

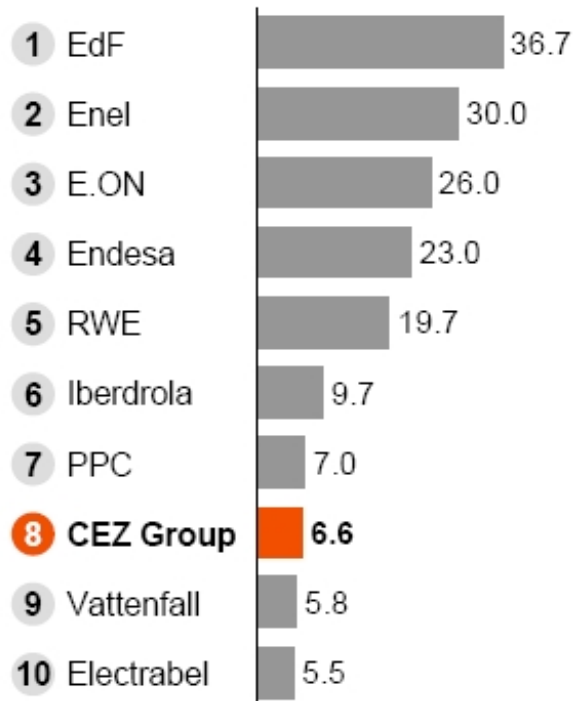
# Mochovce / Temelín



CEZ IS AMONG TOP 10 EUROPEAN POWER UTILITIES BY SIZE ....

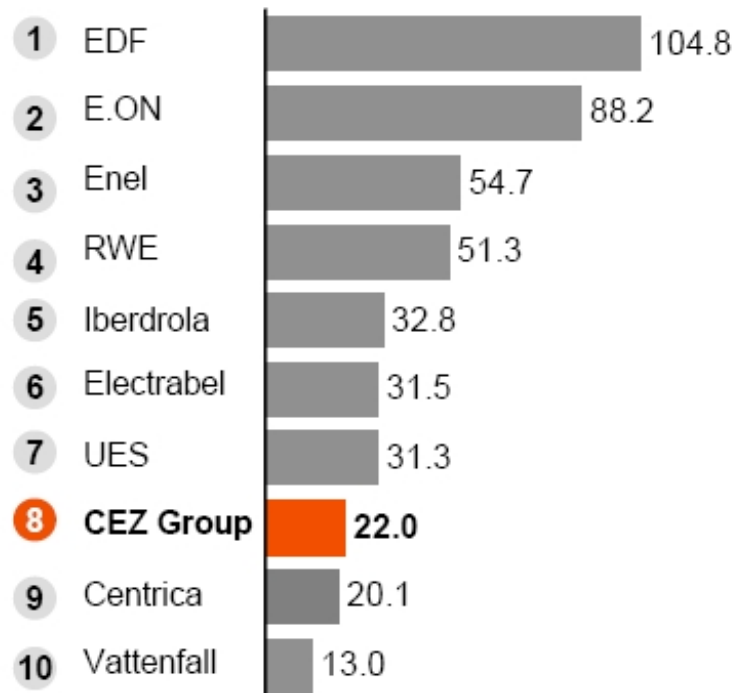
## Top 10 European power utilities

Number of customers in Europe, million



## Top 10 European power utilities

Market capitalization, USD bn, as of August 24, 2006

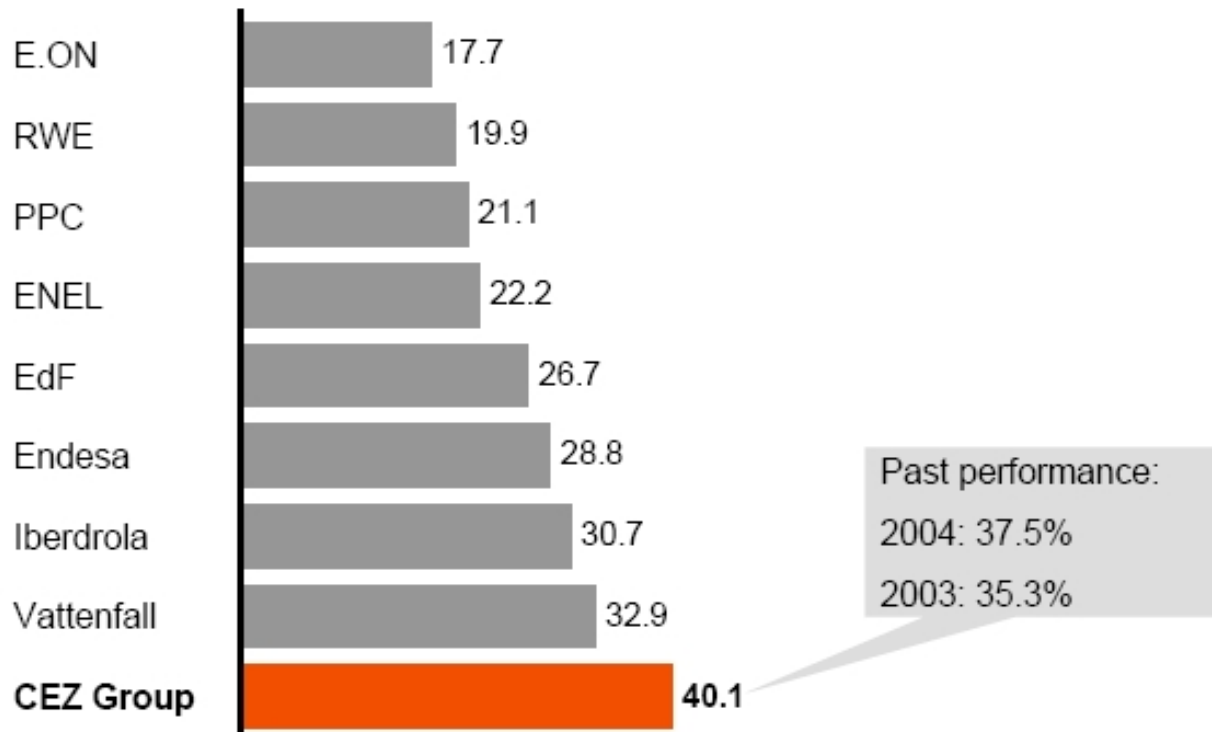


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... AND IS THE MOST PROFITABLE UTILITY IN EUROPE  
MEASURED BY EBITDA MARGIN

**EBITDA margin, 2005**  
Percent



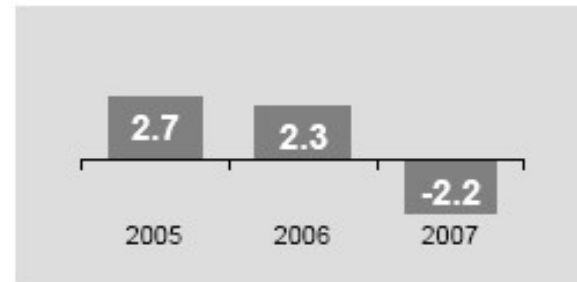
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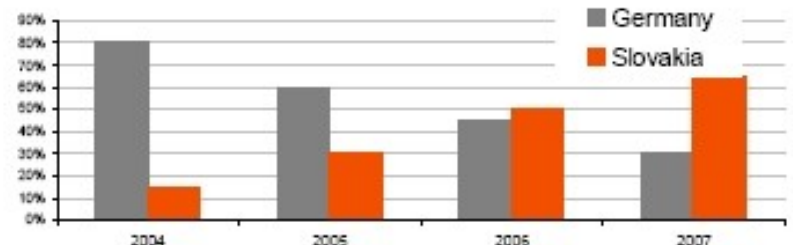
CEZ WILL MOVE MOST OF ITS EXPORTS TO SLOVAKIA AND HUNGARY



Slovak import / export power balance



CEZ's power export structure in %



Export TWh

20

16

14

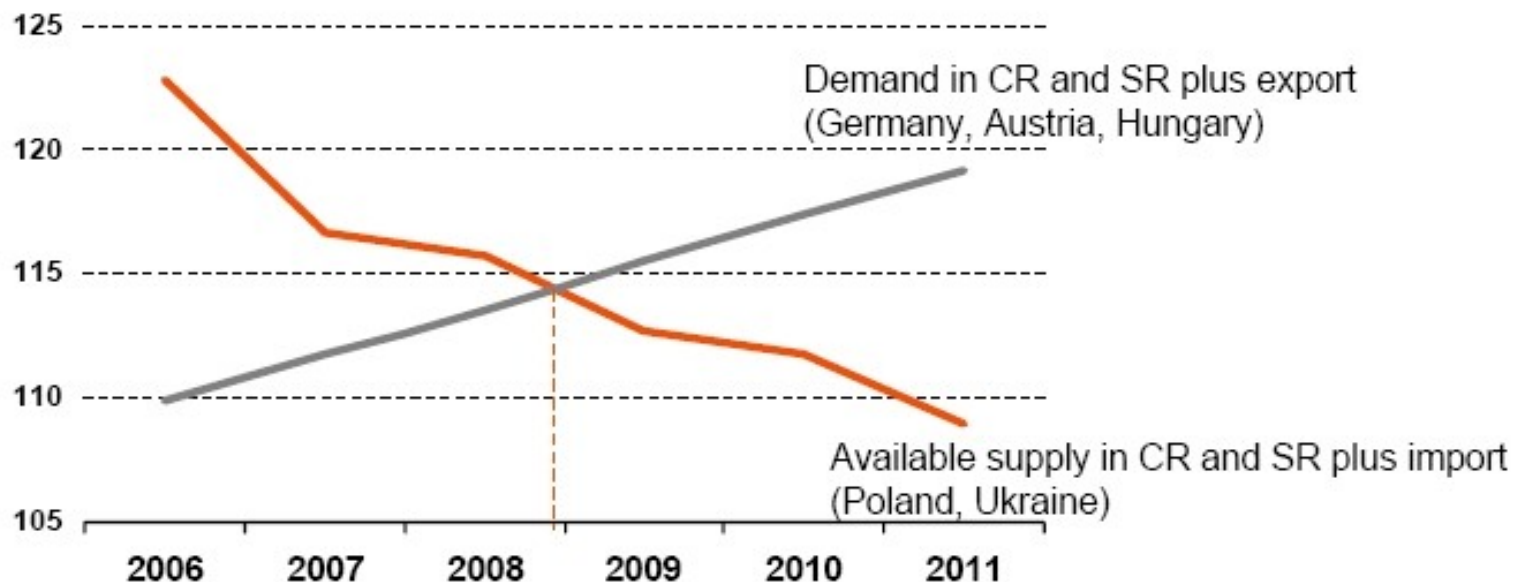
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THE REGIONAL CAPACITY SURPLUS WILL DISAPPEAR  
IN 2008 – 2009 AND MARKETS OF WESTERN AND  
CENTRAL EUROPE WILL CONVERGE TO ONE PRICE

Czech and Slovak power market balance  
TWh



- Starting 2008/9 Czech export capacities will not be fully utilized due to lack of available electricity
- Prices will converge to one level determined by EEX

# Mochovce / Temelín

## Renewed Focus on Nuclear Energy

- Increased pressures on CO2 emission
- Increased geopolitical risks on fossil fuels
- Physical and technical constraints on development of wind, hydro and other renewables
- Continuous technological advancements in nuclear safety systems

- Acquisition of four nuclear units in Slovakia – Bohunice & Mochovce
- Investment analysis for the completion of two additional reactors at Mochovce
- Negotiated participation with EDF in the Flamanville EPR project
- Actively pursuing other nuclear investment opportunities across Europe
- Investing in Nuclear expertise development in EPC and O&M

**“Our aim is a balanced mix of energy sources, roughly equally split between coal, nuclear and renewables.  
Nuclear energy is cheap and environmentally friendly”**

Fulvio Conti, CEO Enel, April 2006



# Mochovce / Temelín

## Enel vision for Slovenské Elektrárne

**2 Bn € (~ 78 Bn Skk)  
investments to restore SE as  
one of the most competitive  
generators in Eastern Europe**

- Completion of EMO 3 4
- Uprate of EMO 1 2 and EBO 3 4
- Construction of Small Hydro
- Development of wind
- Reconstruction of Novaky FK2

**Grow SE beyond Slovakia**

- Hub for Central & Eastern Europe power trading
- Centre of excellence for nuclear within Enel Group
- Hub for future expansion in region

**A central role within Enel's expansion in Central and Eastern Europe**

# Mochovce / Temelín

## Scope of the Feasibility Study

- Define in detail all technical, economic, financial, legal and authorization aspects of EMO 34 completion in order to provide SE with all the necessary information for a final decision on EMO 3&4
- Review and update detailed safety criteria and basic design
- Include all design and permitting activities required for re-start of construction (zero delay concept, should a positive decision be made about completion of EMO 3 4)
- Assess preservation status of existing components and structures
- Define detailed financing structure
- Commence pre-qualification process and complete preparatory works for construction tenders
- Over 800.000 manhours expected in 12 months

**From scheduling viewpoint, Feasibility Study is one step forward to EMO 3 4 completion and does not impact commercial operation date**

# Mochovce / Temelín

	<i>Mechanism</i>	<i>Total estimated value</i>	<i>Status</i>
1.	Serious under-funding of the Nuclear Decommissioning Fund (nuclear operator contributes only fraction of real costs)	1 - 2 billion € between 26.4 and 60.9 million € every year, accumulated over 35 y.	Approved and effective
2.	Special “Nuclear Levy” imposed on all electricity consumers in Slovakia	400 – 660 million €	Approved and pending to be implemented
3.	Slovak government signed its obligation to provide a six years dividend holidays for SE	over 290 million €	Contracted and pending to be implemented
4.	Slovak government agreed to covering part of the losses from disadvantageous long-term contracts of SE	13 million €	Approved and implemented according to media, but no direct evidence available
5.	Ten years tax holiday for Mochovce 3 and 4 nuclear power plant	over 130 million €	Reported by media to be negotiated during privatization, but current status is unknown
6.	Faster writing-off the investment into Mochovce 3 and 4, from 30 to 10 years	about 80 million €	Reported by media to be negotiated during privatization