

CEZ GROUP BRIEF REPORT FOR Q1 – Q3 2007

NON-AUDITED, CONSOLIDATED RESULTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Highlights

Prague, 15 November 2007

- Net income rose year-on-year by CZK 7.7 billion (34.8%) to CZK 29.7 billion.
- EBITDA was up CZK 6.8 billion (14.2%) to CZK 55.1 billion.
- ČEZ, a. s. is a candidate for cooperation in the construction and operation of two nuclear power plants in Southeastern Europe.
- By 12 November 2007, ČEZ, a. s. had bought back 41.7 million of its own shares (7.05% of the share capital) at an average price of CZK 1,115 per share.
- CEZ Group commenced exclusive negotiations concerning a possible business venture in the Turkish energy market.

Key Figures	Units	As of September 30, or 9 months ended September 30, 2007	As of September 30, or 9 months ended September 30, 2006	Index 07/06
Generation of electricity (gross)	GWh	54,185	47,770	113.4%
Installed capacity	MW	14,390	13,132	109.6%
Sales of electricity	GWh	59,018	53,999	109.3%
Sales of heat	TJ	9,073	7,033	129.0%
Revenues	CZK millions	123,496	108,479	113.8%
Operating expenses (excl. depreciation & amortization)	CZK millions	-68,359	-60,180	113.6%
EBITDA	CZK millions	55,137	48,299	114.2%
- Central Europe segment	CZK millions	51,937	44,834	115.8%
- Southeastern Europe segment	CZK millions	3,200	3,465	92.4%
Depreciation and amortization	CZK millions	-16,198	-18,358	88.2%
Operating income (EBIT)	CZK millions	38,939	29,941	130.1%
Net income	CZK millions	29,684	22,019	134.8%
Return on equity (ROE), net	%	19.5	15.2	128.4%
Price/earnings ratio (P/E)	1	18.5	16.6	111.4%
Net debt / EBITDA	1	0.67	0.47	143.1%
Net debt / equity	%	27.2	14.9	182.6%
Capital expenditure (CAPEX)	CZK millions	-18,192	-12,103	150.3%
Investments	CZK millions	-2,429	-24,223	10.0%
Operating cash flows	CZK millions	43,724	45,860	95.3%
Employee head count	persons	30,287	30,464	99.4%

*) sales to end customers + sales to cover grid losses + wholesale surplus/deficit
**) 12 month sliding

Revenues, Expenses, Income

CEZ Group net income rose year-on-year by CZK 7.7 billion (34.8%) and EBITDA was up CZK 6.8 billion (14.2%). The principal factor driving growth was a CZK 8.8 billion increase in the gross margin, CZK 7.7 billion of which was in power production, trading, and mining in the Czech Republic. The margin in Czech Republic distribution (down by CZK 0.2 billion), on the other hand, had a negative impact. The international result was influenced by a change in the structure of CEZ Group during 2006: the ELCHO and Skawina Power Stations in Poland entered the accounting results in June 2006 and the Varna Power Station and other newly established companies in Bulgaria, Poland, Serbia, and Kosovo entered the results as of Q4 2006. International acquisitions contributed CZK 0.3 billion to the year-on-year EBITDA result.

Cash Flows

Net cash provided by operating activities, at CZK 43.7 billion, was down CZK 2.1 billion (4.7%) year-on-year, due in particular to a CZK 8.5 billion rise in income taxes paid. Cash used in investing activities totaled CZK 24.8 billion, down CZK 11.6 billion (31.8%), as 2006 saw both the acquisition of the power plants in Poland and increases in our stakes in Severočeské doly, a. s. and Severočeská energetika, a. s. One item that rose in 2007 was additions to property, plant and equipment – this in conjunction with the commencement of the plant renewal program and preparations for new power plants (year-on-year increase of CZK 7.0 billion). Proceeds

from disposal of subsidiaries and associates were down CZK 2.7 billion. Cash used in financing activities increased by CZK 30.1 billion compared to the same period of last year, due in particular to the share buy-back program (up CZK 36.7 billion). On the other hand, repayments of credits and loans were higher in 2006.

Capital Expenditures

The plant renewal outlay in Q1 – Q3 2007 totaled CZK 3.3 billion. On the Comprehensive Renewal of Tušimice II Power Station (4 x 200 MW) project, Q3 saw completion of equipment dismantling and the commencement of construction work and new equipment installation.

In the Comprehensive Renewal of Pruněšov II Power Station (3 x 250 MW) project, negotiations continued with boiler room and machine room suppliers as well as other technical and commercial negotiations.

A building permit was issued for the construction of an external rail spur for the new power plant in Ledvice (1 x 660 MW) and an application for an “Integrated New Power Plant Permit” was filed. Pre-contract and contract negotiations are underway for the future plant’s key technical systems.

Capital expenditures at the nuclear power plants in Q1 – Q3 2007 totaled CZK 2.4 billion.

During a shutdown of Units One and Two at Temelín Nuclear Power Station, we successfully installed new high-pressure turbine rotor components that will improve reliability and increase the output of each Unit from 981 to 1,020 MW (4%). Also during the shutdowns, the main steam lines were modified by replacing fast-acting fittings between the steam generators and the high-pressure component of the turbine.

Trading in Electricity and Emission Allowances

During 2007 the electricity market has largely recovered from the sharp drop in demand seen early in the year; the overall decline for the Q1 – Q3 period is only 1.4%. When adjusted for weather variations, demand rose 0.9% year-on-year and we expect measured demand for the full year 2007 will not differ much from last year's, despite the unseasonably mild winter weather early in the year.

After the overall low spot prices we had seen so far this year, the second half of Q3 brought a turnaround and the spot market began to rise, mainly in reaction to increasing consumption and high prices of fuels, coal in particular. Similar growth was seen also in the price of the baseload 2008 product which, following a summer correction down to 54 EUR/MWh, began a period of sustained growth up to its current level of around 60 EUR/MWh. This trend was supported, among other factors, by high prices of oil and coal, both of which reached absolute record levels – coal is

currently trading at around 115 USD/t, and oil at slightly over 90 USD/bl. Development was similar on the EUA NAP II emission allowances market, and the price of gas and electricity spot prices rose as well.

ČEZ, a. s. joined the Prague Energy Exchange (PXE) and is keeping its promise to sell all of its surplus production through this trading platform. As an appropriate mechanism for the transition to exchange trading, a two-year baseload product (2008 and 2009) with a fixed price for 2008 (50.42 EUR/MWh) was chosen, through which ČEZ, a. s. sold over 10 TWh of its in-house production for 2008. This product brought very high liquidity: it accounted for a total of 26 TWh in electricity trading volume. Following this period, liquidity dropped during September, only to return to its original high level in early October, when trading in seasonal quarterly and monthly products commenced in addition to the full-year product. Thus, ČEZ, a. s. continues to sell its electricity on the PXE and so far has sold over 15 TWh for the next calendar year.

Central Europe (CE) Segment

Central Europe (CE)		Consolidated		Power Production & Trading		Distribution & Sale		Mining		Other	
		Q1 - Q3 2007	Q1 - Q3 2006	Q1 - Q3 2007	Q1 - Q3 2006	Q1 - Q3 2007	Q1 - Q3 2006	Q1 - Q3 2007	Q1 - Q3 2006	Q1 - Q3 2007	Q1 - Q3 2006
Sales other than intersegment sales	CZK millions	102,285	92,039	50,057	38,833	48,324	48,215	2,481	2,549	1,774	2,496
Intersegment sales	CZK millions	351	54	28,271	27,788	1,948	3,117	5,053	3,946	13,949	10,323
Total revenues	CZK millions	102,636	92,093	78,328	66,621	50,272	51,332	7,534	6,495	15,723	12,819
EBITDA	CZK millions	51,937	44,834	38,768	32,034	5,456	6,098	3,939	2,758	3,773	3,945
EBIT	CZK millions	37,338	27,860	28,689	21,600	3,151	3,994	3,133	2,042	2,365	224
Employee headcount	persons	21,901	22,678	7,607	7,925	1,383	1,343	3,526	3,518	9,385	9,892

CE: Power Production & Trading

Production of electricity was up 3.8 TWh (8.1%) year-on-year. Of this amount, 1.7 TWh was produced in the Polish power plants, which were not a part of CEZ Group in January – May 2006. ČEZ, a. s. production rose by 4.6% on a 17.6% (4.3 TWh) increase in production in coal power plants, which offset a 6.5 % (1.3 TWh) decline in production in nuclear power plants caused by an additional forced shutdown of Unit One and an extended overhaul of Unit Two at Temelín Nuclear Power Station.

CE: Power Production		Q1 - Q3 2007	Q1 - Q3 2006
Power produced	TWh	51.6	47.8
of which: nuclear plants	TWh	18.6	19.9
coal plants	TWh	31.9	25.8
hydro and other plants	TWh	1.1	2.0

Electricity sales rose 21.0 TWh, with 17.4 TWh of the rise being attributable to higher trading – especially in international markets – and 3.6 TWh to increased sales of electricity produced in-house. Higher power production was the primary factor driving sales growth at the Polish power plants (+1.8 TWh).

CE: Wholesale (trading)		Q1 - Q3 2007		Q1 - Q3 2006	
		domestic	foreign	domestic	foreign
Electricity purchased	TWh	8.0	20.7	5.2	6.2
of which, outside CEZ Group	TWh	5.3	19.9	3.0	6.2
Electricity sold	TWh	47.6	28.0	42.4	12.2
of which, outside CEZ Group	TWh	25.7	26.5	18.5	12.2
- wholesale	TWh	25.0	26.5	17.9	12.2
- to end customers	TWh	0.7	0.0	0.6	0.0
Balance	TWh	39.6	7.2	37.2	6.0

CE: Distribution & Sales

ČEZ Prodej, s.r.o. sold 20.4 TWh of electricity for final consumption in the Czech Republic (1.8 TWh of which was sold within CEZ Group).

CE: Distribution & Retail		Q1 - Q3 2007	Q1 - Q3 2006
Sales to end customers outside CEZ Group	TWh	18.6	21.3
Electricity distribution to end customers	TWh	24.0	24.5

In year-on-year terms, this represents a 2.9 TWh (or 2.7 TWh outside of CEZ Group) drop in sales for final consumption, attributable to warmer weather and growing competition in the liberalized market. The share of ČEZ Prodej, s. r. o. in the end customer market in Q1 – Q3 2007 was 44.2%. The volume of electricity distributed by ČEZ Distribuce, a. s. to end customers fell to 24.0 TWh (down 1.8%), due in part to a decline in overall electricity demand in the Czech Republic. The result is a CZK 0.6 billion (12.7%) decline in the EBITDA of ČEZ Distribuce, a. s. Aside from the warm weather, the financial performance of ČEZ Distribuce, a. s. was also impacted by higher expenses for mandatory buying of electricity produced from renewable sources of energy and green bonuses redeemed.

CE: Mining

CE: Coal sales		Q1 - Q3 2007	Q1 - Q3 2006
Coal sold, total	kt	17,382	15,968
of which: sold to ČEZ, a. s.	kt	13,607	11,805

The most important member of CEZ Group in the Mining segment is Severočeské doly a.s.

Southeastern Europe (SEE) Segment

Southeastern Europe (SEE)		Consolidated		Power Production & Trading		Distribution & Sale		Other	
		Q1 - Q3 2007	Q1 - Q3 2006	Q1 - Q3 2007	Q1 - Q3 2006	Q1 - Q3 2007	Q1 - Q3 2006	Q1 - Q3 2007	Q1 - Q3 2006
Sales other than intersegment sales	CZK millions	21,211	16,440	2,771	0	18,452	16,439	78	2
Intersegment sales	CZK millions	90	1	45	0	53	0	771	43
Total revenues	CZK millions	21,301	16,441	2,816	0	18,505	16,439	849	45
EBITDA	CZK millions	3,200	3,465	335	-1	2,850	3,472	16	-6
EBIT	CZK millions	1,601	2,081	200	-1	1,421	2,092	-20	-10
Employee headcount	persons	8,386	7,786	813	8	5,753	7,597	1,820	181

SEE: Power Production & Trading

The Varna Power Station has been a part of CEZ Group since Q4 2006. This plant produced 2.5 TWh of electricity in Q1 – Q3 2007.

SEE: Power Production & Wholesale		Q1 - Q3 2007	Q1 - Q3 2006
Electricity produced	TWh	2.5	-
Electricity purchased	TWh	0.5	-
of which, outside CEZ Group	TWh	0.4	-
Electricity sold	TWh	2.8	-
of which, outside CEZ Group	TWh	2.6	-

SEE: Distribution & Sales

A total of 9.0 TWh was sold in Bulgaria and Romania in Q1 – Q3 2007, for year-on-year growth of 3.1%. Of the total amount, 8.6 TWh is attributable to end customers.

SEE: Distribution & Retail		Q1 - Q3 2007	Q1 - Q3 2006
Sales to end customers outside CEZ Group	TWh	8.6	8.5
Electricity distribution to end customers	TWh	12.4	12.4

Other Information

- In trading on the PSE, the shares of ČEZ, a. s. reached a price of CZK 1,337 as of 12 November 2007, up CZK 346 (35 %) from the beginning of the year.
- In accordance with a resolution of this year's General Meeting, 41.7 million treasury shares, representing 7.05% of the share capital, had been purchased as of 12 November 2007.
- In early September, ČEZ, a. s. became the Prague Energy Exchange's first market maker. Until August 24 the combined product baseload 2008 and 2009 was traded on the exchange. This product was replaced by the one-year products baseload 2008 and baseload 2009. 2008 one-month and one-quarter products were also launched.
- Also for 2008, the offering of products for end customers (businesses and households) was expanded with an option to tie the monthly or quarterly electricity payment to the actual price for the next period achieved in trading on the Prague Energy Exchange.
- On October 1st, ČEZ, a. s. expanded its suit against Mostecká uhelná a.s., adding a demand for compensation of damages incurred if a long-term purchase contract is not signed to supply coal to a planned power plant in Počerady. The amount of damages sought is CZK 22 billion.
- On August 30th, ČEZ, a. s. signed a Memorandum of Understanding with MOL Rt., the leading power company in Hungary.
- On September 3rd, ČEZ, a. s. expressed interest in building and operating the Boshkov most dam and hydropower plant in Macedonia with 68 MW of installed capacity.
- On October 1st, the former Czech regional electricity distribution companies were merged into ČEZ, a. s.
- On October 8th, ČEZ, a. s. entered the wholesale electricity market in Greece. The electricity comes from Hungary and Romania, with transmission through Bulgaria.
- On October 17th, ČEZ, a. s. submitted a preliminary bid to become a strategic partner in the construction and operation of the planned Belene nuclear power plant in Bulgaria.
- On November 1st, CEZ Group entered into exclusive negotiations with Turkey-based AKENERJİ Elektrik Üretim A.Ş. from the AKKÖK Group concerning possibilities for collaboration in the energy market in Turkey.
- On November 2nd, three Bulgarian distribution companies were merged into Elektrorazpredelenie Stolichno AD.
- On November 8th, ČEZ, a. s. was selected by the Romanian State-owned company Societatea Națională "Nuclearelectrica" - S.A. as one of the partners for the planned construction and operation of Units Three and Four of the Romanian nuclear power plant Cernavodă. A joint venture between the State company and the selected partner companies will complete the construction of both 720MW reactor units, with planned start-up in 2014-15.

Income Statement (CZK m)	7-9/2007	1-9/2007	7-9/2006	1-9/2006	Consolidated Balance Sheet in accordance with IFRS (CZK m)	as of	Sep 30, 2007	Dec 31, 2006		
Revenues	40,334	123,496	34,071	108,479	Assets		362,224	368,655		
Sales of electricity	37,138	114,448	32,011	101,018	Non-current assets		308,911	301,989		
Sales and costs from electricity derivative trading, net	619	1,584	-314	-451	Plant in service		474,155	464,776		
Heat sales and other revenues	2,577	7,464	2,374	7,912	Less accumulated provision for depreciation		233,293	219,073		
Operating expenses	-28,723	-84,557	-27,510	-78,538	Net plant in service		240,862	245,703		
Fuel	-4,345	-12,201	-2,835	-8,084	Nuclear fuel, at amortized cost		7,038	7,376		
Purchased power and related services	-10,413	-33,125	-9,473	-31,190	Construction work in progress		23,635	16,684		
Repairs and maintenance	-1,196	-3,124	-1,370	-3,214	Investment in associates		238	430		
Depreciation and amortization	-5,372	-16,198	-7,408	-18,358	Investments and other financial assets, net		17,425	13,277		
Salaries and wages	-3,951	-10,942	-3,508	-10,089	Intangible assets, net		18,801	17,820		
Materials and supplies	-1,567	-4,452	-1,341	-3,513	Deferred tax assets		912	699		
Emission rights, net	-246	304	-45	471	Current assets		53,313	66,666		
Other operating expenses	-1,633	-4,819	-1,530	-4,561	Cash and cash equivalents		10,993	30,932		
Income before other income (expenses) and income taxes	11,611	38,939	6,561	29,941	Receivables, net		20,560	16,334		
Other income (expenses)	-224	-395	169	-1,506	Income tax receivable		3,529	152		
Interest on debt, net of capitalized interest	-593	-1,773	-642	-1,511	Materials and supplies, net		5,132	4,308		
Interest on nuclear and other provisions	-480	-1,442	-470	-1,416	Fossil fuel stocks		1,438	1,195		
Interest income	335	1,045	221	511	Emission rights		454	2,224		
Foreign exchange rate gains (losses), net	-68	-100	71	560	Other financial assets, net		6,971	8,952		
Gain (Loss) on sale of subsidiaries and associates	4	129	12	-225	Other current assets		4,236	2,569		
Other income (expenses), net	576	1,716	968	501	Equity and liabilities		362,224	368,655		
Income from associates	2	30	9	74	Equity		188,060	207,653		
Income before income taxes	11,387	38,544	6,730	28,435	Equity attributable to equity holders of the parent		174,793	194,937		
Income taxes	-2,718	-8,860	-1,279	-6,416	Stated capital		59,221	59,221		
Net income	8,669	29,684	5,451	22,019	Treasury shares		-39,200	-1,943		
Net income attributable to equity holders of the parent	8,414	28,913	5,221	21,125	Retained earnings and other reserves		154,772	137,659		
Net income attributable to minority interests	255	771	230	894	Minority interests		13,267	12,716		
Earning per Share in CZK - basic	15.0	50.0	8.9	35.8	Long-term liabilities		97,567	94,182		
Earning per Share in CZK - diluted	14.2	48.8	8.8	35.7	Long-term debt, net of current portion		44,898	41,956		
					Accumulated provision for nuclear decommissioning and fuel storage		37,126	36,683		
					Other long-term liabilities		15,543	15,543		
					Deferred taxes liability		29,000	20,017		
					Current liabilities		47,597	46,803		
					Short-term loans		10,049	121		
					Current portion of long-term debt		3,657	6,365		
					Trade and other payables		24,392	22,905		
					Income tax payable		12	6,222		
					Accrued liabilities		9,487	11,190		
					Cash Flow Statement (CZK m)		1-9/2007	1-9/2006		
					Cash and cash equivalents at beginning of period		30,932	16,791		
					Net cash provided by operating activities		43,724	45,860		
					Income before income taxes		38,544	28,435		
					Depreciation, amortization and asset write-offs		16,204	18,363		
					Amortization of nuclear fuel		2,061	2,340		
					Gain(-)/loss in fixed assets retirements, net		-381	60		
					Foreign exchange rate losses (gains), net		100	-560		
					Interest expense, interest income and dividends income, net		638	934		
					Provision for nuclear decommissioning and fuel storage		306	211		
					Valuation allowances, other provisions and other adjustments		-1,317	665		
					Income from associates		-30	-74		
					Changes in assets and liabilities		-2,227	-2,426		
					Income taxes paid		-10,004	-1,493		
					Interest paid, net of capitalized interest		-1,318	-1,205		
					Interest received		1,043	490		
					Dividends received		105	120		
					Total cash used in investing activities		-24,802	-36,391		
					Total cash provided by (used in) financing activities		-39,056	-8,949		
					Net effect of currency translation in cash		195	-153		
					Cash and cash equivalents at end of period		10,993	17,158		
					Supplementary information: Total cash paid for interest		1,893	1,599		
					Details according to business segments for Q1 - Q3 2007 (CZK m)	Power Production & Trading	Distribution & Sale	Mining	Other	Consolidated
					revenues total	80,979	68,777	7,534	16,572	-
					of which: outside CEZ Group	52,465	66,776	2,481	1,774	123,496
					EBITDA	39,103	8,306	3,939	3,789	55,137
					EBIT	28,889	4,572	3,133	2,345	38,939
					Head count	8,420	7,136	3,526	11,205	30,287

Statement of Shareholders' Equity (CZK m)	Attributable to Equity Holders of the Parent						Minority interests	Total equity
	Stated capital	Treasury shares	Translation differences	Fair Value and Other Reserves	Retained earnings	Total		
December 31, 2005	59,221	-984	-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				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	17	-54
Other movements				-2	-6	-8	-4	-12
Gain and loss recorded directly to equity			-71	281	-6	204	1	205
Net Income					21,125	21,125	894	22,019
Total gains and losses			-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					-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	59,221	-1,580	-860	791	130,967	188,539	12,847	201,386
December 31, 2006	59,221	-1,943	-1,301	1,381	137,579	194,937	12,716	207,653
Change in fair value of available-for-sale financial assets recognized in equity				-61		-61		-61
Available-for-sale financial assets removed from equity				-270		-270		-270
Change in fair value of cash flow hedges recognized in equity				244		244		244
Cash flow hedges removed from equity				34		34		34
Translation differences			270			270	59	329
Share on equity movements of associates					-21	-21		-21
Other movements					-1	-1	-1	-2
Gain and loss recorded directly to equity			270	-53	-22	195	58	253
Net Income					28,913	28,913	771	29,684
Total gains and losses			270	-53	28,891	29,108	829	29,937
Acquisition of treasury shares		-37,625				-37,625		-37,625
Sale of treasury shares		368				-244	124	124
Dividends					-11,783	-11,783	-3	-11,786
Share options				32		32		32
Transfer of exercised and forfeited share options within equity				-90	90			
Change in minority due to acquisitions							-275	-275
September 30, 2007	59,221	-39,200	-1,031	1,270	154,533	174,793	13,267	188,060