

## **Unaudited pro forma consolidated financial statements as of and for the nine-month period ended 30 September 2012**

The following unaudited pro forma consolidated financial statements of EP Energy, a.s. (“the Company” or “EPE”) as of and for the nine-month period ended 30 September 2012 have been derived from the historical restated condensed consolidated interim financial statements of EP Energy, a.s. and its subsidiaries (“EPE Group”) as of and for the nine-month period ended 30 September 2012. Certain pro forma related adjustments, as described further in the text, have been added to the data derived from the consolidated financial statements described above to compile these unaudited pro forma consolidated financial statements.

The unaudited pro forma consolidated financial statements of EP Energy, a.s. as of and for the nine-month period ended 30 September 2012, pro forma adjustments and related assumptions were prepared as described in the accompanying notes to this unaudited pro forma consolidated financial statements on pages PF 9 – 22. The unaudited pro forma adjustments are based on currently available information and assumptions that we believe to be reasonable.

The unaudited pro forma consolidated financial information is for informational purposes only and is not intended to represent or to be indicative of the consolidated results of operations or financial position of EPE Group and should not be taken as indicative of EPE Group’s future consolidated results of operations.

The actual results may differ significantly from those reflected in the unaudited pro forma consolidated financial statements for a number of reasons, including, but not limited to, differences between the assumptions used to prepare this unaudited pro forma consolidated financial information and actual results.

The unaudited pro forma consolidated financial statements have not been prepared in accordance with the rules or regulations of the United States Securities and Exchange Commission, and is not compliant therewith or any other comprehensive basis of preparation. Any reliance you place on this information should take this fully into consideration.

**EP Energy, a.s.**

**Unaudited pro forma consolidated statement of financial position**

**As at 30 September 2012**

*In millions of CZK ("MCZK")*

	Consolidated figures <sup>(1)</sup>	Pro forma adjustments	EP Energy, a.s. pro forma
<b>Assets</b>			
Property, plant and equipment	42,358	11,725	54,083
Intangible assets	4,327	484	4,811
Goodwill	2,622	5,630	8,252
Investment property	9	-	9
Participations with significant influence	4,032	-	4,032
Financial instruments and other financial assets	1,239	643	1,882
Trade receivables and other assets	531	-	531
Deferred tax assets	30	-	30
<b>Total non-current assets</b>	<b>55,148</b>	<b>18,482</b>	<b>73,630</b>
Inventories	861	69	930
Extracted minerals and mineral products	62	-	62
Trade receivables and other assets	5,496	1,517	7,013
Financial instruments and other financial assets	13,435	14	13,449
Prepayments and other deferrals	101	11	112
Tax receivables	425	210	635
Cash and cash equivalents	5,430	1,225	6,655
Assets/disposal groups held for sale	261	56	317
<b>Total current assets</b>	<b>26,071</b>	<b>3,102</b>	<b>29,173</b>
<b>Total assets</b>	<b>81,219</b>	<b>21,584</b>	<b>102,803</b>
<b>Equity</b>			
Share capital	19,420	100	19,520
Share premium	-	3,213	3,213
Reserves	(7,528)	482	(7,046)
Retained earnings	15,494	4,505	19,999
<b>Total equity attributable to equity holders</b>	<b>27,386</b>	<b>8,300</b>	<b>35,686</b>
Non-controlling interest	7,082	271	7,353
<b>Total equity</b>	<b>34,468</b>	<b>8,571</b>	<b>43,039</b>
<b>Liabilities</b>			
Loans and borrowings	8,014	7,490	15,504
Financial instruments and financial liabilities	43	-	43
Provisions	7,577	270	7,847
Deferred tax liabilities	4,542	289	4,831
Trade payables and other liabilities	2,114	154	2,268
<b>Total non-current liabilities</b>	<b>22,290</b>	<b>8,203</b>	<b>30,493</b>
Trade payables and other liabilities	6,066	2,456	8,522
Loans and borrowings	15,185	1,490	16,675
Financial instruments and financial liabilities	599	-	599
Provisions	1,210	53	1,263
Deferred income	1,121	811	1,932
Current income tax liability	235	-	235
Liabilities from assets/disposal groups held for sale	45	-	45
<b>Total current liabilities</b>	<b>24,461</b>	<b>4,810</b>	<b>29,271</b>
<b>Total liabilities</b>	<b>46,751</b>	<b>13,013</b>	<b>59,764</b>
<b>Total equity and liabilities</b>	<b>81,219</b>	<b>21,584</b>	<b>102,803</b>

Notes:

(1) Historical restated condensed IFRS consolidated interim statement of financial position of EP Energy, a.s. as of 30 September 2012

EP Energy, a.s.

Unaudited pro forma consolidated statement of financial position, showing pro forma adjustments

As at 30 September 2012

In millions of CZK ("MCZK")

Notes	Consolidated figures <sup>(1)</sup>	Pražská teplárenská a.s. related adjustments	Energotrans a.s. related adjustments	EAST BOHEMIA ENERGY HOLDING LIMITED related adjustments	JTSD Braunko- hlebergbau GmbH and its subsidiaries related adjust- ments	Saale Energie GmbH and its associates related adjustments	Stredoslo- venská energetika, a.s. and its subsidiaries related adjustments (Part 1) <sup>(2)</sup>	Stredoslo- venská energetika, a.s. and its subsidiaries related adjustments (Part 2)	EP Energy, a.s. pro forma
		Note 3.2.1	Note 3.2.2	Note 3.2.3	Note 3.2.4	Note 3.2.5	Note 3.2.6		
<b>Assets</b>									
Property, plant and equipment	42,358	-	-	-	-	-	11,725	-	54,083
Intangible assets	4,327	-	-	-	-	-	484	-	4,811
Goodwill	2,622	-	-	-	-	-	-	5,630	8,252
Investment property	9	-	-	-	-	-	-	-	9
Participations with significant influence	4,032	-	-	-	-	-	-	-	4,032
Financial instruments and other financial assets	1,239	-	-	-	-	-	643	-	1,882
Trade receivables and other assets	531	-	-	-	-	-	-	-	531
Deferred tax assets	30	-	-	-	-	-	-	-	30
<b>Total non-current assets</b>	<b>55,148</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,852</b>	<b>5,630</b>	<b>73,630</b>
Inventories	861	-	-	-	-	-	69	-	930
Extracted minerals and mineral products	62	-	-	-	-	-	-	-	62
Trade receivables and other assets	5,496	-	-	-	-	-	1,020	497	7,013
Financial instruments and other financial assets	13,435	-	-	-	-	-	14	-	13,449
Prepayments and other deferrals	101	-	-	-	-	-	11	-	112
Tax receivables	425	-	-	-	-	-	210	-	635
Cash and cash equivalents	5,430	-	-	-	-	-	1,223	2	6,655
Assets/disposal groups held for sale	261	56	-	-	-	-	-	-	317
<b>Total current assets</b>	<b>26,071</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,547</b>	<b>499</b>	<b>29,173</b>
<b>Total assets</b>	<b>81,219</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,399</b>	<b>6,129</b>	<b>102,803</b>

<b>Equity</b>									
Share capital	19,420	-	-	-	-	-	2,903	(2,803)	19,520
Share premium	-	-	-	-	-	-	-	3,213	3,213
Reserves	(7,528)	863	-	-	-	-	710	(1,091)	(7,046)
Retained earnings	15,494	3,844	-	-	-	-	6,048	(5,387)	19,999
<b>Total equity attributable to equity holders</b>	<b>27,386</b>	<b>4,707</b>	-	-	-	-	<b>9,661</b>	<b>(6,068)</b>	<b>35,686</b>
Non-controlling interest	7,082	(4,662)	-	-	-	-	-	4,933	7,353
<b>Total equity</b>	<b>34,468</b>	<b>45</b>	-	-	-	-	<b>9,661</b>	<b>(1,135)</b>	<b>43,039</b>
<b>Liabilities</b>									
Loans and borrowings	8,014	-	-	-	-	-	1,455	6,035	15,504
Financial instruments and financial liabilities	43	-	-	-	-	-	-	-	43
Provisions	7,577	-	-	-	-	-	270	-	7,847
Deferred tax liabilities	4,542	11	-	-	-	-	278	-	4,831
Trade payables and other liabilities	2,114	-	-	-	-	-	154	-	2,268
<b>Total non-current liabilities</b>	<b>22,290</b>	<b>11</b>	-	-	-	-	<b>2,157</b>	<b>6,035</b>	<b>30,493</b>
Trade payables and other liabilities	6,066	-	-	-	-	-	2,456	-	8,522
Loans and borrowings	15,185	-	-	-	-	-	261	1,229	16,675
Financial instruments and financial liabilities	599	-	-	-	-	-	-	-	599
Provisions	1,210	-	-	-	-	-	53	-	1,263
Deferred income	1,121	-	-	-	-	-	811	-	1,932
Current income tax liability	235	-	-	-	-	-	-	-	235
Liabilities from assets/disposal groups held for sale	45	-	-	-	-	-	-	-	45
<b>Total current liabilities</b>	<b>24,461</b>	-	-	-	-	-	<b>3,581</b>	<b>1,229</b>	<b>29,271</b>
<b>Total liabilities</b>	<b>46,751</b>	<b>11</b>	-	-	-	-	<b>5,738</b>	<b>7,264</b>	<b>59,764</b>
<b>Total equity and liabilities</b>	<b>81,219</b>	<b>56</b>	-	-	-	-	<b>15,399</b>	<b>6,129</b>	<b>102,803</b>

Notes:

- (1) Historical restated condensed IFRS consolidated interim statement of financial position of EP Energy, a.s. as of 30 September 2012
- (2) Historical restated condensed IFRS consolidated interim statement of financial position of Stredoslovenská energetika, a.s. as of 30 September 2012

**EP Energy, a.s.**  
**Unaudited pro forma consolidated income statement**  
**For the nine-month period ended 30 September 2012**

<i>In millions of CZK ("MCZK")</i>	<b>Consolidated figures <sup>(1)</sup></b>	<b>Pro forma adjustments</b>	<b>EP Energy, a.s. pro forma</b>
Sales: Energy	26,548	18,564	45,112
<i>of which: Electricity</i>	15,778	15,847	31,625
<i>Heat</i>	4,167	928	5,095
<i>Gas</i>	2,507	-	2,507
<i>Coal</i>	4,096	1,789	5,885
Sales: Other	1,133	491	1,624
<b>Total sales</b>	<b>27,681</b>	<b>19,055</b>	<b>46,736</b>
Cost of sales: Energy	(17,115)	(14,207)	(31,322)
Cost of sales: Other	(284)	(43)	(327)
<b>Cost of sales</b>	<b>(17,399)</b>	<b>(14,250)</b>	<b>(31,649)</b>
	<b>10,282</b>	<b>4,805</b>	<b>15,087</b>
Personnel expenses	(2,510)	(1,507)	(4,017)
Depreciation and amortisation	(3,469)	(2,076)	(5,545)
Repairs and maintenance	(236)	(88)	(324)
Emission rights, net	113	(129)	(16)
Negative goodwill	3,012	(3,012)	-
Taxes and charges	(299)	(77)	(376)
Other operating income	492	246	738
Other operating expenses	(1,542)	(1,043)	(2,585)
<b>Profit/(loss) from operations</b>	<b>5,843</b>	<b>(2,881)</b>	<b>2,962</b>
Finance income	333	348	681
Finance expense	(1,283)	(108)	(1,391)
Profit/(loss) from financial instruments	(143)	(14)	(157)
<b>Net finance expense</b>	<b>(1,093)</b>	<b>226</b>	<b>(867)</b>
Share of profit of equity accounted investees, net of tax	10	(35)	(25)
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint-ventures and associates	4,484	(4,484)	-
<b>Profit/(loss) before income tax</b>	<b>9,244</b>	<b>(7,174)</b>	<b>2,070</b>
Income tax expenses	(380)	14	(366)
<b>Profit/(loss) from continuing operations</b>	<b>8,864</b>	<b>(7,160)</b>	<b>1,704</b>
<b>Profit/(loss) for the period</b>	<b>8,864</b>	<b>(7,160)</b>	<b>1,704</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	8,938	(7,707)	1,231
Non-controlling interest	(74)	547	473
<b>Profit/(loss) for the period</b>	<b>8,864</b>	<b>(7,160)</b>	<b>1,704</b>
<b>Other financial information:</b>			
<b>EBITDA<sup>(2)</sup></b>	<b>6,300</b>	<b>2,207</b>	<b>8,507</b>

Notes:

(1) Historical restated condensed IFRS consolidated interim income statement of EP Energy, a.s. for the nine-month period ended 30 September 2012

(2) EBITDA represents profit from operations plus depreciation of property, plant and equipment and amortisation of intangible assets (negative goodwill not included, if applicable). Although EBITDA should not be considered a substitute measure for profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. EBITDA may not be comparable to the similarly titled measure used by other companies.

In millions of CZK ("MCZK")

	Consolidated figures <sup>(1)</sup>	Pro forma adjustments	EP Energy, a.s. pro forma
<b>EBITDA reconciliation to closest IFRS measure</b>			
Profit/(loss) from operations	5,843	(2,881)	2,962
Depreciation and amortisation	(3,469)	(2,076)	(5,545)
Negative goodwill	3 012	(3 012)	-
<b>EBITDA</b>	<b>6,300</b>	<b>2,207</b>	<b>8,507</b>
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>6,357</b>	<b>1,455</b>	<b>7,812</b>
<b>CAPEX<sup>(4)</sup></b>	<b>2,589</b>	<b>1,040</b>	<b>3,629</b>
<b>CAPEX excluding emission rights<sup>(5)</sup></b>	<b>1,158</b>	<b>834</b>	<b>1,992</b>
<b>Adjusted CAPEX<sup>(6)</sup></b>	<b>2,589</b>	<b>680</b>	<b>3,269</b>
<b>Adjusted CAPEX excluding emission rights<sup>(7)</sup></b>	<b>1,158</b>	<b>483</b>	<b>1,641</b>

Notes:

- (3) Adjusted EBITDA represents EBITDA as calculated in Note (2) further adjusted to exclude:
- (a) the items related to Saale Energie (which lead to a CZK 232 million decrease to EBITDA in the nine-month period ended 30 September 2012, of which CZK 175 million relates to the period from 1 January 2012 to 31 July 2012 and CZK 57 million relates to the period from 1 August 2012 to 30 September 2012), which, due to the accounting treatment of the specific contractual arrangement with Schkopau, are charged to operating costs of Saale Energie but relate to entries that would otherwise not be included in EBITDA.
- (b) the share of non-controlling interest on EBITDA of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to an CZK 927 million increase to EBITDA.
- (4) CAPEX represents acquisitions of property, plant and equipment and intangible assets including emission rights (disregarding the actual cash flows).
- (5) CAPEX excluding emission rights represents acquisitions of property, plant and equipment and intangible assets excluding emission rights (disregarding the actual cash flows).
- (6) Adjusted CAPEX (including emission rights) represents acquisitions of property, plant and equipment and intangible assets including emission rights (disregarding the actual cash flows) further adjusted to exclude the share of non-controlling interest on CAPEX of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to an CZK 360 million increase to CAPEX.
- (7) Adjusted CAPEX (excluding emission rights) represents acquisitions of property, plant and equipment and intangible assets excluding emission rights (disregarding the actual cash flows) further adjusted to exclude the share of non-controlling interest on CAPEX of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to an CZK 351 million increase to CAPEX.

EP Energy, a.s.

Unaudited pro forma consolidated income statement, showing pro forma adjustments

For the nine-month period ended 30 September 2012

In millions of CZK ("MCZK")

	Consolidated figures <sup>(1)</sup>	Pražská teplárenská a.s. related adjustments	Energotrans a.s. related adjustments	EAST BOHEMIA ENERGY HOLDING LIMITED related adjustments	JTSD Braunko- hlebergbau GmbH and its subsidiaries related adjustments	Saale Energie GmbH and its associates related adjustments	Stredoslo- venská energetika, a.s. and its subsidiaries related adjustments (Part 1) <sup>(2)</sup>	Stredoslo- venská energetika, a.s. and its subsidiaries related adjustments (Part 2)	EP Energy, a.s. pro forma
Notes		Note 3.2.1	Note 3.2.2	Note 3.2.3	Note 3.2.4	Note 3.2.5	Note 3.2.6	Note 3.2.6	
Sales: Energy	26,548	1,125	(773)	-	2,120	1,840	14,252	-	45,112
<i>of which: Electricity</i>	15,778	244	(773)	-	284	1,840	14,252	-	31,625
<i>Heat</i>	4,167	881	-	-	47	-	-	-	5,095
<i>Gas</i>	2,507	-	-	-	-	-	-	-	2,507
<i>Coal</i>	4,096	-	-	-	1,789	-	-	-	5,885
Sales: Other	1,133	28	(2)	-	397	-	68	-	1,624
<b>Total sales</b>	<b>27,681</b>	<b>1,153</b>	<b>(775)</b>	<b>-</b>	<b>2,517</b>	<b>1,840</b>	<b>14,320</b>	<b>-</b>	<b>46,736</b>
Cost of sales: Energy	(17,115)	(449)	(305)	-	(357)	(1,650)	(11,446)	-	(31,322)
Cost of sales: Other	(284)	(28)	-	-	(10)	-	(5)	-	(327)
<b>Cost of sales</b>	<b>(17,399)</b>	<b>(477)</b>	<b>(305)</b>	<b>-</b>	<b>(367)</b>	<b>(1,650)</b>	<b>(11,451)</b>	<b>-</b>	<b>(31,649)</b>
<b>Gross profit</b>	<b>10,282</b>	<b>676</b>	<b>(1,080)</b>	<b>-</b>	<b>2,150</b>	<b>190</b>	<b>2,869</b>	<b>-</b>	<b>15,087</b>
Personnel expenses	(2,510)	(94)	49	-	(787)	(35)	(640)	-	(4,017)
Depreciation and amortisation	(3,469)	(488)	-	-	(1,033)	-	(555)	-	(5,545)
Repairs and maintenance	(236)	(11)	14	-	(69)	-	(22)	-	(324)
Emission rights, net	113	-	-	-	(129)	-	-	-	(16)
Negative goodwill	3,012	-	-	-	(2,540)	(472)	-	-	-
Taxes and charges	(299)	(7)	23	-	(60)	-	(33)	-	(376)
Other operating income	492	6	1	-	63	-	176	-	738
Other operating expenses	(1,542)	(33)	(24)	-	(443)	(9)	(534)	-	(2,585)
<b>Profit/(loss) from operations</b>	<b>5,843</b>	<b>49</b>	<b>(1,017)</b>	<b>-</b>	<b>(2,848)</b>	<b>(326)</b>	<b>1,261</b>	<b>-</b>	<b>2,962</b>

Finance income	333	4	28	-	(40)	44	49	263	681
Finance expense	(1,283)	1	-	376	(134)	(194)	(59)	(98)	(1,391)
Profit/(loss) from financial instruments	(143)	5	(19)	-	-	-	-	-	(157)
<b>Net finance expense</b>	<b>(1,093)</b>	<b>10</b>	<b>9</b>	<b>376</b>	<b>(174)</b>	<b>(150)</b>	<b>(10)</b>	<b>165</b>	<b>(867)</b>
Share of profit of equity accounted investees, net of tax	10	-	-	-	4	(39)	-	-	(25)
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint-ventures and associates	4,484	79	(3,535)	-	(1,028)	-	-	-	-
<b>Profit/(loss) before income tax</b>	<b>9,244</b>	<b>138</b>	<b>(4,543)</b>	<b>376</b>	<b>(4,046)</b>	<b>(515)</b>	<b>1,250</b>	<b>165</b>	<b>2,070</b>
Income tax expenses	(380)	(11)	197	-	107	(46)	(233)	-	(366)
<b>Profit/(loss) from continuing operations</b>	<b>8,864</b>	<b>127</b>	<b>(4,346)</b>	<b>376</b>	<b>(3,939)</b>	<b>(561)</b>	<b>1,017</b>	<b>165</b>	<b>1,704</b>
<b>Profit/(loss) for the period</b>	<b>8,864</b>	<b>127</b>	<b>(4,346)</b>	<b>376</b>	<b>(3,939)</b>	<b>(561)</b>	<b>1,017</b>	<b>165</b>	<b>1,704</b>
<b>Profit/(loss) attributable to:</b>									
Owners of the Company	8,938	98	(4,346)	376	(3,939)	(561)	1,017	(353)	1,231
Non-controlling interest	(74)	29	-	-	-	-	-	518	473
<b>Profit/(loss) for the period</b>	<b>8,864</b>	<b>127</b>	<b>(4,346)</b>	<b>376</b>	<b>(3,939)</b>	<b>(561)</b>	<b>1,017</b>	<b>165</b>	<b>1,704</b>

Notes:

(1) Historical restated condensed IFRS consolidated interim income statement of EP Energy, a.s. for the nine-month period ended 30 September 2012

(2) Historical restated condensed IFRS consolidated interim income statement of Stredoslovenská energetika, a.s. for the nine-month period ended 30 September 2012

# Notes to the unaudited pro forma consolidated financial statements

## 1. Description of the entity

EP Energy, a.s. was founded by Energetický a průmyslový holding, a.s. (“EPH”) on 16 December 2010 as a subsidiary to consolidate entities belonging to the energy segment of EPH Group.

Registered office of the Company:

EP Energy, a.s.  
Příkop 843/4  
602 00 Brno  
Czech Republic

Members of Board of Directors as of 30 September 2012:

Chairman:	JUDr. Daniel Křetínský, Czech Republic
Vice-chairman:	Mgr. Marek Spurný, Czech Republic
Member:	Ing. Jan Špringl, Czech Republic
Member:	Pavel Horský, Czech Republic

Members of Supervisory Board as of 30 September 2012:

Chairman:	Ing. František Čupr, Czech Republic
Vice-chairman:	Mgr. Ing. Jiří Nováček, Czech Republic

## **2. Background information and scope of the unaudited pro forma consolidated financial statements**

The unaudited pro forma consolidated financial statements (further also “pro forma financial information”) are derived from the historical restated IFRS condensed consolidated interim financial statements of the EPE Group as of and for the nine-month period ended 30 September 2012.

The historical restated IFRS condensed consolidated interim statement of financial position of the EPE Group and historical restated IFRS condensed consolidated interim income statement information as of and for the nine-month period ended 30 September 2012 is included in the column “Consolidated figures” in the pro forma financial information as of and for the nine-month period ended 30 September 2012.

The historical restated IFRS condensed consolidated interim financial statements of the EPE Group as of and for the nine-month period ended 30 September 2012 are used as the main building blocks in the compilation of pro forma financial information. Pro forma adjustments, as included in column “Pro forma adjustments”, were applied to the historical restated IFRS condensed consolidated financial information to derive the pro forma financial information (column “EP Energy, a.s. pro forma”).

The pro forma adjustments were based on assumptions from the individual financial information of the sub-group’s entities for the nine-month period from 1 January 2012 to 30 September 2012. This individual financial information was prepared following the EPE Group’s accounting instructions, which are based on IFRS.

The pro forma consolidated financial information of EPE Group as of and for the nine-month period ended 30 September 2012 includes the following entities:

Entity	Method of consolidation	Actual date of acquisition	Date of acquisition for pro forma	Method of acquisition
<b>EP Energy, a.s. (100%) – parent company</b>	Full	XII.10	XII.10	EST
AISE, s.r.o. (80%)	Full	X.09	X.09	AA
Honor Invest, a.s. (100%)	Full	VIII.09	VIII.09	CC
PT Holding Investment B.V. (100%)	Full	IX.10	IX.10	AA
Pražská teplárenská Holding a.s. (49%)	Equity	IX.10	IX.10	AA
Pražská teplárenská a.s. (47.33%)	Full	IX.10	IX.10	AA*
Termonta Praha a.s. (100%)	Full	IX.10	IX.10	AA*
Teplo Neratovice spol. s r.o. (100%)	Full	IX.10	IX.10	AA*
Energotrans SERVIS, a.s. (85%)	Full	IV.12	I.12	EST/AA*
Areál Třeboradice, a.s. (100%)	Full/IFRS 5	XI.12	I.12	EST/AA*
První energetická a.s. (100%)	Full	X.09	X.09	CC
Czech Energy Holding, a.s. (100%)	Full	X.09	X.09	CC
United Energy, a.s. (100%)	Full	X.09	X.09	CC
EVO - Komořany, a. s. (100%)	Full	XI.10	XI.10	EST
Severočeská teplárenská, a.s. (100%)	Full	X.10	X.10	EST
United Energy Moldova, s.r.o. (100%)	Full	X.09	X.09	CC
EKY III, a.s. (100%)	Full	X.09	X.09	CC
United Energy Invest, a.s. (100 %)	Full	X.09	X.09	CC
PRVNÍ MOSTECKÁ a.s. (47.06%)	Equity	X.09	X.09	CC
PRVNÍ MOSTECKÁ Servis a.s. (100%)	Equity	IX.12	IX.12	EST
United Energy Coal Trading, a.s. (100%)	Full	X.09	X.09	CC
UNITED ENERGY COAL TRADING POLSKA S.A. (100%)	Full	II.12	II.12	EST
United Energy Trading, a.s. (100%)	Full	X.09	X.09	CC
COOP Energy a.s. (40%)	Equity	VI.12	VI.12	AA
Plzeňská energetika a.s. (100%)	Full	X.09	X.09	AA
EP Renewables a.s. (100%)	Full	IX.10	IX.10	AA
Arisun, s.r.o. (100%)	Full	XII.10	XII.10	AA
Greeninvest Energy, a.s. (41.7%)	Equity/IFRS 5	XI.10	XI.10	AA
ČKD Blansko Wind, a.s. (100%)	Full	VIII.11	VIII.11	AA
POWERSUN a.s. (100%)	Full	IX.10	IX.10	AA
VTE Pchery s.r.o. (64%)	Full	IX.10	IX.10	AA
Triskata, s.r.o. (100%)	Full	IX.10	IX.10	AA
MR TRUST s.r.o. (0.5%)	Full	IX.10	IX.10	AA
MR TRUST s.r.o. (99.5%)	Full	IX.10	IX.10	AA
VTE Pastviny s.r.o. (100%)	Full	IX.10	IX.10	AA
VTE Moldava, a.s. (100%)	Full	IX.10	IX.10	AA
CHIFFON ENTERPRISES LIMITED (100%)	Full	IX.10	IX.10	AA
Claymore Equity, s.r.o. (80%)	Full	IX.10	IX.10	AA
Alternative Energy, s.r.o. (90%)	Full	IX.10	IX.10	AA
ROLLEON a.s. (100%)	Full	X.09	X.09	AA
ENERGZET, a.s. (100%)	Full	X.09	X.09	AA
HC Fin 3 N.V. (100%)	Full	III.10	III.10	AA

EAST BOHEMIA ENERGY HOLDING LIMITED (100%)	Full	XII.10	XII.10	AA
EBEH Opatovice, a.s. (100%)	Full	XII.10	XII.10	AA
Elektrárny Opatovice, a.s. (100%)	Full	XII.10	XII.10	AA
Reatex a.s. (100%)	Full	XII.10	XII.10	AA
EOP & HOKA s.r.o. (99.79%)	Full	XII.10	XII.10	AA
V A H O s.r.o. (100%)	Full	XII.10	XII.10	AA
NPTH, a.s. (100%)	Full	XII.10	XII.10	AA
Pražská teplárenská a.s. (50.07%)	Full	XII.10	XII.10	AA*
Termonta Praha a.s. (100%)	Full	XII.10	XII.10	AA*
Teplo Neratovice spol. s r.o. (100%)	Full	XII.10	XII.10	AA*
Energotrans SERVIS, a.s. (85%)	Full	IV.12	I.12	EST/AA*
Areál Třeboradice, a.s. (100%)	Full/IFRS 5	XI.12	I.12	EST/AA*
LIGNITE INVESTMENTS 1 LIMITED (100%)	Full	VI.11	I.12	AA+
JTSD Braunkohlebergbau GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
Mitteldeutsche Braunkohlen Gesellschaft mbH (100%)	Full	VI.11; VI.12	I.12	AA+
MIBRAG Consulting International GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
GALA-MIBRAG-Service GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
Mitteldeutsche Umwelt- und Entsorgung GmbH (50%)	Equity	VI.11; VI.12	I.12	AA+
Fernwärme GmbH Hohenmölsen – Webau (48.96%)	Equity	VI.11; VI.12	I.12	AA+
Ingenieurbüro für Grundwasser GmbH (25%)	Equity	VI.11; VI.12	I.12	AA+
Bohr & Brunnenbau GmbH (100%)	At cost	IX.12	IX.12	CO
MIBRAG Neue Energie GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
EP Germany GmbH (100%)	Full	VIII.11	VIII.11	CC
Saale Energie GmbH (100%)	Full	VII.12	I.12	AA-
Kraftwerk Schkopau GbR (41.9%)	Equity	VII.12	I.12	AA-
Kraftwerk Schkopau Betriebsgesellschaft mbH (41.9%)	Equity	VII.12	I.12	AA-
EPH Financing II, a.s. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika a.s. (49%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Distribúcia a.s. (100%)	Full	XI.13	I.12	AA''
Elektroenergetické montáže a.s. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Metrológia s.r.o. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Project Development spol. s r.o. (100%)	Full	XI.13	I.12	AA''
SSE – Solar, s.r.o. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Výroba, a.s. (51%)	Full	XI.13	I.12	AA''
Tatrapower, a.s. (49%)	At cost	XI.13	I.12	AA''
SSE – CZ spol. s r.o. (100%)	Full	XI.13	I.12	AA''
SPX s.r.o. (33.33%)	At cost	XI.13	I.12	AA''
Energotel a.s. (20%)	At cost	XI.13	I.12	AA''

#### Abbreviations used:

AA Acquisition accounting incl. purchase price allocation

AA\* Pražská teplárenská a.s. was acquired in two steps:

1. The first part was acquired by PT Holding Investment B.V. in September 2010. The acquisition was recorded in the IFRS consolidated financial statements using acquisition accounting techniques incl. purchase price allocation.

2. The second part was acquired by HC Fin 3 N.V. in December 2010. The acquisition was recorded using acquisition accounting techniques incl. purchase price allocation.

Furthermore, in June 2012, the EPE Group gained control over Pražská teplárenská a.s. (with no change in shareholding structure) and has fully consolidated Pražská teplárenská a.s. from June 2012 onwards (with the respective portion of non-controlling interests). In this pro forma financial information, Pražská teplárenská a.s. is reported as if already controlled by the EPE Group effectively from 1 January 2012.

In June 2012, Energotrans, a.s., a former subsidiary of Pražská teplárenská a.s. was sold. As a result, Energotrans, a.s. was excluded from the pro forma financial information effective from 1 January 2012.

For this reason, the pro forma financial information contains specific pro forma adjustments as described in Note 3.2.1.

AA+ JTSD - Braunkohlebergbau GmbH Group was acquired in two steps:

1. The first 50% share was acquired by the EPE Group in June 2011.
2. The remaining 50% share was acquired by the EPE Group in June 2012.

Both acquisitions were included in this pro forma financial information using acquisition accounting techniques including the purchase price allocation which was based on the valuation report prepared for the purposes of the acquisition of the other 50% share. In addition, in this pro forma financial information, the acquisition of a 100% share in JTSD Braunkohlebergbau GmbH Group is reported as if acquired on 1 January 2012. For this reason, the pro forma financial information contains specific pro forma adjustments as described in Note 3.2.4.

AA- Saale Energie GmbH Group:

1. 100% share in Saale Energie GmbH was acquired in July 2012.

The acquisition of Saale Energie GmbH included in this pro forma financial information uses acquisition accounting techniques including the purchase price allocation adjustments and related tax effects based on the valuation report prepared by external valuers. In this pro forma financial information, Saale Energie GmbH is reported as if already controlled by the EPE Group effectively from 1 January 2012. For this reason, the pro forma financial information contains specific pro forma adjustments as described in Note 3.2.5.

AA” Stredoslovenská energetika, a.s. Group was acquired as follows:

1. 49% share in Stredoslovenská energetika, a.s. Group was acquired in November 2013 by the EPH Group.
2. EPH Financing II, a.s. (a parent company of Stredoslovenská energetika, a.s.) and Stredoslovenská energetika, a.s. and its subsidiaries were subsequently contributed from the EPH Group to the EPE Group.

The acquisition of Stredoslovenská energetika, a.s. Group included in this pro forma financial information uses limited acquisition accounting techniques.

As at the date of this pro forma financial information, no valuation report for purchase price allocation was available, therefore the difference between the Net assets acquired (at Net Book Value) and the Purchase Price was recorded as goodwill. In this pro forma financial information, Stredoslovenská energetika, a.s. Group is reported as if already controlled by the EPE Group effectively from 1 January 2012. For this reason, the pro forma financial information contains specific pro forma adjustments as described in Note 3.2.6.

- CC Common control acquisition – no new goodwill or negative goodwill recognised in the IFRS consolidated financial statements. The difference between the Net assets acquired (at Net Book Value) and the Purchase price was recorded against equity in the IFRS consolidated financial statements.
- CO Entity included at cost (due to immateriality).
- EST Entity established by the parent company.

### **3. Assumptions used for the compilation of the pro forma consolidated financial statements**

#### **3.1. General pro forma financial information assumptions**

The historical IFRS condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2012 have been adjusted to reflect:

1. Consolidation of Pražská teplárenská a.s. using the full method of consolidation effective from 1 January 2012, including presentation of Pražská teplárenská a.s.'s subsidiary Areál Třeboradice, a.s. as held for sale (adjustment column "Pražská teplárenská a.s. related adjustments");
2. Consolidation of Energotrans SERVIS, a.s., an entity established by Energotrans, a.s. in April 2012, effectively from 1 January 2012 (adjustment column "Pražská teplárenská a.s. related adjustments");
3. Disposal of Energotrans, a.s. (former subsidiary of Pražská teplárenská a.s.) effective on 1 January 2012 including associated changes in financing (adjustment columns "Energotrans a.s. related adjustments" and "EAST BOHEMIA ENERGY HOLDING LIMITED related adjustments");
4. Consolidation of a 100% share in JTSD Braunkohlebergbau GmbH and its subsidiaries including associated changes in financing effective from 1 January 2012 (adjustment column "JTSD Braunkohlebergbau GmbH and its subsidiaries related adjustments");
5. Consolidation of a 100% share in Saale Energie GmbH and its associates including related changes in financing effective from 1 January 2012 (adjustment column "Saale Energie GmbH and its associates related adjustments"); and
6. Consolidation of a 49% share in Stredoslovenská energetika, a.s. and its subsidiaries using the full method of consolidation including related changes in financing effective from 1 January 2012 (adjustment column "Stredoslovenská energetika, a.s. and its subsidiaries related adjustments").

## **3.2. Description of adjustments recorded to the pro forma financial information of EP Energy, a.s. as of and for the nine-month period ended 30 September 2012**

### **3.2.1. Pražská teplárenská a.s. related adjustments**

The EPE Group gained control of Pražská teplárenská a.s. based on the shareholders' agreement concluded on 29 June 2012. The total share in Pražská teplárenská a.s. remained unchanged, i.e. 73.26%. As a result of new shareholders' agreement, Pražská teplárenská a.s. is, since 1 July 2012, included in the EPE historical IFRS condensed consolidated interim income statement for the nine-month period ended 30 September 2012 using the full method of consolidation reflecting the relevant non-controlling interest of 26.74%. In the pro forma financial information, Pražská teplárenská a.s. is consolidated using the full method of consolidation effective from 1 January 2012.

As such, the profit and loss accounts of Pražská teplárenská a.s. for the period from 1 January 2012 to 30 June 2012 (sub-consolidated accounts, i.e. also including Energotrans, a.s.; Energotrans, a.s. operations were then eliminated as described in Note 3.2.2) were recalculated to include the remaining 26.74% of operations in the individual pro forma income statement line items (i.e. to reflect the full consolidation method) with a reported 26.74% related to non-controlling interest. Also, appropriate changes to intercompany eliminations were carried out in the pro forma financial information to reflect the different method of consolidation.

The purchase price allocation prepared in accordance with IFRS 3 was performed for the purposes of reflecting the gain of control in Pražská teplárenská a.s. on 29 June 2012. The pro forma financial information includes the effects of these purchase price allocation adjustments as if the EPE Group had gained control over Pražská teplárenská a.s. on 1 January 2012. These effects are primarily represented by simulated depreciation and amortisation charges related to the tangible and intangible assets revalued during the purchase price allocation process. These pro forma depreciation and amortisation adjustments were based on a simple linear approximation of amortisation and depreciation charges of related assets and may not, therefore, be accurate in terms of following the actual amortisation and depreciation patterns.

In the historical IFRS condensed consolidated interim financial statements, as a result of accounting for the gain of control in Pražská teplárenská a.s., the EPE Group recognised a gain on disposal of the previously held joint venture share totalling CZK 866 million. This gain was reversed in the pro forma consolidated financial information.

On 17 April 2012, Energotrans, a.s. established the subsidiary Energotrans SERVIS, a.s. by a contribution of specific assets. Pražská teplárenská a.s. subsequently acquired an 85% share in Energotrans SERVIS, a.s. in June 2012. For the purposes of the pro forma financial information, Energotrans SERVIS, a.s. was therefore fully consolidated effective from 1 January 2012. In the historical condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2012, the contributed assets were not depreciated before the inception of Energotrans SERVIS, a.s. (i.e. from 1 January to 17 April 2012) as they were reported as held for sale under IFRS 5 due to the fact that it was expected that these assets would be disposed together with Energotrans, a.s. In the pro forma financial information, the EPE Group decided not to capture the missing depreciation as the remaining useful life of these assets is considered long and the potential depreciation charge for the pro forma period is not deemed significant by the EPE Group.

On 23 November 2012, Pražská teplárenská a.s. established a subsidiary Areál Třeboradice, a.s. by a contribution of a defined group of assets. Due to the subsequent planned disposal of this special purpose entity outside of the EPE Group in 2013, Pražská teplárenská a.s. reclassified these assets

from property, plant and equipment to assets held for sale on 1 January 2012 and stopped depreciating them in the pro forma financial information from that date.

Due to the planned contribution of a defined group of assets by Pražská teplárenská a.s. to a special purpose entity and subsequent planned disposal of this special purpose entity outside of the EPE Group in 2012, Pražská teplárenská a.s. reclassified these assets from property, plant and equipment to assets held for sale on 1 January 2012 and stopped depreciating them in the pro forma financial information from that date.

### **3.2.2. Energotrans, a.s. related adjustments**

In June 2012, Energotrans, a.s., a former subsidiary of Pražská teplárenská a.s. was sold. As a result, Energotrans, a.s. was excluded from the pro forma financial information effective from 1 January 2012. The associated pro forma financial information adjustment excluded Energotrans, a.s.'s related operations from the sub-consolidated financial information of Pražská teplárenská a.s. Also, relevant adjustments to intercompany transactions between Energotrans, a.s. and the EPE Group were reflected in the pro forma financial information. The gain on disposal of Energotrans, a.s. (CZK 2,590 million) reported in the historical IFRS condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2012 was reversed in the pro forma financial information.

### **3.2.3. EAST BOHEMIA ENERGY HOLDING LIMITED related adjustments**

As Energotrans, a.s. was excluded from the pro forma financial information on 1 January 2012, the pro forma financial information also does not include an advance received from the acquirer of Energotrans, a.s. This advance was historically reported in the general ledger of EAST BOHEMIA ENERGY HOLDING LIMITED until it was settled shortly after the sale of Energotrans, a.s. in June 2012.

As a result of the exclusion of the advance from the pro forma financial information, an interest expense for the six-month period ended 30 June 2012 due from the received advance payment and recorded in the standalone general ledger of EAST BOHEMIA ENERGY HOLDING LIMITED was reversed.

As an additional pro forma adjustment, a statutory profit on the sale of Energotrans, a.s. belonging to the EPE Group (i.e. 73.26% of the total profit from the sale), which in 2013 was distributed as a dividend to EPE, was offset with the received advance payment treated as made on 1 January 2012 for purposes of the pro forma financial information, and the resulting difference (i.e., the excess advance payment) was assumed as an interest-bearing loan. The related interest expense for the six-month period ended 30 June 2012 was calculated and was reflected in the pro forma financial information.

### **3.2.4. JTSD Braunkohlebergbau GmbH and its subsidiaries related adjustments**

The EPE Group acquired a 50% share in JTSD Braunkohlebergbau GmbH on 28 June 2011, and on that date agreed on a legally binding acquisition of the remaining 50% share in JTSD Braunkohlebergbau GmbH; the acquisition process for the remaining 50% was then completed at the end of June 2012.

As a result, the acquisition of a 100% share in JTSD Braunkohlebergbau GmbH was reflected in the pro forma financial information as if the acquisition date was 1 January 2012.

Financial information of JTSD Braunkohlebergbau GmbH used for the compilation of the historical IFRS condensed consolidated interim financial statements of EPE Group for the nine-month period ended 30 September 2012 has been recalculated to include the remaining 50% of operations for the first half of 2012 in the individual pro forma income statement line items. Also, appropriate changes to intercompany eliminations were carried out to reflect a full consolidation of JTSD Braunkohlebergbau GmbH in the pro forma financial information for the nine-month period ended 30 September 2012. For simplification purposes, the EPE Group used for a recalculation of EUR denominated income statement line items an average EUR/CZK foreign exchange rate for nine-month period ended 30 September 2012, i.e. 25.14 CZK/EUR.

As a result of these pro forma adjustments, 100% of JTSD Braunkohlebergbau GmbH's operations for the nine-month period ended 30 September 2012 is included in the pro forma financial information.

For the purposes of accounting for the acquisition of the remaining 50% of JTSD Braunkohlebergbau GmbH in June 2012, a purchase price allocation was prepared by external valuation specialists and included in the historical IFRS condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2012. For the purposes of the pro forma financial information, these purchase price valuation adjustments were reflected in the pro forma financial information as if the whole purchase price allocation process was performed on 1 January 2012. Similarly to Pražská teplárenská a.s. related pro forma adjustments described in Note 3.2.1, the pro forma financial information includes adjustments simulating the impact of depreciation and amortisation from the tangible and intangible assets revalued during the purchase price allocation process. These pro forma depreciation and amortisation adjustments were based on a simple linear approximation of amortisation and depreciation charges of related assets and may not therefore be accurate in terms of following the real amortisation and depreciation patterns. Specifically for JTSD Braunkohlebergbau GmbH, the business plan, based on which the overall fair valuation was performed, is more optimistic, due to recent developments, as compared to the one prepared for the 30 June 2011 valuation, which resulted in a significant uplift on selected tangible assets. As compared to a simple linear approximation of amortisation and depreciation charges, actual amortisation and depreciation patterns would result in less amortisation and depreciation charges in the beginning followed by increased charges in the future (corresponding to the progressive increase in planned coal extraction). Also, the pro forma adjustments relating to simulation of effects from revalued provisions (primarily provisions relating to mine reclamation and provisions for mining damage) were calculated and included.

The purchase price for acquisition of the remaining 50% share in JTSD Braunkohlebergbau GmbH was financed by interest-bearing debt in the historical IFRS condensed consolidated interim financial statements as of 30 September 2012. The related interest expense was calculated for the period from 1 January 2012 to 30 June 2012 (i.e. until the date of acquisition of the remaining 50% share) and the relevant part was captured in the pro forma financial information. The interest rate used for the calculation of interest expense was based on the existing contract for the acquisition of JTSD Braunkohlebergbau GmbH, which specifies the effective interest rate for acquisition debts.

Negative goodwill resulting from the acquisition of JTSD Braunkohlebergbau GmbH was retained in equity, i.e. the pro forma financial information does not include any negative goodwill effects (i.e. it also includes the reversal of negative goodwill recognised in the historical IFRS condensed consolidated interim financial statements for the nine-month period ended 30 September 2012).

In the historical IFRS condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2012, as a result of accounting for the step-acquisition of JTSD Braunkohlebergbau GmbH, the EPE Group recognised a gain on disposal totalling CZK 1,028 million. This gain was reversed in the pro forma consolidated financial information.

### **3.2.5. Saale Energie GmbH and its associates related adjustments**

EP Germany GmbH acquired a 100% share in Saale Energie GmbH and its associates in July 2012. The sub-group was consolidated using a full method of consolidation.

As a result, the acquisition of a 100% share in Saale Energie GmbH was reflected in the pro forma financial information as if the acquisition date was 1 January 2012.

Purchase price allocation in connection with the above acquisition was prepared by external valuation specialists and was included in the historical IFRS condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2012. The pro forma financial information includes the effects of certain purchase price allocation adjustments and related tax effect as if the EPE Group had gained control over Saale Energie GmbH and its associates on 1 January 2012.

In connection with the purchase price allocation the acquirer identified new intangible assets (Electricity Sale Agreement and Use & Benefit Agreement) and increased value of equity-accounted investees resulting from revaluation of their property, plant and equipment. The respective assets have been depreciated and amortized since 1 August 2012 in the historical IFRS condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2012. The purchase price allocation adjustments were reflected in the pro forma financial information as if the whole purchase price allocation process was performed on 1 January 2012, however, the related simulated amortisation charges related to the intangible assets revalued during the purchase price allocation process were reflected from 1 August 2012 only, as amortization charges relating to these intangible assets are not linear over the useful life of the contracts and approximation of any impact on pro forma financial information is, therefore, impracticable and not reliable.

The purchase price for acquisition of the 100% share in Saale Energie GmbH and its associates was financed by interest-bearing debt. For the pro forma financial information purposes, the related interest expense was calculated and recorded for the whole nine-month period ended 30 September 2012. The interest rate used for the calculation of interest expense was based on the effective interest rate used for interest-bearing loan received in July 2012 from the owner of the EPE Group (Energetický a průmyslový holding, a.s.) to finance the acquisition of Saale Energie GmbH.

Negative goodwill resulting from the acquisition of Saale Energie GmbH was retained in equity, i.e. the pro forma financial information does not include any negative goodwill effects (as such, it also includes a reversal of negative goodwill of CZK 472 million recognised in the historical IFRS condensed consolidated interim financial statements for the nine-month period ended 30 September 2012).

### **3.2.6. Stredoslovenská energetika, a.s. and its subsidiaries related adjustments**

The EPE Group acquired a 49% share associated with a management control in Stredoslovenská energetika, a.s. and its subsidiaries (further “SSE Group”) on 27 November 2013. The sub-group was included in the pro forma financial information using a full method of consolidation effective from 1 January 2012 reflecting the relevant non-controlling interest of 51%.

Statutory consolidated financial statements of the SSE Group as of and for the nine-month period ended 30 September 2012 are presented in separate column of the pro forma financial information (Part 1). These historical financial statements were adjusted in the following column of the pro forma financial information (Part 2) to reflect an application of the EPE accounting principles as of 1 January 2012 and to reflect pro forma acquisition adjustments. For simplification purposes, the EPE Group used for a recalculation of EUR denominated income statement line items an average EUR/CZK foreign exchange rate for the nine-month period ended 30 September 2012, i.e. 25.14 CZK/EUR. Pro forma adjustments included in Part 2 comprise mainly acquisition accounting and financing including calculation of interest expense. These particular effects are further described below.

No purchase price allocation adjustments resulting from the acquisition of the SSE Group were included in the pro forma financial information, because at the date of preparation of this pro forma financial information a valuation report for purchase price allocation was not available.

The acquisition of the SSE Group as of 1 January 2012 and related financing effects in the financial statements of EP Energy, a.s. and EPH Financing II, a.s. were reflected as adjustments in pro forma financial information. No deferred tax effects were included in the pro forma financial information.

The purchase price for acquisition of a 49% share in the SSE Group was financed by interest-bearing debt and by equity, of which CZK 100 million was recorded to share capital and CZK 3,213 million to share premium of EP Energy, a.s. The value of shares was determined by the independent expert appraisal using market generally accepted valuation techniques. For the pro forma financial information purposes, the interest expense related to acquisition debt was calculated and recorded for the period from 1 January 2012 to 30 September 2012. The interest rate of 2.53 % used for the calculation of interest expense was based on the effective interest rate applicable to interest-bearing loan received in November 2013 to finance the acquisition of the SSE Group.

For the pro forma financial information purposes the SSE Group was consolidated as acquired at 1 January 2012. Therefore dividends paid out by the SSE Group to previous owner in 2012 and 2013 were deemed as retained in the equity of the SSE Group as at 1 January 2012. Additionally, for the pro forma purposes, the amount of reversed dividend payout was reflected as increase in the purchase price of the SSE Group with corresponding increase of the acquisition debt as at 1 January 2012. As of 30 September 2012 the relevant part of dividends for 2012 and 2013 was offset with the acquisition debt.

After recognition of the above mentioned pro forma adjustments the difference between book value of the Net assets and the Purchase price was recognized as residual goodwill in this pro forma financial information. This treatment was applied due to the fact that the valuation report for purchase price allocation was not available at the date of this pro forma financial information.

The operations of the SSE Group was assigned to “Trading and Supply” operating segment. Consequently, in connection with the acquisition of the SSE Group this operating segment “Trading and Supply” was renamed to “Power distribution and Supply” segment.

## Appendix 1:

Breakdown of the unaudited pro forma consolidated income statement of EP Energy, a.s. as of and for the nine-month period ended 30 September 2012 into operating segments

<i>In millions of CZK</i>	<b>Mining</b>	<b>Heat and Power</b>	<b>Power distribution and Supply</b>	<b>Renewables</b>	<b>Other</b>	<b>Total segments</b>	<b>Inter-segment eliminations</b>	<b>Consolidated Financial Information</b>
Sales: Energy	6,725	13,064	29,298	110	-	49,197	(4,085)	45,112
<i>external revenues</i>	6,725	10,268	28,017	102	-	45,112	-	45,112
<i>inter-segment revenues</i>	-	2,796	1,281	8	-	4,085	(4,085)	-
Sales: Other	1,221	277	484	12	46	2,040	(416)	1,624
<i>external revenues</i>	1,221	276	69	12	46	1,624	-	1,624
<i>inter-segment revenues</i>	-	1	415	-	-	416	(416)	-
Total sales	7,946	13,341	29,782	122	46	51,237	(4,501)	46,736
Cost of sales - Energy	(977)	(8,278)	(26,122)	(5)	-	(35,382)	4,060	(31,322)
<i>external cost of sales</i>	(977)	(7,021)	(23,319)	(5)	-	(31,322)	-	(31,322)
<i>inter-segment cost of sales</i>	-	(1,257)	(2,803)	-	-	(4,060)	4,060	-
Cost of sales - Other	(88)	(226)	(422)	-	(7)	(743)	416	(327)
<i>external cost of sales</i>	(88)	(226)	(6)	-	(7)	(327)	-	(327)
<i>inter-segment cost of sales</i>	-	-	(416)	-	-	(416)	416	-
Personnel expenses	(2,388)	(923)	(676)	(4)	(26)	(4,017)	-	(4,017)
Depreciation and amortization	(2,384)	(2,548)	(560)	(52)	(1)	(5,545)	-	(5,545)
Repairs and maintenance	(73)	(225)	(25)	(3)	-	(326)	2	(324)
Emission rights, net	(388)	372	-	-	-	(16)	-	(16)
Negative goodwill	-	-	-	-	-	-	-	-
Taxes and charges	(176)	(157)	(32)	(10)	-	(375)	(1)	(376)
Other operating income	392	136	208	14	-	750	(12)	738
Other operating expenses	(1,527)	(373)	(605)	(20)	(96)	(2,621)	36	(2,585)
<b>Profit from operations</b>	<b>337</b>	<b>1,119</b>	<b>1,548</b>	<b>42</b>	<b>(84)</b>	<b>2,962</b>	<b>-</b>	<b>2,962</b>
Finance income	22	204	439	23	*1,914	*2,602	*(1,921)	681
<i>external finance revenues</i>	21	141	432	23	64	681	-	681
<i>inter-segment finance revenues</i>	1	63	7	-	*1,850	*1,921	*(1,921)	-
Finance expense	(484)	(835)	(213)	(107)	(332)	(1,971)	580	(1,391)
Profit/(loss) from derivative financial instruments	(7)	65	(214)	(2)	1	(157)	-	(157)
Share of profit/(loss) of equity accounted investees, net of tax	29	(54)	-	-	-	(25)	-	(25)
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates	-	-	-	-	-	-	-	-
<b>Profit/(loss) before income tax</b>	<b>(103)</b>	<b>499</b>	<b>1,560</b>	<b>(44)</b>	<b>*1,499</b>	<b>*3,411</b>	<b>*(1,341)</b>	<b>2,070</b>
Income tax expenses	219	(248)	(247)	1	(91)	(366)	-	(366)
<b>Profit/(loss) for the period</b>	<b>116</b>	<b>251</b>	<b>1,313</b>	<b>(43)</b>	<b>1,408</b>	<b>3,045</b>	<b>(1,341)</b>	<b>1,704</b>

\*CZK 1,341 million is attributable to inter-group dividends primarily recognised by EP Energy, a.s.

**Other financial information:**

<b>EBITDA<sup>(1)</sup></b>	<b>2,721</b>	<b>3,667</b>	<b>2,108</b>	<b>94</b>	<b>(83)</b>	<b>8,507</b>	<b>-</b>	<b>8,507</b>
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>2,721</b>	<b>3,899</b>	<b>1,181</b>	<b>94</b>	<b>(83)</b>	<b>7,812</b>	<b>-</b>	<b>7,812</b>

Notes:

General: the allocation of the individual EPE Group entities into the operating segments corresponds to the allocation made for the purposes of the historical IFRS condensed consolidated financial statements of EPE Group. SSE Group was allocated to the segment Power distribution and Supply (formerly known as Trading and Supply).

- (1) EBITDA represents profit from operations plus depreciation of property, plant and equipment and amortisation of intangible assets (negative goodwill not included, if applicable). Although EBITDA should not be considered a substitute measure for profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. EBITDA may not be comparable to the similarly titled measure used by other companies.
- (2) Adjusted EBITDA represents EBITDA as calculated in Note (1) further adjusted to exclude:
  - (a) the items related to Saale Energie (which lead to a CZK 232 million decrease to EBITDA in the nine-month period ended 30 September 2012, of which CZK 175 million relates to the period from 1 January 2012 to 31 July 2012 and CZK 57 million relates to the period from 1 August 2012 to 30 September 2012), which, due to the accounting treatment of the specific contractual arrangement with Schkopau, are charged to operating costs of Saale Energie but relate to entries that would otherwise not be included in EBITDA.
  - (b) the share of non-controlling interest on EBITDA of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to a CZK 927 million increase to EBITDA.