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

Investment story, August 2010

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AGENDA

CEZ GROUP IS AN INTERNATIONAL UTILITY WITH A STABLE POSITION IN DOMESTIC MARKET AND A GROWING PORTFOLIO IN CEE

CEZ Group in Poland
(100% stake in Skawina, 100% in Elcho)

Electricity generation, gross (TWh)	2.3
Market share	**1.5%**
Installed capacity (MW)	730
Market share	**2.1%**
Number of employees	530
Sales (EUR million)	160

CEZ Group in Germany
(50% stake in MIBRAG)

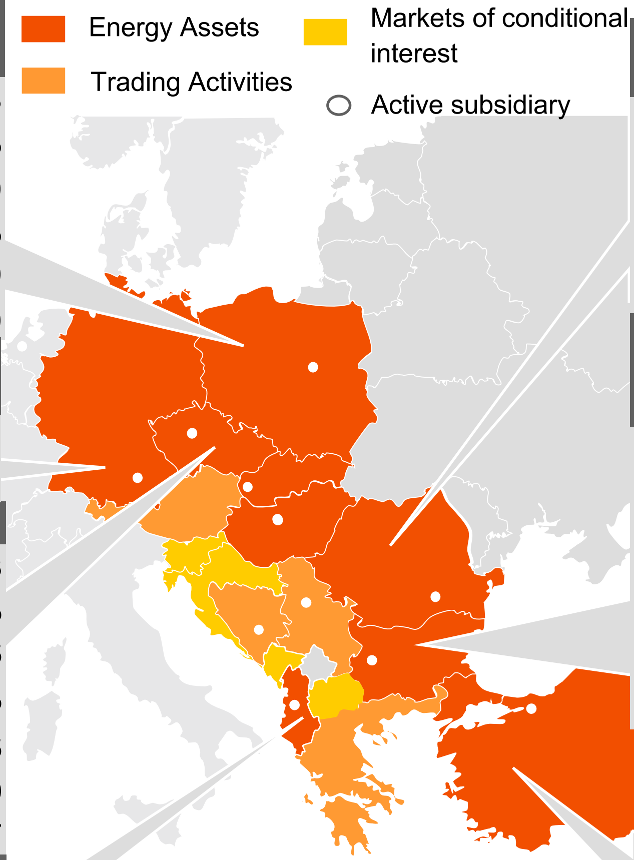
Annual coal extraction (m t)	19.7
Lignite reserves (m t)	530

CEZ Group in the Czech Republic

Electricity generation, gross (TWh)	60.8
Market share	**74%**
Number of connection points (million)	3.5
Market share	**61%**
Installed capacity (MW)	12,405
Number of employees	19,970
Sales (EUR million)	5,847

CEZ Group in Albania
(76% stake in OSSH)

Number of connection points (million)	1.1
Electricity sales (TWh)	4.1
Number of emplyees	6,086



CEZ Group in Romania
(100% stakes in CEZ Distributie, CEZ Vanzare)

Electricity sales, net (TWh)	3.3
Number of connection points (million)	1.4
Market share	**17%**
Number of employees	2,151
Sales (EUR million)	367

CEZ Group in Bulgaria
(67% stake in CEZ Razpredelenie Bulgaria, CEZ Electro Bulgaria, 100% in TPP Varna)

Electricity sales, net (TWh)	8.7
Number of connection points (million)	2.0
Market share	**39%**
Installed capacity (MW)	1,260
Market share	**11%**
Number of employees	4,154
Sales (EUR million)	730

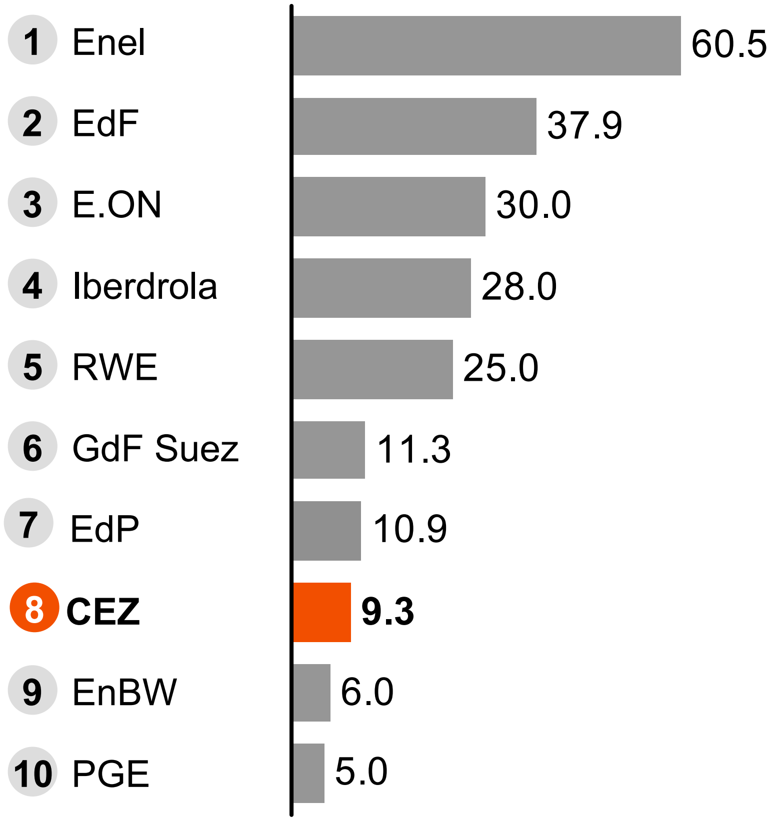
CEZ Group in Turkey
(44.3% stake in SEDAS through AkCez, 37.36% stake in Akenerji)

Electricity sales, net (TWh)	8.8
Number of connection points (million)	1.3
Market share	**6.5 %**
Installed capacity (MW)	373
Market share	**1.1%**

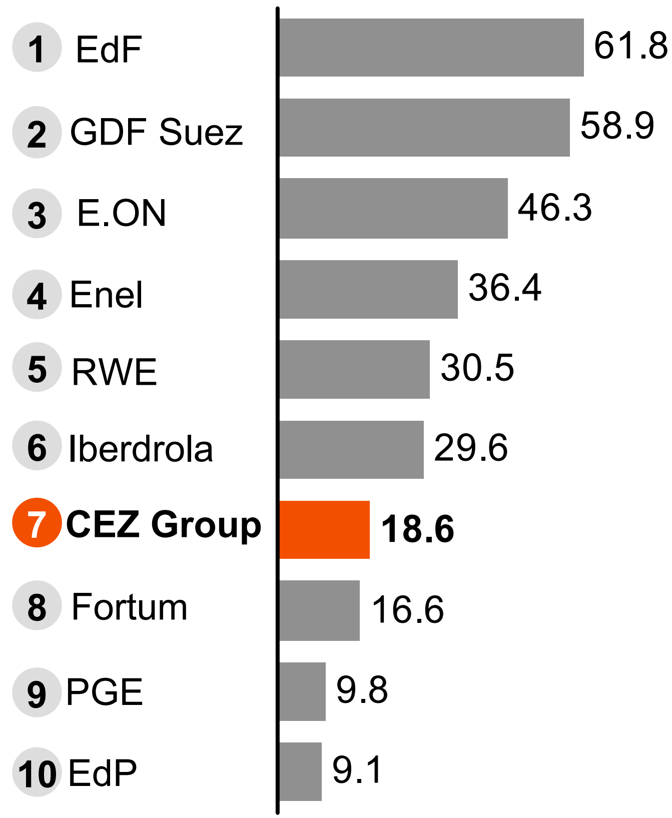
Source: CEZ, national statistics, data for 2009, CZK/EUR 26.45

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

Top 10 European power utilities
Number of customers in 2009, in millions



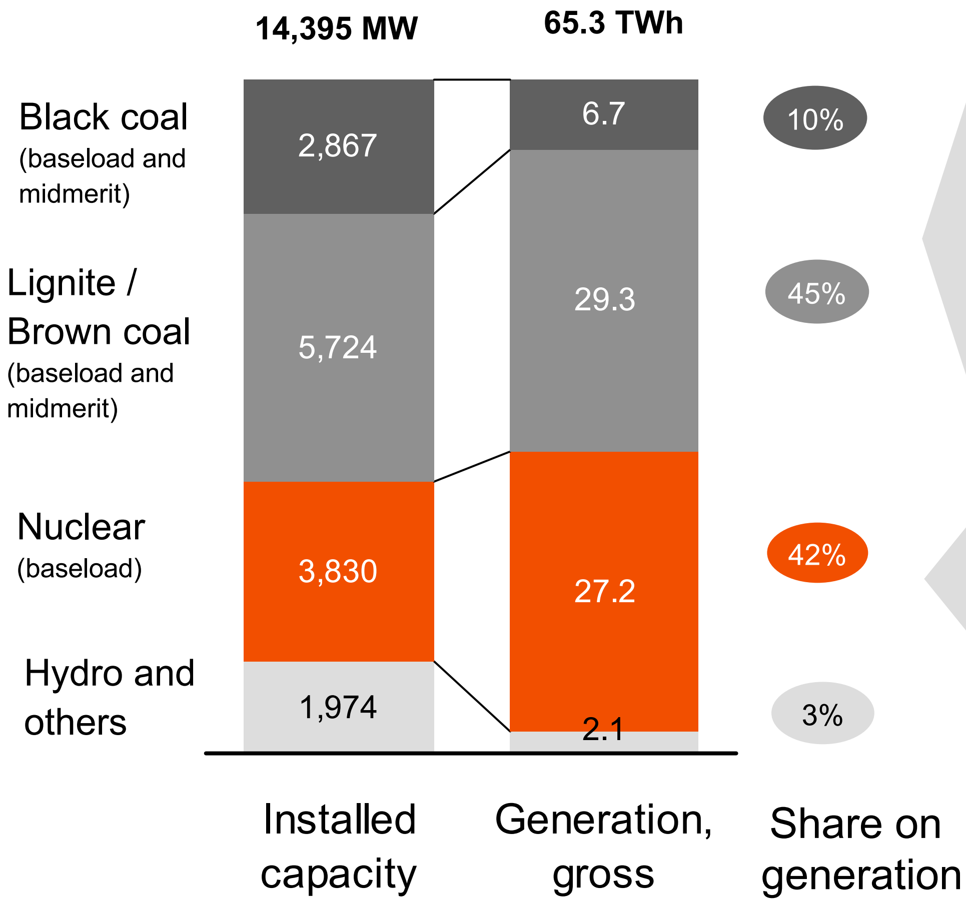
Top 10 European power utilities
Market capitalization in EUR bn, as of August 18, 2010



Source: Bloomberg, Annual reports

CEZ GROUP IS BENEFITING FROM LOW COST GENERATION FLEET

CEZ Group installed capacity and generation (2009)



- **Coal power plants are using mostly lignite from CEZ's own mine**
  (60% of lignite needs sourced internally, remaining volume through long-term supply contracts)
- **CEZ has 100% free allocation of CO_2 allowances for NAPII i.e. 2008-2012 and will continue receiving free allocations post 2012**

- **Nuclear plants have very low operational costs**

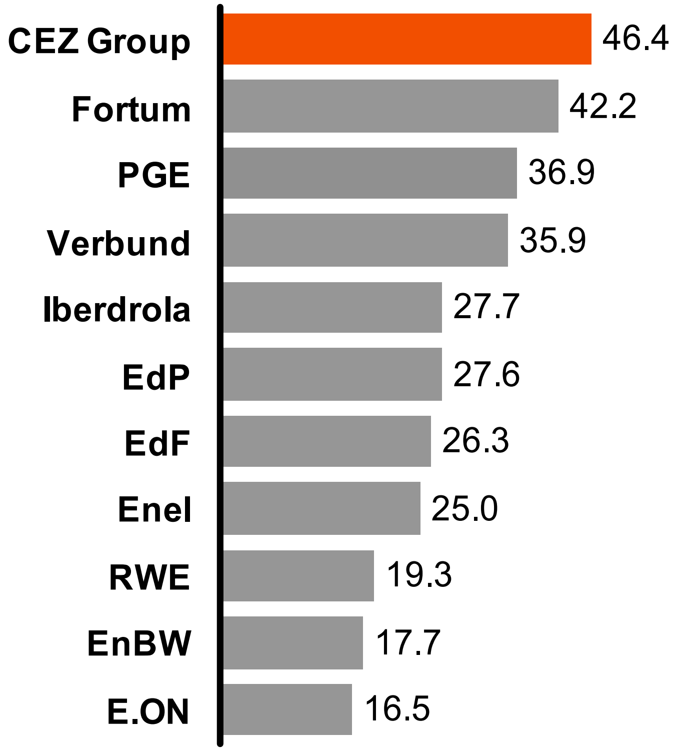
CEZ has a long-term competitive advantage of low and relatively stable generation costs

Source: CEZ

CEZ GROUP IS ONE OF THE MOST PROFITABLE EUROPEAN UTILITIES

EBITDA margin, 2009

Percent



Source: Annual reports, 2009 Financial Statements

KEY STRENGTHS OF CEZ GROUP

- Low cost generation fleet
- Full allocation of CO_2 allowances for free until 2012 and continuing partial free allocation post 2012
- Portfolio of high quality foreign assets purchased at attractive prices
- Strong balance sheet supporting further growth at buyers' market
- Present in countries with renewed growth of industrial production and energy consumption
- Clear path towards low emission portfolio
- Nuclear expertise opening doors to new projects

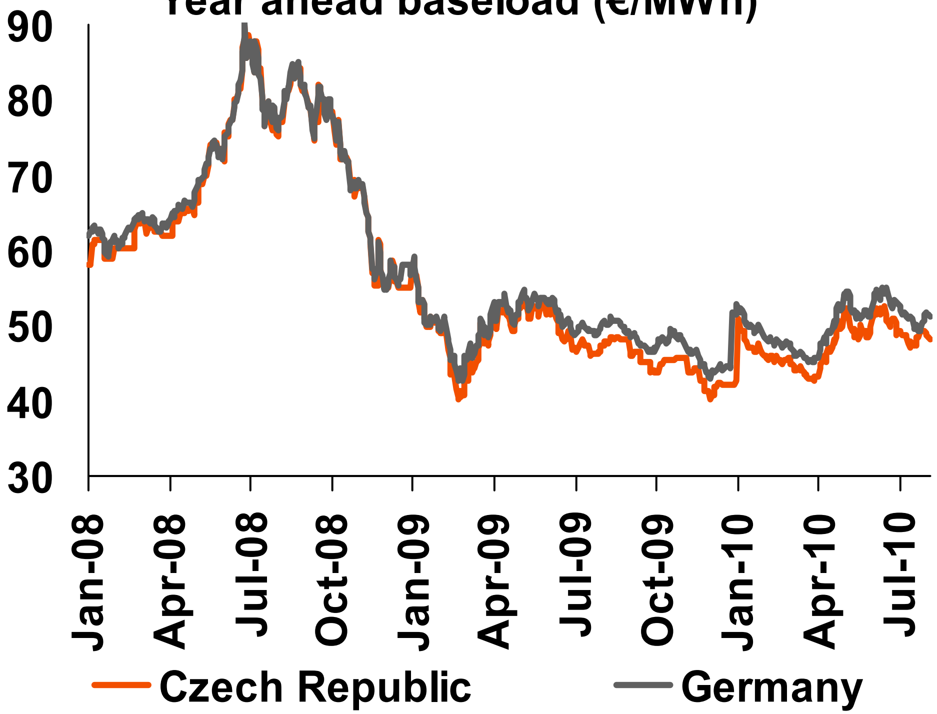
AGENDA

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**

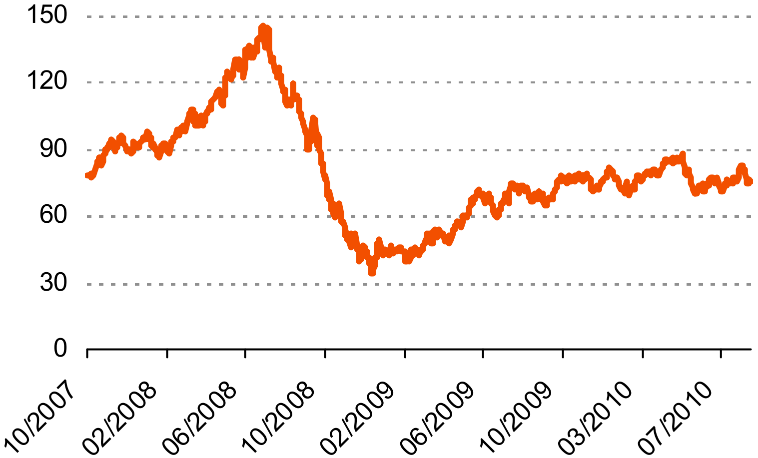
European electricity market

Year ahead baseload (€/MWh)



PRICES OF ALL INPUT COMMODITIES ARE CURRENTLY VERY VOLATILE

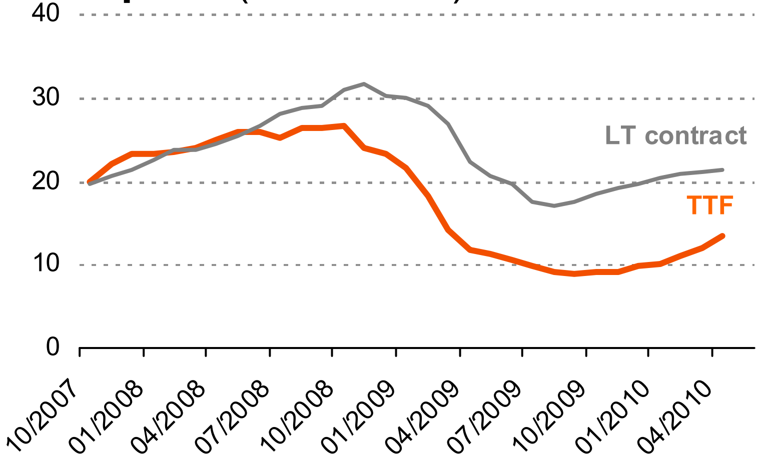
Oil Brent (USD/bl)



CO_2 allowances – NAPII (EUR/t)

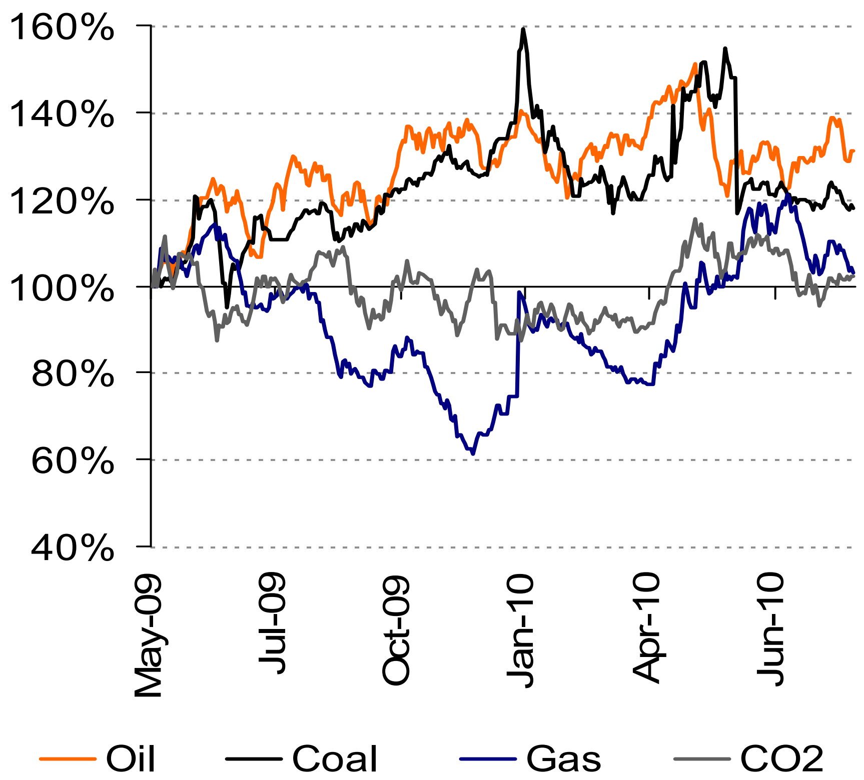
Coal (USD/t)

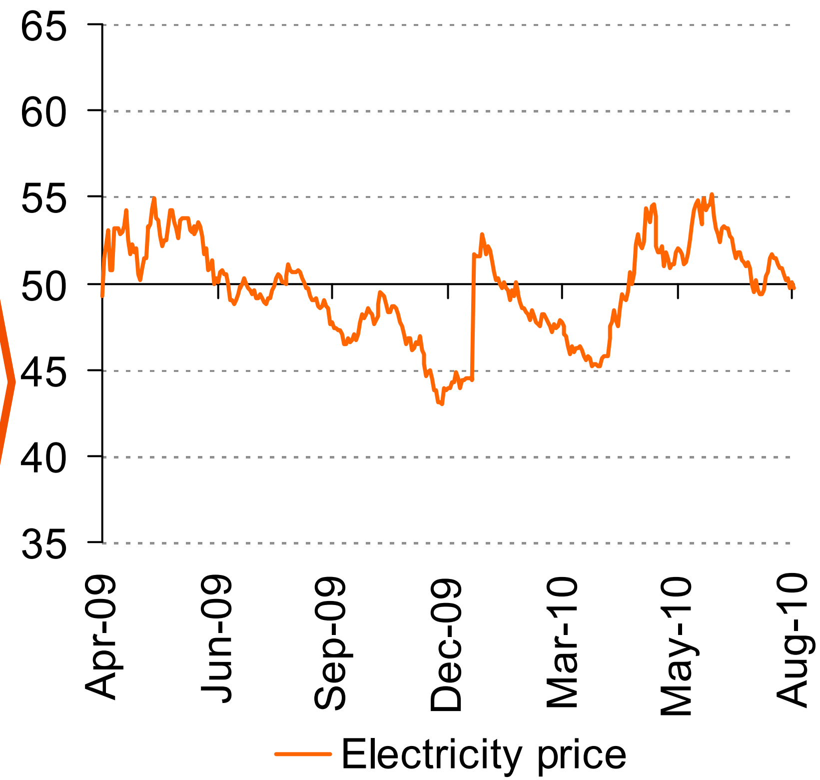
Gas price (EUR/MWh)



ELECTRICITY PRICES HAVE UPSIDE POTENTIAL MAINLY DRIVEN BY PRICES OF GAS AND CO_2

- Prices of oil, coal recovered from their lows seen in Q1 2009 but prices of gas and CO_2 allowances remain depressed
- Therefore we did not see a rebound of electricity price yet

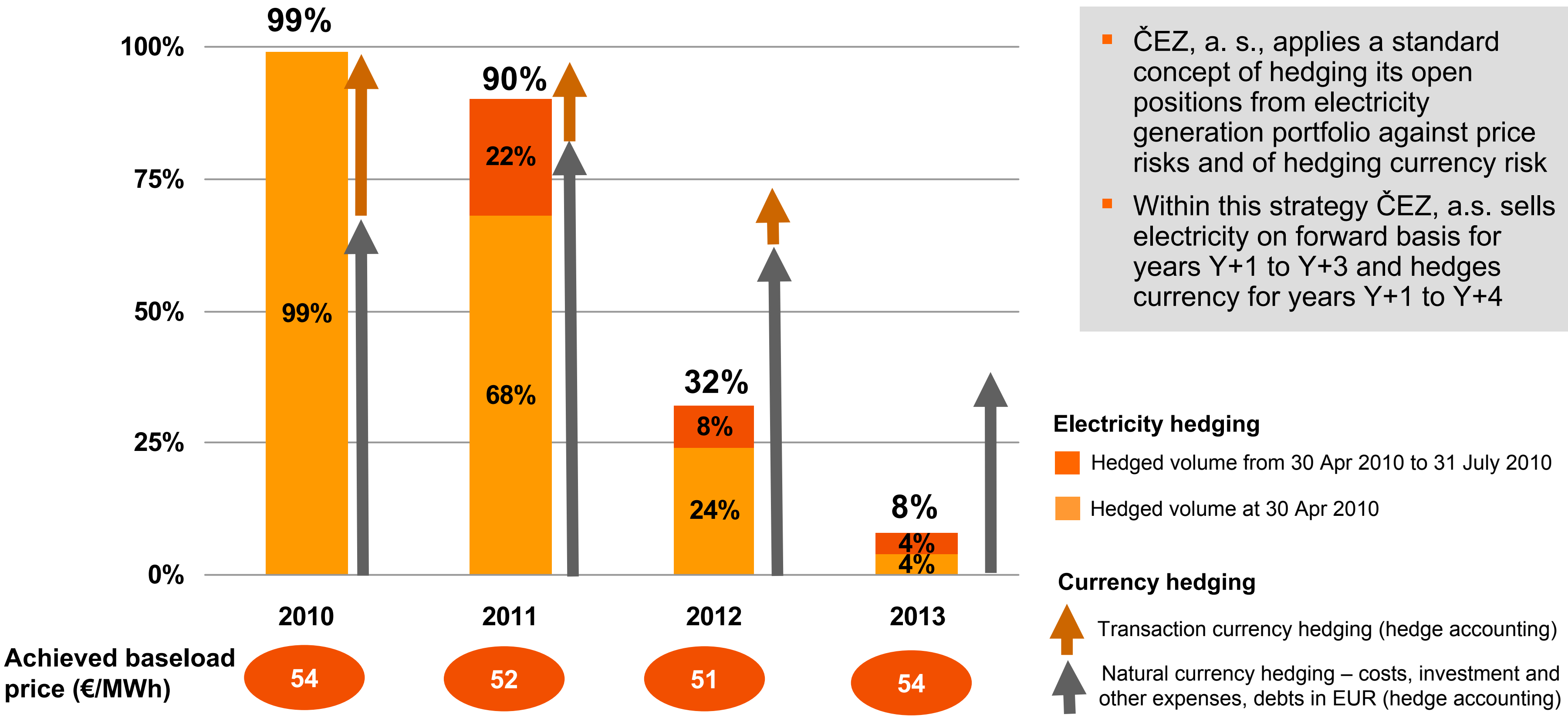




CEZ HEDGED ALL 2010 AND LARGE PART OF 2011 PRODUCTION AT ATTRACTIVE PRICES

Share of hedged generation from ČEZ, a. s. power plants (as of July 31, 2010)

100% corresponds with 55 - 60TWh

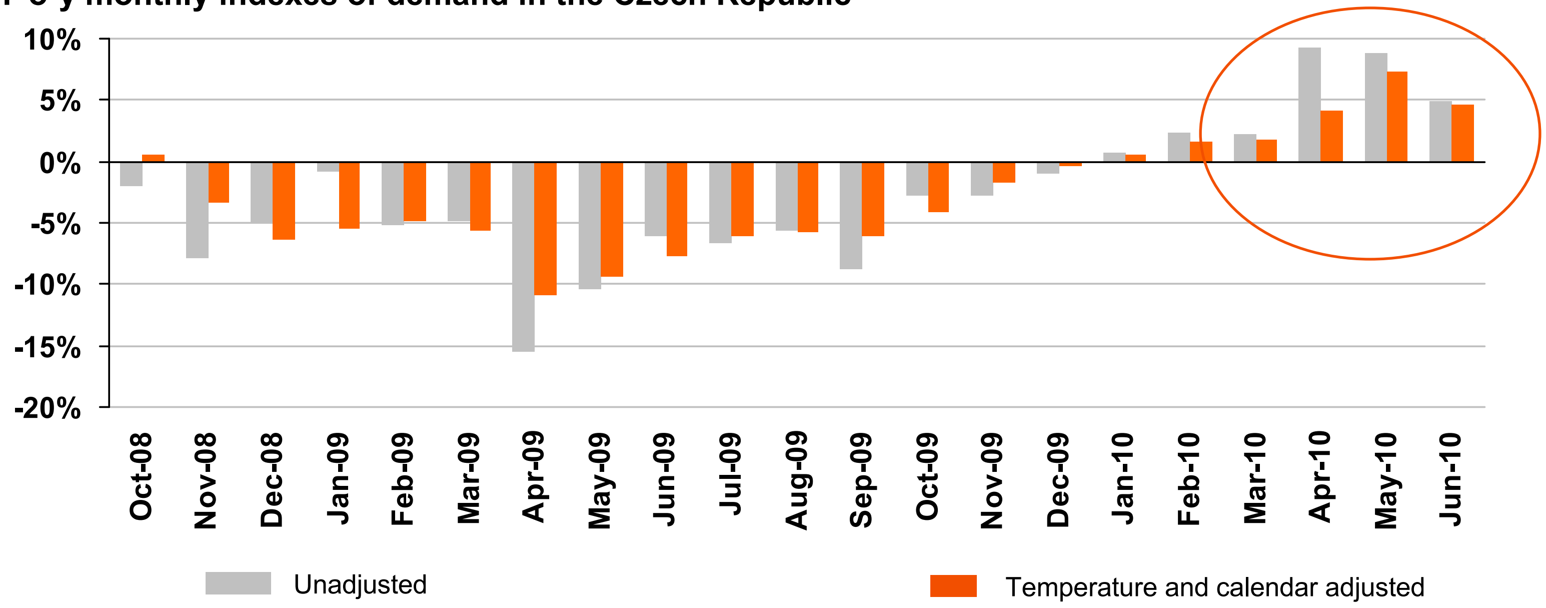


- ČEZ, a. s., applies a standard concept of hedging its open positions from electricity generation portfolio against price risks and of hedging currency risk
- Within this strategy ČEZ, a.s. sells electricity on forward basis for years Y+1 to Y+3 and hedges currency for years Y+1 to Y+4

Source: CEZ

SINCE JANUARY 2010 POWER CONSUMPTION HAS BEEN GROWING AGAIN

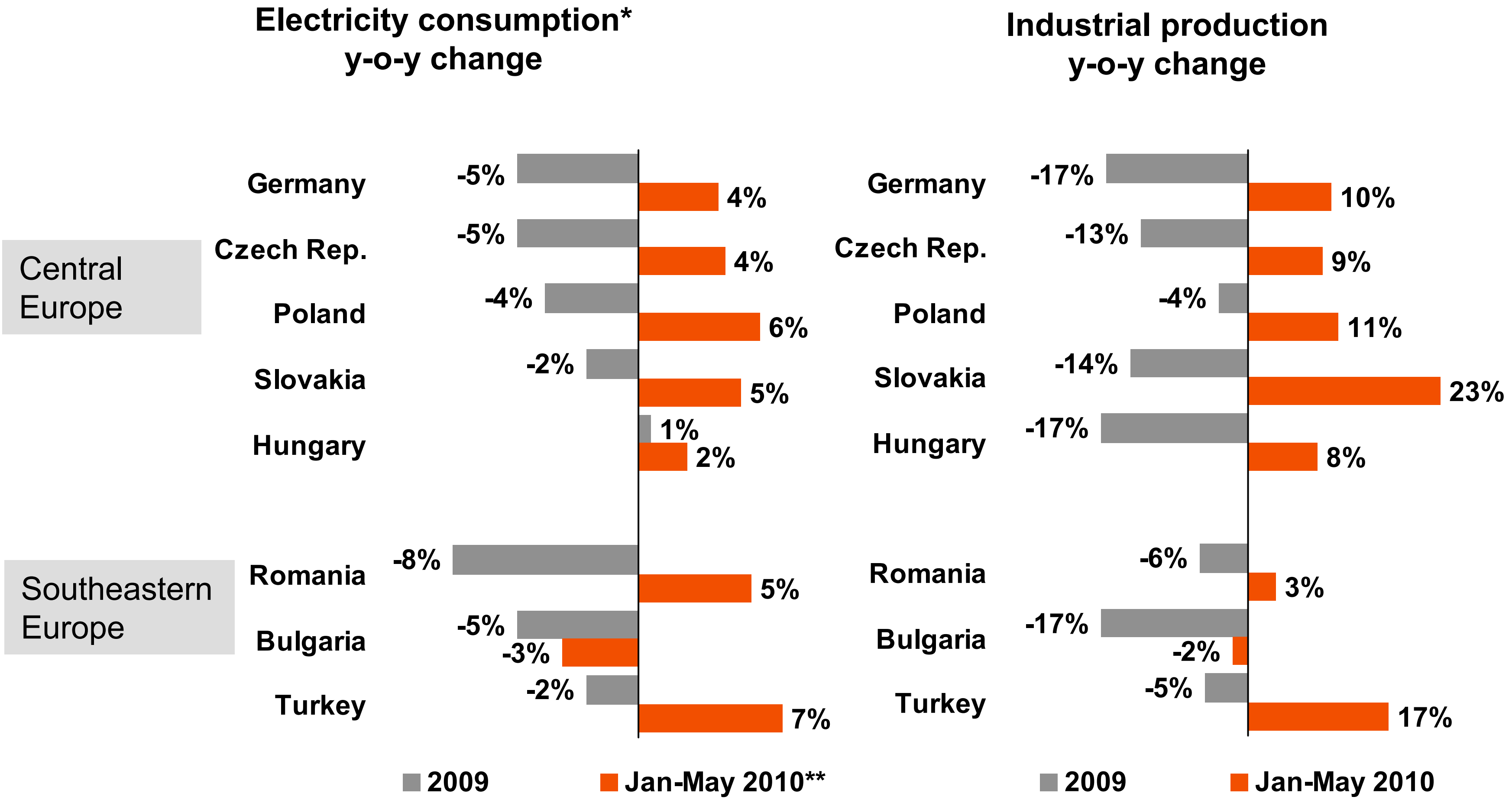
Y-o-y monthly indexes of demand in the Czech Republic



- In 2009 annual decline of electricity consumption reached 5.6% in the Czech Republic
- In H1 2010 we saw growth of 3.2%:
  - + 5.6 % industrial customers
  - +1.8 % households
  - + 3.2 % small enterprises
- Our expectation for this year is approximately 2% growth

Source: CEZ, ERU, CEZ estimates for adjusted data for June 10

ELECTRICITY CONSUMPTION IN CEE IS PICKING UP DRIVEN BY IMPROVEMENTS IN ECONOMIC ACTIVITY

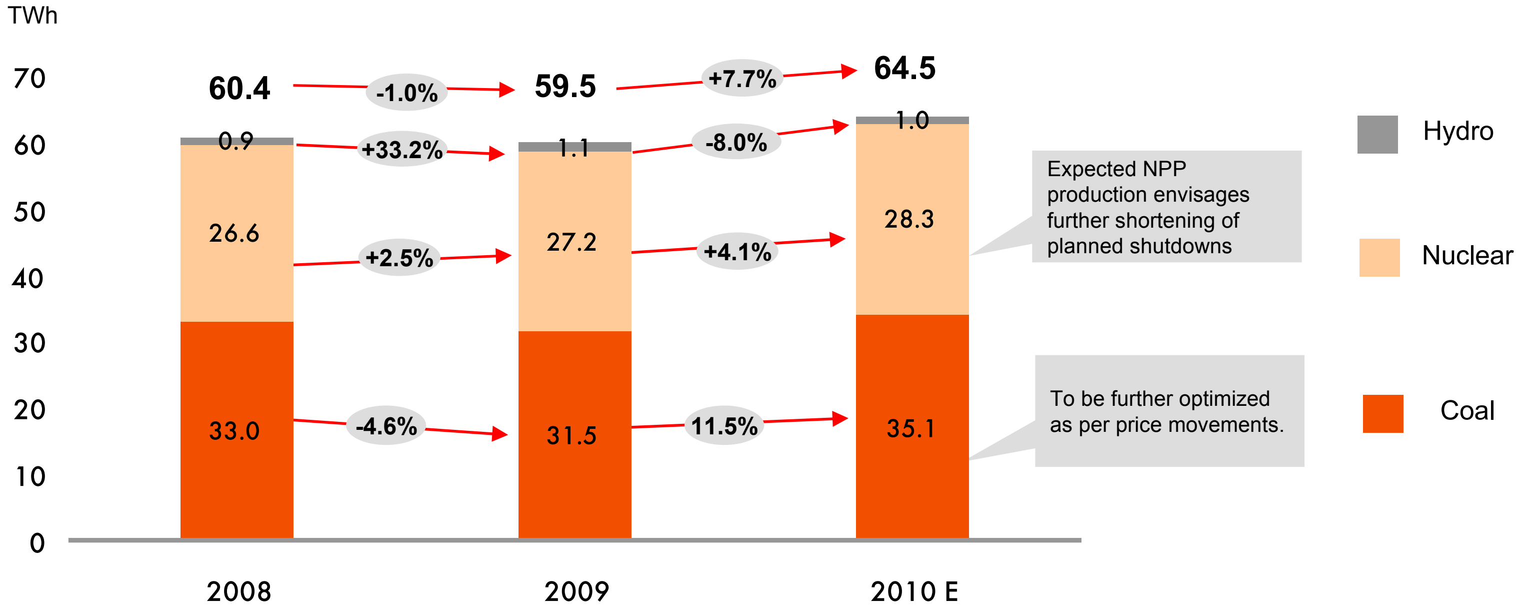


* Net consumption + grid losses, Turkey – gross consumption (includes own consumption of power plants)
** Romania and Bulgaria Jan-Apr 2010

Source: Eurostat, ENTSO-E, TEIAS

AFTER A 1% DECLINE OF ELECTRICITY GENERATION OF ČEZ, A. S. IN 2009 WE EXPECT A 7.7% INCREASE IN 2010

Electricity generation of ČEZ, a. s. (gross)



Trends in 2009

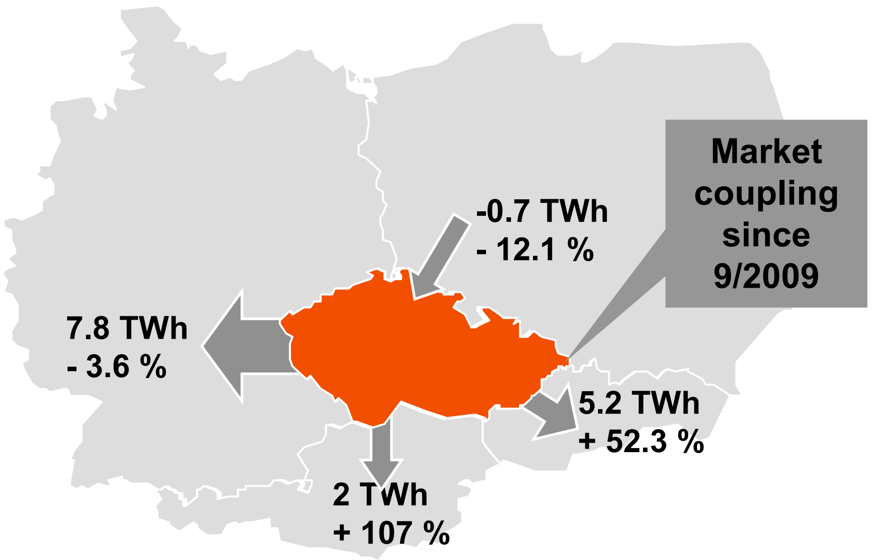
- The year-on-year decrease of generation in coal-fired power plants by 4.6% was mainly caused by lower electricity prices year-on-year, for which power plant operation is optimized, and by an increased fault rate in Q4 2009
- The year-on-year production increase in nuclear power plants by 2.5% was caused by shortening planned and accident shutdowns of Temelin NPP in 2009
- The year-on-year growth of production in hydroelectric power plants of 33% was especially caused by higher flow rates in summer

Source: CEZ

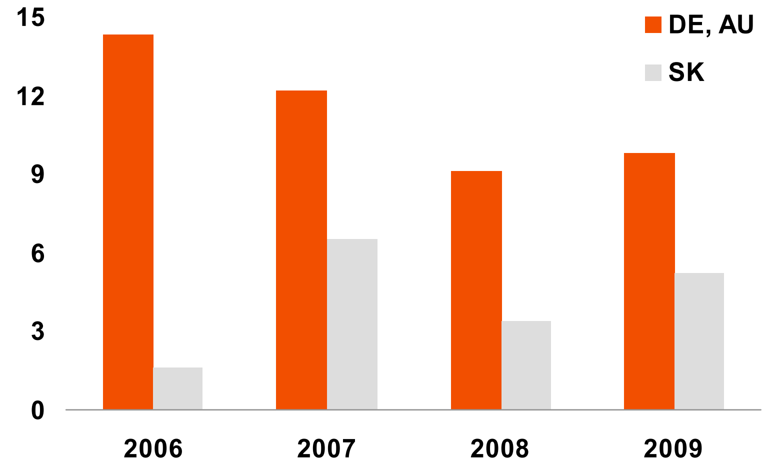
CZECH REPUBLIC REMAINS NET EXPORTER OF ELECTRICITY

Balance of cross border trades of the Czech Republic in 2009

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



Development of balance of cross border trades



TWh	2006	2007	2008	2009
DE, AU	14.3	12.2	9.1	9.8
SK	1.6	6.5	3.4	5.2
PL	-2.7	-2.1	-0.8	-0.7
	13.2	**16.6**	**11.7**	**14.3**

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

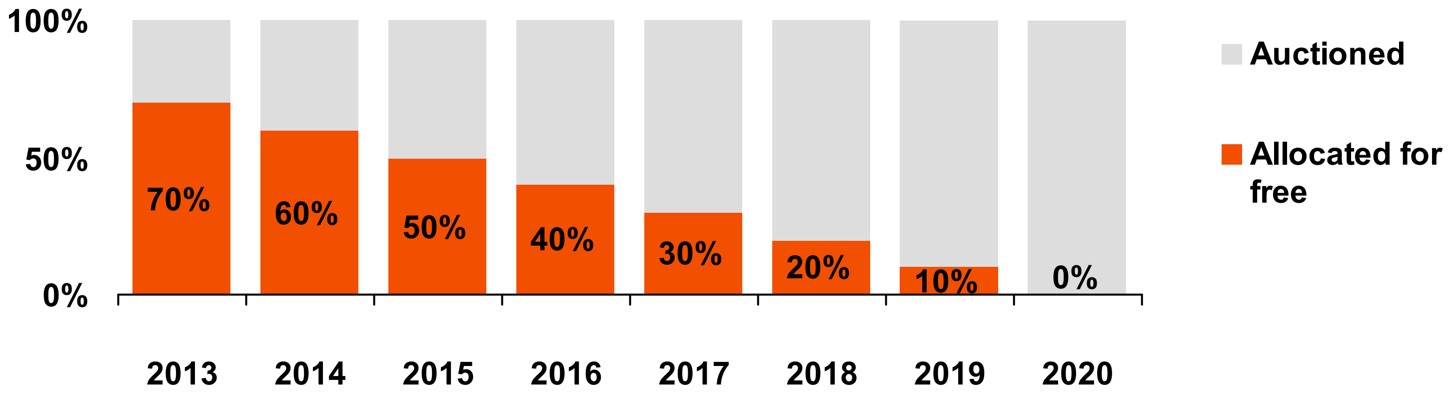
Source: CEPS

AGENDA

CZECH REPUBLIC IS ELIGIBLE FOR GRADUAL IMPLEMENTATION OF CO_2 AUCTIONING IN 2013-2020

- Parliament of the Czech Republic has already approved an implementation of EU ETS directive, which enables partial free allocation of CO_2 allowances for Czech power industry
- Value of free CO_2 allowances should be invested into modernizing and upgrading infrastructure, clean technologies, and diversification of energy mix

Allocation of CO_2 allowances to ČEZ,a.s.

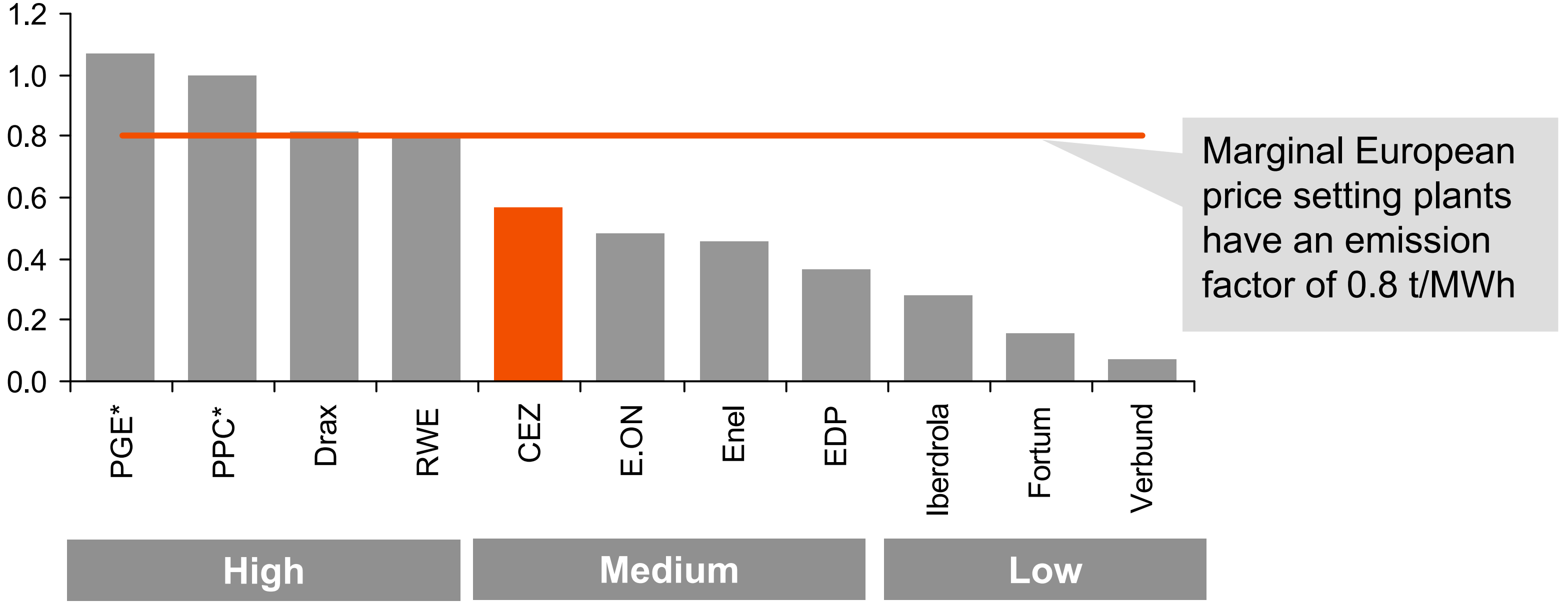


Nominal value of the free allocations in 2013-2020 is € 1- 2 bn *

* Calculation based on CO_2 price of 13 – 25 €/t

ALREADY NOW OUR CO_2 INTENSITY IS BELOW EUROPEAN PRICE SETTING PLANT

Carbon intensity of selected European utilities
(2009, t/MWh)

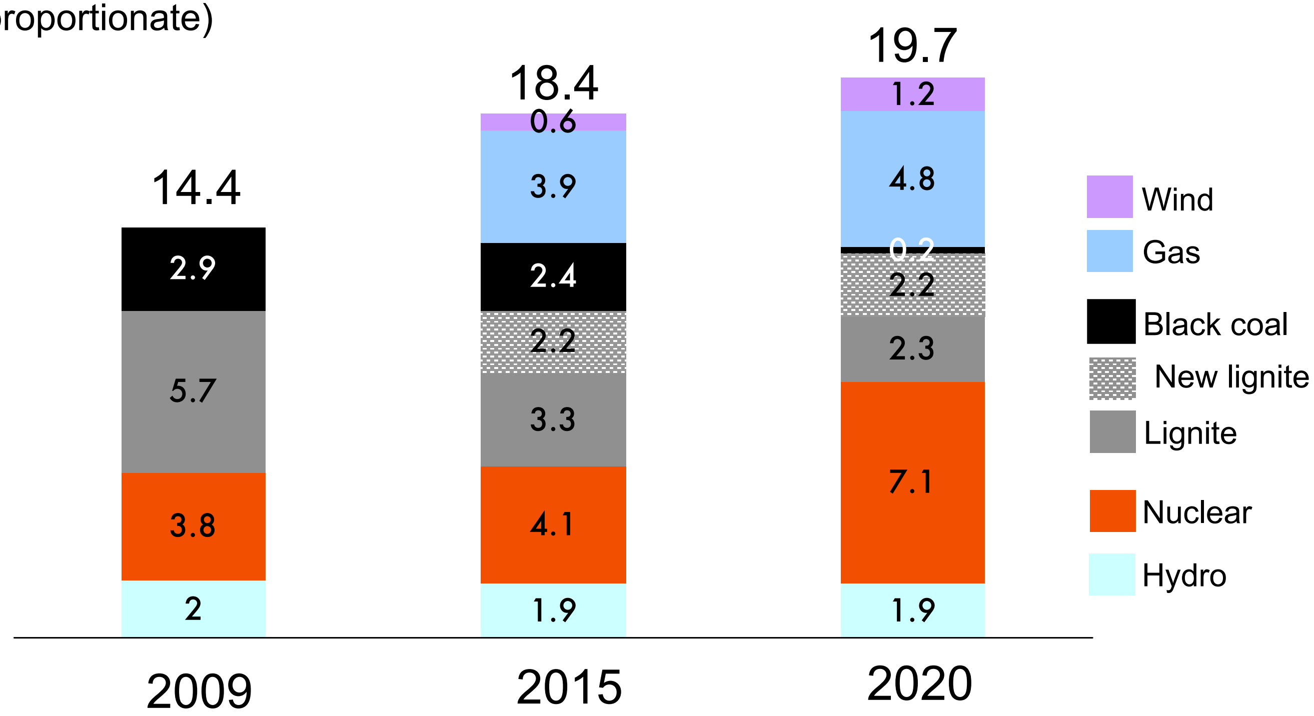


Increase in CO_2 price has a positive impact on CEZ profitability

Source: Company data, Iberdrola and PGE calculated from net production, *2008 data

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

Installed capacity (GW) - structure planned in 2009
(proportionate)



	2009	2015	2020
Emissions CO_2 (m t CO_2)	37.2	44.6	33.2
CO_2 Emissions (t CO_2/MWh supplied)	**0.63**	**0.51**	**0.32**

CEZ PLANS CCGTS IN LOCATIONS WITH SUITABLE CONDITIONS

Location	Name	Approximate Size (MW)
Czech Rep.	**Pocerady**	841
Czech Rep.	**Melnik**	800
Slovakia	**Slovnaft** (JV with MOL)	800 +160
Hungary	**Dufi** (JV with MOL)	800
Poland	**Skawina**	400

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
- Increasing awareness of the need for nuclear energy in the EU

CEZ response

- Increase of **production at existing plants** from 26 TWh to 31 TWh by 2012
- **Temelin** – up to 3,400 MW of new capacity (in July 2008 EIA study submitted, in August 2009 tender for supplier launched)
- CEZ has 9.15% stake in **Cernavoda** (RO) project
- CEZ partnered with Slovakian government on construction of **Jaslovske Bohunice**
- **Dukovany** – up to 1,700 MW of new capacity

ROMANIAN WIND PROJECT WILL SIGNIFICANTLY INCREASE OUR PRESENCE IN RENEWABLES

Romania – Fantanele & Cogealac (600 MW)

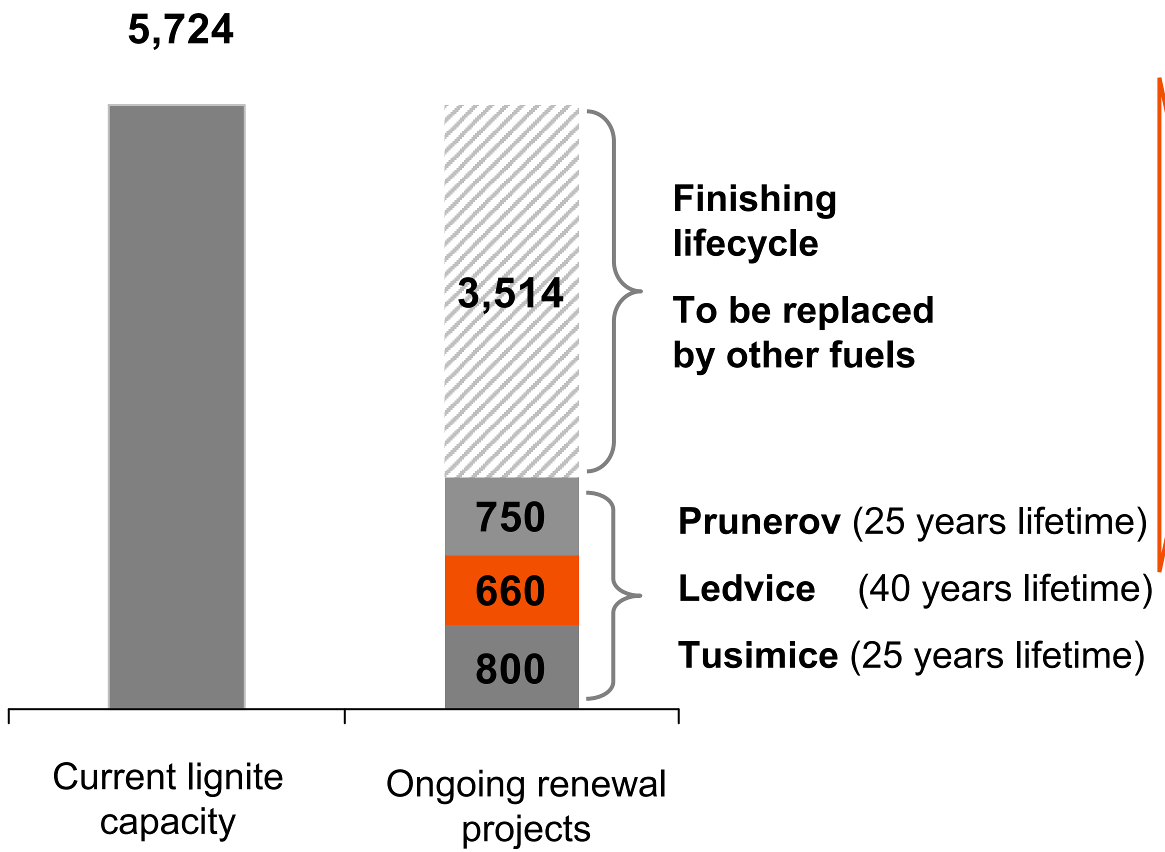
- Largest wind farm project in Europe
- 347.5 MW operational in H1 2010, additional 252.5 MW by 2011
- Excellent wind conditions for an on-shore site with expected net capacity factor of 28%
- Total investment is estimated at € 1.1 bn
- Support through green certificates (GC) – price range set by law at € 27-55 per certificate, 2 GCs received for each MWh until 2017, 1GC per MWh afterwards

Czech Republic

- Already 120 MW of wind have secured connection to the grid, most of the capacity has agreement of municipalities, EIA submitted for 1/3 of the total capacity
- Time- limited opportunity for solar plants
- Target to triple the annual renewable energy production from 1.7 TWh to 5.1 TWh by 2020

IN THE CZECH REPUBLIC CEZ DECIDED TO INVEST INTO RENEWAL OF ONLY SELECTED LIGNITE PLANTS , WHICH MATCH OUR COAL SUPPLIES

Lignite capacity (MW)



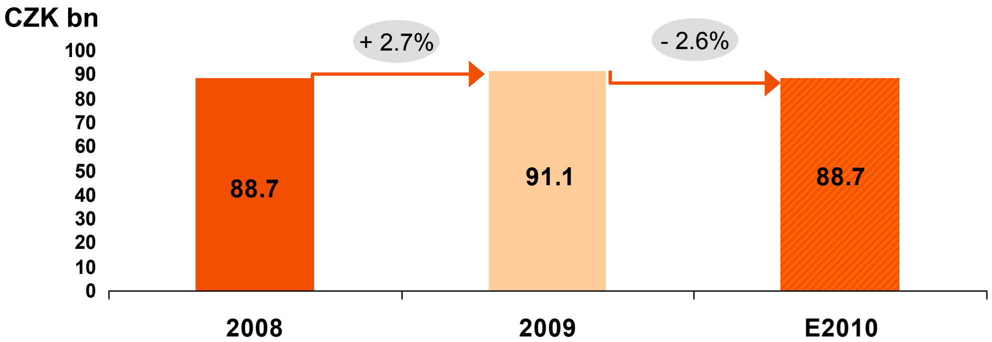
Rationale

- 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

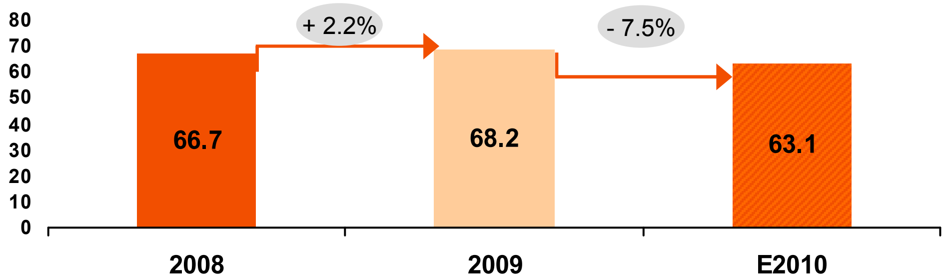
AGENDA

EXPECTED RESULTS IN 2010

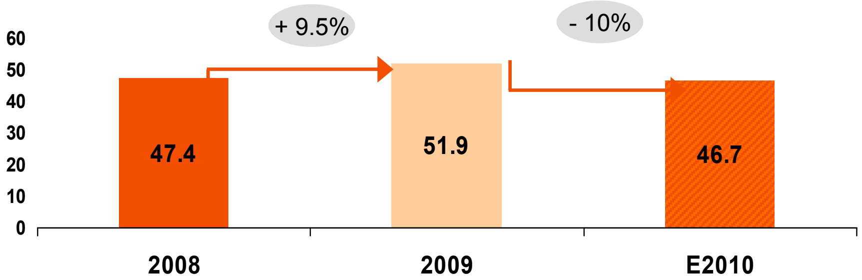
EBITDA



EBIT



NET PROFIT



Key year on year factors

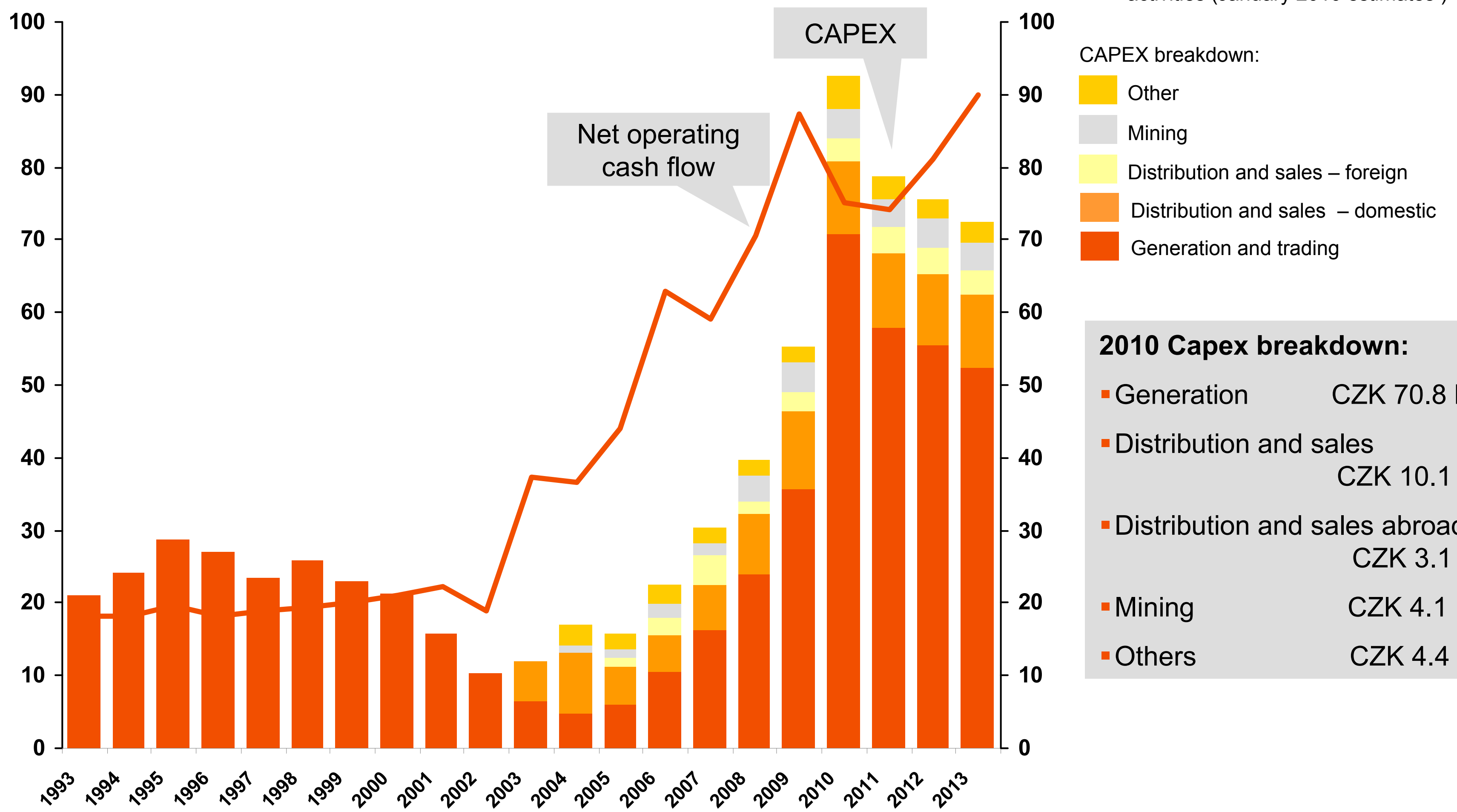
- Decrease in electricity sales prices (partly offset by dripping).
- Moderate growth of electricity demand.

Key risk forecast for 2010

- Negative impact of generation from photovoltaic power plants in the Czech Republic. Due to a dramatic growth of electricity generated from photovoltaic power plants, there is a risk of a negative impact on expected results amounting to CZK 1 – 2 bn. This impact will be compensated in the permitted revenues in the years to come.
- Higher creation of adjustments to receivables.
- Regulatory and political risks in Southeastern Europe.

OUR EXTENSIVE CAPEX PLAN CAN BE LARGERLY FINANCED FROM OPERATING CASH FLOW

Expected CAPEX development (CZK bn)



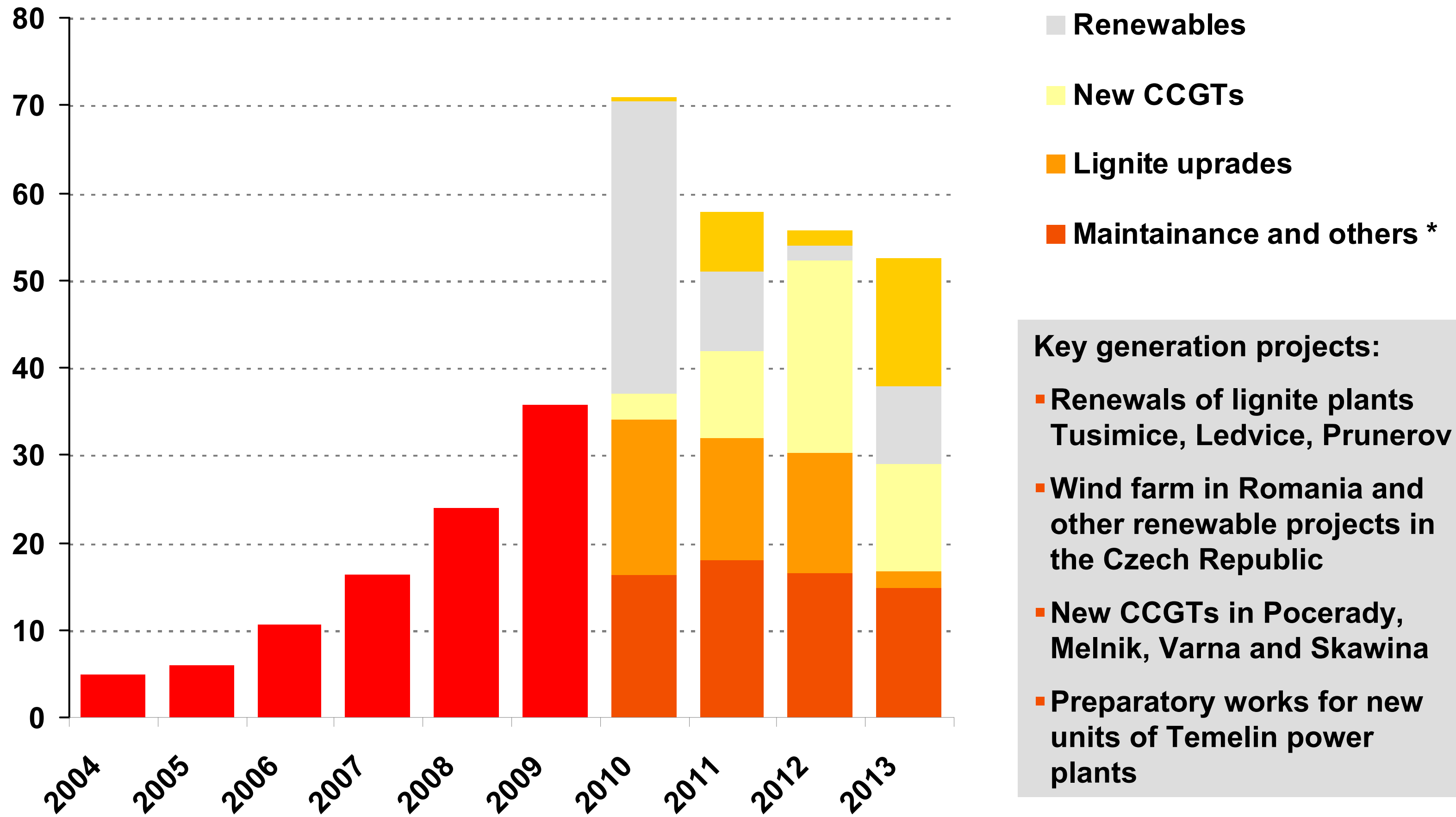
2010 Capex breakdown:

- Generation CZK 70.8 bn
- Distribution and sales CZK 10.1 bn
- Distribution and sales abroad CZK 3.1 bn
- Mining CZK 4.1 bn
- Others CZK 4.4 bn

Note: projects consolidated by equity method are not included

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

CAPEX into our generation segment (CZK bn)



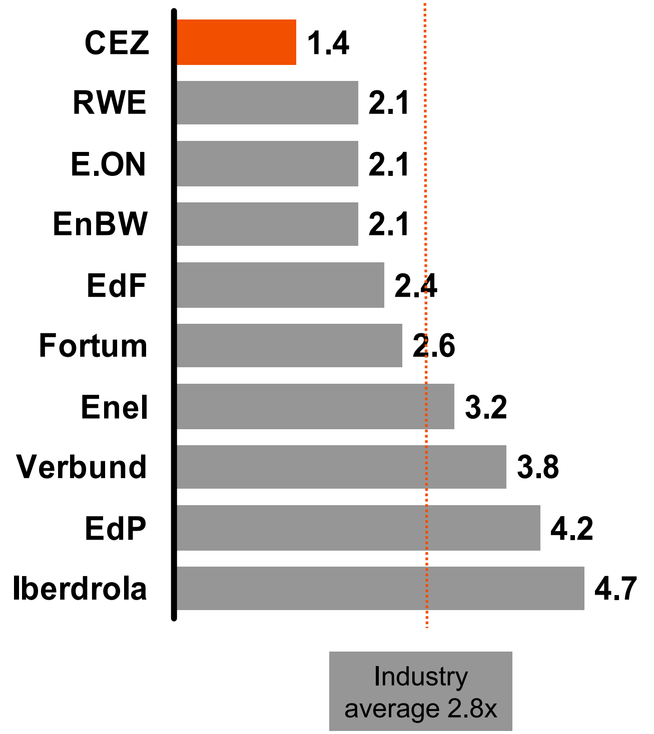
Key generation projects:

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

Source: CEZ, * including nuclear fuel, capitalized interest and budget reserve

OUR CURRENT LEVERAGE IS LOW COMPARED TO INDUSTRY STANDARDS

Net financial debt/ EBITDA
Multiples, 2009



Current level of debt is low, which is a comfortable position in current tight debt markets

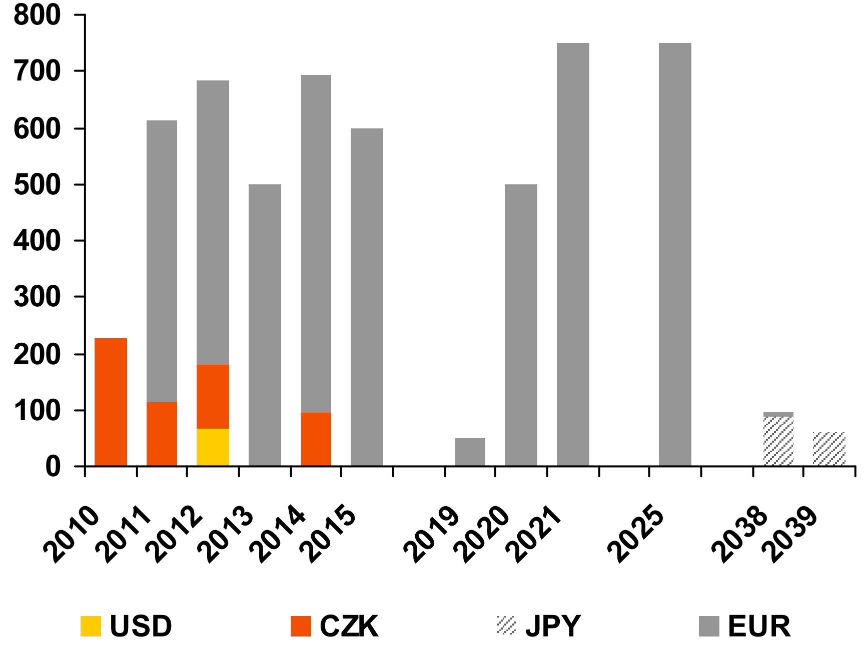
Medium-term target leverage remains intact:

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

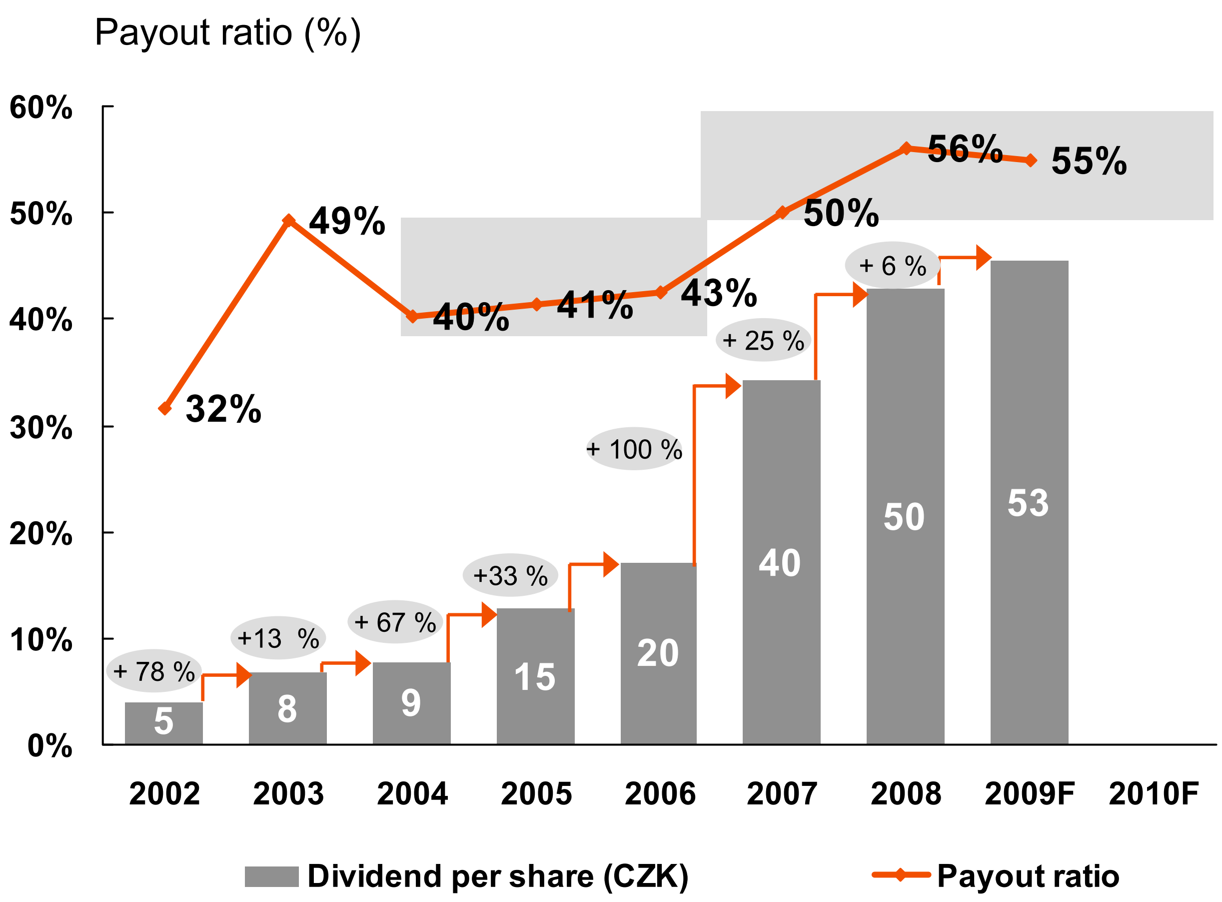
CEZ HAS A GOOD ACCESS TO DEBT MARKETS

- CEZ has been regularly issuing bonds on Eurobond market
- Euro is the preferred currency because it serves as natural hedge to largely Euro denominated revenues
- Maturities are evenly spread over coming years; in the last 12 months average maturity increased by 2 years to current 7.7 years
- In April 2010 CEZ issued € 750 m bond with 15 year maturity and a coupon of 4.875%, the issue was priced at 122 bp spread to mid-swaps
- In June 2010 CEZ issued € 500 m bond with 10year maturity and 4.5% coupon at 167 bp spread to mid-swaps

Bond maturity profile (EUR m)



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
- Dividend from 2009 profit was approved by AGM at CZK 53 per share

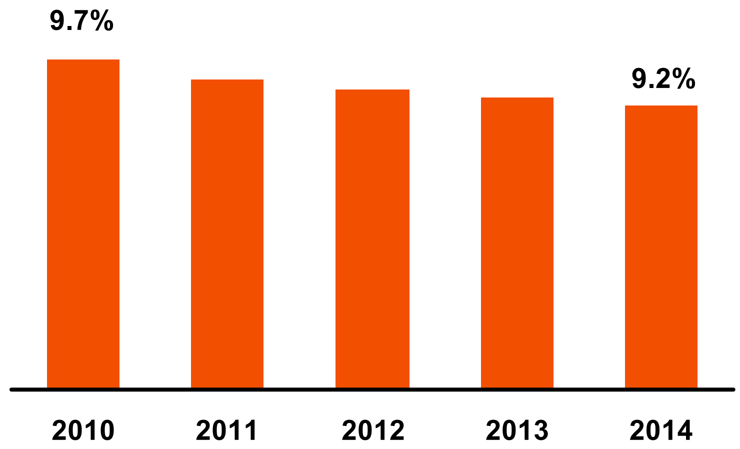
Source: CEZ

OUTCOME OF REGULATORY REVIEW OF THE CZECH DISTRIBUTION IS POSITIVE

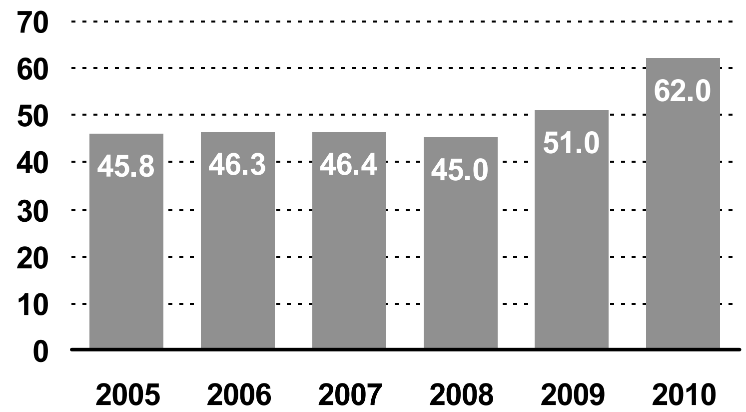
- **Parameters of 3rd regulatory period (2010-2014) improved**
  - **Formula is very supportive for new investments**
  - **Gradual increase of regulatory asset based is firmly incorporated into the formula – in 2010 RAB increased by CZK 9 bn**
  - **WACC increased from 7.6% to 7.9%**

- **Regulated fees increased by 12.2% for households and by 9.6% for small businesses in CEZ's distribution area**
- **We budgeted CZK 3 bn* increase in EBITDA in 2010 compared to 2009 in our Czech distribution business**

Returns on new investments



Czech distribution RAB development
CZK bn

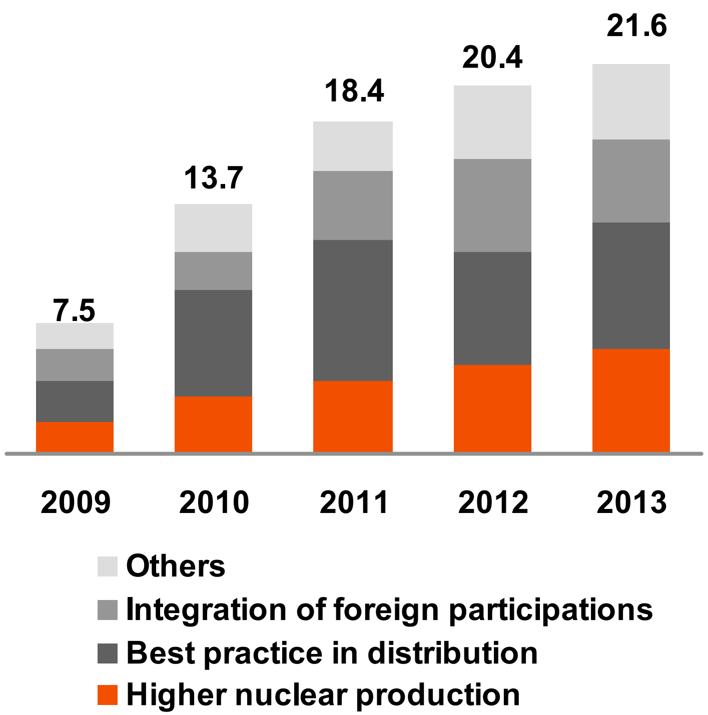


* This increase might be CZK 1-2 bn lower if the capacity of renewables exceeds regulator's assumptions

EFFICIENCY PROGRAM "EFEKTIVITA" ALREADY DELIVERED CZK 7.5 BN CONTRIBUTIONS TO EBITDA IN 2009

Key initiatives	
Transformation of ICT	Cost effective function of internal ICT suppliers
Lean Company	Process improvements in CEZ Group, particularly at headquarters
Customer	To become the company with the best customer services in the Czech Republic by 2009
Best Practice in Distribution	To optimize processes to the level of the best European companies by 2012
Integration of Foreign Equity Participations	Full integration of foreign equity participations to CEZ Group
Safely 15 TERA Temelín	Increase of production to 15 TWh by 2010 (technical innovations, limiting of unplanned shutdowns, shortening of re-fuelling outages)
16 TERA Dukovany	Increase of production by 2013 (technical innovations, shortening of re-fuelling outages)

Increase of EBITDA vs. baseline in 2006
(CZK bn.)



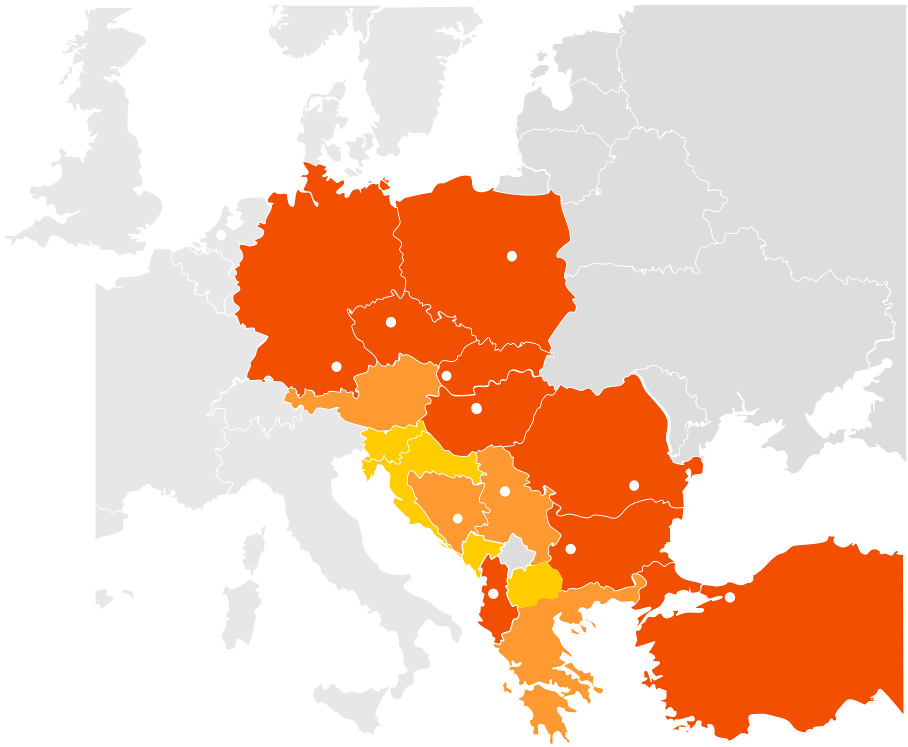
The Efektivita program, which focuses on improving our internal performance, brings the results in line with the long-term plan

AGENDA

FOCUS OF INTERNATIONAL EXPANSION IS ON COUNTRIES WITH ALREADY ESTABILISHED PRESENCE

- We are focusing on Central and Southeastern European countries, where we are already present
- We increased our hurdle rates and all our projects are internally competing for capital
- We stopped monitoring regions adjacent to our target territory where we did not have ambitions to become important player on the market (Russia, Ukraine)
- We stopped development of non-profitable projects (Gacko, Varna CCGT)

Energy Assets
Trading Activities
Markets of conditional interest
Active subsidiaries



LAST YEAR CEZ GROUP MADE SEVERAL ACQUISITIONS TAKING ADVANTAGE OF ATTRACTIVE PRICES

Key acquisitions made in 2009

Stable cash flow businesses	▪ Acquisition of distribution company **OSSH** in Albania ▪ Lignite mine **MIBGRAG** in Germany ▪ **SEDAS**, Turkey distribution company acquired in February 2009
Gas	▪ Acquisition of 37.4% stake in **Akenerji** in Turkey finalized in May 2009, development of gas project **Hatay**
Heat	▪ Acquisition of controlling stake in **Dalkia Usti nad Labem** and 15% stake in **Dalkia CR** which are important players in the Czech heat market ▪ Agreement to buy 49% stake in **Prazska teplarenska** (major heat supplier in Prague, Czech Republic)
Nuclear	▪ In May 2009 shareholder **agreement** was signed between CEZ and Slovakian party **to build** new **nuclear** power **plant in Jaslovske Bohunice** in Slovakia

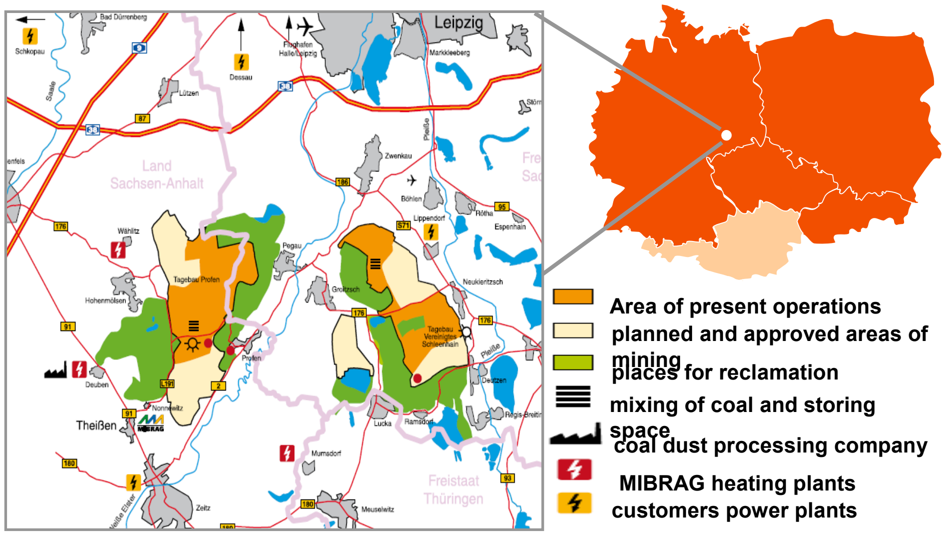
MIBRAG ACQUIRED AT ATTRACTIVE MULTIPLES

Transaction details

- On June 2, 2009 Severočeské doly and J&T Group jointly acquired 100 % of MIBRAG from two U.S. companies, URS Corporation and NRG Energy Inc. for EUR 404 m.
- The acquisition price implies 2008 EV/EBITDA multiple of 3.8x.

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) and Schkopau (2*450 MW) 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.



EUR m	2006	2007	2008	2009
Revenues	371.6	372.5	404.7	419.7
of which: sales of raw brown coal		260.3	279.1	304.2
electricity sales		40.5	52.1	48.1
EBITDA	124.0	128.5	120.6	139.5
EBIT	50.9	50.8	39.2	63.4
Net income	36.8	39.8	31.8	51.9
Assets	979.1	950.4	970.1	1,005
Net financial debt	110.4	74.2	51.9	28.4
Environmental and mining provisions	201.8	203.4	220.2	231.0
Investments	62	34.3	26.8	33.2
Raw coal extraction (m t)	19.9	18.6	19.0	19.7
Electricity generation (GWh)	1,284	1,449	1,402	1,320

Source: CEZ, MIBRAG

AGENDA

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

	Lignite mining	Generation	Transmission	Distribution	Supply
CEZ	**49%** 22 million tons	**74%** 60.6 TWh	**100%** 58.2 TWh	5 out of 8 distribution regions 61% of customers	**44%** 24.4 TWh
Others	**51%** 23 million tons	**26%** 21.6 TWh		39% of customers	**56%** 31.2 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

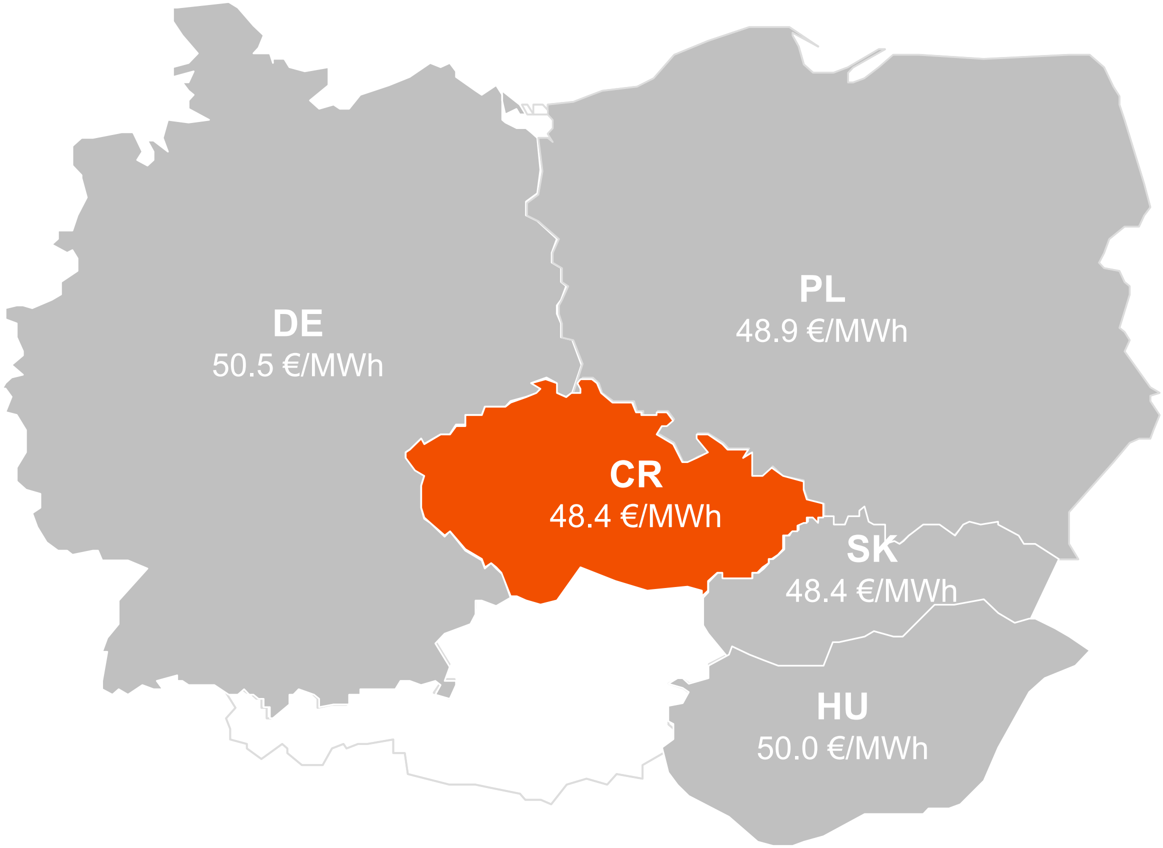
Generation
- Other competitors – individual IPPs

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

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

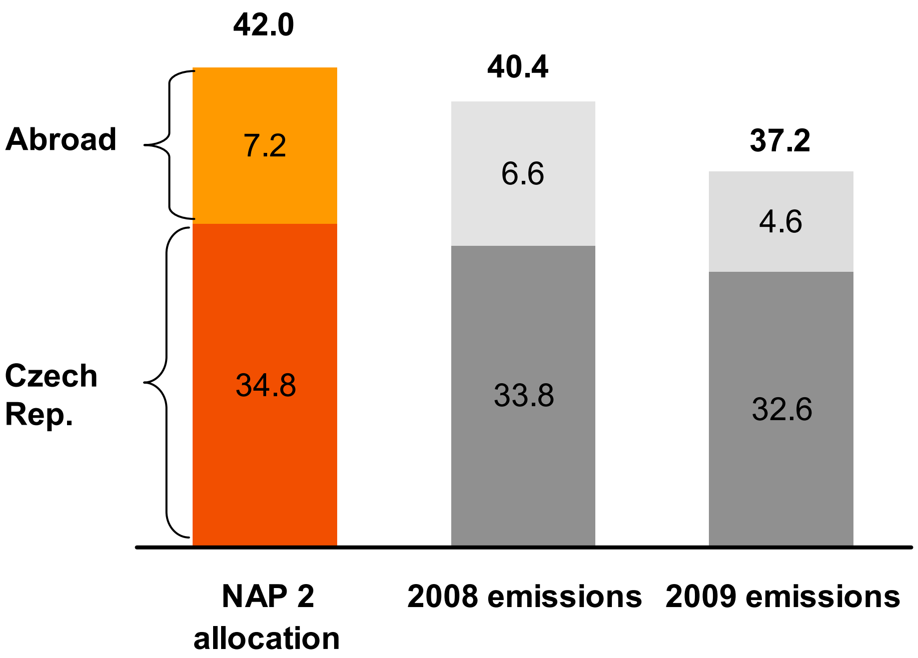


Note: Prices for base load 2011 as of Aug 20, 2010

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)

MODERNIZATION OF TUSIMICE AND CONSTRUCTION OF NEW UNIT IN LEDVICE IS PROGRESSING ACCORDING TO SCHEDULE AND BUDGET

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: June 2010 and August 2011

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

- Construction of the boiler structure, cooling tower and desulphurization unit are ongoing
- Planned net efficiency 42.5%
- Expected service life 40 years, i.e. until 2052
- Initiation of implementation: July 17, 2007
- Planned start of operation: Dec 2012

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 finalization of basic design is underway
- Increase in net efficiency to above 39 percent
- Extension of service life by 25 - 30 years
- Initiation of renewal: March 1, 2011
- Planned start of operation of new units:

Q4 2012 – Q1 2013

CCGT Počerady

New construction (841 MW)

- EIA issued
- Gas turbine, HRSG and steam turbines contracted
- Net efficiency 57.4% (ISO)
- Service life until 2043
- Start of construction by December 2010
- Planned start of operation: April - June 2013

PREPARATION OF PROJECTS IN COOPERATION WITH OUR PARTNER MOL GROUP

CCGT Slovnaft

New construction (800 - 900MW)

- Next to refinery site Slovnaft, Bratislava
- CCGT multi shaft
- Request for EIA submitted
- On-going tender for technology and gas
- Assumed life cycle 30 years
- Planned commissioning in late 2014

CCGT Dufi

New construction (800 - 900MW)

- Next to refinery site Dufi, 30 km to the south of Budapest
- CCGT multi shaft
- Project in-waiting for EIA
- On-going tender for technology
- Assumed life cycle 30 years
- Planned commissioning in late 2013

PREPARATION OF MORE CCGT PROJECTS

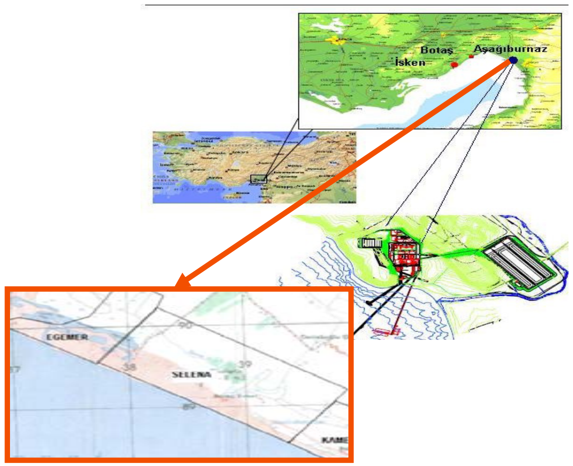
CCGT Skawina, Poland

New construction (400 - 500MW)

- On the ground of TPP Skawina
- New CCGT unit with steam extraction 200 MWt
- EIA approval received
- On-going selection of owner's engineer
- Planned commissioning in late 2014

CCGT Hatay (Egemer), Turkey

New construction (800 - 900MW)



- Activities realized via Akenerji
- EIA process ongoing
- Assumed life cycle of power plant 30 years
- Owner's engineer: Parsons Brinckerhoff
- On-going selection of technology and gas
- Planned commissioning in late 2013

ON MAY 10, 2010 CEZ GROUP ACQUIRED STAKES IN DALKIA ÚSTÍ NAD LABEM AND DALKIA ČESKÁ REPUBLIKA

- In November 2009, CEZ has concluded a contract for purchase of 85% stake in Dalkia Ústí nad Labem from Dalkia Česká republika. The price for 100% share equivalent of Dalkia Ústí nad Labem is CZK 6.3 bn and comprises of fixed and variable sum.

- CEZ concurrently singed an agreement to acquire 15% of Dalkia Česká republika for the price amounting to CZK 3.6 bn.

- The transaction was concluded on May 10, 2010 after it received clearance from Czech Antimonopoly Authority.

- An option for remaining 15% share in Dalkia Ústí nad Labem as well as possible share buy back of 85% by Dalkia Česká republika is part of the agreement. Realization of the options is related to a trouble-free continuity of performance in Usti nad Labem and development of further negotiations regarding potential assets transactions.

- The transaction will enable CEZ to strengthen its position in a heating industry in the area where it already owns companies Martia and PPC Uzin.

BASIC FACTS ON DALKIA ČESKÁ REPUBLIKA, A.S. AND DALKIA ÚSTÍ NAD LABEM

- Dalkia Česká republika (Dalkia CR) is one of the most important players in Czech energy market active in generation, distribution and sale of heat and generation and sale of electricity.
- 51.1 % of the company is owned by Veolia Environment and 25.3 % by EDF through companies Dalkia and Dalkia International.
- Total installed capacity for heat generation is 3,850 MW. Dalkia CR supplied heat to 262,000 households in 2008.
- Total installed capacity for electricity generation is 550 MW. Customers for electricity are mainly Czech electricity traders.
- Dalkia Usti nad Labem (Dalkia UnL) is 100% subsidiary of Dalkia CR. In the city of Usti nad Labem it operates heat capacity of 470 MW and supplies 3,300 TJ of heat. Its electric capacity is 158 MW. It serves 30,000 households.

Assets of Dalkia Česká republika

Dalkia Česká Republika key figures (consolidated)

CZK m	2006	2007	2008	2009
Revenues	9,455	10,055	10,979	12,761
of which: sales of heat and related products		5,601	6,056	6,512
sales of electricity and support services		4,165	4,536	5,939
EBITDA	3,263	4,037	4,062	4,263
EBIT	2,202	2,929	2,899	3,108
Net income	1,593	2,204	2,163	2,415
Assets	14,239	14,974	14,968	17,924
Net debt	1,787	1,394	1,115	703
Cash flow from investing activities	1,753	1,243	1,403	984
Total volume of heat sold TJ	17,919	17,941	18,394	16,340
Total volume of electricity sold GWh	2,440	2,432	2,055	2,574

Dalkia Ústí nad Labem key figures 1), 2)

CZK m	2006	2007	2008
Revenues	1,871	1,827	1,803
of which: sales of heat			806
sales of electricity			513
ancillary services			449
EBITDA	929	829	843
EBIT	734	626	621
Earnings before tax	746	621	625
Assets	3,014	3,188	3,132
Net debt[1)]	376	297	238
Total volume of heat supplied TJ	2,632	2,483	3,204
Total volume of electricity supplied GWh	457	445	307

1) Dalkia UnL was an organizational unit of Dalkia CR till September 30, 2009. The organizational unit was transformed into an independent legal entity via contribution of assets and liabilities (ie. the whole enterprise) on November 1, 2009; the contribution was on a debt free basis
2) Dalkia UnL is a CO_2 emitter and within the second allocation phase of EU ETS receives allocation of 1.1 mil tons of EUAs on annual basis for free; its annual consumption is around 0.75 mil tons, i.e. 0.35 mil tons p. a. is available for sale. We do not know to what extent are the historical sales reflected in the Dalkia UnL in 2008 and before.

Source: www.dalkia.cz, www.justice.cz

IN JULY 2009 CEZ GROUP AGREED TO BUY A STAKE IN PRAZSKA TEPLARENSKA

- On July 1, 2009 CEZ agreed to buy almost 49% stake in Prazska teplarenska from J&T, its new owner. J&T gained the stake in cooperation with Dalkia in a sale of Czech assets of International Power.
- Transaction is subject to approval from European Commission.
- Prazska teplarenska is the largest heat producer and supplier in Prague.
- Through its 100% subsidiary Energotrans it also operates 352 MW power plant in Melnik
- CEZ became interested in Prazska teplarenska in connection with preparation of a project for CCGT plant in Melnik, which will replace an existing coal plant and will secure electricity and heat supplies for Prague in the future.

Prazska teplarenska consolidated financials

CZK m	2007	2008	2009
Total revenues	7,074	8,235	8,919
of which: heat sales	4,750	5,285	5,467
electricity sales	2,087	2,712	3,161
EBITDA	2,573	2,884	3,440
Net income	1,549	1,761	2,175
Assets	13,476	13,650	14,106
Net financial debt (cash if negative)	-1,875	-1,975	-2,097
CF from investing	371	434	-828
Total volume of heat sold (TJ)	12,596	13,088	12,814

Prazska teplarenska shareholder structure
(As of Dec 10, 2009 in %)

International Power Opatovice	48.67
Prazska teplarenska Holding*	47.33
Dalkia Česká republika	1.05

* Controlled by City of Prague (51%), EnBW (49%)

Source: Prazska teplarenska (www.ptas.cz)

CEZ GROUP HAS COMPLETED ACQUISITON OF ALBANIAN DISTRIBUTOR

Albania – distribution

- On June 1, 2009 CEZ acquired 76% stake in Albanian distribution company OSSH from Albanian government for EUR 102 m.
- OSSH is the only distribution company in Albania. It serves more than 1 m customers and supplies 4.1 TWh of electricity.
- Albania has been affected by a large shortage of electricity lately in particular due to the absence of investment in power development in last decades. In 2008 Albania imported over 30% of its annual consumption amounting to 6.5 TWh.

IN FEBRUARY 2009 WE FINISHED TAKEOVER OF TURKISH DISTRIBUTION

- CEZ Group together with Turkish partner finished takeover of Turkish distribution company SEDAŞ on February 11, 2009
- Half i.e. USD 300 m of total price for the transaction has been transferred, the rest of the price will be paid in two equal payments in two following years.
- Sedaş distributes electricity to 1.3 m customers in region including city Sakarya, Bolu, Düzce a Kocaeli located in industrial heart of Turkey

Corporate re-structuring

- Change of organization from regional to process-oriented has begun
- Customer care is under re-organization (change of structure of customer centers, central customer line, outsourcing of cash collection, centralization of billing and receivables)
- Individual teams are built in the field of electricity trading - in 2010, they will start operating under the leadership of Akenerji's sales team
- Optimization of other activities (quality management, risk management, internal audit, ICT etc.)

Key facts – SEDAŞ (2009)	
Number of customers (m)	1.3
Electricity sales (TWh)	8.4
Of which: to industry customers (%)	55%
Losses	6.3%*

*2008

ACQUISITON OF STAKE IN AKENERJI CLOSED ON MAY 15, 2009

- 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%
- Akenerji is the largest company among private generation companies with 10% market share. It produces 2% of Turkey's electricity generation
- Current power plants of 373 MW are located in the backbone of main industrial zones in western part of Turkey, in 9/2009, the wind farm Ayyildiz was put in operation (5x3MW)
- Between 2010 – 2011, we plan to commission more than 300MW, mostly involving projects with renewable resources
- Development of the project of up to 900MW CCGT in Hatay is underway (commissioning expected in 2013; EPC contract planned for 7/2010)

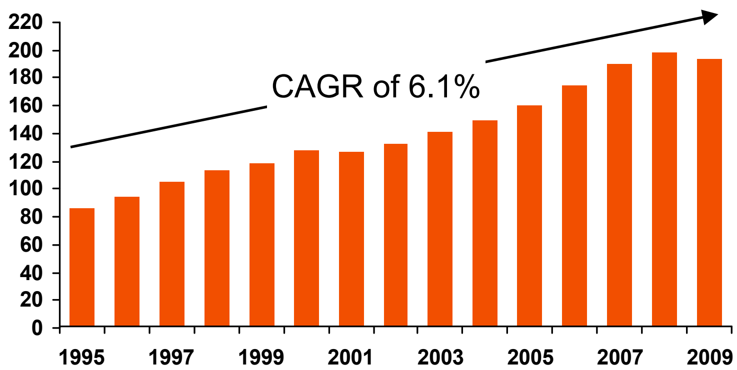
Project	Installed capacity (MW)
Uluabat	100
Akocak	81
Burc	28
Bulam	7
Feke 1	30
Feke 2	70

TURKISH ELECTRICITY MARKET IS VERY ATTRACTIVE

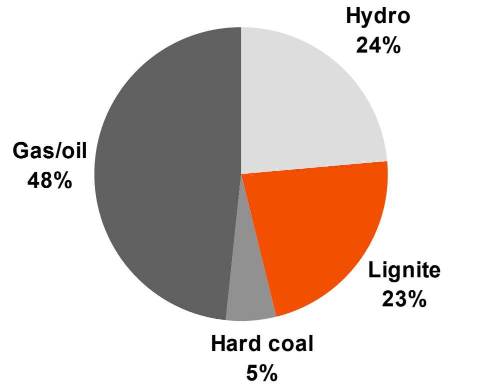
Selected data on Turkey:

- Turkey, with its 80 m inhabitants, is comparable in size to all of Central Europe
- Dynamically growing economy, fast urbanization
- In 2009 electricity demand reached 193.5 TWh (almost three times as much as in the Czech Republic)
- Electricity consumption per capita is currently low (a quarter of EU average)
- Annual growth of electricity demand is around 6-9% in 2003-07 which compares to growth in European countries* of 0.6-2.6 %
- Demand also driven by growing population (80 m inhabitants, the average age 27.3 years)
- Need for additional 50,000 MW of the installed capacity by 2020 to match growing demand

Gross Electricity Consumption in Turkey
TWh



Structure of installed capacity in Turkey

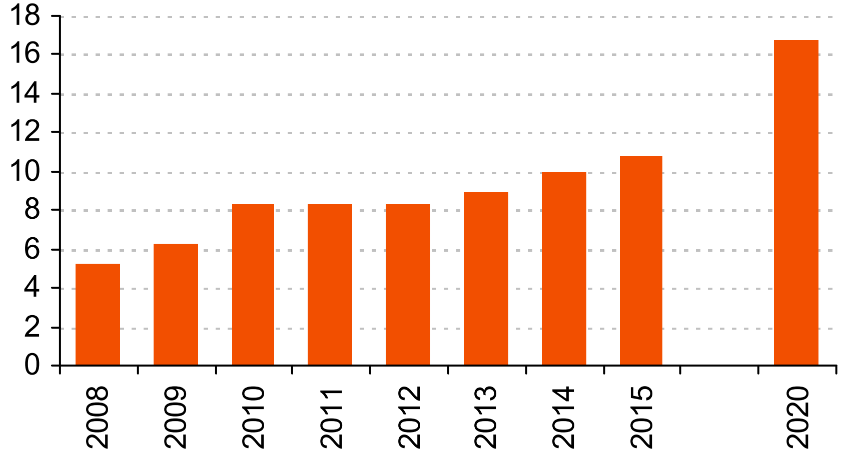


*EU27

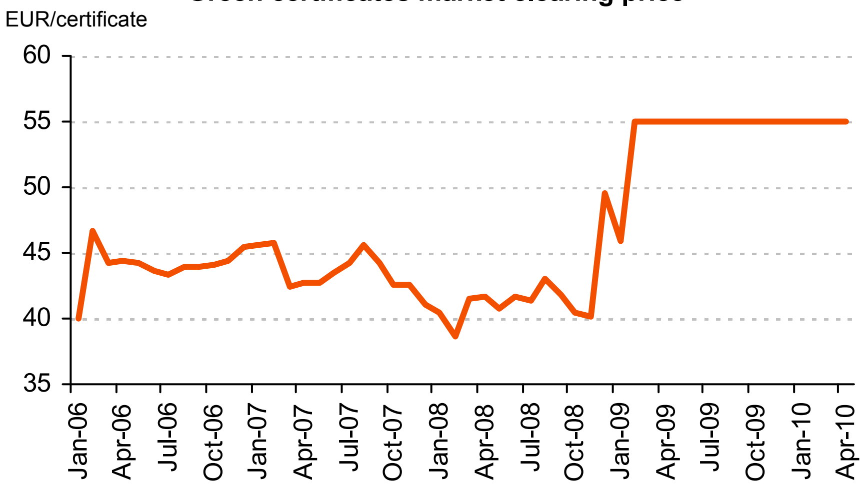
Source: Eurostat, TEIAS

MARKET OF RENEWABLES IN ROMANIA

Development of mandatory quota (%)*



Green certificates market clearing price



Support of renewables

- Two green certificates (GC) are obtained by the producer for each MWh supplied 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 until 2014
- 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 17% in 2010

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

STRATEGIC ALLIANCE WITH MOL:
PRINCIPLES OF CEZ – MOL JOINT VENTURE

- JV 50:50 in equity interest, voting rights and other benefits
- Operations targeted for 4 countries of CSEE – Hungary, Slovakia, Croatia and Slovenia
- The initial projects in Hungary and Slovakia - 800 MW CCGT in Dufi (Százhalombatta) and 800 MW CCGT + 160 MW TPP expansion in Bratislava
- MOL contributes current heat plants and related infrastructure into JV
- JV investment of app. 1.4 bn EUR (for initial projects)
- Gas supply contract from MOL, off-take contract for refineries – steam, electricity
- Dual fuel capability (gas, liquid residuals)

Source: CEZ - MOL

STRATEGIC ALLIANCE WITH MOL:
RELATED FINANCIAL TRANSACTION

- Purchase 7.6% of the common stock of MOL by CEZ to strengthen the strategic alliance
- CEZ sells to MOL an American call option with strike price 20,000 HUF:
  - Option can be exercised until January 2014
  - Call price covers spread between strike and purchase price and guarantees CEZ capital cost coverage until the option expires or is exercised
- Purchase of stake in MOL, net of the option premium received upfront, resulted in cash outlay of ca EUR 560 m in Q1 2008

Source: CEZ - MOL

PRINCIPLES OF REGULATION IN THE CZECH REPUBLIC ARE IDENTICAL TO THE REST OF EUROPE

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
  - 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

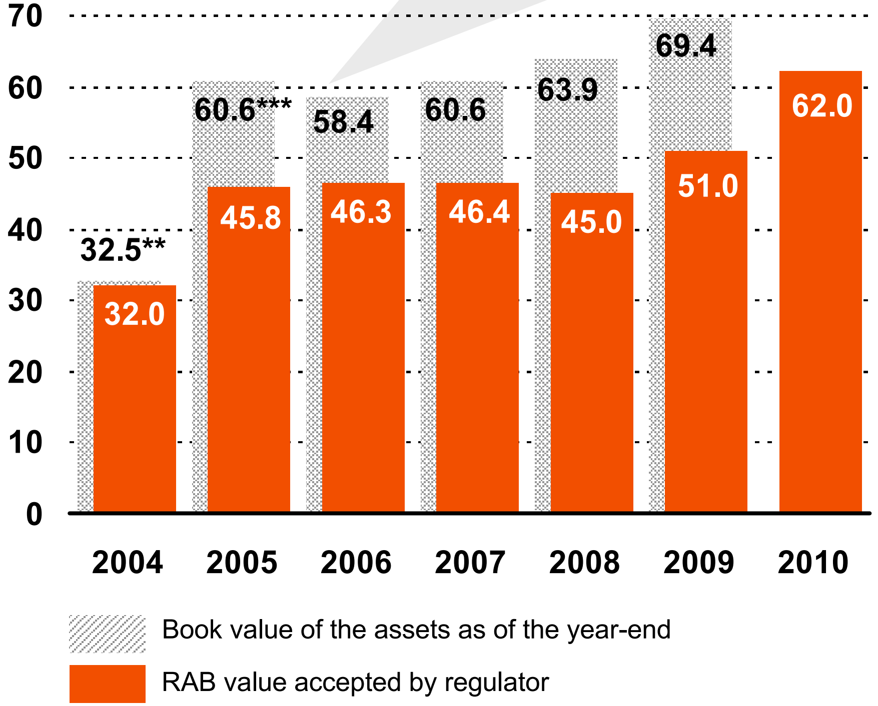
Unbundling & Liberalization

- Since January 1, 2006 all customers can choose their electricity supplier, market is 100% liberalized

GRADUAL REVALUATION OF RAB IS INCORPORATED INTO THE REGULATORY FORMULA FROM 2010 ONWARDS

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. $k<1$

REVIEW OF BULGARIAN REGULATORY ENVIRONMENT

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 Eur 276 m for 2nd regulatory period
  - 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

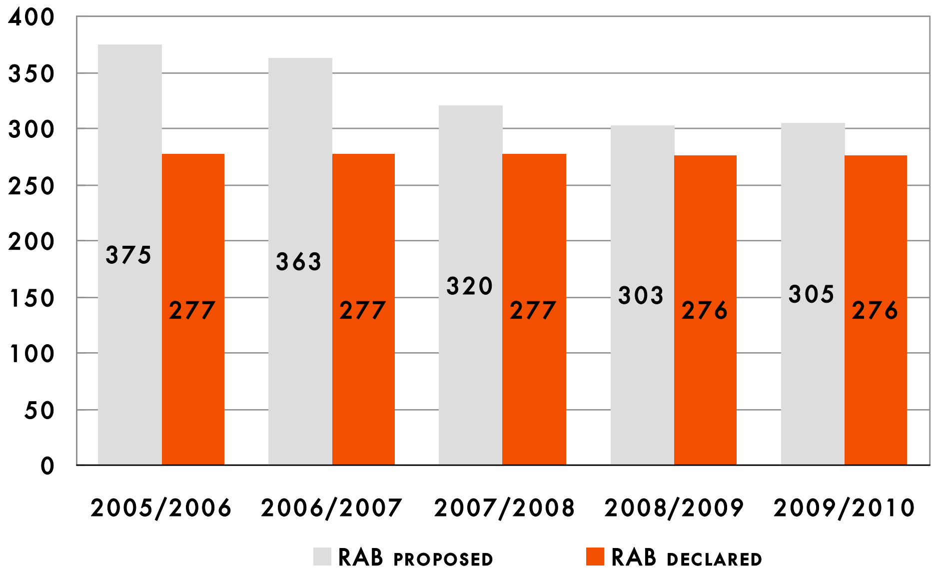
- 1st regulatory period 1.10. 2005 – 30.6. 2008
- 2nd regulatory period 1.7. 2008 – 31.6. 2013

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.

BULGARIAN NEW REGULATORY RULES ARE BELOW OUR PROPOSALS BUT STILL ABOVE VALUATION CASE

Regulatory asset base
(EUR m)



- In 2005/2006 end user prices increased on average by 7.1% compared to 2005/2004
- In 2006/2007 end user prices increased on average by 0.7 % compared to 2006/2005
- In 2007/2008 end user prices increased on average by 14.3 % compared to 2006/2007
- In 2008/2009 end user prices increased on average by 12.2 % compared to 2007/2008
- In 2009/2010 end user prices decreased on average by 1.08 % compared to 2008/2009
- Electricity purchase price from NEK and renewables in 2006/2007 rose faster than the end-user price (both regulated, but each on a different basis) , impacting the expected y-o-y results

- Significant reduction of regulated Capex (79% vs. CEZ proposal)
- Similar reduction for all three groups in Bulgaria (EVN, E.ON and CEZ)
- Reduced Capex threatens safety of distribution network and meeting EU norms in the long run
- Distributors filed a complaint against the decision
- Assumed ROIC is still above original valuation case (savings from losses reduction, synergy effect, efficiency improvements)

REVIEW OF ROMANIAN REGULATORY ENVIRONMENT – 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

- 1st regulatory period 1.1. 2005 – 12.31. 2007
- Completion of privatization was reason to re-open inputs into regulatory formula
- 2nd regulatory period 1.1. 2008 – 12.31. 2012

Unbundling

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

Liberalization

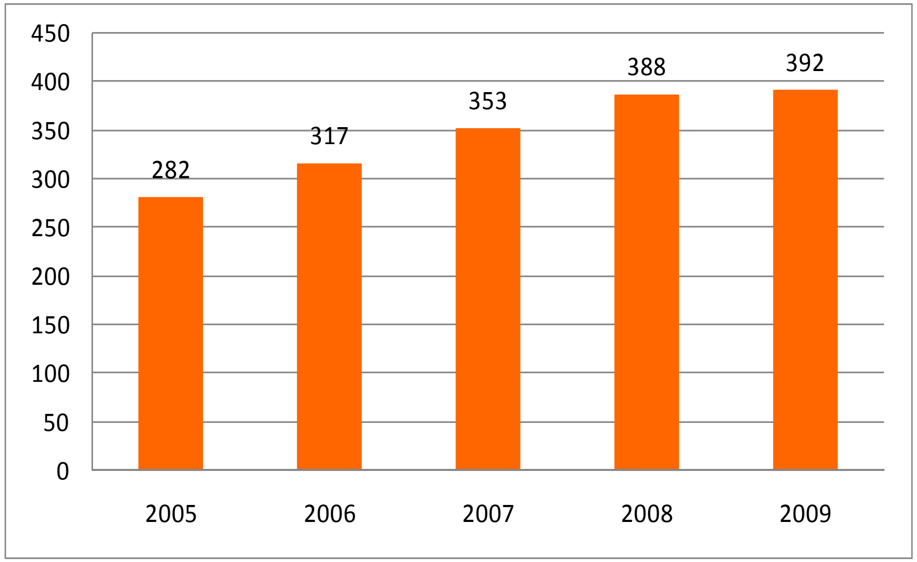
- New Electricity law (no.13/2007; harmonized with EU directives) called for full liberalization by July 2007
- Effective market degree approx. 55%; 60 active suppliers (end-user suppliers and traders)
- Prolongation of the tariff regulation after the full opening of the market for households and small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

Call option

- First company in Romania to buy state shares (30% from Fondul Proprietatea and 19% from Electrica) – applied in CEZ Distributie and CEZ Vanzare – for the biggest transaction in Romania for 2009 - 375 mio.Euro
- CEZ a.s. is currently sole owner of CEZ Distributie and CEZ Vanzare

ROMANIAN REGULATORY FRAMEWORK IS SIMILAR TO CZECH AND EU

I. Regulated Asset Base (2005 - 2009)
EUR mio*



Note: Compared with end 2008, at end 2009, RON was weaker by 6%

CEZ Distributie SA

- the biggest number of served customers in Romania (1.38 m)
- the highest RAB due to the most ambitious investment program
- as result, the highest distribution tariffs in 2008 and the highest rate of annual increase for regulatory period (2008-2012), out of all eight distributors
- the lowest internal consumption (technical & commercial)
- best practice concepts implemented (Start from home, Thermovision, Converge, SAP)
- core business transformation in 2008-2009 (Progres IV) brought a reduction of 800 employees
- DEEP – focused on standardization of O&M activities, establishment of operational controlling, changes in supplier relationships, process improvement, introduction of skills for management oriented to a culture of performance
- new concepts in support functions (purchasing and logistics, non-technical losses, customer care optimization)
- New motivational system negotiated in 2009 – applied starting 2010

* Exchange rate used as of year end

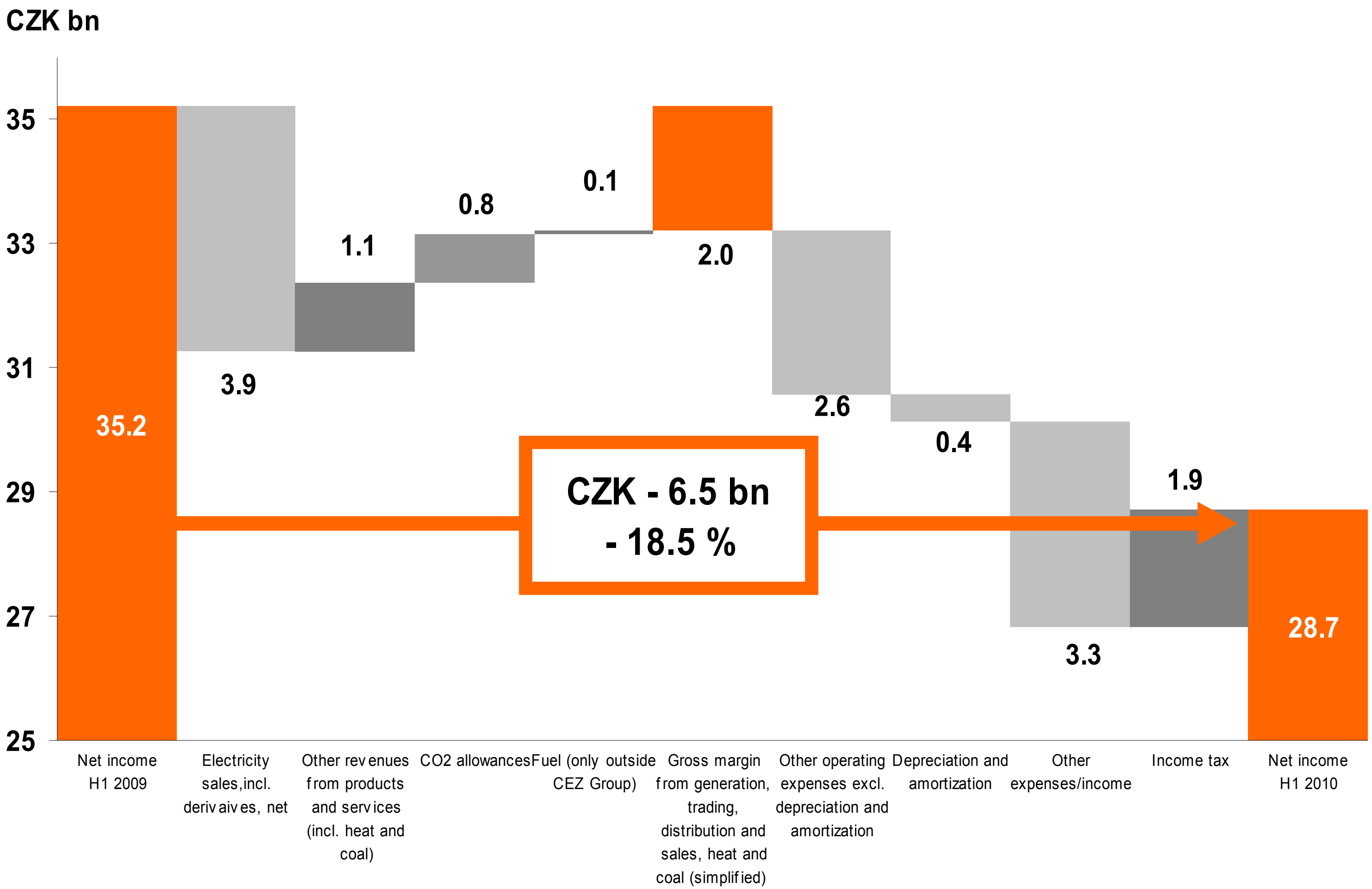
SUPPLY IN ROMANIA REMAINS REGULATED

- 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 procurement costs (including wholesale price, transmission, ancillary services, market administration)
- **CEZ proposed a yardstick supply methodology** rather than cost plus one – under discussion
- Since 2008, ANRE approves differentiated regional tariffs for industrial consumers;
- End-user tariffs for residential customers are still uniform at the national level

Since January 2009:

- **Tariffs for captive residential consumers were maintained at 2008** level for all suppliers
- **Tariffs for captive industrial consumers have been increased by 3.3% for CEZ**; CEZ has the highest regulated tariffs for regulated industrial consumers

IN H1 2010 NET INCOME FELL BY 6.5 BILLION CZK YEAR ON YEAR



Selected factors

- Year on year fall of electricity selling prices.
- Moderate increase in demand for electricity in all sectors.
- Successful business strategy in the area of emission allowances in the 1st half of 2010.
- Increases in other operating expenses due to the inclusion of new acquisitions.
- Write-off of negative goodwill from the acquisition of MIBRAG of CZK 3.1 billion in 2009 income.

GROSS MARGIN FROM GENERATION, TRADING, SUPPLY AND DISTRIBUTION FELL BY 3% TO CZK 66 BN YEAR ON YEAR

(in CZK millions)	1 - 6 /2009	1 - 6 /2010	Change 10-09	Index 10/09
Electricity sales and services	87 492	84 691		
Electricity, gas and coal derivative trading, netto	2 076	5 402	-3 943	94%
Purchased power and related services	-22 411	-26 879		
Heat sales and other revenues	7 493	8 590	1 097	115%
Fuel	-8 005	-7 943	62	99%
CO2 allowances	1 239	2 013	773	162%
Gross margin (simplified)	**67 884**	**65 874**	**-2 011**	**97%**
Operating revenues	**97 061**	**98 683**	**1 622**	**102%**
Variable operating costs	**-29 177**	**-32 810**	**-3 633**	**112%**

- Year on year fall in electricity sales is linked to the fall in wholesale prices of electricity, which was partly offset by the sale of electricity one year and more in advance at prices higher than those which could be obtained in the spot market in the 1st half of 2010. The margin on this forward trades was partially reflected in the commodity derivatives category (due to the optimization of production and due to the hedging of 2010 margins).
- Year on year heat sales increased in the Czech Rep., in particular through the inclusion of new companies (Trmice heating plant - formerly Dalkia Ústí nad Labem); in Poland as a result of the increase in the volume of produced heat (in the same period last year there were outages made by the network operators).
- The decline in fuel costs was due, in particular, to lower costs of fossil fuel (principally hard coal for Dětmarovice power plant).
- The positive influence of the growth of income from CO2 allowances was in particular, due to gain from successful business strategy in the area of CO2 derivatives.

YEAR ON YEAR OPERATING COSTS IN CEZ GROUP GREW BY 16% IN PARTICULAR AS A RESULT OF NEW ACQUISITIONS

(in CZK millions)	1 - 6 /2009	1 - 6 /2010	Change 10-09	Index 10/09
SUM of selected operating costs	**-16 059**	**-18 687**	**-2 629**	**116%**
Salaries and wages	-7 748	-8 534	-786	110%
Other selected operating costs	**-8 310**	**-10 153**	**-1 843**	**122%**
Repairs and maintenance	-2 211	-2 079	132	94%
Material and supplies	-2 173	-2 264	-91	104%
Others	-3 926	-5 810	-1 884	148%
EBITDA	**51 826**	**47 186**	**-4 639**	**91%**
Depreciation and Amortization	-10 982	-11 431	-449	104%

- The total increase in selected operating costs of CZK 2.6 billion was influenced by the inclusion of new acquisitions (OSSh, Trmice heating plant) which contributed CZK 1.9 billion, of which CZK 0.4 billion is attributable to increase of salaries and wages and the remaining CZK 1.5 billion in increase in Others. New acquisitions were also responsible for increase in depreciation of CZK 0.3 billion.

Movement within individual categories without taking acquisitions into account:

- Growth of salaries and wages was caused mainly due to higher costs of ČEZ a.s (increase in the number of employees linked to new investments, construction and renewal of power plants).
- Others item was negatively influenced by the creation of adjustments to overdue receivables, in particular by Romanian Railways.
- Increase in deprecitaion was linked to the ongoing investment program.

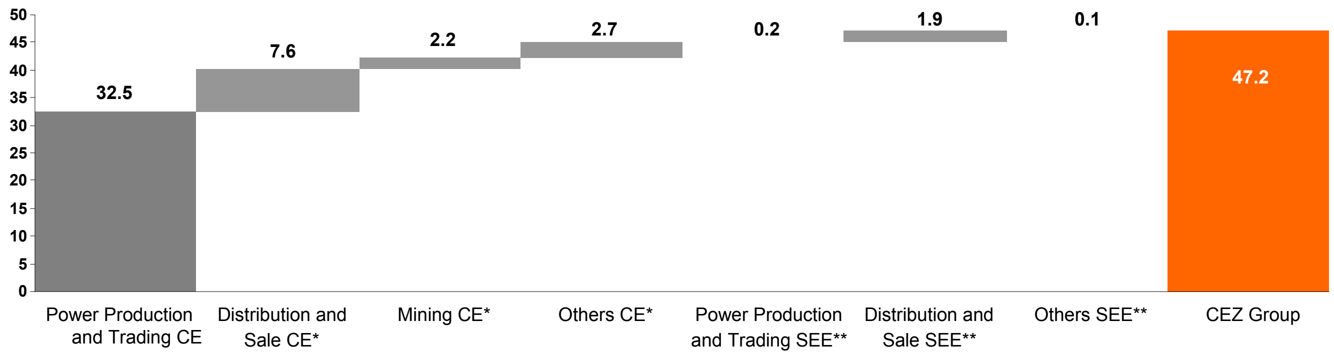
OTHER EXPENSES AND INCOME DETERIORATED BY CZK 3.3 BN YEAR ON YEAR

(in CZK millions)	1 - 6 /2009	1 - 6 /2010	Change 10-09	Index 10/09
Other expenses and income	**2 312**	**-1 001**	**-3 312**	**x**
Interest on debt, net of capitalized interest	-1 536	-1 719	-183	112%
Interest on nuclear and other provisions	-1 046	-1 019	27	97%
Interest income	1 080	1 102	23	102%
FX profit / loss and financial derivates	239	195	-44	81%
Gain (Loss) from associates and joint-ventures	3 241	-384	-3 625	x
Others	340	825	485	243%
Profit before taxes	**43 156**	**34 755**	**-8 401**	**81%**
Income tax	-7 941	-6 046	1 896	76%
Net Income	**35 215**	**28 709**	**-6 506**	**82%**

- Interest expense grew in line with greater financing needs.
- Gain/loss from associates and joint-ventures includes a share of net income of CEZ Group from the joint venture between CEZ and MOL, Mibrag mines and the results of the Turkish acquisitions Sakarya Elektrik Dagitim and Akenerji. Gain from associates in 2009 was positively influenced by the one off write-off of the negative goodwill from the acquisition of MIBRAG (CZK 3.1billion). The 2010 results are, on the other hand, adversely affected by the financing of the acquisition of Mibrag and the financing of an acquisition in Turkey.
- The item “Other” is positively influenced by income from securities (dividend from Dalkia ČR) and by a reduction of financing costs thanks to the optimization of financing within CEZ Group.

SEGMENTAL CONTRIBUTIONS TO EBITDA IN H1 2010

Contribution to EBITDA in H1 2010
CZK bn



	Power Production and Trading CE	Distribution and Sale CE*	Mining CE*	Others CE*	Power Production and Trading SEE**	Distribution and Sale SEE**	Others SEE**	CEZ Group
Index H 1 2010 / H1 2009	85 %	140 %	77 %	89 %	113 %	104 %	120 %	91 %
Index Q2 2010 / Q2 2009	90 %	95 %	74 %	91 %	86 %	135 %	63 %	92 %

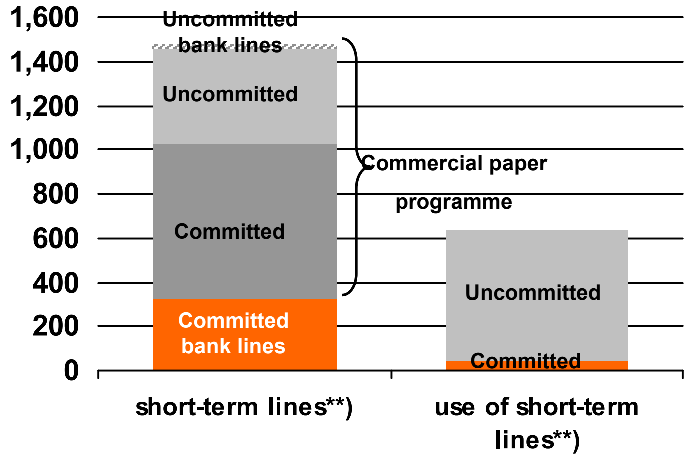
- **Power Production and Trading CE*** Segment EBITDA fell by CZK 6 billion (by 15 %) principally due to the fall of electricity selling prices at ČEZ, a. s. This influence was partly offset by hedging of prices through derivative trades and by emission allowances trading.
- **Distribution and Sale CE*:** Segment EBITDA grew year on year by CZK 2.2 billion (by 40 %). EBITDA growth was mainly influenced by higher distribution margins, mainly attributable to the growth of regulated tariffs, particularly in reserve capacity items. In the area of sales, the positive results of new commodity (natural gas) trading begin to manifest themselves.
- **Mining CE*:** Segment EBITDA fell year on year by CZK 0.6 billion as a result of lower revenues from coal by Severočeské doly (SD). This fall was due to a lower demand by ČEZ, a. s., for power plants burning coal from SD (primarily Prunéřov and also because of the greater efficiency of Tušimice power plant following a complex renewal).
- **Power Production and Trading SEE**:** In the H1, Varna power plant generated 0.9 GWh of electricity, representing year on year fall of 27%. In financial terms the results are on the level of the same period of the preceding year thanks to a savings of a part of operating expenses. In Romania the construction and gradual commissioning of the wind park in Fântânele continues and production began there in June 2010.
- **Distribution and Sale SEE**:** In H1 of 2010, companies in Bulgaria, Romania and Albania distributed 10.2 TWh and sales to end-customers were 8.4 TWh. Segment EBITDA is slightly higher than in the comparable period of the preceding year, which saw a year on year growth of the volumes of electricity sold from high voltage and low voltage levels by the Romanian supply company.

* CE = Central Europe region (Czech republic, Slovakia, Poland, Hungary, Netherlands, Germany, Ireland)
**SEE = South East Europe region (Turkey, Bulgaria, Romania, Kosovo, Serbia, Albania, Russia, Bosnia and Herzegovina, Ukraine)

CEZ MAINTAINS A STRONG LIQUIDITY POSITION, A SIGNIFICANT PORTION OF COMMITTED LINES ARE HELD AS RESERVES

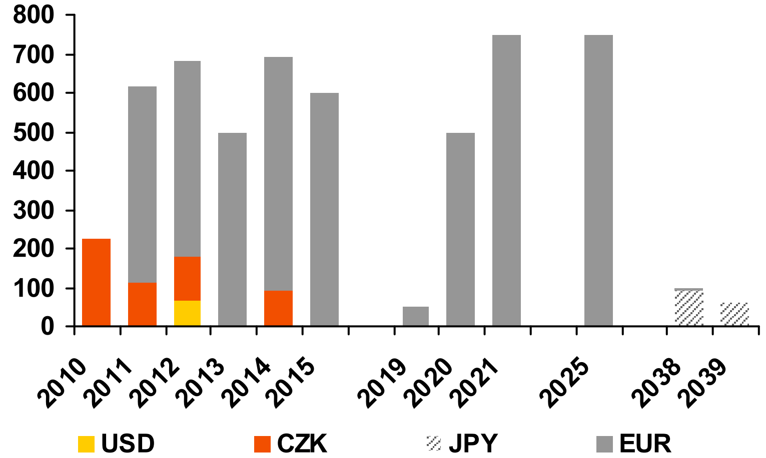
- EUR 945 m of unused committed lines
- EUR 1,209 m of cash and cash equivalents*)
- Mostly uncommitted lines in the commercial paper programme were used
- Committed lines were maintained as a reserve to cover unexpected financial needs

Utilization of lines (December 31, 2009, EUR m)



- Average maturity of bonds grew by 1 year to 6.1 years
- One-year loan contract "MOL" (EUR 550 mil.) successfully re-financed under better conditions through five private placement emissions (EUR 473 mil.) and one loan contract (EUR 75 mil.) with an average maturity of 3 years

Bond maturity profile (EUR m)



SELECTED HISTORICAL FINANCIALS OF CEZ GROUP CZK

Profit and loss

CZK bn	2004	2005	2006	2007	2008	2009
Revenues	102.7	125.1	149.1	174.6	184.0	196.4
Sales of electricity	92.2	115.9	148.3	162.7	165.3	173.5
Heat sales and other revenues	10.5	9.1	11.3	11.8	14.5	16.0
Operating Expenses	63.0	74.9	84.8	99.2	95.3	105.3
Purchased power and related services	26.5	37.5	43.0	46.3	41.7	48.2
Fuel	9.3	9.0	11.6	16.9	16.2	15.8
Salaries and wages	11.4	13.4	15.1	16.9	17.0	18.1
Other	15.9	15.0	15.1	19.1	20.5	23.2
EBITDA	**39.6**	**50.2**	**64.3**	**75.3**	**88.7**	**91.1**
EBITDA margin	*39%*	*40%*	*43%*	*43%*	*48%*	*46%*
Depreciaiton	19.8	20.7	24.3	22.1	22.0	22.9
EBIT	**19.8**	**29.4**	**40.0**	**53.2**	**66.7**	**68.2**
EBIT margin	*19%*	*24%*	*27%*	*30%*	*36%*	*35%*
Net Income	13.2	21.5	27.7	41.6	47.4	51.6

Balance sheet

CZK bn	2004	2005	2006	2007	2008	2009
Non current assets	271.7	280.4	302.0	313.1	346.2	415.0
Current assets	27.5	43.8	66.7	57.9	126.9	115.3
- out of that cash and cash equivalents	8.9	16.8	30.9	12.4	17.3	26.7
Total Assets	**299.3**	**324.2**	**368.7**	**370.9**	**473.2**	**530.3**
Shareholders equity (excl. minority. int.)	178.4	191.3	194.9	171.4	173.3	200.4
Interest bearing debt	41.8	38.7	48.4	73.3	106.4	156.8
Other liabilities	79.0	94.2	125.3	126.3	193.5	173.1
Total liabilities	**299.3**	**324.2**	**368.7**	**370.9**	**473.2**	**530.3**

Note: 2004 results were restated to comply with pooling of interests method regarding Severoceske doly, i.e. the restated financials are as if CEZ had held 93% in Severoceske doly throughout the whole period of 2003 - 2005.

Source: CEZ

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP EUR

Profit and loss

Profit and loss EUR m	2004	2005	2006	2007	2008	2009
Revenues	3,881	4,729	5,638	6,599	6,954	7,425
Sales of electricity	3,485	4,383	5,606	6,152	6,250	6,559
Heat sales and other revenues	396	345	427	447	550	605
Operating Expenses	2,383	2,833	3,207	3,752	3,601	3,982
Purchased power and related services	1,003	1,417	1,626	1,751	1,575	1,822
Fuel	352	341	440	638	612	597
Salaries and wages	430	508	570	639	641	684
Other	599	568	571	722	773	877
EBITDA	**1,498**	**1,896**	**2,431**	**2,848**	**3,353**	**3,443**
EBITDA margin	*39%*	*40%*	*43%*	*43%*	*48%*	*46%*
Depreciaiton	750	784	918	836	833	866
EBIT	**748**	**1,112**	**1,513**	**2,011**	**2,520**	**2,577**
EBIT margin	*19%*	*24%*	*27%*	*30%*	*36%*	*35%*
Net Income	500	811	1,047	1,573	1,790	1,950

Balance sheet

Balance sheet EUR m	2004	2005	2006	2007	2008	2009
Non current assets	10,272	10,601	11,416	11,836	13,089	15,687
Current assets	1,041	1,656	2,520	2,187	4,799	4,359
- out of that cash and cash equivalents	338	635	1,169	470	654	1,010
Total Assets	**11,313**	**12,257**	**13,937**	**14,023**	**17,888**	**20,046**
	0	0	0	0	0	0
Shareholders equity (excl. minority. int.)	6,746	7,232	7,368	6,478	6,550	7,575
Interest bearing debt	1,581	1,465	1,831	2,770	4,022	5,928
Other liabilities	2,986	3,560	4,737	4,775	7,316	6,543
Total liabilities	**11,313**	**12,257**	**13,937**	**14,023**	**17,888**	**20,046**

Note: 2004 results were restated to comply with pooling of interests method regarding Severoceske doly, i.e. the restated financials are as if CEZ had held 93% in Severoceske doly throughout the whole period of 2003 - 2005.

Exchange rate used:
26.452CZK/EUR

Source: CEZ

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