



**BALANCE SHEET**  
in accordance with IFRS  
December 31, 2006  
(in CZK Millions)

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

	Note	current year	prior year
<b>ASSETS</b>		<b>311,377</b>	<b>274,208</b>
<b>Fixed assets</b>		<b>277,886</b>	<b>258,658</b>
<b>Property, plant and equipment</b>		<b>168,845</b>	<b>175,555</b>
Plant in service		291,616	291,100
Less accumulated provision for depreciation		141,121	130,368
Net plant in service	3.	150,495	160,732
Nuclear fuel, at amortized cost		7,343	7,823
Construction work in progress		11,007	7,000
<b>Other non-current assets</b>		<b>109,041</b>	<b>83,103</b>
Investments and other financial assets, net	4.	108,156	81,816
Intangible assets, net	5.	885	1,287
<b>Current assets</b>		<b>33,491</b>	<b>15,550</b>
Cash and cash equivalents	6.	15,014	983
Receivables, net	7.	9,446	8,008
Income tax receivable			1,399
Materials and supplies, net		2,607	2,732
Fossil fuel stock		865	730
Emission rights	8.		125
Other financial assets, net	9.	4,814	976
Other current assets	10.	745	597
<b>EQUITY AND LIABILITIES</b>		<b>311,377</b>	<b>274,208</b>
<b>Equity</b>	11.	<b>190,822</b>	<b>174,276</b>
Stated capital		57,278	58,237
Retained earnings and other reserves		133,544	116,039
<b>Long-term liabilities</b>		<b>72,636</b>	<b>66,329</b>
Long-term debt, net of current portion	12.	36,051	30,480
Accumulated provision for nuclear decommissioning and fuel storage	14.	36,503	35,697
Other long-term liabilities		82	152
<b>Deferred tax liability</b>	20.2	<b>13,389</b>	<b>13,021</b>
<b>Current liabilities</b>		<b>34,530</b>	<b>20,582</b>
Current portion of long-term debt		5,820	7,770
Trade and other payables	15.	21,050	9,899
Income tax payable		4,291	
Accrued liabilities	16.	3,369	2,913

Date: #REF!	Signature of accounting unit's statutory body:	Person responsible for accounting: Ing. Petr Vobořil  Ing. Martin Novák	Person responsible for financial statements: Ivan Viktora
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## STATEMENT OF INCOME

in accordance with IFRS

December 31, 2006

(in CZK Millions)

ČEZ, a. s.

Duhová 2/1444

Praha 4

IČ: 452 74 649

	Note	current period	prior year period
<b>Revenues</b>	17.	<b>95,970</b>	<b>67,644</b>
Sales of electricity		93,254	65,199
Heat sales and other revenues		2,716	2,445
<b>Operating expenses</b>		<b>(66,292)</b>	<b>(48,035)</b>
Fuel		(15,010)	(13,873)
Purchased power and related services		(25,711)	(7,204)
Repair and maintenance		(4,033)	(3,397)
Depreciation and amortization		(13,345)	(13,770)
Salaries and wages	18.	(4,928)	(4,794)
Materials and supplies		(1,910)	(1,692)
Emission rights, net	8.	3,091	1,033
Other operating expenses	19.	(4,446)	(4,338)
<b>Income before other income (expenses) and income taxes</b>		<b>29,678</b>	<b>19,609</b>
<b>Other income (expenses)</b>		<b>2,793</b>	<b>849</b>
Interest on debt, net of capitalized interest		(1,736)	(1,732)
Interest on nuclear and other provisions	14.	(1,606)	(2,050)
Interest income		421	193
Foreign exchange rate gains (losses), net		1,265	(385)
Gain (loss) on sale of subsidiaries		78	107
Other income (expenses), net	21.	4,371	4,716
<b>Income before income taxes</b>		<b>32,471</b>	<b>20,458</b>
<b>Income taxes</b>	20.	<b>(6,668)</b>	<b>(2,823)</b>
<b>Net income</b>		<b>25,803</b>	<b>17,635</b>

Date: #REF!	Signature of accounting unit's statutory body:	Person responsible for accounting: Ing. Petr Vobořil  Ing. Martin Novák	Person responsible for financial statements: Ivan Viktora
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## STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS

December 31, 2006

(in CZK Millions)

ČEZ, a. s.

Duhová 2/1444

Praha 4

IC: 452 74 649

	Stated Capital	Fair Value and Other Reserves	Retained Earnings	Total Equity
<b>December 31, 2004</b>	<b>59,218</b>	<b>80</b>	<b>103,179</b>	<b>162,477</b>
Change in fair value of CF hedges recognized in equity		361		<b>361</b>
CF hedges removed from equity		(124)		<b>(124)</b>
<b>Gain and loss recorded directly to equity</b>	<b>-</b>	<b>237</b>	<b>-</b>	<b>237</b>
Net income			17,635	<b>17,635</b>
<b>Total gains and losses for the period</b>	<b>-</b>	<b>237</b>	<b>17,635</b>	<b>17,872</b>
Dividends declared			(5,309)	<b>(5,309)</b>
Acquisition of treasury shares	(1,312)			<b>(1,312)</b>
Sale of treasury shares	331		(79)	<b>252</b>
Share options		296		<b>296</b>
<b>December 31, 2005</b>	<b>58,237</b>	<b>613</b>	<b>115,426</b>	<b>174,276</b>
Change in fair value of CF hedges recognized in equity, net		315		<b>315</b>
CF hedges removed from equity		181		<b>181</b>
Change in fair value of AFS recognized in equity		3		<b>3</b>
<b>Gain and loss recorded directly to equity</b>	<b>-</b>	<b>499</b>	<b>-</b>	<b>499</b>
Net income			25,803	<b>25,803</b>
<b>Total gains and losses for the period</b>	<b>-</b>	<b>499</b>	<b>25,803</b>	<b>26,302</b>
Dividends declared			(8,853)	<b>(8,853)</b>
Acquisition of treasury shares	(1,273)			<b>(1,273)</b>
Sale of treasury shares	314		(179)	<b>135</b>
Transfer of exercised and forfeited share options within equity		(240)	240	<b>-</b>
Share options		235		<b>235</b>
<b>December 31, 2006</b>	<b>57,278</b>	<b>1,107</b>	<b>132,437</b>	<b>190,822</b>

Date: 23.2.2007	Signature of accounting unit's statutory body:	Person responsible for accounting: Ing. Petr Vobořil  Ing. Martin Novák	Person responsible for financial statements: Ivan Viktora
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## CASH FLOW STATEMENT

in accordance with IFRS

December 31, 2006

(in CZK Millions)

ČEZ, a. s.

Duhová 2/1444

Praha 4

IČ: 452 74 649

	current period	prior year period
<b><u>Operating activities:</u></b>		
<b>Income before income taxes</b>	<b>32,471</b>	<b>20,458</b>
<b>Adjustments to reconcile income before income taxes to net cash provided by operating activities:</b>		
Depreciation, amortization and asset write-offs	13,363	13,782
Amortization of nuclear fuel	3,151	3,048
(Gain) loss on fixed assets retirements, net	(118)	(117)
Foreign exchange rate losses (gains), net	(1,265)	385
Interest expense, interest income and dividends income, net	(3,749)	(2,566)
Provision for nuclear decommissioning and fuel storage	97	1,050
Valuation allowances, other provisions and other adjustments	482	(193)
<b>Changes in assets and liabilities:</b>		
Receivables	(2,867)	(2,369)
Materials and supplies	133	(201)
Fossil fuel stocks	(135)	(25)
Other current assets	(3,798)	(1,068)
Trade and other payables	2,727	628
Accrued liabilities	530	177
<b>Cash generated from operations</b>	<b>41,022</b>	<b>32,989</b>
Income taxes paid	(769)	(3,653)
Interest paid, net of capitalized interest	(1,536)	(1,426)
Interest received	359	187
Dividends received	5,055	4,105
<b>Net cash provided by operating activities</b>	<b>44,131</b>	<b>32,202</b>
<b><u>Investing activities:</u></b>		
Acquisition of subsidiaries and associates	(25,737)	(17,450)
Proceeds from disposal of subsidiaries and associates	2,927	1,657
Additions to property, plant and equipment and other non-current assets	(10,182)	(7,701)
Loans made	(511)	(1,250)
Proceeds from sales of fixed assets	103	891
Repayments of loans	82	150
Change in decommissioning and other restricted funds	(324)	(350)
<b>Total cash used in investing activities</b>	<b>(33,642)</b>	<b>(24,053)</b>

	current period	prior year period
<b>Financing activities:</b>		
Proceeds from borrowings	42,930	
Payments of borrowings	(37,094)	(1,883)
Payments of other long-term liabilities	(97)	
Change in payables/receivables from group cashpooling	8,286	
Dividends paid	(8,839)	(5,291)
(Acquisition) sale of treasury shares	(1,139)	(1,060)
<b>Total cash provided by (used in) financing activities</b>	<b>4,047</b>	<b>(8,234)</b>
Net effect of currency translation in cash	(505)	(73)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>14,031</b>	<b>(158)</b>
<b>Cash and cash equivalents at beginning of period</b>	983	1,141
<b>Cash and cash equivalents at end of period</b>	15,014	983
<b>Supplementary cash flow information:</b>		
Total cash paid for interest	2,064	1,932

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