

**BALANCE SHEET**

in accordance with IFRS as of September 30, 2010

in CZK Millions

	30. 9. 2010	31. 12. 2009
<b>Assets</b>		
Property, plant and equipment:		
Plant in service	289,155	298,600
Less accumulated provision for depreciation	(169,345)	(170,808)
Net plant in service	119,810	127,792
Nuclear fuel, at amortized cost	6,774	5,420
Construction work in progress	63,915	51,697
Total property, plant and equipment	190,499	184,909
Other non-current assets:		
Investments and other financial assets, net	189,312	169,515
Intangible assets, net	626	662
Total other non-current assets	189,938	170,177
Total non-current assets	380,437	355,086
Current assets:		
Cash and cash equivalents	10,214	14,567
Receivables, net	42,422	41,990
Income tax receivable	7,831	1
Materials and supplies, net	3,121	3,144
Fossil fuel stocks	908	1,532
Emission rights	785	724
Other financial assets, net	19,014	27,083
Other current assets	780	571
Total current assets	85,075	89,612
<b>Total assets</b>	<b>465,512</b>	<b>444,698</b>
<b>Equity and liabilities</b>		
Equity:		
Stated capital	53,799	53,799
Treasury shares	(4,619)	(5,151)
Retained earnings and other reserves	140,491	128,812
Total equity	189,671	177,460
Long-term liabilities:		
Long-term debt, net of current portion	126,000	112,506
Accumulated provision for nuclear decommissioning and fuel storage	37,198	36,932
Other long-term liabilities	5,781	4,587
Total long-term liabilities	168,979	154,025
Deferred tax liability	16,214	8,721
Current liabilities:		
Short-term loans	5,881	12,618
Current portion of long-term debt	15,698	6,232
Trade and other payables	61,293	76,907
Income tax payable		926
Accrued liabilities	7,776	7,809
Total current liabilities	90,648	104,492
<b>Total equity and liabilities</b>	<b>465,512</b>	<b>444,698</b>

**STATEMENT OF INCOME**

in accordance with IFRS as of September 30, 2010

in CZK Millions

	7-9/2010	1-9/2010	7-9/2009	1-9/2009
<b>Revenues:</b>				
Sales of electricity	24,369	69,980	24,052	79,137
Gains and losses from electricity, coal and gas derivative trading, net	1,081	6,403	327	2,968
Heat sales and other revenues	1,040	3,826	754	2,924
<b>Total revenues</b>	<b>26,490</b>	<b>80,209</b>	<b>25,133</b>	<b>85,029</b>
<b>Operating expenses:</b>				
Fuel	(4,010)	(12,908)	(3,724)	(12,576)
Purchased power and related services	(5,099)	(12,504)	(4,214)	(11,184)
Repairs and maintenance	(828)	(2,222)	(1,066)	(2,359)
Depreciation and amortization	(3,004)	(9,207)	(3,083)	(9,445)
Salaries and wages	(1,526)	(4,522)	(1,526)	(4,264)
Materials and supplies	(449)	(1,282)	(392)	(1,195)
Emission rights, net	47	1,852	(101)	949
Other operating expenses	(1,461)	(4,561)	(1,561)	(4,543)
<b>Total expenses</b>	<b>(16,330)</b>	<b>(45,354)</b>	<b>(15,667)</b>	<b>(44,617)</b>
<b>Income before other income (expenses) and income taxes</b>	<b>10,160</b>	<b>34,855</b>	<b>9,466</b>	<b>40,412</b>
<b>Other income (expenses):</b>				
Interest on debt, net of capitalized interest	(1,136)	-3,151	(738)	(2,144)
Interest on nuclear and other provisions	(435)	-1,305	(442)	(1,328)
Interest income	594	1,786	269	741
Foreign exchange rate gains (losses), net	1,385	129	644	321
Gain (Loss) on sale of subsidiaries, associates and joint-ventures	-	-	-	(77)
Other income (expenses), net	(492)	7,967	(638)	6,495
<b>Total other income (expenses)</b>	<b>(84)</b>	<b>5,426</b>	<b>(905)</b>	<b>4,008</b>
<b>Income before income taxes</b>	<b>10,076</b>	<b>40,281</b>	<b>8,561</b>	<b>44,420</b>
Income taxes	(1,716)	(5,830)	(1,716)	(7,319)
<b>Net income</b>	<b>8,360</b>	<b>34,451</b>	<b>6,845</b>	<b>37,101</b>

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**STATEMENT OF COMPREHENSIVE INCOME**  
in accordance with IFRS as of September 30, 2010

in CZK Millions

	<u>7-9/2010</u>	<u>1-9/2010</u>	<u>7-9/2009</u>	<u>1-9/2009</u>
<b>Net income</b>	8,360	34,451	6,845	37,101
<b>Other comprehensive income:</b>				
Change in fair value of cash flow hedges recognized in equity	4,401	8,497	3,299	8,319
Cash flow hedges removed from equity	(519)	(1,717)	(41)	(486)
Change in fair value of available-for-sale financial assets recognized in equity	284	398	391	(317)
Deferred tax relating to other comprehensive income	<u>(792)</u>	<u>(1,364)</u>	<u>(693)</u>	<u>(1,496)</u>
Other comprehensive income, net of tax	<u>3,374</u>	<u>5,814</u>	<u>2,956</u>	<u>6,020</u>
<b>Total comprehensive income</b>	<u><u>11,734</u></u>	<u><u>40,265</u></u>	<u><u>9,801</u></u>	<u><u>43,121</u></u>

**STATEMENT OF CHANGES IN EQUITY**

in accordance with IFRS as of September 30, 2010

in CZK Millions

	Stated Capital	Treasury Shares	Cash flow hedge reserve	Available-for- sale and other reserves	Retained Earnings	Total Equity
December 31, 2008	59,221	(66,910)	(5,633)	479	167,770	154,927
Net income					37,101	37,101
Other comprehensive income			6,275	(255)		6,020
Total comprehensive income	-	-	6,275	(255)	37,101	43,121
Dividends					(26,638)	(26,638)
Reduction of the stated capital	(5,422)	61,313			(55,891)	-
Sale of treasury shares		226			(156)	70
Share options				81		81
Transfer of exercised and forfeited share options within equity				(34)	34	-
September 30, 2009	<u>53,799</u>	<u>(5,371)</u>	<u>642</u>	<u>271</u>	<u>122,220</u>	<u>171,561</u>
December 31, 2009, as previously reported	53,799	(5,151)	(2,155)	520	130,447	177,460
Effect of change in accounting policies					(211)	(211)
January 1, 2010, as restated	53,799	(5,151)	(2,155)	520	130,236	177,249
Net income					34,451	34,451
Other comprehensive income			5,491	323		5,814
Total comprehensive income	-	-	5,491	323	34,451	40,265
Dividends					(28,256)	(28,256)
Sale of treasury shares		532			(195)	337
Share options				76		76
Transfer of exercised and forfeited share options within equity				(98)	98	-
September 30, 2010	<u>53,799</u>	<u>(4,619)</u>	<u>3,336</u>	<u>821</u>	<u>136,334</u>	<u>189,671</u>

**STATEMENT OF CASH FLOWS**

in accordance with IFRS as of September 30, 2010

in CZK Millions

	1-9/2010	1-9/2009
<b>Operating activities:</b>		
Income before income taxes	40,281	44,420
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	9,219	9,447
Amortization of nuclear fuel	2,565	1,919
(Gain) loss on fixed assets retirements, net	(44)	120
Foreign exchange rate losses (gains), net	(129)	(321)
Interest expense, interest income and dividends income, net	(6,708)	(5,873)
Provision for nuclear decommissioning and fuel storage	62	115
Valuation allowances, other provisions and other adjustments	(2,656)	81
Changes in assets and liabilities:		
Receivables	7,922	10,328
Materials and supplies	(102)	(198)
Fossil fuel stocks	624	(417)
Other current assets	8,522	21,278
Trade and other payables	(21,362)	(23,681)
Accrued liabilities	(401)	1,499
Cash generated from operations	37,793	58,717
Income taxes paid	(8,456)	(9,953)
Interest paid, net of capitalized interest	(2,067)	(1,079)
Interest received	1,482	676
Dividends received	7,015	7,068
Net cash provided by operating activities	<u>35,767</u>	<u>55,429</u>
<b>Investing activities:</b>		
Acquisition of subsidiaries, associates and joint-ventures	(5,773)	(28,730)
Proceeds from disposal of subsidiaries, associates and joint-ventures		2,622
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(21,480)	(20,368)
Proceeds from sales of fixed assets	849	276
Loans made	(26,642)	(8,962)
Repayments of loans	11,562	1,845
Change in decommissioning and other restricted funds	(1,037)	(312)
Total cash used in investing activities	<u>(42,521)</u>	<u>(53,629)</u>
<b>Financing activities:</b>		
Proceeds from borrowings	134,261	163,777
Payments of borrowings	(110,225)	(140,193)
Change in payables/receivables from group cashpooling	6,417	1,394
Dividends paid	(28,144)	(26,457)
(Acquisition) sale of treasury shares	337	70
Total cash provided by (used in) financing activities	<u>2,646</u>	<u>(1,409)</u>
Net effect of currency translation in cash	(245)	(839)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(4,353)</b>	<b>(448)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>14,567</b>	<b>7,011</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>10,214</u></b>	<b><u>6,563</u></b>
<b>Supplementary cash flow information</b>		
Total cash paid for interest	3,346	2,419