

BALANCE SHEET

in accordance with IFRS as of September 30, 2017

in CZK Millions

	30. 9. 2017	31. 12. 2016
Assets		
Property, plant and equipment:		
Plant in service	396 407	394 262
Less accumulated depreciation and impairment	(229 979)	(218 114)
Net plant in service	166 428	176 148
Nuclear fuel, at amortized cost	15 235	14 745
Construction work in progress, net	51 207	50 337
Total property, plant and equipment	232 870	241 230
Other non-current assets:		
Restricted financial assets	13 335	13 290
Investments and other financial assets, net	179 260	183 885
Intangible assets, net	381	581
Total other non-current assets	192 976	197 756
Total non-current assets	425 846	438 986
Current assets:		
Cash and cash equivalents	884	454
Receivables, net	40 927	44 413
Income tax receivable	340	571
Materials and supplies, net	5 803	5 291
Fossil fuel stocks	338	407
Emission rights	4 926	2 013
Other financial assets, net	39 440	43 013
Other current assets	1 278	1 050
Assets classified as held for sale	426	736
Total current assets	94 362	97 948
Total assets	520 208	536 934
Equity and liabilities		
Equity:		
Stated capital	53 799	53 799
Treasury shares	(4 246)	(4 246)
Retained earnings and other reserves	146 400	151 145
Total equity	195 953	200 698
Non-current liabilities:		
Long-term debt, net of current portion	124 877	131 960
Provisions	54 771	55 006
Deferred tax liability	8 967	9 003
Other long-term liabilities	7 938	7 019
Total non-current liabilities	196 553	202 988
Current liabilities:		
Short-term loans	11 687	7 874
Current portion of long-term debt	8 545	3 484
Trade and other payables	99 047	110 410
Income tax payable		1
Provisions	4 076	3 904
Accrued liabilities	4 347	7 575
Total current liabilities	127 702	133 248
Total equity and liabilities	520 208	536 934

ČEZ, a. s.

STATEMENT OF INCOME

in accordance with IFRS as of September 30, 2017

in CZK Millions

	<u>1-9/2017</u>	<u>1-9/2016</u>	<u>7-9/2017</u>	<u>7-9/2016</u>
Sales of electricity	48 441	50 463	15 630	16 828
Sales of gas, heat and other revenues	6 527	5 406	1 788	1 283
Other operating income	2 036	956	310	505
Total revenues and other operating income	57 004	56 825	17 728	18 616
Gains and losses from commodity derivative trading, net	(212)	436	(771)	(360)
Fuel	(8 091)	(7 639)	(2 576)	(2 526)
Purchased power and related services	(23 676)	(24 442)	(8 054)	(8 931)
Repairs and maintenance	(2 077)	(1 565)	(1 014)	(668)
Depreciation and amortization	(12 349)	(11 091)	(4 171)	(3 747)
Impairment of property, plant and equipment and intangible assets		2	-	1
Salaries and wages	(4 190)	(4 001)	(1 414)	(1 358)
Materials and supplies	(1 175)	(1 030)	(387)	(367)
Emission rights, net	(1 125)	(189)	(506)	(472)
Other operating expenses	(3 676)	(4 699)	(1 524)	(1 620)
Income before other income (expenses) and income taxes	433	2 607	(2 689)	(1 432)
Interest on debt, net of capitalized interest	(2 518)	(1 697)	(835)	(697)
Interest on provisions	(1 053)	(955)	(351)	(318)
Interest income	504	712	166	232
Foreign exchange rate gains (losses), net	779	(880)	278	(152)
Other financial expenses	(945)	(9 950)	(513)	(31)
Other financial income	13 470	24 572	5	(557)
Total other income (expenses)	10 237	11 802	(1 250)	(1 523)
Income before income taxes	10 670	14 409	(3 939)	(2 955)
Income taxes	437	(20)	683	566
Net income	11 107	14 389	(3 256)	(2 389)

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME
in accordance with IFRS as of September 30, 2017
in CZK Millions

	<u>1-9/2017</u>	<u>1-9/2016</u>	<u>7-9/2017</u>	<u>7-9/2016</u>
Net income	11 107	14 389	(3 256)	(2 389)
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	(965)	(3 087)	(4 727)	(1 799)
Cash flow hedges reclassified to income statement	3 633	(416)	896	(150)
Change in fair value of available-for-sale financial assets recognized in equity	(551)	117	(121)	107
Deferred tax related to other comprehensive income	(402)	643	751	349
Other comprehensive income, net of tax	<u>1 715</u>	<u>(2 743)</u>	<u>(3 201)</u>	<u>(1 493)</u>
Total comprehensive income, net of tax	<u>12 822</u>	<u>11 646</u>	<u>(6 457)</u>	<u>(3 882)</u>

STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS as of September 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					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 forfeited share options within equity				(24)	24	-
September 30, 2016	53 799	(4 246)	(2 958)	1 012	163 306	210 913
December 31, 2016	53 799	(4 246)	(7 536)	926	157 755	200 698
Net income					11 107	11 107
Other comprehensive income			2 161	(446)		1 715
Total comprehensive income	-	-	2 161	(446)	11 107	12 822
Dividends					(17 586)	(17 586)
Share options				19		19
Transfer of exercised and forfeited share options within equity				(22)	22	-
September 30, 2017	53 799	(4 246)	(5 375)	477	151 298	195 953

STATEMENT OF CASH FLOWS

in accordance with IFRS as of September 30, 2017

in CZK Millions

	1-9/2017	1-9/2016
Operating activities:		
Income before income taxes	10 670	14 409
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	12 349	11 091
Amortization of nuclear fuel	2 650	2 472
Gain (loss) on non-current assets retirements, net	(1 159)	(55)
Foreign exchange rate losses (gains), net	(779)	880
Interest expense, interest income and dividends income, net	(11 410)	(14 185)
Provisions	(228)	126
Impairment of property, plant and equipment and intangible assets		(2)
Other impairment and other adjustments	1 851	628
Changes in assets and liabilities:		
Receivables	8 267	1 029
Materials, supplies and fossil fuel stocks	(451)	(201)
Receivables and payables from derivatives	(1 951)	2 045
Other current assets	(1 231)	3 428
Trade and other payables	(1 491)	(1 308)
Accrued liabilities	(3 141)	(1 224)
Cash generated from operations	13 946	19 133
Income taxes received (paid)	229	(1 090)
Interest paid, net of capitalized interest	(2 426)	(1 707)
Interest received	527	798
Dividends received	13 417	18 529
Net cash provided by operating activities	<u>25 693</u>	<u>35 663</u>
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures and refunds	(2 713)	(1 006)
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	(7 283)	(17 593)
Proceeds from sale of non-current assets	1 420	41
Loans made	(5 762)	(9 970)
Repayments of loans	1 450	1 609
Change in restricted financial assets	(517)	(537)
Total cash used in investing activities	<u>(11 987)</u>	<u>(18 254)</u>
Financing activities:		
Proceeds from borrowings	116 755	56 943
Payments of borrowings	(107 536)	(48 263)
Decreases of other long-term liabilities		(679)
Change in payables/receivables from group cashpooling	(4 962)	(2 450)
Dividends paid	(17 544)	(21 249)
Net cash used in financing activities	<u>(13 287)</u>	<u>(15 698)</u>
Net effect of currency translation in cash	11	26
Net increase (decrease) in cash and cash equivalents	430	1 737
Cash and cash equivalents at beginning of period	454	2 964
Cash and cash equivalents at end of period	<u>884</u>	<u>4 701</u>
Supplementary cash flow information		
Total cash paid for interest	3 810	4 292