

## Inside Information

### **Recession shall affect the annual profits of ČEZ and the company income next year**

**The ČEZ Energy Group achieved a net profit in the amount of 17.2 billion CZK in the first quarter of this year after adjustment for methodical and temporary effects. It is an interim increase by 9 % per cent. Including these effects the net profit for the mentioned period was 19.4 billion CZK. In particular, sale of electric power contributed to the increase of the net profit. For example distributed reserves for emission permits or revaluation of MOL shares belong among the mentioned temporary effects (from which some will be compensated by the end of the year). Despite the overall drop of electric power consumption due to the continuing economic crisis, there still is an interim improvement of income. These factors, however, will be affected with the annual income. We expect the annual net profit on the level of 50.2 billion CZK.**

The ČEZ company has currently been focused on further efficiency increase of individual processes all over the ČEZ Group when for example the expected increase of electric power production from low cost nuclear power plants will have a positive effect on the annual income. There still continues renewing of domestic sources, two units of the Tušimice power plant are about to be connected to grid.

In the past quarter the ČEZ Group prepared many events and initiatives to the benefit of its customers and domestic economic which can help in the period of the financial crisis. "Firstly I would like to mention the FIX 2010 – 2 product, presently the most beneficial price offer of the fixed products on market. Secondly I would like to lay stress on the ČEZ campaign against crisis which aims to help domestic economic and reduce impacts of the economic crisis on our customers. We have offered extended advance payments for electric power by 30 days to entrepreneurs and prepared insurance of electric power payments in case of a loss of employment to households. Thirdly the ČEZ Group has been supporting reduction of electric power consumption at households and to that related improvement of environment in the long term. By that reason we have prepared the White Scrapping Subsidy event – our customer will receive a contribution in the amount of 1,000 CZK for return of an old appliance and purchase of a new one," said Martin Roman, the Chairman of the Board of Directors and the General Manager of ČEZ.

The ČEZ group is doing well also abroad – all acquisitions have been permanently achieving the planned return with the cumulative profit of 9.7 billion CZK which in 2008 reached almost one third of the total amount of 31 billion CZK spent on acquisitions. Despite the continuing crisis the ČEZ Group expects stable income abroad and extension of the ČEZ Group of other acquisitions in 2009.

Production of electric power from ČEZ, a. s. own sources dropped by 0.7 TWh in interim, which is by 3.9 %. The interim drop in production at nuclear power plants by 0.7 % was due to the planned outage of Unit 3 of the Dukovany nuclear power plant which started on 10 January 2009 and lasted for the whole 1st quarter of 2009. The interim drop in production at coal-burning power plants by 5.5 % was caused due to a bigger amount of planned outages at coal-burning power plants, further due to optimisation of production related to price of electric power and drop in demand. Despite these facts ČEZ expects production increase at nuclear and coal sources this year.

"The economic recession significantly affected consumption of electric power in the Czech Republic in the 1st quarter of 2009, which dropped in interim by 3.6 %. At large customers the consumption dropped in relation to damping of development programs by 10.1 % while at households the consumption increased by 5.3 % and at small businesses by 3.5 %. Stop of growth and consequent drop of electric power demand all over Europe has been dictated by

the impending economic crisis since the end of 2008. Together with development of the price of oil it consequently reflects also in prices of electric power on markets of Central and South-Eastern Europe, "said Alan Svoboda, the Manager of Trade Division.

Scheme: Income of the ČEZ Group for the 1st quarter of 2009

(mil. CZK)

interim change %

Operating income	53 303	+ 9.7 %
EBITDA (or Operating profit before depreciations)	30 227	+ 11.6 %
Profit before tax	23 980	+ 20.8 %
Profit after tax	19 385	+ 23.3 %
Profit after tax (adjusted for methodical and temporary effects)	17 175	+ 9.2 %