

BALANCE SHEET

in accordance with IFRS as of September 30, 2015

in CZK Millions

	30. 9. 2015	31. 12. 2014
Assets		
Property, plant and equipment:		
Plant in service	346,573	344,246
Less accumulated provision for depreciation	(206,854)	(196,333)
Net plant in service	139,719	147,913
Nuclear fuel, at amortized cost	11,351	10,898
Construction work in progress	87,008	81,913
Total property, plant and equipment	238,078	240,724
Other non-current assets:		
Investments and other financial assets, net	192,470	188,388
Intangible assets, net	548	668
Total other non-current assets	193,018	189,056
Total non-current assets	431,096	429,780
Current assets:		
Cash and cash equivalents	3,050	9,511
Receivables, net	34,802	46,757
Income tax receivable	848	1,404
Materials and supplies, net	5,004	5,519
Fossil fuel stocks	484	561
Emission rights	871	4,175
Other financial assets, net	40,583	38,359
Other current assets	971	1,117
Total current assets	86,613	107,403
Total assets	517,709	537,183
Equity and liabilities		
Equity:		
Stated capital	53,799	53,799
Treasury shares	(4,246)	(4,382)
Retained earnings and other reserves	166,032	156,715
Total equity	215,585	206,132
Long-term liabilities:		
Long-term debt, net of current portion	135,624	143,316
Nuclear provisions	46,851	47,087
Other long-term liabilities	7,631	10,009
Total long-term liabilities	190,106	200,412
Deferred tax liability	12,224	9,624
Current liabilities:		
Short-term loans	1,130	7,433
Current portion of long-term debt	10,525	15,092
Trade and other payables	82,224	84,479
Accrued liabilities	5,915	14,011
Total current liabilities	99,794	121,015
Total equity and liabilities	517,709	537,183

STATEMENT OF INCOME

in accordance with IFRS as of September 30, 2015

in CZK Millions

	7-9/2015	1-9/2015	7-9/2014	1-9/2014
Revenues:				
Sales of electricity	16,904	53,129	16,392	52,580
Gains and losses from electricity, coal and gas derivative trading, net	19	(809)	(467)	2,849
Sales of gas, heat and other revenues	1,803	7,434	1,879	6,946
Total revenues	18,726	59,754	17,804	62,375
Operating expenses:				
Fuel	(2,322)	(7,665)	(2,513)	(7,542)
Purchased power and related services	(7,961)	(22,519)	(5,635)	(19,720)
Repairs and maintenance	(604)	(1,458)	(713)	(1,813)
Depreciation and amortization	(3,671)	(10,978)	(3,345)	(10,010)
Impairment of property, plant and equipment and intangible assets	12	12	-	-
Salaries and wages	(1,317)	(3,968)	(1,450)	(4,460)
Materials and supplies	(363)	(1,002)	(322)	(1,016)
Emission rights, net	26	395	(748)	(376)
Other operating expenses	(1,708)	(4,967)	(1,596)	(4,967)
Total expenses	(17,908)	(52,150)	(16,322)	(49,904)
Income before other income (expenses) and income taxes	818	7,604	1,482	12,471
Other income (expenses):				
Interest on debt, net of capitalized interest	(614)	(2,215)	(761)	(2,842)
Interest on nuclear and other provisions	(363)	(1,091)	(393)	(1,180)
Interest income	256	841	339	1,124
Foreign exchange rate gains (losses), net	(79)	(567)	(128)	(310)
Other income (expenses), net	(1,832)	21,016	(3,114)	14,966
Total other income (expenses)	(2,632)	17,984	(4,057)	11,758
Income before income taxes	(1,814)	25,588	(2,575)	24,229
Income taxes	(14)	(1,144)	(122)	(1,640)
Net income	(1,828)	24,444	(2,697)	22,589

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME

in accordance with IFRS as of September 30, 2015

in CZK Millions

	<u>7-9/2015</u>	<u>1-9/2015</u>	<u>7-9/2014</u>	<u>1-9/2014</u>
Net income	(1,828)	24,444	(2,697)	22,589
Other comprehensive income - items that may be reclassified subsequently to income statement:				
Change in fair value of cash flow hedges recognized in equity	3,834	9,748	743	3,661
Cash flow hedges reclassified from equity	59	(1,552)	(1,780)	(2,571)
Change in fair value of available-for-sale financial assets recognized in equity	178	(498)	134	454
Deferred tax relating to other comprehensive income	(774)	(1,463)	172	(293)
Other comprehensive income, net of tax	<u>3,297</u>	<u>6,235</u>	<u>(731)</u>	<u>1,251</u>
Total comprehensive income	<u><u>1,469</u></u>	<u><u>30,679</u></u>	<u><u>(3,428)</u></u>	<u><u>23,840</u></u>

STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS as of September 30, 2015

in CZK Millions

	Stated Capital	Treasury Shares	Cash flow hedge reserve	Available-for- sale and other reserves	Retained Earnings	Total Equity
December 31, 2013	53,799	(4,382)	(8,692)	772	163,746	205,243
Net income					22,589	22,589
Other comprehensive income			884	367		1,251
Total comprehensive income	-	-	884	367	22,589	23,840
Effect of merger					(7)	(7)
Dividends					(21,300)	(21,300)
Share options				19		19
Transfer of forfeited share options within equity				(36)	36	-
September 30, 2014	53,799	(4,382)	(7,808)	1,122	165,064	207,795
December 31, 2014	53,799	(4,382)	(8,008)	1,304	163,419	206,132
Net income					24,444	24,444
Other comprehensive income			6,638	(403)		6,235
Total comprehensive income	-	-	6,638	(403)	24,444	30,679
Dividends					(21,317)	(21,317)
Sale of treasury shares		136			(68)	68
Share options				23		23
Transfer of exercised and forfeited share options within equity				(52)	52	-
September 30, 2015	53,799	(4,246)	(1,370)	872	166,530	215,585

STATEMENT OF CASH FLOWS

in accordance with IFRS as of September 30, 2015

in CZK Millions

	1-9/2015	1-9/2014
Operating activities:		
Income before income taxes	25,588	24,229
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	10,978	10,010
Amortization of nuclear fuel	2,577	2,502
Loss (gain) on fixed assets retirements, net	(281)	(44)
Foreign exchange rate losses (gains), net	567	310
Interest expense, interest income and dividends income, net	(20,265)	(18,979)
Nuclear provisions	(443)	(323)
Valuation allowances, other provisions and other adjustments	(1,093)	1,222
Changes in assets and liabilities:		
Receivables	10,439	3,924
Materials and supplies	476	(877)
Fossil fuel stocks	77	120
Other current assets	(2,379)	15,901
Trade and other payables	4,567	(3,020)
Accrued liabilities	(4,581)	(1,538)
Cash generated from operations	26,227	33,437
Income taxes paid (received)	549	(993)
Interest paid, net of capitalized interest	(2,167)	(2,987)
Interest received	862	1,026
Dividends received	21,393	18,707
Net cash provided by operating activities	46,864	49,190
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures and refunds	292	(685)
Proceeds (refunds) from disposal of subsidiaries, associates and joint-ventures	314	26
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(12,057)	(14,491)
Proceeds from sales of fixed assets	24	12
Loans made	(7,570)	(553)
Repayments of loans	6,057	11,307
Change in restricted financial assets	(582)	(571)
Total cash used in investing activities	(13,522)	(4,955)
Financing activities:		
Proceeds from borrowings	47,221	41,692
Payments of borrowings	(65,232)	(73,921)
Proceeds from other long-term liabilities	180	
Change in payables/receivables from group cashpooling	(536)	679
Dividends paid	(21,253)	(21,257)
Sale of treasury shares	68	
Net cash provided by (used in) financing activities	(39,552)	(52,807)
Net effect of currency translation in cash	(251)	(75)
Net increase (decrease) in cash and cash equivalents	(6,461)	(8,647)
Cash and cash equivalents at beginning of period	9,511	14,166
Cash and cash equivalents at end of period	3,050	5,519
Supplementary cash flow information		
Total cash paid for interest	4,896	6,448