

## **CEZ GROUP**

INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE WITH  
INTERNATIONAL FINANCIAL REPORTING STANDARDS  
AS OF MARCH 31, 2015

**CEZ GROUP**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF MARCH 31, 2015**

in CZK Millions

	March 31, 2015	December 31, 2014
<b>Assets</b>		
Property, plant and equipment:		
Plant in service	703,006	701,316
Less accumulated provision for depreciation	(377,609)	(371,515)
Net plant in service	325,397	329,801
Nuclear fuel, at amortized cost	10,088	10,953
Construction work in progress	90,200	85,788
Total property, plant and equipment	425,685	426,542
Other non-current assets:		
Investment in joint-ventures	11,225	12,277
Investments and other financial assets, net	42,519	36,348
Intangible assets, net	20,468	20,611
Deferred tax assets	1,542	1,738
Total other non-current assets	75,754	70,974
Total non-current assets	501,439	497,516
Current assets:		
Cash and cash equivalents	24,047	20,095
Receivables, net	52,078	50,864
Income tax receivable	2,652	1,618
Materials and supplies, net	7,599	8,462
Fossil fuel stocks	796	1,481
Emission rights	5,248	5,097
Other financial assets, net	36,010	39,438
Other current assets	3,423	3,299
Total current assets	131,853	130,354
<b>Total assets</b>	<b>633,292</b>	<b>627,870</b>

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

**CEZ GROUP**  
**CONSOLIDATED BALANCE SHEET**  
**AS OF MARCH 31, 2015**

**Continued**

	March 31, 2015	December 31, 2014
<b>Equity and liabilities</b>		
Equity:		
Equity attributable to equity holders of the parent:		
Stated capital	53,799	53,799
Treasury shares	(4,382)	(4,382)
Retained earnings and other reserves	222,095	211,891
Total equity attributable to equity holders of the parent	271,512	261,308
Non-controlling interests	4,564	4,543
Total equity	276,076	265,851
Long-term liabilities:		
Long-term debt, net of current portion (Note 5)	167,454	160,852
Accumulated provision for nuclear decommissioning and fuel storage	47,229	47,302
Other long-term liabilities	27,393	25,917
Total long-term liabilities	242,076	234,071
Deferred tax liability	22,780	20,609
Current liabilities:		
Short-term loans	1,087	7,608
Current portion of long-term debt (Note 5)	14,881	15,674
Trade and other payables	54,698	60,331
Income tax payable	67	830
Accrued liabilities	21,627	22,896
Total current liabilities	92,360	107,339
<b>Total equity and liabilities</b>	<b>633,292</b>	<b>627,870</b>

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

**CEZ GROUP**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2015**

in CZK Millions

	1-3/2015	1-3/2014
<b>Revenues:</b>		
Sales of electricity and related services	46,238	43,748
Gains and losses from electricity, coal and gas derivative trading, net	(958)	2,165
Sales of gas, coal, heat and other revenues	7,726	7,244
Total revenues	53,006	53,157
<b>Operating expenses:</b>		
Fuel	(3,699)	(3,653)
Purchased power and related services	(22,115)	(19,711)
Repairs and maintenance	(677)	(747)
Depreciation and amortization	(7,194)	(6,863)
Impairment of plant, property and equipment and intangible assets including goodwill	62	(12)
Salaries and wages	(4,244)	(4,359)
Materials and supplies	(908)	(1,018)
Emission rights, net	41	(83)
Other operating expenses	(2,245)	(2,337)
Total expenses	(40,979)	(38,783)
<b>Income before other income (expenses) and income taxes</b>	12,027	14,374
<b>Other income (expenses):</b>		
Interest on debt, net of capitalized interest	(813)	(1,054)
Interest on nuclear and other provisions	(422)	(460)
Interest income	110	204
Foreign exchange rate gains (losses), net	(393)	3
Other income (expenses), net	77	(419)
Share of profit (loss) from joint-ventures	(1,010)	(243)
Total other income (expenses)	(2,451)	(1,969)
<b>Income before income taxes</b>	9,576	12,405
Income taxes	(2,013)	(2,497)
<b>Net income</b>	7,563	9,908
<b>Net income attributable to:</b>		
Equity holders of the parent	7,515	9,912
Non-controlling interests	48	(4)
<b>Net income per share attributable to equity holders of the parent (CZK per share)</b>		
Basic	14.1	18.6
Diluted	14.1	18.6
<b>Average number of shares outstanding (000s)</b>		
Basic	534,115	534,115
Diluted	534,205	534,121

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

**CEZ GROUP**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2015**

in CZK Millions

	1-3/2015	1-3/2014
<b>Net income</b>	7,563	9,908
<b>Other comprehensive income - items that may be reclassified subsequently to income statement:</b>		
Change in fair value of cash flow hedges recognized in equity	4,617	2,672
Cash flow hedges reclassified from equity	(3,140)	(403)
Change in fair value of available-for-sale financial assets recognized in equity	1,129	(1,067)
Available-for-sale financial assets reclassified from equity	-	(44)
Translation differences	416	9
Translation differences reclassified from equity	(1)	-
Share on equity movements of joint-ventures	(24)	(2)
Deferred tax relating to other comprehensive income (Note 7)	(342)	(445)
<b>Other comprehensive income, net of tax</b>	<u>2,655</u>	<u>720</u>
<b>Total comprehensive income, net of tax</b>	<u>10,218</u>	<u>10,628</u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the parent	10,195	10,631
Non-controlling interests	23	(3)

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

**CEZ GROUP**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 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	4,690	262,766
Net income	-	-	-	-	-	9,912	9,912	(4)	9,908
Other comprehensive income	-	-	8	1,840	(1,127)	(2)	719	1	720
Total comprehensive income	-	-	8	1,840	(1,127)	9,910	10,631	(3)	10,628
Share options	-	-	-	-	6	-	6	-	6
Transfer of forfeited share options within equity	-	-	-	-	(6)	6	-	-	-
Put options held by non-controlling interest	-	-	-	-	-	(4)	(4)	4	-
March 31, 2014	<u>53,799</u>	<u>(4,382)</u>	<u>(8,190)</u>	<u>(6,831)</u>	<u>74</u>	<u>234,239</u>	<u>268,709</u>	<u>4,691</u>	<u>273,400</u>
December 31, 2014	53,799	(4,382)	(7,350)	(7,972)	1,849	225,364	261,308	4,543	265,851
Net income	-	-	-	-	-	7,515	7,515	48	7,563
Other comprehensive income	-	-	441	1,196	1,067	(24)	2,680	(25)	2,655
Total comprehensive income	-	-	441	1,196	1,067	7,491	10,195	23	10,218
Share options	-	-	-	-	7	-	7	-	7
Transfer of forfeited share options within equity	-	-	-	-	(10)	10	-	-	-
Put options held by non-controlling interest	-	-	-	-	-	2	2	(2)	-
March 31, 2014	<u>53,799</u>	<u>(4,382)</u>	<u>(6,909)</u>	<u>(6,776)</u>	<u>2,913</u>	<u>232,867</u>	<u>271,512</u>	<u>4,564</u>	<u>276,076</u>

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

**CEZ GROUP**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2015**

in CZK Millions

	1-3/2015	1-3/2014
<b>Operating activities:</b>		
Income before income taxes	9,576	12,405
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	7,198	6,863
Amortization of nuclear fuel	987	871
Gain on fixed asset retirements, net	(63)	(119)
Foreign exchange rate losses (gains), net	393	(3)
Interest expense, interest income and dividend income, net	703	850
Provision for nuclear decommissioning and fuel storage	(142)	(31)
Valuation allowances, other provisions and other adjustments	(277)	(456)
Share of (profit) loss from joint-ventures	1,010	243
Changes in assets and liabilities:		
Receivables	(1,032)	5,291
Materials and supplies	909	310
Fossil fuel stocks	693	750
Other current assets	(1,012)	(11,757)
Trade and other payables	723	5,179
Accrued liabilities	(2,801)	(2,730)
Cash generated from operations	16,865	17,666
Income taxes paid	(1,840)	(2,038)
Interest paid, net of capitalized interest	(60)	(181)
Interest received	135	145
Net cash provided by operating activities	15,100	15,592
<b>Investing activities:</b>		
Disposal of subsidiaries and joint-ventures, net of cash disposed of	(18)	-
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(7,511)	(6,208)
Proceeds from sale of fixed assets	64	874
Loans made	(30)	-
Repayment of loans	45	76
Change in decommissioning and other restricted funds	(200)	(99)
Total cash used in investing activities	(7,650)	(5,357)

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

**CEZ GROUP**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2015**

continued

	1-3/2015	1-3/2014
<b>Financing activities:</b>		
Proceeds from borrowings	20,209	13,634
Payments of borrowings	(23,553)	(12,864)
Proceeds from other long-term liabilities	16	20
Payments of other long-term liabilities	(44)	(26)
Dividends paid to Company's shareholders	(23)	(28)
Total cash provided by financing activities	(3,395)	736
Net effect of currency translation in cash	(103)	(31)
<b>Net increase in cash and cash equivalents</b>	3,952	10,940
<b>Cash and cash equivalents at beginning of period</b>	20,095	25,003
<b>Cash and cash equivalents at end of period</b>	24,047	35,943
 <b>Supplementary cash flow information</b>		
Total cash paid for interest	183	429

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



**CEZ GROUP**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 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 March 31, 2014 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 three months ended March 31, 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. 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	
		March 31, 2015	December 31, 2014	March 31, 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	75.00%	75.00%	100.00%	100.00%
Baltic Green I sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Baltic Green II sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Baltic Green III sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Baltic Green IV sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Baltic Green V sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Baltic Green VI sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Baltic Green VII sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Baltic Green VIII sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Bara Group OOD	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. <sup>1)</sup>	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 Finance Polska sp. z o.o. <sup>2)</sup>	Poland	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 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%

<sup>1)</sup> The company CEZ Bosna i Hercegovina d.o.o was liquidated on February 5, 2015.

<sup>2)</sup> The company was newly established in 2015.

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
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 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%
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	75.00%	75.00%	75.00%	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 Počerady, 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%
Elektrociepłownia Chorzów ELCHO S.A.	Poland	100.00%	100.00%	100.00%	100.00%
Elektrownia Skawina S.A.	Poland	100.00%	100.00%	100.00%	100.00%
Elektrownie Wiatrowe Lubiechowo sp. z o.o.	Poland	75.00%	75.00%	100.00%	100.00%
Energetické centrum s.r.o.	Czech Republic	100.00%	100.00%	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	75.00%	75.00%	100.00%	100.00%
Farma Wiatrowa Wilkolaz-Bychawa sp. z o.o.	Poland	75.00%	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	75.00%	75.00%	100.00%	100.00%

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
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%
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	
		March 31, 2015	December 31, 2014	March 31, 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.	Turkey	37.36%	37.36%	50.00%	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%
Egmer 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.

## 5. Long-term Debt

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

	March 31, 2015	December 31, 2014
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,553	2,283
5.825% Zero Coupon Eurobonds, due 2038 (EUR 6 million)	42	42
5.750% Eurobonds, due 2015 (EUR 460 million) <sup>1)</sup>	12,666	12,749
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,703	1,523
5.000% Eurobonds, due 2021 (EUR 750 million)	20,573	20,715
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	1,371	1,380
3M Euribor + 0.35% Eurobonds, due 2017 (EUR 45 million)	1,213	1,219
4.875% Eurobonds, due 2025 (EUR 750 million)	20,558	20,701
4.500% Eurobonds, due 2020 (EUR 750 million)	20,495	20,633
2.160% Eurobonds, due 2023 (JPY 11,500 million)	2,454	2,195
4.600% Eurobonds, due 2023 (CZK 1,250 million)	1,248	1,248
3.625% Eurobonds, due 2016 (EUR 340 million) <sup>2)</sup>	9,335	9,397
2.150%*IRp Eurobonds, due 2021 (EUR 100 million)	2,753	2,773
4.102% Eurobonds, due 2021 (EUR 50 million)	1,372	1,382
4.250% U.S. bonds, due 2022 (USD 700 million)	17,762	15,847
5.625% U.S. bonds, due 2042 (USD 300 million)	7,592	6,775
4.375% Eurobonds, due 2042 (EUR 50 million)	1,349	1,358
4.500% Eurobonds, due 2047 (EUR 50 million)	1,349	1,358
4.383% Eurobonds, due 2047 (EUR 80 million)	2,202	2,218
3.000% Eurobonds, due 2028 (EUR 500 million)	13,562	13,655
4.500% registered bonds, due 2030 (EUR 40 million)	1,078	1,086
4.750% registered bonds, due 2023 (EUR 40 million)	1,089	1,096
4.700% registered bonds, due 2032 (EUR 40 million)	1,095	1,102
4.270% registered bonds, due 2047 (EUR 61 million)	1,651	1,662
3.550% registered bonds, due 2038 (EUR 30 million)	822	828
Exchangeable bonds, due 2017 (EUR 470.2 million) <sup>3)</sup>	12,516	12,560
Total bonds and debentures	160,403	157,785
Less: Current portion	(12,666)	(12,749)
Bonds and debentures, net of current portion	147,737	145,036
Long-term bank and other loans:		
Total long-term bank and other loans	21,932	18,741
Less: Current portion	(2,215)	(2,925)
Long-term bank and other loans, net of current portion	19,717	15,816
Total long-term debt	182,335	176,526
Less: Current portion	(14,881)	(15,674)
Total long-term debt, net of current portion	167,454	160,852

<sup>1)</sup> In April 2014, the original nominal value of the issue (EUR 600 million) was reduced by bought back own bonds at a nominal value of EUR 140 million.

<sup>2)</sup> In April 2014, the original nominal value of the issue (EUR 500 million) was reduced by bought back own bonds at a nominal value of EUR 160 million.

<sup>3)</sup> 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%.

## 6. Short-term Loans

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

	March 31, 2015	December 31, 2014
Short-term bank loans	887	7,466
Bank overdrafts	200	142
Total	1,087	7,608

## 7. Income Taxes

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

	1-3/2015			1-3/2014		
	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	4,617	(877)	3,740	2,672	(505)	2,167
Cash flow hedges reclassified from equity	(3,140)	596	(2,544)	(403)	76	(327)
Change in fair value of available-for-sale financial assets recognized in equity	1,129	(61)	1,068	(1,067)	(27)	(1,094)
Available-for-sale financial assets reclassified from equity	-	-	-	(44)	11	(33)
Translation differences	416	-	416	9	-	9
Translation differences reclassified from equity	(1)	-	(1)	-	-	-
Share on equity movements of joint-ventures	(24)	-	(24)	(2)	-	(2)
Total	2,997	(342)	2,655	1,165	(445)	720

## 8. 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):

	1-3/2015	1-3/2014
Income before other income (expenses) and income taxes (EBIT)	12,027	14,374
Depreciation and amortization	7,194	6,863
Impairment of plant, property and equipment and intangible assets including goodwill	(62)	12
(Gain) loss on sale of property, plant and equipment *	(20)	(32)
EBITDA	19,139	21,217

\* Item (Gain) loss 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 March 31, 2015 and 2014 and at December 31, 2014 (in CZK millions):

March 31, 2015:

	Power Production and Trading CE	Distribu- tion and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribu- tion and Sale SEE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Sales other than intersegment sales	14,329	26,342	1,102	528	452	10,247	6	53,006	-	53,006
Intersegment sales	10,292	900	1,268	4,932	157	56	498	18,103	(18,103)	-
Total revenues	24,621	27,242	2,370	5,460	609	10,303	504	71,109	(18,103)	53,006
EBITDA	10,500	5,251	1,188	999	196	917	87	19,138	1	19,139
Depreciation and amortization	(4,310)	(991)	(597)	(512)	(312)	(453)	(19)	(7,194)	-	(7,194)
Impairment of property, plant and equipment and intangible assets including goodwill	-	(3)	-	-	61	4	-	62	-	62
EBIT	6,190	4,257	591	497	(54)	478	67	12,026	1	12,027
Interest on debt and provisions	(1,183)	(93)	(51)	(7)	(132)	(2)	(3)	(1,471)	236	(1,235)
Interest income	262	5	63	5	1	9	1	346	(236)	110
Share of profit (loss) from joint-ventures	19	-	2	-	(767)	(264)	-	(1,010)	-	(1,010)
Income taxes	(910)	(780)	(111)	(126)	(30)	(45)	(11)	(2,013)	-	(2,013)
Net income	3,701	3,387	527	366	(646)	169	59	7,563	-	7,563
Identifiable assets	270,725	80,425	20,732	10,214	20,901	24,107	94	427,198	(1,513)	425,685
Investment in joint-ventures	4,988	-	193	-	3,382	2,662	-	11,225	-	11,225
Unallocated assets										196,382
Total assets										633,292
Capital expenditure	3,867	1,192	59	1,794	120	465	192	7,689	(1,367)	6,322



March 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
Sales other than intersegment sales	16,404	25,681	1,050	544	509	8,962	7	53,157	-	53,157
Intersegment sales	9,843	1,183	1,516	5,619	259	208	597	19,225	(19,225)	-
Total revenues	26,247	26,864	2,566	6,163	768	9,170	604	72,382	(19,225)	53,157
EBITDA	12,978	4,762	1,224	1,152	135	849	111	21,211	6	21,217
Depreciation and amortization	(4,013)	(938)	(569)	(561)	(327)	(437)	(18)	(6,863)	-	(6,863)
Impairment of property, plant and equipment and intangible assets including goodwill	-	-	2	1	-	(15)	-	(12)	-	(12)
EBIT	8,976	3,826	657	611	(193)	398	93	14,368	6	14,374
Interest on debt and provisions	(1,462)	(87)	(59)	(11)	(144)	(5)	(5)	(1,773)	259	(1,514)
Interest income	369	3	64	8	2	13	4	463	(259)	204
Share of profit (loss) from joint-ventures	22	-	1	-	(299)	33	-	(243)	-	(243)
Income taxes	(1,477)	(719)	(135)	(137)	20	(34)	(14)	(2,496)	(1)	(2,497)
Net income	5,880	3,020	614	474	(560)	402	74	9,904	4	9,908
Capital expenditure	3,327	1,196	253	2,261	13	555	213	7,818	(2,402)	5,416
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>