

**PRESS CONFERENCE ON FINANCIAL
RESULTS OF CEZ GROUP
H1 2011**

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

Prague, August 16, 2011



AGENDA



Financial highlights and key events in CEZ Group in H1 2011

Martin Novák, CFO

Financial results

Martin Novák, CFO

Trading position of CEZ Group

Alan Svoboda, Head of Sales Division

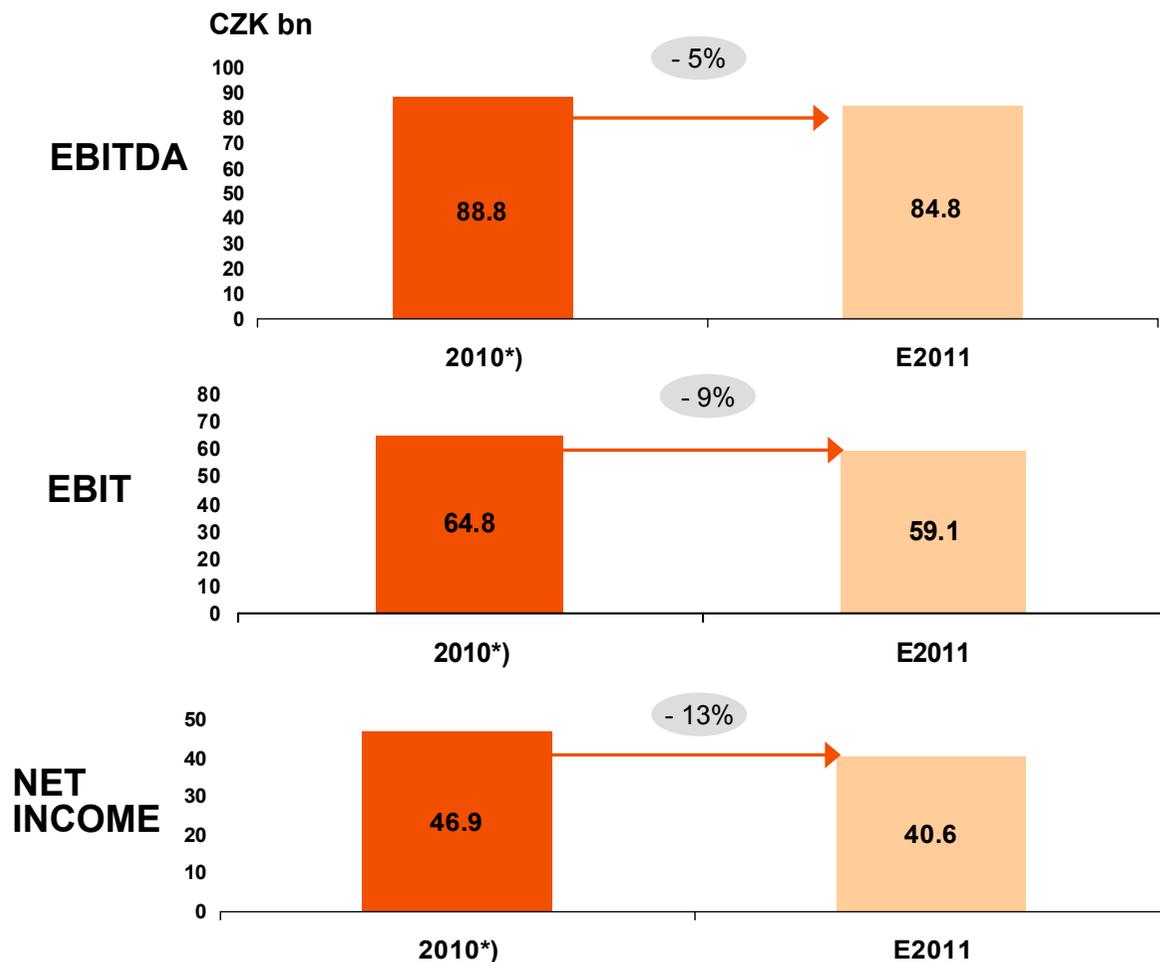


KEY RESULTS FOR H1 2011 AND EXPECTED RESULTS FOR YEAR 2011

- **earnings before interest, taxes, depreciation and amortization (EBITDA)** decreased by 6.9% y-o-y (by CZK 3.3 bn.) to CZK 43.9 bn.
- **earnings before interest (EBIT)** decreased by 11.3% y-o-y (by CZK 4.0 bn.) to CZK 31.7 bn.
- **net income** decreased by 16.6% y-o-y (by CZK 4.8 bn.) to CZK 23.9 bn.
- **return on equity** decreased from 23.8% to 20.3% y-o-y.
- **the share price** at BCPP closed at CZK 752 as of August 12, 2011.
- **expected results of EBITDA for 2011 remain unchanged, net income is increased: EBITDA** at CZK 84.8 bn., **net income** at CZK 40.6 bn.
- on August 1, 2011, ČEZ, a. s. started to pay out **dividends totalling CZK 26.7 bn., of which the government received CZK 18.8 bn.** (the total volume of cash received by the state from ČEZ, a. s. for 2011 through dividend and tax shall amount to CZK 48.0 bn.)



DESPITE ONGOING CRISIS WE ARE ABLE TO EXCEED OUR TARGETS AND WE ARE INCREASING OUR NET INCOME GUIDANCE



Key positive factors

- optimization of power plant dispatch due to higher than expected prices:
 - expected increase in generation volumes and gross margin of coal plants
 - increased production of the Temelín and Dukovany nuclear power stations in line with the “Bezpečně 15 TERA ETE” and “Bezpečně 16 TERA EDU” programmes
 - increased production from CEZ Group’s wind power plants abroad (Romania)
 - increased production of photovoltaic power plants owned by CEZ Group
- compensation for the distribution correction factor from 2009
- austerity measures in the Albanian distribution system
- lower than anticipated interest expense due to time shift in investments, savings on realised projects and more appropriate timing for obtaining additional sources of financing

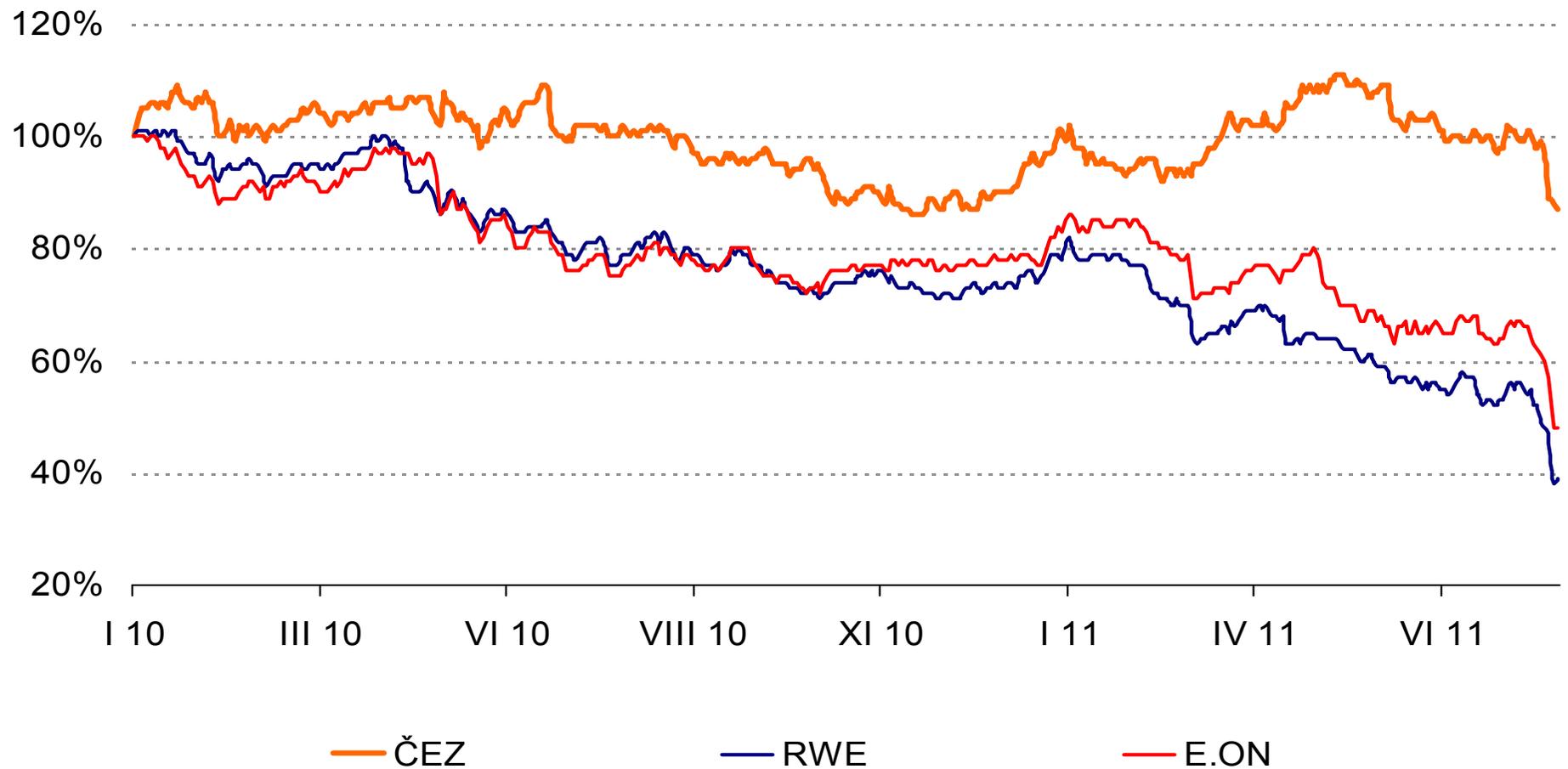
Key negative factors

- newly introduced gift tax on carbon allowances
- decreasing achieved electricity prices resulting from a gradual fall of forward prices of electricity in years 2008 - 2010, when generation revenues had been fixed in line with the medium-term hedging strategy
- appreciation of the CZK against the Euro, i.e. a decrease in the average hedging exchange rate

*) The figures stated for 2010 have been adjusted by CZK -0.3 bn. after a revaluation of the assets and liabilities of the Trmice heating plant.



THE SHARE PRICE OF ČEZ, A. S. OUTPERFORMS COMPETITORS





CEZ GROUP OPTIMISES ITS BUSINESS SECTORS: PURCHASE OF ENERGOTRANS, SALE OF MIBRAG STAKE

- compared with the competition, CEZ Group is more exposed to market risks
- electricity production is dominant, revenues from this production are strictly aligned with the development of wholesale electricity market prices
- CEZ Group must strategically enhance distribution and heat generation, areas with stable revenues regardless of market trends
- Energotrans operates the Mělník I brown coal power plant with an installed capacity of 352 MW that generates heat for the city of Prague
- in the same location, ČEZ, a. s. operates brown coal power plants with a total installed capacity of 720 MW
- ČEZ, a. s. has been interested in Energotrans for a several years (in relation to the planned 800 MW CCGT power plant in Mělník that will potentially provide heat for Prague)
- on the other hand, CEZ Group is selling its 50% stake in MIBRAG to Energetický a průmyslový holding (the holder of the remaining 50% and a call option)



GOOD RESULTS ACHIEVED IN OUR FOREIGN COMPANIES

Improvement of the regulatory framework in Bulgaria

- the new tariffs (announced by the regulator on July 1, 2011) have increased regulated prices somewhat, thus partially improving the local regulatory environment

Restructuring of the Albanian distribution system continues successfully

- y-o-y increase of EBITDA by CZK 250 mil. and reduction of headcount by 541 y-o-y

Finalization of the acquisition of the Resita hydro-power plant in Romania

Burning biomass in the Polish power plant

- launch of full operations utilising the unique process of direct biomass injection into the boiler with a positive impact on economic performance and the environment

Sale of company shareholdings in Turkey

- submission of binding offers by parties interested in the purchase expected in the second half of September 2011





BASED ON ONGOING STRESS TESTING IN NUCLEAR POWER PLANTS WE ARE CONVINCED THAT TEMELÍN AND DUKOVANY WILL MEET ALL REQUIREMENTS

The European Nuclear Safety Regulators Group (ENSREG) has defined and proposed the contents of stress tests of nuclear installations in Europe (Annex I.), which was adopted by the EC.

The time framework for the stress tests is as follows:

- the performance and evaluation of the tests is the competence of national regulators (SUJB, the State Office for Nuclear Safety in the Czech Republic)
- the tests are in progress right now – currently an independent evaluation of test results is in progress
- on a national level, submission and evaluation of test results is scheduled to take place by the end of October 2011
- final reports on the national level are expected to be approved by December 31, 2011



CEZ GROUP VOTED AS THE MOST DESIRED EMPLOYER AGAIN

- in the Employer of the Year award, CEZ Group won the **first place again in The Most Desired Company** category
- the survey is organised by student association AIESEC; students from more than 25 universities have spontaneously listed companies in which they would like to work for
- in the same competition, CEZ Group won the **Best Human Resources Project** award, the jury rewarded a project supporting the study of technical fields and recruitment of technical graduates



The Most Desired Employer

1.	ČEZ
2.	Google
3.	Komerční banka
4.	ČSOB
5.	Coca-Cola



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CEZ GROUP FINANCIAL RESULTS

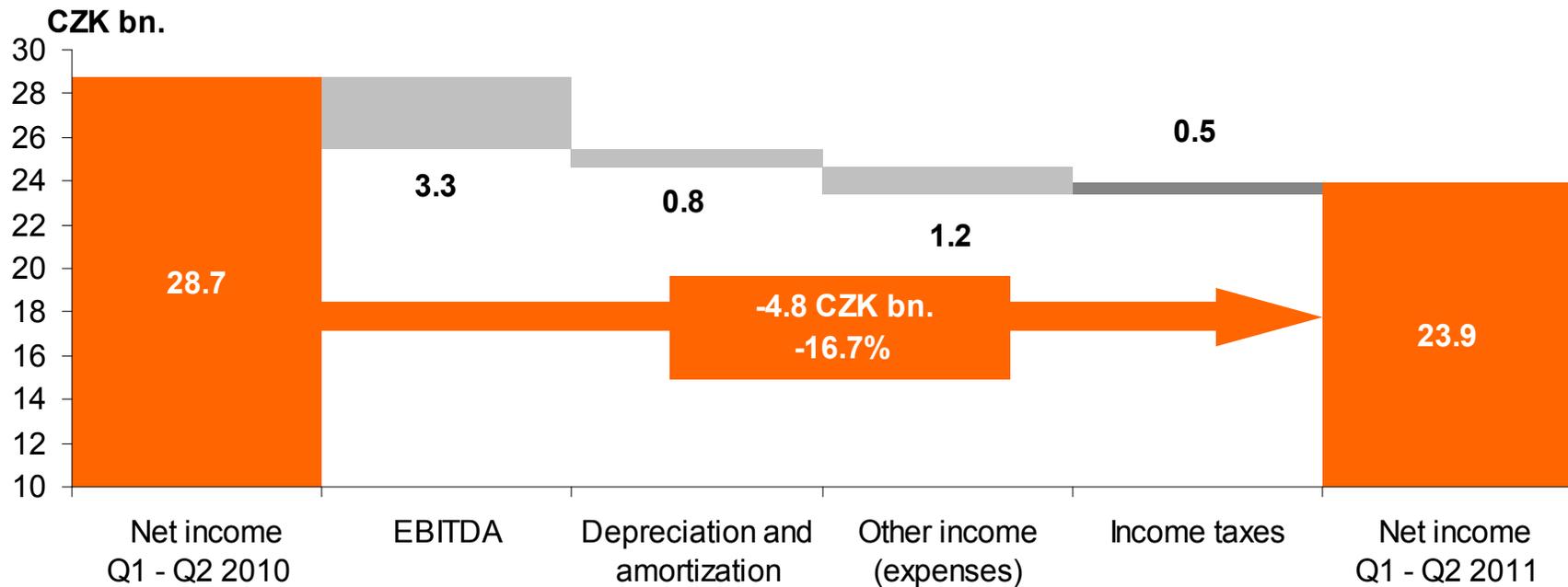
(CZK bn.)		Q1 - Q2 2010	Q1 - Q2 2011	Change	%
Revenues		98.7	103.6	+4.9	+5%
EBITDA		47.2	43.9	-3.3	-7%
Net income		28.7	23.9	-4.8	-17%
Operating CF		30.0	22.6	-7.4	-25%
CAPEX		23.0	19.0	-4.0	-17%
Net debt		110.3	131.0	+20.7	+19%
		Q1 - Q2 2010	Q1 - Q2 2011	Change	%
Installed capacity	th. MW	14.5	15.0	+0.5	+3%
Generation of electricity	TWh	34.0	34.8	+0.8	+2%
Electricity distribution to end customers	TWh	26.9	27.3	+0.4	+1%
Sales to end customers	TWh	22.7	21.9	-0.8	-4%
Sales of heat	th. TJ	8.9	8.7	-0.2	-2%
Number of employees	000's	32.6	31.8	-0.8	-2%

y-o-y increase in net debt (CZK +20.7 bn.):

- corresponds to the growth of long-term debt, particularly bonds issued and long-term loans used to finance investments

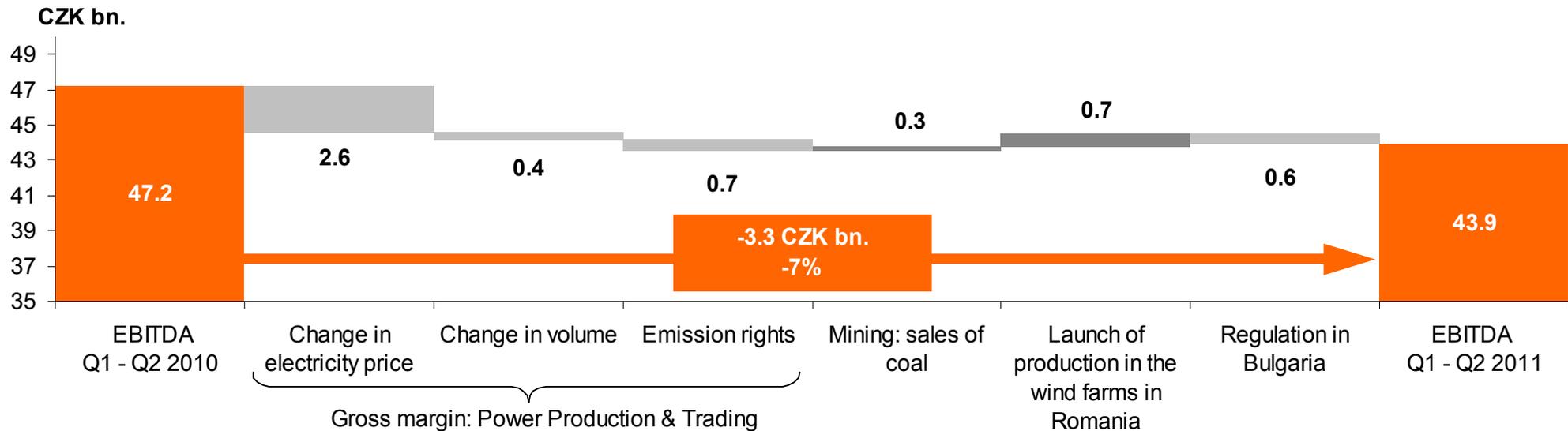


KEY DRIVERS OF Y-O-Y CHANGE IN NET INCOME





KEY DRIVERS OF Y-O-Y CHANGE IN EBITDA



Gross margin from power production & trading (CZK -3.7 bn.)

- reduction in the hedging CZK/EUR exchange rate and falling electricity prices (CZK -2.6 bn.)
- decreased volume of generation and sales (CZK -0.4 bn.)
- income from emission allowances in 2010 (CZK -0.7 bn.)

Mining: sales of coal (CZK +0.3 bn.)

- increased sales of coal - higher demand from ČEZ, a. s. and external customers due to slight growth in electricity demand

Launch of production in the wind farms in Romania (CZK +0.7 bn.)

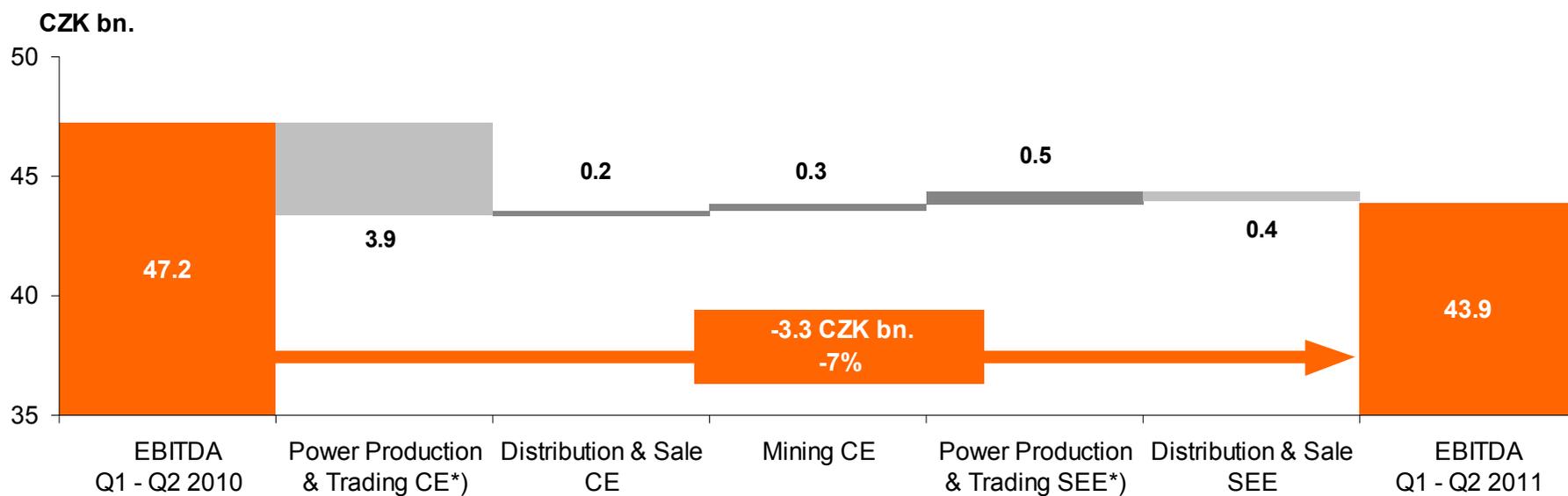
- gradual launch of production and margin generation in the Fântânele site

Regulation in Bulgaria (CZK -0.6 bn.)

- less favourable regulatory framework in generation and distribution: higher electricity generation required by regulator influenced negatively by growing coal prices; lower distribution tariffs due to decision of regulator dated July 1, 2010



CHANGE OF EBITDA Y-O-Y BY SEGMENT





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

CZK bn.	Q1 - Q2 2010	Q1 - Q2 2011	Change	%
Czech Republic	31.7	27.8	-3.9	-12%
Poland	0.8	0.8	0.0	0%
Total EBITDA*)	32.5	28.6	-3.9	-12%

Czech Republic (CZK -3.9 bn.)

- gross margin on electricity lower by CZK -3.7 bn.
 - falling CZK/EUR hedging exchange rate
 - year-on-year decrease of achieved prices of electricity
 - decreased volume of production and trading
- other CZK -0.2 bn.

*) EBITDA of the Power Production & Trading CE segment adjusted for elimination of the impact of transactions within CEZ Group.



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

CZK bn.	Q1 - Q2 2010	Q1 - Q2 2011	Change	%
Bulgaria	0.3	0.1	-0.2	-75%
Romania	-0.1	0.6	+0.7	-
Total EBITDA*)	0.2	0.7	+0.5	>200%

Bulgaria (CZK -0.2 bn.)

- y-o-y increase in electricity generation by 66% (to 1.6 TWh) in the Varna power plant, caused mainly by higher degree of activation of the cold reserve (higher electricity generation required by regulator) influenced negatively by growing coal prices

Romania (CZK +0.7 bn.)

- launch of generation and gradual onset of revenues in the Fântânele wind farm starting in June 2010
- 0.35 TWh of electricity generated in H1 2011



CONTRIBUTION TO EBITDA BY SEGMENT: DISTRIBUTION AND SALE CENTRAL EUROPE

CZK bn.	Q1 - Q2 2010	Q1 - Q2 2011	Change	%
Distribution	6.4	6.3	-0.1	-2%
Sale	1.2	1.5	+0.3	+24%
Total EBITDA	7.6	7.8	+0.2	+3%

Distribution (CZK -0.1 bn.)

- increase in gross margin by (CZK +0.4 bn.):
 - increase of permitted revenues (CZK +0.7 bn.)
 - falling margin from renewables and combined generation of electricity and heat (CZK -0.2 bn.)
 - other (CZK -0.1 bn.)
- refund of contributions for guarantee of power supply and for connections of photovoltaic plants that eventually were not connected, lower revenues for new connections (CZK -0.5 bn.)

Sale (CZK +0.3 bn.)

- growth of gross sales margin in the Czech Republic (CZK +0.5 bn.):
 - lower costs of electricity (CZK +0.4 bn.): successful optimisation (minimal discrepancy between planned and actual consumption)
 - lower volume of electricity sales to end customers due to churn of customers and lower consumption by retail customers
 - natural gas: gaining new customers (CZK +0.1 bn.)
- Slovakia: cost of new customer acquisition (CZK -0.2 bn.)



CONTRIBUTION TO EBITDA BY SEGMENT: DISTRIBUTION AND SALE SOUTHEASTERN EUROPE

CZK bn.	Q1 - Q2 2010	Q1 - Q2 2011	Change	%
Romania	1.1	0.8	-0.3	-27%
Bulgaria	0.8	0.4	-0.4	-50%
Albania	0.0	0.3	+0.3	-
Total EBITDA	1.9	1.5	-0.4	-21%

Romania (CZK -0.3 bn.)

- lower revenues of distribution y-o-y (CZK -0.1 bn.) caused by increase of 2010 revenues as determined by the regulator (dilution of correction factor from 2008)
- higher y-o-y cost of distribution losses and distribution fees (CZK -0.1 bn.)
- lower revenues from penalties received due to changes in the law - new caps on late payment fees (CZK -0.1 bn.)

Bulgaria (CZK -0.4 bn.)

- reduction of distribution tariffs on the low voltage level by 12.5% (reduced percentage of recognised losses in distribution) due to a regulatory decision in force from July 1, 2010

Albania (CZK +0.3 bn.)

- positive impact of introduced restructuring measures: headcount reductions, lowering of receivables past due date (CZK +0.2 bn.)
- y-o-y increase in volume of electricity sold and distributed (CZK +0.1 bn.)



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

EBITDA (CZK bn.)	Q1 - Q2 2010	Q1 - Q2 2011	Change	%
Mining CE	2.2	2.5	+0.3	+14%
Other CE	2.7	2.7	0.0	0%
Other SEE	0.1	0.1	0.0	0%

Mining Central Europe (CZK +0.3 bn.)

- slight growth in demand for electricity (particularly abroad, e.g. Germany) resulted in higher coal deliveries required by ČEZ, a. s. (+1.4 million tons, CZK +0.3 bn.)
- accompanied by higher sales of coal to external customers (+0.4 million tons, CZK +0.1 bn.)
- slight increase in operating costs (CZK -0.1 bn.) due to higher fuel prices and electricity consumption



OTHER INCOME (EXPENSES)

(CZK bn.)	Q1 - Q2 2010	Q1 - Q2 2011	Change	%
EBITDA	47.2	43.9	-3.3	-7%
Depreciation and amortization	-11.4	-12.2	-0.8	-7%
Other income (expenses)	-1.0	-2.2	-1.2	-126%
Interest balance	-1.6	-2.2	-0.6	-38%
Foreign exchange rate gains (losses) and financial derivatives	0.2	1.4	+1.2	>200%
Gain (Loss) from associates and joint-ventures	-0.4	-0.2	+0.2	+52%
Other	0.8	-1.2	-2.0	-
Income taxes	-6.1	-5.6	+0.5	+8%
Net income	28.7	23.9	-4.8	-17%

Depreciation and amortization (CZK -0.8 bn.)

- increased depreciation caused by higher investments into fixed assets - renewables in Romania (Fântânele) and in the Czech Republic: generation equipment and distribution networks, technology and IT

Balance of interest expense/income (CZK -0.6 bn.)

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

Exchange rate gains/losses and financial derivatives (CZK +1.2 bn.)

- higher y-o-y gain from the revaluation of MOL share option (CZK +1.0 bn.), exchange rate gains/losses and financial derivatives (CZK +0.2 bn.)

Gain/losses from associates and joint-ventures (CZK +0.2 bn.)

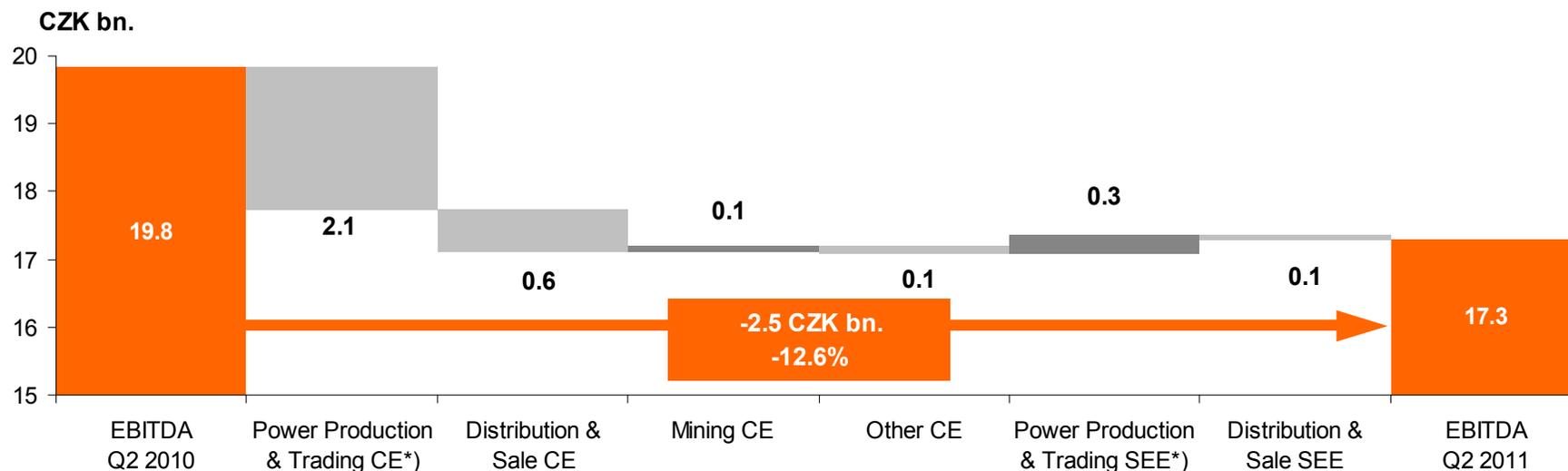
- improved performance of the Turkish companies (CZK +0.2 bn.) due to higher distribution tariffs and construction of new sources

Other (CZK -2.0 bn.)

- impact of newly introduced gift tax on emission allowances on economic performance in H1 2011 (CZK -1.9 bn.)



DEVELOPMENT IN Q2



EBITDA - CEZ Group (CZK -2.5 bn.):

- Power Production & Trading CE (CZK -2.1 bn.): decrease of ČEZ, a. s. gross margin caused by drop in electricity prices and profits from emission allowances in 2010 (CZK -1.9 bn.); other (CZK -0.2 bn.)
- Distribution & Sale CE (CZK -0.6 bn.): lower gross margin of distribution (CZK -0.9 bn.) from renewables and combined energy generation; refund of contributions for unimplemented connections of photovoltaic plants (CZK -0.2 bn.); higher gross sales margin (CZK +0.3 bn.) due to lower electricity costs and operating costs savings (CZK +0.2 bn.)
- Mining CE (CZK +0.1 bn.): higher coal sales revenues (CZK +0.2 bn.), lower revenues from sale of services (CZK -0.1 bn.)
- Other CE (CZK -0.1 bn.): slight cost increase caused by time shifts in cost accruals
- Power Production & Trading SEE (CZK +0.3 bn.): higher generation in Bulgaria, associated with higher variable costs of coal (CZK -0.1 bn.); gradual launch of generation in the Fântânele site (CZK +0.4 bn.)
- Distribution & Sale SEE (CZK -0.1 bn.): decrease in distribution tariffs in Bulgaria by 12.5%

*) EBITDA of the Power Production & Trading CE and SEE segment adjusted to eliminate the impact of transactions within CEZ Group.



DEVELOPMENT IN Q2 - CONTINUED

(CZK bn.)	Q2 2010	Q2 2011	Change	%
Revenues	44.8	46.8	+2.0	+4%
Operating expenses less depreciation and amortization	-25.0	-29.5	-4.5	-18%
EBITDA	19.8	17.3	-2.5	-13%
Depreciation and amortization	-5.8	-6.2	-0.4	-7%
Other income (expenses)	-0.8	-2.7	-1.9	>200%
Income taxes	-2.0	-1.7	+0.3	+15%
Net income	11.2	6.7	-4.5	-40%

Depreciation and amortization (CZK -0.4 bn.)

- higher depreciation due to completion of one part of the wind farm in Romania (Fântânele) and to entry of power plants into the Fixed Assets register in the Czech Republic

Other income (expenses) (CZK -1.9 bn.)

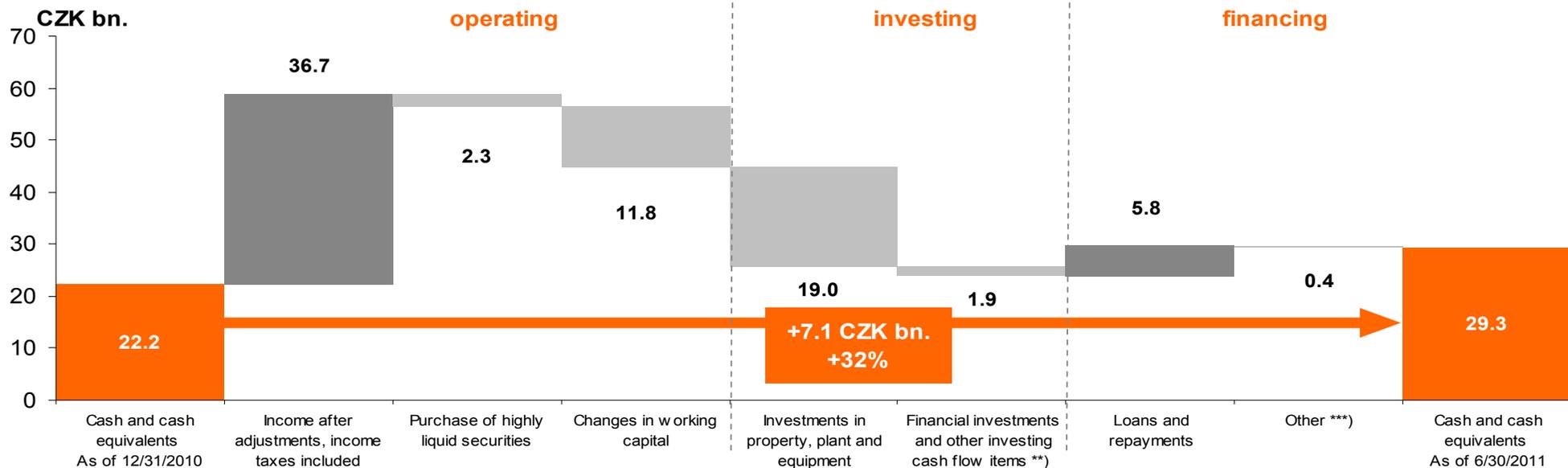
- gift tax on emission allowances (CZK -0.9 bn.)
- lower profits from the revaluation of MOL share option (CZK -0.6 bn.), exchange rate gains/losses and financial derivatives (CZK -0.3 bn.)

Income taxes (CZK +0.3 bn.)

- lower income tax due to lower profits before tax



CASH FLOW



Operating cash flow (CZK +22.6 bn.):

- cash flows from profits (CZK +29.5 bn.) adjusted for non-cash transactions (CZK +14.0 bn.) - particularly, depreciation and amortisation of nuclear fuel reduced by tax paid (CZK -6.3 bn.) and other adjustments (CZK -0.6 bn.)
- change in working capital (CZK -14.1 bn.): increase in liquid securities (CZK -2.3 bn.), increased balance of trading receivables/payables incl. accruals (CZK -8.0 bn.), increase in materials and fossil fuels (CZK -1.5 bn.), increase in valuation and volume of CO2 allowances (CZK -1.4 bn.)

Investing cash flow (CZK -20.9 bn.):

- investments in property, plant and equipment (particularly construction and renewal of power plants, development of distribution networks) (CZK -19.0 bn.)
- financial investments include mainly transfers to the restricted funds of nuclear provisions (CZK -1.9 bn.)

Financing cash flow incl. exchange rate differentials (CZK +5.4 bn.):

- net balance of loans and repayments (CZK +5.8 bn.)
- impact of exchange rate gains/losses on cash and equivalents (CZK -0.4 bn.)

*) investment into fixed assets = CAPEX

***) including balance of loans provided, divestments and changes of balances on corporate deposit accounts

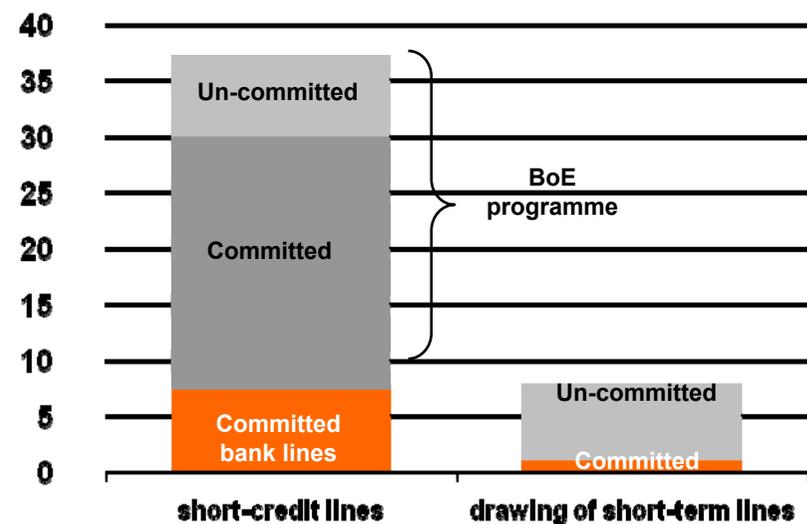
***) other - mainly impact of exchange rate gain/losses



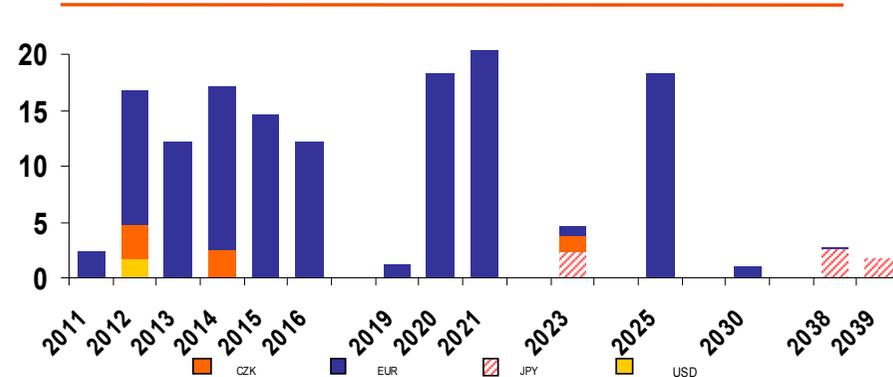
CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

- y-o-y increase of net debt/ EBITDA ratio from 1.28 to 1.53
- CZK 29 bn. in committed short-term credit lines
- primarily, non-committed credit lines were drawn
- committed lines of credit maintained as a reserve to cover unexpected financing requirements
- three bond issues in Q2 2011
 - CZK 1.25 bn. (12 year maturity)
 - EUR 500 million (5 year maturity)
 - EUR 100 million (10 year maturity)
- change in the structure of the ČEZ, a. s. Bill of Exchange programme, some 50% of fixed underwriting liabilities prolonged to 3 years
- on July 1, 2011, new 10-year domestic bond programme with a CZK 30 bn. limit was established (as an alternative to the existing BoE programme), widening the circle of investors by regulated institutional investors (they are only allowed to invest in listed securities)
- four 3-year bilateral loan agreements concluded at total volume of EUR 255 million
- loan agreement signed with the EBRD and IFC worth EUR 100 million to finance investments into the modernisation of the distribution network in Albania

Drawing of short-term credit lines (as of June 30, 2011, CZK bn.)



Bond maturity profile (as of June 30, 2011, CZK bn.)





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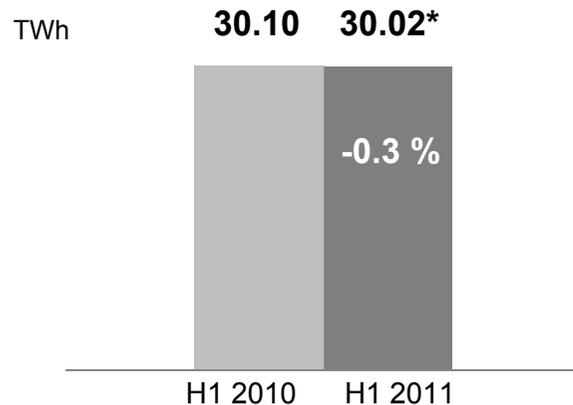
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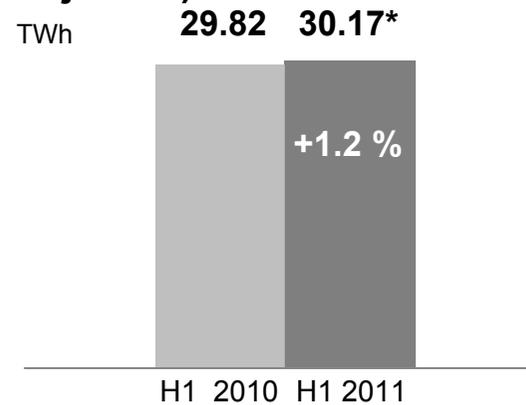


ELECTRICITY CONSUMPTION IN THE CZECH REPUBLIC CONTINUES TO MODERATELY GROW YEAR-ON-YEAR

Consumption in the Czech Republic



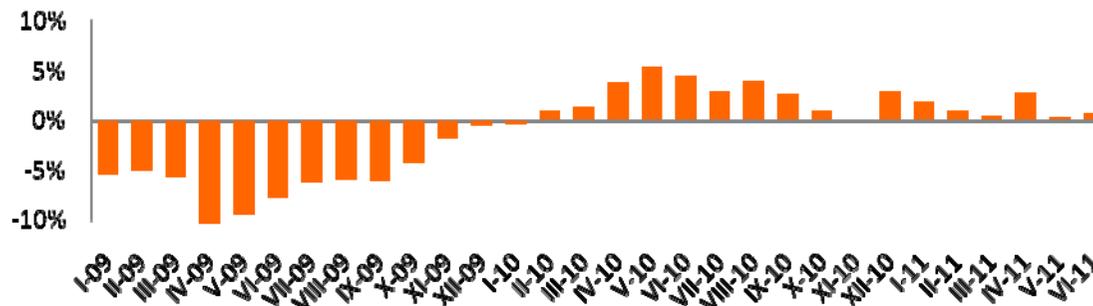
Consumption in the Czech Rep. (temperature adjusted)**



Consumption in individual segments:***

- +4.2% wholesale customers
- 6.9% households
- 3.5% small business

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



In H1, net consumption in the Czech Republic grew by 1.2% y-o-y.

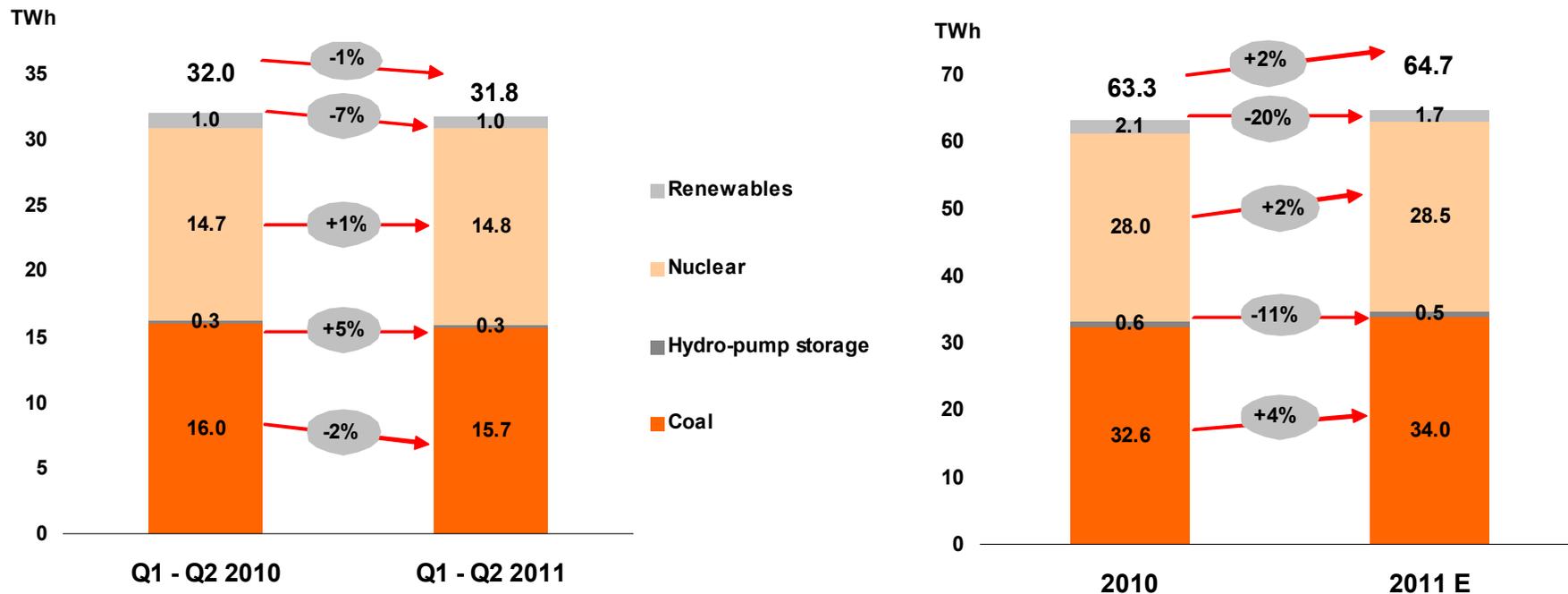
* 1-5 per ERA, 6 ČEZ, a. s. estimate

** calculated for normal temperature per ČEZ, a. s. model

*** source: ERA in 1-5/2011



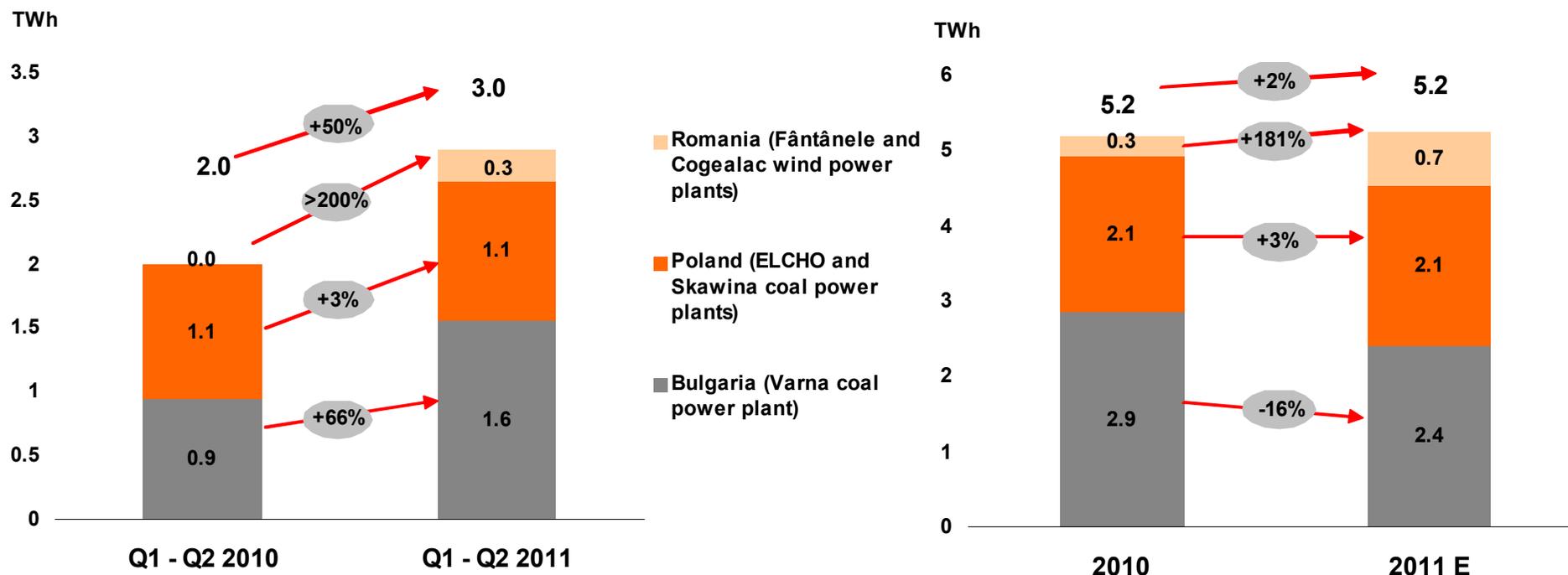
IN H1 2011 ELECTRICITY GENERATION OF ČEZ, A. S. FROM OWN SOURCES DROPPED Y-O-Y BY 1%; WE STILL EXPECT 2% GROWTH IN 2011



- the 2% y-o-y decrease of production in coal-fired power plants in H1 was caused mainly by higher incidence of faults and planned outages
- the y-o-y decrease of production from renewables is caused by above average precipitation in 2010, leading to lower production of hydroelectric power plants in H1 2011
- expected y-o-y increase of production in coal-fired plants by 4% caused primarily by expected higher price of electricity leading to profitable operations of coal-fired power plants
- expected y-o-y increase of production in nuclear power plants by 2% primarily caused by increase of disponibility of the Dukovany NPP, the lower annual generation in nuclear power plants compared with expected results published for Q1 2011 is a result of the extension of the duration of outages at the Temelín NPP by more than 4 weeks



ELECTRICITY GENERATION OF ČEZ, A. S. FROM OWN SOURCES ABROAD GREW Y-O-Y BY 50%; WE EXPECT A 2% GROWTH IN 2011



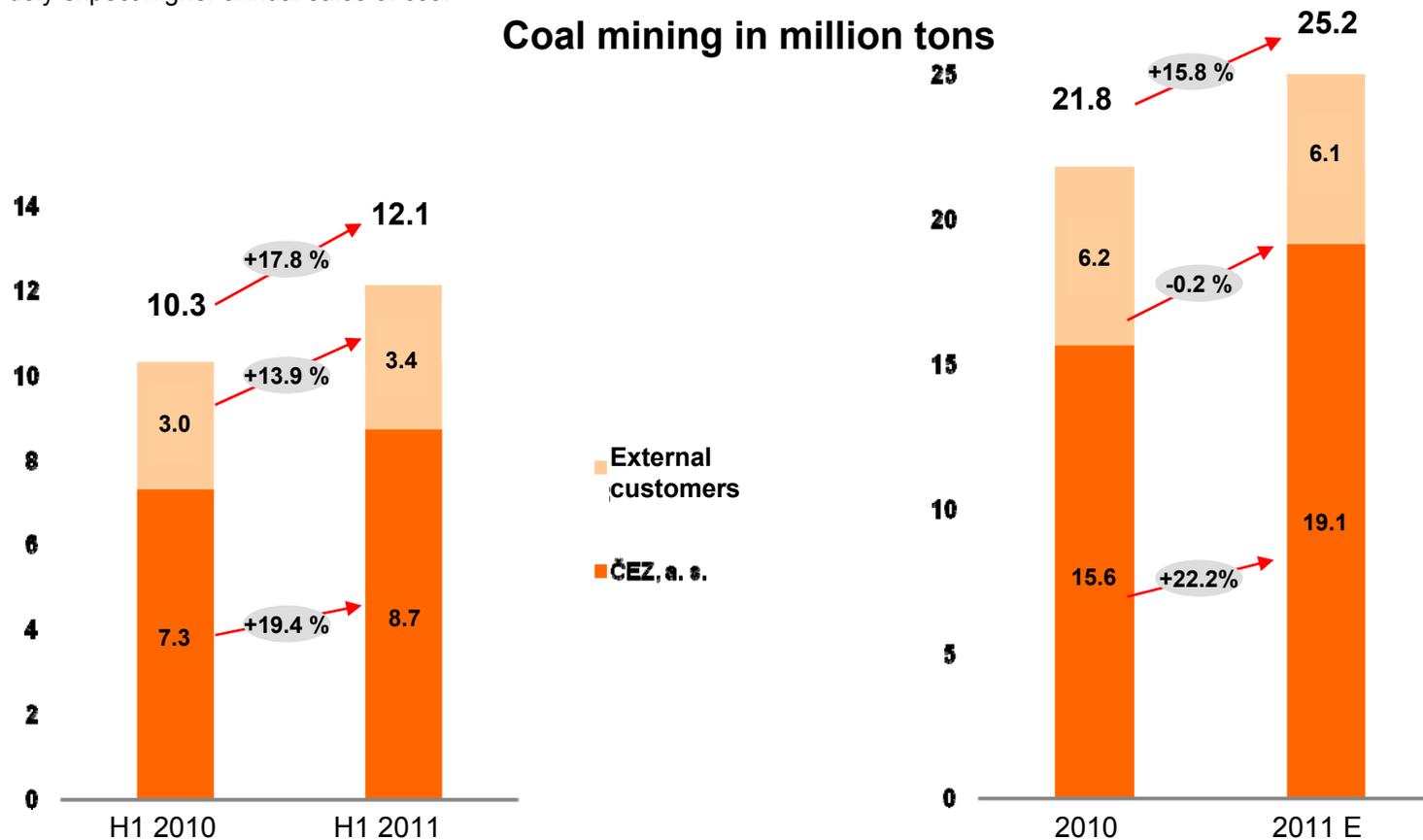
- y-o-y increase in generation in Romania due to growth in the number of wind turbines connected to the grid in H1 2011 (the wind farm started operating in Q2 2010, most turbines were gradually connected during H2 2010)
- higher generation y-o-y in Polish power plants in H2 2011 caused by providing ancillary services by Skawina to the market operator (PSE) in Q2 2011; the increase in expected annual production of electricity is caused by increased volumes of biomass burning in both power plants
- the y-o-y increase of production in H1 2011 in Bulgaria is caused by higher activation of the cold reserve (higher generation required by the regulator) at the beginning of the year; lower expected annual production of the Varna plant is caused by lower expected generation for the regulated market in H2 2011



COAL MINING BY SEVEROČESKÉ DOLY INCREASED Y-O-Y

- slightly higher demand for electricity and coal caused y-o-y increase of coal mining in H1 2011, there are also improvements in the sale of higher quality sorted coal
- Severočeské doly expect higher annual sales of coal

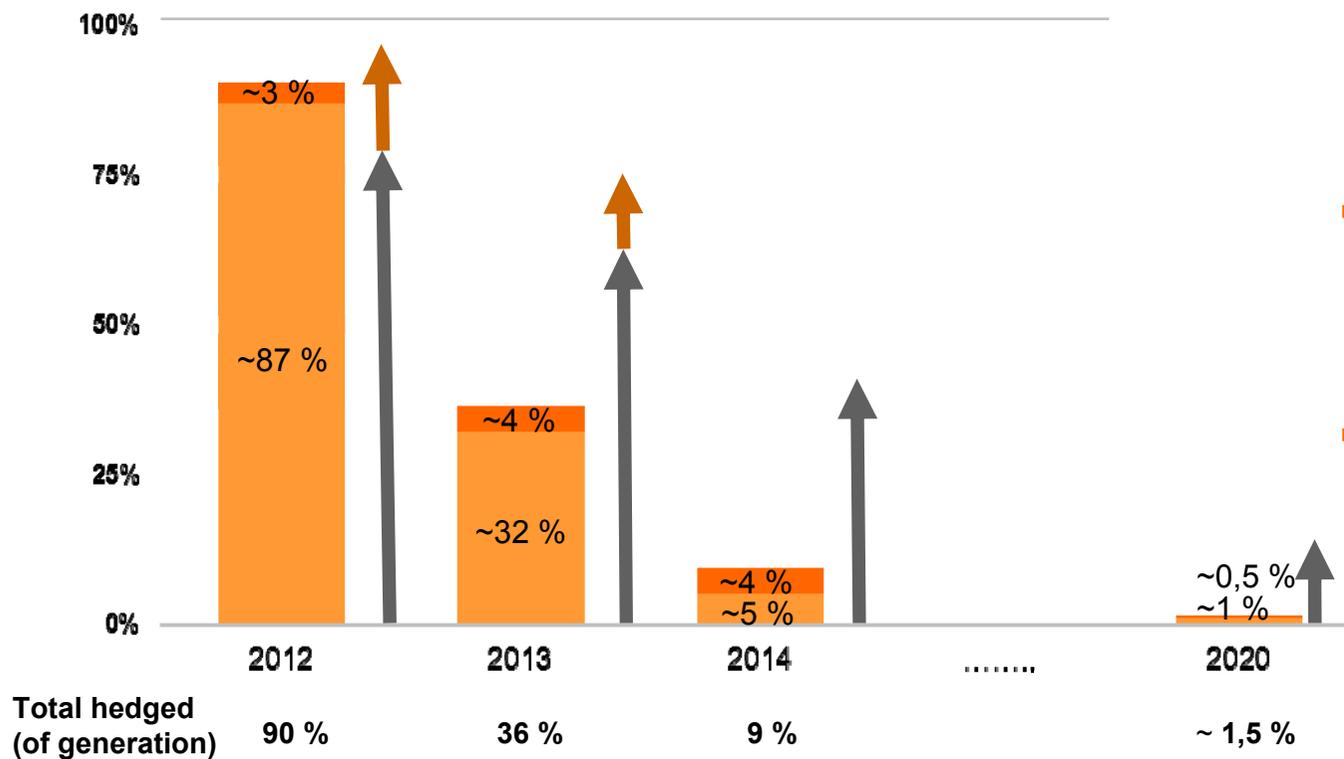
Coal mining in million tons





ČEZ, A. S. CONTINUES HEDGING SALES FROM GENERATION IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

Share of hedged generation from ČEZ, a. s. power plants
(as of August 15, 2011, 100 % corresponds to 55 – 60 TWh)



- ČEZ, a. s. applies a standard concept of hedging its open positions of 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
- ČEZ, a. s. concluded new long-term contracts with delivery by 2020

■ hedged volume from April 18, 2011 to August 15, 2011
■ hedged volume as of April 18, 2011

↑ transaction currency hedging (hedge accounting)
↑ natural currency hedging - costs, investment and other expenditure, debts denominated in EUR (hedge accounting)



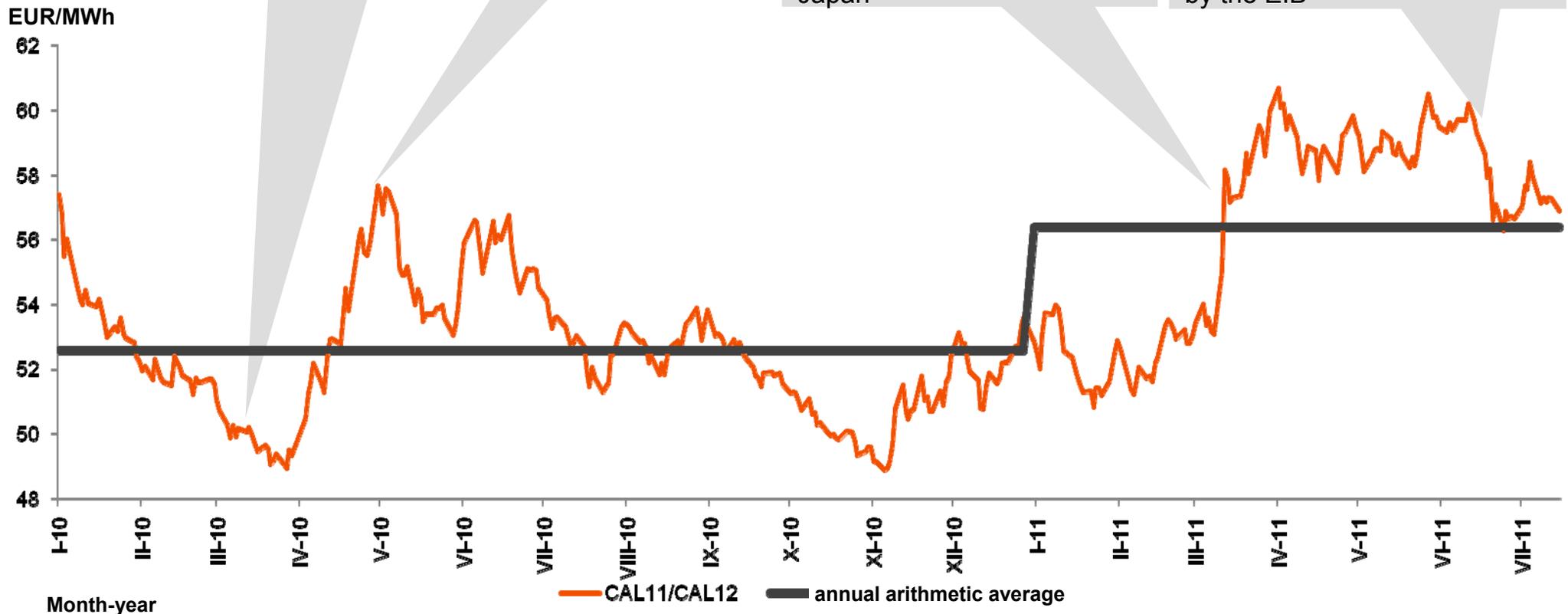
PRICE OF ELECTRICITY ON THE COMMODITY EXCHANGE INCREASED Y-O-Y

decreasing price of natural gas on commodity exchanges, low price on the electricity spot market

change of fuel price trends - growth; the period of power plant closures

announcement of the closure of the 7 oldest nuclear reactors in Germany in reaction to the nuclear accident in Fukushima, Japan

announcement of estimated time of the auction (end of the year 2011) of 300 million tons' worth of EUA emission allowances distributed by the EIB



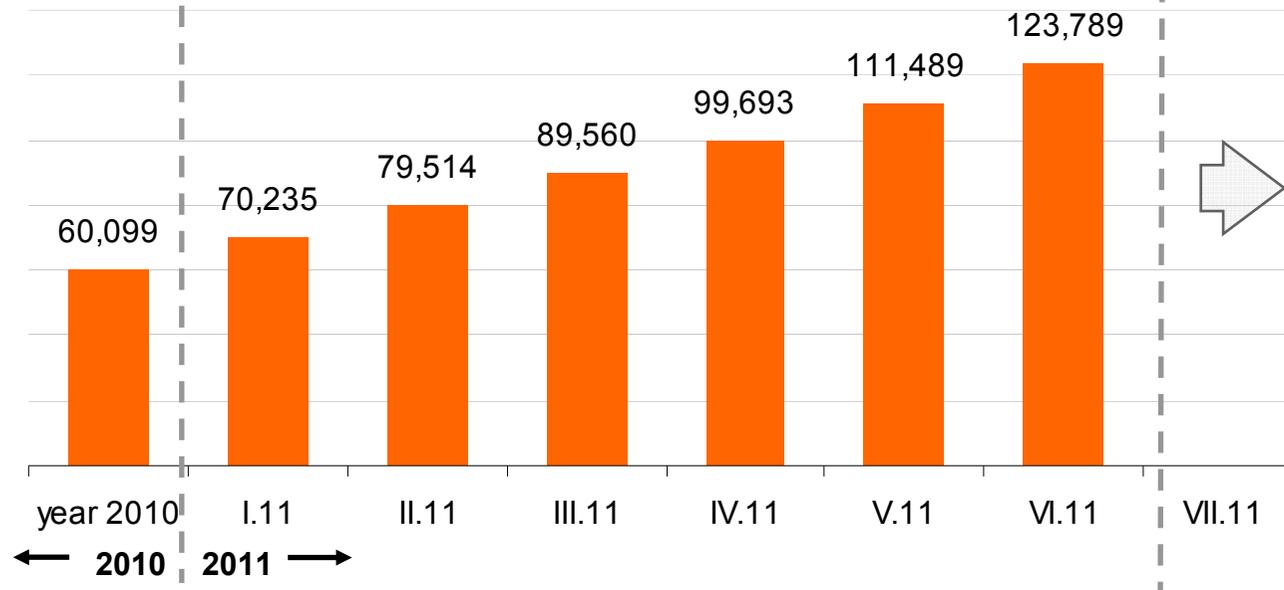


WE SUCCESSFULLY CONTINUE TO ACQUIRE NEW CUSTOMERS FOR NATURAL GAS IN THE CZECH REPUBLIC

- we have acquired 63,690 new contracts during H1 2011
- after the success of the special 'e-Tarif' product line for electricity we have introduced a similar product for natural gas as well

Number of contracts as of June 30, 2011: **123,789**

Numbers of new contracts (cumulative)



The new product line: e-Tarif GAS

- launched on July 1, 2011
- support for electronic communication
- if contract concluded by December 31, 2011, the customer is exempt from fixed monthly charges (until the end of 2012)

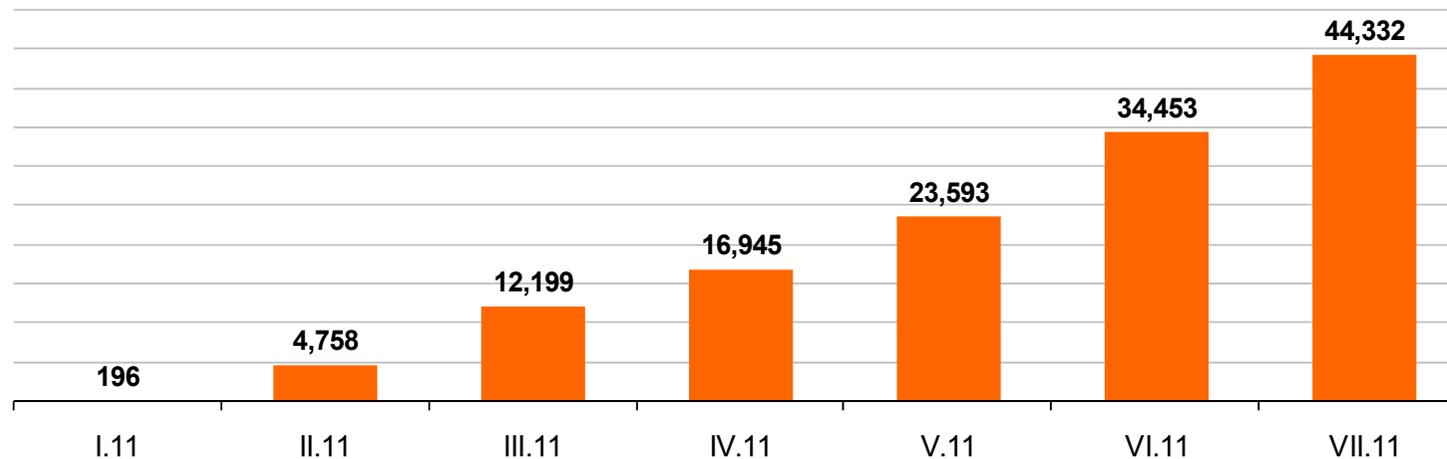


IN JANUARY THIS YEAR CEZ GROUP STARTED SELLING ELECTRICITY AND NATURAL GAS ON THE SLOVAK MARKET

- the entry to the market was a success - from the time of the launch of our sales we have acquired a total of 44,332 contracts in (total for both commodities)

Number of contracts as of July 31, 2011: 44,332

Numbers of new contracts (cumulative)





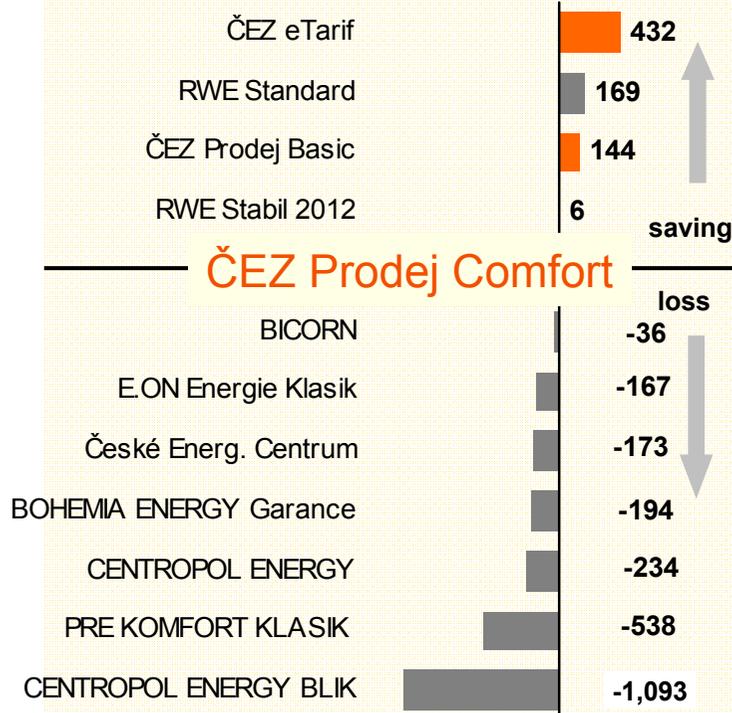
MARKET RESEARCH* PUBLISHED RECENTLY REVEALED THAT THE OFFERS OF OUR COMPETITORS TO HOUSEHOLDS WERE NOT ALWAYS FAVOURABLE

A household using electricity for lighting and cooking

▪ annual consumption VT 1 MWh

▪ tariff: D01d

▪ total payment to ČEZ Prodej Comfort is **CZK 6,200**



- in the first year of using a new supplier, the bills of 79% of households were higher than those issued by their previous supplier; on average, the difference was CZK 547 (while the main motive for changing the supplier is the promise of some savings)
- 76% of respondents had to pay an activation fee (CZK 735 on average)
- estimates say households may have paid as much as CZK 109 million in activation fees in total

The saving is stated in CZK, inclusive of VAT, rounded up. Charges of alternative suppliers have been taken into account. The price lists of other companies are pertaining to the distribution area of CEZ Group, the total price in all cases considers circuit breakers with amperage from 3x20A up to and including 3x25 A.



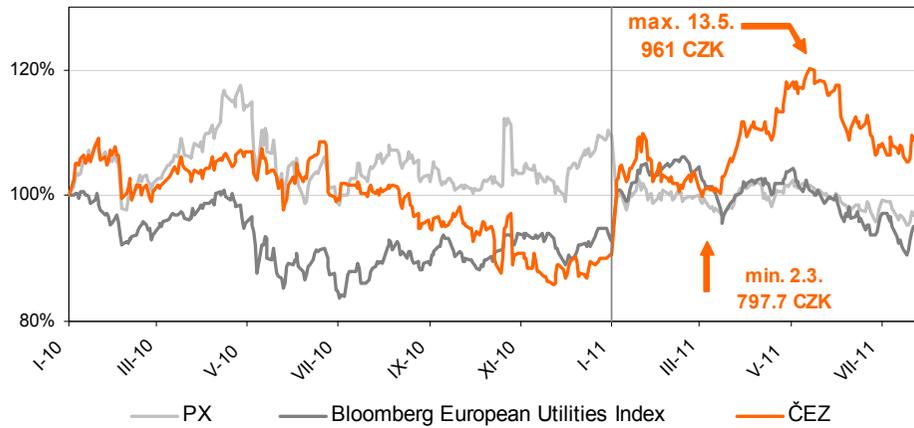
APPENDICES

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

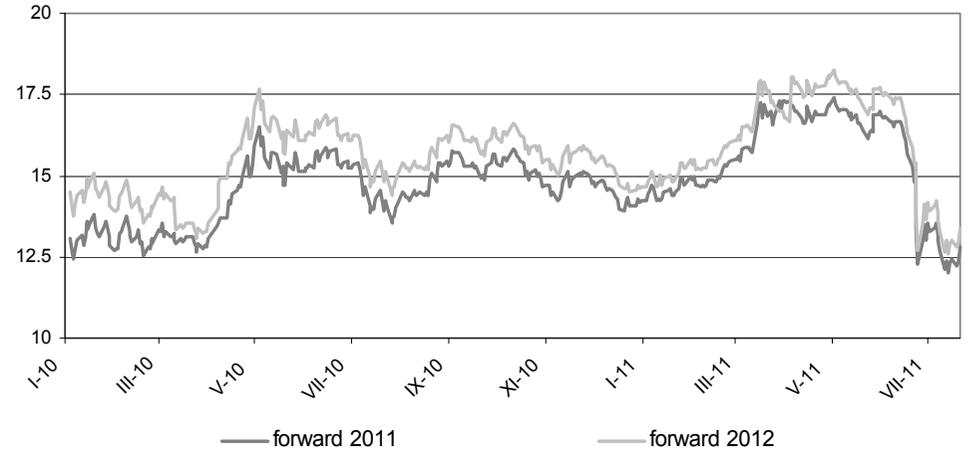


MARKET TRENDS

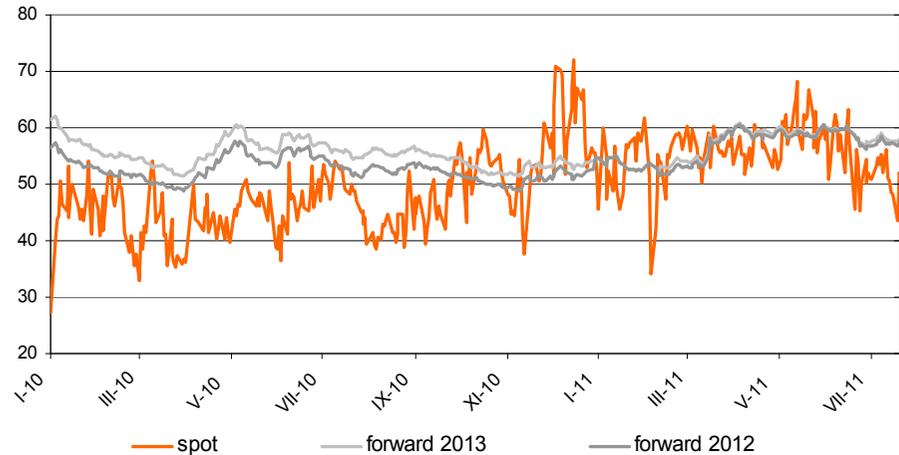
Development of ČEZ share price compared to PX index and Bloomberg Utilities, %



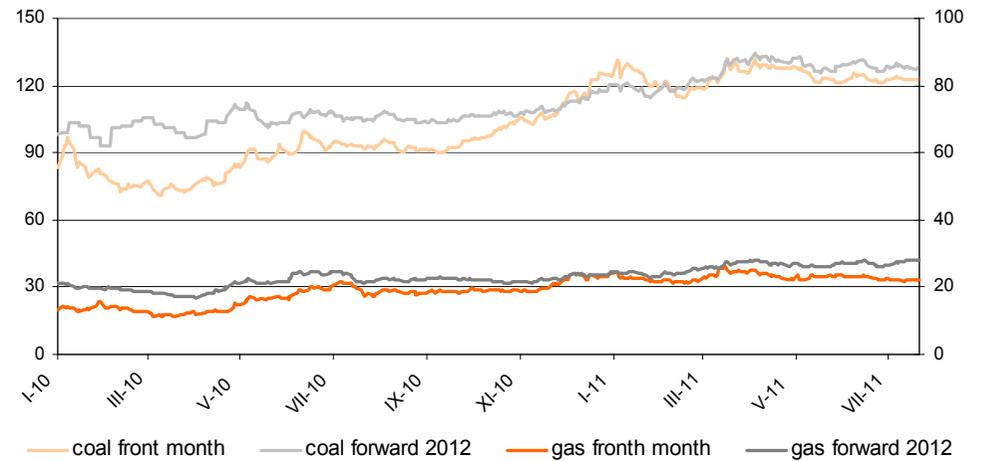
EUR / t CO2 allowances / emission rights m. tonnes of CO2



EUR / MWh Electricity



USD / t Coal and gas EUR/MWh





INVESTMENTS INTO FIXED ASSETS *)

Investments into fixed assets Q1 - Q2 2011:	CZK 19 bn.
Power plant renewal	CZK 5.2 bn. Tušimice: units 23 and 24 - test operations, units 21, 22 - gradual commissioning Pruněřov II: zoning permission issued, not yet in force, building site under preparation, contract signature with suppliers close to completion Ledvice - new plant: installation of turbine and generator, launch of assembly of desulfurization technology Počerady - CCGT: ongoing construction work, completed equipment of construction site and chimney of the first boiler
Nuclear power	CZK 4.3 bn. Dukovany: control system being renewed during outage of Unit 3 Temelín: shutdown of Unit 2 - Westinghouse fuel replaced by TVEL, rotors of low pressure turbine and turbo-generator repaired, outage of Unit 1 under preparation New nuclear source - Temelín: preparation of tender continues, ongoing environmental impact assessment New nuclear plant Dukovany: approved business plan of construction, documents for feasibility study are being prepared
Renewable sources	CZK 1.4 bn. CZ: mainly solar power stations being built in Ralsko, Ševětín, Vranovská Ves, Pánov, Buštěhrad Romania: wind-farm construction continues
Distribution networks	CZK 5.5 bn. Czech Republic CZK 4.3 bn. Romania CZK 0.8 bn. Bulgaria CZK 0.3 bn. Albania CZK 0.1 bn.
Severočeské doly a.s.	CZK 1.6 bn. delivery of excavator to the Bílina mine, construction of corridor to Ledvice, relocation of conveyor belt system
Information systems	CZK 0.3 bn. ČEZ ICT Services, a. s.
Other	CZK 0.7 bn. heat generation and distribution, facility management, transport

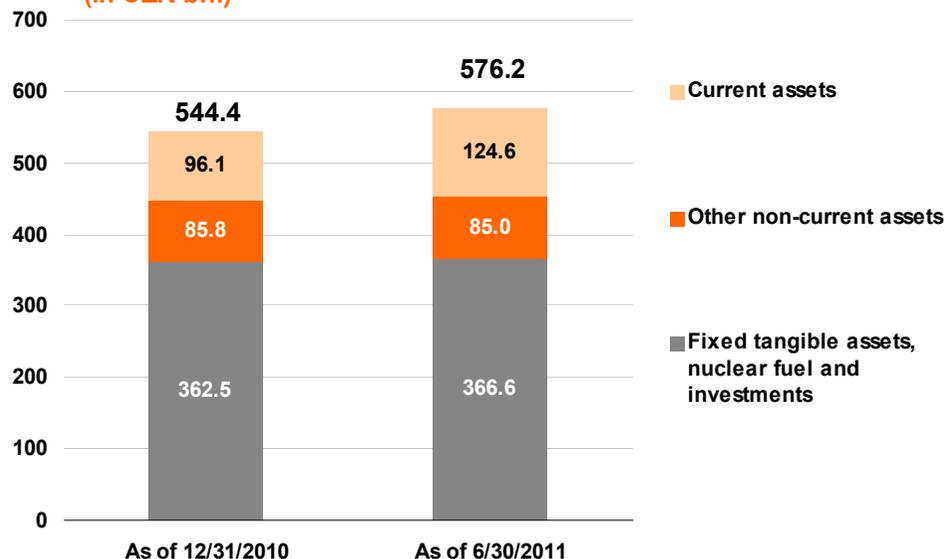


BALANCE SHEET OVERVIEW

Fixed assets

- increase of fixed tangible assets due to higher investments CZK +4.1 bn.
- decrease in value of securities in equivalence CZK -0.8 bn.

ASSETS (in CZK bn.)



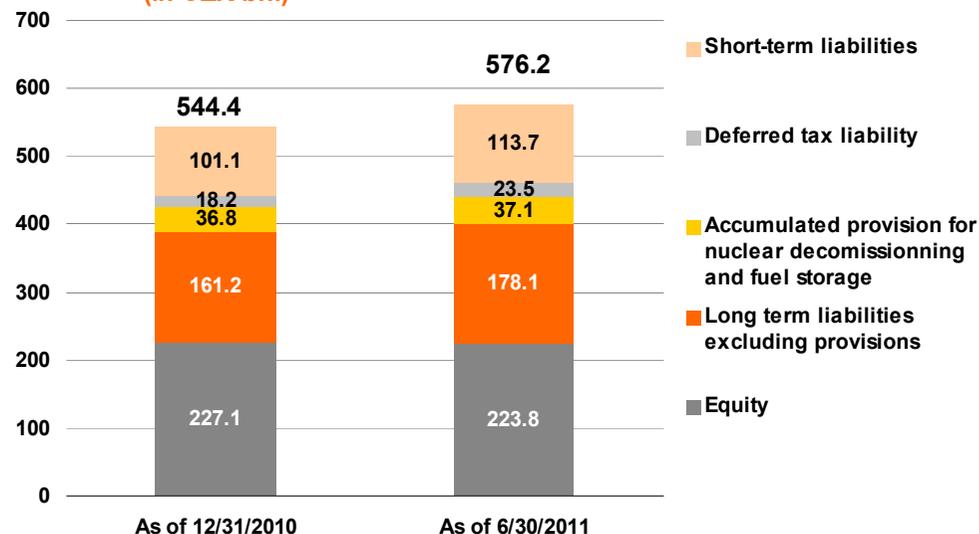
Current assets:

- increased receivables from derivative operations CZK +7.3 bn. (compensated for in liabilities)
- increase in cash and cash equivalents CZK +7.1 bn.
- increase of receivables from income tax +5.1 bn.
- increase in liquid securities CZK +2.3 bn.
- increase of other current assets CZK +6.7 bn.

Long-term liabilities and equity

- decrease of equity: net profits have increased equity by CZK +23.9 bn., dividends approved reduce equity by CZK -26.7 bn., other operations affecting equity CZK -0.5 bn. include mainly exchange rate conversions
- increase of long-term liabilities due to bank loans and bond issues CZK +16.6 bn.
- the deferred tax liability has grown by CZK +5.3 bn. due to a different method of calculation of deferred tax (includes also tax payable during the year)

EQUITY AND LIABILITIES (in CZK bn.)



Short-term liabilities:

- increase of liabilities to shareholders from distribution of profits CZK +26.7 bn.
- increase of liabilities from derivatives CZK +7.8 bn. (compensated on assets side)
- decrease of trading liabilities inclusive of accruals CZK -7.6 bn.
- decrease of short-term bank loans and of short-term element of issued bonds CZK -15.4 bn.
- increase in advance payments received CZK +1.1 bn.

Electricity balance (GWh)

1-6/2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	28,860	-1%	944	+4%	0	-	1,427	+68%	350	>200%	0	-	0	-	31,581	+2%
Generated in-house (gross)	31,771	-1%	1,086	+3%	0	-	1,561	+66%	350	>200%	0	-	0	-	34,767	+2%
In-house and other consumption, including	-2,911	-1%	-141	-1%	0	-	-134	+48%	0	-	0	-	0	-	-3,186	+1%
Sold to end customers	-11,488	-11%	-45	-85%	-1,201	+13%	-5,076	+12%	-1,667	+2%	-2,390	+9%	0	-	-21,867	-4%
Sold in the wholesale market (net)	-16,061	+8%	-899	+46%	1,201	+13%	4,441	-1%	2,057	+11%	3,531	+6%	0	-	-5,731	+34%
Sold in the wholesale market	-101,952	+36%	-1,045	-7%	-2,499	+29%	-1,535	+81%	-672	+114%	0	-	3,887	+22%	-103,816	+36%
Purchased in the wholesale market	85,891	+43%	145	-71%	3,701	+23%	5,976	+12%	2,729	+4%	3,531	+6%	-3,887	+22%	98,084	+36%
Grid losses	-1,311	-1%	0	-	0	-	-792	+2%	-740	+11%	-1,140	-0%	0	-	-3,983	+2%

Electricity generation by source (GWh)

1-6/2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	14,840	+1%	0	-	0	-	0	-	0	-	0	-	0	-	14,840	+1%
Coal and lignite	15,685	-2%	959	-1%	0	-	1,561	+66%	0	-	0	-	0	-	18,205	+2%
Water	968	-22%	3	+76%	0	-	0	-	0	-	0	-	0	-	971	-22%
Biomass	201	+29%	123	+53%	0	-	0	-	0	-	0	-	0	-	324	+38%
Solar	73	>200%	0	-	0	-	0	-	0	-	0	-	0	-	73	>200%
Wind	5	+8%	0	-	0	-	0	-	350	>200%	0	-	0	-	355	>200%
Natural gas	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Total	31,771	-1%	1,086	+3%	0	-	1,561	+66%	350	>200%	0	-	0	-	34,767	+2%

Sales of electricity to end customers (GWh)

1-6/2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-4,353	-11%	0	-	0	-	-2,237	+1%	-779	-2%	-1,312	+5%	0	-	-8,681	-5%
Commercial (low voltage)	-1,952	-12%	0	-	0	-	-1,437	+4%	-468	-5%	-413	-6%	0	-	-4,270	-6%
Commercial and industrial (medium- and high)	-5,184	-11%	-45	-85%	-1,201	+13%	-1,402	+49%	-419	+21%	-665	+32%	0	-	-8,916	-1%
Sold to end customers	-11,488	-11%	-45	-85%	-1,201	+13%	-5,076	+12%	-1,667	+2%	-2,390	+9%	0	-	-21,867	-4%
Distribution of electricity to end customers	-16,761	+0%	0	-	0	-	-4,706	+3%	-3,686	+5%	-2,131	+1%	0	-	-27,284	+1%

Electricity balance (GWh)

1-6/2011	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	29,804	-1%	0	-	1,777	+109%	0	-	0	-	31,581	+2%
Generated in-house (gross)	32,857	-1%	0	-	1,911	+103%	0	-	0	-	34,767	+2%
In-house and other consumption, including pumping in pumped-storage plants	-3,052	-1%	0	-	-134	+48%	0	-	0	-	-3,186	+1%
Sold to end customers	-181	-66%	-12,553	-9%	0	-	-9,133	+9%	0	-	-21,867	-4%
Sold in the wholesale market (net)	-29,623	+1%	13,864	-8%	-1,777	+109%	11,805	+8%	0	-	-5,731	+34%
Sold in the wholesale market	-116,216	+29%	-5,051	+37%	-1,777	+109%	-443	+42%	19,670	+5%	-103,816	+36%
Purchased in the wholesale market	86,593	+43%	18,914	+1%	0	-	12,248	+9%	-19,670	+5%	98,084	+36%
Grid losses	0	-	-1,311	-1%	0	-	-2,672	+3%	0	-	-3,983	+2%

Electricity generation by source (GWh)

1-6/2011	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	14,840	+1%	0	-	0	-	0	-	0	-	14,840	+1%
Coal and lignite	16,645	-2%	0	-	1,561	+66%	0	-	0	-	18,205	+2%
Water	971	-22%	0	-	0	-	0	-	0	-	971	-22%
Biomass	324	+38%	0	-	0	-	0	-	0	-	324	+38%
Solar	73	>200%	0	-	0	-	0	-	0	-	73	>200%
Wind	5	+8%	0	-	350	>200%	0	-	0	-	355	>200%
Natural gas	-	-	-	-	-	-	-	-	-	-	-	-
Total	32,857	-1%	0	-	1,911	+103%	0	-	0	-	34,767	+2%

Sales of electricity to end customers (GWh)

1-6/2011	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	-	-4,353	-11%	0	-	-4,328	+2%	0	-	-8,681	-5%
Commercial (low voltage)	0	-	-1,952	-12%	0	-	-2,318	+0%	0	-	-4,270	-6%
Commercial and industrial (medium- and large)	-181	-66%	-6,248	-6%	0	-	-2,486	+38%	0	-	-8,916	-1%
Sold to end customers	-181	-66%	-12,553	-9%	0	-	-9,133	+9%	0	-	-21,867	-4%
Distribution of electricity to end customers	0	-	-16,761	+0%	0	-	-10,523	+3%	0	-	-27,284	+1%