



CEZ GROUP H1 2009 RESULTS

NONAUDITED CONSOLIDATED RESULTS

PREPARED IN ACCORDANCE WITH PRINCIPLES OF IFRS

Prague, August 13, 2009



AGENDA

- **Financial highlights and key events of H1 2009**
Martin Novák, CFO
- **Financial Results**
Martin Novák, CFO
- **Trading position of CEZ Group**
Alan Svoboda, Executive Director Sales Trading

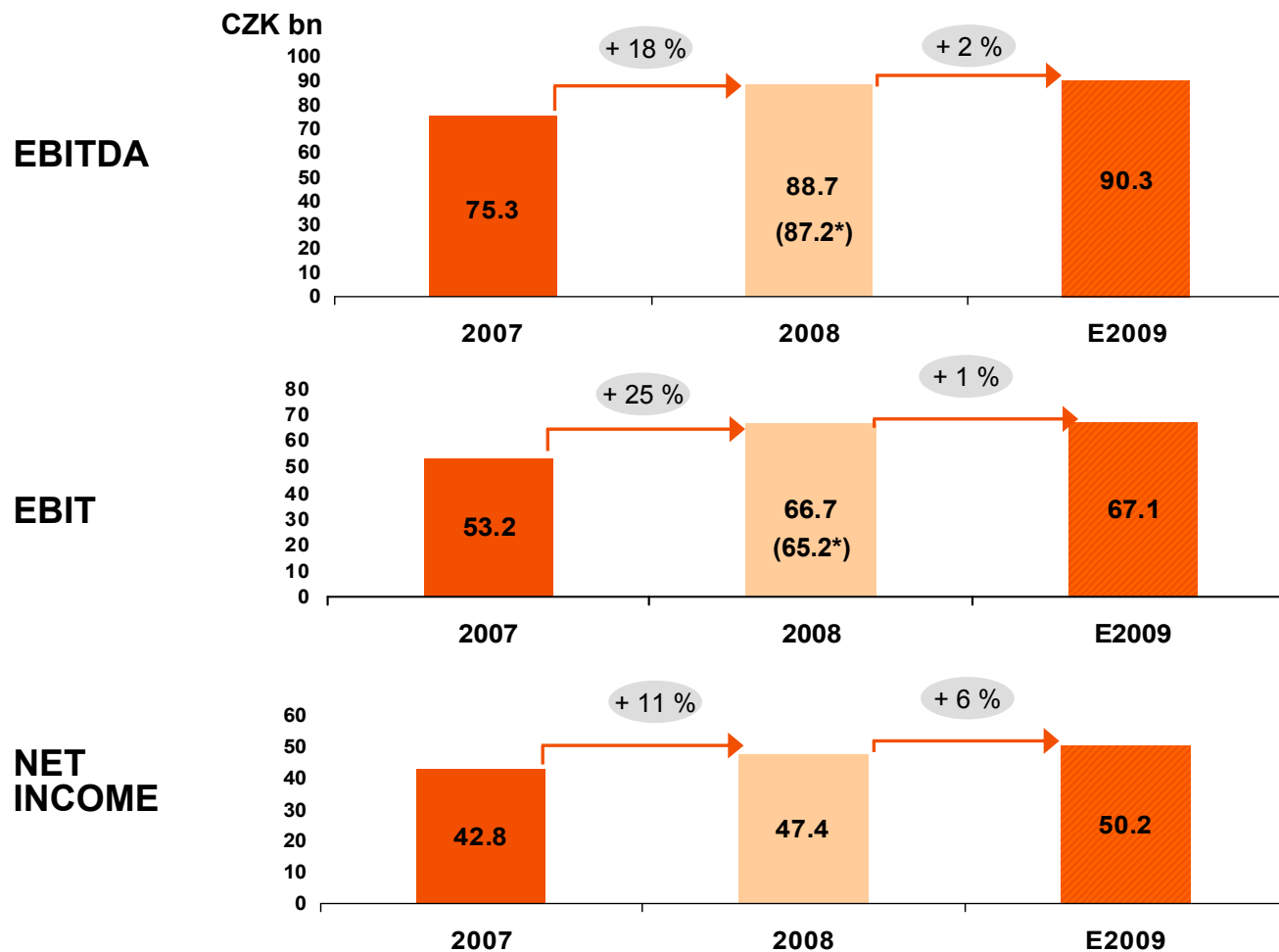


MAIN RESULTS FOR H1 2009 AND GUIDANCE FOR 2009

- **EBITDA** increased by 6 % y-o-y (by CZK 3.0 bn) to CZK 51.8 bn
- **EBIT** increased by 8 % y-o-y (by CZK 2.9 bn) to CZK 40.9 bn
- **Net income** increased by 11 % y-o-y (by CZK 3.0 bn) to CZK 32.0 bn
- **ROE** increased from 27.6 % to 28.7 %
- **Share price at BCPP and GPW** reached CZK 982.50 as of August 10th
- **CEZ guidance for 2009 is unchanged. We expect 2009 EBITDA** to reach CZK 90.3 bn (increase of 2 % compared to 2008), **net income is expected** to reach CZK 50.2 bn (increase of 6 % compared to 2008).



EXPECTED RESULTS IN 2009



Key positive factors:

- Increase in production of nuclear power plants in line with objectives of Safely 15 TERA ETE and Safely 16 TERA EDU projects
- Higher wholesale electricity prices
- Methodological change in IFRS of newly collected charges for participations on energy input and for connection to the network booked directly to revenues

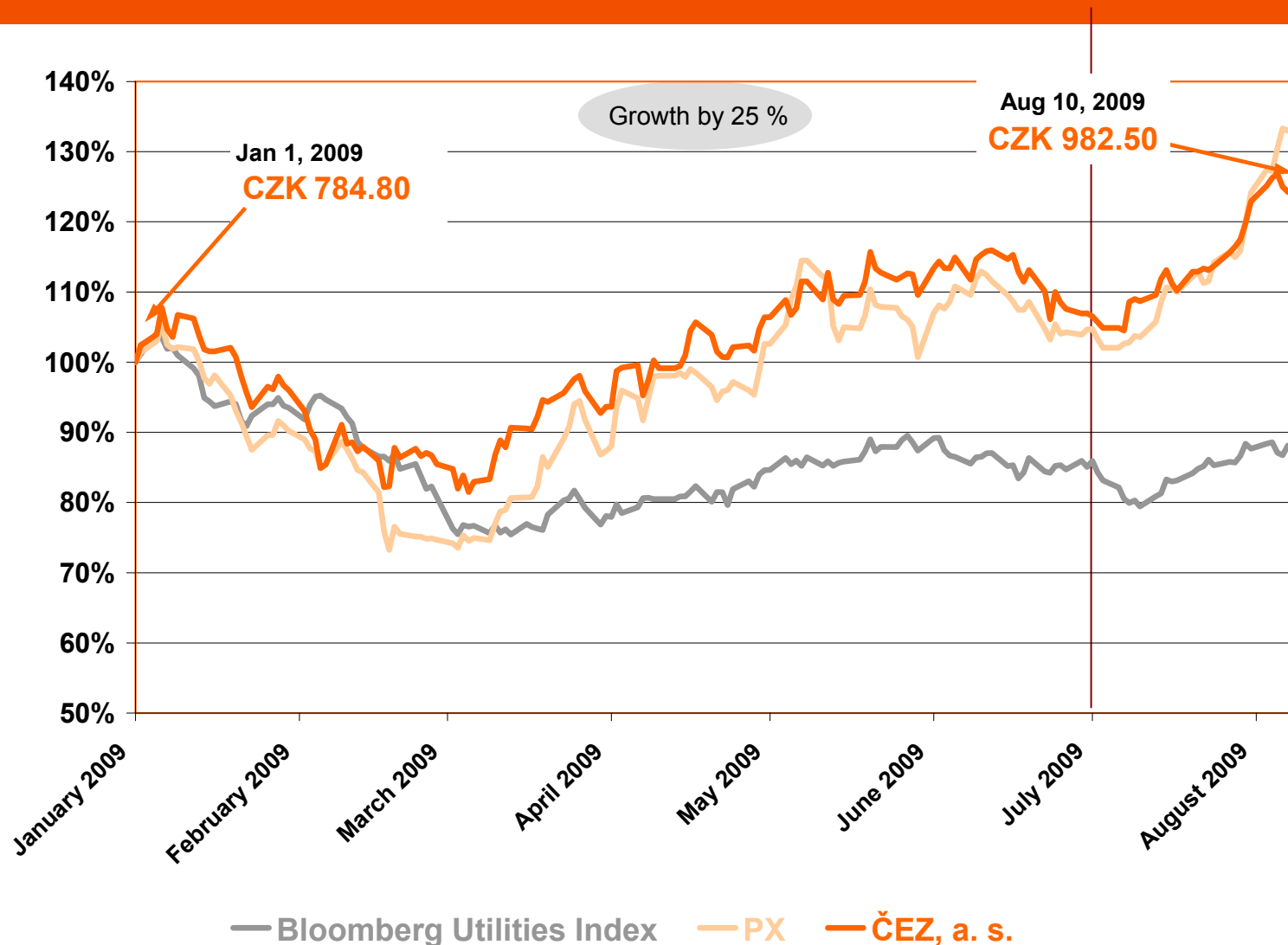
Key risks

- Decreasing wholesale electricity prices (impact only on remaining open position)
- Power consumption drop in connection with economic slowdown
- Deteriorating payment moral of customers of CEZ Group (both in CR and abroad)

* The methodology was changed in 2009, CO₂ allowance derivatives were transferred from financial results to EBITDA, resp. EBIT, historical numbers were restated. This change has no impact on net income.



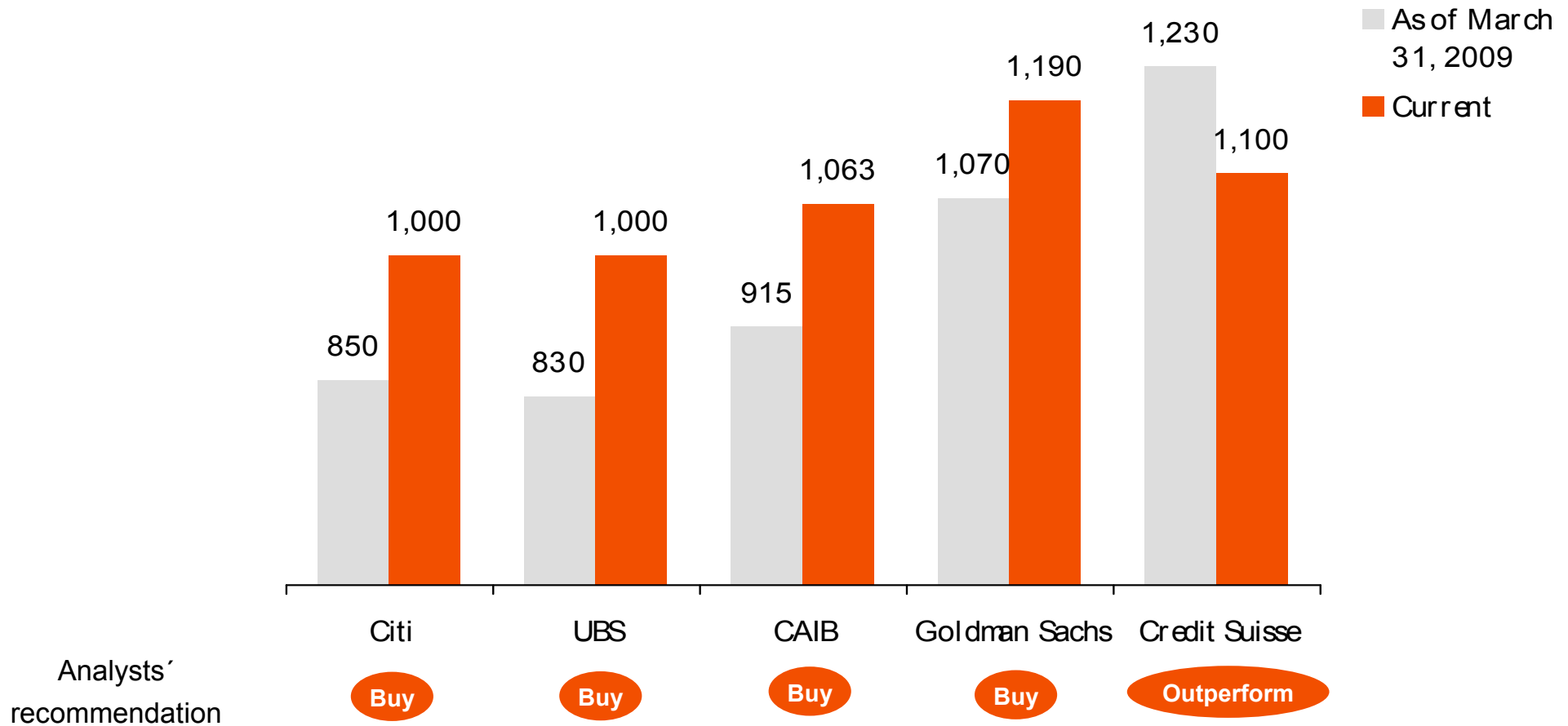
SHARE PRICE OF ČEZ, A.S. INCREASES FASTER THAN UTILITIES AVERAGE, SHARES OF CEZ, A.S. CLOSED AT 982.50 CZK AS OF AUGUST 10TH, 2009





SEVERAL ANALYSTS HAVE RAISED VALUATION OF ČEZ, A.S. SINCE END OF MARCH 2009

Target prices of CEZ shares (CZK)





CEZ GROUP FINISHED ACQUISITION OF TURKISH DISTRIBUTION COMPANY SEDAŞ AND ALBANIAN DISTRIBUTION COMPANY OSSH IN H1 2009

- After acquisition of Albanian and Turkish distribution, CEZ Group supplies electricity to more than 9 million customers
- In Romania and Bulgaria, CEZ Group serves more than 3.3 million customers
- Abroad CEZ Group thus delivers electricity to more than double the customers than in the Czech Republic (3.5 m customers)

Selected figures – OSSh – Albania

Number of customers (m)	1.1
Electricity sales (TWh)	4.1
Shares of households on electricity consumption (%)	56
Expected growth of electricity consumption (%)	1 – 3

Selected figures – SEDAŞ - Turkey

Number of customers (m)	1.3
Electricity sales (TWh)	8
Shares of households on electricity consumption (%)	20
Expected growth of electricity consumption (%)	6 – 8



CEZ GROUP STRENGTHENED ITS POSITION ABROAD ALSO IN A FIELD OF ELECTRICITY GENERATION AND COAL MINING

- CEZ Group in consortium with J&T owns 100% share in German brown coal mining and electricity company MIBRAG
- MIBRAG's coal reserves amount to more than half of current reserves in the Czech Republic, with significant possibility of further extension of extraction
- CEZ has also finalized acquisition of minority stake in Turkish company Akenerji
- Together with Turkish partner Akkök Group CEZ plans to operate power plants with total capacity 3,000 MW by 2013
- It is for example construction of 900 MW CCGT in Hatay province, which could start to generate electricity already at the end of 2012 and a range of further smaller renewable resources (hydro and wind power plants)

Selected figures - MIBRAG

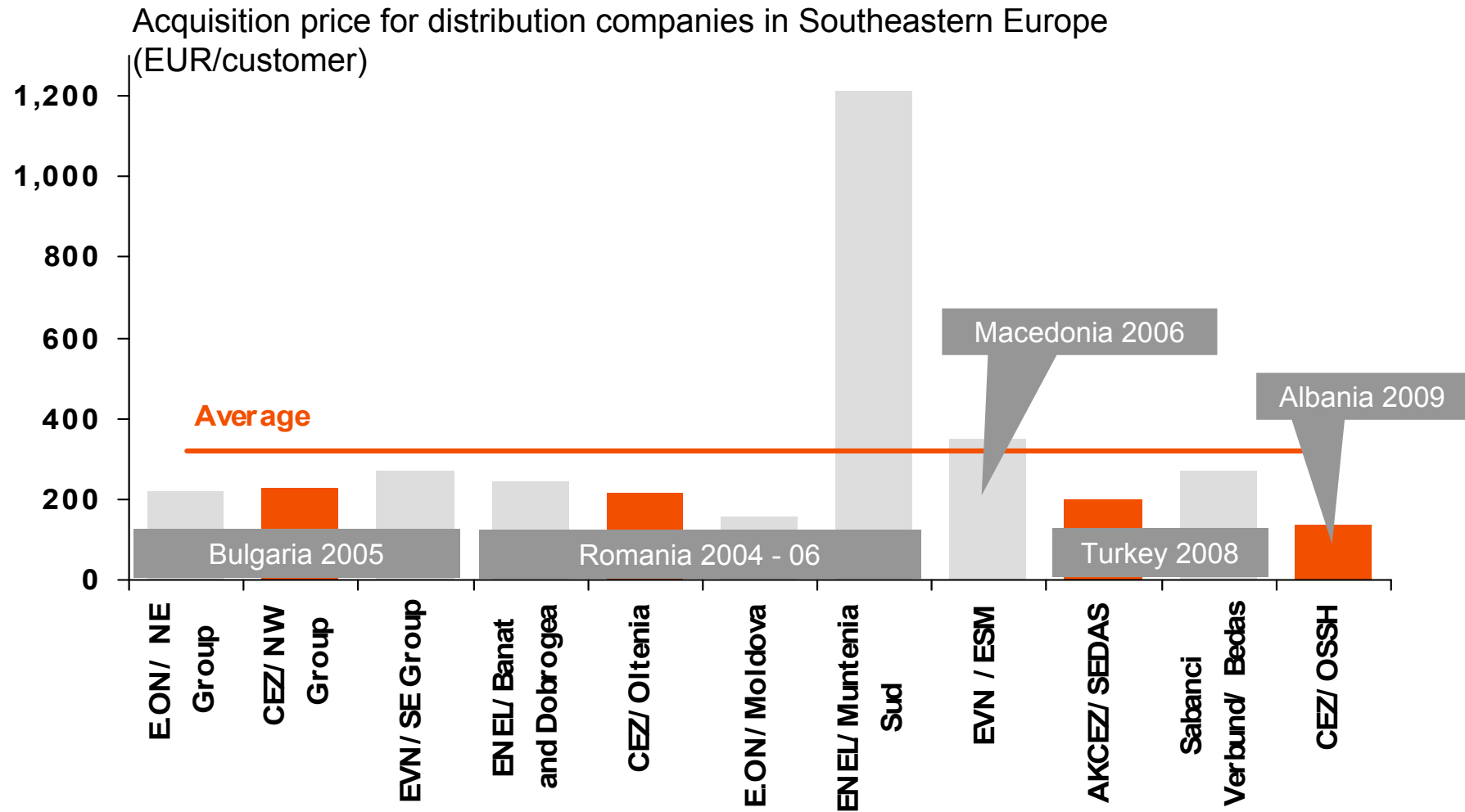
Annual electricity production (TWh)	1.4
Annual heat delivery (TJ)	2 000
Annual coal mining (m t)	19
Coal reserves (m t)	530
Installed capacity (MW)	208

Selected figures – Akenerji

Market share (%)	2
Power plants under construction (MW)	388
Installed capacity (MW)	358



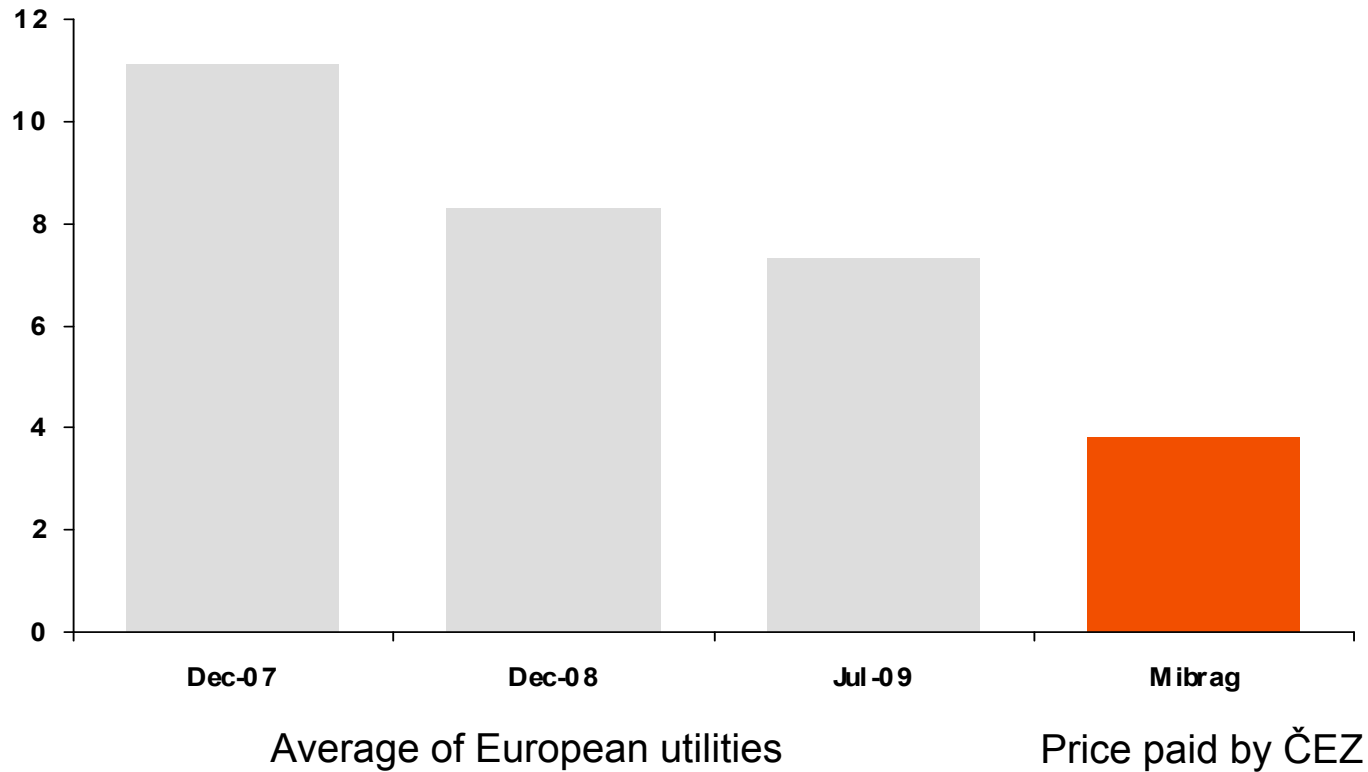
CEZ HAS PAID ATTRACTIVE PRICES FOR DISTRIBUTION COMPANIES IN ALBANIA AND TURKEY





MIBRAG HAS BEEN PURCHASED FOR A FRACTION OF PRE-CRISIS MULTIPLES OF ENERGY COMPANIES

EV/EBITDA
Multiple





CONSTRUCTION OF WIND FARMS FÂNTÂNELE A COGEALAC...

- The largest off shore wind park in Europe with 600 MW of installed capacity entails installation of 240 wind turbines
- After completion of construction the wind park will represent 30 % of electricity produced from renewables in Romania (including big hydro plants on Danube river)
- Total investment of CEZ Group will reach EUR 1.1 bn
- Start of operation – 1st phase Fântânele (347.5 MW) in the first half of 2010, 2nd phase Cogeaalac (252.5 MW) year after
- 100 km of planned 145 km of new roads already constructed
- 36.5 of 150 kilometers of cables laid
- Bases for 69 turbines completed



...AND NEW CCGT POWER PLANT IN POCERADY CONTINUES

- CCGT Pocerady will be the first large steam gas power plant of CEZ Group in the Czech Republic
- Contracts with main suppliers signed:
 - Gas supplier – RWE – long term 15 years contract
 - General supplier of project – ŠKODA PRAHA Invest
 - Supplier of 2 gas turbines with accessories – Siemens
 - Supplier of gas turbine with accessories – Škoda Power
 - Supplier of waste-heat boiler with accessories – SES Tlmače
 - Suppliers of further units are selected continuously
- CEZ currently does not operate any gas fired power plant
- Approximately 1.1 -1.5 % of total electricity generated in the Czech Republic comes from gas
- Technical solution could be applied to further projects prepared by CEZ Group in the Czech Republic and abroad



SELECTED PARAMETERS OF POWER PLANT AND PLANNED TIMETABLE OF CCGT POCERADY PROJECT

- Installed capacity of CCGT – 841 MW
- Expected sum of investment – approximately CZK 20 bn
- Expected service life of power plant – 30 years
- Efficiency of steam gas cycle – 57.4 %

EIA submission	12/2008
Signature of contracts with suppliers of gas and technologies	06/2009
Building permit	09/2010
Preparation of construction site	01/2010
Start of construction	10/2010
Start of operation	04/2013



COMPLEX RENEWAL OF TUSIMICE POWER PLANT II IS BEING FINALISED ON UNITS 23 AND 24

Generation unit 23

- June 23 at 6 p.m. – first connection to the grid (connection of generator to the grid and operation with performance from 30 to 40 MW)
- Pre-complex testing during which automatics of boiler, turbine and other systems of the unit are being adjusted
- Complex testing of unit is planned in 4th week of August 2009

Generation unit 24

- Successful pressure testing of boiler, its first ignition ran on June 18
- Preparation for first connection of unit to the grid – expected in September 2009





CONSTRUCTION OF NEW 660 MW UNIT IN LEDVICE CONTINUES ACCORDING TO THE PLAN



Finished:

- Renovation of delivery track, chemical water treatment
- Part of new coal handling for existing units
- Administrative building after acceptance
- Foundation concrete board 80 x 130 m for boiler room

Ongoing:

- Construction of two concrete towers of boiler room (approximately 150 m high); construction of new central control room
- Concreting of stool for imposition of turbine



FURTHER PROJECTS WILL ENLARGE GENERATION PORTFOLIO OF CEZ GROUP BOTH IN A FIELD OF ELECTRICITY GENERATION AND HEAT GENERATION AND SUPPLY

- Project of construction of new nuclear power plant in Jaslovske Bohunice
 - At the end of May ČEZ, a. s., signed a shareholder agreement allowing establishment of a joint venture with Slovakian energy company JAVYS
 - Feasibility study will be finished by the end of 2010
- CEZ – MOL joint venture CCGT projects continue according to the plan
- In July, ČEZ, a. s., signed an agreement to acquire c. 48% share in Prazska teplarenska
 - Important step in connection with planned CCGT in Melnik – future source of heat for capital city Prague
 - Besides heat delivery business, Prazska teplarenska owns company Energotrans, which operates Melnik I power plant with total capacity of 352 MW

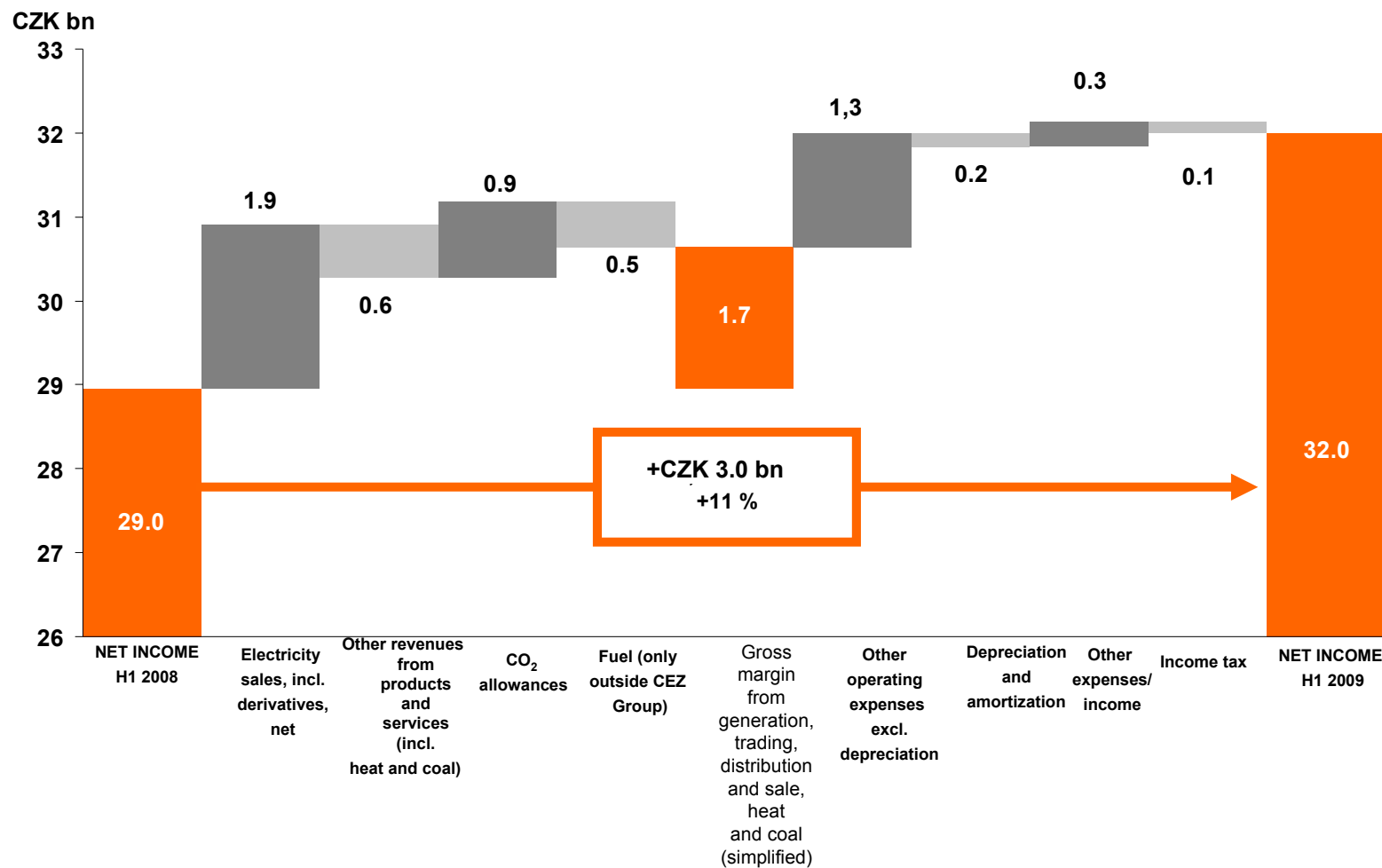


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NET INCOME INCREASED BY CZK 3.0 BN Y-O-Y



Key factors

- Realization of electricity sales that were contracted already in 2008 for prices before the fall of commodity exchanges due to financial crisis
- Continued cost control and benefits of „Efektivita“ (efficiency) program
- Decline in electricity consumption in the Czech Republic and abroad has negative impact

Other influences

- Higher profit from CO₂ allowances (by CZK 0.9 bn) due to release of provision which was created at the end of 2008. New provision will be created at the end of 2009; its amount will depend on market price of allowances.
- Methodical change of IFRS – collected charges for participations on energy input and for connections to the network are booked directly to revenues (CZK 0.8 bn – influences other operating revenues)
- Increase of MOL (Hungarian company) share price has a positive impact on Other expenses/income line



GROSS MARGIN FROM GENERATION, TRADING, SUPPLY AND DISTRIBUTION INCREASED BY 3 % TO CZK 66.4 BN

(in CZK millions)	H1 2008	H1 2009	Change 09-08	Index 09/08
Operating revenues	90,421	95,615	5,194	106%
Variable operating costs	-25,662	-29,175	-3,513	114%
Electricity sales and services	79,161	87,492	} 1,939	103%
Electricity, gas and coal derivative trading, netto	4,595	2,076		
Purchased power and related services	-18,538	-22,411		
Heat sales and other revenues	6,665	6,047	-618	91%
Fuel	-7,466	-8,005	-539	107%
CO2 allowances	342	1,241	899	363%
of which CO2 allowances derivatives	230	429	199	187%
Gross margin (simplified)	64,759	66,440	1,681	103%

Main changes

- Sales of electricity for 2009 which were contracted mainly in 2008 at the time of higher electricity prices resulted in higher gross margin from electricity.
- Lower gain from derivative trading is influenced by loss on revaluation of purchase electricity contracts for final customers of CEZ Group for years 2010 and 2011. Loss from revaluation will be compensated at the time of sales realization in 2010 and 2011.
- Higher purchased power is connected to higher volume of trading and to lower production from own power plants due to optimization of power plants' usage.
- Decline in other revenues is derived from sale of I&C Energo in June last year.
- Increase in coal costs is caused by increased coal prices in the Czech Republic and abroad – contracts were signed already in Q4 2008.
- Profit from CO₂ allowances increased by CZK 0.9 bn y-o-y, mainly by release of a provision which was created at the end of 2008.



CEZ GROUP KEEPS ITS OPERATING COSTS UNDER CONTROL

(in CZK millions)	H1 2008	H1 2009	Change 09-08	Index 09/08
SUM of selected operating costs	-15,976	-14,613	1,363	91%
Salaries and wages	-7,707	-7,749	-42	101%
Other selected operating costs	-8,269	-6,864	1,405	83%
Repairs and maintenance	-1,691	-2,211	-520	131%
Material and supplies	-2,290	-2,173	117	95%
Others	-4,288	-2,480	1,808	58%
EBITDA	48,783	51,827	3,044	106%
Depreciation and Amortization	-10,806	-10,971	-165	102%

- Higher Repairs and maintenance is caused by y-o-y higher number of planned shutdowns of coal plants of ČEZ, a.s. concentrated in H1.
- Item Others includes revenues from securing electrical input and new connections, which are reducing operating costs. They increased y-o-y (by CZK 0.8 bn) as a result of the methodical change of IFRS, which ceased to defer revenues from participations on electrical input and connections. Another influence is y-o-y increase of capitalization of property bought within CEZ Group (CZK +0.8 bn)



OTHER EXPENSES AND INCOME IMPROVED BY CZK 0.3 BN

(in CZK millions)	H1 2008	H1 2009	Change 09-08	Index 09/08
Other expenses and income	-1,210	-911	299	75%
Interest on debt	-1,352	-1,532	-180	113%
Interest on nuclear and other provisions	-1,025	-1,046	-21	102%
Interest income	813	1,077	264	132%
FX profit / loss and financial derivatives	-133	240	373	x
Gain/Loss on sale of subsidiary/associate	333	-6	-339	x
Income from associates	7	17	10	248%
Others	147	339	192	230%
Profit before taxes	36,767	39,945	3,178	109%
Income tax	-7,809	-7,945	-136	102%
Net Income	28,958	32,000	3,042	111%

- Increase of interest expense due to new bond issues; on the contrary interest income increased thanks to efficient use of temporarily available cash
- MOL (Hungarian company) share price increase has positive impact on financial derivatives (increase by HUF 2,080 per share since the beginning of the year)
- Gain/loss from sales of subsidiary is influenced by sale of I&C Energo in 2008
- Item Others is positively influenced by impact of movement of CZK/EUR FX rate on value of securities denominated in EUR



DEVELOPMENTS IN Q2 2009

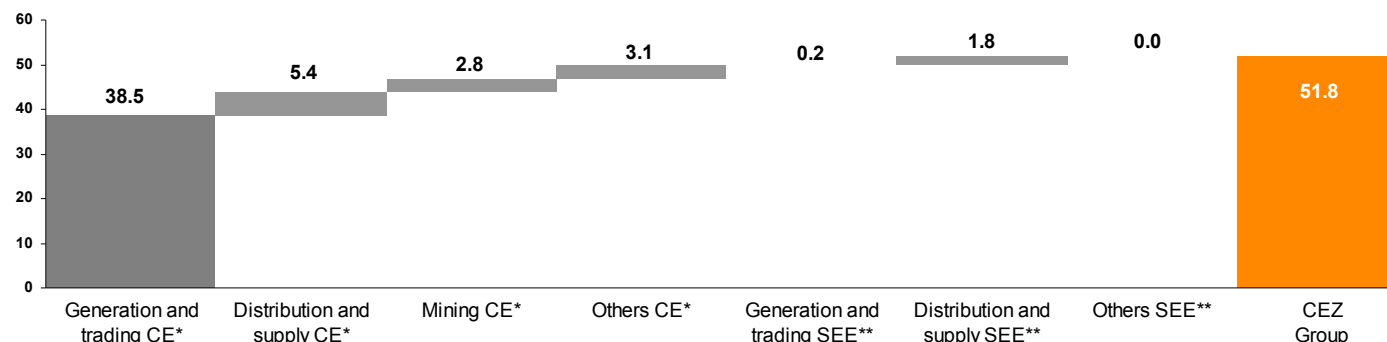
(in CZK millions)	4 - 6 / 2008	4 - 6 / 2009	Change 09-08	Index 09/08
Operating revenues	41,816	42,312	496	101%
Variable operating costs	-11,294	-12,923	-1,629	114%
Gross margin (simplified)	30,522	29,389	-1,133	96%
SUM of selected operating costs	-8,824	-7,789	1,035	88%
Salaries and wages	-4,033	-4,056	-23	101%
Other selected operating costs	-4,791	-3,733	1,058	78%
Repairs and maintenance	-1,028	-1,394	-366	136%
Material and supplies	-1,220	-1,129	91	93%
Others	-2,543	-1,210	1,333	48%
EBITDA	21,698	21,600	-98	100%
Depreciation and Amortization	-5,281	-5,541	-260	105%
Other expenses and income	507	-94	-601	x
Profit before taxes	16,924	15,965	-959	94%
Income tax	-3,692	-3,350	342	91%
Net Income	13,232	12,615	-617	95%

- Decline of gross margin caused by lower spot electricity prices compared to last year and by lower volume of electricity sales from own generation due to optimization of generation against CO₂ allowances (savings from unused CO₂ allowances appear during creating of provision at the end of the year)
- Higher Repairs and maintenance are caused by y-o-y higher number of planned shutdowns of coal power plants of ČEZ, a. s.
- Item Others includes also revenues from securing electricity input and connections, which are reducing other costs. These revenues increased y-o-y (CZK 0.4 bn) as a result of methodical change of IFRS which ceased to defer revenues from participations on securing electricity input and connections. Other positive impact is increase of capitalization of property within the whole group (CZK 0.8 bn)
- Decrease in Other expenses and income in Q2 2009 is influenced by sale of I&C Energo in 2008 and by development of Czech crown exchange rates



SEGMENTAL CONTRIBUTIONS TO EBITDA

Segmental contribution to EBITDA
in H1 2009
CZK bn



Index H1 09/ H1 08

105 % 116 % 109 % 99 % 164 % 105 % 135 % 106 %

Index Q2 09/ Q2 08

98 % 108 % 100 % 103 % 86 % 101 % N/A 100 %

- **Generation and trading CE***: 5 % y-o-y increase of EBITDA is mainly a result of 2009 electricity sales contracting already in 2008 at the time of high electricity prices. Electricity generation in Central Europe declined to 31.9 TWh (-6 %).
- **Distribution and supply CE***: EBITDA increased by 16 % mainly due to methodical change of IFRS (change in newly collected participations from securing electricity inputs and connections directly to revenues amounting to CZK 562 m).
ČEZ Distribuce recorded decline in volume of electricity distributed to industrial customers by 1.4 TWh (-14 %) due to economic slowdown.
- **Mining CE***: EBITDA of Severočeské doly is higher by 9 %, which is caused mainly by increased supplies to CEZ (while electricity generation is declining, share of Severočeské doly on total coal supplies is increasing) and by higher prices of sorted coal while total costs are almost fixed.
- **Generation and trading SEE****: EBITDA increased to CZK 151 m. In H1 2009 Varna power plant generated 1.3 TWh (+0.1 TWh, +7 % y-o-y).
- **Distribution and supply SEE****: EBITDA showed 5 % increase. It was caused mainly by lower creation of provisions and adjustments against final customers' receivables in Romania and by accounting of participations on securing electricity input and connections (IFRS change). Economic crises has negative impact. Companies in Bulgaria and Romania distributed 8.1 TWh of electricity to final customers, y-o-y decrease of 0.6 TWh (by 7%). In Bulgaria it was higher by 0.1 TWh (by 3 %), in Romania lower by 0.7 TWh (by 17 %).
Sales to end customers outside group reached 6.1 TWh, i.e. 3 % up y-o-y. In Bulgaria sales to end customers increased by 4 %, in Romania they marginally decreased by 0.2 %.

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

**CEE = region of Southeastern Europe (Turkey, Bulgaria, Romania, Kosovo, Serbia, Albania, Russia, Bosnia & Herzegovina, Ukraine)

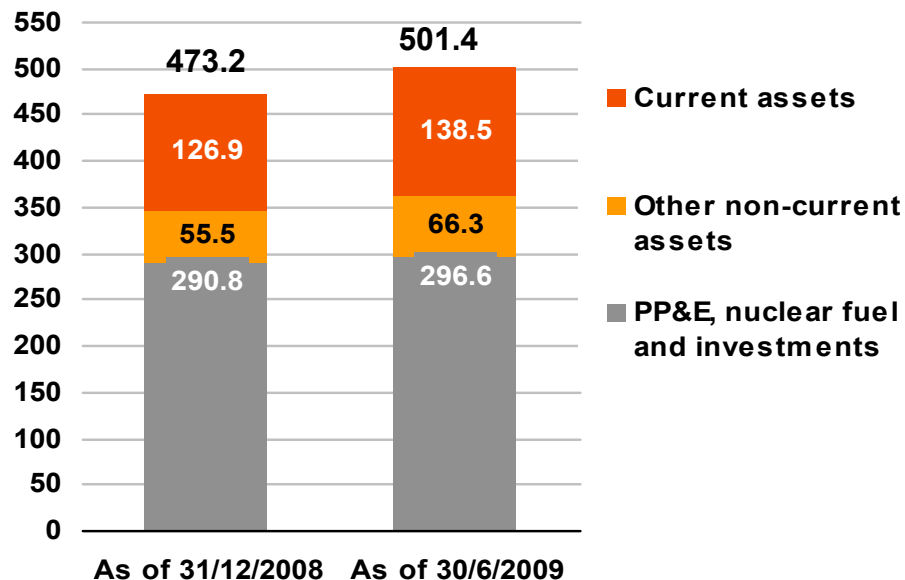


BALANCE SHEET OVERVIEW

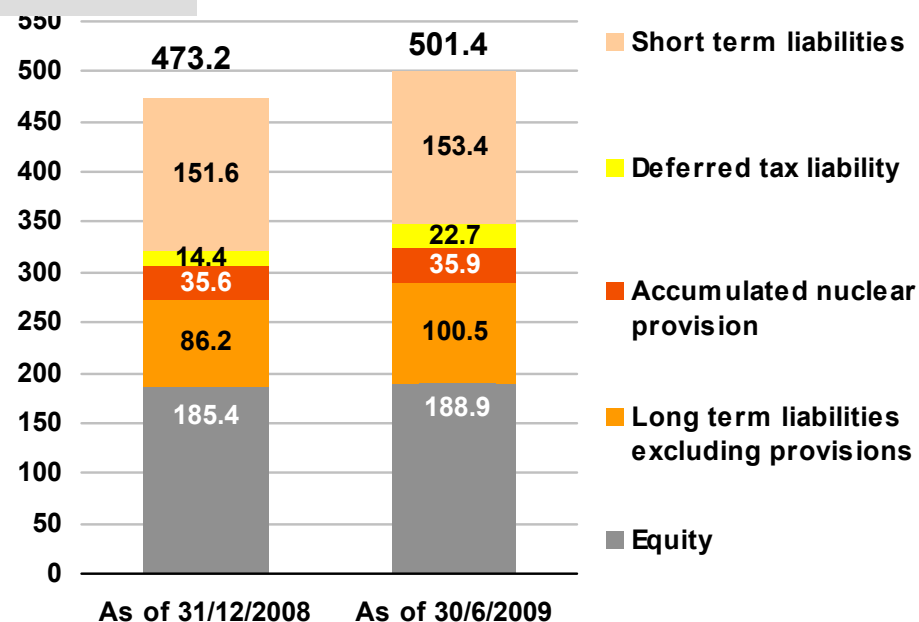
ASSETS CZK bn

Balance of current assets and short term liabilities

- Balance of current assets and short term liabilities increased by CZK 9.8 bn:
 - increase in cash & equivalents and provided loans by CZK 23.8 bn
 - decrease of short term loans and borrowings by CZK 7.2 bn
 - increase of dividends payable by CZK 26.6 bn
 - increase of receivables from derivatives by CZK 5.7 bn



EQUITY AND LIABILITIES CZK bn



Non-current assets

- Increase in fixed assets due to rising investments
- Increase in other non-current assets due to increase in financial investments in 2009

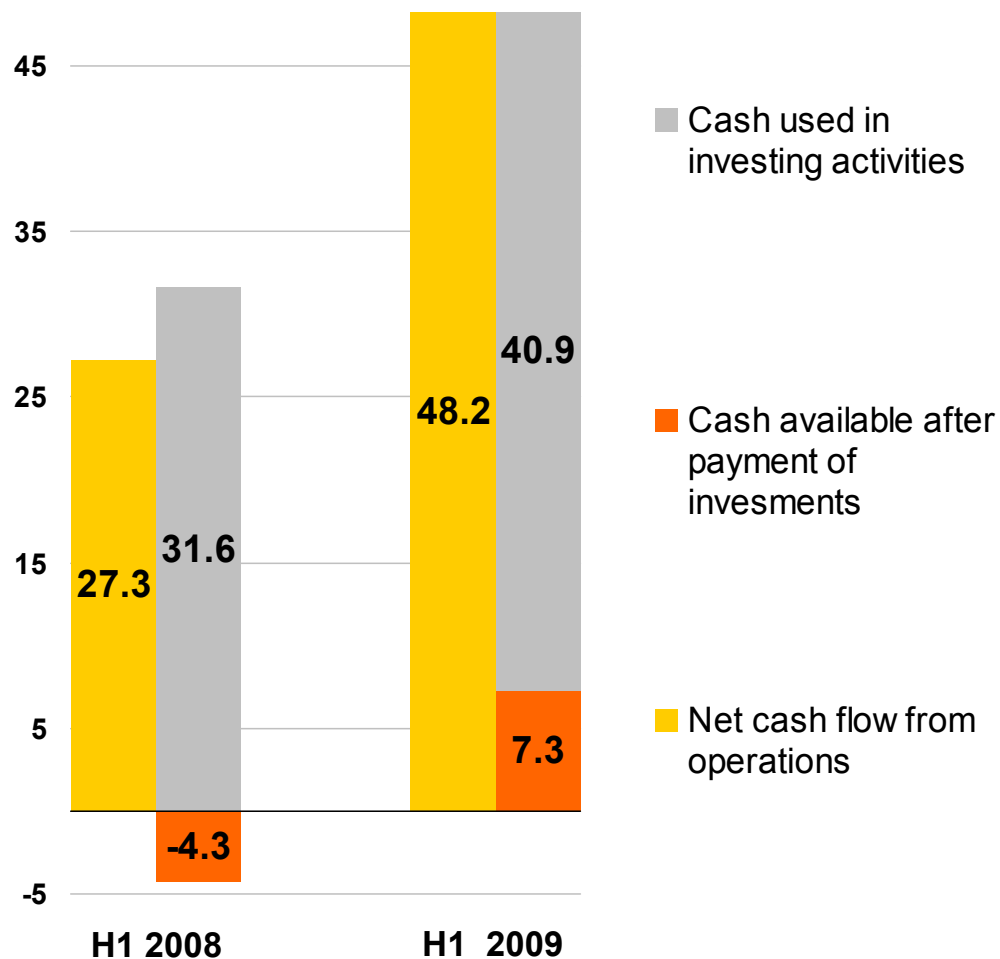
Long term liabilities and equity

- Equity increased by CZK 3.5 bn. Net income created in 2009 (CZK 32.0 bn) is reduced by approved dividend of CZK CZK 26.6 bn
- Issued bonds increase long term liabilities by CZK 14.9 bn
- Deferred tax liability increased, which corresponded with increase in income tax expense in H1 2009



CASH FLOW – SELECTED ITEMS

CZK bn



- In 2009 net cash flow from operations increased by CZK 20.9 bn. Profit before tax increased by CZK 3.2 bn, additionally decrease in receivables from PXE trades contributed with CZK 13.3 bn and decline in investments to securities by CZK 8.5 bn. On the contrary tax paid increased by CZK 2.6 bn due to rising profits.
- Cash flow used in investing increased by CZK 9.3 bn y-o-y mainly due to higher financial investments (new acquisitions) by CZK 11.7 bn and due to higher investments to fixed assets by CZK 4.9 bn. Provided loans decreased by CZK 5.7 bn.
- Cash available after payment of investments increased by CZK 11.6 bn.



DESPITE GOOD RESULT IN THE FIRST HALF WE KEEP OUR FULLY YEAR 2009 RESULTS UNCHANGED

EBITDA of CEZ Group (CZK bn)

Share of H1

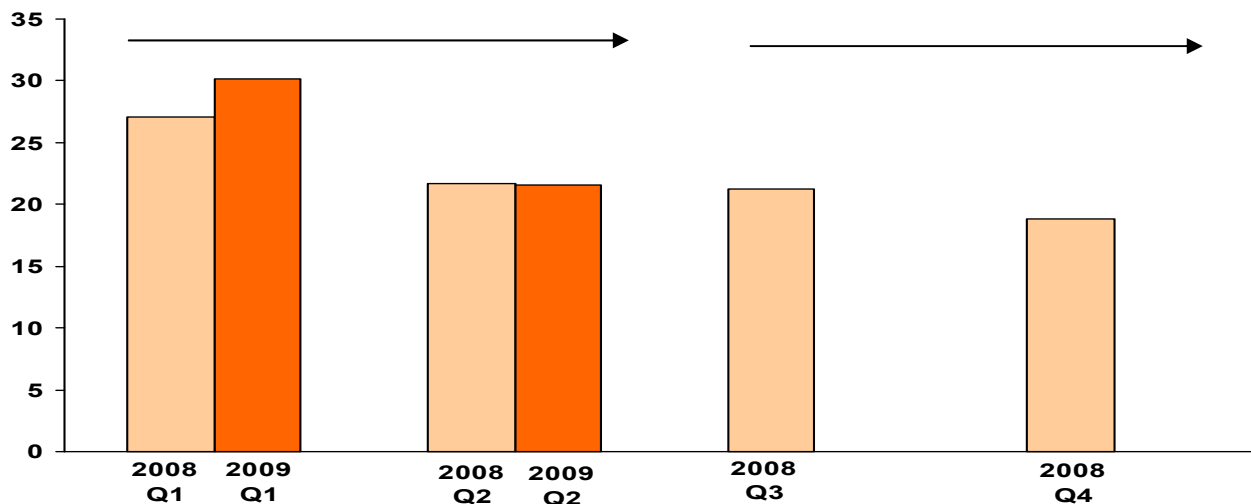
In 2008 55 % of full year EBITDA

In 2009 57 % of expected full year EBITDA

Share of H2

In 2008 45 % of full year EBITDA

In 2009 43 % expected full year EBITDA



In addition to standard uneven distribution of profit within the year, 2009 is influenced by several specific factors:

- Release of provision for CO₂ allowances in Q1, expected creation of provision at the end of the year
- Cold winter 2009 compensated decline in consumption in Q1 and mitigated the impact of decline in wholesale electricity prices
- H2 will be fully impacted by economic crisis – influence of lower consumption, decline of spot electricity prices and also of quarterly and monthly prices for H2, which influences still unsold volume for 2009
- In H1 EBITDA was boosted by CZK 0.5 bn thanks to FX hedging, which cannot be expected in H2



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ELECTRICITY DEMAND IN THE CZECH REPUBLIC RECORDED ONE-OFF CORRECTION AT THE END OF LAST YEAR AND NOW ITS DEVELOPMENT IS FAIRLY STABLE

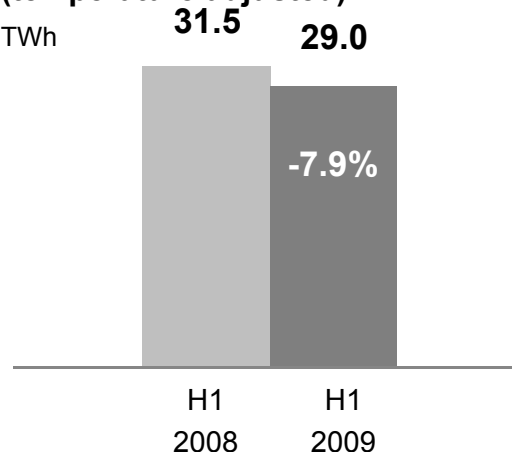
Electricity consumption in the Czech Republic

TWh

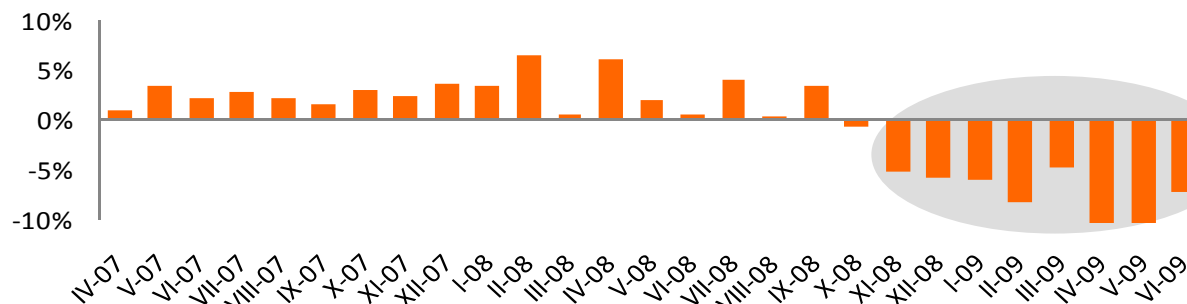


Electricity consumption in the Czech Republic

(temperature adjusted)
TWh



Y-o-y monthly absolute indexes of consumption (temperature adjusted) in the Czech Republic

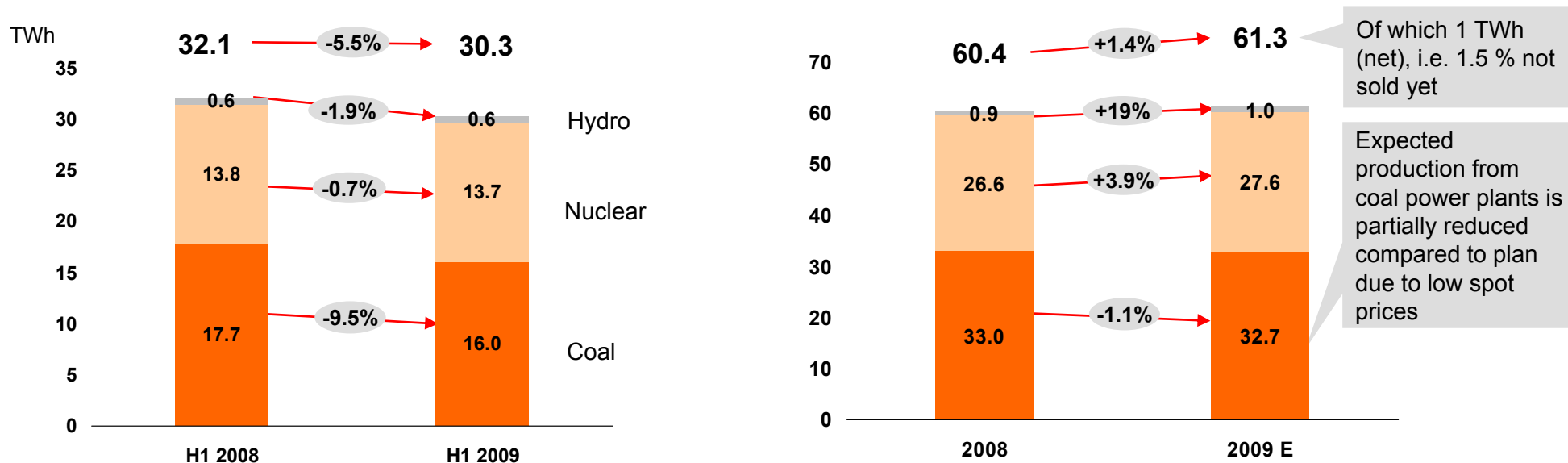


- Annual decline of consumption in the Czech Republic further deepened to the level of 7 % (after adjustment around 8 %)
- Development of consumption by individual segments:
 - -12.5 % industrial customers
 - +1.8 % households
 - +0.5 % small enterprises
- Economic recession influenced Czech electricity consumption the most in April and May, when y-o-y decrease exceeded 10 %. June value is returning back to the original level of 6-7 % y-o-y decrease



IN H1 2009 ELECTRICITY GENERATION OF ČEZ, A. S., DECLINED, FOR THE FULL YEAR 2009 WE CONTINUE TO EXPECT MODERATE GROWTH

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



- Y-o-y decrease in production in coal power plants of 9.5% was mainly caused by higher number of planned shutdowns in coal power plants and by optimization of generation volume.
- Y-o-y decrease in generation in nuclear power plants by 0.7% was caused by planned shut down of Unit 3 at Dukovany, which started on January 10, 2009 and was ongoing for the whole Q1 2009.
- Y-o-y decrease in generation of hydro plants by 1.9% was caused mainly by lower water flow in January and February, which was subsequently compensated by large rainfall in June.

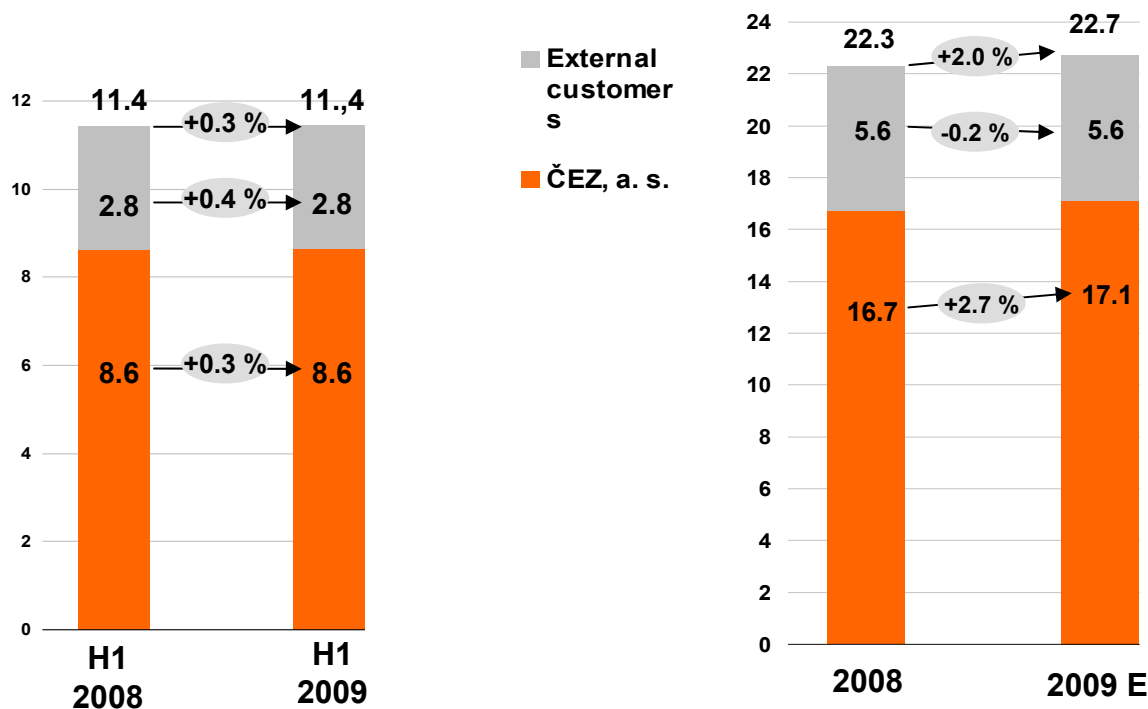


VOLUME OF COAL EXTRACTION AT SEVEROČESKÉ DOLY MARGINALLY INCREASED

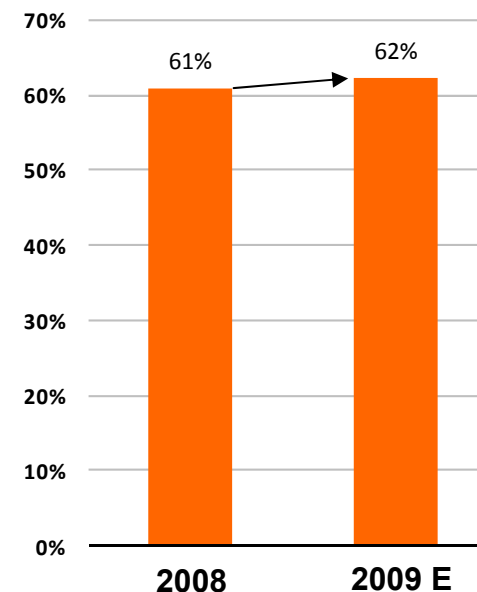
Severočeské doly a.s. recorded stable development in coal sales. They expect slight y-o-y increase for the full year (influence of sales to CEZ)

Share of supplies from Severočeské doly on total coal purchases of CEZ is increasing

Volume of coal extraction in million tones



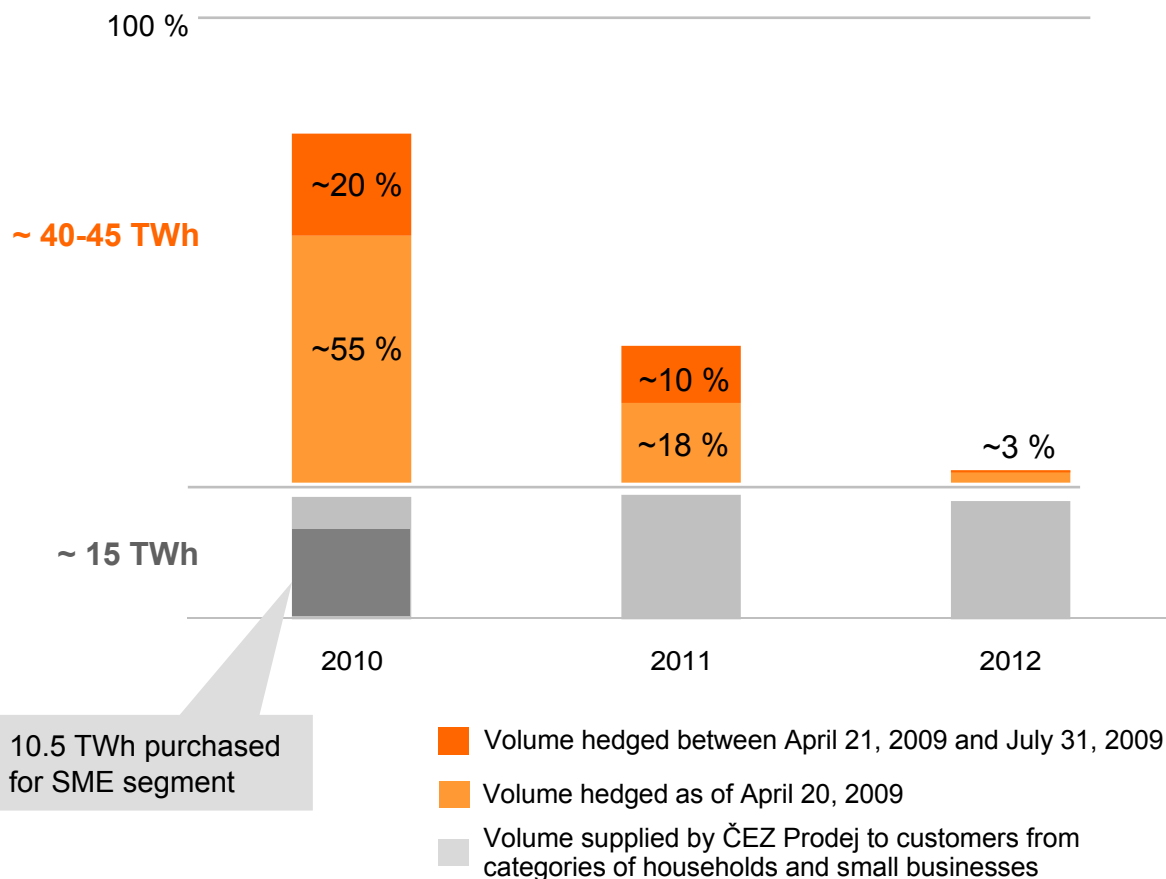
Share of SD on total consumption of lignite by ČEZ, a.s.





ČEZ, A. S. ACCELERATES SALES OF FORWARD POSITIONS DUE TO RECOVERY OF ELECTRICITY PRICES

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



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



FORWARD PRICES ARE STILL VERY VOLATILE AND REACT TO CHANGES OF COMMODITY INPUT PRICES

Development of market prices on PXE - baseload

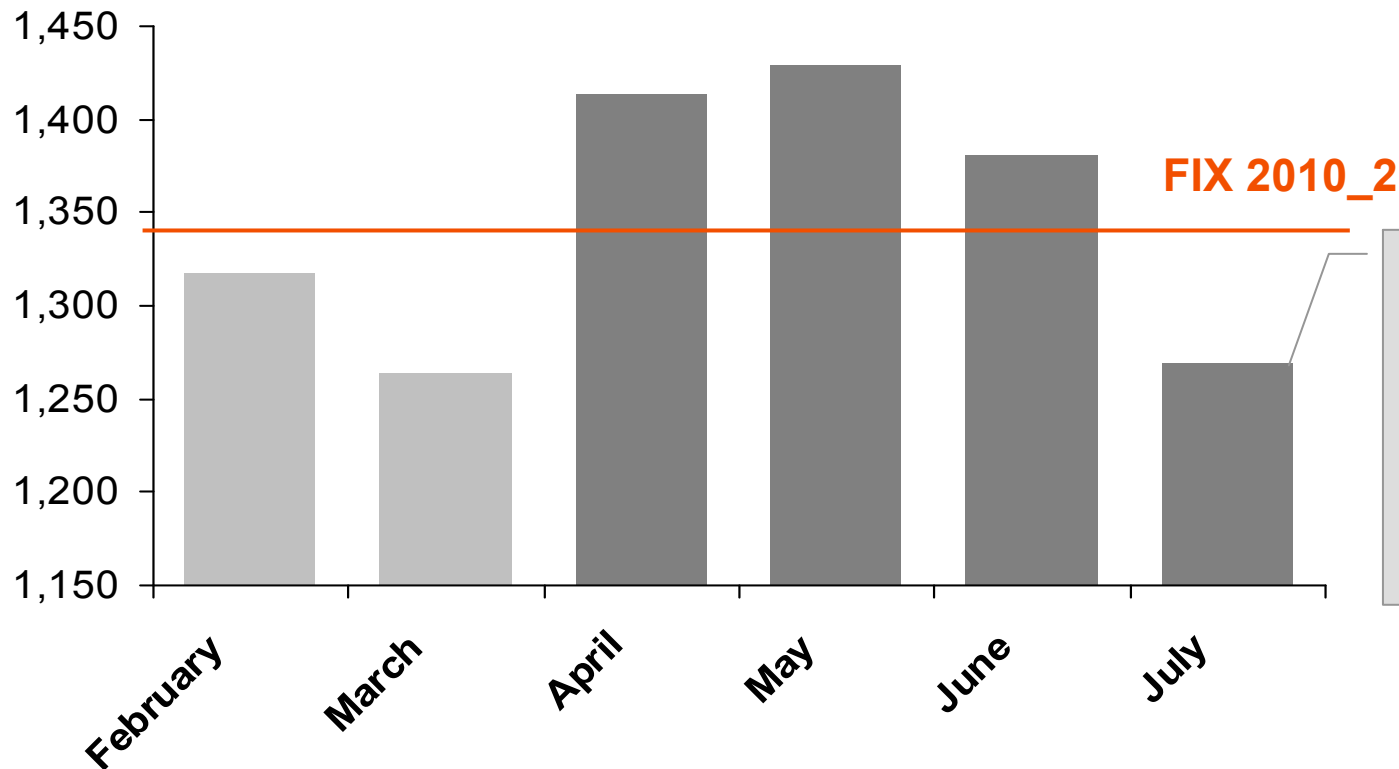


* Closing prices as of August 5, 2009



DEVELOPMENT OF 2010 WHOLESALE ELECTRICITY PRICES INFLUENCES PURCHASE PRICE FOR TARIFF CUSTOMERS AND THUS PREDESTINES DEVELOPMENT OF PRICES FOR FINAL CUSTOMERS

BL CAL-10
[CZK/MWh]



Electricity purchase price in July was positively influenced by lower electricity prices in EUR/MWh and strengthening Czech Koruna exchange rate

Development of exchange rate
[CZK/EUR]

28.64

28.00

27.12

27.06

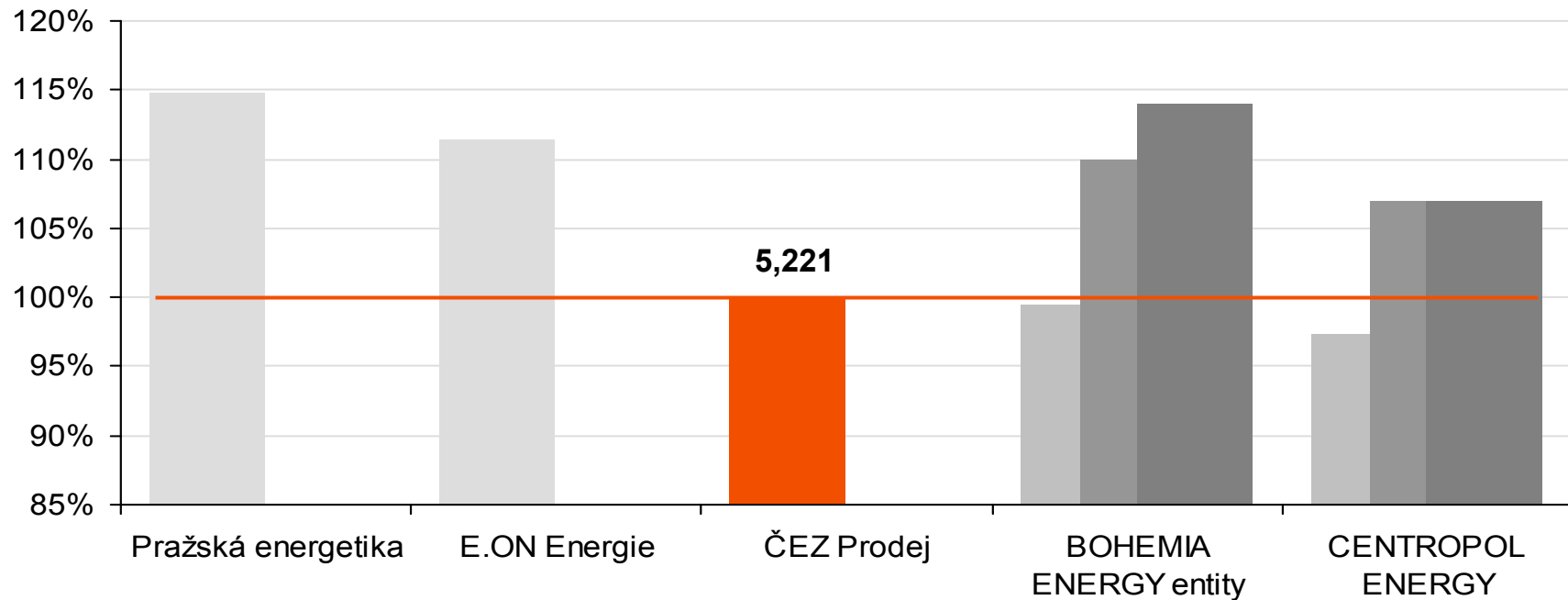
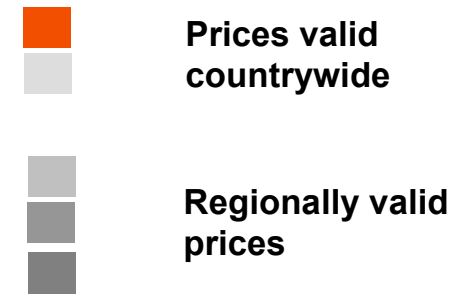
26.88

26.16



PRICES OF CEZ GROUP FOR THIS YEAR ARE SUBSTANTIALLY MORE ADVANTAGEOUS THAN OFFERS OF COMPETITORS

Annual payment for electricity in %
Single tariff product , 2.2 MWh



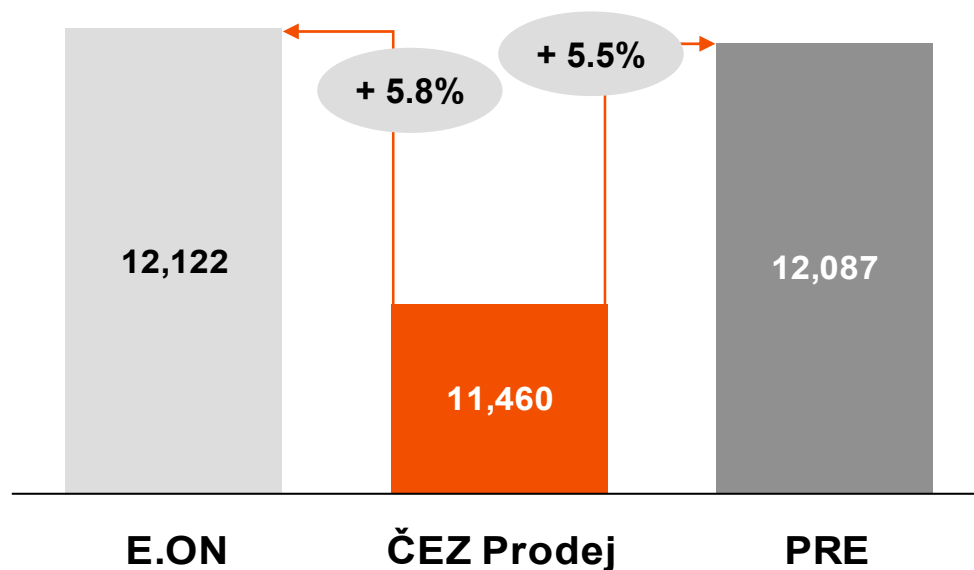


PRICE BENEFIT FOR A CUSTOMER WHO MAINLY USES ELECTRICITY FOR LIGHTING

D02d, circuit breaker 3 x 25 A, 2.2 MWh

	monthly fee	electricity	total/year
ČEZ Prodej	40.0	1,776.0	11,459.80
E.ON	48.0	1,960.0	12,122.45
PRE	45.0	2,044.0	12,087.45

Price difference to ČEZ Prodej



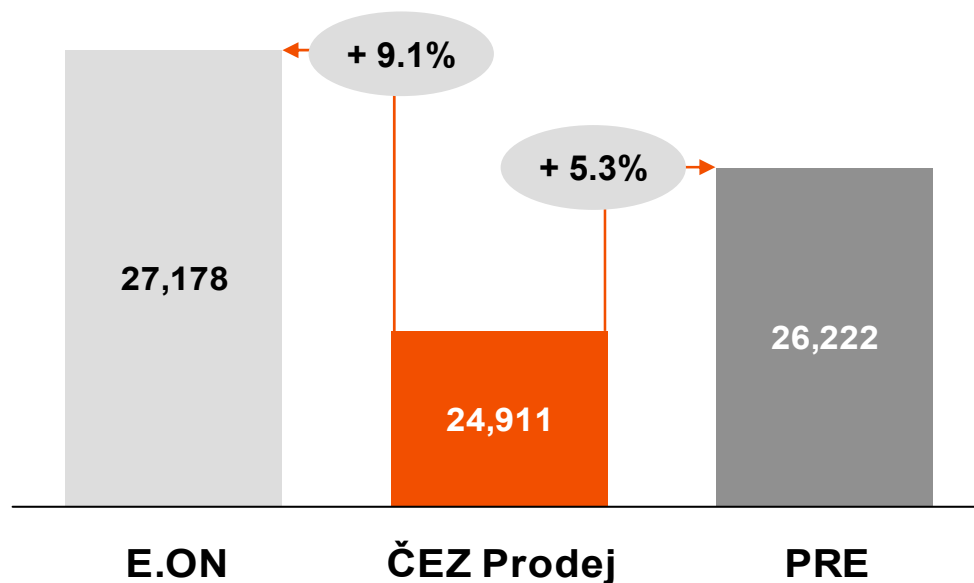


PRICE BENEFIT OF OFFER FOR A CUSTOMER WITH STORAGE HEATING

D026d, circuit breaker 3 x 25 A, peak 1.9 MWh, off peak 8.1 MWh

	monthly fee	electricity peak	electricity off peak	total/year
ČEZ Prodej	40.0	2,163.0	1,245.0	24,910.84
E.ON	48.0	2,430.0	1,409.0	27,178.48
PRE	45.0	2,098.0	1,414.0	26,222.38

Price difference to ČEZ Prodej





CEZ BEGAN TO WORK ON PREPARATION OF AN INVESTMENT PLAN FOCUSED ON MODERNIZATION AND ON EMISSION REDUCTION ACCORDING TO THE EU RULES AND ALSO ON ITS FINANCING

- EU laid each member state under obligation to significantly reduce of CO2 emissions from electricity generation
- Public resources of investments leading to fulfillment of these demanding goals should be provided by introduction of CO2 auctioning
- States with high share of electricity generated from coal have more difficult starting position in transformation of the whole energy sector into so called low carbon and therefore new EU directive enables them to introduce auctioning of CO2 allowances gradually and thus leave the resources in the energy sector (valid also for other industries)
- Money which will not be spent on purchase of CO2 allowances during the transition period will have to be fully invested, according to the EU rules, into modernization of equipment and infrastructure and into clean technologies
- Czech parliament has taken action to accelerate these investments and thus to stimulate Czech economy affected by global crisis
- CEZ launched preparation of the Investment Plan in accordance with this intention and it is also exploring ways of financing the accelerated Investment Plan, because savings from CO2 allowances, which CEZ will not need to purchase in auction between 2013 and 2020, will come many years after these resources must be invested.



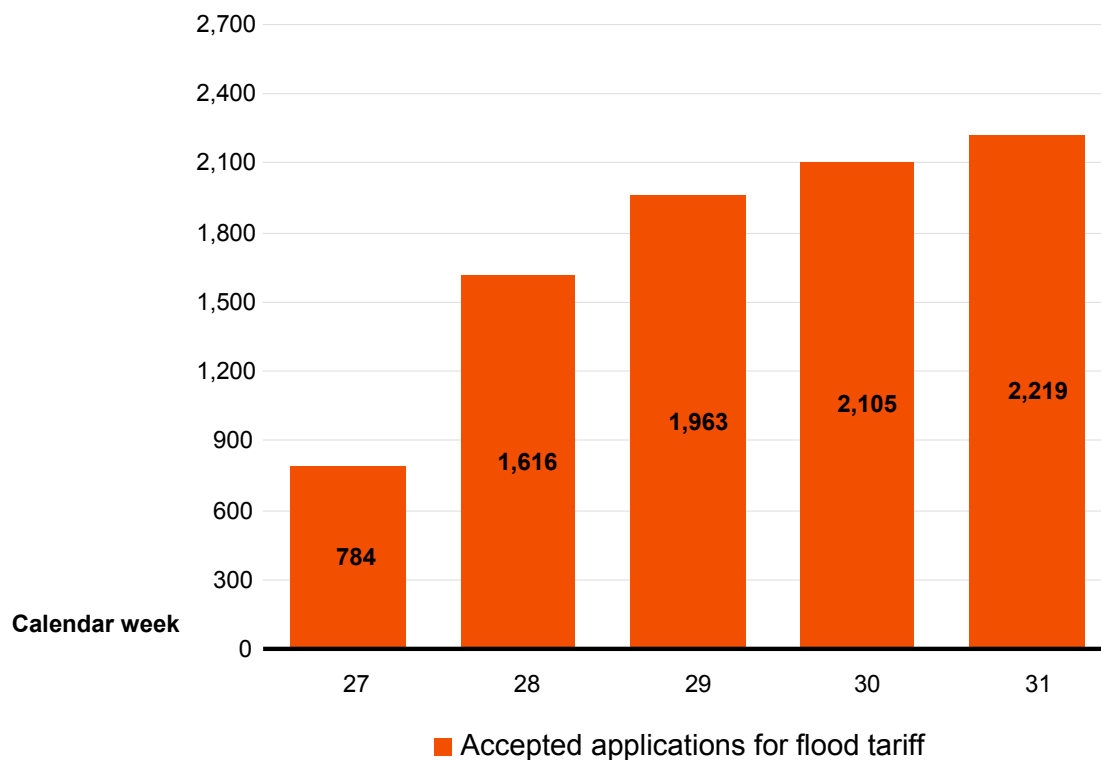
ENERGY COMPANIES WILL NOT BE ABLE TO FREELY DISPOSE OF RESOURCES FROM CO2 ALLOWANCES

Procedure of approving of investments

- Investment plan is submitted by energy companies to the Ministry of Environment
- Subsequently all investment plans with the accompanying record by the Ministry of Environment will be discussed by the Czech Government
- Then the plan approved by the Czech Government will be sent to the European Commission for approval (investment assessment in relation to emission reduction)



DEVELOPMENT OF NUMBER OF CUSTOMERS WILLING TO USE OUR EXTRAORDINARY OFFER „POVODNĚ 2009“ (FLOODS 2009)



- Offer started on July 1, 2009 with a goal to help people affected by the floods
- Customers affected by floods will be forgiven three monthly advances
- Offer applies to all customers of ČEZ Prodej affected by floods from category of households and SMEs disregarding distribution area

Total amount of applications for flood tariff received as of July 31, 2009 is 2,219



ON AUGUST 1, 2009 CEZ GROUP STARTED TO OFFER THE POSSIBILITY OF DUAL DELIVERY OF ELECTRICITY AND NATURAL GAS TO ITS WHOLESALE CUSTOMERS

- **CEZ Prodej has become a trader with natural gas**
 - in July, we received a license for sale of natural gas
 - we have secured complex delivery of natural gas for our potential customers
- **Offer of natural gas delivery is dedicated exclusively to bigger companies, i.e. to customers with annual consumption above 4,200 MWh**
- **Offer of natural gas delivery is currently dedicated for 2010**
- **Dual delivery brings to our customers:**
 - one supplier of two commodities
 - offer of higher service comfort
 - unified communication and personal service of our sales representative
 - possible optimization of energy costs
 - cooperation with strong and reliable partner
- **More on www.cez.cz/plyn**

