

ANNUAL REPORT 2013

RWE Energo, s.r.o.

Key Ratios (CAS)

	2013
Total sales (CZK m)	658
EBITDA (CZK m)	46
Operating result (CZK m)	(66)
Profit before taxation (CZK m)	(43)
Profit after taxation (CZK m)	(31)
Investments (CZK m)	52
Number of employees (FTE)	86

RWE Energo, s.r.o. is hereinafter also referred to as “the Company” or “RWE Energo”.

Abbreviations

CAS	Czech Accounting Standards
CEO	Chief Executive Officer
CFO	Chief Finance Officer
EBITDA	Earnings before interest, taxes, depreciation, and amortization
SLA	Service level agreement

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1 STATEMENT OF THE STATUTORY DIRECTOR

Ladies and Gentlemen,

The reported year brought a number of changes, some positive, others less so. While the former helped increase sales of heat and electricity, both resulting in sales increase, the latter meant that we had to struggle with declining electricity prices, rising coal purchasing costs, and various other issues, such as problems with the Velké Albrechtice project. In line with previous plans, the Company merged on 1 January 2013 with RWE Plynoprojekt, s.r.o., which ceased to exist as a corporate entity as of that date. The transaction has added to our business portfolio of trigeneration facilities in Prague and Ostrava, three cogeneration units in Prague and Pilsen, and a number of smaller heat plants, one located in the Česká Lípa district and the rest in North Moravia. As a result of the merger, we also took over 19 employees and a network of 10 CNG stations with dynamically growing sales. On 1 January 2013, the sole shareholder exercising the power of the General Meeting appointed the third Statutory Director who also took over the duties of CFO. The Company's organizational structure was modified to adopt the above measures.

In the first half of the year, the Company continued to integrate itself into RWE's corporate structure in the Czech Republic, gradually taking full advantage of the group's internal services in such areas as IT, facility management, and logistics. In May 2013, we joined the group-wide centralized purchasing scheme. Another major event was a change of the business name to RWE Energo, s.r.o. that came into effect on 1 April 2013. The new business name makes it clear that we belong to the RWE Group and also identifies us as an energy corporation, which in line with our mission concentrates on production of heat and electricity and on supply of CNG for the automotive sector. Alongside the changes, our head office was relocated to a new registered address in Prague's district of Prosek in the first week of July. Based on a decision of the sole shareholder, the Company sold its stake in KA Contracting SK, s.r.o. on 30 June 2013.

4 Following intensive negotiations, we renewed a supply contract with the City of Odolená Voda for additional 15 years. Preparations continued for a project involving the reconstruction of the Náchod Heat Plant. The initial technical design was completed, a building permit was secured, and tendering specifications were compiled for the first project stage involving reconstruction of the K4 Boiler. Other ventures in the preparatory stage included a project that will see a cogeneration unit built in the municipality of Beroun. Throughout the reported year, we faced serious problems with the Velké Albrechtice project. Following the bankruptcy of one of the partners who owns land and some of the equipment needed to operate the local biogas station, the company mandating the production ceased to meet its contractual obligations. This resulted in reducing operations of the stations to its minimum during the period from June to early September 2013. Combined with growing input costs, the complications necessitated a creation of provisions for the relevant assets relating to the Velké Albrechtice project. Provisions also had to be created for Company's share in Teplo Rumburk, s.r.o. and unpaid trade receivables from this entity.

In October 2013, the sole shareholder decided to reduce the number of Statutory Directors to two, cancelling the position of the Statutory Director responsible for the Operations Division. The Company's organizational structure was adjusted accordingly. In view of the continuing overall optimization of the RWE Group's operations in the Czech Republic, additional changes are expected in the future.

Future plans include the construction of CNG stations and the exploitation of opportunities to supply heat and electricity, where focus will concentrate on energy produced by cogeneration units. In 2013, preparations began for the building of three CNG stations. Similar projects in other localities are being assessed.

To conclude, I want to thank our customers and business partners for trust and loyalty in the reported year.

I also want to thank all RWE Energo employees for hard work and everyday dedication to our business.



Pavel Bartl

Statutory Director and CEO

2 CORPORATE INFORMATION

2.1 General Information

Business name: RWE Energo, s.r.o.

Registered office: Prosecká 855/68, 190 00 Prague 9 – Prosek

Company No.: 251 15 171

Legal form: Limited Liability Company

Establishment and Incorporation

KA Contracting ČR s.r.o. was established on 21 March 1997. Effective as of 1 January 2013, KA Contracting ČR s.r.o. merged with RWE Plynoprojekt, s.r.o. KA Contracting ČR s.r.o. is the successor company. As part of the in-progress integration of the RWE Group's business in the Czech Republic, the Company was renamed to RWE Energo, s.r.o. effective as of 1 April 2013.

Company Profile

The Company's core business consists of the generation and distribution of heat and electricity, the sale of gas (CNG), and the lease of commercial and residential real estate, including the provision of basic lease-related services.

Organization Units

The Company has no other organizational units in the Czech Republic or abroad.

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2.2 Ownership Structure

As at 31 December 2013, the Company was fully owned by RWE Česká republika a.s., with its registered office at Praha 10 - Strašnice, Limuzská 3135/12, Czech Republic and the ultimate holding company was RWE Aktiengesellschaft (RWE AG), incorporated in Germany.

As at 31 December 2012, the Company was fully owned by RWE Transgas a.s. that changed its business name as at 1 January 2013 to RWE Supply & Trading CZ, a.s. On 29 March 2013, agreement on transfer of ownership interest came into effect. Based on this agreement RWE Česká republika a.s. became the sole shareholder of the Company.

2.3 Statutory and Supervisory Bodies

Statutory Directors

Pavel Bartl

Statutory Director, CEO

Date of birth: 18 March 1965

Education: Czech Technical University, Prague, Faculty of Mechanical Engineering

Other board memberships and commitments: Statutory Director – TEPLO Rumburk, s.r.o.

Other business activities: None

Lukáš Roubíček

Statutory Director, CFO

Born: 25 February 1971

Education: Technical University of Ostrava, Faculty of Economics

Other board memberships and commitments: Deputy Chairman of the Board of Directors – Severomoravská plynárenská, a.s. and Východočeská plynárenská, a.s.

Other business activities: None

Changes in the Company's Statutory Bodies in 2013:

The sole shareholder of RWE Česká republika a.s. called off Viktor Kalina from his position of Statutory Director as of 17 October 2013.

2.4 Persons Responsible for the Annual Report and Audit of the Financial Statements

Auditor and Audit Firm Responsible for Auditing the Financial Statements of RWE Energo for 2013

Audit firm:

PricewaterhouseCoopers Audit, s.r.o.

Hvězdova 1734/2c

140 00 Prague 4

Registered in the Register of Audit Firms

of the Czech Chamber of Auditors, License No. 021

Auditor in charge:

Tomáš Bašta

Statutory Auditor, License No. 1802

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Person Responsible for Accounting

Milan Erhart

Appointed under SLA concluded with RWE Group Business Services CZ, s.r.o.

Persons Responsible for the 2013 Annual Report of RWE Energo

We, the undersigned, hereby affirm that information disclosed in this Annual Report is true and that no facts of material importance have been omitted or misrepresented.



Pavel Bartl

Statutory Director



Lukáš Roubíček

Statutory Director

3 MANAGEMENT REPORT

3.1 Results

Revenues, Expenses, Profit

The Company generated total revenues of CZK 657,785 thousand, partly thanks to the merger of KA Contracting s.r.o. and RWE Plynoprojekt s.r.o that came into effect on 1 January 2013. During the reported accounting period, the Company incurred loss of CZK 31,383 thousand due to posting extraordinary impairment to the tangible fixed assets and receivables relating to the Velké Albrechtice project.

In the course of 2013, the Company sold its share in its subsidiary KA Contracting SK, s.r.o.

Assets and Liabilities

Total assets as at 31 December 2013 amounted to CZK 931,122 thousand.

National merger of the companies KA Contracting ČR s.r.o., as the successor company and RWE Plynoprojekt, s.r.o., which ceased to exist, had especially impact on increase of the net book value of fixed assets and receivables on the side of assets. On the side of liabilities and equity, it caused an increase in equity and short-term liabilities. Preparation of the opening balance sheet as of the date of the merger is described in Note 3 to the Financial Statements prepared as at 31 December 2013, see the Financial part of this Annual Report.

Opposite effect on the amount of total assets at 31 December 2013 was accounting for impairment to fixed assets and receivables relating to the Velké Albrechtice project and development in subsidiary Teplo Rumburk, s.r.o.

Long-term liabilities decreased as a result of the ongoing repayment of a long-term intragroup loan.

Investments

Throughout the reported year, investment projects were executed in accordance with the approved investment plan. Assets with total worth of CZK 52,146 thousand were acquired. The investment plan was not fulfilled completely, and some projects planned for the reported year were postponed to 2014. The bulk of investments went to heat generation and distribution technologies and facilities for the combined generation of heat and electricity.

All investment projects were executed in the Czech Republic and financed fully using the Company's own resources. The Company did not invest into shares and bonds of other issuers.

Financing

Operations and investments were financed continually throughout the reported year. The Company had a sufficient amount of own financial resources and contributed to the RWE Group's cash-pooling arrangement in the Czech Republic.

Risk Management

All risks are recorded in the catalogue of risks. Risk management is primarily the responsibility of the Risk Management Committee, a body composed of the RWE Group's executives that issues recommendations based on which the Board of Directors approves risk management rules and procedures, oversees the risk management process, grants exceptions from risk management rules, and authorizes non-standard payment terms for selected clients.

Research and Development

The Company does not carry out research and development.

3.2 Strategy and Business

The Company's core business consists of building, financing, modernizing, and operating central and local heat distribution systems on the one hand and generating electricity on the other. In addition, the Company distributes compressed natural gas (CNG) for transport purposes.

RWE Energo specializes in comprehensive combined heat and power generation projects that involve the modernization of local and long-distance heating systems and the building of cogeneration units. The installed capacity of the Company's 32 facilities totals 21,916 kW and 332,021 kW as regards the generation of electricity and the production of heat and cooling power, respectively.

The most important projects completed by the Company include a facility in Náchod, where the combined production output totals 17,000 kW of electricity and 115 300 kW of heat and cooling power, a facility in Beroun with an installed capacity of 52,950 kW of heat power, and a facility in Valašské Meziříčí with an installed capacity of 42,200 kW of heat power. Other projects include a facility in Svitavy, East Bohemia with 20,700 kW of heat and cooling power, a facility in Břeclav with a combined installed capacity 520 kW of electricity and 16,800 kW of heat power, and a facility in Rumburk with an installed capacity of 16,000 kW of heat and cooling power. Individual plants are either run by RWE Energo or leased to third parties that operate them under our direct technical supervision and with our financial assistance. Most facilities featuring combined heat and power generation are operated by our own staff.

Another area of our business consists of the lease of profitable facilities with a view to maintaining and further developing their operation. In line with this object, we renewed a contract to operate the heat distribution network in Odolená Voda for another 15 years in 2013. Likewise, intensive negotiations continued with the city of Břeclav with the aim to prolong a lease agreement for the local heat distribution network which will expire on 31 August 2015. RWE Energo is very much interested in prolonging this project.

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Preparations for CNG projects in the transport sector continued in 2013, steps were taken to enlarge the network of filling stations. In 2013, the CNG market grew by 44%, to 21.9 million cubic meters was sold. The number of CNG-powered vehicles increased at the same rate. The market share of RWE Energo amounted to 22% (decrease by 1.8%). Negotiations were finalized for the construction of three new filling stations in 2014. Reconstructions of filling stations in Hradec Králové and Ostrava started. At the year-end, RWE Energo began negotiating an expansion of the network of CNG stations in Ústí nad Labem, Semily, and Česká Lípa, where potential exists either for further development or for relocation to a different locality. The Company continually seeks and exploits opportunities for business ventures with a view to developing its business. At present, a number of acquisition opportunities in the Czech Republic are undergoing assessment.

Despite the considerable success we achieved in the expansion and stabilization of our core business, some negative developments were encountered in 2013, such as the unfavorable changes in emission allowance prices. With prices hovering at low levels, the future development of the emission allowance market is unclear. However, because RWE Energo believes that the current mid-term trend of reducing greenhouse gas emissions will continue, efforts will continue to be made to lower emissions through the combined generation of heat and electricity and the use of renewable energy sources.

3.3 Trending production and sales activities

In view of the success achieved, as well as the minor losses incurred, in 2013, focus will concentrate in 2014 on the execution of new projects involving combined heat and electricity generation for the purposes of long-distance heat distribution. At the same time, the optimization of current ventures will continue with a view to maintaining competitiveness in individual localities.

The most important project, involving the Náchod Heat Plant, will continue with preparations for the reconstruction of the heat generation unit scheduled for execution in 2015 and 2016. Likewise, the Company will make investments into the heat distribution system, where the objective is to convert a part of the network from steam to hot-water transmission.

In 2014, the construction of two cogeneration units will begin in Beroun. In this locality, investments will be made into the heat distribution network to optimize its operation and to reduce overall heat distribution losses. Another venture will see the optimization of heat production in the district of Králův Dvůr, where the objective is to reduce the number of production plants to a single facility.

Another project planned for 2014 is reconstruction of another part of the heat distribution system in Odolená Voda. Further, an assessment is underway of the optimization of the Velké Albrechtice project. The Company now makes active steps leading to sell this project.

Tri-generation facilities will be optimized in terms of production capacity. Existing absorption plants will be fitted with new metering technology to improve efficiency and to reduce the quantity of heat consumed in the generation of cooling power. Both optimization methods are aimed at reducing the consumption of primary fuel and, consequently, at reducing emissions.

In the heat and electricity supply segment, the search for new business opportunities will target three basic areas. The first is the construction and operation of cogeneration units. The second is the reconstruction of heat supply networks aimed at improving their efficiency on the basis of partnerships with their existing owners. The third is the development of networks we operate with a view to extending their operation beyond the horizon of current contracts.

In the CNG segment, the above mentioned ventures will be completed, and the modernization of existing stations will be reviewed. Plans for the upcoming period will see the completion of projects at four to five stations in the Czech Republic annually. Innovative sales channels will be employed in CNG marketing strategies aimed at end customers.

3.4 Human Resources

Employees

The management pays close attention to the implementation of uniform HR management standards in the RWE Group in the Czech Republic and the ongoing optimization of the structure of the Company's workforce.

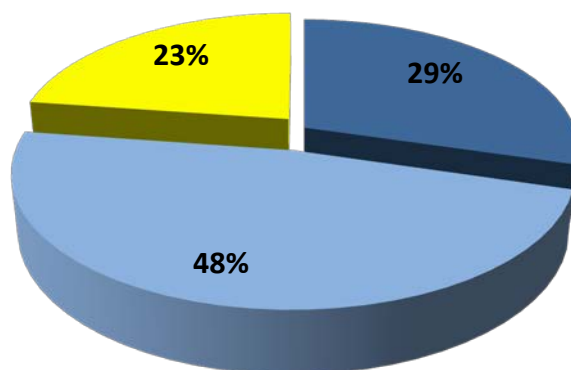
Following the merger of KA Contracting ČR s.r.o. and RWE Plynoprojekt s.r.o. as at 1 January 2013, the headcount and qualification structure of employees underwent further optimization. At the end of 2013, the number of Statutory Directors was reduced from three to two, with the subsequent cancellation of the position of COO.

Staffing Levels

Year	2013	2012
Employee headcount	88	72

Staff Structure by Education

■ University ■ Complete secondary school ■ Secondary school



Wages

The development of wages reflected the guidelines agreed in the Collective Agreement and the management's plans in the area of human resources management.

Training and Career Development

In 2013, the Company spent 1.17% of wage costs on training and personal development programs, where 413 training projects were completed by 593 persons. The average annual training cost per employee amounted to CZK 7,361. This sum includes e-learning courses.

Social Policy

The Company fulfilled all obligations relating to working conditions and employee benefits agreed under the RWE Group Collective Agreement.

Under the employee benefit program, contributions were paid for retirement savings and life insurance plans, and generous financing was provided for training programs and various entertainment and sports events.

3.5 Environmental Protection

In 2013, the Company made final decision on preparation to reconstruct the Náchod production facility to boost the plant's efficiency of combined heat and electricity generation, which will translate into an overall reduction of emissions in the locality.

Another stage of reconstruction of the distribution network in Beroun and Odolená Voda was completed to improve heat supply efficiency.

In 2013, the Company invested CZK 35.2 million into projects aimed at reducing the adverse impact of its operations on the environment. These projects were especially related to investments into distribution systems aimed to reduce losses.

Future plans include the optimization of the production capacity of tri-generation facilities with a view to reducing pollution. Existing absorption plants will be fitted with new metering technology to improve efficiency and to reduce the quantity of heat consumed in the generation of cooling power. Both optimization methods are aimed at reducing the consumption of primary fuel and, consequently, at reducing emissions.

3.6 Subsequent Events

No events have occurred subsequent to year-end that would have a material impact on the Company's business.

3.7 Outlook

Even though recent economic developments in Central Europe suggest a slightly improving trend, demand for heat and electricity is not expected to increase considerably. In 2013, the price of electricity continued to drop, reaching the level of EUR 37 per MWh. Because prices are not expected to increase significantly in the medium term, electricity production will be optimized by concentrating focus on combined generation projects in view of officially declared support through bonuses paid for power produced in facilities of this type. Where applicable, acquisition projects will target heat and electricity generation facilities.

4 FINANCIAL SECTION

4.1 Financial Statements

Company name: RWE Energo, s.r.o.

Identification number: 25115171

Legal form: Limited Liability Company

Primary business: Heat and electricity production and distribution, sale of CNG gas

Balance sheet date: 31 December 2013

Date of preparation of the financial statements: 17 February 2014

BALANCE SHEET

(in thousand Czech crowns)

Ref.	ASSETS	31.12.2013			31.12.2012
		Gross	Provision	Net	Net
a	b	1	2	3	4
	TOTAL ASSETS	2 088 778	(1 157 656)	931 122	944 523
B.	Fixed assets	1 758 082	(1 127 098)	630 984	658 140
B. I.	Intangible fixed assets	41 384	(25 417)	15 967	11 836
B. I. 1.	Software	8 135	(7 876)	259	677
2.	Royalties	23 955	(17 541)	6 414	9 800
3.	Other intangible fixed assets	9 242	-	9 242	1 359
4.	Intangible fixed assets in the course of construction	52	-	52	-
B. II.	Tangible fixed assets	1 715 558	(1 100 601)	614 957	623 234
B. II. 1.	Land	5 929	-	5 929	5 609
2.	Constructions	199 281	(105 048)	94 233	75 707
3.	Equipment	1 400 930	(956 889)	444 041	482 587
4.	Other tangible fixed assets	135	-	135	135
5.	Tangible fixed assets in the course of construction	56 293	(886)	55 407	40 473
6.	Adjustment to acquired fixed assets	52 990	(37 778)	15 212	18 723
B. III.	Long-term investments	1 140	(1 080)	60	23 070
B. III. 1.	Investments in associates	1 140	(1 080)	60	23 070
C.	Current assets	328 064	(30 558)	297 506	282 913
C. I.	Inventories	12 827	-	12 827	26 324
C. I. 1.	Raw materials	12 337	-	12 337	21 144
2.	Advances paid for inventory	490	-	490	5 180
C. III.	Short-term receivables	303 265	(30 558)	272 707	233 914
C. III. 1.	Trade receivables	54 979	(30 558)	24 421	14 821
2.	Receivables - subsidiaries / controlling parties	198 127	-	198 127	187 061
3.	Taxes - receivables from the state	16 583	-	16 583	2 508
4.	Short-term advances paid	7 511	-	7 511	28 793
5.	Estimated receivables	26 008	-	26 008	-
6.	Other receivables	57	-	57	731
C. IV.	Financial assets	11 972	-	11 972	22 675
C. IV. 1.	Cash in hand	5	-	5	12
2.	Cash at bank	11 967	-	11 967	22 663
D. I.	Prepayments and accrued income	2 632	-	2 632	3 470
D. I. 1.	Prepaid expenses	2 604	-	2 604	3 445
2.	Accrued income	28	-	28	25

Ref. a	LIABILITIES AND EQUITY b	31.12.2013	31.12.2012
		6	7
	TOTAL LIABILITIES AND EQUITY	931 122	944 523
A.	Equity	517 875	493 845
A. I.	Share capital	280 000	280 000
A. I. 1.	Share capital	280 000	280 000
A. II.	Capital contributions	71 323	920
1.	Other capital contributions	71 323	-
2.	Assets and liabilities revaluation	-	920
A. III.	Reserve fund and other reserves	21 668	17 603
A. III. 1.	Legal reserve fund	20 323	17 603
2.	Statutory and other reserves	1 345	-
A. IV.	Retained earnings / Accumulated losses	176 267	176 267
A. IV. 1.	Retained earnings	176 267	176 267
A. V.	Profit / (loss) for the current period	(31 383)	19 055
B.	Liabilities	412 601	448 488
B. I.	Provisions	16 132	16 332
B. I. 1.	Tax-deductible provisions	4 940	7 883
2.	Other provisions	11 192	8 449
B. II.	Long-term liabilities	214 562	295 817
B. II. 1.	Trade payables	604	2 689
2.	Liabilities - subsidiaries / controlling parties	206 700	275 600
3.	Deferred tax liability	7 258	17 528
B. III.	Short-term liabilities	181 907	136 339
B. III. 1.	Trade payables	47 618	12 234
2.	Liabilities - subsidiaries / controlling parties	68 900	68 900
3.	Liabilities to employees	5 547	2 382
4.	Liabilities for social security and health insurance	1 806	1 228
5.	Taxes and state subsidies payable	2 097	5 872
6.	Short-term advances received	-	7 379
7.	Estimated payables	55 766	38 344
8.	Other payables	173	-
C. I.	Accruals and deferred income	646	2 190
C. I. 1.	Accrued expenses	-	1 461
2.	Deferred income	646	729

Company name: RWE Energo, s.r.o.
 Identification number: 25115171
 Legal form: Limited Liability Company
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 Balance sheet date: 31 December 2013
 Date of preparation of the financial statements: 17 February 2014

INCOME STATEMENT

(in thousand Czech crowns)

Ref. a	DESCRIPTION b	Accounting period	
		2013	2012
		1	2
II.	Sales of production	657 785	527 184
II. 1.	Sales of own products and services	657 785	527 184
B.	Cost of sales	456 475	307 788
B. 1.	Raw materials and consumables used	329 665	207 292
B. 2.	Services	126 810	100 496
+	Added value	201 310	219 396
C.	Staff costs	82 499	52 822
C. 1.	Wages and salaries	59 784	38 259
C. 2.	Emoluments of board members	60	144
C. 3.	Social security and health insurance costs	17 738	12 746
C. 4.	Other social costs	4 917	1 673
D.	Taxes and charges	2 107	4 435
E.	Depreciation and amortisation expense	111 387	103 871
III.	Sales of fixed assets and raw materials	2 428	2 819
III. 1.	Sales of fixed assets	2 428	2 771
III. 2.	Sales of raw materials	-	48
F.	Net book value of fixed assets and raw materials sold	7 815	2 535
F. 1.	Net book value of fixed assets sold	7 815	2 535
G.	Changes in operating provisions and complex prepaid expenses	53 939	(4 523)
IV.	Other operating income	18 155	31 464
H.	Other operating expenses	30 032	47 496
*	Operating result	(65 886)	47 043
VI.	Income from sales of securities and shares	62 590	-
J.	Securities and shares sold	21 010	-
X.	Interest income	532	392
N.	Interest expense	16 198	19 802
XI.	Other financial income	215	27
O.	Other financial expenses	3 364	2 085
*	Financial result	22 765	(21 468)
Q.	Tax on profit or loss on ordinary activities	(11 738)	6 520
Q. 1.	- current	2 230	10 096
Q. 2.	- deferred	(13 968)	(3 576)
**	Profit or loss on ordinary activities after taxation	(31 383)	19 055
***	Net profit / (loss) for the financial period	(31 383)	19 055
****	Net profit / (loss) before taxation	(43 121)	25 575

Statement of changes in shareholders' equity

Year ended 31 December 2013

(CZK'000)	Share capital	Other capital funds	Legal reserve fund	Revaluation reserve	Social fund	Retained earnings/ Accumulated losses	Total
As at 1 January 2012	280,000	-	15,377	920	-	220,783	517,080
Fair value gains	-	-	2,226	-	-	(2,226)	-
Contributions to reserve fund	-	-	-	-	-	(42,290)	(42,290)
Net profit for the current period	-	-	-	-	-	19,055	19,055
As at 31 December 2012	280,000	-	17,603	920	-	195,322	493,845
Effect of the Merger	-	71,323	-	-	1,683	35,352	108,358
Contributions to reserve fund	-	-	2,720	-	-	(2,720)	-
Release of revaluation reserve	-	-	-	(920)	-	-	(920)
Use of the social fund	-	-	-	-	(338)	-	(338)
Dividends paid	-	-	-	-	-	(51,687)	(51,687)
Net profit for the current period	-	-	-	-	-	(31,383)	(31,383)
As at 31 December 2013	280,000	71,323	20,323	-	1,345	144,884	517,875

Cash flow statement

Year ended 31 December 2013

(CZK'000)	2013	2012
Cash flows from operating activities		
Net profit/(loss) on ordinary activities before tax	(43,121)	25,575
A.1 Adjustments for non-cash movements:		
A.1.1 Amortisation/Depreciation of fixed assets	111,387	103,871
A.1.2 Changes in provisions	53,939	(4,523)
A.1.3 (Profit) from disposal of fixed assets	(35,710)	(237)
A.1.4 Net interest expense	15,666	19,410
A.1.5 Other non-cash movements	19,466	17,893
A* Net cash flow from operating activities before tax, changes in working capital and extraordinary items	121,627	161,989
A.2 Working capital changes:		
A.2.1 Changes in receivables and prepayments and accrued income	(55,906)	5,628
A.2.2 Changes in short-term payables, accrued expenses and deferred income	44,024	(5,982)
A.2.3 Changes in inventories	8,467	(1,525)
A** Net cash flow from operating activities before tax and extraordinary items	118,212	160,110
A.3 Interest paid	(16,198)	(19,802)
A.4 Interest received	532	392
A.5 Income tax on ordinary activities paid	(13,677)	(14,236)
A*** Net cash flow from operating activities	88,869	126,464
Cash flows from investing activities		
B.1 Acquisition of fixed assets	(39,331)	(46,701)
B.2 Proceeds from the sale of fixed assets	2,428	2,771
B.3 Subsidy received	8,850	-
B*** Net cash flow from investing activities	(28,053)	(43,930)
Cash flows from financing activities		
C.1 Changes in long- and short-term liabilities	(70,985)	(69,880)
C.2 Sale of ownership interest	62,107	-
C.2 Changes in equity:		
C.2.1 Profit distribution paid	(51,687)	(42,290)
C*** Net cash flow from financing activities	(60,565)	(112,170)
Net increase/(decrease) in cash and cash equivalents	251	(29,636)
Cash and cash equivalents as at the beginning of the year	209,848	239,372
Cash and cash equivalents as at the end of the year	210,099	209,736

4.2 Notes to the financial statements

1. General information

1.1. Introductory information about the Company

RWE Energo, s.r.o. ("the Company") was incorporated on 21 March 1997 and has its registered office at Prosecká 855/68, Prosek, 190 00 Praha 9. The Company's business activities are the production and distribution of heat, the production and distribution of electricity, the sale of gas (CNG), the lease of real estate, both residential and non-residential premises without provision of services other than basic services related to lease. Identification number of the Company is 251 15 171.

As at 1 January 2013, KA Contracting ČR, s.r.o. merged with RWE Plynoprojekt, s.r.o. KA Contracting ČR, s.r.o. is the successor company ("the Merger"). As at 1 April 2013, the business name of the Company was changed to RWE Energo, s.r.o. The change was reflected in the Commercial Register on 1 April 2013.

The Directors as at 31 December 2013 were as follows:

Name	Position	Note
Pavel Bartl	Chairman	appointed on 1 April 2011
Lukáš Roubíček	Chairman	appointed on 1 January 2013

Viktor Kalina was called off from his position of statutory representative of the Company as at 16 October 2013. The change was reflected in the Commercial Register on 30 October 2013.

The Directors as at 31 December 2012 were as follows:

Name	Position	Note
Pavel Bartl	Chairman	appointed on 1 April 2011
Viktor Kalina	Chairman	appointed on 1 February 2012

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The Company is structured into the following divisions: Operations and Sales, Economics and Administration. These divisions are further divided into the following departments: Operations, Corporate Development, Legal and Human Resources Department, and Finance.

2. Accounting policies

2.1. Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic and have been prepared under the historical cost convention.

2.2. Intangible fixed assets

All intangible assets with a useful life longer than one year and a unit cost of more than CZK 60,000 are treated as intangible fixed assets.

Purchased intangible fixed assets are initially recorded at cost, which includes all costs related with its acquisition.

Intangible fixed assets are amortised applying the straight-line method over their estimated useful lives as follows:

Intangible fixed asset	Estimated useful life
Software	3 years
Royalties	15 years
Other intangible fixed assets	6 years

Other incorporeal rights are amortised applying the straight-line method over their estimated useful life.

The amortisation plan is updated during the useful life of the intangible fixed assets based on the expected useful life.

Intangible fixed assets with a unit cost less than CZK 60,000 are expensed upon acquisition.

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the certain asset.

Emission allowances are presented by the Company as other intangible fixed assets. Emission allowances allocated to the Company by the National Allocation Plan are recorded to the account of other intangible fixed assets and to the account taxes and state subsidies payable upon being credited to the Company in the Register of Emission Allowances in the Czech Republic.

Emission allowances allocated to the Company free of charge are recorded at replacement cost. Emission allowances purchased by the Company are recorded at cost, which includes costs incurred in bringing the assets to their present location and condition.

The consumption of emission rights are recorded monthly in "Other operating expenses" on the basis of estimated actual CO₂ emissions in the period. If at the end of the reporting period the Company has sufficient amount of emission rights to cover the total estimated actual CO₂ emission for the period, a provision is created.

The first-in-first-out method is applied for all disposals of emission allowances.

Sales of emission allowances are recorded as other operating revenue and are stated at the selling price. At the same time, their book value is disposed from assets.

A provision for diminution in value is created when the carrying value of emission allowances is greater than its estimated recoverable amount.

2.3. Tangible fixed assets

All tangible assets with a useful life longer than one year and a unit cost of more than CZK 40,000 are treated as tangible fixed assets.

Purchased tangible fixed assets are initially recorded at cost, which includes all costs related with its acquisition.

Tangible fixed assets, except for land which is not depreciated, are depreciated applying the straight-line method; leased projects are depreciated over the lease term - from 10 to 20 years depending on the contract's duration. Assets used in projects operated by Company itself are depreciated based on the life time of the project.

Other assets of the Company are depreciated as follows:

Tangible fixed asset	Estimated useful life
Buildings and constructions	12 – 30 years
Fixture and furniture	4 years
Computers, cars	3 – 5 years
Machines	5 – 10 years

Low value tangible fixed assets with a unit cost more than CZK 20,000 and less than CZK 40,000 are depreciated over a period of 13 months.

Tangible assets with a useful life exceeding one year, which are not considered fixed assets according to the Company's internal regulations, are treated as inventory. Such assets with a purchase price exceeding CZK 2,000 are recorded in operating records and are subject to stocktaking.

The depreciation plan is updated during the useful life of the tangible fixed assets based on the expected useful life.

A provision for impairment is established when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by the certain asset.

Repairs and maintenance expenditures of tangible fixed assets are expensed as incurred. In accordance with the Act on Reserves provision is recorded for the cost of significant necessary repairs that are expected to be incurred in future periods as estimated by management of the Company. Technical enhancements of tangible fixed assets are capitalized.

Differences arising upon the acquisition of Teplárna Náchod represent the difference between the fair value of the enterprise acquired, in accordance with the Commercial Code, and the aggregate carrying amount of assets and liabilities acquired as recorded in the accounts of the original owner (dissolved enterprise). Such differences are amortized on a straight-line basis over a period of 15 years.

2.4. Investments in subsidiaries and investments in associates

Investments in subsidiaries represent ownership interests in enterprises that are controlled by the Company ("the subsidiary").

Investments in associates represent ownership interests in enterprises over which the Company has significant influence, but not control ("the associate").

Investments in subsidiaries and associates are recorded at cost less a provision for diminution in value.

2.5. Inventories

Purchased inventories are stated at the lower of cost and net realisable amount. Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The weighted average cost method is applied for all disposals.

Inventories generated from own production cannot be stored (heat and electric power) and therefore are not recorded as inventories.

Inventories generated from own production, i.e. work-in-progress and finished goods, are stated at the lower of production cost and estimated net realisable amount. Production cost includes direct and indirect materials, direct and indirect wages and production overheads.

2.6. Unbilled heat and advances for heat received

The Company offsets the amount of anticipated unbilled heat receivable with the total amount of advance payments received for heat from individual customers. The unbilled heat is therefore recorded in the balance sheet only as a net asset or a net liability (see Note 9). The final net value approximates the amounts of amount receivable / payable in relation to customers.

2.7. Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and individual evaluation of the credit worthiness of the customers. Receivables from related parties have not been provided.

2.8. Cash and cash equivalents

Cash and cash equivalents include cash in hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents are short-term highly liquid investments that can be exchanged for a predictable amount of cash and no significant changes of value over time are expected. Cash equivalents are, for example, deposits with a maturity of less than 3 months from the date of acquisition and liquid debt securities traded in public markets.

2.9. Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange ruling as at the transaction date.

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Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

Investments in subsidiaries and associates and other investments and securities denominated in a foreign currency, which are not accounted for at fair value are translated at the year-end exchange rate as published by the Czech National Bank. Any translation difference is recognised in equity, with the exception of held-to-maturity investments, where the translation difference is recognised in the profit and loss account.

2.10. Revenue recognition

Revenues from the sale of heat, cold and electricity comprise of actually billed revenues on real consumption basis obtained from measurement in sampling points (meter reading is performed at least once a year) and revenues from the so-called "unbilled supplies." Value of unbilled supplies is booked via anticipated receivables derived on basis of actual energy consumption. Settlement of the estimated figures is performed in the following year.

Revenues from leases are also recorded via anticipated receivables on a monthly basis based on lease contracts. Settlement is performed towards the end of the accounting period.

Revenue from sale of compressed gas (CNG) is recognised on the basis of regular monthly billing for real consumption of compressed gas.

2.11. Subsidies

A subsidy is recognised when money is received or an irrevocable right to receive a subsidy exist.

A subsidy received for the settlement of expenses is recorded as operating or financial revenue in the same period when expenses are incurred. A subsidy received either for the acquisition of fixed assets (including

technical improvement) or for the settlement of interest charged to cost of fixed assets can either decrease the cost of fixed assets or own work capitalised.

2.12. Leases

The costs of assets held under both finance and operating leases are not capitalised as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes but not recognised in the balance sheet.

2.13. Provisions

Provisions are recognised when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The Company also recognises tax deductible provisions relating to significant future repairs of fixed assets as defined by the Act on Reserves.

The Company recognises a provision for its future income tax payable which is presented net of advances paid for the income tax. If advances paid are higher than the estimated income tax payable the difference is recognised as a short-term receivable.

The Company creates provision for unpaid holidays and employee bonuses, provision for severance payments, provision for stock option program and provision for mining accident and site restoration, and provision for repairs.

2.14. Employment benefits

The Company recognises a provision relating to untaken holidays.

The Company recognises an estimated payable relating to rewards and bonuses of employees.

The Company takes into account an expected average ratio of payments for social and health insurance and payroll expenses when creating the estimated payable.

Regular contributions are made to the state to fund the national pension plan. The Company also provides contributions to defined contribution plans operated by independent pension funds.

2.15. Interest expense

Interest expense on borrowings to finance the acquisition of intangible and tangible fixed assets are capitalised during the period of completion and preparation of the asset for its intended use. Other borrowing costs are expensed.

2.16. Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Deferred tax asset is recognised if it is probable that sufficient future taxable profit will be available against which the asset can be utilised.

2.17. Related parties

The Company's related parties are considered to be the following:

- parties, which directly or indirectly control the Company, their subsidiaries and associates;
- parties, which have directly or indirectly significant influence on the Company;
- members of the Company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence; and/or
- subsidiaries and associates and joint-venture companies.

2.18. Cash flow statement

The Company has prepared a cash flow statement using the indirect method. Cash equivalents represent short-term liquid investments, which are readily convertible for a known amount of cash.

The Company uses so-called cash-pooling within the group. A receivable (liability) that arises from cash-pooling is presented in the Cash flow statement as a part of the item Cash and Cash equivalents. If the liability arising from cash-pooling represents a form of financing, then it is not presented in the Cash flow statement as a part of the item Cash and Cash equivalents.

2.19. Changes of accounting policies and corrections of prior period

Changes of accounting policies (inclusive deferred tax impact) and corrections of errors arising from incorrect accounting or unrecorded expenses and income in the prior periods is reflected in the balance sheet line Restatements of retained earnings, if these changes and corrections are material.

2.20. Comparability of figures in the balance sheet and income statement

When comparing the figures in the balance sheet prepared as at 31 December 2013 and income statement for the year then ended it must be taken into consideration that the comparative figures represent solely prior year figures of KA Contracting ČR s.r.o prior to the Merger with RWE Plynoprojekt, s.r.o that came into effect on 1 January 2013. The procedures relating to the preparation of the opening balance sheet as at 1 January 2013 are described in Note 3.

2.21. Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are disclosed, but are not themselves recognised in the financial statements.

3. Domestic merger

Figures reported for 2013 are significantly influenced by the domestic merger of KA Contracting ČR s.r.o (the "Successor company" or KAC ČR s.r.o) with RWE Plynoprojekt, s.r.o (the "Dissolved company" or RWE PNP, s.r.o.). The identification number of the Dissolved company is 601 93 484, with registered office at U Plynárny 223/42, 140 21 Prague 4 - Michle.

The opening balance sheet has been prepared as at the decisive date of the Merger, i.e. as at 1 January 2013.

The participating companies agreed on the Merger, so that the Dissolved company will be dissolved without liquidation, and its existence will be ceased by the Merger with the Successor company. All assets including rights and obligations from the employment relationship of the Dissolved company will be transferred to the Successor Company on the effective day of the Merger.

The share capital of the Successor company after the Merger will amount to CZK 280,000,000 in accordance with Act No. 125/2008 Coll., Act on Transformations of Companies and Co-operatives, and with the Agreement on the Merger, and will be represented solely by the share capital of the Successor company prior to the Merger.

As at the effective date of the Merger, the Successor company acquires individual items of equity and liabilities of the Dissolved company, as described below:

Accounting procedure for the opening balance sheet preparation:

- a) The closing balances of the Successor company and the Dissolved company as at 31 December 2012 have been taken from the audited financial statements and were added up, except for the items mentioned below.
- b) As at 31 December 2012, the participating companies in the Merger recorded mutual receivables and payables of CZK 2,631,000 that have been eliminated.
- c) The share capital of the Successor company remains in the amount of CZK 280,000,000. The share capital of the Dissolved company in the amount of CZK 71,323,000 has been transferred to the Other capital funds of the Successor company.
- d) The Legal reserve fund and Other capital funds of the Dissolved company in the amount of CZK 1,683,000 were transferred to Legal statutory fund and Other capital funds of the Successor company.
- e) Profit of CZK 35,352,000 generated by the Dissolved company in the period from 1 July 2012 - 31 December 2012 was transferred to Retained earnings of the Successor company.
- f) Estimated receivables of CZK 11,554,000 recorded by the Dissolved company were transferred to short-term advances received of the Successor company to ensure consistent reporting of unbilled supplies of heat and electricity (see Note 2.6, 8 and 9).
- g) The Successor company acquires the provisions, allowances for doubtful debts, deferred tax assets / liabilities, accruals and deferrals of the Dissolved company after the elimination of mutual relationships.

The impact of the Merger can be analysed as follows:

Ref.	ASSETS	KAC ČR 31.12.2012	RWE PNP 31.12.2012	Correction	KAC ČR 01.01.2013
A	b	Net 3	Net 3		Net 3
	TOTAL ASSETS	944,523	161,124	(14,185)	1,091,462
B.	Fixed assets	658,140	112,631	-	770,771
B. I.	Intangible fixed assets	11,836	321	-	18,157
B. II.	Tangible fixed assets	623,234	106,310	-	729,544
B. III.	Long-term investments	23,070	-	-	23,070
C.	Current assets	282,913	48,427	-	317,155
C. I.	Inventories	26,324	911	-	27,235
C. III.	Short-term receivables	233,914	47,404	(14,185)	267,133
C. IV.	Financial assets	22,675	112	-	22,787
D. I.	Prepayments and accrued income	3,470	66	-	3,536

		KAC ČR	RWE PNP	Correction	KAC ČR
Ref.	LIABILITIES AND EQUITY	31.12.2012	31.12.2012		01.01.2013
A	b	5	5		5
	TOTAL LIABILITIES AND EQUITY	944,523	161,124	(14,185)	1,091,462
A.	Equity	493,845	108,358	-	602,203
A. I.	Share capital	280,000	71,323	(71,323)	280,000
A. II.	Capital contributions	920	-	(71,323)	72,243
A. III.	Reserve fund and other reserves	17,603	1,683	-	19,286
A. IV.	Retained earnings / Accumulated losses	176,267	-	54,407	230,674
A. V.	Profit / (loss) for the current period	19,055	35,352	(54,407)	-
B.	Liabilities	448,488	52,757	(14,185)	487,060
B. I.	Provisions	16,332	4,409	-	20,741
B. II.	Long-term liabilities	295,817	3,698	-	299,515
B. III.	Short-term liabilities	136,339	44,650	(14,185)	166,804
C. I.	Accruals and deferred income	2,190	9	-	2,199

4. Intangible fixed assets

(CZK'000)	1 January 2013	Effect of the Merger	Additions / transfers	Disposals	31 December 2013
Cost					
Software	5,008	4,901	-	1,774	8,135
Royalties	16,000	7,955	-	-	23,955
Intangible fixed assets in the course of construction	-	-	52	-	52
Other intangible fixed assets	1,359	-	14,607	6,724	9,242
Total	22,367	12,856	14,659	8,498	41,384
Accumulated amortisation					
Software	4,331	3,369	355	471	7,584
Royalties	6,200	3,166	1,887	-	11,253
Impairment – Velké Albrechtice	-	-	6,580	-	6,580
Total	10,531	6,535	8,822	471	25,417
Net book value	11,836	6,321			15,967

(CZK'000)	1 January 2012	Additions / transfers	Disposals	31 December 2012
Cost				
Software	4,813	195	-	5,008
Royalties	16,000	-	-	16,000
Intangible fixed assets in the course of construction	194	(194)	-	-
Other intangible fixed assets	-	36,567	35,208	1,359
Total	21,007	36,568	35,208	22,367
Accumulated amortisation				
Software	4,002	329	-	4,331
Royalties	5,000	1,200	-	6,200
Other intangible fixed assets	-	-	-	-
Total	9,002	1,529	-	10,531
Net book value	12,005			11,836

As at 31 December 2013, other intangible fixed assets include CZK 9,242,000 relating to emission allowances (as at 31 December 2012: CZK 1,359,000).

Due to the fact that the Company did not have emission rights allocated to the Company in 2013 recorded in its account as at 31 December 2013, the Company created anticipated payable and receivable of CZK 6,800,000 for consumption of the emission rights in 2013 with zero impact on its financial performance.

Impairment relating to Velke Albrechtice is analysed in Note 5.

5. Tangible fixed assets

(CZK'000)	Effect of		Additions / transfers	Disposals	31 December 2013
	1 January 2013	the Merger			
Cost					
Land	5,609	320	-	-	5,929
Buildings, halls and other constructions	156,956	39,864	3,099	638	199,281
Equipment	1,257,478	110,749	42,473	9,771	1,400,930
Other tangible fixed assets	135	-	-	-	135
Tangible fixed assets in the course of construction	40,473	18,222	-2,402	-	56,293
Advances paid for tangible fixed assets	-	-	-	-	-
Adjustments to acquired assets	52,990	-	-	-	52,990
Total	1,513,641	169,155	43,170	10,409	1,715,558
Accumulated depreciation					
Buildings, halls and other constructions	81,249	6,257	13,063	482	100,087
Equipment	774,891	56,588	92,572	9,127	914,924
Impairment – Velké Albrechtice	-	-	47,812	-	47,812
Adjustments to acquired assets	34,267	-	3,511	-	37,778
Total	890,407	62,845	156,958	9,609	1,100,601
Net book value	623,234	106,310			614,957

(CZK'000)	Additions /		Disposals	31 December 2012
	1 January 2012	transfers		
Cost				
Land	5,564	45	-	5,609
Buildings, halls and other constructions	148,357	9,759	1,160	156,956
Equipment	1,237,384	25,974	5,880	1,257,478
Other tangible fixed assets	135	-	-	135
Tangible fixed assets in the course of construction	54,143	3,915	17,585	40,473
Advances paid for tangible fixed assets	-	-	-	-
Adjustments to acquired assets	52,990	-	-	52,990
Total	1,498,573	39,693	24,625	1,513,641
Accumulated depreciation				
Buildings, halls and other constructions	71,192	11,214	1,157	81,249
Equipment	690,622	87,617	3,348	774,891
Adjustments to fixed assets in the course of construction	-	-	-	-
Other tangible fixed assets	-	-	-	-
Adjustments to acquired assets	30,756	3,511	-	34,267
Total	792,570	102,342	4,505	890,407
Net book value	706,003			623,234

Adjustment to acquired assets in 2003 amounting to CZK 52,990,000 originates from the purchase of the Náchod Heating Plant; it is depreciated using the straight-line method over a period of 15 years. As at 31 December 2013 depreciation of the adjustment to acquired assets in the amount of CZK 3,511,000 was recorded as expenses (as at 31 December 2012: CZK 3,511,000).

On 16 December 2013, the management of the Company approved its intention to sell fixed assets relating to the Velké Albrechtice project. Due to this fact the impairment of CZK 54,392,000 was created as at the balance sheet date. The impairment represents the difference between the carrying amount of the asset and its estimated recoverable amount.

Impairment relating to Velke Albrechtice can be analysed as follows:

(CZK'000)	31 December 2013	31 December 2012
Impairment - software	292	-
Impairment - royalties	6,288	-
Impairment - buildings, halls and other constructions	4,961	-
Impairment - equipment	41,965	-
Impairment - fixed assets in the course of construction	886	-
Total	54,392	-

No assets of the Company are pledged.

In 2013, the Company received a subsidy of CZK 8,850,000 from the EKO-ENERGIE programme for construction of a cogeneration unit in Odolená Voda. The subsidy reduced the acquisition cost of the relevant assets.

6. Investments in subsidiaries and investments in associates

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As at 31 December 2013:	Cost (CZK'000)	Adjustment (CZK'000)	Carrying value (CZK'000)	% of capital	2013 net profit/(loss)* (CZK'000)	Net equity as at 31 December 2013* (CZK'000)
Czech entities						
Teplo Rumburk s.r.o.	1,080	(1,080)	-	98.2	(1,233)	4,986
CZT Valašské Meziříčí s.r.o.	40	-	40	20.0	918	5,383
TEPLO Votice, s.r.o.	20	-	20	20.0	2,100	4,109
Total	1 140	(1,080)	60			

* Unaudited

In 2013, the Company sold its share in KA Contracting SK, s.r.o. to RWE Slovensko, s.r.o. (see Note 15).

Due to ongoing litigations regarding the regulated price of heat at Teplo Rumburk, s.r.o and a high probability of payment of fines (resulting in worsening financial performance in the coming years), the Company created a 100% provision for its share in Teplo Rumburk, s.r.o. as at the balance sheet date.

As at 31 December 2012:	Cost (CZK'000)	Carrying value (CZK'000)	% of capital	2012 net profit/(loss)* (CZK'000)	Net equity as at 31 December 2012* (CZK'000)
Czech entities					
Teplo Rumburk s.r.o.	1,080	1,080	98.2	(283)	6,218
CZT Valašské Meziříčí s.r.o.	40	40	20.0	935**	4,622
TEPLO Votice, s.r.o.	20	20	20.0	862	2,558
Foreign entities					
KA Contracting SK, s.r.o.*	21,010	21,930	85.0	5,384	26,335
Total	22,150	23,070			

* Unaudited

** before tax

There are no differences between the percentage of ownership and the percentage of voting rights in any subsidiary or any associate.

7. Inventories

(CZK'000)	31 December 2013	31 December 2012
Raw materials	12,337	21,144
Advances paid for inventory purchases	490	5,180
Net book value	12,827	26,324

Inventory represents mainly biomass for combustion, coal and light fuel oil.

8. Receivables

(CZK'000)	31 December 2013	31 December 2012
Trade receivables		
- current	28,743	10,011
- overdue	26,236	21,346
Total trade receivables	54,979	31,357
Provision for doubtful receivables	(30,558)	(16,536)
Net book value of trade receivables	24,421	14,821
Receivables - subsidiaries / controlling parties	198,127	187,061
Other receivables	57	731
Taxes and state subsidies receivables	16,583	2,508
Short-term advances paid	7,511	28,793
Estimated receivables (see Note 9)	26,008	-
Total net book value of receivables	272,707	233,914

Short-term advances paid represent mainly advances paid for the purchase of gas and electricity.

Prepayments for corporate income tax amounting to CZK 13,677,000 for the year 2013 (as at 31 December 2012: CZK 12,132,000) are netted off with the provision for income tax amounting to CZK 3,166,000 – see Note 11.

Unsettled receivables have not been secured and none of them are due after more than 5 years.

The change in the provision for doubtful receivables can be analysed as follows:

(CZK'000)	2013	2012
Opening balance as at 1 January	16,536	17,719
Effect of merger	11,975	-
Charge for the year	14,045	992
Written off during the year	(11,998)	(2,175)
Closing balance as at 31 December	30,558	16,536

The most significant item is represented by a receivable of CZK 15,360,000 to PŠVP Bio, s.r.o. With respect to the fact that insolvency proceedings commenced in 2013, the Company created 100% provision for doubtful receivables as at the preparation date of these financial statements.

9. Receivables / payables – unbilled gas / advances received

The Company recognised the following amounts of unbilled heat, electricity and cold and advances received for heat, electricity and cold sold:

(CZK'000)	31 December 2013	31 December 2012
Receivables from unbilled heat, supplies of hot water and electric power	337,801	276,741
Advances received	(311,793)	(284,120)
Estimated receivables / Advances received	26,008	(7,379)

10. Equity

As at 31 December 2013, the Company was fully owned by RWE Česká republika a.s., incorporated in the Czech Republic and the ultimate holding company was RWE AG, incorporated in Germany.

As at 31 December 2012, the Company was fully owned by RWE Transgas a.s. that changed its business name as at 1 January 2013 to RWE Supply & Trading CZ, a.s. On 29 March 2013, agreement on transfer of ownership interest came into effect. Based on this agreement RWE Česká republika a.s. became the sole shareholder of the Company.

The legal reserve fund is created from the profit of the Company according to law and may not be distributed to shareholders, but may be used to offset losses only.

The sole shareholder approved the financial statements for 2012 and decided about the allocation of profit earned in 2012 of CZK 19,055,000 on 20 March 2013. At the same time the sole shareholder approved the financial statements of RWE Plynoprojekt, s.r.o for 2012 and decided about the allocation of profit earned in 2012 of CZK 35,352,000 (transferred to the Company based on the Merger, see Note 3).

(CZK'000)	2013	2012
Allocation to Legal reserve fund	2,720	2,226
Allocation to Retained earnings	-	-
Dividend paid to RWE Transgas	51,687	42,290
Profit for the year inclusive impact of the Merger	54,407	44,516

11. Provisions

(CZK'000)	Provision for pension liabilities	Legal reserves	Income tax provision net of advances	Other provisions	Total
Opening balance as at 1 January					
2012	1,990	17,383	1,661	300	21,334
Charge for the year	4,365	2,900	9,653	4,502	21,420
Released in the year	(2,408)	(5,021)	-	-	(7,429)
Used in the year	-	(7,379)	(1,661)	(300)	(9,340)
Income tax provision	-	-	(9,653)	-	(9,653)
Closing balance as at 31 December					
2012	3,947	7,883	-	4,502	16,332
Effect of the Merger	3,098	111	1,031	169	4,409
Charge for the year	10,966	946	3,166	57	15,135
Released in the year	(7,045)	-	-	-	(7,045)
Used in the year	-	(4,000)	(1,031)	(4,502)	(9,533)
Income tax provision	-	-	(3,166)	-	(3,166)
Closing balance as at 31 December					
2013	10,966	4,940	-	226	16,132

For an analysis of the current and deferred income tax, see Note 13.

Statutory reserves represent provisions relating to repairs of tangible fixed assets created as defined by the Act on Reserves. This amount includes provision for waste disposal and remediation and reclamation.

Advances for income tax of CZK 3,166,000 (total advances for income tax paid amounted to CZK 13,677,000) paid by the Company as at 31 December 2013 (as at 31 December 2012: CZK : 9,653,000) are netted off with the total value of provision for income tax of CZK 3,166,000 as at 31 December 2013 (as at 31 December 2012: CZK 9,653,000).

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Other provisions as at 31 December 2013 are represented by provision for stock option scheme of CZK 226,000 (as at 31 December 2012: CZK 4,502,000 represented by a provision for prepayments of inventory). The provision for stock option scheme is created according to the RWE Group policy and represents a cash reward to be paid to the Company's management, the amount of which varies primarily based on development of the RWE Aktiengesellschaft shares value.

12. Liabilities

(CZK'000)	31 December 2013	31 December 2012
Trade payables - current	36,278	8,944
- overdue	11,340	3,290
Total trade payables	47,618	12,234
Liabilities in the RWE Group	68,900	68,900
Tax liabilities	2,097	5,872
Liabilities to employees	5,547	2,382
Advances received (see Note 9)	-	7,379
Anticipated liabilities	55,766	38,344
Other payables - current	1,979	1,228
Total short-term liabilities	181,907	136,339
Liabilities in the RWE Group	206,700	275,600
Retention rights	604	2,689
Deferred tax liability	7,258	17,528
Total long-term liabilities	214,562	295,817
Total short-term and long-term liabilities	396,469	432,156

Trade and other payables have not been secured against any assets of the Company and are not due after more than 5 years.

The liabilities in the RWE Group are described in Note 15.

Other short-term due liabilities include liabilities for social insurance and contributions to the state employment policy in the amount of CZK 1,031,000 (as at 31 December 2012: CZK 840,000) and liabilities for health insurance in amount of CZK 775,000 (as at 31 December 2012: CZK 388,000) and due liabilities for pension scheme and life insurance of CZK 173,000 (31 December 2012: nil CZK).

Anticipated liabilities are mainly represented by unbilled purchases of energies (inclusive coal consumption of emission allowances) in the amount of CZK 45,202,000 (as at 31 December 2012: CZK 24,118,000).

The Company has recorded balances representing unused allocated emission rights on the account "Taxes and state subsidies payable" as at the balance sheet date in the amount of CZK 346,000 (as at 31 December 2012: CZK 1,359,000).

The Company does not have any overdue payables related to social or health insurance or any other overdue payables to tax authorities or other state institutions.

13. Income tax

The income tax expense can be analysed as follows:

(CZK'000)	2013	2012
Current tax expense	3,166	9,653
Deferred tax expense	(10,270)	(3,576)
Deferred tax expense - impact of the Merger	(3,698)	-
Adjustment of prior year tax expense based on final CIT return	(936)	443
Total income tax expense	(11,738)	6,520

Current tax can be analysed as follows:

(CZK'000)	2013	2012
Net profit before taxation	(43,121)	25,575
Non-tax deductible expenses	102,160	9,820
Non-tax deductible income	(62,590)	(3,615)
Difference between tax and accounting depreciation	20,214	19,025
Net taxable profit	16,663	50,805
Corporate income tax at 19%	3,166	9,653

Estimation of income tax in 2013 and 2012 is recorded as a reserve – see Note 11.

The deferred tax was calculated at 19% (the rate enacted for 2013 and subsequent years).

Deferred tax asset/(liability) can be analysed as follows:

(CZK'000)	31 December 2013	31 December 2012
Deferred tax liability arising from:		
Difference between accounting and tax net book value of fixed assets	(12,769)	(20,265)
Total deferred tax liability	(12,769)	(20,265)
Deferred tax asset arising from:		
Accounting provision for doubtful receivables	3,384	1,987
Provisions	2,127	750
Total deferred tax asset	5,511	2,737
Net deferred tax liability	(7,258)	(17,528)

14. Employees

	2013	2012
Statutory representatives who are employees	3	2
Average number of other members of management	1*	1*
Average number of other staff	82	71
Total number of employees	86	73

*not an employee

The Company's management includes Statutory Directors.

(CZK'000)	Management	Other staff	Total
2013			
Wages and salaries	12,340	47,444	59,784
Board emoluments	60	-	60*
Social security costs	2,063	15,675	17,738
Other social costs	180	4,737	4,917
Total staff costs	14,643	67,856	82,499
2012			
Wages and salaries	3,871	34,532	38,403
Board emoluments	-	-	-*
Social security costs	1,050	11,696	12,746
Other social costs	-	1,673	1,673
Total staff costs	4,921	47,901	52,822

15. Related party transactions

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On 21 June 2007, the Company concluded the agreement to obtain the loan with related party RWE from the company Scaris Limited in the total amount of CZK 689,000,000, due as at 21 June 2017. The loan interest rate is 5.228% p.a. Total unpaid part of the loan as at 31 December 2013 amounts to CZK 275,600,000 (as at 31 December 2012: CZK 344,500,000). The short term part of the loan amounts CZK 68,900,000 as at 31 December 2013 (as at 31 December 2012: CZK 68,900,000). This loan was transferred to the new lender RWE AG by agreement dated 25 September 2012.

The loans payable bear interest at market interest rates. Trade receivables and payables from related parties arose under standard trade terms and conditions.

Neither the shareholder nor the management members received any loans, credit, or other payments in 2013 and 2012.

Company cars are made available for use by management.

A stock option program has been created for the management of the Company (see Note 11).

In 2013, the Company purchased 128,180 emission allowances totalling CZK 14,607,000 from RWE Key Account CZ, s.r.o. Out of these emission rights the Company consumed 56,490 pieces totalling CZK 5,711,000 in 2013.

In 2013, the Company sold its share in KA Contracting SK, s.r.o. to RWE Slovensko, s.r.o. for CZK 62,107,000.

The company was involved in the following transactions with related parties:

(CZK'000)	2013	2012
Revenues		
Sales of services	77,470	11,958
Interest from z cash-pooling	312	216
Sale of KA Contracting SK, s.r.o.	62,107	-
Total	139,889	12,174
Costs		
Purchase of goods and energy	256,092	116,489
Interest on loans from cash-pooling	16,198	19,802
Consumption of purchased emission rights	5,711	-
Total	278,001	136,291

The following related party balances were outstanding as at:

(CZK'000)	31 December 2013	31 December 2012
Receivables	2,565	-
Trade receivables	14,701	903
Short-term receivables - cash-pooling	198,127	187,061
Loans receivable	-	19,869
Accrued income	28	25
Total	215,421	207,858
Trade payables	5,319	2,416
Estimated accounts payable	21,265	24,735
Long-term and short-term liabilities - loans	275,600	344,500
Loans payable	9,591	-
Total	311,775	371,651

16. Fees paid and payable to the audit company

The information relating to the fees paid and payable for services performed by the audit company is included in the consolidated financial statements of the parent company of the Group.

17. Commitments

The Company has concluded a long-term lease agreement to rent office space at its registered office. This agreement is non-cancelable, with termination on 30 September 2018. There is a commitment of CZK 17,849,000 arising from this agreement.

18. Contingent liabilities

The management of the Company is not aware of any significant unrecorded contingent liabilities as at 31 December 2013.

19. Cash flow statement

Cash and cash equivalents disclosed in the Cash flow statement can be analysed as follows:

(CZK'000)	31 December 2013	31 December 2012
Cash on hand and in transit	5	12
Cash in bank	11,967	22,663
Receivable arising from cash-pooling	198,127	187,061
Effect of the Merger	-	112
Cash and cash equivalents inclusive the Merger	210,099	209,848

20. Subsequent events

No events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2013.

17 February 2014



Pavel Bartl

Statutory Director



Lukáš Roubíček

Statutory Director

5 INDEPENDENT AUDITOR'S REPORT

5.1 Auditor's Report on the Financial Statements



English translation

Independent auditor's report

to the shareholder of RWE Energo, s.r.o.

We have audited the accompanying financial statements of RWE Energo, s.r.o., identification number 251 15 171, with registered office at Prosecká 855/68, Prosek, 190 00 Praha 9 ("the Company"), which comprise the balance sheet as at 31 December 2013, the income statement, statement of changes in equity and cash flow statement for the year then ended and notes, including a summary of significant accounting policies and other explanatory information ("the financial statements").

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation, and for such internal control as the Statutory Body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors of the Czech Republic, International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2013, its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

17 February 2014

PricewaterhouseCoopers Audit, s.r.o.
represented by partner

Tomáš Bašta
Statutory Auditor, Licence No. 1966

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

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5.2 Auditor's Report on the Annual Report and Report on Relations between Related Parties as at 31 December 2013



English translation

Independent auditor's report

to the shareholder of RWE Energo, s.r.o.

We have audited the financial statements of RWE Energo, s.r.o., identification number 251 15 171, with registered office at Prosecká 855/68, Prosek, 190 00 Prague 9 ("the Company") for the year ended 31 December 2013 disclosed in the annual report in Section 4 and issued the opinion dated 17 February 2014 and disclosed in Section 5.

Report on the Annual Report

We have verified that the other information included in the annual report of the Company for the year ended 31 December 2013 is consistent with the financial statements which are included in this annual report in Section 4. The Statutory Body is responsible for the accuracy of the annual report. Our responsibility is to express an opinion on the consistency of the annual report with the financial statements based on our verification procedures.

Auditor's Responsibility

We conducted our verification procedures in accordance with the International Standards on Auditing and the related application guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the verification procedures to obtain reasonable assurance about whether the other information included in the annual report which describes matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that the verification procedures performed provide a reasonable basis for our opinion.

Opinion

In our opinion, the other information included in the annual report of the Company for the year ended 31 December 2013 is consistent, in all material respects, with the financial statements.

Report on review of the Report on Relations

In addition we have also reviewed the accompanying report on relations between the Company and its controlling party and between the Company and the other persons controlled by the same controlling party for the year ended 31 December 2013 (the "Report"). The completeness and accuracy of the Report is the responsibility of the Statutory Body of the Company. Our responsibility is to express our conclusion on the Report based on performed review.

Scope of Review

We conducted our review in accordance with Audit standard 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the Report is free of material factual misstatement. A review is limited primarily to inquiries of Company personnel, analytical procedures and examination, on a test basis, of factual accuracy of data. A review therefore provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

**Shareholder of RWE Energo, s.r.o.
Independent auditor's report**

Report on review of the Report on Relations (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Report has not been properly prepared, in all material respects, in accordance with the requirements of Article 66a of the Commercial Code.

11 March 2014

PricewaterhouseCoopers Audit, s.r.o.
represented by partner

Tomáš Bašta
Statutory Auditor, Licence No. 1966

6 Report of the Company on Relations between Related Parties as at 31 December 2013

Since RWE Energo, s.r.o. (hereinafter “the Company”) as a controlled person did not enter into any controlling agreement effective in 2013, the Company’s Board of Directors has, under Section 66a (9) of Act No 513/1991, the Commercial Code, as amended, drawn up this Report on Relations between the Company and Controlling Persons and between the Company and Other Persons under Common Control (hereinafter “Related Parties”) for 2013, to the extent these Related Parties are known to the Company. This Report is an integral part of the Company’s Annual Report for 2013 and the Company’s shareholders will have this Report available by the same time and under the same conditions as the annual financial statements.

1. Controlling persons

Throughout the past accounting period the Company was controlled by the following persons:

From 1 January 2013 to 28 March 2013

a) Directly

- RWE Supply & Trading CZ, a.s., with its registered office at Praha 10 - Strašnice, Limuzská 12/3135, Postal Code 100 98, ID: 26460815, Czech Republic, which was the sole shareholder of the Company,

b) Indirectly

- RWE Gas International N.V., with its registered office at 5211AK ‘s-Hertogenbosch, Willemsplein 4, the Netherlands, which was the sole shareholder with 100% of the voting rights of RWE Supply & Trading CZ, a.s. Company,

- RWE Aktiengesellschaft, with its registered office at Opernplatz 1, 45128 Essen, Germany, which was the sole shareholder of RWE Gas International N.V.

From 29 March 2013 to 31 December 2013

a) Directly

- RWE Česká republika a.s., with its registered office at Praha 10 - Strašnice, Limuzská 3135/12, Postal Code 100 98, ID: 24275051, Czech Republic, which was the sole shareholder of the Company,

b) Indirectly

- RWE Gas International N.V., with its registered office at 5211AK ‘s-Hertogenbosch, Willemsplein 4, the Netherlands, which was the sole shareholder with 100% of the voting rights of RWE Česká republika a.s.,

- RWE Aktiengesellschaft, with its registered office at Opernplatz 1, 45128 Essen, Germany, which was the sole shareholder of RWE Gas International N.V.

Statutory Directors are not aware of any other controlling persons.

2. Other Related Parties

The Company requested the above controlling persons to provide a list of the other persons that were controlled by the same controlling persons in the past accounting period. The Statutory Directors have drawn up this Report on the basis of the information provided by the controlling persons and other information available to the Statutory Directors. The scheme of the relations between and control of companies along the relevant line within the RWE Group as at 31 December 2013 can be found on the Annex 2 of this Report.

3. Agreements executed between the Company and Related Parties and performance provided and accepted

The Company and Related Parties executed agreements listed in Annex 1 in the past accounting period. No damage has been caused to the Company by performing under these agreements. There was therefore no need to secure any compensation for damage or enter into any agreements thereon. The values of the performance and payments between Related Parties in the relevant accounting period are shown in Note 15 of the Notes to the annual financial statements as at 31 December 2013.

4. Other legal acts made in the interest of Related Parties

The Company did not make any legal acts in the interest of Related Parties in the past accounting period.

5. Measures adopted in the interest or upon suggestion of Related Parties

The Company did not adopt or carry out any measures in the interest or upon suggestion of Related Parties in the past accounting period.

6. Non-existence of damage

In the past accounting period, the Company did not suffer any damage caused by agreements in place with Related Parties, or other legal acts made in the interest of Related Parties or measures carried out in the interest or upon suggestion of Related Parties, which had been executed or adopted in or before the past accounting period.

7. Confidentiality

This Report does not disclose any information that is subject to the Company's trade secret.

8. Conclusion

This Report was approved by the Statutory Directors of the Company as at 24 February 2014.

24 February 2014



Pavel Bartl

Managing Director



Lukáš Roubíček

Managing Director

ANNEX 1

Agreements between the Company and Related Parties in the Accounting Period

Contracting party	Type/purpose of agreement	Quantity
Severomoravská plynárenská, a.s.	Commercial Lease Agreement	1
	Amendment 1 to Commercial Lease Agreement	1
RWE Česká republika a.s.	Agreement on Assignment of Receivables	1
	Commercial Lease Agreement	1
	Commercial Sublease Agreement	1
	Amendment 1 to Commercial Sublease Agreement	1
	Agreement on Assignment of Rights and Obligations	1
	Amendment 1 to Loan Agreement	1
	Settlement Agreement	1
	Insurance Premium Payment Agreement	1
	Trademark Use Consent	1
	Service Level Agreement on Procurement & Services	1
	Service Level Agreement on Corporate Services	1
	Service Level Agreement on Marketing	1
	RWE Distribuční služby, s.r.o.	Service Level Agreement on Construction of CNG Filling Stations for Motor Vehicles
Amendment 1 to Service Level Agreement on Gas and Energy Facility Construction Pre-Design and Design		1
Copyright Assignment Agreement		1
RWE Energie, a.s.	Agreement on Assignment of Rights and Acceptance of Obligations	1
	Agreement on Bundled Electricity Supply Services	3
	Amendments 1 and 2 to Agreement on Bundled Electricity Supply Services	2
	Amendment 1 to Aggregate Electricity Supply Service Agreement	1

	Amendment 1 to Electricity Supply Agreement	1
	Amendment 1 to Electricity Supply Agreement	1
	Commercial Lease Agreement	1
	Amendment 1 to Commercial Lease Agreement	1
	Land Lease Agreement	1
RWE Group Business Services CZ, s.r.o.	Amendment 1 to Service Level Agreement on Finance Services	1
	Termination of Commercial Sublease Agreement	1
RWE Interní služby, s.r.o.	Agreement Termination	1
	Agreement on Assignment of Rights and Acceptance of Obligations	1
	Amendment 1 to License Agreement and Basic Maintenance and CIS Support Agreement	1
	Service Level Agreement on Information Technologies and IP and Mobile Telephone Lease, Logistics, and Billing	1
	Amendments 1, 2, and 3 to Service Level Agreement on Information Technologies and IP and Mobile Telephone Lease, Logistics, and Billing	3
RWE Key Account CZ, s.r.o.	Emission Allowance Sale and Purchase Agreement	1
	Agreement on Bundled Electricity Supply Services	2
	Amendment 1 to Agreement on Bundled Electricity Supply Services	2
	Electricity Supply Agreement	1
RWE Slovensko, s.r.o.	Ownership Interest Transfer Agreement	1
RWE Supply & Trading CZ, a.s.	Agreement Terminating Service Level Agreements	1
RWE Zákaznické služby, s.r.o.	Service Level Agreement on Press Center Services & Amendment 1	2

Annex 2

Scheme of the relations between and control of companies along the relevant line within the RWE Group as at 31 December 2013

RWE Aktiengesellschaft

- 100.00% RWE Beteiligungsverwaltung Ausland GmbH**
 - 98.00% RWE East, s.r.o.
 - 51.00% EČS - Elektrárna Čechy-Střed, a.s. v likvidaci
- 100.00% RWE Gas International N.V.**
 - 100.00% RWE Česká republika a.s.
 - 100.00% RWE Zákaznické služby, s.r.o.
 - 100.00% RWE Gas Storage, s.r.o.
 - 100.00% RWE Gas Slovensko, s.r.o.
 - 100.00% RWE Energo, s.r.o.
 - 98.20% TEPLO Rumburk, s.r.o.
 - 65.04% RWE Grid Holding, a.s.
 - 100.00% RWE Distribuční služby, s.r.o.
 - 100.00% JMP DS, s.r.o.
 - 100.00% RWE GasNet, s.r.o.
 - 49.00% RWE Group Business Services CZ, s.r.o.
 - 100.00% RWE Supply & Trading CZ, a.s.
 - 100.00% RWE Energie, a.s. *
 - 100.00% RWE Key Account CZ, s.r.o. **
 - 100.00% Východočeská plynárenská, a.s. **
 - 100.00% Severomoravská plynárenská, a.s. **
 - 100.00% Jihomoravská plynárenská, a.s. **
 - 100.00% RWE Gas Transit, s.r.o.
- 100.00 % RWE Service GmbH**
 - 51.00 % RWE Group Business Services CZ, s.r.o.
- 100.00 % RWE IT GmbH**
 - 99.00 % RWE IT Czech s.r.o.
 - 100.00 % RWE Interní služby, s.r.o. ***
- 2.00 % RWE East, s.r.o.**
- 1.00 % RWE IT Czech s.r.o.**

* As of 1 January 2014, the legal form of the company is private limited company

** The companies were wound up as of 1 January 2014 as part of a national merger by acquisition by RWE Energie, a.s.

*** The company was wound up as of 1 January 2014 as part of a national merger by acquisition by RWE IT Czech s.r.o.