



**BALANCE SHEET**  
in accordance with IFRS  
**September 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>359,799</b>	<b>312,654</b>
<b>Fixed assets</b>	<b>290,092</b>	<b>280,667</b>
<b>Property, plant and equipment</b>	<b>173,073</b>	<b>171,494</b>
Plant in service	294,536	293,915
Less accumulated provision for depreciation	158,915	149,990
Net plant in service	135,621	143,925
Nuclear fuel, at amortized cost	6,248	6,955
Construction work in progress	31,204	20,614
<b>Other non-current assets</b>	<b>117,019</b>	<b>109,173</b>
Investments and other financial assets, net	116,065	108,169
Intangible assets, net	954	1,004
<b>Current assets</b>	<b>69,707</b>	<b>31,987</b>
Cash and cash equivalents	2,182	1,844
Receivables, net	17,837	15,273
Income tax receivable	5,352	
Materials and supplies, net	2,792	2,705
Fossil fuel stock	1,057	544
Emission rights	148	2
Other financial assets, net	30,158	7,998
Other current assets	10,181	3,621
<b>EQUITY AND LIABILITIES</b>	<b>359,799</b>	<b>312,654</b>
<b>Equity</b>	<b>158,066</b>	<b>149,448</b>
Stated capital	59,221	59,221
Treasury shares	(66,910)	(55,972)
Retained earnings and other reserves	165,755	146,199
<b>Long-term liabilities</b>	<b>101,444</b>	<b>91,319</b>
Long-term debt, net of current portion	61,442	51,839
Accumulated provision for nuclear decommissioning and fuel storage	39,519	38,997
Other long-term liabilities	483	483
<b>Deferred tax liability</b>	<b>20,623</b>	<b>11,557</b>
<b>Current liabilities</b>	<b>79,666</b>	<b>60,330</b>
Short-term loans	13,704	11,822
Current portion of long-term debt	4,626	3,235
Trade and other payables	56,904	38,398
Income tax payable	-	3,682
Accrued liabilities	4,432	3,193



## STATEMENT OF INCOME

in accordance with IFRS

September 30, 2008

(in CZK Millions)

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	current period		prior year period	
	July - September	January - September	July - September	January - September
<b>Revenues</b>	<b>24,757</b>	<b>82,325</b>	<b>28,886</b>	<b>78,949</b>
Sales of electricity	23,700	74,591	28,174	75,794
Gains and losses from electricity, coal and gas derivative trading, net	368	5,077	131	971
Heat sales and other revenues	689	2,657	581	2,184
<b>Operating expenses</b>	<b>(13,694)</b>	<b>(42,055)</b>	<b>(20,342)</b>	<b>(50,922)</b>
Fuel	(3,737)	(12,274)	(4,195)	(13,378)
Purchased power and related services	(3,205)	(9,871)	(9,215)	(17,865)
Repair and maintenance	(856)	(1,764)	(890)	(2,136)
Depreciation and amortization	(3,023)	(9,060)	(3,037)	(9,260)
Salaries and wages	(1,159)	(3,674)	(1,344)	(3,582)
Materials and supplies	(436)	(1,224)	(435)	(1,290)
Emission rights, net	(2)	(2)	(4)	383
Other operating expenses	(1,276)	(4,186)	(1,222)	(3,794)
<b>Income before other income (expenses) and income taxes</b>	<b>11,063</b>	<b>40,270</b>	<b>8,544</b>	<b>28,027</b>
<b>Other income (expenses)</b>	<b>596</b>	<b>8,103</b>	<b>(345)</b>	<b>2,836</b>
Interest on debt, net of capitalized interest	(773)	(2,108)	(435)	(1,237)
Interest on nuclear and other provisions	(439)	(1,316)	(411)	(1,232)
Interest income	246	708	150	546
Foreign exchange rate gains (losses), net	(757)	(1,301)	(123)	(1)
Gain (loss) on sale of subsidiaries	(27)	679	1	266
Other income (expenses), net	2,346	11,441	473	4,494
<b>Income before income taxes</b>	<b>11,659</b>	<b>48,373</b>	<b>8,199</b>	<b>30,863</b>
<b>Income taxes</b>	<b>(2,405)</b>	<b>(8,456)</b>	<b>(1,971)</b>	<b>(6,623)</b>
<b>Net income</b>	<b>9,254</b>	<b>39,917</b>	<b>6,228</b>	<b>24,240</b>



## STATEMENT OF CHANGES IN EQUITY

in accordance with IFRS

September 30, 2008

(in CZK Millions)

ČEZ, a. s.

Duhová 2/1444

Praha 4

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	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			321		321
Cash flow hedges removed from equity			44		44
Change in fair value of available-for-sale financial assets recognized in equity			(8)		(8)
Available-for-sale financial assets removed from equity			(355)		(355)
Deffered tax recognized in equity					-
Other movements				5	5
<b>Gain and loss recorded directly to equity</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>5</b>	<b>7</b>
Net income				24,240	24,240
<b>Total gains and losses</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>24,245</b>	<b>24,247</b>
Dividends declared				(11,785)	(11,785)
Acquisition of treasury shares		(37,625)			(37,625)
Sale of treasury shares		368		(244)	124
Transfer of exercised and forfeited share options within equity			(90)	90	-
Share options			32		32
<b>September 30, 2007</b>	<b>59,221</b>	<b>(39,200)</b>	<b>1,334</b>	<b>135,875</b>	<b>157,230</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			5,342		5,342
Cash flow hedges removed from equity			(2,472)		(2,472)
Change in fair value of available-for-sale financial assets recognized in equity			143		143
Deffered tax recognized in equity			(566)		(566)
Other movements				26	26
<b>Gain and loss recorded directly to equity</b>	<b>-</b>	<b>-</b>	<b>2,447</b>	<b>26</b>	<b>2,473</b>
Net income				39,917	39,917
<b>Total gains and losses</b>	<b>-</b>	<b>-</b>	<b>2,447</b>	<b>39,943</b>	<b>42,390</b>
Dividends declared				(21,321)	(21,321)
Acquisition of treasury shares		(13,098)			(13,098)
Sale of treasury shares		2,160		(1,596)	564
Transfer of exercised and forfeited share options within equity			(204)	204	-
Share options			83		83
<b>September 30, 2008</b>	<b>59,221</b>	<b>(66,910)</b>	<b>5,619</b>	<b>160,136</b>	<b>158,066</b>



## CASH FLOW STATEMENT

in accordance with IFRS

September 30, 2008

(in CZK Millions)

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	current period	prior year period
<b>Operating activities:</b>		
Income before income taxes	<b>48,373</b>	<b>30,863</b>
<b>Adjustments to reconcile income before income taxes to net cash provided by operating activities:</b>		
Depreciation, amortization and asset write-offs	9,061	9,265
Amortization of nuclear fuel	2,171	2,033
(Gain) loss on fixed assets retirements, net	(699)	(495)
Foreign exchange rate losses (gains), net	1,301	1
Interest expense, interest income and dividends income, net	(6,869)	(2,638)
Provision for nuclear decommissioning and fuel storage	285	300
Valuation allowances, other provisions and other adjustments	(2,498)	(744)
<b>Changes in assets and liabilities:</b>		
Receivables	(727)	(2,462)
Materials and supplies	(87)	(79)
Fossil fuel stocks	(514)	105
Other current assets	(24,841)	(1,284)
Trade and other payables	19,922	8,240
Accrued liabilities	528	(167)
<b>Cash generated from operations</b>	<b>45,406</b>	<b>42,938</b>
Income taxes paid	(8,991)	(6,946)
Interest paid, net of capitalized interest	(1,045)	(840)
Interest received	580	584
Dividends received	8,260	3,388
<b>Net cash provided by operating activities</b>	<b>44,210</b>	<b>39,124</b>
<b>Investing activities:</b>		
Acquisition of subsidiaries and associates	(8,838)	(3,224)
Proceeds from disposal of subsidiaries and associates	1,607	758
Additions to property, plant and equipment and other non-current assets	(10,633)	(9,843)
Loans made	(3,276)	(582)
Proceeds from sales of fixed assets	267	1,526
Repayments of loans	740	789
Change in decommissioning and other restricted funds	(381)	(2,332)
<b>Total cash used in investing activities</b>	<b>(20,514)</b>	<b>(12,908)</b>

	current period	prior year period
<b>Financing activities:</b>		
Proceeds from borrowings	189,960	20,002
Payments of borrowings	(175,500)	(15,012)
Proceeds from other long-term liabilities		(13)
Payments of other long-term liabilities		(15)
Change in payables/receivables from group cashpooling	(4,275)	3,159
Dividends paid	(21,117)	(11,664)
(Acquisition) sale of treasury shares	(12,535)	(37,501)
<b>Total cash provided by (used in) financing activities</b>	<b>(23,467)</b>	<b>(41,044)</b>
Net effect of currency translation in cash	109	195
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>338</b>	<b>(14,633)</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>2,182</b>	<b>918</b>

<b>Supplementary cash flow information:</b>		
Total cash paid for interest	1,895	1,410