PRESS CONFERENCE ON CEZ GROUP 2010 FINANCIAL RESULTS

AUDITED CONSOLIDATED RESULTS PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Prague, 28 February 2011

AGENDA

Financial highlights and key events in CEZ Group in 2010
Martin Roman, CEO

NEW VISION
Daniel Beneš, COO

Financial results
Martin Novák, CFO

Trading position of CEZ Group
Alan Svoboda, Executive Director Sales Trading

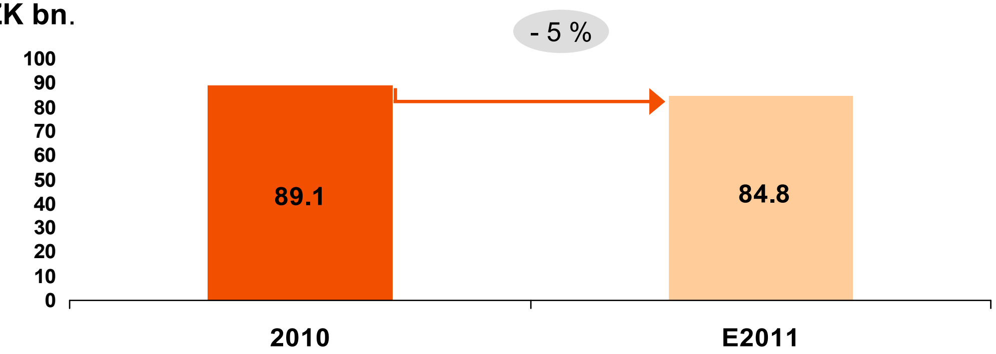
FINANCIAL HIGHLIGHTS AND KEY EVENTS IN 2010

- **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)** decreased by 2.2 % y-o-y (CZK 2.0 bn.) **to CZK 89.1 bn**.
- **Earnings before Interest (EBIT)** decreased by 4.6 % (by CZK 3.1 bn.) to **CZK 65.1 bn.**
- **Net Income** decreased by 9.1 % y-o-y (CZK 4.7 bn.) to **CZK 47.2 bn**.
- **Return on equity** decreased from 27.6% year ago to **22.4%.**
- **The share price** at BCPP stood at CZK **827** as of February 23, 2011.
- **EBITDA in 2011** is expected to reach CZK 84.8 bn., while **net income is expected** to reach CZK 40.1 bn.

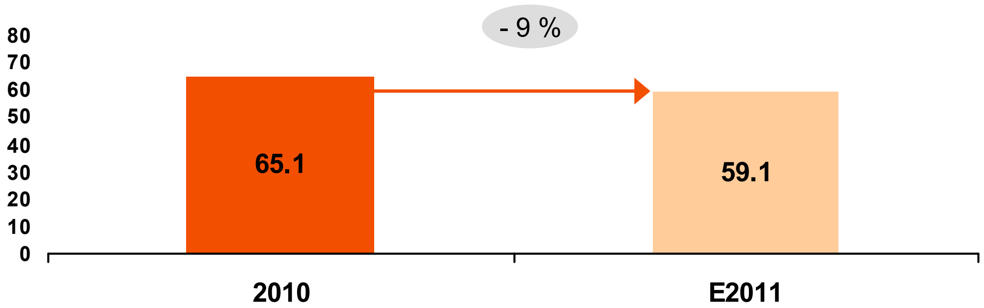
EXPECTED FINANCIAL RESULTS FOR 2011

CZK bn.

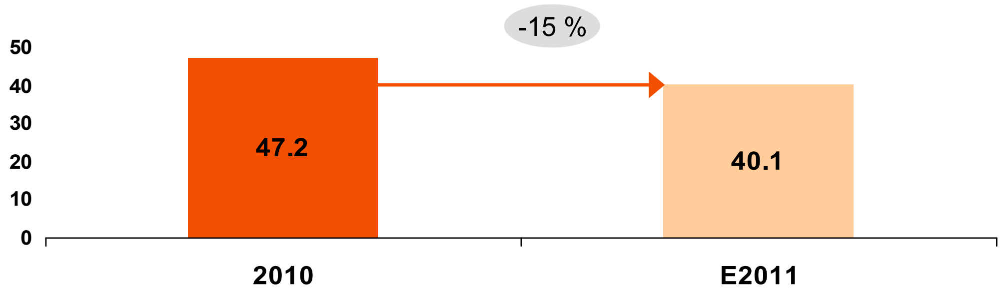
EBITDA



EBIT



NET INCOME



Key positive factors

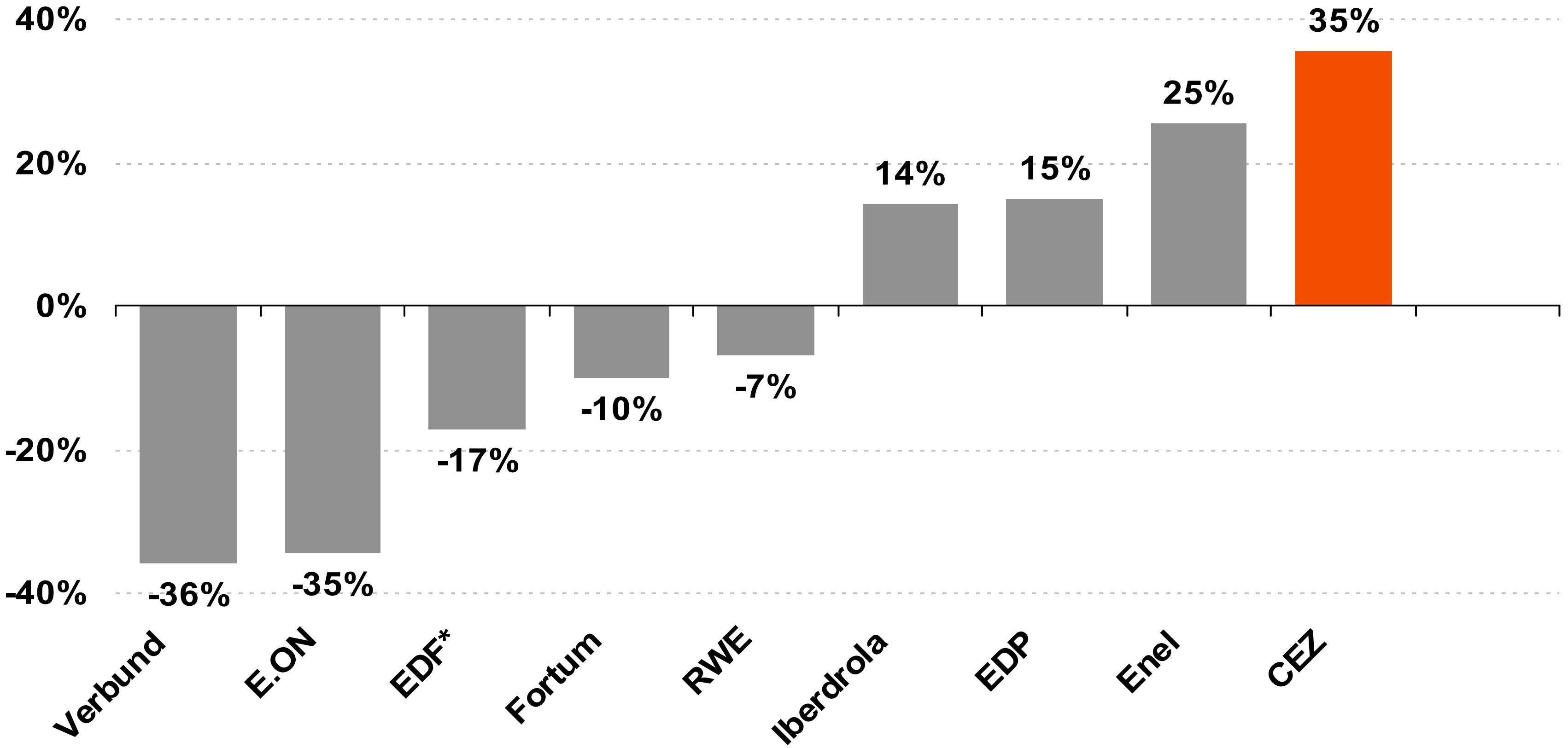
- increased production of nuclear power stations in line with the project goals defined in “Safely 15 TERA ETE” and “Safely 16 TERA EDU”
- increased production from CEZ Group’s wind power plants abroad (Romania)
- increased production of photovoltaic power plants owned by CEZ Group
- compensation of correction factor from 2009 in distribution
- austerity measures in the Albanian distribution

Key negative factors

- newly introduced gift tax on emission allowances
- newly introduced withholding tax levied on electricity produced by photovoltaic plants
- decreasing achieved electricity prices despite a large portion of the volume being sold via forward contracts
- appreciation of the CZK against the Euro, i.e. a decrease in the average hedging exchange rate

CEZ SUCCESSFULLY WEATHERED THE ECONOMIC CRISIS AND ACHIEVED ONE OF THE STEEPEST INCREASES OF NET INCOME

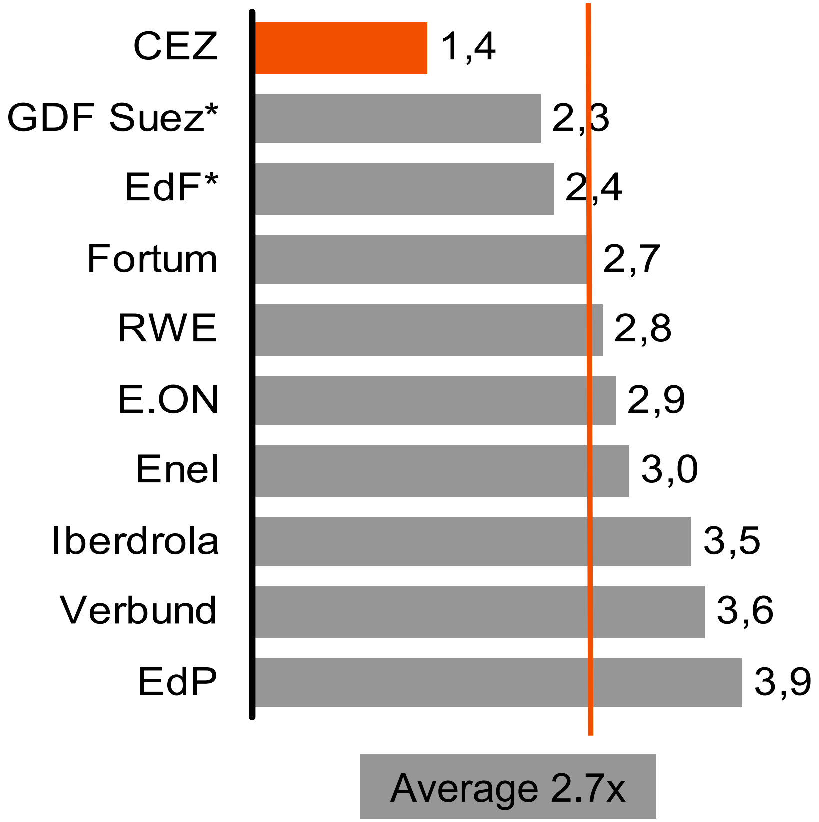
Change in net income in %
Q1-3 2010 compared with Q1-3 2007



Source: Web pages of the companies concerned, * EDF H1 2001 vs. H1 2007

CEZ IS STILL ONE OF THE LEAST INDEBTED UTILITY COMPANIES

Net financial debt/EBITDA
Multiples, as of 30 Sep 2010



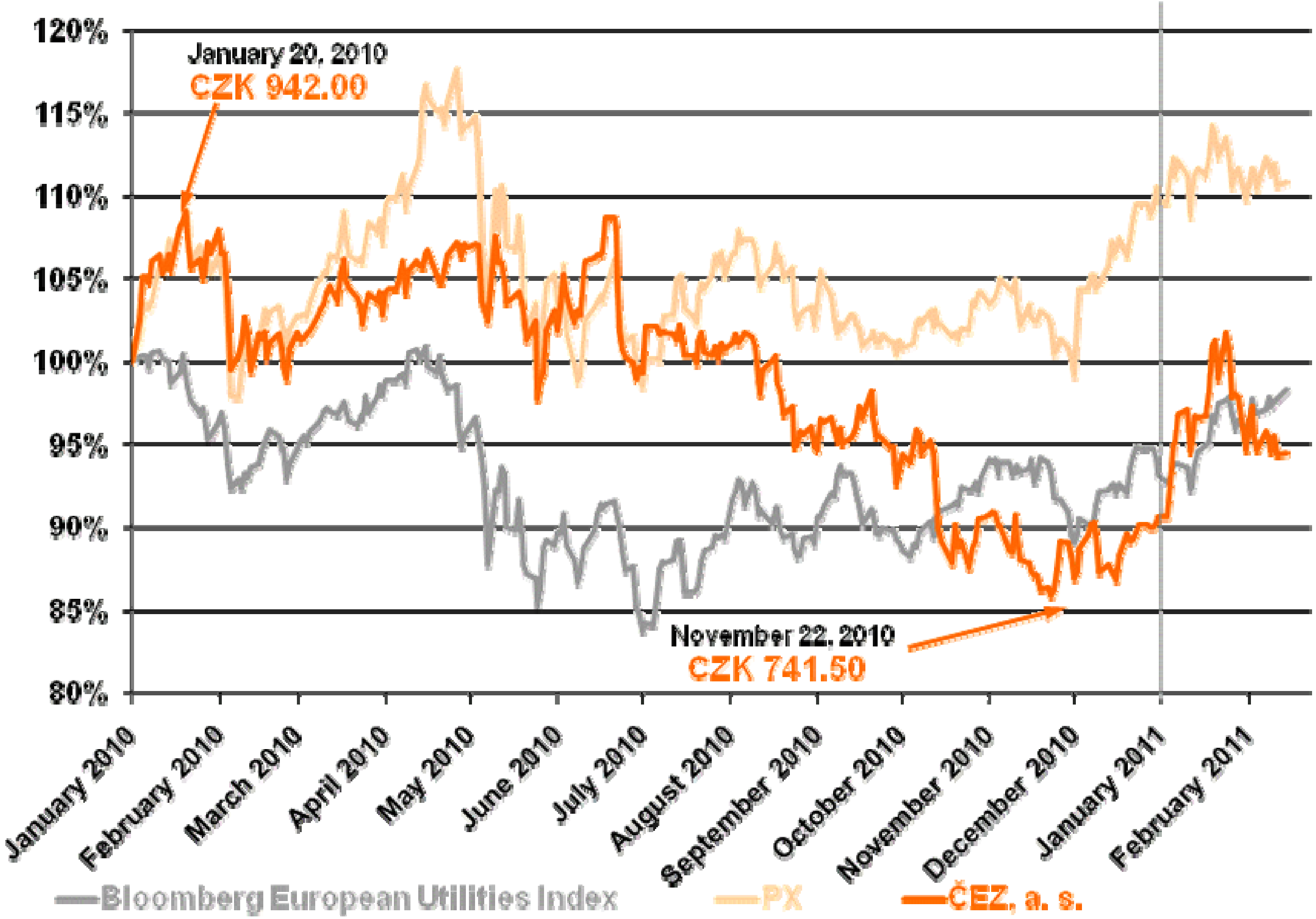
* as of 30 June 2010

NUMEROUS EUROPEAN COMPETITORS WERE FORCED TO DIVEST UNDER PRESSURE FROM CREDITORS AND OWNERS

- **E.ON**: Planned divestments totaling **€ ~15 bn** by year 2013
- **EdF**: Selling its 45% stake in the German company EnBW for € 4.7 bn.
- **Enel**: since 2009, it sold assets worth **€ 8 bn** and is approaching its target of **€ 10 bn**
- **Iberdrola**: by 2012 plans to divest assets worth **€ 2.5 bn**
- **Verbund:** last year was forced to make capital increase by **€1 bn**

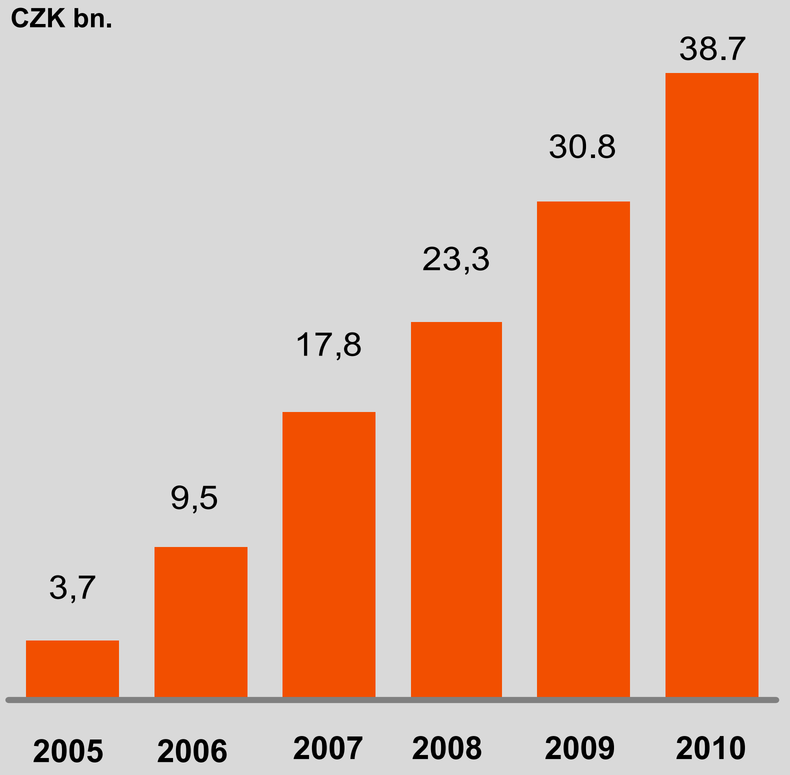
Source: Publicly available information from companies

DEVELOPMENT OF ČEZ, A. S. SHARE PRICE
THE PRICE CLOSED AT CZK 827 ON 23.2.2011



YEAR 2010 = ANOTHER YEAR OF SUCCESSFUL FOREIGN ACQUISITIONS BY CEZ GROUP

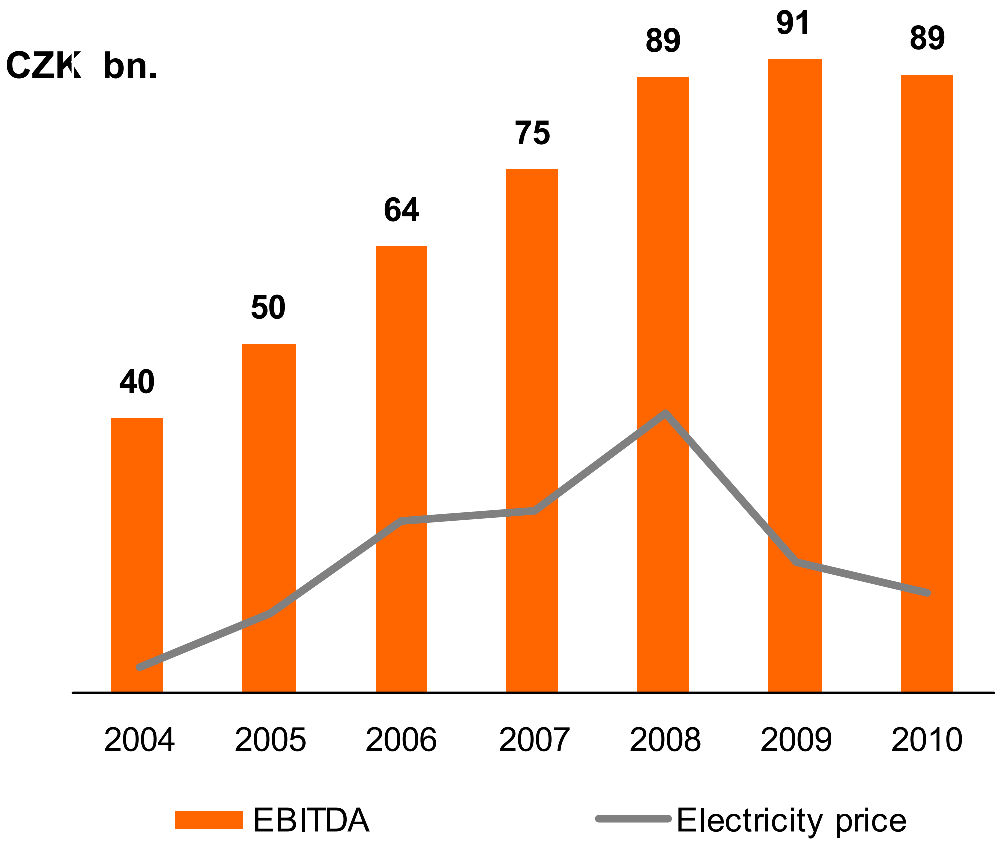
Cumulative EBITDA of acquisitions



Key results

- ROI targets continuously met, reaching or exceeding assumptions in original valuation models
- Foreign acquisitions create financial resources for further growth of CEZ Group
- The impact of the global financial crisis on CEZ Group foreign acquisitions has been avoided successfully
- Four significant acquisition projects successfully completed - (MIBRAG, Akenerji, Sedaş, Albanian distribution company) - using CEZ Group best practice and know-how

THOROUGH PURSUIT OF HEDGING POLICIES FOR 3-5 YEARS IN ADVANCE SIGNIFICANTLY LIMITED THE IMPACT OF THE CRISIS ON CEZ GROUP RESULTS IN THE 2008 - 2010 PERIOD



Thanks to its hedging strategy, CEZ Group salvaged a total of CZK 29 bn. of EBITDA between 2008 and 2010

- electricity: CEZ Group started medium-term sales as early as in 2007/2008. This change of strategy contributed cumulatively by some CZK 23 bn. to EBITDA of 2009 - 2010.
- CZK/EUR exchange rate: CEZ Group started to hedge this risk on the medium term in 2005. This strategy contributed cumulatively circa CZK 6 bn. to EBITDA of 2008 - 2010 (furthermore, the current financial effect of EBITDA hedging for 2011-2015 is approximately worth an additional CZK 7 bn.)

Therefore, S&P confirmed its existing rating of ČEZ (A-) in November 2010, reflecting:

- the ability of CEZ group to reach stable and predictable results despite the economic crisis
- successful management of CEZ Group total debt (CEZ Group always was, and still is, able to adapt investment and acquisition plans to the actual and expected availability of financial resources)

MAIN CHANGES IN ELECTRICITY SECTOR

Key factors influencing market:

- Oversupply of gas
- Growth of renewables
- Tightening regulatory intervention
- Oversupply of CO_2 allowances

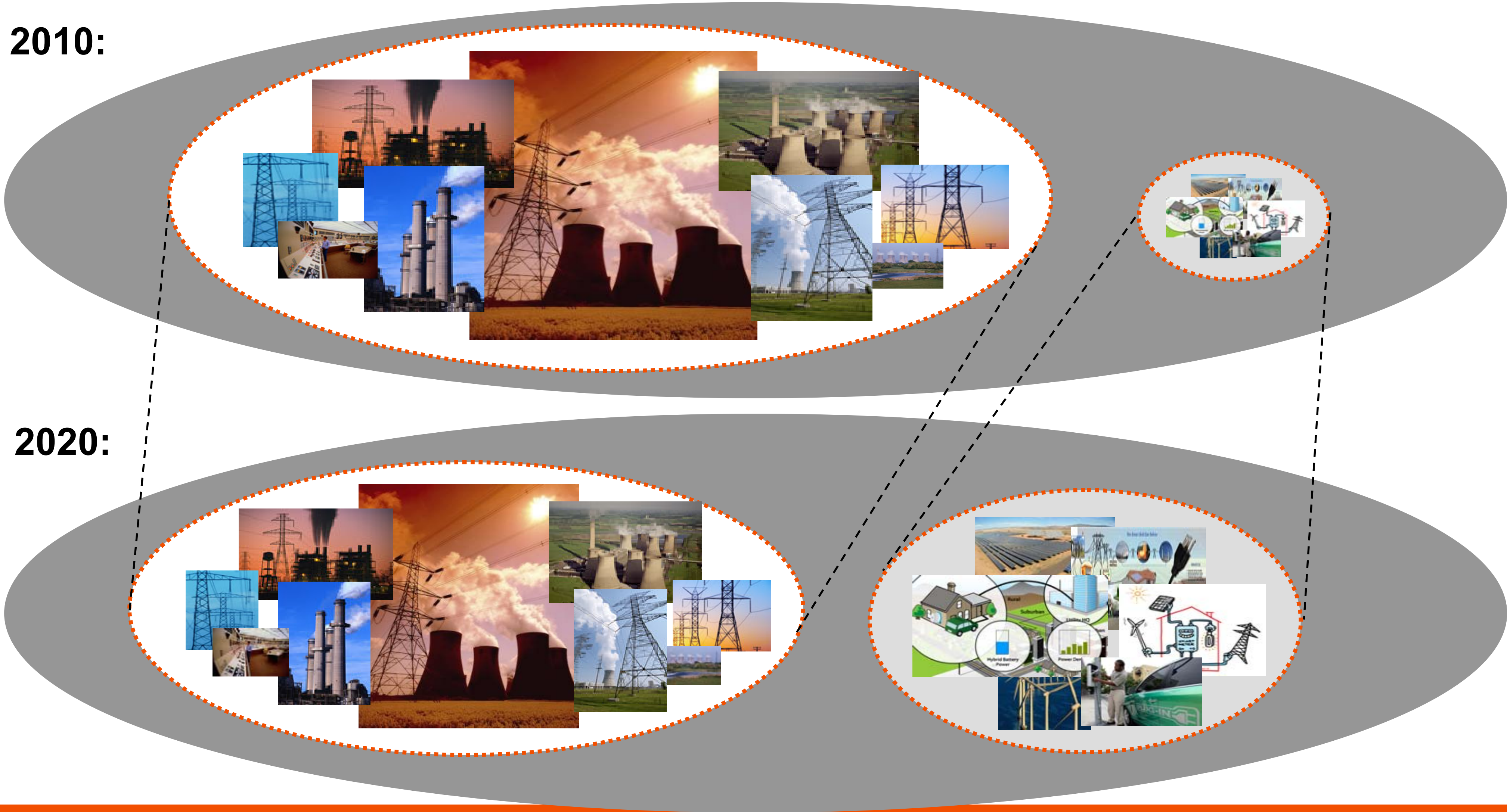
→

- Price of gas is declining / stagnating
- Oversupply of generation capacities
- Decline in profits
- Price of CO_2 allowances is declining /stagnating

ELECTRICITY SECTOR IS CHANGING – „CONVENTIONAL“ GENERATION WILL RECEDE TO „NEW“ TECHNOLOGIES

2010:

2020:



FUTURE OF ELECTRICITY SECTOR – NEW AREAS AND OPPORTUNITIES

CLEAN-TECH

- E-mobility
- Energy storage
- Clean Coal
- End-user en. efficiency
- Increased efficiency of production
- Advanced renewables
- Small co-generation
- Conventional renewables
- Smart grids

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WE HAVE A STRATEGY THAT WILL ENABLE US TO GROW IN THE MEDIUM TERM AND CREATE AN OPPORTUNITY TO PARTICIPATE IN "FUTURE" MARKETS

STRATEGIES FOR THE THREE LIFE HORIZONS OF CEZ GROUP

Defend and exploit "core" business

HORIZON I.
0-3 YEARS

- CONSOLIDATION
- EFFICIENCY
- RISK MANAGEMENT/HEDGING
- DIVESTMENT

Develop new growth opportunities

HORIZON II.
3–5 YEARS

- INCREASING SHARE IN REGULATED ASSETS
- INCREASING SHARE IN LIBERALIZED ASSETS

Create future markets

HORIZON III.
2020

- INVESTMENTS IN NEW TECHNOLOGIES
- DEVELOPING THE FUTUR/E/MOTION PLATFORM
- R&D AND DEVELOPMENT OF REQUIRED KNOWLEDGE
- PILOT PROJECTS (SMART REGIONS, COGENERATION,…)

INITIATIVE NEW VISION IS THE MAIN TOOL FOR MANAGEMENT OF FIRST TWO HORIZONS

NEW VISION 2011 – 2015

HORIZON I.
0-3 YEARS

CONSOLIDATION

EFFICIENCY

RISK MANAGEMENT/HEDGING

DIVESTMENT

HORIZON II.
3–5 YEARS

INCREASING SHARE IN REGULATED ASSETS

INCREASING SHARE IN LIBERALIZED ASSETS

HORIZON III.
2020

INVESTMENTS IN NEW TECHNOLOGIES

DEVELOPING THE FUTUR/E/MOTION PLATFORM

R&D AND DEVELOPMENT OF REQUIRED KNOWLEDGE

PILOT PROJECTS (SMART REGIONS, COGENERATION,…)

STABILISATION AND CONSOLIDATION OF CEZ GROUP IN THE 2011-2015 PERIOD IS THE ESSENCE OF THE NEW VISION INITIATIVE

2004 | **Historical growth** | 2009 | **Stabilization consolidation** | 2015 | **Future growth** | 2020

NEW VISION

Implementing the financial stabilization of CEZ Group to steer it through a period of turbulent change on the energy market

Cutting investment programme (CAPEX) in line with the current needs and resources of the Group to

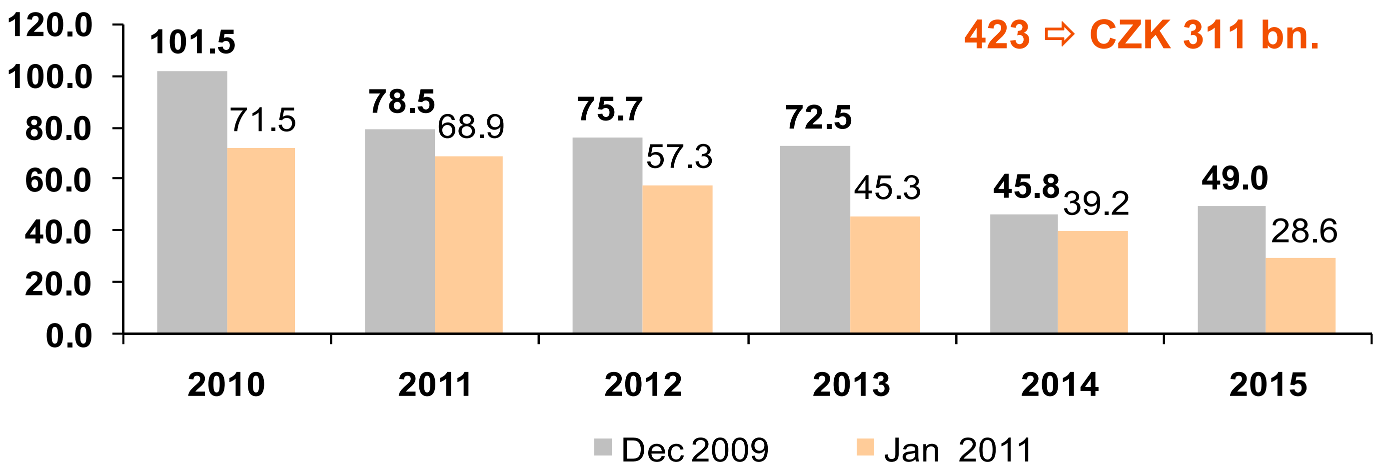
CZK 311bn.

Radical optimisation of internal functioning and cost structure of the Group as expressed by FCFF cash flow

CZK 36.1 bn.

FOR THE YEARS 2010 -2015 THE INVESTMENT PROGRAMME WAS CUT BY 25% COMPARED TO ORIGINAL EXPECTATIONS FROM DECEMBER 2009

Investments for 2010-2015 (CAPEX and financial investments)
CZK bn.



Halted projects:

Varna and Skawina (new sources), Galați, Nováky, US STEEL

Termination of acquisition projects:

STEAG, Geso/Enso, ENEA, Energa, privatisation of Turkish companies, PAK, Cernavoda

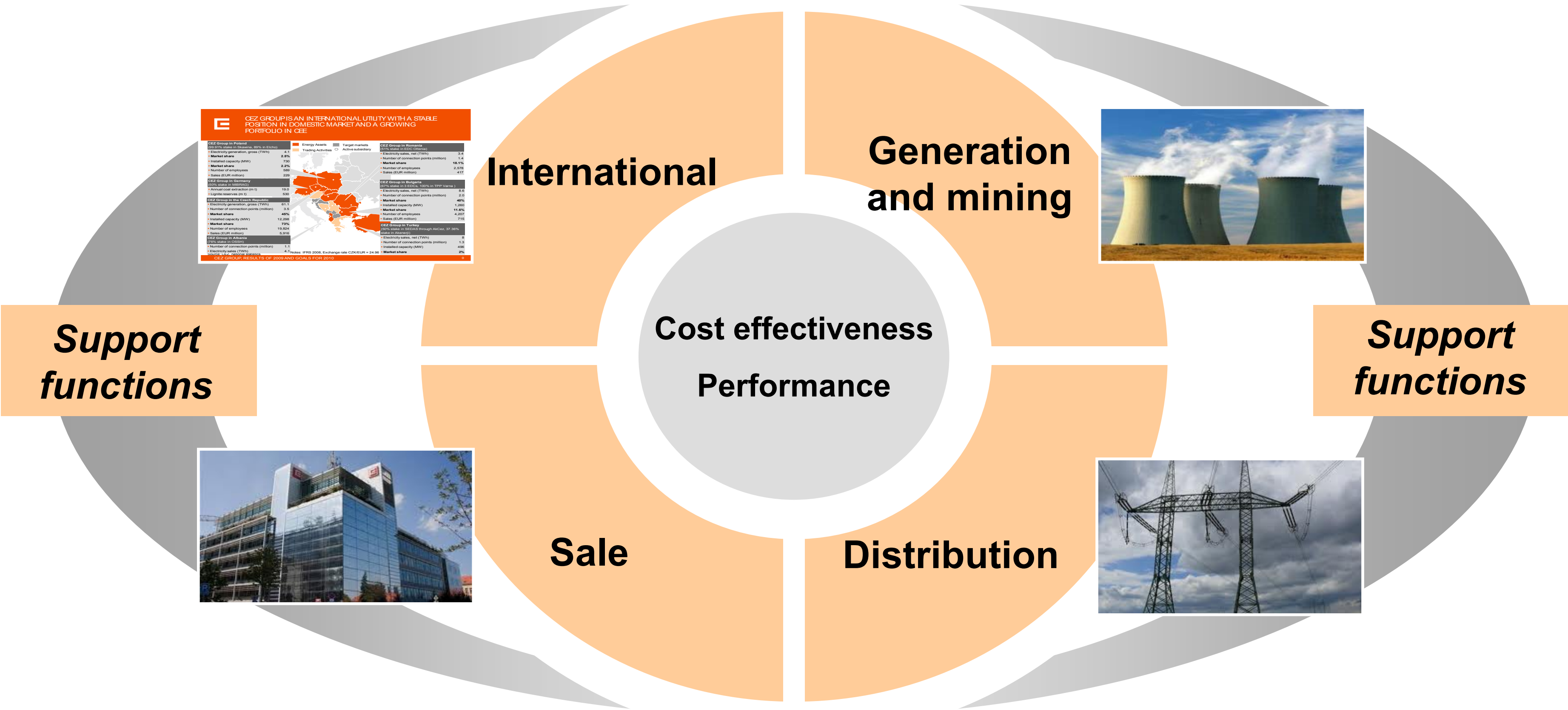
Departure from countries without own energy assets

e.g.: Kosovo, Serbia...

- **Projects failing to meet strategic or return targets were excluded from the investment programme. In case of any improvements in the state of the energy market or the projects' rate of return, they can be reconsidered.**

THE NEW VISION ACTION PLAN IS BASED ON THE MEDIUM TERM PRIORITIES OF THE MAIN SEGMENTS OF THE CEZ GROUP UNTIL 2015

CEZ Group priorities until 2015



THE NEW VISION ACTION PLAN IS BASED ON THE MEDIUM TERM PRIORITIES OF THE MAIN SEGMENTS OF THE CEZ GROUP UNTIL 2015

CEZ Group priorities until 2015

- Increasing capacity, safety and lifetime of nuclear power plants
- Completion of construction and comprehensive renewal of conventional power plants according to plan
- Optimizations of the operations of the coal portfolio
- Optimizing operating expenditure of plants
- Development of regulated assets

THE NEW VISION ACTION PLAN IS BASED ON THE MEDIUM TERM PRIORITIES OF THE MAIN SEGMENTS OF THE CEZ GROUP UNTIL 2015

CEZ Group priorities until 2015

- Efficient management of investments into distribution network
- Optimization of expenditure on network maintenance and operations while maintaining quality of delivery
- Increasing the availability of the distribution network

Distribution

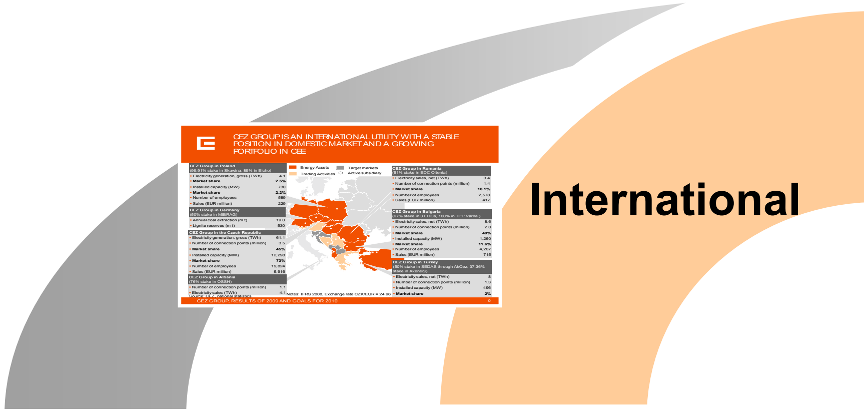
THE NEW VISION ACTION PLAN IS BASED ON THE MEDIUM TERM PRIORITIES OF THE MAIN SEGMENTS OF THE CEZ GROUP UNTIL 2015

CEZ Group priorities until 2015

- Achieving better sales of electricity in comparison with the market average
- Stabilization of customer portfolio
- Maintaining strategic share on electricity market
- Successful development of gas sales in the Czech Rep. and Slovakia
- Operational efficiency of supporting end customers

THE NEW VISION ACTION PLAN IS BASED ON THE MEDIUM TERM PRIORITIES OF THE MAIN SEGMENTS OF THE CEZ GROUP UNTIL 2015

CEZ Group priorities until 2015



- Speeding up repatriation of finances
- Cost optimization in line with best practice

LONG-TERM GOALS OF CEZ GROUP

- **INVESTMENT INTO RENEWABLE SOURCES OF ENERGY**
- **DEVELOPMENT OF NUCLEAR ENERGY**
- **CONSTRUCTION OF COMBINED CYCLE GAS PLANTS**
- **FUTUR/E/MOTION INITIATIVE**

ALONG WITH OTHER OPTIMISATION MEASURES, THE KEY PRIORITY FOR 2011 IS COMPREHENSIVE PREPARATION FOR THE IMPLEMENTATION OF OUR NEW VISION IN THE UPCOMING YEARS

Priorities for 2011

- Finalization of tender documentation for new nuclear plant in Temelin
- Implementation of the increase of capacity of the first unit of NPP Dukovany to 500MW
- Development of business activities in the field of small cogeneration and heat
- Gaining significant market position on the Slovak gas market and speeding up gas sales in the Czech Rep.
- Acceleration of completion of FÂNTÂNELE and COGEALAC wind farms
- Achieving more favorable terms of supplier contracts

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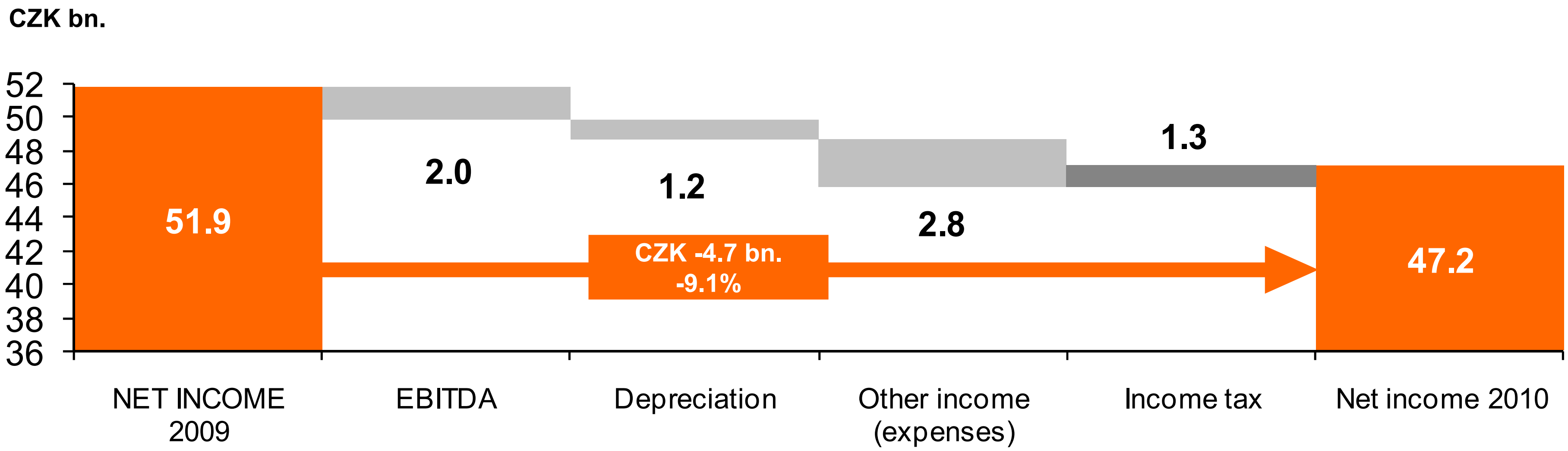
CEZ GROUP FINANCIAL RESULTS

(CZK bn.)	2009	2010	Change	%
Revenues	196.4	198.8	+2.4	+1%
EBITDA	91.1	89.1	-2.0	-2%
Net income	51.9	47.2	-4.7	-9%
Operating CF	87.4	77.2	-10.2	-12%
CAPEX	56.6	61.7	+5.1	+9%
Net debt	124.4	134.5	+10.1	+8%

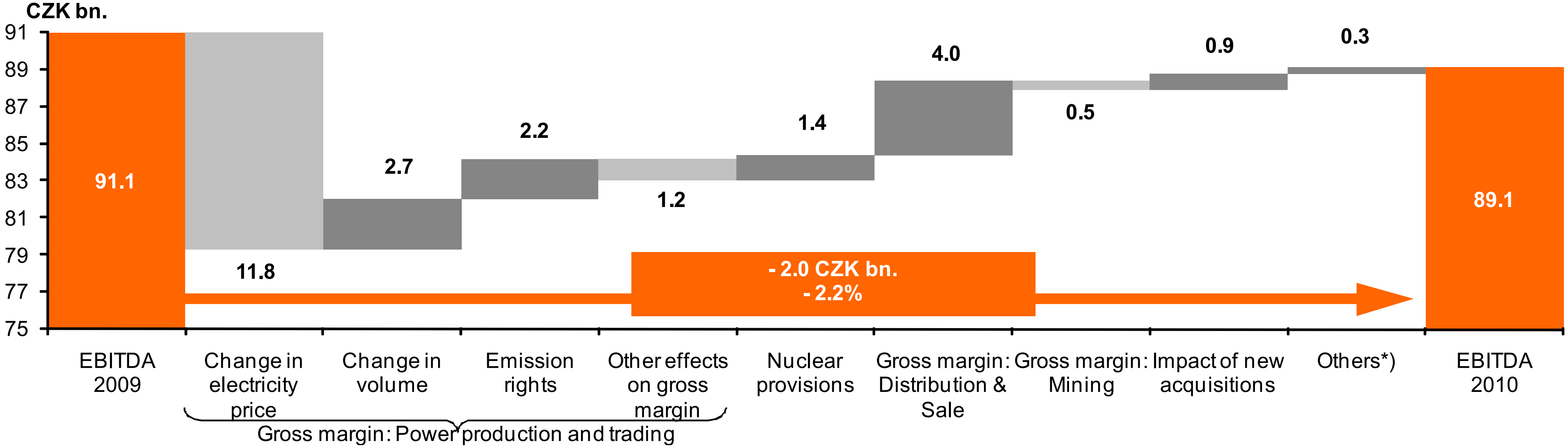
		2009	2010	Change	%
Installed capacity	th. MW	14.4	15.0	+0.6	+4%
Generation of electricity	TWh	65.3	68.4	+3.1	+5%
Electricity distribution to end customers	TWh	51.7	53.2	+1.5	+3%
Sales to end customers	TWh	43.8	44.6	+0.8	+2%
Sales of heat	th. TJ	13.0	16.9	+3.9	+30%
Number of employees	000's	33.0	32.6	-0.4	-1%

Note.: The presentation depicts consolidated CEZ Group data inclusive of subsidiaries consolidated using the full method excluding affiliated companies.

KEY DRIVERS OF Y-O-Y CHANGE IN NET INCOME



KEY DRIVERS OF Y-O-Y CHANGE IN EBITDA



Gross margin from Power Production & Trading (CZK - 8.1 bn.)
- fall of electricity prices and appreciation of the CZK/EUR exchange rate (CZK - 11.8 bn.)
- increased volume of generation and trading (CZK +2.7 bn.)
- income from emission allowances (CZK +2.2 CZK bn.)

Nuclear provisions (CZK + 1.4 bn.)
- change in estimated provision for cost of storing spent nuclear fuel by CEZ a.s.

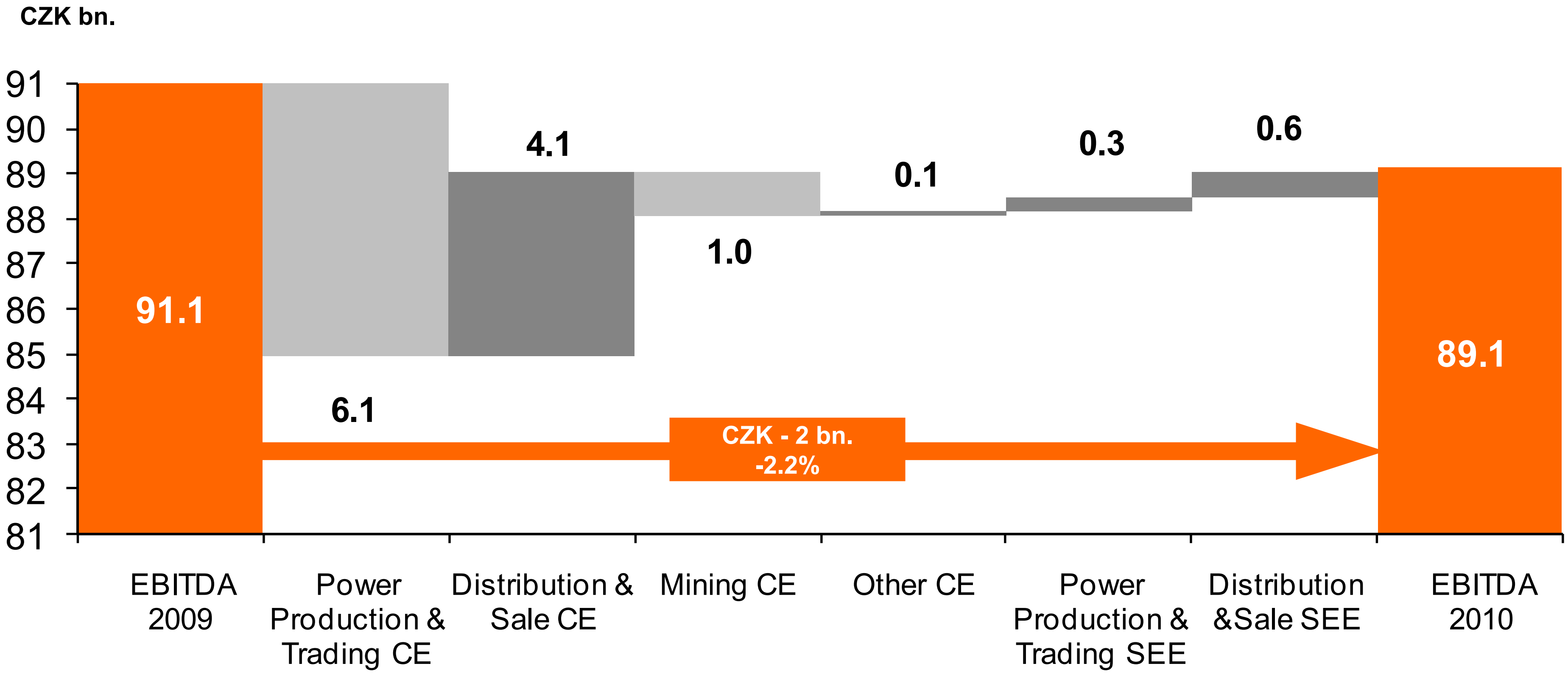
Gross margin from Distribution & Sale (CZK +4.0 bn.)
- increase of distribution tariffs in the Czech Rep. (CZK +2.1 bn.)
- change of balance of un-invoiced electricity (CZK +1.8 bn.)

Gross margin: mining (CZK -0.5 bn.)
- decreased sales of coal (lower demand by CEZ a.s.)

Impact of new acquisitions (CZK +0.9 bn.)
- Albanian distribution company (CZK+0.6 bn.) and Trmice heating plant (CZK+0.3 bn.)

*) includes a number of minor drivers under the materiality limit

CHANGE OF EBITDA Y-O-Y BY SEGMENT



EBITDA BY SEGMENTS: POWER PRODUCTION & TRADING CENTRAL EUROPE

CZK bn.	2009	2010	Change	%
Czech Republic	65.9	60.3	-5.6	-8%
Poland	2.5	2.0	-0.5	-20%
Total EBITDA	**68.4**	**62.3**	**-6.1**	**-9%**

Czech Republic (CZK -5.6 bn.)

- lower margins of CEZ a.s. on electricity (CZK -8.1 bn.) due to falling electricity prices on wholesale market and due to appreciation of the CZK/EUR exchange rate
- change in estimated provision for cost of storing spent nuclear fuel by CEZ a.s. and savings on fixed operating costs (CZK +1.8 bn.)
- heat generation (CZK +0.4 bn.): acquisition of Trmice heating plant (CZK + 0.3 bn.), higher delivery volumes and gross margins of CEZ Teplárenská (CZK +0.1 bn.)
- renewable sources (CZK +0.3 bn.): higher generation and gross margins from new solar and wind-powered power plants

Poland (CZK -0.5 bn.)

- higher revenues from sales of heat and red certificates caused by higher heat deliveries, in 2009, downtime on heat distribution systems in the Krakov area (CZK +0.3 bn.)
- lower revenues of the ELCHO power plant resulting from the timing in drawing compensations, with revenues falling gradually (CZK -0.8 bn.).

EBITDA BY SEGMENTS: POWER PRODUCTION & TRADING SOUTH-EASTERN EUROPE

CZK bn.	2009	2010	Change	%
Bulgaria	0.5	0.3	-0.2	-43%
Romania	-0.2	0.3	+0.5	-
Total EBITDA	**0.3**	**0.6**	**+0.3**	**+89%**

Bulgaria (CZK -0.2 bn.)

- y-o-y increase in electricity generation by 27% (to 2.9 TWh) in the Varna power plant, caused mainly by higher degree of activation of the cold reserve
- negative margin on electricity generation required by the regulator
- higher variable costs caused by higher coal prices

Romania (CZK +0.5 bn.)

- launch of generation in the Fântânele wind farm in June 2010, 256 GWh of electricity generated by the end of year 2010

EBITDA BY SEGMENTS: DISTRIBUTION & SALE CENTRAL EUROPE

CZK bn.	2009	2010	Change	%
Distribution	9.2	12.3	+3.1	+34%
Sale	0.1	1.1	+1.0	>200%
Total EBITDA	**9.3**	**13.4**	**+4.1**	**+44%**

Distribution (CZK +3.1 bn.)

- higher revenues allowed by regulator (CZK +2.1 bn.) in consideration of high investments into the distribution network
- change of balance of un-invoiced electricity on low voltage level (CZK +0.9 bn.)
- cost reduction (CZK +0.1 bn.)

Sale (CZK +1.0 bn.)

- change of balance of un-invoiced electricity (CZK +0.9 bn.)
- margin on sales of natural gas (CZK +0.1 bn.)

EBITDA BY SEGMENTS: DISTRIBUTION & SALE SOUTH-EASTERN EUROPE

CZK bn.	2009	2010	Change	%
Romania	2.1	2.4	+0.3	+14%
Bulgaria	1.4	1.1	-0.3	-21%
Albania	-0.4	0.2	+0.6	-
Total EBITDA	**3.1**	**3.7**	**+0.6**	**+19%**

Romania (CZK +0.3 bn.)

- growth of electricity sales on very high voltage level thanks to receding economic crisis
- lower cost of distribution losses thanks to lower price of electricity
- cost savings in distribution achieved by outsourcing transport services and facility management, and revenues from leasing electric poles for advertising purposes

Bulgaria (CZK -0.3 bn.)

- reduction of distribution tariffs on the low voltage level by 12.5% (reduced percentage of recognized losses in distribution)

Albania (CZK +0.6 bn.)

- date of acquisition and entry into consolidated results starting in May 2009, therefore data not comparable on y-o-y basis
- introduction of restructuring measures: headcount reductions, reduction of losses in the networks and improvements in debt collection

EBITDA BY SEGMENTS: MINING CENTRAL EUROPE, OTHERS CENTRAL AND SOUTH-EASTERN EUROPE

EBITDA (CZK bn.)	2009	2010	Change	%
Mining CE	5.3	4.3	-1.0	-19%
Other CE	4.6	4.7	+0.1	+2%
Other SEE	0.1	0.1	0.0	0%

Mining Central Europe (CZK -1.0 bn.)

- lower deliveries of coal to CEZ a.s. (-0.9 m. tons, CZK -1.0 bn.) due to planned shutdowns of power plants
- higher sales of coal (+0.6 m. tons, CZK +0.5 bn.) to external customers
- increased costs for land reclamations (CZK -0.8 bn.) accompanied by drawing down the land reclamation provision (CZK +0.3 bn.)

OTHER EXPENSES AND INCOME

(CZK bn.)	2009	2010	Change	%
EBITDA	**91.1**	**89.1**	**-2.0**	**-2%**
Depreciation and amortization	**-22.8**	**-24.0**	**-1.2**	**-5%**
Other income (expenses)	**-3.3**	**-6.1**	**-2.8**	**-86%**
Interest balance	-3.0	-3.5	-0.5	-17%
Foreign exchange rate gains (losses) and financial derivates	-0.6	-1.3	-0.7	>200%
Gain (Loss) from associates and joint-ventures	3.0	0.1	-2.9	-97%
Other	-2.7	-1.5	+1.2	+44%
Income taxes	**-13.1**	**-11.8**	**+1.3**	**+10%**
Net income	**51.9**	**47.2**	**-4.7**	**-9%**

Balance of interest expenses/income (CZK -0.5 bn.)

- growth of interest expense due to higher financing requirement

Exchange rate gains/losses and financial derivatives (CZK -0.7 bn.)

- lower y-o-y gain resulting from the revaluation of the MOL share option (CZK -0.9 bn.)

Gain/loss from associates and JVs (CZK -2.9 bn.)

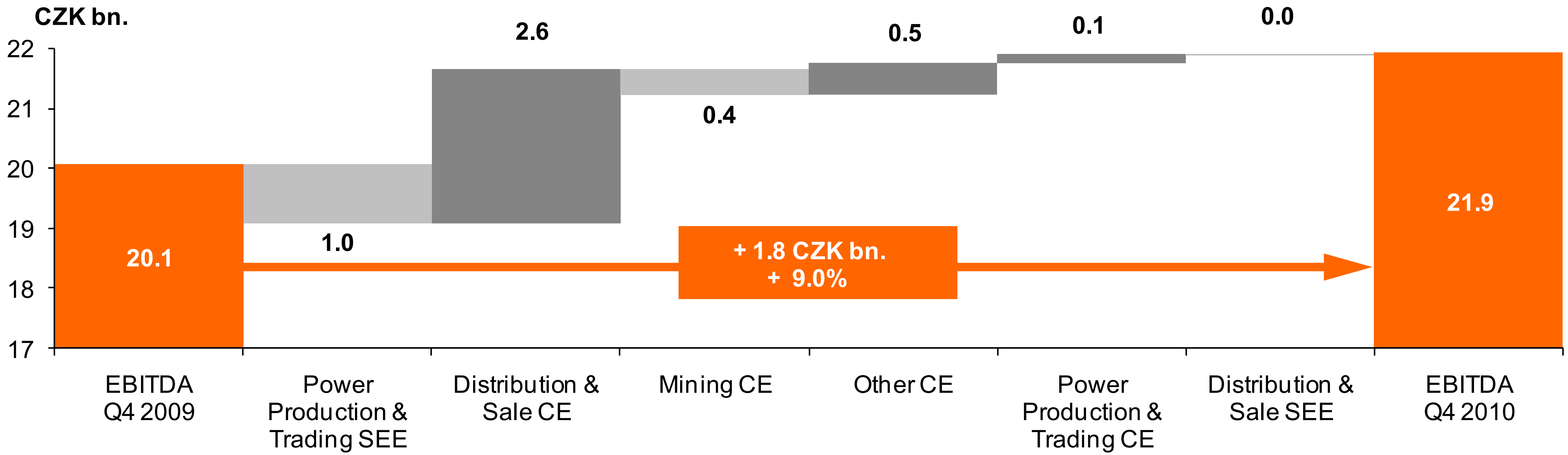
- write-off of negative goodwill resulting from the MIBRAG acquisition affecting 2009 income (CZK -3.1 bn)

Other (CZK +1.2 bn.)

- goodwill write-off of Polish companies (CZK +3.3 bn) in 2009, goodwill write-off of Bulgarian companies (CZK -2.8 bn.) in 2010
- dividend received from Dalkia ČR (CZK +0.4 bn) and revenue from the Pražská Teplárenská transaction (CZK +0.9 bn)
- exchange rate losses from revaluation of securities CZK -0.2 bn., in 2009 one-off revenue from bank guarantees of companies in equivalence (CZK -0.2 bn)

N.B.: The balance of interest expense/income also includes interest from nuclear provisions.

DEVELOPMENTS IN Q4 2010



EBITDA - CEZ Group (CZK +1.8 bn.):

- Power Production & Trading CE (CZK -1.0 bn.): decrease of CEZ a.s. gross margin caused by drop in electricity prices (CZK -1.1 bn.); inclusion of Trmice heating plant into consolidation entity (CZK +0.1 bn.)
- Distribution & Sale CE (CZK +2.6 bn.): change of balance of un-invoiced electricity (CZK +1.8 bn.) and higher allowed regulated revenues (CZK +0.5 bn.) in recognition of higher investment into the distribution network
- Mining CE (CZK -0.4 bn.): Drawing down the land reclamation provision (CZK +0.3 bn.) accompanied by increases in related operating costs (CZK -0.7 bn.)
- Other CE (CZK +0.5 bn.): higher revenues and operating cost savings in ČEZ Distribuční služby and in subsidiaries of Severočeské doly mines (particularly, SD Rekultivace)
- Power Production & Trading SEE (CZK+0.1 bn.): improved results due to launch of production in the Fântânele (Romania) wind farm started in June 2010

DEVELOPMENTS IN Q 4 - CONTINUED

(CZK bn.)	10 - 12/ 2009	10 - 12/ 2010	Change	%
Revenues	55.5	54.4	-1.1	-2%
Operating expenses less depreciation and amortization	-35.4	-32.5	+2.9	+8%
EBITDA	**20.1**	**21.9**	**+1.8**	**+9%**
Depreciation and amortization	-6.3	-6.9	-0.6	-9%
Other income (expenses)	-6.8	-4.9	+1.9	+28%
Income taxes	-2.4	-3.2	-0.8	-34%
Net income	**4.6**	**6.9**	**+2.3**	**+50%**

Depreciation (CZK -0.6 bn.)

- higher depreciation due to re-commissioning of operations at two units of the Tušimice power plant after comprehensive refurbishment (CZK -0.4 bn.)

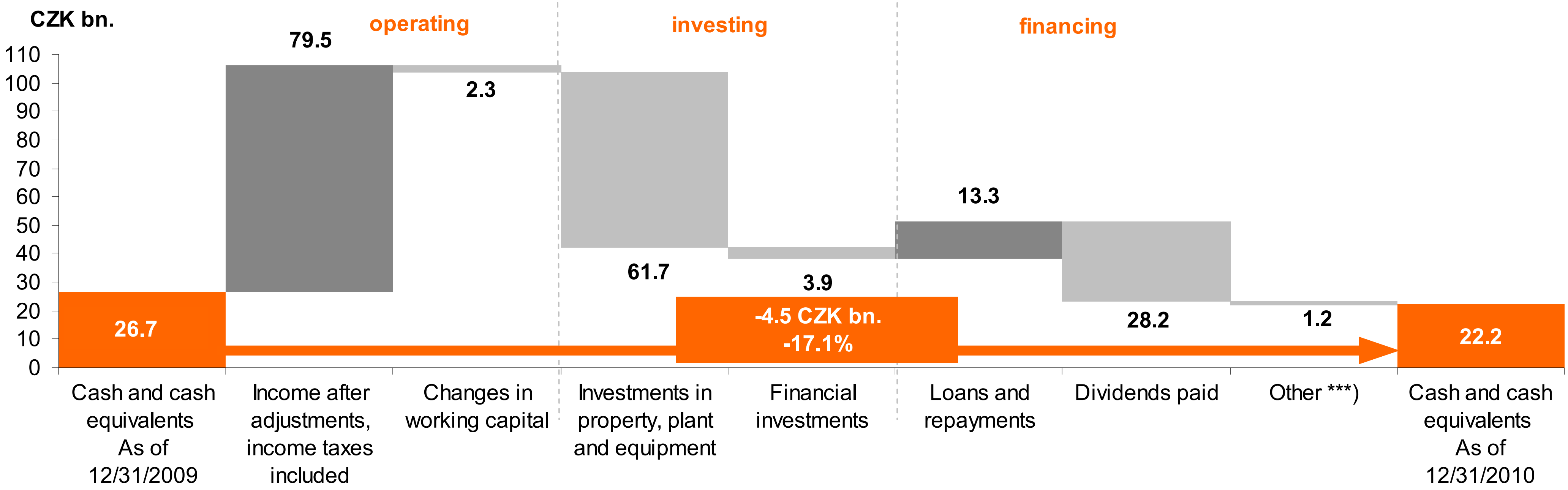
Other expenses and income (CZK +1.9 bn.)

- revenue from the Pražská Teplárenská transaction (CZK +0.9 bn)
- higher gains/losses from associates and JVs (CZK +0.8 bn.)
- goodwill write-off of Polish companies (CZK +3.3 bn) in 2009, goodwill write-off of Bulgarian companies (CZK -2.8 bn.) in 2010

Corporate income tax (CZK -0.8 bn.)

- growth of tax caused by increased profits

CASH FLOW



Operating cash flow (CZK +77.2 bn.):

- Income after adjustments (CZK +79.5 bn.) less changes in working capital (CZK -2.3 bn.): decrease of liabilities (particularly those resulting from derivatives deals and trading liabilities) was faster than the decrease of receivables (particularly trade receivables)

Cash flows used for investments (CZK -65.6 bn.):

- investment into fixed assets (particularly into power plants) and financial investments into securities (purchase of Dalkia ČR)

Cash flow from financing activities incl. exchange rate differentials (CZK -16.1 bn.):

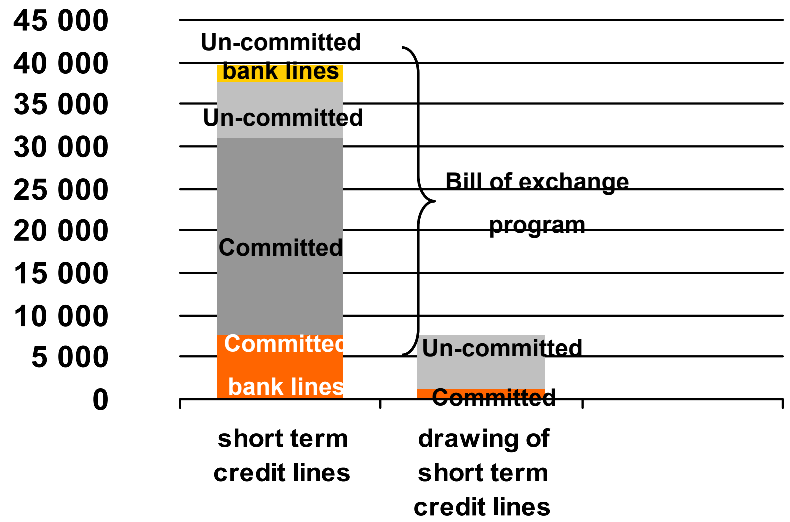
- dividends paid to shareholders (CZK -28.2 bn.) partly covered by bond issues (CZK +13.3 bn.)
- impact of exchange rate differentials on cash and equivalents (CZK -0.5 bn.)

*) investment into fixed assets = CAPEX **) including balance of loans provided, divestments and changes of balances on restricted accounts ***) other - mainly impact of exchange rate differentials

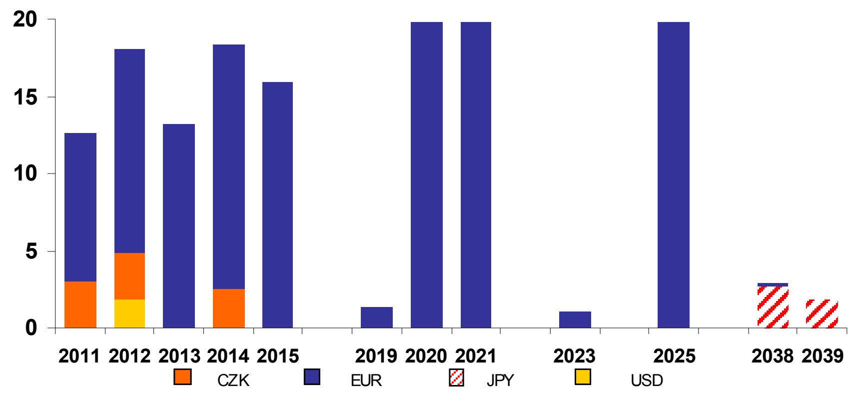
CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

- y-o-y increase of net debt/ EBITDA ratio from 1.37 to 1.51
- CZK 31 bn. committed short-term credit lines
- CZK 30 bn. cash and financial assets with high liquidity
- particularly un-committed credit lines used as part of the bill of exchange program
- committed lines of credit maintained as a reserve to cover unexpected financing requirements
- co-operation with European Investment Bank deepened, long-term loan agreements totaling € 300 million concluded in 2010
- in December 2010, partial buyout of CEZ Finance B.V. bond issue, due in 2011, and increase of ČEZ, a. s. bond issue due in 2020
- in 2010, the total volume of bond issues reached € 1,690 m.
- in January 2011, another bond issue of € 40 m., and in February 2011, a bond issue of JPY 11.5 bn. (€ 102 m.); the maturity of both issues is 12 years
- growth of average debt maturity by 1.5 years to 7.6 years*)

Drawing of credit lines (as of 31. Dec 2010, CZK bn.)



Bond maturity profile (as of 31 Dec 2010, CZK bn.)



AGENDA

Financial highlights and key events in CEZ Group in 2010
Martin Roman, CEO

NEW VISION
Daniel Beneš, COO

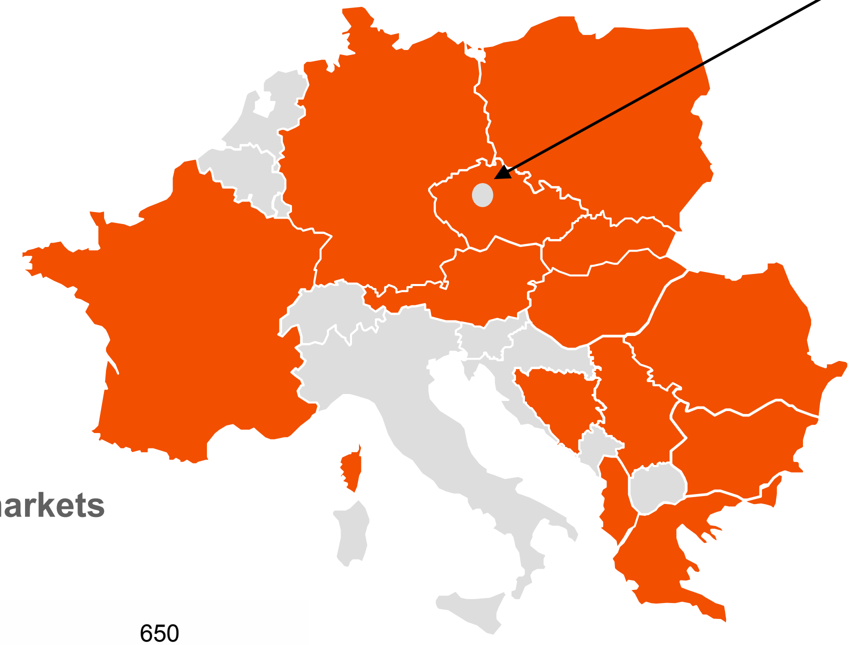
Financial results
Martin Novák, CFO

Trading position of CEZ Group
Alan Svoboda, Executive Director Sales Trading

CEZ NAMED “BEST ELECTRICITY TRADER IN EASTERN EUROPE”

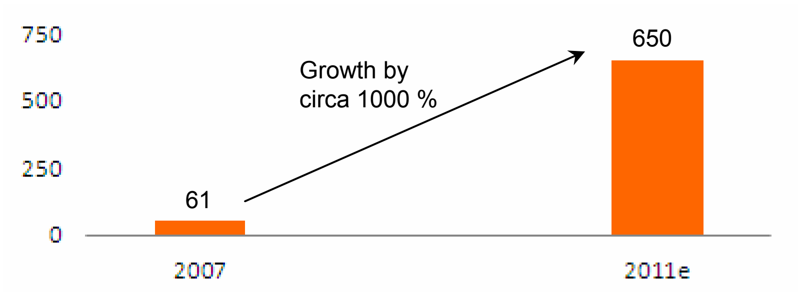
CEZ was awarded an international prize in Risk & Energy Commodity Ratings 2011, as „Best electricity trader in Eastern Europe“

Countries where we participate in the wholesale electricity market



Central trading for the entire CEZ group

CEZ turnover on wholesale markets /CZK bn./

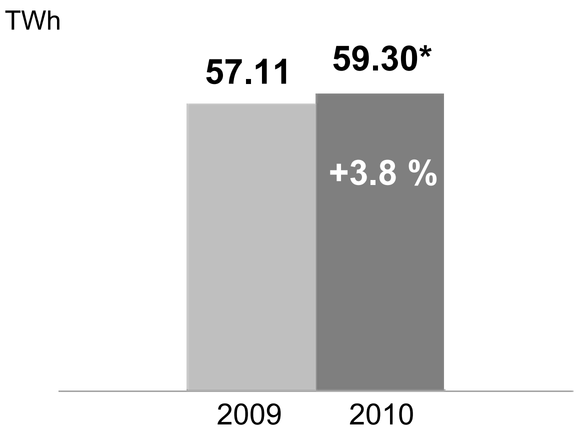


The trading team:

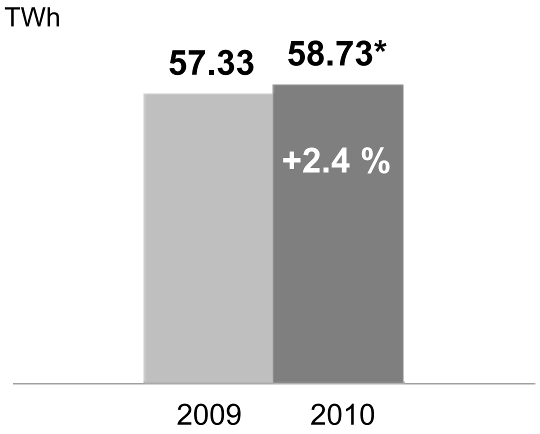
- **50 experts/ traders**
- **6 nationalities**
- **internal communications in English**

ELECTRICITY CONSUMPTION IN THE CZECH REPUBLIC GROWS YEAR-ON-YEAR

Consumption in CZ



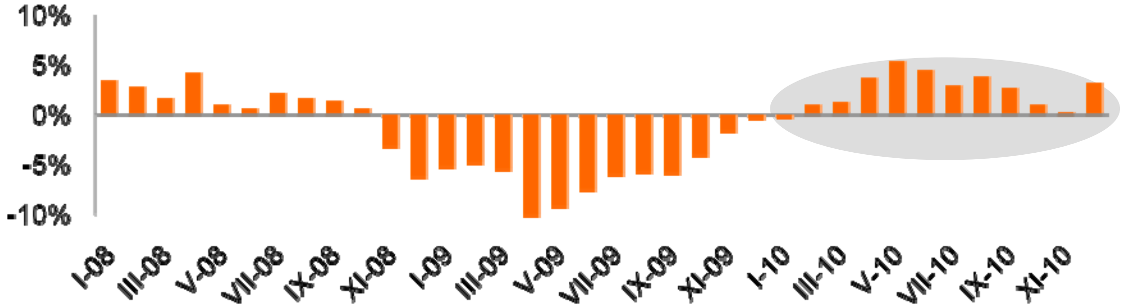
Consumption in CZ (temperature adjusted)**



Consumption in individual segments:***

- +4.8% wholesale customers
- +2.0% households
- +0.2% small business

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



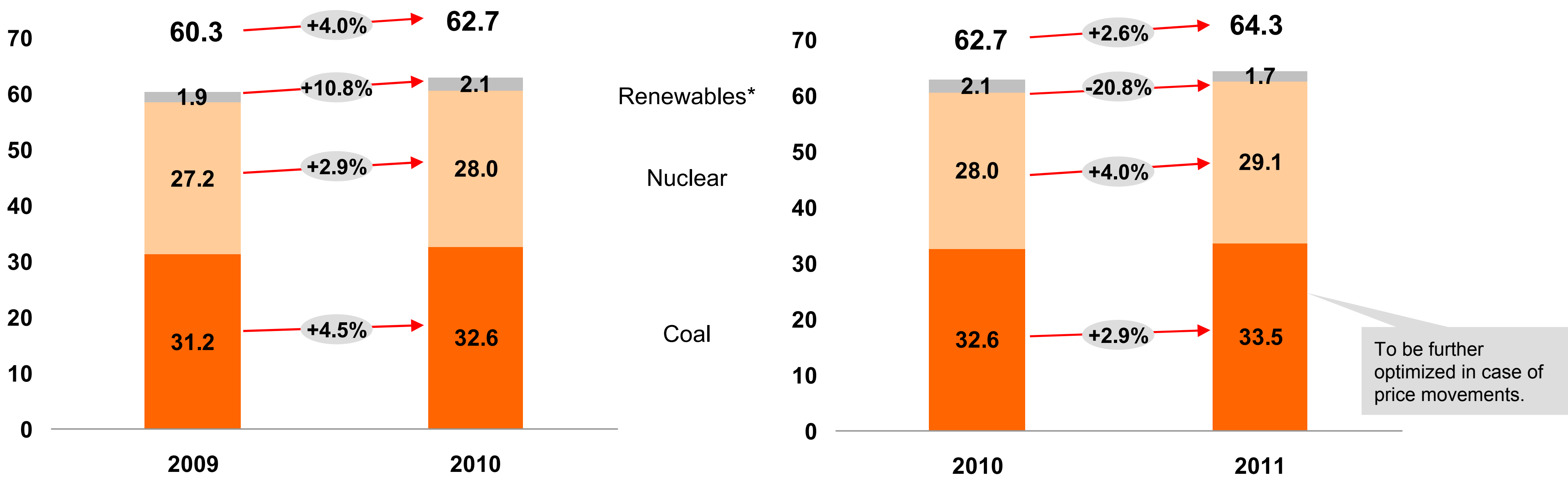
- Electricity consumption in the Czech Republic was affected by the economic recession in 2009 most of all.
- From January 2010, consumption appears to return to an upward trend on a y-o-y basis.
- In 2010, net consumption in the CR grew by 2.4% compared with 2009 y-o-y.

* 1-11 per Energy regulatory Office (ERO), 12 CEZ estimate ** calculated for normal temperature per CEZ model *** source: ERO in 1-11/2010

ELECTRICITY GENERATION OF CEZ GROUP IN THE CZECH REP. GREW BY 4.0% IN 2010; OUR CURRENT EXPECTATION FOR 2011 IS 2.6% GROWTH

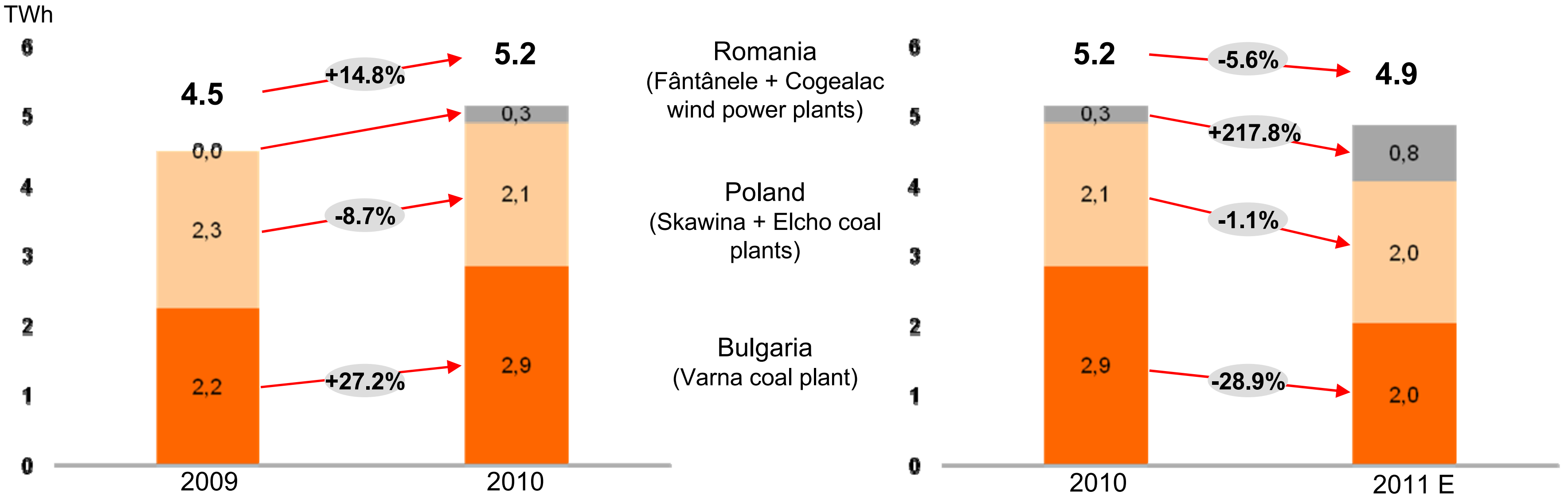
Electricity generation of CEZ Group in the Czech Rep. (gross)

TWh



GENERATION FROM CEZ GROUP'S OWN SOURCES ABROAD GREW BY 5.2 % Y-O-Y, OUR CURRENT ESTIMATE FOR 2011 REMAINS AT 5.6 % OF DECREASE

Production from ČEZ Group's own sources abroad (gross)



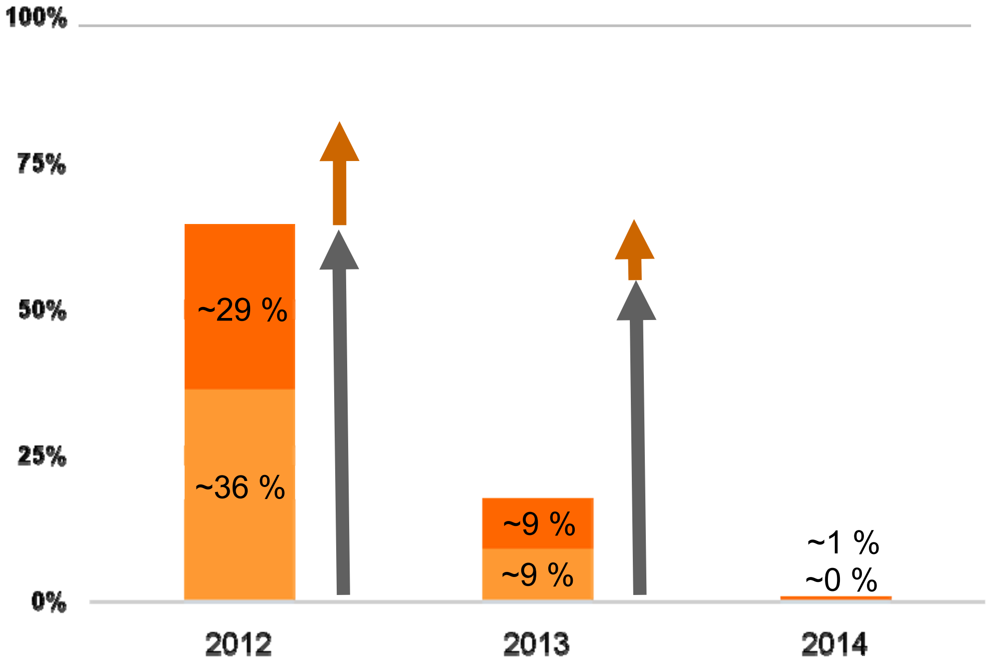
- Y-O-Y increase of generation in Bulgaria by 27.2% caused by higher degree of plant activation due to frequent shutdowns of other Bulgarian sources in H2 2010. Lower planned generation in 2011 results from decommissioning two units due to an end of their useful life.
- Decreases of generation y-o-y in Polish plants are caused by the pursuit of maximum gross margin incl. revenues from the compensation scheme and from sales of emission allowances.
- In June 2010, the first wind turbines were connected to the Romanian national grid in Fântânele, a total of 120 (circa 300 MW) was connected before year end. Other wind turbines will be connected in 2011 in the Cogealac wind farm.

Source: ČEZ, a. s.

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

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

(as of 22 Feb 2011, 100 % corresponds to 55 – 60 TWh)



	2012	2013	2014
Total hedged (of generation)	**65 %**	**18 %**	**1 %**

- hedged volume from 15 Oct 2010 to 22 Feb 2010
- hedged volume at 15 Oct 2010

- 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+5.

Transaction currency hedging (hedge accounting)

Natural currency hedging costs - investment and other expenses, debts in EUR (hedge accounting)

UPON A SUCCESSFUL ENTRY INTO THE NATURAL GAS MARKET, THE MARKET SHARE OF CEZ SALES IN THE BUSINESS SEGMENT KEEPS INCREASING DUE TO NEW CUSTOMER ACQUISITIONS

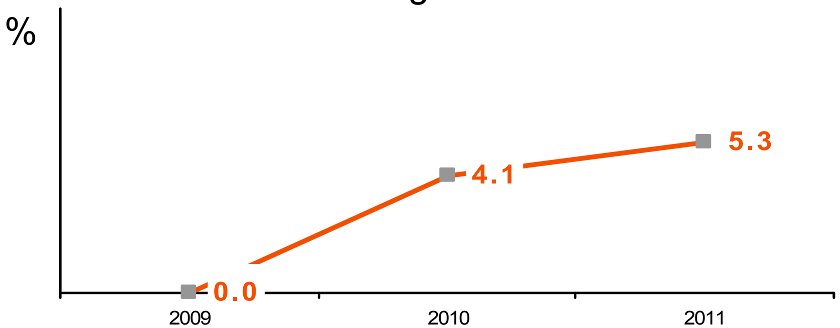
Corporate customers are routinely offered a full product portfolio:

- FIXED price
- Price determined by COMMODITY FORMULA
- FIX + FORMULA product
- GRADUAL PURCHASE product
- SPOT product

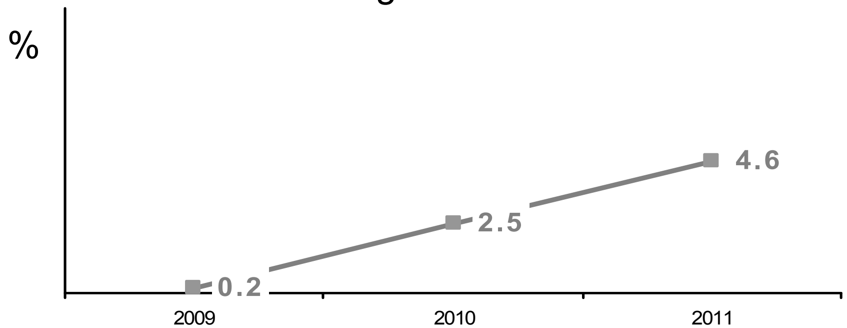
Natural gas

ČEZ Sales - Business	Units	2010	2011
Number of customers	individuals	321	418
Number of locations	number	685	2,285
Annual volume of natural gas	**GWh**	**2,071**	**2,622**

Wholesale customers - market share of CEZ Sales on the natural gas market



Medium-size customers - market share of CEZ Sales on the natural gas market



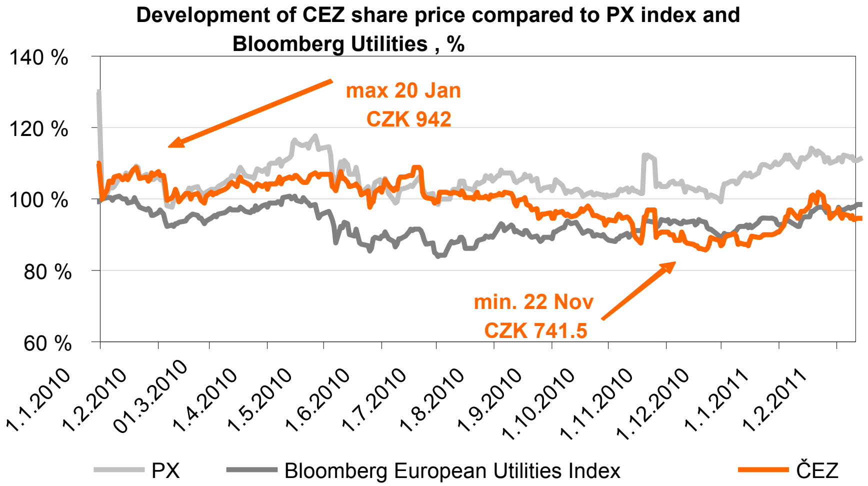
SALES OF NATURAL GAS TO HOUSEHOLD AND SMALL BUSINESS CUSTOMERS HAVE BEEN VERY SUCCESSFUL

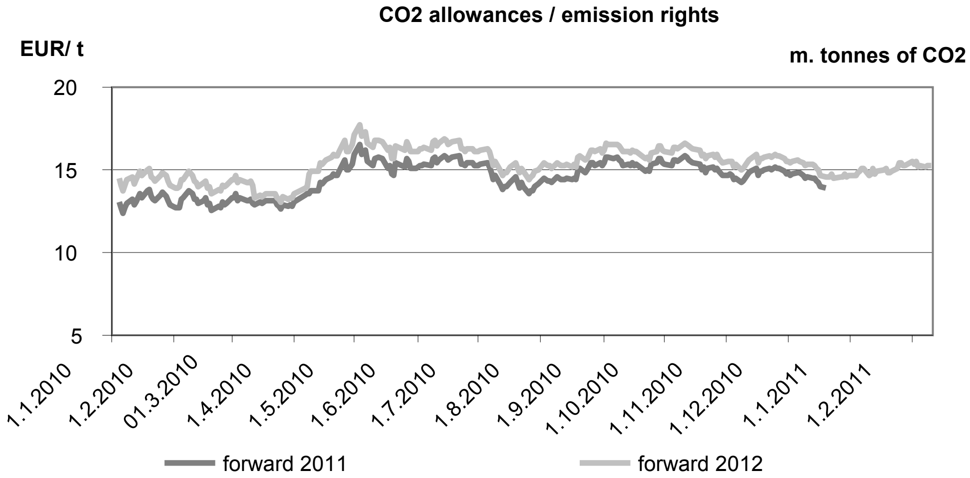
Date	Customers
Feb 2011	**80,000 customers**
31 Dec 2010	60,099 customers
1 Nov 2010	40,000 customers
1 Oct 2010	
1 Aug 2010	20,000 customers
1 Jul 2010	
1 Jun 2010	**Launch of selling natural gas to households**

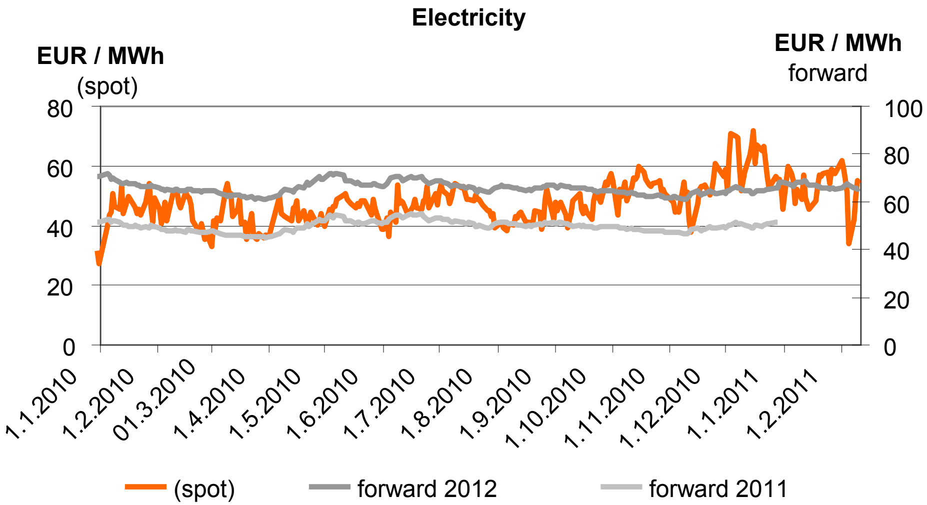
APPENDICES

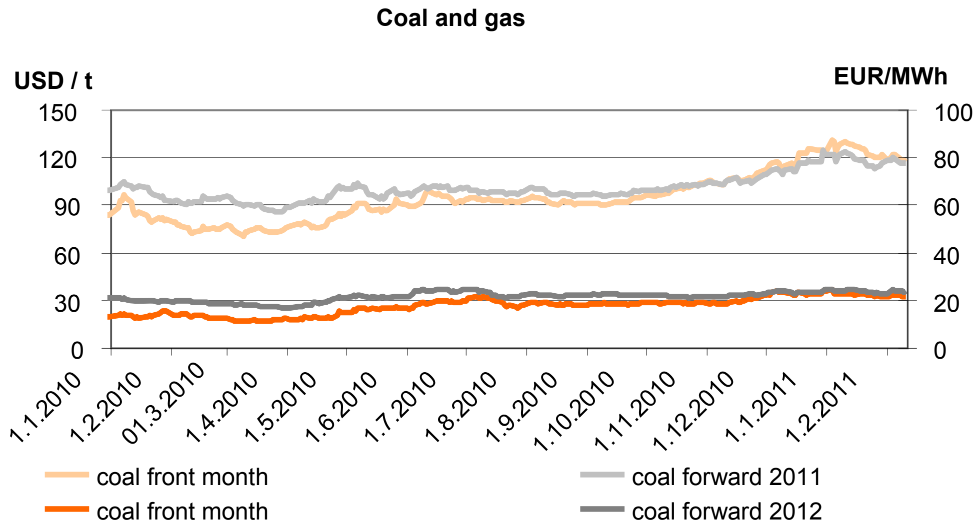
- Market trends
- Investments into fixed assets
- Balance sheet overview
- Electricity balance

MARKET TRENDS









INVESTMENTS INTO FIXED ASSETS*)

CAPEX 2010:	CZK 61.7 bn.
Power plant renewal	**CZK 19.6 bn.** Tušimice blocks 23 and 24: administrative decision issued regarding permission to start trial operations. The part of the building with a valid user permit has been commissioned for operations Prunéřov II: finalisation of concluding contracts continues. Main emphasis on improving emission parameters. Ledvice new source: load-bearing structure on boiler is nearing completion Počerady CCGT: construction of building site equipment, pilot and preliminary dispersion study prepared
Nuclear power	**CZK 7.8 bn.** Dukovany: increase of installed capacity to 500 MWe implemented during shutdown of fourth block. Temelín: start of operations of spent nuclear fuel storage facility, replacement of fuel on 1-st. block with Russian TVEL fuel
Renewable sources	**CZK 13.6 bn.** photovoltaic power plants CZK 10.4 bn. : construction of power plants in Ralsko, Ševětín, Vranovská Ves, Pánov, Buštěhrad wind farms Romania CZK 3.0 bn.: 120 wind turbines built with 300 MW of total capacity hydroelectric power plants CZK 0.2 bn.: in particular, investments at the Slapy power plant
Distribution networks	**CZK 13.1 bn.** Czech Republic CZK 10.2 bn. Romania CZK 1.2 bn. Bulgaria CZK 0.9 bn. Albania CZK 0.8 bn.
Severočeské doly, a. s.	**CZK 4.1 bn.** modernisation of extraction equipment, buying of land for mining operations (171 ha), relocation of conveyor belt machinery, measures undertaken to protect local municipalities
Information systems	**CZK 1.0 bn.** Czech Rep. CZK 0.9 bn. (ČEZ ICT Services, a.s.) other than Czech Rep. CZK 0.1 bn.
Other	**2.5 CZK bn.**

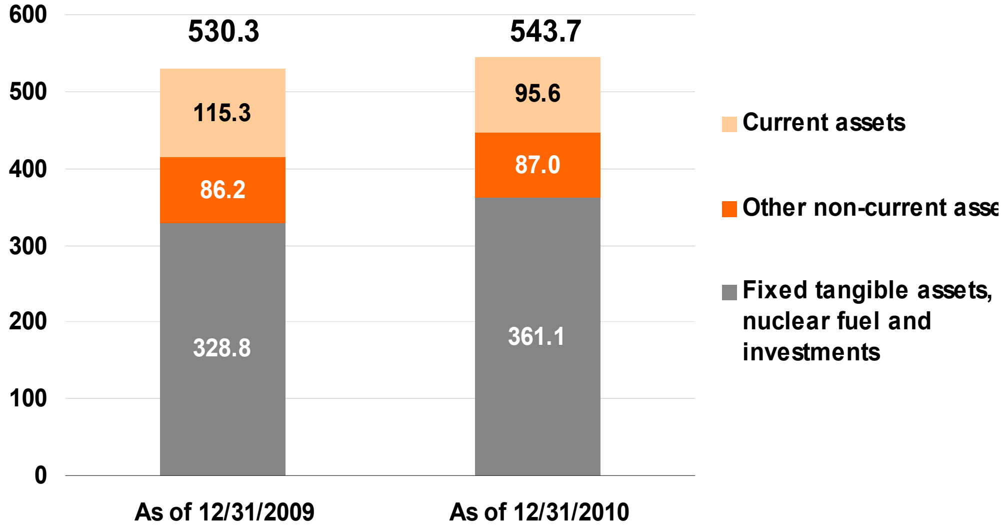
***) Investments into fixed assets = CAPEX**

BALANCE SHEET OVERVIEW

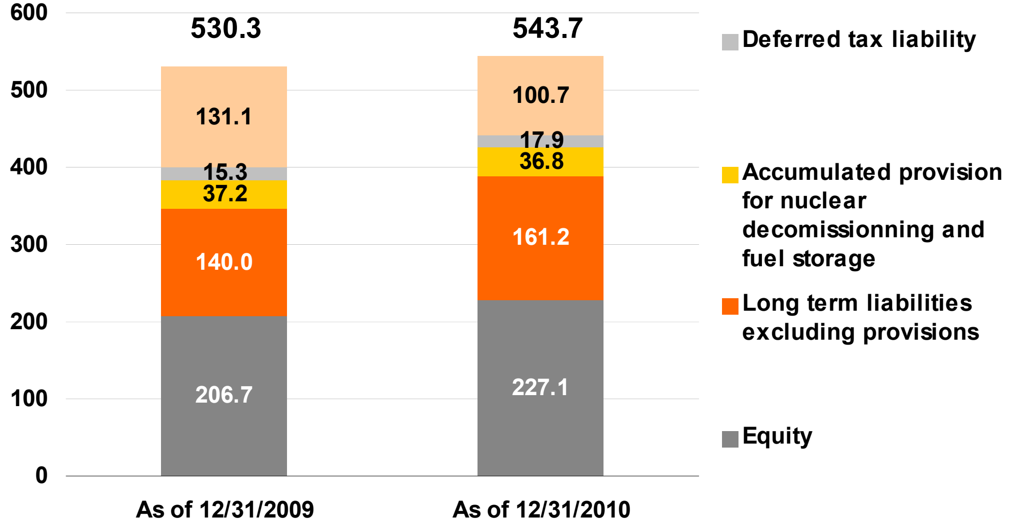
Current assets:
- decrease of receivables from derivatives transactions CZK -15.8 bn.(offset by movements on liabilities side)
- reduction of short-term loans related to the MIBRAG acquisition CZK -3.5 bn.
- decrease in cash and cash equivalents CZK -4.6 bn.
- increase in liquid securities CZK +3.1 bn.

Short-term liabilities:
- short-term bank loans have decreased. CZK -13.5 bn.
- decrease of liabilities from derivatives CZK -14.9 bn.

ASSETS (in CZK bn)



EQUITY AND LIABILITIES (in CZK bn)



Fixed assets
- increase of fixed tangible assets due to higher investments CZK +32.3 bn.
- other fixed assets increase due to purchase of share in Dalkia ČR (CZK +3.1 bn.), goodwill write-off for Bulgarian companies has negative impact (CZK -2.9bn.)

Long-term liabilities and equity
- equity: increase in net income (CZK 47.2 bn.), reduction by approved dividends (CZK 28.3 bn.).
- increase of long-term liabilities due to bond issues CZK +21.2 bn.
- increase of deferred tax liability (CZK+2.6 bn.) particularly due to an increase of the real value of the instruments used to hedge expected cash-flows

Electricity balance (GWh)

	1-12/2009	1-12/2010	+/-
Electricity procured	**59,151**	**61,952**	**+5%**
Generated in-house (gross)	65,344	68,433	+5%
In-house and other consumption, including pumping in pumped-storage plants	-6,193	-6,481	+5%
Sold to end customers	**-43,817**	**-44,594**	**+2%**
Sold in the wholesale market (net)	**-7,708**	**-9,984**	**+30%**
Sold in the wholesale market	-128,286	-160,712	+25%
Purchased in the wholesale market	120,578	150,728	+25%
Grid losses	**-7,625**	**-7,374**	**-3%**

Electricity generation by source (GWh)

	1-12/2009	1-12/2010	+/-
Nuclear	27,208	27,998	+3%
Coal and lignite	35,536	37,325	+5%
Water	2,105	2,333	+11%
Biomass	494	496	+0%
Solar	0	16	>200%
Wind	1	265	>200%
Natural gas	0	1	-
Total	**65,344**	**68,433**	**+5%**

Sales of electricity to end customers (GWh)

	1-12/2009	1-12/2010	+/-
Households	-14,828	-17,580	+19%
Commercial (low voltage)	-8,960	-8,845	-1%
Commercial and industrial (medium- and high voltage)	-20,030	-18,169	-9%
Sold to end customers	**-43,817**	**-44,594**	**+2%**

Distribution of electricity to end customers	**-51,732**	**-53,224**	**+3%**

Electricity balance (GWh)

1-12/2010	Czech Republic		Poland		Bulgaria		Romania		Albania		Other countries		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**57,320**	**+4%**	**1,785**	**-9%**	**2,591**	**+27%**	**256**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**61,952**	**+5%**
Generated in-house (gross)	63,264	+4%	2,063	-9%	2,850	+27%	256	-	0	-	0	-	0	-	68,433	+5%
In-house and other consumption, including pumping in pumped-storage plants	-5,944	+4%	-278	-5%	-259	+27%	0	-	0	-	0	-	0	-	-6,481	+5%
Sold to end customers	**-25,145**	**-9%**	**-660**	**-**	**-8,795**	**+1%**	**-3,219**	**+0%**	**-4,606**	**+8%**	**-2,169**	**-**	**0**	**-**	**-44,594**	**+2%**
Sold in the wholesale market (net)	**-29,558**	**+20%**	**-1,125**	**-43%**	**7,674**	**-6%**	**4,339**	**-3%**	**6,516**	**+2%**	**2,169**	**-**	**0**	**-**	**-9,984**	**+30%**
Sold in the wholesale market	-157,785	+25%	-2,250	+11%	-2,593	+27%	-833	+69%	0	-	-3,985	-	6,734	>200%	-160,712	+25%
Purchased in the wholesale market	128,227	+27%	1,124	>200%	10,268	+1%	5,172	+5%	6,516	+2%	6,154	-	-6,734	>200%	150,728	+25%
Grid losses	**-2,617**	**-6%**	**0**	**-**	**-1,470**	**-2%**	**-1,376**	**+11%**	**-1,911**	**-10%**	**0**	**-**	**0**	**-**	**-7,374**	**-3%**

Electricity generation by source (GWh)

1-12/2010	Czech Republic		Poland		Bulgaria		Romania		Albania		Other countries		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	27,998	+3%	0	-	0	-	0	-	0	-	0	-	0	-	27,998	+3%
Coal and lignite	32,574	+4%	1,900	-10%	2,850	+27%	0	-	0	-	0	-	0	-	37,325	+5%
Water	2,328	+11%	5	+128%	0	-	0	-	0	-	0	-	0	-	2,333	+11%
Biomass	337	-2%	158	+6%	0	-	0	-	0	-	0	-	0	-	496	+0%
Solar	16	>200%	0	-	0	-	0	-	0	-	0	-	0	-	16	>200%
Wind	9	>200%	0	-	0	-	256	-	0	-	0	-	0	-	265	>200%
Natural gas	1	-	0	-	0	-	0	-	0	-	0	-	0	-	1	-
Total	**63,264**	**+4%**	**2,063**	**-9%**	**2,850**	**+27%**	**256**	**-**	**0**	**-**	**0**	**-**	**0**	**-**	**68,433**	**+5%**

Sales of electricity to end customers (GWh)

1-12/2010	Czech Republic		Poland		Bulgaria		Romania		Albania		Other countries		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-9,311	+2%	0	-	-4,181	+128%	-1,500	+1%	-2,588	+10%	0	-	0	-	-17,580	+19%
Commercial (low voltage)	-4,255	-3%	0	-	-2,717	-2%	-932	-2%	-941	+10%	0	-	0	-	-8,845	-1%
Commercial and industrial (medium- and high voltage)	-11,579	-18%	-660	-	-1,897	-54%	-787	+1%	-1,077	+1%	-2,169	-	0	-	-18,169	-9%
Sold to end customers	**-25,145**	**-9%**	**-660**	**-**	**-8,795**	**+1%**	**-3,219**	**+0%**	**-4,606**	**+8%**	**-2,169**	**-**	**0**	**-**	**-44,594**	**+2%**

Distribution of electricity to end customers	-32,937	+4%	0	-	-8,892	+1%	-6,994	-1%	-4,401	+7%	0	-	0	-	-53,224	+3%