

FINANCIAL RESULTS OF CEZ GROUP CONFERENCE CALL Q1 - Q3 2012

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

(Quarterly Report pursuant to Section 119a(4) of the Capital Markets Act)

Prague, November 8, 2012



AGENDA



Financial highlights and key events in CEZ Group in Q1 – Q3 2012

Martin Novák, Chief Financial Officer

Financial results

Martin Novák, Chief Financial Officer

Trading position of the CEZ Group

Alan Svoboda, Executive Director Sales and Trading

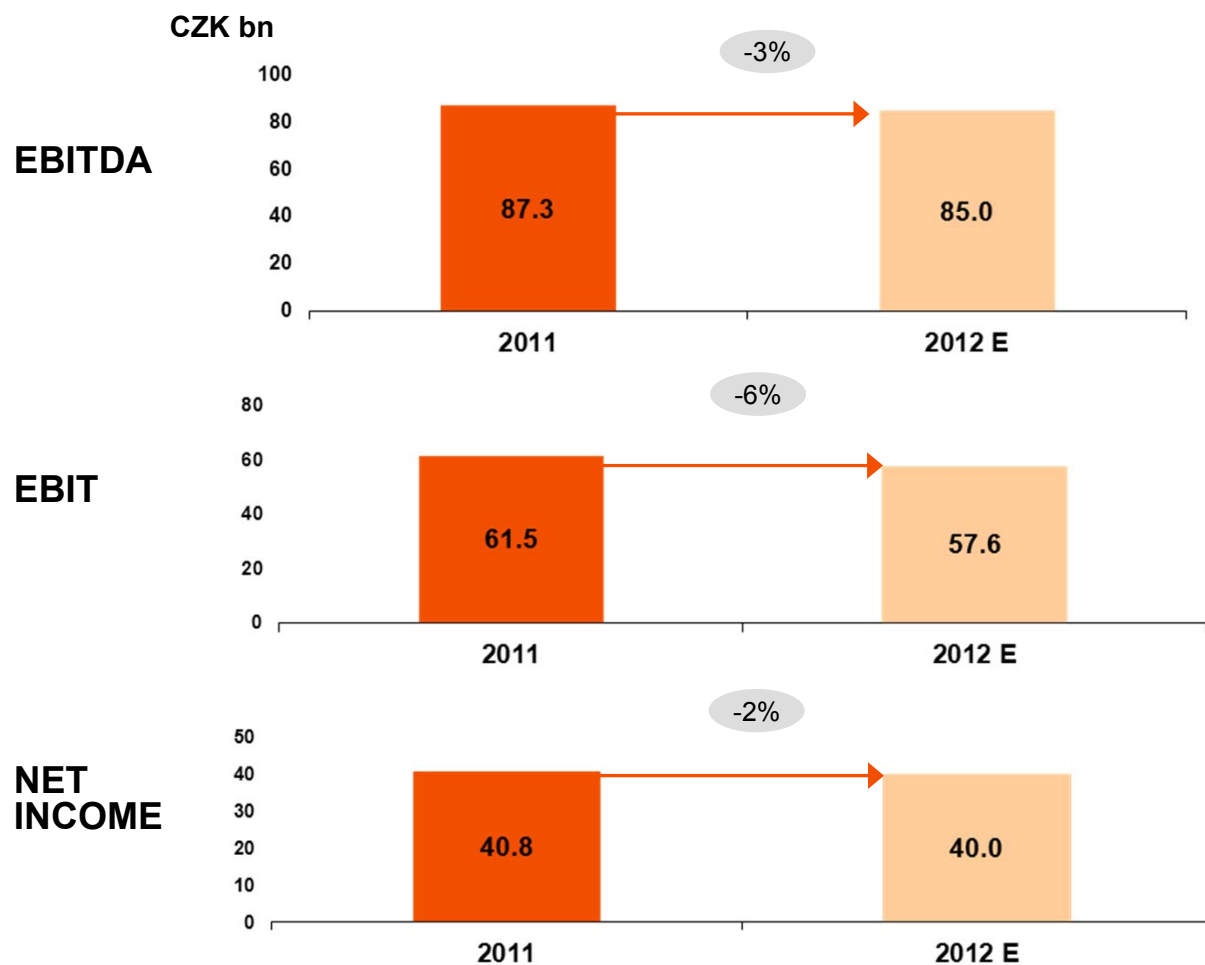


KEY RESULTS FOR Q1 – Q3 2012

- **earnings before interest, taxes, depreciation and amortization (EBITDA)** grew by 3.6% y-o-y (by CZK 2.3 bn) to CZK 64.7 bn
- **earnings before interest and taxes (EBIT)** grew by 2.8% y-o-y (by CZK 1.2 bn) to CZK 44.7 bn
- **net income** grew by 26.6% y-o-y (by CZK 7.0 bn) to CZK 33.4 bn
- **share price at BCPP** was CZK 724.00 on November 6, 2012
- **extraordinary General Meeting on December 18, 2012** will take place to grant approval for the contract for contribution of part of the company Dětmarovice power plant to the subsidiary Elektrárna Dětmarovice, a.s.



IN 2012 WE EXPECT EBITDA OF CZK 85.0 BN AND NET INCOME OF CZK 40.0 BN



Selected negative effects:

- declining electricity prices trend
- decisions and actions of the Albanian Regulatory Authority, increase in purchase prices from the state-owned electricity producer KESH
- correction factors on distribution in the Czech Republic
- increase in depreciation reflecting the investment programme

Selected positive effects:

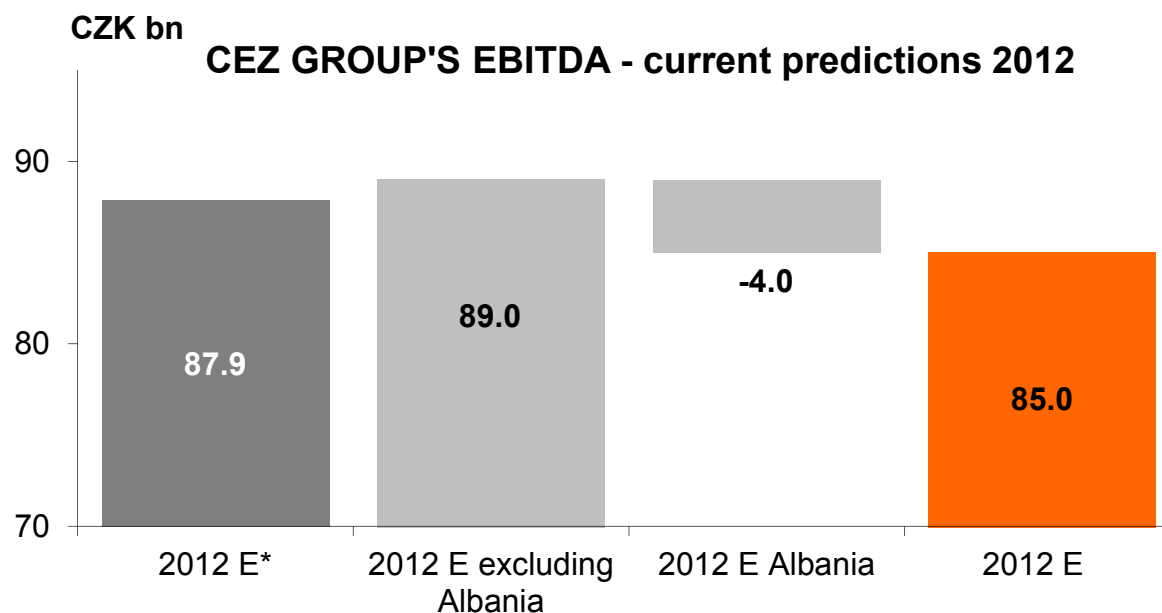
- increase in power generated by power plants in the Czech Republic (+2%)
- increase in production from wind power stations in Romania
- extraordinary financial costs and higher gift tax paid on emission allowances in 2011

Selected prediction risks:

- future development in Albania
- economic slowdown and debt crisis in Europe
- development of energy regulation in Europe



REDUCTION IN EXPECTED RESULTS OF CEZ GROUP REFLECTS THE DEVELOPMENT IN ALBANIA, OTHER ACTIVITIES OF CEZ GROUP PROGRESS BETTER THAN PLANNED IN 2012



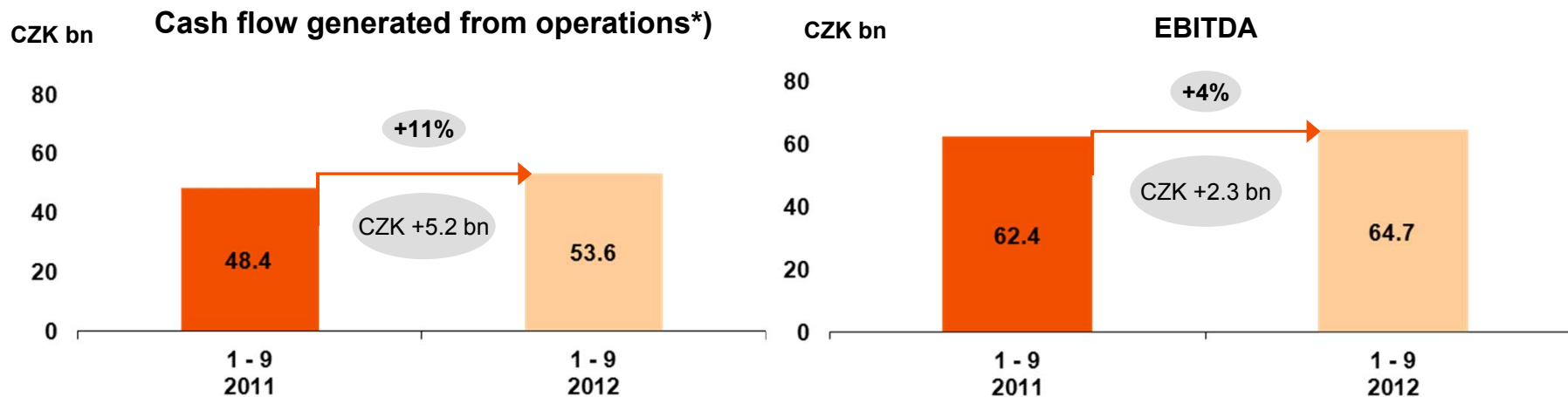
Albania - development in the past quarter

- agreements on the gradual adjustment of regulatory conditions for the proper fulfillment of the obligation of the distribution license holder CEZ Shpërndarje were not met
- EBITDA in Albania registered loss of CZK 1.5 bn in Q3
- documentation needed to apply the World Bank's guarantee in favor of CEZ Shpërndarje was prepared
- negotiations took place with the Albanian Prime Minister on the settlement of the prevailing situation, including CEZ Group's possible exit from Albania, as announced at a press conference on October 31, 2012



CEZ GROUP'S TOTAL OPERATING CASH FLOW IS NOT SIGNIFICANTLY AFFECTED BY DEVELOPMENTS IN ALBANIA

In Q1 - Q3 2012, CEZ Group generated operating cash flow*) of CZK 53.6 bn, which is CZK 5.2 bn more year-on-year. In the same period, EBITDA increased by CZK 2.3 bn.



Albania's accounting impact exceeds cash flow impact on CEZ Group in 2012

- we dispute selected invoices, penalties and tax bills against CEZ Shpërndarje
- we suspended all financing of CEZ Shpërndarje by ČEZ, a. s.

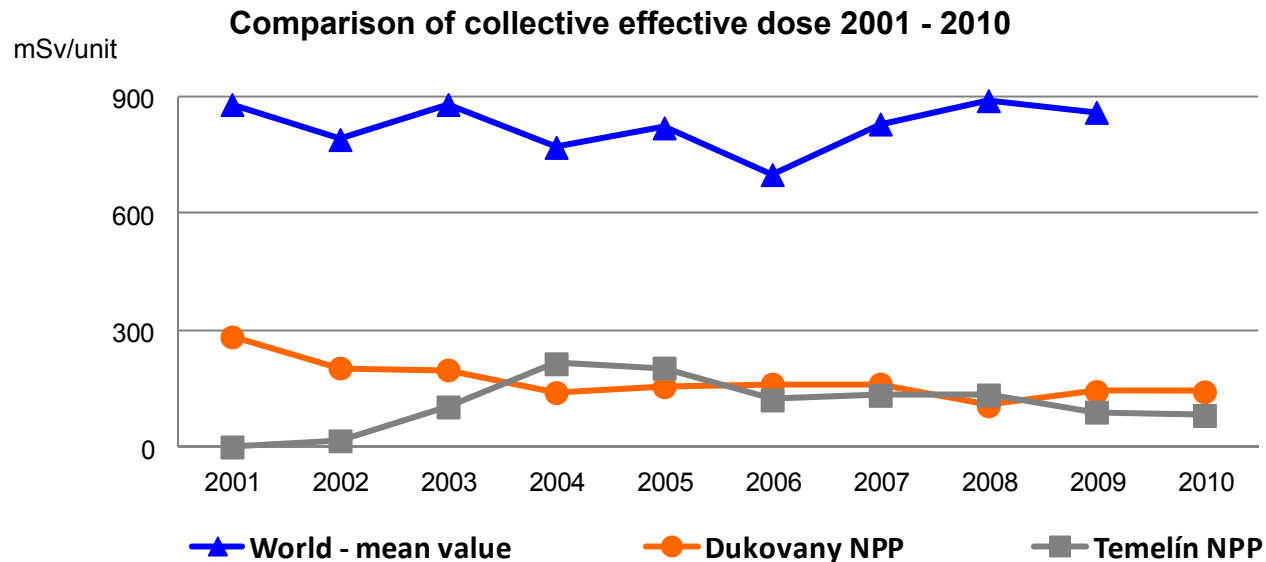
*) Cash flow generated from operations before income tax, interest and dividends received



STRESS TESTS CONFIRMED HIGH LEVEL OF SAFETY OF CEZ GROUP'S NUCLEAR POWER PLANTS

Results of stress tests approved by the European Commission

- On October 4, 2012, the European Commission published the results of complex evaluation of risks and safety (stress tests) of nuclear power plants in EU member states
- safety of Czech power plants evaluated as high, no principal deficiencies identified
- no power plant requires immediate corrective measures, let alone any operating restrictions
- several measures recommended to further strengthen the safety of power plants; CEZ Group has already taken some of these measures, others are planned in the forthcoming years as part of existing programmes for increasing safety of nuclear power plants





SELECTED EVENTS IN THE PAST QUARTER

Project for the new nuclear source ETE 3, 4 - Areva excluded from the tender

- one of the three qualified tenderers in the award procedure, French company Areva, did not principally meet statutory and commercial requirements of the public contract
- after a careful assessment of the reasons, CEZ did not accept the tenderer's objections against elimination



Romania

- the Fântânele - Cogeaalac wind park became the biggest onshore wind farm in Europe (234 wind turbines are currently connected to the grid and installed capacity is 585MW)

Turkey

- successful completion and commissioning of all hydro plants under construction (Feke I, Gökkaya, Himmetli), leading to an increase in the installed capacity by 84MW; 366MW of hydro sources are in operation in total
- construction of the Egemer combined cycle power plant (872MW) progresses according to schedule, with commissioning expected in 2014

Divestment of a coal power plant in Czech Republic in line with the proposal of Comitments to the EC

- spin-off of Dětmarovice power plant, which will be decided upon on extraordinary shareholders' meeting on December 18, 2012 (spinoff is only procedural arrangement which does not necessarily means divestment)
- the law was adopted on the conditions for trading in greenhouse gas emissions in the Czech Republic, which also defines the conditions for the allocation of emission allowances in exchange for investing in reduction of CO₂ and in modernization of energy infrastructure (called "derogation")



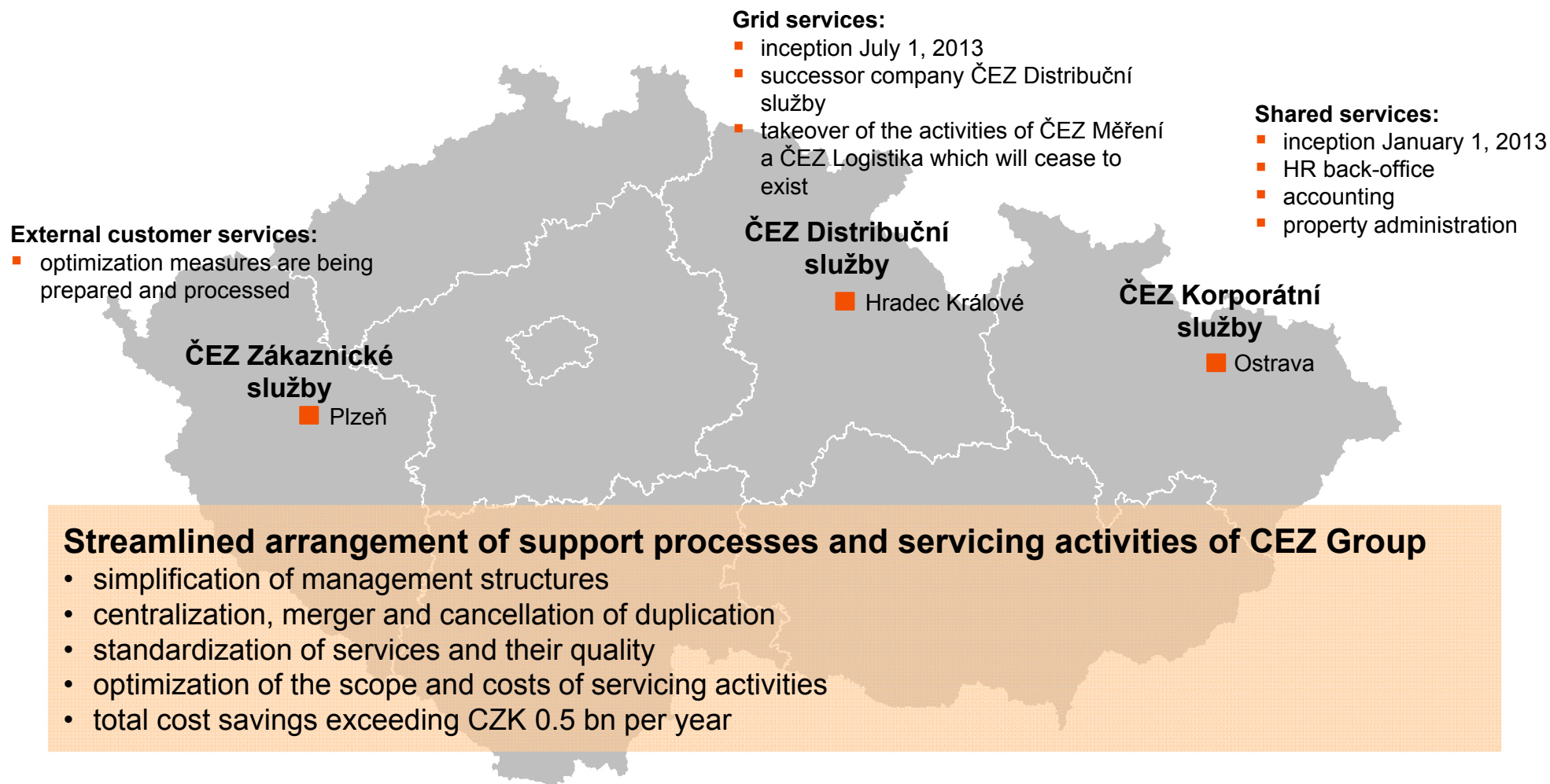
DIVESTMENT PROCESS OF A COAL POWER PLANT IN THE CZECH REPUBLIC IS INTENSIVELY UNDER WAY AND WE MAINTAIN FLEXIBILITY FOR THE CEZ'S MANAGEMENT DECISION

<i>Divestment process</i>	Chvaletice	Počerady	Dětmarovice	Tisová a Mělník 3
<i>Due diligence and transaction documentation</i>	✓	✓	✓	Preparation ongoing
<i>Acceptance of bids</i>	✓	✓	✓	-
<i>Discussions about modifying the transaction documentation</i>	✓	✓	Ongoing since 6/10	-
<i>Second round (bid improvements, confirmation of modified documentation)</i>	Ongoing since 25/10	Ongoing since 25/10	-	-

<i>Spin-off process</i>	Chvaletice	Počerady	Dětmarovice	Tisová a Mělník 3
<i>Transfer of assets to newly established joint stock company</i>	✓	✓	EGM will decide on 18/12	Preparation ongoing
<i>License for electricity trading for newly established company</i>	✓	✓	Request handed over	-
<i>Integrated license modified for newly established company</i>	✓	✓	✓	-
<i>Contract for power outlet</i>	✓	✓	Will be part of asset contribution	-



CENTRALIZATION OF CEZ GROUP'S SERVICES CONTINUES, IMPLEMENTATION TIMETABLE FOR GRID SERVICES APPROVED





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CEZ GROUP FINANCIAL RESULTS

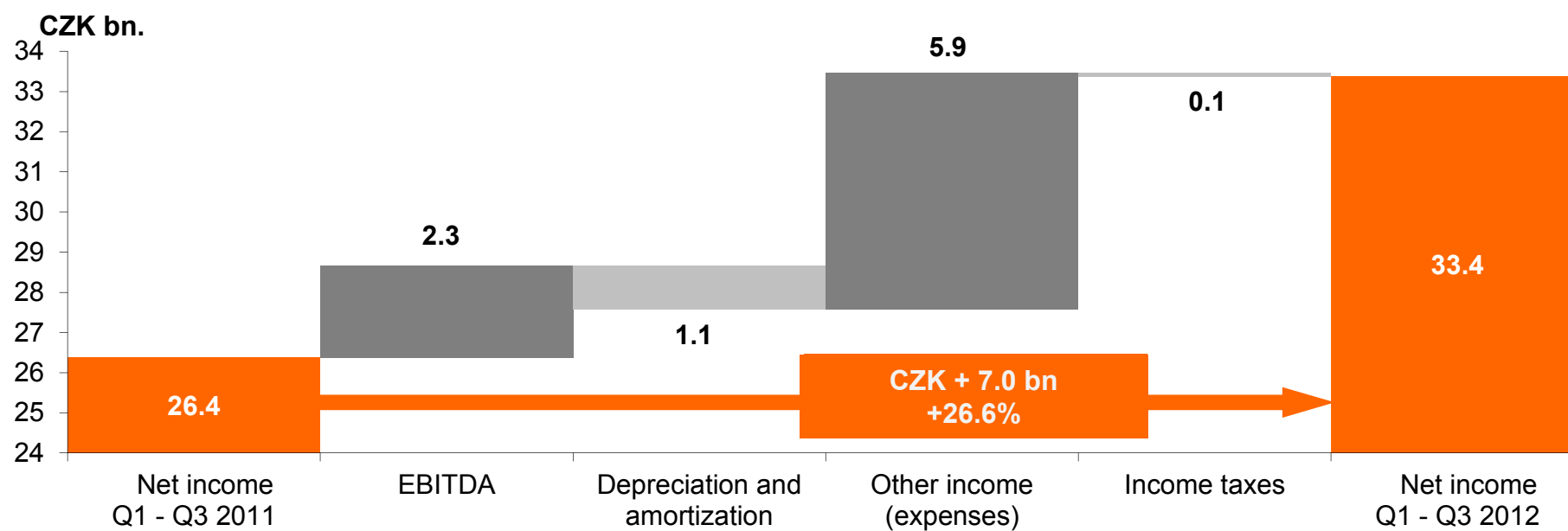
(CZK bn.)		Q1 - Q3 2011	Q1 - Q3 2012	Change	%
Revenues		150.6	162.5	+11.9	+8%
EBITDA		62.4	64.7	+2.3	+4%
Net income		26.4	33.4	+7.0	+27%
Operating CF		40.3	43.0	+2.7	+7%
CAPEX		31.1	35.7	+4.6	+15%
Net debt *)		154.2	170.7	+16.5	+11%

		Q1 - Q3 2011	Q1 - Q3 2012	Change	%
Installed capacity *)	GW	15.1	15.7	+0.6	+4%
Generation of electricity	TWh	49.9	51.3	+1.4	+3%
Electricity distribution to end customers	TWh	39.4	38.8	-0.6	-2%
Electricity sales to end customers	TWh	31.4	30.6	-0.8	-2%
Sales of natural gas to end customers	TWh	2.2	3.7	+1.5	+66%
Sales of heat	000 TJ	10.0	10.6	+0.6	+6%
Number of employees *)	000's	31.5	31.5	0.0	+0%

*) at the last date of the period

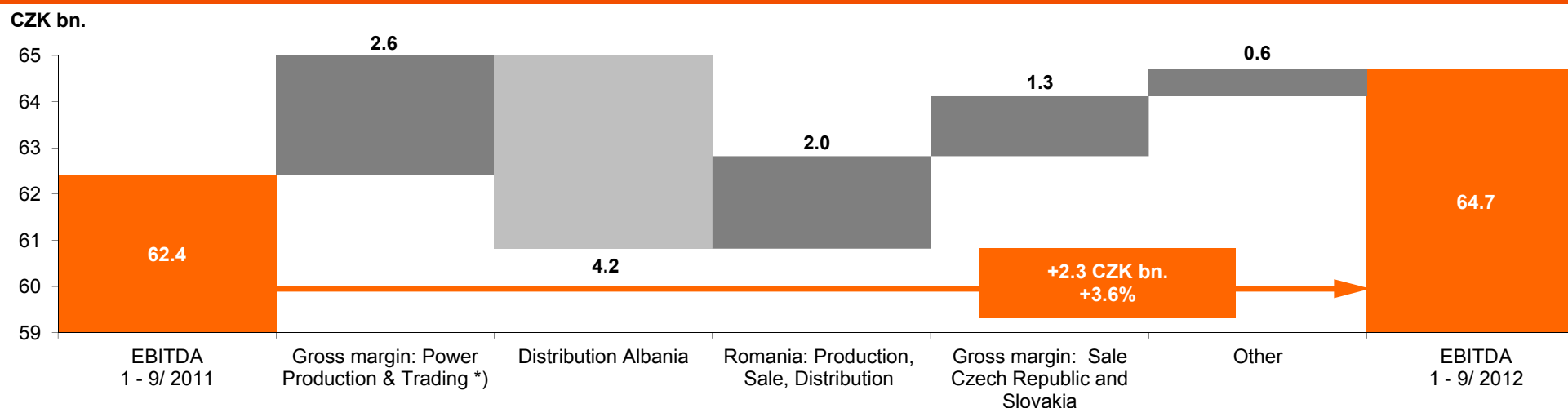


KEY DRIVERS OF Y-O-Y CHANGE IN NET INCOME





KEY DRIVERS OF Y-O-Y CHANGE OF EBITDA



Gross margin from Power production & trading (CZK +2.6 bn)

- increase in the volume of production, especially nuclear +1.6 TWh (CZK +1.7 bn)
- higher revenues from production affected by revaluation of contracts, which are hedging production on Q4 2012 (CZK +2.2 bn)
- other effects, especially release of the provision for emission allowances in 2011 (CZK -1.3 bn)

Distribution in Albania (CZK -4.2 bn)

- regulator's decision on tariffs and conditions, higher volume of grid losses, higher market prices of electricity imported for losses, increase in purchase prices of electricity (CZK -2.6 bn)
- creation of provision for costs related to additional invoicing for supplied electricity to cover losses, additional imposed tax, reduction of margin from the biggest customers due to legislative measure (CZK -1.6 bn)

Production, sales and distribution, Romania (CZK +2.0 bn)

- especially improvement of the payment discipline of Romanian Railways (CZK +1.0 bn) and increase in production from wind power installations (CZK +1.0 bn)

Gross margin: sales in the Czech Republic and Slovakia (CZK +1.3 bn)

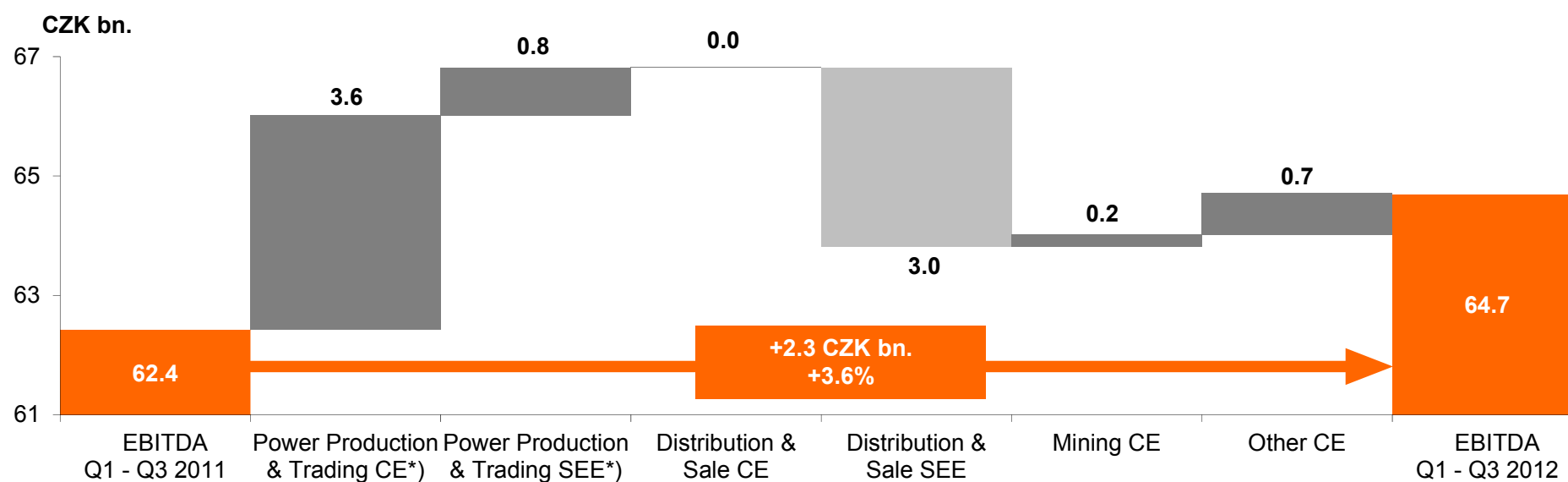
- Czech Republic: higher margin from the sales of electricity (CZK +0.7 bn) and natural gas (CZK +0.2 bn)
- Slovakia: revaluation of derivative transactions and better average purchase prices of commodities (CZK +0.5 bn)

Other (CZK +0.6 bn)

- mainly higher margin from an increase in the volume of distributed electricity and the regulator's decision on higher tariffs in Bulgaria



Y-O-Y CHANGE OF EBITDA BY SEGMENT





EBITDA BY SEGMENT: POWER PRODUCTION AND TRADING CENTRAL EUROPE

CZK bn.	Q1 - Q3 2011	Q1 - Q3 2012	Change	%
Czech Republic	*39.7	43.3	3.6	+9%
Poland	0.94	0.86	-0.1	-10%
Total EBITDA	*40.6	44.2	**3.6	+7%

Czech Republic (CZK +3.6 bn)

- (CZK +2.6 bn) higher gross margin of ČEZ, a. s., including Chvaletice power plant:
 - higher sales of production affected by revaluation of hedging contracts for production in Q4 2012 (CZK +2.2 bn)
 - increase in the volume of production, especially nuclear +1.6TWh (CZK +1.7 bn)
 - other (CZK -1.3 bn), mainly the effect of release of the provision for emission allowance in H1 2011
- (CZK +0.1 bn) ČEZ, a. s. - other effects excl. gross margin
- (CZK +0.4 bn) other effects, especially CEZ Teplárenská - higher gross margin from the sales of heat +752 TJ
- (CZK +0.5 bn) inter-segment adjustment *)



EBITDA BY SEGMENT: POWER PRODUCTION AND TRADING SOUTHEAST EUROPE

CZK bn.	Q1 - Q3 2011	Q1 - Q3 2012	Change	%
Bulgaria	*0.2	0.0	-0.2	-
Romania	0.7	1.7	+1.0	+141%
Total EBITDA	*0.9	1.7	+0.8	+100%

Romania (CZK +1.0 bn)

- increase in gross margin caused mainly by higher electricity production due to a higher number of installed turbines in the wind parks of Fântânele and Cogeaalac
 - at September 30, 213 wind turbines with a total power of 532.5MW installed
 - in the three quarters of 2012, 656GWh were produced in wind parks, which marks a year-on-year increase of production by 45%
 - we expect total production of 990GWh in 2012

Bulgaria (CZK -0.2 bn)

- lower production on the regulated market in March - July 2012 (CZK -0.2 bn)



EBITDA BY SEGMENT: DISTRIBUTION AND SALE CENTRAL EUROPE

CZK bn.	Q1 - Q3 2011	Q1 - Q3 2012	Change	%
Distribution	8.4	7.4	-1.0	-12%
Sale	2.0	3.0	+1.0	+46%
Total EBITDA	10.4	10.4	0.0	-

Distribution in the Czech Republic (CZK -1.0 bn)

- decrease in gross margin, mainly due to higher costs of purchasing electricity from renewable resources (CZK -1.3 bn)
- year-on-year cost savings and increase of contributions to ensure input power and connection (CZK +0.3 bn)

Sales in Central Europe (CZK +1.0 bn)

- Czech Republic (CZK +0.4 billion)
 - higher margins from the sales of electricity, mainly due to lower purchase prices (CZK +0.7 bn)
 - higher margins from the sales of natural gas (CZK +0.2 bn)
 - other intra-group effects without impact on CEZ Group's overall results (CZK -0.5 bn)
- Slovakia (CZK +0.5 bn)
 - revaluation of derivative transactions and more favourable average purchase prices of commodities



EBITDA BY SEGMENT: DISTRIBUTION AND SALE SOUTHEAST EUROPE

CZK bn.	Q1 - Q3 2011	Q1 - Q3 2012	Change	%
Romania	1.2	2.2	+1.0	+85%
Bulgaria	0.8	1.0	+0.2	+36%
Albania	0.4	-3.8	-4.2	-
Total EBITDA	2.4	-0.6	-3.0	-

Romania (CZK +1.0 bn)

- particularly the positive effect of payment of payables past due by Romanian State Railways (CFR) in first half 2012

Bulgaria (CZK +0.2 bn)

- distribution (CZK +0.6 bn) - higher margins mainly due to the increased volume of distributed electricity +0.1TWh and the regulator's decision on higher tariffs from July 1, 2011, and then from July 1, 2012
- sales (CZK -0.4 bn) - mainly higher costs of purchasing electricity from renewable resources

Albania (CZK -4.2 bn)

- regulator's decision on tariffs and conditions, higher volume of losses in the grid, higher market prices of electricity imported for losses, increase in purchase prices of electricity from the state producer KESH (CZK -2.6 bn)
- creation of provision for costs related to additional invoicing from KESH for supplied electricity to cover losses, additional imposed tax, reduction of margin from the biggest customers due to legislative measure (CZK -1.6 bn)



EBITDA BY SEGMENT: MINING CENTRAL EUROPE, OTHER CENTRAL AND SOUTHEAST EUROPE

EBITDA (CZK bn.)	Q1 - Q3 2011	Q1 - Q3 2012	Change	%
Mining CE	3.8	4.0	+0.2	+4%
Other CE	4.2	4.9	+0.7	+16%
Other SEE	0.1	0.1	0.0	+9%

Mining in Central Europe (CZK +0.2 bn)

- slight increase in sales (CZK +0.1 bn)
- reduction of operating costs (CZK +0.1 bn)

Other Central Europe (CZK +0.7 bn)

- effect of increase in activities provided in CEZ Group - especially SKODA PRAHA Invest (CZK +0.4 bn)
- effects of other supporting companies of CEZ Group (CZK +0.2 bn)



OTHER INCOME (EXPENSES)

(CZK bn.)	Q1 - Q3 2011	Q1 - Q3 2012	Change	%
EBITDA	62.4	64.7	+2.3	+4%
Depreciation and amortization	-18.9	-20.0	-1.1	-6%
Other income (expenses)	-9.4	-3.5	+5.9	+62%
Interest balance	-3.6	-3.4	+0.2	+9%
Foreign exchange rate gains (losses) and financial derivatives	-0.8	0.0	+0.8	+94%
Gain (Loss) from associates and joint-ventures	-3.6	0.6	+4.2	-
Other	-1.4	-0.7	+0.7	+50%
Income taxes	-7.7	-7.8	-0.1	-1%
Net income	26.4	33.4	+7.0	+27%

Depreciation (CZK -1.1 bn)

- increase in depreciation due to higher rate of incorporation of fixed assets into operations, mainly in the Czech Republic

Interest balance (CZK +0.2 bn)

- decrease in cost interest due to higher capitalization in assets

Foreign exchange gains/losses and financial derivatives (CZK +0.8 bn)

- higher y-o-y profit from the revaluation of MOL's option (CZK +0.7 bn), other exchange gains/losses and derivatives (CZK +0.1 bn)

Gain/loss from associate and joint-ventures (CZK +4.2 bn)

- effect of accounting of the transaction JTSD/MIBRAG in 2011 (CZK +2.8 bn)
- increase in the profit of Turkish companies, especially due to exchange rate changes from the revaluation of USD loans (CZK +1.4 bn)

Other (CZK +0.7 bn)

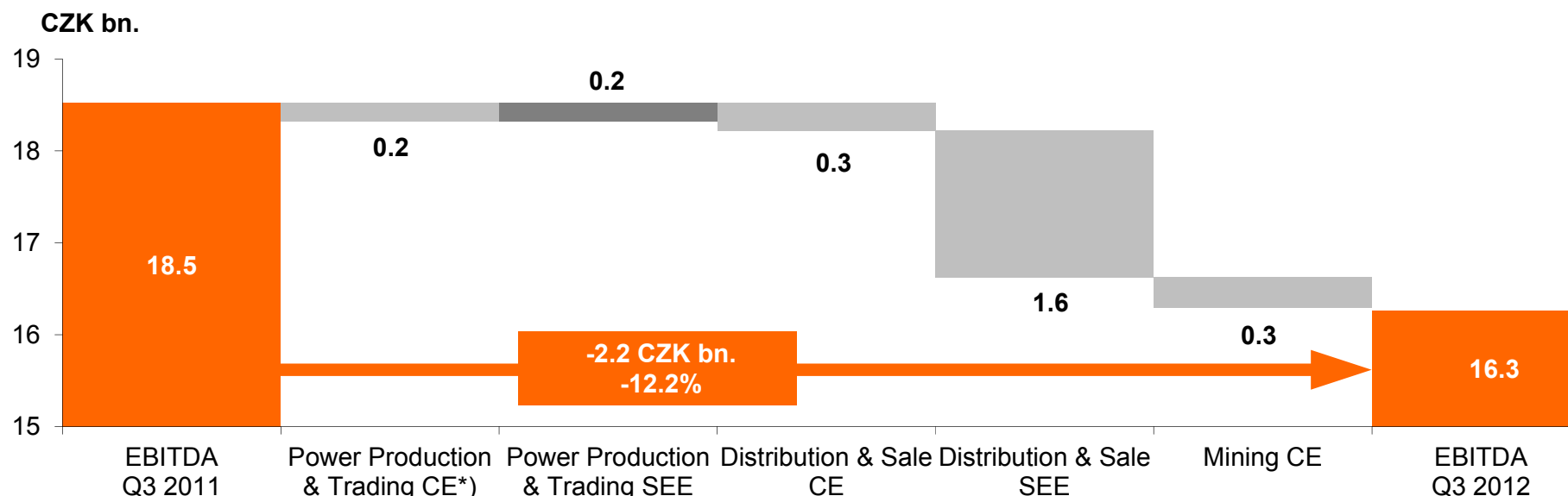
- decrease of the gift tax on emission allowances due to a decrease of the market price of allowances (CZK +1.8 bn)
- lower dividends received from Dalkia ČR (CZK -0.5 bn), higher other financial expenses (CZK -0.6 bn)

Income tax (CZK -0.1 bn)

Note: The balance of cost/revenue interest contains also interest from nuclear reserves



DEVELOPMENT IN Q3



EBITDA of CEZ Group (CZK -2.2 bn):

- **Power production & Trading CE (CZK -0.2 bn):** gross margin of ČEZ, a. s., including ECH (CZK -0.3 bn), integration of Energotrans in the CEZ Group (CZK +0.1 bn)
- **Power production & Trading SEE (CZK +0.2 bn):** Romania (CZK +0.3 bn), especially increase in electricity production in the wind parks Fântânele and Cogeaalac; Bulgaria (CZK -0.1 bn) lower production on the regulated market
- **Distribution and Sales CE (CZK -0.3 bn):** lower gross margin from distribution (CZK -0.7 bn), especially due to purchases of electricity from renewable resources compensated by reduction of operating costs (CZK + 0.3 bn); Sale in Slovakia - revaluation of derivative trades (CZK +0.1 bn)
- **Distribution and Sales SEE (CZK -1.6 bn):** Albania (CZK -1.7 bn), regulator's decision to increase purchase prices, creation of provision for costs related with additional invoices from KESH for supplied electricity for losses, additional imposed tax, higher market price of electricity imported for losses, higher volume of losses; Bulgaria (CZK +0.1 bn) regulator's decision to increase tariffs from July 1, 2012
- **Mining CE (CZK -0.3 bn):** lower revenues and margin from the sales of coal



DEVELOPMENT IN Q3 - CONTINUED

(CZK bn.)	Q3 2011	Q3 2012	Change	%
Revenues	47.0	49.5	+2.5	+5%
Operating expenses less depreciation and amortization	-28.5	-33.2	-4.7	-17%
EBITDA	18.5	16.3	-2.2	-12%
Depreciation and amortization	-6.7	-7.0	-0.3	-5%
Other income (expenses)	-7.2	-1.5	+5.7	+80%
Income taxes	-2.2	-1.6	+0.6	+27%
Net income	2.4	6.2	+3.8	+154%

Depreciation (CZK -0.3 bn):

- higher depreciation due to the incorporation of power plants in the Czech Republic into the assets and investments in technology

Other costs and expenses (CZK +5.7 bn):

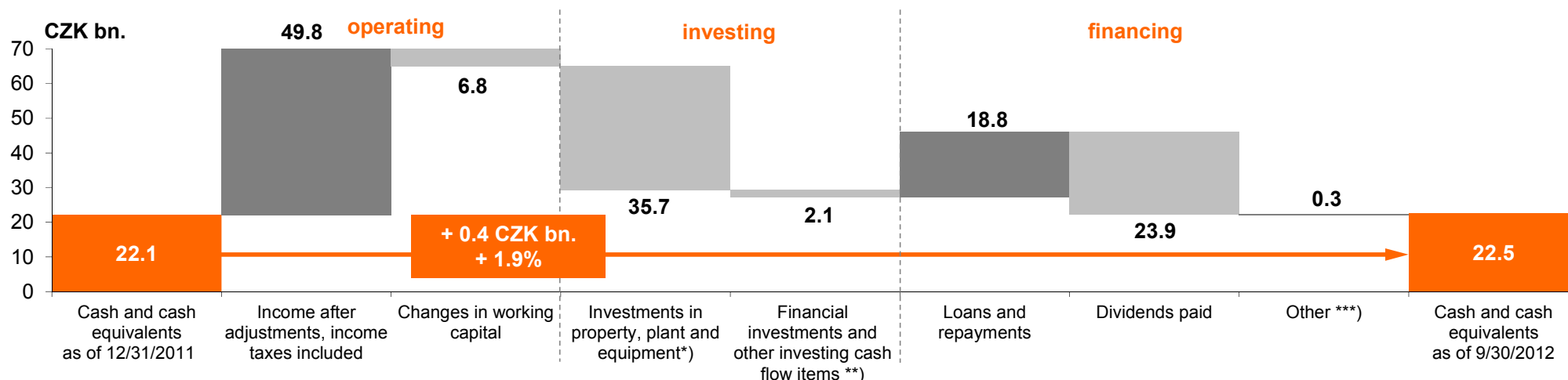
- effect of accounting of the transaction JTSD/MIBRAG in 2011 (CZK +2.7 bn), profit of companies in Turkey (CZK +0.9 bn), influenced primarily by exchange rate gains from revaluated loans
- profit from the revaluation of MOL option (CZK +2.2 bn), foreign exchange gains and losses and financial derivatives (CZK +0.2 bn)
- gift tax on emission allowances (CZK +0.5 bn) – impact of lower prices of emission allowances
- other financial income and expenses (CZK -0.8 bn)

Income tax (CZK +0.6 bn):

- relatively high income tax in proportion to pre-tax profit in Q3 2011, caused by non-deductible expenses



CASH FLOW



Cash flow from operating activities (CZK +43.0 bn)

- profit after adjustments (CZK +49.8 bn): cash flow generated by pre-tax profit (CZK +41.2 bn); adjustments for non-cash operations (CZK +19.1 bn), especially adjustments for depreciation and amortization of nuclear fuel partly compensated by a decrease in provisions for emission allowances and other provisions; income tax paid (CZK -9.2 bn); other (CZK -1.3 bn), especially interests paid
- change in working capital (CZK -6.8 bn)

Cash flow used from investing activities (CZK -37.8 bn)

- CAPEX (CZK -35.7 bn) - see the Annex
- acquisition of subsidiaries (CZK -5.0 bn), especially Energotrans
- other (CZK +2.9 bn) – especially income from the sale of fixed assets and repayment of provided loans

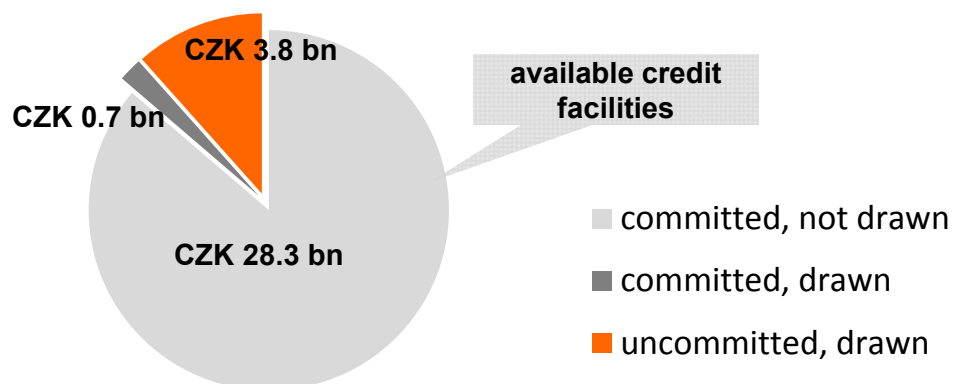
Cash flow from financing activities incl. exchange rate differences (CZK -4.8 bn)

- balance of utilization/repayment of loans and credits (CZK +18.8 bn); dividends paid (CZK -23.9 bn)
- other (CZK +0.3 bn) – especially effects of exchange rate differences on cash

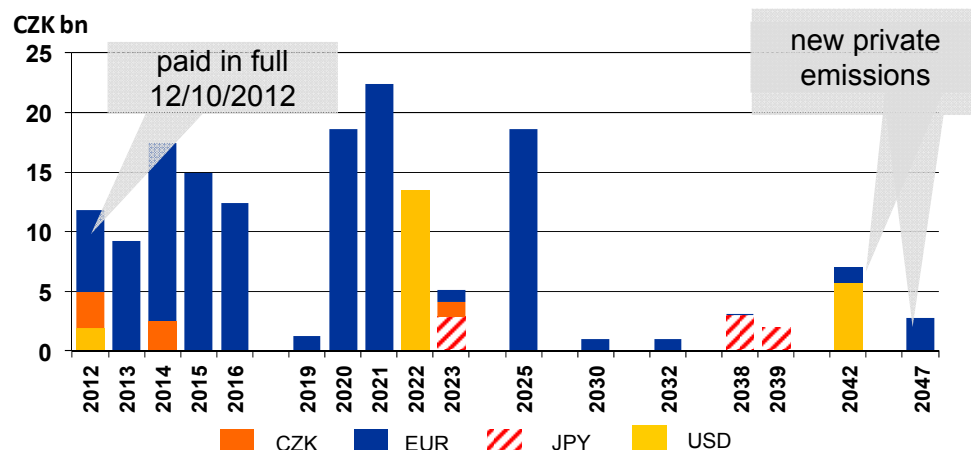


CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilization of short-term lines (at September 30, 2012)



Bond maturity profile (at September 30, 2012)



- CZK 32 bn in cash and high-liquidity financial assets
- short-term credit facilities: CEZ Group has access to CZK 29 bn in committed credit facilities
- at September 30, 2012, only CZK 0.7 bn of committed facilities were utilized
- non-committed credit facilities are used preferably; committed facilities are held as a reserve to cover unexpected needs
- in August and September, two 35-year emissions of EUR 50 and 60 mil. and one 30-year emission of EUR 50 mil. issued within the EMTN programme
- October 12, 2012, the 5th emission of Eurobonds amounting to EUR 278 mil. repaid

Private bond emissions in Q3 2012 within the EMTN programme

volume	maturity	coupon
EUR 50 million	2042	4.375%
EUR 50 million	2047	4.500%
EUR 60 million	2047	4.383%



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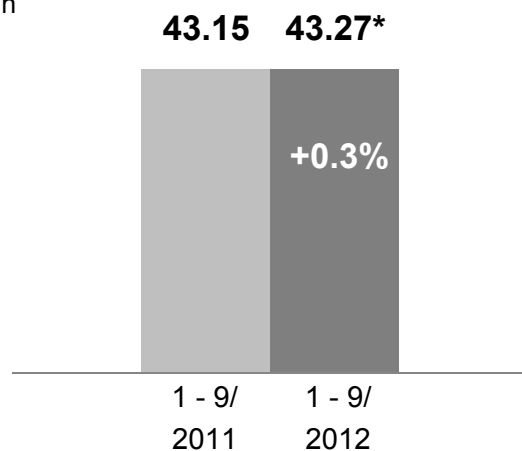
Alan Svoboda, Executive Director Sales and Trading



TEMPERATURE ADJUSTED ELECTRICITY CONSUMPTION IN THE CZECH REPUBLIC SLIGHTLY DECREASES Y-O-Y

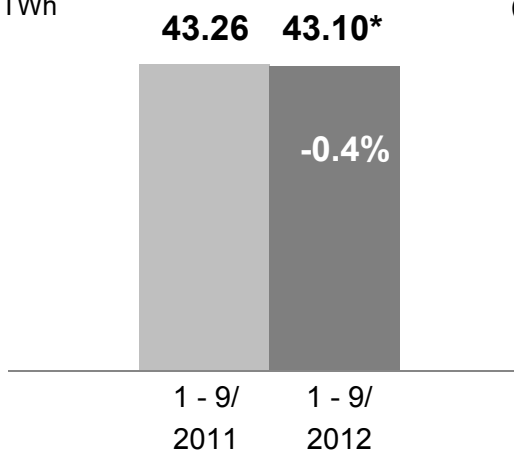
Consumption in CZ

TWh



Consumption in CZ (temperature adjusted)**

TWh

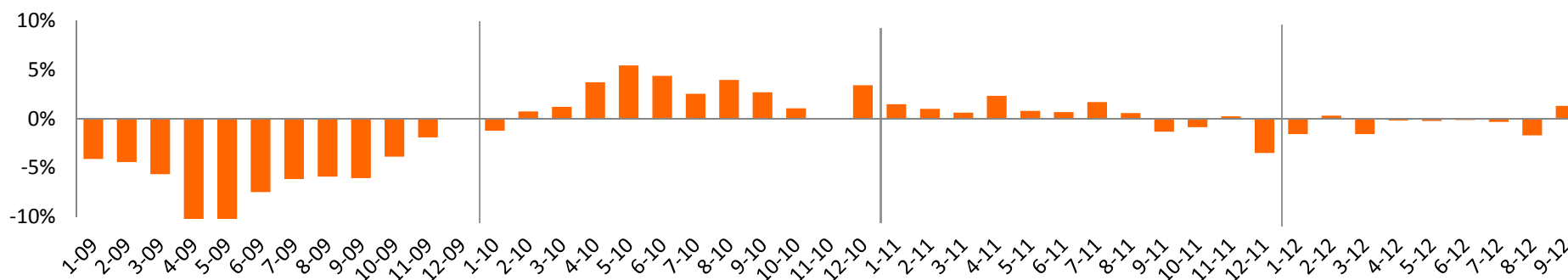


Consumption development in individual segments:*

- 0.2% wholesale customers
- +1.5% households
- +1.6% small businesses

The Czech Republic's electricity consumption (temperature adjusted), netto decreased by 0.4% y-o-y.

Monthly y-o-y absolute consumption indices for the Czech Republic (temperature and calendar adjusted)

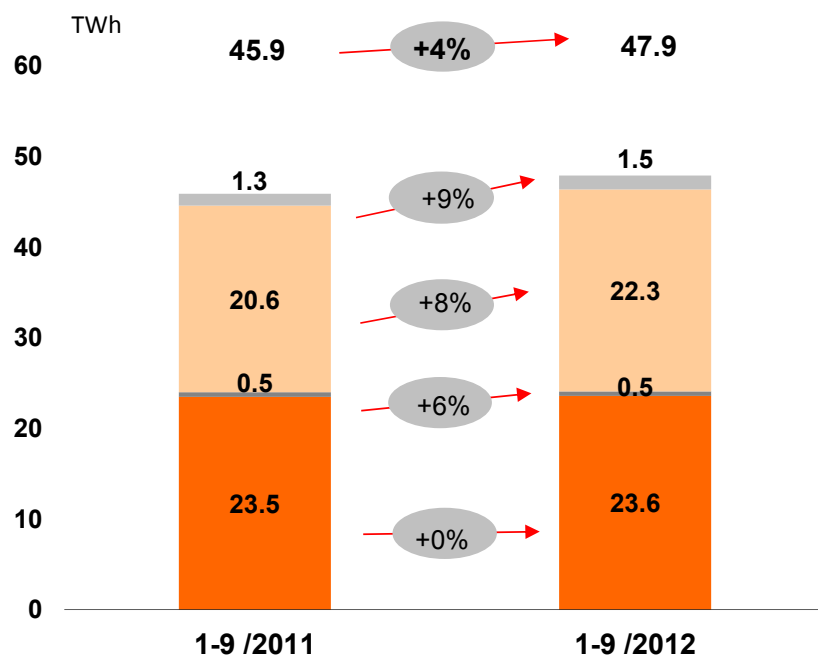


* source ERO

** converted to a normal temperature per ČEZ, a. s. model



INCREASE IN ELECTRICITY PRODUCTION FROM CEZ GROUP'S NUCLEAR SOURCES IN THE CZECH REPUBLIC

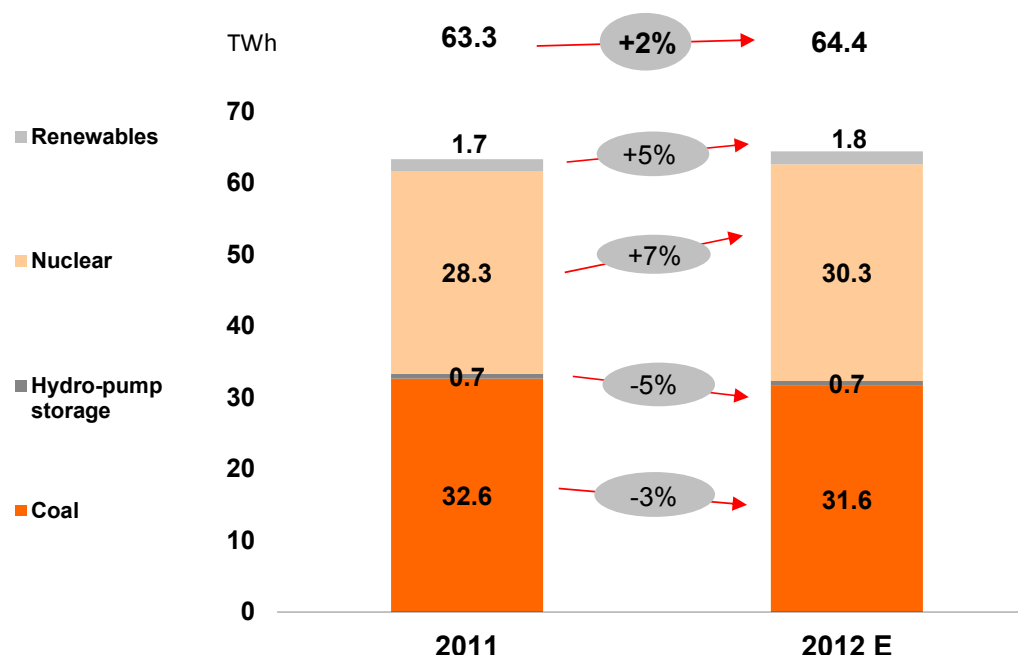


Nuclear power plants (+8%)

- + increase in installed capacity of the Dukovany nuclear power plant
- + shorter outages of the Temelín nuclear power plant

Coal-fired power plants (0%)

- + increase in production launching Tušimice power plant into operation after its complex refurbishment
- initiation of complex refurbishment of 3 units of the Pruněřov II plant from September 1, 2012



Nuclear power plants (+7%)

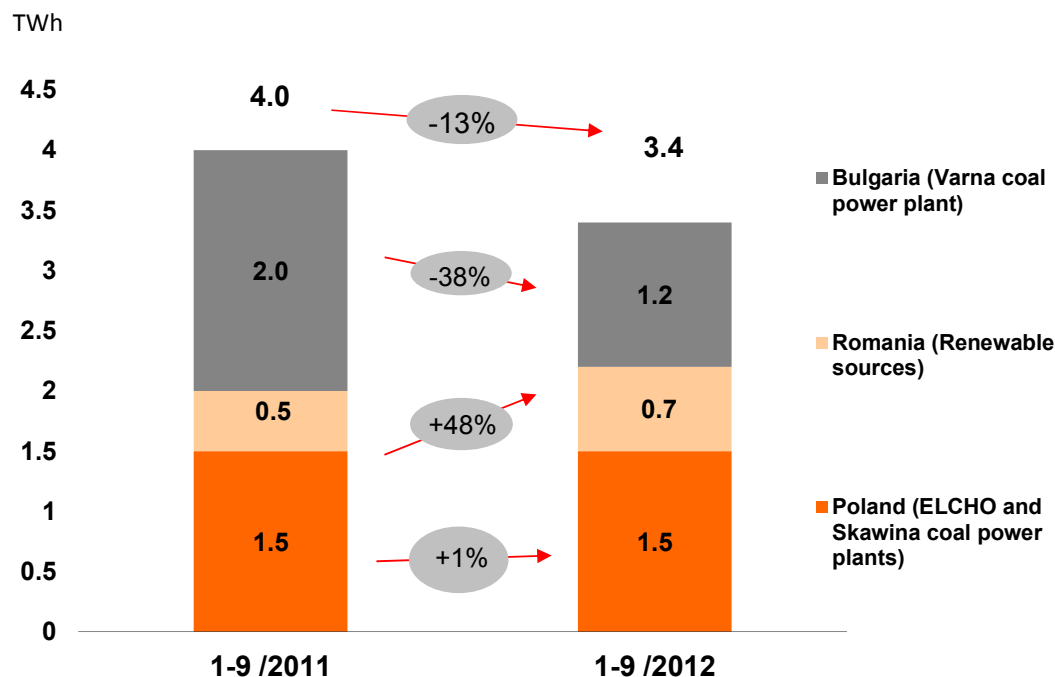
- + increase in installed capacity and shortening of planned outages of the Dukovany nuclear power plant in 2012
- + shorter outages of the Temelín nuclear power plant

Coal-fired power plants (-3%)

- initiation of complex refurbishment of 3 units of the Pruněřov II plant from September 1, 2012



Y-O-Y DECREASE OF PRODUCTION ABROAD PARTLY COMPENSATED BY GRADUAL FINISHING OF A WIND FARM IN ROMANIA



Romania renewable resources (+48%)

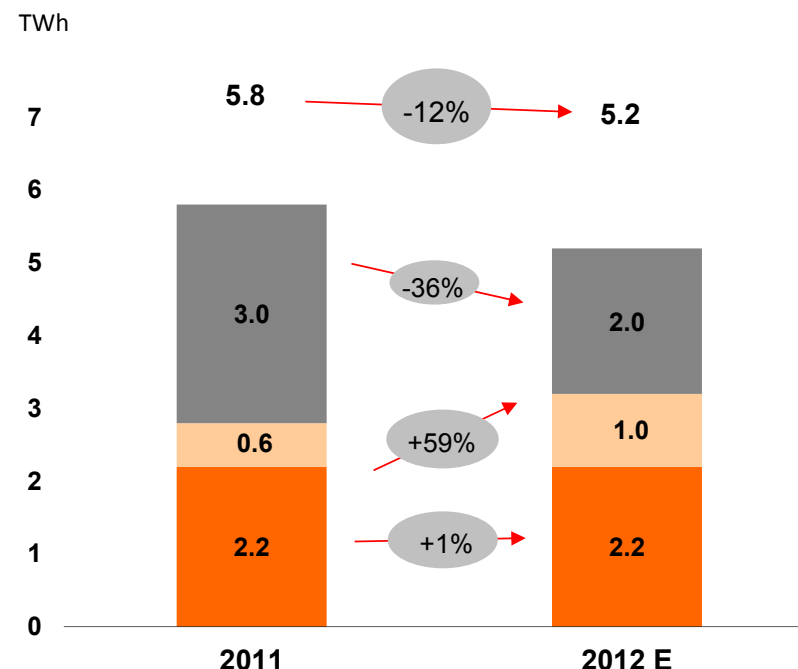
- + gradual connection of the last 20 wind turbines in Fântânele and further 73 turbines in Cogeaalac
- + slightly positive effect of the new acquisition of the Reșița hydroelectric plant

Poland - coal-fired power plants ELCHO and Skawina (+1%)

- + increased production from biomass

Bulgaria - coal-fired power plant Varna (-38%)

- decline in production due to lower demand for supplies on the regulated market



Romania renewable resources (+59%)

- + connection of all wind turbines in Fântânele
- + production from the gradually connected wind turbines in Cogeaalac from January 2012, completion of the entire farm by the end of 2012

Poland - coal-fired power plants ELCHO and Skawina (+1%)

- + increased production from biomass

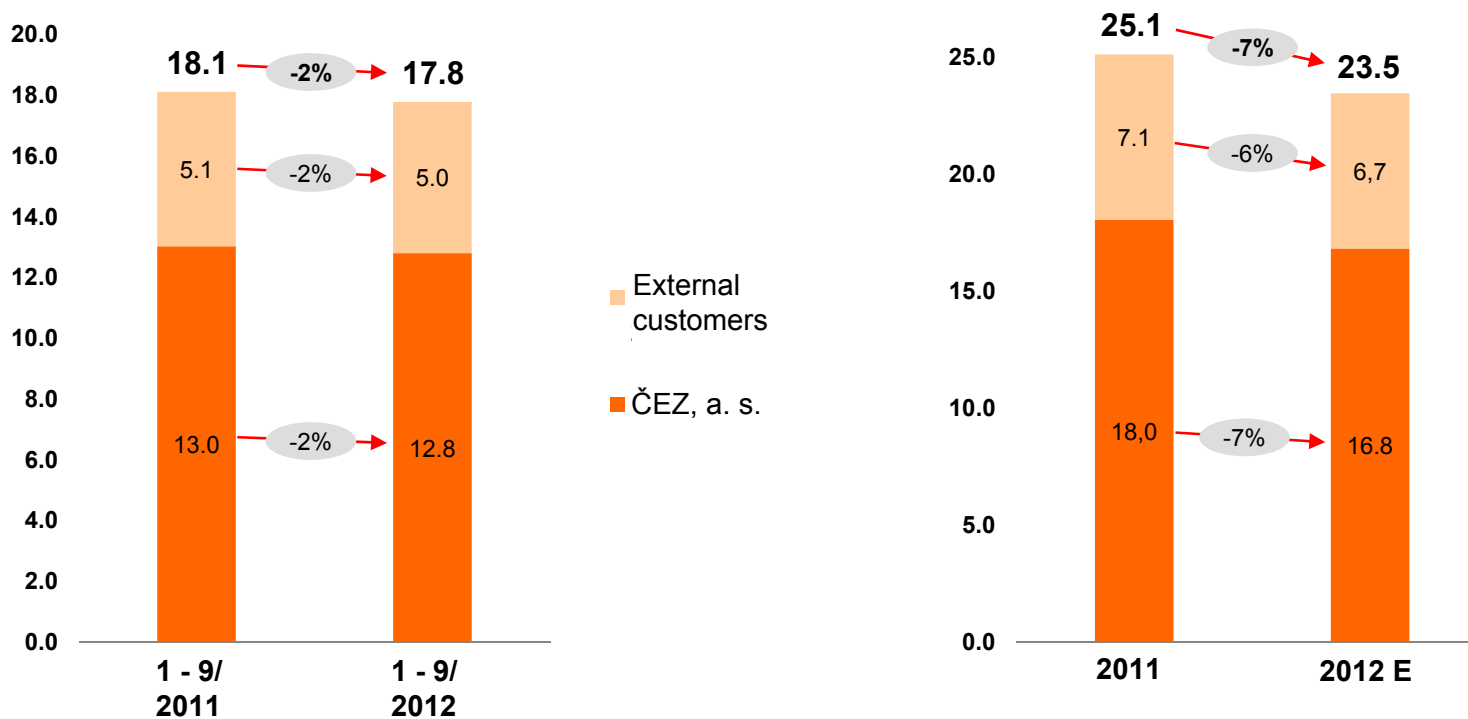
Bulgaria - coal-fired power plant Varna (-36%)

- lower production planned for the regulated market (lower activation of cold reserve, lower declared quota for the second half of 2012)



Y-O-Y DECLINE IN COAL MINING IN SEVEROČESKÉ DOLY DUE TO LOWER DEMAND FROM ČEZ, A. S. AND EXTERNAL CUSTOMERS

Coal mining in mil. tons

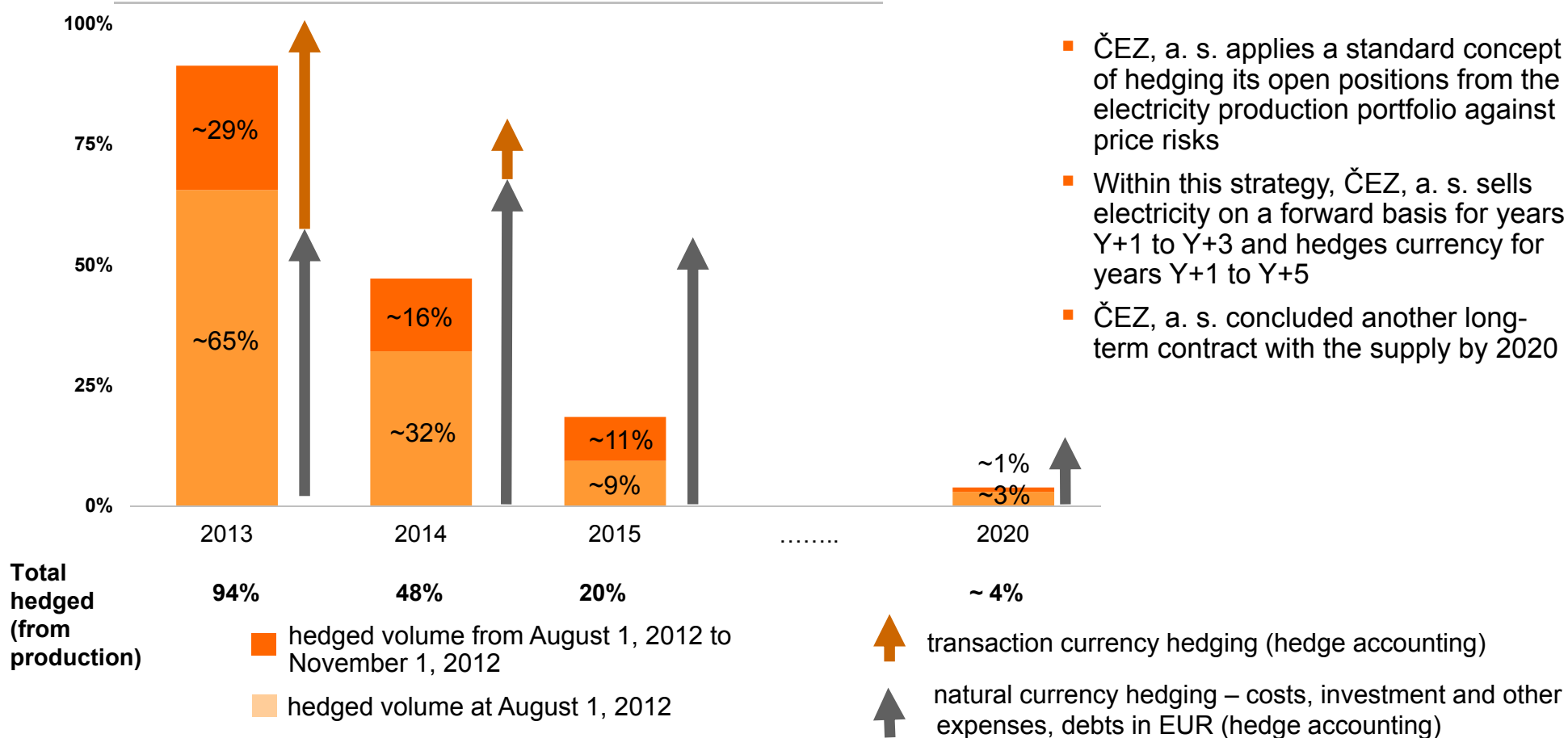


- lower y-o-y ČEZ's demand for coal, mainly due to closure (from 9/2012) of three units of Pruněrov power plant due to complex refurbishment
- lower demand from other producers due to falling generation margins



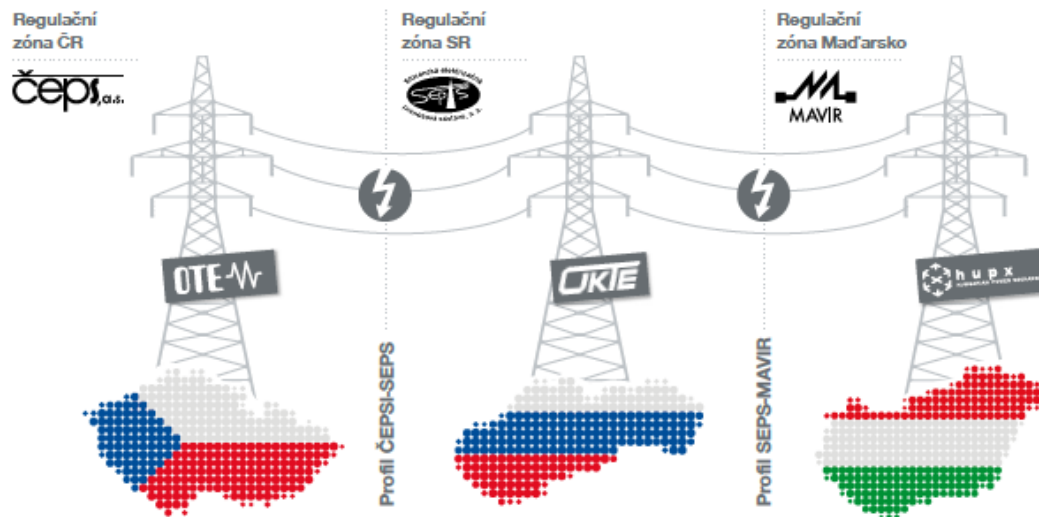
ČEZ, A. S. CONTINUES HEDGING ITS REVENUES FROM SALES OF ELECTRICITY IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

**Share of hedged production from power plants of ČEZ, a. s. incl. ECH and EPC
(at November 1, 2012, 100% refers to 50 to 55TWh)**





SEPTEMBER 11, 2012: COMMENCEMENT OF ACTIVITIES OF JOINT CZECH-SLOVAK-HUNGARIAN MARKET COUPLING



- essential step to achieve Internal Electricity Market (IEM) in Europe - to be established after connection to the CWE region by inclusion of:
 - ✓ national regulators of all three countries
 - ✓ transmission system operators (ČEPS, SEPS, MAVIR)
 - ✓ electricity market organizers (OTE, OKTE, HUPX)
- completion of IEM: end of 2014
- IEM will minimize the differences in prices of power electricity within Europe, greater stability and higher predictability
- ongoing results available at OTE's webpage (<http://www.ote-cr.cz/kratkodobe-trhy/elektrina/market-coupling>)



SINCE OCTOBER ČEZ PRODEJ OFFERS CHEAPER POWER ELECTRICITY AND NEW ASSISTANCE SERVICES



ČEZ FIX product range offers:

- 5% cheaper electricity on average, compared with 2012 prices, for the most commonly used product range
- price fixing for power electricity until the end of 2014
- the same scope of products and services as the normally offered product ranges
- additional service CEZ ASSISTANT for free

CEZ ASSISTANT offers:

- technical support when repairing appliances, solving of accidents directly associated with electricity and gas supply or opening of blocked doors
- indemnity for the arrival of a service technician and work to remove the causes of a failure or accident, including small materials, up to CZK 5,000
- monthly fee only CZK 10 (free within the CEZ FIX product range)
- can be arranged with customers supplied with electricity as well as gas





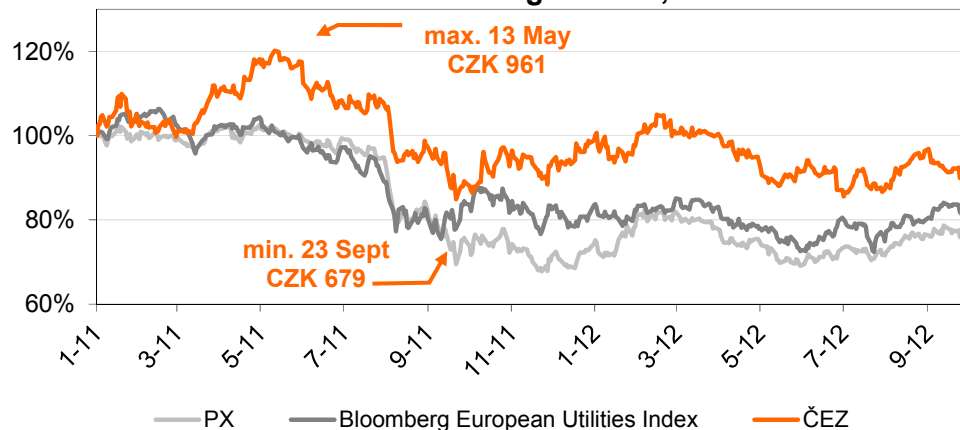
ANNEXES

- Market developments
- Investments in fixed assets
- Balance Sheet overview
- Balance of electricity
- Selected information from a press conference on October 31, 2012 - Albania

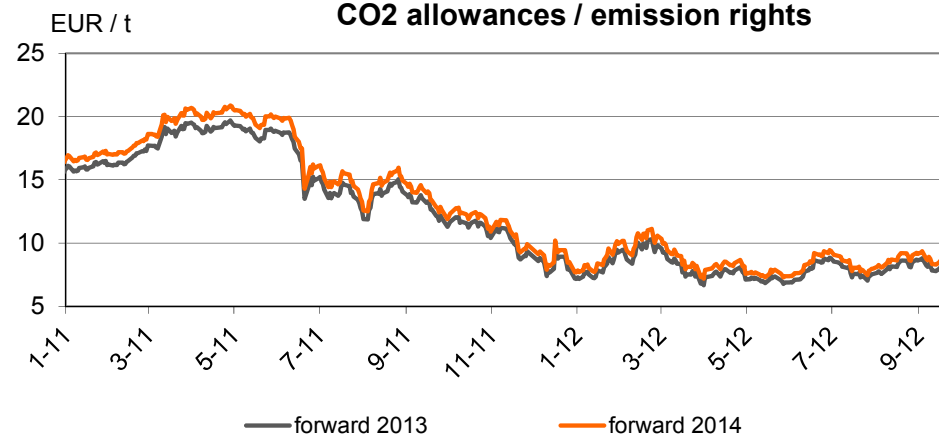


MARKET DEVELOPMENTS

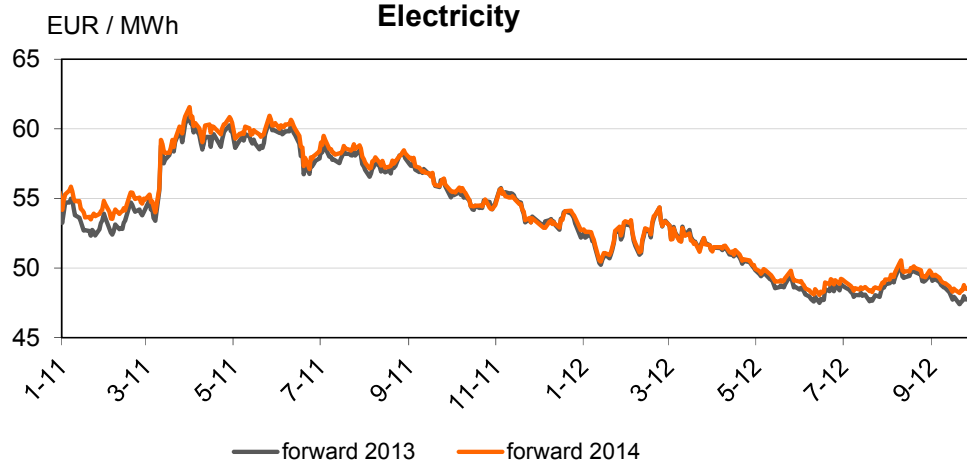
Development of ČEZ share price compared to PX index and Bloomberg Utilities, %



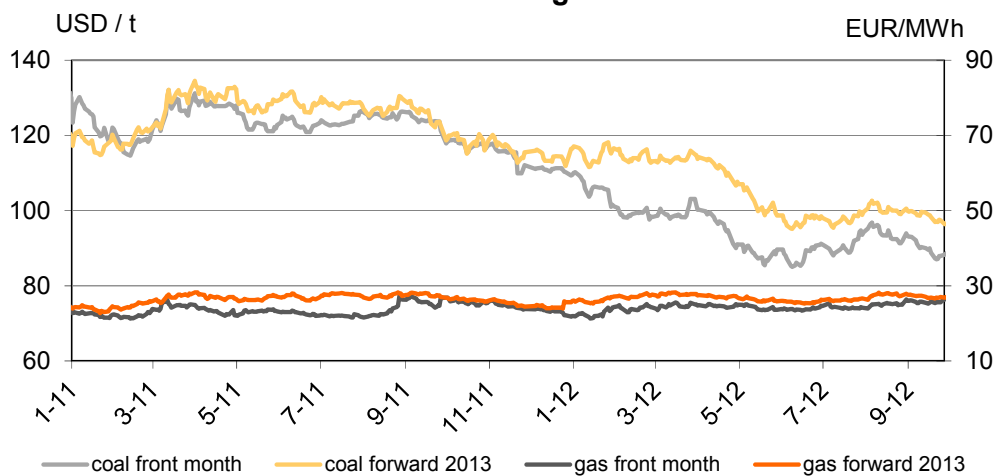
CO2 allowances / emission rights



Electricity



Coal and gas





INVESTMENTS IN FIXED ASSETS (CAPEX)

Investments into fixed assets 1 - 9/ 2012:

Power plant renewal	CZK 35.7 bn CZK 12.8 bn <u>Tušimice - complex refurbishment:</u> stage 2 finished, units 21 and 22 subject to final building's approval and activation in to assets; power plant in guarantee operations <u>Prunéřov II - complex refurbishment:</u> commencement on September 1, 2012, demolitions and site clearance for construction under way, provisional equipments needed to ensure the operation of unit 21 finished, provisional equipments on unit 22 under way <u>Ledvice new source:</u> completion of boiler production postponed to the end of 2012 by the supplier, planned deadline for handover of the power plant for guarantee operation on December 31, 2014 <u>Počerady combined cycle power plant:</u> finishing work on gas turbines and anti-flood measures under way, construction and pressure tests successfully passed on boilers
Nuclear power	CZK 5.4 bn <u>Temelín and Dukovany NPPs:</u> purchase of nuclear fuel and investments in existing equipment, increase in the installed capacity in Dukovany NPP finished <u>Temelín new nuclear source:</u> evaluation of bids under way, Areva's bid excluded <u>Dukovany new nuclear source:</u> update of the investment preparation timetable and preparation of zoning documentation; purchases of land on the site under way
Photovoltaic and wind power plants	CZK 6.0 bn <u>Romania: Fântânele-Cogealac wind park:</u> construction of the Cogealac wind park under way
Distribution networks	CZK 8.5 bn Czech Republic: CZK 6.1 bn Romania: CZK 1.2 bn Bulgaria: CZK 1.1 bn Albania: CZK 0.1 bn
Mining	CZK 1.7 bn <u>Bílina Mine:</u> relocation of mining belt conveyors and increase in the capacity of mining water treatment plant Emeran under way (project for 2012 and 2013)
Information systems	CZK 0.5 bn
Other	CZK 0.8 bn

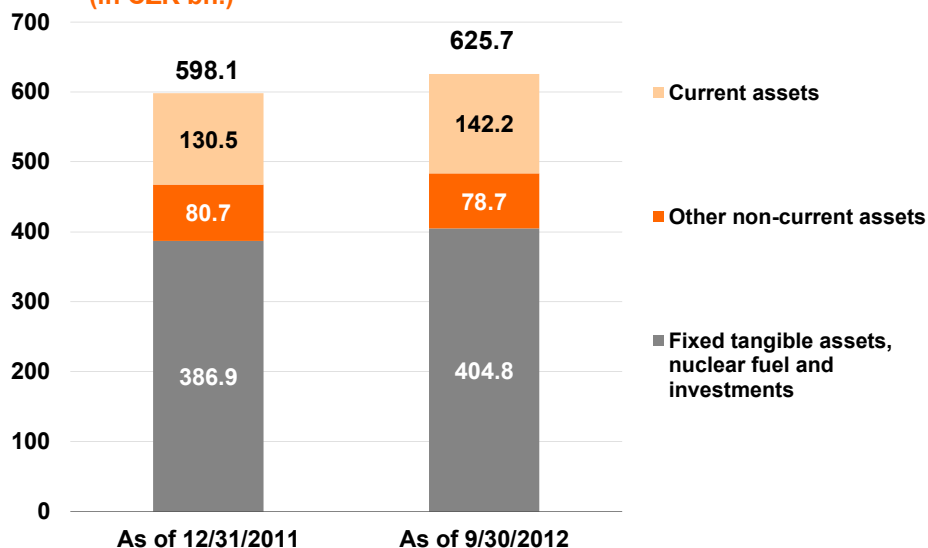


BALANCE SHEET OVERVIEW

Fixed assets

- increase in tangible fixed assets CZK +17.9 bn: investments (CAPEX) and acquisitions (Energotrans)
- decrease in other fixed assets CZK -2.0 bn: decrease in long-term financial assets CZK -11.3 bn, increase in intangible assets CZK +7.3 bn, increase in investment in associates and joint-ventures CZK +2.1 bn, decrease in deferred tax rec. CZK -0.1 bn

ASSETS (in CZK bn.)



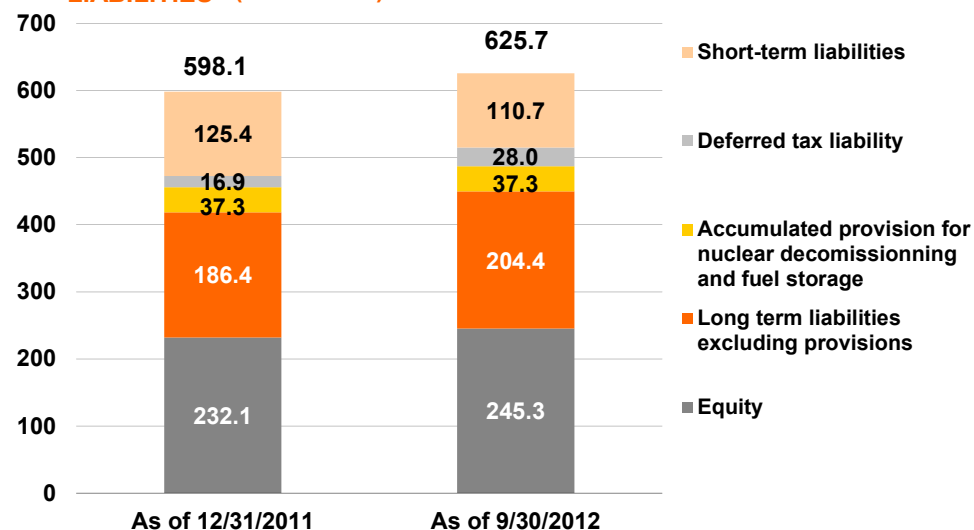
Current assets

- increase in liquid securities CZK +9.2 bn, cash and cash equiv. CZK +0.4 bn
- increase in income tax receivables CZK +7.3 bn
- increase in materials and fuel inventory CZK 2.0 bn
- increase in receivables from derivatives CZK +2.0 bn; larger trading volume
- decrease in trade payables, incl. accruals CZK -4.8 bn
- decrease in assets held for sale CZK -3.8 bn (Mibrag)
- other CZK -0.6 bn - mainly growth of coloured certificates

Equity and long-term liabilities

- increase in equity CZK +13.2 bn: net profit CZK +33.4 bn, dividends CZK -24.0 bn, other comprehensive income CZK +3.7 bn
- increase in deferred tax liability CZK +11.1 bn - different methodology for calculating deferred taxes (includes current tax during the year)
- increase in long-term liabilities CZK +18.0 bn: especially due to bond issues and bank loans

EQUITY AND LIABILITIES (in CZK bn.)



Current liabilities

- decrease in short-term bank loans and current portion of long-term debt CZK -6.2 bn
- decrease in trade payables, incl. received advances CZK -4.8 bn
- decrease in liabilities from derivatives, incl. options CZK -2.9 bn
- decrease in liabilities due to income tax CZK -1.7 bn
- other liabilities CZK +0.9 bn



CEZ GROUP'S PRIORITY IN ALBANIA – PROTECTION OF SHAREHOLDER'S INTERESTS

(presented at the press conference on October 31, 2012)

Escalation

- Albanian regulator (ERE) initiates a proceeding to suspend the license, or
- possibility of re-negotiating regulation in Albania and salvage the situation, or
- license suspension and
- termination of CEZ Shpërndarje's business and subsequent arbitration

Preferred options

Agreement

- re-negotiation of the general terms of privatization with the state, or
- amicable termination of CEZ Group's presence in Albania
- even in this situation, CEZ may act as a temporary manager of the company

Sale

- sale of some or all of the shares (up to 76%) to a third party
- possibility to start a new stage of operation in Albania with an external partner, especially as a guarantor of technical procedures and know-how

The final option will be decided by the end of 2012



POSITIVE MEETING WITH ALBANIAN PRIME MINISTER ON OCTOBER 30, 2012

(presented at the press conference on October 31, 2012)

Conclusions from the meeting

- major impact of the economic crisis and recurrent droughts does not make room for a quick and substantial improvement of the situation
- both parties agreed on the necessity to solve the situation promptly
- both parties agreed to start negotiations to settle the situation, including the possible CEZ Group's exit from Albania
- CEZ confirmed the members of the negotiating team
- Prime Minister promised Albanian nominations by October 31, 2012

Electricity balance (GWh)

	Q1 - Q3 2011	Q1 - Q3 2012	+/-
Electricity procured	45,090	46,424	+3%
Generated in-house (gross)	49,885	51,321	+3%
In-house and other consumption, including pumping in pumped-storage plants	-4,795	-4,897	+2%
Sold to end customers	-31,397	-30,649	-2%
Sold in the wholesale market (net)	-8,388	-9,572	+14%
Sold in the wholesale market	-157,797	-170,481	+8%
Purchased in the wholesale market	149,409	160,909	+8%
Grid losses	-5,306	-6,203	+17%

Electricity generation by source (GWh)

	Q1 - Q3 2011	Q1 - Q3 2012	+/-
Nuclear	20,554	22,300	+8%
Coal and lignite	26,831	26,005	-3%
Water	1,397	1,570	+12%
Biomass	509	632	+24%
Solar	115	127	+10%
Wind	458	663	+45%
Natural gas	21	25	+19%
Total	49,885	51,323	+3%

Sales of electricity to end customers (GWh)

	Q1 - Q3 2011	Q1 - Q3 2012	+/-
Households	-12,191	-11,464	-6%
Commercial (low voltage)	-6,012	-5,643	-6%
Commercial and industrial (medium and high)	-13,194	-13,543	+3%
Sold to end customers	-31,397	-30,650	-2%

Distribution of electricity to end customers	-39,390	-38,760	-2%
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Electricity balance (GWh)

Q1 - Q3 2012	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	44,598	+4%	0	-	1,826	-20%	0	-	0	-	46,424	+3%
Generated in-house (gross)	49,395	+4%	0	-	1,926	-21%	0	-	0	-	51,321	+3%
In-house and other consumption, including pumping in pumped-storage plants	-4,797	+4%	0	-	-100	-40%	0	-	0	-	-4,897	+2%
Sold to end customers	-357	+23%	-17,621	-1%	-24	>200%	-12,654	-5%	7	-	-30,649	-2%
Sold in the wholesale market (net)	-44,242	+4%	19,466	-1%	-1,803	-21%	17,014	+2%	-7	-	-9,572	+14%
Sold in the wholesale market	-187,364	+6%	-6,262	-26%	-1,803	-21%	-837	+43%	25,785	-14%	-170,481	+8%
Purchased in the wholesale market	143,122	+7%	25,728	-9%	0	-	17,851	+3%	-25,792	-14%	160,909	+8%
Grid losses	0	-	-1,844	-2%	0	-	-4,359	+27%	0	-	-6,203	+17%

Electricity generation by source (GWh)

Q1 - Q3 2012	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	22,300	+8%	0	-	0	-	0	-	0	-	22,300	+8%
Coal and lignite	24,770	-0%	0	-	1,235	-38%	0	-	0	-	26,005	-3%
Water	1,538	+11%	0	-	31	+138%	0	-	0	-	1,570	+12%
Biomass	632	+24%	0	-	0	-	0	-	0	-	632	+24%
Solar	122	+6%	0	-	4	-	0	-	0	-	127	+10%
Wind	7	+17%	0	-	656	+45%	0	-	0	-	663	+45%
Natural gas	25	+19%	0	-	0	-	0	-	0	-	25	+19%
Total	49,395	+4%	0	-	1,926	-21%	0	-	0	-	51,323	+3%

Sales of electricity to end customers (GWh)

Q1 - Q3 2012	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	-	-5,700	-6%	0	-	-5,764	-6%	0	-	-11,464	-6%
Commercial (low voltage)	0	-	-2,338	-10%	0	-	-3,304	-3%	0	-	-5,643	-6%
Commercial and industrial (medium and high voltage)	-357	+23%	-9,584	+5%	-24	+167%	-3,586	-4%	7	-	-13,543	+3%
Sold to end customers	-357	+23%	-17,622	-1%	-24	+167%	-12,654	-5%	7	-	-30,650	-2%
 Distribution of electricity to end customers	 0	 -	 -24,187	 +1%	 0	 -	 -14,573	 -5%	 0	 -	 -38,760	 -2%

Electricity balance (GWh)

Q1 - Q3 2012	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	43,264	+4%	1,334	+1%	0	-	1,147	-37%	680	+47%	0	-	0	-	46,424	+3%
Generated in-house (gross)	47,865	+4%	1,530	+1%	0	-	1,239	-38%	687	+48%	0	-	0	-	51,321	+3%
In-house and other consumption, including pumping in pumped-storage plants	-4,601	+4%	-196	+0%	0	-	-92	-44%	-7	+133%	0	-	0	-	-4,897	+2%
Sold to end customers	-15,720	-3%	-171	+141%	-2,087	+14%	-7,437	+3%	-2,637	+9%	-2,604	-30%	7	-	-30,649	-2%
Sold in the wholesale market (net)	-25,700	+10%	-1,163	-7%	2,087	+14%	7,245	+14%	2,896	-1%	5,070	-2%	-8	-	-9,572	+14%
Sold in the wholesale market	-168,135	+8%	-1,406	-6%	-3,224	-16%	-1,494	-26%	-1,137	+37%	0	-	4,914	-15%	-170,481	+8%
Purchased in the wholesale market	142,435	+8%	243	+0%	5,311	-6%	8,739	+4%	4,033	+7%	5,070	-2%	-4,922	-15%	160,909	+8%
Grid losses	-1,844	-2%	0	-	0	-	-954	-5%	-940	-3%	-2,465	+69%	0	-	-6,203	+17%

Electricity generation by source (GWh)

Q1 - Q3 2012	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	22,300	+8%	0	-	0	-	0	-	0	-	0	-	0	-	22,300	+8%
Coal and lignite	23,593	+0%	1,178	-10%	0	-	1,235	-38%	0	-	0	-	0	-	26,005	-3%
Water	1,534	+11%	4	+0%	0	-	0	-	31	+138%	0	-	0	-	1,570	+12%
Biomass	284	-6%	348	+69%	0	-	0	-	0	-	0	-	0	-	632	+24%
Solar	122	+6%	0	-	0	-	4	-	0	-	0	-	0	-	127	+10%
Wind	7	+17%	0	-	0	-	0	-	656	+45%	0	-	0	-	663	+45%
Natural gas	25	+19%	0	-	0	-	0	-	0	-	0	-	0	-	25	+19%
Total	47,866	+4%	1,530	+1%	0	-	1,239	-38%	687	+48%	0	-	0	-	51,323	+3%

Sales of electricity to end customers (GWh)

Q1 - Q3 2012	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-5,769	-5%	0	-	70	-	-3,162	+4%	-1,165	+5%	-1,438	-28%	0	-	-11,464	-6%
Commercial (low voltage)	-2,348	-10%	0	-	10	-	-2,059	+1%	-682	+0%	-563	-18%	0	-	-5,643	-6%
Commercial and industrial (medium and high voltage)	-7,603	+1%	-171	+141%	-2,166	+19%	-2,217	+5%	-790	+26%	-603	-41%	7	-	-13,543	+3%
Sold to end customers	-15,720	-3%	-171	+141%	-2,086	+14%	-7,438	+3%	-2,637	+9%	-2,604	-30%	7	-	-30,650	-2%
 Distribution of electricity to end customers	 -24,187	 +1%	 0	 -	 0	 -	 -6,759	 +2%	 -5,211	 -4%	 -2,604	 -21%	 0	 -	 -38,760	 -2%