

Inside Information

New organisational structure of the company and the personal changes

Today the Supervisory Board of CEZ, a. s., has expressed positive attitude to the new organizational structure approved by the Board of Directors of the company. The new structure will better correspond with the character and extent of business and also with best practice of management of large international energy companies. The new management structure is a result of company's programme "Effectiveness", which has been commenced this year.

The management of foreign activities of CEZ will be concentrated in the new Division "International". Establishment of the Division "Investment" will reinforce essential organisational basis for management of the massive investment programme of CEZ. (E.g. CEZ will invest more than 100 billion Czech crowns (koruna) into the brown-coal fired power plants reconstruction in the Czech Republic.) Organizational changes also encompass shifts of several sections between the divisions.

Decision concerning personal changes was accepted by the Supervisory Board. The resignation of Mr. Jiri Borovec is accepted with the effect from December 31, 2007. With effect from January 1, 2008 was appointed to the Board of Directors Mr. Vladimir Hlavinka, present director of Temelin Nuclear Power Plant, who will be the new Director of division "Generation" as well.

Supervisory Board has also prolonged the term of office of the Chairman of the Board of Directors and CEO Mr. Martin Roman for other 4 years with effect from February 20, 2008.

Supervisory Board has adopted these decisions sufficiently in advance to confirm company management continuity. In the context of the approved organisational changes, the new Director of Division "Finance" will be Mr. Martin Novak, with effect from January 1, 2008. Present Director Mr. Petr Voboril will be the Director of the Internal Audit of the company. Present director of the Internal Audit, Mr. Radek Pomije, is directed at CEZ Bulgaria.

The new Director of Division "Investment" will be Mr. Petr Bodnar, present Director of the Section of Power Plants Construction.

Mr. Milos Stepanovsky, present Director of Section of the Maintenance of Nuclear Plants, will be the new Director of Temelin Nuclear Power Plant with effect from January 1, 2008.

The new Director of new Division "International" will be Mr. Tomas Pleskac, member of the Board and present Director of Division "Distribution". This position will be overtaken by Mr. Jiri Kudrnac, present CEO of CEZ Distribution.

CVs:

Martin Novak (36) graduated from the University of Economics in Prague. He started his career as a tax advisor at Price Waterhouse in the year 1993. His next place of work was Česká rafinérská, in which he worked from 1996 to 2001, at the end at a position of a Controller, Deputy of the Financial Director. In the next five years he was working for Conoco in Houston and ConocoPhillips in London, in the years 2005 and 2006 as the Financial Director for Central and Eastern Europe. In 2006 he joined the ČEZ Group as the Director of the Accounting Section. Since his coming to the ČEZ Group the financial results reporting got faster, many processes were simplified, the number of accountancy departments was lowered and the effectiveness of the provided services was raised with a straight influence on lowering the costs.

Vladimir Hlavinka (41) graduated from the Technical University in Brno, where he majored in heat and nuclear machinery and equipment. He also graduated from the Faculty of Law of the Masaryk University in Brno. From 1989 to 1991 he worked in the Nuclear Power Plants Research Institute in Trnava, from 1991 to 2000 in ČEZ. From the year 2000 he joined the ALTA Company as a member of the Board of Directors with a responsibility for organization and management, legal services and acquisitions. On the 18th of July 2006 he came back to ČEZ as the Director of the Temelin Nuclear Power Plant. In more than a year in this position he succeeds in improving significantly the operational reliability of the power plant. One of the results was the shortening of the time needed for this year's planned outage.

Peter Bodnar (47) graduated from the Faculty of Mechanical Engineering of the University of Technology in Bratislava. Straight after his graduation in 1984 he started working in SES Tlmače as a design engineer and projector, later on as the Head of the Engineer's Office. From 1992 to 2001 Bodnar worked in various management positions in Istroenergo Group where he got a lot of experiences in enterprise activities. He also participated in various projects in Turkey, Cuba and United Arabian Emirates in co-operation with the Škoda Company. From the year 2002 he was working in the French multinational Alstom Power Service as its General Manager for Slovakia and later also for the Czech Republic. Before joining the ČEZ Group worked at Slovenske Elektrarne as a Director of the Quality and Processes Improvement Section. He was leading the restructuring process and also was responsible for the implementation of improvements in the company. At the end of 2005 he participated in preparation of Enel acquisition of Slovenske Elektrarne. He joined the ČEZ Group in June 2007.

Jiri Kudrnac (42) graduated from the Faculty of Electrotechnic of the Czech Technical University in Prague where he majored in the electric machines and devices. Since 1990 he was employed in Severočeská energetika. From 1990 to 1995 he worked as a transmission grid technician, the Head of the Department of High Tension Switch Boards, as a leader of analytical and implementation teams in the areas of the control system of high tension equipment, as a member of the reengineering team, as the Head of the Strategy Section and as the Head of the Department of the General Manager. Since April 2005 he was appointed to the position of the General Manager and the Chairman of the Board of Directors of Severočeská energetika. He was also the leader of the D2 Team of the VISION 2008 Project.

Milos Stepanovsky (50) graduated from Faculty of Engineering of Czech Technical University in Prague. In CEZ Power Company has been working from 1982. He started his career in CEZ nuclear power plant Dukovany, i.a. on the position of the unit operator, the head of unit, dispatcher or the deputy director for management of technology policy of the maintenance of Dukovany plant. Since 2004 he had been a director of the generation section, in 2005 director of section administration of CEZ nuclear plants. Since July, 2007 he has been a director of maintenance of CEZ nuclear plants.