

Press release of the ČEZ Company

2.1.2007

Members of the ČEZ management will carry out part of their options

Five members of the management announced the ČEZ Company that they will carry out part of their options awarded within the ČEZ share motivation programme. In case of all current members of the executive board it is just a little (at most 25%) part of shares, to which they are entitled according to the option contracts.

Summary of options carried out by members of the ČEZ executive board in January 2007

Name***	Number of options	Number of shares to be gained by the current option execution	Estimation of expense share from revenues* (in %)	Revenue from share sales (in CZK millions)
Roman Martin	750 thousands pieces of shares	75 thousands pieces of shares	42%	43.4
Borovec Jiří	300 thousands pieces of shares	75 thousands pieces of shares	47%	40,0
Beneš Daniel	300 thousands pieces of shares	75 thousands pieces of shares	49%	38,1
Pleskač Tomáš	300 thousands pieces of shares	75 thousands pieces of shares	49%	38,1
Svoboda Alan**	300 thousands pieces of shares	300 thousands pieces of shares	44%	It is impossible to determine without knowing the number of the sold shares

* Share of expenses (acquisition price of the shares and income tax amounting to 32% from the difference between purchase price and exchange rate of the ČEZ shares at the Prague Stock Exchange on 2.1.07) from the total revenues,

** A. Svoboda was member of the ČEZ executive board until 21.4.2006. According to the regulations of the option programme he has to carry out his options at latest by 12 months after end of his membership in the executive board. Possibility for the management to carry out options in the next months is restricted by information duties of the Company.

*** The claim to option for the last member of the executive board Zdeněk Pasák has not arisen yet.

Members of the ČEZ executive board keep most of their options in the future. In case Martin Roman it is at least 90% and in case of the others it is 75%. Partial execution of the options is usual for companies motivating their top managers in this way. The adapted optional programme for new members of the ČEZ management also supposes sequential execution of options in several years.

„We had agreed together a long time ago that after almost three years in the ČEZ management and provided that the ČEZ shares will rise, we will carry out smaller part of our options. It also contributed to our decision that the share price has reached 1000 recently, which confirmed the value that we created for all shareholders“, stated Martin Roman, chairman of the executive board and ČEZ general

manager. „I see in it a certain moment of reward for evaluation of the company to its owners, i.e. to the Czech state.“

The option program in ČEZ was introduced in 2001, when none of the current members of the executive board had acted in the management of the company. Option is a standard financial instrument providing the holder with right to buy shares in future for a price stated in advance, which can be bought by every investor. Members of the ČEZ executive board gain by an option contract a right to buy shares for a price resulting from the average price of shares before entering into their office. The goal of this motivation programme is to interest the company management in evaluation of the company for the shareholders. In case of ČEZ, every shareholders will earn 370 crowns per each crown of the revenues for the company management (the executive board and members of the executive committee).

Basic information on the ČEZ option programme

- Option programme is a standard tool for motivating the company management connecting its interests with interests of the shareholders. Option programme of this kind are used in practice by all significant publicly listed companies.
- The ČEZ option programme was approved by the ČEZ general meeting in 2001. At that time it did not refer to anyone of the current members of the executive board.
- Information on the option programme were published during its approval in 2001
- Till the beginning of 2004, the price of the ČEZ shares virtually stagnated and the option programme did not bring the beneficiaries any remarkable revenues
- Since spring 2004, the share price started to rise systematically after the new ČEZ management had entered into its office, which in addition to shareholders' gains also caused rise in revenues from the option programme of the management

Option programme mechanism:

To whom it refers: The executive board
 Members of the ČEZ executive committee
 (claim to sign an option contract arises 3 months after entering into office)

What it comprises: Possibility to buy company shares for the price before their entering into office
 (Option is a standard financial product – advantage for the participants of the
 programme is that they do not have to pay for it and that they can choose
 moment of its execution)

Rules:

- Participation in the option programme is a one-time step (value of the potential revenue cannot therefore be added to the annual salary)
- Option value depends on share value (it changes in time both upwards and downwards) – till the moment of option execution and sale of share it is therefore not possible to set the exact revenue

- Participants of the programme have to buy shares for their own money and pay income tax from the difference between acquisition value and current value – net revenue is therefore significantly lower

Results of the option programme:

The ČEZ option programme certainly contributed to the fact that the market capitalization of the company rose more than 5 times in the last two years and a half, i.e. by 460 milliard crowns (two thirds of it fall on the state). Due to effective management, cost reductions and cautious investments abroad, the ČEZ value rises significantly faster than value of other energetic companies, even though electricity prices in the CR rise slower than in all other neighbouring countries.

	Rise in electricity price in 2004-2006		Rise in the ČEZ/utility share prices**)
	CZK	%	%
Czech Republic	431	53%	434%
Germany, Europe	566*)	63%	85%

*) used exchange rate 28.30 CZK/EUR

**) Bloomberg Utilities Index