

CEZ GROUP BRIEF REPORT FOR 1ST – 3RD QUARTER 2006

NON-AUDITED, CONSOLIDATED RESULTS

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Highlights

- Net income for Q1 – Q3 up CZK 6.7 billion (+44.2%) year-on-year to CZK 22.0 billion.
- EBITDA up CZK 9.9 billion (+25.8%) to CZK 48.3 billion.
- On October 2, Standard & Poor's increased the CEZ Group long-term rating to A- from BBB+.
- On October 25, trading in the shares of ČEZ, a. s. began on the Warsaw Stock Exchange. ČEZ was included in the blue-chip WIG20 index at a weighting of 2.23%.
- On November 1, the market capitalization of ČEZ, a. s. reached CZK 528 billion.
- On November 3, the use permit for Temelín Nuclear Power Station was issued.

Prague, November 15, 2006

Key Figures

	Units	As of September 30, or 9 months ended September 30, 2006	As of September 30, or 9 months ended September 30, 2005	Index 06/05
Generation of electricity (gross)	GWh	47,772	44,626	107.1%
Sales of electricity	GWh	61,707	53,942	114.4%
Sales of heat	TJ	7,033	6,495	108.3%
Operating revenues	CZK millions	113,710	89,402	127.2%
Operating expenses (less depreciation and amort.)	CZK millions	65,411	51,019	128.2%
of which, e.g.: CO ₂ emission permits	CZK millions	-471	0	x
EBITDA	CZK millions	48,299	38,383	125.8%
of which: power production and trading	CZK millions	32,034	25,271	126.8%
distribution and sale	CZK millions	10,878	8,873	122.6%
Mining	CZK millions	2,758	2,997	92.0%
Other	CZK millions	2,629	1,241	211.9%
Depreciation and amortization	CZK millions	18,358	15,180	120.9%
EBIT	CZK millions	29,941	23,203	129.0%
Net income	CZK millions	22,019	15,271	144.2%
Return on equity (ROE), net *	%	15.2	10.4	146.2%
Price/earnings ratio (P/E)	1	16.6	24.8	67.1%
EBIT margin	%	26.3	26.0	101.5%
EBITDA margin	%	42.5	42.9	98.9%
Debt / EBITDA *	%	75.3	79.5	94.7%
Debt / equity	%	24.0	22.1	108.6%
Capital expenditures (CAPEX)	CZK millions	12,103	10,203	118.6%
Investments	CZK millions	24,223	5,834	415.2%
Operating cash flow	CZK millions	45,860	33,277	137.8%
Employee head count	persons	30,464	27,383	111.3%

* 12 month sliding average

Revenues, Expenses, Income

CEZ Group net income was up CZK 6.7 billion (+44.2%), due in particular to increased EBIT (by CZK 6.7 billion) resulting from year-on-year growth in the margin on electricity production and trading. Other expenses/income also contributed to the positive earnings development: these were generated in particular by a positive change in the real values of emissions permit derivatives and a strong Czech Koruna (CZK). The income growth was also driven by improved performance of the Bulgarian distribution companies and the earnings of Electrica Oltenia, which was not a part of CEZ Group in the first nine months of 2005. The Polish power plants ELCHO and Skawina were first included in the June consolidation, while the Varna Power Station and the newly established companies in Bulgaria, Poland, Serbia and Kosova will appear in the numbers for the first time in Q4 2006.

Cash Flows

Net cash provided by operating activities was up CZK 12.6 billion (+37.8%), mainly as a result of higher Income before income taxes and lower Income taxes paid. Cash used in investing activities grew by CZK 23.4 billion (+180.2%), driven in particular by growth in investments in conjunction with the acquisition of power plants in Poland, the Varna Power Station in Bulgaria, and increasing the equity stakes in Severočeské doly and Severočeská energetika. Additions to property, plant and equipment and other non-current assets were up CZK 3.5 billion (+31.9%) due in particular to expenditures for the retrofit of

Tušimice II Power Station. Cash used in financing activities fell year-on-year by CZK 2.4 billion due to higher borrowing.

Capital Expenditures

Preparations for a new generating unit (660MW at Ledvice Power Station) are ongoing, including basic engineering, documentation for land-use proceedings, and EIA. Also, preparations began for a new 660MW unit at the Počerady Power Station site. Approval of the business plan, further preparatory work, and implementation of the project will depend on whether an agreement is reached on how to supply the unit with fuel.

Electricity Market

Overall CEZ Group net electricity sales totaled 52.5 TWh. Of this, 21.0 TWh was sold wholesale, 31.5 TWh was sold to end customers outside of CEZ Group, and 1.4 TWh was sold within CEZ Group.

Power Production and Trading Segment

		Generation and Trading		TWh	Generation		TWh	Trading						
		Q1 - Q3	Q1 - Q3		Q1 - Q3	Q1 - Q3		Q1 - Q3 2006		Q1 - Q3 2005				
		2006	2005		2006	2005		domestic	foreign	domestic	foreign			
Total revenues	CZK m	71,831	51,606	Electricity generation	47.8	44.6								
EBITDA	CZK m	32,034	25,271	of which: nuclear PPs	19.9	18.0	Electricity purchased	5.2	6.2	3.9	0.4			
EBIT	CZK m	21,600	15,010	coal PPs	25.8	24.9	Electricity sold	42.4	12.2	38.5	5.9			
Head count	persons	7,925	7,224	hydro and other	2.0	1.7	of which: outside CEZ Group	18.5	12.2	22.3	5.9			
							Balance	37.2	6.0	34.6	5.6			

CEZ Group electricity generation was up 7.1% year-on-year, driven by higher production across all plant types. Higher production in coal-fired plants was caused by the inclusion of the Polish power plants ELCHO and Skawina (1.3 TWh) in the figures. Production in coal-fired plants in the Czech Republic was down 0.4 TWh.

CEZ Group home market sales in the Power Production and Trading Segment were up 3.9 TWh (+10.0%). Of this, sales in the Czech Republic grew by 2.6 TWh (+6.8%) and electricity purchases there also grew, by 1.3 TWh, sending the resulting balance up by 1.3 TWh as well. ELCHO and Skawina sold 1.3 TWh in their home market of Poland. The balance of foreign electricity sales and purchases was up 0.5 TWh (+8.4%) on growth in imports and exports by 5.8 TWh and 6.3 TWh, respectively.

The main sales campaign in the domestic power market followed August's auction of power from the "Virtual Power Plant". High trader demand for the 500MW of 2007 power drove the price up to 1,244 CZK/MWh – an increase of 19.5% over the figure reached in the previous year's auction. At the same time as this auction, ČEZ, a. s. offered traders quarterly and monthly products with a pre-determined maximum price. Compared to 2006, demand for these products nearly septupled and the total demand reached 12.5 TWh. Since this exceeded production capacity, ČEZ, a. s. cut this back to a final 8.9 TWh in filled orders. As a result, the average wholesale price of a typical delivery for consumption in 2007 was up 16.8% year-on-year. With the exception of late September and early October, the baseload price in Germany remained in the 56 - 58 EUR/MWh range. Following a price shock in late April and early May, the carbon emissions market recovered and the price for one permit (forward 2006) remained at around 16 EUR/ton up until mid-September. Since then we can observe a sustained decline in the value of carbon emissions permits to the current level of 9 - 10 EUR/ton.

Distribution and Sale Segment

		Total		Czech Republic		Bulgaria		Romania		
		Q1 - Q3	Q1 - Q3	Q1 - Q3	of which: ČEZ	Q1 - Q3	Q1 - Q3	Q1 - Q3	Q1 - Q3	
		2006	2005	2006	Distribute	2005	2006	2005	2006	2005
Total revenues	CZK m	68 044	52 356	51 582	21 305	43 960	8 826	8 396	7 636	x
EBITDA	CZK m	10 878	8 873	7 413	4 893	7 545	1 803	1 328	1 662	x
EBIT	CZK m	7 068	5 512	4 987	2 789	4 909	1 028	603	1 054	x
Sales of electricity	TWh	32,4	26,7	23,7	x	21,0	5,9	5,8	2,8	x
of which: outside CEZ Group	TWh	30,9	25,7	22,2	x	20,0	5,9	5,7	2,8	x
Distribution	TWh	36,9	29,1	24,5	24,5	23,4	5,9	5,8	6,4	x
Employee Head Count	persons	13 199	11 185	5 413	1 124	6 284	4 784	4 901	3 002	x

Net electricity demand in the Czech Republic grew, driven in particular by ongoing economic growth, by 1.8 TWh (+4.3%) year-on-year. After adjustment to take into account the long-term average temperature, the growth is +3.9%. Wholesale consumption (including consumption by power producers) was up 4.4% and retail consumption rose by 5.0%. The latter category can be further subdivided into retail business customers (consumption up 280 GWh, or +4.9%) and household customers (up 525 GWh or +5.1%).

Revenues increased year-on-year due to the inclusion of Romania-based Electrica Oltenia, which was not a part of CEZ Group in the same period of 2005 and improved top-line performance in the Bulgarian distribution companies. When the 2.6 TWh in sales that ČEZ Prodej, s.r.o. (in the Distribution and Sale Segment) took over from ČEZ, a. s. (part of the Production and Trading Segment) in early 2006 are included, Czech Republic sales volume of this segment remained at the same level year-on-year. Lower

EBIT growth in the Czech Republic is caused by the spin-off of certain operations from the former regional electricity distribution companies to the “Other” segment.

Mining Segment

		Mining		thousands of metric tons	Coal Sales	
		Q1 - Q3 2006	Q1 - Q3 2005		Q1 - Q3 2006	Q1 - Q3 2005
Total revenues	CZK m	6,495	5,948	Total coal sales	15,968	16,140
EBITDA	CZK m	2,758	2,997	of which: ČEZ	11,805	12,826
EBIT	CZK m	2,042	2,320	plants over 50 MW	2,061	1,235
Head Count	persons	3,518	3,590	coal exports	183	156
				other plants and traders	1,919	1,923

The fact that revenues and EBIT moved in opposite directions is due in particular to a change in the methodology used to determine provisions for mining damages. In 2005, the provision was created as a one-off item at year end, while this year it is created incrementally. Draw-down of the provision is envisioned in 2007.

ČEZ, a. s. Ratings

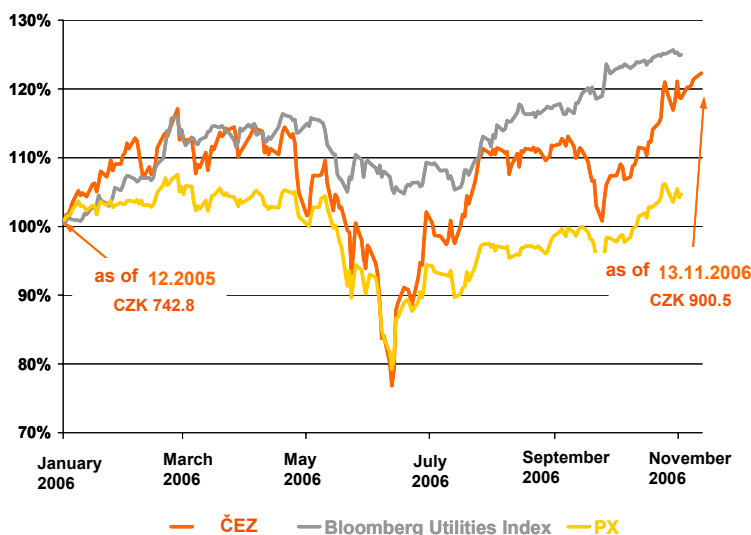
Standard & Poor's: “A-“ with stable outlook

Moody's: “A2“ with stable outlook

Other Information

- On October 17, ČEZ, a. s. issued EUR 500 m in eurobonds maturing in 7 years and with a 4½% coupon.
- On October 2, fulfillment of the last condition precedent and a EUR 100 million capital increase completed the acquisition of the Varna Power Station in Bulgaria. The purchase price for the acquisition was EUR 206 million and CEZ Group will invest another EUR 40 million in various energy-related projects in Bulgaria.
- On September 14, the subsidiary ČEZ Srbija DOO obtained a license to trade in electricity in Serbia, making it the ninth country in which CEZ Group is authorized to trade in electricity. Within the framework of the Energy Community Treaty with the EU, Serbia and other countries of Southeastern Europe have agreed to liberalize their electricity and gas markets.
- During July and August, foreign equity stakes in our target market have been expanded by the establishment of the following new companies: ČEZ Laboratories Bulgaria EOOD, ČEZ Elektro Bulgaria AD (established as part of unbundling in Bulgaria), ČEZ Srbija DOO and New Kosovo Energy L.L.C. (development activities in the given territory).
- On October 16, a second spent nuclear fuel repository was opened at Dukovany Nuclear Power Station. Its capacity will be sufficient for 40 years of plant operation.
- ČEZ, a. s. agreed to spend profits realized on emissions permits saved on measures leading to reduced intensity of greenhouse gas emissions in general, and on development of renewable sources of energy in particular, including the utilization of dedicated energy crops for the generation of electricity and heat.
- On November 3, the authorities of the South Bohemia Region issued a use permit covering Units 1 and 2 of Temelín Nuclear Power Station. The use permit entered into legal force on November 6, 2006.
- On September 21, Vice Chairman of the Supervisory Board Jiří Bis resigned and Tomáš Hüner, Deputy Minister of Industry and Trade, was co-opted to take his place. Martin Kocourek became a new member of the Supervisory Board.
- On October 30, ČEZ, a. s. became the sole shareholder of Severočeská energetika, a.s.
- On October 25, trading in the shares of ČEZ, a. s. began on the Warsaw Stock Exchange (WSE). The market welcomed the move, sending the share price up 5% and ČEZ accounted for 13% of WSE trading volume on that day.

ČEZ, a. s. Share Performance in 2006 Compared to the Prague Stock Exchange's PX Index and the Bloomberg Utilities Index



Consolidated Income Statement in accordance with IFRS (CZK m)	7-9/2006	1-9/2006	7-9/2005	1-9/2005
Revenues	36,527	113,710	27,687	89,402
Sales of electricity	34,153	105,798	25,694	82,910
Heat sales, sale of coal and other revenues	2,374	7,912	1,993	6,492
Operating expenses	29,959	83,769	22,044	66,199
Fuel	2,835	8,084	2,220	6,752
Purchased power and related services	11,862	36,361	7,958	26,176
Repairs and maintenance	1,370	3,214	983	2,339
Depreciation and amortization	7,408	18,358	5,143	15,180
Salaries and wages	3,508	10,089	3,271	8,955
Materials and supplies	1,341	3,513	1,023	2,833
Emission rights	45	-471	0	0
Other operating expenses	1,590	4,621	1,446	3,964
Income before other expense/income and income taxes	6,568	29,941	5,643	23,203
Other expenses/income	-162	1,506	803	3,279
Interest on debt, net of capitalized interest	642	1,511	477	1,276
Interest on nuclear provisions	470	1,416	606	1,817
Interest income	-221	-511	-111	-292
Foreign exchange rate losses/gains, net	-71	-560	-300	351
Gain(-)/Loss on sale of subsidiary/associate	-12	225	0	193
Negative goodwill write-off	0	0	0	-20
Other expenses/income, net	-961	-501	143	27
Income from associates	-9	-74	-12	-73
Income before income taxes	6,730	28,435	4,840	19,924
Income taxes	1,279	6,416	1,252	4,653
Net income	5,451	22,019	3,588	15,271
Net income attributable to equity holders of the parent	5,221	21,125	3,453	14,581
Net income attributable to minority interests	230	894	135	690
Earning per Share in CZK - basic		35.8		24.7
Earning per Share in CZK - diluted		35.7		24.6

Consolidated Statement of Shareholders' Equity in accordance with IFRS (CZK m)	Attributable to Equity Holders of the Parent					Minority Interests	Total Equity
	Stated capital	Translation Differences	Fair Value and Other Reserves	Retained Earnings	Total		
December 31, 2004	59,218	-2	85	112,796	172,097	6,350	178,447
Change in fair value of available-for-sale financial assets recognized in equity			39		39	3	42
Available-for-sale financial assets removed from equity to P&L			18		18	1	19
Change in fair value of cash flow hedges recognized in equity			73		73		73
Cash flow hedges removed from equity			-157		-157		-157
Translation differences		-268			-268	-113	-381
Other movements				-12	-12		-12
Gain and loss recorded directly to equity		-268	-27	-12	-307	-109	-416
Net Income for period 1-9/2005				14,581	14,581	690	15,271
Total gains and losses for period 1-9/2005		-268	-27	14,569	14,274	581	14,855
Effect of acquisition of ŠKODA PRAHA on equity				111	111		111
Acquisition of treasury shares	-1,246				-1,246		-1,246
Sale of treasury shares	331			-78	253		253
Dividends declared to shareholders of the parent				-5,309	-5,309		-5,309
Dividends declared to minority interests				-1,198	-1,198	-536	-1,734
Share options			268		268		268
Change in minority due to acquisitions						2,117	2,117
September 30, 2005	58,303	-270	326	120,891	179,250	8,512	187,762
December 31, 2005	58,237	-789	588	118,637	176,673	14,616	191,289
Change in fair value of available-for-sale financial assets recognized in equity			-80		-80	-17	-97
Available-for-sale financial assets removed from equity to P&L			56		56	1	57
Change in fair value of cash flow hedges recognized in equity			173		173	4	177
Cash flow hedges removed from equity			134		134		134
Translation differences		-71		-71	-71	17	-54
Other movements			-2	-6	-8	-4	-12
Gain and loss recorded directly to equity		-71	281	-6	204	1	205
Net Income for period 1-9/2006				21,125	21,125	894	22,019
Total gains and losses for period 1-9/2006		-71	281	21,119	21,329	895	22,224
Acquisition of treasury shares	-899				-899		-899
Sale of treasury shares	303			-174	129		129
Dividends declared to shareholders of the parent				-8,853	-8,853		-8,853
Share options			160		160		160
Transfer of exercised and forfeited share options within equity			-238	238			
Change in minority due to acquisitions						-2,664	-2,664
September 30, 2006	57,641	-860	791	130,967	188,539	12,847	201,386

Consolidated Balance Sheet in accordance with IFRS (CZK m)	k 30.9.2006	k 31.12.2005
Assets	353,574	324,209
Fixed assets	303,282	280,400
Plant in service	457,055	439,416
Less accumulated provision for depreciation	215,774	199,756
Net plant in service	241,281	239,660
Nuclear fuel, at amortized cost	7,174	7,860
Construction work in progress	14,265	11,570
Investment in associates	410	929
Investments and other financial assets, net	24,232	13,811
Intangible assets, net	15,128	6,046
Deferred tax assets	792	524
Current assets	50,292	43,809
Cash and cash equivalents	17,158	16,791
Receivables, net	12,441	14,792
Income tax receivable	2,175	1,478
Materials and supplies, net	4,759	3,671
Fossil fuel stock	1,040	756
Emission rights	2,649	134
Other current assets	10,070	6,187
Equity and liabilities	353,574	324,209
Equity	201,386	191,289
Equity attributable to equity holders of the parent	188,539	176,673
Stated capital	57,641	58,237
Retained earnings and other reserves	130,898	118,436
Minority interests	12,847	14,616
Long-term liabilities	82,540	81,429
Long-term debt, net of current portion	30,180	30,586
Accumulated provision for nuclear decommissioning and fuel storage	36,270	35,869
Other long-term liabilities	16,090	14,974
Deferred taxes liability	26,042	18,555
Current liabilities	43,606	32,936
Short-term loans	2,774	265
Current portion of long-term debt	12,263	7,888
Trade and other payables	19,408	16,243
Income tax payable	9	630
Accrued liabilities	9,152	7,910

Consolidated Cash Flow Statement in accordance with IFRS (CZK m)	1-9/2006	1-9/2005
Cash and cash equivalents at beginning of period	16,791	8,942
Operating activities:	45,860	33,277
Income before income taxes	28,435	19,924
Depreciation and amortization and asset write-offs	18,363	15,193
Amortization of nuclear fuel	2,340	2,201
(Gain)/Loss in fixed assets retirements	60	66
Foreign exchange rate loss (gain)	-560	351
Interest expense, interest income and dividends income, net	934	907
Provision for nuclear decommissioning and fuel storage	211	486
Valuation allowances, other provisions and other adjustments	665	-150
Income from associates	-74	-73
Changes in assets and liabilities	-2,426	8
Income taxes paid	-1,493	-4,873
Interest paid, net of interest capitalized	-1,205	-1,134
Interest received	490	289
Dividends received	120	82
Investing activities	-36,391	-12,988
Financing activities	-8,949	-11,358
Net effect of currency translation on cash	-153	-38
Cash and cash equivalents at end of period	17,158	17,835

Segments details Q1 - Q3 2006 (m CZK)	power production and trading	distribution and sale	Mining	Other	Total
Total revenues	71,831	68,044	6,495	9,115	-
of which revenues from outside CEZ Group	43,988	64,871	2,549	2,302	113,710
EBITDA	32,034	10,878	2,758	2,629	48,299
EBIT	21,600	7,068	2,042	-770	29,941
Head count	7,925	13,199	3,518	5,822	30,464