

Report on the first three quarters of the year 2015 for EP Energy, a.s.¹

- ✓ Consolidated sales reached EUR 1,729 million
- ✓ Consolidated EBITDA totaled EUR 305 million
- ✓ Consolidated pro forma adjusted EBITDA for last twelve months amounted to EUR 457 million
- ✓ Indicative Net Consolidated Leverage Ratio amounted to 2.46x
- ✓ In September 2015, Fitch affirmed EP Energy's Long-term Issuer Default Rating (IDR) at 'BB+' with outlook stable



EP Energy, a.s. ("group or Group or EPE or EPE Group") is a vertically integrated energy utility that includes 85 companies as at date of the Report. In 2014 the Group 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. 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, the Slovak Republic and Germany.

¹ This report is also intended for bondholders of CE Energy, a.s.

KEY FIGURES AT A GLANCE

Consolidated financial results in EUR millions

	1-9 2014	1-9 2015
Sales	1,668.7 ¹⁰	1,729.1
EBITDA ¹	281.4 ¹⁰	305.1
Pro forma Adjusted EBITDA (last twelve months) ²		457.3
Total net debt per financial statements ³		1,176.8
Indicative EP Energy Net Consolidated Leverage Ratio ⁴		2.46x
Profit from operations	58.9 ¹⁰	97.8
Profit before tax	10.2	38.1
Net profit /(loss) attrib. to EP Energy owners	3.0	(4.3)
Total assets		3,588.9
CAPEX ⁵	84.3	128.2

Physical units (EPE excluding SSE)

	1-9 2014	1-9 2015
Coal production Mt	15.4	13.5
Installed <i>cogeneration</i> Capacity ⁶ MW _e	500	500
Installed <i>condensation</i> Capacity ⁶ .. MW _e	750	750
Installed heat capacity ^{6,9} MW _{th}	3,195	3,195
Heat supplied ^{6,7} TJ ⁸	10,237	10,655
Power produced ⁶ GWh	3,977	3,146
Power traded ⁶ GWh	11,165	16,880
Power supplied ⁶ GWh	1,479	1,350
Natural gas supplied ⁶ GWh	2,271	971
Saale Energie – Installed capacity .. MW _e	400	400

Physical units SSE

	1-9 2014	1-9 2015
Power distributed GWh	4,275	4,279
Power traded GWh	4,195	5,220
Power supplied GWh	3,143	2,837
Natural gas supplied GWh	147	236
Power produced GWh	16	17
Installed capacity MW _e	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). 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 EP Energy Group (also “EPE Group”). For further discussion over the EPE Group performance refer to the following pages.

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

Actual IFRS EBITDA for the period January – September 2015	305.1
Actual IFRS EBITDA for the period January – December 2014	454.5
Actual IFRS EBITDA for the period January – September 2014	(281.4) ⁽¹⁰⁾
Simple EBITDA (last twelve months)	478.2
System Operations Tariff adjustment	(31.2)
Saale Energie adjustment for period October 2014 – September 2015	10.3
Pro forma Adjusted EBITDA (last twelve months)	457.3

To derive Pro forma Adjusted EBITDA for the period from October 1, 2014 to September 30, 2015, EPE utilized EPE Group IFRS consolidated financial statements as of and for the year ended December 31, 2014 (EBITDA of EUR 454.5 million) and EPE Group condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2015 (EBITDA of EUR 305.1 million) with the nine-month period ended September 30, 2014 (EBITDA of 281.4 million⁽¹⁰⁾) as comparatives.

Pro forma Adjusted EBITDA 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) further adjusted to exclude effect of the items related to Saale Energie, which lead to an EUR 10.3 million decrease to EBITDA in the twelve-month period ended September 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 EPE Group has been adjusted for negative EUR 31.2 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 URSO 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 September 30, 2015, historical financial performance of the EPE Group was adjusted downward by three quarters of the 2014 recorded accrued income (i.e. EUR 31.2 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 EP Energy Group. For further discussion over the EPE Group performance refer to the following pages.

(3) Total net debt per financial statements balance is based on the consolidated financial statements (Total Loans and borrowings (EUR 1,385.1 million) plus Total Financial instruments and financial liabilities (EUR 1.4 million) less Cash and cash equivalents (EUR 203.1 million) less liabilities towards Pražská teplotárenská Holding a.s. (also "PTH") of EUR 6.6 million). 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 EPE Group.

Net Debt calculation (in million EUR)

		30.9. 2015
Loans and borrowings (non-current)	<i>add</i>	1,317.0
Financial instruments and financial liabilities (non-current)	<i>add</i>	0.3
Loans and borrowings (current)	<i>add</i>	68.1
Financial instruments and financial liabilities (current)	<i>add</i>	1.1
PTH liability	<i>less</i>	6.6
Cash and cash equivalents	<i>less</i>	203.1
Net Debt		1,176.8

(4) We include in this report the calculation as of September 30, 2015 of our "Net Consolidated Leverage Ratio", as defined in the EP Energy Indentures. The calculation of our Net Consolidated Leverage Ratio differs from any leverage ratio included in the offering memoranda for the senior secured notes or otherwise included herein, and consistent with the definition, is made on the basis of certain good faith judgments made by us.

(5) Excluding emission allowances and disregarding actual cash flows.

(6) 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 EPE Group or the ownership share of the EPE Group in each entity. Nevertheless, operating data for MIBRAG and Saale Energie are excluded.

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

(8) 1 TJ = 0.2778 GWh.

(9) Installed heat capacity on heat exchangers.

(10) Restated: Fair value of derivatives where the underlying asset is a commodity (trading derivatives) is presented as part of Total sales instead of being recognized as profit or loss from financial operations as described in the Notes to the unaudited condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2015. Data for the nine-month period ended September 30, 2014 were restated with impact of positive EUR 10.7 million on Total sales, Profit/(loss) from operations, EBITDA and Pro forma adjusted EBITDA.

Difference between consolidation scope for 3Q 2014 and 3Q 2015 is described later in section: "Key factors affecting comparability of the results of operations of the EPE Group".

CONTENT:

The word from CEO	
Economy and Market development	1
Key developments in the first three quarters of 2015	6
Subsequent events	8
Reporting	9
Management's discussion and analysis of financial condition and results of operations	13

Attachments:

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

>> We remain focused on solid business performance, exploiting group synergies, cost savings, and deleveraging of the group <<

Dear investors, customers and partners,

Our first three quarters 2015 IFRS EBITDA reached EUR 305 million, which is in comparison to the first three quarters 2014 higher by approximately 8.5%. The Pro forma Adjusted EBITDA for the last twelve-month period ended September 30, 2015, reflecting full consolidation of SSE reached EUR 457 million compared to EUR 467 million for the fiscal year ended December 31, 2014.

Our overall business performance remains solid despite the continuing negative development of wholesale power market, underlying the robust, low risk business profile of our group.

Our operations, particularly in the Power Distribution and Supply segment, were positively influenced by improved performance of power distribution and trading activities as well as by positive effect from 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).

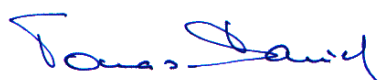
Mining segment results have been influenced especially by unusually windy weather in Germany during the first quarter of 2015 which was reflected in temporarily decreased off-take from Mibrag's two major customers – power plants Lippendorf and Schkopau. At the same time we believe that the FY 2015 EBITDA 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 reflect expiration of beneficial power purchase agreement at Helmstedter Revier ("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. On October 26, 2015, Mibrag approved a Memorandum of Understanding with the Federal Ministry for Economic Affairs according to which HSR's Buschhaus power plant shall be transferred to security reserve ("Sicherheitsbereitschaft") as of October 1, 2016, for a period of four years and the company shall be compensated for such arrangement. The final legal framework is expected at the end of the second quarter 2016 and will be subject to the approval of the German Parliament and relevant competition authorities. By signing this deal MIBRAG will deliver a significant contribution to the CO2 German emissions targets set for 2020 while maintaining its business performance.

As already mentioned in previous reports, we continue optimizing our operating expenses and capital expenditure cuts program. The first impacts materialized already in 2014 results with savings (primarily CAPEX related) at the level of EUR 20 million per year ramping up in the subsequent periods. Furthermore, in September we refinanced some of our existing bank loans under better conditions saving considerably on future interest expense.

On behalf of the Board of Directors and everyone at EP Energy, I would like to thank you for your ongoing support as we strive to continue creating the shareholder value while keeping our low risk-profile.

Yours faithfully,



Tomáš David
Member of the Board and CEO

Economy and Market developments

Economy development:

According to the preliminary estimates of the Czech Statistical Office, the Czech gross domestic product adjusted for price, seasonal, and calendar effects increased by 4.3%, year-on-year, in the third quarter 2015 and rose by 0.5% in the third quarter 2015 compared to the previous quarter. The ongoing positive development of GDP was well balanced through all economic activities.

According to estimates of the Federal Statistical Office (Destatis) the German gross domestic product adjusted for price, seasonal, and calendar effects increased by 1.7%, year-on-year, in the second quarter 2015 and increased by 0.3% in the third quarter 2015 compared to the previous quarter.

According to preliminary estimates of the Slovak Statistical Office, the Slovak gross domestic product adjusted for price, seasonal, and calendar effects rose by 3.5%, year-on-year, in the second quarter 2015 and increased by 0.9% in the second quarter 2015 compared to the previous quarter.

The outlook for the economy development remains rather uncertain. Nevertheless, according to the Czech National Bank², the Czech GDP should increase by 4.7% in 2015 and the European Commission (also "EC") expects² German GDP to grow by 1.7% and the Slovak GDP by 3.2% in 2015.

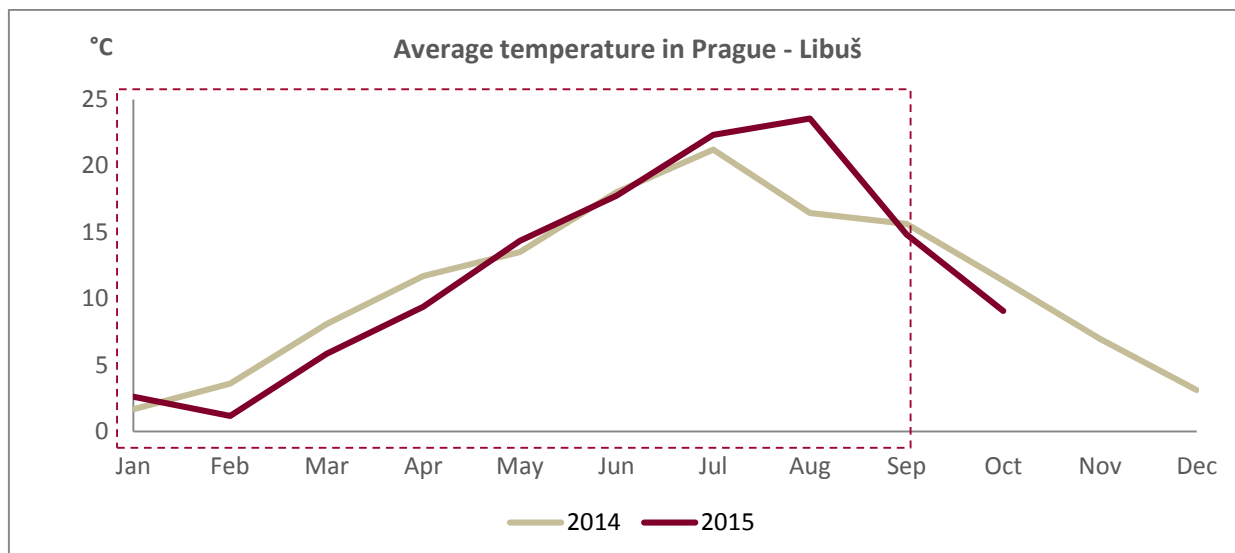
Weather:

Heat and renewable segment performance and electricity production in cogeneration mode are correlated to weather development. Seasonality is natural in the group performance (e.g. heat sales are strongest in 1Q and 4Q, accompanied by higher power production in cogeneration mode).

From the heating business perspective, the first quarter of the year 2015 was slightly colder than the comparative period that was unusually warm. Second quarters were comparable in both periods. Third quarter was warmer in 2015 as compared to 2014. Day-degrees, the metrics representing "coldness" of the weather pattern (difference between reference indoor temperature and actual outdoor temperature integrated over the nine-month period of year), were in the areas where we deliver the heat year-to-year 10.4% higher.

For better illustration, the average temperature in Prague was 12.4 °C in the first three quarters 2015 as compared to 12.2 °C in the first three quarters 2014. This increase in the average temperature is caused by unusual hot temperatures in August 2015, which had however no impact on heat sales.

² the most recent forecast published on November 5, 2015



Note: Monthly average calculated from daily averages obtained by ČHMÚ (Czech Hydrometeorological Institute)

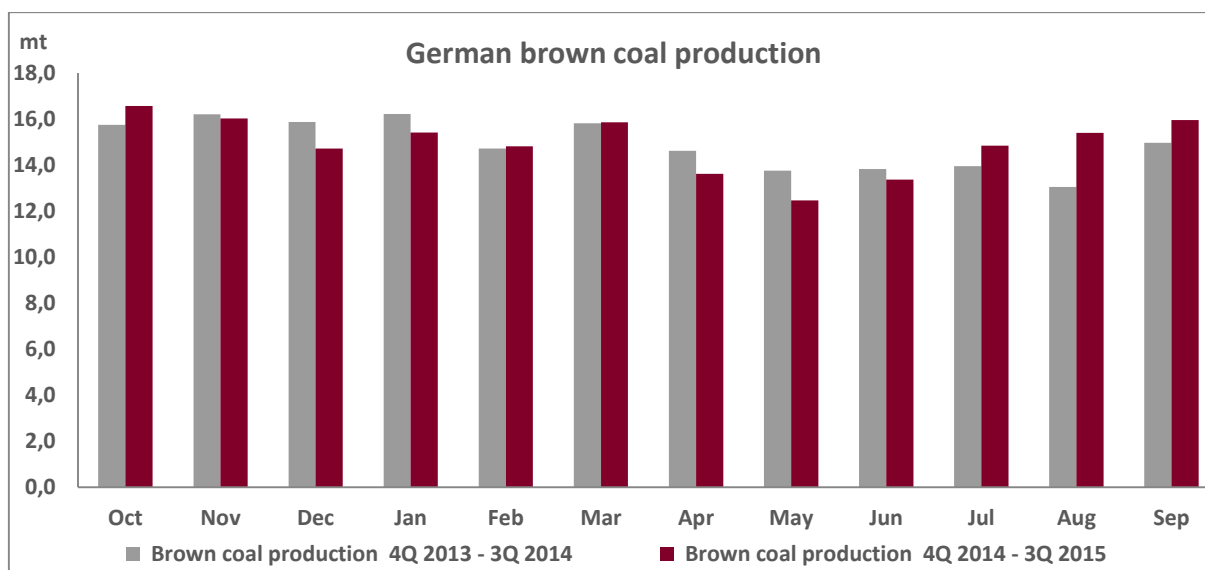
German brown coal market:

Unlike hard coal, brown coal is not a commodity traded on international markets and, therefore, brown coal prices and production volumes are less dependent on market developments compared to other fuels. Brown coal production is rather driven by local demand of several power plants, mainly due to relatively high transportation costs and specific design of such power plants to utilize a certain quality of brown coal. Since brown coal is usually sold under long term contracts, the prices of brown coal are typically driven by escalation formulas specified in such contracts. Overall, brown coal is a comparatively cheap fuel, which secures better position of brown coal fuelled power plants in the power generation merit order compared to other fossil fuels such as hard coal, gas or oil. The favorable merit order position translates to a relatively stable share of brown coal on German power generation of around 25%.

Overall brown coal production in Germany slightly increased from 130.9 million tons in the first three quarters 2014 to 131.7 million tons in the first three quarters 2015, i.e. by 0.6% according to the statistics of Kohlenwirtschaft e.V.

Through our German subsidiary, MIBRAG, we produce and sell brown coal in Central Germany. MIBRAG is the third largest producer of brown coal in Germany with a total annual production of approximately 20.9 million tons³. Our two biggest customers (Lippendorf and Schkopau) are efficient, state-of-the-art power plants operating in base load and both well positioned in the German power merit order. This could be demonstrated by a stable demand of our customers, despite temporary and unexpected partial decline in demand due to unfavorable power prices. Furthermore, we sell our brown coal based on long term contracts with a high degree of price stability, which mainly depends on indexation related to mining costs, such as labor costs increases. Our three major contracts last until 2039, 2021 and 2022 respectively.

³ Data for year 2014



Source: Kohlenwirtschaft e.V.

Heat market:

The group heat business is concentrated in the Czech Republic, where the market remains solid and stable. The market is regionally diversified with local natural “monopolies”, as the infrastructure for heat transportation creates substantial barriers to entry. The fuel basis varies, although the most commonly used ones in the Czech Republic are brown coal, hard coal and natural gas.

Due to our favorable cost structure (given predominantly by the fact that we produce heat in an efficient cogeneration mode and based on brown coal, the most cost efficient source of primary energy), we are able to offer our customers highly competitive prices.

Heat prices are based on a “costs plus reasonable profit” mechanism, required by the legislation and regulation by the independent Energy Regulatory Office, which we comply with. This mechanism supports the stability of the heat segment for market participants and allows us to benefit from our favorable cost position. Given the low price levels we charge compared to market average, we are allowed to set prices (i.e. there is no tariff imposed to us) and we are only monitored by the Energy Regulatory Office.

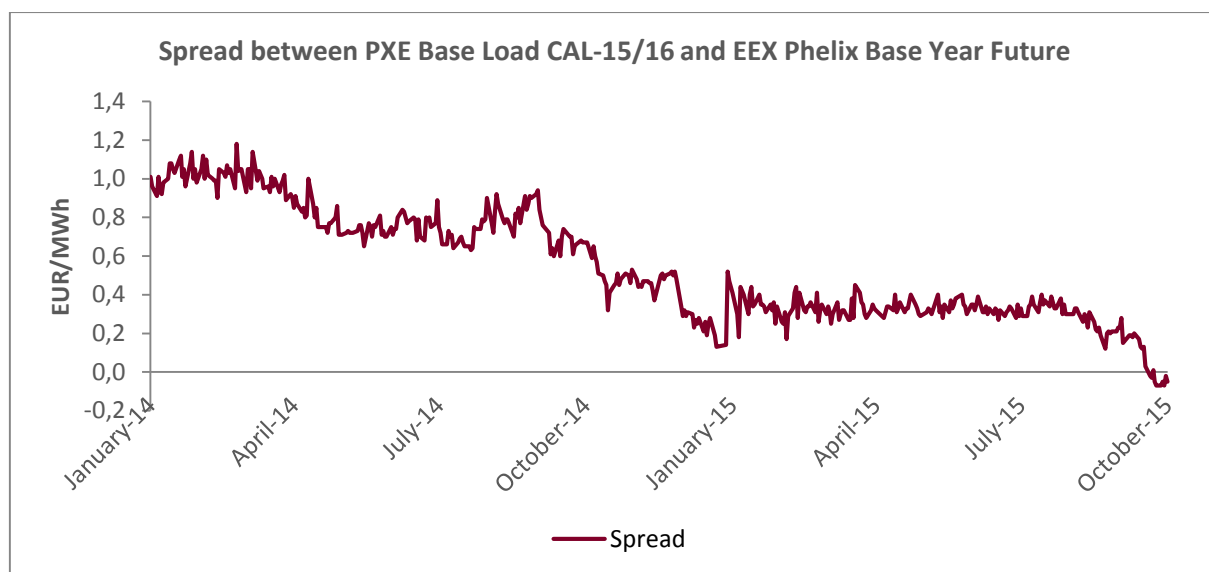
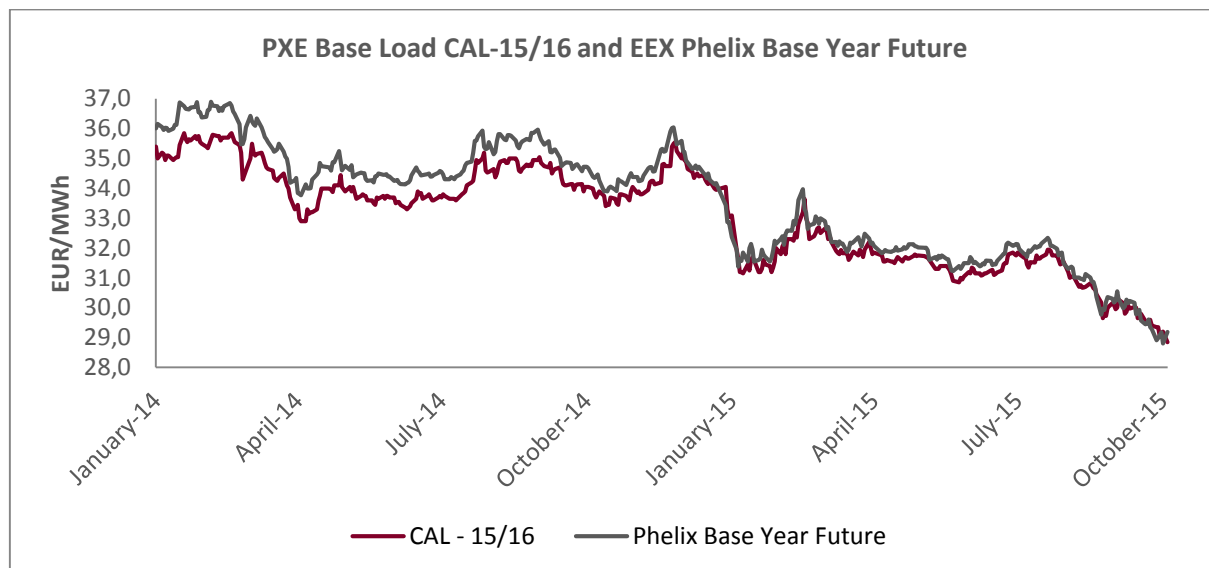
Electricity and CO2 market:

During the entire year 2014 and the first three quarters of 2015 power and EU Allowance (“EUA”) prices remained under pressure due to low prices of hard coal and renewable energy production. In the first three quarters 2015 the 1-year forward electricity prices on the European Energy Exchange (also “EEX”) dropped in base load to EUR 31.6 per MWh (compared to EUR 35.2 per MWh year ago) and peak load dropped to EUR 40.0 per MWh (compared to EUR 44.7 per MWh year ago), representing a decrease for the base load and peak load prices of 10.2% and 10.5% respectively.⁴

⁴ Source: Thomson Reuters: EEX Base Year Future and Peak Year Future (simple average of the daily price for 1 year forward prices calculated for the respective year)

EUA with spot delivery was traded at average around EUR 7.5 per ton in the first three quarters 2015⁵, which represents substantial increase of the y-t-y prices 29.9%.

As for the Czech market, the power prices follow the German market, as the two markets are physically well interconnected. The spread between German and Czech power prices was oscillating between 0.0 and 0.5 EUR/MWh during the first three quarters 2015 reaching negative values at the end of the period. The low spreads encourage cross border trading and, vice versa, the liquidity of the Czech market increases.



Source: PXE Base Load CAL15 and CAL16; EEX Phelix Base Year Future.

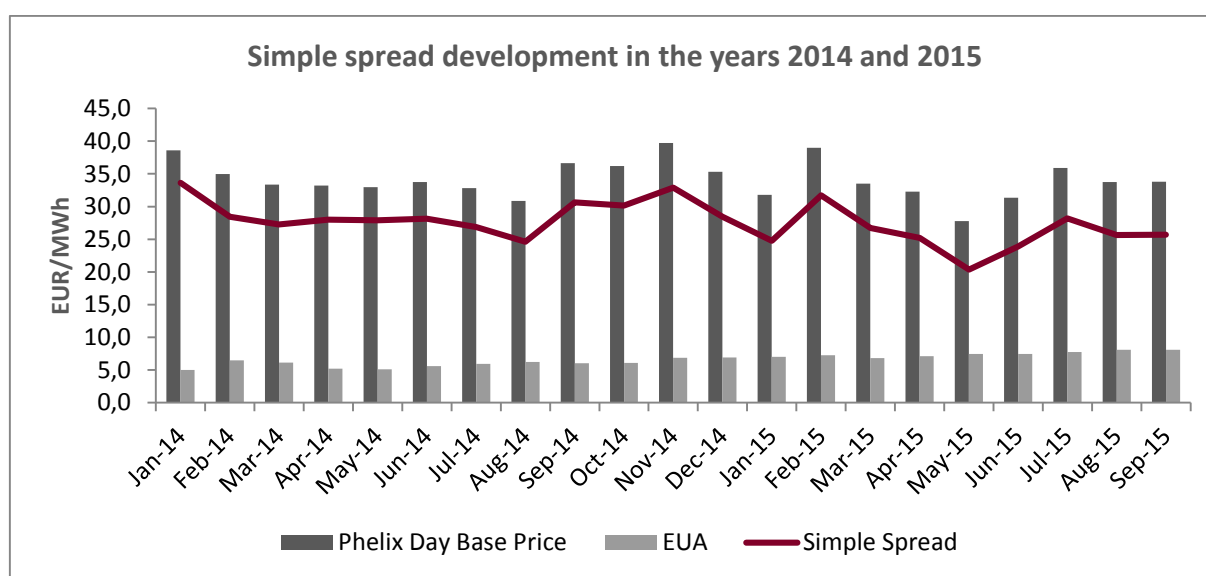
⁵Source: Thomson Reuters: EEX-EUSP3-SPOT, simple average

On the Czech market, electricity production from cogenerating units benefits from regulatory support. The CZK 200⁶ is received as subsidy for each MWh produced in highly efficient cogeneration mode.

Additionally, producers supplying their power production directly to distribution grids benefit from the subsidy of CZK 9 for one MWh delivered, which applied to our entire power production in the Czech Republic.

These two subsidies accounted for EUR 3.0 million in the first three quarters 2015 as compared to EUR 3.2 million in the first three quarters 2014.

Besides relatively low share of power production on EBITDA and cash flow generation of the EPE Group, let us note that from the performance perspective, EPE is exposed to the spread between the power price and the price of emission allowance rather than to development of power prices alone.



Source: Thomson Reuters, EEX Simple Spread defined as the difference between Phelix Day Base and EUA price, using trading day data when both power and EUA are traded and simple monthly averages.

Note: simple spread represents the price difference between power price and EUA price.

⁶Beginning on January 1, 2014 the subsidy was divided into four levels (CZK 200/MWh, CZK 140/MWh, CZK 60/MWh and CZK 45/MWh), depending on the efficiency of the cogeneration production of the plant. The majority of our power produced in cogeneration mode continues to receive the CZK 200/MWh level of subsidy.

Key developments in the first three quarters of the year 2015

On August 14, 2014 the sole shareholder of EPE decided on a non-cash decrease of share capital by EUR 243 million to optimize the Company's capital structure. The decrease of share capital was entered into the Commercial register and became effective on February 5, 2015. As at the same date, a principal of a short-term loan granted by EP Energy, a.s. of EUR 60 million was offset with a receivable relating to the decreased registered capital. The remaining portion of the parent company's receivable from the decreased capital of EUR 183 million was ceded by CE Energy, a.s. to Energetický a průmyslový holding, a.s. as at the same date. Subsequently, a payable of EP Energy, a.s. to Energetický a průmyslový holding, a.s. amounting to EUR 183 million was fully offset with a loan previously granted to Energetický a průmyslový holding, a.s.

In January 2015, CEE drew a new bank loan from UniCredit Bank Czech Republic and Slovakia, a.s. ("UNI") totaling EUR 75 million, which was used to purchase CEE 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 existing CEE bond holders. In addition, CEE repurchased and cancelled bonds as follows:

Month of purchase	Amount in EUR million	Month of cancellation
April 2015	19.5	July 2015
June 2015	16.0	July 2015
August 2015	9.5	October 2015

In February 2015 the European Court of Justice issued preliminary ruling on gas emission allowances taxation in the Czech Republic. The Czech Republic levied a gift tax at a rate of 32% on greenhouse gas emission allowances acquired free of charge for electricity production. The European Court of Justice concluded that European law (namely Article 10 of Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003) precludes the imposition of such tax if it does not respect the 10% ceiling on the allocation of emission allowances for consideration laid down in cited article. The Supreme Administrative Court of the Czech Republic is now obliged to apply this preliminary ruling and to determine an amount in which the tax shall be refundable. Following the Supreme Administrative Court ruling, the other public authorities (courts, tax offices) should conclude all disputes regarding the tax payment in such a way that the tax shall be refunded (in the amount set by the Supreme Administrative Court ruling). With respect to the EPE Group the refund might be in the region of up to EUR 11 million and it is expected around the end of 2015.

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 and EP Energy declared a non-cash dividend of app. EUR 12 million to CEE. These non-cash dividend declarations were utilized to carry out specific non-cash settlement of intercompany liabilities and receivables between EPH, CEE and EPE.

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 ENERGAZET SERVIS a.s. and on September 24, 2015 certain assets were spun-off to this entity from ENERGAZET, a.s. under an internal restructuring project.

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. Optimum Energy, s.r.o. is expected to merge into EP ENERGY TRADING, a.s. (the direct parent) with the effective date of January 1, 2015.

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 219 MWth), Újpest (105 MWe and 347 MWth) and Kisést (113 MWe and 282 MWth). These CHP plants meet almost 60% of the demand for heat in Budapest and generate approximately 3% of Hungarian electricity. The transaction is expected to be completed in the first half of December 2015.

On September 16, 2015 EP Energy, a.s. acquired the remaining 40% share in EP Cargo a.s. from EP Industries, a.s.

On September 22, 2015 the Group drew new term loans granted by HSBC, Československá obchodní banka, a.s. and Commerzbank, a.s. in total amount of EUR 175 million that were partially used to repay SSE Acquisition Credit Facility of approximately EUR 134 million with rest reserved for capital expenditures and operations.

On September 30, 2015 CEE received EUR 25 million of cash dividends from EP Energy.

Subsequent events

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.

In October 2015, CEE performed further buy back of bond in the amount of EUR 5 million that were cancelled on November 3, 2015. The aggregate principal amount of the outstanding CEE Bonds is EUR 375 million as at date of this report.

On October 1, 2015 SSE paid out EUR 25.4 million of cash dividends to EP Energy.

On November 1, 2015, EP Coal Trading, a.s. was renamed as EP Sourcing, a.s.

Except for the matters described above and elsewhere in the Report, the EP Energy a.s.'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 September 30, 2015.

EP Energy, a.s. (the “Company”) Report on the first three quarters of 2015

Reporting

This report (the “Report”) is the report required under Section 4.03 of the indenture governing the senior secured notes (the “Notes I” or “2019 Notes”), dated as of October 31, 2012 (the “Indenture I” or “2019 Indenture”) and Section 4.03 of the indenture governing the senior secured notes (the “Notes II” or “2018 Notes”) dated as of April 18, 2013 (the “Indenture II” or “2018 Indenture”) for the nine-month period ended September 30, 2015.

Presentation of financial information

This Report summarizes consolidated financial and operating data derived from the unaudited condensed consolidated interim financial statements of EP Energy, a.s. as of and for the nine-month period ended September 30, 2015 prepared in accordance with IFRS as adopted by the European Union (“IFRS”).

Non-IFRS measures

In addition, we have included certain non-IFRS financial measures in this Report, such as EBITDA, Pro forma Adjusted EBITDA and certain other financial measures and ratios. Non-IFRS financial measures are derived on the basis of methodologies other than IFRS.

Definitions of EBITDA, Pro forma Adjusted EBITDA

(1) EBITDA represents profit from operations plus depreciation of property, plant and equipment and amortization of intangible assets minus negative goodwill (if applicable). 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 EP Energy Group (also “EPE Group”). For further discussion over the EPE Group performance refer to the following pages.

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Pro forma Adjusted EBITDA (last twelve months)	457.3

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Pro forma Adjusted EBITDA 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) further adjusted to exclude effect of the items related to Saale Energie, which lead to an EUR 10.3 million decrease to EBITDA in the twelve-month period ended September 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 EPE Group have been adjusted for negative EUR 31.2 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 URSO 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 September 30, 2015, historical financial performance of the EPE Group was adjusted downward by three quarters of the 2014 recorded accrued income (i.e. EUR 31.2 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 EP Energy Group. For further discussion over the EPE Group performance refer to the following pages.

After the listing of the Notes on the Irish Stock Exchange, the EPE Group has begun to report segment information in accordance with IFRS 8 Segment Reporting (starting with the 2012 annual consolidated financial statements). Since we did not previously report segment information using IFRS 8 rules, it may be difficult to compare our segment data with our "line of business" data previously reported elsewhere.

We present EBITDA, Pro forma Adjusted EBITDA and certain other financial measures and ratios because we believe these financial measures may enhance an investor's understanding of the profitability and cash flow generation of our business that could be used to service or pay down debt, pay income taxes and for other uses, and because they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies generally. We use EBITDA and Pro forma Adjusted EBITDA to assess our performance. EBITDA and Pro forma Adjusted EBITDA are not measures calculated in accordance with IFRS and our use of the terms EBITDA and Pro forma Adjusted EBITDA may vary from others in our industry. EBITDA and Pro forma Adjusted EBITDA differ from Consolidated EBITDA and Adjusted EBITDA as may be defined in the Indenture. EBITDA and Pro forma Adjusted EBITDA should not be considered as an alternative to "Sales: Energy," "Sales: Other," "Gross profit," "Profit/(loss) from operations," "Cash generated from (used in) operating activities" or any other performance measure derived in accordance with IFRS.

Although we believe EBITDA, Pro forma Adjusted EBITDA and other certain financial measures and ratios to be useful performance indicators for our group as a whole and certain of our segments, we believe that such measurements may not accurately reflect our results of operations, and may not

serve as accurate performance indicators, of our Power Distribution and Supply segment due to the implementation of our power optimization strategy in this segment.

EBITDA, Pro forma Adjusted EBITDA and all the other non-IFRS measures presented herein have important limitations as analytical tools and you should not consider them in isolation or as substitutes for analysis of our results as reported under IFRS. We also note that differences in the consolidation scope as described in part of this Report “Key factors affecting comparability of the results of operations of the EPE group” are impacting the comparability of the financial data.

Exchange rates

For your convenience, we have translated Czech crown amounts in this Report into euro. The exchange rates for the income statement and cash flow statement items are the following average exchange rates of the Czech National Bank in Czech crown per euro for the relevant period.

- Nine-month period ended September 30, 2014: CZK 27.504 per EUR 1.000
- Nine-month period ended September 30, 2015: CZK 27.357 per EUR 1.000

The exchange rates for balance sheet items are the rates as of period end.

- As of December 31, 2014: CZK 27.725 per EUR 1.000
- As of September 30, 2015: CZK 27.180 per EUR 1.000

You should not view such translations as a representation that such Czech crown amounts actually represent such euro amounts, or could be or could have been converted into euro at the rate indicated or at any other rate.

Forward-looking statements

This Report contains “forward-looking statements” within the meaning of the securities laws of certain jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words “assume,” “believe,” “could,” “estimate,” “anticipate,” “expect,” “intend,” “may,” “will,” “plan,” “continue,” “ongoing,” “potential,” “predict,” “project,” “risk,” “target,” “seek,” “should” or “would” and similar expressions or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth and strategies, our reserves and the industry in which we operate.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. You should not place undue reliance on these forward-looking statements.

Key factors affecting comparability of the results of operations of the EPE Group

The EPE Group was formed through a series of strategic acquisitions and business combinations. The current EPE Group was originally formed with acquisitions of ownership interests in Pražská energetika (“PRE”) in 2004 and in UE in 2005 by J&T Group, which is one of beneficial owners of EPH (our ultimate parent company). EPH was formed in 2009 and the ownership interests in PE, EOP, UE, EPET and PEAS were transferred to it by J&T Group. We were formed on December 16, 2010, but we have restated

financial statements from August 2009, based on the results of our subsidiaries that were owned by EPH during that period. Before our formation, many of our current subsidiaries were subsidiaries of EPH, but because the EPE Group has grown steadily through acquisitions, these entities have been under common control for only a short period of time. The acquisition of various subsidiaries or additional interests in such subsidiaries and the disposition of certain subsidiaries mean that our results of operations necessarily differ before and after these acquisitions and dispositions and do not reflect a change in organic operating results but rather the impact of an acquisition or disposition.

The following table sets out how the main subsidiaries are included in the respective periods in our condensed consolidated interim financial statements:

Periods presented in the EPE Group's consolidated IFRS financial statement		
Subsidiary	1-9 2014	1-9 2015
EOP	Fully consolidated	Fully consolidated
UE	Fully consolidated	Fully consolidated
PT	Fully consolidated	Fully consolidated
PE	Fully consolidated	Fully consolidated
JTSD/MIBRAG	Fully consolidated	Fully consolidated
Saale Energie	Fully consolidated	Fully consolidated
EPET	Fully consolidated	Fully consolidated
SSE	Fully consolidated	Fully consolidated
HSR	Fully consolidated	Fully consolidated
EP Cargo, a.s.	Fully consolidated (from the balance sheet perspective since July 31, 2014; operations fully consolidated since August 1, 2014).	Fully consolidated

We have recently added new businesses to the EPE Group and may have made and may make acquisitions in the future. Newly added or acquired businesses may not be integrated or managed successfully, and we may fail to realize the anticipated synergies, growth opportunities and other benefits expected from these additions or acquisitions. Our consolidated financial statements included in this Report may not be representative of our historical or future results of operations and may not be comparable across periods, which may make it difficult to evaluate our results of operations and future prospects.

Development of the key risks for the group

The risk profile of the EPE Group has not materially changed since the last reporting date and the risk analysis provided in the Report for the year ended December 31, 2014⁷ is still a valid indication of the key risks that the EPE Group faces. The Group continues to actively keep track of the risks and has dedicated staff to follow different risk areas.

⁷ Published on April 30, 2015

Management's discussion and analysis of financial condition and results of operations

Overview of the EPE Group

We are a leading vertically integrated energy utility with operations across the entire energy value chain, focusing on brown coal production, heat and power generation, and distribution as well as energy supply and trading. Our principal operations are in the Czech Republic, Germany and the Slovak Republic. We are among the ten largest industrial groups in the Czech Republic in terms of EBITDA and the third-largest brown coal mining company in Germany by tonnage mined. For the first three quarters 2015, the EPE Group consolidated sales reached EUR 1,729 million and consolidated EBITDA reached EUR 305 million. A significant part of our business comes from regulated industries (i.e., heat, power distribution and renewable energy) and business contracted through long-term agreements with a stable customer base (i.e., mining and a part of our power generation business), which we believe provides us with stability of cash flows and visibility of future performance.

Principal operating subsidiaries of the EPE Group

The EPE Group's principal operating subsidiaries are Mitteldeutsche Braunkohlengesellschaft mbH ("MIBRAG"), Elektrárny Opatovice, a.s. ("EOP"), Pražská teplárenská a.s. ("PT"), United Energy, a.s. ("UE"), Saale Energie GmbH ("Saale Energie"), Helmstedter Revier GmbH ("HSR"), EP ENERGY TRADING, a.s. ("EPET") and Stredoslovenská energetika, a.s. ("SSE"). MIBRAG operates in the Mining segment, while EOP, PT, UE, Saale Energie and HSR operate in the Heat and Power segment and EPET with SSE operate in the Power Distribution and Supply segment. Together these subsidiaries accounted for the vast majority of the EPE Group's sales and EBITDA in the first three quarters 2015.

For a list of EPE's other subsidiaries and minority interests, see Note 34 to EPE's unaudited condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2015.

EPE operating segments

The Group operates in five reportable segments: Mining, Heat and Power, Power Distribution and Supply, Renewables and Other. Mining, Heat and Power and Power Distribution and Supply are the core segments of the Group.

Mining:

The Mining segment, represented mainly by Mitteldeutsche Braunkohlengesellschaft mbH ("MIBRAG"), produces brown coal, which it supplies to power plants under long-term supply agreements. The two biggest customers – the Lippendorf and Schkopau-power plants – are highly efficient, state-of-the-art power plants operating in base load and are well positioned in the German power merit order.

Heat and Power:

The Heat and Power segment owns and operates four large-scale combined heat and power plants (CHPs) in the Czech Republic operated in highly efficient cogeneration mode and represented primarily by: Elektrárny Opatovice, a.s., United Energy, a.s., Plzeňská energetika a.s. and Pražská teplárenská a.s., which is operating the largest district heating system in the Czech Republic, supplying heat to the City of Prague. The heat generated in its cogeneration power plants is supplied mainly to retail customers through well maintained and robust district heating systems that the EPE Group owns in most of the cases. The segment also includes Saale Energie GmbH purchased in 2012, which owns

41.9% of the Schkopau-power plant representing a beneficial use right over 400 MW of the plant's total capacity of 900 MW. In December 2013, the EPE Group acquired a 100% share in Helmstedter Revier GmbH which operates a condensation mode power plant with an installed capacity of 390 MW.

Power Distribution and Supply:

The Power Distribution and Supply segment consists of a Power Distribution division and a Supply division. The Supply division primarily supplies power and natural gas to end-consumers in the Czech Republic and Slovakia. The Power Distribution division purchases and sells in the wholesale market power generated by the Heat and Power segment and purchases from external sources and purchases electricity and natural gas to supply customers through the Supply division. In addition, this segment reports distribution of electricity in the central Slovakia region. This segment is mainly represented by Stredoslovenská energetika, a.s., EP ENERGY TRADING, a.s., EP Coal Trading, a.s. and EP Cargo a.s. (acquired on July 31, 2014).

Renewables:

The Renewables segment owns and operates three solar power plants and holds a minority interest in an additional solar power plant and a majority interest in one wind farm in the Czech Republic. The Group also owns one wind farm in Germany at MIBRAG, two solar power plants in Slovakia, and a biogas facility in Slovakia.

Other:

The Other segment mainly represents EP Energy, a.s. The segment profit therefore primarily represents dividends declared by its subsidiaries and results from acquisition accounting.

The operating data are 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 EP Energy Group or the ownership share of the EPE Group in each entity (unless stated otherwise). Nevertheless, operating data for Saale Energie GmbH are excluded.

For the purpose of this chapter, we comment on the segments and their performance, based on the segment reporting as presented in the the Notes to the unaudited condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2015 prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The EBITDA and any other EBITDA included in this report does not represent EBITDA, as may be defined by any documentation for any financial liabilities of the group.

The table below shows summary financial information for the EPE segments:

In million EUR	For the nine-month period ended September 30,	
	2014	2015
Total sales⁽¹⁾		
Mining.....	307.1	287.0
Heat and Power	448.3	454.2
Power Distribution and Supply	1,110.6	1,228.2
Renewables.....	4.7	5.0
Other.....	2.5	3.2
Total segments.....	1,873.2	1,977.6
Intersegment eliminations.....	(204.5)	(248.5)
Consolidated data	1,668.7	1,729.1
Depreciation and amortization		
Mining.....	(79.2)	(74.2)
Heat and Power	(84.4)	(76.5)
Power Distribution and Supply	(56.2)	(54.0)
Renewables.....	(2.6)	(2.6)
Other.....	(0.1)	(0.0)
Total segments.....	(222.5)	(207.3)
Intersegment eliminations.....	(0.0)	(0.0)
Consolidated data	(222.5)	(207.3)
Profit/(loss) from operations⁽¹⁾		
Mining.....	36.5	13.6
Heat and Power	16.9	15.6
Power Distribution and Supply	7.6	68.7
Renewables.....	(0.4)	1.0
Other.....	(2.0)	(1.0)
Total segments.....	58.6	97.9
Intersegment eliminations.....	0.3	(0.1)
Consolidated data	58.9	97.8
EBITDA^(1,2)		
Mining.....	115.7	87.8
Heat and Power	101.3	92.1
Power Distribution and Supply	63.8	122.7
Renewables.....	2.2	3.6
Other.....	(1.9)	(1.0)
Total segments.....	281.1	305.2
Intersegment eliminations.....	0.3	(0.1)
Consolidated data	281.4	305.1

(1) Fair value of derivatives where the underlying asset is a commodity (trading derivatives) is presented as part of Total sales instead of being recognized as profit or loss from financial operations as described in the Notes to the unaudited condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2015. Data for the nine-month period ended September 30, 2014 were restated with impact of positive EUR 10.7 million on Total sales, Profit/(loss) from operations, EBITDA and Pro forma adjusted EBITDA.

(2) Represents Profit/(loss) from operations *plus* Depreciation and amortization *less* Negative goodwill.

Mining

Our Mining segment includes JTSD and the MIBRAG Group (excluding MIBRAG Neue Energie and Helmstedter Revier GmbH and its subsidiaries). We acquired a 50% share in the MIBRAG Group in June 2011, which was consolidated proportionately in the EPE Group income statement from July 1, 2011 onwards. We acquired the remaining 50% share of the MIBRAG Group in June 2012. As such, the MIBRAG Group is fully consolidated only from July 1, 2012 onwards. We conduct other mining operations in Germany through our Heat and Power segment, which includes the Schöningen mine in the Helmstedt mining district, which we acquired through our acquisition of the HSR Group on December 31, 2013, and neither the operating data nor the financial data for these mining facilities in

our Heat and Power segment is or will be included within our Mining operating data. At the same time, we note that as part of the segmental reporting we reclassified certain gross margin relating to deliveries of MIBRAG's lignite to Buschhaus, Elektrárny Opatovice and United Energy from Mining segment to Heat and Power segment. This reclassification adjustment aims to retain the effects from internal sourcing at Heat and Power facilities.

Our Mining segment accounted for 41.2% of consolidated EBITDA in the first three quarters 2014 and 28.8% of consolidated EBITDA in the first three quarters 2015, in each case before intersegment eliminations. The business of our Mining segment is conducted in Germany through our wholly-owned subsidiary MIBRAG.

The table below shows a summary of key operating data for our Mining segment. The operating data are based on the results of 100% of MIBRAG.

		As of and for the nine-month period ended September 30,	
		2014	2015
Brown coal production	In Mt	15.4	13.5
Brown coal sold	In Mt	14.5	12.6
Reserves ⁽¹⁾	In Mt	425.9	406.8

(1) Refers to proved and probable reserves excluding the Buschhaus reserves.

Brown coal production and brown coal sold

For the first three quarters 2015, MIBRAG's brown coal sold decreased by 1.9 Mt, or 13.1% to 12.6 Mt as compared to 14.5 Mt for the first three quarters 2014 and brown coal production decreased by 1.9 Mt, or 12.3%, to 13.5 Mt as compared to 15.4 Mt for the first three quarters 2014. Decline in brown coal volume sold stems mainly from lower offtake from its two largest long-term customers (Lippendorf and Schkopau) of 1.1 Mt due to the power market situation primarily resulting from extremely windy weather conditions in the first quarter 2015, which negatively affected power prices in that quarter. The remaining decline is a combination of lower offtakes within the EPE Group and a temporary effect of shifting deliveries within EPE Group (internal consumption of Heat and Power segment) to the fourth quarter 2015.

Reserves

The evolution of reserves is aligned primarily with our brown coal production in the relevant period.

The table below shows a summary of key financial data for our Mining segment. The financial data are based on EPE's consolidated financial information before eliminations of intersegment transactions.

		For the nine-month period ended September 30,	
		2014	2015
Total Sales	in EUR millions	307.1	287.0
EBITDA	in EUR millions	115.7	87.8

EBITDA

EBITDA decreased by EUR 27.9 million, or 24.1%, to EUR 87.8 million for the first three quarters 2015 as compared to EUR 115.7 million for the first three quarters 2014, with key drivers being lower brown coal sales to MIBRAG's key long-term customers, higher operating expenses resulting from more

complex mining conditions, preparatory works relating to new mine pit openings and recorded a provision of EUR 7.0 million relating to a potential claim for mandatory off-take of green power share in 2008, where the claim is expected to be raised by 50Hertz Transmission GmbH.

Heat and Power

The Heat and Power segment accounted for 36.0% of consolidated EBITDA for the first three quarters 2014 and 30.2% of consolidated EBITDA for the first three quarters 2015, in each case before intersegment eliminations. We conduct our Heat and Power operations in the Czech Republic through the following major subsidiaries: Pražská teplárenská, Elektrárny Opatovice, United Energy and Plzeňská energetika and in Germany through Saale Energie and the HSR Group (since the completion of the acquisition as of December 31, 2013). We conduct other heat and power operations in Germany through our Mining segment, which includes several combined heat and power (“CHP”) facilities, and neither the operating data nor the financial data for these CHP facilities in our Mining segment is included within our Heat and Power operating data. The table below shows a summary of key operating data for the Heat and Power segment. The operating data are based on the results of the whole entity regardless of the date when each entity joined the EPE Group or the ownership share of the EPE Group in each entity.

		As of and for the nine-month period ended September 30,	
		2014	2015
Installed heat capacity ⁽¹⁾	MW _{th}	3,195	3,195
Heat supplied	TJ	10,237	10,655
Installed cogeneration capacity	MW _e	500	500
Installed condensation capacity	MW _e	750	750
Certified grid balancing capacity ⁽²⁾	MW _e	205	205
Cogeneration production	GWh	392	395
Condensation production	GWh	3,585	2,751
Grid balancing services	GWh	937	1,041
Saale Energie ⁽³⁾ – Installed capacity	MW _e	400	400

(1) Heat capacity installed on heat exchangers.

(2) Grid balancing capacity is included in Installed condensation capacity and Installed cogeneration capacity.

(3) Saale Energie owns a 41.9% interest in the Schkopau CHP plant in Germany (representing a beneficial use and control over 400 MW_e of the plant's total capacity).

Installed heat capacity

Installed heat capacity on heat exchangers remained at 3,195 MW_{th} as of September 30, 2015 and September 30, 2014.

Heat supplied

Heat supplied increased by 418 TJ, or 4.1%, to 10,655 TJ for the first three quarters 2015 as compared to 10,237 TJ for the first three quarters 2014. The increase in heat supplied was due to colder weather primarily in the first quarter 2015 as compared to the first quarter 2014. As outlined previously in the Report, day-degrees, the metrics representing “coldness” of the weather pattern (difference between reference indoor temperature and actual outdoor temperature integrated over the nine-month period of year) were in the areas where we deliver the heat period-to-period by 10.4% higher which resulted in higher heat offtake at customers. This translated into increase in associated EBITDA period-to-period.

Installed capacity (excluding Saale Energie)

Installed cogeneration capacity remained at 500 MW_e as of September 30, 2015 and September 30, 2014. Installed condensation capacity (excluding Saale Energie) remained at 750 MW_e as of September 30, 2015 and September 30, 2014. Certified grid balancing capacity remained at 205 MW_e as of September 30, 2015 and September 30, 2014.

Cogeneration production

Cogeneration production increased by 3 GWh, or 0.8%, to 395 GWh for the first three quarters 2015, as compared to 392 GWh for the first three quarters 2014.

Condensation production (excluding Saale Energie)

Condensation generation (excluding Saale Energie) decreased by 834 GWh, or 23.3%, to 2,751 GWh for the first three quarters 2015, as compared to 3,585 GWh for the first three quarters 2014. This decrease in condensation generation was partially due to the ongoing IED related investment at EOP and partially due to deteriorating power prices.

Grid balancing services

Grid balancing services increased by 104 GWh, or 11.1%, to 1,041 GWh for the first three quarters 2015 as compared to 937 GWh for the first three quarters 2014. This increase in grid balancing services primarily reflects a higher success rate in winning tenders for grid balancing services organized by the Czech TSO CEPS and increased range of capabilities for providing grid balancing services.

The table below shows a summary of key financial performance data for the Heat and Power segment. The financial data is based on EPE consolidated financial information before eliminations of intersegment transactions and take into account the ownership share of the EPE Group in each entity and its acquisition date.

		For the nine-month period ended September 30,	
		2014	2015
Total sales	in EUR millions	448.3	454.2
EBITDA	in EUR millions	101.3	92.1

EBITDA

As our contracts with suppliers for our Heat and Power operations in the Czech Republic are generally priced in Czech crowns (with the exception of the EOP and UE supply contracts for MIBRAG brown coal, which are priced in EUR), but our contracts for sales of electricity are primarily priced in EUR, EBITDA from our power generation operations presented in CZK as a functional currency may increase or decrease (and even be negative) depending on currency exchange rate fluctuations (our heat operations are not affected by currency fluctuations as all sales transactions are priced in Czech crowns, however the EBITDA is affected by translation of CZK to EUR for reporting presentation purposes as the EPE Group's presentation currency is EUR). We generally lock in the exchange rate at the time a contract is entered through the use of derivatives, the amounts due or paid under these derivative contracts, which offset the exchange rate fluctuation effects discussed above, are included in EBITDA in Total sales as Gain (loss) from commodity derivatives for trading with electricity and gas, net.

EBITDA decreased by EUR 9.2 million, or 9.1%, to EUR 92.1 million for the first three quarters 2015 as compared to EUR 101.3 million for the first three quarters 2014. This decrease stems primarily from

lower power prices realized and decrease in power production in condensation mode in the first three quarters 2015 as compared to the first three quarters 2014. On the other hand, the negative EBITDA development was partially offset by above described increased heat sales by 4.1% (in GJ) resulting from better weather conditions. Also, we note that as part of the segmental reporting we reclassified certain gross margin relating to deliveries of MIBRAG's lignite to Buschhaus, Elektrárny Opatovice and United Energy from the Mining segment and the Power Distribution and Supply segment to the Heat and Power segment. This reclassification adjustment aims to retain the effects from internal sourcing at Heat and Power facilities.

Power Distribution and Supply

The Power Distribution and Supply segment accounted for 22.7% of consolidated EBITDA for the first three quarters 2014 and 40.2% of consolidated EBITDA for the first three quarters 2015, in each case before intersegment eliminations, and is conducted in the Czech Republic, the Slovak Republic, Germany and Poland mainly through our subsidiary Stredoslovenská energetika, a.s, EP Energy Trading, a.s., EP Coal Trading, a.s., EP COAL TRADING POLSKA S.A. and EP Cargo a.s. (acquired on July 31, 2014).

The table below shows a summary of key operating data for the Power Distribution and Supply segment. The operating data are based on the results of the whole entity regardless of the date when each entity joined the EPE Group or the ownership share of the EPE Group in each entity, however the data excludes SSE which is presented separately.

		For the nine-month period ended September 30,	
		2014	2015
Power traded	GWh	11,164	16,880
Power supplied	GWh	1,479	1,350
Natural gas traded	GWh	2,826	6,525
Natural gas supplied	GWh	2,271	971

The table below shows a summary of key operating data for the SSE Group:

		For the nine-month period ended September 30,	
		2014	2015
Power distributed	GWh	4,275	4,279
Power traded	GWh	4,196	5,220
Power supplied	GWh	3,143	2,837
Natural gas supplied	GWh	147	236
Power produced	GWh	16	17
Installed capacity	MW _e	62	62

Power traded

Power traded (excluding SSE) increased by 5,716 GWh, or 51.2%, to 16,880 GWh for the first three quarters 2015 as compared to 11,164 GWh for the first three quarters 2014. This increase in power traded was primarily due to increased power trading activity on the German market resulting from the fact that power produced by HSR is traded by EPET.

Power traded realized by SSE reached 5,220 GWh in the first three quarters 2015, which is an increase of 24.4%, or 1,024 GWh, as compared to 4,196 GWh in the first three quarters 2014. Main driver for

the increase in activity was higher re-sold volume coming from renewable resources on the Slovak market.

Power supplied

Power supplied (excluding SSE) decreased by 129 GWh, or 8.7%, to 1,350 GWh for the first three quarters 2015 as compared to 1,479 GWh for the first three quarters 2014. This decrease in power supplied reflects changes in portfolio of supply customers and generally lower power sales in the Czech Republic due to higher competition on the Czech power market.

Power supply realized by SSE reached 2,837 GWh for the first three quarters of the year 2015, which is a decrease by 306 GWh, or 9.7%, as compared to 3,143 GWh for the first three quarters of the year 2014. Similarly, to the Czech market where the incumbents are under pressure from increasing competition, SSE faces higher competition on the Slovak power market and lost customers in B2B and midmarket segment. This decrease was also caused by move of one customer from power supply to power trade in 2015 as compared to 2014 in volume of 180 GWh.

Natural gas traded

Natural gas traded (excluding SSE) increased by 3,699 GWh, or 130.9%, to 6,525 GWh for the first three quarters 2015 as compared to 2,826 GWh for the first three quarters 2014. This major increase in natural gas traded stems from EPET trading activities on the Slovak market started in 2015.

Natural gas supplied

Natural gas supplied (excluding SSE) decreased by 1,300 GWh, or 57.2%, to 971 GWh for the first three quarters 2015 as compared to 2,271 GWh for the first three quarters 2014. This decrease in natural gas supplied stems from an one-off contract with a significant industrial off-taker. The deliveries under this contract took place in 2014 only.

Natural gas supplied by SSE reached 236 GWh in the first three quarters 2015, which is an increase of 89 GWh, or 60.5%, in comparison with the first three quarters 2014. This increase is due to growth of supply portfolio through new customer acquisitions. Natural gas supply activity was launched by SSE in April 2012.

Power distributed

Power distributed by SSE reached 4,279 GWh in the first three quarters 2015, which represents an increase of 4 GWh as compared to the first three quarters 2014.

The table below shows a summary of key financial data for the Power Distribution and Supply segment. The financial data are based on EPE consolidated financial information before eliminations of intersegment transactions and take into account the ownership share of the EPE Group in the entity and acquisition date.

		For the nine-month period ended September 30,	
		2014	2015
Total Sales.....	in EUR millions	1,110.6	1,228.2
EBITDA	in EUR millions	63.8	122.7

EBITDA

As part of our power trading activities, EPET engages in sales of power generated by EPE Group companies, as well as resales of power purchased on the wholesale market in connection with our energy production optimization process, which leads to an overall increase in the volume of sales of power. However, with an increasing number of resales, total costs as a percentage of total sales increase as the margins realized on each subsequent optimization transaction tend to decline as the frequency of optimization transactions increases. Moreover, because our contracts with suppliers for our Heat and Power operations in the Czech Republic are generally priced in Czech crowns (with the exception of the EOP and UE supply contracts for MIBRAG brown coal, which are priced in EUR), but we may purchase power in EUR, EBITDA from our supply operations may increase or decrease (and even be negative) depending on currency exchange rate fluctuations (the EBITDA is affected by translation of CZK to EUR for reporting presentation purposes as the EPE Group's presentation currency is EUR). We generally lock in the exchange rate and power prices at the time a contract is entered into through the use of derivative contracts, the amounts due or paid under these derivative contracts, which offset the exchange rate and power price fluctuation effects discussed above, are included in EBITDA and the effect of fair valuation of financial commodity derivatives is included in Total sales as Gain (loss) from commodity derivatives for trading with electricity and gas, net, unless they qualify for hedge accounting under IFRS, in which case they are reflected in the Cost of sales: Other and Sales: Other lines for currency derivatives and in the Sales: Energy and Cost of sales: Energy for derivatives hedging the price of power. The effect of exchange rate and power price derivatives has been partially included in EBITDA since January 1, 2013, when hedge accounting was put in place at EPET. Therefore because of revaluation of commodity derivatives to operating profit before the settlement date, EBITDA may not accurately reflect our results of operations and may not serve as an accurate performance indicator of our Power Distribution and Supply segment. The same analysis applies for a portion of the revenues and costs from electricity trading related to financial commodity derivatives. These revenues and costs are reflected in EBITDA in Total sales as Gain (loss) from commodity derivatives for trading with electricity and gas, net already before a settlement date. The effect of financial commodity derivatives has been partially included in EBITDA already since January 1, 2013, when hedge accounting was put in place at EPET.

EBITDA increased by EUR 58.9 million, or 92.3%, to EUR 122.7 million for the first three quarters 2015 as compared to EUR 63.8 million for the first three quarters 2014. The considerable improvement stems primarily from better performance of SSE and EPET in the first three quarters 2015. EBITDA of SSE rose by EUR 47.0 million primarily due to the System Operations Tariff ("SOT") that improved approximately by EUR 41.2 million (the increase reported partly because of recognition of accrued income relating to 2014 SOT loss recorded in 2015 income statement), followed by improvement in core business activities, namely in the trading division. Furthermore, EPET increased its trading activity, both power and natural gas trading, that was the major element of its EBITDA improvement of EUR 8.6 million. In addition, EP Cargo acquisition in July 2014 contributed EBITDA of EUR 2.6 million in the first three quarters 2015, while EUR 0.5 million in the comparable period.

As of September 30, 2015 the SSE Group reports a contingent asset of EUR 75.8 million (December 31, 2014: EUR 53.1 million), which is represented by the contingent assets related to green energy for the nine-month period ended September 30, 2015 and for the year 2014 (December 31, 2014: contingent assets cover year 2014).

The SSE Group 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 System Operations Tariff ("SOT"). For the nine-month period ended September 30, 2015 the SSE Group recognized a loss of EUR 22.7 million (September 30, 2014: loss of EUR 63.8

million) as the difference between the costs of purchased green energy and costs related to the subvention of electricity produced from coal and revenues from SOT in the period from January 1, 2015 to September 30, 2015. The 2015 gain is included in the contingent asset of EUR 75.8 million (December 31, 2014: EUR 53.1 million) specified above. Based on the current Regulatory Framework the losses incurred will be compensated in two years' time at the latest, i.e. relevant amounts in 2016 and 2017 through an increase of revenues from SOT (2014: in 2015 and 2016).

Renewables

The Renewables segment accounted for 0.8% of consolidated EBITDA in the first three quarters 2014 and for 1.2% of consolidated EBITDA in the first three quarters 2015, in each case before intersegment eliminations. Our Renewables business is conducted in the Czech Republic, Germany and the Slovak Republic, and operations include wind, solar and biogas power generating facilities.

The table below shows a summary of key operating data for the Renewables segment. The operating data are based on the results of the whole entity regardless of the date when each entity joined the EPE Group or the ownership share of the EPE Group in each entity.

		As of and for the nine-month period ended September 30,	
		2014	2015
Installed Capacity	MW _e	25	25
Power Production.....	GWh	29.7	39.0

Installed capacity

Installed capacity remained at 25 MW_e as of September 30, 2015 and September 30, 2014.

Power production

Power production increased by 9.3 GWh, or 31.3%, to 39.0 GWh for the first three quarters 2015 as compared to 29.7 GWh for the first three quarters 2014. This increase was primarily due to improved operation of a biogas facility and due to better wind conditions throughout the first three quarters 2015 as compared to the first three quarters 2014.

The table below shows a summary of key financial data for the Renewables segment. The financial data are based on EPE consolidated financial information before eliminations of intersegment transactions and take into account the ownership share of the EPE Group in each entity and its acquisition date.

		For the nine-month period ended September 30,	
		2014	2015
Total Sales	in EUR millions	4.7	5.0
EBITDA.....	in EUR millions	2.2	3.6

EBITDA

EBITDA increased by EUR 1.4 million, or 63.6%, to EUR 3.6 million for the first three quarters 2015 as compared to EUR 2.2 million for the first three quarters 2014. This increase in EBITDA and in Sales stems primarily from increased power production.

Other

The Other segment accounted for negative 0.7 % of consolidated EBITDA for the first three quarters 2014 and negative 0.3% of consolidated EBITDA for the first three quarters 2015, in each case before intersegment eliminations. The table below shows a summary of key financial data for the Other segment:

		For the nine-month period ended September 30,	
		2014	2015
Total sales	in EUR millions	2.5	3.2
EBITDA	in EUR millions	(1.9)	(1.0)

The main driver of the negative EBITDA in both 2014 and 2015 was the other operating expenses of EP Energy. The costs were primarily associated with costs relating to outsourcing of various functions and costs for professional services at EP Energy.

Other revenues and expenses

Our repeating expenses are generally related to wages and salaries of executive and part-time employees (administrative staff) and associated social and health insurance, administrative costs for repairs and maintenance, other taxes and fees, costs for audit and accounting services, costs for legal consultancy, operating leases, rent of premises, communication expenses, travel expenses, costs for translation, non-tax deductible fees, rental income and other administrative costs.

Capital expenditures

Capital expenditures are necessary to maintain and improve the operations of our facilities and meet operating standards dictated by governmental regulations. Construction and maintenance costs have increased throughout the power industry over the past several years, and future costs will be highly dependent on the cost of components and availability of contractors that can perform the work necessary to maintain and improve other facilities.

The table below summarizes our capital expenditures for our Mining segment:

		For the nine-month period ended September 30,	
In EUR millions		2014	2015
Capital expenditures relating to tangible fixed assets.....		31.6	32.2
Capital expenditures relating to intangible fixed assets excluding emission rights		0.6	0.7

Capital expenditures relating to tangible fixed assets increased by EUR 0.6 million, or 1.9%, to EUR 32.2 million in the first three quarters 2015 from EUR 31.6 million in the first three quarters 2014. The majority of these capital expenditures are directly connected to MIBRAG's mining operations, notably the development of mining infrastructure in the mining field Peres within MIBRAG's Vereinigtes Schleenhain mine.

Capital expenditures relating to intangible fixed assets (excluding emissions rights) were not material.

The table below summarizes our capital expenditures (disregarding actual cash flows) for the Heat and Power segment:

In EUR millions	For the nine-month period ended September 30,	
	2014	2015
Capital expenditures relating to tangible fixed assets.....	29.8	65.9
Capital expenditures relating to intangible fixed assets excluding emission rights	0.4	0.4

Capital expenditures relating to tangible fixed assets increased by EUR 36.1 million, or 121.1%, to EUR 65.9 million in the first three quarters 2015 as compared to EUR 29.8 million in the first three quarters 2014. The main reasons are investments performed in EOP so as to be in line with the IED (Industrial Emissions Directive) that will apply in 2016 for large combustion plants.

Capital expenditures relating to intangible fixed assets (excluding emission rights) were not material.

The table below summarizes our capital expenditures (disregarding actual cash flows) for the Power Distribution and Supply segment:

In EUR millions	For the nine-month period ended September 30,	
	2014	2015
Capital expenditures relating to tangible fixed assets.....	20.5	27.3
Capital expenditures relating to intangible fixed assets excluding emission rights	0.9	1.6

Capital expenditures relating to tangible fixed assets increased by EUR 6.8 million, or 33.2%, to EUR 27.3 million in the first three quarters 2015 from EUR 20.5 million in the first three quarters 2014.

The majority of these capital expenditures are directly connected to SSE's operations, namely technical improvements on existing distribution network of EUR 12.6 million and extension of distribution network of EUR 7.1 million in the first three quarters 2015, while EUR 9.0 million and EUR 6.7 million respectively in the first three quarters 2014.

Capital expenditures relating to intangible fixed assets (excluding emissions rights) were not material.

The table below summarizes our capital expenditures (disregarding actual cash flows) for the Renewables segment:

In EUR millions	For the nine-month period ended September 30,	
	2014	2015
Capital expenditures relating to tangible fixed assets.....	0.5	0.1
Capital expenditures relating to intangible fixed assets excluding emission rights	0.0	0.0

Capital expenditures relating to tangible fixed assets decreased immaterially by EUR 0.4 million in the first three quarters 2015 as compared to the first three quarters 2014.

The table below summarizes our capital expenditures (disregarding actual cash flows) for the Other segment:

In EUR millions	For the nine-month period ended September 30,	
	2014	2015
Capital expenditures relating to tangible fixed assets.....	0.0	0.0
Capital expenditures relating to intangible fixed assets excluding emission rights	0.0	0.0

Capital expenditures in the Other segment are not material due to the nature of operations of this segment.

The EPE Group

Description of key income statement line items and key performance indicators of the EPE Group

Key income statement line items

Sales: Energy. EPE presents Sales: Energy in five component parts: sales of electricity (incl. distribution), sales of heat, sales of gas, sales of coal and sales of other energy products across all of our segments. EPE recognizes revenue when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue from the sale of own products and goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Discounts are recognized as a reduction of revenue as the sales are recognized, if it is probable that discounts will be granted and the amount can be measured reliably. Revenues from services rendered are recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognized if there are significant uncertainties regarding the recovery of the consideration due, associated costs or the possible return of goods.

Sales: Other. Sales: Other represent revenues from non-core activities, including sales of brown coal dust and energy by-products (such as ash and gypsum).

Gain (loss) from commodity derivatives for trading with electricity and gas, net. At the date of the financial statements, trading derivatives are measured at fair value. As the trading in commodity derivatives forms a significant part of the Group's total trading activities, the measurement effect is recognized in "Gain (loss) from commodity derivatives for trading with electricity and gas, net", a separate line item under "Total sales".

Cost of sales: Energy. Cost of sales: Energy is divided into five component parts, namely cost of sold energy, cost of sold gas and other energy products, consumption of coal and other material, consumption of energy and other cost of sales. Cost of sales: Energy does not include directly attributable overhead costs (particularly personnel expenses, depreciation and amortization, repairs and maintenance, emission rights, taxes and charges). Cost of sales: Energy also includes losses incurred in energy trading transactions.

Cost of sales: Other. Cost of sales: Other is divided into five component parts, namely cost of goods sold, consumption of material, consumption of energy, changes in work-in-progress, semi-finished products and finished goods and other cost of sales. Cost of sales: Other does not include directly attributable overhead costs (particularly personnel expenses, depreciation and amortization, repairs and maintenance, emission rights, taxes and charges).

Personnel expenses. Personnel expenses represent expenses related to employees and board members, including wages and salaries of employees, benefits, remuneration of board members, social and health insurance, provisions related to employees (e.g., provisions for untaken holidays, accruals for bonuses and rewards), revenues/expenses related to employee benefits recorded in accordance with IAS 19 and other costs related to employees during the reporting period.

Depreciation and amortization. Depreciation represents non-cash expenses of tangible assets over time. Amortization represents non-cash expenses of intangible assets over time.

Repairs and maintenance. Repairs and maintenance represent externally incurred costs to bring an asset back to an earlier condition or to keep the asset operating in its present condition.

Emission rights, net. Emission rights, net comprise the profit from sale of emission allowances and the consumption of emission allowances on a continuous basis based on the actual production of emissions, with a corresponding decrease in the carrying value of deferred income on a systematic basis over the period for which the rights were issued.

Negative goodwill. Negative goodwill (gain on bargain purchase) represents a gain occurring when the price paid for an acquisition is less than the fair value of net assets of the acquired company.

Taxes and charges. Taxes and charges comprise electricity taxes, property taxes and other taxes and charges (excluding income tax).

Other operating income and expenses. Other operating income and expenses represent items that are of secondary importance compared to the EPE Group's principal activities. These items include, for example, rental income, contractual penalties received from suppliers or paid to customers, consulting fees and commissions expense, transport services, insurance services, consumption of material, gains/losses on sale of intangible assets/property (excluding the sale of emissions allowances), plant and equipment or inventories, creation and reversal of various provisions, outsourcing and administrative fees and professional and advertising services.

Finance income. Finance income comprises interest income on funds invested, dividend income, changes in the fair value of financial assets at fair value through profit or loss, foreign currency gains (only if total foreign currency gains and losses result in net income; receivables in foreign currency are recalculated mark-to-market at the end of the accounting period to Czech crowns) that do not qualify for hedge accounting, gains on sale of investments in securities and gains on hedging instruments that are recognized in profit or loss.

Finance expense. Finance cost comprises interest expense on borrowings, unwinding of the discount on provisions (e.g., on provisions for decommissioning), foreign currency losses (only if total foreign currency gains and losses result in a net expense; payables in foreign currency are recalculated mark-to-market at the end of the accounting period to Czech crowns); realized profit from currency derivative contracts that do not qualify for hedge accounting, changes in the fair value of financial assets at fair value through profit or loss, fees and commissions expense for payment transactions and guarantees and impairment losses recognized on financial assets.

Profit/(loss) from financial instruments. Profit/(loss) from financial instruments represents profit or loss from commodity derivatives that are not presented as a part of Gain (loss) from commodity derivatives for trading with electricity and gas, net, currency derivatives (including both realized and mark-to-market valuations at the end of the accounting period), hedging activities and interest rate derivatives that do not qualify for hedge accounting.

Share of profit/(loss) of equity accounted investees. Share of profit/loss of equity accounted investees represents a share of profit of equity accounted associates.

Gain/(loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates. Gain/Loss on disposal of subsidiaries, special purpose entities, joint ventures and associates comprises gain or loss from selling an ownership interest in a company.

Income tax expenses. Income tax expenses represent the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Deferred tax is accounted for using the balance sheet method and is recognized on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases.

Other comprehensive income for the year, net of tax. Other comprehensive income represents the difference between net income in the income statement and comprehensive income (which is the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources; it includes all changes in equity during a period except those resulting from investments by owners and distributions to owners).

Total comprehensive income for the year. Total comprehensive income for the year represents the change in equity during a period resulting from transactions and other events, other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income comprises all components of “profit or loss” and of Other comprehensive income, net of tax, and represents the certain gains and losses of the enterprise not recognized in the income statement.

Results of operations of the EPE Group

The following sections provide a period-by-period comparison of the EPE Group’s historical income statement data. The financial data has been prepared in accordance with IFRS, and has been derived from the EPE’s condensed consolidated interim financial statements for the nine-month period ended September 30, 2015 (which include financial information for the nine-month period ended September 30, 2014 as a comparison) and should be read in conjunction with and is qualified in its entirety by reference to these financial statements, including the notes thereto.

Results of operations of the EPE Group: the first three quarters 2015 compared to the first three quarters 2014

The following table sets forth our historical income statement data derived from the EPE’s condensed consolidated interim financial statements for the nine-month period ended September 30, 2015, prepared in accordance with IFRS as adopted by the EU, as well as other financial data. For a description of the changes in the reporting perimeter, see “Key factors affecting comparability of the results of operations of the EPE Group”.

Condensed consolidated interim statement of comprehensive income

For the nine-month period ended 30 September 2015

In millions of EUR ("mEUR")

	2014 (nine months) Restated ⁸	2015 (nine months)
Sales: Energy	1,577.8	1,642.3
of which: Electricity	1,055.1	1,027.1
Heat	179.2	191.8
Gas	144.1	198.1
Coal	199.1	225.3
Other energy products	0.2	-
Sales: Other	80.2	76.3
Gain (loss) from commodity derivatives for trading with electricity and gas, net	10.7	10.4
Total sales	1,668.7	1,729.1
Cost of sales: Energy	(1,069.2)	(1,121.0)
Cost of sales: Other	(39.0)	(21.6)
Total cost of sales	(1,108.2)	(1,142.6)
	560.5	586.5
Personnel expenses	(188.9)	(194.0)
Depreciation and amortisation	(222.5)	(207.3)
Repairs and maintenance	(10.6)	(5.7)
Emission rights, net	(15.8)	(18.5)
Taxes and charges	(9.2)	(9.2)
Other operating income	44.8	54.1
Other operating expenses	(99.5)	(108.1)
Profit (loss) from operations	58.9	97.8
Finance income	27.9	12.7
Finance expense	(78.3)	(71.0)
Profit (loss) from financial instruments	3.0	(1.0)
Net finance income (expense)	(47.5)	(59.2)
Share of profit (loss) of equity accounted investees, net of tax	(1.2)	(0.5)
Profit (loss) before income tax	10.2	38.1
Income tax expenses	(3.8)	(19.8)
Profit (loss) for the period	6.3	18.3
Items that are or may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	1.4	(13.8)
Foreign currency translation differences from presentation currency	4.8	25.6
Effective portion of changes in fair value of cash flow hedges, net of tax	(3.6)	14.3
Fair value reserve included in other comprehensive income	(3.5)	(0.2)
Other comprehensive income for the period, net of tax	(0.8)	26.0
Total comprehensive income for the period	5.5	44.3

⁸ 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 as described in the Notes to the unaudited condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2015. Data for the nine-month period ended September 30, 2014 were restated with impact of positive EUR 10.7 million on Total sales, Profit/(loss) from operations, EBITDA and Pro forma adjusted EBITDA.

Profit (loss) attributable to:

Owners of the Company	3.0	(4.3)
Non-controlling interest	3.3	22.6
Profit (loss) for the period	6.3	18.3

Total comprehensive income attributable to:

Owners of the Company	1.2	19.1
Non-controlling interest	4.3	25.1
Total comprehensive income for the period	5.5	44.3

Key line items**Sales: Energy**

Sales: Energy increased by EUR 64.5 million, or 4.1%, to EUR 1,642.3 million for the first three quarters 2015 as compared to EUR 1,577.8 million for the first three quarters 2014.

Sales of electricity

Sales of electricity decreased by EUR 28.0 million, or 2.7%, to EUR 1,027.1 million for the first three quarters 2015 as compared to EUR 1,055.1 million for the first three quarters 2014. This decrease in sales of electricity reflected mainly deteriorating power prices and decrease in power production in condensation mode in the first three quarters 2015 as compared to the first three quarters 2014, which also results from planned partial outage in EOP due to IED (Industrial Emissions Directive) related investments.

Sales of heat

Sales of heat increased by EUR 12.6 million, or 7.0%, to EUR 191.8 million for the first three quarters 2015 as compared to EUR 179.2 million for the first three quarters 2014. This slight increase in sales of heat was primarily due to the higher demand of heat generated by PT, EOP, UE, PE caused by better weather conditions namely in the first quarter 2015 as compared to the first quarter 2014. As outlined previously in the Report, day-degrees, the metrics representing “coldness” of the weather pattern (difference between reference indoor temperature and actual outdoor temperature integrated over the nine-month period of year) were in the areas where we deliver the heat period-to-period by 10.4% higher, which resulted in higher heat offtake at customers. As a result, heat supplied increased by 418 TJ, or 4.1%, to 10,655 TJ for the first three quarters 2015 as compared to 10,237 TJ for the first three quarters 2014. Not proportional increase in sales was caused by decoupled capacity and energy pricing that we use in our key operations.

Sales of gas

Sales of gas increased by EUR 54.0 million, or 37.5%, to EUR 198.1 million for the first three quarters 2015 as compared to EUR 144.1 million for the first three quarters 2014. Majority of this improvement was attributable to EPET that increased its gas sales which stems primarily from new natural gas trading activity on the Slovak market since 2015.

Sales of coal

Sales of coal increased by EUR 26.2 million, or 13.2%, to EUR 225.3 million for the first three quarters 2015 as compared to EUR 199.1 million for the first three quarters 2014 which is mainly result of increased revenue generated on coal freight and coal trading by EP Cargo and EP Coal Trading, to lower extent reduced by lower revenue generated by MIBRAG.

Sales: Other

Sales: Other decreased by EUR 3.9 million, or 4.9%, to EUR 76.3 million for first three quarters 2015 as compared to EUR 80.2 million for the first three quarters 2014.

Gain (loss) from commodity derivatives for trading with electricity and gas, net

Gain (loss) from commodity derivatives for trading with electricity and gas, net decreased immaterially by EUR 0.3 million to EUR 10.4 million for first three quarters 2015 as compared to EUR 10.7 million for the first three quarters 2014. This resulted from fair value re-measurement of trading derivatives at the date of financial statements and corresponded to contracted trading margin during the period.

Cost of sales: Energy

Cost of sales: Energy increased by EUR 51.8 million, or 4.8%, to EUR 1,121.0 million for the first three quarters 2015 as compared to EUR 1,069.2 million for the first three quarters 2014. This increase in Cost of sales: Energy was in line with 4.1% increase in Sales: Energy.

Cost of sales: Other

Cost of sales: Other decreased by EUR 17.4 million, or 44.6%, to EUR 21.6 million for first three quarters 2015 as compared to EUR 39.0 million for the first three quarters 2014.

Personnel expenses

Personnel expenses rose by EUR 5.1 million, or 2.7%, to EUR 194.0 million for first three quarters 2015 as compared to EUR 188.9 million for the first three quarters 2014. This increase in personnel expenses was mainly attributable to 2.3% increase in average headcount to 6,587 as of September 30, 2015.

Depreciation and amortization

Depreciation and amortization decreased by EUR 15.2 million, or 6.8%, to EUR 207.3 million in the first three quarters 2015 as compared to EUR 222.5 million for the first three quarters 2014.

Repairs and maintenance

Repairs and maintenance decreased by EUR 4.9 million, or 46.2%, to EUR 5.7 million for the first three quarters 2015 as compared to EUR 10.6 million for the first three quarters 2014. The decrease is primarily attributable to a time shift in performed maintenance.

Emission rights, net

Emission rights, net increased by EUR 2.7 million, or 17.1%, to negative EUR 18.5 million for the first three quarters 2015 as compared to negative EUR 15.8 million for first three quarters 2014 primarily resulting from lower free allocation of emission allowances.

Taxes and charges

Taxes and charges remained unchanged EUR 9.2 million in the first three quarters in both periods 2014 and 2015.

Other operating income

Other operating income increased by EUR 9.3 million, or 20.8%, to EUR 54.1 million for the first three quarters 2015 as compared to EUR 44.8 million for the first three quarters 2014. The positive movement was mainly due to profit from one-off disposal of tangible and intangible assets at SSE in the first three quarters 2015.

Other operating expenses

Other operating expenses increased by EUR 8.6 million, or 8.6%, to EUR 108.1 million for first three quarters 2015 as compared to EUR 99.5 million for the first three quarters 2014. This increase in Other operating expenses was mainly caused by increase in the position Change in provisions, net that stems from posting a provision of EUR 7.0 by MIBRAG for a potential payment to 50Hertz Transmission GmbH for mandatory off-take of green power share in 2008.

Finance income

Finance income decreased by EUR 15.2 million, or 54.5%, to EUR 12.7 million for the first three quarters 2015 as compared to EUR 27.9 million for the first three quarters 2014. Finance income is mostly represented by interest income, primarily due from loans provided mainly to the parent and ultimate parent companies. Decrease in finance income stems mainly from offset of balances between EP Energy, a.s. and Energetický a průmyslový holding, a.s. described in section "Key developments in the first three quarters of the year 2015".

Finance expense

Finance expense decreased by EUR 7.3 million, or 9.3%, to EUR 71.0 million for the first three quarters 2015 as compared to EUR 78.3 million for the first three quarters 2014. Primary reasons for decrease of interest expense are unwind of provisions discounting, interest expense, which was partly balanced by increased FX loss.

Profit/(loss) from financial instruments

Profit/(loss) from financial instruments decreased by EUR 4.0 million to a loss of EUR 1.0 million for the first three quarters 2015 as compared to a profit of EUR 3.0 million for the first three quarters 2014.

Share of profit/(loss) of equity accounted investees, net of tax

Share of profit/(loss) of equity accounted investees, net of tax changed immaterially by EUR 0.7 million to a loss of EUR 0.5 million for the first three quarters 2015 as compared to a loss of EUR 1.2 million for the first three quarters 2014. This change in profit/(loss) of equity accounted investees, net of tax is mainly related to a share of the loss of Pražská teplárenská Holding a.s. (also "PTH").

Income tax expenses

Income tax expenses increased by EUR 16.0 million, or 421.1%, to EUR 19.8 million for the first three quarters 2015 as compared to EUR 3.8 million for the first three quarters 2014 – while current income taxes expenses increased by EUR 8.2 million in the first three quarters 2015 as compared the first three quarters 2014, deferred income taxes revenue decreased by EUR 7.8 million in the first three quarters 2015 as compared to the first three quarters 2014. Change in deferred tax income stems primarily from reversal of temporary differences at property, plant and equipment and provisions.

Other comprehensive income for the period, net of tax

Other comprehensive income for the period, net of tax, changed by EUR 25.2 million to EUR 26.0 million for the first three quarters 2015 as compared to negative EUR 0.8 million for the first three quarters 2014. This positive development in Other comprehensive income for the period, net of tax, was primarily due to foreign currency translation differences from presentation currency and from changes in fair value of cash flow hedges predominantly relating to a cash flow hedge recognized on the EPE Group level.

Liquidity and capital resources of the EPE Group

Capital resources

EPE's financial condition and liquidity are and will continue to be influenced by a variety of factors, including:

- our ability to generate cash flows from our operations;
- the level of our outstanding indebtedness, and the interest EPE is obligated to pay on such indebtedness, which affects our financing costs;
- prevailing interest rates, which affect our debt service requirements;
- our ability to continue to borrow funds from banks and international debt capital markets;
- our level of acquisitions activity; and
- our capital expenditure requirements and development projects.

EPE's historical liquidity requirements have arisen primarily from the need for us to meet EPE's debt service requirements, to fund capital expenditures for the general maintenance and expansion of EPE's production and heat distribution facilities and for new facilities, to fund growth in our working capital and to support our acquisition strategy.

EPE's primary sources of liquidity historically have been cash flows from operations of subsidiaries, cash on EPE's balance sheet and external financings (including shareholder loans, since EPE's issuance of the Notes, bonds and, since EPE entered into the SSE Acquisition Credit Facility, borrowings thereunder). EPE's ability to generate cash from our operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive market, legislative, regulatory and other factors, many of which are beyond our control.

EPE believes that its operating cash flows, together with the cash reserves and future borrowings permitted under EPE's debt facilities, will be sufficient to fund EPE's working capital requirements, anticipated capital expenditures and debt service requirements as they become due. In 2014, we have entered into four revolving credit facilities. These revolving credit facilities, together with our internal cash generation capacity shall enable us to meet the Group's short-term liquidity needs, including working capital.

Cash flow

The following table summarizes our selected consolidated cash flows for the first three quarters 2014 and 2015.

	For the nine-month period ended September 30,	
	2014	2015
	(in EUR millions)	
Operating profit before changes in working capital	268.5	282.9
<i>Selected changes to working capital</i>		
Change in financial instruments in other than fair value	(67.0)	15.3
Change in trade receivables and other assets	56.5	35.8
Change in trade payables and other liabilities	(26.9)	(16.3)
Change in assets held for sale and related liabilities	3.1	2.9
Cash flows generated from (used in) operating activities	139.7	237.8
Cash flows from (used in) investing activities	(77.1)	(130.1)

	For the nine-month period ended September 30,	
	2014	2015
Cash flows from (used in) financing activities.....	(179.3)	(108.2)
Total changes in cash flows.....	(116.7)	(0.5)

Operating Activities

Cash flows generated from (used in) operating activities increased by EUR 98.1 million, or 70.2%, to EUR 237.8 million for the first three quarters 2015, as compared to EUR 139.7 million for the first three quarters 2014.

This change in cash flows generated from (used in) operating activities is primarily due to improvement of working capital for the first three quarters 2015 as compared to the first three quarters 2014. The principal reason for the improvement of working capital was a positive change in the financial instruments in other than fair value which primarily relates to upstream loans provided to CEE of EUR 60.0 million in January 2014, whereas no such major loan was provided in the first three quarters 2015. The remaining part of variance in cash flows generated from (used in) operating activities is effect of:

- negative change in trade receivables driven by higher balance of receivables against OKTE at SSE;
- Positive cash flow effect in trade liabilities period to period is represented primarily by timing of capital expenditure programs at Mibrag. In addition, business development dynamics at EP Energy Trading customer portfolio in the first three quarters 2015 as compared to three quarters 2014 contributed to cash flow improvement.

Investing Activities

Cash flows from (used in) investing activities changed by EUR 53.0 million to negative EUR 130.1 million for the first three quarters 2015, as compared to negative EUR 77.1 million for the first three quarters 2014. Major part of cash flow from (used in) investing activities represent acquisition of PPE⁹ and intangible assets totaling EUR 128.2 million for the first three quarters 2015 and EUR 84.3 million for the first three quarters 2014, with the difference primarily due from IED capital expenditure at EOP. In addition, the Company settled its liability of EUR 5.8 million resulting from acquisition of 60% shareholding in EPC in 2014.

Financing Activities

Cash flows from (used in) financing activities changed by EUR 71.1 million to negative cash flows used in financing activities of EUR 108.2 million for the first three quarters 2015, as compared to negative cash flows from financing activities of EUR 179.3 million for the first three quarters 2014. Cash flow from (used in) financing activities comprise change in loans and borrowings, namely repayment of the SSE Acquisition Credit Facility of approximately EUR 134 million and drawing of new term loans of approximately EUR 175 million in September 2015. Further, the Group paid out dividends of EUR 93.9 million in the first three quarters 2015 as compared to EUR 143.9 million in the first three quarters 2014. Particularly, current year dividends mainly comprise EUR 60 million paid in cash from EPE to CEE in May and September 2015 and EUR 26.5 million paid in June from SSE to the Slovak government that

⁹ Property, plant and equipment

holds its 51% share in SSE. Additional dividends of EUR 7 million were paid to minority investors in PT in the first three quarters 2015.

Capital expenditures

Our strategy is to focus capital investments on projects that maintain our technical equipment and increase operational efficiency. We have managed to keep capital expenditures at reasonably low levels by means of controlled business planning, engineering, procurement and project management at our operating subsidiaries. We have made, and expect to continue to make, expenditures to maintain compliance with environmental laws. For example, starting in 2016, the stricter emission targets set forth by the European Industrial Emissions Directive (IED) will apply for large combustion plants, including those that we operate, which we estimate will require capital expenditures in excess of EUR 80 million for our power plants in the Czech Republic (predominantly at EOP and minor technology improvements at UE and PE) in period 2014 – 2016. In particular, EOP invested EUR 23.2 million into tangible fixed assets relating to the IED in the year 2014. In addition, IED capital expenditures planned in MIBRAG amounts to EUR 2.3 million that relates to DeNOx system in the Deuben plant in the year 2015.

We also expect to accelerate our capital expenditure on certain refurbishments to our heating network operations over the next two years in order to be eligible for approximately EUR 6 million in public subsidies in the Czech Republic. We also expect to incur one-off capital expenditures in relation to our two renewable energy projects that are in early development stage with an expected cost of EUR 1.5 million/MW of installed capacity.

During the first three quarters 2014 and 2015, capital expenditures, irrespective of actual cash flows, were as follows:

	As of and for the nine-month period ended September 30,	
	2014	2015
Capital expenditures for tangible fixed assets.....	82.4	125.5
Capital expenditures for intangible fixed assets excluding emission rights	1.9	2.7
Capital expenditures for emission rights (incl. free allocations)	19.0	13.2
Total capital expenditures	103.3	141.4
Property, plant and equipment, at depreciated cost	2,279.3	2,184.8

Capital expenditures for tangible fixed assets and intangible fixed assets excluding emission rights

Capital expenditures for tangible fixed assets increased by EUR 43.1 million, or 52.3%, to EUR 125.5 million for the first three quarters 2015 as compared to EUR 82.4 million for the first three quarters 2014. This increase in capital expenditures for tangible fixed assets was primarily due to investments performed in EOP in the first three quarters 2015 so as to be in line with the IED (Industrial Emissions Directive) that will apply in 2016 for large combustion plants.

Capital expenditures for intangible fixed assets excluding emission rights increased immaterially by EUR 0.8 million to EUR 2.7 million for the first three quarters 2015 as compared to EUR 1.9 million for the first three quarters 2014.

Capital expenditures for emission rights

For the periods presented in this Report out of all entities included in the EPE Group, MIBRAG, EOP, PE, UE, PT and Buschhaus were required to purchase emission allowances for their own respective consumption due to an insufficient allocation of emission allowances. The share that our Czech operating subsidiaries will need to purchase will increase over time as the result of the allocation system under which fewer emissions allowances are now allocated free of charge. We are exposed to

changes in the way emissions allowances are allocated, including the conditions attaching to free allocations and the allocation of emissions allowances, as well as volatility in the market prices of emissions allowances that we need to acquire.

Contractual and other material financial obligations of the EPE Group

The table sets out our loans and borrowings as of December 31, 2014 and September 30, 2015.

In EUR millions	Dec 31, 2014	Sep 30, 2015
Issued debentures at amortised cost	1,094.3	1,110.4
Loans payable to credit institutions	199.3	234.9
Loans payable to other than credit institutions	15.2	9.2
<i>of which owed to the parent company / ultimate parent company</i>	<i>2.5</i>	<i>2.6</i>
<i>of which owed to other related companies</i>	<i>12.7</i>	<i>6.6</i>
Bank overdraft.....	59.1	28.7
Revolving credit facility	25.0	-
Liabilities from financial leases.....	0.9	1.9
Total	1,393.8	1,385.1
Non-current.....	1,267.3	1,317.0
<i>of which owed to the parent company / ultimate parent company</i>	<i>-</i>	<i>-</i>
<i>of which owed to other related companies</i>	<i>12.5</i>	<i>6.5</i>
Current	126.4	68.1
<i>of which owed to the parent company / ultimate parent company</i>	<i>2.5</i>	<i>2.6</i>
<i>of which owed to other related companies</i>	<i>0.2</i>	<i>-</i>
Total	1,393.8	1,385.1

Off-balance sheet arrangements of the EPE Group

The table below sets out EPE's financial commitments and contingencies as of December 31, 2014 and September 30, 2015.

In EUR millions	Dec 31, 2014	Sep 30, 2015
Granted pledges – securities	1,010.9	1,032.1
Guarantees given	293.5	371.2
Other contingent liabilities.....	1,940.9	1,686.2
Total	3,245.3	3,089.5

Granted pledges represent securities of individual EPE Group companies used as collateral for external financing.

Other contingent liabilities

In EUR millions	Dec 31, 2014	Sep 30, 2015
Loans and borrowings	1,394.2	1,133.3
Tangible assets	335.4	336.1
Cash and cash equivalents	102.2	101.5
Trade receivables	87.4	80.5
Inventories	21.7	34.7
Total	1,940.9	1,686.1

All other contingencies were used as collateral for external financing.

(1) Total balance of pledged granted loans includes intercompany loans of EUR 824.7 million (31 December 2014: EUR 846.1 million).

- (2) According to the bond documentation cash balances at specific entities are pledged in favour of the bondholders in case the Company defaults on bonds payments. As such, the pledged cash is readily available to the EPE Group and does not represent restricted cash.

Off balance sheet assets

In EUR millions	Dec 31, 2014	Sep 30, 2015
Other granted promises	292.6	288.3
Other contingent assets	1.8	1.2
Total	294.4	289.5

Other granted promises

Other granted promises comprise EUR 212.5 million (31 December 2014: EUR 239.4 million), which are represented by the contracts for future energy supply, and EUR 75.8 million (31 December 2014: EUR 53.1 million), which are represented by the contingent assets related to green energy for the year 2014 and period ended 30 September 2015 (31 December 2014: contingent assets cover year 2014).

Regulatory contingent assets related to green energy

The SSE Group 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 Tariff for system operation ("TPS"). For the nine-month period ended 30 September 2015 the SSE Group recognised a loss of EUR 22.7 million (30 September 2014: loss of EUR 63.8 million) as the difference between the costs of purchased green energy and costs related to the subvention of electricity produced from coal and revenues from TPS in the period from 1 January 2015 to 30 September 2015. The 2015 loss is included in the contingent asset of EUR 75.8 million (31 December 2014: EUR 53.1 million) specified above. Based on the current Regulatory Framework the losses incurred will be compensated in two years' time, i.e. relevant amounts in 2016 and 2017 through an increase of revenues from TPS (2014: in 2015 and 2016).

Other commitments and contingencies

Envisaged transaction

EPE's parent company, Energetický a průmyslový holding, a.s. ("EPH"), and a major energy company (the "Interested Party") are parties to contractual arrangements under of which they have agreed to use their best efforts to agree on the potential sale of certain heating assets currently held by a certain member of EPE Group (the "Transaction"), provided that the specified conditions will be met, inter alia, that the terms and conditions of the transaction will be agreed between the parties and the transaction will be approved by the respective corporate bodies of each relevant entity. If the Transaction is not completed within the agreed period, EPH will use its best efforts to provide the Interested Party with a similar alternative asset ("the Alternative Transaction"). If the transaction is not completed by the extended deadline either, EPH will pay to the Interested Party compensation of approximately EUR 7.3 million. As these transactions are subject to a confidentiality obligation, disclosure of more detailed information herein is prohibited.

However, the parties have not yet finally agreed as at the date hereof whether, or under what terms and conditions, the Transaction or the Alternative Transaction will be entered into and completed. Currently EPH is engaged in negotiations with the Interested Party concerning the terms and conditions of the foregoing transactions; this should provide a basis to conclude with certainty whether or not any of the transactions will be entered into and completed.

For the above reasons, the heating assets in question have not yet been recorded as Assets Held for Sale under IFRS 5 and the above compensation has not yet been recorded by EPH.

Mitteldeutsche Braunkohlengesellschaft mbH

MIBRAG is involved in an ongoing dispute filed by 50Hertz Transmission GmbH (“50Hertz”) in Germany since 2011. 50Hertz operates an upstream transmission grid and seeks retroactive payment from MIBRAG for costs under the burden-sharing mechanism related to the promotion of renewable energies (the so-called EEG surcharge) between August 2004 and December 2008 under the German Renewable Energies Act (Erneuerbare Energien Gesetz). Transmission grid operators generally charge energy supply companies with the EEG surcharge depending on the quantity of electricity delivered by them to end customers. Energy supply companies are in turn entitled to pass the EEG surcharge on to end customers as a part of the electricity price. In March 2013, the District Court of Halle (Landgericht Halle) rendered a partial judgement in favor of 50Hertz ordering MIBRAG to provide detailed data on its deliveries of electricity to end customers from August 2004 to December 2008 to allow for a calculation of EEG surcharge payments potentially owed by MIBRAG. MIBRAG filed an appeal against the partial judgement.

On February 6, 2014, MIBRAG’s appeal was turned down by the Higher Regional Court, however, a further appeal of the partial judgement has been filed with the Federal Supreme Court (Bundesgerichtshof). A final decision was made in the second quarter of 2015, the appeal was rejected and MIBRAG was required to provide detailed data to 50Hertz for the purposes of a calculation of a potential EEG surcharge for the above noted period. Based on MIBRAG’s analysis a provision of EUR 7.0 million was recorded as of September 30, 2015, which should reflect the expected payments with respect to EEG surcharge. MIBRAG continues to analyze the situation and its potential financial impact.

Attachments stored on www.epenergy.cz:

Unaudited condensed consolidated interim financial statements as of and for the nine-month period ended September 30, 2015 prepared in accordance with IAS 34 – Interim Financial Reporting.

EP Energy, a.s.**Unaudited condensed consolidated interim statement of comprehensive income**

For the three-month period from July 1 to September 30, 2014 and 2015

In thousands of EUR ("TEUR")

	July 1 to September 30, 2014 (unaudited)	July 1 to September 30, 2015 (unaudited)
Sales: Energy	461,095	517,372
<i>of which: Electricity</i>	342,962	344,368
<i>Heat</i>	22,302	24,339
<i>Coal</i>	10,077	62,535
<i>Gas</i>	85,846	86,130
<i>Other energy products</i>	(92)	-
Sales: Other	28,504	26,102
Gain (loss) from commodity derivatives for trading with electricity and gas, net	5,465	2,464
Total sales	495,064	545,938
Cost of sales: Energy	(324,267)	(367,020)
Cost of sales: Other	(14,257)	(3,082)
Cost of sales	(338,524)	(370,102)
Gross profit	156,540	175,836
Personnel expenses	(63,248)	(61,602)
Depreciation and amortization	(72,432)	(70,299)
Repairs and maintenance	(4,033)	(541)
Emission rights, net	(4,906)	(6,757)
Taxes and charges	(3,409)	(2,939)
Other operating income	15,750	15,538
Other operating expenses	(27,983)	(30,506)
Profit/(loss) from operations	(3,721)	18,730
Finance income	9,108	3,913
Finance expense	(29,492)	(22,821)
Profit/(loss) from financial instruments	1,971	(298)
Net finance income/(expense)	(18,413)	(19,206)
Share of profit of equity accounted investees, net of tax	(638)	832
Profit/(loss) before income tax	(22,772)	356
Income tax expenses	6,806	(4,406)
Profit/(loss) for the period	(15,966)	(4,050)

EP Energy, a.s.

Unaudited condensed consolidated interim statement of cash flows

For the three-month period from July 1 to September 30, 2014 and 2015

In thousands of EUR ("TEUR")

	July 1 to September 30, 2014 (unaudited)	July 1 to September 30, 2015 (unaudited)
OPERATING ACTIVITIES		
Profit (loss) for the period	(15,966)	(4,049)
<i>Adjustments for:</i>		
Income taxes	(6,806)	4,406
Depreciation and amortization	72,432	70,299
Dividend income	-	179
Impairment losses on property, plant and equipment and intangible assets	42	531
Gain/Loss on disposal of property, plant and equipment, investment property and intangible assets	98	(300)
Gain / Loss on disposal of inventories	(299)	(412)
Emission rights	4,906	6,757
Share of profit of equity accounted investees	638	(832)
Gain / Loss on financial instruments	(12,687)	298
Net interest expense	19,114	16,221
Change in allowance for impairment to trade receivables and other assets, write-offs	336	841
Change in provisions	(279)	(5,121)
Unrealized foreign exchange gains/(losses), net	(1,445)	(963)
Operating profit before changes in working capital	60,084	87,855
Change in financial instruments not at fair value	3,425	(1,482)
Change in trade receivables and other assets	(24,571)	(752)
Change in inventories (including proceeds from sale)	(3,367)	(12,653)
Change in extracted minerals and mineral products	(303)	(225)
Change in assets held for sale and related liabilities	3,109	245
Change in trade payables and other liabilities	52,037	(10,092)
Cash generated from (used in) operations	90,414	62,896
Interest paid	(1,849)	(2,161)
Income taxes paid	(12,104)	(5,315)
Cash flows generated from (used in) operating activities	76,461	55,420
INVESTING ACTIVITIES		
Received dividends	(3)	1,550
Proceeds from sale of financial instruments - derivatives	3,905	594
Acquisition of property, plant and equipment, investment property and intangible assets	(36,160)	(49,635)
Purchase of emission rights	(557)	(170)

Proceeds from sale of emission rights	(2)	82
Proceeds from sale of property, plant and equipment, investment property and other intangible assets	(4,052)	1,645
Acquisition of subsidiaries and special purpose entities, net of cash acquired	(2,326)	(3,645)
Increase in participation in existing subsidiaries and special purpose entities	-	(3,663)
Interest received	95	-
Cash flows from (used in) investing activities	(39,100)	(53,242)
FINANCING ACTIVITIES		
Proceeds from loans received	16,246	210,197
Repayment of borrowings	(93,081)	(168,173)
Dividends paid	(26,350)	(32,442)
Cash flows from (used in) financing activities	(103,185)	9,582
<i>Net increase (decrease) in cash and cash equivalents</i>	<i>(65,824)</i>	<i>11,760</i>
Cash and cash equivalents at beginning of the period	231,973	191,012
Effect of exchange rate fluctuations on cash held	(351)	328
Cash and cash equivalents at end of the period	165,798	203,100