



CONFERENCE CALL ON 2011 FINANCIAL PERFORMANCE OF CEZ GROUP

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

Prague, 28 February 2012



AGENDA



Financial highlights and key events in CEZ Group in 2011

Martin Novák, CFO

Financial results

Martin Novák, CFO

Trading position of CEZ Group

Alan Svoboda, Executive Director Sales and Trading



KEY RESULTS FOR 2011 AND EXPECTED RESULTS FOR YEAR 2012

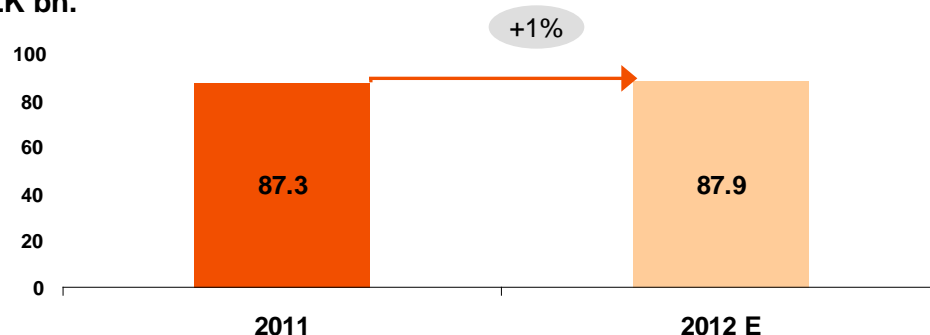
- **earnings before interest, taxes, depreciation and amortization (EBITDA)** decreased by 1.7 % y-o-y (by CZK 1.5 bn.) to CZK 87.3 bn.
- **earnings before interest (EBIT)** decreased by 5.0% y-o-y (by CZK 3.2 bn.) to CZK 61.5 bn.
- **net income** decreased by 13.2% y-o-y (by CZK 6.2 bn.) to CZK 40.8 bn.
- **we have thus exceeded our guidance** for the year 2011 both in terms of EBITDA and net income
- **expected results for 2012:**
EBITDA at CZK 87.9 bn., net income at CZK 41.0 bn.
- **the share price** on PSE closed at CZK 816,50 as of Feb 24, 2012



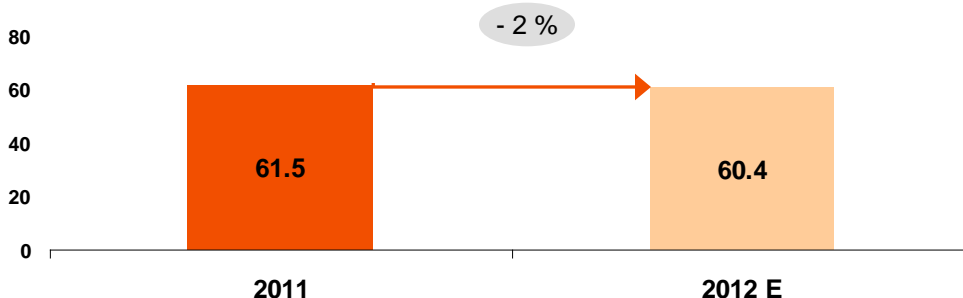
WE EXPECT A MILD GROWTH OF EBITDA AND NET INCOME IN 2012

CZK bn.

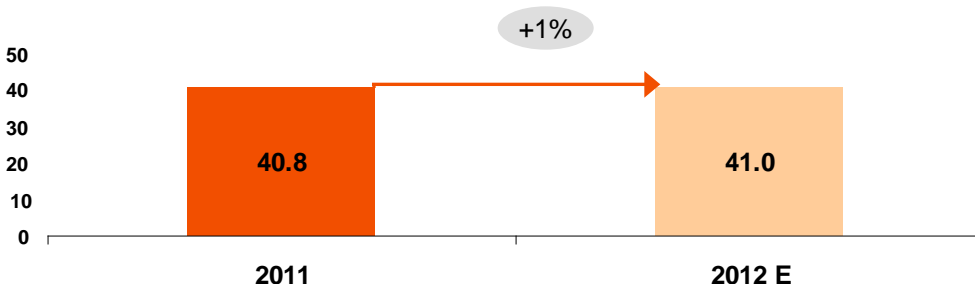
EBITDA



EBIT



NET INCOME



Key positive factors

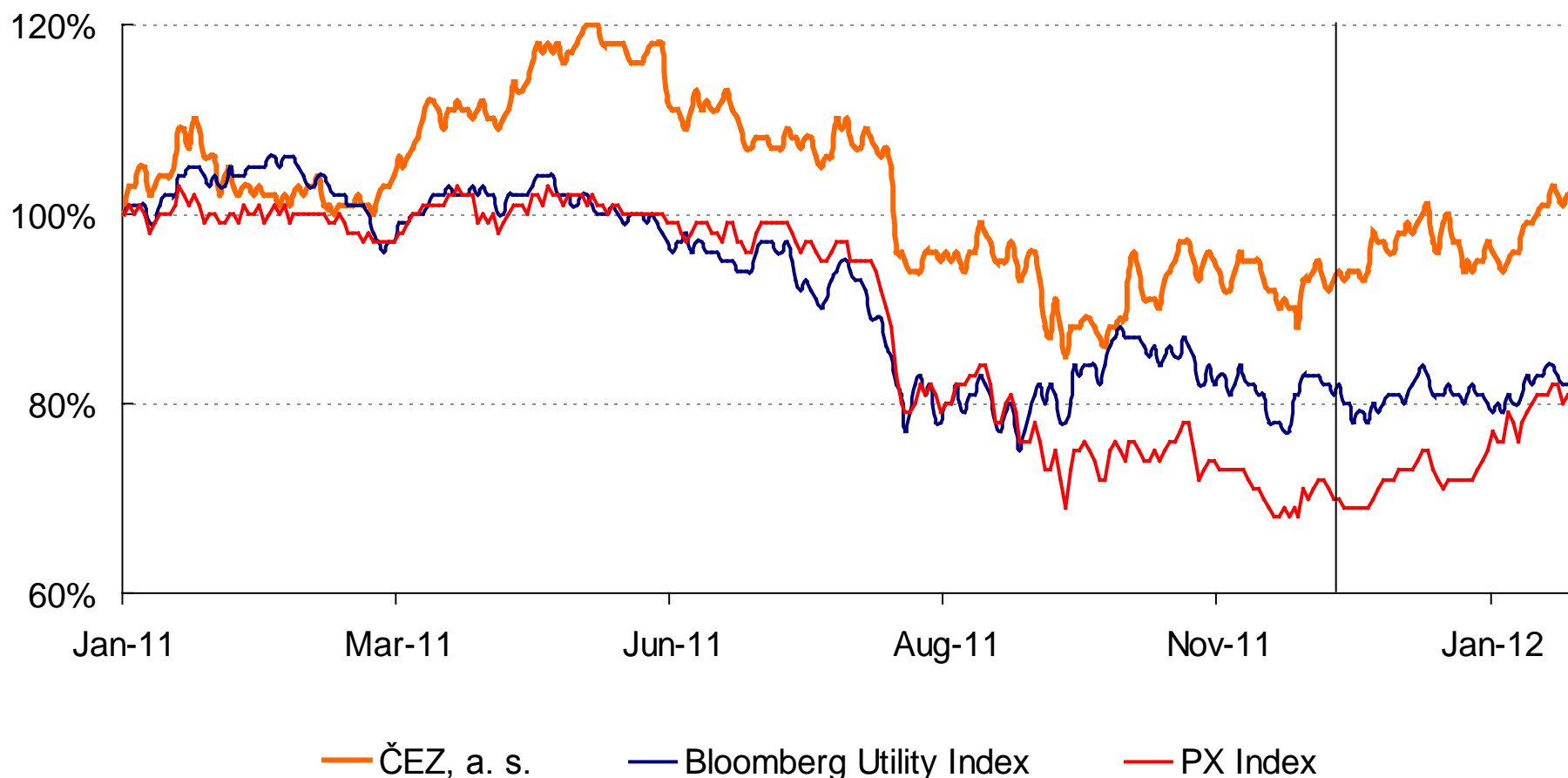
- increased production of nuclear plants (+1.9 TWh)
- increased production of coal-fired plants (+1.7 TWh)
- increased production of wind farms in Romania (+0.4 TWh)
- inclusion of Energotrans into the Group

Key negative factors

- shift of certain expense items from 2011 to 2012 (e.g. repairs and maintenance)
- impact of correction factors on distribution in the Czech Republic
- increased depreciation and interest expenses (due to new investments into fixed assets)



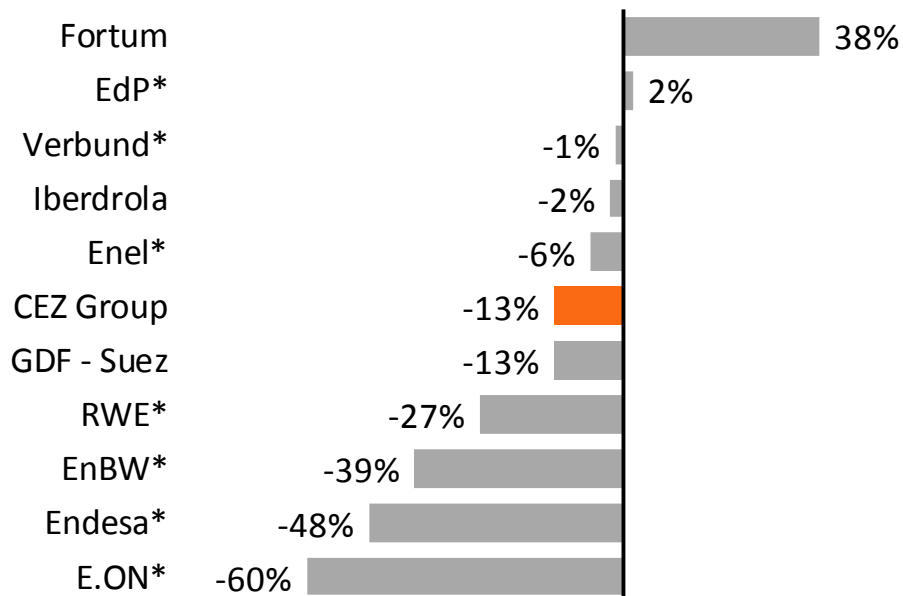
THE PERFORMANCE OF ČEZ, A. S. SHARES BEATS THE COMPETITION AND THE CZECH STOCK MARKET





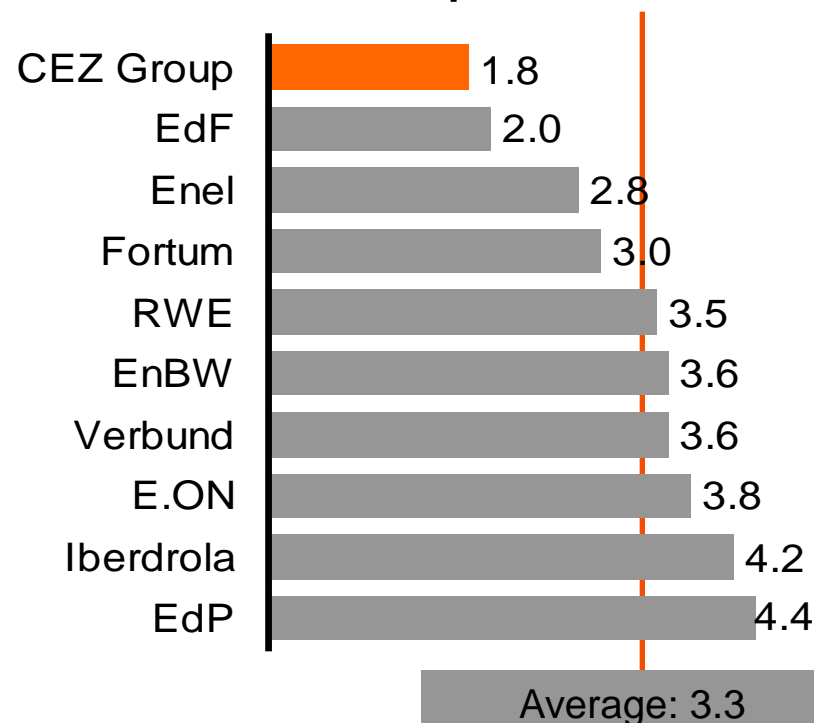
THE EUROPEAN ENERGY SECTOR HAS BEEN SIGNIFICANTLY HIT BY THE FINANCIAL AND ECONOMIC CRISIS: CEZ GROUP STOOD IN COMPARISON WITH ITS PEERS AND REMAINS ONE OF THE LEAST INDEBTED UTILITIES

Y-o-y change in Net Income in 2011



* Average analyst estimate, Bloomberg
for ČEZ, a. s., Fortum, GDF-Suez, Iberdrola actual announced numbers

Net debt / EBITDA as of Sept 30, 2011

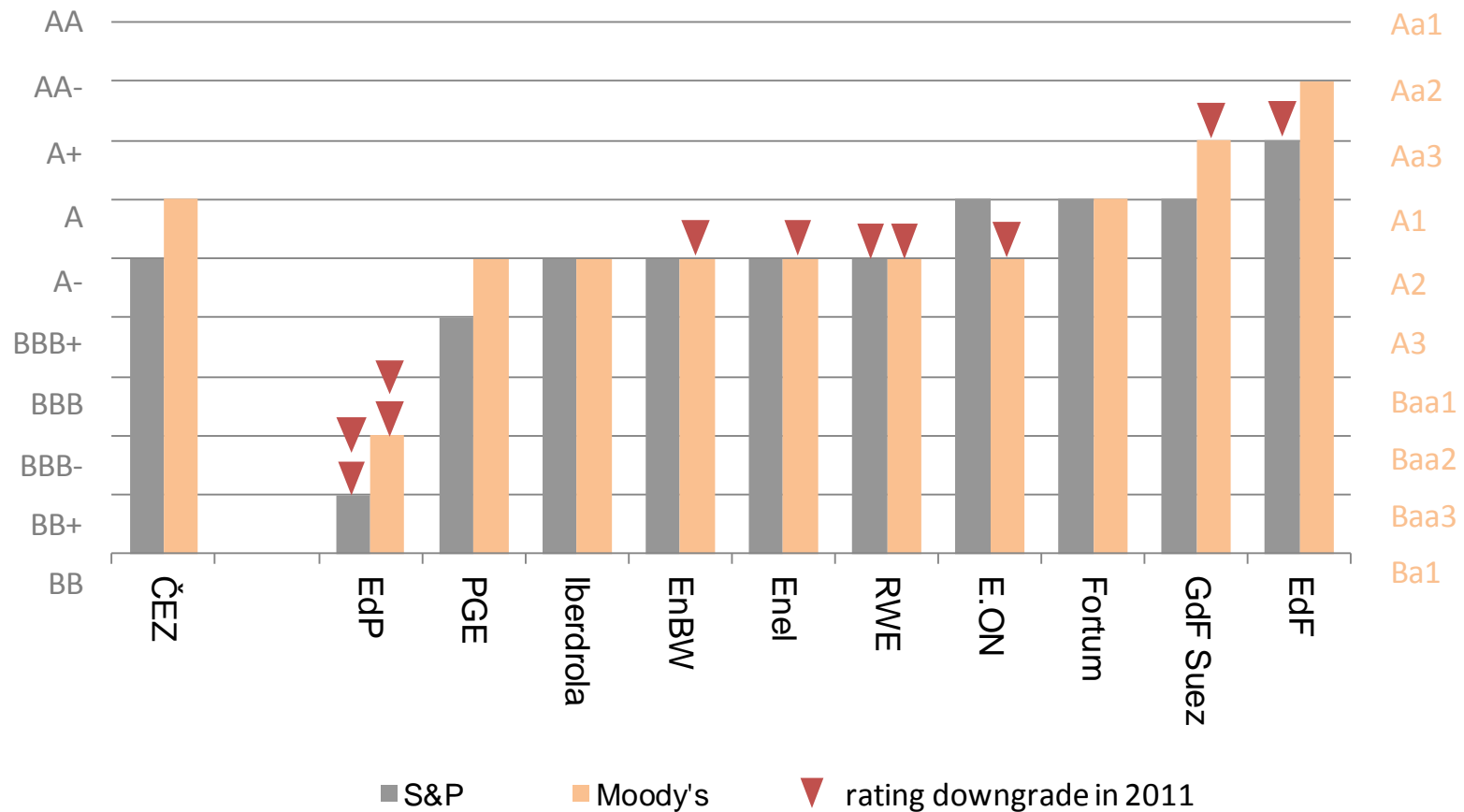


A number of European competitors are forced to divest in order to reduce unacceptable high debt levels:

- E.ON has already sold assets worth €9 bn. and plans to divest total assets worth €15 bn. by 2013
- RWE plans to earn a total of €11 bn. by divestments. Assets worth €1.5 bn. have been sold to date, new shares have been issued worth €2.1 bn.
- EdF fulfilled its divestment goals as early as at the beginning of 2011, when it earned €11 bn.
- Enel divested assets worth €10 bn.



RATING AGENCIES CONFIRM THE FINANCIAL STABILITY OF ČEZ, A. S.: IT IS ONE OF THE FEW EUROPEAN UTILITY COMPANIES TO HAVE MAINTAINED ITS RATING IN 2011





THE KEY BLOCKS OF OUR STRATEGY WILL INCREASE THE STABILITY AND VALUE OF CEZ GROUP



For each of these building blocks, we have defined:

- **Aspiration** - what will the initiative deliver?
- **Target** - how will the initiative work?
- **Next steps** - how will we get from the present to the desired target?



WE STRIVE TO ENSURE THE FUTURE DEVELOPMENT OF CEZ GROUP IN THE FIELD OF NUCLEAR AND CONVENTIONAL POWER PLANTS

Strategy block	Aspiration	Current status
1 New nuclear power plant units	<p>For the new unit of NPP Temelín:</p> <ul style="list-style-type: none">■ achieve the conditions that enable the implementation of the project and its financing■ solve associated construction and regulatory risks	<ul style="list-style-type: none">■ supplier selection in progress■ environmental impact assessment (EIA) in progress■ preparing request for approval of locating new NPP unit in the Temelín area
2 Securing fuel availability	<ul style="list-style-type: none">■ settle relations with coal suppliers and secure enough fuel for operations of our coal-fired plants■ use biomass and alternative fuels to the highest extent possible in order to increase value of conventional power plants	<ul style="list-style-type: none">■ draft of medium-term plan, preparation of assignment■ negotiations with suppliers



INCREASING EMPHASIS ON LASTING PERFORMANCE IMPROVEMENTS OF CEZ GROUP AND PREPARING SPECIFIC PLAN TO REACH OUR AMBITIONS IN THE REGIONAL ENERGY INDUSTRY

Strategy block	Aspiration	Current status
3 Performance	<ul style="list-style-type: none">■ secure additional cash-flow until 2015 for our development initiatives■ improve performance of CEZ Group in the long term	<ul style="list-style-type: none">■ optimise investments of Severočeské doly and ČEZ Distribuce - application of Design to Cost methodology■ develop service provision concept in CEZ Group - create shared service centre (consolidate support functions and subsidiary companies)
4 Regional energy business	<ul style="list-style-type: none">■ build strong position in the regions■ strengthen business activity in the fields of heat generation, co-generation, use of waste and biomass in energy production	<ul style="list-style-type: none">■ draft of medium-term plan, preparation of assignment



AS PART OF ITS DRIVE TO WIDEN THE RENEWABLE ENERGY SOURCES PORFOLIO, CEZ GROUP ENTERED THE POLISH WIND PARK DEVELOPMENT MARKET

Strategy block	Aspiration	Current status
5 Renewables	<ul style="list-style-type: none">by 2016 substantially increase installed capacity of wind and hydro power plantsachieve attractive returnsincrease share of stable sources of cash flow of CEZ Group	<ul style="list-style-type: none">setting up a central team to negotiate with developers, technical evaluation of projects, purchasing and constructionpurchase of 67% stake in Eco – Wind Construction S.A. (leading Polish wind park developer)additional investment opportunities totalling 1,100 MWe in capacity are being negotiated with individual counterparties



STRATEGIC PRIORITIES OF CEZ GROUP FOR 2012



New nuclear units

- starting the evaluation of bids submitted by potential suppliers for the completion of nuclear units 3 and 4 in Temelín



Securing fuel availability

- completion of negotiations on coal supplies to key brown coal power plants for the forthcoming years



Performance

- identifying possible improvements in the internal functioning of CEZ Group as part of the “Performance” initiative and thus generate resources for our strategic activities



Regional energy business

- launch of the first projects in selected regions as part of the new regional strategy



Renewables

- completion of the Cogealac wind farm, seeking of other interesting opportunities in renewable sources of energy abroad



THE FINAL REPORT FROM STRESS TESTS CONFIRMED THE SAFETY OF OUR NUCLEAR POWER PLANTS AND THEIR RESISTANCE AGAINST ACCIDENTS

Jun 1, 2011	stress tests launched
Oct 31, 2011	CEZ Group submitted the Final Report: <ul style="list-style-type: none">▪ the evaluation confirmed the resistance of the power plants against project accidents (e.g. resistance against extremely low or high temperatures, bursting of dams...)▪ the evaluation confirmed the correct choice of locations - extremely suitable areas in terms of seismic activity and climate▪ identified no safety faults requiring immediate action
Jan 1, 2012	the State Office for Nuclear Safety submitted the National Report
Apr 1 - Apr 30, 2012	report to be reviewed by ENSREG
Feb 28, 2012	public hearing at Řež Nuclear Research Institute
Apr 30, 2012	ENSREG Final Report
May 1 – Jun 30, 2012	main report by European Commission, political negotiations
starting Jul 1, 2012	results of stress tests to be debated in the European Council



INTERNATIONAL DEVELOPMENTS

obtaining of 2nd Green Certificate for wind farms in Romania

- approved by European Commission in Jul, 2011
- Romanian government approved the decree implementing the Act on Renewable Resources with effect from Nov, 2011

partial settlement of the Romanian state railways debt

- RON 88 million (over CZK 0.5 bn.) paid on Jan 26, 2012

construction of Egemer CCGT plant started in Turkey

- launch of construction - Nov, 2011
- 872 MW installed capacity, financed by a consortium of Turkish banks
- estimated start of operation planned in 2014

acquisition of Eco-Wind Construction Poland

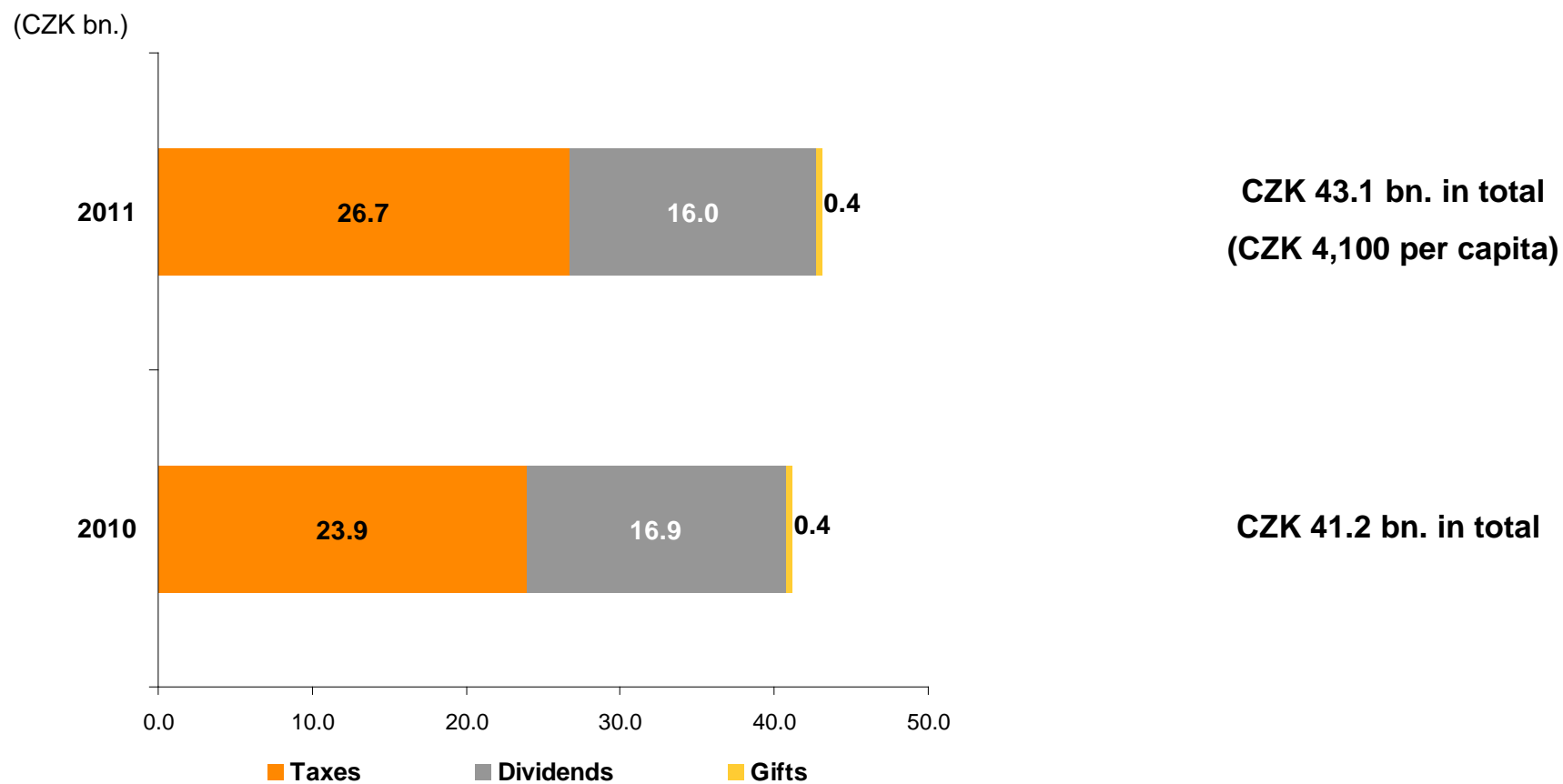
- purchase agreement to buy 67% stake in Eco-Wind Construction S.A. signed on Dec 30, 2011
- another 8% to be bought in 2012; option for remaining 25% (as motivation to complete projects in progress)

deteriorating situation in the Albanian energy sector

- worsening state of the economy in Albania including the energy sector
- reflected in the unfavourable tariff decision of the regulator
- active negotiation with Albanian government and the regulatory body in progress



FINANCIAL CONTRIBUTIONS OF CEZ GROUP TO THE CZECH REPUBLIC





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CEZ GROUP FINANCIAL RESULTS

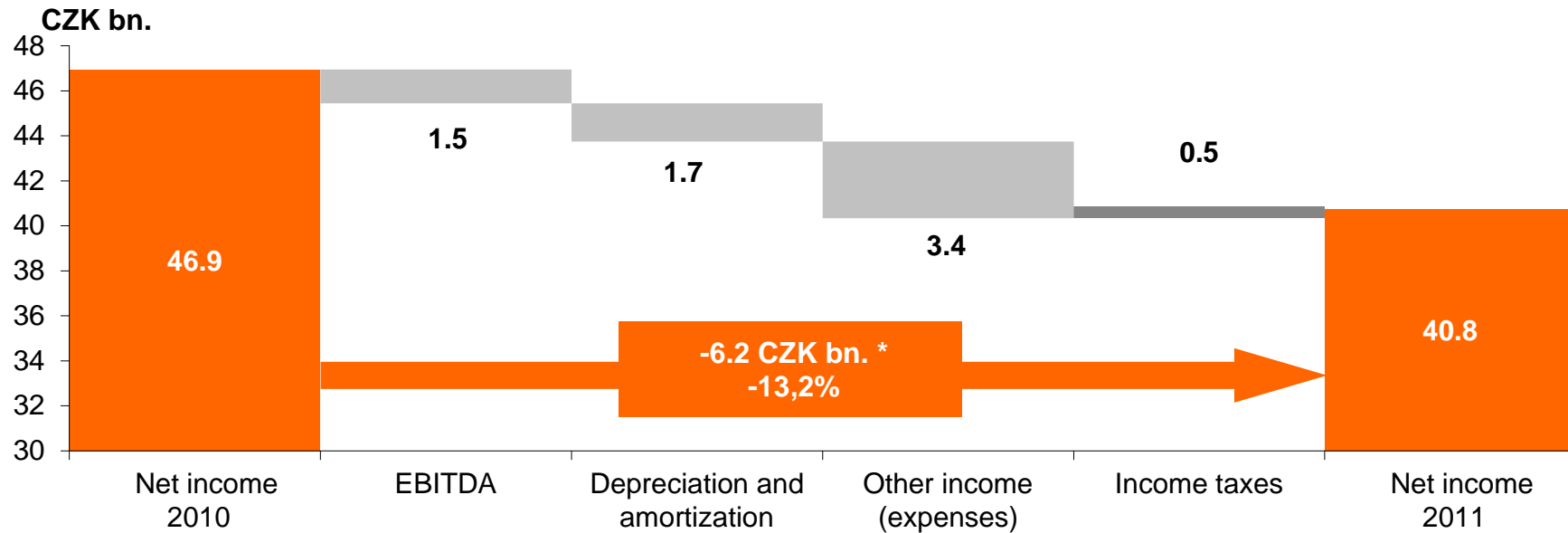
(CZK bn.)	2010*)	2011	Change	%
Revenues	198.8	209.8	+11.0	+6%
EBITDA	88.8	87.3	-1.5	-2%
Net income	46.9	40.8	-6.2	-13%
Operating CF	77.2	61.8	-15.4	-20%
CAPEX	61.7	51.1	-10.6	-17%
Net debt	134.5	159.4	+24.9	+19%

		2010	2011	Change	%
Installed capacity	GW	15.0	15.1	+0.1	+1%
Generation of electricity	TWh	68.4	69.2	+0.8	+1%
Electricity distribution to end customers	TWh	53.2	53.6	+0.4	+1%
Sales to end customers	TWh	44.6	42.8	-1.8	-4%
Sales of heat	th. TJ	16.9	15.2	-1.7	-10%
Number of employees	000's	32.6	31.4	-1.2	-4%

*) Data differ from those originally published due to the final valuation of the equity of Teplárny Trmice (heating plant) to fair value as of the acquisition date.

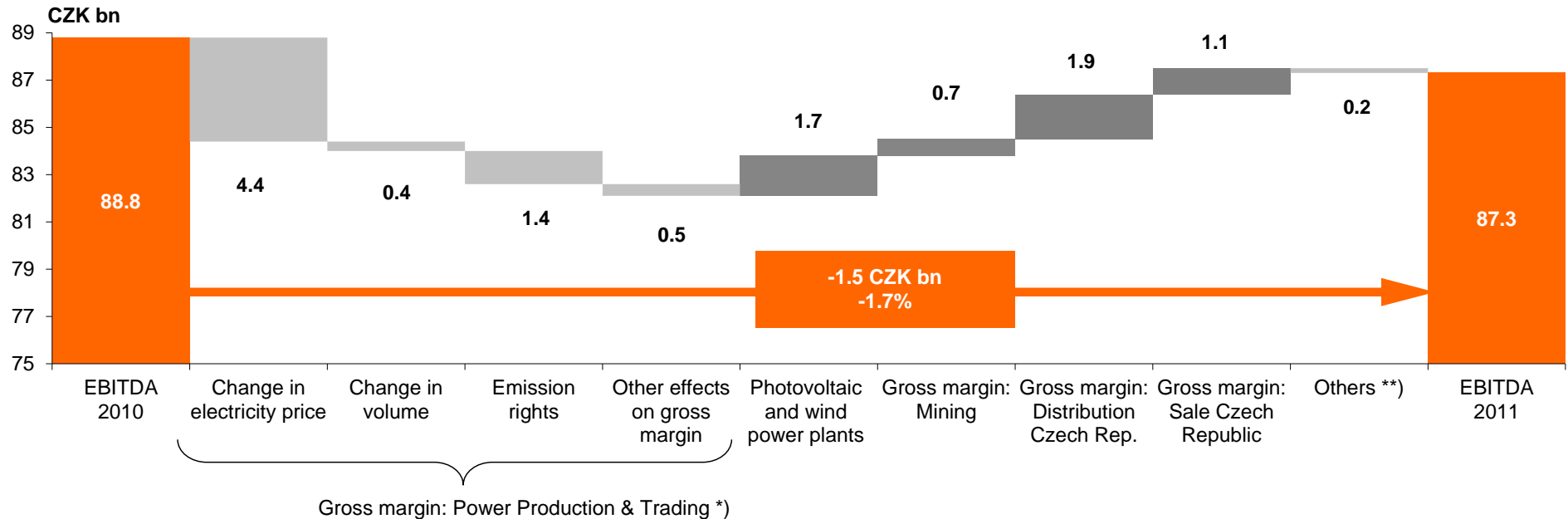


KEY DRIVERS OF Y-O-Y CHANGE IN NET INCOME





KEY DRIVERS OF Y-O-Y CHANGE IN EBITDA



Gross margin: Power Production & Trading (CZK -6.7 bn.)

- reduction in the hedging CZK/EUR exchange rate and falling electricity prices (CZK -4.4 bn.)
- decreased volume of power production and trading (CZK -0.4 bn.)
- falling profits from emission rights (CZK -1.4 bn.)

Photovoltaic and wind power plants (CZK +1.7 bn.)

- y-o-y increase of production by 0.5 TWh

Gross margin: Mining (CZK +0.7 bn.)

- increased sales of coal - higher demand from ČEZ, a.s. (CZK +0.4 bn.) and external customers (CZK +0.3 bn.)

Gross margin: Distribution Czech Rep. (CZK +1.9 bn.)

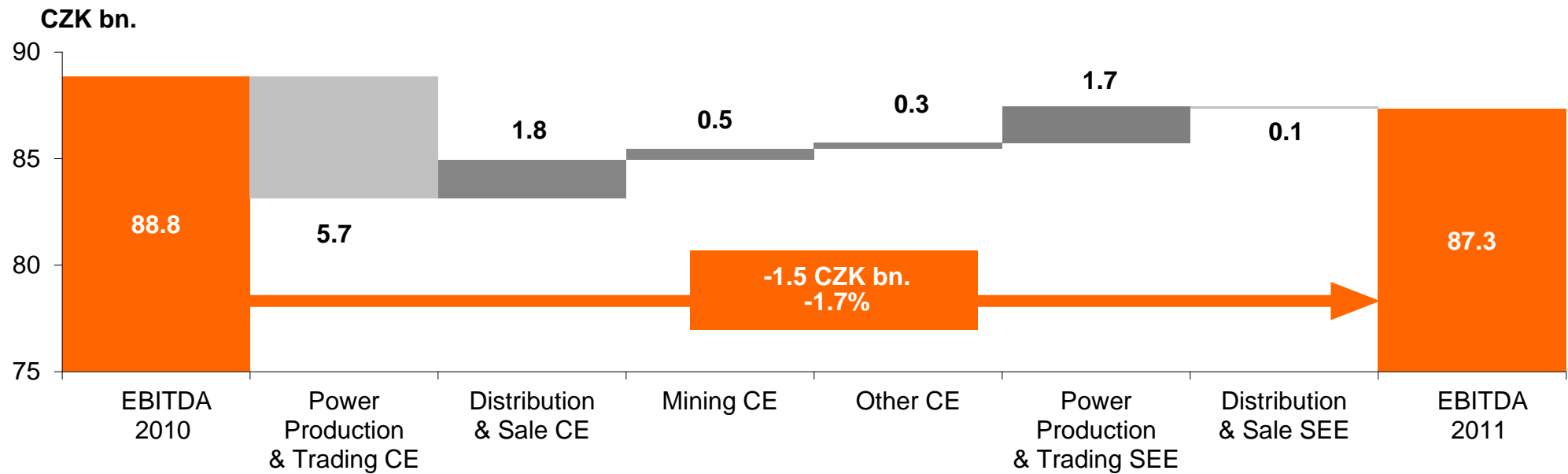
- y-o-y increase of revenues allowed by the regulator (CZK +1.6 bn.)

Gross margin: Sale Czech Rep. (CZK +1.1 bn.)

- higher gross margin from electricity sales in the Czech Rep. due to lower purchase costs



CHANGE OF EBITDA Y-O-Y BY SEGMENT





CONTRIBUTION TO EBITDA BY SEGMENT: POWER PRODUCTION & TRADING CENTRAL EUROPE

CZK bn.	2010	2011	Change	%
Czech Republic	59.3	53.6	-5.7	-10%
Poland	1.9	1.9	0.0	0%
Total EBITDA	61.2	55.5	-5.7	-9%

Czech Republic (CZK -5.7 bn.)

- lower gross margin of ČEZ, a. s. (inclusive of the Chvaletice power plant) by CZK -6.7 bn.:
 - falling CZK/EUR hedging exchange rate (CZK -1.6 bn.)
 - decrease of achieved electricity prices (CZK -2.8 bn.)
 - decreased volume of power production and trading (CZK -0.4 bn.)
 - extraordinary income from emission rights derivatives in 2010 (CZK -1.0 bn.) and falling prices of emission rights in 2011 (CZK -0.4 bn.)
 - savings in variable costs, particularly fuel (CZK +0.6 bn.); extraordinary revenue from invoicing penalty items in 2010 (CZK -1.1 bn.)
- increase in gross margin on photovoltaic power by CZK +0.8 bn.
- other influences other than gross margin CZK +0.2 bn.



CONTRIBUTION TO EBITDA BY SEGMENT: POWER PRODUCTION & TRADING SOUTH-EASTERN EUROPE

CZK bn.	2010	2011	Change	%
Bulgaria	0.3	1.1	+0.8	>200%
Romania	0.3	1.2	+0.9	>200%
Total EBITDA	0.6	2.3	+1.7	>200%

Bulgaria (CZK +0.8 bn.)

- sale of emission rights (CZK +1.1 bn.)
- higher creation of provisions associated with compliance with new environmental legislation in Bulgaria (CZK -0.3 bn.)

Romania (CZK +0.9 bn.)

- y-o-y increase of gross margin due to higher production in the Fântânele wind park by +0.3 TWh, positive impact of green certificates



CONTRIBUTION TO EBITDA BY SEGMENT: DISTRIBUTION AND SALE CENTRAL EUROPE

CZK bn.	2010	2011	Change	%
Distribution	12.3	13.9	+1.6	+13%
Sale	1.9	2.1	+0.2	+11%
Total EBITDA	14.2	16.0	+1.8	+13%

Distribution Czech Rep. (CZK +1.6 bn.)

- increase of gross margin by CZK +1.9 bn., in particular, y-o-y growth of allowed revenues due to consideration of correction factors (CZK +1.6 bn.)
- CZK -0.4 bn. refund of contributions for guarantees of power supply and for connections of PV plants that eventually were not connected, lower revenues for new connections due to new legislation, and y-o-y expense decrease for repairs and maintenance

Sale Czech Rep. (CZK +0.2 bn.)

- CZK +1.1 bn. impact of higher margin (impact of lower purchasing costs exceeded the impact of lower selling prices and lower volume of electricity sold)
- CZK -0.9 bn. impact of booked revenues from un-invoiced electricity in 2010



CONTRIBUTION TO EBITDA BY SEGMENT: DISTRIBUTION AND SALE SOUTH-EASTERN EUROPE

CZK bn.	2010	2011	Change	%
Romania	2.4	1.7	-0.7	-30%
Bulgaria	1.1	1.1	0.0	0%
Albania	0.2	0.8	+0.6	>200%
Total EBITDA	3.7	3.6	-0.1	-3%

Romania (CZK -0.7 bn.)

- lower revenues of distribution y-o-y (CZK -0.2 bn.) caused by releasing the 2008 correction factor to the revenues of year 2010
- lower revenues from penalties received due to changes in the law - new rates on late payment fees (CZK -0.1 bn.)
- use of an adjustments against other receivables in year 2010 and creation of provisions for litigation in year 2011 (CZK -0.4 bn.)

Bulgaria (CZK 0.0 bn.)

- lower average distribution tariffs in 2011 compensated by increased volume of distributed electricity by 0.3 TWh and by lower distribution losses

Albania (CZK +0.6 bn.)

- y-o-y increase in volume of electricity distributed by +0.1 TWh and positive impact of restructuring measures (CZK +0.7 bn.)
- higher operating costs (CZK -0.5 bn.) due to installation of new electricity meters, more precise measurements in the network and wider scope of services provided to customers
- decrease in charge to adjustments to receivables (CZK +0.4 bn.)



CONTRIBUTION TO EBITDA BY SEGMENT: MINING CENTRAL EUROPE, OTHER CENTRAL AND SOUTH-EASTERN EUROPE

EBITDA (CZK bn.)	2010	2011	Change	%
Mining CE	4.3	4.8	+0.5	+12%
Other CE	4.7	5.0	+0.3	+6%
Other SEE	0.1	0.1	0.0	0%

Mining Central Europe (CZK +0.5 bn.)

- overall increase in coal mining volume (CZK +0.7 bn., +3.3 million tons)
 - higher coal deliveries to ČEZ, a. s. CZK +0.4 bn., +2.4 million tons
 - higher revenues from coal sales to external customers, CZK +0.3 bn., +0.9 million tons
- higher vehicle fuel prices, higher electricity consumption, preparatory technological works on the overburden (CZK -0.2 bn.)

Other CE (CZK +0.3 bn.)

- Severočeské doly subsidiaries (CZK +0.1 bn.): mainly coal transportation from SD Kolejová doprava
- ČEZ ICT Services (CZK +0.2 bn.): savings of operating expenses



OTHER INCOME (EXPENSES)

(CZK bn.)	2010	2011	Change	%
EBITDA	88.8	87.3	-1.5	-2%
Depreciation and amortization	-24.1	-25.8	-1.7	-7%
Other income (expenses)	-6.1	-9.5	-3.4	-56%
Interest balance	-3.4	-5.1	-1.7	-50%
Foreign exchange rate gains (losses) and financial derivatives	-1.3	1.6	+2.9	-
Gain (Loss) from associates and joint-ventures	0.1	-3.7	-3.8	-
Other	-1.5	-2.3	-0.8	-52%
Income taxes	-11.7	-11.2	+0.5	+4%
Net income	46.9	40.8	-6.1	-13%

Depreciation and amortization (CZK -1.7 bn.)

- increased depreciation caused by higher investments into fixed assets - renewables in Romania (Fântânele) and in the Czech Rep.; furthermore, into production equipment and distribution networks, plant and machinery, and IT

Interest balance (CZK -1.7 bn.)

- rise of interest expense due to higher volume of debt, caused by the investments implemented

Exchange rate gains/losses and financial derivatives (CZK +2.9 bn.)

- exchange rate gains and financial derivatives (CZK +2.5 bn.), higher gain from the revaluation of MOL share option (CZK +0.4 bn.),

Gain/loss from associates and joint-ventures (CZK -3.8 bn.)

- impact of accounting treatment of the JTSD/MIBRAG transaction in 2011 (CZK -3.0 bn.), y-o-y deterioration of performance of the Turkish companies (CZK -0.8 bn.) mainly due to exchange rate losses caused by revaluation of USD denominated debt

Other (CZK -0.8 bn.)

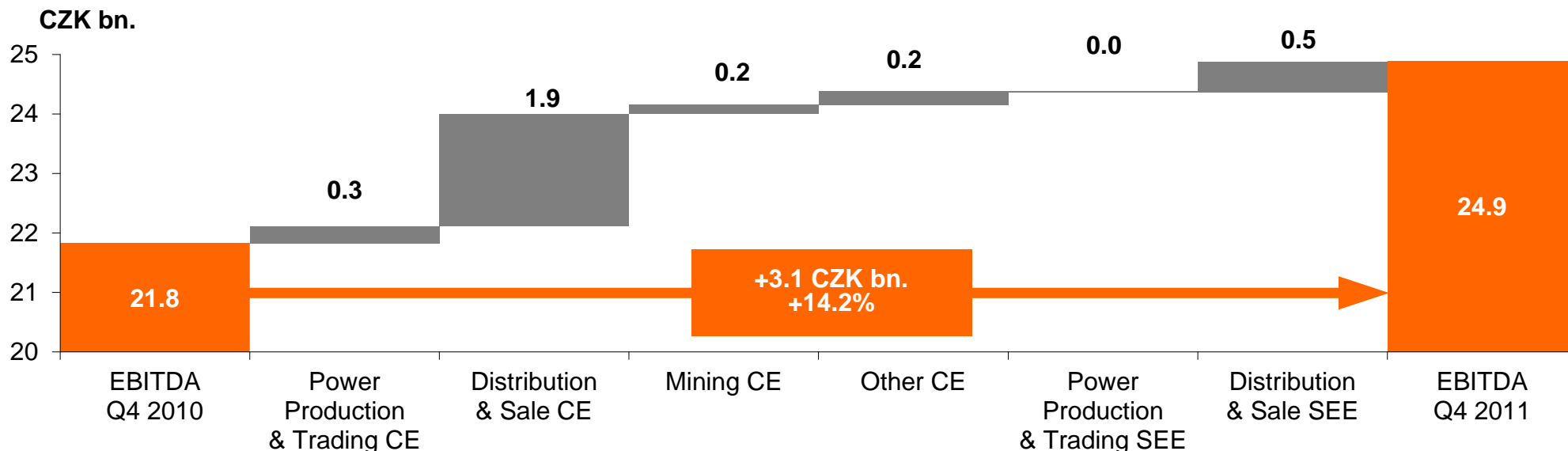
- impact of newly introduced gift tax on emission rights (CZK -3.6 bn.), y-o-y fall in goodwill impairment (CZK +2.5 bn.) caused by impairment of goodwill in Bulgaria in 2010, received dividends (CZK +0.4 bn.)

Income taxes (CZK +0.5 bn.)

- lower income tax due to lower profit before tax



DEVELOPMENTS IN Q4



- **Power Production & Trading CE (CZK +0.3 bn.):** mainly the impact of higher electricity production (CZK +0.9 bn.) and emission rights trading (CZK +0.4 bn.); furthermore, impact of falling CZK/EUR hedging exchange rate and decreasing electricity prices (CZK -0.8 bn.)
- **Distribution & Sale SE (CZK +1.9 bn.):** higher gross distribution margin mainly due to a positive y-o-y balance of the correction factor (CZK+1.2 bn.); savings on fixed operating expenses mainly on repairs & maintenance, and higher collection of connection contributions (CZK +0.6 bn.)
- **Mining CE (CZK +0.2 bn.):** increased mining of coal by Severočeské doly by +3.3 million tones, increased sales mainly to external customers
- **Other CE (CZK +0.2 bn.):** subsidiaries of Severočeské doly (CZK +0.1 bn), particularly coal transportation from SD Kolejová doprava; ČEZ Distribuční služby (CZK +0.1 bn.); ČEZ Správa majetku (CZK +0.1 bn.); ČEZ Logistika (CZK -0.1 bn.)
- **Distribution & Sale SEE (CZK +0.5 bn.):** Bulgaria - increased distribution tariffs due to regulator's decision of Jul 1, 2011 compared with a tariff decrease effective from Jul 1, 2010, lower losses thanks to targeted investments into the distribution network, higher volume of distributed electricity



DEVELOPMENTS IN Q4 - CONTINUED

(CZK bn.)	Q4 2010	Q4 2011	Change	%
Revenues	54.4	59.2	+4.8	+9%
Operating expenses less depreciation and amortization	-32.5	-34.3	-1.8	-6%
EBITDA	21.9	24.9	+3.0	+14%
Depreciation and amortization	-6.9	-6.9	0.0	0%
Other income (expenses)	-4.9	-0.2	+4.7	+97%
Income taxes	-3.2	-3.4	-0.2	-6%
Net income	6.9	14.4	+7.5	+109%

Other expenses and income (CZK +4.7 bn.)

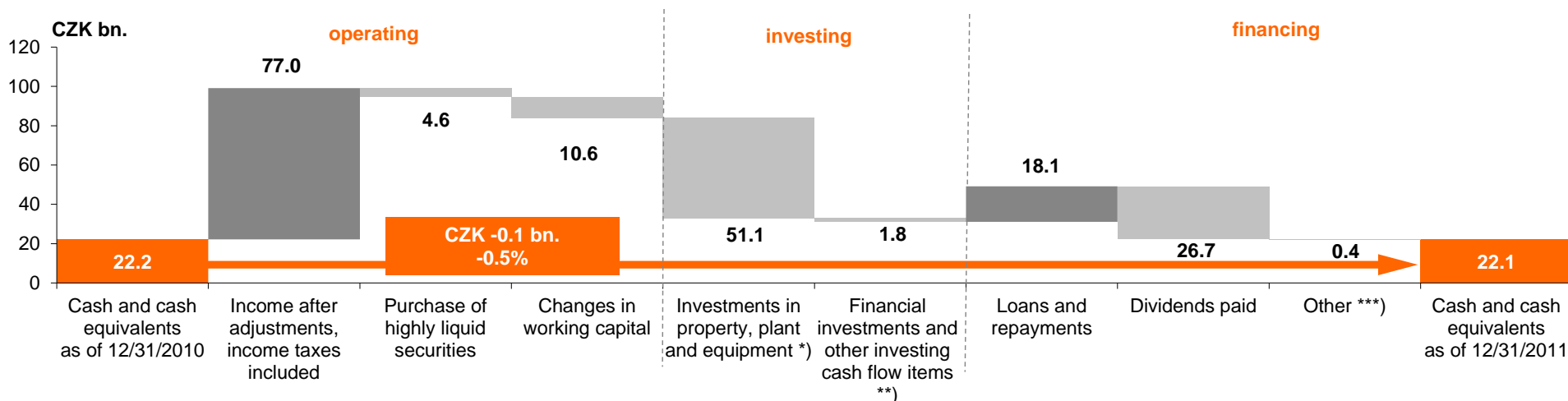
- exchange rate gains/losses and financial derivatives (CZK +4.5 bn.), of which increased gain from the revaluation of the MOL share option (CZK +1.2 bn.)
- goodwill impairment (CZK +2.5 bn.): in 2010 in Bulgaria CZK -2.8 bn., and in 2011 in Albania CZK -0.3 bn.
- increase of interest expense due to higher volume of debt, caused by the investments implemented (CZK -0.6 bn.)
- gift tax on emission rights (CZK -0.8 bn.)
- other (CZK -0.9 bn.)

Corporate income tax (CZK -0.2 bn.)

- increased income tax due to higher profit before tax in Q4



CASH FLOW



Cash flows from operating activities (CZK +61.8 bn.):

- profit after adjustments (CZK +77.0 bn.): cash flow from profit before tax (CZK +52.0 bn.); adjustments for non-cash transactions (CZK +36.6 bn.) - particularly depreciation and amortisation of nuclear fuel; income tax paid (CZK -8.9 bn.) and other adjustments (CZK -2.7 bn.) - mainly interest paid
- other changes in working capital (CZK -10.6 bn.): increase in receivables (CZK -16.0 bn.) - mainly trade receivables; increase in emission rights (CZK -2.9 bn.); decrease in trade payables (CZK +8.7 bn.), other factors (CZK -0.4 bn.)

Cash flows from investing activities (CZK -52.9 bn.):

- CAPEX (CZK -51.1 bn.) - see details in Appendix
- financial investments into ČEZ Energo and TMK Hydroenergy (CZK -0.9 bn.), other (CZK -0.9 bn.) - particularly transfers to restricted nuclear accounts

Cash flows from financing activities incl. effects of exchange rate changes (CZK -9.0 bn.):

- balance of proceeds from borrowings and repayments (CZK +18.1 bn.)
- dividends paid to shareholders (CZK -26.7 bn.)
- other (CZK -0.4 bn.), mainly effects of exchange rate changes



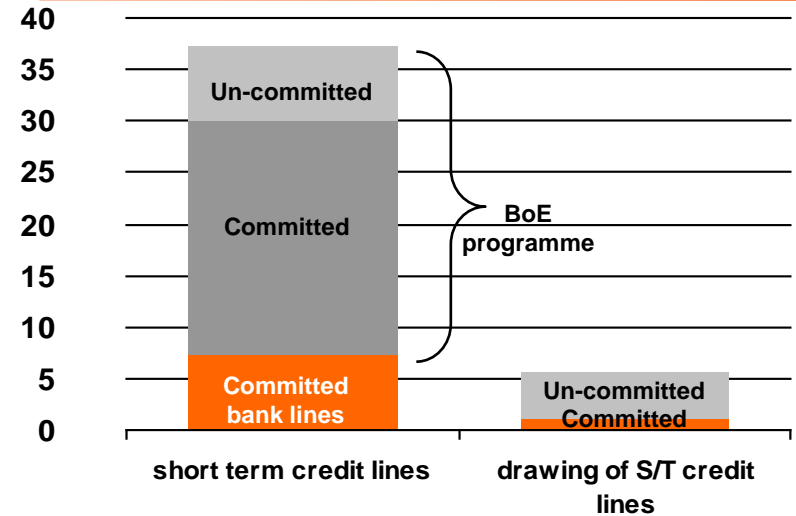
CEZ GROUP MAINTAINS STRONG LIQUIDITY

- y-o-y increase of net debt/ EBITDA ratio from 1.51 to 1.83
- almost 40% of committed credit lines prolonged to 3 years
- in Jan 2012, a buy-back of bonds worth approx. € 350 million (with maturity in years 2012 and 2013) was implemented
- the average maturity of CEZ Group financial debt exceeds 7 years

Summary of CEZ Group financing from the capital markets in 2011

Financial volume	Creditor, type of issue	Maturity
€ 500 million	public bond placement	5 years
CZK 9 bn.	private bond placement	10 and 12 years
€ 280 million	loans from EIB, EBRD, IFC	10 and 12 years
€ 255 million	bilateral loan agreements	3 years

Drawing of short-term credit lines (as of Dec 31, 2011, CZK bn.)



Bond maturity profile (as of Dec 31, 2011, CZK bn.)





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ELECTRICITY CONSUMPTION IN THE CZECH REPUBLIC REMAINS STABLE YEAR-ON-YEAR

Consumption in the Czech Republic

TWh

59.26 58.64

-1.0 %

2010 2011

Consumption in the Czech Republic (temperature adjusted)*

TWh

58.69 58.88

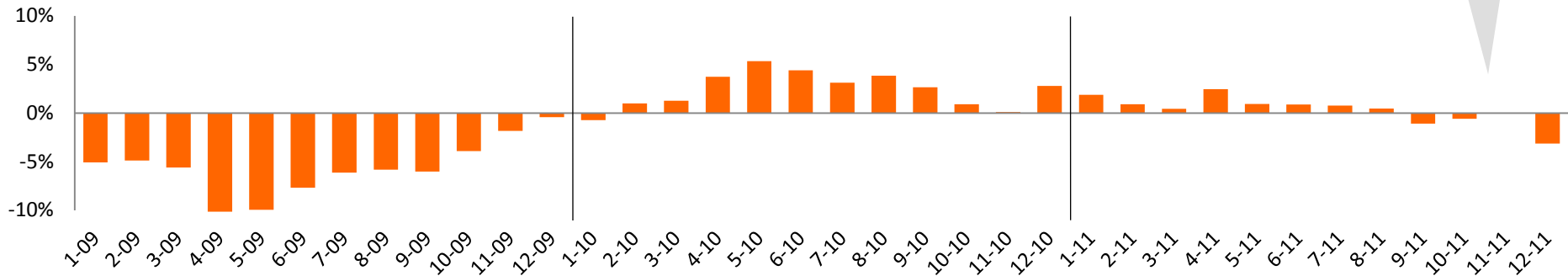
+0.3 %

2010 2011

Net consumption in the Czech Rep. grew
by 0.3% in 2011 compared with 2010

Monthly year-on-year absolute consumption indices in the Czech Republic

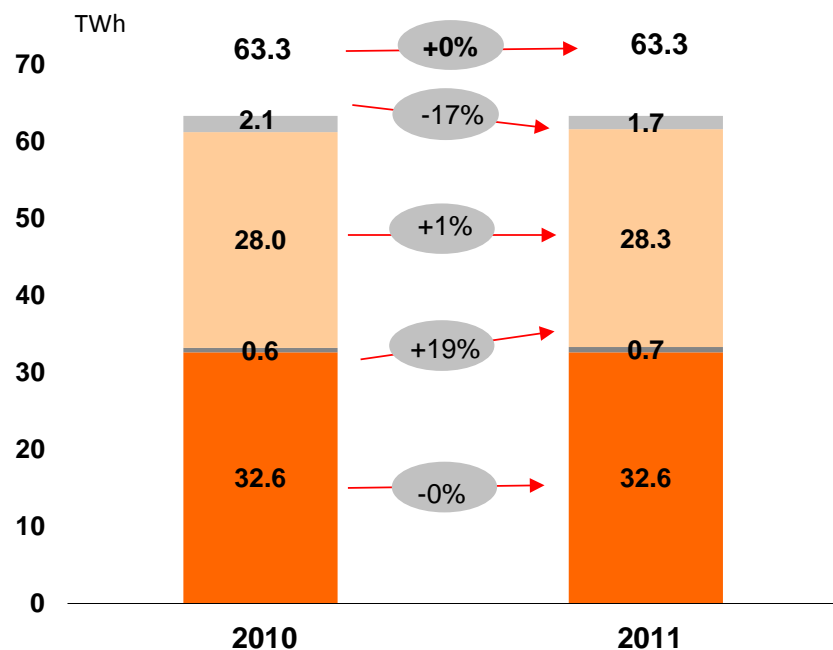
(temperature and calendar adjusted)



* adjustment to normal temperature according to ČEZ, a. s. model



ELECTRICITY PRODUCTION FROM OWN POWER PLANTS OF THE CEZ GROUP IN THE CZECH REPUBLIC STABLE Y-O-Y, FOR 2012 SLIGHT INCREASE EXPECTED

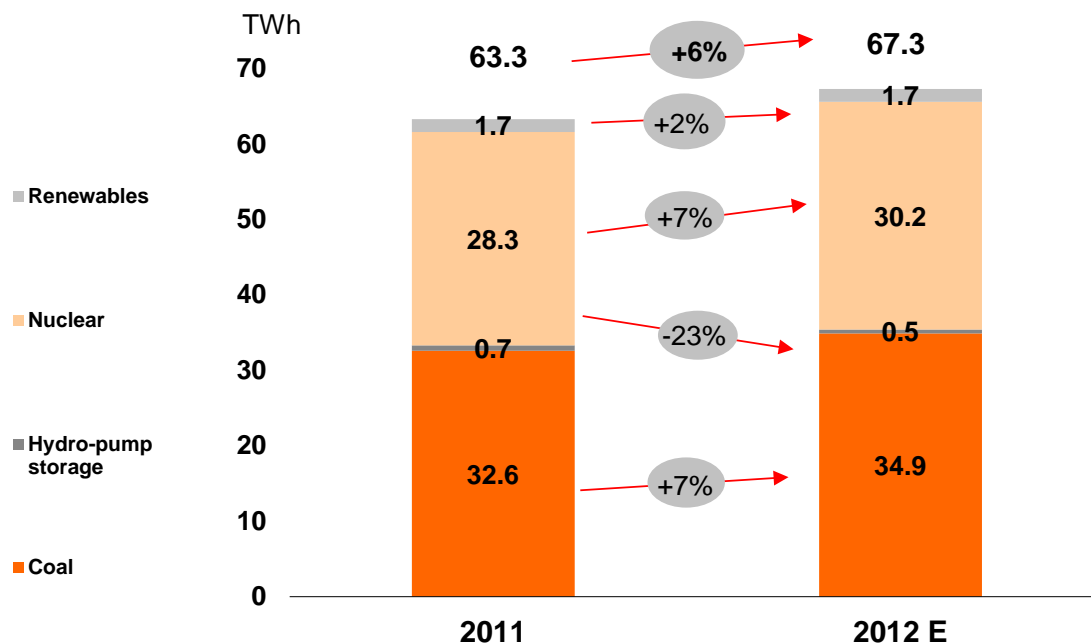


Nuclear power plants (+1%)

+ increase of availability at Dukovany

Renewable sources (-17%)

- lower 2011 production of hydroelectric power plants in a y-o-y comparison due to above-average precipitation levels in 2010



Nuclear power plants (+7%)

+ expected increase of availability at Temelín and Dukovany plants in 2012

+ in 2011 longer shut-downs at the Temelín

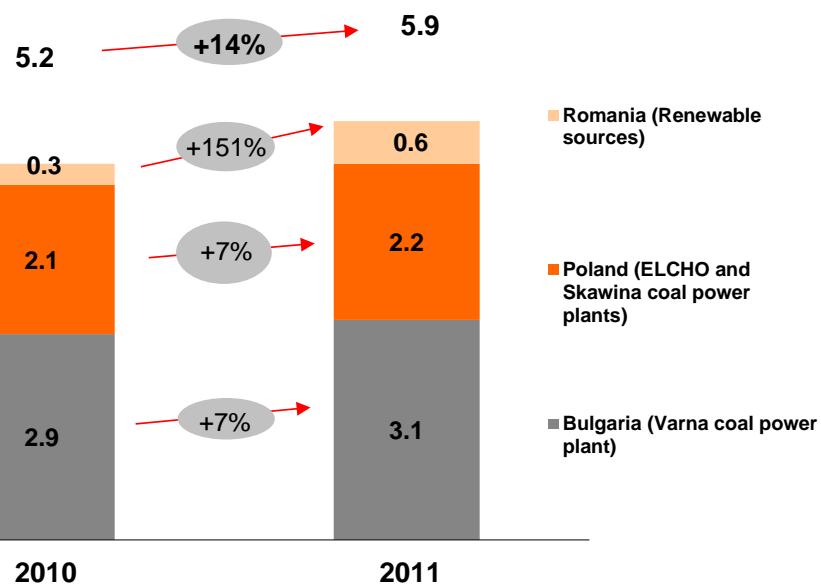
Coal fired plants (+7%)

+ expected increase of production in the Tušimice plant after a comprehensive refurbishment, at the same time decrease of production in the Pruněrov plant (shut-down of 3 units as part of a comprehensive refurbishment)



ELECTRICITY PRODUCTION FROM OWN POWER PLANTS OF THE CEZ GROUP ABROAD IN 2011 INCREASED BY 14%, EXPECTED PRODUCTION IN 2012 AT THE SAME LEVEL

TWh



Romania Renewables (+151%)

- + start of production and gradual connecting of wind turbines in Fântânele in 2nd half of 2010
- + slight effect of new acquisition of Reșița hydroelectric plant (since July 2011)

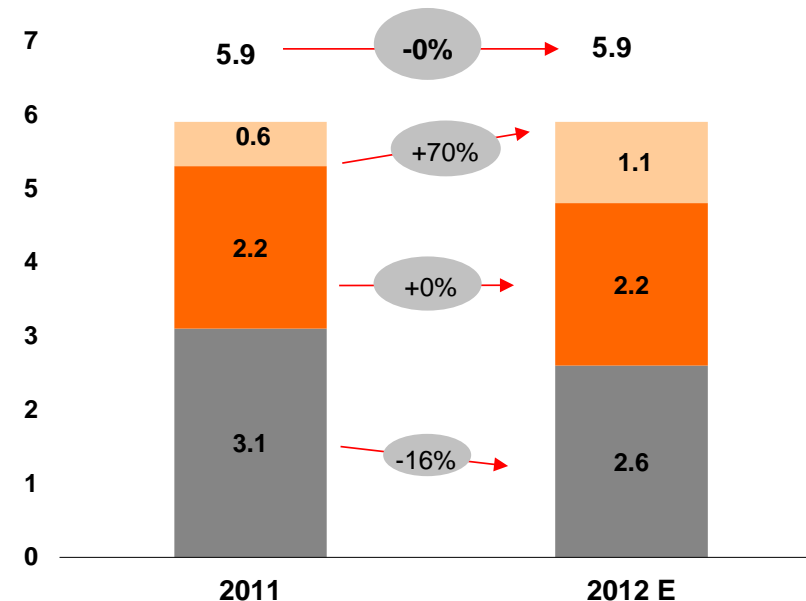
Poland – Elcho and Skawina coal power plants (+7%)

- + increase in volume of biomass burning in both plants

Bulgaria – Varna coal power plant (+7%)

- + higher production caused by higher activation of cold reserve at the end of 2011

TWh



Romania Renewables (+70%)

- + completion of connection of remaining wind turbines in Fântânele in 2012
- + production from gradually connected Cogeaalac wind turbines since 1/2012, completion of entire farm by the end of 2012

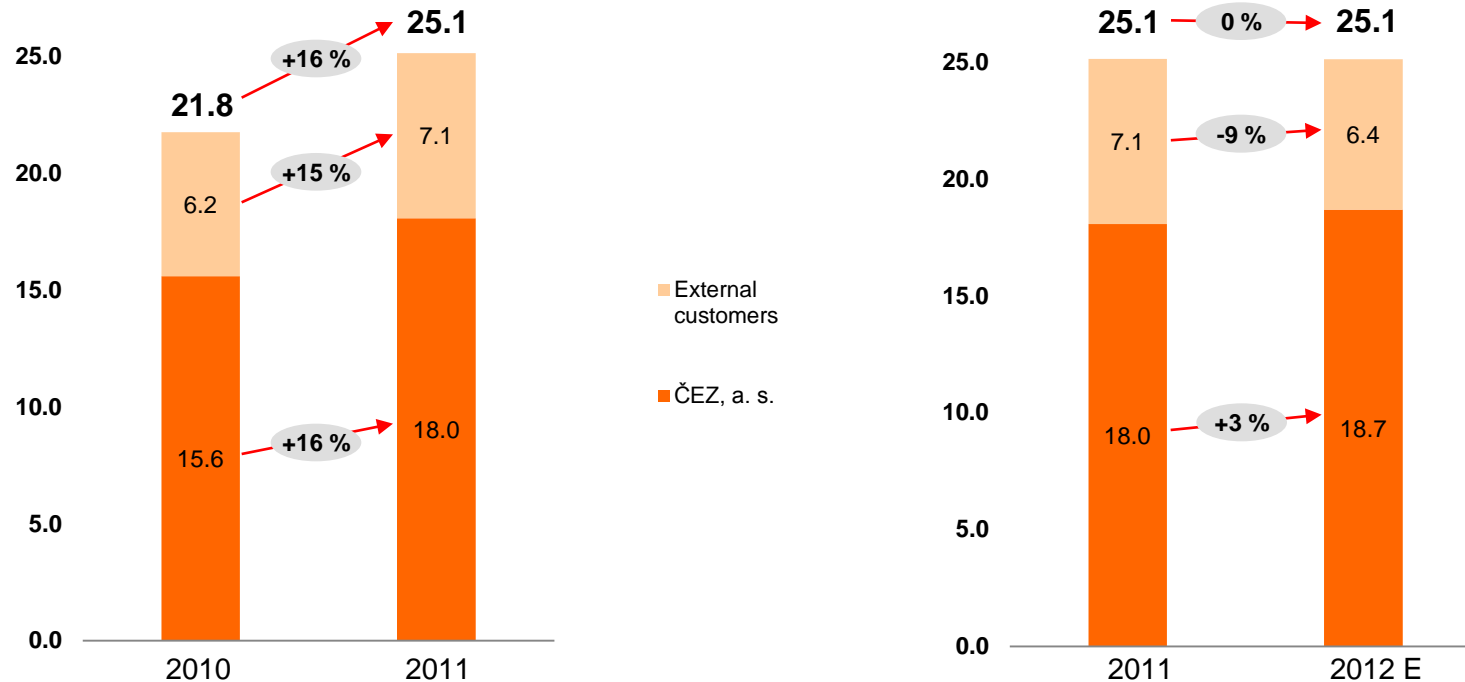
Bulgaria – Varna coal power plant (-16%)

- we are planning a lower activation of cold reserve (lower production required by regulator)



COAL MINING IN SEVEROČESKÉ DOLY INCREASED Y-O-Y

Coal mining in million tons



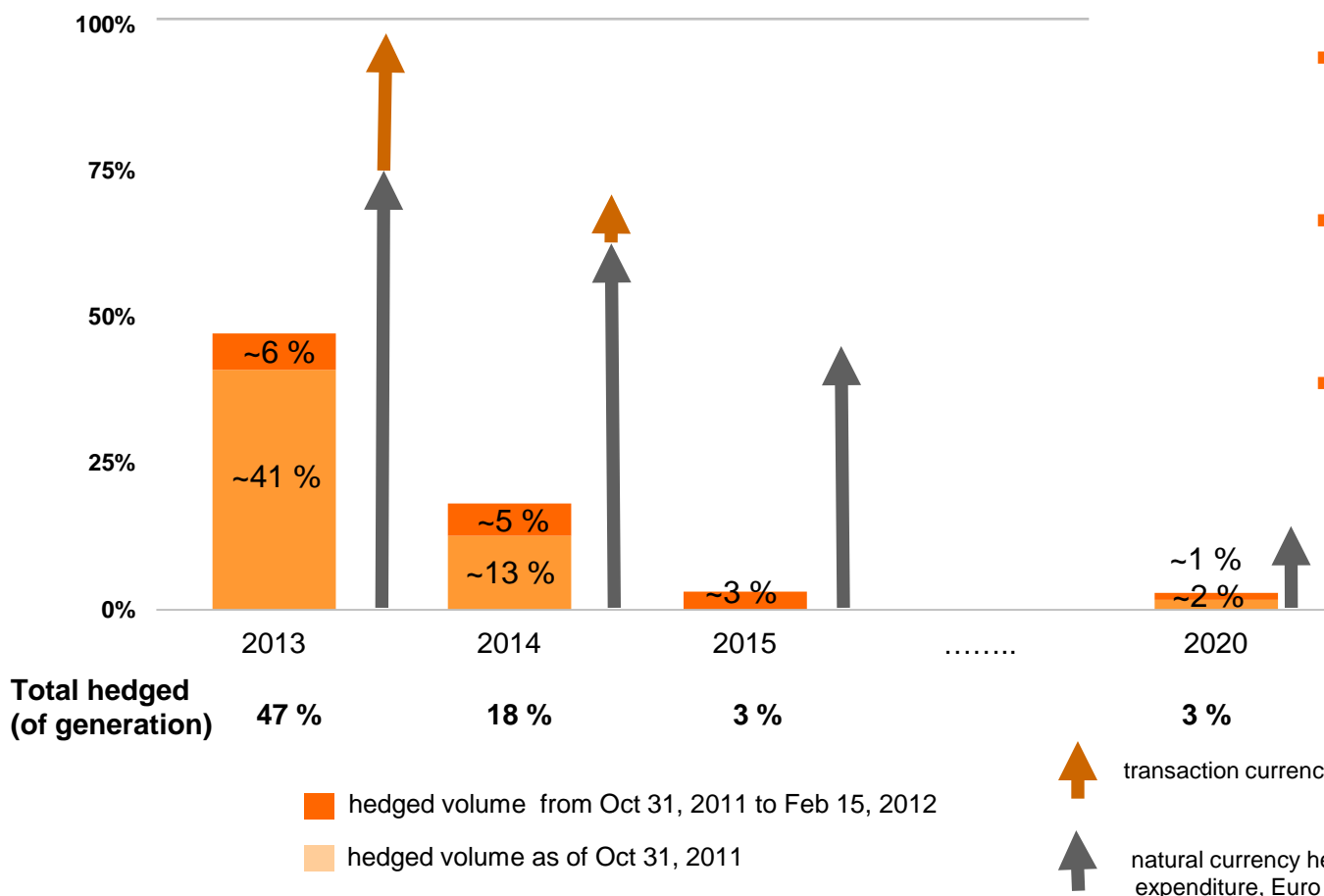
- historically highest annual sales: 25.1 million tons (i.e. y-o-y increase of output by 15.6%)
- in 2012, Severočeské doly expects a similar demand for coal



ČEZ, A. S. CONTINUES TO PURSUE ITS STRATEGY OF MEDIUM TERM HEDGING OF ITS PRODUCTION REVENUES

Share of hedged generation from ČEZ, a. s.

(as of Feb 15, 2012, 100 % corresponds to 55 – 60 TWh)



- ČEZ, a. s. applies a standard approach to hedging its open positions resulting from its electricity production portfolio against price risks
- as part of 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
- ČEZ, a. s. concluded another new long-term contract with delivery until 2020



REMIT – NEW EUROPEAN REGULATION OF WHOLESALE ENERGY MARKETS



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- ☐ Hydroelectric Power Plants
- ☐ Environment
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Market Transparency (REMIT)

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Information published in this section in accordance with the Regulation (EU) No 1227/2011 of the European Parliament and of the Council „On wholesale energy market integrity and transparency“ are provided for the following CEZ Group legal entities: ČEZ, a. s. | Elektrárna Chvaletice, a. s. | Teplárna Trmice, a. s.

Due to certain ambiguity of the Regulation 1227/2011 text regarding the obligation to publish inside information, published data will be continuously updated to fulfill Regulation requirements, related legislation or interpretation of the competent authority.

Info: Regarding to a complex reconstruction of the Coal-fired power plant Tušimice 2, actual production data of B21 and B22 units are not available at the moment.

ČEZ, a. s. (Elektrárna Chvaletice, a. s. included)

-- Choose a power plant --

Available capacity

From:
To:

Actual production

Date:

Planned outage

From:
To:

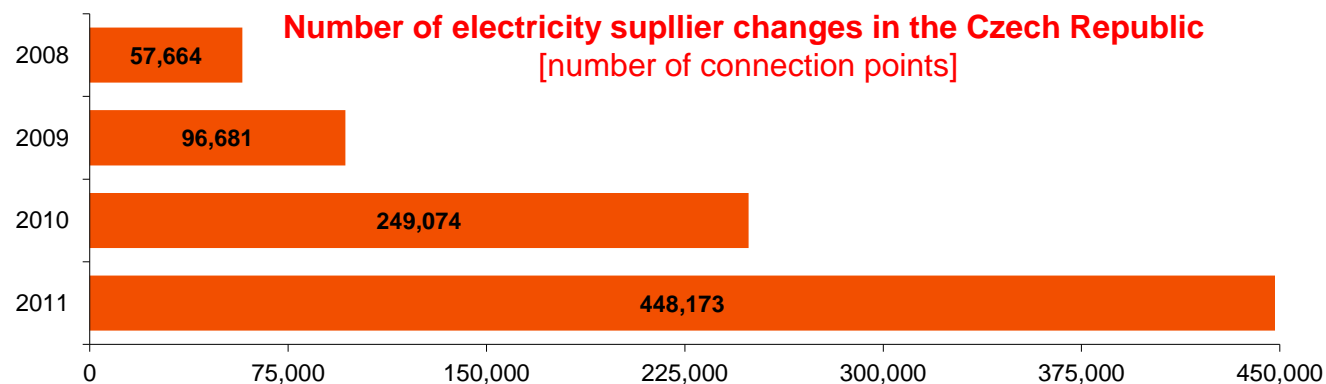
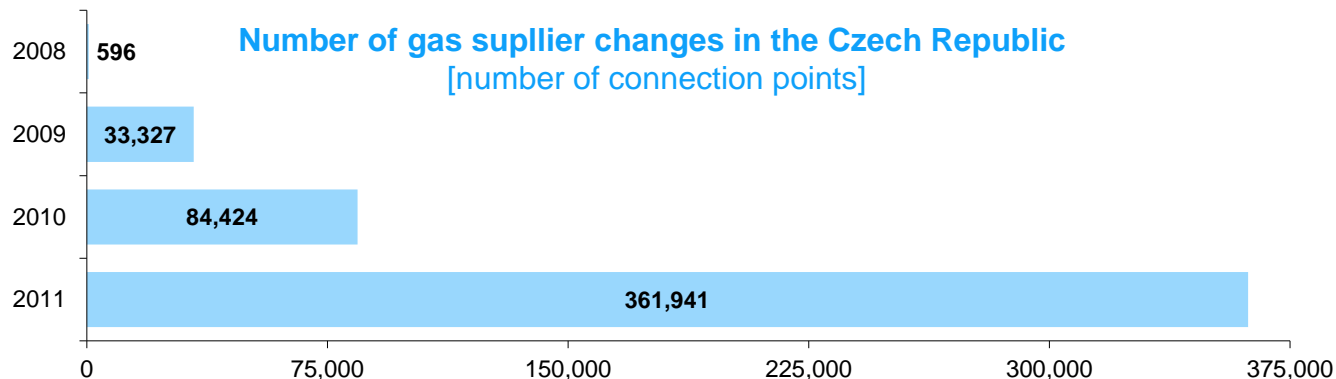
Unplanned outage

From:
To:

- 28 Dec 2011: Regulation no. 1227/2011 of the European Parliament and of the Council on **wholesale energy market integrity and transparency (REMIT)** took effect
 - it introduces regulation of wholesale energy markets at the European level
 - it prevents the use of unfair practices affecting wholesale energy markets
 - Energy Regulatory Office supervises the compliance with obligations of market players regarding the disclosure of mandatory data
 - obligation to disclose the company's operational data (production and consumption capacities, installed capacity of facility including shut-downs)
- CEZ Group started to publish this data on its website on the very first day of the effect of the regulation - <http://www.cez.cz/en/power-plants-and-environment/remit.html>
- in the future we expect the publication of this data through the EEX Transparency platform



IN 2011, COMPETITION ON THE EE/GAS MARKET INTENSIFIED: RECORD NUMBER OF 800,000 CONNECTION POINTS CHANGED SUPPLIER

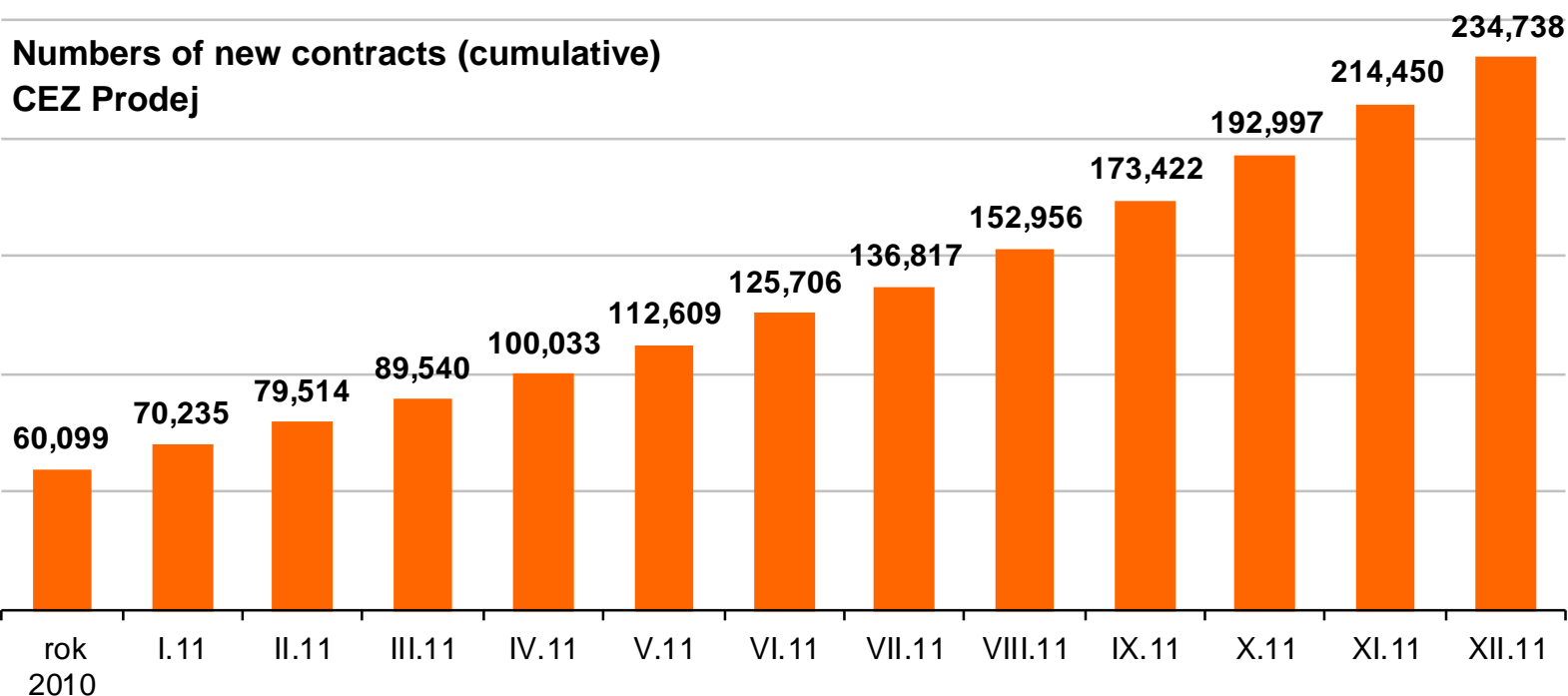




WE CONTINUE WITH A SUCCESSFUL ACQUISITION OF GAS CUSTOMERS IN THE CZECH REPUBLIC, SINCE LAUNCH OF SALES WE HAVE ACQUIRED ALMOST 260,000 CONTRACTS

Number of contracts as of Feb 21, 2012:

257,378



Only in the course of 2011, we acquired nearly **175 thousand new contracts** for natural gas supplies and thereby became by far **the largest alternative gas supplier in the Czech Republic.**

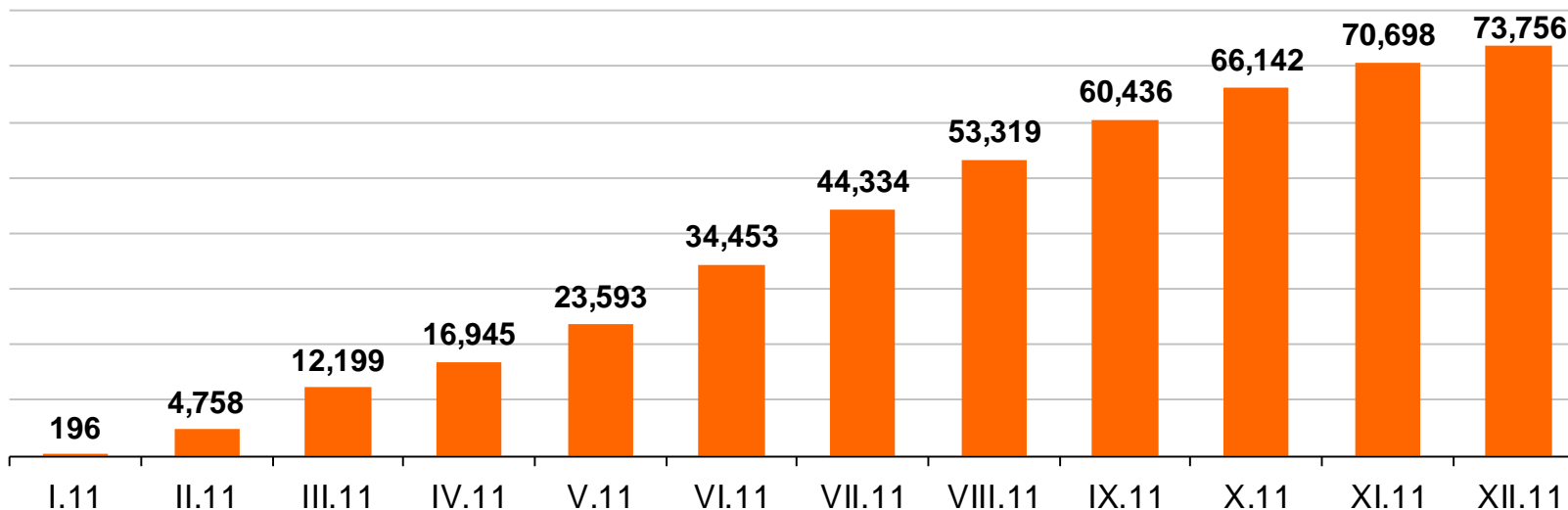


OUR ENTRY TO THE SLOVAK MARKET WAS SUCCESSFUL -
SINCE LAUNCH OF SALES WE HAVE ACQUIRED ALMOST
78,000 CONTRACTS IN TOTAL FOR BOTH COMMODITIES

Number of contracts as of Feb 21, 2012:

77,811

Number of new contracts (cumulative)
CEZ Slovensko





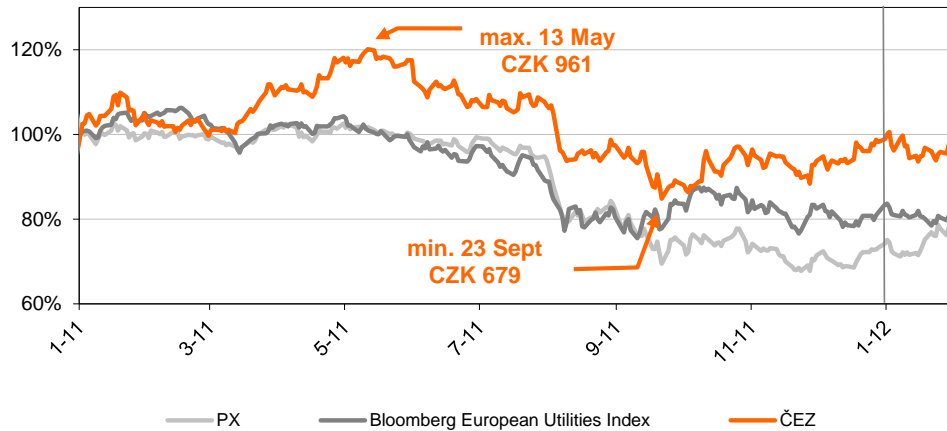
APPENDICES

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

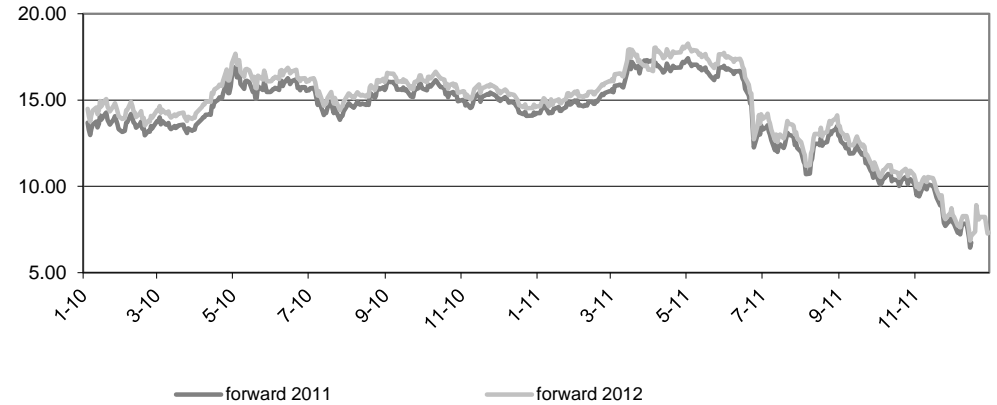


MARKET TRENDS

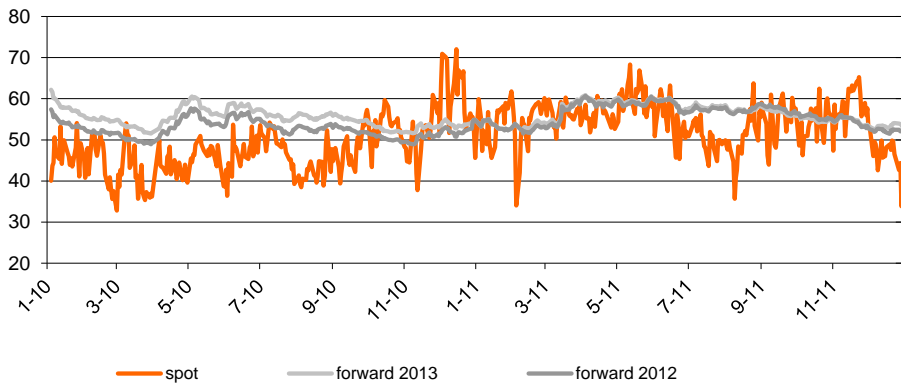
Development of ČEZ share price compared to PX index and Bloomberg Utilities, %



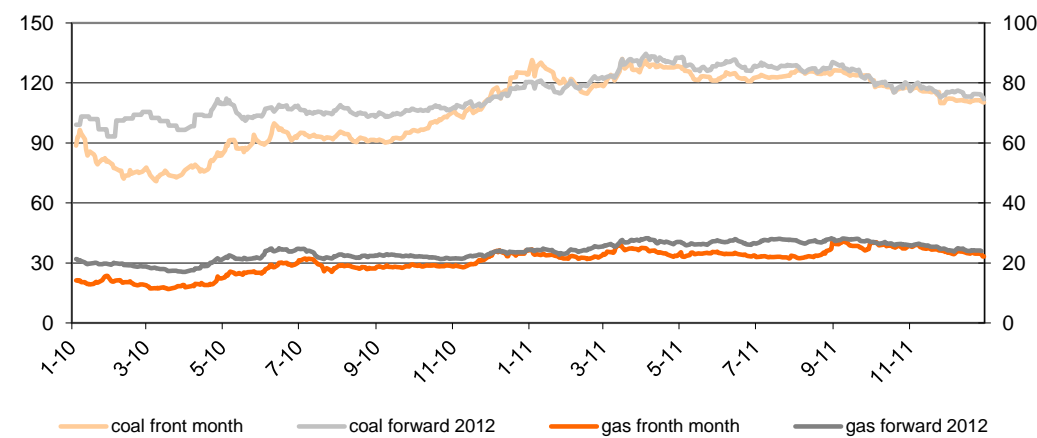
EUR / t CO2 allowances / emission rights m. tonnes of CO2



EUR / MWh Electricity



USD / t Coal and gas EUR/MWh





INVESTMENTS INTO FIXED ASSETS *)

Investments into fixed assets 2011:	CZK 51.1 bn.
Power plant renewal	CZK 15.8 bn. Tušimice: CZK 2.7 bn. Pruněřov II: CZK 3.6 bn. Ledvice new source: CZK 4.5 bn. Počerady CCGT: CZK 3.4 bn. Other: CZK 1.6 bn.
Nuclear power	CZK 9.1 bn. Dukovany: CZK 4.9 bn. Temelín: CZK 3.8 bn. Temelín new nuclear source: CZK 0.4 bn.
Photovoltaic and wind power plants	CZK 6.2 bn. CR: CZK 1.3 bn. Romania: CZK 4.9 bn.
Distribution networks	CZK 12.2 bn. CR: CZK 9.6 bn. Romania: CZK 1.4 bn. Bulgaria: CZK 0.9 bn. Albania: CZK 0.3 bn.
Mining	CZK 3.7 bn.
Information systems	CZK 1.2 bn.
Other	CZK 2.9 bn.



BALANCE SHEET OVERVIEW

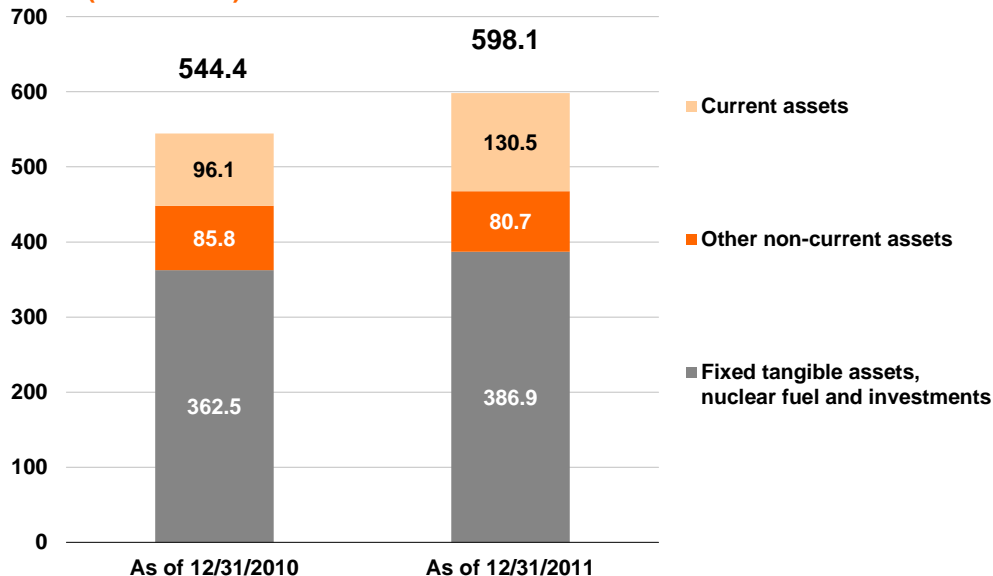
Fixed assets

- increase of tangible fixed assets by higher investments CZK +24.4 bn.
- other fixed assets CZK -5.1 bn. – securities in equivalence (Mibrag and Turkey)

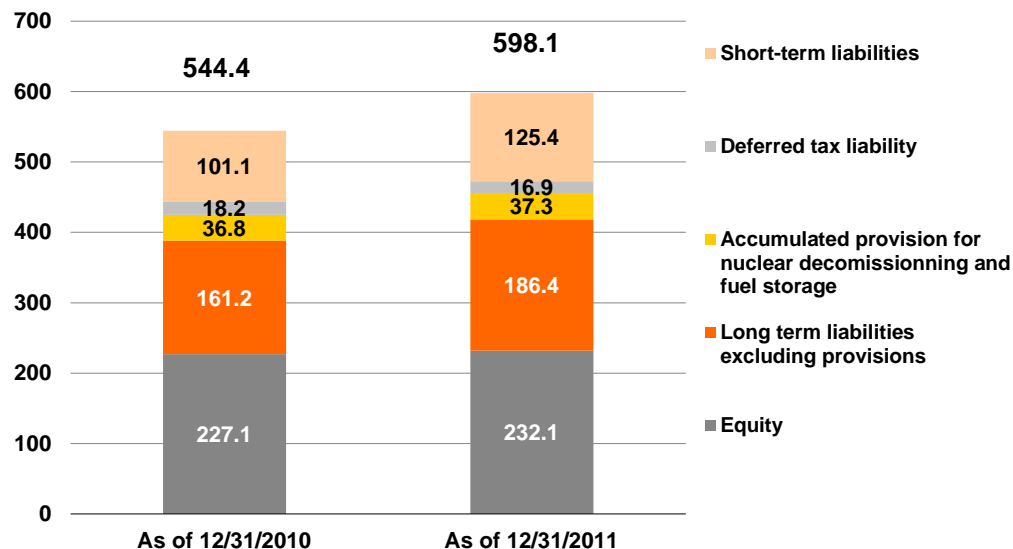
Long-term liabilities and equity

- increase of equity: net profit increased equity by CZK +40.7 bn., granted dividends decreased equity by CZK -26.7 bn.; other operations within equity CZK -9.0 bn. – especially operations to hedge cash-flows
- increase of long-term liabilities CZK +25.2 bn., especially due to bank loans and bond issues CZK +24.6 bn.

ASSETS (in CZK bn.)



EQUITY AND LIABILITIES



Current assets

- increased receivables from derivative operations CZK +8.6 bn. (compensated for in liabilities)
- increase of emission allowances CZK +2.9 bn.
- increase of liquid securities CZK +4.6 bn.
- increased trading receivables CZK +15.3 bn.
- decrease of receivables related to income tax CZK -1.0 bn
- increase of other current assets CZK +4.0 bn.

Short-term liabilities

- increase of liabilities from derivatives operations CZK +8.0 bn. (compensated for on assets side)
- decrease of trading liabilities CZK +8.7 bn.
- increase of received electricity advances CZK +2.2 bn.
- other liabilities CZK +5.4 bn.

Electricity balance (GWh)

	2010	2011	+/-
Electricity procured	61,952	62,532	+1%
Generated in-house (gross)	68,433	69,209	+1%
In-house and other consumption, including pumping in pumped-storage plants	-6,481	-6,677	+3%
Sold to end customers	-44,594	-42,846	-4%
Sold in the wholesale market (net)	-9,984	-12,365	+24%
Sold in the wholesale market	-160,712	-220,388	+37%
Purchased in the wholesale market	150,728	208,023	+38%
Grid losses	-7,374	-7,321	-1%

Electricity generation by source (GWh)

	2010	2011	+/-
Nuclear	27,998	28,283	+1%
Coal and lignite	37,325	37,508	+0%
Water	2,332	1,895	-19%
Biomass	496	734	+48%
Solar	16	130	>200%
Wind	265	629	+137%
Natural gas	1	30	>200%
Total	68,433	69,209	+1%

Sales of electricity to end customers (GWh)

	2010	2011	+/-
Households	-17,580	-16,793	-4%
Commercial (low voltage)	-8,845	-8,359	-5%
Commercial and industrial (medium and high voltage)	-18,169	-17,694	-3%
Sold to end customers	-44,594	-42,846	-4%
 Distribution of electricity to end customers	 -53,204	 -53,628	 +1%

Electricity balance (GWh)

2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	57,173	-0%	1,924	+8%	0	-	2,801	+8%	634	+148%	0	-	0	-	62,532	+1%
Generated in-house (gross)	63,321	+0%	2,204	+7%	0	-	3,043	+7%	641	+150%	0	-	0	-	69,209	+1%
In-house and other consumption, including pumping in pumped-storage plants	-6,148	+3%	-280	+1%	0	-	-242	-7%	-7	-	0	-	0	-	-6,677	+3%
Sold to end customers	-21,969	-11%	-95	-86%	-2,432	+12%	-10,023	+7%	-3,295	+2%	-5,032	+9%	0	-	-42,846	-4%
Sold in the wholesale market (net)	-32,655	+8%	-1,829	+62%	2,432	+12%	8,651	+5%	3,998	-8%	7,038	+8%	0	-	-12,365	+24%
Sold in the wholesale market	-216,657	+37%	-2,132	-5%	-5,499	+39%	-3,029	+10%	-1,104	+33%	0	-	8,033	+17%	-220,388	+37%
Purchased in the wholesale market	184,002	+44%	303	-73%	7,931	+30%	11,680	+6%	5,102	-1%	7,038	+8%	-8,033	+17%	208,023	+38%
Grid losses	-2,549	-3%	0	-	0	-	-1,429	-3%	-1,337	-3%	-2,006	+5%	0	-	-7,321	-1%

Electricity generation by source (GWh)

2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	28,283	+1%	0	-	0	-	0	-	0	-	0	-	0	-	28,283	+1%
Coal and lignite	32,573	-0%	1,891	-0%	0	-	3,043	+7%	0	-	0	-	0	-	37,508	+0%
Water	1,868	-20%	6	+20%	0	-	0	-	21	-	0	-	0	-	1,895	-19%
Biomass	428	+27%	307	+94%	0	-	0	-	0	-	0	-	0	-	734	+48%
Solar	130	>200%	0	-	0	-	0	-	0	-	0	-	0	-	130	>200%
Wind	9	+0%	0	-	0	-	0	-	620	+142%	0	-	0	-	629	+137%
Natural gas	30	>200%	0	-	0	-	0	-	0	-	0	-	0	-	30	>200%
Total	63,321	+0%	2,204	+7%	0	-	3,043	+7%	641	+150%	0	-	0	-	69,209	+1%

Sales of electricity to end customers (GWh)

2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-8,305	-11%	0	-	0	-	-4,287	+3%	-1,555	+4%	-2,646	+2%	0	-	-16,793	-4%
Commercial (low voltage)	-3,579	-16%	0	-	-9	-	-2,837	+4%	-935	+0%	-999	+6%	0	-	-8,359	-5%
Commercial and industrial (medium- and high voltage)	-10,085	-8%	-95	-86%	-2,423	+12%	-2,900	+17%	-805	+2%	-1,386	+29%	0	-	-17,694	-3%
Sold to end customers	-21,969	-11%	-95	-86%	-2,432	+12%	-10,024	+7%	-3,295	+2%	-5,031	+9%	0	-	-42,846	-4%
Distribution of electricity to end customers	-32,613	-1%	0	-	0	-	-9,193	+3%	-7,335	+5%	-4,487	+2%	0	-	-53,628	+1%

Electricity balance (GWh)

2011	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	59,097	-0%	0	-	3,435	+21%	0	-	0	-	62,532	+1%
Generated in-house (gross)	65,525	+0%	0	-	3,684	+19%	0	-	0	-	69,209	+1%
In-house and other consumption, including pumping in pumped-storage plants	-6,428	+3%	0	-	-249	-4%	0	-	0	-	-6,677	+3%
Sold to end customers	-393	-47%	-24,104	-10%	-15	-	-18,334	+7%	0	-	-42,846	-4%
Sold in the wholesale market (net)	-58,704	+1%	26,653	-9%	-3,420	+20%	23,107	+5%	0	-	-12,365	+24%
Sold in the wholesale market	-245,470	+31%	-11,532	+42%	-3,420	+20%	-725	-2%	40,761	+6%	-220,388	+37%
Purchased in the wholesale market	186,766	+45%	38,185	+2%	0	-	23,832	+5%	-40,761	+6%	208,023	+38%
Grid losses	0	-	-2,549	-3%	0	-	-4,773	+0%	0	-	-7,321	-1%

Electricity generation by source (GWh)

2011	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	28,283	+1%	0	-	0	-	0	-	0	-	28,283	+1%
Coal and lignite	34,464	-0%	0	-	3,043	+7%	0	-	0	-	37,508	+0%
Water	1,874	-20%	0	-	21	-	0	-	0	-	1,895	-19%
Biomass	734	+48%	0	-	0	-	0	-	0	-	734	+48%
Solar	131	>200%	0	-	0	-	0	-	0	-	130	>200%
Wind	9	+0%	0	-	620	+142%	0	-	0	-	629	+137%
Natural gas	30	>200%	0	-	0	-	0	-	0	-	30	>200%
Total	65,525	+0%	0	-	3,684	+19%	0	-	0	-	69,209	+1%

Sales of electricity to end customers (GWh)

2011	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	-8,305	-11%	0	-	-8,488	+3%	0	-	-16,793	-4%
Commercial (low voltage)	0	-	-3,588	-16%	0	-	-4,771	+4%	0	-	-8,359	-5%
Commercial and industrial (medium and high voltage)	-393	-47%	-12,211	-7%	-15	-	-5,075	+17%	0	-	-17,694	-3%
Sold to end customers	-393	-47%	-24,104	-10%	-15	-	-18,334	+7%	0	-	-42,846	-4%
 Distribution of electricity to end customers	 0	 -	 -32,613	 -1%	 0	 -	 -21,014	 +4%	 0	 -	 -53,628	 +1%