

CEZ GROUP

Consolidated Balance Sheet in accordance with IFRS

(in CZK Millions)

	31.12.2007	30.6.2008
Assets		
Property, plant and equipment:		
Plant in service	479,091	477,330
Less accumulated provision for depreciation	234,297	242,820
Net plant in service	244,794	234,510
Nuclear fuel, at amortized cost	6,983	6,518
Construction work in progress	25,388	34,413
Total property, plant and equipment	277,165	275,441
Other non-current assets:		
Investment in associates	248	236
Investments and other financial assets, net	16,126	31,917
Intangible assets, net	19,060	18,282
Deferred tax assets	482	471
Total other non-current assets	35,916	50,906
Total non-current assets	313,081	326,347
Current assets:		
Cash and cash equivalents	12,429	9,155
Receivables, net	23,880	23,822
Income tax receivable	79	1,104
Materials and supplies, net	4,484	4,766
Fossil fuel stocks	857	2,014
Emission rights	355	100
Other financial assets, net	10,585	55,538
Other current assets	5,192	19,406
Total current assets	57,861	115,905
Total assets	370,942	442,252
Equity and liabilities		
Equity:		
Equity attributable to equity holders of the parent:		
Stated capital	59,221	59,221
Treasury shares	(55,972)	(66,889)
Retained earnings and other reserves	168,103	175,828
Total equity attributable to equity holders of the parent	171,352	168,160
Minority interests	12,874	11,956
Total equity	184,226	180,116
Long-term liabilities:		
Long-term debt, net of current portion	51,984	43,921
Accumulated provision for nuclear decommissioning and fuel storage	39,191	39,540
Other long-term liabilities	16,369	16,736
Total long-term liabilities	107,544	100,197
Deferred tax liability	17,153	25,810
Current liabilities:		
Short-term loans	18,048	34,829
Current portion of long-term debt	3,226	4,678
Trade and other payables	25,738	83,855
Income tax payable	5,969	357
Accrued liabilities	9,038	12,410
Total current liabilities	62,019	136,129
Total equity and liabilities	370,942	442,252

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Consolidated Statement of Income in accordance with IFRS

(in CZK Millions)

	1-6/2007	4-6/2007	1-6/2008	4-6/2008
Revenues:				
Sales of electricity	77,310	36,343	79,161	35,728
Gains and losses from electricity and coal derivative trading, net	965	428	4,595	2,707
Heat sales and other revenues	4,887	2,267	6,665	3,381
Total revenues	83,162	39,038	90,421	41,816
Operating expenses:				
Fuel	(7,856)	(3,795)	(7,466)	(3,471)
Purchased power and related services	(22,711)	(10,844)	(18,538)	(8,285)
Repairs and maintenance	(1,928)	(1,223)	(1,691)	(1,028)
Depreciation and amortization	(10,831)	(5,408)	(10,806)	(5,281)
Salaries and wages	(6,991)	(3,455)	(7,707)	(4,033)
Materials and supplies	(2,885)	(1,414)	(2,290)	(1,220)
Emission rights, net	550	57	112	71
Other operating expenses	(3,187)	(1,951)	(4,288)	(2,543)
Total expenses	(55,839)	(28,033)	(52,674)	(25,790)
Income before other income (expenses) and income taxes	27,323	11,005	37,747	16,026
Other income (expenses):				
Interest on debt, net of capitalized interest	(1,180)	(585)	(1,352)	(690)
Interest on nuclear and other provisions	(962)	(481)	(1,025)	(512)
Interest income	710	443	813	447
Foreign exchange rate gains (losses), net	(32)	(3)	(656)	(28)
Gain (Loss) on sale of subsidiaries and associates	125	125	333	323
Negative goodwill write-off	-	-	-	-
Other income (expenses), net	1,140	410	900	1,341
Income from associates	28	9	7	17
Total other income (expenses)	(171)	(82)	(980)	898
Income before income taxes	27,152	10,923	36,767	16,924
Income taxes	(6,141)	(2,889)	(7,809)	(3,692)
Net income	21,011	8,034	28,958	13,232
Net income attributable to:				
Equity holders of the parent	20,495	7,814	28,583	13,068
Minority interests	516	220	375	164

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Consolidated Statement of Changes in Equity in accordance with IFRS

(in CZK Millions)

	Attributable to Equity Holders of the Parent						Total Equity	
	Stated Capital	Treasury Shares	Translation Differences	Fair Value and Other Reserves	Retained Earnings	Total		Minority Interests
December 31, 2006	59,221	(1,943)	(1,301)	1,381	137,579	194,937	12,716	207,653
Change in fair value of available-for-sale financial assets recognized in equity				(1)		(1)		(1)
Available-for-sale financial assets removed from equity				(272)		(272)		(272)
Change in fair value of cash flow hedges recognized in equity				(624)		(624)		(624)
Cash flow hedges removed from equity				1		1		1
Translation differences			2,402		(18)	2,402	1,155	3,557
Share on equity movements of associates					2	(18)		(18)
Other movements					2	2	(1)	1
Gain and loss recorded directly to equity			2,402	(896)	(16)	1,490	1,154	2,644
Net Income					20,495	20,495	516	21,011
Total gains and losses			2,402	(896)	(11,785)	21,985	1,670	23,655
Dividends						(11,785)		(11,785)
Acquisition of treasury shares		(13,679)				(13,679)		(13,679)
Sale of treasury shares		368			(244)	124		124
Share options				20		20		20
Transfer of exercised and forfeited share options within equity				(90)	90	-		-
Change in minority due to acquisitions			1,101	415	146,119	191,602	14,111	205,713
June 30, 2007	59,221	(15,254)	(2,296)	3,225	167,174	171,352	12,874	184,226
December 31, 2007								
Change in fair value of available-for-sale financial assets recognized in equity				(212)		(212)		(212)
Available-for-sale financial assets removed from equity				7		7		7
Change in fair value of cash flow hedges recognized in equity				6,532		6,532		6,532
Cash flow hedges removed from equity				(1,110)		(1,110)		(1,110)
Translation differences			(3,218)			(3,218)	(1,298)	(4,516)
Share on equity movements of associates					(1)	(1)		(1)
Other movements					12	12	7	19
Gain and loss recorded directly to equity			(3,218)	5,217	11	2,010	(1,291)	719
Net Income					28,583	28,583	375	28,958
Total gains and losses			(3,218)	5,217	(21,321)	30,593	(916)	29,677
Dividends						(21,321)	(2)	(21,323)
Acquisition of treasury shares		(13,079)				(13,079)		(13,079)
Sale of treasury shares		2,162			(1,597)	565		565
Share options				50		50		50
Transfer of exercised and forfeited share options within equity				(204)	204	-		-
June 30, 2008	59,221	(66,889)	(5,514)	8,288	173,054	168,160	11,956	180,116

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Consolidated Statement of Cash Flows in accordance with IFRS

(in CZK Millions)

	1-6/2007	1-6/2008
Operating activities:		
Income before income taxes	27,152	36,767
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	10,836	10,807
Amortization of nuclear fuel	1,382	1,460
(Gain) loss on fixed assets retirements, net	(251)	(383)
Foreign exchange rate losses (gains), net	32	656
Interest expense, interest income and dividends income, net	387	496
Provision for nuclear decommissioning and fuel storage	217	190
Valuation allowances, other provisions and other adjustments	(630)	(807)
Income from associates	(28)	(7)
Changes in assets and liabilities:		
Receivables	(2,010)	(2,017)
Materials and supplies	(983)	(452)
Fossil fuel stocks	(470)	(1,229)
Other current assets	(3,970)	(54,493)
Trade and other payables	3,409	42,340
Accrued liabilities	450	875
Cash generated from operations	35,523	34,203
Income taxes paid	(2,233)	(6,865)
Interest paid, net of capitalized interest	(1,122)	(523)
Interest received	728	489
Dividends received	85	25
Net cash provided by operating activities	32,981	27,329
Investing activities:		
Acquisition of subsidiaries and associates, net of cash acquired	(2,434)	(77)
Proceeds from disposal of subsidiaries and associates, net of cash disposed of	375	759
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(13,351)	(16,275)
Loans made	(2)	(15,538)
Proceeds from sales of fixed assets	652	390
Change in decommissioning and other restricted funds	(4,127)	(850)
Repayments of loans	118	18
Total cash used in investing activities	(18,769)	(31,573)
Financing activities:		
Proceeds from borrowings	1,106	155,926
Payments of borrowings	(3,634)	(141,565)
Proceeds from other long-term liabilities	70	292
Payments of other long-term liabilities	(156)	(355)
Dividends paid to Company's shareholders	48	14
Dividends paid to minority interests / Contributions received from minority interests, net	21	(2)
(Acquisition) sale of treasury shares, net	(13,555)	(12,514)
Total cash provided by (used in) financing activities	(16,100)	1,796
Net effect of currency translation in cash	902	(826)
Net increase (decrease) in cash and cash equivalents	(986)	(3,274)
Cash and cash equivalents at beginning of period	30,932	12,429
Cash and cash equivalents at end of period	29,946	9,155
Supplementary cash flow information		
Total cash paid for interest	1,480	1,090