

**PRESS CONFERENCE ON THE
FINANCIAL RESULTS OF CEZ GROUP
IN Q1 2010**

**NON-AUDITED CONSOLIDATED RESULTS PREPARED IN ACCORDANCE WITH THE
PRINCIPLES OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

Prague, May 11, 2010



AGENDA

- **Financial highlights and key events in CEZ Group in Q1 2010**
Martin Novák, CFO
- **Financial results**
Martin Novák, CFO
- **Trading position of CEZ Group**
Michal Skalka, Director of Trading Section

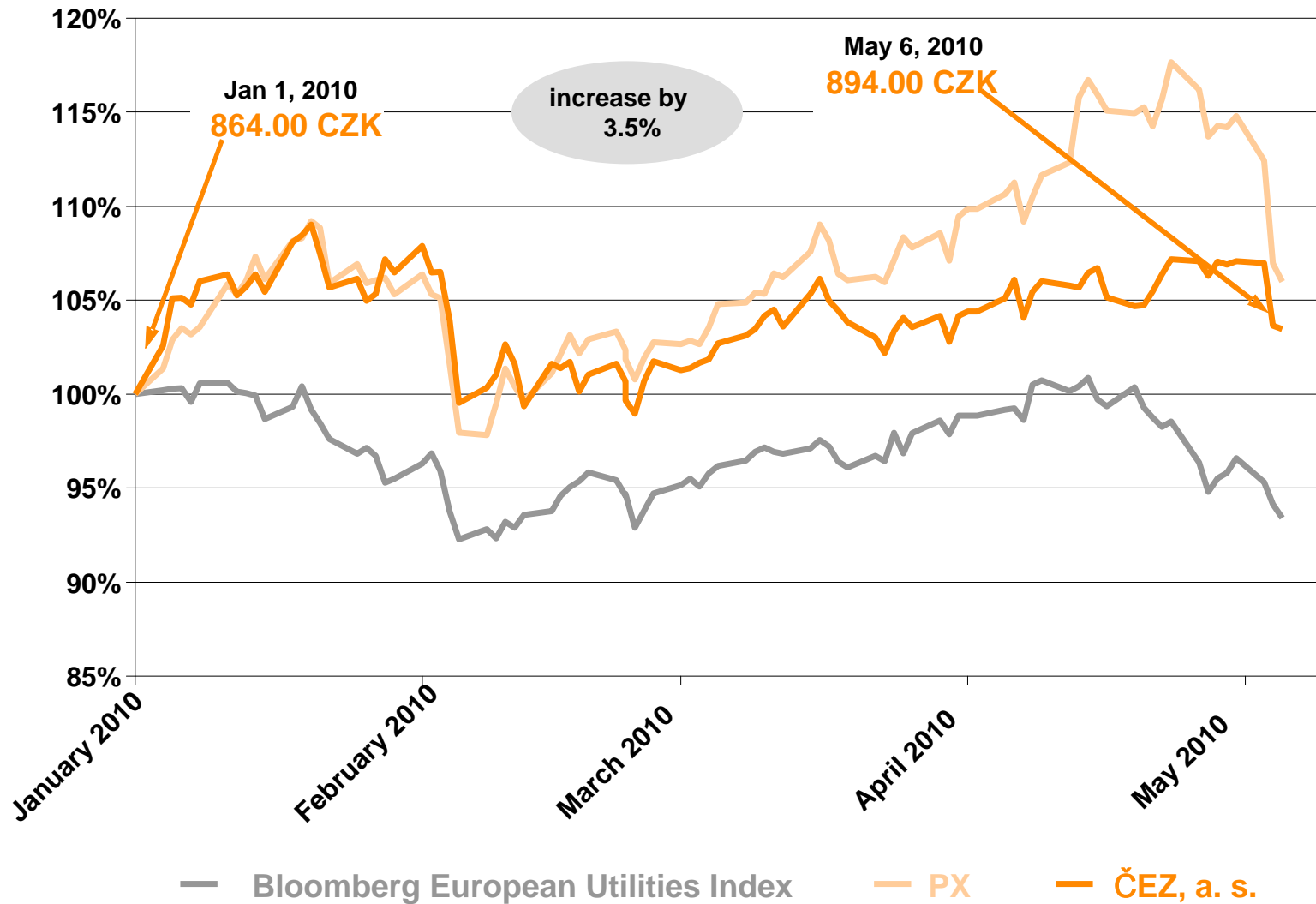


KEY RESULTS IN Q1 2010 AND GUIDANCE FOR 2010

- **General Meeting date: June 29, 2010.**
Decisive date for participation in the General Meeting: June 22, 2010.
Dividend proposal by CEZ Board of Directors: CZK 53 gross per share, approx. 55% of the 2009 net consolidated profit will be distributed.
Dividend record date is the General Meeting date, i.e. June 29, 2010.
- Martin Roman was elected as a member of MOL's Board of Directors, but he will not be in an executive position.
- **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)** decreased by 9.6% y-o-y (CZK 2.9 bn.) to CZK 27.3 bn.
- **Earnings before Interest and Taxes (EBIT)** decreased slightly by 13% y-o-y (CZK 3.1 bn.) to CZK 21.7 bn.
- **Net income** decreased by 9.9% y-o-y (CZK 1.9 bn.) to CZK 17.5 bn.
- **Return on equity** decreased from 27.4% to 24.5% y-o-y.
- **Share price at BCPP and GPW** was CZK 894 at May 6, 2010.
- **Actual EBITDA in 2010 is expected** to reach CZK 88.7 bn., **net income is expected** to reach CZK 46.7 bn.



THE SHARE PRICE OF ČEZ, A. S. INCREASES FASTER THAN UTILITIES' AVERAGE, CLOSING AT CZK 894 ON MAY 6, 2010





WITH ITS NUCLEAR POWER PROJECTS, CEZ GROUP IS AT THE TOP OF THE GLOBAL WAVE

- CEZ Group is committed to the European Union's goal to reduce greenhouse gas emissions.
- One of the ways to accomplish this is an emission-free nuclear power industry.
- Nuclear power is considered even in countries that have not used it so far (Poland, Turkey, but also Saudi Arabia, Egypt etc.) or are returning to it (Italy).

Advantages of the Czech Republic and CEZ Group:

- Experts in the construction and operation of nuclear power plants are available
- Local firms may be engaged in investment implementation; we have provided potential suppliers with a list of companies involved in the construction of Temelín NPP
- We started thinking about further nuclear construction earlier than other countries, so we have advanced more in our preparations

CEZ Group considers building several nuclear power plants in the region:

- Completion of Temelín NPP - a tender for the contractor and the EIA process are underway
- Construction in Jaslovské Bohunice (CEZ Group is a strategic partner) – the project's feasibility study is being prepared
- Potential construction of Dukovany NPP – a feasibility study is being prepared
- CEZ Group is one of the partners for the completion of a nuclear plant in Cernavodă

CEZ Group's nuclear projects will benefit the Czech economy and environment in the long term.



CEZ GROUP SUPPORTS THE CRISIS-AFFECTED ECONOMY THROUGH INVESTMENTS IN POWER PLANT RENEWALS WORTH TENS OF BILLIONS

Complex renewal of Tušimice II power plant

- Construction work on complex renewal stage 2 of the power plant is on schedule.
- Generators for both renewed units are already on site.

New supercritical unit in Ledvice

- Construction work proceeds on schedule.
- Concrete work on the cooling tower is already at a third of the target height.

Preparation for construction of a combined cycle gas power plant in Počeradý

- Construction preparation continues in terms of administration (permits) as well as contractors.
- Raw water feed pipes are being repaired, and the site has been prepared and released.

Preparation for construction of CEZ's combined cycle gas power plant in Mělník

- Project preparation continues.



Projects of CEZ Group's production portfolio renewal help the economy now as well as in the short and medium term and the environment in the long term.



OTHER MAJOR STRUCTURAL INVESTMENTS ARE AIMING AT THE FUTUR/E/MOTION PROJECT

- First, we will buy **recharging stations** and negotiate with car producers on launching e-mobility in the Czech Republic.
- The first recharging station will be built directly in CEZ Group's headquarters in Prague by autumn 2010.
- We are testing **nanotechnology** for solar panels.
- We are preparing our entry into numerous **research projects**.
- In the **Smart Region** project in Vrchlabí we want to test all elements of the Futur/e/Motion program together, from smart grids to innovative sources and electro-mobility.



FUTUR/E/MOTION projects are changing the face of Czech energy; in the long run, they contribute to the environment in the Czech Republic.



THANKS TO ITS PROJECTS, CEZ GROUP WILL SECURE WORK TO TENS OF THOUSANDS OF PEOPLE

By 2020, CEZ Group alone will need at least 12,000 new technical graduates for:

- construction and operation of new production machinery, including completion of Temelín NPP
- replacement of ageing personnel operating the current power plants and the distribution network

CEZ Group's plan is to:

- make technology more attractive to the public
- motivate young people to study at technical schools
- strengthen the loyalty of students in technical areas
- obtain a sufficient number of graduates for its projects and activities



CEZ GROUP LAUNCHED MANY PROJECTS TO SATISFY THE PERSONNEL NEEDS OF THE CZECH ENERGY SECTOR

CEZ GROUP IS BUILDING A NETWORK OF PARTICIPATING SCHOOLS

- Today, the network comprises 32 secondary schools and 11 colleges
- We are extending our network of partner schools

CEZ GROUP SUPPORTS THE STUDY OF TECHNICAL FIELDS

- Support for new areas, e.g. Energy at the Třebíč Technical Secondary School
- Nuclear Exam and Summer University at nuclear plants
- Energy Exam at conventional power plants
- Scholarships for Bachelor and Master programs
- Discussions with students, attended by experts
- Student work and appraisal
- Involvement of experts in mentoring
- Physics Teachers' Club
- World of Energy Club (excursions, teaching aids)
- Communication with the public and students to increase the appeal of technical areas and CEZ Group as a desired employer





CEZ GROUP'S STRATEGY IS REGULARLY APPRAISED ABROAD

- CEZ has been regularly ranked among top firms in a poll by the Euromoney magazine since 2006
- In this year's "Euromoney Best Managed Companies", CEZ was evaluated by analysts and economists as:
 - a company with the **highest standard of corporate governance** in Central and Eastern Europe
 - **the best managed utility** in Central and Eastern Europe
 - a company with the **most useful and informative webpage** in Central and Eastern Europe
 - a company with the **most convincing strategy** in the Czech Republic

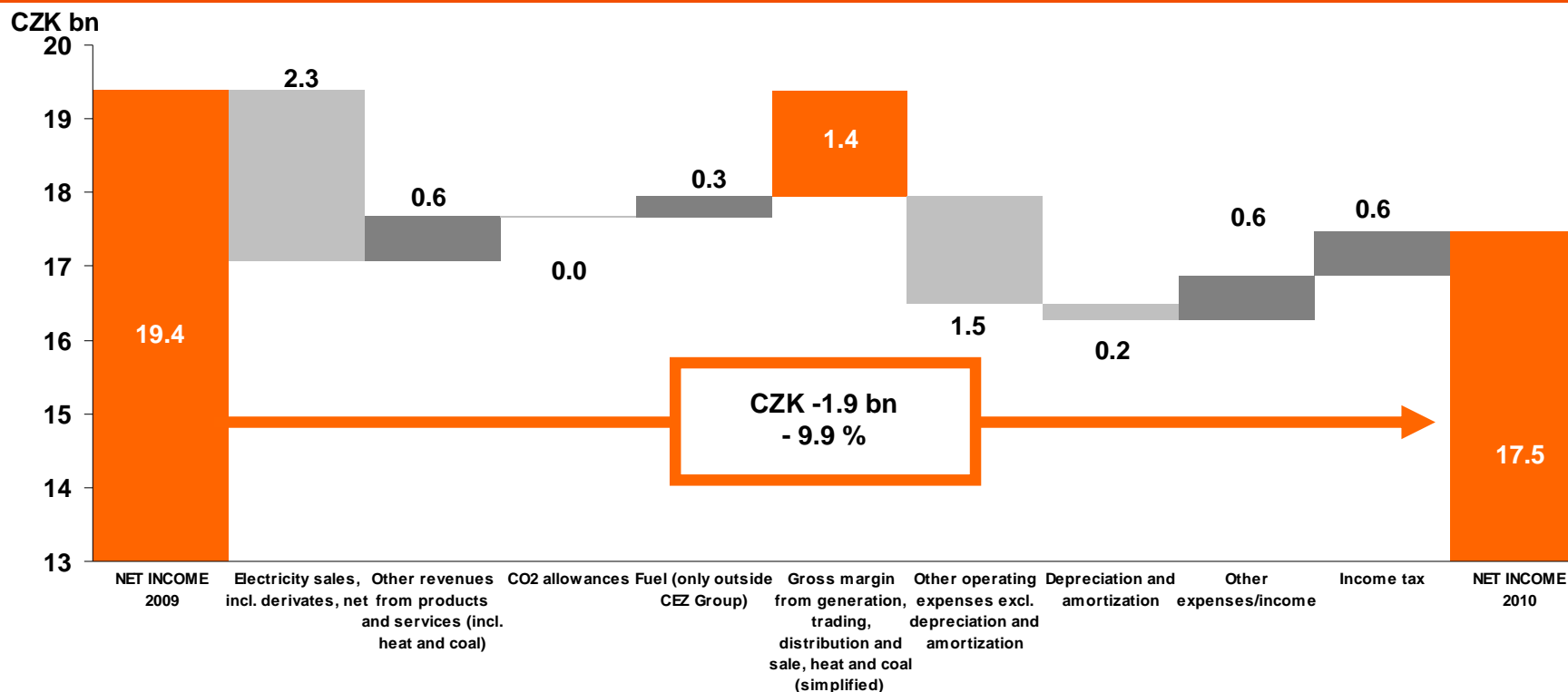


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NET INCOME DECREASED BY CZK 1.9 BN Y-O-Y



Key factors

- Decrease of sale prices of electricity sold.
- Decrease of purchase prices of fossil fuels (especially black coal).
- New trading commodity - gas.
- Introduction of a new nuclear fuel type (Temelín NPP).
- Mild increase in personnel costs (new acquisitions).



GROSS MARGIN FROM GENERATION, TRADING, SUPPLY AND DISTRIBUTION OF ELECTRICITY DECREASED BY 4% TO CZK 36 BN Y-O-Y

(in CZK millions)	Q1 2009	Q1 2010	Change 10-09	Index 10/09
Electricity sales and services	49,377	44,964	-2,318	94%
Electricity, gas and coal derivative trading, netto	554	4,287		
Purchased power and related services	-12,307	-13,945		
Heat sales and other revenues	4,021	4,635	614	115%
Fuel	-4,895	-4,599	296	94%
CO2 allowances	950	921	-28	97%
Gross margin (simplified)	37,700	36,263	-1,437	96%
Operating revenues	53,952	53,886	-66	100%
Variable operating costs	-16,252	-17,622	-1,370	108%

- The year-on-year decrease of revenues was caused by declining wholesale electricity prices, which was partly compensated by electricity sales one year or more ahead at prices higher than those achievable on the spot market in Q1 2010. The margin on these forward trades was partly realized also in commodity derivatives (to optimize and hedge production margin in 2010).
- The revenues from heat sales increased year-on-year, particularly thanks to a larger volume of heat generated in Poland, which experienced shutdowns during the same period last year. In the Czech Republic the increase is driven by expansion of heat distribution and new production facilities.
- CEZ Group's gross margin was positively influenced by the distribution and sales segment, especially because of growing regulated tariffs. Sales were positively influenced by the results of trading with a new commodity - natural gas.
- A new acquisition in Albania also contributed to the gross margin (during the comparable period last year, it was not part of CEZ Group).
- The lower fuel costs were caused especially by lower costs of fossil fuels (mostly black coal for the Dětmarovice plant). Negative effects include accelerated depreciation of nuclear fuel for Temelín NPP (the original fuel will be replaced with a new type of fuel).
- The positive effect of emission allowances was caused in both years by the release of reserves for emissions of CO₂.



OPERATING COSTS IN CEZ GROUP GREW BY 20% Y-O-Y, SPECIFICALLY DUE TO NEW ACQUISITION

(in CZK millions)	Q1 2009	Q1 2010	Change 10-09	Index 10/09
SUM of selected operating costs	-7,473	-8,932	-1,459	120%
Salaries and wages	-3,693	-4,066	-373	110%
Other selected operating costs	-3,780	-4,866	-1,086	129%
Repairs and maintenance	-817	-806	11	99%
Material and supplies	-1,044	-1,186	-142	114%
Others	-1,919	-2,874	-955	150%
EBITDA	30,227	27,331	-2,896	90%
Depreciation and Amortization	-5,430	-5,640	-210	104%

- All items were increased due to the new acquisition in Albania - Operatori i Sistemit te Shperndarjes Sh. A.
- The slight increase of personnel costs was specifically caused by new acquisitions (distribution company in Albania CZK 170 m), and to a lesser extent by the increased costs of foreign mobility and limits on social security and health insurance.
- The higher material costs were caused by a larger volume of contracts from Severočeské doly.
- The other expenses and income item is affected by the formation of adjustments for receivables past due.
- The increased depreciation is caused by inclusion of acquisition in Albania.



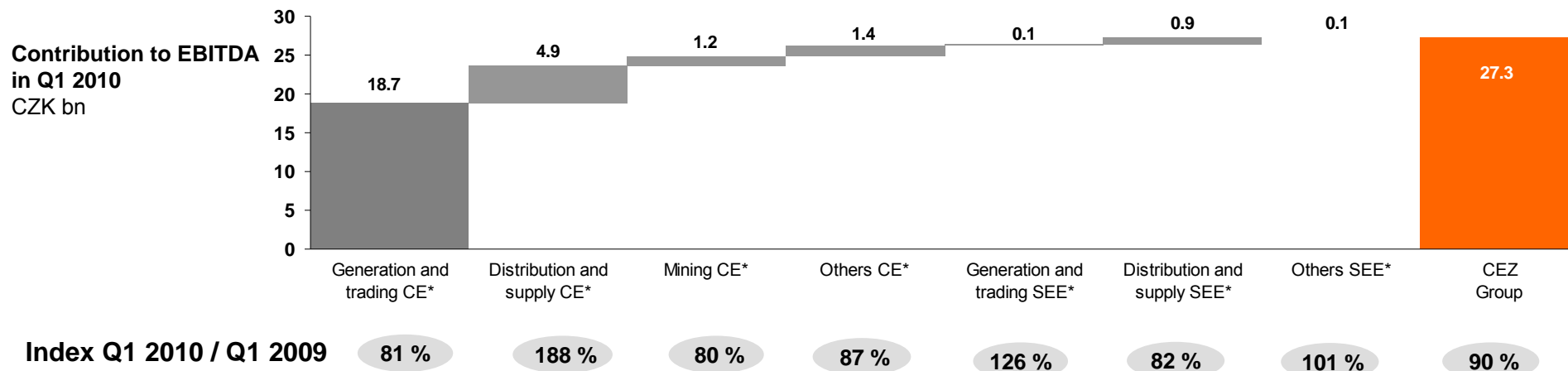
YEAR-ON-YEAR IMPROVEMENT OF OTHER EXPENSES AND INCOME BY CZK 0.6 BN

(in CZK millions)	Q1 2009	Q1 2010	Change 10-09	Index 10/09
Other expenses and income	-817	-228	589	28%
Interest on debt, net of capitalized interest	-821	-907	-86	110%
Interest on nuclear and other provisions	-524	-510	14	97%
Interest income	545	703	158	129%
FX profit / loss and financial derivatives	-218	349	567	x
Income from associates	-36	51	86	x
Others	236	86	-150	36%
Profit before taxes	23 980	21 463	-2 517	90%
Income tax	-4 595	-4 002	594	87%
Net Income	19 385	17 462	-1 923	90%

- Interest expenses increased in connection with a higher need for financing.
- Financial derivatives are positively influenced especially by the CZK exchange rate development vs. EUR.
- The revenue from securities in equivalence includes the Group's net profit share from the joint venture of ČEZ and MOL, the Mibrag mines and the results of the Turkish acquisitions of Sakarya Elektrik Dagitim and Akenerji. In Q1, Mibrag did well and extracted 5.2 mil. tons of coal. During this period, the Turkish distribution company realized a high sale margin thanks to lower prices of electricity from water sources. The results are affected by the financing of the Mibrag acquisition and a change of the IFRIC12 accounting methodology in the Turkish distribution company.
- In the Other item, 2009 was influenced most of all by the efficient use of temporarily free money in foreign currencies available at the time.



SEGMENTAL CONTRIBUTIONS TO EBITDA



- **Generation and trading CE***: The y-o-y decrease of EBITDA by CZK 4.5 bn was caused mostly by lower electricity prices, but was partly compensated by its sales one year and more ahead.
- **Distribution and supply CE***: EBITDA in the segment increased y-o-y by CZK 2.3 bn (88%). The EBITDA increase was especially influenced by a higher distribution margin, relating mostly to an increase of regulated tariffs, particularly in reserved capacity and mandatory purchases from renewable sources. Sales were positively influenced by the results of trading with a new commodity - natural gas.
- **Mining CE***: EBITDA decrease by CZK 0.3 bn due to lower purchases of ČEZ, a. s. from Severočeské doly (cheaper production / purchasing alternatives). This mining decrease by 10% was partly compensated by external customers, who increased their purchases.
- **Other CE***: EBITDA of other companies in the Central European region decreased by CZK 0.2 bn y-o-y.
- **Generation and trading SEE***: The results of the Varna coal-fired power plant (Bulgaria) are positively influenced by the activation of the so-called cold reserve, when the operator NEK asked for a higher volume of energy because of colder weather and the generation volume at that time reached 590 GWh. In Romania, the construction of a wind park in Fântânele continues; its launch is scheduled for mid-2010.
- **Distribution and supply SEE***: In Q1, companies in Bulgaria, Romania and Albania distributed 5.6 TWh and sold 4.8 TWh to end customers. The y-o-y decrease of EBITDA by CZK 0.2 bn was caused by lower distribution tariffs in Bulgaria and creation of high adjustments in Albania. Restructuring measures are currently underway to improve the payment discipline in the future.

* 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)

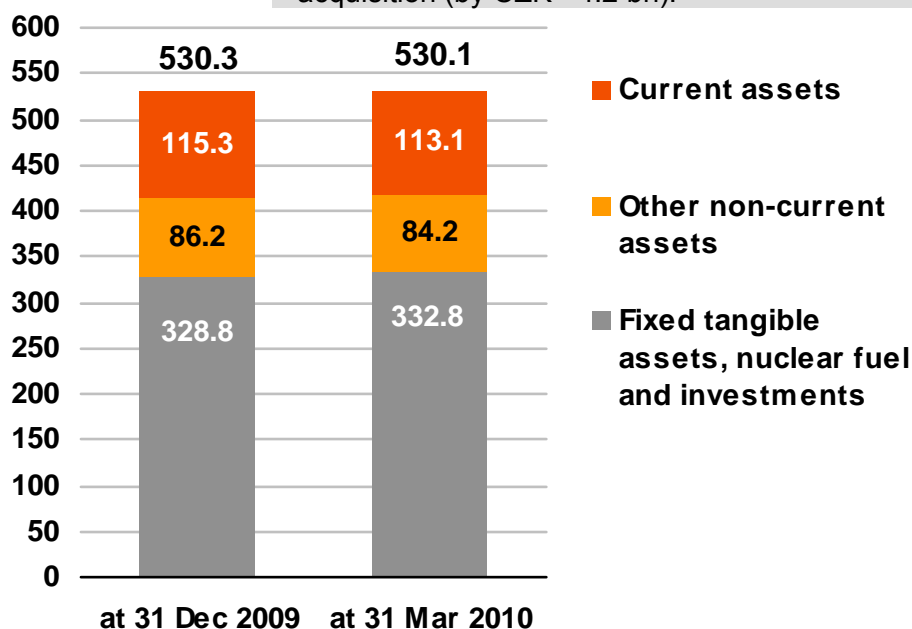


BALANCE SHEET OVERVIEW

Balance of current assets and short-term liabilities

- The y-o-y change of balance by CZK 24.6 bn from CZK -15.8 bn to CZK 8.8 bn, is especially influenced by:
 - decrease of received short-term loans (by CZK +16.6 bn)
 - increase of short-term financial assets (by CZK +3.5 bn)
 - increase of the balance of receivables/payables from income tax (by CZK +3.4 bn)
 - decrease of short-term loans provided in connection with the Mibrag acquisition (by CZK - 4.2 bn).

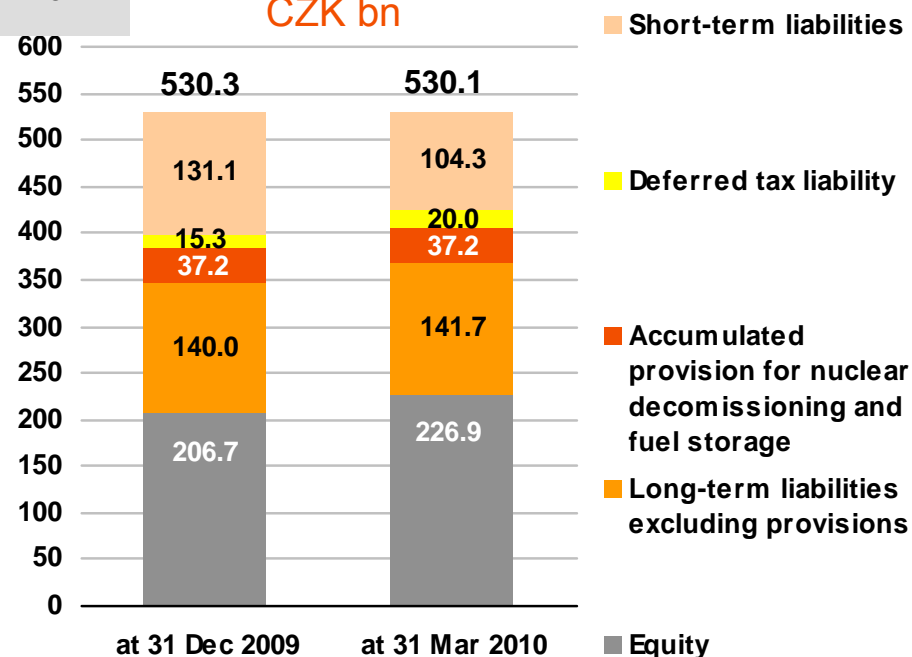
ASSETS CZK bn



Fixed assets

- Increase of fixed tangible assets in 2010 thanks to growing investments.

EQUITY AND LIABILITIES CZK bn

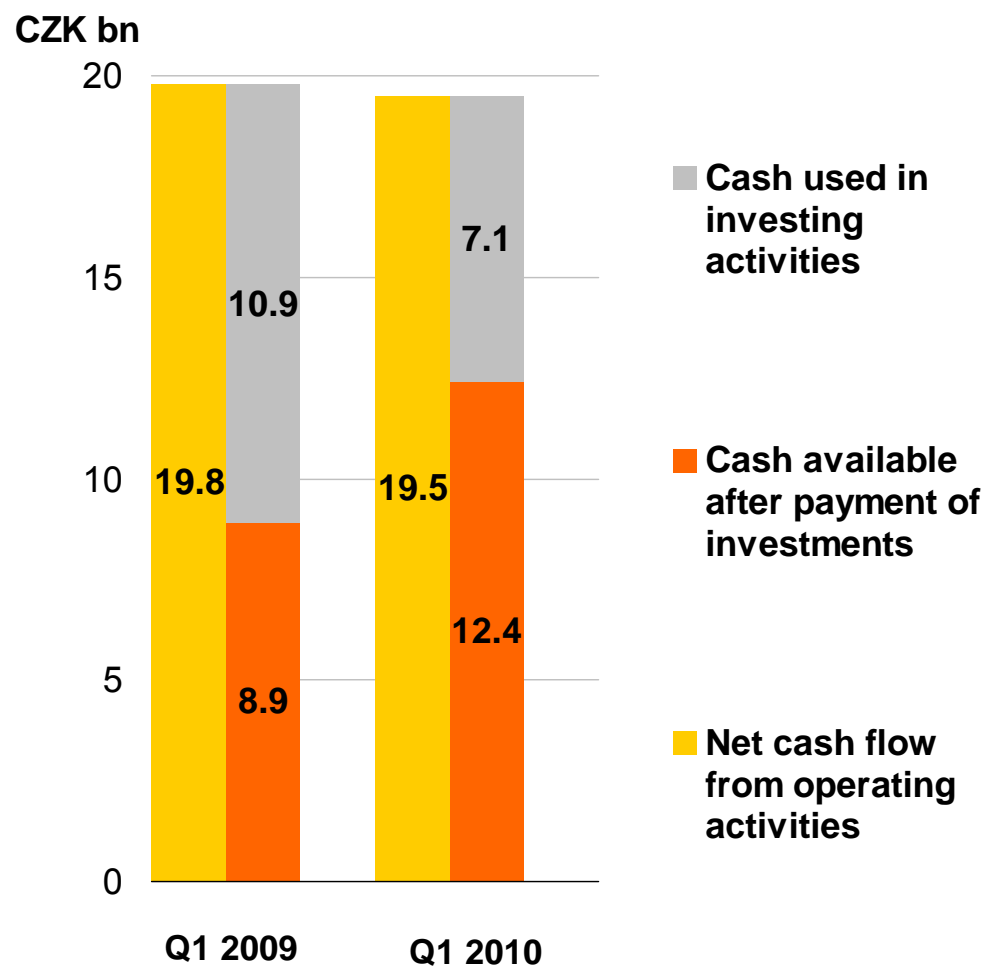


Long-term liabilities and equity

- In total, equity grows by CZK 20.2 bn, which is especially caused by an increase of net profit in 2010 (by CZK +17.5 bn).
- Mild increase of long-term bank loans in 2010.
- The deferred tax liability is growing due to a different method of calculation of deferred tax (includes also payable tax during the year).



CASH FLOW - SELECTED PARTS



- In 2010 there has been a mild decrease of **net cash flow from operating activities** by CZK 0.3 bn. Profit before tax after adjustment for non-cash operations decreases year-on-year by CZK 3.2 bn; this decrease is compensated by a positive change of working capital by CZK 3.4 bn. The income tax advances paid are CZK 0.5 bn year-on-year higher.
- **Cash flow used for investments** decreased year-on-year by CZK 3.7 bn, especially because of lower acquisitions of subsidiaries, affiliated companies and joint ventures by CZK 3.3 bn and increased loan installments by CZK 4.7 bn. Conversely, the higher acquisitions of fixed assets (by CZK 3.4 bn) and more money on restricted accounts (by CZK 1.1 bn) result in a reduction of available money.
- **Cash available after investments** is CZK 3.5 bn higher year-on-year.



DESPITE THE GOOD RESULTS IN Q1, WE ARE NOT CHANGING THE EXPECTED RESULTS FOR 2010

CEZ Group's EBITDA (in CZK bn)

Q1 share

in 2008, 31% of annual EBITDA

in 2009, 33% of annual EBITDA

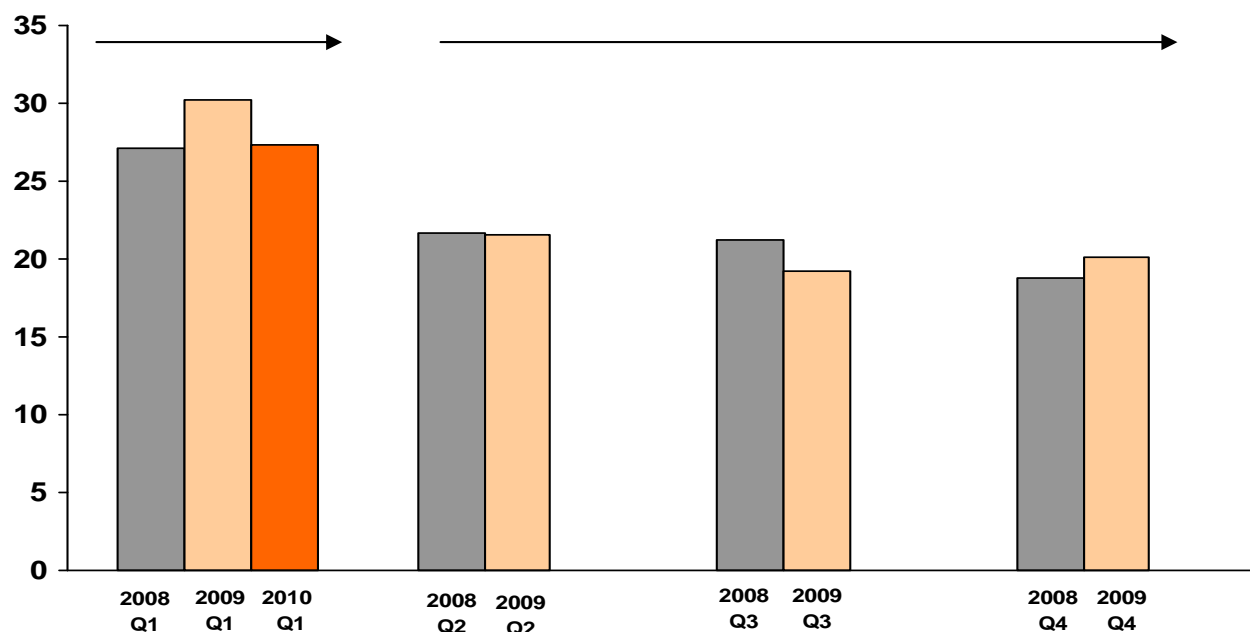
in 2010, 31% of annual expected EBITDA

Q2 - Q4 share

in 2008, 69% of annual EBITDA

in 2009, 67% of annual EBITDA

in 2010, 69% of annual expected EBITDA



Several specific factors act beyond the framework of the standard uneven distribution of the economic results in 2010:

- Reversal of provisions for emission allowances (created in 2009) in Q1 2010, expected formation of new provisions at the end of 2010.
- Time discrepancy of revenues and expenses in distribution due to mandatory purchases of electricity from renewable sources.
- The maintenance in production, distribution and mining facilities will affect costs in Q2 and Q3.



AGENDA

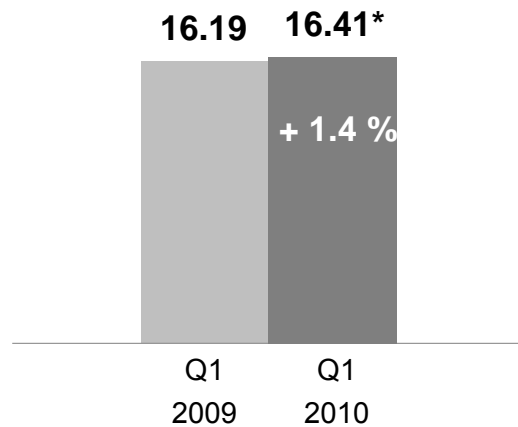
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ELECTRICITY CONSUMPTION IN THE CZECH REPUBLIC CONTINUES GROWING YEAR-ON-YEAR

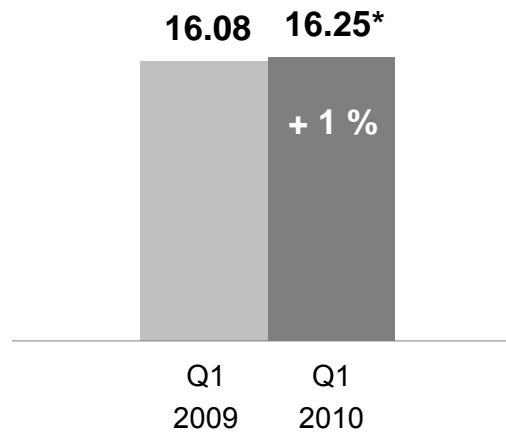
Consumption in CZ

TWh



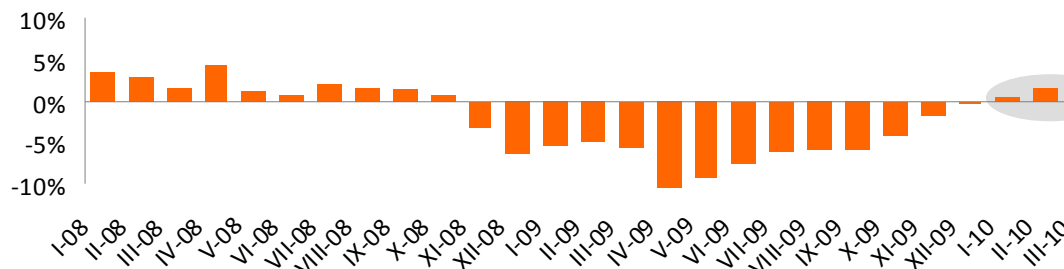
Consumption in CZ (temperature adjusted)**

TWh



- Consumption in individual segments:***
 - 2.3% wholesale customers
 - 0.3% households
 - 2.2% small enterprises

Monthly year-on-year absolute consumption indices in the Czech Republic (temperature and calendar adjusted)



- Electricity consumption in the Czech Republic was affected by the economic recession in 2009 most of all.
- As of January 2010, consumption once again shows a y-o-y increase of about 1% as a stable trend.
- This year we expect a growth of about 1%.

* 1-2 per ERA, 3 CEZ estimate

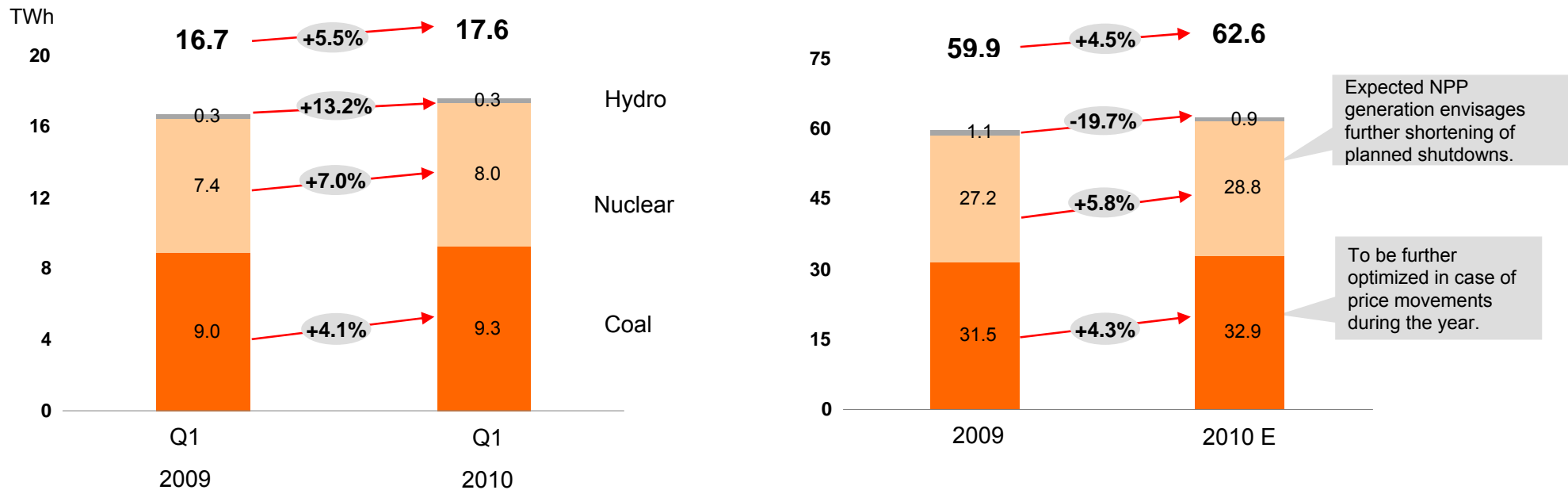
** calculated for normal temperature per CEZ model

*** source: ERA in 1-2/2010



ELECTRICITY GENERATION OF ČEZ, A. S. IN Q1 2010 GREW Y-O-Y BY 5.5%; WE EXPECT A 4.5% GROWTH IN 2010

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



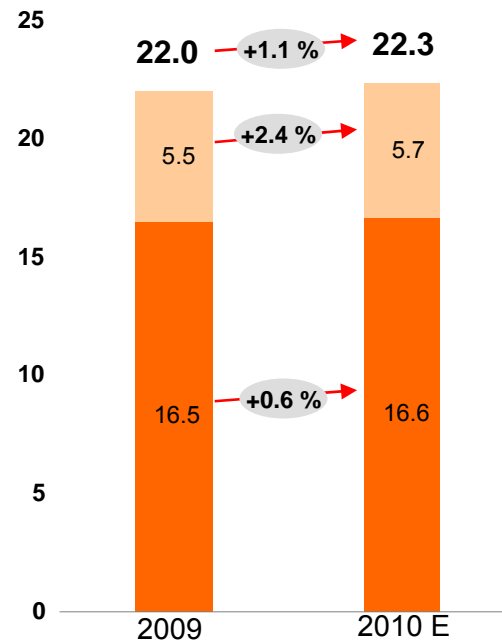
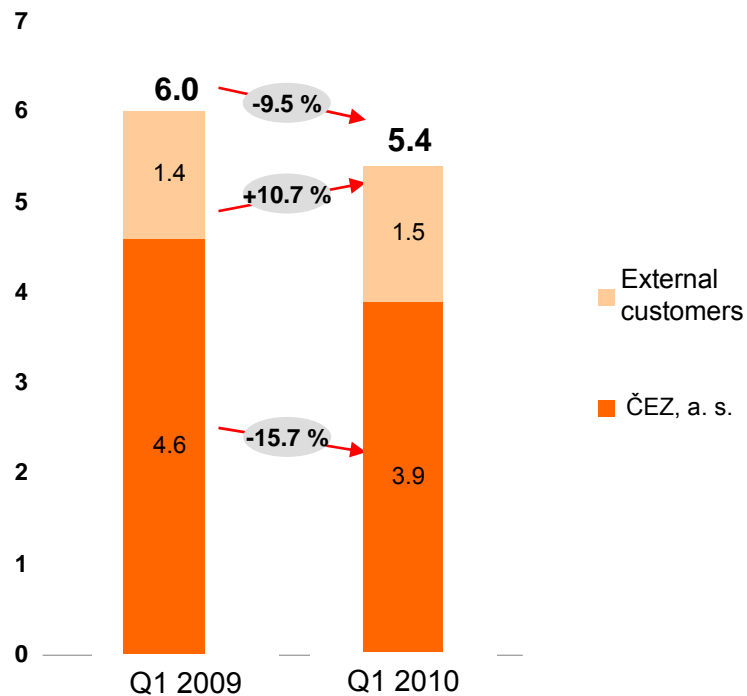
- The year-on-year increase of generation in coal-fired power plants by 4.1% was especially caused by a lower number of planned shutdowns in coal-fired plants.
- The year-on-year increase of generation in nuclear power plants by 7% was especially caused by a lower number of planned shutdowns in nuclear sources.
- The year-on-year growth of production in hydroelectric power plants by 13.2% was especially caused by low flow rates in January and February 2009.



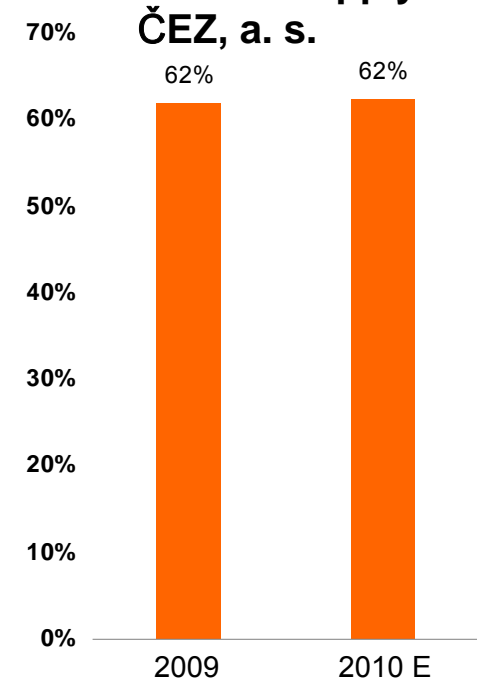
COAL EXTRACTION BY SEVEROČESKÉ DOLY SLIGHTLY BETTER Y-O-Y

- In spite of a year-on-year decline of quarterly coal sales (due to lower supply demands for ČEZ, a. s.), Severočeské doly expects a slight y-o-y improvement on the whole for 2010.
- Severočeské doly a. s. recorded a stable development in sales to external customers.
- The share of Severočeské doly a. s. in the total coal supply for ČEZ, a. s. is stabilized.

Coal extraction in m tons

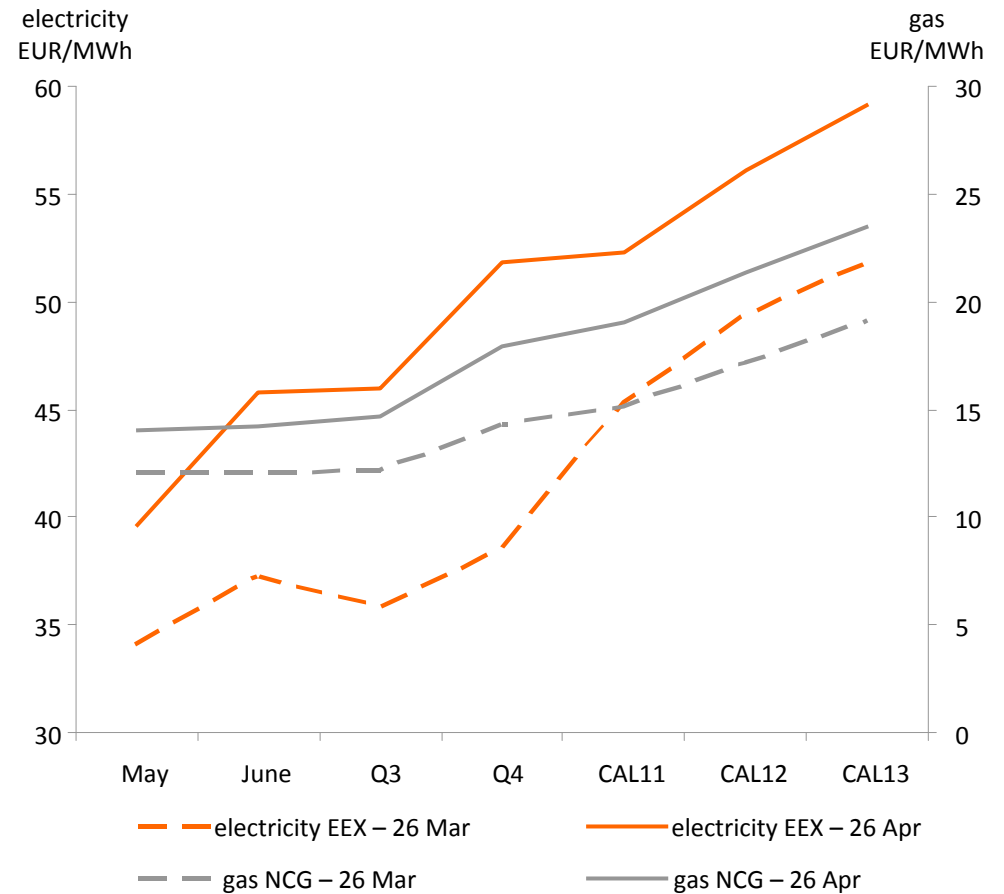


Share of Severočeské doly in total brown coal supply for ČEZ, a. s.





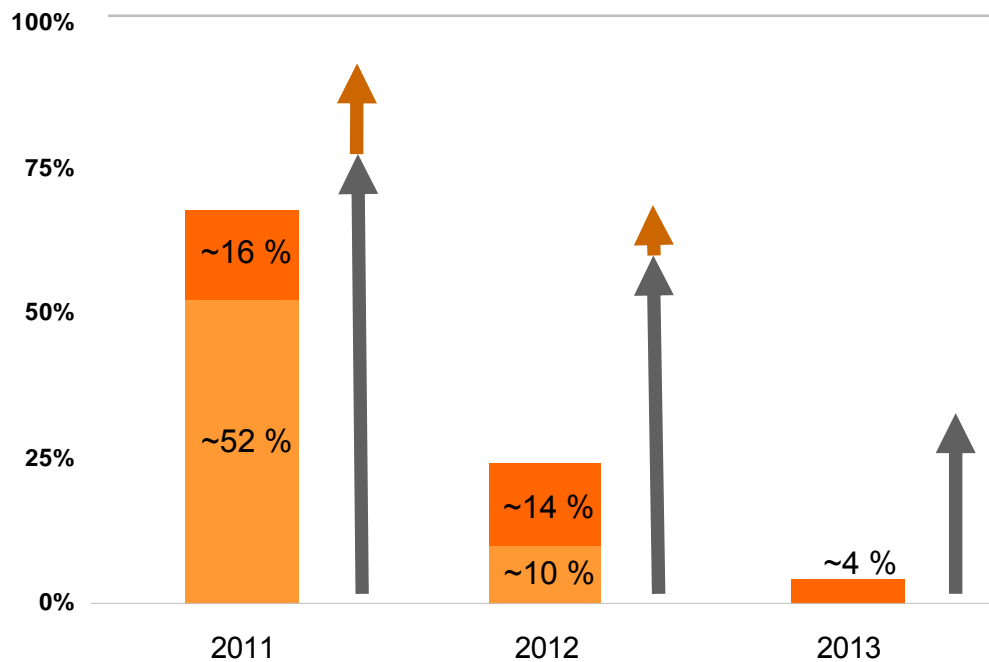
DURING THE LAST PERIOD, FORWARD CURVES OF MOST COMMODITIES, INCLUDING ELECTRICITY AND GAS, SHIFTED





AS A STANDARD, ČEZ, A.S. CONTINUES HEDGING SALES FROM GENERATION IN THE MEDIUM TERM

Share of hedged generation from ČEZ, a. s. power plants (at April 30, 2010)



■ hedged volume from 31 Jan 2010 to 30 Apr 2010
■ hedged volume at 31 Jan 2010

100% is equal to 55 - 60 TWh

- ČEZ, a. s. applies a standard concept of hedging its open positions from electricity generation portfolio against price risks.
- Within this strategy, ČEZ, a. s. sells electricity on a forward basis for years Y+1 to Y+3 and hedges currency for years Y+1 to Y+4.

▲ Transaction currency hedging (hedge accounting)

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



CEZ GROUP PROVIDES ITS CUSTOMERS WITH SERVICES AT A TOP OF WORLDWIDE LEVEL

CEZ Group's contact centers are awarded in European and global contests

European Contact Center Award 2009

- Contest among European contact centers
- Victory in the "Multi-channel Contact Centers" category (Best multi-channel contact center).
- CEZ Group competed against Barclays Commercial Bank, British Telecommunications, British Gas.

2010 Top Ranking Performers in the Contact Center Industry

- Contest among worldwide contact centers
- Finalist in these categories:
 - Best Contact Center
 - Best Customer Service
 - Best Contact Center Leader
 - Best Trainer
- The winners will be announced in October 2010 in Orlando, FL.



TOP Global Company Innovating in Customer Services

- Award for innovative approach using modern technology and customer care.
- 9 out of 200 global companies selected.

Innovation Award

- Award for integration of customer centers and combination of front office and back office.
- The award holders include: ČSOB, Polska Telefonia Cyfrowa Sp. z o.o. (PTC) part of T Mobile, Raiffeisen Bank, Hungary, Dŵr Cymru Welsh Water, Sofilead, France.