



**FINANCIAL RESULTS OF CEZ GROUP
CONFERENCE CALL
Q1 - Q3 2011**

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

Prague, 9 November 2011



AGENDA



Financial highlights and key events in CEZ Group in Q1 – Q3 2011

Martin Novák, CFO

Financial results

Martin Novák, CFO

Trading position of CEZ Group

Alan Svoboda, Head of Sales Division

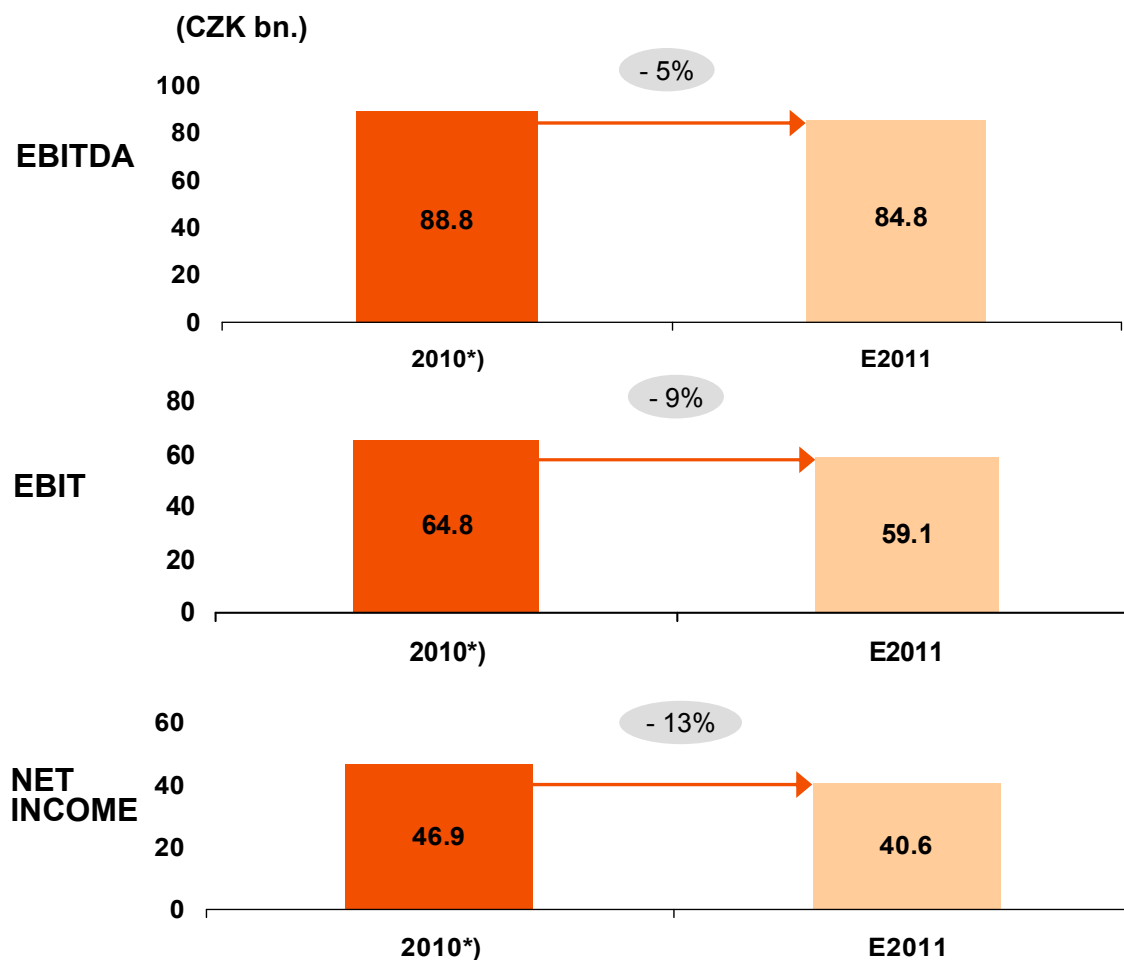


KEY RESULTS FOR Q1 – Q3 2011 AND EXPECTED RESULTS FOR YEAR 2011

- **expected results for 2011 remain unchanged: EBITDA at CZK 84.8 bn., net income at CZK 40.6 bn.**
- **EBITDA** (earnings before interest, taxes, depreciation and amortization) decreased by 6.9% y-o-y (by CZK 4.6 bn.) to CZK 62.4 bn.
- **EBIT** (earnings before interest) decreased by 12.7% y-o-y (by CZK 6.3 bn.) to CZK 43.5 bn.
- **net income** decreased by 34.2% y-o-y (by CZK 13.7 bn.) to CZK 26.4 bn.
- **the share price** on the BCPP closed at CZK 758 as of November 7, 2011.



DESPITE NEGATIVE FACTORS IN Q3 WE REITERATE 2011 NET INCOME GUIDANCE



Key positive factors

- optimisation of power plants' dispatch at higher than expected prices:
 - expected increase of production and gross margin from coal-fired plants
 - increased production from renewables owned by CEZ Group
- compensation for the distribution correction factor from 2009
- restructuring measures in the Albanian distribution system

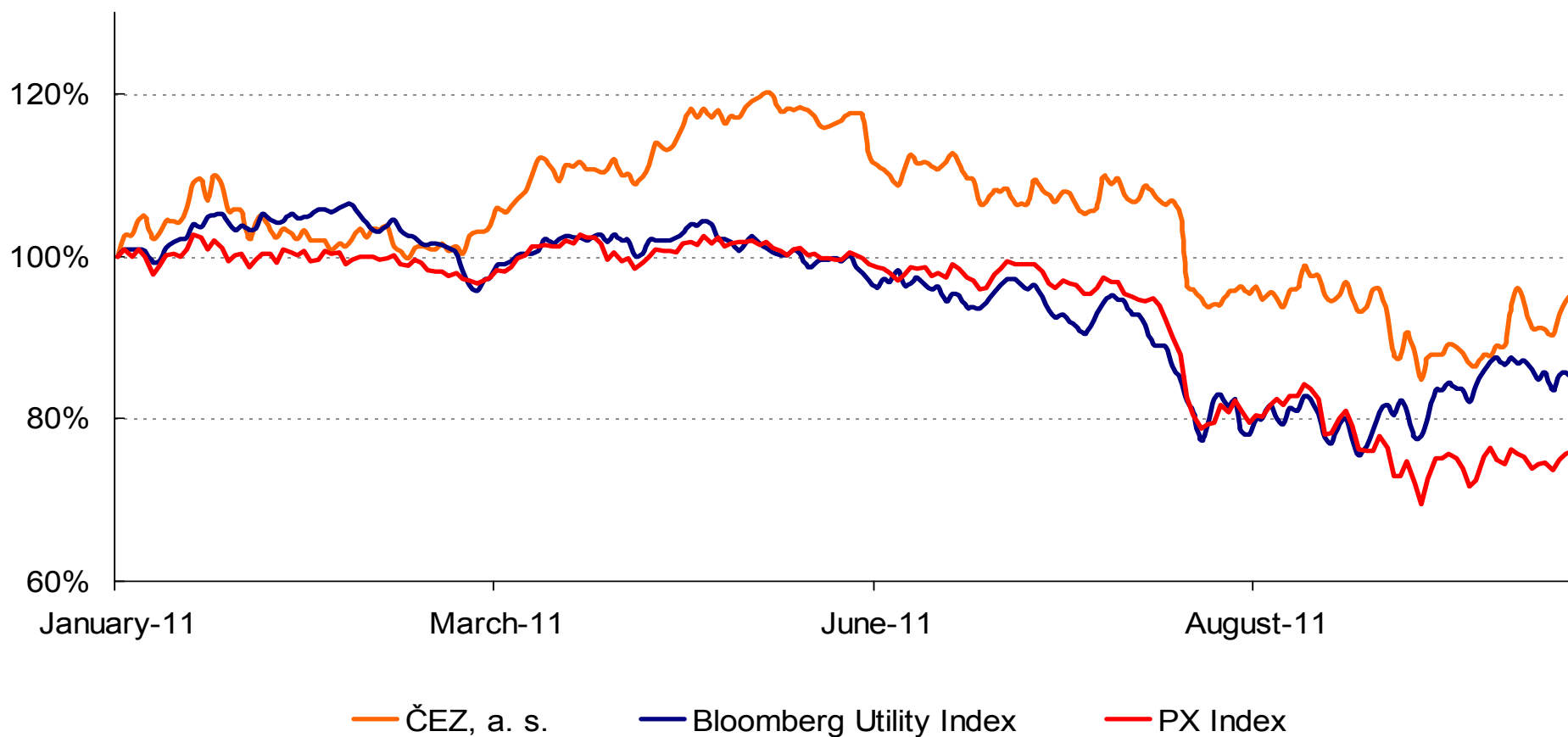
Key negative factors

- newly introduced gift tax on carbon allowances
- decreasing achieved electricity prices resulting from a gradual fall of forward prices of electricity in 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
- falling generation from hydroelectric plants due to unfavourable hydrologic conditions
- accounting impact of the JTSD/MIBRAG transaction (CZK -2.7 bn.)

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



THE PERFORMANCE OF ČEZ, A. S. SHARES OUTPERFORMS COMPETITORS AND THE CZECH STOCK MARKET

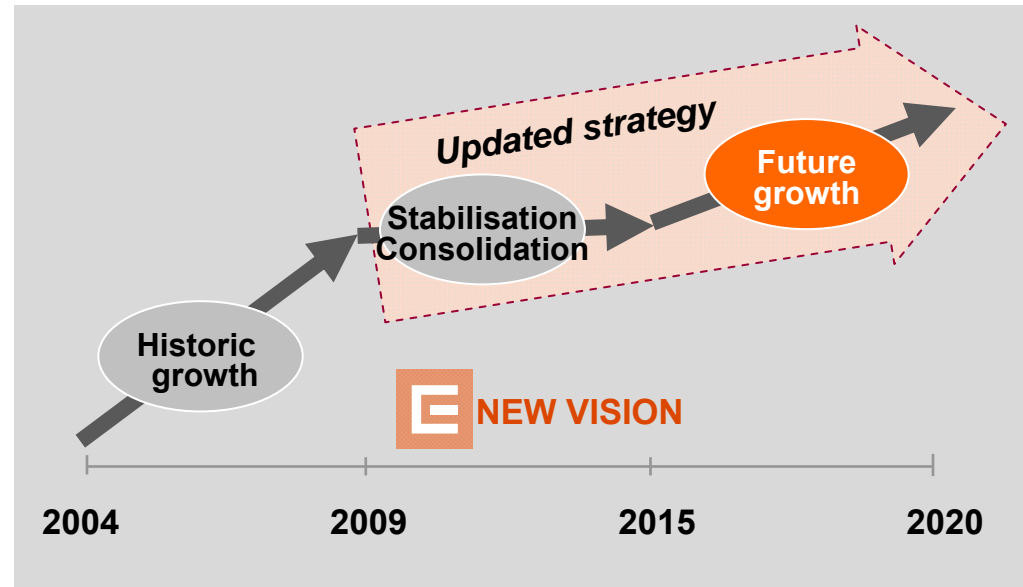




THE UPDATED STRATEGY AIMS AT STABILISING THE VALUE OF CEZ GROUP

Presentation of updated strategy

- The updated strategy builds on the development of physical assets, the know-how of people at CEZ Group, and on the strengthening of the position of CEZ Group as a leader in the Czech regions
- The key building blocks of the updated strategy derive from the NEW VISION initiative



The updated strategy builds on the ambitions of the NEW VISION initiative



STRATEGIC PRIORITIES OF CEZ GROUP UNTIL 2025: MAIN GOAL TO PREPARE THE COMPANY FOR THE CONSTRUCTION OF NUCLEAR POWER PLANTS



Nuclear power plants

- service life of Dukovany extended beyond 2025, installed capacity of both Dukovany and Temelín increased
- new nuclear plant in Temelín (potentially in Dukovany as well)



Conventional power plants

- renewal of power plants in Ledvice, Prunéřov and Tušimice completed; construction of CCGT in Počerady completed
- fuel (both coal and alternatives) secured for the operation of the older power plants until the end of their useful life
- improved position in the heat generation industry including the development of co-generation plants and the use of waste as fuel for generation; more CCGTs with heat deliveries to be built depending on needs and opportunities
- conversely, positions scaled down in conventional power plants abroad



Renewable sources:

- the portfolio of effective renewable sources (water, wind) to be expanded, subject to feasibility, up to 3,000 MW



Distribution

- distribution in the Czech Republic remains a key element of the portfolio, development of distribution companies continued on strategic markets, non-strategic foreign markets abandoned

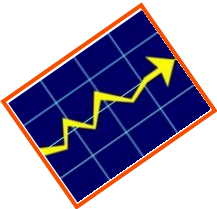




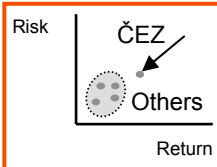
STRATEGIC PRIORITIES OF CEZ GROUP UNTIL 2025: KEY COMPETENCIES



- **flexible** - a company capable of quickly evaluating advantages of technological trends and reacting to them quickly



- **company with high internal efficiency** increasing the value of operated assets



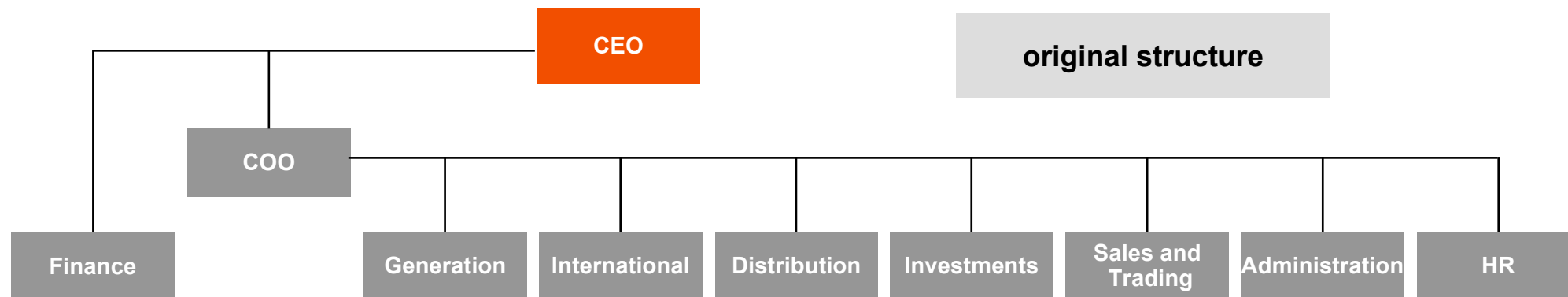
- **less risky company** - with a profile closer to that of other European energy companies



- **a corporation with excellent relations** on national as well as on regional level in the Czech Republic



THE ORGANISATIONAL STRUCTURE OF ČEZ, A. S. WILL BE ADAPTED TO THE UPDATED CEZ GROUP STRATEGY FROM JANUARY 1, 2012



- **Division of Chief Operating Officer and position of Chief Operating Officer discontinued**
- **Creation of Purchasing Division** - final centralisation of all purchasing processes in order to generate further savings within CEZ Group
- **Administration and HR divisions moved under Finance division** - starting point to build a single shared service centre at CEZ Group
- **Distribution division under International division** - sharing of best practice among domestic and foreign distribution companies
merger of our Mergers & Acquisitions activities with the administration of our foreign company holdings in line
with the expected scaling down of acquiring new assets abroad
- **Creation of Strategy division**



STREAMLINING OF ORGANISATIONAL STRUCTURE

CEO



**Daniel
Beneš**

Finance and
administration



**Martin
Novák**

Purchasing



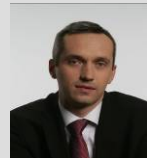
**Michaela
Chaloupková**

Generation



**Vladimír
Hlavinka**

International
and distribution



**Tomáš
Pleskač**

Strategy



**Pavel
Cyrani**

Investments



**Peter
Bodnár**

Sales and
Trading



**Alan
Svoboda**

- As of October 20, 2011, Michaela Chaloupková and Pavel Cyrani became new members of the Board of Directors. The Board of Directors of the company has therefore filled all seven seats (current members: Daniel Beneš, Martin Novák, Tomáš Pleskač, Vladimír Hlavinka, Peter Bodnár)
- Martin Novák has been elected the new Deputy Chairman of the Board
- The mandate of existing Board members Vladimír Hlavinka and Martin Novák has been confirmed for the next term
- Martin Říman, Member of the Supervisory Board, announced his resignation from the position of a Supervisory Board member as of December 20, 2011



PUBLIC TENDER - COMPLETION OF TEMELÍN NUCLEAR POWER PLANT



October 31, 2011

– tender documentation submitted

July 2, 2012

– deadline for presentation of offers

August 2013

– selection of the winner

by the end of 2013

– signature of contracts with winning supplier



	Bidder
AP 1000	Westinghouse Electric Company LLC Westinghouse Electric Czech Republic s.r.o.
EPR 1600	AREVA NP S.A.S.
MIR 1200	ŠKODA JS a.s. ZAO Atomstroyexport OAO OKB Hidropress



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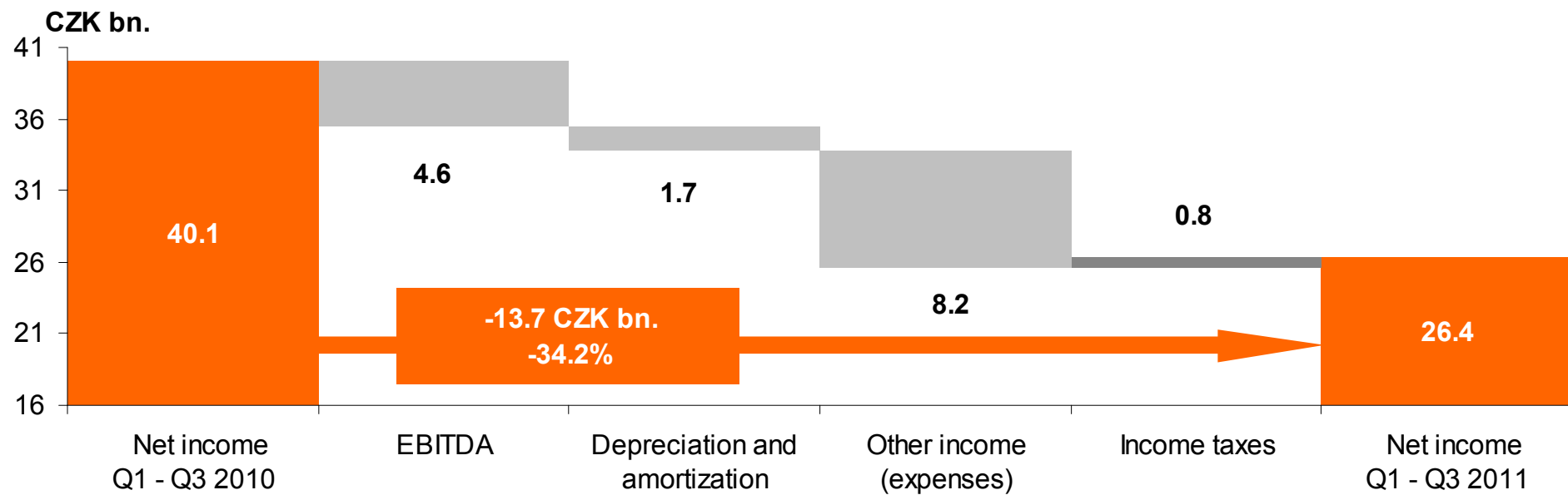
CEZ GROUP FINANCIAL RESULTS

(CZK bn.)		Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Revenues		144.4	150.6	+6.2	+4%
EBITDA		67.0	62.4	-4.6	-7%
Net income		40.1	26.4	-13.7	-34%
Operating CF		56.0	40.3	-15.7	-28%
CAPEX		40.9	31.1	-9.8	-24%
Net debt		128.6	154.2	+25.6	+20%

		Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Installed capacity	th. MW	14.5	15.1	+0.6	+4%
Generation of electricity	TWh	50.2	49.9	-0.3	-1%
Electricity distribution to end customers	TWh	38.8	39.4	+0.6	+2%
Sales to end customers	TWh	32.6	31.4	-1.2	-4%
Sales of heat	th. TJ	10.7	10.0	-0.7	-7%
Number of employees	000's	32.4	31.5	-0.9	-3%

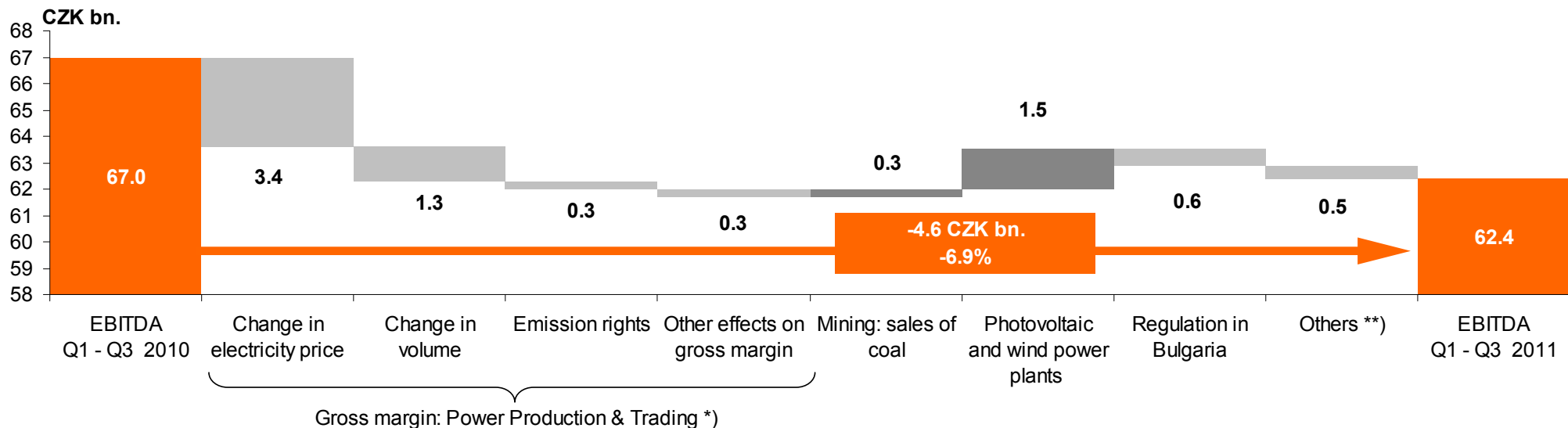


KEY DRIVERS OF Y-O-Y CHANGE IN NET INCOME





KEY DRIVERS OF Y-O-Y CHANGE IN EBITDA



Gross margin: power production & trading (CZK -5.3 bn.)

- reduction in the hedging CZK/EUR exchange rate and falling electricity prices (CZK -3.4 bn.)
- decreased volume of generation and trading (CZK -1.3 bn.)
- falling profits from emission allowances (CZK -0.3 bn.)
- others (CZK -0.3 bn.)

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

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

Regulation in Bulgaria (CZK -0.6 bn.)

- less favourable regulatory framework in generation: revenues from increased electricity generation required by regulator negatively influenced by growing coal prices
- lower distribution tariffs due to decision of regulator dated July 1, 2010 partially compensated by a favourable decision of the regulator dated July 1, 2011 in which prices are increased

Photovoltaic and wind power plants (CZK +1.5 bn.) (+0.5 TWh)

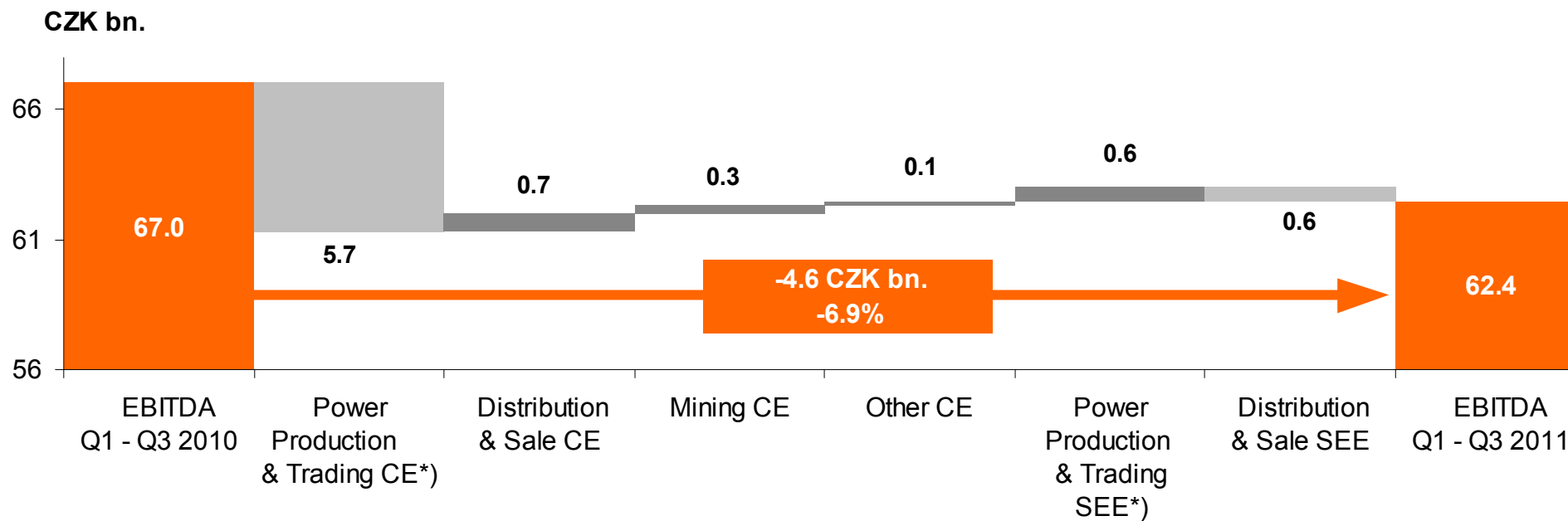
- y-o-y increase of generation from 0.1 TWh to 0.6 TWh

*) Excludes solar and wind generation

***) Includes a number of factors below the materiality limit



CHANGE OF EBITDA Y-O-Y BY SEGMENT



CE = Central Europe SEE = South - Eastern Europe

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



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

CZK bn.	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Czech Republic	45.3	39.7	-5.6	-12%
Poland	1.0	0.9	-0.1	-10%
Total EBITDA*)	46.3	40.6	-5.7	-12%

Czech Republic (CZK -5.6 bn.)

- gross margin on electricity decreased by CZK -5.3 bn.

falling CZK/EUR hedging exchange rate and a decrease of electricity sale prices (CZK -3.4 bn.)

decreased volume of production and trading (CZK -1.3 bn.)



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

CZK bn.	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Bulgaria	0.3	0.2	-0.1	-39%
Romania	0.0	0.7	+0.7	>200%
Total EBITDA*)	0.3	0.9	+0.6	>200%

Bulgaria (CZK -0.1 bn.)

- y-o-y increase in electricity generation by 13% (to 2 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
- 0.5 TWh of electricity generated during Q1 - Q3 2011



CONTRIBUTION TO EBITDA BY SEGMENT: DISTRIBUTION AND SALE CENTRAL EUROPE

CZK bn.	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Distribution	8.6	8.4	-0.2	-2%
Sale	1.1	2.0	+0.9	+79%
Total EBITDA	9.7	10.4	+0.7	+7%

Distribution (CZK -0.2 bn.)

- CZK +0.7 bn. increase in gross margin:
 - increase of revenues allowed by the regulator (CZK +1.2 bn.)
 - falling margin from renewables and combined generation of electricity and heat (CZK -0.5 bn.)
- CZK -0.9 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 due to new legislation and cost increases

Sale (CZK +0.9 bn.)

- growth of gross sales margin in the Czech Republic of CZK +0.8 bn.:
 - higher sales margin (CZK +0.8 bn.) due to lower electricity purchase prices
 - higher gross margin from electricity sales to cover grid losses (CZK +0.3 bn.)
 - lower volume of electricity sales to end customers (CZK -0.3 bn.) due mainly to customer churn and lower consumption by retail customers
- natural gas +0.1 CZK bn.: gaining new customers



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

CZK bn.	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Romania	1.6	1.2	-0.4	-26%
Bulgaria	1.2	0.7	-0.5	-43%
Albania	0.2	0.5	+0.3	+163%
Total EBITDA	3.0	2.4	-0.6	-20%

Romania (CZK -0.4 bn.)

- lower revenues of distribution y-o-y (CZK -0.2 bn.) caused by increase of 2010 revenues as determined by the regulator (dilution of correction factor from 2008)
- lower revenues from penalties received due to changes in the law - new caps on late payment fees (CZK -0.2 bn.)

Bulgaria (CZK -0.5 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
- partially compensated by a favourable decision of the regulator dated July 1, 2011 to increase prices

Albania (CZK +0.3 bn.)

- y-o-y increase in volume of electricity sold and distributed and positive impact of restructuring (CZK +0.2 bn.)
- decrease in adjustments to receivables due to better collection of debt (CZK +0.1 bn.)



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

EBITDA (CZK bn.)	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
Mining CE	3.5	3.8	+0.3	+8%
Other CE	4.1	4.2	+0.1	+2%
Other SEE	0.1	0.1	0.0	0%

Mining Central Europe (CZK +0.3 bn.)

- general increase of volume of coal sales by 2.4 million tons, i.e. CZK +0.5 bn.
 - higher demand of coal from ČEZ, a. s. (+1.6 million tons) mainly due to higher demand for electricity from Germany accompanied by higher sales of coal (+0.8 million tons) to external customers mainly due to better sales of sorted coal
- y-o-y increase in operating costs by CZK -0.2 bn. due to higher fuel prices and electricity consumption



OTHER INCOME (EXPENSES)

(CZK bn.)	Q1 - Q3 2010	Q1 - Q3 2011	Change	%
EBITDA	67.0	62.4	-4.6	-7%
Depreciation and amortization	-17.2	-18.9	-1.7	-10%
Other income (expenses)	-1.2	-9.4	-8.2	>200%
Interest balance	-2.6	-3.6	-1.0	-38%
Foreign exchange rate gains (losses) and financial derivatives	1.0	-0.8	-1.8	-
Gain (Loss) from associates and joint-ventures	-0.1	-3.6	-3.5	>200%
Other	0.5	-1.4	-1.9	-
Income taxes	-8.5	-7.7	+0.8	+9%
Net income	40.1	26.4	-13.7	-34%

Depreciation and amortization (CZK -1.7 bn.)

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

Interest balance (CZK -1.0 bn.)

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

Foreign exchange rate gains/losses and financial derivatives (CZK -1.8 bn.)

- exchange rate gains/losses and financial derivatives (CZK -1.0 bn.), lower profits from the revaluation of the MOL share option (CZK -0.8 bn.)

Gain/loss from associates and joint-ventures (CZK -3.5 bn.)

- the JTSD/MIBRAG transaction (CZK -2.7 bn.) - difference between sale price CZK + 0.6 bn. and the book value (CZK + 3.3 bn.), which reflects write-off of negative goodwill in 2009
- deteriorated performance of the Turkish companies y-o-y (CZK -0.8 bn.): exchange rate losses from loans CZK -1.2 bn., operational improvement of tariffs and margins of distribution and sales companies CZK +0.4 bn.

Other (CZK -1.9 bn.)

- impact of newly introduced gift tax on emission allowances (CZK -2.8 bn.), dividends received (CZK +0.4 bn.), other financial revenues (CZK +0.5 bn.)

Note.: The balance of interest paid/received also includes interest on nuclear provisions



CEZ GROUP MADE EUR 46 MILLION PROFIT ON THE JTSD/MIBRAG DEAL; IN LINE WITH THE NEW STRATEGY, CEZ GROUP ALSO MITIGATED THE RISKS OF MINING AND COAL-BASED ELECTRICITY PRODUCTION IN GERMANY

- German market perceived as more risky mainly due to the declared plans to support renewable and gas sources in the future, to the detriment of nuclear and coal
- In July 2011 CEZ Group decided to sell its stake in JTSD/MIBRAG to EPH, the implementation of this transaction is a subject of fulfillment of conditions precedent (connected to evaluation of related antitrust issues)
- sale of project Profen is part of the transaction
- **CEZ Group will make EUR 46 million (approx. CZK +1.1 bn.) profit if the deal goes ahead (conditions precedent are met)**

CF EFFECT OF SALE OF CEZ GROUP STAKE IN JTSD/MIBRAG:	
	<i>m EUR</i>
Equity contribution and loan to JTSD/MIBRAG (on Sept 30, 2011)	-71
Sale price of shareholder loans (100% of nominal value)	63
Interest received on shareholder loans	29
Sale price of 50% stake of JTSD/MIBRAG equity	25
Total CF effect for CEZ Group	46



THE ACCOUNTING TREATMENT OF THE JTSD/MIBRAG TRANSACTION, HOWEVER, HAD A NEGATIVE IMPACT ON Q3 2011 RESULTS (CZK -2.7 BN.), CORRESPONDING TO THE NEGATIVE GOODWILL WRITE-OFF IN 2009 (CZK +3.3 BN.)

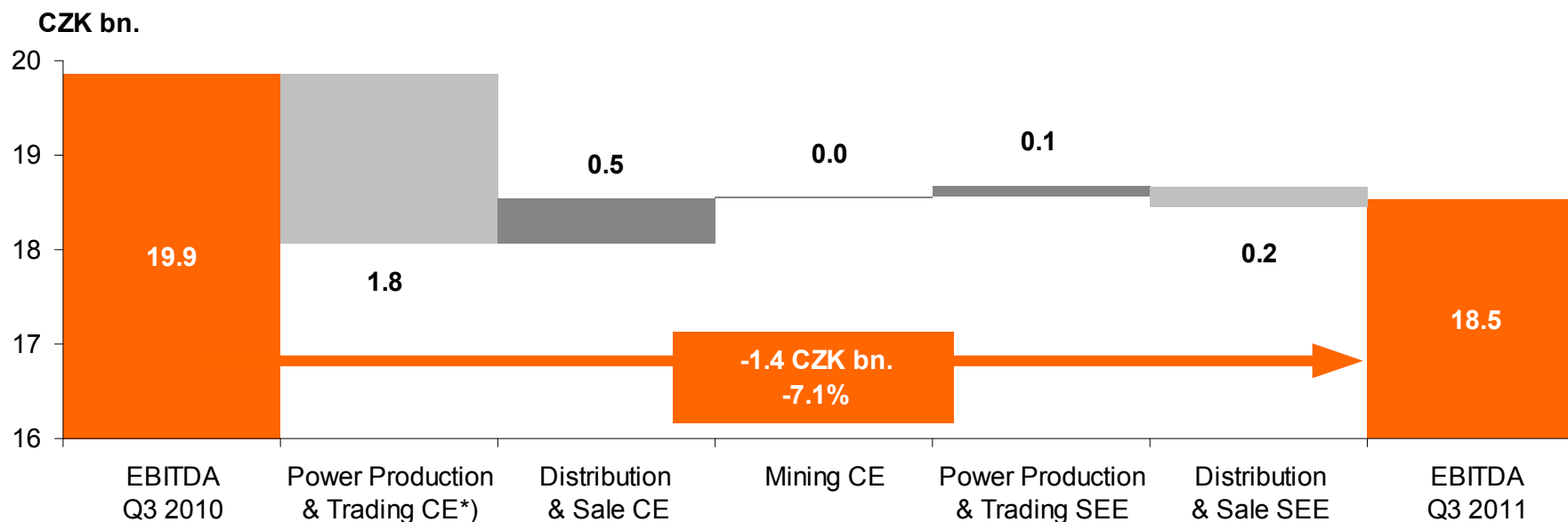
- in 2009, CEZ Group and EPH bought the company MIBRAG (via JTSD/MIBRAG) in an open tender
- the purchase of a 100% stake was financed from equity (EUR 4 million) and debt (EUR 415 million)
- the book value of debt-free MIBRAG (as valued by independent experts) exceeded the purchase price by CZK 3.3 bn. (calculation projected on the 50% stake held by CEZ Group); in 2009, in line with IFRS, this amount was immediately dissolved into accounting revenues of CEZ Group (writing-off of negative goodwill)
- in March 2010, MIBRAG assumed new debt (EUR 250 million loan), subsequently most of the shareholder debt of JTSD/MIBRAG was repaid (also using available profits and cash of MIBRAG)
- in July 2011, CEZ Group decided to sell its share in JTSD/MIBRAG to EPH; in line with IFRS rules this had an accounting impact on the economic results of the company, based on the value of assets (classified now as assets held with intent to sell) and the sale price of these assets
- **based on this valuation, CEZ Group is reporting an accounting loss of CZK 2.7 bn. in Q3 2011; this loss is the balance of the sale price (CZK +0.6 bn.) and the book value (CZK +3.3 bn.), corresponding to the negative goodwill write-off in 2009 (CZK +3.3 bn. income item booked in accounting period 2009)**

Selected indicators of JTSD/MIBRAG *	
in EUR million, 100%	2010
EBITDA	143
EBIT	57
Net Income	17
Debt as of Dec 31, 2010	356
Recultivation provisions as of Dec 31, 2010	193

* JTSD/MIBRAG results for 2010 include an extraordinary positive item resulting from selling sundry material on stock, and a change in the rules governing accounting provisions for environmental losses in mining and recultivation, totaling EUR 9 million



DEVELOPMENTS IN Q3



EBITDA - CEZ GROUP (CZK -1.4 bn.):

- Production and Trading CE (CZK -1.8 bn.): primarily, lower revenues from electricity sales due to falling electricity sale prices and lower volume of generation of ČEZ, a. s. power plants (nuclear down by -0.6 TWh and hydro-power by -0.2 TWh)
- Distribution & Sale CE (CZK +0.5 bn.): higher gross margin of distribution (CZK +0.3 bn.), lower collections of contributions for the guarantee of power supply and for new connections (CZK -0.2 bn.); higher gross sales margin (CZK +0.4 bn.) due to lower costs of electricity
- Production & Trading SEE (CZK +0.1 bn.): gradual launch of generation in the Fântânele site in Romania, positive impact of lower production in Bulgaria, which reduces the impact of higher coal prices
- Distribution & Sale SEE (CZK -0.2 bn.): decrease in distribution tariffs in Bulgaria due to a decision by the regulator dated July 1, 2010, lower distribution revenues in Romania

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



DEVELOPMENTS IN Q3 - CONTINUED

(CZK bn.)	Q3 2010	Q3 2011	Change	%
Revenues	45.7	47.0	+1.3	+3%
Operating expenses less depreciation and amortization	-25.8	-28.5	-2.7	-10%
EBITDA	19.9	18.5	-1.4	-7%
Depreciation and amortization	-5.7	-6.7	-1.0	-17%
Other income (expenses)	-0.3	-7.2	-6.9	>200%
Income taxes	-2.5	-2.2	+0.3	+12%
Net income	11.4	2.4	-9.0	-79%

Depreciation and amortization (CZK -1.0 bn.):

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

Other income (expenses; CZK -6.9 bn.):

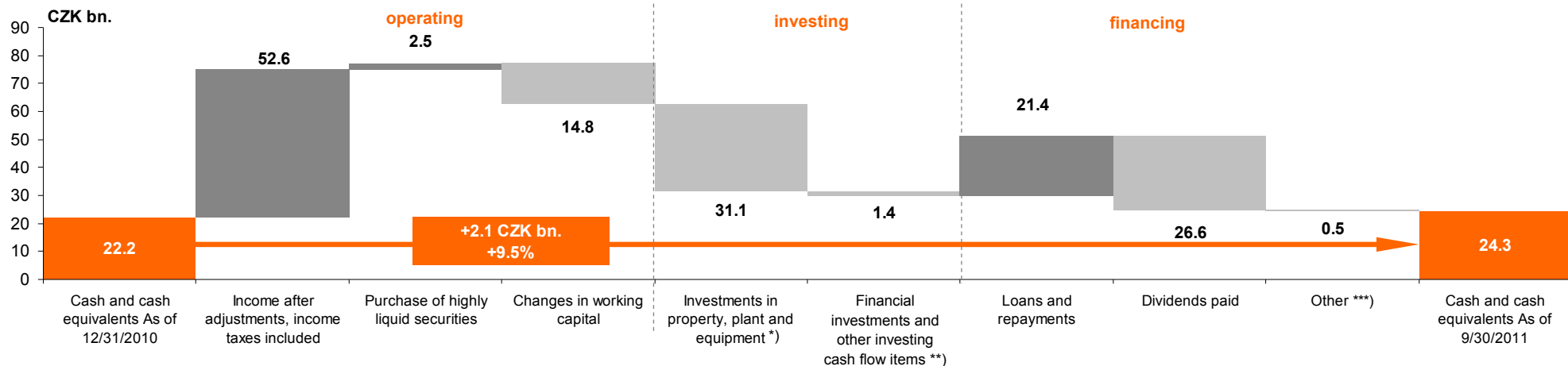
- the JTSD/MIBRAG transaction (CZK -2.7 bn.) - difference between sale price CZK +0.6 bn. and the book value +3.3 bn., reflecting write-off of negative goodwill in 2009
- y-o-y revaluation of the MOL share option (CZK -1.8 bn.)
- gift tax on emission allowances (CZK -0.9 bn.)
- lower performance of the Turkish companies y-o-y caused by revaluation of dollar-denominated loans (CZK -0.9 bn.)
- foreign exchange rate gains (losses) and financial derivatives (CZK -1.1 bn.), other (CZK +0.5 bn.)

Income taxes (CZK +0.3 bn.):

- lower income tax due to lower profits before tax



CASH FLOW



Operating cash flow (CZK +40.3 bn.):

- cash flows from profits (CZK +34.1 bn.), adjustments for non-cash transactions (CZK +26.6 bn.) - particularly, depreciation and amortisation of nuclear fuel and a deduction of tax paid (CZK -6.8 bn.) and other adjustments (CZK -1.3 bn.)
- change in working capital (CZK -12.3 bn.): increase in liquid securities (CZK -2.5 bn.), increased balance of trading receivables/payables incl. accruals (CZK -5.7 bn.), increase in materials and fossil fuels (CZK -1.8 bn.), increase in valuation of CO₂ allowances (CZK -1.8 bn.), other working capital (CZK -0.5 bn.)

Investing cash flow (CZK -32.5 bn.):

- investments into fixed assets (CZK -31.1 bn.) - mainly investments into the construction and renewal of power plants and the development of distribution network assets
- transfers of cash to the nuclear provision restricted accounts (CZK -2.4 bn.), repayments of loans provided (CZK +0.6 bn.), other (CZK +0.4 bn.)

Financing cash flow incl. exchange rate differentials (CZK -5.7 bn.):

- net balance of loans and repayments (CZK +21.4 bn.)
- dividend paid (CZK -26.6 bn.)
- impact of exchange rate differentials on cash and equivalents (CZK -0.7 bn.), other (CZK +0.2 bn.)

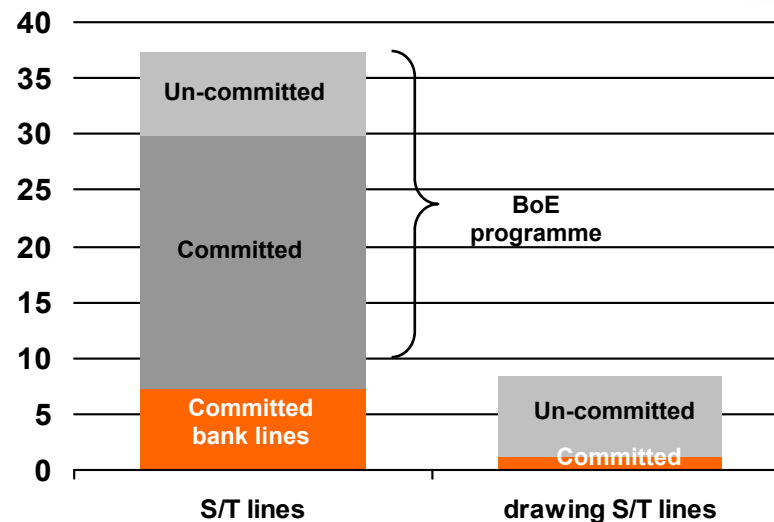
*) Investments into fixed assets = CAPEX ***) including balance of loans provided, divestments and changes of balances on corporate restricted funds
 ***) other - mainly impact of exchange rate differentials



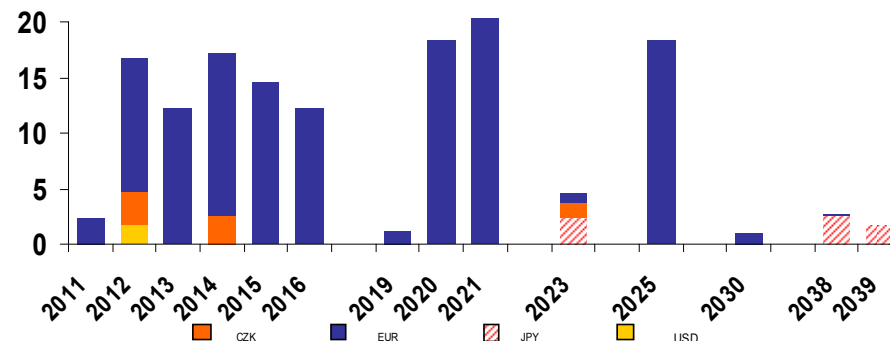
CEZ GROUP MAINTAINS STRONG LIQUIDITY

- y-o-y increase of net debt/ EBITDA ratio from 1.48 to 1.83
- CZK 30 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
- completed restructuring of the ČEZ, a. s. Bill of Exchange programme - fixed underwriting liabilities split to approx. 50% under one year, and 50% for 3 years
- in Q3 2011 dividend paid from the profit of year 2010 (CZK +26.5 bn.)

Short-term credit lines (as of Sept. 30, 2011, CZK bn.)



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






AGENDA

Financial highlights and key events in CEZ Group in Q1 – Q3 2011
Martin Novák, CFO

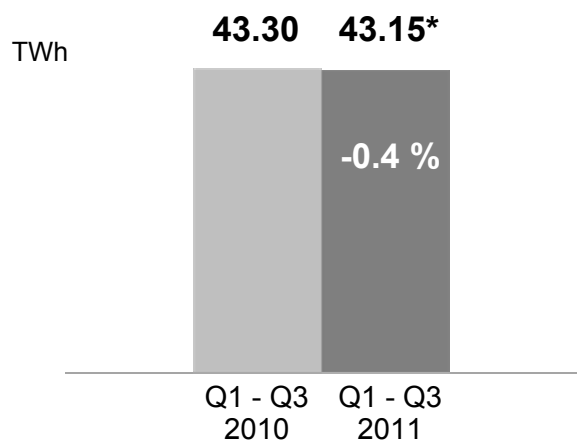
Financial results
Martin Novák, CFO

 **Trading position of CEZ Group**
Alan Svoboda, Head of Sales Division

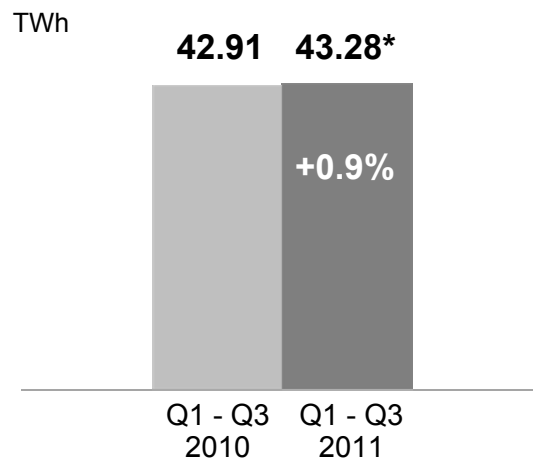


ELECTRICITY CONSUMPTION TEMPERATURE ADJUSTED IN THE CZECH REPUBLIC CONTINUES TO MODERATELY GROW YEAR-ON-YEAR

Consumption in the Czech Rep.

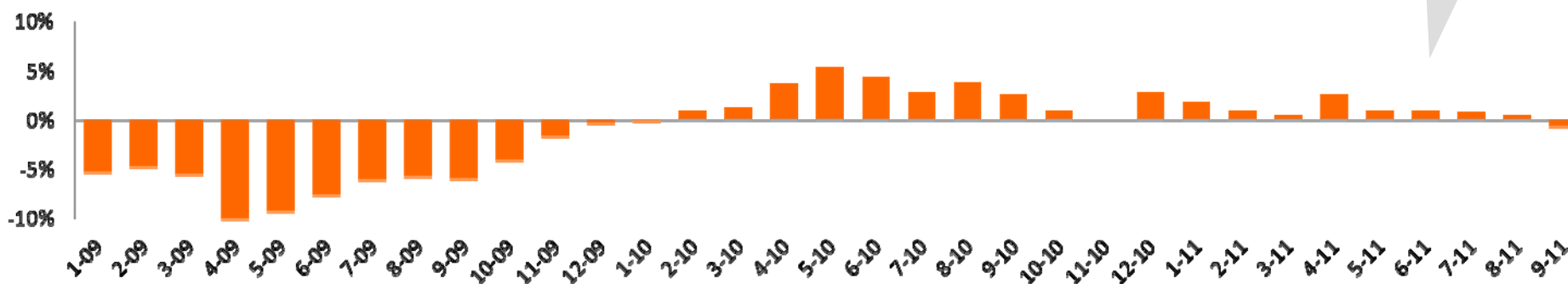


Consumption in the Czech Rep. (temperature adjusted)**



During Q1 - Q3, net consumption in the Czech Rep. grew by 0.9% on a year-on-year basis

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

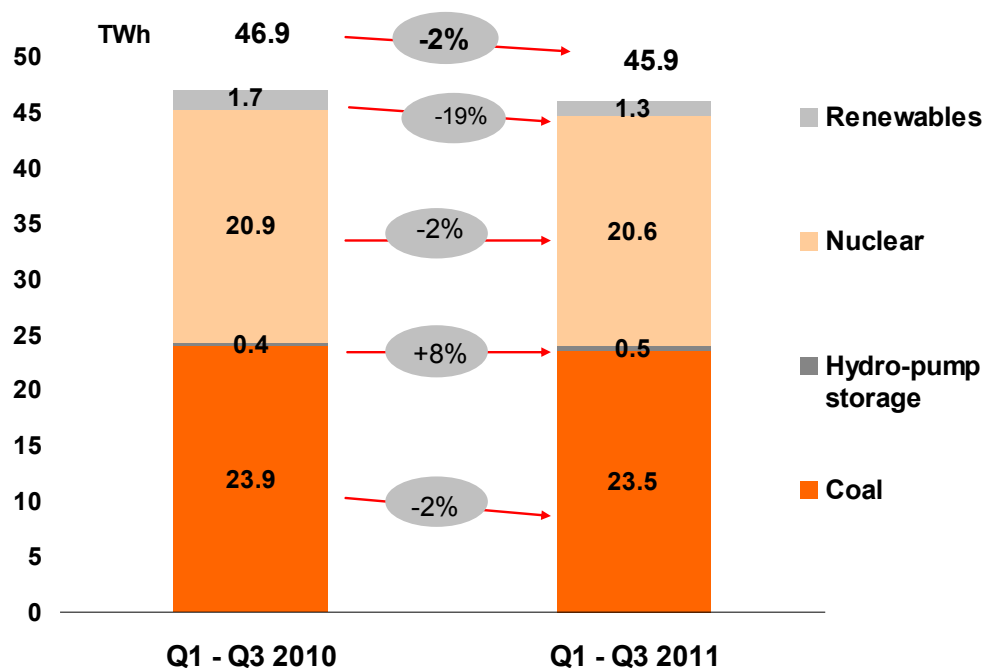


* 1-9 per ERA

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



ELECTRICITY PRODUCTION OF CEZ GROUP FROM OWN SOURCES IN Q1 - Q3 2011 DROPPED BY 2% Y-O-Y; WE STILL PREDICT 1% GROWTH FOR 2011

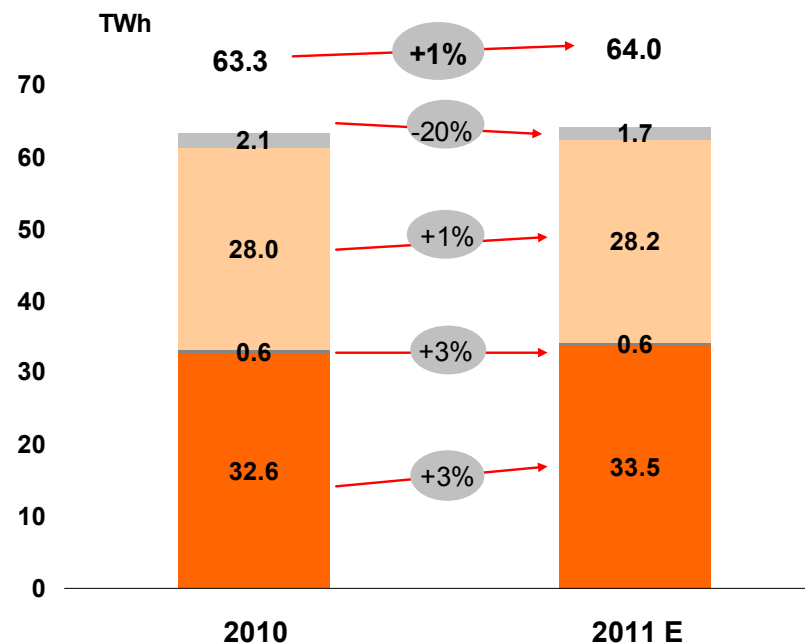


Coal-fired plants (-2%)

- higher fault rate, higher number of planned outages in Q1
- + higher utilisation in Q2

Renewable sources (-19%)

- lower production of hydro-electric plants in Q1 - Q3 2011 in comparison with 2010 due to above average precipitation in 2010



Coal-fired plants (+3%)

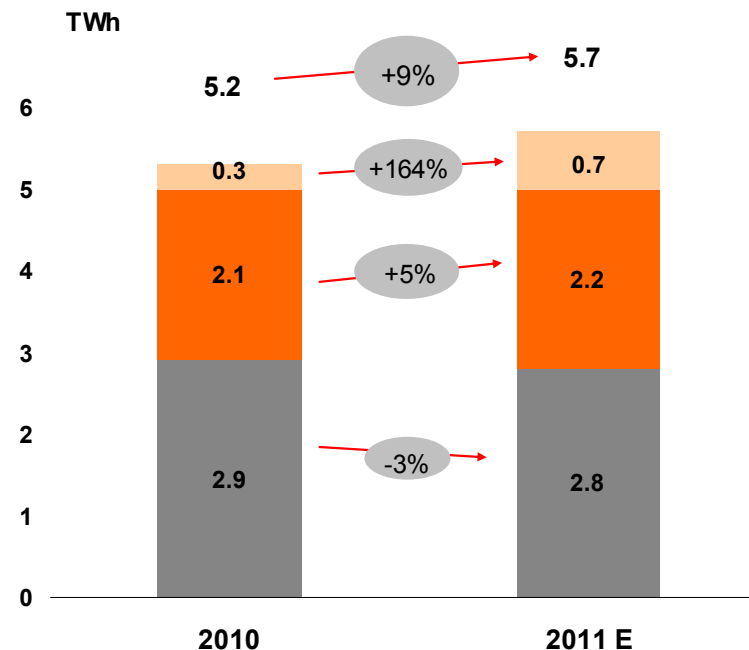
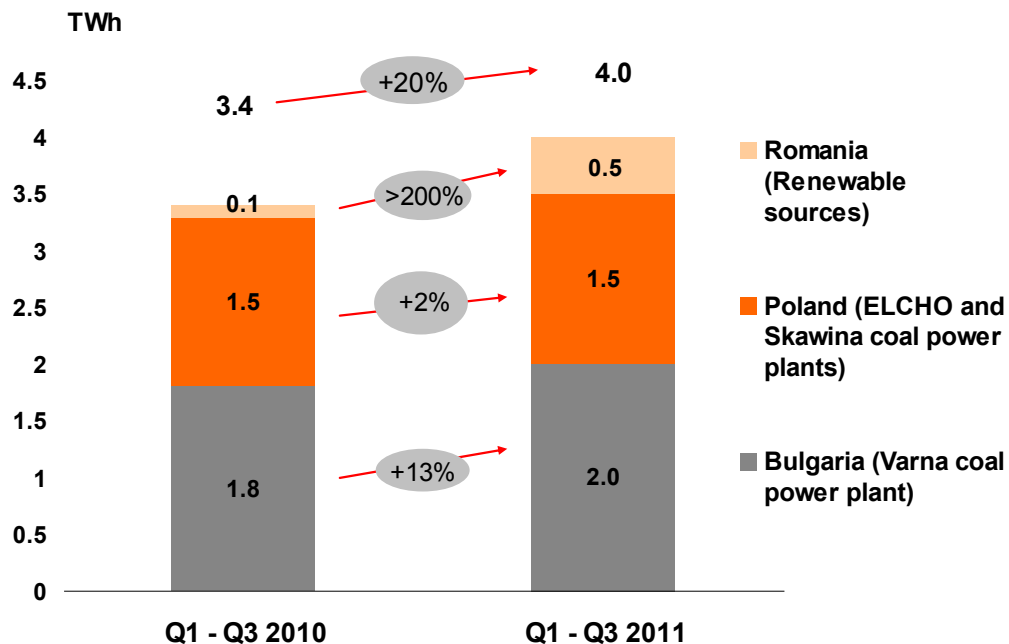
- + more profitable operations due to higher expected electricity price

Nuclear power plants (+1%)

- + expected increase of utilisation of NPP Dukovany



ELECTRICITY PRODUCTION OF CEZ GROUP FROM OWN SOURCES ABROAD GREW BY 20% DURING Q1 - Q3 Y-O-Y, WE EXPECT OVERALL GROWTH 9% IN 2011



Romania, renewable sources

- + gradual launch of generation and connection of wind turbines at the Fântânele site as late as H2 2010
- + moderate impact of Reșița hydroelectric plant (new acquisition, consolidated since 07/2011)

Poland – ELCHO and Skawina coal-fired plants (+2 %)

- + higher volume of biomass used as fuel in the ELCHO power plant

Bulgaria - Varna coal-powered plant (+13 %)

- + higher activation of the so-called cold reserve (production as requested by system operator) at the beginning of the year

Poland – ELCHO and Skawina coal-fired plants (+5 %)

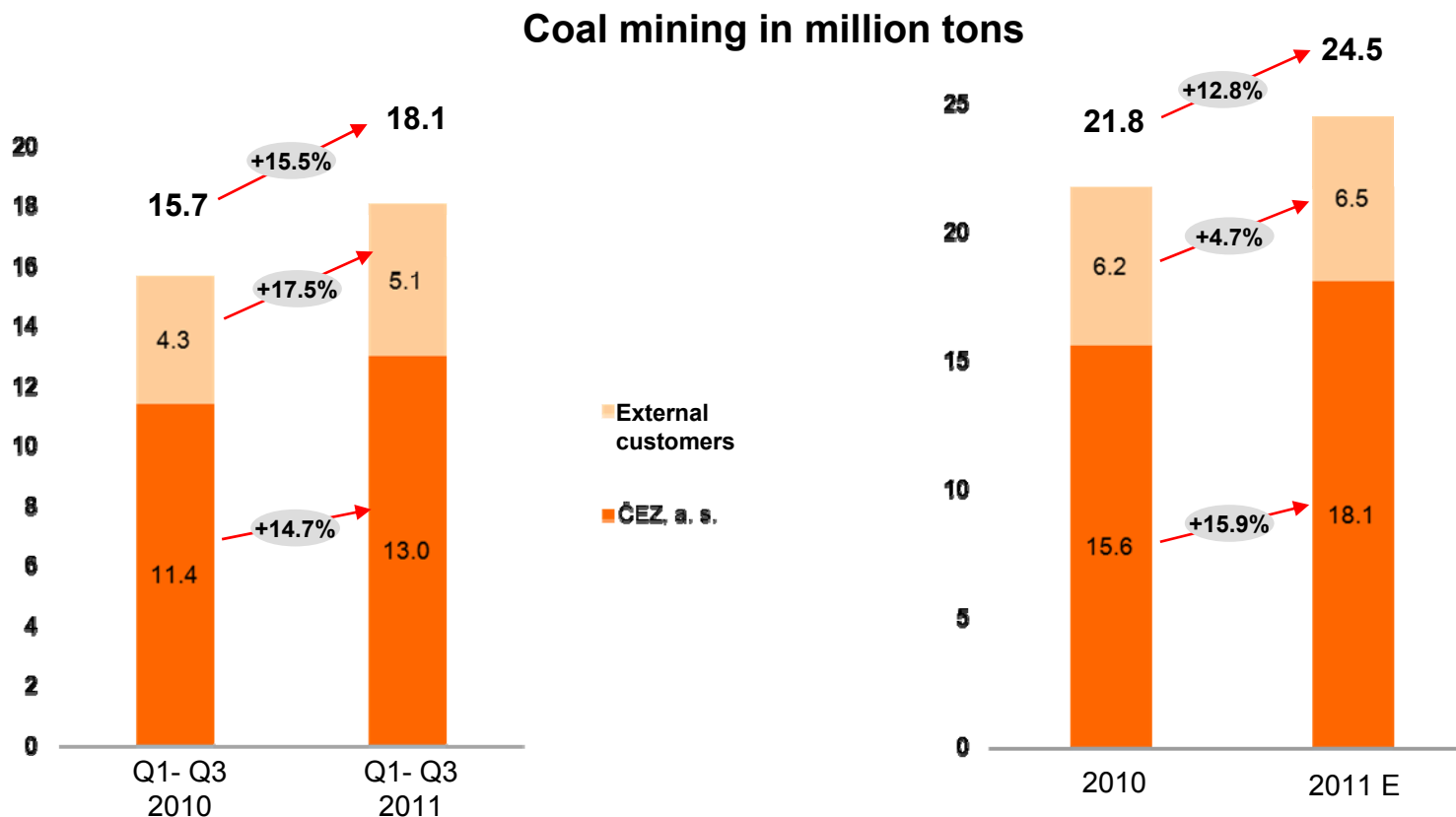
- + maximum possible volumes of biomass used as fuel in both power plants

Bulgaria - Varna coal-powered plant (-3 %)

- lower expected annual production caused by lower production for the regulated market in H2 2011 (lower quota)



COAL MINING BY SEVEROČESKÉ DOLY INCREASED Y-O-Y

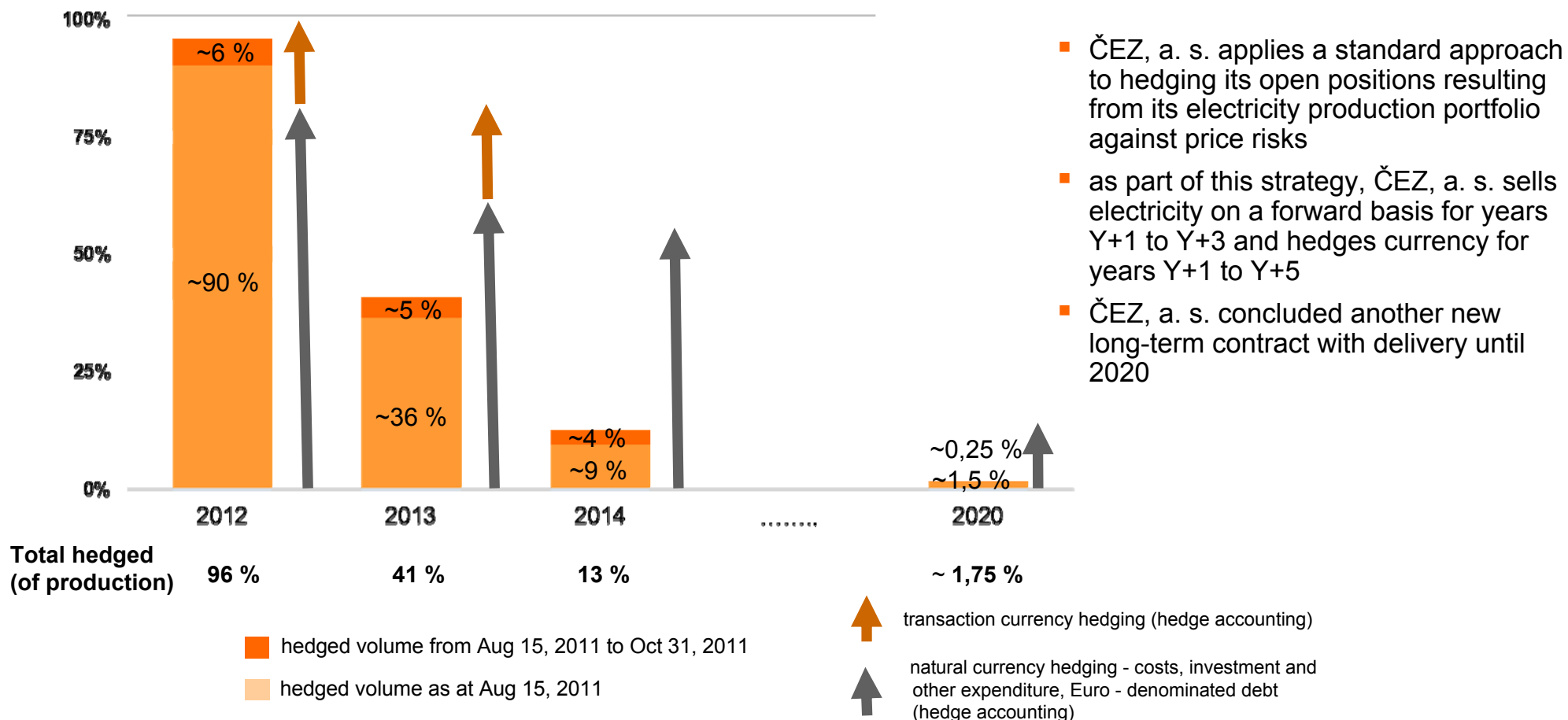


- increased demand for electricity and coal contributed to the y-o-y increase of coal mining in Q1 - Q3 2011, there are also improvements in the sale of higher quality sorted coal
- Severočeské doly expects its highest annual sales of coal since the establishment of the company



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

Share of hedged production from ČEZ, a. s. sources
(as of October 31, 2011, 100 % corresponds to 55 – 60 TWh)





THE GOVERNMENT APPROVED THE NATIONAL INVESTMENT PLAN FOR FREE ALLOCATION OF CO₂ EMISSION ALLOWANCES, NOW EVALUATED BY THE EC

National investment plan of the Czech Republic

- aimed at maximising investments into modernisation of technology and infrastructure using allocated permits in the energy and heat generation industries
- must meet all requirements defined in the instructions of the European Commission (published in March 2011)
- subject to approval by the European Commission

Description of steps

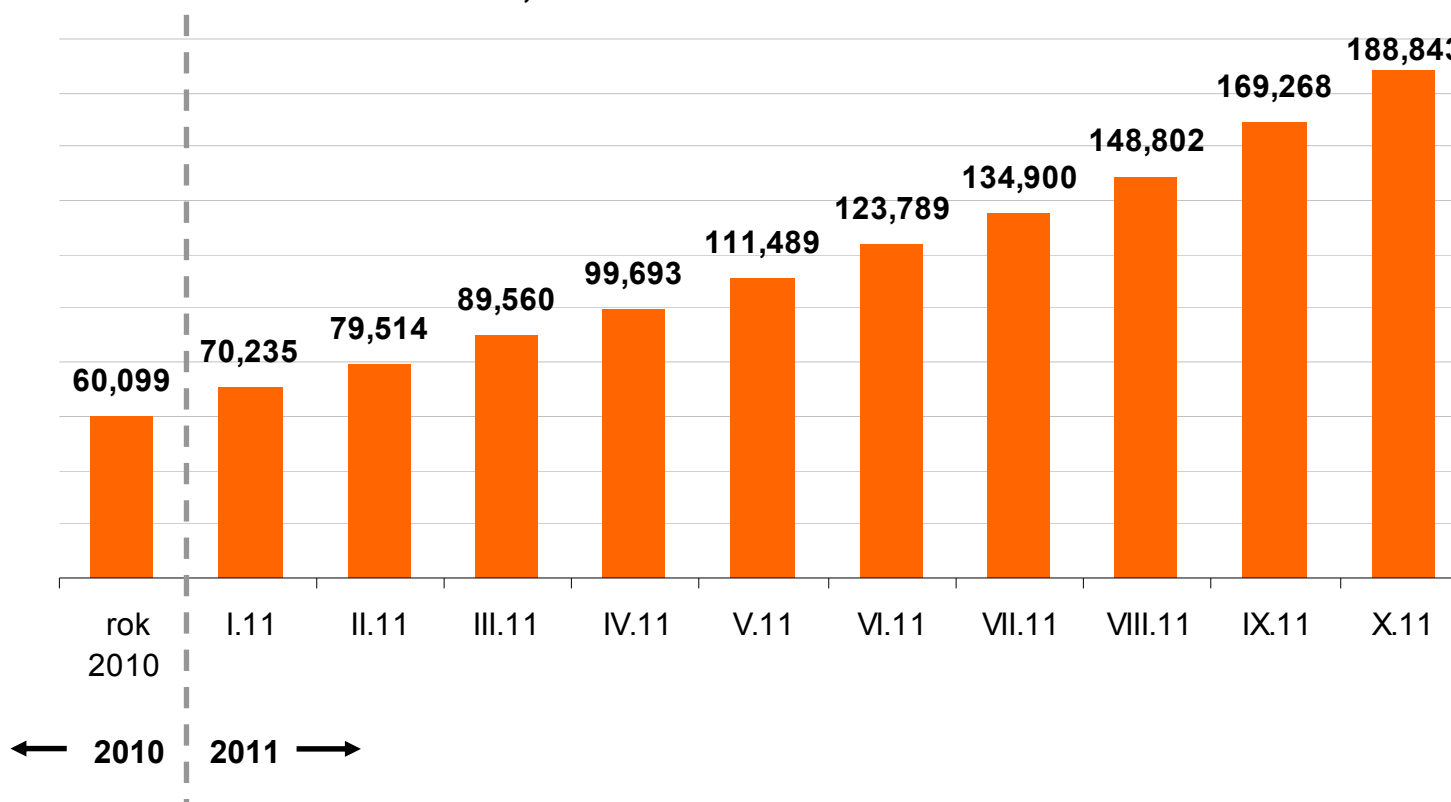
- CEZ Group
prepared its Action plan of investments compliant with EC instructions
ready to invest up to EUR 2.6 bn., for which it is to receive 76.5 million allowances
- The Ministry of the Environment
aggregated the Investment action plans received into a National action plan of investments of the Czech Republic
- The Government of the Czech Republic
discussed the National action plan of investments of the Czech Republic and sent it to the European Commission on September 30, 2011
- The European Commission
will evaluate the National action plan of investments of the Czech Republic within six months from receiving the documentation (i.e. by March 31, 2012)



WE SUCCESSFULLY CONTINUE WITH ACQUISITION OF NEW CLIENTS FOR NATURAL GAS IN THE CZECH REPUBLIC; WE HAVE ALMOST 190 THOUSAND CUSTOMERS

Number of contracts as of October 31, 2011: **188,843**

Numbers of new contracts, cumulative

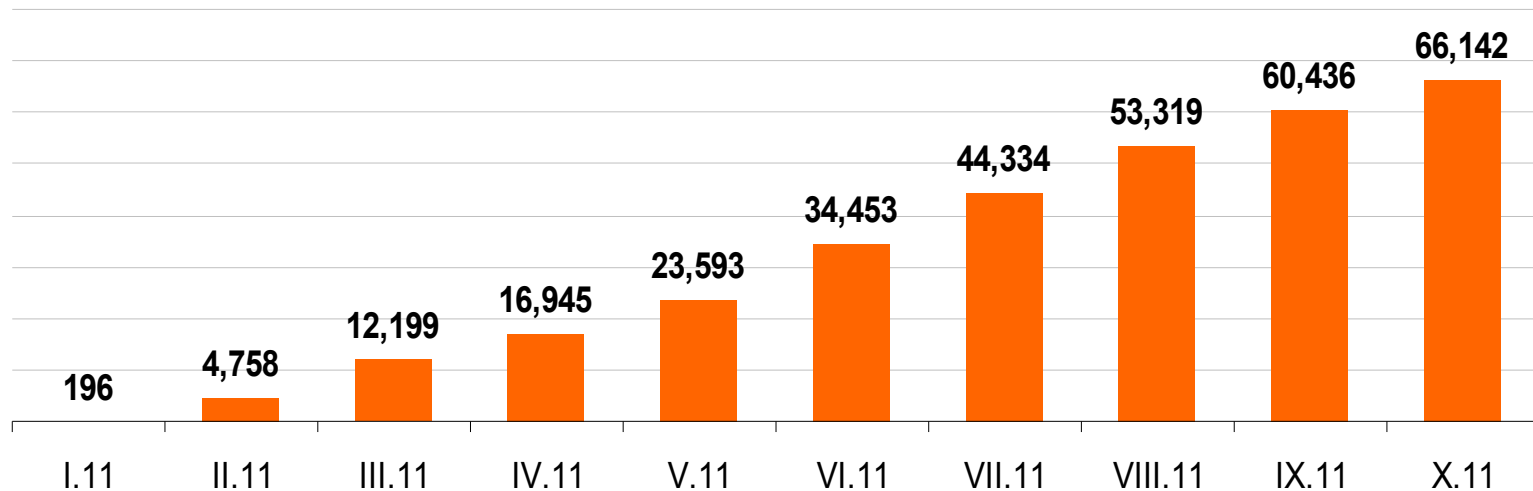




OUR ENTRY TO THE SLOVAK MARKET WAS SUCCESSFUL -
SINCE LAUNCH OF SALES WE HAVE ACQUIRED MORE THAN
66 THOUSAND CONTRACTS IN TOTAL FOR BOTH COMMODITIES

Number of contracts as of October 31, 2011: **66,142**

Numbers of new contracts, cumulative





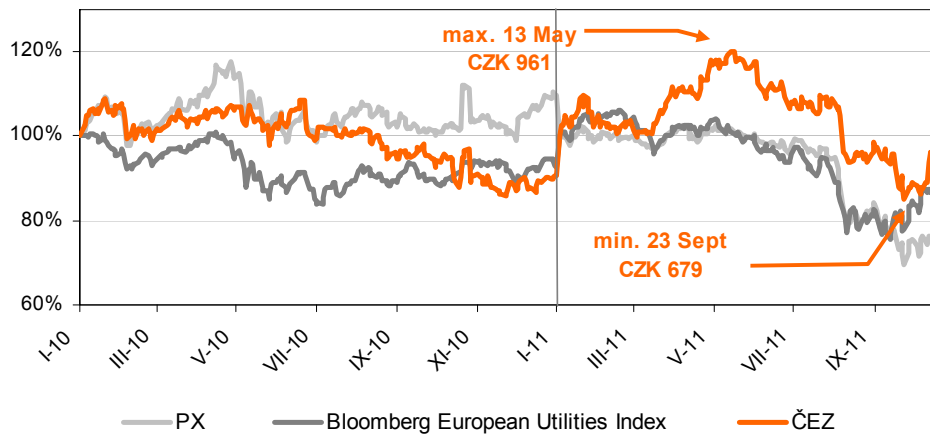
APPENDICES

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

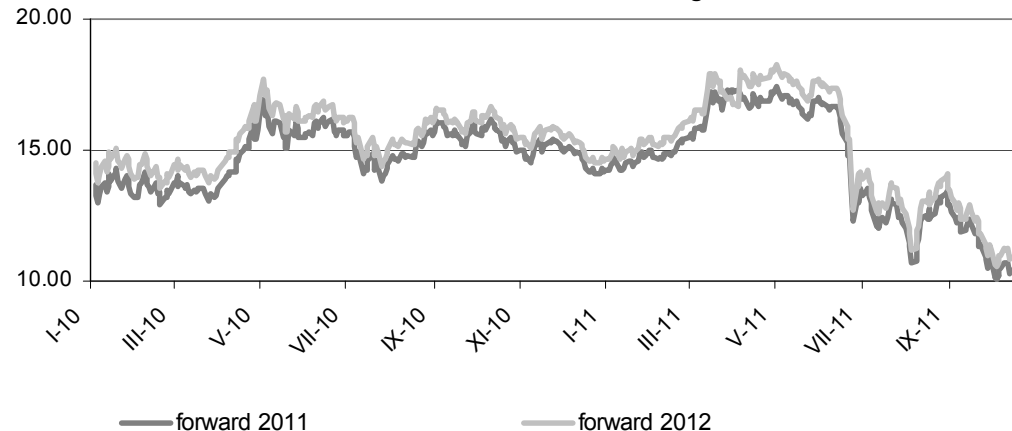


MARKET TRENDS

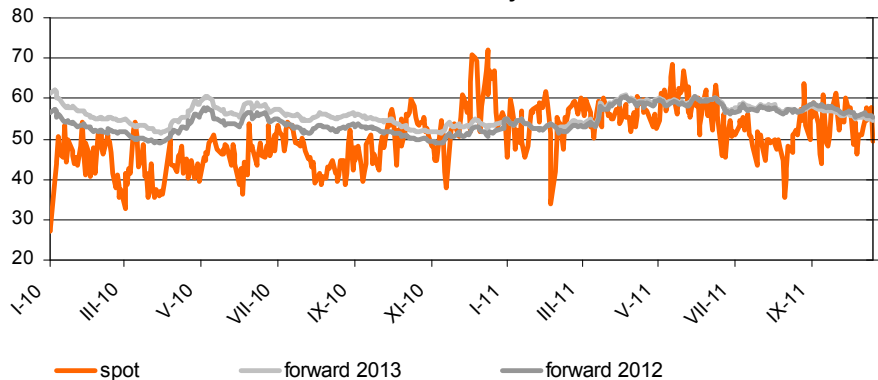
Development of ČEZ share price compared to PX index and Bloomberg Utilities, %



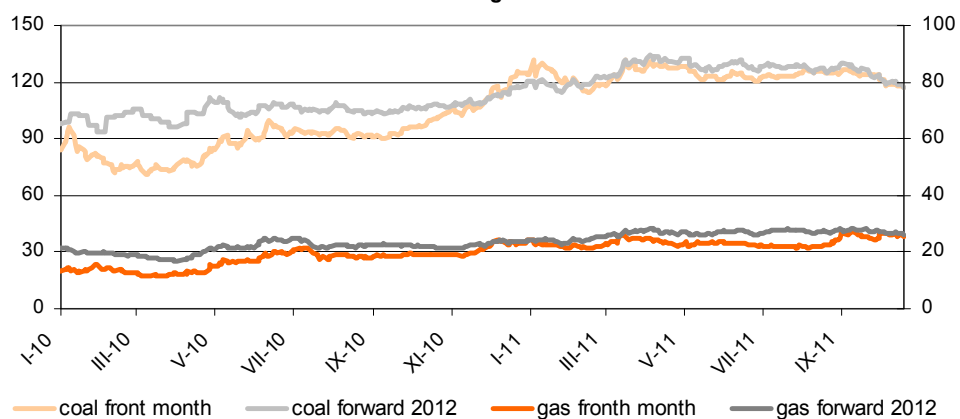
EUR / t CO2 allowances / emission rights m. tonnes of CO2



EUR / MWh Electricity



USD / t Coal and gas EUR/MWh





INVESTMENTS INTO FIXED ASSETS*)

Investments into fixed assets Q1 - Q3 2011:

Power plant renewal

CZK 31.1 bn.

CZK 10.4 bn.

Tušimice: units 23 and 24 – trial operations; units 21, 22 – brought into commission gradually
Prunéřov II: zoning permit procedure in progress, decision expected in 11/2011, building site being prepared; contracts signed for 100% of project scope
Ledvice - new source: assembly work in progress on boiler room, welding of pipes on heating area being completed; in progress: mounting of air and smoke ducts, coal and gas burners, mounting of mills started
Počerady CCGT - project in implementation phase, work on schedule

Nuclear power

CZK 6.0 bn.

Dukovany: control system being renewed during outage of unit 3, unit 1 outage including complete replacement of nuclear fuel
Temelín: planned outage of unit 1 - main reason - large-scale investment - replacement of linear stepping drives, outage completed two days ahead of schedule
New nuclear source Temelín: tender procedure in progress, EIA continuing
New source Dukovany: construction business plan approved, documentation to support feasibility study being prepared

Renewable sources

CZK 2.1 bn.

Czech Rep.: mainly solar power stations - remaining payments for power stations being built in Ralsko, Ševětín, Vranovská Ves, Pánov, Buštěhrad
Romania: wind farm construction continues

Distribution networks

CZK 8.8 bn.

Czech Republic CZK 7.0 bn.
Romania CZK 1.2 bn.
Bulgaria CZK 0.4 bn.
Albania CZK 0.2 bn.

Severočeské doly a.s.

CZK 2.1 bn.

delivery of excavator to the Bílina mine, construction of corridor to Ledvice, relocation of conveyor belt system

Information systems

CZK 0.6 bn.

ČEZ ICT Services, a. s.: customer development projects, renewal and consolidation of ICT infrastructure

Other

CZK 1.1 bn

heat generation and distribution, facility management, transport

*) investments into fixed assets = CAPEX



BALANCE SHEET OVERVIEW

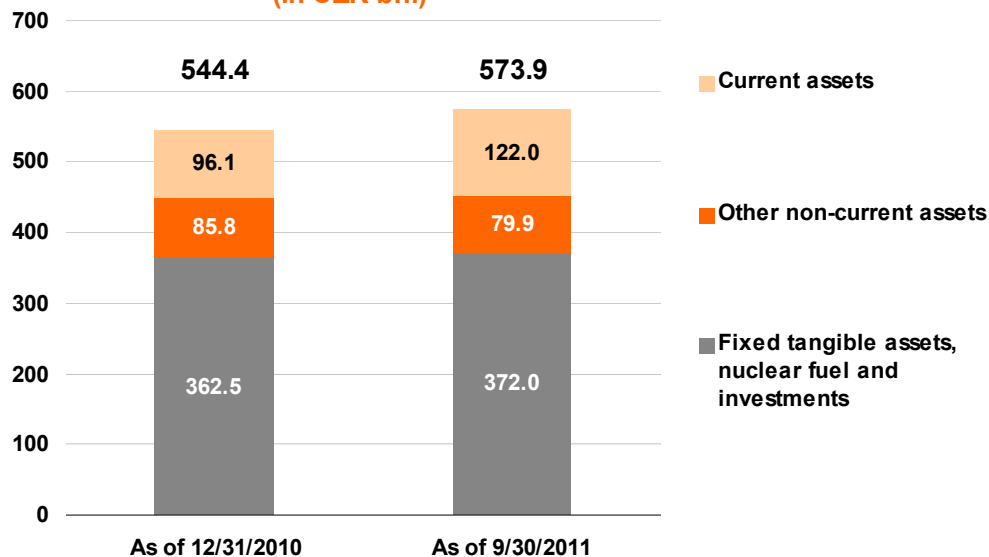
Fixed assets

- increase of fixed tangible assets due to higher investments CZK +9.5 bn.
- other fixed assets CZK -5.9 bn.

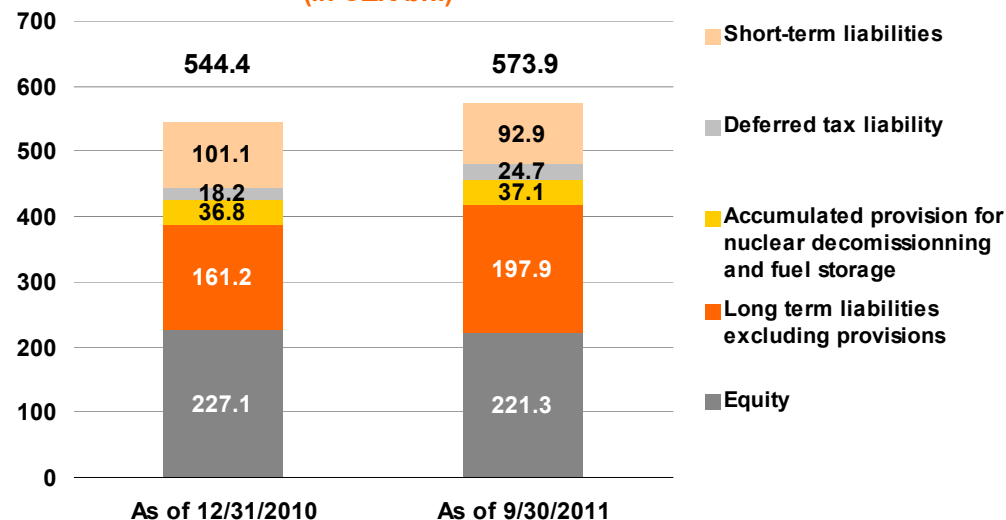
Long-term liabilities and equity

- decrease of equity: net profit has increased equity by CZK +26.4 bn., dividends approved reduce equity by CZK -26.7 bn.; other operations affecting equity CZK -5.5 bn. - mainly exchange rate conversions and hedging cash flows
- increase of long-term liabilities due to bank loans and bond issues CZK +34.3 bn.
- the deferred tax liability has grown by CZK +6.5 bn. due to a different method of calculation of deferred tax (includes also tax payable during the year)

ASSETS (in CZK bn.)



EQUITY AND LIABILITIES (in CZK bn.)



Current assets

- increased receivables from derivative operations CZK +5.8 bn. (compensated for in liabilities)
- increase in cash and cash equivalents CZK +2.1 bn.
- increase of receivables from income tax CZK +5.7 bn.
- increase in liquid securities CZK +2.5 bn.
- increased trading receivables CZK +5.7 bn.
- increase of other current assets CZK +4.1 bn.

Short-term liabilities

- increase of payables from derivatives transactions CZK +5.7 bn. (compensated on assets side)
- decrease of trading liabilities including accruals CZK -1.4 bn.
- decrease of short-term bank loans and current portion of issued bonds CZK -13.8 bn.
- increase of advance payments received CZK +2.5 bn.
- other short-term liabilities CZK -1.2 bn.

	Q1 - Q3 2010	Q1 - Q3 2011	+/-
Electricity procured	45,465	45,091	-1%
Generated in-house (gross)	50,230	49,885	-1%
In-house and other consumption, including pumping in pumped-storage plants	-4,765	-4,794	+1%
Sold to end customers	-32,611	-31,397	-4%
Sold in the wholesale market (net)	-7,480	-8,388	+12%
Sold in the wholesale market	-115,535	-157,797	+37%
Purchased in the wholesale market	108,055	149,409	+38%
Grid losses	-5,374	-5,306	-1%

Electricity generation by source (GWh)

	Q1 - Q3 2010	Q1 - Q3 2011	+/-
Nuclear	20,934	20,554	-2%
Coal and lignite	27,017	26,831	-1%
Water	1,837	1,397	-24%
Biomass	352	509	+45%
Solar	14	115	>200%
Wind	75	458	>200%
Natural gas	1	21	>200%
Total	50,230	49,885	-1%

Sales of electricity to end customers (GWh)

	Q1 - Q3 2010	Q1 - Q3 2011	+/-
Households	-12,644	-12,191	-4%
Commercial (low voltage)	-6,400	-6,012	-6%
Commercial and industrial (medium and high voltage)	-13,567	-13,194	-3%
Sold to end customers	-32,611	-31,397	-4%

Distribution of electricity to end customers	-38,794	-39,390	+2%
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Electricity balance (GWh)

Q1 - Q3 2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	41,491	-2%	1,319	+3%	0	-	1,819	+14%	462	>200%	0	-	0	-	45,091	-1%
Generated in-house (gross)	45,921	-2%	1,515	+2%	0	-	1,984	+13%	465	>200%	0	-	0	-	49,885	-1%
In-house and other consumption, including pumping in pumped-storage plants	-4,430	+1%	-196	-2%	0	-	-165	+1%	-3	-	0	-	0	-	-4,794	+1%
Sold to end customers	-16,185	-11%	-71	-85%	-1,824	+13%	-7,197	+7%	-2,422	+1%	-3,698	+12%	0	-	-31,397	-4%
Sold in the wholesale market (net)	-23,430	+4%	-1,248	+57%	1,823	+13%	6,376	+3%	2,934	-10%	5,156	+7%	0	-	-8,388	+12%
Sold in the wholesale market	-155,426	+37%	-1,491	-5%	-3,850	+35%	-2,013	+15%	-831	+61%	0	-	5,813	+18%	-157,797	+37%
Purchased in the wholesale market	131,996	+45%	243	-69%	5,673	+27%	8,389	+6%	3,765	+0%	5,156	+7%	-5,813	+18%	149,409	+38%
Grid losses	-1,875	-2%	0	-	0	-	-999	-1%	-974	+5%	-1,458	-4%	0	-	-5,306	-1%

Electricity generation by source (GWh)

Q1 - Q3 2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	20,554	-2%	0	-	0	-	0	-	0	-	0	-	0	-	20,554	-2%
Coal and lignite	23,542	-2%	1,304	-4%	0	-	1,984	+13%	0	-	0	-	0	-	26,831	-1%
Water	1,380	-25%	4	+33%	0	-	0	-	13	-	0	-	0	-	1,397	-24%
Biomass	303	+28%	206	+79%	0	-	0	-	0	-	0	-	0	-	509	+45%
Solar	115	>200%	0	-	0	-	0	-	0	-	0	-	0	-	115	>200%
Wind	6	+0%	0	-	0	-	0	-	452	>200%	0	-	0	-	458	>200%
Natural gas	21	>200%	0	-	0	-	0	-	0	-	0	-	0	-	21	>200%
Total	45,921	-2%	1,514	+2%	0	-	1,984	+13%	465	>200%	0	-	0	-	49,885	-1%

Sales of electricity to end customers (GWh)

Q1 - Q3 2011	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-6,045	-9%	0	-	0	-	-3,036	+1%	-1,112	-1%	-1,998	+7%	0	-	-12,191	-4%
Commercial (low voltage)	-2,605	-15%	0	-	0	-	-2,039	+4%	-681	-3%	-686	+4%	0	-	-6,012	-6%
Commercial and industrial (medium and high voltage)	-7,536	-10%	-71	-85%	-1,824	+13%	-2,121	+20%	-629	+12%	-1,014	+34%	0	-	-13,194	-3%
Sold to end customers	-16,186	-11%	-71	-85%	-1,824	+13%	-7,196	+7%	-2,422	+1%	-3,698	+12%	0	-	-31,397	-4%
Distribution of electricity to end customers	-24,046	+0%	0	-	0	-	-6,597	+2%	-5,452	+5%	-3,295	+5%	0	-	-39,390	+2%

Electricity balance (GWh)

Q1 - Q3 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	42,810	-2%	0	-	2,281	+37%	0	-	0	-	45,091	-1%
Generated in-house (gross)	47,436	-2%	0	-	2,449	+34%	0	-	0	-	49,885	-1%
In-house and other consumption, including pumping in pumped-storage plants	-4,626	+1%	0	-	-168	+2%	0	-	0	-	-4,794	+1%
Sold to end customers	-290	-46%	-17,790	-9%	-9	-	-13,307	+7%	0	-	-31,397	-4%
Sold in the wholesale market (net)	-42,519	-2%	19,666	-9%	-2,271	+37%	16,738	+5%	0	-	-8,388	+12%
Sold in the wholesale market	-176,567	+30%	-8,514	+38%	-2,271	+37%	-585	-3%	30,141	+5%	-157,797	+37%
Purchased in the wholesale market	134,048	+45%	28,180	+2%	0	-	17,323	+5%	-30,141	+5%	149,409	+38%
Grid losses	0	-	-1,875	-2%	0	-	-3,431	-1%	0	-	-5,306	-1%

Electricity generation by source (GWh)

Q1 - Q3 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	20,554	-2%	0	-	0	-	0	-	0	-	20,554	-2%
Coal and lignite	24,847	-2%	0	-	1,984	+13%	0	-	0	-	26,831	-1%
Water	1,384	-25%	0	-	13	-	0	-	0	-	1,397	-24%
Biomass	509	+45%	0	-	0	-	0	-	0	-	509	+45%
Solar	115	>200%	0	-	0	-	0	-	0	-	115	>200%
Wind	6	+0%	0	-	452	>200%	0	-	0	-	458	>200%
Natural gas	21	>200%	0	-	0	-	0	-	0	-	21	>200%
Total	47,436	-2%	0	-	2,449	+34%	0	-	0	-	49,885	-1%

Sales of electricity to end customers (GWh)

Q1 - Q3 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	-	-6,045	-9%	0	-	-6,146	+2%	0	-	-12,191	-4%
Commercial (low voltage)	0	-	-2,605	-15%	0	-	-3,407	+2%	0	-	-6,012	-6%
Commercial and industrial (medium and high voltage)	-290	-46%	-9,141	-8%	-9	-	-3,754	+21%	0	-	-13,194	-3%
Sold to end customers	-290	-46%	-17,791	-9%	-9	-	-13,307	+7%	0	-	-31,397	-4%
Distribution of electricity to end customers	0	-	-24,046	+0%	0	-	-15,344	+4%	0	-	-39,390	+2%