AGENDA

- **Financial results**
  Petr Vobořil, CFO

- **CEZ Group trading position**
  Alan Svoboda, Executive Director Sales and Trading
EBITDA increased y-o-y by 28 % to CZK 64.3 bn, increase by CZK 14.2 bn

EBIT increased y-o-y by 36 % to CZK 40.1 bn (by CZK 10.7 bn)

Net Income increased y-o-y by 29 % to CZK 28.8 bn (by CZK 6.5 bn)

ROE increased y-o-y from 12.3 % to 14.9 %.

CEZ share price at BCPP and GPW stood at CZK 940 on February 14, 2007

Updated 2007 guidance: EBITDA of CZK 70.9 bn (+ 10 %) and Net Income of CZK 35.1 bn (+ 22 %)
CEZ GROUP CREATES THE BIGGEST VALUE FOR ITS SHAREHOLDERS OUT OF ALL COMPANIES AT BCPP

Y-o-y development of EVA (Economic Value Added)
CZK bn

In the scale The 2005 EVA™ Ranking Czech Republic (agency ČEKIA) CEZ placed

1st out of all companies traded at BCPP
2nd out of all companies in the Czech Republic
The highest y-o-y EVA increase out of all companies in the Czech Republic
NET INCOME GREW Y-O-Y BY CZK 6.5 BN – I.E. BY 29 %

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales, netto</td>
<td>16.3</td>
<td>28.8</td>
</tr>
<tr>
<td>Other income from products and services including heat and coal</td>
<td>2.2</td>
<td>3.7</td>
</tr>
<tr>
<td>CO₂ allowances</td>
<td>2.0</td>
<td>3.6</td>
</tr>
<tr>
<td>Fuel (only outside CEZ Group)</td>
<td>17.9</td>
<td>0.3</td>
</tr>
<tr>
<td>Gross margins from generation, trade, sales and el. distribution, heat and coal (simplified)</td>
<td>+ CZK 6.5bn</td>
<td>+ 29 %</td>
</tr>
<tr>
<td>Other operating expenses (excl. depreciation and amortization)</td>
<td>3.7</td>
<td>3.9</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial expenses and income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET INCOME 2006</td>
<td>22.3</td>
<td>28.8</td>
</tr>
</tbody>
</table>

Main improvements
- Higher demand in the Czech Republic and generation from own sources
- Operating costs control
- CZK appreciation, optimization of free financial resources use in CEZ Group
- New acquisitions
GROSS MARGIN FROM GENERATION, TRADING, SALES AND ELECTRICITY DISTRIBUTION Y-O-Y INCREASED BY 22 % TO CZK 97.5 BN

<table>
<thead>
<tr>
<th>(CZK bn)</th>
<th>2005</th>
<th>2006</th>
<th>Change 06-05</th>
<th>Index 06/05</th>
<th>2006 comparable entity*</th>
<th>Index 06/05 comparable entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td>125.1</td>
<td>159.6</td>
<td>34.5</td>
<td>128%</td>
<td>148.3</td>
<td>119%</td>
</tr>
<tr>
<td>Electricity sales and services</td>
<td>115.9</td>
<td>148.3</td>
<td>32.3</td>
<td>128%</td>
<td>137.4</td>
<td>118%</td>
</tr>
<tr>
<td>Heat sales and other revenues</td>
<td>9.1</td>
<td>11.3</td>
<td>2.2</td>
<td>124%</td>
<td>10.9</td>
<td>120%</td>
</tr>
<tr>
<td>Variable operating costs</td>
<td>-45.4</td>
<td>-62.0</td>
<td>-16.6</td>
<td>137%</td>
<td>-55.6</td>
<td>122%</td>
</tr>
<tr>
<td>Fuel</td>
<td>-9.0</td>
<td>-11.6</td>
<td>-2.6</td>
<td>129%</td>
<td>-10.0</td>
<td>111%</td>
</tr>
<tr>
<td>Purchased power and related services</td>
<td>-37.5</td>
<td>-53.5</td>
<td>-16.0</td>
<td>143%</td>
<td>-48.6</td>
<td>130%</td>
</tr>
<tr>
<td>CO₂ allowances</td>
<td>1.1</td>
<td>3.1</td>
<td>2.0</td>
<td>292%</td>
<td>3.1</td>
<td>293%</td>
</tr>
<tr>
<td>Profit from sale of CO₂ allowances</td>
<td>1.1</td>
<td>3.5</td>
<td>2.4</td>
<td>332%</td>
<td>3.5</td>
<td>333%</td>
</tr>
<tr>
<td>Reserve for missing CO₂ allowances</td>
<td>-0.4</td>
<td>-0.4</td>
<td>x</td>
<td>x</td>
<td>-0.4</td>
<td>x</td>
</tr>
<tr>
<td><strong>Gross margin (simplified)</strong></td>
<td><strong>79.7</strong></td>
<td><strong>97.5</strong></td>
<td><strong>17.9</strong></td>
<td><strong>122%</strong></td>
<td><strong>92.8</strong></td>
<td><strong>116%</strong></td>
</tr>
</tbody>
</table>

**Main improvements**

- Total increase in generation from nuclear power plants by 1.3 TWh (by 5 %)
- Generation optimization from all sources and use of CO₂ allowances arbitrage
- Excess CO₂ allowances sold before the price collapse in May 2006 – part of the profit transferred to 2007 as a reserve in compliance with IFRS
- Increase in electricity sold to end customers abroad by 1.2 TWh (by 15 %)
- Increase in wholesale electricity prices

*) comparable entity doesn’t include results from PL, BG - Varna, Q1. – Q3. RO and newly established trading offices abroad
CEZ GROUP MANAGES TO KEEP ITS OPERATING COSTS UNDER CONTROL

- Y-o-y increase of operating costs of a comparable entity only by 4 % (without depreciation, CO₂ allowances and fuel and power purchases)
- Increase of maintenance costs aimed at generation assets quality improvement (e.g. increase of available capacity at unit 2 of power plant Temelin by 30 MW, increase of available capacity at an additional unit of Dukovany power plant by 20 MW, etc.)
- In addition in the area of personnel costs the headcount reduction is a good starting point for future development
- One off depreciation of CZK 1.7 bn related to assets revaluation (office buildings) contributed to ČEZ Správa majetku (CEZ Facility Management)

*) comparable entity doesn’t count with results from PL, BG - Varna, Q1. – Q3. RO and newly established representative offices abroad
FINANCIAL EXPENSES AND INCOME INCREASED Y-O-Y BY CZK 0.3 BN

Czech crown appreciation helped to create FX profit at CZK 1.5 bn
Negative goodwill write off in 2005 was a one off item related to acquisition of Electrica Oltenia
Interest on nuclear and other provisions decreased by CZK 0.6 bn due to change in calculation methodology in 2005

*) comparable entity doesn’t include results from PL, BG - Varna, Q1. – Q3. RO and newly established representative offices abroad

<table>
<thead>
<tr>
<th>(CZK bn)</th>
<th>2005</th>
<th>2006</th>
<th>Change 06-05</th>
<th>Index 06/05</th>
<th>2006 comparable entity</th>
<th>Index 06/05 comparable entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other expenses and income</td>
<td>-2.1</td>
<td>-2.4</td>
<td>-0.3</td>
<td>112%</td>
<td>-2.2</td>
<td>107%</td>
</tr>
<tr>
<td>Interest on debt</td>
<td>-1.8</td>
<td>-2.2</td>
<td>-0.4</td>
<td>124%</td>
<td>-1.8</td>
<td>99%</td>
</tr>
<tr>
<td>Interest on nuclear and other provisions</td>
<td>-2.4</td>
<td>-1.9</td>
<td>0.6</td>
<td>77%</td>
<td>-1.9</td>
<td>77%</td>
</tr>
<tr>
<td>Interest income</td>
<td>0.4</td>
<td>0.9</td>
<td>0.5</td>
<td>211%</td>
<td>0.8</td>
<td>177%</td>
</tr>
<tr>
<td>FX profit / loss and derivates</td>
<td>-0.1</td>
<td>0.9</td>
<td>1.0</td>
<td>X</td>
<td>0.7</td>
<td>X</td>
</tr>
<tr>
<td>Sale of subsidiaries and associates</td>
<td>-0.2</td>
<td>-0.2</td>
<td>-0.1</td>
<td>134%</td>
<td>-0.2</td>
<td>134%</td>
</tr>
<tr>
<td>Negative goodwill write off</td>
<td>1.7</td>
<td>0.0</td>
<td>-1.7</td>
<td>X</td>
<td>0.0</td>
<td>X</td>
</tr>
<tr>
<td>Income from associates</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>72%</td>
<td>0.1</td>
<td>72%</td>
</tr>
<tr>
<td>Others</td>
<td>0.2</td>
<td>0.1</td>
<td>0.0</td>
<td>72%</td>
<td>0.2</td>
<td>88%</td>
</tr>
<tr>
<td><strong>Profit before taxes</strong></td>
<td><strong>27.3</strong></td>
<td><strong>37.7</strong></td>
<td><strong>10.4</strong></td>
<td><strong>138%</strong></td>
<td><strong>36.6</strong></td>
<td><strong>134%</strong></td>
</tr>
<tr>
<td><strong>Income tax</strong></td>
<td><strong>-5.0</strong></td>
<td><strong>-9.0</strong></td>
<td><strong>-3.9</strong></td>
<td><strong>178%</strong></td>
<td><strong>-8.7</strong></td>
<td><strong>172%</strong></td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>22.3</strong></td>
<td><strong>28.8</strong></td>
<td><strong>6.5</strong></td>
<td><strong>129%</strong></td>
<td><strong>28.0</strong></td>
<td><strong>125%</strong></td>
</tr>
</tbody>
</table>
GENERATION AND TRADING REMAINS THE STRONGEST SEGMENT, BUT DISTRIBUTION AND SALES SAW A NOTABLE GROWTH AS WELL

Main areas of improvements:

- Higher generation / sales ✓ ✓ ✓ ✓
- Operating costs control ✓ ✓ ✓ ✓ ✓
- New acquisitions ✓ ✓

* Growth is related to transfer of some activities, mainly from segment of distribution and sales (IT, Telecommunications..)
RESULTS OF THE MAIN CEZ GROUP COMPANIES IN THE CZECH REPUBLIC

**ČEZ, a. s.**
- **EBITDA (CZK m)**
  - 2005: 33,379
  - 2006: 43,023
  - +29%

**ČEZ Prodej, s.r.o.**
- **EBITDA (CZK m)**
  - 2005: 99
  - 2006: 1,585

**ČEZ Distribuce, a. s.**
- **EBITDA (CZK m)**
  - 2005: 1,259
  - 2006: 6,621

**Severočeské doly a.s.**
- **EBITDA (CZK m)**
  - 2005: 3,607
  - 2006: 4,365
  - +21%

---

**Selected 2006 Results**
- Increase in generation by 2.5 TWh (4.3 %)
- Convergence of wholesale prices on the Central European market
- Optimization of generation from coal and CO₂ sales
- Increase in distributed electricity to end customers by 0.7 TWh (by 2 %)**
- Increase of additional costs for mandatory purchase and renewables - bonus is newly applied also by generators for own consumption
- Increase of coal sale by 0.7 m tons (3.1 %)

**Challenges for 2007**
- Stabilization of generation at nuclear power plant Temelin
- National CO₂ Allocation Plan
- New ways of selling power (Energy Exchange)
- Maintaining end customers and relevant margins in an increasingly competitive liberalized market
- Costs control – lower than expected increase of distribution tariffs
- Landscape reclamation and diverting railroad track Březno - Chomutov
- Maintaining the extent of mineable reserves
- Operating costs control

*) including sales to end customers from DISCOs and ČEZ, a. s. in year 2005
**) including activities of DISCOs in year 2005

Source: CEZ.
CONTRIBUTION OF FOREIGN ACQUISITIONS TO CEZ GROUP’S PROFITABILITY HAS MORE THAN DOUBLED COMPARED TO LAST YEAR

- In 2006 CEZ Group continued in integration of Bulgarian and Romanian distribution companies
- Newly acquired power plants ELCHO and Skawina in Poland and Varna in Bulgaria with total installed capacity 2,090 MW
- Foreign acquisitions in total brought CZK 4.7 bn in EBITDA, i.e. y-o-y CZK 2.7 bn more than in 2005
EBITDA CONTRIBUTION OF FOREIGN ACQUISITIONS

Selected 2006 results

- Increase of volume of electricity sold for end consumption by 2.3% to 8.2 TWh, while decreasing distribution losses
- Successful preparation of unbundling – new companies, separated tariffs
- Generation: 3 TWh – the highest generation in last 13 years
- Savings in maintenance costs by 20%
- Gross margin increase by CZK 507 m, with a slight loss of the market share
- Volume of electricity distributed to end customers 8.6 TWh
- Generation increase to 4 TWh, securing fuel
- Investments into clean generation
- Integration with other acquisitions in Bulgaria and operating costs savings
- Unbundling implementation (from July 1, 2007)
- Finalization of integration process and cost savings (using the experience from the Vision 2008 in the Czech market)
- Solution of long term agreements (ELCHO)
- Increase in generation from biomass and in heat sales in Skawina
- Maintenance costs savings
- Environmental investments

2007 challenges

- Generation 2.4 ** TWh, resp. 4.1 TWh
- Electricity generation from biomass in power plant Skawina at 60 GWh **, resp. 80 GWh
- Excess CO₂ allowances sale optimization
- Modification of regulation framework for distribution – small increase in regulated prices
- Unbundling implementation (from January 3, 2007)
- Savings in investments and operating costs
- Generation 2.4 ** TWh, resp. 4.1 TWh
- Electricity generation from biomass in power plant Skawina at 60 GWh **, resp. 80 GWh
- Excess CO₂ allowances sale optimization
- Solution of long term agreements (ELCHO)
- Increase in generation from biomass and in heat sales in Skawina
- Maintenance costs savings
- Environmental investments

*) dotted line for the whole year; fully only from acquisition date – included in the consolidation of CEZ Group
**) impact on consolidated results from acquisition date
INDEBTEDNESS DECREASED Y-O-Y DUE TO STRONG CASH FLOW FROM OPERATING ACTIVITIES

- Total indebtedness was influenced mainly by the issue of 4th Eurobond issue in the volume of EUR 500 m and repayment of the 2nd Eurobond issue in the volume of EUR 200 m
- Increase of cash and cash equivalents from CZK 16.8bn to CZK 30.9 bn
Increase mainly by
- CZK 5.6 bn increase of liabilities from income tax
- CZK 2.4 bn increase of reserve for greenhouse emissions (burnt CO₂ allowances in Poland and lack of CO₂ allowances of ČEZ, a. s.)
- CZK 2.5 bn increase of liabilities to suppliers
- CZK 2.3 bn increase of liabilities from derivatives

Increase mainly by
- CZK 13.2 bn bank accounts and cash equivalents – preparation for foreign acquisitions
- CZK 2.1 bn CO₂ allowances of Polish power plants
- CZK 2.4 bn receivables from derivatives
- CZK 2.3 bn short term securities

Increase mainly by
- CZK 9.0 bn goodwill in subsidiaries
- CZK 3.0 bn intangible assets related to acquisition in Poland

Increase caused mainly by acquisition of power plants in Poland and Bulgaria

Increase mainly by
- CZK 8.8 bn increase of bonds
Key impacts on operating cash flow increase in CZK bn

+ 14.8 EBIT adjusted for non cash items
+ 0.7 changes in assets and liabilities
+ 3.7 income tax paid
2007 MAIN PRIORITIES

- Finalizing integration in the Czech Republic, CEZ Group efficiency improvements – VISION 2008 completion

- Integration of foreign subsidiaries, new acquisitions and new capacity construction abroad (Gacko)

- Plant portfolio renewal
  - Initiation of power plant Tušimice II refurbishment
  - Finalization of project preparation for power plants Ledvice and Prunerov II

- Support of Prague Energy Exchange

- Active participation in energy policy discussions both on Czech and EU levels
IN 2006 EBITDA REACHED CZK 64.3 BN, UPDATED 2007 EBITDA GUIDANCE AMOUNTS TO CZK 70.9 BN

thanks to reliable operations of nuclear power plant Temelin we are increasing our Net Income guidance for 2007 by CZK 1.1 bn
2007 NET INCOME GUIDANCE INCREASED BY CZK 1.1 BN COMPARED TO LAST DECEMBER ON THE BACK OF RELIABLE OPERATIONS OF TEMELIN IN DECEMBER AND JANUARY

Net Income guidance increased thanks to lower expected failure rate (due to stable operation in December and January) and related higher generation of nuclear power plant Temelin (65 GWh in January)
AGENDA

- Financial results
  Petr Vobořil, CFO

- CEZ Group trading position
  Alan Svoboda, Executive Director Sales and Trading
Generation of CEZ, a. s. (brutto)

(TWh)

- Domestic demand increased by 2.9 % (3.1 % on temperature adjusted basis)
- Nuclear power plants increased generation volume compared to 2005 (Temelin by 9.4 %, Dukovany by 2.1 %)
- Nuclear Power Plant Dukovany reached record high volume of 14 TWh
- Generation in renewables increased by 14 %

Source: CEZ
CEZ GENERATION FLEET EXPANDED BY INCLUDING THE POWER PLANTS ACQUIRED ABROAD WITH INSTALLED CAPACITY OF 2,090 MW

Installed capacity (MW)

<table>
<thead>
<tr>
<th>Total</th>
<th>14,392</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td></td>
</tr>
<tr>
<td>Elcho</td>
<td>238</td>
</tr>
<tr>
<td>Skawina</td>
<td>592</td>
</tr>
<tr>
<td>Bulgaria</td>
<td></td>
</tr>
<tr>
<td>Varna</td>
<td>1,260</td>
</tr>
<tr>
<td>Czech Republic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,607</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,935</td>
</tr>
</tbody>
</table>

Fuel

- Hard coal
- Coal (Hard/Lignite)
- Renewables
- Nuclear

Utilization

- baseload/peak
- cold reserve/baseload
- peak
- base load/peak/ancillary services
- base load

CEZ Group installed capacity increased by 17% by including the new capacity abroad.

Source: CEZ
THIS YEAR WE EXPECT TO EXCEED RECORD HIGH VOLUME IN 2006 IN THE CZECH REPUBLIC

CEZ, a. s. generation volume (brutto)
(TWh)

- Coal power plants
- Nuclear power plants
- Renewables

Record volume achieved despite:

- Temporary decommissioning of Tušimice (since 06/2007) due to start of Plant Portfolio Renewal program
- Additional refueling outage of Temelin´s 1st unit (Q1/2007)

Due to high capacity reliability in January 2007 CEZ increased guidance on 2007 gross margin from generation and trading by CZK 1.5 bn.
Prices in the region came closer last year due to decrease of available capacity and demand growth.

2007 base load as of 10-12/2006

- **DE**: 51-57 €/MWh
- **ČR**: 44 €/MWh (Prices similar to the Czech Republic)
- **SK**: 45 €/MWh
- **HU**: 47-57 €/MWh

**Key factors:**
- Decommissioning of Jaslovske Bohunice (Slovakia)
- Decommissioning of Kozloduj (Bulgaria)
- No annual exports (Poland)
- Announcement of LT cross-border contracts cancellation (Poland - Austria, Czech Rep. – Germany)
- Temporary decommissioning of Tušimice and Temelín

**Prices:**
- 2006 – 37.2 €/MWh
  - 2007 – major volume contracted at 43.7 €/MWh
- 2006 – 37.2 €/MWh
  - 2007 – 57 to 51 €/MWh
- 2006 – 47.5 €/MWh
  - 2007 – increase from 45 to 57 €/MWh pushed by demand in Hungary and in the Balkans
- 2006 - 38 €/MWh

High prices in the tenders in the Balkans, eg. up to 80 €/MWh in Albania.

Source: CEZ; TFS; press
PRICES EAST OF CZECH REPUBLIC ABOVE CZECH AND GERMAN LEVELS

Prices in Germany down due to warm weather and low prices of CO₂

Slovak prices higher by cross border capacity charge.

High prices in Hungary and in the Balkans reflect critical lack of electricity in the region

2007 baseload price
€/MWh

Source: CEZ; EEX; press
CURRENT DEVELOPMENT OF THE SHORT TERM MARKET IS IMPACTED BY WARM WEATHER AND LOW PRICE OF CO₂ (2007)

Prices in the short term market are low
- January was 6.1°C above normalized temperature, 9.5°C above last January
- Enough wind generation
- Low CO₂ price (currently < 2 €/t)

It can be expected that if current trends continue hydro generation will be low in the spring and in case of a warm summer prices will return to higher levels.

2008 prices in Central Europe range around 52 €/MWh on price of CO₂ at 15 €/t. Market awaiting results of NAP II allocation.

Source: CEZ, EEX
CEZ POWER AUCTIONS EXPANDED OFFER FOR SUPPLIERS TO END CUSTOMER IN THE CZECH REPUBLIC, SALES ON ENERGY EXCHANGE TO DOMINATE IN 2008

Expected saturation of Czech demand in 2007 (TWh)

- **ČEZ, a. s.**
- **Imports**
- **IPP (excl. supplies by CEZ)**
- **Others**

- **Czech Rep. consumption netto**
- **Czech Rep. supplies**

- **Other suppliers (excl. subsidiary CEZ Sales)**
  - 30.5

- **2008 sales** – further strengthening of market principles – besides auctions by independent auction office there will be exchange platform (Prague Energy Exchange).

- **CEZ is ready to support the energy exchange project and act as a market maker.**

- **We expect continuous liquidity growth and market standardization in the region (standardization of products, definitive cancellation of long term transit contracts, starting intraday trading on the borders).**

- **We assume broader acceptance of EFET framework agreements, which are standard in European power trading.**

Source: ERO, CEZ
CEZ HEDGED ITS CO₂ POSITION BEFORE THE PRICE COLLAPSE

Cumulative sale of CO₂

- 2008 prices depend on NAP1I allocation (2008-2012) – currently trading at 15 EUR/t
- CEZ, a. s. sold all excess allowances from 2006 and 2007 (based on planned production) before the price collapse
Proposals of the Commission

- **Ownership unbundling** of transmission and distribution or instituting Independent System Operator
- **Cooperation strengthening of national regulatory offices** – ERGEG+, new institution or competence to EC
- **New transparency rules**

Position of CEZ Group

- Effective **application of existing laws** sufficient, support of independent system operators
- **Review powers for European Commission** similar to antitrust laws
- **Adherence to transparency principles** by all market participants with no exceptions, providing **information ex-post**
NEW EU ENERGY POLICY – PROPOSAL OF NEW MEASURES (2/2)

- Priority interconnection plan
- European Customer Charter
- Correspondent network for questions on energy security
- 20% share of renewables in the energy mix
- Use of coal capacity
- High level group on nuclear security
- Energy observatory

- Necessity of new investments into infrastructures and connectivity of EU market
- Improve availability of information for customers
- Security of supply – priority
- Setting achievable national targets – share of all CO₂ free technologies
- Emphasis on CO₂ sequestration and storing since 2020
- Support of objective discussion, participation of all EU members required
- New institutions only once their competence is precisely defined