

## Inside Information

### CEZ buys a biomass power plant

**The CEZ Group has signed a contract for the purchase of 100 % shares of the company CZECH HEAT, a. s., from its existing owners. The company owns an own combined source for production of electricity and heat by clean combustion of biomass in Jindřichův Hradec. The produced heat is supplied mainly to central distribution systems of the town of Jindřichův Hradec.**

The Energetic Center in Jindřichův Hradec started its trial operation in November 2008. By clean combustion of biomass, the new source produces annually more than 30 thousand MWh of electricity – this amount corresponds to electricity consumption of ca 8500 households a year.

The Energetic Center supplies heat through a hot water pipeline to the central distribution system belonging to the company Teplo spol, a. s., and the heat production covers ca 35% of heat consumption in the town. Apart from that, the energetic center supplies heat and hot water directly to approximately 200 households in the housing estates of Jitka and Bobelovka. The total amount of supplied heat corresponds to the consumption of approximately 3500 households in Jindřichův Hradec.

The transaction price and other terms will not be published with respect to the contractual stipulations.

The CEZ Group is the biggest producer of electricity from renewable sources in the Czech Republic and it is devoted to the maximum extent to further development of renewable sources. In the last year only, the CEZ Group produced almost 327 thousand MWh of electricity from biomass in local power plants, which means a year-to-year increase of 31.2%. The stated production would cover the yearly consumption of more than 93000 households.

For the twelve months of 2008, more than 347 thousand tons of biomass was burnt in the CEZ Group's power stations in the Czech Republic (all in the form of co-burning with brown coal). In a year-to-year comparison it means an increase of burnt volume of 43.8%. Last year, the most significant amount in the total biomass burnt in the Czech Republic was represented by plant-based materials (wood mass) with more than 336 thousand tons, which means a year-to-year increase of 44.8%.

Within the CEZ Group's portfolio of renewable sources, biomass is the second most significant element after water power stations. Within the CEZ Group, the most electricity from biomass is produced by the Hodonín power plant, which produced more than 149 thousand MWh from biomass last year and increased its production by 28.7% on the previous year.

<b>Technical parameters of the Energetic Center Jindřichův Hradec</b>	
Installed turbine output	5.6 MWe
Installed boiler output	18.5 MWt
Annual electricity production	32 300 MWh
Annual heat production – gross amount	178.5 TJ