

BALANCE SHEET

in accordance with IFRS as of June 30, 2017

in CZK Millions

	30. 6. 2017	31. 12. 2016
Assets		
Property, plant and equipment:		
Plant in service	394,405	394,262
Less accumulated depreciation and impairment	(225,916)	(218,114)
Net plant in service	168,489	176,148
Nuclear fuel, at amortized cost	16,027	14,745
Construction work in progress, net	51,531	50,337
Total property, plant and equipment	236,047	241,230
Other non-current assets:		
Restricted financial assets	13,408	13,290
Investments and other financial assets, net	179,109	183,885
Intangible assets, net	420	581
Total other non-current assets	192,937	197,756
Total non-current assets	428,984	438,986
Current assets:		
Cash and cash equivalents	5,974	454
Receivables, net	45,594	44,413
Income tax receivable	899	571
Materials and supplies, net	5,457	5,291
Fossil fuel stocks	342	407
Emission rights	3,216	2,013
Other financial assets, net	27,748	43,013
Other current assets	1,230	1,050
Assets classified as held for sale		736
Total current assets	90,460	97,948
Total assets	519,444	536,934
Equity and liabilities		
Equity:		
Stated capital	53,799	53,799
Treasury shares	(4,246)	(4,246)
Retained earnings and other reserves	152,806	151,145
Total equity	202,359	200,698
Non-current liabilities:		
Long-term debt, net of current portion	120,343	131,960
Provisions	54,844	55,006
Deferred tax liability	10,401	9,003
Other long-term liabilities	5,044	7,019
Total non-current liabilities	190,632	202,988
Current liabilities:		
Short-term loans	5,224	7,874
Current portion of long-term debt	8,611	3,484
Trade and other payables	105,379	110,410
Income tax payable		1
Provisions	3,316	3,904
Accrued liabilities	3,923	7,575
Total current liabilities	126,453	133,248
Total equity and liabilities	519,444	536,934

STATEMENT OF INCOME

in accordance with IFRS as of June 30, 2017

in CZK Millions

	1-6/2017	1-6/2016	4-6/2017	4-6/2016
Sales of electricity	32,811	33,635	15,071	16,183
Sales of gas, heat and other revenues	4,739	4,123	1,786	1,540
Other operating income	1,726	451	1,355	50
Total revenues and other operating income	39,276	38,209	18,212	17,773
Gains and losses from commodity derivative trading, net	559	796	(929)	(723)
Fuel	(5,515)	(5,113)	(2,448)	(2,227)
Purchased power and related services	(15,622)	(15,511)	(6,512)	(7,464)
Repairs and maintenance	(1,063)	(897)	(651)	(546)
Depreciation and amortization	(8,178)	(7,344)	(4,093)	(3,680)
Impairment of property, plant and equipment and intangible assets		1	-	(1)
Salaries and wages	(2,776)	(2,643)	(1,419)	(1,382)
Materials and supplies	(788)	(663)	(403)	(359)
Emission rights, net	(619)	283	(720)	(80)
Other operating expenses	(2,152)	(3,079)	(1,504)	(1,695)
Income before other income (expenses) and income taxes	3,122	4,039	(467)	(384)
Interest on debt, net of capitalized interest	(1,683)	(1,000)	(833)	(494)
Interest on provisions	(702)	(637)	(351)	(319)
Interest income	338	480	169	235
Foreign exchange rate gains (losses), net	501	(728)	606	(530)
Other financial expenses	(432)	(9,919)	(429)	(10,033)
Other financial income	13,465	25,129	13,038	25,114
Total other income (expenses)	11,487	13,325	12,200	13,973
Income before income taxes	14,609	17,364	11,733	13,589
Income taxes	(246)	(586)	271	82
Net income	14,363	16,778	12,004	13,671

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STATEMENT OF COMPREHENSIVE INCOME

in accordance with IFRS as of June 30, 2017

in CZK Millions

	<u>1-6/2017</u>	<u>1-6/2016</u>	<u>4-6/2017</u>	<u>4-6/2016</u>
Net income	14,363	16,778	12,004	13,671
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	3,762	(1,288)	1,975	(2,924)
Cash flow hedges reclassified to income statement	2,737	(266)	2,015	(859)
Change in fair value of available-for-sale financial assets recognized in equity	(430)	10	(27)	(29)
Deferred tax related to other comprehensive income	<u>(1,153)</u>	<u>294</u>	<u>(753)</u>	<u>725</u>
Other comprehensive income, net of tax	<u>4,916</u>	<u>(1,250)</u>	<u>3,210</u>	<u>(3,087)</u>
Total comprehensive income, net of tax	<u><u>19,279</u></u>	<u><u>15,528</u></u>	<u><u>15,214</u></u>	<u><u>10,584</u></u>

STATEMENT OF CHANGES IN EQUITY
in accordance with IFRS as of June 30, 2017
in CZK Millions

	Stated Capital	Treasury Shares	Cash flow hedge reserve	Available-for- sale and other reserves	Retained Earnings	Total Equity
December 31, 2015	53,799	(4,246)	(121)	925	170,212	220,569
Net income					16,778	16,778
Other comprehensive income			(1,259)	9		(1,250)
Total comprehensive income	-	-	(1,259)	9	16,778	15,528
Dividends					(21,369)	(21,369)
Share options				12		12
Transfer of forfeited share options within equity				(21)	21	-
June 30, 2016	53,799	(4,246)	(1,380)	925	165,642	214,740
December 31, 2016	53,799	(4,246)	(7,536)	926	157,755	200,698
Net income					14,363	14,363
Other comprehensive income			5,264	(348)		4,916
Total comprehensive income	-	-	5,264	(348)	14,363	19,279
Dividends					(17,630)	(17,630)
Share options				12		12
Transfer of exercised and forfeited share options within equity				(15)	15	-
June 30, 2017	53,799	(4,246)	(2,272)	575	154,503	202,359

STATEMENT OF CASH FLOWS

in accordance with IFRS as of June 30, 2017

in CZK Millions

	1-6/2017	1-6/2016
Operating activities:		
Income before income taxes	14,609	17,364
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	8,178	7,344
Amortization of nuclear fuel	1,804	1,870
Gain (loss) on non-current assets retirements, net	(1,158)	(18)
Foreign exchange rate losses (gains), net	(501)	728
Interest expense, interest income and dividends income, net	(12,078)	(14,629)
Provisions	(860)	(1,672)
Impairment of property, plant and equipment and intangible assets		(1)
Other impairment and other adjustments	225	740
Changes in assets and liabilities:		
Receivables	12,240	5,036
Materials, supplies and fossil fuel stocks	(106)	48
Receivables and payables from derivatives	(2,284)	583
Other current assets	177	2,680
Trade and other payables	(6,209)	(3,896)
Accrued liabilities	(2,956)	(1,563)
Cash generated from operations	11,081	14,614
Income taxes received (paid)	(330)	(761)
Interest paid, net of capitalized interest	(2,017)	(1,222)
Interest received	371	520
Dividends received	2,261	3,652
Net cash provided by operating activities	11,366	16,803
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures and refunds	(368)	
Proceeds from disposal of subsidiaries, associates and joint-ventures including liquidation distribution received	1,418	9,202
Additions to non-current assets, including capitalized interest	(5,788)	(12,870)
Proceeds from sale of non-current assets	151	32
Loans made	(2,416)	(8,796)
Repayments of loans	1,169	1,068
Change in restricted financial assets	(482)	(494)
Total cash used in investing activities	(6,316)	(11,858)
Financing activities:		
Proceeds from borrowings	54,276	23,813
Payments of borrowings	(57,822)	(23,994)
Decreases of other long-term liabilities		(679)
Change in payables/receivables from group cashpooling	4,034	4,573
Dividends paid	(56)	(48)
Net cash used in financing activities	432	3,665
Net effect of currency translation in cash	38	50
Net increase (decrease) in cash and cash equivalents	5,520	8,660
Cash and cash equivalents at beginning of period	454	2,964
Cash and cash equivalents at end of period	5,974	11,624
Supplementary cash flow information		
Total cash paid for interest	3,169	3,549