



PRESS CONFERENCE
EXPECTED PERFORMANCE OF
THE ČEZ GROUP
IN 2007 AND 2008



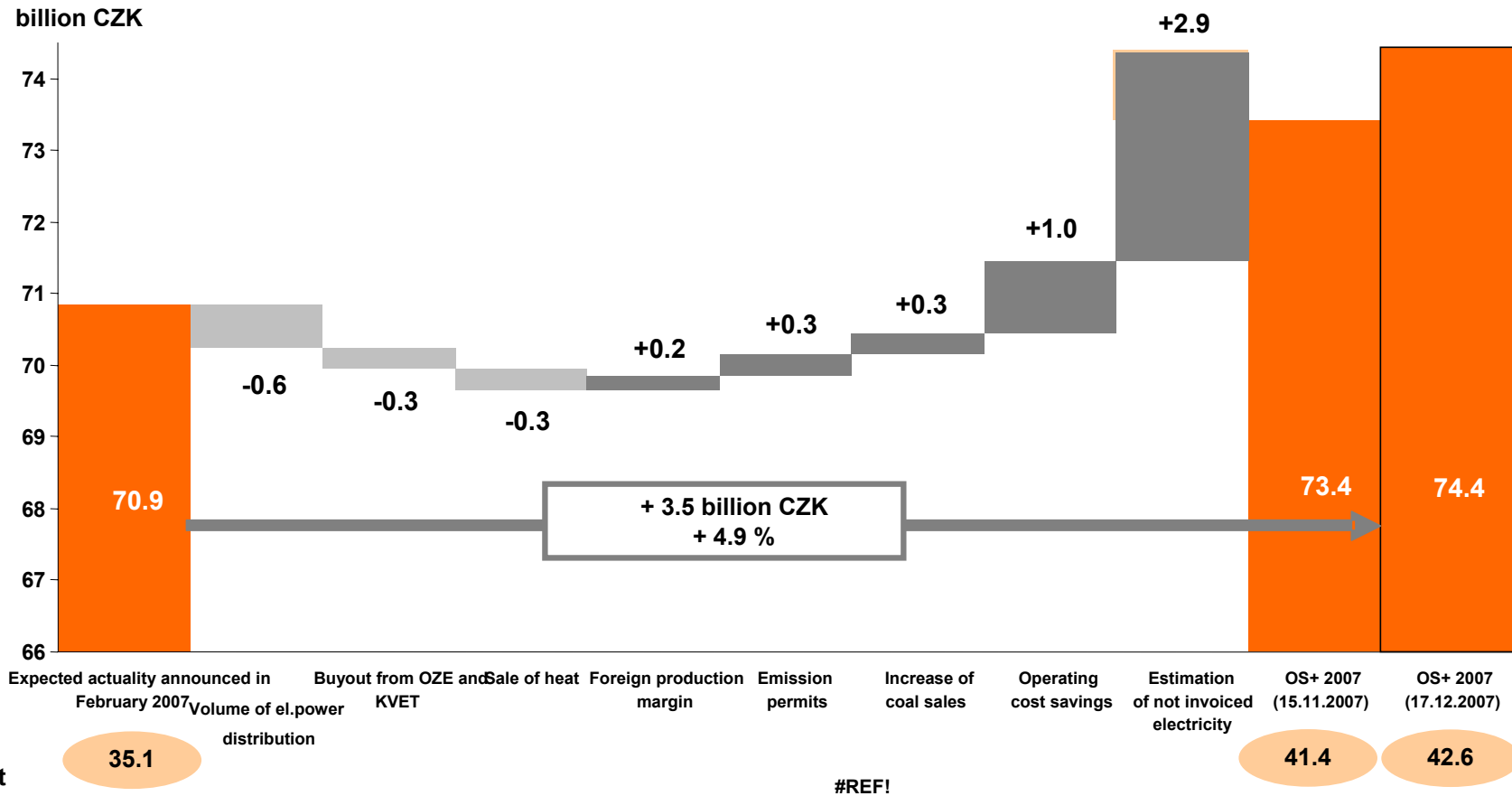
PROGRAM

- **Expected results of the year 2007 and 2008**
Martin Roman, Chairman of the Board of Directors and Chief Executive Officer

- **Sales expectations of the ČEZ Group in 2008**
Alan Svoboda, Chief Sales Officer



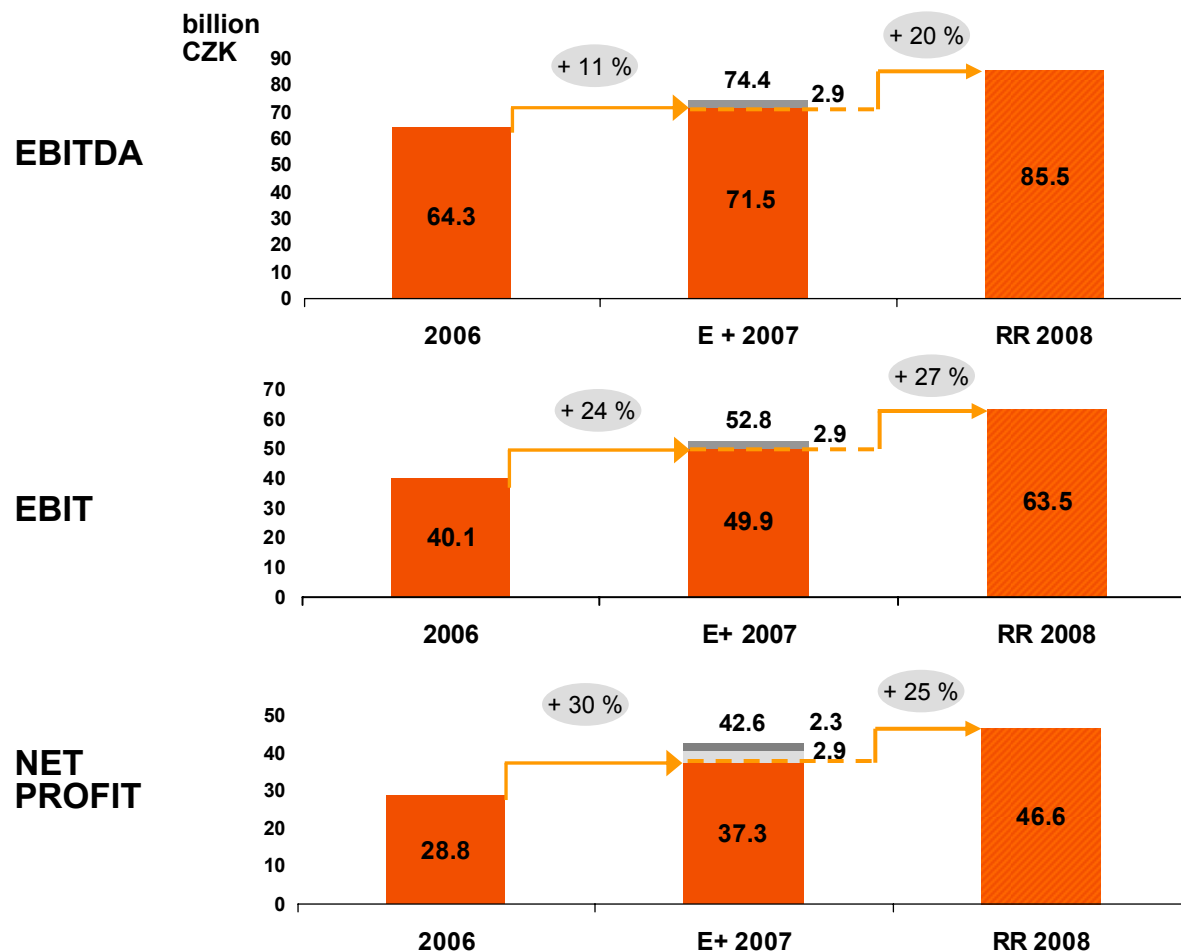
THE ČEZ GROUP INCREASES THE EXPECTED ACTUAL EBITDA TO 74.4 BILLION CZK



- Especially on the basis of the continuing clarification of the volume of not invoiced electricity we have been increasing the impact in economics in 2007 by 1.0 billion CZK compared to the previous expected actual situation.



BUDGET OF THE ČEZ GROUP FOR 2008 ASSUMES INCREASE OF EBITDA BY 20% TO 85.5 BILLION CZK



Main improvements in 2008:

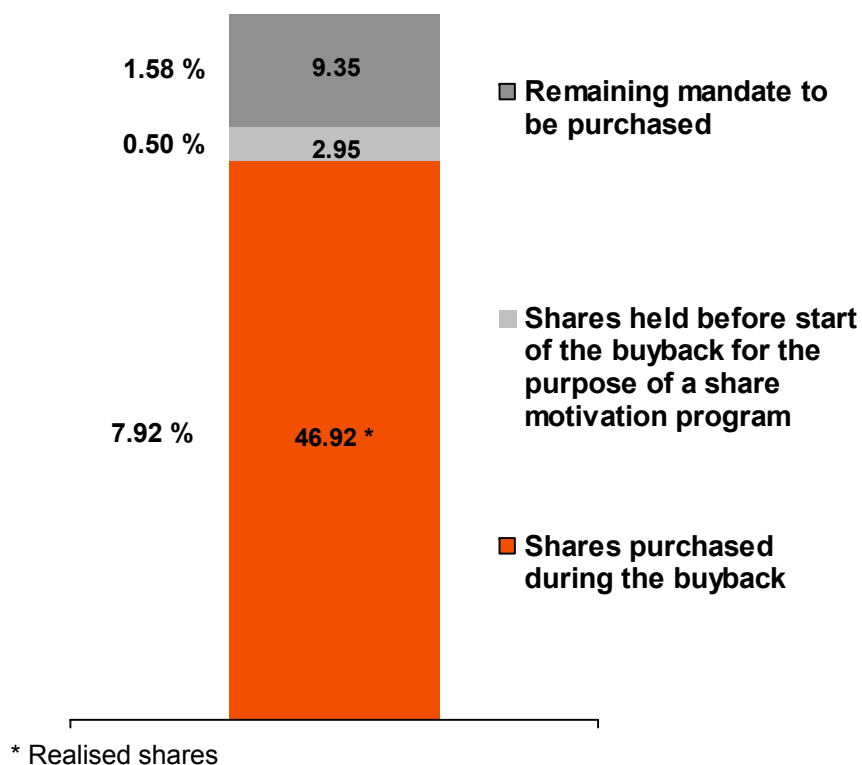
- increase of production of electric power from nuclear power plants
- increase of trade prices of electric power
- increase of electric power sold in the Czech Republic
- increase of electric power distributed in the Czech Republic
- lower depreciations (clarification of life time of some parts of technology)
- lower tax due to tax reform
- optimisation of electricity and CO2 trading within the ČEZ Group
- operating costs control (impact of the Effectiveness project)

OS+ 2007 includes positive extraordinary phenomena: clarification of not invoiced electricity, impact of tax reform on deferred tax



ČEZ PURCHASED ALREADY 7.92% OF OWN SHARES AREA FOR APPLICATION OF OPTIONS FOR BETTER USE OF 10% LIMIT

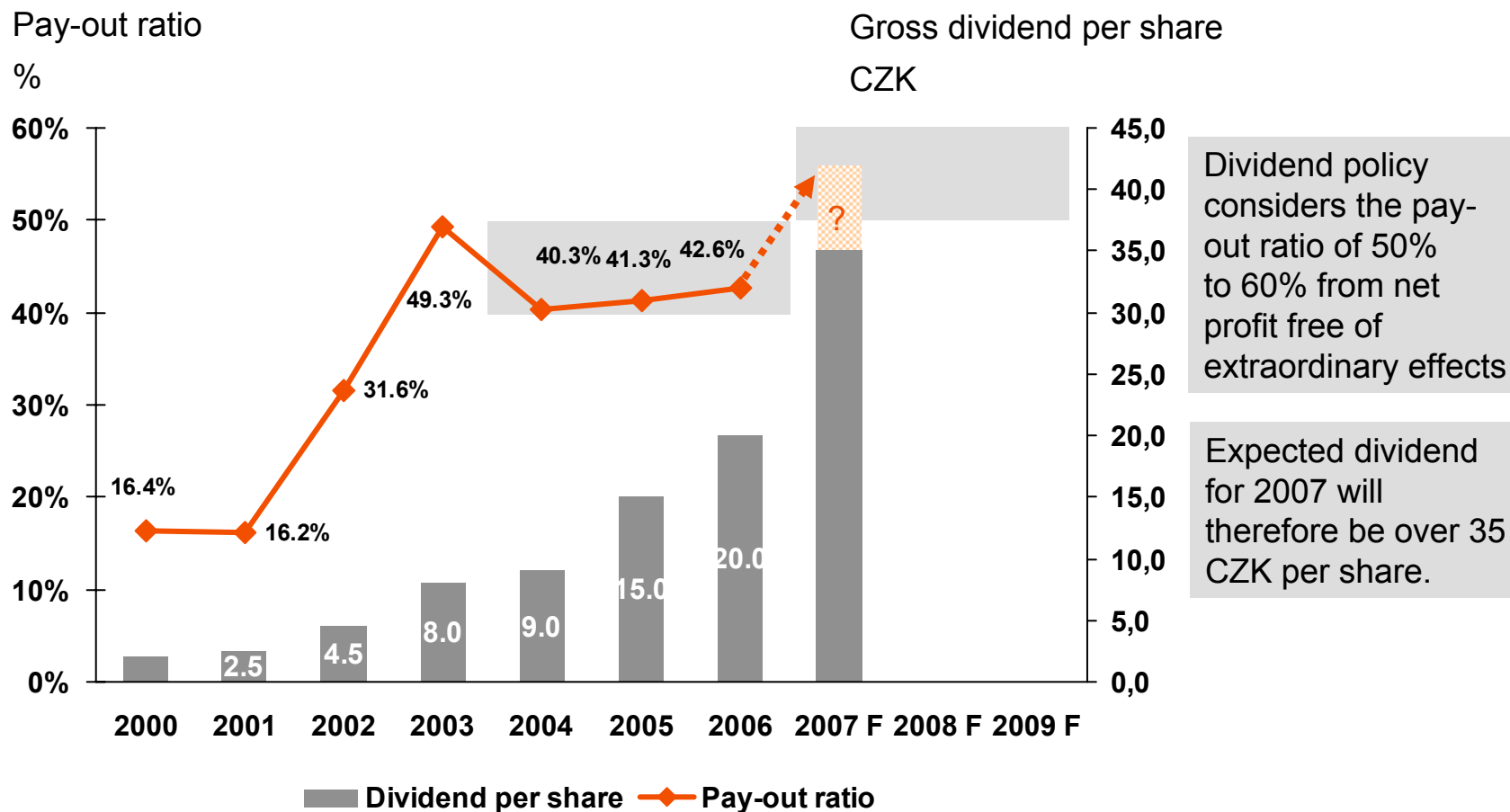
Number of shares held as of 17 December 2007 million pieces



- ČEZ purchased already 7.92 % of own shares.
- ČEZ temporarily stopped buyback of shares from 23rd December to 4th January week.
- ČEZ provides possibility to its executives to exert a part of their options and herewith to enable ČEZ to better use the limit for buyback.



NEWLY APPROVED DIVIDENT POLICY CONSIDERS THE PAY-OUT RATIO OF 50-60% OF NET PROFIT FREE OF EXTRAORDINARY EFFECTS





PROGRAM

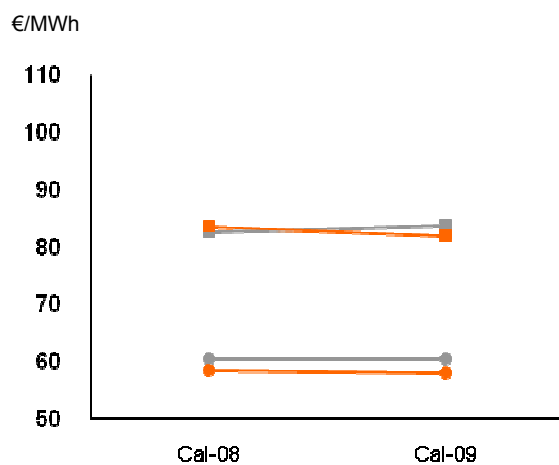
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PRICES IN THE CZECH REPUBLIC AND ON EEX MARKETS REACT TOGETHER TO EXTERNAL IMPULSES

Baseband: ● PXE ● EEX
Peak: ■ PXE ■ EEX

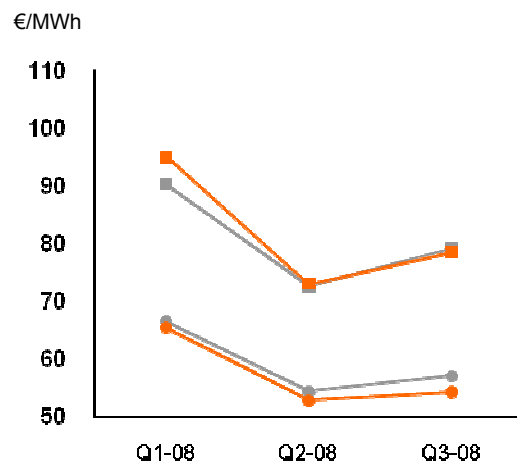
Annual products



Average range for baseload (€/MWh):

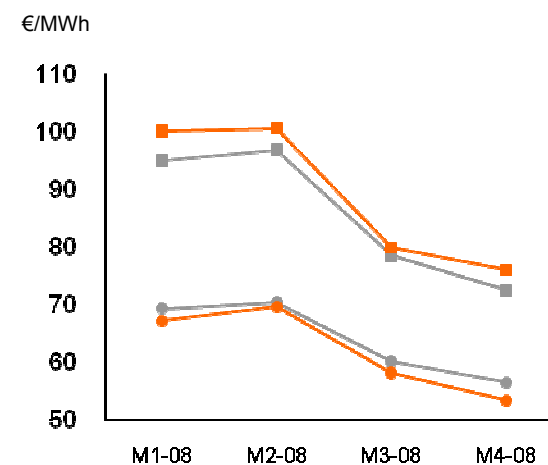
1.9

Quarterly products



2.8

Monthly products



2.3

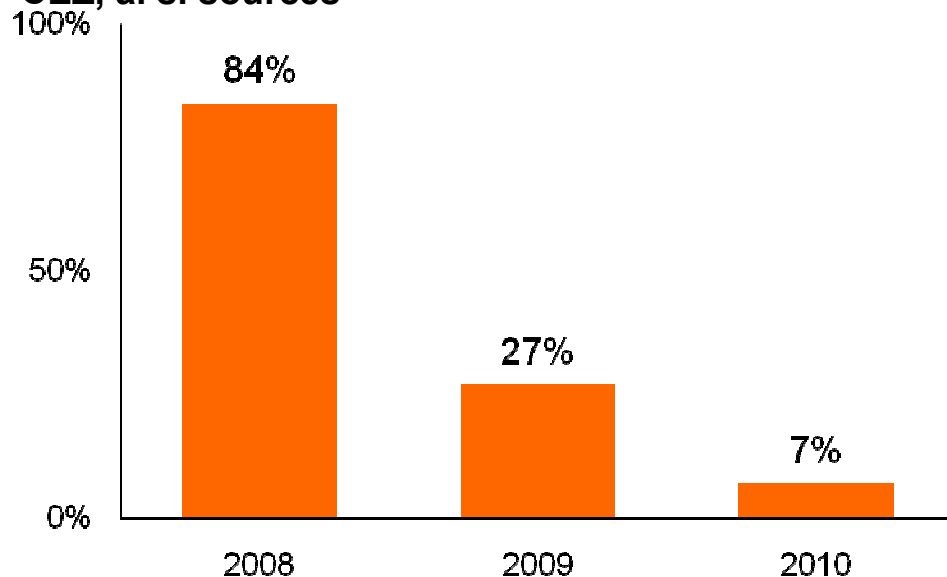
Main factors affecting the price of electric power:

- price of fuels (coal, oil, gas)
- price of CO₂ permits
- offer and demand ratio



ČEZ, A. S., WITH CHANGE OF CONTRACTANCY MODE TO CONTINUAL TRADING STARTED TO SECURE ITS POSITIONS FOR MORE YEARS FORWARD

Share of already secured production from ČEZ, a. s. sources



Expected production* (TWh)	62	60-62	60-62
Average realised baseload price(€/MWh)**	~ 52	~ 57	~ 57

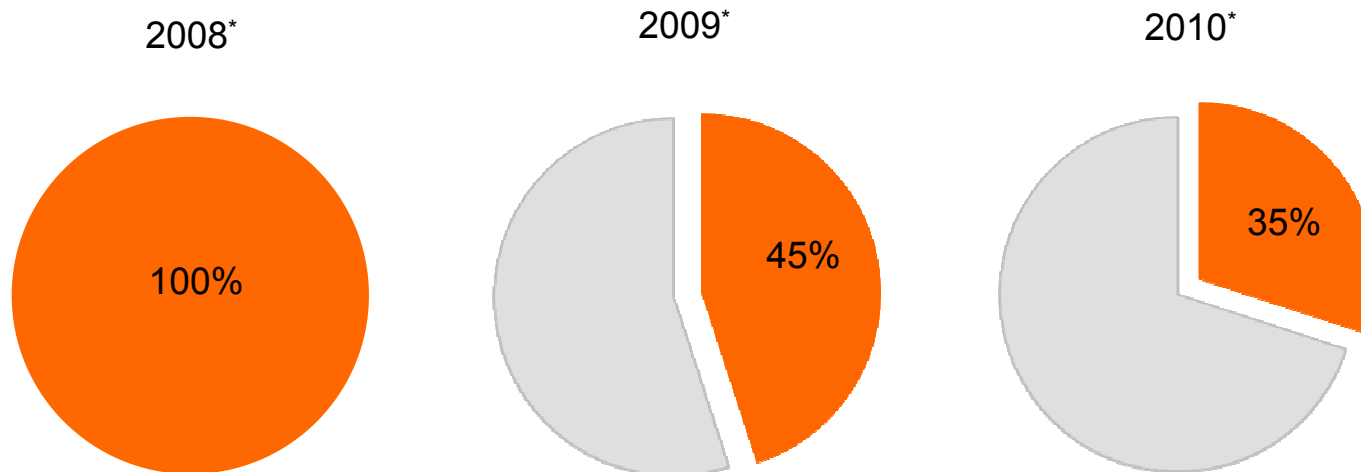
- Due to establishment of stock market ČEZ accepted the strategy of perennial forward sale of electric power like foreign companies.
- Secured volume for 2009 is given especially by sale of two-year (08/09) compound product.
- Secured volume for 2010 is performed using perennial contracts for end customers.

* without internal consumption, **does not include bonuses for seasonal products approximately 8%



THE ČEZ GROUP HAS BEEN STRENGTHENING ITS POSITION ON MARKET OF END CUSTOMERS BY SUCCESSFUL SALE OF TOW TO THREE-YEAR CONTRACTS

Share of already agreed deliveries for end customers for years 2008, 2009 and 2010



* Individually served customers, 100% ~ 12.7 TWh



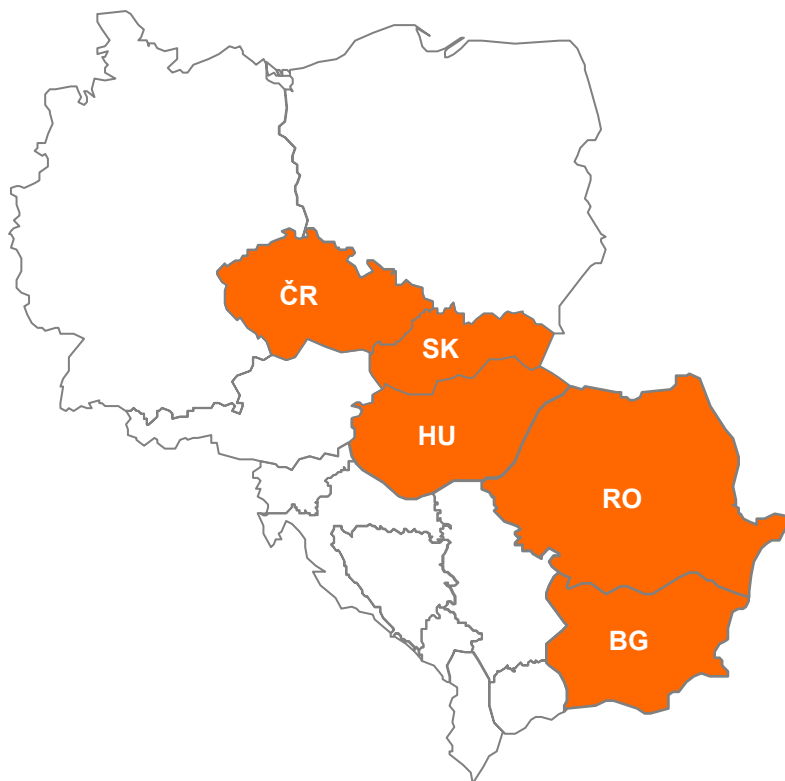
ČEZ REACTS TO THE EXPECTED DEVELOPMENT OF PRICES OF CO₂ PERMITS AND SYSTEM OF COMPLEX DISTRIBUTION OF STRATEGIC ACTIONS

- 1 Extension of the production portfolio of gas power plants**
- 2 Extension of production facilities of the existing nuclear sources and building of new ones**
- 3 Building of a significant portfolio of emission certificates from JI/CDM projects**



ČEZ DECIDED TO BUILD NEW LOW-EMISSION GAS POWER PLANTS ALL OVER THE REGION OF ITS OPERATION

1



- **Czech Republic**, 800 – 1000 MW (specific location to be announced)
- **Slovakia**, 800 + 160 MW (joint venture with MOL)
- **Hungary**, 800 MW (joint venture with MOL)
- **Rumania**, Galati and Borzesti gas power plants tender
- **Bulgaria**, smaller sources in the overall amount of 400 MW

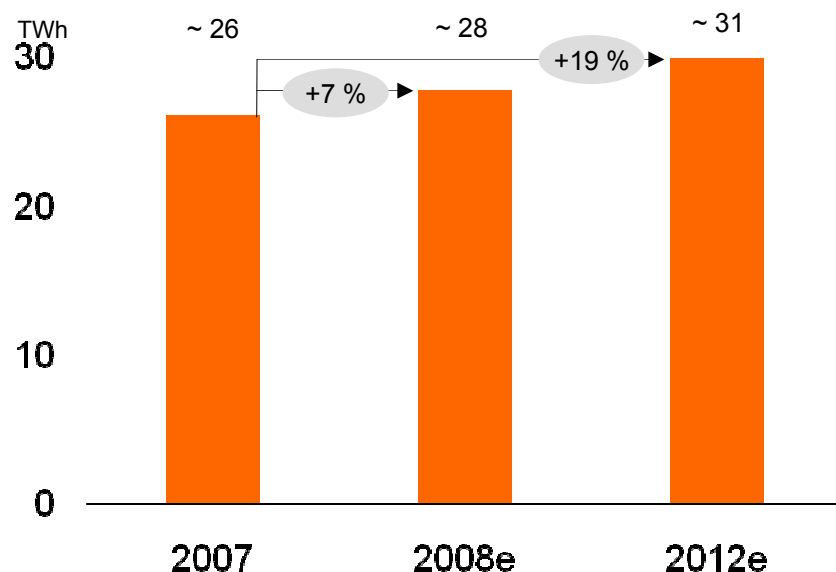
Note: Other projects are being considered.



FOR YEAR 2008 ČEZ, A. S., ESTIMATES HIGHER PRODUCTION IN NUCLEAR SOURCES BY 7 % AND THEREFORE LOWER EXPOSITION OF PORTFOLIO TO CO₂ PERMITS

2

Production of nuclear sources of ČEZ, a. s. (gross)



further increase of availability of nuclear sources will bring the following projects

- 15 TERA ETE
- 16 TERA EDU

with the term of complete implementation by 2012

Possible participation in other projects:

- **Rumania** (Cernavoda) – participation in the tender for strategic partnership for construction and operating of 3 and 4 unit
- **Bulgaria** (Belene) – tender bid for strategic partnership for construction of nuclear power plant
- **Slovakia** (Mochovce, Jaslovské Bohunice) – possible participation in completion of the nuclear power plant
- **Czech Republic** (Temelín) – possible completion of two other units



FAST GROWING JI/CDM PORTFOLIO OF ČEZ PROJECTS REPRESENTS IMPORTANT SECURING OF THE GROWING PRICE OF CO₂

3

JI (Joint Implementation), CDM (Clean Development Mechanism) – the Kyoto Protocol mechanisms enabling investments into projects of savings of greenhouse gas emissions and their import into the EU ETS system to be used instead of emission permits

- The ČEZ Group may import approximately 21 million of emission credits from JI/CDM into EU ETS by 2012
- to present day ČEZ contracted over 10 million of emission credits to be delivered from 2008 to 2012
 - directly from CDM projects
 - **Example** : a wind farm or a project of biomass power plants in China
 - on secondary markets

Further steps in development of JI/CDM program of ČEZ: direct investments into projects

- import of at least 10 million of emission credits by 2012
- current pipeline contains projects with the volume > 15 million emission credits
- estimated composition : > 70% energy projects (OZE, damp, energy savings)

Estimated geographical layout of JI/CDM direct investment portfolio

