CEZ GROUP: THE LEADER IN POWER MARKETS OF CENTRAL AND SOUTHEASTERN EUROPE

Investment story, November 2011

DISCLAIMER

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AGENDA

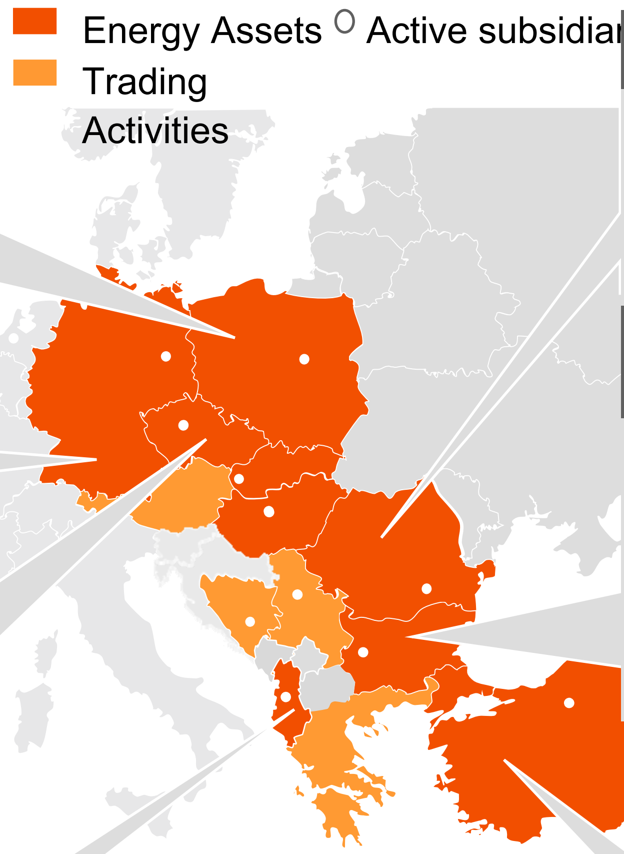
CEZ GROUP IS AN INTERNATIONAL UTILITY WITH A STRONG POSITION IN CEE

CEZ Group in Poland (100% stake in Skawina, 100% in Elcho)	
Electricity generation, gross (TWh)	2.1
Market share	**1.4%**
Installed capacity (MW)	730
Market share	**2.2%**
Number of employees	433
Sales (EUR million)	145

CEZ Group in Germany (50% stake in MIBRAG)	
Annual coal extraction (m t)	19.6
Sales (EUR m)	416

CEZ Group in the Czech Republic	
Electricity generation, gross (TWh)	63.2
Market share	**74%**
Number of connection points (million)	3.5
Market share	**61%**
Installed capacity (MW)	12,728
Number of employees	20,851
Sales (EUR million)	6,041

CEZ Group in Albania (76% stake in CEZ Shpërndarje)	
El. sales to end customers (TWh)	4.6
Number of connection points (million)	1.1
Number of employees	5,044



CEZ Group in Romania (100% stakes in CEZ Distributie, CEZ Vanzare)	
El. sales to end customers (TWh)	3.5
Number of connection points (million)	1.4
Market share	**16,1%**
Number of employees	1,996
Sales (EUR million)	400

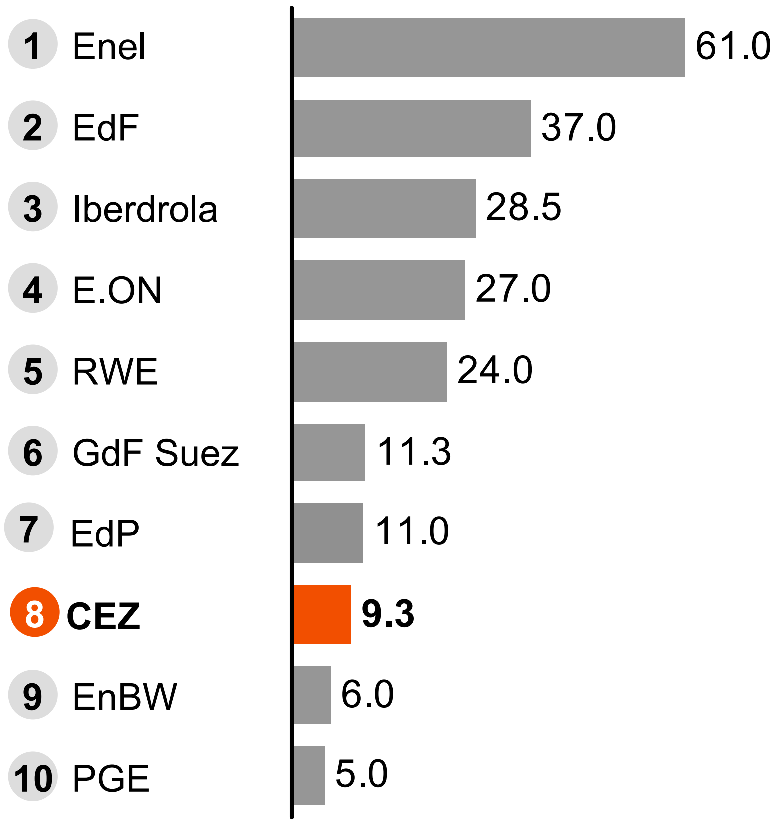
CEZ Group in Bulgaria (67% stake in CEZ Razpredelenie Bulgaria, CEZ Electro Bulgaria, 100% in TPP Varna)	
El. sales to end customers (TWh)	8.8
Number of connection points (million)	2.0
Market share	**40%**
Installed capacity (MW)	1,260
Market share	**6,9%**
Number of employees	4,282
Sales (EUR million)	773

CEZ Group in Turkey (44.3% stake in SEDAS through AkCez, 37.36% stake in Akenerji)	
El. sales to end customers (TWh)	10.1
Number of connection points (million)	1.3
Market share	**6.5 %**
Installed capacity (MW)	654
Market share	**1.1%**

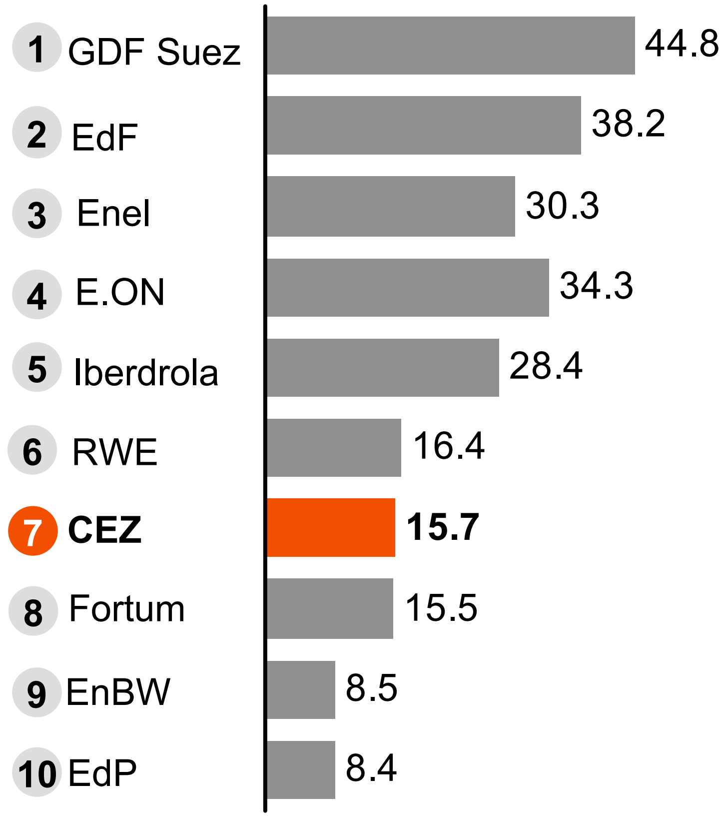
Source: CEZ, national statistics, data for 2010, CZK/EUR 25.29

CEZ GROUP RANKS AMONG THE TOP 10 LARGEST UTILITY COMPANIES IN EUROPE

Top 10 European power utilities
Number of customers in 2010, in millions



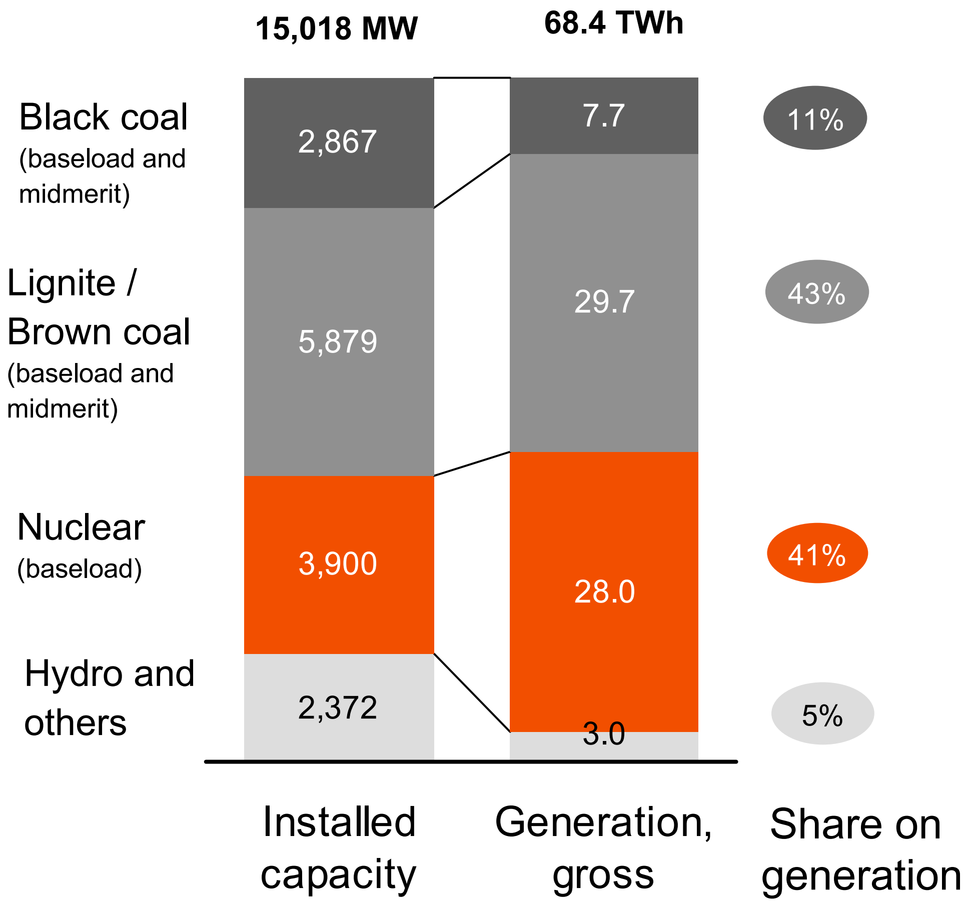
Top 10 European power utilities
Market capitalization in EUR bn, as of November 11, 2011



Source: Bloomberg, Annual reports

CEZ GROUP IS BENEFITING FROM LOW COST GENERATION FLEET

CEZ Group installed capacity and generation (2010)

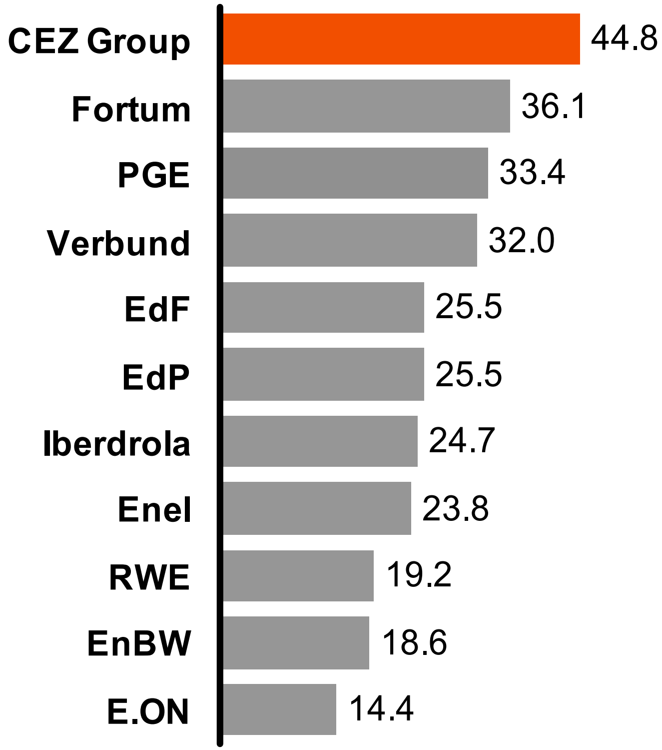


- **Coal power plants are using mostly lignite from CEZ's own mine** (60% of lignite needs sourced internally, remaining volume through medium-term supply contracts)
- **Nuclear plants have very low operational costs**

CEZ has a long-term competitive advantage of low and relatively stable generation costs

CEZ GROUP IS ONE OF THE MOST PROFITABLE EUROPEAN UTILITIES

EBITDA margin, 2010
Percent



Source: Annual reports, 2010 Financial Statements

KEY STRENGTHS OF CEZ GROUP

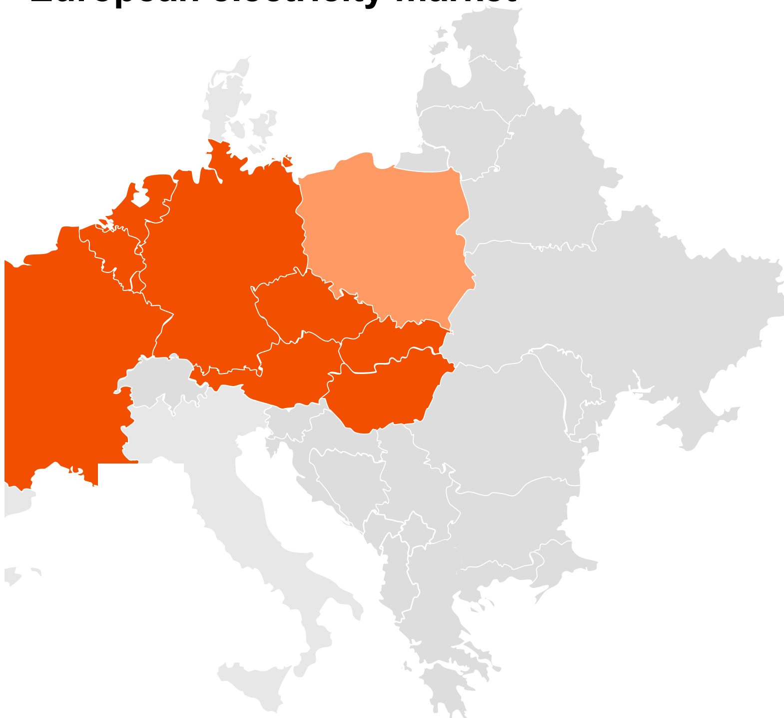
- Low cost generation fleet
- Clear path towards low emission portfolio
- Nuclear expertise
- Portfolio of high quality foreign assets purchased at attractive prices
- Strong balance sheet
- Attractive dividends

AGENDA

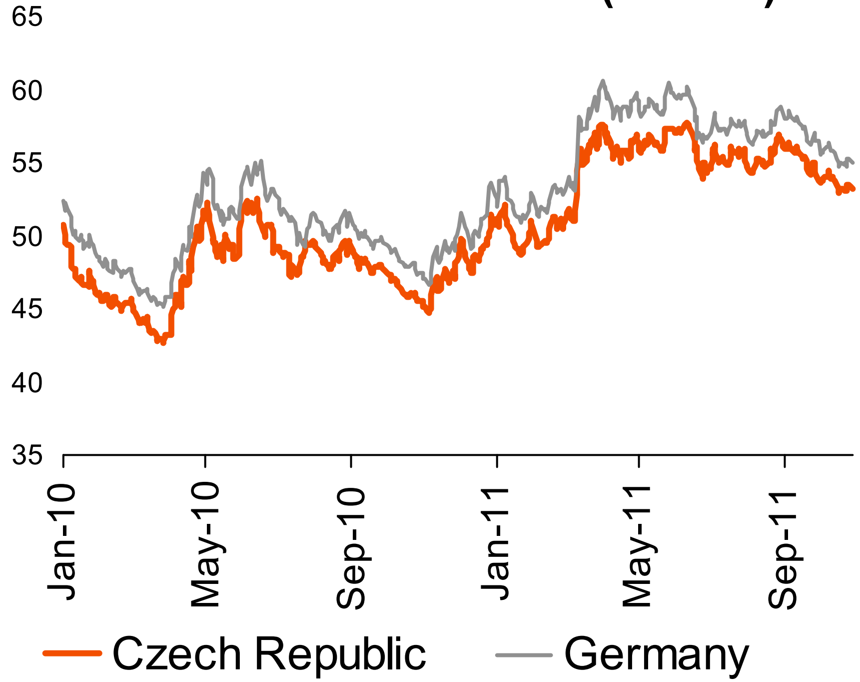
CZECH ELECTRICITY MARKET HAS CONVERGED WITH GERMANY DUE TO STRONG CROSS-BORDER INTEGRATION

- **Czech market is an integral part of wider European electricity market**
- **Czech power prices are fully liberalized and are driven by the same fundamentals as German market**
- **There are no administrative interventions from the side of the government**

European electricity market

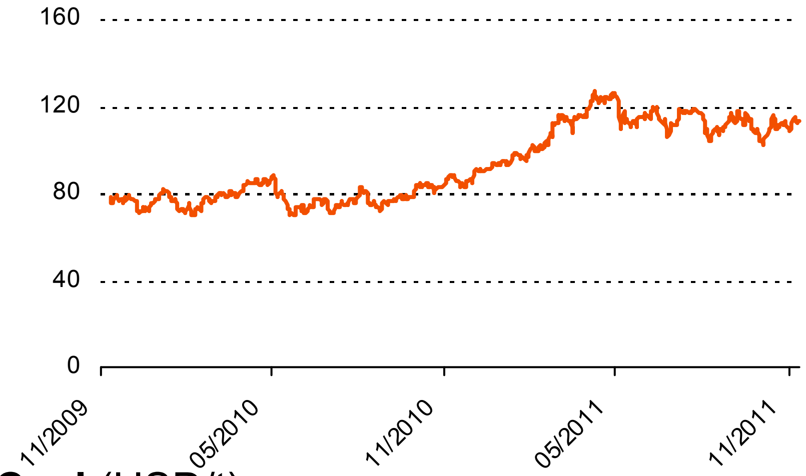


Year ahead baseload (€/MWh)

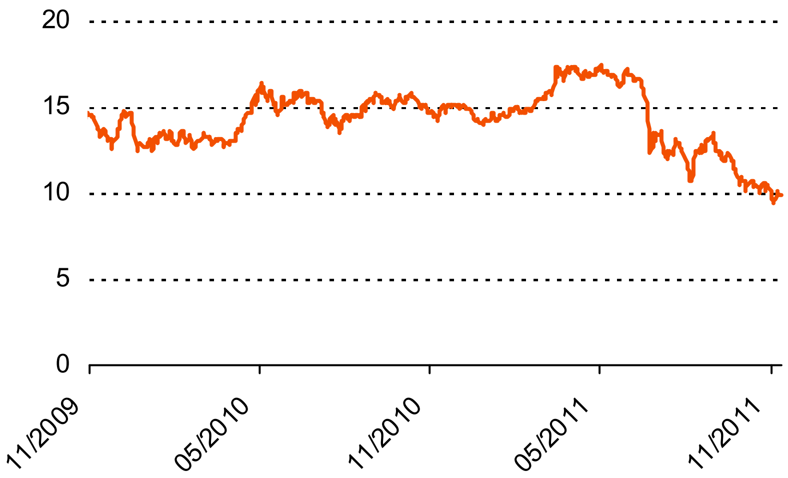


PRICES OF MOST INPUT COMMODITIES HAVE RECOVERED

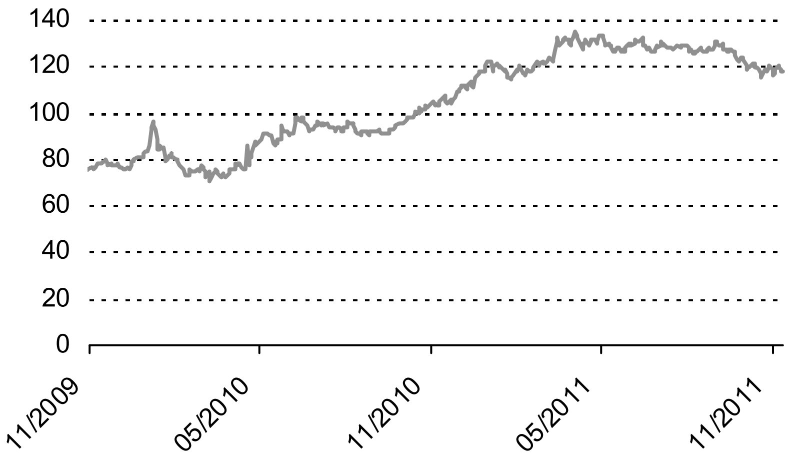
Oil Brent (USD/bl)



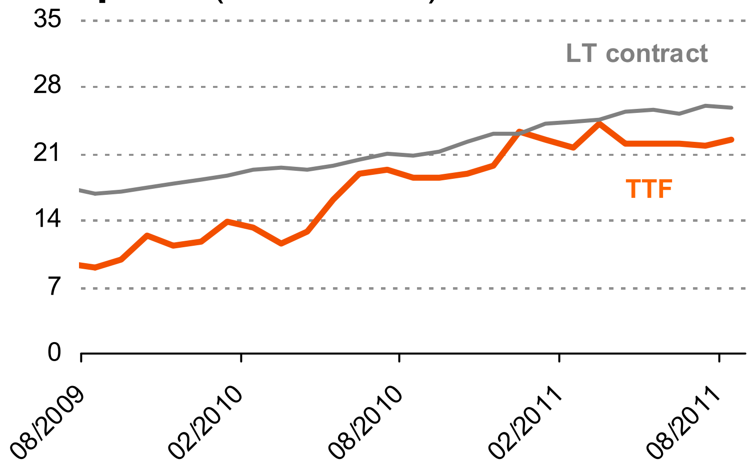
CO_2 allowances – NAPII (EUR/t)



Coal (USD/t)

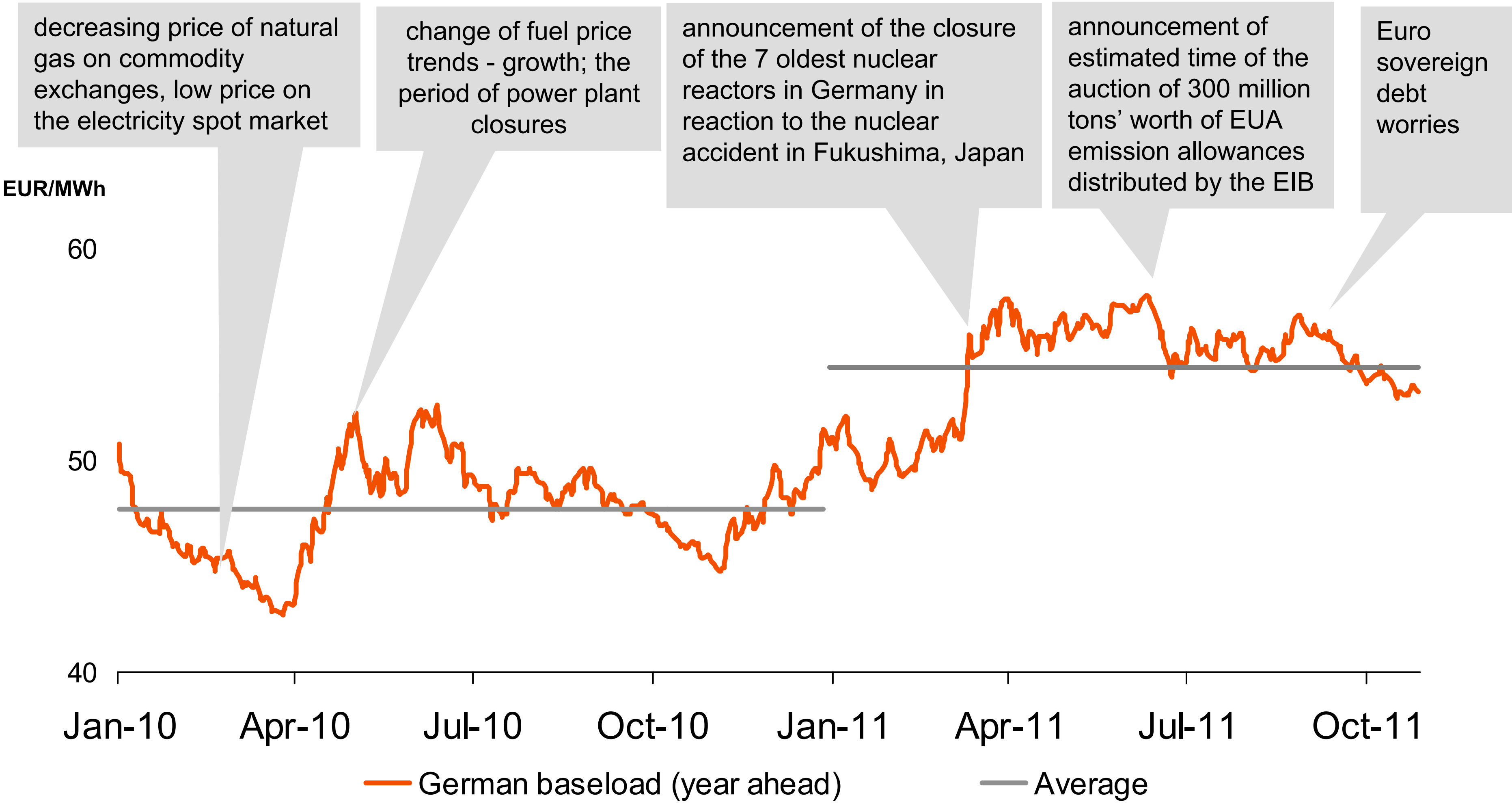


Gas price (EUR/MWh)



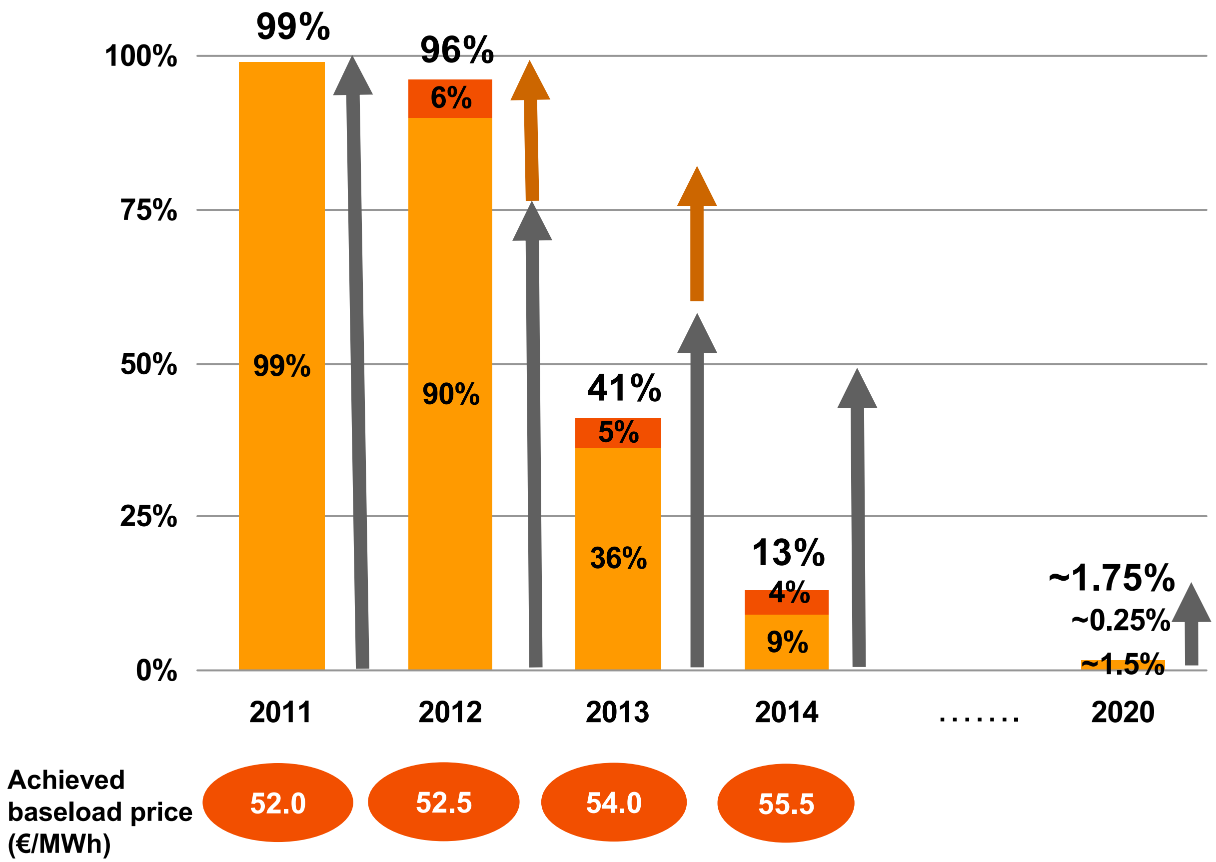
Note: next month deliveries or spot

WHOLESALE ELECTRICITY PRICES ARE HIGHER THAN LAST YEAR



CEZ HAS ALREADY HEDGED MAJORITY OF ITS 2012 PLANNED OUTPUT

Share of hedged generation from ČEZ, a. s. power plants
(as of Oct 31, 2011, 100 % corresponds to 55 – 60 TWh)



- ČEZ, a. s., applies a standard concept of hedging its open positions from electricity generation portfolio against price risks and of hedging currency risk
- Within this strategy ČEZ, a.s. sells electricity on forward basis for years Y+1 to Y+3 and hedges currency for years Y+1 to Y+4
- ČEZ, a. s. concluded new long-term contracts with delivery by 2020

Electricity hedging

Hedged volume from Aug 15, 2011to Oct 31, 2011

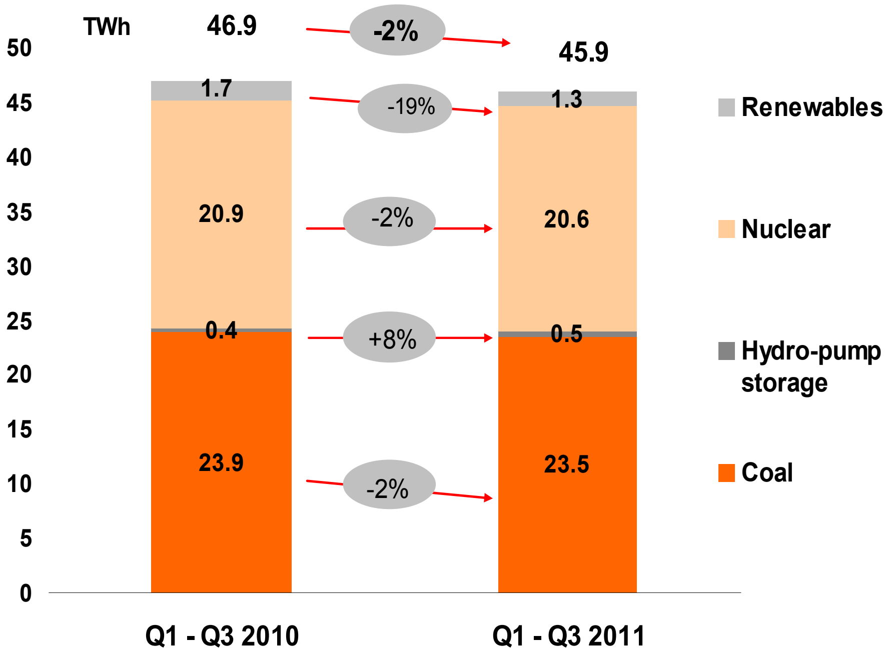
Hedged volume at Aug 15, 2011

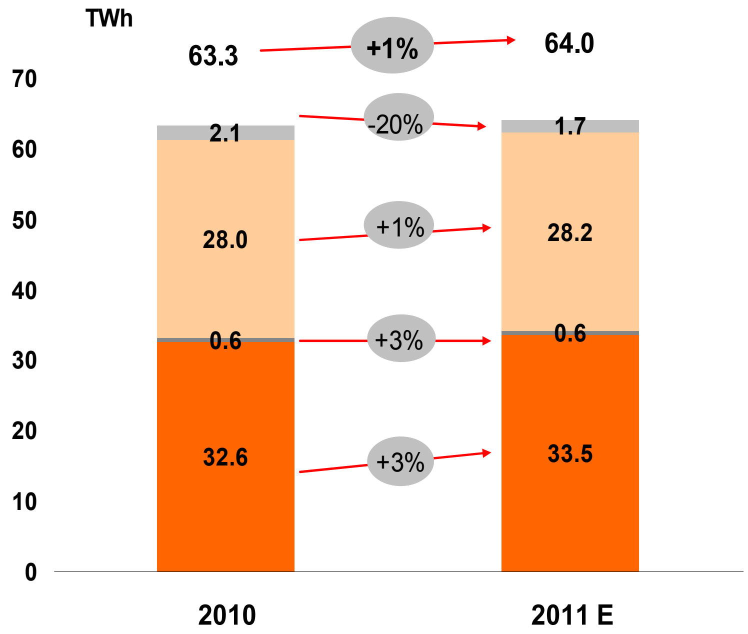
Currency hedging

Transaction currency hedging (hedge accounting)

Natural currency hedging – costs, investment and other expenses, debts in EUR (hedge accounting)

IN Q1 - Q3 2011 ELECTRICITY PRODUCTION OF CEZ GROUP DROPPED BY 2% Y-O-Y; WE STILL PREDICT 1% GROWTH FOR 2011





Coal-fired plants (-2%)

- higher fault rate, higher number of planned outages in Q1
+ higher utilisation in Q2

Renewable sources (-19%)

- lower production of hydro-electric plants in Q1 - Q3 2011 in comparison with 2010 due to above average precipitation in 2010

Coal-fired plants (+3%)

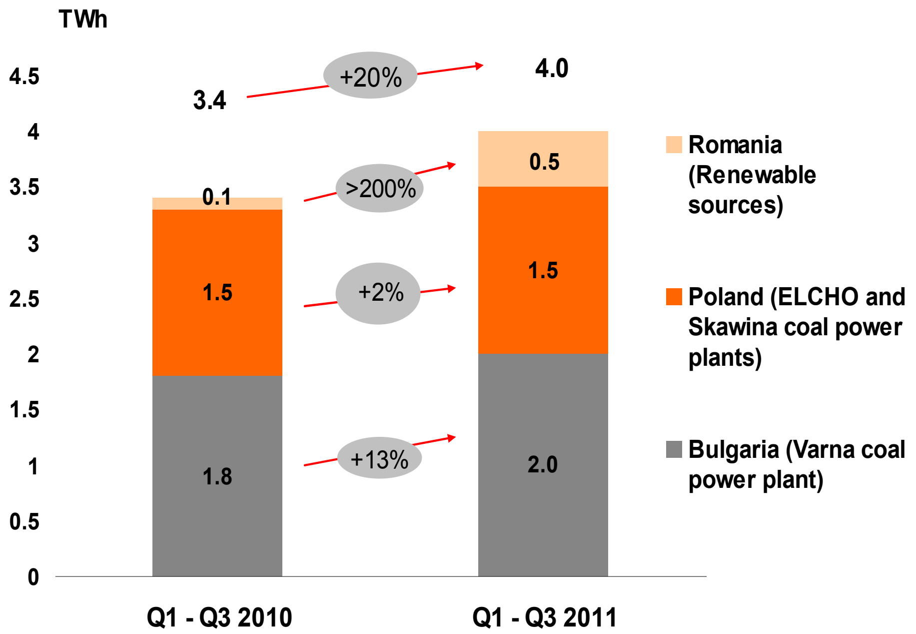
+ more profitable operations due to higher expected electricity price

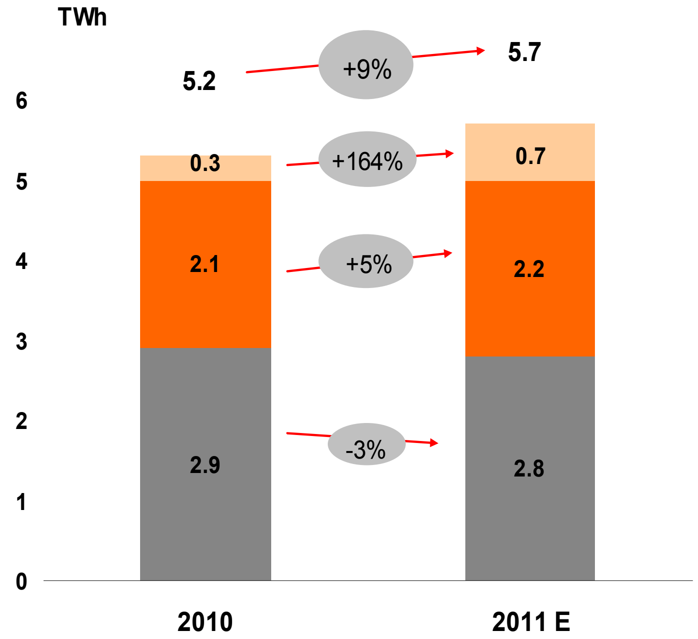
Nuclear power plants (+1%)

+ expected increase of utilisation of NPP Dukovany

Source: ČEZ, a. s.

IN Q1-Q3 2011 ELECTRICITY PRODUCTION OF CEZ GROUP ABROAD GREW BY 20%, WE EXPECT 9% GROWTH IN 2011





Romania, renewable sources

+ gradual launch of generation and connection of wind turbines at the Fântânele site as late as H2 2010
+ moderate impact of Reşiţa hydroelectric plant (new acquisition, consolidated since 07/2011)

Poland – ELCHO and Skawina coal-fired plants (+2 %)

+ higher volume of biomass used as fuel in the ELCHO power plant

Bulgaria - Varna coal-powered plant (+13 %)

+ higher activation of the so-called cold reserve (production as requested by system operator) at the beginning of the year

Poland – ELCHO and Skawina coal-fired plants (+5 %)

+ maximum possible volumes of biomass used as fuel in both power plants

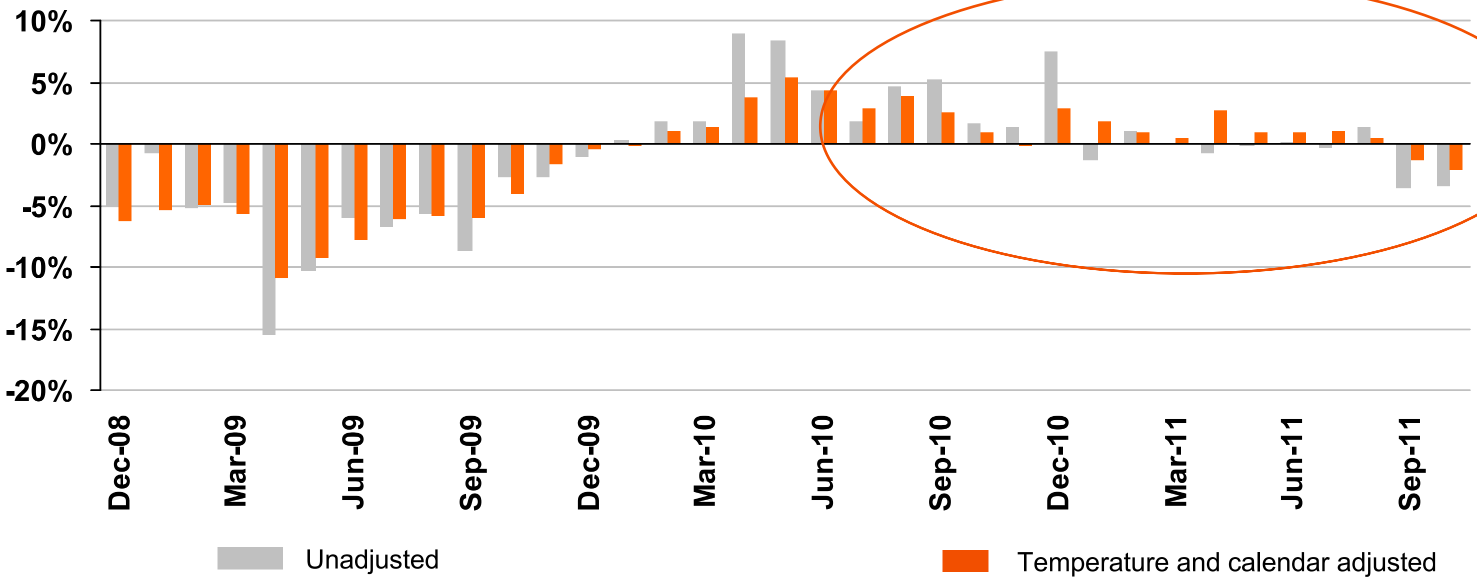
Bulgaria - Varna coal-powered plant (-3 %)

- lower expected annual production caused by lower production for the regulated market in H2 2011 (lower quota)

Source: ČEZ, a. s.

ADJUSTED ELECTRICITY DEMAND IN THE CZECH REPUBLIC IS MODERATELY RECOVERING

Y-o-y monthly indexes of demand in the Czech Republic



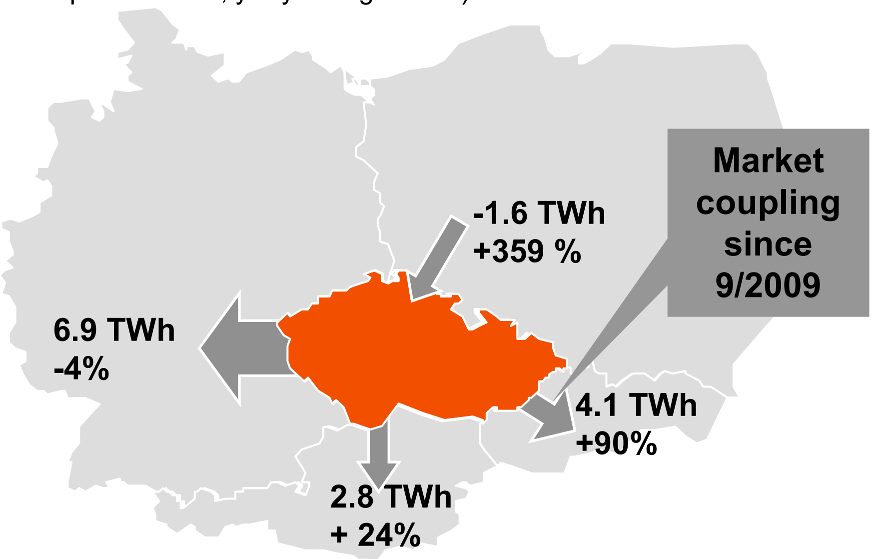
- In Q1-Q3 2011 adjusted electricity consumption grew 0.9% y-o-y in the Czech Republic
- consumption of individual segments in Q1-Q3 2011 was as follows :
  - +2.9 % industrial customers
  - -2.2 % low voltage customers

Source: CEZ, ERU

CZECH REPUBLIC REMAINS NET EXPORTER OF ELECTRICITY

Balance of cross border trades of the Czech Republic in 9M 2011

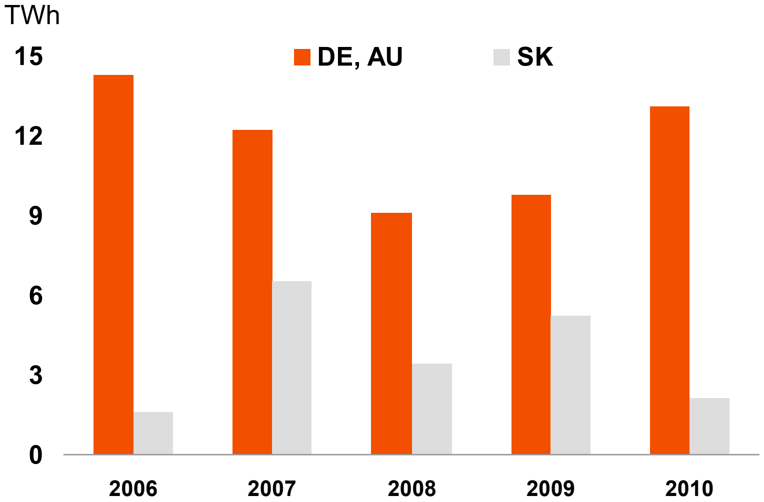
(Net exports in TWh, y-o-y changes in %)



Total net exports:12.2 TWh, +8%

- CEZ is selling electricity on the Czech wholesale market
- Czech Republic remains net exporter of power
- There are no bottlenecks on the borders (except Poland)

Development of balance of cross border trades



TWh	2008	2009	2010	9M 2010	9M 2011
DE, AU	9.1	9.8	13.1	9.5	9.7
SK	3.4	5.2	2.1	2.3	4.1
PL	-0.8	-0.7	-0.5	-0.4	-1.6
	11.7	**14.3**	**14.8**	**11.3**	**12.2**

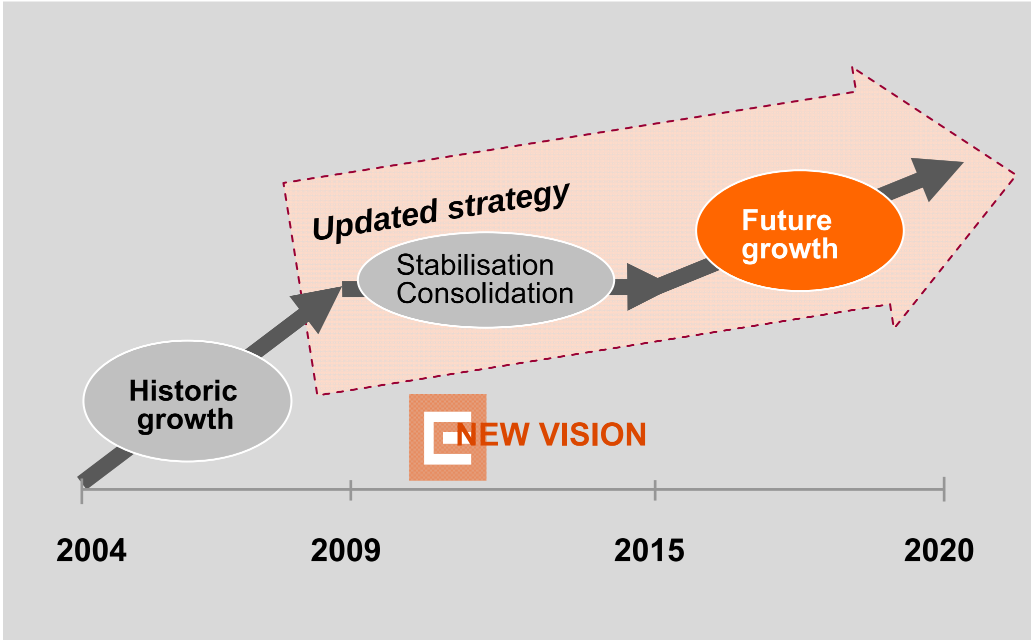
AGENDA

THE UPDATED STRATEGY AIMS AT STABILISING THE VALUE OF CEZ GROUP

Presentation of updated strategy

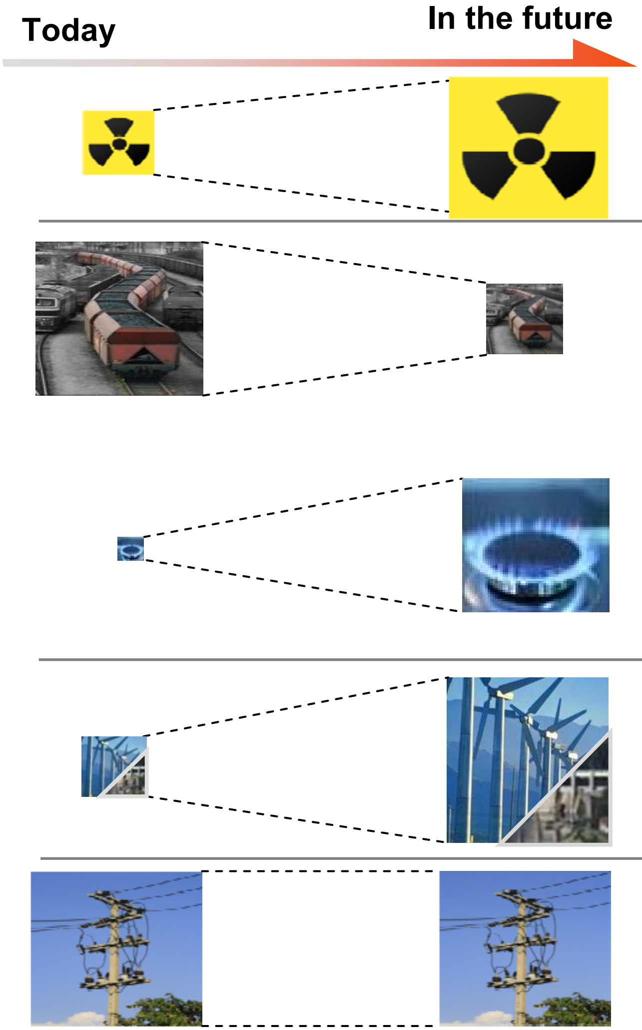
The updated strategy builds on the development of physical assets, the know-how of people at CEZ Group, and on the strengthening of the position of CEZ Group as a leader in the Czech regions

The key building blocks of the updated strategy derive from the NEW VISION initiative



The updated strategy builds on the ambitions of the NEW VISION initiative

STRATEGIC PRIORITIES OF CEZ GROUP UNTIL 2025: DIVERSIFIED GENERATION PORTFOLIO



Nuclear power plants

- service life of Dukovany extended beyond 2025, installed capacity of both Dukovany and Temelín increased
- new nuclear plant in Temelín (potentially in Dukovany as well)

Conventional power plants

- renewal of Prunéřov and Tušimice plants and new plant in Ledvice completed; construction of CCGT in Počerady completed
- fuel (both coal and alternatives) secured for the operation of the older power plants until the end of their useful life
- improved position in the heat generation industry including the development of co-generation plants and the use of waste as fuel for generation; more CCGTs with heat deliveries to be built depending on needs and opportunities
- positions scaled down in conventional power plants abroad

Renewables

- the portfolio of renewable sources (water, wind) to be expanded, subject to feasibility up to 3,000 MW

Distribution

- distribution in the Czech Republic remains a key element of the portfolio, development of distribution companies continued on strategic markets, non-strategic foreign markets abandoned

PRIORITIES OF NEW VISION REMAIN VALID

Generation and mining

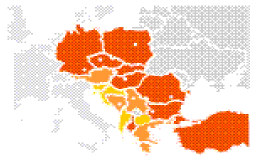
- Increasing capacity, safety and lifetime of nuclear power plants
- Completion of construction and comprehensive renewal of conventional power plants according to plan
- Optimizations of the operations of the coal portfolio
- Optimizing operating expenditure of plants
- Development of regulated assets

Sale

- Achieving better sales of electricity in comparison with the market average
- Stabilization of customer portfolio
- Maintaining strategic share on electricity market
- Successful development of gas sales in the Czech Rep. and Slovakia
- Operational efficiency of supporting end customers

Distribution

- Efficient management of investments into distribution network
- Optimization of expenditure on network maintenance and operations while maintaining quality of delivery
- Increasing the availability of the distribution network



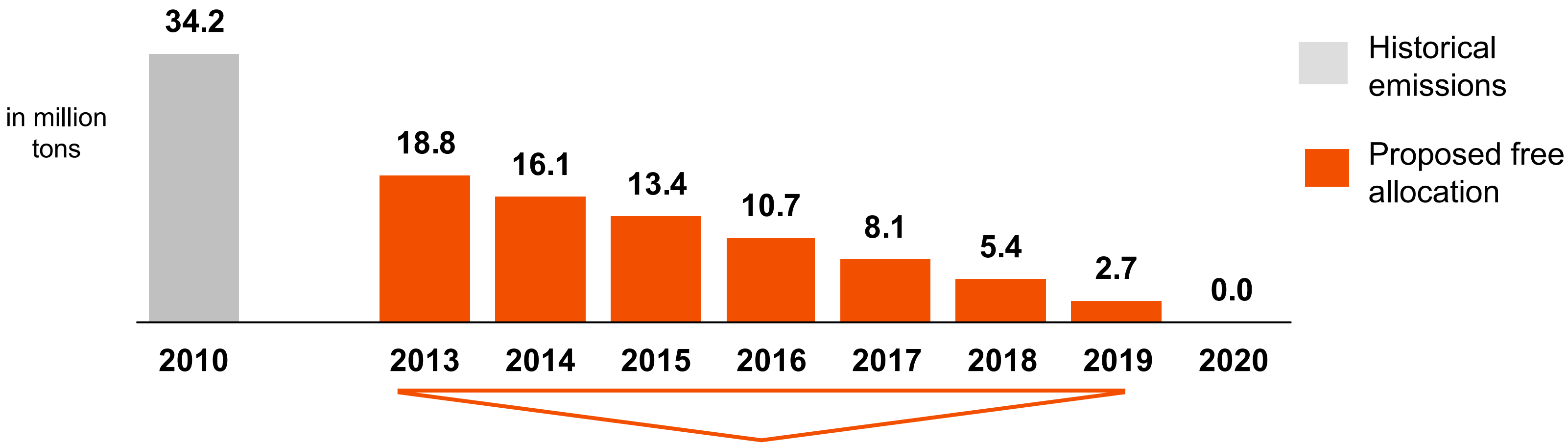
International

- Speeding up repatriation of finances
- Cost optimization in line with best practice

CEZ WILL CONTINUE TO RECIEVE PART OF CARBON ALLOWANCES FOR FREE EVEN AFTER 2013

- Czech Republic is eligible for derogation and can allocate part of CO_2 allowances to electricity producers for free in 2013-2020.
- The value of free CO_2 allowances needs to be invested into modernization and upgrade of infrastructure, clean technologies, and diversification of energy mix.
- In September 2011 Czech government approved National Investment Action Plan of the Czech Republic as proposed by Enviromental Ministry.
- The plan was submitted to European Commission for final approval.

Expected allocation of carbon allowances to CEZ in the Czech Republic*

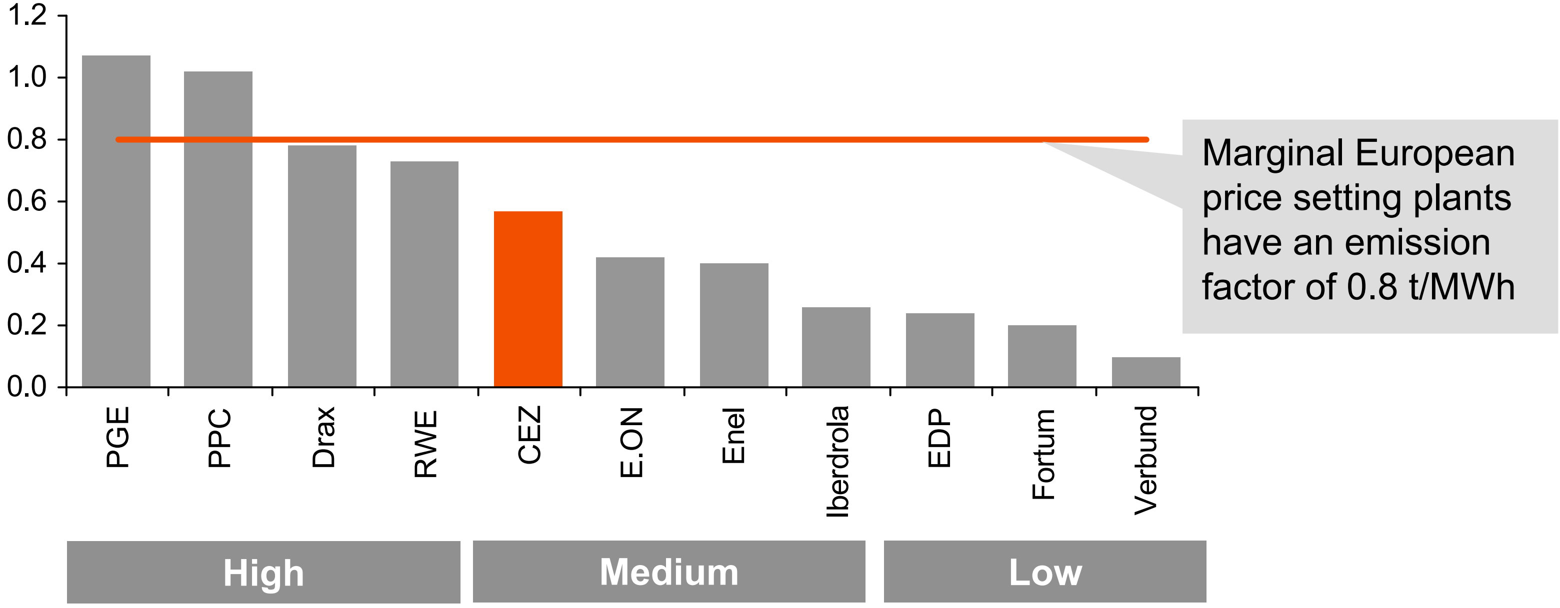


CEZ could receive 75.2 m of carbon allowances over 2013-2020, which represents value of €0.7 bn**

* aplication sent to European Commision, ** CO_2 allowances price of 9 €/t

OUR CO_2 INTENSITY IS ALREADY NOW BELOW EUROPEAN PRICE SETTING PLANT

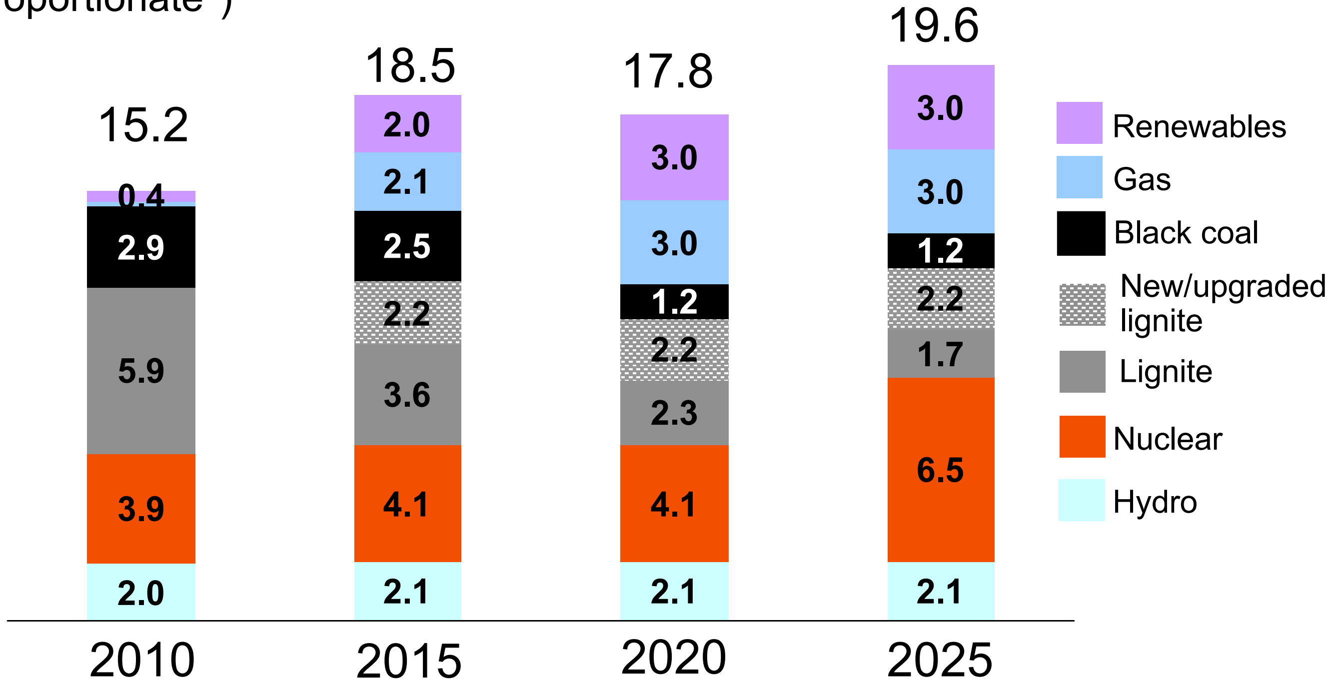
Carbon intensity of selected European utilities
(2010, t/MWh)



Increase in CO_2 price has a positive impact on CEZ profitability

INVESTMENT PROGRAM WILL ALLOW CEZ TO REDUCE THE AVERAGE CO_2 EMISSION FACTOR BY ALMOST 50%

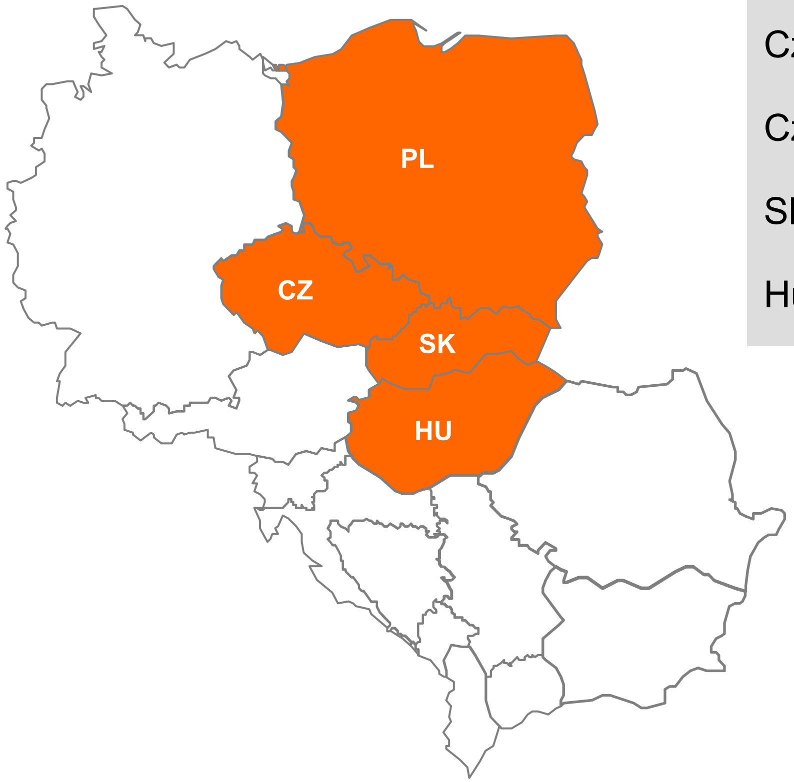
Expected installed capacity (GW)
(proportionate*)



	2010	2015	2020	2025
Total CO_2 emissions (m t CO_2)	39.3	44.1	33.6	33.6
Emission intensity (t CO_2/MWh supplied)	0.63	0.52	0.41	0.34

Source: CEZ; * consolidated entities + 37.4% stake in Akenerji, JV with MOL

CEZ PLANS CCGTS IN LOCATIONS WITH SUITABLE CONDITIONS



Location	Name	Approximate Size (MW)
Czech Rep.	**Pocerady**	840
Czech Rep.	**Melnik***	840
Slovakia	**Slovnaft** (JV with MOL)	840 +160
Hungary	**Dufi** (JV with MOL)	840

* In early development stage, currently not included in our 2011-15 capex plan

NUCLEAR ENERGY REMAINS VERY ATTRACTIVE AND CEZ PURSUES OPPORTUNITIES IN THIS AREA

Reasons for nuclear energy

- “in the money“
- CO_2 free solution
- Reliable & predictable fuel suppliers
- Another way to diversify generation portfolio

CEZ response

- Increase of **production at existing plants** from 26 TWh to 31 TWh by 2012
- **Temelin** – up to 3,300 MW of new capacity (in November 2011 tender documentation handed over to bidders)
- CEZ partnered with Slovakian government on construction of **Jaslovske Bohunice**
- **Dukovany** – up to 1,650 MW of new capacity

PUBLIC TENDER FOR CONSTRUCTION OF NEW UNITS AT TEMELIN NUCLEAR POWER PLANT ADVANCES

October 31, 2011 – tender documentation submitted

July 2, 2012 – deadline for presentation of offers

August 2013 – selection of the winner

by the end of 2013 – signature of contracts with winning supplier

	Bidder
AP 1000	Westinghouse Electric Company LLC Westinghouse Electric Czech Republic s.r.o.
EPR 1600	AREVA NP S.A.S.
MIR 1200	ŠKODA JS a.s. ZAO Atomstroyexport OAO OKB Gidropress

ROMANIAN WIND PROJECT SIGNIFICANTLY INCREASES OUR PRESENCE IN RENEWABLES

Romania – Fantanele & Cogealac (600 MW)

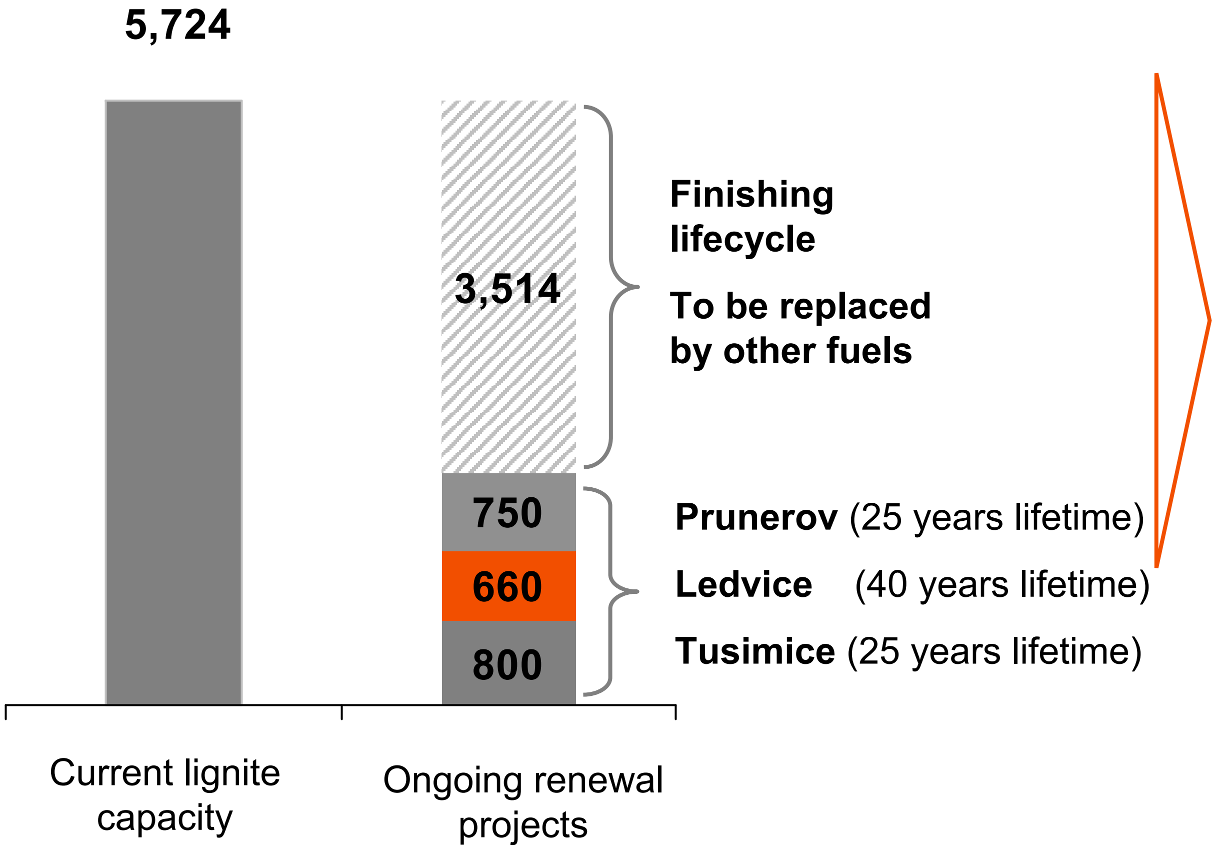
- Largest wind farm project in Europe
- 300 MW in operation, additional 300 MW by end of 2012
- Excellent wind conditions for an on-shore site with expected net capacity factor of 28%
- Total investment is estimated at € 1.1 bn
- Support through green certificates (GC) – price range set by law at € 27-55 per certificate, 2 GCs should be received for each MWh until 2017, 1GC per MWh afterwards

Czech Republic

- Construction of 125 MW of solar capacity finished in 2010
  - Thus eligible to favourable feed-in tariffs of € 476 (prior to revenue tax of 26%)
  - Total investments of CZK10.4 bn

CEZ INVESTS INTO RENEWAL OF ONLY SELECTED LIGNITE PLANTS , WHICH MATCH OUR COAL SUPPLIES

Lignite capacity (MW)

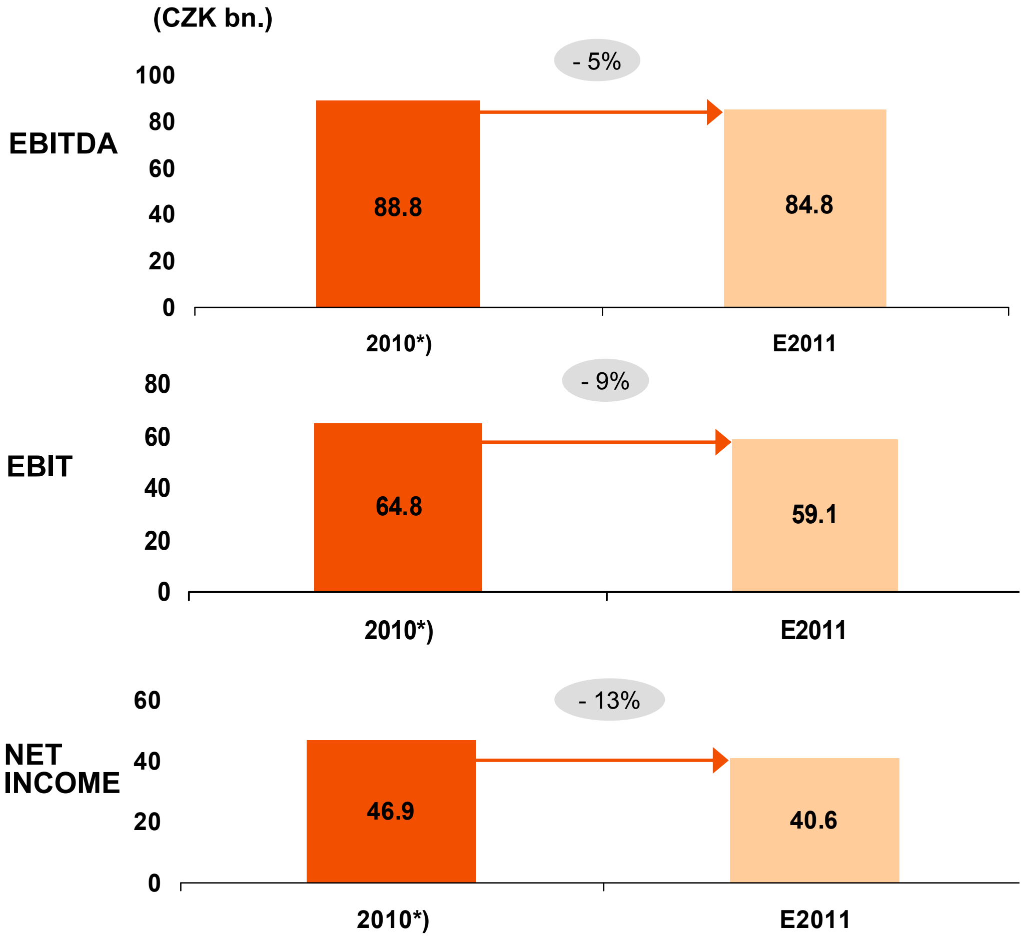


Rationale

- Low cost of domestic lignite
- Thermal power plants next to mines – only costs of internal logistics
- Replacement of old units with more efficient new technology (20% lower CO_2 emissions, from 1t CO_2/MWh to 0.8 CO_2/MWh)
- Secured lignite supplies for the investment lifetime

AGENDA

DESPITE NEGATIVE FACTORS IN Q3 WE REITERATE 2011 NET INCOME GUIDANCE



Key positive factors

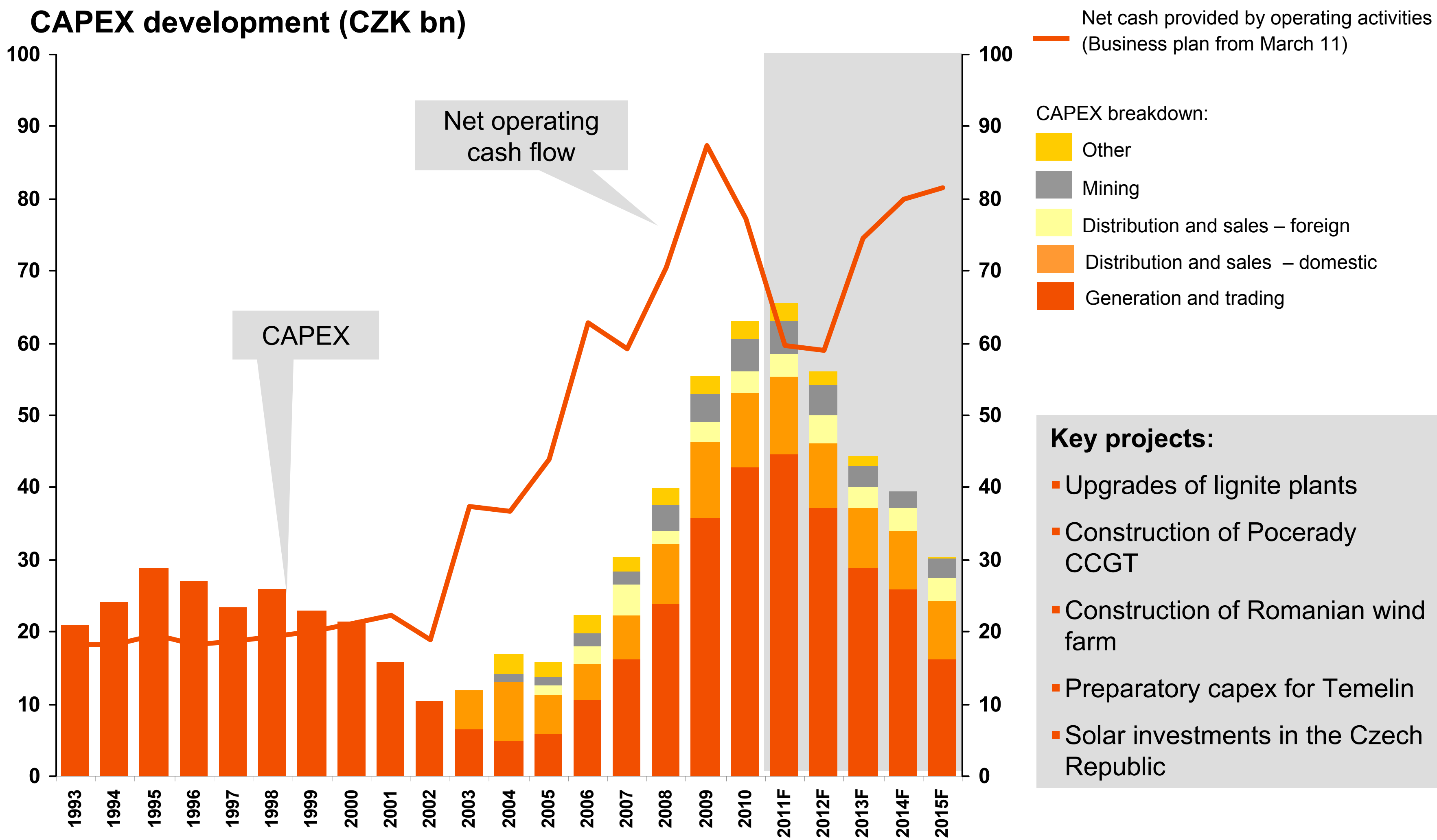
- optimisation of power plants´ dispatch at higher than expected prices:
  - expected increase of production and gross margin from coal-fired plants
  - increased production from renewables owned by CEZ Group
- compensation for the distribution correction factor from 2009
- restructuring measures in the Albanian distribution system

Key negative factors

- newly introduced gift tax on carbon allowances
- decreasing achieved electricity prices resulting from a gradual fall of forward prices of electricity in 2008 - 2010, when generation revenues had been fixed in line with the medium-term hedging strategy
- appreciation of the CZK against the Euro, i.e. a decrease in the average hedging exchange rate
- falling generation from hydroelectric plants due to unfavourable hydrologic conditions
- accounting impact of the JTSD/MIBRAG transaction (CZK -2.7 bn.)

*) The figures stated for 2010 have been adjusted by CZK -0.3 bn. after a revaluation of the assets and liabilities of the Trmice heating plant.

CAPEX PLAN CAN BE FINANCED FROM OPERATING CASH FLOW

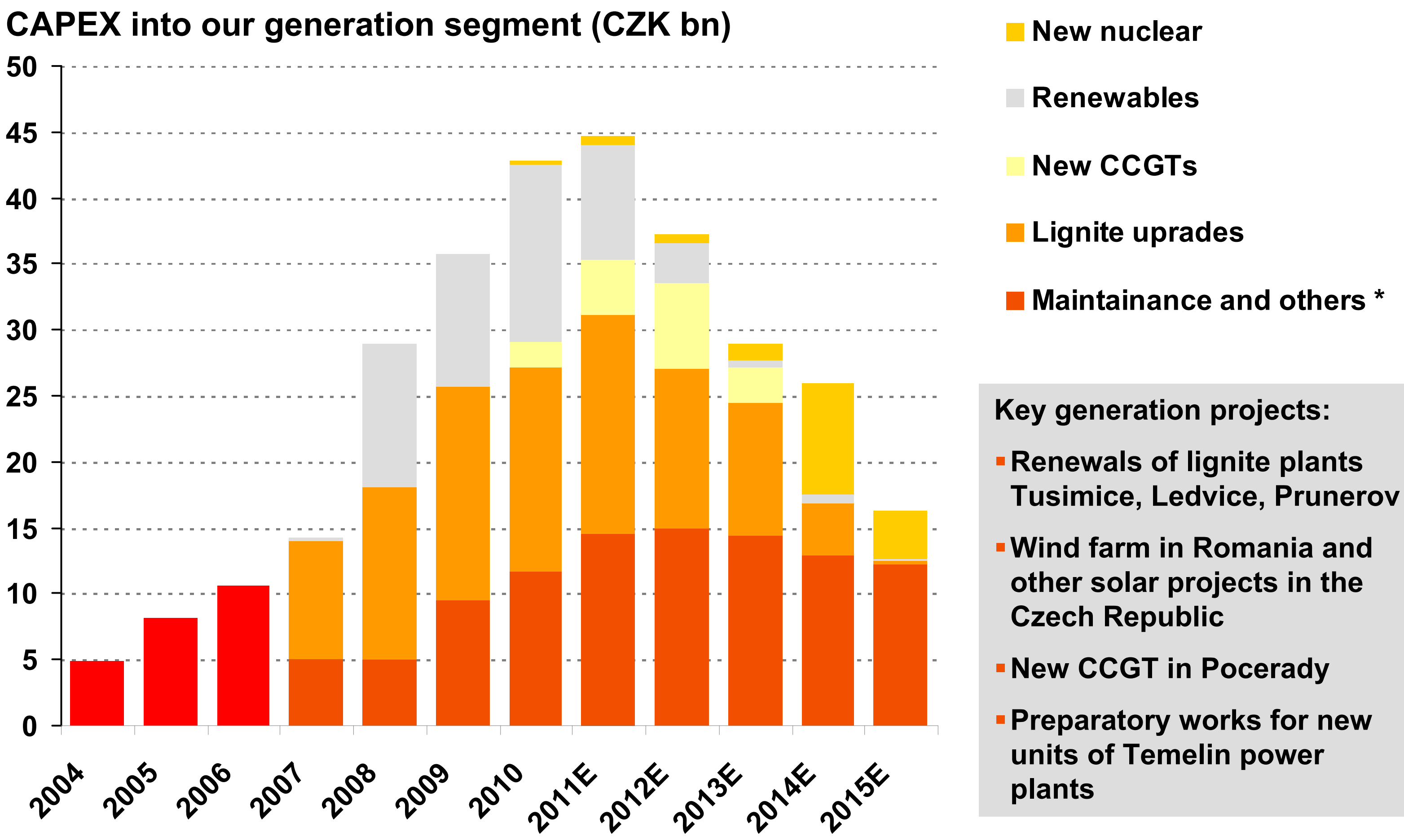


Key projects:

- Upgrades of lignite plants
- Construction of Pocerady CCGT
- Construction of Romanian wind farm
- Preparatory capex for Temelin
- Solar investments in the Czech Republic

Note: projects consolidated by equity method are not included

LARGE PART OF OUR INVESTMENTS IN GENERATION IS DIRECTED INTO LOW CARBON TECHNOLOGIES

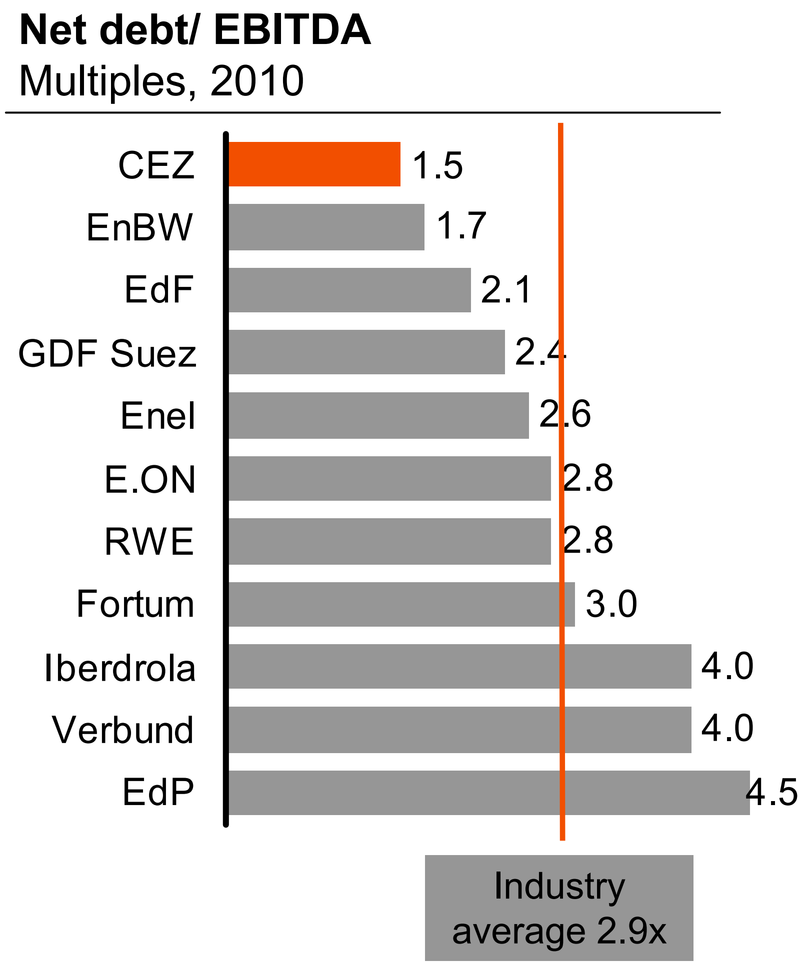


Key generation projects:

- Renewals of lignite plants Tusimice, Ledvice, Prunerov
- Wind farm in Romania and other solar projects in the Czech Republic
- New CCGT in Pocerady
- Preparatory works for new units of Temelin power plants

Source: CEZ, * including nuclear fuel, capitalized interest

OUR CURRENT LEVERAGE IS LOW COMPARED TO INDUSTRY STANDARDS

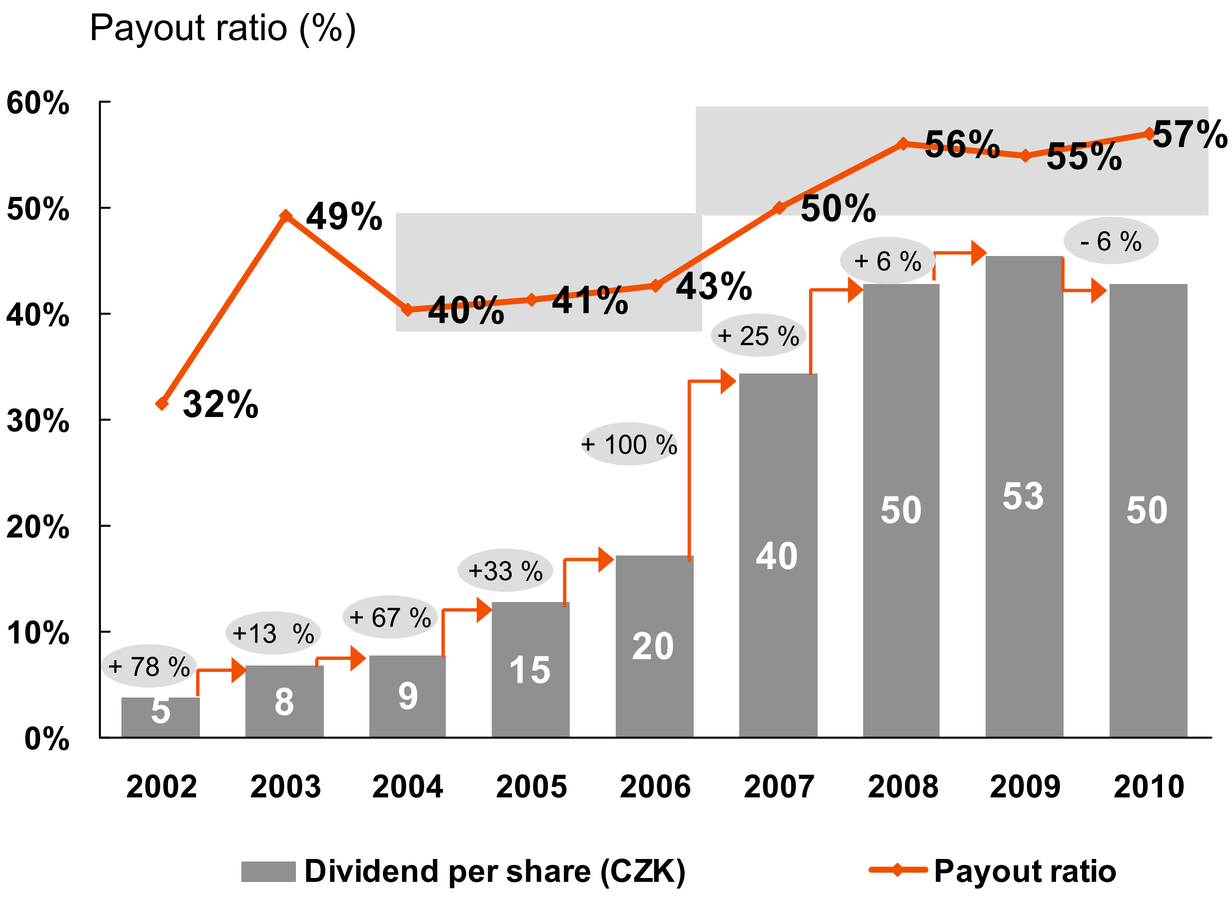


Current level of debt is low, which is a comfortable position in the current environment

Medium-term target leverage remains intact:

- Net debt/EBITDA ratio at 2.0-2.5x
- Consistent with current rating of A-/A2

CEZ GROUP IS COMMITTED TO MAINTAIN ITS PAYOUT RATIO OF 50 – 60 % OF NET INCOME



- Dividend policy targets payout ratio in the range of 50% to 60% of the consolidated profit adjusted for extraordinary items
- AGM held on June 1, 2011 approved dividend from 2010 profit of CZK 50 per share

Source: CEZ

AGENDA

CEZ IS A STRONG AND VERTICALLY INTEGRATED PLAYER IN THE CZECH ELECTRICITY MARKET

	Lignite mining	Generation	Transmission	Distribution	Supply
CEZ	**49**% 21.8 million tons	**74**% 63.3 TWh	**100**% 56.3 TWh	5 out of 8 distribution regions 61% of customers	**41**% 23.8 TWh
Others	**51**% 22.3 million tons	**26**% 22.6 TWh		39% of customers	**59**% 33.8 TWh

Lignite mining
- CEZ fully owns the largest Czech mining company (SD) covering 60% of CEZ' s lignite needs
- Remaining 2 coal mining companies are privately owned

Generation
- Other competitors – individual IPPs

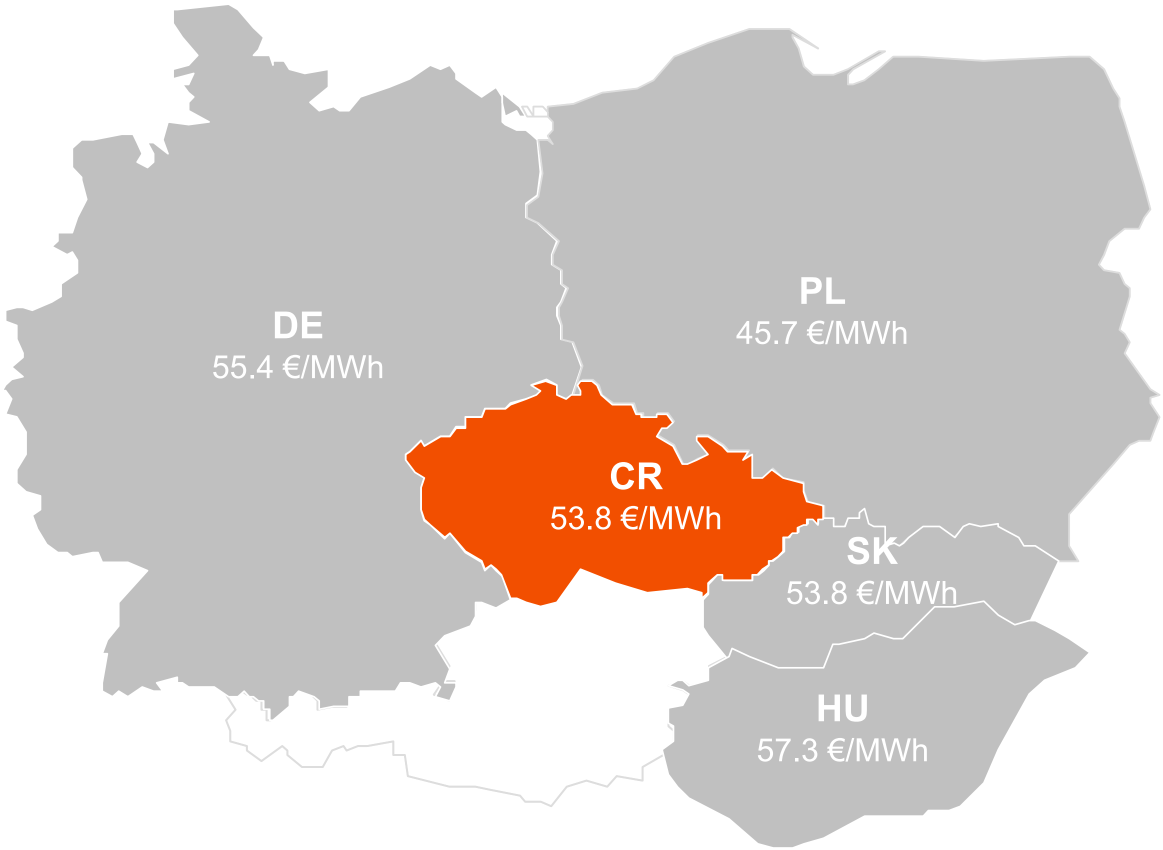
Transmission
- The Czech transmission grid is owned and operated by CEPS, 100% owned by the Czech state

Distribution

Supply
- Other competitors – E.ON, RWE/EnBW

Source: CEZ, ERU; data for 2010

ELECTRICITY MARKETS IN THE REGION ARE INTEGRATED, CEZ CAN SELL ITS POWER ABROAD

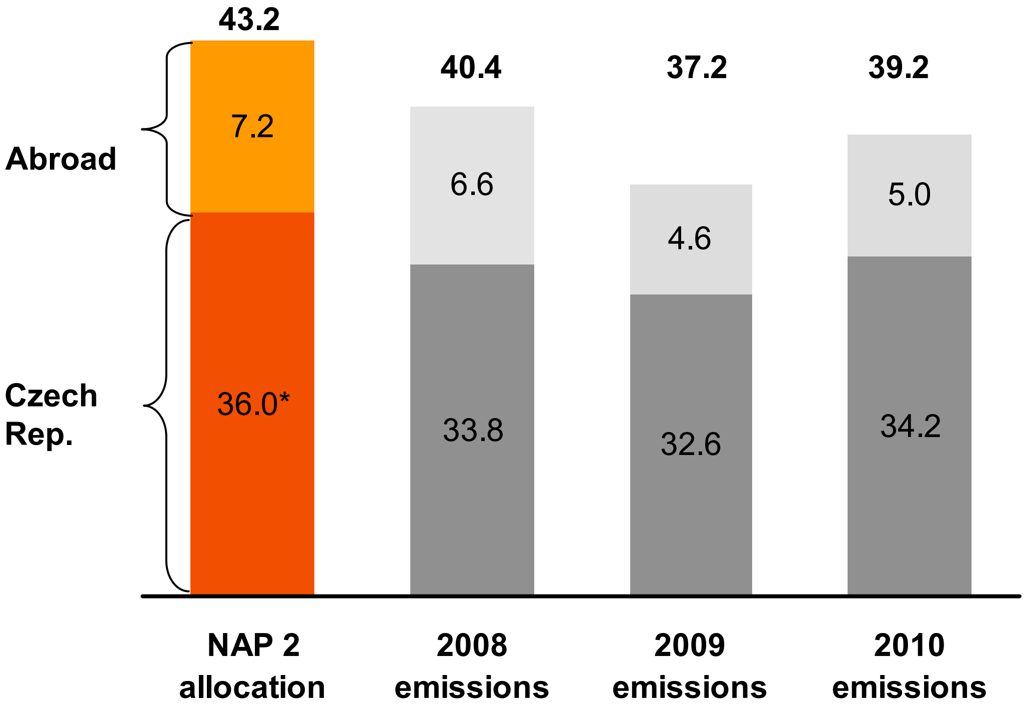


Note: Prices for base load 2012 as of November 15, 2011

Source: EEX, PXE; PolPX

NAP 2 ALLOCATION IS SUFFICIENT TO COVER CEZ GENERATION NEEDS

CO_2 Emissions of CEZ Group
Millions of Tons



- **Czech** power plants allocation is 34.8 m in NAP2, compared to 36.8 m in NAP1. Average emissions were 35.2 m in 2005 - 07
- **Polish** power plants Elcho and Skawina got allocated 3.6 m in NAP2, a reduction of 21% compared to NAP1. Their average emissions were 4.2m in 2005-07.
- Varna plant in **Bulgaria** got allocated on average 3.6m per year in NAP2 (allocations are not same for all years but are in a range of 3.4-3.9 m in 2008-2012)

* Including 1.1m allocation for Teplarna Trmice, which was acquired in 2010

MODERNIZATION OF TUSIMICE AND CONSTRUCTION OF NEW UNIT IN LEDVICE IS PROGRESSING

Coal power plant Tusimice
Complex renewal (4 x 200 MWe)

- Gradual renewal (2+2 units)
- Increase in net efficiency to 38%
- Extension of service life until 2035
- Initiation of renewal: June 2, 2007
- Planned start of operation: Sep 2010 (2 units) and Mar 2012 (2 units)

Coal power plant Ledvice
New supercritical unit (1 x 660 MWe)

- Advance construction of the power plant structures, main focus on the boiler
- Planned net efficiency 42.5%
- Expected service life 40 years
- Initiation of implementation: July 17, 2007
- Planned start of operation in December 2014

PREPARATION OF MODERNIZATION OF PRUNEROV AND OF CCGT POCERADY IS UNDERWAY

Coal power plant Prunéřov

Complex renewal (3 units x 250 MWe)

- Project received EIA approval in May 2010
- Selection of suppliers and basic design before final completion
- Increase in net efficiency to above 39% (above 42% including heat supply)
- Extension of service life by 25 - 30 years
- Planned start of operation 2014

CCGT Počerady

New construction (841 MW)

- All permits issued
- Tender process completed
- Net efficiency 57.4% (ISO)
- Expected service life 30 years
- Start of construction April 2011
- Planned start of operation in June 2013

WE ARE ALSO PREPARING PROJECTS IN COOPERATION WITH OUR PARTNER MOL GROUP

CCGT Slovnaft

New construction (800 - 900MW)

- Next to refinery site Slovnaft, Bratislava
- CCGT multi shaft
- Expected service life 30 years
- Permits process ongoing
- Grid connection under discussions with SEPS
- EPC negotiation activities put on-hold

CCGT Dufi

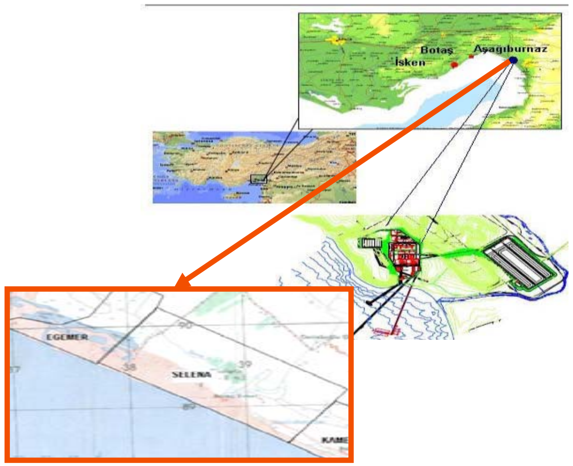
New construction (800 - 900MW)

- Next to refinery site Dufi, HU
- CCGT multi shaft
- Expected service life 30 years
- EIA issued in June 2010
- Building permit issued in December 2010
- EPC and gas negotiation ongoing
- Planned commissioning in 2015

PREPARATION OF CCGT PROJECT IN TURKEY

CCGT Hatay (Egemer), Turkey

New construction (800 - 900MW)



- Activities realized via JV Akenerji
- EIA released by Ministry of Environment
- Expected service life 30 years
- Owner's engineer: Parsons Brinckerhoff
- EPC contract signed in December 2010
- Start of construction October 2011
- Planned commissioning in July 2014

CEZ GROUP OPTIMISES ITS BUSINESS PRESENCE: PURCHASE OF ENERGOTRANS, SALE OF MIBRAG STAKE

- In July 2011 CEZ Group's competent bodies approved an agreement to acquire Energotrans, a company supplying heat from city of Melnik to Prague, and to sell its 50% equity stake in MIBRAG, to the other shareholder which holds a call option, Energeticky a prumyslovy holding.
- Strategic rationale for the deal:
  - CEZ Group intends to **enhance its position in regulated activities**, i.e., distribution and heat generation. Currently it is exposed to market risks, i.e. electricity price fluctuations, to larger extend than its competitors.
  - **German market is viewed as riskier** following recent changes in energy policy which aims to replace nuclear plants primarily with gas and renewables, while coal projects are facing strong opposition
  - CEZ has been interested in Energotrans for several years in connection with the **planned CCGT in Melník**, which should in the future also supply heat to Prague. This project aims to be able to substitute the output of ageing coal power plants in this location.

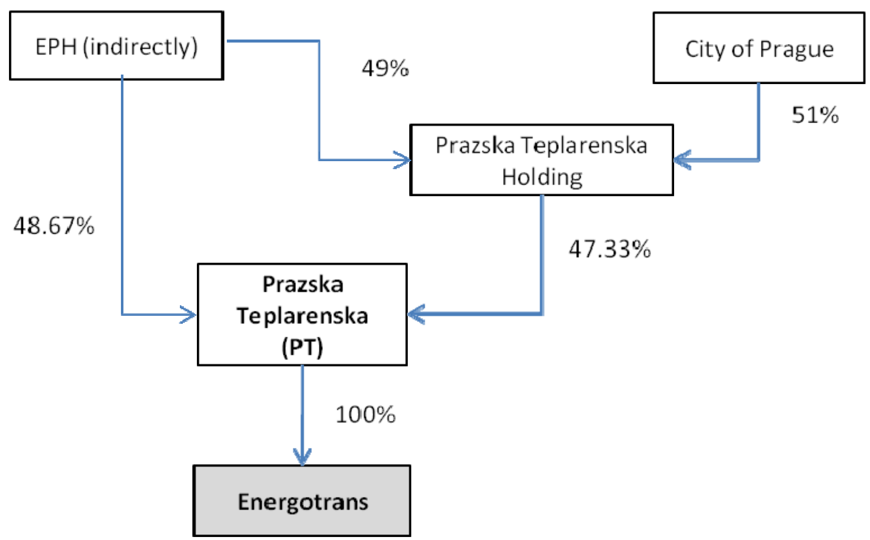
ENERGOTRANS

- Energotrans operates 352 MW lignite power plant in Melnik (town 35km north of Prague), it also owns a heat pipe to Prague
- Most of the heat generated by Energotrans is sold to Prazska Teplarenska, its current owner
- CEZ operates 720 MW of lignite capacity at the same location. It intends to develop 800MW gas plant on this location to replace current lignite capacity, which is will be gradually closed after 2015

Financial and operational data
(according to Czech accounting standards)

CZK m	2009	2010
Total revenues	4,288	4,186
of which: heat sales	*1,441*	*1,747*
electricity sales	*2,846*	*2,430*
EBITDA	2,301	1,833
EBIT	1,936	1,484
Net income	1,569	1,215
Assets	6,033	5,784
Net debt (cash if negative)	-1,859	-2,035
Electricity generated	1,324	1,439
Heat sold (TJ)	7,654	9,242

Ownership structure
(as of July 2011)



MIBRAG

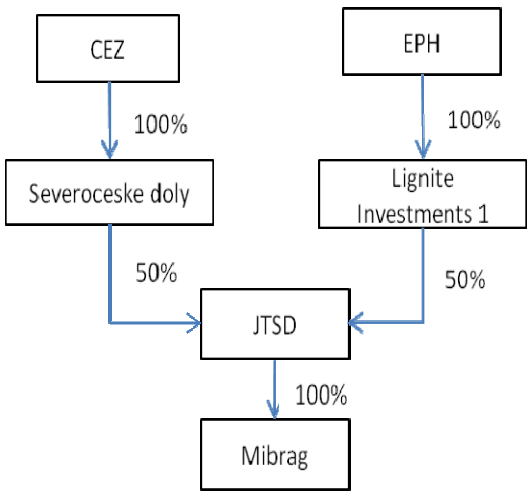
Key facts on MIBRAG

- Mibrag owns and operates two opencast coal pits Profen and United Schleenhain in central German brown-coal basin, near Leipzig. Their combined annual production is approximately 19 m tons.
- The proven reserves in current coal mines are 530 m tons of lignite, with significant expansion options.
- Coal is supplied primarily to power plants of Lippendorf (2*900 MW, Vattenfall) and Schkopau (2*450 MW, E.On) based on long-term contracts and also to 3 combined heat and power plants owned and operated by Mibrag with installed capacity of 208 MWe.
- MIBRAG also runs coal dust processing factory.

JTSD financial and operational data
(consolidadated *according to IFRS)

2010	EUR m	CZK m
Revenues	416.4	10,531
EBITDA	142.8	3,612
EBIT	56.6	1,433
Net income	17.0	430
Assets	890	22,500
Equity	261	6,608
Debt	352	8,914

Ownership structure



Mibrag financial and operational data
(according to German accounting standards)

EUR m	2009**	2010
Revenues	384.6	387.1
EBITDA	135.2	138.8*
EBIT	59.1	71.8*
Net income	51.9	70.2
Assets	1,005.1	983.1
Net financial debt	48.9	182.3
Loans provided to the affiliated companies	70.0	220.0
Environmental and mining provisions	231.0	102.4
Investments	33.2	41.7
Raw coal extraction (m t)	19.7	19.6
Electricity generation (GWh)	1,113.0	1,135.5

Source: CEZ, MIBRAG, *including Mibrag, ** adjusted for extraordinary items

CEZ GROUP AND AKKÖK GROUP ARE PROGRESSING IN SALES PROCESS FOR JOINTLY OWNED ASSETS

Presence of CEZ Group on the Turkish market

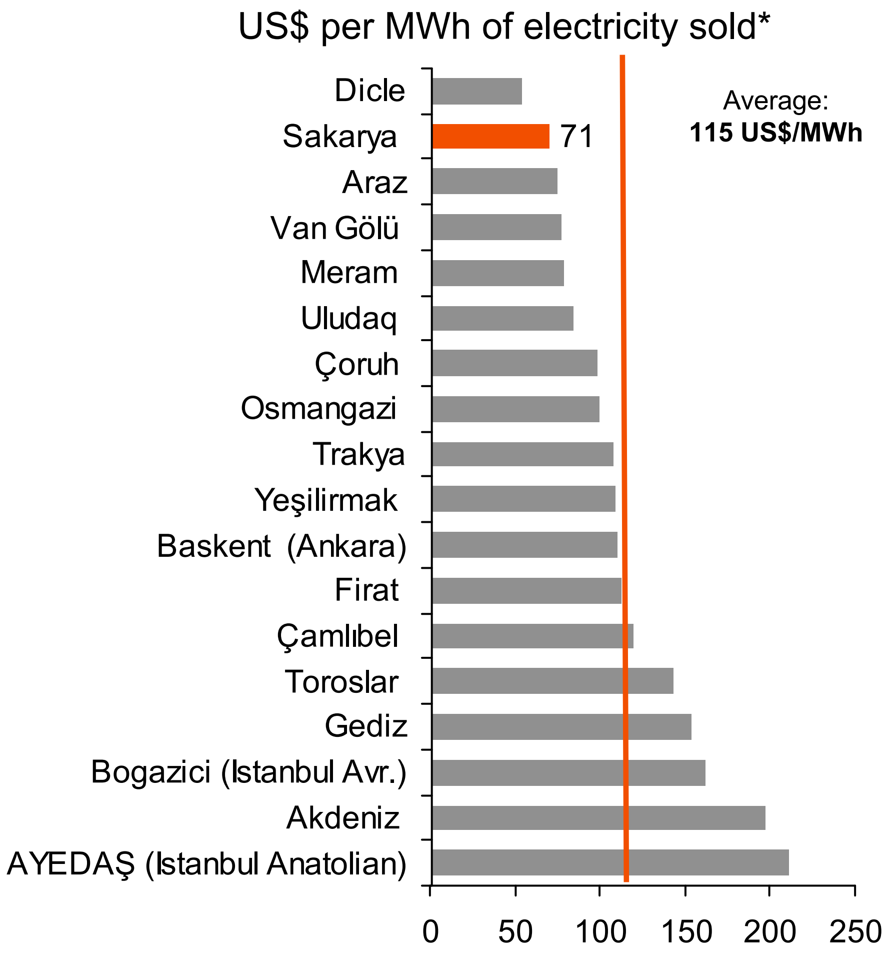
- November 2007: launch of negotiation with Akkök Group about entering the Turkish market
- June 2008: joint participation in a tender for Turkish distribution company, successful acquisition of distribution company Sedaş (completed in Feb 2009)
- October 2008: agreement on joint majority ownership of electricity generating company Akenerji, the largest privately owned company in Turkey (completed in May 2009)
- 2010: Akenerji increased the installed capacity of its power plants from 373 MW to 658 MW by commissioning 5 hydro power plants

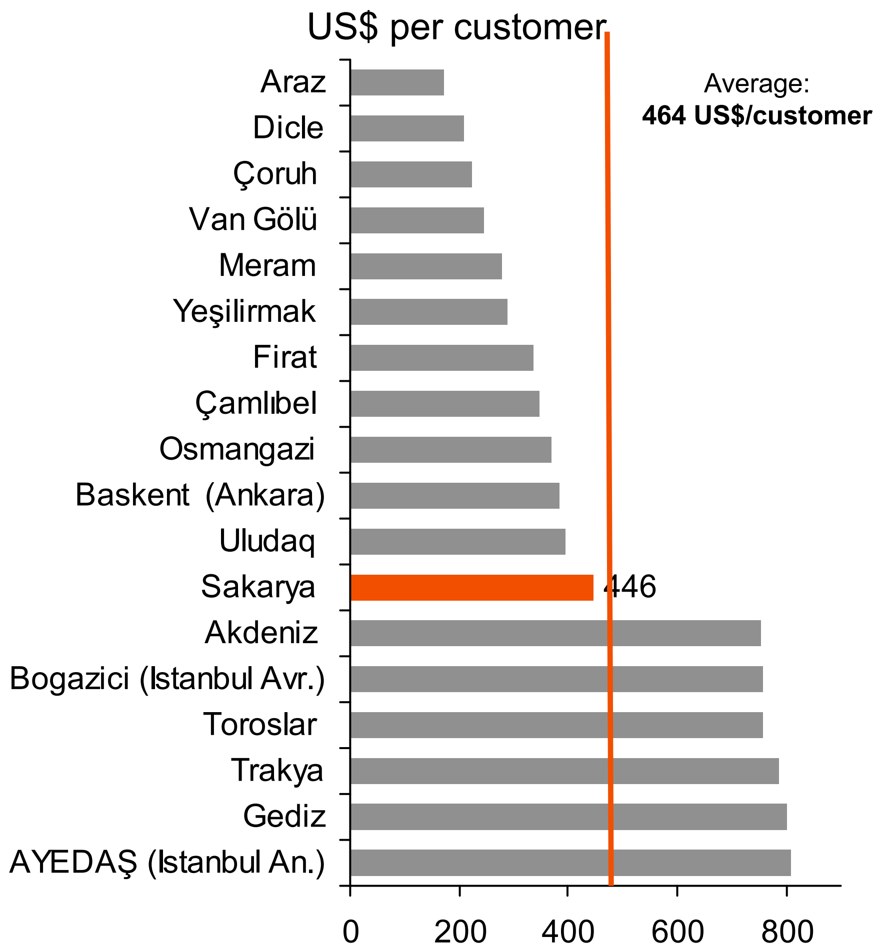
Status of sale of shareholdings in Turkey

- on Feb 18, 2011 Akenerji was authorised to receive bids for the purchase of all its assets
- shorlisted candidates sumbited they bids in September 2011
- CEZ and Akkok are currently evaluating offers

CEZ ACQUIRED SEDAŞ AT ATTRACTIVE PRICE

Acquisition prices achieved in Turkish privatization tenders





Source: TEIAS, Turkish privatization agency (www.oib.gov.tr)

AKENERJI ALMOST DOUBLED ITS INSTALLED CAPACITY IN 2010

- On May 15, 2009 CEZ bought 37.36% stake in Akenerji for USD 302.6 m from subjects related to Akkök. Thus CEZ and subjects related to Akkök have an equal stake in Akenerji with combined shareholding of 75%
- During 2010 Akenerji increased capacity from 373 MW (in gas) to 658 MW by commissioning 5 hydro plants.
- Akenerji is the largest company among private generation companies with 10% market share. It produces 2% of Turkey's electricity generation
- Development of the project of up to 900MW CCGT in Hatay is underway

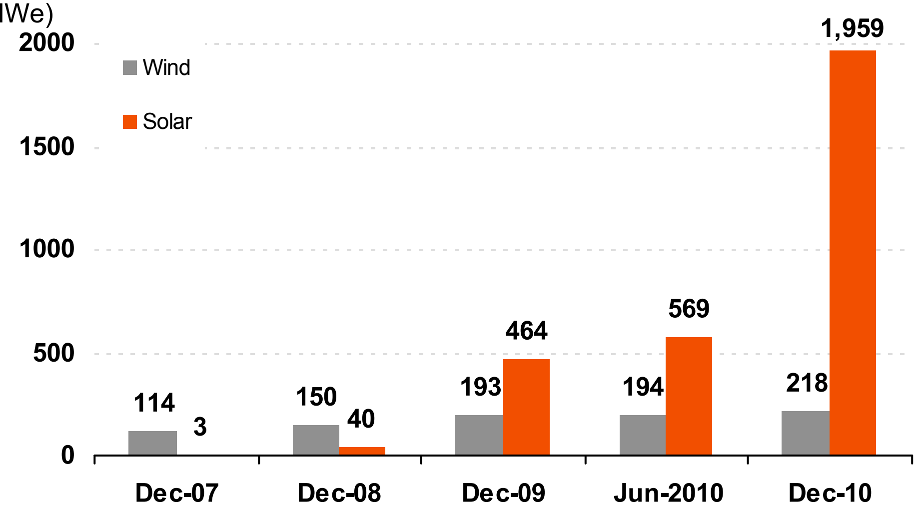
USD m	2008	2009	2010
Sales	465.2	298.6	285.9
EBITDA	75.7	33.2	24.3
Margin	*16.3*	*11.1*	*8.5*
EBIT	51.5	15.2	5.2
Net income	68.3	16.0	-17.1
Assets	558.8	1,001.5	1,275.4
Net debt	126.0	345.2	590.6
CF from investing	-172.9	-356.0	-355.2

Source: CEZ, http://www.akenerji.com.tr/

CZECH REPUBLIC: RENEWABLES SUPPORT

Renewables type	2010 feed-in tariff (€/MWh)	2011 feed-in tariff (€/MWh)	2010 green bonus (€/MWh)	2011 green bonus (€/MWh)
Solar <30 kW	480	**294**	442	255
Solar >30 kW < 100 kW	476	**231 / 0 ***	438	192 / 0*
Solar > 100 kW	476	**231 / 0 ***	438	176 / 0 *
Wind	87	**87**	72	72
Small hydro	118	**118**	80	80
Biogas stations	139-162	**139-162**	101-124	101-124
Pure biomass burning	103-180	**103-180**	65-142	65-142

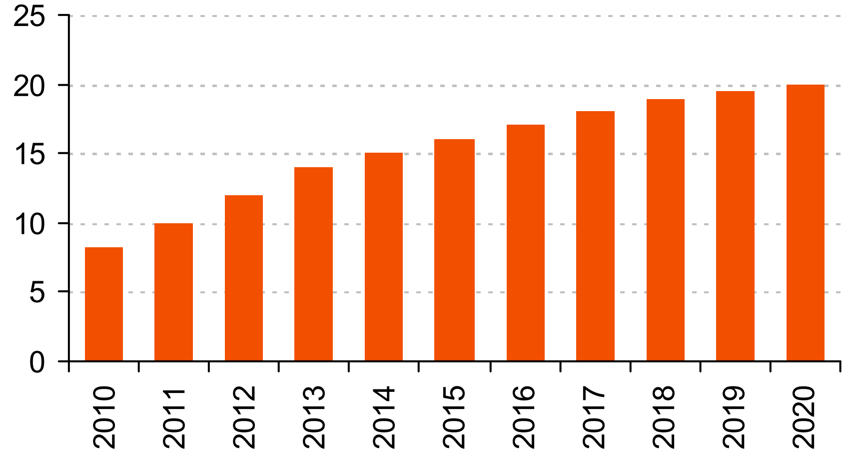
Installed capacity of wind and solar power plants in the Czech Republic
(MWe)

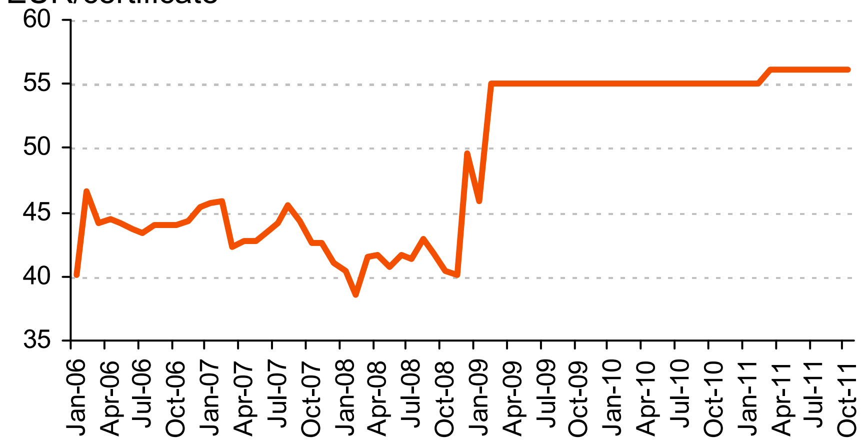


- Operators of renewable energy sources can choose from 2 options of support:
  - Feed-in tariffs (electricity purchased by distributor)
  - Green bonuses (electricity sold on the market, bonuses paid by distributor, level of green bonuses is derived from feed-in tariffs)
- Fees for renewables are part of regulated distribution tariffs charged to final customers.
- Feed-in tariffs are set by a regulator to ensure 15-year payback period. During operation of a power plant they are increased each year by PPI index or by 2% at minimum and 4% at maximum.
- Tariffs for new projects can decrease by 5% at maximum compared to previous year. However the law amendment which became effective on Jan-2011, allows the regulator to cut the tariffs by more than 5% if payback period falls below 11 years.
- Support is provided for 20 years to solar, wind, pure biomass and biogas plants and for 30 years to hydro.
- Solar plants put into operations in 2009 and 2010 are obliged to pay 26% withholding tax until 2013

Source: Energy regulatory office (www.eru.cz), CZK/EUR=25.5, * no support from March 2011

ROMANIA: RENEWABLES SUPPORT





Support of renewables

- Two green certificates (GC) should be obtained by the producer for each MWh supplied from wind to the network until 2017, one GC from 2018 onwards (previously 1 GC per MWh for the whole time)
- Legally set up price for green certificate is 27 to 55 EUR in 2008 - 2025
- GC may be sold :
  - To electricity suppliers within bilateral contracts at negotiated prices
  - Monthly on the centralized market of green certificates
- Duration of support – 15 years
- Penalty for suppliers unable to comply with annual mandatory quota – double of the maximum trade value of GC
- The mandatory quota has been increasing gradually, from 8.3 % in 2010 to 20% in 2020

*annual percentage of the gross national electricity consumption, source: ANRE, OPCOM

OVERVIEW OF REGULATION OF DISTRIBUTION NETWORKS

	Czech Republic	Albania	Bulgaria	Romania
2011 RAB (local currency)	68,927	20,824	541	1,854
2011 RAB (€ m)*	2,725	161*	276	492
WACC pre-tax	7.1% (nominal)	10% (nominal)	12% (nominal)	10% (real)
Regulatory period	2010-2014	2011	2008-2013	2008-2012

CZK/EUR=25.29 (2010 average), ALL/EUR=138.8

CZECH REPUBLIC: OVERVIEW REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB
  - RAB adjusted annually to reflect net investments
  - Regulatory rate of return (WACC nominal, pre-tax) – 7.923% for 2010, 7.133% for 2011
  - Operating costs are indexed to CPI (30% weight) and market services price index (70% weight). They are also adjusted by efficiency factor of 1.0206%.

Regulatory period

- Regulatory period lasts 5 years
- 2nd regulatory period: January 1, 2005 – December 31, 2009
- 3rd regulatory period: January1, 2010 – December 31, 2014

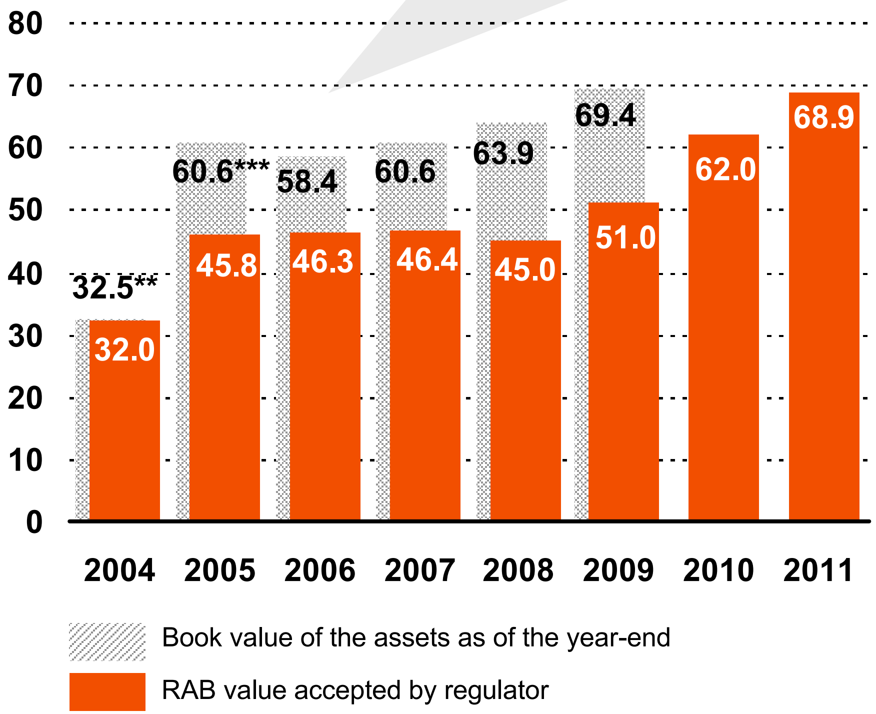
Unbundling & Liberalization

- Since January 1, 2006 all customers can choose their electricity supplier, market is 100% liberalized
- There is no regulation of end-user prices of electricity

CZECH REPUBLIC: GRADUAL REVALUATION OF RAB IS INCORPORATED INTO THE REGULATORY FORMULA

RAB* development
CZK bn

2005/2006 drop in asset value caused mainly by lower investment during transition period and one off write off of some old already depreciated assets that were formerly valued with 10% value for transfer.



* Adjusted to reflect assets transfer to support companies

**Historical value of assets contributed into CEZ Distribuce

***Revalued asset value to the last asset contribution date 01/ 2006

- Assets revaluation conducted as a part of an assets transfer within Vision 2008 on the basis of requirement stipulated by commercial law.
- Book value of the assets is higher than the RAB value used by the regulator.
- RAB will be gradually adjusted upwards in 2010-2014 and thus RAB discount to asset book value will decrease.
  - Formula: $RAB_t=RAB_{t-1}+Investments_t - k*Depreciation_t$, where $k_t=(RABt_{-1})/(Book\ value_{t-1})$ i.e. $k<1$

BULGARIA: OVERVIEW REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by SEWRC (State Energy and Water Regulatory Commission)
- The regulatory formula for distribution
  - Revenue cap = Costs + Regulatory return on RAB + Depreciation
  - Regulatory rate of return (WACC nominal, pre-tax) –12% for 2nd regulatory period
  - RAB set at € 276 m for the whole 2nd regulatory period and thus is unchanged since 2008
  - CPI adjustment used for part of costs (OPEX)
  - Losses in 2nd regulatory period set by regulator – 18.5%
  - Efficiency factor introduced in 2nd regulatory period
  - Investment plan – approved by the regulator on yearly basis

Regulatory period

- 1st regulatory period October 1, 2005 – June 31, 2008
- 2nd regulatory period July 1, 2008 – June 31, 2013

Unbundling & Liberalization

- Successfully completed by December 31, 2006
- Since July 2007, all consumers have the right to become eligible but the effective market degree of liberalized market is negligible.

ROMANIA: OVERVIEW REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ANRE (Autoritatea Nationala de Reglementare in domeniul Energiei)
- Price cap (tariff basket) methodology
- Revenue = Controllable OPEX + non-controllable OPEX + Depreciation + Purchase of losses + Regulatory return on RAB + Working capital
  - Efficiency factor of 1% applied only to controllable OPEX
  - Losses (technical + commercial) reduction program agreed with ANRE on voltage levels
  - S (minimum quality) from 2009 in formula, Penalty/premium - maxim annual 2% from revenues
  - Possibility for annual corrections
  - Investment plan – approved by ANRE before regulatory period starts
  - Regulatory return (WACC pre-tax real terms) equals 10% in second regulatory period
  - Working capital is regulated remuneration of 1/8 from total OPEX
- Distribution tariff growth capped in real terms at 12% in the second regulatory period

Regulatory periods

- 1^{st} regulatory period Jan 1, 2005 – Dec 31, 2007
- Completion of privatization was reason to re-open inputs into regulatory formula
- 2^{nd} regulatory period Jan 1, 2008 – Dec 31, 2012

Unbundling

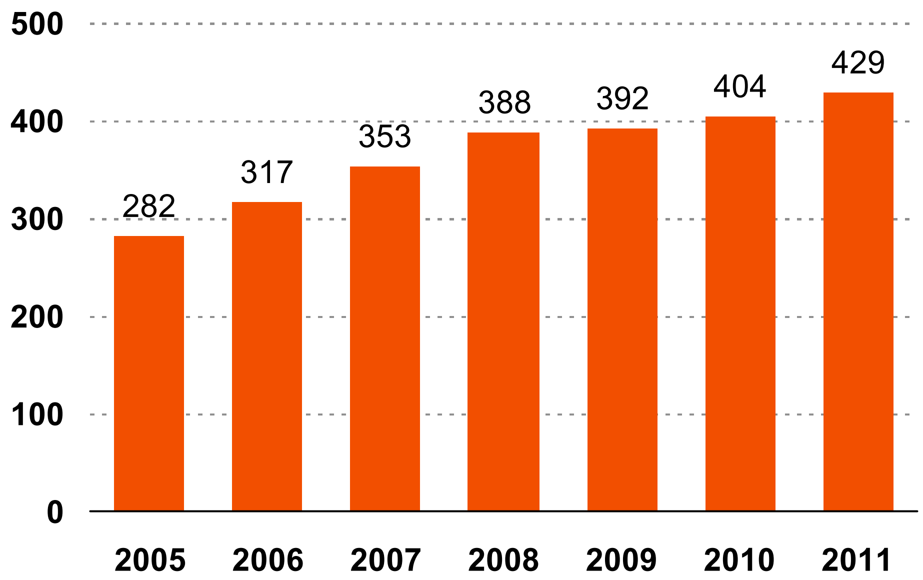
- Legal deadline according to Electricity law July 1, 2007
- CEZ - first company in Romania achieving legal unbundling on March 15, 2007

Liberalization

- New Electricity law (no.13/2007; harmonized with EU directives) called for full liberalization by July 2007
- Effective market degree approx. 55%; 60 active suppliers (end-user suppliers and traders)
- Prolongation of the tariff regulation after the full opening of the market for households and small commercials

ROMANIA: SUPPLY REMAINS REGULATED

Regulated Asset Base
EUR mio*



Supply remains regulated

- Still regulated tariffs for 45% of Romanian electricity consumption; mainly residential, commercial and small industrial consumers
- Methodology for sales to captive customers - the approach is 2.5% margin on top of electricity acquisition costs
- Since 2008, ANRE approves differentiated regional tariffs for industrial consumers;
- End-user tariffs for residential customers are still uniform at the national level

2010 tariffs:

- Tariffs for captive residential consumers have been increased by 3.9% for all suppliers
- Tariffs for captive industrial consumers have been increased by 9.1% for CEZ; CEZ has the highest increase of regulated tariffs for regulated industrial consumers

2011 tariffs:

- For 2011 regulated tariffs were kept at the same level as for 2010; new computations in the second semester.

* Exchange rate used as of year end

ALBANIA: PRINCIPLES OF DISTRIBUTION REGULATION

Regulatory Framework

- Regulated by ERE (Energy Regulatory Entity, www.ere.gov.al)
- The regulatory formula for distribution
  - Revenue cap = Operating expenses + Regulatory return on RAB
  - RAB reflects planned investments for the regulatory period: 20,824 m LEK in 2011
  - Regulatory rate of return (WACC nominal, pre-tax) – 9.98% for 2011
  - costs are indexed to CPI and adjusted by efficiency factor
  - efficiency factor is zero for all three regulatory periods

Regulatory periods

- 1st regulatory period : January 1, 2010 – December 31, 2010
- 2nd regulatory period: January 1, 2011 – December 31, 2011
- 3rd regulatory period: January 1, 2012 – December 31, 2014
- following regulatory periods will last from 3 to 5 years

Unbundling & Liberalization

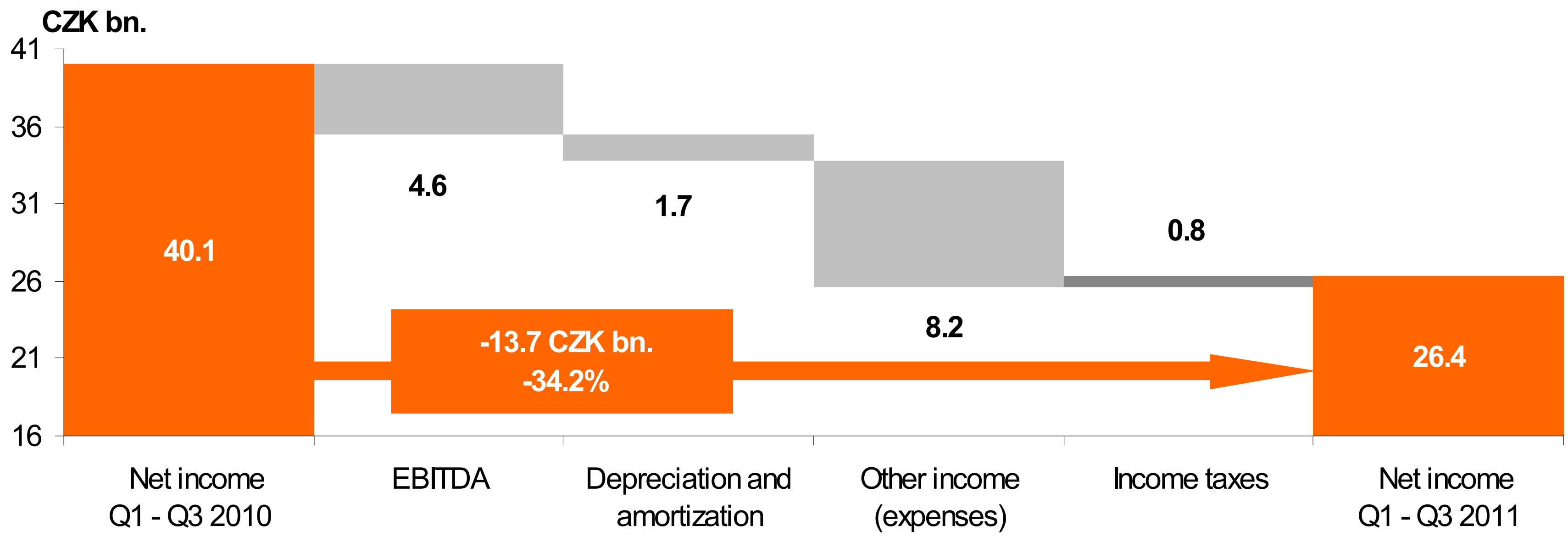
- Transmission unbundled in 2006
- Generation unbundled in 2008

CEZ GROUP FINANCIAL RESULTS

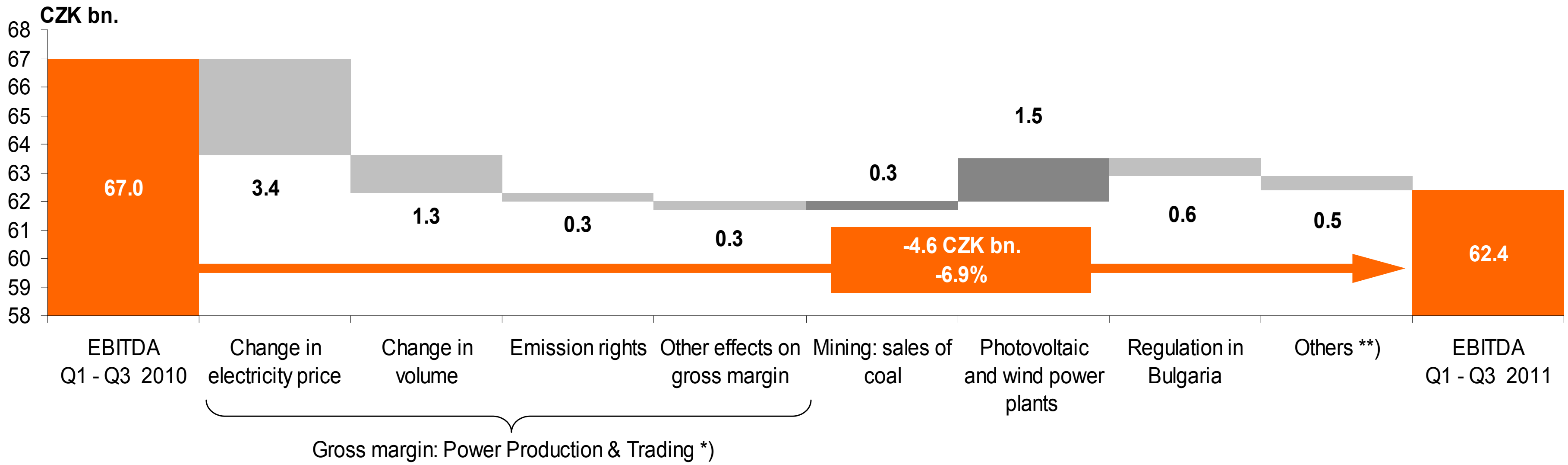
(CZK bn.)	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Revenues	144.4	150.6	+6.2	+4%
EBITDA	67.0	62.4	-4.6	-7%
Net income	40.1	26.4	-13.7	-34%
Operating CF	56.0	40.3	-15.7	-28%
CAPEX	40.9	31.1	-9.8	-24%
Net debt	128.6	154.2	+25.6	+20%

		Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Installed capacity	th. MW	14.5	15.1	+0.6	+4%
Generation of electricity	TWh	50.2	49.9	-0.3	-1%
Electricity distribution to end customers	TWh	38.8	39.4	+0.6	+2%
Sales to end customers	TWh	32.6	31.4	-1.2	-4%
Sales of heat	th. TJ	10.7	10.0	-0.7	-7%
Number of employees	000´s	32.4	31.5	-0.9	-3%

KEY DRIVERS OF Y-O-Y CHANGE IN NET INCOME IN Q1-Q3 2011



KEY DRIVERS OF Y-O-Y CHANGE IN EBITDA IN Q1-Q3 2011



Gross margin: power production & trading (CZK -5.3 bn.)

- reduction in the hedging CZK/EUR exchange rate and falling electricity prices (CZK -3.4 bn.)
- decreased volume of generation and trading (CZK -1.3 bn.)
- falling profits from emission allowances (CZK -0.3 bn.)
- others (CZK -0.3 bn.)

Mining: sales of coal (CZK +0.3 bn.)

- increased sales of coal - higher demand from ČEZ, a. s. and external customers due to boost in electricity demand

Regulation in Bulgaria (CZK -0.6 bn.)

- less favourable regulatory framework in generation: revenues from increased electricity generation required by regulator negatively influenced by growing coal prices
- lower distribution tariffs due to decision of regulator dated July 1, 2010 partially compensated by a favourable decision of the regulator dated July 1, 2011 in which prices are increased

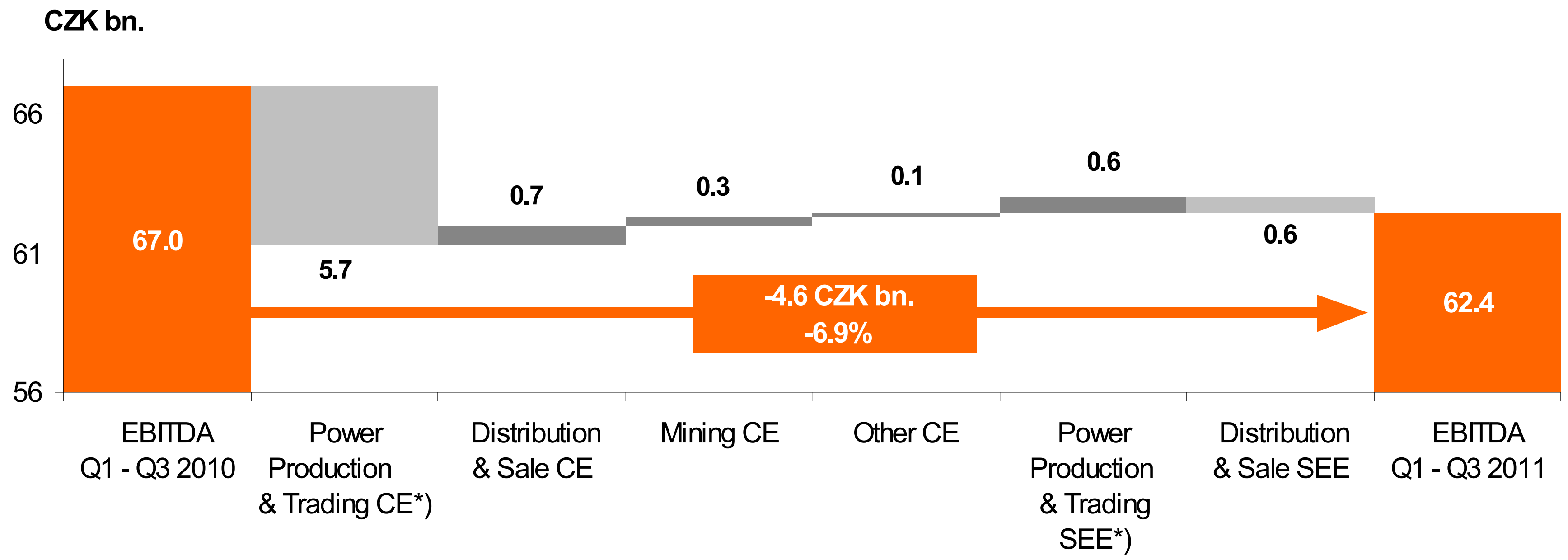
Photovoltaic and wind power plants (CZK +1.5 bn.) (+0.5 TWh)

- y-o-y increase of generation from 0.1 TWh to 0.6 TWh

*) Excludes solar and wind generation

**) Includes a number of factors below the materiality limit

CHANGE OF EBITDA Y-O-Y BY SEGMENT IN Q1-Q3 2011



CE = Central Europe SEE = South - Eastern Europe
*) EBITDA of the segments "Power Production & Trading" of CE and SEE adjusted to eliminate the impact of transactions within CEZ Group.

OTHER INCOME (EXPENSES) IN Q1-Q3 2011

(CZK bn.)	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
EBITDA	**67.0**	**62.4**	**-4.6**	**-7%**
Depreciation and amortization	**-17.2**	**-18.9**	**-1.7**	**-10%**
Other income (expenses)	**-1.2**	**-9.4**	**-8.2**	**>200%**
Interest balance	-2.6	-3.6	-1.0	-38%
Foreign exchange rate gains (losses) and financial derivates	1.0	-0.8	-1.8	-
Gain (Loss) from associates and joint-ventures	-0.1	-3.6	-3.5	>200%
Other	0.5	-1.4	-1.9	-
Income taxes	**-8.5**	**-7.7**	**+0.8**	**+9%**
Net income	**40.1**	**26.4**	**-13.7**	**-34%**

Depreciation and amortization (CZK -1.7 bn.)

- increased depreciation caused by higher investments into fixed assets: renewables in Romania (Fântânele) and generation equipment and distribution networks, technology and IT in the Czech Republic

Interest balance (CZK -1.0 bn.)

- rise of interest paid due to higher volume of debt, caused in turn by all the investments implemented

Foreign exchange rate gains/losses and financial derivatives (CZK -1.8 bn.)

- exchange rate gains/losses and financial derivatives (CZK -1.0 bn.), lower profits from the revaluation of the MOL share option (CZK -0.8 bn.)

Gain/loss from associates and joint-ventures (CZK -3.5 bn.)

- the JTSD/MIBRAG transaction (CZK -2.7 bn.) - difference between sale price CZK + 0.6 bn. and the book value (CZK + 3.3 bn.), which reflects write-off of negative goodwill in 2009
- deteriorated performance of the Turkish companies y-o-y (CZK -0.8 bn.): exchange rate losses from loans CZK -1.2 bn., operational improvement of tariffs and margins of distribution and sales companies CZK +0.4 bn.

Other (CZK -1.9 bn.)

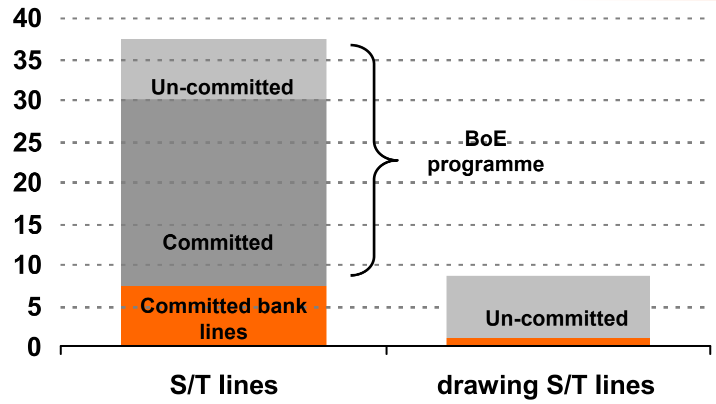
- impact of newly introduced gift tax on emission allowances (CZK -2.8 bn.), dividends received (CZK +0.4 bn.), other financial revenues (CZK +0.5 bn.)

Note.: The balance of interest paid/received also includes interest on nuclear provisions

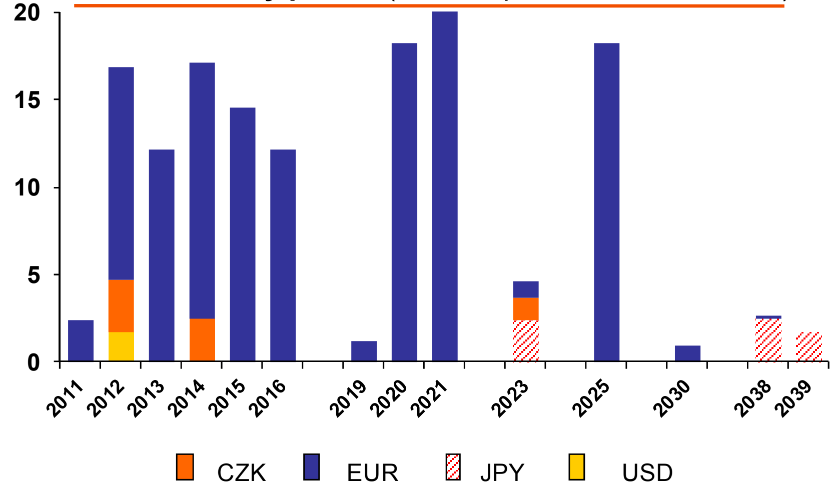
CEZ GROUP MAINTAINS STRONG LIQUIDITY

- y-o-y increase of net debt/ EBITDA ratio from 1.48 to 1.83
- CZK 30 bn. in committed short-term credit lines
- primarily, non-committed credit lines were drawn
- committed lines of credit maintained as a reserve to cover unexpected financing requirements
- completed restructuring of the ČEZ, a. s. Bill of Exchange programme - fixed underwriting liabilities split to approx. 50% under one year, and 50% for 3 years
- in Q3 2011 dividend paid from the profit of year 2010 (CZK +26.5 bn.)

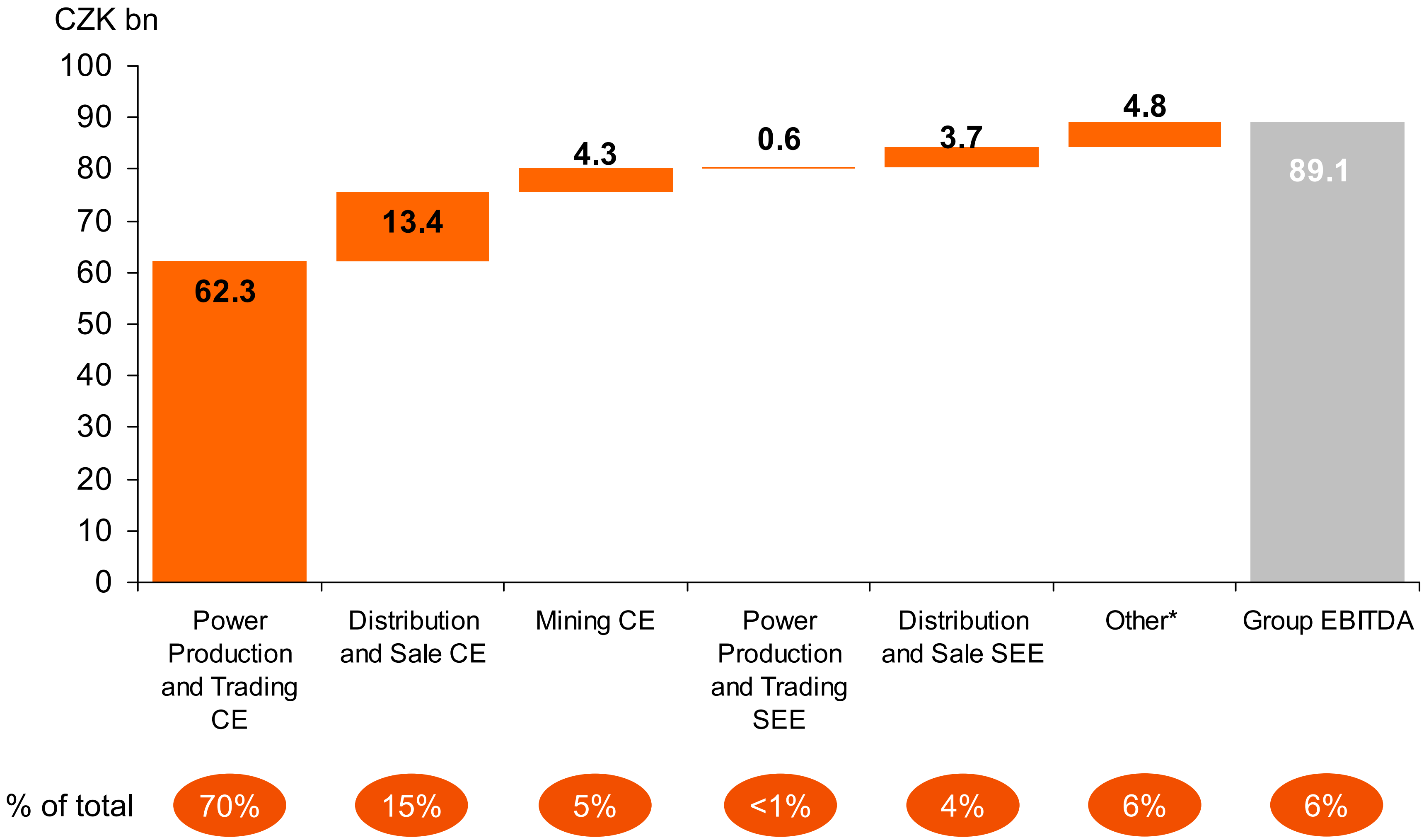
Short-term credit lines (as of Sept. 30, 2011, CZK bn.)



Bond maturity profile (as of Sept. 30, 2011, CZK bn.)



SEGMENTAL CONTRIBUTIONS TO EBITDA IN 2010



*including elimínations

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP CZK

Profit and loss

CZK bn	2005	2006	2007	2008	2009	2010
Revenues	125.1	149.1	174.6	184.0	196.4	198.8
Sales of electricity	115.9	148.3	162.7	165.3	173.5	175.3
Heat sales and other revenues	9.1	11.3	11.8	14.5	16.0	23.6
Operating Expenses	74.9	84.8	99.2	95.3	105.3	109.8
Purchased power and related services	37.5	43.0	46.3	41.7	48.2	54.4
Fuel	9.0	11.6	16.9	16.2	15.8	16.9
Salaries and wages	13.4	15.1	16.9	17.0	18.1	18.7
Other	15.0	15.1	19.1	20.5	23.2	19.7
EBITDA	**50.2**	**64.3**	**75.3**	**88.7**	**91.1**	**89.1**
EBITDA margin	*40%*	*43%*	*43%*	*48%*	*46%*	*45%*
Depreciaiton	20.7	24.3	22.1	22.0	22.9	24.0
EBIT	**29.4**	**40.0**	**53.2**	**66.7**	**68.2**	**65.1**
EBIT margin	*24%*	*27%*	*30%*	*36%*	*35%*	*33%*
Net Income	21.5	27.7	41.6	47.4	51.9	47.2

Balance sheet

CZK bn	2005	2006	2007	2008	2009	2010
Non current assets	280.4	302.0	313.1	346.2	415.0	448.0
Current assets	43.8	66.7	57.9	126.9	115.3	95.7
- out of that cash and cash equivalents	16.8	30.9	12.4	17.3	26.7	22.2
Total Assets	**324.2**	**368.7**	**370.9**	**473.2**	**530.3**	**543.7**
Shareholders equity (excl. minority. int.)	191.3	194.9	171.4	173.3	200.4	221.6
Interest bearing debt	38.7	48.4	73.3	106.4	156.8	164.4
Other liabilities	94.2	125.3	126.3	193.5	173.1	157.6
Total liabilities	**324.2**	**368.7**	**370.9**	**473.2**	**530.3**	**543.7**

Source: CEZ

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP EUR

Profit and loss

EUR m	2005	2006	2007	2008	2009	2010
Revenues	4,946	5,897	6,902	7,274	7,766	7,863
Sales of electricity	4,585	5,864	6,435	6,537	6,860	6,931
Heat sales and other revenues	361	446	468	575	633	932
Operating Expenses	2,963	3,354	3,924	3,767	4,165	4,340
Purchased power and related services	1,482	1,700	1,832	1,648	1,906	2,149
Fuel	356	460	668	640	625	670
Salaries and wages	531	596	668	670	716	740
Other	594	597	755	809	917	781
EBITDA	**1,983**	**2,543**	**2,978**	**3,507**	**3,601**	**3,523**
EBITDA margin	*40%*	*43%*	*43%*	*48%*	*46%*	*45%*
Depreciaiton	820	960	875	872	905	950
EBIT	**1,163**	**1,583**	**2,104**	**2,636**	**2,696**	**2,572**
EBIT margin	*24%*	*27%*	*30%*	*36%*	*35%*	*33%*
Net Income	848	1,095	1,645	1,872	2,050	1,865

Balance sheet

EUR m	2005	2006	2007	2008	2009	2010
Non current assets	11,088	11,941	12,380	13,691	16,408	17,716
Current assets	1,732	2,636	2,288	5,019	4,559	3,782
- out of that cash and cash equivalents	664	1,223	491	684	1,057	876
Total Assets	**12,820**	**14,577**	**14,667**	**18,710**	**20,967**	**21,498**
Shareholders equity (excl. minority. int.)	7,564	7,707	6,775	6,851	7,923	8,763
Interest bearing debt	1,532	1,915	2,898	4,207	6,200	6,502
Other liabilities	3,724	4,955	4,994	7,652	6,844	6,233
Total liabilities	**12,820**	**14,577**	**14,668**	**18,710**	**20,967**	**21,498**

Exchange rate used: 25.29CZK/EUR

Source: CEZ

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