

CEZ GROUP BRIEF REPORT FOR 1ST QUARTER 2007

NON-AUDITED, CONSOLIDATED RESULTS

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Highlights

Prague, 17 May 2007

- Net income up CZK 2.6 billion year-on-year (+25.1%) to CZK 13.0 billion.
- EBITDA up CZK 1.3 billion (+6.6%) to CZK 21.7 billion.
- General Meeting approves shareholder dividend of CZK 20 per share (gross).
- ČEZ, a. s. commences share buy-back program in late April.

Key Figures	Units	As of March 31, or 3 months ended March 31, 2007	As of March 31, or 3 months ended March 31, 2006	Index 07/06
Generation of electricity (gross)	GWh	18,765	16,763	111.9%
Sales of electricity	GWh	20,906	19,611	106.6%
Sales of heat	TJ	4,283	4,602	93.1%
Revenues	CZK millions	44,124	40,653	108.5%
Operating expenses (excl. depreciation & amortization)	CZK millions	-22,383	-20,249	110.5%
of which, e.g.: CO2 emission permits	CZK millions	493	615	80.2%
EBITDA	CZK millions	21,741	20,404	106.6%
- Central Europe segment	CZK millions	20,773	19,025	109.2%
- Southeastern Europe segment	CZK millions	968	1,379	70.2%
Depreciation and amortization	CZK millions	-5,423	-5,582	97.2%
Operating income (EBIT)	CZK millions	16,318	14,822	110.1%
Net income	CZK millions	12,977	10,371	125.1%
Return on equity (ROE), net	%	15.4	13.3	115.8%
Price/earnings ratio (P/E)	1	23.3	19.9	117.1%
Net debt / EBITDA	1	0.13	0.26	49.6%
Net debt / equity	%	4.1	7.5	53.9%
Capital expenditure (CAPEX)	CZK millions	4,271	2,352	181.6%
Investments	CZK millions	132	35	377.1%
Operating cash flows	CZK millions	17,754	12,439	142.7%
Employee head count	persons	31,072	29,817	104.2%

Revenues, Expenses, Income

CEZ Group net income was up CZK 2.6 billion (+25.1%) year-on-year and EBITDA grew by CZK 1.3 billion (+6.6%). There were two main drivers: first, growth in the gross margin on electricity production and trading, where a decline in spot electricity prices was offset by decline in CO₂ emission allowance costs, and, second, cost savings. A negative factor, on the other hand, was warm weather, which caused a drop in the gross margins of ČEZ Distribuce (down CZK 0.7 billion), ČEZ Prodej and the foreign distribution companies. Another factor contributing to the year-on-year income growth was the addition of new members to CEZ Group. The Poland-based power plants ELCHO and Skawina entered the consolidation in June 2006 and the Varna Power Station and other newly established companies in Bulgaria, Poland, Serbia and Kosova are reflected in the results from the 4th quarter of 2006.

Cash Flows

Net cash provided by operating activities, at CZK 17.8 billion, was up CZK 5.3 billion (+42.7%) year-on-year as a result of the higher income figure. Cash used in investing activities, at CZK 8.5 billion, rose by CZK 3.4 billion (+67.3%) year-on-year, driven in particular by a CZK 2.0 billion (+184.3%) incremental increase in bank deposits linked to special provisions. Additions to property, plant and equipment grew by CZK 1.3 billion (+30.7%), mostly on higher expenditures for plant renewal. CZK 2.0 billion in cash was used in financing

activities, in conjunction with repayment of loans and credits, while in the same period of last year new borrowing exceeded repayments.

Capital Expenditures

The comprehensive retrofit of the Tušimice II Power Station (4 x 200 MW) project went forward, and the principal components of the most significant parts of the facility were manufactured. The business plan for the comprehensive retrofit of the Prunéřov II Power Station (3 x 250 MW) was approved and the project's technical parameters were optimized. In the project to build a new generating facility (1 x 660 MW) at the Ledvice Power Station, tenders are underway to select contractors. Preparatory work is also underway on a project to build a new generating facility for the Počerady Power Station. The total spent on all the above projects in 1st quarter 2007 was of CZK 937 million.

Upgrades of ČEZ's nuclear power stations are also underway. For Temelín, new, more efficient high-pressure turbogenerator components were manufactured. At Dukovany, the I&C systems upgrade continues. Capital expenditures at nuclear plants in 1st quarter 2007 totaled CZK 496 million.

Another CZK 127 million was expended to desulfurize and upgrade the Skawina Power Station in Poland.

Trading in Electricity and Emission Allowances

The first quarter was characterized by above-average warm and dry weather, which caused electricity demand to fall. This situation was also accompanied by a decline in electricity spot prices, but this did not have a material impact on ČEZ, a.s. financial performance because the low price of electricity was offset by the low price of CO₂ emission allowances, which since the beginning of the year has fallen to its current level of approximately EUR 1/t. The fall in emission allowance prices is primarily caused by

anticipation of an allocation surplus in NAP I. On the other hand, the price of CO₂ for the second allocation period, after most countries announced they would cutting back their allowances, rose to around EUR 18/t. So far this year, the electricity consumption and generation figures confirm the ongoing trend towards electricity becoming scarcer in our region as well as a substantial shift in electricity flows more and more to the east. This trend is expected to continue as demand in Central & Southeastern Europe is growing and more and more generating facilities are being taken off-line.

Central Europe (CE) Segment

Central Europe (CE)		Consolidated		Power Production & Trading		Distribution & Sale		Mining		Other	
		Q1 2007	Q1 2006	Q1 2007	Q1 2006	Q1 2007	Q1 2006	Q1 2007	Q1 2006	Q1 2007	Q1 2006
Sales other than intersegment sales	CZK millions	36,921	33,997	17,129	12,446	18,642	19,872	787	950	435	729
Intersegment sales	CZK millions	72	0	10,976	11,414	770	1,279	1,735	1,411	4,220	2,758
Total revenues	CZK millions	36,993	33,997	28,105	23,860	19,412	21,151	2,522	2,361	4,655	3,487
EBITDA	CZK millions	20,773	19,025	15,420	12,882	2,657	3,774	1,388	1,218	1,308	1,152
EBIT	CZK millions	15,871	13,898	12,042	9,437	1,903	3,146	1,120	990	805	325
Employee headcount	persons	22,667	22,128	7,864	7,152	1,379	1,336	3,541	3,549	9,883	10,091

CE: Power Production & Trading

Power production in the Central Europe Segment was up 1.5 TWh (+8.9%) year-on-year, and 1.1 TWh of this was attributable to the power plants in Poland, which were not part of CEZ Group in first quarter 2006. The 0.4 TWh production increase in the Czech Republic was covered by higher production in coal-fired plants (+1.4 TWh) while production in nuclear plants declined by 1 TWh.

CE: Power Production		Q1 2007	Q1 2006
Power produced	TWh	18.3	16.8
of which: nuclear plants	TWh	6.1	7.1
coal plants	TWh	11.7	9.2
hydro and other plants	TWh	0.5	0.5

Electricity sales in the Central Europe Segment grew by 7.2 TWh. Of this, 5.9 TWh was due to higher trading volume, especially outside the Czech Republic, and 1.3 TWh was due to higher sales of electricity generated in-house. ELCHO and Skawina sold 1.1 TWh of electricity in their domestic market (Poland).

January 2007 saw the establishment of the Prague Energy Exchange; trading is to begin in July 2007. ČEZ, a.s. volunteered to be a market maker and expects to sell the bulk of its production output through the new exchange.

CE: Wholesale (trading)		Q1 2007		Q1 2006	
		domestic	foreign	domestic	foreign
Electricity purchased	TWh	3.0	6.5	2.0	1.7
of which, e.g.: wholesale	TWh	2.0	6.5	1.2	1.7
Electricity sold	TWh	17.5	8.6	15.5	3.4
of which, outside CEZ Group	TWh	8.9	8.6	5.8	3.4
- wholesale	TWh	8.7	8.6	5.6	3.4
- to end customers	TWh	0.3	0.0	0.3	0.0
Balance	TWh	14.4	2.1	13.5	1.7

CE: Distribution & Sales

Net demand for electricity in the Czech Republic fell according to ČEZ estimates by 1.1 TWh (-6.7%) year-on-year, to 15.9 TWh. When adjusted to the long-term average temperature, the fall in demand would be 5%. In the Czech Republic, ČEZ Prodej sold 7.8 TWh of

CE: Distribution & Retail		Q1 2007	Q1 2006
Sold to end customers outside of CEZ Group	TWh	7.2	8.8
Electricity distributed to end customers	TWh	8.9	9.7

electricity for final consumption (of this amount, 0.6 TWh was within CEZ Group – mainly to ČEZ Distribuce to cover grid losses). This represents a 1.9 TWh year-on-year drop in sales, which took place due to lower demand related to both the warmer weather and growing competition in the liberalized market. The market share of ČEZ Prodej at the end of 1st quarter 2007 was 45.4%. ČEZ Distribuce reduced electricity distribution to end customers to 8.9 TWh (-7.6%) in line with the overall fall in Czech Republic electricity demand. This reduction caused a CZK 0.9 billion (-29.8%) year-on-year decline in EBITDA. In addition to the warm weather, ČEZ Distribuce's financial performance was also impacted by higher mandatory buying of power produced from renewable sources of energy and higher repair and maintenance costs following a natural catastrophe in January.

CE: Mining Segment

CE: Coal sales		Q1 2007	Q1 2006
Coal sold, total	kt	6,184	5,831
of which: sold to ČEZ, a.s.	kt	4,815	4,258

Southeastern Europe (SEE) Segment

Southeastern Europe (SEE)		Consolidated		Power Production & Trading		Distribution & Sale		Other	
		Q1 2007	Q1 2006	Q1 2007	Q1 2006	Q1 2007	Q1 2006	Q1 2007	Q1 2006
Total revenues	CZK millions	7,204	6,656	658	-	6,544	6,654	225	7
EBITDA	CZK millions	968	1,379	62	-	899	1,385	8	-6
EBIT	CZK millions	447	924	17	-	432	931	-1	-7
Employee headcount	persons	8,405	7,689	852	1	6,520	7,652	1,033	36

SEE: Power Production & Trading

As of 4th quarter 2006, CEZ Group owns the Varna Power Station, which produced 0.5 TWh of electricity in 1st quarter 2007.

SEE: Power Production & Wholesale		Q1 2007	Q1 2006
Electricity produced	TWh	0.5	-
Electricity purchased	TWh	0.0	-
Electricity sold	TWh	0.5	-
- of which, outside the Group	TWh	0.5	-

SEE: Distribution & Sales

Our distribution companies in Bulgaria and Romania sold a total of 3.5 TWh in 1st quarter 2007, down 1% year-on-year. The lower sales figure is related to lower electricity demand due to warm weather. Sales to end customers totaled 3.2 TWh.

SEE: Distribution & Retail		Q1 2007	Q1 2006
Sold to end customers outside of CEZ Group	TWh	3.2	3.5
Electricity distribution	TWh	4.6	4.7

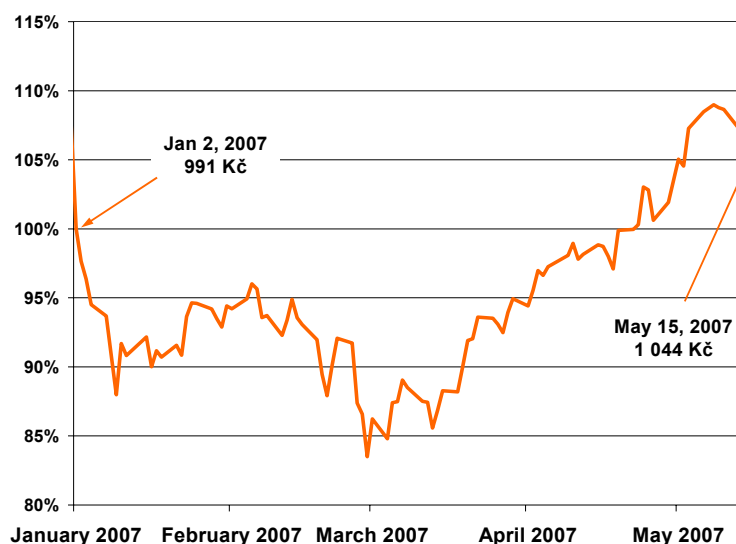
Other Information

- On May 16, an implementation agreement was signed concerning joint action by the shareholders of NERS, d.o.o., a joint venture of ČEZ, a. s. and Elektroprivreda Republike Srpske (ERS) in Republika Srpska in Bosnia and Herzegovina. Under the agreement, ČEZ, a. s. is to invest cash in NERS, d.o.o., while ERS is to invest an existing power plant and lignite mine. Closing is to take place no later than March 31, 2008.
- On April 23, the General Meeting of ČEZ, a. s. passed a resolution under which the Company may buy back its own shares for a period of 18 months starting on the General Meeting date. The buy-back is limited to a maximum number of 59,221,000 shares and the price must be in the range of CZK 300 – 2,000 per share. The buy-back is taking place through regulated exchanges where the shares are listed, i.e. the Prague and Warsaw Stock Exchanges. The first day of the buy-back was April 30.
- The General Meeting confirmed the following Supervisory Board members: Martin Kocourek, Tomáš Hüner, and Zdeněk Hrubý. It elected the following new Supervisory Board members: Ivan Fuksa, Josef Janeček, and Petr Kalaš. The following members left the Supervisory Board: Petr Kousal, Aleš Cincibus, and Karel Zeman.
- The General Meeting also approved a gross dividend of CZK 20 per share, with pay-out to begin on August 1, 2007. The total amount allocated for the dividend is CZK 11.8 billion.
- On April 5, the Most-based company Teplárenská, a.s. became a member of CEZ Group. This company owns a district heat network that supplies heat to major cities of North Bohemia such as Chomutov, Jirkov, Klášterec nad Ohří, Kadaň, Teplice, and Bílina. Most of the heat comes from ČEZ, a. s. power plants.
- On April 27, ČEZ, a. s. signed a Protocol of Cooperation with Russia-based companies RAO JES and TGK-4. The companies agreed to explore the possibility of establishing a joint venture between RAO JES (TGK-4) and ČEZ with the objective of potentially building a new 420 MW combined cycle generating unit and two (200 - 250 MW) coal-fired units in the Shchekinskaya Power Station 200 km south of Moscow. The parties also signed an agreement on participation in the RAO JES restructuring process.

ČEZ, a. s. Ratings

- Standard & Poor's: "A-", outlook: stable
- Moody's: "A2", outlook: stable

ČEZ, a. s. Share Performance



Consolidated Income Statement in accordance with IFRS (CZK m)			1-3/2007	1-3/2006	Consolidated Balance Sheet in accordance with IFRS (CZK m)			as of	#####	31/12/2006		
Revenues			44,124	40,653	Assets			385,360	368,655			
Sales of electricity			40,967	37,684	Fixed assets			304,202	301,989			
Sales and costs from electricity derivative trading, net			537	-119	Plant in service			468,166	464,776			
Heat sales and other revenues			2,620	3,088	Less accumulated provision for depreciation			224,575	219,073			
Operating expenses			-27,806	-25,831	Net plant in service			243,591	245,703			
Fuel			-4,061	-2,657	Nuclear fuel, at amortized cost			7,335	7,376			
Purchased power and related services			-11,867	-11,870	Construction work in progress			18,095	16,684			
Repairs and maintenance			-705	-672	Investment in associates			439	430			
Depreciation and amortization			-5,423	-5,582	Investments and other financial assets, net			16,479	13,277			
Salaries and wages			-3,536	-2,885	Intangible assets, net			17,551	17,820			
Materials and supplies			-1,471	-938	Deferred tax assets			712	699			
Emission rights, net			493	615	Current assets			81,158	66,666			
Other operating expenses			-1,236	-1,842	Cash and cash equivalents			38,606	30,932			
Income before other expense/income and income taxes			16,318	14,822	Receivables, net			18,534	16,334			
Other expenses/income			-89	-1,115	Income tax receivable			242	152			
Interest on debt, net of capitalized interest			-595	-420	Materials and supplies, net			5,066	4,308			
Interest on nuclear and other provisions			-481	-473	Fossil fuel stocks			1,583	1,195			
Interest income			267	99	Emission rights			2,348	2,224			
Foreign exchange rate losses/gains, net			-29	167	Other financial assets, net			12,026	8,952			
Gain(-)/Loss on sale of subsidiaries/associates			0	0	Other current assets			2,753	2,569			
Negative goodwill write-off			0	0	Equity and liabilities			385,360	368,655			
Other expenses/income, net			730	-545	Equity			220,820	207,653			
Income from associates			19	57	Equity attributable to equity holders of the parent			207,827	194,937			
Income before income taxes			16,229	13,707	Stated capital			57,509	57,278			
Income taxes			-3,252	-3,336	Retained earnings and other reserves			150,318	137,659			
Net income			12,977	10,371	Minority interests			12,993	12,716			
Net income attributable to equity holders of the parent			12,681	9,989	Long-term liabilities			94,492	94,182			
Net income attributable to minority interests			296	382	Long-term debt, net of current portion			41,689	41,956			
Earning per Share in CZK - basic			21.5	16.9	Accumulated provision for nuclear decommissioning and fuel storage			36,841	36,683			
Earning per Share in CZK - diluted			21.4	16.9	Other long-term liabilities			15,962	15,543			
					Deferred taxes liability			23,114	20,017			
					Current liabilities			46,934	46,803			
					Short-term loans			238	121			
					Current portion of long-term debt			5,120	6,365			
					Trade and other payables			24,560	22,905			
					Income tax payable			5,514	6,222			
					Accrued liabilities			11,502	11,190			
					Consolidated Cash Flow Statement in accordance with IFRS (CZK m)			1-3/2007	1-3/2006			
					Cash and cash equivalents at beginning of period			30,932	16,791			
					Operating activities:			17,754	12,439			
					Income before income taxes			16,229	13,707			
					Depreciation and amortization and asset write-offs			5,423	5,583			
					Amortization of nuclear fuel			650	830			
					(Gain)/Loss in fixed assets retirements			21	-108			
					Foreign exchange rate loss (gain)			29	-167			
					Interest expense, interest income and dividends income, net			263	319			
					Provision for nuclear decommissioning and fuel storage			112	50			
					Valuation allowances, other provisions and other adjustments			-594	411			
					Income from associates			-19	-57			
					Changes in assets and liabilities			-3,543	-6,793			
					Income taxes paid			-882	-1,028			
					Interest paid, net of interest capitalized			-324	-414			
					Interest received			315	105			
					Dividends received			74	1			
					Investing activities			-8,504	-5,082			
					Financing activities			-2,001	641			
					Net effect of currency translation in cash			425	-148			
					Cash and cash equivalents at end of period			38,606	24,641			
					Business segments details Q1 2007 (CZK m)							
								Power production and trading	Distribution and Sale	Mining	Other	Consolidated
					revenues total			28,730	25,956	2,522	4,880	-
					of which: outside CEZ Group			17,737	25,185	787	415	44,124
					EBITDA			15,483	3,555	1,388	1,315	21,741
					EBIT			12,060	2,335	1,120	803	16,318
					Head count			8,716	7,899	3,541	10,916	31,072

Non-audited results of CEZ Group in accordance with International Financial Reporting Standards.