

ČEZ GROUP PRESENTATION



February 2005

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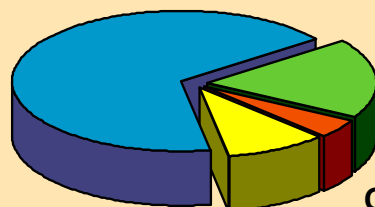
- **Operational and Financial Results**
- ČEZ Group Introduction
- Strategy goals
- The Czech Power Industry
- Nuclear Power
- Position of ČEZ Group



Share Price Performance

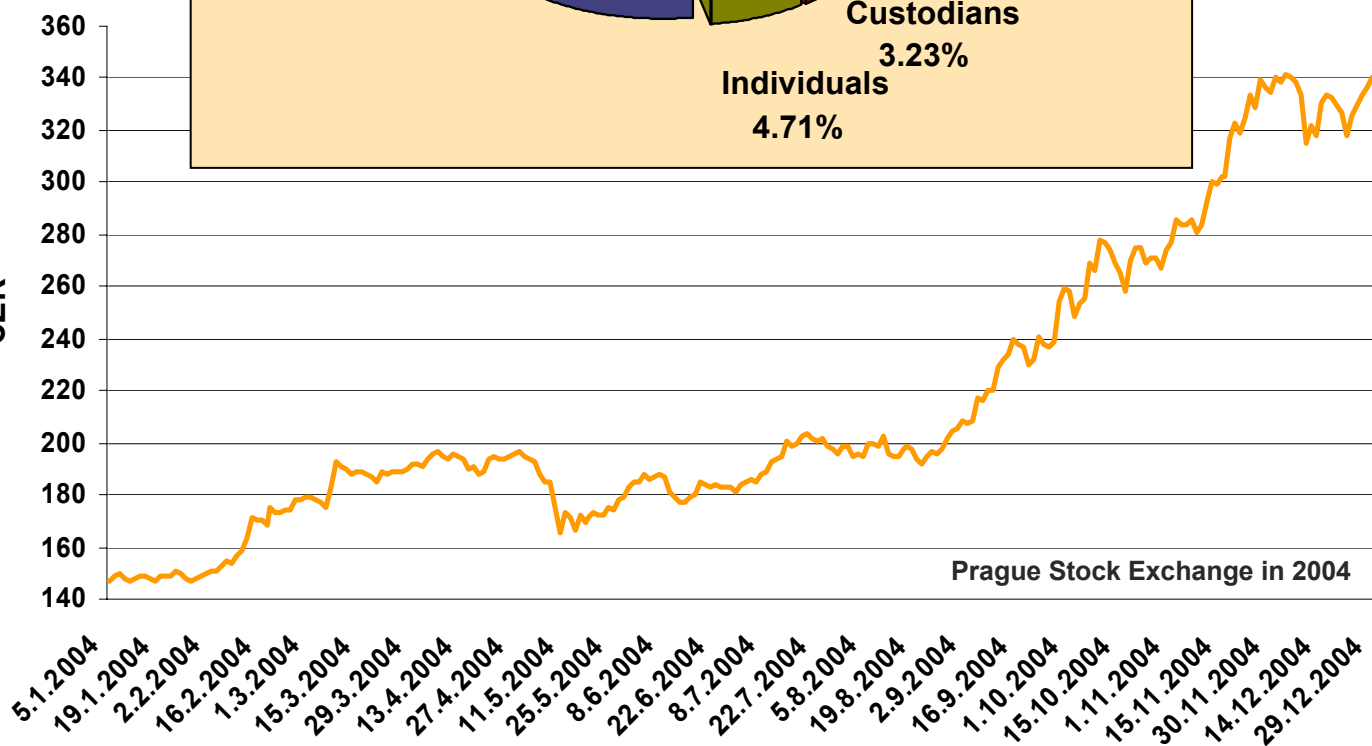
The Shareholders of ČEZ, a. s. as of December 31, 2004

National
Property Fund
(FNM ČR)
67.61%



Institutional
Investors
24.45%

Custodians
3.23%
Individuals
4.71%

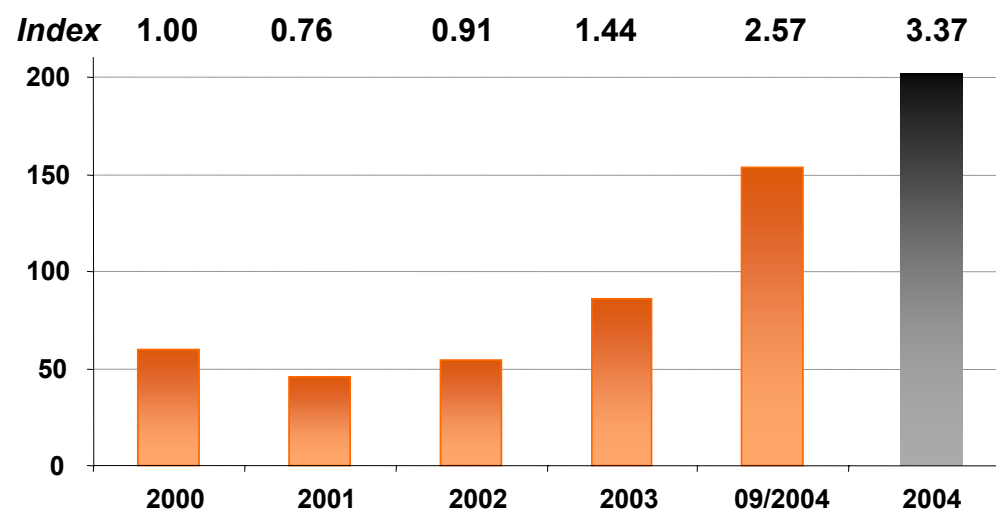


- Share price of ČEZ increased almost by 132% in 2004
- Integrated ČEZ Group is able to offer better services and products to its customers and at the same time to profit from synergy effects
- Reasonable foreign acquisitions enable profitable growth of ČEZ Group

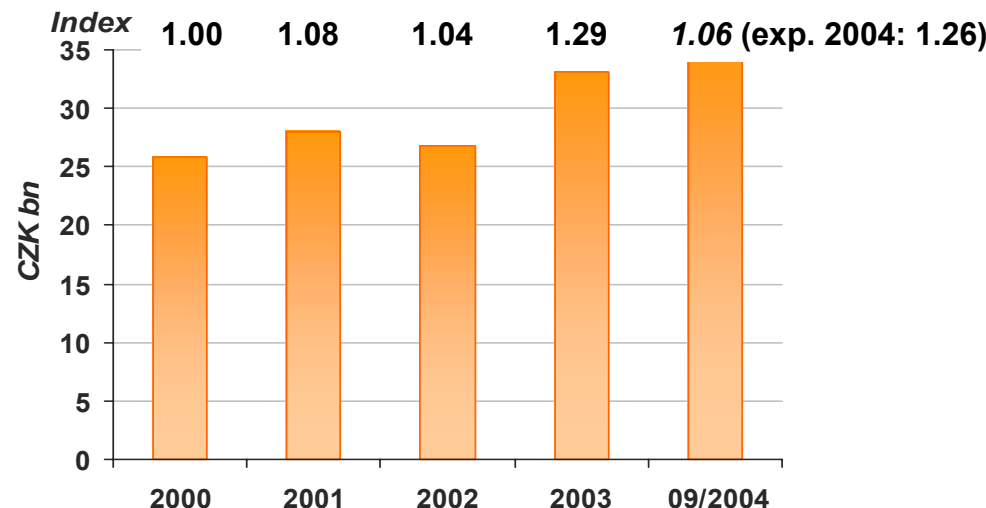


ČEZ Group – Selected Key Performance Indicators

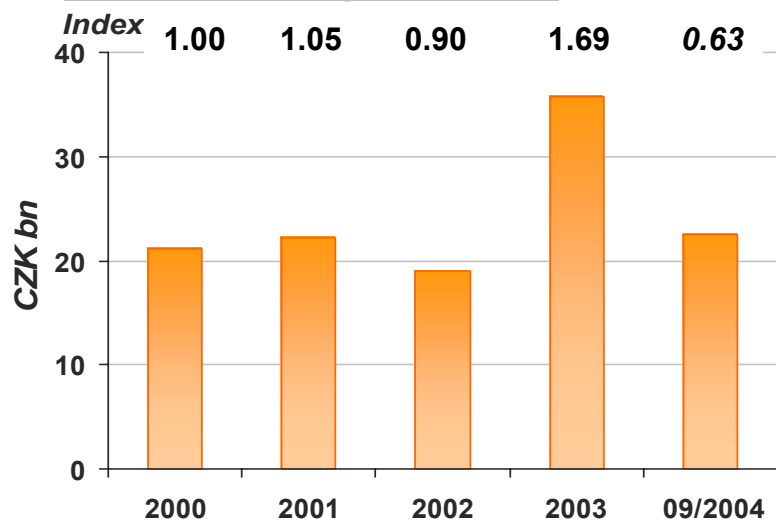
Market capitalization (ČEZ's shares)



Added value



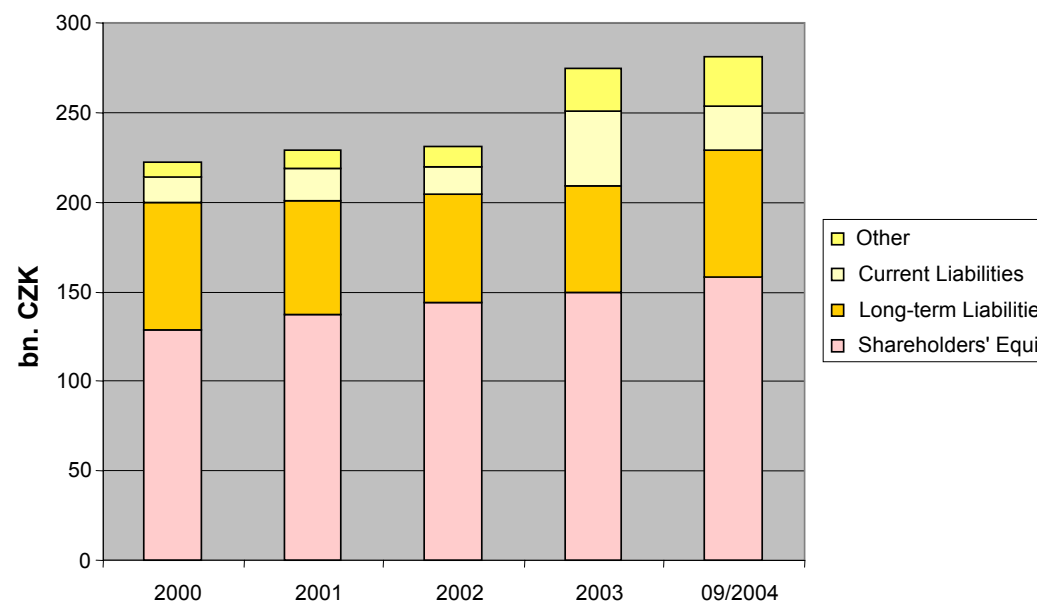
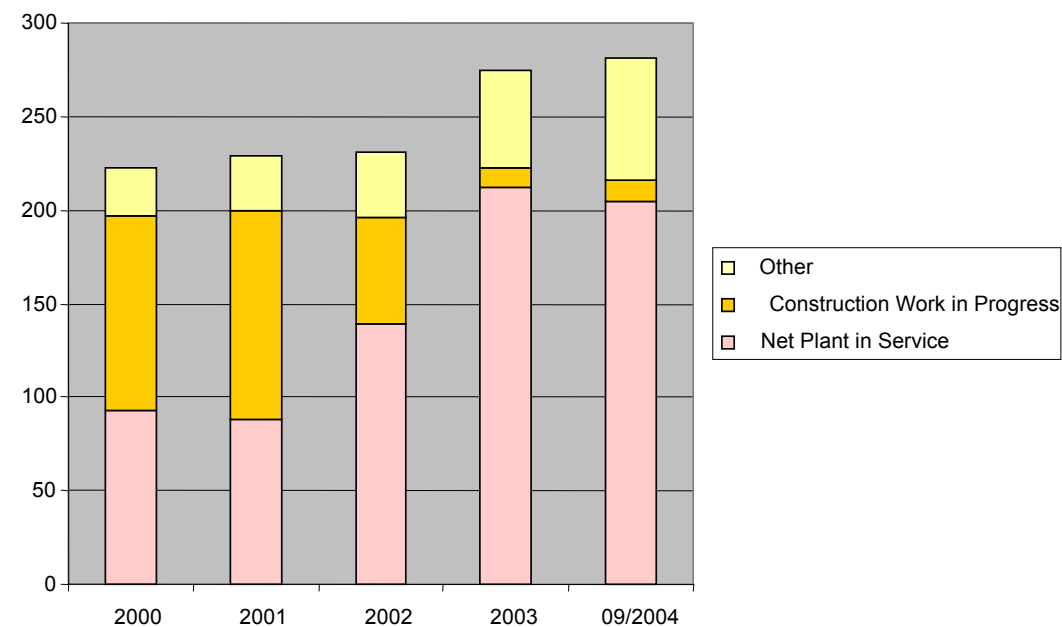
Cash from operations



	Unit	September 30, 2003	September 30, 2004
Earnings per share (EPS)	CZK	10.3	17.2
Price earnings ratio (P/E) *	1	9.9	15.3
Return on equity (ROE) net *	%	5.5	6.5
Return on total assets (ROA) net *	%	3.2	3.6
Assets turnover *	1	0.29	0.36
Total indebtedness (provisions excluded)	%	30.9	26.2
Long-term indebtedness	%	11.6	15.0



Balance Sheet in Brief



bn CZK	2000	2001	2002	2003	09/2004
Total Assets	222	229	231	274	281
Net Plant in Service	93	88	139	212	204
Construction Work in Progress	104	112	57	10	12
Others	25	29	35	52	65

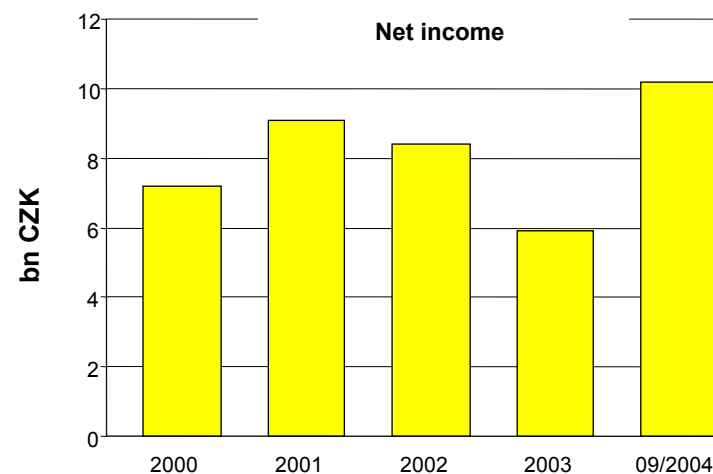
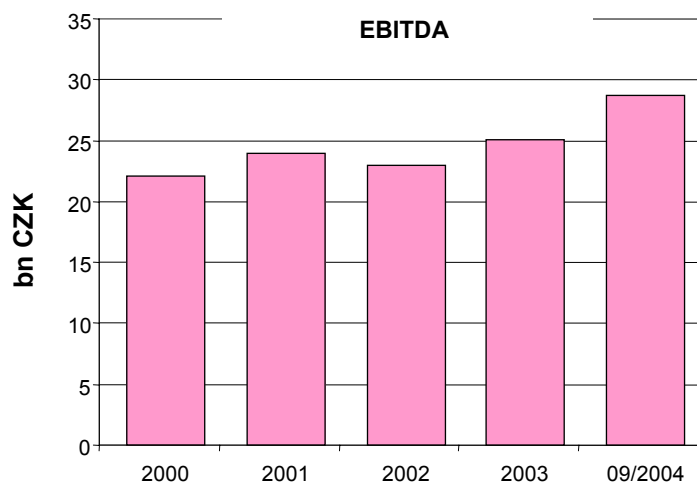
bn CZK	2000	2001	2002	2003	09/2004
Shareholders' Equity	129	137	144	150	158
Long-term Liabilities	71	64	60	59	71
Current Liabilities	14	18	16	42	25
Other	8	10	11	23	27

Note: All data is in accordance with IFRS

7.5A 14.05.20



Income Statement in Brief



bn CZK	2000	2001	2002	2003	09/2004
Revenues	52.4	56.1	55.6	84.8	73.1
Operating Expenses	39.7	41.4	44.3	77.3	57.9
Income before interest, taxes and depreciation (EBITDA)	22.1	24.0	23.0	25.1	28.7
Operating Income (EBIT)	12.7	14.7	11.3	7.5	15.1
Other Expenses/Income	2.1	1.4	-0.5	0.8	0.9
Income before income taxes (EBT)	10.6	13.3	11.8	6.7	14.2
Income Taxes	3.4	4.2	3.4	0.2	3.1
Net Income	7.2	9.1	8.4	5.9	10.2

2002 and 2003

- electricity market liberalization
- decrease of electricity prices
- high adjustments
- growing depreciation

2004

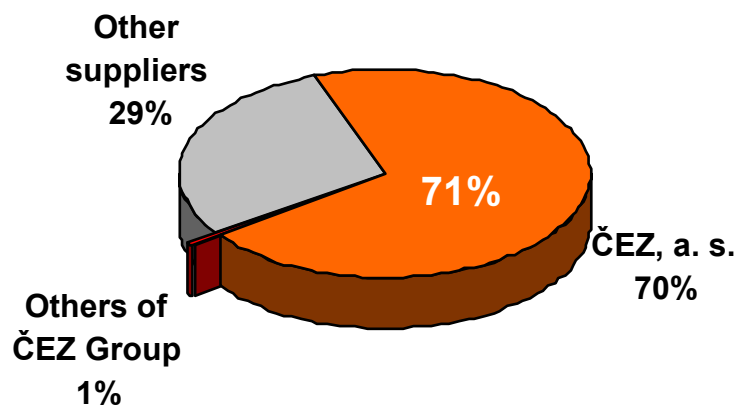
- rise in electricity prices

Note: All data is in accordance with IFRS

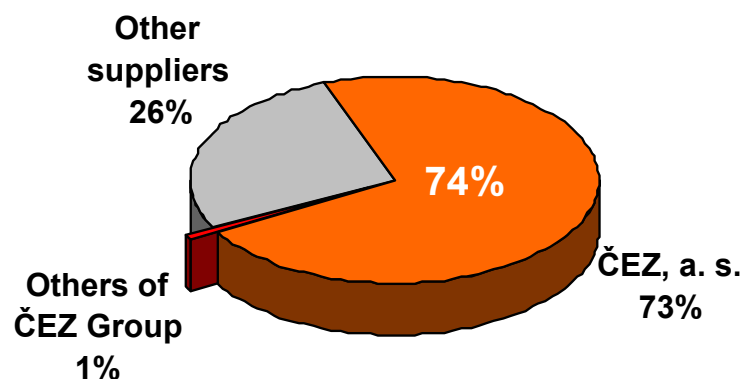


ČEZ Group Basics as of September 30, 2004

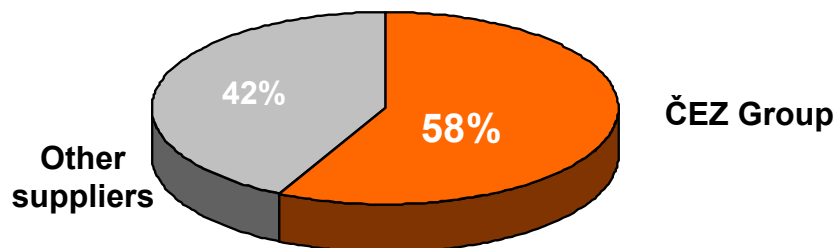
**Installed capacity
in the Czech Republic 17,351 MW (+0.1% y/y)**



**Gross Electricity Production
in the Czech Republic 61,804 GWh (+2.0% y/y)**

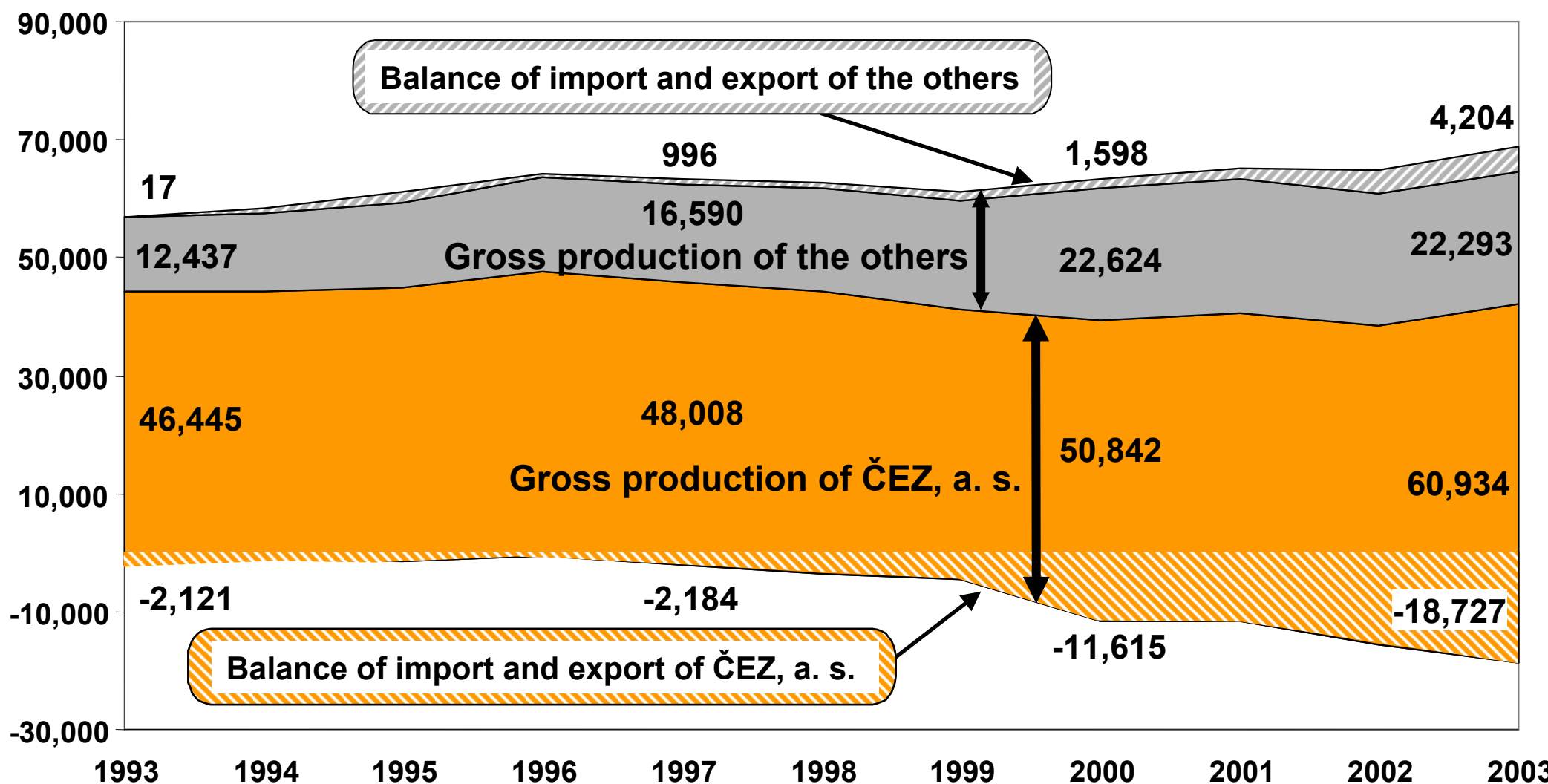


**ČEZ Group's Final
Consumption Share**





Balance of Electricity in the Czech Republic

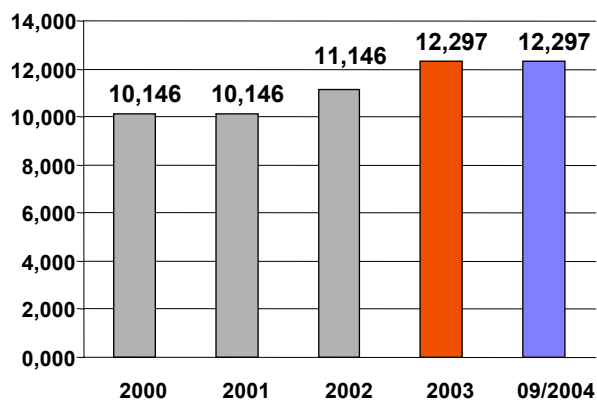




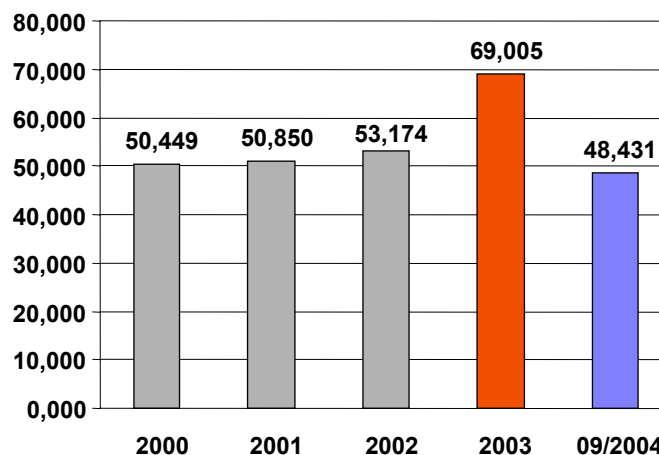
Basic Data of ČEZ Group

	2000	2001	2002	2003	09/2004
Installed capacity at end of period (MW)	10,146	10,146	11,146	12,297 *	12,297 *
Electricity sales (GWh)	50,449	50,850	53,174	69,005	48,431
Number of employees at end of period	9,278	8,011	7,677	18,100	17,998

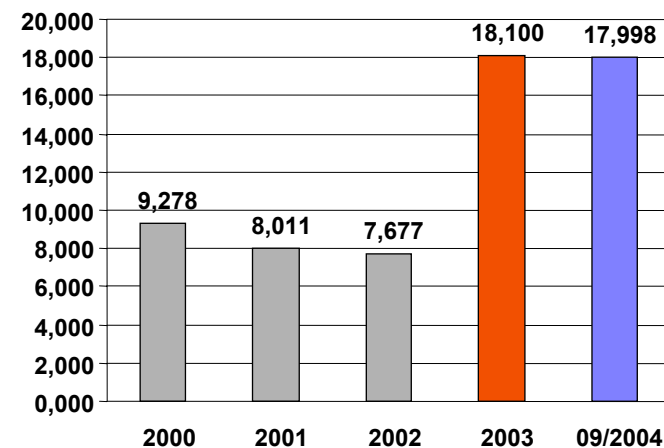
Installed capacity at end of period (MW)



Electricity sales (GWh)



Number of employees at end of period

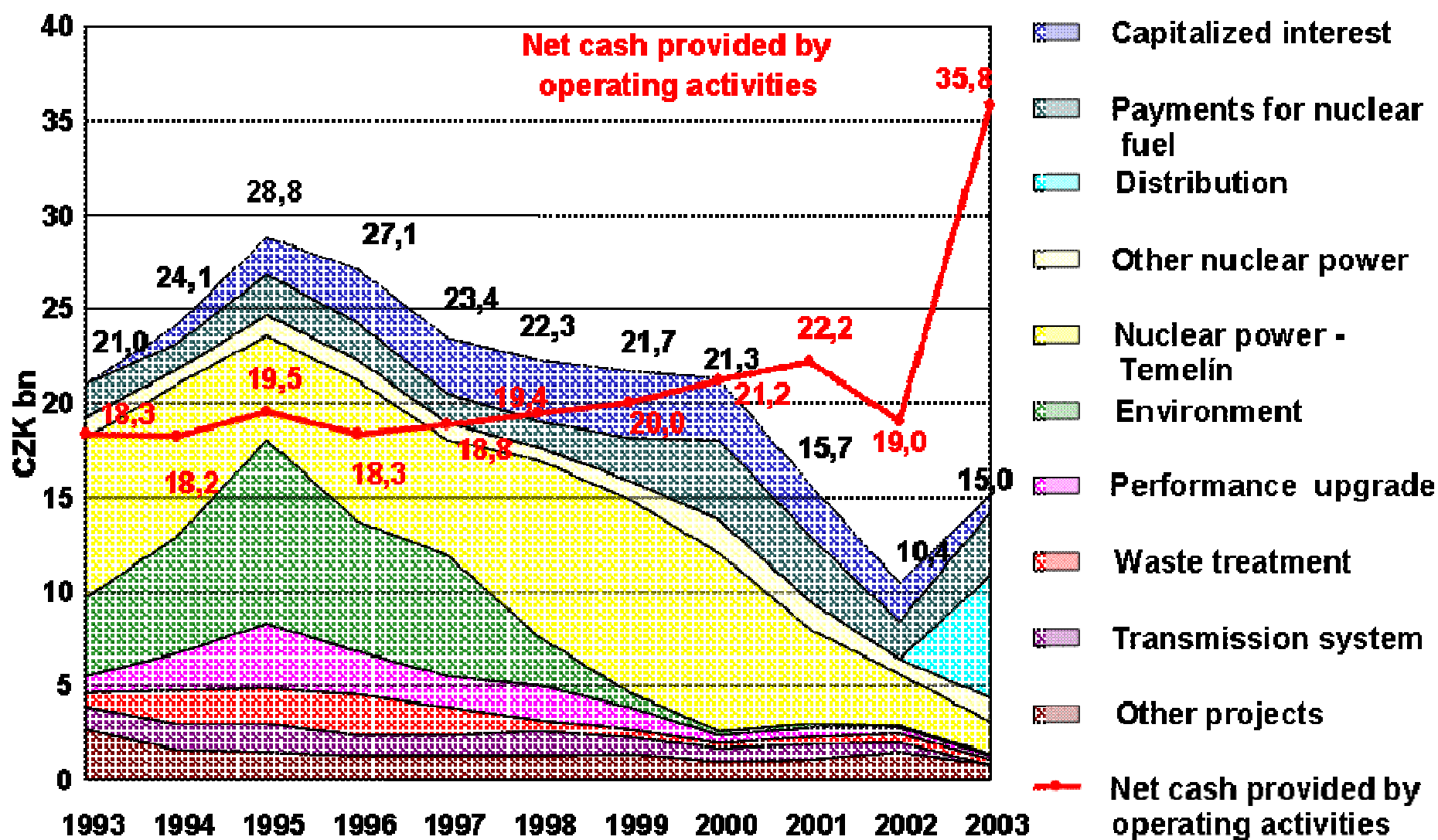


ČEZ, a. s. 12,153 MW

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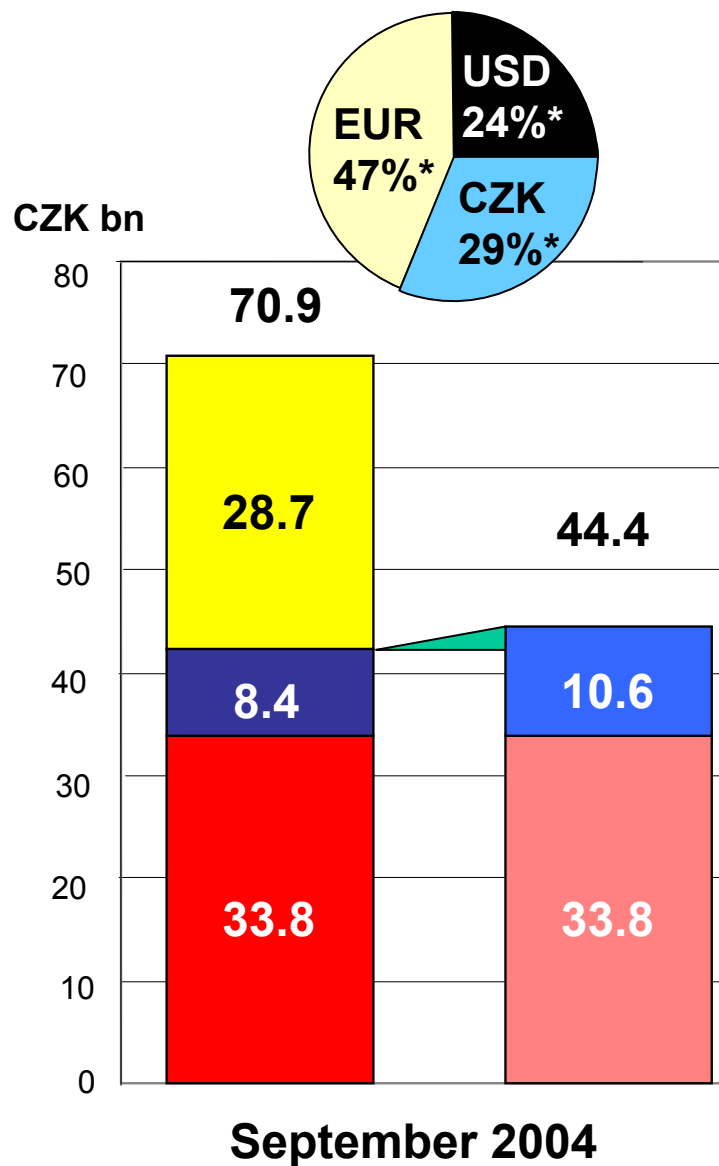
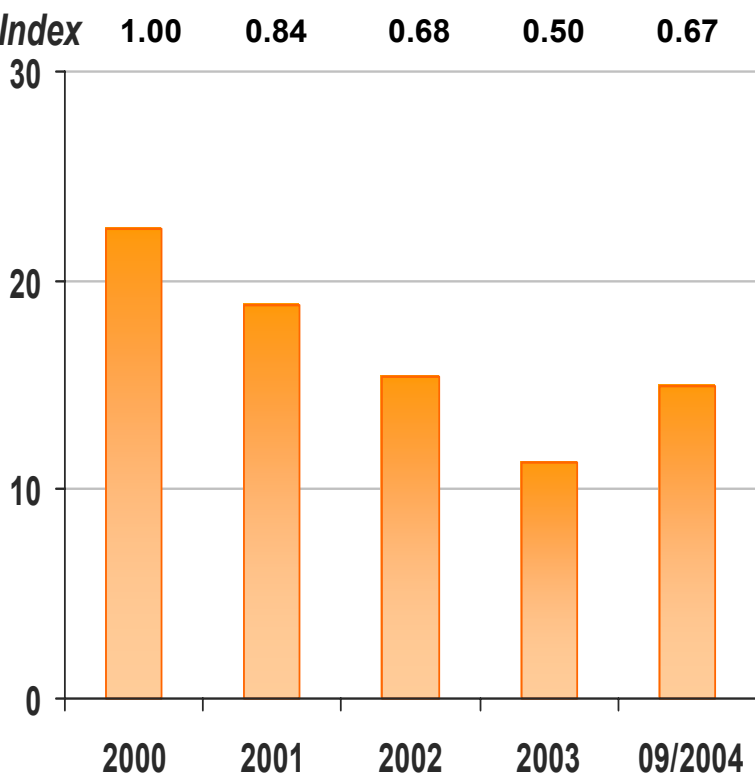








Investment Program (without financial investments)



Long-term Liabilities of ČEZ Group

Long-term indebtedness



-  Bonds, total
-  LT loans, total
-  Bonds, net of current portion
-  Other LT debt, net of current portion
-  Accumulated provision for nuclear dec. and fuel storage
-  Current portion of LT debt or bonds

Note: All data is in accordance with IFRS

* Currency shares calculated without hedging of long term debts.

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



Vision of the ČEZ Group

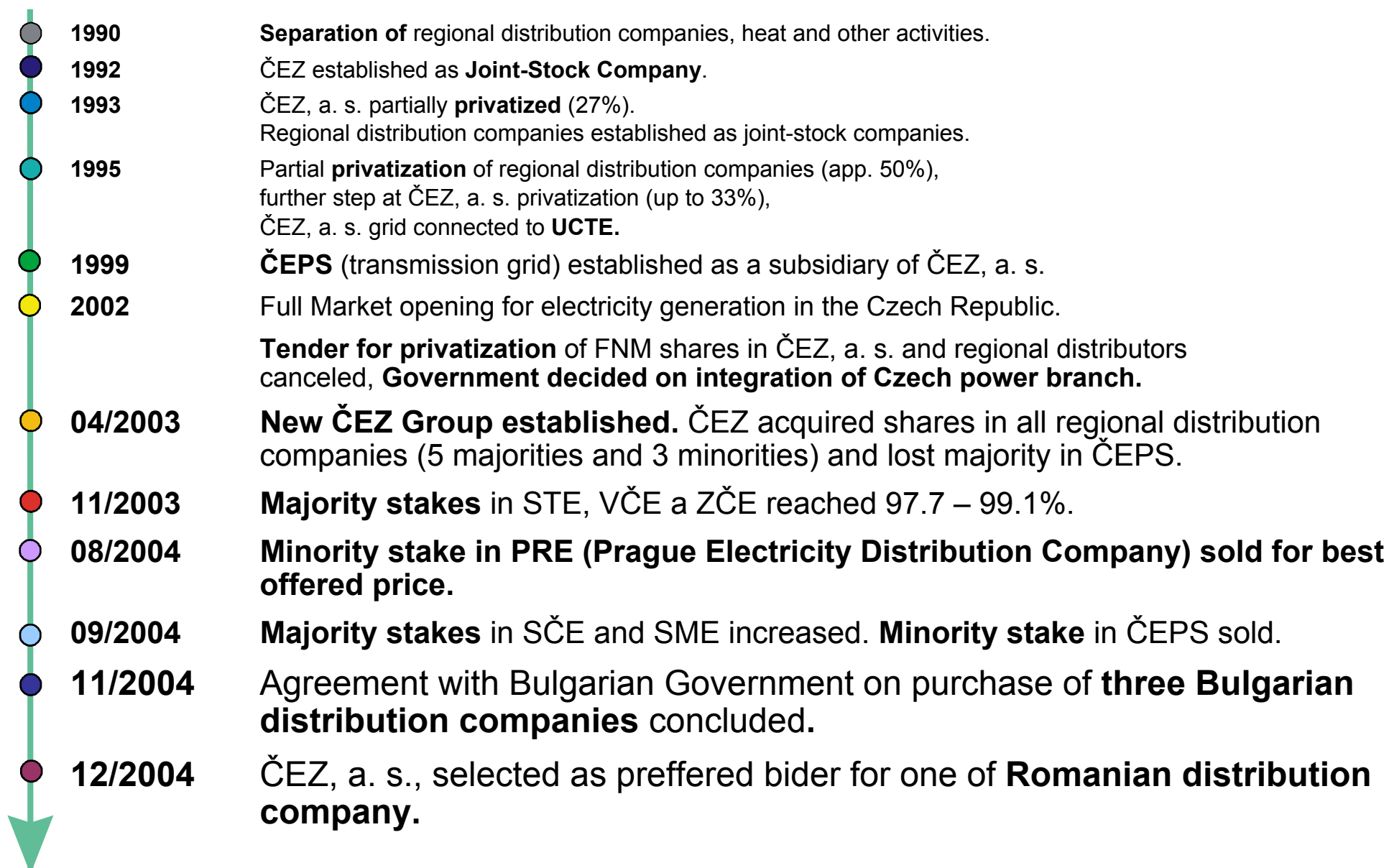
To become the leader in the power markets of Central and Southeastern Europe.



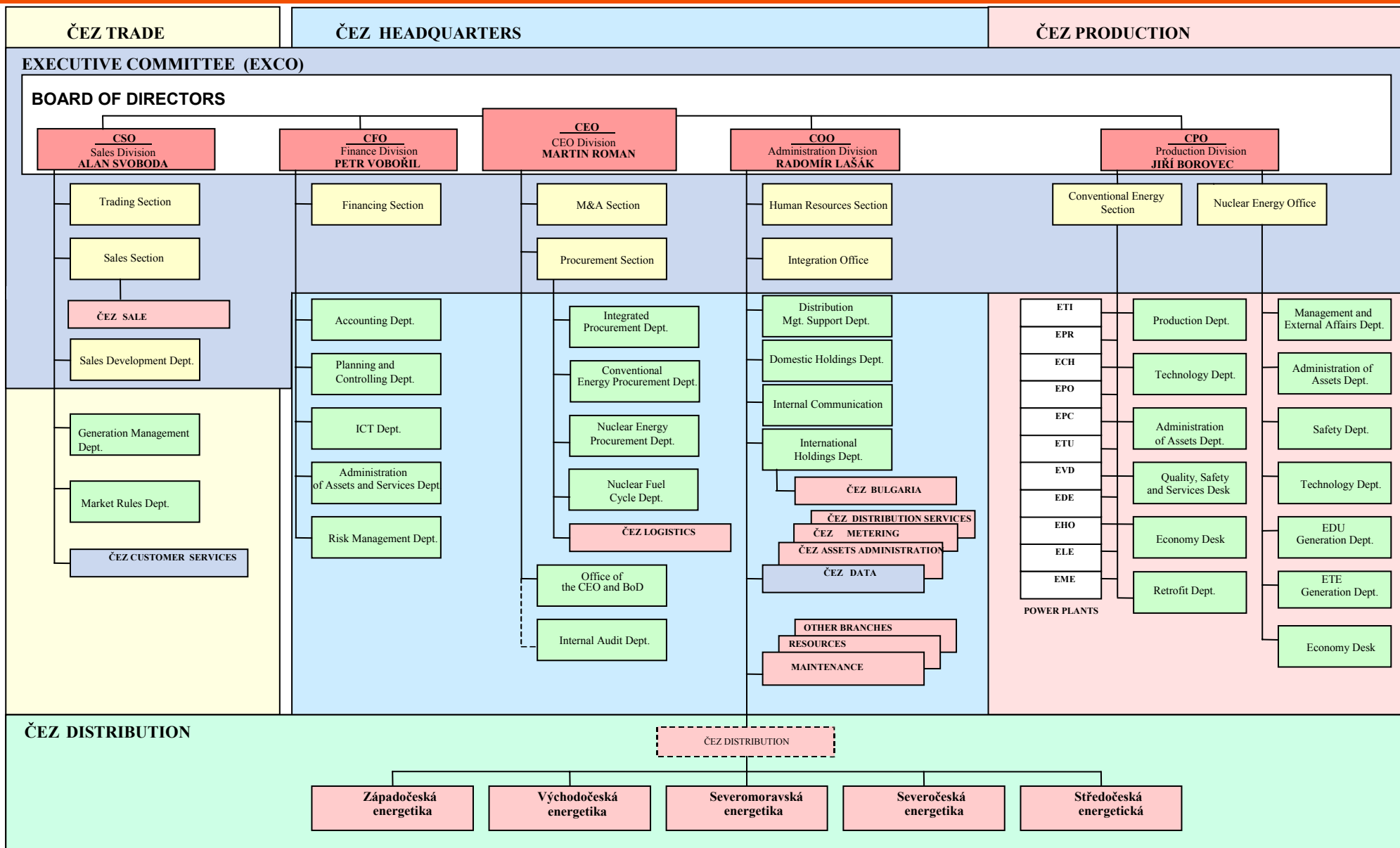
ČEZ Group is a Leading Corporate Name in Emerging Europe

- **Successful player in the competitive European market.**
- **Dominant power producer and supplier in the Czech Republic.**
- **Successful operator of two nuclear power plants.**
- **One of the largest publicly traded utilities in Central and East European Countries.**
- **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.**
- **17,998 employees (ČEZ, a. s.: 6,615 employees).**
- **Constantly growing dividends have been paid since 2001.**

ČEZ Group in Highlights



ČEZ, a. s. and Group Organization Chart



Subsidiaries of ČEZ, a. s.

Electricity Distribution	97.72% CZK 3.210 bn Středoečeská energetická a.s.	51.00% CZK 3.258 bn Severočeská energetika, a.s.	
	98.83% CZK 2.55 bn Východočeská energetika, a.s.	99.13% CZK 1.606 bn Západočeská energetika, a.s.	
	59.09% CZK 3.407 bn Severomoravská energetika, a. s.	100% CZK 20 m ČEZ Zákaznické služby, s.r.o.	
Process Companies	100% CZK 2 m ČEZData, s.r.o.	100% CZK 150.1 m ČEZ Správa majetku, s.r.o.	
	100% CZK 200 m ČEZ Logistika, s.r.o.	100% CZK 770 m ČEZnet, a.s.	
Electricity Sales	100% EUR 1.5 m rpg energiehandel GmbH, Germany		
Raw Materials	64.87% CZK 569.2 m KOTOUČ ŠTRAMBERK, spol. s r. o.	51.05% CZK 333 m LOMY MOŘINA spol. s r.o.	
Electricity and Heat Generation	100% CZK 449.8 m HYDROČEZ,a.s.		
Maintenance	100% CZK 150 m I & C Energo a.s.	100% CZK 40 m Energetické opravny, a.s.	68.88% CZK 1.258 bn ŠKODA PRAHA a.s.
	100% CZK 18 m ČEZ ENERGOSERVIS, spol. s r.o.	51% CZK 4 m SIGMA ENERGO s.r.o.	
Others	66.67% CZK 13.9 m OSC, a.s.		
	100% CZK 0.6 m CEZ Finance BV, Netherlands	52.46% CZK 524.1 m Ústav jaderného výzkumu Řež a.s.	

Affiliated companies of ČEZ, a. s.

20% CZK 50 m Coal Energy, a.s.	
40% CZK 372.4 m KNAUF POČERADY, spol. s r.o.	37.21% CZK 9 bn Severočeské doly a.s.
15.24% CZK 131.2 m VLTAVOTÝNSKÁ TEPLÁRENSKÁ a.s.	

Explanation:

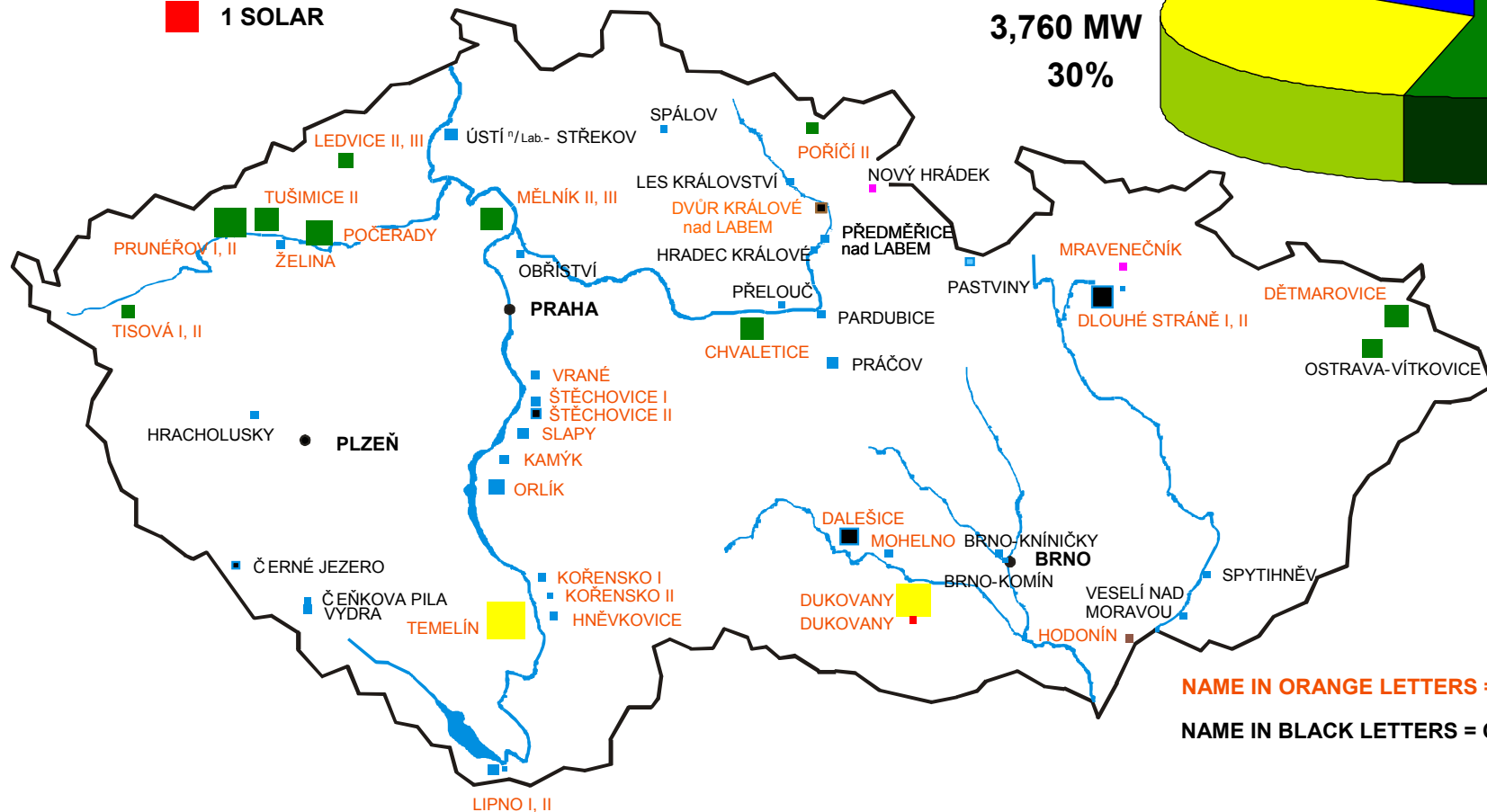
Share of ČEZ, a. s. (%) Shareholders' Equity
Name of the company

Only most important companies are listed here.
State as of December 31, 2004

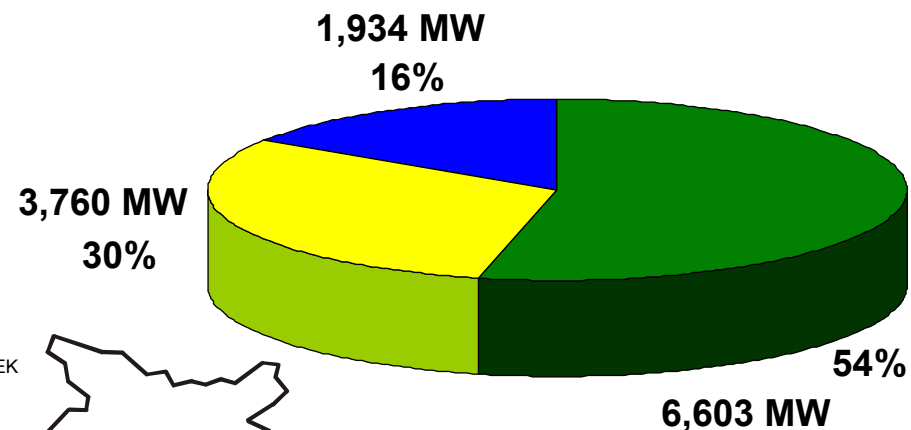
More information: www.skupina-cez.cz/eng

Domestic Base as a Pre-requisite for Expansion

ČEZ Group's Power Plants



Installed capacity 12,297 MW



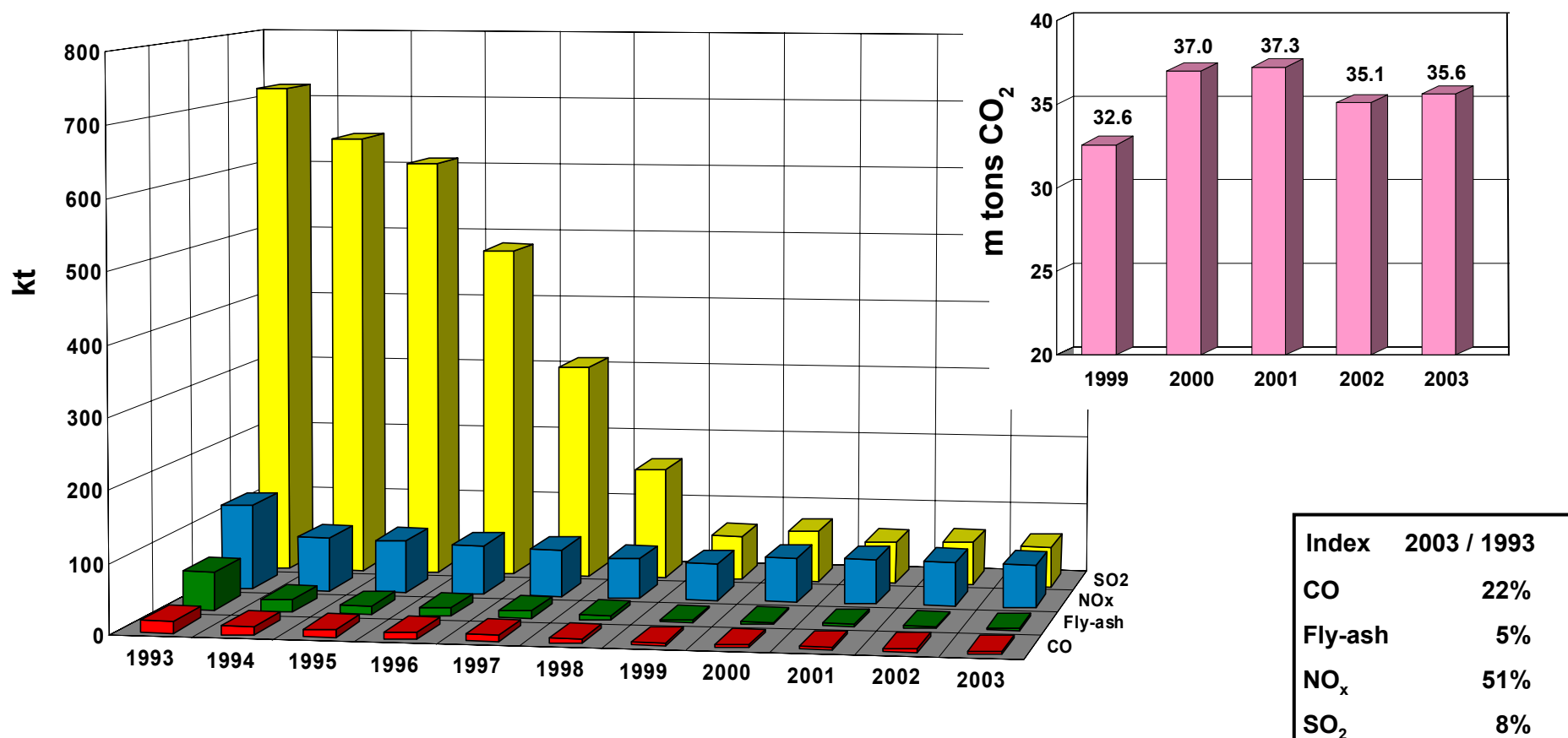
NAME IN ORANGE LETTERS = OWNED BY ČEZ, a. s.

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

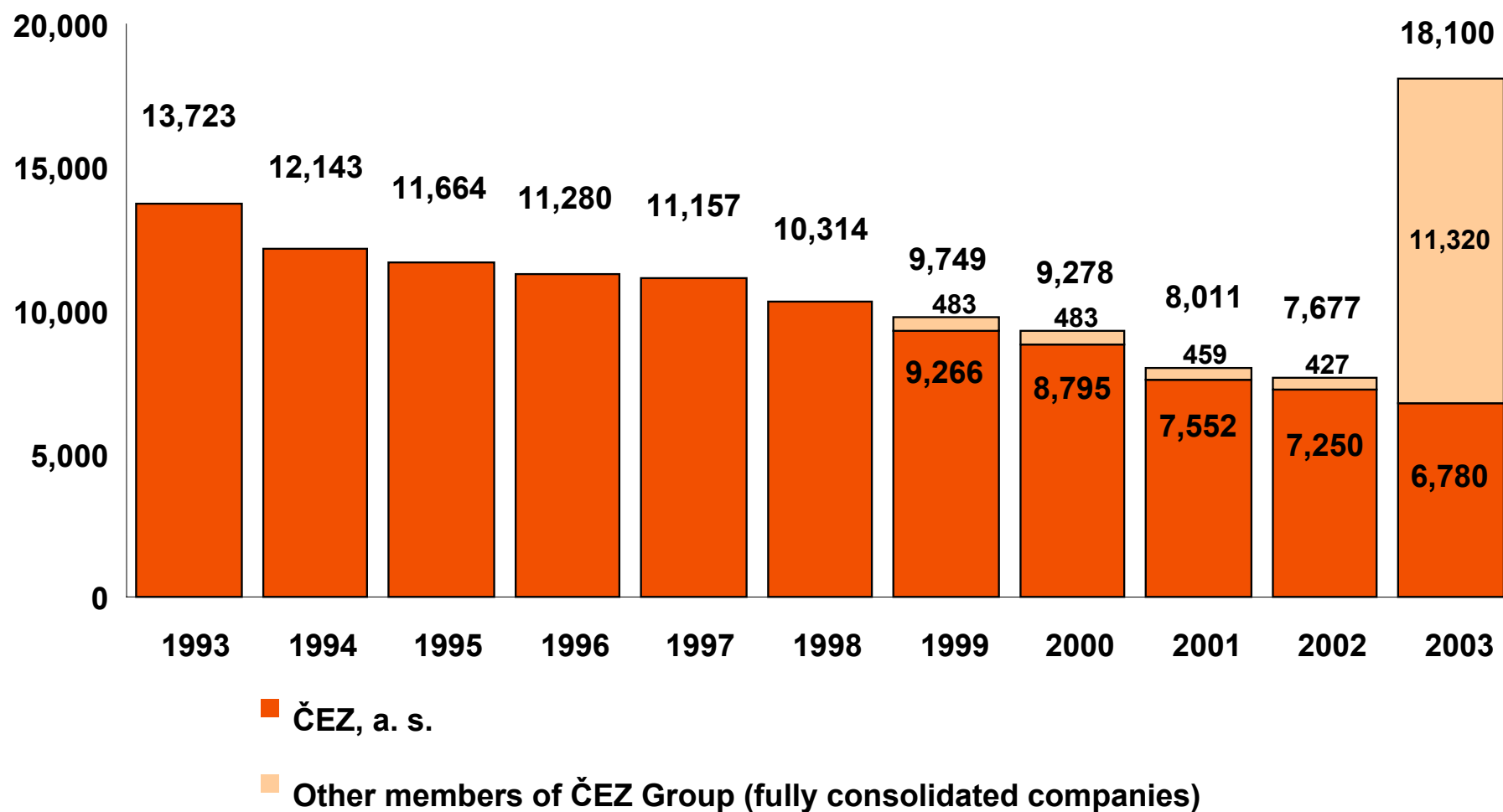
2.41A 15.12.20

ČEZ's Coal-fired Power Plants Emissions

Emissions of CO, Fly-ash, NO_x, SO₂ and CO₂



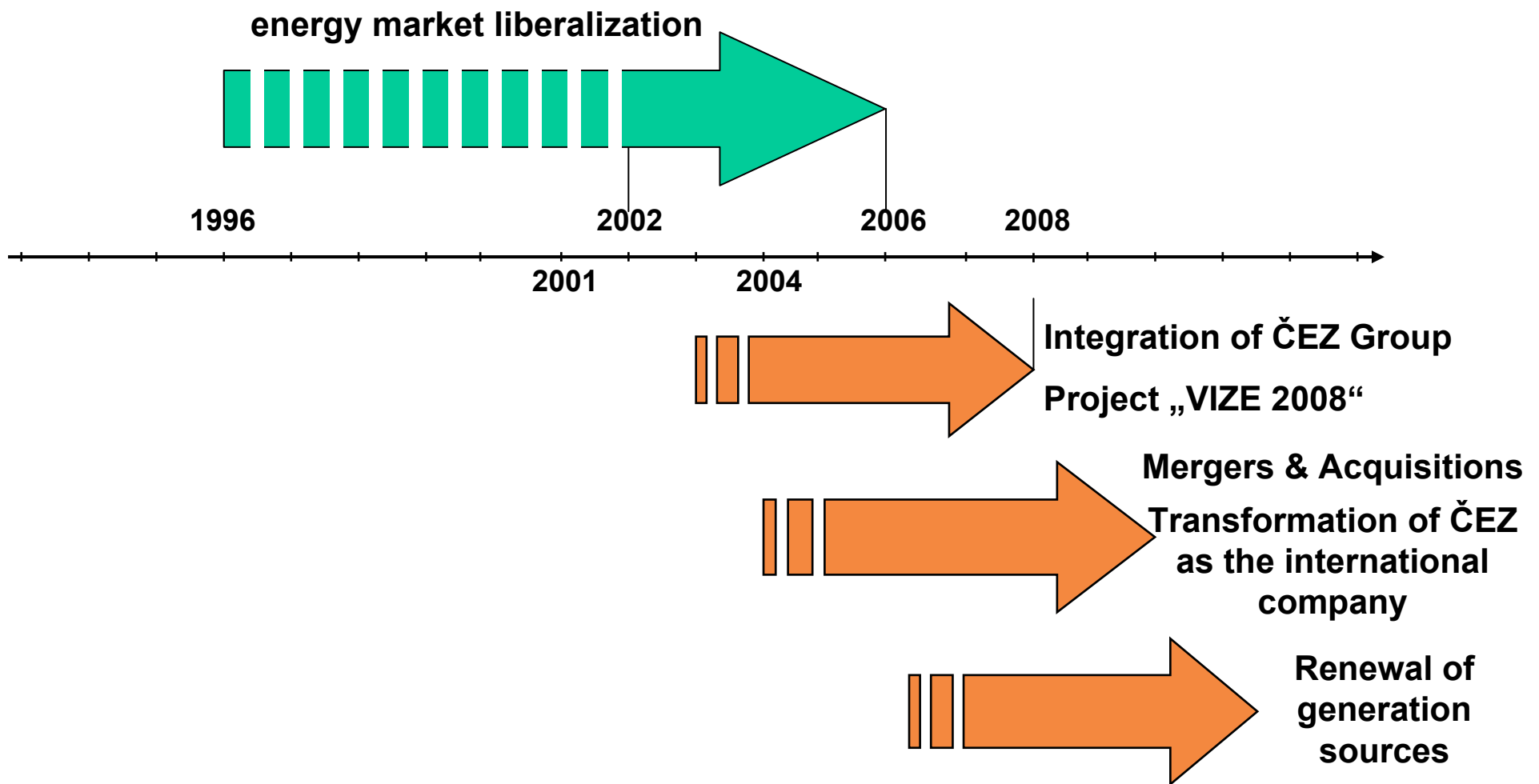
ČEZ Group's Employees



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Harmonization Program with EU Rules

ČEZ Harmonization Program with EU Rules





Changing structure of ČEZ Group

**Activities in ČEZ Group will be located to companies in regions.
Regional structure is substituted by process oriented one.**

Děčín

- Distribution network - development
- Support services

Hradec Králové

- Electricity metering services
- Distribution network - dispatch
- Small hydro power plants (HYDROČEZ)



Plzeň

- Customer services
- IT

Praha

- Trading, Marketing & Sales
- Asset management

Ostrava

- Distribution services
- Purchasing and logistics

ČEZ Group Expansion Plans

Realized Acquisitions

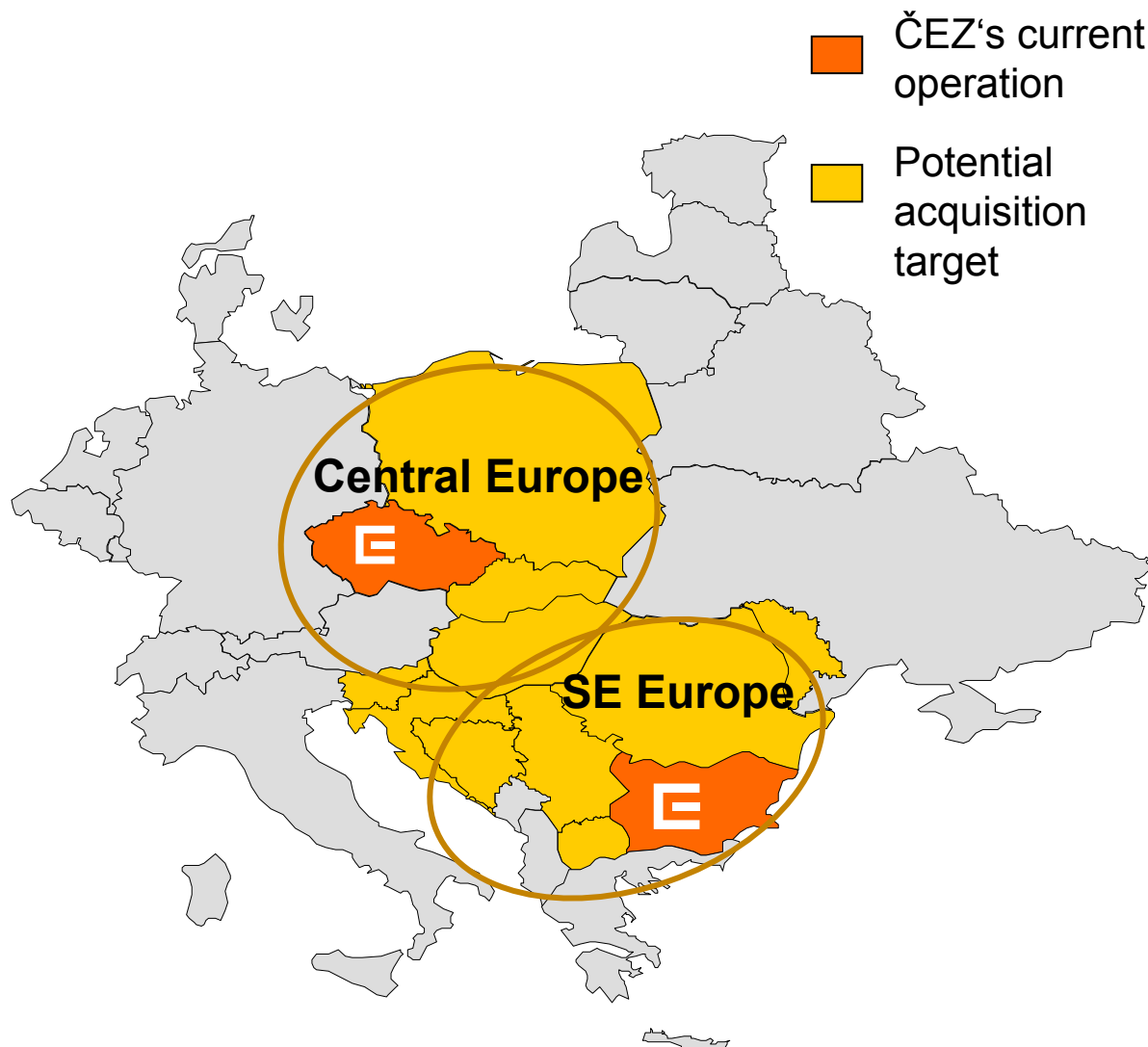
- Bulgaria (distribution)

Proceeding Acquisitions

- Romania
Electrica Oltenia
(1.4 m costumers)

Other opportunities

- Bulgaria (generation
- Bobov Dol, Russe, Varna)
- Romania (generation)
- Poland
- ...





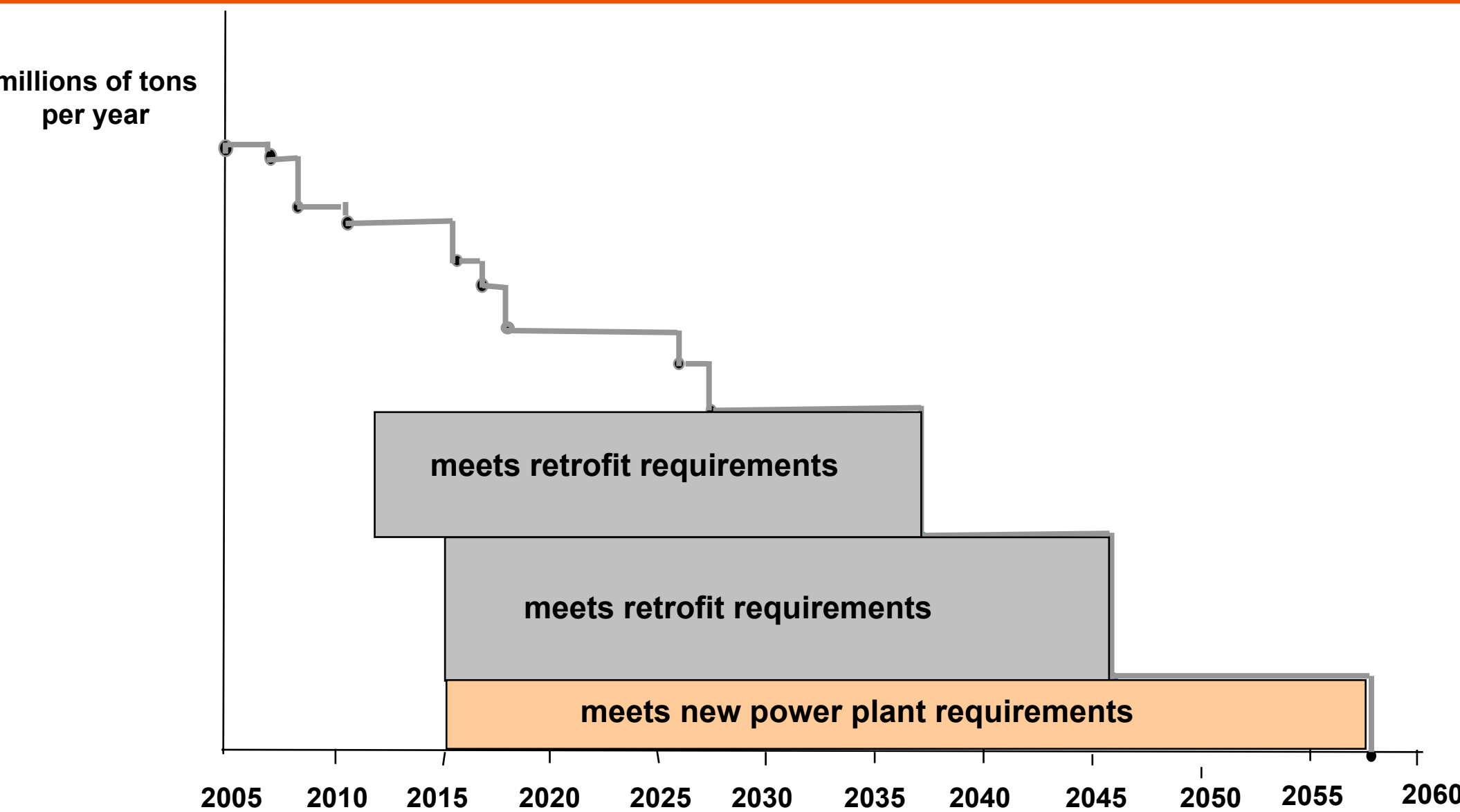
Retrofit of ČEZ's Power Plants

Retrofit of coal-fired power plants expected after 2010

- power plants were mostly constructed in 70s
- desulphurization in 90s
- more strict ecological limits effective 2015 within European Union
- 5,700 MW of lignite-fired power plants will be reduced to 4,000 MW
- capacities gap plus new sources will be covered by black coal, natural gas or nuclear power plants

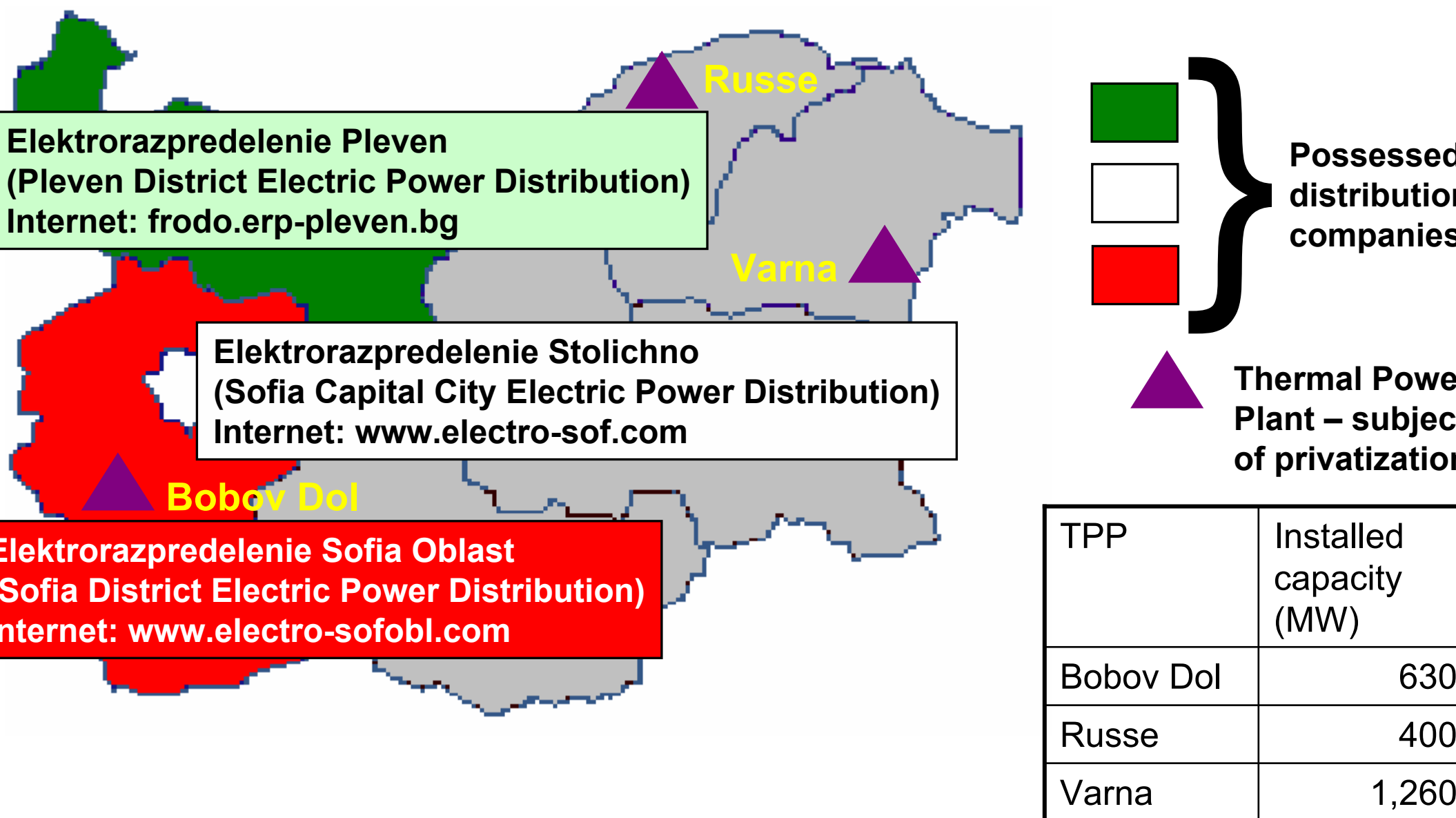
Both new and re-vamped power plants have to take into consideration expected mass of lignite extracted.

Expectation of lignite mining decline





ČEZ, a. s., and Bulgaria





ČEZ, a. s., and Romania



Electrica Moldova

number of customers: 1.31 m
electricity sold annually: 4.1 TWh

Other company selected as a preferred bidder.

Electrica Oltenia

number of customers: 1.36 m
electricity sold annually: 6.8 TWh

Source of map: Electrica SA, Bucharest, Romania

ČEZ, a. s., is taking part in tender.

It has been selected a preferred bidder for Electrica Oltenia on December



ČEZ, a. s., and Romania (part 2)

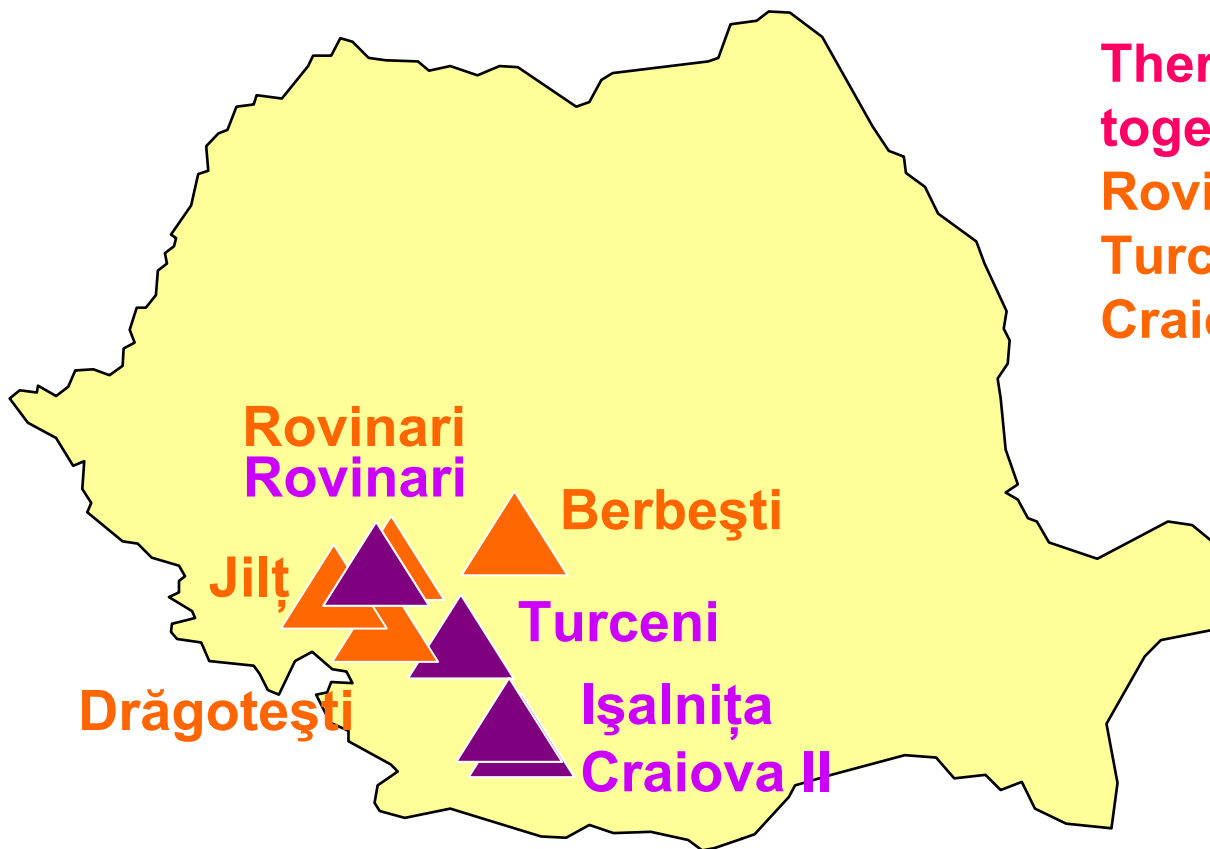
Romanian electricity market will be fully opened effective July 1, 2007.


There are lignite mines privatized together with power plants.

Rovinari – mine Rovinari

Turceni – mine Drăgotești and Jilț

Craiova II + Ișalnița – mine Berbești



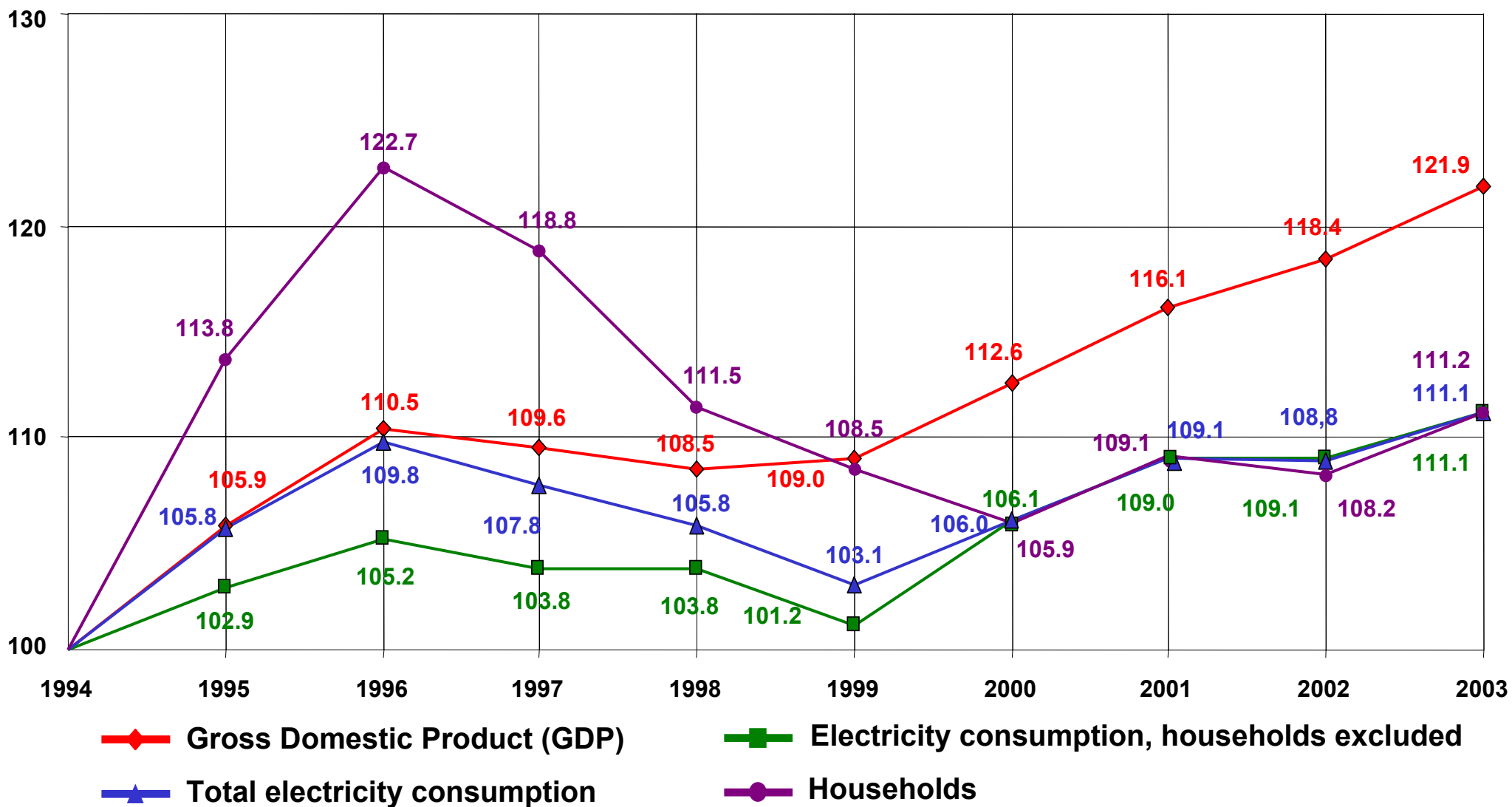
 **Electric generating and Heat Plants (lignite-fired) – subject of privatization**

 **Lignite mine - subject of contemporaneous privatization**

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GDP and Electricity Consumption in the Czech Republic



Note: GDP data for 2003 is estimation of Czech Statistical Office published on 10th March 2004.
Data for years prior to 2003 come from the same report.

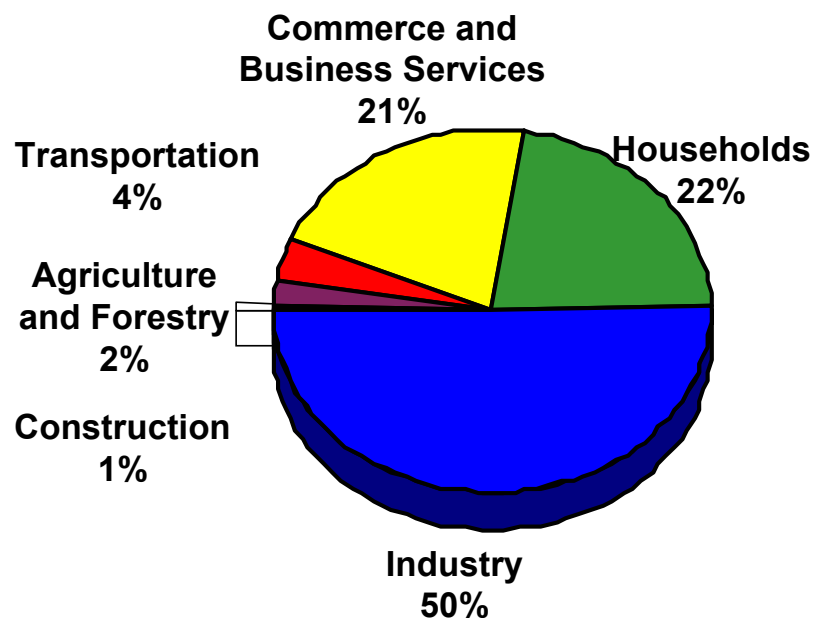
1.13A 13.5.2

Power in the Czech Republic in Brief

- Installed capacity as of 31st December
- Demand for electricity
- Net electricity generation
- Gross electricity generation

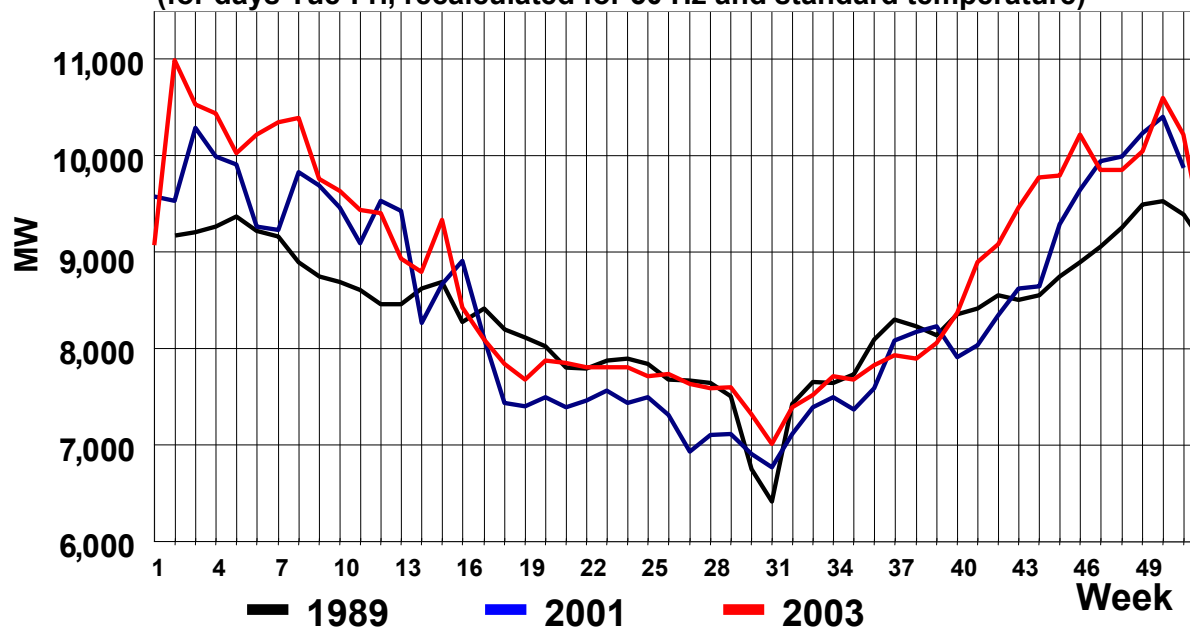
	2002	2003
Installed capacity as of 31 st December	16,311 MW	17,344 MW
Demand for electricity	53,670 GWh	54,807 GWh
Net electricity generation	70,393 GWh	76,659 GWh
Gross electricity generation	76,348 GWh	83,227 GWh

Electricity Demand Structure (2003)



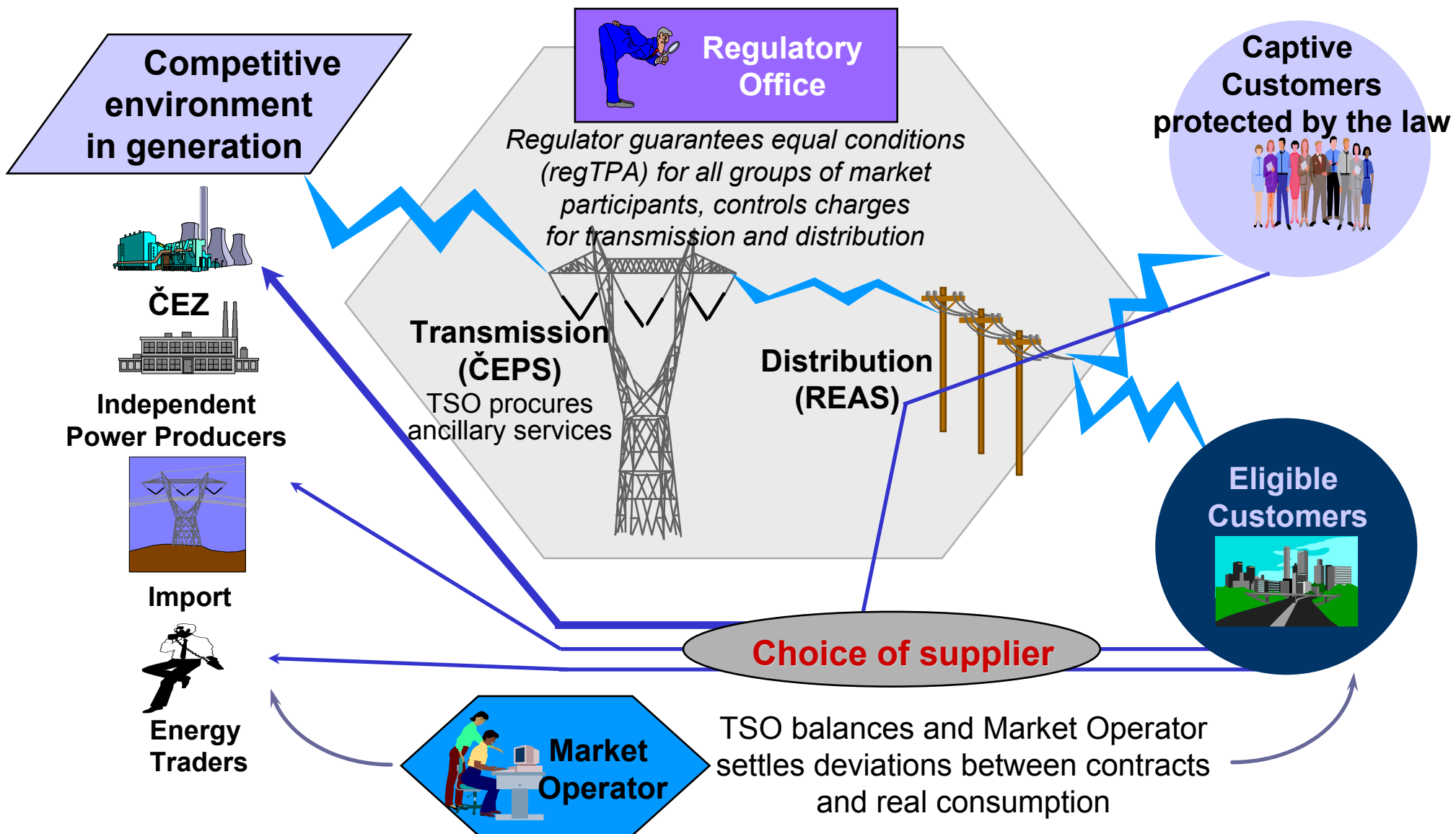
Source of data: ERÚ (Energy Regulatory Office)

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



1.17A 25. 02. 2

Current Model of the Electricity Market in the Czech Republic



Future Prospects of the Czech Energy

Czech energy policy:

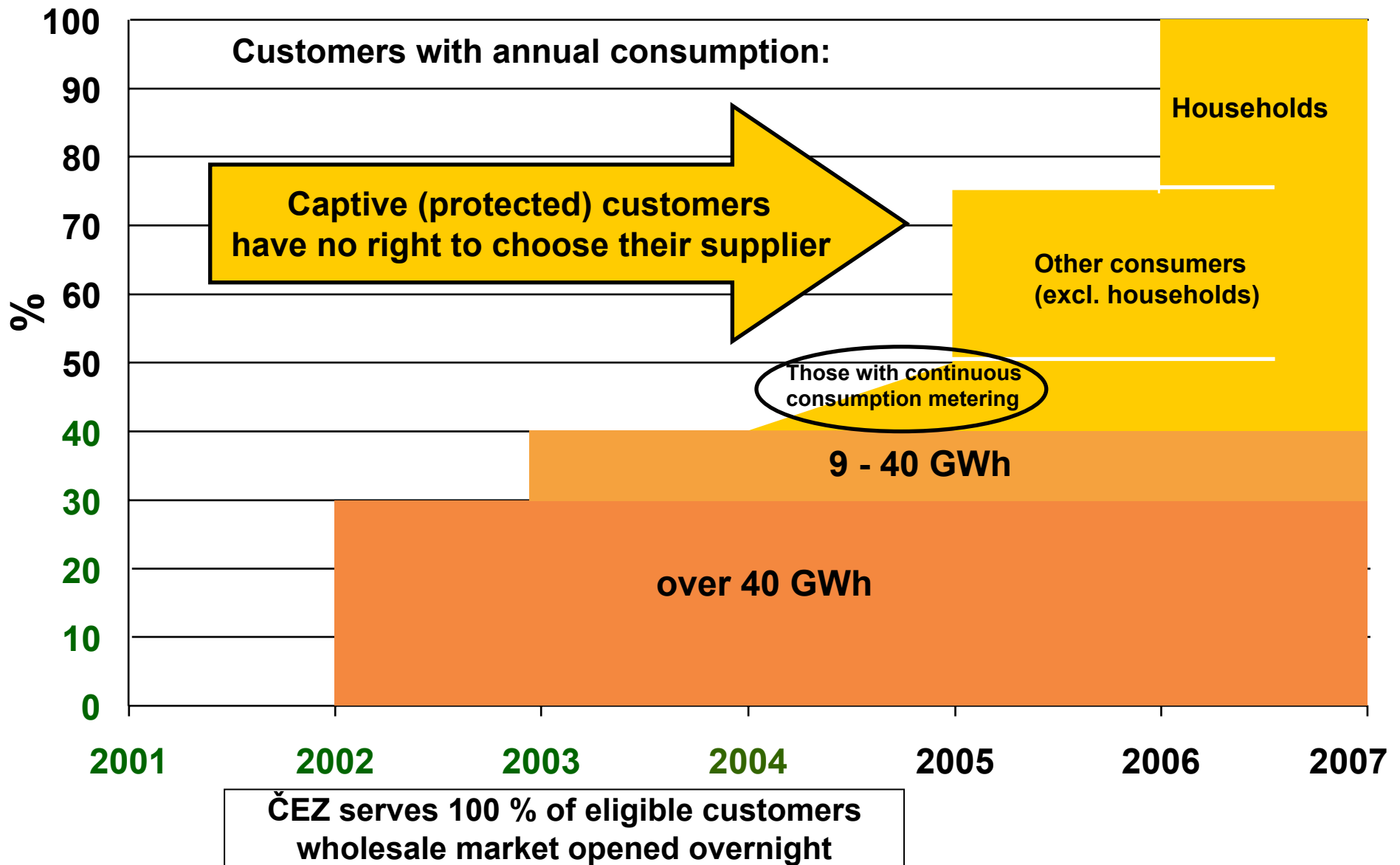
**Approved by the government in March 2004
30 year horizon**

Priorities: independence, security, safety and reliability

The Energy Policy is based on energy self-sufficiency:

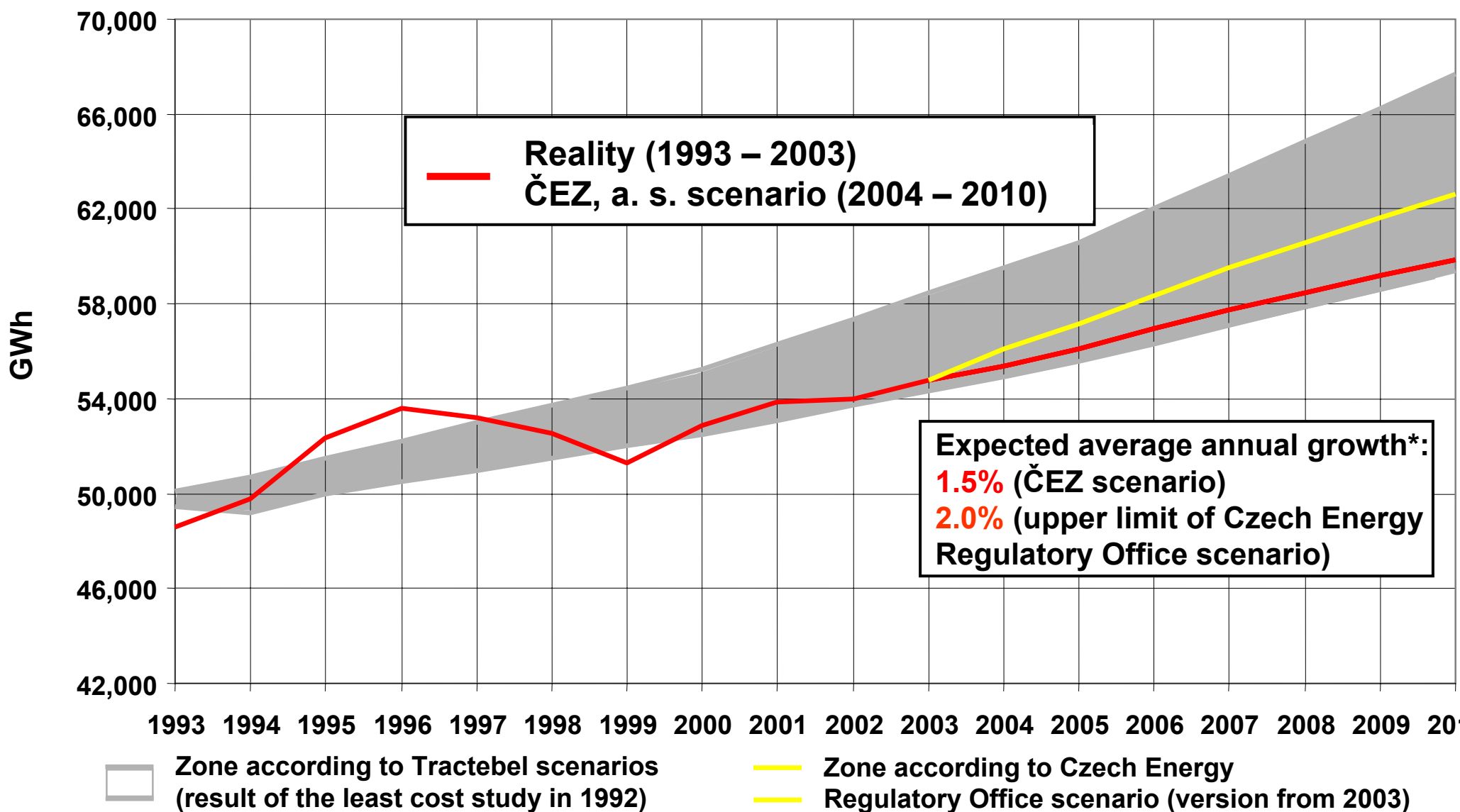
- **Exploitation of domestic lignite mining deposits**
- **Acceptability of nuclear power plants operation and development**
- **Support of renewable resources**
- **Energy efficiency improvement**

Liberalization of Czech Electricity Market





Electricity Demand in the Czech Republic Scenarios



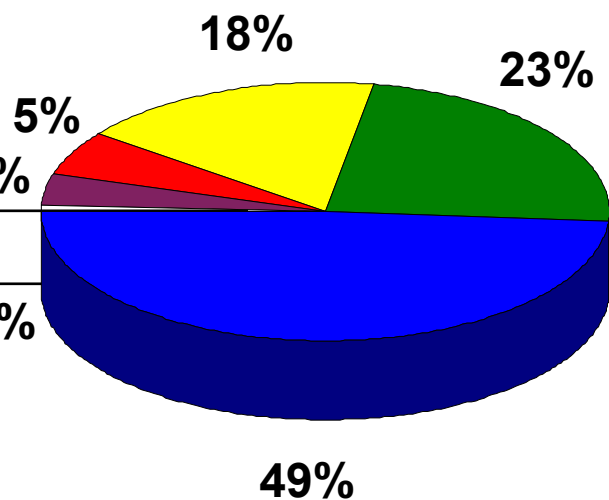
* / according to the latest version from September 2004

1.43 26.2.2004 M

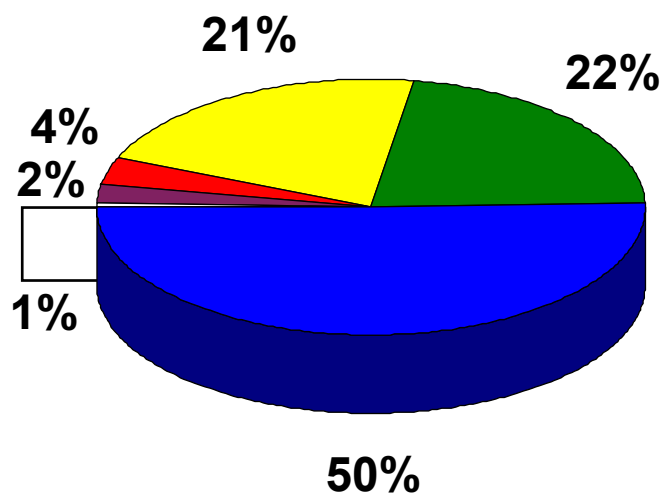


Electricity Demand Structure in the Czech Republic

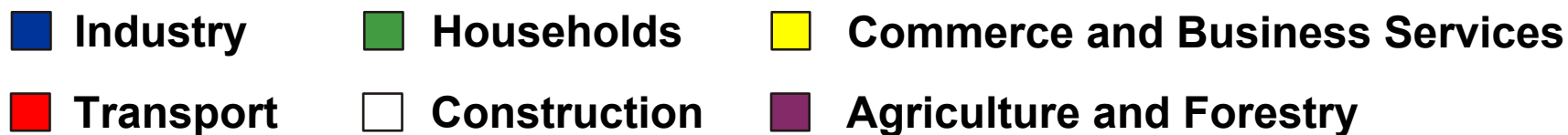
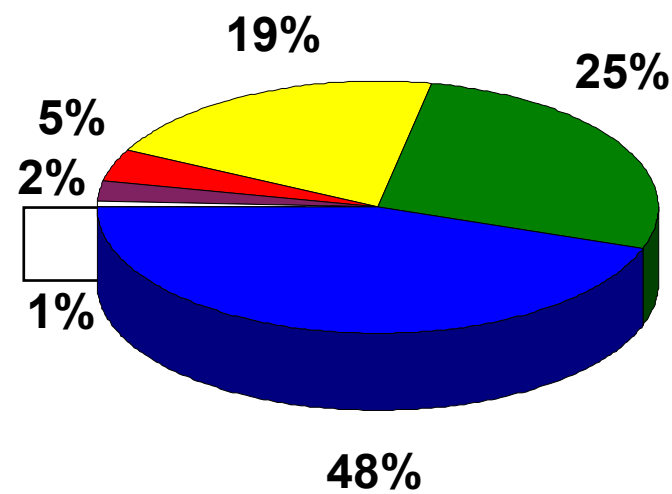
1993



2003



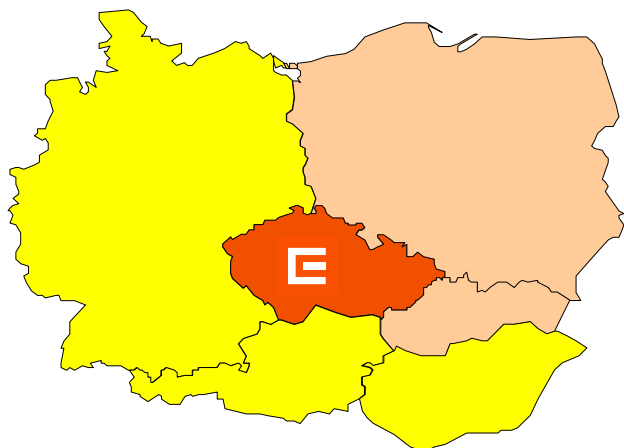
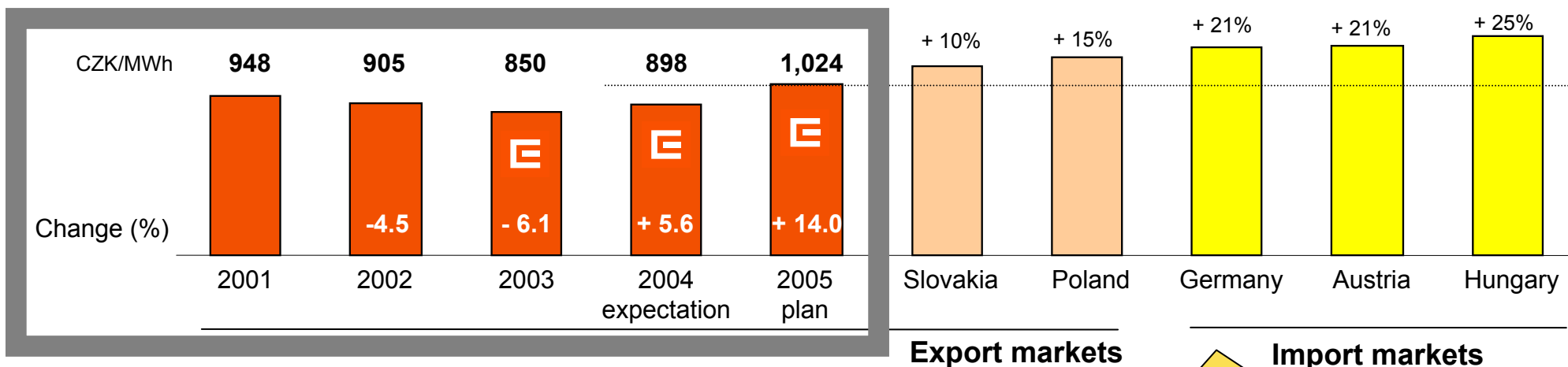
2005*



*/ Estimation

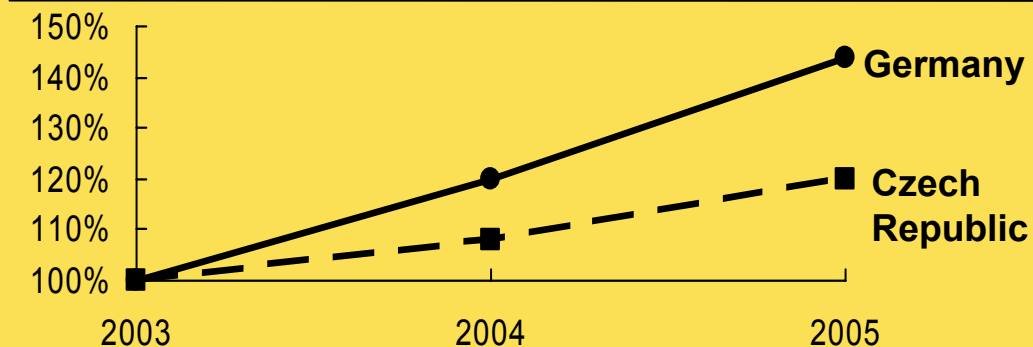
Wholesale prices of electricity in Europe

■ Wholesale prices of electricity for the year 2005 in the Czech Republic and neighbouring countries



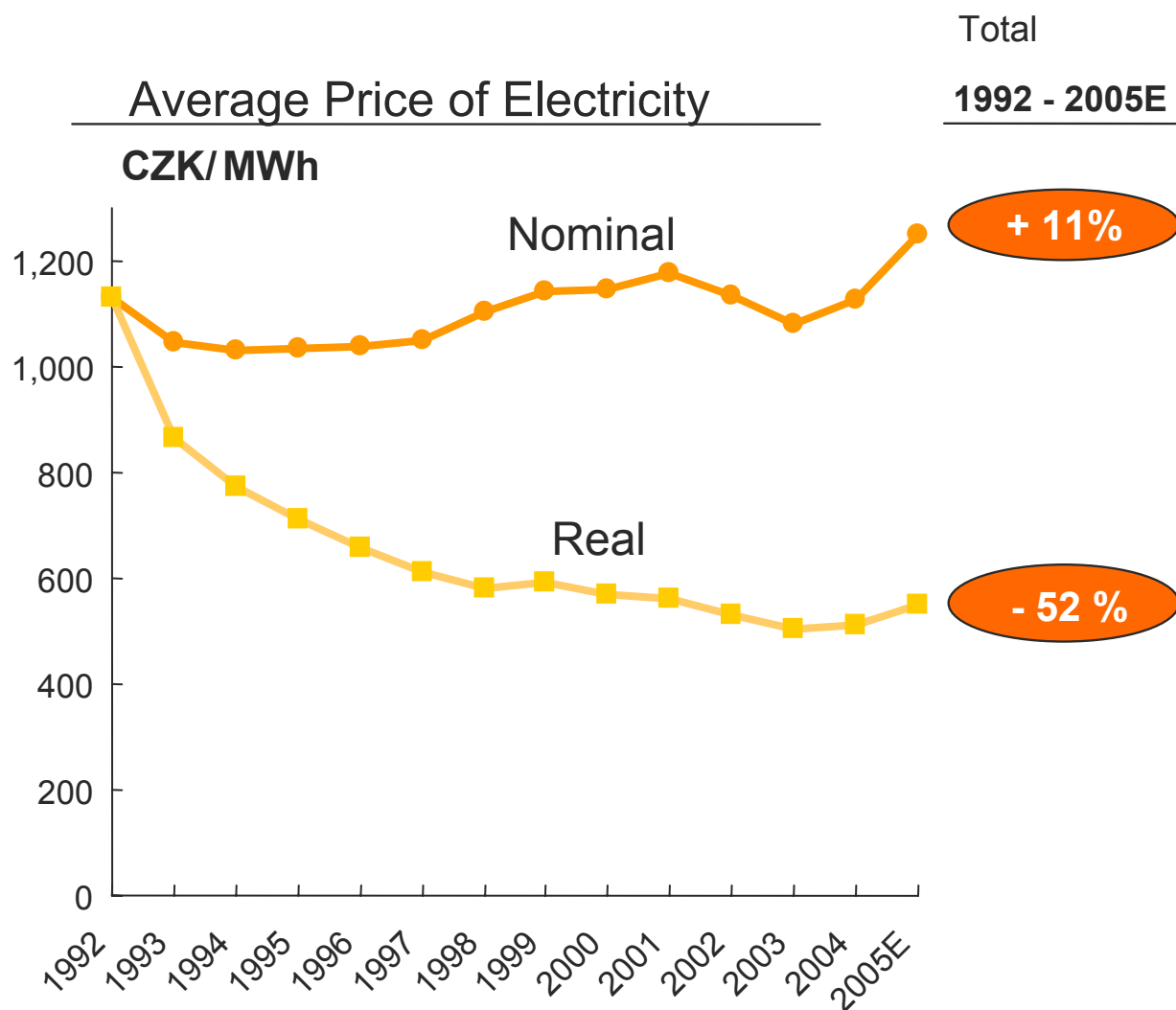
Wholesale prices of electricity in the Czech Republic and Germany

2003 = 100%





Electricity Price is Undervalued

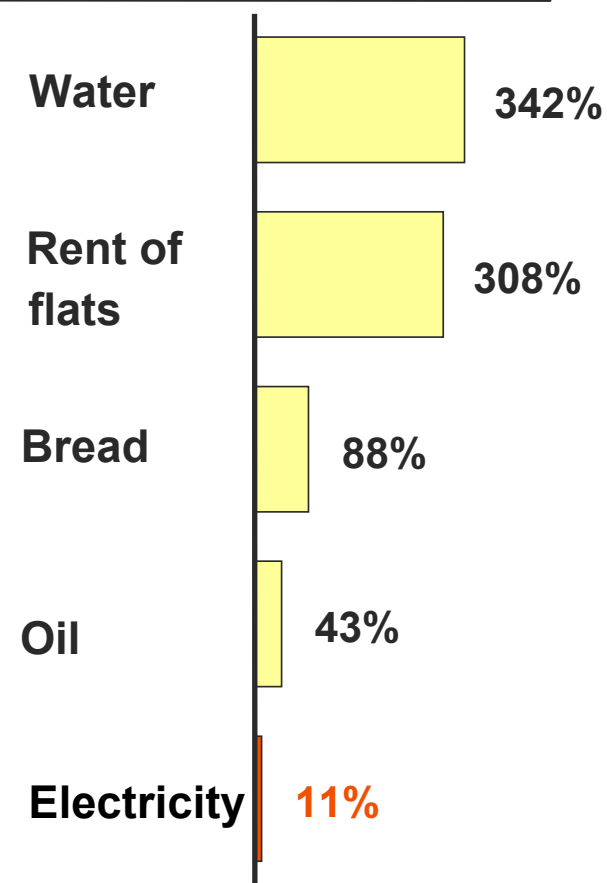


*/ Comparison 1992 and estimated 2005

Source: Czech Statistical Office

Comparison with other commodities

1992 - 2002



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- Position of ČEZ Group

E Nuclear Power Plants

- **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** CZK 98.6 bn (USD 4.2 bn*) - very competitive amount
- **Beginning of operation** 1985 - 1987
- **Current highlights** undergoes renovation of its I & C system
belongs to world's peak in safety of operation

**Electricity generation
in 2004: 12,692 GWh**

**Installed capacity:
2 x 1,000 MW**

**Electricity generation
in 2004: 13,632 GWh**

**Installed capacity:
4 x 440 MW**

*/ recounted by exchange rate of November 2004

2.43A 30. 09.20



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.



Nuclear Provisions – Nuclear Decommissioning

Decommissioning of nuclear power plants

Final disposal of radioactive waste and spent fuel

Interim storage of spent nuclear fuel

Decommissioning of nuclear power plants:

- Amended Nuclear Act from 2002 defines obligations to create accounting provisions for decommissioning of nuclear power plants in cash.
- 1999 Temelín cost study - estimate CZK 10.4 bn, new study will be applied for year 2004
- updated 2003 Dukovany estimate CZK 15.6 bn
- funds deposited on escrow accounts owned by ČEZ, 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 by 2007 (CZK 3 bn)

Balance of funds as of December 31, 2003: CZK 1,245 m



Nuclear Provisions – Fuel Storage

Final disposal 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 in 1997
- CZK 50 per MWh produced in nuclear power plants
- by 2002 regular payments based on average generation in NPP during last 5 years
- since 2003 payments based on the actual quantity of electricity generated in NPP

Cash expenditures for 2003: CZK 1,296 m

Interim Storage of Spent Nuclear Fuel:

- expenditures represent mainly the purchase of interim fuel storage Casks

Cash expenditures for 2003: CZK 103 m

E Nuclear Provisions (part 3)

CAS nuclear provisions

Interim storage	CZK 26 / 22.5 per MWh
NPP Dukovany decommissioning	CZK 406 m per year (CZK 155 m is tax deductible)
NPP Temelín decommissioning	CZK 265 m per year (CZK 125 m is tax deductible)
Final storage	CZK 50 per MWh payment to nuclear account

IAS 37 nuclear provisions

Increased by 7% interest
(real discount rate 2.5% +
estimated inflation effect 4.5%)

CZK 28.2 bn
as stated in BS at
December 31, 2003

Increased by 7% interest
(real discount rate 2.5% +
estimated inflation effect 4.5%)

CZK 12.0 bn

CZK 74.7 bn

Discounted by 2.5%
real discount rate

Asset capitalization
(NBV of capitalized asset at
December 31, 2003 is 8.0 bn)

**2003
Present value**

**Current price
level estimates**

**Estimated future
out-flows**

Interim storage
of spent fuel

Temelín
decommissioning

Dukovany
decommissioning

Final storage
of nuclear waste

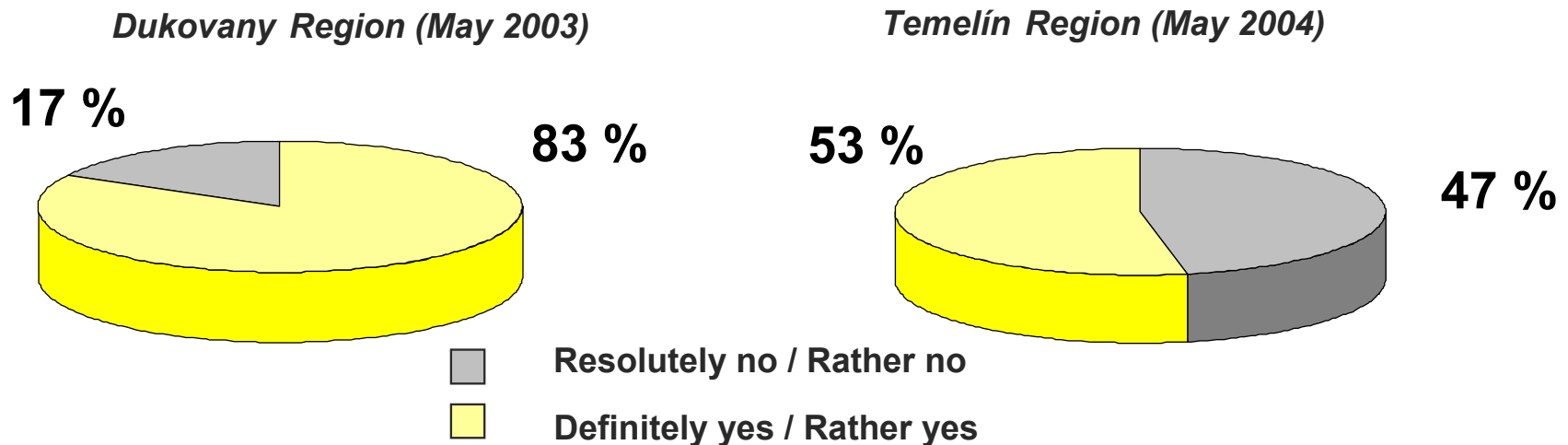


Safe and Reliable Operation of Nuclear Power Plants

Extension of NPP Dukovany lifetime by at least 10 years

- ✓ Stable operation of Temelín NPP in operation
- ✓ Possibility to build a new nuclear power plant
 - political support
 - strong investor
 - public acceptance of nuclear energy

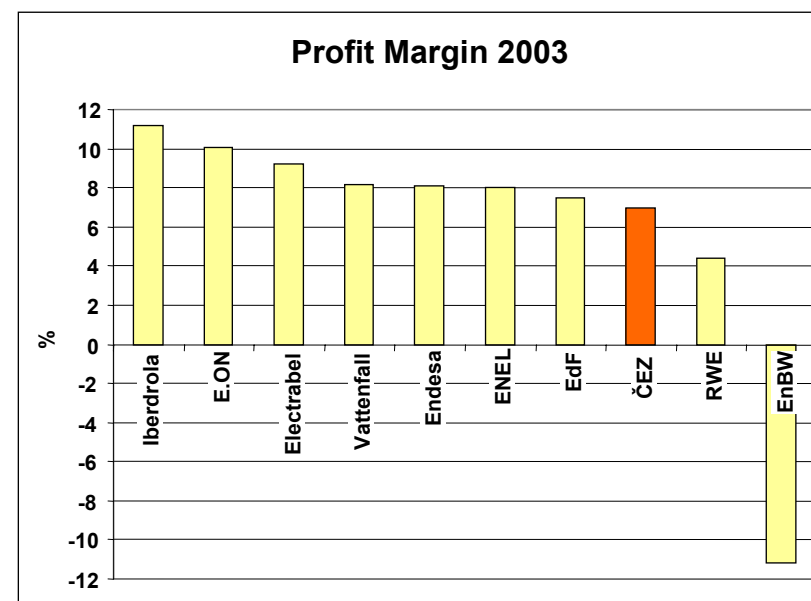
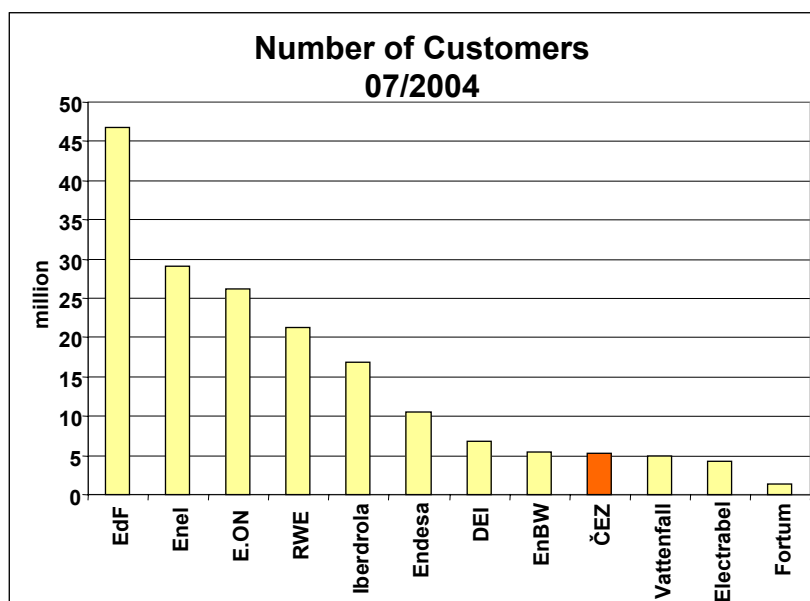
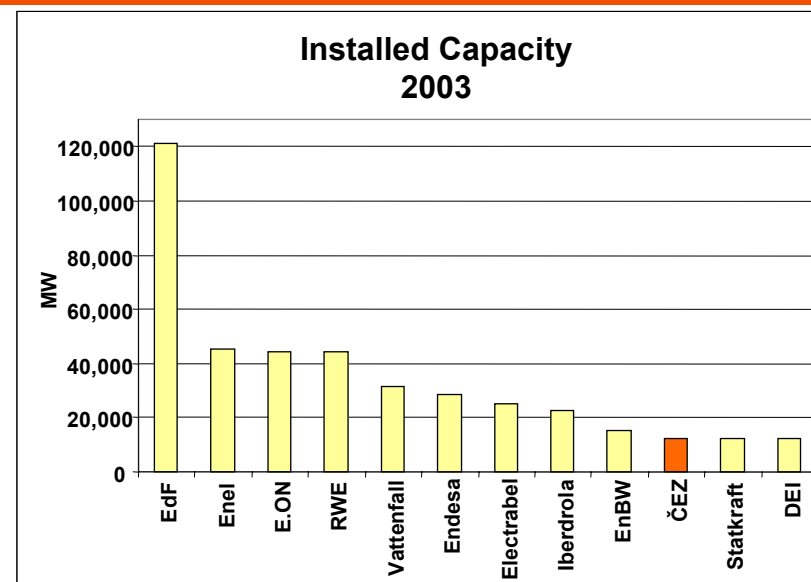
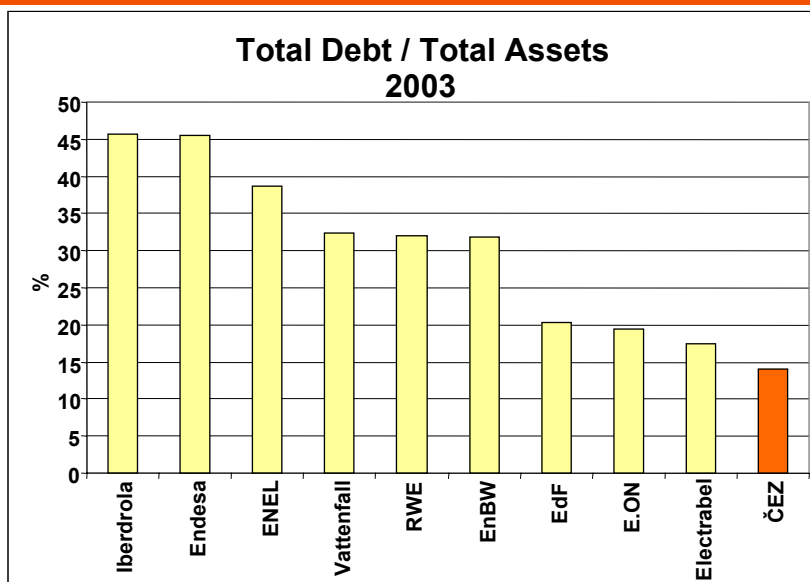
Acceptability of Nuclear Energy



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



Benchmarking of Selected European Power Corporations





What Do They Think of ČEZ ?

FORBES

**ČEZ belongs to World's leading companies list.
ČEZ is the 1,125th biggest company in the world and the biggest in the Czech Republic.**

List issued in March 2004.

EUROMONEY

ČEZ's corporate governance is the best in the Czech Republic according to EUROMONEY journal.

Awarded in February 2004.

CZECH TOP 100

ČEZ is the 3rd most admired company in the Czech republic according to CZECH TOP 100 list.

Awarded in March 2004.

SIGNUM TEMPORIS

ČEZ ranks the 2nd place in information openness of Czech stock market participants.

Signum Temporis 2002 awarded in 2003.



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

