

CEZ GROUP

Consolidated Balance Sheet in accordance with IFRS

(in CZK Millions)

	31/12/2007	30/09/2008
Assets		
Property, plant and equipment:		
Plant in service	479,091	482,405
Less accumulated provision for depreciation	234,297	247,487
Net plant in service	244,794	234,918
Nuclear fuel, at amortized cost	6,983	6,269
Construction work in progress	25,388	48,173
Total property, plant and equipment	277,165	289,360
Other non-current assets:		
Investment in associates	248	335
Investments and other financial assets, net	16,126	33,353
Intangible assets, net	19,060	18,351
Deferred tax assets	482	450
Total other non-current assets	35,916	52,489
Total non-current assets	313,081	341,849
Current assets:		
Cash and cash equivalents	12,429	11,590
Receivables, net	23,880	23,943
Income tax receivable	79	7,134
Materials and supplies, net	4,484	4,960
Fossil fuel stocks	857	2,171
Emission rights	355	306
Other financial assets, net	10,585	31,087
Other current assets	5,192	11,567
Total current assets	57,861	92,758
Total assets	370,942	434,607
Equity and liabilities		
Equity:		
Equity attributable to equity holders of the parent:		
Stated capital	59,221	59,221
Treasury shares	(55,972)	(66,910)
Retained earnings and other reserves	168,103	185,858
Total equity attributable to equity holders of the parent	171,352	178,169
Minority interests	12,874	11,445
Total equity	184,226	189,614
Long-term liabilities:		
Long-term debt, net of current portion	51,984	61,546
Accumulated provision for nuclear decommissioning and fuel storage	39,191	39,720
Other long-term liabilities	16,369	17,912
Total long-term liabilities	107,544	119,178
Deferred tax liability	17,153	28,345
Current liabilities:		
Short-term loans	18,048	33,807
Current portion of long-term debt	3,226	4,756
Trade and other payables	25,738	50,080
Income tax payable	5,969	27
Accrued liabilities	9,038	8,800
Total current liabilities	62,019	97,470
Total equity and liabilities	370,942	434,607

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Consolidated Statement of Income in accordance with IFRS

(in CZK Millions)

	1-9/2007	7-9/2007	1-9/2008	7-9/2008
Revenues:				
Sales of electricity	114,448	37,138	117,111	37,950
Gains and losses from electricity, coal and gas derivative trading, net	1,584	619	5,402	807
Heat sales and other revenues	7,464	2,577	9,308	2,643
Total revenues	123,496	40,334	131,821	41,400
Operating expenses:				
Fuel	(12,201)	(4,345)	(11,879)	(4,413)
Purchased power and related services	(33,125)	(10,414)	(26,869)	(8,331)
Repairs and maintenance	(3,124)	(1,196)	(3,040)	(1,349)
Depreciation and amortization	(16,198)	(5,367)	(15,618)	(4,812)
Salaries and wages	(10,942)	(3,951)	(11,505)	(3,798)
Materials and supplies	(4,452)	(1,567)	(3,336)	(1,046)
Emission rights, net	304	(246)	225	113
Other operating expenses	(4,819)	(1,632)	(6,599)	(2,311)
Total expenses	(84,557)	(28,718)	(78,621)	(25,947)
Income before other income (expenses) and income taxes	38,939	11,616	53,200	15,453
Other income (expenses):				
Interest on debt, net of capitalized interest	(1,773)	(593)	(2,193)	(841)
Interest on nuclear and other provisions	(1,442)	(480)	(1,536)	(511)
Interest income	1,045	335	1,264	451
Foreign exchange rate gains (losses), net	(100)	(68)	(1,429)	(773)
Gain (Loss) on sale of subsidiaries and associates	129	4	333	-
Negative goodwill write-off	-	-	-	-
Other income (expenses), net	1,716	576	2,911	2,011
Income from associates	30	2	3	(4)
Total other income (expenses)	(395)	(224)	(647)	333
Income before income taxes	38,544	11,392	52,553	15,786
Income taxes	(8,860)	(2,719)	(11,086)	(3,277)
Net income	29,684	8,673	41,467	12,509
Net income attributable to:				
Equity holders of the parent	28,913	8,418	40,885	12,302
Minority interests	771	255	582	207

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	
December 31, 2006	59,221	(1,943)	(1,301)	1,381	137,579	194,937	207,653
Change in fair value of available-for-sale financial assets recognized in equity				(61)		(61)	(61)
Available-for-sale financial assets removed from equity				(270)		(270)	(270)
Change in fair value of cash flow hedges recognized in equity				244		244	244
Cash flow hedges removed from equity				34		34	34
Translation differences			270			270	329
Share on equity movements of associates					(21)	(21)	(21)
Other movements				(1)	(1)	(1)	(2)
Gain and loss recorded directly to equity			270	(53)	(22)	195	253
Net Income					28,913	28,913	29,684
Total gains and losses			270	(53)	28,891	29,108	29,937
Dividends					(11,783)	(11,783)	(11,786)
Acquisition of treasury shares		(37,625)				(37,625)	(37,625)
Sale of treasury shares		368			(244)	124	124
Share options				32		32	32
Transfer of exercised and forfeited share options within equity				(90)	90	-	-
Change in minority due to acquisitions							(275)
September 30, 2007	59,221	(39,200)	(1,031)	1,270	154,533	174,793	188,060
December 31, 2007	59,221	(55,972)	(2,296)	3,225	167,174	171,352	184,226
Change in fair value of available-for-sale financial assets recognized in equity				220		220	220
Available-for-sale financial assets removed from equity				6		6	6
Change in fair value of cash flow hedges recognized in equity				5,342		5,342	5,342
Cash flow hedges removed from equity				(2,469)		(2,469)	(2,469)
Deferred tax recognized in equity				(566)		(566)	(566)
Translation differences			(2,848)			(2,848)	(3,970)
Share on equity movements of associates					(1)	(1)	(1)
Other movements				2	18	20	7
Gain and loss recorded directly to equity			(2,848)	2,535	17	(296)	(1,431)
Net Income					40,885	40,885	41,467
Total gains and losses			(2,848)	2,535	40,902	40,589	40,036
Dividends					(21,321)	(21,321)	(21,324)
Acquisition of treasury shares		(13,098)				(13,098)	(13,098)
Sale of treasury shares		2,160			(1,596)	564	564
Share options				83		83	83
Transfer of exercised and forfeited share options within equity				(204)	204	-	-
Other transfers within equity				(10)	10	-	-
Change in minority due to acquisitions							(873)
September 30, 2008	59,221	(66,910)	(5,144)	5,629	185,373	178,169	189,614

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Consolidated Statement of Cash Flows in accordance with IFRS

(in CZK Millions)

	1-9/2007	1-9/2008
Operating activities:		
Income before income taxes	38,544	52,553
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	16,204	15,626
Amortization of nuclear fuel	2,061	2,176
(Gain) loss on fixed assets retirements, net	(381)	(442)
Foreign exchange rate losses (gains), net	100	1,429
Interest expense, interest income and dividends income, net	638	879
Provision for nuclear decommissioning and fuel storage	306	291
Valuation allowances, other provisions and other adjustments	(1,317)	(1,746)
Income from associates	(30)	(3)
Changes in assets and liabilities:		
Receivables	(4,972)	(2,347)
Materials and supplies	(1,008)	(490)
Fossil fuel stocks	(240)	(1,332)
Other current assets	283	(22,971)
Trade and other payables	2,509	22,751
Accrued liabilities	1,201	100
Cash generated from operations	53,898	66,474
Income taxes paid	(10,004)	(13,290)
Interest paid, net of capitalized interest	(1,318)	(835)
Interest received	1,043	752
Dividends received	105	60
Net cash provided by operating activities	43,724	53,161
Investing activities:		
Acquisition of subsidiaries and associates, net of cash acquired	(2,429)	(890)
Proceeds from disposal of subsidiaries and associates, net of cash disposed of	574	1,501
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(21,502)	(33,672)
Loans made	(2)	(15,305)
Proceeds from sales of fixed assets	1,674	554
Change in decommissioning and other restricted funds	(3,232)	(1,323)
Repayments of loans	115	747
Total cash used in investing activities	(24,802)	(48,388)
Financing activities:		
Proceeds from borrowings	31,296	269,280
Payments of borrowings	(21,190)	(240,977)
Proceeds from other long-term liabilities	207	679
Payments of other long-term liabilities	(228)	(371)
Dividends paid to Company's shareholders	(11,658)	(21,117)
Dividends paid to minority interests / Contributions received from minority interests, net	18	(3)
(Acquisition) sale of treasury shares, net	(37,501)	(12,535)
Total cash provided by (used in) financing activities	(39,056)	(5,044)
Net effect of currency translation in cash	195	(568)
Net increase (decrease) in cash and cash equivalents	(19,939)	(839)
Cash and cash equivalents at beginning of period	30,932	12,429
Cash and cash equivalents at end of period	10,993	11,590
Supplementary cash flow information		
Total cash paid for interest	1,893	1,695