

## Inside Information

### ČEZ offers another reduction of the price of electricity for 2010

**Wholesale electricity prices have significantly dropped recently. Based on the current positive development of electricity prices for 2010 on Energy Exchange ČEZ comes with an updated offer for the possibility to fix the price of electricity for 2010 now. ČEZ herewith honours the promise from the end of last year on the occasion of an introduction of the FIX2010 product. Customers that will choose the updated FIX2010-2 product will have lower price of electric power by 15% in 2010 compared to 2009. In addition to its former commitments ČEZ decided to offer a new, preferable price fixation not only to businesses but to all households.**

“The price of electric power (traded in EUR) for year 2010 has dropped down significantly compared to this year’s price, on the contrary the exchange rate of Czech Crown to EUR has weakened. If we put these two contradictory effects together, we can see that if we buy electric power for year 2010 now, we can guarantee to our customers the electricity supply with the price lower by 15 % than was the price for this year”, explains Michal Skalka, the manager of ČEZ Trading.

“The FIX2010 product is intended to those customers that would like to have the confidence of an interesting reduction of the price of electricity in 2010 and that do not want to speculate on further development of the wholesale prices of electricity“, adds Zuzana Řezníčková, the Retail Portfolio Manager at ČEZ Sale.

Tariff customers, i.e. households as well as businesses using the electricity on the low voltage level, can order the new FIX2010-2 product through our customer centre (tel. 840 840 840) until 30 April 2009. For detail information regarding the FIX2010-2 product see [www.cez.cz](http://www.cez.cz).

ČEZ offered the price fixation to households and businesses already in December 2008 on the occasion of an introduction of the FIX 2010-1 product that can be ordered until the end of February 2009 with the guaranteed reduction of the electric power by 4 per cent. The customers that responded to this offer will be addressed by ČEZ by the end of February and asked for confirmation of the order. Customers can choose from the whole ČEZ product portfolio, including the updated offer of FIX2010-2.

The customers that would like to be more connected to the current development of prices of electric power on the wholesale market already this year, can choose the Kvartál (Quarter) and Měsíc (Month) products of which price copies the actual situation on Exchange and changes quarterly, respectively monthly. The price for a customer is set on the basis of a development of the baseload product forward prices on the Prague Energy Exchange (PXE) and considers the seasonability of prices of electric power as well as a market evoked change of price. The product price is set always on the 20<sup>th</sup> day of the month prior to the relevant priced period at the latest. Current prices can be found at [www.cez.cz](http://www.cez.cz). By entering for this option the customer commits to use it for the period of 12 months at minimum.

Shall the customer decide not to use any of the new options within the ČEZ gradual extension of its customer offer, it automatically remains with the traditional schedule, when ČEZ purchases electricity on the wholesale market regularly during the year and at the end of the year it calculates and announces the tariffs for the following year based on the gradual purchases.

The process how ČEZ Sale purchases the electric power for this group of customers to achieve the most beneficial prices for them is published in detail at [www.cez.cz](http://www.cez.cz). The purchase rules have been assessed and approved by committees of the Ministry of Industry and Trade and the Energy Regulatory Office. If the actual development on market continues, also the basic tariffs shall be cheaper than this year. Due to the economic crisis leading to reduction of prices of oil and emission permits most analysts and power experts consider the current favourable prices on Energy Exchange to be more or less stable for the crisis period and they do not consider the current exchange traded prices for electric power for next year to change significantly.