

BALANCE SHEET

in accordance with IFRS as of September 30, 2016

in CZK Millions

	30. 9. 2016	31. 12. 2015
Assets		
Property, plant and equipment:		
Plant in service	353 027	346 203
Less accumulated depreciation and impairment	(214 218)	(204 187)
Net plant in service	138 809	142 016
Nuclear fuel, at amortized cost	13 364	12 832
Construction work in progress, net	87 879	85 909
Total property, plant and equipment	240 052	240 757
Other non-current assets:		
Restricted financial assets	13 345	12 662
Investments and other financial assets, net	188 277	178 692
Intangible assets, net	547	560
Total other non-current assets	202 169	191 914
Total non-current assets	442 221	432 671
Current assets:		
Cash and cash equivalents	4 701	2 964
Receivables, net	33 445	41 538
Income tax receivable	925	
Materials and supplies, net	5 361	5 134
Fossil fuel stocks	382	564
Emission rights	647	1 874
Other financial assets, net	28 486	32 489
Other current assets	986	1 146
Total current assets	74 933	85 709
Total assets	517 154	518 380
Equity and liabilities		
Equity:		
Stated capital	53 799	53 799
Treasury shares	(4 246)	(4 246)
Retained earnings and other reserves	161 360	171 016
Total equity	210 913	220 569
Non-current liabilities:		
Long-term debt, net of current portion	133 744	124 922
Provisions	50 925	49 716
Deferred tax liability	10 520	11 143
Other long-term liabilities	4 663	3 886
Total non-current liabilities	199 852	189 667
Current liabilities:		
Short-term loans	13 634	10
Current portion of long-term debt	2 118	10 628
Trade and other payables	82 743	87 114
Income tax payable		165
Provisions	3 333	4 195
Accrued liabilities	4 561	6 032
Total current liabilities	106 389	108 144
Total equity and liabilities	517 154	518 380

ČEZ, a. s.

STATEMENT OF INCOME

in accordance with IFRS as of September 30, 2016

in CZK Millions

	<u>7-9/2016</u>	<u>1-9/2016</u>	<u>7-9/2015</u>	<u>1-9/2015</u>
Sales of electricity	16 828	50 463	16 904	53 129
Sales of gas, heat and other revenues	1 283	5 406	1 546	6 752
Other operating income	505	956	271	753
Total revenues and other operating income	18 616	56 825	18 721	60 634
Gains and losses from commodity derivative trading, net	(360)	436	(2)	(809)
Fuel	(2 526)	(7 639)	(2 322)	(7 665)
Purchased power and related services	(8 931)	(24 442)	(8 073)	(22 519)
Repairs and maintenance	(668)	(1 565)	(604)	(1 458)
Depreciation and amortization	(3 747)	(11 091)	(3 671)	(10 978)
Impairment of property, plant and equipment and intangible assets	1	2	12	12
Salaries and wages	(1 358)	(4 001)	(1 317)	(3 968)
Materials and supplies	(367)	(1 030)	(363)	(1 002)
Emission rights, net	(472)	(189)	23	395
Other operating expenses	(1 620)	(4 699)	(1 586)	(5 038)
Income before other income (expenses) and income taxes	(1 432)	2 607	818	7 604
Interest on debt, net of capitalized interest	(697)	(1 697)	(614)	(2 215)
Interest on provisions	(318)	(955)	(363)	(1 091)
Interest income	232	712	256	841
Foreign exchange rate gains (losses), net	(152)	(880)	(79)	(567)
Other financial expenses	(31)	(9 950)	(1 922)	(1 955)
Other financial income	(557)	24 572	90	22 971
Total other income (expenses)	(1 523)	11 802	(2 632)	17 984
Income before income taxes	(2 955)	14 409	(1 814)	25 588
Income taxes	566	(20)	(14)	(1 144)
Net income	(2 389)	14 389	(1 828)	24 444

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME
in accordance with IFRS as of September 30, 2016
in CZK Millions

	<u>7-9/2016</u>	<u>1-9/2016</u>	<u>7-9/2015</u>	<u>1-9/2015</u>
Net income	(2 389)	14 389	(1 828)	24 444
Other comprehensive income - items that may be reclassified subsequently to statement of income or to assets:				
Change in fair value of cash flow hedges recognized in equity	(1 799)	(3 087)	3 834	9 748
Cash flow hedges reclassified to income statement	(150)	(416)	59	(1 552)
Change in fair value of available-for-sale financial assets recognized in equity	107	117	178	(498)
Deferred tax related to other comprehensive income	<u>349</u>	<u>643</u>	<u>(774)</u>	<u>(1 463)</u>
Other comprehensive income, net of tax	<u>(1 493)</u>	<u>(2 743)</u>	<u>3 297</u>	<u>6 235</u>
Total comprehensive income	<u><u>(3 882)</u></u>	<u><u>11 646</u></u>	<u><u>1 469</u></u>	<u><u>30 679</u></u>

STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS as of September 30, 2016

in CZK Millions

	Stated Capital	Treasury Shares	Cash flow hedge reserve	Available-for- sale and other reserves	Retained Earnings	Total Equity
December 31, 2014	53 799	(4 382)	(8 008)	1 304	163 419	206 132
Net income					24 444	24 444
Other comprehensive income			6 638	(403)		6 235
Total comprehensive income	-	-	6 638	(403)	24 444	30 679
Dividends					(21 317)	(21 317)
Sale of treasury shares		136			(68)	68
Share options				23		23
Transfer of forfeited share options within equity				(52)	52	-
September 30, 2015	53 799	(4 246)	(1 370)	872	166 530	215 585
December 31, 2015	53 799	(4 246)	(121)	925	170 212	220 569
Net income					14 389	14 389
Other comprehensive income			(2 837)	94		(2 743)
Total comprehensive income	-	-	(2 837)	94	14 389	11 646
Dividends					(21 319)	(21 319)
Share options				17		17
Transfer of exercised and forfeited share options within equity				(24)	24	-
September 30, 2016	53 799	(4 246)	(2 958)	1 012	163 306	210 913

STATEMENT OF CASH FLOWS

in accordance with IFRS as of September 30, 2016

in CZK Millions

	1-9/2016	1-9/2015
Operating activities:		
Income before income taxes	14 409	25 588
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	11 091	10 978
Amortization of nuclear fuel	2 472	2 577
Gain (loss) on non-current assets retirements, net	(55)	(281)
Foreign exchange rate losses (gains), net	880	567
Interest expense, interest income and dividends income, net	(14 185)	(20 265)
Provisions	126	(3 804)
Impairment of property, plant and equipment and intangible assets	(2)	(12)
Other impairment and other adjustments	628	2 281
Changes in assets and liabilities:		
Receivables	1 029	10 439
Materials, supplies and fossil fuel stocks	(201)	553
Receivables and payables from derivatives	2 045	1 201
Other current assets	3 428	3 896
Trade and other payables	(1 308)	(2 910)
Accrued liabilities	(1 224)	(4 581)
Cash generated from operations	19 133	26 227
Income taxes paid	(1 090)	549
Interest paid, net of capitalized interest	(1 707)	(2 167)
Interest received	798	862
Dividends received	18 529	21 393
Net cash provided by operating activities	<u>35 663</u>	<u>46 864</u>
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures and refunds	(1 006)	292
Proceeds (refunds) from disposal of subsidiaries, associates and joint-ventures	9 202	314
Additions to non-current assets, including capitalized interest	(17 593)	(12 057)
Proceeds from sale of non-current assets	41	24
Loans made	(9 970)	(7 570)
Repayments of loans	1 609	6 057
Change in restricted financial assets	(537)	(582)
Total cash used in investing activities	<u>(18 254)</u>	<u>(13 522)</u>
Financing activities:		
Proceeds from borrowings	56 943	47 221
Payments of borrowings	(48 263)	(65 232)
Proceeds from other long-term liabilities		180
Payments of other long-term liabilities	(679)	
Change in payables/receivables from group cashpooling	(2 450)	(536)
Dividends paid	(21 249)	(21 253)
Sale of treasury shares		68
Net cash used in financing activities	<u>(15 698)</u>	<u>(39 552)</u>
Net effect of currency translation in cash	<u>26</u>	<u>(251)</u>
Net increase (decrease) in cash and cash equivalents	1 737	(6 461)
Cash and cash equivalents at beginning of period	2 964	9 511
Cash and cash equivalents at end of period	4 701	3 050
Supplementary cash flow information		
Total cash paid for interest	4 292	4 896