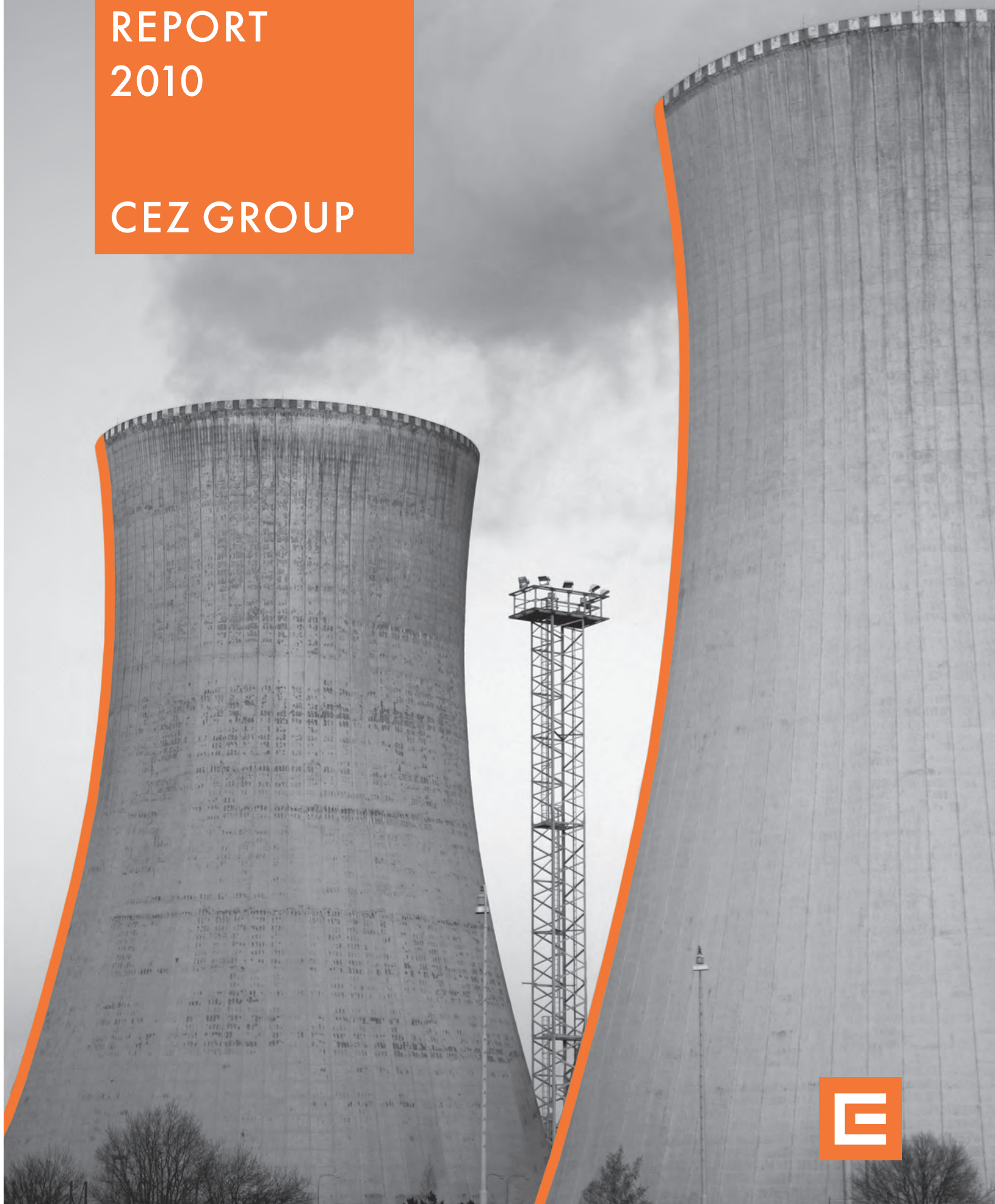


HALF-YEAR REPORT 2010

CEZ GROUP



CEZ GROUP

Introduction

CEZ Group is an established, integrated energy conglomerate with operations in a number of Central and Southeastern European countries and Turkey headquartered in the Czech Republic. Its principal businesses encompass generation, trade, and distribution of electricity and heat, coal mining, and sale of natural gas. The shares of the parent company ČEZ, a. s. are traded on the Prague and Warsaw Stock Exchanges, and form a significant part of the respective indexes of these exchanges. As at June 22, 2010, the Czech Republic remains the Company's largest shareholder with a nearly 70% stake in the Company's share capital. The shares of the associate Akenerji Elektrik Üretim A.S. are traded on the Istanbul Stock Exchange.

An important part of CEZ Group's mission is to maximize returns and ensure long-term growth in shareholder value. To this end, CEZ Group focuses its efforts on fulfilling the vision of becoming the leader in the electricity market of Central and Southeastern Europe. At the same time, however, CEZ Group adheres to sustainable growth principles, supports energy conservation, actively develops new technologies with environmental protection effect, and furthers the development of education in technical fields.

The realization of CEZ Group's vision rests upon four strategic pillars. The first is Operational Excellence, within which a new effectivity increasing program was introduced in March 2007 expanding the ongoing integration process. This program aims to increase performance, improve the cost effectiveness of key processes, and make CEZ Group one of the most efficient players in the European power industry by 2012.

The second strategic pillar is to develop operations in selected target countries outside of the Czech Republic. In particular, CEZ Group is focusing on markets in Central and Southeastern Europe, where it can best apply its unique experience in managing an energy conglomerate during a period of transition to a liberalized power market and in achieving operational excellence. In the Czech Republic, CEZ Group companies produce and distribute electricity and heat, trade in electricity, mine coal, and sell natural gas. In addition to the Czech Republic, CEZ Group currently has actively operating companies in Poland, Bulgaria, Romania, the Netherlands, Ireland, Germany, Hungary, Albania, Turkey, and Slovakia.

In Bulgaria, CEZ Group distributes and sells electricity in the western part of the country and generates electricity in its own coal-fired power plant near Varna, the Black Sea port city. In Romania, CEZ Group owns companies that generate, distribute, and sell electricity. In June 2010, the Fântânele wind farm in Southeastern Romania began operating and its individual components are gradually being connected to the grid. In Poland, CEZ Group has two black coal-fired power plants near the country's border with the Czech Republic. In Germany, the Group co-owns – with a partner – a brown-coal mining company that also includes three power plants. In Turkey, CEZ Group and its local partner operate a distribution company, generate electricity, and are preparing to build new power plants. In Albania, CEZ Group operates the country's sole distribution company. In Slovakia, CEZ Group and its Slovak partner are preparing to build a new nuclear power plant at the Jaslovské Bohunice site. The Group's operations in the remaining countries are companies that provide electricity wholesale trade support, companies that monitor developments in a particular country in order to identify advantageous acquisition opportunities there, as well as companies that function as holding companies or engage in financing activities (the Netherlands, Ireland).

The purpose of the third pillar – Plant Portfolio Renewal – is to ensure the CEZ Group's continued successful operation in the future. CEZ Group is investing, and will continue to invest, significant sums in upgrading aging Czech brown-coal power plants and building new, high-efficiency plants. Some of the investments will also be in renewable sources of energy. In cooperation with its partner MOL, CEZ Group is also planning to upgrade existing power plants and build new ones in Hungary and Slovakia. Plans are afoot to add another two reactor units to Temelín Nuclear Power Station, and a tender is currently running to find a supplier for them.

The fourth pillar – Innovation – reflects CEZ Group's interest in new, energy-saving technologies. This includes research and development activities, investments in environmental protection, energy conservation, and intelligent distribution grids. Currently, CEZ Group is building an area covered by a smart distribution grid in Northeastern Bohemia. We are also in talks concerning supplies of electric cars and preparing to build the charging stations necessary to operate them.

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Responsibility for the CEZ Group Half-Year Report

Statutory Declaration:

With the use of all due care and to the best of our 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, 2010



Martin Roman
Chairman
ČEZ, a. s. Board of Directors



Martin Novák
Member
ČEZ, a. s. Board of Directors

This report is not audited.

Selected Indicators of CEZ Group

Selected Indicators of CEZ Group (financial figures in accordance with IFRS)

	Units	H1 2009 ⁵⁾	H1 2010	Index 2010/2009 %
Installed capacity	MW	14,363	14,542	101.2
Electricity generated (gross)	GWh	33,163	34,034	102.6
Electricity sold ¹⁾	GWh	36 467 ²⁾	39,233	107.6
Heat sold	TJ	7,724	8,854	114.6
Operating revenues	CZK millions	97,061	98,683	101.7
Operating expenses (excluding depreciation and amortization)	CZK millions	(45,235)	(51,496)	113.8
EBITDA	CZK millions	51,826	47,187	91.0
Depreciation and amortization	CZK millions	(10,982)	(11,431)	104.1
EBIT	CZK millions	40,844	35,756	87.5
Net income	CZK millions	35,215	28,709	81.5
Net income per share - basic	CZK / share	65.4	53.7	82.1
Net income per share - diluted	CZK / share	65.4	53.7	82.1
Dividend per share ČEZ, a. s. (gross) ³⁾	CZK / share	50.00	53.00	106.0
Capital expenditure (CAPEX)	CZK millions	(20,600)	(23,022)	111.8
Return on Equity (ROE), net ⁴⁾	%	30.3	23.8	78.5
Net debt / EBITDA ⁴⁾	1	0.8	1.3	162.5
Total debt / Total capital	%	39.1	46.2	118.2
Work force head count as of June 30	persons	27,132	32,601	120.2

1) Sold to end customers + sold to cover grid losses + wholesale balance.

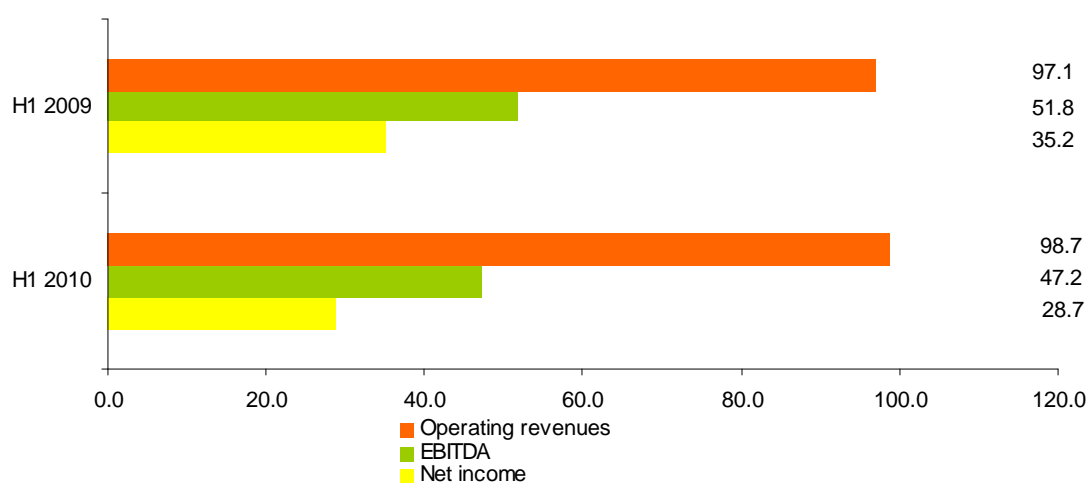
2) Adjusted figure, differs from the originally published figure. Reduced by 248 GWh to reflect a modification of Group eliminations.

3) Approved in the given year.

4) 12-month, sliding figure.

5) Statements adjusted in accordance with IFRS standards. The figures for H1 2009 have been adjusted because the originally published figures were based on preliminary valuations of certain acquisitions. The final fair-value valuations of the shareholders' equities as of the acquisition date were made subsequently. The adjusted figures are based on these final valuations.

CEZ Group Results of Operations (CZK billions)



Important Events

Important Events in H1 2010

- | | |
|-----------------|---|
| January | <ul style="list-style-type: none">□ CEZ Group commences supplying natural gas in the Czech Republic, in a volume of 1.7 TWh to over 90 customers at over 200 connection points. Most are large end-customers of natural gas. |
| February | <ul style="list-style-type: none">□ new company established for purpose of spinning off Chvaletice Power Station organizational unit.□ announcement released that all suppliers who filed requests to participate in RFP (Request For Proposal) proceedings in the public tender “Completion of Temelín Nuclear Power Station” qualified for participation. |
| March | <ul style="list-style-type: none">□ withdrawal from consortium that aimed to build a new plant, repair an existing one, and expand coal mining operations in Kosovo. |
| April | <ul style="list-style-type: none">□ a public tender is announced to select a supplier to provide data center services in the period June 1, 2011 – May 31, 2021.□ Vlastimil Jiřík resigns from the Supervisory Board of ČEZ, a. s. for health reasons.□ the Smart Region project commences with the signing of the relevant agreement between ČEZ, a. s. and the City of Vrchlabí in Northeastern Bohemia. |
| May | <ul style="list-style-type: none">□ CEZ Group introduces a new safety and environmental protection policy with the aim of increasing the effectiveness of safety management and reinforcing our systemic approach in this area.□ the second Green Energy Forest is established. The forest, where CEZ Group donates one tree for each customer on the Green Energy tariff, is located in Přimda, West Bohemia.□ ČEZ, a. s. is recognized by the Ministry of Finance of the Czech Republic as the largest contributor of taxes to the State budget in 2009.□ ČEZ Teplárenská, a member of CEZ Group, takes over operation of sources and grids belonging to LENOX, which entered insolvency proceedings. The facilities are located in Brno, Kuřim (South Moravia), Doksy (North Bohemia), and Krajková (Northwestern Bohemia), among other places. |
| June | <ul style="list-style-type: none">□ sales of natural gas commence to household customers in the Czech Republic.□ start-up of first turbine in the newly-built CEZ Group wind farm at the Fântânele site in Romania.□ the Board of Directors of ČEZ, a. s., acting with the powers of the General Meeting as sole shareholder of the merged companies ČEZ Distribuce, a. s. and ČEZ Distribuční zařízení, a.s., decides to merge these two companies effective from October 1, 2010.□ Annual General Meeting of ČEZ, a. s. is held. |

Important Events in July 2010

July

- construction commences on the first CEZ Group biogas station in the town of Číčov in the Pilsen Region. The station's planned installed capacity is 526 kW_e.
 - the unfinished Vranovská Ves solar power plant in the South Moravia Region is acquired.
 - the 2009 Report on Compliance with the WSE Code of Best Practice is published.
-

Financial Performance of CEZ Group

As of June 30, 2010, CEZ Group including the parent company, ČEZ, a. s., consisted of 130 business entities, 64 of which were headquartered in the Czech Republic, 31 in other countries of Western and Central Europe, and 35 in countries of Southeastern Europe and Turkey. The year-on-year increase by 20 companies was brought about predominantly by acquisitions of small power companies that generate electricity from renewable sources in the Czech Republic.

As of June 30, 2010, the CEZ Consolidated Group** consisted of a total of 106 companies including the parent company, ČEZ, a. s. Of this number, 87 subsidiaries were fully consolidated and 19 associates and joint-ventures were consolidated using the equity method.

Categorization of companies by segment

The companies of the consolidated group** are divided into seven operating segments:

Power Production & Trading Central Europe

ČEZ, a. s.
3 L invest a.s.
Bioplyn technologie s.r.o.
Bohemian Development, a.s.
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 Nowa Skawina S.A.
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 Albania Sh.P.K.
CEZ Trade Bulgaria EAD
CEZ Trade Polska sp. z o.o.
CEZ Trade Romania S.R.L.
CZECH HEAT a.s.
CZ INVEST – PLUS, a.s.
ČEZ Bohunice a.s.
ČEZ Energetické produkty, s.r.o.
ČEZ Obnovitelné zdroje, s.r.o.
ČEZ Teplárenská, a.s.
EDICOLLA a.s.
eEnergy Ralsko a.s.
Elektra Žabčice a.s.
Elektrárna Chvaletice a.s.
Elektrociepłownia Chorzów ELCHO sp. z o.o.
Elektrownia Skawina S.A.
Energetické centrum s.r.o.
FVE Buštěhrad a.s.
GENTLEY a.s.
MALLA, a.s.
MARTIA a.s.
PPC Úžín, a.s.
Š-BET s.r.o.
Teplárna Trmice, a.s.
TEPLEX s.r.o.

Power Production & Trading Southeastern Europe

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.
Aken B.V.⁾
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.⁾
Akenerji Elektrik Üretim A.S.⁾
Akka Elektrik Üretim A.S.⁾
Akkur Enerji Üretim A.S.⁾
AK-EL Yalova Elektrik Üretim A.S.⁾
Egemer Elektrik Üretim A.S.⁾
Energonuclear S.A.⁾
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.⁾

CM European Power International B.V.^{*)}
 CM European Power International s. r. o.^{*)}
 CM European Power Slovakia s. r. o.^{*)}
 Jadrová energetická spoločnosť Slovenska, a. s.^{*)}
 MOL – CEZ European Power Hungary Kft.^{*)}

Distribution & Sale Central Europe

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

Distribution & Sale Southeastern Europe

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 Central Europe

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

Other Central Europe

Centrum výzkumu Řež s.r.o.
 CEZ Polska sp. z o.o.
 ČEZ Distribuční služby, s.r.o.
 ČEZ Energetické služby, s.r.o.
 ČEZ ENERGOSERVIS spol. 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.

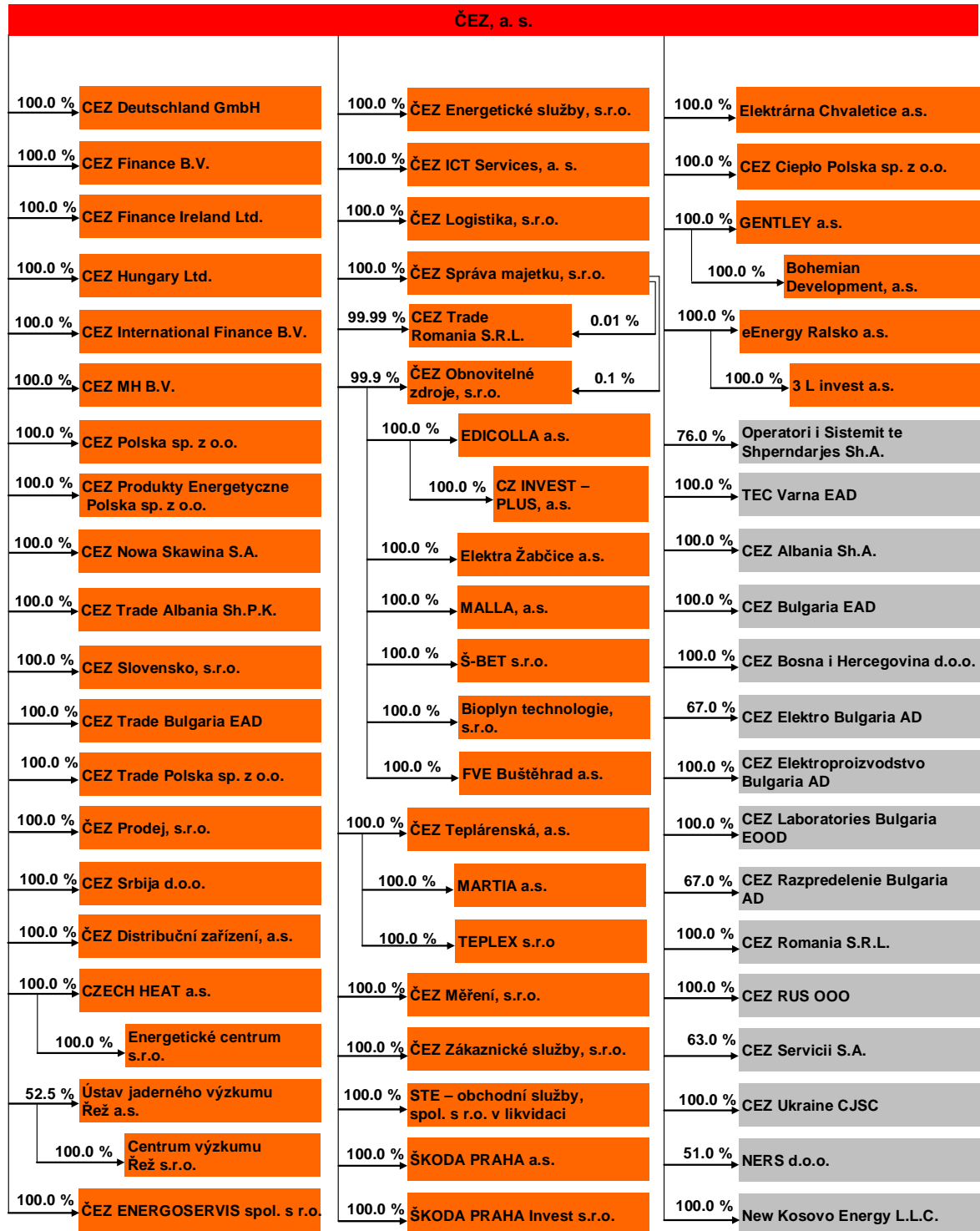
Other Southeastern Europe

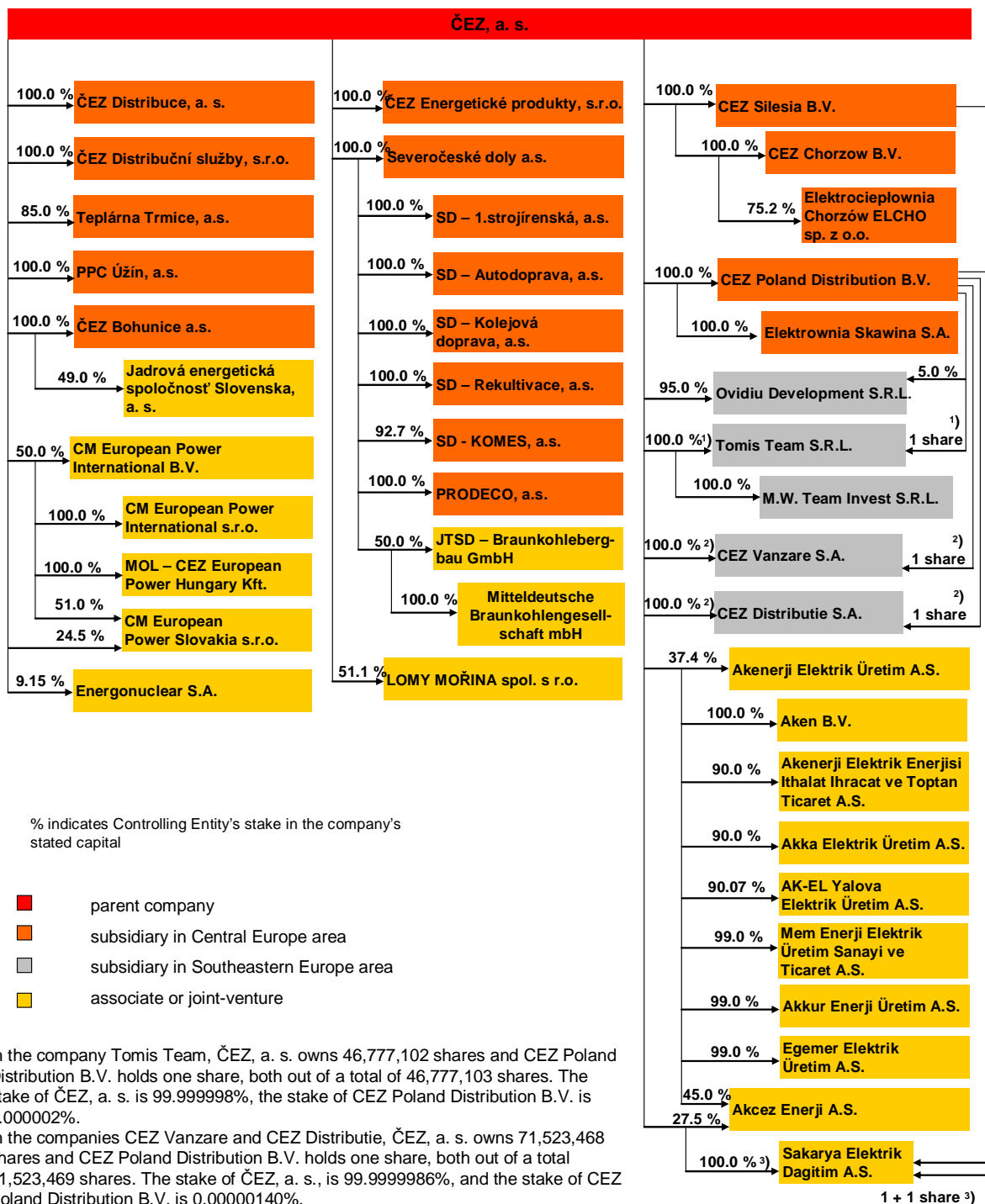
CEZ Bosna i Hercegovina d.o.o.
 CEZ Bulgaria EAD
 CEZ Laboratories Bulgaria EOOD
 CEZ Romania S.R.L.
 CEZ RUS OOO
 CEZ Servicii S.A.
 CEZ Ukraine CJSC
 New Kosovo Energy L.L.C.

^{*)} associate or joint-venture

^{**)} for accounting purposes. Technical units and the number of employees are determined using a narrower consolidated group.

CEZ Consolidated Group as of June 30, 2010

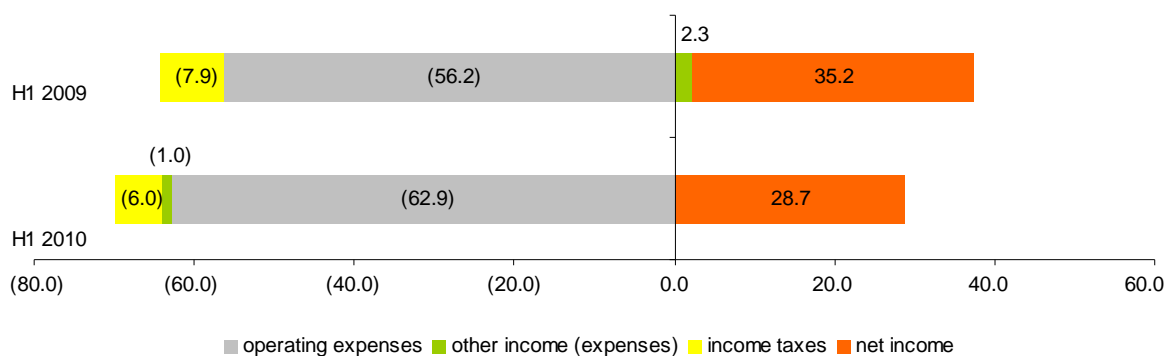




CEZ Group Financial Performance Results

Net income fell year-on-year by CZK 6.5 billion, to CZK 28.7 billion. Income before other income (expenses), income taxes, depreciation, and amortization (EBITDA) fell CZK 4.6 billion year-on-year, to CZK 47.2 billion.

Net Income Breakdown (CZK billions)

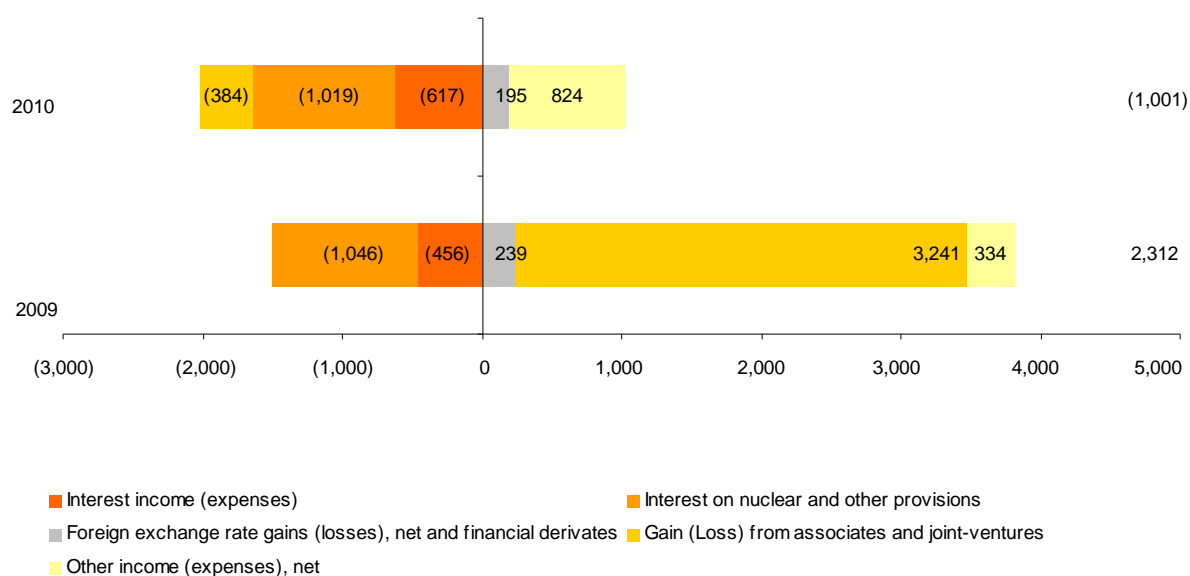


The principal factor in the income contraction was lower electricity selling prices, which in turn caused lower electricity sales revenues. Although wholesale prices fell precipitously as early as in 2009, due to successful selling of electricity one to three years in advance the decline in selling prices manifested itself to a lesser extent and was delayed until 2010. Positive year-on-year factors affecting the gross margin included the inclusion of the Albanian company OSSh in the Group and higher distribution tariffs, as well as expansion in the heat sector.

Across the board, operating expenses, depreciation, and amortization were impacted by the inclusion in CEZ Group of new companies, the most significant of which was the Albanian company OSSh.

Income taxes were down CZK 1.9 billion year-on-year, due primarily to the lower income. Another factor was a year-on-year decrease in the effective tax rate by one percentage point, which was influenced by a year-on-year change in non-tax-deductible expenses and non-taxable income.

Other expenses (income) (CZK millions)



Other income (expenses), net, accounted for CZK 3.3 billion of the year-on-year decrease in income.

Interest expenses rose CZK 0.2 billion year-on-year due to the higher need for financing in 2010.

The item "Gain (Loss) from associates and joint-ventures" affected the year-on-year movement in overall income by declining CZK 3.6 billion. This item includes CEZ Group's shares in the net incomes of the joint-ventures between ČEZ and MOL, the MIBRAG mines, and the results of the Turkish acquisitions Sakarya Elektrik Dagitim and Akenerji. In 2009, negative goodwill from the acquisition in MIBRAG was reversed (to revenues), which had a CZK 3.1 billion positive impact on income from associates and joint-ventures. In 2010 the results are negative, being weighed down by financing of the MIBRAG acquisition and financing of an acquisition in Turkey.

Other financial expenses/income, net, increased overall income by CZK 0.5 billion year-on-year. In 2010 other financial expenses fell by CZK 0.2 billion, the result primarily of financing optimization within the Group. Another positive factor in 2010 is CZK 0.3 billion in income from securities held in Dalkia Česká republika.

Assets (CZK billions)

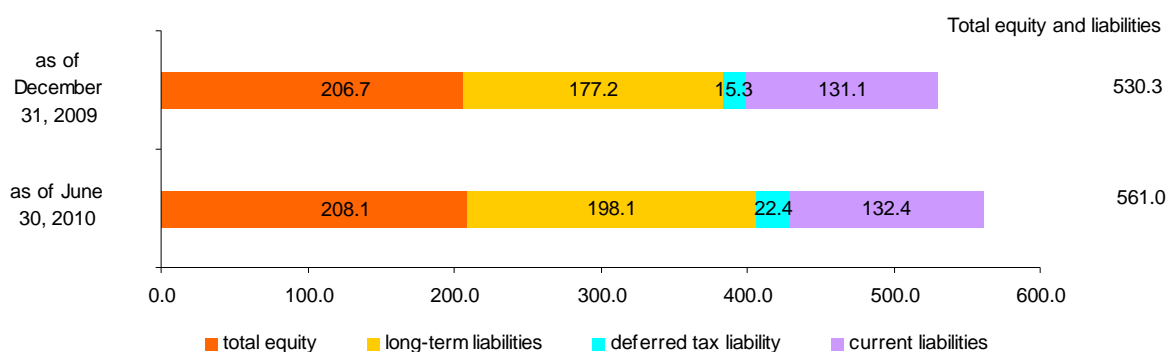


CEZ Group consolidated assets rose compared to year-end 2009 by CZK 30.7 billion, to CZK 561.0 billion.

Non-current assets grew by CZK 16.5 billion to CZK 431.4 billion. Within this figure, the value of net plant in service, nuclear fuel, and construction work in progress increased by CZK 10.7 billion and higher financial investments were reflected in Other non-current assets which increased by CZK 5.8 billion, to CZK 92.0 billion. The latter development was caused primarily by the CZK 3.1 billion acquisition of Dalkia Česká republika and a CZK 1.9 billion increase in long-term derivative-related receivables which, however, is partially offset (in an amount of CZK 0.7 billion) by long-term derivative-related payables.

During H1 2010, current assets grew by CZK 14.2 billion, to CZK 129.5 billion, primarily on a CZK 22.5 billion increase in cash and cash equivalents and a CZK 10.2 billion rise in short-term securities in conjunction with an anticipated rise in dividend pay-out expenditures in the coming months. On the other hand, a loan provided in conjunction with the MIBRAG acquisition was partially repaid in an amount of CZK 4.1 billion, other short-term receivables were down CZK 4.3 billion, and derivative-related receivables were down CZK 10.1 billion, which was offset on the liabilities side by a decline in derivative-related payables.

Equity and Liabilities (CZK billions)



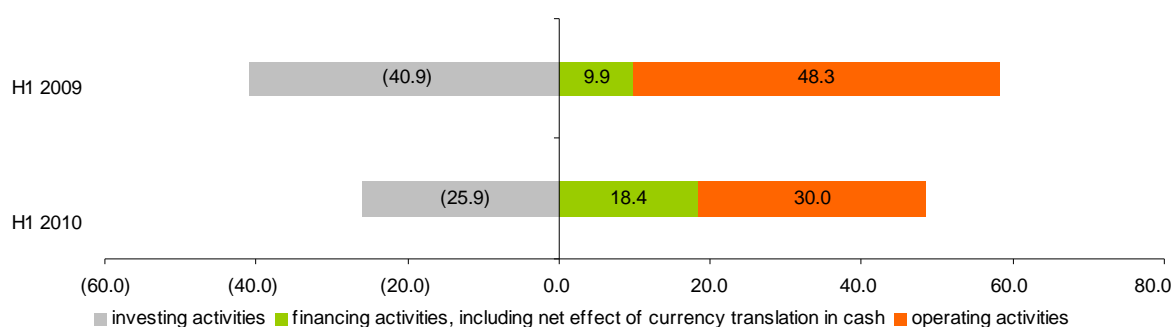
In 2010 shareholders' equity, including non-controlling interests, rose CZK 1.4 billion to CZK 208.1 billion. Valuation differences, up CZK 0.9 billion, accounted for the bulk of the rise. Net income generated in 2010 also played a role. Although it led to a CZK 28.7 billion increase in shareholders' equity, this increase was reduced by a CZK 28.5 billion dividend.

Long-term liabilities were up CZK 20.9 billion, to CZK 198.1 billion, primarily on new bond issues and growth in long-term bank loans.

Deferred tax liability was up CZK 7.1 billion year-on-year, to CZK 22.4 billion. This resulted from differing methods used to account for taxes during the year and at year-end. As taxes accrue on operations during the year, they are not divided into payable and deferred: instead, the entire tax amount is included in deferred tax liability.

Current liabilities rose, as a result of several contradictory influences, by CZK 1.3 billion to CZK 132.4 billion. In H1 2010, the current portion of bonds outstanding increased by CZK 16.0 billion and granted dividend liabilities rose by CZK 28.3 billion. On the other hand, short-term loans fell by CZK 19.4 billion. Other current liabilities declined in 2010: especially trade payables (down CZK 9.5 billion) and liabilities from derivatives (down CZK 10.0 billion), which were offset on the assets side by a decline in receivables from derivatives.

Cash Flows (CZK billions)



Net cash flow from operating activities for H1 2010 was down CZK 18.3 billion year-on-year. This was caused by a CZK 4.5 billion contraction in income before income taxes after adjustments to reconcile income before income taxes to net cash provided by operating activities and a CZK 15.0 billion increase in working capital. The principal factors in the working capital increase included payments and collections of trading advances on electricity forward contracts (CZK 4.5 billion), which were a source of cash in H1 2009 (a period of declining prices), while the situation reversed itself in H1 2010. Other factors included, in particular, a CZK 3.5 billion increase in short-term securities and a CZK 5.5 billion decrease in trade and other payables. Advance income tax payments were down CZK 1.6 billion compared to the same period one year ago.

Cash used in investing activities fell by CZK 15.0 billion year-on-year, due primarily to a CZK 7.0 billion decrease in acquisitions of subsidiaries, associates, and joint-ventures and a CZK 9.8 billion decrease in loans made. In H1 2010 there was a CZK 4.9 billion increase in repayments of loans – in

particular, repayments of loan associated with the MIBRAG acquisition. On the other hand, cash used in investing activities grew on a CZK 5.1 billion increase in additions to property, plant and equipment and other non-current assets, including capitalized interest, and a CZK 1.3 billion increase in restricted funds.

Net cash flow from financing activities was up CZK 7.3 billion year-on-year. The principal factor was a CZK 7.0 billion increase in the net proceeds from borrowings and other long-term liabilities.

The net effect of currency translation in cash was to increase cash flow by CZK 1.2 billion.

Comprehensive Income

Total comprehensive income, net of tax, was down CZK 4.3 billion year-on-year, to CZK 28.9 billion. Of this figure, net income was down CZK 6.5 billion year-on-year, to CZK 28.7 billion. Changes in equity, on the other hand, increased comprehensive income by CZK 2.2 billion year-on-year. The bulk of this increase was accounted for by a CZK 1.3 billion increase in the fair value of available-for-sale investments. Changes in Czech Koruna exchange rates relative to the local currencies of CEZ Group subsidiaries brought CZK 2.6 billion to the comprehensive income, or CZK 1.0 billion after deduction of corresponding hedging losses.

Cash Flow Overview

In H1 2010 CEZ Group obtained CZK 30 billion through its operating activities, while bonds outstanding increased CZK 34.5 billion and long-term loans, including their current portion, rose CZK 1.5 billion in the first six months of 2010. These funds, in an aggregate total of CZK 66 billion, were used to finance CZK 26 billion in additions to property, plant and equipment and CZK 5 billion in acquisitions. The remaining funds will be used to pay dividends (CZK 28 billion) and to repay bonds (CZK 7 billion).

Segment Analysis

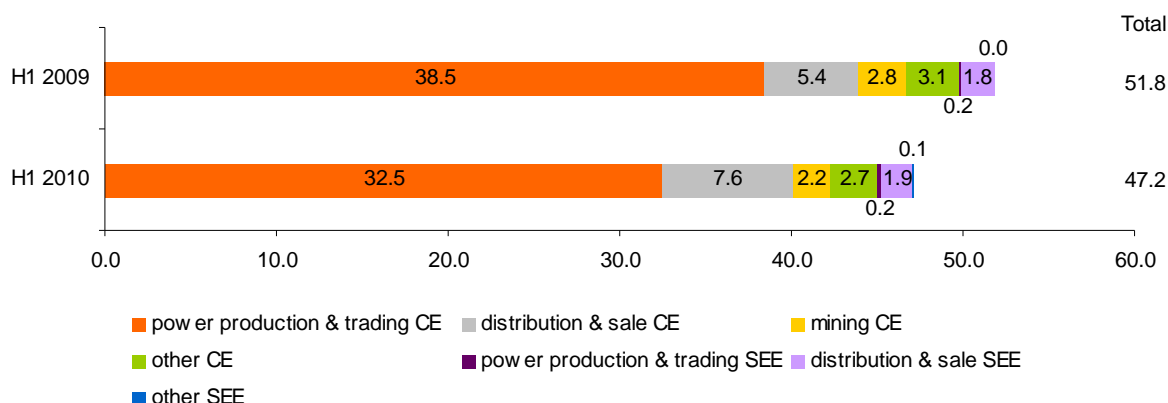
Segment	Revenues other than intersegment		Intersegment revenues		Total revenues		EBITDA		Depreciation and amortization		EBIT		Income tax		Net income		Segment assets *		CAPEX **		Work force head count as of June 30		
	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	CZK millions	persons	persons	
Mining CE																							
H1 2009	2,241	3,548	5,789	2,848	(675)	2,173	(458)	4,912	17,197	(1,008)	3,497												
H1 2010	2,314	2,822	5,136	2,202	(784)	1,418	(283)	1,298	19,163	(1,280)	3,469												
Power Production & Trading CE																							
H1 2009	36,774	26,382	63,156	38,465	(6,727)	31,738	(5,702)	24,482	188,321	(10,493)	6,950												
H1 2010	30,429	25,767	56,196	32,519	(6,758)	25,761	(4,173)	21,262	214,609	(14,173)	7,477												
Distribution & Sale CE																							
H1 2009	41,441	1,875	43,316	5,420	(1,500)	3,920	(798)	3,213	51,242	(4,156)	1,439												
H1 2010	45,787	2,619	48,406	7,576	(1,584)	5,992	(1,075)	4,786	58,103	(4,400)	1,485												
Other CE																							
H1 2009	1,556	14,852	16,408	3,054	(997)	2,057	(384)	1,749	15,781	(8,772)	8,500												
H1 2010	1,569	18,132	19,701	2,717	(967)	1,750	(292)	1,563	17,025	(11,513)	8,403												
Power Production & Trading SEE																							
H1 2009	1,561	249	1,810	152	(189)	(37)	(12)	(17)	20,065	(3,575)	590												
H1 2010	1,262	2	1,264	171	(175)	(4)	52	(406)	27,751	(1,186)	548												
Distribution & Sale SEE																							
H1 2009	13,487	43	13,530	1,846	(863)	983	(585)	875	30,455	(1,098)	4,685												
H1 2010	17,311	37	17,348	1,915	(1,131)	784	(267)	204	29,737	(1,245)	9,812												
Other SEE																							
H1 2009	1	1,242	1,243	41	(31)	10	(2)	1	137	(426)	1,471												
H1 2010	11	1,068	1,079	49	(32)	17	(8)	2	114	(440)	1,407												
Elimination																							
H1 2009	0	(48,191)	(48,191)	0	-	0	0	0	(9,093)	8,928	0												
H1 2010	0	(50,447)	(50,447)	38	-	38	0	0	(9,627)	11,215	0												
Consolidated																							
H1 2009	97,061	0	97,061	51,826	(10,982)	40,844	(7,941)	35,215	314,105	(20,600)	27,132												
H1 2010	98,683	0	98,683	47,187	(11,431)	35,756	(6,046)	28,709	356,875	(23,022)	32,601												

*) Identifiable assets + investment in associates and joint-ventures, do not include unallocated assets

**) starting in 2010, capital expenditures in the Other CE segment are deemed to include ongoing construction of power plants by the company ŠKODA PRAHA Invest even before the completed facility is handed over to the customer, ČEZ, a. s.

Business Performance by Segment

EBITDA of segments (CZK billions)



The EBITDA of the **Power Production & Trading Central Europe** segment fell CZK 6.0 billion to CZK 32.5 billion. Principally this was due to a drop in market prices of electricity, which were somewhat offset by forward sales of electricity in years past. Income from emission rights was up CZK 0.8 billion year-on-year on remeasurement of emission right derivatives to fair value combined with growth in the market price of emission rights.

In H1 2010, generation of electricity in Central Europe was up 1.2 TWh (+3.8%) year-on-year. From January to June 2010, the Temelín and Dukovany Nuclear Power Stations generated 0.9 TWh (+6.9%) more than in the previous comparison period. The comparison was influenced by the long-term outages schedule, according to which in 2009 such outages took place in the first half, while in 2010 they are planned for H2. Generation from renewable sources of energy grew as well – by a total of 0.2 TWh (+24%) – due to higher flow rates at hydro power plants. Another positive factor was the commissioning of new photovoltaic and wind sources. Generation in coal-fired power plants remained at the same level as in H1 2009, i.e. at 17.2 TWh.

The EBITDA of the **Distribution & Sale Central Europe** segment grew CZK 2.2 billion year-on-year, to CZK 7.6 billion, particularly on growth in revenues for reserved capacity. The volume of electricity distributed in H1 2010 was 16.7 TWh, up 0.6 TWh (+3.4%). The principal factors were a recovering economy and growth in the amount of electricity purchased by large end-customers. The company ČEZ Prodej sold 12.4 TWh of electricity to end-customers outside of CEZ Group; this is more or less unchanged from 2009.

The EBITDA of the **Mining Central Europe** segment fell CZK 0.6 billion year-on-year, to CZK 2.2 billion, on lower demand for coal on the part of ČEZ, a. s. Severočeské doly a.s. delivered 173,000 tons of coal more to external customers, despite falling market demand for sorted coal (as households and municipalities migrate to cleaner sources for heating).

The EBITDA of the **Other Central Europe** segment fell CZK 0.3 billion year-on-year, to CZK 2.7 billion, in conjunction with higher overheads in ČEZ ICT Services, a. s., the CEZ Group IT services provider.

The EBITDA of the **Power Production & Trading Southeastern Europe** segment remained unchanged compared to 2009, reaching CZK 0.2 billion. Generation at the Varna Power Station in Bulgaria decreased year-on-year, while the construction and gradual commissioning of a wind farm in Fântânele, Romania continued: the completed portion of this facility began to generate electricity in June 2010.

The EBITDA of the **Distribution & Sale Southeastern Europe** segment grew CZK 0.1 billion to CZK 1.9 billion. Companies in Bulgaria, Romania, and Albania distributed a total of 10.2 TWh of electricity to end customers, up 25.9% year-on-year, driven in particular by the new acquisition in Albania, which

in the comparable period of last year was a part of CEZ Group only from May 2009. There was practically no year-on-year change in sales and distribution in Bulgaria and Romania.

Overview of Relations with Related Parties

(CZK millions)

Subsidiaries, associates and joint-ventures:	Receivables		Payables	
	as of June 30, 2010	December 31, 2009	as of June 30, 2010	December 31, 2009
Akcez Enerji A.S.	114	118	92	85
Akenerji Elektrik Üretim A. S.	106	652		
CM European Power International s.r.o.		49		
ČEZ ENERGOSERVIS spol. s r.o. ¹⁾		2		52
JTSD - Braunkohlebergbau GmbH	13	6,502		
LACOMED, spol. s r.o.	17	12		
LOMY MOŘINA spol. s r.o.			9	10
OSC, a.s.	15		3	42
Other	5	10	10	51
Subsidiaries, associates, and joint-ventures, total	270	7,345	114	240

Entities under the control of the company's majority owner:	Receivables		Payables	
	as of June 30, 2010	December 31, 2009	as of June 30, 2010	December 31, 2009
ČD Cargo, a.s.			191	210
ČEPRO, a.s.		10	47	32
ČEPS, a.s.	29	234	42	60
Česká pošta s.p.	3	1	63	69
České dráhy, a.s.	133	1		3
Správa železniční dopravní cesty, státní organizace	81	691	54	60
Other	8	2		
Entities under the control of the company's majority owner, total	254	939	397	434
Total	524	8,284	511	674

¹⁾ Part of the consolidated CEZ Group since 1/2010

(CZK millions)

Subsidiaries, associates and joint-ventures:	Sales to related parties		Purchases from related parties	
	1-6/2010	1-6/2009	1-6/2010	1-6/2009
Centrum výzkumu Řež s.r.o. ¹⁾		22		3
ČEZ ENERGOSERVIS spol. s r.o. ¹⁾		4		100
EGP INVEST, spol. s.r.o.			17	7
LACOMED, spol. s r.o.	26	9	3	2
LOMY MOŘINA spol. s r.o.			74	72
OSC, a.s.			19	9
SD-Vrtné a trhací práce, a.s.	2	2	11	12
SINIT, a.s.	1	1	19	16
Výzkumný ústav pro hnědé uhlí a.s.		1	10	13
Other	15	3	12	3
Subsidiaries, associates, and joint-ventures, total	44	42	165	237

Entities under the control of the company's majority owner:	Sales to related parties		Purchases from related parties	
	1-6/2010	1-6/2009	1-6/2010	1-6/2009
ČD Cargo, a.s.			657	753
ČEPRO, a.s.	1	2	144	
ČEPS, a.s.	2,781	3,104	4,404	4,589
Česká pošta s.p.	54	63	1	6
České dráhy, a.s.	793			1
DIAMO, státní podnik				566
Správa železniční dopravní cesty, státní organizace	279	1,363	7	6
Entities under the control of the company's majority owner, total	3,908	4,532	5,213	5,921
Total	3,952	4,574	5,378	6,158

¹⁾ Part of the consolidated CEZ Group since 1/2010

CEZ Group Capital Expenditures

In H1 2010, the companies of CEZ Group incurred a total of CZK 23.0 billion in capital expenditures, up CZK 2.4 billion year-on-year.

Capital Expenditure by Field (CZK millions)

Area	Central Europe		Southeastern Europe		Total	
	H1 2009	H1 2010	H1 2009	H1 2010	H1 2009	H1 2010
Nuclear energy	4,105	3,866	0	0	4,105	3,866
Coal and CCGT power plants	6,181	8,771	26	10	6,207	8,781
<i>of which: retrofits</i>	1,627	3,775	0	0	1,627	3,775
<i>new-build</i>	4,280	4,539	17	10	4,297	4,549
<i>other</i>	274	457	9	0	283	457
Renewables	212	1,075	3,638	1,044	3,850	2,119
Distribution of electricity	4,154	4,806	743	1,353	4,897	6,159
Generation and distribution of heat	167	57	0	0	167	57
Mining of raw materials	1,081	1,323	0	0	1,081	1,323
Environmental	11	0	0	0	11	0
Information systems	239	270	20	54	259	324
Waste management	0	0	0	0	0	0
Other	411	384	260	9	671	393
Eliminations within CEZ Group	(648)	0	0	0	(648)	0
Total	15,913	20,552	4,687	2,470	20,600	23,022

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

	H1 2009	H1 2010
Additions to property, plant and equipment	20,404	21,900
of which: nuclear fuel	2,045	2,287
Additions to intangibles	196	1,122
Additions to long-term financial assets	553	3,058
Change in balance of liabilities attributable to capital expenditure	(21)	142
Total	21,132	26,222

Anticipated Commercial and Financial Situation

In H1 2010, CEZ Group faced the impacts of the financial and economic crisis on the energy sector. Market prices of electricity fell, and despite a partial offsetting of losses thanks to forward selling of electricity in years past (when prices were higher) this is principal cause of the decline in the earnings result. Reliable operation of nuclear power plants, higher generation from renewable sources, and growth in electricity distribution volume were positive factors in the CEZ Group income result.

We expect similar factors to be seen in H2 2010 as well. At year-end 2010, then, also as a result of the uneven distribution of income generation during the year, we anticipate EBITDA at a level of CZK 88.7 billion, which would represent a year-on-year contraction of CZK 2.4 billion. We expect net income to be CZK 46.7 billion; its year-on-year decline in such a case would be CZK 5.2 billion. The anticipated results of operations are based on solar power generation volume of 180 GWh which is included in the electricity distribution tariffs for 2010. However, due to major growth in generation from photovoltaic power plants – adding another up to 175 GWh – there is a risk of a CZK 1–2 billion negative impact on the anticipated results. Subsequently, in the years to follow this impact will be returned to CEZ Group thanks to the offsetting scheme.

The cost-saving projects of the Efektivita Program continue to be a stabilizing element for CEZ Group financial performance. These projects aim to achieve sector best practices in all principal business segments. In 2010, the program's benefits are expected to exceed CZK 13 billion against the basis of comparison, which is 2006.

Another factor in the second half will be international acquisitions, which will depend on the outcome of negotiations on regulatory conditions in the individual countries. Another factor will be generation from the Fântânele wind farm in Romania, which is nearing completion, and the successful continuation of commenced transformation steps in Albania.

In the plant portfolio renewal program, certification tests and a guarantee test were conducted on the first two units of Tušimice II Power Station (units 23 and 24) undergoing a comprehensive retrofit.

Construction on a new power plant in Ledvice with 660 MW of installed capacity continues, as does preparatory and contracting work on other plant portfolio renewal projects. The Ministry of the Environment issued a positive EIA opinion for the Pruněřov II Power Station (coal-fired) and conceptual project documentation for a CCGT power plant in Počerady was completed. In the project to expand Temelín Nuclear Power Station, EIA documentation was submitted to the Ministry of the Environment of the Czech Republic for consideration.

In 2010, CEZ Group will expend CZK 21.9 billion on the plant portfolio renewal program in the Czech Republic.

Capital construction and renewal projects are also ongoing in all the distribution companies.

CEZ Group's total capital outlays for property, plant and equipment and intangible assets for 2010 are planned at CZK 92.5 billion. Of this figure, CZK 23.0 billion has been expended so far in H1.

Electricity Procured and Supplied by CEZ Group

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

	H1 2009	H1 2010	Index 2010/2009 (%)
Electricity procured			
Generated in-house (gross)	33,163	34,034	102.6
In-house and other consumption, including pumping in	(3,035)	(3,168)	104.4
Supplied to customers	30,128	30,866	102.4
Grid losses	(2,893)	(3,912)	135.2
Purchased for distribution and sale	9,232	12,269	132.9
Electricity procured, total	36,467	39,223	107.6
Electricity used			
Sold to end customers	20,067	22,280	111.0
of which: sold to end customers in CEZ Group, including sales to cover grid losses	1,116	1,134	101.6
Sold in the wholesale market (net)	16,400	16,943	103.3
of which: sold outside of CEZ Group	62,519	77,671	124.2
purchased outside of CEZ Group	(46,119)	(60,728)	131.7
Electricity used, total	36,467	39,223	107.6

Changes in CEZ Group Ownership Interests

Czech Republic

- The subsidiary Elektrárna Chvaletice a.s. was formed on February 1, 2010. It was established for the purpose of splitting off the Chvaletice Power Station organizational unit from ČEZ, a. s. This had not yet occurred as of the closing date of this Half-Year Report.
- On April 6, 2010, a 100% stake was acquired in the company FVE Buštěhrad a.s.
- On May 5, 2010, a 100% stake was acquired in the company Bioplyn technologie s.r.o.
- On May 7, 2010, ČEZ, a. s. purchased a 85% stake in the company Teplárna Trmice, a.s.
- On May 7, 2010, by purchasing Teplárna Trmice, a.s., CEZ Group acquired a 19.6% stake in the company Tepelné hospodářství města Ústí nad Labem s.r.o.
- On May 10, 2010, a 65% stake in the company ULITEP, spol. s r.o., a supplier of heat and hot water meters, was acquired.
- On June 10, 2010, ČEZ, a. s. became the 100% owner of the company eEnergy Ralsko a.s., whose principal business is a project to build a solar power plant with 25 MW of installed capacity in Ralsko, the former military training ground.
- On June 10, 2010, the company 3 L invest a.s., which is 100% owned by the company eEnergy Ralsko a.s., passed to CEZ Group.

after the end of H1 2010:

- July 8, 2010 saw the purchase of shares in the company FVE Vranovská Ves a.s., which is building a solar power plant through its 100% subsidiary DOMICA FPI s.r.o.

Kingdom of the Netherlands

- On January 26, 2010, Mibrag B.V. ceased to exist when it was merged into its parent, the German company JTSD - Braunkohlebergbau GmbH.

Federal Republic of Germany

- On February 19, 2010, MIBRAG Neue Energie GmbH was incorporated. For a description of its businesses, see the chapter "CEZ Group Operations Abroad".

Republic of Turkey

- On May 20, 2010, the company Ickale Enerji Elektrik Üretim ve Ticaret A.S. was incorporated. For a description of its businesses, see the chapter "CEZ Group Operations Abroad".

Romania

- On June 30, 2010, stakes in an amount representing a 0.00000139% stake in CEZ Distribuție S.A. and CEZ Vanzare S.A. were transferred to CEZ Poland Distribution B.V. In both cases the stake corresponds to one share.

after the end of H1 2010:

- On July 28, 2010, a 37% stake was acquired in CEZ Servicii S.A. from the minority shareholder Electrica S.A., making ČEZ the 100% owner of CEZ Servicii S.A.

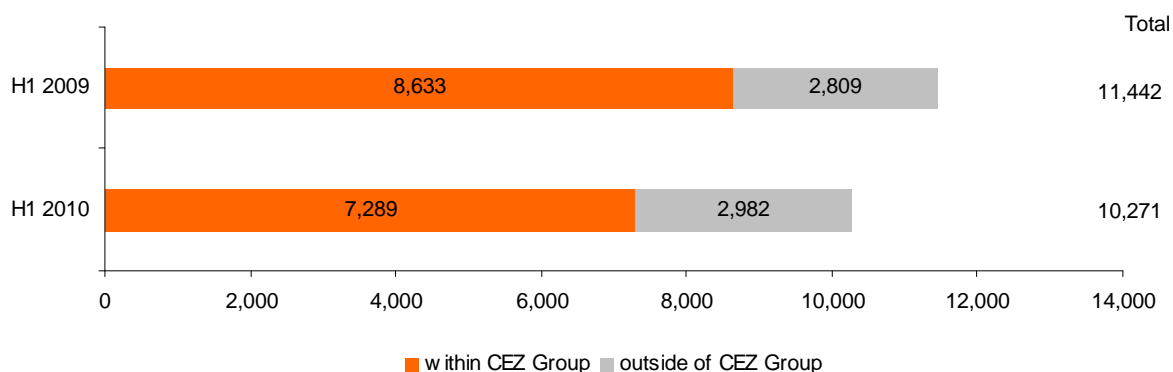
CEZ Group Operations in the Czech Republic

Coal Mining

CEZ Group's brown coal mining operations in the Czech Republic are run by the company Severočeské doly a.s. in its mines, Nástup Tušimice and Bílina.

In H1 2010, the company sold a total of 10.3 million tons of coal, 1.2 million tons of coal less than in the same period of 2009. An active sales policy brought a 173,000-ton (+6.2%) increase in sales of sorted coal outside of CEZ Group. A decline in coal sales to ČEZ, a. s. resulted from the ongoing renewal of the Ledvice and Tušimice Power Stations, as well as from lower consumption at Chvaletice Power Station.

Coal Sales (kt)



Capital Expenditure

Severočeské doly invested a total of CZK 1,307 million in mining of raw materials in H1 2010. The investments went to commission new mining equipment, upgrade mining machines and long-distance belt conveyor systems, build protective measures at the Tušimice and Bílina sites and, last but not least, purchase land to enable mining operations to go forward.

Continued Mining Operations at Bílina Mine

On July 29, 2010, the Ministry of the Environment of the Czech Republic issued a consenting opinion on preserving and continuing in brown coal mining operations at the Bílina Mine of Severočeské doly for a period of five years. Consent is conditional upon compliance with certain conditions, both in the mining preparation phase and during the mining phase itself. For the most part, this involves taking environmental measures such as, e.g., preserving topsoil and utilizing it quickly in land reclamation, limiting and monitoring noise, anti-dust measures, and relocation of aquatic flora and fauna to alternative habitats.

Also stipulated was protection of the Bílina spas – in the form of a requirement to comply with a decree of the North Bohemian Regional National Committee in Ústí nad Labem which defined a protective zone for the natural healing springs of the spa town of Bílina, as well as with a requirement of the Czech Inspectorate of Spas and Hot Springs to ensure that mining operations do not compromise the bedrock.

By 2011, Severočeské doly a.s. must complete the Bílina Mines Decommissioning and Reclamation Master Plan including the creation of a sufficient number of sufficiently diverse areas where more flora and fauna can live permanently in the future.

Generation of Electricity

Installed Capacity

As of June 30, 2010, CEZ Group companies in the Czech Republic owned generation plants with an aggregate total installed capacity of 12,552 MW (of which, nuclear power plants accounted for 3,830 MW, coal-fired power plants 6,758 MW, hydro power plants 1,935 MW, and wind, solar, and biomass power plants 29 MW).

Year-on-year change in installed capacity:

• coal, gas, and CCGT power plants and power heating plants	+149.00 MW
• Trmice Power Heating Plant	+158.00 MW
• Jindřichův Hradec heavy heating oil turbine	+2.50 MW
• correction of biomass turbine rating	+0.50 MW
• Dvůr Králové nad Labem Power Heating Plant (turbine outage)	-12.00 MW
• hydro power plants	+2.20 MW
• Spytihněv power plant (completed rebuild)	+1.40 MW
• Mělník power plant	+0.60 MW
• Předměřice nad Labem power plant (completed rebuild)	+0.50 MW
• Veselí nad Moravou (sold)	-0.30 MW
• wind and solar power plants	+27.02 MW
• Žabčice solar power plant	+5.60 MW
• Čekanice u Tábora solar power plant	+4.50 MW
• Věžnice wind power plant	+4.10 MW
• Janov wind power plant	+4.00 MW
• Hrušovany n. Jev. solar power plant	+3.80 MW
• Bežerovice solar power plant	+3.00 MW
• Chýnov u Tábora solar power plant	+2.00 MW
• Přelouč solar power plant	+0.02 MW

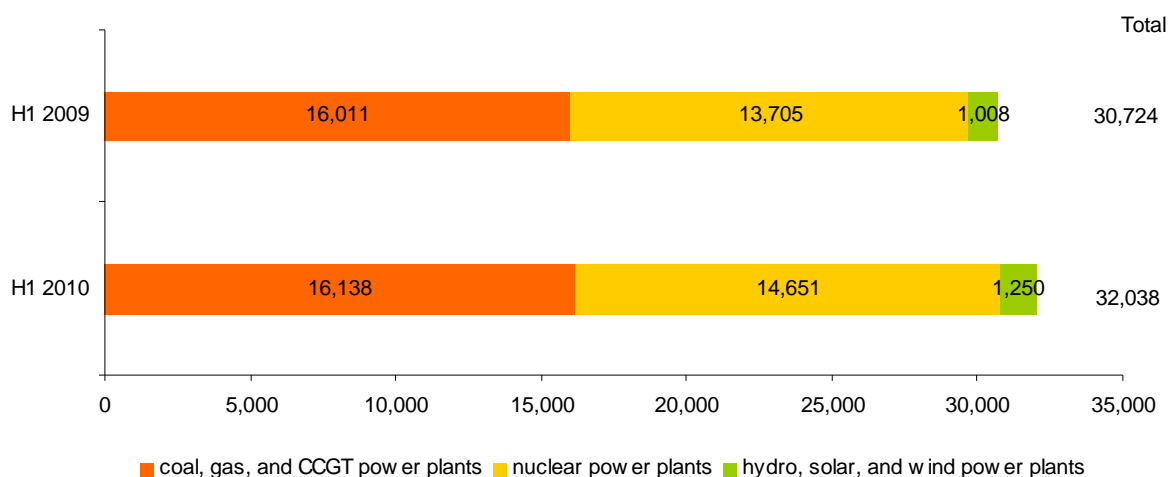
Generation of Electricity

In H1 2010, 32,038 GWh of electricity was generated in CEZ Group power plants in the Czech Republic, up 1,314 GWh (+4.3%) year-on-year.

The biggest contributors to the higher generation figure were Dukovany and Temelín Nuclear Power Stations, where generation grew 945 GWh year-on-year. Another significant rise in generation was reported by renewable sources, where higher flow rates at hydro power plants and new acquisitions led to a 242 GWh year-on-year increase in generation. A new member of CEZ Group, Trmice Power Heating Plant, contributed 28 GWh.

Electricity generated in nuclear power plants increased year-on-year from 44.6% to 45.7% when expressed as a percentage of overall CEZ Group generation volume in the Czech Republic.

Generation of Electricity by CEZ Group in the Czech Republic, Gross (GWh)



Generation of Electricity from Renewable Sources

In the Czech Republic, electricity from renewable sources is generated by ČEZ, a. s., ČEZ Obnovitelné zdroje, s.r.o., and Energetické centrum s.r.o.

Generation of Electricity from Renewable Sources in the Czech Republic (MWh)

	H1 2009	H1 2010	Index 2010/2009 (%)
CEZ Group in the Czech Republic, total	972	1,135	116.8
ČEZ, a. s.	853	964	113.0
Other CEZ Group members in the Czech Republic	119	171	143.8
Hydro power plants, total (excluding pumped-storage)	802	968	120.8
ČEZ, a. s.	687	823	119.8
Other CEZ Group members in the Czech Republic	115	145	126.7
of which:			
Power plants with installed capacity of 10 MW or less	97	123	126.7
ČEZ, a. s.	28	34	121.4
Other CEZ Group members in the Czech Republic	69	89	128.9
Solar power plants, total	0	8	187,600.0
ČEZ, a. s.	0	0	100.0
Other CEZ Group members in the Czech Republic	0	8	x
Wind power plants, total	0	4	x
ČEZ, a. s.	0	0	x
Other CEZ Group members in the Czech Republic	0	4	x
Combustion of biomass, total	170	155	91.1
ČEZ, a. s.	166	141	85.0
Other CEZ Group members in the Czech Republic	4	14	334.1

Capital Expenditure

Nuclear Energy

Capital expenditure in nuclear energy (including purchase of nuclear fuel) totaled CZK 3,820 million in H1 2010.

At Dukovany Nuclear Power Station, a planned outage of Unit 2 took place for partial refueling, during which some smaller capital projects took place to upgrade equipment in the unit. Currently, preparatory work is ongoing for another phase in the utilization of full reactor unit design capacity, which Unit 4 of Dukovany Nuclear Power Station is scheduled to undergo in Q4 2010. Units 1 and 3 will experience shorter outages..

At Temelín Nuclear Power Station, there was a refueling outage on Unit 2. Among the most important planned projects were tests of the CASTOR container systems. Based on checks of the blades on

low-pressure components of the turbines conducted during the outage, it was decided to send all of these components to the plant of origin for repair and rebalancing.

The construction of the Temelín spent fuel storage facility is practically finished, and final checks of the facility are underway. All necessary permit applications have been filed. A permit to handle nuclear materials in the spent fuel storage facility was obtained.

Completion of Temelín Nuclear Power Station

On May 31, 2010, documentation on the environmental impact of the planned “New nuclear source at the Temelín site, including output connection to the Kočín substation” was submitted to the Ministry of the Environment of the Czech Republic. This is another step in the Environmental Impact Assessment process, which is based on the fact-finding proceedings commenced on July 8, 2008 (when the plan was made public), and their conclusions from February 2009. In the course of preparing the documentation, no facts were found that would hinder further preparation of the new reactor units from the perspective of environmental impact. Possible impacts on public health and the environment do not exceed the relevant statutory limits, even when the effect of parallel operation of the existing power plant is taken into account.

The Ministry of the Environment of the Czech Republic published this documentation in the information system on June 29, 2010 and is also sending it out to affected municipalities, the South Bohemian Region, government agencies, as well as to Austria and Germany. Upon conclusion of the EIA process, the Ministry of the Environment will issue an opinion. This constitutes a necessary part of the underlying materials that will be used by the relevant government agencies to issue subsequent decisions.

On June 29, 2010 – in the course of its administrative proceedings – the State Office for Nuclear Safety approved the Quality Assurance Program for the activity of placing the nuclear equipment “Units 3 and 4” at the Temelín Nuclear Power Station site.

Public Tender to Expand Temelín Nuclear Power Station

In H1 2010, RFP proceedings continued in the tender (public contract no. 60034603) “Completion of Temelín Nuclear Power Station” of submitter ČEZ, a. s., which was officially commenced on August 3, 2009 when it was made public through the public tender information system. The anticipated scope of the contract is design, documentation, engineering, manufacture of equipment, delivery, construction, installation, testing, and commissioning of the third and fourth complete units of the nuclear power plant in the form of turn-key deliveries from a single supplier, including fuel assemblies. Both units will be of identical design using a Pressurized Water Reactor (PWR) concept, and each of them will have a net electricity output higher than 1,000 MW_e. The following parties submitted applications to participate in the proceedings: **Westinghouse Electric Corporation** (together with Westinghouse Electric Company Czech Republic), **AREVA NP**, and the consortium of **Skoda JS together with Atomstroyexport and JSC OKB Gidropress**. All of the candidates that submitted timely applications for participation in the RFP proceedings for the public contract “Completion of the Temelín Nuclear Power Station” met the requirements for qualification which included, *inter alia*, demonstration of their ability to build and commission the newest generation of reactors (generation III or III+) with increased reliability, perfected safety systems, high passive safety, and modern containment buildings (structure enclosing a nuclear reactor). The qualification stage was officially completed on February 17, 2010, when its results were announced.

All the qualified candidates participated in an Information Meeting held on March 10, 2010, which marked the beginning of the next stage of the tender. On April 20–21, 2010, a Site Visit was held directly in Temelín Nuclear Power Station, involving three representatives of each qualified participant. Due to the complex nature and extensive scope of the contract, Consulting Meetings were held with the qualified participants in May and June 2010 – i.e., before the call to submit bids was sent out – in order to arrive at the best possible definition of the scope, boundaries, and terms of the project. As of the closing date of the Half-Year Report, the RFP documentation was being revised and clarified on the basis of these meetings.

Coal-Fired and CCGT Plants

During H1 2010, ČEZ, a. s. expended a total of CZK 8,171 million, including capitalized interest, on power plant renewal and building of new generation capacity.

As Phase 1 was completed on the retrofit of Tušimice II Power Station (4 x 200 MW), certification tests and a guarantee test were conducted on Units 23 and 24. As part of Phase 2, all dismantling of legacy equipment was completed – i.e., approximately 90% of the equipment (boilers, turbines, generators) – and installation work began: generators 21 and 22 were hoisted into position and turbine components are being installed on Unit 22.

At Prunéřov II Power Station (3 x 250 MW), the contracting process continued on more commercial packages. Coordinated basic design documentation is being drawn up.

On April 29, 2010, the Ministry of the Environment issued a positive EIA opinion which, among other things, stipulated stricter emission values for concentrations of solid pollutants, SO₂, and CO. At the same time, the annual emission ceiling for the Prunéřov was made stricter. Based on the EIA opinion, the Documentation for Zoning Proceedings was updated and submitted to the relevant government agencies and infrastructure providers for comment. The application for a zoning permit was filed on July 30, 2010.

In the project to build a new plant in Ledvice (660 MW), the construction portion of the coal loading cladding and reloading tower was completed above the machine-room that separates them. The main weight-bearing boiler structure has been built up to four stores in height (90 meters out of a total 132 meters). Cooling water pipes for the turbine capacitors and installation of cooling tower cladding are nearly complete.

On June 16, 2010, a consenting opinion of the Ústí Regional Authority was obtained for construction of a CCGT power plant at Počerady Power Station and June 30, 2010 saw the renewal of zoning proceedings that had been suspended since January 2010. Conceptual plans were drawn up and documentation for the Integrated Pollution Prevention and Control (IPPC) permit was finalized.

Renewable Sources

ČEZ, a. s. invested CZK 21 million in hydro power plants. Here, the biggest project was the overhaul of a turbogenerator at Slapy Power Station.

ČEZ Obnovitelné zdroje invested CZK 18.9 million in hydro power plants and CZK 11.0 million in completion of the Věžnice wind power plant.

A total of CZK 988.9 million was spent on construction of the Buštěhrad and Ševětín solar power plants. Overall, outlays for renewable sources totaled CZK 1,062.7 million.

Heat

Sales of Heat (TJ)

	H1 2009	H1 2010	Index 2010/2009 (%)
ČEZ, a. s.	1,657	1,730	104.4
ČEZ Teplárenská, a.s.	3,280	3,512	107.1
ČEZ Energetické služby, s.r.o.	81	61	75.4
Energetické centrum s.r.o.	16	73	456.8
Teplárna Trmice a.s.	0	205	x
Total	5,034	5,581	110.9

Higher supplies of heat from ČEZ, a. s. and ČEZ Teplárenská, a.s. are attributable primarily to higher heat use during Q1 2010, due to the long winter. Energetické centrum s.r.o. was included in the H1 2009 results only from April. Another new arrival in the consolidated heat statement is Teplárna Trmice, a.s., which supplies heat mostly to the City of Ústí nad Labem.

Capital Expenditure

Capital expenditure in the area of heat generation and distribution totaled CZK 56.0 million in H1 2010. The heat supply line between Dětmárovice Power Station and the City of Bohumín, currently in its final

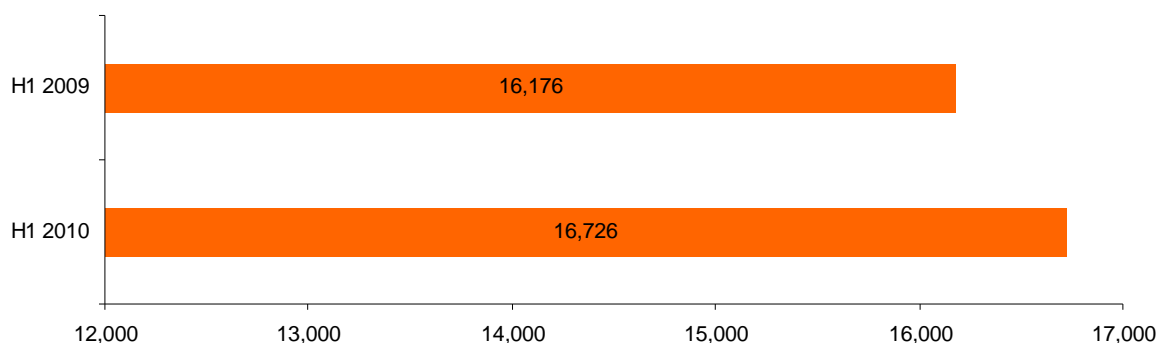
stage, required an outlay of CZK 30 million, and insulation was replaced over the entire length of the heat supply line from Hodonín Power Station to the Town of Holíč in the Slovak Republic.

Distribution & Sale of Electricity

Distribution of Electricity

In the Czech Republic, electricity is distributed by the company ČEZ Distribuce, a. s., which supplied a total of 16.7 TWh of electricity to end customers in H1 2010. The main factors driving the 3.4% year-on-year growth were economic recovery and an upswing in electricity use by large end-customers.

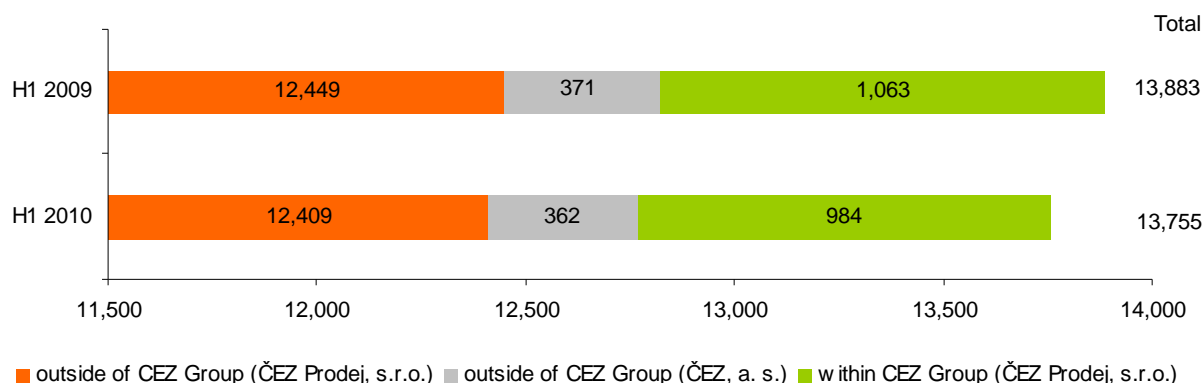
Electricity Distributed to End Customers in the Czech Republic (GWh)



Sale of Electricity

In the Czech Republic, CEZ Group sells electricity above all through the company ČEZ Prodej, s.r.o., which in H1 2010 sold a total of 12.4 TWh of electricity to end customers outside of CEZ Group, i.e. approximately the same amount as in 2009. The volume sold within the Group fell due to lower sales of electricity to ČEZ Distribuce to cover losses, as this company is being forced to cover more and more of its requirement out of mandatory purchasing of electricity generated from renewable sources.

Sales of Electricity to End Customers in the Czech Republic (GWh)

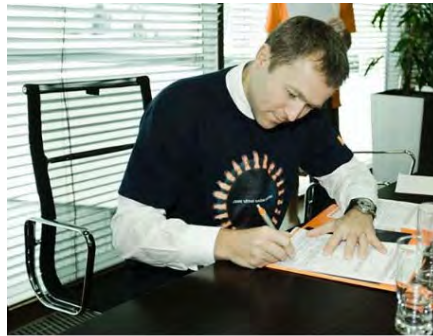


Capital Expenditure

In H1 2010, CEZ Group capital outlays in the distribution and sale area in the Czech Republic reached CZK 4.7 billion, up 4% year-on-year. The expenditures went primarily on building transformer and distribution stations. Investments in projects initiated by customers totaled CZK 1.6 billion.

Natural Gas

On June 3, 2010, CEZ Group (through ČEZ Prodej) began offering natural gas to residential customers in the Czech Republic. By June 30, 2010 the number of customers with contracts had reached 13,352. Physical supply of natural gas will begin later in 2010 or in 2011. Customers who entered into a gas supply contract with ČEZ Prodej were guaranteed – until the end of 2011 – a price no less than 5% lower than offered by the dominant natural gas supplier in the given distribution service area. Those customers who managed to enter into the contract by July 31, 2010 will receive a CZK 500 bonus for each connection point. The bonus will be paid when supplies start.



ČEZ, a. s. CEO and Chairman of the Board of Directors, Martin Roman, signs a contract on supply of natural gas from CEZ Group for his household.

Other Areas

Capital Expenditure

CZK 265.8 million in capital expenditures went on information systems – primarily to develop an economic information system from the company SAP AG. A total of CZK 74.0 million was spent to renew the vehicle fleet, CZK 71.9 million of which was designated for trucks and specialized vehicles (e.g. work machines, gritting vehicles, tankers, dump trucks, cranes).

Legislative Environment

Since the closing date of the 2009 Annual Report, a major amendment of the Public Procurement Act (Act No. 167/2006 Sb.) was passed. The changes included in Act No. 179/2010 Sb. are due to take effect on September 15, 2010, with the exception of one provision that already took effect on June 15, 2010. This is an amendment that implements Directive 2007/66/EC of December 11, 2007. The principal objective of the amendment is to correct the Act's application-related shortcomings and make it less formalistic in approach, as well as to make RFP proceedings more transparent and streamline the procedures for participants.

The Commercial Code (Act No. 513/1991 Sb.) was amended by Act No. 152/2010 Sb., which takes effect on September 1, 2010. The amendment focuses on competition law, newly expanding the definition of persons protected against unfair competitive practices to include entities that are not businesses and which are called customers by the Act.

An amendment of Act No. 180/2005 Sb. on Support for Generation of Electricity from Renewable Sources of Energy, implemented by Act no. 137/2010 Sb., which took effect on May 20, 2010, provides a new treatment of the system for supporting generation of electricity from renewable sources.

The “Futuremotion – Energy of Tomorrow” Project

On April 29, 2010 an agreement was signed between ČEZ, a. s. and the City of Vrchlaví in Northeastern Bohemia, formally commencing the Smart Region project, which involves covering the selected region with a smart distribution grid.

A network of charging stations for electric bicycles was built in Dalešice and ČEZ, a. s. became a partner of this initiative by defraying the costs of building eight charging stations in the surrounding area and purchasing electric bicycles. One of the charging stations is located directly in front of the Dukovany Nuclear Power Station Information Center.

CEZ Group Operations Abroad

Republic of Poland

Generation of Electricity

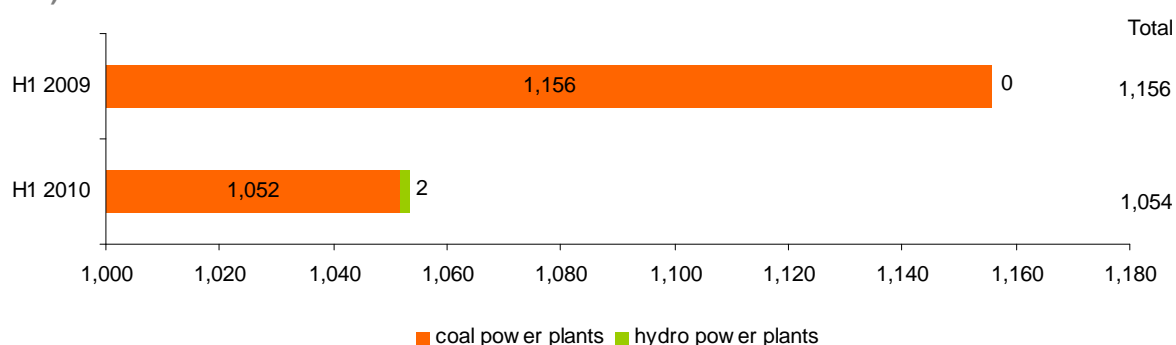
Installed Capacity

As of June 30, 2010, CEZ Group owned power plants in the Republic of Poland with a total installed capacity of 730 MW. Of this figure, black-coal power plants accounted for 728 MW and hydro power plants 2 MW.

Generation of Electricity

In H1 2010, CEZ Group power plants in the Republic of Poland generated 1,054 GWh of electricity, i.e. 102 GWh less than in the same period of 2009, due to lower electricity prices.

Generation of Electricity in Poland, Gross (GWh)



Generation of Electricity from Renewable Sources

The Skawinka small-scale hydro power plant generated 1.6 GWh in H1 2010, while in the same period of 2009 this plant was shut down for overhaul.

Generation of Electricity from Renewable Sources in Poland (MWh)

	H1 2009	H1 2010	Index 2010/2009 (%)
Power plant with installed capacity of 10 MW or less	0	1,599	x
Combustion of biomass	70,866	80,394	113.4
Total	70,866	81,993	115.7

By increasing the efficiency of their biomass combustion processes, the Polish power plants grew generation from biomass by 9.5 GWh (+13.4%) compared to the comparable period of 2009.

Capital Expenditure

The bulk of capital outlays in Poland related to increasing the share of biomass combusted. Specifically, they went on installation of equipment for combusting wood dust in Skawina Power Station.

Heat

In H1 2010, Polish power plants supplied 3,268 TJ of heat, up 583 TJ (+22%) from the same period of 2009. One of the main reasons was colder weather in early 2010 compared to 2009.

Changes in Ownership Interests in Poland

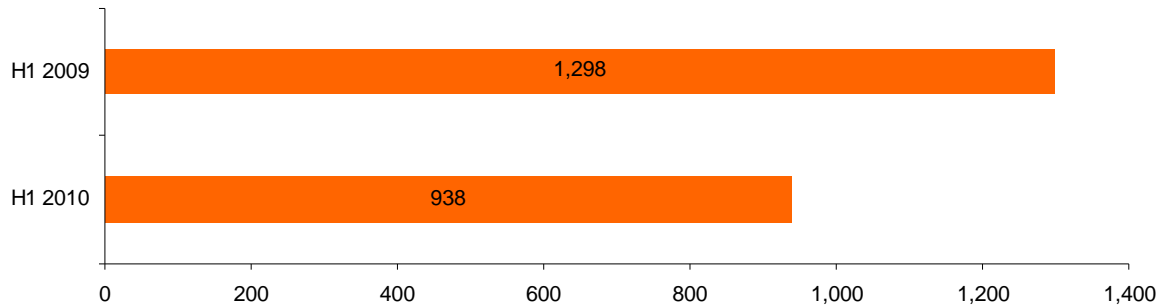
A change in the stated capital of **CEZ Polska sp. z o.o.** was registered in February 2010. The stated capital was increased from its original level of PLN 6,900,000 to PLN 9,389,000.

Republic of Bulgaria

Generation of Electricity

In Bulgaria, black coal Varna Power Station (1,260 MW of installed capacity) produced 938 GWh of electricity in H1 2010, down 360 GWh from the same period of 2009. The main reason for the decline was reduced production in response to lower electricity prices in the free market.

Generation of Electricity in Bulgaria, Gross (GWh)

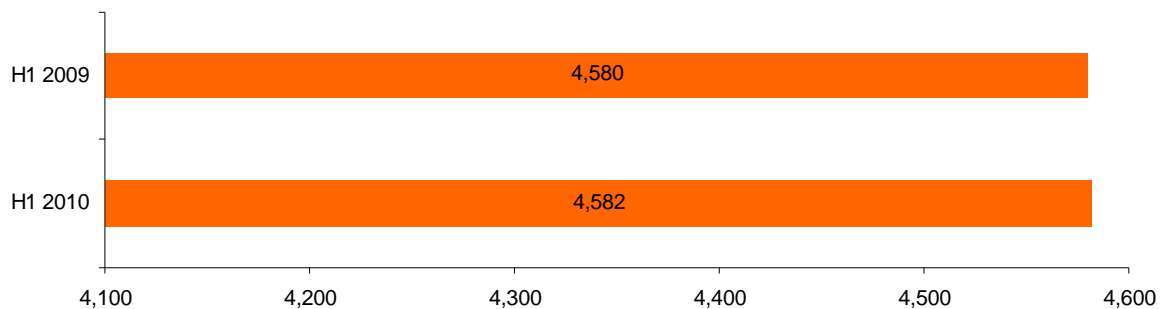


Distribution & Sale of Electricity

Distribution of Electricity

The volume of electricity distributed in Bulgaria by the company CEZ Razpredelenie Bulgaria AD, a member of CEZ Group, remained at the same level in y-o-y comparison. The crisis continued to manifest itself at companies that use electricity at the medium- and low-voltage levels, where consumption fell 3% year-on-year. This, however, was offset by higher residential consumption as new connection points were connected to the distribution grid.

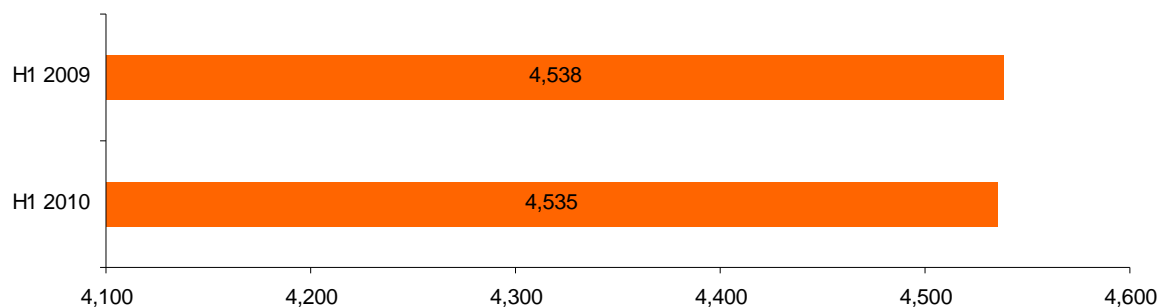
Distribution of Electricity to End Customers in Bulgaria (GWh)



Sale of Electricity

The entity that sells electricity in Bulgaria is CEZ Elektro Bulgaria AD. Sales, like distribution, remained unchanged from H1 2009.

Sales of Electricity to End Customers in Bulgaria (GWh)



Capital Expenditure

Capital outlays in Bulgaria totaled CZK 413 million and went in particular on medium- and low-voltage grid build-outs, increasing of grid density by the addition of new transformers, new connections, and replacement of electric meters connected with their relocation for better accessibility.

Changes in Ownership Interests in Bulgaria

There have been no material changes since the previous comparable period.

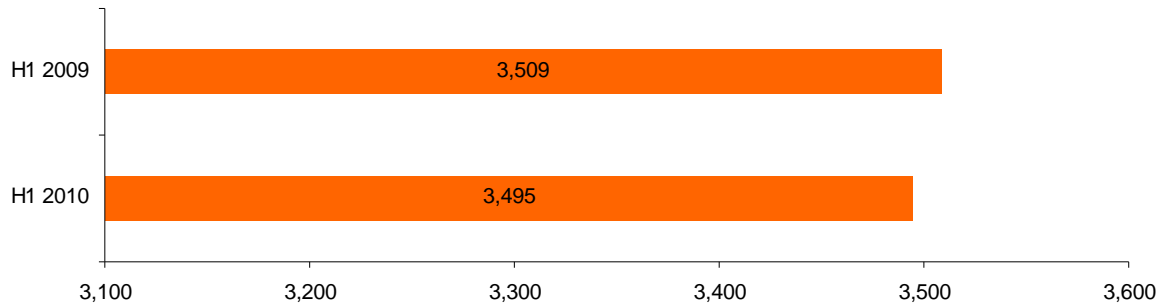
Romania

Distribution & Sale of Electricity

Distribution of Electricity

In Romania, electricity is distributed by the company CEZ Distribuție S.A. The volume of electricity distributed fell by 14 GWh in year-on-year terms, to 3,495 GWh.

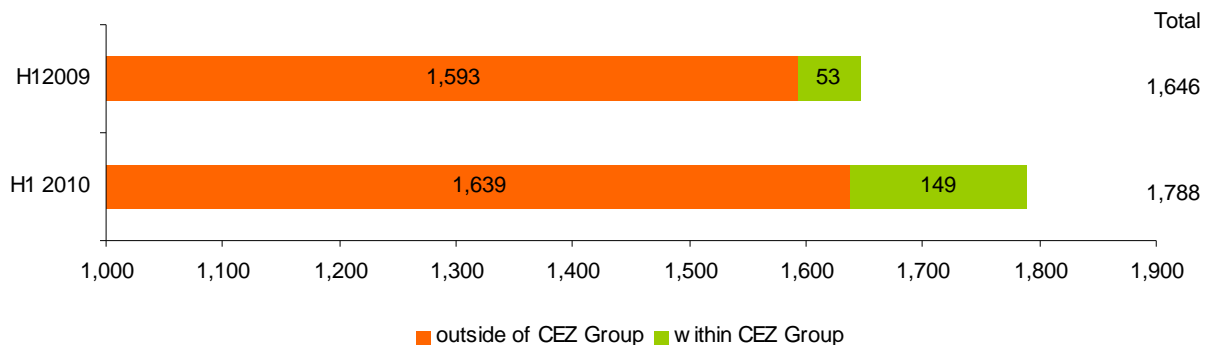
Electricity Distributed to End Customers in Romania (GWh)



Sale of Electricity

In Romania, CEZ Group sells electricity through the company CEZ Vanzare S.A., which in H1 2010 sold a total of 1,788 GWh to end customers, up 142 GWh year-on-year.

Sales of Electricity to End Customers in Romania (GWh)



Generation of Electricity

CEZ Group is building the Fântânele and Cogeaalac wind farms in Constanța County, Romania at a total capital outlay of EUR 1.1 billion (approximately CZK 28 billion). The Fântânele wind farm will consist of 139 wind power plants with a total installed capacity of 347.5 MW. The Cogeaalac wind farm is to have 101 wind power plants with a total installed capacity of 252.5 MW and its commissioning is planned for 2011. This is already the largest inland wind farm in Europe and its planned installed capacity is 1.86 times greater than Scotland's Whitelee, the previous largest wind farm of this type.

On May 27, 2010 Transelectrica, the transmission grid operator, connected the main 110/400 kV transformer station in Tariverde to the power system. Subsequently, on June 1, 2010 the first turbine of the Fântânele wind farm was brought on line. As of June 30, 2010, 114 windmills had been erected at the site, 47 of which had been connected to the grid. The volume of electricity generated by the facility in H1 2010 reached 3,473 MWh.

Capital Expenditure

A total of CZK 1,497 million was spent on capital projects in Romania. In particular, the capital outlays went to build the Fântânele and Cogeaalac wind farms (CZK 896 million), distribution assets, and new electric meters (CZK 569 million).

On July 13, 2010, CEZ Group announced – in response to a question posed by Romanian authorities – that it is withdrawing from the project to build a 400 MW CCGT power plant at the CET Galați site.

The pre-feasibility study that was carried out showed that the project is unfeasible due to the high costs associated with building a gas pipeline and the necessity of demolishing certain structures owned by the power company CET Galați.



Changes in Ownership Interests in Romania

In March 2010, the companies **Tomis Team S.R.L.**, **Ovidiu Development S.R.L.**, and **MW Team Invest S.R.L.**, all of which are involved in building and operating the Fântânele and Cogealac wind farm, moved from Constanța to Bucharest.

In April 2010, the stated capital of **Energonuclear S.A.** was raised from the original amount of RON 19,694,500 to RON 80,926,000. ČEZ, a. s. owns a 9.15% stake in the company.

In accordance with a provision of Romanian legislation that enables equity stakes to be concentrated into the hands of a sole shareholder only temporarily (for up to nine months), stakes in an amount representing a 0.00000139% stake in the companies **CEZ Distribuție S.A.** and **CEZ Vanzare S.A.** were transferred to the Dutch company CEZ Poland Distribution B.V. As a result, ČEZ, a. s. now owns identical stakes of 99.99999861% in both companies. This change took place as of June 30, 2010.

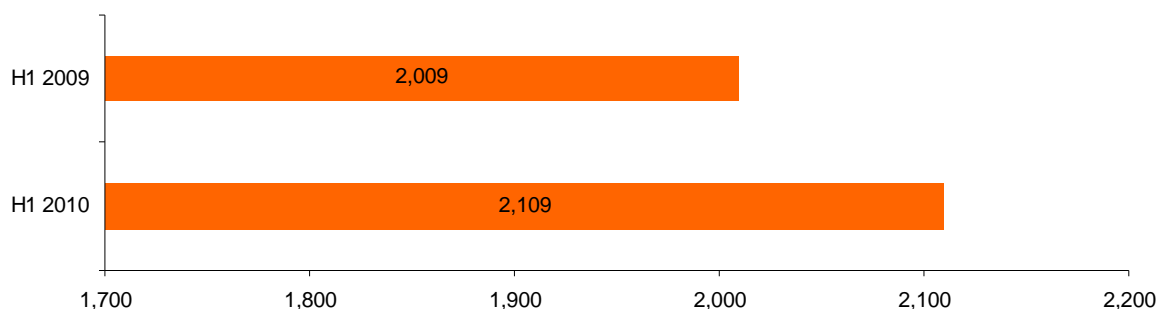
Republic of Albania

Distribution & Sale

Distribution of Electricity

Operatori i Sistemit te Shperndarjes Sh.A. is the sole distribution company in Albania. In the first half of 2010 it distributed to its customers a total of 2,109 GWh of electricity, up 100 GWh from the same period of 2009. This five-percent growth in the volume of electricity distributed reflects the trend of the past few years and is related to ongoing structural changes in the Albanian economy. Electricity consumption, which until now has been far below levels commonly seen elsewhere in Europe, is thus confirming its promising potential for long-term growth.

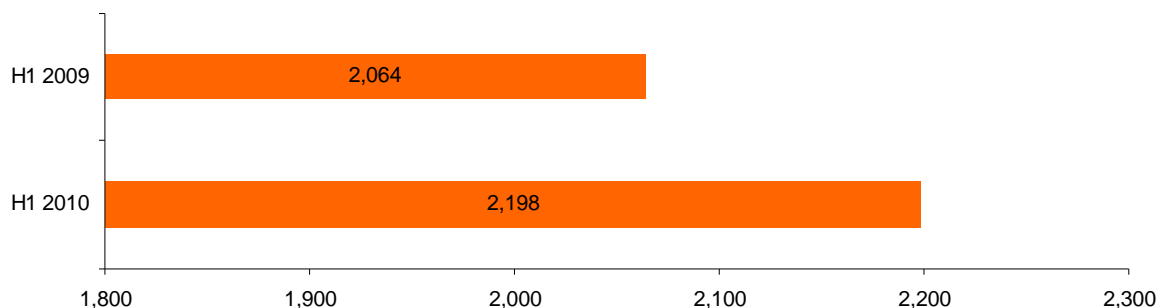
Electricity Distributed to End Customers in Albania (GWh)



Sale of Electricity

In H1 2010, Operatori i Sistemit te Shperndarjes Sh.A. sold a total of 2,198 GWh of electricity to end customers, up 134 GWh (+6.5%) year-on-year.

Sales of Electricity to End Customers in Albania (GWh)



Capital Expenditure

Capital expenditures exceeded CZK 200 million for the first six months of the year 2010. Of this figure, CZK 110 million was utilized for distribution grid renewal and renovation. Another significant item was the installation of new electric meters (CZK 60 million). Other amounts went toward improving IT infrastructure and logistics.

Changes in Ownership Interests in Albania

There have been no changes since the comparable period of last year.

Republic of Turkey

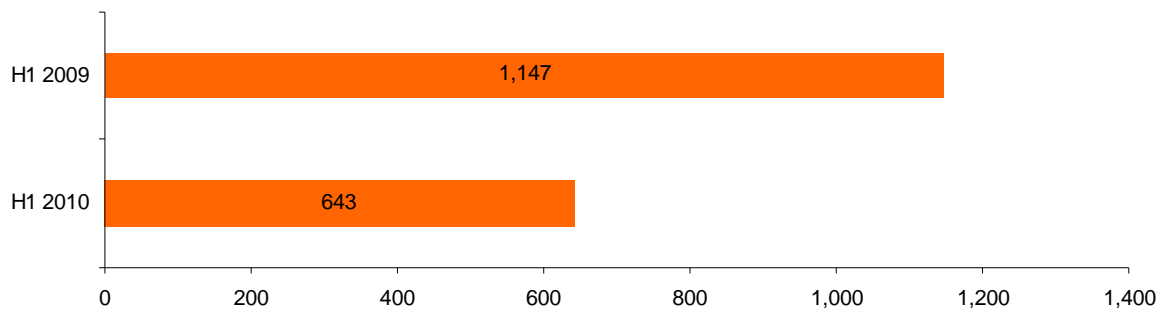
Generation and Sale of Electricity

The Turkish electricity market is partially liberalized; however, only a small portion of production is traded through the unregulated market. The bulk of electricity produced in the country is provided, at cost-regulated prices, through State-owned enterprises or other enterprises that hold long-term contracts with the State's wholesale company, TETAŞ (Türkiye Elektrik Ticaret ve Taahhüt A.Ş.). In December 2009 a Day-Ahead Market and a balancing market for deviations were split off. This change substantially increased the effectiveness and transparency of price-setting. Thanks to the transition to the Day-Ahead Market, in late 2009 and early 2010 there was a sharp rise in Akenerji Group's trading volumes. This change had a positive impact on the company's earnings and partially offset the decline in sales revenues brought about by lower prices.

Electricity is produced by the company Akenerji Elektrik Üretim A.Ş. and its subsidiaries. Generation in the existing gas-fired power plants Çerkozköy, Bozüyük, and İzmir-Kemalpaşa was negatively impacted by lower demand and lower prices caused by the creation of the Day-Ahead Market, since from that time on it no longer made economic sense for these power plants to generate electricity during off-peak hours. We anticipate that electricity from newly-built hydro power plants will be competitive even at the current price levels seen on the Day-Ahead Market. If electricity prices were to rise, it would then be possible to renew production in the existing gas-fired plants even during off-peak hours.

In H1 2010, Akenerji generated a total of 643 GWh of electricity. Its installed capacity as of June 30, 2010 was 372.6 MW (excluding Akocak Power Station).

Generation of Electricity in Turkey, Gross (GWh)



Gas for the power plants operated by Akenerji was purchased from the companies Boru Hatları ile Petrol Taşıma A.Ş. (BOTAŞ) and Bosphorus Gaz Corporation A.Ş.

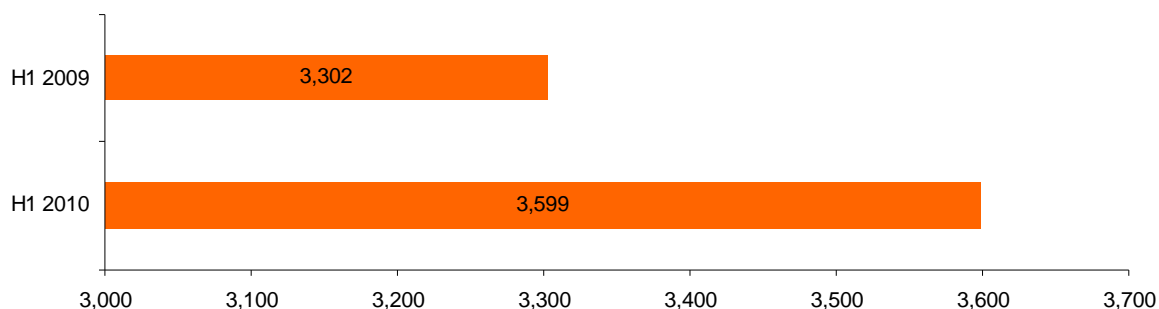
At present, Turkey is not a part of the European CO₂ emission rights market. As a result, there is no requirement to purchase emission rights for the gas-fired power plants operated by Akenerji, nor are they subject to any other special carbon tax.

The Çerkozköy and Bozüyük Power Stations generate heat as a by-product. It takes the form of process steam provided to industrial customers connected to the plant, not conventional residential district heating.

Distribution & Sale of Electricity

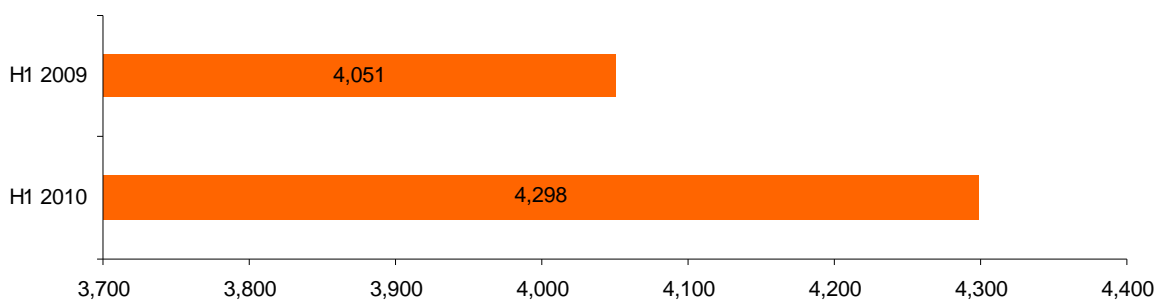
In Turkey, electricity is distributed and sold to end customers by regulated regional distribution companies. One of these is Sakarya Elektrik Dağıtım A.Ş., which is indirectly controlled by ČEZ company and AKKÖK Group (acquisition completed on February 11, 2009; ČEZ's effective stake in Sakarya Elektrik Dağıtım A.Ş. is approximately 44.3%). Sale and distribution of electricity are not fully unbundled in Turkey; at present, they are unbundled at the accounting level and organizational unbundling will be required starting in 2013. The year 2010 marks the end of the current regulatory period, which may be extended. Throughout the country, sales and distribution tariffs are regulated through an inter-region balancing allowance. We expect the parameters of the new regulatory period to be released in October 2010.

Electricity Distributed to End Customers in Turkey (GWh)



Electricity is sold by Sakarya Elektrik Dağıtım A.Ş. to end customers connected to the distribution and transmission grids within the Sakarya Elektrik Dağıtım A.Ş. distribution service area. The principal transformative changes in the reorganization of distribution services and customer care were completed in May 2010. The total amount of electricity distributed in H1 2010 was 3,599 GWh; the amount of electricity sold in the same period was 4,298 GWh.

Sales of Electricity to End Customers in Turkey (GWh)



Capital Investment

In the capital projects area, the following hydro power plants were under construction: Akocak (81 MW), Uluabat (100 MW), Bulam (7.1 MW), Burbendi (27.3 MW), Feke I (29.4 MW), and Feke II (70 MW). All the above power plants except Feke I are expected to be completed and commissioned in 2010. For the most part, the construction phases of these projects were completed and equipment installation was underway, including subsequent connection of the power plants to the grid. In June 2010, the Akocak Power Station on the Black Sea coast was completed (capital expenditure USD 124 million (approximately CZK 2.6 billion)) and the commissioning process commenced, with Unit 1 entering commercial operation on June 29. Unit 2 of this plant followed on July 29. In March, construction work began on another two hydro power plants: Himmetli (27 MW) and Gokkaya (28 MW).

Changes in Ownership Interests in Turkey

In May 2010 a new company, **Ickale Enerji Elektrik Üretim ve Ticaret A. Ş.**, was incorporated in Turkey. This is a 99.99% subsidiary of Akenerji Elektrik Üretim A. Ş., in which ČEZ, a. s. has a stake of 37.3614%. The company is engaged in the project to build the Kemah Power Station.

Remark: Generation, distribution, and installed capacity figures for the Turkish companies are not included in the consolidated values of these indicators for CEZ Group, as these companies fall within the category of associates and joint-ventures.

Federal Republic of Germany

In H1 2010, MIBRAG mbH extracted a total of 9.5 million tons of brown coal, up 0.3 million tons from the same period of 2009. The three power plants owned by MIBRAG generated 588 GWh of electricity. In addition, 589 TJ of heat was sold in H1 2010.

Changes in Ownership Interests in Germany

In January 2010, the Dutch company Mibrag B.V. was merged with JTSD Braunkohlebergbau GmbH. The legal successor is JTSD - Braunkohlebergbau GmbH. As a result of this transaction, JTSD - Braunkohlebergbau GmbH became the direct 100% owner of the German company Mitteldeutsche Braunkohlengesellschaft mbH.

In February 2010, the company Mibrag Neue Energie GmbH was incorporated in Germany. This is a 100% subsidiary of MIBRAG with stated capital of EUR 25,000 that is involved in building and operating a pilot wind farm at the Schleenhein Süd site. As of the closing date of the Half-Year Report, earthmoving work and preparation of roads were underway, and completion of permit proceedings was expected.

In July 2009, ČEZ, a. s. agreed with J & T Group, the co-owner of MIBRAG, that it will obtain (for a fee) the exclusive right to execute a project to build a new coal-fired power plant at the Profen site, with a planned installed capacity of approximately 600 MW. At present, a pre-feasibility study is underway.

Remark: Generation, distribution, and installed capacity figures for the German companies are not included in the consolidated values of these indicators for CEZ Group, as these companies fall within the category of associates and joint-ventures.

Bosnia and Herzegovina

Due to breach of the Implementation Agreement on the Gacko Project and failure by MH ERS to accept a put option, arbitration proceedings are now underway against the Government of the Republic of Serbia in Bosnia and Herzegovina, MH ERS, and RiTE Gacko. An arbitration tribunal has been constituted and the first phase – presentation of evidence – is ongoing.

Republic of Kosovo

CEZ Group removed the Republic of Kosovo from its list of target countries in Southeastern Europe. In March it announced that a consortium consisting of CEZ Group and the U.S. company AES, which since November 30, 2006 had been participating in a tender to build new generation capacity and renew an existing power plant, including development of the adjoining Sibovc coal mine, had decided, with regard to the considerable delay in the tender and a change in the project's parameters, to withdraw from the tender and no longer participate in it. The consortium was wound up as well.

Securities, Shareholders, and the General Meeting of ČEZ, a. s.

As of June 30, 2010 the total stated capital of ČEZ, a. s. recorded in the Commercial Register was CZK 53,798,975,900.

As of June 22, 2010, ČEZ, a. s. had 125,916 shareholders.

Shareholder Structure (%)

	Stake in stated capital at May 7, 2009 ¹⁾	Stake in voting rights	Stake in stated capital at June 22, 2010 ²⁾	Stake in voting rights
Legal entities, total	94.79	94.75	94.37	94.33
Czech Republic	69.78	70.41	69.78	70.32
Other legal entities	4.04	3.18	4.42	3.68
of which: domestic	2.21	1.33	2.64	1.89
<i>of which: ČEZ, a. s.</i>	<i>0.89</i>		<i>0.76</i>	
<i>third parties</i>	<i>1.32</i>	<i>1.33</i>	<i>1.88</i>	<i>1.89</i>
foreign	1.83	1.85	1.78	1.79
Asset managers	20.97	21.16	20.17	20.33
Private individuals, total	5.21	5.25	5.63	5.67
of which: domestic	5.08	5.12	5.47	5.51
foreign	0.13	0.13	0.16	0.16

1) strike date for participation in the 17th Annual General Meeting

2) strike date for participation in the 18th Annual General Meeting

Entities Holding Over 3% of the Shares of ČEZ, a. s. as of June 22, 2010

1. the Czech Republic held 69.78%
2. members of the UniCredit Bank financial group – total 10.16%
3. Citibank Europe plc (an asset manager) held 5.19%.
4. ČSOB + ČSOB-zvláštní účty + other members of the KBC financial group – total 3.40%

The stakes set out in numbers 2 through 4, above, are the sum of the number of shares owned by the entities themselves and shares for which they act as asset managers. In the latter case, ČEZ, a. s. has no way to find out who the real shareholders are.

On May 25, 2010, ČEZ, a. s. was informed by the legal counsel of the investment company Capital Research and Management Company, headquartered in the United States of America, that said company held an equity stake of 3.0345% in ČEZ, a. s. as of May 19, 2010. From the list of shareholders obtained as of June 22, 2010, however, ČEZ, a. s. determined that Capital Research and Management Company was not among the shareholders of ČEZ. It is possible that this investment company obtained its stake or part thereof through one or more asset managers, or through different shareholders acting in concert, or in some other way stipulated by law for evaluating participation in the voting rights of an issuer. In none of these cases, however, does ČEZ, a. s. have any way to determine the structure through which the investment company exercises its shareholder rights.

Credit Rating

In January 2010, the rating agency Standard & Poor's reaffirmed the long-term credit rating at A- with stable outlook. In December 2009, the rating agency Moody's reaffirmed the long-term rating at A2, also with stable outlook.

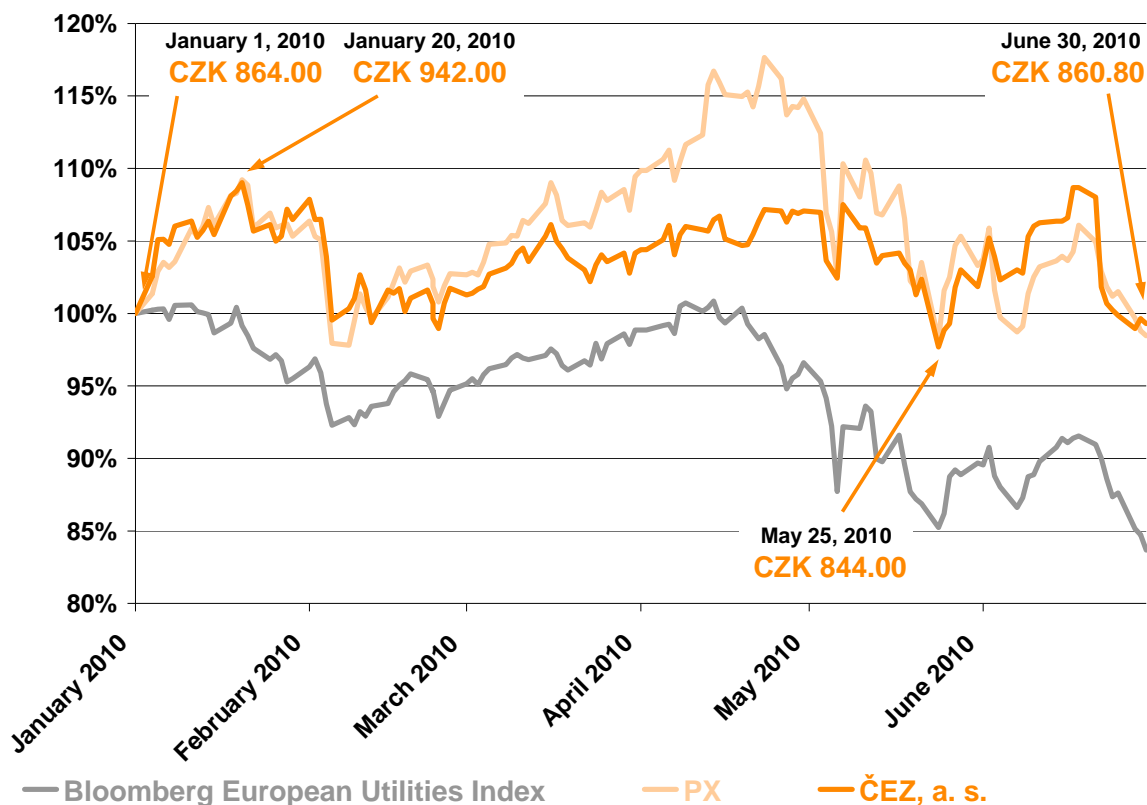
Payout of Dividends to Shareholders

Payout of the CZK 53/share gross dividend approved by the General Meeting on June 29, 2010 takes place in the period August 2, 2010 – August 2, 2014 through authorized banks.

The strike date for dividend payout was June 29, 2010. The ex-dividend date for purchase of shares on the Prague Stock Exchange's Main Market was June 23, 2010. Given the standard three-day period for settling trades on this exchange, the ex-dividend date would have been June 25; however, in the period June 28 – July 2, 2010 the Prague Securities Center, which kept records of holders of

booked shares of ČEZ, a. s., suspended settlement of trades in securities due to transfer of recordkeeping to a new entity – Centrální depozitář cenných papírů, a.s.

Share Price in H1 2010



The General Meeting

The 18th Annual General Meeting of ČEZ, a. s. was held on June 29, 2010. Among other things, it:

- heard the Report of the Board of Directors on the Company's Business Operations and the State of Its Assets for the Year 2009 and the Summary Report Pursuant to Section 118(8) of the Act on Doing Business in the Capital Market.
- heard the Report of the Supervisory Board on the Results of Its Inspection Activities.
- heard the Report of the Audit Committee on the Results of Its Activities.
- approved the financial statements of ČEZ, a. s. for the year 2009 and the consolidated financial statements of CEZ Group for the year 2009.
- approved the distribution of 2009 income as follows:
 - dividends of CZK 53/share (before tax) calculated from the total number of shares outstanding CZK 28,513,457,000;
 - bonuses for members of the Board of Directors and Supervisory Board CZK 25,500,000;
 - retained earnings CZK 16,887,679,000.

The dividend on treasury shares held by the Company as of the strike date will not be paid out; instead, it will be transferred to retained earnings. The dividends become payable on August 2, 2010.

The General Meeting of ČEZ, a. s. approved an equal distribution of bonuses among members of the Board of Directors and Supervisory Board. The share of each board member will be set according to the time over which he or she served in the relevant body in the year 2009. Members of the Supervisory Board appointed by a government agency of which they were employees were not eligible for bonuses over the entire period during which they met these ineligibility criteria.

- approved an amendment to the ČEZ, a. s. Articles of Association proposed by the Board of Directors (for details, see the chapter "Changes in ČEZ, a. s. Governance Bodies"). The version of

the Articles of Association valid from June 29, 2010 can be found in the Czech, English, and Polish on the web page www.cez.cz/cs/pro-investory/informacni-povinnost/1334.html.

- in accordance with Section 67a of the Commercial Code (Act No. 513/1991 Sb.), as amended, granted consent to enter into an agreement on contribution of part of an enterprise that is to be entered into among the companies ČEZ, a. s., as contributor, and Elektrárna Chvaletice a.s., as recipient of the contribution, and the subject matter of which is the contribution of part of the enterprise ČEZ, a. s. (consisting of the Chvaletice Power Station organizational unit) to the stated capital of the company Elektrárna Chvaletice a.s.
- approved the 2011 donorship budget at CZK 262 million. Of this amount, CZK 50 million will be donated to ČEZ Foundation and CZK 212 million will be distributed in conjunction with the plant portfolio renewal program to selected entities in the regions affected by the program.
- confirmed Zdeněk Trojan a member of the Supervisory Board of ČEZ, a. s. Docent Trojan had been co-opted to the Supervisory Board on January 28, 2010.
- approved the Supervisory Board Membership Contracts between ČEZ, a. s.
 - and Vlastimil Jiřík, which was entered into on July 27, 2009;
 - and Miloš Kebrdle, which was entered into on August 19, 2009;
 - and Zdeněk Trojan, which was entered into on April 22, 2010.
- approved the Audit Committee Membership Contracts between ČEZ, a. s.
 - and Ivan Fuksa, which was entered into on October 23, 2009;
 - and Zdeněk Hrubý, which was entered into on September 14, 2009;
 - and Lubomír Klosík, which was entered into on September 14, 2009;
 - and Martin Kocourek, which was entered into on September 14, 2009;
 - and Drahošlav Šimek, which was entered into on September 14, 2009.

Security	Issuer	ISIN	Issue date	Volume	Interest	Maturity	Form	Face value	Manager	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	ING Barings Capital Markets	Citibank, a.s.	BCPP oficiální volný trh RM-System	January 26, 1999 December 5, 2001
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	BNP Paribas, Merrill Lynch	The Bank of New York	Bourse de Luxembourg	June 8, 2004
4th Eurobond issue	ČEZ, a. s.	XS0271020860	October 17, 2006	EUR 500 million	4.125%	2013	booked to owner	EUR 50,000	Société Générale Corporate & Investment Banking	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	October 17, 2006
10th bond issue	ČEZ, a. s.	CZ0003501520	August 27, 2007	CZK 7 billion ²⁾	4.3%	2010	booked to owner	CZK 10,000	Česká spořitelna, a.s. Komerční banka, a.s.	Komerční banka, a.s.	BCPP hlavní trh	August 27, 2007
5th Eurobond issue	ČEZ, a. s.	XS0324693968	October 12, 2007	EUR 500 million	5.125%	2012	booked to owner	EUR 50,000	BNP Paribas, Citi	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	BNP Paribas, ING Bank N.V., Erste Bank	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 million ³⁾	3.005%	2038	booked to owner	JPY 1,000,000,000	Citigroup Global Markets Limited	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 coupon ⁴⁾	2038	booked to owner	EUR 100,000	Citigroup Global Markets Limited	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 coupon ⁵⁾	2011	booked to owner	CZK 1,500,000 CZK 2,000,000 CZK 2,500,000	Société Générale	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 coupon ⁶⁾	2011	booked to owner	CZK 1,350,000	Československá obchodní banka, a. s.	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	Banca IMI S.p.A., Citigroup Global Markets Limited, HSBC Bank plc, ING Bank N.V., Erste Group Bank AG	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	May 26, 2009
12th JPY bond issue	ČEZ, a. s.	XS0447067843	September 8, 2009	JPY 8 billion ³⁾	2.845%	2039	booked to owner	JPY 1,000,000,000	Citigroup Global Markets Limited	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	September 8, 2009
13th Eurobond issue	ČEZ, a. s.	XS0458257796	October 19, 2009	EUR 750 million ⁷⁾	5.00%	2021	booked to owner	EUR 50,000	BNP Paribas, Société Générale, The Royal Bank of Scotland plc, Erste Group Bank AG	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	October 19, 2009
14th Eurobond issue	ČEZ, a. s.	XS0462797605	November 4, 2009	EUR 50 million	6M Euribor + 1.25	2019	booked to owner	EUR 50,000	Citigroup Global Markets Limited	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	November 4, 2009
15th Eurobond issue	ČEZ, a. s.	XS0467790373	December 8, 2009	EUR 110 million	3M Euribor + 0.45	2011	booked to owner	EUR 50,000	Société Générale	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	December 8, 2009

Security	Issuer	ISIN	Issue date	Volume	Interest	Maturity	Form	Face value	Manager	Administrator	Market	Traded since
16th Eurobond issue	ČEZ, a. s.	XS0470983197	December 9, 2009	USD 100 million	3M USD Libor + 0.7	2012	booked to owner	USD 75,000.00	HSBC Bank plc	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	December 9, 2009
17th Eurobond issue	ČEZ, a. s.	XS0472795003	December 16, 2009	EUR 100 million	3M Euribor + 0.5	2011	booked to owner	EUR 50,000	Barclays Bank plc	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	December 16, 2009
18th Eurobond issue	ČEZ, a. s.	XS0473872306	December 21, 2009	CZK 3 billion	6M Pribor + 0.62	2012	booked to owner	CZK 1,500,000	Česká spořitelna, a.s., Československá obchodní banka, a.s.	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	December 21, 2009
19th Eurobond issue	ČEZ, a. s.	XS0502286908	April 16, 2010	EUR 750 million	4.875%	2025	booked to owner	EUR 50,000	Bayerische Landesbank, Erste Group Bank AG, HSBC Bank plc, Société Générale, UniCredit Bank AG	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	April 16, 2010
20th Eurobond issue	ČEZ, a. s.	XS0521158500	June 28, 2010	EUR 500 million	4.50%	2020	booked to owner	EUR 50,000	Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Erste Group Bank AG, The Royal Bank of Scotland plc	Deutsche Bank Luxembourg S.A.	Bourse de Luxembourg	June 28, 2010

1) Starting in 2006, the bonds bear interest at a variable rate of CPI + 4.2%.

2) In April 2009, 700,000 bonds were bought back and voided, reducing the issue volume to CZK 6 billion.

3) Proceeds of issue in Japanese Yen were swapped for Euros through a Credit Linked Swap.

4) Yield is determined by difference between issue price (EUR 1,071,696) and face value (EUR 6,000,000) of the bond.

5) Yield is determined by difference between issue price (CZK 1,287,720,000) and face value (CZK 1,400,000,000) of the bond.

6) Yield is determined by difference between issue price (CZK 1,464,953,465.25) and face value (CZK 1,599,750,000) of the bond.

7) Originally EUR 600 million, increased in February 2010 to EUR 660 million and subsequently increased again to EUR 750 million.

As of June 30, 2010, Severočeské doly a.s. owns a CZK 150 million portion of the 10th bond issue (face value CZK 330 million). As a result, the long-term debt reported for CEZ Group is lower by this amount.

ČEZ, a. s. has not issued any convertible bonds. Under the issue terms, the bonds are not guaranteed either by the State or by any bank.

With the exception of ČEZ, a. s., no CEZ Group company had any bonds outstanding at June 30, 2010.

All issues since September 2008 have been issued through the Eurobond program.

In conjunction with financing of the Fântânele wind farm in Romania, a EUR 200 million (approximately CZK 5.0 billion) loan was taken out from the European Investment Bank. The loan matures in 2027.

Changes in ČEZ, a. s. Governance Bodies

1) SUPERVISORY BOARD

Changes in ČEZ, a. s. Supervisory Board memberships in H1 2010

Members of the Supervisory Board whose membership terminated in H1 2010:

Vlastimil Jiřík (* 1968) Member from May 13, 2009 to April 22, 2010

At the General Meeting on June 29, 2010, no other person was elected to vacated position of Supervisory Board member.

Changes in ČEZ, a. s. Supervisory Board memberships after the end of H1 2010

Members of the Supervisory Board whose membership terminated after the end of H1 2010:

Martin Kocourek (* 1966) Member from September 22, 2006 to August 12, 2010

Ivan Fuksa (* 1963) Member from April 23, 2007 to August 12, 2010

Supervisory Board members Kocourek and Fuksa resigned from the Supervisory Board of ČEZ, a. s. in conjunction with their being appointed Ministers of the Government of the Czech Republic. The resignations were discussed by the Supervisory Board at its meeting of August 12, 2010. Mr. Kocourek was appointed Ministry of Industry and Trade and Mr. Fuksa Minister of Agriculture.

Members of the Supervisory Board whose membership began after the end of H1 2010:

Martin Říman (* 1961) Member since August 13, 2010

Eduard Janota (* 1952) Member since August 13, 2010

At its regular meeting on August 12, 2010, the ČEZ Supervisory Board co-opted Messrs. Říman and Janota as members of the Supervisory Board until the next General Meeting.

Changes in the Articles of Association Regarding the Supervisory Board

On June 29, 2010, the General Meeting approved an amendment of the ČEZ, a. s. Articles of Association that expanded the Supervisory Board's authority regarding the process of approving RFP documentation in public contracts with an estimated value exceeding one third of the shareholders' equity as determined from the last consolidated financial statements, as well as in conjunction with the process of approving the execution of manager contracts and remuneration of executive employees who are at the same time members of the Board of Directors as well as of chief officers. Under the amendment, the prior consent or opinion of the Supervisory Board must be obtained before the Board of Directors can make a decision in these matters.

2) BOARD OF DIRECTORS

Changes in the professional biographies of members of the ČEZ, a. s. Board of Directors in H1 2010

On April 29, 2010, Chairman of the Board of Directors of ČEZ, a. s. Martin Roman became a member of the Board of Directors of the Hungary-based company MOL Nyrt. However, he will not hold any executive position in that company.

On June 26, 2010 the shareholders of the Austrian insurance company VIENNA INSURANCE GROUP Wiener Städtische Versicherung AG elected Martin Roman a member of the Supervisory Board at the company's General Meeting in Vienna.

Changes in Positions in the Board of Directors of ČEZ, a. s. in H1 2010

Members of the Board of Directors whose positions terminated in H1 2010:

Daniel Beneš (* 1970) First Vice Chairman from May 21, 2008 to June 29, 2010

Tomáš Pleskač (* 1966) Second Vice Chairman from May 21, 2008 to June 29, 2010

Members of the Board of Directors whose positions in the BoD began in H1 2010:

Daniel Beneš (* 1970) Vice Chairman since June 29, 2010

Changes in the Articles of Association Regarding the Board of Directors

The General Meeting of ČEZ, a. s. held on June 29, 2010 approved an amendment of the ČEZ, a. s. Articles of Association increasing the number of Board of Directors members from six to seven. At the same time, the office of Second Vice Chairman was eliminated, leaving only one office of Vice Chairman. Subsequently, the Board of Directors of ČEZ, a. s. elected Daniel Beneš Vice Chairman. Until this change, Daniel Beneš was First Vice Chairman of the Board of Directors. No one had been elected to the new position in the Board of Directors as of the closing date of the Half-Year Report deadline.

As of June 29, 2010, the manner in which the Board of Directors takes decisions has been modified in that a simple majority of the votes of all members is necessary to pass a resolution. Prior to the amendment of the Articles of Association, a simple majority vote of members present was sufficient, subject to a minimum of three votes.

In conjunction with the expansion of the Supervisory Board's authority, the authority of the Board of Directors was reduced accordingly. The nature of this reduction is that the consent or opinion of the Supervisory Board must be obtained before the Board of Directors can take any of the decisions set forth above.

The amendment of the Articles of Association also changed how Company officers act on behalf of the Company. After the change, the Board of Directors acts and signs on behalf of the Company through two of its members acting jointly. The previous treatment, under which the entire Board of Directors was also entitled to act on behalf of the Company, was eliminated.

3) AUDIT COMMITTEE

Changes in Membership of the ČEZ, a. s. Audit Committee After the End of H1 2010

Martin Kocourek (* 1966) Member from May 13, 2009 to August 12, 2010

Ivan Fuksa (* 1963) Member from May 13, 2009 to August 12, 2010

Audit Committee members Kocourek and Fuksa resigned their membership of the ČEZ, a. s. Audit Committee in conjunction with their being appointed Ministers of the Government of the Czech Republic. The Audit Committee discussed their resignations at its meeting of August 12, 2010.

Changes in the Articles of Association Regarding the Audit Committee

In accordance with Section 66(2) and Section 567(1) of the Commercial Code, the provisions of the Articles of Association regarding the obligation of an Audit Committee member to act with due professional care were added. Also, the treatment of how an Audit Committee member resigns from office was clarified as follows: the resignation is discussed by the Audit Committee.

4) GENERAL MEETING

Pursuant to the amendment of the Articles of Association approved by the General Meeting on June 29, 2010, among other things General Meeting announcements will not be required to be published in the daily newspaper *Hospodářské noviny*, but instead they will be made public through the Company's website (www.cez.cz), at the Company's headquarters, and in other ways stipulated by law.

Further, an option was added to provide explanations to shareholders in the form of a summary reply to multiple questions with similar content.

In accordance with an amendment of the Act on Doing Business in the Capital Market, a provision was added to the Articles of Association regarding how shareholders are represented at the General Meeting, including an obligation to publish a proxy form on the company's website and giving the shareholder the right to send proxy grant or revocation notifications in electronic form.

Litigation

In H1 2010, no CEZ Group member was involved in any litigation that could materially affect its financial performance or that of the CEZ Group as a whole.

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), at the request of the counterparty the Regional Court in Linz called upon ČEZ, a. s. to submit the decision granting a use permit for Temelín Nuclear Power Station. Notarized copies of the relevant use permit decisions, including sworn translations into German, were submitted to said court in May 2010.
2. ČEZ, a. s. registers suits relating to the implementation of security take-over offers and squeeze-outs in the former regional electricity distribution companies, as well as in Severočeské doly a.s. and ČEZ Teplárenská, a.s. No material change has occurred in these cases compared to the information disclosed in the 2009 Annual Report.
3. In insolvency proceedings ongoing against PORCELA group companies (total of eight companies), ČEZ Prodej, s.r.o. submitted claims amounting to over CZK 285 million. Review hearings have taken place for all claims submitted and in all cases ČEZ Prodej, s.r.o. achieved recognition of the receivable amounts. The vast majority of the remaining assets of all debtors was liquidated during 2009 and H1 2010; however, given the amounts of debts owed to employees and secured creditors, satisfaction of the remaining debts will be minimal.
4. In insolvency proceedings ongoing against MORAVIA ENERGO, a.s., ČEZ, a. s. lodged a claim in excess of CZK 1,506 million. A special review hearing took place on September 3, 2009 at which the claim was recognized in full. At present, the debtor's remaining assets are still being liquidated.
5. In insolvency proceedings ongoing against Lignit Hodonín, s.r.o., ČEZ, a. s. registered a receivable of over CZK 115 million, CZK 23 million of which is a loss arising due to failure to pay for electricity supplied. The remainder of the receivable consists of sanction claims ensuing from signed contracts. A special review hearing took place on May 31, 2010, at which the receivable was recognized in full. As of the closing date of the Half-Year Report, the debtor's remaining assets were being liquidated.
6. On November 24, 2009 a decision of the European Commission of November 16, 2009 was delivered to the Company. This decision ordered the Company and its subsidiaries and other controlled enterprises to submit to inspections under Article 20, paragraph 4 of Council Regulation (EC) No 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the EC Treaty. A similar inspection was also conducted at Severočeské doly, a.s. Currently, the Commission's audit is in the phase of evaluating the materials gathered, and the Company ČEZ received a Request For Information (RFI) from the Commission in August 2010. A decision to commence proceedings according to Chapter III of the Regulation has not yet been issued. ČEZ, a. s. continues to provide all cooperation necessary for the audit.

There were no changes in the status of the remaining litigation pending against Czech entities compared to that described in the CEZ Group 2009 Annual Report.

7. In the dispute between the associates Mibrag B.V. and MIBRAG mbH and the Federal Agency for Unification-Derived Special Tasks (Bundesanstalt für vereinigungsbedingte Sonderaufgaben), the parties are waiting for a hearing to take place before the Federal Civil Court (Bundesgerichtshof) in Karlsruhe. As a result of a merger, the claim of Mibrag B.V. passed to JTSD - Braunkohlebergbau GmbH.
8. MIBRAG mbH, which had filed suit to the Administrative Court in Berlin (Verwaltungsgericht Berlin) and whose request for granting of additional emission rights was not heard, sent a statement to the German Emission Trading Agency (Deutsche Emissionshandelsstelle) on June 1, 2010. The Agency's response is expected by early October 2010.
9. Suits entitled "the Romanian citizens Cernea et al. and Diaconescu vs. the Romanian State" have been filed with the European Court of Human Rights in the matter of unauthorized placement of electrical equipment on lands owned by said citizens. The land owners' dispute could become material for CEZ Group in Romania, should the Romanian State lose and similar suits be brought

against CEZ Distributie S.A. For the time being, the financial impact of such a scenario is impossible to determine.

10. A court dispute of the Albanian distribution company Operatori i Sistemit te Shperndarjes Sh.A. before the District Court in Tirana with the regulator Enti Rregulator i Energjise in the matter of the non-existence of a Losses Study or agreement on the realistic level of losses was rejected by the court and terminated in July 2010. The court's decision is final.
11. The Council of State of the Republic of Turkey (Türkiye Cumhuriyeti Danıştay Başkanlığı) terminated, in a legally binding fashion and against the complainant – the Turkish Chamber of Electrical Engineers (Elektrik Mühendisleri Odası) – a dispute in which the complainant was seeking cancellation of the new electricity generation license granted to Akenerji Elektrik Üretim A.S. As a result, there is no more danger that the license for the Uluabat Power Station will be called into doubt.

Contacts

Contacts			
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ČEZ Foundation		www.nadacecez.cz	
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Customer Line for the Czech Republic	ČEZ Zákaznické služby, s.r.o.	postal mail address: ČEZ Zákaznické služby, s.r.o. Guldnerova 2577/19 303 28 Plzeň Czech Republic	+420 840 840 840
Customer Line for Albania	Operatori i Sistemit e Shperndarjes Sh.A.	kujdesi_abonentit@ossh.al	0808 181 (when calling from Albania)
Customer Line for Bulgaria		zaklienta@cez.bg	0700 10 010 (when calling from Bulgaria)
Customer Line for Romania			0251-929 (when calling from Romania)
Virtual Sales Office		www.cez.cz/cs/prozakazniky/virtualni-obchodni-kancelar.html	
CEZ Group Ombudsman	Josef Sedlák	postal mail address: Ombudsman ČEZ Hvězdova 1716/2b 140 62 Prague 4 Czech Republic	

Glossary of Terms and Abbreviations

List of Terms and Abbreviations Used

Term	Commentary
CE	Central Europe
MH ERS	Mješoviti Holding Elektroprivreda Republike Srpske Matično preduzeće akcionarsko društvo Trebinje A power company in the Republic of Serbia in Bosnia and Herzegovina.
MIBRAG	Mitteldeutsche Braunkohlengesellschaft mbH A company that mines brown coal and produces heat and electricity in Germany, and a member of CEZ Group.
OSSh	Operatori i Sistemit te Shperndarjes Sh.A. A company that distributes and sells electricity in Albania, and a member of CEZ Group.
PSE	Prague Stock Exchange
PVPP	Photovoltaic (solar) power plant A power plant that uses solar rays to generate electricity
SEE	Southeastern Europe
WSE Code	The Code of Best Practice for Warsaw Stock Exchange Listed Companies. ČEZ, a. s. is required to adhere to it.

List of Units Used

Unit	Commentary
J.kg ⁻¹	joules per kilogram; a unit of heat content
t	metric ton; a unit of mass
TJ	terajoule; a unit of work (energy)
V	volt; a unit of electrical potential (voltage)
W	watt; a unit of power (load)
Wh	watt-hour, a unit of work

Foreign Currencies

Country	Currency Code	Name	Remark
Republic of Albania	ALL	Leku	
Republic of Bulgaria	BGN	български лев (Lev)	
Kosovo	EUR	Euro	not a member of the Eurozone
Ireland	EUR	Euro	
Japan	JPY	Yen	
Kingdom of the Netherlands	EUR	Euro	
Republic of Poland	PLN	Złoty	

Country	Currency Code	Name	Remark
Republic of Bosnia and Herzegovina	BAM	Convertible Mark	1 BAM = 0.51129 EUR Exchange rate is fixed, based on the German Mark (DEM)-to-Euro conversion rate
Romania	RON	Leu	
Russian Federation	RUB	рубль (Ruble)	
Slovak Republic	EUR	Euro	
United States of America	USD	U. S. Dollar	
Federal Republic of Germany	EUR	Euro	
Serbia	RSD	динар (Dinar)	Foreign companies are allowed to state their capital in EUR
Republic of Turkey	TRY	Türk lirası (Turkish Lira)	
Ukraine	UAH	гривня (Hrivnia)	

Method Used to Calculate Key Indicators of CEZ Group

Indicator	Calculation
Total debt	Long-term debt + Current portion of long-term debt + Short-term loans
Total capital	Equity attributable to equity holders of the parent + Total debt
Net debt	Long-term debt, net of current portion + Short-term loans + Current portion of long-term debt – (Cash and cash equivalents + highly liquid financial assets)
Net debt / EBITDA	Net debt / (Income before income taxes and other expenses/income – Depreciation and amortization)
Dividend per share (gross)	Dividend granted in current year, before tax, on shares outstanding (paid in the year in question, out of previous year's income)
EBIT	Income before income taxes and other expenses/income
EBITDA	Income before income taxes and other expenses/income – Depreciation and amortization
Return on Equity (ROE), net	Net income attributable to equity holders of parent / Average equity attributable to equity holders of parent

Coming Events in the Financial Calendar

Date	Event
November 9, 2010	Press conference, financial statements, and conference call regarding the CEZ Group financial performance results (non-audited) for Q1–Q3 2010.
February 28, 2011	Press conference, financial statements, and conference call regarding the CEZ Group financial performance results (audited) for the year 2010.

CEZ GROUP

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF JUNE 30, 2010

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2010

in CZK Millions

	June 30, 2010 (unaudited)	December 31, 2009 (audited)
Assets		
Property, plant and equipment:		
Plant in service	517,812	509,618
Less accumulated provision for depreciation	(274,687)	(266,377)
Net plant in service	243,125	243,241
Nuclear fuel, at amortized cost	7,449	5,439
Construction work in progress	88,877	80,125
Total property, plant and equipment	339,451	328,805
Other non-current assets:		
Investment in associates and joint-ventures (Note 5)	17,424	17,250
Investments and other financial assets, net (Note 4)	53,553	49,423
Intangible assets, net	20,360	18,653
Deferred tax assets	626	824
Total other non-current assets	91,963	86,150
Total non-current assets	431,414	414,955
Current assets:		
Cash and cash equivalents	49,272	26,727
Receivables, net	31,835	46,350
Income tax receivable	7,688	997
Materials and supplies, net	5,553	4,959
Fossil fuel stocks	1,838	2,944
Emission rights	1,251	1,212
Other financial assets, net	29,802	29,706
Other current assets	2,308	2,409
Total current assets	129,547	115,304
Total assets	560,961	530,259

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2010

continued

	June 30, 2010 (unaudited)	December 31, 2009 (audited)
Equity and liabilities		
Equity attributable to equity holders of the parent:		
Stated capital	53,799	53,799
Treasury shares	(4,619)	(5,151)
Retained earnings and other reserves (Note 6)	152,127	151,713
Total equity attributable to equity holders of the parent	201,307	200,361
Non-controlling interests	6,746	6,314
Total equity	208,053	206,675
Long-term liabilities:		
Long-term debt, net of current portion (Note 7)	138,632	118,921
Accumulated provision for nuclear decommissioning and fuel storage	37,286	37,152
Other long-term liabilities	22,139	21,108
Total long-term liabilities	198,057	177,181
Deferred tax liability	22,442	15,335
Current liabilities:		
Short-term loans (Note 8)	11,893	31,257
Current portion of long-term debt (Note 7)	22,661	6,632
Trade and other payables	85,165	76,853
Income tax payable	35	1,359
Accrued liabilities	12,655	14,967
Total current liabilities	132,409	131,068
Total equity and liabilities	560,961	530,259

CEZ GROUP
CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2010

in CZK Millions

	1-6/2010 (unaudited)	1-6/2009 *) (unaudited)	4-6/2010 (unaudited)	4-6/2009 *) (unaudited)
Revenues:				
Sales of electricity	84,691	87,492	39,727	38,115
Gains and losses from electricity, coal and gas derivative trading, net	5,402	2,076	1,115	1,522
Heat sales and other revenues	8,590	7,493	3,955	3,472
Total revenues	98,683	97,061	44,797	43,109
Operating expenses:				
Fuel	(7,943)	(8,005)	(3,344)	(3,110)
Purchased power and related services	(26,879)	(22,411)	(12,934)	(10,104)
Repairs and maintenance	(2,079)	(2,211)	(1,273)	(1,394)
Depreciation and amortization	(11,431)	(10,982)	(5,791)	(5,552)
Salaries and wages	(8,534)	(7,748)	(4,468)	(4,055)
Materials and supplies	(2,264)	(2,173)	(1,078)	(1,129)
Emission rights, net	2,013	1,239	1,092	289
Other operating expenses	(5,810)	(3,926)	(2,936)	(2,007)
Total expenses	(62,927)	(56,217)	(30,732)	(27,062)
Income before other income (expenses) and income taxes	35,756	40,844	14,065	16,047
Other income (expenses):				
Interest on debt, net of capitalized interest	(1,719)	(1,536)	(812)	(715)
Interest on nuclear and other provisions	(1,019)	(1,046)	(509)	(522)
Interest income	1,102	1,080	399	535
Foreign exchange rate gains (losses), net	(1,825)	(339)	(1,344)	731
Gain (Loss) on sale of subsidiaries, associates and joint-ventures	-	(6)	-	(6)
Other income (expenses), net	2,844	918	1,928	(171)
Gain (Loss) from associates and joint-ventures	(384)	3,241	(435)	3,277
Total other income (expenses)	(1,001)	2,312	(773)	3,129
Income before income taxes	34,755	43,156	13,292	19,176
Income taxes	(6,046)	(7,941)	(2,045)	(3,346)
Net income	28,709	35,215	11,247	15,830
Net income attributable to:				
Equity holders of the parent	28,659	34,857	11,204	15,766
Non-controlling interests	50	358	43	64
Net income per share attributable to equity holders of the parent (CZK per share)				
Basic	53.7	65.4	21.0	29.6
Diluted	53.7	65.4	21.0	29.6
Average number of shares outstanding (000s)				
Basic	533,718	533,123	533,875	533,206
Diluted	533,791	533,386	533,909	533,466

*) The data for the period of 1-6/2009 and 4-6/2009 were restated due to the subsequent final completion of purchase price allocation reports of respective business combinations which took place in the 1st half of 2009.

CEZ GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2010

in CZK Millions

	1-6/2010 (unaudited)	1-6/2009 *) (unaudited)	4-6/2010 (unaudited)	4-6/2009 *) (unaudited)
Net income	28,709	35,215	11,247	15,830
Other comprehensive income:				
Change in fair value of cash flow hedges recognized in equity	4,190	5,020	(1,164)	7,982
Cash flow hedges removed from equity	(1,235)	(444)	(828)	317
Change in fair value of available-for-sale financial assets recognized in equity	230	(1,095)	83	(551)
Available-for-sale financial assets removed from equity	2	16	1	15
Translation differences	(2,211)	(4,839)	(753)	(2,991)
Share on equity movements of associates and joint-ventures	(13)	96	(9)	110
Deferred tax relating to other comprehensive income (Note 10)	(723)	(748)	221	(1,480)
Other movements	-	-	-	(16)
Other comprehensive income, net of tax	<u>240</u>	<u>(1,994)</u>	<u>(2,449)</u>	<u>3,386</u>
Total comprehensive income, net of tax	<u><u>28,949</u></u>	<u><u>33,221</u></u>	<u><u>8,798</u></u>	<u><u>19,216</u></u>
Total comprehensive income attributable to:				
Equity holders of the parent	29,074	33,702	8,743	19,796
Non-controlling interests	(125)	(481)	55	(580)

*) The data for the period of 1-6/2009 and 4-6/2009 were restated due to the subsequent final completion of purchase price allocation reports of respective business combinations which took place in the 1st half of 2009.

CEZ GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2010

in CZK Millions

	Attributable to equity holders of the parent							Non-controlling interests	Total equity
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Available-for-sale and other reserves	Retained earnings	Total		
December 31, 2008	59,221	(66,910)	(5,025)	(5,631)	503	191,094	173,252	12,158	185,410
Net income	-	-	-	-	-	34,857	34,857	358	35,215
Other comprehensive income	-	-	(4,049)	3,636	(932)	190	(1,155)	(839)	(1,994)
Total comprehensive income	-	-	(4,049)	3,636	(932)	35,047	33,702	(481)	33,221
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 non-controlling interests due to acquisitions	-	-	-	-	-	-	-	846	846
June 30, 2009 (unaudited)	53,799	(5,371)	(9,074)	(1,995)	(410)	143,468	180,417	12,520	192,937

CEZ GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2010

continued

	Attributable to equity holders of the parent							Total equity	
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Available-for-sale and other reserves	Retained earnings	Total		Non-controlling interests
December 31, 2009, as previously stated	53,799	(5,151)	(6,649)	(2,168)	609	159,921	200,361	6,314	206,675
Effect of change in accounting policy (Note 2.2)	-	-	-	-	-	(218)	(218)	-	(218)
January 1, 2010, as restated	53,799	(5,151)	(6,649)	(2,168)	609	159,703	200,143	6,314	206,457
Net income	-	-	-	-	-	28,659	28,659	50	28,709
Other comprehensive income	-	-	(2,035)	2,391	196	(137)	415	(175)	240
Total comprehensive income	-	-	(2,035)	2,391	196	28,522	29,074	(125)	28,949
Dividends (Note 6)	-	-	-	-	-	(28,297)	(28,297)	(7)	(28,304)
Sale of treasury shares	-	532	-	-	-	(194)	338	-	338
Share options	-	-	-	-	49	-	49	-	49
Transfer of exercised and forfeited share options within equity	-	-	-	-	(97)	97	-	-	-
Change in non-controlling interests due to acquisitions	-	-	-	-	-	-	-	564	564
June 30, 2010 (unaudited)	53,799	(4,619)	(8,684)	223	757	159,831	201,307	6,746	208,053

CEZ GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2010

in CZK Millions

	1-6/2010 (unaudited)	1-6/2009 *) (unaudited)
Operating activities:		
Income before income taxes	34,755	43,156
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	11,446	10,993
Amortization of nuclear fuel	1,808	1,291
Gain on fixed asset retirements, net	(37)	(61)
Foreign exchange rate losses (gains), net	1,825	339
Interest expense, interest income and dividend income, net	239	415
Provision for nuclear decommissioning and fuel storage	(2)	82
Valuation allowances, other provisions and other adjustments	(567)	1,402
(Gain) Loss from associates and joint-ventures	384	(3,241)
Changes in assets and liabilities:		
Receivables	7,631	9,511
Materials and supplies	(528)	(485)
Fossil fuel stocks	1,085	141
Other current assets	(1,047)	5,205
Trade and other payables	(16,799)	(11,298)
Accrued liabilities	(2,237)	3
Cash generated from operations	37,956	57,453
Income taxes paid	(7,952)	(9,507)
Interest paid, net of capitalized interest	(783)	(333)
Interest received	794	723
Dividends received	1	2
Net cash provided by operating activities	<u>30,016</u>	<u>48,338</u>
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired (Note 4)	(4,752)	(11,778)
Proceeds from disposal of subsidiaries and associates, net of cash disposed of	-	1,270
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(26,222)	(21,132)
Proceeds from sale of fixed assets	1,196	192
Loans made	(81)	(9,862)
Repayment of loans	5,249	339
Change in decommissioning and other restricted funds	(1,261)	65
Total cash used in investing activities	<u>(25,871)</u>	<u>(40,906)</u>

CEZ GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2010

continued

	1-6/2010 (unaudited)	1-6/2009 *) (unaudited)
Financing activities:		
Proceeds from borrowings	137,660	130,670
Payments of borrowings	(119,378)	(119,386)
Proceeds from other long-term liabilities	19	39
Payments of other long-term liabilities	(129)	(203)
Dividends paid to Company's shareholders	(35)	(17)
Dividends paid to non-controlling interests / Contributions received from non-controlling interests, net	(7)	(3)
(Acquisition) Sale of treasury shares, net	337	70
Total cash provided by (used in) financing activities	<u>18,467</u>	<u>11,170</u>
Net effect of currency translation in cash	<u>(67)</u>	<u>(1,316)</u>
Net increase in cash and cash equivalents	22,545	17,286
Cash and cash equivalents at beginning of period	26,727	17,303
Cash and cash equivalents at end of period	<u>49,272</u>	<u>34,589</u>

Supplementary cash flow information

Total cash paid for interest	1,853	1,173
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*) The data for the period of 1-6/2009 and 4-6/2009 were restated due to the subsequent final completion of purchase price allocation reports of respective business combinations which took place in the 1st half of 2009

CEZ GROUP
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2010

1. The Company

ČEZ, a. s. ("ČEZ" or "the Company") is a Czech Republic joint-stock company, owned 69.8% (70.3% of voting rights) at June 30, 2010 by the Czech Republic represented by the Ministry of Finance. The remaining shares of the Company are publicly held. The address of the Company's registered office is Duhová 2/1444, Praha 4, 140 53, Czech Republic.

The Company is a parent company of the CEZ Group ("the Group"), which is primarily engaged in the business of production, distribution and sale of electricity.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

The interim consolidated financial statements for the six months ended June 30, 2010 have been prepared in accordance with IAS 34. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2009.

2.2. Significant Accounting Policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2009, except for the adoption of new standards and interpretations as of January 1, 2010, note below:

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended)

The Group adopted the revised standards from January 1, 2010. IFRS 3 (revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes impact the amount of goodwill recognized, the reported results in the period when an acquisition occurs and future reported results. IAS 27 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

As a result of the adoption of these revised standards the Group charged the transaction costs accumulated until December 31, 2009 related to ongoing acquisitions directly to retained earnings as of January 1, 2010.

IFRIC 12 Service Concession Arrangements

IFRIC Interpretation 12 was issued in November 2006. This interpretation was adopted by the EU in March 2009 and must be applied from January 1, 2010. This Interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. The interpretation had no effect on the financial position of the Group nor its notes to financial statements.

All the other standards and interpretation whose application was mandatory for the period beginning on or after January 1, 2010 have no material impact on the Group's interim consolidated financial statements.

3. Seasonality of Operations

The seasonality within the segments Power Production and Trading and Distribution and Sale usually takes effect in such a way that the revenues and operating profits of these segments for the 1st and 4th quarters of a calendar year are slightly higher than the revenues and operating profits achieved in the remaining period.

4. Changes in the Group Structure

Acquisitions of subsidiaries from third parties in the 1st half of 2010

In May 2010, the Group acquired an 85% interest in the company Teplárna Trmice, a.s., which deals with the production and sale of heat and electricity. The transaction included also acquisition of a 15% interest in the company Dalkia Česká republika, a.s., which is accounted for as the acquisition of available-for-sale securities.

Based on the provisional accounting of the acquisition of Teplárna Trmice, a.s., using book values as the best estimate of fair values as to the date of financial statements, the values of acquired identifiable assets and liabilities as to the date of acquisition are as follows (in CZK millions):

	<u>Teplárna Trmice</u>
Share acquired in 2010	85%
Property, plant and equipment	3,959
Other non-current assets	47
Cash and cash equivalents	239
Receivables, net	207
Materials and supplies, net	38
Fossil fuel stocks	26
Other current assets	67
Deferred tax liability	(513)
Trade and other payables	(72)
Income tax payable	(35)
Accrued liabilities	(202)
	<hr/>
Total net assets	3,761
Share of net assets acquired	3,197
Goodwill	1,648
	<hr/>
Total purchase consideration	4,845
Less:	
Cash and cash equivalents in the subsidiary acquired	(239)
	<hr/>
Cash outflow on acquisition of the subsidiary	4,606
	<hr/> <hr/>

From the date of acquisition, the company Teplárna Trmice, a.s. has contributed the following balances to the Group's income statement for the six months ended June 30, 2010 (in CZK millions):

	<u>Teplárna Trmice</u>
Revenues	87
Loss before other income (expense) and income taxes	(7)
Net loss	(7)

If the combination had taken place at the beginning of the year, the profit for the CEZ Group would have been CZK 28,841 million and revenues from continuing operation would have been CZK 99,275 million. The provisional amount of goodwill recognized as a result of the business combination comprises the fair value of expected synergies arising from the acquisition.

The following table summarizes the cash outflows on acquisitions during the 1st half of 2010 (in CZK millions):

Cash outflows on acquisition of the subsidiary	4,845
Cash contribution to an associate	35
Change in payables from acquisitions	111
Less cash acquired	(239)
	<hr/>
Total cash outflows on acquisitions in the 1st half of 2010	<u>4,752</u>

5. Investments in Subsidiaries, Associates and Joint-ventures

The interim consolidated financial statements CEZ Group include the financial figures of ČEZ, a. s., and the subsidiaries, associates and joint-ventures listed in the following table:

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
3 L invest a.s.	Czech Republic	100.00%	-	100.00%	-
Bioplyn technologie s.r.o.	Czech Republic	100.00%	-	100.00%	-
Bohemian Development, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Centrum výzkumu Řež s.r.o.	Czech Republic	52.46%	-	52.46%	-
CEZ Albania Sh.A.	Albania	100.00%	100.00%	100.00%	100.00%
	Bosnia and				
CEZ Bosna i Hercegovina d.o.o.	Herzegovina	100.00%	100.00%	100.00%	100.00%
CEZ Bulgaria EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ Ciepło Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Deutschland GmbH	Germany	100.00%	100.00%	100.00%	100.00%
CEZ Distributie S.A.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Elektro Bulgaria AD	Bulgaria	67.00%	67.00%	67.00%	67.00%
CEZ Elektroprodukcija Bulgaria AD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ FINANCE B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Finance Ireland Ltd.	Ireland	100.00%	100.00%	100.00%	100.00%
CEZ Hungary Ltd.	Hungary	100.00%	100.00%	100.00%	100.00%
CEZ Chorzwow B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ International Finance B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Laboratories Bulgaria EOOD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ MH B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Nowa Skawina S.A.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Poland Distribution B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Produkty Energetyczne Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Razpredelenie Bulgaria AD	Bulgaria	67.00%	67.00%	67.00%	67.00%
CEZ Romania S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ RUS OOO	Russia	100.00%	100.00%	100.00%	100.00%
CEZ Servicii S.A.	Romania	63.00%	63.00%	63.00%	63.00%
CEZ Silesia B.V.	Netherlands	100.00%	100.00%	100.00%	100.00%
CEZ Slovensko, s.r.o.	Slovakia	100.00%	100.00%	100.00%	100.00%
CEZ Srbija d.o.o.	Serbia	100.00%	100.00%	100.00%	100.00%
CEZ Trade Albania Sh.P.K.	Albania	100.00%	100.00%	100.00%	100.00%
CEZ Trade Bulgaria EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
CEZ Trade Polska sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
CEZ Trade Romania S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ Ukraine CJSC	Ukraine	100.00%	100.00%	100.00%	100.00%
CEZ Vanzare S.A.	Romania	100.00%	100.00%	100.00%	100.00%
CZECH HEAT a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
CZ INVEST – PLUS, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Bohunice a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Distribuce, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Distribuční služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Distribuční zařízení, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Energetické produkty, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Energetické služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ ENERGOSEVIS spol. s r.o.	Czech Republic	100.00%	-	100.00%	-
ČEZ ICT Services, a. s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Logistika, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Měření, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Obnovitelné zdroje, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Prodej, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Správa majetku, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Teplárenská, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ČEZ Zákaznické služby, s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
EDICOLLA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
eEnergy Ralsko a.s.	Czech Republic	100.00%	-	100.00%	-
Elektra Žabčice a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Chvaletice a.s.	Czech Republic	100.00%	-	100.00%	-
Elektrociepownia Chorzów ELCHO sp. z o.o.	Poland	88.82%	88.82%	75.20%	75.20%
Elektrownia Skawina S.A.	Poland	100.00%	100.00%	100.00%	100.00%
Energetické centrum s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
FVE Buštěhrad a.s.	Czech Republic	100.00%	-	100.00%	-
GENTLEY a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
MALLA, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
MARTIA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
M.W. Team Invest S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
NERS d.o.o.	Bosnia and Herzegovina	51.00%	51.00%	51.00%	51.00%
New Kosovo Energy L.L.C.	Kosovo	100.00%	100.00%	100.00%	100.00%
Operatori i Sistemit te Shperndarjes Sh.A.	Albania	76.00%	76.00%	76.00%	76.00%
Ovidiu Development S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
PPC Úžín, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
PRODECO, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - 1.strojírenská, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - Autodoprava, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - Kolejová doprava, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
SD - KOMES, a.s.	Czech Republic	92.65%	92.65%	92.65%	92.65%
SD - Rekultivace, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Severočeské doly a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
STE - obchodní služby spol. s r.o. v likvidaci	Czech Republic	100.00%	100.00%	100.00%	100.00%
ŠKODA PRAHA a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
ŠKODA PRAHA Invest s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Š-BET s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
TEC Varna EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
Teplárna Trmice, a.s.	Czech Republic	85.00%	-	85.00%	-
TEPLEX s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Tomis Team S.R.L.	Romania	100.00%	100.00%	100.00%	100.00%
Ústav jaderného výzkumu Řež a.s.	Czech Republic	52.46%	52.46%	52.46%	52.46%

Associates and joint-ventures	Country of incorporation	% equity interest		% voting interest	
		June 30, 2010	December 31, 2009	June 30, 2010	December 31, 2009
Akcez Enerji A.S.	Turkey	44.31%	44.31%	44.31%	44.31%
Aken B.V.	Netherlands	37.36%	37.36%	37.36%	37.36%
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	Turkey	33.63%	33.63%	33.63%	33.63%
Akenerji Elektrik Üretim A.S.	Turkey	37.36%	37.36%	37.36%	37.36%
Akka Elektrik Üretim A.S.	Turkey	33.63%	33.63%	33.63%	33.63%
Akkur Enerji Üretim A.S.	Turkey	36.99%	36.99%	36.99%	36.99%
AK-EL Yalova Elektrik Üretim A.S.	Turkey	33.65%	33.65%	33.65%	33.65%
CM European Power International B.V.	Netherlands	50.00%	50.00%	50.00%	50.00%
CM European Power International s.r.o.	Slovakia	50.00%	50.00%	50.00%	50.00%
CM European Power Slovakia s.r.o.	Slovakia	50.00%	50.00%	50.00%	50.00%
Egemer Elektrik Üretim A.S.	Turkey	36.99%	36.99%	36.99%	36.99%
Energocentral S.A. ¹⁾	Romania	9.15%	9.15%	9.15%	9.15%
Jadrová energetická spoločnosť Slovenska, a. s.	Slovakia	49.00%	49.00%	50.00%	50.00%
JTSD - Braunkohlebergbau GmbH	Germany Czech Republic	50.00%	50.00%	50.00%	50.00%
LOMY MOŘINA spol. s r.o.	Czech Republic	51.05%	51.05%	50.00%	50.00%
Mem Enerji Elektrik Üretim Sanayi ve Ticaret A.S.	Turkey	36.99%	36.99%	36.99%	36.99%
Mibrag B.V. ²⁾	Netherlands	-	50.00%	-	50.00%
Mitteldeutsche Braunkohlengesellschaft mbH	Germany	50.00%	50.00%	50.00%	50.00%
MOL - CEZ European Power Hungary Ltd.	Hungary	50.00%	50.00%	50.00%	50.00%
Sakarya Elektrik Dagitim A.S.	Turkey	44.31%	44.31%	50.00%	50.00%

The equity interest represents effective ownership interest of the Group.

¹⁾ The Group exercises significant influence in the entity and therefore the entity is classified as an associate.

²⁾ On January 26, 2010, the company Mibrag B.V. merged with the succession company JTSD – Braunkohlebergbau GmbH.

6. Equity

On June 29, 2010 the Annual Shareholders Meeting approved the dividends per share of CZK 53.0. The total amount of dividend approved amounts to CZK 28 297 million.

7. Long-term Debt

Long-term debt at June 30, 2010 and December 31, 2009 is as follows (in CZK millions):

	June 30, 2010	December 31, 2009
4,625% Eurobonds, due 2011 (EUR 400 million)	10,267	10,569
4,125% Eurobonds, due 2013 (EUR 500 million)	12,780	13,153
5,125% Eurobonds, due 2012 (EUR 500 million)	12,821	13,199
6,000% Eurobonds, due 2014 (EUR 600 million)	15,321	15,768
3,005% Eurobonds, due 2038 (JPY 12 000 million)	2,837	2,383
5,825% Zero Coupon Eurobonds, due 2038 (EUR 6 million)	30	30
4,270% Zero Coupon Eurobonds, due 2011 (CZK 1 400 million)	1,351	1,322
4,450% Zero Coupon Eurobonds, due 2011 (CZK 1 600 million)	1,538	1,504
5,750% Eurobonds, due 2015 (EUR 600 million)	15,353	15,807
2,845% Eurobonds, due 2039 (JPY 8 000 million)	1,893	1,590
5,000% Eurobonds, due 2021 (EUR 750 million) ¹⁾	19,205	15,666
6M Euribor + 1,25% Eurobonds, due 2019 (EUR 50 million)	1,278	1,316
3M Euribor + 0,45% Eurobonds, due 2011 (EUR 110 million)	2,825	2,909
3M Libor + 0,70% Eurobonds, due 2012 (USD 100 million)	2,089	1,831
3M Euribor + 0,50% Eurobonds, due 2011 (EUR 100 million)	2,568	2,644
6M Pribor + 0,62% Eurobonds, due 2012 (CZK 3 000 million)	2,997	2,996
4,875% Eurobonds, due 2025 (EUR 750 million)	19,148	-
4,500% Eurobonds, due 2020 (EUR 500 million.)	12,694	-
9,220% Debentures, due 2014 (CZK 2 500 million) ²⁾	2,498	2,497
4,300% Debentures, due 2010 (CZK 6 000 million)	5,849	5,847
	<hr/>	<hr/>
Total bonds and debentures	145,342	111,031
Less: Current portion	(21,830)	(5,847)
	<hr/>	<hr/>
Bonds and debentures, net of current portion	123,512	105,184
Long-term bank and other loans:		
Total long-term bank and other loans	15,951	14,522
Less: Current portion	(831)	(785)
	<hr/>	<hr/>
Long-term bank and other loans, net of current portion	15,120	13,737
Total long-term debt	161,293	125,553
Less: Current portion	(22,661)	(6,632)
	<hr/>	<hr/>
Total long-term debt, net of current portion	138,632	118,921

¹⁾ As of December 31, 2009 the nominal value of this emission was EUR 600 million. In February 2010 it was increased by EUR 150 million.

²⁾ Since 2006 the interest rate has changed to consumer price index in the Czech Republic plus 4.20%.

8. Short-term Loans

Short-term loans at June 30, 2010 and December 31, 2009 are as follows (in CZK millions):

	June 30, 2010	December 31, 2009
Short-term bank loans	9,507	25,310
Bank overdrafts	2,386	1,336
Other short-term borrowings	-	4,611
	<hr/>	<hr/>
Total	11,893	31,257

9. Salaries and Wages

At June 30, 2010 and December 31, 2009, the aggregate number of share options granted to members of Board of Directors and selected managers was 2,185 thousand and 2,325 thousand, respectively. The share option plan for members of the Supervisory Board was canceled prospectively by the decision of the shareholders on General Meeting held in June 2005.

Members of the Board of Directors and selected managers are entitled to receive share options based on the conditions stipulated in the share option agreement. Pursuant to the resolution of the May 2008 General Meeting, members of the Board of Directors and selected managers are granted certain quantity of share options each year of their tenure. The exercise price for the granted options is based on the average quoted market price of the shares on the regulated exchange in the Czech Republic during one-month period preceding the grant date each year. Options granted could be exercised at the earliest 2 years and latest 3.5 years after each grant date. Option right is limited so that the profit per share option will not exceed 100% of exercise price and the beneficent has to hold at his/her account such number of shares exercised through options granted which is equivalent to 20% of profit made on exercise date until the end of share option plan.

In the period of six months ended June 30, 2010 and 2009, the Company recognized a compensation expense of CZK 49 million and CZK 53 million, respectively, related to the granted options. The Company has settled all options exercised using treasury shares. The gains or losses on the sale of treasury shares were recognized directly in equity.

The following table shows changes during the 1st half of 2010 in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors '000s	Selected managers '000s	Total '000s	
Share options at December 31, 2009	1,770	555	2,325	1,028.03
Options granted	130	210	340	909.41
Options exercised ¹⁾	(425)	(45)	(470)	716.47
Options forfeited	-	(10)	(10)	833.32
Share options at June 30, 2010	1,475	710	2,185	1,077.48

¹⁾ In the 1st half of 2010 the weighted average share price at the date of the exercise for the options exercised was CZK 905.73.

As at June 30, 2010 and December 31, 2009 the exercise prices of outstanding options were in the following ranges (in thousand pieces):

	June 30, 2010	December 31, 2009
CZK 500 – 900 per share	465	935
CZK 900 – 1,400 per share	1,720	1,390
Total	2,185	2,325

10. Income Taxes

Tax effects relating to each component of other comprehensive income (in CZK millions):

	1-6/2010			1-6/2009		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges recognized in equity	4,190	(796)	3,394	5,020	(1,024)	3,996
Cash flow hedges removed from equity	(1,235)	235	(1,000)	(444)	85	(359)
Change in fair value of available-for-sale financial assets recognized in equity	230	(46)	184	(1,095)	196	(899)
Available-for-sale financial assets removed from equity	2	-	2	16	4	20
Translation differences	(2,211)	(117)	(2,328)	(4,839)	9	(4,830)
Share on equity movements of associates and joint-ventures	(13)	1	(12)	96	(18)	78
Total	963	(723)	240	(1,246)	(748)	(1,994)

11. Segment Information

The Group reports its result based on operating segments which are defined with respect to geographical location of the assets with similar economic environment and characteristics, e.g. similar long-term average gross margins, similar nature of the products and services and with regard to regulatory environment.

According to geographical location, the Group distinguishes the following two regions that in combination with products and services form the reportable segments: Central Europe (CE) and South East Europe (SEE). The Central Europe region includes the Czech Republic, the Netherlands, Poland, Germany, Hungary and Slovakia except for the Dutch company Aken B.V. which is included in the South East Europe region. The South East Europe region consists of the operations of the Group in Bulgaria, Romania, Turkey, Albania, Serbia, Kosovo, Bosnia and Herzegovina, Russia and the Ukraine except for trading operations that are provided at the Group headquarters and therefore presented in the Central Europe region.

According to nature of the products and services the Group distinguishes four categories as follows:

- (1) The power production and trading which includes production of electricity and heat and the commodity trading activities of the Group.
- (2) The distribution and sale which sells electricity to end customers through the power distribution grid and provides power distribution services.
- (3) The mining that produces coal and limestone used by the power production business operations and sold to third parties.
- (4) The other business activities.

The Group has seven reportable segments as a result of the combination of geographical location and nature of products and services as follows:

- Power Production and Trading / Central Europe
- Power Production and Trading / South East Europe
- Distribution and Sale / Central Europe
- Distribution and Sale / South East Europe
- Mining / Central Europe
- Other / Central Europe
- Other / South East Europe

The Group accounts for intersegment revenues and transfers as if the revenues or transfers were to third parties, that is, at current market prices or where the regulation applies at regulated prices. The Group evaluates the performance of its segments and allocates resources to them based on EBITDA (income before income taxes and other income (expenses) plus depreciation and amortization).

The following tables summarize segment information by operating segments for the six months periods ended June 30, 2010 and 2009 (in CZK millions):

	Power Production and Trading CE		Power Production and Trading SEE		Distribution and Sale CE		Distribution and Sale SEE		Mining CE		Other CE		Other SEE		Combined		Elimination		Consolidated		
June 30, 2010:																					
Sales other than intersegment sales	30,429	1,262	45,787	17,311	2,314	1,569	11	98,683	-											98,683	
Intersegment sales	25,767	2	2,619	37	2,822	18,132	1,068	50,447	(50,447)											-	
Total revenues	56,196	1,264	48,406	17,348	5,136	19,701	1,079	149,130	(50,447)											98,683	
EBITDA	32,519	171	7,576	1,915	2,202	2,717	49	47,149	38											47,187	
Depreciation and amortization	(6,758)	(175)	(1,584)	(1,131)	(784)	(967)	(32)	(11,431)	-											(11,431)	
EBIT	25,761	(4)	5,992	784	1,418	1,750	17	35,718	38											35,756	
Interest on debt and provisions	(2,776)	8	(147)	(70)	(151)	(59)	(6)	(3,201)	463											(2,738)	
Interest income	1,106	28	27	123	248	30	3	1,565	(463)											1,102	
Gain (Loss) from associates and joint-ventures	57	(115)	-	(219)	(107)	-	-	(384)	-											(384)	
Income taxes	(4,173)	52	(1,075)	(267)	(283)	(292)	(8)	(6,046)	-											(6,046)	
Net income	21,262	(406)	4,786	204	1,298	1,563	2	28,709	-											28,709	
Identifiable assets	210,322	20,485	58,103	27,129	15,900	17,025	114	349,078	(9,627)											339,451	
Investment in associates and joint-ventures	4,287	7,266	-	2,608	3,263	-	-	17,424	-											17,424	
Unallocated assets																				204,086	
Total assets																				560,961	
Capital expenditure	14,173	1,186	4,400	1,245	1,280	11,513	440	34,237	(11,215)											23,022	

June 30, 2009:

	Power Produc- tion and Trading CE	Power Produc- tion and Trading SEE	Distribu- tion and Sale CE	Distribu- tion and Sale SEE	Mining CE	Other CE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Sales other than intersegment sales	36,774	1,561	41,441	13,487	2,241	1,556	1	97,061	-	97,061
Intersegment sales	26,382	249	1,875	43	3,548	14,852	1,242	48,191	(48,191)	-
Total revenues	63,156	1,810	43,316	13,530	5,789	16,408	1,243	145,252	(48,191)	97,061
EBITDA	38,465	152	5,420	1,846	2,848	3,054	41	51,826	-	51,826
Depreciation and amortization	(6,727)	(189)	(1,500)	(863)	(675)	(997)	(31)	(10,982)	-	(10,982)
EBIT	31,738	(37)	3,920	983	2,173	2,057	10	40,844	-	40,844
Interest on debt and provisions	(2,458)	(23)	(9)	(4)	(165)	(12)	(13)	(2,684)	102	(2,582)
Interest income	627	43	25	361	75	45	6	1,182	(102)	1,080
Gain (Loss) from associates and joint-ventures	(16)	27	-	96	3,133	-	1	3,241	-	3,241
Income taxes	(5,702)	(12)	(798)	(585)	(458)	(384)	(2)	(7,941)	-	(7,941)
Net income	24,482	(17)	3,213	875	4,912	1,749	1	35,215	-	35,215
Identifiable assets	187,973	15,124	51,242	27,607	13,681	15,781	137	311,545	(9,093)	302,452
Investment in associates and joint- ventures	348	4,941	-	2,848	3,516	-	-	11,653	-	11,653
Unallocated assets										195,085
Total assets	10,493	3,575	4,156	1,098	1,008	8,772	426	29,528	(8,928)	20,600
Capital expenditure										

Identification of ČEZ, a. s.

ČEZ, a. s.
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Czech Republic

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

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Closing date of the 2010 Half-Year Report: August 20, 2010