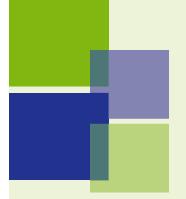


ANNUAL REPORT 2011







- 1. LETTER FROM THE CHIEF EXECUTIVE OFFICER
- 2. REPORT OF THE BOARD OF DIRECTORS ON THE BUSINESS ACTIVITIES OF THE COMPANY AND ON THE STATE OF ITS ASSETS
- 3. REPORT ON RELATIONS BETWEEN CONNECTED ENTITIES
- 4. REPORT OF THE SUPERVISORY BOARD ON THE RESULTS OF INSPECTION ACTIVITIES
- 5. FINANCIAL STATEMENTS ACCORDING TO CZECH ACCOUNTING STANDARDS
- 6. REPORT OF AN AUDITOR FOR COMPANY'S SHAREHOLDERS



LETTER FROM THE GENERAL MANAGER

Dear Ladies and Gentlemen,

1.

allow me to make you acquainted with the business activities of United Energy Trading, a.s., in the elapsed year 2011 and with the intentions of our Company for 2012 at the same time.

In 2011 we achieved historically the highest volume of power and natural gas generation for final customers. The total power volume was 3.58 TWh

We finished the 2011 with the economic result of CZK 173.5 mil. before taxation in which we fulfilled the shareholder's expected goal.

At the same time we continuously improve our system of commercial control in the area of customers' consumption prediction and efficient power purchase which essentially contributes to the cost reduction for electrical power and natural gas. We put a big stress on the quality of provided services and at the beginning of January 2011 we managed to meet the quality management system requirement pursuant to the standard ČSN EN ISO 9001:2009 for power and natural gas trade.

We could benefit from the synergies of power and natural gas supplies. We are planning for 2012 to stabilize the market portfolio for bulk customers and to extend the number of take-off points in the HOME segment within our aimed marketing campaign.

In connection to the increased number of take-off points higher requirements will arise to the service quality to customers and during the year we extended the customers' care by a new Call Centre operation which started its operation in the middle of 2011.

We are aware of the fact the excellent Company's results result from the work of our employees and especially business friends. That is why we would like to support their loyalty and satisfaction. Allow me to express my thanks to our employees and business friends for the cooperation so far.

June 1, 2012

František Čupr, MBA, Chief Executive Director of United Energy Trading, a.s.



REPORT OF THE BOARD OF DIRECTORS ON THE BUSINESS ACTIVITIES OF THE COMPANY AND OF THE STATE ON ITS ASSETS

All the data given here are processed according to Czech accounting standards.

Economic Results for 2011

United Energy Trading, a.s., had the revenues almost CZK 9.2 billion for the accounting period of 2011 which means CZK 1.4 billion higher than in the previous year. The annual revenue plan was exceeded a great deal. The economic result before tax was CZK 173.5 million which corresponds to the planned figures.

Main Business Activities for 2011

The main Company's business activity is power and gas sales to final customers in the Czech Republic and in Slovakia. The total sale of electrical power in 2011 in technical units reached 1 726 GWh in the Czech Republic and 163 GWh in the Slovak Republic.

The power purchase was arranged through První energetická a.s. first of all.

The power supplies on the territory of the Slovak Republic are arranged through United Energy Trading, a.s., organizačná zložka.

In 2011 United Energy Trading, a.s., supplied more than 1 866 GWh of natural gas to final customers in the Czech Republic.

Future Development

In 2012 the Company will focus on extending the existing natural gas portfolio and power customers especially in the retail sales.

At the same with implementation or a new information system we expect essential increase in the quality of services for customers.

Activities in the research and development

The Company is not focussed on activities in research and development.

Environmental protection and labour related activities

The Company always takes in account the environmental handling expendable supplies. The labour related activities follow the Labour Code.

Follow-up events

By the date of annual report compilation there are no important follow-up events known to the Company's management which may influence the financial statement as for December 31, 2012.



REPORT ON RELATIONS BETWEEN CONNECTED ENTITIES

I. The controlled entity

3.

The trading company United Energy Trading, a.s., with registered office in Prague 1, Klimentská 1216/46, Post Code 110 02, Registration No. 27386643, registered on 31 October 2005 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 10233.

II. The controlling entity

a) Directly controlling entities

The trading company EP Energy, a.s., with registered office in Brno, Příkop 843/4, Post Code 602 00, Registration No. 29259428, registered on 16 December 2010 in the Commercial Register maintained by the Regional Court in Brno, Section B, File No. 6278.

b) Indirectly controlling entities

In the period of time 1 January 2011 until 31 December 2011 the trading company Energetický a průmyslový holding, a. s., with the registered office in Brno, Příkop 843/4, Post Code 602 00, Registration No. 28356250, registered on 10 August 2009 in the Commercial Register maintained by the Regional Court in Brno, Section B, File No. 5924 was the indirectly controlling entity.

III. Contracts concluded with connected entities during the last accounting period.

During the accounting period of 2011 following contracts were concluded between the controlled entity and directly or indirectly controlling entities and between the controlled entity and entities controlled by the same controlling entity:

- 1) On 20 December 2011 there was concluded a contract with Greeninvest Energy a.s. The Purchase contract for power supply with taking over the obligation to supply power to the electrical grid. The subject of the contract is power supply.
- (2) On 20 December 2011 there was concluded a Contract on covering cost share with Energetický a průmyslový holding, a.s. The subject of the contract is covering cost share specified by a list.
- (3) On 10 October 2011 there was concluded a contract on support at introducing and implementation of the SAP information system with EP Investment Advisors, s.r.o. The subject of the contract is providing consulting and connected services at the introduction of the new SAP information system.
- (4) On 20 December 2011 there was concluded a purchase contract with Powersun a.s on power supply with taking over the obligation to supply power to the electrical grid. The subject of the contract is power supply.
- (5) On 20 December 2011 there was concluded a purchase contract with VTE Pchery s.r.o. on power supply with taking over the obligation to supply power to the electrical grid. The subject of the contract is power supply.



- (6) On 1 February 2011 there was concluded a frame contract with Enerzet, a.s., on power distribution to the take off points connected at the "nn" level. The subject of the contract is power supply to a customer.
- (7) On 02 December 2011 there was concluded a three-party contract with L.D.Energy, s.r.o., and První Energetická, a.s., on transferring the responsibility for a deviation. The subject of the contract is taking over responsibility for a deviation.
- (8) On 13 December 2011 there was concluded a three-party contract on transferring the responsibility for a deviation with Procusys, a.s. and První Energetická, a.s. The subject of the contract is taking over responsibility for a deviation.
- (9) On 19 December 2011 there was concluded a three-party contract with Západomoravská distribuční, a.s., and První Energetická, a.s., on transferring the responsibility for a deviation. The subject of the contract is taking over responsibility for a deviation.
- (10) On 24 October 2011 there was concluded a three-party contract with Energzet, a.s., and První Energetická, a.s., on transferring the responsibility for a deviation. The subject of the contract is taking over responsibility for a deviation.

IV. Other legal acts taken in the interest of connected entities

During the course of the accounting period no legal acts were taken to the benefit of directly or indirectly controlling entities or entities controlled by the same controlling entity outside the scope of normal legal acts taken within the scope of performance of their rights as the shareholder of the controlled entity.

V. Other measures performed in the interests or at the impetus of connected entities

No other measures were performed or taken outside the scope of usual measures taken by the controlled entity in relation to the controlling entity as the shareholder of the controlled entities during the course of the accounting period between the controlled entity and directly or indirectly controlling entity or entity controlled by the same controlling entity.

VI. Performance provided and accepted by the controlled entity

The following performance with the subsequent consideration (monetary amounts given in whole thousands of CZK) was provided by the controlled entity to the directly or indirectly controlling entity or entities controlled by the same controlling entity during the accounting period:



Connected entity	Subject of performance	Earnings in thousands of CZK	Expense in thousands of CZK
PRVNÍ MOSTECKÁ, a.s.	Power supply	10 567	
United Energy, a.s.	Provision of IT/AS services		240
SERW, spol. s r.o.	Power supply Natural gas supply	4 628 3 123	
Total SERW, spol. s r.o.		7 751	
Elektrizace železnic Praha, a.s.	Power supply Natural gas supply	4 209 2 236	
Total Elektrizace železnic F	Praha, a.s.	6 445	
POWERSUN, a.s.	Power supply	229	
Plzeňská energetika	Natural gas supply	2 712	
VTE Pchery s.r.o.	Power supply	287	
MSEM a.s.	Natural gas supply	1 053	
ENERGZET, a.s.	Dealing services Power supply	5 522	981
EP Investment Advisors, s.r.o.	Providing consulting		1 500
EP Energy, a.s.	providing credit - interests	1 617	
Energetickýa průmyslový holding, a.s.	Financial statement audit		1 226
První Energetická, a.s.	Providing services of commercial control Power supply Deviation sale Rent of non-residential premises incl. operational cost Power purchase Deviation purchase TDD deviation purchase Accounting of real traded MWh	2 500 195 535 19 173 1 410	2 350 499 56 789 12 784 1 633
Total První energetická a.s	-	218 618	2 421 705



VII. Damage incurred by the controlled entity and methods of compensation

The controlled entity did not incur any damage or property advantages from the right to conclude the above-given contracts, other legal actions, other measures and provided performance or accepted consideration.

VIII. Information confidentiality

Within the scope of the holding information and facts that are part of the business secrets of the controlling, controlled and other connected entities and information that were identified as confidential by any connected entity are considered confidential. All other information from business contacts that may be detrimental to any of the connected entities by itself or in connection with other information or facts are considered confidential as well.

In order to prevent damage on the part of the controlled entity this report does not contain information of this character with regard to the provisions of Section 51, Act No. 513/1991 Coll., Commercial Code as amended.

X. Conclusion

This report was prepared by the Board of Directors of the controlled entity, United Energy Trading, a.s., submitted to the Supervisory Board for examination and to the auditor for certification. With regard to the fact the controlled entity is obliged after the law to elaborate an annual report. This report will be enclosed to this annual report.

The annual report will be filed to the document collection maintained by the Municipal Court in Prague.

In Prague, dated March 30, 2012

Authorised by the Board of Directors on behalf of the Board of Directors of the controlled entity:

Petr Švec, MBA Member of the Board of Directors František Čupr, MBA Member of the Board of Directors



REPORT OF THE SUPERVISORY BOARD ON THE RESULTS OF INSPECTION ACTIVITIES

In accordance with the provisions of the Commercial Code and the Articles of Association of the Company the Supervisory Board of United Energy Trading, a. s. fulfilled its duties during 2011.

The Supervisory Board followed regularly the economic results of the Company, the condition of assets and inspected the economic analyses at its sessions. It inspected the task fulfilment being given the Board of Directors by the general meeting or by the decision of the only shareholder performing on behalf of the general meeting and keeping general binding legal regulations and articles of the Company as well.

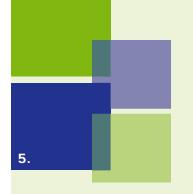
During 2011 the Supervisory Board, when using its right of inspection, followed the articles of the Company and general binding legal regulations being valid for joint stock companies. In the given period of time the Supervisory Board focussed on its main task, i. e. supervision of the Board of Directors activities and inspecting the financial accounts and the proposal of profit distribution.

In the shareholder's interest it concentrated, among others, on the inspection of current economic results, fulfilment of the business plan and the general meeting resolution or the resolution. At the same time it helped the Board of Directors to fulfil the joint stock company development strategy.

The Board of Directors and management provided all necessary information and explanations. There have not been found any shortcomings and breeches of Company's articles and of valid legal regulations in the activity of the Board of Directors.

In Prague on June 1, 2012

Marek Janča Chairman of the Supervisory Board





FINANCIAL STATEMENTS ACCORDING TO CZECH ACCOUNTING STANDARDS

Balance sheet in a full scope as of 31.12.2011 (in thousands CZK)

	Nam	e	ASSETS	Current accounting period		Previous period	
	а		b	Gross 1	Correction 2	Net 3	Net 4
			TOTAL ASSETS	1 729 854	-10 098	1 719 756	1 500 442
В.			Fixed assets	19 595	-4 491	15 104	6 910
	I.		Intangible fixed assets	13 173	-4 127	9 046	4 604
		1.	Incorporation expenses	252	-252		
		3.	Software	6 187	-3 875	2 312	504
		7.	Advance payments for tangible fixed assets	6 734		6 734	4 100
	II.		Tangible fixed assets	6 422	-364	6 058	2 306
		2.	Constructions	3 773	-107	3 666	
		3.	Individual movables and movable sets (units)	1 659	-257	1 402	158
		7.	Tangibles in progress	990		990	2 148
C.			Current assets	1 705 481	-5 607	1 699 874	1 478 951
	I.		Inventory	5 793		5 793	
		1.	Materials	5 793		5 793	
	١١.		Long-term receivables				100 649
		2.	Receivables – controlled or controlling entity				100 649
	III.		Short-term receivables	1 555 195	-5 607	1 549 588	1 213 028
		1.	Trade receivables	900 809	-5 607	895 202	885 644
		2.	Receivables – controlled or controlling entity	2 251		2 251	100 067
		6.	Tax receivables	44 452		44 452	22 190
		7.	Short-term advances paid	172 480		172 480	110 736
		8.	Estimated receivables	201 219		201 219	16 237
		9.	Other receivables	233 984		233 984	78 154
	IV.		Short-term financial assets	144 493		144 493	165 274
		1.	Cash	56		56	57
		2.	Bank accounts	144 437		144 437	165 217
D.	I.		Temporary accounts of assets	4 778		4 778	14 581
		1.	Prepaid expenses	3 534		3 534	4 105
		3.	Accrued revenues	1 244		1 244	10 476



	Name		Liabilities	Current accounting period	Previous accounting period
	а		b	5	6
			TOTAL LIABILITIES	1 719 756	1 500 442
Α.			Equity	562 978	425 471
	I.		Registered capital	15 000	15 000
		1.	Registered capital	15 000	15 000
	II.		Capital funds		
		3.	Gains or losses from revulsion of assets		
	III.		Funds created from net profit	3 116	3 116
		1.	Legal reserve fund	3 116	3 116
	IV.		Profit (loss) of previous years	407 355	180 155
		1.	Retained earnings of previous years	407 355	181 455
		2.	Retained losses from previous years		-1 300
	V.		Profit (loss) of current accounting period	137 507	227 200
В.			Not own capital	1 103 852	1 049 940
	I.		Reserves	33 831	50 579
		3.	Reserves for income tax	33 831	50 579
	II.		Other reserves	76	29
		9.	Other obligations	19	14
		10.	Deferred tax obligation	57	15
	III.		Short-term payables	1 038 291	831 293
		1.	Trade payables	606 008	684 509
		5.	Payables to employees	6 535	7 454
		6.	Payables to social security and health insurance	2 668	2 803
		7.	Due to state-taxes and subsidies	59 859	39 315
		8.	Short-term advances received	168 874	49 581
		10.	Contingencies loss	193 670	46 975
		11.	Other payables	677	656
	IV.		Bank loans	31 654	168 039
		2.	Short-term bank loans	31 654	168 039
C.	I.		Accruals	52 926	25 031
		1.	Accrued expenses	52 643	24 760
		2.	Deferred income	283	271



Profit and Loss Statement in a Full Scope for the Year Ending at 31 December 2011 (in thousands CZK)

Name		Profit and Loss Statement	Real figures in ac	counting period
а		b	Current accounting period 1	Previous accoun- ting period 2
	I.	Revenues from goods sold	9 232 355	7 854 122
А.		Cost of goods sold	9 018 568	7 348 874
	+	Gross margin	213 787	505 248
	II.	Production	3 554	4 210
	II.1.	Revenues from own products and services	3 554	4 210
В.		Consumption from operation	55 424	201 767
B.1.		Materials and energy consumption	4 063	5 957
B.2.		Services	51 361	195 810
	+	Value added	161 917	307 691
C.		Personnel expenses	32 469	27 610
C.1.		Wages and salaries	24 381	20 911
C.2.		Bonuses to members of executive bodies of companies and coop.	225	229
C.3.		Social security and health insurance expenses	7 341	5 910
C.4.		Social expenses	522	560
D.		Taxes and fees	39	26
E.		Depreciation of intangible and tangible fixed assets	486	906
	III.	Revenues from intangible and tangible assets and material sold		
	III.1	Revenues from intangible and tangible assets sold		
F.		Net book value of intangibles, tangibles and material sold		
F.1.		Net book value of intangible and tangible assets sold		
G.		Changes in reserves and provisions relating to operations and prepaid expenses (specific-purpose expenses)	1 262	274
	IV.	Other operating revenues	2 353	102 775
Н.		Other operating expenses	6 789	115 789
	*	Operating profit (loss)	123 225	265 861
К.		Cost of financial assets		
	IX.	Revenues from revaluation of securities and derivatives	84 075	42 588
L.		Cost of revaluation of securities and derivatives	38 218	29 017
	Х.	Revenues from other financial investments	4 630	2 787
N.		Interest paid	2 016	1 209
	XI.	Other financial revenues	90 161	104 769
О.		Other financial expenses	88 286	107 946
	*	Net result from financial activities	50 346	11 972
Q.		Income tax on ordinary income	36 064	50 633
Q.1.		Due	36 022	50 623
Q.2.		Deferred	42	10
	**	Net result after taxes from normal activities	137 507	227 200
	***	Net profit (loss) of current accounting period (+/-)	137 507	227 200
	****	Result of operations before tax	173 571	277 833

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ANNEX TO THE FINANCIAL STATEMENT IN FULL SCOPE AS OF 31 DECEM-BER 2011 (IN THOUSANDS OF CZK)

1. General information and main activities

Establishing and general information on the Company

United Energy Trading, a.s., ("the Company") was established on October 31, 2005. It is a trading company focussed on sales of power, natural gas and connected services to final customers in the Czech Republic and in Slovakia as well.

Company's owner

The Company's sole shareholder until 7. October 2011 was: United Energy, a.s. Teplárenská 2 Most, Komořany Postal Code 434 03 Czech Republic

The present the sole shareholder of the company since 7 October 2011 is:

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

Company's seat of business

United Energy Trading, a.s. Klimentská 1216/46 Prague 1 Postal Code 110 02 Czech Republic

Registration number

27386643

Members of the Board of Directors and of the Supervisory Board as of 31 December 2011.

Members of the Board of Directors	Members of the Supervisory Board	
Markéta Celerýnová – Chairwoman	Marek Janča – Chairman	
František Čupr, MBA	Jiří Nováček	
Petr Švec, MBA	Lenka Marečková	



Changes in the Commercial Register

- On 7 October the surname of the Chairwoman of the Board of Directors was changed from Markéta Malinová to Markéta Celerýnová.
- On 7 October the sole shareholder was changed. The sole shareholder: United Energy, a.s. was erased and a new shareholder EP Energy, a.s. was entered.

Organisational unit

The Company has an organisational unit in Slovakia with the seat of business at Pribinova 25, Bratislava, Postal Code 811 09, which was entered to the Commercial register on October 3, 2006. The organisational unit's leaders are Ladislav Bekéni and František Čupr as of December 31, 2011.

Organisational structure

The Company is divided into four divisions – Trade and Marketing, Commercial Control, Natural Gas Trade and Finance which report to the General Manager. All activities are performed in the company's seat of business.

2. Basic accounting principles used by the Company

a) Long-term tangible and intangible assets

The long-term tangible and intangible assets are recorded in purchase prices. The long-term assets in the purchase prices up to CZK 40 thousand and the long-term purchase prices up to CZK 60 thousand are not recorded in the balance sheet but they are accounted to the cost in the year of its acquisition.

The following chart gives the methods and depreciation time with regards to assets groups:

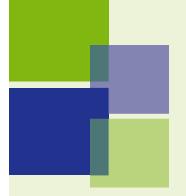
Assets	Method	Depreciation time
Purchase price	Linear	5 years
Software	Linear	3 years
PC equipment	Linear	4 years

The technical appreciation increases the input price of the long-term assets if the cost to the finished availability or use ability of long-term assets exceeds CZK 40 thousand.

b) Adjustment and reserve specification

Receivables

The Company specifies adjustments to uncertain receivables on the basis of own analysis with regards to customers' ability to pay and the receivable age structure.





Rezervy

Rezervu na daň z příjmů vytváří společnost vzhledem k tomu, že okamžik sestavení účetní závěrky předchází okamžiku stanovení výše daňové povinnosti. V následujícím účetním období společnost rezervu rozpustí a zaúčtuje zjištěnou daňovou povinnost.

Zálohy na daň z příjmů jsou v rozvaze vykázány samostatně v položce Stát – daňové pohledávky.

c) Foreign currency conversion

Transactions performed in foreign currencies are converted for by the currency exchange rate of the Czech National Bank valid on the day of the transaction. During the year the Company accounts only on performed exchange rate profits or losses.

Assets and liabilities kept in foreign currencies are converted by the currency exchange rate published by the Czech National Bank as of the date of the final accounts. All exchange rate profits and losses are given in the income from operations.

d) Derivatives

Traded derivatives

The financial derivatives kept for trading are recorded in real values and the profit (loss) in their real values are included to the revenues or to costs.

e) Rented assets

The Company accounts the rented assets in a way of including the leasing payments evenly into the costs during the time of rent. After the rent finishing and utilizing the surrender chance the subject of the leasing is included to Company's assets in the reproduction price.

f) Income tax

The income tax for a given period of time comprises of the due tax and from the change in a deferred tax.

The due tax is comprised of the tax estimation calculated from the tax base using the tax rate valid on the first day of the accounting period and all back taxes and tax returns from previous periods.

The deferred tax results from all temporary differences between the accounting and tax value of assets and liabilities or other temporary differences (tax loss) using the expected tax rate valid in the period in which the tax obligation or the receivable will be claimed.

The deferred tax receivable is accounted only if it is probable that it will be applied in the accounting periods to come.

In case of items which are accounted directly against the shareholders' capital the deferred tax is accounted against the shareholders' capital as well.



g) Obligation classification

The Company classifies part of long-term obligations, bank credits and financial loans the due time of which is shorter than one year with regards to the balancing day as short-term ones.

h) Organisational unit's accounting

The organisational unit's accounting is done separately in EUR in Slovakia. Once monthly the accounting day book is transferred and individual items are exchanged in the daily exchange rate of the Czech National Bank to the accounting of the Czech accounting unit. The assets and liabilities in EUR are calculated in an exchange rate of the Czech National Bank on the balancing day. The exchange rate differences resulting from conversion of the balance sheet and the profit and loss account on the balancing day are accounted to the profit and loss account.

3) Long-term assets

a) Long-term intangible assets

	Purchase expenses	Software	Non-finished long-term intangible assets	Total
Purchase price				
Balance as of 01/01/2011	252	4 077	4 100	8 429
Accruals		2 110	2 634	4 744
Decrement				
Abandonment				
Balance as of 31/12/2011	252	6 187	6 734	13 173
Adjustments				
Balance as of 01/01/2011	-252	-3 573		-3 825
Depreciation		-302		-302
Adjustment to decrement				
Abandonment				
Balance as of 31/12/2011	-252	-3 875		-4 127
Net book value as of 01/01/2011		504	4 100	4 604
Net book value as of 31/12/2011		2 312	6 734	9 046

In 2011 the Company invested CZK 2 300 thousand to purchasing a new SAP software which is accounted on Intangible investment account by December 31, 2011. The program was commissioned in January 2012.



b) Long-term tangible assets

	Individual movables	Constructions	Unfinished tangible assets	Total
Purchase price				
Balance as of 01/01/2011	338		2 148	2 486
Accruals	1 321	1 625	990	3 936
Decrement				
Abandonment		2 148	-2 148	
Balance as of 31/12/2011	1 659	3 773	990	6 422
Adjustments				
Balance as of 01/01/2011	-180			-180
Depreciation	-77	-107		-184
Adjustment to decrement				
Abandonment				
Balance as of 31/12/2011	-257	-107		-364
Net book value as of 01/01/2011	158		2 148	2 306
Net book value as of 31/12/2011	1 402	3 666	990	6 058

4) Rented assets

Operational leasing

The Company rented business cars for the period of time 36 months since the date of contract conclusion. The total annual costs regarding this leasing in 2011 were CZK 1 262 thousand (2009 – CZK 1 080 thousand)

5) Long-term tangible and intangible assets not given in the balance

In accordance with the accounting procedures described in the item 2a) the Company accounted a part of its long-term tangible and intangible assets to the cost in the year of acquiring. In 2011 the Company rented new offices. The furnishing in the rented premises accounted directly to costs was CZK 1 416 thousand. The total purchase value of long-term tangible and intangible assets not given in the balance is as follows:

	Residual balance as of 31/12/2011	Residual balance as of 31/12/2010
Long-term tangible assets	2 177	4 633
Long-term intangible assets	59	67



6) Inventories

The company's inventories are purchased natural gas in the level of CZK 5 793 thousand.

- 7) Receivables and obligations from commercial activities
- a) Short-term receivables from commercial activities are CZK 900 809 thousand (2010 CZK 889 989 thousand) of which CZK 101 756 thousand (2010 CZK 71 226 thousand) represent due receivables. The adjustment to uncertain receivables was CZK 5 607 thousand (2010 CZK 4 345 thousand) as of December 31, 2011.
- b) Short-term obligations from commercial activities represent CZK 606 008 thousand (2010 CZK 684 509 thousand) of which CZK 61 898 thousand (2010 CZK 27 819 thousand) represent due obligations.

8) Provided short-term advance payments

The residual balance of short-term advance payments consist, first of all, of the advance payment to První energetická a.s. in the level of EUR 3 805 thousand, i.e. CZK 98 178 thousand (2010 – EUR 3 114 thousand or CZK 78 024 thousand) provided for trading in the Company's name at the Power Stock Exchange in Prague ("PXE").

Another important part of short-term advance payments represent the paid advance payments for power and natural gas distribution in the level of CZK 61 557 thousand (2010 – CZK 18 805 thousand) and provided a trading deposit outside PXE in the level of CZK 11 145 thousand (2010 - CZK 13 290 thousand).

9) Contingencies - gain

The contingencies - gain represent especially the possibility for non-invoiced power distribution of CZK 90 324 thousand (2010 - CZK 0) and contingency for non-invoiced power supply in the level of CZK 78 143 thousand (2010 - CZK 1 956 thousand) and gas distribution and supply for 2011 in the total value of CZK 32 752 thousand (2010 - CZK 14 113 thousand).

	Residual balance as of 31/12/2011	Residual balance as of 31/12/2010
Deposited finance for re-evaluation of PXE trades	144 779	32 172
Re-evaluation of securing derivatives to a real value	78 851	45 825
Short-term loan to Property service CEE, a.s. + interests	10 122	
Other	232	157
Other short-term receivables - Total	233 984	78 154

10) Other receivables

The deposited finance represents EUR 5 612 thousand provided to První energetická a.s. specified for trade re-evaluation of trades at the Power Stock Exchange in Prague.



Traded derivatives

On the balancing day the Company left open following options

Financial instrument	Due date	Currency	Amount in fo- reign currency	Real value as of 31/12/2011 in thousands CZK
1 put option	17 January 2012	EUR	500 000	545
1 call option	17 January 2012	EUR	500 000	-2
Total				543

The Company contracted options of CZK 4 030 thousand by December 31, 2010.

As of the balancing day the Company used following commercial financial derivatives (given in the item Other receivables):

Futures	Due date	Currency	Amount in fo- reign currency	Real value as of 31/12/2011 in thousands CZK
58 forward EUR purchases (Co- mmerz)	20 January, 2012 – 23 December, 2013	EUR	34 000 000	54 855
14 forward EUR purchases (Citi)	2 January 2012 – 20 December 2012	EUR	16 530 000	18 443
3 forward CZK purchases (Citi)	2 January 2012 – 19 January 2012	CZK	129 306 900	-466
3 forward EUR purchases (RBS)	23 January 2012 – 20 March 2012	EUR	3 000 000	5 476
Total				78 308

As of December 31, 2010 there were available commercial financial derivatives their total value of which was recorded in the item Other receivables in the level of CZK 41 795 thousand.

11) Prepaid expenses

The deferred expenses are comprised of temporary accounts of assets for Company's promoting in the level of CZK 2 333 thousand (2010 - CZK 2 333 thousand). The remaining part are temporary accounts of assets for insurance, gas transportation, renting, bank fees and other in the level of CZK 1 201 thousand (2010 - CZK 1 772 thousand).



12) Adjustments

	Adjustment to receivables
Residual balance as of 01/01/2011	4 345
Creation	2 200
Dissolving / utilization	-938
Residual balance as of 31/12/2011	5 607

13) Basic capital

	Basic capital in CZK thousand
15 bearer shares with a nominal value of CZK 1 000 000	15 000

14) Survey on changes of shareholders' capital

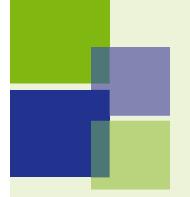
a) Survey on changes of shareholders' capital

	Basic capital	Profit from current period	Undistribu- ted profit	Law	Celkem
Residual balance as of 01/01/2011	Reserve fund	Total	180 155	3 116	425 471
Shares issuing					
Fund allocations		-227 200	227 200		
Profit of 2011		137 507			137 507
Change of evaluation differences from re-evaluation					
Residual balance as of 31/12/2011	15 000	137 507	407 355	3 116	562 978

It has not been decided on the profit distribution by the date of the financial statement yet. The profit of 2011 will be transferred to the undistributed profit.

15) Reserves

	Reserve to the income tax
Residual balance as of 01/01/2011	50 579
Creation	31 640
Use	-48 388
Dissolving	
Residual balance as of 31/12/2011	33 831





The advance payments for the income tax of CZK 44 452 thousand (2010 – CZK 22 190 thousand) are accounted in the item State – tax lien by December 31, 2011.

16) Short-term deposits accepted

The short-term accepted deposits represent deposits form power and natural gas sales received from final customers in the level of CZK168 874 thousand (2010 – CZK 49 581 thousand).

17) Obligations to social security system and to health care insurance

The obligations to social security system and to health care insurance represent CZK 2 668 thousand (2010 – CZK 2 803 thousand) of which CZK 1 769 thousand (2010 – CZK 1 880 thousand) represent the obligations to the social security system, CZK 758 thousand (2010 – CZK 812 thousand) represent the obligation to the health care insurance and CZK 141 thousand (2010 – CZK 111 thousand) is the total amount of the insurance for the organisation unit's employees. None of these obligations are overdue.

18) State – tax obligations and subsidies

The tax obligations are CZK 59 859 thousand (2010 - CZK 39 315 thousand) of which CZK 50 238 thousand (2010 - CZK 30 001 thousand) represent the VAT tax obligations and CZK 7 829 thousand (2010 - CZK 7 413 thousand) the environmental taxes and CZK 1 792 thousand (2010 - CZK 1 901 thousand) other direct taxes and fees. None of these obligations are overdue.

19) Contingencies - loss

The contingencies – loss represent the questioned items for non-invoiced power distribution in the level of CZK 173 800 thousand (2010 – CZK 36 500 thousand) and questioned item to non-invoiced gas of CZK 17 338 thousand (2010 - CZK 3 191 thousand).

20) Other obligations

As of the balance day the Company had the obligation for payment to customers, state budget and the tax revenue office in the level of CZK 650 thousand (As of 31 December 2010 the obligation from re-valuation to a real value of currency swaps of CZK 518 thousand).

21) Bank credits

	Curren- Residual balance in		Interact rote	Credit residue		
	су	foreign currency	Interest rate	31.12.2011	31.12.2010	
Current account	EUR	1 227 tis. EUR	1 M PRIBOR + 1,14%	31 654	168 039	
Total				31 654	168 039	

In October 2008 the Company concluded a contract on current account with the intention to make use of operational financing of the Company with the maximum credit level of CZK 300 000 thousand. The credit is for unlimited period of time and it is secured with Company's receivables. The value of pledged receivables is CZK 518 809 thousand as of December 31, 2011.





The Company supplies their final customers with two commodities, electrical power and natural gas and services connected to them. The sale of these commodities and services were in 2011 and 2010 as follows:

	Year	Inland ear-	Exp	oort	Total
	Tear	nings	Slovakia	Austria	TOTAL
Electrical power	2011	3 856 296	417 623		4 273 919
Electrical power	2010	3 140 867	424 568		3 565 435
Natural gas	2011	4 309 859	5 000	643 577	4 958 436
	2010	3 263 792	9 216	1 015 679	4 288 687
Services	2011	3 554			3 554
Services	2010	4 210			4 210
Total	2011	8 169 709	422 623	643 577	9 235 909
		6 408 869	433 784	1 015 679	7 858 332

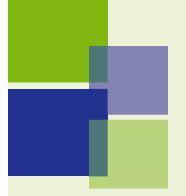
23) Information on connected entities

a) Receivables and obligations from commercial relations

The receivables and obligations from commercial relations, given in the item 7, contain following account balances regarding the relations to the companies in the group.

	Receivables a	is of December 31	Obligations as	s of December 31
	2011	2010	2011	2010
První energetická a.s.	258 897	54 776	260 718	379 766
SOR Libchavy spol. s r.o.		188		
POWERSUN a.s.	25	36		
SERW, spol. s r.o.		334	134	
Elektrizace železnic Praha a. s.		338	126	
EP Investment Advisors, s.r.o.				4 800
United Energy, a.s.			40	135
PRVNÍ MOSTECKÁ a.s.	1 319	1 497		
Plzeňská energetika, a. s.	314	56		
VTE Pchery, s.r.o.	11	55		
ENERGZET, a. s.	348		94	2 648
MSEM, a. s.		14	64	
Total	260 914	57 294	261 176	387 349

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Next the Company received a promissory note of CZK 49 952 thousand (2010 - CZK 99 854 thousand) issued by United Energy, a.s., and non-paid interests of CZK 7 thousand (2010 - CZK 112 thousand). The note was paid for in January 2012.

b) Provided loans

In 2010 he Company provided a short-term loan to EP Energy, a.s., of CZK 100 000 thousand which was paid for in January 2011. The Company provided the same connected entity a long-term loan of CZK 100 000 thousand which was paid for ahead of schedule in June 2011. The loan interests of CZK 2 251 will be paid during 2012.

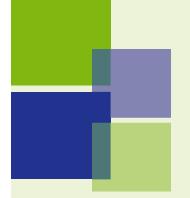
c) Other receivables and provided advance payments

In the balance of Other short-term receivables and Short provided advance payments, being described in the items 8 and 10, there are given receivables of deposited finance provided by První energetická a.s. aimed for business trading at the Power Stock Exchange in Prague in the level of CZK 144 779 thousand (2010 - CZK 32 172 thousand) or CZK 98 178 thousand (2010 - CZK 78 024 thousand).

	Earnin	gs for	Purcha	ses for
	2011	2010	2011	2010
První energetická a.s.	218 618	267 051	2 421 705	2 391 582
SOR Libchavy spol. s r.o.		4 704		
POWERSUN a.s.	229	123		
SERW, spol. s r.o.	7 751	8 049		
Elektrizace železnic Praha a. s.	6 445	5 565		
EP Investment Advisors, s.r.o.			1 500	4 000
United Energy, a.s.			240	240
PRVNÍ MOSTECKÁ a.s.	10 567	11 307		
Plzeňská energetika, a. s.	2 712	2 359		
VTE Pchery, s.r.o.	287	332		
ENERGZET, a. s.	5 522		981	21 007
MSEM, a. s.	1 053	716		
Total	253 184	300 206	2 424 426	2 416 829

d) Transactions with connected entities

All transaction with connected entities were performed under common market conditions.





e) Remuneration and loans to member of corporate and supervisory bodies

	Board of	directors	Supervisory board	
	2011	2010	2011	2010
Number of members	3	3	3	3
Remuneration from activity	180	180	45	49

f) Effective concern

The company has no controlling contract with the main shareholder EP Energy, a.s. The report on mutual relations is part of the Annual Report.

24) Company's staff and management

The average number of workers and management workers and staff expenses for 2011 and 2010:

2011	Staff number	Wages and salaries	Expenses for soci- al security insuran- ce and health care insurance	Social cost
Workers	34	22 059	6 556	493
Management workers	2	2 322	785	29
Total	36	24 381	7 341	522

2010	Staff number	Wages and salaries	Expenses for soci- al security insuran- ce and health care insurance	Social cost
Workers	24	15 607	5 554	559
Management workers	2	5 304	356	
Total	26	20 911	5 910	559

25) Information on remuneration to corporate auditors

This information is given in the consolidated financial statement of Energetický and průmyslový holding a.s. in which the Company is incorporated.



26) Income tax

a) Due

The due income tax comprises of the tax estimation for the tax period of 2011 in the level of CZK 33 831 thousand (2010 - CZK 50 579 thousand) and the specification of the income tax for 2010 in the level of CZK 2 191 thousand (2009 - CZK 44 thousand).

b) Deferred tax

Recorded deferred tax lien and obligations

	Tax lien		Tax obligation		Difference	
	2011	2010	2011	2010	2011	2010
Long-term intangible assets			-57	-15	-57	-15
Re-evaluation of assets and obliga- tions accounted against sharehol- ders´ capital						
Deferred tax lien /(obligation)			-57	- 15	-57	-15

In accordance with accounting procedure given in item 2 (f) the tax rate of 19 % was used.

27) Obligations not given in the balance

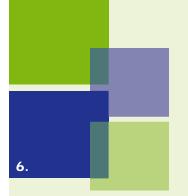
a) The Company concluded following bank guarantees in favour of its suppliers:

Bank	Due date	Currency	Amount in thou- sands of EUR	Amount given in thousands of CZK
COMMERZBANK	2012	CZK		176 700
Total				176 700

The current account credit is secured by Company's non-paid receivables in the level of CZK 518 809 thousand, see the item 21.

28) Important consequent event

As of the date of financial statement compiling the Company has no knowledge on important consequent event that might influence the financial statement as of December 31, 2011.





REPORT OF AN AUDITOR FOR COMPANY'S SHAREHOLDERS



KPMG Česká republika Audit, s.r.o. Pobřežní 648/1a 186 00 Praha 8 Česká republika

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Zpráva nezávislého auditora pro akcionáře společnosti United Energy Trading, a.s.

Účetní závěrka

Na základě provedeného auditu jsme dne 29. května 2012 vydali k účetní závěrce, která je součástí této výroční zprávy, zprávu následujícího znění:

"Provedli jsme audit přiložené účetní závěrky společnosti United Energy Trading, a.s., tj. rozvahy k 31. prosinci 2011, výkazu zisku a ztráty za rok 2011 a přilohy této účetní závěrky, včetně popisu použitých významných účetních metod a ostatních doplňujících údajů. Údaje o společnosti United Energy Trading, a.s. jsou uvedeny v bodě 1 přílohy této účetní závěrky.

Odpovědnost statutárního orgánu účetní jednotky za účetní závěrku

Statutární orgán společnosti United Energy Trading, a.s. je odpovědný za sestavení účetní závěrky, která podává věrný a poctivý obraz v souladu s českými účetními předpisy, a za takový vnitřní kontrolní systém, který považuje za nezbytný pro sestavení účetní závěrky tak, aby neobsahovala významné nesprávnosti způsobené podvodem nebo chybou.

Odpovědnost auditora

Naší odpovědností je vyjádřit na základě provedeného auditu výrok k této účetní závěrce. Audit jsme provedli v souladu se zákonem o auditorech, Mezinárodními auditorskými standardy a souvisejícími aplikačními doložkami Komory auditorů České republiky. V souladu s těmito předpisy jsme povinni dodržovat etické požadavky a naplánovat a provést audit tak, abychom získali přiměřenou jistotu, že účetní závěrka neobsahuje významné nesprávnosti.

Audit zahrnuje provedení auditorských postupů, jejichž cílem je získat důkazní informace o částkách a skutečnostech uvedených v účetní závěrce. Výběr auditorských postupů závisí na úsudku auditora, včetně vyhodnocení rizik, že účetní závěrka obsahuje významné nesprávnosti způsobené podvodem nebo chybou. Při vyhodnocování těchto rizik auditor posoudí vnitřní kontrolní systém, který je relevantní pro sestavení účetní závěrky podávající věrný a poctivý obraz. Cílem tohoto posouzení je navrhnout vhodné auditorské postupy, nikoli vyjádřit se kúčinnosti vnitřního kontrolního systému účetní jednotky. Audit též zahrnuje posouzení vhodnosti použitých účetních metod, přiměřenosti účetních odhadů provedených vedením i posouzení celkové prezentace účetní závěrky.

Jsme přesvědčeni, že získané důkazní informace poskytují dostatečný a vhodný základ pro vyjádření našeho výroku.

KPMG Ceska republika Audit, s.r.o., a Czech limited liability company is member firm of the KPMG network of independent member firms affilia with KPMG International Cooperative (KPMG International), a Swiss ent Obchodní rejstřík vedený Městským soudem v Praze oddí C. vložka 24185 IČ 49619187 DIČ C2698001996

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Výrok auditora

Podle našeho názoru účetní závěrka podává věrný a poctivý obraz aktiv a pasiv společnosti United Energy Trading, a.s. k 31. prosinci 2011 a nákladů, výnosů a výsledku jejího hospodaření za rok 2011 v souladu s českými účetními předpisy."

Zpráva o vztazích

Provedli jsme ověření věcné správnosti údajů uvedených ve zprávě o vztazích mezi propojenými osobam společnosti United Energy Trading, a.s. za rok končící 31. prosincem 2011. Za sestavení této zprávy o vztazích a její věcnou správnost je odpovědný statutární orgán společnosti. Naší odpovědností je vydat na základě provedeného ověření stanovisko k této zprávě o vztazích.

Ověření jsme provedli v souladu s auditorským standardem č. 56 Komory auditorů České republiky. Tento standard vyžaduje, abychom plánovali a provedli ověření s cílem získat omezenou jistotu, že zpráva o vztazích neobsahuje významné věcné nesprávnosti. Ověření je omezeno především na dotazování pracovníků společnosti a na analytické postupy a výběrovým způsobem provedené prověření věcné správnosti údajů. Proto toto ověření poskytuje nižší stupeň jistoty než audit. Audit zprávy o vztazích jsme neprováděli, a proto nevyjadřujeme výrok auditora.

Na základě našeho ověření jsme nezjistili žádné skutečnosti, které by nás vedly k domněnce, že zpráva o vztazích mezi propojenými osobami společnosti United Energy Trading, a.s. za rok končící 31. prosincem 2011 obsahuje významné věcné nesprávnosti.

Výroční zpráva

Provedli jsme ověření souladu výroční zprávy s výše uvedenou účetní závěrkou. Za správnost výroční zprávy je odpovědný statutární orgán společnosti. Naší odpovědností je vydat na základě provedeného ověření výrok o souladu výroční zprávy s účetní závěrkou.

Ověření jsme provedli v souladu se zákonem o auditorech, Mezinárodními auditorskými standardy a souvisejícími aplikačními doložkami Komory auditorů České republiky. Tyto standardy požadují, abychom ověření naplánovali a provedli tak, abychom získali přiměřenou jistotu, že informace obsažené ve výroční zprávě, které popisují skutečnosti, jež jsou též předmětem zobrazení v účetní závěrce, jsou ve všech významných ohledech v souladu s příslušnou účetní závěrkou. Jsme přesvědčeni, že provedené ověření poskytuje přiměřený podklad pro vyjádření našeho výroku.

Podle našeho názoru jsou informace uvedené ve výroční zprávě ve všech významných ohledech v souladu s výše uvedenou účetní závěrkou.

V Praze, dne 7. září 2012

KPMG Cola' publika Audit. KPMG Česká republika Audit, s.r.o.

Oprávnění číslo 71

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ČLEN SKUPINY EP ENERGY