

## Inside Information

**In 2008, the ČEZ group realized a profit at the amount of 47.4 billion CZK; it returned more into the public treasury on taxes and dividends.**

**In the last year, the energy ČEZ Group realized a net profit at the amount of 47.4 billion CZK, which means an increase of 11 percent on the previous year, despite the negative influence of the rising financial crisis at the end of the last year. The increase was due to the rise in wholesale prices, higher share of power production from nuclear sources, reduction of running costs and results of the ČEZ Group's activities abroad.**

The good economic results benefit our shareholders. In the last year, we paid out net dividends at the amount of 18 billion CZK. The state, the major shareholder, has the greatest benefit from ČEZ. As well as 13 billion CZK paid out in dividends, the state treasury received taxes, transfer payments for employees and also a lump sum from the sale of a part of shares. In total, the state received 82.2 billion CZK from ČEZ.

The ČEZ company now concentrates on further increase of efficiency of individual processes in the whole group and in 2009 it will continue in renewing local sources as well as in consolidating and expanding its foreign investments.

In 2008, the project of renewal of local sources started to the full, which will determine the company fruitfulness for decades ahead and into which ČEZ has already invested the total of 23.2 billion CZK. Among the major foreign activities there is ČEZ involvement in the future construction of a new nuclear power plant in Jaslovské Bohunice in Slovakia, the construction of the Europe's largest wind farm in Fântânele and Cogeaalac in Romania with the output of 600 MW and the acquisition of a Turkish distribution company SEDAS in cooperation with a Turkish group Akkök . Projects of joint venture with the MOL group also continued to the plan, further there was the construction of a gas source in Romanian Galați and others (for instance, negotiations were going on about the completion of blocks 3 and 4 in the Romanian nuclear power plant of Cernavodă).

„In 2009, we are going to concentrate on completing of the launched projects. Henceforward we will carefully select only such projects which bring the highest value for our investors. We concentrate on the area where we have already been operating, that is the Central and South East Europe, and we stop monitoring areas related to our target territory, that is Russia and Ukraine, where we have had no ambitions to become a major player in the market“ said Martin Roman, Chairman of the Board and General Director of ČEZ.

As a result of increased work productivity as well as of realized divestments, the number of the ČEZ Group employees further decreased. At the end of 2008 it was 27 110, which means a decrease by 3000 employees on the previous year, i.e. by 9.9 percent.

In 2008, the production of electric power from the ČEZ owned sources decreased by 4.4 TWh on the previous year, that is by 6.8%, and it reached the amount of 60.4 TWh. Optimizing of production in coal-fired sources and the influence of emission limits led to a change in the production structure and to year-to-year decrease of production in coal-fired sources by 13%. This was only slightly compensated for by an increase of production in nuclear sources due to an extended shutdown of the Temelín nuclear power plant in the fourth quarter of 2008.

„Electric power consumption in the Czech Republic at the end of the year is already significantly affected by the influence of the economic situation and its year-to-year growth slowed down to 1.2%. There was an identical growth in the consumption of households and businesses (+2.7%), but the consumption of wholesale customers grew only slightly due to the attenuation of development programs (+0.2%). Since the end of 2008, the growth in demand for electric power in the whole of Europe has been influenced by the financial crisis. Together with the development of prices of crude oil, coal and CO2 permits, it is reflected in electric power prices in all the European markets,“ stated Michal Skalka, Director of ČEZ Trading Department.

Ladislav Kříž, ČEZ spokesman

Table: Economic results of the ČEZ Group for 2008

	(mill. CZK)	year-to year change %
Operating earnings	181 638	+ 4.1 %
EBITDA (Operating profit before amortisation)	87 209	+ 15.8 %
EBIT (Operating profit)	65 163	+ 22.5 %
Profit after taxation	47 351	+ 10.7 %

*Note: Audited consolidated results in accordance with IFRS*