

Management's responsibility for financial reporting

The accompanying consolidated financial statements of Just Energy Group Inc. and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The consolidated financial statements include some amounts that are based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information presented elsewhere in this annual report has been prepared on a consistent basis with that in the consolidated financial statements.

Just Energy Group Inc. maintains systems of internal accounting and administrative controls. These systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Company assets are properly accounted for and adequately safeguarded.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board of Directors and is composed entirely of non-management directors. The Audit Committee meets periodically with management and the external auditors, to discuss auditing, internal controls, accounting policy and financial reporting matters. The committee reviews the consolidated financial statements with both management and the external auditors and reports its findings to the Board of Directors before such statements are approved by the Board.

The consolidated financial statements have been audited by Ernst & Young LLP, the external auditors, in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) on behalf of the shareholders. The external auditors have full and free access to the Audit Committee, with and without the presence of management, to discuss their audit and their findings as to the integrity of the financial reporting and the effectiveness of the system of internal controls.

On behalf of Just Energy Group Inc.



James Lewis
President and Co-Chief
Executive Officer

Toronto, Canada
May 14, 2014



Deborah Merrill
President and Co-Chief
Executive Officer



Beth Summers
Chief Financial Officer

Management's report on internal control over financial reporting

The management of Just Energy Group Inc. ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting, and have designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Management has used the Internal Control – Integrated Framework to evaluate the effectiveness of internal control over financial reporting, which is a recognized and suitable framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (COSO). Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has evaluated the design and operation of the Company's internal control over financial reporting as of March 31, 2014, and has concluded that such internal control over financial reporting is effective.

Ernst & Young LLP, the independent auditors appointed by the shareholders of the Company who have audited the consolidated financial statements, have also audited internal control over financial reporting and have issued their report on the following page of this annual report.



James Lewis
President and Co-Chief
Executive Officer



Deborah Merrill
President and Co-Chief
Executive Officer



Beth Summers
Chief Financial Officer

Toronto, Canada
May 14, 2014

Independent auditors' report of registered public accounting firm

To the Shareholders of Just Energy Group Inc.

We have audited Just Energy Group Inc.'s internal control over financial reporting as of March 31, 2014, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework) (the "COSO criteria"). Just Energy Group Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying management certification report on internal control over financial reporting. Our responsibility is to express an opinion on Just Energy Group Inc.'s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Just Energy Group Inc. maintained, in all material respects, effective internal control over financial reporting as of March 31, 2014, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Just Energy Group Inc. as at March 31, 2014 and 2013, and the consolidated statements of income, comprehensive income, shareholders' deficit and cash flows for the years ended March 31, 2014 and 2013, and our report dated May 14, 2014 expressed an unqualified opinion thereon.

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Canada
May 14, 2014

Independent auditors' report of registered public accounting firm

To the Shareholders of Just Energy Group Inc.

We have audited the accompanying consolidated financial statements of Just Energy Group Inc., which comprise the consolidated statements of financial position as at March 31, 2014 and 2013, the consolidated statements of income, comprehensive income, shareholders' deficit and cash flows for the years ended March 31, 2014 and 2013, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Just Energy Group Inc. as at March 31, 2014 and 2013, and its financial performance and its cash flows for the years ended March 31, 2014 and 2013, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

OTHER MATTER

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Just Energy Group Inc.'s internal control over financial reporting as of March 31, 2014, based on the criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (1992 framework), and our report dated May 14, 2014, expressed an unqualified opinion on Just Energy Group Inc.'s internal control over financial reporting.

Ernst & Young LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Canada
May 14, 2014

Consolidated statements of financial position

As at March 31 (in thousands of Canadian dollars)

	Notes	2014	2013
ASSETS			
Non-current assets			
Property, plant and equipment	5	\$ 176,720	\$ 258,003
Intangible assets	6	404,928	447,333
Contract initiation costs		75,731	58,446
Other non-current financial assets	13	31,696	31,305
Non-current receivables		11,175	11,046
Investments	11	9,224	9,000
Deferred tax asset	18	1,676	24,858
		711,150	839,991
Current assets			
Inventory	8	9,205	6,073
Gas delivered in excess of consumption		7	5,224
Gas in storage		2,387	11,051
Current trade and other receivables		426,971	315,551
Accrued gas receivables		48,634	33,989
Unbilled revenues		170,661	129,166
Prepaid expenses and deposits		21,699	15,874
Other current financial assets	13	103,502	33,005
Corporate tax recoverable		9,754	9,761
Restricted cash	7	12,017	13,320
Cash and cash equivalents		20,401	38,498
		825,238	611,512
Assets classified as held for sale	10	106,262	77,439
		931,500	688,951
TOTAL ASSETS		\$ 1,642,650	\$ 1,528,942
DEFICIT AND LIABILITIES			
Deficit attributable to equity holders of the parent			
Deficit		\$ (1,294,987)	\$ (1,300,280)
Accumulated other comprehensive income	14	71,997	47,155
Shareholders' capital	15	1,033,557	1,018,082
Equity component of convertible debentures		25,795	25,795
Contributed surplus		65,569	70,893
Shareholders' deficit		(98,069)	(138,355)
Non-controlling interest	12	6,427	(702)
TOTAL DEFICIT		(91,642)	(139,057)
Non-current liabilities			
Long-term debt	17	930,027	795,224
Provisions	19	3,760	3,773
Deferred lease inducements		813	1,044
Other non-current financial liabilities	13	56,297	85,380
Deferred tax liability	18	32,935	31,327
		1,023,832	916,748
Current liabilities			
Trade and other payables		485,471	301,820
Accrued gas payable		34,589	28,476
Deferred revenue		82	13,017
Income taxes payable		6,280	5,143
Current portion of long-term debt	17	51,999	162,474
Provisions	19	3,052	3,063
Other current financial liabilities	13	77,135	159,819
		658,608	673,812
Liabilities relating to assets classified as held for sale	10	51,852	77,439
		710,460	751,251
TOTAL LIABILITIES		1,734,292	1,667,999
TOTAL DEFICIT AND LIABILITIES		\$ 1,642,650	\$ 1,528,942

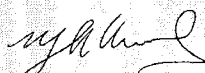
Commitments and Guarantees (Note 28)

See accompanying notes to the consolidated financial statements

Approved on behalf of Just Energy Group Inc.



Rebecca MacDonald
Executive Chair



Michael Kirby
Corporate Director

Consolidated statements of income

For the years ended March 31

(in thousands of Canadian dollars, except where indicated and per share amounts)

	Notes	2014	2013
CONTINUING OPERATIONS			
SALES	21	\$ 3,611,058	\$ 3,011,178
COST OF SALES	20(b)	3,045,459	2,487,074
GROSS MARGIN		565,599	524,104
EXPENSES			
Administrative expenses		139,359	137,333
Selling and marketing expenses		200,004	220,499
Other operating expenses	20(a)	105,898	133,555
		445,261	491,387
Operating profit before the following		120,338	32,717
Finance costs	17	(90,769)	(74,000)
Change in fair value of derivative instruments	13	186,142	719,575
Other income		2,921	4,005
Income before income taxes		218,632	682,297
Provision for income taxes	18	52,440	86,385
PROFIT FROM CONTINUING OPERATIONS		\$ 166,192	\$ 595,912
DISCONTINUED OPERATIONS			
Loss from discontinued operations	10	(29,251)	(71,289)
PROFIT FOR THE YEAR		\$ 136,941	\$ 524,623
Attributable to:			
Shareholders of Just Energy		\$ 135,907	\$ 530,308
Non-controlling interest	12	1,034	(5,685)
PROFIT FOR THE YEAR		\$ 136,941	\$ 524,623
Earnings per share from continuing operations	23		
Basic		\$ 1.16	\$ 4.26
Diluted		\$ 1.12	\$ 3.65
Loss per share from discontinued operations			
Basic		\$ (0.17)	\$ (0.50)
Diluted		\$ (0.17)	\$ (0.50)
Earnings per share available to shareholders			
Basic	23	\$ 0.95	\$ 3.79
Diluted		\$ 0.94	\$ 3.27

See accompanying notes to the consolidated financial statements

Consolidated statements of comprehensive income

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2014	2013
Profit for the year		\$ 136,941	\$ 524,623
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years:			
	14		
Unrealized gain on translation of foreign operations from continuing operations		27,287	3,232
Unrealized gain on translation of foreign operations from discontinued operations		2,556	75
Amortization of deferred unrealized gain on discontinued hedges, net of income taxes of \$207 (2013 – \$5,479)		(5,001)	(26,445)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent years, net of tax		24,842	(23,138)
Total comprehensive income for the year, net of tax		\$ 161,783	\$ 501,485
Total comprehensive income attributable to:			
Shareholders of Just Energy		\$ 160,749	\$ 507,170
Non-controlling interest		1,034	(5,685)
Total comprehensive income for the year, net of tax		\$ 161,783	\$ 501,485

See accompanying notes to the consolidated financial statements

Consolidated statements of changes in shareholders' deficit

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2014	2013
ATTRIBUTABLE TO THE SHAREHOLDERS			
Accumulated earnings			
Accumulated earnings, beginning of year		\$ 87,496	\$ (442,812)
Loss on acquisition of non-controlling interest		(7,185)	—
Profit for the year, attributable to shareholders		135,907	530,308
Accumulated earnings, end of year		216,218	87,496
DIVIDENDS			
Dividends, beginning of year		(1,387,776)	(1,209,376)
Dividends	27	(123,429)	(178,400)
Dividends, end of year		(1,511,205)	(1,387,776)
DEFICIT		\$ (1,294,987)	\$ (1,300,280)
ACCUMULATED OTHER COMPREHENSIVE INCOME			
Accumulated other comprehensive income, beginning of year	14	\$ 47,155	\$ 70,293
Other comprehensive income (loss)		24,842	(23,138)
Accumulated other comprehensive income, end of year		\$ 71,997	\$ 47,155
SHAREHOLDERS' CAPITAL			
Shareholders' capital, beginning of year	15	\$ 1,018,082	\$ 993,181
Share-based compensation awards exercised		7,240	3,320
Shares issued (cancelled)		—	7
Dividend reinvestment plan		8,235	21,574
Shareholders' capital, end of year		\$ 1,033,557	\$ 1,018,082
EQUITY COMPONENT OF CONVERTIBLE DEBENTURES			
Balance, beginning of year		\$ 25,795	\$ 25,795
Balance, end of year		\$ 25,795	\$ 25,795
CONTRIBUTED SURPLUS			
Balance, beginning of year		\$ 70,893	\$ 62,147
Add: Share-based compensation awards	20(a)	1,796	11,952
Non-cash deferred share grant distributions		120	114
Less: Share-based compensation awards exercised		(7,240)	(3,320)
Balance, end of year		\$ 65,569	\$ 70,893
NON-CONTROLLING INTEREST			
Balance, beginning of year	12	\$ (702)	\$ (637)
Investment by non-controlling shareholders		11,063	6,147
Distributions to non-controlling shareholders		(6,144)	—
Foreign exchange impact on non-controlling interest		1,176	(527)
Income (loss) attributable to non-controlling interest		1,034	(5,685)
Balance, end of year		\$ 6,427	\$ (702)
TOTAL DEFICIT		\$ (91,642)	\$ (139,057)

See accompanying notes to the consolidated financial statements

Consolidated statements of cash flows

For the years ended March 31 (in thousands of Canadian dollars)

	Notes	2014	2013
Net outflow of cash related to the following activities			
OPERATING			
Income from continuing operations before income taxes		\$ 218,632	\$ 682,297
Items not affecting cash			
Amortization of intangible assets and related supply contracts	20(a)	52,510	86,328
Amortization of contract initiation costs		20,622	17,439
Amortization of property, plant and equipment	20(a)	4,431	4,425
Amortization included in cost of sales	20(b)	13,136	9,193
Share-based compensation	20(a)	1,796	11,952
Financing charges, non-cash portion		14,271	10,534
Other		(242)	(541)
Change in fair value of derivative instruments		(186,142)	(719,575)
Cash inflow from operating activities of discontinued operations		(4,191)	8,612
		(83,809)	(571,633)
Adjustment required to reflect net cash receipts from gas sales	29	(6,186)	(4,536)
Changes in non-cash working capital	30	38,726	(9,769)
		167,363	96,359
Income tax paid		(1,965)	(3,238)
Cash inflow from operating activities		165,398	93,121
INVESTING			
Purchase of property, plant and equipment		(35,540)	(38,370)
Purchase of intangible assets		(8,089)	(14,563)
Advances of long-term receivables		(129)	(4,571)
Investments		—	(8,942)
Acquisition of minority interest		(7,185)	(1,551)
Contract initiation costs		(37,304)	(31,090)
Cash flows used in investing activities of discontinued operations		(24,996)	(63,756)
Cash outflow from investing activities		(113,243)	(162,843)
FINANCING			
Dividends paid		(115,072)	(156,651)
Shares issued for cash		—	7
Issuance of long-term debt		653,928	471,719
Repayment of long-term debt		(611,154)	(277,620)
Restricted cash		2,178	699
Debt issuance costs		(11,245)	(7,599)
Investment made by minority shareholder		—	5,032
Cash flows provided by financing activities of discontinued operations		21,131	22,265
Distributions to minority shareholder		(6,143)	—
Cash inflow (outflow) from financing activities		(66,377)	57,852
Effect of foreign currency translation on cash balances		1,276	(2,690)
Net cash outflow		(12,946)	(14,560)
Cash and cash equivalents reclassified to assets held for sale		(5,151)	(162)
Cash and cash equivalents, beginning of year		38,498	53,220
Cash and cash equivalents, end of year		\$ 20,401	\$ 38,498
Supplemental cash flow information:			
Interest paid		\$ 78,500	\$ 66,500

See accompanying notes to the consolidated financial statements

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Case No(s). 12-2488-GA-CRS

Summary: Application Renewal Certification Application Competitive Retail Natural Gas Suppliers - PART VIII electronically filed by Mr. Stephen M Howard on behalf of Hudson Energy Services, LLC