

BALANCE SHEET

in accordance with IFRS as of March 31, 2016

Preliminary version

in CZK Millions

	31. 3. 2016	31. 12. 2015
Assets		
Property, plant and equipment:		
Plant in service	346 140	346 203
Less accumulated depreciation and impairment	(207 138)	(204 187)
Net plant in service	139 002	142 016
Nuclear fuel, at amortized cost	11 959	12 832
Construction work in progress, net	87 721	85 909
Total property, plant and equipment	238 682	240 757
Other non-current assets:		
Restricted financial assets	12 750	12 662
Investments and other financial assets, net	190 046	178 692
Intangible assets, net	525	560
Total other non-current assets	203 321	191 914
Total non-current assets	442 003	432 671
Current assets:		
Cash and cash equivalents	20 781	2 964
Receivables, net	35 438	41 538
Income tax receivable	133	
Materials and supplies, net	4 768	5 134
Fossil fuel stocks	397	564
Emission rights	616	1 874
Other financial assets, net	40 635	32 489
Other current assets	1 109	1 146
Total current assets	103 877	85 709
Total assets	545 880	518 380
Equity and liabilities		
Equity:		
Stated capital	53 799	53 799
Treasury shares	(4 246)	(4 246)
Retained earnings and other reserves	175 966	171 016
Total equity	225 519	220 569
Non-current liabilities:		
Long-term debt, net of current portion	133 854	124 922
Provisions	49 575	49 716
Deferred tax liability	12 242	11 143
Other long-term liabilities	4 004	3 886
Total non-current liabilities	199 675	189 667
Current liabilities:		
Short-term loans	1 006	10
Current portion of long-term debt	10 993	10 628
Trade and other payables	99 707	87 114
Income tax payable		165
Provisions	2 943	4 195
Accrued liabilities	6 037	6 032
Total current liabilities	120 686	108 144
Total equity and liabilities	545 880	518 380

STATEMENT OF INCOME

in accordance with IFRS as of March 31, 2016

Preliminary version

in CZK Millions

	1-3/2016	1-3/2015
Sales of electricity	17 452	19 392
Sales of gas, heat and other revenues	2 583	3 097
Other operating income	401	241
Total revenues and other operating income	20 436	22 730
Gains and losses from commodity derivative trading, net	1 519	(898)
Fuel	(2 886)	(2 951)
Purchased power and related services	(8 047)	(7 448)
Repairs and maintenance	(351)	(378)
Depreciation and amortization	(3 664)	(3 622)
Impairment of property, plant and equipment and intangible assets	2	
Salaries and wages	(1 261)	(1 308)
Materials and supplies	(304)	(319)
Emission rights, net	363	380
Other operating expenses	(1 384)	(1 668)
Income before other income (expenses) and income taxes	4 423	4 518
Interest on debt, net of capitalized interest	(506)	(820)
Interest on provisions	(318)	(364)
Interest income	245	310
Foreign exchange rate gains (losses), net	(198)	(805)
Other financial expenses	114	(31)
Other financial income	15	156
Total other income (expenses)	(648)	(1 554)
Income before income taxes	3 775	2 964
Income taxes	(668)	(603)
Net income	3 107	2 361

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME

in accordance with IFRS as of March 31, 2016

Preliminary version

in CZK Millions

	<u>1-3/2016</u>	<u>1-3/2015</u>
Net income	3 107	2 361
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	1 636	4 616
Cash flow hedges reclassified to income statement	593	(3 140)
Change in fair value of available-for-sale financial assets recognized in equity	39	156
Deferred tax related to other comprehensive income	<u>(431)</u>	<u>(310)</u>
Other comprehensive income, net of tax	<u>1 837</u>	<u>1 322</u>
Total comprehensive income	<u><u>4 944</u></u>	<u><u>3 683</u></u>

STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS as of March 31, 2016

Preliminary version

in CZK Millions

	Stated Capital	Treasury Shares	Cash flow hedge reserve	Available-for- sale and other reserves	Retained Earnings	Total Equity
December 31, 2014	53 799	(4 382)	(8 008)	1 304	163 419	206 132
Net income					2 361	2 361
Other comprehensive income			1 196	126		1 322
Total comprehensive income	-	-	1 196	126	2 361	3 683
Share options				8		8
Transfer of forfeited share options within equity				(10)	10	-
March 31, 2015	53 799	(4 382)	(6 812)	1 428	165 790	209 823
December 31, 2015	53 799	(4 246)	(121)	925	170 212	220 569
Net income					3 107	3 107
Other comprehensive income			1 805	32		1 837
Total comprehensive income	-	-	1 805	32	3 107	4 944
Share options				6		6
Transfer of exercised and forfeited share options within equity				(6)	6	-
March 31, 2016	53 799	(4 246)	1 684	957	173 325	225 519

STATEMENT OF CASH FLOWS

in accordance with IFRS as of March 31, 2016

Preliminary version

in CZK Millions

	1-3/2016	1-3/2015
Operating activities:		
Income before income taxes	3 775	2 964
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	3 664	3 622
Amortization of nuclear fuel	955	982
Gain (loss) on non-current assets retirements, net	(7)	(43)
Foreign exchange rate losses (gains), net	198	805
Interest expense, interest income and dividends income, net	261	510
Provisions	(1 450)	47
Impairment of property, plant and equipment and intangible assets	(2)	
Other impairment and other adjustments	(197)	(18)
Changes in assets and liabilities:		
Receivables	5 922	3 210
Materials, supplies and fossil fuel stocks	405	1 075
Receivables and payables from derivatives	(604)	1 945
Other current assets	2 485	(242)
Trade and other payables	(4 308)	(397)
Accrued liabilities	(783)	(3 592)
Cash generated from operations	10 314	10 868
Income taxes paid	(298)	(297)
Interest paid, net of capitalized interest	(199)	(102)
Interest received	331	209
Dividends received	3 454	
Net cash provided by operating activities	13 602	10 678
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures and refunds		(10)
Additions to non-current assets, including capitalized interest	(3 046)	(4 322)
Proceeds from sale of non-current assets	32	18
Loans made	(8 233)	(3 518)
Repayments of loans	328	4 522
Change in restricted financial assets	(43)	(60)
Total cash used in investing activities	(10 962)	(3 370)
Financing activities:		
Proceeds from borrowings	10 167	15 286
Payments of borrowings	(4 114)	(23 209)
Proceeds from other long-term liabilities		58
Payments of other long-term liabilities	(679)	
Change in payables/receivables from group cashpooling	9 826	3 838
Dividends paid	(35)	(23)
Net cash used in financing activities	15 165	(4 050)
Net effect of currency translation in cash	12	(109)
Net increase (decrease) in cash and cash equivalents	17 817	3 149
Cash and cash equivalents at beginning of period	2 964	9 511
Cash and cash equivalents at end of period	20 781	12 660
Supplementary cash flow information		
Total cash paid for interest	576	218