

ČEZ GROUP PRESENTATION



December 2003

Table of Contents

ČEZ Group Introduction	4
ČEZ Group in Highlights	5
Definition of Consolidated Unit	6
The consolidation group for planning differs from that one for accounting purposes	7
ČEZ Group Basics as of September 30, 2003	8
The Shareholders of ČEZ, a. s. as of June 11, 2003	9
ČEZ Group	10
ČEZ Group on the Way Abroad	11
 The Czech Power Industry	 12
Power in the Czech Republic in Brief in 2002	13
New Energy Policy of the Czech Republic	14
Current Model of the Electricity Market in the Czech Republic	15
Liberalization of Electricity Market in the Czech Republic	16
GDP and Electricity Consumption in the Czech Republic	17
Electricity Demand in the Czech Republic Scenarios	18
Electricity Demand Structure in the Czech Republic	19
Scheme of the Power Supply in the Czech Republic in 2002 in GWh (index 02/01)	20
 Position of ČEZ Group	 21
ČEZ, a. s. Mission Statement	22
ČEZ, a. s. Business Vision	23
ČEZ Group's Share in the Installed Capacity of the Czech Republic	24
Installed Capacity of ČEZ Group	25
System of Management of ČEZ, a. s.	26
ČEZ Group Power Plants	27
ČEZ Group's Coal-fired Power Plants Emissions	28
Balance of Electricity in the Czech Republic	29

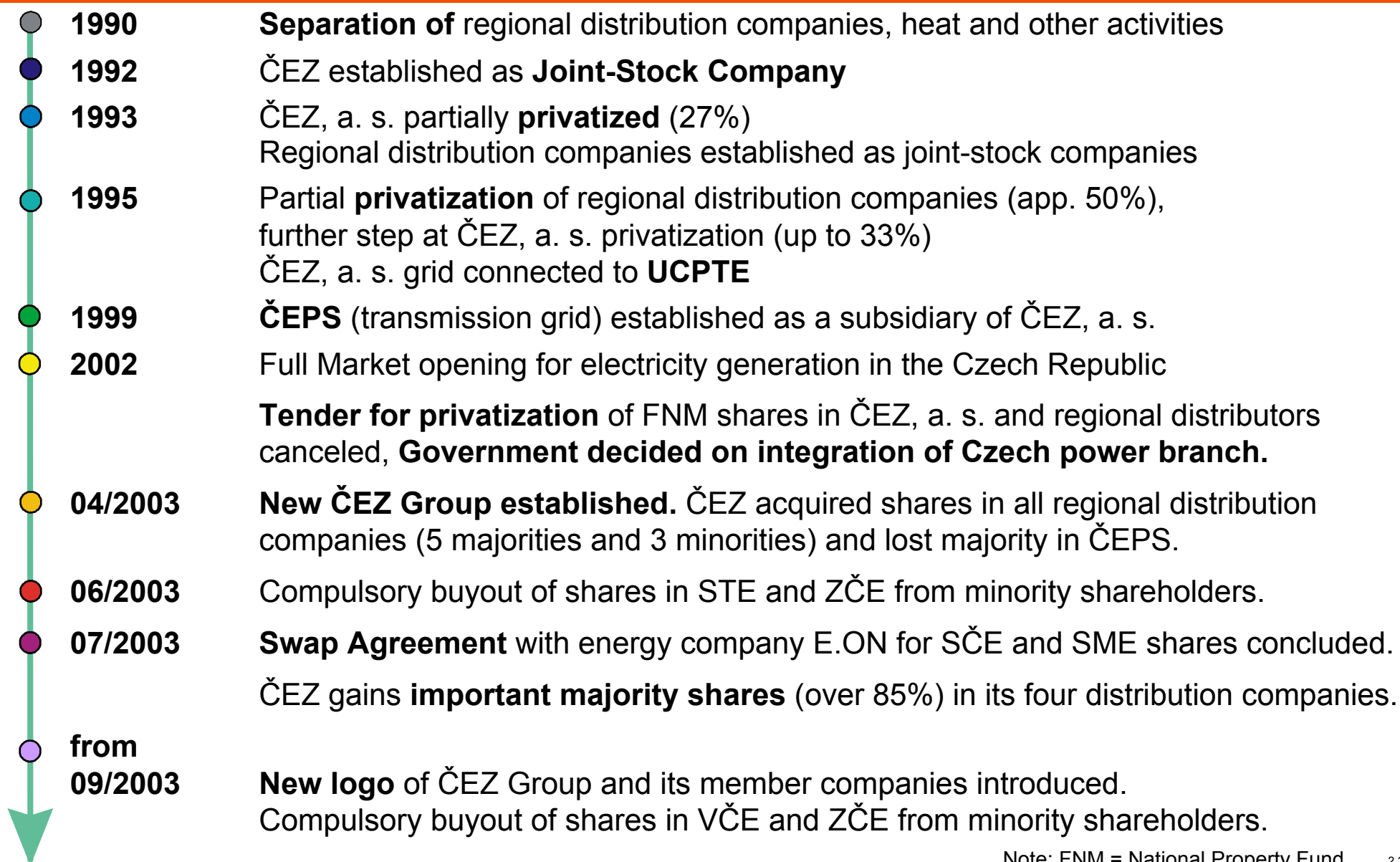


Table of Contents - Continuation

ČEZ Group Electricity Supply Structure	30
ČEZ Group's Employees as of 30 September 2003	31
Czech Wholesale Prices' Development	32
Prices of Electricity for Households	33
Components of average LV electricity price	34
Position in the Czech Power Market in January - September 2003	35
ČEZ's "Duhová energie" Product Offer for 2004	36
Public Offer of ČEZ's "Duhová energie" for 2004	37
Nuclear Power	38
NPP Temelín	39
NPP Dukovany – Performance Results	40
Public Opinion Research about Nuclear Power Plants (%)	41
Insurance of the Nuclear Power Plants of ČEZ, a. s.	42
Operational and Financial Results	43
Basic Data of ČEZ Group	44
Income Statement in Brief (CZK bn)	45
Balance Sheet in Brief (CZK bn)	46
Investment Program (without financial investments) and Internally Generated Cash Flow by ČEZ Group	47
Development of Long-term Liabilities of ČEZ Group	48
Credit Rating of ČEZ, a. s. and the Czech Republic	49
ČEZ Group is a Leading Corporate Name in Emerging Europe	50
ČEZ Group Internet Presentation	51

- **ČEZ Group Introduction**
- The Czech Power Industry
- Position of ČEZ Group
- Nuclear Power
- Operational and Financial Results

ČEZ Group in Highlights



Note: FNM = National Property Fund

2.2A 17.9.20



Definition of Consolidated Unit

ČEZ Group includes 94 companies, from which five are regional distribution companies (REAS): SČE, SME, STE, VČE, ZČE.



Accounting Consolidated Unit

consists of 33 companies, incl. ČEZ, a. s.
and all five ČEZ Group's distribution companies.



The consolidation group for planning differs from that one for accounting purposes

Consolidation rules

Consolidation group for accounting purposes:

33 companies



Too large group for plan consolidation

Consolidation group for planning purposes:

9 companies

Total assets 97.1% of total assets of the consolidation group

Net profit 94.6% of net profit of the consolidation group

For comparison of reality and plan:

Plan for 33 companies will be calculated as sum of planned values of 9 consolidated companies and reality of 24 companies not included in plan.



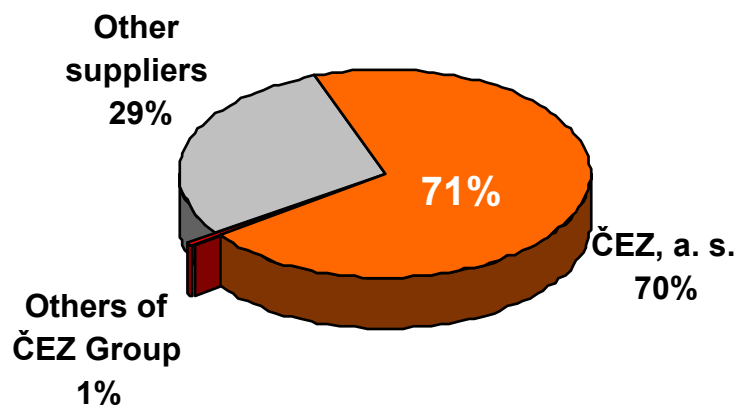
Volume of 24 companies not included in plan is unsubstantial.



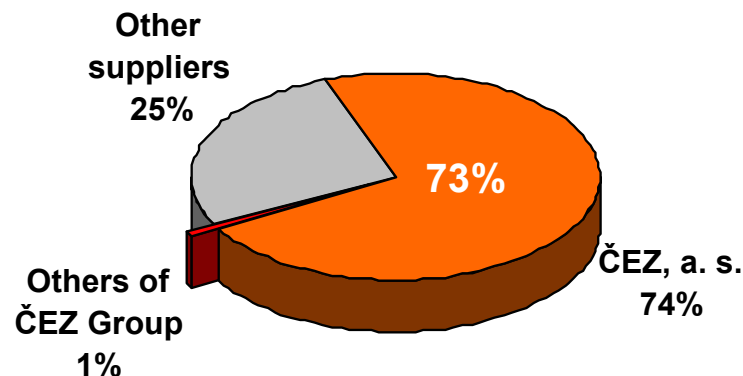
ČEZ Group Basics as of September 30, 2003

- Dominant power producer and supplier in the Czech Republic
- ČEZ Group represents whole chain from coal and limestone mining, electricity generation to trade, distribution and maintenance. It also includes nuclear research, telecommunications and heat business.
- Successful player on the competitive European market
- Successful operator of two nuclear power plants
- Balanced structure of power plants declines business risks
- 18,366 employees (ČEZ, a. s. 6,894 employees)

Installed capacity
in the Czech Republic 17,329 MW (+6,1% y/y)



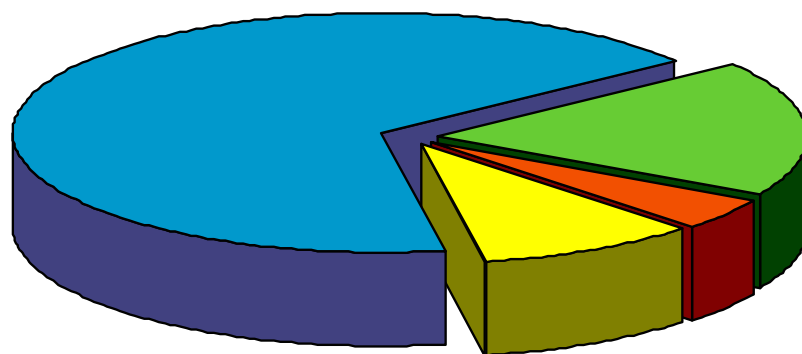
Gross Electricity Production
in the Czech Republic 60,604 GWh (+8,7% y/y)





The Shareholders of ČEZ, a. s. as of June 11, 2003

**National
Property Fund
(FNM)
67.61%**



**Institutional
Investors
18.25%**

**Individuals
4.46%**

**Custodians
9.68%**

Note: Custodians may manage portfolios of both individuals and institutional investors

Subsidiaries of ČEZ, a. s.

Maintenance

100%	CZK 45 m	100%	CZK 40 m
I&C Energo, s.r.o.		Energetické opravy, a.s.	
100%	CZK 18 m	51%	CZK 4 m
ČEZ ENERGOSERVIS, spol. s r.o.		SIGMA ENERGO s.r.o.	

Raw Materials

64.87%	CZK 569 m	51.05%	CZK 333 m
KOTOUČ ŠTRAMBERK, s.r.o.		LOMY MOŘINA spol. s r.o.	

Electricity and Heat Generation

100%	CZK 412.8 m
HYDROČEZ, a.s.	

Electricity Transmission

Electricity Sales

100%	EUR 1.5 m
rpg energiehandel GmbH, Germany	

Electricity Distribution

97.72%	CZK 3.210 bn	51.00%	CZK 3.258 bn
STE, a.s.		SČE, a.s.	
98.83%	CZK 2.55 bn	99.13%	CZK 1.606 bn
VČE, a.s.		ZČE, a.s.	
59.09%	CZK 3.407 bn		
SME, a.s.			

Telecommunications

100%	CZK 1 m	100%	CZK 770 m
CEZTel, a.s.		ČEZnet, a.s.	

Others

99.99%	CZK 420 m	66.67%	CZK 13.9 m
AB Michle s.r.o.		OSC, a.s.	
100%	CZK 0.6 m	52.46%	CZK 524.1 m
ČEZ Finance BV, Netherlands		ÚJV Řež a.s.	

Affiliated companies of ČEZ, a. s.

34%	CZK 10 m
ESE, s.r.o.	

29.8%	CZK 558 m
ŠKODA PRAHA a.s.	

40%	CZK 452 m
KNAUF POČERADY, spol. s r.o.	

37.21%	CZK 8.998 bn
Severočeské doly a.s.	

49%	CZK 100 m
JVCD, a.s.	

34%	CZK 58.8 m
VLTA VOTÝNSKÁ TEPLÁRENSKÁ, a.s.	

34%	CZK 17.856 bn
ČEPS, a.s.	

20%	CZK 50 m
Coal Energy, a.s.	

1.71%	CZK 3.532 bn
JME, a.s.	

34.00%	CZK 3.869 bn
PRE, a.s.	

Explanation:

Share of ČEZ, a. s. (%) Shareholders' Equity
Name of the company

More information: www.skupina-cez.cz/eng

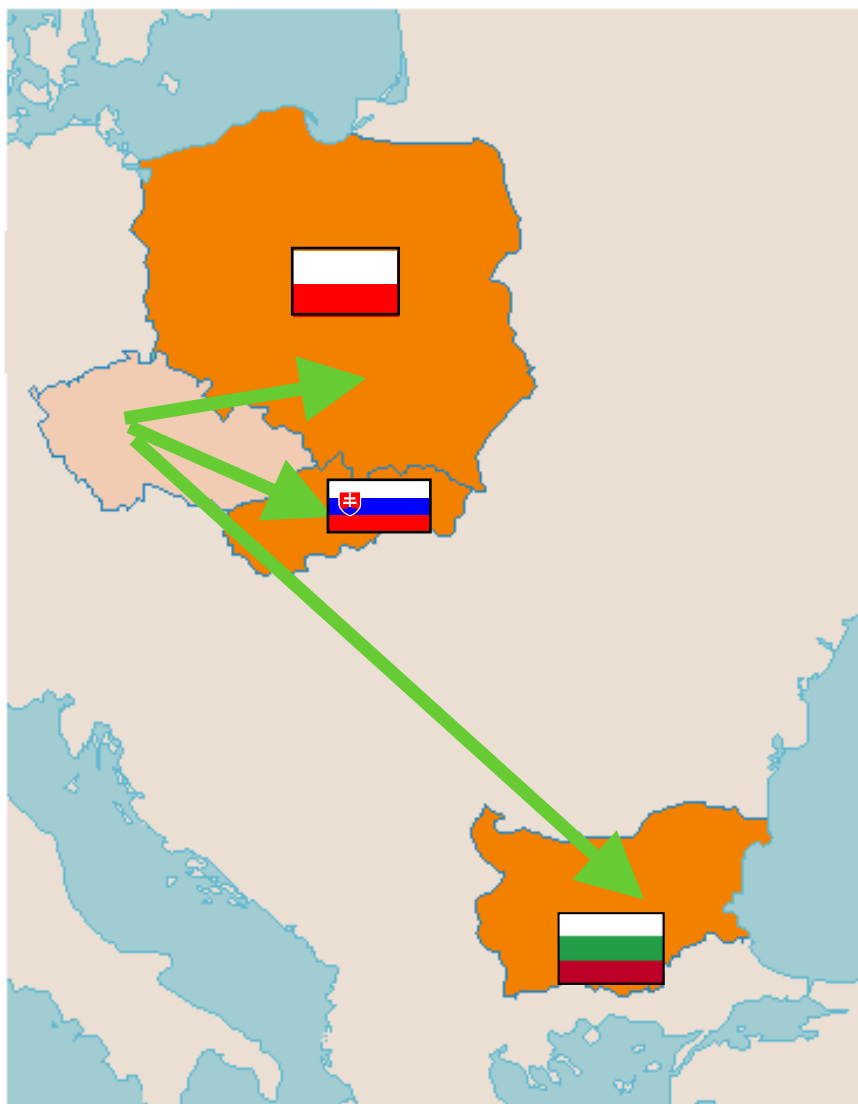
ČEZ Group on the Way Abroad

Our destinations:

Poland

Slovakia

Bulgaria



ČEZ Group intends to expand to energy sector of other Central and East European Countries

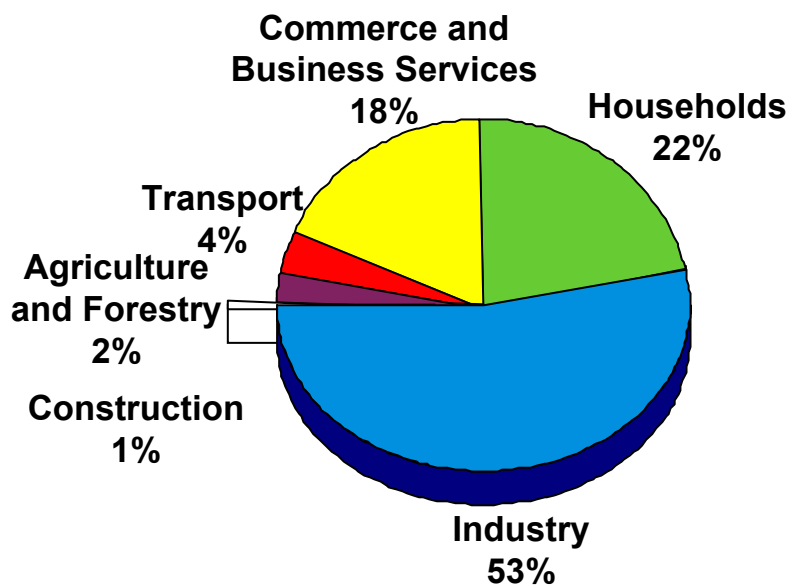
- ČEZ Group Introduction
- **The Czech Power Industry**
- Position of ČEZ Group
- Nuclear Power
- Operational and Financial Results



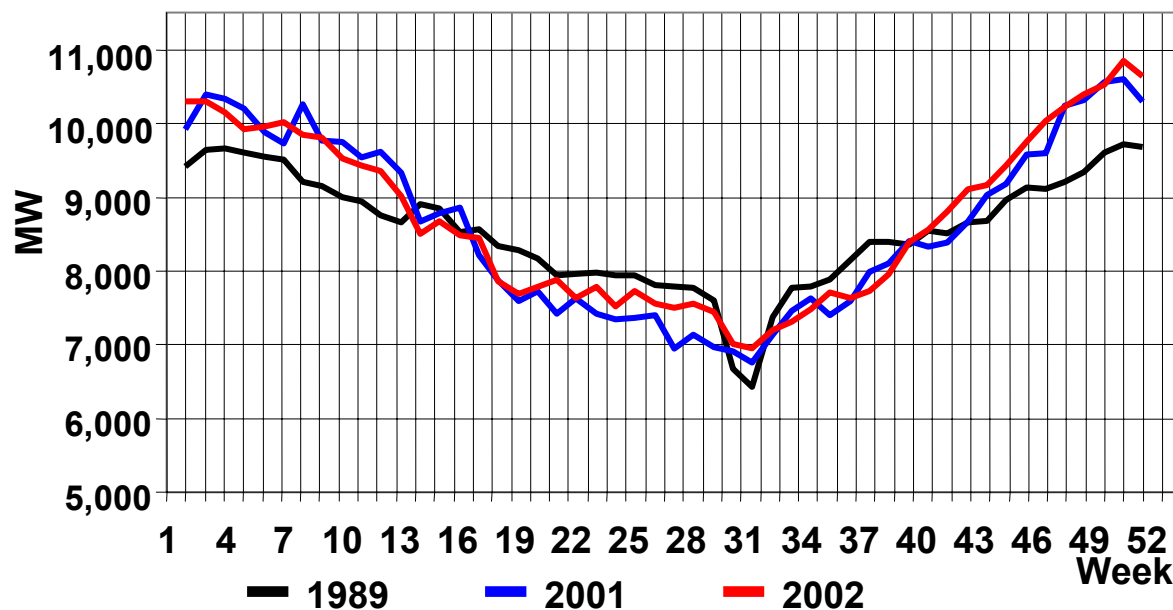
Power in the Czech Republic in Brief in 2002

■ Installed capacity as of 31 st December 2002	16,311 MW
■ Demand for electricity	53,670 GWh
■ Net electricity generation	70,393 GWh
■ Gross electricity generation	76,348 GWh

Electricity Demand Structure



Average Weekly Peak Loads on the Transmission Grid Level (for days Tue-Fri, recalculated for 50 Hz and standard temperature)



New Energy Policy of the Czech Republic

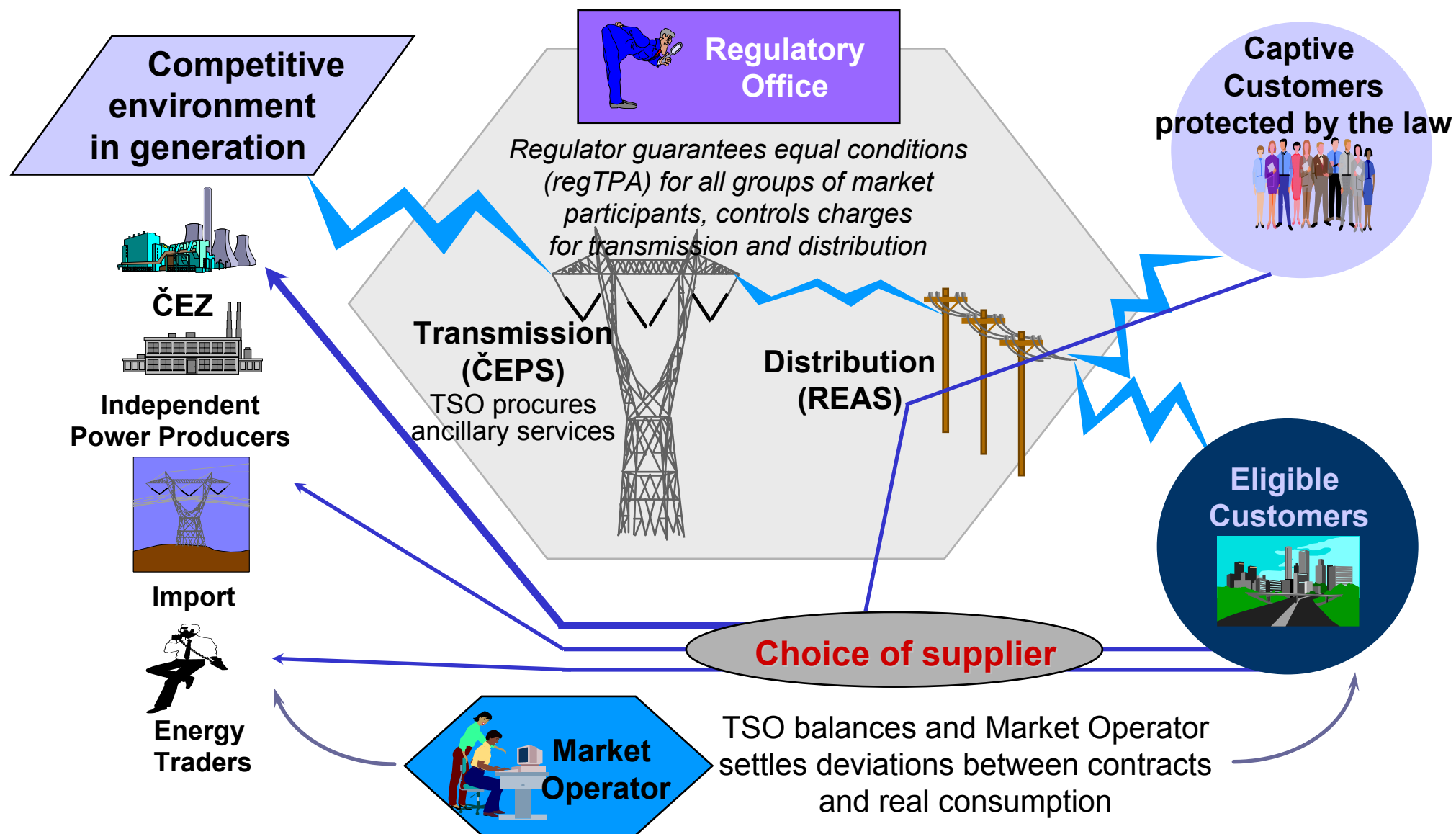
Draft submitted by Ministry of Industry and Trade (MlaT) for comments in June 2003

- **30 year horizon**
- **priorities:** independence, security, safety, and reliability
- **goals:**
 - maximum effectiveness of (preferably domestic) resources utilisation
 - maximum respect to the environment
 - completion of transformation and liberalisation of the sector
- **six development scenarios:**
 - „white“ – all current constraints
 - „green“ – higher exploitation of domestic resources
(namely reconsideration of territorial limits set on open-cast coal mines)
 - „black“ – higher import of coal
 - „red“ – higher importance of natural gas
 - „blue“ – more nuclear and more of natural gas
 - „yellow“ – extensive nuclear development

public hearing during EIA proceedings took place on October 16

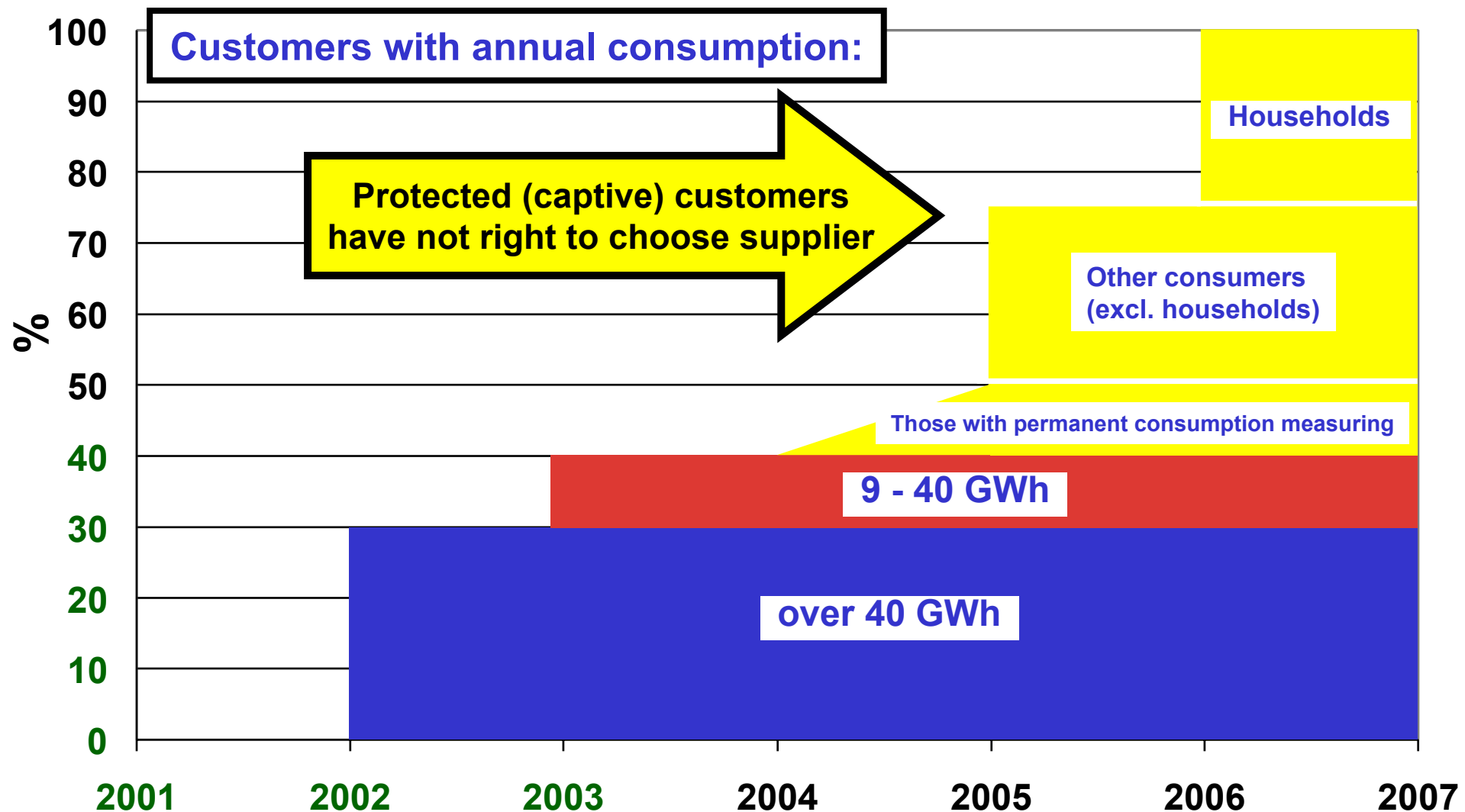
Energy Policy should be adopted by the government at the end of 2003.

Current Model of the Electricity Market in the Czech Republic





Liberalization of Electricity Market in the Czech Republic

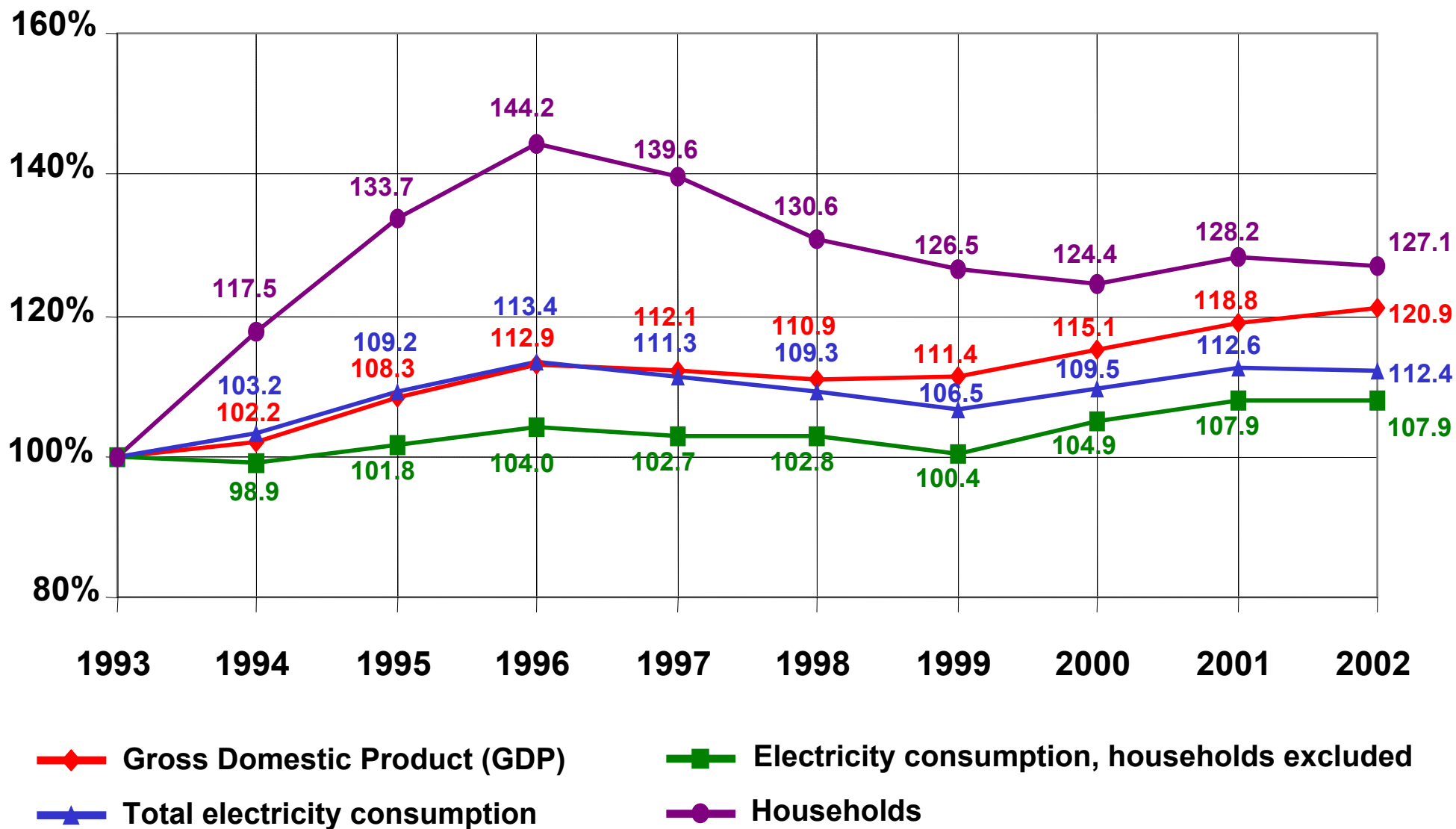


Explanation: The liberalization of Czech electricity market is faster than previously decreed. The respective law has been already passed by the Czech Parliament.

8.1 5.8.200

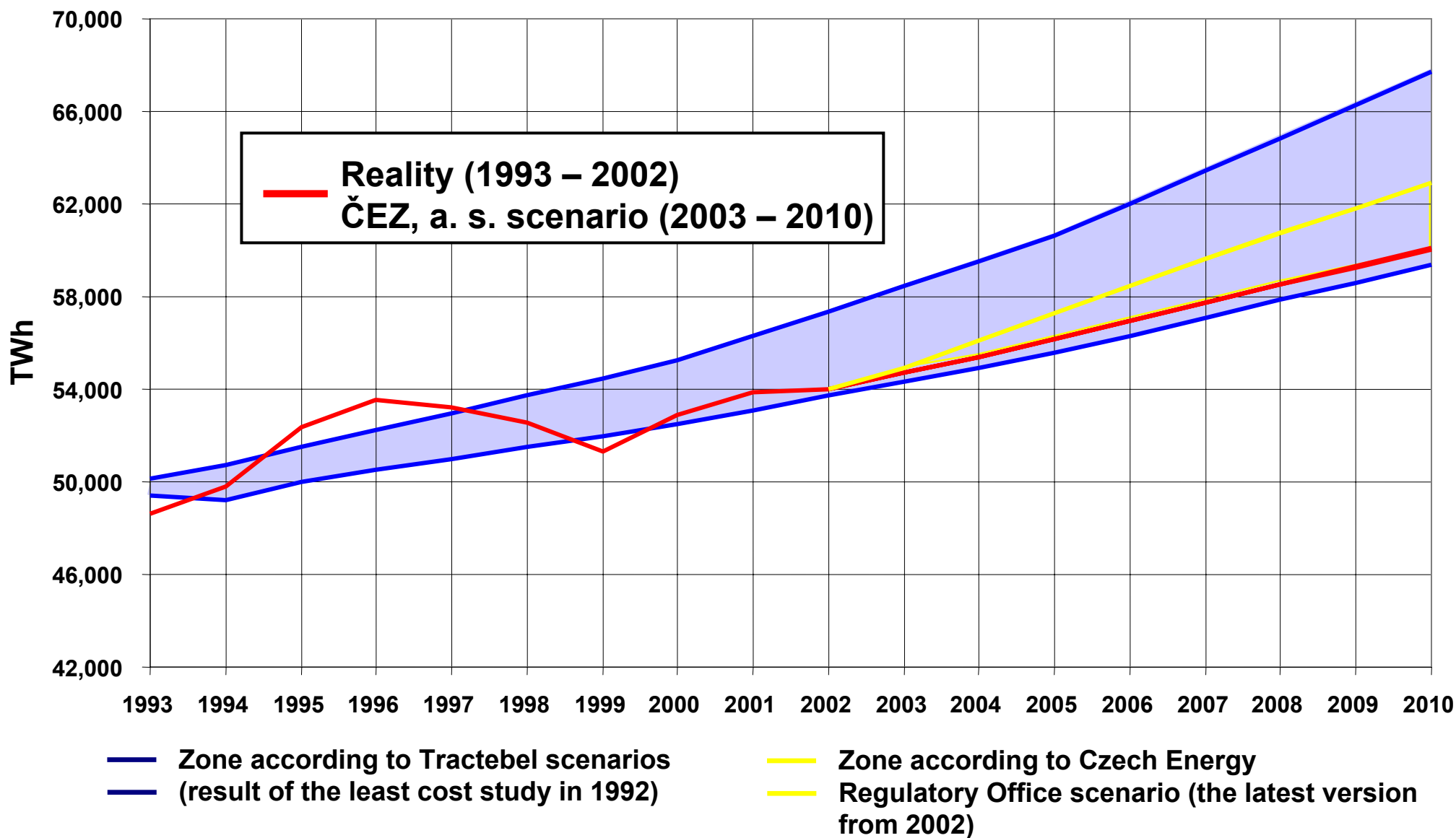


GDP and Electricity Consumption in the Czech Republic



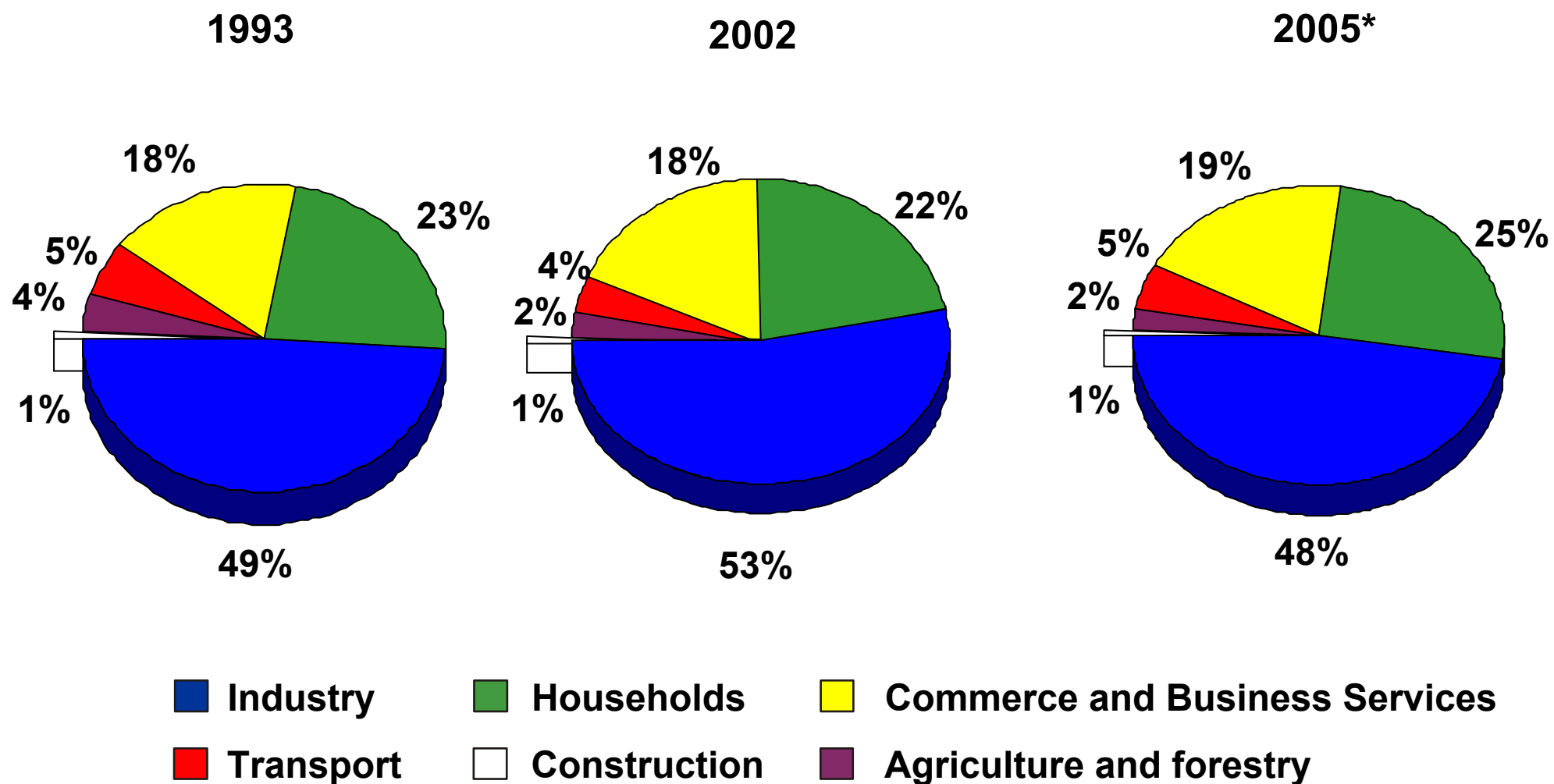


Electricity Demand in the Czech Republic Scenarios





Electricity Demand Structure in the Czech Republic

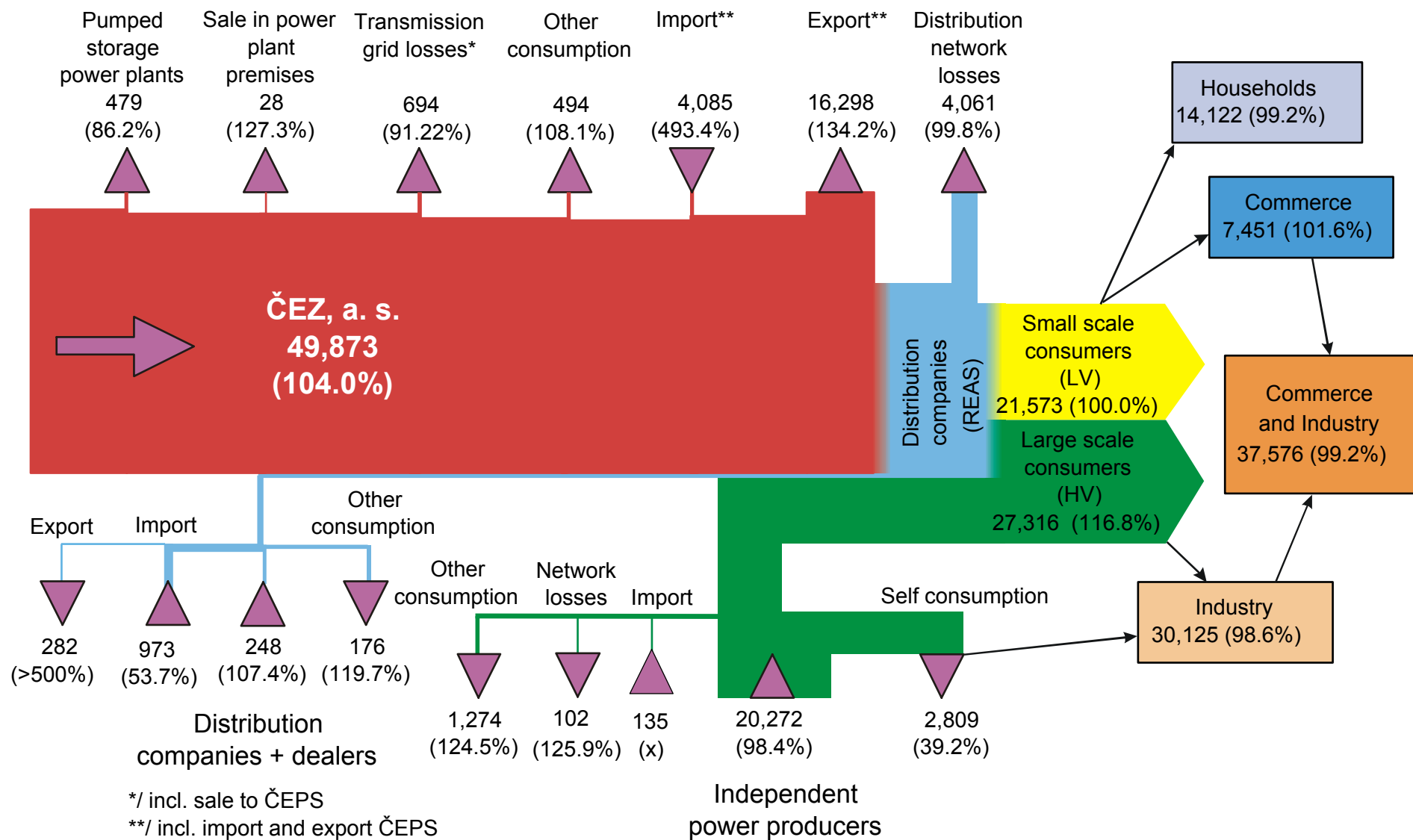


*) Estimation

1.8A 26.8.20



Scheme of the Power Supply in the Czech Republic in 2002 in GWh (index 02/01)



- ČEZ Group Introduction
- The Czech Power Industry
- **Position of ČEZ Group**
- Nuclear Power
- Operational and Financial Results



ČEZ, a. s. Mission Statement

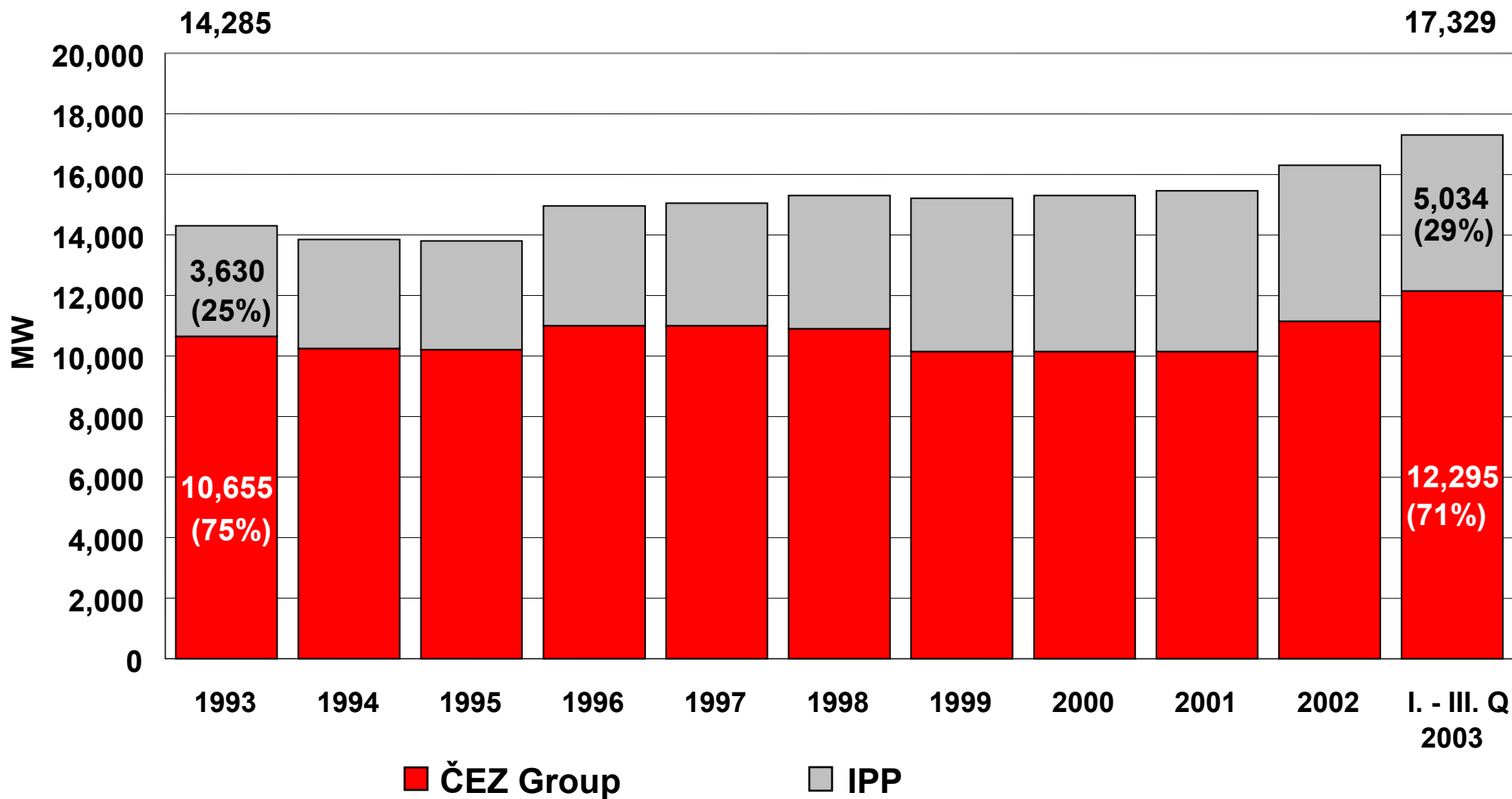
...to meet demand for electricity and ancillary services of both traditional and newly acquired customers on the basis of successful market operation.

ČEZ, a. s. will reliably supply safely and environmentally friendly produced electricity, using preferentially its own sources.

**To ensure optimum level of electricity sales,
enabling efficient use of production capacities,
to be a respected, sought-after,
reliable commercial partner and an attractive
employer of skilled employees,
and thus to ensure an attractive return on equity
and an increase of the company's
market value.**

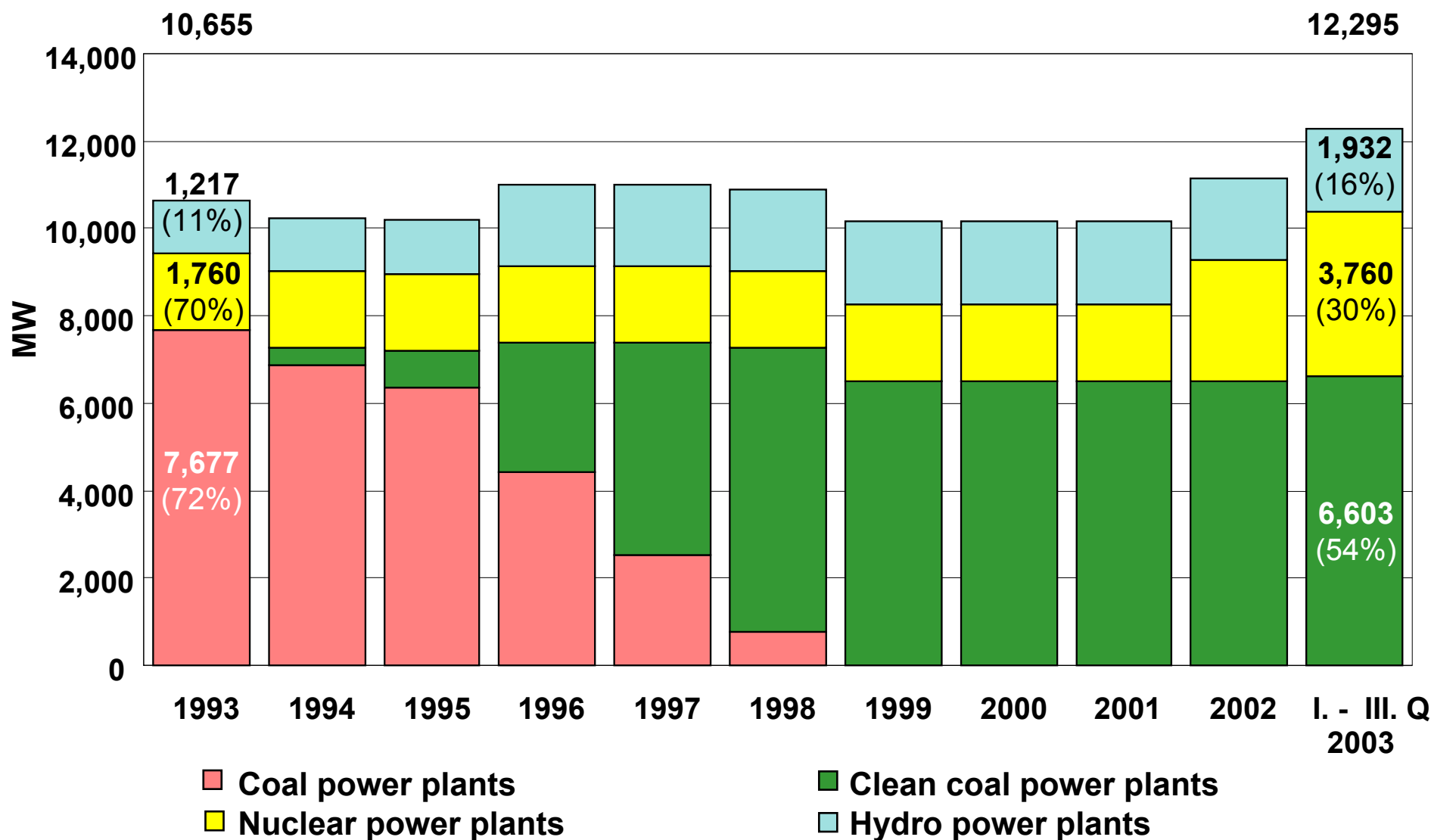


ČEZ Group's Share in the Installed Capacity of the Czech Republic





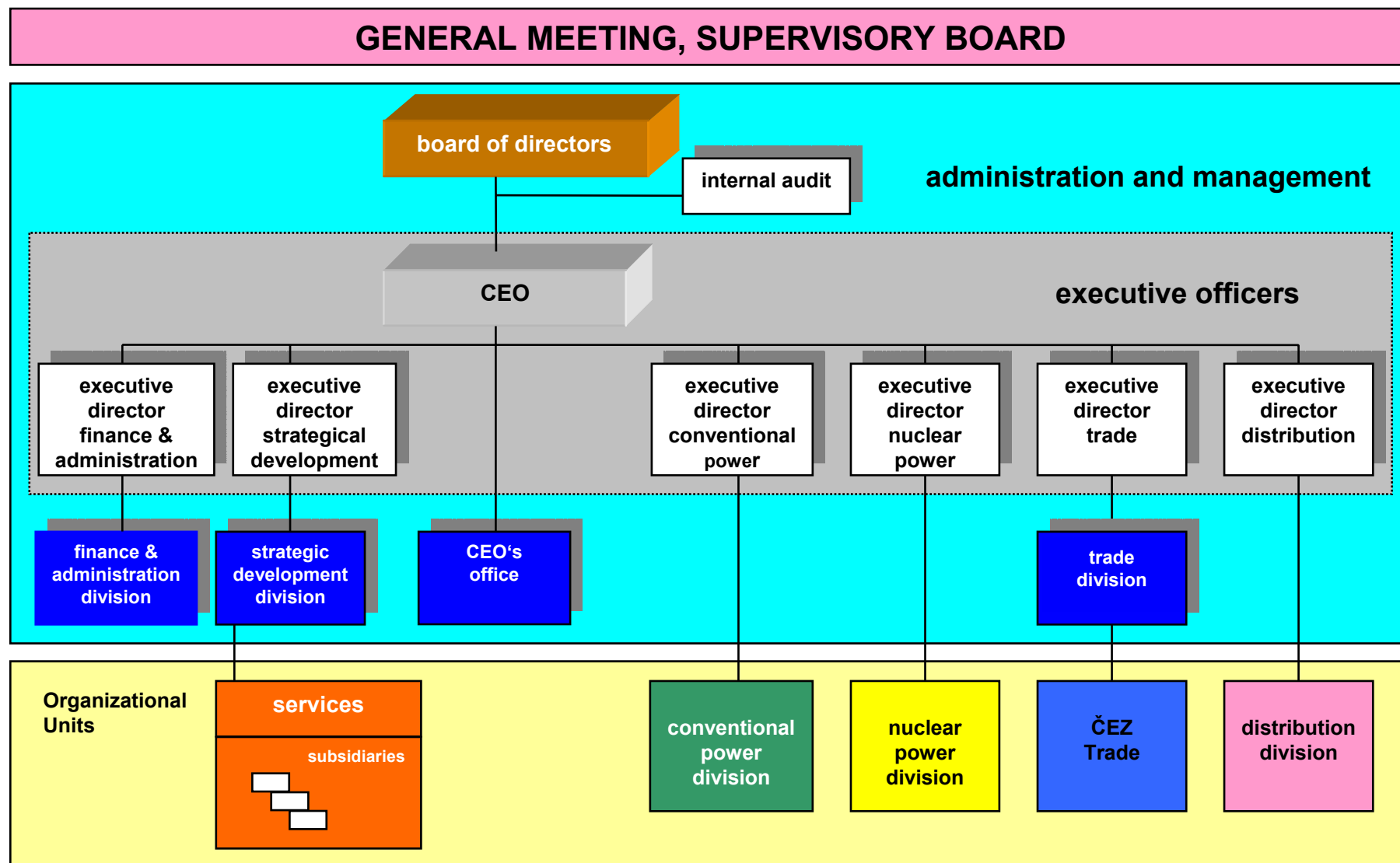
Installed Capacity of ČEZ Group



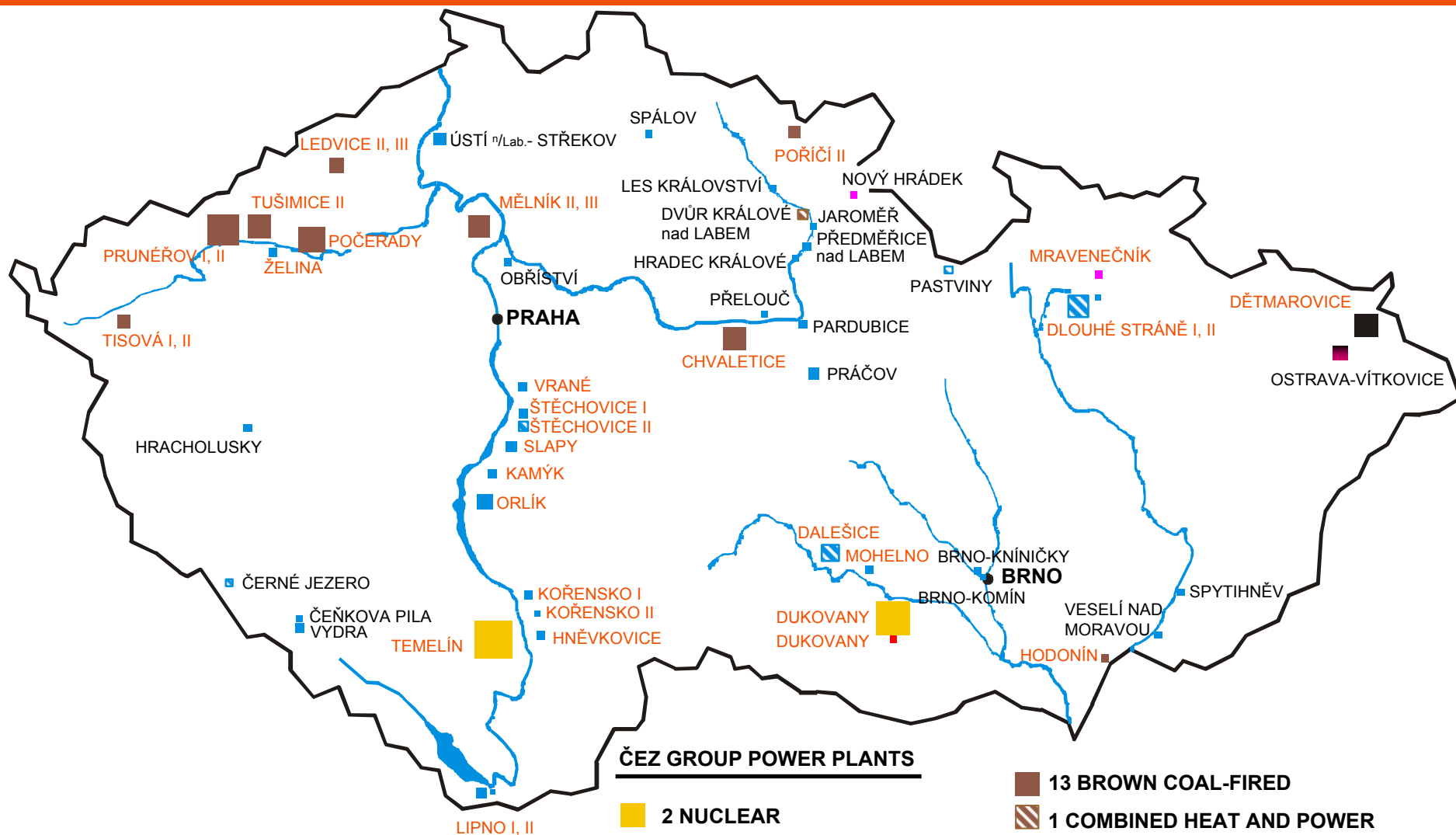
Note: Installed capacity 1 MW of wind PP is included in the installed capacity of hydro PP

2.16A 16.09.20

System of Management of ČEZ, a. s.



ČEZ Group Power Plants



NAME IN ORANGE LETTERS = OWNED BY ČEZ, a. s.

NAME IN BLACK LETTERS = OWNED BY OTHER MEMBER COMPANY OF ČEZ GROUP

ČEZ GROUP POWER PLANTS

 2 NUCLEAR

 29 HYDRO

 5 PUMPED STORAGE

 1 SOLAR

 13 BROWN COAL-FIRED

 1 COMBINED HEAT AND POWER

 1 HARD COAL-FIRED

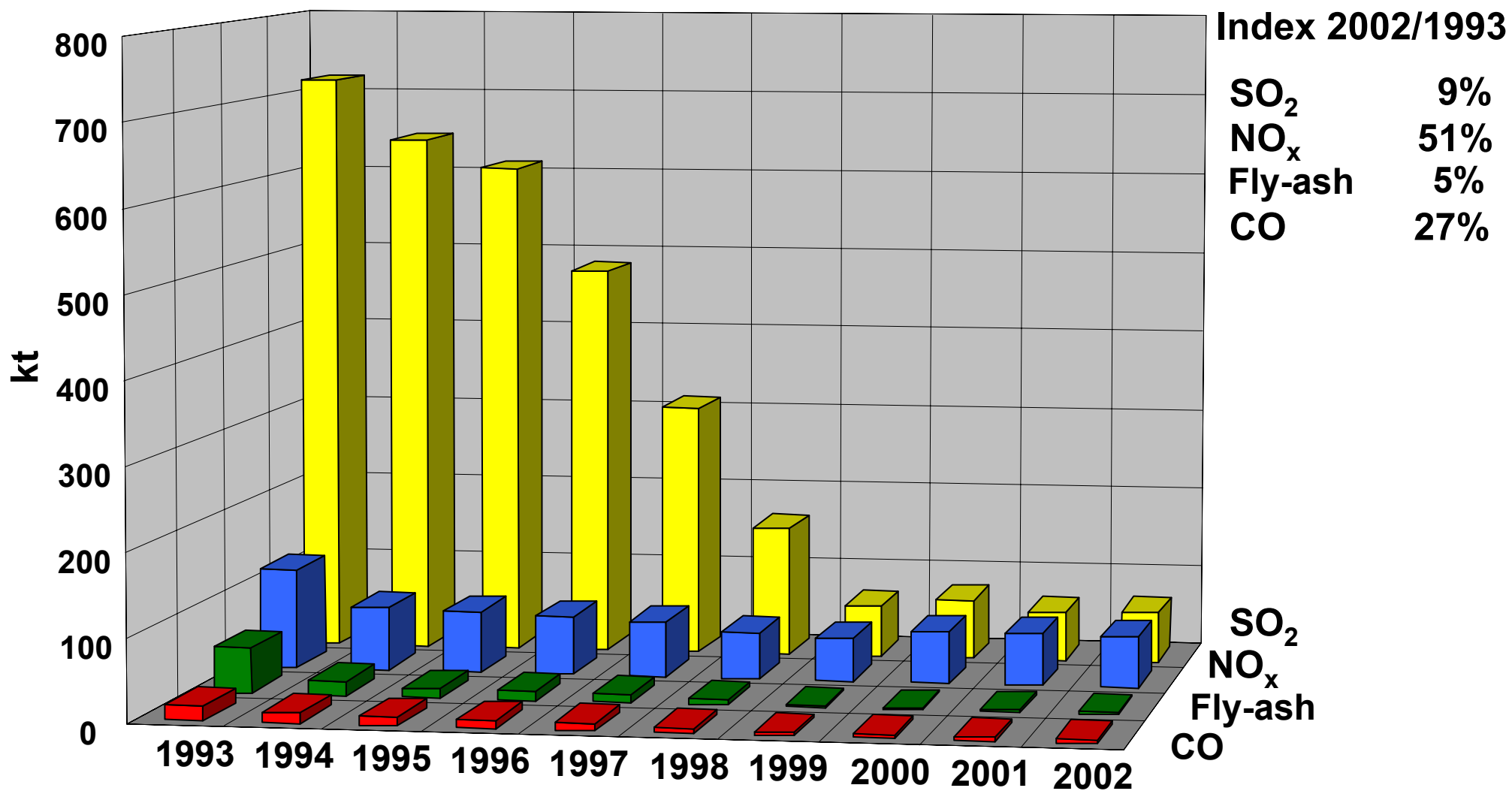
 2 WIND

 1 HARD COAL AND COKE OVEN GAS

2.41A 22.09.2

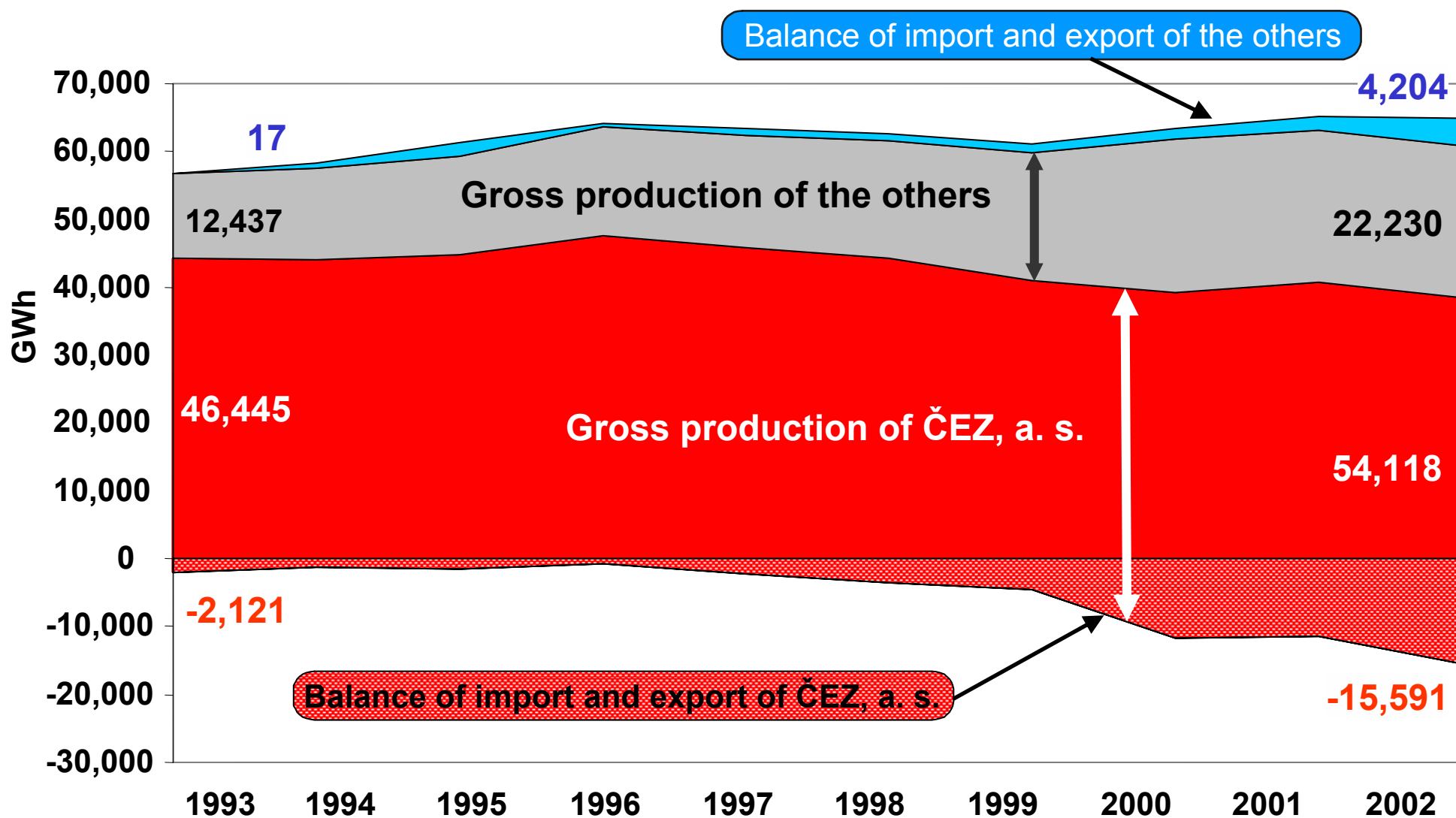


ČEZ Group's Coal-fired Power Plants Emissions

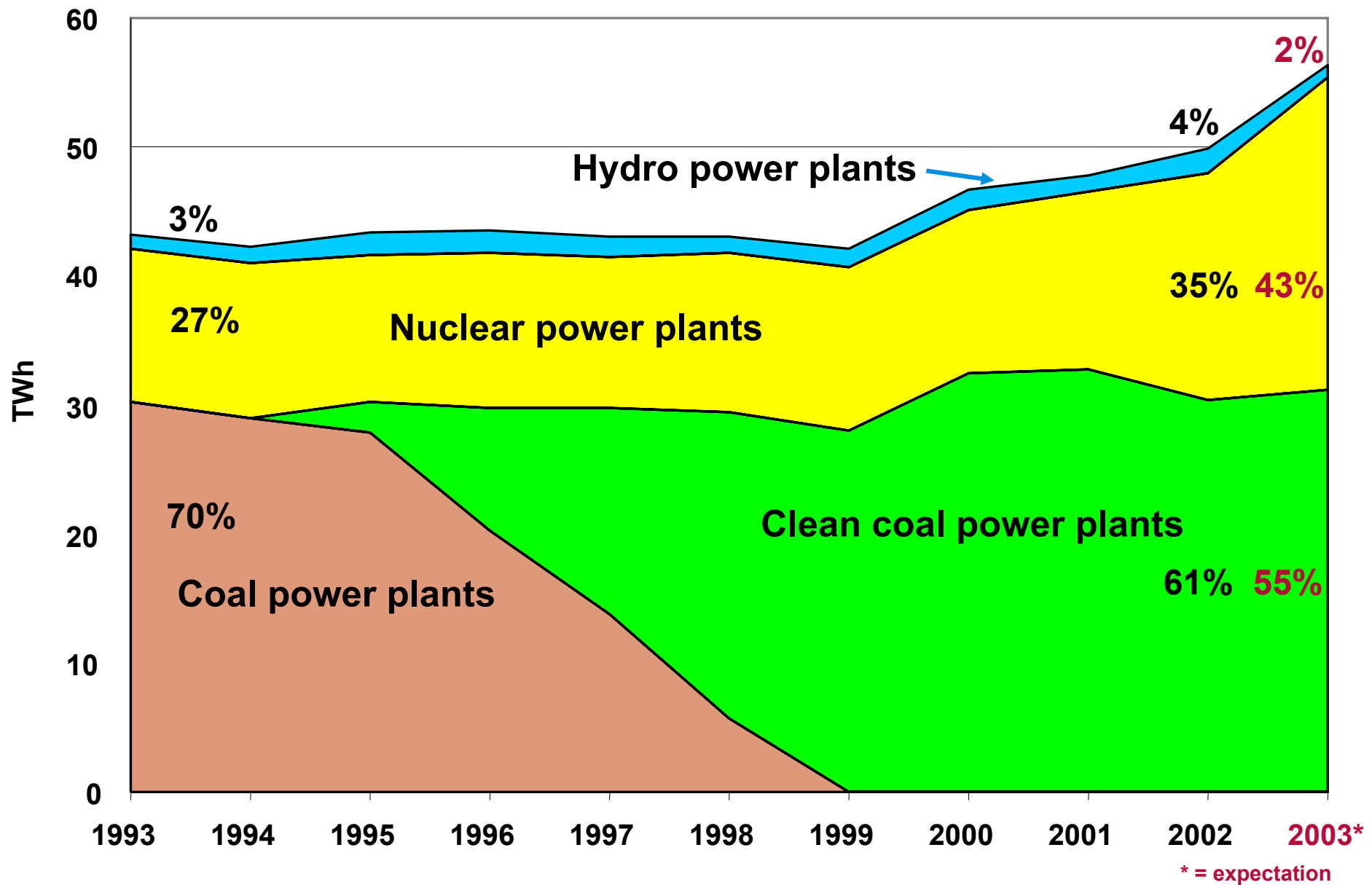




Balance of Electricity in the Czech Republic

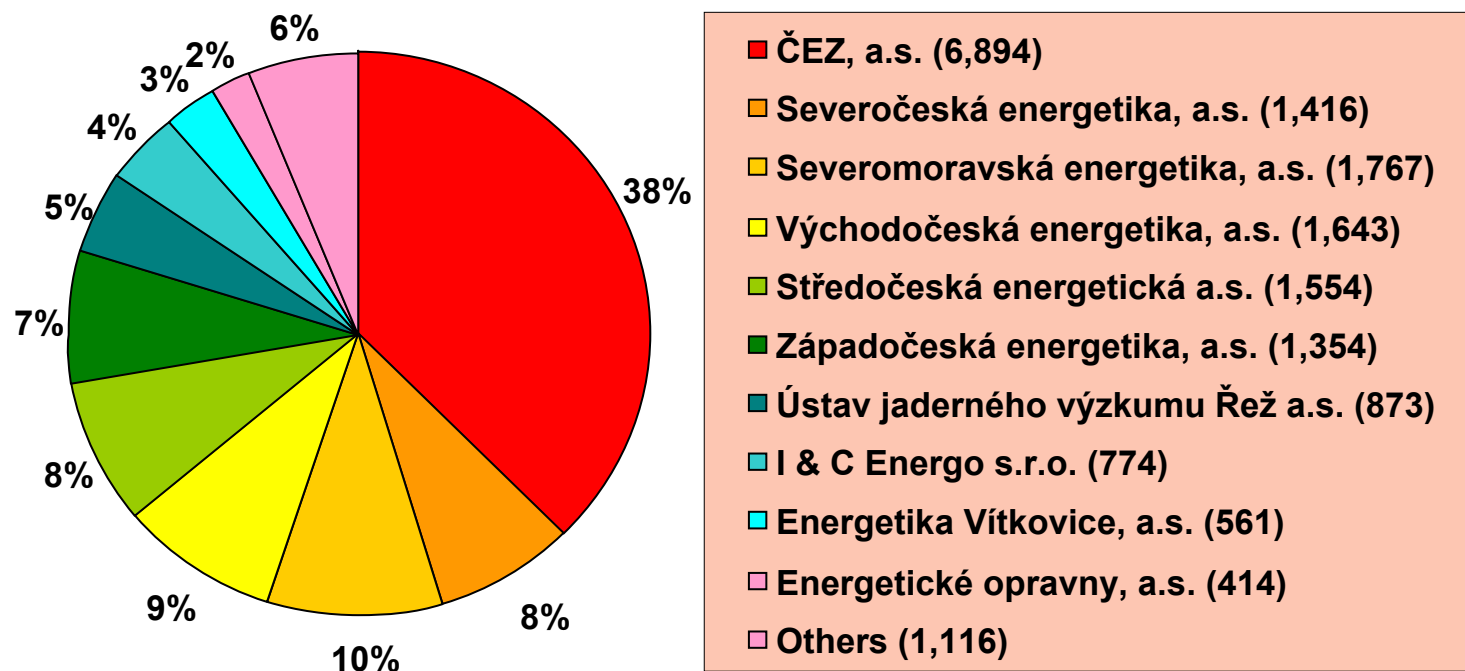


ČEZ Group Electricity Supply Structure



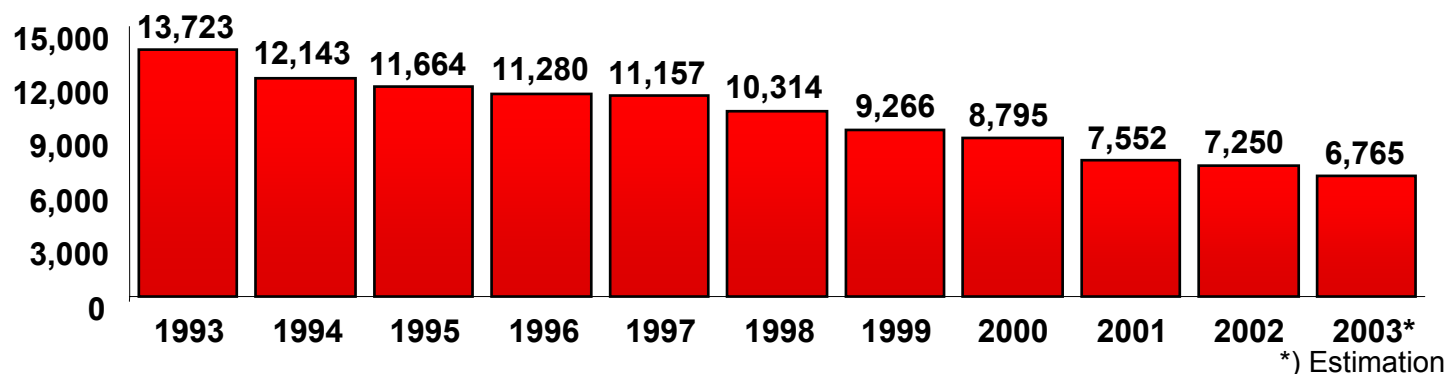


ČEZ Group's Employees as of 30 September 2003

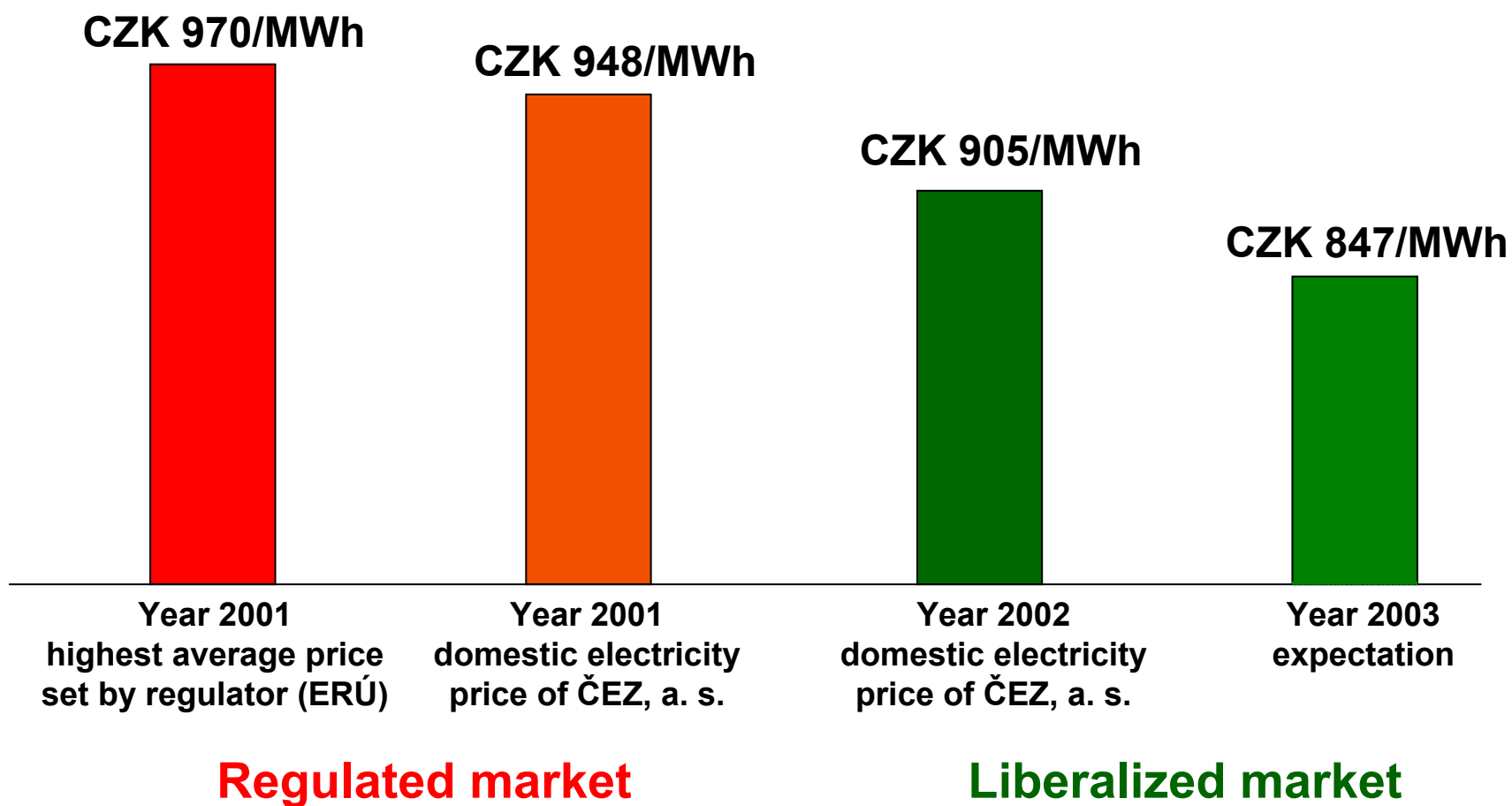


ČEZ Group
(18,366 employees)

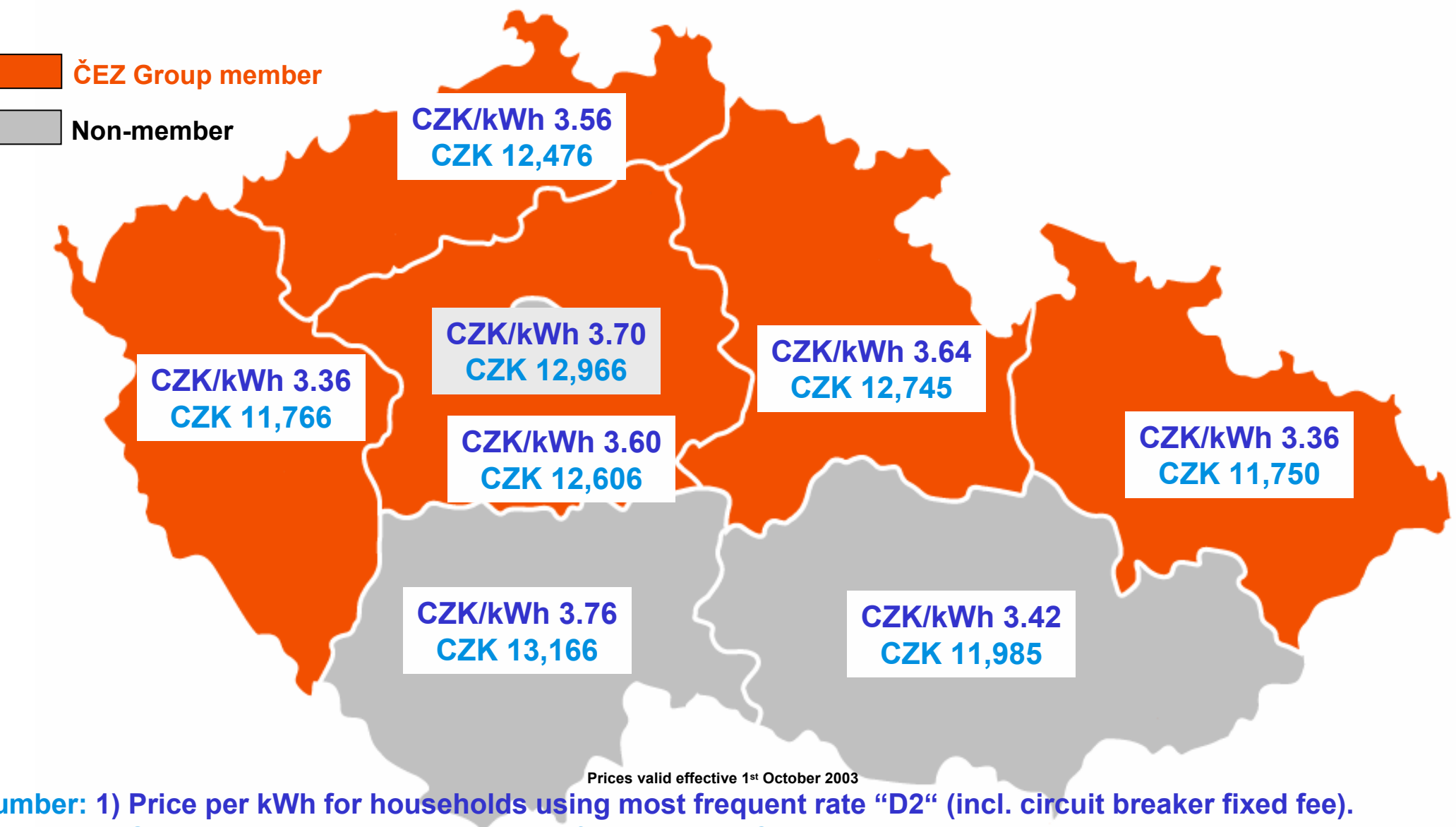
Number of Employees of ČEZ, a. s. at the end of period



Czech Wholesale Prices' Development

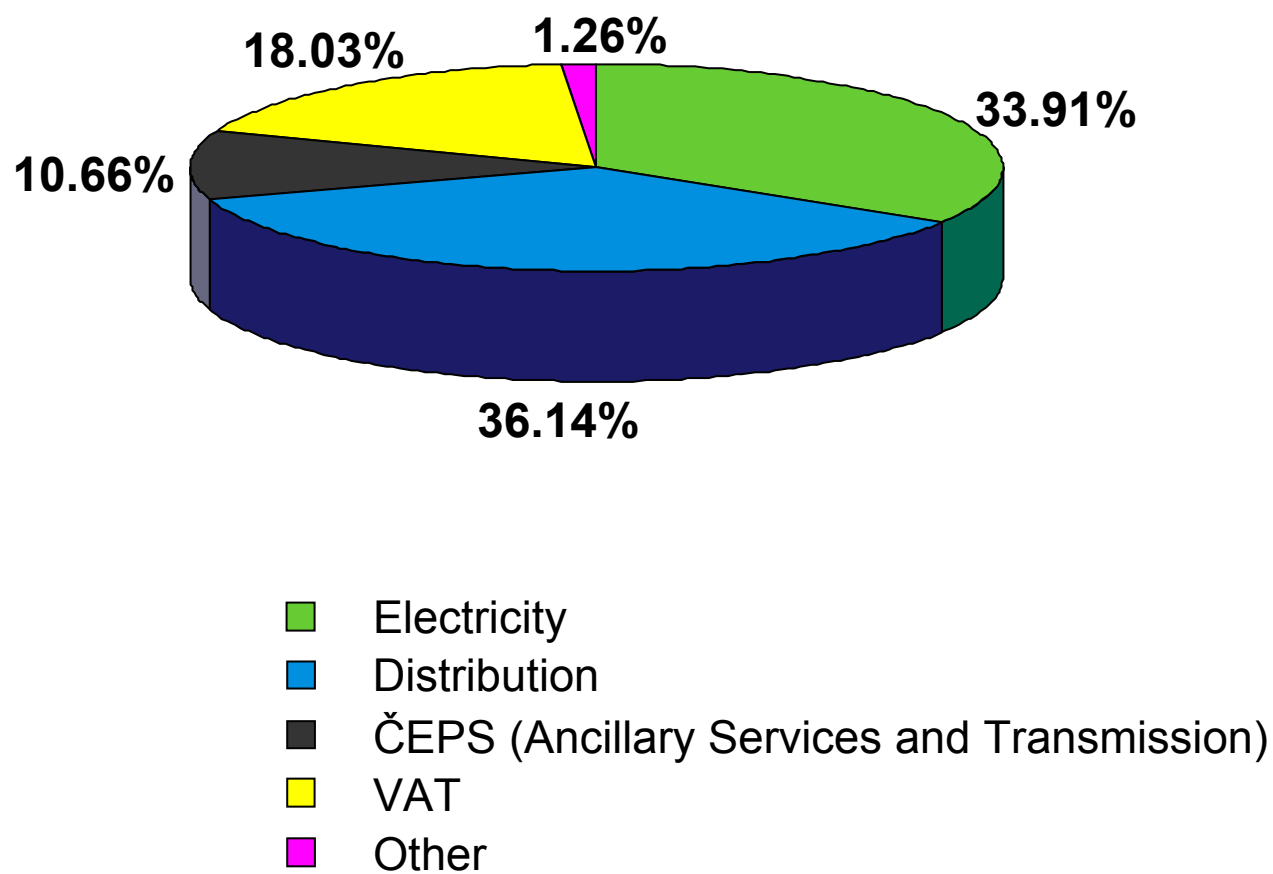


Prices of Electricity for Households





Components of average LV electricity price



This slide expresses price for protected customers - both small businesses and households.



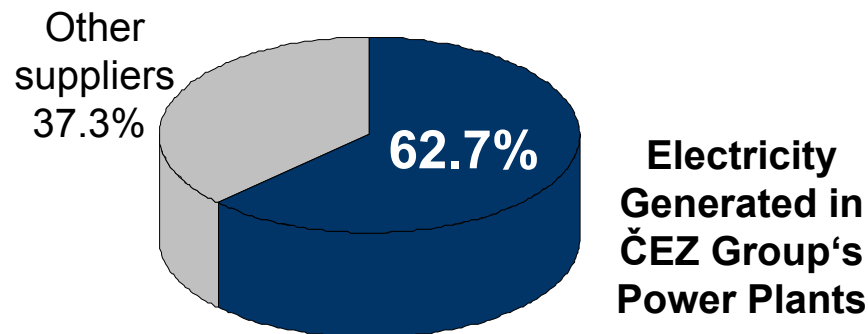
Position in the Czech Power Market in January - September 2003

Eligible customers in the Czech Republic:
341

Eligible customers served by ČEZ Group:
237



ČEZ Group's Power Plants Net Electricity Consumption Share





ČEZ's “Duhová energie” Product Offer for 2004

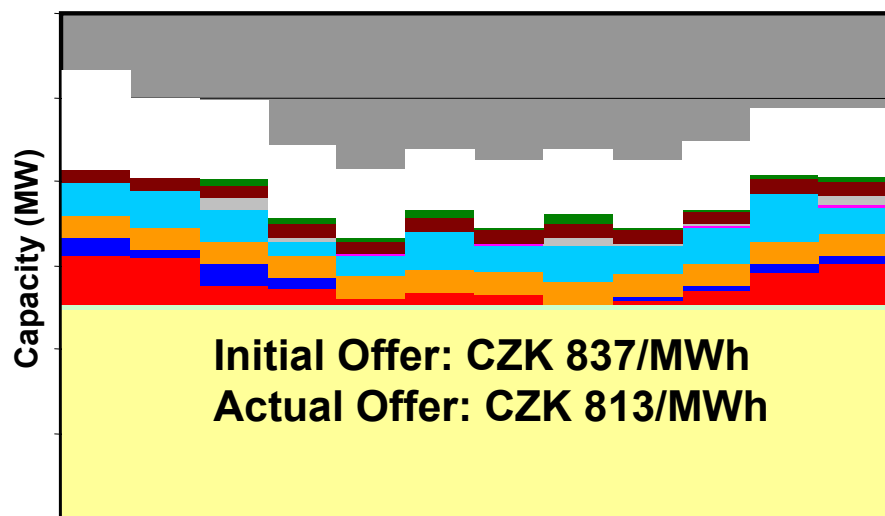


- ČEZ, a. s. has started to sell its set of products for 2004 in September 2003. This set is called “Duhová energie”.
- The set consists of 10 standard products (whole year supply) and four additional modifications of existing products. Standard product is identified by color. All products represent different type of electricity supply during various time periods.
- Whatever combination of these products is possible. It complies fully with customer's needs.
- Publicly offered to REAS, traders and eligible customers.
- Long peek (6 – 22 on working days) offer is newly introduced.



Public Offer of ČEZ's "Duhová energie" for 2004

Full year 2004

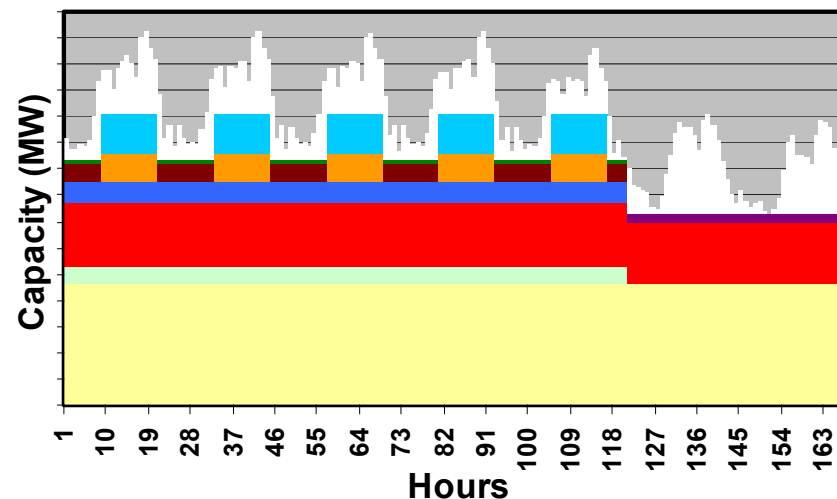


year = 8,784 hours

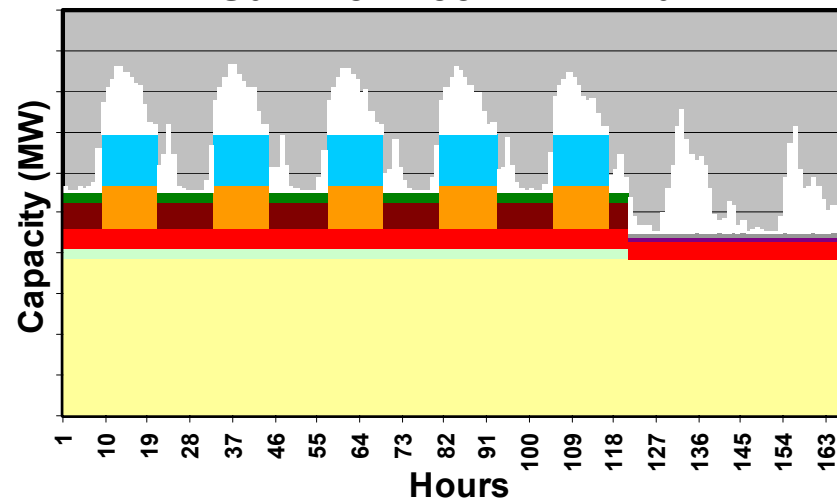
- residual
- monthly 5 days peak
- annual 5 days peak
- monthly 5 days base load
- monthly 7 days base load
- annual 5 days base load
- annual 7 days base load
- monthly 5 days off-peak
- annual 5 days off-peak
- monthly weekdays base load
- annual weekdays base load

+ four new modifications of existing products

Winter week - maximum



Summer week - minimum

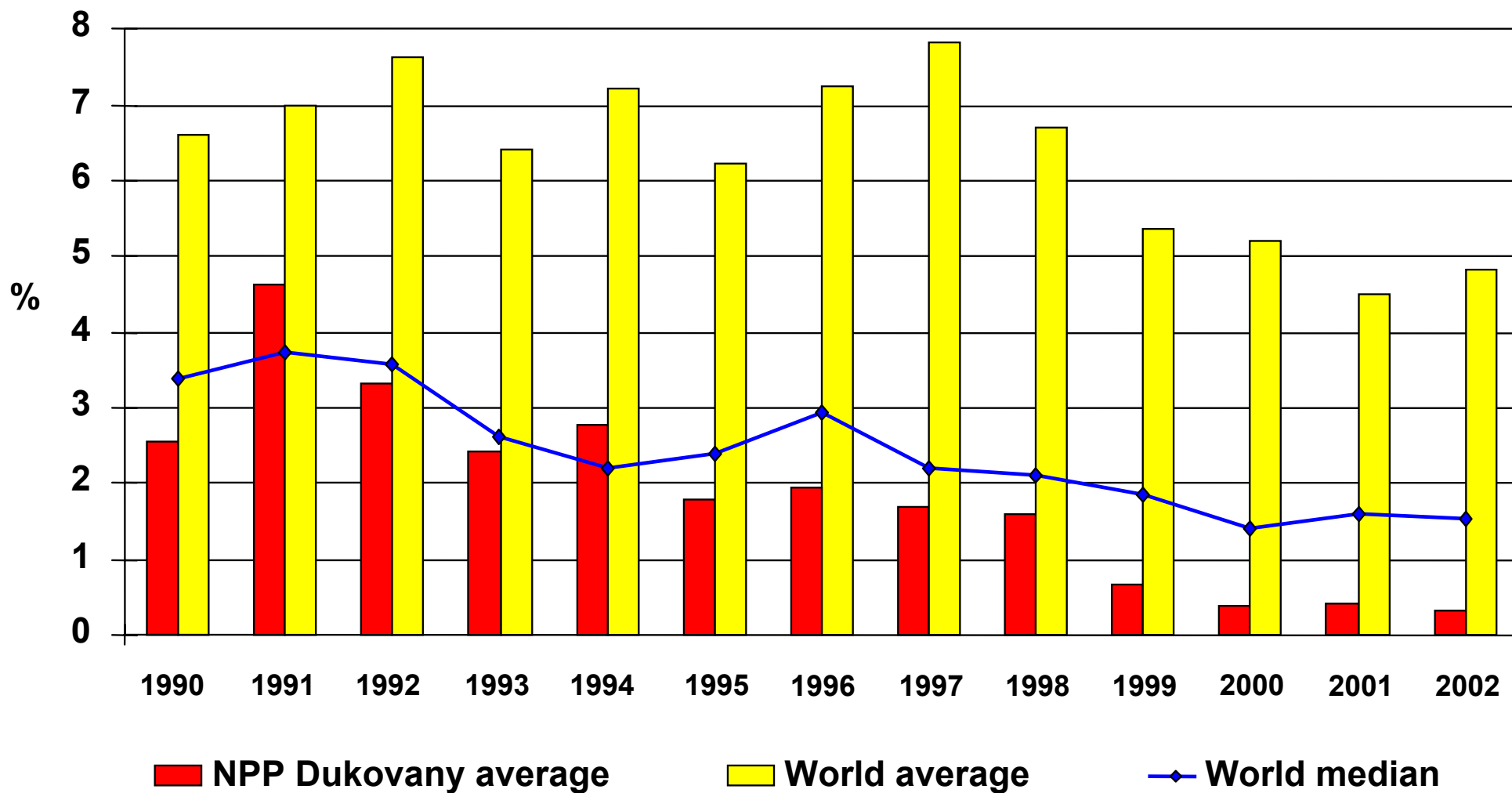


- ČEZ Group Introduction
- The Czech Power Industry
- Position of ČEZ Group
- **Nuclear Power**
- Operational and Financial Results

- **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 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**
 - **new safeguard system**
- **Total investment costs** **USD 3 bn - very competitive amount**
- **Installed Capacity** **2 x 1,000 MW**
- **Annual production** **11.6 TWh**
- **Commercial operation** **● 1st Unit since June 2002**
 ● 2nd Unit since April 2003

NPP Dukovany - Performance Results

Unplanned Capability Loss Factor

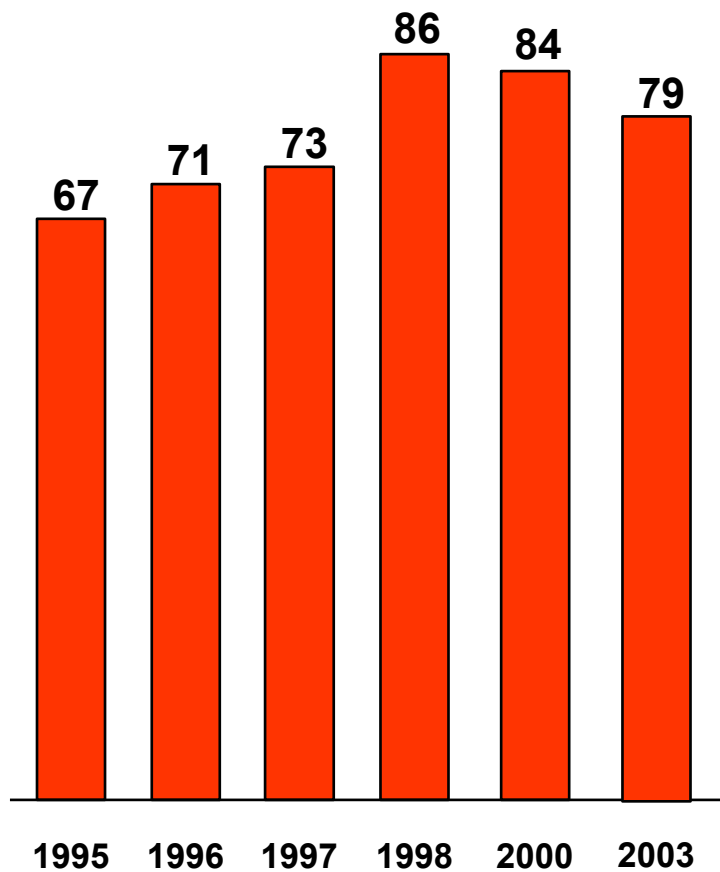


This factor expresses share of unplanned losses to achievable production. NPP Dukovany belongs to world's peak.



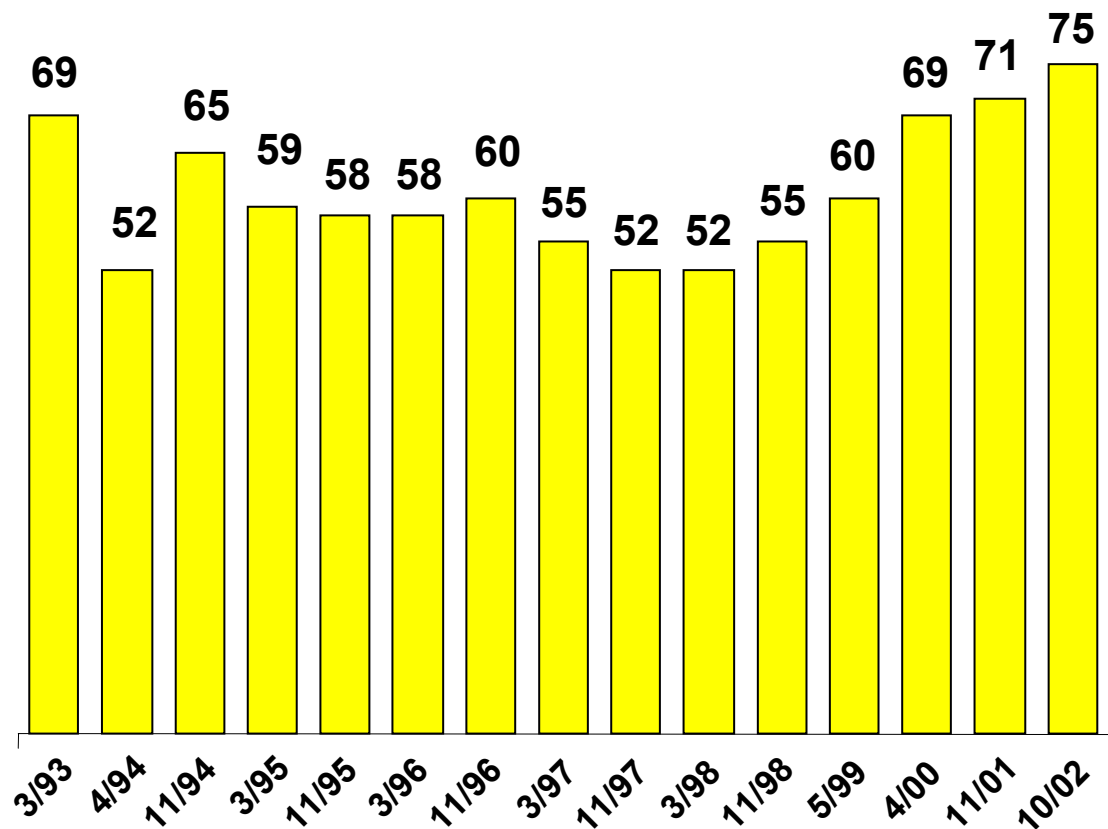
Public Opinion Research about Nuclear Power Plants (%)

NPP Dukovany



Support of continuation of operation
in the region by NFO AISA agency

NPP Temelín



Public approval of completion by STEM agency



Insurance of the Nuclear Power Plants of ČEZ, a. s.

- 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 United States of America for NPP Temelín – since 1996.
- Liability insurance is concluded according to the Czech Atomic 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.

- ČEZ Group Introduction
- The Czech Power Industry
- Position of ČEZ Group
- Nuclear Power
- **Operational and Financial Results**



Basic Data of ČEZ Group

	1997	1998	1999	2000	2001	2002	I. - III. C 2003
Capacity at end of period (MW)	10,999	10,900	10,151	10,146	10,146	11,146	12,295
Electricity sales (GWh)	49,333	48,179	46,570	50,449	50,850	53,174	50,278
Number of employees at end of period	11,157	10,314	9,749	9,278	8,011	7,677	18,366
Capital expenditures in CZK bn **	23.43	25.81	22.73	21.62	15.32	10.33	18.48

*/ ČEZ, a. s. 12,153 MW

**/ Data is in accordance with IFRS

Income Statement in Brief (CZK bn)

	2000	2001	2002	I. - III. Q 2003
Operating Revenues	52.43	56.06	55.58	58.05
Operating Expenses	39.80	41.38	44.32	48.89
Income before interest, taxes and depreciation (EBITDA)	22.01	24.04	22.98	21.25
Operating Income (EBIT)	12.63	14.68	11.25	9.16
Other Expenses/Income	2.03	1.39	-0.54	-10.29
Income before income taxes (EBT)	10.60	13.29	11.80	19.45
Income Taxes	3.36	4.17	3.38	6.10
Net Income	7.24	9.12	8.42	13.20

Note: All data is in accordance with IFRS



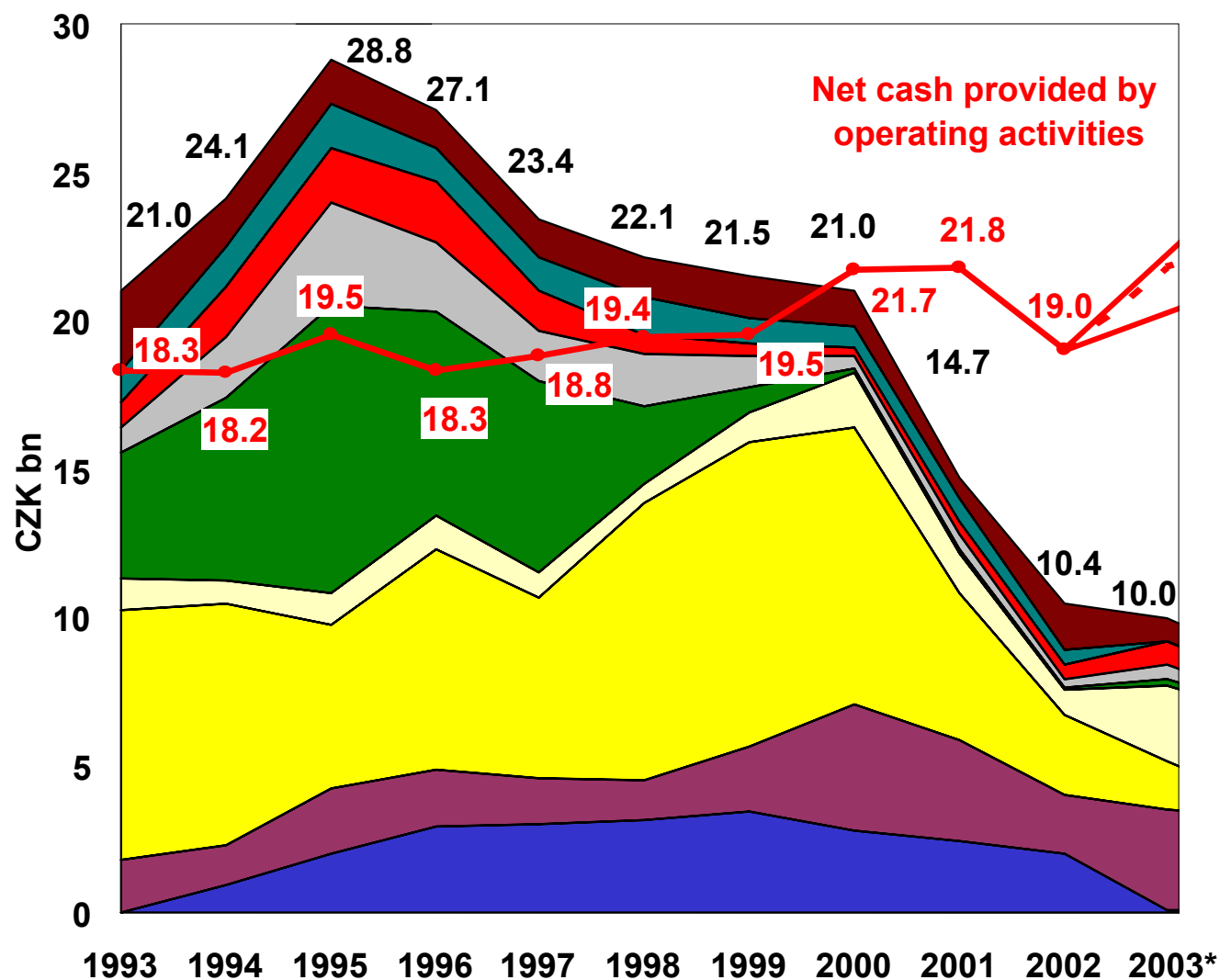
Balance Sheet in Brief (CZK bn)

	2000	2001	2002	30 Sep 2003
Total Assets	222.26	229.03	231.47	293.85
Net Plant in Service	92.95	87.64	138.98	208.29
Construction Work in Progress	103.59	111.93	56.51	11.78
Shareholders' Equity	129.44	136.73	143.68	154.88
Long-term Liabilities	70.61	64.48	59.60	60.96
Current Liabilities	14.16	17.95	15.65	49.46

Note: All data is in accordance with IFRS



Investment Program (without financial investments) and Internally Generated Cash Flow by ČEZ Group

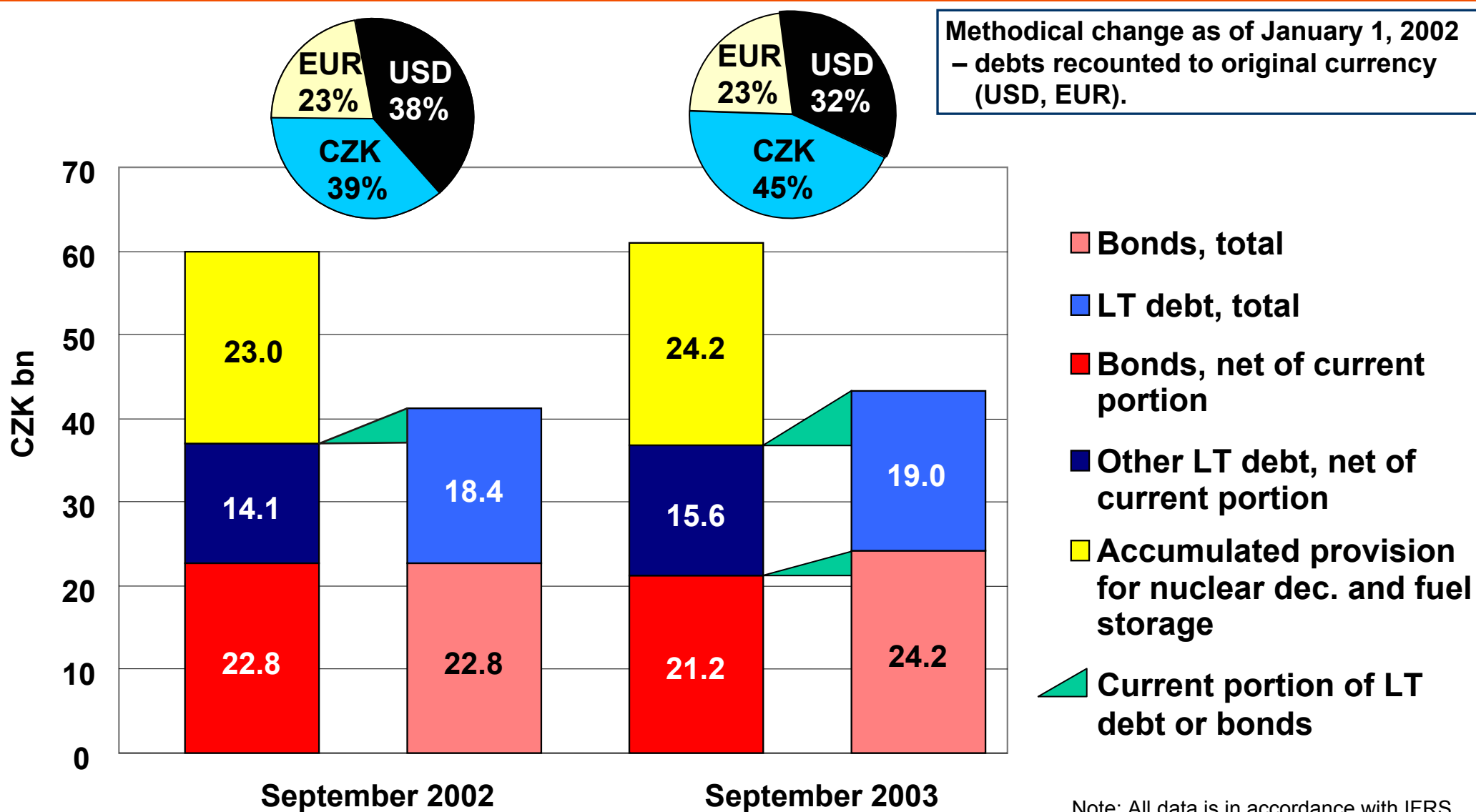


- Other projects
- Transmission system
- Waste treatment
- Performance upgrade
- Environment
- Other nuclear power
- Nuclear power - Temelín
- Payments for nuclear fuel
- Capitalized interest

Notes: All data is in accordance with IFRS.
*) Estimation

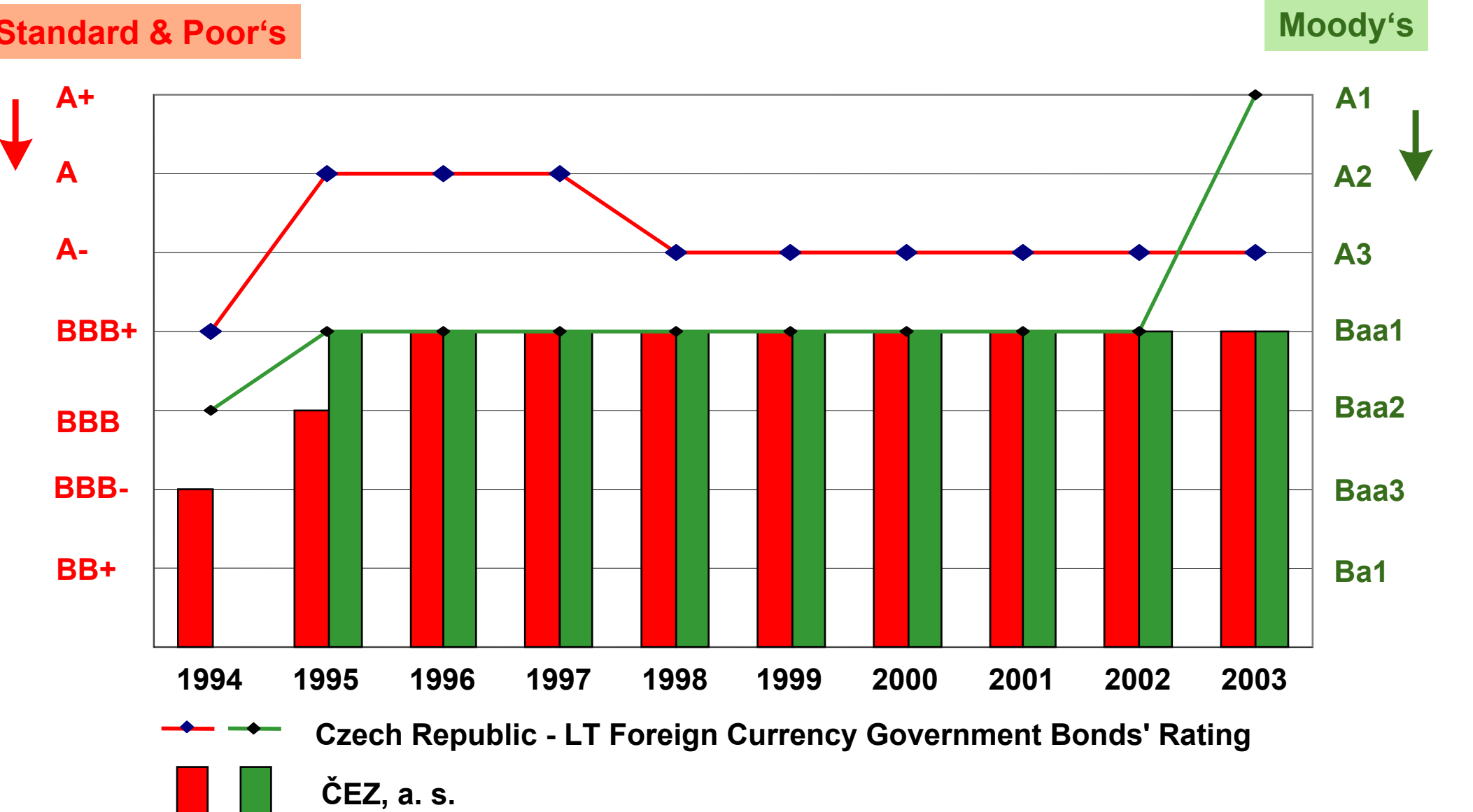


Development of Long-term Liabilities of ČEZ Group





Credit Rating of ČEZ, a. s. and the Czech Republic





ČEZ Group is a Leading Corporate Name in Emerging Europe

- **One of the largest publicly traded utilities in CEEC**
- **Largest Central Europe-based energy chain**
- **One of the leaders in revenues and in profit in the Czech Republic**
- **First and one of the largest corporate bond issuers in emerging Europe**
- **First rated and investment grade company in emerging Europe (currently Baa1/BBB+)**
- **Stock regarded as a proxy for the Czech stock exchange market**
- **Constantly growing dividends have been paid since 2001**



ČEZ Group Internet Presentation

Home Page of ČEZ, a. s.: www.cez.cz/eng

Home Page of ČEZ Group: www.skupina-cez.cz/eng

Product Information: www.duhovaenergie.cz/eng

