

A white line graph is plotted against the orange background. The line starts at a low point on the left, rises with some minor fluctuations, dips slightly, and then continues to rise more steeply towards the top right corner. The line is jagged, representing a fluctuating but overall increasing trend.

THE LEADER IN POWER MARKETS OF CENTRAL AND SOUTHEASTERN EUROPE

Equity story
May 2006



DISCLAIMER

Certain statements in the following presentation regarding CEZ's business operations may constitute "forward looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute CEZ's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to continued normal levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. CEZ undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In preparation of this document we used certain publicly available data. While the sources we used are generally regarded as reliable we did not verify their content. CEZ does not accept any responsibility for using any such information.



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SUMMARY FOR INVESTORS

- The vision of CEZ is to become the leader in power markets in the Central and Southeastern Europe
- The largest Czech corporation and the largest corporation among 10 new EU member states
- The best performing European utility stock with growth at >232% in the last 18 months with wide international shareholders base
- Leading position in Central European power markets, 2nd biggest exporter of power in Europe
- Vertically integrated in the Czech Republic – from mining (45% market share) through generation (74%) to distribution (62%) and supply (58%)
- Distribution and supply in Bulgaria (42% market share) and Romania (17%)
- Generation in Poland – Power Plants Elcho (220MW) and Skawina (590MW)



CEZ GROUP PROVIDES SOME UNIQUE FEATURES FOR EQUITY INVESTORS

Key factors	Rationale
▪ Strong financial performance	▪ EBITDA margin 40% with growth potential
▪ Dynamic profit growth expected to continue	▪ Growing power prices and consumption, efficiency improvements and synergies
▪ Vertically integrated	▪ Stable performance once prices converge
▪ Robust balance sheet	▪ Lowest level of debt among large players and strong free cash flow
▪ Management fully focused on financial performance	▪ Group restructuring, aggressive performance targets
▪ Dividend growth by 50% in 5 years	▪ 41% pay out ratio in 2004
▪ Standard corporate governance practices	▪ Under scrutiny of equity brokers, institutional investors, financial advisors and rating agencies (S&P, Moody's)
▪ Exposure to attractive regions of 1 st and 2 nd EU convergence zone	▪ Central and Southeastern Europe

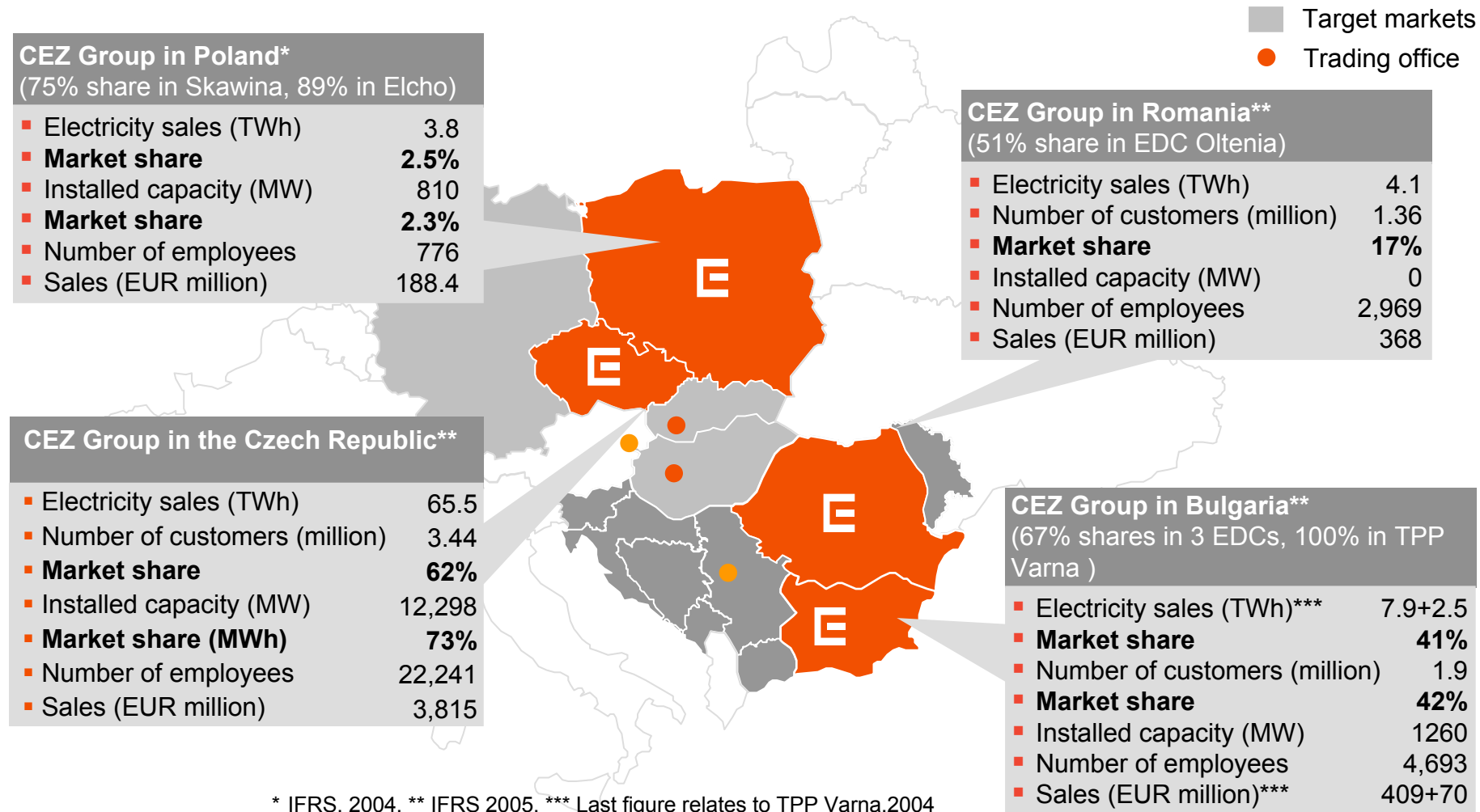


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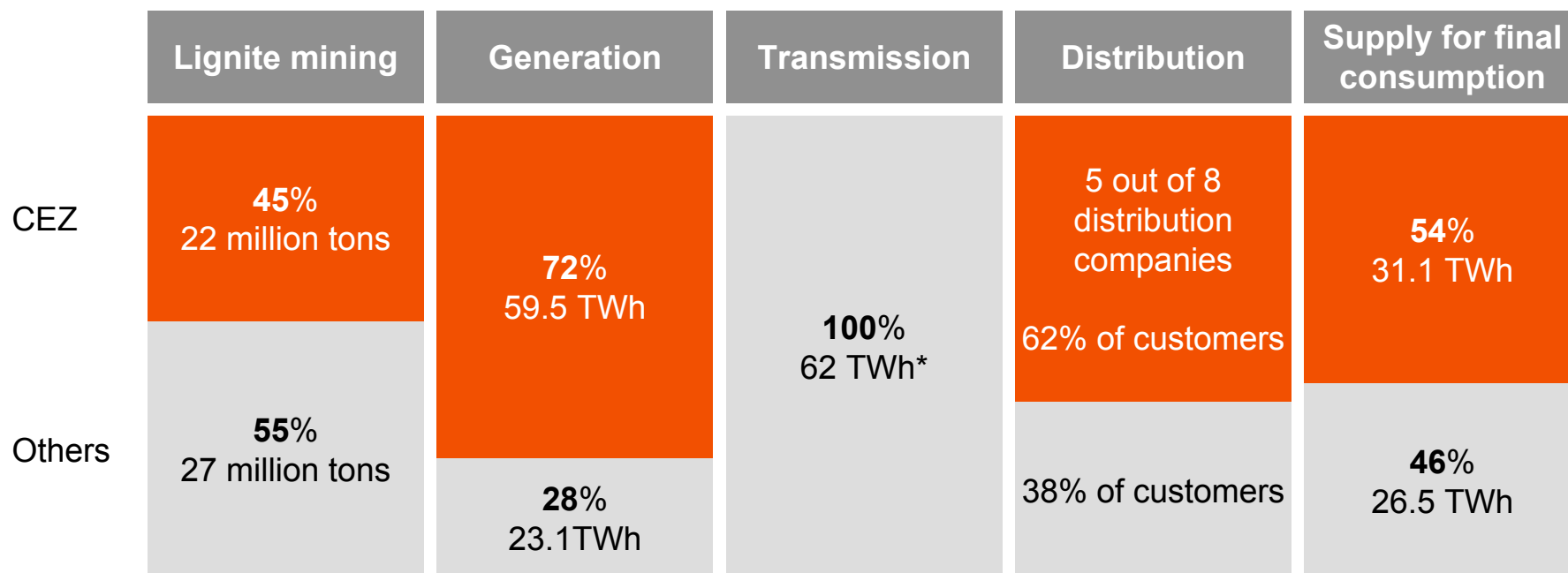


CEZ GROUP IS AN INTERNATIONAL UTILITY WITH STABLE POSITION IN DOMESTIC MARKET AND GROWING PORTFOLIO IN THE BALKANS





CEZ IS A LARGE PLAYER IN ALL SEGMENTS OF THE CZECH ELECTRICITY MARKET



- CEZ has 93% stake in the largest Czech mining company (SD)

- The Czech transmission grid is owned and operated by CEPS, 100% owned by the Czech state



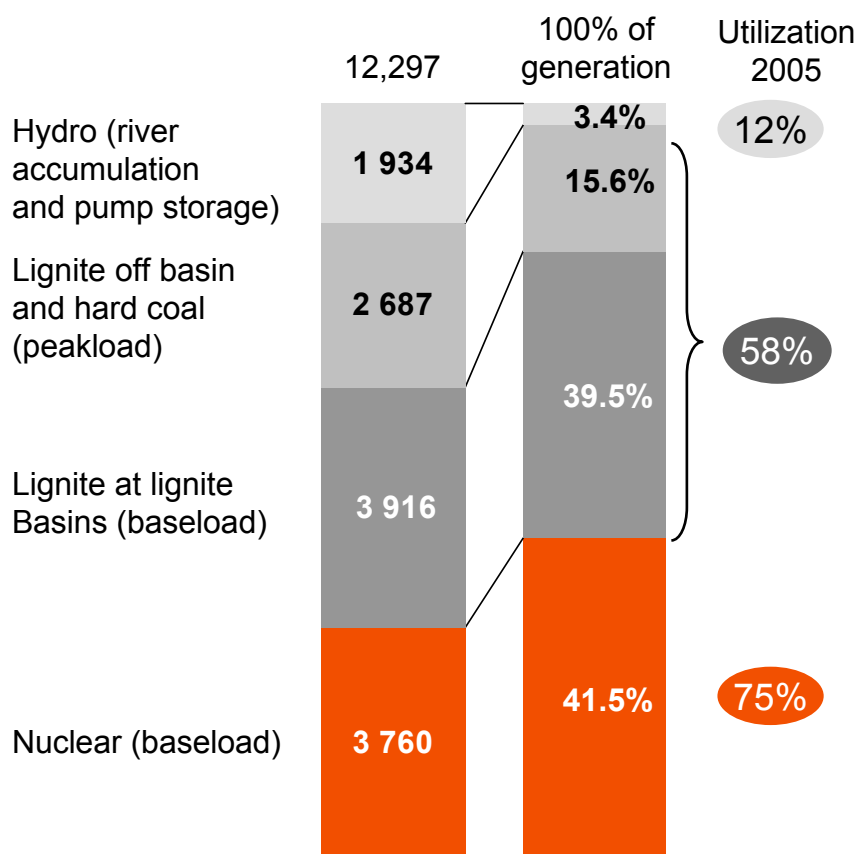
ZCE, SCE, STE,
VCE, SME

Note: * estimate

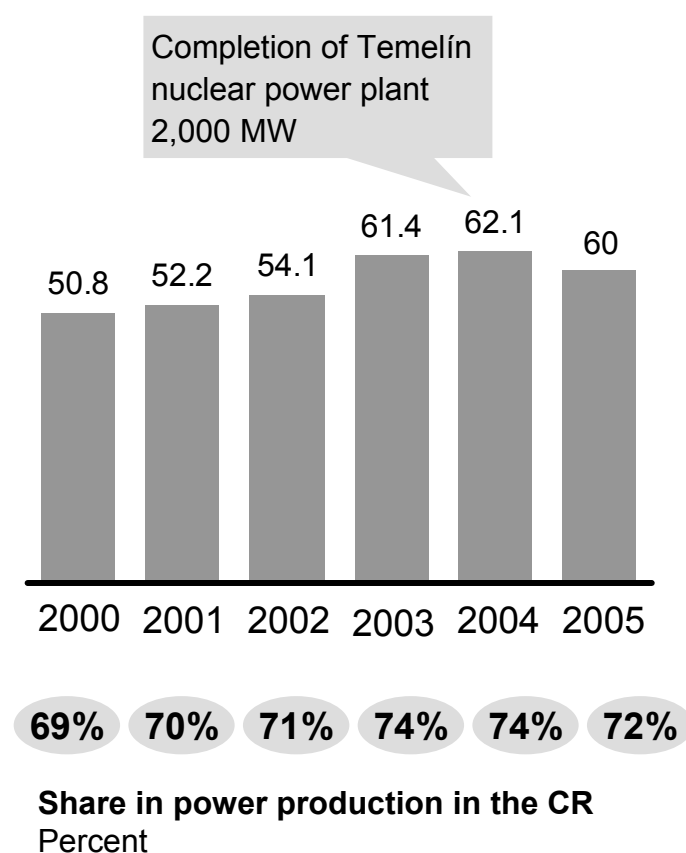


CEZ GROUP HAS VERY ATTRACTIVE LOW COST GENERATION FLEET AND HAS SECURED LOW FUEL COSTS THROUGH LONG TERM CONTRACTS

CEZ Group generation capacity (2005)
MW



Annual production of CEZ Group
TWh

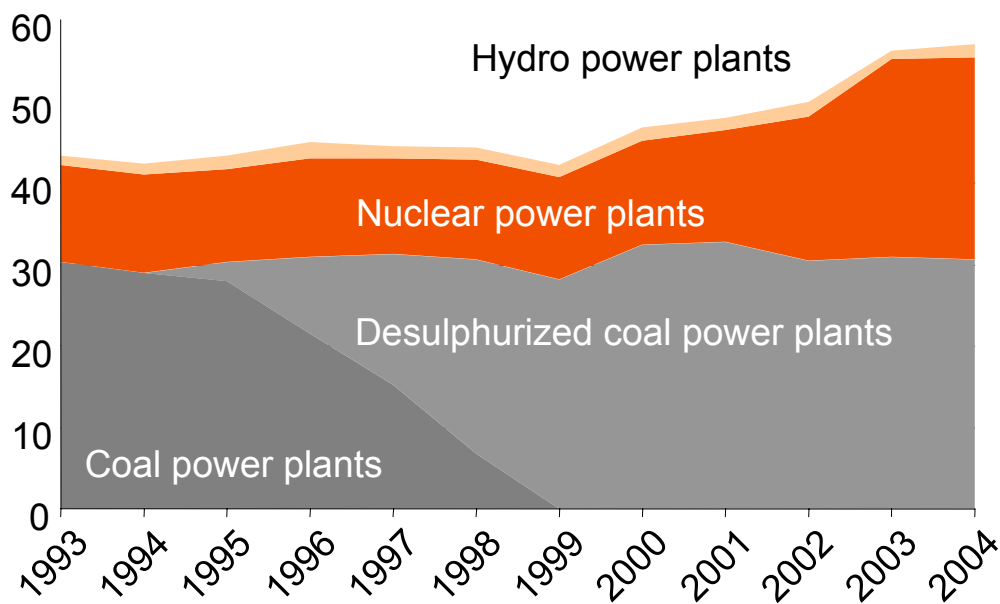




MAJOR INVESTMENT PROGRAM IN LIGNITE POWER PLANTS WAS FOCUSED ON EMISSION REDUCTION

Generation structure of CEZ Group

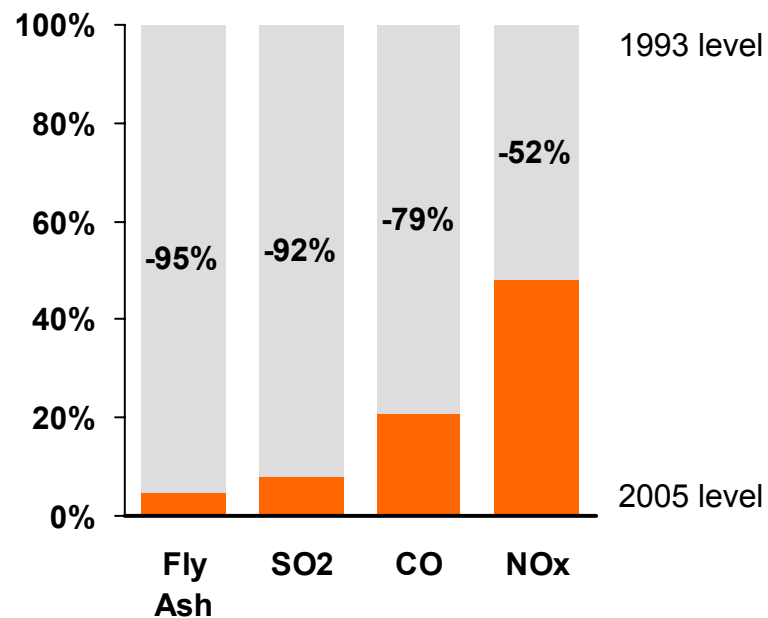
TWh



CEZ invested EUR 1.5 billion into desulphurization of its plants between 1993-99

CEZ Group emission change 2005/1993

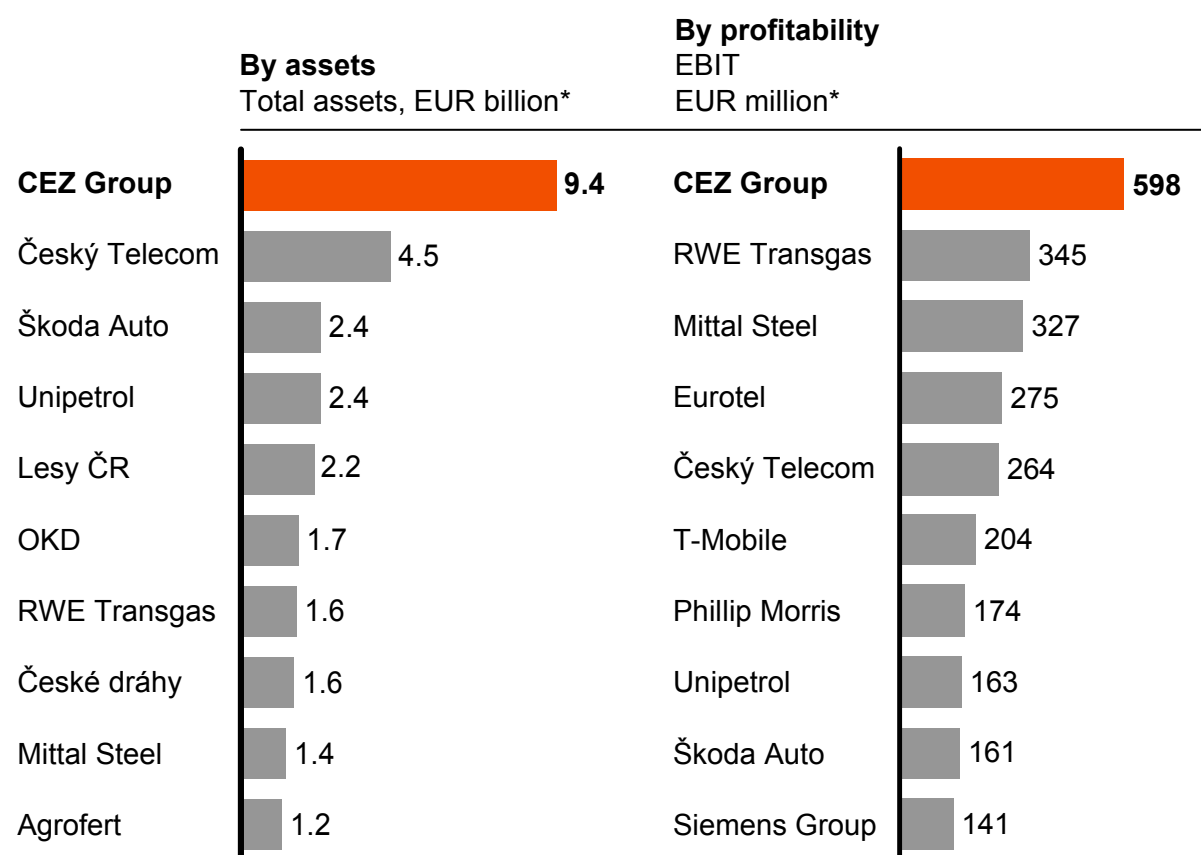
Percent





CEZ GROUP IS THE LARGEST CZECH COMPANY BY ANY MEASURE

Top Czech companies in 2004



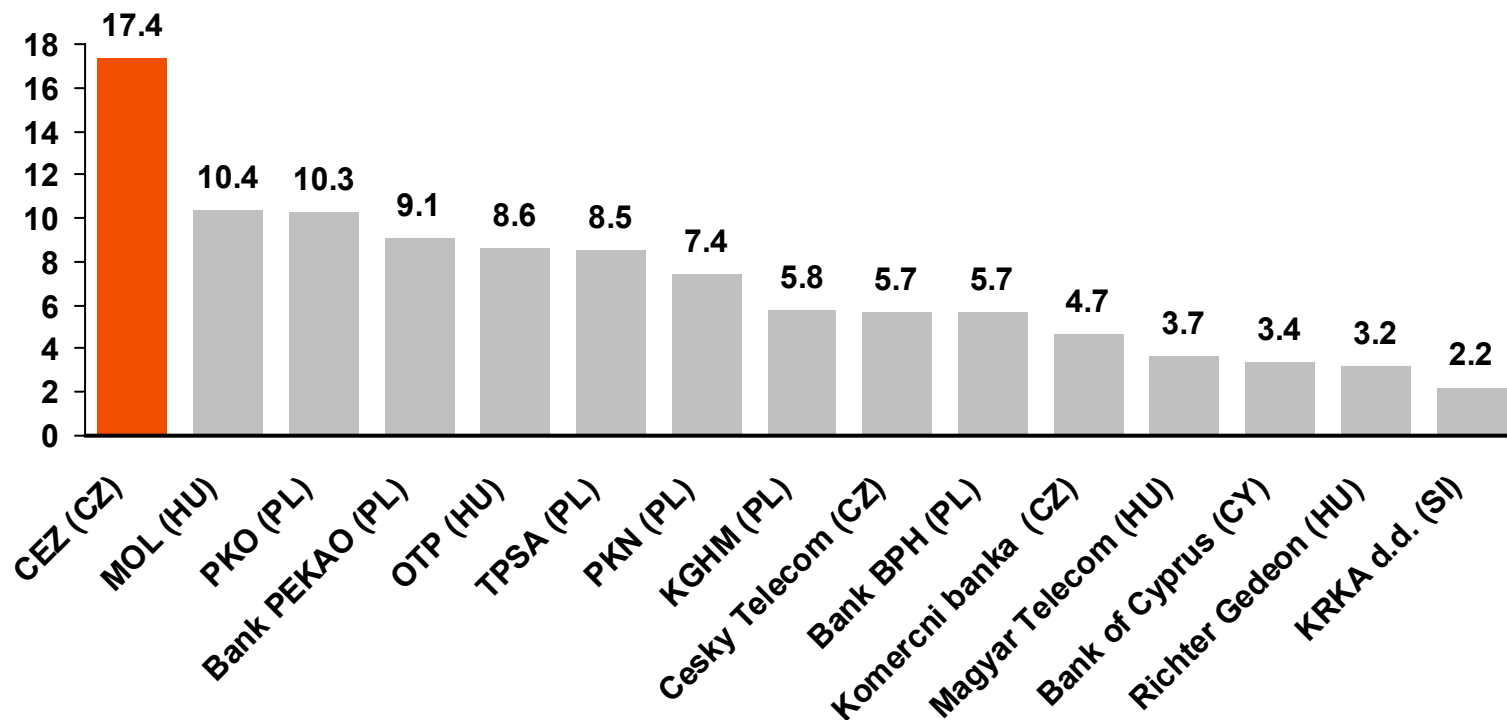
* Exchange rate CZK/EUR = 30

Source: Czech TOP 100



CEZ IS THE BIGGEST COMPANY IN NEW EU MEMBER STATES

Market capitalization of top 15 companies in 10 new EU member states*
EUR billion



* As of April 25, 2006; considering companies included in DJ STOXX EU Enlarged TMI Index

Source: Respective stock exchanges



VISION OF THE CEZ GROUP IS TO BE THE LEADER IN POWER MARKETS IN CENTRAL AND SOUTHEASTERN EUROPE

Our vision

The leader
in power
markets in
the Central
and South-
eastern Europe

Business focus

- Integrated utility focused on power generation, distribution and supply
- Present in related businesses where relevant (coal mining, heat generation)

Priority initiatives

- **Czech Republic**
 - maintain strong hedged position
 - achieve operational excellence to be replicated across the group
 - renewal of plant portfolio
- **Central and South Eastern Europe**
 - build strong hedged position through acquisitions
 - integrate into the Group








Brand equity

- Czech champion on the international energy markets



NEW MANAGEMENT TEAM IS DETERMINED TO FULFILL THE MISSION

Management team of CEZ Group

	HR	Trade	Finance	CEO	Generation	Distribution	Operations
							
	Zdeněk Pasák	Alan Svoboda	Petr Vobořil	Martin Roman	Jiří Borovec	Tomáš Pleskač	Daniel Beneš
Responsibility	<ul style="list-style-type: none">Human ResourcesInternal CommunicationForeign branches support	<ul style="list-style-type: none">TradingSales and marketingCustomer servicesMarket rules	<ul style="list-style-type: none">TreasuryAccountingPlanning/controllingICT	<ul style="list-style-type: none">M&AProcurement	<ul style="list-style-type: none">Conventional generationNuclear generationNew projects	<ul style="list-style-type: none">DistributionForeign equity participationsIntegration	<ul style="list-style-type: none">Equity participationsProcurement
Credentials	<ul style="list-style-type: none">Managing Partner Madsen & Taylor ConsultingSenior Consultant and International Partner Group Helmut Neumann Int.	<ul style="list-style-type: none">Partner in McKinsey & Company responsible for energy sectorCFO in regional power distributor	<ul style="list-style-type: none">Top management positions in CEZ, including CEO	<ul style="list-style-type: none">CEO of Škoda holding in PlzeňCEO of US-owned Janka Lennox	<ul style="list-style-type: none">CEO of Škoda Nuclear divisionCEO ABB Service Czech Republic	<ul style="list-style-type: none">Top management positions within the CEZ Group	<ul style="list-style-type: none">Head of Sales BohemiacoalPlant director TchasDirector Hedviga Group

Selected by international executive search company



AGENDA

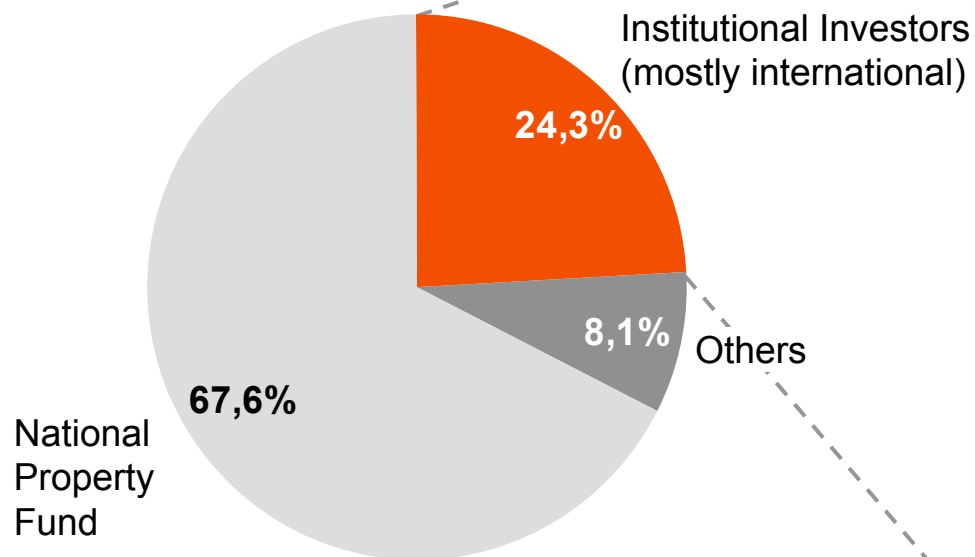
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CEZ GROUP ATTRACTED MANY INTERNATIONAL SHAREHOLDERS

Shareholders of CEZ, a. s.

As of December 31, 2005



Government stake unlikely to be reduced in near future

Types of funds investing in CEZ shares

- Emerging markets
- Hedge
- Utilities
- Growth strategies

Examples of large foreign investors

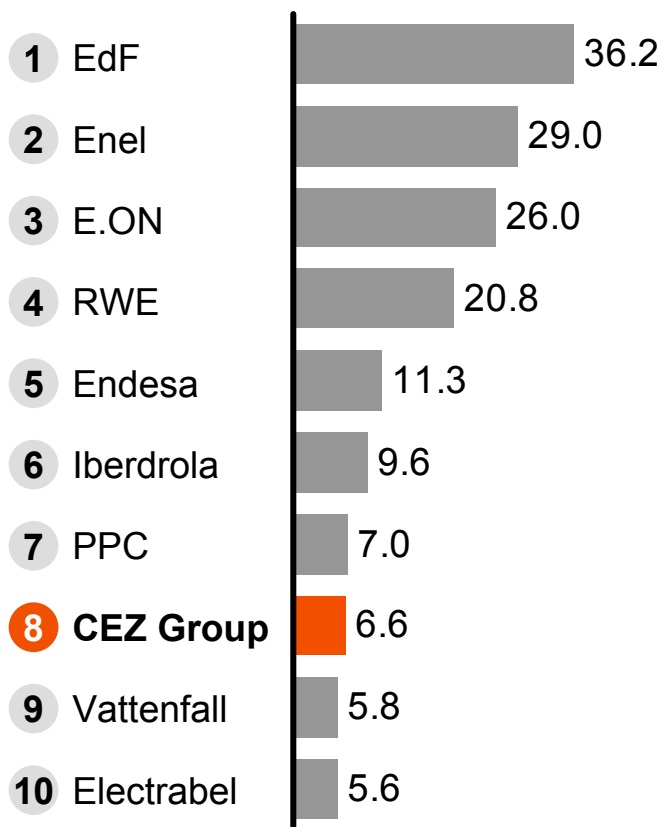
- Baring Global Umbrella
- BNP Paribas
- Brown Brothers Harriman
- Charlemagne Capital
- Investors Bank & Trust Boston
- J. P. Morgan
- Merrill Lynch
- Nortrust Nominees
- Pioneer
- SIS Segaintersettle
- UBS



CEZ IS AMONG TOP 10 EUROPEAN POWER UTILITIES

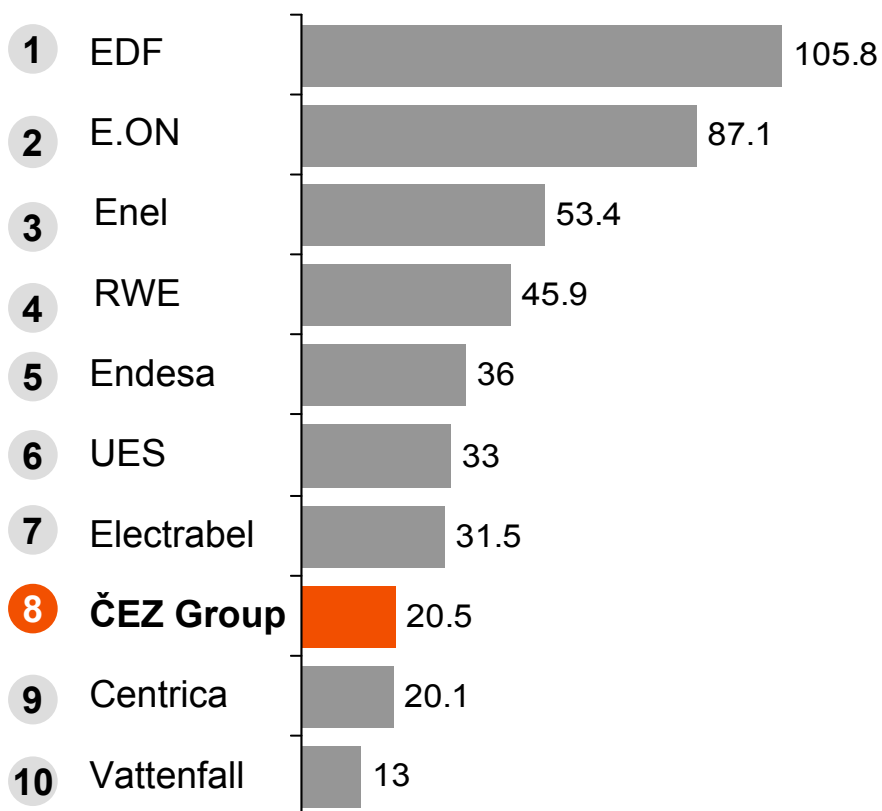
Top 10 European power utilities

Number of customers in Europe, million



Top 10 European power utilities

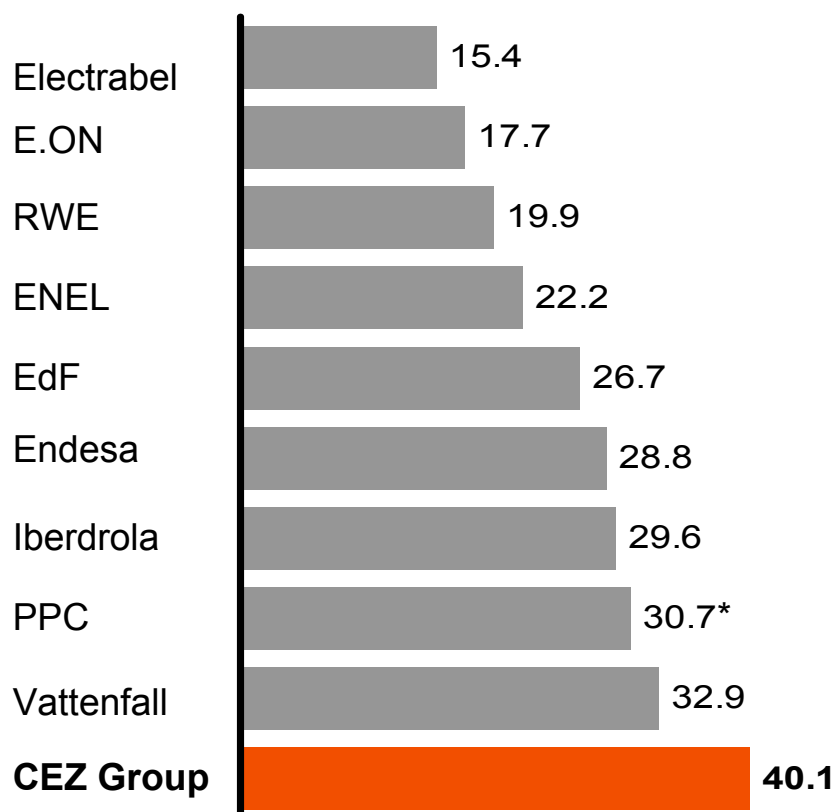
Market capitalization, USD bn, as of May 4, 2006





... AND IS THE MOST PROFITABLE UTILITIES IN EUROPE MEASURED BY EBITDA MARGIN AND WILL REMAIN SO

EBITDA margin, 2005
Percent



* 2004 Data

CEZ Group outstanding performance is driven by generation portfolio – mix on nuclear and domestic lignite - which has potential for further improvements:

■ **Coal Supply**

- Long term fuel contract till 2050 for >90% of consumption
- Prices change as fraction of electricity price and inflation changes
- Volume secured for both current and new/refurbished plants

■ **Nuclear**

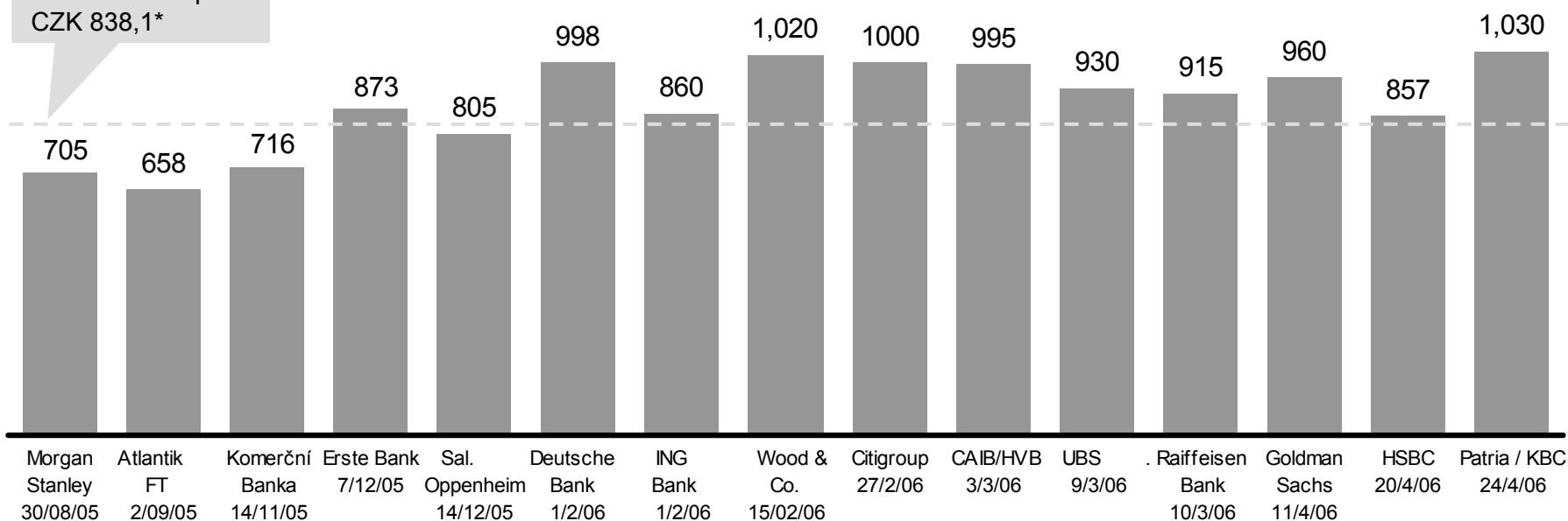
- Operations approved till 2037 (Dukovany after anticipated extension) and 2042 (Temelin)
- Further extension technically feasible and likely to be granted
- Increased capacity of Dukovany (~5% or 80 MW) and Temelin (~5% or 100 MW) after turbine rotor upgrades



ANALYSTS MAINTAIN POSITIVE VIEW ON CEZ GROUP PERFORMANCE

Target share price CZK

Current share price
CZK 838,1*



Recommendation:



Initiated coverage
by utilities analysts

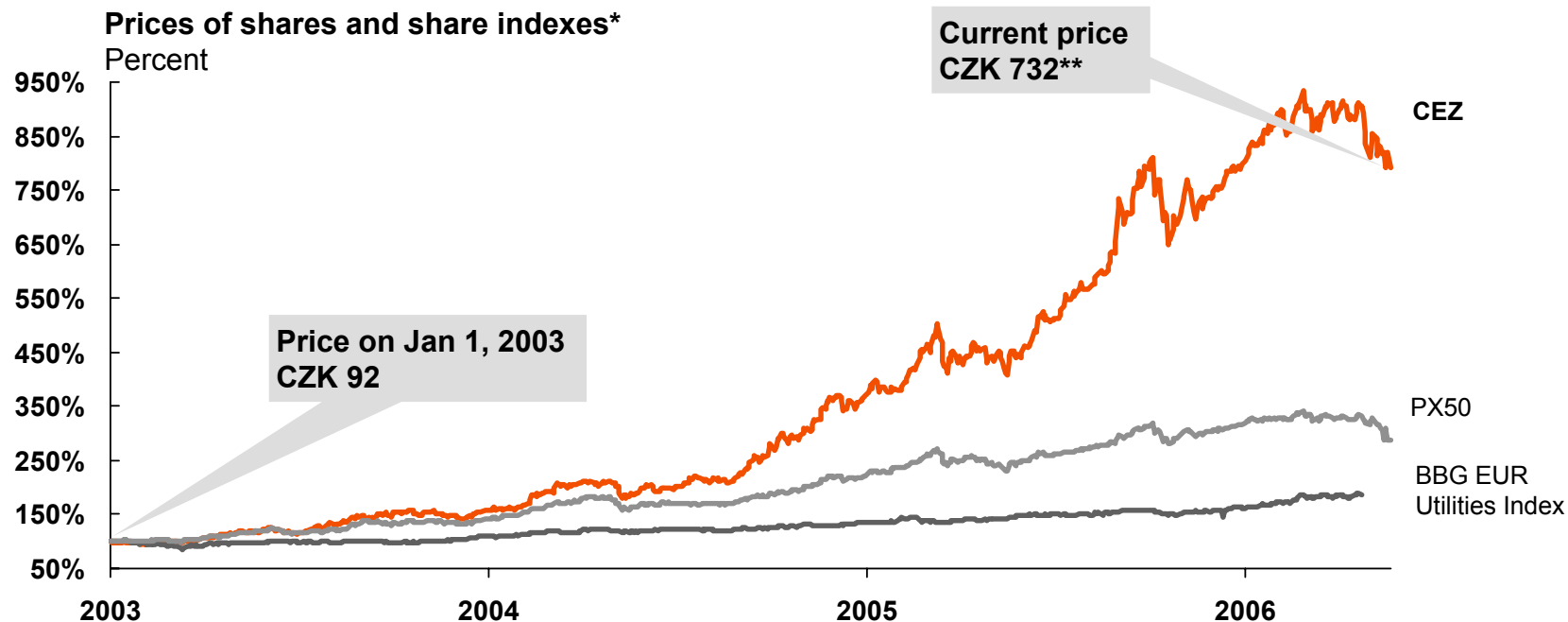
* April 20, 2006

Note: Some of the analysts use different rating for recommendations and/or apply different meaning to target price

Source: Analyst reports



CEZ STOCK HAS SIGNIFICANTLY OUT-PERFORMED THE CZECH MARKET AS WELL AS EUROPEAN UTILITY



CEZ shares are among the most liquid on the Prague Stock Exchange

Average daily volume in Q3 2005

- CZK 1.3 billion
- 2.2 million pieces
- 0.4% of total shares
- 1.4% of the free float

CEZ shares are part of the following main indices

- PX50, PX D – Prague Stock Exchange
- CTX – Wiener Borse
- CETOP 20 – Budapest Exchange
- STOXX EU Enlarged – Dow Jones

* Indexed to Jan 1, 2003

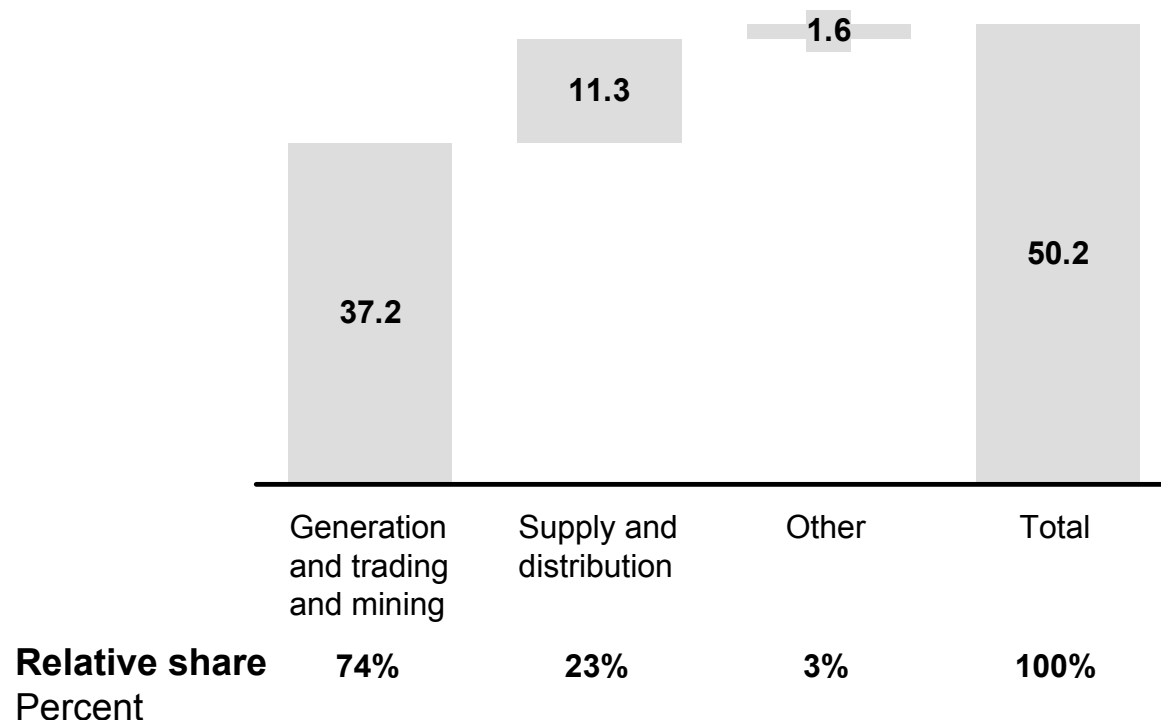
** As of May 22, 2006



CEZ GENERATION FLEET IS THE MAIN VALUE DRIVER OF THE WHOLE GROUP

Contribution of various segments to consolidated EBITDA (2005)

CZK billion



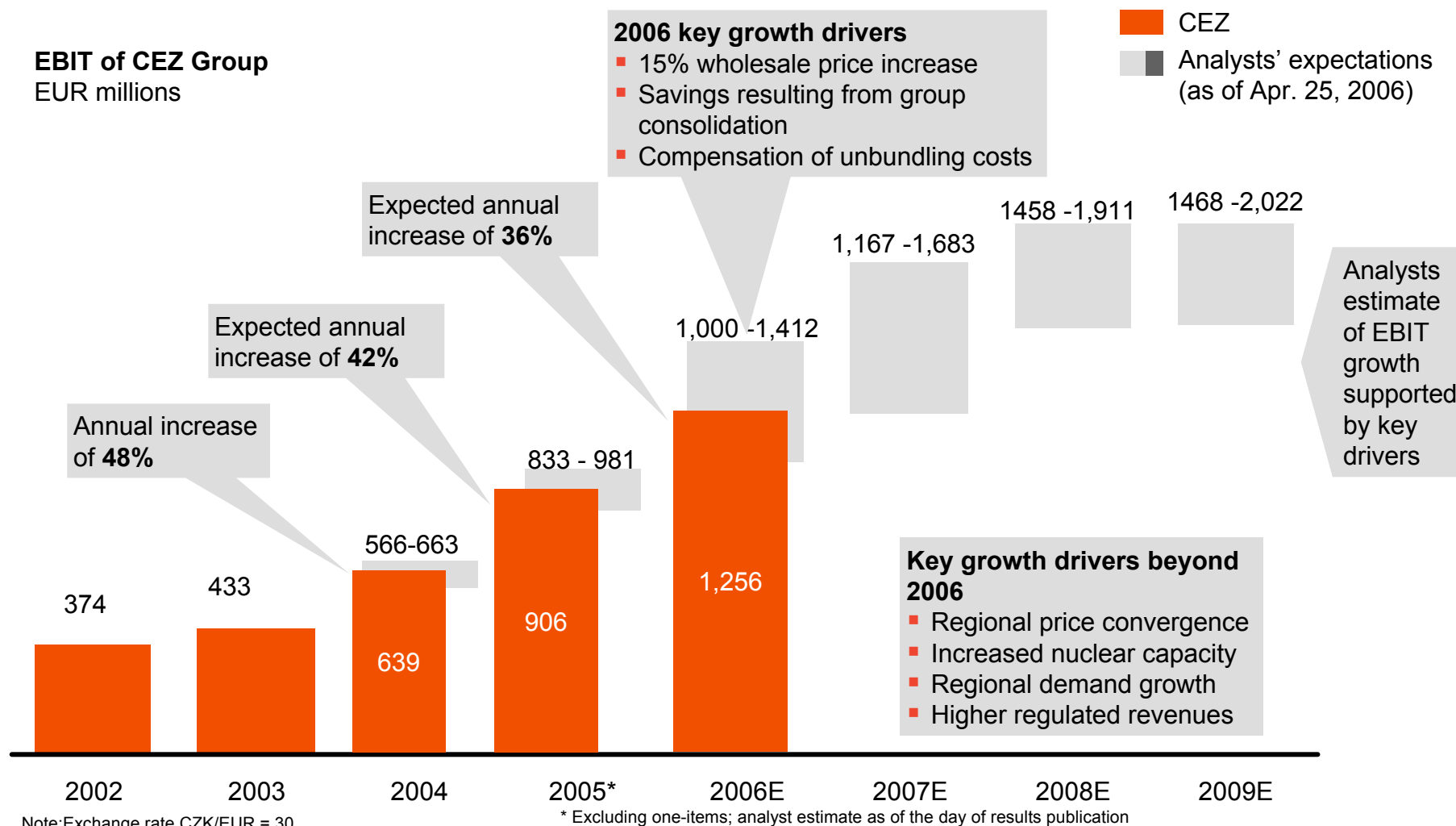
EBITDA Growth drivers

- **Generation and trading**
 - Regional price convergence to German levels
 - CO₂ optimization/Power arbitrage
 - Increased capacity of nuclear plants
 - Costs cuttings
 - Higher utilization of plants (demand driven)
 - Higher efficiency of new and retrofitted lignite plants
 - Additional capacities (acquisitions, new projects)
- **Supply and distribution**
 - Improvement in supply margin
 - Cost cuttings
 - Favourable regulation of distribution
 - Inclusion of Bulgarian and Romanian distributors



CEZ GROUP MAINTAINS HIGH DYNAMICS IN PROFIT GROWTH IN LINE WITH ANALYSTS EXPECTATIONS

EBIT of CEZ Group EUR millions

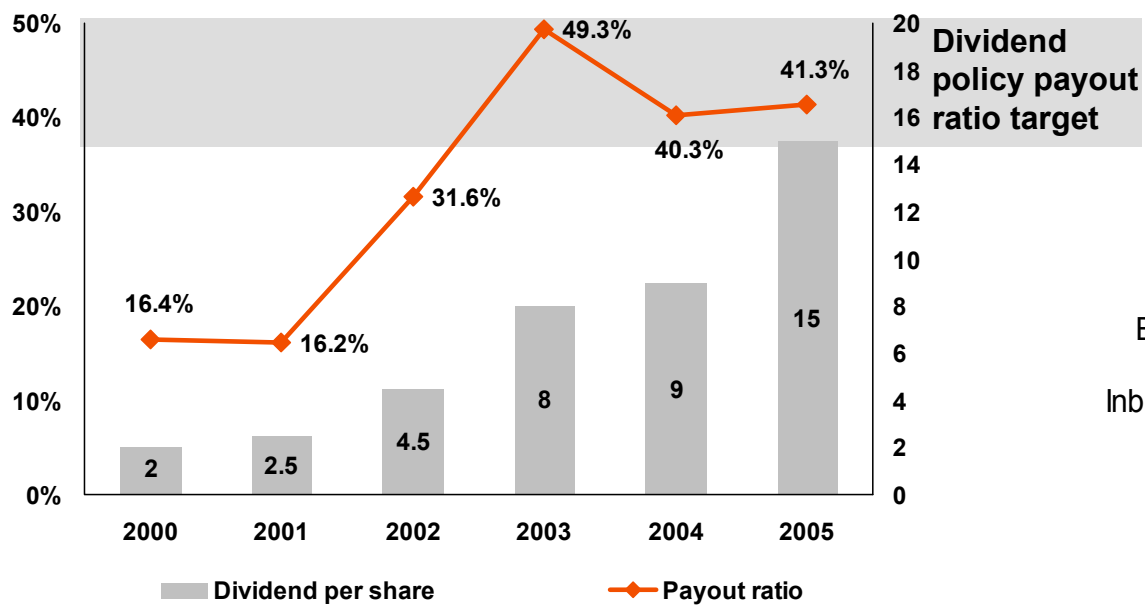


Source: Analyst reports

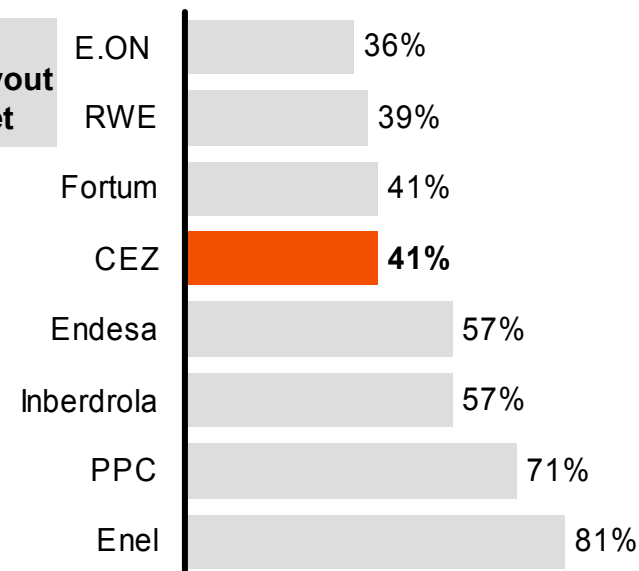


NEW DIVIDEND POLICY TARGETS PAYOUT RATIO IN THE RANGE OF 40% TO 50 % OF THE CONSOLIDATED PROFIT

Net income and dividends (IFRS, consolidated)
CZK billion



Dividend payout ratio (2004)
Percent

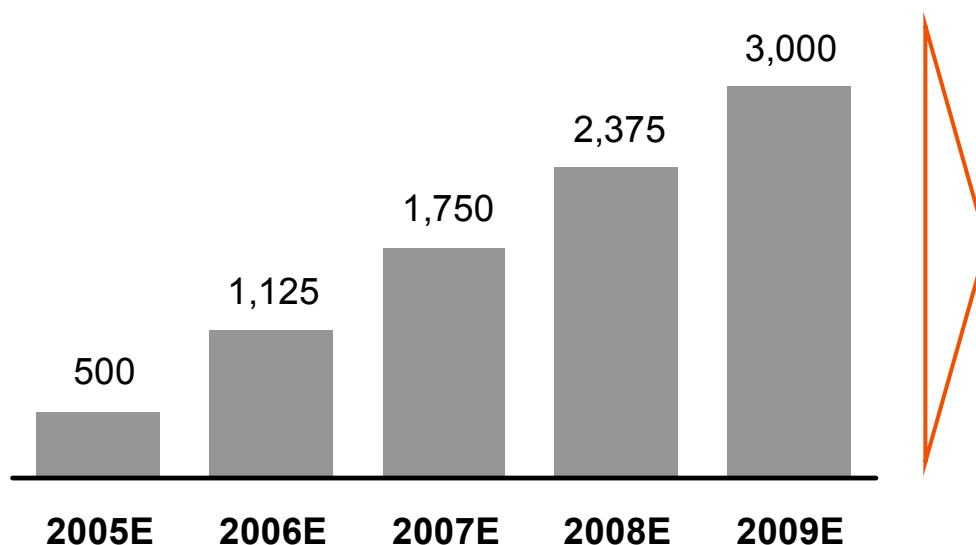


- CEZ pay-out ratio is in the range of its peers
- If no suitable and rightly priced acquisitions possible distribution to shareholders will increase



CEZ GROUP HAS VERY STRONG FREE CASH-FLOW THAT CAN BE USED TO FINANCE INTERNATIONAL GROWTH

Free cash flow of CEZ Group (cumulative)
EUR million

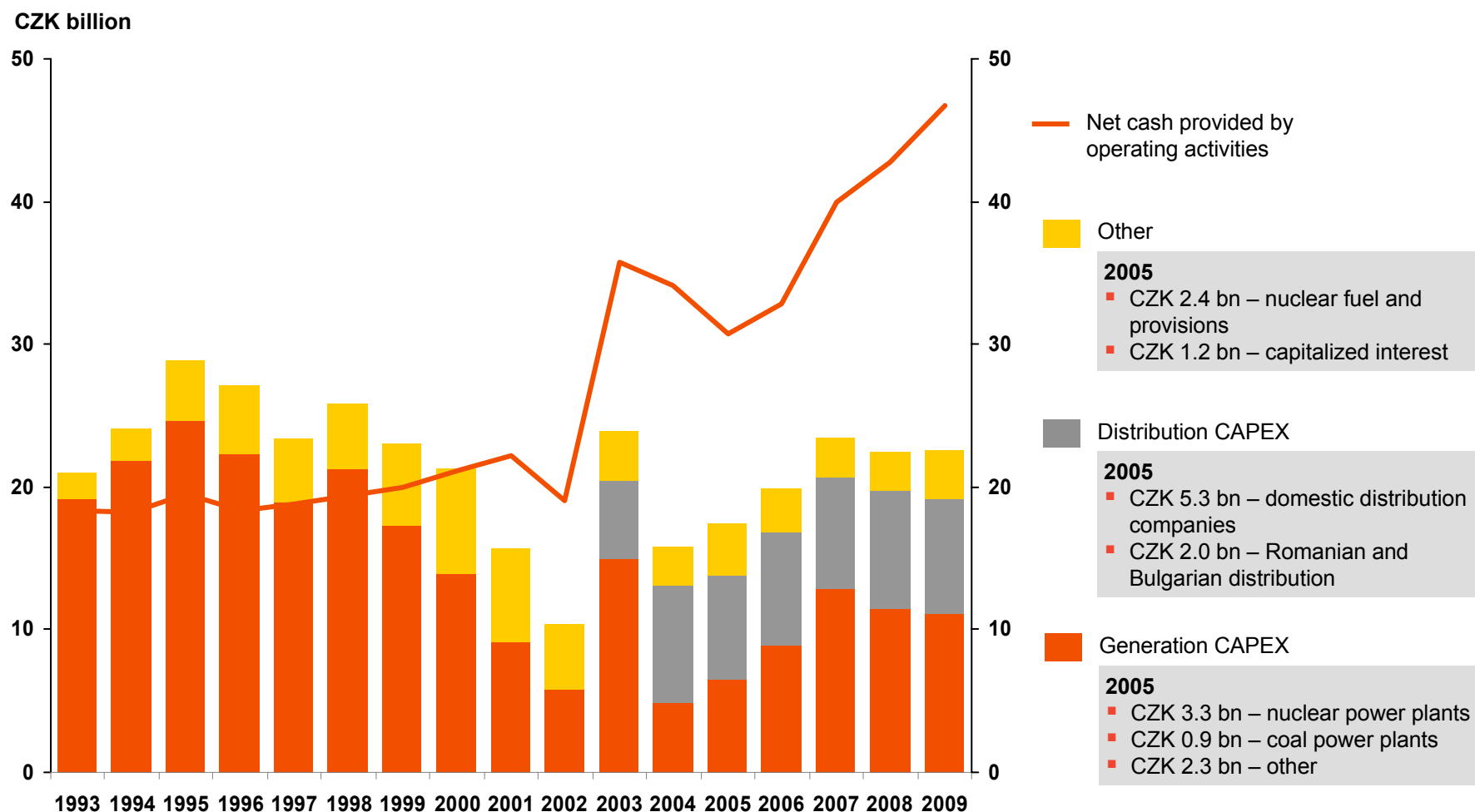


CEZ Group can finance foreign acquisitions in the next 3-5 years from free cash flow up to EUR 3,000 million without impacting

- Dividend payments
- Budgeted CAPEX
- Level of debt



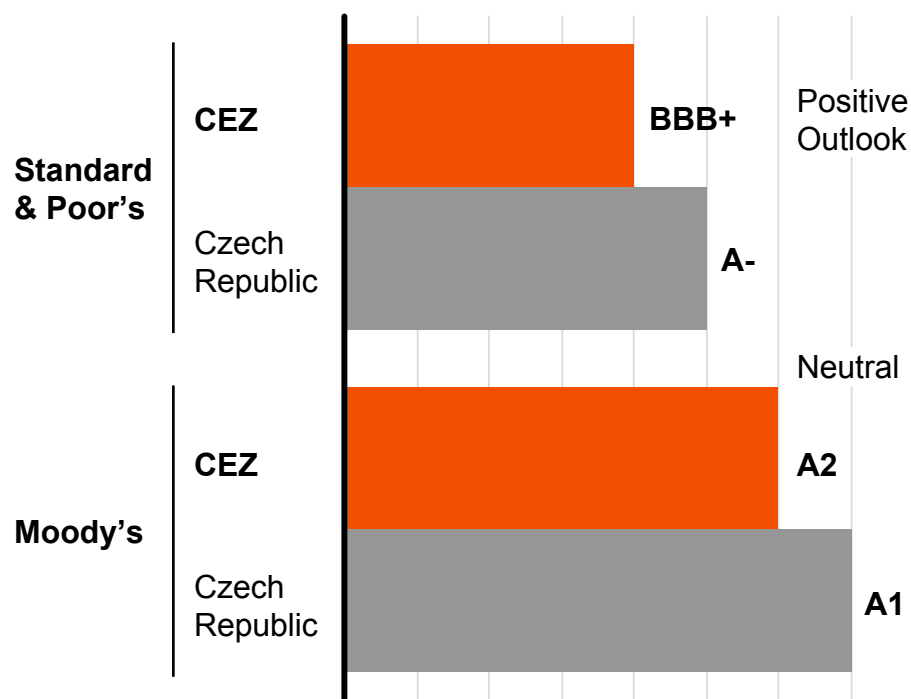
CEZ GROUP GENERATES LARGE OPERATING CASH-FLOW IN EXCESS OF INVESTMENT NEEDS





CEZ FINANCES ARE UNDER CLOSE SCRUTINY OF RATING AGENCIES AND BOND INVESTORS

Credit rating of CEZ and Czech Republic



CEZ bonds

Year	Amount Million	Currency	Placement	Repayment
Matured				
1993	2,100	CZK	Prague	1996
1994	4,000	CZK	Prague	1999
	150	USD	Luxembourg	1999
1995	4,000	CZK	Prague	2000
1996	3,000	CZK	Prague	1999
	3,000	CZK	Prague	2003
1999	3,000	CZK	Prague	2004
Outstanding				
1997	200	USD	USA	2007
1999	4,500	CZK	Prague	2009
	2,500	CZK	Prague	2014
	200	EUR	Luxembourg	2006
2003	3,000	CZK	Prague	2008
2004	400	EUR	Luxembourg	2011

- CEZ has high credit rating just below the country risk
- CEZ has been first rated company in former Eastern Europe

- CEZ has been first and one of the largest corporate bond issuers in former Eastern Europe

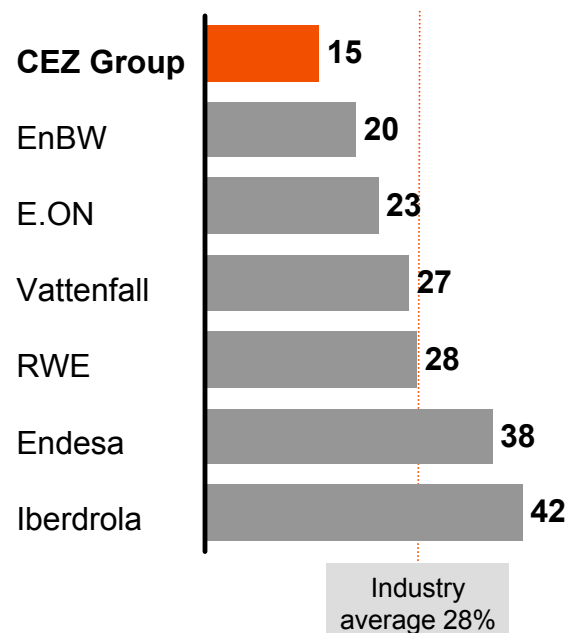


CEZ GROUP IS THE LEAST INDEBTED UTILITY IN EUROPE WITH STRONG ADDITIONAL BORROWING CAPACITY

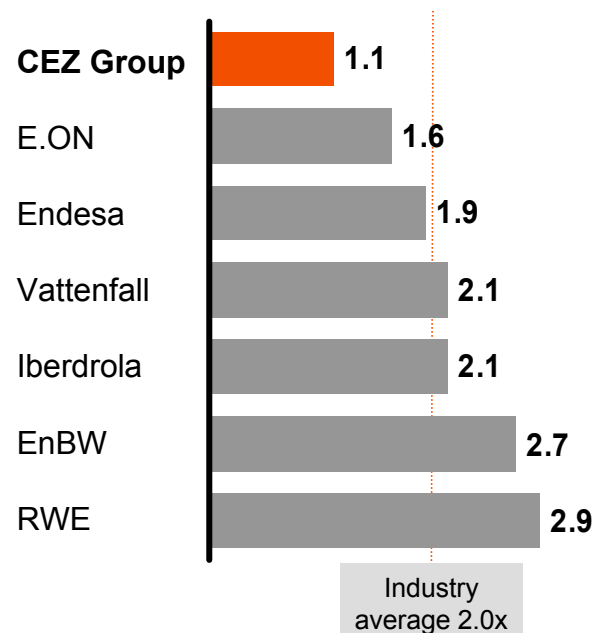
Additional borrowing capacity equals EUR 2.3 billion by 2009

- May be used on top of the free cash flow to finance acquisitions if large, interesting and properly priced acquisition targets appear

Long-term debt/Total assets Percent



Debt/ EBITDA Multiple



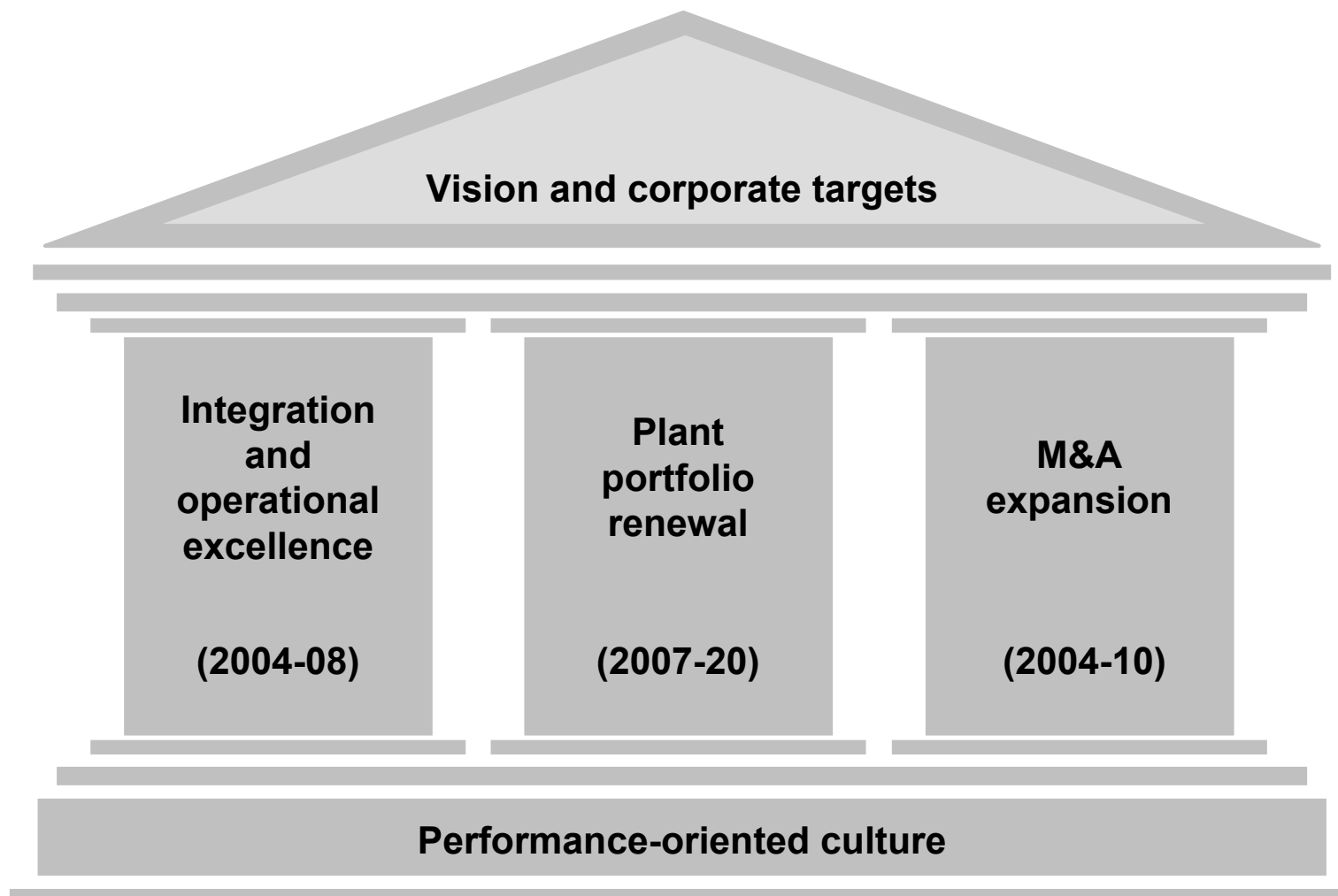


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CEZ GROUP HAS LAUNCHED FOUR KEY STRATEGIC INITIATIVES





PERFORMANCE ORIENTED CULTURE IS A PRECONDITION FOR ALL OTHER INITIATIVES



Implementation program

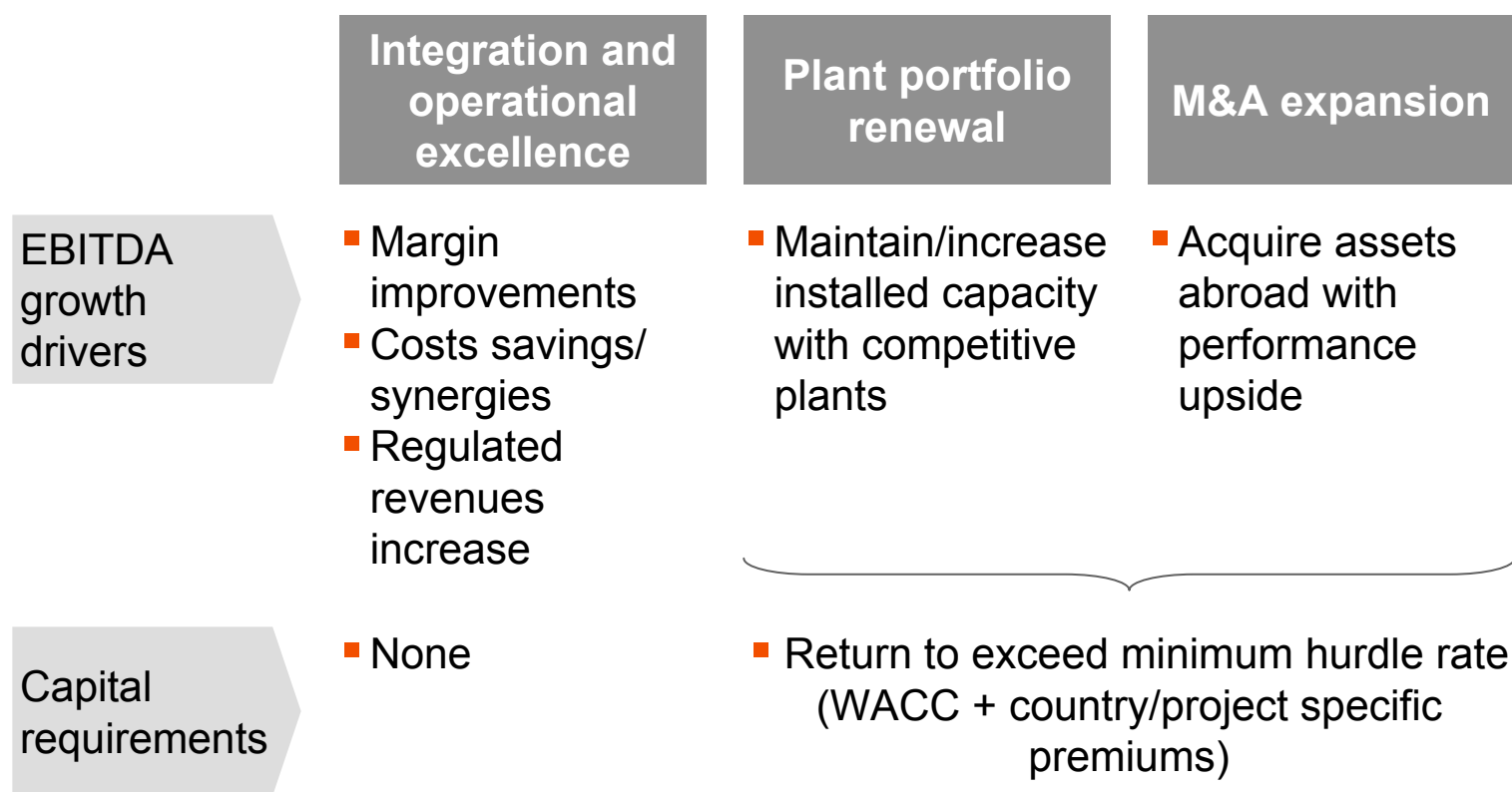
- Top and middle management meetings/ workshops
- Employee meetings
- Corporate magazine and intranet
- New hires
- Job rotations
- Performance reviews

7 principles of CEZ performance-oriented culture

1. **Value creation** is the top priority
2. **Individual responsibility** for reaching ambitious goals/results
3. **Building ties** across the Group
4. Developing **human potential**
5. Creating **international organization**
6. Accepting **continuous change**
7. Enforcing **integrity**



STRATEGIC INITIATIVES TARGET VALUE ENHANCEMENT





AGENDA

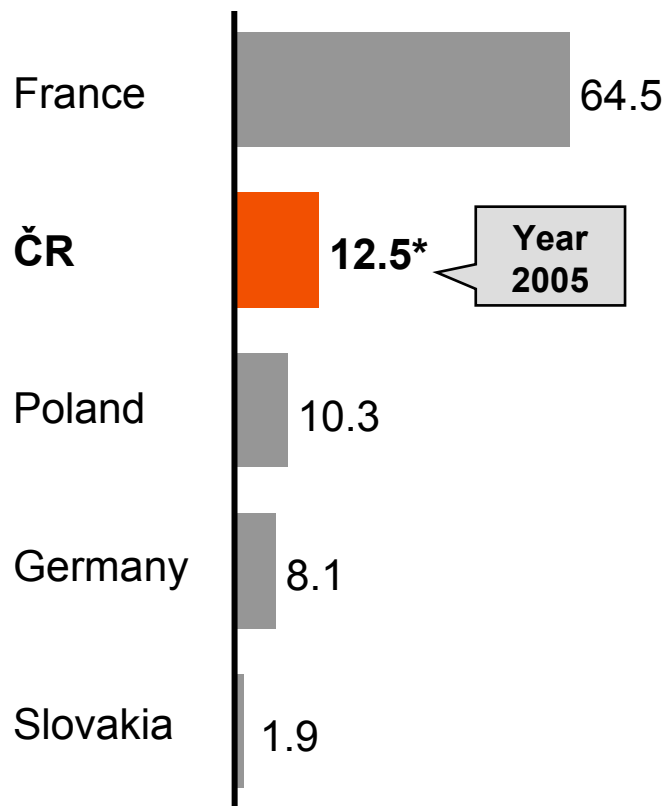
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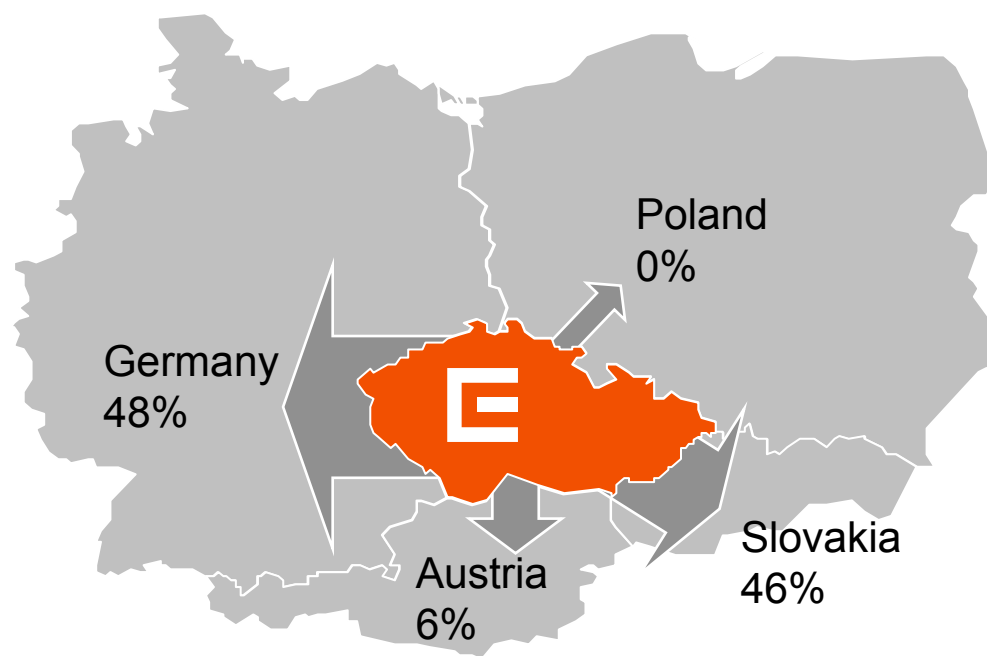
CEZ GROUP IS SECOND LARGEST EXPORTER OF POWER IN EUROPE, PROVIDING POWER TO CENTRAL EUROPEAN COUNTRIES



Net exports in 2004
TWh



Structure of CEZ exports in 2005



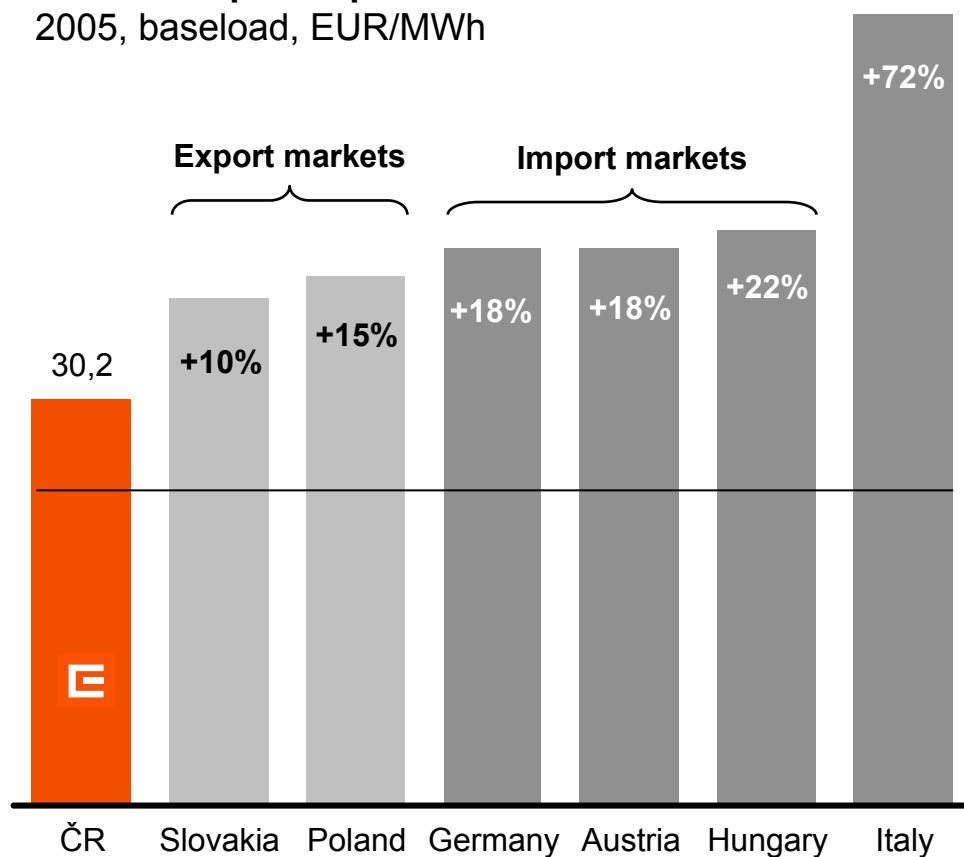
Diversification of target export markets from initial focus on Germany



WHOLESALE PRICES OFFERED BY CEZ ARE AMONG THE LOWEST IN THE REGION



Wholesale power price*
2005, baseload, EUR/MWh



Existing pricing

- Has been a result of **influence of higher German prices** and potential cheaper imports from Poland and Slovakia
- Will be changed with full implementation of CO₂ European Trading Scheme supporting **price convergence**



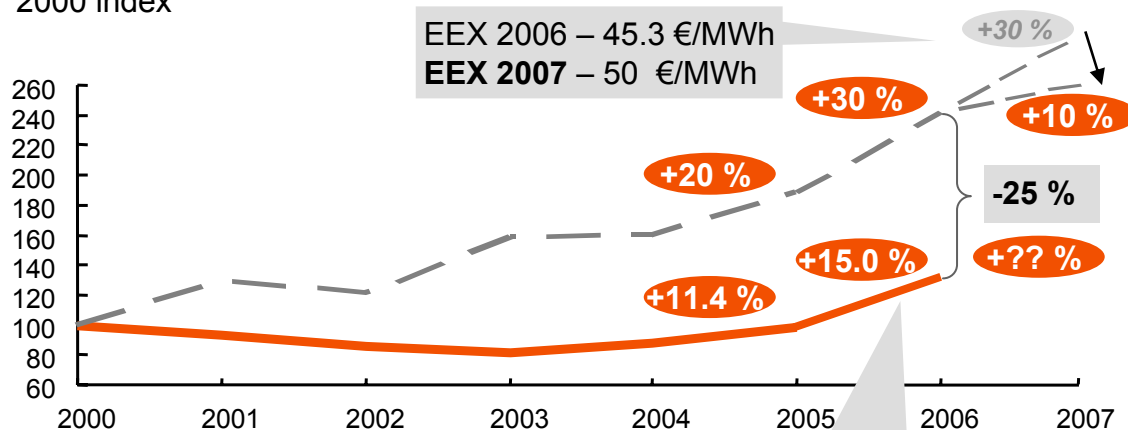
* Comparing 2005 forward price as of September 2004



WHOLESALE ELECTRICITY PRICES IN CENTRAL EUROPE GROW DRIVEN BY INCREASING DEMAND AND LACK OF GENERATION CAPACITIES

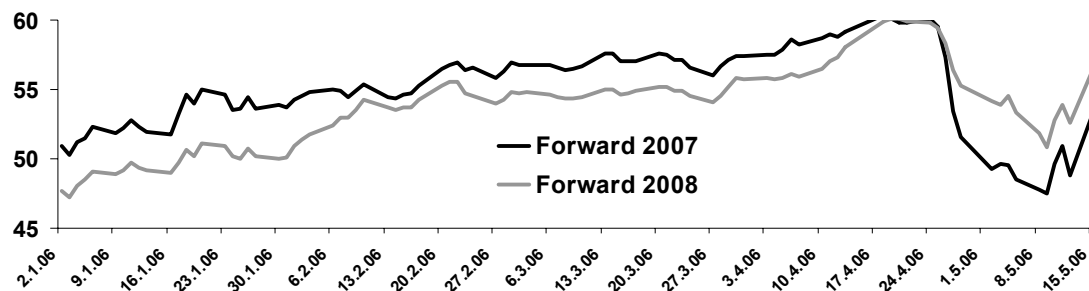
Wholesale power price (baseload)

2000 index



EEX Forward 2007 (baseload)

EUR/MWh

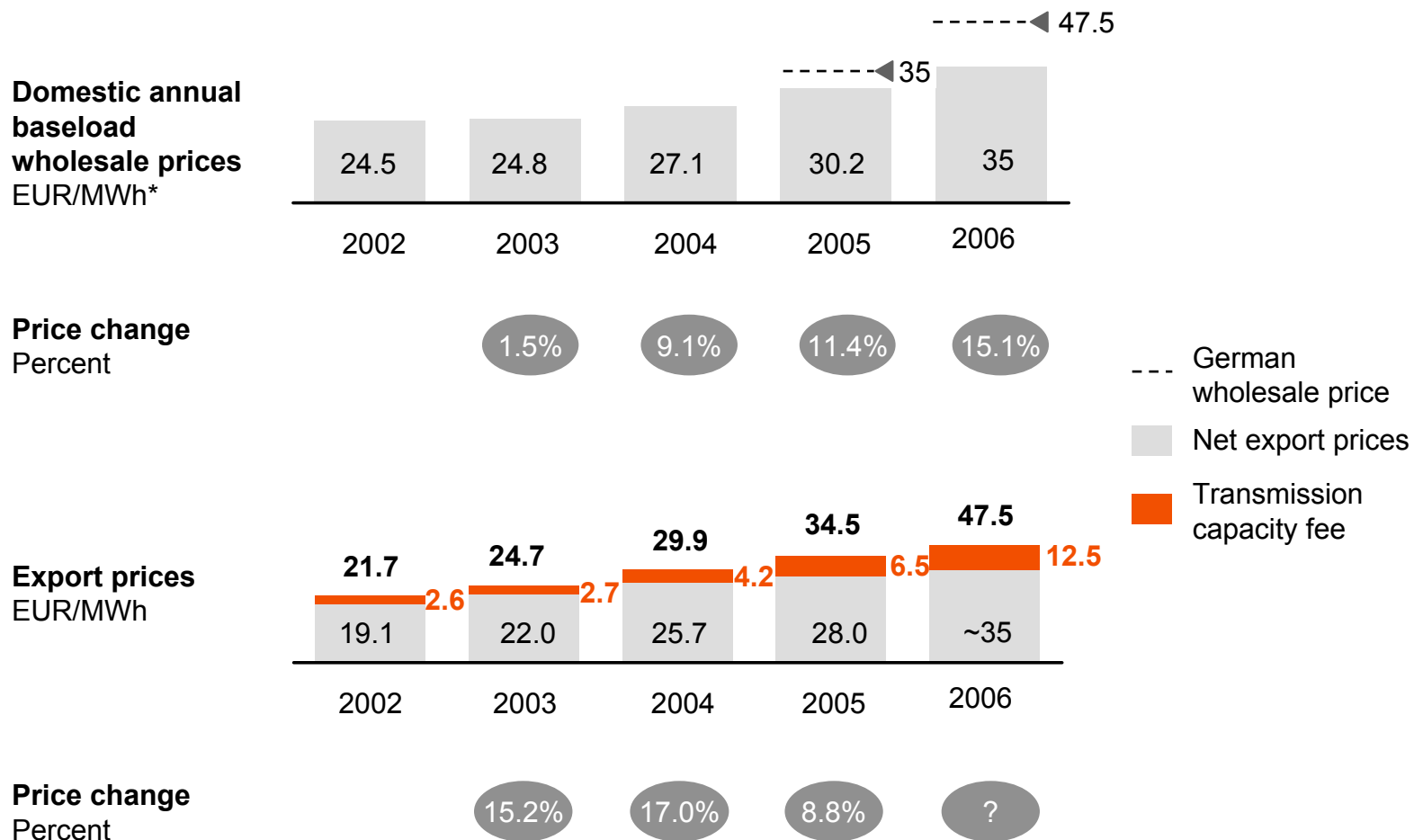


CR 2006 – 35.9 EUR/MWh
(exchange rate CZK 29 / EUR)

- The price difference between the two markets is arbitrated away via cross border capacity fee collected by Transmission Grid Operators



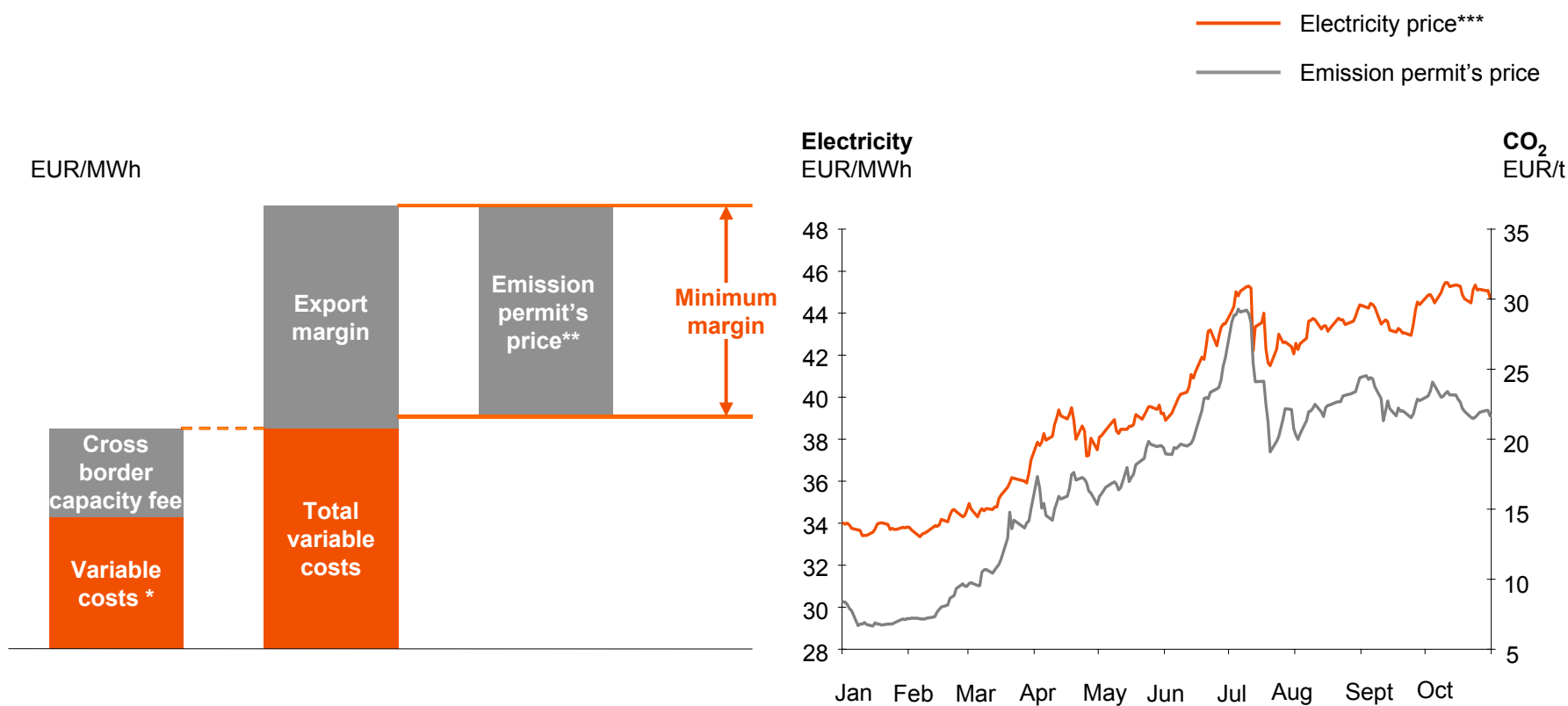
DOMESTIC AND EXPORT PRICES ARE CONVERGING TO INTERNATIONAL LEVELS



* Exchange rate CZK/EUR = 30



CO2 EMISSION PERMITS HELP CEZ TO HEDGE ITS EXPORTS



* Coal-fired power plants

** Generation of 1 MWh of electricity in coal-fired power plant induces production of 1.04 metric tons of carbon dioxide

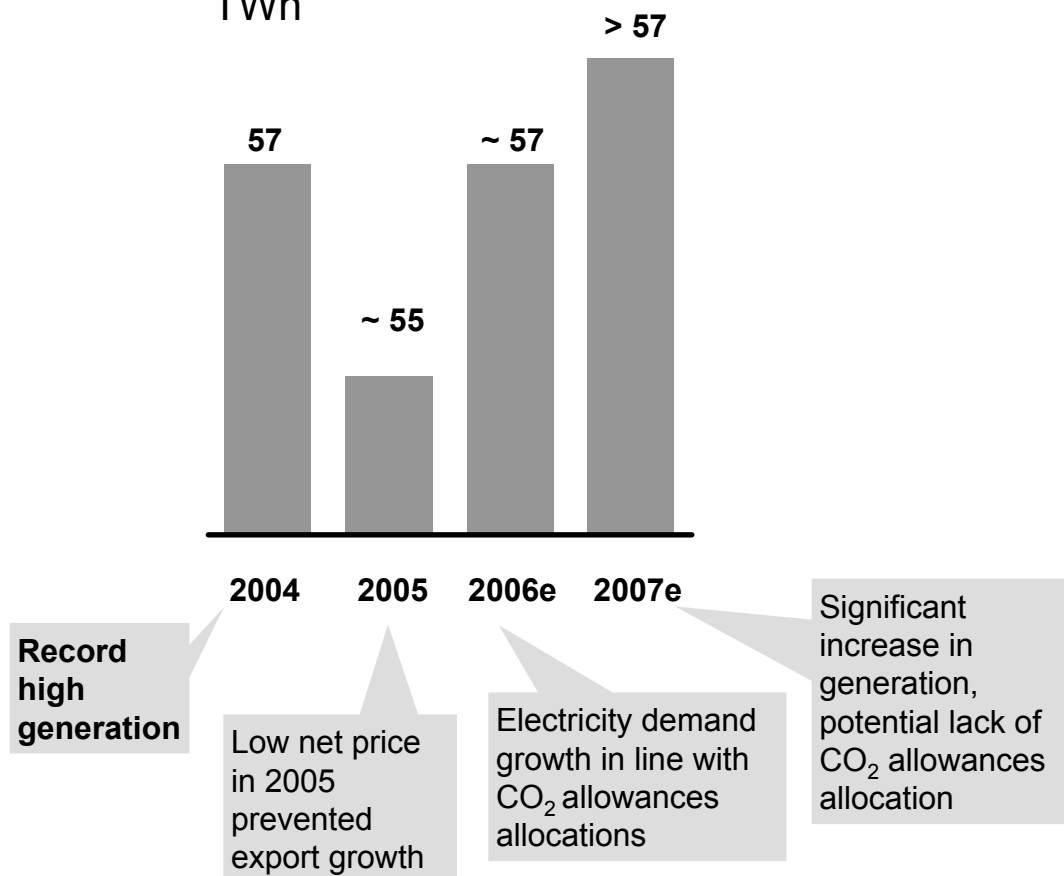
*** 2006 baseload future traded at EEX



THANKS TO GENERATION GROWTH CEZ IS LIKELY TO BECOME NET BUYER OF ALLOWANCES IN THE FUTURE

ILLUSTRATIVE

CEZ generation volume
TWh



- Last year CEZ did not achieve record high generation of 2004
- Expected demand growth will result in need of higher generation volume. CEZ will likely have to buy additional allowances (as long as the electricity price is right)
- CEZ is actively pursuing JI/CDM projects to source additional allowances



SECOND PHASE NAP WILL BE SUBMITTED TO EU
SOON; IT SHOULD COMPLY WITH GUIDELINES
PUBLISHED BY EU

EU guidelines:

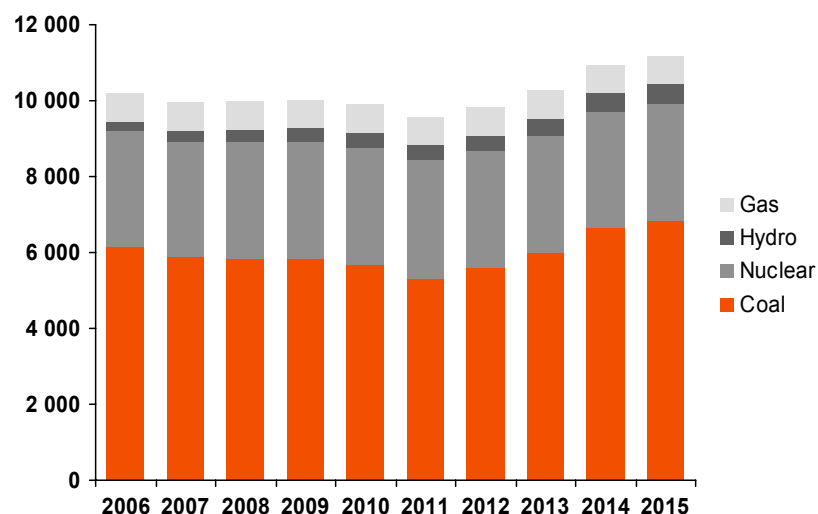
- **Member states already meeting Kyoto targets (such as CR) may keep NAP II ceiling at NAP I levels**
- **When distributing the allowances to individual installations the governments should disregard data from the first phase to make ETS credible**
- **It is necessary to set highest possible shares of alternative Kyoto mechanisms (JI/CDM) keep CO₂ emissions under control**



THE AVAILABLE CAPACITY IN SR WILL DECREASE BY 24% BY 2011 ...

Available capacity* development in the CR and SR (MW)

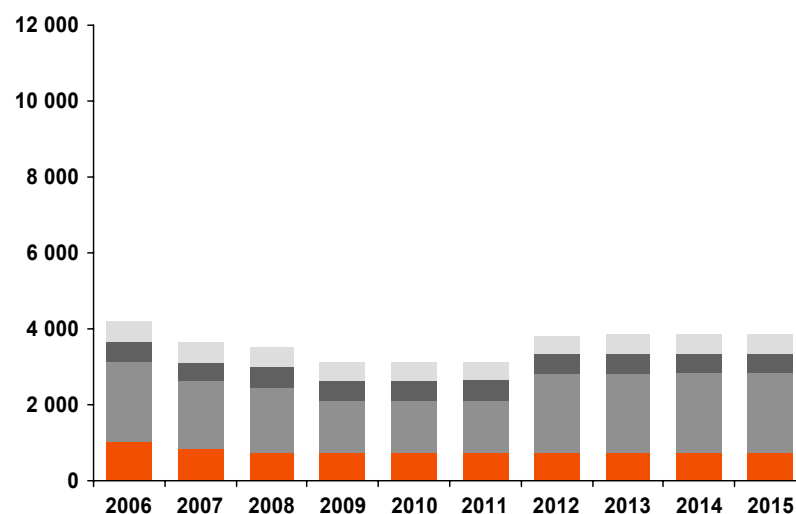
Czech Republic



- In the CR main available capacity changes relate to CEZ lignite power plants portfolio renewal.

* Available capacity = installed capacity – planned outages (overhauls, fuel exchange, etc)

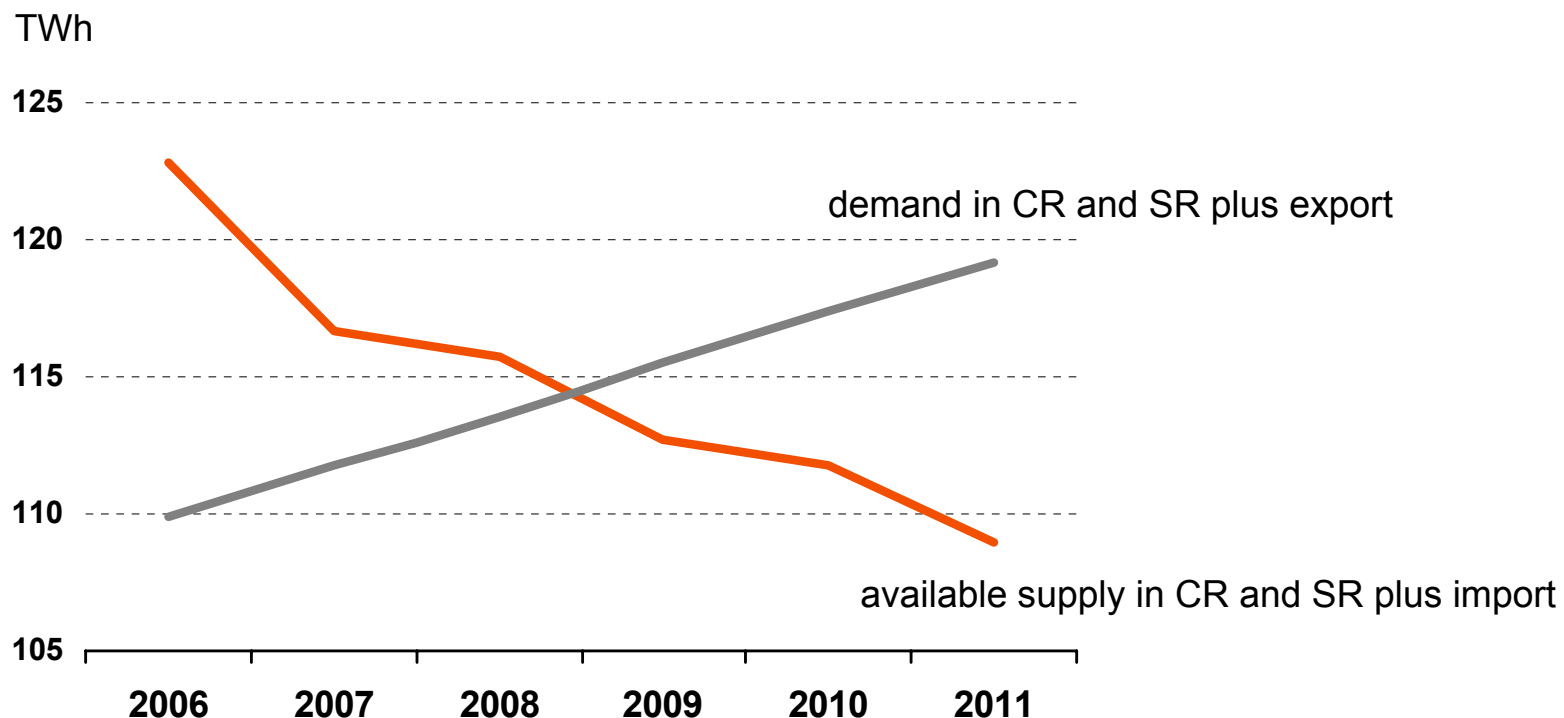
Slovak Republic



- In the SR main available capacity changes relate to:
 - Nuclear Power Plant (NPP) Jaslovské Bohunice closure 2007 (350MW available capacity / 440MW installed capacity) and 2009 (350/440)
 - Closure of 2 lignite units in 2007 (168/220) and 2 hardcoal units in 2008 (145/220)
 - Commissioning of NPP Mochovce in 2012 (686/880)



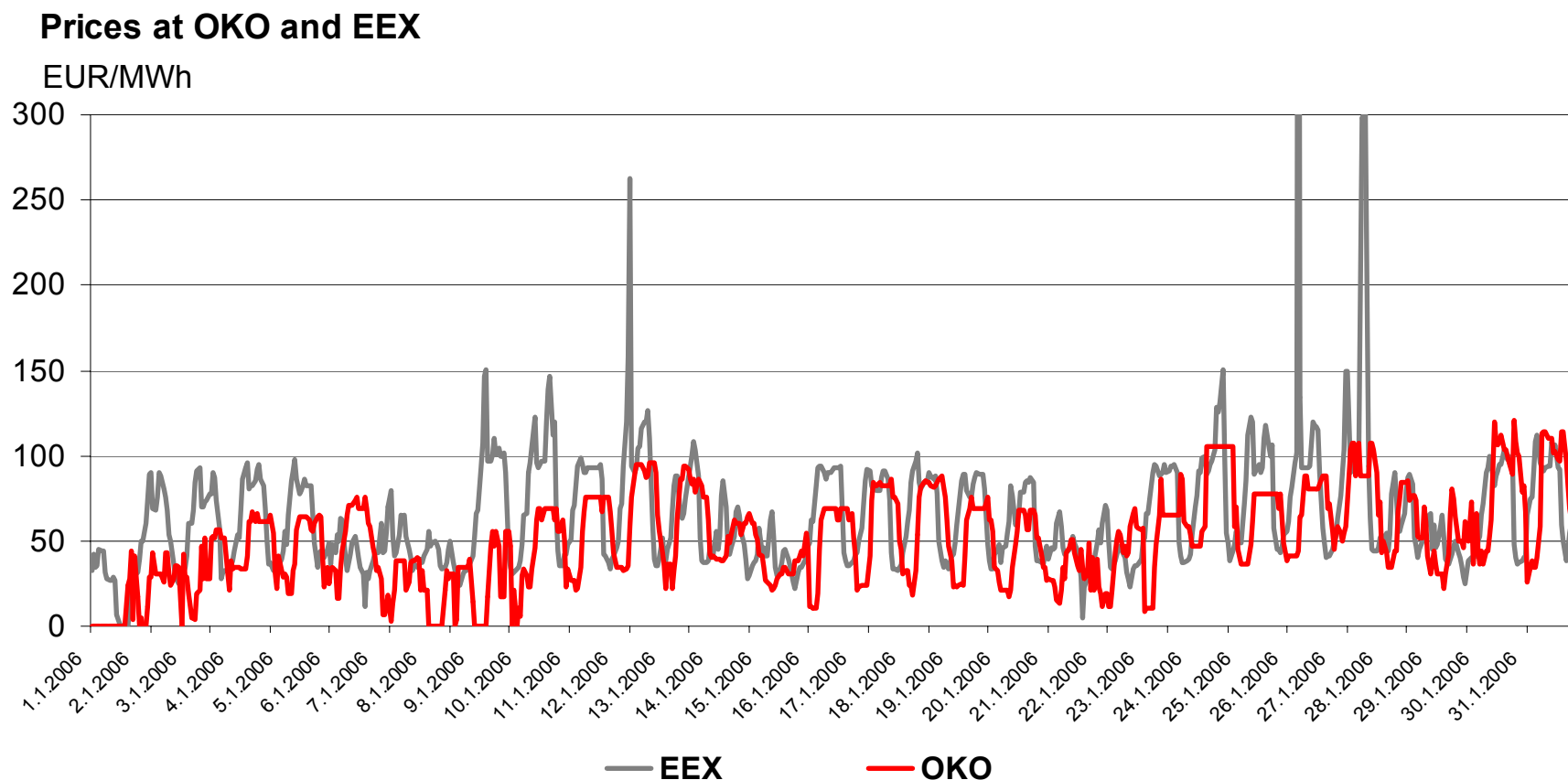
...AND THUS THE REGIONAL CAPACITY SURPLUS WILL DISAPPEAR IN 2008 – 2009 PAVING WAY FOR CROSS BORDER CAPACITY FEE SIGNIFICANT DECREASE



- starting 2008/9 export capacities will not be fully utilized due to lack of available electricity generation
- crisis situations will influence all countries in the region
- need to find motivation for new generation capacity construction

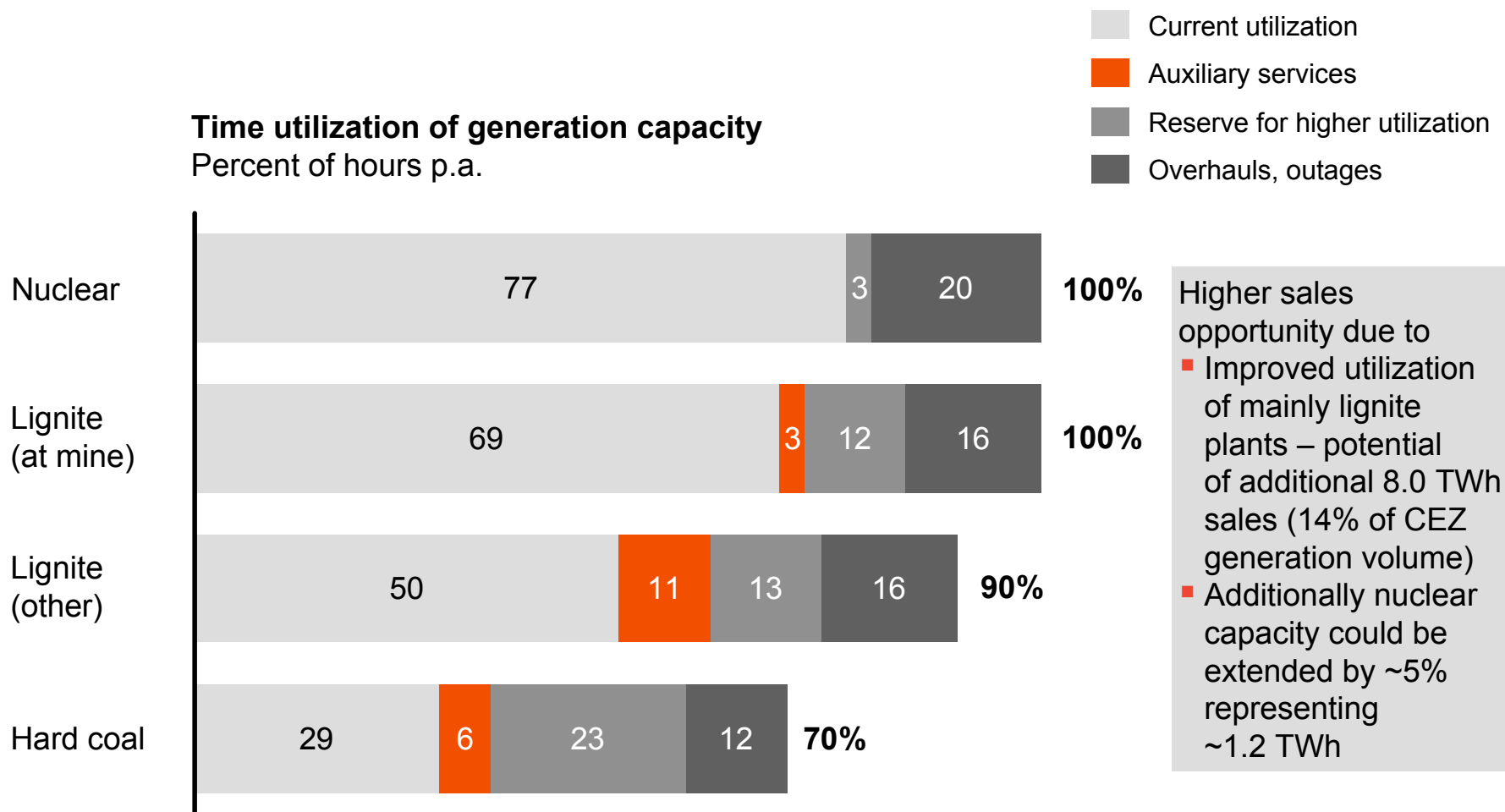


CZECH MARKET IS MORE INTEGRATED NOW AND CZECH PRICES CONVERGE TO THOSE IN SURROUNDING COUNTRIES





ADDITIONAL 8.0 TWh CAN BE GENERATED BY INCREASING UTILIZATION OF NUCLEAR AND COAL PLANTS



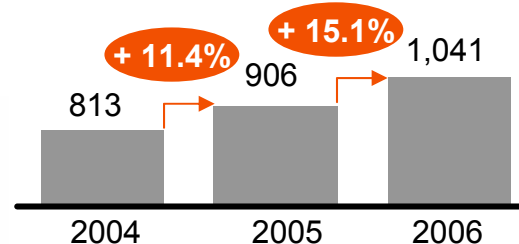


CEZ GROUP INCREASED SALES MARGIN AND AIMS TO STABILIZE PROFITABILITY

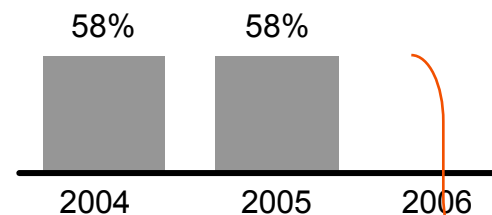
Distribution regions of CEZ Group



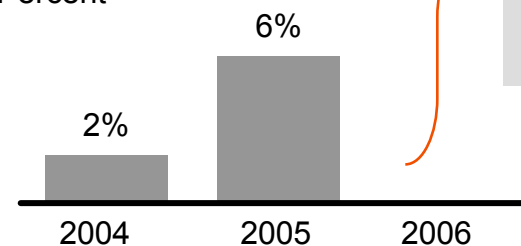
Domestic wholesale baseload CZK/MWh



Market share in power retail Percent of MWh



Average net supply margin Percent





CEZ IS SUBJECT OF MARKET FORCES – LOST MARKET SHARE IN THE MOST COMPETITIVE SEGMENT WITH LOWES MARGINS

Development of domestic end customer market share

%

**Large and
medium sized
companies**

51.0

49.8

44.8

- 12.2%

**Small
companies and
households**

62.2

62.8

62.7

+ 0.8%

Total

57.0

56.2

53.4

- 6.3%

2004

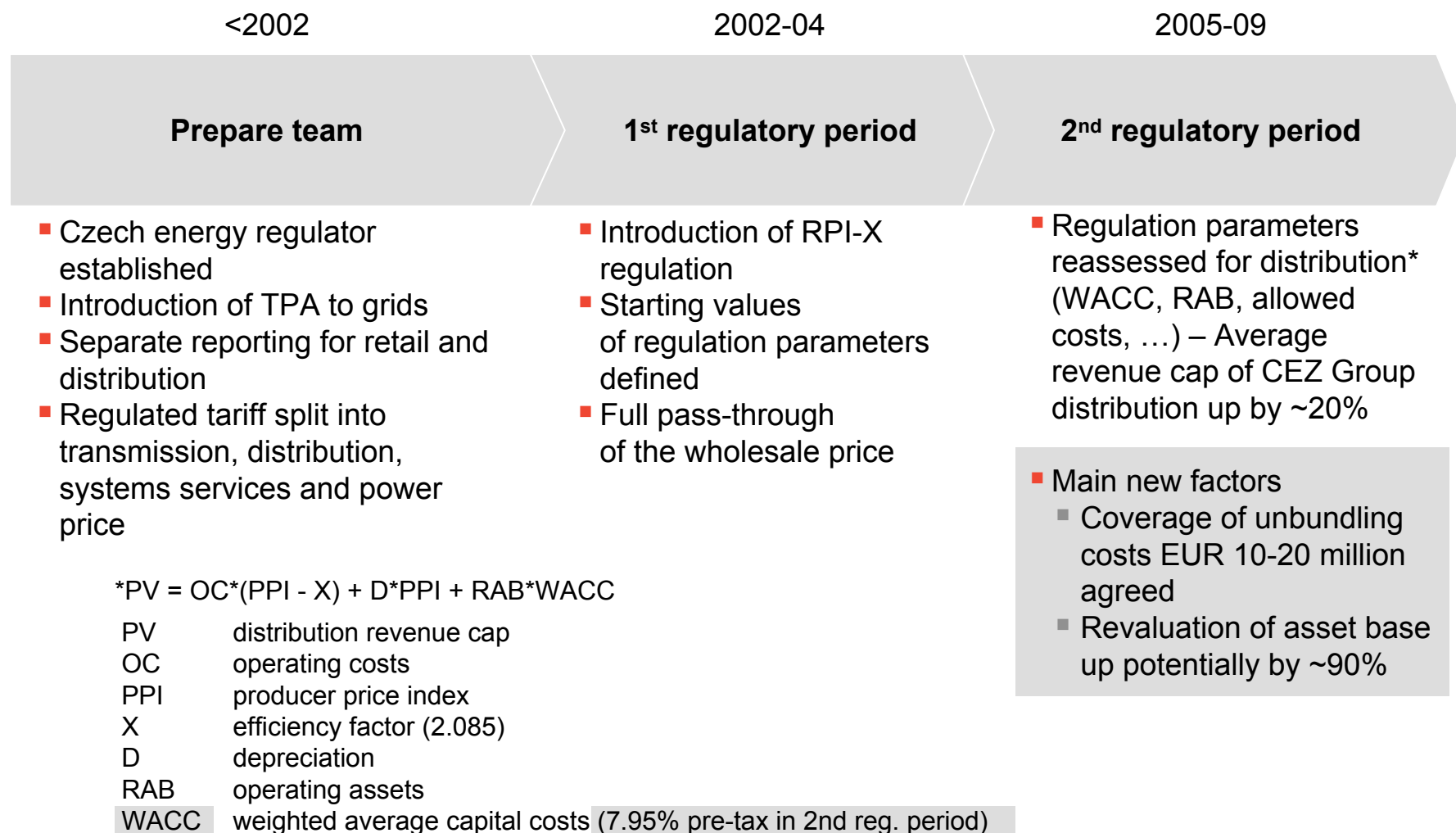
2005

2006E

Loss of market share did not have a negative impact on margins as these are very low in the most competitive market segment

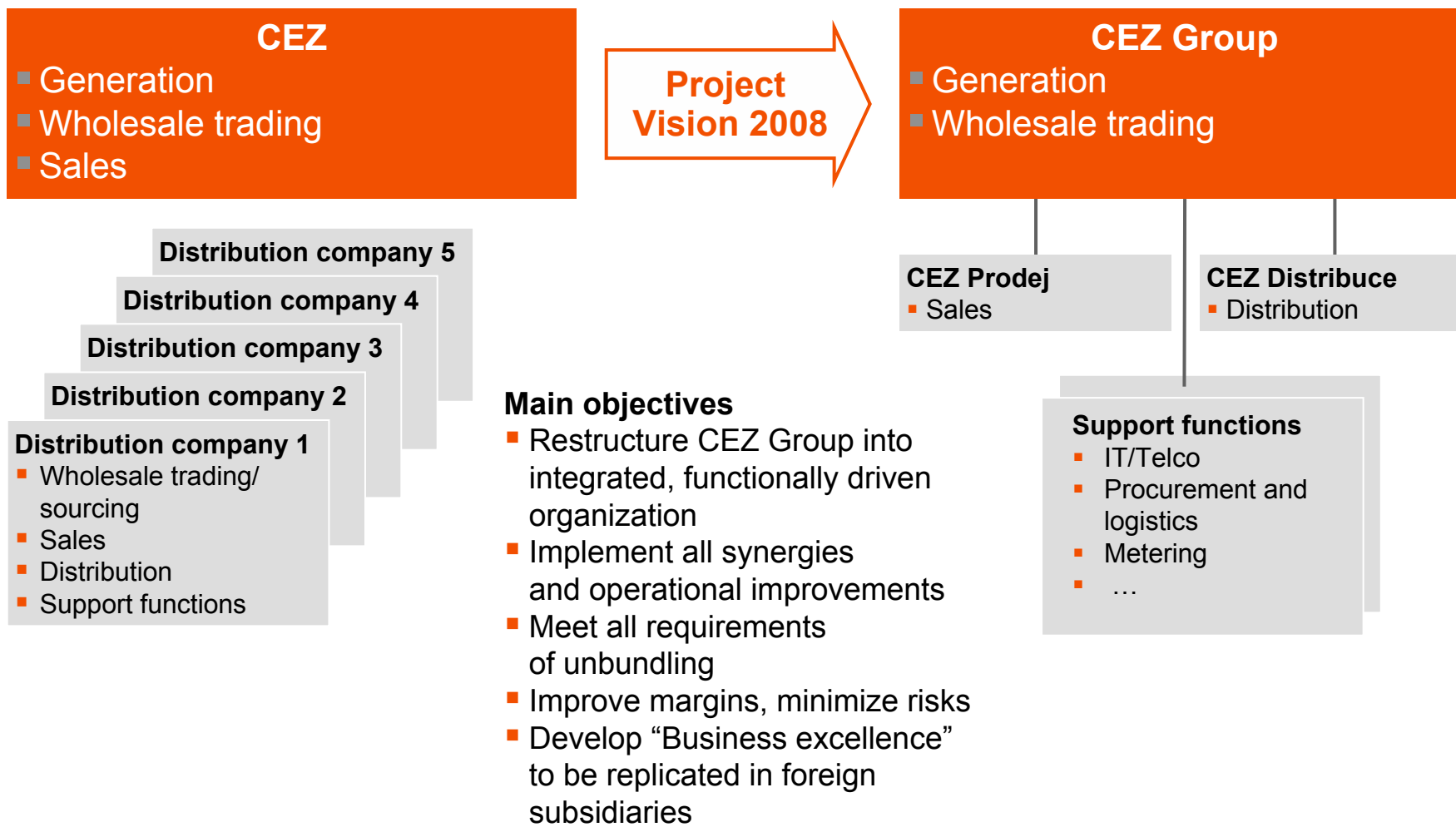


REGULATORY ENVIRONMENT IN THE CZECH REPUBLIC IS FAIR AND TRANSPARENT





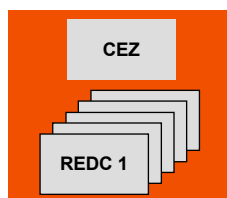
WITHIN PROJECT VISION 2008 CEZ GROUP WILL REORGANIZE ITSELF INTO A TRANSPARENT HOLDING STRUCTURE





VISION 2008 PROJECT COVERS FOUR YEARS, KEY TRANSFORMATION STEPS HAVE BEEN IMPLEMENTED ALREADY

Initial status



VISION 2008 time plan

**VISION
2008**

2004 Big bang

- business model
- first companies
- IS/IT concept
- smaller-scale improvements

2005 Transformation

- major part of transformation
- key companies – Distribution, Sales
- unbundling
- implementation of IS/IT

2006 Efficiency enhancement

- transformation concluded
- best practices
- optimization
- planned benefits achieved

2007 Conclusion

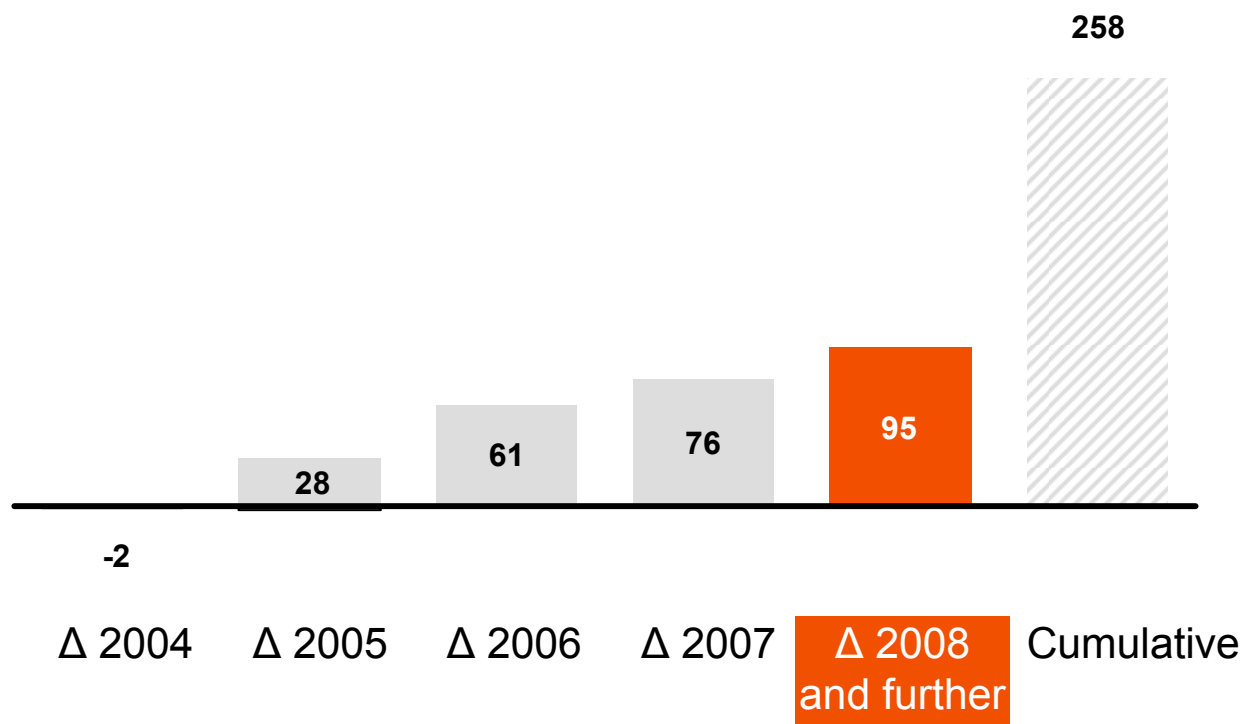
- full productivity
- consolidation
- REDCs shut down



...AND ACHIEVE ALMOST EUR 100 MILLION IN ANNUAL SAVINGS UPON IMPLEMENTATION OF VISION 2008



Gross costs saving* in 2004-08 EUR million



Total annual costs savings related to Vision 2008 project are to reach CZK 2.9 bn by 2008, i.e., ~10% 2004 operating costs in supply and distribution segment (excluding purchased electricity)

Key contributions

- Processes unification
- Best practice
- Headcount reduction
- Centralized procurement

* Costs savings compared to 2003

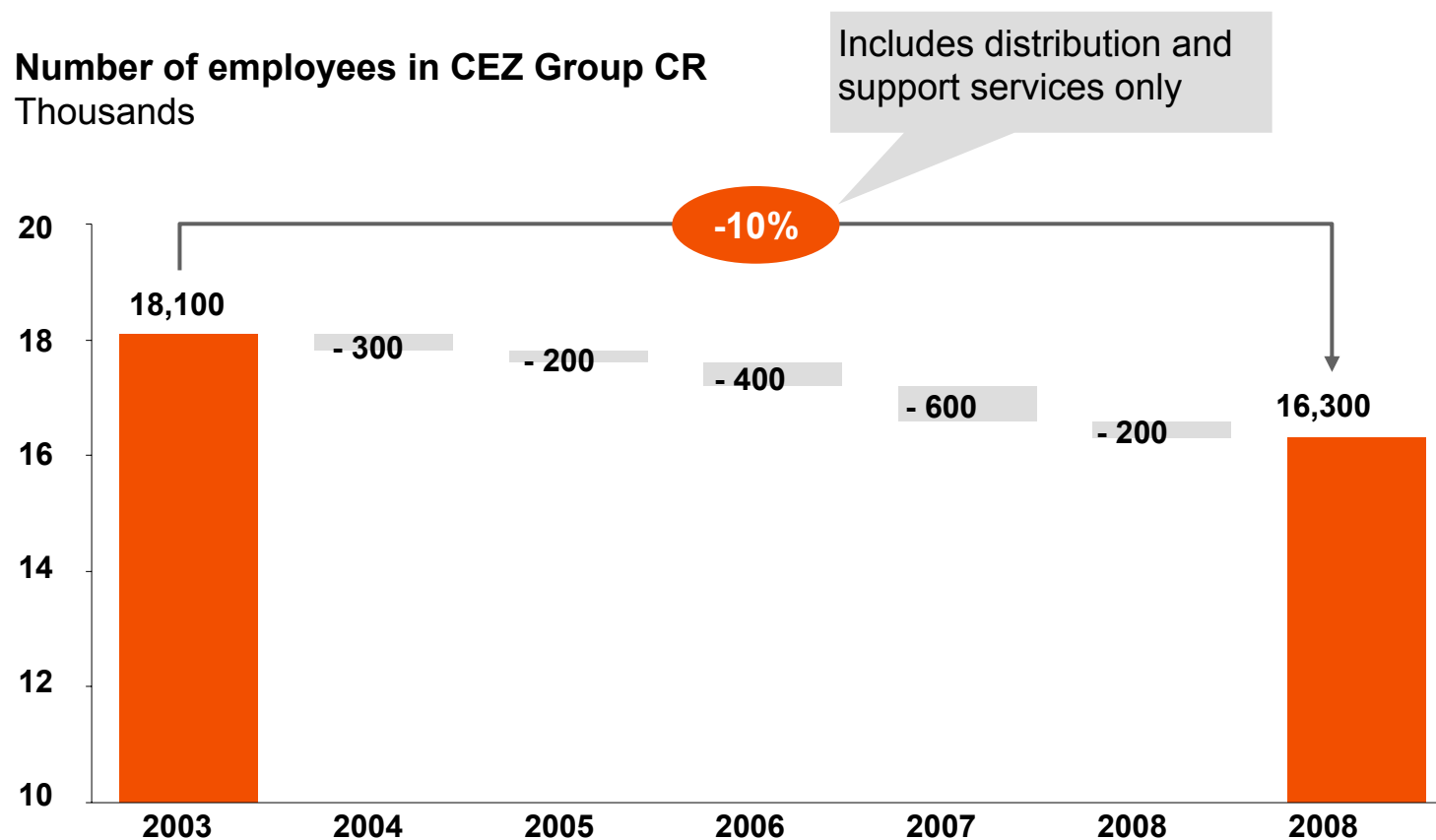
Source: CEZ



NUMBER OF EMPLOYEES WILL DECLINE BY 1,800 BY 2008



Number of employees in CEZ Group CR
Thousands



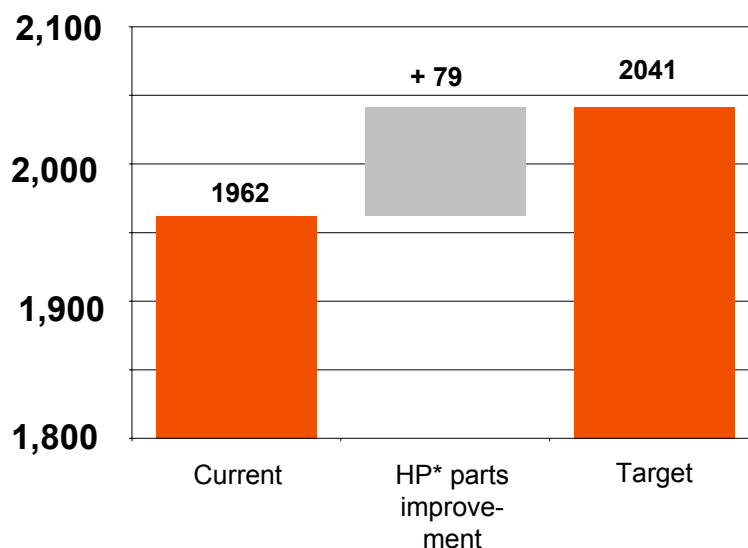


TARGETED CAPACITY INCREASE IN DUKOVANY NUCLEAR POWER PLANT IS 9.5% BY 2012 AND IN TEMELIN 4%



Temelin target capacity increase - from 1962 MW to 2041 MW in 2007

MW



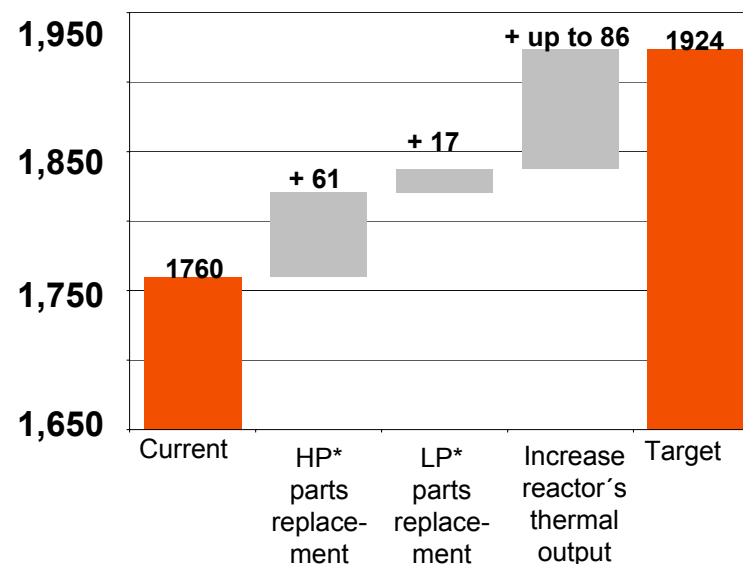
■ Project in contracting phase

* HP – High Pressure, LP – Low Pressure

** Increase by 15.5 MW; nominal output at time of measurement at 444 MW

Dukovany target capacity increase from 1760 MW to ~ 1924 MW by 2012

MW



■ First project already implemented and running

- Replacement of low pressure part in Unit 3 turbine during fuel replacement in 2005

■ **Current capacity Unit 3 - 460 MW****

■ Full project in implementation, most tasks contracted

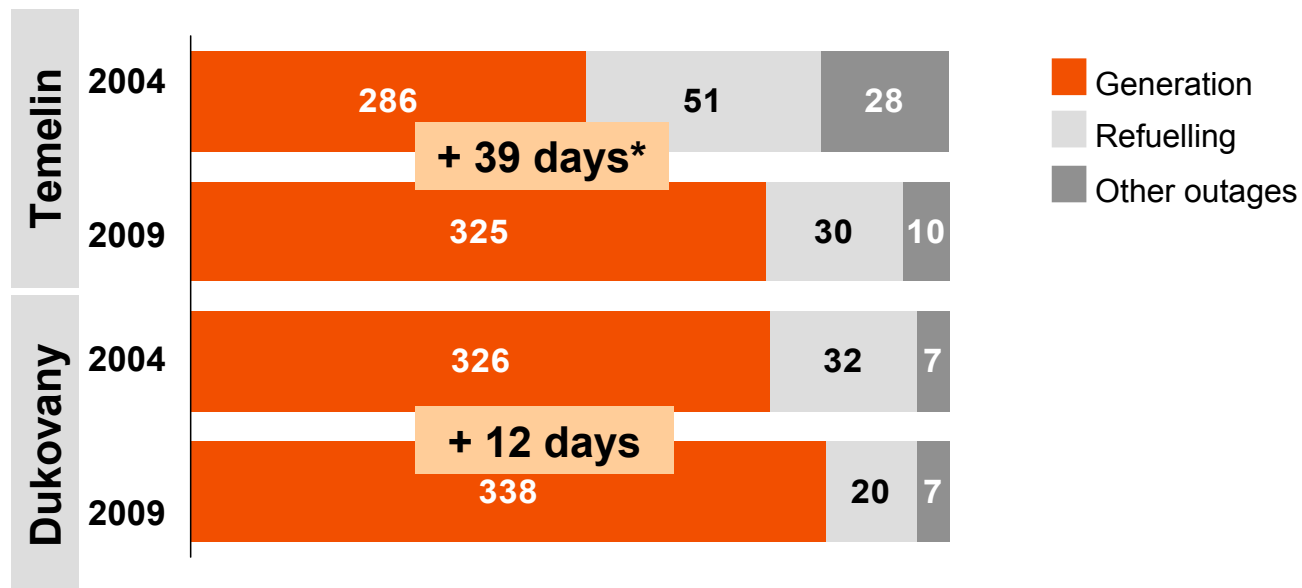


BASED ON BENCHMARKING STUDIES CEZ SET A GOAL OF REFUELING OUTAGES REDUCTION BY 2009



CEZ targets to add additional 20.8 days of generation in Temelin and 11.6 days in Dukovany by 2009 as a result of refuelling outages reduction

DAYS



■ Additional production of ~ 2,3 TWh (assuming current capacity)

* Increase in utilization by 38.8 days comes from 20.8 days refuelling outages reduction and 18 days other outages reduction

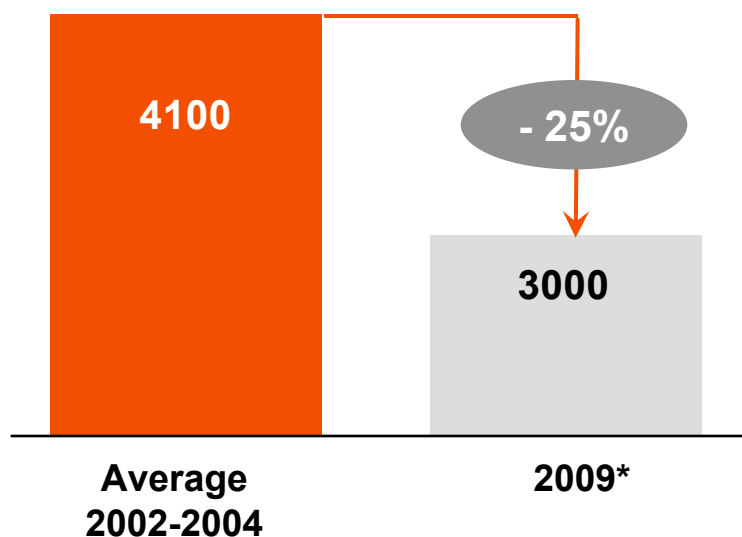


CEZ IS SET TO REDUCE ITS GENERATION REPAIRS AND MAINTENANCE COSTS BY 25% BY 2009



CEZ targets to reduce average repairs and maintenance cost by CZK 1.262 bn by 2009

CZK m, prices not adjusted for inflation



* Assuming „normalized“ R&M workload

Key tasks to achieve targeted goals

- Introduction of adaptive R&M to reduce workload by 50% (measured as Normative Hours)
- Centralization of conceptual R&M to save 20% personnel costs
- Centralization of R&M procurement to reduce related costs by 25%
- Decrease number of suppliers by 70%
- Divestiture of redundant R&M subsidiaries



AGENDA

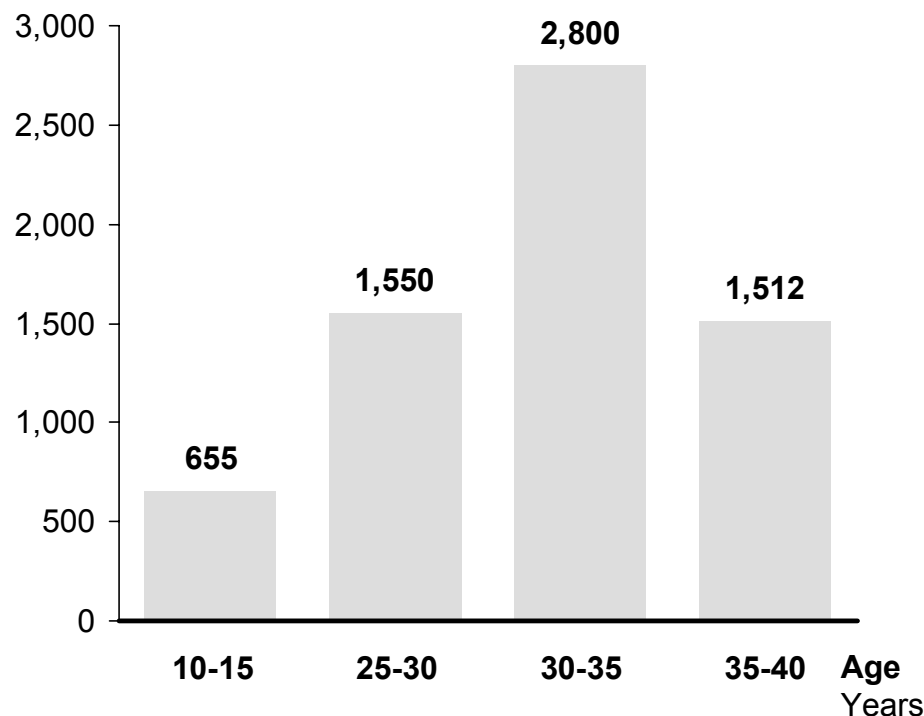
- Summary for investors
- Introduction
 - Scope of operations
 - Financial performance
- **Strategic initiatives of CEZ Group**
 - Integration and operational excellence
 - **Plant portfolio renewal**
 - M&A expansion
- 2005 results review
- Appendix



LARGE PORTION OF CEZ POWER PLANTS WILL BE AT THE END OF THEIR LIFETIME



Age structure of CEZ thermal blocks MW







- Portion of CEZ thermal capacity approaches end of its life time in 2010-20
- Also desulphurization equipment to reach end of its lifetime in 2015 -2020
- Additionally, the emission limits on SO_x, NO_x will get much stricter starting 2016
- As a result thermal capacities must be renewed by new plants additions of refurbishment of existing equipment



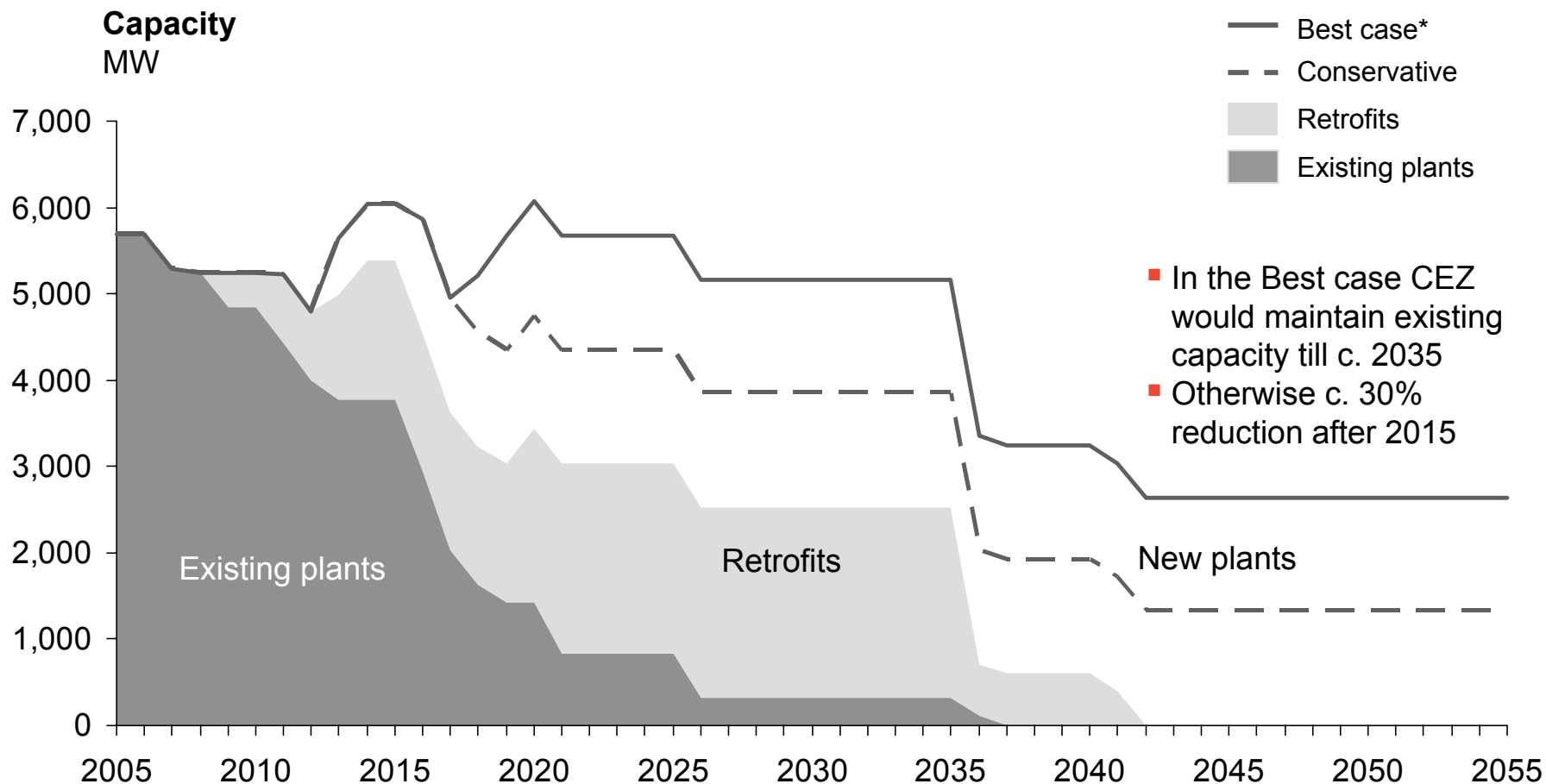
CEZ INTENDS TO BUILD ITS FUTURE PLANT FLEET AROUND NEW GENERATION OF LIGNITE PLANTS



	Coal	Nuclear	Gas	Renewables
Environmental impact	<ul style="list-style-type: none">Acceptable emissions if well designed/managed	<ul style="list-style-type: none">No emissionsNuclear risk	<ul style="list-style-type: none">Low emissions	<ul style="list-style-type: none">Limited/no emissionsNo resources depletion
Competitive advantages	<ul style="list-style-type: none">Low cost of domestic lignite	<ul style="list-style-type: none">Politically acceptable in Czech Republic	<ul style="list-style-type: none">Flexibility, relatively low investment cost	<ul style="list-style-type: none">Public support
Risks/constraints	<ul style="list-style-type: none">Lignite availabilityCO₂ regulation/price	<ul style="list-style-type: none">High up front investment	<ul style="list-style-type: none">High/volatile gas price	<ul style="list-style-type: none">Subsidy scheme not clear yet
	 Cornerstone of the future CEZ plant fleet	 Complement to lignite for baseload generation	 Potentially source of flexible power	 Complementary role (e.g., combined combustion of coal and biomass)



CEZ HAS FINALIZED PLANS FOR LIGNITE PLANTS RENEWAL AND NOW DEVELOPS STRATEGY IN OTHER FUELS



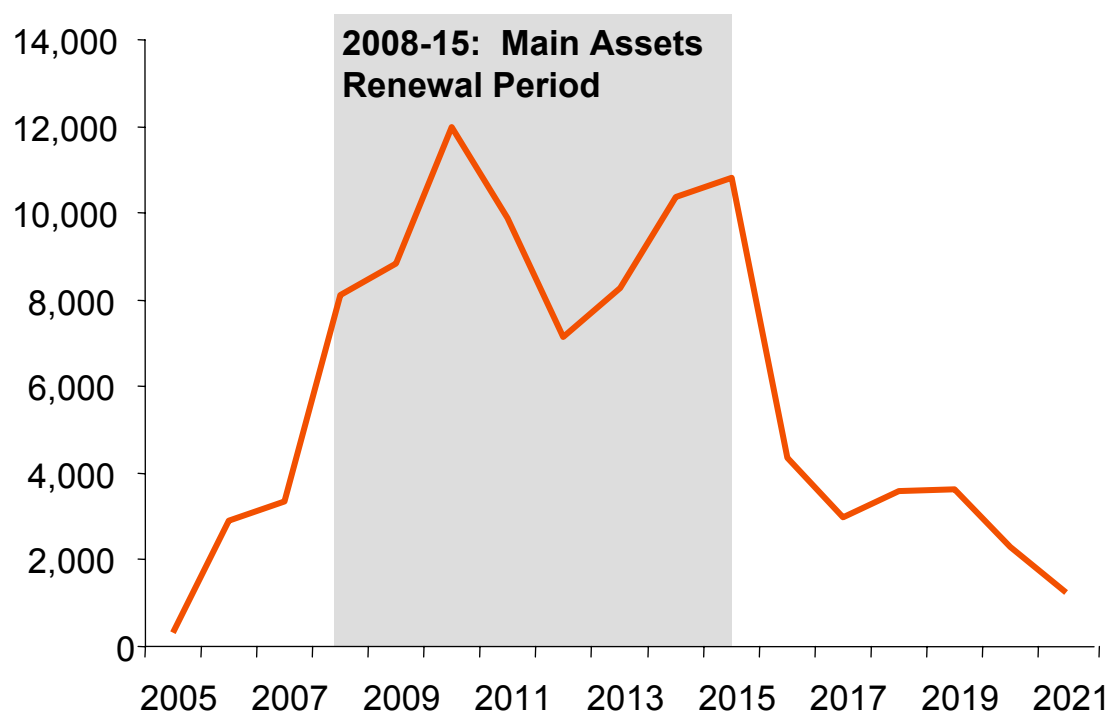
* The best case scenario (additional 2x 660 MW in new units) would require removal of existing administrative geographical mining limits



LIGNITE PLANTS PORTFOLIO RENEWAL RELATED CAPEX TO REACH CZK 100 BN AND BRING 14-25% EFFICIENCY UPLIFT



Expected CAPEX – conservative scenario CZK million



Projects overview

- Highly profitable
- Secured fuel – low risk

Retrofits

- Gross efficiency improvement from 36% to 41%
- Less CO₂ production
 - Tušimice II 4 x 200 MW
 - Prunéřov II 4 x 200 MW
 - Počerady 3 x 200 MW

New units

- Gross efficiency 45%
- Less CO₂ production
 - Počerady 1 x 660 MW
 - Ledvice 1 x 660 MW



AGENDA

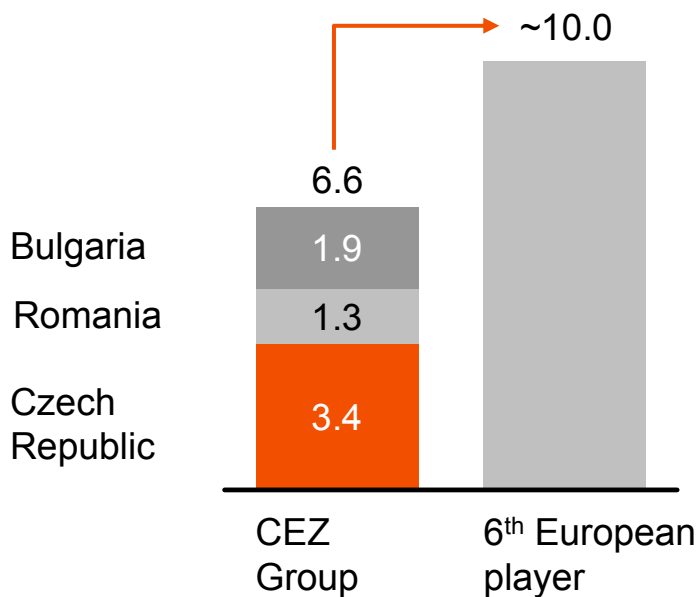
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CEZ GROUP WANTS TO GROW BOTH IN GENERATION AND DISTRIBUTION/SUPPLY



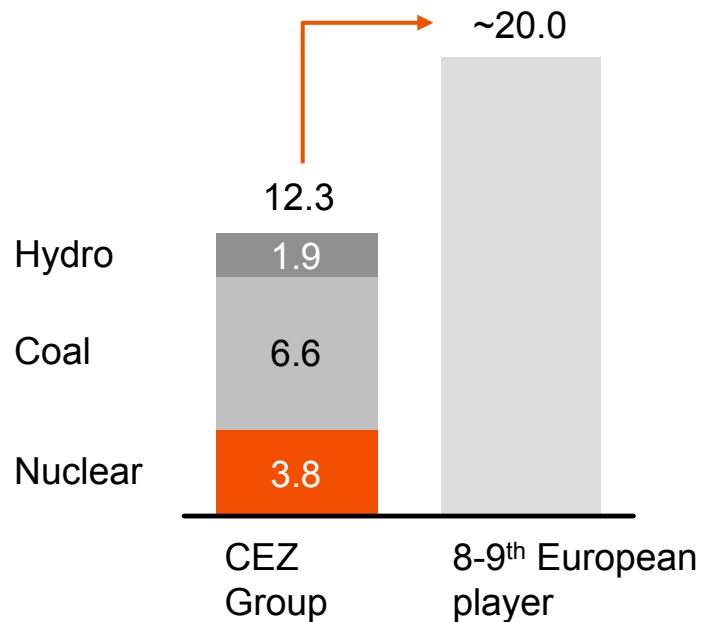
Ambition for distribution/supply growth Millions of customers



Ranking

Current	Target
8 th	6 th

Ambition for target generation growth GW of installed capacity



Ranking

Current	Target
10 th	8-9 th



CEZ GROUP IS BEST POSITIONED TO SUCCEED IN THE REGION OF CENTRAL AND SOUTHEASTERN EUROPE



- Intimate knowledge of the region
- Very well accepted due to close cultural/historical ties and electricity industry transformation experience
- First-hand experience with transformation of power markets
- Natural hedge to current position of CEZ Group providing significant synergies/risk mitigation
- Significant portion of the assets still in state hands, many privatization processes initiated
- Limited interest of other players in target region of CEZ Group
- Higher financial leverage and overpriced previous investments of other players limiting their growth potential
- Management capacity available from restructuring in the Czech Republic



EVEN THOUGH CEZ GROUP HAS AMBITIOUS EXPANSION PLANS, WE ARE VERY PRUDENT IN OUR M&A DECISIONS



Key criteria for M&A decisions

- Target attractive on standalone basis (market position, asset quality)
- Synergies with CEZ Group (welcomed but not taken into valuation)
- Return above cost of capital (without future synergies)
- Credit rating targeting
- Positive contribution to CEZ Group value

M&A process

- Always along a global advisor with target country ties
- Valuation prepared by advisor cross-checked to internal valuation
- Multiple scenarios
- Transaction team includes implementation team
- Valuation model becomes budget for the implementation team



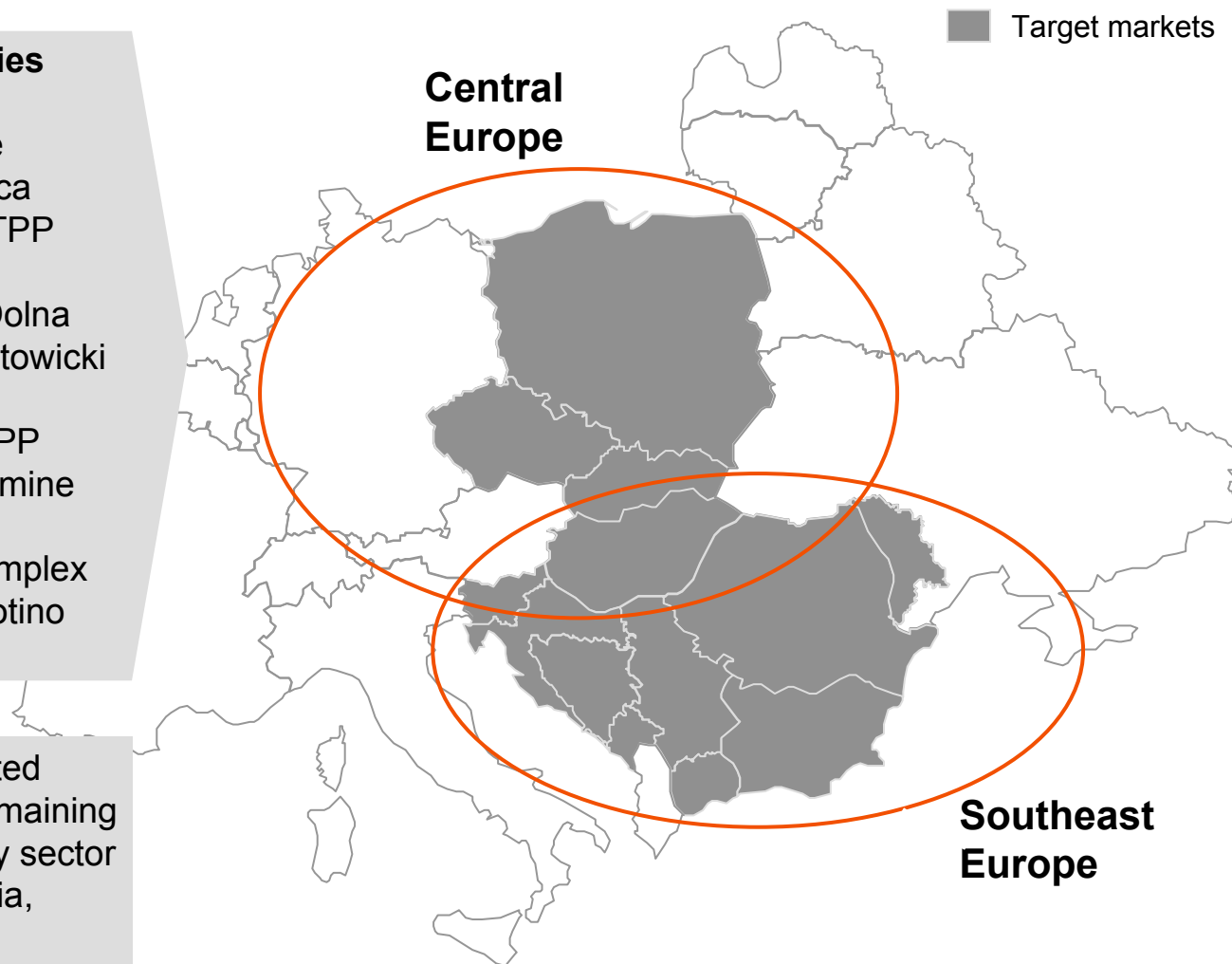
THERE IS LARGE NUMBER OF POTENTIAL TARGETS IN THE REGION OF CENTRAL AND SOUTHEASTERN EUROPE



Main acquisitions opportunities 2005-06

- **Bulgaria:** generation – Ruse
- **Romania:** distributors Electrica Muntenia Sud, generation – TPP Turceni, Rovinari, Craiova
- **Poland:** generation – PAK, Dolna Odra, Kozienice, mining – Katowicki Holding Węglowy S.A.
- **Montenegro:** generation – TPP Pljevlja, mining – brown coal mine company Rudnik Uglja
- **Macedonia:** distribution – complex ESM, generation – TPP Negotino (210 MW)

Additional opportunities expected within next 2-3 years – e.g., remaining distributors in Romania, energy sector in Serbia and former Yugoslavia, additional assets in Poland





CEZ PARTICIPATES IN ALL CURRENT TRANSACTIONS IN CENTRAL EUROPE



Dolna Odra (Poland)

▪ Installed capacity (MW)	1,950
▪ Sales (2004, TWh)	5.6
▪ Sales (2004, EUR mil.)	290

- Privatization discussed by the new government
- CEZ is not on the shortlist

Kozienice (Poland)

▪ Installed capacity (MW)	2,820
▪ Sales (2004, TWh)	11.8
▪ Sales (2004, EUR mil.)	414

- Privatization discussed by the new government
- CEZ submitted specification of its previous bid on November 17th

PAK – Patnow, Adamow, Konin (Poland)

▪ Installed capacity (MW)	2,338
▪ Sales (2004, TWh)	14
▪ Sales (2004, EUR mil.)	408

- Process in standby
- CEZ obtained permission from Polish government (50% shareholder) to carry out a Due Diligence



..... AS WELL AS IN SOUTHEASTERN EUROPE



Muntenia Sud (Romania)

▪ Number of customers (million)	1.1
▪ Sales (2004, TWh)	4.3
▪ Sales (2004, EUR mil.)	286

- process began in July
- CEZ qualified for final bids;
- final bids submitted on January 31st 2006

Turceni (Romania)

▪ Installed capacity (MW)	2,310
---------------------------	-------

- coal power plant including mine
- privatization to commence in 2006
- after Turceni privatization starts, Rovinari (1320 MW) and Craiova (630 MW) privatization shall begin

ESM – Distribution (Macedonia)

▪ Number of customers (mil.)	0.7
▪ Sales (2004, TWh)	4.3

- CEZ qualified for final bids
- process in progress
- submitted on March 15 2006
- tender won by EVN

(Bulgaria)

Varna

Ruse

▪ Installed capacity (MW)	1,260	400
▪ Sales (2004, TWh)	2.463	0.421
▪ Sales (2004, EUR mil.)	69.9	23.9

- UES RAO offered highest bids for both, nevertheless antitrust office decided that Varna and Ruse cannot be acquired by one subject
- government ended negotiations with UES RAO
- Government announced it would close the deal with CEZ

Pljevlja (Montenegro)

▪ Installed capacity (MW)	210
▪ Sales (2004, TWh)	1.0

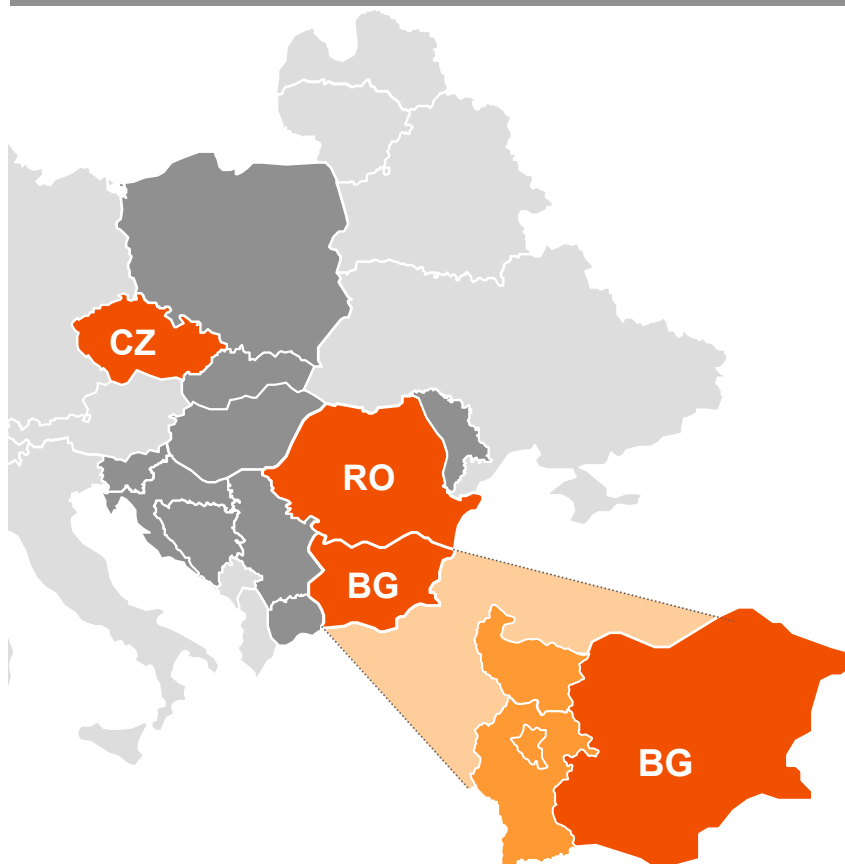
- production assets and minority share in mine
- tender re-started in December 2005
- final bids expected in April 2006



THE INTEGRATION OF THE BULGARIAN EDCs IS PROGRESSING FASTER THAN EXPECTED



Acquisition of distribution in Bulgaria
67% in three EDCs* (Number 1, 42% market share)



Status

- Control gained faster than expected thanks to tight project management
 - Team of 3 observers quickly extended to international team of 20 professionals covering all important business areas
- Immediate initiation of key projects to improve financials
 - 6 projects targeting quick improvements in key business areas (regulatory management, purchasing, planning and standardization of investment and sales to eligible customers)
 - 4 support projects (finance, corporate governance, organization and communication)
- CEZ is well positioned to management process redesign, unbundling and eventually consolidation of the three EDCs to benefit from best practices implementation

* value of the transaction EUR 282 million

Source: CEZ



THE INTEGRATION OF THE BULGARIAN EDCs IS PROGRESSING FASTER THAN EXPECTED



Selected financials (simple sum)

EUR m

	2004	2005
Sales	361.6	396.6
EBITDA	42.4	54.2
EBITDA Margin	11.7%	13.7%
Deprecitation	25.5	26.4
EBIT	16.8	27.7
Net income	4.9	23.3
Net debt	14.3	-6.3
ROIC	5.2 %	8.7 %

Key impacts 2005

- Revenues increased by 10 % driven by 3% increase in volume and 5% price increase
- Electricity losses decreased by 11.4% (from 19.3% to 17.1%) despite increased volume
- The OPEX increased by EUR 12 m due to:
 - restructuring provision
 - staff costs
 - bad debt provisions

Main challenges for 2006

- Unbundling
- Removal of subsidized („social“) residential tariff starting October 2006
- Further restructuring and losses reduction
- Achieve budgeted performance
 - EBITDA EUR 71m
 - EBIT EUR 38m
 - ROIC 10.7%

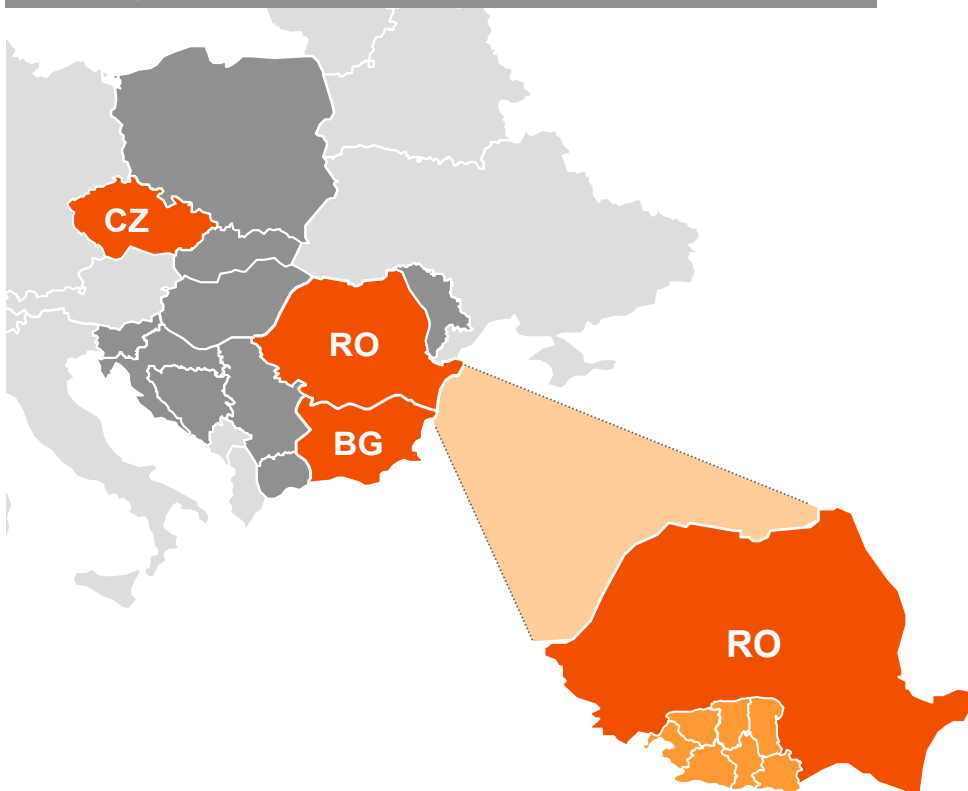


THE ACQUISITION OF EDC OLTENIA IS ALMOST COMPLETE AND INTEGRATION HAS STARTED



Acquisition of distribution in Romania

51% share in EDC Oltenia*, adjacent to the Bulgarian EDCs (Number 2, 17% market share)



Status

- CEZ Group selected as a tender winner
- Strong CEZ management team on the ground combining internal professionals with managers from outside the Group and Romanian experts
- Already before the settlement the team had role of observer, consulted on key issues by local management
- Main processes in progress
 - Post-completion audit
 - Post-merger audit
 - People assessment

* 25% share purchase, remainder equity contribution for total of EUR 151 million

Source: CEZ



THE INTEGRATION OF ROMANIAN EDC OLTENIA IS ON TRACK



Selected annual financials EUR m

EUR m	2004 ¹	2005
Sales	352	350
EBITDA	63.3	45
EBITDA Margin	18 %	12.8 %
Depreciation	85.3	28
EBIT	- 22	17
Net income	35	18
ROIC	16.2 %	1.2 %

1) Restated to reflect 2005 changes in accounting methodology

Key impacts 2005

- Transaction settled on September 30, 2005; consolidated in Q4 only
- Restructuring process initiated with key positions staffed
- Agreement with regulator on maximum allowed RAB as of the date of completion
- One-off provisions

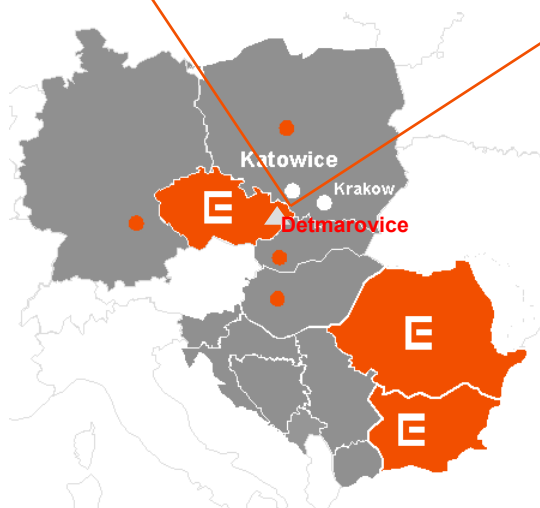
Main challenges for 2006

- Increase sales to eligible customers
- Introduction of costs for unbundling into the regulatory framework
- Further restructuring
- Achieve budgeted performance
 - EBITDA EUR 51m
 - EBIT EUR 30m
 - ROIC 8.2%



IN JANUARY 2006 CEZ SIGNED AN AGREEMENT TO BUY TWO POWER PLANTS IN POLAND

Elektrociepłownia Elcho Sp. z o. o.



Elcho is a brand new power plant commissioned in 2003

Basic figures

<i>million EUR*</i>	2003	2004
Revenues	46.2	88.9
EBITDA	4.2	44.9
EBIT	1.9	36.2
Net profit	10.4	42.0
Net debt (debt - cash)	309.3	251.4

Electricity sales (TWh)	n.a.	1.4
Installed capacity (MWe)	220	
Installed capacity (MWt)	500	
Fuel	coal	
Commissioned	2003	
Stake controlled	89%	

** Polish accounting standards, converted at 3.85 PLN/EUR*



ELCHO'S ELECTRICITY SALES ARE SECURED VIA LONG TERM POWER PURCHASE AGREEMENTS

- Brand new power plant commissioned in 2003
- Meets all environmental limits including those in place since 2008
- Revenues from electricity sales make c. 83% of revenues, remainder is mainly heat
- Production covered by long term power purchase agreements till 2023
- The heat is supplied mainly for residential heating
- Elcho has a long term agreement for coal supplies; the power plant is located close to the supplying mines
- Allocated CO2 cover full anticipated production
- Excellent management team - expertise to be utilized in further expansion
- Proximity to CEZ's 800MW hard coal power plant – Detmarovice (50 km) - possible future synergies, incl. possibility of joint coal supply



SKAWINA IS AN UPGRADED PLANT WITH EXPOSURE TO OPEN MARKET

Elektrownia Skawina S.A.



Basic figures

<i>million EUR*</i>	2003	2004
Revenues	98.6	99.5
EBITDA	11.5	9.0
EBIT	6.7	3.8
Net profit	5.1	3.0
Net debt (debt - cash)	1.4	9.3

Electricity sales** (TWh)	2.5	2.4
Installed capacity (MWe)	590	
Installed capacity (MWt)	618	
Fuel	coal	
Stake controlled	75%	

* Polish accounting standards, converted at 3.85 PLN/EUR

** Excluding balanced trading in open markets



SKAWINA IS SET TO PROFIT FROM PRICE CONVERGENCE AND INCREASED HEAT OFF-TAKE FROM NEARBY RESIDENTIAL CONSTRUCTION

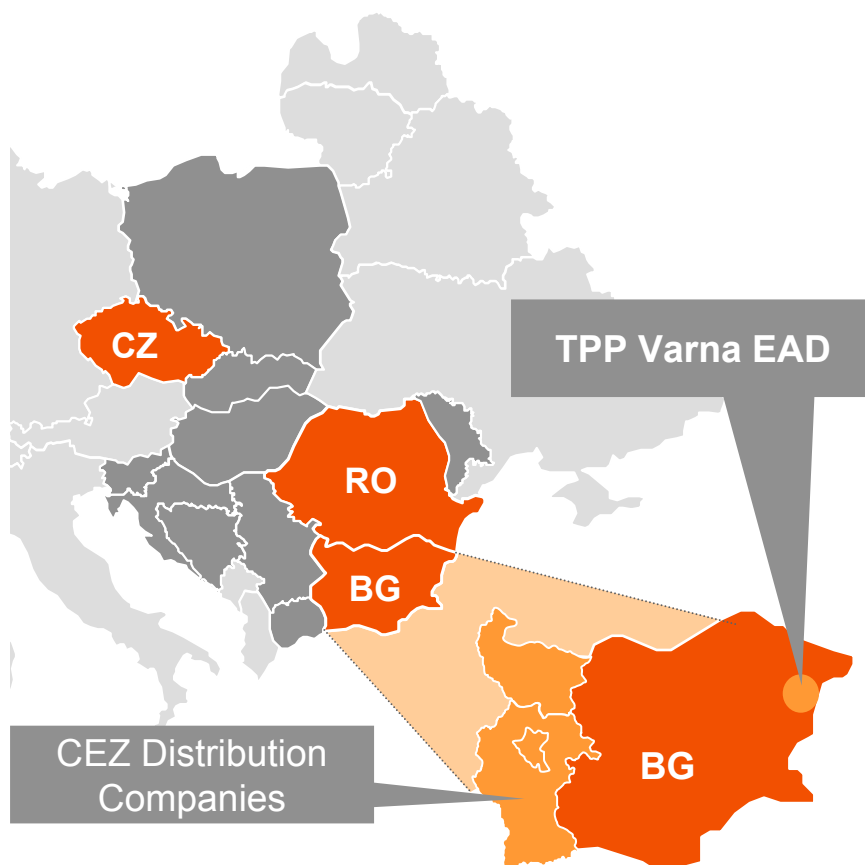
- Electricity generation part commissioned in 1961, heating part in 1986
- Almost half of the plant continuously refurbished since 1993; some further investments needed to meet stricter emission limits in 2008
- Potential to increase existing generation from biomass
- Electricity revenues make c. 86% of revenues, remainder mainly residential heat
- Electricity is sold in open market; we anticipate that the Polish open market prices will converge to the German ones in the next 5-7 years
- Potential to increase heat sales to expanding Krakow residential area next to Skawina - up to 20% increase in heat off-take in 2006-2011
- The plant is located close to the supplying mines
- Skawina's CO2 allocation per MW installed capacity among the highest in Poland
- Excellent management team - expertise to be utilized in further expansion
- Proximity to CEZ's 800MW hard coal power plant – Detmarovice (100 km) - possible future synergies, incl. possibility of joint coal supply



CEZ SIGNED SPA TO ACQUIRE 100% IN VARNA POWER PLANT



TPP Varna EAD



Basic figures

<i>million EUR*</i>	2003	2004
Revenues	62.1	69.2
EBITDA	7.8	8.9
EBIT	2.7	3.4
Net profit	1.9	2.8
Net debt	-0.9	2.9

Electricity sales (TWh)	2.2	2.4
Installed capacity (MWe)	6 x 210	
Fuel	hard coal	
Commissioned	3 units in late 60's, 3 units in late 70's	
Number of employees	900	
Stake acquired	100%	

Transaction Consideration

- Acquisition of 100% shares EUR 206.0m
- New equity subscription (16% increase) EUR 99.8m
- CEZ also committed to contribute an additional EUR 40m in an investment fund that will implement projects in the energy sector .

* International accounting standards, converted at 1.956 BGN/EUR



VARNA WILL INCREASE ITS UTILIZATION DRIVEN BY DECREASING SUPPLY IN BULGARIA, GROWING DEMAND AND EXPORT POTENTIAL



- Three units commissioned in late 60's, other three a decade later (units 1 to 3 commissioned over the period 1968-1969; units 4 to 6 completed in 1977 - 1979)
- Negotiated extension of deadline for meeting stricter EU emission limits till 2016; estimated EUR 130-160 mil CAPEX to meet the requirements (FGD, deNOx, other)
- No immediate need for large CAPEX
- Historically dispatched at 25% utilization of net available capacity; utilization will increase significantly after 2007 driven by decommissioning of Kozloduy 3rd and 4th units (880 MW), consumption growth and liberalization of cross-border trade
- During first 5 years after the privatization the plant's fixed cost will be - to a large extent - covered by proceeds from the cold reserve contract between Varna and NEK, covering 3 units of the plant
- At present ~90% of produced energy is sold to NEK at regulated prices; after market liberalization (expected in July 2007) the share of sales on unregulated market will grow (eligible customers, export, domestic wholesale market)
- Bulgarian wholesale price to converge to European price in 10-15 years driven by liberalization of cross border trading and increasing domestic demand
- One of considerable sources of TPP Varna's revenue is providing ancillary services
- Fuel purchased at international prices, currently mainly from Russia and Ukraine, supplied directly from Varna port
- According to draft of Bulgarian NAP Varna's production is fully covered by CO2 allocations till 2012



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EBIT GREW BY 49% Y-O-Y TO CZK 29 BN, INCREASE OF CZK 9.6 BN

CZK m	2004	2005	Change 05-04	Index 05/04 (%)
Operating Revenues	102,670	125,083	22,413	121.8
Sales of electricity	92,183	115,949	23,767	125.8
Heat sales and other revenues	10,487	9,134	-1,353	87.1
Operating expenses	82,885	95,664	12,779	115.4
Fuel	9,305	9,009	-295	96.8
Purchased power and related services	26,520	37,474	10,954	141.3
Repair and maintenance	4,872	4,229	-642	86.8
Salaries and wages	11,368	13,426	2,058	118.1
Materials and supplies	4,625	4,020	-605	86.9
CO ₂ allowances	0	-1,053	-1,053	n.a.
Other operating expenses	6,354	7,820	1,466	123.1
EBITDA	39,627	50,157	10,530	126.6
Depreciation and amortization	19,842	20,737	896	104.5
EBIT	19,785	29,419	9,634	148.7

Key impacts

+

- higher wholesale margin
- lower power generation
- CO₂ allowance trading and generation optimization
- Contribution of Bulgaria, Romania and SD

-

- higher personnel costs
- lower income from fixed assets sales (disposal of former headquarters in 2004)
- provisions on value of STE headquarters in Prague



NET INCOME INCREASED BY 56% Y-O-Y TO CZK 22 BN (INCREASE OF CZK 8 BN)

CZK m	2004	2005	Change 05-04	Index 05/04 (%)
Operating results (EBIT)	19,785	29,419	9,634	148.7
Other expenses/income	1,284	2,097	813	163.3
Interest on debt	1,823	1,800	-23	98.7
Interest on nuclear provisions	2,425	2,447	22	100.9
Interest income	-721	-437	284	60.7
FX profit and loss; net	-1,765	266	2,031	n.a.
Sale of subsidiaries and associates	0	170	170	n.a.
Accounting for negative goodwill	0	-1,704	-1,704	n.a.
Other financial expense/income	244	-343	-588	n.a.
out of which: derivatives	1,630	-169	-1,799	n.a.
gains/losses from sales of securities	-557	-7	549	1.3
Income from associates	-722	-102	620	14.2
Profit before taxes	18,502	27,323	8,821	147.7
Income Tax	4,233	5,025	792	118.7
Net income	14,268	22,298	8,030	156.3

Key non operating impacts in CZK bn

- 0.8 income tax
- 0.6 income from associates
- 0.5 P&L from securities disposal
- 0.2 foreign exchange and derivatives P&L
- + 1.7 accounting for negative goodwill in Electrica Oltenia



CEZ GROUP RESULTS WERE INFLUENCED BY SEVEROCESKE DOLY CONSOLIDATION AND ACCOUNTING FOR NEGATIVE GOODWILL AT OLTENIA

Impact of one off items on 2005 performance

CZK bn

	CEZ Group	SD Impact (full x equity consolidation)	Negative goodwill Oltenia	Provisioning for STE Building	CEZ Group excl. one off items
Revenues	125.1	2.2	0.0	0.0	122.9
EBITDA	50.2	3.8	0.0	0.0	46.4
EBIT	29.4	2.7	0.0	-0.5	27.2
Net Income	22.3	1.4	1.7	-0.5	19.7



FINANCIAL PERFORMANCE BY SEGMENTS IN 2005

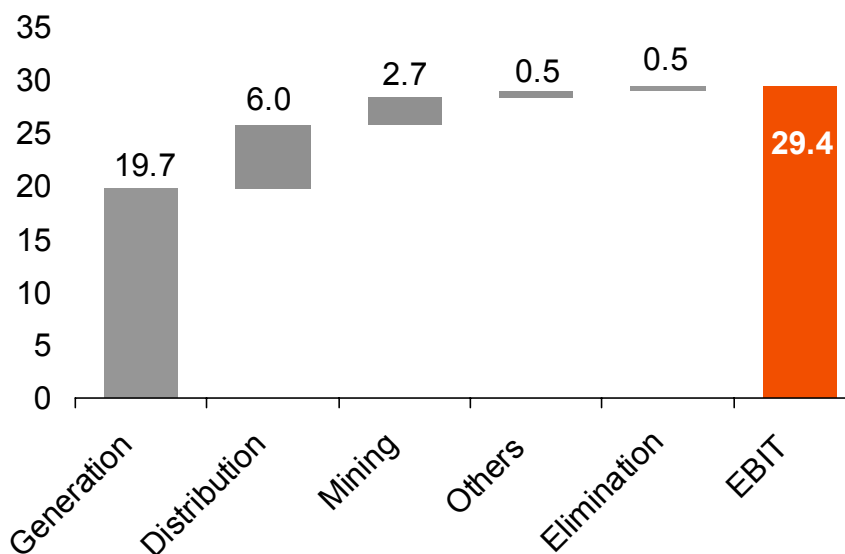
CEZ Group by segments

CZK m

	Generation	Distribution	Mining	Others	Consolidated
Revenues	70,248	75,387	7,998	8,654	125,083
EBITDA	33,642	11,272	3,607	1,606	50,157
EBIT	19,734	6,029	2,660	516	29,420

EBIT contribution

CZK bn

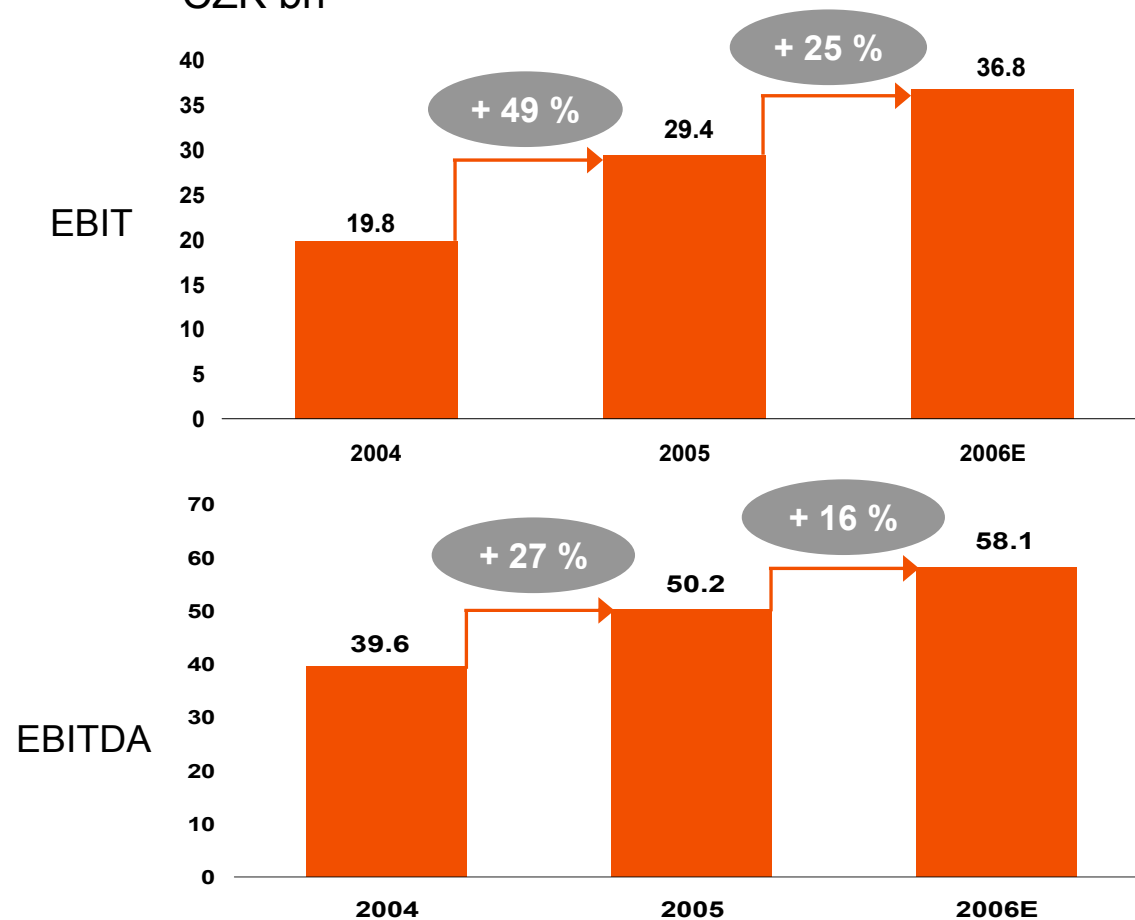




IN 2006 WE EXPECT EBIT AT CZK 36.8 BN AND EBITDA AT CZK 58.1 BN

Main financial results

CZK bn



Main growth factors

- Gross margin from generation and trade
- Savings within Vision 2008 and in generation
- Contribution of foreign acquisitions (Bulgaria, Romania, Poland)



AGENDA

- Summary for investors
- Introduction
 - Scope of operations
 - Financial performance
- Strategic initiatives of CEZ Group
 - Integration and operational excellence
 - Plant portfolio renewal
 - M&A expansion
- 2005 results review
- **Appendix**



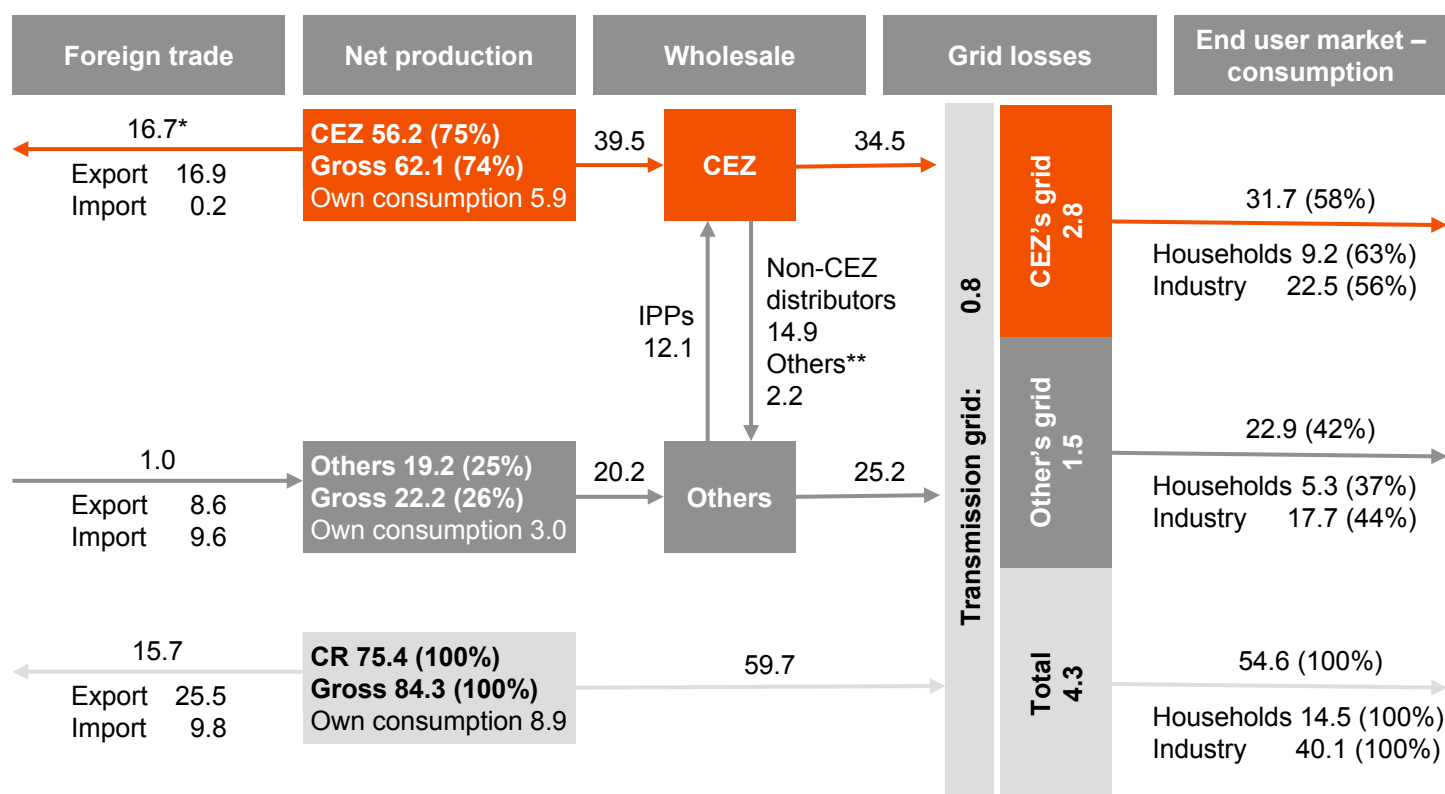
APPENDIX

- **Appendix – Czech power market overview**
- Nuclear safety and provisions
- Selected historical financial figures



CEZ IS A DOMINANT PLAYER IN ALL SEGMENTS OF THE CZECH ELECTRICITY MARKET ...

Czech electricity market in 2004
TWh

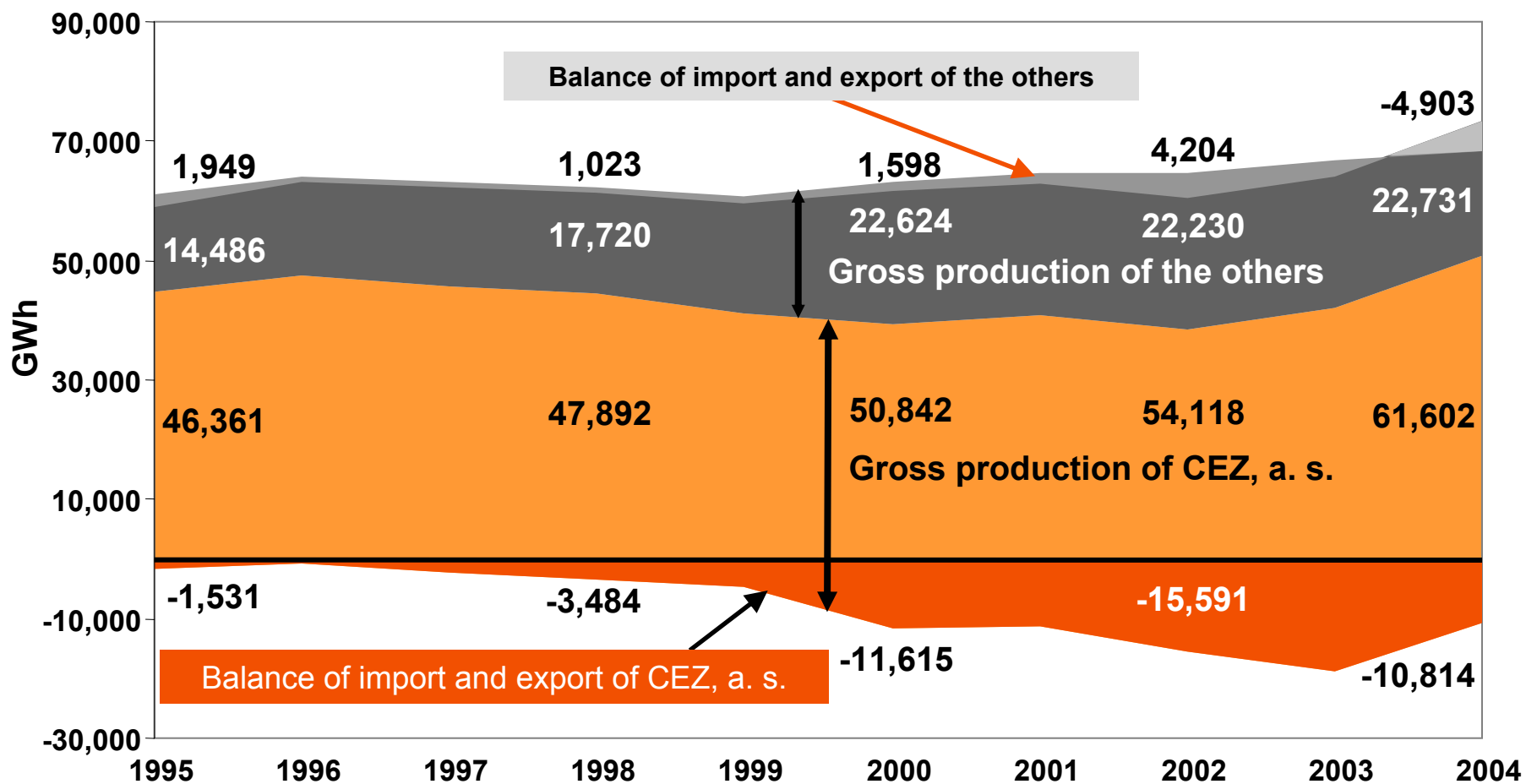


* Includes sales to domestic traders for export, excludes trading on the foreign liquid markets which do not impact volume

** Includes domestic power exchange trading, sales to grid operator to cover grid losses, direct sales to domestic traders for domestic consumption and other domestic sales



... AND HAS ALWAYS BEEN

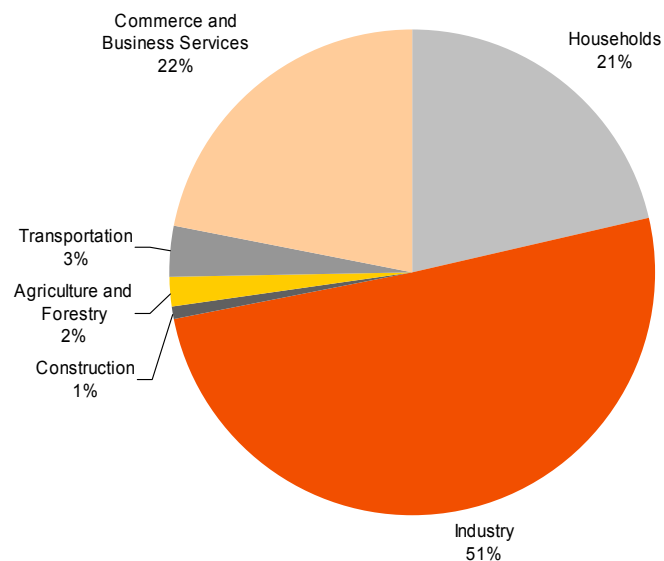




DEMAND FOR ELECTRICITY IN THE CZECH REPUBLIC IS DRIVEN BY INDUSTRIAL CUSTOMERS

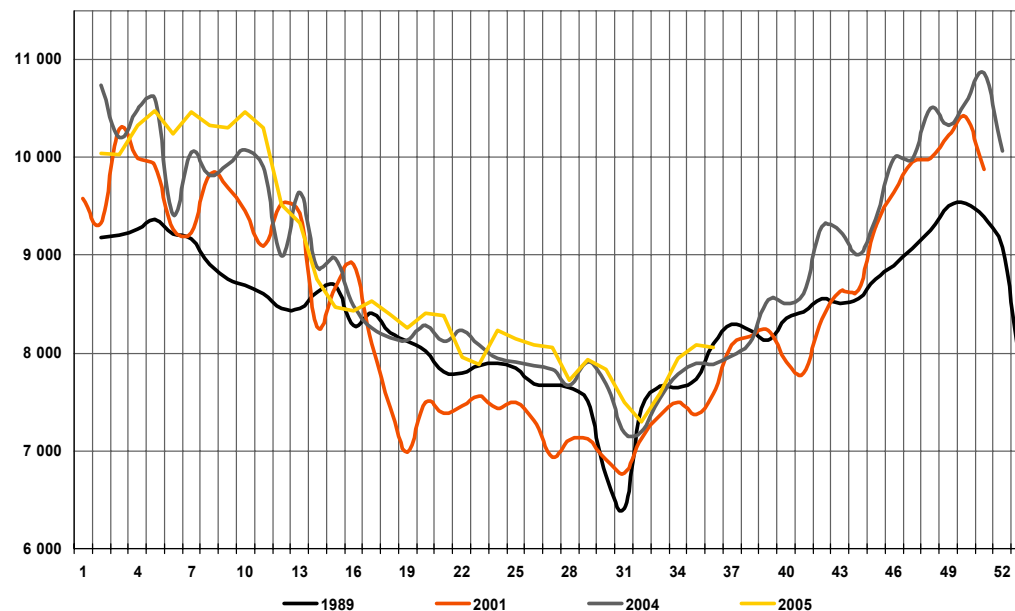
	2003	2004
■ Installed capacity as of 31 st December	17,344 MW	17,434 MW
■ Demand for electricity	54,807 GWh	56,388 GWh
■ Net electricity generation	76,659 GWh	77,919 GWh
■ Gross electricity generation	83,227 GWh	84,333 GWh

Electricity Demand Structure (2004)



Average Weekly Peak Loads on the Transmission Grid Level

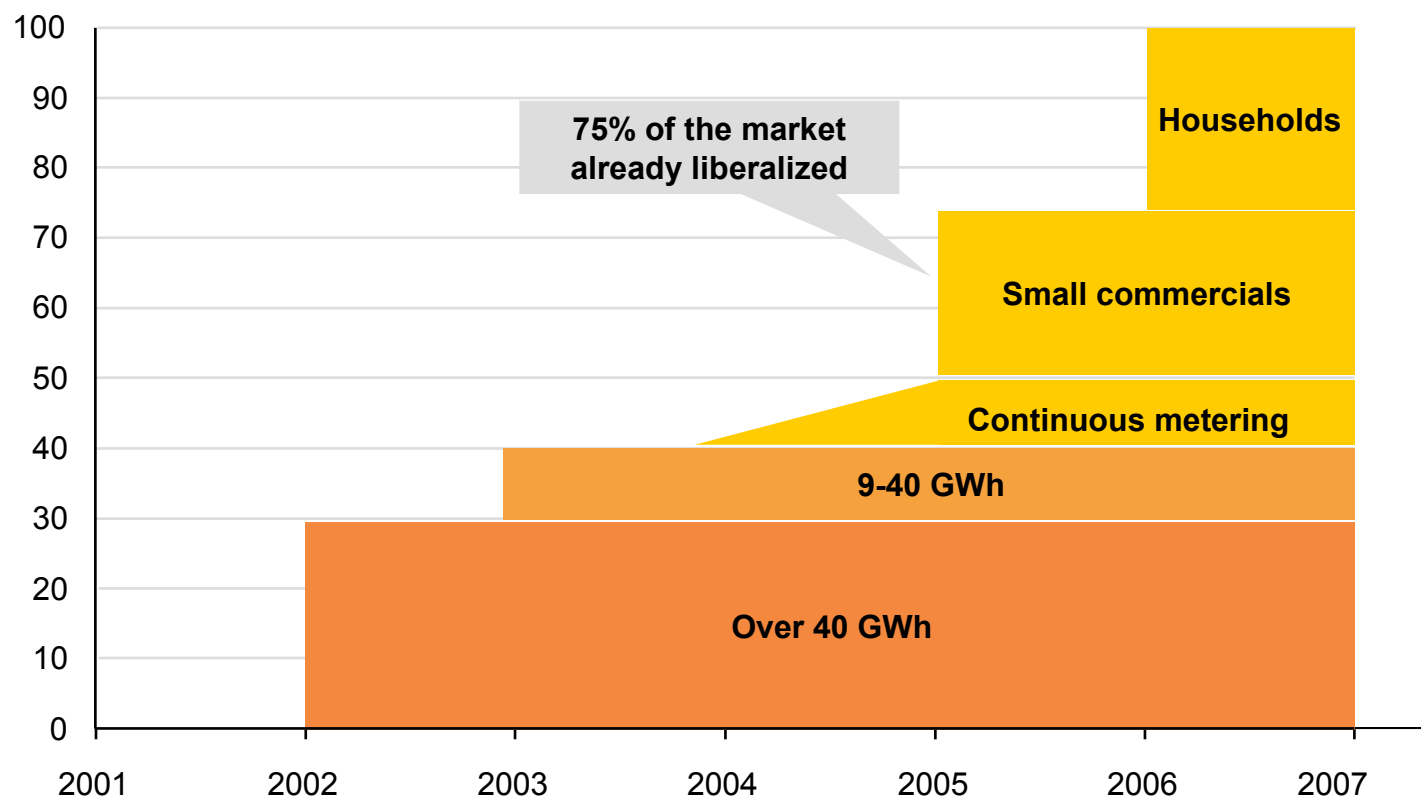
MW (for days Tue-Fri, recalculated for 50 Hz and standard temperature)





ELECTRICITY MARKET TO BE FULLY LIBERALIZED STARTING 2006, 75% LIBERALIZED ALREADY

Time plan of end-user market liberalization in the Czech Republic
Percentage





AGENDA

- Appendix – Czech power market overview
- **Nuclear safety and provisions**
- Selected historical financial figures



DUKOVANY IS ONE OF EUROPEAN BEST PERFORMING NUCLEAR POWER PLANTS

TEMELIN

- **Type of reactor**
 - PWR – pressurized water reactor, as majority of reactor types around the world
 - **Basic description**
 - Based on the original Russian technical design with many improvements in cooperation with Westinghouse Electric to achieve higher operational safety, e.g.,
 - new instrumentation and control system
 - new monitoring system (incl. radiation monitoring)
 - new cabling (non-flammable and fire-resistant)
 - modification of the electric components
 - new accident analysis and safeguard system
 - new type of nuclear fuel
- Electricity generation in 2004: 12,692 GWh**
- Installed capacity: 2 x 1,000 MW**
- **Total investment costs**
 - CZK 98.6 bn (USD 4.4 bn) – very competitive amount
 - **Commercial operation**
 - 1st Unit since June 2002
 - 2nd Unit since April 2003

DUKOVANY

- **Beginning of operation**
 - 1985-87
- **Current highlights**
 - undergoes renovation of its I & C system belongs, to world's best in safety of operation

Electricity generation in 2004: 13,632 GWh

Installed capacity: 4 x 440 MW

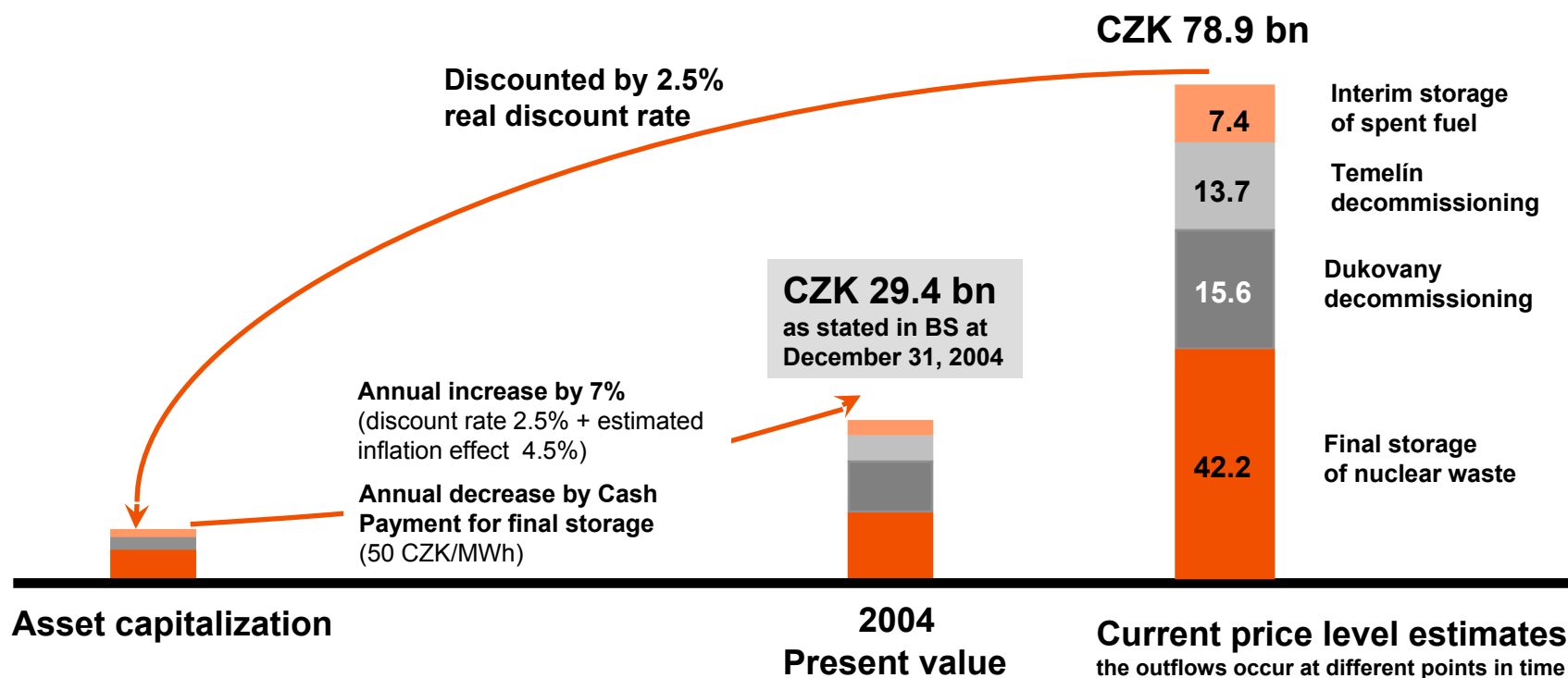


NUCLEAR POWER PLANTS OF CEZ, A. S. ARE INSURED ACCORDING TO INDUSTRY STANDARDS

- Property damage insurance
 - NPP Dukovany since December 1998
 - NPP Temelín since July 2000
- Nuclear third party liability insurance (operational)
 - NPP Dukovany since January 1998
 - NPP Temelín since July 2000
- Nuclear third party liability insurance – transport of nuclear fuel - from the Russian Federation for NPP Dukovany and from the US for NPP Temelín – since 1996
- Liability insurance is concluded according to the Czech Nuclear Act
- Policies are concluded with the Czech Nuclear Pool
- The necessary reinsurance support is provided within international pooling system (foreign national nuclear insurance pools)
- The property and liability risks in both NPPs are checked in the course of risk surveys which are regularly carried out by international teams of inspectors



NUCLEAR PROVISIONS IFRS STATEMENTS ARE FULLY IN LINE WITH IAS 37





NUCLEAR PROVISIONS – CASH FLOW IMPACT

1. NUCLEAR DECOMMISSIONING

Decommissioning of nuclear power plants

- Czech law requires CEZ to have accounting provisions created under Czech Accounting Standards cash funded (starting 2002)
- updated 2004 Temelín cost study – estimate CZK 13.7 bn
- updated 2003 Dukovany – estimate CZK 15.6 bn
- cost studies updated in regular periods
- funds deposited on escrow accounts owned by CEZ, a. s.
- escrow accounts opened in August 2002
- by the end of 2002 first funds deposited
- use of funds only with the approval of the state authority
- provisions created by the end of 2001 should be deposited in cash by 2007 (CZK 3 bn)

Balance of funds as of December 31, 2004: **CZK 1,580 million**

Annual contribution to the escrow account: **CZK 308 million** (Temelin – CZK 153 million, Dukovany CZK 155 million)



NUCLEAR PROVISIONS – CASH FLOW IMPACT

2. FUEL STORAGE

Final Storage of radioactive waste and spent fuel

- contribution to the „nuclear account“ at the Czech National Bank
- controlled by the state authority RAWRA (Radioactive Waste Repository Authority)
- contribution stated by a government resolution
- contribution based on a cost study

50 CZK/MWh produced in nuclear power plants

Cash expenditures in 2004: **CZK 1,316 million**

Interim Storage of Spent Nuclear Fuel

- expenditures represent mainly the purchase of interim fuel storage casks

Cash expenditures in 2004: **CZK 67 million**



AGENDA

- Appendix – Czech power market overview
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SELECTED HISTORICAL FINANCIALS CZK

Profit and loss

	CZK bn	2003	2004	2005
<u>Revenues</u>		<u>87.3</u>	<u>102.7</u>	<u>125.1</u>
Sales of electricity		79.0	92.2	115.9
Heat sales and other revenues		8.3	10.5	9.1
<u>Operating Expenses</u>		<u>53.7</u>	<u>63.0</u>	<u>74.9</u>
Purchased power and related services		21.1	26.5	37.5
Fuel		9.2	9.3	9.0
Salaries and wages		9.7	11.4	13.4
Other		13.7	15.9	15.0
<u>EBITDA</u>		<u>33.6</u>	<u>39.6</u>	<u>50.2</u>
<i>EBITDA margin</i>		<i>38%</i>	<i>39%</i>	<i>40%</i>
Depreciation		18.5	19.8	20.7
<u>EBIT</u>		<u>15.0</u>	<u>19.8</u>	<u>29.4</u>
<i>EBIT margin</i>		<i>17%</i>	<i>19%</i>	<i>24%</i>
<u>Net Income</u>		<u>9.6</u>	<u>13.2</u>	<u>21.5</u>

Balance sheet

	CZK bn	2003	2004	2005
Non current assets		271.9	271.7	280.4
Current assets		24.7	27.5	43.8
- out of that cash and cash equivalents		5.0	8.9	16.8
<u>Total Assets</u>		<u>296.6</u>	<u>299.3</u>	<u>324.2</u>
Shareholders equity (excl. minority. int.)		171.1	178.4	191.3
Interest bearing debt		38.8	41.8	38.7
Other liabilities		86.7	79.0	94.2
<u>Total liabilities</u>		<u>296.6</u>	<u>299.3</u>	<u>324.2</u>

Note: 2003 and 2004 results were restated to comply with pooling of interests method regarding Severoceske doly, i.e. the restated financials are as if CEZ had held 93% in Severoceske doly throughout the whole period of 2003 - 2005.



SELECTED HISTORICAL FINANCIALS EUR

Profit and loss

	EUR m	2003	2004	2005
<u>Revenues</u>		<u>3,009</u>	<u>3,540</u>	<u>4,312</u>
Sales of electricity		2,723	3,178	3,998
Heat sales and other revenues		286	362	315
<u>Operating Expenses</u>		<u>1,852</u>	<u>2,174</u>	<u>2,583</u>
Purchased power and related services		728	914	1,292
Fuel		316	321	311
Salaries and wages		334	392	463
Other		474	546	518
<u>EBITDA</u>		<u>1,157</u>	<u>1,366</u>	<u>1,729</u>
<i>EBITDA margin</i>		<i>38%</i>	<i>39%</i>	<i>40%</i>
Depreciation		638	684	715
<u>EBIT</u>		<u>519</u>	<u>682</u>	<u>1,014</u>
<i>EBIT margin</i>		<i>17%</i>	<i>19%</i>	<i>24%</i>
<u>Net Income</u>		<u>331</u>	<u>456</u>	<u>740</u>

Balance sheet

	EUR m	2003	2004	2005
Non current assets		9,374	9,368	9,668
Current assets		853	949	1,510
- out of that cash and cash equivalents		173	308	579
<u>Total Assets</u>		<u>10,227</u>	<u>10,317</u>	<u>11,178</u>
		0	0	0
Shareholders equity (excl. minority. int.)		5,898	6,152	6,596
Interest bearing debt		1,339	1,442	1,336
Other liabilities		2,990	2,723	3,247
<u>Total liabilities</u>		<u>10,227</u>	<u>10,317</u>	<u>11,178</u>

Note: 2003 and 2004 results were restated to comply with pooling of interests method regarding Severoceske doly, i.e. the restated financials are as if CEZ had held 93% in Severoceske doly throughout the whole period of 2003 - 2005.



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