



Investor and Analyst Q3 2013 Conference Call

Prague, 29 November, 2013

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DISCLAIMER

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.

Many factors may cause our results of operations, financial condition, liquidity, reserves and the development of the industry in which we compete to differ materially from those expressed or implied by the forward-looking statements contained in this Report.

These factors include, among others:

- negative or uncertain global and regional economic conditions;
- failure to implement our key strategies;
- in the supply of, or the unexpected increase in the price of, fuel and other raw materials, as well as transportation costs;
- reliance on a small number of suppliers in our power and heat business;
- customer concentration in our mining business;
- failure to successfully integrate and manage acquired companies; and
- changes in laws or regulatory schemes.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this Report and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Report. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Report. As a result, you should not place undue reliance on these forward-looking statements.

Financial indicators such as EBITDA or Net Debt are not defined terms in IFRS and do not represent the term EBITDA or Net Debt as may be defined by any documentation for any financial liabilities of the group.

KEY MESSAGES

- In the first three quarters 2013 the consolidated sales reached EUR 1,312 million, consolidated EBITDA EUR 280 million and net consolidated debt amounted to EUR 892 million
- Financial performance remained good in all segments in the third quarter 2013
- In line with our low risk profile, prudent acquisition strategy to exploit potential synergies and strengthen vertical integration there progressed following two areas:
 - As of November 27, 2013 our parent company Energetický a průmyslový holding, a.s. ("EPH") completed the acquisition of 49% equity share (associated with management control) in Stredoslovenská Energetika, a.s. ("SSE") from Électricité de France S.A. ("EdF")
 - Our German subsidiary, MIBRAG mbH, signed a share and purchase agreement to acquire the Helmstedt mining district (including the Buschhaus lignite fired power plant) with E.ON on September 18, 2013.

EP ENERGY KEY PERFORMANCE INDICATORS

EPE is a **vertically integrated energy utility** generating the majority of its EBITDA in:

- **Contracted brown coal mining business in Germany** providing brown coal to long-term contracted off-takers
- **Regulated heat generation, supply & distribution business in the Czech Republic** serving primarily municipal and residential customers
- **Power generation business in the Czech Republic** operating in a highly-efficient cogeneration as well as traditional condensation mode

Consolidated financial results			
EUR million	Not audited 1-9 2012 ²	Not audited 1-9 2013 ²	Year-on-year change
Sales	1,101.2	1,311.6	19.1%
EBITDA ¹	250.6	280.0	11.7%
Profit from operations	232.5	102.8	-55.8%
Income before tax	367.8	31.1	-91.5%
Net profit attrib. to EPE	355.6	12.8	-96.4%
Total assets	x	3,107.3	x
Net debt ³	x	891.7	x
CAPEX ⁷	-46.1	-55.4	-20.2%
Operating cash flow before changes in working capital	215.9	288.1	33.5%

Non financial performance				
	Units	1-9 2012	1-9 2013	Year-on-year change
Coal production	Mt	13.6	14.2	4.4%
Installed cogeneration capacity ⁴	MWe	500	500	0.0%
Installed condensation capacity ⁴	MWe	360	360	0.0%
Installed heat capacity ⁴	MWth	4,105	4,105	0.0%
Power produced ⁴	GWh	2,355	2,126	-9,7%
Heat supplied ^{4,5}	TJ ⁶	13,259	14,306	7.9%
Power traded ⁴	GWh	8,672	9,381	8.2%
Power supplied ⁴	GWh	1,366	1,538	12.6%
Natural gas supplied ⁴	GWh	1,228	1,461	19.0%
Saale Energie	MWe	400	400	x

(1) EBITDA represents profit from operations plus depreciation of property, plant and equipment and amortization of intangible assets minus revaluation of 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 group.

(2) Difference between consolidation scope for the first three quarters of 2012 and the first three quarters of the year 2013 is described in the Report on the first three quarters of the year 2013 in the section: "Key factors affecting comparability of the results of operations of the EPE group"

(3) Net debt figure is based on the consolidated financial statement, but excludes the liabilities towards the Pražská Teplárenská Holding a.s.

(4) 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 a.s. group or the ownership share of the EPE group in each entity. Nevertheless, operating data for Energotrans, MIBRAG and Saale Energie are excluded

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

(6) 1 TJ = 0,2778 GWh

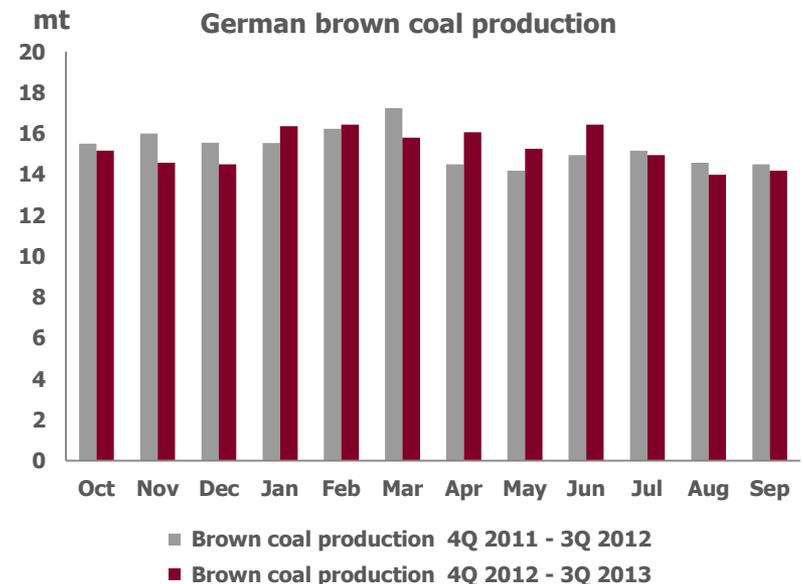
(7) Excluding emission allowances

DEVELOPMENT IN MINING SEGMENT

- Mining segment accounted for approx. 49.6% of consolidated EPE EBITDA in the first three quarters of 2013.
- Mining segment consists solely of the Mitteldeutsche Braunkohlengesellschaft mbH ("MIBRAG") and its subsidiaries.
- Despite the fact that the overall German brown coal production volumes decreased slightly in the first three quarters of 2013, production and sales volumes of MIBRAG brown coal increased in the first three quarters of 2013 mainly due to higher demand from Lippendorf and Buschhaus.
- Significant increase in sales and EBITDA is caused primarily by the change in the consolidation scope relating to acquisition of remaining 50% in MIBRAG in June 2012 (100% of MIBRAG is consolidated in the first three quarters of 2013 compared to 50% consolidation in the first half of 2012 and 100% consolidation in the third quarter of 2012).
- In 2013, EBITDA was positively influenced by implementation of IFRIC 20. This new IFRS rule requires the mining companies to capitalize the overburden removal (it was part of operating expenses in the past) - effect of EUR 21.9 million for the first three quarters of 2013.
- On a like-for-like comparison, the EBITDA remained on comparable level to 2012.

	Unit	1-9 2012	1-9 2013
Production	Mt	13.6	14.2
Sales volume	Mt	12.2	12.8
Sales*	mEUR	216.4	280.6
EBITDA*	mEUR	79.7	138.8

*Note: Based on consolidated financial statements of EPE Group – Segment Mining according to IFRS, i.e. only 50% of MIBRAG in H1 2012 and 100% in Q3 2012



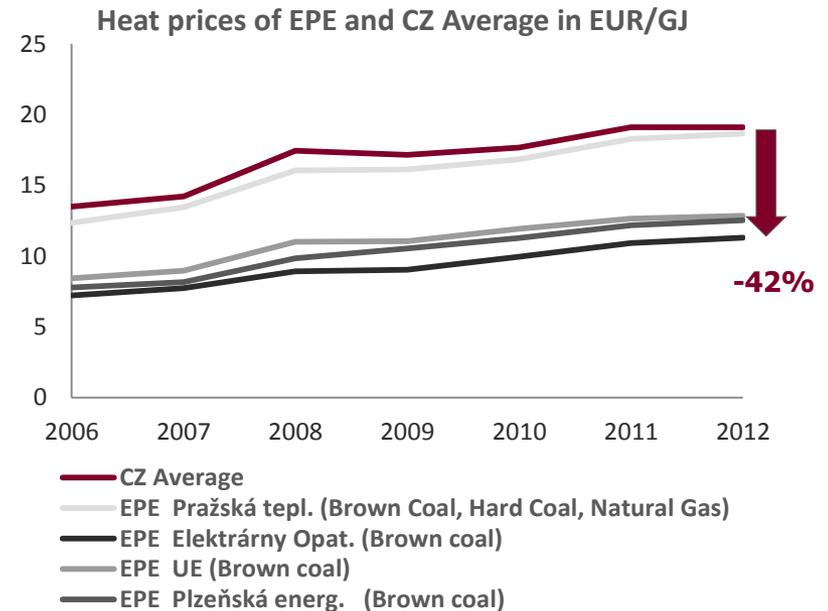
Source: Kohlenwirtschaft e.V.

DEVELOPMENT IN HEAT AND POWER SEGMENT

- Heat and power segment accounted for approx. 47.8% of consolidated EPE EBITDA in the first three quarters of 2013
- In the first three quarters of 2013, our heat supplied increased by 7.9% compared to the same period of 2012.
 - This increase was mainly driven by colder weather in the first three quarters of 2013 compared to the previous year.
- The power production, excluding the Saale Energie GmbH and MIBRAG, decreased in the first three quarters of 2013 by 9.7% y-t-y reflecting the production optimization activities of the group.
- Sales of heat and electricity to the third parties increased by 23.6%.
 - The result is influenced by the change of the consolidation scope including the acquisition of Saale Energie GmbH included to the group from July 17, 2012, increase in volume and prices of heat and decreased by lower power prices.
- EBITDA decreased by 15.8% in the first three quarters of 2013 compared to the previous year.
 - This decrease is driven by change of the consolidation scope (mainly sale of the Energotrans a.s. in June 2012) and also by lower power prices realized in the first three quarters of 2013 compared to the first three quarters of 2012.

	Unit	1-9 2012	1-9 2013
Heat supplied	TJ	13,259	14,306
Power production	GWh	2,355	2,126
Sales of heat and electricity*	m EUR	331.4	409.7
EBITDA*	mEUR	159.2	134.0

*Note: Based on consolidated financial statements of EPE Group – Segment Heat and Power according to IFRS



Source: EP Energy a.s. internal analysis

POTENTIAL ACQUISITIONS

- Policy: Prudent approach to potential acquisitions to keep and preserve risk profile of the group.
- As of September 27, 2013 our parent company Energetický a průmyslový holding, a.s. (“EPH”) completed the acquisition of 49% equity share (associated with management control) in Stredoslovenská Energetika, a.s. (“SSE”) from Électricité de France S.A. (“EdF”)
 - SSE is operating distribution business (regulated activity) and supply of power both to businesses and households
 - It is expected that EPH will contribute the asset to EPE
 - Financing: (i) structured to enable contribution of SSE from EPH to EPE, (ii) after contribution to be pari-passu with existing EPE bonds
- On September 18th MIBRAG signed an SPA to acquire Helmstedt mining district (including the Buschhaus lignite fired power plant) from E.ON
 - A new company called Helmstedter Revier (HSR) is being formed by spinning off the Buschhaus power plant and the Schöningen mine from the E.ON Group; closing of the transaction expected at the very end of 2013
 - Rational: utilization of spare mining capacity in MIBRAG, especially after 2017, when the Helmstedt mining district will be depleted
 - Recultivation and personal obligations are part of the transaction and have been reflected in the purchase price

Q&A

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