

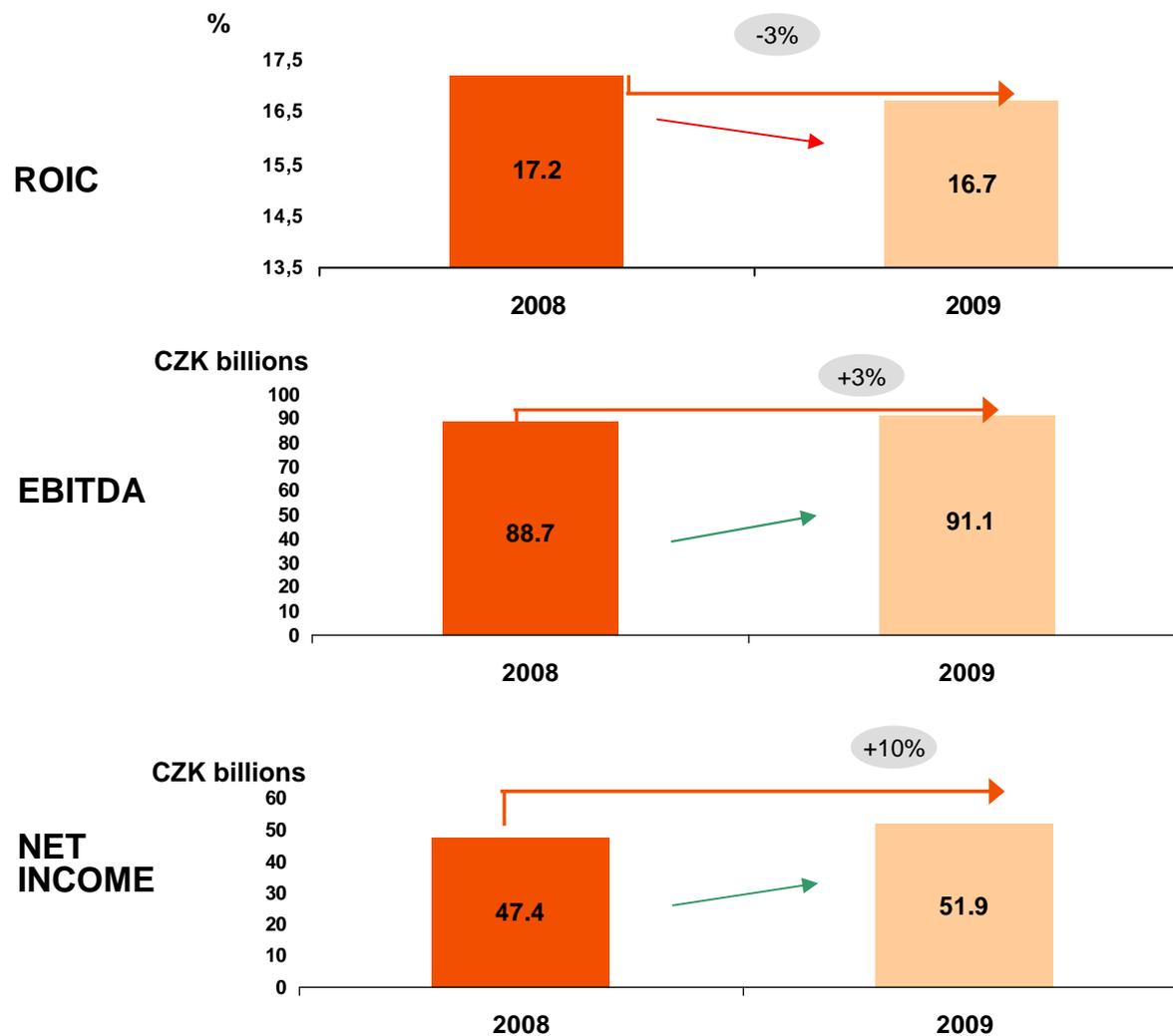


Report On the Company's Business
Operations and the State of Its Assets
For the Year 2009

Prague, June 29, 2010

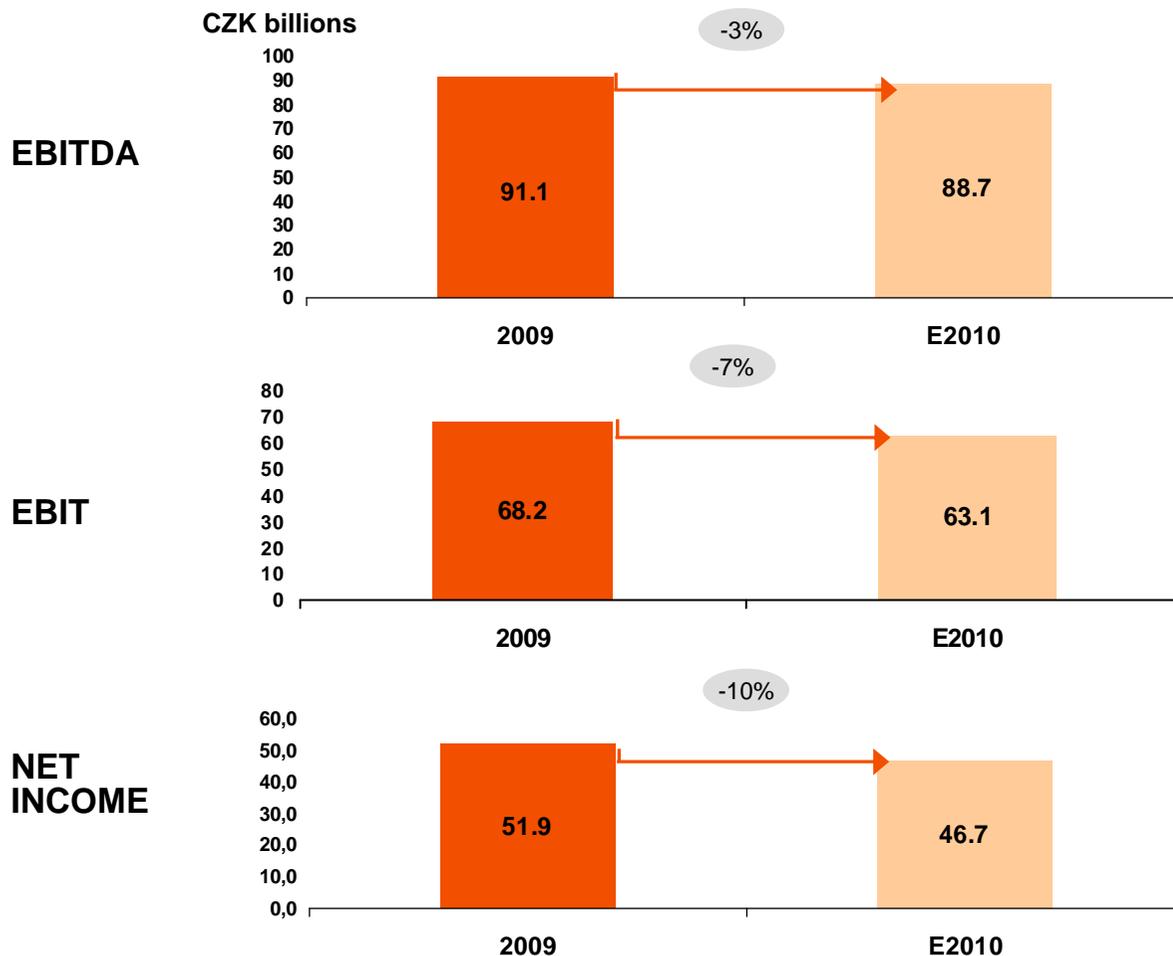


YEAR-ON-YEAR PERFORMANCE GOOD DESPITE THE ECONOMIC CRISIS





2010 FINANCIAL PERFORMANCE FORECAST



Principal positive factors:

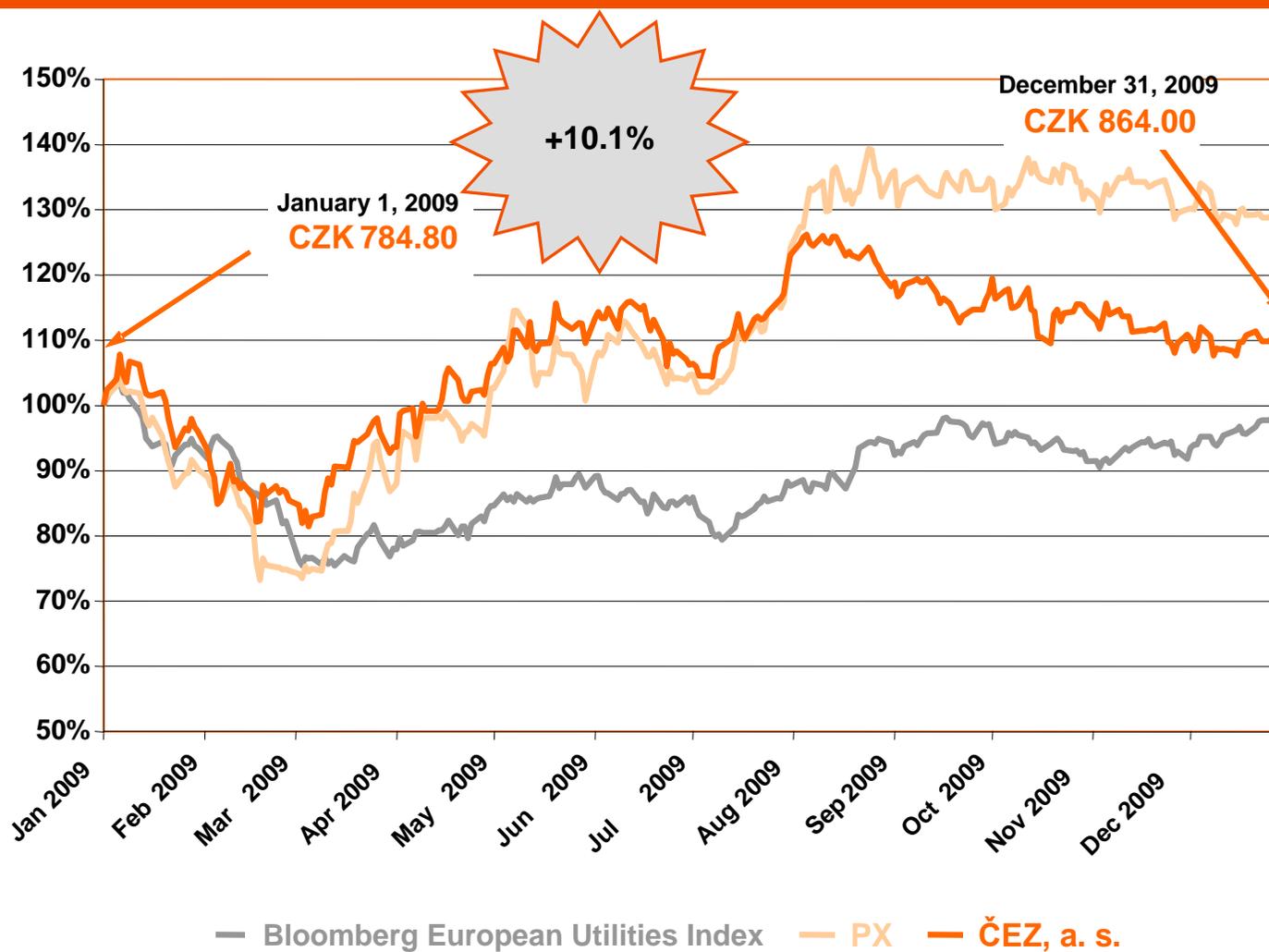
- Stabilized electricity demand
- Growth in generation at nuclear power plants in line with Safely 15 TERA ETE and Safely16 TERA EDU project goals
- Growth in permitted revenues in electricity distribution area
- More benefits of Efektivita Program focused on cost savings
- Wind power plants abroad begin generating electricity

Principal negative factors:

- Falling realization prices on electricity despite fact that large portion of volume is sold through forward contracts
- Increasing generation in solar power plants and related growth in payments to their operators for electricity supplied (not included in the forecast figures)



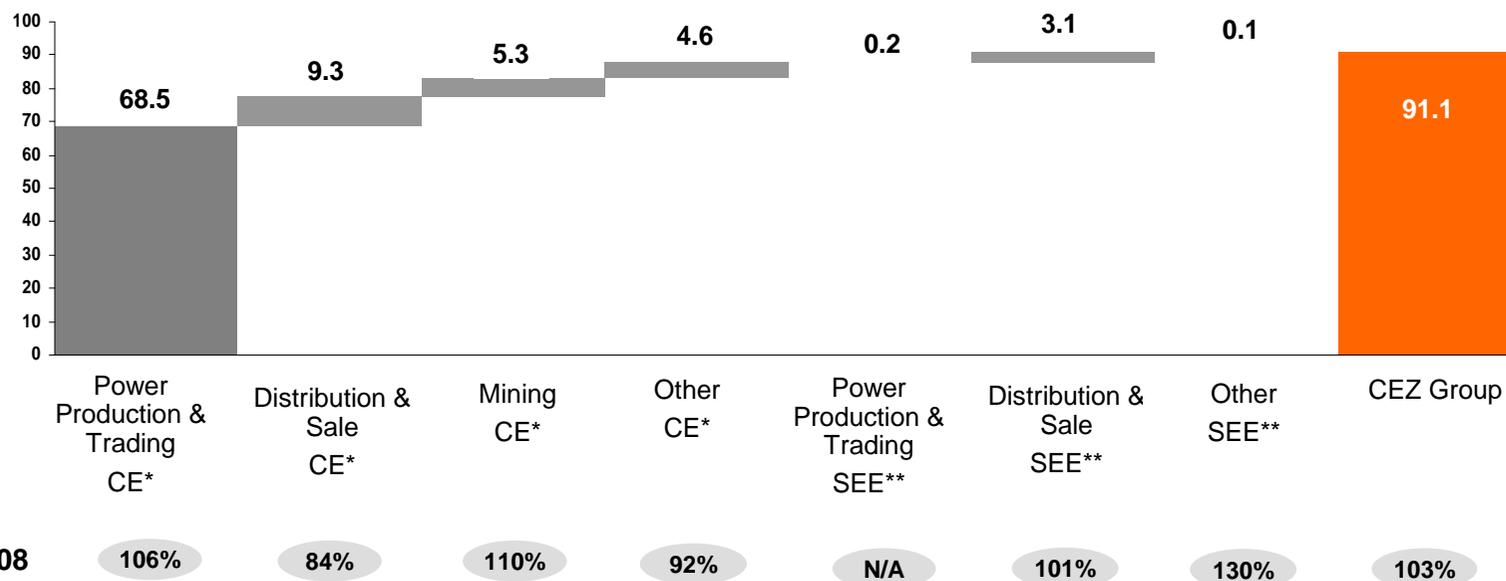
SHARE PRICE IN 2009





OPERATIONAL SEGMENTS' CONTRIBUTIONS TO EBITDA

**Contributions to EBITDA
for the year 2009**
CZK billions



* CE = Central Europe area (Czech Republic, Slovakia, Poland, Hungary, the Netherlands, Germany, Ireland)

**SEE = Southeastern Europe area (Turkey, Bulgaria, Romania, Kosovo, Serbia, Albania, Russia, Bosnia and Herzegovina, Ukraine)



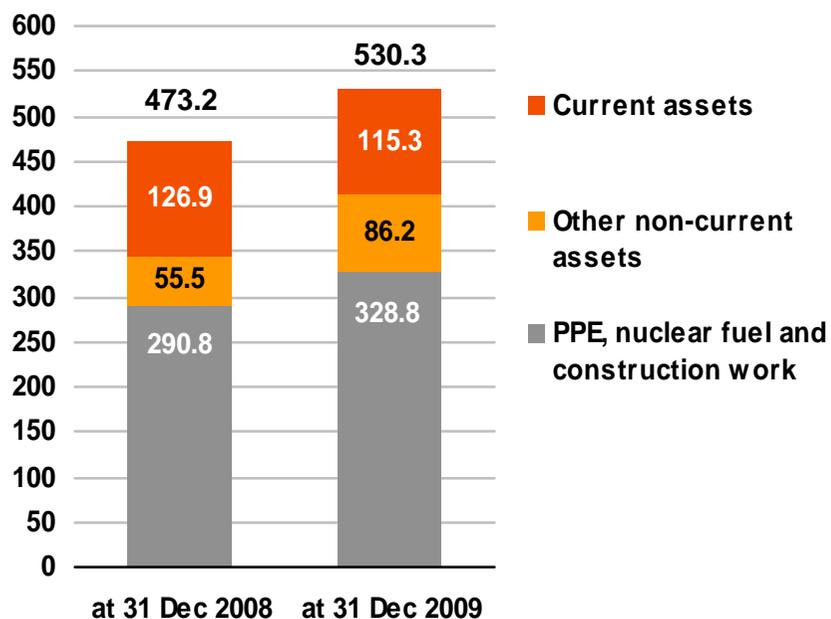
CEZ GROUP FINANCIAL PERFORMANCE

Key figures	Units	2008	2009	Change 09/08 %
Operating revenue	CZK millions	183,958	196,352	6.7
Operating expenses	CZK millions	117,304	128,153	9.2
EBITDA	CZK millions	88,701	91,075	2.7
EBIT	CZK millions	66,654	68,199	2.3
Net income	CZK millions	47,351	51,855	9.5
Total assets	CZK millions	473,175	530,259	12.1
Property, plant and equipment and intangible assets	CZK millions	308,900	347,458	12.5
ROE, net	%	27.0	27.6	2.2
ROA, net	%	11.2	10.3	-7.9

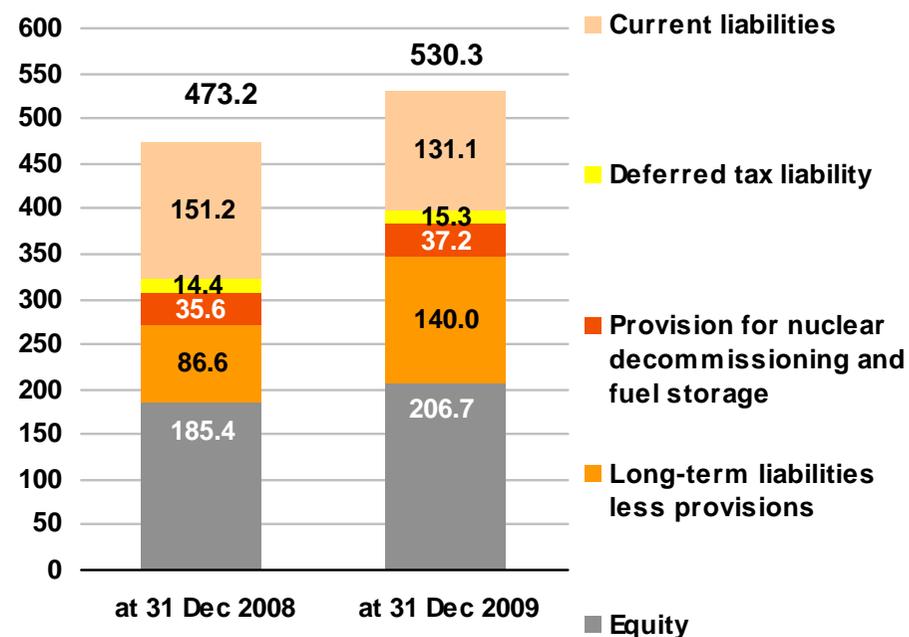


SUMMARY OF ASSETS, EQUITY AND LIABILITIES

ASSETS CZK billions



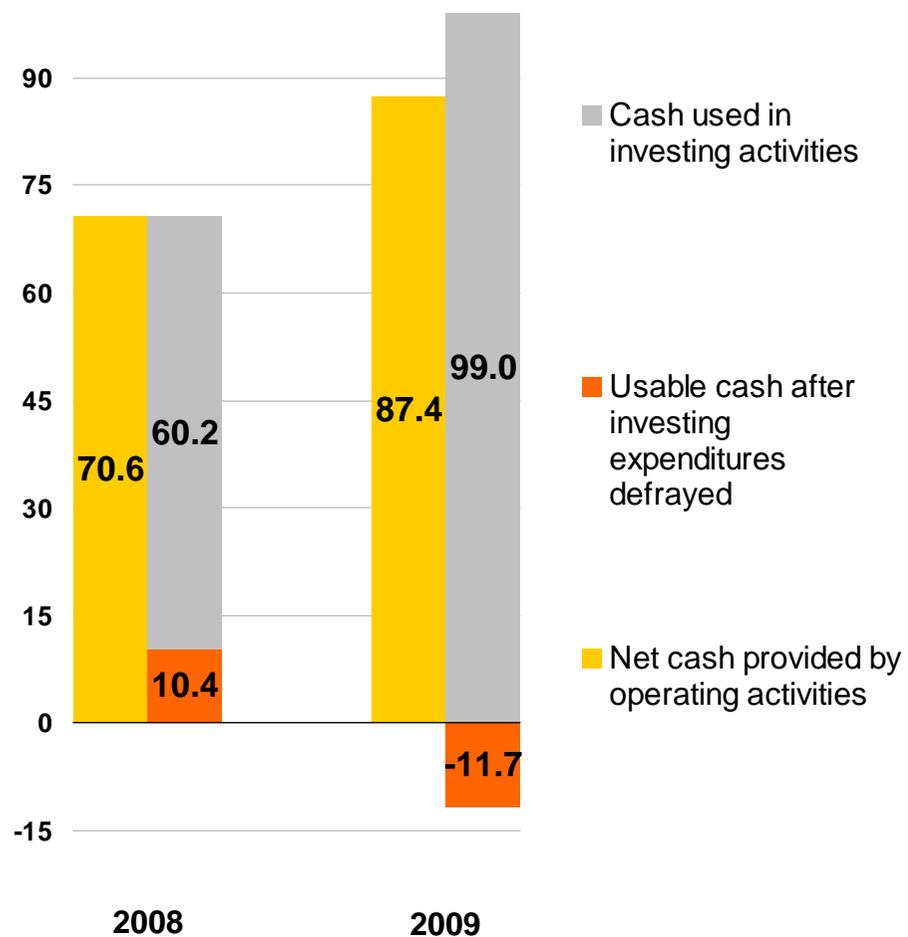
EQUITY AND LIABILITIES CZK billions





CASH FLOW – SELECTED COMPONENTS

CZK billions



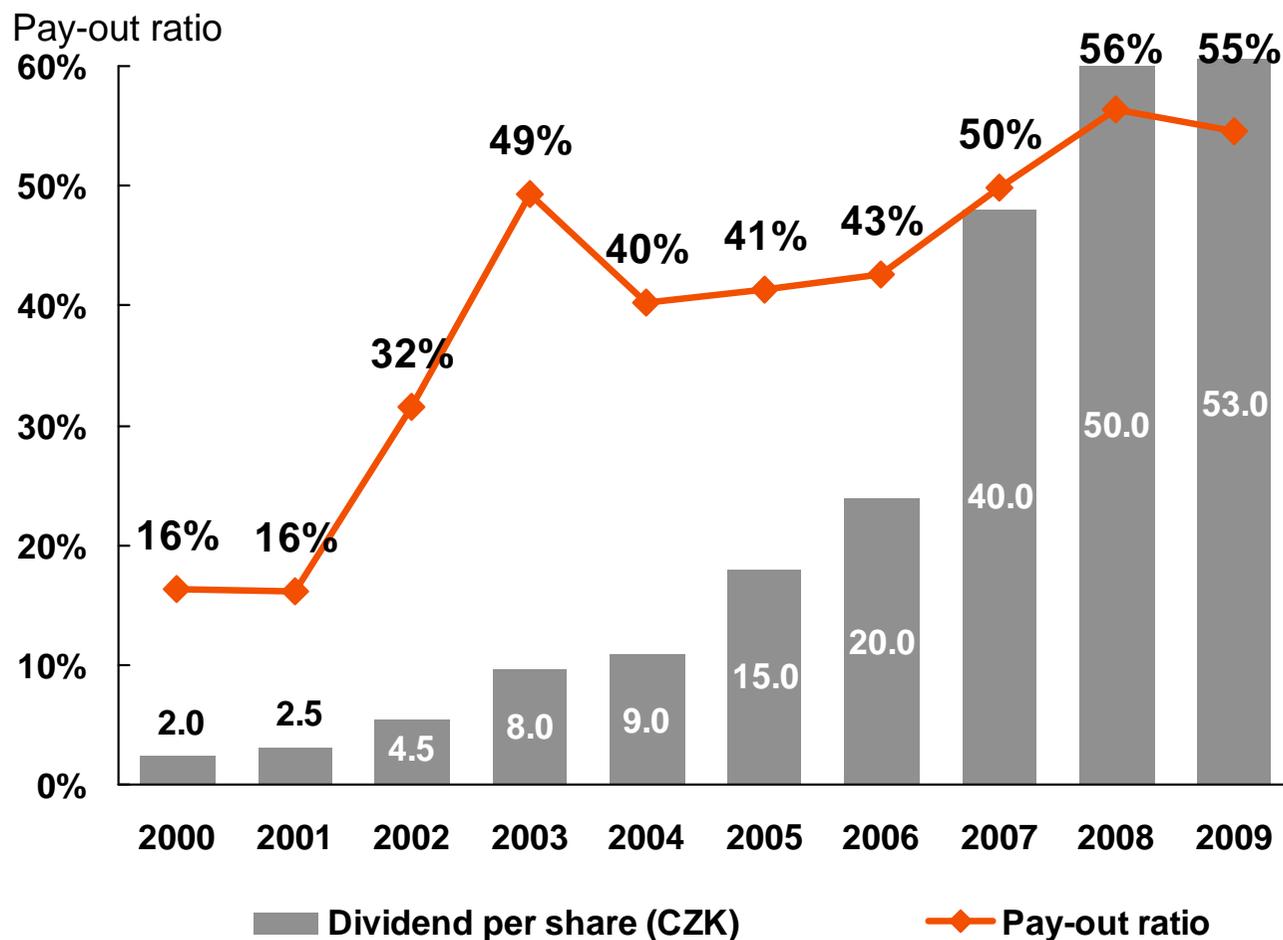


ČEZ, a. s. INDIVIDUAL RESULTS

Key figures	Units	2008	2009	Change 09/08 %
Operating revenue	CZK millions	110,297	119,205	8.1
Operating expenses	CZK millions	61,442	66,230	7.8
EBITDA	CZK millions	61,890	65,902	6.5
EBIT	CZK millions	48,855	52,975	8.4
Net income	CZK millions	47,118	45,427	-3.6
Total assets	CZK millions	392,593	444,698	13.3
Property, plant & equipment and intangible assets	CZK millions	173,814	185,571	6.8
ROE, net	%	30.9	27.3	-11.7
ROA, net	%	13.3	10.9	-18.7



DIVIDEND FORECAST: UP CZK 3 / SHARE



- Dividend policy calls for pay-out ratio of 50–60% of net income
- Proposed dividend for 2009 is CZK 28.3 billion, i.e. CZK 53 per share.



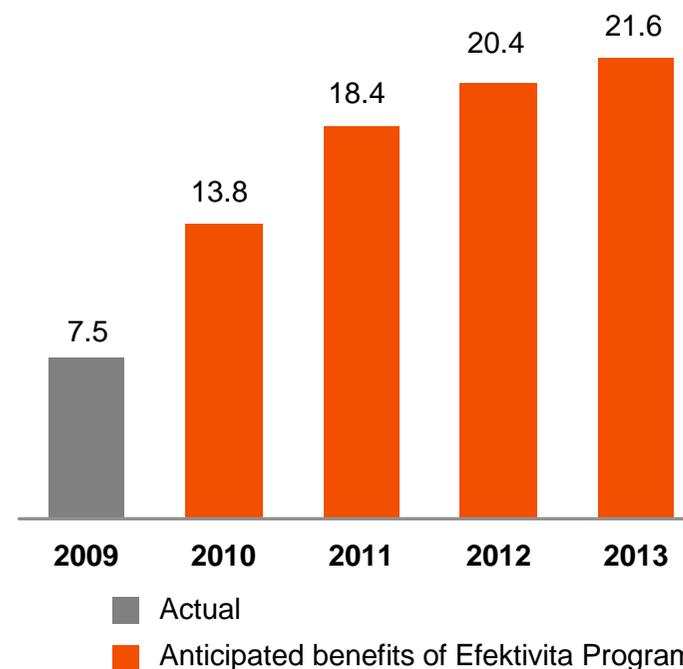
EFEKTIVITA PROGRAM YIELDING BENEFITS

Efektivita Program in 2009

Summary of Key Results

- **ICT Transformation**
 - outsourcing of terminal equipment
 - post-merger internal optimization of services provider
- **Streamlined Corporation**
 - reductions in workforce headcount and headquarters administrative overhead expenses
 - reorganization of accounting services
- **Best Practices in Distribution**
 - process-driven management implemented at ČEZ Distribuční služby
- **Integration of International Holdings**
 - Bulgaria: more efficient distribution processes
 - Romania: remote meter reading process automated
 - Poland: key steps completed toward increasing efficiency of Skawina Power Station
- **Safely 15 TERA ETE** – record generation volume of over 13 TWh
- **Safely 16 TERA EDU**
 - output of all units increased to 456 MWe, shutdown times shortened
- **Extending the Operational Life of Dukovany Nuclear Power Station** project

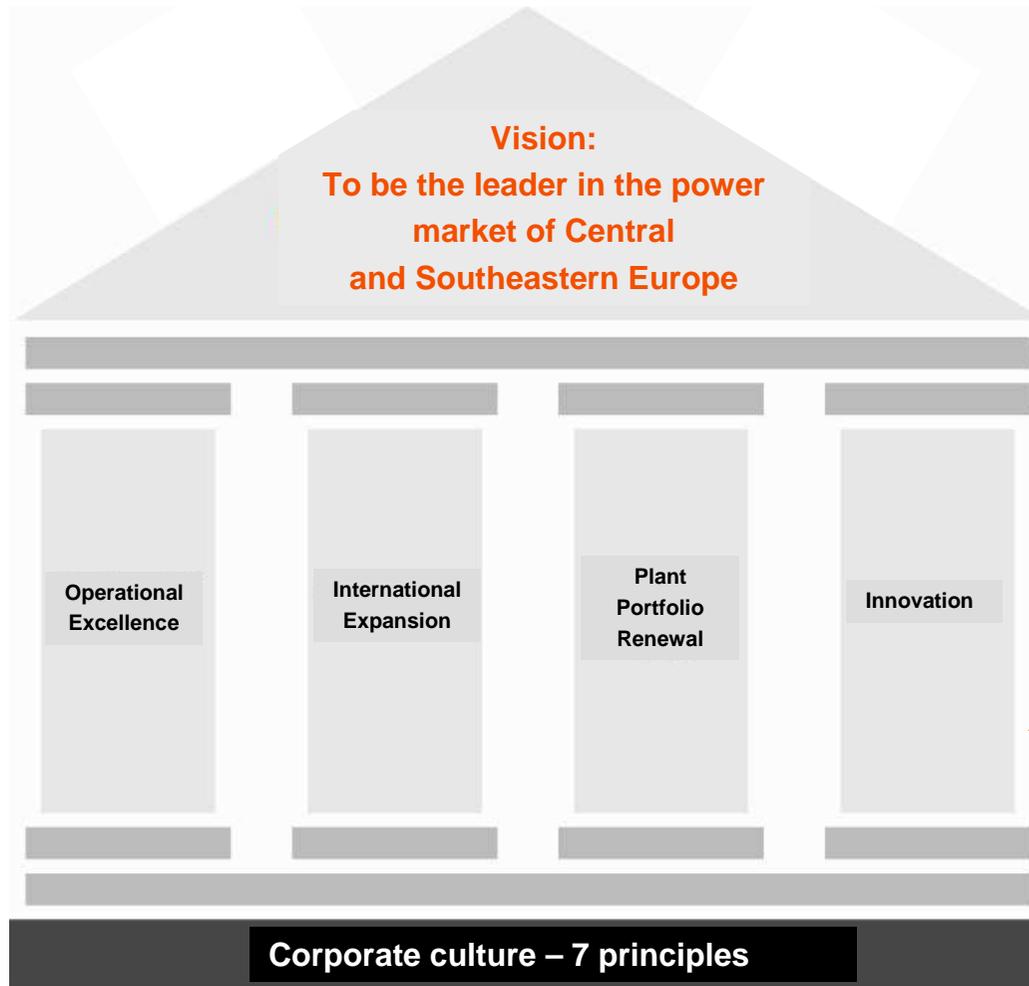
EBITDA Growth Compared to Base Year 2006 (CZK billions)



The Efektivita Program, focused on operational excellence, is producing results in line with the long-term plan



NEW STRATEGIC INITIATIVE OPENING DOOR TO THE FUTURE



FutureMotion – Energy of Tomorrow Program

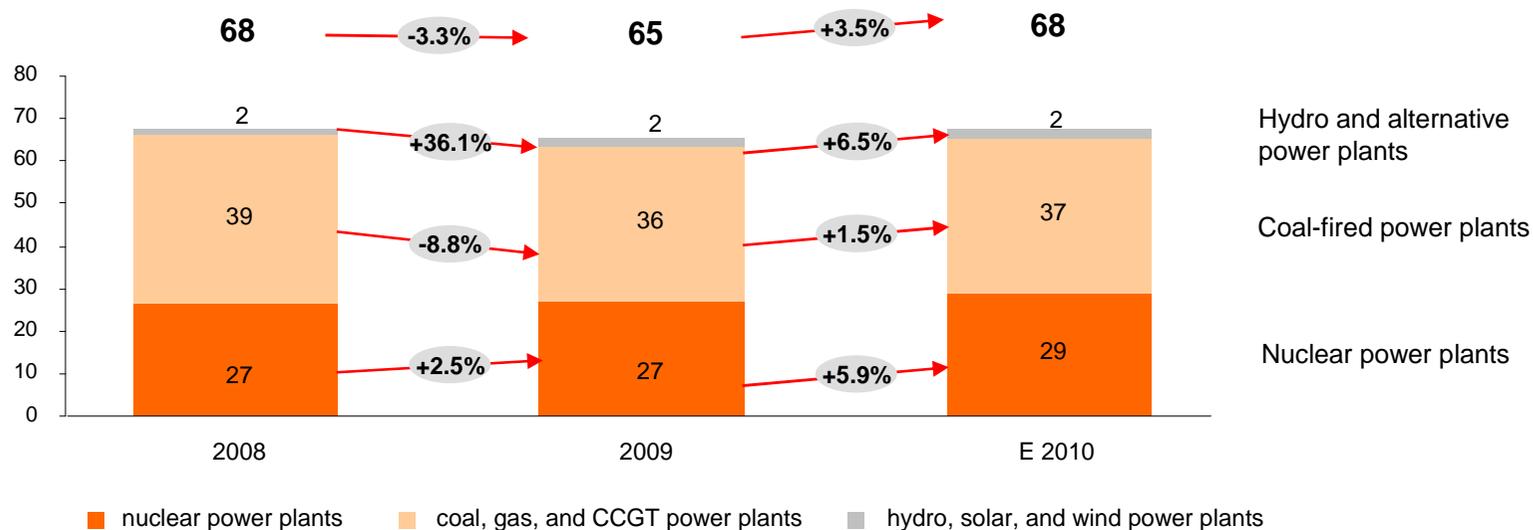
- 👉 research and development
- 👉 environmental investment
- 👉 small-scale cogeneration and energy conservation
- 👉 smart grids



POWER GENERATION TO RISE 3.5% IN 2010

CEZ Group Power Generation (Gross)

TWh



In 2010 we expect to see:

- increased generation in renewable power installations (hydro, biomass, solar)
- decreased generation in coal-fired power plants due to lower electricity prices
- moderate growth in nuclear power plants



CUSTOMERS' POSITIVE RESPONSE TO OUR NATURAL GAS OFFERING EXCEEDED ALL OUR EXPECTATIONS AND WE ARE COMMITTED TO SERVING THEM

Natural gas

ČEZ Prodej	Units	Contracted 2010
Customers	[number]	102
Connection points	[number]	251*
Annual natural gas volume	[GWh]	1 726



Market share	Large end-customers	Medium end-customers	Small end-customers	Total
ČEZ Prodej	4,3%	1,7%	0,2%	2,1%

- **CEZ Group also played a major role in the target segments in terms of total supplier changes made by customers, thereby significantly boosting market forces in the Czech Republic natural gas market:**
 - Large end-customers Czech Rep. - 385 connection points **of which, ČEZ Prodej 104 connection points 27%**
 - Medium end-customers Czech Rep. - 382 connection points **of which, ČEZ Prodej 56 connection points 15%**
- More on www.cez.cz/plyn



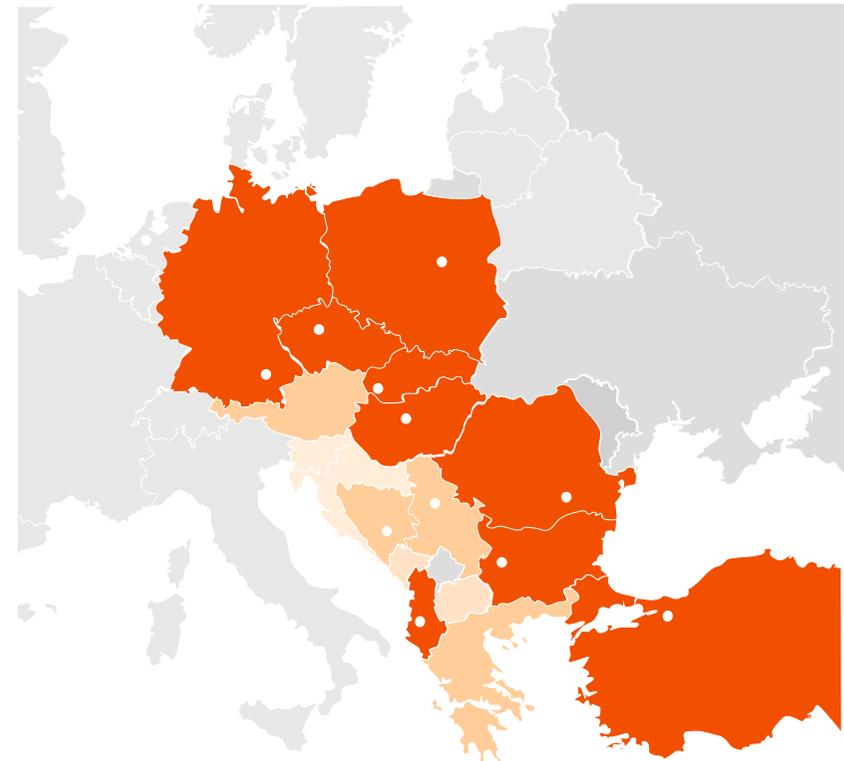
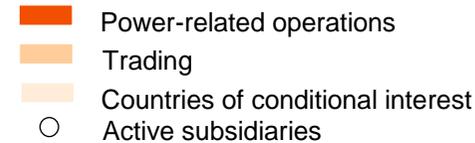
IN 2009 CEZ GROUP LAUNCHED OPERATIONS IN ALBANIA AND EXPANDED IN GERMANY

Most Significant CEZ Group International Projects of 2009

- Albania launch – acquisition of 76% stake in sole Albanian distribution company, Operatori i Sistemit te Shperndarjes Sh. A.
- Ongoing construction of Fântânele wind farm in Romania (347.5 MW)
- Expansion in Germany – in consortium with J & T Group, acquisition of MIBRAG, the operator of two surface mines and three power plants in eastern Germany
- Joint-venture projects with MOL Group are proceeding according to plan
- Equity stakes acquired in Turkey-based Sakarya Elektrik Dagitim (distribution) and Akenerji Elektrik Üretim (generation).

Projects Terminated and Suspended

- Kosovo – in March 2010, withdrawal from tender to build and complete a power plant due to revision of tender terms and considerable delays
- Varna – suspension of project to build new CCGT installation with 880 MW of installed capacity





ČEZ AGAINST THE CRISIS INITIATIVE

ČEZ AGAINST THE CRISIS ACTIVITIES

- Deferred electricity advance payments (in effect March 1, 2009 – December 31, 2009)
 - We gave commercial customers an option to defer monthly advance payments, thereby freeing up their cash flow for an additional 30 days
 - During the campaign, a total of 3,393 business requested the deferral
- Insurance of electricity advance payments (in effect March 1, 2009 – December 31, 2009)
 - Eligibility: all our household customers
 - Free of charge, on behalf of our customers we took out insurance of electricity bill payments; in the event of job loss, the insurance benefits covered electricity expenditures for a three-month period
 - 25,227 CEZ Group customers who were affected by the crisis received insurance benefits totaling CZK 120.4 million

2009 FLOOD AID ACTIVITIES

- On July 1, 2009 we offered our customers “flood aid” :
 - for customers hit by the flood, we waived three monthly advance payments, totaling CZK 7.6 million
 - offer applied to all customers of ČEZ Prodej regardless of distribution service area
 - we provided the aid to all who satisfied flood rate eligibility criteria