

CEZ GROUP**Consolidated Balance Sheet**

in accordance with IFRS

(in CZK Millions)

	31.12.2009	30.6.2010
Assets		
Property, plant and equipment:		
Plant in service	509,618	517,812
Less accumulated provision for depreciation	(266,377)	(274,687)
Net plant in service	243,241	243,125
Nuclear fuel, at amortized cost	5,439	7,449
Construction work in progress	80,125	88,877
Total property, plant and equipment	328,805	339,451
Other non-current assets:		
Investment in associates and joint-ventures	17,250	17,424
Investments and other financial assets, net	49,423	53,553
Intangible assets, net	18,653	20,360
Deferred tax assets	824	626
Total other non-current assets	86,150	91,963
Total non-current assets	414,955	431,414
Current assets:		
Cash and cash equivalents	26,727	49,272
Receivables, net	46,350	31,835
Income tax receivable	997	7,688
Materials and supplies, net	4,959	5,553
Fossil fuel stocks	2,944	1,838
Emission rights	1,212	1,251
Other financial assets, net	29,706	29,802
Other current assets	2,409	2,308
Total current assets	115,304	129,547
Total assets	530,259	560,961
Equity and liabilities		
Equity:		
Equity attributable to equity holders of the parent:		
Stated capital	53,799	53,799
Treasury shares	(5,151)	(4,619)
Retained earnings and other reserves	151,713	152,127
Total equity attributable to equity holders of the parent	200,361	201,307
Non-controlling interests	6,314	6,746
Total equity	206,675	208,053
Long-term liabilities:		
Long-term debt, net of current portion	118,921	138,632
Accumulated provision for nuclear decommissioning and fuel storage	37,152	37,286
Other long-term liabilities	21,108	22,139
Total long-term liabilities	177,181	198,057
Deferred tax liability	15,335	22,442
Current liabilities:		
Short-term loans	31,257	11,893
Current portion of long-term debt	6,632	22,661
Trade and other payables	76,853	85,165
Income tax payable	1,359	35
Accrued liabilities	14,967	12,655
Total current liabilities	131,068	132,409
Total equity and liabilities	530,259	560,961

CEZ GROUP

Consolidated Statement of Income

in accordance with IFRS

(in CZK Millions)

	1-6/2009	4-6/2009	1-6/2010	4-6/2010
Revenues:				
Sales of electricity	87,492	38,115	84,691	39,727
Gains and losses from electricity, coal and gas derivative trading, net	2,076	1,522	5,402	1,115
Heat sales and other revenues	7,493	3,472	8,590	3,955
Total revenues	97,061	43,109	98,683	44,797
Operating expenses:				
Fuel	(8,005)	(3,110)	(7,943)	(3,344)
Purchased power and related services	(22,411)	(10,104)	(26,879)	(12,934)
Repairs and maintenance	(2,211)	(1,394)	(2,079)	(1,273)
Depreciation and amortization	(10,982)	(5,552)	(11,431)	(5,791)
Salaries and wages	(7,748)	(4,055)	(8,534)	(4,468)
Materials and supplies	(2,173)	(1,129)	(2,264)	(1,078)
Emission rights, net	1,239	289	2,013	1,092
Other operating expenses	(3,926)	(2,007)	(5,810)	(2,936)
Total expenses	(56,217)	(27,062)	(62,927)	(30,732)
Income before other income (expenses) and income taxes	40,844	16,047	35,756	14,065
Other income (expenses):				
Interest on debt, net of capitalized interest	(1,536)	(715)	(1,719)	(812)
Interest on nuclear and other provisions	(1,046)	(522)	(1,019)	(509)
Interest income	1,080	535	1,102	399
Foreign exchange rate gains (losses), net	(339)	731	(1,825)	(1,344)
Gain (Loss) on sale of subsidiaries, associates and joint-ventures	(6)	(6)	-	-
Other income (expenses), net	918	(171)	2,844	1,928
Gain (Loss) from associates and joint-ventures	3,241	3,277	(384)	(435)
Total other income (expenses)	2,312	3,129	(1,001)	(773)
Income before income taxes	43,156	19,176	34,755	13,292
Income taxes	(7,941)	(3,346)	(6,046)	(2,045)
Net income	35,215	15,830	28,709	11,247
Net income attributable to:				
Equity holders of the parent	34,857	15,766	28,659	11,204
Non-controlling interests	358	64	50	43

CEZ GROUP**Consolidated Statement of Comprehensive
Income** in accordance with IFRS

(in CZK Millions)

	1-6/2009	4-6/2009	1-6/2010	4-6/2010
Net income	35,215	15,830	28,709	11,247
Other comprehensive income:				
Change in fair value of cash flow hedges recognized in equity	5,020	7,982	4,190	(1,164)
Cash flow hedges removed from equity	(444)	317	(1,235)	(828)
Change in fair value of available-for-sale financial assets recognized in equity	(1,095)	(551)	230	83
Available-for-sale financial assets removed from equity	16	15	2	1
Translation differences	(4,839)	(2,991)	(2,211)	(753)
Share on equity movements of associates and joint-ventures	96	110	(13)	(9)
Deferred tax relating to other comprehensive income	(748)	(1,480)	(723)	221
Other movements		(16)		-
Other comprehensive income, net of tax	(1,994)	3,386	240	(2,449)
Total comprehensive income, net of tax	33,221	19,216	28,949	8,798
Total comprehensive income attributable to:				
Equity holders of the parent	33,702	19,796	29,074	8,743
Non-controlling interests	(481)	(580)	(125)	55

CEZ GROUP
Consolidated Statement of Changes
in Equity in accordance with IFRS

(in CZK Millions)

	Attributable to Equity Holders of the Parent						Total	Non-controlling Interests	Total equity
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Available-for-sale and other reserves	Retained earnings			
December 31, 2008	59,221	(66,910)	(5,025)	(5,631)	503	191,094	173,252	12,158	185,410
Net income						34,857	34,857	358	35,215
Other comprehensive income			(4,049)	3,636	(932)	190	(1,155)	(839)	(1,994)
Total comprehensive income	-	-	(4,049)	3,636	(932)	35,047	33,702	(481)	33,221
Dividends						(26,659)	(26,659)	(3)	(26,662)
Reduction of the stated capital	(5,422)	61,313				(55,891)	-		-
Sale of treasury shares		226				(157)	69		69
Share options					53		53		53
Transfer of exercised and forfeited share options within equity					(34)	34	-		-
Change in non-controlling interests due to acquisitions							-	846	846
June 30, 2009	53,799	(5,371)	(9,074)	(1,995)	(410)	143,468	180,417	12,520	192,937
December 31, 2009, as previously reported	53,799	(5,151)	(6,649)	(2,168)	609	159,921	200,361	6,314	206,675
Effect of change in accounting policies						(218)	(218)		(218)
January 1, 2010, as restated	53,799	(5,151)	(6,649)	(2,168)	609	159,703	200,143	6,314	206,457
Net income						28,659	28,659	50	28,709
Other comprehensive income			(2,035)	2,391	196	(137)	415	(175)	240
Total comprehensive income	-	-	(2,035)	2,391	196	28,522	29,074	(125)	28,949
Dividends						(28,297)	(28,297)	(7)	(28,304)
Sale of treasury shares		532				(194)	338		338
Share options					49		49		49
Transfer of exercised and forfeited share options within equity					(97)	97	-		-
Change in non-controlling interests due to acquisitions							-	564	564
June 30, 2010	53,799	(4,619)	(8,684)	223	757	159,831	201,307	6,746	208,053

CEZ GROUP

Consolidated Statement of Cash Flows

in accordance with IFRS

(in CZK Millions)

	1-6/2009	1-6/2010
Operating activities:		
Income before income taxes	43,156	34,755
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	10,993	11,446
Amortization of nuclear fuel	1,291	1,808
(Gain) Loss on fixed assets retirements, net	(61)	(37)
Foreign exchange rate losses (gains), net	339	1,825
Interest expense, interest income and dividends income, net	415	239
Provision for nuclear decommissioning and fuel storage	82	(2)
Valuation allowances, other provisions and other adjustments	1,402	(567)
(Gain) Loss from associates and joint-ventures	(3,241)	384
Changes in assets and liabilities:		
Receivables	9,511	7,631
Materials and supplies	(485)	(528)
Fossil fuel stocks	141	1,085
Other current assets	5,205	(1,047)
Trade and other payables	(11,298)	(16,799)
Accrued liabilities	3	(2,237)
Cash generated from operations	57,453	37,956
Income taxes paid	(9,507)	(7,952)
Interest paid, net of capitalized interest	(333)	(783)
Interest received	723	794
Dividends received	2	1
Net cash provided by operating activities	48,338	30,016
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	(11,778)	(4,752)
Proceeds from disposal of subsidiaries and associates, net of cash disposed of	1,270	-
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(21,132)	(26,222)
Proceeds from sales of fixed assets	192	1,196
Loans made	(9,862)	(81)
Repayments of loans	339	5,249
Change in decommissioning and other restricted funds	65	(1,261)
Total cash used in investing activities	(40,906)	(25,871)
Financing activities:		
Proceeds from borrowings	130,670	137,660
Payments of borrowings	(119,386)	(119,378)
Proceeds from other long-term liabilities	39	19
Payments of other long-term liabilities	(203)	(129)
Dividends paid to Company's shareholders	(17)	(35)
Dividends paid to non-controlling interests / Contributions received from non-controlling interests, net	(3)	(7)
(Acquisition) Sale of treasury shares, net	70	337
Total cash provided by (used in) financing activities	11,170	18,467
Net effect of currency translation in cash	(1,316)	(67)
Net increase in cash and cash equivalents	17,286	22,545
Cash and cash equivalents at beginning of period	17,303	26,727
Cash and cash equivalents at end of period	34,589	49,272
Supplementary cash flow information		
Total cash paid for interest	1,173	1,853

Structure of the consolidation unit CEZ Group as of June 30, 2010

Company	Reg. number	Country of incorporation
Parent company:		
ČEZ, a. s.	45274649	Czech Republic
Subsidiaries:		
3 L invest a.s.	26780828	Czech Republic
Bioplyn technologie s.r.o.	26407086	Czech Republic
Bohemian Development, a.s.	28073142	Czech Republic
Centrum výzkumu Řež s.r.o.	26722445	Czech Republic
CEZ Albania Sh.A.	-	Albania
CEZ Bosna i Hercegovina d.o.o.	-	Bosnia and Herzegovina
CEZ Bulgaria EAD	-	Bulgaria
CEZ Ciepło Polska sp. z o.o.	-	Poland
CEZ Deutschland GmbH	-	Germany
CEZ Distributie S.A.	-	Romania
CEZ Elektro Bulgaria AD	-	Bulgaria
CEZ Elektroproduktstvo Bulgaria AD	-	Bulgaria
CEZ FINANCE B.V.	-	Netherlands
CEZ Finance Ireland Ltd.	-	Ireland
CEZ Hungary Ltd.	-	Hungary
CEZ Chorzow B.V.	-	Netherlands
CEZ International Finance B.V.	-	Netherlands
CEZ Laboratories Bulgaria EOOD	-	Bulgaria
CEZ MH B.V.	-	Netherlands
CEZ Nowa Skawina S.A.	-	Poland
CEZ Poland Distribution B.V.	-	Netherlands
CEZ Polska sp. z o.o.	-	Poland
CEZ Produkty Energetyczne Polska sp. z o.o.	-	Poland
CEZ Razpredelenie Bulgaria AD	-	Bulgaria
CEZ Romania S.R.L.	-	Romania
CEZ RUS OOO	-	Russia
CEZ Servicii S.A.	-	Romania
CEZ Silesia B.V.	-	Netherlands
CEZ Slovensko, s.r.o.	-	Slovakia
CEZ Srbija d.o.o.	-	Serbia
CEZ Trade Albania Sh.P.K.	-	Albania
CEZ Trade Bulgaria EAD	-	Bulgaria
CEZ Trade Polska sp. z o.o.	-	Poland
CEZ Trade Romania S.R.L.	-	Romania
CEZ Ukraine CJSC	-	Ukraine
CEZ Vanzare S.A.	-	Romania
CZ INVEST - PLUS, a.s.	28075951	Czech Republic
CZECH HEAT a.s.	27587991	Czech Republic
ČEZ Bohunice a.s.	28861736	Czech Republic
ČEZ Distribuce, a. s.	27232425	Czech Republic
ČEZ Distribuční služby, s.r.o.	26871823	Czech Republic
ČEZ Distribuční zařízení, a.s.	28922727	Czech Republic
ČEZ Energetické produkty, s.r.o.	28255933	Czech Republic
ČEZ Energetické služby, s.r.o.	27804721	Czech Republic
ČEZ ENERGOSERVIS spol. s r.o.	60698101	Czech Republic
ČEZ ICT Services, a. s.	26470411	Czech Republic
ČEZ Logistika, s.r.o.	26840065	Czech Republic

Company	Reg. number	Country of incorporation
ČEZ Měření, s.r.o.	25938878	Czech Republic
ČEZ Obnovitelné zdroje, s.r.o.	25938924	Czech Republic
ČEZ Prodej, s.r.o.	27232433	Czech Republic
ČEZ Správa majetku, s.r.o.	26206803	Czech Republic
ČEZ Teplárenská, a.s.	27309941	Czech Republic
ČEZ Zákaznické služby, s.r.o.	26376547	Czech Republic
EDICOLLA a.s.	27756769	Czech Republic
eEnergy Ralsko a.s.	28217918	Czech Republic
Elektra Žabčice a.s.	28270975	Czech Republic
Elektrárna Chvalčovice a.s.	28786009	Czech Republic
Elektrociepłownia Chorzów ELCHO sp. z o.o.	-	Poland
Elektrownia Skawina S.A.	-	Poland
Energetické centrum s.r.o.	26051818	Czech Republic
FVE Buštěhrad a.s.	27420493	Czech Republic
GENTLEY a.s.	28209117	Czech Republic
M.W. Team Invest S.R.L.	-	Romania
MALLA, a.s.	28263341	Czech Republic
MARTIA a.s.	25006754	Czech Republic
NERS d.o.o.	-	Bosnia and Herzegovina
New Kosovo Energy L.L.C.	-	Kosovo
Operatori i Sistemit te Shperndarjes Sh.A.	-	Albania
Ovidiu Development S.R.L.	-	Romania
PPC Úžín, a.s.	27198367	Czech Republic
PRODECO, a.s.	25020790	Czech Republic
SD - 1.strojírenská, a.s.	25437127	Czech Republic
SD - Autodoprava, a.s.	25028197	Czech Republic
SD - Kolejová doprava, a.s.	25438107	Czech Republic
SD - KOMES, a.s.	28666674	Czech Republic
SD - Rekultivace, a.s.	27329011	Czech Republic
Severočeské doly a.s.	49901982	Czech Republic
STE - obchodní služby spol. s r.o. v likvidaci	49826182	Czech Republic
Š-BET, s.r.o.	25994522	Czech Republic
ŠKODA PRAHA a.s.	00128201	Czech Republic
ŠKODA PRAHA Invest s.r.o.	27257517	Czech Republic
TEC Varna EAD	-	Bulgaria
Teplárna Trmice, a.s.	28707052	Czech Republic
TEPLEX s.r.o.	28707800	Czech Republic
Tomis Team S.R.L.	-	Romania
Ústav jaderného výzkumu Řež a.s.	46356088	Czech Republic

Associates and joint-ventures:

Akcez Enerji A.S.	-	Turkey
AK-EL Yalova Elektrik Üretim A.S.	-	Turkey
Aken B.V.	-	Netherlands
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	-	Turkey
Akenerji Elektrik Üretim A.S.	-	Turkey
Akka Elektrik Üretim A.S.	-	Turkey
Akkur Enerji Üretim A.S.	-	Turkey
CM European Power International B.V.	-	Netherlands
CM European Power International s.r.o.	-	Slovakia
CM European Power Slovakia s.r.o.	-	Slovakia
Egemer Elektrik Üretim A.S.	-	Turkey
Energonuclear S.A.	-	Romania
Jadrová energetická spoločnosť Slovenska, a. s.	-	Slovakia

Company	Reg. number	Country of incorporation
JTSD - Braunkohlebergbau GmbH	-	Germany
LOMY MOŘINA spol. s r.o.	61465569	Czech Republic
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.	-	Turkey
Mitteldeutsche Braunkohlengesellschaft mbH	-	Germany
MOL - CEZ European Power Hungary Ltd.	-	Hungary
Sakarya Elektrik Dagitim A.S.	-	Turkey

Methods of consolidation

Parent company and subsidiaries:

Full consolidation

Associates and joint-ventures:

Equity method