CEZ GROUP

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF MARCH 31, 2011

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2011

in CZK Millions

	March 31, 2011 (unaudited)	December 31, 2010 (audited)
Assets		
Property, plant and equipment:		
Plant in service	559,106	557,878
Less accumulated provision for depreciation	(280,362)	(275,302)
Net plant in service	278,744	282,576
Nuclear fuel, at amortized cost	6,108	7,005
Construction work in progress	77,961	71,485
Total property, plant and equipment	362,813	361,066
Other non-current assets:		
Investment in associates and joint-ventures (Note 5)	16,380	16,928
Investments and other financial assets, net	53,395	52,509
Intangible assets, net	16,772	16,876
Deferred tax assets	450	655
Total other non-current assets	86,997	86,968
Total non-current assets	449,810	448,034
Current assets:		
Cash and cash equivalents (Note 6)	19,040	22,163
Receivables, net	43,647	39,623
Income tax receivable	4,463	1,711
Materials and supplies, net	5,711	5,358
Fossil fuel stocks	1,629	1,800
Emission rights	6,449	2,648
Other financial assets, net	43,243	16,402
Other current assets	4,029	3,394
Assets classified as held for sale	2,784	2,558
Total current assets	130,995	95,657
Total assets	580,805	543,691

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

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2011

continued

	March 31, 2011 (unaudited)	December 31, 2010 (audited)
Equity and liabilities		
Equity attributable to equity holders of the parent:		
Stated capital	53,799	53,799
Treasury shares	(4,619)	(4,619)
Retained earnings and other reserves	188,771	172,431
Total equity attributable to equity holders of the parent	237,951	221,611
Non-controlling interests	5,666	5,440
Total equity	243,617	227,051
Long-term liabilities:		
Long-term debt, net of current portion (Note 7)	141,716	140,040
Accumulated provision for nuclear decommissioning and fuel storage	36,943	36,848
Other long-term liabilities	20,317	21,173
Total long-term liabilities	198,976	198,061
Deferred tax liability	21,477	17,902
Current liabilities:		
Short-term loans (Note 8)	7,876	9,618
Current portion of long-term debt (Note 7)	12,723	14,786
Trade and other payables	74,346	58,804
Income tax payable	309	689
Accrued liabilities	20,261	16,020
Liabilities directly associated with assets classified as held for sale	1,220	760
Total current liabilities	116,735	100,677
Total equity and liabilities	580,805	543,691

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, 2011

in CZK Millions

	1-3/2011 (unaudited)	1-3/2010 (unaudited)
Revenues:		
Sales of electricity	48,001	44,964
Gains and losses from electricity, coal and gas derivative trading, net	3,120	4,287
Heat sales and other revenues	5,684	4,635
Total revenues	56,805	53,886
Operating expenses:		
Fuel	(5,151)	(4,599)
Purchased power and related services	(17,695)	(13,945)
Repairs and maintenance	(636)	(806)
Depreciation and amortization	(6,058)	(5,640)
Salaries and wages	(4,339)	(4,066)
Materials and supplies	(1,039)	(1,186)
Emission rights, net	1,314	921
Other operating expenses	(2,637)	(2,874)
Total expenses	(36,241)	(32,195)
Income before other income (expenses) and income taxes	20,564	21,691
Other income (expenses):		
Interest on debt, net of capitalized interest	(1,018)	(907)
Interest on nuclear and other provisions	(505)	(510)
Interest income	466	703
Foreign exchange rate gains (losses), net	864	(481)
Other income (expenses), net	584	916
Share of profit (loss) from associates and joint-ventures	131	51
Total other income (expenses)	522	(228)
Income before income taxes	21,086	21,463
Income taxes	(3,853)	(4,001)
Net income	17,233	17,462
Net income attributable to:		
Equity holders of the parent	17,259	17,455
Non-controlling interests	(26)	7
Net income per share attributable to equity holders of the parent (CZK per share)		
Basic	32.3	32.7
Diluted	32.3	32.7
Average number of shares outstanding (000s)		
Basic	533,905	533,561
Diluted	533,916	533,624

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, 2011

in CZK Millions

	1-3/2011 (unaudited)	1-3/2010 (unaudited)
Net income	17,233	17,462
Other comprehensive income:		
Change in fair value of cash flow hedges recognized in equity	91	5,354
Cash flow hedges removed from equity	213	(407)
Change in fair value of available-for-sale financial assets recognized in equity	(150)	147
Available-for-sale financial assets removed from equity	8	1
Translation differences	(1,170)	(1,458)
Share on equity movements of associates and joint-ventures	10	(4)
Deferred tax relating to other comprehensive income (Note 10)	(31)	(944)
Other comprehensive income, net of tax	(1,029)	2,689
Total comprehensive income, net of tax	16,204	20,151
Total comprehensive income attributable to:		
Equity holders of the parent	16,321	20,331
Non-controlling interests	(117)	(180)

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, 2011

in CZK Millions

	Attributable to equity holders of the parent								
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Available-for-sale and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
December 31, 2009	53,799	(5,151)	(6,649)	(2,168)	609	159,921	200,361	6,314	206,675
Net income	-	-	-	-	-	17,455	17,455	7	17,462
Other comprehensive income	-	-	(1,269)	4,004	126	15	2,876	(187)	2,689
Total comprehensive income	-	-	(1,269)	4,004	126	17,470	20,331	(180)	20,151
Transaction costs related to business combinations	-	-	-	-	-	(244)	(244)	-	(244)
Sale of treasury shares	-	429	-	-	-	(159)	270	-	270
Share options	-	-	-	-	28	-	28	-	28
Transfer of exercised and forfeited share options within equity	-	-	-	-	(81)	81	-	-	-
March 31, 2010 (unaudited)	53,799	(4,722)	(7,918)	1,836	682	177,069	220,746	6,134	226,880
December 31, 2010	53,799	(4,619)	(10,193)	3,009	907	178,708	221,611	5,440	227,051
Net income	-	-	-	-	-	17,259	17,259	(26)	17,233
Other comprehensive income	-	-	(1,079)	246	(115)	10	(938)	(91)	(1,029)
Total comprehensive income	-	-	(1,079)	246	(115)	17,269	16,321	(117)	16,204
Share options	-	-	-	-	19	-	19	-	19
Acquisition of a subsidiary (Note 4)	-	-	-	-	-	-	-	343	343
March 31, 2011 (unaudited)	53,799	(4,619)	(11,272)	3,255	811	195,977	237,951	5,666	243,617

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, 2011

in CZK Millions

	1-3/2011 (unaudited)	1-3/2010 (unaudited)
Operating activities:		
Income before income taxes	21,086	21,463
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	6,059	5,649
Amortization of nuclear fuel	1,013	983
Gain on fixed asset retirements, net	(8)	(21)
Foreign exchange rate losses (gains), net	(864)	481
Interest expense, interest income and dividend income, net	552	204
Provision for nuclear decommissioning and fuel storage	(22)	16
Valuation allowances, other provisions and other adjustments	688	(714)
Share of (profit) loss from associates and joint-ventures	(131)	(51)
Changes in assets and liabilities:		
Receivables	(4,802)	4,660
Materials and supplies	(356)	(433)
Fossil fuel stocks	150	888
Other current assets	(32,081)	(5,315)
Trade and other payables	13,362	(4,677)
Accrued liabilities	3,443	(510)
Cash generated from operations	8,089	22,623
Income taxes paid	(3,256)	(3,454)
Interest paid, net of capitalized interest	(77)	(328)
Interest received	280	632
Net cash provided by operating activities	5,036	19,473
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired (Note 4)	404	(115)
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(9,400)	(11,907)
Proceeds from sale of fixed assets	305	422
Loans made	(213)	(47)
Repayment of loans	501	4,830
Change in decommissioning and other restricted funds	(868)	(326)
Total cash used in investing activities	(9,271)	(7,143)

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, 2011

continued

	1-3/2011 (unaudited)	1-3/2010 (unaudited)
Financing activities:		
Proceeds from borrowings	25,929	71,603
Payments of borrowings	(24,502)	(81,769)
Proceeds from other long-term liabilities	21	3
Payments of other long-term liabilities	(61)	(61)
Dividends paid to Company's shareholders	(17)	(20)
(Acquisition) Sale of treasury shares, net	-	271
Total cash provided by (used in) financing activities	1,370	(9,973)
Net effect of currency translation in cash	(259)	(622)
Net increase (decrease) in cash and cash equivalents	(3,124)	1,735
Cash and cash equivalents at beginning of period	22,186	26,727
Cash and cash equivalents at end of period (Note 6)	19,062	28,462

Supplementary cash flow information

Total cash paid for interest	336	626

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, 2011

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, 2011 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”), which is primarily engaged in the business of production, distribution and sale of electricity.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

The interim consolidated financial statements for the three months ended March 31, 2011 have been prepared in accordance with IAS 34. 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, 2010.

2.2. Significant 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, 2010.

Gift Tax on Granted Emission Rights

Since 2011, the subject of a gift tax has been allocation of emission rights granted free of charge to an entity operating certain electricity generation facilities specified by the law. As a result, there are the following changes in the accounting for emission allowances compared to the year 2010. Granted emission rights are initially recognized at the amount of the related gift tax as of the grant date. The gift tax related to granted emission rights allocated in 2011 amounted to CZK 3,640 million. Furthermore, the Group also recognizes a provision for emission rights to be consumed based on the greenhouse gases produced. In these circumstances, the provision is measured at the cost of granted and purchased emission rights and credits up to the level of granted and purchased emission rights and credits held and then at the market price ruling at the balance sheet date. The amount of the gift tax on granted emission rights as part of the charge of the provision, the eventual cost of emission rights sold or as part of the consumption of emission rights when the allowances are remitted from the register is included in profit or loss in the line Other income (expenses), net. At March 31, 2011 such costs amounted to CZK 1,067 million.

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. Changes in the Group Structure

Acquisitions of subsidiaries from third parties in the first three months of 2011

In January 2011, the Group acquired a 50.11% interest in the company ČEZ Energo, s.r.o., which operates approximately 45 cogeneration units at total installed capacity 12 MWe and will build other projects of combined generation of electricity and heat with unit power up to 5 MWe. The control was gained by capital increase while ČEZ, a. s. made a cash contribution and TEDOM a.s. contributed part of its business operations.

Due to the fact that the fair values of acquired identifiable assets and liabilities have not been determined, the Group has made a provisional accounting of the acquired identifiable assets and liabilities based on original carrying amounts in books of the contributor which represents the best estimate of their fair values as of the date of interim financial statements. The values of acquired identifiable assets and liabilities as of the date of acquisition are as follows (in CZK millions):

	ČEZ Energo
Share acquired in the first three months of 2011	50.11%
Property, plant and equipment	134
Other non-current assets	1
Cash and cash equivalents	401
Receivables, net	308
Other current assets	3
Other long-term liabilities	(48)
Deferred tax liability	(82)
Trade and other payables	(25)
Accrued liabilities	(5)
Total net assets	687
Share of net assets acquired	344
Goodwill	57
Total purchase consideration	401
Less:	
Cash and cash equivalents in the subsidiary acquired	(401)
Consideration paid in previous periods	(401)
Cash received from acquisition of the subsidiary in the first three months of 2011	(401)

From the date of acquisition, the newly acquired subsidiary has contributed the following balances to the Group's income statement for the three months ended March 31, 2011 (in CZK millions):

	ČEZ Energo
Revenues	55
Income before other income (expense) and income taxes	20
Net income	19

If the combination had taken place at the beginning of the year, the profit for the CEZ Group would have been CZK 17,241 million and revenues from continuing operation would have been CZK 56,834 million. The provisional amount of goodwill recognized as a result of the business combination comprises the value of expected synergies arising from the acquisition.

The following table summarizes the cash flows related to acquisitions during the first three months of 2011 (in CZK millions):

Decrease in acquisitions in progress	(3)
Less cash acquired	(401)
Total cash received from acquisitions in the first three months of 2011	(404)

5. Investments in Subsidiaries, Associates and Joint-ventures

The interim consolidated financial statements include the financial figures of ČEZ, a. s., and the subsidiaries, associates and joint-ventures listed in the following table:

		% equity interest		% voting interest	
Subsidiaries	Country of incorporation	March 31, 2011	December 31, 2010	March 31, 2011	December 31, 2010
3 L invest a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
AREA-GROUP CL a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Bioplyn technologie s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Bohemian Development, a.s.	Czech Republic	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 Albania Sh.A.	Albania	100.00%	100.00%	100.00%	100.00%
CEZ Bosna i Hercegovina d.o.o.	Bosnia and Herzegovina	100.00%	100.00%	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%	-
CEZ Ciepło Polska sp. z o.o.	Poland	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 Elektroproizvodstvo Bulgaria AD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ FINANCE B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Finance Ireland Ltd.	Ireland	100.00%	100.00%	100.00%	100.00%
CEZ Finance Ireland (No.2) Ltd.	Ireland	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 Laboratories Bulgaria EOOD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ MH B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Nowa Skawina S.A.	Poland	100.00%	100.00%	100.00%	100.00%
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 RUS OOO	Russia	100.00%	100.00%	100.00%	100.00%
CEZ Servicii S.A.[1)]	Romania	-	100.00%	-	100.00%
CEZ Shpërndarje Sh.A.	Albania	76.00%	76.00%	76.00%	76.00%
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 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 CJSC	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 Energo, s.r.o.	Czech Republic	50.11%	-	50.11%	-

Subsidiaries	Country of incorporation	% equity interest March 31, 2011	% equity interest December 31, 2010	% voting interest March 31, 2011	% voting interest December 31, 2010
ČEZ ENERGOSERVIS spol. s r.o.	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 Logistika, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Měření, s.r.o.	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 Prodej, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Správa majetku, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
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%
DOMICA FPI s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
eEnergy Hodonín a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
eEnergy Ralsko a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
eEnergy Ralsko - Kuřívody a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Chvaletice a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrociepłownia Chorzów ELCHO sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
Elektrownia Skawina S.A.	Poland	100.00%	100.00%	100.00%	100.00%
Energetické centrum s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
FVE Buštěhrad a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
FVE Vranovská Ves a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
GENTLEY a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
KEFARIUM,a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
MARTIA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
M.W. Team Invest S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
NERS d.o.o.	Bosnia and Herzegovina	51.00%	51.00%	51.00%	51.00%
New Kosovo Energy L.L.C.	Kosovo	100.00%	100.00%	100.00%	100.00%
Ovidiu Development S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
PPC Úžín, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
PRODECO, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - 1.strojírenská, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - Autodoprava, 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%
SD - KOMES, a.s.	Czech Republic	92.65%	92.65%	92.65%	92.65%
SD - Rekultivace, 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%
STE - obchodní služby spol. s r.o.	Czech Republic	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%
Tepelné hospodářství města Ústí nad Labem s.r.o.	Czech Republic	52.89%	52.89%	55.83%	55.83%
Teplárna Trmice, a.s.	Czech Republic	85.00%	85.00%	85.00%	85.00%
Tomis Team S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
Ústav jaderného výzkumu Řež a.s.	Czech Republic	52.46%	52.46%	52.46%	52.46%

Associates and joint-ventures	Country of incorporation	% equity interest March 31, 2011	% equity interest December 31, 2010	% voting interest March 31, 2011	% voting interest December 31, 2010
Akcez Enerji A.S.	Turkey	44.31%	44.31%	50.00%	50.00%
Aken B.V.	Netherlands	37.36%	37.36%	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	33.63%	33.63%	45.00%	45.00%
Akenerji Elektrik Üretim A.S.	Turkey	37.36%	37.36%	37.36%	37.36%
Akka Elektrik Üretim A.S.	Turkey	33.63%	33.63%	45.00%	45.00%
Akkur Enerji Üretim A.S.	Turkey	36.99%	36.99%	49.50%	49.50%
AK-EL Yalova Elektrik Üretim A.S.	Turkey	33.65%	33.65%	45.54%	45.54%
CM European Power International B.V.	Netherlands	50.00%	50.00%	50.00%	50.00%
CM European Power International s.r.o.	Slovakia	50.00%	50.00%	50.00%	50.00%
CM European Power Slovakia s.r.o.	Slovakia	50.00%	50.00%	50.00%	50.00%
Egemer Elektrik Üretim A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Ickale Enerji Elektrik Üretim ve Ticaret 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%
JTSD - Braunkohlebergbau GmbH	Germany	50.00%	50.00%	50.00%	50.00%
LOMY MOŘINA spol. s r.o.	Czech Republic	51.05%	51.05%	50.00%	50.00%
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.	Turkey	36.99%	36.99%	49.50%	49.50%
Mitteldeutsche Braunkohlengesellschaft mbH	Germany	50.00%	50.00%	50.00%	50.00%
MOL - CEZ European Power Hungary Ltd.	Hungary	50.00%	50.00%	50.00%	50.00%
Sakarya Elektrik Dagitim A.S.	Turkey	44.31%	44.31%	50.00%	50.00%

The equity interest represents effective ownership interest of the Group.

[1] On January 1, 2011, the company CEZ Servicii S.A. merged with the succession company CEZ Romania S.A.

6. Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at March 31, 2011 and December 31, 2010 (in CZK millions):

	March 31, 2011	December 31, 2010
Cash and cash equivalents as a separate line in the balance sheet	19,040	22,163
Cash and cash equivalents attributable to assets classified as held for sale	22	23
Total	19,062	22,186

7. Long-term Debt

Long-term debt at March 31, 2011 and December 31, 2010 is as follows (in CZK millions):

	March 31, 2011	December 31, 2010
4.625% Eurobonds, due 2011 (EUR 154 million)	3,771	3,850
4.125% Eurobonds, due 2013 (EUR 500 million)	12,220	12,474
5.125% Eurobonds, due 2012 (EUR 500 million)	12,253	12,510
6.000% Eurobonds, due 2014 (EUR 600 million)	14,649	14,954
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,502	2,764
5.825% Zero Coupon Eurobonds, due 2038 (EUR 6 million)	30	30
4.270% Zero Coupon Eurobonds, due 2011 (CZK 1,400 million)	1,394	1,379
4.450% Zero Coupon Eurobonds, due 2011 (CZK 1,600 million)	1,590	1,573
5.750% Eurobonds, due 2015 (EUR 600 million)	14,672	14,980
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,669	1,844
5.000% Eurobonds, due 2021 (EUR 750 million)	18,346	18,733
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	1,222	1,248
3M Euribor + 0.45% Eurobonds, due 2011 (EUR 110 million)	2,699	2,756
3M Libor + 0.70% Eurobonds, due 2012 (USD 100 million)	1,724	1,871
3M Euribor + 0.50% Eurobonds, due 2011 (EUR 100 million)	2,453	2,505
6M Pribor + 0.62% Eurobonds, due 2012 (CZK 3,000 million)	2,998	2,998
4.875% Eurobonds, due 2025 (EUR 750 million)	18,294	18,679
4.500% Eurobonds, due 2020 (EUR 750 million.)	18,166	18,544
2.160% Eurobonds, due in 2023 (JPY 11,500 million)	2,400	-
4.500% registered bonds, due 2030 (EUR 40 million)	956	976
4.750% registered bonds, due 2023 (EUR 40 million)	965	-
9.220% Debentures, due 2014 (CZK 2,500 million) [1)]	2,498	2,498
Total bonds and debentures	137,471	137,166
Less: Current portion	(11,907)	(12,063)
Bonds and debentures, net of current portion	125,564	125,103
Long-term bank and other loans:		
Total long-term bank and other loans	16,968	17,660
Less: Current portion	(816)	(2,723)
Long-term bank and other loans, net of current portion	16,152	14,937
Total long-term debt	154,439	154,826
Less: Current portion	(12,723)	(14,786)
Total long-term debt, net of current portion	141,716	140,040

[1)] Since 2006 the interest rate has changed to consumer price index in the Czech Republic plus 4.20%.

8. Short-term Loans

Short-term loans at March 31, 2011 and December 31, 2010 are as follows (in CZK millions):

	March 31, 2011	December 31, 2010
Short-term bank loans	6,870	8,306
Bank overdrafts	1,006	1,312
Total	7,876	9,618

9. Share options

At March 31, 2011 and December 31, 2010, the aggregate number of share options granted to members of Board of Directors and selected managers was 2,465 thousand and 2,365 thousand, respectively.

The following table shows changes during the first three months of 2011 in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors '000s	Selected managers '000s	Total '000s	
Share options at December 31, 2010	1,620	745	2,365	1,055.13
Options granted	60	40	100	834.81
Share options at March 31, 2011	1,680	785	2,465	1,046.19

As at March 31, 2011 and December 31, 2010 the exercise prices of outstanding options were in the following ranges (in thousand pieces):

	March 31, 2011	December 31, 2010
CZK 500 – 900 per share	745	645
CZK 900 – 1,400 per share	1,720	1,720
Total	2,465	2,365

In the period of three months ended March 31, 2011 and 2010, the Company recognized a compensation expense of CZK 19 million and CZK 28 million, respectively, related to the granted options. The Company has settled all options exercised using treasury shares. The gains or losses on the sale of treasury shares were recognized directly in equity.

10. Income Taxes

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

	1-3/2011			1-3/2010		
	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	91	(17)	74	5,354	(1,017)	4,337
Cash flow hedges removed from equity	213	(40)	173	(407)	77	(330)
Change in fair value of available-for-sale financial assets recognized in equity	(150)	28	(122)	147	(28)	119
Available-for-sale financial assets removed from equity	8	(2)	6	1	-	1
Translation differences	(1,170)	-	(1,170)	(1,458)	23	(1,435)
Share on equity movements of associates and joint-ventures	10	-	10	(4)	1	(3)
Total	(998)	(31)	(1,029)	3,633	(944)	2,689

11. 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 and allocates resources to them based on EBITDA (income before income taxes and other income (expenses) plus depreciation and amortization).

The following tables summarize segment information by operating segments for the three months ended March 31, 2011 and 2010 and at December 31, 2010 (in CZK millions):

March 31, 2011:	Power Production and Trading CE	Distribution and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribution and Sale SEE	Other SEE	Combined	Elimination	Consolidated
Sales other than intersegment sales	17,983	26,288	1,164	625	1,306	9,428	11	56,805	-	56,805
Intersegment sales	12,819	1,707	1,661	6,820	221	56	556	23,840	(23,840)	-
Total revenues	30,802	27,995	2,825	7,445	1,527	9,484	567	80,645	(23,840)	56,805
EBITDA	16,940	5,765	1,398	1,527	373	566	51	26,620	2	26,622
Depreciation and amortization	(3,467)	(849)	(440)	(512)	(221)	(554)	(15)	(6,058)	-	(6,058)
EBIT	13,473	4,916	958	1,015	152	12	36	20,562	2	20,564
Interest on debt and provisions	(1,438)	(65)	(77)	(8)	(108)	(42)	(23)	(1,761)	238	(1,523)
Interest income	522	8	94	10	13	39	18	704	(238)	466
Share of profit (loss) from associates and joint-ventures	74	-	65	-	(46)	38	-	131	-	131
Income taxes	(2,285)	(931)	(187)	(258)	(118)	(72)	(2)	(3,853)	-	(3,853)
Net income	11,294	3,910	895	754	380	(29)	29	17,233	-	17,233
Identifiable assets	225,987	62,697	18,112	16,287	21,414	26,895	81	371,473	(8,660)	362,813
Investment in associates and joint-ventures	4,203	-	4,018	-	5,725	2,434	-	16,380	-	16,380
Unallocated assets										201,612
Total assets										580,805
Capital expenditure	5,665	1,884	485	3,172	16	566	179	11,967	(3,061)	8,906

March 31, 2010:	Power Production and Trading CE	Distribution and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribution and Sale SEE	Other SEE	Combined	Elimination	Consolidated
Sales other than intersegment sales	16,941	24,702	1,147	586	757	9,747	6	53,886	-	53,886
Intersegment sales	13,904	1,078	1,502	9,303	(2)	19	540	26,344	(26,344)	-
Total revenues	30,845	25,780	2,649	9,889	755	9,766	546	80,230	(26,344)	53,886
EBITDA	18,742	4,883	1,227	1,392	127	899	60	27,330	1	27,331
Depreciation and amortization	(3,343)	(782)	(369)	(476)	(89)	(567)	(14)	(5,640)	-	(5,640)
EBIT	15,399	4,101	858	916	38	332	46	21,690	1	21,691
Interest on debt and provisions	(1,331)	(68)	(77)	(29)	(12)	(36)	(6)	(1,559)	142	(1,417)
Interest income	571	14	148	14	25	71	2	845	(142)	703
Share of profit (loss) from associates and joint-ventures	80	-	39	-	(27)	(41)	-	51	-	51
Income taxes	(2,744)	(743)	(178)	(173)	(9)	(146)	(8)	(4,001)	-	(4,001)
Net income	12,146	3,296	1,045	732	309	61	38	17,627	(165)	17,462
Capital expenditure	8,093	1,545	454	5,988	426	581	197	17,284	(5,929)	11,355

December 31, 2010:	Power Production and Trading CE	Distribution and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribution and Sale SEE	Other SEE	Combined	Elimination	Consolidated
Identifiable assets	225,058	61,662	18,065	16,819	21,407	27,130	90	370,231	(9,165)	361,066
Investment in associates and joint-ventures	4,216	-	3,829	-	6,291	2,592	-	16,928	-	16,928
Unallocated assets										165,697
Total assets										543,691