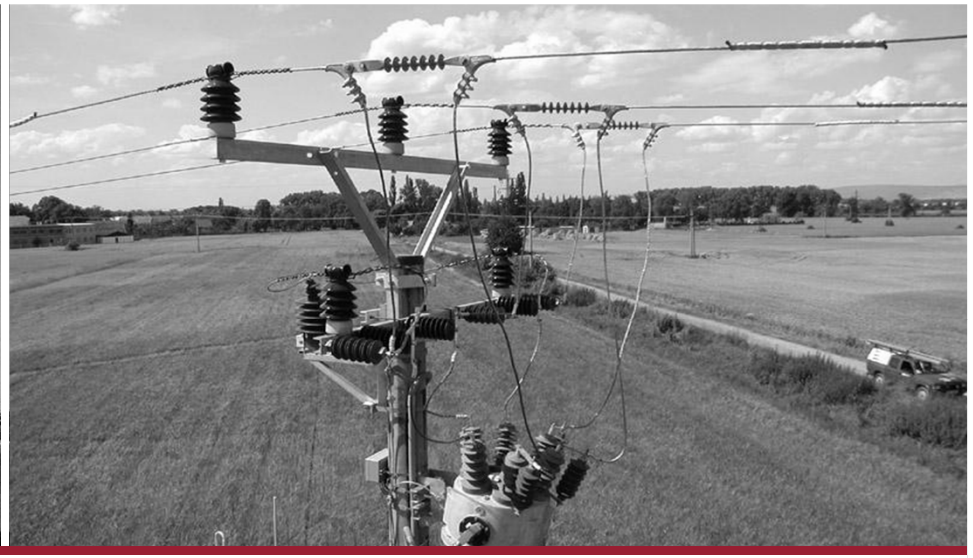
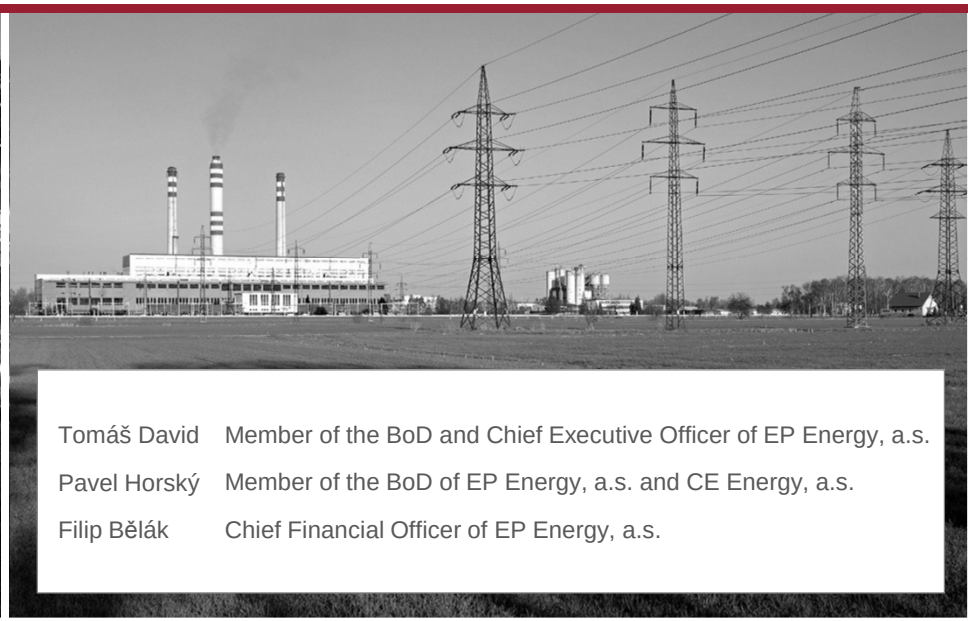


EP ENERGY CE ENERGY

2014 EP Energy and CE Energy Results Call

Prague, April 30, 2015



Tomáš David	Member of the BoD and Chief Executive Officer of EP Energy, a.s.
Pavel Horský	Member of the BoD of EP Energy, a.s. and CE Energy, a.s.
Filip Bělák	Chief Financial Officer of EP Energy, a.s.

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.

This presentation should be read in conjunction with the “Report on the year ended December 31, 2014 for EP Energy, a.s.” and “Report on the year ended December 31, 2014 for CE Energy, a.s.” as published on www.epenergy.cz

Summary of key results in 2014

Key results for the year ended December 31, 2014

EP ENERGY

- For the year ended December 31, 2014, the **pro forma (also „PF“) consolidated sales** EP Energy, a.s. (“EP Energy” or “EPE”) reached **EUR 2,414.0 million** and **pro forma adjusted EBITDA**[1] amounted to **466.7 million**
- Historical consolidated sales and EBITDA as reported (i.e. without pro forma effect of acquisitions and other adjustments) reached EUR 2,397.4 million and EUR 454.5 million, respectively for the year ended December 31, 2014
- The **consolidated net debt** as at December 31, 2014 was **EUR 1,181.6 million**[2]
- Indicative EP Energy **net consolidated leverage ratio**[3] as at December 31, 2014 stood at **2.52x**
- Indicative EP Energy **net consolidated leverage ratio**[3] adjusted for the **SOT**[4] **effects** (see slides 8 and 11 for details) as at December 31, 2014 was **2.46x**

CE ENERGY

- Adjusting for the 49% consolidation of Stredoslovenská energetika, a.s. (“SSE”), the consolidated EBITDA reached **EUR 380.5 million** and pro forma adjusted EBITDA of CE Energy (“CEE”) amounted to **EUR 392.7 million**, respectively for the year ended December 31, 2014
- The **consolidated net debt** as at December 31, 2014 (adjusted for the 49% consolidation of SSE) was **EUR 1,646.7 million**[2]
- Indicative CE Energy **net consolidated leverage ratio**[3] as at December 31, 2014 stood at **4.07x**
- Indicative CE Energy **net consolidated leverage ratio**[3] adjusted for the **SOT**[4] **effect** (see slides 8 and 12 for details) as at December 31, 2014 was **4.02x**

[1] Pro forma adjusted EBITDA reflects a full consolidation of our 60% share in EP Cargo (also „EPC“) for the year ending December 31, 2014 (pro forma adjustment of EUR 2 million) further adjusted for certain non-cash transactions totaling EUR 10 million. For full details of pro forma adjustments, please refer to slide 17 and to the appendix or to the “Report on the year ended December 31, 2014 for EP Energy, a.s.” and “Report on the year ended December 31, 2014 for CE Energy, a.s.”
[2] Please refer to slide 18 for details on calculation of net debt
[3] This presentation includes the calculation as of December 31, 2014 of "Net Consolidated Leverage Ratio", as defined in the EP Energy and CE Energy Indentures. The calculation of 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 EP Energy and CE Energy
[4] System Operations Tariff – see slide 8 for more details

Main effects reflecting into 2014 results

Main drivers behind the performance of the year ended December 31, 2014

- Unusually warm winter (Day-degrees[1] were in 2014 in the areas we operate almost 21% lower compared to 2013) that materialized both in lower heat and power offtake. However, due to decoupled capacity and energy pricing that we use in our key operations, the impact of the temperature was rendered below-proportional
- Time-shifted reimbursement of regulatory charges relating to green energy subsidies to renewable energy producers in the central Slovakia region
- Declining power prices and simple spread accompanied with decreased free allocation of emission allowances
- Foreign exchange rate intervention executed by the Czech National Bank in November 2013 resulting in EUR/CZK spot rate deterioration by approximately 6% leads to lower translation of operating results denominated in CZK (primarily heating revenues) to EUR denominated EBITDA figures
- Despite several negative factors influencing the 2014 results, the EP Energy's pro forma adjusted EBITDA declined by only approx. 5% which underlines the Group's stability and operational performance

[1] metrics representing weather pattern, difference between reference indoor and actual outdoor temperature integrated over the period; the primary determinant of space heating needs

EP Energy and CE Energy key financial performance indicators

Overview

Consolidated financial results (m EUR)	EP ENERGY FY 2013[1]	EP ENERGY FY 2014	CE ENERGY FY 2013[1]	CE ENERGY FY 2014
Sales[2]	1,871	2,397	1,871	2,397
EBITDA	380	455[3]	371[7]	381[7]
Pro forma adjusted EBITDA	**493[9]**	**467[4]**	**422[9]**	**393[7]**
Total assets[2]	4,235	3,968	4,502	4,205
Total net debt		1,182[5]		1,647[8]
CAPEX[2,6]	99	134	99	134

[1] Restated: 2013 Figures were restated with impact of negative EUR 3.2 million on Sales, EBITDA and Pro forma adjusted EBITDA as described in the Appendix (slide 18).
[2] Sales, Total assets and Capex are presented including 100% of SSE for both EP Energy and CE Energy
[3] EBITDA represents profit from operations plus depreciation of PP&E 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 EP Energy or CE Energy
[4] Pro forma adjusted EBITDA reflects adjustments (to the reported IFRS EBITDA) of EUR 12 million further described in the appendix (slide 17) or in the "Report on the year ended December 31, 2014 for EP Energy, a.s." and "Report on the year ended December 31, 2014 for CE Energy, a.s."
[5] Total net debt balance is based on the consolidated financial statements (Total Loans and borrowings (EUR 1,394 million) plus Total Financial instruments and financial liabilities (EUR 2 million) less Cash and cash equivalents (EUR 201 million)) less liabilities towards Pražská teplárenská Holding a.s. (also "PTH") of EUR 13 million) as described on slide 18. 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
[6] Excluding emission allowances
[7] EBITDA of CE Energy adjusted to reflect proportionate (49%) consolidation of SSE
[8] Total net debt balance is based on the consolidated financial statements of CEE (Total Loans and borrowings (EUR 2,161 million) plus Total Financial instruments and financial liabilities (EUR 2 million) less Cash and cash equivalents (EUR 238 million)), but excludes the subordinated loans and borrowings owed to Energetický a průmyslový holding (also „EPH") of EUR 260 million, liabilities towards Pražská teplárenská Holding, a.s. (also "PTH") of EUR 13 million and further adjusted for the 49% consolidation of SSE as described on slide 18. The Total net debt included in this report does not represent the term Indebtedness as may be defined by any documentation for any financial liabilities of the CEE or EPE Group
[9] For information purposes only

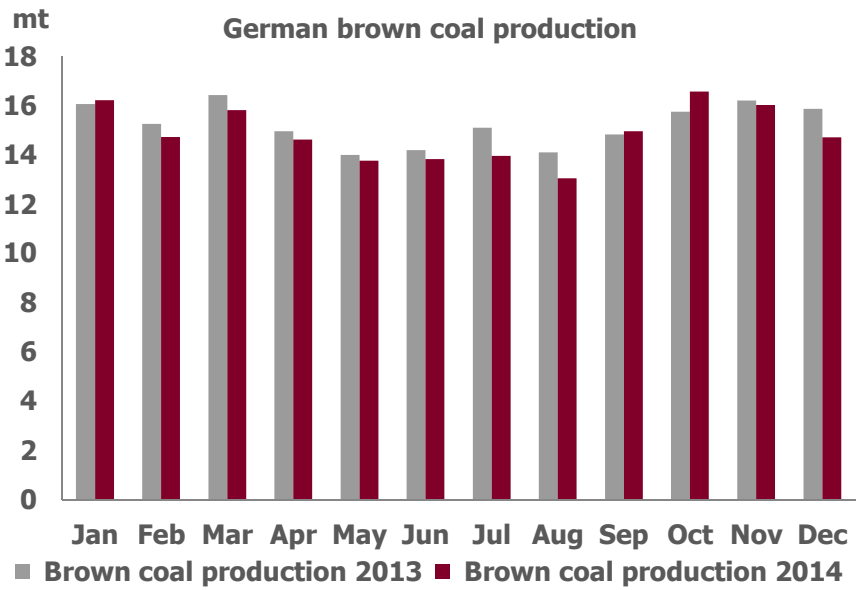
Commentary

- The comparability of our financial statements between 2013 and 2014 is affected by the inclusion of:
  - 49% stake (associated with management control) in SSE since December 1, 2013 (i.e. only 1 month results consolidated in 2013)
  - 100% stake in Helmstedter Revier GmbH ("HSR") (including the 390 MW_e lignite fired power plant Buschhaus) since December 31, 2014 only (i.e. only balance sheet items included in 2013)
- Our IFRS EBITDA reached EUR 455 million, which is approximately 20% higher in comparison to 2013 (please refer to slides 9 and 10 for a detailed EBITDA bridge on each EPE and CEE level). The improvement is primarily a result of above described acquisitions, which was partially offset by a decline in Heat and Power segment
- The difference between net debt as reported by CEE (EUR 1,647 million) and EPE (EUR 1,182 million) primarily relates to CEE senior notes issuance, cash at CEE level and net debt at SSE level attributable to minority shareholders of SSE
- CAPEX increased by 35% due to change in consolidation scope (the acquisition of SSE resulted in capital expenditures of EUR 28 million in 2014 as compared to EUR 7 million in 2013 and HSR capital expenditures of EUR 5 in 2014) and increased IED related investments of EUR 23 million in 2014 (EUR 8 million in 2013)

Key developments in the Mining segment

Overview

	Unit	FY 2013	FY 2014
Brown coal production[1]	Mt	19.1	20.9
Brown coal sales volume	Mt	17.4	19.5
Sales[2]	m EUR	420	420
EBITDA[2]	m EUR	175	154



Source: Kohlenwirtschaft e.V.

Commentary

- For 2014, Mining segment accounted for approx. 34% of consolidated EPE EBITDA (before intercompany eliminations)
- The increase in brown coal sales volume is mainly attributable to deliveries to HSR and other internal consumption of Heat & Power segment as well as supplies to a new temporary customer in Germany
- Sales of brown coal increased in 2014, however, this effect was off-set mainly by lower sales of excess power in 2014
- EBITDA decreased by EUR 21 million, or 12%, to EUR 154 million in 2014. This was mainly driven by one-off non-cash positive effect of approx. EUR 26 million in 2013 (Capitalization of overburden removal according to IFRIC 20 standard)
- Adjusted for IFRIC 20, EBITDA of MIBRAG is relatively stable with the minor improvement being caused by higher brown coal sales volume described above

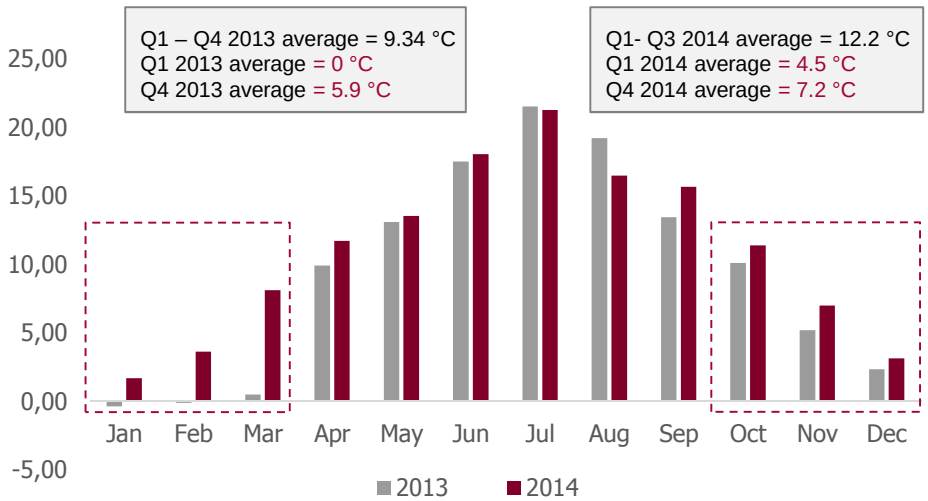
[1] For avoidance of doubt, figure excluding brown coal production of HSR which is not part of the Mining segment
[2] Based on consolidated financial statements of EPE Group – Segment Mining according to IFRS

Key developments in the Heat & Power segment

Overview

	Unit	FY 2013	FY 2014
Heat supplied	TJ	18,875	15,594
Power production	GWh	2,980	5,413
Space heating needs	Day - degrees	3,662	2,910
Sales[1]	m EUR	673	639
EBITDA[1]	m EUR	199	147

Average temperatures in 2013 and 2014 (in °C)



Source: Internal analysis based on data from Czech Hydrometeorological Institute, temperatures measured in Prague, Libus

[1] Based on consolidated financial statements of EPE Group – Segment Heat and Power according to IFRS
[2] Caused by the foreign exchange rate intervention executed by the Czech National Bank in November 2013 (average rate of CZK/EUR 27.533 for 2014 versus CZK/EUR 25.977 for 2013)
[3] Metrics representing weather pattern, difference between reference indoor and actual outdoor temperature integrated over the period; the primary determinant of space heating needs

Commentary

- For 2014, Heat & Power segment accounted for approx. 32% of consolidated EPE EBITDA (before intercompany eliminations)
- Power production increased primarily due to acquisition of HSR (Buschhaus power plant with 390 MW_e of installed power generation capacity) on December 31, 2013 that produced 2,865 GWh in 2014
- EBITDA is lower by EUR 52 million in 2014 as compared to 2013
  - The main reason for the decline was particularly warm weather, especially during Q1 and Q4 2014 (there were only three such warm winters in the past 80 years). This fact caused a 17% drop in heat demand (in terms of TJ) that materialized in 13% decrease in heat revenue, which was below proportional decrease thanks to decoupled capacity and energy pricing that we use in our key operations. Lower heat revenue was partially offset by savings mainly on fuel and emission allowances consumption resulting from lower heat production
  - Compared to 2013, the segment EBITDA is also impacted by the CZK exchange rate depreciation[2] as heat revenues are all denominated in CZK. It is expected that Czech National Bank will revisit its monetary policy in 2016
  - A smaller portion of the EBITDA decrease is attributable to a combination of other factors including lower power prices, lower power production in cogeneration mode due to lower heat off-take during warm winter, smaller revenues from ancillary services and fewer (appox.16%) allocated emissions allowances in 2014 compared to 2013
  - This development was partially offset by inclusion of HSR in the figures 2014, which contributed ca. EUR 3 million in EBITDA

Key developments in the Power distribution & supply segment
(presented including 100% of SSE)

Overview

	Unit	FY 2013[3]	FY 2014
Sales[1]	m EUR	969	1,605
EBITDA[1]	m EUR	19	152

Commentary

- In 2014, Power Distribution & Supply segment accounted for approx. 34% of consolidated EPE EBITDA (before intercompany eliminations)
- The 2014 results were impacted by acquisition of SSE which realized EBITDA of EUR 145 million in 2014 as compared to EUR 19 million in December 2013. In addition, acquisition of EP Cargo in July 2014 and improved profitability of EPET and EPCT resulted in improved EBITDA

Overview of SOT mechanism

- SSE-D, a subsidiary of SSE is, in its role of Distribution System Operator ("DSO"), obliged to purchase electricity from renewables at regulated prices, which are higher than market prices. The DSOs are then compensated through SOTs collected from the final electricity consumers. As per current regulation, any negative balance between the DSO's costs and the SOT revenues should be taken into account when assuming new tariffs
- For the year ended December 31, 2014, the SOT[2] income statement impact amounted to EUR (12) million which is EUR 9 million better compared to 2013. At the same time, 2014 income statement impact includes EUR 41.5 million (2013 – EUR 0 million) of accrued revenue to be collected in 2015.

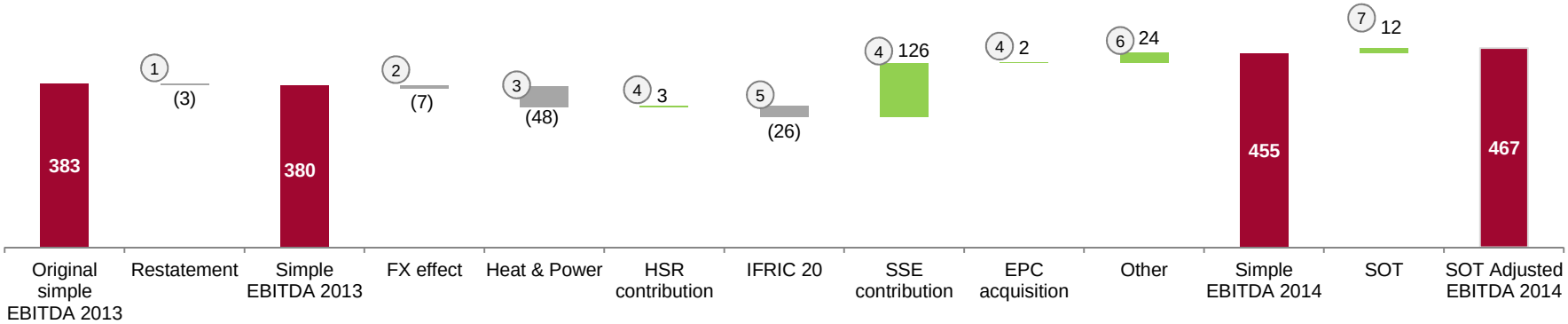
(m EUR)	FY 2013	FY 2014	Difference
SSE Simple EBITDA[4]	139	145	+6
SSE SOT I/S impact	(21)	(12)	+9

- SSE continues to negotiate the situation with the Slovak regulator to accelerate cash collection relating to SOT
- SSE-D's distribution margin is relatively stable

[1] Based on consolidated financial statements of EPE Group – Segment Power distribution & Supply according to IFRS;
[2] System Operations Tariff
[3] Restated: 2013 Figures were restated with impact of negative EUR 3.2 million on Sales, EBITDA and Pro forma adjusted EBITDA as described in the Appendix (slide 18).
[4] Results of SSE irrespective of the acquisition date

EP Energy indicative simple EBITDA bridge 2014 vs. 2013

Indicative EBITDA bridge[1] (m EUR)

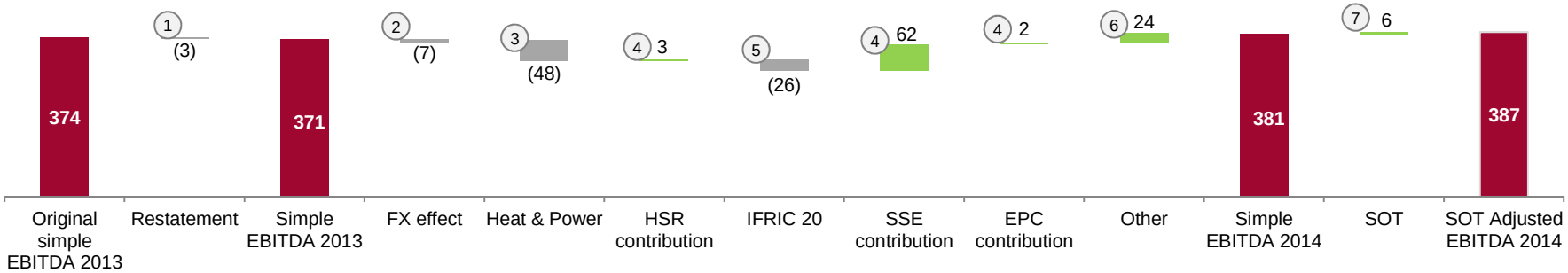


1. Restated: 2013 Figures were restated with impact of negative EUR 3.2 million on Sales, EBITDA and Pro forma adjusted EBITDA as described in the Appendix (slide 18)
2. The average FX rate for 2014 (27.533 CZK/EUR) reflects a 6% depreciation of the CZK against EUR as compared to 2013 (25.974 CZK/EUR). This depreciation is driven by the decision of the Czech National Bank (from November 2013) to use the exchange rate as an additional monetary policy instrument and its target to maintain the exchange rate above 27 CZK/EUR underpinned by interventions. According to statements of the CNB representatives, it is expected such policy is only temporary and should be revisited in 2016.
   The FX effects relates primarily to Heat & Power segment where heat revenues are all denominated in CZK
3. The results in the Heat & Power segment were negatively affected mainly due to warm weather in 2014 (on comparative basis, warm winter translated into heat revenues decline of aprox. 13% in the Heat & Power segment), particularly so during Q1 and Q4 2014, as well as by several other factors including lower power prices and fewer allocated free emission allowances (for more details, please see slide 7)
4. EBITDA in 2014 was positively affected by change in the consolidation scope, whereby SSE contributed EUR 145 million in 2014 (while EUR 19 million in 2013), HSR contributed EUR 3 million in 2014 and EP Cargo contributed EUR 2 million in 2014, respectively
5. One-off non-cash effect from capitalization of overburden removal costs in accordance with IFRIC 20 (EUR 26 million) in MIBRAG in 2013 only (for more details, please see slide 6)
6. The majority of other effects can be attributed to higher profitability of EPET, EPCT and slightly improved EBITDA from Mining segment in 2014 and one-off non-cash effects in the renewables segment in 2013: impairment of cancelled projects of EUR 4 million and impairment of acquisition goodwill of EUR 9 million
7. Timing difference relating to system operation tariffs ("SOT") which is expected to be compensated in 2015 - 2016 (refer to slide 8 for more details)

[1] Figures might not add up due to rounding

CE Energy indicative simple EBITDA bridge 2014 vs. 2013 *(SSE at 49%)*

Indicative EBITDA bridge [1] (m EUR)

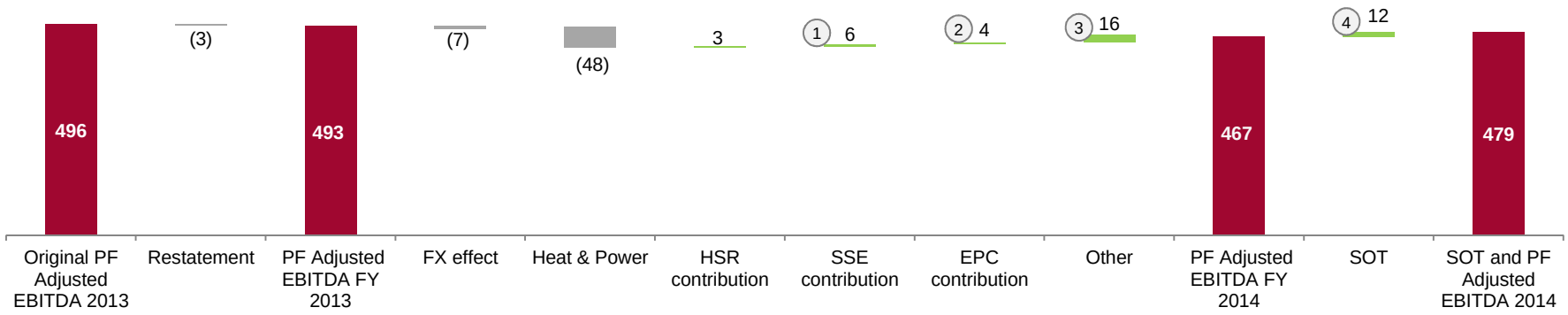


- CE Energy EBITDA bridge reflects 49% proportionate consolidation of SSE
- All effects are explained on previous slide

[1] Figures might not add up due to rounding

EP Energy indicative PF adjusted EBITDA bridge 2014 vs. 2013

Indicative EBITDA bridge [1] (m EUR)



1. Pro forma adjusted EBITDA in 2014 was positively affected by EUR 6 million, i.e. 4%, improvement in EBITDA of SSE that contributed EUR 145 million in 2014, while EUR 139 million (including pro forma adjustment of EUR 120 million) in 2013

2. EPC contribution effect included consolidated EBITDA EUR 2 million and pro forma adjustment for period 1-7/2014 of EUR 2 million

3. The majority of other effects can be attributed to higher profitability of EPET, EPCT and slightly improved EBITDA from Mining segment in 2014 and one-off non-cash effect in the renewables segment in 2013: impairment of cancelled projects of EUR 4 million

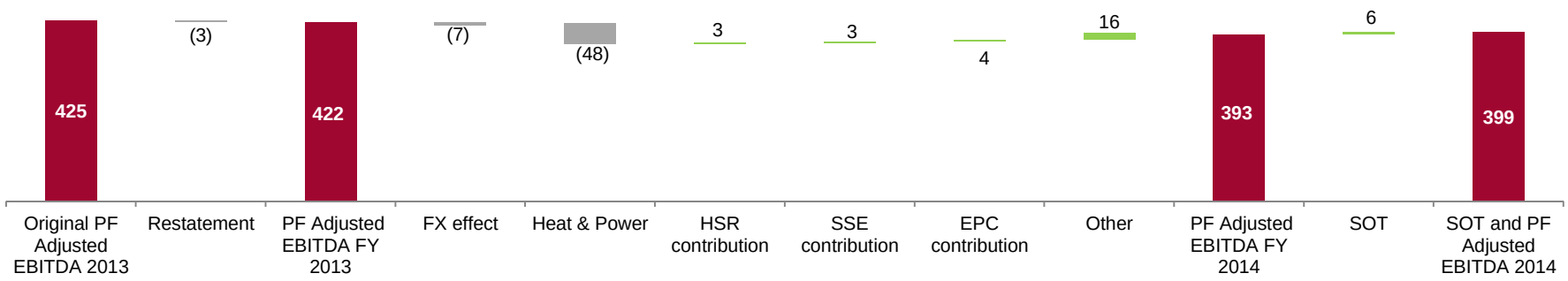
4. Timing difference relating to system operation tariffs ("SOT") which is expected to be compensated in 2015 - 2016 (please see slide 8 for more details)

- The remaining effects are explained on previous slides

[1] Figures might not add up due to rounding

CE Energy indicative PF adjusted EBITDA bridge 2014 vs. 2013 *(SSE at 49%)*

Indicative EBITDA bridge[1] (m EUR)



- CE Energy EBITDA bridge reflects 49% proportionate consolidation of SSE
- All effects are explained on previous slides

[1] Figures might not add up due to rounding

Subsequent events

- In January 2015, CEE drew a new bank loan from UniCredit Bank Czech Republic and Slovakia, a.s. ("the Bank") totaling EUR 75 million, which was used to purchase bonds in the same amount. On 11 March 2015, the bonds were cancelled. The Bank's security is at the same level as that of the bond holders. On April 28, 2015, CEE entered into a new loan agreement as a borrower with the Bank as a lender. The loan agreement provides for a loan up to EUR 100 million for the main purpose of refinancing a EUR 75 million loan between CEE and the Bank and for financing of repurchase of the CEE bonds by CE Energy
- 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 that is expected to be issued this year, 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 18 million
- On 5 February 2015, a non-cash decrease in the registered capital of EP Energy, a.s. by EUR 243 million was recorded in the Commercial Register. 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 March 2015, Moody's issued an update on CE Energy's rating: Corporate Family Rating – Ba2 with outlook stable
- The EPE Group is currently considering an internal restructuring of its Renewables business segment to streamline its organizational structure
- Except for the matters described above and elsewhere in the EPE/CEE Reports[1], the Company's management is not aware of any other material subsequent events which could have a material impact on the consolidated financial statements as of and for the year ended December 31, 2014

[1] the Report on the year ended December 31, 2014 for EP Energy, a.s. and the Report on the year ended December 31, 2014 for CE Energy, a.s.

Wrap-up

- The 2014 results are affected by:
  - Unusually warm winter (one of the three warmest winters in the Czech Republic in 80 years)
  - Continuous decline of power prices and simple spread
  - Temporary weakened exchange rate of CZK against EUR after the interventions of the Czech National Bank
  - Difference in SOT payment vs. reimbursement due to time-shifted regime, which we believe is merely a timing issue, not a business one and we are taking steps to minimize the negative financial effect for 2015
- Despite several negative factors influencing the 2014 results, the EP Energy's pro forma adjusted EBITDA declined by only approx. 5% which underlines the Group's stability and operational performance
- The management believes that most of the aforementioned effects are temporary and represent an opportunity for improved profitability going forward
- We note that in terms of our power prices hedging strategy we have almost approached the current market prices
- The group reacts to the adverse environment and higher planned capital expenditures in 2015 primarily associated with IED related measures (mainly in EOP) with a complex saving program focused on operations and capital investments, with the targeted initial annual savings of up to EUR 20 million
- The priority for the CEE Group is a rapid de-leveraging below the 3.5x EBITDA level (SSE on a proportionate 49% basis)

Q&A

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Appendix – key operating performance indicators

Overview

Operating performance[1] (EPE excluding SSE)	Unit	2013[1]	2014[1]	Change
Installed cogeneration capacity	MW_e	500	500	–
Installed condensation capacity	MW_e	750	750	–
Installed heat capacity[5]	MW_{th}	3,195	3,195	–
Coal production[4]	Mt	19.1	20.9	1.8
Power produced	GWh	2,980	5,413	2,433
Grid balancing services	GWh	1,168	1,187	19
Heat supplied[2]	TJ[3]	18,875	15,594	(3,281)
Power supplied	GWh	2,077	2,012	(65)
Natural gas supplied	GWh	2,106	3,203	1,097
Saale Energie – Installed capacity	MW_e	400	400	–

Operating performance of SSE[1]	Unit	2013[1]	2014[1]	Change
Power supplied	GWh	4,413	4,321	(92)
Natural gas supplied	GWh	104	223	119
Power distributed	GWh	5,912	5,839	(73)

Commentary

- Installed cogeneration and condensation capacities remained at the same level, while the Installed condensation capacity in 2013 and 2014 includes 390 MW_e related to HSR (Buschhaus power plant) in addition to 360 MW_e for EOP, PE, PT and UE
- Coal production increased by 9% due to higher demand from our off-takers and adding HSR to our customer portfolio
- Heat supplied decrease by 17% is primarily attributable to significantly warmer weather in Q1 and Q4 2014 as compared to same periods in 2013
- The increase in power production (from condensation) is mainly attributable to the acquisition of HSR that produced 2,865 GWh in 2014
- The 52% increase in natural gas supplied stems from an one-off contract with a significant off-taker. The deliveries under this contract took place in 2014 only

- Power supply by SSE remained stable
- Supply of natural gas increased thanks to new customer acquisitions
- Power distributed by SSE decreased by 73 GWh or 1% mainly due to higher temperature during winter season

[1] 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 EPE Group or the ownership share of the EPE Group in each entity. Nevertheless, operating data for MIBRAG and Saale Energie are excluded. 2013 data for HSR (acquired on December 31, 2013) includes only Installed capacity
[2] 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")
[3] 1 TJ = 0,2778 GWh
[4] Figure excluding brown coal production of HSR
[5] Installed heat capacity on heat exchangers

Appendix – Pro forma EBITDA adjustments calculation

EP Energy *(SSE on 100% basis)*

- 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 year ended December 31, 2014 (for information purposes in 2013: EUR 9.2 million), 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
- To derive pro forma consolidated financial information, the EPE Group IFRS consolidated financial statements as of and for the year ended December 31, 2014 have been adjusted to reflect a consolidation of a 60% share in EP Cargo a.s. using the full method of EBITDA consolidation (EUR 3.8 million for 2014, of which EUR 1.9 million relates to period January 1, 2014 to July 31, 2014)
- Pro Forma Adjusted EBITDA calculation (in million EUR):

EPE Pro Forma Adjusted EBITDA calculation	FY 2014 (m EUR)
Profit from operations	+156,6
Depreciation and amortization	+297,9
Simple EBITDA per FS	**454,5**
Saale adjustment	+10,3
Adj. EBITDA per FS	**464,8**
EP Cargo Pro Forma Adjustment	+1,9
Adj. Pro forma EBITDA	**466,7**

CE Energy *(SSE on a proportionate 49% basis)*

- Pro forma Adjusted EBITDA (with SSE on 49% proportionate basis) is as defined above and further adjusted to exclude the non-controlling interest of 51% of SSE EBITDA (i.e. EUR 73.8 million for the year ended December 31, 2014)
- The Pro forma Adjusted EBITDA included in this report does not represent the term EBITDA as may be defined by any documentation for any financial liabilities of the CEE and EPE Groups. For further discussion over the CEE and EPE Groups performance refer to the “Report on the year ended December 31, 2014 for EP Energy, a.s.” and “Report on the year ended December 31, 2014 for CE Energy, a.s.”

Appendix – Other

2013 Financial statements restatement

- 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 since January 1, 2014 as described in the Notes to the consolidated financial statements of EP Energy, a.s. as of and for the year ended December 31, 2014. Data for year ended December 31, 2013 were restated with impact of negative EUR 3.2 million on Sales, EBITDA and Pro forma adjusted EBITDA. In particular, the restatement impacts the Power Distribution and Supply segment only

Net Debt calculation

- EPE's Net Debt balance is based on the consolidated financial statements (Total Loans and borrowings (EUR 1,394 million) plus Total Financial instruments and financial liabilities (EUR 2 million) less Cash and cash equivalents (EUR 201 million)) less liabilities towards Pražská teplárenská Holding a.s. (also "PTH") of EUR 13 million)
- CEE's Net Debt balance is based on the consolidated financial statements of CEE (Total Loans and borrowings (EUR 2,161 million) plus Total Financial instruments and financial liabilities (EUR 2 million) less Cash and cash equivalents (EUR 238 million)), but excludes the subordinated loans and borrowings owed to Energetický a průmyslový holding (also „EPH") of EUR 260 million, liabilities towards Pražská teplárenská Holding, a.s. (also "PTH") of EUR 13 million
- CEE's Net Debt balance including SSE on a proportionate basis is represented by the Net Debt balance as defined above less a portion of Net Debt totaling EUR 4.9 million belonging to a minority shareholder of SSE

Net Debt calculation as at December 31, 2014 (m EUR)		**EPE** *full basis*	**CEE** *full basis*	**CEE** *prop. basis*
Loans and borrowings (non-current)	add	1,267.3	1,760.4	1,760.4
Financial instruments and financial liabilities (non-current)	add	0.7	0.7	0.7
Loans and borrowings (current)	add	126.4	400.8	400.8
Financial instruments and financial liabilities (current)	add	0.8	0.8	0.8
Subordinated loans and borrowings to EPH	less	0.0	260.0	260.0
PTH liability	less	12.7	12.7	12.7
Cash and cash equivalents	less	201.0	238.4	238.4
Adjustment for the 49% consolidation of SSE	less	0,0	0.0	4.9
Net Debt as at December 31, 2014		**1,181.6**	**1 651.6**	**1,646.7**

- The Net Debt included in this report does not represent the term Indebtedness as may be defined by any documentation for any financial liabilities of the CEE or EPE Group