

CEZ GROUP

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF SEPTEMBER 30, 2015

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2015

in CZK Millions

	September 30, 2015	December 31, 2014
Assets		
Property, plant and equipment:		
Plant in service	707,805	701,316
Less accumulated provision for depreciation	(391,079)	(371,515)
Net plant in service	316,726	329,801
Nuclear fuel, at amortized cost	11,393	10,953
Construction work in progress	92,641	85,788
Total property, plant and equipment	420,760	426,542
Other non-current assets:		
Investment in joint-ventures	8,364	12,277
Investments and other financial assets, net	40,063	36,348
Intangible assets, net	19,878	20,611
Deferred tax assets	1,499	1,738
Total other non-current assets	69,804	70,974
Total non-current assets	490,564	497,516
Current assets:		
Cash and cash equivalents	13,027	20,095
Receivables, net	45,793	50,864
Income tax receivable	4,101	1,618
Materials and supplies, net	9,003	8,462
Fossil fuel stocks	1,158	1,481
Emission rights	1,456	5,097
Other financial assets, net	40,940	39,438
Other current assets	3,195	3,299
Total current assets	118,673	130,354
Total assets	609,237	627,870

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 2015

continued

	September 30, 2015	December 31, 2014
Equity and liabilities		
Equity:		
Equity attributable to equity holders of the parent:		
Stated capital	53,799	53,799
Treasury shares	(4,246)	(4,382)
Retained earnings and other reserves	211,864	211,891
Total equity attributable to equity holders of the parent	261,417	261,308
Non-controlling interests	4,419	4,543
Total equity	265,836	265,851
Long-term liabilities:		
Long-term debt, net of current portion (Note 7)	156,652	160,852
Nuclear provisions	47,073	47,302
Other long-term liabilities	22,753	25,917
Total long-term liabilities	226,478	234,071
Deferred tax liability	25,791	20,609
Current liabilities:		
Short-term loans (Note 8)	1,472	7,608
Current portion of long-term debt (Note 7)	11,410	15,674
Trade and other payables	62,977	60,331
Income tax payable	94	830
Accrued liabilities	15,179	22,896
Total current liabilities	91,132	107,339
Total equity and liabilities	609,237	627,870

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

in CZK Millions

	1-9/2015	1-9/2014	7-9/2015	7-9/2014
Revenues:				
Sales of electricity and related services	133,800	128,063	43,342	41,525
Gains and losses from electricity, coal and gas derivative trading, net	(863)	2,982	71	(474)
Sales of gas, coal, heat and other revenues	17,671	15,970	4,300	4,258
Total revenues	150,608	147,015	47,713	45,309
Operating expenses:				
Fuel	(9,421)	(9,417)	(3,057)	(2,840)
Purchased power and related services	(66,630)	(56,544)	(22,133)	(18,202)
Repairs and maintenance	(2,905)	(3,033)	(1,328)	(1,239)
Depreciation and amortization	(21,422)	(20,660)	(7,124)	(6,886)
Impairment of plant, property and equipment and intangible assets including goodwill	(2,400)	(5,318)	(2,379)	(3,220)
Salaries and wages	(13,007)	(13,493)	(4,364)	(4,509)
Materials and supplies	(2,886)	(3,263)	(970)	(1,034)
Emission rights, net	(173)	(203)	(412)	(824)
Other operating expenses	(7,141)	(6,261)	(2,623)	(1,830)
Total expenses	(125,985)	(118,192)	(44,390)	(40,584)
Income before other income (expenses) and income taxes	24,623	28,823	3,323	4,725
Other income (expenses):				
Interest on debt, net of capitalized interest	(2,229)	(2,777)	(621)	(748)
Interest on nuclear and other provisions	(1,263)	(1,375)	(420)	(464)
Interest income	315	524	89	144
Foreign exchange rate gains (losses), net	(398)	(40)	164	(269)
Gain (Loss) on sale and loss of control of subsidiaries and joint-ventures	-	1	-	1
Other income (expenses), net	2,015	(27)	398	165
Share of profit (loss) from joint ventures	(2,174)	(735)	(1,218)	(657)
Total other income (expenses)	(3,734)	(4,429)	(1,608)	(1,828)
Income before income taxes	20,889	24,394	1,715	2,897
Income taxes	(4,274)	(4,790)	(514)	(534)
Net income	16,615	19,604	1,201	2,363
Net income attributable to:				
Equity holders of the parent	16,662	19,813	1,287	2,541
Non-controlling interests	(47)	(209)	(86)	(178)
Net income per share attributable to equity holders of the parent (CZK per share)				
Basic	31.2	37.1	2.4	4.8
Diluted	31.2	37.1	2.4	4.8
Average number of shares outstanding (000s)				
Basic	534,179	534,115	534,235	534,115
Diluted	534,258	534,163	534,271	534,206

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

in CZK Millions

	1-9/2015	1-9/2014	7-9/2015	7-9/2014
Net income	16,615	19,604	1,201	2,363
Other comprehensive income - items that may be reclassified subsequently to statement of income:				
Change in fair value of cash flow hedges recognized in equity	9,748	3,675	3,834	745
Cash flow hedges reclassified from equity	(1,551)	(2,571)	60	(1,781)
Change in fair value of available-for-sale financial assets recognized in equity	41	(862)	(1,108)	153
Available-for-sale financial assets reclassified from equity	(100)	(45)	(84)	-
Translation differences	(2,025)	708	(806)	5
Translation differences reclassified from equity	(1)	(5)	-	(5)
Share on equity movements of joint-ventures	(60)	6	(43)	12
Deferred tax relating to other comprehensive income (Note 9)	(1,452)	(342)	(792)	155
Net other comprehensive income that may be reclassified to statement of income in subsequent periods	4,600	564	1,061	(716)
Total comprehensive income, net of tax	21,215	20,168	2,262	1,647
Total comprehensive income attributable to:				
Equity holders of the parent	21,339	20,368	2,356	1,820
Non-controlling interests	(124)	(200)	(94)	(173)

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CEZ GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

in CZK Millions

	Attributable to equity holders of the parent						Non-controlling interests	Total equity
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Available-for-sale and other reserves	Retained earnings	Total	
December 31, 2013	53,799	(4,382)	(8,198)	(8,671)	1,201	224,327	258,076	262,766
Net income	-	-	-	-	-	19,813	19,813	19,604
Other comprehensive income	-	-	694	899	(1,044)	6	555	564
Total comprehensive income	-	-	694	899	(1,044)	19,819	20,368	20,168
Dividends	-	-	-	-	-	(21,301)	(21,301)	(21,530)
Share options	-	-	-	-	19	-	19	19
Transfer of forfeited share options within equity	-	-	-	-	(36)	36	-	-
Acquisition of non-controlling interests	-	-	-	-	-	(2)	(2)	(33)
Put options held by non-controlling interest	-	-	-	-	-	(6)	(6)	33
September 30, 2014	53,799	(4,382)	(7,504)	(7,772)	140	222,873	257,154	261,423
December 31, 2014	53,799	(4,382)	(7,350)	(7,972)	1,849	225,364	261,308	265,851
Net income	-	-	-	-	-	16,662	16,662	16,615
Other comprehensive income	-	-	(1,948)	6,639	46	(60)	4,677	4,600
Total comprehensive income	-	-	(1,948)	6,639	46	16,602	21,339	21,215
Dividends (Note 6)	-	-	-	-	-	(21,317)	(21,317)	(21,321)
Sale of treasury shares	-	136	-	-	-	(68)	68	68
Share options	-	-	-	-	23	-	23	23
Transfer of exercised and forfeited share options within equity	-	-	-	-	(52)	52	-	-
Acquisition of non-controlling interests (Note 4)	-	-	19	-	-	(166)	(147)	(292)
Put options held by non-controlling interest	-	-	-	-	-	143	143	292
September 30, 2015	53,799	(4,246)	(9,279)	(1,333)	1,866	220,610	261,417	265,836

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

in CZK Millions

	1-9/2015	1-9/2014
Operating activities:		
Income before income taxes	20,889	24,394
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	21,438	20,663
Amortization of nuclear fuel	2,589	2,507
Gain on fixed asset retirements, net	(454)	(93)
Foreign exchange rate losses (gains), net	398	40
Interest expense, interest income and dividend income, net	1,229	1,452
Nuclear provisions	(436)	(317)
Valuation allowances, other provisions and other adjustments	(1,395)	14
Share of (profit) loss from joint-ventures	2,174	735
Changes in assets and liabilities:		
Receivables	4,971	6,779
Materials and supplies	(535)	(1,447)
Fossil fuel stocks	321	659
Other current assets	(1,442)	17,639
Trade and other payables	8,324	(2,039)
Accrued liabilities	(3,716)	(4,518)
Cash generated from operations	54,355	66,468
Income taxes paid	(3,503)	(5,833)
Interest paid, net of capitalized interest	(2,041)	(2,825)
Interest received	326	461
Dividends received	665	795
Net cash provided by operating activities	49,802	59,066
Investing activities:		
Disposal of subsidiaries and joint-ventures, net of cash disposed of	310	26
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(21,506)	(23,531)
Proceeds from sale of fixed assets	197	1,103
Loans made	(30)	-
Repayment of loans	60	279
Change in decommissioning and other restricted funds	(576)	(818)
Total cash used in investing activities	(21,545)	(22,941)

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

continued

	1-9/2015	1-9/2014
Financing activities:		
Proceeds from borrowings	73,878	55,577
Payments of borrowings	(87,582)	(78,296)
Proceeds from other long-term liabilities	48	72
Payments of other long-term liabilities	(119)	(90)
Dividends paid to Company's shareholders	(21,253)	(21,257)
(Dividends paid to) contributions received from non-controlling interests, net	(4)	(229)
Sale of treasury shares	68	-
Total cash provided by financing activities	(34,964)	(44,223)
Net effect of currency translation in cash	(361)	(90)
Net increase (decrease) in cash and cash equivalents	(7,068)	(8,188)
Cash and cash equivalents at beginning of period	20,095	25,003
Cash and cash equivalents at end of period	13,027	16,815
 Supplementary cash flow information		
Total cash paid for interest	4,816	6,367

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2015

1. The Company

ČEZ, a. s. ("ČEZ" or "the Company") is a Czech joint-stock company, owned 69.8% (70.3% of voting rights) at September 30, 2015 by the Czech Republic represented by the Ministry of Finance. The remaining shares of the Company are publicly held. The address of the Company's registered office is Duhová 2/1444, Praha 4, 140 53, Czech Republic.

The Company is a parent company of the CEZ Group ("the Group"). Main business of the Group is the production, distribution, trade and sale of electricity and heat, trade and sale of natural gas and coal mining.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

The interim consolidated financial statements for the nine months ended September 30, 2015 have been prepared in accordance with IAS 34 and have not been audited by an independent auditor. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2014.

2.2. Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2014, except for as follows. The Group has adopted the following new or amended and endorsed by EU IFRS and IFRIC interpretations as of January 1, 2015:

- Annual Improvements to IFRSs 2010 - 2012
- Annual Improvements to IFRSs 2011 - 2013

The impact of the adoption of standards or interpretations (or their annual improvements respectively) on the financial statements or performance of the Group is described below:

Annual Improvements to IFRSs 2010 - 2012

In December 2013 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 2	Share-based Payment
IFRS 3	Business Combinations
IFRS 8	Operating Segments
IFRS 13	Fair Value Measurement
IAS 16	Property, Plant and Equipment
IAS 24	Related Party Disclosures
IAS 38	Intangible Assets

The annual improvements had no significant impact on the Group's financial statements.

Annual Improvements to IFRSs 2011 - 2013

In December 2013 the IASB issued a collection of amendments to IAS and IFRS in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 3	Business Combinations
IFRS 13	Fair Value Measurement
IAS 40	Investment Property

The annual improvements had no significant impact on the Group's financial statements.

3. Seasonality of Operations

The seasonality within the segments Power Production and Trading and Distribution and Sale usually takes effect in such a way that the revenues and operating profits of these segments for the 1st and 4th quarters of a calendar year are slightly higher than the revenues and operating profits achieved in the remaining period.

4. Changes in the Group Structure

Acquisitions of non-controlling interests in the first nine months of 2015

On April 15, 2015 the Group increased the ownership interest from 75% to 100% in company Eco-Wind Construction S.A. by calling the option to acquire the non-controlling interest.

The following table summarizes the critical terms of this transaction (in CZK millions):

Acquired share of net assets derecognized from non-controlling interests	145
Amount directly recognized in equity	147
Total purchase consideration	<u>292</u>

5. Investments in Subsidiaries and Joint-ventures

The interim consolidated financial statements include the financial figures of ČEZ, a. s. and the subsidiaries and joint-ventures listed in the following table:

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Areál Třeboradice, a.s.	Czech Republic	95.00%	95.00%	95.00%	95.00%
A.E. Wind sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green Construction sp. z o.o. ¹⁾	Poland	100.00%	-	100.00%	-
Baltic Green I sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green II sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green III sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green IV sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green V sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green VI sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green VII sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Baltic Green VIII sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Bara Group EOOD	Bulgaria	100.00%	100.00%	100.00%	100.00%
Centrum výzkumu Řež s.r.o.	Czech Republic	52.46%	52.46%	100.00%	100.00%
CEZ Bosna i Hercegovina d.o.o. ²⁾	Bosnia and Herzegovina	-	100.00%	-	100.00%
CEZ Bulgaria EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ Bulgarian Investments B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Deutschland GmbH	Germany	100.00%	100.00%	100.00%	100.00%
CEZ Distributie S.A.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Elektro Bulgaria AD	Bulgaria	67.00%	67.00%	67.00%	67.00%
CEZ Finance Ireland Ltd.	Ireland	100.00%	100.00%	100.00%	100.00%
CEZ Hungary Ltd.	Hungary	100.00%	100.00%	100.00%	100.00%
CEZ Chorzow B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Chorzów S.A. ³⁾	Poland	100.00%	100.00%	100.00%	100.00%
CEZ ICT Bulgaria EAD ¹⁾	Poland	67.00%	-	67.00%	-
CEZ International Finance B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ International Finance Ireland Ltd.	Ireland	100.00%	100.00%	100.00%	100.00%
CEZ MH B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Poland Distribution B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Produkty Energetyczne Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Razpredelenie Bulgaria AD	Bulgaria	67.00%	67.00%	67.00%	67.00%
CEZ Romania S.A.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Silesia B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Skawina S.A. ⁴⁾	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Slovensko, s.r.o.	Slovakia	100.00%	100.00%	100.00%	100.00%
CEZ Srbija d.o.o.	Serbia	100.00%	100.00%	100.00%	100.00%
CEZ Towarowy Dom Maklerski sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Trade Albania Sh.P.K.	Albania	100.00%	100.00%	100.00%	100.00%

1) The company was newly established in 2015.

2) The company CEZ Bosna i Hercegovina d.o.o was liquidated on February 5, 2015.

3) The company name Elektrociepłownia Chorzów ELCHO S.A. was changed to CEZ Chorzów S.A. in May 2015.

4) The company name Elektrownia Skawina S.A. was changed to CEZ Skawina S.A. in April 2015.

5) The company merged with the succession company Akenerji Elektrik Üretim A. S. with the effective date of January 1, 2015.

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
CEZ Trade Bulgaria EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ Trade Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Trade Romania S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Ukraine LLC	Ukraine	100.00%	100.00%	100.00%	100.00%
CEZ Vanzare S.A.	Romania	100.00%	100.00%	100.00%	100.00%
ČEZ Bohunice a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Distribuce, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Distribuční služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Energetické produkty, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Energetické služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ ENERGOSERVIS spol. s r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ ESCO, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ ICT Services, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Inženýring, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Korporátní služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Nová energetika, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Obnovitelné zdroje, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ OZ uzavřený investiční fond a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Prodej, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Recyklace, s.r.o.	Czech Republic	99.00%	99.00%	99.00%	99.00%
ČEZ Teplárenská, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Zákaznické služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Eco-Wind Construction S.A.	Poland	100.00%	75.00%	100.00%	75.00%
Elektrárna Dětmorovice, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Mělník III, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Počeradý, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Tisová, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrownie Wiatrowe Lubiechowo sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Energetické centrum s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Energocentrum Vítkovice, a. s. ¹⁾	Czech Republic	100.00%	-	100.00%	-
Energotrans, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
EVČ s.r.o.	Czech Republic	75.00%	75.00%	75.00%	75.00%
Farma Wiatrowa Leśce sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Farma Wiatrowa Wilkolaz-Bychawa sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
Free Energy Project Oreshets EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
MARTIA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Mega Energy sp. z o.o.	Poland	100.00%	75.00%	100.00%	100.00%
M.W. Team Invest S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
Ovidiu Development S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
PRODECO, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Revitrans, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - Kolejová doprava, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Severočeské doly a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Shared Services Albania Sh.A.	Albania	100.00%	100.00%	100.00%	100.00%
ŠKODA PRAHA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ŠKODA PRAHA Invest s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Taidana Limited	Cyprus	100.00%	100.00%	100.00%	100.00%
TEC Varna EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
Telco Pro Services, a. s	Czech Republic	100.00%	100.00%	100.00%	100.00%
Tepelné hospodářství města Ústí nad Labem s.r.o.	Czech Republic	55.83%	55.83%	55.83%	55.83%

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
TMK Hydroenergy Power S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
Tomis Team S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
ÚJV Řež, a. s.	Czech Republic	52.46%	52.46%	52.46%	52.46%

Joint-ventures	Country of incorporation	% equity interest		% voting interest	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
Akcez Enerji A.S.	Turkey	50.00%	50.00%	50.00%	50.00%
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Akenerji Elektrik Üretim A.S.	Turkey	37.36%	37.36%	37.36%	37.36%
Akkur Enerji Üretim Ticaret ve Sanayi A.S. ⁵⁾	Turkey	-	37.36%	-	50.00%
AK-EL Kemah Elektrik Üretim ve Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
AK-EL Yalova Elektrik Üretim A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
CM European Power International B.V.	Netherlands	50.00%	50.00%	50.00%	50.00%
CM European Power Slovakia s.r.o.	Slovakia	50.00%	50.00%	50.00%	50.00%
ČEZ Energo, s.r.o.	Czech Republic	50.10%	50.10%	50.10%	50.10%
Egemer Elektrik Üretim A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Jadrová energetická spoločnosť Slovenska, a. s.	Slovakia	49.00%	49.00%	50.00%	50.00%
JESS Invest, s. r. o.	Slovakia	49.00%	49.00%	50.00%	50.00%
LOMY MOŘINA spol. s r.o.	Czech Republic	51.05%	51.05%	51.05%	51.05%
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Sakarya Elektrik Dagitim A.S.	Turkey	50.00%	50.00%	50.00%	50.00%
Sakarya Elektrik Perakende Satis A.S.	Turkey	50.00%	50.00%	50.00%	50.00%

The equity interest represents effective ownership interest of the Group.

6. Equity

On June 12, 2015 the Annual Shareholders Meeting of ČEZ, a. s. approved the dividends per share of CZK 40.0. The total amount of dividend approved amounts to CZK 21,369 million.

Movements of treasury shares in the first nine months of 2015 (in pieces):

	1-9/2015
Number of treasury shares at beginning of period	3,875,021
Sales of treasury shares	(120,000)
Number of treasury shares at end of period	<u>3,755,021</u>

7. Long-term Debt

Long-term debt at September 30, 2015 and December 31, 2014 is as follows (in CZK millions):

	September 30,2015	December 31, 2014
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,414	2,283
5.825% Zero Coupon Eurobonds, due 2038 (EUR 6 million)	43	42
5.750% Eurobonds, due 2015 (EUR 460 million)	-	12,749
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,610	1,523
5.000% Eurobonds, due 2021 (EUR 750 million)	20,316	20,715
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	1,354	1,380
3M Euribor + 0.35% Eurobonds, due 2017 (EUR 45 million)	1,203	1,219
4.875% Eurobonds, due 2025 (EUR 750 million)	20,301	20,701
4.500% Eurobonds, due 2020 (EUR 750 million)	20,249	20,633
2.160% Eurobonds, due 2023 (JPY 11,500 million)	2,321	2,195
4.600% Eurobonds, due 2023 (CZK 1,250 million)	1,248	1,248
3.625% Eurobonds, due 2016 (EUR 340 million)	9,224	9,397
2.150%*IRp Eurobonds, due 2021 (EUR 100 million)	2,718	2,773
4.102% Eurobonds, due 2021 (EUR 50 million)	1,355	1,382
4.250% U.S. bonds, due 2022 (USD 700 million)	16,856	15,847
5.625% U.S. bonds, due 2042 (USD 300 million)	7,202	6,775
4.375% Eurobonds, due 2042 (EUR 50 million)	1,332	1,358
4.500% Eurobonds, due 2047 (EUR 50 million)	1,332	1,358
4.383% Eurobonds, due 2047 (EUR 80 million)	2,174	2,218
3.000% Eurobonds, due 2028 (EUR 500 million)	13,397	13,655
4.500% registered bonds, due 2030 (EUR 40 million)	1,065	1,086
4.750% registered bonds, due 2023 (EUR 40 million)	1,076	1,096
4.700% registered bonds, due 2032 (EUR 40 million)	1,081	1,102
4.270% registered bonds, due 2047 (EUR 61 million)	1,630	1,662
3.550% registered bonds, due 2038 (EUR 30 million)	812	828
Exchangeable bonds, due 2017 (EUR 470.2 million) *	12,446	12,560
Total bonds and debentures	144,759	157,785
Less: Current portion	(9,224)	(12,749)
Bonds and debentures, net of current portion	135,535	145,036
Long-term bank loans:		
Total long-term bank loans	23,303	18,741
Less: Current portion	(2,186)	(2,925)
Long-term bank loans, net of current portion	21,117	15,816
Total long-term debt	168,062	176,526
Less: Current portion	(11,410)	(15,674)
Total long-term debt, net of current portion	156,652	160,852

* Bonds are exchangeable for ordinary shares of MOL Hungarian Oil and Gas PLC. The bonds carry no interest and the separation of embedded conversion option resulted in effective interest rate of 1.43%

8. Short-term Loans

Short-term loans at September 30, 2015 and December 31, 2014 are as follows (in CZK millions):

	September 30, 2015	December 31, 2014
Short-term bank loans	1,208	7,466
Bank overdrafts	264	142
Total	1,472	7,608

9. Income Taxes

Tax effects relating to each component of other comprehensive income are the following (in CZK millions):

	1-9/2015			1-9/2014		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges recognized in equity	9,748	(1,853)	7,895	3,675	(693)	2,982
Cash flow hedges reclassified from equity	(1,551)	295	(1,256)	(2,571)	488	(2,083)
Change in fair value of available-for-sale financial assets recognized in equity	41	90	131	(862)	(148)	(1,010)
Available-for-sale financial assets reclassified from equity	(100)	16	(84)	(45)	11	(34)
Translation differences	(2,025)	-	(2,025)	708	-	708
Translation differences reclassified from equity	(1)	-	(1)	(5)	-	(5)
Share on equity movements of joint-ventures	(60)	-	(60)	6	-	6
Total	6,052	(1,452)	4,600	906	(342)	564

10. Segment Information

The Group reports its result based on operating segments which are defined with respect to geographical location of the assets with similar economic environment and characteristics, e.g. similar long-term average gross margins, similar nature of the products and services and with regard to regulatory environment. The Group has identified seven reportable segments on this basis:

- Power Production and Trading / Central Europe
- Distribution and Sale / Central Europe
- Mining / Central Europe
- Other / Central Europe
- Power Production and Trading / South East Europe
- Distribution and Sale / South East Europe
- Other / South East Europe

The Group accounts for intersegment revenues and transfers as if the revenues or transfers were to third parties, that is, at current market prices or where the regulation applies at regulated prices.

The Group evaluates the performance of its segments based on earnings before interest, taxes, depreciation and amortization (EBITDA). The reconciliation of EBITDA to income before other income (expenses) and income taxes summarizes the following table (in CZK millions):

	1-9/2015	1-9/2014
Income before other income (expenses) and income taxes (EBIT)	24,623	28,823
Depreciation and amortization	21,422	20,660
Impairment of plant, property and equipment and intangible assets including goodwill	2,400	5,318
Gain on sale of property, plant and equipment *	(66)	(65)
EBITDA	48,379	54,736

* Item Gain on sale of property, plant and equipment is presented in the statement of income as part of the line item Other operating expenses.

The following tables summarize segment information by operating segments for the three months ended September 30, 2015 and 2014 and at December 31, 2014 (in CZK millions):

September 30, 2015:

	Power Produc- tion and Trading CE	Distribu- tion and Sale CE	Mining CE	Other CE	Power Produc- tion and Trading SEE	Distribu- tion and Sale SEE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Sales other than intersegment sales	39,824	77,876	3,259	1,770	1,114	26,756	9	150,608	-	150,608
Intersegment sales	26,625	2,544	3,633	15,870	353	219	1,382	50,626	(50,626)	-
Total revenues	66,449	80,420	6,892	17,640	1,467	26,975	1,391	201,234	(50,626)	150,608
EBITDA	23,792	15,204	3,128	2,744	448	2,928	132	48,376	3	48,379
Depreciation and amortization	(13,029)	(2,989)	(1,811)	(1,423)	(746)	(1,371)	(53)	(21,422)	-	(21,422)
Impairment of property, plant and equipment and intangible assets including goodwill	(1,282)	(14)	1	-	(647)	(445)	(13)	(2,400)	-	(2,400)
EBIT	9,463	12,202	1,321	1,378	(946)	1,135	67	24,620	3	24,623
Interest on debt and provisions	(3,334)	(202)	(149)	(100)	(374)	(8)	(10)	(4,177)	685	(3,492)
Interest income	761	14	174	15	4	26	6	1,000	(685)	315
Share of profit (loss) from joint-ventures	58	-	6	-	(1,508)	(730)	-	(2,174)	-	(2,174)
Income taxes	(1,344)	(2,289)	(257)	(335)	138	(177)	(10)	(4,274)	-	(4,274)
Net income	19,937	9,720	1,776	1,831	(2,436)	238	55	31,121	(14,506)	16,615
Identifiable assets	266,440	82,597	20,593	9,560	19,496	23,243	135	422,064	(1,304)	420,760
Investment in joint-ventures	4,817	41	176	-	1,541	1,789	-	8,364	-	8,364
Unallocated assets										180,113
Total assets										609,237
Capital expenditure	11,308	5,346	1,133	5,695	168	1,284	436	25,370	(5,158)	20,212

September 30, 2014:	Power Produc- tion and Trading CE	Distribu- tion and Sale CE	Mining CE	Other CE	Power Produc- tion and Trading SEE	Distribu- tion and Sale SEE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Sales other than intersegment sales	42,205	74,351	3,419	1,579	925	24,522	14	147,015	-	147,015
Intersegment sales	26,031	3,743	3,831	19,044	921	361	1,614	55,545	(55,545)	-
Total revenues	68,236	78,094	7,250	20,623	1,846	24,883	1,628	202,560	(55,545)	147,015
EBITDA	30,470	13,885	3,175	3,754	705	2,651	123	54,763	(27)	54,736
Depreciation and amortization	(12,116)	(2,852)	(1,711)	(1,622)	(974)	(1,332)	(53)	(20,660)	-	(20,660)
Impairment of property, plant and equipment and intangible assets including goodwill	-	-	9	29	(4,602)	(754)	-	(5,318)	-	(5,318)
EBIT	18,364	11,036	1,477	2,202	(4,871)	572	70	28,850	(27)	28,823
Interest on debt and provisions	(3,993)	(255)	(172)	(39)	(432)	(16)	(19)	(4,926)	774	(4,152)
Interest income	990	9	195	31	10	47	16	1,298	(774)	524
Share of profit (loss) from joint-ventures	112	-	2	-	(801)	(48)	-	(735)	-	(735)
Income taxes	(2,476)	(2,009)	(284)	(472)	566	(112)	(10)	(4,797)	7	(4,790)
Net income	26,908	8,771	1,810	1,723	(5,300)	436	56	34,404	(14,800)	19,604
Capital expenditure	12,556	5,357	1,418	8,549	(8)	1,494	542	29,908	(8,229)	21,679
December 31, 2014:	Power Produc- tion and Trading CE	Distribu- tion and Sale CE	Mining CE	Other CE	Power Produc- tion and Trading SEE	Distribu- tion and Sale SEE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Identifiable assets	271,636	80,211	21,267	10,102	20,840	24,052	100	428,208	(1,666)	426,542
Investment in joint-ventures	5,005	-	190	-	4,159	2,923	-	12,277	-	12,277
Unallocated assets										189,051
Total assets										<u>627,870</u>

11. Events after the Balance Sheet Date

On October 27, 2015 companies of CEZ Group received decisions of Appellate Tax Directorate based on which CEZ Group will be refunded part of the gift tax on emission allowances paid in 2011 and 2012. The refund amounts to CZK 3.8 bn.