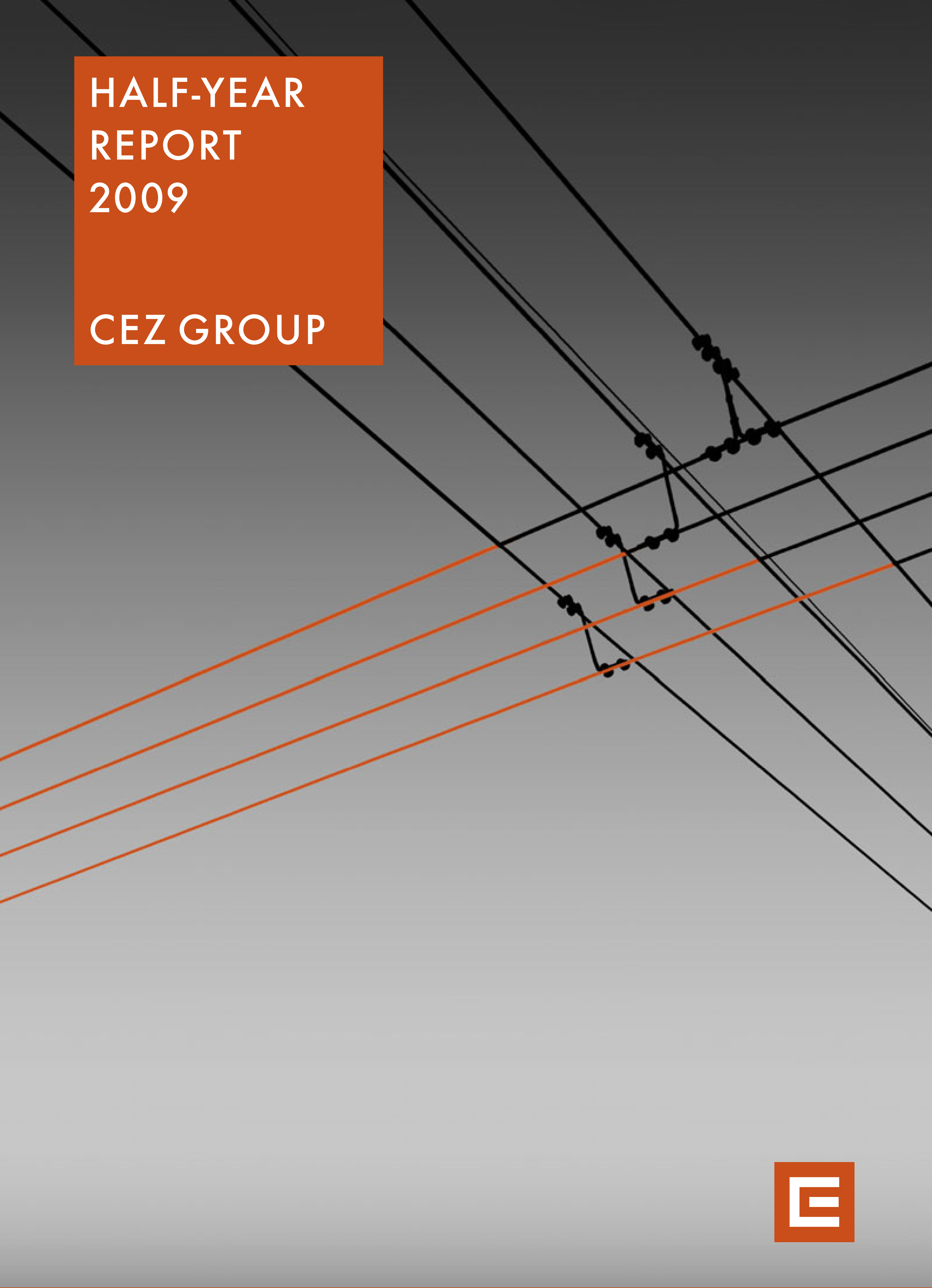
HALF-YEAR REPORT 2009

CEZ GROUP



Introduction

CEZ Group is a dynamic, integrated electricity conglomerate based in the Czech Republic and with operations in a number of countries of Central and Southeastern Europe and Western Asia. Its principal businesses encompass generation, distribution, and trade of electricity and heat as well as coal mining. The shares of the parent company ČEZ, a. s. are traded in Prague and Warsaw, and form a significant part of the stock exchange indexes there. The Company's largest shareholder is the Czech Republic.

Outside of the Czech Republic, CEZ Group currently has active member companies in Poland, Bulgaria, Romania, the Netherlands, Ireland, Germany, Hungary, Serbia, Albania, Turkey, Kosovo, Bosnia and Herzegovina, and Slovakia. In the Czech Republic, CEZ Group companies generate and distribute electricity and heat, as well as trade in electricity and mine coal. In Bulgaria, CEZ Group distributes and sells electricity in the western portion of the country and generates it in its own coal-fired power plant near Varna, a port city on the Black Sea. In Romania, we have several companies that are involved in electricity distribution and sale. In the generation sector, CEZ Group has begun building what will be the largest wind farm in Europe, at the Fântânele and Cogealac sites on Romania's coast, and is one of the bidders to build two new reactor units at the Cernavodă Nuclear Power Station. In Poland, two black coal-fired power plants near the country's border with the Czech Republic are part of CEZ Group. In Albania, CEZ Group has acquired the country's one and only distribution company. In Turkey, CEZ Group is operating a distribution company in cooperation with a local partner. In Germany, in addition to our ongoing electricity trading activities there, CEZ Group has recently become involved in coal mining and power generation through a joint venture. CEZ Group's interests in the remaining countries include holding and financing companies (Ireland, the Netherlands), trading companies, and companies that monitor developments in a particular country to ensure the Group is positioned to take advantage of acquisition opportunities as they emerge.

CEZ Group focuses its efforts on fulfilling the vision of becoming the leader in the power market of Central and Southeastern Europe.

Contents

Responsibility for the CEZ Group Half-year Report

Statutory Declaration:

With the use of all due diligence and to the best of my knowledge, the consolidated half-year report provides a true and fair view of the financial situation, business activities, and results of operations of the issuer and its consolidated group for the past half-year period as well as of the prospects for future development in the financial situation, business activities, and results of operations of the issuer and its consolidated group, and no facts have been omitted that could change the meaning of this report.

Prague, August 31, 2009

Pavel Cyrani
Director, Planning and Controlling Section

This report is not audited.

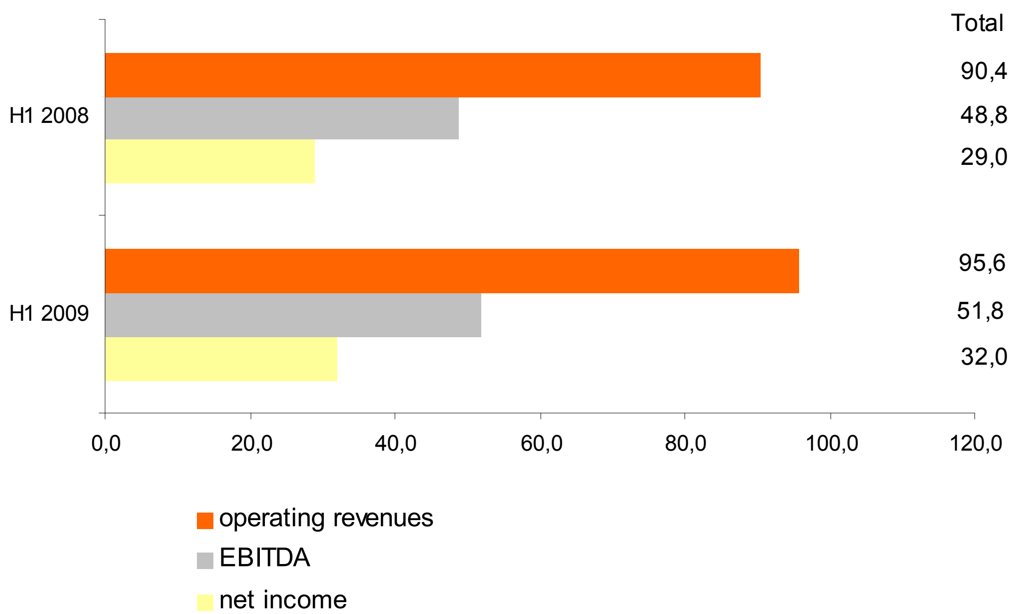
Selected Indicators of CEZ Group

Selected Indicators of CEZ Group
(consolidated figures using IFRS methods)

	Units	H1 2008	H1 2009	Index 2009/2008 %
Installed capacity	MW	14 288	14 363	100,5
Electricity generated (gross)	GWh	35 069	33 163	94,6
Electricity sold [1)]	GWh	38 700	36 715	94,9
Heat sold	TJ	7 994	7 724	96,6
Operating revenues	CZK millions	90 421	95 615	105,7
Operating expenses (less depreciation and amortization)	CZK millions	(41,638)	(43,788)	105,2
EBITDA	CZK millions	48 783	51 827	106,2
EBIT	CZK millions	37 977	40 856	107,6
Net income	CZK millions	28 958	32 000	110,5
Net income per share - basic	CZK / share	53,3	59,4	111,3
Net income per share - diluted	CZK / share	53,2	59,3	111,5
Dividend per ČEZ, a. s., share (gross) [2)]	CZK / share	40,00	50,00	125,0
Capital expenditure (CAPEX)	CZK millions	(13,773)	(20,501)	148,8
Return on Equity (ROE), net [3)]	%	27,6	28,7	104,0
Net debt / EBITDA [3)]	1	0,87	0,80	91,6
Total debt / Total equity	%	33,2	39,2	118,1
Employee head count as of June 30	persons	29 093	27 132	93,3

1) Sold to end customers + sold to cover grid losses + wholesale balance.
2) Approved in the given year.
3) 12-month, sliding figure.

CEZ Group Results of Operations
(CZK billions)



Important Events

Important Events in the First Half of 2009

January

- maturity of loan agreement entered into in January 2008 extended by one year. At the same time, loan amount reduced from EUR 600 million to EUR 550 million (approximately CZK 15.1 billion);
- ČEZ, a. s. serves notice that it will exercise put option to sell its 51% stake in NERS d.o.o. to Elektroprivreda Republike Srpske, its partner in the Gacko project.

February

- Dukovany Nuclear Power Station long-term operation strategy approved, including plan to obtain license and prepare Dukovany Nuclear Power Station for operation in the period 2015–2025;
- stated capital of ČEZ, a. s. reduced in conjunction with share repurchase;
- "ČEZ Against the Crisis" initiative launched to assist Czech economy and customers of ČEZ in mitigating the impacts of the economic crisis;
- Severočeské doly a.s. and J & T Group sign agreement with owners of Mitteldeutsche Braunkohlengesellschaft mbH, the Germany-based brown coal mining company, on purchase of a 100% stake in the company.

March

- new service launched – electrical wiring and equipment installation work in distribution grid renewal and construction projects, particularly at substations. The service provider is ČEZ Energetické služby, s.r.o.;
- Green Energy Council selects 18 best projects and distributes a total of CZK 8.6 million to their authors. In the third annual Green Energy Fund grants awarding process, a total of 81 projects were entered in the awareness category, 14 in the research category, and 25 in the construction category.

April

- South Bohemia Regional Assembly revokes a 2004 resolution that rejected a plan to build reactor units 3 and 4 at Temelín Nuclear Power Station. At the same time, the Assembly approved a framework agreement with ČEZ, a. s., which has agreed to invest CZK 4 billion in compensation in the region over the next 10 years, CZK 2.5 billion of which will be investments relating to completion of the power plant;
- agreement signed on purchase of the company CZECH HEAT a.s., whose subsidiary owns a pure biomass combustion-fired cogeneration plant in Jindřichův Hradec, South Bohemia;
- ČEZ management approves business plan for new CCGT power plant with installed capacity of 800 MW in Mělník, Central Bohemia;
- ČEZ moves to 336th in Global 2000 ranking of world's largest corporations, published by Forbes magazine;
- ČEZ takes 2nd place in the 100 Most Admired Companies of the Czech Republic ranking for 2009;
- ČEZ takes 1st place in the Top Corporate Philanthropist ranking by volume of donated funds.

May

- ČEZ files proposal to commence arbitration proceedings in conjunction with Gacko project on grounds of long-term breach of contractual obligations by project partners in Republic of Serbia in Bosnia and Herzegovina;
- shareholders agreement signed between ČEZ and Slovak-based company Jadrová a vyraďovacia spoločnosť, enabling establishment of joint venture for construction of a new nuclear power plant at Jaslovské Bohunice site in Slovak Republic;
- ČEZ, a. s. places 219th in ranking of 500 biggest European listed companies compiled by the German daily newspaper Handelsblatt. In the previous ranking, ČEZ placed 226th.

June

- acquisition of 76% stake in Albania's sole distribution company, Operatori i Sistemit te Shperndarjes sh. a.
- launch of "FutureMotion – Energy of Tomorrow" initiative for investments in emerging technologies. The part of the initiative relating to electric cars is already underway.
- 15-year gas supply contract signed for planned CCGT power plant in Počerady. Groundbreaking for the new plant is planned for October 2010.
- EUR 262.35 million (approximately CZK 6.8 billion) loan agreement signed to finance contract with multinational supplier of German technology being used in construction of Fântânele Wind Power Station project in Romania.
- ČEZ wins Award for Greatest Contribution to Development of Investment in the Czech Republic in annual Investor of the Year 2008 juried competition organized jointly by CzechInvest, the Investment and Business Development Agency, and AFI, the Association for Foreign Investment.
- ČEZ places 2nd in 100 Most Admired Companies of the Czech Republic for 2008, an annual ranking compiled by the CZECH TOP 100 Association, and 1st place in the Generation and Distribution of Electricity, Water, Gas, and Steam industry category; Severočeské doly placed 2nd in the Mining of Raw Materials category.

Important Events in July and August 2009 (Up Until Half-year Report Closing Date)

July

- ČEZ signs deal with J & T Group, the new owner of Pražská teplárenská a.s., on purchase of a 48.67% stake.
- ČEZ wins UK and Continental Europe Award for best practices in investor relations in the Czech Republic, awarded annually by the British IR Magazine. Barbara Seidlová of ČEZ, a. s. was named the Best IR Manager in the Czech Republic.

Financial Performance of CEZ Group

As of June 30, 2009, CEZ Group consisted of a total of 110 business entities including the parent company, ČEZ, a. s. Of these, 77 were headquartered in Central & Eastern European countries, 48 in the Czech Republic and 9 each in the Netherlands and Germany (mostly subsidiaries of MIBRAG). Another 33 companies were headquartered in Southeastern European countries and Turkey, with first place being shared by Romania and Turkey (the latter mostly subsidiaries of Akenerji), with 9 companies each.

For accounting purposes, the CEZ Consolidated Group as at June 30, 2009 consisted of a total of 82 companies including the parent company, ČEZ, a. s. Of this number, 69 were fully consolidated, while 13 associates and joint ventures were consolidated using the equity method.

For accounting purposes, the companies of the CEZ Consolidated Group are divided into seven operating segments:

Power Production & Trading CE

ČEZ, a. s.
ALLEWIA leasing s.r.o.
CEZ Ciepło Polska sp. z o.o.
CEZ Deutschland GmbH
CEZ Finance B.V.
CEZ Hungary Ltd.
CEZ Chorzow B.V.
CEZ MH B.V.
CEZ Poland Distribution B.V.
CEZ Produkty Energetyczne Polska sp. z o.o.
CEZ Silesia B.V.
CEZ Slovensko, s.r.o.
CEZ Srbija d.o.o.
CEZ Trade Bulgaria EAD
CEZ Trade Polska sp. z o.o.
CEZ Trade Romania S.R.L.
CZECH HEAT a.s.
ČEZ Bohunice a.s.
ČEZ Energetické produkty, s.r.o.
ČEZ Obnovitelné zdroje, s.r.o.
ČEZ Teplárenská, a.s.
Elektrociepłownia Chorzów ELCHO sp. z o.o.
Elektrownia Skawina S.A.
Energetické centrum s.r.o.
MARTIA a.s.
PPC Úžín, a.s.
CM European Power International B.V. *)
CM European Power International s.r.o. *)
Coal Energy, a.s. in liquidation *)
MOL – CEZ European Power Hungary Ltd. *)

Power Production & Trading SEE

CEZ Elektroproizvodstvo Bulgaria AD
M.W. Team Invest S.R.L.
NERS d.o.o.
Ovidiu Development S.R.L.
TEC Varna EAD
Tomis Team S.R.L.
Akenerji Elektrik Üretim A.S. *)
Akkur Enerji Üretim Ticaret ve Sanayi A.S. *)
Egemer Elektrik Üretim A.S. *)

Distribution & Sale CE

ČEZ Distribuce, a. s.
ČEZ Prodej, s.r.o.

Distribution & Sale SEE

CEZ Albania Sh.A.
CEZ Distributie S.A.
CEZ Elektro Bulgaria AD
CEZ Razpredelenie Bulgaria AD
CEZ Vanzare S.A.
Operatori i Sistemit te Shperndarjes Sh.A.
Akcez Enerji A.S. *)
Sakarya Elektrik Dagitim A.S. *)

Mining CE

CEZ Finance Ireland Ltd.
CEZ International Finance B.V.
Severočeské doly a.s.
JTSD - Braunkohlebergbau GmbH *)
LOMY MOŘINA spol. s r.o. *)
Mibrag B.V. *)
Mitteldeutsche Braunkohlengesellschaft mbH *)

Other CE

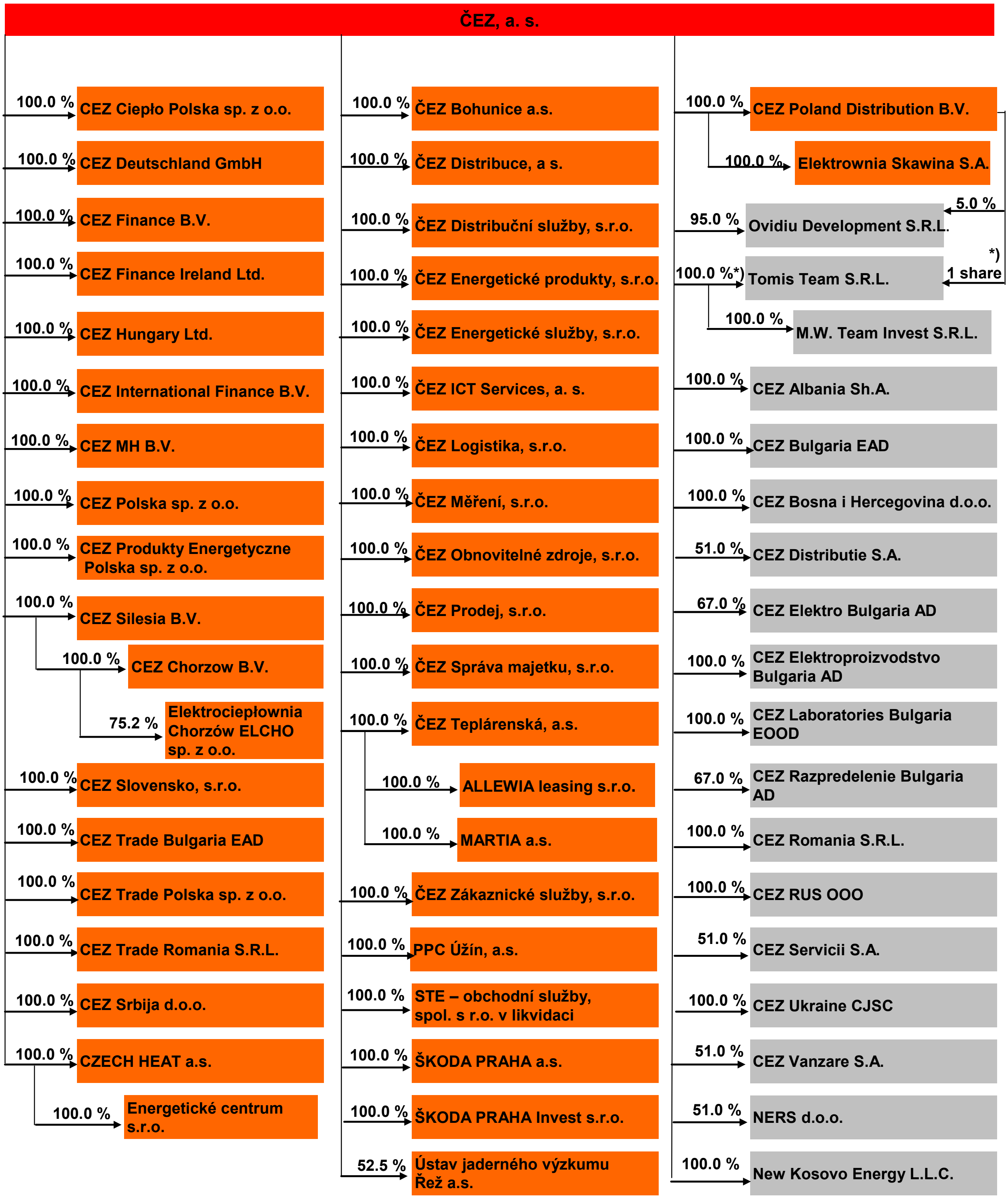
CEZ Polska sp. z o.o.
ČEZ Distribuční služby, s.r.o.
ČEZ Energetické služby, s.r.o.
ČEZ ICT Services, a. s.
ČEZ Logistika, s.r.o.
ČEZ Měření, s.r.o.
ČEZ Správa majetku, s.r.o.
ČEZ Zákaznické služby, s.r.o.
PRODECO, a.s.
SD – 1.strojírenská, a.s.
SD – Autodoprava, a.s.
SD – Kolejová doprava, a.s.
SD – KOMES, a.s.
SD – Rekultivace, a.s.
STE – obchodní služby, spol. s r.o. in liquidation
ŠKODA PRAHA a.s.
ŠKODA PRAHA Invest s.r.o.
Ústav jaderného výzkumu Řež a.s.

**) associate or joint venture*

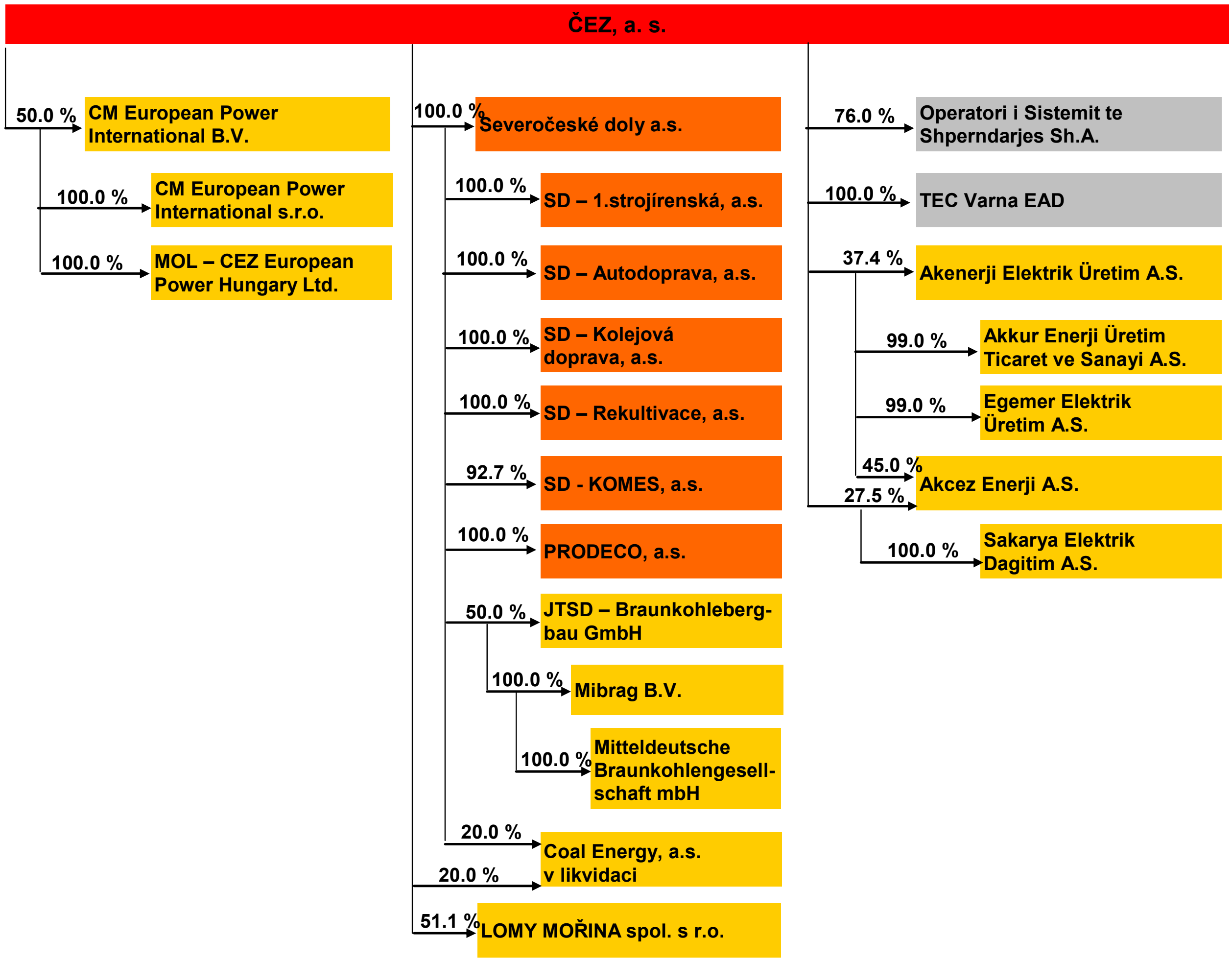
Other SEE

CEZ Bosna i Hercegovina d.o.o.
CEZ Bulgaria EAD
CEZ Laboratories Bulgaria EOOD
CEZ Romania S.R.L.
CEZ RUS OOO
CEZ Servicii S.A.
CEZ Ukraine CJSC
New Kosovo Energy L.L.C.

CEZ Consolidated Group as at June 30, 2009



*) ČEZ, a. s., owns 46,777,102 shares and CEZ Poland Distribution B.V. one share out of a total 46,777,103 shares. The stake of ČEZ, a. s., is 99.999998% and the stake of CEZ Poland Distribution B.V. is 0.000002%.



parent company

subsidiary in Central Europe area

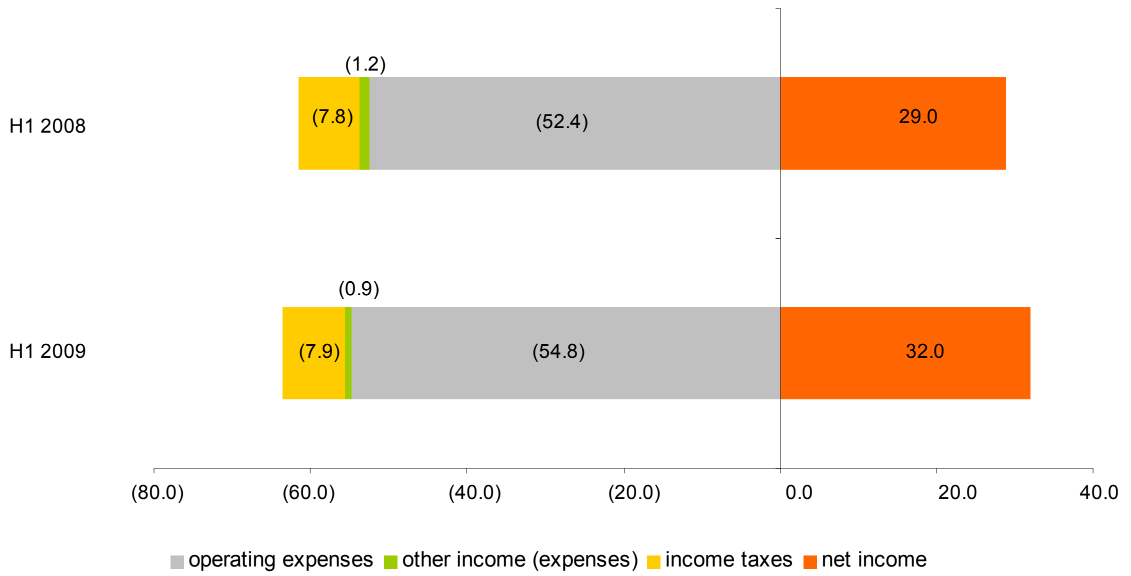
subsidiary in Southeastern Europe area

Associate or joint venture

% indicates Controlling Entity's stake in the company's stated capital

CEZ Group Financial Performance Results

Net Income Breakdown (CZK billions)



CEZ Group grew its net income by CZK 3.0 billion (+10.5%) from the same period one year ago and its EBITDA by the same amount, CZK 3.0 billion (+6.2%).

Operating revenues rose year-on-year by CZK 5.2 billion, thanks in particular to the fact that the 2009 electricity selling price was hedged in 2008, before the financial crisis caused major declines in commodity markets. In the second quarter, however, falling electricity prices began to take their toll, leading to optimizing of production at high-emitting plants. Electricity procurement expenses (not including derivative trading) were higher by CZK 3.9 billion and fuel expenses were up CZK 0.5 billion. The increase in fuel expenses was caused, among other things, by growth in coal prices both in the Czech Republic and abroad, since coal was contracted for in Q4 2008, when prices were higher. The gain on emission allowances was up CZK 0.9 billion on reversal of a provision made in 2008. A new provision will be set up during 2009 in an amount conditional upon how many additional allowances are needed and their market price. The year-on-year decrease in other revenues is given by a decline in maintenance service revenues, which relates to the sale of I & C Energo in June 2008. Other operating expenses fell by CZK 1.8 billion from the same period one year ago, thanks in particular to connection fee revenues (CZK 1.0 billion) which, starting in 2009, are no longer deferred and instead are recorded directly in revenues. Another positive impact is capitalization of assets acquired within CEZ Group (CZK 0.8 billion). Higher repair and maintenance expenses were caused by a year-on-year increase in the number of planned production outages at ČEZ, a. s. coal-fired power plants. Wages and salaries were unchanged year-on-year. Depreciation and amortization rose by CZK 0.2 billion (+2%).

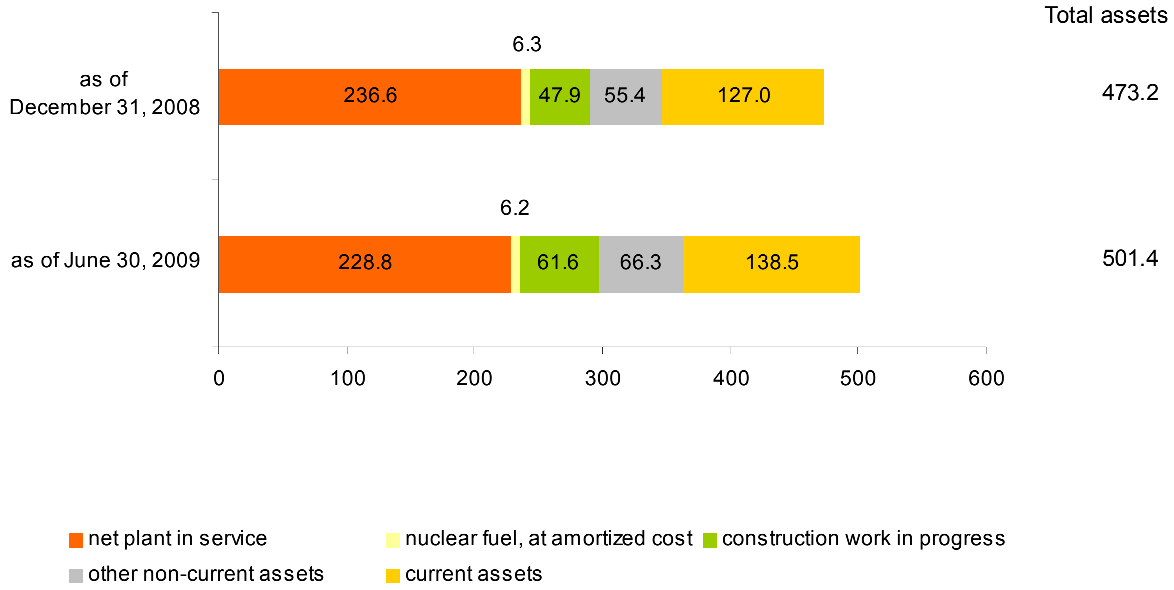
Financial Result and Other Expenses and Revenues

Other incomes and expenses improved from the previous comparable period by CZK 0.3 billion. The main factor in the improvement was a CZK 0.4 billion change in foreign exchange rate gains (losses) and financial derivative gains and losses, including the restatement of an option linked to the value of shares of Hungary-based MOL, which had a CZK 1.0 billion positive impact on financial derivative gains and losses. New bond issues pushed interest expenses up CZK 0.2 billion year-on-year. On the other hand, interest revenues were up CZK 0.3 billion. Foreign exchange rate movements in EUR-denominated securities had a CZK 0.2 billion positive impact on the financial result, while the sale of I & C Energo in 2008 reduces the financial result by CZK 0.3 billion in year-on-year comparison.

Income tax increased CZK 0.1 billion year-on-year, while the effective tax rate fell by 1.35 percentage points over the same period. The lower effective tax rate resulted from two factors: first, a cut in the income tax rate in the Czech Republic and, second, growth in non-taxable items in 2009.

Net income was up CZK 3.0 billion to CZK 32.0 billion.

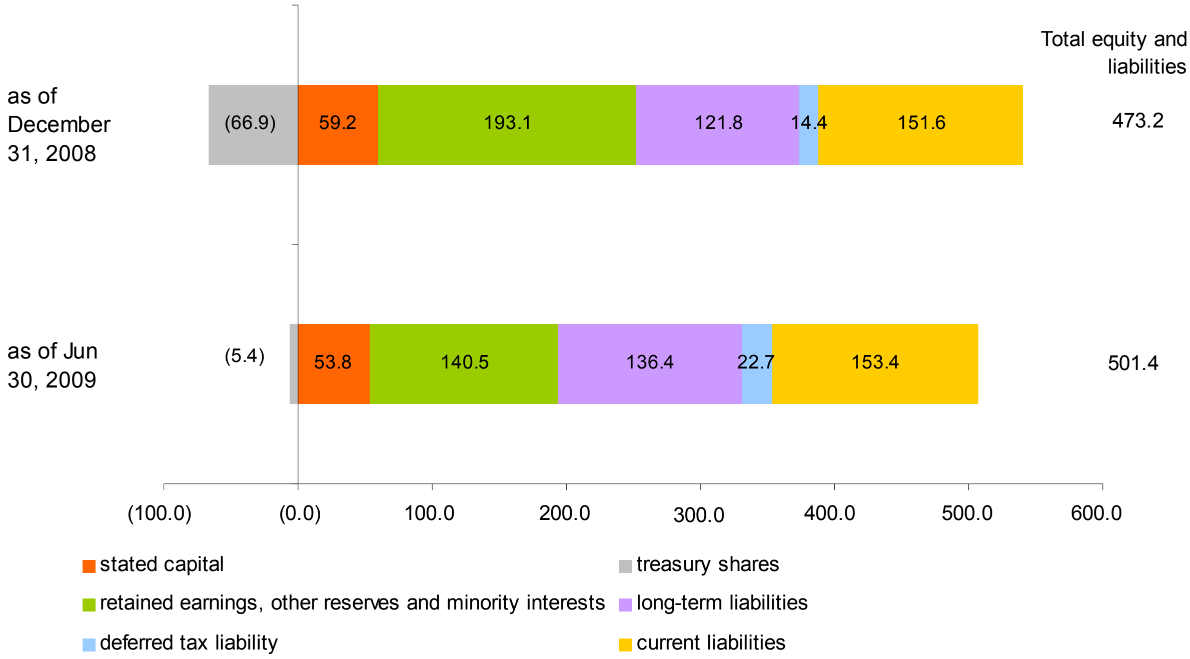
Assets (CZK billions)



CEZ Group consolidated assets rose compared to year-end 2008 by CZK 28.2 billion, to CZK 501.4 billion. Fixed assets were up CZK 16.7 billion. Within that amount, financial investments increased by CZK 11.8 billion in 2009 and property, plant and equipment, nuclear fuel, and capital expenditures were up CZK 5.8 billion.

During H1 2009, current assets increased by CZK 11.5 billion, to CZK 138.4 billion, the result of several contradictory influences. On the one hand, primarily a CZK 17.2 billion increase in cash at bank, CZK 6.6 billion growth in short-term lendings, and a CZK 5.7 billion increase in derivative-related receivables. On the other hand, receivables from customers were down CZK 13.9 billion, and investments in securities fell by CZK 8.5 billion. Other current assets were up CZK 4.4 billion compared to year-end 2008.

Equity and Liabilities (CZK billions)



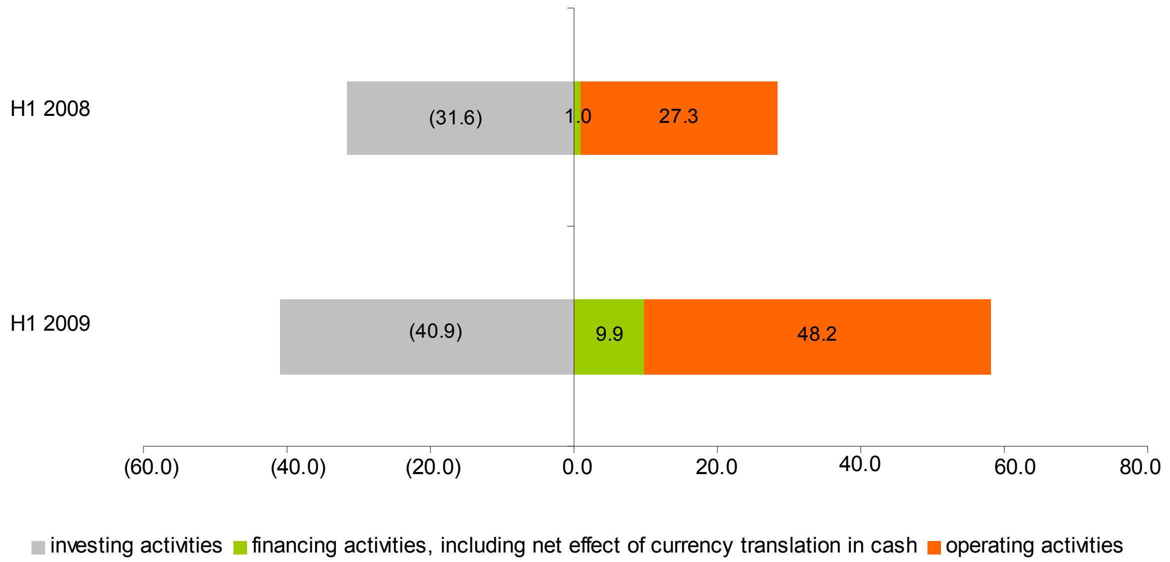
Equity and liabilities, including minority interests, has increased by CZK 3.5 billion so far in 2009. The net income generated in H1 2009 increased equity by CZK 32.0 billion. The increase is reduced by CZK 26.6 billion in shareholder dividends granted. Other items in equity changed only slightly – falling by an overall amount of CZK 2 billion.

Long-term liabilities were up CZK 14.5 billion, primarily on new bond issues.

The deferred tax liability swelled by CZK 8.3 billion year-on-year, which corresponds approximately to the tax liability on the H1 income.

The moderate, CZK 1.9 billion, growth in current liabilities was caused by a number of contradictory influences. The most significant are a CZK 7.2 billion reduction in current borrowings and a CZK 15.5 billion drop in trade payables and liabilities from acquisition of fixed assets, while the CZK 26.6 billion income distribution payable, on the other hand increased liabilities. Other current liabilities were down slightly (i.e., by CZK 2.1 billion) from year end 2008.

Cash Flows (CZK billions)



The CZK 20.9 billion year-on-year growth in net operating cash flow was caused, in particular, by a CZK 3.2 billion upswing in income before income taxes. Contributing to this upswing was a CZK 13.3 billion decrease in energy exchange trading receivables and a CZK 8.5 billion drop in funds invested in securities. On the other hand, the income tax liability was up CZK 2.6 billion on higher earnings.

Cash used in investing activities increased by CZK 9.3 billion, year-on-year, mainly on higher financial investments and loans made due to ongoing acquisitions (up CZK 6.0 billion) and higher investments in non-current assets (up CZK 4.9 billion).

Cash flows provided by financing activities, including net effect of currency translation in cash, show a year-on-year increase of CZK 8.9 billion. The main reason is a CZK 12.6 billion reduction in expenditures for purchase and sale of shares, with the share buyback of 2008 being the decisive factor here. The balance of proceeds from borrowings and payments of borrowing, which was down CZK 3.1 billion year-on-year, influenced the figure in the opposite direction. The impact of net effect of currency translations in cash denominated in foreign currencies was CZK -0.5 billion.

Comprehensive Income

The comprehensive income was up CZK 0.4 billion, year-on-year, to CZK 30.1 billion.

Net income increased CZK 3.0 billion from one year ago, to a total of CZK 32.0 billion.

The net income is adjusted for changes in fair values and translation differences in equity. The Czech Koruna depreciated against the Euro, and that reduced the year-on-year change in the fair value of financial instruments used to hedge cash flows, along with their removal from equity, by CZK 2.2 billion. Other movements in equity reduced the net income by a total of CZK 0.5 billion.

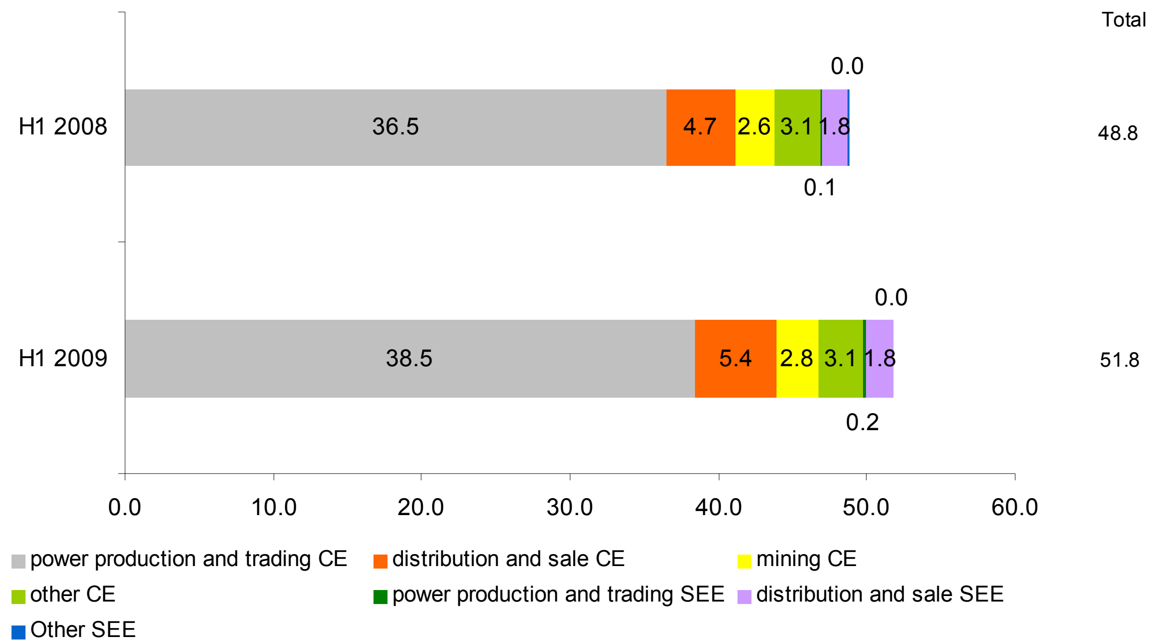
Segment Analysis

Segment	Revenues other than intersegment	Intersegment revenues	Total revenues	EBITDA	Depreciation and amortization	EBIT	Income tax	Net income	Total assets	CAPEX	Employee head count at the end of period
Mining CE											
H1 2008	1 960	3 320	5 280	2 617	(595)	2 022	(450)	1 647	32 119 *)	(1,273)	3 651
H1 2009	2 217	3 548	5 765	2 848	(675)	2 173	(458)	1 753	34 750	(1,007)	3 497
Power production & Trading CE											
H1 2008	34 890	24 778	59 668	36 537	(6,598)	29 939	(6,118)	22 291	322 358 *)	(7,955)	8 070
H1 2009	36 706	26 034	62 740	38 466	(6,718)	31 748	(5,707)	24 485	338 135	(10,377)	8 025
Distribution & Sale CE											
H1 2008	38 776	1 678	40 454	4 672	(1,717)	2 955	(596)	2 334	62 235 *)	(3,327)	1 388
H1 2009	40 472	1 876	42 348	5 420	(1,500)	3 920	(797)	3 213	64 963	(4,155)	1 413
Other CE											
H1 2008	2 290	12 167	14 457	3 084	(848)	2 236	(388)	1 875	33 725 *)	(681)	8 528
H1 2009	1 437	14 851	16 288	3 054	(997)	2 057	(384)	1 749	33 117	(767)	7 451
Power production & Trading SEE											
H1 2008	741	151	892	92	(177)	(85)	(4)	(23)	19 964 *)	(24)	643
H1 2009	1 560	248	1 808	151	(188)	(37)	(12)	(19)	26 906	(3,567)	592
Distribution & Sale SEE											
H1 2008	11 787	73	11 860	1 750	(843)	907	(251)	826	37 566 *)	(849)	5 084
H1 2009	13 226	29	13 255	1 846	(861)	985	(585)	817	36 873	(409)	4 685
Other SEE											
H1 2008	(22)	1 189	1 167	31	(28)	3	(2)	9	1 071 *)	(27)	1 729
H1 2009	(3)	1 241	1 238	42	(32)	10	(2)	2	1 248	(711)	1 469
Eliminations											
H1 2008	(1)	(43,356)	(43,357)	0	0	0	0	0	(35,863) *)	363	0
H1 2009	0	(47,827)	(47,827)	0	0	0	0	0	(34,642)	492	0
Consolidated											
H1 2008	90 421	0	90 421	48 783	(10,806)	37 977	(7,809)	28 958	473 175 *)	(13,773)	29 093
H1 2009	95 615	0	95 615	51 827	(10,971)	40 856	(7,945)	32 000	501 350	(20,501)	27 132

***) in case of Total assets, year-end of preceding year is used for comparison. Such a comparison is usually used for Total assets and thus it differs from periods of comparison used for other items of this table.**

Business Performance by Segment

EBITDA (CZK billions)



At the level of EBITDA, the Power Production & Trading Central Europe segment reported 5% year-on-year growth. This growth is attributable to sales of electricity contracted for in 2008, before commodity markets sagged as a result of the economic crisis. Another factor was the reversal of a provision for emission allowances set up in late 2008. Power generation in Central Europe fell to 31.9 TWh, a decline of 2.0 TWh (-6%), with production falling by 1.8 TWh in the Czech Republic and in Poland by 0.2 TWh. The biggest decline is in coal-fired power plants (-1.9 TWh), due to a year-on-year increase in planned outages and optimization of generation – when the selling price of electricity is lower, production is cut back in plants that are more expensive to run and arbitrage between production and sale of CO_2 allowances is utilized. There was also a slight (0.1 TWh) decrease in production in nuclear power plants, which was caused by the planned outage of Unit 3 at Dukovany Nuclear Power Station, which lasted nearly the entire Q1 and during which fuel was replaced and equipment was modified with the aim of increasing generation output. The 0.2 TWh (- 17%) decrease in generation volume in Poland was partially offset by topping off of revenues to the level of cancelled long-term electricity sale contracts, which began from mid-year 2008. Electricity trading volume continues to exhibit strong year-on-year growth. Total purchasing volume was up 23.9 TWh (+92%), of which trading outside the Group was up 24.3 TWh (+110%). Wholesale sales grew at a slower rate, by 22.1 TWh (+40%), within which sales outside the Group increased 23.4 TWh (+61%) due to lower in-house production.

Gains on emission allowances were up CZK 0.9 billion from one year ago, having been influenced by the reversal of a provision from late 2008. At year end 2009 this effect will be eliminated by the creation of a new provision, the amount of which will depend on the number of allowances missing and the market price of allowance at year end. Starting in March 2009, CER allowances are trading on the exchange as well.

The EBITDA of the Power Production & Trading Southeastern Europe segment grew by CZK 0.1 billion (+64%) in year-on-year terms. Varna Power Station generated 1.3 TWh, i.e. 0.1 TWh (+7%) more than in the same period a year ago. Positive factors included, most significantly, a year-on-year increase in the margin on launching and holding of a cold reserve, and lower losses on generation to fulfil quota. Operating expenses, at CZK 0.1 billion, exerted a declining influence due to the Fântânele Wind Power Station project.

The EBITDA of the Distribution & Sale Central Europe segment was up CZK 0.7 billion (+16%) from one year ago due to a change in IFRS methodology, according to which newly collected connection fees are no longer deferred but instead are recognized directly in revenues. Other positive factors were the development of revenues from exceeding reserved capacity and revenues from unrequested reactive power. In the retail segment, we saw electricity distribution volume grow by 0.1 GWh (+2%). ČEZ Prodej sold 12.4 TWh of electricity to end customers outside of CEZ Group, down 1.0 TWh (-8%) from a year ago due to the economic recession. The decline took place exclusively in wholesale (down 1.0 TWh, -16%).

The EBITDA of the Distribution & Sale Southeastern Europe segment grew 5%, particularly on a year-on-year decline in provisioning and allowances for receivables from end customers in Romania and recognition of connection fees directly in revenues (using the new IFRS treatment). The economic crisis is having a negative impact. Companies in Bulgaria and Romania distributed a total of 8.1 TWh of electricity to end customers, down 0.6 TWh (-7%) from one year ago.

The EBITDA of the Mining Central Europe segment is up CZK 0.2 billion (+9%) y-o-y from 2008, which is given primarily by growth in supplies for ČEZ, a. s., as the year-on-year decline in power generation caused the share of Severočeské doly, a.s. in overall coal supplies for ČEZ to edge upward. Another positive factor was an increase in the price of sorted coal, while expenses remained flat. The higher share of Severočeské doly, a.s. in overall coal supplies is related to planned outages of power plants that source black and brown coal from external vendors.

Anticipated Commercial and Financial Situation

CEZ Group maintained stable financial performance in H1 2009 despite a major financial and economic recession. This was thanks to the following principal factors: successful hedging of electricity sales, CZK/EUR exchange rate hedging, and high reliability of nuclear power plant operation.

In H2, similar influences will be evident to a lesser extent, since more hedging was used for H1 than for H2. At year end 2009, then, we expect EBITDA of CZK 90.3 billion (which would equate to a year-on-year increase of CZK 1.6 billion) and net income of CZK 50.2 billion (for estimated year-on-year growth of CZK 2.8 billion).

Continuing to act as an element stabilizing CEZ Group financial performance are the cost-savings projects in the Efektivita program, which aim to achieve better industry practice in all principal business segments. Benefits are expected to reach CZK 7.4 billion in 2009, against the 2006 basis of comparison.

Also, the following new CEZ Group acquisitions will show up in the figures starting in H2: Turkey-based distribution company Sakarya Elektrik Dagitim A.S., the Albanian distribution company OSSh, the Turkish generation company Akenerji, and MIBRAG, the Germany-based mining and power company. 2009 may still be partially burdened by integration expenses, but by 2010 we expect to reap the full benefits of these acquisitions. The increasing share of distribution assets in CEZ Group's overall portfolio will have an additional positive effect, since revenues in electricity distribution are less susceptible to significant cyclical variations. Similarly MIBRAG, which generates the vast majority of its sales from long-term contracts, will contribute to stable, sustained growth in CEZ Group's income.

In the plant renewal program, the final tests are taking place on the first two generation units in the comprehensive retrofit of Tušimice Power Station, which will return to the ČEZ generation portfolio in H2 2009.

The Company is continuing successfully in the construction of a new plant with 660 MW of installed capacity at the Ledvice site. With its 472-foot (144-meter) towers, one of which will have an observation deck, it will be the tallest structure in Central Europe. Preparatory and contracting work is underway on all other projects as well – coal plants (Prunéřov), CCGT plants (Počerady, Slovnaft, Százhalombatta, Skawina, Varna and others), and nuclear plants (Temelín, Jaslovské Bohunice).

CEZ Group will spend CZK 15.1 billion on the plant renewal program in the Czech Republic.

Capital expenditure continues in all distribution companies as well. Within the Czech Republic, it was even accelerated to support domestic industry in view of the crisis. Overall, CEZ Group capital expenditure for property, plant and equipment and intangibles (including plant renewal mentioned above) in 2009 is planned at CZK 57.1 billion (including new fully consolidated acquisitions), and the actual amount for H1 2009 was CZK 20.5 billion.

Electricity Procured and Supplied by CEZ Group

Overall Summary of Electricity Procured and Supplied by CEZ Group (GWh)

	H1 2008	H1 2009	Index 2009/2008 (%)
Electricity procured			
Generated in-house (gross)	35 069	33 163	94,6
In-house consumption, including pumping in pumped-storage plants	(3,141)	(3,035)	96,6
Supplied to customers	31 928	30 128	94,4
Purchased for distribution and sale	9 747	9 480	97,3
Electricity procured, total	**41 675**	**39 608**	**95,0**
Electricity used			
Sold to end customers	21 196	20 067	94,7
of which: sold to end customers in CEZ Group, including sales to cover grid losses	1 312	1 116	85,1
Sold in the wholesale market (net)	17 500	16 648	95,1
Sold outside of CEZ Group	38 195	62 053	162,5
Purchased outside of CEZ Group	(20,695)	(45,405)	219,4
Grid losses	2 979	2 893	97,1
Electricity used, total	**41 675**	**39 608**	**95,0**

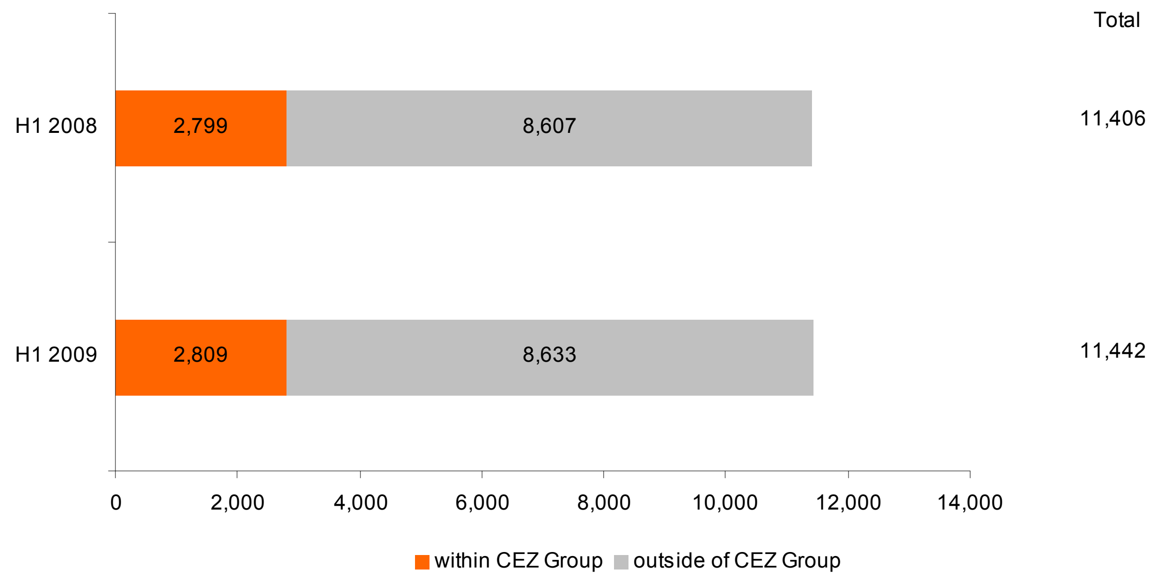
CEZ Group Operations in the Czech Republic

Coal Mining

CEZ Group's coal mining operations in the Czech Republic are carried on by the country's biggest brown coal company, Severočeské doly a.s., at its Nástup Tušimice and Bílina Mines.

In H1 2009, the company sold a total of 11.4 million tons of coal, leaving the amount of coal sold nearly unchanged from the same period one year ago.

Coal Sales (kt)



Capital Expenditure

A total of CZK 1,074 million was invested in raw materials mining in H1 2009. Severočeské doly invested the most, predominantly in renewal of mining machines, drive upgrades, and overhauls and upgrades of mining technology, processing facilities, and crushing installations at the Tušimice and Bílina sites.

Electricity Generation

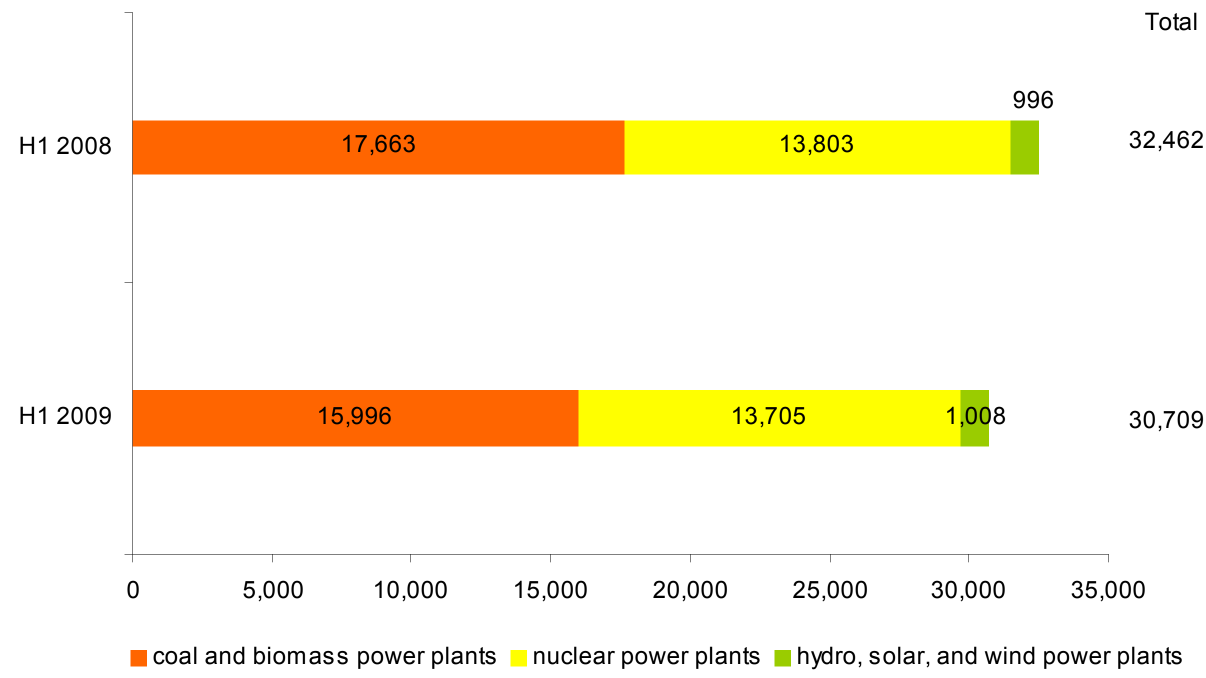
Installed Capacity

In the Czech Republic as of June 30, 2009, CEZ Group companies owned production installations with an aggregate installed capacity of 12,373 MW (of which: nuclear power plants 3,830 MW, coal power plants 6,604 MW, hydro power plants 1,932 MW, and wind, solar, and biomass power plants 7 MW). In H1 2009, installed capacity grew which was pushed by Dukovany Nuclear Power Station, the installed capacity of which increased at its reactor Unit 3 by 70 MW in April and by biomass power station with 5.6 MW of installed capacity in Jindřichův Hradec, South Bohemia.

Electricity Generation

A total of 30,709 GWh of electricity was generated at CEZ Group power plants in the Czech Republic in H1 2009, a year-on-year drop of 1,753 GWh. The biggest declines were posted by coal-fired power plants, due to the lower selling price of electricity making it uneconomical to operate high-emission plants, causing them to be replaced by savings or sale of CO_2 allowances. This approach helps to reduce the Czech Republic's overall carbon profile. A slight drop in nuclear power plant production was caused by an outage on Unit 3 at Dukovany Nuclear Power Station, during which fuel was replaced and equipment modifications were carried out with the aim of increasing generation capacity. Increased achievable capacity and a low failure rate reflected positively in nuclear power plant production, particularly in the case of Temelín Nuclear Power Station, the latter helping to generate 508 GWh of electricity more than one year ago. Electricity produced in nuclear power plants expressed as a proportion of overall CEZ Group production volume in the Czech Republic was up to 44.6% from 42.5% a year ago.

Electricity Generation (GWh)



Electricity Generation from Renewable Energy Sources

ČEZ, a. s., ČEZ Obnovitelné zdroje, s.r.o., and Energetické centrum s.r.o. produce electricity from renewable energy sources in the Czech Republic.

Electricity Generation from Renewable Energy Sources (MWh)

	H1 2008	H1 2009	Index 2009/2008 (%)
CEZ Group, total	**998,890**	**971,630**	**97.3**
of which:			
ČEZ, a. s.	853,814	852,623	99.9
Other CEZ Group members in the Czech Republic	145,076	119,007	82.0
Hydro power plants, total (less pumped-storage)	**830,035**	**801,245**	**96.5**
of which:			
ČEZ, a. s.	684,959	686,445	100.2
Other CEZ Group members in the Czech Republic	145,076	114,800	79.1
z toho:			
Plants with installed capacity under 10 MW	**130,297**	**97,360**	**74.7**
of which:			
ČEZ, a. s.	34,821	28,160	80.9
Other CEZ Group members in the Czech Republic	95,476	69,200	72.5
Solar power plants, total	**4**	**4**	**100.0**
of which:			
ČEZ, a. s.	4	4	100.0
Other CEZ Group members in the Czech Republic	0	0	-
Combustion of biomass in coal power plants	**168,851**	**170,381**	**100.9**
of which:			
ČEZ, a. s.	168,851	166,174	98.4
Other CEZ Group members in the Czech Republic	0	4,207	-

Capital Expenditure

Nuclear Power

Capital expenditure in nuclear power (including procurement of nuclear fuel) totaled CZK 4,079 million in H1 2009.

At Dukovany Nuclear Power Station, planned outages were successfully implemented to replace fuel on reactor Units 2 and 3. The outage on reactor Unit 2 was completed earlier. The outage on Unit 3 was extended one to implement two big projects: part one of the instrumentation and control (I&C) system renewal, and utilization of full design potential resulting in an increase in the unit's installed capacity to 510 MW.

At Temelín Nuclear Power Station, an extended outage for fuel replacement on Unit 2 took place. The most important tasks completed during this outage were a complete overhaul of the loading machine and repair of low-pressure turbine components. Also in H1 2009, intensive preparations were made for the fuel replacement outage on Unit 1.

On August 3, 2009, an announcement of commencement of RFP proceedings on the contract "Completion of Temelín Nuclear Power Station" (public contract no. 60034603) of the procurer, ČEZ, a. s., was released in the official public procurement information system. Description of contract: project design, documentation, engineering, manufacture of equipment, delivery, construction, installation, testing, and commissioning of two complete nuclear power plant reactor units (Units 3 and 4) in the form of an EPC turn-key project, including fuel assemblies. Both units will have the same design – a pressurized light-water reactor (PWR) concept – and each will have a net electrical capacity higher than 1,000 MW_e. The contract also includes an option, exercisable by the procurer, for construction of up to three additional, similar nuclear reactor units in another potential site in Europe by the same supplier.

Coal and CCGT Plants

ČEZ, a. s. spent a total of CZK 6,070 million on plant renewal and construction of new production capacity in H1 2009, including capitalized interest.

At Tušimice II Power Station (4 x 200 MW), work continued on commissioning generation Units 23 and 24. At B23, blow-through procedures were carried out, followed by first lighting of the boiler and by-pass operation. The boiler went on-line on June 23, 2009. Blow-through procedures on B24 commenced on June 29, 2009.

At Prunéřov II Power Station (3 x 250 MW), tenders are underway to select suppliers of commercial packages. Parts 1 and 2 of coordinational basic design have been completed and approved by key subcontractors. Discussions are taking place with the Ministry of Environment of the Czech Republic in the EIA process.

An office building and a chemical water treatment facility at the site of a new plant in Ledvice (660 MW) were cleared for use in June.

As far as the Počerady CCGT plant site (841 MW) is concerned, signing of contracts with the general contractor and the supplier of the gas turbines, boiler house, and steam turbines turned up in June. A public EIA hearing will take place in mid-August.

Renewable Energy Sources

At ČEZ, a. s., a total of CZK 44 million was invested in hydro power plants, with the most important project being the overhaul of a turbogenerator at the Vrané nad Vltavou Hydro Power Station.

At ČEZ Obnovitelné zdroje, s.r.o., CZK 97 million was invested in hydro power plants. Capital expenditure on the construction of the Janov Wind Power Station totaled CZK 66.6 million.

Heat

Sales of Heat (TJ)

	H1 2008	H1 2009	Index 2009/2008 (%)
ČEZ, a. s. *)	3,474	1,754	50.5%
ČEZ Teplárenská, a.s.	1,653	3,280	198.5%
Total	**5,127**	**5,034**	**98.2%**

*) including Power Plant Ostrava - Vítkovice which as of June 30, 2008 was still the independent company Energetika Vítkovice, a.s.

Changes in sales volume between companies within CEZ Group are caused by the take-over by ČEZ Teplárenská of sales activities on individual heat supply networks which were formerly handled by ČEZ, a. s.

Capital Expenditure

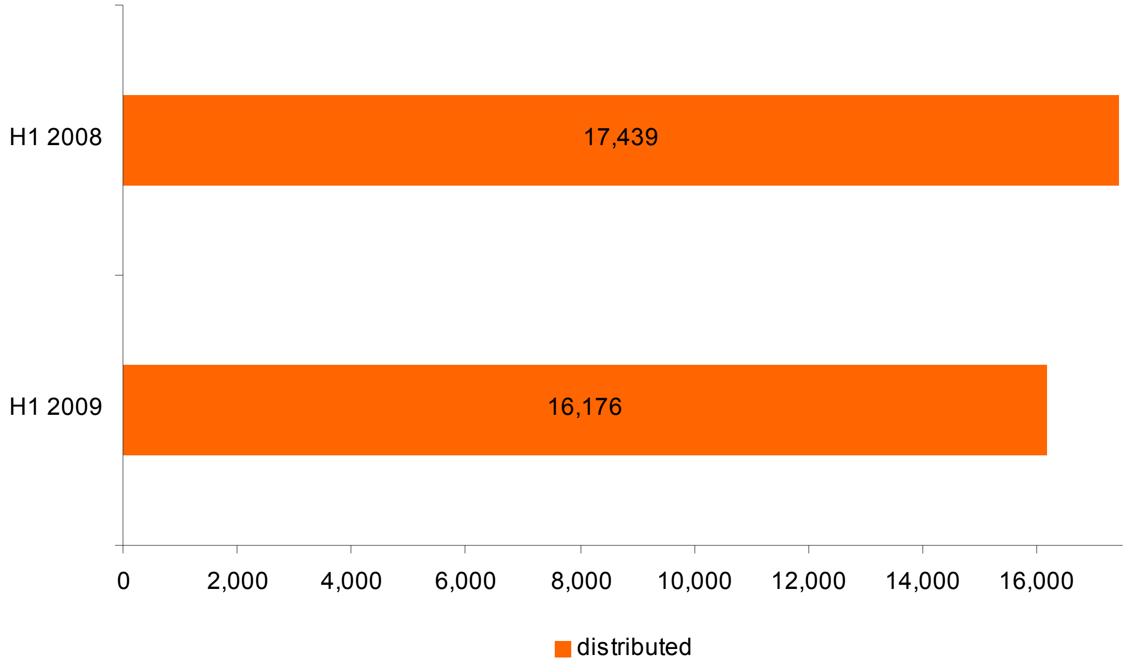
Major projects include a heat connection from Dětmarovice Power Station to the City of Bohumín with a capacity of 304 TJ/year – construction of a 5.0-mile (8.0-km) hot-water feeder. Another project is the overhaul and upgrade of the Dvůr Králové nad Labem district heat network. Capital expenditures in H1 2009 totaled CZK 166 million.

Distribution and Sale of Electricity

Distribution of Electricity

In the Czech Republic, electricity is distributed by ČEZ Distribuce, a.s., which intermediated the supply of 16,176 GWh of electricity to end customers in H1 2009. The main reason for the year-on-year drop of 7.2% is the economic slowdown and related decline in electricity use by wholesale customers.

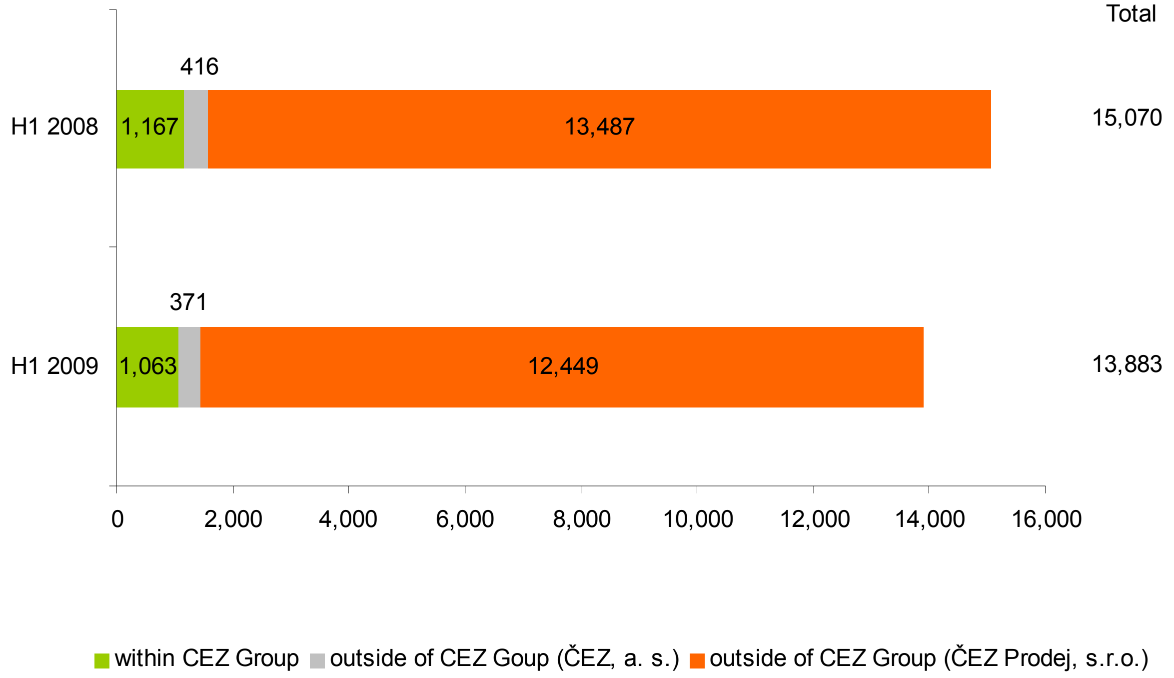
Electricity Distributed to End Customers (GWh)



Sales of Electricity

In the Czech Republic, CEZ Group sells the bulk of its electricity through ČEZ Prodej, s.r.o., which sold a total of 12.4 TWh of electricity to end customers in H1 2009, i.e. 1.0 TWh less (-7.7%) due to the economic slowdown. The decline occurred primarily in the wholesale segment, in which this decrease represents 16.1% fall. The retail segment saw no major changes.

Sales of Electricity to End Customers (GWh)



Capital Expenditure

CEZ Group capital expenditures for distribution and sale in the Czech Republic reached CZK 4.1 billion, with a large portion of that going into HV, MV, and LV grids (underground and overhead lines). Other investments included construction of MV/LV distribution transformer stations and unification projects. The most important project is the 110 kV line from Mírovka to Hlinsko.

Other Fields

Capital Expenditure

CZK 238 million was invested in information systems (data center renewal and certain customer projects, primarily Mobile Workforce Management). Another large portion went on renewing the vehicle fleet – the amount reached CZK 143.8 million, and CZK 89.4 million of that was used for freight and specialized vehicles (e.g. work machinery, grit spreaders, tanker trucks, dump trucks, cranes).

Changes in Ownership Interests

On April 9, 2009 ČEZ, a. s. purchased a 100% stake in CZECH HEAT a.s., the subsidiary of which owns an all biomass-fired cogeneration plant in Jindřichův Hradec.

On July 2, 2009 a new company was incorporated in the Commercial Register at the Municipal Court in Prague: ČEZ Distribuční zařízení, a.s., whose sole shareholder is ČEZ, a. s. The company's stated capital of CZK 300 million has been fully paid in and its principal business encompasses gathering of all remaining unclassified electricity distribution equipment within CEZ Group.

Legislative Environment

At the time the 2008 Annual Report was closing, a major amendment of Act No. 458/2000 Sb. on the Conditions for Doing Business and Exercising State Administration in the Energy Sectors and amending certain acts (the Energy Act) was passed. The amendment took effect on July 4, 2009. The basic reasons for the amendment were the necessity of implementing two European Union directives in Czech legislation, amendments of certain obsolete provisions, and an effort to streamline the language of the Act. In the issuer’s opinion, the amendment has good potential to contribute to facilitate the effective development of a market environment in the power sector.

A new Act on Auditors (No. 93/2009 Sb.) took effect on April 14, 2009. This act imposes certain requirements on companies whose shares are traded on a regulated market in any European Union Member State, particularly in terms of adapting the language of their Articles of Association, and the deadline set by the Act for meeting these requirements is December 31, 2009. The revisions that were required in the ČEZ, a. s. Articles of Association included primarily the obligation to form a new Company body – the Audit Committee, whose members are elected by the General Meeting – and, further, the obligation to appoint by General Meeting decision the auditor who will audit the financial statements and consolidated financial statements (although if a contract for audit of the 2010 financial statements was entered into before this new act took effect, then the auditor for that period need not be appointed by the General Meeting). ČEZ, a. s. brought its Articles of Association into compliance with this Act at the last Annual General Meeting on May 13, 2009.

Trading in Electricity and Other Commodities

ČEZ, a. s. continues to trade actively in energy commodities: electricity, EUA and CER allowances, black coal, and natural gas. We realized the first direct supplies of electricity to Greece and in the Czech Republic, preparations have begun to begin supplying natural gas to end customers in 2010. ČEZ is infrastructurally ready for natural gas supplies and has already won first customers. Sale of natural gas is provided by company ČEZ Prodej, s.r.o.

Translation:

EACH DAY CAN BE A GAS.
CEZ Group
natural gas supplier

ČEZ, a. s. became the first participant in the upcoming new spot market in Slovakia and is preparing to actively utilize the announced coupling of markets in the Czech Republic and the Slovak Republic as of September 1, 2009. In the market coupling, explicit daily auctions of cross-border capacity will cease to be organized and daily export/import between the Czech Republic and the Slovak Republic will be realized implicitly, through standard supply and demand mechanisms on the OKO/OTE spot electricity markets in the Czech Republic and the ISOT/SEPS markets in the Slovak Republic. The market coupling should bring better utilization of cross-border transmission capacity, make the spot markets in both countries more liquid, and reduce the price difference between the two markets. The unification of the two Czech spot markets, OTE and PXE, as of April 1, 2009 eliminated fragmentation and the introduction of settlement in EUR paved the way for the market coupling. ČEZ also began trading on the Slovak and Hungarian platforms within the Prague Energy Exchange.

On August 12, 2009, ČEZ, a. s. became a participant in the EPEX Spot energy market.

CEZ Group Operations Abroad

Republic of Bulgaria

Electricity Generation

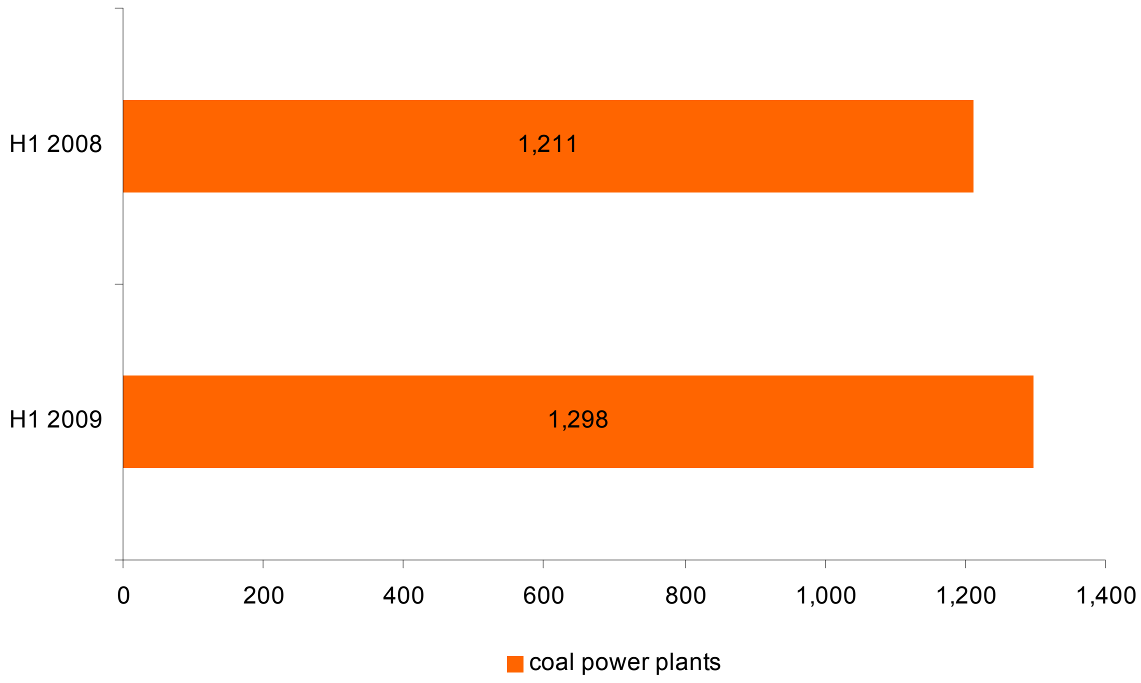
Installed Capacity

In the Republic of Bulgaria, CEZ Group owns the black coal-fired Varna Power Station with 1,260 MW of installed capacity.

Electricity Generation

In H1 2009, Varna Power Station generated 1,298 GWh of electricity, i.e. 87 GWh more than in the same period of 2008.

Electricity Generation(GWh)

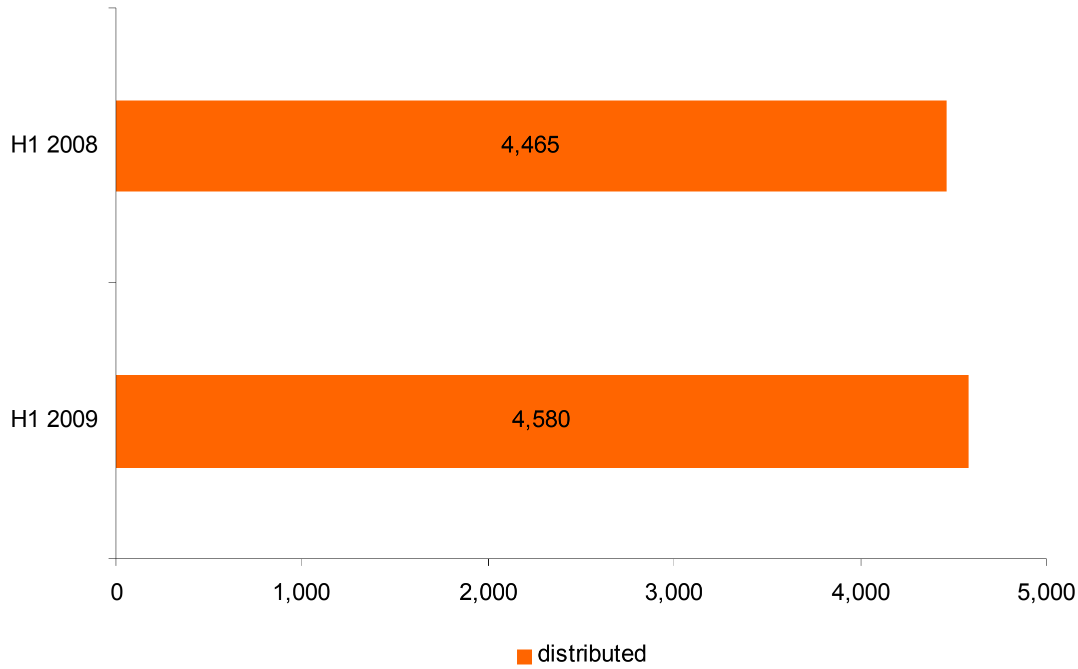


Distribution and Sale of Electricity

Distribution of Electricity

The CEZ Group company that distributes electricity in Bulgaria is CEZ Razpredelenie Bulgaria, which in H1 2009 distributed a total of 4,580 GWh, i.e. 115 GWh more than one year ago. Unlike other countries where CEZ Group engages in electricity distribution, the volume of electricity distributed rose in year-on-year terms in Bulgaria. This is because CEZ Group does not operate a HV grid, where the impact of the economic crisis is biggest – just MV and LV grids. Although the crisis did have an impact on companies using electricity from the HV and LV grids, this was offset by the return of certain MV customers from the free market back to the regulated market, attracted by lower prices. Last but not least, electricity sales rose in January when natural gas supplies from Russia through Ukraine to Bulgaria were suspended, since Bulgaria could not make up for the shortfall in any other way except by using large quantities of electricity for heating purposes.

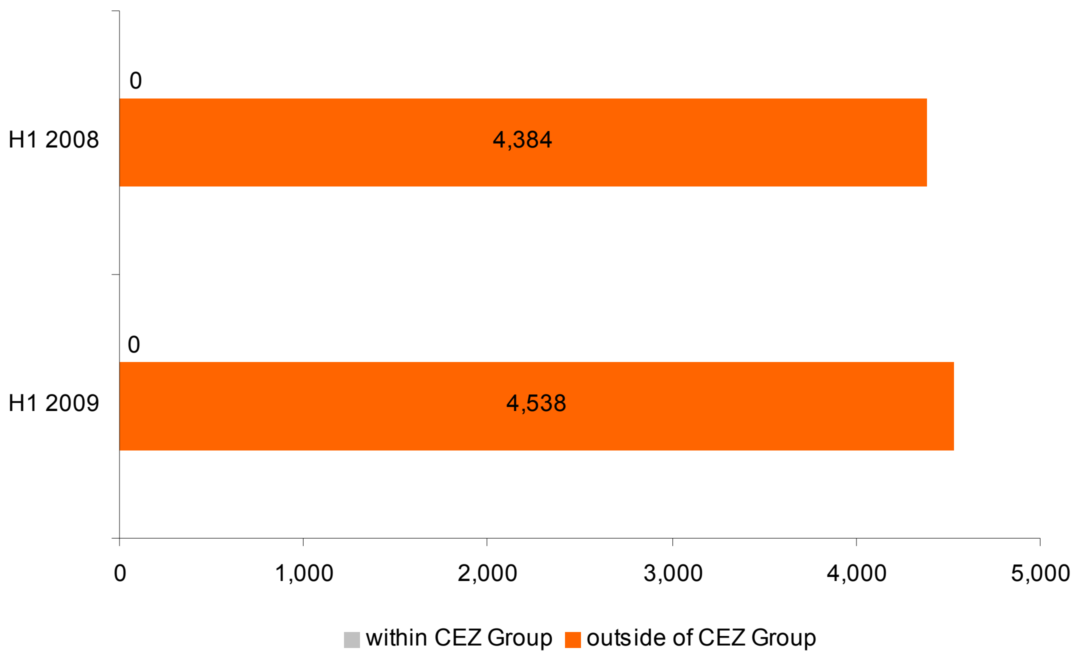
Electricity Distributed to End Customers (GWh)



Sales of Electricity

The CEZ Group company that sells electricity in Bulgaria is CEZ Elektro Bulgaria AD. In H1 2009, this company sold a total of 4,538 GWh, up 154 GWh from the same period of 2008.

Sale of Electricity to End Customers (GWh)



Capital Expenditure

Capital expenditure in Bulgaria totaled CZK 440.2 million. This amount went, in particular, on MV and LV grid projects, increasing grid density with additions of new transformers, new connections, and electric meter replacement and relocation of new electric meters (CZK 216.6 million).

Republic of Hungary

Changes in Ownership Interests

As of March 31, 2009, CM European Power International B.V. (a joint venture of ČEZ, a. s. and MOL Nyrt.) acquired a 100% stake in Dunai Gőzfejlesztő Ltd. In April 2009, that company was renamed to **MOL-CEZ European Power Hungary Ltd.** The company is headquartered in Százhalombatta and its principal businesses are the generation and supply of heat.

Republic of Poland

Electricity Generation

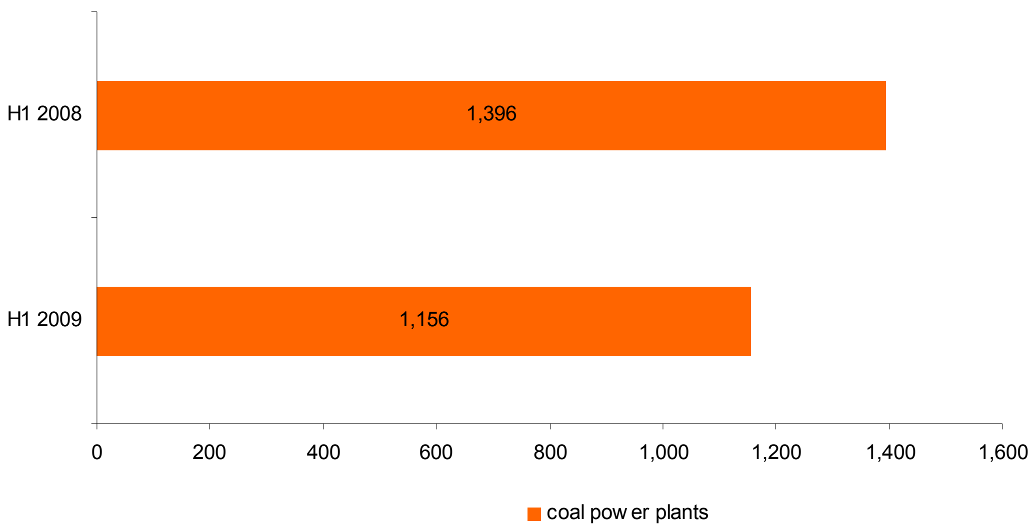
Installed Capacity

As of June 30, 2009, CEZ Group owned power plants in the Republic of Poland with aggregate installed capacity of 730 MW (of which black coal-fired power plants 728 MW and hydro power plants 2 MW).

Electricity Generation

In H1 2009, CEZ Group power plants in Poland generated 1,156 GWh of electricity, down 240 GWh from the same period of 2008 due to lower electricity prices.

Electricity Generation (GWh)



The Skawinka Hydro Power Station produced less than 1 GWh in the first half in both years.

Production of Electricity from Renewable Energy Sources

As of May 2008 the Skawinka Small-scale Hydro Power Station is off-line for an overhaul.

Electricity Generation from Renewable Energy Sources (MWh)

	H1 2008	H1 2009	Index 2009/2008 (%)
Small-scale hydro power plant	165	0	0
Combustion of biomass in coal power plants	40,288	70,866	175.9
Total	**40,453**	**70,866**	**175.2**

Capital Expenditure

The bulk of capital expenditures in Poland were for an upgrade of Turbine No. 5 and replacement of rotors on Generator Nos. 4 – 6 at Skawina Power Station.

Heat

Polish power plants supplied 2,685 TJ of heat in H1 2009, down 178 TJ from the same period of 2008. The biggest decline was at Skawina Power Station, which produced 207 TJ of heat less. This development was caused by heat distribution network outages in 2009.

Changes in Ownership Interests

As of January 19, 2009, a new company, **CEZ Produkty Energetyczne Polska sp. z o.o.**, was incorporated in Poland. This company, with stated capital of PLN 800,000, is 100% owned by ČEZ, a. s. Its principal business is handling of power generation by-products.

By purchasing 821 shares from minority shareholders as of March 18, 2009, ČEZ, a. s. gained 100% control over **Elektrownia Skawina S.A**. ČEZ, a. s. owns the Skawina Power Station through its 100% subsidiary, CEZ Poland Distribution B.V.

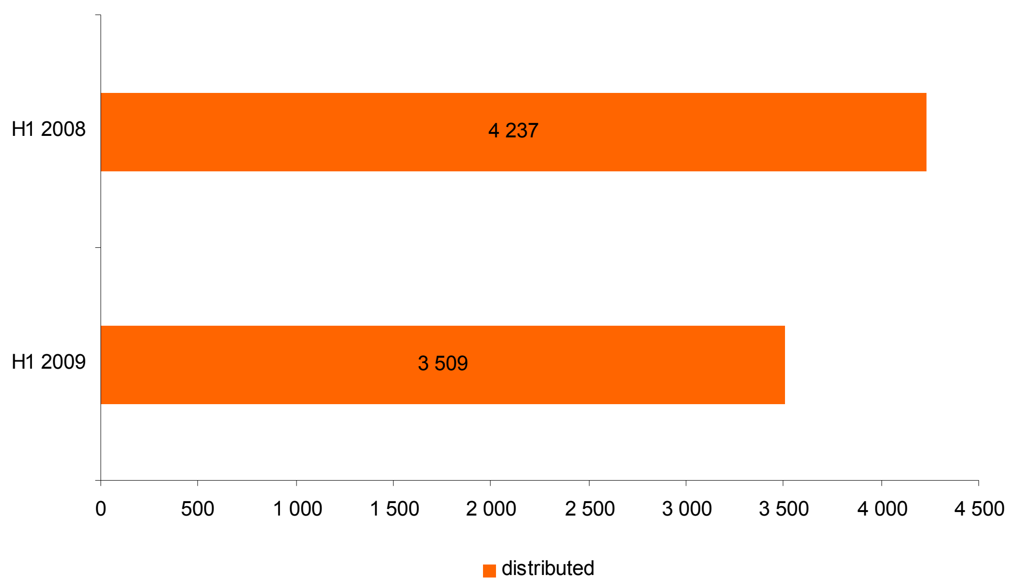
Romania

Distribution and Sale of Electricity

Distribution of Electricity

The CEZ Group company that distributes electricity in Romania is CEZ Distributie S.A. The volume of electricity distributed fell 728 GWh year-on-year, for a H1 2009 total of 3,509 GWh. The decline in electricity use by wholesale customers was caused by the economic crisis.

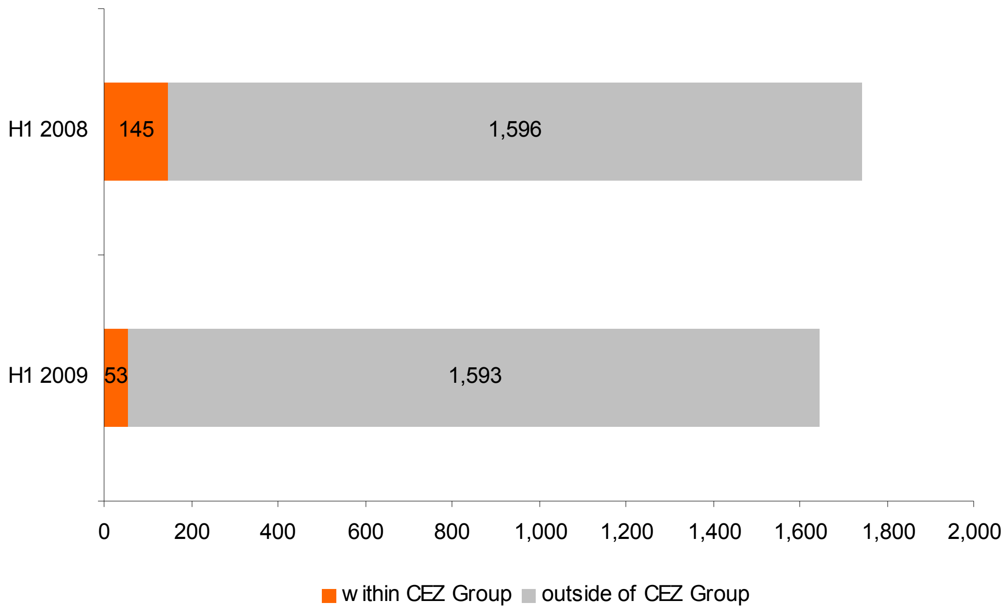
Electricity Distributed to End Customers (GWh)



Sale of Electricity

In Romania, CEZ Group sells electricity through the company CEZ Vanzare S.A., which sold a total of 1,646 GWh to end customers in H1 2009, down 95 GWh from the same period one year ago.

Sales of Electricity to End Customers (GWh)



Capital Expenditure

Capital expenditures in Romania totaled CZK 4,259.8 million. This amount went, in particular, on the construction of the Fântânele and Cogealac Wind Power Stations (CZK 3,598.7 million), distribution assets, and new electric meters (CZK 517.8 million).

Changes in Ownership Interests

As of March 27, 2009, a new company, **Energonuclear S.A.**, was incorporated in Romania with its headquarters in Bucharest and stated capital of RON 19,694,500. Societatea Nationala Nuclearelectrica SA holds a 51% stake in the company. Minority stakes are held as follows: ČEZ, a. s., GDF Suez SA, Enel Investment Holding B.V., and RWE Power AG each have identical, 9.15% stakes and Arcelor Mittal Galati SA and Iberdrola Generación SAU each hold 6.2% stakes. Energonuclear S.A. was established for the purpose of building and operating Units 3 and 4 of the Cernavodă Nuclear Power Station in Romania.

Republic of Turkey

Changes in Ownership Interests

As part of CEZ Group's activities in Turkey, as of February 11, 2009 a new company, **Sakarya Elektrik Dagitim A.S.**, was incorporated with stated capital of TRY 232,994,900, with Akcez Enerji A.S. as the 100% shareholder. As of March 5, 2009, the company is 99.99% owned by Akcez Enerji A.S. as the Dutch-based 100% subsidiaries of ČEZ, a. s. – CEZ Poland Distribution B.V. and CEZ Silesia B.V. – each hold one share. The remaining two company shares are held by members of the Turkish partner's group.

As of May 14, 2009, another significant change took place in Turkey. As of this date, ČEZ, a. s. acquired a 37.36141% stake in the stated capital of **Akenerji Elektrik Üretim A.S**. That company's stated capital is TRY 65,340,000. Thus, through this company, ČEZ, a. s. acquired a stake in its many subsidiaries: **Egemer Elektrik Üretim A.S., AK-EL Yalova Elektrik Üretim A.S., Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan ve Ticaret A.S., Akkur Enerji Üretim Ticaret ve Sanayi A.S., Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.,** and **Akka Elektrik Üretim A.S.** In conjunction with this move, we also acquired a stake in Aken B.V., the Dutch-based company.

As of the same date, May 14, 2009, ČEZ, a. s. also transferred a 22.5% stake in **Akcez Enerji A.S.** to Akkök Sanayi Yatirim ve Gelistirme A.S. ČEZ, a. s. now holds a 27.5% stake in Akcez Enerji A.S. The other holdings are distributed as follows: Akenerji Elektrik Üretim A.S. owns 45% and members of the Turkish partner's group own the remaining 27.5%.

The results of the Turkish companies are not reflected in the overall CEZ Group results terms of technical units, since they are associates. The results of Egemer Elektrik Üretim A.S. and Akkur Enerji Üretim Ticaret ve Sanayi A.S. are not included in the overall economic results of CEZ Group, as in view of the date their parent company was acquired, they were not obtained in time for inclusion in financial statements..

Republic of Albania

Changes in Ownership Interests

As part of CEZ Group's entry into the Albanian market, as of April 29, 2009, the new company **CEZ Albania Sh.A.**, headquartered in Tirana and with stated capital of ALL 42,000,000 was incorporated in the Albanian Commercial Register. The company's sold shareholder is ČEZ, a. s. Its principal business is to provide support for CEZ Group in Albania and to facilitate development of the Group's activities in Albania.

As of May 29, 2009 ČEZ, a. s. acquired a 76% stake in the sole Albanian distribution company **Operatori i Sistemit te Shperndarjes Sh.A.** This company is also headquartered in Albania's capital, Tirana, and its stated capital is ALL 30,099,101,000. A 24% stake in the company is owned by the State of Albania.

For technical reasons, the Albanian distribution results are not reflected in the overall results of CEZ Group, either in terms of financial figures or in terms of electricity data.

Federal Republic of Germany

Changes in Ownership Interests

As part of the acquisition of MIBRAG, as of February 23, 2009 ČEZ, a. s., through its subsidiary Severočeské doly a.s., acquired a 50% stake in the company BlitzF09-acht GmbH. The second shareholder, also with 50% of the company's stated capital, is Cyprus-based Madhubla Equities Ltd., a member of the J & T Group. In June 2009, BlitzF09-acht GmbH was renamed to **JTSD – Braunkohlebergbau GmbH**. As of June 10, 2009, this company acquired a 100% stake in the Dutch-based company Mibrag B.V. and, through it, a 100% stake in Germany-based **Mitteldeutsche Braunkohlengesellschaft mbH** as well as its subsidiaries: **Montan Bildungs-und Entwicklungsgesellschaft mbH**, **GALA-MIBRAG-Service GmbH**, **MUEG Mitteldeutsche Umwelt - und Entsorgung GmbH**, **Gröbener Logistik GmbH Spedition, Handel und Transport**, **Fernwärme GmbH Hohenmölsen – Webau**, and **Ingenieurbüro für Grundwasser GmbH**.

Mibrag Power Plants

Name	Installed capacity MW_e
Kraftwerk Mumsdorf	85
Kraftwerk Wählitz	37
Kraftwerk Deuben	86
Total	**208**

MIBRAG Mines

Name
Tagebau Profen
Vereinigtes Schleenhain

In July 2009, ČEZ, a. s. agreed with J & T Group that it will obtain, for consideration, the exclusive right to build a new coal power station at the Profen site, with planned installed capacity of approximately 600 MW. The site for construction of the plant is an appropriate one for a supercritical coal-fired generation unit: it is located on the periphery of a mine of the same name, geological conditions are favorable, there is sufficient cooling water in the vicinity, and the plant's connection to the transmission grid is assured. Part of the exclusivity fee paid by ČEZ, a. s. will go to J & T Group and part to the joint venture, MIBRAG.

MIBRAG's plants and mines are not included in the overall CEZ Group results in terms of technical units, since they are associates.

Bosnia and Herzegovina

In 2007, following the signing of the Implementation Agreement, preparations commenced for implementation of the Gacko project, consisting of operation of an existing plant, Gacko I, construction of a new plant, and opening of a new mine at the Gacko site.

The Bosnian Serb partners breached their obligations under the Implementation Agreement, failing to invest the assets of the existing power plant and mine in the joint venture. For this reason, on January 27, 2009 ČEZ exercised its contractual remedy in the Gacko project: the put option. The time period during which ERS had to accept the put option, expired on February 18, 2009 without the counter-party accepting.

Subsequently, ČEZ, a. s. filed an arbitration complaint in the dispute, seeking compensation of damages and lost profits in conjunction with the Gacko project and payment of the option amount for the stake in NERS d.o.o. The respondents are RiTE Gacko (which operates the existing power plant; this company was to have been transferred to the joint venture, NERS), MH ERS (the State-owned power company), and the Government of the Republic of Serbia in Bosnia and Herzegovina. Arbitration proceedings are in the early phases.

Kingdom of the Netherlands

Changes in Ownership Interests

As of March 31, 2009, the stated capital of **CM European Power International B.V.** (a joint venture of ČEZ, a. s. and MOL Nyrt.) was raised by EUR 13,290,000. The company's total stated capital is now EUR 21,590,000. Both partners in the company increased the stated capital by an amount of EUR 6,645,000 (ČEZ, a. s. through a monetary contribution, MOL Nyrt. by investing a 100% stake in the company Dunai Gőzfejlesztő Kft. – now MOL-CEZ European Power Hungary Kft.) and, at the same time, both partners added EUR 2,215,000 to the company's capital in the form of a share premium. The valuation of the MOL Nyrt. non-monetary contribution was carried out on the basis of the company's unaudited balance sheet.

In view of the manner in which the MOL Nyrt. non-monetary contribution was valued, the auditor drew up, in accordance with the joint venture agreement, audited financial statements of the company as of the date of the capital contribution. Based on these financial statements, a EUR 243,055 difference was determined in the valuation of MOL's contribution. MOL Nyrt. will make up for this difference, in accordance with the joint venture agreement, by adding additional capital in the form of a share premium.

In May 2009, the share of ČEZ, a. s., 67%, in **Transenergo International N.V.** was sold to its minority shareholder, Russia-based ZAO Infoterm. Transenergo International N.V. owns a 100% stake in the Russian company ZAO TransEnergo.

As of May 14, 2009, the Dutch-based company **Aken B.V.** joined CEZ Group. Aken B.V. is a 100% subsidiary of Akenerji Elektrik Üretim A.S., in which ČEZ, a. s. owns a 37.36141% stake. The company's headquarters are in Rotterdam and its stated capital is EUR 1,000,000.

In the same period, among other measures taken in conjunction with financing of the MIBRAG project, a new company, **CEZ International Finance B.V.**, was set up in the Kingdom of the Netherlands, in Rotterdam, with stated capital of EUR 50,000.

As of June 10, 2009, JTSD – Braunkohlebergbau GmbH (owned by Severočeské doly a.s. – CEZ Group and Madhubla Equities Ltd. – J & T Group) acquired a 100% stake in Dutch-based **Mibrag B.V.** This company, in turn, is the owner of a 100% stake in Germany-based Mitteldeutsche Braunkohlengesellschaft mbH. Mibrag B.V. is headquartered in Amstelveen and its stated capital is EUR 18,680,002.

Ireland

Changes in Ownership Interests

On May 28, 2009, CEZ Group expanded from continental Europe further to the northwest, with the establishment of a 100% subsidiary of ČEZ, a. s. named CEZ Finance Ireland Ltd. with its seat in Baile Átha Cliath. The company was established in conjunction with the financing of the MIBRAG project.

Changes in CEZ Group Ownership Interests

Czech Republic

- April 9, 2009 - ČEZ, a. s. purchases a 100% stake in CZECH HEAT a.s.
- July 2, 2009 - ČEZ Distribuční zařízení, a.s. incorporated in the Commercial Register.

Turkey

- February 11, 2009 - Sakarya Elektrik Dagitim A.S. incorporated as a 100% subsidiary of Akcez Enerji A.S.
- May 14, 2009 – 37.4% stake in the stated capital of Akenerji Elektrik Üretim A.S. passes to ČEZ, a. s.,
- May 14, 2009 - ČEZ, a. s. transfers 22.5% stake in Akcez Enerji A.S. to Akkök Sanayi Yatirim ve Gelistirme A.S.

Albania

- April 29, 2009 – new subsidiary, CEZ Albania Sh.A., incorporated.
- May 29, 2009 - ČEZ, a. s. acquires 76% stake in Operatori i Sistemit te Shperndarjes Sh.A.

The Netherlands

- May 27, 2009 - CEZ International Finance B.V., a new 100% subsidiary of ČEZ, a. s., is incorporated.
- May 28, 2009 - 67% stake in Transenergo International N.V. sold.

Ireland

- May 27, 2009 – CEZ Finance Ireland Ltd., a new 100% subsidiary of ČEZ, a. s., is incorporated.

Germany

- June 10, 2009 – a consortium consisting of CEZ Group company Severočeské doly a.s. and J & T Group acquires a 100% stake in MIBRAG, the German mining company.

Poland

- January 19, 2009 - CEZ Produkty Energetyczne Polska sp. z o.o. incorporated.
- March 18, 2009 - ČEZ, a. s. gains 100% control over Elektrownia Skawina S.A.

Hungary

- March 31, 2009 - CM European Power International B.V. acquires 100% stake in Dunai Gőzfejlesztő Kft.

Romania

- March 27, 2009 - Energonuclear S.A. incorporated. ČEZ, a. s. holds a 9.15% stake.

Securities, Shareholders, and the General Meeting

ČEZ, a. s.

As of January 1, 2009 the total ČEZ, a. s. share capital recorded in the Commercial Register was CZK 59,221,084,300. A court resolution recording a reduction in the Company's share capital entered into legal force on February 12, 2009. The Company's share capital was reduced by CZK 5,422,108,400 to CZK 53,798,975,900. As of that date, the Company's share capital is divided into 537,989,759 shares of nominal value CZK 100. On February 27, 2009, 9.16% of the shares were terminated in the record of booked shares – the Prague Securities Center. From that date until June 30, 2009, the total share capital of ČEZ, a. s. recorded in the Commercial Register was unchanged at CZK 53,798,975,900.

As of the date the 17th Annual General Meeting of ČEZ, a. s., the Company had 124,457 shareholders.

Structure of Shareholders (%)

	Stake in share capital	Stake in voting rights	Stake in share capital	Stake in voting rights
	as of May 15, 2008		as of May 7, 2009	
Legal entities, total	**95,55**	**95,06**	**94,79**	**94,75**
Czech Republic	64,28	71,42	69,78	70,41
Other legal entities	19,68	10,76	4,04	3,18
of which: domestic	11,52	1,70	2,21	1,33
of which: ČEZ, a. s.	9,99	0,00	0,89	0,00
third parties	1,53	1,70	1,32	1,33
foreign	8,16	9,06	1,83	1,85
Asset managers	11,59	12,88	20,97	21,16
Private individuals, total	**4,45**	**4,94**	**5,21**	**5,25**
of which: domestic	4,34	4,82	5,08	5,12
foreign	0,11	0,12	0,13	0,13

Entities Holding Over 3% of the Shares of ČEZ, a. s. as of May 7, 2009

The following entities held over 3% of the issuer's shares:

1. Czech Republic – 69.78% stake in the share capital
2. UniCredit Bank Czech – 8.56% stake in the share capital
3. Citibank Europe – 7.70% stake in the share capital
4. ČSOB + ČSOB-zvláštní účty – 3.16% stake in the share capital.

Entities 2 – 4 listed above as of the date mentioned were asset managers. ČEZ, a. s. has no way of determining the real owners.

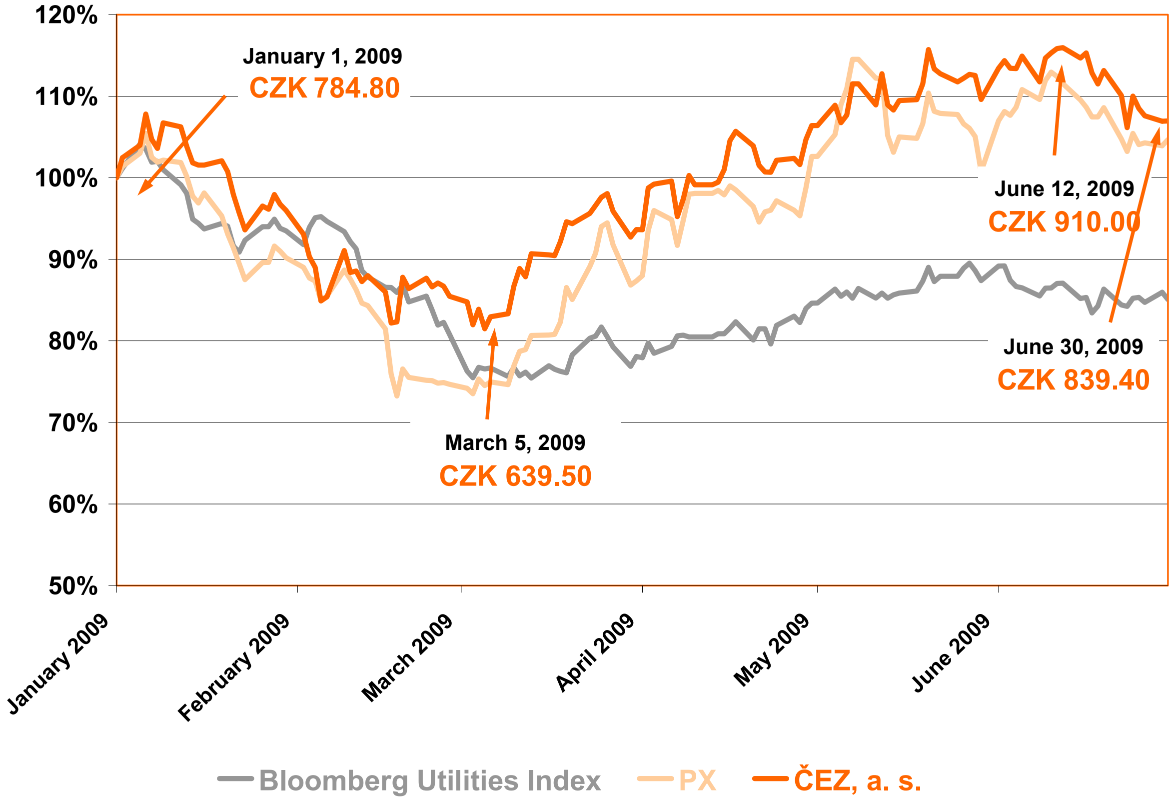
Credit Ratings

The credit rating agency Standard & Poor's reaffirmed the long-term rating at A- with stable outlook in May 2009. Moody's reaffirmed its long-term rating at A2, also with stable outlook, in November 2008.

Pay-out of Dividends to Company Shareholders

In 2009, the General Meeting approved a CZK 50/share dividend (before tax). The strike date for the dividend is May 13, 2009, the ex-dividend date for purchase on the Prague Stock Exchange fell on May 5, 2009. Pay-out of the dividend will take place between August 3, 2009 and August 3, 2013.

Share Price Development in H1 2009



The General Meeting

On May 13, 2009, the 17th Annual General Meeting of ČEZ, a. s. was held. The AGM, *inter alia*:

- noted the report on the Company's business operations and the state of its assets for 2008 and the summary report pursuant to Section 118(8) of the Act on Doing Business in the Capital Market;
- noted the report of the Supervisory Board;
- approved the ČEZ, a. s. 2008 financial statements and the CEZ Group 2008 consolidated financial statements;
- decided the following distribution of the 2008 income:
  - pay-out of a CZK 50/share dividend to Company shareholders (before tax): CZK 26,659,487,000;
  - transfer to retained earnings: CZK 20,458,180,000;

  The dividend corresponding to treasury shares held by the Company as of the strike date will not be paid out, and therefore is not included in the amount earmarked for dividend pay-out, but rather in retained earnings.

  The ČEZ, a. s. General Meeting approved the pay-out of 2008 bonuses to members of the Company's boards in a total amount of CZK 24 million, to be divided equally among members of the Board of Directors and Supervisory Board. The share of each member of the statutory or supervisory body shall be determined according to the duration of the member's service on the relevant board during 2008. Members of the Supervisory Board who were seconded to the Supervisory Board by a State government agency of which they are employees are not eligible for a bonus for as long as this barrier to eligibility lasted.

- approved an agreement on investment of the “heat supply networks” portion of the ČEZ, a. s. enterprise in the company ČEZ Teplárenská, a.s.;
- decided an amendment to the Company’s Articles of Association;
- approved the 2010 donations budget at CZK 262 million;
- removed MUDr. Josef Janeček and Tomáš Hüner from the Supervisory Board and elected Vlastimil Jiřík and Miloš Kebrdle as new members of the Supervisory Board;
- approved Supervisory Board Member Contracts between ČEZ, a. s. and Petr Gross and between ČEZ, a. s. and Lubomír Klosík, Amendment No. 1 to the Supervisory Board Member Contract between ČEZ, a. s. and Jan Demjanovič, the Model Supervisory Board Member Contract for members who are State government employees, Members of Parliament, or Senators, and the Model Supervisory Board Member Contract for members who are not State government employees, Members of Parliament, or Senators;
- elected the members of the Audit Committee –Ivan Fuksa, Zdeněk Hrubý, Lubomír Klosík, Martin Kocourek, and Drahoslav Šimek;
- approved the Model Contracts for members of the Audit Committee, including rules for remunerating members of the Audit Committee and providing other consideration to members of the Audit Committee.

Akenerji Elektrik Üretim A.Ş.

Some of the company’s shares are traded on the Istanbul stock exchange (İstanbul Menkul Kıymetler Borsası) as of July 3, 2000.

CEZ Group Bonds Outstanding as of June 30, 2009

Security	Issuer	ISIN	Issue date	Volume	Interest	Maturity	Form	Nominal value	Administrator	Market	Traded since
7th bond issue	ČEZ, a. s.	CZ0003501058	January 26, 1999	CZK 2.5 billion	9.22%1)	2014	booked to owner	CZK 1,000,000	Citibank, a.s.	PSE Official Free Market RM systém	January 26, 1999 December 5, 2001
10th bond issue	ČEZ, a. s.	CZ0003501520	August 27, 2007	CZK 7 billion2)	4.3%	2010	booked to owner	CZK 10,000	Komerční banka, a.s.	PSE Main Market	August 27, 2007
3rd eurobond issue	CEZ Finance B.V.	XS0193834156	June 8, 2004	EUR 400 million	4.625%	2011	booked to owner	EUR 1,000 EUR 10,000 EUR 100,000	The Bank of New York	Bourse de Luxembourg	June 8, 2004
4th eurobond issue	ČEZ, a. s.	XS0271020850	October 17, 2006	EUR 500 million	4.125%	2013	booked to owner	EUR 50,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	October 17, 2006
5th eurobond issue	ČEZ, a. s.	XS0324693968	October 12, 2007	EUR 500 million	5.125%	2012	booked to owner	EUR 50,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	October 12, 2007
6th eurobond issue	ČEZ, a. s.	XS0376701206	July 18, 2008	EUR 600 million	6.00%	2014	booked to owner	EUR 50,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	July 18, 2008
7th JPY bond issue	ČEZ, a. s.	XS0384970652	September 17, 2008	JPY 12,000 million3)	3.005%	2038	booked to owner	JPY 1,000,000,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	September 17, 2008
8th eurobond issue	ČEZ, a. s.	XS0387052706	September 22, 2008	EUR 6 million	zero coupon4)	2038	booked to owner	EUR 100,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	September 22, 2008
9th eurobond issue	ČEZ, a. s.	XS0425475224	May 6, 2009	CZK 1.4 billion	zero coupon5)	2011	booked to owner	CZK 1,500,000 CZK 2,000,000 CZK 2,500,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	May 6, 2009
10th eurobond issue	ČEZ, a. s.	XS0427893481	May 19, 2009	CZK 1.59975 billion	zero coupon6)	2011	booked to owner	CZK 1,350,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	May 19, 2009
11th eurobond issue	ČEZ, a. s.	XS0430082932	May 26, 2009	EUR 600 million	5.75%	2015	booked to owner	EUR 50,000	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	May 26, 2009

1) Starting in 2006, the bonds bear interest at a variable rate defined as CPI + 4.2%.
2) 100,000 bonds were bought back and cancelled in April 2009, reducing issue volume to CZK 6 billion.
3) Proceeds of Yen bond issue were swapped for Euros using a Credit Linked Swap.
4) Yield is given by the difference between the issue price (EUR 1,071,696) and face value (EUR 6,000,000) of the bond.
5) Yield is given by the difference between the issue price (CZK 1,287,720,000) and face value (CZK 1,400,000,000) of the bond.
6) Yield is given by the difference between the issue price (CZK 1,464,953,465.25) and face value (CZK 1,599,750,000) of the bond.

The 9th, 10th, and 11th eurobond issues were issued in May 2009 through the eurobond program.

Changes in ČEZ, a. s. Governance Bodies

In accordance with the ČEZ, a. s. Articles of Association, the Company's supreme governance body is the General Meeting, which elects to and removes from office members of the Supervisory Board, with the exception of members elected to and removed from office by the employees. The Supervisory Board elects and removes members of the Board of Directors. The Board of Directors is the statutory body, which runs the Company's operations and makes personnel-related decisions regarding senior management.

In conjunction with a newly adopted legislative amendment (Act on Auditors), the Company's General Meeting, held on May 13, 2009, approved an amendment of the Articles of Association creating a new Company body – the Audit Committee. The Audit Committee is a five-member body whose activities include, *inter alia*, the following:

- monitoring the process of compiling the financial statements and consolidated financial statements, the process of the mandatory audit of these financial statements, and the process of recommending an auditor to audit these financial statements;
- assessing the effectiveness of the Company's internal control processes, internal audit, and risk management system, if any;
- assessing the independence of the statutory auditor and audit firm and, in particular, the provision of any supplemental services to the Company.

At its first meeting on June 25, 2009, the Audit Committee elected Zdeněk Hrubý as its Chairman and Martin Kocourek as its Vice-Chairman.

Changes in the ČEZ, a. s. Supervisory Board in H1 2009

New Members:

Petr Gross	(* 1953)	Member since January 22, 2009
Miloš Kebrdle	(* 1950)	Member since May 13, 2009
Lubomír Klosík	(* 1951)	Member since January 22, 2009
Vlastimil Jiřík	(* 1968)	Member since May 13, 2009

Change in office:

Ivan Fuksa	(* 1963)	Vice Chairman since May 21, 2009 Member since April 23, 2007

Members Who Left the Supervisory Board in H1 2009:

Tomáš Hüner	(* 1959)	Vice Chairman and Member from September 22, 2006 to May 13, 2009
Josef Janeček	(* 1952)	Member from April 23, 2007 to May 13, 2009
Jiří Jedlička	(* 1959)	Member from November 10, 2004 to January 22, 2009
Jan Ševr	(* 1947)	Member from November 9, 2000 (re-elected November 10, 2004) to January 22, 2009

Changes in the ČEZ, a. s. Board of Directors in H1 2009

On June 25, 2009 the Supervisory Board extended the term of office of First Vice Chairman of the ČEZ, a. s. Board of Directors Daniel Beneš for another four years. The Supervisory Board made this decision sufficiently in advance prior to the expiration of the current term of office (December 15, 2009) to preserve the continuity of Company management.

No personnel changes occurred in H1 2009 at the Division (i.e. Chief Officer) level.

CEZ Group Capital Expenditure

In H1 2009, CEZ Group incurred capital expenditures totaling CZK 20,501 million.

Capital Expenditure by Area (CZK millions)

Area	Central Europe		Southeastern Europe		Total	
	H1 2008	H1 2009	H1 2008	H1 2009	H1 2008	H1 2009
Nuclear energy	2,232	4,079	0	0	2,232	4,079
Coal and CCGT power plants	4,541	6,143	18	26	4,559	6,169
of which: retrofits	*3,605*	*1,617*	*0*	*0*	*3,605*	*1,617*
new-build	*664*	*4,254*	*0*	*17*	*664*	*4,271*
other	*272*	*272*	*18*	*9*	*290*	*281*
Renewables	47	211	0	3,638	47	3,849
Distribution of electricity	3,618	4,128	585	743	4,203	4,871
Generation and distribution of heat	1	166	0	0	1	166
Mining of raw materials	1,207	1,074	0	0	1,207	1,074
Environmental	346	11	0	0	346	11
Information systems	448	238	16	20	464	258
Waste management	13	0	0	0	13	0
Other	419	408	282	260	701	668
Eliminations within CEZ Group		(644)			0	(644)
Total	**12,872**	**15,814**	**901**	**4,687**	**13,773**	**20,501**

Additions to Property, Plant and Equipment and Other Non-current Assets, Including Capitalized Interest (CZK millions)

	H1 2008	H1 2009
Additions to property, plant and equipment	13,305	20,305
of which: procurement of nuclear fuel	*900*	*2,045*
Additions to intangibles	468	196
Additions to long-term financial assets	1,746	705
Change in balance of liabilities attributable to capital expenditure	756	(23)
Total	**16,275**	**21,183**

CO_2 Emission Allowances

In accordance with legislative requirements, CEZ Group in the Czech Republic and Poland inactivated a number of allowances corresponding to verified 2008 emissions. In Bulgaria, launch of the system is still delayed and we are waiting for the final version of the allocation plan to be approved and allowances to be credit to operators' accounts. In the remaining countries, CEZ Group operates no power plants subject to the use of emission allowances.

In terms of further development of the carbon allowance trading system, of key importance is the passage of the so-called climate and energy package, which includes Directive 2009/29/EC, which revises a number of parameters of the allowance trading system. Two are significant from ČEZ's perspective: the extension of the trading period until 2020 and the fundamental change in approach to how allowances are allocated to power companies. The directive stipulates auctions as the basic principle of allocation, but stipulates a transition period during which Member States that satisfy certain conditions may allocate allowances free-of-charge, through derogation, with the proportion of allowances sold in auctions to grow on a straight-line basis during the third trading period, up to 100% in 2020. The Czech Republic, Poland, and Bulgaria satisfy the conditions. If a country opts for derogation, it is obligated to invest an amount matching the value of the allowances allocated free-of-charge in measures to modernize its power sector, diversify energy sources, and utilize renewable energy sources and clean technologies, including measures to reduce environmental burdens. The investments are subject to approval by the European Commission. Should derogation be implemented in Czech legislation, from the vantage point of ČEZ, a. s. it would mean several tens of billions of Korunas in investment (depending on the price of an emission allowance in the future).

The system may still see changes on the basis of international climate change talks that will take place in December 2009 in Copenhagen. Should agreement be reached on an international obligation, the European Union has already pledged to tighten its internal reduction obligation (going from the current 20% emission reduction by 2020 to a 30% reduction by the same deadline). This tightening would subsequently be reflected in tighter reduction targets for industrial installations within the allowance trading system.

The approved directive must be transposed into Czech legislation. This process will take place in several steps and has already commenced in 2009. The process of transposing this amendment has not yet commenced in Poland and Bulgaria.

CEZ Group's carbon allowance strategy will continue to take into account allowance price forecasts up until the end of the trading period and opportunities ensuing from the possibility of interlinking the trading system with Kyoto Protocol mechanisms (CER and ERU credits) as part of the long-term strategy for reducing carbon intensity.

Credits from Kyoto Flexible Mechanisms (CER – emission reductions from CDM projects, ERU – emission reductions from JI projects)

In conjunction with the financial crisis and the collapse of emission allowance and emission credit prices, in H1 2009 ČEZ, a. s. suspended the signing of new contracts in this area and concentrated on implementing existing ones. Futhermore, we are closely monitoring emission markets outside European Union countries, as well as international talks on a successor to the Kyoto Protocol, and considering carefully the future opportunities manifesting themselves here.

Litigation

In H1 2009, no CEZ Group member was involved in any litigation that could substantially impact its financial performance or that of CEZ Group as a whole.

Important milestones in ongoing litigation included, *inter alia*:

1. In litigation ongoing before Austrian courts on the basis of suits filed by Austrian persons (seeking cease-and-desist from alleged release of ionizing radiation from Temelín Nuclear Power Station), a public hearing was held in March 2009. On May 18, 2009 the Solicitor General of the European Court of Justice issued concluding proposals. The final decision of the European Court of Justice on the preliminary issue is expected by the end of 2009.
2. ČEZ is the respondent in suits relating to security take-over offers implemented based on squeeze-out rights in the former regional electricity distribution companies, as well as in Severočeské doly a.s. and ČEZ Teplárenská, a.s.
   - Suit seeking settlement of difference from take-over offer for securities of Severomoravská energetika, a. s. made in 2005, filed by complainants: ALTERNATIVA CZ s.r.o., BD FINOS, a.s., Rudolf Padyšák, and Milan Jerman. Proceedings are still pending. The only significant development in the proceedings so far occurred when the complainants amended the suit to increase their claim amount. The total claim could be up to CZK 970 million plus interest and fees. The outcome of the proceedings is impossible to predict.
   - Suit seeking judicial review of counterperformance and granting of right to different counterperformance amount in squeeze-out in Východočeská energetika, a. s. Complainants Roman Minarik and KOR BUSINESS LTD are seeking additional amounts beyond counterperformance already paid. As the proceedings go forward, they can be expected to make similar claims to those made in other suits mentioned here. Currently, the proceedings are in the expert opinion phase, which will set the price of the shares as of the date ownership passed to the respondent at CZK 7,349 per share. The total additional payment, then, could be as much as CZK 120 million plus interest and fees. The court has not yet decided in the case.
   - Suits seeking review of counterperformance and granting of right to a different counterperformance amount in the Středočeská energetická a.s. squeeze-out:
     a) complainants Roman Minarik, KOR BUSINESS LTD, Pavel Suda, Karel Hendrych, and Pavel Hořanský – counterperformance amount being sought has not yet been specified; the court has appointed an expert to prepare a new appraisal of the price of one share as of the date the shares passed to ČEZ, a. s.; complainants Roman Minarik and KOR BUSSINESS LTD supported their suit with an additional suit seeking granting of right to settlement of difference under Section 220k of a previous version of the Commercial Code, in which the additional amount sought is CZK 10,000 per share. Thus, the total additional amount could be up to CZK 730 million plus interest and fees.
     b) complainant Václav Charbuský sought counterperformance of CZK 6,888 per share; later he withdrew the suit and the court issued a resolution allowing him to do so, however in an appeal of that resolution he made a claim for CZK 10 billion in damages. The court rejected the appeal, including the claim for damages.
   - Suits seeking review of counterperformance and granting of right to a different counterperformance amount in the Severočeské doly a.s. squeeze-out. Complainants MUDr. Ivan Počepcov, Ph.D., Tomáš Mandel, Jiří Jindřich, Jaroslav Licehamr, Town of Ledvice, Ing. Aleš Hodina, and Ing. Petr Lukáš are asking the court to pronounce the counterperformance inadequate and order payment of additional

counterperformance in an as-yet undetermined amount (however, one of the complainants is seeking an additional amount of CZK 4,182 per share). The outcome of the proceedings is impossible to predict.

– Suit seeking judicial review of adequacy of counterperformance filed against ČEZ Teplárenská, a.s. concerning the squeeze-out in United Energy, a.s., i.e. the legal predecessor of ČEZ Teplárenská, a.s, was filed by the civic association OSDA-ČR-United Energy. The possible impact of the suit on company ČEZ Teplárenská, a.s. cannot be determined at this phase of the proceedings.

3. In all cases of the General Meetings of the former regional electricity distribution companies, and companies Severočeské doly a.s. and ČEZ Teplárenská, a.s. that decided on the squeeze-outs, shareholders have filed suit seeking nullification of decisions of said General Meetings. In three of these cases, the suits seeking for resolutions of the regional electricity distribution company general meetings to be declared null and void have been terminated due to the impossibility of continuing in the proceedings with ČEZ, a. s. as successor under Section 107(5) of the Code of Civil Procedure. These terminations have entered into legal force and no appeals have been filed. Proceedings were terminated in the other cases as well, due to the impossibility of continuing in proceedings with ČEZ, a. s. However, in view of new Supreme Court decisions, most of these decisions have been revoked by the courts in question and proceedings on the merits are continuing in the individual cases, some of which are still before the Supreme Court (however, in these cases the Supreme Court is expected to overturn the lower court’s decisions terminating the proceedings). Therefore, no final decision has been handed down in these suits and the outcome of the individual proceedings is impossible to predict. In the case of Severočeské doly a.s. the suit was rejected but the complainants have filed an appeal, which is still pending. The proceedings in the suit concerning ČEZ Teplárenská, a.s. are still ongoing.
4. In conjunction with the restructuring of CEZ Group, a suit has been filed seeking nullification of a resolution of the general meeting of Středočeská energetická a.s., held on October 17, 2005, and for agreements on contributions of various portions of that company as capital to other companies to be declared null and void. The complainants, Roman Minarik and KOR BUSINESS LTD, have filed suit against the respondents, Středočeská energetická a.s., ČEZ Distribuce, a. s., and ČEZ Prodej, s.r.o., seeking nullification of the abovementioned general meeting resolution as well as the agreements contributing portions of the Středočeská energetická a.s. enterprise. The Municipal Court in Prague decided that it is possible for ČEZ, a. s. to continue in this case instead of Středočeská energetická a.s. This decision was confirmed by the High Court in Prague, and these decisions were appealed to the Supreme Court, where it is still pending. The court proceedings on the merits have not yet been finalized and the outcome of the proceedings is impossible to predict.
5. Furthermore, 12 suits are pending against the Company, all initiated by the same complainant: Lesy České republiky s.p. All the cases have the same substance, i.e. they seek payment of damages to forests caused by ČEZ, a. s. operations in the years 1997 – 2006. The oldest suit is from 1999, and the most recent from 2008. The total amount of damages being sought is CZK 193.6 million plus interest and fees.
6. In insolvency proceedings ongoing against PORCELA group companies (total of eight companies), ČEZ Prodej, s.r.o. submitted claims amounted to over CZK 285 million. These include approximately CZK 120 million receivable from SKLÁRNY KAVALIER a.s., CZK 65.6 million from CRYSTALEX a.s., CZK 64.5 million from Sklo Bohemia a.s., CZK 21.7 million from Karlovarský porcelán a.s., and CZK 13.8 million from Sklárny Bohemia a.s. None of the other claims submitted exceed CZK 0.5 million. Review negotiations have taken place for all claims submitted and the receivable amounts were determined in all cases.

7. In insolvency proceedings ongoing against MORAVIA ENERGO, a.s., ČEZ, a. s. submitted a claim in excess of CZK 1,506 million. Review negotiations on this receivable have not yet taken place.

The associates MIBRAG B.V. and MIBRAG mbH continued in litigation with the Bundesanstalt für vereinigungsbedingte Sonderaufgaben (Federal Agency for Unification-derived Special Tasks) in Germany. The dispute concerns guarantees provided by the predecessor of the Bundesanstalt für vereinigungsbedingte Sonderaufgaben – the privatization agency – concerning the parameters of coal inventory on hand for supply to the Schkopau Power Station in the amount of EUR 55 million (approximately CZK 1.4 billion). MIBRAG has already settled with Schkopau Power Station and is now seeking reimbursement from the Federal Agency of the amount paid. On July 9, 2009, the Higher Regional Court in Berlin (KG Berlin) decided that MIBRAG mbH is not entitled to compensation of damages and that the claim of MIBRAG B.V. does not exist.

In Romania, CEZ Distributie is involved in several suits with the Romanian Railways, CFR, seeking payment of an aggregate amount of approximately RON 59 million (approximately CZK 0.4 billion) for electricity supplies.

Corporate Social Responsibility

ČEZ Against the Crisis

On February 17, 2009, CEZ Group introduced the initiative “ČEZ Against the Crisis”, which constitutes its contribution to protecting customers and the entire national economy of the Czech Republic in a time of economic crisis. The initiative consists of three parts:

1. More job opportunities from employers

In the years 2009–2010, CEZ Group will increase planned capital expenditures for generation and distribution of electricity by over CZK 5 billion. During this period, ČEZ, a. s. will spend CZK 4 billion more than it originally planned to upgrade its power plants and make them more environmentally friendly. CZK 1.1 billion more will be spent on renewing and bolstering distribution grids in the same period. In this manner, ČEZ, a. s. will make it possible to newly create or preserve 5,600 jobs at existing and new suppliers.

2. Freeing up cash for small businesses

ČEZ Prodej, s.r.o. has offered all small businesses the possibility to move back the due date of advance electricity payments by 30 days. Instead of 12 monthly payments in 2009, they would pay only 11 and settle the difference when paying the final invoice in 2010. This could immediately free up to CZK 800 million in cash for Czech small businesses, which could enable businesses in energy-intensive sectors especially to reduce their debt load. By June 30, 2009 a total of 1,236 businesses had taken advantage of this offer.

3. Insurance of electric bill payment in the event of job loss

ČEZ Prodej, s.r.o. paid electric bill payment in the event of job loss insurance coverage for all households in the Czech Republic that are its customers. Everyone who lost their job and registered with the Labor Office after March 1, 2009, was relieved of having to pay three monthly advance payments for electricity, since the insurance company paid the bills in their stead. The basic condition is at least six months of prior employment and timely payment of electric bills in the past year. By June 30, 2009, this offer had been utilized by 7,859 households.

Appliance Scrappage Payments

From April 15, 2009 to June 15, 2009, CEZ Group offered its customers a CZK 1,000 contribution toward the purchase of a new appliance in energy efficiency class A+ or A++. The condition was return of an older appliance of the same type to the seller or documentation that it had been disposed of in an environmentally friendly manner. The offer applied to purchases of high-efficiency washing machines, refrigerators, freezers, or combined refrigerator-freezers and was utilized by 10,423 customers, of which 6,920 made their purchases through the EURONICS retail network and 3,503 appliance exchanges were reported by DATART stores. The highest daily number of eligible appliances sold during the program was 340.

Free Electricity for Customers Hit by Flooding

ČEZ Power Company provided three months of free electricity to customers hit by flooding. For eligible customers, this means that they will not have to pay advance electricity payments for three months. The relief applies to customers on the LV grid, i.e. both households and small businesses, provided they can demonstrate that living spaces in their buildings were flooded.

In addition, ČEZ, a. s. offered to help restore electricity supplies to those hit by flooding. Each connection point that was flooded with water must be inspected by an expert, who determines if the connection is safe. This service is being offered to customers free of charge.

The total number of applications for the post-flood rate as of July 31, 2009, the last date applications were accepted, was 2,219.

ČEZ for the Regions

Children asking you what will become of them when they grow up? **You're not the only one** looking for an answer.

On May 25, CEZ Group launched an information campaign with the aim of increasing awareness among residents of regions, areas, and individual towns and cities of volunteer activities and partner projects in their area. The information includes the location of the closest Orange Playgrounds, bikeways and hiking trails, followed by information on specific support for local healthcare facilities or CEZ Group Green Energy contributions for local projects. The information is made available to residents through the CEZ Group website.

Energy of Tomorrow

(Futur/e/motion) – the future has emerged

On June 17, 2009, the management of CEZ Group unveiled a new initiative, Futur/e/Motion – Energy of Tomorrow, representing our response to opportunities posed by new technologies and business models.

The initiative is to become a platform for managing activities in the area of innovation within CEZ Group. CEZ Group wants to more closely monitor the development of technologies and processes, invest in applied research, and play a role in bringing these technologies into practical use. The expansion of the Group's principal businesses into new, innovative areas aims to strengthen CEZ Group's competitive advantage and social responsibility.

The technologies on which CEZ Group intends to focus in the future include:

- new generation, consumption, and distribution technologies and processes that will be friendlier to the environment and make more efficient use of primary resources.
- supplementing traditional energy sources with local generation off the main grid.
- new processes in consumption that will expand people's ability to influence and manage their energy use according to their own ideas.
- utilization of electric motors in transportation.

Within CEZ Group, a cross-sectional portfolio of projects in various phases of implementation is being prepared to enable us to confirm opportunities and verify the commercial potential of specific innovations.

The opportunities that CEZ Group plans to monitor in the future include:

1. New technologies in renewable sources of energy

   Certain technologies, for example in geothermal energy, are not yet commercially accessible, due to technical difficulties. CEZ Group is currently investigating the utilization of geothermal energy in a pilot project in Liberec.

2. Electricity storage

   CEZ Group is preparing for the utilization of new technologies, development of which has progressed considerably but they have not yet reached the commercial implementation phase. These are Compressed Air Energy Storage (CAES), i.e. injection of compressed air into geological rock formations, and battery technologies. The batteries in electric cars could be used for these purposes while the vehicles are parked or otherwise not in use. Electricity storage will be made possible, among other things, by the introduction of smart grids.

3. Smart grids

   This category encompasses a number of technologies for making power grids more flexible, reliable, and user-friendly. Smart grids enable greater use of locally significant power plants, predominantly renewable energy sources and CHP units. Through smart meters, end customers will have up-to-the-minute information on their power use and the ability to react instantly to influence consumption. Based on the data provided by smart meters, customers will have the opportunity to choose the tariffs and services most advantageous to them. Through a demand management system, a basic form of which already exists today, it will be possible to both defer power consumption to off-peak hours for applications the customer does not need immediately and, during times when there is a surplus of power in the grid (e.g. from renewable energy sources), it will be possible to offer that power flexibly to customers. Thanks to a bidirectional system of communication between individual grid components, the safety and quality of supply will be increased, it will be possible to prevent power outages and minimize their duration when they do occur. Smart grids will enable maximum utilization of existing infrastructure and mass introduction of new elements such as electromobility and electricity storage facilities.

4. Small-scale power plants

   In the future we will see a rise in the significance of combined heat and power generation and trigeneration (power, heat, and cooling production) in small-capacity plants. In utilizing these opportunities, CEZ Group intends to focus more on businesses and industrial enterprises, with offers to retrofit their heat plants (boilers which reach the end of their useful lifetimes) into CHP or trigeneration plants. The enterprises could supply any resulting electricity surpluses to the grid.

5. Electromobility

   This is a comprehensive solution for replacing the internal combustion engine used in transportation with an electrical powertrain. CEZ Group has decided to actively support the concept of electromobility in the Czech Republic. The steps we are taking relate to support for use of electric cars, provision of comprehensive services linked to the CEZ Group distribution grid, as well as further support for generation of electricity from renewable energy sources.

On June 23 a pilot project was presented, in which CEZ Group intends to test electric cars under real-world operating conditions. The project’s aim include verifying how the commercial model and charging infrastructure works, cooperation with relevant players on electromobility development, but also increasing awareness of and interest in electromobility among the Czech public. In the initial phase of the pilot ČEZ plans, by 2010, to put at least ten electric cars into operation by lending them, free-of-charge, to selected non-profit organizations. By 2012, CEZ Group plans to invest CZK 500 million in support for electromobility.

Glossary of Terms and Abbreviations

List of Terms Used

Term	Commentary
CER	Certified Emission Reductions Emission reductions obtained by implementing CDM projects.
CDM	Clean Development Mechanism An element of the Kyoto Protocol allowing developed countries with an obligation to reduce greenhouse gas emissions to invest in reducing emissions in developing countries that do not have such an obligation.
EPEX Spot	An energy exchange operated by the company EPEX Spot SE with seat in France. EPEX Spot SE is a joint venture of EEX Power Spot and Powernext SA.
EUA	Emission allowance The right of an operator to release one ton of CO_2 into the air
ISOT	Market organizer information system The XMtrade ®/ISOT information system designed to support the organization of a short-term electricity market, as used by the transmission grid operator in the Slovak Republic. XMtrade is a trademark owned by SFÉRA, a.s., ID number 35 757 736, incorporated in the Slovak Republic.
JI	Joint Implementation A Kyoto mechanism allowing governments and companies in industrialized countries to purchase Emission Reduction Units in other industrialized countries that reduce or otherwise prevent emissions of greenhouse gases.
OKO	Organized Short-term Electricity Market provided by Electricity Market Operator
OTE	Electricity Market Operator
PXE	Prague Energy Exchange As of July 15, 2009 renamed to: POWER EXCHANGE CENTRAL EUROPE, a.s.
SEPS	Slovenská elektrizačná prenosová sústava, a.s. The Slovak transmission grid. Operator of the transmission grid in the Slovak Republic.

List of Units Used

Unit	Commentary
GWh	gigawatt-hour = a unit of electrical work
kV	kilovolt = a unit of electrical potential (voltage)
MW	megawatt = a unit of power (load)
TJ	terajoule = a unit of work (energy)

Foreign Currencies

Country	Currency Code	Name	Remark
Bosnia and Herzegovina	KM, international code BAM	Convertible Mark	1 KM = 0.51129 EUR Exchange rate is fixed, based on the German Mark (DEM)-to-Euro conversion rate.
Federal Republic of Germany	EUR	Euro	
Ireland	EUR	Euro	
Kingdom of the Netherlands	EUR	Euro	
Kosovo	EUR	Euro	not a member of the Eurozone
Republic of Albania	ALL	Lek	
Republic of Bulgaria	BGN	български лев (Lev)	
Republic of Poland	PLN	Złoty	
Republic of Turkey	TRY	Türk lirası (Turkish Lira)	
Romania	RON	Leu	
Russian Federation	RUB	рубль (Ruble)	
Serbia	RSD	динар (dinar)	Foreign companies are allowed to have capital denominated in EUR
Slovak Republic	EUR	Euro	
Ukraine	UAH	гривня (Hrivnia)	

Method Used to Calculate Key Indicators of CEZ Group

Indicator	Calculation
EBIT	Income before income taxes and other expenses/income
EBITDA	Income before income taxes and other expenses/income + Depreciation and amortization
Net debt	Long-term debt, net of current portion + Short-term loans + Current portion of long-term debt – (Cash and cash equivalents + highly liquid short-term financial assets)
Return on Equity (ROE), net	Net income attributable to equity holders of parent / ((Equity attributable to equity holders of parent as of June 30 of the previous year + Equity attributable to equity holders of parent as of June 30 of the current year)/2)
Total capital	Equity attributable to equity holders of the parent + Total debt
Total debt	Long-term debt, net of current portion + Current portion of long-term debt + Short-term loans

Contacts

Name	E-mail (website)	Telephone
Press spokespersons		
Ladislav Kříž	ladislav.kriz@cez.cz	+420 211 042 383
Eva Nováková	eva.novakova@cez.cz	+420 211 042 291
Martin Pavlíček	martin.pavlicek@cez.cz	+420 211 042 540
Investor relations		
Barbara Seidlová	barbara.seidlova@cez.cz	+420 211 042 529
Dana Fantová	dana.fantova@cez.cz	+420 211 042 514
Website	www.cez.cz	
Pavel Foršt	pavel.forst@cez.cz	+420 211 043 362
Martin Schreier	martin.schreier@cez.cz	+420 211 042 612
ČEZ Foundation		
Lucie Speratová	lucie.speratova@cez.cz	+420 211 046 720
	www.nadacecez.cz	
Customer Line for the Czech Republic		
ČEZ Zákaznické služby, s.r.o.		+420 840 840 840
Virtual Customer Center	www.cez.cz/cs/pece-a-podpora/jak-nas-kontaktovat/virtualni-obchodni-kancelar.html	

Financial Statements

Consolidated Balance Sheet Compiled Using IFRS Methods
(in CZK Millions)

Assets as of:	**Dec 31, 2008**	**Jun 30, 2009**
Property, plant and equipment:		
Plant in service	488,956	489,244
Less accumulated provision for depreciation	252,330	260,491
Net plant in service	236,626	228,753
Nuclear fuel, at amortized cost	6,287	6,234
Construction work in progress	47,913	61,607
Total property, plant and equipment	290,826	296,594
Other non-current assets:		
Investment in associates and joint-ventures	1,907	8,257
Investments and other financial assets, net	34,614	40,032
Intangible assets, net	18,074	17,519
Deferred tax assets	816	507
Total other non-current assets	55,411	66,315
Total non-current assets	**346,237**	**362,909**
Current assets:		
Cash and cash equivalents	17,303	34,479
Receivables, net	41,729	34,401
Income tax receivable	140	5,720
Materials and supplies, net	4,914	5,030
Fossil fuel stocks	2,959	2,732
Emission rights	1,523	565
Other financial assets, net	56,237	53,142
Other current assets	2,133	2,372
Total current assets	**126,938**	**138,441**
TOTAL ASSETS	**473,175**	**501,350**

Consolidated Balance Sheet Compiled Using IFRS Methods
(in CZK Millions)

Equity and liabilities as of:	**Dec 31, 2008**	**Jun 30, 2009**
Equity:		
Equity attributable to equity holders of the parent:		
Stated capital	59,221	53,799
Treasury shares	(66,910)	(5,371)
Retained earnings and other reserves	180,941	128,803
Total equity attributable to equity holders of the parent	173,252	177,231
Minority interests	12,158	11,686
Total equity	**185,410**	**188,917**
Long-term liabilities:		
Long-term debt, net of current portion	66,526	81,441
Accumulated provision for nuclear decommissioning and fuel storage	35,631	35,837
Other long-term liabilities	19,631	19,051
Total long-term liabilities	**121,788**	**136,329**
Deferred tax liability	**14,421**	**22,678**
Current liabilities:		
Short-term loans	35,001	32,305
Current portion of long-term debt	4,874	349
Trade and other payables	93,646	105,629
Income tax payable	3,910	1
Accrued liabilities	14,125	15,142
Total current liabilities	**151,556**	**153,426**
TOTAL EQUITY AND LIABILITIES	**473,175**	**501,350**

Consolidated Statement of Income Compiled Using IFRS Methods
(in CZK Millions)

	Jan - Jun / 2008	Jan - Jun / 2009
Revenues:		
Sales of electricity	79,161	87,492
Gains and losses from electricity, coal and gas derivative trading, net	4,595	2,076
Heat sales and other revenues	6,665	6,047
Total revenues	**90,421**	**95,615**
Operating expenses:		
Fuel	(7,466)	(8,005)
Purchased power and related services	(18,538)	(22,411)
Repairs and maintenance	(1,691)	(2,211)
Depreciation and amortization	(10,806)	(10,971)
Salaries and wages	(7,707)	(7,749)
Materials and supplies	(2,290)	(2,173)
Emission rights, net	342	1,241
Other operating expenses	(4,288)	(2,480)
Total expenses	**(52,444)**	**(54,759)**
Income before other income (expenses) and income taxes	**37,977**	**40,856**
Other income (expenses):		
Interest on debt, net of capitalized interest	(1,352)	(1,532)
Interest on nuclear and other provisions	(1,025)	(1,046)
Interest income	813	1,077
Foreign exchange rate gains (losses), net	(656)	(339)
Gain (Loss) on sale of subsidiaries and associates	333	(6)
Other income (expenses), net	670	918
Income from associates a joint-ventures	7	17
Total other income (expenses)	**(1,210)**	**(911)**
Income before income taxes	**36,767**	**39,945**
Income taxes	**(7,809)**	**(7,945)**
NET INCOME	**28,958**	**32,000**
Net income attributable to:		
Equity holders of the parent	28,583	31,641
Minority interests	375	359

Consolidated Statement of Comprehensive Income Compiled Using IFRS Methods
(in CZK Millions)

	Jan - Jun / 2008	Jan - Jun / 2009
Net income	**28,958**	**32,000**
Other comprehensive income:		
Change in fair value of cash flow hedges recognized in equity	8,118	5,019
Cash flow hedges removed from equity	(1,388)	(444)
Change in fair value of available-for-sale financial assets recognized in equity	(252)	(1,095)
Available-for-sale financial assets removed from equity	7	16
Translation differences	(4,516)	(4,732)
Share on equity movements of associates and joint-ventures	(1)	64
Deferred tax relating to other comprehensive income	(1,268)	(771)
Other movements	19	
Other comprehensive income, net of tax	**719**	**(1,943)**
Total comprehensive income	**29,677**	**30,057**
Total comprehensive income attributable to:		
Equity holders of the parent	30,593	30,516
Minority interests	(916)	(459)

Consolidated Statement of Changes in Equity Compiled Using IFRS Methods

(in CZK Millions)

	Attributable to Equity Holders of the Parent							
	Stated Capital	Treasury Shares	Translation Differences	Fair Value and Other Reserves	Retained Earnings	Total	Minority Interests	Total Equity
December 31, 2007	59,221	(55,972)	(2,296)	3,225	167,174	171,352	12,874	184,226
Total comprehensive income			(3,218)	5,217	28,594	30,593	(916)	29,677
Dividends					(21,321)	(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**
December 31, 2008	59,221	(66,910)	(5,025)	(5,128)	191,094	173,252	12,158	185,410
Total comprehensive income			(3,964)	2,704	31,776	30,516	(459)	30,057
Dividends					(26,659)	(26,659)	(3)	(26,662)
Reduction of the stated capital	(5,422)	61,313			(55,891)			
Sale of treasury shares		226			(157)	69		69
Share options				53		53		53
Transfer of exercised and forfeited share options within equity				(34)	34			
Change in minority due to acquisitions							(10)	(10)
June 30, 2009	**53,799**	**(5,371)**	**(8,989)**	**(2,405)**	**140,197**	**177,231**	**11,686**	**188,917**

Consolidated Statement of Cash Flows Compiled Using IFRS Methods
(in CZK Millions)

	Jan - Jun / 2008	Jan - Jun / 2009
Operating activities:		
Income before income taxes	36,767	39,945
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	10,807	10,983
Amortization of nuclear fuel	1,460	1,291
(Gain) loss on fixed assets retirements, net	(383)	(61)
Foreing exchange rate losses (gains), net	656	339
Interest expense, interest income and dividends income, net	496	414
Provision for nuclear decommissioning and fuel storage	190	82
Valuation allowances, other provisions and other adjustments	(807)	1,396
Income from associates and joint-ventures	(7)	(17)
Changes in assets and liabilities:		
Receivables	(2,017)	(9,412)
Materials and supplies	(452)	(485)
Fossil fuel stocks	(1,229)	141
Other current assets	(54,493)	5,203
Trade and other payables	42 340	(11,298)
Accrued liabilities	875	3
Cash generated from operations	34,203	57,348
Income taxes paid	(6,865)	(9,507)
Interest paid, net of capitalized interest	(523)	(333)
Interest received	489	720
Dividends received	25	2
Net cash provided by operating activities	**27,329**	**48,230**

Consolidated Statement of Cash Flows Compiled Using IFRS Methods
(in CZK Millions)

	Jan - Jun / 2008	Jan - Jun / 2009
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	(77)	(11,730)
Proceeds from disposal of subsidiaries and associates, net of cash disposed of	759	1,270
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(16,275)	(21,183)
Loans made	(15,538)	(9,862)
Proceeds from sales of fixed assets	390	192
Repayments of loans	18	339
Change in decommissioning and other restricted funds	(850)	65
Total cash used in investing activities	**(31,573)**	**(40,909)**
Financing activities:		
Proceeds from borrowings	155,926	130,670
Payments of borrowings	(141,565)	(119,387)
Proceeds from other long-term liabilities	292	39
Payments of other long-term liabilities	(355)	(204)
Dividends paid to Company's shareholders	14	(17)
Dividends paid to minority interests / Contributions received from minority interests, net	(2)	(3)
(Acquisition) sale of treasury shares, net	(12,514)	70
Total cash provided by (used in) financing activities	**(1,796)**	**11,168**
Net effect of currency translation in cash	**(826)**	**(1,313)**
Net increase (decrease) in cash and cash equivalents	**(3,274)**	**17,176**
Cash and cash equivalents at beginning of period	**12,429**	**17,303**
Cash and cash equivalents at end of period	**9,155**	**34,479**
Supplementary cash flow information:		
Total cash paid for interest	1,090	1,173

Identification of ČEZ, a. s. Stock Company

ČEZ, a. s.
Duhová 2/1444
140 53 Prague 4
Czech Republic

Incorporated in the Commercial Register maintained
by the Municipal Court in Prague (part B, insert 1581)

Established:	1992
Legal form:	joint-stock company
ID number:	452 74 649
Tax ID number:	CZ45274649
Bankers:	KB Praha 1, account no. 71504011/0100
Telephone:	+420 211 041 111
Fax:	+420 211 042 001
Internet:	http://www.cez.cz
E-mail:	cez@cez.cz

This report is a Half-year Report of an issuer of listed securities pursuant to Section 119 of Act No. 256/2004 Sb. The figures and information in this report are not audited.

Closing date of the 2009 Half-year Report: August 12, 2009