Internal Information

CEZ Group's Net Profit for 2010 Reached CZK 47.2 Billion

The CEZ Group's Net Profit exceeded expectations by half a billion, reaching CZK 47.2 billion. The CEZ Group also improved its last year's results in terms of Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA), which exceeded CZK 89.1 billion. Although the results of 2010 are, in line with expectations, lower than in 2009, CEZ eventually delivered a profit higher than planned to its shareholders.

"Although impacted by the crisis in the region, last year's results again added to the major position of the CEZ Group. The Czech Republic has no other asset of a value greater than that of its stake in CEZ. Since its foundation in 1992, CEZ has contributed nearly CZK 370 billion to the state budget by means of taxes, dividends and proceeds from divesting a portion of the government's equity stake. No other corporation has delivered such earnings to Czech citizens," said Martin Roman, Chairman of the Board of Directors and Chief Executive Officer of CEZ.

Moreover, for the years until 2015, the CEZ Group has prepared a NEW VISION, a program aiming to stabilize and consolidate the group. Its primary goal is to make the CEZ Group financially stable for a period of turbulent changes in the energy sector. As the least indebted European energy corporation, CEZ is excellently posed to remain successful even in the upcoming years when the crisis and major changes will with a delay impact on the energy sector.

"It is our ambition to outperform the European utility market with uncompromising efficiency and earn money by capitalizing on our knowledge and capabilities. Following up on the EFFECTIVENESS program, we have introduced an even more ambitious program called NEW VISION. CEZ has allocated over CZK 300 billion for additional capital projects over the upcoming five years; although reduced, it is still higher than in the previous period. The capital projects will be concentrated in the Czech Republic, which will help other Czech businesses," Martin Roman added.

"We have several priorities, such as completing the renewal of our classic power plants, developing nuclear energy, and optimizing the operations of our power stations. Cost-cutting measures will affect our overhead costs, and salaries and wages will be frozen. We will place an even greater emphasis on acquisition performance, introduce stricter acquisition evaluation criteria, and if they do not meet our new requirements, we will prepare a divestment strategy. The uncompromising optimizing of our internal processes and the cost structure of the CEZ Group, we will save additional 36 billion crowns," said Daniel Beneš, Vice-Chairman of the Board of Directors and Executive Director of CEZ.

The volume of power generated by ČEZ, a. s. in 2010 grew by 1.2 TWh (2%) year on year. In 2010, the nuclear power plants of Temelín and Dukovany generated 0.8 TWh (2.9%) of power more than the year before. The output in coal power plants grew by 0.3 TWh year on year, reaching 31.4 TWh. Power generated from renewable sources increased by 11% year on year, in particular due to favorable flows at hydropower plants.

The data for 2010 once again show a year-on-year growth in power consumption. The demand for power in the Czech Republic, based on preliminary data for 2010, rose by 3.8 % or by 2.4% when adjusted for the temperature level. Wholesale consumption increased by 4.5%, corporate consumption by 0.2% and household consumption by 2%.

Table: Financial figures of the CEZ Group for 2010

	(CZK million)	YoY change in %
Operating Revenue	198,848	+ 1%
EBITDA (or Operating Profit Before Depreciation)	89,089	- 2%
Profit After Tax	47,158	- 9%