



### **CEZ Group has already earned CZK 14.7 billion this year**

CEZ Group reports CZK 14.7bn as its net income in the first three quarters of this year. After adjustment for extraordinary effects that are generally unrelated to ordinary financial performance, its net income was CZK 16.7bn. Its EBITDA was CZK 43.8bn. Decreasing realization prices of electricity accounted for CZK 4.5bn of the year-on-year decrease of CZK 4.6bn.

A decrease in electricity generation at nuclear power plants was almost completely offset by increased generation at coal- and gas-fired facilities, so total generation from traditional sources decreased by just one per cent. A great contribution to this was stable operation of all three comprehensively renovated units of the Prunéřov Power Plant. "The most important event of the past quarter was our agreement with Sokolovská uhelná. The result is a new contract for supplies of Sokolov brown coal to ČEZ until 2025, the sale of our Tisová Power Plant to Sokolovská uhelná, and both parties' pledge to take every step to end all pending lawsuits and proceedings," says Daniel Beneš, Chairman of the Board of Directors and CEO at ČEZ.

CEZ Group still expects an adjusted net income in the range of CZK 18bn for the whole of this year. "The relatively low net income we are expecting in the fourth quarter has two major factors besides typical seasonal impacts: an increase in depreciation and amortization and a decrease in capitalized interest relating to the inclusion of the comprehensively renovated Prunéřov Power Plant in company assets. In addition, this year we will not be able to rely on last year's partial return of tax on emission allowances for the years 2011 and 2012, which brought CZK 3.8bn in revenue in Q4 2015," says Martin Novák, Vice-Chairman of the Board of Directors and CFO at ČEZ. The estimate of annual EBITDA has been refined to approx. CZK 56bn, primarily as a result of extended outages at nuclear facilities due to a defect in the turbine of Temelín Unit 2.

CEZ Group has also strengthened its position as the largest alternative supplier of natural gas, becoming No. 2 in the Czech market. Sales of natural gas have grown by 9% year-on-year and the number of ČEZ Prodej customers has reached almost 400,000.

In development activities, there was a great addition to the range of energy services offered to corporate customers. ČEZ ESCO acquired AZ Klima, an HVAC supplier with a track record of more than 4,000 projects, which is No. 1 in the Czech market in integrated heating, cooling, ventilation, and air-conditioning systems.

A positive development of the Czech economy has been confirmed by growing electricity consumption in the distribution area of ČEZ Distribuce, which has grown by 0.9% year-on-year 0.4% after temperate and calendar adjustment.

**Ladislav Kríž**, ČEZ Spokesman