

## Internal Information

### CEZ Group generated profit valued at CZK 40.2 billion for three quarters of the year

**Net profit of the energy CEZ Group generated for three quarters of this year has dropped on a year-on-year basis as expected. The drop by CZK 7.1 billion to CZK 40.2 billion is however deeper than analysts expected. Earnings before interest, taxes, depreciation and amortization (EBITDA) reached CZK 67.2 billion, which means a year-on-year decrease by 5.4%. Even in this case, the actual results surpass the analysts' expectations.**

“The main reason for the year-on-year drop of profit is the electricity price decline. On the other hand, the CEZ Group’s acquisitions in the heating industry and the successful penetration on the Albanian energy market are perceived positively in year-on-year comparison,” says Martin Roman, the Chairman of the Board of Directors and the Chief Executive Officer of CEZ.

With respect to future development expected in the energy sector and the economy, CEZ Group is coming up with the NEW VISION program. “We do not want to be successful only due to surfing on the economy growth wave. Therefore, our ambition is to overcome the European utilities market performance by uncompromising effectiveness and to earn money by knowledge and skills. The EFFECTIVENESS program is now followed by even a more ambitious program called NEW VISION. Within the framework of this program, we are implementing a program of financial stabilization of CEZ Group to overcome the period of turbulent changes on the energy market, we are reducing our investment program in accordance with the existing as well as the future possibilities of CEZ Group and above all, we are optimizing the internal organization and cost structure of CEZ Group in a vigorous manner,” explains Martin Roman.

Daniel Beneš, Vice-Chairman of the Board of Directors and Chief Operating Officer, says: “An important parameter for CEZ Group is optimization of the entire cash flow with respect to available financial resources. In the area of operations, we intend to focus on making the internal processes and minimization of costs along the entire production chain even more effective while accentuating maximization of own cash flow from operations.”

Electricity production by CEZ, a.s. showed during the aforementioned period of 2010 a year-on-year increase by 2.1 TWh (by 4.8%). The Temelín and Dukovany nuclear power plants generated from January to September 2010 by 0.7 TWh (by 3.5%) more electricity compared to the same period of the previous year. Production by coal-burning power plants increased by 1.3 TWh on a year-on-year basis and totaled to 24 TWh. Production from renewable energy resources increased by 6.9% on a year-on-year basis, in particular due to favorable flow rates in our hydro-electric power plants.

According to preliminary data, demand for electricity in the Czech Republic increased by 4.4% on a year-on-year basis, recalculated with respect to temperature reference by 3.3%. Consumption on the part of major customers increased by 6.5%, consumption of small businesses increased by 0.2% and consumption of households was higher by 1.6%.

**Table: Economic results of CEZ Group for Q1-Q3 of 2010**

	(MCZK)	Year-on-year change %
Earnings from operations	144 388	+3 %
EBITDA (or Earnings before interest, taxes, depreciation and amortization)	67 174	-5 %
Profit before taxes	48 764	-16 %
Profit after taxes	40 213	-15 %