

**FIRST SUPPLEMENT DATED 30 AUGUST 2017 TO  
THE PROSPECTUS DATED 30 JUNE 2017**

**ELENIA FINANCE OYJ**

*(A public limited company (Oyj) incorporated in Finland with registered number 2584057-5)*

**€3,000,000,000 Multicurrency Programme for the Issuance of Bonds unconditionally and  
irrevocably guaranteed by**

**Elenia Oy**

*(incorporated with limited liability in Finland with registered number 2445423-4)*

**Elenia Lämpö Oy**

*(incorporated with limited liability in Finland with registered number 0991064-1)*

**Elenia Palvelut Oy**

*(incorporated with limited liability in Finland with registered number 2658611-8)*

**Elenia Holdings S.à r.l.**

*(incorporated as a private limited liability company (société à responsabilité limitée) under the laws of the Grand Duchy of Luxembourg, having its registered office at 2 rue du Fossé L-1536 Luxembourg, registered with the Luxembourg register of trade and companies under number B.181773)*

**Elenia Finance (SPPS) S.à r.l.**

*(incorporated as a private limited liability company (société à responsabilité limitée) under the laws of the Grand Duchy of Luxembourg, having its registered office at 2 rue du Fossé L-1536 Luxembourg, registered with the Luxembourg register of trade and companies under number B.181775)*

**Lakeside Network Investments Holding B.V.**

*(incorporated with limited liability in The Netherlands with registered number 53150309)*

This Supplement (the **Supplement**) to the Prospectus dated 30 June 2017 (the **Prospectus**) which comprises a base prospectus constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**) and is prepared in connection with the €3,000,000,000 multicurrency programme for the issuance of bonds unconditionally and irrevocably guaranteed by Elenia Oy, Elenia Lämpö Oy, Elenia Palvelut Oy, Elenia Holdings S.à r.l., Elenia Finance (SPPS) S.à r.l. and Lakeside Network Investments Holding B.V. (each a **Guarantor**, and together the **Guarantors**) (the **Programme**) established by Elenia Finance Oyj (the **Issuer**). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus issued by the Issuer.

Each of the Issuer and each Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuer and each Guarantor (which have taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Capitalised terms used in this Supplement but not defined in this Supplement shall have the meaning given to them in the Prospectus.

## 1. EM ACT 2013 AND NATURAL GAS MARKET ACT

### 1.1 Purpose of this Supplement

The purpose of this Supplement is to update the section “*Change in Regulation or Regulator Approach of the Energy Authority (the EA)*” set out in the Prospectus, following the Parliament of Finland’s approval of certain amendments to the EM Act 2013 and the new Natural Gas Market Act (each, an **Amendment** and together the **Amendments**) on 26 June 2017 and the President of Finland’s signing of the Amendments on 25 August 2017. The Amendment to the EM Act 2013 will take effect as Finnish law on 1 September 2017 and the Amendment to the Natural Gas Market Act on 1 January 2018.

For the reasons set out below, Elenia Networks is of the opinion that the approval of the Amendments are significant new factors which require the publication of this Supplement.

- (a) The Amendments will restrict the ability of distribution system operators, including Elenia Networks, from increasing their electricity distribution tariffs by more than an aggregate of 15% (on tariffs after taxes) in any rolling 12 month period.
- (b) The Amendment to the Natural Gas Market Act will gradually, and by 2020, open the Finnish natural gas market for competition. A small portion of Elenia Heat's business includes the sale and distribution of natural gas through its distribution network. Prior to the Amendment to the Natural Gas Market Act, the Finnish natural gas market was only partly deregulated as the European Union “Third Energy Package” allowed Finland to apply an exemption for an isolated natural gas market. Pursuant to the Amendment to the Natural Gas Market Act, this exemption will be removed.
- (c) Under the EM Act 2013, distribution system operators, including Elenia Networks, must prepare contingency plans in order to minimise disruption caused by ordinary and extraordinary disturbances. Under the Amendment to the EM Act 2013, the frequency of updating the contingency plans will be changed from two years to three years and contingency plans will be submitted to the EA instead of the NESAs.

### 1.2 Updates to the Prospectus

As a result of the Amendments being enacted, the following sections need to be updated:

- (a) the section “*Change in Regulation or Regulator Approach of the Energy Authority (the EA)*” in the Prospectus needs to be updated with the information below:

Following the Parliament of Finland’s approval of the amendment to the EM Act 2013 and the new Natural Gas Market Act (each, an **Amendment** and together, the **Amendments**) on 26 June 2017 and the President of Finland’s signing of the Amendments on 25 August 2017, the Amendment to the EM Act 2013 will take effect as Finnish law on 1 September 2017 and the Amendment to the Natural Gas Market Act on 1 January 2018.

As stated in “*Change in Regulation or Regulator Approach of the Energy Authority (the EA)*”, this change in regulation could have an adverse effect on Elenia Networks' ability to generate a return on its assets or on the costs of complying with such regulation and therefore could have an adverse impact on its financial position generally, which may impact the ability of the Issuer to meet its payment obligations under the Bonds.

- (b) the section “*Principles of Electricity Distribution Regulation*” needs to be updated with the information below:

Following the Parliament of Finland's approval of the Amendment to the EM Act 2013, the frequency of updating the contingency plans will be changed from two years to three years and contingency plans will be submitted to the EA instead of the NESAs.

- (c) the section "*Amendment of the EM Act 2013 as a result of tariff increases in 2016*" under the heading "*Recent Regulatory Developments - Implementation of the Directive on Energy Efficiency*" in the Prospectus needs to be updated with the information below:

As stated in "*Change in Regulation or Regulator Approach of the Energy Authority (the EA)*", the Amendment to the EM Act 2013 will take effect as Finnish law on 1 September 2017.

- (d) the section "*Natural Gas*" under the heading "*Recent Regulatory Developments – Implementation of the Directive on Energy Efficiency*" needs to be updated with the information below:

Following the Parliament of Finland's approval of the Amendment to the Natural Gas Market Act, as stated in "*Change in Regulation or Regulator Approach of the Energy Authority (the EA)*", the Finnish natural gas market will gradually, and by 2020, be opened for competition and the previous exemption under the European Union "Third Energy Package" for an isolated natural gas market will thus be removed.

## **2. CONSOLIDATED EBITDA MARGIN OF THE ELENIA GROUP (2016)**

### **2.1 Purpose of this Supplement**

The purpose of this Supplement is also to update the section "*Selected Financial Overview*" set out in the Prospectus, which incorrectly states that the Consolidated EBITDA margin of the Elenia Group for the year ended 2016 was 53.1%. The correct Consolidated EBITDA margin is 55.3%. As stated on page 93 of the Prospectus, EBITDA is an Alternative Performance Measure under the ESMA Guidelines. The correction of the EBITDA margin does not impact the rest of the disclosure provided in relation to EBITDA figures in compliance with the ESMA Guidelines on Alternative Performance Measures (which disclosure is set out in the section "*Selected Financial Overview*").

### **2.2 Update to the Prospectus**

The section "*Selected Financial Overview*" in the Prospectus needs to be updated with the information below.

*Summary Financials of the Group (€ millions)*

	IFRS	
	2015	2016
<b>Consolidated Revenues<sup>1</sup></b>	<b>286.9</b>	<b>318.7</b>
Elenia Networks EBITDA	111.9	143.1
Elenia Heat EBITDA	23.2	25.6
<b>Consolidated EBITDA<sup>2</sup></b>	<b>152.2</b>	<b>176.3</b>
Consolidated EBITDA margin (%)	53.1	55.3

**General Information**

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement and any other supplement to the Prospectus previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus since the publication of the Prospectus.

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<sup>1</sup> Revenue plus Other Operating Income

<sup>2</sup> 2015 and 2016 Consolidated EBITDA exclude non-recurring and exceptional items. The Consolidated EBITDA for 2015 including non-recurring and exceptional items totals €135.6 million. The consolidated EBITDA for 2016 including non-recurring and exceptional items totals €168.4 million. In addition to Elenia Networks' and Elenia Heat's EBITDA, "Services", "Elimination and IFRS adjustments" and "Common Functions" as stated in the financial accounts must be taken into account in computing consolidated EBITDA of 2015 and 2016.