



**BALANCE SHEET**  
in accordance with IFRS  
**June 30, 2008**  
(in CZK Millions)

ČEZ, a. s.  
Duhová 2/1444  
Praha 4  
IČ: 452 74 649

	current year	prior year
<b>ASSETS</b>	<b>370,008</b>	<b>312,654</b>
<b>Fixed assets</b>	<b>280,094</b>	<b>280,667</b>
<b>Property, plant and equipment</b>	<b>171,892</b>	<b>171,494</b>
Plant in service	293,929	293,915
Less accumulated provision for depreciation	155,937	149,990
Net plant in service	137,992	143,925
Nuclear fuel, at amortized cost	6,490	6,955
Construction work in progress	27,410	20,614
<b>Other non-current assets</b>	<b>108,202</b>	<b>109,173</b>
Investments and other financial assets, net	107,211	108,169
Intangible assets, net	991	1,004
<b>Current assets</b>	<b>89,914</b>	<b>31,987</b>
Cash and cash equivalents	911	1,844
Receivables, net	14,612	15,273
Income tax receivable	1	
Materials and supplies, net	2,841	2,705
Fossil fuel stock	738	544
Emission rights		2
Other financial assets, net	53,729	7,998
Other current assets	17,082	3,621
<b>EQUITY AND LIABILITIES</b>	<b>370,008</b>	<b>312,654</b>
<b>Equity</b>	<b>151,585</b>	<b>149,448</b>
Stated capital	59,221	59,221
Treasury shares	(66,889)	(55,972)
Retained earnings and other reserves	159,253	146,199
<b>Long-term liabilities</b>	<b>83,641</b>	<b>91,319</b>
Long-term debt, net of current portion	43,816	51,839
Accumulated provision for nuclear decommissioning and fuel storage	39,342	38,997
Other long-term liabilities	483	483
<b>Deferred tax liability</b>	<b>18,878</b>	<b>11,557</b>
<b>Current liabilities</b>	<b>115,904</b>	<b>60,330</b>
Short-term loans	14,902	11,822
Current portion of long-term debt	4,543	3,235
Trade and other payables	89,133	38,398
Income tax payable	339	3,682
Accrued liabilities	6,987	3,193



# STATEMENT OF INCOME

in accordance with IFRS

June 30, 2008

(in CZK Millions)

ČEZ, a. s.

Duhová 2/1444

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	current period		prior year period	
	April - June	January - June	April - June	January - June
<b>Revenues</b>	<b>25,846</b>	<b>57,568</b>	<b>23,132</b>	<b>50,063</b>
Sales of electricity	22,136	50,891	22,233	47,620
Gains and losses from electricity and coal derivative trading, net	2,848	4,709	344	840
Heat sales and other revenues	862	1,968	555	1,603
<b>Operating expenses</b>	<b>(13,882)</b>	<b>(28,361)</b>	<b>(15,225)</b>	<b>(30,580)</b>
Fuel	(3,990)	(8,537)	(4,469)	(9,183)
Purchased power and related services	(3,060)	(6,666)	(4,152)	(8,650)
Repair and maintenance	(581)	(908)	(829)	(1,246)
Depreciation and amortization	(2,983)	(6,037)	(3,072)	(6,223)
Salaries and wages	(1,285)	(2,515)	(909)	(2,238)
Materials and supplies	(439)	(788)	(450)	(855)
Emission rights, net	2		(14)	387
Other operating expenses	(1,546)	(2,910)	(1,330)	(2,572)
<b>Income before other income (expenses) and income taxes</b>	<b>11,964</b>	<b>29,207</b>	<b>7,907</b>	<b>19,483</b>
<b>Other income (expenses)</b>	<b>9,303</b>	<b>7,507</b>	<b>3,245</b>	<b>3,181</b>
Interest on debt, net of capitalized interest	(671)	(1,335)	(399)	(802)
Interest on nuclear and other provisions	(438)	(877)	(410)	(821)
Interest income	228	462	278	396
Foreign exchange rate gains (losses), net	8	(544)	141	122
Gain (loss) on sale of subsidiaries	704	706	265	265
Other income (expenses), net	9,472	9,095	3,370	4,021
<b>Income before income taxes</b>	<b>21,267</b>	<b>36,714</b>	<b>11,152</b>	<b>22,664</b>
<b>Income taxes</b>	<b>(2,780)</b>	<b>(6,051)</b>	<b>(1,962)</b>	<b>(4,652)</b>
<b>Net income</b>	<b>18,487</b>	<b>30,663</b>	<b>9,190</b>	<b>18,012</b>



# STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS

June 30, 2008

(in CZK Millions)

ČEZ, a. s.

Duhová 2/1444

Praha 4

IČ: 452 74 649

	Stated Capital	Treasury shares	Fair Value and Other Reserves	Retained Earnings	Total Equity
<b>December 31, 2006</b>	<b>59,221</b>	<b>(1,943)</b>	<b>1,390</b>	<b>123,569</b>	<b>182,237</b>
Change in fair value of cash flow hedges recognized in equity			(624)		(624)
Cash flow hedges removed from equity			2		2
Change in fair value of available-for-sale financial assets recognized in equity			59		59
Available-for-sale financial assets removed from equity			(271)		(271)
Other movements				4	4
<b>Gain and loss recorded directly to equity</b>	<b>-</b>	<b>-</b>	<b>(834)</b>	<b>4</b>	<b>(830)</b>
Net income				18,012	18,012
<b>Total gains and losses</b>	<b>-</b>	<b>-</b>	<b>(834)</b>	<b>18,016</b>	<b>17,182</b>
Dividends declared				(11,785)	(11,785)
Acquisition of treasury shares		(13,679)			(13,679)
Sale of treasury shares		368		(245)	123
Transfer of exercised and forfeited share options within equity			(90)	90	-
Share options			20		20
<b>June 30, 2007</b>	<b>59,221</b>	<b>(15,254)</b>	<b>486</b>	<b>129,645</b>	<b>174,098</b>
<b>December 31, 2007</b>	<b>59,221</b>	<b>(55,972)</b>	<b>3,293</b>	<b>142,906</b>	<b>149,448</b>
Change in fair value of cash flow hedges recognized in equity			6,532		6,532
Cash flow hedges removed from equity			(1,113)		(1,113)
Change in fair value of available-for-sale financial assets recognized in equity			(163)		(163)
Other movements				3	3
<b>Gain and loss recorded directly to equity</b>	<b>-</b>	<b>-</b>	<b>5,256</b>	<b>3</b>	<b>5,259</b>
Net income				30,663	30,663
<b>Total gains and losses</b>	<b>-</b>	<b>-</b>	<b>5,256</b>	<b>30,666</b>	<b>35,922</b>
Dividends declared				(21,321)	(21,321)
Acquisition of treasury shares		(13,079)			(13,079)
Sale of treasury shares		2,162		(1,597)	565
Transfer of exercised and forfeited share options within equity			(204)	204	-
Share options			50		50
<b>June 30, 2008</b>	<b>59,221</b>	<b>(66,889)</b>	<b>8,395</b>	<b>150,858</b>	<b>151,585</b>



# CASH FLOW STATEMENT

in accordance with IFRS

June 30, 2008

(in CZK Millions)

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	current period	prior year period
<b><u>Operating activities:</u></b>		
Income before income taxes	<b>36,714</b>	<b>22,664</b>
<b>Adjustments to reconcile income before income taxes to net cash provided by operating activities:</b>		
Depreciation, amortization and asset write-offs	6,037	6,228
Amortization of nuclear fuel	1,460	1,377
(Gain) loss on fixed assets retirements, net	(721)	(361)
Foreign exchange rate losses (gains), net	544	(122)
Interest expense, interest income and dividends income, net	(7,310)	(2,919)
Provision for nuclear decommissioning and fuel storage	186	214
Valuation allowances, other provisions and other adjustments	(1,305)	(721)
<b>Changes in assets and liabilities:</b>		
Receivables	2,479	(826)
Materials and supplies	(136)	(121)
Fossil fuel stocks	(195)	232
Other current assets	(54,708)	(5,153)
Trade and other payables	39,202	2,974
Accrued liabilities	399	328
<b>Cash generated from operations</b>	<b>22,646</b>	<b>23,794</b>
Income taxes paid	(3,343)	(1,063)
Interest paid, net of capitalized interest	(831)	(742)
Interest received	464	436
Dividends received	6,290	834
<b>Net cash provided by operating activities</b>	<b>25,226</b>	<b>23,259</b>
<b><u>Investing activities:</u></b>		
Acquisition of subsidiaries and associates	(583)	(3,189)
Proceeds from disposal of subsidiaries and associates	848	558
Additions to property, plant and equipment and other non-current assets	(8,532)	(5,131)
Loans made	(385)	(551)
Proceeds from sales of fixed assets	251	550
Repayments of loans	619	603
Change in decommissioning and other restricted funds	10	(3,293)
<b>Total cash used in investing activities</b>	<b>(7,772)</b>	<b>(10,453)</b>

	current period	prior year period
<b><u>Financing activities:</u></b>		
Proceeds from borrowings	88,502	
Payments of borrowings	(88,513)	(2,732)
Proceeds from other long-term liabilities		(13)
Payments of other long-term liabilities		(8)
Change in payables/receivables from group cashpooling	(5,837)	2,764
Dividends paid	14	43
(Acquisition) sale of treasury shares	(12,514)	(13,555)
<b>Total cash provided by (used in) financing activities</b>	<b>(18,348)</b>	<b>(13,501)</b>
Net effect of currency translation in cash	(39)	394
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(933)</b>	<b>(301)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,844</b>	<b>15,551</b>
<b>Cash and cash equivalents at end of period</b>	<b>911</b>	<b>15,250</b>

<b>Supplementary cash flow information:</b>		
Total cash paid for interest	1,389	1,096