CEZ GROUP BRIEF REPORT FOR THE YEAR 2008

AUDITED, CONSOLIDATED RESULTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Highlights

Prague, March 3, 2009

- Net income rose by CZK 4.6 billion to CZK 47.4 billion (+10.7%).
- EBITDA was up CZK 11.9 billion to CZK 87.2 billion (+15.8%).
- CEZ Group unveiled plan to help protect customers and the Czech economy.
- CEZ Group completed acquisition of distribution company in Turkey and discontinued project in Bosnia and Herzegovina.

Key Figures	Units	2008	2007	Index 08/07
Generation of electricity (gross)	GWh	67,595	73,793	91.6%
Installed capacity	MW	14,288	14,292	100.0%
Sales of electricity	GWh	74,547	80,745	92.3%
Sales of heat	TJ	14,016	15,540	90.2%
Revenues	CZK millions	181,638	174,563	104.1%
Operating expenses (excl. depreciation & amortization)	CZK millions	-94,428	-99,237	95.2%
EBITDA	CZK millions	87,209	75,326	115.8%
- Central Europe segment	CZK millions	84,091	70,991	118.5%
- Southeastern Europe segment	CZK millions	3,117	4,334	71.9%
Depreciation and amortization	CZK millions	-22,047	-22,123	99.7%
Operating income (EBIT)	CZK millions	65,163	53,203	122.5%
Net income	CZK millions	47,351	42,764	110.7%
Return on equity (ROE), net	%	27.0	22.7	119.0%
Price/earnings ratio (P/E)	1	9.0	17.8	50.6%
Net debt / EBITDA	1	0.8	0.8	105.0%
Net debt / equity	%	38.0	29.9	127.0%
Capital expenditure (CAPEX)	CZK millions	-46,271	-30,666	150.9%
Investments	CZK millions	-15,118	-2,462	>200%
Operating cash flows	CZK millions	70,583	59,219	119.2%
Employee head count	persons	27,110	30,094	90.1%

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

Revenues, Expenses, Income

In year-on-year terms, CEZ Group net income grew by CZK 4.6 billion (+10.7%) and EBITDA was up CZK 11.9 billion (+15.8%). The main driver was a CZK 11.9 billion increase in the gross margin. The main factors in the increase were a year-on-year increase in electricity prices, higher trading volumes (in electricity derivatives especially), and higher production in nuclear power plants at the expense of coal. Other operating expenses were kept under control. EBITDA growth is driven by the Power Production & Trading segment in Central Europe, which saw year-on-year growth of 23.9%.

The financing result is down CZK 2.4 billion from the 2007 level. Here the principal factors were a CZK 5.5 billion write-down of an option for shares in MOL and a CZK 1.1 billion increase in interest expenses caused primarily by higher needs for financial investments and capital structure optimizing. Successful hedging brought a CZK 3.6 billion increase in gains on financial derivatives with an accompanying rise in FOREX losses by just CZK 1.3 billion. The CZK 1.5 billion year-on-year growth in yields on emission allowance derivatives reflects, in particular, our successful environmental strategy including participation in the JI/CDM system.

Income tax is up CZK 5.0 billion from the previous year. The 2007 income tax figure was affected by an adjustment of deferred tax to reflect reduced future corporate income tax rates.

Cash Flows

Net cash provided by **operating activity** is up CZK 11.4 billion year-on-year, driven in particular by growth in income before tax (by CZK 9.6 billion) and the obtaining of additional operating financing through repo-loans based on emission allowances. Growth in operating cash flow is reduced by a CZK 4.4 billion increase in income tax paid.

Cash used in **investing activity** was up CZK 23.1 billion, primarily due to the CZK 15.3 billion investment in MOL and a CZK 12.1 billion increase in net investments in non-current assets. Decommissioning and other restricted funds set up in conjunction with nuclear power plants are lower compared to the previous year, resulting in a CZK 2.1 billion cash flow increase. Other financial investments are down CZK 2.0 billion from the previous year.

Cash flows from **financing activity** are up CZK 34.2 billion year-on-year, due primarily to a CZK 41.9 billion decrease in share repurchasing expenditures and a CZK 1.4 billion rise in the balance of loan drawdowns and repayments. Dividend payouts, on the other hand, were up CZK 9.5 billion in 2008.

Capital Expenditures

During the year 2008, CEZ Group posted total capital expenditures of CZK 46.2 billion. Plant renewal expenditures totaled CZK 12.9 billion. At the Tušimice II Power Station (4x200 MW), we completed technology installation for Phase One of the project and took delivery of the building construction component of the project. At the Prunéřov II Power Station (3x250 MW) the focus was on preparations for project implementation. The EIA study was completed in line with the conclusions of fact-finding proceedings and new documentation was re-filed with the Ministry of the Environment. In the project for a new plant in Ledvice (660 MW), construction and installation work went forward and a new rail spur connecting the plant to the nationwide railway network was inspected and approved for use. A plan to build a cogeneration plant at Počerady Power Station was approved, followed by filing of an EIA application in early 2009.

Expenditures in nuclear power stations totaled CZK 3.9 billion in 2008. The replacement of flow-through turbine components on Unit 2 of Dukovany Nuclear Power Station was completed, thereby increasing the achievable capacity of each of the four reactors to 456 MW_e.

At Temelín Nuclear Power Station, preparatory work continued for construction of a spent fuel repository, as did projects to increase the level of nuclear safety and improve power generation reliability. An upgrade of high-pressure components of the 1,000 MW aggregate continued as well.

Financial outlays on the construction of wind power plants in Romania totaled CZK 9.9 billion.

In 2008, CEZ Group invested CZK 8.2 billion in distribution grids in the Czech Republic, CZK 0.6 billion in Bulgaria, and CZK 0.6 billion in Romania.

Severočeské doly, a.s. posted capital expenditures totaling CZK 3.2 billion, most of which to renew extraction plant and equipment at the Bílina Mine.

Trading in Electricity and Emission Allowances

Electricity demand grew by 1.2% in the Czech Republic in 2008, compared to 2007. The figure is unchanged when adjusted for long-term weather variations. Consumption by retail customers (commercial and residential) was up 2.7%. Wholesale customers consumed just 0.2% more than in 2007. Q4 saw a year-on-year decline of 4% related to the recession and had a material impact on the year's overall figures.

The fourth quarter of 2008 continued to be dominated by the dramatic retreat of the entire commodities sector.

Electricity prices declined throughout the entire quarter. For example, one of the base load products Cal-09 (one-year base load 2009) was trading at 78 EUR/MWh in early October, only to close the year at 56 EUR/MWh – a drop of 28%.

This development was linked to the situation in the fuels market, and in particular the low price of oil, which once again set the pace. Oil prices dropped mainly on worries that demand would be weak due to the worldwide financial crisis and the beginnings of an economic recession. The price of oil dropped by over USD 110 from its July peak. At year end, the bellwether Brent front month contract was trading for around 40 USD/bl, making this the biggest price drop in 25 years.

In general, commodity prices declined due to investors losing confidence in the sector and moving their assets out. Low liquidity and the stream of bad news on the economy also played a role.

The emission allowance market was significantly influenced by the passage, at a European Union summit, of the so-called climate-energy package outlining the system for trading in emission allowances during the NAP III allocation period. Instead of the originally proposed full auction allocation, the summit approved a gradual phase-in of auctions.

Central Europe (CE)

Central Europe (CE)		Consolidated		Power Production & Trading		Distribution & Sale		Mining		Other	
		2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Sales other than intersegment sales	CZK millions	153,380	145,408	67,318	68,652	78,339	70,313	3,993	3,524	4,195	3,453
Intersegment sales	CZK millions	466	534	47,705	39,734	3,668	2,628	6,285	6,507	28,881	21,375
Total revenues	CZK millions	153,845	145,942	115,024	108,386	82,008	72,941	10,278	10,031	33,076	24,828
EBITDA	CZK millions	84,091	70,991	63,279	51,086	11,046	10,882	4,819	4,765	4,951	4,259
EBIT	CZK millions	64,103	51,215	49,197	37,488	8,202	7,613	3,593	3,670	3,114	2,445
Employee headcount	persons	20,316	21,971	8,060	8,689	1,413	1,376	3,517	3,517	7,326	8,389

CE: Power Production & Trading

A total of 64.0 TWh of electricity was generated in CEZ Group power plants in Central Europe, i.e. down 6.1 TWh (-8.7%) year-on-year. Coal power plants produced 6.3 TWh less due to optimizing for emission ceilings and the renewal of Tušimice Power Station (of the total decline, 5.1 TWh was in the Czech Republic and 1.2 TWh was in Poland). Nuclear power plants produced 0.4 TWh more thanks to increased achievable capacities and higher availability of both power stations in the first three quarters of 2008. However, in October, a turbine fault caused a planned outage of Unit 1 of Temelín Nuclear Power Station for refueling to be extended by approximately two months. Hydropower generation in the Czech Republic declined 7% year-on-year to 1.5 TWh on lower flow rates and reduced utilization of pumped-storage plants in the first half of the year.

CE: Power Production		2008	2007
Power produced	**TWh**	**64.0**	**70.1**
of which: nuclear plants	TWh	26.6	26.2
coal plants	TWh	35.9	42.2
hydro and other plants	TWh	1.5	1.7

CEZ Group is an active trader in electricity (purchasing was up 63.9% for the year) and CO_2 emission allowances both in the Czech Republic and internationally. We are expanding our trading activities to include coal, gas, and Certified Emission Reductions (CERs).

CE: Wholesale (trading)		2008	2007
Electricity purchased	**TWh**	**67.5**	**41.2**
of which, outside CEZ Group	TWh	59.5	36.1
Electricity sold	**TWh**	**125.6**	**104.8**
of which, outside CEZ Group	TWh	89.3	72.0
- wholesale	TWh	88.6	71.1
- to end customers	TWh	0.8	0.9
Balance	**TWh**	**58.1**	**63.6**

CE: Distribution & Sale

This segment's EBITDA grew 1.5% on a 0.9 TWh (+2.5%) increase in the volume of electricity distributed to end customers and 0.3 TWh (+1.1%) growth in sales to end customers outside of CEZ Group. The year-on-year comparison was influenced by updated consumption estimates and a CZK 0.5 billion adjustment to uninvoiced electricity in 4Q 2007, an extraordinary CZK 0.3 billion charge against receivables from debtors in bankruptcy, and a decline in wholesale volumes attributable to the economic slowdown.

CE: Distribution & Retail		2008	2007
Sales to end customers outside CEZ Group	TWh	26.1	25.8
Electricity distribution to end customers	TWh	34.0	33.1

CE: Mining

Severočeské doly, a.s. saw a 1.3 million ton year-on-year decrease in coal supplies, which was caused by a 1.6 million ton reduction in purchasing by ČEZ, a. s. reflecting lower production of electricity in coal power plants. The lower supplies to ČEZ, a. s. were partially offset by growth in sales to outside customers, by 0.3 million tons to a total of 5.6 million tons.

CE: Coal sales		2008	2007
Coal sold, total	**Mt**	**22.3**	**23.6**
of which: sold to ČEZ, a. s.	Mt	16.7	18.3

Southeastern Europe (SEE)

Southeastern Europe (SEE)		Consolidated 2008	Consolidated 2007	Power Production & Trading 2008	Power Production & Trading 2007	Distribution & Sale 2008	Distribution & Sale 2007	Other 2008	Other 2007
Sales other than intersegment sales	CZK millions	28,258	29,155	4,900	3,937	23,572	25,353	7	55
Intersegment sales	CZK millions	220	190	275	150	130	145	2,261	2,264
Total revenues	CZK millions	28,478	29,345	5,175	4,087	23,702	25,498	2,268	2,319
EBITDA	CZK millions	3,117	4,334	9	273	3,036	4,056	71	7
EBIT	CZK millions	1,058	1,987	-340	-131	1,383	2,161	16	-43
Employee headcount	persons	6,794	8,123	621	794	4,682	5,490	1,491	1,839

SEE: Power Production & Trading

Varna Power Station generated 3.6 TWh in 2008, down 0.1 TWh (-3.3%) from 2007. One negative year-on-year factor was the higher price of coal, which was not adequately reflected in the price of electricity due to the regulatory environment in Bulgaria.

SEE: Power Production & Wholesale		2008	2007
Power produced	TWh	3.6	3.7
Electricity purchased *)	TWh	0.0	0.0
of which, outside CEZ Group *)	TWh	0.0	0.0
Electricity sold *)	TWh	3.3	3.4
of which, outside CEZ Group *)	TWh	2.6	3.4

*) 2007 figures were adjusted. Trading companies were moved to the Central Europe segment in 2008.

SEE: Distribution & Sale

Companies in Bulgaria and Romania distributed a total of 17.0 TWh of electricity to end customers, down 0.2% from 2007. Sales to end customers totaled 12.1 TWh (11.8 TWh of which outside of CEZ Group), i.e. up 1.2% from 2007.

EBITDA expressed in Czech Korunas was down 25%, however half of the decrease (CZK 0.5 billion) is due to year-on-year strengthening of the Czech Koruna against foreign currencies, the Leu and the Leva in particular.

Romania was negatively influenced by RON 126 million (approximately CZK 0.7 billion) in provisioning and charges, primarily against receivables from the State-owned railway company, and reversal of an assets impairment charge.

SEE: Distribution & Retail		2008	2007
Sales to end customers outside CEZ Group	TWh	11.8	11.9
Electricity distribution to end customers	TWh	17.0	17.1

Other Information

- On 20 November 2008, ČEZ, a. s. signed a Protocol on Cooperation with the Romania-based company S.C. Termoelectrica S.A. and its 100% subsidiary, S.C. Electrocentrale Galați S.A. The Protocol describes the steps for creating a joint venture to modernize an existing power station and build a new one in Galați, Romania.
- On 25 February 2009, Severočeské doly a.s. (a member of CEZ Group) and J & T Group entered into a contract with the owners of the brown coal mining company Mitteldeutsche Braunkohlengesellschaft mbH, which operates in Germany, on purchase of a 100% stake in the company. Settlement of the transaction is expected no earlier than the second quarter of 2009, upon approval by the European Commission. The company mines brown coal in central Germany's coal belt, near Leipzig. It owns and operates two open-pit coal mines as well as three cogeneration plants with an aggregate installed capacity of 208 MWe.
- On 3 December 2008, ČEZ, a. s. was awarded the title "Power Company of the Year" in the 10th annual Platts Global Energy Awards, a worldwide competition organized by the Platts Division of the U.S.-based McGraw-Hill Companies, Inc. The winner was selected by a jury from nearly 200 entrants.
- Supervisory Board elections were held in January 2009 to replace two members elected by employees. The new Supervisory Board members are Lubomír Klosík and Petr Gross.
- On 27 January 2009, ČEZ, a. s. delivered to its partner in the Gacko project in Bosnia and Herzegovina, the local company Elektroprivreda Republike Srpske, a request to exercise its put option. Based on this option, ČEZ, a. s. is to sell to its partner its 51% stake in the joint venture NERS, d.o.o. for an amount covering a portion of costs incurred by it to-date in the Gacko project.
- On 11 February 2009, CEZ Group and Akkök Group completed an acquisition of the Turkey-based company Sakarya Elektrik Dağıtım A.Ş. (Sedaş), which has a license to operate a distribution grid in the Sakarya service area. In the tender, the consortium Akkök – Akenerji – ČEZ (ČEZ 50%, Akenerji 45%, Akkök 5%) bid USD 600 million (approximately CZK 13.3 billion) for the 100% stake. Half of this amount was transferred on the date mentioned above, and the remainder will be paid in the next two years according to the terms of the tender.
- On 13 January 2009, CEZ Group entered into an amendment to a EUR 600 million loan agreement from January 2008, extending the loan's maturity to 12 January 2010. The loan amount was reduced to EUR 550 million (approximately CZK 15.7 billion) especially from received dividends and option premium.
- On 17 February 2009, ČEZ, a. s. unveiled its plan, entitled "ČEZ Against the Crisis", for supporting customers and the Czech economy. The plan consists of increased investments in power production and distribution in the near future, an extension of due dates of advance payments for electricity to benefit small businesses, and mass insurance of households against loss of ability to pay advance electricity payments in the event of job loss.
- On 12 February 2009, the share capital of ČEZ, a. s. was reduced by CZK 5,422,108,400 to CZK 53,798,975,900 in conjunction with share repurchases.

Consolidated Income Statement (CZK m)	10-12/2008	2008	10-12/2007	2007
Revenues	**49,817**	**181,638**	**51,067**	**174,563**
Sales of electricity	48,206	165,317	45,598	160,046
Gains and losses from electricity, coal and gas derivative trading, net	-1,307	4,095	1,106	2,690
Heat sales and other revenues	2,918	12,226	4,363	11,827
Operating expenses	**-37,854**	**-116,475**	**-36,803**	**-121,360**
Fuel	-4,297	-16,176	-4,682	-16,883
Purchased power and related services	-14,801	-41,670	-13,203	-46,328
Repairs and maintenance	-2,557	-5,597	-1,757	-4,881
Depreciation and amortization	-6,429	-22,047	-5,925	-22,123
Salaries and wages	-5,451	-16,956	-5,958	-16,900
Materials and supplies	-1,253	-4,589	-1,614	-6,066
Emission rights, net	282	507	754	1,058
Other operating expenses	-3,348	-9,947	-4,418	-9,237
Income before other income (expenses) and income taxes	**11,963**	**65,163**	**14,264**	**53,203**
Other income (expenses)	**-3,800**	**-4,447**	**-1,657**	**-2,052**
Interest on debt, net of capitalized interest	-910	-3,103	-181	-1,954
Interest on nuclear and other provisions	-520	-2,056	-495	-1,937
Interest income	578	1,842	118	1,163
Foreign exchange rate gains (losses), net	118	-1,311	122	22
Gain (Loss) on sale of subsidiaries and associates	0	333	0	129
Other income (expenses), net	-3,089	-178	-1,231	485
Income from associates	9	12	10	40
Income before income taxes	**8,163**	**60,716**	**12,607**	**51,151**
Income taxes	**-2,279**	**-13,365**	**473**	**-8,387**
Net income	**5,884**	**47,351**	**13,080**	**42,764**
Net income attributable to equity holders of the parent	5,625	46,510	12,642	41,555
Net income attributable to minority interests	259	841	438	1,209
Earning per Share in CZK - basic	**10.6**	**87.0**	**23.1**	**72.9**
Earning per Share in CZK - diluted	**10.5**	**86.6**	**23.0**	**72.5**

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, 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				-78		-78		-78
Available-for-sale financial assets removed from equity				-354		-354		-354
Change in fair value of cash flow hedge recognized in equity				2,802		2,802		2,802
Cash flow hedges removed from equity				44		44		44
Deferred tax recognized in equity				-525		-525		-525
Translation differences			-995			-995	-759	-1,754
Share on equity movements of associates					-21	-21		-21
Other movements					-5	-5	-3	-8
Gain and loss recorded directly to equity			-995	1,889	-26	868	-762	106
Net Income					41,555	41,555	1,209	42,764
Total gains and losses			-995	1,889	41,529	42,423	447	42,870
Dividends					-11,780	-11,780	-3	-11,783
Acquisition of treasury shares		-54,397				-54,397		-54,397
Sale of treasury shares		368			-244	124		124
Share options				45		45		45
Transfer of exercised and forfeited share options within equity				-90	90			
Change in minority due to acquisitions							-286	-286
December 31, 2007	**59,221**	**-55,972**	**-2,296**	**3,225**	**167,174**	**171,352**	**12,874**	**184,226**
Change in fair value of available-for-sale financial assets recognized in equity				372		372		372
Available-for-sale financial assets removed from equity				2		2		2
Change in fair value of cash flow hedges recognized in equity				-7,564		-7,564		-7,564
Cash flow hedges removed from equity				-3,196		-3,196		-3,196
Deferred tax recognized in equity				2,110	3	2,113	1	2,114
Translation differences			-2,729			-2,729	-728	-3,457
Share on equity movements of associates					112	112		112
Other movements				4	8	12	9	21
Gain and loss recorded directly to equity			-2,729	-8,272	123	-10,878	-718	-11,596
Net Income					46,510	46,510	841	47,351
Total gains and losses			-2,729	-8,272	46,633	35,632	123	35,755
Dividends					-21,321	-21,321	-2	-21,323
Acquisition of treasury shares		-13,098				-13,098		-13,098
Sale of treasury shares		2,160			-1,596	564		564
Share options				123		123		123
Transfer of exercised and forfeited share options within equity				-204	204			
Change in minority due to acquisitions							-837	-837
December 31, 2008	**59,221**	**-66,910**	**-5,025**	**-5,128**	**191,094**	**173,252**	**12,158**	**185,410**

Consolidated Balance Sheet in accordance with IFRS (CZK m)	Dec 31,2008	Dec 31,2007
Total assets	**473,175**	**370,942**
Non-current assets	**345,205**	**313,081**
Plant in service	488,956	479,091
Less accumulated provision for depreciation	252,330	234,297
Net plant in service	236,626	244,794
Nuclear fuel, at amortized cost	6,287	6,983
Construction work in progress	47,913	25,388
Investment in associates	1,907	248
Investments and other financial assets, net	33,582	16,126
Intangible assets, net	18,074	19,060
Deferred tax assets	816	482
Current assets	**127,970**	**57,861**
Cash and cash equivalents	17,303	12,429
Receivables, net	41,729	23,880
Income tax receivable	140	79
Materials and supplies, net	4,914	4,484
Fossil fuel stocks	2,959	857
Emission rights	1,523	355
Other financial assets, net	57,269	10,585
Other current assets	2,133	5,192
Total equity and liabilities	**473,175**	**370,942**
Equity	**185,410**	**184,226**
Equity attributable to equity holders of the parent	173,252	171,352
Stated capital	59,221	59,221
Treasury shares	-66,910	-55,972
Retained earnings and other reserves	180,941	168,103
Minority interests	12,158	12,874
Long-term liabilities	**119,702**	**107,544**
Long-term debt, net of current portion	66,526	51,984
Accumulated provision for nuclear decommissioning and fuel storage	35,631	39,191
Other long-term liabilities	17,545	16,369
Deferred taxes liability	**14,421**	**17,153**
Current liabilities	**153,642**	**62,019**
Short-term loans	35,001	18,048
Current portion of long-term debt	4,874	3,226
Trade and other payables	95,732	25,738
Income tax payable	3,910	5,969
Accrued liabilities	14,125	9,038

Cash Flow Statement (CZK m)	2,008	2,007
Cash and cash equivalents at beginning of period	**12,429**	**30,932**
Net cash provided by operating activities	**70,583**	**59,219**
Income before income taxes	60,716	51,151
Depreciation, amortization and asset write-offs	22,090	22,166
Amortization of nuclear fuel	2,654	2,936
Gain(-)/loss in fixed assets retirements, net	-563	-637
Foreign exchange rate losses (gains), net	1,311	-22
Interest expense, interest income and dividends income, net	1,210	697
Provision for nuclear decommissioning and fuel storage	309	695
Valuation allowances, other provisions and other adjustments	-214	-193
Income from associates	-12	-40
Changes in assets and liabilities	-257	-5,357
Income taxes paid	-16,285	-11,920
Interest paid, net of capitalized interest	-1,586	-1,552
Interest received	1,142	1,186
Dividends received	68	109
Total cash used in investing activities	**-60,170**	**-37,033**
Total cash provided by (used in) financing activities	**-5,917**	**-40,120**
Net effect of currency translation in cash	**378**	**-569**
Cash and cash equivalents at end of period	**17,303**	**12,429**
Supplementary information: Total cash paid for interest	**2,851**	**2,284**

Details according to business segments for 2008 (CZK m)	Power Production & Trading	Distribution & Sale	Mining	Other	Consolidated
revenues total	**119,836**	**105,710**	**10,278**	**35,333**	**181,638**
of which: outside CEZ Group	71,529	101,911	3,993	4,205	181,638
EBITDA	**63,289**	**14,083**	**4,819**	**5,022**	**87,209**
EBIT	**48,858**	**9,585**	**3,593**	**3,130**	**65,163**
Head count	**8,681**	**6,095**	**3,517**	**8,817**	**27,110**

Audited results of CEZ Group in accordance with International Financial Reporting Standards