

BALANCE SHEET

in accordance with IFRS as of June 30, 2010

in CZK Millions

	30. 6. 2010	31. 12. 2009
Assets		
Property, plant and equipment:		
Plant in service	299,662	298,600
Less accumulated provision for depreciation	(175,321)	(170,808)
Net plant in service	124,341	127,792
Nuclear fuel, at amortized cost	7,449	5,420
Construction work in progress	57,025	51,697
Total property, plant and equipment	188,815	184,909
Other non-current assets:		
Investments and other financial assets, net	182,274	169,515
Intangible assets, net	616	662
Total other non-current assets	182,890	170,177
Total non-current assets	371,705	355,086
Current assets:		
Cash and cash equivalents	35,622	14,567
Receivables, net	47,633	41,990
Income tax receivable	5,334	1
Materials and supplies, net	3,262	3,144
Fossil fuel stocks	886	1,532
Emission rights	703	724
Other financial assets, net	28,084	27,083
Other current assets	605	571
Total current assets	122,129	89,612
Total assets	493,834	444,698
Equity and liabilities		
Equity:		
Stated capital	53,799	53,799
Treasury shares	(4,619)	(5,151)
Retained earnings and other reserves	128,682	128,812
Total equity	177,862	177,460
Long-term liabilities:		
Long-term debt, net of current portion	131,809	112,506
Accumulated provision for nuclear decommissioning and fuel storage	37,061	36,932
Other long-term liabilities	5,365	4,587
Total long-term liabilities	174,235	154,025
Deferred tax liability	13,708	8,721
Current liabilities:		
Short-term loans	9,022	12,618
Current portion of long-term debt	22,215	6,232
Trade and other payables	88,944	76,907
Income tax payable		926
Accrued liabilities	7,848	7,809
Total current liabilities	128,029	104,492
Total equity and liabilities	493,834	444,698

STATEMENT OF INCOME

in accordance with IFRS as of June 30, 2010

in CZK Millions

	4-6/2010	1-6/2010	4-6/2009	1-6/2009
Revenues:				
Sales of electricity	22,210	45,611	23,530	55,085
Gains and losses from electricity, coal and gas derivative trading, net	1,077	5,322	1,289	2,641
Heat sales and other revenues	1,171	2,786	939	2,170
Total revenues	24,458	53,719	25,758	59,896
Operating expenses:				
Fuel	(3,750)	(8,898)	(3,907)	(8,852)
Purchased power and related services	(4,092)	(7,405)	(3,283)	(6,970)
Repairs and maintenance	(860)	(1,394)	(809)	(1,293)
Depreciation and amortization	(3,105)	(6,203)	(3,223)	(6,362)
Salaries and wages	(1,543)	(2,996)	(1,407)	(2,738)
Materials and supplies	(430)	(833)	(399)	(803)
Emission rights, net	966	1,805	230	1,050
Other operating expenses	(1,519)	(3,100)	(1,546)	(2,982)
Total expenses	(14,333)	(29,024)	(14,344)	(28,950)
Income before other income (expenses) and income taxes	10,125	24,695	11,414	30,946
Other income (expenses):				
Interest on debt, net of capitalized interest	(1,083)	(2,015)	(665)	(1,406)
Interest on nuclear and other provisions	(435)	(870)	(443)	(886)
Interest income	593	1,192	262	472
Foreign exchange rate gains (losses), net	(575)	(1,256)	744	(323)
Gain (Loss) on sale of subsidiaries, associates and joint-ventures	-		(77)	(77)
Other income (expenses), net	7,923	8,459	6,908	7,132
Total other income (expenses)	6,423	5,510	6,729	4,913
Income before income taxes	16,548	30,205	18,143	35,859
Income taxes	(1,516)	(4,114)	(2,067)	(5,603)
Net income	15,032	26,091	16,076	30,256

ČEZ, a. s.

STATEMENT OF COMPREHENSIVE INCOME

in accordance with IFRS as of June 30, 2010

in CZK Millions

	<u>4-6/2010</u>	<u>1-6/2010</u>	<u>4-6/2009</u>	<u>1-6/2009</u>
Net income	15,032	26,091	16,077	30,256
Other comprehensive income:				
Change in fair value of cash flow hedges recognized in equity	(1,148)	4,096	7,982	5,020
Cash flow hedges removed from equity	(805)	(1,198)	316	(445)
Change in fair value of available-for-sale financial assets recognized in equity	42	114	(564)	(708)
Deferred tax relating to other comprehensive income	<u>363</u>	<u>(572)</u>	<u>(1,469)</u>	<u>(803)</u>
Other comprehensive income, net of tax	<u>(1,548)</u>	<u>2,440</u>	<u>6,265</u>	<u>3,064</u>
Total comprehensive income	<u><u>13,484</u></u>	<u><u>28,531</u></u>	<u><u>22,342</u></u>	<u><u>33,320</u></u>

STATEMENT OF CHANGES IN EQUITY
in accordance with IFRS as of June 30, 2010
in CZK Millions

	Stated Capital	Treasury Shares	Cash flow hedge reserve	Available-for- sale and other reserves	Retained Earnings	Total Equity
December 31, 2008	59,221	(66,910)	(5,633)	479	167,770	154,927
Net income					30,256	30,256
Other comprehensive income			3,636	(572)		3,064
Total comprehensive income	-	-	3,636	(572)	30,256	33,320
Dividends					(26,659)	(26,659)
Reduction of the stated capital	(5,422)	61,313			(55,891)	-
Sale of treasury shares		226			(157)	69
Share options				53		53
Transfer of exercised and forfeited share options within equity				(34)	34	-
June 30, 2009	<u>53,799</u>	<u>(5,371)</u>	<u>(1,997)</u>	<u>(74)</u>	<u>115,353</u>	<u>161,710</u>
December 31, 2009, as previously reported	53,799	(5,151)	(2,155)	520	130,447	177,460
Effect of change in accounting policies					(218)	(218)
January 1, 2010, as restated	53,799	(5,151)	(2,155)	520	130,229	177,242
Net income					26,091	26,091
Other comprehensive income			2,347	93		2,440
Total comprehensive income	-	-	2,347	93	26,091	28,531
Dividends					(28,297)	(28,297)
Sale of treasury shares		532			(195)	337
Share options				49		49
Transfer of exercised and forfeited share options within equity				(98)	98	-
June 30, 2010	<u>53,799</u>	<u>(4,619)</u>	<u>192</u>	<u>564</u>	<u>127,926</u>	<u>177,862</u>

STATEMENT OF CASH FLOWS

in accordance with IFRS as of June 30, 2010

in CZK Millions

	1-6/2010	1-6/2009
Operating activities:		
Income before income taxes	30,205	35,859
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	6,214	6,362
Amortization of nuclear fuel	1,801	1,286
(Gain) loss on fixed assets retirements, net	4	78
Foreign exchange rate losses (gains), net	1,256	323
Interest expense, interest income and dividends income, net	(6,192)	(6,342)
Provision for nuclear decommissioning and fuel storage	(7)	77
Valuation allowances, other provisions and other adjustments	(2,163)	157
Changes in assets and liabilities:		
Receivables	9,362	10,800
Materials and supplies	(118)	(194)
Fossil fuel stocks	646	(164)
Other current assets	(1,839)	4,605
Trade and other payables	(18,800)	(17,044)
Accrued liabilities	(110)	3,893
Cash generated from operations	20,259	39,696
Income taxes paid	(5,959)	(7,288)
Interest paid, net of capitalized interest	(1,077)	(293)
Interest received	1,051	414
Dividends received	118	3,384
Net cash provided by operating activities	<u>14,392</u>	<u>35,913</u>
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures	(5,348)	(22,377)
Proceeds from disposal of subsidiaries, associates and joint-ventures		2,622
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(16,521)	(14,096)
Proceeds from sales of fixed assets	183	20
Loans made	(20,227)	(4,956)
Repayments of loans	9,209	1,292
Change in decommissioning and other restricted funds	(619)	(18)
Total cash used in investing activities	<u>(33,323)</u>	<u>(37,513)</u>
Financing activities:		
Proceeds from borrowings	120,440	109,373
Payments of borrowings	(87,199)	(91,024)
Change in payables/receivables from group cashpooling	6,173	(186)
Dividends paid	(35)	(17)
(Acquisition) sale of treasury shares	337	70
Total cash provided by (used in) financing activities	<u>39,716</u>	<u>18,216</u>
Net effect of currency translation in cash	270	(726)
Net increase (decrease) in cash and cash equivalents	21,055	15,890
Cash and cash equivalents at beginning of period	14,567	7,011
Cash and cash equivalents at end of period	<u>35,622</u>	<u>22,901</u>
Supplementary cash flow information		
Total cash paid for interest	1,936	1,133