

## **Unaudited pro forma consolidated financial statements as of and for the nine-month period ended 30 September 2013**

The following unaudited pro forma consolidated financial statements of EP Energy, a.s. (“the Company” or “EPE”) as of and for the nine-month period ended 30 September 2013 have been derived from the historical condensed consolidated interim financial statements of EP Energy, a.s. and its subsidiaries (“EPE Group”) as of and for the nine-month period ended 30 September 2013. Certain pro forma related adjustments, as described further in the text, have been added to the data derived from the consolidated financial statements described above to compile these unaudited pro forma consolidated financial statements.

The unaudited pro forma consolidated financial statements of EP Energy, a.s. as of and for the nine-month period ended 30 September 2013, pro forma adjustments and related assumptions were prepared as described in the accompanying notes to this unaudited pro forma consolidated financial statements on pages PF 8 – 17. The unaudited pro forma adjustments are based on currently available information and assumptions that we believe to be reasonable.

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

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

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

**EP Energy, a.s.**

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

**As at 30 September 2013**

*In millions of CZK ("MCZK")*

	Consolidated figures <sup>(1)</sup>	Pro forma adjustments	EP Energy, a.s. pro forma
<b>Assets</b>			
Property, plant and equipment	39,480	12,390	51,870
Intangible assets	3,573	571	4,144
Goodwill	2,622	5,630	8,252
Investment property	9	-	9
Participations with significant influence	6,951	-	6,951
Financial instruments and other financial assets	253	404	657
Trade receivables and other assets	214	-	214
Deferred tax assets	58	-	58
<b>Total non-current assets</b>	<b>53,160</b>	<b>18,995</b>	<b>72,155</b>
Inventories	1,644	63	1,707
Extracted minerals and mineral products	139	-	139
Trade receivables and other assets	6,750	1,756	8,506
Financial instruments and other financial assets	11,300	147	11,447
Prepayments and other deferrals	50	20	70
Tax receivables	580	20	600
Cash and cash equivalents	6,344	1,143	7,487
Assets/disposal groups held for sale	-	-	-
<b>Total current assets</b>	<b>26,807</b>	<b>3,149</b>	<b>29,956</b>
<b>Total assets</b>	<b>79,967</b>	<b>22,144</b>	<b>102,111</b>
<b>Equity</b>			
Share capital	19,450	100	19,550
Share premium	-	3,213	3,213
Reserves	(5,624)	655	(4,969)
Retained earnings	8,637	773	9,410
<b>Total equity attributable to equity holders</b>	<b>22,463</b>	<b>4,741</b>	<b>27,204</b>
Non-controlling interest	2,673	4,588	7,261
<b>Total equity</b>	<b>25,136</b>	<b>9,329</b>	<b>34,465</b>
<b>Liabilities</b>			
Loans and borrowings	32,295	7,991	40,286
Financial instruments and financial liabilities	28	-	28
Provisions	6,232	290	6,522
Deferred tax liabilities	4,520	415	4,935
Trade payables and other liabilities	198	-	198
<b>Total non-current liabilities</b>	<b>43,273</b>	<b>8,696</b>	<b>51,969</b>
Trade payables and other liabilities	8,778	2,640	11,418
Loans and borrowings	805	562	1,367
Financial instruments and financial liabilities	39	-	39
Provisions	1,083	42	1,125
Deferred income	559	875	1,434
Current income tax liability	294	-	294
Liabilities from assets/disposal groups held for sale	-	-	-
<b>Total current liabilities</b>	<b>11,558</b>	<b>4,119</b>	<b>15,677</b>
<b>Total liabilities</b>	<b>54,831</b>	<b>12,815</b>	<b>67,646</b>
<b>Total equity and liabilities</b>	<b>79,967</b>	<b>22,144</b>	<b>102,111</b>

Notes:

(1) Historical condensed IFRS consolidated interim statement of financial position of EP Energy, a.s. as of 30 September 2013

**EP Energy, a.s.**

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

**As at 30 September 2013**

*In millions of CZK ("MCZK")*

Notes	Consolidated figures <sup>(1)</sup>	Pražská teplárenská a.s. related adjustments	Stredoslo- venská energetika, a.s. and its subsidiaries related adjustments (Part 1) <sup>(2)</sup>	Stredoslo- venská energetika, a.s. and its subsidiaries related adjustments (Part 2)	EP Energy, a.s. pro forma
		Note 3.2.1	Note 3.2.2	Note 3.2.2	
<b>Assets</b>					
Property, plant and equipment	39,480	-	12,390	-	51,870
Intangible assets	3,573	-	571	-	4,144
Goodwill	2,622	-	-	5,630	8,252
Investment property	9	-	-	-	9
Participations with significant influence	6,951	-	-	-	6,951
Financial instruments and other financial assets	253	-	404	-	657
Trade receivables and other assets	214	-	-	-	214
Deferred tax assets	58	-	-	-	58
<b>Total non-current assets</b>	<b>53,160</b>	<b>-</b>	<b>13,365</b>	<b>5,630</b>	<b>72,155</b>
Inventories	1,644	-	63	-	1,707
Extracted minerals and mineral products	139	-	-	-	139
Trade receivables and other assets	6,750	-	1,241	515	8,506
Financial instruments and other financial assets	11,300	7	140	-	11,447
Prepayments and other deferrals	50	-	20	-	70
Tax receivables	580	-	20	-	600
Cash and cash equivalents	6,344	-	1,142	1	7,487
Assets/disposal groups held for sale	-	-	-	-	-
<b>Total current assets</b>	<b>26,807</b>	<b>7</b>	<b>2,626</b>	<b>516</b>	<b>29,956</b>
<b>Total assets</b>	<b>79,967</b>	<b>7</b>	<b>15,991</b>	<b>6,146</b>	<b>102,111</b>

**Equity**

Share capital	19,450	-	3,005	(2,905)	19,550
Share premium	-	-	-	3,213	3,213
Reserves	(5,624)	863	731	(939)	(4,969)
Retained earnings	8,637	(552)	5,844	(4,519)	9,410
<b>Total equity attributable to equity holders</b>	<b>22,463</b>	<b>311</b>	<b>9,580</b>	<b>(5,150)</b>	<b>27,204</b>
Non-controlling interest	2,673	(304)	-	4,892	7,261
<b>Total equity</b>	<b>25,136</b>	<b>7</b>	<b>9,580</b>	<b>(258)</b>	<b>34,465</b>

**Liabilities**

Loans and borrowings	32,295	-	1,587	6,404	40,286
Financial instruments and financial liabilities	28	-	-	-	28
Provisions	6,232	-	290	-	6,522
Deferred tax liabilities	4,520	-	415	-	4,935
Trade payables and other liabilities	198	-	-	-	198
<b>Total non-current liabilities</b>	<b>43,273</b>	<b>-</b>	<b>2,292</b>	<b>6,404</b>	<b>51,969</b>

Trade payables and other liabilities	8,778	-	2,640	-	11,418
Loans and borrowings	805	-	562	-	1,367
Financial instruments and financial liabilities	39	-	-	-	39
Provisions	1,083	-	42	-	1,125
Deferred income	559	-	875	-	1,434
Current income tax liability	294	-	-	-	294
Liabilities from assets/disposal groups held	-	-	-	-	-
<b>Total current liabilities</b>	<b>11,558</b>	<b>-</b>	<b>4,119</b>	<b>-</b>	<b>15,677</b>
<b>Total liabilities</b>	<b>54,831</b>	<b>-</b>	<b>6,411</b>	<b>6,404</b>	<b>67,646</b>
<b>Total equity and liabilities</b>	<b>79,967</b>	<b>7</b>	<b>15,991</b>	<b>6,146</b>	<b>102,111</b>

## Notes:

- (1) Historical condensed IFRS consolidated interim statement of financial position of EP Energy, a.s. as of 30 September 2013
- (2) Historical condensed IFRS consolidated interim statement of financial position of Stredoslovenská energetika, a.s. as of 30 September 2013

**EP Energy, a.s.**  
**Unaudited pro forma consolidated income statement**  
**For the nine-month period ended 30 September 2013**

<i>In millions of CZK ("MCZK")</i>	<b>Consolidated figures <sup>(1)</sup></b>	<b>Pro forma adjustments</b>	<b>EP Energy, a.s. pro forma</b>
Sales: Energy	32,012	15,126	47,138
<i>of which: Electricity</i>	<i>17,315</i>	<i>15,058</i>	<i>32,373</i>
<i>Heat</i>	<i>5,692</i>	<i>-</i>	<i>5,692</i>
<i>Gas</i>	<i>3,537</i>	<i>68</i>	<i>3,605</i>
<i>Coal</i>	<i>5,468</i>	<i>-</i>	<i>5,468</i>
Sales: Other	1,663	34	1,697
<b>Total sales</b>	<b>33,675</b>	<b>15,160</b>	<b>48,835</b>
Cost of sales: Energy	(20,630)	(11,516)	(32,146)
Cost of sales: Other	(435)	(4)	(439)
<b>Cost of sales</b>	<b>(21,065)</b>	<b>(11,520)</b>	<b>(32,585)</b>
	<b>12,610</b>	<b>3,640</b>	<b>16,250</b>
Personnel expenses	(3,466)	(754)	(4,220)
Depreciation and amortisation	(4,618)	(587)	(5,205)
Repairs and maintenance	(270)	(18)	(288)
Emission rights, net	(675)	-	(675)
Negative goodwill	56	-	56
Taxes and charges	(193)	(18)	(211)
Other operating income	1,313	122	1,435
Other operating expenses	(2,109)	(479)	(2,588)
<b>Profit/(loss) from operations</b>	<b>2,648</b>	<b>1,906</b>	<b>4,554</b>
Finance income	550	33	583
Finance expense	(2,063)	(327)	(2,390)
Profit/(loss) from financial instruments	(201)	-	(201)
<b>Net finance expense</b>	<b>(1,714)</b>	<b>(294)</b>	<b>(2,008)</b>
Share of profit of equity accounted investees, net of tax	(138)	-	(138)
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint-ventures and associates	5	-	5
<b>Profit/(loss) before income tax</b>	<b>801</b>	<b>1,612</b>	<b>2,413</b>
Income tax expenses	(458)	(431)	(889)
<b>Profit/(loss) from continuing operations</b>	<b>343</b>	<b>1,181</b>	<b>1,524</b>
<b>Profit/(loss) for the period</b>	<b>343</b>	<b>1,181</b>	<b>1,524</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	329	438	767
Non-controlling interest	14	743	757
<b>Profit/(loss) for the period</b>	<b>343</b>	<b>1,181</b>	<b>1,524</b>
<b>Other financial information:</b>			
<b>EBITDA <sup>(2)</sup></b>	<b>7,210</b>	<b>2,493</b>	<b>9,703</b>

Notes:

(1) Historical condensed IFRS consolidated interim income statement of EP Energy, a.s. for the nine-month period ended 30 September 2013

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

In millions of CZK ("MCZK")

	Consolidated figures <sup>(1)</sup>	Pro forma adjustments	EP Energy, a.s. pro forma
<b>EBITDA reconciliation to closest IFRS measure</b>			
Profit/(loss) from operations	2,648	1,906	4,554
Depreciation and amortisation	(4,618)	(587)	(5,205)
Negative goodwill	56	-	56
<b>EBITDA</b>	<b>7,210</b>	<b>2,493</b>	<b>9,703</b>
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>6,830</b>	<b>1,222</b>	<b>8,052</b>
<b>CAPEX<sup>(4)</sup></b>	<b>1,948</b>	<b>731</b>	<b>2,679</b>
<b>CAPEX excluding emission rights<sup>(5)</sup></b>	<b>1,427</b>	<b>731</b>	<b>2,158</b>
<b>Adjusted CAPEX<sup>(6)</sup></b>	<b>1,948</b>	<b>358</b>	<b>2,306</b>
<b>Adjusted CAPEX excluding emission rights<sup>(7)</sup></b>	<b>1,427</b>	<b>358</b>	<b>1,785</b>

Notes:

- (3) Adjusted EBITDA represents EBITDA as calculated in Note (2) further adjusted to exclude:
- (a) the items related to Saale Energie, which lead to a CZK 186 million decrease to EBITDA in the nine-month period ended 30 September 2013, which, due to the accounting treatment of the specific contractual arrangement with Schkopau, are charged to operating costs of Saale Energie but relate to entries that would otherwise not be included in EBITDA.
  - (b) the impact of capitalisation of overburden accounted for in Mibrag, which lead to a CZK 566 million increase to EBITDA for the nine-month period ended 30 September 2013.
  - (c) the share of non-controlling interest on EBITDA of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to an CZK 1,271 million increase to EBITDA.
- (4) CAPEX represents acquisitions of property, plant and equipment and intangible assets including emission rights (disregarding the actual cash flows).
- (5) CAPEX excluding emission rights represents acquisitions of property, plant and equipment and intangible assets excluding emission rights (disregarding the actual cash flows).
- (6) Adjusted CAPEX (including emission rights) represents acquisitions of property, plant and equipment and intangible assets including emission rights (disregarding the actual cash flows) further adjusted to exclude the share of non-controlling interest on CAPEX of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to an CZK 373 million increase to CAPEX.
- (7) Adjusted CAPEX (excluding emission rights) represents acquisitions of property, plant and equipment and intangible assets excluding emission rights (disregarding the actual cash flows) further adjusted to exclude the share of non-controlling interest on CAPEX of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to an CZK 373 million increase to CAPEX.

**EP Energy, a.s.**

**Unaudited pro forma consolidated income statement, showing pro forma adjustments**

**For the nine-month period ended 30 September 2013**

<i>In millions of CZK ("MCZK")</i>	Consolidated figures <sup>(1)</sup>	Pražská teplárenská a.s. related adjustments	Stredoslovenská energetika, a.s. and its subsidiaries related adjustments (Part 1) <sup>(2)</sup>	Stredoslovenská energetika, a.s. and its subsidiaries related adjustments (Part 2)	EP Energy, a.s. pro forma
<b>Notes</b>		<b>Note 3.2.1</b>	<b>Note 3.2.2</b>	<b>Note 3.2.2</b>	
Sales: Energy	32,012	-	15,126	-	47,138
<i>of which: Electricity</i>	17,315	-	15,058	-	32,373
<i>Heat</i>	5,692	-	-	-	5,692
<i>Gas</i>	3,537	-	68	-	3,605
<i>Coal</i>	5,468	-	-	-	5,468
Sales: Other	1,663	-	34	-	1,697
<b>Total sales</b>	<b>33,675</b>	<b>-</b>	<b>15,160</b>	<b>-</b>	<b>48,835</b>
Cost of sales: Energy	(20,630)	-	(11,516)	-	(32,146)
Cost of sales: Other	(435)	-	(4)	-	(439)
<b>Cost of sales</b>	<b>(21,065)</b>	<b>-</b>	<b>(11,520)</b>	<b>-</b>	<b>(32,585)</b>
<b>Gross profit</b>	<b>12,610</b>	<b>-</b>	<b>3,640</b>	<b>-</b>	<b>16,250</b>
Personnel expenses	(3,466)	-	(754)	-	(4,220)
Depreciation and amortisation	(4,618)	-	(587)	-	(5,205)
Repairs and maintenance	(270)	-	(18)	-	(288)
Emission rights, net	(675)	-	-	-	(675)
Negative goodwill	56	-	-	-	56
Taxes and charges	(193)	-	(18)	-	(211)
Other operating income	1,313	-	131	(9)	1,435
Other operating expenses	(2,109)	-	(488)	9	(2,588)
<b>Profit/(loss) from operations</b>	<b>2,648</b>	<b>-</b>	<b>1,906</b>	<b>-</b>	<b>4,554</b>
Finance income	550	-	33	-	583
Finance expense	(2,063)	-	(52)	(275)	(2,390)
Profit/(loss) from financial instruments	(201)	-	-	-	(201)
<b>Net finance expense</b>	<b>(1,714)</b>	<b>-</b>	<b>(19)</b>	<b>(275)</b>	<b>(2,008)</b>
Share of profit of equity accounted investees, net of tax	(138)	-	-	-	(138)
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint-ventures and associates	5	-	-	-	5
<b>Profit/(loss) before income tax</b>	<b>801</b>	<b>-</b>	<b>1,887</b>	<b>(275)</b>	<b>2,413</b>
Income tax expenses	(458)	-	(431)	-	(889)
<b>Profit/(loss) from continuing operations</b>	<b>343</b>	<b>-</b>	<b>1,456</b>	<b>(275)</b>	<b>1,524</b>
<b>Profit/(loss) for the period</b>	<b>343</b>	<b>-</b>	<b>1,456</b>	<b>(275)</b>	<b>1,524</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the Company	329	-	1,456	(1,018)	767
Non-controlling interest	14	-	-	743	757
<b>Profit/(loss) for the period</b>	<b>343</b>	<b>-</b>	<b>1,456</b>	<b>(275)</b>	<b>1,524</b>

Notes:

- (1) Historical condensed IFRS consolidated interim income statement of EP Energy, a.s. for the nine-month period ended 30 September 2013
- (2) Historical condensed IFRS consolidated interim income statement of Stredoslovenská energetika, a.s. for the nine-month period ended 30 September 2013

# Notes to the unaudited pro forma consolidated financial statements

## 1. Description of the entity

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

Registered office of the Company:

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

Members of Board of Directors as of 30 September 2013:

Chairman:	JUDr. Daniel Křetínský, Czech Republic
Vice-chairman:	Jan Špringl, Czech Republic
Member:	Marek Spurný, Czech Republic
Member:	Pavel Horský, Czech Republic
Member:	Jiří Feist, Czech Republic
Member:	Tomáš David, Czech Republic

Members of Supervisory Board as of 30 September 2013:

Chairman:	Martin Štefunko, Slovak Republic
Member:	Robert Ševela, Czech Republic
Member:	Mel Gerard Carvill, United Kingdom
Member:	Ivan Jakobovič, Slovak Republic
Member:	Martin Fedor, Slovak Republic
Member:	Miloš Badida, Czech Republic

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

The unaudited pro forma consolidated financial statements (further also “pro forma financial information”) are derived from the historical IFRS condensed consolidated interim financial statements of the EPE Group as of and for the nine-month period ended 30 September 2013.

The historical IFRS condensed consolidated interim statement of financial position of the EPE Group and historical IFRS condensed consolidated interim income statement information as of and for the nine-month period ended 30 September 2013 is included in the column “Consolidated figures” in the pro forma financial information as of and for the nine-month period ended 30 September 2013.

The historical IFRS condensed consolidated interim financial statements of the EPE Group as of and for the nine-month period ended 30 September 2013 are used as the main building blocks in the compilation of pro forma financial information. Pro forma adjustments, as included in column “Pro forma adjustments”, were applied to the historical IFRS condensed consolidated financial information to derive the pro forma financial information (column “EP Energy, a.s. pro forma”).

The pro forma adjustments were based on assumptions from the individual financial information of the sub-group’s entities for the nine-month period from 1 January 2013 to 30 September 2013. This individual financial information was prepared following the EPE Group’s accounting instructions, which are based on IFRS.

The pro forma consolidated financial information of EPE Group as of and for the nine-month period ended 30 September 2013 includes the following entities:

Entity	Method of consolidation	Actual date of acquisition	Date of acquisition for pro forma	Method of acquisition
<b>EP Energy, a.s. (100%) – parent company</b>	Full	XII.10	XII.10	EST
AISE, s.r.o. (80%)	Full	X.09	X.09	AA
Honor Invest, a.s. (100%)	Full	VIII.09	VIII.09	CC
PT Holding Investment B.V. (100%)	Full	IX.10	IX.10	AA
Pražská teplárenská Holding a.s. (49%)	Equity	IX.10	IX.10	AA
Pražská teplárenská a.s. (47.33%)	Full	IX.10	IX.10	AA*
Termonta Praha a.s. (100%)	Full	IX.10	IX.10	AA*
Teplo Neratovice spol. s r.o. (100%)	Full	IX.10	IX.10	AA*
Energotrans SERVIS, a.s. (95%)	Full	IV.12	I.12	EST/AA*
Areál Třeboradice, a.s. (15%)	At cost	XI.12	I.12	EST/AA*
Czech Energy Holding, a.s. (100%)	Full	X.09	X.09	CC
United Energy, a.s. (100%)	Full	X.09	X.09	CC
EVO - Komořany, a. s. (100%)	Full	XI.10	XI.10	EST
Severočeská teplárenská, a.s. (100%)	Full	X.10	X.10	EST
PRVNÍ MOSTECKÁ a.s. (35.29%)	Full	X.09	X.09	CC
PRVNÍ MOSTECKÁ Servis a.s. (100%)	Full	IX.12	IX.12	EST
United Energy Moldova, s.r.o. (100%)	Full	X.09	X.09	CC
EKY III, a.s. (100%)	Full	X.09	X.09	CC
United Energy Invest, a.s. (100 %)	Full	X.09	X.09	CC
PRVNÍ MOSTECKÁ a.s. (47.06%)	Full	X.09	X.09	CC
PRVNÍ MOSTECKÁ Servis a.s. (100%)	Full	IX.12	IX.12	EST
United Energy Coal Trading, a.s. (100%)	Full	X.09	X.09	CC
UNITED ENERGY COAL TRADING POLSKA S.A. (100%)	Full	II.12	II.12	EST
United Energy Trading, a.s. (100%)	Full	X.09	X.09	CC
Plzeňská energetika a.s. (100%)	Full	X.09	X.09	AA
EP Renewables a.s. (100%)	Full	IX.10	IX.10	AA
Arisun, s.r.o. (100%)	Full	XII.10	XII.10	AA
Greeninvest Energy, a.s. (41.7%)	Equity/IFRS 5	XI.10	XI.10	AA
ČKD Blansko Wind, a.s. (100%)	Full	VIII.11	VIII.11	AA
POWERSUN a.s. (100%)	Full	IX.10	IX.10	AA
VTE Pchery s.r.o. (64%)	Full	IX.10	IX.10	AA
Triskata, s.r.o. (100%)	Full	IX.10	IX.10	AA
MR TRUST s.r.o. (0.5%)	Full	IX.10	IX.10	AA
MR TRUST s.r.o. (99.5%)	Full	IX.10	IX.10	AA
VTE Pastviny s.r.o. (100%)	Full	IX.10	IX.10	AA
VTE Moldava, a.s. (100%)	Full	IX.10	IX.10	AA
CHIFFON ENTERPRISES LIMITED (100%)	Full	IX.10	IX.10	AA
Claymore Equity, s.r.o. (80%)	Full	IX.10	IX.10	AA
Alternative Energy, s.r.o. (90%)	Full	IX.10	IX.10	AA
ROLLEON a.s. (100%)	Full	X.09	X.09	AA
ENERGZET, a.s. (100%)	Full	X.09	X.09	AA
HC Fin 3 N.V. (100%)	Full	III.10	III.10	AA

EAST BOHEMIA ENERGY HOLDING LIMITED (100%)	Full	XII.10	XII.10	AA
EBEH Opatovice, a.s. (100%)	Full	XII.10	XII.10	AA
Elektrárny Opatovice, a.s. (100%)	Full	XII.10	XII.10	AA
Reatex a.s. (100%)	Full	XII.10	XII.10	AA
EOP & HOKA s.r.o. (99.79%)	Full	XII.10	XII.10	AA
V A H O s.r.o. (100%)	Full	XII.10	XII.10	AA
NPTH, a.s. (100%)	Full	XII.10	XII.10	AA
Pražská teplárenská a.s. (50.07%)	Full	XII.10	XII.10	AA*
Termonta Praha a.s. (100%)	Full	XII.10	XII.10	AA*
Teplo Neratovice spol. s r.o. (100%)	Full	XII.10	XII.10	AA*
Energotrans SERVIS, a.s. (95%)	Full	IV.12	I.12	EST/AA*
Areál Třeboradice, a.s. (15%)	At cost	XI.12	I.12	EST/AA*
LIGNITE INVESTMENTS 1 LIMITED (100%)	Full	VI.11	I.12	AA+
JTSD Braunkohlebergbau GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
Mitteldeutsche Braunkohlen Gesellschaft mbH (100%)	Full	VI.11; VI.12	I.12	AA+
MIBRAG Consulting International GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
GALA-MIBRAG-Service GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
Mitteldeutsche Umwelt- und Entsorgung GmbH (50%)	Equity	VI.11; VI.12	I.12	AA+
Fernwärme GmbH Hohenmölsen – Webau (48.96%)	Equity	VI.11; VI.12	I.12	AA+
Ingenieurbüro für Grundwasser GmbH (25%)	Equity	VI.11; VI.12	I.12	AA+
Bohr & Brunnenbau GmbH (100%)	At cost	IX.12	IX.12	CO
MIBRAG Neue Energie GmbH (100%)	Full	VI.11; VI.12	I.12	AA+
EP Germany GmbH (100%)	Full	VIII.11	VIII.11	CC
Saale Energie GmbH (100%)	Full	VII.12	I.12	AA-
Kraftwerk Schkopau GbR (41.9%)	Equity	VII.12	I.12	AA-
Kraftwerk Schkopau Betriebsgesellschaft mbH (44.4%)	Equity	VII.12	I.12	AA-
EPH Financing II, a.s. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika a.s. (49%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Distribúcia a.s. (100%)	Full	XI.13	I.12	AA''
Elektroenergetické montáže a.s. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Metrológia s.r.o. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Project Development spol. s r.o. (100%)	Full	XI.13	I.12	AA''
SSE – Solar, s.r.o. (100%)	Full	XI.13	I.12	AA''
Stredoslovenská energetika – Výroba, a.s. (51%)	Full	XI.13	I.12	AA''
Tatrapower, a.s. (100%)	Full	XI.13	I.12	AA''
SSE – CZ spol. s r.o. (100%)	Full	XI.13	I.12	AA''
SPX s.r.o. (33.33%)	At cost	XI.13	I.12	AA''
Energotel a.s.(20%)	At cost	XI.13	I.12	AA''

#### Abbreviations used:

AA Acquisition accounting incl. purchase price allocation

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

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

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

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

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

For this reason, the pro forma financial information contains specific pro forma adjustments relevant to the nine-month period ended 30 September 2013 as described in Note 3.2.1.

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

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

Both acquisitions were included in the pro forma financial information using acquisition accounting techniques including the purchase price allocation which was based on the valuation report prepared for the purposes of the acquisition of the other 50% share. In addition, in this pro forma financial information, the acquisition of a 100% share in JTSD Braunkohlebergbau GmbH Group is reported as if acquired on 1 January 2012, however this fact did not result in any pro forma adjustments in the nine-month period ended 30 September 2013.

AA- Saale Energie GmbH Group:

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

The acquisition of Saale Energie GmbH included in the pro forma financial information uses acquisition accounting techniques including the purchase price allocation adjustments and related tax effects based on the valuation report prepared by external valuers. In this pro forma financial information, Saale Energie GmbH is reported as if already controlled by the EPE Group effectively from 1 January 2012, however this fact did not result in any pro forma adjustments in the nine-month period ended 30 September 2013.

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

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

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

As at the date of this pro forma financial information, no valuation report for purchase price allocation was available, therefore the difference between the Net assets acquired (at Net Book Value) and the Purchase Price was recorded as goodwill. In this pro forma financial information, Stredoslovenská energetika, a.s. Group is reported as if already controlled by the EPE Group effectively from 1 January 2012. For this reason, the pro forma financial information contains specific pro forma adjustments as described in Note 3.2.2.

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

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

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

The historical IFRS condensed consolidated interim financial statements as of and for the nine-month period ended 30 September 2013 have been adjusted to reflect:

1. Consolidation of Pražská teplárenská a.s. using the full method of consolidation effective from 1 January 2012, including presentation of Pražská teplárenská a.s.'s subsidiary Areál Třeboradice, a.s. as held for sale (adjustment column "Pražská teplárenská a.s. related adjustments");
2. Consolidation of a 49% share in Stredoslovenská energetika, a.s. and its subsidiaries using the full method of consolidation including related changes in financing effective from 1 January 2012 (adjustment column "Stredoslovenská energetika, a.s. and its subsidiaries related adjustments").

#### **3.2. Description of adjustments recorded to the pro forma financial information of EP Energy, a.s. as of and for the nine-month period ended 30 September 2013**

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

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

As a consequence of consolidation of Pražská teplárenská, a.s. using the full method of consolidation effective from 1 January 2012, an adjustment related to non-controlling interest was recorded to pro forma financial information.

Due to the contribution of a defined group of assets by Pražská teplárenská a.s. to a special purpose entity Areál Třeboradice, a.s. and subsequent disposal of this special purpose entity outside of the EPE Group in 2013, Pražská teplárenská a.s. reclassified these assets from property, plant and equipment to assets held for sale on 1 January 2012 and stopped depreciating them in the pro forma financial information from that date. As of 28 June 2013, an 85% share in Areál Třeboradice, a.s. was sold out of the EPE Group. The remaining share is held at cost in the EPE historical IFRS condensed consolidated interim financial statements and was reclassified to Financial instruments and other financial assets.

As Areál Třeboradice, a.s. was held for sale as of 1 January 2012 in the pro forma financial information, the remaining 15% share in Areál Třeboradice, a.s. was increased by the relevant part of stopped depreciation for the period 1 January to 30 June 2012 in the pro forma financial information.

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

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

Statutory consolidated financial statements of the SSE Group as of and for the nine-month period ended 30 September 2013 are presented in separate column of the pro forma financial information (Part 1). These historical financial statements were adjusted in the following column of the pro forma financial information to reflect an application of the EPE accounting principles as of 1 January 2012 and to reflect pro forma acquisition adjustments (Part 2). For simplification purposes, the EPE Group used for a recalculation of EUR denominated income statement line items an average EUR/CZK foreign exchange rate for the nine-month period ended 30 September 2013, i.e. 25.75 CZK/EUR. Pro forma adjustments included in Part 2 comprise mainly acquisition accounting and financing including calculation of interest expense. These particular effects are further described below.

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

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

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

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

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

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

## Appendix 1:

Breakdown of the unaudited pro forma consolidated income statement of EP Energy, a.s. as of and for the nine-month period ended 30 September 2013 into operating segments

<i>In millions of CZK</i>	<b>Mining</b>	<b>Heat and Power</b>	<b>Power distribution and Supply</b>	<b>Renewables</b>	<b>Other</b>	<b>Total segments</b>	<b>Inter-segment eliminations</b>	<b>Consolidated Financial Information</b>
Sales: Energy	6,884	12,058	31,454	118	-	50,514	(3,376)	47,138
<i>external revenues</i>	6,090	10,189	30,747	112	-	47,138	-	47,138
<i>inter-segment revenues</i>	794	1,869	707	6	-	3,376	(3,376)	-
Sales: Other	1,245	363	589	3	53	2,253	(556)	1,697
<i>external revenues</i>	1,135	362	148	3	49	1,697	-	1,697
<i>inter-segment revenues</i>	110	1	441	-	4	556	(556)	-
Total sales	8,129	12,421	32,043	121	53	52,767	(3,932)	48,835
Cost of sales - Energy	(979)	(7,031)	(27,619)	(1)	-	(35,630)	3,484	(32,146)
<i>external cost of sales</i>	(979)	(5,483)	(25,683)	(1)	-	(32,146)	-	(32,146)
<i>inter-segment cost of sales</i>	-	(1,548)	(1,936)	-	-	(3,484)	3,484	-
Cost of sales - Other	(95)	(269)	(511)	(1)	(11)	(887)	448	(439)
<i>external cost of sales</i>	(95)	(262)	(70)	(1)	(11)	(439)	-	(439)
<i>inter-segment cost of sales</i>	-	(7)	(441)	-	-	(448)	448	-
Personnel expenses	(2,449)	(939)	(798)	(6)	(28)	(4,220)	-	(4,220)
Depreciation and amortization	(2,234)	(2,306)	(597)	(67)	(1)	(5,205)	-	(5,205)
Repairs and maintenance	(74)	(185)	(19)	(10)	-	(288)	-	(288)
Emission rights, net	(269)	(406)	-	-	-	(675)	-	(675)
Negative goodwill	-	56	-	-	-	56	-	56
Taxes and charges	(161)	(22)	(19)	(9)	-	(211)	-	(211)
Other operating income	1,008	263	163	15	-	1,449	(14)	1,435
Other operating expenses	(1,535)	(384)	(580)	(24)	(79)	(2,602)	14	(2,588)
<b>Profit from operations</b>	<b>1,341</b>	<b>1,198</b>	<b>2,063</b>	<b>18</b>	<b>(66)</b>	<b>4,554</b>	-	<b>4,554</b>
Finance income	44	202	34	11	*3,456	*3,747	*(3,164)	583
<i>external finance revenues</i>	43	70	34	11	425	583	-	583
<i>inter-segment finance revenues</i>	1	132	-	-	*3,031	*3,164	*(3,164)	-
Finance expense	(685)	(999)	(450)	(94)	(1,636)	(3,864)	1,474	(2,390)
Profit/(loss) from derivative financial instruments	(3)	(63)	(152)	(3)	20	(201)	-	(201)
Share of profit/(loss) of equity accounted investees, net of tax	(113)	(25)	-	-	-	(138)	-	(138)
Gain/(loss) on disposal of subsidiaries, special purpose entities, joint ventures and associates	-	-	5	-	-	5	-	5
<b>Profit/(loss) before income tax</b>	<b>584</b>	<b>313</b>	<b>1,500</b>	<b>(68)</b>	<b>*1,774</b>	<b>*4,103</b>	<b>*(1,690)</b>	<b>2,413</b>
Income tax expenses	(316)	(120)	(450)	(2)	(1)	(889)	-	(889)
<b>Profit/(loss) for the period</b>	<b>268</b>	<b>193</b>	<b>1,050</b>	<b>(70)</b>	<b>1,773</b>	<b>3,214</b>	<b>(1,690)</b>	<b>1,524</b>

\*CZK 1,690 million is attributable to inter-group dividends primarily recognised by EP Energy, a.s.

**Other financial information:**

<b>EBITDA<sup>(1)</sup></b>	<b>3,575</b>	<b>3,448</b>	<b>2,660</b>	<b>85</b>	<b>(65)</b>	<b>9,703</b>	<b>-</b>	<b>9,703</b>
<b>Adjusted EBITDA<sup>(2)</sup></b>	<b>3,009</b>	<b>3,634</b>	<b>1,389</b>	<b>85</b>	<b>(65)</b>	<b>8,052</b>	<b>-</b>	<b>8,052</b>

Notes:

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

- (1) EBITDA represents profit from operations plus depreciation of property, plant and equipment and amortisation of intangible assets (negative goodwill not included, if applicable). Although EBITDA should not be considered a substitute measure for profit and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements. EBITDA may not be comparable to the similarly titled measure used by other companies.
- (2) Adjusted EBITDA represents EBITDA as calculated in Note (1) further adjusted to exclude:
  - (a) the items related to Saale Energie, which lead to a CZK 186 million decrease to EBITDA in the nine-month period ended 30 September 2013, which, due to the accounting treatment of the specific contractual arrangement with Schkopau, are charged to operating costs of Saale Energie but relate to entries that would otherwise not be included in EBITDA.
  - (b) the impact of capitalisation of overburden accounted for in Mibrag, which lead to a CZK 566 million increase to EBITDA for the nine-month period ended 30 September 2013.
  - (c) the share of non-controlling interest on EBITDA of Stredoslovenská energetika, a.s. and its subsidiaries, which lead to an CZK 1,271 million increase to EBITDA.