



Unaudited Consolidated Financial Statements of

ENERSOURCE CORPORATION

Three months ended March 31, 2016 and 2015

ENERSOURCE CORPORATION
Consolidated Statement of Financial Position
(In thousands of Canadian dollars, unaudited)
As at March 31, 2016 and December 31, 2015

	Notes	March 31, 2016	December 31, 2015
Assets			
Current assets:			
Accounts receivable	6	\$ 64,331	\$ 66,878
Unbilled revenue		72,906	78,055
Income taxes receivable		1,859	1,504
Inventories	7	5,319	5,120
Prepaid expenses		3,122	2,714
Customer deposits	8	23,619	25,297
Total current assets		171,156	179,568
Non-current assets:			
Property, plant and equipment	9	615,326	606,876
Intangible assets	10	56,451	57,348
Promissory note	11	1,675	2,068
Deferred tax assets		9,637	10,232
Total non-current assets		683,089	676,524
Total assets		\$ 854,245	\$ 856,092
Liabilities and Shareholders' Equity			
Current liabilities:			
Bank overdraft	5	\$ 1,151	\$ 3,898
Accounts payable and accrued liabilities	12	117,778	117,408
Advance payments		3,607	4,362
Customer deposits	8	23,619	25,297
Environmental provision	17	2,058	1,843
Total current liabilities		148,213	152,808
Non-current liabilities:			
Loans and borrowings	13	378,176	378,129
Deferred contributions	14	22,155	21,069
Post-employment benefits		7,572	7,465
Total non-current liabilities		407,903	406,663
Total liabilities		556,116	559,471
Shareholders' equity:			
Share capital		175,691	175,691
Accumulated other comprehensive income		442	442
Retained earnings		121,996	120,488
Total shareholders' equity		298,129	296,621
Total liabilities and shareholders' equity		\$ 854,245	\$ 856,092

The accompanying notes are an integral part of the consolidated interim financial statements.

On behalf of the Board of Directors:

_____ Director _____ Director

ENERSOURCE CORPORATION

Consolidated Statement of Comprehensive Income

(In thousands of Canadian dollars, unaudited)

For the three months ended March 31, 2016 and 2015

	Notes	March 31, 2016	March 31, 2015
Revenue:			
Energy sales	18	\$ 217,605	\$ 203,019
Distribution	18	30,529	31,237
Services		2,858	2,196
Other revenue	19	2,600	5,664
		253,592	242,116
Operating expenses:			
Energy purchases	18	219,100	197,335
Employee salaries and benefits		10,483	9,767
Materials and transportation		1,728	1,670
Contract labour		2,214	2,156
Other expenses		3,845	3,421
Conservation and demand management	19	1,613	3,094
Depreciation of property, plant and equipment	9	7,005	6,455
Amortization of intangible assets	10	1,208	895
		247,196	224,793
Results from operating activities		6,396	17,323
Non-operating revenue (expense):			
Financial income		88	189
Financial expense		(4,291)	(4,095)
Interest expense on accrued post-employment benefits		(74)	(70)
		(4,277)	(3,976)
Profit before income tax expense		2,119	13,347
Income tax expense		(611)	(3,539)
Total comprehensive income for the period		\$ 1,508	\$ 9,808

The accompanying notes are an integral part of the consolidated interim financial statements.

ENERSOURCE CORPORATION

Consolidated Statement of Cash Flows

(In thousands of Canadian dollars, unaudited)

For the three months ended March 31, 2016 and 2015

	Notes	March 31, 2016	March 31, 2015
Cash flows from operating activities:			
Comprehensive income for the period		\$ 1,508	\$ 9,808
Adjustments for:			
Depreciation of property, plant and equipment		7,005	6,455
Amortization of intangible assets		1,208	895
Amortization of deferred contributions	14	(133)	(93)
Gain on disposals of property, plant and equipment		(28)	(32)
Post-employment benefits		107	111
Environmental provision	17	382	75
Promissory note		393	-
Income tax expense		611	3,539
Financial income		(96)	(189)
Financial expense		4,223	4,095
Environmental expenditures	17	(167)	(35)
Income tax paid		(370)	(1,578)
Change in working capital	15	7,382	4,750
Net cash from operating activities		22,025	27,801
Cash flows from investing activities:			
Customer deposits		1,678	455
Interest received		239	168
Additions to property, plant and equipment		(20,192)	(13,740)
Additions to intangible assets		(348)	(633)
Additions to deferred contributions	14	1,219	401
Proceeds from sales of property, plant and equipment		33	37
Cash used in investing activities		(17,371)	(13,312)
Cash flows from financing activities:			
Customer deposits		(1,678)	(455)
Interest paid		(229)	(154)
Cash used in financing activities		(1,907)	(609)
Increase in cash and cash equivalents, during the period		2,747	13,880
Cash and cash equivalents, beginning of period		(3,898)	15,322
Cash and cash equivalents, end of period		\$ (1,151)	\$ 29,202

The accompanying notes are an integral part of the consolidated interim financial statements.

ENERSOURCE CORPORATION

Consolidated Statement of Changes in Equity

(In thousands of Canadian dollars, unaudited)

For the three months ended March 31, 2016 and 2015

	Share Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total Equity
Balance at January 1, 2016	\$ 175,691	\$ 442	\$ 120,488	\$ 296,621
Comprehensive income for the period	-	-	1,508	1,508
Balance at March 31, 2016	\$ 175,691	\$ 442	\$ 121,996	\$ 298,129

Balance at January 1, 2015	\$ 175,691	\$ 446	\$ 116,261	\$ 292,398
Comprehensive income for the period	-	-	9,808	9,808
Balance at March 31, 2015	\$ 175,691	\$ 446	\$ 126,069	\$ 302,206

The accompanying notes are an integral part of the consolidated interim financial statements.