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

Investment story, March 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

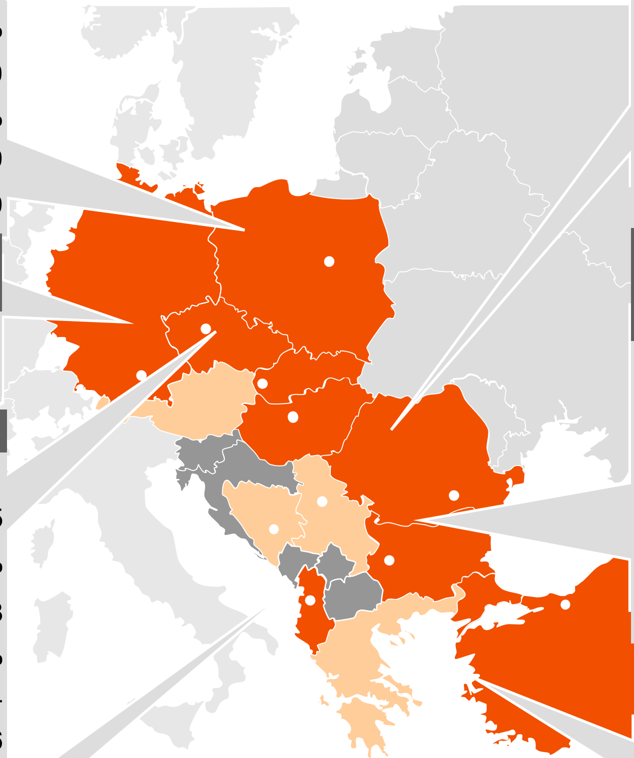
CEZ Group in Poland (99.91% stake in Skawina, 89% in Elcho)	
Electricity generation, gross (TWh)	2.8
Market share	**2.5%**
Installed capacity (MW)	730
Market share	**2.2%**
Number of employees	589
Sales (EUR million)	229

CEZ Group in Germany (50% stake in MIBRAG)	
Annual coal extraction (m t)	19.0
Lignite reserves (m t)	530

CEZ Group in the Czech Republic	
Electricity generation, gross (TWh)	61.1
Number of connection points (million)	3.5
Market share	**45%**
Installed capacity (MW)	12,298
Market share	**73%**
Number of employees	19,824
Sales (EUR million)	5,916

CEZ Group in Albania (76% stake in OSSH)	
Number of connection points (million)	1.1
Electricity sales (TWh)	4.1

Energy Assets
Trading Activities
Target markets
Active subsidiary



CEZ Group in Romania (100% stakes in CEZ Distributie, CEZ Vanzare)	
Electricity sales, net (TWh)	3.4
Number of connection points (million)	1.4
Market share	**18.1%**
Number of employees	2,578
Sales (EUR million)	417

CEZ Group in Bulgaria (67% stake in CEZ Razpredelenie Bulgaria, CEZ Electro Bulgaria, 100% in TPP Varna)	
Electricity sales, net (TWh)	8.6
Number of connection points (million)	2.0
Market share	**40%**
Installed capacity (MW)	1,260
Market share	**11.6%**
Number of employees	4,207
Sales (EUR million)	715

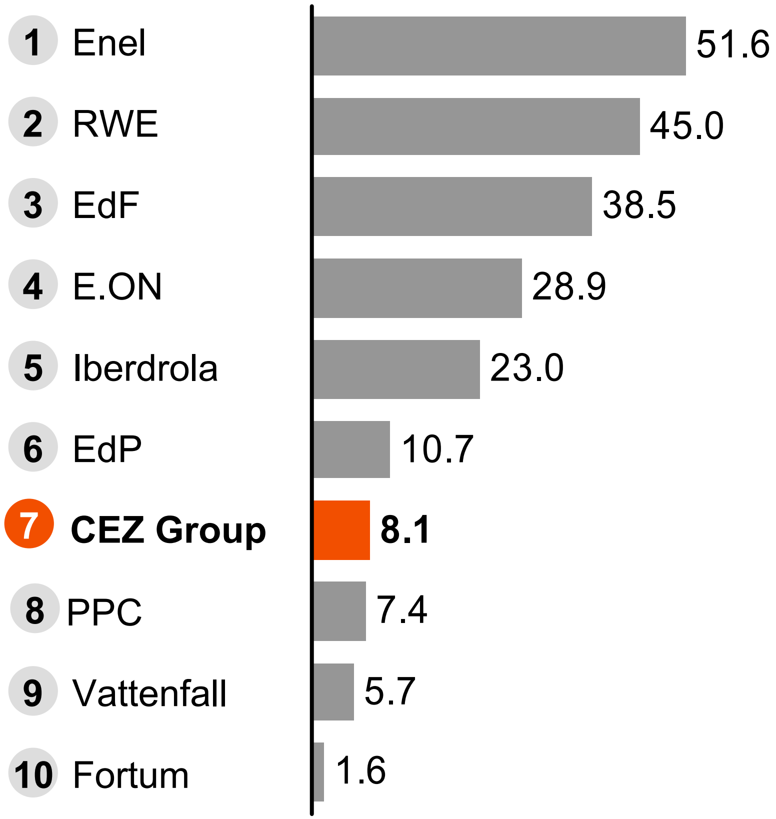
CEZ Group in Turkey (44.3% stake in SEDAS through AkCez, 37.36% stake in Akenerji)	
Electricity sales, net (TWh)	8
Number of connection points (million)	1.3
Installed capacity (MW)	373
Market share	**2%**

Notes: IFRS 2008, Exchange rate CZK/EUR = 24.96

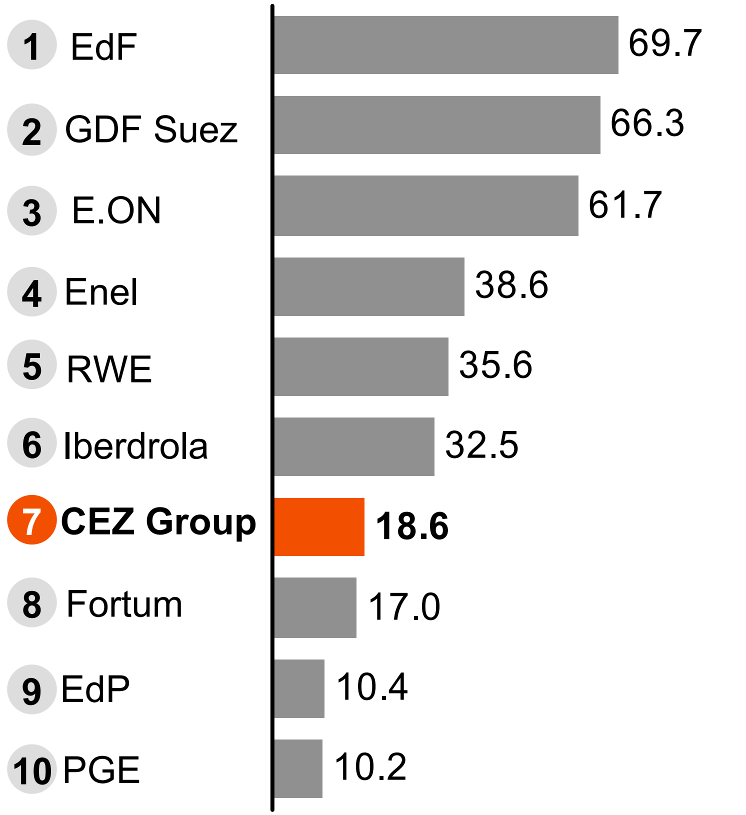
Source: CEZ, national statistics

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

Top 10 European power utilities
Number of customers in 2008, in millions



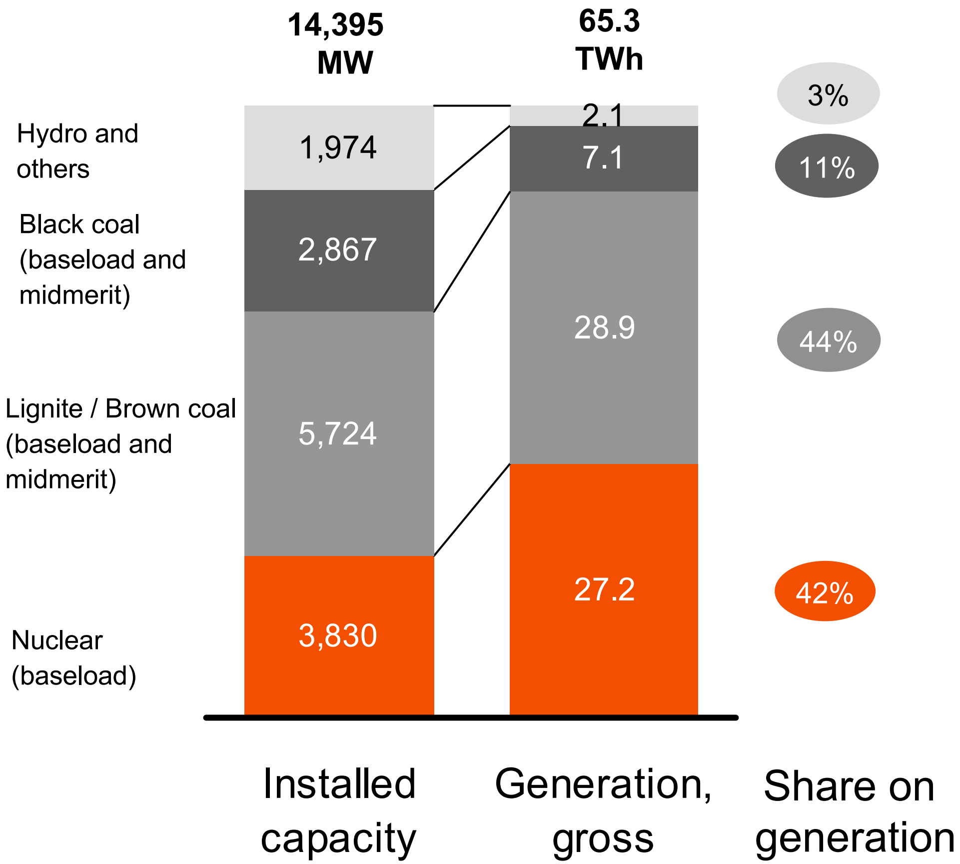
Top 10 European power utilities
Market capitalization in EUR bn, as of March 8, 2010



Source: Bloomberg, Annual reports

CEZ GROUP IS BENEFITING FROM LOW COST GENERATION FLEET

CEZ Group installed capacity and generation (2009)

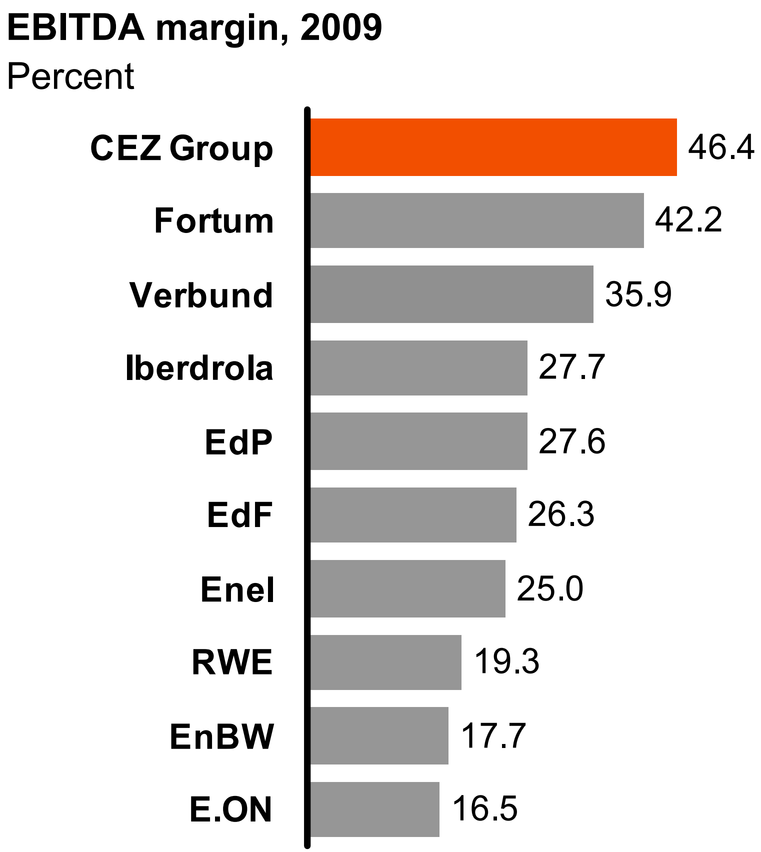


- **Nuclear plants have very low operational costs**
- **Coal power plants are using mostly lignite from CEZ's own mine** (60% of lignite needs sourced internally)
- **CEZ has 100% free allocation of CO_2 allowances for NAPII i.e. 2008-2012**

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



Source: Annual reports, 2009 Financial Statements

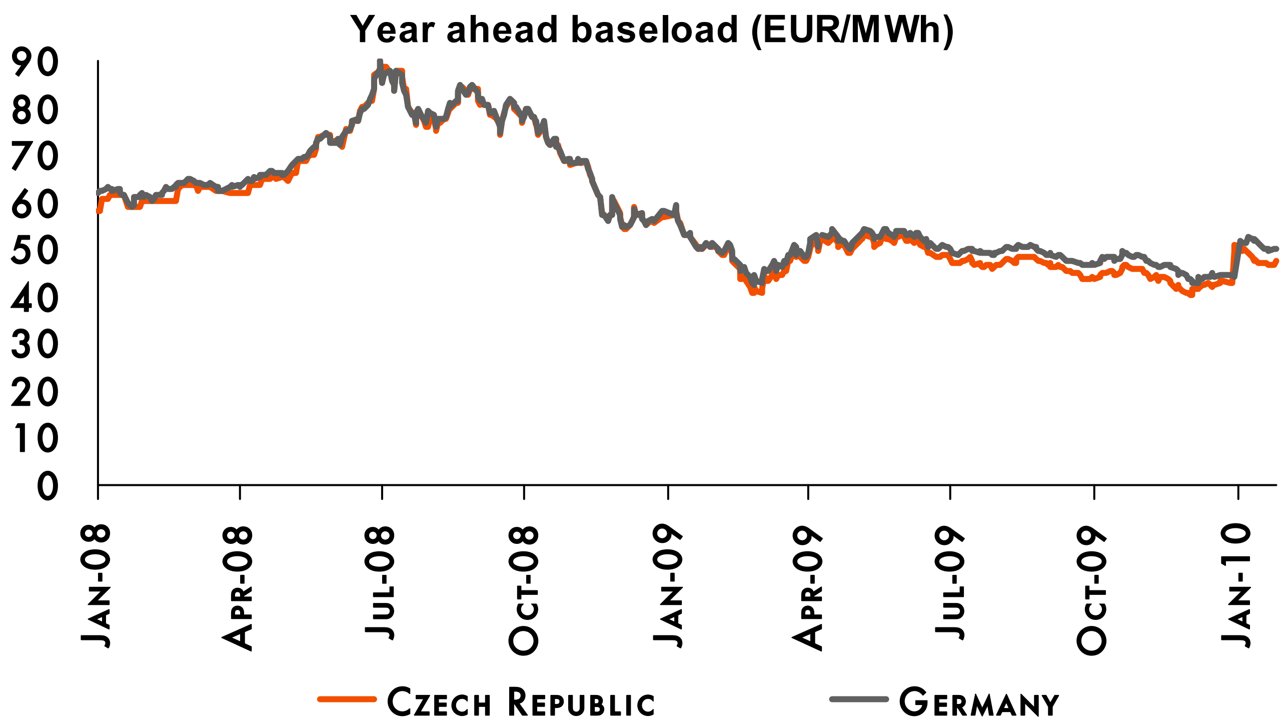
KEY STRENGTHS OF CEZ GROUP

- Generation fleet with the lowest variable costs
- Full allocation of CO_2 allowances until 2013 and only gradual auctioning post 2013
- Portfolio of high quality foreign assets purchased at attractive prices
- Strong balance sheet with very low level of debt
- High quality of committed new investments
- Stable regulatory environment

AGENDA

CZECH ELECTRICITY MARKET HAS CONVERGED WITH GERMANY AND THERE ARE NO ADMINISTRATIVE INTERVENTIONS

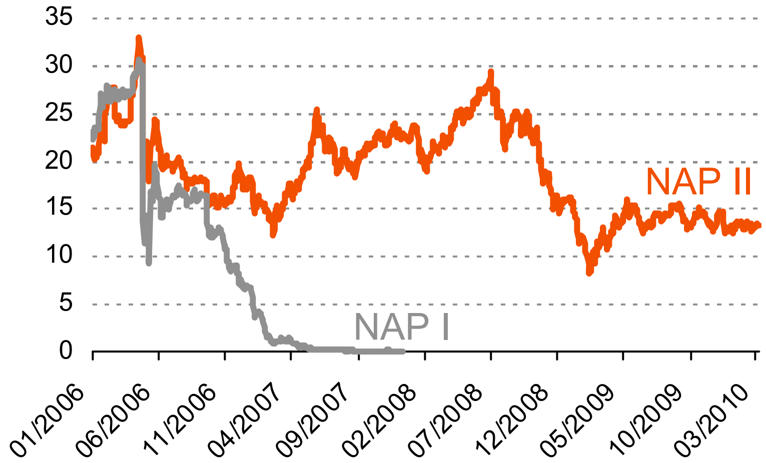
- Czech market is an integral part of wider European electricity market
- Czech power prices are fully liberalized and are driven by the same fundamentals as German market
- There are no administrative interventions from the side of the government



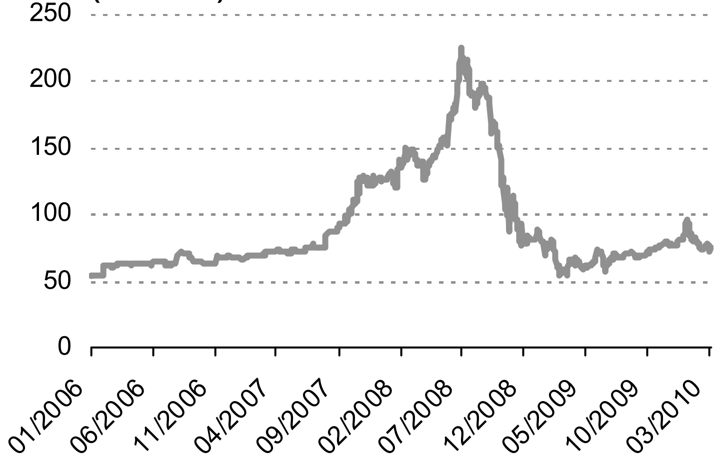
PRICES OF ALL COMMODITIES ARE CURRENTLY VERY VOLATILE

Oil Brent (USD/bl)

CO_2 allowances – NAPII (EUR/t)



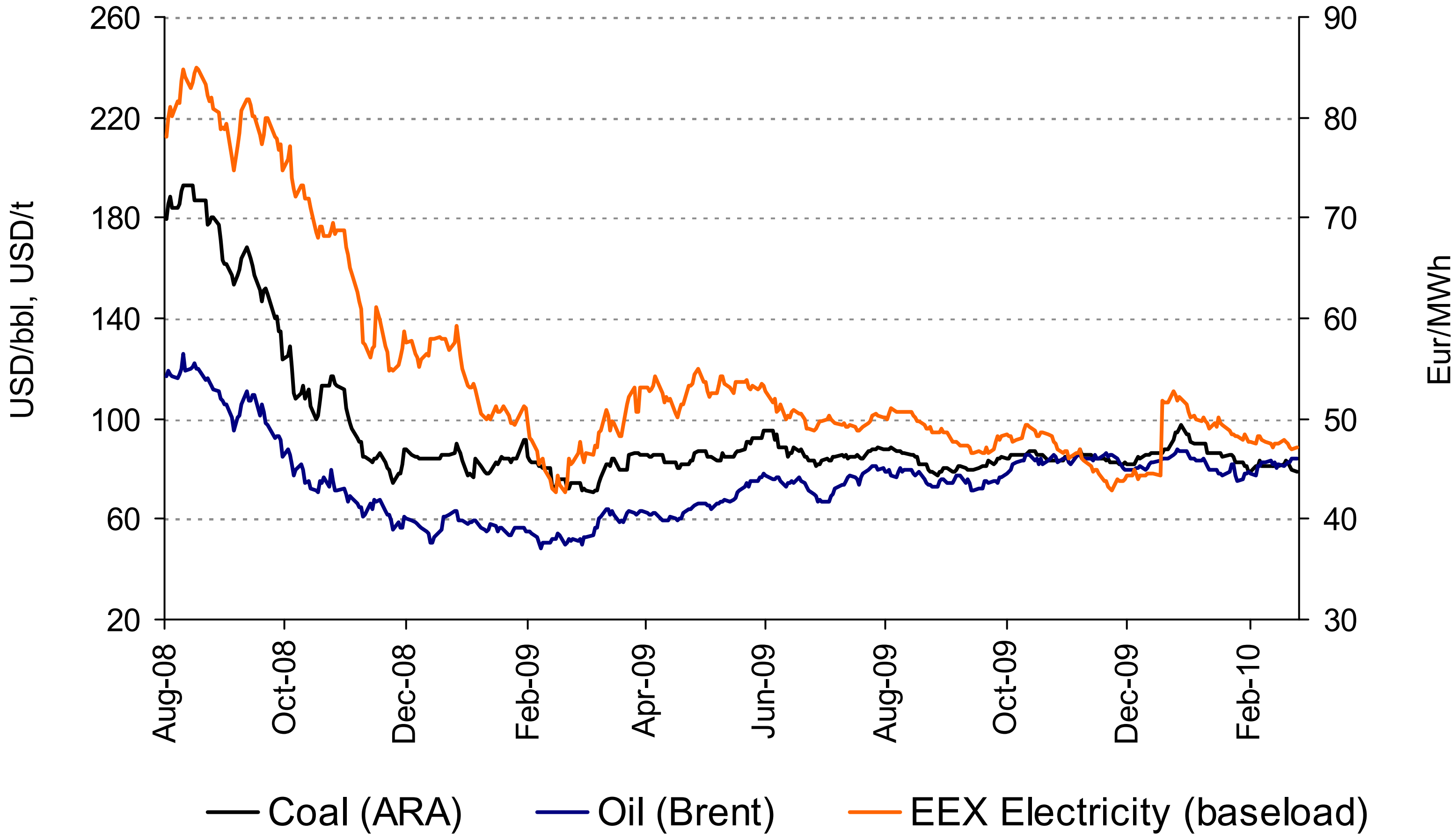
Coal (USD/t)



Power price - EEX Y+1 (EUR/MWh)

ELECTRICITY PRICES ARE CURRENTLY DEPRESSED DUE TO HISTORICALLY LOW PRICES OF COAL AND OIL

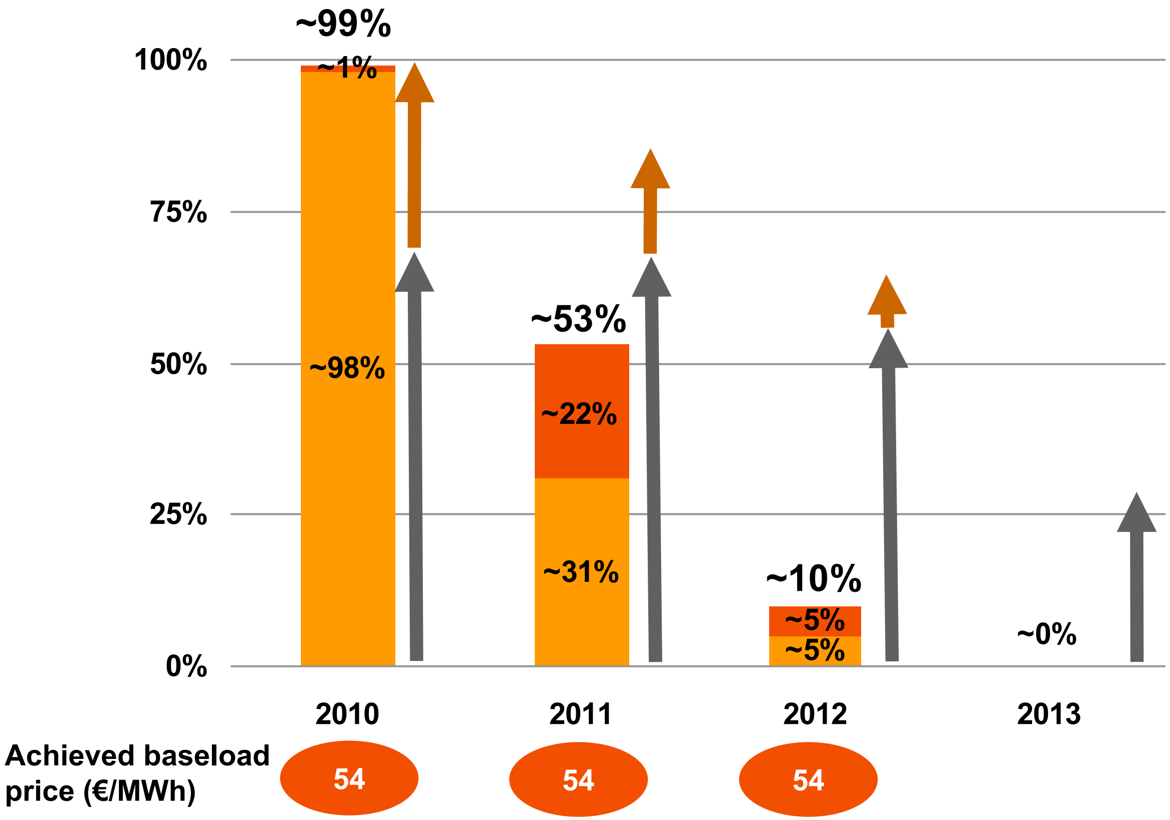
Development of annual forwards on electricity and fuels (year-ahead)



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

Share of hedged generation from ČEZ, a. s. power plants (as of January 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

Electricity hedging

Hedged volume from 15 Oct 2009 to 31 Jan 2010

Hedged volume at 15 Oct 2009

Currency hedging

Transaction currency hedging (hedge accounting)

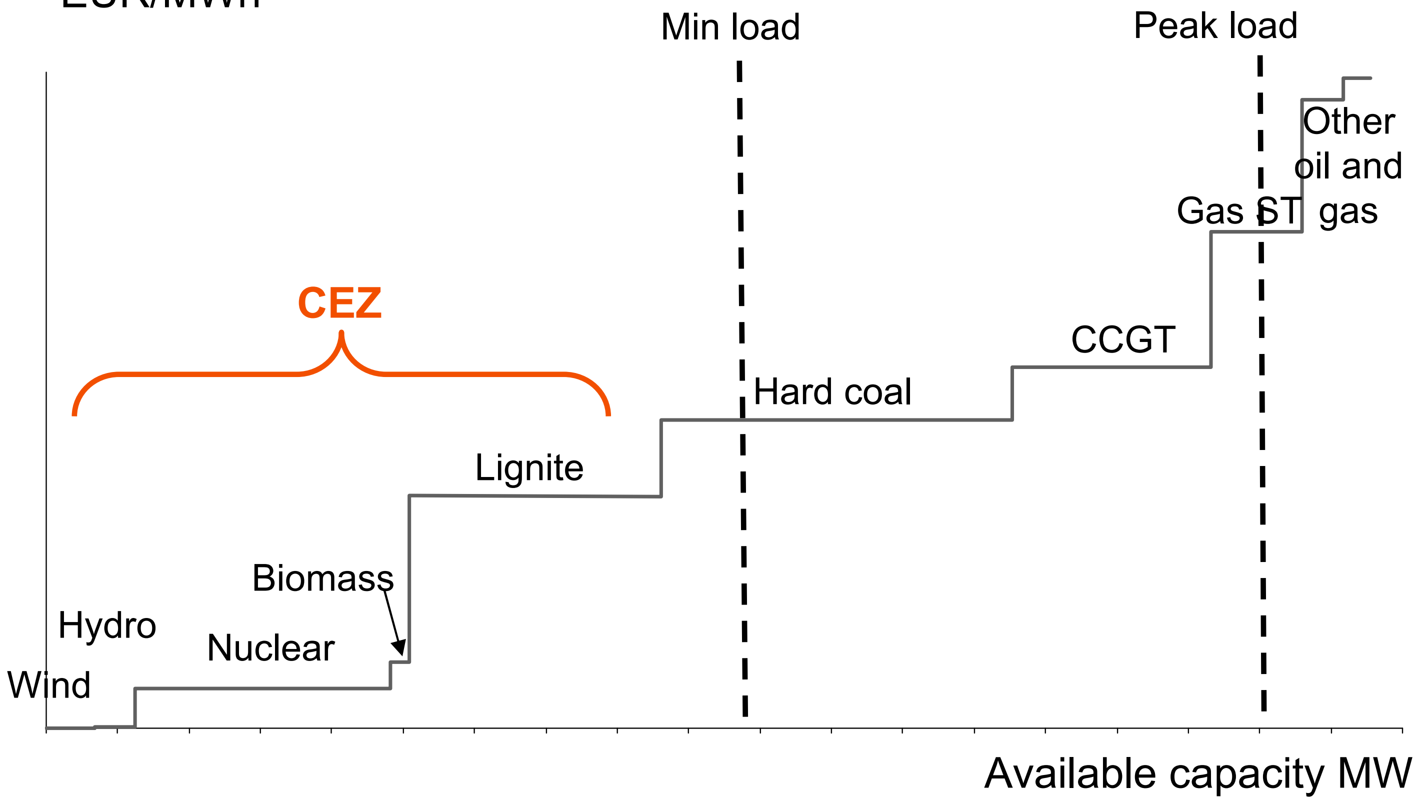
Natural currency hedging – costs, investment and other expenses, debts in EUR (hedge accounting)

ILLUSTRATIVE

CEZ POWER PLANTS ARE SITUATED ON THE LEFT PART OF THE GENERATION COST CURVE

German generation cost curve

EUR/MWh



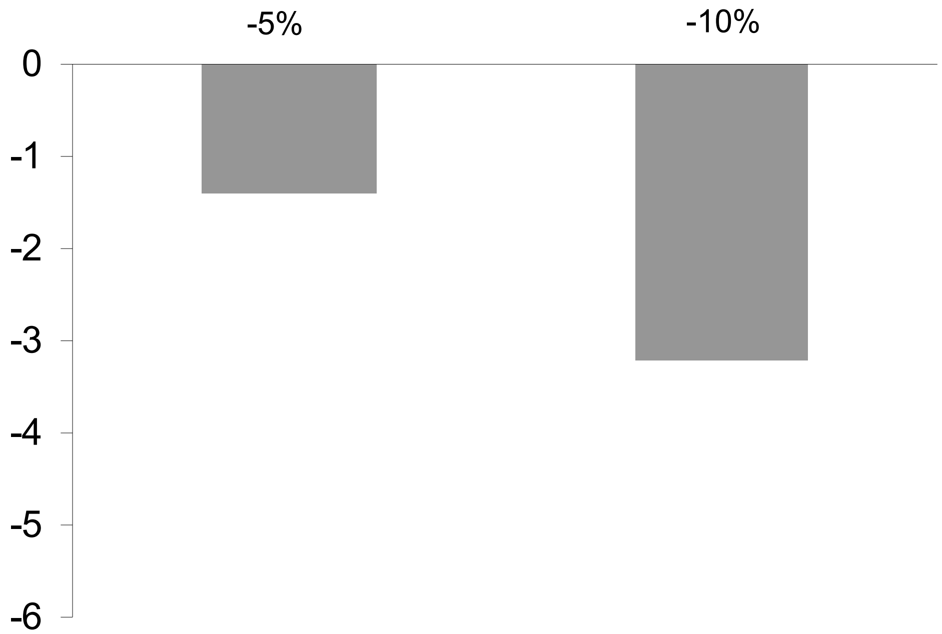
- In a free market, power price is set by variable cost of marginal plants
- In Germany, the marginal plants are fueled by hard coal (in off peak) or gas (in peak)
- As a result, the power price should be driven by coal, gas and CO_2 price

Source: CEZ

DECLINE IN DEMAND HAS MUCH SMALLER INFLUENCE ON ELECTRICITY PRICES THAN VOLATILITY OF FUEL PRICES

Estimated decline in power price due to decrease in demand (Germany 2009)

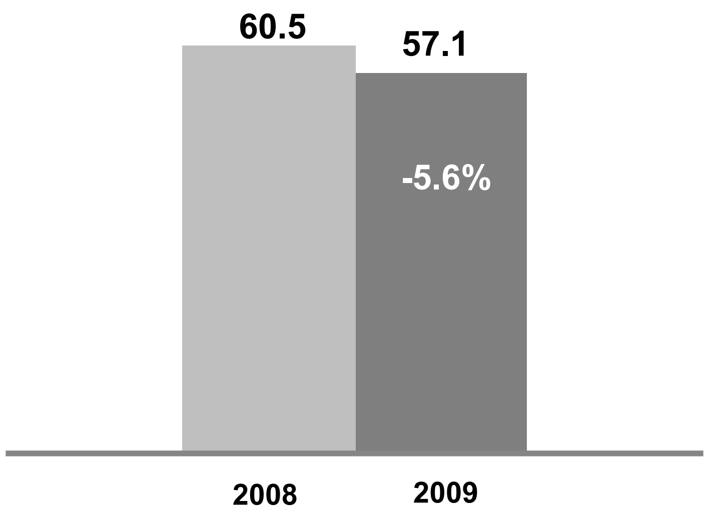
EUR/MWh



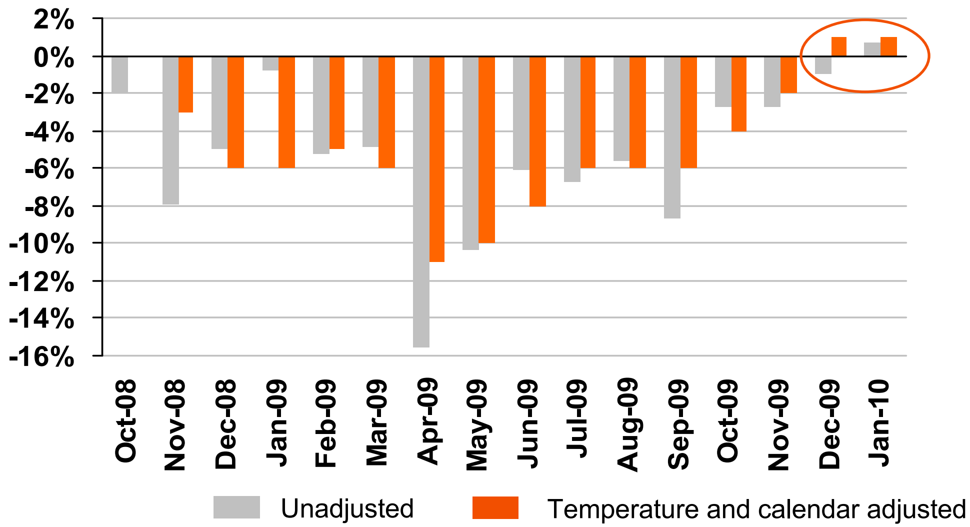
- Even extremely large decline of electricity demand by 10 percentage points would lead to electricity price decline by 3 EUR/MWh
- The same change in electricity price is caused for example by 4 EUR/t decline in price of CO_2

ELECTRICITY DEMAND WAS SIGNIFICANTLY INFLUENCED BY ECONOMIC RECESSION BUT WE ARE SEEING FIRST SIGNS OF IMPROVEMENT

Electricity consumption in the Czech Republic
TWh



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

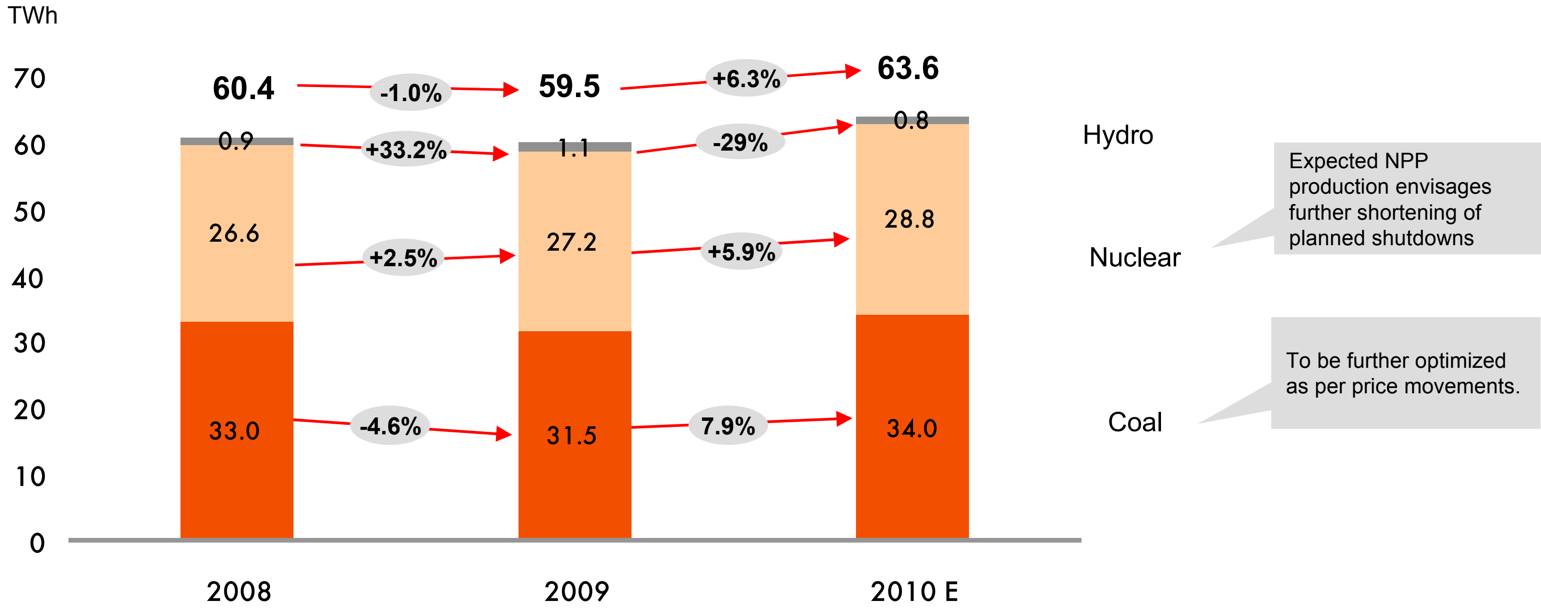


- Annual decline of consumption in the Czech Republic further reached 5.6 % in 2009
- Development of consumption by individual segments:
  - -9.1 % wholesale customers
  - -0.1 % households
  - -0.8 % small enterprises

- Economic recession influenced Czech electricity consumption the most in April and May, when y-o-y decrease exceeded 10 %.
- The temperature and calendar adjusted data from December 2009 again shows a year-on-year growth of almost 1%
- Our expectation for this year is a 1% growth

AFTER A 1% DECLINE OF ELECTRICITY GENERATION OF ČEZ, A. S. IN 2009 WE EXPECT A 6% INCREASE IN 2010

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

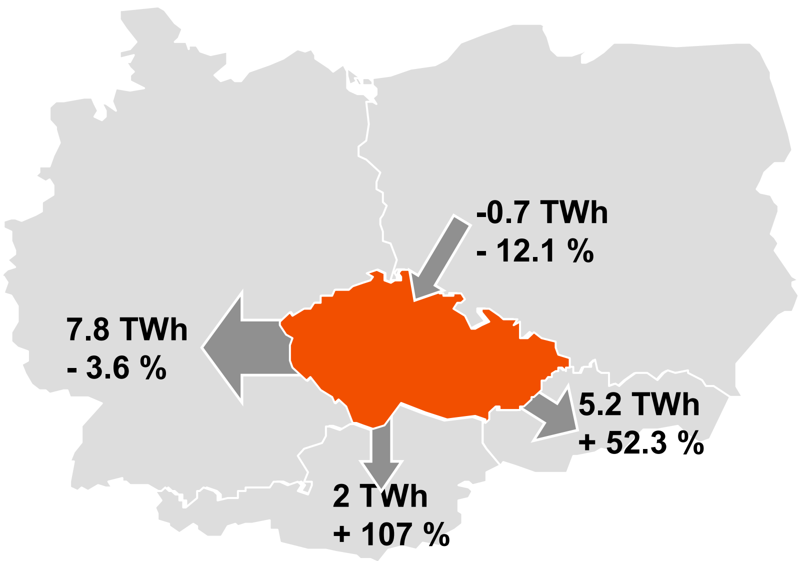


- The year-on-year decrease of generation in coal-fired power plants by 4.6% was especially caused by lower electricity prices year-on-year, for which power plant operation is optimized, and by an increased fault rate in Q4 2009
- The year-on-year production increase in nuclear power plants by 2.5% was 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

IN 2009 NET EXPORTS FROM THE CZECH REPUBLIC INCREASED TO 14 TWH DRIVEN BY 52% INCREASE OF EXPORTS TO SLOVAKIA

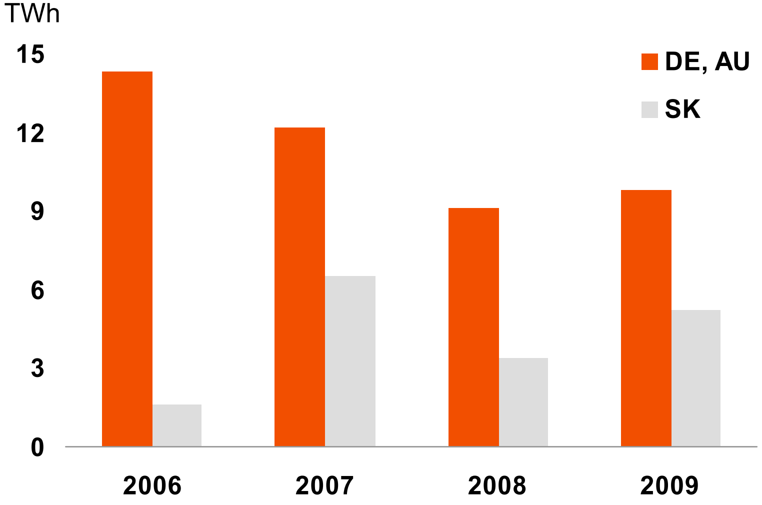
Balance of cross border trades of the Czech Republic in 2009

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



2009 net exports: 14.3 TWh, up 23% y-o-y

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

Source: CEPS

AGENDA

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

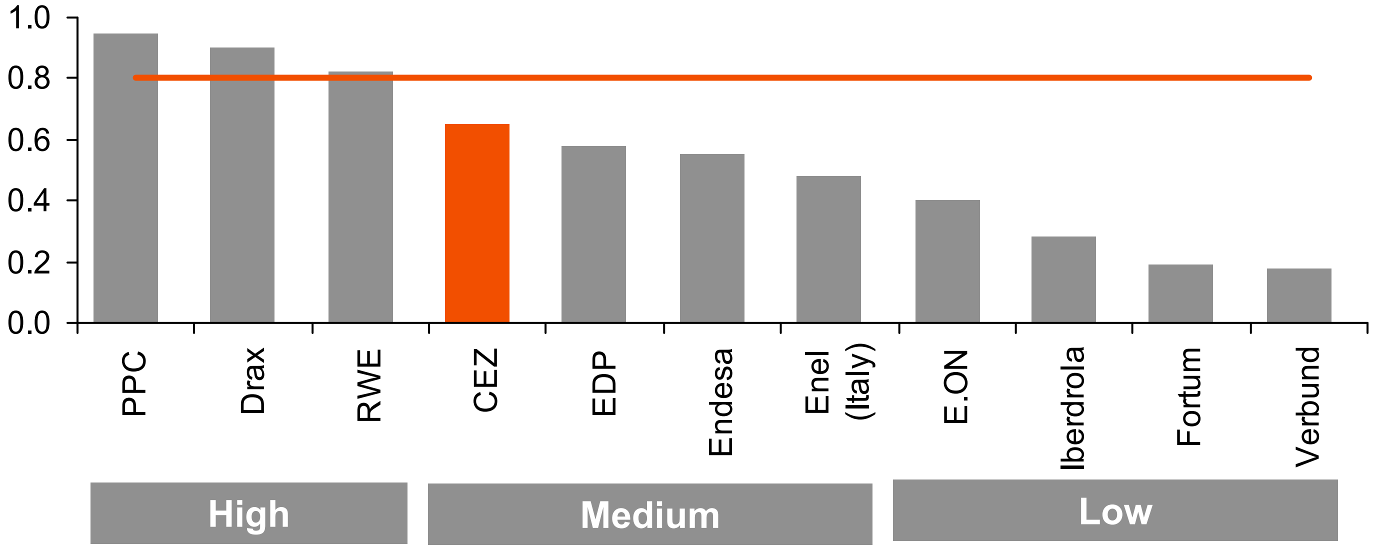
- Parliament of the Czech Republic has already approved an implementation of EU ETS directive, which enables partial free allocation of CO_2 allowances for Czech power industry
- Value of free CO_2 allowances should be invested into modernizing and upgrading infrastructure, clean technologies, and diversification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

In 2013 CEZ will get 70% of allowances for free. Amount of free allocations will decrease only gradually to 0% in 2020

ALREADY NOW OUR CO_2 INTENSITY IS BELOW EUROPEAN PRICE SETTING PLANT

- CEZ Group CO_2 intensity currently stands at 0.66 t/MWh of supplied electricity
- This is already below European price setting plant, which we estimate has an emission factor of 0.8 t/MWh
- Thus increase in CO_2 price has a positive impact on CEZ profitability

Carbon intensity of selected European utilities (t/MWh)



IN ORDER TO ELIMINATE NEGATIVE IMPACT OF PARTIAL CO_2 AUCTIONING WE ARE IMPLEMENTING SEVERAL MEASURES

CEZ Group set the following strategic priorities:

1. **Diversification of the generation fleet by constructing gas plants**
2. **Development of nuclear power projects wherever possible**
3. **Establishing portfolio of renewables and environmental investments**
4. **Within the EU, investments in coal plants only if there is a significant cost advantage**
5. **Investment in JI/CDM projects, forward purchases of emission allowances**
6. **Investments into projects in growing markets outside the EU**

PROJECTS UNDERWAY WILL BRING 3.9 GW OF GAS CAPACITY IN 2013-15

1.

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
Bulgaria	**Varna**	800
Poland	**Skawina**	400

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

2.

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

3.

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%
- Construction started in October 2008, technology contracted with GE
- Total investment is estimated at € 1.1 bn

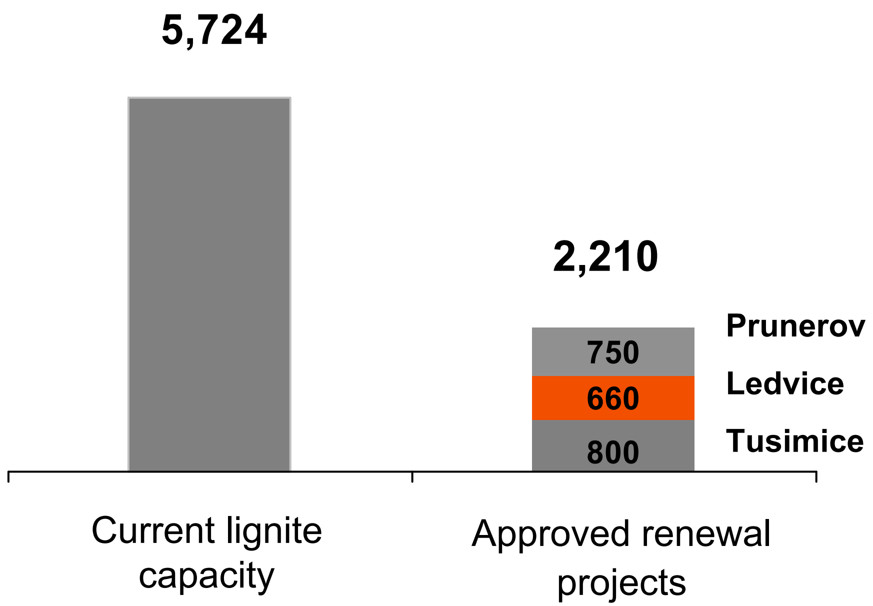
Czech Republic

- Target to triple the annual renewable energy production from 1.7 TWh to 5.1 TWh and to invest CZK 30 bn into renewable sources by 2020
- Already 120 MW have secured connection to the grid, most of the capacity has agreement of municipalities, EIA submitted for 1/3 of the total capacity

CEZ DECIDED TO INVEST INTO RENEWAL OF ONLY SELECTED LIGNITE PLANTS IN THE CZECH REPUBLIC

4.

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

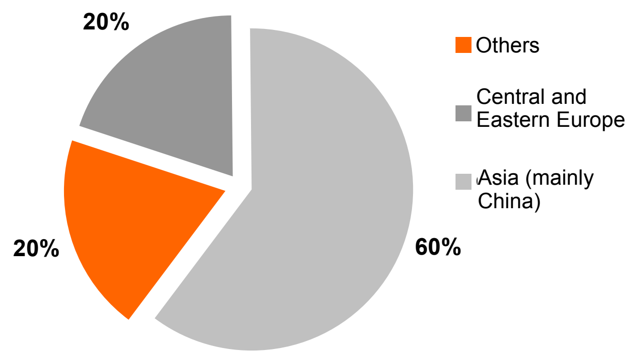
CEZ ALREADY CONTRACTED MOST OF ITS TOTAL QUOTA OF CERs

5.

JI (Joint Implementation), CDM (Clean Development Mechanism) – mechanisms of Kyoto Protocol, which enable investments into projects for reduction of greenhouse gases and their import to ETS for utilization instead of CO_2 allowances

- Until 2012 CEZ Group can import to EU ETS approximately 21 m of CER credits from JI/CDM
- So far CEZ has contracted 18 m of credits with deliveries in 2009-2012 (of which 5 m are non-guaranteed)
  - Directly from CDM projects
    - **Example** : wind farm or project of biomass power plant in China
  - On secondary markets
- CEZ has also contracted 17 m of EU allowances for a period after 2013 and saved 2 m of free allocated EU allowances

Expected geographical composition JI/CDM portfolio of direct investments



TURKEY IS AN ATTRACTIVE MARKET OUTSIDE EUROPEAN UNION

6.

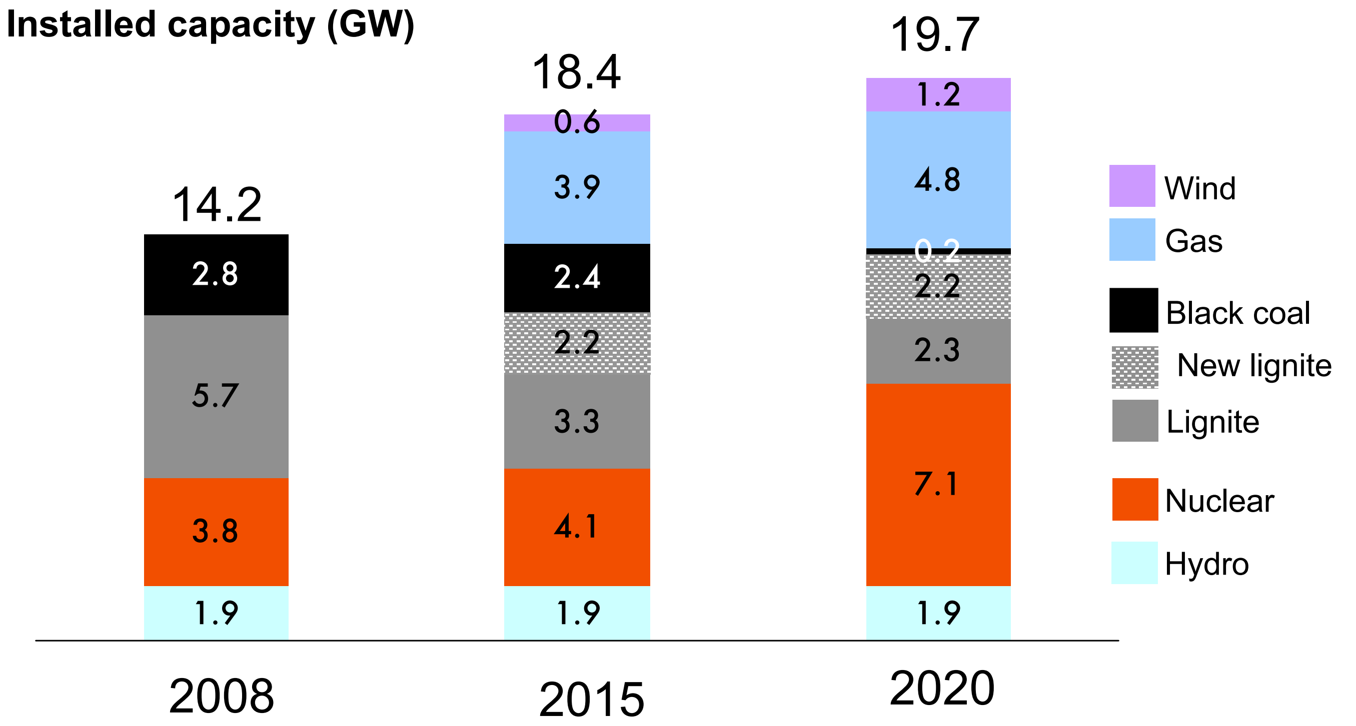
COUNTRIES OUTSIDE EU ATTRACTIVE DUE TO FOLLOWING REASONS:

- **Dynamic growth of GDP leads to high electricity demand growth**
- **Need to build additional generation capacities**
- **Exclusion from EU ETS gives higher flexibility regarding portfolio mix**

CEZ ENTERED INTO TURKISH ELECTRICITY MARKET:

- **SEDAŞ distribution company acquired in February 2009**
- **Acquisition of 37.5% stake in Akenerji finalized in May 2009**

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

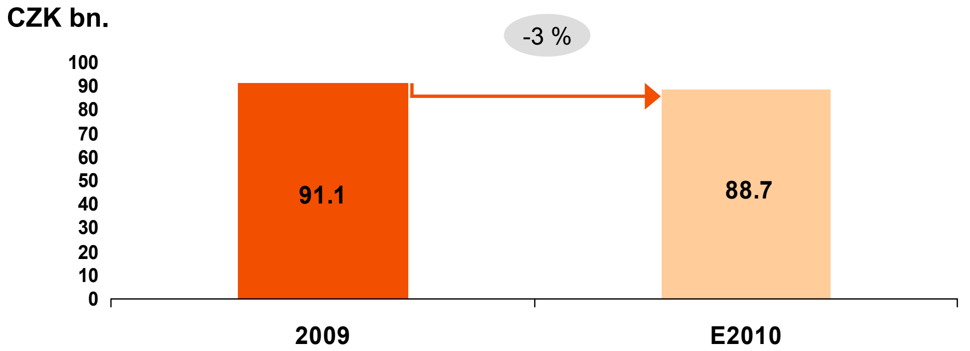


	2008	2015	2020
Emissions CO_2 ($m\ t\ CO_2$)	40.4	44.6	33.2
CO_2 Emissions ($t\ CO_2$/MWh supplied)	**0.66**	**0.51**	**0.32**

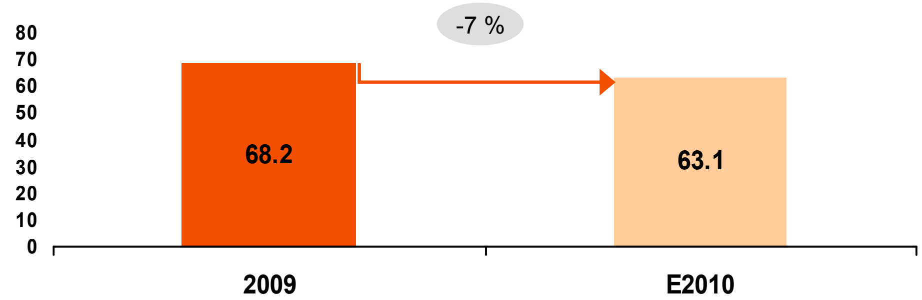
AGENDA

EXPECTED FINANCIAL RESULTS IN 2010

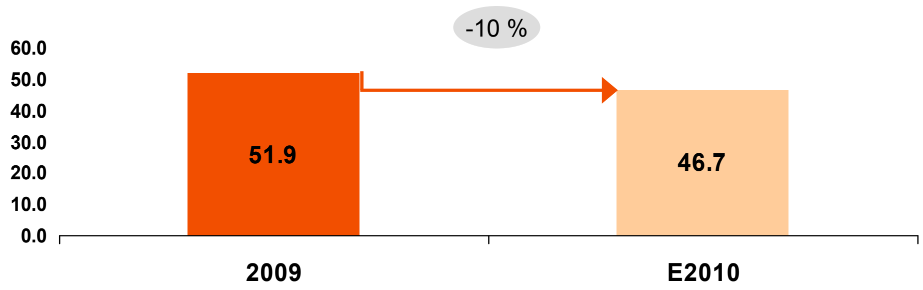
EBITDA



EBIT



NET INCOME



Key positive factors:

- Stabilization of demand for electricity
- Increase in the production of nuclear power plants based on the goals of the Safely 15 TERA ETE and Safely 16 TERA EDU projects
- Increase in permitted revenues in electricity distribution
- Further benefits from the “Efektivita” (Efficiency) programme focused on cost savings
- Commencement of production from wind power plants abroad

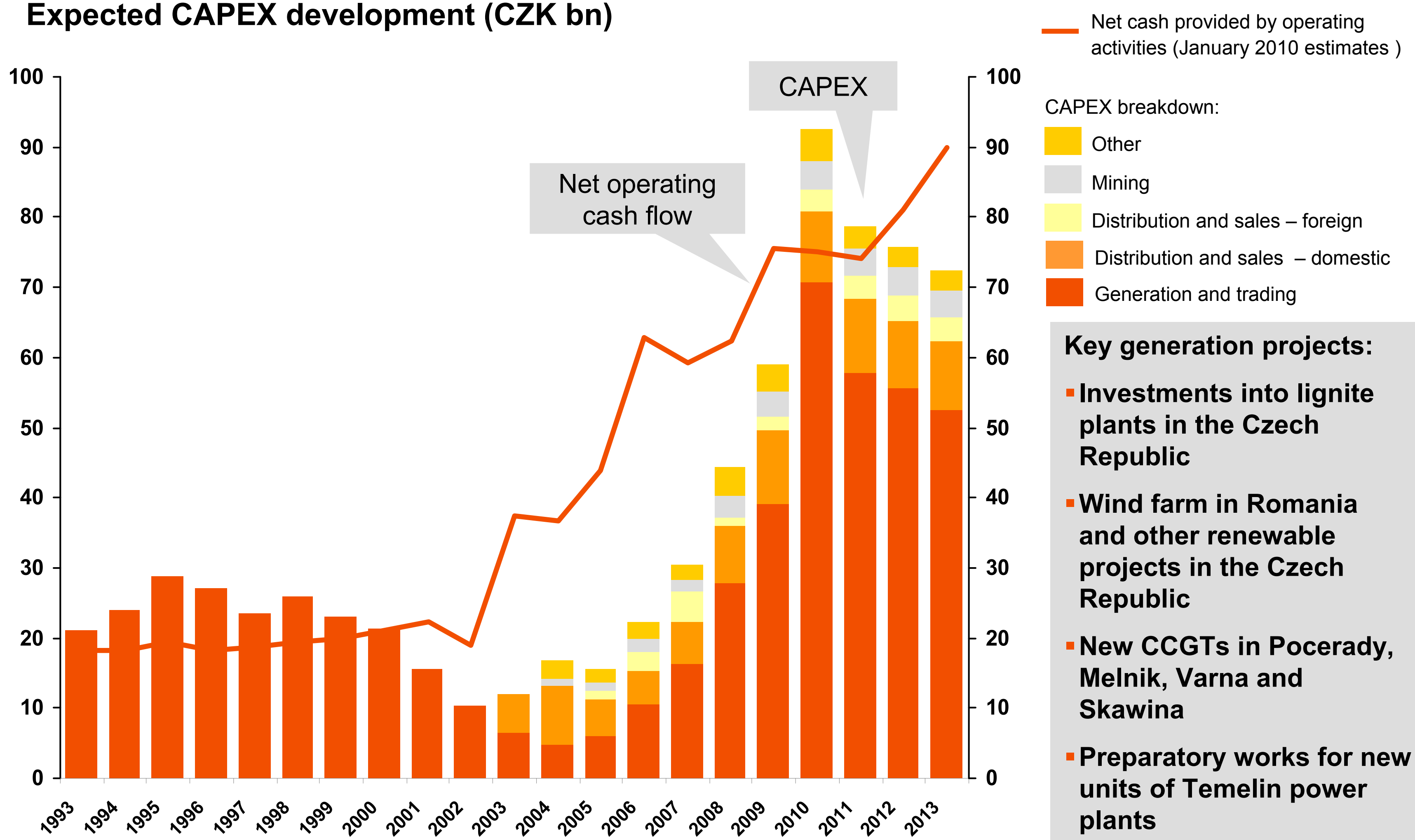
Key negative factors:

- Declining realised wholesale electricity prices although a large portion of the volume is sold through forward contracts

The expected economic results correspond with production from photovoltaic power plants, included in the tariffs for electricity distribution in 2010 – 180GWh. Because of the dramatic increase of production from photovoltaic power plants by up to another 175GWh, there is a risk of a negative impact on the expected results amounting to CZK 1 - 2 bn. This impact will be compensated in the permitted revenues in the years to come.

LARGE PART OF CEZ INVESTMENTS IS DIRECTED TO GAS PLANTS AND RENEWABLES

Expected CAPEX development (CZK bn)



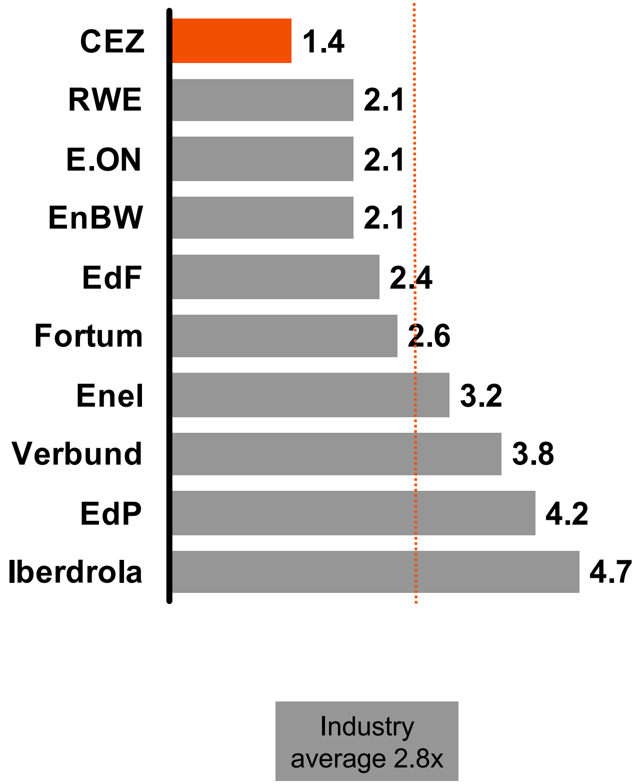
Key generation projects:

- **Investments into lignite plants in the Czech Republic**
- **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**

Note: projects consolidated by equity method are not included

OUR CURRENT LEVERAGE IS LOW COMPARED TO INDUSTRY STANDARDS

Net financial debt/ EBITDA
Multiples, 2009

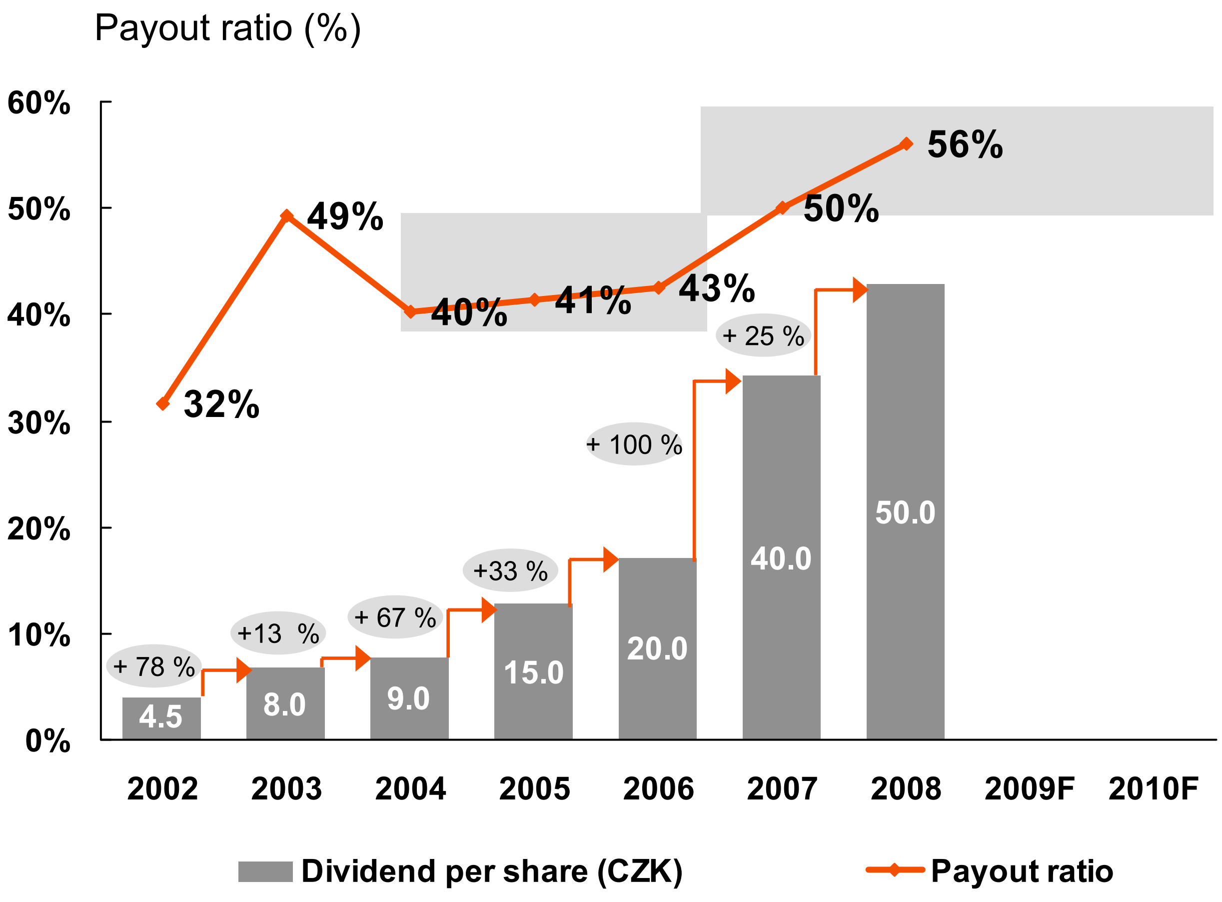


Current level of debt is low, which is a comfortable position in current tight debt markets

Medium-term target leverage remains intact:

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

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

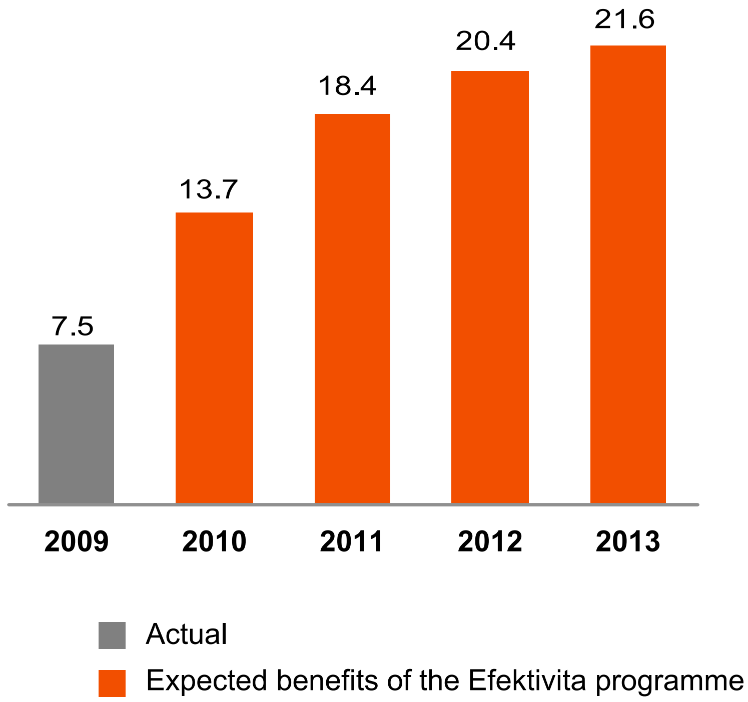


Dividend policy targets payout ratio in the range of 50% to 60% of the consolidated profit adjusted for extraordinary items

EFFICIENCY PROGRAMME "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.)



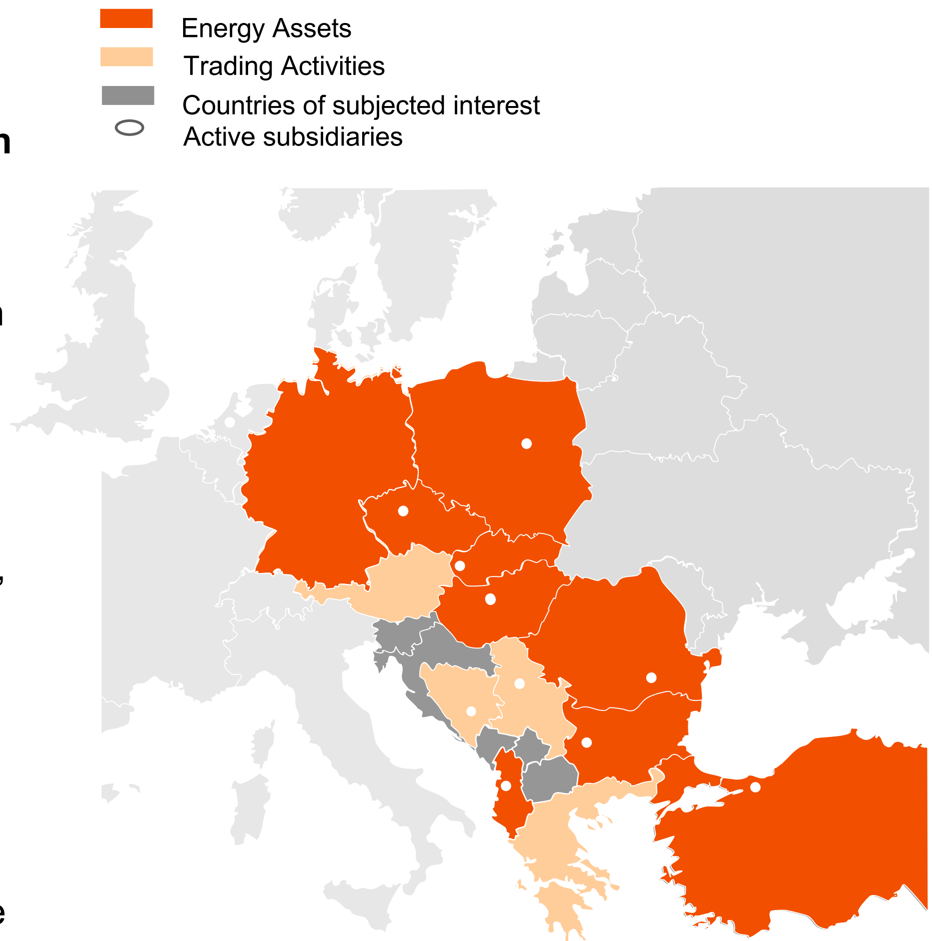
The Efektivita programme, which focuses on improving our internal performance, brings the results in line with the long-term plan

AGENDA

CEZ GROUP IS GOING TO CONSOLIDATE ITS INTERNATIONAL POSITIONS

We consolidate our positions and we mainly focus on growth in countries where we already own assets

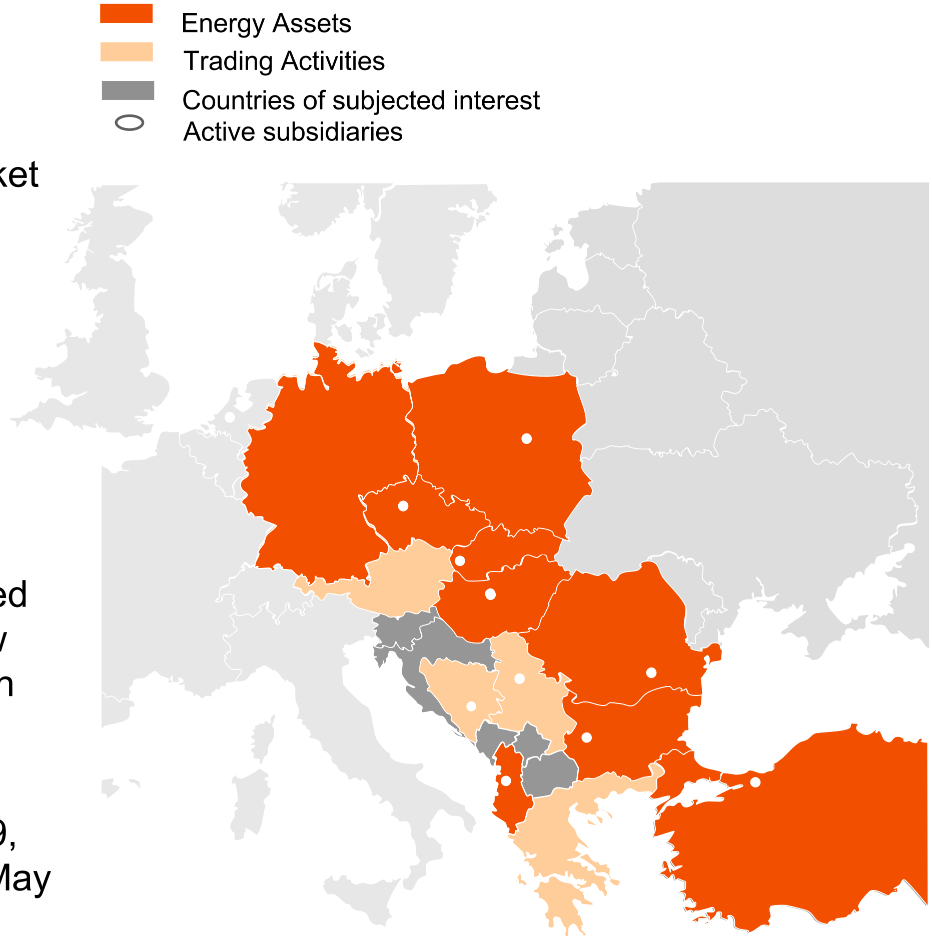
- We continue with careful selection of only those projects that bring value for our investors
- We are focusing on Central and Southeastern European countries, especially on those where we are present
- We stopped monitoring regions adjacent to our target territory where we did not have ambitions to become important player on the market (Russia, Ukraine)



CEZ GROUP MADE SEVERAL ACQUISITIONS TAKING ADVANTAGE OF ATTRACTIVE PRICES

Key 2009 acquisitions

- Agreement to buy a controlling stake in **Dalkia Usti nad Labem** and 15% stake in **Dalkia CR** which are important players in Czech heat market
- Agreement to buy 49% stake in **Prazska teplarenska** (major heat supplier in Prague, Czech Republic)
- Acquisition of distribution company **OSSH** in **Albania**
- Acquisition of lignite mines **MIBGRAG** in Germany
- In May 2009 shareholder a**greement** was signed between CEZ and Slovakian party **to build** new **nuclear** power **plant in Jaslovske Bohunice** in Slovakia
- **Entrance to Turkish market** – SEDAS distribution company acquired in February 2009, acquisition of the stake in Akenerji finalized in May 2009



ON NOVEMBER 9, 2009 CEZ GROUP AGREED TO BUY A STAKE IN DALKIA ÚSTÍ NAD LABEM AND DALKIA ČESKÁ REPUBLIKA

- 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 will concurrently acquire 15% of Dalkia Česká republika for the price amounting to CZK 3.6 bn.

- 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.

- Completion of the transaction is subject to approval of antitrust authorities and is expected in several months.

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
Revenues	9,455	10,055	10,979
of which: sales of heat and related products		5,601	6,056
sales of electricity and support services		4,165	4,536
EBITDA	3,263	4,037	4,062
EBIT	2,202	2,929	2,899
Net income	1,593	2,204	2,163
Assets	14,239	14,974	14,968
Net debt	1,787	1,394	1,115
Cash flow from investing activities	1,753	1,243	1,403
Total volume of heat sold TJ	17,919	17,941	18,394
Total volume of electricity sold GWh	2,440	2,432	2,055

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.
- 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
Total revenues	7,074	8,235
of which: heat sales	4,750	5,285
electricity sales	2,087	2,712
EBITDA	2,573	2,884
Net income	1,549	1,761
Assets	13,476	13,650
Net financial debt (cash if negative)	-1,875	-1,975
CF from investing	371	434
Total volume of heat sold (TJ)	12,596	13,088

Prazska teplarenska shareholder structure
(As of Dec 17, 2008 in %)

International Power Opatovice	48.67
Prazska teplarenska Holding*	47.33

* Controlled by City of Prague, EnBW

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.

Source: CEZ

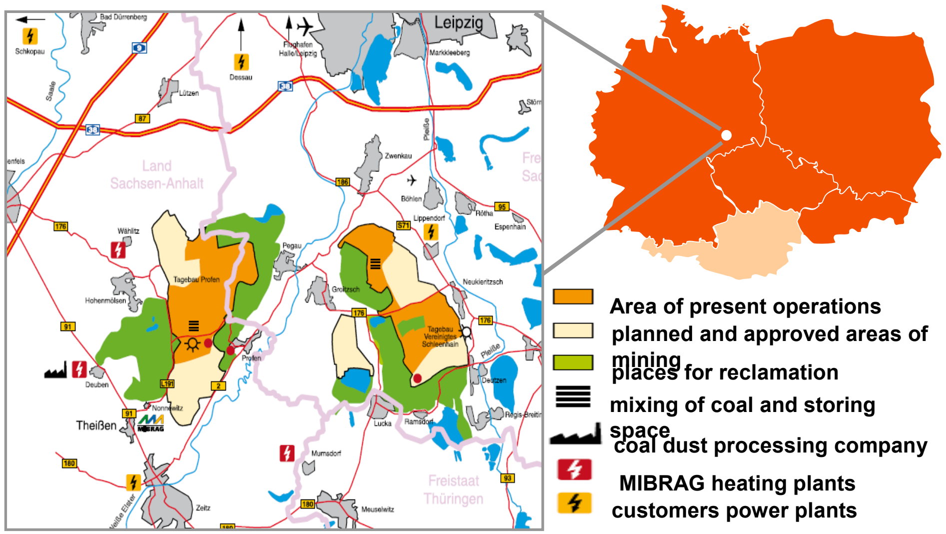
MIBRAG ACQUISITION FINALISED ON JUNE 2, 2009

Transaction details

- On June 2, 2009 Severočeské doly and J&T Group acquired 100 % of MIBRAG from two U.S. companies, URS Corporation and NRG Energy Inc. for EUR 404 m.
- MIBRAG is owned by a joint venture company where Severočeské doly Chomutov and J&T Group will hold equal stakes.

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

Source: CEZ, MIBRAG

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.)

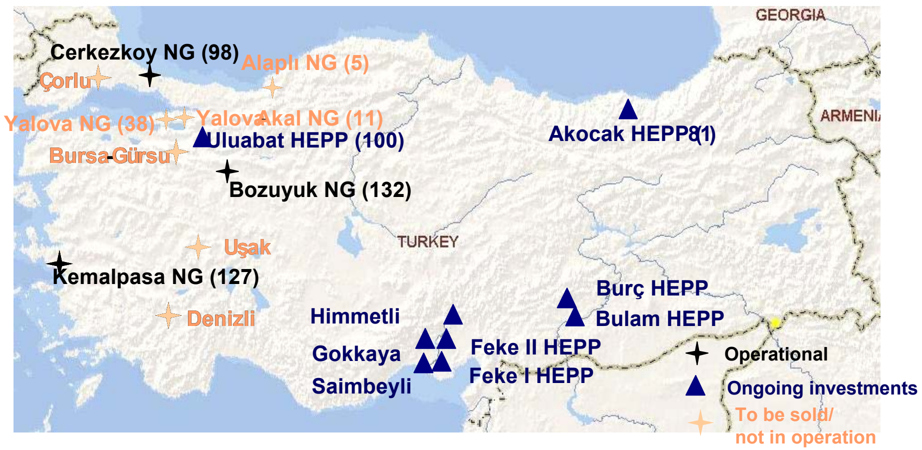
Key facts – SEDAŞ (2009)	
Number of customers (m)	1.3
Electricity sales (TWh)	8.4
Of which: to industry customers (%)	55%
Losses	6.3%*

*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



CEZ CONTINUES NEGOTIATIONS ON PROJECT GALATI IN ROMANIA

- In October 2008, CEZ GROUP was picked as the winner of a tender for strategic partner for Galati project in Romania
- Project should include modernization of the existing power plant and construction of a new power plant with heat supply.
- Current installed capacity of SC Electrocentrale Galati SA is 535 MW (3x105 MW, 2x60 MW, 1x100 MW)
- Negotiations about specific details concerning establishment of joint-venture, including stakes of respective parties are ongoing

Source: CEZ

AGENDA

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

	Lignite mining	Generation	Transmission	Distribution	Supply
CEZ	**47%** 22 million tons	**73%** 60.9 TWh	**100%** 64 TWh	5 out of 8 distribution companies 62% of customers	**45%** 26 TWh
Others	**53%** 25 million tons	**27%** 22.6 TWh		38% of customers	**55%** 32 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

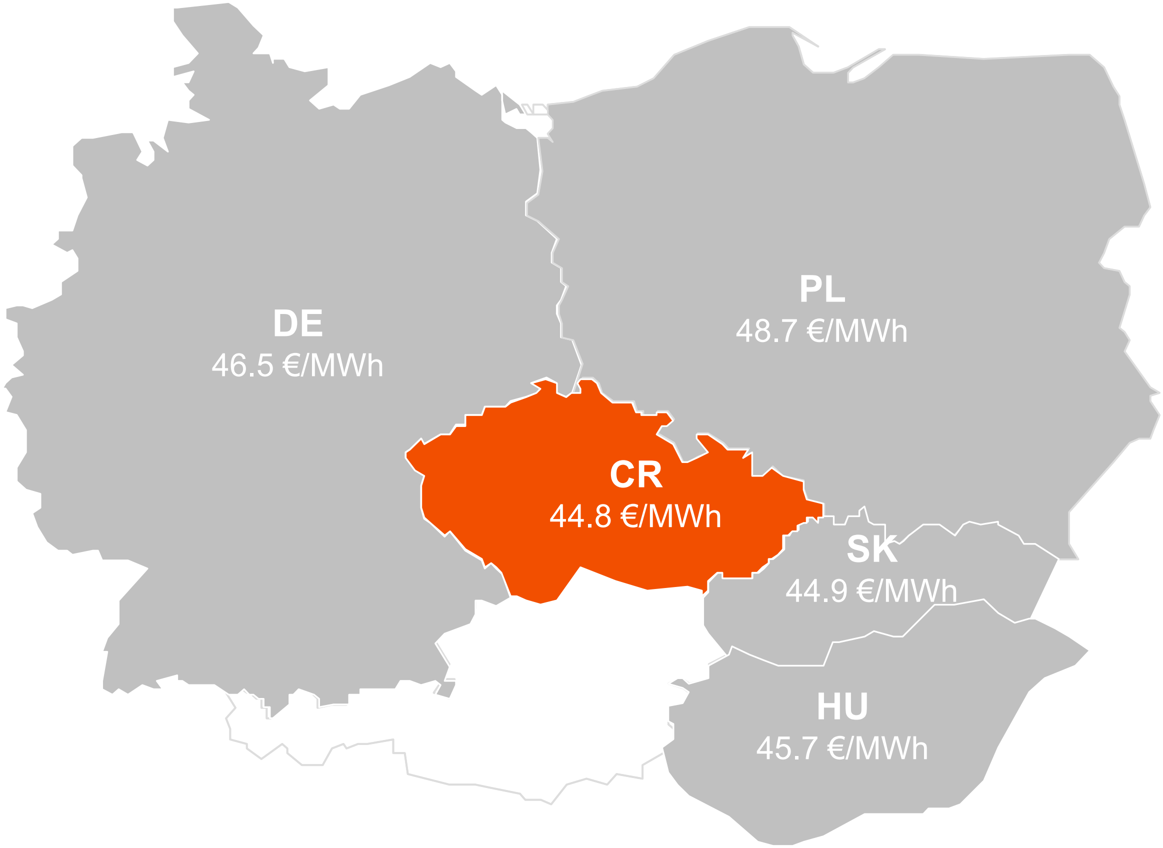
Transmission
- The Czech transmission grid is owned and operated by CEPS, 100% owned by the Czech state

Distribution

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

Source: CEZ, ERU; 2008

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

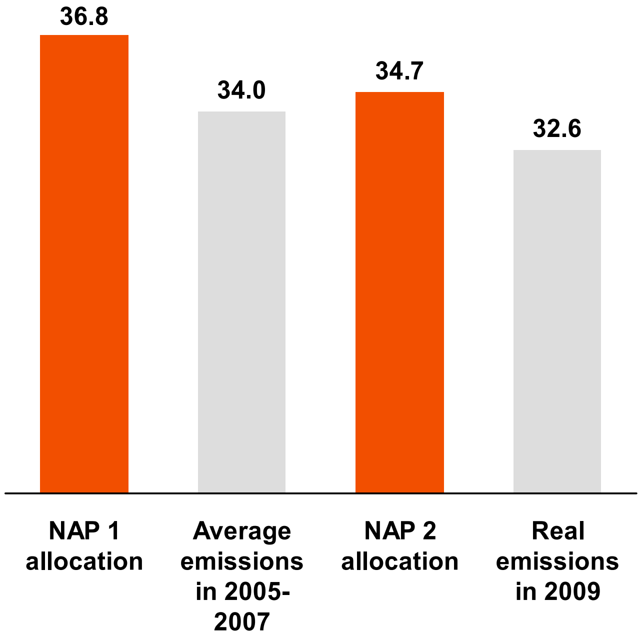


Note: Prices for base load 2011 as of March 8, 2010

Source: CEZ; EEX, PXE

NAP 2 ALLOCATION IS SUFFICIENT TO COVER CEZ GENERATION NEEDS

CO_2 Emissions of CEZ, a.s.
M Tons



Key measures taken to earn additional margin from saving of CO_2 allowances

Trading
- Priority dispatch of units with low CO2 emissions
- Reduction of export

Plant maintenance
- Increased availability of nuclear plants
- Increased focus on plant efficiency
- Increased renewable generation

Measuring Management
- Implementation of more accurate measurement systems
- Opportunity cost of CO2 emission considered in all decisions

- Polish power plants Elcho and Skawina got allocated 3.6 m in NAP 2, a reduction of 21% compared to NAP 1. Their average emissions were 4.2m in 2005-07.
- Bulgarian allocation plan has not been approved yet.

Source: CEZ

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)

- Components contracted, permits issued
- Civil part completed
- 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 in-waiting for EIA
- 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

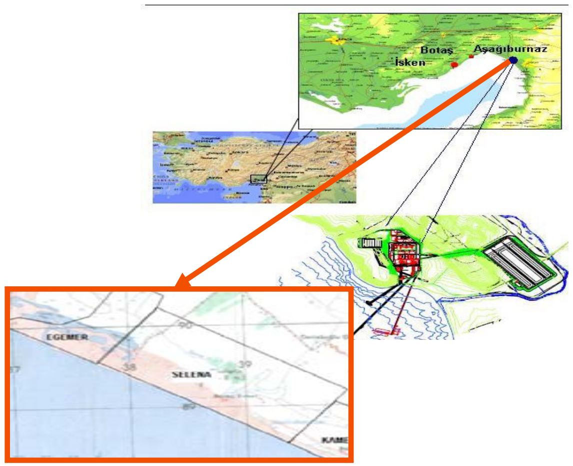
CCGT Skawina, Poland

New construction (400 - 500MW)

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

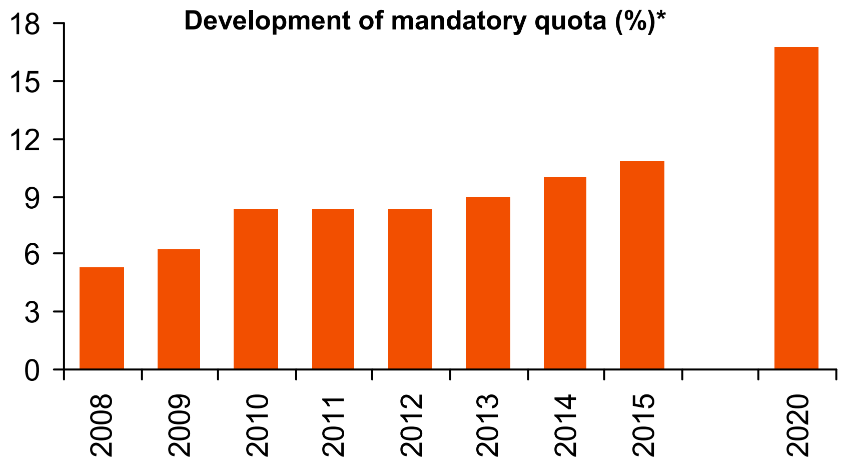
CCGT Hatay (Egemer), Turkey

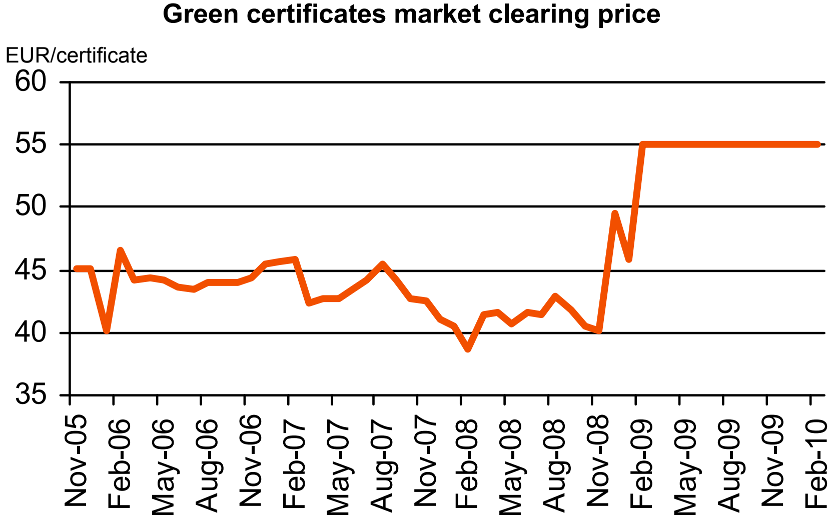
New construction (800 - 900MW)



- Activities realized via Akenerji
- EIA expected in Feb 2010
- 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

MARKET OF RENEWABLES IN ROMANIA





Support of renewables

- Two green certificates (GC) are obtained by the producer for each MWh supplied in the network since Oct-08 (previously 1 GC per MWh)
- 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, the goal is to reach 8.3 % in 2010
- Wholesale tariff for electricity in 2007 - 48 Eur/MWh (base, including transmission fees)

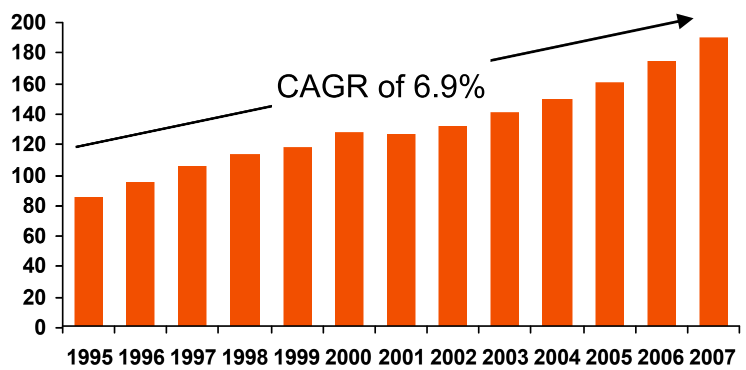
*annual percentage of the gross national electricity consumption, source: ANRE, OPCOM

TURKISH ELECTRICITY MARKET IS VERY ATTRACTIVE

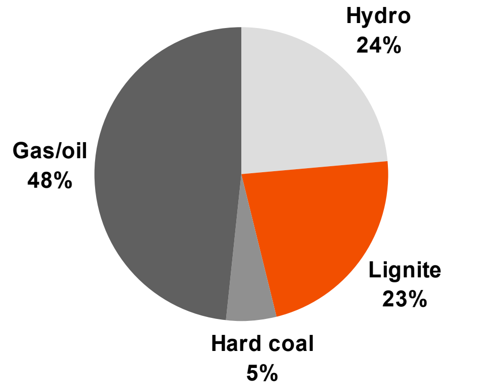
Selected data on Turkey:

- Turkey, with its 80 m inhabitants, is comparable in size to all of Central Europe
- Dynamically growing economy, fast urbanization, real GDP growth 4.5 % in 2007
- In 2007 electricity demand reached 190 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

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

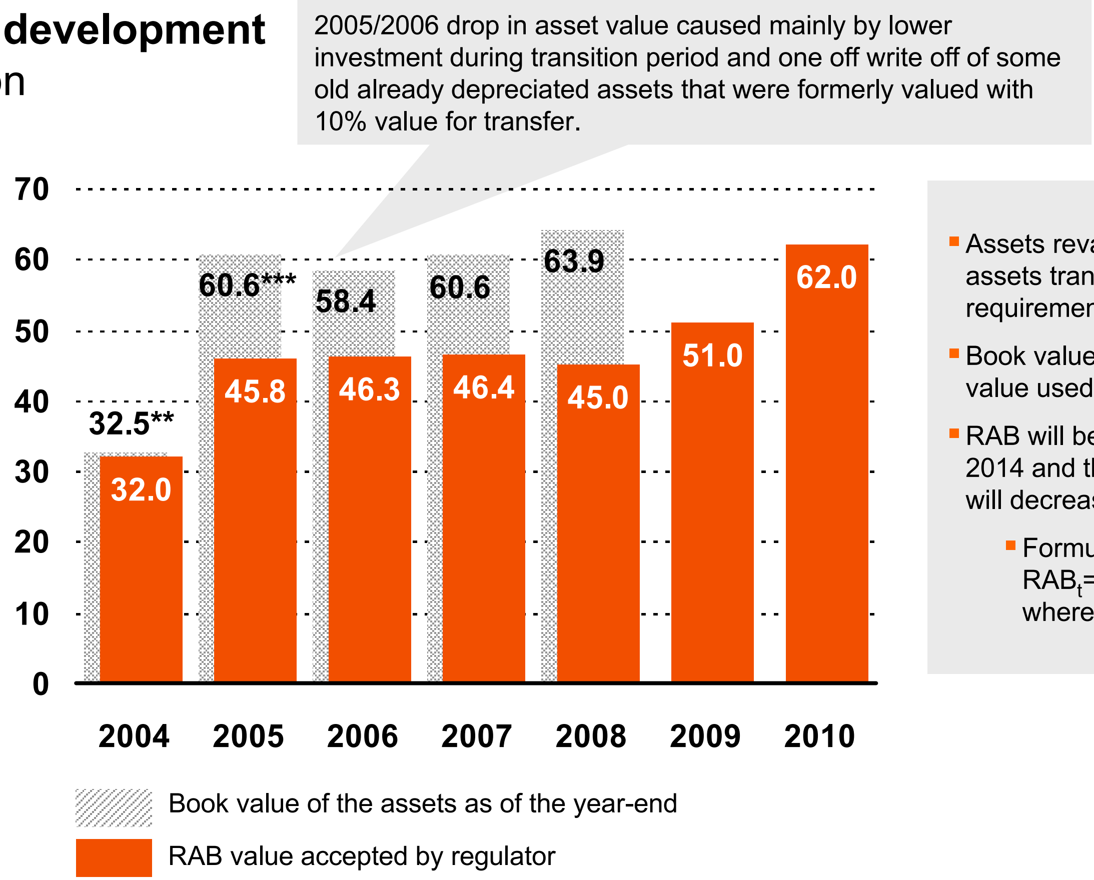
- Regulatory period lasts 5 years
- 2nd regulatory period: January 1, 2005 – December 31, 2009
- 3rd regulatory period: January1, 2010 – December 31, 2014

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



- 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

* 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

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

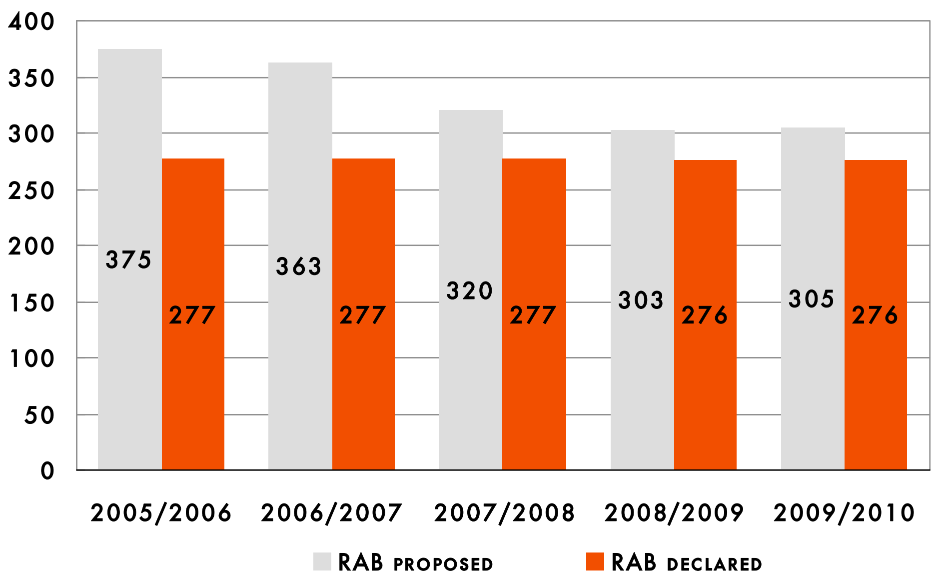
- 1st regulatory period 1.10. 2005 – 30.6. 2008
- 2nd regulatory period 1.7. 2008 – 31.6. 2013

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)



- 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)

- 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

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

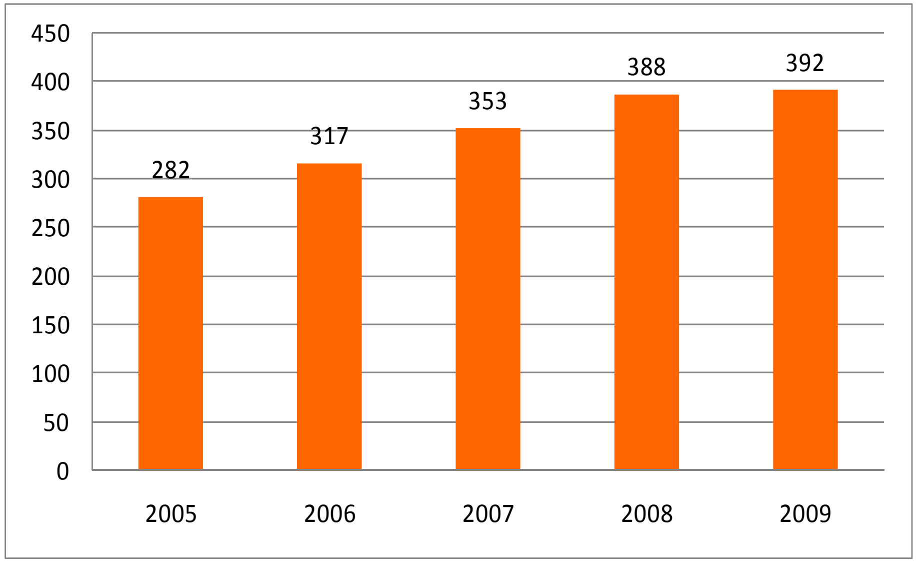
- New Electricity law (no.13/2007; harmonized with EU directives) called for full liberalization by July 2007
- Effective market degree approx. 55%; 60 active suppliers (end-user suppliers and traders)
- Prolongation of the tariff regulation after the full opening of the market for households and small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

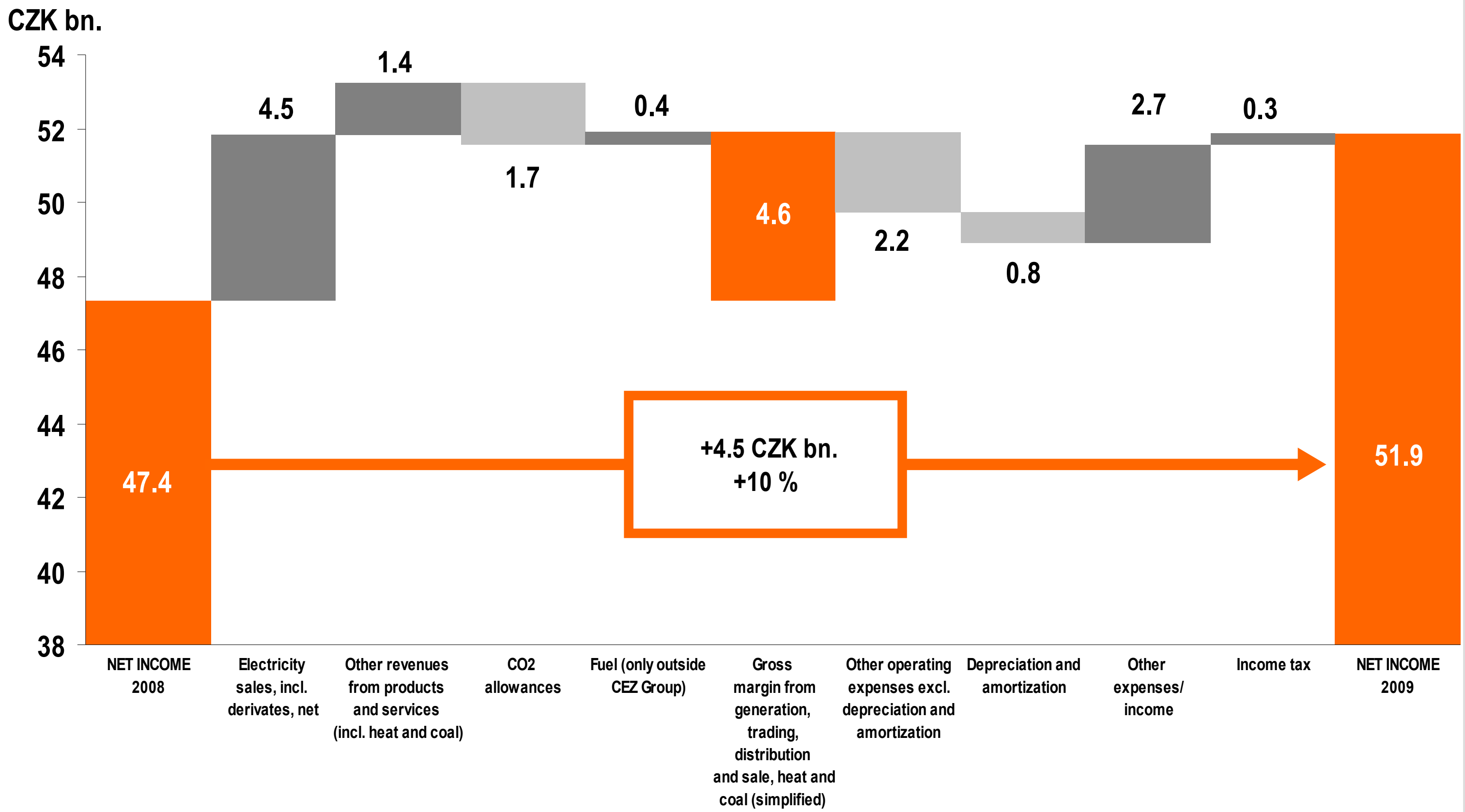
SUPPLY IN ROMANIA REMAINS REGULATED

- 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 2009 NET INCOME INCREASED BY CZK 4.5 BN. Y-O-Y



Key factors

- Realization of electricity sales that were contracted already in 2008 for prices before the fall of commodity exchanges due to financial crisis
- Decline in electricity consumption in the Czech Republic and abroad has a negative impact
- Continued cost control and benefits of "Efektivita" program
- Consistent optimization of production during price movements

Other influences

- Methodological change of IFRS - collected charges for participations on energy input and for connections to the network are booked directly to revenues (CZK +1.5 bn.)
- Growing prices of shares of the Hungarian MOL have a positive effect on other costs and revenues (CZK 1.8 bn.)
- Lower gross margin due to the levelling of the methodology for calculating unbilled electricity (in 2008, positive effect of CZK 2.4 bn.)

GROSS MARGIN FROM GENERATION, TRADING, SUPPLY AND DISTRIBUTION INCREASED BY 4% TO CZK 133 BN. Y-O-Y

(in CZK millions)	2008	2009	Change 09-08	Index 09/08
Electricity sales and services	165,317	173,494		
Electricity, gas and coal derivative trading, netto	4,095	6,894	4,477	104%
Purchased power and related services	-41,671	-48,169		
Heat sales and other revenues	14,546	15,965	1,418	110%
Fuel	-16,176	-15,805	370	98%
CO2 allowances	1,998	305	-1,694	15%
Gross margin (simplified)	**128,110**	**132,682**	**4,572**	**104%**
Operating revenues	**183,958**	**196,352**	**12,394**	**107%**
Variable operating costs	**-55,848**	**-63,670**	**-7,822**	**114%**

Main changes

- Year-on-year, there was an increase in revenues from electricity sales by way of sales of own production one year and more in advance; the company is therefore secured against unexpected price fluctuations. Electricity trading also contributed to the successful development, as it generated a higher margin thanks to increased dynamism (difference between purchase and selling prices). Foreign investments contributed to the year-on-year increase of gross margin because of the new acquisition of the Albanian distribution company OSSh and improved results of the Varna power plant as well as Polish power plants. Year-on-year, the revenues from unbilled electricity were CZK 2.4 bn. lower (levelling of the methodology for calculating unbilled electricity in 2008). The decline in supplies for wholesale customers was also negative.
- The increase in other revenues is caused by the positive effect of IFRS adjustments for newly collected charges for participations on energy input and for connections to the network booked directly to revenues of CZK 1.5 bn. The revenues from the sales of heat are the same year-on-year.
- The decline in fuel costs is especially caused by lower production in foreign coal-fired plants year-on-year, where production is also optimized in light of the low electricity prices. Thanks to the optimization of production in the Varna power plant (year-on-year production decrease by 38%), in Skawina (by 23%) and Elcho (by 18%), the fuel costs abroad went down by CZK 1.5 bn. In spite of declining production in coal-fired plants, in the Czech Republic there was an increase in the costs of fuel from non-CEZ Group suppliers, because its prices depend on electricity prices in the previous year, which reached their peak in 2008.
- The declining profit from emission allowances was caused by an extraordinary profit in 2008 (from successful implementation of the JI/CDM programme); the generated profit in 2009 from emission allowances trading was also affected by the impacts of the medium-term hedging strategy of buying emission allowances for production in 2013.

OPERATING COSTS IN CEZ GROUP GREW 6% Y-O-Y

(in CZK millions)	2008	2009	Change 09-08	Index 09/08
SUM of selected operating costs	**-39,409**	**-41,607**	**-2,198**	**106%**
Salaries and wages	-16,956	-18,116	-1,160	107%
Other selected operating costs	**-22,453**	**-23,491**	**-1,037**	**105%**
Repairs and maintenance	-5,597	-6,043	-446	108%
Material and supplies	-4,589	-5,272	-682	115%
Others	-12,267	-12,176	91	99%
EBITDA	**88,701**	**91,075**	**2,374**	**103%**
Depreciation and Amortization	-22,047	-22,876	-829	104%

- For 2010, a zero increase of wages was agreed during collective negotiations; it would be compensated by enhanced benefits in the following years, relating primarily to workforce retirements. That is why the reserve for employee benefits was increased. The increase of personnel costs also influenced a year-on-year growth of wages arising from the collective agreement and the incorporation of a new acquisition in Albania in the Group's results.
- The higher costs of repair and maintenance are caused by a larger volume of shutdowns and repairs in the power plants operated by ČEZ, a.s., year-on-year.
- The growing material costs year-on-year are related to higher investments in 2009.
- The Group's higher investments in 2009 increase activations in the Group and positively influence the Other category (by CZK 2.9 bn.); an increase in the costs of new production contracts, creation of provisions and consultancy costs, insurance and other services have an opposite effect.
- The higher investments in 2009 and the incorporation of a new Albanian distribution company in the Group increase depreciation.

OTHER EXPENSES AND INCOME IMPROVED BY CZK 2.7 BN. Y-O-Y

(in CZK millions)	2008	2009	Change 09-08	Index 09/08
Other expenses and income	**-5,938**	**-3,253**	**2,685**	**55%**
Interest on debt	-3,103	-3,303	-200	106%
Interest on nuclear and other provisions	-2,056	-2,174	-118	106%
Interest income	1,843	2,499	656	136%
FX profit / loss and financial derivates	-3,996	-569	3,427	14%
Gain/Loss on sale of subsidiary/associate	333	-2	-335	x
Goodwill impairment	14	-3,263	-3,277	x
Income from associates	12	2,997	2,985	> 500%
Others	1,016	563	-453	55%
Profit before taxes	**60,716**	**64,946**	**4,230**	**107%**
Income tax	-13,365	-13,091	274	98%
Net Income	**47,351**	**51,855**	**4,504**	**110%**

- In spite of higher financing needs, interest costs are still well-controlled; on the other hand efficient usage of financial sources increased interest income
- Financial derivatives are positively influenced by growing share prices of the Hungarian company MOL (share value increased from the beginning of 2009 by HUF 7,130 per share)
- In 2008, the company I & C Energo was sold, which increased profits from the sales of subsidiaries
- When testing the goodwill of Polish subsidiaries, there was write-off of CZK 3.3 bn. This value approximately matches the performance of Polish subsidiaries before the goodwill testing, when the Polish subsidiaries were part of the Group.
- The revenues from securities in equivalence were positively influenced by the revenues from dilution (write-off) of the negative goodwill of MIBRAG
- The declining revenues in the Other category is influenced by smaller allocations of free money to short-term securities (in 2009, a form of deposits with a positive effect on the Revenue Interest category was used more)

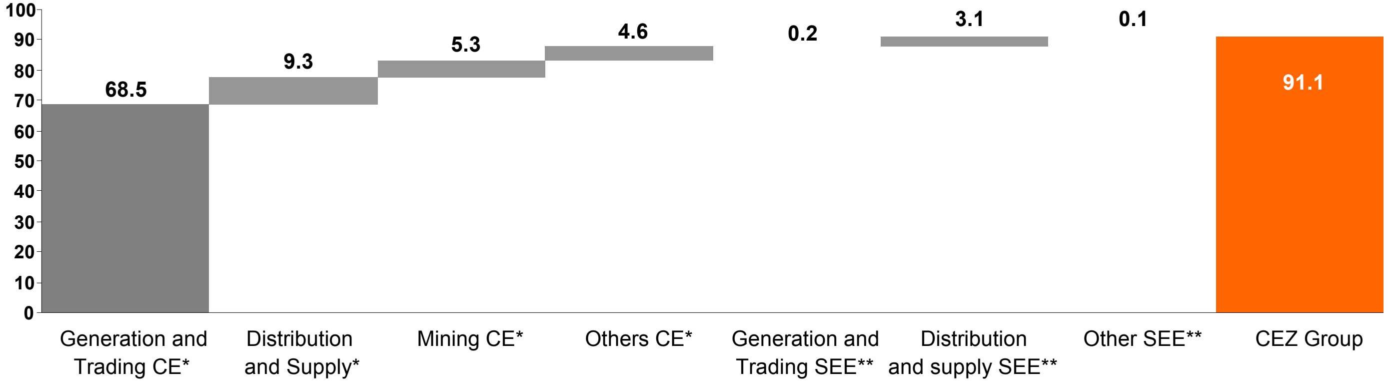
DEVELOPMENT IN Q4 2009

(in CZK millions)	10 - 12 / 2008	10 - 12 / 2009	Change 09-08	Index 09/08
Operating revenues	**51,094**	**55,536**	**4,442**	**109%**
Variable operating costs	**-18,441**	**-20,105**	**-1,664**	**109%**
Gross margin (simplified)	**32,654**	**35,431**	**2,778**	**109%**
SUM of selected operating costs	**-13,887**	**-15,365**	**-1,478**	**111%**
Salaries and wages	-5,451	-6,063	-613	111%
Other selected operating costs	**-8,436**	**-9,301**	**-865**	**110%**
Repairs and maintenance	-2,557	-2,254	304	88%
Material and supplies	-1,253	-1,988	-735	159%
Others	-4,625	-5,059	-434	109%
EBITDA	**18,767**	**20,066**	**1,299**	**107%**
Depreciation and Amortization	**-6,429**	**-6,355**	**74**	99%
Other expenses and income	**-4,175**	**-3,675**	**500**	88%
Profit before taxes	**8,163**	**10,036**	**1,873**	**123%**
Income tax	-2,279	-2,366	-86	104%
Net Income	**5,884**	**7,670**	**1,787**	**130%**

- The gross margin is positively influenced by electricity sales for 2009, which took place mostly in 2008 at a time of maximum prices and a higher gross margin from abroad, thanks to a year-on-year increase in Varna and Romanian distribution, but also by incorporating the newly acquired Albanian distribution company. Conversely, the gross margin in distribution and sales in the Czech Republic declined in Q4 by CZK 3 bn., especially because of the one-off levelling of the methodology for stating unbilled electricity in 2008.
- The year-on-year increase of personnel costs is caused especially by changes in collective agreements and the subsequent increase of reserves on employee benefits, year-on-year increase of wages in line with valid collective agreements and incorporation of a new Albanian acquisition in the Group‘s results. On the other hand, the change of methodology for stating contingencies for rewards and bonuses in ČEZ, a. s. changed the distribution of costs during the year and positively influenced the last quarter of 2009.
- The lower costs of repairs and maintenance, especially in power plants operated by ČEZ, a. s., are related to the repair plan and cost-saving measures in Q4 2009.
- The year-on-year growth of material costs is related to higher investments in 2009.
- The year-on-year increase of the Other category is caused by the increased costs of new generation contracts, while the creation of reserves and adjustments and other overhead costs result in higher investments in the Group in 2009, which increase activations in the Group and have a positive effect on this category.
- Other income/expenses are positively influenced by the growing share prices of the Hungarian company MOL, revenues from bank guarantees and depreciation of Mibrag‘s negative goodwill. On the other hand, they are reduced especially by changes in derivatives and the company‘s results in equivalence.

SEGMENTAL CONTRIBUTIONS TO EBITDA

Contribution to EBITDA in 2009
CZK bn.



	Generation and Trading CE*	Distribution and Supply*	Mining CE*	Others CE*	Generation and Trading SEE**	Distribution and supply SEE**	Other SEE**	CEZ Group
Index 2009 / 2008	106 %	84 %	110 %	92 %	N/A	101 %	130 %	103 %
Index Q4 09 / Q4 08	133 %	28 %	120 %	N/A	N/A	118 %	N/A	107 %

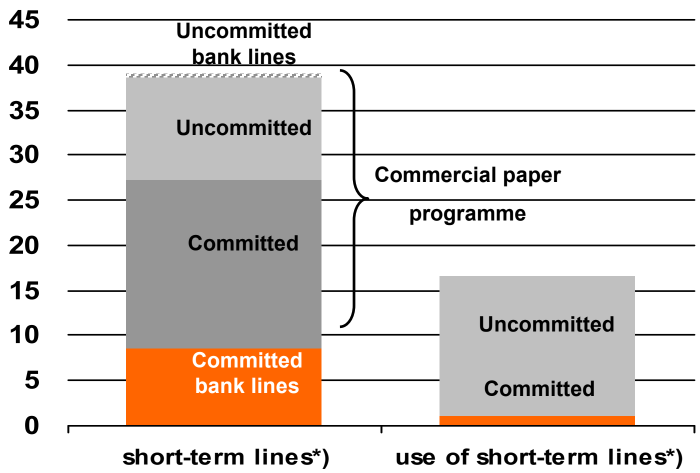
- **Generation and trading CE*:** Y-o-y increase of EBITDA by CZK 3.6 bn., thanks to price hedging, consistent generation optimization and successful business strategy.
- **Distribution and supply SE*:** EBITDA of distribution and segment declined year-on-year by 16%, especially because of the levelling of the methodology for calculating unbilled electricity in 2008 (by CZK 2.4 bn.). Another negative aspect was a loss (CZK 0.8 bn.) from the returned part of the contracted electricity volume for 2010, which was re-stated in ČEZ, a. s. In total, operations in the Group are neutral. A methodological change of IFRS has a positive effect (change for newly collected charges from participations on energy input and for connections to the network booked directly to revenues CZK +1.0 bn.).
- **Mining CE*:** EBITDA of Severočeské doly is higher year-on-year by 10%, which was caused by higher revenues from coal for both ČEZ's thermal plants and other customers.
- **Others CE*:** EBITDA declined year-on-year by CZK 0.4 bn. (by 8%)
- **Generation and trading SEE**:** The Varna power plant shows a year-on-year improvement in EBITDA by CZK 0.5 bn. thanks to generation optimization, which was 38% lower year-on-year because of low prices in 2009. Conversely, the operating costs related to the construction of a wind park in Romania were a negative aspect.
- **Distribution and supply SEE**:** EBITDA shows a year-on-year growth of 1%. By acquiring the distribution company OSSh, the segment expanded by a new country – Albania, which reported a loss of CZK 0.4 bn. in 2009. At the end of the year, transformation initiatives were launched and will be reflected in the 2010 results (reducing grid losses and reducing receivables). The companies in Romania, Bulgaria and Albania distributed in total 20.0TWh of electricity to end customers, i.e. 17% more year-on-year. The sales to end customers amounted to 16.2TWh, i.e. 37% more than in 2008. A methodological change in IFRS had a positive effect (change of billing of connection charges) in Romania – CZK 0.2 bn. – and in Bulgaria – also CZK 0.2 bn.

* CE = Central Europe (Czech Republic, Slovakia, Poland, Hungary, Netherlands, Germany, Ireland)
**SEE = Southeastern Europe (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

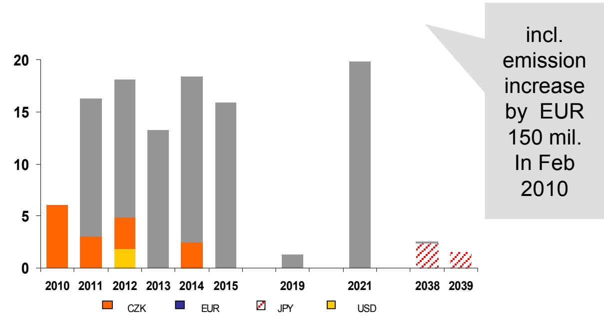
- CZK 25 bn. of unused committed lines
- CZK 32 bn. of cash and cash equivalents
- Mostly uncommitted lines in the commercial paper programme were used
- Committed lines were maintained as a reserve to cover unexpected financial needs

Utilization of lines (December 31, 2009, CZK bn.)



- 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 (CZK bn.)



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

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

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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