PRESS CONFERENCE ON THE FINANCIAL RESULTS OF CEZ GROUP IN H1 2010

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

Prague, 10 August 2010

AGENDA

- **Financial highlights and key events in CEZ Group in the H1 2010**
  Martin Novák, CFO

- **Financial results**
  Martin Novák, CFO

- **Trading position of CEZ Group**
  Alan Svoboda, Executive Director, Sales and Trading

KEY RESULTS IN H1 2010 AND GUIDANCE FOR 2010

- **General Meeting** held on June 29, 2010 approved (among others):
  - **dividend** of CZK 53 gross per share representing approximately 55% of net consolidated income for 2009.
  - **change in the Articles of Association** strengthening the influence of the Supervisory Board on decisions concerning the completion of Temelín nuclear power plant.
  - **hiving off Chvaletice power plant** from ČEZ, a.s. (planned at September 1, 2010)

- July saw the start of an **refueling of nuclear fuel** in unit 1 of Temelín nuclear power plant (changing of supplier - Russian TVEL).

- **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)** decreased by 9% (by CZK 4.6 bn) to CZK 47.2 bn.

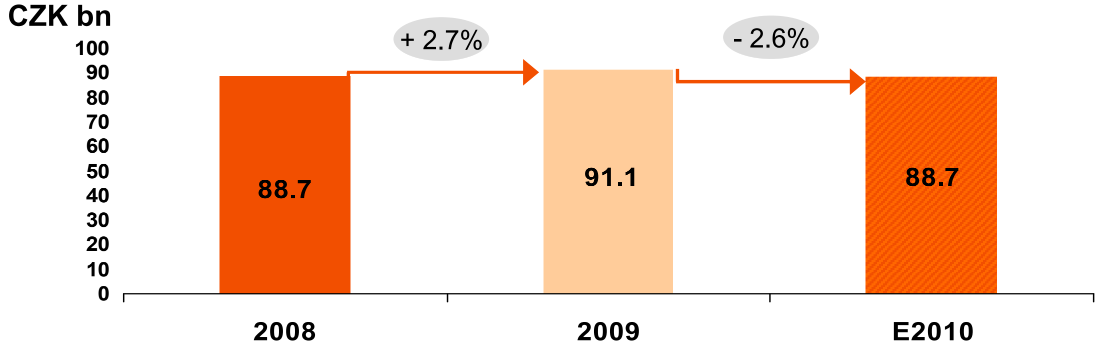
- **Net income** decreased by 18.5% y-o-y (CZk 6.5 bn) to CZK 28.7 bn.

- **Share price at** BCPP was CZK **879 at August 6, 2010.**

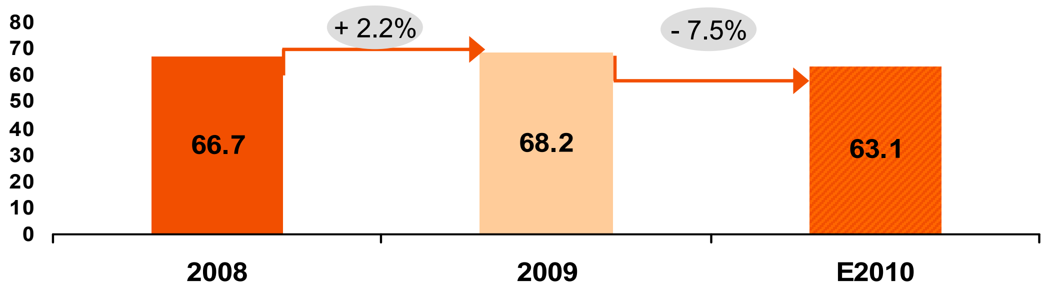
- **CEZ guidance for 2010 is unchanged** – expected EBITDA remains at CZK 88.7 bn, net income at CZK 46.7 bn.

EXPECTED RESULTS IN 2010

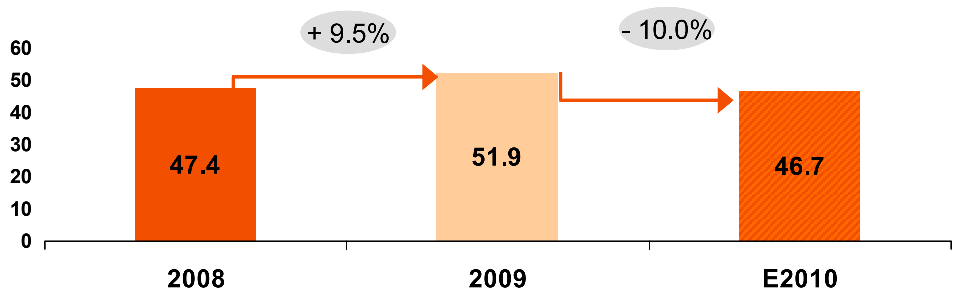
EBITDA



EBIT



NET PROFIT



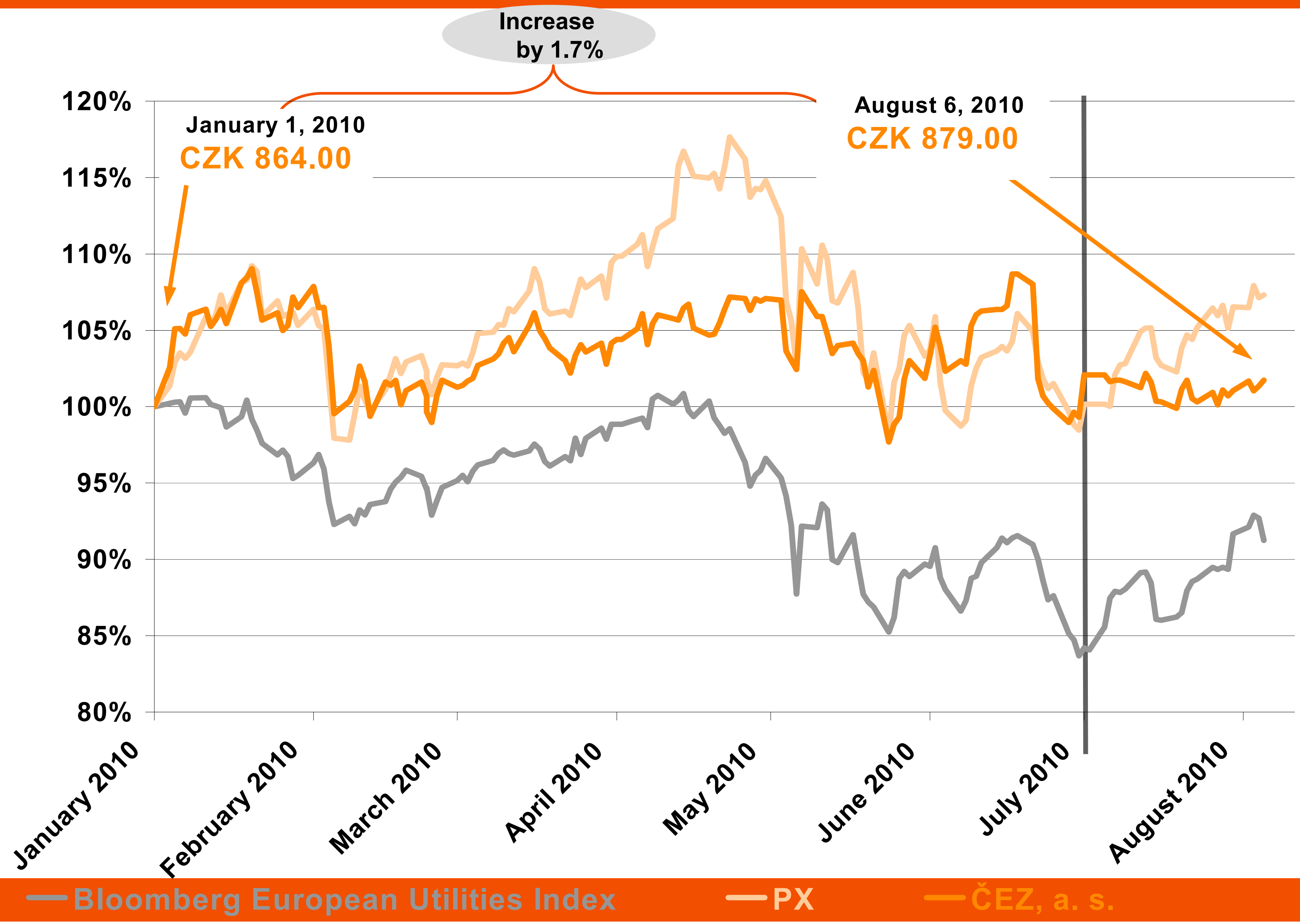
Key year on year factors

- Decrease in electricity sales prices (partly offset by dripping).
- Moderate growth of electricity demand.

Key risk forecast for 2010

- Negative impact of generation from photovoltaic power plants in the Czech Republic. Due to a dramatic growth of electricity generated from photovoltaic power plants, there is a risk of a negative impact on expected results amounting to CZK 1 – 2 bn. This impact will be compensated in the permitted revenues in the years to come.
- Higher creation of adjustments to receivables.
- Regulatory and political risks in Southeastern Europe.

THE SHARE PRICE OF ČEZ, A. S. IS MAINTAINING ITS LEVEL WHILST THE UTILITIES SECTOR IS RECORDING LOSSES, SHARES CLOSED AT CZK 879 ON AUGUST 6, 2010



CEZ GROUP IS SUPPORTING THE ECONOMY OF THE CZECH REPUBLIC BY INVESTING TENS OF BILLIONS OF CZK IN THE RENEWAL OF SOURCES

Complex renewal of Tušimice II power plant

- Stage 2 is proceeding according to plan
- Dismantling of the old technology has been completed, demolition of the stack has begun and the cladding of the building with manufacturing technologies is nearing its completion

New supercritical unit in Ledvice

- Construction in accordance with works schedule
- Construction of the cooling tower is nearing its completion, main boiler support structures built up to 90 meters, transport of a new 300 tones weighing generator and of other technologies is being planned

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

- Works on preparation of the site have started
- Repairs of raw water feed pipes are at final stage
- Works on service building is in progress
- Conceptual project and the IPPC documentation have been completed

Preparation of the complex renewal of Prunéřov II power plant

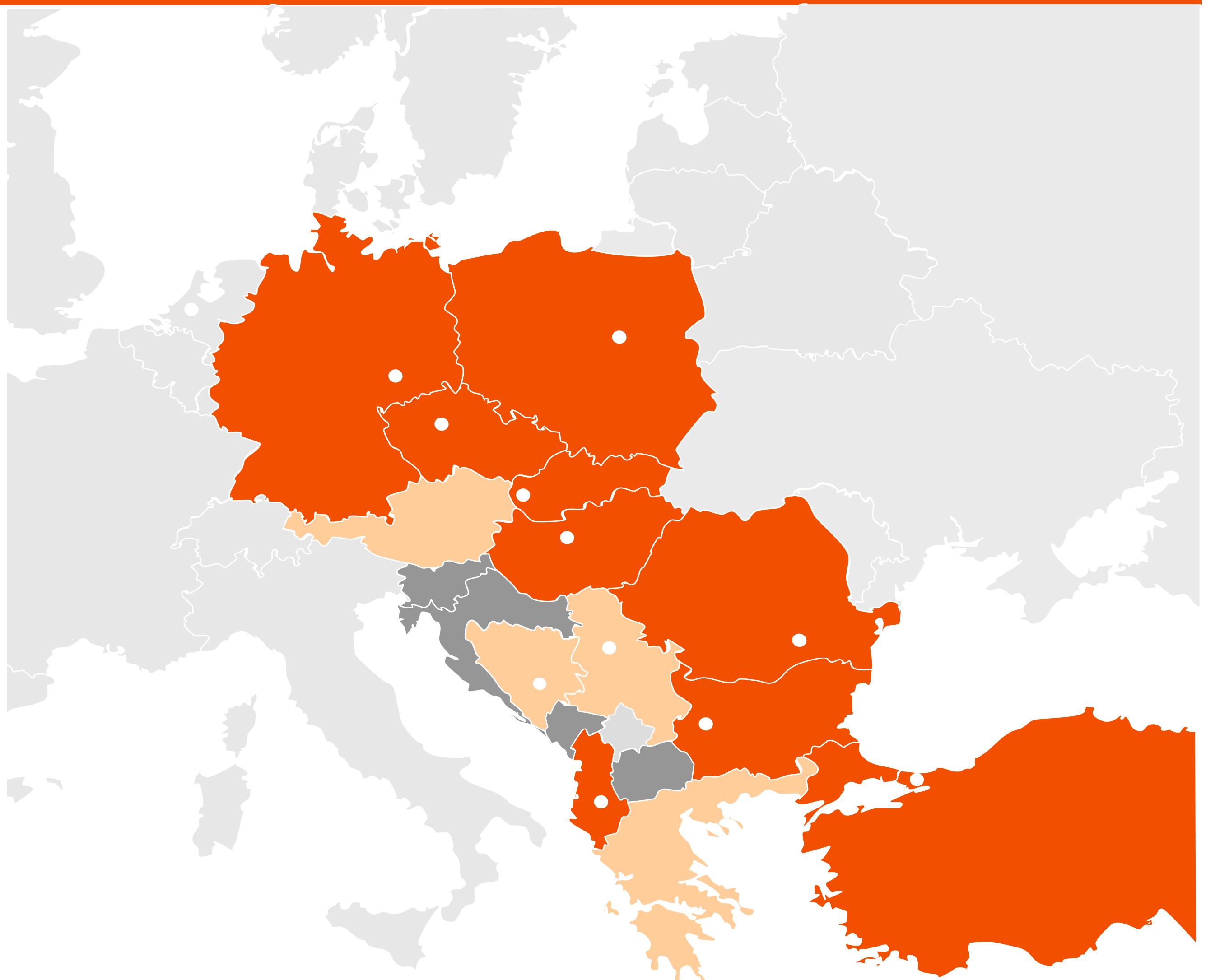
- Ministry of the Environment has issued EIA opinion on 29 April 2010
- CEZ has submitted the Ministry of the Environment draft compensatory measures

Projects of the of CEZ Group´s portfolio renewal are helping the Czech economy both now as well as in the short and medium term and the environment in the long term.

WE HAVE ABANDONED ACQUISITIONS IN RISKY MARKETS OF RUSSIA, UKRAINE AND SEVERAL BALKAN REGIONS IN TIME AND WE ARE CONTINUING TO NARROW THE SCOPE OF OUR INTEREST

Participation on the following projects has been terminated:

- **PAK (POLAND)**
- **STEAG (GERMANY)**



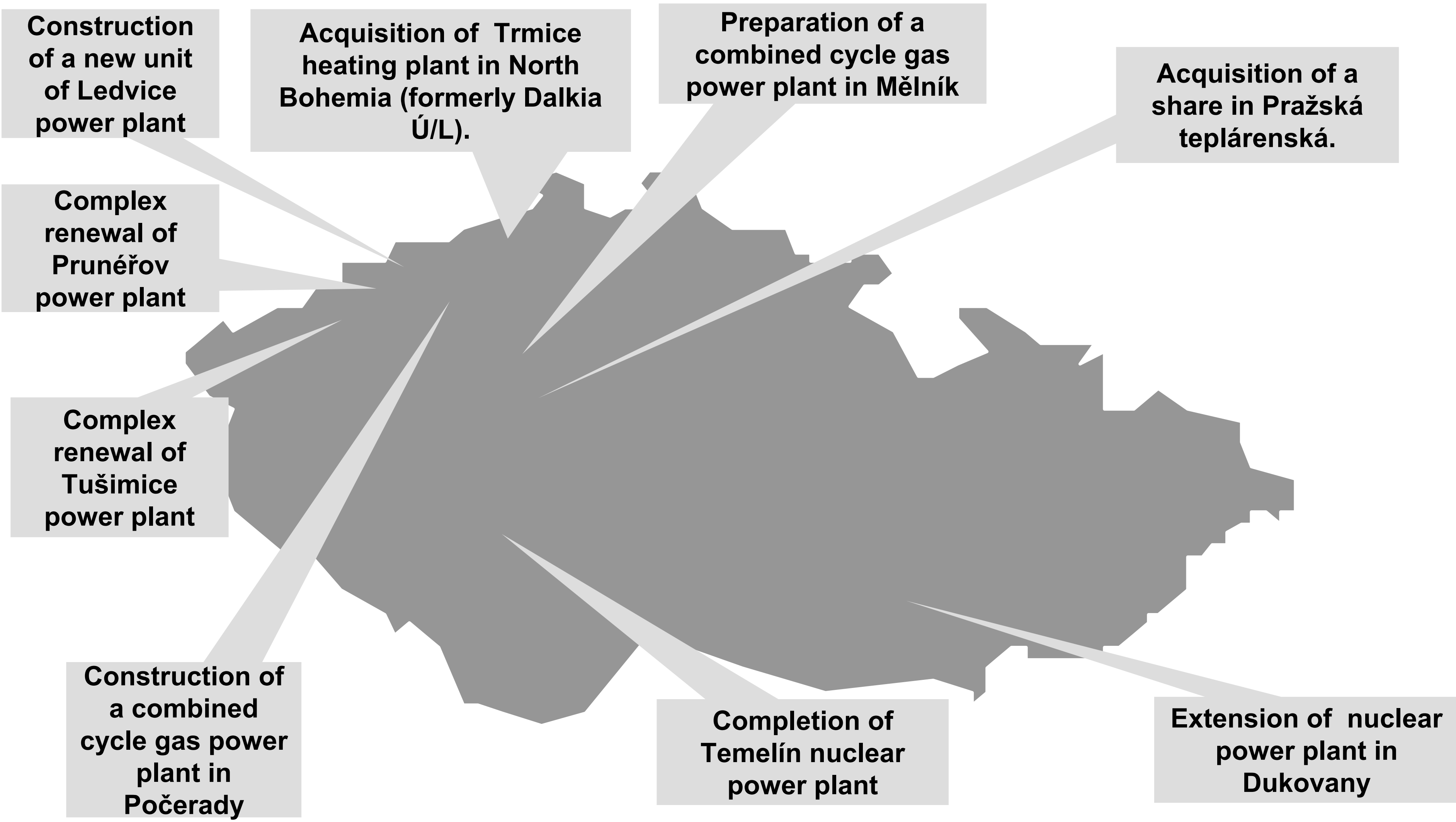
Energy assets

Trading activities

Countries of conditional interest

Subsidiaries

WE ARE MORE FOCUSING ON PROJECTS IN THE CZECH REPUBLIC



COMMISSIONING OF THE LARGEST INLAND WIND PARK IN EUROPE – FÂNTÂNELE - COGEALAC

Phase 1 of the project (Fântânele) – 139 wind turbines

- by June 30: 114 wind turbines erected
- by June 30: 47 turbines connected to the network
- by June 30: 3.5 GWh already produced

Phase 2 of the project (Cogealac) – 101 wind turbines

- Construction already begun
- Completion planned for 2010/2011

Basic information on the Fântânele – Cogealac project

- Projects of two wind farms in the Constanta district between the communities of Fântânele and Cogealac (north of Constanta, 17 km from the Black Sea coast).
- Installed capacity of each turbine is 2.5 MW –the total installed capacity of the wind park is 600 MW.

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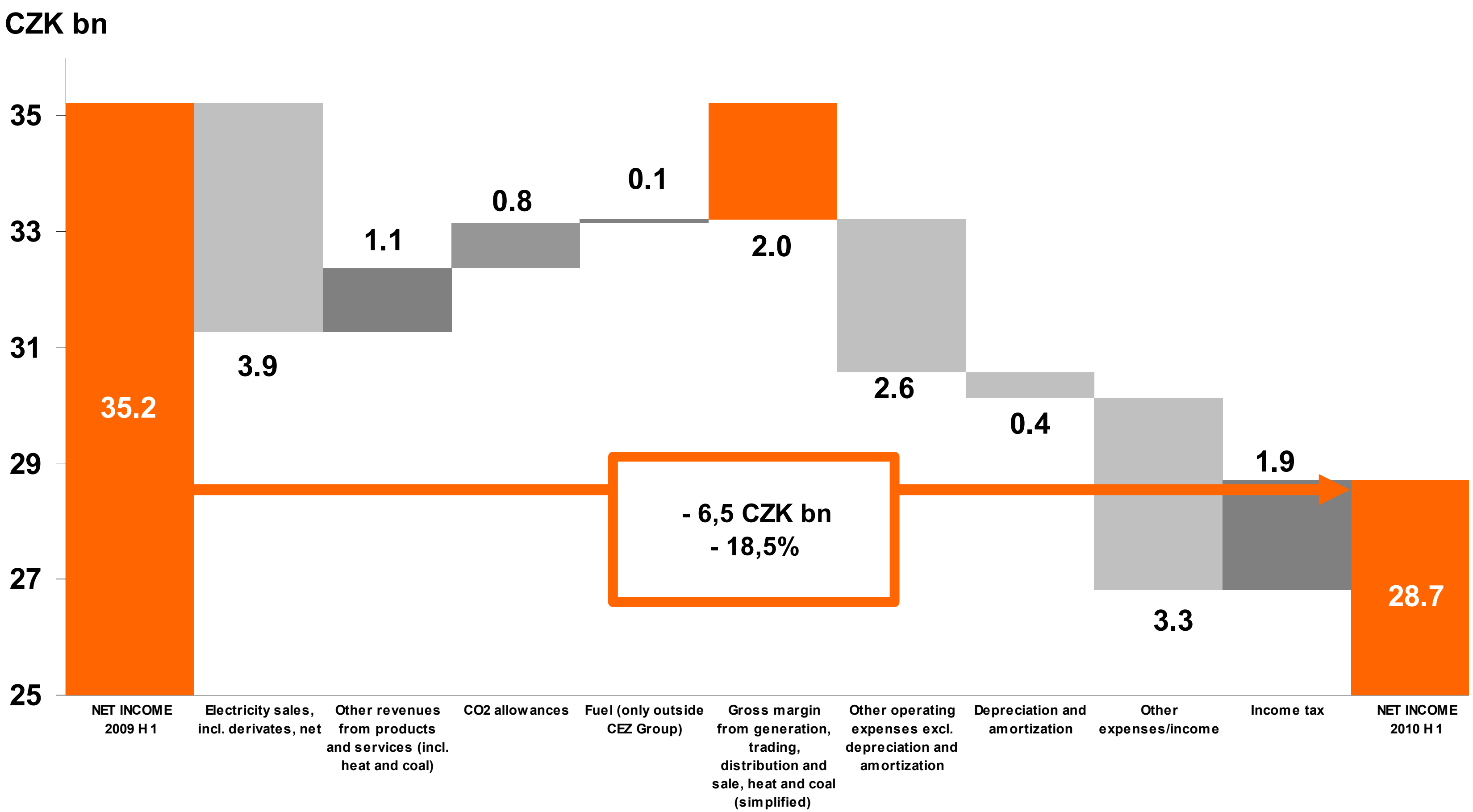
YEAR ON YEAR NET INCOME FELL BY 6.5 BILLION CZK



Selected factors

- Year on year fall of electricity selling prices.
- Moderate increase in demand for electricity in all sectors.
- Successful business strategy in the area of emission allowances in the 1st half of 2010.
- Increases in other operating expenses due to the inclusion of new acquisitions.
- Write-off of negative goodwill from the acquisition of MIBRAG of CZK 3.1 billion in 2009 income.

GROSS MARGIN FROM GENERATION, TRADING, SUPPLY AND DISTRIBUTION FELL BY 3% TO CZK 66 BN YEAR ON YEAR

(in CZK millions)	1 - 6 /2009	1 - 6 /2010	Change 10-09	Index 10/09
Electricity sales and services	87,492	84,691		
Electricity, gas and coal derivative trading, netto	2,076	5,402	-3,943	94%
Purchased power and related services	-22,411	-26,879		
Heat sales and other revenues	7,493	8,590	1,097	115%
Fuel	-8,005	-7,943	62	99%
CO2 allowances	1,239	2,013	773	162%
Gross margin (simplified)	**67,884**	**65,874**	**-2,011**	**97%**
Operating revenues	**97,061**	**98,683**	**1,622**	**102%**
Variable operating costs	**-29,177**	**-32,810**	**-3,633**	**112%**

- Year on year fall in electricity sales is linked to the fall in wholesale prices of electricity, which was partly offset by the sale of electricity one year and more in advance at prices higher than those which could be obtained in the spot market in the 1st half of 2010. The margin on this forward trades was partially reflected in the commodity derivatives category (due to the optimization of production and due to the hedging of 2010 margins).
- Year on year heat sales increased in the Czech Rep., in particular through the inclusion of new companies (Trmice heating plant - formerly Dalkia Ústí nad Labem); in Poland as a result of the increase in the volume of produced heat (in the same period last year there were outages made by the network operators).
- The decline in fuel costs was due, in particular, to lower costs of fossil fuel (principally hard coal for Dětmarovice power plant).
- The positive influence of the growth of income from CO2 allowances was in particular, due to gain from successful business strategy in the area of CO2 derivatives.

YEAR ON YEAR OPERATING COSTS IN CEZ GROUP GREW BY 16% IN PARTICULAR AS A RESULT OF NEW ACQUISITIONS

(in CZK millions)	1 - 6 /2009	1 - 6 /2010	Change 10-09	Index 10/09
SUM of selected operating costs	**-16,059**	**-18,687**	**-2,629**	**116%**
Salaries and wages	-7,748	-8,534	-786	110%
Other selected operating costs	**-8,310**	**-10,153**	**-1,843**	**122%**
Repairs and maintenance	-2,211	-2,079	132	94%
Material and supplies	-2,173	-2,264	-91	104%
Others	-3,926	-5,810	-1,884	148%
EBITDA	**51,826**	**47,186**	**-4,639**	**91%**
Depreciation and Amortization	-10,982	-11,431	-449	104%

- The total increase in selected operating costs of CZK 2.6 billion was influenced by the inclusion of new acquisitions (OSSh, Trmice heating plant) which contributed CZK 1.9 billion, of which CZK 0.4 billion is attributable to increase of salaries and wages and the remaining CZK 1.5 billion in increase in Others. New acquisitions were also responsible for increase in depreciation of CZK 0.3 billion.

Movement within individual categories without taking acquisitions into account:

- Growth of salaries and wages was caused mainly due to higher costs of ČEZ a.s (increase in the number of employees linked to new investments, construction and renewal of power plants).
- Others item was negatively influenced by the creation of adjustments to overdue receivables, in particular by Romanian Railways.
- Increase in deprecitaion was linked to the ongoing investment program.

OTHER EXPENSES AND INCOME DETERIORATED BY CZK 3.3 BN YEAR ON YEAR

(in CZK millions)	1 - 6 /2009	1 - 6 /2010	Change 10-09	Index 10/09
Other expenses and income	**2,312**	**-1,001**	**-3,312**	**x**
Interest on debt, net of capitalized interest	-1,536	-1,719	-183	112%
Interest on nuclear and other provisions	-1,046	-1,019	27	97%
Interest income	1,080	1,102	23	102%
FX profit / loss and financial derivates	239	195	-44	81%
Gain (Loss) from associates and joint-ventures	3,241	-384	-3,625	x
Others	340	825	485	243%
Profit before taxes	**43,156**	**34,755**	**-8,401**	**81%**
Income tax	-7,941	-6,046	1,896	76%
Net Income	**35,215**	**28,709**	**-6,506**	**82%**

- Interest expense grew in line with greater financing needs.
- Gain/loss from associates and joint-ventures includes a share of net income of CEZ Group from the joint venture between CEZ and MOL, MIBRAG mines and the results of the Turkish acquisitions Sakarya Elektrik Dagitim and Akenerji. Gain from associates in 2009 was positively influenced by the one off write-off of the negative goodwill from the acquisition of MIBRAG (CZK 3.1 billion). The 2010 results are, on the other hand, adversely affected by the financing of the acquisition of MIBRAG and the financing of an acquisition in Turkey.
- The item “Others” is positively influenced by income from securities (dividend from Dalkia ČR) and by a reduction of financing costs thanks to the optimization of financing within CEZ Group.

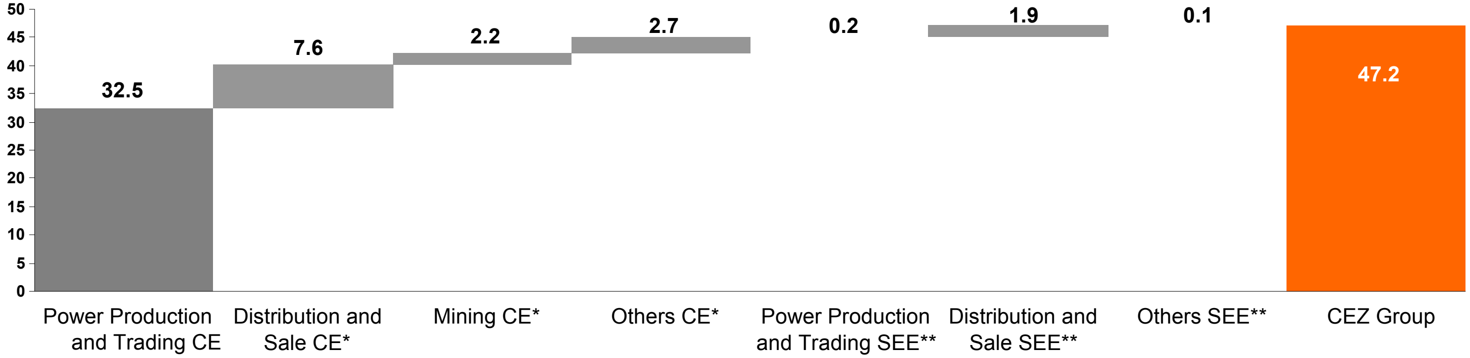
DEVELOPMENT IN Q2 2010

(in CZK millions)	4 - 6 / 2009	4 - 6 / 2010	Change 10-09	Index 10/09
Operating revenues	**43,109**	**44,798**	**1,688**	**104%**
Variable operating costs	**-12,925**	**-15,187**	**-2,262**	**118%**
Gross margin (simplified)	**30,185**	**29,610**	**-574**	**98%**
SUM of selected operating costs	**-8,585**	**-9,755**	**-1,170**	**114%**
Salaries and wages	-4,055	-4,468	-412	110%
Other selected operating costs	**-4,530**	**-5,287**	**-758**	**117%**
Repairs and maintenance	-1,394	-1,273	121	91%
Material and supplies	-1,128	-1,078	51	96%
Others	-2,007	-2,937	-929	146%
EBITDA	**21,599**	**19,855**	**-1,744**	**92%**
Depreciation and Amortization	**-5,552**	**-5,791**	**-239**	104%
Other expenses and income	**3,128**	**-773**	**-3,901**	x
Profit before taxes	**19,176**	**13,292**	**-5,884**	**69%**
Income tax	-3,345	-2,044	1,301	61%
Net Income	**15,831**	**11,248**	**-4,583**	**71%**

- All the foregoing items are influenced by the inclusion of newly consolidated companies to results in H1 2010.
- A moderate increase of operating revenues is due to gradually increasing consumption of electricity in the Czech Rep. driven by economic recovery and also due to successful entrance to the market of new commodities (natural gas) and to the strengthening market position (heat).
- The year on year fall of the gross margin is caused by lower electricity selling prices due to the economic crisis.
- Operating costs in Q2 of 2010 reflect the same influences as those in the whole first half of the year, differing only in terms of their absolute amount representing approximately one half of the half-yearly costs.
- Other (financial) expenses and income in 2009 reflect the one off write-off of the negative goodwill from the MIBRAG acquisition.

SEGMENTAL CONTRIBUTIONS TO EBITDA

Contribution to EBITDA in H1 2010
CZK bn



	Power Production and Trading CE	Distribution and Sale CE*	Mining CE*	Others CE*	Power Production and Trading SEE**	Distribution and Sale SEE**	Others SEE**	CEZ Group
Index H1 2010 / H1 2009	85%	140%	77%	89%	113%	104%	120%	91%
Index Q2 2010 / Q2 2009	90%	95%	74%	91%	86%	135%	63%	92%

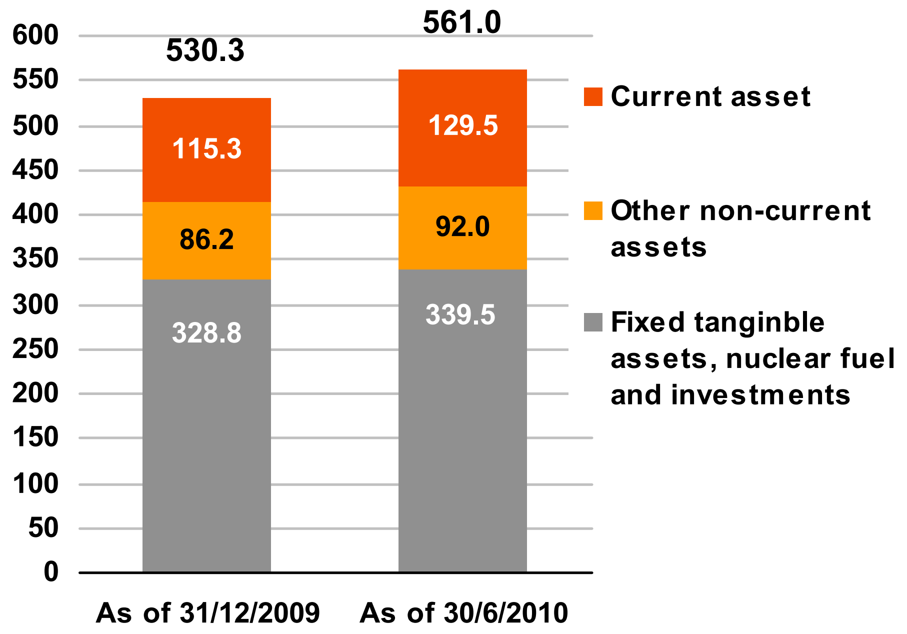
- **Power Production and Trading CE*** Segment EBITDA fell by CZK 6 billion (by 15%) principally due to the fall of electricity selling prices at ČEZ, a. s. This influence was partly offset by hedging of prices through derivative trades and by emission allowances trading.
- **Distribution and Sale CE*:** Segment EBITDA grew year on year by CZK 2.2 billion (by 40%). EBITDA growth was mainly influenced by higher distribution margins, mainly attributable to the growth of regulated tariffs, particularly in reserve capacity items. In the area of sales, the positive results of new commodity (natural gas) trading begin to manifest themselves.
- **Mining CE*:** Segment EBITDA fell year on year by CZK 0.6 billion as a result of lower revenues from coal by Severočeské doly (SD). This fall was due to a lower demand by ČEZ, a. s., for power plants burning coal from SD (primarily Prunéřov and also because of the greater efficiency of Tušimice power plant following a complex renewal).
- **Power Production and Trading SEE**:** In the H1, Varna power plant generated 0.9 TWh of electricity, representing year on year fall of 27%. In financial terms the results are on the level of the same period of the preceding year thanks to a savings of a part of operating expenses. In Romania the construction and gradual commissioning of the wind park in Fântânele continues and production began there in June 2010.
- **Distribution and Sale SEE**:** In H1 of 2010, companies in Bulgaria, Romania and Albania distributed 10.2 TWh and sales to end-customers were 8.4 TWh. Segment EBITDA is slightly higher than in the comparable period of the preceding year, which saw a year on year growth of the volumes of electricity sold from high voltage and low voltage levels by the Romanian supply company.

* CE = Central Europe region (Czech republic, Slovakia, Poland, Hungary, Netherlands, Germany, Ireland)
**SEE = South East Europe region (Turkey, Bulgaria, Romania, Kosovo, Serbia, Albania, Russia, Bosnia and Herzegovina, Ukraine)

BALANCE SHEET OVERVIEW

ASSETS
CZK **bn**

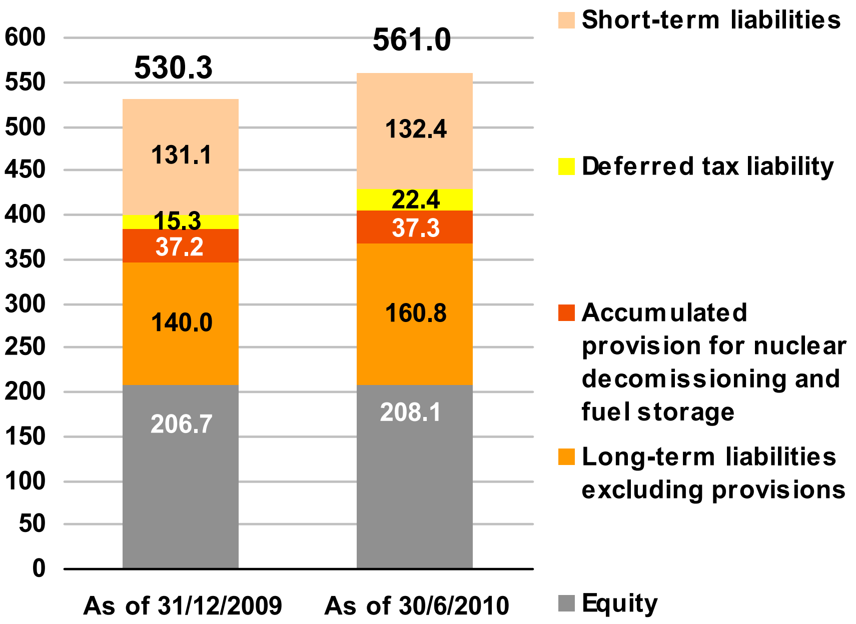
Current assets:
- Temporary higher amount of cash, its equivalents and liquid securities held for the purpose of the anticipated dividend distribution.
- Fall of short-term receivables, primarily trade receivables



Fixed assets
- Increase of long-term tangible assets in 2010 due to the commissioning of new investments.
- Other fixed assets grow as a result of the acquisition of a shareholding in Dalkia ČR.

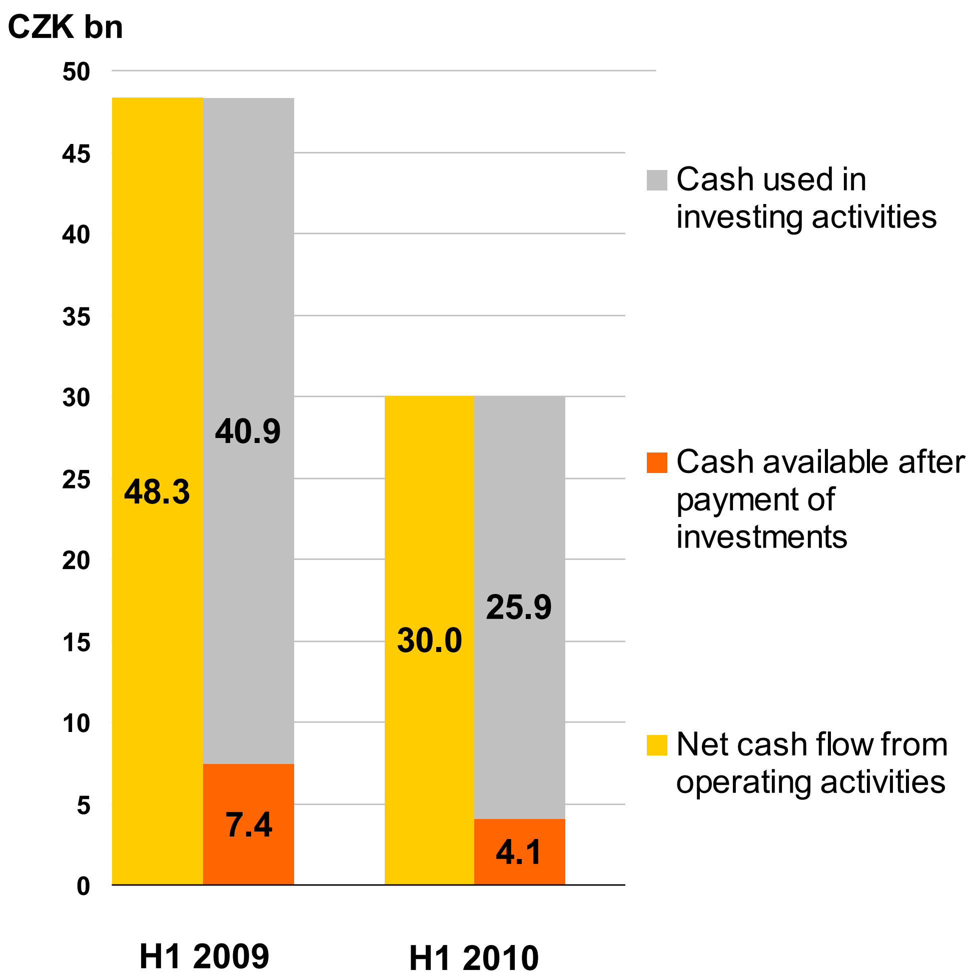
LIABILITIES
CZK **bn**

Short-term liabilities
- Creation of liability on declared dividends (from 2009 profits).
- Fall in short-term bank loans party offset by growth in issued bonds due within one year
- Fall in other short-term liabilities (primarily trade payables).



Long-term liabilities and equity
- Net income in the 1st half of 2010 increased equity by CZK 28.7 billion, whilst, on the contrary, declared dividends lowered equity by CZK 28.5 billion.
- New bonds were issued in 2010 (long-term liabilities).
- Deferred tax liability rose due to the inclusion of tax payable in the course of the year.

CASH FLOW – SELECTED ITEMS



Year 2010 is witnessing a fall of **net cash flows from operating activities by CZK 18.3 billion** due to a fall of profit before tax after adjustment for non-cash operations by CZK 4.5 billion and a negative change of working capital by CZK 15.0 billion (return of variation margin on forward trades on the exchange due to the rise of electricity forward prices in the 1st half of 2010 in contrast with a significant collection of margin in the 1st half of 2009, in the presence of a fall of electricity forward prices; an increase of volume of short-term securities; a fall of trade receivables). Year on year, advance payment of income tax is lower by CZK 1.6 billion.

- **Year on year cash flows from investing activities fell by CZK 15.0 billion,** primarily because of the lower acquisitions of subsidiaries, associates and joint ventures, which were CZK 7.0 bn lower. Also due to loans made, which were CZK 9.8 bn lower and due to an increase of loan repayments of CZK 4.9 bn (primarily repayment of the loan for the acquisition of MIBRAG). By contrast, higher additions of fixed assets by CZK 5.1 bn and increase of cash on restricted accounts by CZK1.2 bn contributed to the growth the cash used in investing activities.
- **Cash available after the payment of investments** was 3.3 billion CZK lower as a result of the aforementioned influences.

NO CHANGE IN EXPECTED 2010 RESULTS

CEZ Group EBITDA (billions CZK)

Share of H1

in 2008 55% of annual EBITDA

in 2009 56.9% of annual EBITDA

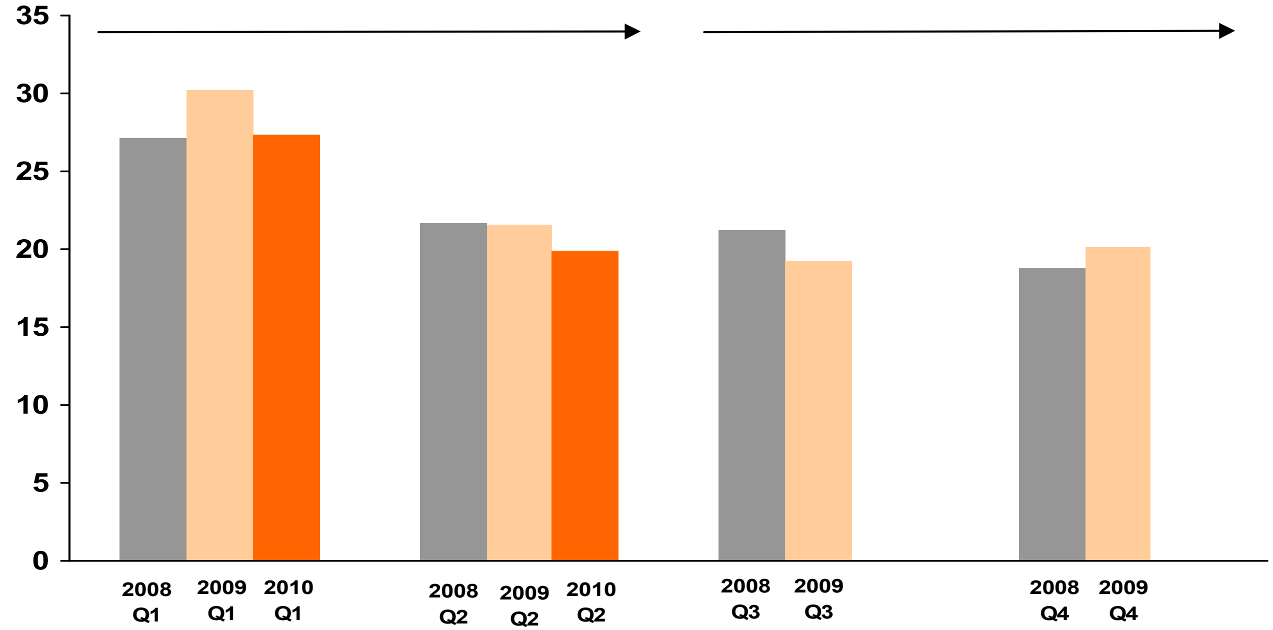
in 2010 53.2% of expected annual EBITDA

Share in of H2

in 2008 45% of annual EBITDA

in 2009 43.1% of annual EBITDA

in 2010 46.8% of expected annual EBITDA



Key specific factors influencing EBITDA which is lower in the H1 than in the H2 of 2010

- Reversal of the provision for CO_2 allowances in Q1 2010, expected creation of a new provision only at the end of 2010.
- Time discrepancy between distribution revenues and expenditures related to compulsory purchase of electricity from renewable sources. In view of the substantial growth of electricity generation by photovoltaic power plants, there is a risk of a negative impact on expected results of CZK 1 -2 bn.
- The maintenance of generation, distribution and mining installations is adversely affecting mainly Q2 and Q3.

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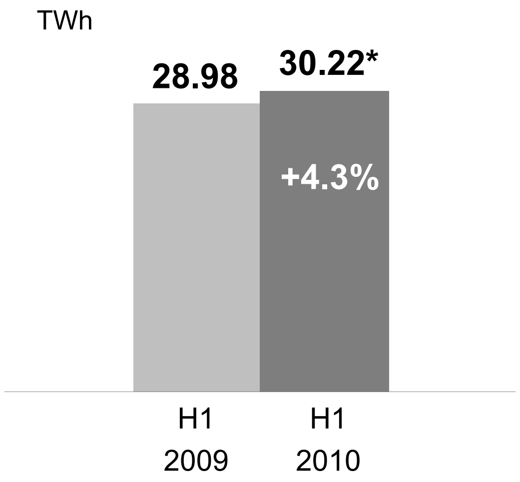
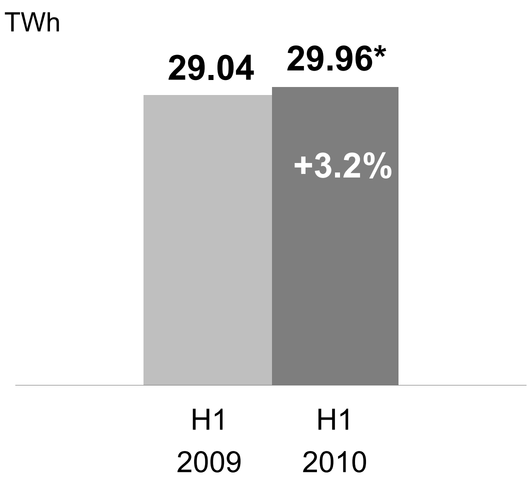
YEAR ON YEAR CONSUMPTION OF ELECTRCITY IN THE CZECH REPUBLIC IS GROWING AGAIN

Consumption in CZ

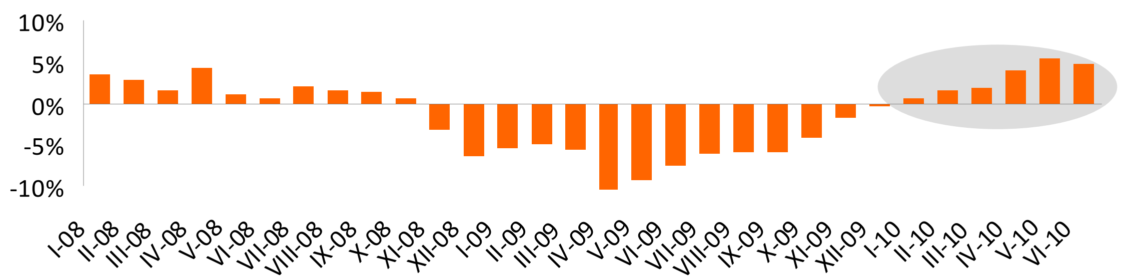


Consumption in CZ (temperature adjusted)**



- Development of consumption by different segments:***
  - +5.6% wholesale customers
  - +1.8% households
  - +3.2% entrepreneurs

Absolute monthly year on year indices of consumption in the Czech Republic (temperature and calendar adjusted)

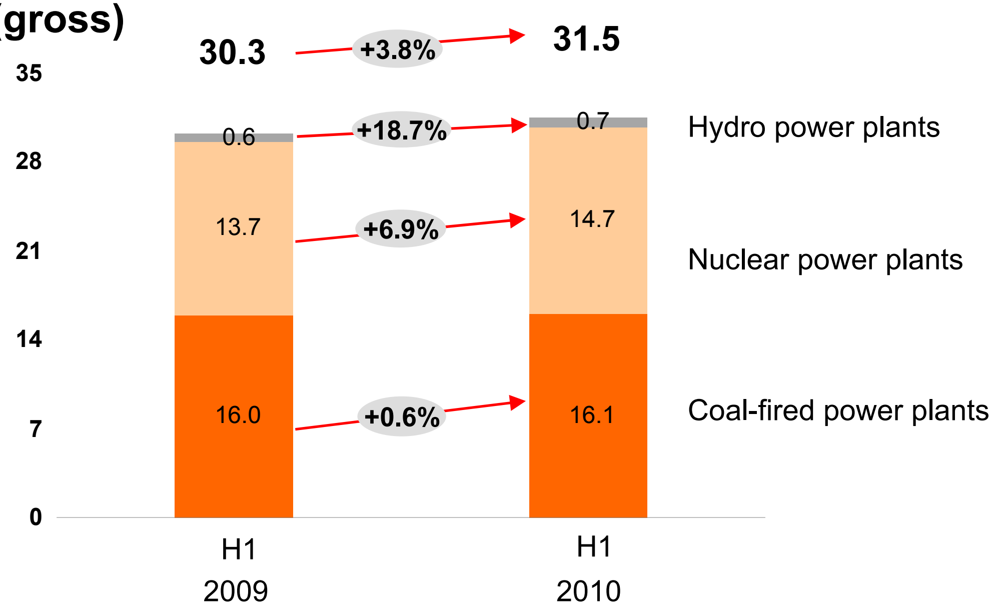


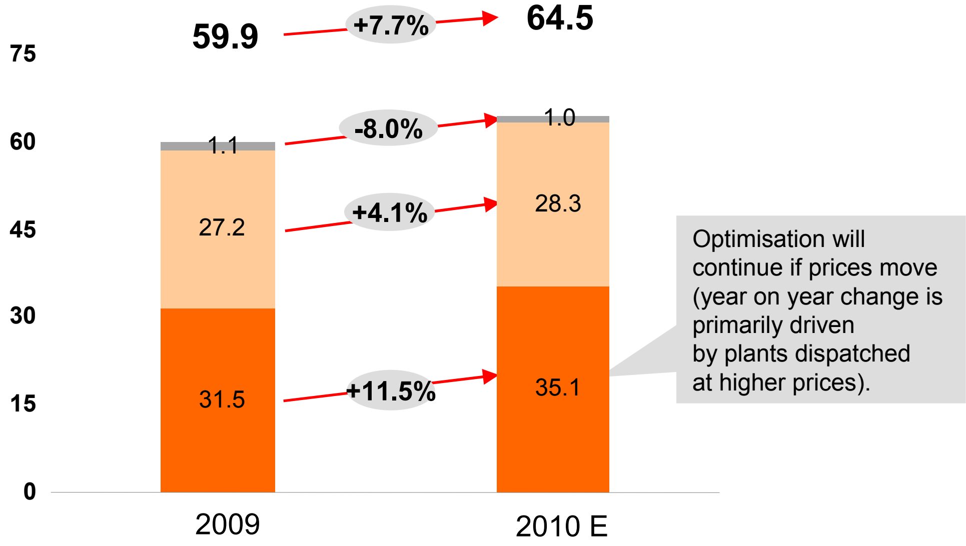
- Consumption of electricity in CZ was adversely affected by the economic crisis primarily last year.
- Data since January 2010 once again show a year on year growth.

* 1-5 by ERO, 6 estimate of ČEZ, a. s. ** adjustment to normal temperature according to ČEZ, a. s. model *** ERO source for 1-5/2010

YEAR ON YEAR GENERATION FROM CEZ A.S. OWN SOURCES IN H1 2010 GREW BY 3.8% AND GROWTH FOR THE WHOLE OF 2010 IS EXPECTED TO REACH 7.7 %

Generation from ČEZ a.s. own sources in TWh (gross)





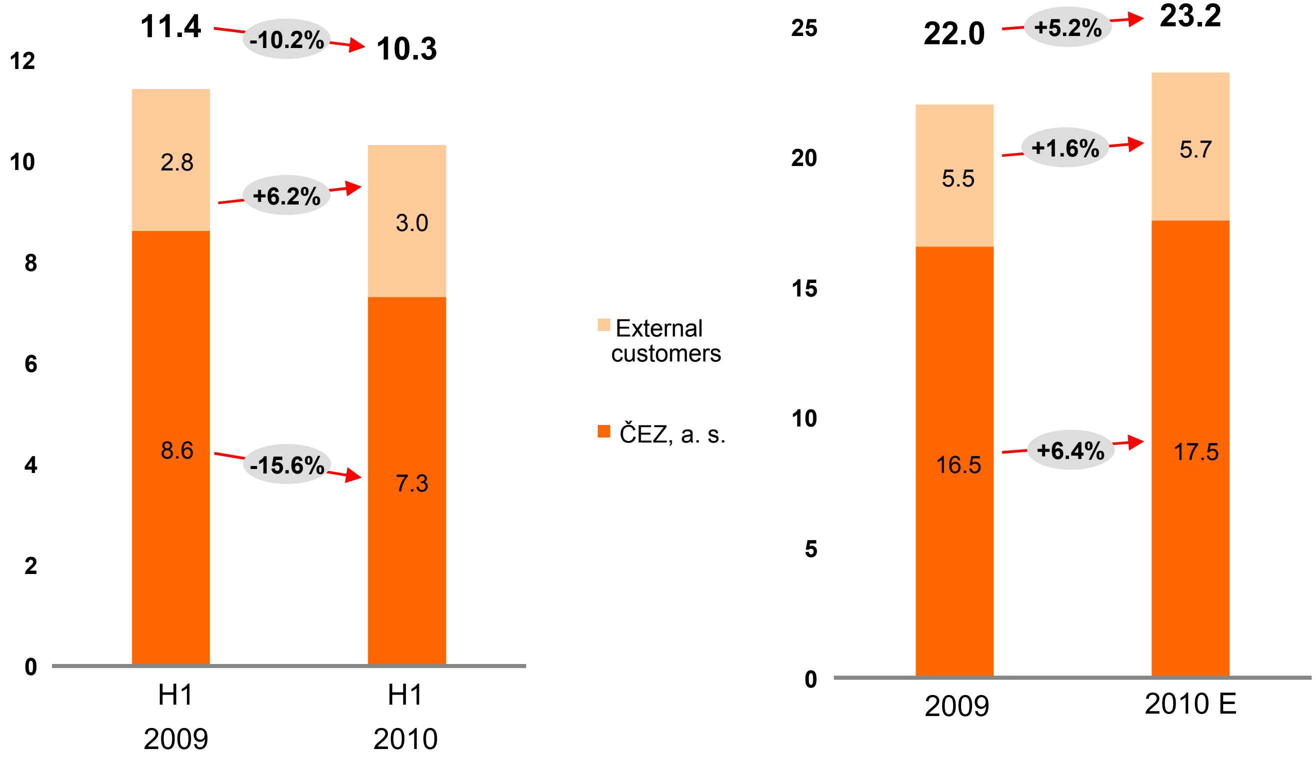
- Year on year growth of generation by nuclear power plants by 6.9%. H1 2009 was influenced by extended planned outages.
- Year on year growth of the generation of electricity from hydro plants by 18.7% was primarily due to low water levels in January and February 2009 and due to higher rainfall in Q2 2010.
- Only moderate growth of generation by coal-fired power plants is due to the greater volume of planned outages in the first half of 2010. Higher expected level in second half of the year is moreover attributable to last year's higher breakdown rate.

source: ČEZ, a. s.

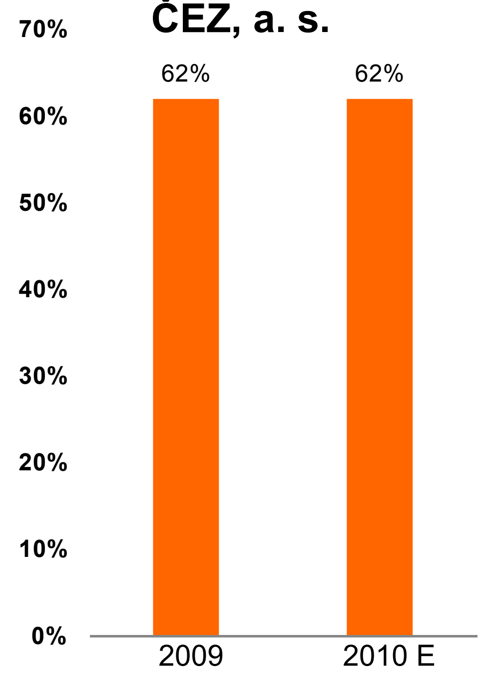
YEAR ON YEAR COAL PRODUCTION BY SEVEROČESKE DOLY HAS FALLEN, BUT WE EXPECT AN INCREASE IN 2010 AS A WHOLE

- Despite the year on year fall in the sales of coal in the 1st half of 2010 (effect of lower demand by ČEZ, a. s.) Severočeské doly expect a year on year growth in 2010 as a whole.
- Severočeské doly recorded a moderate improvement in sales to outside customers.
- The share of Severočeské doly on the supply of brown coal to ČEZ, a. s. is stable.

Mining of coal in millions of tonnes

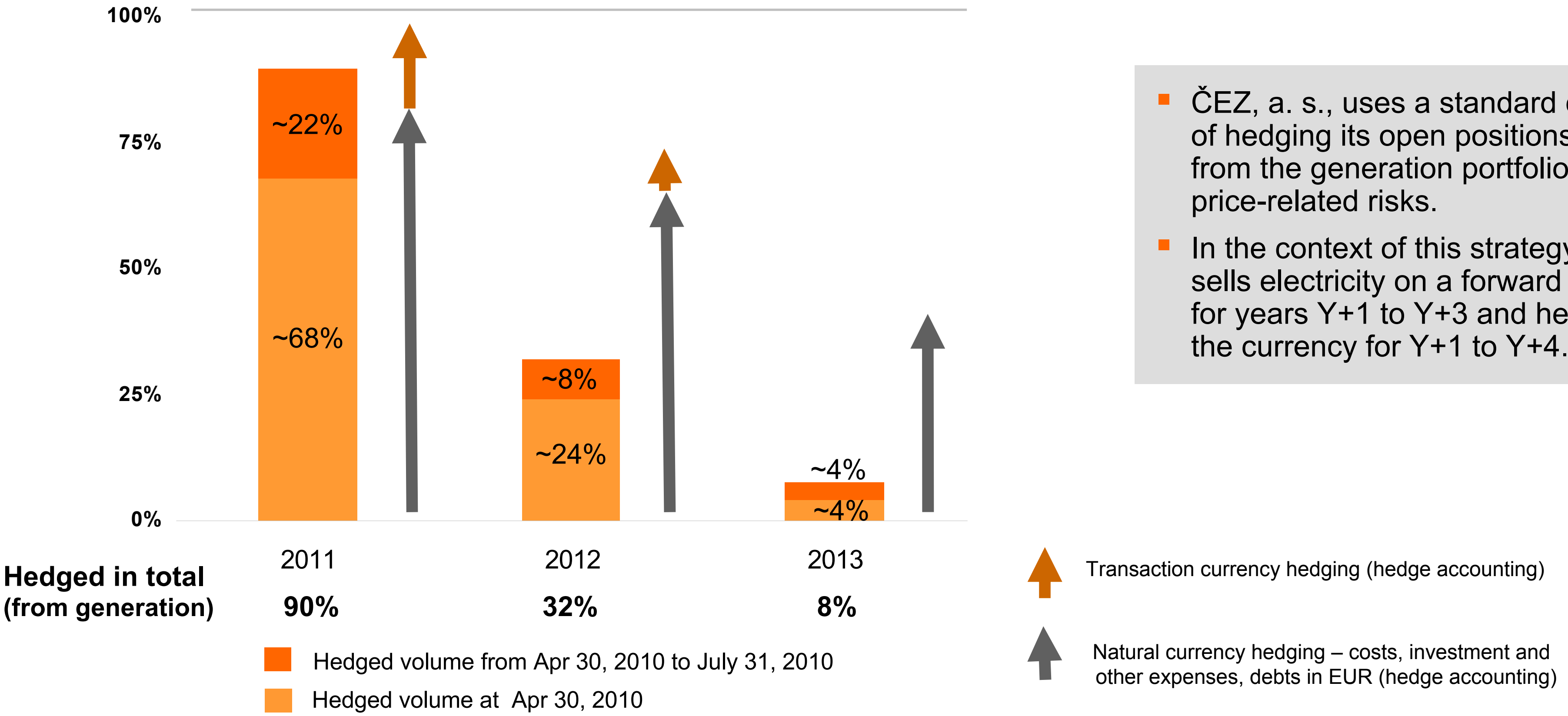


SD share of overall supply of brown coal to ČEZ, a. s.



ČEZ, A. S., CONTINUES TO HEDGE SALES OF ELECTRICITY IN THE MID-TERM IN A STANDARD MANNER

Share of hedged supplies from ČEZ, a. s. sources (at July 31, 2010; 100% equals 55 - 60 TWh)

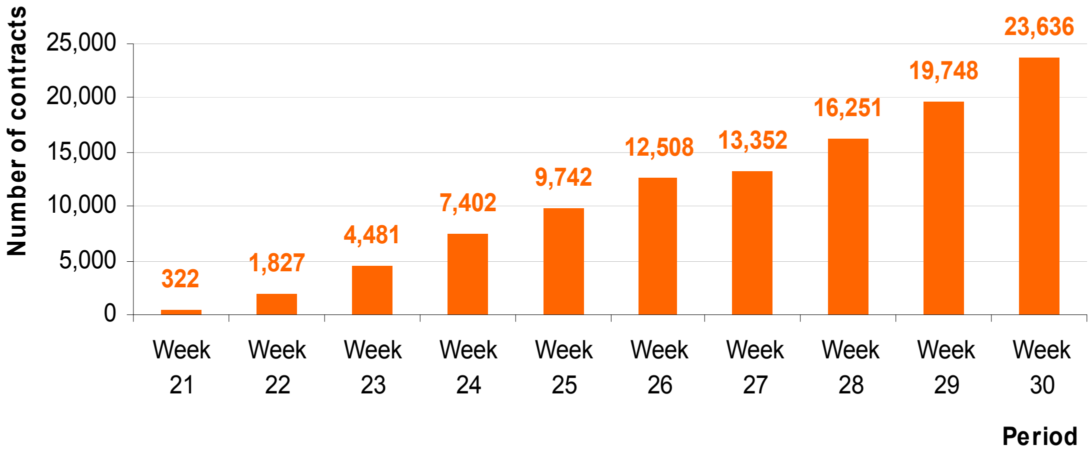


- ČEZ, a. s., uses a standard concept of hedging its open positions stemming from the generation portfolio against price-related risks.
- In the context of this strategy, ČEZ, a. s. sells electricity on a forward basis for years Y+1 to Y+3 and hedges the currency for Y+1 to Y+4.

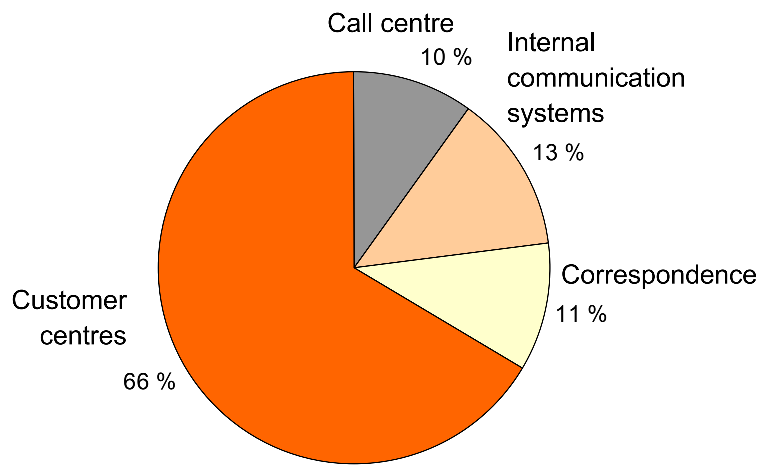
source: ČEZ, a. s.

RESULTS OF THE ACQUISITION CAMPAIGN FOR SUPPLIES OF NATURAL GAS TO HOUSEHOLDS CONFIRM THE GREAT INTEREST OF CUSTOMERS

Total of new contracts resulting from marketing campaign for acquisition of new natural gas customers



Contracts by method of their conclusion



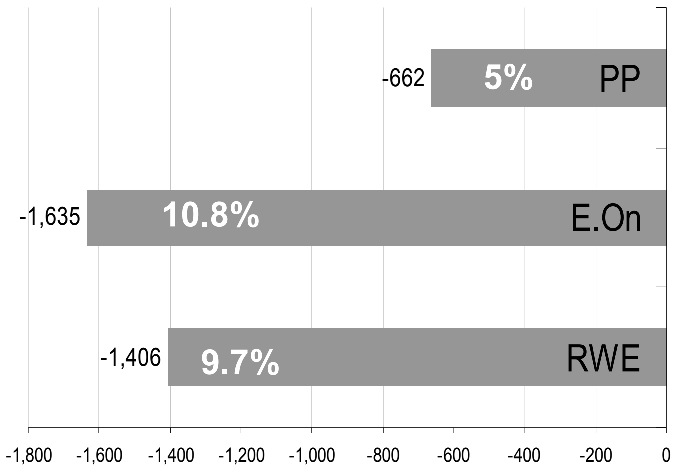
In 10 weeks we gained over 23,000 customers among employees and general public.

From July 19 it is possible to conclude a new contract for the supply of gas even through 10 contractual partners.

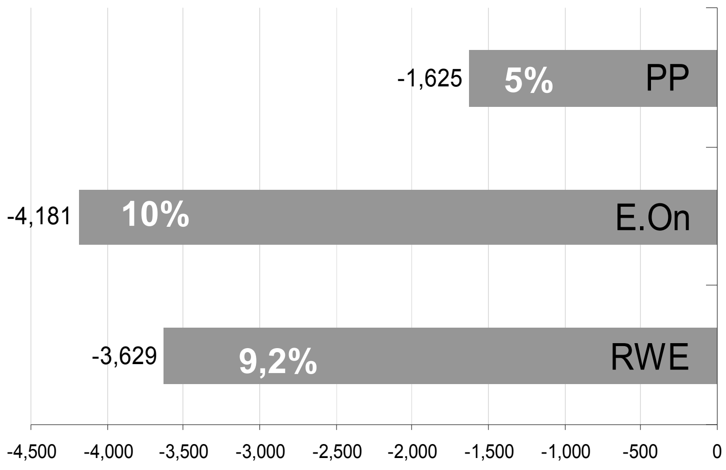
ČEZ, A. S., IS SUBSTANTIALLY CHEAPER THAN OTHER ESTABLISHED GAS SUPPLIERS

Price advantage of ČEZ Prodej (Sales) compared with competition (in CZK per annum)

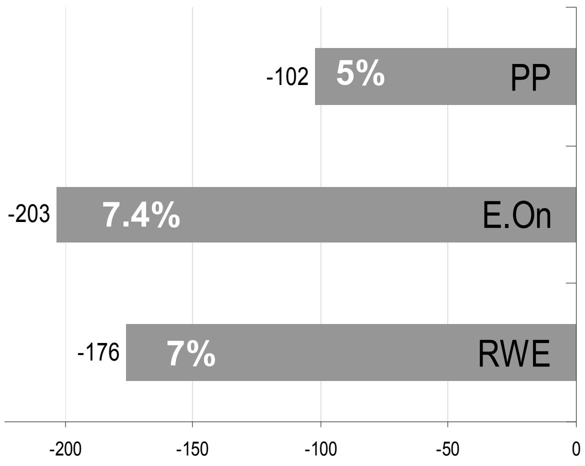
Customer which uses gas for heating (29 000 kWh)



Customer with average consumption (10 550 kWh)



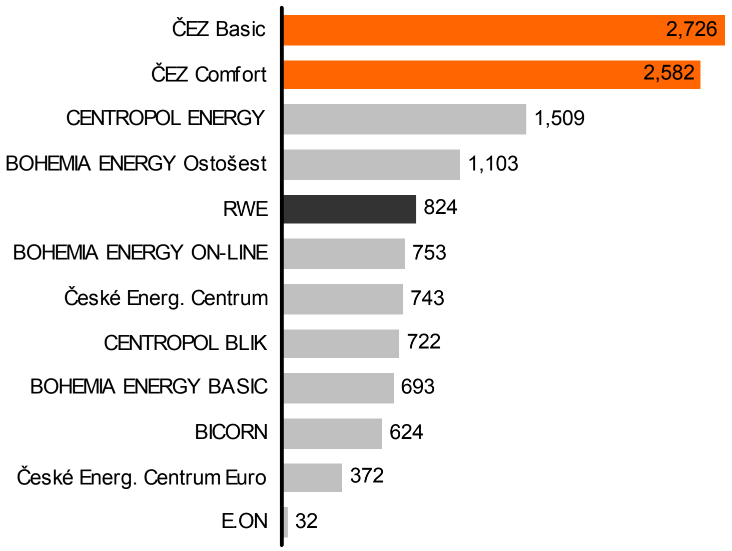
Customer which uses gas for cooking (850 kWh)



ČEZ, A. S., IS SUBSTANTIALLY CHEAPER EVEN FOR THE SUPPLY OF ELECTRICITY IN THE TERRITORY OF THE COMPETITORS

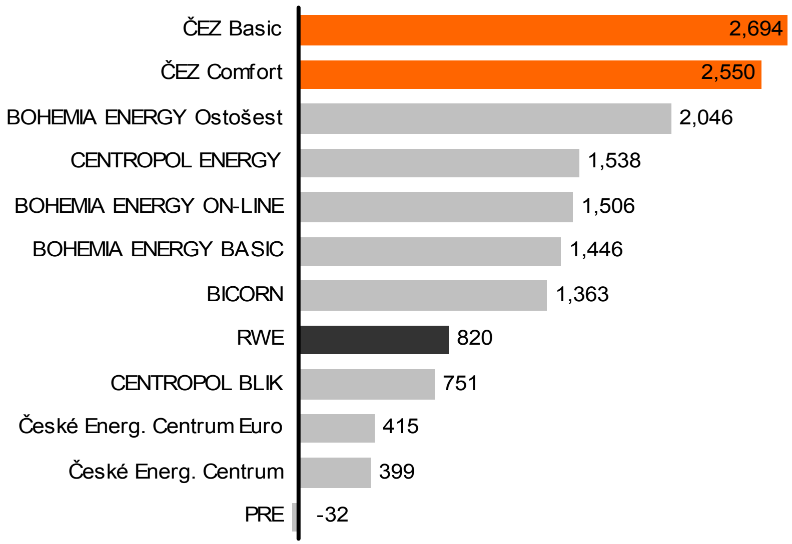
PRE distribution territory

- annual saving compared with PRE KOMFORT AKU 8 (in CZK per annum)



E.ON distribution territory

- annual saving compared with E.ON Elektřina Aku (in CZK per annum)



Note

- *Model example– tariff D26d, circuit breaker value 3x25A – 3x32A inc., annual consumption 1.9 MWh in high tariff, 8.1 MWh in low tariff*
- *Prices are in CZK including VAT, but excluding activation charges.*