

Internal Information

CEZ is preparing issue of bonds

Repurchase of treasury stocks of CEZ, a.s., up to 10 % of the nominal value of the fixed capital approved by the general meeting, which is now in progress, was motivated by an endeavour to improve the company's capital structure through increasing indebtedness. So far, the company has used internal financial sources. Along with the successful progress of the purchase of shares, however, a need to use also external financial sources arises.

As a consequence, yesterday, the Board of Directors of CEZ, a.s., decided to issue domestic bonds with short to medium-term maturity in a total volume of CZK 10bn. This issue should use favourable conditions in the domestic market, for which it is primarily intended.

The Board further decided to establish a medium-term eurobond programme (MTN – Medium Term Notes) in the volume of CEZ Group's total debt capacity EUR 4bn. The first tranche of the bond issue would be issued by CEZ, a.s., under this programme in autumn 2007. Both issues must still be approved by the Supervisory Board.