CEZ GROUP: THE LEADER IN POWER MARKETS OF CENTRAL AND SOUTHEASTERN EUROPE

Investment story, November 2014

DISCLAIMER

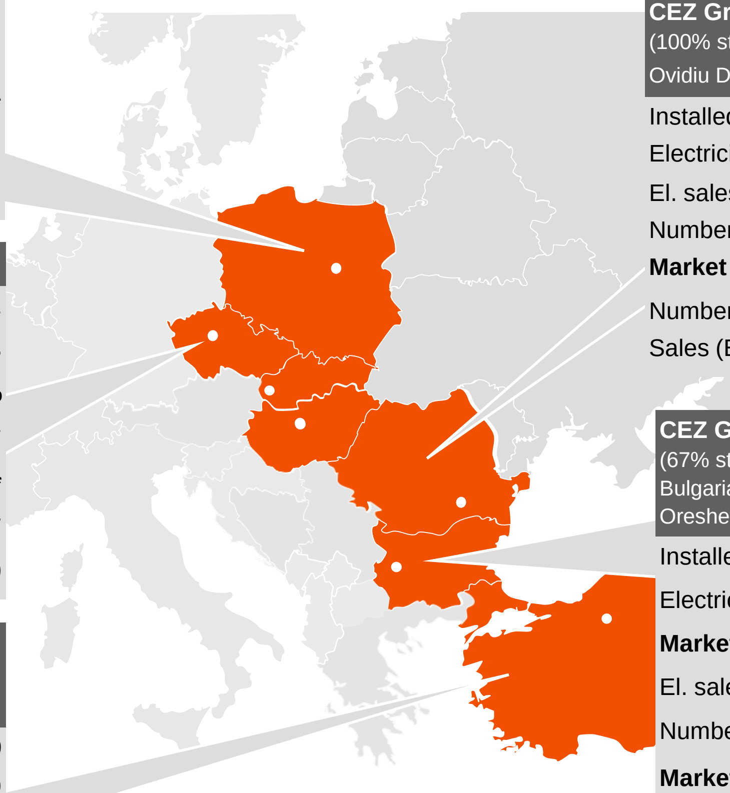
Certain statements in the following presentation regarding CEZ's business operations may constitute "forward looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute CEZ's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to continued normal levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. CEZ undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In preparation of this document we used certain publicly available data. While the sources we used are generally regarded as reliable we did not verify their content. CEZ does not accept any responsibility for using any such information.

AGENDA

CEZ GROUP IS AN INTERNATIONAL UTILITY WITH A STRONG POSITION IN CEE

Energy Assets O *Active subsidiary*



CEZ Group in Poland (100% stake in Skawina, 100% in Elcho)	
Installed capacity (MW)	681
Electricity generation, gross (TWh)	2.6
Generation market share	**1.4%***
Number of employees	322
Sales (EUR million)	153

CEZ Group in the Czech Republic	
Installed capacity (MW)	12,631
Electricity generation, gross (TWh)	62.3
Generation market share	**72%**
Sales of electricity to end customers (TWh)	20.7
Market share	**37%***
Number of employees	20,677
Sales (EUR million)	6,680

CEZ Group in Turkey (50% stake in SEDAS through AkCez, 37.36% stake in Akenerji)	
Installed capacity (MW)	640
Electricity generation, gross (TWh)	1.9
Generation market share	**1.1%***
El. sales to end customers (TWh)	7.8
Number of connection points (million)	1.4*
Market share	**6.5%***

CEZ Group in Romania (100% stakes in CEZ Distributie, CEZ Vanzare, Tomis Team, Ovidiu Development, TMK Hydroenergy Power)	
Installed capacity	622 MW
Electricity generation, gross (TWh)	1.3
El. sales to end customers (TWh)	3.4
Number of connection points (million)	1.4*
Market share	**15%***
Number of employees	1,818
Sales (EUR million)	427

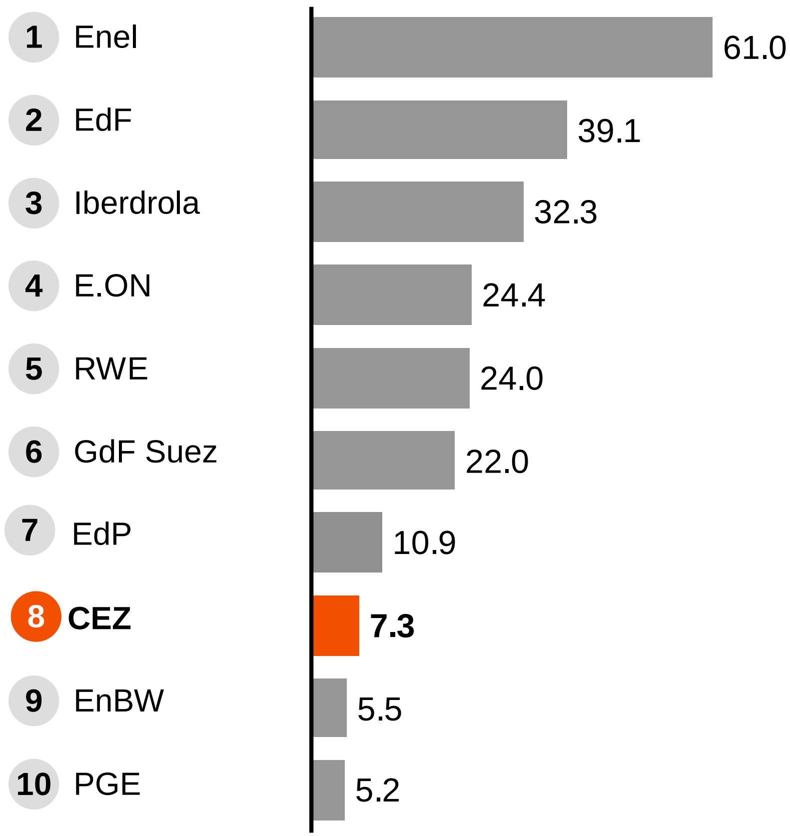
CEZ Group in Bulgaria (67% stake in CEZ Razpredelenie Bulgaria, CEZ Electro Bulgaria, 100% in TPP Varna, 100% in Free Energy Project Oreshets)	
Installed capacity (MW)	1,265
Electricity generation, gross (TWh)	0.6
Market share	**11.9%***
El. sales to end customers (TWh)	9.8
Number of connection points (million)	2.1*
Market share	**42%***
Number of employees	3,714
Sales (EUR million)	853

*Source: Company data, * data for 2012, EUR/CZK=25.974*

CEZ GROUP RANKS AMONG THE TOP 10 LARGEST UTILITY COMPANIES IN EUROPE

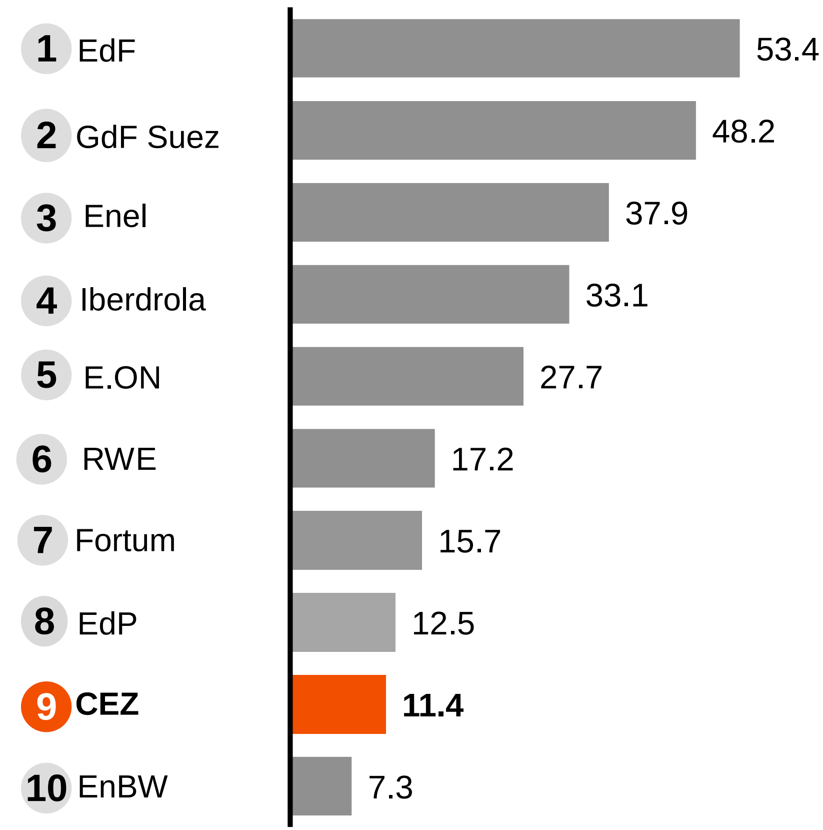
Top 10 European power utilities

Number of customers in 2013, in millions



Top 10 European power utilities

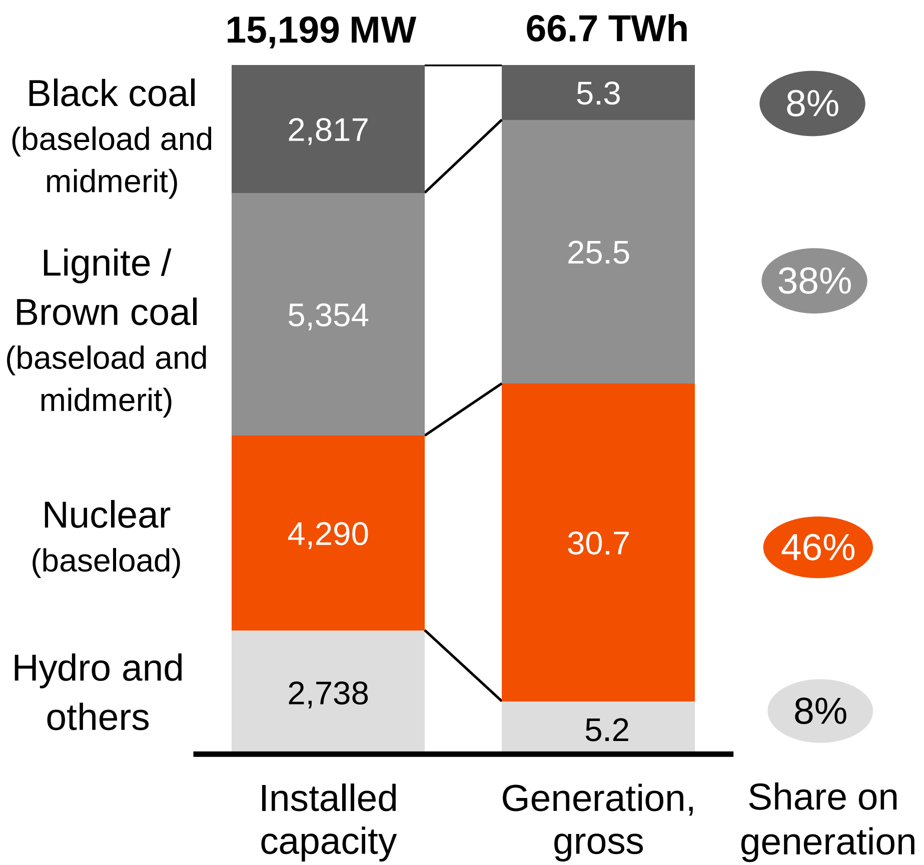
Market capitalization in EUR bn, as of November 21st, 2014



Source: Bloomberg, Annual reports, companies´ websites and presentations

CEZ GROUP IS BENEFITING FROM LOW COST GENERATION FLEET

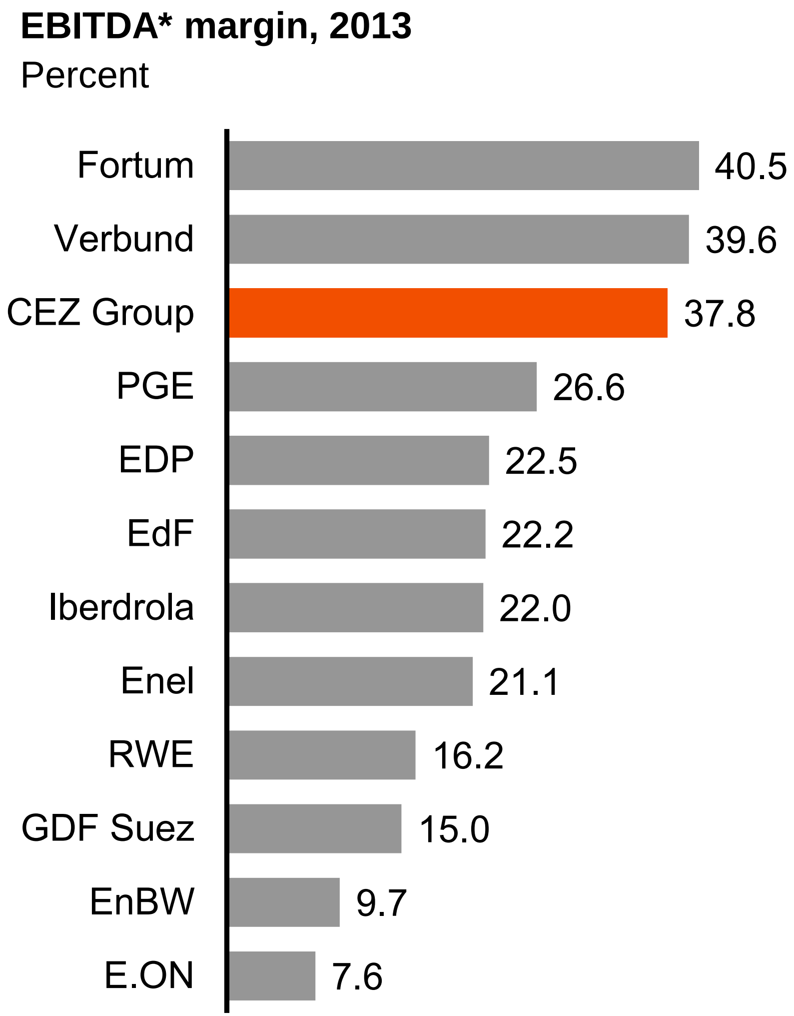
Installed capacity and generation (2013)



- **Coal power plants are using mostly lignite from CEZ's own mine** (73% of lignite needs sourced internally, remaining volume through long term supply contracts)
- **Nuclear plants have very low operational costs**

CEZ has a long-term competitive advantage of low and relatively stable generation costs

CEZ GROUP IS ONE OF THE MOST PROFITABLE EUROPEAN UTILITIES



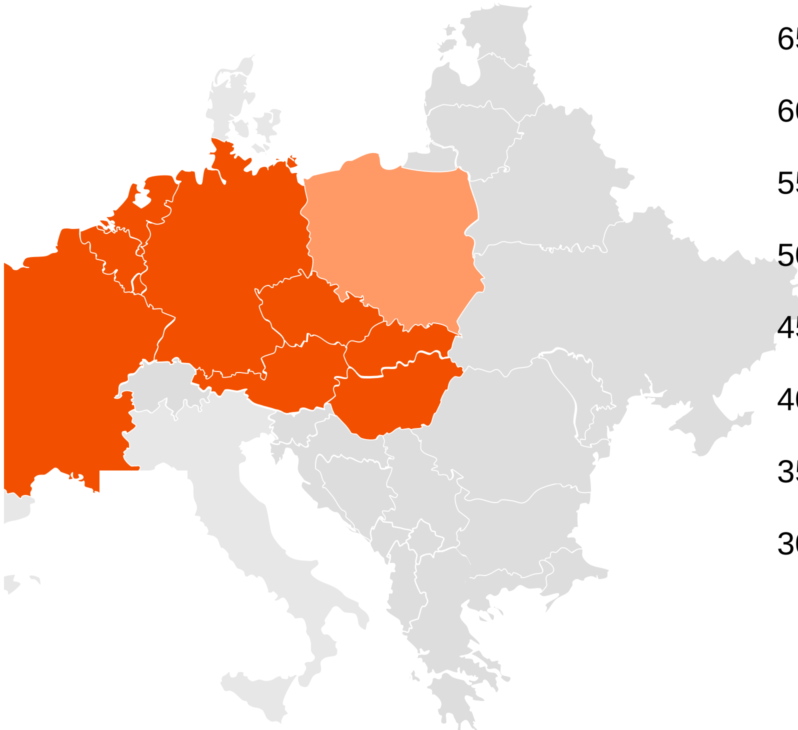
Source: company data, * EBITDA as reported by companies

AGENDA

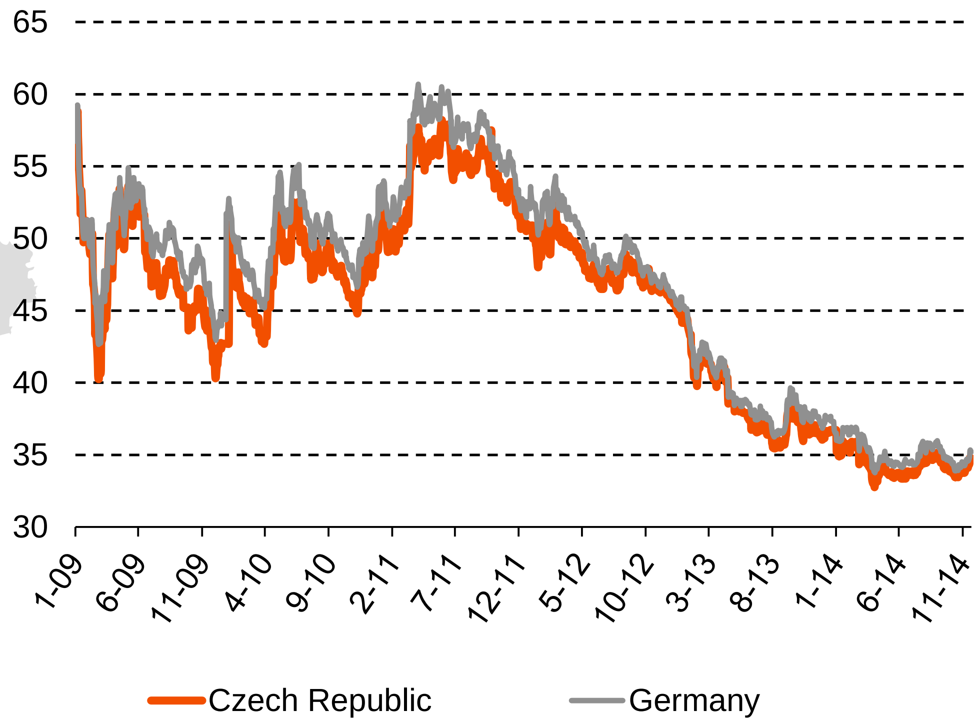
CZECH MARKET IS AN INTEGRAL PART OF WIDER EUROPEAN ELECTRICITY MARKET

- Czech power prices are fully liberalized and are driven by the same fundamentals as German market
- There are no administrative interventions from the side of the government

European electricity market

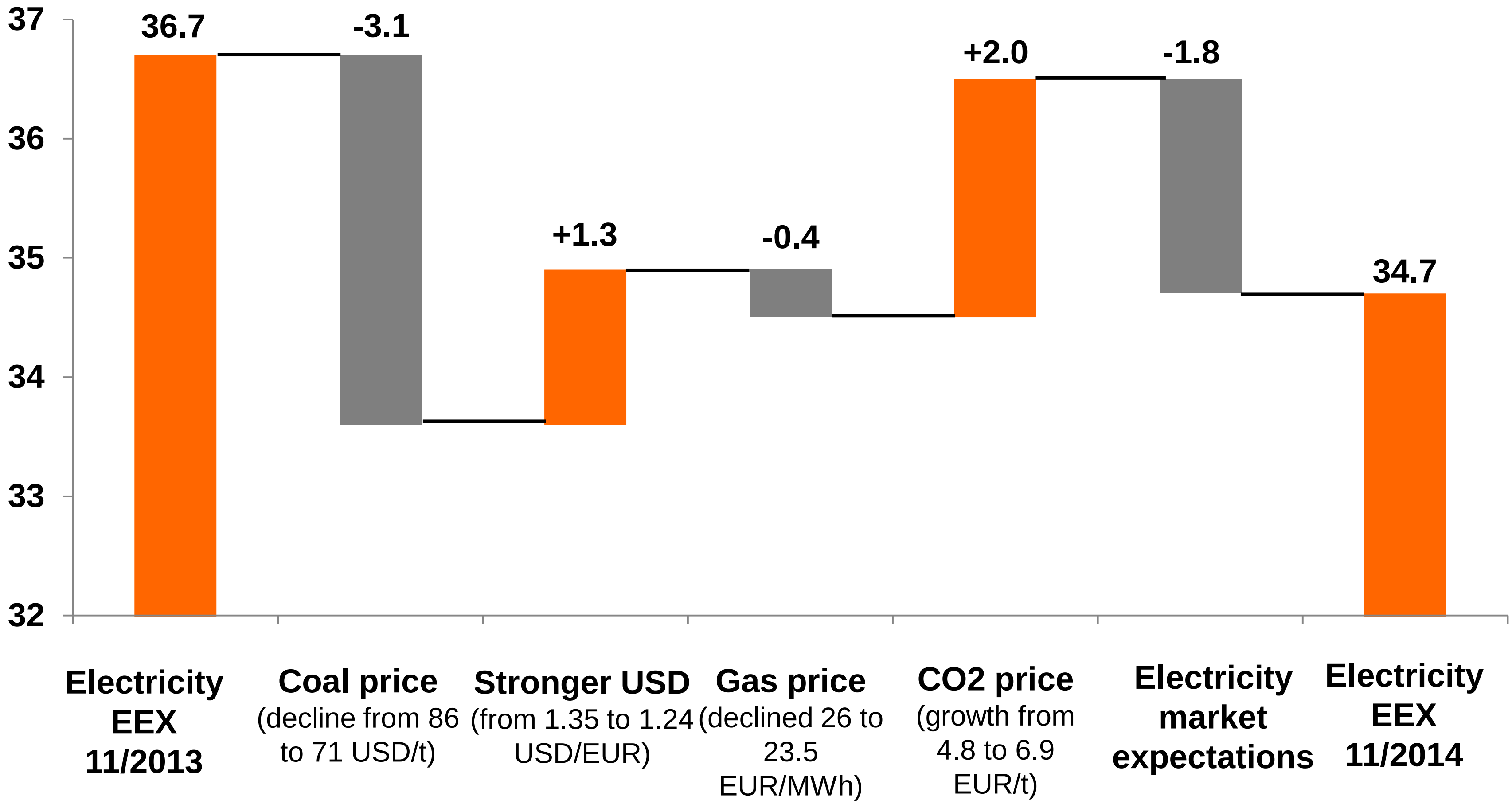


Price of electricity (year-ahead baseload, €/MWh)



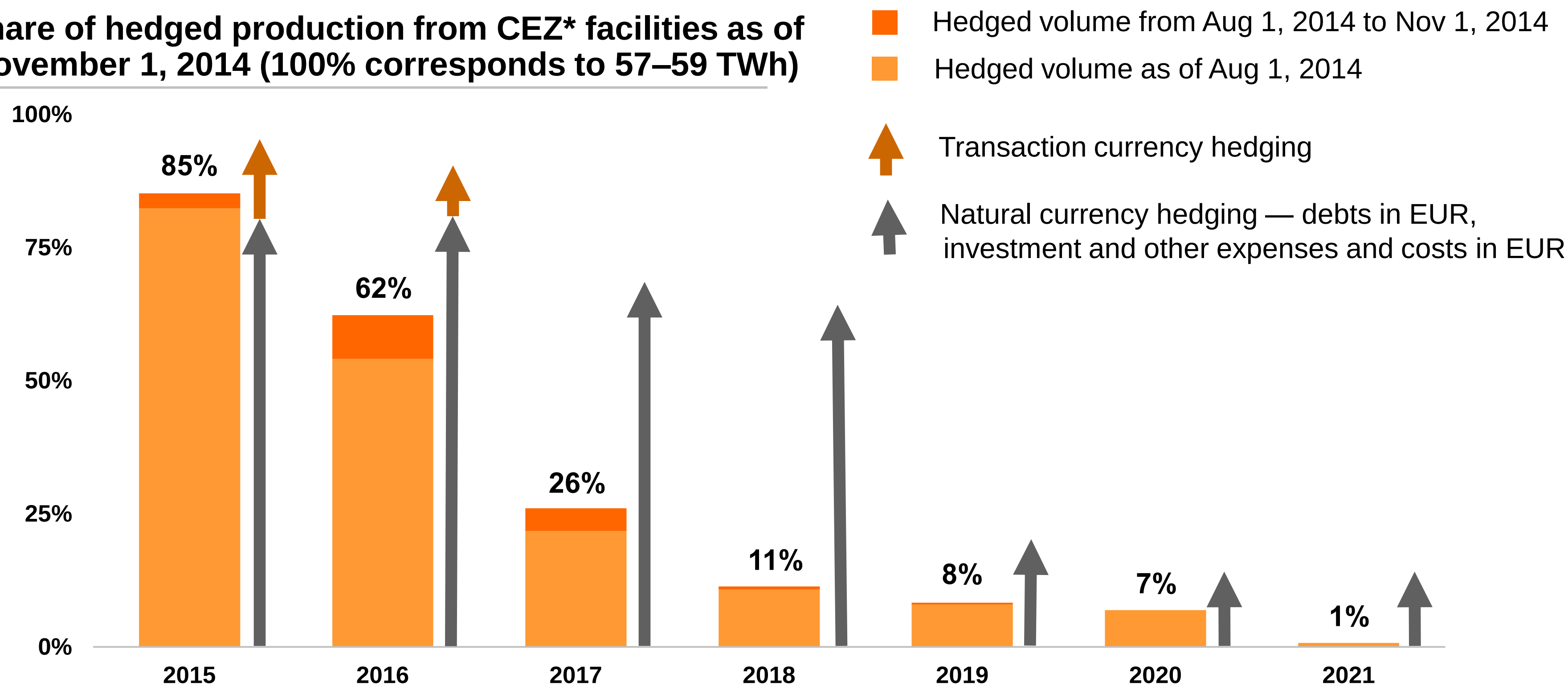
THE ELECTRICITY PRICES ARE NOW SLIGHTLY LOWER THAN A YEAR AGO

Electricity price change decomposition (11/2013 – 11/2014)
EUR/MWh, Cal15



CEZ CONTINUES HEDGING ITS REVENUES FROM SALES OF ELECTRICITY IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

Share of hedged production from CEZ* facilities as of November 1, 2014 (100% corresponds to 57–59 TWh)

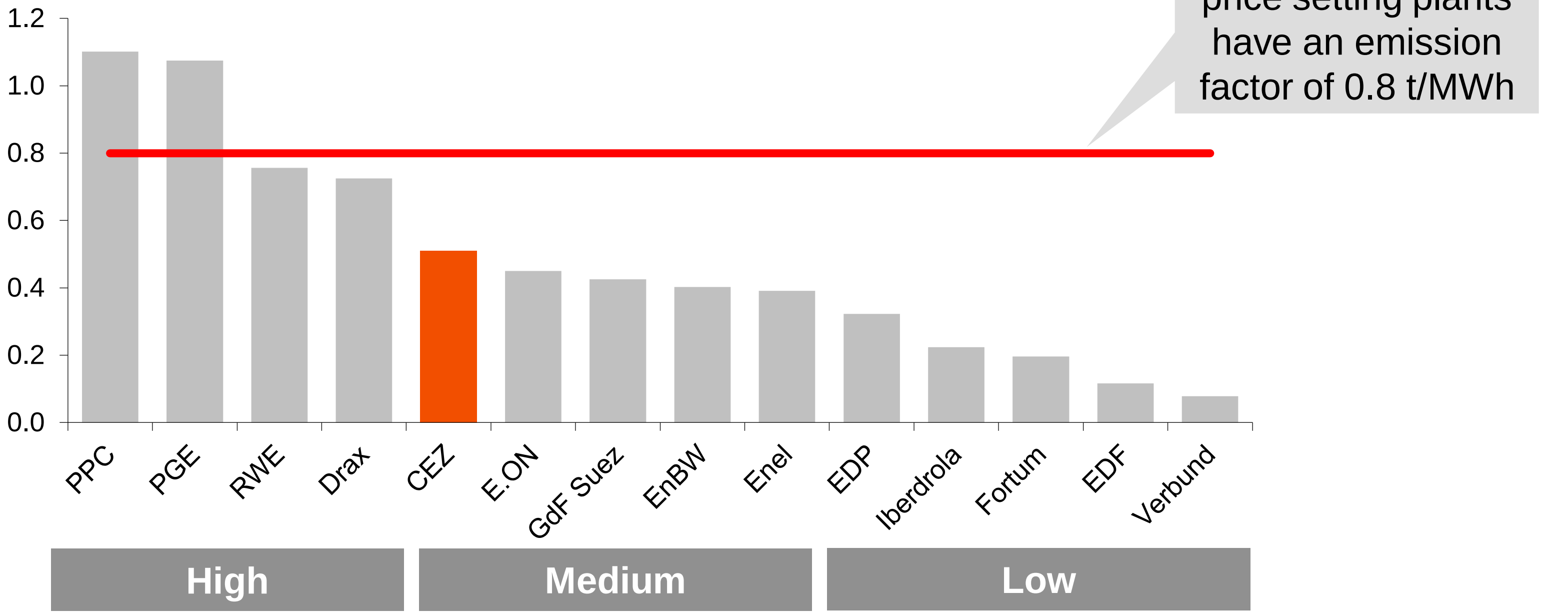


Achieved price (EUR/MWh, BL equivalent)	2015	2016	2017	2018	2019	2020	2021
	39.5	36.0	35.5	39.0	40.5	43.0	40.0

 Source: CEZ CEZ* = ČEZ, a. s., including spun-off coal-fired power plants in Počerady and Dětmarovice

CEZ GROUP'S CO_2 INTENSITY IS BELOW EUROPEAN PRICE SETTING PLANT

Carbon intensity of selected European utilities
(2013, t/MWh)

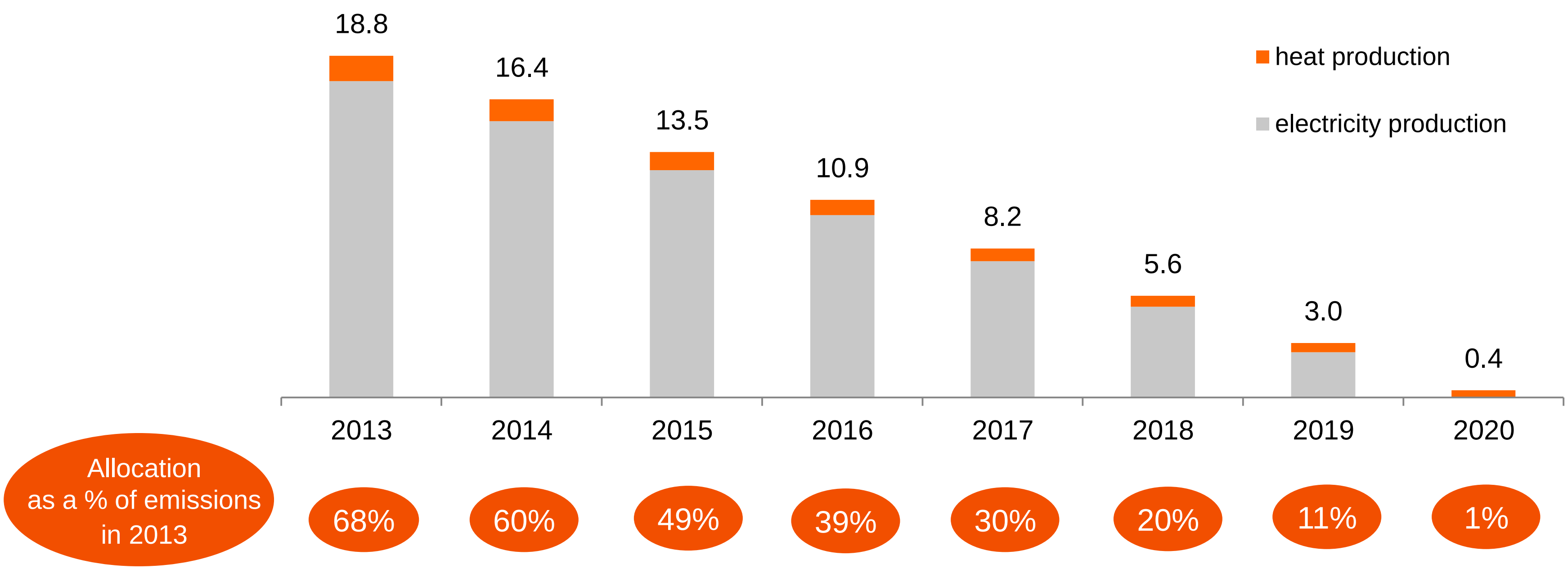


Increase in CO_2 price has a positive impact on CEZ profitability

CEZ GROUP CONTINUES TO RECEIVE PART OF EMISSION ALLOWANCES FOR FREE

- In December 2012 European Commission approved application of the Czech Republic for derogation of emission allowances for electricity production in 2013-2019.
- CEZ Group can get up to **70.2 million** emission allowances for electricity production in the Czech Republic in 2013–2019* in exchange for investments reducing greenhouse gas emissions.
- 18.8 million emission allowances for 2013 were credited on CEZ's account in Feb 14, 2014.

Expected allocation of allowances for CEZ Group in the Czech Republic (millions)



* The volume of allocated allowances decreases over years to zero allocation in 2020

EUROPEAN COUNCIL ACKNOWLEDGED THE ROLE OF EU ETS IN ACHIEVING 40% EMISSION REDUCTION TARGET IN 2030

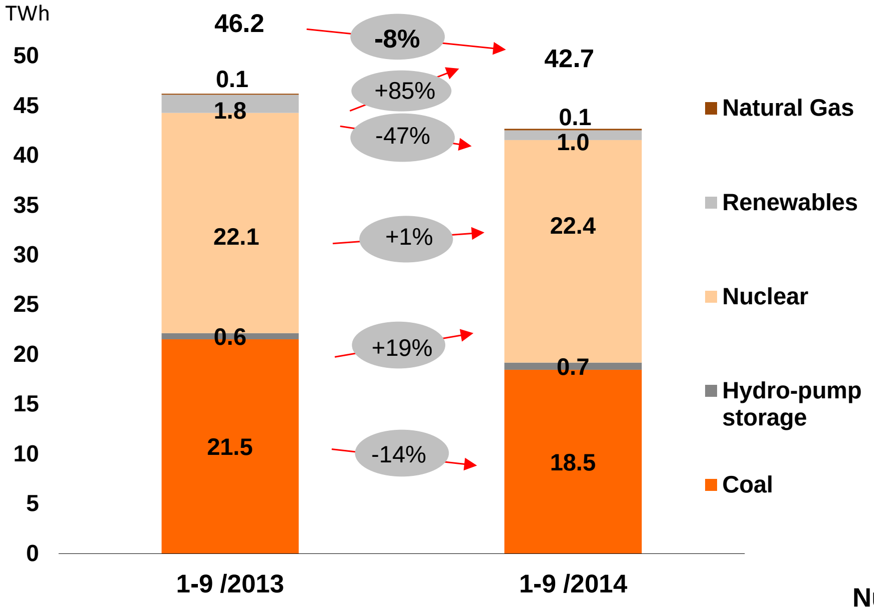
EU ETS reform remains on the agenda, approval expected in the middle of 2015:

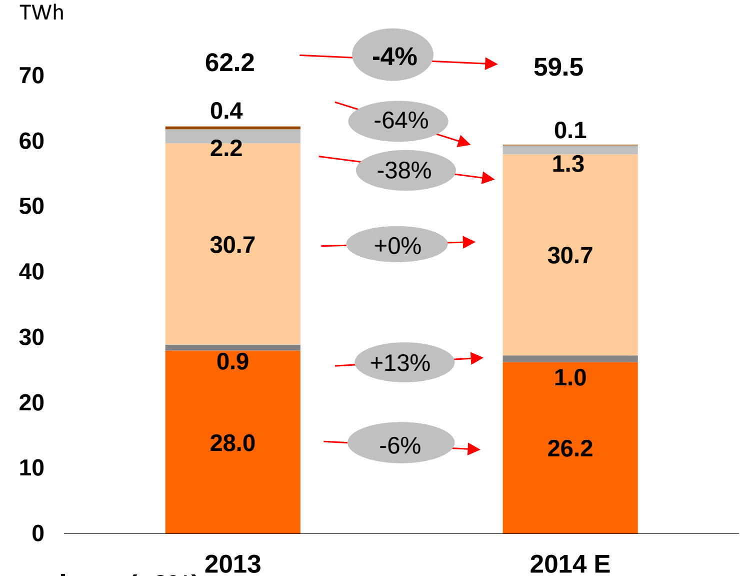
- European Council stated that well functioning EU ETS with stabilization mechanism is necessary to achieve its emission reduction targets
- Market Stability Reserve will be discussed in European parliament next year.

Key parameters of EU ETS post 2020 were defined:

- Annual cap will be reduced by 2.2% in 2021 and onwards (from 1.74% until 2020)
- Countries with GDP per capita < 60% of EU average (**Czech Rep**. is eligible) **may opt to give free allowances to energy companies** in exchange for investments up to 40% of auctioned amount.
- Industrial sectors at risk of losing international competitiveness will continue to receive free allocations.
- A supporting facility will be created for innovative projects ("NER400")
- 2% of emission allowances will be placed in a reserve fund to be used by countries with GDP per capita < 60% of EU average (Czech Rep. is eligible) for investments in energy efficiency and upgrades of energy systems

CZECH REPUBLIC: Y-O-Y DROP IN PRODUCTION REFLECTS MAINLY THE SALE OF CHVALETICE POWER PLANT IN 2013





Nuclear power plants (+1%)
+ Shorter outages and increased capacity of Dukovany NPP
+ Shorter outages of Temelín NPP

Coal-fired power plants (-14%)
– Sale of Chvaletice Power Plant in September 2013
– Effect of plant overhauls and environmental upgrades

Renewable sources (-47%)
– Lower flow rates at hydro plants due to hydrometeorologic conditions

Nuclear power plants (+0%)
+ Shorter outages of Dukovany NPP and increased capacity of Temelín NPP
– Longer planned outages of Temelín NPP

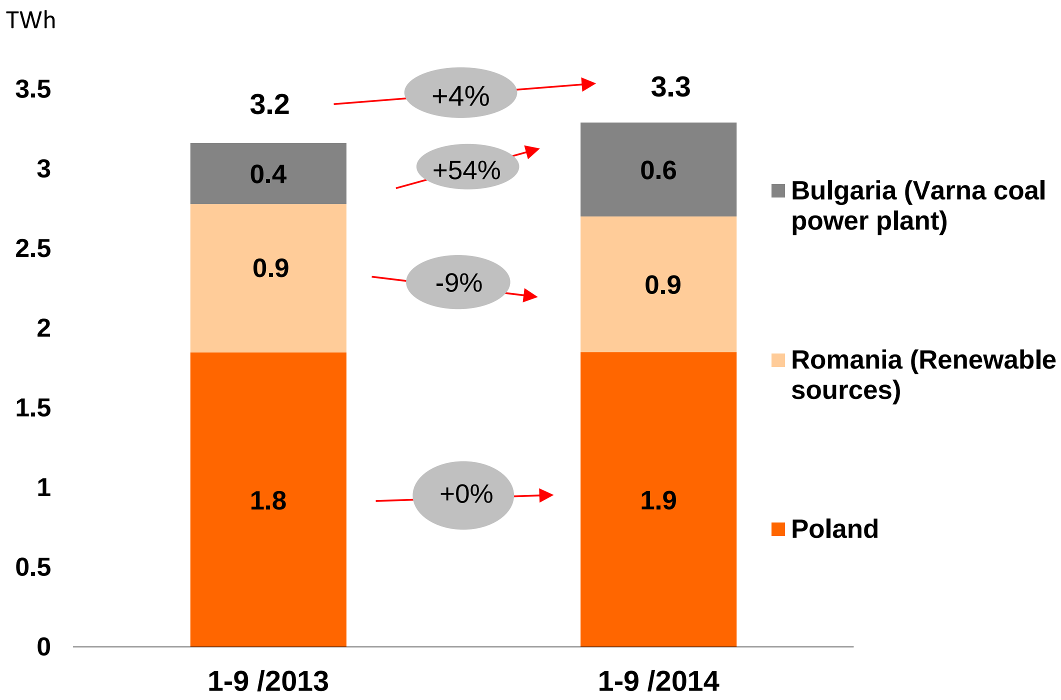
Coal-fired power plants (-6%)
– Sale of Chvaletice Power Plant and decommissioning of 2 units of Ledvice 2 Power Plant
– Planned outages at Počerady Power Plant due to environmental upgrades
+ Test operation of Ledvice 4 Power Plant (new facility)

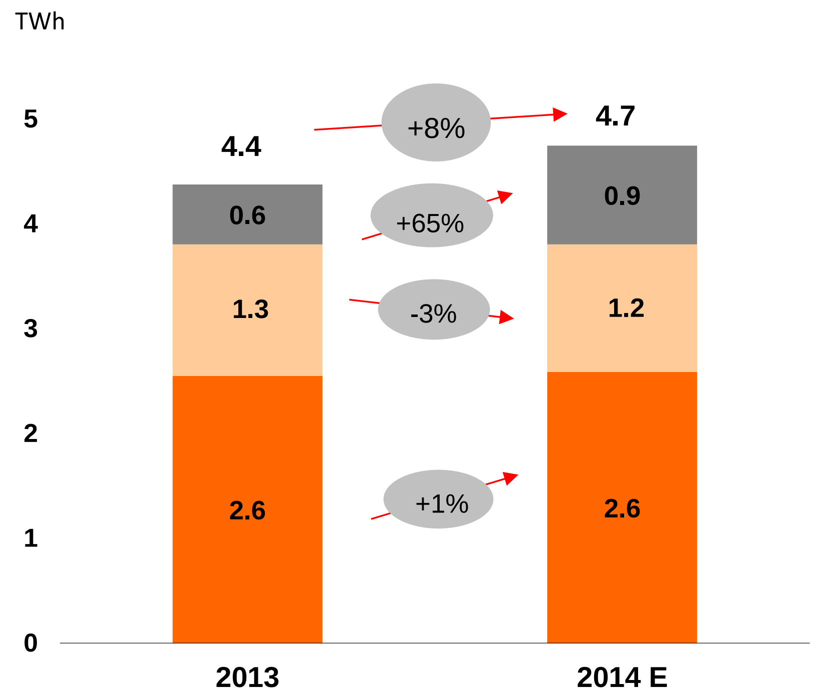
Renewable sources (-38%)
– Lower flow rates at hydro plants (due to hydrometeorologic conditions)

Natural gas (-64%)
– Lower production at Počerady CCGT

 CCGT—Combined cycle gas turbine

ABROAD: WE ARE EXPECTING SLIGHT GROWTH IN PRODUCTION





Bulgaria—coal-fired Varna plant (+54%)

+ Production for free market (for CEZ Trade Bulgaria in July–September)

Romania RES (-9%)

– Lower wind farm production due to worse weather conditions
+ Production at Reșița hydro plant after upgrade completion in 2013

Bulgaria—coal-fired Varna plant (+65%)

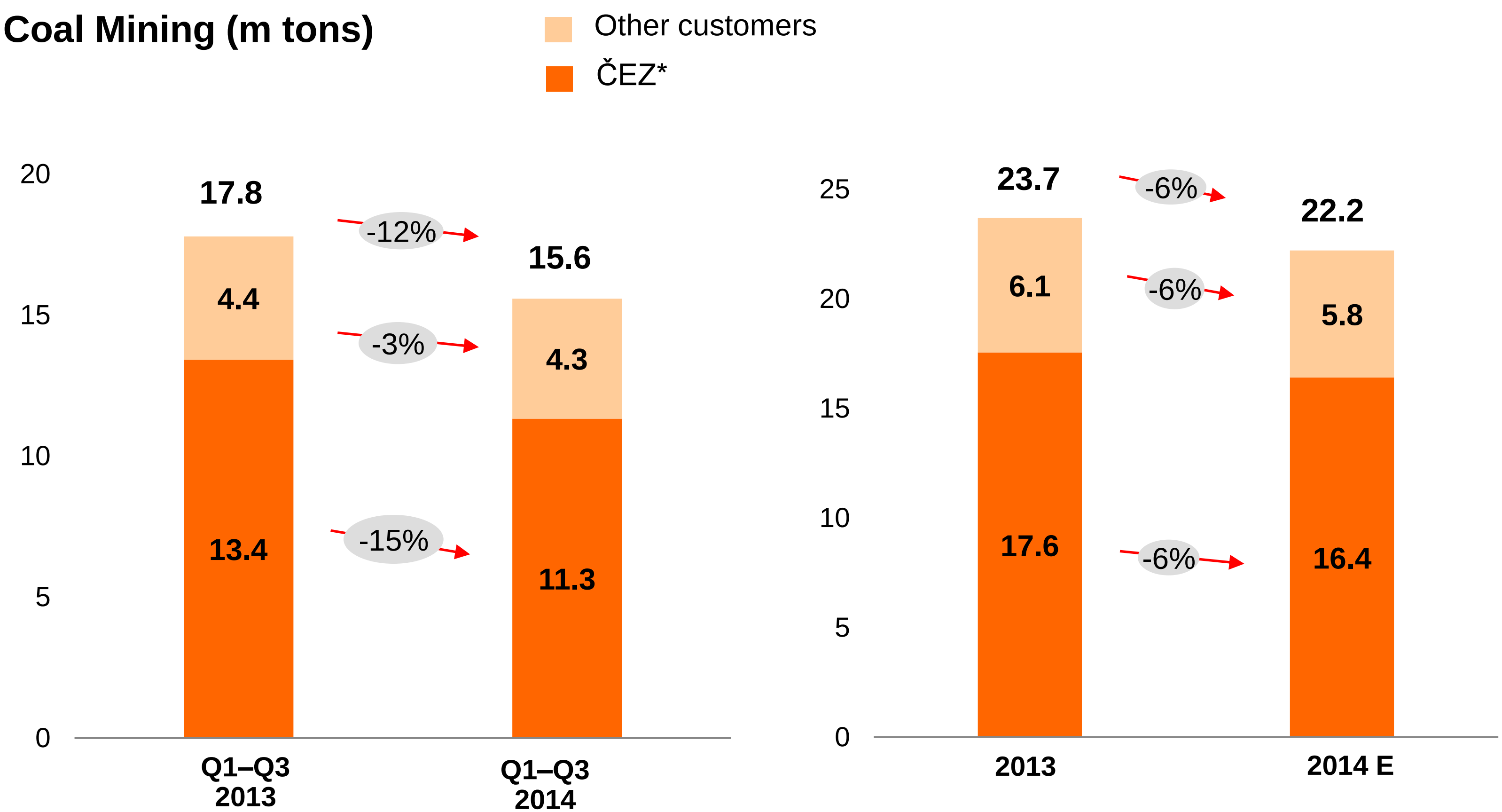
+ Production for free market (six-month contract for CEZ Trade Bulgaria)

Romania RES (-3%)

– Lower wind farm production due to worse weather conditions
+ Production at Reșița hydro plant after upgrade completion in 2013 partially cushions the impact of lower wind farm production

 Due to precise mathematical rounding, the sum of partial values can sometimes differ from the total value.

SEVEROČESKÉ DOLY: LOWER COAL EXTRACTION REFLECTS DECREASE IN DEMAND

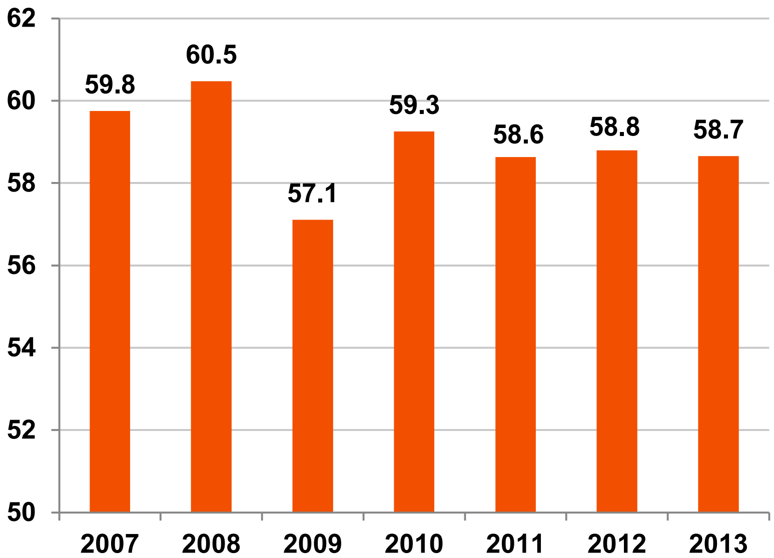


- downswing in demand for sorted coal due to extremely warm winter and lower demand by ČEZ

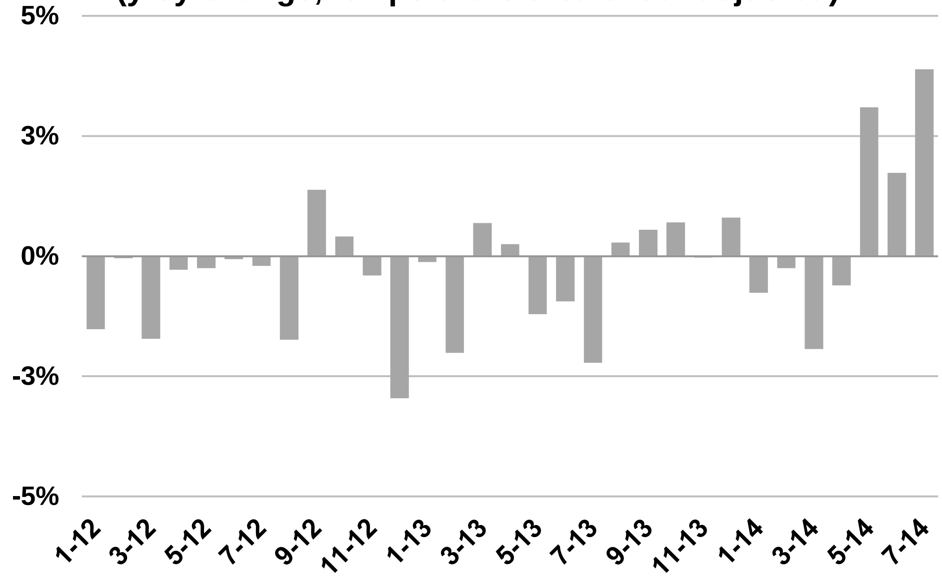
 ČEZ*—ČEZ, a. s., incl. Počerady power plant, Energotrans & Teplárna Trmice; Chvaletice power plant only until Sep 1, 2013

ELECTRICITY CONSUMPTION IN CEZ GROUP DISTRIBUTION AREA IN THE CZECH REPUBLIC SLIGHTLY DECLINED DUE TO AN EXCEPTIONALLY WARM WINTER IN 2014

Electricity demand in the Czech Republic (TWh)



Monthly development in Czech electricity (y-oy change, temperature & calendar adjusted)*



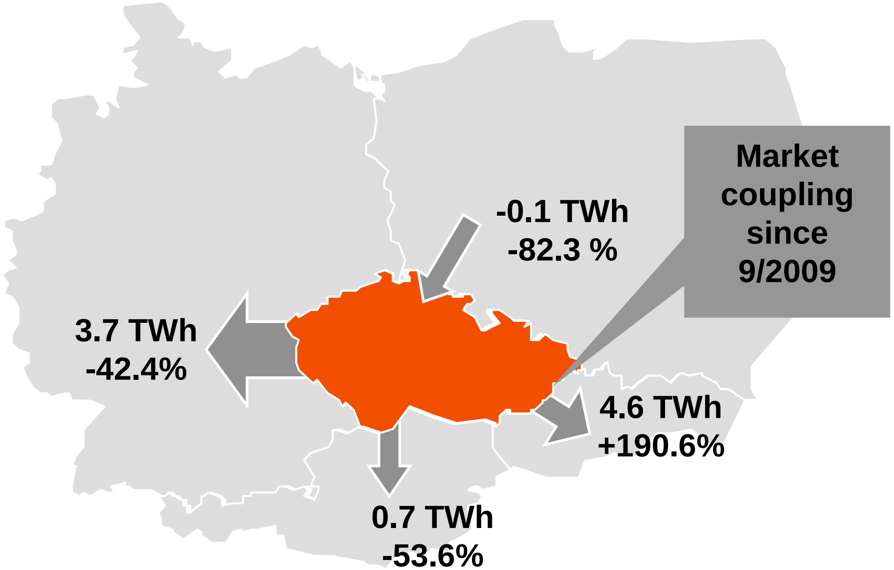
- In recent years electricity consumption was stagnant for several years and in 2013 it was 3% below its 2008 peak.
- In Q1-Q3 2014 temperature adjusted electricity consumption increased by 1.0% y-o-y in the CEZ distribution area*
- Unadjusted consumption of individual segments in Q1-Q3 2014 in the CEZ distribution area* :
  - +2.6% wholesale customers
  - -6.6 % households
  - -4.3% small businesses

 Source: CEZ, ERU *Adjusted as per ČEZ Distribuce, a. s. model

CZECH REPUBLIC REMAINS NET EXPORTER OF ELECTRICITY

Balance of cross border trades of the Czech Republic in 1H 2014

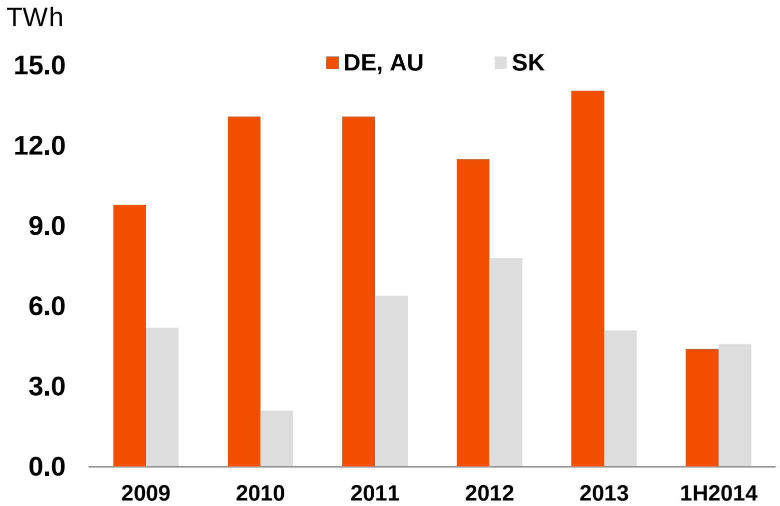
(Net exports in TWh, y-o-y changes in %)



Total net exports: 8.9 TWh, +1.1%

- CEZ is selling electricity on the wholesale market
- Czech Republic remains net exporter of power
- There are no bottlenecks on the borders (except Poland)

Development of balance of cross border trades



TWh	2010	2011	2012	2013	1H2014
DE, AU	13.1	13.1	11.5	14.1	4.4
SK	2.1	6.4	7.8	5.1	4.6
PL	-0.5	-2.1	-1.5	-1.3	-0.1
	14.8	**17.5**	**17.8**	**17.9**	**8.9**

Source: CEPS

AGENDA

CEZ GROUP'S UPDATED STRATEGY IS BUILT ON THREE PILLARS

I Be among the best in the operation of traditional power facilities and proactively respond to the challenges of the 21st century

- We want to **operate** power assets **as efficiently as possible** from the point of view of both shareholders and customers
- We want to **pro-actively react now to the future design of power sector** with a large proportion of decentralized and zero-emission production and diminishing differences between producers and consumers

II Offer customers a wide range of products and services addressing their energy needs

- We want to offer our customers partnership, expertise, tools, and financing to **meet their energy needs** - our customers are much more active in the control of their electricity and gas consumption and use in general as well as in their own production
- We want to complement this with additional products that have **synergy with electricity and gas sales**

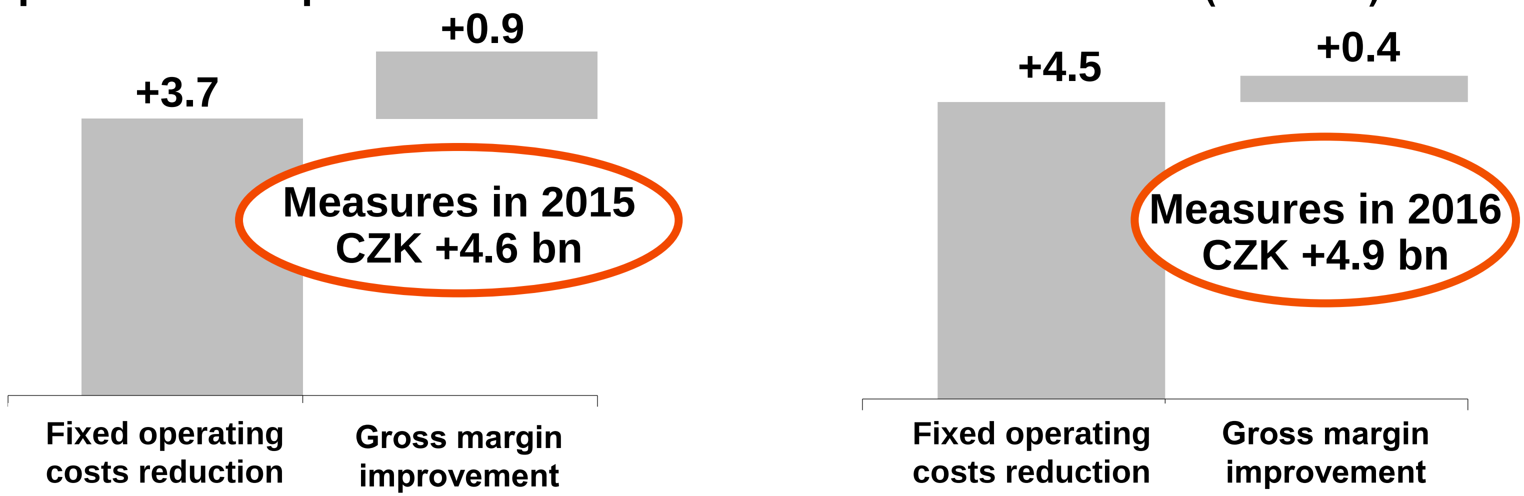
III Strengthen and consolidate our position in Central Europe

- We want to **maintain our position among the top 10** energy companies in Europe and **take advantage of major synergies** in the operation of our assets and when offering new products and servicing customers
- We focus our attention on **regions and countries** that are **close to** both CEZ and the **Czech Republic** in terms of energy markets, economy, politics and culture; however, undisputed profitability remains the key indicator

ANNOUNCED COST-CUTTING AMBITION FOR 2015 WAS FULFILLED TO THE LEVEL OF OVER 70% IN THE 1ST ROUND OF BUSINESS PLAN PREPARATIONS

- In June 2014 we set an ambitious goal to reduce fixed costs by 16% in 2015 and 2016 in comparison to the original business plan.
- After first round of business plan preparation over 70% of the target has been identified. Second round of planning will take place until the end of the year.
- The savings will be delivered through:
  - Reduction of average number of FTE employs by 3.7%.
  - 20% reduction of costs in headquarters
  - 12% reduction across operational segments

Impact of CEZ's proactive measures on 2015 & 2016 EBITDA (CZK bn)



NEW ENERGY: IDENTIFY OPPORTUNITIES AND PICK PROJECTS ADDING VALUE TO THE GROUP

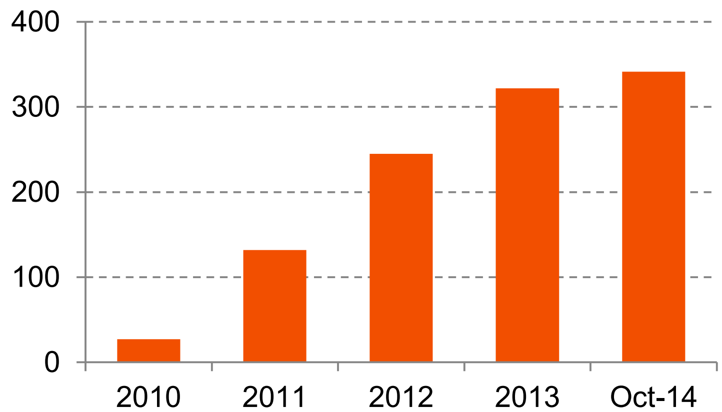
	Theme	Examples of opportunities	CEZ Group´s existing competence
	Services for households and service sector	▪ Services relating to the energy management of buildings ▪ Sale, installation and service of heat pumps, LED lighting, household smart grids.	CEZ Energetické služby – services, audits and consultancy concerning energy management and energy savings
	Professional services for industry and municipalities	▪ Technically demanding services and products such as installation and operation of industry islands or design and installation of local DC grids	CEZ Energetické služby – energy projects and wide range of services for industrial customers
	Regional decentralised energy production	▪ Installation and operation of micro-cogeneration ▪ Construction and operation of regional waste-to-energy plants	CEZ Energo – realised several projects concerning construction and subsequent operation of gas-fired cogeneration units
	Enter to other network industries	• Construction and operation of public lighting	CEZ Energetické služby – operates public lighting in several municipalities

In September 2013 CEZ set up a new company ČEZ Nová energetika (ČEZ New Energy) specialising in finding growth potentials in decentralised energy sector.

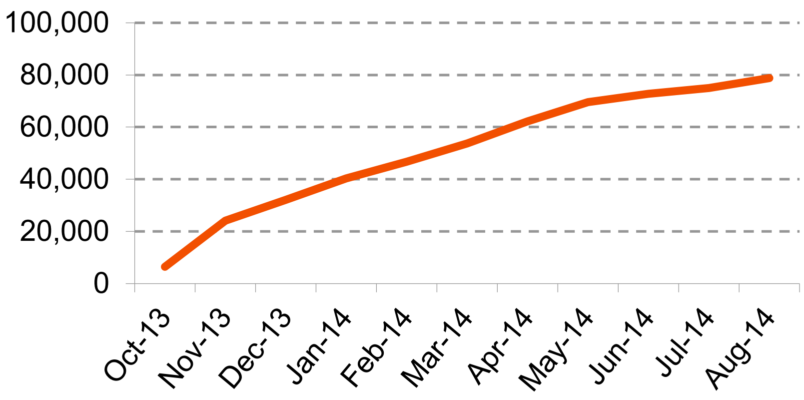
CUSTOMER ORIENTATION: EXPANDING PRODUCT OFFER AND IMPROVING CUSTOMER SERVICE

- **CEZ works on improving customer experience**
  - Simplified version of IVR on the Customer and Emergency Lines reduced number of abandoned calls and shortened the time needed to make a choice.
  - We improve customer experience with requests for connections to the grid, complaints, and grid faults by providing more information online and by simplifying the letters and materials
  - We have deployed a dedicated team for repayment plans with an individual approach to each customer
- **CEZ expands the product offer**
  - We have strengthened our position of the largest alternative gas supplies in the Czech Republic. Number of gas customers reached 329,000 in June 2014.
  - In October 2013 CEZ launched the offer of mobile phone services. We currently have 74,000 customers
  - Since July 2014 CEZ offers to customers an insurance of ability to fulfill financial obligations

Gas - number of connection points (000s)



CEZ MOBILE customers

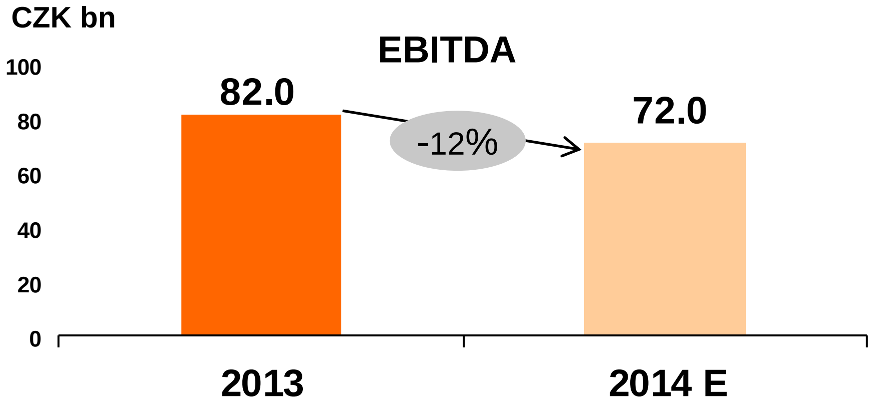


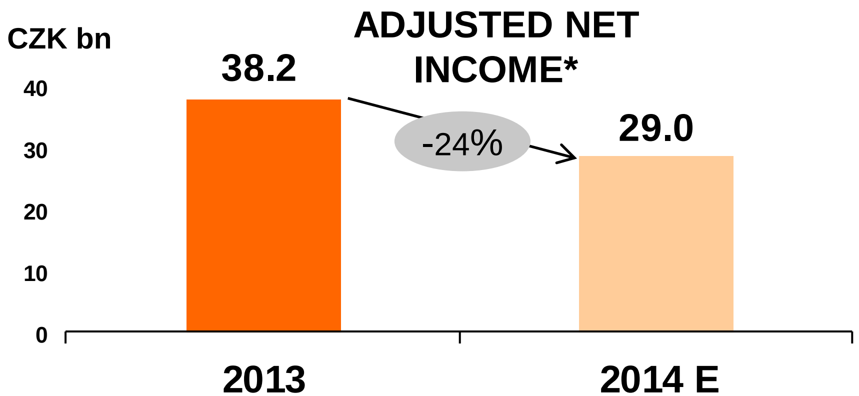
ABROAD: ALL CONDITIONS PRECEDENT IN THE SETTLEMENT AGREEMENT WITH ALBANIA WERE MET

- **On October 16, 2014, CEZ Group and the Albanian government mutually acknowledged that all the conditions precedent in their Settlement Agreement (worth EUR 100 m) had been met:**
  - Bank guarantee issued for the Albanian party ✓
  - Agreement approved by the Albanian government and then ratified by the Albanian parliament ✓
  - Agreement approved by ČEZ's Supervisory Board ✓
  - First installment (EUR 10 m) paid by the Albanian party ✓
  - Bank guarantee approved by Albania's parliament ✓
- CEZ Group has already received EUR 15 m out for the settlement of claims and assignment of its stake in the distribution company. The remaining amount of EUR 85 m will be paid up by 2018 in yearly installments, covered by a guarantee of a reputable Europe-based bank.
- **As the settlement agreement enters into effect:**
  - ČEZ's 76% stake in the distribution company was assigned back to the Albanian state
  - Any claims Albania might raise against CEZ Group expire
  - ČEZ's arbitration against Albania will be terminated

AGENDA

WE INCREASE EXPECTED 2014 EBITDA TO CZK 72.0 BN AND CONFIRM EXPECTED ADJUSTED NET INCOME OF CZK 29.0 BN





Selected year-on-year positive effects:

- Settlement agreement with Albanian government
- Cuts in fixed operating costs

Selected year-on-year negative effects:

- Trend of declining electricity prices
- Extremely warm and dry winter in 2014
- Delay in green certificate notification for Romanian wind parks by the European Commission
- Extraordinary revenue from trading in allowances in 2013 (CER Gate)

Selected prediction risks:

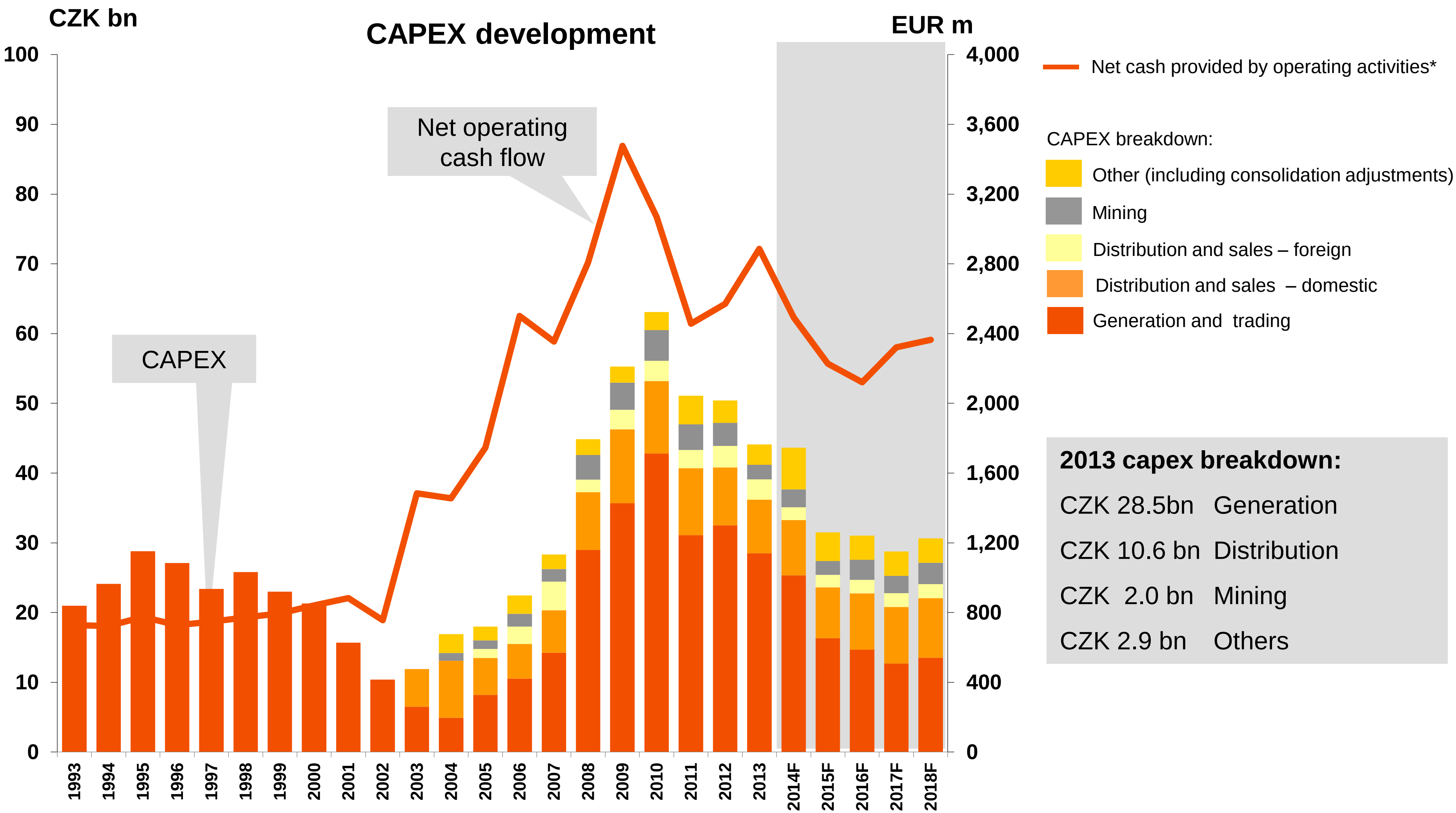
- Developments in regulatory and legislative conditions for the energy sector in Southeast Europe
- Facility availability and climatic conditions in Q4

* The values of adjusted net income do not include extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as impairments to fixed assets and goodwill write-offs, profit/loss from sale of assets or subsidiaries, or other extraordinary effects).

The book net income achieved in 2013, amounting to CZK 35.2 bn, is adjusted for the effect of impairments to fixed assets, the impact of the sale of the Chvaletice Power Plant, and the effect of the exclusion of the Albanian company CEZ Shpërndarje from the consolidated group. The outlook for 2014 net income is adjusted for the effect of fixed asset impairments and the effect of the settlement agreement with the Albanian government.

Financial values for 2013 throughout this presentation reflect the restatement of past periods in accordance with the IFRS and the current definition of EBITDA (especially the reclassification of ČEZ Energo from a subsidiary to a joint venture).

CAPEX PLAN CAN BE FINANCED FROM OPERATING CASH FLOW



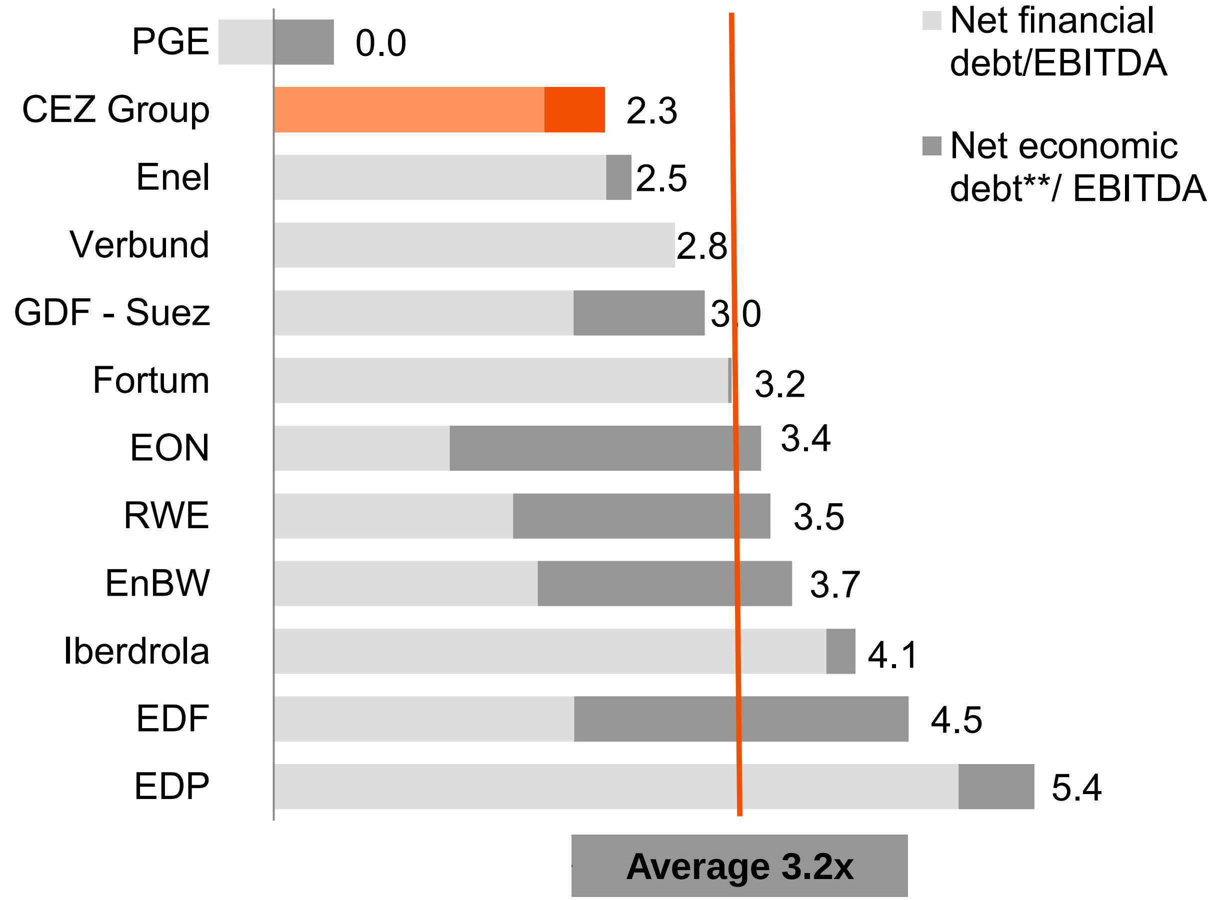
2013 capex breakdown:

CZK 28.5bn	Generation
CZK 10.6 bn	Distribution
CZK 2.0 bn	Mining
CZK 2.9 bn	Others

Note: * based on business plan approved in Dec-13, which uses electricity forwards as of Sep-2013. Exchange rate CZK/EUR = 25.14

OUR CURRENT LEVERAGE IS LOW COMPARED TO INDUSTRY STANDARDS

Net economic debt/ EBITDA*
Multiples, 2013



Current level of debt is low, which is a comfortable position in the current environment

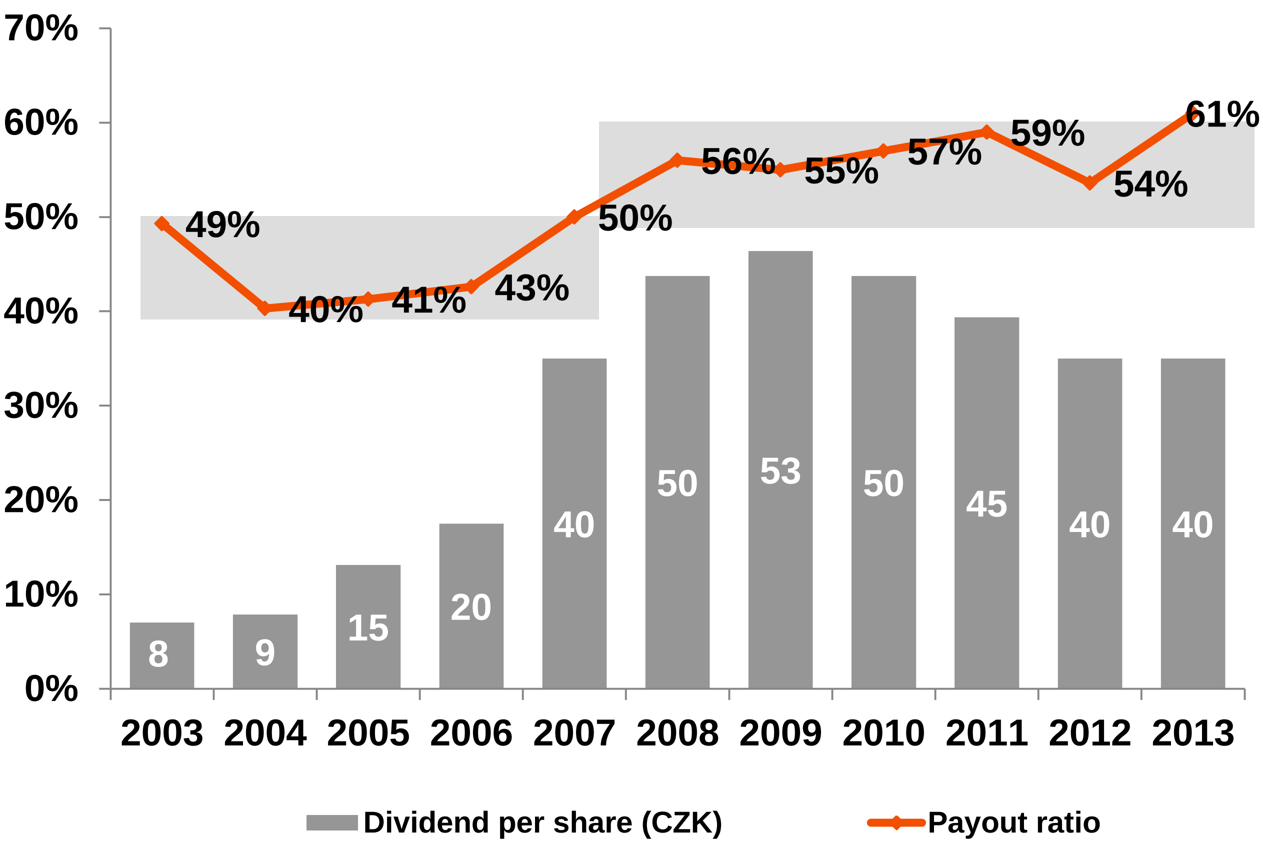
Medium-term target leverage remains intact:

- Net debt/EBITDA ratio at 2.0-2.5x
- Consistent with current rating of A-/A2

*EBITDA as reported by companies, ** Net economic debt= net financial net debt + liabilities from nuclear provisions & liabilities from employee pensions & reclamation and other provision

CEZ GROUP IS COMMITTED TO MAINTAIN ITS PAYOUT RATIO OF 50 – 60 % OF NET INCOME

Payout ratio (%)



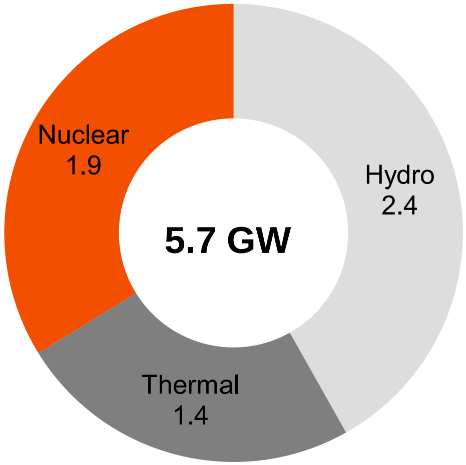
- Dividend policy targets payout ratio in the range of 50% to 60% of the consolidated profit adjusted for extraordinary items.
- On June 27, 2014 shareholders approved the dividend from 2013 profits of CZK 40 per share. Payment started on August 1, 2014.

AGENDA

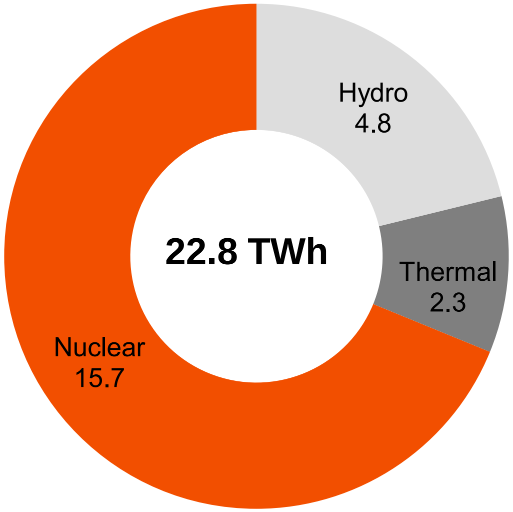
CEZ SENT AN EXPRESSION OF INTEREST FOR A STAKE IN SLOVENSKÉ ELEKTRÁRNE

- On November 19, 2014 CEZ has sent an expression of interest for 66% stake in Slovenské elektrárne, a.s. (SE), which is currently owned by Italian Enel.
- Integration of CEZ and Slovenské elektrárne would bring synergies in operations and development of nuclear and hydro power plants in both countries.
- However CEZ also expressed the necessity of detailed analysis and resolution of outstanding issues related mainly to construction of Mochovce nuclear power plant.

SE Installed Capacity* (2013)



SE Generation Volume* (2013)



SE Financial Highlights (€ m)

	2012	2013
Revenues	3,538	2,856
EBITDA	838	710
EBIT	541	449
Net income	449	356
Operating CF	382	311
CF from investing	-679	-612
Net financial debt	831	1,200

*Including Gabcikovo plant (747 MW, 2.6 TWh), which is operated by SE but owned by state

SELECTED EVENTS IN FOREIGN ASSETS

Bulgaria

- Proceedings on revocation of the licenses of sale companies CEZ Electro, Energo-Pro and EVN are ongoing. CEZ Group is convinced there is no reason for license revocation.
- A new price decision for distribution and sales entered into effect on October 1, 2014, indicating a positive impact on CEZ Group's results. As a result of the regulatory authority's decision, the average tariffs of the distribution company and the sales company will grow by about 11.5% and about 10% respectively (on an annual basis).
- CEZ Group and Bulgaria's state-owned energy company failed to come to an agreement on funding for an upgrade of the Varna power plant. The plant's operation will thus be suspended on January 1, 2015.

Romania

- On June 4, 2013, the Government approved a decree on promoting renewable sources; for our wind farms it means that the tradability of one of the two allocated green certificates has been postponed till 2018.
- Allocation of green certificates to Fântânele Vest wind park (262.5 MW) suspended since November 2013 due to notification delay on the part of the European Commission.

Turkey

- The Egemer CCGT plant entered into full operation (receiving its Preliminary Acceptance Certificate, PAC) on August 25, 2014. All of the plant's technical specifications were met; additionally, its capacity increased to 904 MW (from the original target of 872 MW).

CEZ CANCELED PROCUREMENT PROCEDURE FOR CONSTRUCTION OF TEMELIN NUCLEAR POWER PLANT

The requirements for the project‘s feasibility are not fulfilled at the moment.

- On Apr 9, the Czech government adopted a resolution saying it was not planning to provide any guarantee or stabilization mechanism for the construction of low-carbon facilities at the moment.
- It also declared interest in further development of nuclear energy in the Czech Rep., promising to prepare a comprehensive plan for this area by the end of 2014.
- On April 10, 2014 CEZ canceled the procurement procedure for construction of two new units in the location of Temelin nuclear power plant and sent a relevant notice to participants - consortium of Westinghouse Electric Company LLC and Westinghouse Electric Czech Republic s.r.o., consortium of ŠKODA JS, Atomstroyexport and Gidropress and also earlier excluded AREVA NP. At the same time, it confirmed that preparation of the project as such is going forward.

CEZ IS A STRONG AND VERTICALLY INTEGRATED PLAYER IN THE CZECH ELECTRICITY MARKET

	Lignite mining	Generation	Transmission	Distribution	Supply
CEZ	**58%** 23.7 million tons	**72%** 62 TWh	**100%** 52.9 TWh	5 out of 8 distribution regions; 64% of customers	**36%** 21 TWh
Others	**42%** 16.9 million tons	**28%** 24.8TWh		36% of customers	64% 37.7 TWh

Lignite mining

- CEZ fully owns the largest Czech mining company (SD) covering 73% of CEZ' s lignite needs
- Remaining 3 coal mining companies are privately owned

Generation

- Other competitors – individual IPPs

Transmission

- The Czech transmission grid is owned and operated by CEPS, 100% owned by the Czech state

Distribution

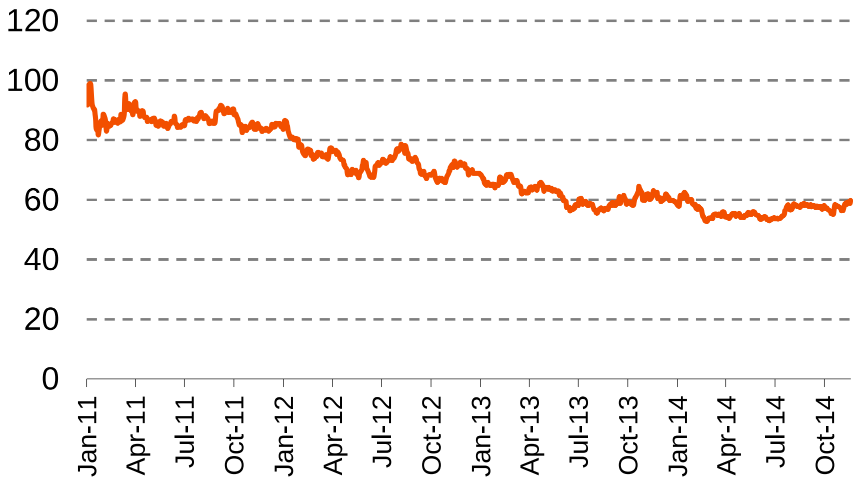
Supply

- Other competitors – E.ON, RWE/EnBW

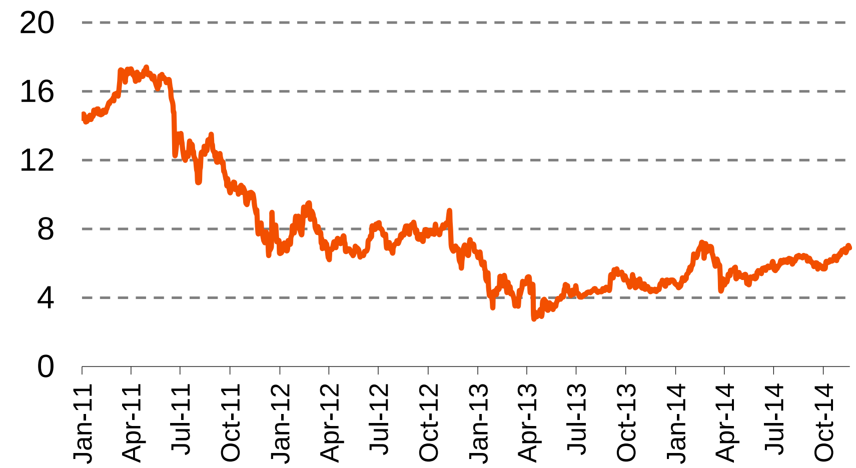
Source: CEZ, ERU, OTE, companies´ data ; data for 2013

HISTORICAL DEVELOPMENT OF PRICES OF INPUT COMMODITIES

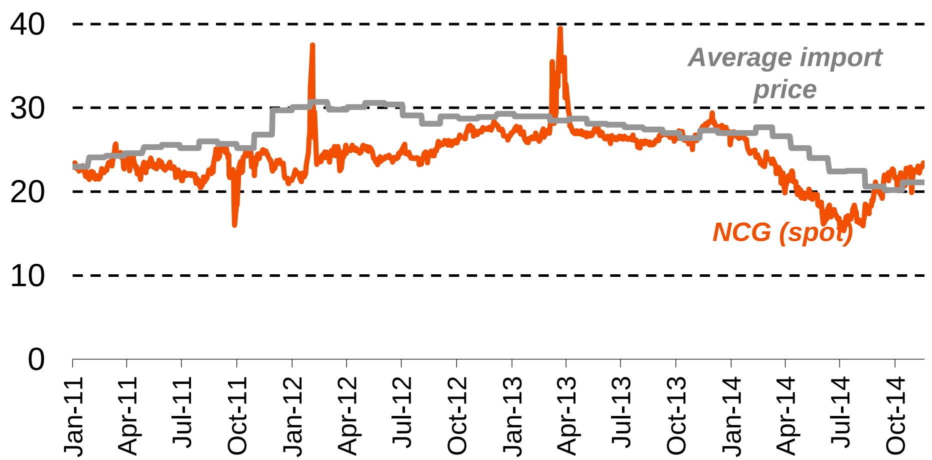
Coal (EUR/t)



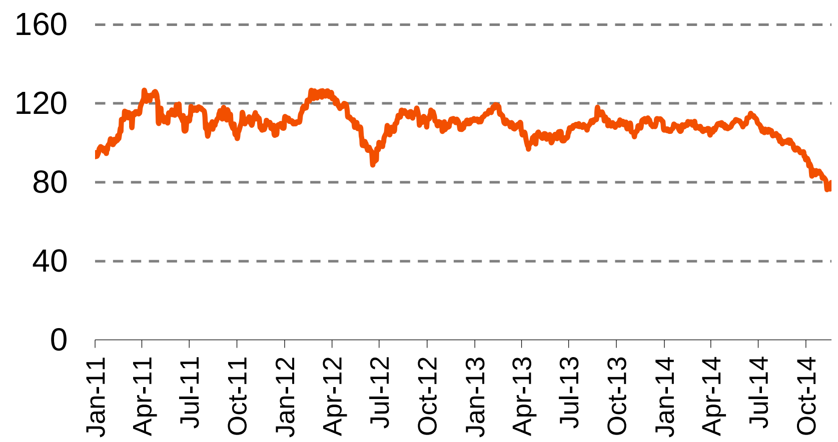
CO_2 allowances (EUR/t)



Gas (EUR/MWh, in Germany)

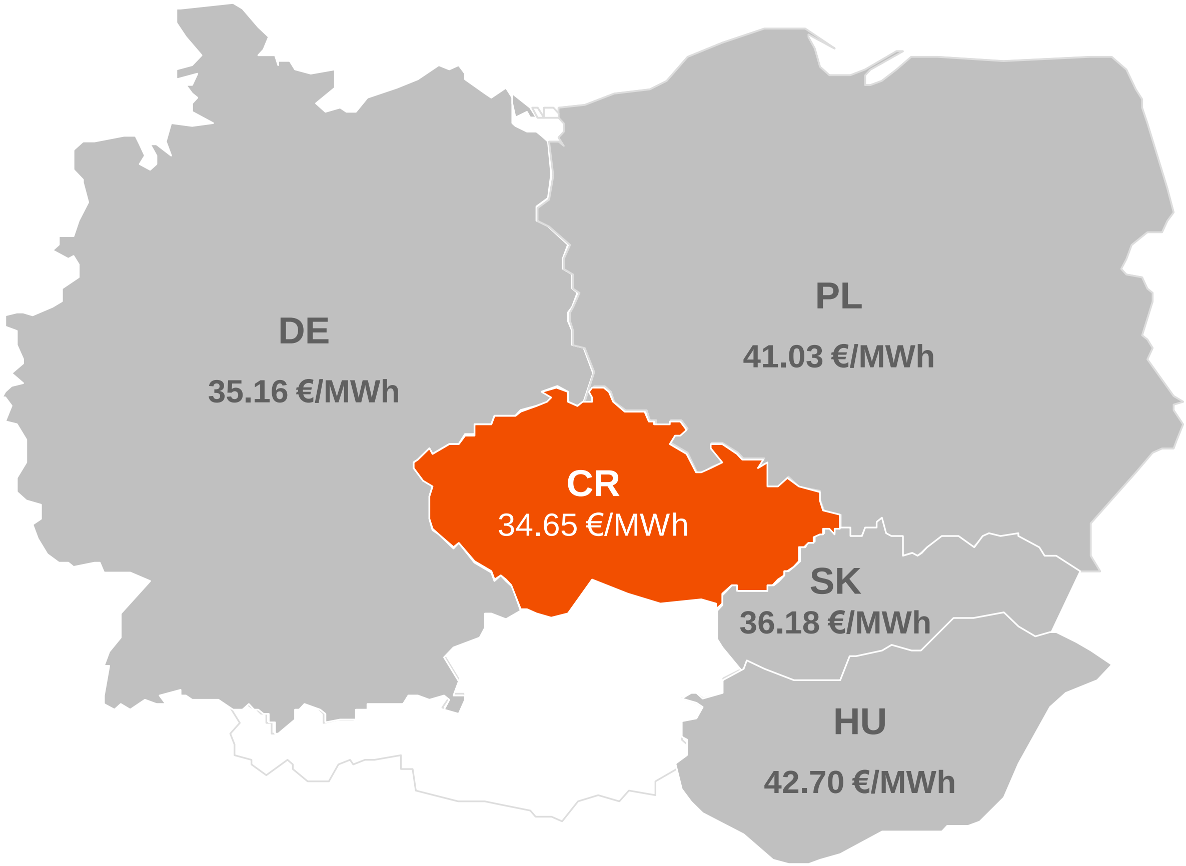


Oil Brent (USD/bl)



Note: next month deliveries, spot, CO2 – Mid Dec delivery

ELECTRICITY MARKETS IN THE REGION ARE INTEGRATED, CEZ CAN SELL ITS POWER ABROAD



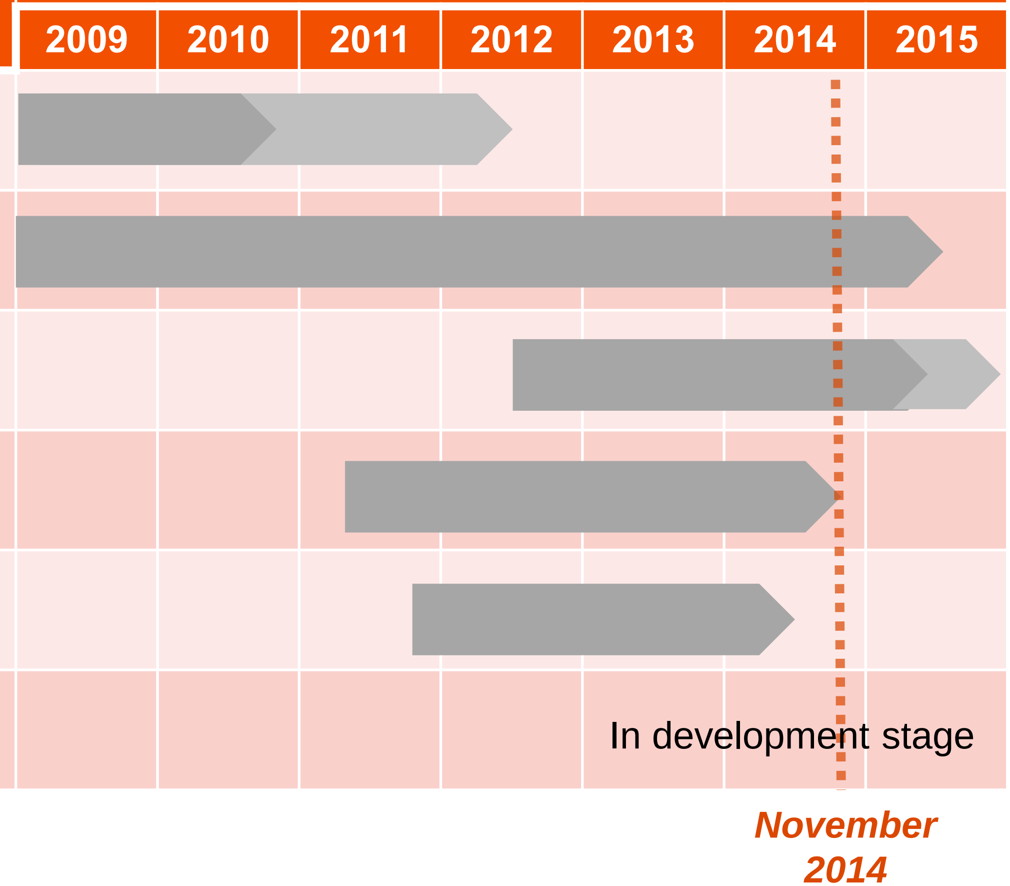
Note: Prices for baseload 2015 as of November 21st, 2014

Source: EEX, PXE; PolPX, Bloomberg

CONSTRUCTION AND MODERNIZATION OF OUR POWER PLANTS IS ALMOST COMPLETED

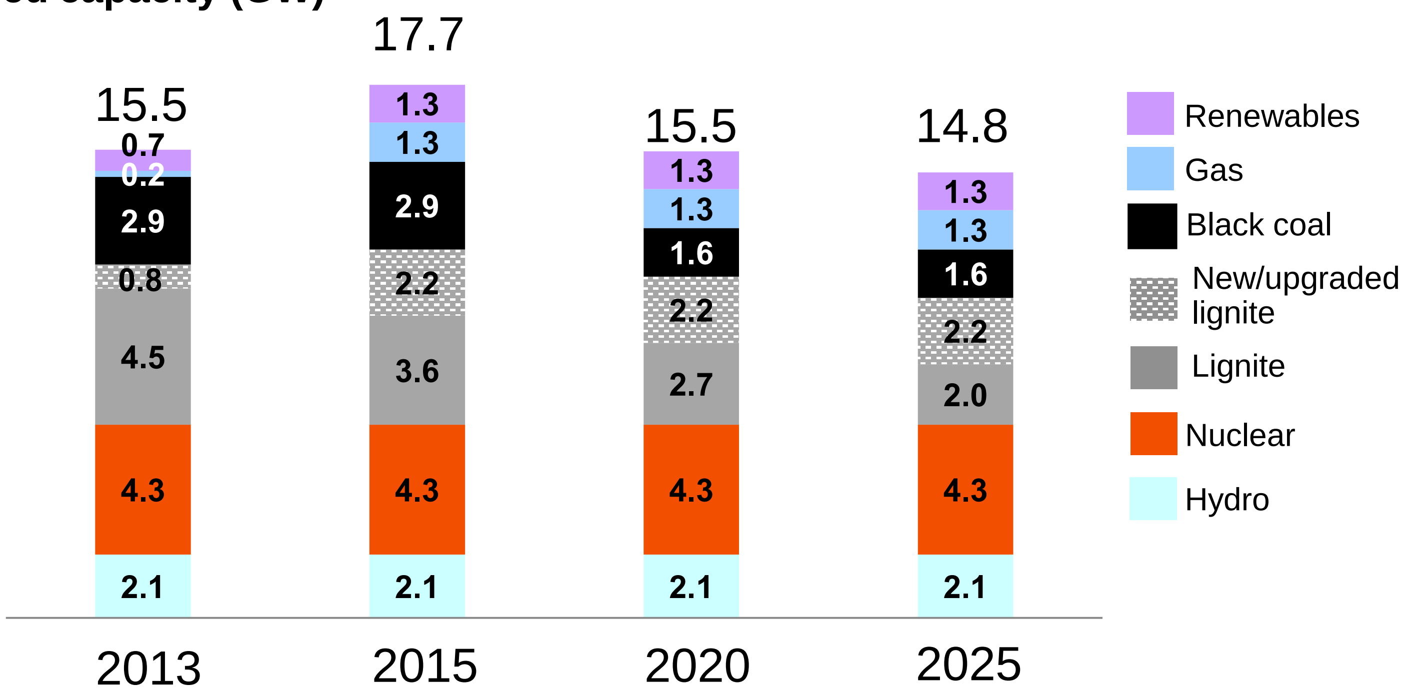
Plant	Capacity (MW)	Efficiency
Tušimice (lignite)	4 x 200	39%
Ledvice (lignite)	1 x 660	42.5%
Prunéřov (lignite)	3 x 250	<39%
CCGT Počerady	841	57.4%
CCGT Hatay (Egemer)	904	57.8%
Kemah (hydro)	240	

Construction period



INVESTMENT PROGRAM ALLOWS CEZ TO REDUCE THE AVERAGE CARBON EMISSION FACTOR

Expected installed capacity (GW)
(proportionate*)



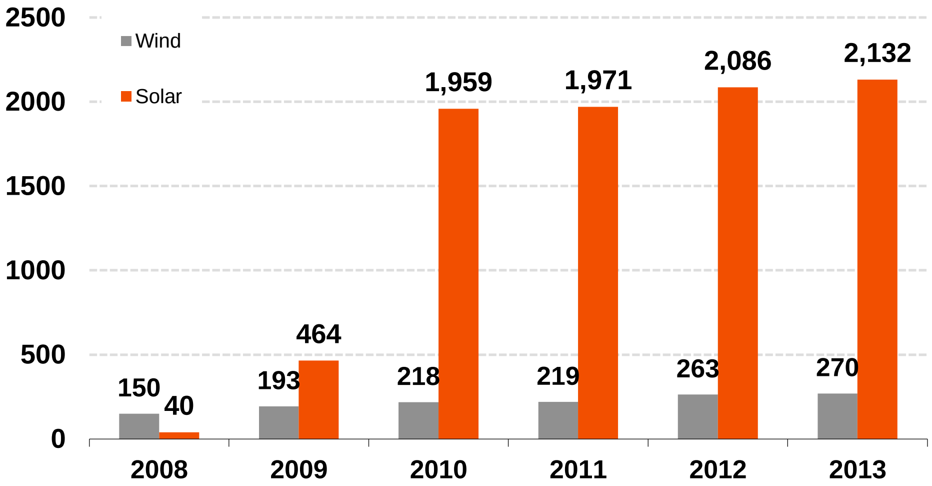
	2013	2015	2020	2025
Total CO_2 emissions (m t CO_2)	30.8	33.7	29.0	27.8
Emission intensity (t CO_2/MWh supplied)	0.51	0.49	0.44	0.42

* includes equity consolidated companies (Akenerji)

CZECH REPUBLIC: RENEWABLES SUPPORT

Renewables type (prices for installations put into operation in 2013)	**2013 feed-in tariff (€/MWh)**	**2013 green bonus (€/MWh)**
Solar <30 kW	97-119	75-114
Solar >30 kW	0	0
Wind	84	62
Small hydro	80-151	48-95
Biogas stations	76-141	36-99
Pure biomass burning	82-129	48-90

Installed capacity of wind and solar power plants in the Czech Republic (MWe)



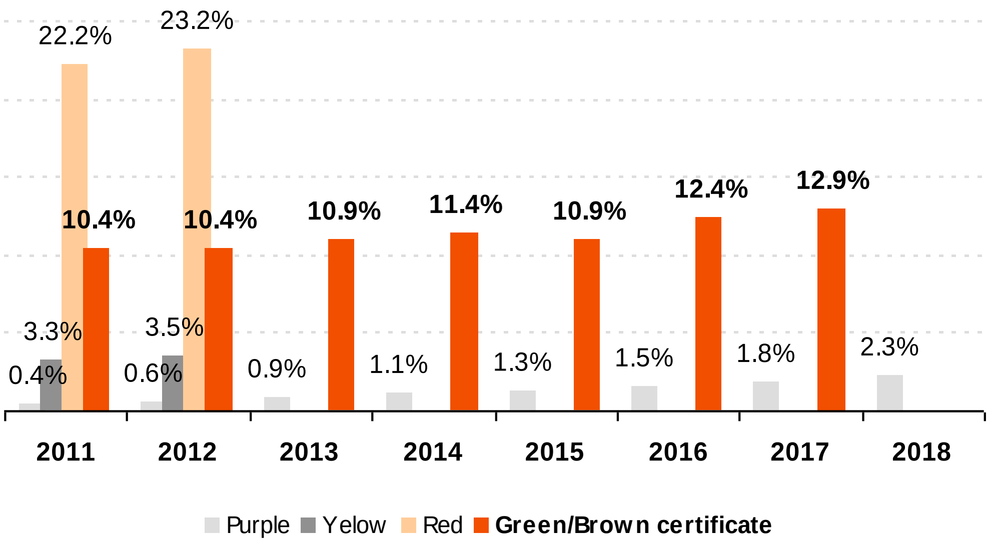
CZK/EUR = 25.14

- Support for renewables is given only to installations which were put into operations by Dec 31, 2013.
- Operators of renewable energy sources can choose from 2 options of support:
  - Feed-in tariffs (electricity purchased by distributor)
  - Green bonuses (electricity sold on the market, bonuses paid by distributor, level of green bonuses is derived from feed-in tariffs)
- Fees for renewables are part of regulated distribution tariffs charged to final customers.
- Feed-in tariffs are set by a regulator to ensure 15-year payback period. During operation of a power plant they are increased each year by PPI index or by 2% at minimum and 4% at maximum.
- Support is provided for 20 years to solar, wind, pure biomass and biogas plants and for 30 years to hydro.
- Solar plants put into operations in 2010 with capacity over 30kWp are obliged to pay 10% tax of revenues.

 Source: Energy regulatory office (www.eru.cz)

POLAND: RENEWABLES SUPPORT

Mandatory quota set by Regulation of Ministry of Economy of August 14, 2008



	Renewables/ biogas	Co-generation		
Prices in 2013 in EUR/MWh	**Green/Brown**	**Red**	**Yellow**	**Purple**
Substitute fee	71.7	7.2	35.9	14.4
Certificate of origin*	35	0.7	28.5	14.1

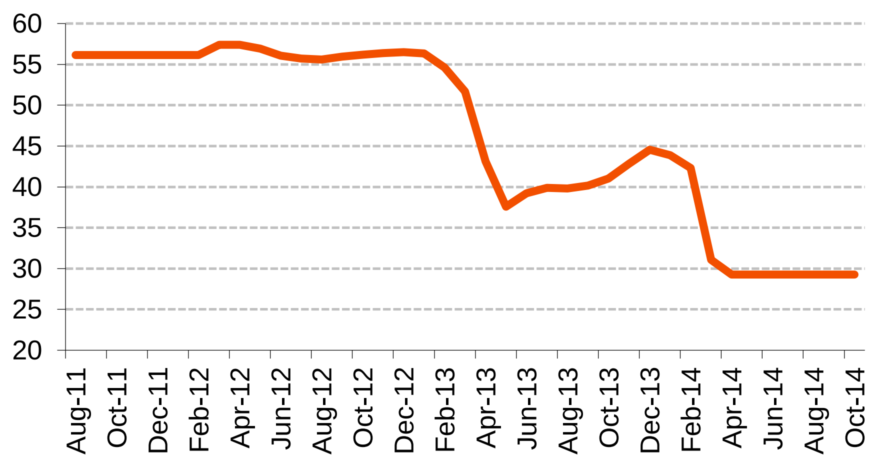
- System based on granting certificates of origin (green certificates for electricity from renewable sources) to producers of electricity from renewable sources (1 certificate/1 MWh produced) on top of electricity price
- Certificates (property rights derived from certificates) are traded on Polish Energy Exchange
- Energy companies delivering electricity to final consumers have to supply a given portion of electricity from renewable sources each year, which can be executed by:
  - a) submitting certificates of origin
  - b) payment of a substitute fee**
- Substitute fee is set by Energy Regulatory Office at the end of March each year, level is adjusted annually for inflation of preceding year
- Guaranteed revenue from wholesale electricity selling for RES producers by possibility of sale to seller default for an average price of preceding year (2012 199 PLN/MWh=47.6 EUR/MWh)
- Financial penalty for failure to meet the obligation: minimum 130% of substitute fee, maximum 15% of company revenues for previous year
- Certificates issued and mandatory quota for suppliers set also for biogas production (brown certificates) and cogeneration (yellow, red, purple certificates)

ex. rate 4.15 EUR/PLN for 2013, 4.18 EUR/PLN for 2012, * average prices from continuous trading in 2013, , ***payment in account of The National Fund of Environment Protection and Water Management

ROMANIA: RENEWABLES SUPPORT

- Two green certificates (GC) obtained by the producer for each MWh supplied from wind to the network until 2017, one GC from 2018 onwards
- In July 2013 Romanian government has approved an emergency decree which defers trading of second green certificate for wind farm producers until 1 Jan 2018.
- Legally set up price for green certificate is 27 to 55 EUR in 2008 – 2025
- GC may be sold to electricity suppliers using bilateral negotiated contracts or on the centralized market of green certificates
- Duration of support – 15 years
- Penalty for suppliers unable to comply with annual mandatory quota – double of the maximum trade value of GC
- New Law 134/2012 on renewables stipulates that existing producers over 125 MW receive GC according to normal supporting scheme for 2 years, with the obligation to individually notify to Brussels for state aid support within following 3 months after accreditation.

Green certificates market clearing price (EUR/certificate)



OVERVIEW OF REGULATION OF DISTRIBUTION NETWORKS

	Czech Republic	Bulgaria	Romania
2014 RAB (local currency)	80,586 m	503 m	2,205 m
2014 RAB (€ m)	3,102	257	499
2014 WACC pre-tax	5.6% (nominal)	7% (nominal)	8.52% (real)
Regulatory period	2010-2015	2013-2018	2014-2018

CZK/EUR = 25.974, BGN/EUR = 1.96, RON/EUR = 4.419

CZECH REPUBLIC: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections +/- Quality factor
  - RAB adjusted annually to reflect net investments
  - Regulatory rate of return (WACC nominal, pre-tax) – 5.554% for 2013 (compared to 6.738% in 2012)
  - Operating costs are indexed to CPI + 1% (30% weight) and market services price index (70% weight). They are also adjusted by efficiency factor of 2.031%/year.

Regulatory period

- 2nd regulatory period: January 1, 2005 – December 31, 2009
- 3rd regulatory period: January1, 2010 – December 31, 2015
  (3rd regulatory period was extended by one year and will last 6 years)
- 4th regulatory period: expected to start from January 1, 2016 and end December 31, 2021

Unbundling & Liberalization

- Since January 1, 2006 all customers can choose their electricity supplier, market is 100% liberalized
- There is no regulation of end-user prices of electricity

BULGARIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by SEWRC (State Energy and Water Regulatory Commission)
- The regulatory formula for distribution
  - Revenue cap = Costs + Regulatory return on RAB + Depreciation
  - Regulatory rate of return (WACC nominal, pre-tax) –7% for 3rd regulatory period
  - RAB set at € 257 m for 1-6 2014
  - CPI adjustment used for part of costs (OPEX) of EUR 55.5 m
  - Technical losses in 3rd regulatory period set by regulator at 8%
  - Efficiency factor introduced in 2nd regulatory period
  - Investment plan – approved by the regulator on yearly basis retrospective

Regulatory period

- 1st regulatory period October 1, 2005 – June 31, 2008
- 2nd regulatory period July 1, 2008 – June 31, 2013
- 3rd regulatory period July 1, 2013 – June 31, 2018

Unbundling & Liberalization

- Unbundling successfully completed by December 31, 2006
- Since July 2007, all consumers have the right to become eligible but the effective market degree of liberalized market is negligible.

ROMANIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ANRE (Autoritatea Nationala de Reglementare in domeniul Energiei)
- Price cap (tariff basket) methodology
- Revenue = Controllable OPEX + non-controllable OPEX + Depreciation + Purchase of losses + Regulatory return on RAB + Working capital - Revenues from reactive energy - 50% gross profit from other activities
- Efficiency factor of 1.5% applied only to controllable OPEX
- Losses (technical + commercial) reduction program agreed with ANRE on voltage levels
- S (minimum quality) from 2014 in formula, but applicable starting with 2015. Penalty/premium - maxim annual +/- 4% from annual revenues
- Possibility for annual corrections
- Investment plan – approved by ANRE before regulatory period starts
- Regulatory return (WACC pre-tax real terms) equals 8.52% in third regulatory period
- Working capital is regulated remuneration of 1/12 from total OPEX
- Distribution tariff growth capped in real terms at 10% yearly on voltage levels in the third regulatory period

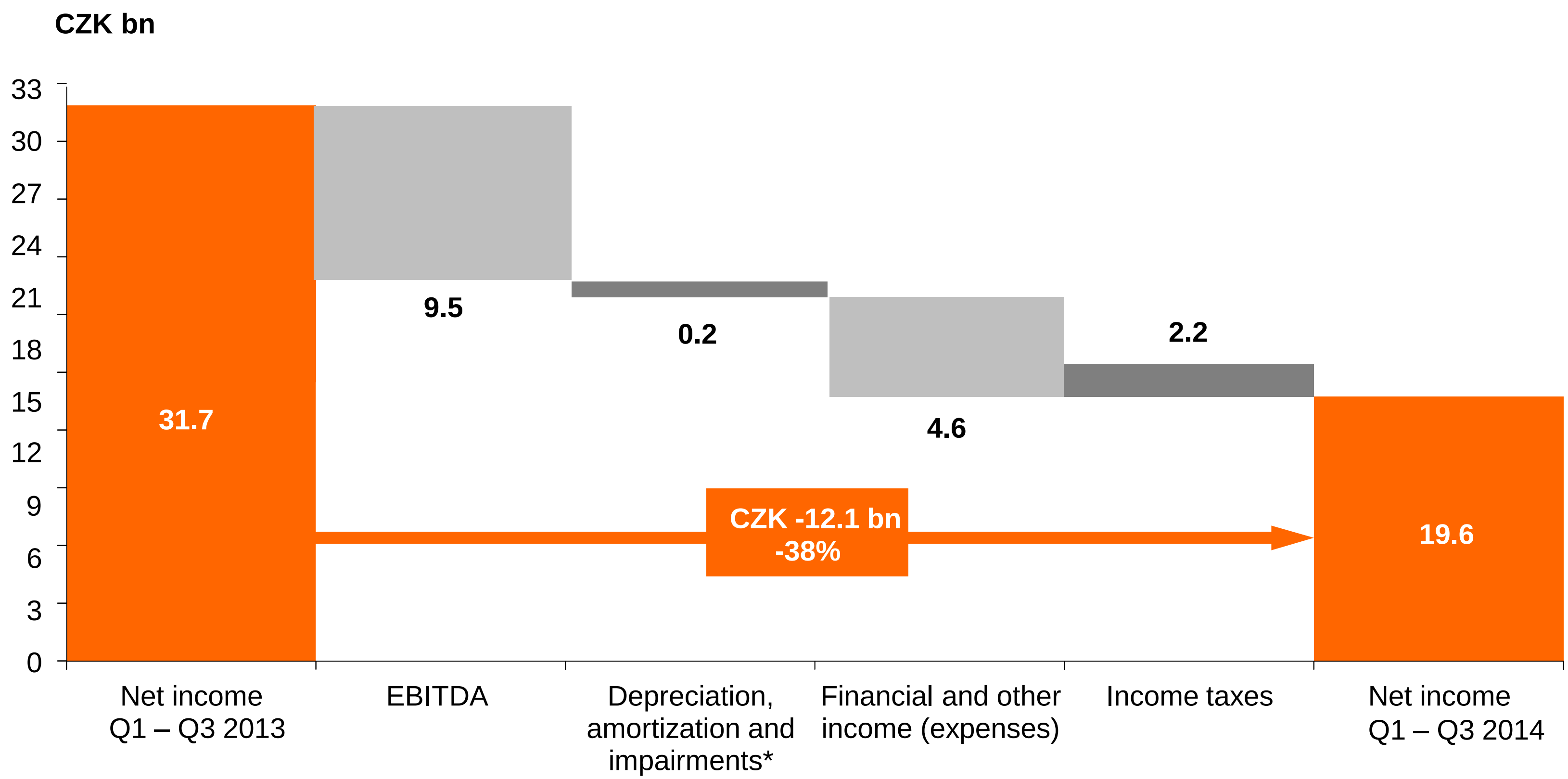
Regulatory periods

- 3rd regulatory period Jan 1, 2014 – Dec 31, 2018
- 2013 was a transitional year with OPEX efficiency -1.5%, CPT targets as in 2012, real pretax WACC of 8.52%

Liberalization

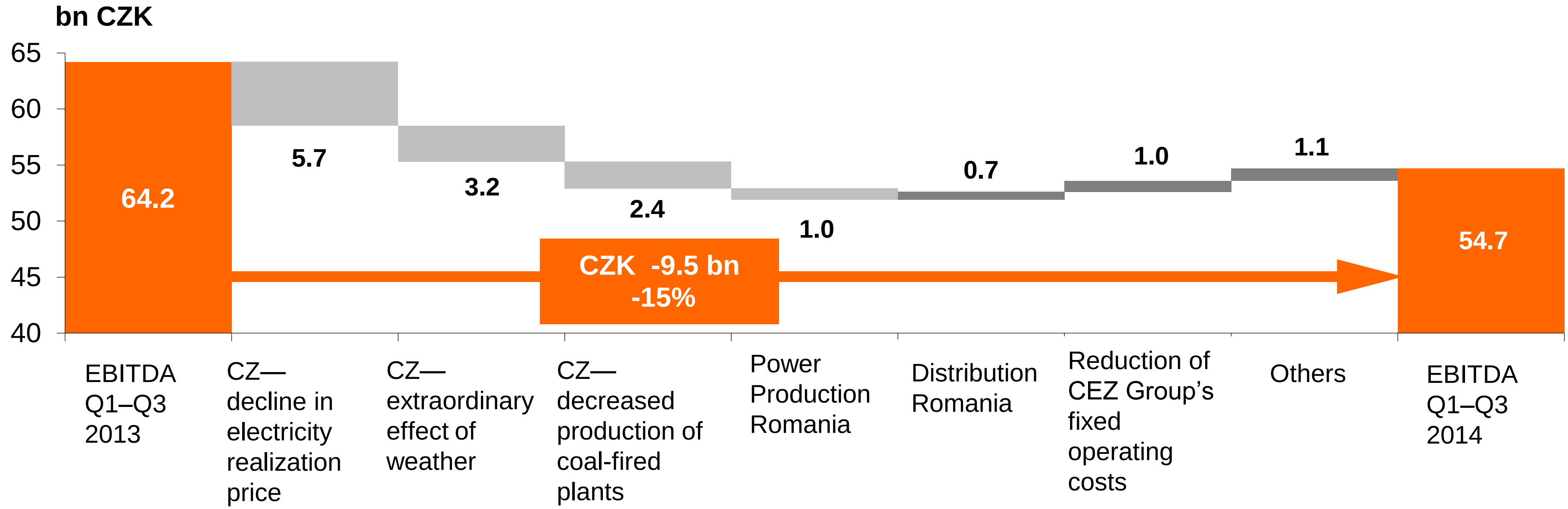
- Complete removal of regulated prices for industrial consumers by end 2013 and for residential consumers by 2017
- Starting January 2014, non-residential customers that benefit of Universal Service (US) are priced with 100% CPC tariff (free market component, endorsed by ANRE). The non-residential customers supplied on LRS regime are priced with CPC tariff +x%, depending on voltage level.
- Starting July 2013, the final price for the captive householders is formed of regulated tariff and a competitive market component (CPC). The percentage of regulated tariff decreases , and the CPC tariff percentage increases according to the Market Opening Calendar

DRIVERS OF YEAR-ON-YEAR CHANGE IN NET INCOME IN Q1-Q3 2014



* Including profit/loss on sales of tangible and intangible fixed assets and write-off of terminated investments

KEY DRIVERS OF YEAR-ON-YEAR CHANGE OF EBITDA IN Q1-Q3 2014



Czech Rep.—Extraordinary effect of weather (CZK -3.2 bn)

- Lower volume of distributed electricity, delivered electricity and gas and decrease in the volume of delivered heat due to above-average temperatures at the beginning of 2014 (CZK -1.2 bn)
- Decreased demand for coal from Severočeské doly (CZK -1.3 bn)
- Decrease in production from hydro plants due to exceptionally dry H1 (CZK -0.7 bn)

Czech Rep.—Drop in electricity generated by coal-fired plants (CZK -2.4 bn)

- Caused mainly by the sale of Chvaletice Power Plant in 2013 and comprehensive refurbishment of generation facilities

Power Production Romania (CZK -1.0 bn)

- Due to suspension of assignment of green certificates for Fântânele Vest and lower market price of green certificates

Distribution Romania (CZK +0.7 bn)

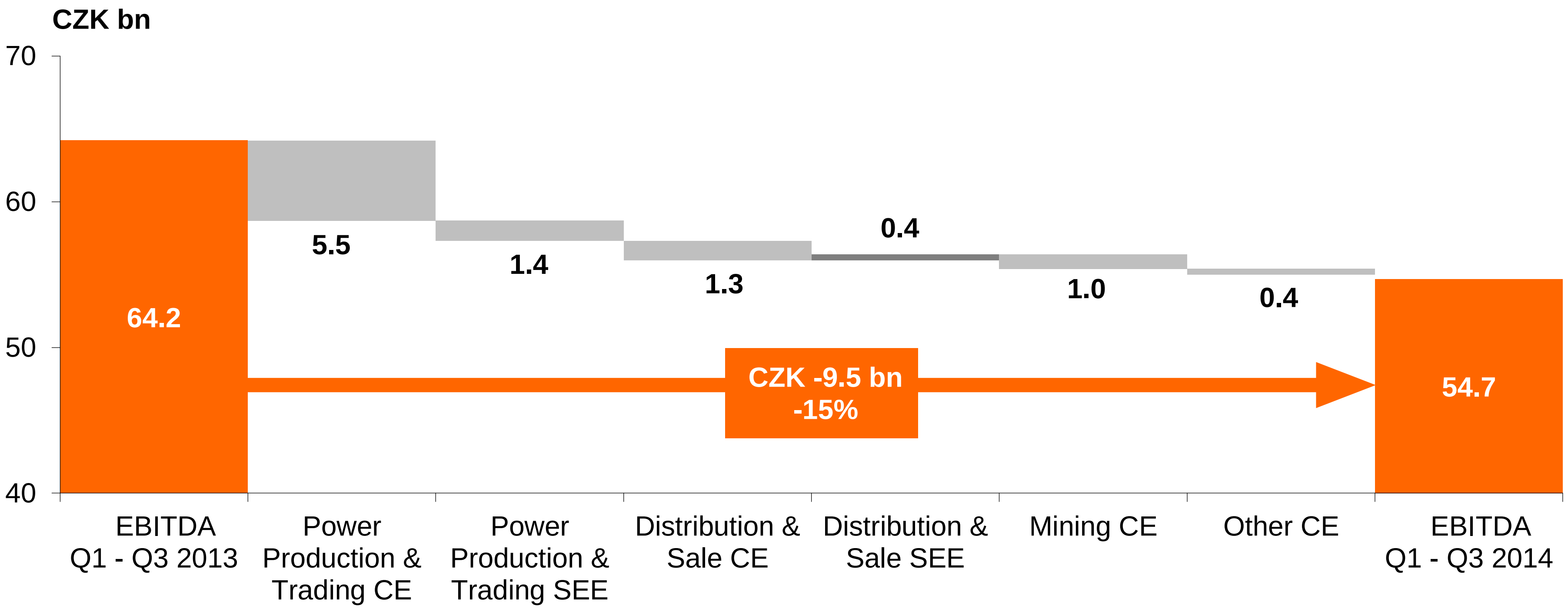
- Extraordinary earnings associated with payment of debts by state railways and Romanian Post

Others (CZK +1.1 bn)

- Mostly the effect of commodity derivatives

Due to precise mathematical rounding, the sum of partial values listed can sometimes differ from the total value.

YEAR-ON-YEAR CHANGE OF EBITDA BY SEGMENT IN Q1-Q3 2014



 Due to precise mathematical rounding, the sum of partial values listed can sometimes differ from the total value.

OTHER INCOME (EXPENSES)

(CZK bn)	Q1 - Q3 2013	Q1 - Q3 2014	Change	%
EBITDA	**64.2**	**54.7**	**-9.5**	**-15%**
Depreciation, amortization and impairments	**-25.7**	**-25.9**	**-0.2**	**-1%**
Financial and other income (expenses)	**0.2**	**-4.4**	**-4.6**	**-**
Interest income (expenses)	-2.4	-2.3	+0.1	+4%
Interest on nuclear and other provisions	-1.3	-1.4	0.0	-2%
Income (expenses) from investments	4.9	0.2	-4.7	-96%
Other income (expenses)	-1.0	-1.0	0.0	-0%
Income taxes	**-7.0**	**-4.8**	**+2.2**	**+32%**
Net income	**31.7**	**19.6**	**-12.1**	**-38%**
Net income - adjusted	*31.6*	*24.2*	*-7.3*	*-23%*

Depreciation, amortization, and impairments* (CZK -0.2 bn)

- Higher additions to fixed asset impairments, especially in Romania

Other financial income/expenses (CZK -4.6 bn)

- Positive effect of the sale of Chvaletice Power Plant in 2013 (CZK -2.9 bn)
- Extraordinary one-off impact of excluding CEZ Shpërndarje from the consolidated CEZ Group in January 2013 (CZK -1.8 bn)
- Lower economic results of associates in Turkey due to lower production at hydropower plants (CZK -0.3 bn)
- Dividends received from MOL CZK +0.4 bn)

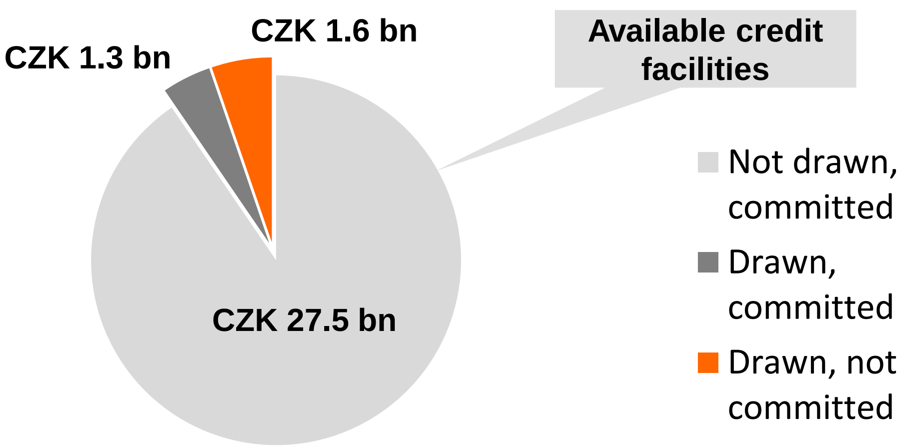
Net income adjustment

- *Q1–Q3 2013: lowered by the extraordinary effects of the exclusion of CEZ Shpërndarje from the consolidated group (CZK -2.9 bn) and the sale of Chvaletice Power Plant (CZK -1.8 bn) and increased by the extraordinary effect of additions to fixed asset impairments (CZK +4.5 bn)*
- *Q1–Q3 2014: increased by the extraordinary effect of fixed asset impairments (CZK +4.6 bn)*

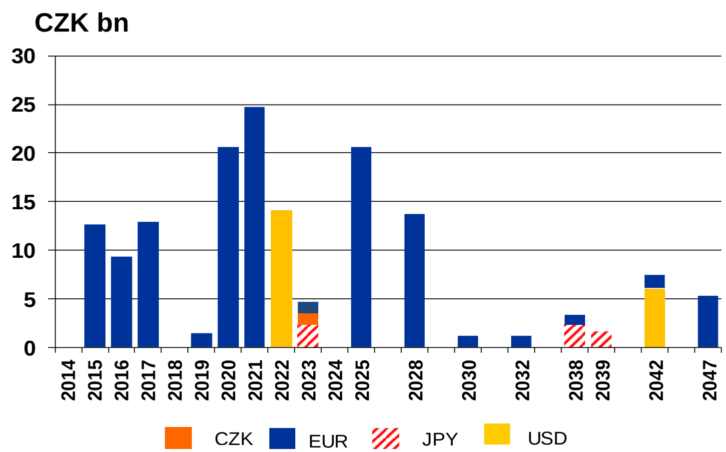
* Including profit/loss on sales of tangible and intangible fixed assets and write-off of terminated investments

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilization of short-term lines (as of September 30, 2014)

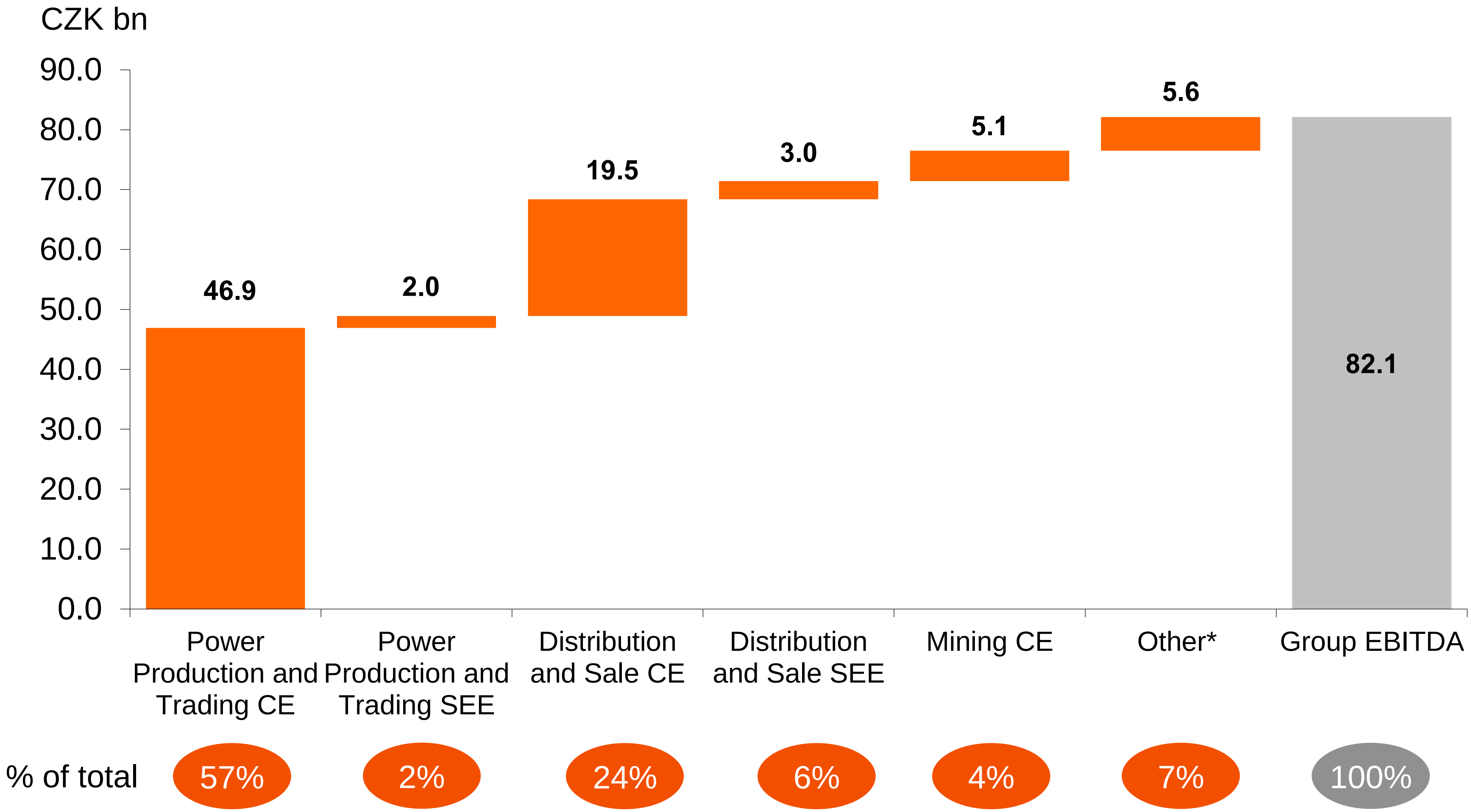


Bond maturity profile (as of September 30, 2014)



- CEZ Group has access to CZK 28.8 bn in committed credit facilities, using CZK 1.3 bn as of September 30, 2014.
- Non-committed credit facilities are used primarily. Committed facilities are kept as a reserve for covering unexpected needs.
- The 6th bond issue worth EUR 600 m was duly paid on July 18, 2014.
- Payout of dividends for 2013 (CZK 21.4 bn) started on August 1, 2014. 99% of the amount was paid by September 30, 2014.

SEGMENTAL CONTRIBUTIONS TO EBITDA IN 2013



*including eliminations

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

CZK

Profit and loss (CZK bn)	2008	2009	2010	2011	2012	2013
Revenues	184.0	196.4	198.8	209.8	215.1	217.3
Sales of electricity	165.3	173.5	175.3	181.8	186.8	189.7
Heat sales and other revenues	18.6	22.9	23.6	28.0	28.3	27.6
Operating Expenses	95.3	105.3	110.0	122.4	129.3	135.2
Purchased power and related services	41.7	48.2	54.4	65.9	71.7	78.9
Fuel	16.2	15.8	16.9	17.1	15.8	14.1
Salaries and wages	17.0	18.1	18.7	18.1	18.7	18.7
Other	20.5	23.3	20.0	21.3	23.1	23.5
EBITDA	**88.7**	**91.0**	**88.8**	**87.4**	**85.8**	**82.1**
EBITDA margin	*48%*	*46%*	*45%*	*42%*	*40%*	*38%*
Depreciation, amortization, impairments	22.1	26.2	26.9	26.2	28.9	36.4
EBIT	**66.7**	**64.9**	**62.0**	**61.3**	**57.1**	**45.8**
EBIT margin	*36%*	*33%*	*31%*	*29%*	*27%*	*21%*
Net Income	47.4	51.9	46.9	40.8	40.2	35.2
Net income margin	*26%*	*26%*	*24%*	*19%*	*19%*	*16%*

Balance sheet (CZK bn)	2008	2009	2010	2011	2012	2013
Non current assets	346.2	415.0	448.3	467.3	494.9	486.5
Current assets	126.9	115.3	96.1	131.0	141.2	154.6
- out of that cash and cash equivalents	17.3	26.7	22.2	22.1	18.0	25.1
Total Assets	**473.2**	**530.3**	**544.4**	**598.3**	**636.1**	**641.1**
Shareholders equity (excl. minority. int.)	173.3	200.4	221.4	226.8	250.2	258.1
Return on equity	*27%*	*28%*	*22%*	*18%*	*17%*	*14%*
Interest bearing debt	193.5	173.1	158.5	182.0	192.9	183.8
Other liabilities	106.4	156.8	164.4	189.4	192.9	199.2
Total liabilities	**473.2**	**530.3**	**544.4**	**598.3**	**636.1**	**641.1**

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

EUR

Profit and loss

EUR m	2008	2009	2010	2011	2012	2013
Revenues	7,082	7,560	7,656	8,076	8,281	8,365
Sales of electricity	6,365	6,680	6,748	6,999	7,192	7,302
Heat sales and other revenues	718	880	907	1,077	1,089	1,063
Operating Expenses	3,668	4,056	4,237	4,713	4,977	5,206
Purchased power and related services	1,604	1,855	2,093	2,536	2,759	3,037
Fuel	623	608	652	660	610	542
Salaries and wages	653	697	721	697	720	721
Other	788	895	771	820	888	906
EBITDA	**3,415**	**3,504**	**3,419**	**3,363**	**3,304**	**3,159**
EBITDA margin	*48%*	*46%*	*45%*	*42%*	*40%*	*38%*
Depreciaiton	851	1,008	1,036	1,010	1,112	1,400
EBIT	**2,567**	**2,500**	**2,386**	**2,358**	**2,198**	**1,762**
EBIT margin	*36%*	*33%*	*31%*	*29%*	*27%*	*21%*
Net Income	1,823	1,996	1,807	1,569	1,546	1,357
Net income margin	*26%*	*26%*	*24%*	*19%*	*19%*	*16%*

Balance sheet

EUR m	2008	2009	2010	2011	2012	2013
Non current assets	13,330	15,976	17,259	17,991	19,054	18,731
Current assets	4,887	4,439	3,700	5,044	5,435	5,953
- out of that cash and cash equivalents	666	1,029	853	849	691	967
Total Assets	**18,217**	**20,415**	**20,958**	**23,035**	**24,489**	**24,684**
Shareholders equity (excl. minority. int.)	6,670	7,714	8,525	8,733	9,634	9,936
Return on equity	*27%*	*28%*	*22%*	*18%*	*17%*	*14%*
Interest bearing debt	7,451	6,664	6,102	7,008	7,428	7,078
Other liabilities	4,096	6,037	6,331	7,294	7,426	7,670
Total liabilities	**18,217**	**20,415**	**20,958**	**23,035**	**24,489**	**24,684**

Exchange rate used:
25.974 CZK/EUR

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