

## BALANCE SHEET

in accordance with IFRS as of March 31, 2010

in CZK Millions

|                                                                    | 31. 3. 2010    | 31. 12. 2009   |
|--------------------------------------------------------------------|----------------|----------------|
| <b>Assets</b>                                                      |                |                |
| Property, plant and equipment:                                     |                |                |
| Plant in service                                                   | 298,346        | 298,600        |
| Less accumulated provision for depreciation                        | (172,405)      | (170,808)      |
| Net plant in service                                               | 125,941        | 127,792        |
| Nuclear fuel, at amortized cost                                    | 7,087          | 5,420          |
| Construction work in progress                                      | 54,970         | 51,697         |
| Total property, plant and equipment                                | 187,998        | 184,909        |
| Other non-current assets:                                          |                |                |
| Investments and other financial assets, net                        | 172,801        | 169,515        |
| Intangible assets, net                                             | 641            | 662            |
| Total other non-current assets                                     | 173,442        | 170,177        |
| Total non-current assets                                           | 361,440        | 355,086        |
| Current assets:                                                    |                |                |
| Cash and cash equivalents                                          | 17,609         | 14,567         |
| Receivables, net                                                   | 46,023         | 41,990         |
| Income tax receivable                                              | 1,737          | 1              |
| Materials and supplies, net                                        | 3,269          | 3,144          |
| Fossil fuel stocks                                                 | 899            | 1,532          |
| Emission rights                                                    | 777            | 724            |
| Other financial assets, net                                        | 32,567         | 27,083         |
| Other current assets                                               | 749            | 571            |
| Total current assets                                               | 103,630        | 89,612         |
| <b>Total assets</b>                                                | <b>465,070</b> | <b>444,698</b> |
| <b>Equity and liabilities</b>                                      |                |                |
| Equity:                                                            |                |                |
| Stated capital                                                     | 53,799         | 53,799         |
| Treasury shares                                                    | (4,722)        | (5,151)        |
| Retained earnings and other reserves                               | 143,484        | 128,812        |
| Total equity                                                       | 192,561        | 177,460        |
| Long-term liabilities:                                             |                |                |
| Long-term debt, net of current portion                             | 114,029        | 112,506        |
| Accumulated provision for nuclear decommissioning and fuel storage | 37,014         | 36,932         |
| Other long-term liabilities                                        | 4,445          | 4,587          |
| Total long-term liabilities                                        | 155,488        | 154,025        |
| Deferred tax liability                                             | 12,255         | 8,721          |
| Current liabilities:                                               |                |                |
| Short-term loans                                                   | 12,307         | 12,618         |
| Current portion of long-term debt                                  | 6,233          | 6,232          |
| Trade and other payables                                           | 76,121         | 76,907         |
| Income tax payable                                                 |                | 926            |
| Accrued liabilities                                                | 10,105         | 7,809          |
| Total current liabilities                                          | 104,766        | 104,492        |
| <b>Total equity and liabilities</b>                                | <b>465,070</b> | <b>444,698</b> |

# STATEMENT OF INCOME

in accordance with IFRS as of March 31, 2010

in CZK Millions

|                                                                         | 1-3/2010 | 1-3/2009 |
|-------------------------------------------------------------------------|----------|----------|
| <b>Revenues:</b>                                                        |          |          |
| Sales of electricity                                                    | 23,401   | 31,555   |
| Gains and losses from electricity, coal and gas derivative trading, net | 4,245    | 1,352    |
| Heat sales and other revenues                                           | 1,615    | 1,231    |
| Total revenues                                                          | 29,261   | 34,138   |
| <b>Operating expenses:</b>                                              |          |          |
| Fuel                                                                    | (5,148)  | -4,945   |
| Purchased power and related services                                    | (3,313)  | -3,687   |
| Repairs and maintenance                                                 | (534)    | -484     |
| Depreciation and amortization                                           | (3,098)  | -3,139   |
| Salaries and wages                                                      | (1,453)  | -1,331   |
| Materials and supplies                                                  | (403)    | -404     |
| Emission rights, net                                                    | 839      | 820      |
| Other operating expenses                                                | (1,581)  | -1,436   |
| Total expenses                                                          | (14,691) | (14,606) |
| <b>Income before other income (expenses) and income taxes</b>           | 14,570   | 19,532   |
| <b>Other income (expenses):</b>                                         |          |          |
| Interest on debt, net of capitalized interest                           | (932)    | -741     |
| Interest on nuclear and other provisions                                | (435)    | -443     |
| Interest income                                                         | 599      | 210      |
| Foreign exchange rate gains (losses), net                               | (681)    | -1,067   |
| Other income (expenses), net                                            | 536      | 224      |
| Total other income (expenses)                                           | (913)    | (1,817)  |
| <b>Income before income taxes</b>                                       | 13,657   | 17,715   |
| Income taxes                                                            | (2,598)  | -3,536   |
| <b>Net income</b>                                                       | 11,059   | 14,179   |

**ČEZ, a. s.**

**STATEMENT OF COMPREHENSIVE INCOME**

in accordance with IFRS as of March 31, 2010

in CZK Millions

|                                                                                  | <u>1-3/2010</u>      | <u>1-3/2009</u>      |
|----------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Net income</b>                                                                | 11,059               | 14,179               |
| <b>Other comprehensive income:</b>                                               |                      |                      |
| Change in fair value of cash flow hedges recognized in equity                    | 5,244                | (2,962)              |
| Cash flow hedges removed from equity                                             | (393)                | (761)                |
| Change in fair value of available-for-sale financial assets recognized in equity | 72                   | (144)                |
| Deferred tax relating to other comprehensive income                              | <u>(935)</u>         | <u>666</u>           |
| Other comprehensive income, net of tax                                           | <u>3,988</u>         | <u>(3,201)</u>       |
| <b>Total comprehensive income</b>                                                | <u><u>15,047</u></u> | <u><u>10,978</u></u> |

# STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS as of March 31, 2010

in CZK Millions

|                                                                    | Stated<br>Capital | Treasury<br>Shares | Cash flow<br>hedge reserve | Available-for-<br>sale and other<br>reserves | Retained<br>Earnings | Total<br>Equity |
|--------------------------------------------------------------------|-------------------|--------------------|----------------------------|----------------------------------------------|----------------------|-----------------|
| December 31, 2008                                                  | 59,221            | (66,910)           | (5,633)                    | 479                                          | 167,770              | 154,927         |
| Net income                                                         |                   |                    |                            |                                              | 14,179               | 14,179          |
| Other comprehensive income                                         |                   |                    | -3,086                     | -115                                         |                      | (3,201)         |
| Total comprehensive income                                         | -                 | -                  | (3,086)                    | (115)                                        | 14,179               | 10,978          |
| Reduction of the stated capital                                    | (5,422)           | 61,313             |                            |                                              | (55,891)             | -               |
| Share options                                                      |                   |                    |                            | 31                                           |                      | 31              |
| March 31, 2009                                                     | 53,799            | (5,597)            | (8,719)                    | 395                                          | 126,058              | 165,936         |
| December 31, 2009, as previously reported                          | 53,799            | (5,151)            | (2,155)                    | 520                                          | 130,447              | 177,460         |
| Effect of change in accounting policies                            |                   |                    |                            |                                              | (244)                | (244)           |
| January 1, 2010, as restated                                       | 53,799            | (5,151)            | (2,155)                    | 520                                          | 130,203              | 177,216         |
| Net income                                                         |                   |                    |                            |                                              | 11,059               | 11,059          |
| Other comprehensive income                                         |                   |                    | 3,929                      | 59                                           |                      | 3,988           |
| Total comprehensive income                                         | -                 | -                  | 3,929                      | 59                                           | 11,059               | 15,047          |
| Sale of treasury shares                                            |                   | 429                |                            |                                              | (159)                | 270             |
| Share options                                                      |                   |                    |                            | 28                                           |                      | 28              |
| Transfer of exercised and forfeited share<br>options within equity |                   |                    |                            | (81)                                         | 81                   | -               |
| March 31, 2010                                                     | 53,799            | (4,722)            | 1,774                      | 526                                          | 141,184              | 192,561         |

## STATEMENT OF CASH FLOWS

in accordance with IFRS as of March 31, 2010

in CZK Millions

|                                                                                                         | 1-3/2010      | 1-3/2009      |
|---------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Operating activities:</b>                                                                            |               |               |
| Income before income taxes                                                                              | 13,657        | 17,715        |
| Adjustments to reconcile income before income taxes to net cash provided by operating activities:       |               |               |
| Depreciation, amortization and asset write-offs                                                         | 3,105         | 3,139         |
| Amortization of nuclear fuel                                                                            | 979           | 660           |
| (Gain) loss on fixed assets retirements, net                                                            | 4             | -1            |
| Foreign exchange rate losses (gains), net                                                               | 681           | 1,067         |
| Interest expense, interest income and dividends income, net                                             | 333           | 531           |
| Provision for nuclear decommissioning and fuel storage                                                  | 14            | 31            |
| Valuation allowances, other provisions and other adjustments                                            | (1,239)       | -42           |
| Changes in assets and liabilities:                                                                      |               |               |
| Receivables                                                                                             | 6,575         | 3,573         |
| Materials and supplies                                                                                  | (125)         | -84           |
| Fossil fuel stocks                                                                                      | 633           | -140          |
| Other current assets                                                                                    | (4,973)       | -23,399       |
| Trade and other payables                                                                                | (6,771)       | 6,801         |
| Accrued liabilities                                                                                     | 2,169         | 6,737         |
| Cash generated from operations                                                                          | 15,042        | 16,588        |
| Income taxes paid                                                                                       | (2,662)       | (2,031)       |
| Interest paid, net of capitalized interest                                                              | (299)         | -88           |
| Interest received                                                                                       | 283           | 216           |
| Net cash provided by operating activities                                                               | 12,364        | 14,685        |
| <b>Investing activities:</b>                                                                            |               |               |
| Acquisition of subsidiaries, associates and joint-ventures                                              | (429)         | -3,364        |
| Additions to property, plant and equipment and other non-current assets, including capitalized interest | (8,698)       | -6,367        |
| Proceeds from sales of fixed assets                                                                     | 183           | 13            |
| Loans made                                                                                              | (15,552)      | -1,351        |
| Repayments of loans                                                                                     | 1,237         | 1,004         |
| Change in decommissioning and other restricted funds                                                    | (145)         | 396           |
| Total cash used in investing activities                                                                 | (23,404)      | (9,669)       |
| <b>Financing activities:</b>                                                                            |               |               |
| Proceeds from borrowings                                                                                | 58,510        | 56,032        |
| Payments of borrowings                                                                                  | (53,319)      | -52,174       |
| Change in payables/receivables from group cashpooling                                                   | 9,015         | -2,678        |
| Dividends paid                                                                                          | (20)          | -12           |
| (Acquisition) sale of treasury shares                                                                   | 271           |               |
| Total cash provided by (used in) financing activities                                                   | 14,457        | 1,168         |
| Net effect of currency translation in cash                                                              | (375)         | -302          |
| <b>Net increase (decrease) in cash and cash equivalents</b>                                             | <b>3,042</b>  | <b>5,882</b>  |
| <b>Cash and cash equivalents at beginning of period</b>                                                 | <b>14,567</b> | <b>7,011</b>  |
| <b>Cash and cash equivalents at end of period</b>                                                       | <b>17,609</b> | <b>12,893</b> |
| <b>Supplementary cash flow information</b>                                                              |               |               |
| Total cash paid for interest                                                                            | 423           | 474           |