

# Report on the first half of the year 2015 for CE Energy, a.s.

- ✓ Consolidated EBITDA reached EUR 181<sup>1</sup> million
- ✓ Consolidated pro forma adjusted EBITDA for the last twelve months totaled EUR 370<sup>1</sup> million
- ✓ Indicative Net Consolidated Leverage Ratio amounted to 4.14x<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 85 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 to final consumers in the Czech Republic, the second largest power generator in the Czech Republic, the second largest electricity distributor and supplier in the Slovak Republic and the third largest mining company in Germany in 2014. 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, a.s. (also "SSE") included on a proportionate basis

## KEY FIGURES AT A GLANCE

### Consolidated financial results in EUR millions

	1H 2014	1H 2015
Total sales	1,173.6 <sup>13</sup>	1,183.1
EBITDA <sup>1</sup>	212.5 <sup>13</sup>	215.9
EBITDA incl. SSE on a proportionate basis <sup>2</sup>	192.3 <sup>13</sup>	180.9
Pro forma Adjusted EBITDA (last twelve months) <sup>3</sup>		447.6
Pro forma Adjusted EBITDA incl. SSE on a proportionate basis (last twelve months) <sup>4</sup>		369.6
Total net debt per financial statements <sup>5</sup>		1,593.0
Total net debt per financial statements incl. SSE on a proportionate basis <sup>6</sup>		1,573.1
Indicative CE Energy Net Consolidated Leverage Ratio (incl. SSE on a prop. basis) <sup>7</sup>		4.14x
Profit from operations	62.4 <sup>13</sup>	78.9
Profit or loss before tax	26.0	21.6
Net profit or loss attributable to CEE	9.8	(11.8)
Total assets		3,604.6
CAPEX <sup>8</sup>	48.1	78.6

### Physical units (CEE excluding SSE)

	1H 2014	1H 2015
Coal production ..... Mt	10.2	8.6
Installed <i>cogeneration</i> Capacity <sup>9</sup> .... MW <sub>e</sub>	500	500
Installed <i>condensation</i> Capacity <sup>9</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>	9,017	9,471
Power produced <sup>9</sup> ..... GWh	2,718	2,119
Power traded <sup>9</sup> ..... GWh	7,247	11,066
Power supplied <sup>9</sup> ..... GWh	994	903
Natural gas supplied <sup>9</sup> ..... GWh	1,680	770
Saale Energie - Installed capacity... MW <sub>e</sub>	400	400

### Physical units SSE

	1H 2014	1H 2015
Power distributed ..... GWh	2,959	2,959
Power traded ..... GWh	2,913	3,625
Power supplied ..... GWh	2,188	1,985
Natural gas supplied ..... GWh	113	195
Power produced ..... GWh	10	12
Installed capacity ..... MW <sub>e</sub>	62	62

(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 68.7 million for the first half of the year 2015 and EUR 39.6 million for the first half of the year 2014). 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 first half of the year 2015 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 33.7 million for the first half of the year 2015 and EUR 19.4 million for the first half of the year 2014). 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 first half of the year 2015 for EP Energy, a.s.

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

Actual IFRS EBITDA for the period Jan – Jun 2015	215.9
Actual IFRS EBITDA for the period Jan – Dec 2014	454.3
Actual IFRS EBITDA for the period Jan – Jun 2014	(212.5) <sup>13</sup>
System Operations Tariff adjustment	(20.8)
Pro forma EP Cargo scope adjustment for July 2014	0.4
Saale Energie adjustment	10.3
<b>Pro forma Adjusted EBITDA (last twelve months)</b>	<b>447.6</b>

To derive Pro forma Adjusted EBITDA for the period from July 1, 2014 to June 30, 2015, CEE utilized IFRS consolidated statement of comprehensive income of CE Energy, a.s. for the year ended December 31, 2014 (EBITDA of EUR 454.3 million), IFRS condensed consolidated interim statement of comprehensive income of CE Energy, a.s. for the six-month period ended June 30, 2015 (EBITDA of EUR 215.9 million) and IFRS condensed consolidated interim statement of comprehensive income of CE Energy, a.s. for the six-month period ended June 30, 2014 (EBITDA of EUR 212.5 million) as comparatives.

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 0.4 million is related to July 2014, i.e. the pre-acquisition period.

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 last twelve months ended June 30, 2015, 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.

In addition, the historical financial performance of the CEE Group have been adjusted for EUR 20.8 million of revenue relating to accounting for System Operations Tariff (“SOT”) at SSE in 2014. SSE is legally bound to connect producers of green energy, if they comply with requirements set by Regulatory Office for Network Industries (“URSO”) and to purchase the green electricity generated, which is used to cover network losses. The purchase tariff for green energy is set by URSO and is covered by the SOT which should be sufficient to cover costs relating to the purchases of produced green energy in the particular year. However, in 2013 the SOT was not sufficient to cover incurred green energy costs as a result of which SSE incurred overall loss from these transactions. In December 2014 SSE received a statement from Regulatory Office for Network Industries confirming the amount of a compensation to be paid in 2015 in relation to 2013 SOT loss. As a result of this statement, in December 2014 SSE recorded revenues and accrued income of EUR 41.5 million representing the confirmed compensation to be collected in 2015. In previous periods no accrued income could have been recorded by SSE because the regulatory system worked differently and the IFRS criteria for revenue recognition were not met. Beginning January 2015 SSE has been accruing revenue for the previous year’s SOT related loss on monthly basis. In order to reflect linear origination of the SOT related losses, for the purposes of the Pro forma Adjusted EBITDA for the twelve-month period ended June 30, 2015 historical financial performance of the CEE Group was adjusted downward by one half of the 2014 recorded accrued income (i.e. EUR 20.8 million).

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 first half of the year 2015 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 88.6 million) and to exclude a non-controlling interest of 51% relating to negative EUR 20.8 million of System Operations Tariff adjustment (i.e. negative EUR 10.6 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 to the Report on the first half of the year 2015 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). 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)**

		1H 2015
Loans and borrowings (non-current)	<i>add</i>	1,747.1
Financial instruments and financial liabilities (non-current)	<i>add</i>	0.2
Loans and borrowings (current)	<i>add</i>	69.7
Financial instruments and financial liabilities (current)	<i>add</i>	0.8
Cash and cash equivalents	<i>less</i>	224.8
<b>Net Debt</b>		<b>1,593.0</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 19.9 million belonging to a minority shareholder of Stredoslovenská energetika, a.s.

#### Calculation of SSE's Net Debt (in EUR millions)

		1H 2015
Loans and borrowings (non-current)	<i>add</i>	29.4
Loans and borrowings (current)	<i>add</i>	10.6
Cash and cash equivalents	<i>less</i>	26.4
Cash dividend reserved for EP Energy	<i>add</i>	25.4
<b>Net Debt</b>		<b>39.0</b>
<b>Portion of net debt belonging to a minority shareholder</b>		<b>19.9</b>

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 June 30, 2015 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.

(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) 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 condensed consolidated interim financial statements of EP Energy, a.s. as of and for the six-month period ended June 30, 2015. Data for the six-month period ended June 30, 2014 were restated with an impact of positive EUR 5.3 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 first half of the year 2015 for EP Energy, a.s. which forms a part of the complete set of this report.

## **CONTENT:**

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## **Attachments:**

EP Energy, a.s. – Unaudited condensed consolidated interim financial statements as of and for the six-month period ended June 30, 2015 are presented in a separate file as an attachment to this report

EP Energy, a.s. – Report on the first half of the year 2015 for EP Energy, a.s. is presented in a separate file as an attachment to this report

Dear investors, customers and partners,

Our first half 2015 IFRS EBITDA, reflecting proportional consolidation of SSE, reached EUR 181 million, which is in comparison to the first half 2014 lower by approximately 6%. The Pro forma Adjusted EBITDA for the last twelve-month period ended June 30, 2015, reflecting proportional consolidation of SSE, reached EUR 370 million as compared to EUR 393 million for the fiscal year ended December 31, 2014.

Despite the continuing negative development esp. of wholesale power market, our business performance remains solid. Our operations, particularly in the Power Distribution and Supply segment, were positively influenced by improved performance of power distribution and trading activities and by positive effect of accounting for compensation of regulatory charges relating to green energy subsidies to renewable energy producers in the central Slovakia region (paid by SSE and later reimbursed by the system operator). In December 2014 Stredoslovenská energetika recorded accrued income of EUR 42 million representing a compensation confirmed by the regulator for 2013, which from the business perspective related to the whole year 2014, whereas the financial effect was captured solely to the last quarter of 2014. At the same time, since January 1, 2015, SSE has been accruing for 2014 compensation as opposed to the first quarter of 2014 where no such compensation was accrued. To make our results comparable, this timing inconsistency was reflected as an adjustment in the Pro forma Adjusted EBITDA for the twelve-month period ended June 30, 2015.

Mining segment results have been influenced by unusually windy weather in Germany during the first quarter of 2015 which was reflected in temporarily decreased off-take from Mibrag's two major customers – power plants Lippendorf and Schkopau. Also, Mibrag experienced in this period higher costs relating to the planned opening of new mining fields Peres and Domsen. Further, Mibrag recorded provisions of EUR 10 million, where EUR 6.5 million relates to reimbursement of expected fees for the promotion of renewable energy in the period from 2004 to 2008. At the same time, despite these negative impacts, we believe that the FY 2015 EBITDA of our mining operations shall be in the region EUR 130-140 million, i.e. more in line with previous performance (apart from 2014 which was an exceptionally successful year).

Heat and power segment's performance declined as a result of expiration of beneficial power purchase agreement at HSR, lower power prices and lower allocation of free emission allowances. Despite not particularly strong winter, Heat and Power segment reported 6% higher heat sales compared to the previous period.

As already mentioned in previous reports, to react on the pressure from external factors, we continue our operating expenses and capital expenditure cuts program. The first impacts materialized already in 2014 results with expected savings (primarily CAPEX related) up to EUR 20 million per year ramping up based on particular deployment of specific savings and optimization measures.

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 six-month period ended June 30, 2015

## Condensed consolidated interim statement of comprehensive income

For the six-month period ended June 30, 2015

In thousands of EUR ("TEUR")

	30 June 2015 (six months) (unaudited)	30 June 2014 (six months) (unaudited) (restated)
Sales: Energy	1,124,971	1,116,716
<i>of which: Electricity</i>	682,709	712,180
Heat	167,465	157,189
Coal	135,592	133,980
Gas	139,205	113,275
Other energy products	-	92
Sales: Other	50,246	51,654
Gain (loss) from commodity derivatives for trading with electricity and gas, net	7,899	5,251
<b>Total sales</b>	<b>1,183,116</b>	<b>1,173,621</b>
Cost of sales: Energy	(753,924)	(744,925)
Cost of sales: Other	(18,535)	(24,730)
<b>Total cost of sales</b>	<b>(772,459)</b>	<b>(769,655)</b>
	<b>410,657</b>	<b>403,966</b>
Personnel expenses	(132,375)	(125,631)
Depreciation and amortisation	(136,997)	(150,093)
Repairs and maintenance	(5,118)	(6,546)
Emission rights, net	(11,777)	(10,862)
Taxes and charges	(6,266)	(5,775)
Other operating income	38,548	28,975
Other operating expenses	(77,765)	(71,596)
<b>Profit (loss) from operations</b>	<b>78,907</b>	<b>62,438</b>
Finance income	10,574	29,942
Finance expense	(65,853)	(66,790)
Profit (loss) from derivative financial instruments	(667)	1,008
<b>Net finance income (expense)</b>	<b>(55,946)</b>	<b>(35,840)</b>
Share of profit (loss) of equity accounted investees, net of tax	(1,377)	(605)
<b>Profit (loss) before income tax</b>	<b>21,584</b>	<b>25,993</b>
Income tax expenses	(15,385)	(10,645)
<b>Profit (loss) for the period</b>	<b>6,199</b>	<b>15,348</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Foreign currency translation differences for foreign operations	(13,852)	1,008
Foreign currency translation differences for presentation currency	12,434	(4,495)
Effective portion of changes in fair value of cash flow hedges, net of tax	14,144	(1,967)
Fair value reserve included in other comprehensive income	(982)	(1,494)
<b>Other comprehensive income for the period, net of tax</b>	<b>11,744</b>	<b>(6,948)</b>
<b>Total comprehensive income for the period</b>	<b>17,943</b>	<b>8,400</b>
<b>Profit (loss) attributable to:</b>		
Owners of the Company	(11,797)	9,761
Non-controlling interest	17,996	5,587
<b>Profit (loss) for the period</b>	<b>6,199</b>	<b>15,348</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	(2,399)	1,723
Non-controlling interest	20,342	6,677
<b>Total comprehensive income for the period</b>	<b>17,943</b>	<b>8,400</b>



## Condensed consolidated interim statement of financial position

As of June 30, 2015

In thousands of EUR ("TEUR")

	30 June 2015 (unaudited)	31 December 2014 (audited)
<b>Assets</b>		
Property, plant and equipment	2,204,293	2,245,936
Intangible assets	124,725	154,996
Goodwill	97,852	96,241
Participations with significant influence	119,795	127,376
Financial instruments and other financial assets	14,083	337,248
<i>of which receivables from the parent company</i>	-	280,096
Trade receivables and other assets	8,969	28,999
Deferred tax assets	7,642	9,627
<b>Total non-current assets</b>	<b>2,577,359</b>	<b>3,000,423</b>
Inventories	79,792	77,022
Extracted minerals and mineral products	5,998	7,926
Trade receivables and other assets	315,835	338,959
Financial instruments and other financial assets	348,722	491,959
<i>of which receivables from the parent company</i>	300,125	486,141
Prepayments and other deferrals	3,654	2,803
Tax receivables	24,958	21,448
Cash and cash equivalents	224,763	238,387
Assets/disposal groups held for sale	23,558	26,131
<b>Total current assets</b>	<b>1,027,280</b>	<b>1,204,635</b>
<b>Total assets</b>	<b>3,604,639</b>	<b>4,205,058</b>
<b>Equity</b>		
Share capital	78	78
Reserves	(301,970)	(311,368)
Retained earnings	465,043	494,598
<b>Total equity attributable to equity holders</b>	<b>163,151</b>	<b>183,308</b>
Non-controlling interest	446,612	462,175
<b>Total equity</b>	<b>609,763</b>	<b>645,483</b>
<b>Liabilities</b>		
Loans and borrowings	1,747,133	1,760,444
<i>of which owed to the parent company</i>	-	-
Financial instruments and other financial liabilities	217	680
Provisions	358,049	360,247
Deferred income	57,213	63,996
Deferred tax liabilities	232,763	242,325
Trade payables and other liabilities	69,672	71,951
<b>Total non-current liabilities</b>	<b>2,465,047</b>	<b>2,499,643</b>
Trade payables and other liabilities	346,662	350,993
Loans and borrowings	69,698	400,791
<i>of which owed to the parent company</i>	2,549	262,435
Liabilities from returned capital contribution	-	194,268
<i>of which owed to the parent company</i>	-	194,268
Financial instruments and other financial liabilities	751	830
Provisions	69,670	83,248
Deferred income	19,003	4,015
Current income tax liability	7,532	9,372
Liabilities from disposal groups held for sale	16,513	16,415
<b>Total current liabilities</b>	<b>529,829</b>	<b>1,059,932</b>
<b>Total liabilities</b>	<b>2,994,876</b>	<b>3,559,575</b>
<b>Total equity and liabilities</b>	<b>3,604,639</b>	<b>4,205,058</b>

## Condensed consolidated interim statement of cash flows

For the six-month period ended June 30, 2015

In thousands of EUR ("TEUR")

	30 June 2015 (six months) (unaudited)	30 June 2014 (six months) (unaudited) (restated)
<b>OPERATING ACTIVITIES</b>		
Profit (loss) for the period	6,199	15,348
<i>Adjustments for:</i>		
Income taxes	15,385	10,645
Depreciation and amortisation	136,997	150,093
Dividend income	(179)	(235)
Impairment losses on property, plant and equipment and intangible assets	763	430
(Gain) loss on disposal of property, plant and equipment, investment property and intangible assets	(2,203)	1,046
(Gain) on disposal of inventories	(624)	(152)
Emission rights	11,777	10,862
Share of (profit) loss of equity accounted investees	1,377	605
(Gain) loss on financial instruments	667	(1,008)
Net interest expense	49,686	38,902
Change in allowance for impairment to trade receivables and other assets, write-offs	2,038	1,675
Change in provisions	(3,204)	(28,859)
Unrealised foreign exchange (gains) losses, net	(28,739)	(2,843)
<b>Operating profit before changes in working capital</b>	<b>189,940</b>	<b>196,509</b>
Change in financial instruments at other than fair value	16,799	272
Change in trade receivables and other assets	36,555	81,192
Change in inventories (including proceeds from sale)	(2,779)	(4,672)
Change in extracted minerals and mineral products	1,928	493
Change in assets held for sale and related liabilities	2,671	2
Change in trade payables and other liabilities	(6,268)	(77,685)
<b>Cash generated from (used in) operations</b>	<b>238,846</b>	<b>196,111</b>
Interest paid	(49,818)	(34,861)
Income taxes paid	(29,966)	(37,798)
<b>Cash flows generated from (used in) operating activities</b>	<b>159,062</b>	<b>123,452</b>
<b>INVESTING ACTIVITIES</b>		
Received dividends from equity accounted investees	-	4,186
Proceeds from sale of financial instruments – derivatives	(1,075)	4,022
Acquisition of property, plant and equipment, investment property and intangible assets	(78,577)	(48,111)
Purchase of emission rights	(764)	(6,784)
Proceeds from sale of emission rights	62	1,171
Proceeds from sale of property, plant and equipment, investment property and intangible assets	4,356	7,273
Increase in participation in existing subsidiaries and special purpose entities	(1,652)	-
Interest received	802	235
<b>Cash flows from (used in) investing activities</b>	<b>(76,848)</b>	<b>(38,008)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from loans received	126,664	67,632
Repayments of borrowings	(88,462)	(636,157)
Proceeds from bonds issued	-	492,203
Repayment of bonds issued	(110,500)	-
Dividends paid	(26,500)	(27,501)
<b>Cash flows from (used in) financing activities</b>	<b>(98,798)</b>	<b>(103,823)</b>
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>(16,584)</i>	<i>(18,379)</i>
<b>Cash and cash equivalents at beginning of the period</b>	<b>238,387</b>	<b>288,321</b>
Effect of exchange rate fluctuations on cash held	2,960	(181)
<b>Cash and cash equivalents at end of the period</b>	<b>224,763</b>	<b>269,761</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, a.s. (also “Energetický a průmyslový holding” or “EPH”).

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 February 1 and August 1, beginning on August 1, 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 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.

During January 2015, CE Energy drew a new bank loan from UniCredit Bank Czech Republic and Slovakia, a.s. (also “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.

On February 5, 2015, a non-cash decrease in the registered capital of EP Energy 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 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 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 April 28, 2015, CE Energy entered into a loan agreement as a borrower with UniCredit Bank Czech Republic and Slovakia, a.s. (also "UNI" or "the Bank") as a lender (also "CEE UNI Loan Agreement"). The CEE UNI Loan Agreement provides for a loan of up to EUR 100 million for the main purpose of refinancing a EUR 75 million loan between CEE and UNI and for financing of repurchase of the CEE bonds by CE Energy.

On May 27, 2015 CEE received EUR 35 million of cash dividends from EP Energy. At the same time, CEE declared a non-cash dividend of app. EUR 16 million to EPH which was utilized to carry out specific non-cash settlement of intercompany liabilities and receivables between EPH, CEE and EPE.

As of the date of this report, CEE has purchased additional EUR 45 million of CE Energy's Senior Notes due in 2021, out of which EUR 35.5 million were cancelled on July 16, 2015. The purchase was funded by a loan under CEE UNI Loan Agreement. The outstanding amount of CE Energy's Senior Notes due in 2021 (not owned by CE Energy) amounts to EUR 380 million.

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 first half of the year 2015 for EP Energy, a.s.

## Subsequent events

On June 30, 2015, EP Energy, a.s., has, through its subsidiary company EP Hungary, entered into an agreement with France-based E.D.F. International (EDF) on the sale of its majority stake in Hungary-based Budapesti Erőmű Zrt. EP Energy will acquire more than 95% of the shares in a company that owns three gas-fired cogeneration plants (combined heat & power plants – „CHP“): Kelenföld (with an installed capacity of 188 MWe and 395 MWth), Újpest (105 MWe and 421 MWth) and Kispest (113 MWe and 366 MWth). These CHP plants meet almost 60% of the demand for heat in Budapest and generate approximately 3% of Hungarian electricity. The transaction is subject to approval by the Hungarian anti-monopoly authority, endorsement by the Hungarian regulator and authorisation by the French Ministry of Economy is also required.

In July 2015 an internal restructuring project was completed, in which PRVNÍ MOSTECKÁ including its subsidiary and EKY III merged into Severočeská teplárenská, which is the successor company.

On July 21, 2015 the Group (namely EP Cargo) acquired a 65% share in LokoTrain s.r.o., which primary business relates to leasing of locomotives and skilled railway personnel.

On July 30, 2015 the Group acquired a 100% share in an empty shell entity SIMPLE AWARD a.s. On August 10, 2015 the company was renamed to ENERZET SERVIS a.s. Under an internal restructuring project, ENERZET, a.s. shall spin-off certain assets to this entity. The spin-off project is expected to be completed in second half of 2015.

On August 1, 2015 EP Renewables a.s. and ČKD Blansko Wind, a.s., merged with EP Energy, a.s. The successor company is EP Energy, a.s. On August 1, 2015 VTE Moldava, a.s. and VTE Pastviny s.r.o. merged with VTE Moldava II, a.s. The successor company is VTE Moldava II, a.s.

In August 2015 the Group acquired a 100% share in Optimum Energy, s.r.o., which primarily acts as power and gas supplier.

Pražská teplárenská a.s. is undergoing another step of an internal restructuring, where its real estate subsidiaries are being spun-off to a newly established sister company PT Real Estate, a.s. which has the same shareholders' structure as Pražská teplárenská a.s. The project is expected to be finalized in second half of 2015.

Except for the matters described above and elsewhere in the Report on the first half of the year 2015 for CE Energy or EP Energy or in the Notes to Condensed Consolidated Interim Financial Statements as of and for the six-month period ended June 30, 2015 of EP Energy, the Company's management is not aware of any other material subsequent events that could have an effect on the condensed consolidated interim financial statements as at June 30, 2015.

## Appendix 1

### Details of adjustments recorded to the EPE's condensed consolidated interim financial statements as of and for the six-month period ended June 30, 2015 to derive the CEE's condensed consolidated interim financial statements for the same period

The following tables set forth the condensed consolidated interim statement of comprehensive income of CE Energy for the six-month period ended June 30, 2015, the condensed consolidated interim statement of financial position of CE Energy as of June 30, 2015, and the condensed consolidated interim statement of cash flows of CE Energy for the six-month period ended June 30, 2015 derived from the EPE's condensed consolidated interim financial statements as of and for the six-month period ended June 30, 2015.

#### Condensed consolidated interim statement of comprehensive income

For the six-month period ended June 30, 2015

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
	(unaudited)	Adjustment 1 (unaudited)	Adjustment 2 (unaudited)	Adjustment 3 (unaudited)	(unaudited)
Sales: Energy	1,124,971	-	-	-	1,124,971
<i>of which: Electricity</i>	682,709	-	-	-	682,709
<i>Heat</i>	167,465	-	-	-	167,465
<i>Coal</i>	135,592	-	-	-	135,592
<i>Gas</i>	139,205	-	-	-	139,205
Sales: Other	50,246	-	-	-	50,246
Gain (loss) from commodity derivatives for trading with electricity and gas, net	7,899	-	-	-	7,899
<b>Total sales</b>	<b>1,183,116</b>	-	-	-	<b>1,183,116</b>
Cost of sales: Energy	(753,924)	-	-	-	(753,924)
Cost of sales: Other	(18,535)	-	-	-	(18,535)
<b>Total cost of sales</b>	<b>(772,459)</b>	-	-	-	<b>(772,459)</b>
	<b>410,657</b>	-	-	-	<b>410,657</b>
Personnel expenses	(132,375)	-	-	-	(132,375)
Depreciation and amortisation	(136,997)	-	-	-	(136,997)
Repairs and maintenance	(5,118)	-	-	-	(5,118)
Emission rights, net	(11,777)	-	-	-	(11,777)
Taxes and charges	(6,266)	-	-	-	(6,266)
Other operating income	38,548	-	-	-	38,548
Other operating expenses	(77,586)	(179)	-	-	(77,765)
<b>Profit (loss) from operations</b>	<b>79,086</b>	<b>(179)</b>	-	-	<b>78,907</b>

Finance income	8,831	10,243	(213)	(8,287)	10,574
Finance expense	(48,131)	(26,222)	213	8,287	(65,853)
Profit (loss) from derivative financial instruments	(667)	-	-	-	(667)
Income from controlled entities	-	65,006	(65,006)	-	-
<b>Net finance income (expense)</b>	<b>(39,967)</b>	<b>49,027</b>	<b>(65,006)</b>	<b>-</b>	<b>(55,946)</b>
Share of profit (loss) of equity accounted investees, net of tax	(1,377)	-	-	-	(1,377)
<b>Profit (loss) before income tax</b>	<b>37,742</b>	<b>48,848</b>	<b>(65,006)</b>	<b>-</b>	<b>21,584</b>
Income tax revenues (expenses)	(15,385)	-	-	-	(15,385)
<b>Profit (loss) for the period</b>	<b>22,357</b>	<b>48,848</b>	<b>(65,006)</b>	<b>-</b>	<b>6,199</b>
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation differences for foreign operations	(13,852)	-	-	-	(13,852)
Foreign currency translation differences for presentation currency	24,056	-	-	(11,622)	12,434
Effective portion of changes in fair value of cash flow hedges, net of tax	14,144	-	-	-	14,144
Fair value reserve included in other comprehensive income	(982)	-	-	-	(982)
<b>Other comprehensive income for the period, net of tax</b>	<b>23,366</b>	<b>-</b>	<b>-</b>	<b>(11,622)</b>	<b>11,744</b>
<b>Total comprehensive income for the period</b>	<b>45,723</b>	<b>48,848</b>	<b>(65,006)</b>	<b>(11,622)</b>	<b>17,943</b>
<b>Profit (loss) attributable to:</b>					
Owners of the Company	4,361	48,848	(65,006)	-	(11,797)
Non-controlling interest	17,996	-	-	-	17,996
<b>Profit (loss) for the period</b>	<b>22,357</b>	<b>48,848</b>	<b>(65,006)</b>	<b>-</b>	<b>6,199</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company	25,381	48,848	(65,006)	(11,622)	(2,399)
Non-controlling interest	20,342	-	-	-	20,342
<b>Total comprehensive income for the period</b>	<b>45,723</b>	<b>48,848</b>	<b>(65,006)</b>	<b>(11,622)</b>	<b>17,943</b>

(1) Condensed consolidated interim statement of comprehensive income of EP Energy, a.s. for the six-month period ended June 30, 2015

(2) In the Adjustment 1, EPE consolidated figures have been adjusted to include CEE statutory statement of comprehensive income for the six-month period ended June 30, 2015.

(3) The Adjustment 2 covers eliminations of intercompany transactions between EPE and CEE for the six-month period ended June 30, 2015.

(4) The Adjustment 3 represents foreign exchange differences.

## Condensed consolidated interim statement of financial position

As of June 30, 2015

In thousands of EUR ("TEUR")

	EPE consolidated figures <sup>1</sup>	CEE standalone statement of financial position <sup>2</sup>	Elimination of investment and equity of EPE and related FX impact <sup>3</sup>	CE Energy consolidated figures
	(unaudited)	Adjustment 1 (unaudited)	Adjustment 2 (unaudited)	(unaudited)
<b>Assets</b>				
Property, plant and equipment	2,204,293	-	-	2,204,293
Intangible assets	124,725	-	-	124,725
Goodwill	97,852	-	-	97,852
Participations with control	-	1,268,852	(1,268,852)	-
Participations with significant influence	119,795	-	-	119,795
Financial instruments and other financial assets	14,083	-	-	14,083
<i>of which receivables from the parent company</i>	-	-	-	-
Trade receivables and other assets	8,969	-	-	8,969
Deferred tax assets	7,642	-	-	7,642
<b>Total non-current assets</b>	<b>2,577,359</b>	<b>1,268,852</b>	<b>(1,268,852)</b>	<b>2,577,359</b>
Inventories	79,792	-	-	79,792
Extracted minerals and mineral products	5,998	-	-	5,998
Trade receivables and other assets	315,822	13	-	315,835
Financial instruments and other financial assets	348,722	-	-	348,722
<i>of which receivables from the parent company</i>	300,125	-	-	300,125
Prepayments and other deferrals	3,654	-	-	3,654
Tax receivables	24,924	34	-	24,958
Cash and cash equivalents	191,012	33,751	-	224,763
Assets/disposal groups held for sale	23,558	-	-	23,558
<b>Total current assets</b>	<b>993,482</b>	<b>33,798</b>	<b>-</b>	<b>1,027,280</b>
<b>Total assets</b>	<b>3,570,841</b>	<b>1,302,650</b>	<b>(1,268,852)</b>	<b>3,604,639</b>
<b>Equity</b>				
Share capital	526,663	78	(526,663)	78
Share premium	116,434	-	(116,434)	-
Reserves	(417,782)	751,435	(635,623)	(301,970)
Retained earnings	396,394	58,781	9,868	465,043
<b>Total equity attributable to equity holders</b>	<b>621,709</b>	<b>810,294</b>	<b>(1,268,852)</b>	<b>163,151</b>
Non-controlling interest	446,612	-	-	446,612
<b>Total equity</b>	<b>1,068,321</b>	<b>810,294</b>	<b>(1,268,852)</b>	<b>609,763</b>



<b>Liabilities</b>				
Loans and borrowings	1,268,075	479,058	-	1,747,133
<i>of which owed to the parent company</i>	-	-	-	-
Financial instruments and other financial liabilities	217	-	-	217
Provisions	358,049	-	-	358,049
Deferred income	57,213	-	-	57,213
Deferred tax liabilities	231,335	1,428	-	232,763
Trade payables and other liabilities	69,672	-	-	69,672
<b>Total non-current liabilities</b>	<b>1,984,561</b>	<b>480,486</b>	<b>-</b>	<b>2,465,047</b>
Trade payables and other liabilities	346,661	1	-	346,662
Loans and borrowings	57,829	11,869	-	69,698
<i>of which owed to the parent company</i>	2,549	-	-	2,549
Financial instruments and other financial liabilities	751	-	-	751
Provisions	69,670	-	-	69,670
Deferred income	19,003	-	-	19,003
Current income tax liability	7,532	-	-	7,532
Liabilities from disposal groups held for sale	16,513	-	-	16,513
<b>Total current liabilities</b>	<b>517,959</b>	<b>11,870</b>	<b>-</b>	<b>529,829</b>
<b>Total liabilities</b>	<b>2,502,520</b>	<b>492,356</b>	<b>-</b>	<b>2,994,876</b>
<b>Total equity and liabilities</b>	<b>3,570,841</b>	<b>1,302,650</b>	<b>(1,268,852)</b>	<b>3,604,639</b>

(1) Condensed consolidated interim statement of financial position of EP Energy, a.s. as of June 30, 2015

(2) In the Adjustment 1, EPE consolidated figures have been adjusted to include the CEE statutory statement of financial position as of June 30, 2015.

(3) The Adjustment 2 is related to elimination of investment of CEE in EPE together with the associated FX impact and elimination of equity of EPE.

## Condensed consolidated interim statement of cash flows

For the six-month period ended June 30, 2015

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>	Repayment of 2021 Senior Notes <sup>3</sup>	Proceeds (repayments) of loans and borrowings <sup>4</sup>	Intercompany eliminations <sup>5</sup>	CE Energy consolidated figures
	(unaudited)	Adjustment 1 (unaudited)	Adjustment 2 (unaudited)	Adjustment 3 (unaudited)	Adjustment 4 (unaudited)	(unaudited)
<b>OPERATING ACTIVITIES</b>						
Profit (loss) for the period	22,357	48,848	-	-	(65,006)	6,199
<i>Adjustments for:</i>						
Income taxes	15,385	-	-	-	-	15,385
Depreciation and amortisation	136,997	-	-	-	-	136,997
Dividend income	(179)	(65,006)	-	-	65,006	(179)
Impairment losses on property, plant and equipment and intangible assets	763	-	-	-	-	763
(Gain) loss on disposal of property, plant and equipment, investment property and intangible assets	(2,203)	-	-	-	-	(2,203)
(Gain) loss on disposal of inventories	(624)	-	-	-	-	(624)
Emission rights	11,777	-	-	-	-	11,777
Share of (profit) loss of equity accounted investees	1,377	-	-	-	-	1,377
(Gain) loss on financial instruments	667	-	-	-	-	667
Net interest expense	28,955	20,731	-	-	-	49,686
Change in allowance for impairment to trade receivables and other assets, write-offs	2,038	-	-	-	-	2,038
Change in provisions	(3,204)	-	-	-	-	(3,204)
Unrealised foreign exchange (gains) losses, net	(19,036)	(9,703)	-	-	-	(28,739)
<b>Operating profit (loss) before changes in working capital</b>	<b>195,070</b>	<b>(5,130)</b>	-	-	-	<b>189,940</b>
Change in financial instruments at other than fair value	16,799	-	-	-	-	16,799
Change in trade receivables and other assets	36,555	-	-	-	-	36,555
Change in inventories (including proceeds from sale)	(2,779)	-	-	-	-	(2,779)
Change in extracted minerals and mineral products	1,928	-	-	-	-	1,928
Change in assets held for sale and related liabilities	2,671	-	-	-	-	2,671
Change in trade payables and other liabilities	(6,250)	(17,995)	-	-	17,977	(6,268)
<b>Cash generated from (used in) operations</b>	<b>243,994</b>	<b>(23,125)</b>	-	-	<b>17,977</b>	<b>238,846</b>
Interest paid	(31,656)	(18,162)	-	-	-	(49,818)
Income taxes paid	(29,966)	-	-	-	-	(29,966)
<b>Cash flows generated from (used in) operating activities</b>	<b>182,372</b>	<b>(41,287)</b>	-	-	<b>17,977</b>	<b>159,062</b>

<b>INVESTING ACTIVITIES</b>						
Proceeds from sale of financial instruments – derivatives	(1,075)	-	-	-	-	(1,075)
Acquisition of property, plant and equipment, investment property and other intangible assets	(78,577)	-	-	-	-	(78,577)
Purchase of emission rights	(764)	-	-	-	-	(764)
Proceeds from sale of emission rights	62	-	-	-	-	62
Proceeds from sale of property, plant and equipment, investment property and other intangible assets	4,356	-	-	-	-	4,356
Increase in participation in existing subsidiaries and special purpose entities	(1,652)	-	-	-	-	(1,652)
Interest received	802	-	-	-	-	802
<b>Cash flows from (used in) investing activities</b>	<b>(76,848)</b>	-	-	-	-	<b>(76,848)</b>
<b>FINANCING ACTIVITIES</b>						
Proceeds from loans received	32,164	-	-	94,500	-	126,664
Repayments of borrowings	(88,462)	-	-	-	-	(88,462)
Repayment of bonds issued	-	-	(110,500)	-	-	(110,500)
Dividends paid	(61,500)	-	-	-	35,000	(26,500)
<b>Cash flows from (used in) financing activities</b>	<b>(117,798)</b>	-	<b>(110,500)</b>	<b>94,500</b>	<b>35,000</b>	<b>(98,798)</b>
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>(12,274)</i>	<i>(41,287)</i>	<i>(110,500)</i>	<i>94,500</i>	<i>52,977</i>	<i>(16,584)</i>
<b>Cash and cash equivalents at beginning of the period</b>	<b>200,978</b>	<b>37,409</b>	-	-	-	<b>238,387</b>
Effect of exchange rate fluctuations on cash held	2,308	652	-	-	-	2,960
<b>Cash and cash equivalents at end of the period</b>	<b>191,012</b>	<b>(3,226)<sup>6</sup></b>	<b>(110,500)</b>	<b>94,500</b>	<b>52,977</b>	<b>224,763</b>

(1) Condensed consolidated interim statement of cash flows of EP Energy, a.s. for the six-month period ended June 30, 2015

(2) In the Adjustment 1, EPE consolidated figures have been adjusted to include CEE statutory statement of cash flows for the six-month period ended June 30, 2015 and related FX impact.

(3) The Adjustment 2 covers a cash outflow from repayment of 2021 Senior Notes.

(4) The Adjustment 3 comprises a cash inflow from proceeds of loans and borrowings.

(5) The Adjustment 4 covers eliminations of intercompany balances between EPE and CEE for the six-month period ended June 30, 2015.

(6) In order to separately present individual cash transactions on CE Energy level, the cash balance does not reconcile to a cash position of EUR 33.8 million as presented above in Appendix 1 in CE Energy standalone statement of financial position.

## Appendix 2

### Condensed consolidated interim statement of comprehensive income

For the period from April 1, 2015 to June 30, 2015

In thousands of EUR ("TEUR")

	April 1 to June 30, 2015 (unaudited)	April 1 to June 30, 2014 (unaudited) (restated)
Sales: Energy	481,656	498,310
<i>of which: Electricity</i>	<i>316,472</i>	<i>352,392</i>
Heat	53,254	50,417
Coal	60,886	53,992
Gas	51,044	41,476
Other energy products	-	33
Sales: Other	28,297	22,763
Gain (loss) from commodity derivatives for trading with electricity and gas, net	3,262	2,823
<b>Total sales</b>	<b>513,215</b>	<b>523,896</b>
Cost of sales: Energy	(348,441)	(355,371)
Cost of sales: Other	(8,836)	(11,231)
<b>Total cost of sales</b>	<b>(357,277)</b>	<b>(366,602)</b>
	<b>155,938</b>	<b>157,294</b>
Personnel expenses	(70,742)	(66,665)
Depreciation and amortisation	(69,381)	(80,436)
Repairs and maintenance	(3,108)	(3,599)
Emission rights, net	(4,044)	(3,667)
Taxes and charges	(3,110)	(2,873)
Other operating income	21,408	16,366
Other operating expenses	(44,167)	(34,611)
<b>Profit (loss) from operations</b>	<b>(17,206)</b>	<b>(18,191)</b>
Finance income	4,084	12,268
Finance expense	(28,996)	(34,667)
Profit (loss) from derivative financial instruments	(1,034)	90
<b>Net finance income (expense)</b>	<b>(25,946)</b>	<b>(22,309)</b>
Share of profit (loss) of equity accounted investees, net of tax	(750)	(531)
<b>Profit (loss) before income tax</b>	<b>(43,902)</b>	<b>(41,031)</b>
Income tax revenues (expenses)	2,159	3,484
<b>Profit (loss) for the period</b>	<b>(41,743)</b>	<b>(37,547)</b>

## Condensed consolidated interim statement of cash flows

For the period from April 1, 2015 to June 30, 2015

In thousands of EUR ("TEUR")

	April 1 to June 30, 2015 (unaudited)	April 1 to June 30, 2014 (unaudited) (restated)
<b>OPERATING ACTIVITIES</b>		
Profit (loss) for the period	(41,743)	(37,547)
Adjustments for:		
Income taxes	(2,159)	(3,484)
Depreciation and amortisation	69,381	80,436
Dividend income	(179)	(235)
Impairment losses on property, plant and equipment and intangible assets	223	430
(Gain) loss on disposal of property, plant and equipment, investment property and intangible assets	(9)	533
(Gain) loss on disposal of inventories	(479)	(152)
Emission rights	4,044	3,667
Share of (profit) loss of equity accounted investees	750	531
(Gain) loss on financial instruments	1,034	2,338
Net interest expense	22,077	22,665
Change in allowance for impairment to trade receivables and other assets, write-offs	1,641	511
Change in provisions	(2,305)	(19,159)
Unrealised foreign exchange (gains) losses, net	(24,492)	3,057
<b>Operating profit (loss) before changes in working capital</b>	<b>27,784</b>	<b>53,591</b>
Change in financial instruments at other than fair value	14,912	(11,470)
Change in trade receivables and other assets	48,663	93,645
Change in inventories (including proceeds from sale)	(6,768)	(7,339)
Change in extracted minerals and mineral products	3,175	1,649
Change in assets held for sale and related liabilities	242	2
Change in trade payables and other liabilities	3,342	(28,425)
<b>Cash generated from (used in) operations</b>	<b>91,350</b>	<b>101,653</b>
Interest paid	(30,567)	(32,734)
Income taxes paid	(8,693)	(16,287)
<b>Cash flows generated from (used in) operating activities</b>	<b>52,090</b>	<b>52,632</b>
<b>INVESTING ACTIVITIES</b>		
Received dividends from equity accounted investees	-	4,186
Proceeds from sale of financial instruments – derivatives	(252)	7,776
Acquisition of property, plant and equipment, investment property and other intangible assets	(54,810)	(31,837)
Purchase of emission rights	(252)	759
Proceeds from sale of emission rights	62	155
Proceeds from sale of property, plant and equipment, investment property and other intangible assets	1,013	6,100
Interest received	743	135
<b>Cash flows from (used in) investing activities</b>	<b>(53,496)</b>	<b>(12,726)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from loans received	52,752	67,574
Repayments of borrowings	(3,645)	(114,506)
Repayments of bonds issued	(35,500)	-
Dividends paid	(26,455)	(27,501)
<b>Cash flows from (used in) financing activities</b>	<b>(12,848)</b>	<b>(74,433)</b>
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>(14,254)</i>	<i>(34,527)</i>
<b>Cash and cash equivalents at beginning of the period</b>	<b>237,246</b>	<b>304,361</b>
Effect of exchange rate fluctuations on cash held	1,771	(73)
<b>Cash and cash equivalents at end of the period</b>	<b>224,763</b>	<b>269,761</b>