opinions	6	2	5	2
Tax services	8	13	5	9
Other fees	2	14	2	8
	76	81	49	50
7. FINANCIAL INCOME AND EXPENSES				
Dividend income				
From associated companies	-	-	0	48
From others	240	120	240	120
	240	120	240	168
Other interest and financial income				
From group companies	-	-	188	265
From partnership companies	30	21	30	21
From others	441	411	421	409
	471	432	638	695
Interest expeses and other financial expenses				
To group companies	-40	-18	0	0
To others	-4 550	-4 469	-3 489	-3 392
	-4 589	-4 487	-3 489	-3 392
Total financial income and expenses	**-3 878**	**-3 935**	**-2 611**	**-2 529**
8. DIRECT TAXES PAID				
Income taxes on extraordinary items	-	-	718	789
Income taxes on the actual operations	5	1	-716	-789
Change in deferred tax liabilities	1 531	78	-	-
	1 536	**79**	**2**	**0**

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
9. INTANGIBLE ASSETS				
Intangible rights				
Acquisition cost 1 January	1 254	40	1 240	40
Increase	0	1 214	0	1 200
Acquisition cost 31 December	1 254	1 254	1 240	1 240
Accumulated depreciation and impairment charges 1 January	-60	0	-60	0
Depreciation of the financial year	-60	-60	-60	-60
Book value 31 December	**1 134**	**1 194**	**1 120**	**1 180**
Goodwill				
Acquisition cost 1 January	6 000	6 000	0	0
Acquisition cost 31 December	6 000	6 000	0	0
Accumulated depreciation and impairment charges 1 January	-2 000	-1 600	0	0
Depreciation of the financial year	-400	-400	0	0
Book value 31 December	**3 600**	**4 000**	**0**	**0**
Emission reductions				
Acquisition cost 1 January	5 328	4 981	5 328	4 981
Increase	1 473	799	1 473	799
Decrease	-774	-452	-774	-452
Acquisition cost 31 December	6 027	5 328	6 027	5 328
Book value 31 December	**6 027**	**5 328**	**6 027**	**5 328**
Other capitalised long-term expenses				
Acquisition cost 1 January	8 780	7 854	2 976	2 536
Increase	513	942	513	440
Investment support	0	-16	0	0
Transfer between categories	1	0	1	0
Acquisition cost 31 December	9 294	8 780	3 490	2 976
Accumulated depreciation and impairment charges 1 January	-3 376	-2 758	-2 037	-1 761
Depreciation of the financial year	-690	-618	-330	-276
Book value 31 December	**5 229**	**5 404**	**1 123**	**939**
Intangible assets in total				
Acquisition cost 1 January	21 362	18 876	9 544	7 557
Increase	1 986	2 955	1 986	2 439
Investment support	0	-16	0	0
Decrease	-774	-452	-774	-452
Transfer between categories	1	0	1	0
Acquisition cost 31 December	22 575	21 362	10 757	9 544
Accumulated depreciation and impairment charges 1 January	-5 436	-4 358	-2 097	-1 761
Depreciation of the financial year	-1 150	-1 078	-390	-336
Book value 31 December	**15 990**	**15 926**	**8 271**	**7 447**

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
10. TANGIBLE ASSETS				
Land and water areas				
Acquisition cost 1 January	4 355	4 332	2 210	2 210
Increase	556	82	239	0
Decrease	0	-58	0	0
Transfer between categories	-1	0	-1	0
Acquisition cost 31 December	4 910	4 355	2 448	2 210
Book value 31 December	**4 910**	**4 355**	**2 448**	**2 210**
Revaluation included in the acquisition cost of land areas				
Revaluation 1 January	1 682	1 682	1 682	1 682
Revaluation 31 December	1 682	1 682	1 682	1 682
The revaluation is based on the presumable transfer price.				
Deferred tax share of the revaluation	336	336	336	336
Buildings and construction				
Acquisition cost 1 January	18 635	18 150	5 131	5 049
Increase	216	487	216	82
Investment support	0	-3	0	0
Decrease	-148	0	-148	0
Acquisition cost 31 December	18 703	18 635	5 199	5 131
Accumulated depreciation and impairment charges 1 January	-6 267	-5 630	-4 083	-3 991
Accumulated depreciation from deduction	148	0	148	0
Depreciation of the financial year	-672	-637	-98	-91
Book value 31 December	**11 912**	**12 368**	**1 166**	**1 048**
Machinery and equipment				
Acquisition cost 1 January	110 263	108 465	11 033	10 801
Increase	2 318	1 835	2 213	249
Investment support	0	-12	0	0
Decrease	-189	-25	-189	-16
Acquisition cost 31 December	112 393	110 263	13 058	11 033
Accumulated depreciation and impairment charges 1 January	-28 317	-23 473	-8 138	-7 928
Accumulated depreciation from deduction	189	19	189	16
Depreciation of the financial year	-5 066	-4 863	-299	-226
Book value 31 December	**79 199**	**81 947**	**4 810**	**2 895**
Book value share of machinery and equipment 31 December	77 881	80 640	4 657	2 771

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
Transmission network				
Acquisition cost 1 January	36 355	32 732	33 021	32 510
Increase	4 968	3 623	4 968	511
Decrease	-104	0	-104	0
Acquisition cost 31 December	41 219	36 355	37 885	33 021
Accumulated depreciation and impairment charges 1 January	-11 588	-10 380	-11 366	-10 158
Accumulated depreciation from deduction	104	0	104	0
Depreciation of the financial year	-1 768	-1 208	-1 487	-1 208
Book value 31 December	**27 967**	**24 767**	**25 136**	**21 655**
Other tangible assets				
Acquisition cost 1 January	1 081	1 081	0	0
Acquisition cost 31 December	1 081	1 081	0	0
Accumulated depreciation and impairment charges 1 January	-356	-284	0	0
Depreciation of the financial year	-72	-72	0	0
Book value 31 December	**652**	**725**	**0**	**0**
Pending peat acquisitions				
Acquisition cost 1 January	4 558	3 829	0	0
Increase	578	729	0	0
Decrease	-68	0	0	0
Acquisition cost 31 December	5 068	4 558	0	0
Book value 31 December	**5 068**	**4 558**	**0**	**0**
Advance payments and acquisitions in progress				
Acquisition cost 1 January	24 290	13 405	199	386
Increase	50 290	13 281	342	98
Decrease	-6 929	-2 395	-134	-284
Acquisition cost 31 December	67 651	24 290	407	199
Book value 31 December	**67 651**	**24 290**	**407**	**199**
Tangible assets in total				
Acquisition cost 1 January	199 538	181 994	51 595	50 956
Increase	58 927	20 038	7 978	939
Investment support	0	-15	0	0
Decrease	-7 438	-2 478	-575	-300
Transfer between categories	-1	0	-1	0
Acquisition cost 31 December	251 025	199 538	58 997	51 595
Accumulated depreciation and impairment charges 1 January	-46 528	-39 766	-23 587	-22 078
Accumulated depreciation from deduction	441	19	441	16
Depreciation of the financial year	-7 579	-6 781	-1 884	-1 525
Book value 31 December	**197 358**	**153 010**	**33 967**	**28 008**

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
11. CAPITALISED INTEREST COSTS				
Capitalised during the financial year	551	0	0	0
Including capital interest costs				
Advance payments and acquisitions in progress	551	0	0	0
Other long-term expenses	20	21	0	0
Buildings and construction	39	40	0	0
Machinery and equipment	1 258	1 329	0	0
12. INVESTMENTS				
Interest in group companies				
Acquisition cost 1 January	264	264	36 134	33 699
Increase	0	0	23 757	2 435
Acquisition cost 31 December	264	264	59 891	36 134
Book value 31 December	**264**	**264**	**59 891**	**36 134**
Interest in associated companies				
Acquisition cost 1 January	168 990	136 613	157 697	125 606
Increase	6 151	32 615	6 750	32 329
Decrease	0	-238	0	-238
Acquisition cost 31 December	175 141	168 990	164 447	157 697
Book value 31 December	**175 141**	**168 990**	**164 447**	**157 697**
Other holdings and interests				
Acquisition cost 1 January	10 191	10 190	10 191	10 190
Increase	661	1	661	1
Decrease	-1	0	-1	0
Acquisition cost 31 December	10 851	10 191	10 851	10 191
Book value 31 December	**10 851**	**10 191**	**10 851**	**10 191**
Investments in total				
Acquisition cost 1 January	179 444	147 066	204 021	169 494
Increase	6 813	32 616	31 168	34 765
Decrease	-1	-238	-1	-238
Acquisition cost 31 December	186 256	179 444	235 190	204 021
Book value 31 December	**186 256**	**179 444**	**235 190**	**204 021**

INVESTMENTS

Company name	Domicile	Group interest %	Group voting share %	Parent company interest %	Holdings of parent company Pcs.	Book value 1 000 €
HOLDINGS IN GROUP COMPANIES						
EPV Alueverkko Oy	Vaasa	100.0	100.0	100.0	150	3
EPV Bioturve Oy	Vaasa	100.0	100.0	100.0	1 000	6 150
EPV Tase Oy	Vaasa	100.0	100.0	100.0	500	500
EPV Tuulivoima Oy (A)	Vaasa	100.0	100.0	100.0	1 000	4 750
EPV Tuulivoima Oy (B)	Vaasa	100.0	100.0	100.0	4 400	21 933
Tornion Voima Oy	Tornio	100.0	100.0	100.0	7 500	15 008
Vaskiluodon Teollisuuskiinteistöt Oy	Vaasa	100.0	100.0	100.0	4 000	264
EPV Teollisuusverkot Oy (A)	Vaasa	90.0	90.0	90.0	90	3
Rajakiiri Oy (A)	Tornio	60.2	60.2	60.2	9 431	7 073
Rajakiiri Oy (A2), merkintäoikeustodistus	Tornio	75.1	75.1	75.1	5 010	3 757
Rajakiiri Oy (B)	Tornio	60.2	60.2	60.2	602	452
HOLDINGS IN ASSOCIATED COMPANIES						
EPM Metsä Oy	Vaasa	50.0	50.0	50.0	200 000	174
Rapid Power Oy	Vaasa	50.0	50.0	50.0	5 000	26 804
Suomen Merituuli Oy	Helsinki	50.0	50.0	50.0	1 000	1 000
Vaskiluodon Voima Oy	Vaasa	50.0	50.0	50.0	300	505
Raahen Voima Oy	Raahe	25.0	25.0	25.0	675 625	6 751
Voimapiha Oy (A)	Helsinki	16.7	32.7	16.7	200 000	20 000
Pohjolan Voima Oy (A)					692 549	
Pohjolan Voima Oy (B)					230 558	
Pohjolan Voima Oy (B2)					192 686	
Pohjolan Voima Oy (C2)					11 624	
Pohjolan Voima Oy (C)					1 016 188	
Pohjolan Voima Oy (H)					302 142	
Pohjolan Voima Oy (M)					52 798	
Pohjolan Voima Oy (V)					224 735	
				7.1	2 723 280	44 375
Pohjolan Voima Oy (B2), letter of right of subscription					104 732	5 865
Teollisuuden Voima Oyj (A)					44 562 213	
Teollisuuden Voima Oyj (B)					44 562 203	
Teollisuuden Voima Oyj (C)					2 246 704	
				6.6	91 371 120	58 974
OTHER SHARES AND HOLDINGS OWNED BY THE PARENT COMPANY						
Suomen Energiavarat Oy (A)	Vaasa			100.0	4 400	3
Suomen Energiavarat Oy (B)	Vaasa			3.9	1 176	4 998
Manga LNG Oy				5.0	630 208	662
Mervento Oy (B, D)				6.7	674	3 666
Innopower Oy (A,C)				9.8	12 580	1 280
Powest Oy (E)				1.0	13 206	89
Others						153
						235 190

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
13. INVENTORIES				
Power plant fuels	**4 819**	**3 180**	**0**	**0**
14. NON-CURRENT RECEIVABLES				
Loan receivables	30 278	23 724	30 278	23 724
Unpaid equity capital	34 587	37 066	34 587	37 066
Other long-term receivables	219	304	179	271
	65 084	**61 094**	**65 044**	**61 061**
Receivables from associated companies				
Loan receivables	30 276	23 723	30 276	23 723
15. CURRENT RECEIVABLES				
Trade receivables	26 800	25 479	12 331	13 321
Loan receivables	0	0	11 732	30 841
Unpaid equity capital	6 458	2 413	6 458	2 413
Prepayments and accrued income *)	5 481	6 569	3 126	3 362
Other receivables	5 493	5 388	153	159
	44 232	**39 848**	**33 801**	**50 097**
Receivables from group companies				
Trade receivables	-	-	1	51
Loan receivables	-	-	11 732	30 841
Prepayments and accrued income	-	-	12	63
Other receivables	-	-	119	49
	-	-	11 864	31 004
Receivables from associated companies				
Trade receivables	4 765	819	35	42
Prepayments and accrued income	2 576	2 815	2 576	2 815
Other receivables	12	31	12	31
	7 353	3 665	2 623	2 888
*) Constituents included in the short-term prepayments and accrued income				
Accrued electricity purchases	2 612	2 797	2 543	2 797
Accrued electricity sales	159	978	0	9
Accrued heat sales	202	170	0	0
Accrued energy support	1 731	1 932	0	0
Accrued interest income	33	18	38	81
Accrued VAT	31	51	0	0
Accrued investment subventions	58	34	0	0
Others	656	587	545	476
	5 481	6 569	3 126	3 362

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
16. SHAREHOLDERS' EQUITY				
Equity capital 1 January	11 520	11 317	11 520	11 317
Increase in equity capital	673	202	673	202
Equity capital 31 December	12 193	11 520	12 193	11 520
Share issue 1 January	945	384	945	384
Unregistered unpaid equity capital	68	763	68	763
Transfer to equity capital	-249	-202	-249	-202
Share issue 31 December	764	945	764	945
Share premium reserve 1 January	57 850	57 850	57 850	57 850
Share premium reserve 31 December	57 850	57 850	57 850	57 850
Revaluation reserve 1 January	1 245	1 245	1 245	1 245
Revaluation reserve 31 December	1 245	1 245	1 245	1 245
Statutory reserve 1 January	5 273	5 273	5 273	5 273
Statutory reserve 31 December	5 273	5 273	5 273	5 273
Invested unrestricted equity reserve 1 January	102 355	72 382	102 355	72 382
Investment in the invested unrestricted equity reserve	26 387	29 973	26 387	29 973
Transfer from profit funds	12 348	0	12 348	0
Invested unrestricted equity reserve 31 December	141 090	102 355	141 090	102 355
Retained result 1 January	74 740	68 514	35 486	35 094
Investment in the invested unrestricted equity reserve	-12 348	0	-12 348	0
Retained result 31 December	62 392	68 514	23 137	35 094
Result of the financial year	3 934	6 226	226	392
TOTAL SHAREHOLDER'S EQUITY	**284 740**	**253 927**	**241 777**	**214 672**
Depreciation difference				
Depreciation difference share entered under equity capital	**34 195**	**29 115**	**-**	**-**

Estimation of distributable funds 31 December				
Retained result	-	-	23 137	35 094
Result of the financial year	-	-	226	392
Invested unrestricted equity reserve	-	-	141 090	102 355
	-	**-**	**164 453**	**137 840**

The dividend yields from 2012 have been utilized according to the decisions concerning share issues.

EQUITY CAPITAL ACCORDING TO SERIES OF SHARES

		pcs	1 000 €
A1 series *)	The shares in the A and B series of the company Teollisuuden Voima Oyj or other shares replacing these entitle the holder to electricity generated by means of nuclear power at the Olkiluoto 1, Olkiluoto 2 and Olkiluoto 3 nuclear power plant units	3 499 833	5 950
A2 series	The shares in the B series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated by means of nuclear power at the Olkiluoto 1 and Olkiluoto 2 nuclear power plant units of Teollisuuden Voima Oyj	250 000	425
A3 series *)	The shares in the B2 series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated by means of nuclear power at the Olkiluoto 3 nuclear power plant unit of Teollisuuden Voima Oyj	528 525	898
A4 series *)	The shares in the company Teollisuuden Voima Oyj entitle the holder to electricity generated by means of nuclear power at the Olkiluoto 4 nuclear power plant unit	49 320	84
A5 series *)	The shares in the company Pohjolan Voima Oy entitle the holder to electricity generated by means of nuclear power at the Olkiluoto 4 nuclear power plant unit	18 659	32
B series	The shares in the C series of the company Teollisuuden Voima Oyj and the shares in the C2 series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated mainly at the Meri-Pori coal power plant	64 653	110
C series	The shares in the M series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated by Mussalon Voima Oy	20 517	35
D1 series	The shares in the company Vaskiluodon Voima Oy or other shares replacing these entitle the holder to electricity generated at the thermal power plant units in Vaasa and Seinäjoki	562 500	956
D2 series	The shares in the V series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated at the power plants of Vaskiluodon Voima Oy in Vaasa and Seinäjoki	113 091	192
E1 series	The shares in the A series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated in Finland by means of hydropower	543 375	924
E2 series	The shares entitle the holder to the electricity supplied by the partnership company Rapid Power Oy, generated by means of hydropower in Norway and transmitted to Finland	265 440	451
E3 series	The shares in the A series of the company Voimapiha Oy or other shares replacing these entitle the holder to electricity generated mainly by means of hydropower in Sweden	110 000	187
F series	The shares in the C series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated at the power plants in Tahkoluoto and Kristinestad	197 964	337
G series	The shares in the H series of the company Pohjolan Voima Oy or other shares replacing these entitle the holder to electricity generated by means of peaking power. In addition, the shares in the G series entitle the holder to the potential profit of the other operations of the company, which are not included in the other series, in order to cover the costs for electricity generation resources in the G series	302 400	514
P1 series	The shares entitle the holder to the emission reduction rights acquired from a third party and obligate the holder to compensate for the fixed costs of the company concerned arising from the acquisition of the rights in relation to the holder's shares in the P1 series, as well as for the variable costs in relation to the received rights	74 000	126
P2 series	The shares entitle the holder to the emission reduction rights acquired from a third party, based on acquisition decisions made in 2011 or at a later date, and obligate the holder to compensate for the fixed costs of the company concerned arising from the acquisition of the rights in relation to the holder's shares in the P2 series, as well as for the variable costs in relation to the received rights	43 800	74
T1 series	The shares in the company Tornion Voima Oy or other shares replacing these entitle the holder to electricity generated by means of thermal power at the power plant in Tornio	120 000	204
T2 series	The shares in the company Raahen Voima Oy or other shares replacing these entitle the holder to electricity generated by means of CHP at the power plant in Raahe	49 531	84
W1 series	The shares in the A and C series of the company Innopower Oy and the shares in Rajakiiri Oy or other shares replacing these entitle the holder to electricity generated by means of wind power	86 971	148
W2 series	The shares in the company EPV Tuulivoima Oy or other shares replacing these entitle the holder to electricity generated by means of wind power	47 456	81
W3 series	The shares in the company Suomen Merituuli Oy or other shares replacing these entitle the holder to electricity generated by means of wind power	4 987	8
W4 series *)	The shares in the B series of the company EPV Tuulivoima Oy or other shares replacing these entitle the holder to electricity generated by means of wind power	219 325	373
	The shareholders in each of the series are responsible for the fixed costs of the series in relation to their holdings and for the variable costs in relation to the amount of energy supplied.	7 172 347	12 193

***) Unregistered share issues**

Date of general shareholders' meeting	Series of shares	Directed share issue		Share capital 1000 €	invested unrestricted equity reserve 1000 €**)
		Number pcs	Total subscription price 1 000 € **)		
Unpaid					
29.11.2011	A4	157 278	15 728	267	15 460
29.11.2011	A5	59 503	5 950	101	5 849
31.5.2013	A1	131 065	13 107	223	12 884
31.5.2013	A3	61 574	6 157	105	6 053
21.1.2014	W4	40 000	4 000	68	3 932
		449 420	**44 942**	**764**	**44 178**

**) TEUR 3,928 of the balance profits will be transferred to the invested unrestricted equity reserve

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
17. ACCUMULATED APPROPRIATIONS				
Depreciation difference of deferred tax liabilities	**9 297**	**7 766**	**3 422**	**3 175**
18. NON-CURRENT LIABILITIES				
Bank loans	132 288	89 640	39 500	39 500
Other non-current liabilities	68 886	67 347	67 046	67 307
	201 174	**156 987**	**106 546**	**106 807**
Liabilities to associated companies				
Other non-current liabilities	67 046	67 307	67 046	67 307
Liabilities which are due later than after five years				
Bank loans	24 879	32 676	0	0
Other non-current liabilities	64 405	61 442	64 405	61 442
	89 284	**94 118**	**64 405**	**61 442**
19. CURRENT LIABILITIES				
Bank loans	10 633	3 930	0	0
Advances received	595	103	0	0
Trade payables	19 159	23 480	14 387	16 131
Accruals and deferred income *)	5 963	6 434	4 900	5 080
Other current liabilities	10 114	7 295	8 438	3 861
	46 463	**41 241**	**27 726**	**25 072**
Liabilities to group companies				
Trade payables	-	-	803	715
Other current liabilities	-	-	3 757	0
	-	-	4 560	715
Liabilities to associated companies				
Trade payables	12 801	14 557	12 349	14 130
Accruals and deferred income	3 181	3 487	3 181	3 487
Other current liabilities	3 843	3 690	3 843	3 690
	19 825	21 734	19 373	21 307
*) Constituents included in the short-term prepayments and accrued income				
Accrued indirect taxes	119	113	0	0
Accrued electricity sales	3 499	3 504	3 376	3 504
Accrued interest expenses	1 233	1 272	939	1 025
Accrued fuel acquisition	0	422	0	0
Accrued personnel expenses	786	661	575	499
Others	326	462	11	52
	5 963	6 434	4 900	5 080

NOTES TO THE BALANCE SHEET (1 000 €)

	Group		Parent company	
	2014	2013	**2014**	2013
20. COMMITMENTS				
Account limit agreements				
Total amount of granted limit	28 000	27 000	13 000	13 000
Available	4 011	2 330	0	0
Leasing contract payments				
Payments during the following financial year	10	11	0	0
Fees for later financial years	17	25	0	0
	27	36	0	0
Guarantees				
For associated companies' liabilities	10 007	10 037	10 007	10 037
For other companies' liabilities	1 638	1 638	1 638	1 638
Other commitments				
For the group company	8 615	0	8 615	0
Other own commitments	2 934	2 616	650	390

The parent company has a 5-year long-term rental agreement for its facilities. The rental period began 1 January 2015. According to the agreement, the company assumes rental liability.

For wind power projects, the regular long-term rental liabilites towards land-owners apply, including the liability for disassembly of the plants once generation is discontinued, as well as restoration of the site.

21. DERIVATIVE AGREEMENTS				
Interest rate swaps (nominal value)	153 000	135 000	115 000	113 000
Fair value	-5 790	-3 885	-4 425	-3 065
Electricity derivatives				
Amount GWh	131,5	175,3	0,0	0,0
Fair value EUR 1000	-1 462	-1 480	0	0

22. EMISSION RIGHTS		
Emissions trading period	**2014-2020**	**2013-2020**
	tn CO_2	**tn CO_2**
Granted emission rights	820 017	435 182
Annual level allocation	135 944	73 478
Emission rights utilization	**2014**	**2013**
	tn CO_2	**tn CO_2**
Emissions	293 474	333 829
Gratuitous emission rights 1 January*	-135 944	-73 478
Purchased emission rights	-120 000	-175 000
Purchased emission right reductions (CER)	-10 762	-8 746
Deficit (+) / surplus (-)	26 768	76 605
Gratuitous granted emission rights available on 31 December	910 655	555 444

*) The gratitous emission rights for the emission trading period 2013–2020 for extended use of coal gas fuel at the plant of Tornion Voima Oy are yet unverified by the European Commission.

SIGNATURES FOR THE REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

PROPOSITION FOR ENTRY OF THE ANNUAL RESULT

The distributable funds of the parent company are EUR 164,452,987.23,
of which the result of the financial year is EUR 225,752.34.
The Board of Directors proposes to the General Shareholders' Meeting that no dividends are to be paid and that the result is added to the equity.

Vaasa, 10 March 2015

Heikki Miilumäki
Chairman

Miapetra Kumpula-Natri

Hannu Linna

Pekka Manninen

Jorma Rasinmäki

Anders Renvall

Eero Seesvaara

Markku Vartia

Antti Vilkuna

Rami Vuola
CEO

THE AUDITOR'S NOTE

Our auditor's report has been issued today.

Vaasa, 10 March 2015

ERNST & YOUNG OY
Community of chartered accountants

Mikko Rytilahti
CA

Tatu Huhtala
CA

AUDITOR'S REPORT

To the General Shareholders' Meeting of EPV Energy Ltd

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of EPV Energy Ltd for the year ended on 31 December, 2014. The financial statements comprise the Group's and parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of these in accordance with effective 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 CEO is responsible for 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 perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance of 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 CEO have complied with the Limited Liability Companies Act.

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 of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate under the circumstances. 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.

The audit was performed in accordance with good auditing practice in Finland. 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, together with the consolidated financial statements included therein, 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.

Opinions based on the decisions of the General Shareholders' Meeting

We support that the financial statements should be adopted. The proposal by the Board of Directors for the disposal of the profit for the period, as well as for the distribution of other unrestricted equity as stated in the balance sheet, is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors and the CEO should be discharged from liability for the financial period audited by us.

Vaasa, 10 March 2015

ERNST & YOUNG OY
Community of chartered accountants

Mikko Rytilahti — CA

Tatu Huhtala — CA

Differentiated financial statements for the electricity network operations of EPV Alueverkko Oy

in accordance with 32 § of the Electricity Market Act.

The complete financial statements of EPV Alueverkko Oy are available at the website of EPV Energy Ltd: **www.epv.fi** and at the website of EPV Alueverkko Oy: **www.epa.fi**

INCOME STATEMENT €	**1.1.-31.12.2014**	**1.1.-31.12.2013**
TURNOVER	**38 196 871.24**	**38 297 942.45**
Other income	967 066.42	288 508.52
Materials and services	-28 589 324.32	-28 501 574.61
Personnel expenses	-313 045.20	-281 514.70
Other expenses	-6 629 946.12	-6 519 505.76
RESULT	**3 631 622.02**	**3 283 855.90**
Financial income and expenses	-38 644.73	-61 747.26
RESULT BEFORE EXTRAORDINARY ITEMS	**3 592 977.29**	**3 222 108.64**
Extraordinary items		
Given group subventions	-3 592 065.93	-3 221 312.14
RESULT BEFORE APPROPRIATIONS AND TAXES	**911.36**	**796.50**
Appropriations and taxes	-911.36	-796.50
RESULT OF THE FINANCIAL YEAR	**0.00**	**0.00**

BALANCE SHEET €	**31.12.2014**	31.12.2013
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	8 416 810.46	8 540 134.11
NON-CURRENT ASSETS IN TOTAL	**8 416 810.46**	**8 540 134.11**
CURRENT ASSETS		
Current receivables	7 752 422.27	8 411 692.72
CURRENT ASSETS IN TOTAL	**7 752 422.27**	**8 411 692.72**
	16 169 232.73	**16 951 826.83**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	2 522.82	2 522.82
Retained result	90 370.63	90 370.63
Result of the financial year	0.00	0.00
EQUITY IN TOTAL	**92 893.45**	**92 893.45**
LIABILITIES		
Non-current liabilities	2 094 591.09	1 743 951.53
Current liabilities	13 981 748.19	15 114 981.85
LIABILITIES IN TOTAL	**16 076 339.28**	**16 858 933.38**
	16 169 232.73	**16 951 826.83**

CASH FLOW STATEMENT €	**2014**	2013
OPERATIONS		
Result	3 631 622.02	3 283 855.90
Adjustments to operating result [1)]	-314 717.00	89 968.24
Interest paid	-38 866.26	-61 872.30
Interest received	221.53	125.04
Taxes paid	-911.36	-796.50
CASH FLOW FROM OPERATIONS	**3 277 348.93**	**3 311 280.38**
INVESTMENTS		
Network construction	-6 671 165.34	-4 514 300.69
Proceeds from sales of tangible and intangible assets	6 794 488.99	1 865 856.91
CASH FLOW FROM INVESTMENTS	**123 323.65**	**-2 648 443.78**
FINANCING		
Withdrawals of long-term loans	350 639.56	430 600.75
Increase (+) or decrease(-) in short-term interest-bearing liabilities	-159 246.21	2 127 874.79
Given group subventions including interest	-3 592 065.93	-3 221 312.14
CASH FLOW FROM FINANCING	**-3 400 672.58**	**-662 836.60**
CHANGE IN CASH AND CASH EQUIVALENTS	**0.00**	**0.00**
Liquid assets 1 January	0.00	0.00
LIQUID ASSETS 31 DECEMBER	**0.00**	**0.00**
[1)] **CHANGE IN WORKING CAPITAL**		
Increase (-) or decrease(+) in non-interest-bearing receivables	659 270.45	-716 271.68
Increase (+) or decrease (-) in short-term non-interest-bearing liabilities	-973 987.45	806 239.92
	-314 717.00	89 968.24

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