

# Report on the year ended December 31, 2014 for CE Energy, a.s.

- ✓ Consolidated EBITDA reached EUR 381<sup>1</sup> million
- ✓ Consolidated pro forma adjusted EBITDA for the last twelve months EUR 393<sup>1</sup> million
- ✓ Indicative Net Consolidated Leverage Ratio amounted to 4.07x<sup>1</sup>
- ✓ In March 2015, Moody's issued an update on CE Energy's rating: Corporate Family Rating – Ba2 with outlook stable

CE Energy, a.s. (also "Company" or "CE Energy" or "Group" or "CEE" or "CEE Group") is a vertically integrated energy utility that includes 87 companies. In January 2014 CE Energy acquired a 100% share in EP Energy, a.s. (also "EP Energy" or "EPE" or "EPE Group"), which was the leading heat supplier in the Czech Republic, the second largest power generator in the Czech Republic and the third largest mining company in Germany. The Group benefits from relatively low exposure to market developments, as a significant majority of EBITDA is generated by regulated assets or assets with long term off take contracts. The Group's key operations are located in the Czech Republic, in the Slovak Republic and in Germany.

<sup>1</sup> Stredoslovenská energetika (also "SSE") included on a proportionate basis

## KEY FIGURES AT A GLANCE

### Consolidated financial results in EUR millions

	FY 2013	FY 2014
Total sales	1,870.7	2,397.4
EBITDA <sup>1</sup>	380.2 <sup>14</sup>	454.3
EBITDA incl. SSE on a proportionate basis <sup>2</sup>	370.5 <sup>14</sup>	380.5
Pro forma Adjusted EBITDA (last twelve months) <sup>3</sup>	492.8 <sup>14</sup>	466.5
Pro forma Adjusted EBITDA incl. SSE on a proportionate basis (last twelve months) <sup>4</sup>	422.2 <sup>14</sup>	392.7
Total net debt per financial statements <sup>5</sup>	1,492.0	1,651.6
Total net debt per financial statements incl. SSE on a proportionate basis <sup>6</sup>	1,490.4	1,646.7
Indicative CE Energy Net Consolidated Leverage Ratio (incl. SSE on a prop. basis) <sup>7</sup>		4.07x
Profit from operations	158.4	156.4
Profit or loss before tax	144.0	39.3
Net profit or loss attributable to CEE	113.0	(26.3)
Total assets	4,502.0	4,205.1
CAPEX <sup>8</sup>	98.8	133.7

### Physical units (CEE excluding SSE)

	FY 2013	FY 2014
Coal production ..... Mt	19.1	20.9
Installed <i>cogeneration</i> Capacity <sup>9</sup> ... MW <sub>e</sub>	500	500
Installed <i>condensation</i> Capacity <sup>9,13</sup> MW <sub>e</sub>	750	750
Installed heat capacity <sup>9,12</sup> ..... MW <sub>th</sub>	3,195	3,195
Heat supplied <sup>9,10</sup> ..... TJ <sup>11</sup>	18,875	15,594
Power produced <sup>9</sup> ..... GWh	2,980	5,413
Power traded <sup>9</sup> ..... GWh	13,197	16,405
Power supplied <sup>9</sup> ..... GWh	2,077	2,012
Natural gas supplied <sup>9</sup> ..... GWh	2,106	3,203
Saale Energie - Installed capacity .. MW <sub>e</sub>	400	400

### Physical units SSE

	FY 2013	FY 2014
Power distributed ..... GWh	5,912	5,839
Power traded ..... GWh	5,166	5,706
Power supplied ..... GWh	4,414	4,321
Natural gas supplied ..... GWh	104	223
Power produced ..... GWh	19	19
Installed capacity ..... MW <sub>e</sub>	62	63

(1) EBITDA represents profit from operations plus depreciation of property, plant and equipment and amortization of intangible assets minus negative goodwill (if applicable) with the SSE EBITDA included on a fully consolidated basis (i.e. EUR 144.7 million for the year ended December 31, 2014 and EUR 19.1 million for the year ended December 31, 2013). The EBITDA included in this report does not represent the term EBITDA as may be defined by any documentation for any financial liabilities of the CEE Group. For further discussion over the CEE Group performance refer to the following pages and to the Report on the year ended December 31, 2014 for EP Energy, a.s.

(2) EBITDA incl. SSE on a proportionate basis represents profit from operations plus depreciation of property, plant and equipment and amortization of intangible assets minus negative goodwill (if applicable) with the SSE EBITDA included on the proportionate 49% basis (i.e. EUR 70.9 million for the year ended December 31, 2014 and EUR 9.4 million for the year ended December 31, 2013). The EBITDA incl. SSE on a proportionate basis included in this report does not represent the term EBITDA as may be defined by any documentation for any financial liabilities of the CEE Group. For further discussion over the CEE Group performance refer to the following pages and to the Report on the year ended December 31, 2014 for EP Energy, a.s.

(3) Pro forma Adjusted EBITDA (last twelve months) calculation in EUR millions:

Actual IFRS EBITDA for the period Jan – Dec 2014	454.3
Pro forma EP Cargo scope adjustment for the period Jan – July 2014	1.9
Saale Energie adjustment	10.3
<b>Pro forma Adjusted EBITDA (last twelve months)</b>	<b>466.5</b>

To derive Pro forma Adjusted EBITDA for the year ended December 31, 2014, IFRS consolidated statement of comprehensive income of CEE Energy, a.s. for the year ended December 31, 2014 was utilised (EBITDA of EUR 454.3 million).

The historical financial information of the CEE Group have been further adjusted to reflect a consolidation of a 60% share in EP Cargo using the full method of consolidation as if EP Cargo was acquired effectively on January 1, 2014. Pro forma adjustment in the amount of EUR 1.9 million is related to the period Jan – July 2014.

Pro forma Adjusted EBITDA (last twelve months) represents pro forma profit from operations plus pro forma depreciation of property, plant and equipment and pro forma amortization of intangible assets minus pro forma negative goodwill (if applicable) with the SSE EBITDA included on a fully consolidated basis, further adjusted to exclude the items related to Saale Energie, which lead to an EUR 10.3 million decrease to EBITDA in the year ended December 31, 2014, which, due to the accounting treatment of the specific contractual arrangement with Schkopau (an associate of Saale Energie), are charged to operating costs of Saale Energie but relate to entries that would otherwise not be included in EBITDA.

For information purposes only, a 51% share of non-controlling interest of Stredoslovenská energetika, a.s. and its subsidiaries on the Pro forma Adjusted EBITDA amounted to EUR 73.8 million in the year ended December 31, 2014.

The Pro forma Adjusted EBITDA included in this report does not represent the term EBITDA as may be defined by any documentation for any financial liabilities of the CEE Group. For further discussion over the CEE Group performance refer to the Report on the year ended December 31, 2014 for EP Energy, a.s.

(4) Pro forma Adjusted EBITDA incl. SSE on a proportionate basis (last twelve months) represents Pro forma Adjusted EBITDA (last twelve months) further adjusted to exclude a non-controlling interest of 51% of SSE EBITDA (i.e. EUR 73.8 million).

The Pro forma Adjusted EBITDA incl. SSE on a proportionate basis included in this report does not represent the term EBITDA as may be defined by any documentation for any financial liabilities of the CEE Group. For further discussion over the CEE Group performance refer the Report on the year ended December 31, 2014 for EP Energy, a.s.

(5) Total net debt balance is based on the consolidated financial statements (Total Loans and borrowings plus Total Financial instruments and financial liabilities less Cash and cash equivalents), but excludes the subordinated loans and borrowings to Energetický a průmyslový holding, a.s. (also "EPH") of EUR 260.0 million and the liabilities towards Pražská teplárenská Holding a.s. (also "PTH") of EUR 12.7 million (2013: EUR 140.1 million). In 2013, the Total net debt balance excludes a portion of cash totalling EUR 15.2 million, which is reserved for use in connection with Helmstedter Review GmbH's (also „HSR“) pension liabilities. The Total net debt included in this report does not represent the term Indebtedness as may be defined by any documentation for any financial liabilities of the CEE or EPE Group.

#### Net Debt calculation (in EUR millions)

		FY 2013	FY 2014
Loans and borrowings (non-current)	<i>add</i>	1,513.8	1,760.4
Financial instruments and financial liabilities (non-current)	<i>add</i>	1.7	0.7
Loans and borrowings (current)	<i>add</i>	384.1	400.8
Financial instruments and financial liabilities (current)	<i>add</i>	5.6	0.8
PTH liability	<i>less</i>	140.1	12.7
Subordinated loan to EPH	<i>less</i>	-	260.0
Cash and cash equivalents	<i>less</i>	288.3	238.4
HSR cash reserved for pension liabilities	<i>add</i>	15.2	-
<b>Net Debt</b>		<b>1,492.0</b>	<b>1,651.6</b>

(6) Total net debt incl. SSE on a proportionate basis is represented by the Total net debt as defined above less a portion of net debt totalling EUR 4.9 million (2013: EUR 1.6 million) belonging to a minority shareholder of Stredoslovenská energetika, a.s. The Total net debt incl. SSE on a proportionate basis included in this report does not represent the term Indebtedness as may be defined by any documentation for any financial liabilities of the CEE or EPE Group.

(7) We include in this report the calculation as of December 31, 2014 of our "Net Consolidated Leverage Ratio", as defined in the CE Energy Indenture. The calculation of our Net Consolidated Leverage Ratio differs from any leverage ratio included in the offering memoranda for the senior notes or otherwise included herein, and consistent with the definition, is made on the basis of certain good faith judgments made by us.

(8) Excluding emission allowances

(9) The operating data is based on the results of the respective entities on a 100% basis for the full period, regardless of the date when each entity joined the CEE Group or the ownership share of the

CEE Group in each entity. Nevertheless, operating data for MIBRAG and Saale Energie are excluded. 2013 data for Helmstedter Revier GmbH (acquired on December 31, 2013) includes only Installed capacity.

(10) Represented by Elektrárny Opatovice, a.s. (also "EOP"), Severočeská teplárenská, a.s. (also "ST"), Plzeňská energetika a.s. (also "PE") and Pražská teplárenská a.s. (also "PT").

(11) 1 TJ = 0.2778 GWh

(12) Installed heat capacity on heat exchangers.

(13) Installed condensation capacity in 2013 and 2014 includes 390 MW<sub>e</sub> related to Helmstedter Revier GmbH in addition to 360 MW<sub>e</sub> for EOP, PE, PT and United Energy.

(14) Restated: Fair value of derivatives where the underlying asset is a commodity (trading derivatives) is presented as part of Total sales instead of being recognised as profit or loss from financial operations since January 1, 2014 as described in the Notes to the consolidated financial statements of EP Energy, a.s. as of and for the year ended December 31, 2014. Data for year ended December 31, 2013 were restated with impact of negative EUR 3.2 million on Total sales, Profit/(loss) from operations and EBITDA and Pro forma adjusted EBITDA.

For additional information please also refer to the Report on the year ended December 31, 2014 for EP Energy, a.s. which forms a part of the complete set of this report.

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## **Attachments:**

EP Energy, a.s. – Audited consolidated financial statements as of and for year ended December 31, 2014 are presented in a separate file as an attachment to this report

EP Energy, a.s. – Report on the year ended December 31, 2014 for EP Energy, a.s. is presented in a separate file as an attachment to this report

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Dear investors, customers and partners,

The 2014 Pro forma Adjusted EBITDA with SSE on a proportionate basis reached EUR 393 million, approximately 7% lower compared to 2013.

Our business operations, particularly in Power and Heat segment, were negatively influenced by unusually warm weather during 2014 and, to a lesser extent, by declining power prices and lower allocation of free emission allowances.

Our 2014 EBITDA and cash flows were influenced predominantly by the following:

- Day-degrees (metrics representing weather pattern, difference between reference indoor and actual outdoor temperature integrated over the period; the primary determinant of space heating needs) were in 2014 in the areas we operate almost 21% lower compared to 2013. However, due to decoupled capacity and energy pricing that we use in our key operations, the impact of the temperature was rendered below-proportional.
- Further, even though we primarily rely within our Heat and Power segment on heat generation, continuously weakening power prices, together with lower electricity consumption (again due to the warm weather) and lower allocation of free emission allowances, negatively influenced our results.
- Cash flow results of Stredoslovenská energetika were adversely impacted by the time-shifted reimbursement of regulatory charges relating to green energy subsidies to renewable energy producers in the central Slovakia region (paid by SSE and later reimbursed by system operator). The adverse financial effect incurred in 2014 will be, according to the legislation, compensated in two years' time at the latest. Nevertheless we are in intense negotiations with the regulator seeking earlier compensation and have been already partial successful.
- Foreign exchange rate intervention executed by the Czech National Bank in November 2013 resulting in EUR/CZK spot rate deterioration by approximately 6% leads to lower translation of operating results denominated in CZK (primarily heating revenues) to EUR denominated EBITDA figures. Following the Czech National Bank's statements, we believe, that the foreign exchange rate change is temporary and should be reversing in future.

To cope with declining power prices and short-term higher capex requirements related to IED compliance and modernization of EOP, we have launched savings and optimizations program with the first impacts already materialized in 2014 and aiming at full impact up to EUR 20 million in savings when fully deployed (a combination of CAPEX and EBITDA savings).

On behalf of the Board of Directors, I would like to thank you for your ongoing support as we strive to implement our business strategies in the future.

Yours faithfully,



Pavel Horský  
Member of the Board

# Financial condition and results of operations of the CEE Group as of and for the year ended December 31, 2014

## Consolidated statement of comprehensive income

For the year ended December 31, 2014

In thousands of EUR ("TEUR")

	2014	2013
Sales: Energy	2,266,647	1,779,206
<i>of which: Electricity</i>	<i>1,493,903</i>	<i>982,596</i>
Heat	271,329	321,141
Coal	295,870	281,569
Gas	205,545	193,900
Sales: Other	117,486	94,735
Gain (loss) from commodity derivatives for trading with electricity and gas, net	13,217	(3,222)
<b>Total sales</b>	<b>2,397,350</b>	<b>1,870,719</b>
Cost of sales: Energy	(1,512,937)	(1,155,177)
Cost of sales: Other	(50,402)	(25,485)
<b>Total cost of sales</b>	<b>(1,563,339)</b>	<b>(1,180,662)</b>
	<b>834,011</b>	<b>690,057</b>
Personnel expenses	(259,551)	(184,246)
Depreciation and amortisation	(297,883)	(239,662)
Repairs and maintenance	(12,652)	(12,184)
Emission rights, net	(20,306)	(32,616)
Negative goodwill	-	17,800
Taxes and charges	(13,590)	(11,648)
Other operating income	71,237	80,990
Other operating expenses	(144,869)	(150,105)
<b>Profit (loss) from operations</b>	<b>156,397</b>	<b>158,386</b>
Finance income	53,329	88,321
Finance expense	(170,341)	(97,707)
Profit (loss) from derivative financial instruments	704	1,057
<b>Net finance income (expense)</b>	<b>(116,308)</b>	<b>(8,329)</b>
Share of profit (loss) of equity accounted investees, net of tax	(830)	(5,377)
Gain (loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates	-	(668)
<b>Profit (loss) before income tax</b>	<b>39,259</b>	<b>144,012</b>
Income tax revenues (expenses)	(35,936)	(21,245)
<b>Profit (loss) for the year</b>	<b>3,323</b>	<b>122,767</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences for foreign operations	9,089	21,390
Foreign currency translation differences for presentation currency	(3,493)	(100,719)
Fair value reserve included in other comprehensive income	(9,919)	(219)
Effective portion of changes in fair value of cash flow hedges, net of tax	(5,484)	(80,738)
<b>Other comprehensive income for the year, net of tax</b>	<b>(9,807)</b>	<b>(160,286)</b>
<b>Total comprehensive income for the year</b>	<b>(6,484)</b>	<b>(37,519)</b>
<b>Profit (loss) attributable to:</b>		
Owners of the Company	(26,256)	113,026
Non-controlling interest	29,579	9,741
<b>Profit (loss) for the year</b>	<b>3,323</b>	<b>122,767</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	(30,343)	(37,774)
Non-controlling interest	23,859	255
<b>Total comprehensive income for the year</b>	<b>(6,484)</b>	<b>(37,519)</b>



## Consolidated statement of financial position

As of December 31, 2014

In thousands of EUR ("TEUR")

	2014	2013
<b>Assets</b>		
Property, plant and equipment	2,245,936	2,433,472
Intangible assets	154,996	186,685
Goodwill	96,241	92,545
Investment property	-	324
Participations with significant influence	127,376	260,800
Financial instruments and other financial assets	337,248	274,406
<i>of which receivables from the parent company</i>	<i>280,096</i>	<i>261,285</i>
Trade receivables and other assets	28,999	29,333
Deferred tax assets	9,627	8,014
<b>Total non-current assets</b>	<b>3,000,423</b>	<b>3,285,579</b>
Inventories	77,022	69,992
Extracted minerals and mineral products	7,926	6,136
Trade receivables and other assets	338,959	318,290
Financial instruments and other financial assets	491,959	516,842
<i>of which receivables from the parent company</i>	<i>486,141</i>	<i>467,104</i>
Prepayments and other deferrals	2,803	3,345
Tax receivables	21,448	13,406
Cash and cash equivalents	238,387	288,321
Assets/disposal groups held for sale	26,131	49
<b>Total current assets</b>	<b>1,204,635</b>	<b>1,216,381</b>
<b>Total assets</b>	<b>4,205,058</b>	<b>4,501,960</b>
<b>Equity</b>		
Share capital	78	78
Reserves	(311,368)	529,657
Retained earnings	494,598	445,433
<b>Total equity attributable to equity holders</b>	<b>183,308</b>	<b>975,168</b>
Non-controlling interest	462,175	480,186
<b>Total equity</b>	<b>645,483</b>	<b>1,455,354</b>
<b>Liabilities</b>		
Loans and borrowings	1,760,444	1,513,784
<i>of which owed to the parent company</i>	<i>-</i>	<i>-</i>
Financial instruments and other financial liabilities	680	1,649
Provisions	360,247	339,219
Deferred income	63,996	39,898
Deferred tax liabilities	242,325	269,463
Trade payables and other liabilities	71,951	76,679
<b>Total non-current liabilities</b>	<b>2,499,643</b>	<b>2,240,692</b>
Trade payables and other liabilities	350,993	384,094
Loans and borrowings	400,791	312,491
<i>of which owed to the parent company</i>	<i>262,435</i>	<i>2,287</i>
Liabilities from returned capital contribution	194,268	-
<i>of which owed to the parent company</i>	<i>194,268</i>	<i>-</i>
Financial instruments and other financial liabilities	830	5,587
Provisions	83,248	93,726
Deferred income	4,015	2,124
Current income tax liability	9,372	7,892
Liabilities from disposal groups held for sale	16,415	-
<b>Total current liabilities</b>	<b>1,059,932</b>	<b>805,914</b>
<b>Total liabilities</b>	<b>3,559,575</b>	<b>3,046,606</b>
<b>Total equity and liabilities</b>	<b>4,205,058</b>	<b>4,501,960</b>

## Consolidated statement of cash flows

For the year ended December 31, 2014

In thousands of EUR ("TEUR")

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Profit (loss) for the year	3,323	122,767
<i>Adjustments for:</i>		
Income taxes	35,936	21,245
Depreciation and amortisation	297,883	239,662
Dividend income	(1,165)	-
Impairment losses on property, plant and equipment and intangible assets	855	20,471
Change in fair value of investment property	-	11
Loss on disposal of property, plant and equipment, investment property and intangible assets	1,361	4,183
(Gain) on disposal of inventories	(178)	(370)
Emission rights	20,306	32,616
(Gain) on disposal of subsidiaries, special purpose entities, joint-ventures, associates and non-controlling interests	-	668
Share of (profit) loss of equity accounted investees	830	5,377
(Gain) loss on financial instruments	(704)	2,165
Net interest expense	121,976	64,660
Change in allowance for impairment to trade receivables and other assets, write-offs	3,545	11,665
Change in provisions	(1,190)	(10,342)
Negative goodwill	-	(17,800)
Unrealised foreign exchange (gains) losses, net	15,473	17,554
<b>Operating profit before changes in working capital</b>	<b>498,251</b>	<b>514,532</b>
Change in financial instruments at other than fair value	(10,904)	(440,485)
Change in trade receivables and other assets	(21,466)	27,519
Change in inventories (including proceeds from sale)	(7,880)	(26,394)
Change in extracted minerals and mineral products	(1,790)	(1,959)
Change in assets held for sale and related liabilities	(2,351)	-
Change in trade payables and other liabilities	(26,849)	(43,138)
<b>Cash generated from (used in) operations</b>	<b>427,011</b>	<b>30,075</b>
Interest paid	(85,640)	(83,443)
Income taxes paid	(59,398)	(55,761)
<b>Cash flows generated from (used in) operating activities</b>	<b>281,973</b>	<b>(109,129)</b>
<b>INVESTING ACTIVITIES</b>		
Received dividends	5,114	25,470
Proceeds from sale of financial instruments – derivatives	3,578	4,171
Acquisition of property, plant and equipment, investment property and intangible assets	(133,694)	(98,839)
Purchase of emission rights	(17,180)	(12,448)
Proceeds from sale of emission rights	7,161	1,156
Proceeds from sale of property, plant and equipment, investment property and intangible assets	7,526	3,403
Acquisition of subsidiaries and special purpose entities, net of cash acquired	3,477	(263,452)
Net cash inflow from disposal of subsidiaries and special purpose entities including received dividends	-	7,052
Increase in participation in existing subsidiaries and special purpose entities	-	(7,256)
Interest received	675	653
<b>Cash flows from (used in) investing activities</b>	<b>(123,343)</b>	<b>(340,090)</b>

**FINANCING ACTIVITIES**

Proceeds from issue of share capital	-	1,171
Proceeds from loans received	164,314	1,038,861
Repayments of borrowings	(808,024)	(893,481)
Proceeds from bonds issued	492,203	591,689
Payment of finance lease liabilities	-	(81)
Dividends paid	(54,895)	(315,530)
<b>Cash flows from (used in) financing activities</b>	<b>(206,402)</b>	<b>422,629</b>
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>(47,772)</i>	<i>(26,590)</i>
<b>Cash and cash equivalents at beginning of the year</b>	<b>288,321</b>	<b>325,177</b>
Effect of exchange rate fluctuations on cash held	(2,162)	(10,266)
<b>Cash and cash equivalents at end of the year</b>	<b>238,387</b>	<b>288,321</b>

## **Description of material differences in the financial condition and results of operations between CE Energy and EP Energy (both on a fully consolidated basis)**

For information purposes, on December 30, 2013, CE Energy drew a bank loan of EUR 269.6 million and provided funds of EUR 261.3 million to Energetický a průmyslový holding.

On January 24, 2014, CE Energy acquired all of the outstanding shares of EP Energy from Energetický a průmyslový holding for EUR 1,500.3 million and recognized a subordinated intercompany loan of the same amount.

On January 30, 2014, EP Energy provided a loan of EUR 60.0 million to CE Energy.

On January 30, 2014, CE Energy made a repayment of the bank loan of EUR 45.9 million.

On February 7, 2014, CE Energy issued Senior Notes due in 2021 (the "2021 Notes") of EUR 500.0 million, pursuant to an intercreditor agreement. The 2021 Notes bear interest at 7.000% per annum, payable semi-annually on each 1 February and August 1, beginning on 1 August 2014. The intercompany loans to Energetický a průmyslový holding are subordinated to the 2021 Notes.

The 2021 Notes are secured by a pledge of 100% of the capital stock of CE Energy and by a pledge of 50% minus one share of the capital stock of EP Energy. The indenture pursuant to which the 2021 Notes were issued contains a number of restrictive covenants, including limitations on the ability of subsidiaries to upstream payments to CE Energy, the incurrence of indebtedness, restricted payments, transactions with affiliates, liens and sales of assets.

On February 7, 2014, proceeds from the 2021 Notes less upfront fee were used for a repayment of a remaining balance of the bank loan amounting to EUR 223.8 million and for a repayment of a part of the intercompany loans totalling EUR 250.5 million.

On May 7, 2014, EPE declared and distributed a dividend of EUR 89.9 million to CE Energy which was then used as a partial repayment of the intercompany loan to Energetický a průmyslový holding.

On July 31, 2014, CE Energy paid EUR 16.9 million of bond interests.

On August 14, 2014, CE Energy, as a sole shareholder of EPE, decided on a non-cash decrease of share capital by EUR 243 million (CZK 6,725 million) to optimise the EPE's capital structure.

On October 22, 2014 CE Energy received an interim dividend from EP Energy totalling EUR 18 million.

At the end of 2014, Energetický a průmyslový holding capitalised EUR 691 million of the previously provided non-interest bearing intercompany loan to CE Energy's equity.

For additional information on Economy and Market development, Reporting and Management's discussion and analysis of financial condition and results of operations, Risk factors please also refer to the Report on the year ended December 31, 2014 for EP Energy, a.s.

## Subsequent events

During January 2015, CE Energy drew a new bank loan from UniCredit Bank Czech Republic and Slovakia, a.s. ("the Bank") totalling EUR 75 million, which was used to purchase bonds in the same amount. On March 11, 2015, the bonds were cancelled. The Bank's security is at the same level as that of the bond holders.

In February 2015 the European Court of Justice issued preliminary ruling on gas emission allowances taxation in the Czech Republic. The Czech Republic levied a gift tax at a rate of 32% on greenhouse gas emission allowances acquired free of charge for electricity production. The European Court of Justice concluded that European law (namely Article 10 of Directive 2003/87/EC of the European Parliament and of the Council of October 13, 2003) precludes the imposition of such tax if it does not respect the 10% ceiling on the allocation of emission allowances for consideration laid down in cited article. The Supreme Administrative Court of the Czech Republic is now obliged to apply this preliminary ruling and to determine an amount in which the tax shall be refundable. Following the Supreme Administrative Court ruling that is expected to be issued this year, the other public authorities (courts, tax offices) should conclude all disputes regarding the tax payment in such a way that the tax shall be refunded (in the amount set by the Supreme Administrative Court ruling). With respect to the CEE Group the refund might be in the region of up to EUR 18 million.

On February 5, 2015, a non-cash decrease in the registered capital of EP Energy, a.s. by EUR 243 million (CZK 6,725 million) was recorded in the Commercial Register. As at the same date, a principal of a short-term loan granted by EP Energy, a.s. of EUR 60 million was offset with a receivable relating to the decreased registered capital. The remaining portion of the receivable of EUR 183 million was ceded to Energetický a průmyslový holding, a.s. at the same date. Subsequently, a receivable from the ceded receivable, and a loan provided to EPH, totalling EUR 261 million including a portion of unpaid interest was fully offset with the received non-interest bearing loan amounting to EUR 458 million. As a result, the principals of all loans provided between CEE and EPH were fully offset.

In March 2015, Moody's issued an update on CE Energy's rating: Corporate Family Rating – Ba2 with outlook stable.

On 28 April 2015, CE Energy entered into a loan agreement as a borrower with UniCredit Bank Czech Republic and Slovakia, a.s. ("UNI") as a lender ("CEE UNI Loan Agreement"). The CEE UNI Loan Agreement provides for a loan of up to EUR 100,000 thousand for the main purpose of refinancing a EUR 75,000 thousand loan between CEE and UNI and for financing of repurchase of the CEE bonds by CE Energy.

Except for the matters described above and elsewhere in the Report on the year ended December 31, 2014 for CE Energy, a.s. or EP Energy, a.s. or in the Notes to Consolidated Financial Statements of EP Energy, a.s. and CE Energy, a.s. as of and for the year ended December 31, 2014, the CEE's management is not aware of any other material subsequent events that could have an effect on the consolidated financial statements as at December 31, 2014.

## Appendix 1

### Details of adjustments recorded to the EPE's consolidated financial statements as of and for the year ended December 31, 2014 to derive CEE's consolidated financial statements for the same period

The following tables set forth the consolidated statement of comprehensive income of CE Energy for the year ended December 31, 2014, the consolidated statement of financial position of CE Energy as of December 31, 2014, and the consolidated statement of cash flows of CE Energy for the year ended December 31, 2014 derived from the EPE's consolidated financial statements for the year ended December 31, 2014.

#### Consolidated statement of comprehensive income

For the year ended December 31, 2014

In thousands of EUR ("TEUR")

	EPE consolidated figures <sup>1</sup>	CEE standalone income statement <sup>2</sup>	Intercompany eliminations <sup>3</sup>	Related FX impact <sup>4</sup>	CE Energy consolidated figures
	(audited)	Adjustment 1 (unaudited)	Adjustment 2 (unaudited)	Adjustment 3 (unaudited)	(audited)
Sales: Energy	2,266,647	-	-	-	2,266,647
of which: Electricity	1,493,903	-	-	-	1,493,903
Heat	271,329	-	-	-	271,329
Coal	295,870	-	-	-	295,870
Gas	205,545	-	-	-	205,545
Sales: Other	117,486	-	-	-	117,486
Gain (loss) from commodity derivatives for trading with electricity and gas, net	13,217	-	-	-	13,217
<b>Total sales</b>	<b>2,397,350</b>	-	-	-	<b>2,397,350</b>
Cost of sales: Energy	(1,512,937)	-	-	-	(1,512,937)
Cost of sales: Other	(50,402)	-	-	-	(50,402)
<b>Total cost of sales</b>	<b>(1,563,339)</b>	-	-	-	<b>(1,563,339)</b>
	<b>834,011</b>	-	-	-	<b>834,011</b>
Personnel expenses	(259,551)	-	-	-	(259,551)
Depreciation and amortisation	(297,883)	-	-	-	(297,883)
Repairs and maintenance	(12,652)	-	-	-	(12,652)
Emission rights, net	(20,306)	-	-	-	(20,306)
Taxes and charges	(13,590)	-	-	-	(13,590)
Other operating income	71,317	-	(80)	-	71,237
Other operating expenses	(144,740)	(129)	-	-	(144,869)
<b>Profit (loss) from operations</b>	<b>156,606</b>	<b>(129)</b>	<b>(80)</b>	-	<b>156,397</b>

Finance income	36,028	19,277	(1,976)	-	53,329
Finance expense	(90,690)	(81,707)	2,056	-	(170,341)
Profit (loss) from derivative financial instruments	659	45	-	-	704
Income from controlled entities	-	89,921	(89,921)	-	-
<b>Net finance income (expense)</b>	<b>(54,003)</b>	<b>27,536</b>	<b>(89,841)</b>	<b>-</b>	<b>(116,308)</b>
Share of profit (loss) of equity accounted investees, net of tax	(830)	-	-	-	(830)
<b>Profit (loss) before income tax</b>	<b>101,773</b>	<b>27,407</b>	<b>(89,921)</b>	<b>-</b>	<b>39,259</b>
Income tax revenues (expenses)	(34,524)	(1,412)	-	-	(35,936)
<b>Profit (loss) for the period</b>	<b>67,249</b>	<b>25,995</b>	<b>(89,921)</b>	<b>-</b>	<b>3,323</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operations	9,089	-	-	-	9,089
Foreign currency translation differences for presentation currency	(7,158)	-	-	3,665	(3,493)
Fair value reserve included in other comprehensive income	(9,919)	-	-	-	(9,919)
Effective portion of changes in fair value of cash flow hedges, net of tax	(5,484)	-	-	-	(5,484)
<b>Other comprehensive income for the period, net of tax</b>	<b>(13,472)</b>	<b>-</b>	<b>-</b>	<b>3,665</b>	<b>(9,807)</b>
<b>Total comprehensive income for the period</b>	<b>53,777</b>	<b>25,995</b>	<b>(89,921)</b>	<b>3,665</b>	<b>(6,484)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company	37,670	25,995	(89,921)	-	(26,256)
Non-controlling interest	29,579	-	-	-	29,579
<b>Profit (loss) for the period</b>	<b>67,249</b>	<b>25,995</b>	<b>(89,921)</b>	<b>-</b>	<b>3,323</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company	29,918	25,995	(89,921)	3,665	(30,343)
Non-controlling interest	23,859	-	-	-	23,859
<b>Total comprehensive income for the period</b>	<b>53,777</b>	<b>25,995</b>	<b>(89,921)</b>	<b>3,665</b>	<b>(6,484)</b>

(1) Audited consolidated statement of comprehensive income of EP Energy, a.s. for the year ended December 31, 2014

(2) In the Adjustment 1, EPE consolidated figures have been adjusted to include CEE statutory statement of comprehensive income for the year ended December 31, 2014.

(3) The Adjustment 2 covers eliminations of intercompany transactions between EPE and CEE for the year ended December 31, 2014.

(4) The Adjustment 3 represents foreign exchange differences.

### Consolidated statement of financial position

As of December 31, 2014

In thousands of EUR ("TEUR")

	EPE consolidated	CEE standalone	Intercompany	Elimination of	CE Energy
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	figures <sup>1</sup>	statement of financial position <sup>2</sup>	eliminations <sup>3</sup>	investment and equity of EPE and related FX impact <sup>4</sup>	consolidated figures
	(audited)	Adjustment 1 (unaudited)	Adjustment 2 (unaudited)	Adjustment 3 (unaudited)	(audited)
<b>Assets</b>					
Property, plant and equipment	2,245,936	-	-	-	2,245,936
Intangible assets	154,996	-	-	-	154,996
Goodwill	96,241	-	-	-	96,241
Investment property	-	-	-	-	-
Participations with control	-	1,489,447	-	(1,489,447)	-
Participations with significant influence	127,376	-	-	-	127,376
Financial instruments and other financial assets	57,152	280,096	-	-	337,428
<i>of which receivables from the parent company</i>	-	280,086	-	-	280,096
Trade receivables and other assets	28,999	-	-	-	28,999
Deferred tax assets	9,627	-	-	-	9,627
<b>Total non-current assets</b>	<b>2,720,327</b>	<b>1,769,543</b>	<b>-</b>	<b>(1,489,447)</b>	<b>3,000,423</b>
Inventories	77,022	-	-	-	77,022
Extracted minerals and mineral products	7,926	-	-	-	7,926
Trade receivables and other assets	356,919	17	(17,977)	-	338,959
Financial instruments and other financial assets	553,933	-	(61,974)	-	491,959
<i>of which receivables from the parent company</i>	548,115	-	(61,974)	-	486,141
Prepayments and other deferrals	2,803	-	-	-	2,803
Tax receivables	21,441	7	-	-	21,448
Cash and cash equivalents	200,978	37,409	-	-	238,387
Assets/disposal groups held for sale	26,131	-	-	-	26,131
<b>Total current assets</b>	<b>1,247,153</b>	<b>37,433</b>	<b>(79,951)</b>	<b>-</b>	<b>1,204,635</b>
<b>Total assets</b>	<b>3,967,480</b>	<b>1,806,976</b>	<b>(79,951)</b>	<b>(1,489,447)</b>	<b>4,205,058</b>
<b>Equity</b>					
Share capital	769,180	78	-	(769,180)	78
Share premium	116,434	-	-	(116,434)	-
Reserves	(438,802)	738,425	-	(610,991)	(311,368)
Retained earnings	462,084	25,356	-	7,158	494,598
<b>Total equity attributable to equity holders</b>	<b>908,896</b>	<b>763,859</b>	<b>-</b>	<b>(1,489,447)</b>	<b>183,308</b>
Non-controlling interest	462,175	-	-	-	462,175
<b>Total equity</b>	<b>1,371,071</b>	<b>763,859</b>	<b>-</b>	<b>(1,489,447)</b>	<b>645,483</b>
<b>Liabilities</b>					
Loans and borrowings	1,267,328	493,116	-	-	1,760,444



<i>of which owed to the parent company</i>	-	-	-	-	-
Financial instruments and other financial liabilities	680	-	-	-	680
Provisions	360,247	-	-	-	360,247
Deferred income	63,996	-	-	-	63,996
Deferred tax liabilities	240,922	1,403	-	-	242,325
Trade payables and other liabilities	71,951	-	-	-	71,951
<b>Total non-current liabilities</b>	<b>2,005,124</b>	<b>494,519</b>	-	-	<b>2,499,643</b>
Trade payables and other liabilities	350,975	17,995	(17,977)	-	350,993
Loans and borrowings	126,430	336,335	(61,974)	-	400,791
<i>of which owed to the parent company</i>	2,462	259,973	-	-	262,435
Liabilities from returned capital contribution	-	194,268	-	-	194,268
<i>of which owed to the parent company</i>	-	194,268	-	-	194,268
Financial instruments and other financial liabilities	830	-	-	-	830
Provisions	83,248	-	-	-	83,248
Deferred income	4,015	-	-	-	4,015
Current income tax liability	9,372	-	-	-	9,372
Liabilities from disposal groups held for sale	16,415	-	-	-	16,415
<b>Total current liabilities</b>	<b>591,285</b>	<b>548,598</b>	<b>(79,951)</b>	-	<b>1,059,932</b>
<b>Total liabilities</b>	<b>2,596,409</b>	<b>1,043,117</b>	<b>(79,951)</b>	-	<b>3,559,575</b>
<b>Total equity and liabilities</b>	<b>3,967,480</b>	<b>1,806,976</b>	<b>(79,951)</b>	<b>(1,489,447)</b>	<b>4,205,058</b>

(1) Audited consolidated statement of financial position of EP Energy, a.s. as of December 31, 2014

(2) In the Adjustment 1, EPE consolidated figures have been adjusted to include the CEE statutory statement of financial position as of December 31, 2014.

(3) The Adjustment 2 covers eliminations of intercompany balances between EPE and CEE as of December 31, 2014.

(4) The Adjustment 3 is related to elimination of investment of CEE in EPE in the amount of EUR 1,500.3 million together with the associated FX impact and to elimination of equity of EPE.

## Consolidated statement of cash flows

For the year ended December 31, 2014

In thousands of EUR ("TEUR")

	EPE consolidated figures <sup>1</sup>	CEE standalone statement of cash flows incl. impact from CEE consolidation <sup>2</sup>	Bonds issue <sup>3</sup>	Repayment of purchase price <sup>4</sup>	Proceeds from loans and repayments of borrowings <sup>5</sup>	Intercompany eliminations <sup>6</sup>	CE Energy consolidated figures
	(audited)	Adjustment 1 (unaudited)	Adjustment 2 (unaudited)	Adjustment 3 (unaudited)	Adjustment 4 (unaudited)	Adjustment 5 (unaudited)	(audited)
<b>OPERATING ACTIVITIES</b>							
Profit (loss) for the year	67,249	25,995	-	-	-	(89,921)	3,323
<i>Adjustments for:</i>							
Income taxes	34,524	1,412	-	-	-	-	35,936
Depreciation and amortisation	297,883	-	-	-	-	-	297,883
Dividend income	(1,165)	(89,921)	-	-	-	89,921	(1,165)
Impairment losses on property, plant and equipment and intangible assets	855	-	-	-	-	-	855
Loss on disposal of property, plant and equipment, investment property and intangible assets	1,361	-	-	-	-	-	1,361
(Gain) loss on disposal of inventories	(178)	-	-	-	-	-	(178)
Emission rights	20,306	-	-	-	-	-	20,306
Share of (profit) loss of equity accounted investees	830	-	-	-	-	-	830
(Gain) loss on financial instruments	(659)	(45)	-	-	-	-	(704)
Net interest expense	59,142	62,834	-	-	-	-	121,976
Change in allowance for impairment to trade receivables and other assets, write-offs	3,545	-	-	-	-	-	3,545
Change in provisions	(1,190)	-	-	-	-	-	(1,190)
Unrealised foreign exchange (gains) losses, net	10,503	4,970	-	-	-	-	15,473
<b>Operating profit before changes in working capital</b>	<b>493,006</b>	<b>5,245</b>	-	-	-	-	<b>498,251</b>
Change in financial instruments at other than fair value	(73,810)	500	-	-	-	62,406	(10,904)
Change in trade receivables and other assets	(21,419)	17,953	-	-	-	(18,000)	(21,466)
Change in inventories (including proceeds from sale)	(7,880)	-	-	-	-	-	(7,880)
Change in extracted minerals and mineral products	(1,790)	-	-	-	-	-	(1,790)
Change in assets held for sale and related liabilities	(2,351)	-	-	-	-	-	(2,351)
Change in trade payables and other liabilities	(26,744)	(105)	-	-	-	-	(26,849)
<b>Cash generated from (used in) operations</b>	<b>359,012</b>	<b>23,593</b>	-	-	-	<b>44,406</b>	<b>427,011</b>
Interest paid	(65,268)	(20,372)	-	-	-	-	(85,640)
Income taxes paid	(59,398)	-	-	-	-	-	(59,398)
<b>Cash flows generated from (used in) operating activities</b>	<b>234,346</b>	<b>3,221</b>	-	-	-	<b>44,406</b>	<b>281,973</b>

**INVESTING ACTIVITIES**

Received dividends	5,114	90,000	-	-	-	(90,000)	5,114
Proceeds from sale of financial instruments – derivatives	3,578	-	-	-	-	-	3,578
Acquisition of property, plant and equipment, investment property and other intangible assets	(133,694)	-	-	-	-	-	(133,694)
Purchase of emission rights	(17,180)	-	-	-	-	-	(17,180)
Proceeds from sale of emission rights	7,161	-	-	-	-	-	7,161
Proceeds from sale of property, plant and equipment, investment property and other intangible assets	7,526	-	-	-	-	-	7,526
Acquisition of subsidiaries and special purpose entities, net of cash acquired	3,477	-	-	-	-	-	3,477
Interest received	675	-	-	-	-	-	675
<b>Cash flows from (used in) investing activities</b>	<b>(123,343)</b>	<b>90,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(90,000)</b>	<b>(123,343)</b>

**FINANCING ACTIVITIES**

Proceeds from loans received	164,314	-	-	-	62,406	(62,406)	164,314
Repayments of borrowings	(192,407)	-	-	(340,482)	(275,135)	-	(808,024)
Proceeds from bonds issued	-	-	492,203	-	-	-	492,203
Dividends paid	(162,895)	-	-	-	-	108,000	(54,895)
<b>Cash flows from (used in) financing activities</b>	<b>(190,988)</b>	<b>-</b>	<b>492,203</b>	<b>(340,482)</b>	<b>(212,729)</b>	<b>45,594</b>	<b>(206,402)</b>

<i>Net increase (decrease) in cash and cash equivalents</i>	<i>(79,985)</i>	<i>93,221</i>	<i>492,203</i>	<i>(340,482)</i>	<i>(212,729)</i>	<i>-</i>	<i>(47,772)</i>
<b>Cash and cash equivalents at beginning of the period</b>	<b>283,069</b>	<b>5,252</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288,321</b>
Effect of exchange rate fluctuations on cash held	(2,106)	(56)	-	-	-	-	(2,162)
<b>Cash and cash equivalents at end of the period</b>	<b>200,978</b>	<b>98,417</b>	<b>492,203</b>	<b>(340,482)</b>	<b>(212,729)</b>	<b>-</b>	<b>238,387</b>

(1) Audited consolidated statement of cash flows of EP Energy, a.s. for the year ended December 31, 2014

(2) In the Adjustment 1, EPE consolidated figures have been adjusted to include CEE statutory statement of cash flows for the year ended December 31, 2014 and adjustments relating to CEE Group consolidation.

(3) The Adjustment 2 covers a cash inflow from Senior Notes 2021 less upfront fees paid.

(4) The Adjustment 3 comprises a cash outflow from repayment of purchase price for acquisition of EPE shares.

(5) The Adjustment 4 comprises a cash inflow (outflow) from proceeds from loans (repayment of borrowings).

(6) The Adjustment 5 covers eliminations of intercompany balances between EPE and CEE for the year ended December 31, 2014.

## Appendix 2

### Consolidated statement of comprehensive income

For the period from October 1, 2014 to December 31, 2014

In thousands of EUR ("TEUR")

	October 1 to December 31, 2014 (unaudited)	October 1 to December 31, 2013 (unaudited) <sup>1</sup>
Sales: Energy	688,836	536,070
<i>of which: Electricity</i>	<i>438,761</i>	<i>310,195</i>
Heat	91,838	100,101
Coal	96,749	69,228
Gas	61,488	56,546
Sales: Other	37,328	30,155
Gain (loss) from commodity derivatives for trading with electricity and gas, net	2,503	28
<b>Total sales</b>	<b>728,667</b>	<b>566,253</b>
Cost of sales: Energy	(443,745)	(354,043)
Cost of sales: Other	(11,415)	(8,592)
<b>Total cost of sales</b>	<b>(455,160)</b>	<b>(362,635)</b>
	<b>273,507</b>	<b>203,618</b>
Personnel expenses	(70,672)	(49,649)
Depreciation and amortisation	(75,358)	(60,329)
Repairs and maintenance	(2,073)	(1,699)
Emission rights, net	(4,538)	(6,403)
Negative goodwill	-	15,624
Taxes and charges	(4,406)	(4,153)
Other operating income	26,432	30,002
Other operating expenses	(45,240)	(68,205)
<b>Profit (loss) from operations</b>	<b>97,652</b>	<b>58,806</b>
Finance income	10,454	66,913
Finance expense	(65,089)	(17,369)
Profit (loss) from derivative financial instruments	(2,310)	5,613
<b>Net finance income (expense)</b>	<b>(56,945)</b>	<b>55,157</b>
Share of profit (loss) of equity accounted investees, net of tax	413	(18)
<b>Profit (loss) before income tax</b>	<b>41,120</b>	<b>113,945</b>
Income tax revenues (expenses)	(30,683)	(3,459)
<b>Profit (loss) for the period</b>	<b>10,437</b>	<b>110,486</b>

(1) Unaudited condensed consolidated interim statement of comprehensive income of EP Energy for the period from October 1, 2013 to December 31, 2013

## Consolidated statement of cash flows

For the period from October 1, 2014 to December 31, 2014

In thousands of EUR ("TEUR")

	October 1 to December 31, 2014 (unaudited) 10,437	October 1 to December 31, 2013 (unaudited) <sup>1</sup> 110,486
<b>OPERATING ACTIVITIES</b>		
Profit (loss) for the period	10,437	110,486
<i>Adjustments for:</i>		
Income taxes	30,683	3,459
Depreciation and amortisation	75,358	60,329
Dividend income	(930)	-
Impairment losses on property, plant and equipment and intangible assets	383	17,636
Change in fair value of investment property	-	11
(Gain) loss on disposal of property, plant and equipment, investment property and intangible assets	217	3,057
(Gain) loss on disposal of inventories	273	(215)
Emission rights	4,538	6,403
Share of (profit) loss of equity accounted investees	(413)	18
(Gain) loss on financial instruments	13,024	(5,641)
Net interest expense	59,393	11,360
Change in allowance for impairment to trade receivables and other assets, write-offs	1,534	9,684
Change in provisions	27,948	(789)
Negative goodwill	-	(15,624)
Unrealised foreign exchange (gains) losses, net	14,036	51,510
<b>Operating profit (loss) before changes in working capital</b>	<b>236,481</b>	<b>251,684</b>
Change in financial instruments at other than fair value	(16,070)	(26,627)
Change in trade receivables and other assets	(78,084)	6,432
Change in inventories (including proceeds from sale)	159	5,294
Change in extracted minerals and mineral products	(1,980)	(639)
Change in assets held for sale and related liabilities	(5,462)	-
Change in trade payables and other liabilities	(306)	(38,523)
<b>Cash generated from (used in) operations</b>	<b>134,738</b>	<b>197,621</b>
Interest paid	(31,101)	(48,221)
Income taxes paid	(9,496)	(15,258)
<b>Cash flows generated from (used in) operating activities</b>	<b>94,141</b>	<b>134,142</b>
<b>INVESTING ACTIVITIES</b>		
Received dividends from equity accounted investees	931	(199)
Proceeds from sale of financial instruments – derivatives	(4,349)	3,860
Acquisition of property, plant and equipment, investment property and other intangible assets	(49,423)	(43,423)
Purchase of emission rights	(9,839)	(6,584)
Proceeds from sale of emission rights	5,992	729
Proceeds from sale of property, plant and equipment, investment property and other intangible assets	4,305	1,112
Acquisition of subsidiaries and special purpose entities, net of cash acquired	5,803	(263,452)
Increase in participation in existing subsidiaries and special purpose entities	-	45
Proceeds from sale of participations with significant influence	-	(233)
Interest received	345	342
<b>Cash flows from (used in) investing activities</b>	<b>(46,235)</b>	<b>(307,803)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from loans received	80,436	241,443
Repayments of borrowings	(73,042)	(23,146)
Proceeds from bonds issued	-	(2,851)
Payment of finance lease liabilities	-	(81)
Dividends paid	(1,044)	2,438
<b>Cash flows from (used in) financing activities</b>	<b>6,350</b>	<b>217,803</b>
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>54,256</i>	<i>44,142</i>
<b>Cash and cash equivalents at beginning of the period</b>	<b>185,752</b>	<b>246,513</b>
Effect of exchange rate fluctuations on cash held	(1,621)	(7,586)
<b>Cash and cash equivalents at end of the period</b>	<b>238,387</b>	<b>283,069</b>

(1) Unaudited condensed consolidated interim statement of cash flows of EP Energy for the period from October 1, 2013 to December 31, 2013