

BALANCE SHEET

in accordance with IFRS as of June 30, 2016

in CZK Millions

	30. 6. 2016	31. 12. 2015
Assets		
Property, plant and equipment:		
Plant in service	347,624	346,203
Less accumulated depreciation and impairment	(210,665)	(204,187)
Net plant in service	136,959	142,016
Nuclear fuel, at amortized cost	13,065	12,832
Construction work in progress, net	89,429	85,909
Total property, plant and equipment	239,453	240,757
Other non-current assets:		
Restricted financial assets	13,166	12,662
Investments and other financial assets, net	189,537	178,692
Intangible assets, net	476	560
Total other non-current assets	203,179	191,914
Total non-current assets	442,632	432,671
Current assets:		
Cash and cash equivalents	11,624	2,964
Receivables, net	44,739	41,538
Income tax receivable	597	
Materials and supplies, net	5,087	5,134
Fossil fuel stocks	411	564
Emission rights	894	1,874
Other financial assets, net	29,836	32,489
Other current assets	1,094	1,146
Total current assets	94,282	85,709
Total assets	536,914	518,380
Equity and liabilities		
Equity:		
Stated capital	53,799	53,799
Treasury shares	(4,246)	(4,246)
Retained earnings and other reserves	165,187	171,016
Total equity	214,740	220,569
Non-current liabilities:		
Long-term debt, net of current portion	134,598	124,922
Provisions	49,423	49,716
Deferred tax liability	11,435	11,143
Other long-term liabilities	4,092	3,886
Total non-current liabilities	199,548	189,667
Current liabilities:		
Short-term loans	4,453	10
Current portion of long-term debt	2,127	10,628
Trade and other payables	109,433	87,114
Income tax payable		165
Provisions	2,956	4,195
Accrued liabilities	3,657	6,032
Total current liabilities	122,626	108,144
Total equity and liabilities	536,914	518,380

ČEZ, a. s.

STATEMENT OF INCOME

in accordance with IFRS as of June 30, 2016

in CZK Millions

	4-6/2016	1-6/2016	4-6/2015	1-6/2015
Sales of electricity	16,183	33,635	16,833	36,225
Sales of gas, heat and other revenues	1,540	4,123	2,109	5,206
Other operating income	50	451	241	482
Total revenues and other operating income	17,773	38,209	19,183	41,913
Gains and losses from commodity derivative trading, net	(723)	796	91	(807)
Fuel	(2,227)	(5,113)	(2,392)	(5,343)
Purchased power and related services	(7,464)	(15,511)	(6,998)	(14,446)
Repairs and maintenance	(546)	(897)	(476)	(854)
Depreciation and amortization	(3,680)	(7,344)	(3,685)	(7,307)
Impairment of property, plant and equipment and intangible assets	(1)	1	-	-
Salaries and wages	(1,382)	(2,643)	(1,343)	(2,651)
Materials and supplies	(359)	(663)	(320)	(639)
Emission rights, net	(80)	283	(8)	372
Other operating expenses	(1,695)	(3,079)	(1,784)	(3,452)
Income before other income (expenses) and income taxes	(384)	4,039	2,268	6,786
Interest on debt, net of capitalized interest	(494)	(1,000)	(781)	(1,601)
Interest on provisions	(319)	(637)	(364)	(728)
Interest income	235	480	275	585
Foreign exchange rate gains (losses), net	(530)	(728)	317	(488)
Other financial expenses	(10,033)	(9,919)	(2)	(33)
Other financial income	25,114	25,129	22,725	22,881
Total other income (expenses)	13,973	13,325	22,170	20,616
Income before income taxes	13,589	17,364	24,438	27,402
Income taxes	82	(586)	(527)	(1,130)
Net income	13,671	16,778	23,911	26,272

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME

in accordance with IFRS as of June 30, 2016

in CZK Millions

	<u>4-6/2016</u>	<u>1-6/2016</u>	<u>4-6/2015</u>	<u>1-6/2015</u>
Net income	13,671	16,778	23,911	26,272
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	(2,924)	(1,288)	1,298	5,914
Cash flow hedges reclassified to income statement	(859)	(266)	1,529	(1,611)
Change in fair value of available-for-sale financial assets recognized in equity	(29)	10	(832)	(676)
Deferred tax related to other comprehensive income	725	294	(379)	(689)
Other comprehensive income, net of tax	<u>(3,087)</u>	<u>(1,250)</u>	<u>1,616</u>	<u>2,938</u>
Total comprehensive income	<u><u>10,584</u></u>	<u><u>15,528</u></u>	<u><u>25,527</u></u>	<u><u>29,210</u></u>

STATEMENT OF CHANGES IN EQUITY
in accordance with IFRS as of June 30, 2016
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					26,272	26,272
Other comprehensive income			3,485	(547)		2,938
Total comprehensive income	-	-	3,485	(547)	26,272	29,210
Dividends					(21,370)	(21,370)
Sale of treasury shares		136			(68)	68
Share options				15		15
Transfer of forfeited share options within equity				(44)	44	-
June 30, 2015	53,799	(4,246)	(4,523)	728	168,297	214,055
December 31, 2015	53,799	(4,246)	(121)	925	170,212	220,569
Net income					16,778	16,778
Other comprehensive income			(1,259)	9		(1,250)
Total comprehensive income	-	-	(1,259)	9	16,778	15,528
Dividends					(21,369)	(21,369)
Share options				12		12
Transfer of exercised and forfeited share options within equity				(21)	21	-
June 30, 2016	53,799	(4,246)	(1,380)	925	165,642	214,740

STATEMENT OF CASH FLOWS

in accordance with IFRS as of June 30, 2016

in CZK Millions

	1-6/2016	1-6/2015
Operating activities:		
Income before income taxes	17,364	27,402
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	7,344	7,307
Amortization of nuclear fuel	1,870	1,822
Gain (loss) on non-current assets retirements, net	(18)	(176)
Foreign exchange rate losses (gains), net	728	488
Interest expense, interest income and dividends income, net	(14,629)	(20,623)
Provisions	(1,672)	(3,738)
Impairment of property, plant and equipment and intangible assets	(1)	
Other impairment and other adjustments	740	221
Changes in assets and liabilities:		
Receivables	5,036	10,388
Materials, supplies and fossil fuel stocks	48	935
Receivables and payables from derivatives	583	2,218
Other current assets	2,680	931
Trade and other payables	(3,896)	(4,167)
Accrued liabilities	(1,563)	(5,057)
Cash generated from operations	14,614	17,951
Income taxes paid	(761)	(551)
Interest paid, net of capitalized interest	(1,222)	(2,112)
Interest received	520	682
Dividends received	3,652	4,597
Net cash provided by operating activities	16,803	20,567
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures and refunds		373
Proceeds (refunds) from disposal of subsidiaries, associates and joint-ventures	9,202	314
Additions to non-current assets, including capitalized interest	(12,870)	(9,341)
Proceeds from sale of non-current assets	32	23
Loans made	(8,796)	(4,274)
Repayments of loans	1,068	5,646
Change in restricted financial assets	(494)	(529)
Total cash used in investing activities	(11,858)	(7,788)
Financing activities:		
Proceeds from borrowings	23,813	31,258
Payments of borrowings	(23,994)	(49,144)
Proceeds from other long-term liabilities		57
Payments of other long-term liabilities	(679)	
Change in payables/receivables from group cashpooling	4,573	4,553
Dividends paid	(48)	(44)
Sale of treasury shares		68
Net cash used in financing activities	3,665	(13,252)
Net effect of currency translation in cash	50	(252)
Net increase (decrease) in cash and cash equivalents	8,660	(725)
Cash and cash equivalents at beginning of period	2,964	9,511
Cash and cash equivalents at end of period	11,624	8,786
Supplementary cash flow information		
Total cash paid for interest	3,549	4,549