

CEZ GROUP

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS OF MARCH 31, 2012

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2012

in CZK Millions

	March 31, 2012	December 31, 2011
Assets		
Property, plant and equipment:		
Plant in service	603,984	605,063
Less accumulated provision for depreciation	(310,677)	(305,813)
Net plant in service	293,307	299,250
Nuclear fuel, at amortized cost	8,154	8,844
Construction work in progress	85,116	78,769
Total property, plant and equipment	386,577	386,863
Other non-current assets:		
Investment in associates and joint-ventures	11,261	11,292
Investments and other financial assets, net	50,629	51,810
Intangible assets, net	16,346	16,788
Deferred tax assets	762	826
Total other non-current assets	78,998	80,716
Total non-current assets	465,575	467,579
Current assets:		
Cash and cash equivalents	22,246	22,062
Receivables, net	52,745	54,732
Income tax receivable	2,485	678
Materials and supplies, net	6,239	6,215
Fossil fuel stocks	2,381	2,657
Emission rights	8,424	6,013
Other financial assets, net	38,236	29,569
Other current assets	4,165	4,779
Assets classified as held for sale (Note 5)	3,780	3,823
Total current assets	140,701	130,528
Total assets	606,276	598,107

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED BALANCE SHEET
AS OF MARCH 31, 2012

Continued

	March 31, 2012	December 31, 2011
Equity and liabilities		
Equity:		
Equity attributable to equity holders of the parent:		
Stated capital	53,799	53,799
Treasury shares	(4,382)	(4,382)
Retained earnings and other reserves	196,590	177,296
Total equity attributable to equity holders of the parent	246,007	226,713
Non-controlling interests	4,766	5,365
Total equity	250,773	232,078
Long-term liabilities:		
Long-term debt, net of current portion (Note 6)	154,753	164,685
Accumulated provision for nuclear decommissioning and fuel storage	37,412	37,285
Other long-term liabilities	21,201	21,721
Total long-term liabilities	213,366	223,691
Deferred tax liability	21,729	16,946
Current liabilities:		
Short-term loans (Note 7)	8,905	5,500
Current portion of long-term debt (Note 6)	13,216	19,264
Trade and other payables	70,083	78,186
Income tax payable	1,081	1,701
Accrued liabilities	27,123	20,741
Total current liabilities	120,408	125,392
Total equity and liabilities	606,276	598,107

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012

in CZK Millions

	1-3/2012	1-3/2011 (restated *)
Revenues:		
Sales of electricity	47,674	48,001
Gains and losses from electricity, coal and gas derivative trading, net	4,497	3,120
Sales of gas, coal, heat and other revenues	8,622	5,684
Total revenues	<u>60,793</u>	<u>56,805</u>
Operating expenses:		
Fuel	(4,902)	(5,151)
Purchased power and related services	(21,660)	(17,695)
Repairs and maintenance	(751)	(636)
Depreciation and amortization	(6,482)	(6,070)
Salaries and wages	(4,332)	(4,339)
Materials and supplies	(1,122)	(1,039)
Emission rights, net	365	1,299
Other operating expenses	(2,077)	(2,646)
Total expenses	<u>(40,961)</u>	<u>(36,277)</u>
Income before other income (expenses) and income taxes	19,832	20,528
Other income (expenses):		
Interest on debt, net of capitalized interest	(938)	(1,018)
Interest on nuclear and other provisions	(511)	(505)
Interest income	403	466
Foreign exchange rate gains (losses), net	(162)	864
Other income (expenses), net	(871)	584
Share of profit (loss) from associates and joint-ventures	256	131
Total other income (expenses)	<u>(1,823)</u>	<u>522</u>
Income before income taxes	18,009	21,050
Income taxes	<u>(3,599)</u>	<u>(3,845)</u>
Net income	<u>14,410</u>	<u>17,205</u>
Net income attributable to:		
Equity holders of the parent	14,823	17,235
Non-controlling interests	(413)	(30)
Net income per share attributable to equity holders of the parent (CZK per share)		
Basic	27.8	32.3
Diluted	27.8	32.3
Average number of shares outstanding (000s)		
Basic	534,115	533,905
Diluted	534,124	533,916

* Certain numbers shown were restated due to the final report of fair value of Teplárna Trmice, a.s. as of the acquisition date and do not correspond to the interim consolidated financial statements as of March 31, 2011.

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2012

in CZK Millions

	1-3/2012	1-3/2011 (restated *)
Net income	14,410	17,205
Other comprehensive income:		
Change in fair value of cash flow hedges recognized in equity	7,701	91
Cash flow hedges removed from equity	194	213
Change in fair value of available-for-sale financial assets recognized in equity	115	(150)
Available-for-sale financial assets removed from equity	(7)	8
Translation differences	(2,213)	(1,170)
Share on equity movements of associates and joint-ventures	1	10
Deferred tax relating to other comprehensive income (Note 9)	(1,521)	(31)
Other comprehensive income, net of tax	4,270	(1,029)
Total comprehensive income, net of tax	18,680	16,176
Total comprehensive income attributable to:		
Equity holders of the parent	19,277	16,297
Non-controlling interests	(597)	(121)

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CEZ GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2012

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, 2010 (restated *)	53,799	(4,619)	(10,193)	3,009	907	178,528	221,431	5,621	227,052
Net income	-	-	-	-	-	17,235	17,235	(30)	17,205
Other comprehensive income	-	-	(1,079)	246	(115)	10	(938)	(91)	(1,029)
Total comprehensive income	-	-	(1,079)	246	(115)	17,245	16,297	(121)	16,176
Share options	-	-	-	-	18	-	18	-	18
Acquisition of a subsidiary	-	-	-	-	-	-	-	343	343
March 31, 2011 (restated *)	<u>53,799</u>	<u>(4,619)</u>	<u>(11,272)</u>	<u>3,255</u>	<u>810</u>	<u>195,773</u>	<u>237,746</u>	<u>5,843</u>	<u>243,589</u>
December 31, 2011	53,799	(4,382)	(10,647)	(4,826)	950	191,819	226,713	5,365	232,078
Net income	-	-	-	-	-	14,823	14,823	(413)	14,410
Other comprehensive income	-	-	(2,029)	6,395	87	1	4,454	(184)	4,270
Total comprehensive income	-	-	(2,029)	6,395	87	14,824	19,277	(597)	18,680
Share options	-	-	-	-	22	-	22	-	22
Exercised and forfeited share options	-	-	-	-	(169)	169	-	-	-
Put options held by non-controlling interest	-	-	-	-	-	(5)	(5)	(2)	(7)
March 31, 2012	<u>53,799</u>	<u>(4,382)</u>	<u>(12,676)</u>	<u>1,569</u>	<u>890</u>	<u>206,870</u>	<u>246,007</u>	<u>4,766</u>	<u>250,773</u>

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The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2012

in CZK Millions

	1-3/2012	1-3/2011 (restated *)
Operating activities:		
Income before income taxes	18,009	21,050
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation, amortization and asset write-offs	6,489	6,071
Amortization of nuclear fuel	808	1,013
Gain on fixed asset retirements, net	(14)	(8)
Foreign exchange rate losses (gains), net	162	(864)
Interest expense, interest income and dividend income, net	535	552
Provision for nuclear decommissioning and fuel storage	9	(22)
Valuation allowances, other provisions and other adjustments	1,111	711
Share of (profit) loss from associates and joint-ventures	(256)	(131)
Changes in assets and liabilities:		
Receivables	27	(4,801)
Materials and supplies	(25)	(356)
Fossil fuel stocks	243	150
Other current assets	(9,959)	(32,081)
Trade and other payables	(3,311)	13,362
Accrued liabilities	5,025	3,443
Cash generated from operations	18,853	8,089
Income taxes paid	(2,701)	(3,256)
Interest paid, net of capitalized interest	(229)	(77)
Interest received	218	280
Net cash provided by operating activities	16,141	5,036
Investing activities:		
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	(41)	404
Additions to property, plant and equipment and other non-current assets, including capitalized interest	(11,681)	(9,400)
Proceeds from sale of fixed assets	875	305
Loans made	(283)	(213)
Repayment of loans	498	501
Change in decommissioning and other restricted funds	(427)	(868)
Total cash used in investing activities	(11,059)	(9,271)

The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2012

continued

	1-3/2012	1-3/2011 (restated *)
	<u> </u>	<u> </u>
Financing activities:		
Proceeds from borrowings	25,472	25,929
Payments of borrowings	(30,204)	(24,502)
Proceeds from other long-term liabilities	36	21
Payments of other long-term liabilities	(36)	(61)
Dividends paid to Company's shareholders	(23)	(17)
	<u> </u>	<u> </u>
Total cash provided by (used in) financing activities	(4,755)	1,370
Net effect of currency translation in cash	<u> </u>	<u> </u>
	(143)	(259)
Net increase (decrease) in cash and cash equivalents	184	(3,124)
Cash and cash equivalents at beginning of period	<u>22,062</u>	<u>22,186</u>
Cash and cash equivalents at end of period	<u><u>22,246</u></u>	<u><u>19,062</u></u>

Supplementary cash flow information

Total cash paid for interest	555	336
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The accompanying notes are an integral part of these interim consolidated financial statements.

CEZ GROUP
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2012

1. The Company

ČEZ, a. s. ("ČEZ" or "the Company") is a Czech joint-stock company, owned 69.8% (70.3% of voting rights) at March 31, 2012 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 three months ended March 31, 2012 have been prepared in accordance with IAS 34 and have not been audited by an independent auditor. 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, 2011.

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, 2011.

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. Investments in Subsidiaries, Associates and Joint-ventures

The interim consolidated financial statements 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	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
3 L invest a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
A.E. Wind sp. z o.o.	Poland	67.00%	67.00%	100.00%	100.00%
AREA-GROUP CL a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Bioplyn technologie s.r.o.	Czech Republic	100.00%	100.00%	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%	100.00%	100.00%
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 Bulgarian Investments B.V.	Netherlands	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 Elektroproduktstvo 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 Chorzow 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 International Finance Ireland Ltd.	Ireland	100.00%	100.00%	100.00%	100.00%
CEZ Laboratories Bulgaria EOOD – in liquidation	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.A.	Romania	100.00%	100.00%	100.00%	100.00%
CEZ RUS OOO	Russia	100.00%	100.00%	100.00%	100.00%
CEZ Shpërndarje Sh.A.	Albania	76.00%	76.00%	76.00%	76.00%
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 Towarowy Dom Maklerski sp. z o.o.	Poland	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 LLC	Ukraine	100.00%	100.00%	100.00%	100.00%
CEZ Vanzare S.A.	Romania	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 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%

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
ČEZ Energo, s.r.o.	Czech Republic	50.11%	50.11%	50.11%	50.11%
ČEZ ENERGOSERVIS spol. s r.o.	Czech Republic	100.00%	100.00%	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 OZ uzavřený investiční fond a.s.	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%
DOMICA FPI s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Eco-Wind Construction S.A.	Poland	67.00%	67.00%	67.00%	67.00%
eEnergy Hodonín a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
eEnergy Ralsko a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
eEnergy Ralsko - Kuřívody a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrárna Chvaletice a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Elektrociepłownia Chorzów ELCHO sp. z o.o.	Poland	100.00%	100.00%	100.00%	100.00%
Elektrownia Skawina S.A.	Poland	100.00%	100.00%	100.00%	100.00%
Elektrownie Wiatrowe Lubiechowo sp. z o.o.	Poland	67.00%	67.00%	100.00%	100.00%
Energetické centrum s.r.o.	Czech Republic	100.00%	100.00%	100.00%	100.00%
Farma Wiatrowa Leśce sp. z o.o.	Poland	67.00%	67.00%	100.00%	100.00%
Farma Wiatrowa Wilkolaz-Bychawa sp. z o.o.	Poland	67.00%	67.00%	100.00%	100.00%
Free Energy Project Oreshets EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%
FVE Buštěhrad a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
FVE Vranovská Ves a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
F.W. Tolkowiec sp. z o.o.	Poland	67.00%	67.00%	100.00%	100.00%
GENTLEY a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
KEFARIUM,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%
Mega Energy sp. z o.o.	Poland	67.00%	67.00%	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%
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%
Taidana Limited	Cyprus	100.00%	100.00%	100.00%	100.00%
TEC Varna EAD	Bulgaria	100.00%	100.00%	100.00%	100.00%

Subsidiaries	Country of incorporation	% equity interest		% voting interest	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Teplné hospodářství města Ústí nad Labem s.r.o.	Czech Republic	55.83%	55.83%	55.83%	55.83%
Teplárna Trmice, a.s.	Czech Republic	100.00%	100.00%	100.00%	100.00%
TMK Hydroenergy Power S.R.L.	Romania	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	
		March 31, 2012	December 31, 2011	March 31, 2012	December 31, 2011
Akcez Enerji A.S.	Turkey	44.31%	44.31%	50.00%	50.00%
Aken B.V.	Netherlands	37.36%	37.36%	50.00%	50.00%
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	Turkey	37.36%	37.36%	50.00%	50.00%
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	Turkey	33.63%	33.63%	45.00%	45.00%
Akenerji Elektrik Üretim A.S.	Turkey	37.36%	37.36%	37.36%	37.36%
Akka Elektrik Üretim A.S.	Turkey	33.63%	33.63%	45.00%	45.00%
Akkur Enerji Üretim Ticaret ve Sanayi A.S.	Turkey	36.99%	36.99%	49.50%	49.50%
AK-EL Kemah Elektrik Üretim ve Ticaret A.S. ⁴⁾	Turkey	37.36%	37.36%	50.00%	50.00%
AK-EL Yalova Elektrik Üretim A.S.	Turkey	33.65%	33.65%	45.54%	45.54%
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	37.36%	37.36%	50.00%	50.00%
Jadrová energetická spoločnosť Slovenska, a. s.	Slovakia	49.00%	49.00%	50.00%	50.00%
JESS Invest, s. r. o.	Slovakia	49.00%	49.00%	50.00%	50.00%
JTSD - Braunkohlebergbau GmbH	Germany	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%	49.50%	49.50%
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.

5. Assets classified as held for sale

At the end of July 2011, all competent authorities of the CEZ Group approved the transaction in which CEZ Group is to sell its 50% stake in the German mining company MIBRAG and a project of the construction of new coal-fired power plant Profen in the site of MIBRAG's mines to the company Energetický a průmyslový holding, a.s., while to acquire 100% stake in Energotrans, a.s., which supplies heat from Mělník to Prague. The completion of these transactions after approval by relevant competition authorities is expected to occur in the second quarter of 2012.

The CEZ Group classified the investment in the company MIBRAG, including outstanding provided loan and its accessories and a project of the construction of new coal-fired power plant Profen, as a disposal group classified as held for sale as of July 1, 2011.

The assets classified as held for sale at March 31, 2012 and December 31, 2011 are as follows:

	March 31, 2012	December 31, 2011
Property, plant and equipment	1,031	1,031
Investment in the company MIBRAG	1,024	1,036
Long-term receivables	1,542	1,609
Other current assets	183	147
	<u>3,780</u>	<u>3,823</u>
Assets classified as held for sale	<u>3,780</u>	<u>3,823</u>

The assets and results associated with the assets classified as held for sale are reported in the operating segment Mining / Central Europe.

6. Long-term Debt

Long-term debt at March 31, 2012 and December 31, 2011 is as follows (in CZK millions):

	March 31, 2012	December 31, 2011
4.125% Eurobonds, due 2013 (EUR 372 million) ¹⁾	9,182	12,863
5.125% Eurobonds, due 2012 (EUR 278 million) ²⁾	6,879	12,891
6.000% Eurobonds, due 2014 (EUR 600 million)	14,786	15,419
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,707	3,087
5.825% Zero Coupon Eurobonds, due 2038 (EUR 6 million)	32	33
5.750% Eurobonds, due 2015 (EUR 600 million)	14,799	15,436
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,806	2,060
5.000% Eurobonds, due 2021 (EUR 750 million)	18,493	19,292
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	1,232	1,285
3M Libor + 0.70% Eurobonds, due 2012 (USD 100 million)	1,850	1,992
6M Pribor + 0.62% Eurobonds, due 2012 (CZK 3,000 million)	2,999	2,999
4.875% Eurobonds, due 2025 (EUR 750 million)	18,443	19,239
4.500% Eurobonds, due 2020 (EUR 750 million)	18,332	19,119
2.160% Eurobonds, due 2023 (JPY 11,500 million)	2,597	2,962
4.600% Eurobonds, due 2023 (CZK 1,250 million)	1,247	1,247
3.625% Eurobonds, due 2016 (EUR 500 million)	12,272	12,798
2.150%*IRp Eurobonds, due 2021 (EUR 100 million)	2,473	2,580
4.102% Eurobonds, due 2021 (EUR 50 million)	1,231	1,284
4.500% registered bonds, due 2030 (EUR 40 million)	965	1,006
4.750% registered bonds, due 2023 (EUR 40 million)	974	1,016
9.220% Debentures, due 2014 (CZK 2,500 million) ³⁾	2,499	2,499
Total bonds and debentures	135,798	151,107
Less: Current portion	(11,728)	(17,882)
Bonds and debentures, net of current portion	124,070	133,225
Long-term bank and other loans:		
Total long-term bank and other loans	32,171	32,842
Less: Current portion	(1,488)	(1,382)
Long-term bank and other loans, net of current portion	30,683	31,460
Total long-term debt	167,969	183,949
Less: Current portion	(13,216)	(19,264)
Total long-term debt, net of current portion	154,753	164,685

¹⁾ In January 2012, the original nominal value of the issue (EUR 500 million) was reduced by bought back own bonds at a nominal value of EUR 128 million.

²⁾ In January 2012, the original nominal value of the issue (EUR 500 million) was reduced by bought back own bonds at a nominal value of EUR 222 million.

³⁾ Since 2006 the interest rate has changed to consumer price index in the Czech Republic plus 4.20%.

7. Short-term Loans

Short-term loans at March 31, 2012 and December 31, 2011 are as follows (in CZK millions):

	March 31, 2012	December 31, 2011
Short-term bank loans	7,747	4,333
Bank overdrafts	1,158	1,167
Total	8,905	5,500

8. Share options

At March 31, 2012 and December 31, 2011, the aggregate number of share options granted to members of Board of Directors and selected managers was 2,097 thousand and 2,663 thousand, respectively.

The following table shows changes during the first three months of 2012 in the number of granted share options and the weighted average exercise prices 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, 2011	1,903	760	2,663	1,011.70
Options granted	234	50	284	747.97
Forfeited share options	(800)	(50)	(850)	1,153.93
Share options at March 31, 2012	1,337	760	2,097	918.33

As at March 31, 2012 and December 31, 2011 the exercise prices of outstanding options were in the following ranges (in thousand pieces):

	March 31, 2012	December 31, 2011
CZK 700 – 900 per share	1,127	883
CZK 900 – 1,400 per share	970	1,780
Total	2,097	2,663

In the period of three months ended March 31, 2012 and 2011, the Company recognized a compensation expense of CZK 22 million and CZK 18 million, respectively, related to the granted options.

9. Income Taxes

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

	1-3/2012			1-3/2011		
	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	7,701	(1,463)	6,238	91	(17)	74
Cash flow hedges removed from equity	194	(37)	157	213	(41)	172
Change in fair value of available-for-sale financial assets recognized in equity	115	(23)	92	(150)	29	(121)
Available-for-sale financial assets removed from equity	(7)	2	(5)	8	(2)	6
Translation differences	(2,213)	-	(2,213)	(1,170)	-	(1,170)
Share on equity movements of associates and joint-ventures	1	-	1	10	-	10
Total	5,791	(1,521)	4,270	(998)	(31)	(1,029)

10. 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. The Group has identified seven reportable segments on this basis:

- Power Production and Trading / Central Europe
- Distribution and Sale / Central Europe
- Mining / Central Europe
- Other / Central Europe
- Power Production and Trading / South East Europe
- Distribution and Sale / South East 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 three months ended March 31, 2012 and 2011 and at December 31, 2011 (in CZK millions):

March 31, 2012:

	Power Production and Trading CE	Distribu- tion and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribu- tion and Sale SEE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Sales other than intersegment sales	20,580	27,820	1,190	632	922	9,644	5	60,793	-	60,793
Intersegment sales	13,448	1,260	1,607	9,529	339	120	589	26,892	(26,892)	-
Total revenues	34,028	29,080	2,797	10,161	1,261	9,764	594	87,685	(26,892)	60,793
EBITDA	17,732	5,614	1,456	1,517	840	(914)	72	26,317	(3)	26,314
Depreciation and amortization	(3,673)	(893)	(514)	(554)	(262)	(569)	(17)	(6,482)	-	(6,482)
EBIT	14,059	4,721	942	963	578	(1,483)	55	19,835	(3)	19,832
Interest on debt and provisions	(1,409)	(51)	(76)	(11)	(117)	(49)	23	(1,690)	241	(1,449)
Interest income	494	5	119	14	8	34	(30)	644	(241)	403
Share of profit (loss) from associates and joint-ventures	26	-	(10)	-	108	132	-	256	-	256
Income taxes	(2,287)	(892)	(183)	(190)	(13)	(26)	(8)	(3,599)	-	(3,599)
Net income	10,236	3,738	879	735	250	(1,367)	41	14,512	(102)	14,410
Identifiable assets	239,001	68,097	19,868	14,568	24,753	27,027	72	393,386	(6,809)	386,577
Investment in associates and joint- ventures	4,294	-	193	-	4,831	1,943	-	11,261	-	11,261
Unallocated assets										<u>208,438</u>
Total assets										<u>606,276</u>
Additions to non-current assets	5,944	1,285	251	5,496	531	755	256	14,518	(5,138)	9,380

March 31, 2011 (restated *):	Power Production and Trading CE	Distribu- tion and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribu- tion and Sale SEE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Sales other than intersegment sales	17,983	26,287	1,164	625	1,307	9,428	11	56,805	-	56,805
Intersegment sales	12,819	1,708	1,661	6,820	220	56	556	23,840	(23,840)	-
Total revenues	30,802	27,995	2,825	7,445	1,527	9,484	567	80,645	(23,840)	56,805
EBITDA	16,916	5,765	1,399	1,527	373	566	50	26,596	2	26,598
Depreciation and amortization	(3,478)	(849)	(441)	(513)	(221)	(554)	(14)	(6,070)	-	(6,070)
EBIT	13,438	4,916	958	1,014	152	12	36	20,526	2	20,528
Interest on debt and provisions	(1,438)	(65)	(77)	(8)	(108)	(42)	(23)	(1,761)	238	(1,523)
Interest income	522	8	94	10	13	39	18	704	(238)	466
Share of profit (loss) from associates and joint-ventures	74	-	65	-	(46)	38	-	131	-	131
Income taxes	(2,278)	(930)	(187)	(258)	(118)	(72)	(2)	(3,845)	-	(3,845)
Net income	11,266	3,910	895	754	380	(29)	29	17,205	-	17,205
Additions to non-current assets	5,665	1,884	485	3,172	16	566	179	11,967	(3,061)	8,906
December 31, 2011:										
	Power Production and Trading CE	Distribu- tion and Sale CE	Mining CE	Other CE	Power Production and Trading SEE	Distribu- tion and Sale SEE	Other SEE	Combi- ned	Elimina- tion	Consoli- dated
Identifiable assets	237,266	67,712	20,128	15,327	25,859	28,224	82	394,598	(7,735)	386,863
Investment in associates and joint- ventures	4,463	-	190	-	4,800	1,839	-	11,292	-	11,292
Unallocated assets										199,952
Total assets										598,107

* Certain numbers shown were restated due to the final report of fair value of Teplárna Trmice, a.s. as of the acquisition date and do not correspond to the interim consolidated financial statements as of March 31, 2011.

11. Events after the Balance Sheet Date

In April 2012 ČEZ, a. s. received proceeds of twenty-year registered bond issued under German law (Namensschuldverschreibung) in amount EUR 40 million. The coupon was set at 4.70% p. a.

In April 2012 ČEZ, a. s. completed issues of USD 700 million aggregate principal amount of 4.25% Notes due 2022 and USD 300 million aggregate principal amount of 5.625% Notes due 2042.