

Internal Information

CEZ' New CEO Changes Organization Structure, Slimming Down Top Management Team

Two New Members of the Board of Directors Elected

The Supervisory Board of CEZ has today elected two new members of CEZ' Board of Directors and discussed a proposal of Mr. Daniel Benes, the new Chairman of the Board of Directors and Chief Executive Officer of CEZ, for corporate organization structure changes that should take effect from January 1, 2012. This is the first step to slim down and render more efficient the company's line management at the top level and to prepare the CEZ Group for the consolidation of its subsidiary firms' activities too. Additional restructuring measures aimed to reduce the number of divisions and top managerial posts is planned for mid next year, when the current 11 divisions should be restructured to form just 8 or possibly 9. At today's session of the Supervisory Board, Mr. Martin Riman announced his resignation as member of the Supervisory Board and member of the Audit Committee with effect from December 20, 2011.

Michaela Chaloupkova and Pavel Cyrani Elected As New Members of the Board of Directors

As of today, Michaela Chaloupkova, currently the firm's Purchasing Director, and Pavel Cyrani, Director of the recently established Strategy Division, have become new members of the Board of Directors. After nearly 14 years, a woman will once again sit on the Board of Directors of the biggest Czech energy corporation. With seven members, the Board of Directors is now complete. Moreover, two of the existing Board members, Vladimir Hlavinka and Martin Novak, have been confirmed in their posts for another term of office.

Reduce Number of Divisions, Consolidate Departments and Subsidiaries

As of January 1, 2012, the following organizational changes will take effect:

- Dissolve the Executive Director's division and cancel the post of Executive Director.
- The Finance Division Director will also be responsible for the divisions of Administration and Human Resources. The consolidation of auxiliary service divisions is a step toward forming a single shared services center of the CEZ Group, which should be established by mid next year.
- Responsibility for the Distribution Division will now be with the International Division Director. Our foreign assets are mostly distribution firms, and with this step we want to intensify the transfer of best business practice between the local distribution firms and their foreign sisters. In the middle of 2012, another restructuring round will take place and this division may even see its name changed.
- The Mergers & Acquisitions Unit will become part of the International Division. In a period of a slower pace of new foreign acquisitions, it is wise to consolidate our M&A activities with the management of our foreign equity stakes.
- Establish the Purchasing Division
This steps represents the ultimate centralization of all purchasing processes, including the purchasing of fuel, under one unit as this function still offers a great potential for additional cost reductions within the CEZ Group.

Change in the Supervisory Board

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