

# ANNUAL REPORT 2010



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## LETTER FROM THE GENERAL MANAGER

**Dear Ladies and Gentlemen,**

**allow me to make you acquainted with the business activities of United Energy Trading, a.s. in the elapsed year 2010 and with the intentions of our Company for 2011 at the same time.**

2010 was the most successful year in the history of our Company. We increased the market share in power supplies and the gas supplies as well to final customers.

We finished the 2010 with the best economic result in the company's history ever which is connected to carefully prepared strategy of caring about our customers, with optimizing our business position and increased natural gas supplies. We have created a professionally skilled and trained team of trading managers and their primary goal is to meet the customers' needs and to look for chances to reduce their expense with the utilized energy. The number of members in our trading team has increased because of our successful expansion to the power market.

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 2010 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 2011 to stabilize the market portfolio for bulk customers and to extend the number of takeoff points in the HOME segment within our aimed marketing campaign. During 2011 the natural gas sale should start in this segment as well.

In connection to the increased number of takeoff points higher requirements will arise to the service quality to customers. In mid of 2011 we are starting a Call Centre operation and a new customer information system enabling the required standard of customer attending,

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, 2011

**František Čupr,**  
**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 2010*

United Energy Trading, a.s. had the revenues almost CZK 7.9 billion for the accounting period of 2010 which means CZK 3.6 billion higher than in the previous year. The annual revenue plan was exceeded a great deal. The economic result before tax was CZK 227.8 million as compared to CZK 155.5 million in the previous year and the planned values were also exceeded.

### *Main Business Activities for 2010*

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 2010 in technical units reached 1 294 GWh in the Czech Republic and 168 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, with the seat of business in Bratislava – Lamačská cesta 3, Post Code 811 04, Slovak Republic, Registration No. 36682071.

In 2010 United Energy Trading a.s. supplied more than 1 706 GWh of natural gas to final customers in the Czech Republic which represents almost a four-time-increase as compared to the previous year.

### *Future Development*

In 2010 the Company will focus on extending the existing portfolio natural gas and power customers. At the same time establishing of a Call Centre is planned in order to increase the quality of meeting needs of customers and to implement a new information system which should increase the quality and speed 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-law relations*

The Company always takes in account the environmental handling expendable supplies. The labour-law relations follow the Labour Code.

## REPORT ON RELATIONS BETWEEN CONNECTED ENTITIES

### *I. The controlled entity*

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 **United Energy, a s.**, with registered office in Most, Komořany, Teplárenská 2, Post Code 434 03,, Registration No. 27309959, registered on 7 December 2006 in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section B, File No. 1722.

#### *b) indirectly controlling entities*

In the period of time 1 January 2010 until 31 December 2010 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. Other entities controlled by the same controlling person*

**In the period of time 1 January 2010 to 31 December 2010** the entities being indirectly controlled by the controlling entity Energetický a průmyslový holding, a.s. to which the indirectly controlling entity exerted directly or indirectly the decisive or essential influence were:

Trading company Czech **Energy Holding, a. s.**, with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27166511, registered on 12 July 2004 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 9447,

Trading company **EP Energy, a. s.**, with the 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; in the period of time 16 December 2010 until 31 December 2010.

Trading company **AISE, s.r.o.** with the registered office in Zlín, Pekárenská 400, Post Code 760 01, Registration No. 63472651, registered on 25 July 1995 in the Commercial Register maintained by the Regional Court in Brno, Section C, File No. 20122.

Trading company **Honor Invest, a.s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27145565, registered on 26 April 2004 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 9306.

Trading company **Pražská teplárenská Holding a. s.**, with the registered office in Prague 7, Partyzánská 1, Post Code 170 00, Registration No. 26416808, registered on 07 December 2000 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 6889; in the period of time 20 September 2010 until 31 December 2010.

Trading company **Pražská teplárenská a. s.**, with the registered office in Prague 7, Partyzánská 1/7, Post Code 170 00, Registration No. 45273600, registered on 01 May 1992 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 1509; in the period of time 20 September 2010 until 31 December 2010.

Trading company **TERMONTA PRAHA a. s.**, with the registered office in Prague 10, Třebohostická 46/11, Post Code 100 00, Registration No. 47116234, registered on 14 January 1993 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 1846; in the period of time 20 September 2010 until 31 December 2010.

Trading company **Energotrans, a. s.**, with the registered office in Prague 7, Partyzánská 1/7, Post Code 170 00, Registration No. 47115726, registered on 30 November 1992 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 1784; in the period of time 20 September 2010 until 31 December 2010.

Trading company **Teplo Neratovice, spol. s r.o.**, with the registered office in Neratovice, Školní 162, Post Code 277 11, Registration No. 49827316, registered on 21 December 1994 in the Commercial Register maintained by the Municipal Court in Prague, Section C, File No. 34074; in the period of time 20 September 2010 until 31 December 2010.

Trading company **První energetická a.s.** with the registered office in Prague 1, Klimentská 1216/46, Post Code 110 02, Registration No. 61860948, registered on 3 February 1995 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 3005.

Trading company **EVO - Komořany, a. s.** with registered office in Most, Komořany, Teplárenská 2, Post Code 434 01,, Registration No. 28735161, registered on 27 November 2010 in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section B, File No. 2158; in the period of time 27 November 2010 until 31 December 2010.

Trading company **Severočeská teplárenská, a. s.** with registered office in Most, Komořany, Teplárenská 2, Post Code 434 03,, Registration No. 28733118, registered on 30 October 2010 in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section B, File No. 2153; in the period of time 30 October 2010 until 31 December 2010.

Trading company **United Energy Moldova, s.r.o.** with the registered office in Most-Komořany Teplárenská 2, Post Code 434 03, Registration No. 64650201, registered on 1 January 1996 in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section C, File No. 10121.

Trading company **EKY III, a. s.**, with the registered office in Most, Komořany, Teplárenská 2, Post Code 434 03, Registration No. 27320430, registered on 10 May 2007 in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section B, File No. 1769.

Trading company **United Energy Invest, a. s.**, with the registered office in Most, Komořany, Teplárenská 2, Post Code 434 03, Registration No. 27320413, entered on 10 May 2007 in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section B, File No. 1768

Trading company **United Energy Coal Trading, a. s.**, with the registered office in Most, Komořany, Teplárenská 2, Post Code 434 03, Registration No. 28680391, registered on 20 November 2008 in the Commercial Register of the Regional Court in Ústí nad Labem on 29 November 2008, Section B, File No. 1993.

Trading company **United Energy, a. s.** with registered office in Most, Komořany, Teplárenská 2, Post Code 434 03,, Registration No. 27309959, registered on 7 December 2006 in the Commercial Register maintained by the Regional Court in Ústí nad Labem, Section B, File No. 1722.

Trading company **PRVNÍ MOSTECKÁ, a. s.**, with the registered office in Most, Stavbařů 32, Post Code 434 01, Registration No. 60281057, entered to the Commercial Register of the Regional Court in Ústí nad Labem on 16 May 1994, Section B, File No. 562.

**NADACE STUDENT**, with the registered office in Most, Stavbařů 32, Post Code 434 01, Registration No. 65660200, , registered in the Foundation Register of the Regional Court in Ústí nad Labem on 2 November 1998, Section N, File No. 1.

**Nadační fond pro rozvoj vzdělání**, with the registered office in Most-Komořany Teplárenská 2, Post Code 434 03, Registration No. 65660692, registered on 1 December 1998 in the Foundation Register maintained by the Regional Court in Ústí nad Labem, Section N, File No. 16.

Trading company **Plzeňská energetika a.s.** with the registered office in Plzeň, Tylova 1/57, Post Code 316 00, Registration No. 27411991, registered on 2 January 2006 in the Commercial Register maintained by the Regional Court in Plzeň, Section B, File No. 1525.

Trading company **Czech Wind Holding, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27567320, registered on 13 June 2006 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 10854; in the period of time 01 September 2010 until 31 December 2010.

Trading company **Greeninvest Energy, a. s.** with the registered office in Mladá Boleslav, Českobratské náměstí 1321, Post Code 293 01, Registration No. 27147215, registered on 12 May 2004 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 9322; in the period of time 02 November 2010 until 31 December 2010.

Trading company **POWERSUN, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27606554, registered on 13 October 2006 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 11158; in the period of time 01 September 2010 until 31 December 2010.

Trading company **VTE Pchery, s.r.o.** with the registered office in Prague 8, Karlín, Pobřežní 297/14, Post Code 186 00, Registration No. 27365433, registered on 26 July 2005 in the Commercial Register maintained by the Municipal Court in Prague, Section C, File No. 108670; in the period of time 01 September 2010 until 31 December 2010.

Trading company **MR TRUST, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 25619098, registered on 27 October 1997 in the Commercial Register maintained by the Municipal Court in Prague, Section C, File No. 55313; in the period of time 01 September 2010 until 31 December 2010.

Trading company **VTE Pastviny, s.r.o.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27390039, registered on 24 October 2005 in the Commercial Register maintained by the Municipal Court in Prague, Section C, File No. 110366; in the period of time 01 September 2010 until 31 December 2010.

Trading company **VTE Moldava, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27922910, registered on 09 July 2007 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 12086; in the period of time 01 September 2010 until 31 December 2010.

Trading company **ROLLEON a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27867412, registered on 28 February 2007 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 11639.

Trading company **ENERGZET a.s.** with the registered office in Brno, Jedovnická 2a No. 4303, District Brno-City, Post Code 628 00, Registration No. 63483823, registered on 1 January 1996 in the Commercial Register maintained by the Regional Court in Brno, Section B, File No. 1761.

Trading company **Andelta, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27719951, registered on 06 August 2010 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 16395; in the period of time 23 September 2010 until 31 December 2010.

Trading company **EPH Financing I, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 24788040, registered on 29 December 2010 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 16809; in the period of time 03 November 2010 until 31 December 2010.

Trading company **EPH Financing II, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 24788376, registered on 29 December 2010 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 16812; in the period of time 03 November 2010 until 31 December 2010.

Trading company **EBEH Opatovice, a. s.** with the registered office in Opatovice nad Labem, Post Code 532 13, Registration No. 45534292, registered on 01 May 1992 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section B, File No. 584; in the period of time 31 October 2010 until 31 December 2010.

Trading company **Elektrárny Opatovice, a. s.** with the registered office in Opatovice nad Labem, Post Code 532 13, Registration No. 28800621, registered on 01 August 2010 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section B, File No. 2940; in the period of time 31 October 2010 until 31 December 2010.

Trading company **REATEX a. s.** with the registered office in Hradec Králové, Na Rybárně 1519, Post Code 500 02, Registration No. 60917865, registered on 06 March 1995 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section B, File No. 1201; in the period of time 31 October 2010 until 31 December 2010.

Trading company **EOP & HOKA s.r.o.** with the registered office in Pardubice, areál elektrárny Opatovice nad Labem, Post Code 532 13, Registration No. 49815172, registered on 21 October 1993 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section C, File No. 5169; in the period of time 31 October 2010 until 31 December 2010.

Trading company **V A H O s.r.o.** with the registered office in Pardubice, areál elektrárny Opatovice nad Labem, Post Code 532 13, Registration No. 64792030, registered on 11 March 1996 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section C, File No. 9730; in the period of time 31 October 2010 until 31 December 2010.

Trading company **NPTH, a.s.** with the registered office in Opatovice nad Labem, Pardubice 2, , Post Code 532 13, Registration No.28800648, registered on 01 August 2010 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section B, File No. 2939; in the period of time 31 October 2010 until 31 December 2010.

Trading company **EP Investment Advisors, s.r.o.** (former J & T Investment Advisors, s.r.o. with the registered office in Prague 8, Pobřežní 14, Post Code 186 00), with the registered office in Prague 1, Josefov, Pařížská 130/26, Post Code 110 00, Registration No. 26687259, registered on 3 April 2002 in the Commercial Register maintained by the Municipal Court in Prague, Section C, File No. 87354.

Trading company **BAULIGA, a.s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27151191, registered on 17 May 2004 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 93046.



Trading company **SOR Libchavy spol. s r.o.** with the registered office in Libchavy No. 48, District of Ústí nad Orlicí, Post Code 561 16, Registration No. 15030865, registered on 6 December 1991 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section C, File No. 1194.

Trading company **Českomoravský uzenářský holding, a.s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 27444759, registered on 21 April 2006 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 10676.

Trading company **KMOTR – Masna Kroměříž a.s.** with the registered office in Kroměříž, Hulínská 2286, Post Code 767 60, Registration No. 25570765, registered on 26 July 1999 in the Commercial Register maintained by the Regional Court in Brno, Section B, File No. 3015; in the period of time 01 January 2010 until 03 May 2010.

Trading company **Krahulík-MASOZÁVOD Krahulčí a.s.** with the registered office in Krahulčí, District of Jihlava, Post Code 588 56 Telč, Registration No. 25586823, registered on 1 February 2000 in the Commercial Register maintained by the Regional Court in Brno, Section B, File No. 3202; in the period of time 01 January 2010 until 03 May 2010.

Trading company **SERW, spol. s r.o.**, with the registered office in Starý Plzeňec – Sedlec 42, Post Code 332 02, Registration No. 46882308, registered on 18 December 1992 in the Commercial Register maintained by the Regional Court in Plzeň, Section C, File No. 2558.

Trading company **První brněnská strojírna, a.s.** with the registered office in Brno, Hlinky 510/110, , Post Code 603 00, Registration No. 00211281, registered on 1 December 1990 in the Commercial Register maintained by the Regional Court in Brno, Section B, File No. 166.

Trading company **Energetické montáže Holding a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 26975491, registered on 18 July 2005 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 10243.

Trading company **MSEM a.s.** with the registered office in Frýdek-Místek, Collo louky 126, Post Code 738 02, Registration No. 64610080, registered on 2 January 1996 in the Commercial Register maintained by the Regional Court in Ostrava, Section B, File No. 1197.

Trading company **VČE – montáže, a.s.** with the registered office in Pardubice, Arnošta z Pardubic 2082, Post Code 531 17, Registration No. 25938746, registered on 1 July 2000 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section B, File No. 2066.

Trading company **SEG s.r.o.** with the registered office in Plzeň, Skladová 4, District Plzeň-City, Post Code 326 00, Registration No. 46883657, registered on 21 October 1992 in the Commercial Register maintained by the Regional Court in Plzeň, Section C, File No. 2665.

Trading company **MONTPROJEKT a.s.** (former KONNATE, a.s., with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00), with the registered office in Frýdek-Místek, Collo louky 126, Post Code 738 01, Registration No. 28494032, registered on 05 December 2008 in the Commercial Register maintained by the Regional Court in Ostrava, Section B, File No. 4371.

Trading company **ENV HOLDING, a. s.** with the registered office in Prague 8, Pobřežní 297/14, Post Code 186 00, Registration No. 28193385, registered on 21 November 2007 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 12787.

Trading company **EGEM s.r.o.** with the registered office in České Budějovice, Novohradská 736/36, Post Code 370 08, Registration No. 63886464, registered on 8 November 1995 in the Commercial Register maintained by the Regional Court in České Budějovice, Section C, File No. 5612.

Trading company **PROFI-ELRO s.r.o.** with the registered office in Pardubice, Teplého 2688, Post Code 530 02, Registration No. 49285203, registered on 13 May 1993 in the Commercial Register maintained by the Regional Court in Hradec Králové, Section C, File No. 4400.

Trading company **ED HOLDING, a. s.** with the registered office in Prague 8, Pobřežní 279/14, Post Code 186 00, Registration No. 28364457, registered on 28 March 2008 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 14128; in the period of time 31 December 2010 until 31 December 2010.

Trading company **EŽC a. s.** with the registered office in Prague 4, Nusle, náměstí Hrdinů 1693/4a, Post Code 140 00, Registration No. 24721166, registered on 09 August 2010 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 16405; in the period of time 31 December 2010 until 31 December 2010.

Trading company **Elektrizace železnic Praha a. s.** with the registered office in Prague 4, Nusle, náměstí Hrdinů 1693/4a, Post Code 140 00, Registration No. 47115921, registered on 31 December 1992 in the Commercial Register maintained by the Municipal Court in Prague, Section B, File No. 1809; in the period of time 31 December 2010 until 31 December 2010.

Trading company **TRAMO RAIL a. s.** with the registered office in Olomouc, Železniční 547/4, Post Code 772 00, Registration No. 25369610, registered on 02 April 1997 in the Commercial Register maintained by the Municipal Court in Ostrava, Section B, File No. 1614; in the period of time 31 December 2010 until 31 December 2010.

#### **IV. Contracts concluded with connected entities during the last accounting period.**

During the accounting period of 2010 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 15 September 2010 there was concluded a contract with United Energy a.s. regarding a subcontract. The subject of the contract is an agreement of contracting parties on rights and certification of qualifications required by the buyer for a public tender - power supply.
- (2) On 19 December 2010 there was concluded a Contract on Credit with Energetický a průmyslový holding a.s. The subject of the contract is providing a credit and an agreement on an interest or possible other payments
- (3) On 10 December 2010 there was concluded a Contract on Credit with Energetický a průmyslový holding a.s. The subject of the contract is providing a credit frame, an agreement on an interest or possible other payments
- (4) On 25 October 2010 there was concluded a Contract on Credit with Energetický a průmyslový holding a.s. The subject of the contract is providing a credit and an agreement on an interest or possible other payments
- (5) On 30 December 2010 there was concluded a Contract on Credit Conditions between Energetický a průmyslový holding a.s. and EP Energy, a.s. The subject of the contract is transferring a credit obligation behind the newly established company EP Energy, a.s.
- (6) On 22 October 2010 there was concluded a Contract on Covering Cost Part with Energetický a průmyslový holding a.s. The subject of the contract is covering the cost part specified in a list.
- (7) On 27 September 2010 there was concluded a Contract on Providing Consulting Aid with J&T Investment Advisor, s.r.o. (nowadays EP Investment Advisors, s.r.o) The subject of the contract is co-operation of contracting parties at consulting and other services.

- (8) On 08/12/2009 there was concluded a contract on combined services of electrical power supply for a customer from low-voltage grid with Elektrizace železnic Praha a.s. for 2010. The subject of the contract is providing electrical power supply to agreed take over terminals. The contract was concluded for a unlimited period of time.

#### ***V. 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.

#### ***VI. 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 to the benefit or at the impetus of a directly or indirectly controlling entity or entity controlled by the same controlling entity.

#### ***VII. 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	11 307	
United Energy,a.s.	Provision of IT/AS services		240
SERW, spol. s r.o.	Power supply	4 142	
	Natural gas supply	3 907	
<b>Total SERW, spol. s r.o.</b>		<b>8 049</b>	
SOR Libchavy spol. s r.o.	Natural gas supply	4 704	
Elektrizace železnic Praha, a.s.	Power supply	1 675	
	Natural gas supply	3 890	
<b>Total Elektrizace železnic Praha, a.s.</b>		<b>5 565</b>	
POWERSUN, a.s.	Power supply	123	
Plzeňská energetika	Natural gas supply	2 359	
VTE Pchery s.r.o.	Power supply	332	
MSEM a.s.	Natural gas supply	716	
ENERGZET, a.s.	Dealing services		21 007
EP Investment Advisors, s.r.o.	Providing consulting		4 000
EP Energy, a.s.	providing credit - interests	778	
Energetický a průmyslový holding, a.s.	Financial statement audit		340
První energetická a.s.	Providing services of commercial control	4 000	
	Power supply	260 696	
	Deviation sale	2 220	
	Rent of non-residential premises	135	
	Power purchase		2 347 034
	Deviation purchase		31 833
	TDD deviation purchase		9 743
	Rent of non-residential premises		410
	Accounting of real traded MWh		2 545
	Payment for daily capacities reservation (profiles)		17
<b>Total První energetická a.s.</b>		<b>267 051</b>	<b>2 391 582</b>

### **VIII. 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.

### **IX. 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 was 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 31, 2011

.....  
**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 2010.**

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 2010 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, 2011

**Marek Janča**  
**Chairman of the Supervisory Board**

## FINANCIAL STATEMENTS ACCORDING TO CZECH ACCOUNTING STANDARDS

*Balance sheet in a full scope as of 31.12.2010 (in thousands CZK)*

Name a	ASSETS b	Current accounting period		Previous period		
		Gross 1	Correction 2	Net 3	Net 4	
	<b>TOTAL ASSETS</b>	<b>1 508 792</b>	<b>-8 350</b>	<b>1 500 422</b>	<b>868 887</b>	
B.	Fixed assets	10 915	-4 005	6 910	1 373	
	I.	Intangible fixed assets	8 429	-3 825	4 604	1 359
	1.	Incorporation expenses	252	-252		42
	3.	Software	4 077	-3 573	504	1 267
	7.	Advance payments for tangible fixed assets	4 100		4 100	50
	II.	Tangible fixed assets	2 486	-180	2 306	14
	3.	Individual movables and movable sets (units)	338	-180	158	14
	7.	Tangibles in progress	2 148		2148	
C.	Current assets	1 483 296	-4 345	1 478 951	856 287	
	II.	Long-term receivables	100 649		100 649	
		Receivables - controlling entity	100 649		100 649	
	III.	Short-term receivables	1 217 373	-4 345	1 213 028	688 352
	1.	Trade receivables	889 989	-4 345	885 644	440 263
	2.	Receivables - controlling entity	100 067		100 067	
	6.	Receivables from enterprises with controlling influence	22 190		22 190	7 464
	7.	Receivables from enterprises with substantial influence	110 736		110 736	91 448
	8.	Other receivables	16 237		16 237	510
	9.	Other receivables	78 154		78 154	148 667
	IV.	Financial assets	165 274		165 274	167 935
	1.	Cash	57		57	104
	2.	Bank accounts	165 217		165 217	167 831
D.	I.	Temporary accounts of assets	14 581		14 581	11 227
	1.	Prepaid expenses	4 105		4 105	2 874
	3.	Unbilled revenue	10 476		10 476	8 353

Name a			Liabilities b	Current account- ing period	Previous accounting period
				5	6
			<b>TOTAL LIABILITIES</b>	<b>1 500 442</b>	<b>868 887</b>
A.			Equity	425 471	203 544
	I.		Registered capital	15 000	15 000
		1.	Registered capital	15 000	15 000
	II.		Capital funds		5 273
		3.	Gains or losses from revulsion of assets		5 273
	III.		Funds created from net profit	3 116	3 116
		1.	Legal reserve fund	3 116	3 116
	IV.		Profit (loss) of previous years	180 155	57 903
		1.	Retained earnings of previous years	181 455	59 203
		2.	Retained losses from previous years	-1 300	-1 300
	V.		Profit (loss) of current accounting period	227 200	122 252
B.			Not own capital	1 049 940	659 500
	I.		Reserves	50 579	33 238
		3.	Reserves for income tax	50 579	33 238
	II.		Other reserves	29	1 251
		9.	Other obligations	14	9
		10.	Deferred tax obligation	15	1 242
	III.		Short-term payables	831 293	538 090
		1.	Trade payables	684 509	430 231
		5.	Payables to employees	7 454	1 389
		6.	Payables to social security and health insurance	2 803	672
		7.	Due to state-taxes and subsidies	39 315	11 705
		8.	Short-term advances received	49 581	48 716
		10.	Contingencies loss	46 975	45 324
		11.	Other payables	656	53
	IV.		Bank loans	168 039	86 921
		2.	Short-term bank loans	168 039	86 921
C.	I.		Accruals	25 031	5 843
		1.	Accrued expenses	24 760	5 843
		2.	Deferred income	271	



**Profit and Loss Statement in a Full Scope for the Year Ending at 31 December 2010**  
(in thousands CZK)

Name a		Profit and Loss Statement b	Real figures in accounting period	
			Current account- ing period	Previous account- ing period
	I.	Revenues from goods sold	7 854 122	4 253 314
A.		Cost of goods sold	7 348 874	4 083 164
	+	Gross margin	505 248	170 150
	II.	Production	4 210	4 000
	II.1.	Revenues from own products and services	4 210	4 000
B.		Consumption from operation	201 767	37 565
B.1.		Materials and energy consumption	5 957	1 175
B.2.		Services	195 810	36 390
	+	Value added	307 691	136 585
C.		Personnel expenses	27 610	14 826
C.1.		Wages and salaries	20 911	10 650
C.2.		Bonuses to members of executive bodies of companies and coop.	229	229
C.3.		Social security and health insurance expenses	5 910	3 465
C.4.		Social expenses	560	482
D.		Taxes and fees	26	68
E.		Depreciation of intangible and tangible fixed assets	906	875
	III.	Revenues from intangible and tangible assets and material sold		388
	III.1	Revenues from intangible and tangible assets sold		388
F.		Net book value of intangibles, tangibles and material sold		2
F.1.		Net book value of intangible and tangible assets sold		2
G.		Changes in reserves and provisions relating to operations and prepaid expenses (specific-purpose expenses)	274	4 015
	IV.	Other operating revenues	102 775	26 919
H.		Other operating expenses	115 789	36 507
	*	Operating profit (loss)	265 862	107 599
K.		Cost of financial assets		
	IX.	Revenues from revaluation of securities and derivatives	42 588	72 656
L.		Cost of revaluation of securities and derivatives	29 017	26 266
	X.	Revenues from other financial investments	2 787	1 639
N.		Interest paid	1 209	2 166
	XI.	Other financial revenues	104 769	81 171
O.		Other financial expenses	107 946	79 091
	*	Net result from financial activities	11 972	47 943
Q.		Income tax on ordinary income	50 633	33 290
	1.	- Due	50 623	33 293
	2.	- Deferred	10	-3
	**	Net result after taxes from normal activities	227 000	122 252
	***	Net profit (loss) of current accounting period (+/-)	227 200	122 252
	****	Result of operations before tax	277 833	155 542

## Annex to the Financial Statement in Full Scope as of 31 December 2010

### 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 as of December 31, 2010 is:

United Energy, a.s.  
 Teplárenská 2  
 Most, Komořany  
 Czech Republic

#### Company’s seat ob business

United Energy Trading, a.s.  
 Klimentská 1216/46  
 Prague 1  
 Czech Republic

#### Registration number

27386643

#### Members of the Board of Directors and of the Supervisory Board as of 31/12/201

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

#### Changes in the Commercial Register

- On April 20, 2010 Jana Cejpková finished her membership in the Board of Directors. On April 31, 2010 Markéta Malinová was appointed to her position. The change was entered to the Commercial Register on May 27, 2010
- On September 22, 2010 the Board of Directors membership ceased to exist for Jan Mašinda and Petr Janík. On September 22, 2010 František Čupr and Petr Švec were appointed to their positions. The change was entered to the Commercial Register on November 9, 2010
- On September 22, 2010 the Supervisory Board membership ceased to exist for Petr Švec and Jiří Nováček was appointed to his position.
- On November 3, 2010 the surname change of Lenka Dostálová was changed to Lenka Marečková in the Commercial Register

- In September 2010 the share form was changed from the bearer shares to registered shares. The nominal share value remained unchanged.
- On September 22, 2010 the change of the company's seat was entered. The original company's seat was Washingtonova 17, Prague 1.

### Organisational unit

The Company has an organisational unit in Slovakia with the seat of business at Lamačská cesta 3, 841 04 Bratislava 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, 2010

### 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 is not recorded in the balance sheet but it is 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.

#### Reserves

The Company creates a reserve to income tax because of the fact the financial statement time precedes the time of tax duty specification. The Company dissolves the reserve and accounts the found out tax duty.

The advance payments to the income tax are given separately in the balance in the item Due from state – tax lien

### c) Foreign currency conversion

Transactions performed in foreign currencies are converted and accounted 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
<b>Purchase price</b>				
Balance as of 01/01/2010	252	3 999	50	4 301
Accruals	--	28	4 100	4 128
Decrement	--	--	--	--
Abandonment	--	50	-50	--
Balance as of 31/12/2010	252	4 077	4 100	8 429
<b>Adjustments</b>				
Balance as of 01/01/2010	-210	-2 732	--	-2 942
Depreciation	-42	-841	--	-883
Adjustment to decrement	--	--	--	--
Abandonment	--	--	--	--
Balance as of 31/12/2010	-252	-3 573	--	-3 825
<b>Net book value as of 01/01/2010</b>	<b>42</b>	<b>1 267</b>	<b>50</b>	<b>1 359</b>
<b>Net book value as of 31/12/2010</b>	<b>--</b>	<b>504</b>	<b>4 100</b>	<b>4 604</b>

In 2010 the Company invested CZK 4 100 thousand to purchasing a new SAP software which is accounted on Intangible investment account by December 31, 2010. The planned commissioning is July 2011.

#### b) Long-term tangible assets

	Purchase expenses	Non-finished long-term intangible assets	Total
<b>Purchase price</b>			
Balance as of 01/01/2010	171	--	171
Accruals	167	2 148	2 315
Decrement	--	--	--
Abandonment	--	--	--
Balance as of 31/12/2010	338	2 148	2 486
<b>Adjustments</b>			
Balance as of 01/01/2010	-157	--	-157
Depreciation	-23	--	-23
Adjustment to decrement	--	--	--
Abandonment	--	--	--
Balance as of 31/12/2010	-180	--	-180
<b>Net book value as of 01/01/2010</b>	<b>14</b>	<b>--</b>	<b>14</b>
<b>Net book value as of 31/12/2010</b>	<b>158</b>	<b>2 148</b>	<b>2 306</b>

#### 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 were CZK 1 080 thousand (2009 – CZK 520 thousand)

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

In accordance with the according 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 2010 the Company moved to new premises. The furnishing in the rented premises accounted directly to costs was CZK 4 079 thousand. The total purchase value of these long-term tangible and intangible assets which is still in use is as follows:

	Residual balance as of 31/12/2010	Residual balance as of 31/12/2009
Long-term tangible assets	4 633	419
Long-term intangible assets	67	-

#### 6) Receivables and obligations from commercial activities

- a) **Short-term receivables from commercial activities** are CZK 889 989 thousand (2009 – CZK 444 334 thousand) of which CZK 71 226 (2009 – CZK 61 457 thousand) represent due receivables. The adjustment to uncertain receivables was CZK 4 345 thousand (2009 – CZK 4 071 thousand) as of December 31, 2010.
- b) **Short-term obligations from commercial activities** represent CZK 684 509 thousand (2009 – CZK 430 231 thousand) of which CZK 27 819 thousand (2009 – CZK 3 270 thousand) represent due obligations.

#### 7) 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 3 114 thousand, i.e. CZK 78 024 (2009 – EUR 2 419 thousand or CZK 64 007 thousand) provided for trading in the Company's name at the Power Stock Exchange in Prague ("PXE").

The provided short-term advance payments represent the paid advance payments for power and natural gas distribution in the level of CZK 18 805 thousand (2009 – CZK 27 331 thousand) and provided a trading deposit in the level of CZK 13 290 thousand (2009 - CZK 0 thousand).

#### 8) Contingencies - gain

The contingencies - gain represent especially the possibility for non-invoiced gas distribution and supply for 2010 in the total value of CZK 14 113 thousand (2009 - CZK 510 thousand)

## 9) Other receivables

	Residual balance as of 31/12/2010	Residual balance as of 31/12/2009
Deposited finance for re-evaluation of PXE trades	32 172	125 935
Re-evaluation of securing derivatives to a real value	--	6 510
Re-evaluation of financial derivatives to a real value	45 825	15 822
Other	157	400
Other short-term receivables - Total	78 154	148 667

The deposited finance represents EUR 1 284 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 foreign currency	Real value as of 31/12/2009 in thousands CZK
29 put options	January 13, 2011 - January 17, 2012	EUR	16 690 000	-4 608
29 call options	January 13, 2011 - January 17, 2012	EUR	16 690 000	8 636
<b>Total</b>				<b>4 030</b>

The Company did not have contracted any options by December 31, 2009.

As of the balancing day the Company used following commercial financial derivatives:

Futures	Due date	Currency	Amount in foreign currency	Real value as of 31/12/2009 in thousands CZK
85 forward EUR purchases	January 3, 2011 – January 19, 2012	EUR	81 280 000	41 583
1 forward CZK purchase	December 26, 2011 - January 3, 2012	CZK	18 505 500	212
<b>Total</b>				<b>41 795</b>

As of December 31, 2009 there were available commercial financial derivatives their total value of which was recorded in the item Other receivables in the level of CZK 15 822 thousand.

### Securing derivatives

As of December 31, 2009 there were available securing derivatives the total real value of which was accounted in Other Receivables in the amount of CZK 6 510 thousand. By January 1, 2010 the Company finished the securing accounting.

### 10) Prepaid expenses

The deferred expenses are comprised of temporary accounts of assets for Company's promoting in the level of CZK 2 333 thousand (2009 – 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 1 772 thousand (2009 – CZK 540 thousand).

### 11) Adjustments

	Adjustment to receivables
Residual balance as of 01/01/2010	4 071
Creation	651
Dissolving / utilization	-377
Residual balance as of 31/12/2012	4 345

### 12) Basic capital

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

### 13) Survey on changes of shareholders' capital

#### a) Survey on changes of shareholders' capital

	Basic capital	Profit from current period	Undis-tributed profit	Law Re-serve fund	Evaluation differences from re-evaluation of assets and obligations	Total
Residual balance as of 01/01/2010	15 000	122 252	57 903	3 116	5 273	203 544
Fund allocations	--	-122 252	122 252	--	--	--
Profit of 2009	--	227 200	--	--	--	227 200
Change of evaluation differences from re-evaluation	--	--	--	--	-5 273	-5 273
Residual balance as of 31/12/2010	15 000	227 200	180 155	3 116	--	425 471

It has not been decided on the profit distribution by the date of the financial statement yet. The profit of 2010 will be transferred to the undistributed profit.



#### Turnover on the account Evaluation differences from re-evaluation of assets and obligations:

Residual balance as of 01/01/2010	5 273
Change of real value of securing derivatives (securing future cash flows)	-5 273
Change of deferred tax connected to the re-evaluation of assets and obligations	--
Residual balance as of 31/12/2010	--

The Company decided during 2010 to finish the securing accounting. All open businesses were completed.

#### 14) Reserves

	Reserve to the income tax
Residual balance as of 01/01/2010	33 238
Creation	50 579
Use	-33 238
Dissolving	--
Residual balance as of 31/12/2010	50 579

The advance payments for the income tax of CZK 22 190 thousand (2009 – CZK 6 649 thousand) are accounted in the item State – tax lien by December 31, 2010.

#### 15) Received short-time advance payments

The received short-time advance payments represent advance payments for power and natural gas sales received from final customers in the level of CZK 49 581 thousand (2009 – CZK 48 716 thousand).

#### 16) Obligations to social security system and to health care insurance

The obligations to social security system and to health care insurance represent CZK 2 803 thousand (2009 – CZK 672 thousand) of which CZK 1 880 thousand (2009 – CZK 417 thousand) represent the obligations to the social security system, CZK 812 thousand (2009 – CZK 187 thousand) represent the obligation to the health care insurance and CZK 111 thousand (2009 – CZK 68 thousand) is the total amount of the insurance for the organisation unit's employee. None of these obligations are overdue.

#### 17) State – tax obligations and subsidies

The tax obligations is CZK 39 315 thousand (2009 – CZK 11 705 thousand) of which CZK 30 001 thousand (2009 – CZK 7 863 thousand) represent the VAT tax obligations and CZK 7 413 thousand (2009 – CZK 3 512 thousand) the environmental taxes and CZK 1 901 thousand (2009 - CZK 330 thousand) other direct taxes and fees. None of these obligations are overdue.

#### 18) Contingencies - loss

The contingencies – loss represent the questioned items for non-invoiced power distribution in the level of CZK 36 500 thousand (2009 – CZK 23 000 thousand) and questioned item to non-invoiced gas of CZK 3 191 thousand (2009 - CZK 158 thousand) and a questioned item for a commission of CZK 6 900 thousand (2009 – CZK 1 472 thousand)

### 19) Other obligations

The Company had still opened following currency swaps:

Financial instrument	Due date	Currency	Amount in foreign currency	Real value by k 31/12/2010 in thousands CZK
1 currency swap EUR	January 25, 2011	EUR	500 000	-13 046
1 currency swap CZK	January 25, 2011	CZK	13 050 000	12 528
<b>Total</b>				<b>518</b>

### 20) Bank credits

	Curren- cy	Residual balance in foreign currency	Interest rate	Credit residue	
				31/12/2010	31/12/2009
Current account	EUR	EUR 6 706 thousand	1 M PRIBOR + 1.14%	168 039	86 921
<b>Total</b>				<b>168 039</b>	<b>86 921</b>

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 200 000 thousand. The credit is for unlimited period of time and it is secured with Company's receivables. The value of pledged receivables is CZK 802 287 thousand as of December 31, 2010.

### 21) Information on earnings

The Company supplies their final customers with two commodities, electrical power and natural gas. The sale of these commodities were in 2010 and 2009 as follows:

	Year	Inland ear- nings	Export		Total
			Slovakia	Austria	
Electrical power	2010	3 140 867	424 568	--	3 565 435
	2009	2 725 840	305 334	--	3 031 174
Natural gas	2010	3 263 792	9 216	1 015 679	4 288 687
	2009	672 907	3 469	545 764	1 222 140
Services	2010	4 210	--	--	4 210
	2009	4 000	--	--	4 000
Total	2010	6 408 869	433 784	1 015 679	7 858 332
	2009	3 402 747	308 803	545 764	4 257 314

## 22) 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 as of December 31		Receivables as of December 31	
	2010	2009	2010	2009
První energetická a.s.	54 776	48 250	379 766	260 144
SOR Libchavy spol. s r.o.	188	--	--	94
POWERSUN a.s.	36	8	--	--
SERW, spol. s r.o.	334	53	--	--
Elektrizace železnic Praha a. s.	338	717	--	--
J & T Investment Advisors, s.r.o.	--	--	4 800	10
United Energy, a.s.	--	--	135	78
PRVNÍ MOSTECKÁ a.s.	1 497	1 451	--	--
Plzeňská energetika, a. s.	56	--	--	--
VTE Pchery, s.r.o.	55	69	--	--
ENERGZET, a. s.	--	--	2 648	--
MSEM, a. s.	14	--	--	--
<b>Total</b>	<b>57 294</b>	<b>50 548</b>	<b>387 349</b>	<b>260 326</b>

Next the Company received a promissory note of CZK 99 854 thousand issued by United Energy, a.s. and non-paid interests of CZK 112 thousand. The note is due in January 2011.

### b) Provided loans

The Company provided a short-term loan to EP Energy, a.s. of CZK 100 000 thousand which is due in January 2011. The Company provided the same connected entity a long-term loan of CZK 100 000 thousand which is due in December 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 7 and 9 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 32 172 thousand (2009 – CZK 125 935 thousand ) or CZK 78 024 thousand (2009 – CZK 64 007 thousand ).

#### d) Transactions with connected entities

	Earnings for		Purchases for	
	2010	2009	2010	2009
První energetická a.s.	267 051	353 254	2 391 582	2 064 645
SOR Libchavy spol. s r.o.	4 704	4 114	--	--
POWERSUN a.s.	123	21	--	--
SERW, spol. s r.o.	8 049	8 303	--	--
Elektrizace železnic Praha a. s.	5 565	819	--	--
J & T Investment Advisors, s.r.o.	--	--	4 000	--
United Energy, a.s.	--	--	240	240
PRVNÍ MOSTECKÁ a.s.	11 307	3 731	--	--
Plzeňská energetika, a. s.	2 359	--	--	--
VTE Pchery, s.r.o.	332	463	--	--
ENERGZET, a. s.	--	--	21 007	--
MSEM, a. s.	716	--	--	--
<b>Total</b>	<b>300 206</b>	<b>370 705</b>	<b>2 416 829</b>	<b>2 064 885</b>

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	
	2010	2009	2010	2009
Number of members	3	3	3	3
Remuneration from activity	180	180	49	49

#### f) Effective concern

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

### 23) Company's staff and management

The average number of workers and management workers and staff expenses for 2010 and 2009:

2010	Staff number	Wages and salaries	Expenses for social security insurance and health care insurance	Social cost
Workers	24	15 607	5 554	559
Management workers	2	5 304	356	--
<b>Total</b>	<b>26</b>	<b>20 911</b>	<b>5 910</b>	<b>559</b>

2009	Staff number	Wages and salaries	Expenses for social security insurance and health care insurance	Social cost
Workers	13	8 531	2 759	482
Management workers	2	2 119	706	--
<b>Total</b>	<b>15</b>	<b>10 650</b>	<b>3 465</b>	<b>482</b>

### 24) 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.

### 25) Income tax

#### a) Due

The due income tax comprises of the tax estimation for the tax period of 2010 in the level of CZK 50 579 thousand (2009 – CZK 33 238 thousand) and the specification of the income tax for 2010 in the level of CZK 44 thousand (2009 – CZK - 55 thousand).

#### b) Deferred tax

Recorded deferred tax lien and obligations

	Tax lien		Tax obligation		Difference	
	2010	2009	2010	2009	2010	2009
Long-term intangible assets	--	--	-15	-5	-15	-5
Re-evaluation of assets and obligations accounted against shareholders' capital	--	--	--	-1 237	--	-1 237
Deferred tax lien /(obligation)	--	--	-15	- 1 242	-15	-1 242

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

## 26) *Obligation not given in the balance*

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

Supplier	Due date	Currency	Amount given in foreign currency in thousands	Amount given in CZK thousands
COMMERZBANK	2011	CZK	--	115 100
COMMERZBANK	2011	EUR	124	3 186
CITIBANK	2011	EUR	60	1 504
<b>Total</b>			<b>184</b>	<b>119 790</b>

The current account credit is secured by Company's non-paid receivables in the level of CZK 802 287 thousand, see the item 20.

## 27) *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, 2010.



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

Telephone +420 222 123 111  
 Fax +420 222 123 100  
 Internet www.kpmg.cz

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

### Účetní závěrka

Na základě provedeného auditu jsme dne 22. dubna 2011 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 2010, výkazu zisku a ztráty za rok 2010 a přílohy 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 I 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*

Naši 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 k účinnosti vnitřního kontrolního systému účetní jednotky. Audit též zahrnuje posouzení vhodnosti použitých účetních metod, přiměřenosti účetních odhadů provedených vedením i posouzení celkové prezentace účetní závěrky.

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

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Ozcho(ní rejistrík vedený)  
 Městským soudem v Praze  
 c.591 C, vložka 24185.

IČ 49619187  
 DIČ CZ609001996



#### Výrok auditora

Podle našeho názoru účetní závěrka podává věrný a poctivý obraz aktiv a pasiv společnosti United Energy Trading, a.s. k 31. prosinci 2010 a nákladů, výnosů a výsledku jejího hospodaření za rok 2010 v souladu s českými účetními předpisy.”

#### Zpráva o vztazích

Provedli jsme ověření věcné správnosti údajů uvedených ve zprávě o vztazích mezi propojenými osobami společnosti United Energy Trading, a.s. za rok končící 31. prosincem 2010. 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 2010 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 s 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 3. srpna 2011

  
KPMG Česká republika Audit, s.r.o.  
Oprávnění číslo 71

  
Ing. Petr Škoda  
Partner  
Oprávnění číslo 1842





**United Energy Trading, a.s.**

Prague 1, Klimentská 1216/46 Post Code 110 02

Registration number: 27386643

Tax registration number: CZ27386643

Telephone: +420/255 707 090

[info@uet.cz](mailto:info@uet.cz)

[www.uet.cz](http://www.uet.cz)