FINANCIAL PERFORMANCE

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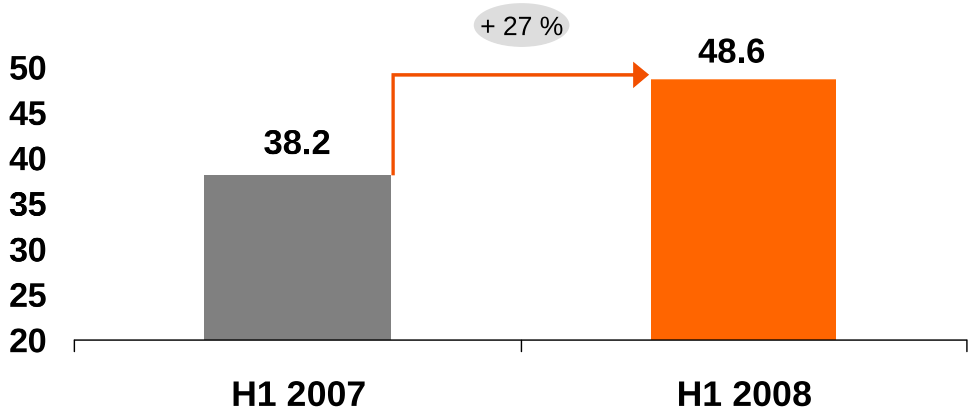
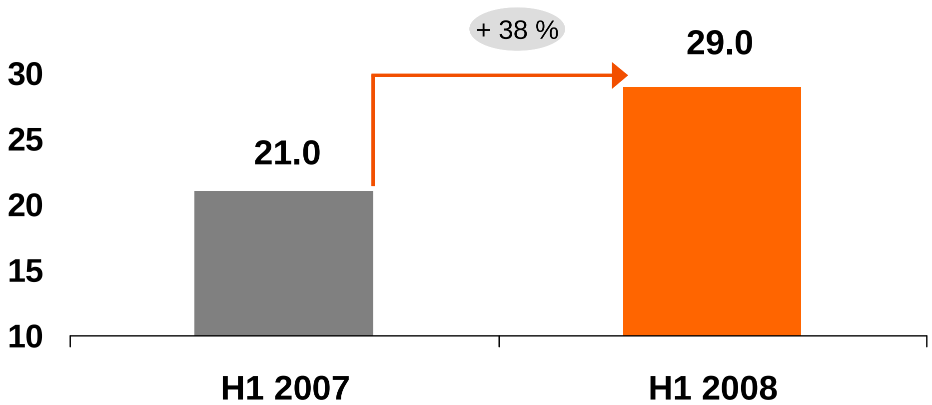
Capital Markets Day
Prague, October 2nd, 2008

H1 2008 RESULTS CONFIRMED STRONG GROWTH DYNAMICS

EBITDA

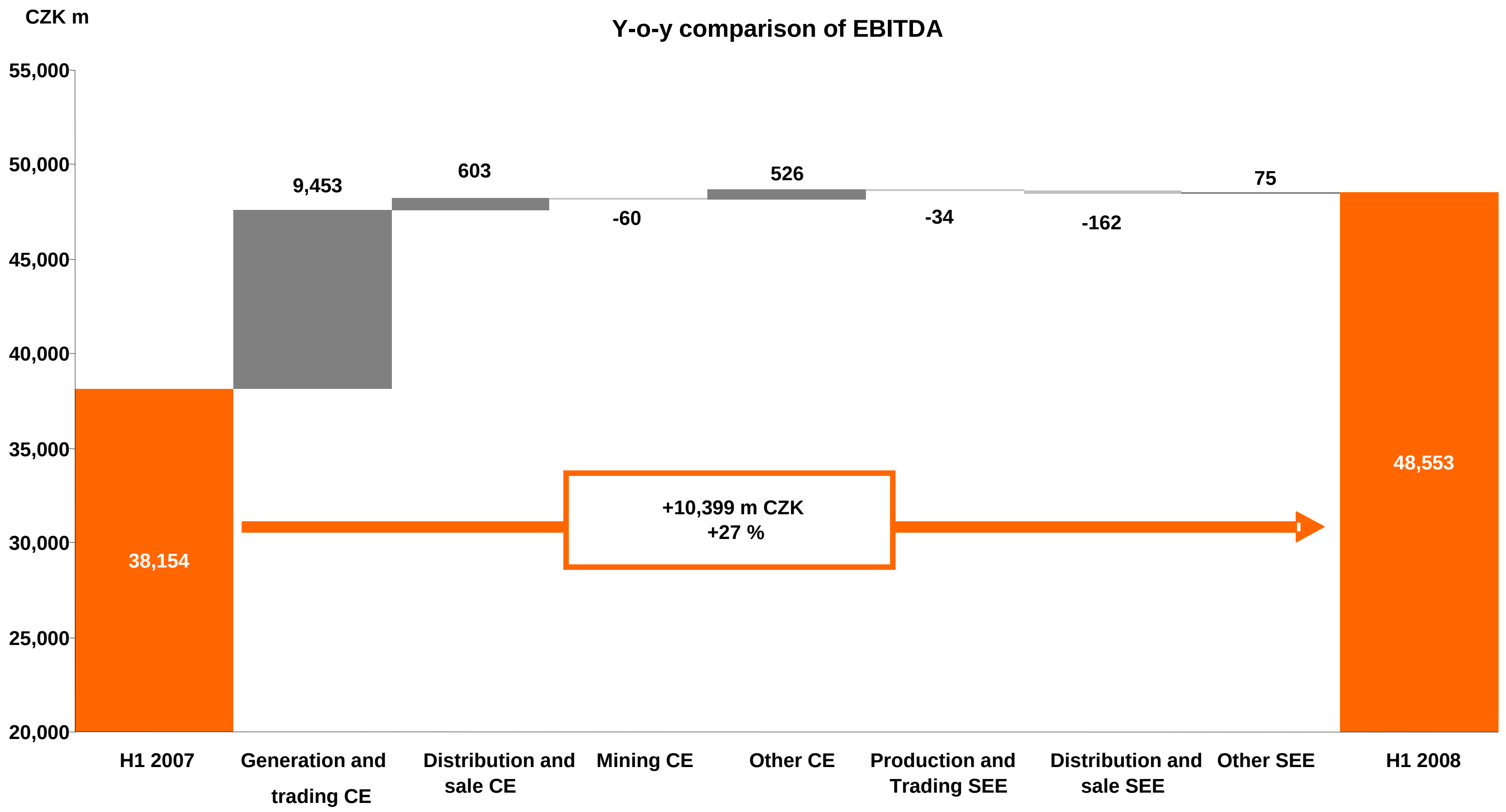


Net income



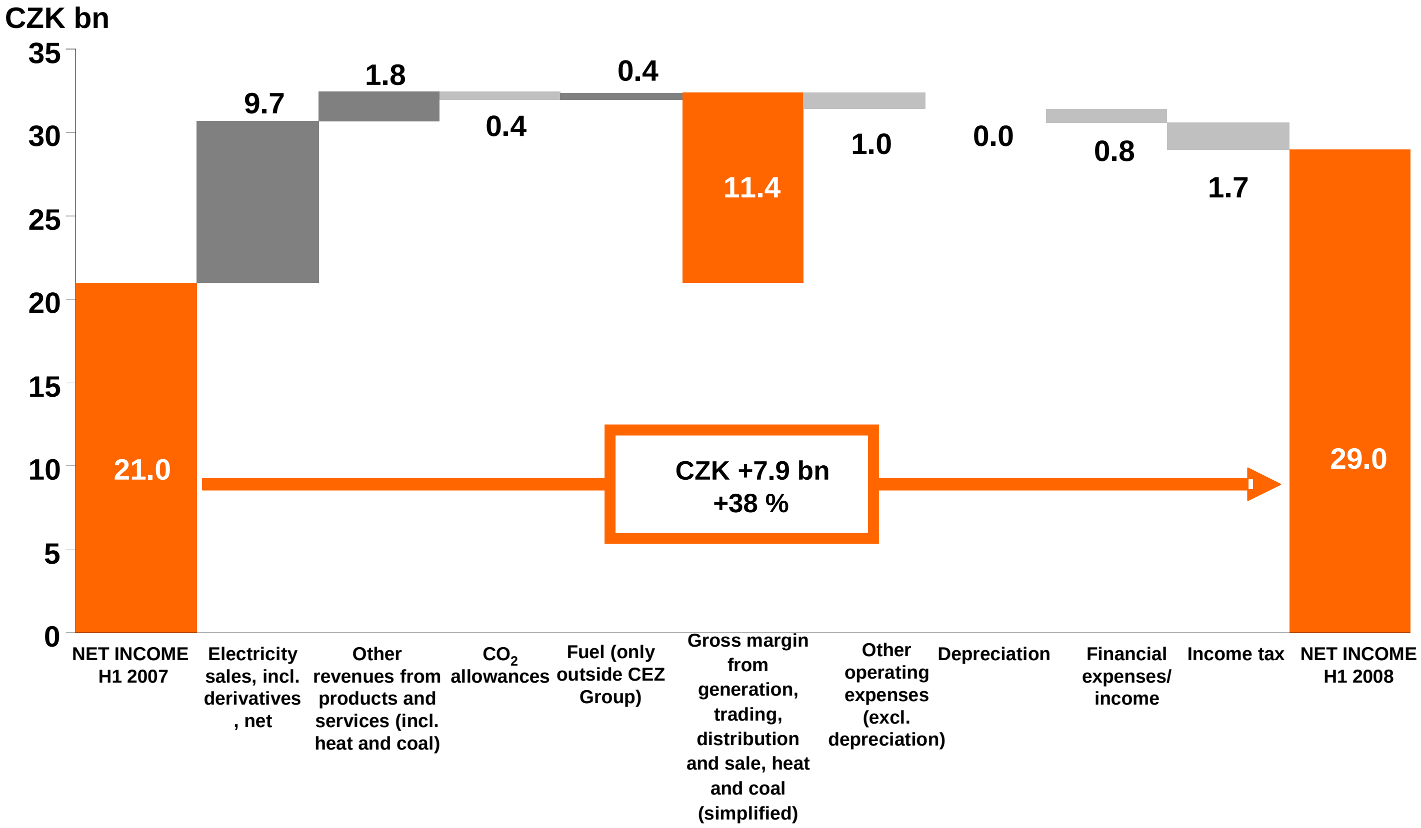
- **EBITDA** increased by 27 % y-o-y to CZK 48.6 bn
- **EBIT** increased by 38 % y-o-y to CZK 37.7 bn
- **Net income** increased by 38 % y-o-y to CZK 29.0 bn (by CZK 7.9 bn)
- **ROE** increased from 17.2 % to 27.6 % y-o-y

EBITDA INCREASED BY 27% Y-O-Y DRIVEN PRIMARILY BY GENERATION AND TRADING SEGMENT



Note: CE – Central Europe, SEE – Southeastern Europe

NET INCOME INCREASED BY CZK 7.9 BN Y-O-Y, I.E. BY 38 %

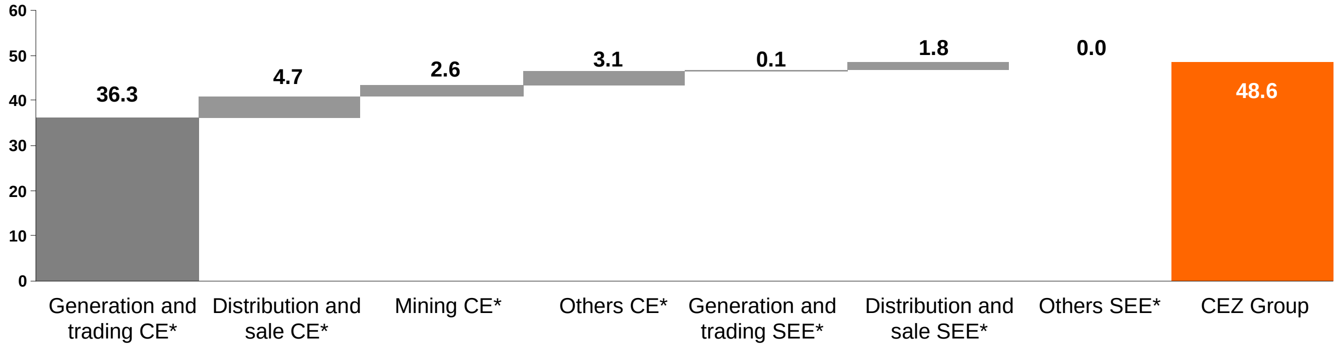


Key drivers

- Higher generation from nuclear power plants, generation from coal power plants reduced due to limitations on emissions of NO_x, SO_2 and dust and by optimization with regards to high CO_2 prices
- Increase in wholesale electricity prices
- Higher volume of distributed electricity and of electricity sold to final customers in the Czech Republic
- Y-o-y comparison of financial expenses/income is influenced by divestments in 2007

GENERATION AND TRADING REMAINS THE LARGEST AND MOST DYNAMIC SEGMENT

Contributions to EBITDA in H1 2008
CZK bn

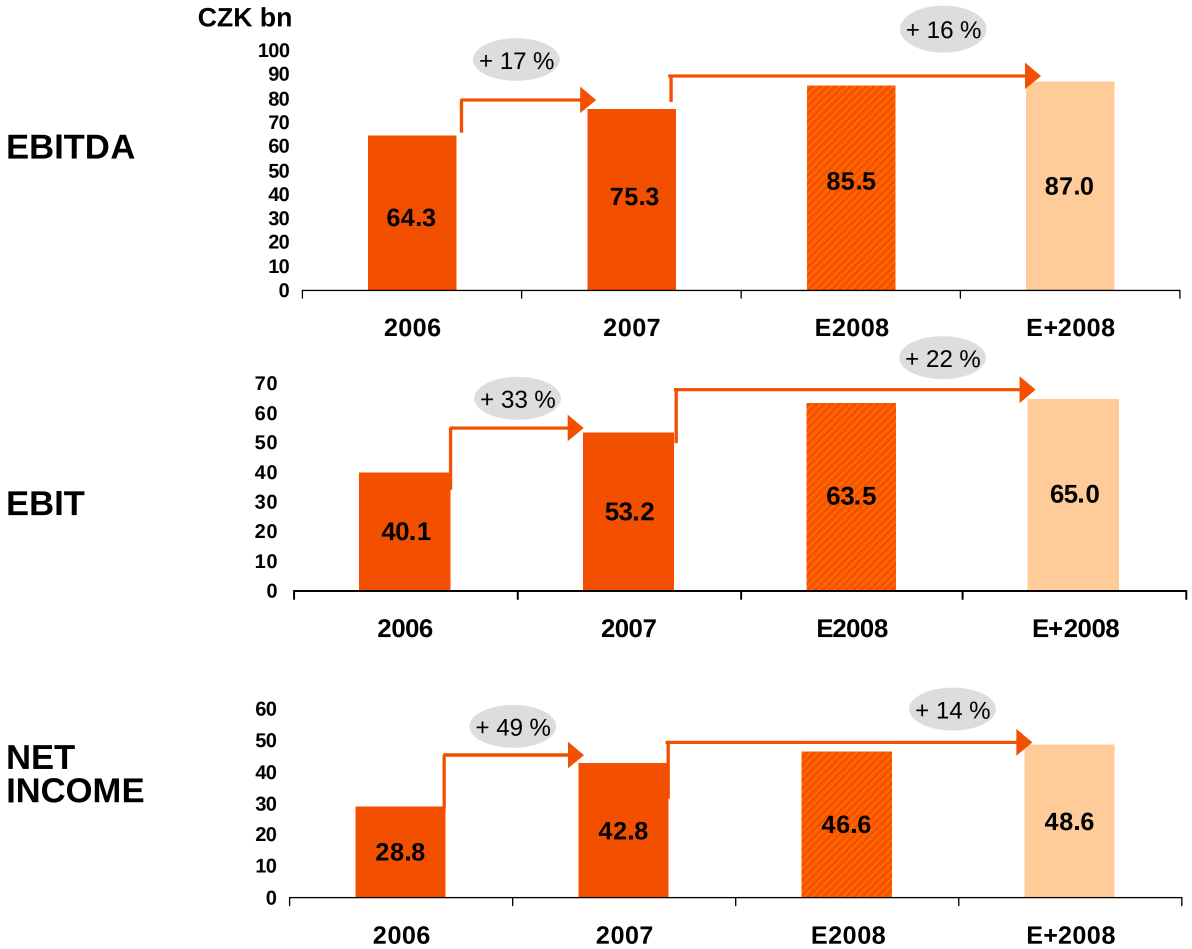


	Generation and trading CE*	Distribution and sale CE*	Mining CE*	Others CE*	Generation and trading SEE*	Distribution and sale SEE*	Others SEE*	CEZ Group
Index H1 2008/ H1 2007	135 %	115 %	98 %	123 %	78 %	92 %	N/A	127 %
Index Q2 2008/ Q2 2007	133 %	184 %	102 %	113 %	95 %	73 %	N/A	130 %

- **Generation and trading CE*:** 35 % y-o-y improvement caused by increase in wholesale electricity prices in the Czech Republic and thanks to higher share of generation from nuclear power plants. Total electricity generation reached 33.9 TWh (- 3 %).
- **Distribution and sale CE*:** EBITDA grew by 15 % y-o-y in H1 2008. It is positively influenced by 0.9 TWh (i.e. + 5 %) increase in volume of electricity distributed to final customers and by 0.8 TWh (i.e. + 6 %) growth of sales to end customers outside CEZ Group due to extremely warm winter in 2007. Increase in Q2 is influenced by change in valuation of invoiced electricity to retail and by lower costs of purchase electricity (in comparison with previous year there is higher difference between price of cheaper baseload and more expensive other purchases in the purchase diagram, thus average price of purchased electricity is lower during months with lower volume of other purchases , i.e. during summer). These methodical influences are neutral for the whole first half and for the whole year.
- **Mining CE*:** EBITDA of Severočeské doly is down by 2.6 % y-o-y. Decline is caused by higher operating costs mainly for repairs and maintenance as a result of faster progress in works. In Q2 2008 volume of coal sales is lower by 135 thousand tones y-o-y (by 2.4 %)
- **Generation and trading SEE**:** y-o-y decline is driven by rising coal prices, which are not fully reflected in electricity prices due to non-transparent regulatory environment. Also, rules for allocation of CO_2 allowances are not clear (NAP was not approved) and results are negatively influenced restriction on exports abroad.
- **Distribution and sale SEE**:** In H1 2008 EBITDA declined by 8 % compared to the same period previous year due to creation of provisions for receivables, mainly after Romanian railways and also due to appreciation of CZK against local currencies. On the other hand positive factors include: increase in gross margin in Bulgaria (largely due to 9% growth in volume of distributed electricity) , increase in gross margin in Romania due to higher distribution tariffs and due to lower purchase price of electricity for sales to final customers.

* CE = segment Central Europe (Czech Republic, Slovakia, Poland, Hungary, Netherlands, Germany)
** SEE = segment South-eastern Europe (Bulgaria, Romania, Kosovo, Serbia, Russia, Bosnia & Herzegovina, Ukraine)

STRONG RESULTS ENABLED CEZ GROUP TO INCREASE ITS GUIDANCE IN AUGUST 2008



E2008 expected financial results announced in February 2008

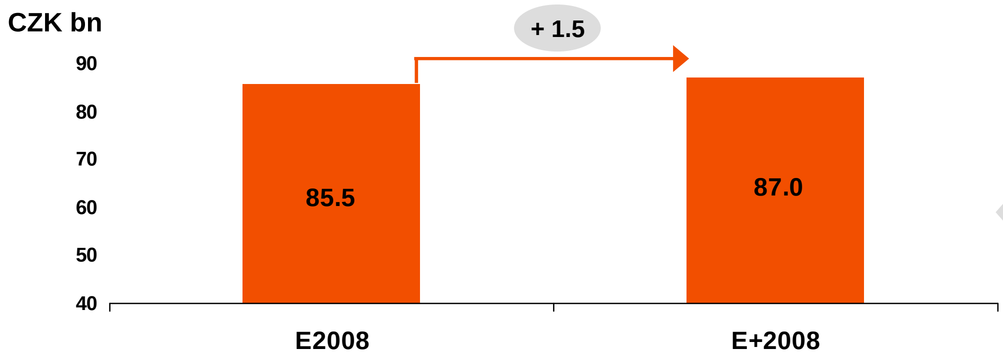
E+2008 increase in expected financial results in August 2008 based on H1 2008 results

Key drivers:

- Increase of generation volume of CEZ Group nuclear and water power plants
- Optimizations of repair and maintenance, reduction of other operating costs
- Successful trading strategy of electricity sale
- Increase in wholesale electricity prices
- In 2007 extraordinary influences: change in valuation and rectification of volume of non-invoiced electricity, change of income tax rate influencing deferred tax

REASONS FOR INCREASE IN GUIDANCE

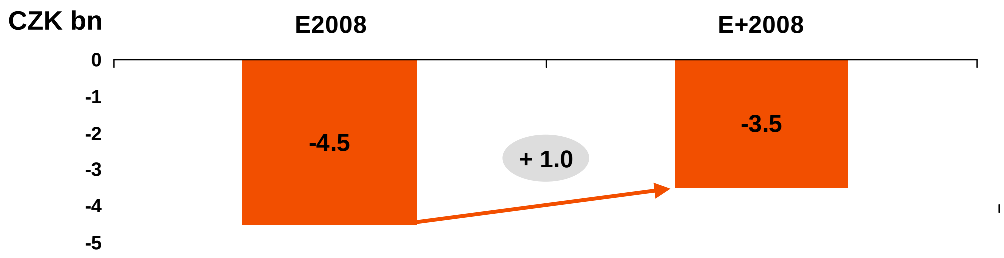
EBITDA



Key drivers:

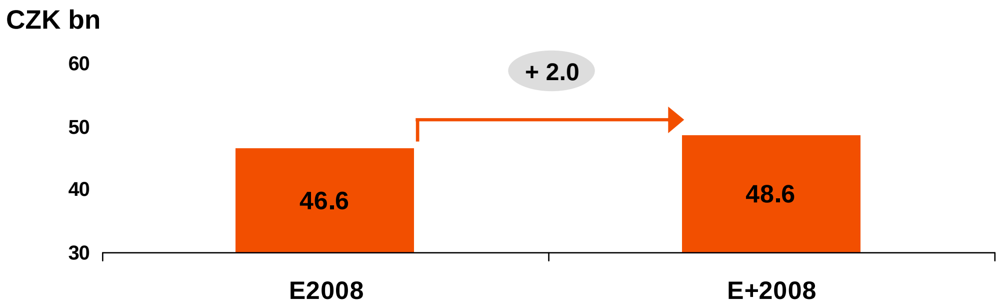
- higher electricity prices
- cost savings
- higher volume of electricity sales

FINANCIAL EXPENSES/ INCOME



- successful hedging NAP III
- sale of subsidiary I & C Energo a.s.

NET INCOME



E2008 expected results announced in February 2008

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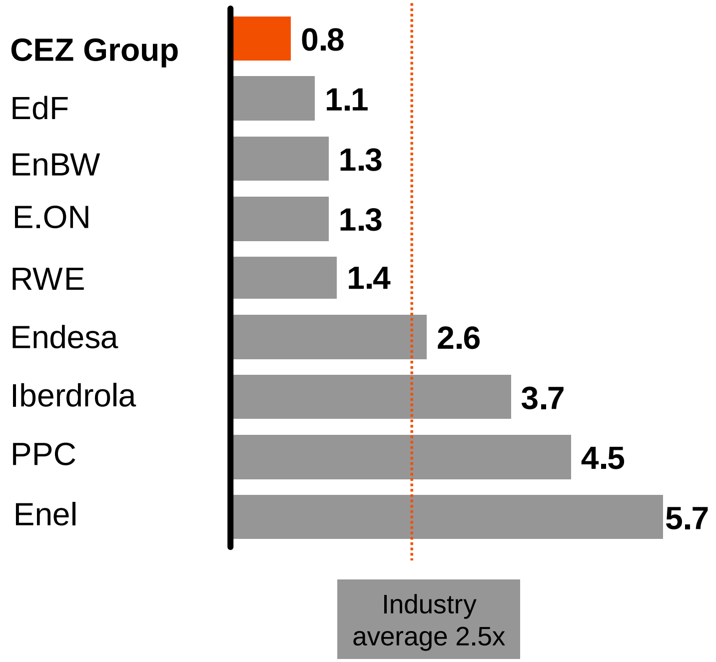
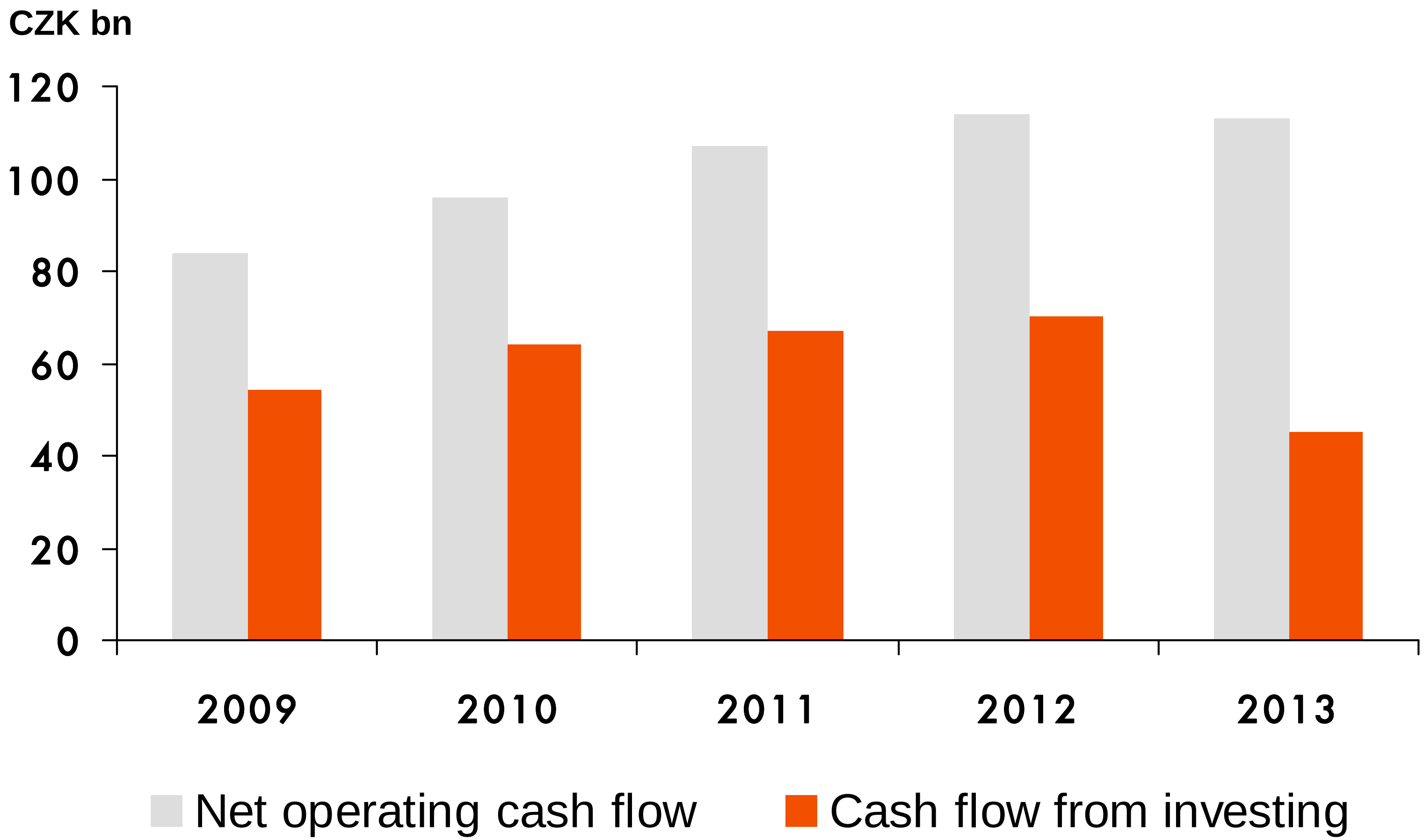
OUR CURRENT LEVERAGE IS LOW COMPARED TO INDUSTRY STANDARDS

Net debt/ EBITDA
Multiples, 2007



GENERATION OF OPERATING CASH FLOW EXCEEDS OUR INVESTMENT PLANS



THUS WE IMPLEMENTED STEPS TO OPTIMISE OUR BALANCE SHEET

Target leverage will

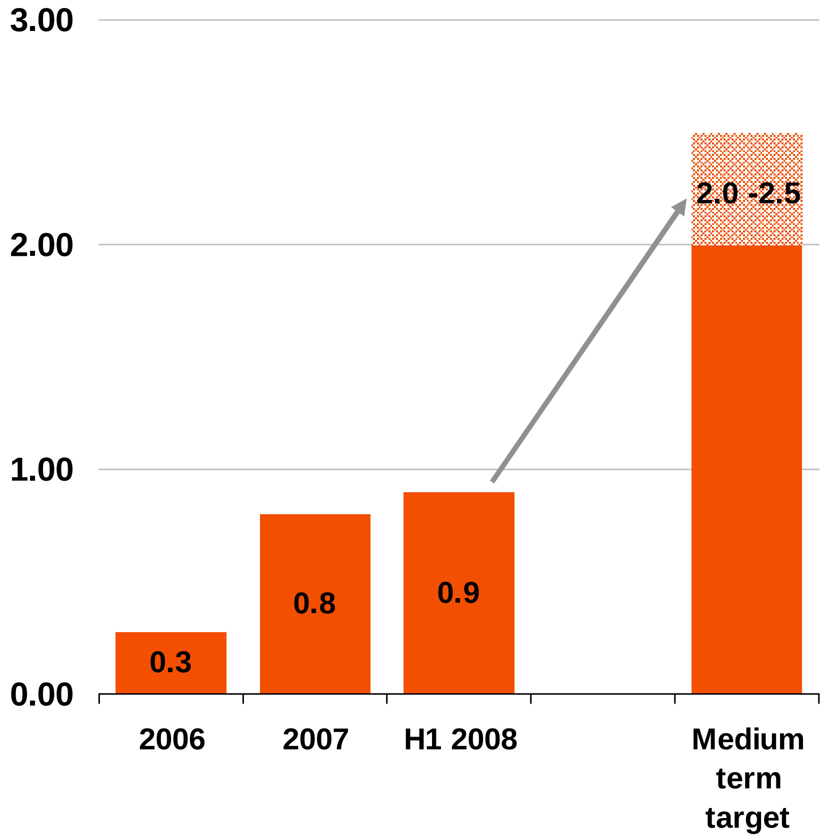
- **enable us to reduce average costs of capital**
- **allow us to maintain current strong credit rating A-/A2**

Tools to improve leverage

1. **Organic capex**
2. **M&A and other development projects**
3. **Dividends**
4. **Share buyback**

Target leverage of 2.0-2.5x Net debt/EBITDA

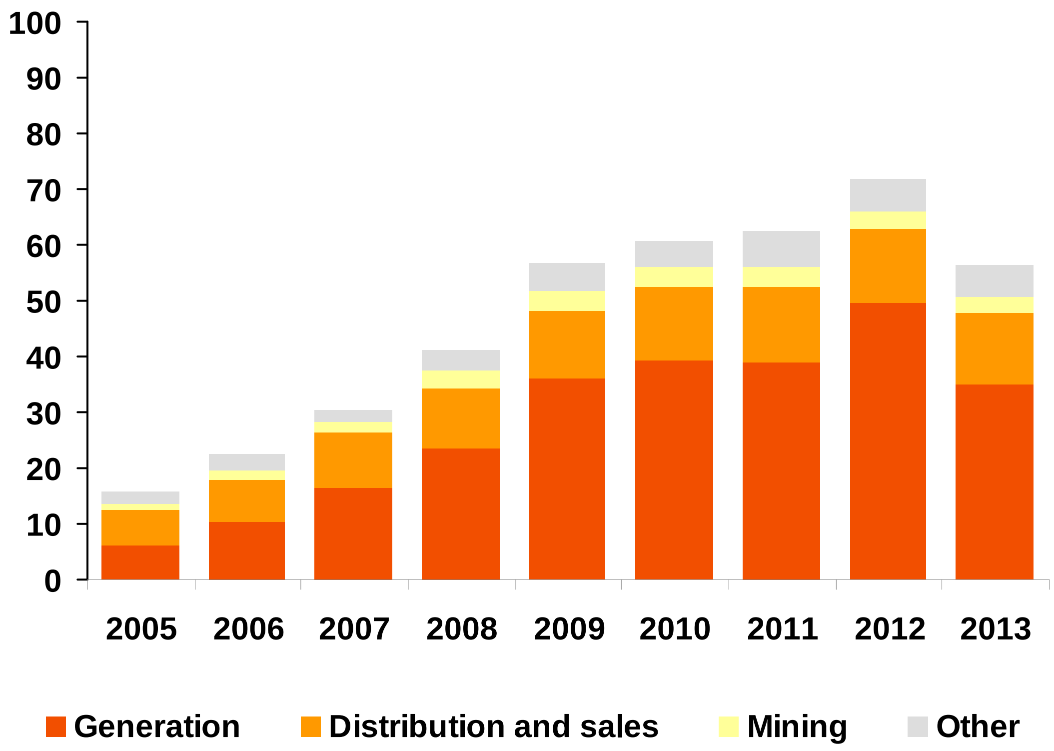
Net debt to EBITDA (x)



ORGANIC CAPEX IS DRIVEN BY RENEWAL OF CZECH LIGNITE PORTFOLIO AND NEW CCGT PLANTS

1.

Expected CAPEX development (CZK bn)



Generation capex growth driven by:

- **Portfolio plant renewal in the Czech Republic**
- **New CCGTs in JV with MOL and in Varna**
- **Preparatory work for new blocks of Temelin power plants**

MODERNISATION OF TUSIMICE AND CONSTRUCTION OF NEW UNIT IN LEDVICE IS PROGRESSING ACCORDING TO SCHEDULE AND BUDGET

1.

Power plant Tusimice
Complex renewal (4 x 200 MWe)

- Gradual renewal (2+2 units)
- Increase in net efficiency from 33% to 38%
- Extension of service life until 2035
- Initiation of renewal: June 2, 2007
- Planned start of operation: October 2010

Power plant Ledvice
New supercritical unit (1 x 660 MWe)

- Components contracted
- Planning permission issued
- Planned net efficiency 42.5%
- Expected service life 40 years, i.e. until 2052
- Initiation of implementation: July 17, 2007
- Planned start of operation PAC: Dec 2012

PREPARATION OF MODERNIZATION OF PRUNEROV AND OF CCGT PROJECTS IS UNDER WAY

1.

Power plant Prunéřov

Complex renewal (3 blocks x 250 MWe)

- Boiler room, generator room and desulphurization unit (FGD) contracted
- Increase in net efficiency from 33% to 38.17 %
- Extension of service life by 25 - 30 years
- Initiation of renewal: March 1, 2011
- Planned start of operation of new blocks:
- Q4 2012 – Q1 2013

Steam gas projects (Počerady)
New construction PPC 440 / 880 MW

- Tenders for gas turbine supply, HRSG and steam turbines in version 440 / 880 MW
- Net efficiency 57.4% (ISO)
- Service life until 2043
- Start of construction: April 2011
- Planned start of operation: June 2013

RECENT M&A DEALS AND PIPELINE WILL FURTHER INCREASE CASH OUTFLOWS

2.

Recently closed deals

▪ Fantanele & Cogealac wind farms	EUR 1.1 bn
▪ Acquisition of Sedas (proportionate share)	EUR 205 m

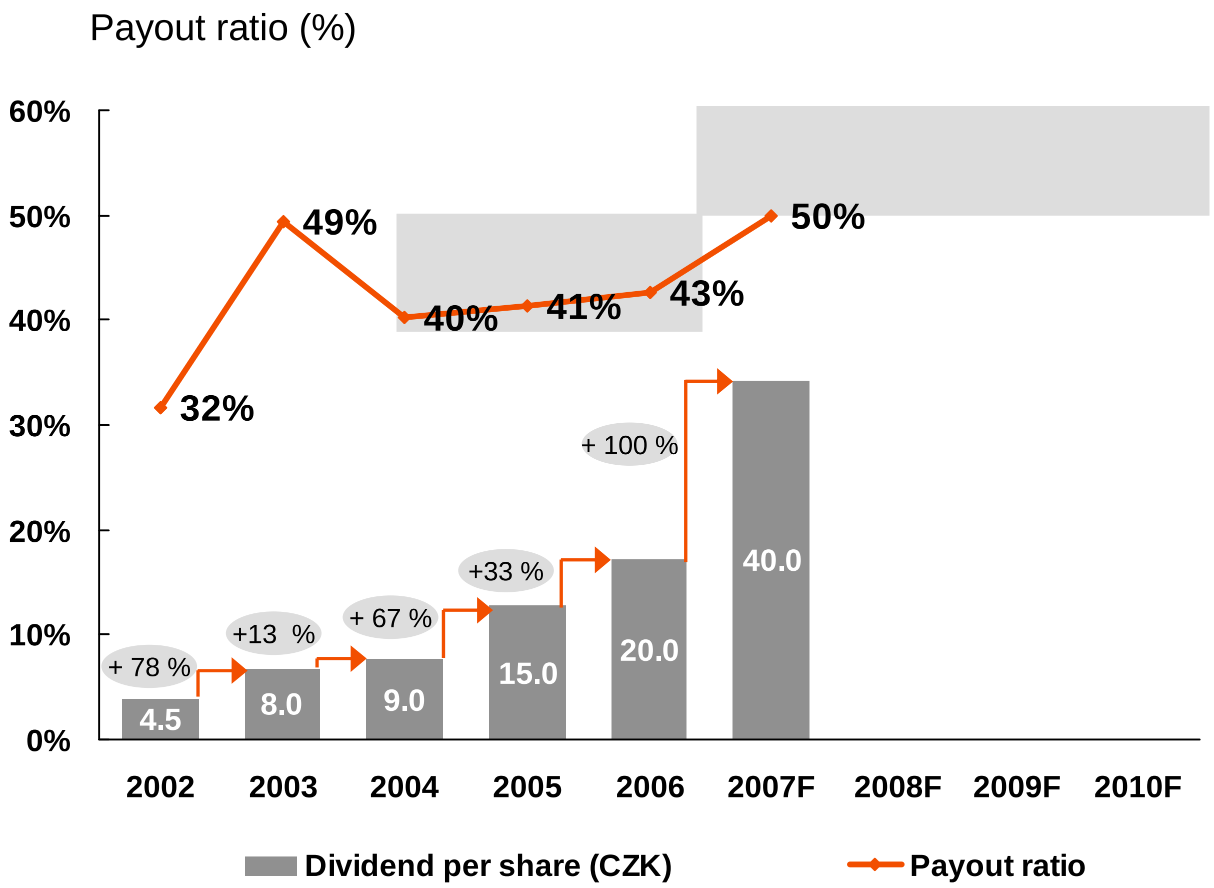
Pipeline

▪ Albania - Bid for 76% stake in distribution company	EUR 102 m

- Romania – Bid for strategic partner for Galati power plant
- Romania – participation in tender for construction of Cernavoda
- Slovakia – potential construction of 400 MW plant
- Russia – potential construction of 660 MW plant
- Turkey – discussions about potential partnership with Akenrji

CEZ IS COMMITED TO MAINTAIN ITS PAYOUT RATIO OF 50 – 60 %

3.



Dividend policy targets payout ratio in the range of 50% to 60% of the consolidated profit adjusted for extraordinary items

Dividend from 2007 profit approved at CZK 40 per share

CEZ COMPLETED CZK 67.3 BN SHARE BUYBACK PROGRAMME IN MAY 2008

4.

- During completed share buyback program CEZ purchased 58.13 m of shares for CZK 67.3 bn.
- Average purchase price was CZK 1,158, which is 2.0 % lower than volume weighted average price for the same period.
- On 21st May 2008, shareholder meeting approved cancelation of 54,221,084 shares.
- Cancellation will happen after completion of all required legal steps, which is expected by mid December 2008.

- AGM on 21st May 2008 approved buyback of additional 53.8m shares.
- Launch date and size of new share buyback will be determined by several factors such as:
  - Conditions on financial markets
  - Pipeline of M&A and other development projects

CURRENT BOND MATURITY PROFILE & FUNDING PLANS

- Significant portion of the future leverage increase will come from M&A and new development projects with timing difficult to predict
- Acquisitions and new projects with EU-like risk profiles and projects with close to 100% control of CEZ to be funded through centralized treasury
- Off balance sheet funding will be applied for projects outside EU / higher risk profile or some JV projects
- CEZ aims to diversify the sources of funding
  - ✓ Domestic Funding — mainly short term (CPs, Credit Facilities)
  - ✓ EMTN — mainly medium term
  - ✓ Private placements — long and very long term
  - ✓ Special Purpose Financing

Bond Maturity Profile (CZK millions)