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

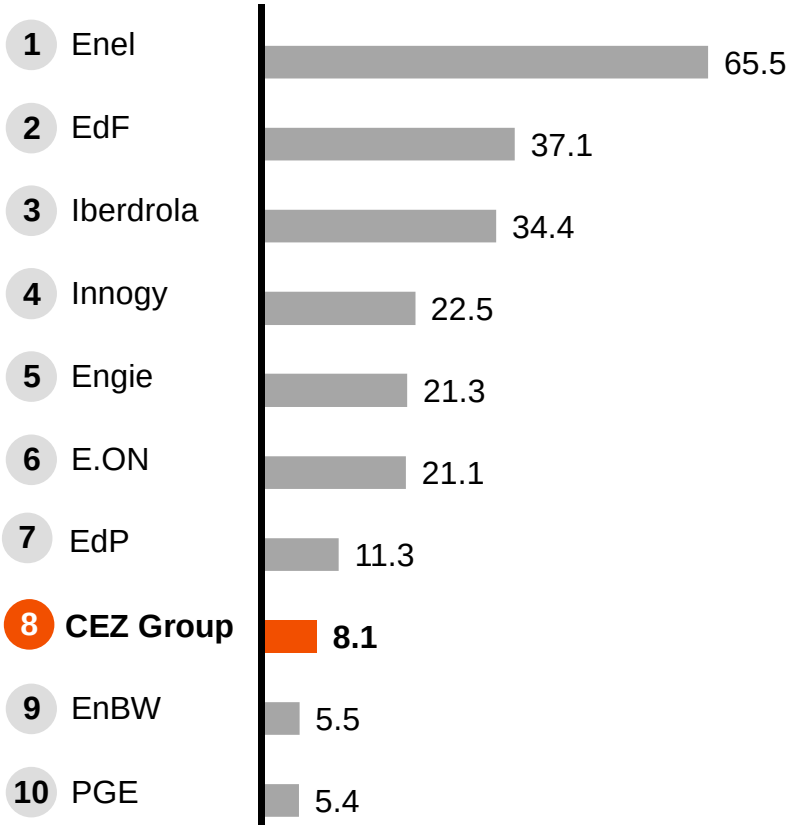
Investment story, April 2018

AGENDA

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

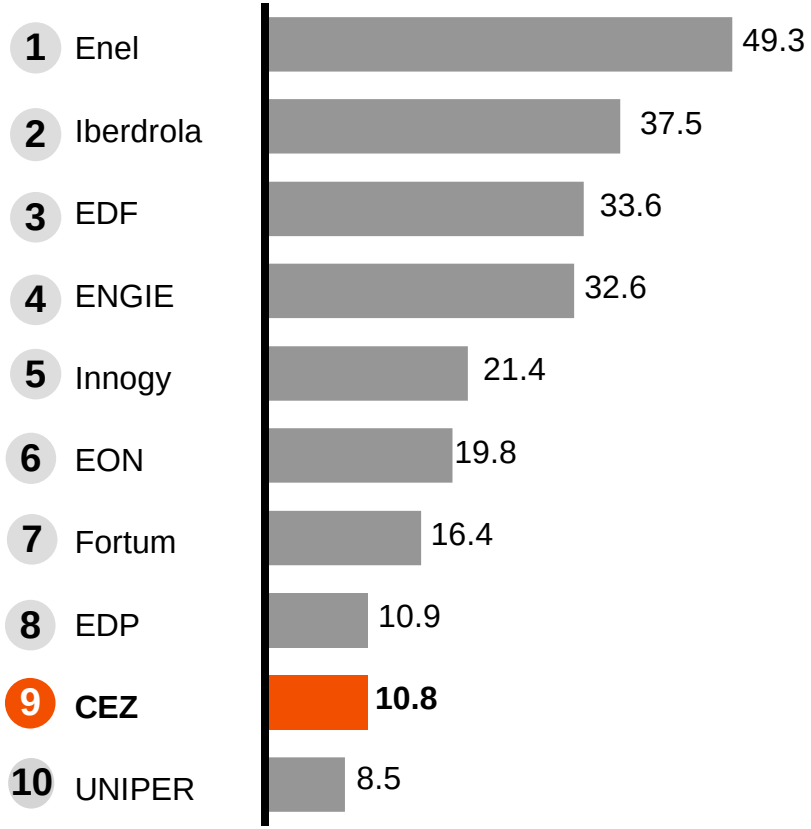
Top 10 European power utilities

Number of customers in 2017, in millions



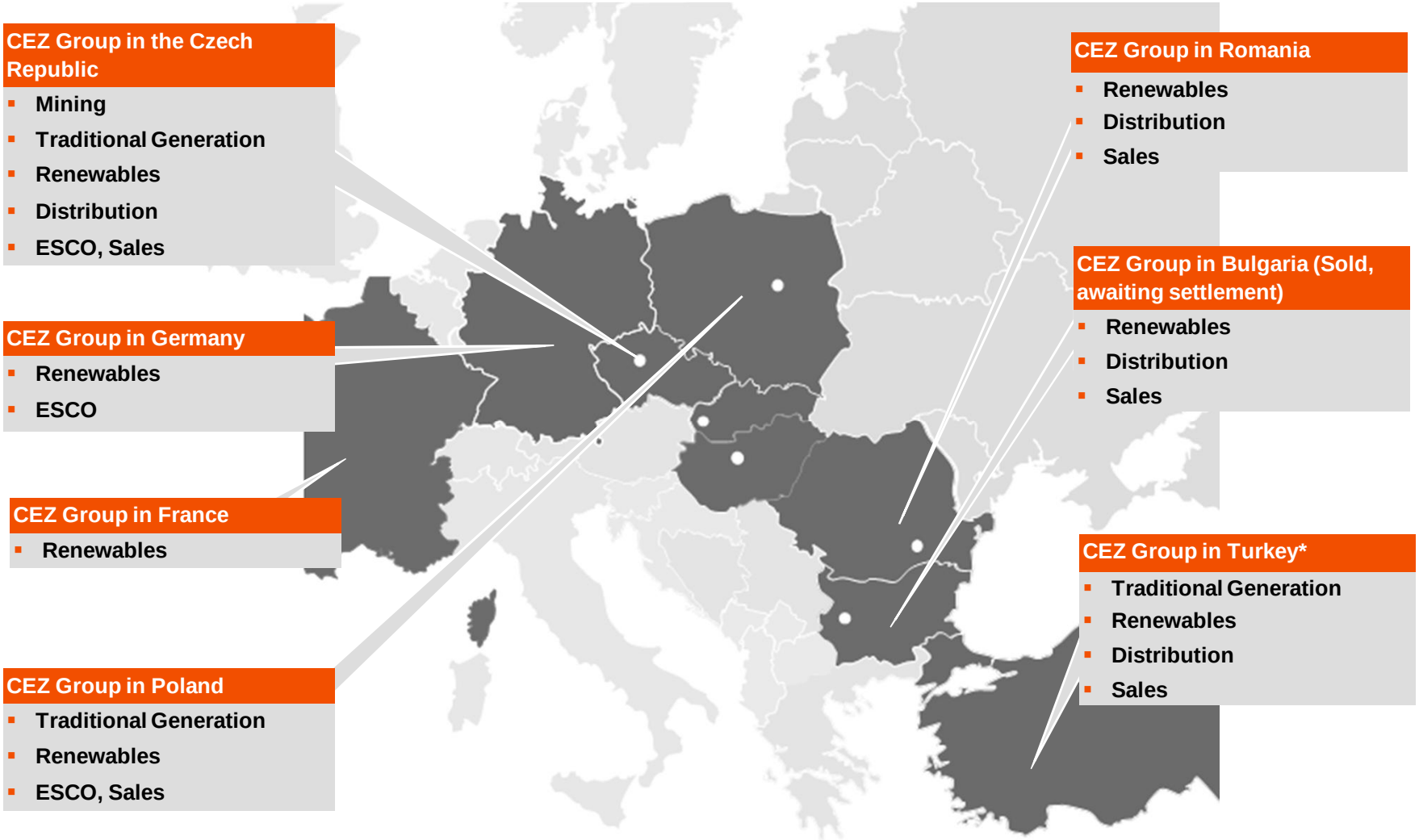
Top 10 European power utilities

Market capitalization in EUR bn, as of March 26, 2018



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

CEZ GROUP IS AN INTERNATIONAL UTILITY WITH A STRONG POSITION IN CEE AND GROWING PRESENCE IN WESTERN EUROPE



CEZ Group in the Czech Republic
- Mining
- Traditional Generation
- Renewables
- Distribution
- ESCO, Sales

CEZ Group in Germany
- Renewables
- ESCO

CEZ Group in France
- Renewables

CEZ Group in Poland
- Traditional Generation
- Renewables
- ESCO, Sales

CEZ Group in Romania
- Renewables
- Distribution
- Sales

CEZ Group in Bulgaria (Sold, awaiting settlement)
- Renewables
- Distribution
- Sales

CEZ Group in Turkey*
- Traditional Generation
- Renewables
- Distribution
- Sales

*(50% stake in SEDAS through AkCez, 37.36% stake in Akenerji)

CZECH REPUBLIC IS THE MOST IMPORTANT MARKET FOR CEZ GROUP, IT IS VERTICALLY INTEGRATED THERE

	Lignite mining	Generation	Transmisson	Distribution	Supply
CEZ	**55%** 21.5 million tons	**67%** 58.4 TWh	**100%** 68.7 TWh	**65%** 35.8 TWh	**29%** 17.8 TWh
Others	**45%** 17.8 million tons	**33%** 28.6 TWh		**35%** 19.5 TWh	**71%** 44.1 TWh

- CEZ fully owns the largest Czech mining company (SD) covering 71% of CEZ' s Lignite needs
- Remaining 3 coal mining companies are privately owned

- Other competitors are individual IPPs

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

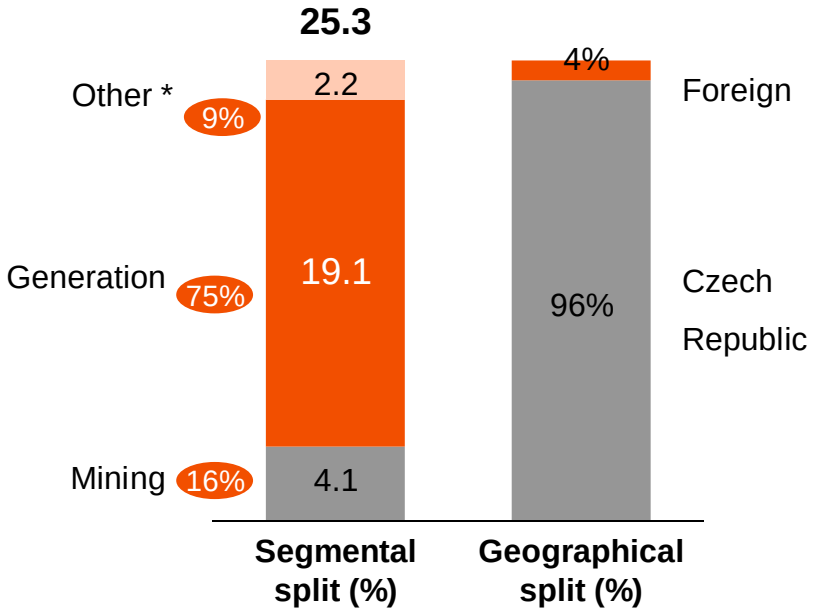
- Other competitors – E.ON, PRE (58% held by EnBW), Bohemia Energy, Innogy, Centropol Energy

Source: CEZ, ERU, MPO, data for 2017

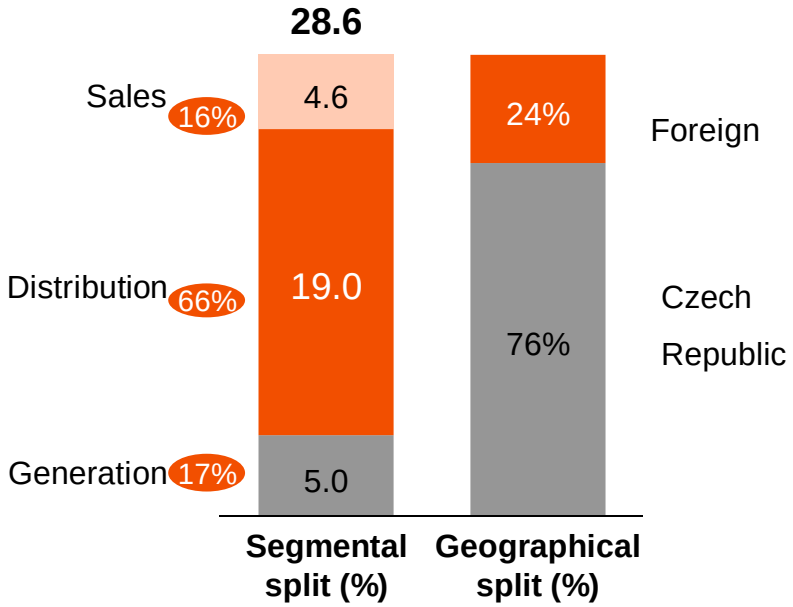
SEGMENTAL AND GEOGRAPHICAL CONTRIBUTIONS TO EBITDA IN 2017

2017 EBITDA CZK 53.9bn

~47% **Traditional Generation 2017 EBITDA**



53% **Regulated and New Energy 2017 EBITDA**



OPERATIONS TEAM

- The most effective use of our traditional assets
- Proactively adjusting to the new energy environment
- Generating sufficient cash flows to develop new activities and pay dividends to our shareholders

DEVELOPMENT TEAM

- Ensuring future growth for CEZ based on ESCO activities, decentralized energy, distribution and renewables with focus on end customers
- Acquisitions and organic growth in stable countries

*including eliminations

CEZ GROUP'S STRATEGY AIMS AT MAXIMISING CASH FLOW FROM ITS TRADITIONAL BUSINESS AND INCREASING PRESENCE IN RENEWABLES, ESCO AND DISTRIBUTED ENERGY

THREE PILLARS OF CEZ GROUP'S STRATEGY

I

Be among the best in the operation of conventional electricity generation
and proactively respond to the challenges of the 21st century

II

Offer a wide range of products and services to customers, which address their energy needs

III

Strengthen and consolidate our position in the region of Central and Western Europe, especially in Renewables

Strategy execution split between Operations and Development Teams (including setting of Quantitative goals until 2020)

Operations Team – additional CZK 3 bn EBITDA by 2020*

- Cost reductions and efficiency increase in support services
- Power Generation and Mining optimization
- Strengthening position in the Heat market

Development Team - additional CZK 6 bn EBITDA by 2020*

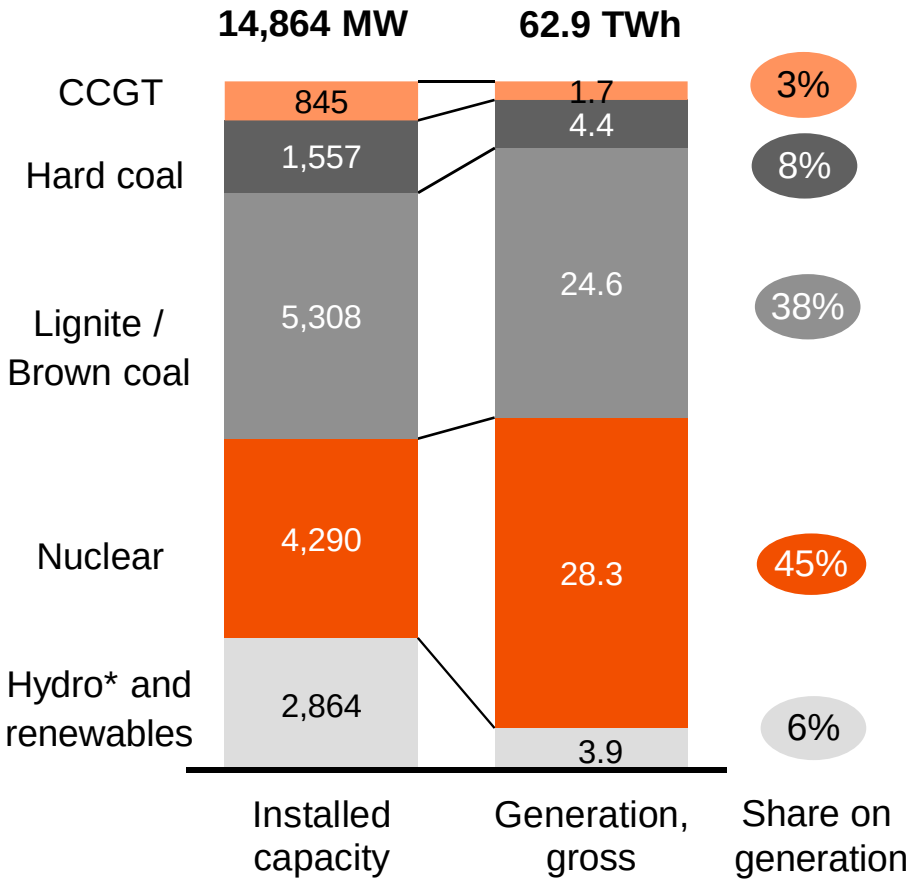
- Acquisitions and Development in Renewable Generation, ESCO and distribution in Western and Central Europe
- Acquisition potential up to CEZ Group´s leverage of 3x Net Debt / EBITDA
- Optimization of Distribution operations and Sales to retail
- Venture-type investments in Energy related areas in Europe

* EBITDA improvement upon the Business plan (from Sept 2015) for 2020

AGENDA

CEZ GROUP OPERATES LOW COST GENERATION FLEET

Installed capacity and generation (2017)

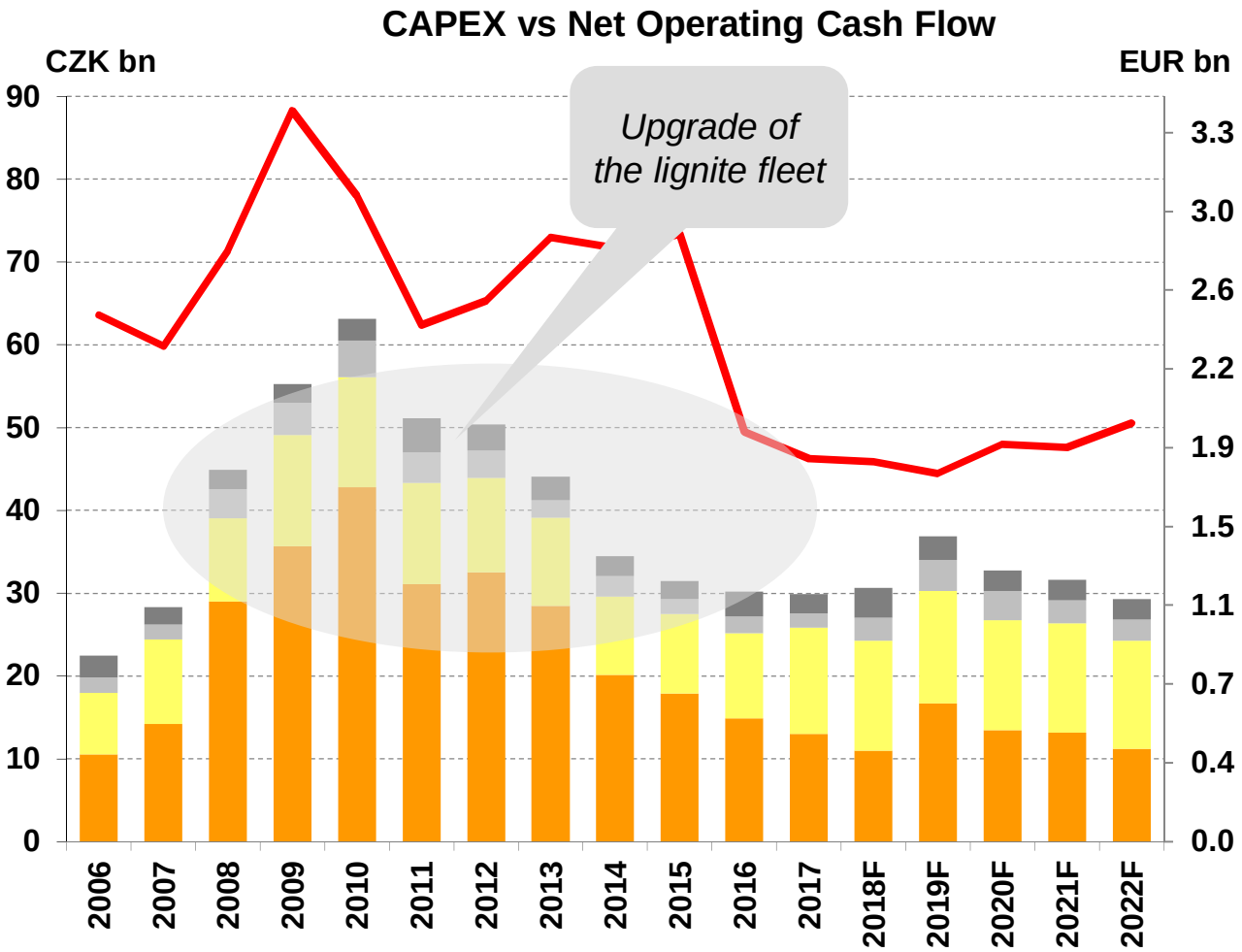


- **Coal power plants are using mostly lignite from CEZ's own mine** (71% of lignite needs sourced internally, remaining volume through long-term supply contracts)
- **Nuclear plants have very low operational costs**

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

* Hydro 1,985 MW, out of which 1,170 MW in pumped-storage hydro

CEZ GROUP COMPLETED UPGRADE OF ITS LIGNITE FLEET, GOING FORWARD MAINTENANCE CAPEX ONLY



CAPEX
- Other
- Mining
- Distribution
- Generation
- Net Operating CF

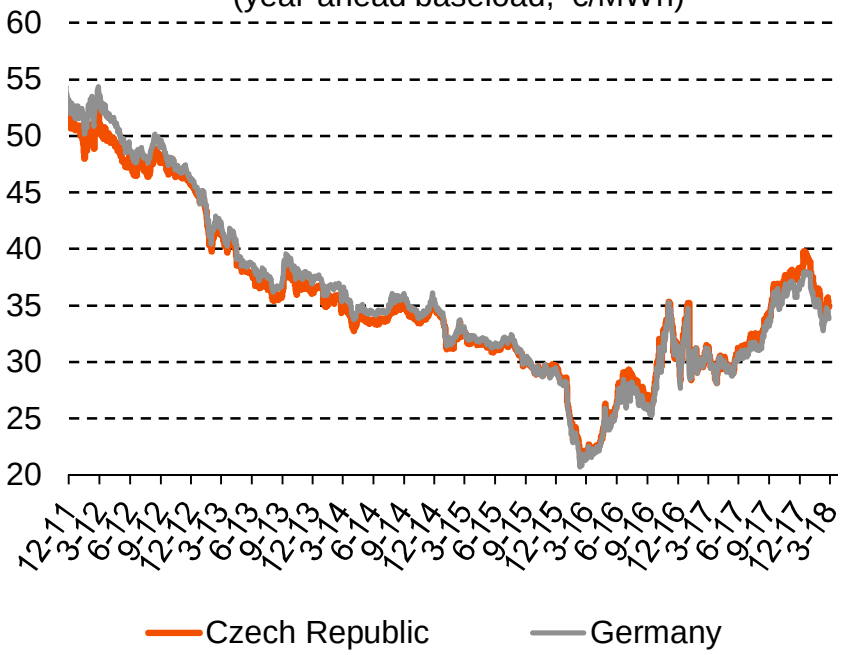
Total CAPEX during 2018-2022 (in CZK bn): 161.2	
Generation–traditional*	61.3
Generation – new** energy	4.3
Distribution ***	66.3
Mining	15.4
Other (including sales)	14.0

*Substantial increase in 2019 primarily given by investments in Melnik (supply of heat to Prague)
** primarily French and Polish wind farms
*** of which CZK 12 bn outside Czech Rep.

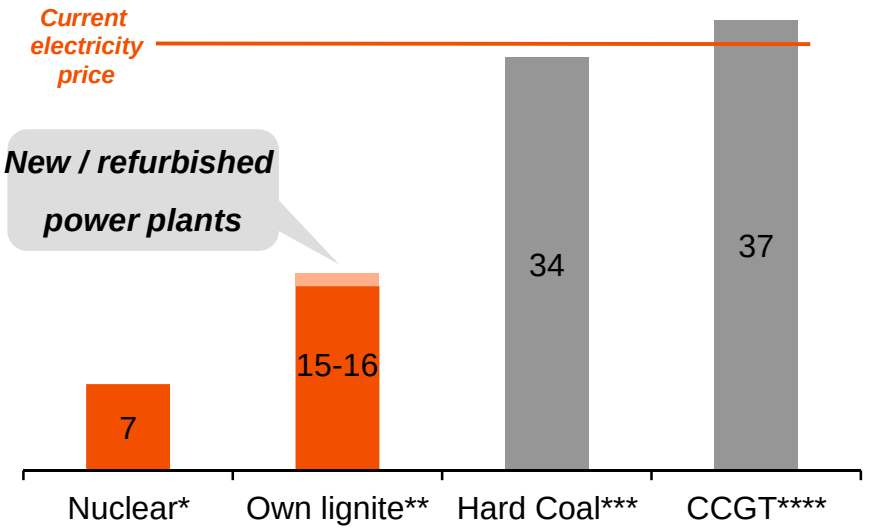
Exchange rate EUR/CZK = 26.1. Net Operating CF is based on the business plan (using prices of Aug/Sep 2017, i.e. around 31 EUR/MWh).

LOW COST AND UPGRADED GENERATION PORTFOLIO IS A GREAT ADVANTAGE IN THE CURRENT LOW PRICE ENVIRONMENT

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



Fuel costs by technology
(€/MWh)



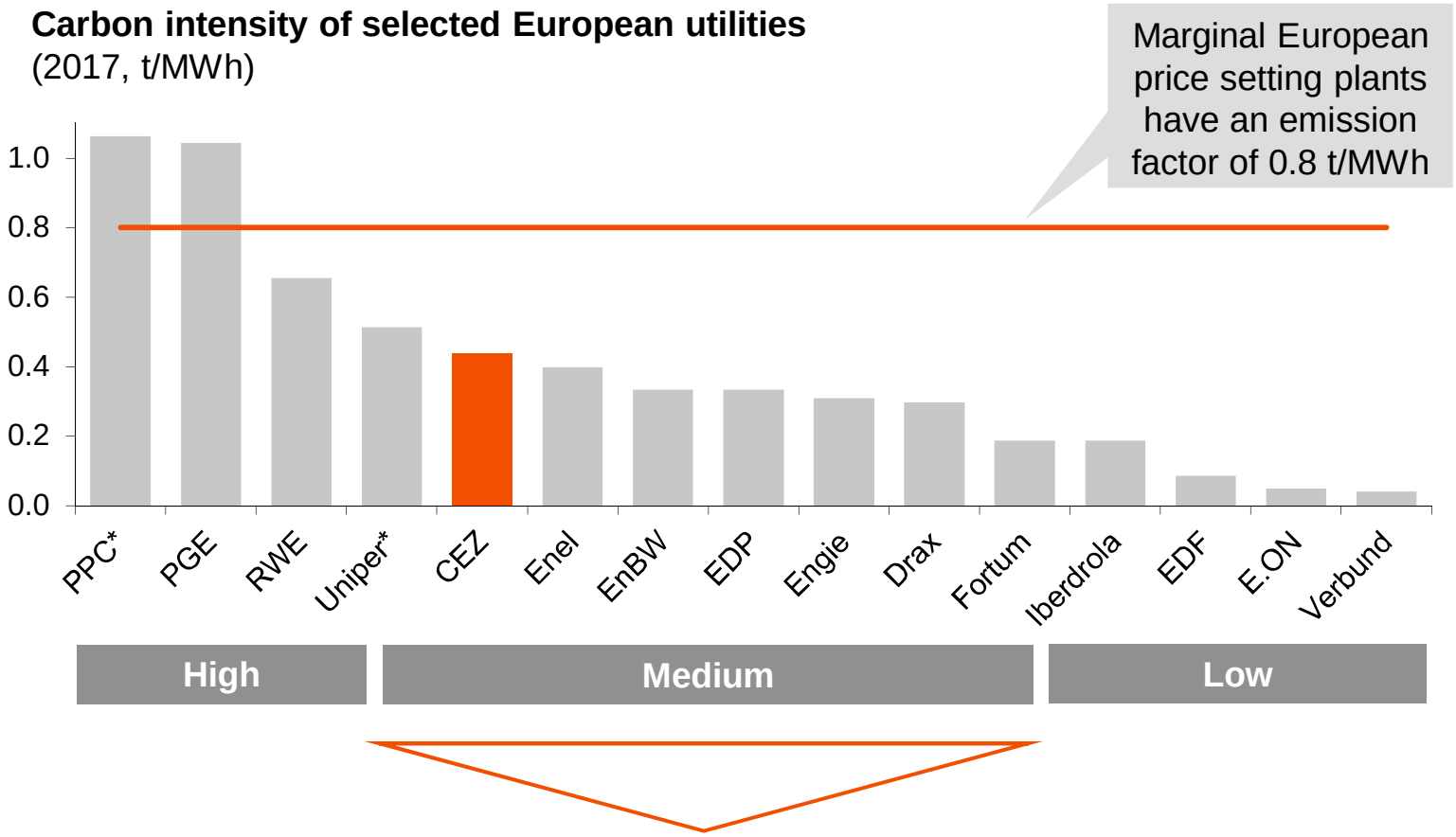
Drivers of electricity price

- **hard coal prices** being mainly driven by levels of Chinese coal imports and shale gas discoveries in the US
- **low carbon prices** due to oversupply as a result of economic slowdown. EU ETS reform might support CO2 price.
- **growing** capacity of subsidized **renewables**
- **stagnating** electricity **demand**

* Nuclear fuel costs + CZK55/MWh payment for fuel storage ** Cash cost of extracting own lignite, 42/39.5% efficiency, 11,5 GJ/t calorific value, carbon at 9.61 EUR/t, 0.96 t/MWh CO2 *** Coal at 81.1 USD/t, 38% efficiency, 0.90 t/MWh CO2 ****Gas 17.1 EUR/MWh, 57% efficiency, 0.2 t/MWh CO2

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

Carbon intensity of selected European utilities
(2017, t/MWh)

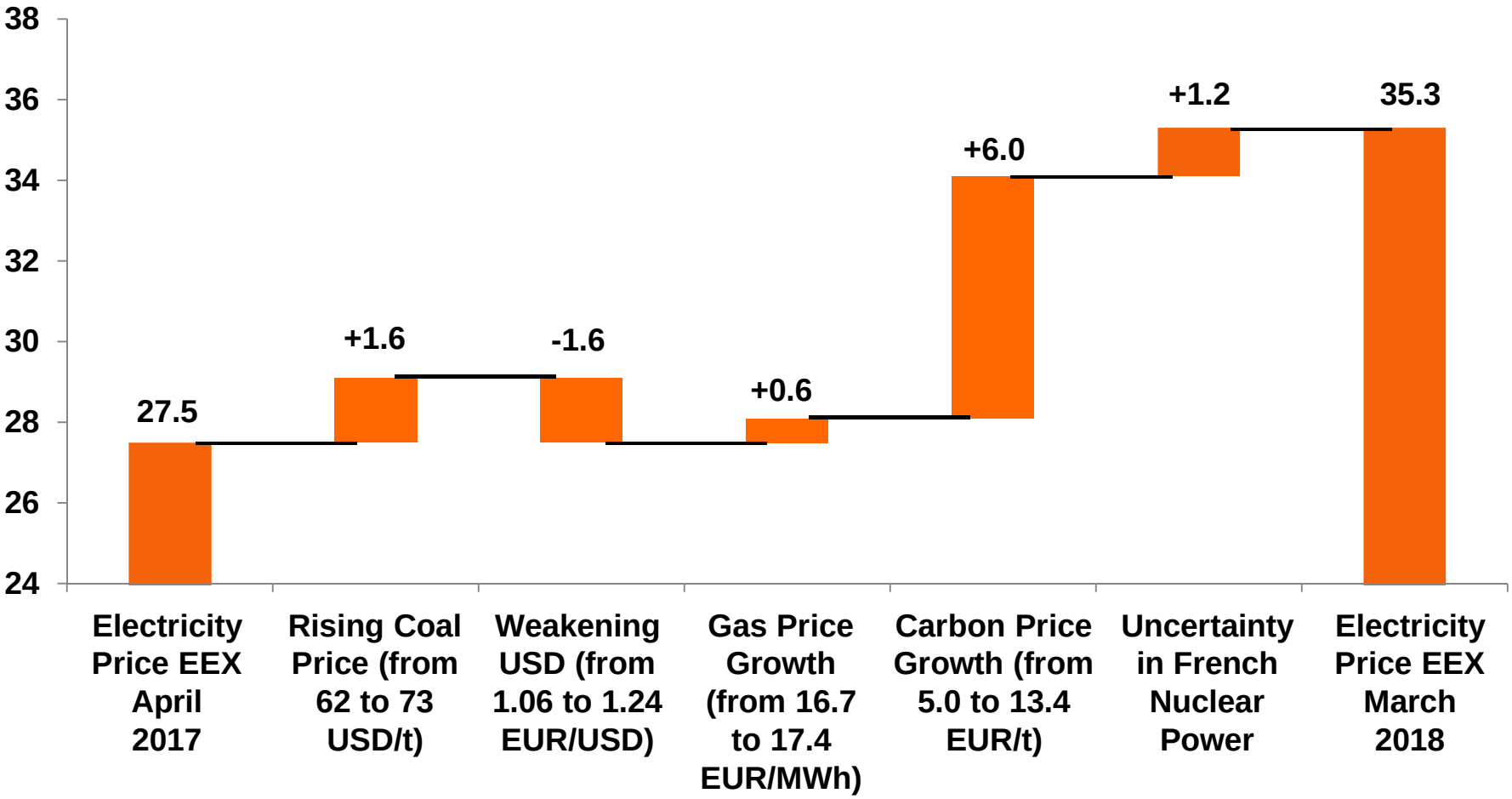


Increase in CO_2 price has a positive impact on CEZ profitability**

*Data for 2016, **CEZ also receives part of emission allowances for free – for details see back-up

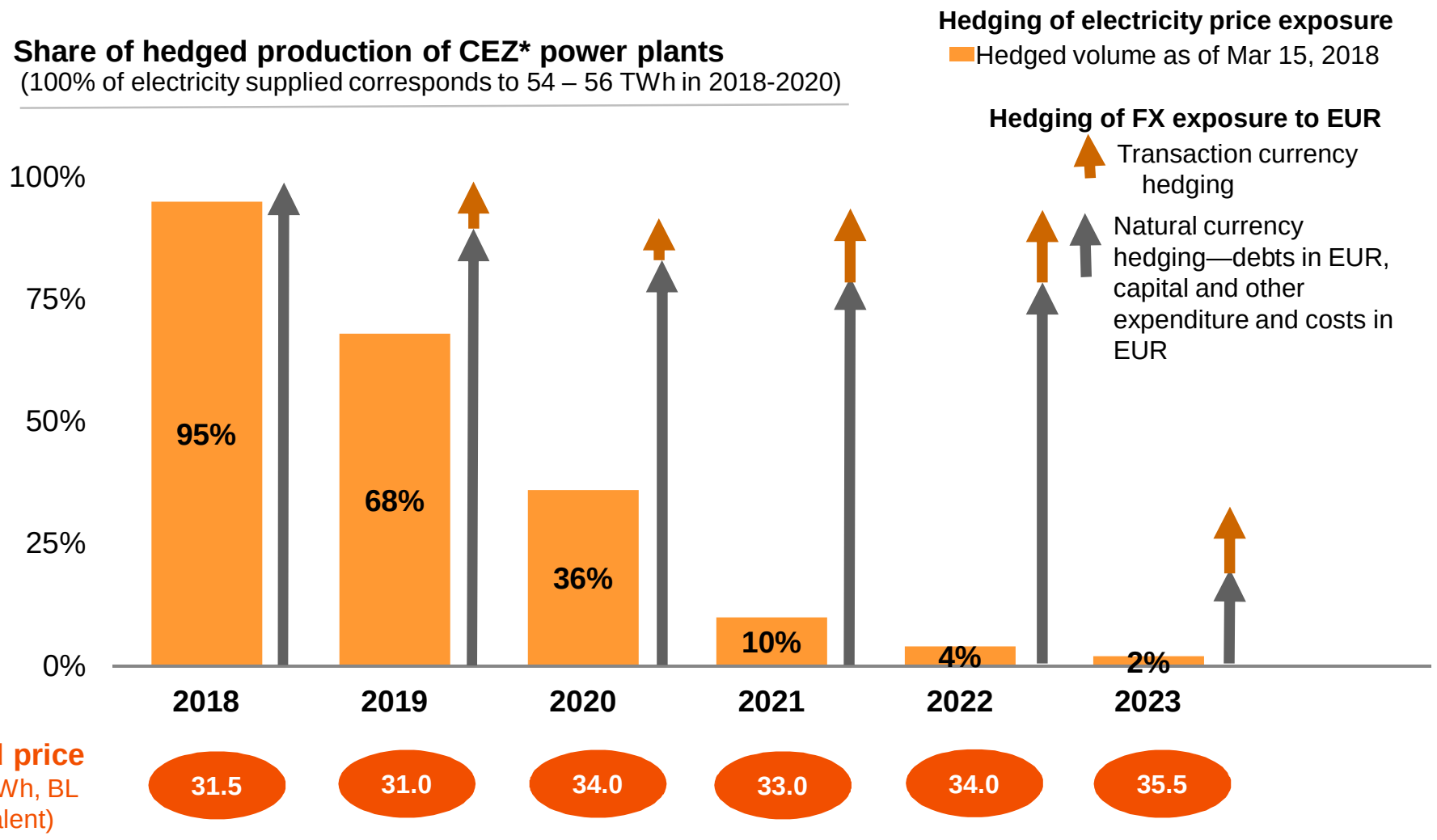
OVER THE LAST YEAR THE POWER PRICES HAVE RISEN MAINLY DUE TO RISING CARBON PRICES

Breakdown of factors influencing change in price of electricity since 4/2017
EUR/MWh (EEX, baseload Cal 2019)



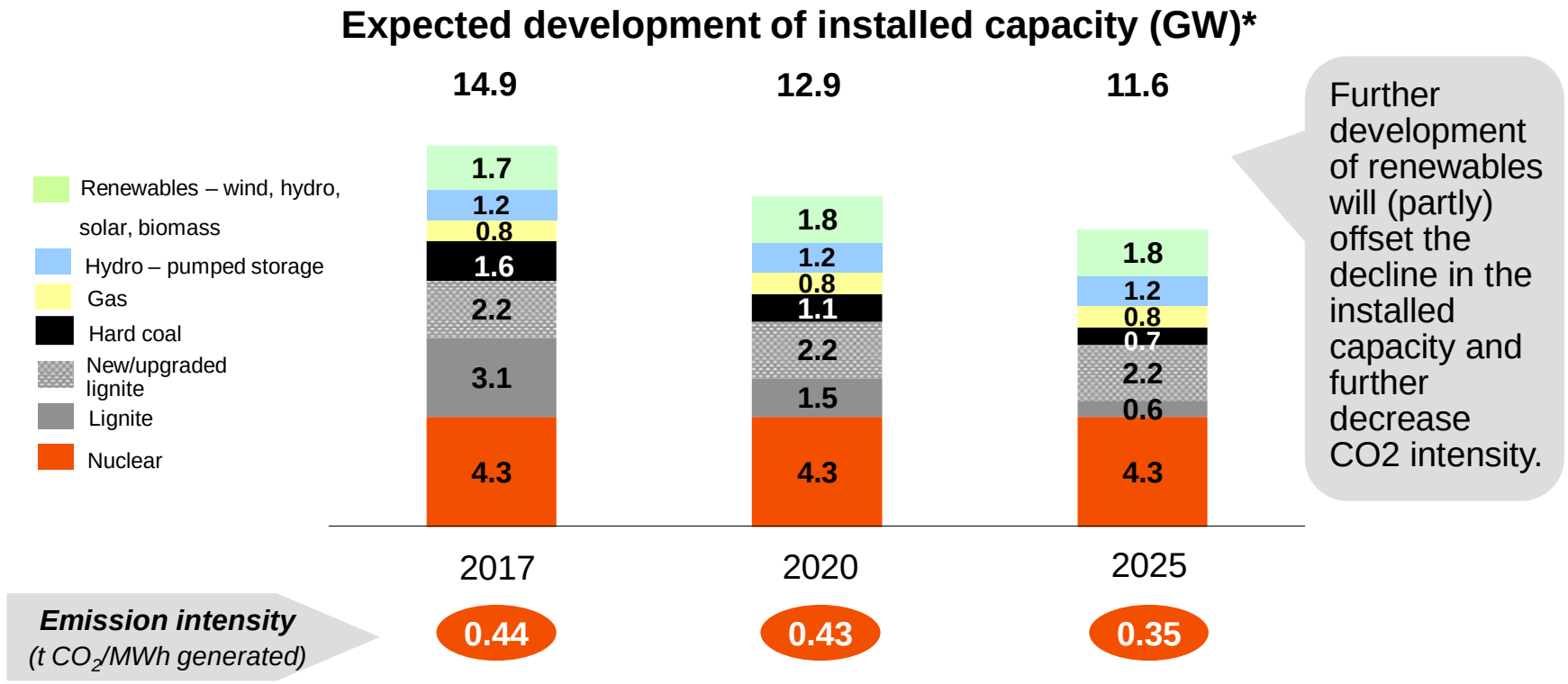
CEZ HEDGES ITS PRODUCTION GRADUALLY WITHIN THE 3-YEAR HORIZON

Share of hedged production of CEZ* power plants
(100% of electricity supplied corresponds to 54 – 56 TWh in 2018-2020)



 Source: ČEZ; *ČEZ, a. s., Energotrans, Počerady, Dětmarovice, Vítkovice; FX hedged at rates of 26 – 27 EUR/CZK

CEZ GROUP'S CO2 EMISSIONS INTENSITY TO FURTHER DECLINE AS A RESULT OF CLOSURES OF OLD LOW-PROFIT COAL UNITS



- Closures of old lignite and hard coal units not supplied by our own coal, i.e. units with low profit will result in decrease of the total installed capacity.
- CO2 emission intensity to decrease approximately by 30%.
- Upgraded portfolio contains highly efficient Tušimice (39%), Prunéřov (40%) and Ledvice (42.5%) power plants. Expected operating life is 40 years for Ledvice and 25 years for both Tušimice and Prunéřov.

* Includes contracted acquisitions till 2020. Growth ambition in renewables is not included.

OPERATIONS TEAM
STRATEGIC AMBITIONS FOR 2020

Additional CZK 3 bn EBITDA by 2020*

Already implemented / Identified:

- Renewed lignite fleet
- Licenses of all 4 units of Dukovany nuclear power plant extended for indefinite period
- Increased nuclear output by 18% compared to year 2016
- Cost reduction and optimisation in mining and power generation (e.g. New feed line from Tušimice power plant supplying electricity to Nástup Tušimice Mines)
- Modernization of excavator at Bílina Mine
- Cost reduction and efficiency increase in support services
- Disposal of non-core assets

Areas of further focus:

- Comply with conditions in operating licenses for all Dukovany NPP units
- Continuously fulfill operational safety enhancement programs at both nuclear power plants
- Increasing nuclear output to levels before welding issues discovery (30+ TWh**; +25% compared to 2016)
- Full operational availability of new Ledvice power plant (660MW)
- Further optimization of generation fleet performance and Mine-to-Plant interface and operational efficiency of maintenance and Design to Value approach to all CAPEX
- General effectivity of support and central services
- Cooperation with government in preparation of new nuclear project (within dedicated SPVs)
- Minimize expenses associated with continued mining beyond environmental limits

* EBITDA improvement upon the Business plan (from Sept 2015) for 2020, ** to be in line with the maximal generation of 30.75 TWh in 2013

AGENDA

DEVELOPMENT TEAM
STRATEGIC AMBITIONS FOR 2020

Additional CZK 6 bn EBITDA by 2020*

Already implemented / Identified:

DISTRIBUTION

- Prepared conditions for distribution CAPEX projects to make the distribution grid ready for the decentralized generation - Increase of CAPEX in Czech Distribution by 36%**
- Distribution redesign project finalized

ESCO

- Germany – acquired ESCO leading company Elevion with annual revenues CZK 8bn
- Czech Republic -14 ESCO companies with total annual revenues of CZK 4.5bn
- Poland – acquired OEM Energy and Metrolog with annual revenues CZK 0.6bn

RENEWABLES

- Acquisition of running on-shore wind capacity 134 MW (Germany) and acquisition of on-shore wind farm development pipeline with secured PPA 102 MW (France)

Areas of further focus:

DISTRIBUTION

- Operational efficiency of the Distribution segment in the Czech Republic and abroad.
- Realisation of CAPEX projects in the Czech Rep.

ESCO

- Further growth in ESCO and Local (site specific) Distribution Companies in the Czech Republic, Germany, Netherlands, Poland, Romania, Bulgaria

RENEWABLES

- Renewables in Germany, France and Poland***
- integrated player in renewables - development, operation, maintenance and marketing of renewables

OTHER

- Further investments by CEZ´s venture fund – Inven
- Maximizing CF and optimizing capital and ownership structure, including divestment of selected foreign assets

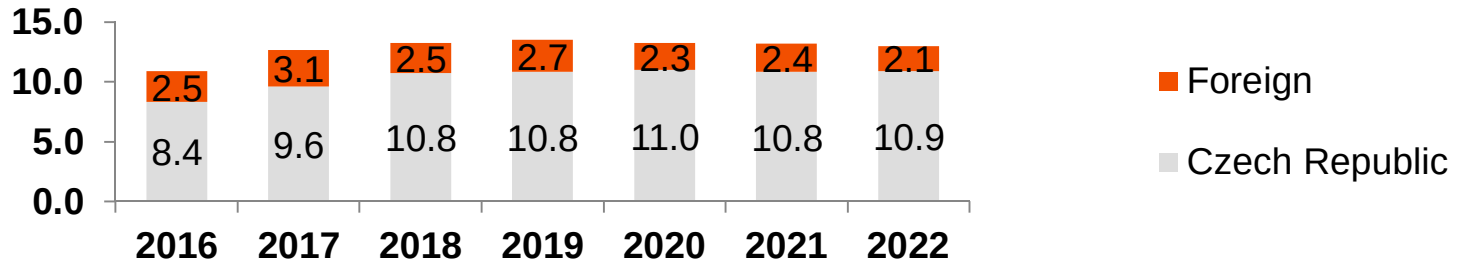
* EBITDA improvement upon the Business plan (from Sept 2015) for 2020; ** avg 2017-2022 vs 2015; ***based on regulatory environment

IN 2017 CZECH DISTRIBUTION MADE UP FOR 56% OF DEVELOPMENT TEAM EBITDA, TRANSPARENT CZECH REGULATION INCENTIVISES HIGHER INVESTMENTS

Overview of 2018 regulation parameters and 2017 EBITDA contribution

	Czech Republic 2018	Romania 2018	Bulgaria 2018 (SPA signed)
RAB (local currency m)	97,134	2,328	547
RAB (€ m)	3,803	506	279
WACC pre-tax	7.951% (nominal)	7.7% (real)	7.04% (nominal)
Regulatory period	2016 – 2020	2014 - 2018	2015 - 2018
2017 EBITDA (CZK bn)	16.0	1.7	1.3

CZK bn **CAPEX plan in the distribution segment**



 EUR/CZK = 25.54 EUR/BGN = 1.96, EUR/RON = 4.6

THE GERMAN ACQUISITION IS A MAJOR STEP TOWARD FULFILLING OUR STRATEGIC AMBITIONS IN ESCO

Having acquired the ELEVION group, CEZ Group more than doubled the number of its experts in ESCO services. ESCO sales annual growth estimate over 23%.

Indicative values today*	ČEZ ESCO (Czech Republic)	ESCO international (Germany, Poland)	ESCO TOTAL
ANNUAL SALES (2018E)	**Approx. CZK 6.6bn**	**Approx. CZK 9.6bn**	**Over CZK 16bn**
Annual sales growth (entities in portfolio, excl. acquisitions), 2017 vs. 2018	**Approx. 25% annual growth**	**Approx. 20% annual growth**	**Approx. 23% annual growth**
EBITDA/SALES	**6%–7%**	**5%–6%**	**6%**
ASSETS	**Approx. CZK 6bn**	**Approx. CZK 8bn**	**Approx. CZK 14bn**
EMPLOYEE HEADCOUNT	**Approx. 1,600**	**Over 1,900**	**Over 3,500**

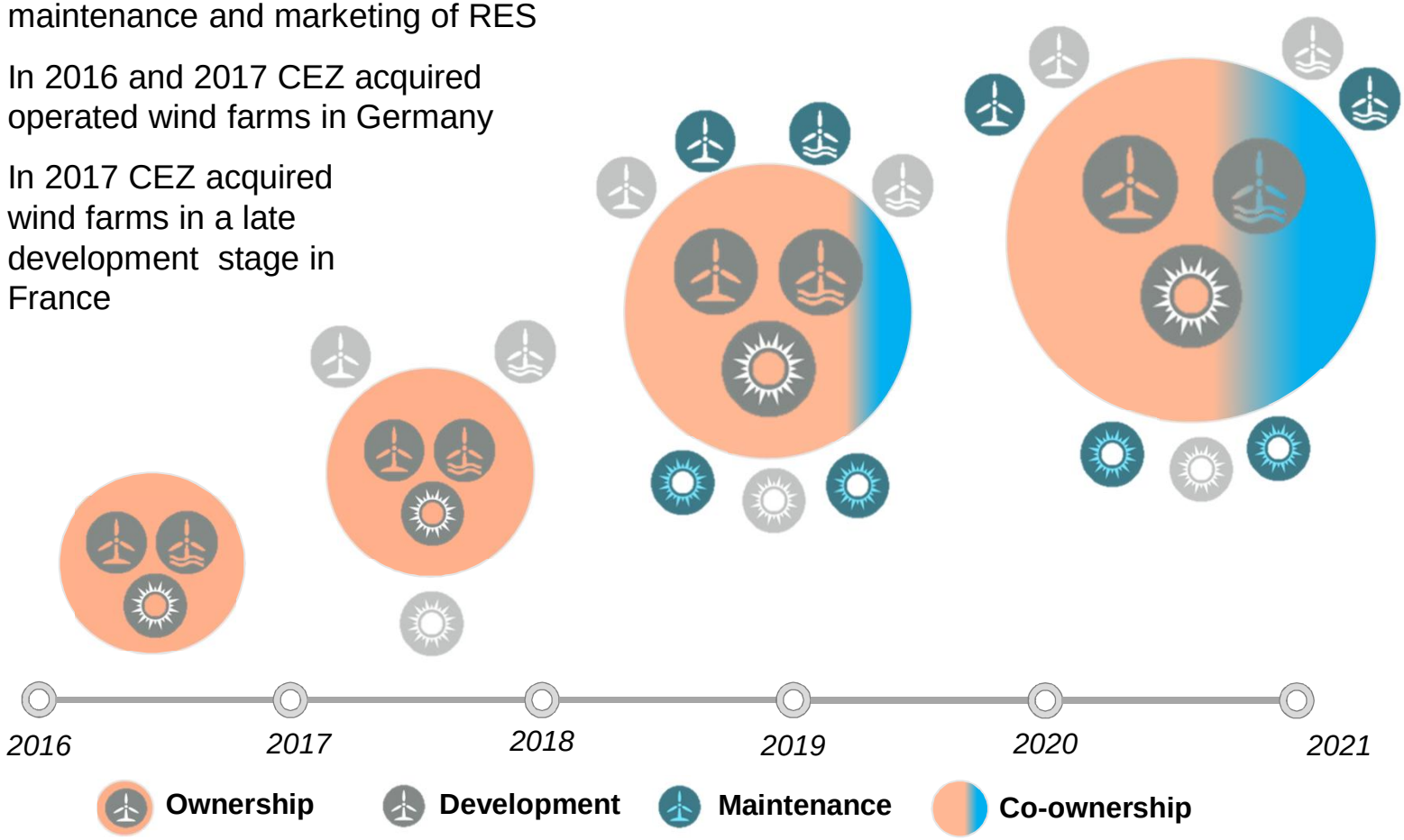
The potential for CEZ Group's dynamic growth in ESCO is amplified by the EU countries' commitment to major energy savings by 2030.

- We estimate investment costs needed for the fulfilment of the EU energy efficiency directive until 2030 (derived from GDP growth) at **approx. EUR 600bn in Germany** and **approx. CZK 700bn in the Czech Republic**.
- However, high demand for ESCO services in the future is primarily guaranteed by attractiveness for customers: **projects effectively pay for themselves from savings (they do not need subsidies)** and new technologies provide customers with greater comfort and modern functionalities.

* *Data for all ESCO entities correspond to estimated figures January to December 2018, adjusted for specific effects; Globally, they are indicative values aimed to illustrate the size of the ESCO portfolio and its future growth. Headcount and assets value date: 31.12.2017.*

CEZ GROUP AIMS TO BECOME AN INTEGRATED PLAYER IN RENEWABLES

- CEZ aims to become a fully integrated development, operating, maintenance and marketing of RES
- In 2016 and 2017 CEZ acquired operated wind farms in Germany
- In 2017 CEZ acquired wind farms in a late development stage in France



SUCCESFULL OPERATION OF ROMANIAN AND GERMAN WIND PARKS FOLLOWED BY PROJECTS DEVELOPMENT IN FRANCE

Romania

- The largest European on-shore wind park - **600 MW** operated by CEZ Group in Romania
- Operating support in the form of green certificates for 15 years

Germany

- **133.5 MW** operated by CEZ Group in Germany
- Operating support in the form of a 20-year feed-in tariff
- Feed-in tariff – average of 89 EUR/MWh (flat)

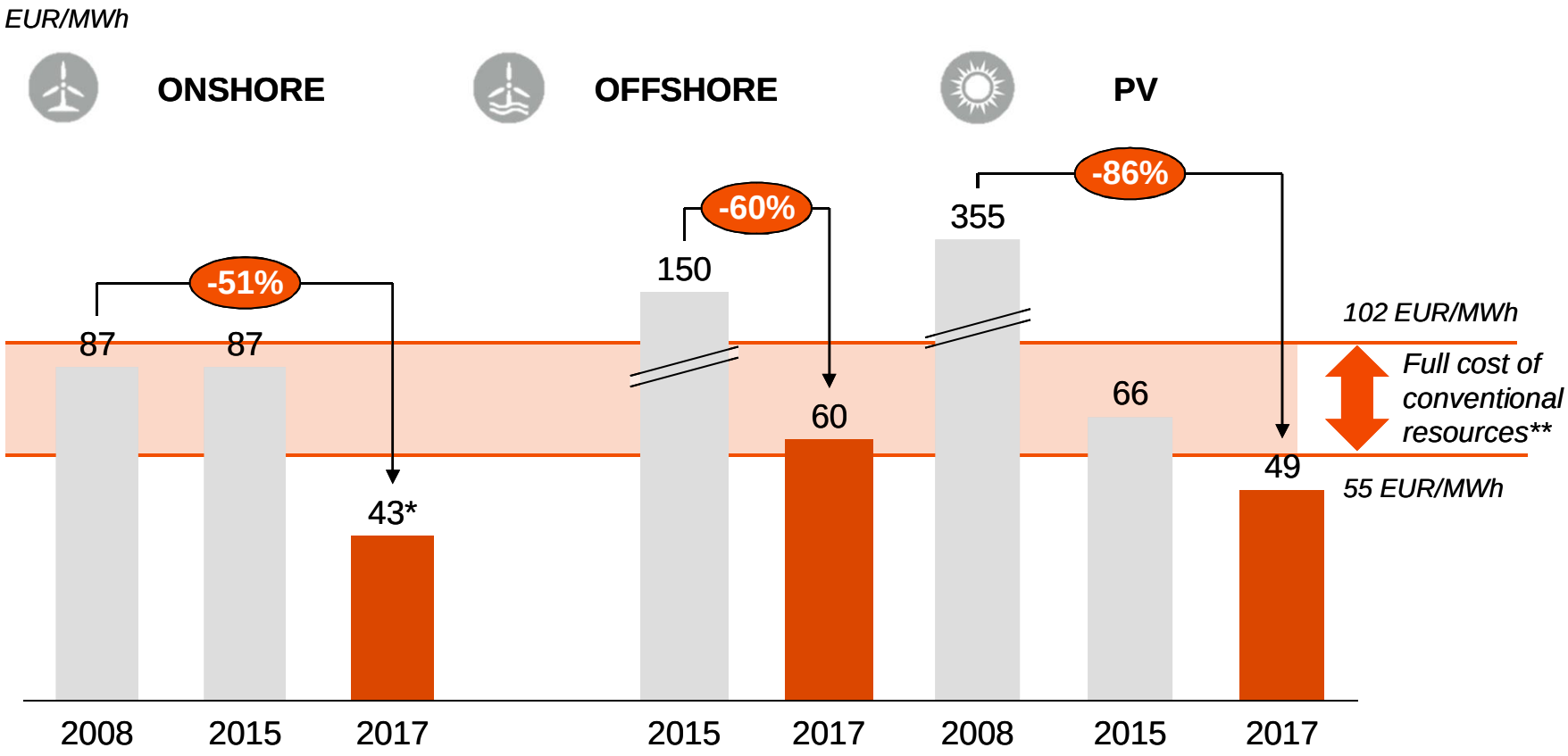
France

- Acquisition of projects for 9 wind farms in a late development stage with **a total installed capacity of up to 101.8 MW**
- All the farms have purchasing prices guaranteed for 15 years
- PPA secured – average price of 81 EUR/MWh (escalated)
- Connection to the grid and first revenues between 2019 to 2022

Total capacity of wind farms incl. French pipeline - 872 MW

- Strengthening of the position in the field of renewable energy and entering new markets
- Germany acquisitions to date generate CZK 0.85bn EBITDA potential for fulfilling the 2020 strategic financial target for Renewables (achieving additional* 2020 EBITDA of CZK 3bn).
- Areas for further focus – Western Europe, renewable projects primarily in the development phase

RENEWABLE ENERGY COST HAS FALLEN TO HALF AND IT IS IN LINE WITH CONVENTIONAL RESOURCES



 * The price was auctioned. Projects of citizen initiatives without the need for various permits. ** Source: BNEF

E-MOBILITY WITHIN CEZ GROUP INCLUDES BROAD SPECTRUM OF ACTIVITIES

Charging infrastructure*

- Main goal is to develop backbone network of fast charging stations throughout the Czech republic (regional cities and major roads)
- Additional implementation of normal charging stations (car parks, shopping centers, bus depots)

⇨⇨⇨ Co-financed by EU programs

- EV Fast Charging Backbone Network Central Europe
- CEZ EV TEN-T Fast Charging Network

Offering set of different products to customers

- Commercial products** - e-mobility for smart cities, electrification of public transport, products for different customers with individual operation (SME, large companies), …
- Commodity products*** - main product is “electricity for charging” that offers customers accessible and simple connection to all stations operated by CEZ

 *provided by CEZ a.s.; Fast charging stations(250A/400V), Normal CHS 64A/400V; **provided by CEZ ESCO ***provided by CEZ PRODEJ

CEZ INVESTS IN INNOVATIVE ENERGY COMPANIES

INVIEIN CAPITAL
CEZ GROUP

CZK 5bn Committed capital (by CEZ Group), CZK 1.6bn already invested, Investment Period – 5-7 year ; Established cooperation with EIB*

sonnen

- Sonnen - smart battery systems for storing energy from solar panels and other renewable energy sources. CEZ ESCO already installed first Sonnen battery in the CR. More than 12 000 installations globally (mainly Germany, Austria, Switzerland, expanding in US, Australia, Italy)

2017 Global Cleantech 100 TOP 100 COMPANY

FT 1000 Europe's Fastest Growing Companies 2017 statista

Sonnen voted most innovative company in the Global Cleantech 100 list 2016.

sunfire

- Sunfire - unique reversible fuel cell technology, which is able to convert a fuel (such as natural gas) into electricity and heat as well as electricity back into hydrogen and other gases (Power-to-Gas) or synthetic fuels (Power-to-Liquids).

tado°

- Tado – the European leader in smart thermostats, integrates heat and AC management, integration with more than 5 000 heating and AC systems, ability to provide diagnostics of connected equipment

CLOUD&HEAT

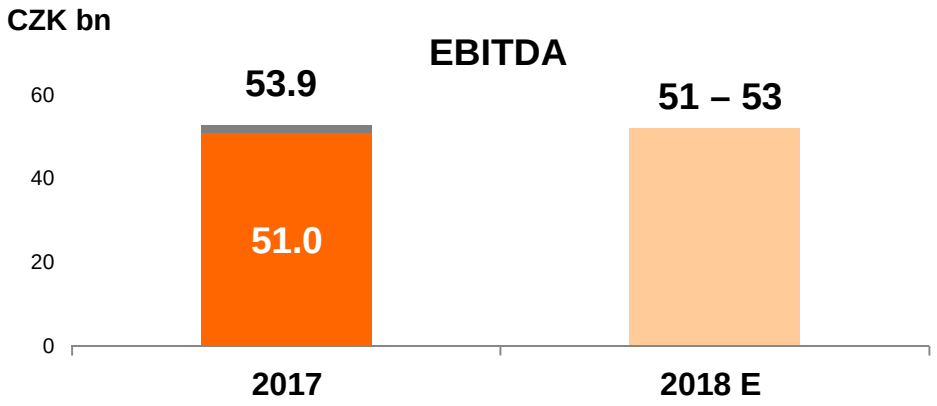
- Cloud & Heat – designs, builds, and operates environmentally friendly, water-cooled, public and private data centers for cloud computing. The solution makes use of heat from servers to heat offices and water in office buildings, up to 50% reduction in operating costs in comparison with conventional solutions.

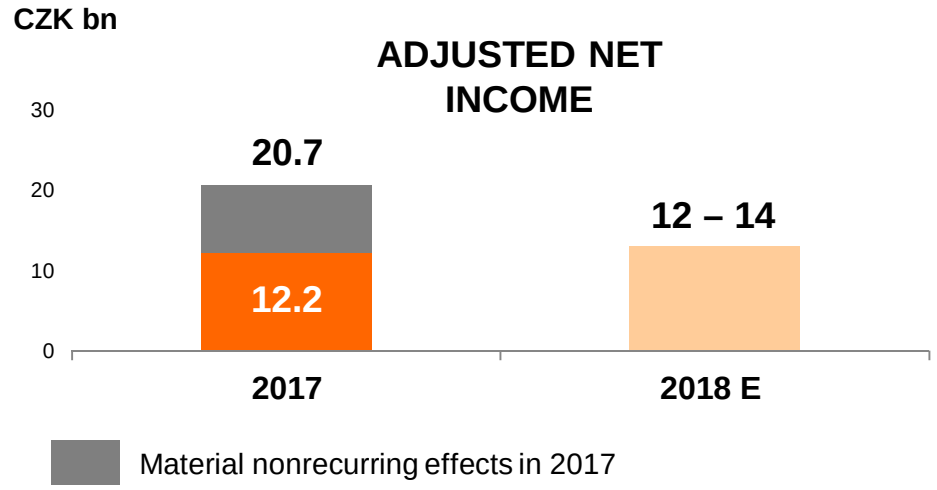
vulog

- Vulog - the global independent leader in providing technology for shared mobility, offering end-to-end solutions enabling mobility operators to launch large-scale carsharing services.

AGENDA

WE EXPECT 2018 EBITDA AT CZK 51BN TO 53BN, ADJUSTED NET INCOME AT CZK 12BN TO 14BN





Selected year-on-year positive effects:

- Higher generation at nuclear power plants
- New acquisitions in ESCO and RES
- Higher realization prices of electricity, including the effect of hedges

Selected year-on-year negative effects:

- Significant one-off effects in 2017 (CZK -2.9bn)
- Higher expenses on emission allowances in generation from conventional generating facilities
- Lower gross margin from electricity sales in the Czech Republic caused by higher purchase electricity prices for deliveries in 2018
- Lower allocation of green certificates for Romanian wind farms since Jan 1, 2018

Selected prediction risks and opportunities (reasons for the EBITDA prediction interval):

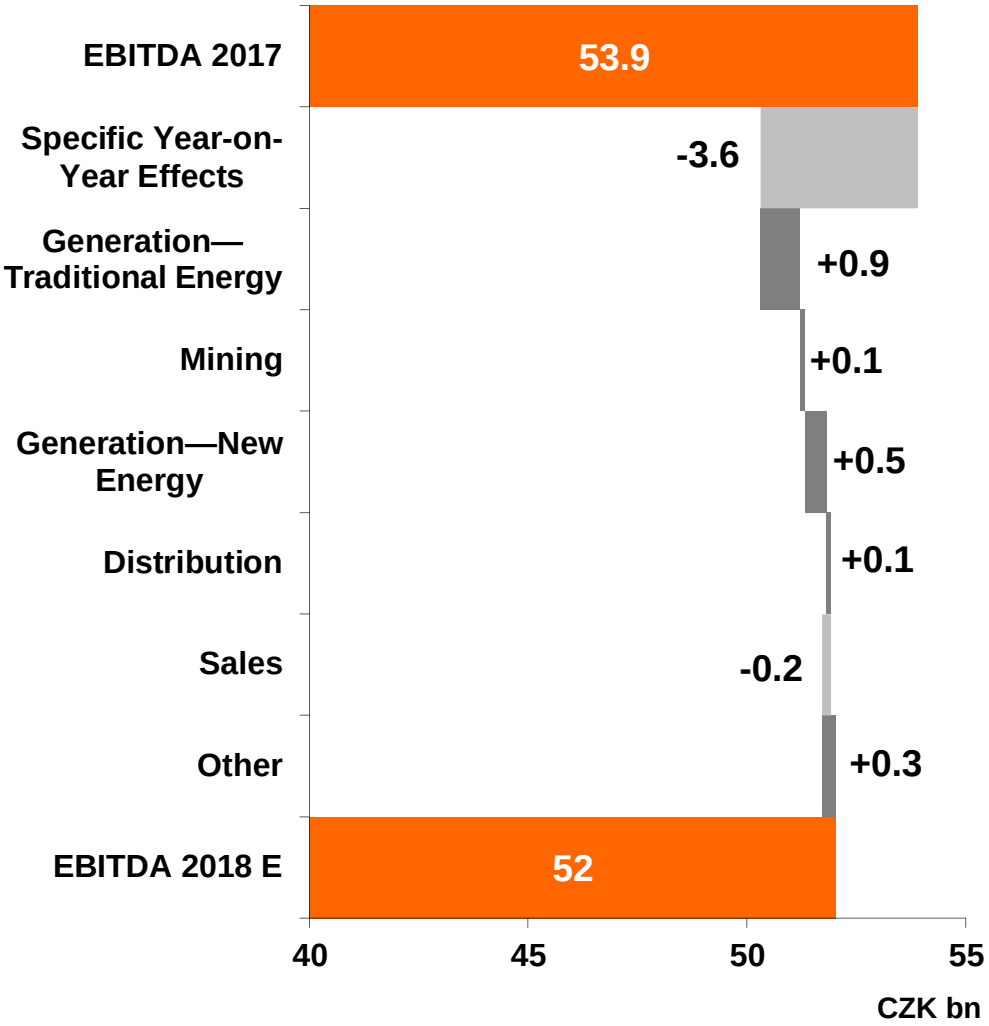
- Availability of generating facilities
- Sale of Bulgarian assets' completion
- New RES and ESCO acquisitions
- Payment of SŽDC debt from 2011

Material nonrecurring effects in 2017 (total CZK +8.5bn):

- Of which at EBITDA level CZK +2.9bn: profit from commodity trading above the full year target (1.0), valuation of green certificates for Romanian wind farms allocated in the past (0.8), settlement agreement with Sokolovská uhelná (0.7), out-of-court agreement with Bulgarian state-owned company NEK (0.4)
- Of which below EBITDA CZK +5.6bn: termination of MOL shareholding (4.5), Sale of property in Prague (1.1)

Adjusted net income values exclude extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill amortization). NEK = Natsionalna Elektricheska Kompania (Bulgarian state-owned energy company)

EXPECTED YEAR-ON-YEARN CHANGE IN EBITDA MAIN REASONS BY SEGMENT*



Specific year-on-year effects

- profit from commodity trading in 2017 above the full year target (-1.0bn)
- Valuation of green certificates for Romanian wind parks (allocated in the past) in 2017 (CZK -0.8bn)
- Lower allocation of green certificates for Romanian wind parks since Jan 1, 2018 (CZK -0.7bn)
- Settlement agreement with Sokolovská uhelná in 2017 (CZK -0.7bn)
- Effect of out-of-court settlement agreement with Bulgarian state-owned company NEK in 2017 (CZK -0.4bn)

Generation—Traditional Energy

- Higher generation at nuclear power plants
- Higher realization prices of electricity, including the effect of hedges
- Higher expenses on emission allowances

Generation—New Energy

- New RES acquisitions

Distribution

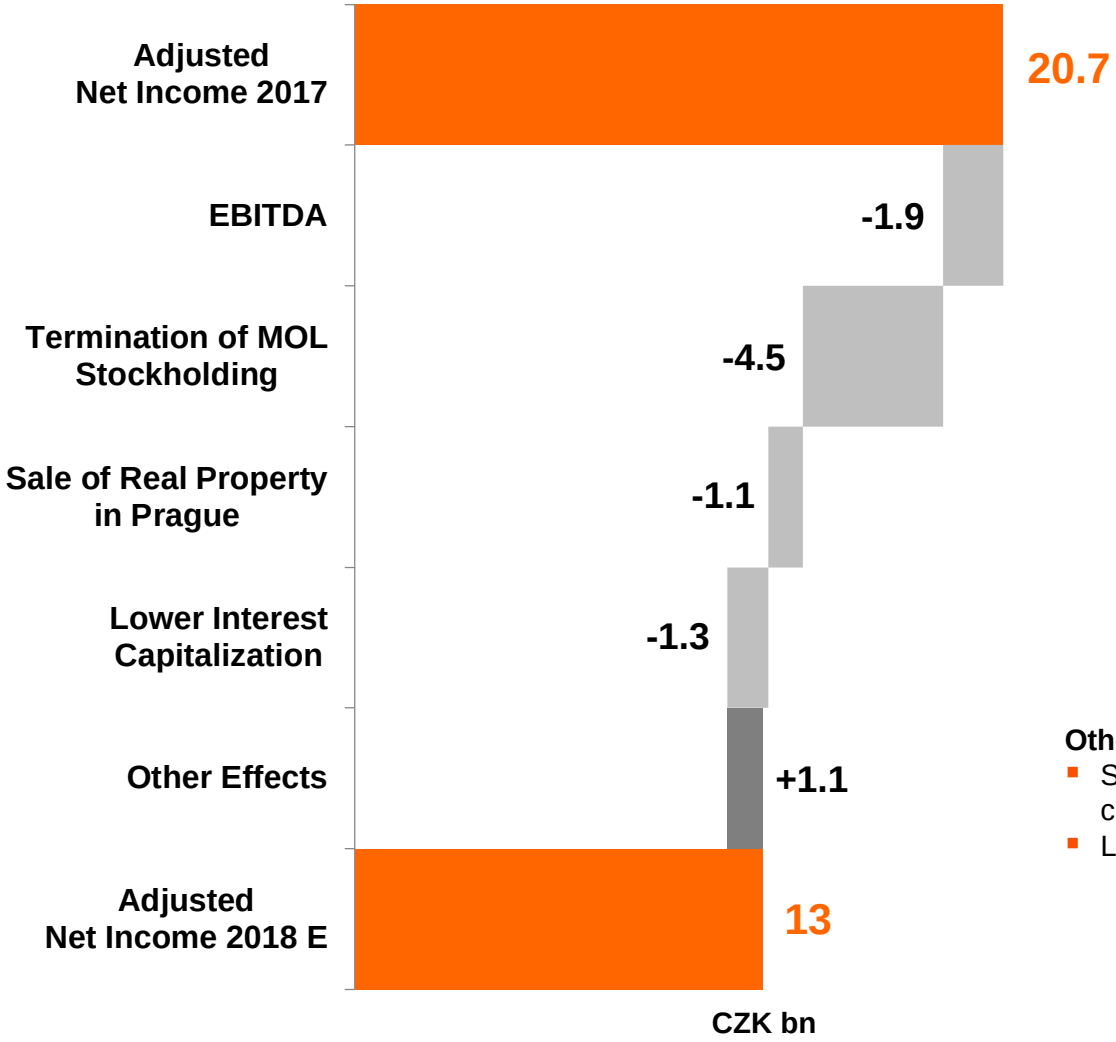
- Higher revenue in the Czech Republic partially offset by lower revenue from connection fees due to change in IFRS
- Lower connection revenue in Bulgaria

Sales

- Lower gross margin from electricity sales in the Czech Republic caused by higher purchase electricity prices for deliveries in 2018
- New ESCO acquisitions, especially Elevion in Germany

* Year-on-year comparison by segment, adjusted for listed specific effects totaling CZK 3.6bn
Note: NEK—Natsionalna Elektricheska Kompania (Bulgarian state-owned energy company)

ESTIMATED YEAR-ON-YEAR CHANGE IN NET INCOME MAIN REASONS

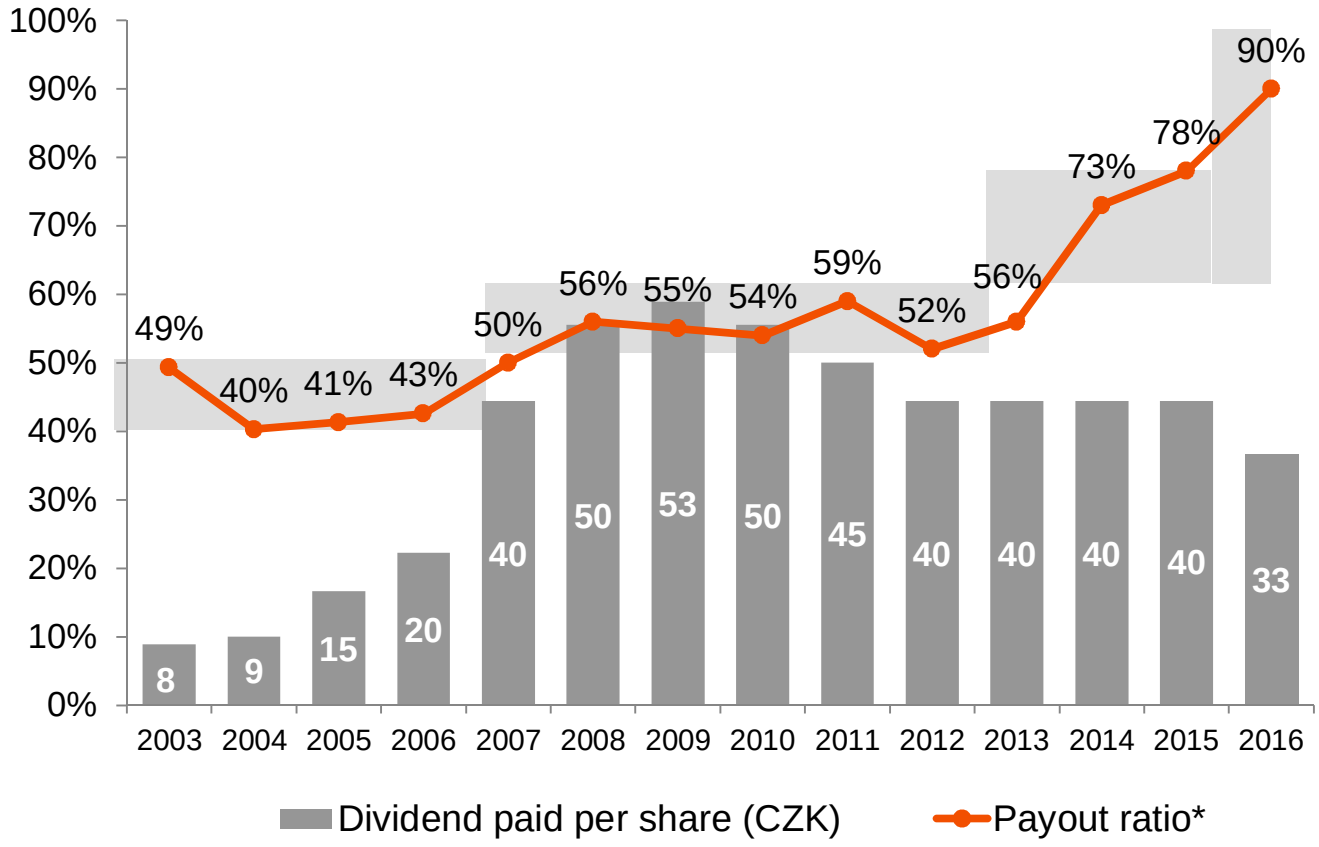


Other effects:

- Share in profits or losses of Turkish companies in 2017
- Lower income tax in absolute terms

DIVIDEND POLICY IS TO DISTRIBUTE 60 – 100 % OF ADJUSTED NET INCOME OF 2016 AND 2017 PROFITS

Payout ratio* (%)

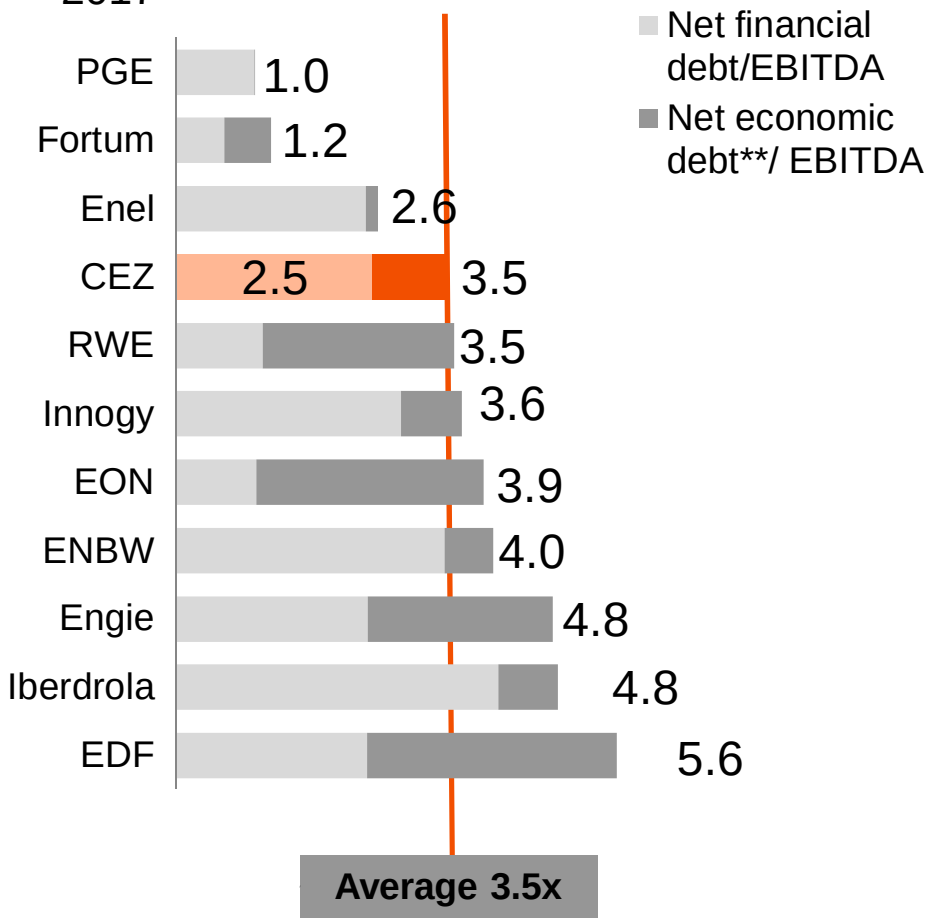


- In June 2017 general meeting of CEZ approved management proposal for 2016 dividend CZK 33 per share
- Dividend proposal for dividend from 2017 profits is expected to be published in April/May 2018

* As percentage of adjusted net income

CURRENT LEVERAGE ALLOWS FOR DEBT FINANCED ACQUISTIONS WITHOUT EXCEEDING ND/EBITDA 3.0x

Net economic debt/ EBITDA*
2017



*EBITDA as reported by companies, ** Net economic debt = net financial debt + net nuclear provisions + provisions for employee pensions + net reclamation provision

Current credit rating

- A-, stable outlook from S&P
- Baa1, stable outlook from Moody's

Tolerated leverage

- net financial debt/EBITDA ratio at 2.5-3.0x
- assumes funding of new development activities (primarily acquisition of renewable projects, distribution, sales and heat assets)

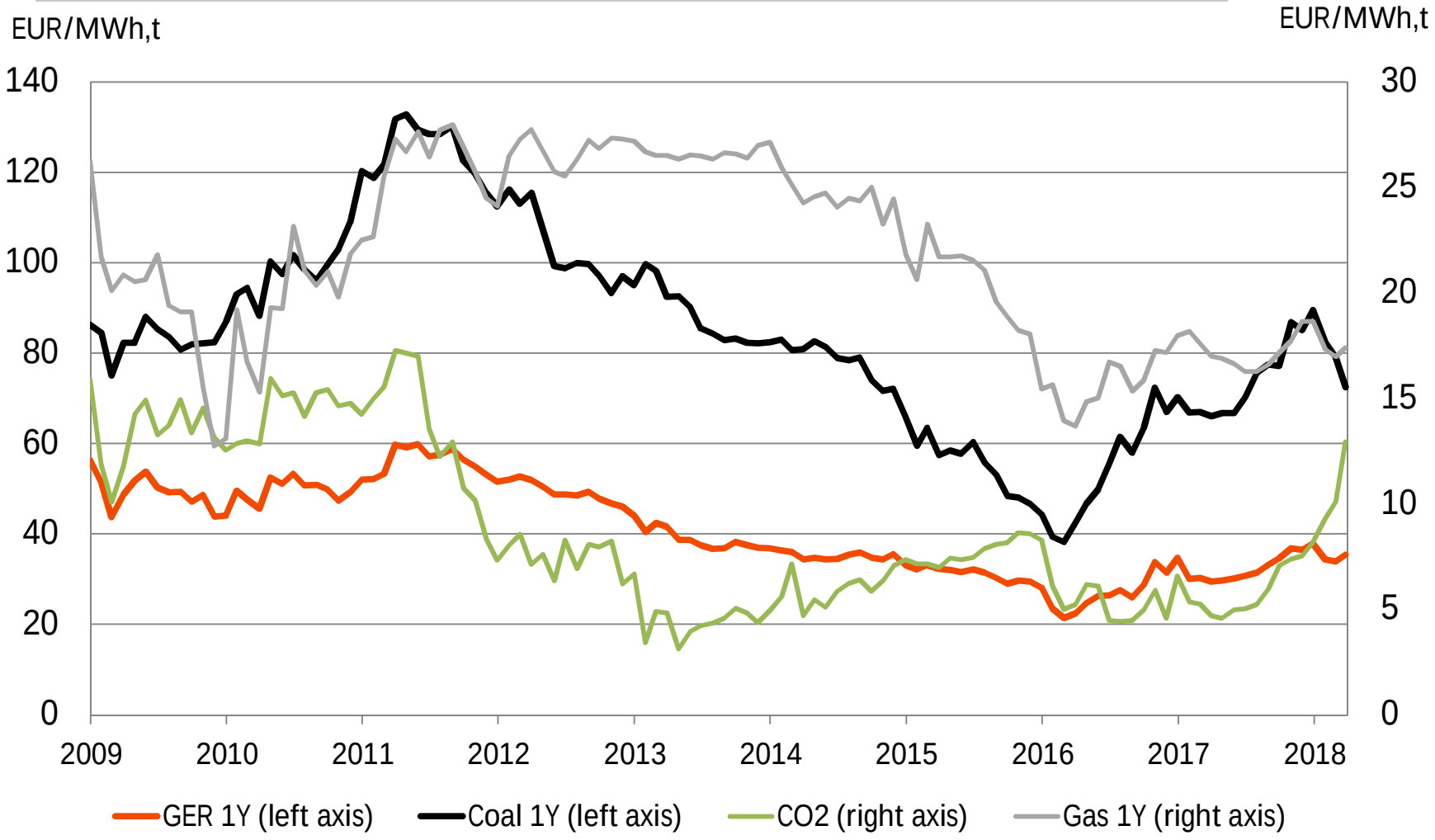
AGENDA

SUMMARY

- CEZ is operating renewed low cost and profitable generation fleet and is positioned to get upsides from high CO2 and/or hard coal prices
- Future growth of CEZ comes from ESCO, distributed energy and renewables in countries in which CEZ is present in Central/Western Europe:
  - CEZ increased its investments into distribution
  - CEZ acquired ESCO companies in the Czech Republic and Germany and aims to become a leading player in energy efficiency solutions
  - CEZ acquired renewables in Germany and France and aims to become a fully integrated development, operating, maintenance and marketing of RES
- CEZ leverage allows for debt financed acquisitions not exceeding ND/EBITDA 3.0x
- Dividend policy for 2017 profit remains at 60-100% of adjusted net income

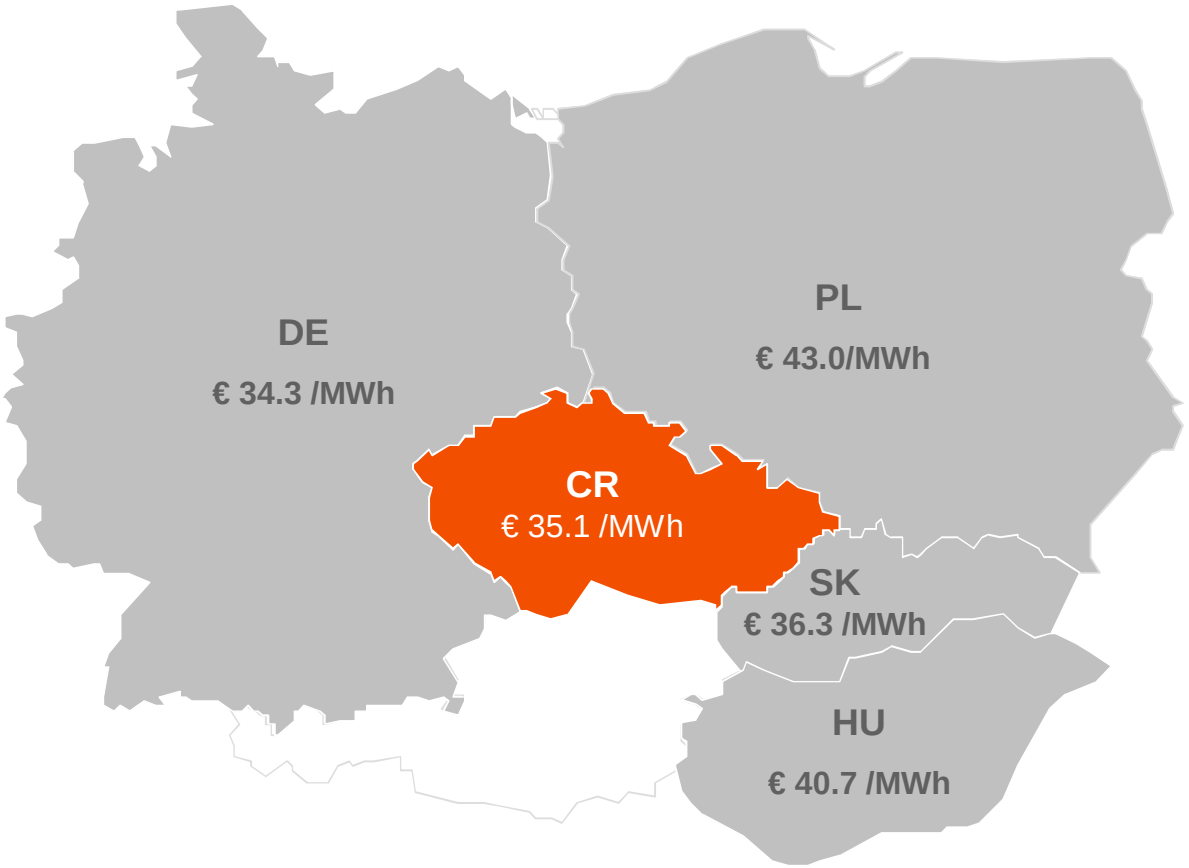
AGENDA

HISTORICAL DEVELOPMENT OF PRICES OF INPUT COMMODITIES



Note: year ahead baseload deliveries, CO2 – Dec delivery

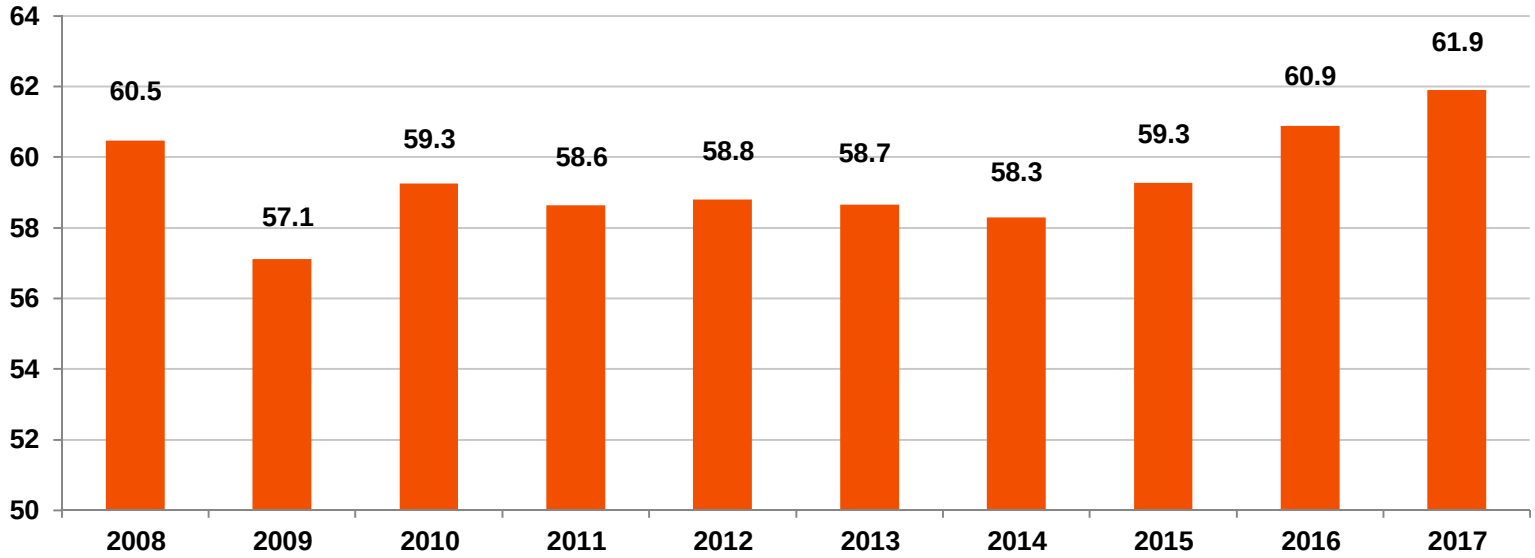
ELECTRICITY MARKETS IN THE REGION ARE INTEGRATED, CEZ CAN SELL ITS POWER ABROAD



Source: EEX, PXE, TGE

CZECH ELECTRICITY DEMAND GREW BY 1.6% IN 2017

Net electricity consumption in the Czech Republic (TWh)

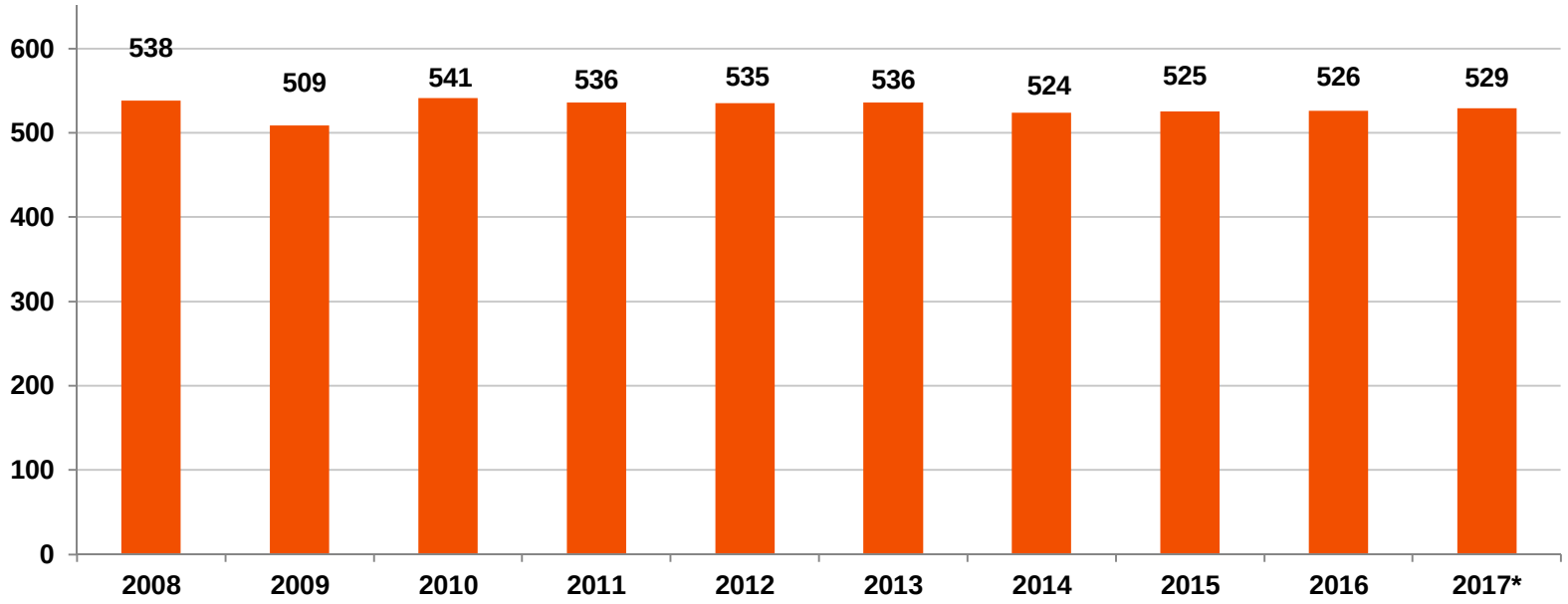


- **Temperature adjusted electricity consumption** in the Czech Republic **grew by 2.4% in 2017**
- **Unadjusted consumption** in the Czech Republic grew **1.6% in 2017**, of which:
  - + 2.5% large industrial companies
  - + 2.7% households
  - + 1.0% small businesses
- **Unadjusted consumption** in the distribution area of CEZ Distribuce** **grew by 2.4%**
  - + 2.9% large industrial companies
  - + 2.3% households
  - + 0.8% small businesses

 Source: CEZ, ERU * Adjusted as per CEZ model **5/8 of the Czech Republic

GERMAN ELECTRICITY DEMAND STAGNATES Y/Y

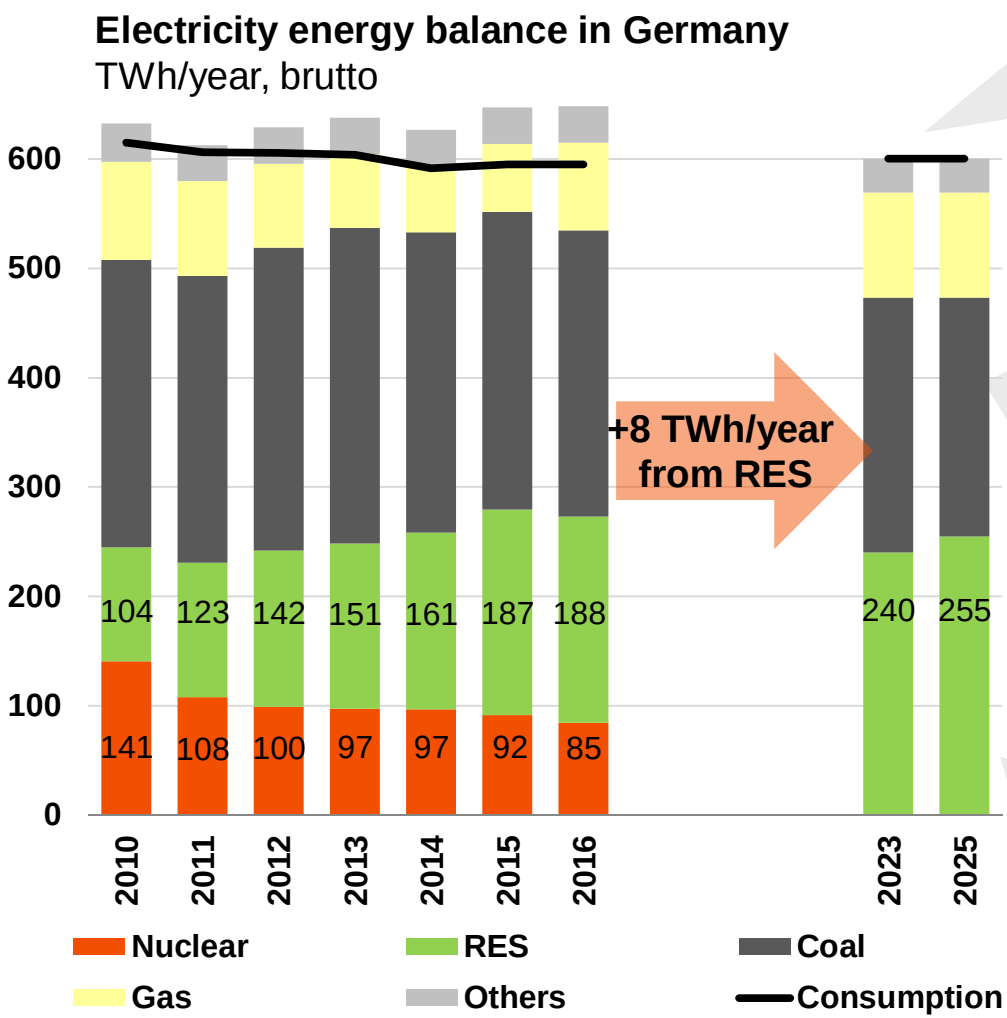
Net electricity consumption in the Germany (TWh)



- **Net electricity consumption** in Germany **grew by 0.2 % in 2016 of which:**
  - + 0.4% large industrial companies
  - + 0% households
  - + 0% small businesses

 Source: BDEW, *Preliminary estimate

RENEWABLE GENERATION GROWTH IN GERMANY WILL MORE THAN OFFSET PLANNED PHASE OUT OF GERMAN NUCLEAR AND COAL POWER PLANTS BY 2023



German consumption

- Long term stagnation
- Potential decrease due to Energy Efficiency Directive
- Most likely low support from EV; 2020 target: 1m cars ~ 2.5 TWh/year

German supply (2025 vs 2010)

- **Nuclear power plants phase out (Atomausstieg) :** –141 TWh from Nuclear
- **Energiewende :** +151 TWh from RES
- Germany electricity balance won't be in shortage, moreover there is potential for higher utilization of gas and hard coal resources (current utilization of gas resources 37% and hard coal 47%)

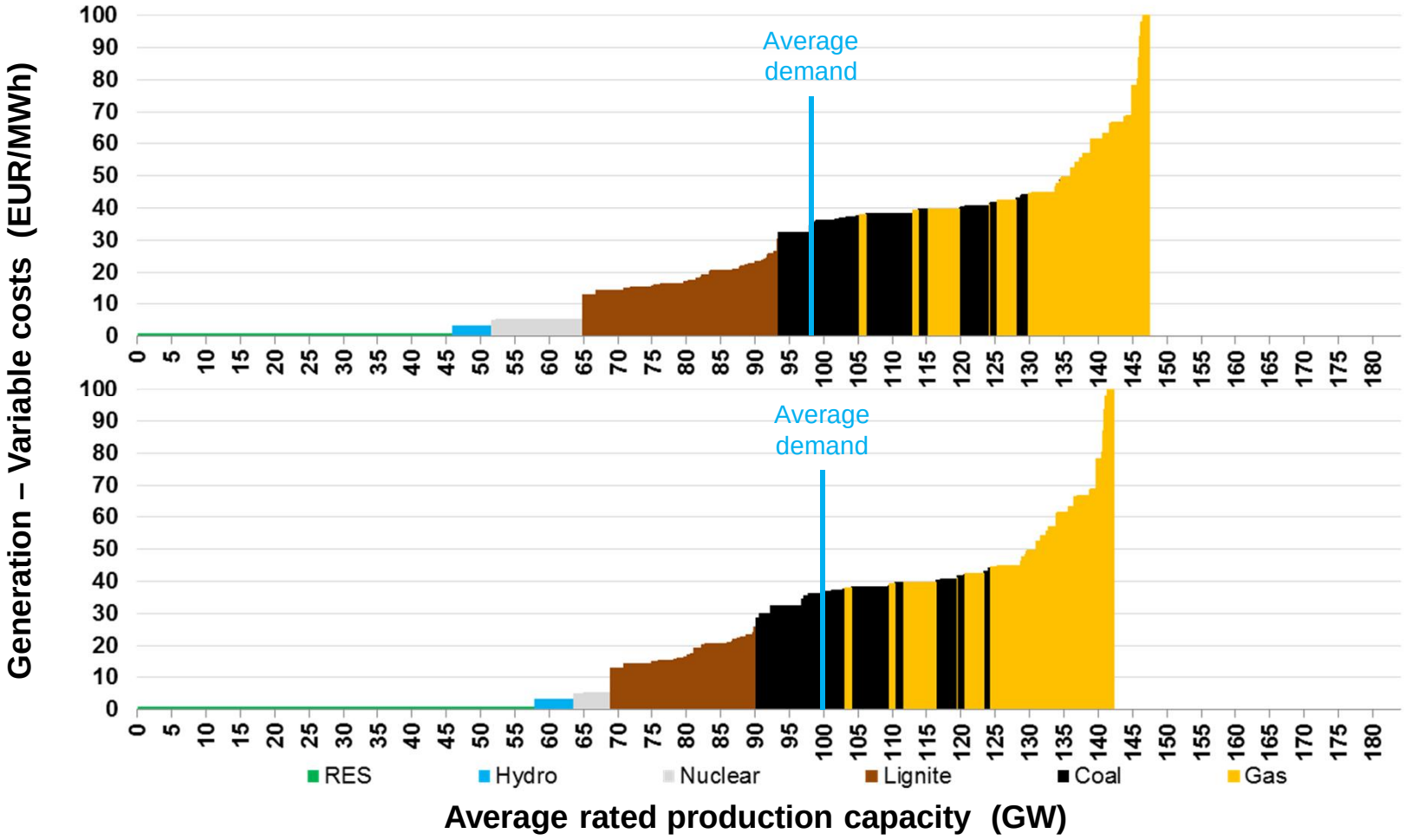
After 2023

- **Growth of RES volumes** based on plan. Annually displaces 1000 MW of coal from the market
- Elimination of a substantial part of coal from the German energy mix can be expected in the period 2030-2035, depending on the development of environmental legislation

Source: www.ag-energiebilanzen.de, and internal CEZ analyses, note: brutto values

AND PRICE UPSIDE FROM THE GERMAN'S PHASE OUT MIGHT BE EXPECTED

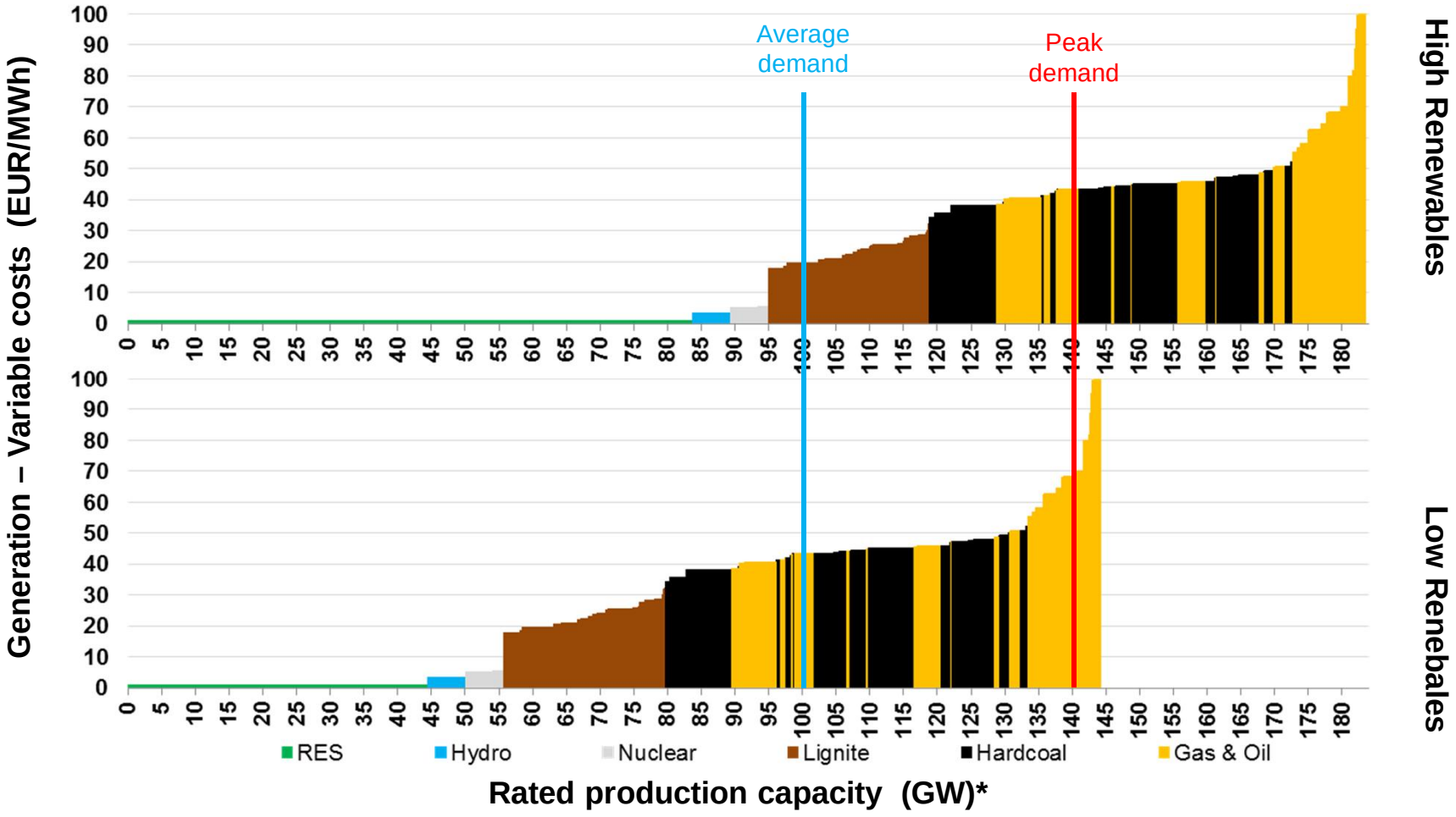
Illustrative cost curve for Central Europe 2017, 2023*



*Commodity assumptions (2017 & 2023): Coal 67 EUR/t, Gas 18 EUR/MWh, CO2 6.3 EUR/t

… RENEWABLES WILL BRING MORE VOLATILITY INTO THE MARKET

Illustrative cost curves for Central Europe 2023

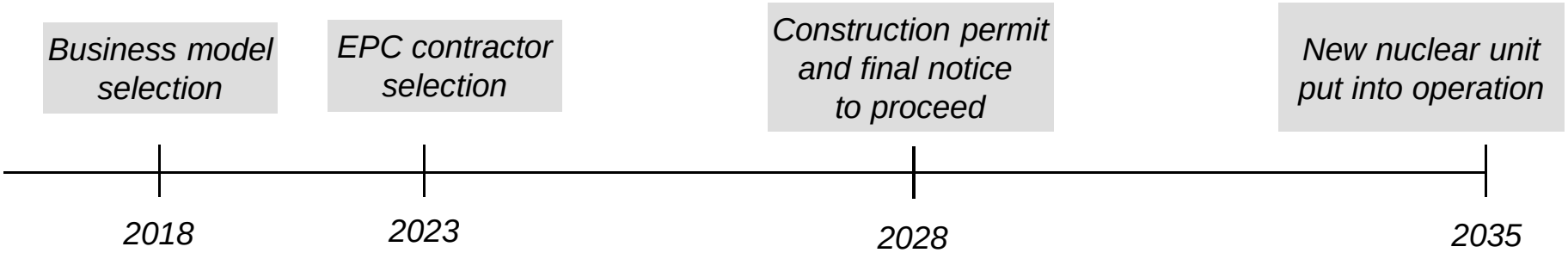


*Rated capacity (High/Low): Renewables 60%/10% of Installed capacity, Other sources – annual average

PROJECT OF NEW NUCLEAR IN THE CZECH REPUBLIC

- State energy policy aims to preserve full independence of the Czech Republic in power production after the country runs out of domestic coal and assumes building new nuclear units in the Czech Republic once Dukovany Nuclear Power Plant reaches end of its operations (expected in 2035).
- In 2014 (after 5 years) CEZ abandoned unfinished tender for contractor of a new unit after the government declined to provide any guarantees related to the new unit´s operations and construction.
- Government run Standing Committee for Nuclear Energy is currently investigating three options for new nuclear project´s investment set-up:
  - CEZ will develop the project
  - State will acquire the project and develop it
  - State will acquire bigger part (e.g. the existing nuclear capacity) of CEZ and develop the project
- Support mechanism, including potential state guarantees, needed for each option is part of the analysis.
- CEZ is participating in the analysis

Envisaged timeline of new nuclear project in the Czech Republic



CEZ GROUP INTERNALLY ANALYZED ITS TRANSFORMATION VARIANTS BASED ON TWO EXTERNAL IMPULSES

Construction of a new nuclear power plant in the Czech Republic and the Czech state's priorities	▪ The Czech standing committee on nuclear energy defined three investment models/funding options for a new nuclear facility in the Czech Republic ▪ One of the options anticipates that CEZ Group would transform into several independent companies
Energy market trends and investors' differing views of traditional and new energy	▪ Environmental legislation for the operation of coal-fired power plants and mines and requirements for the operational safety of nuclear power plants are getting stricter; there is more regulation in general ▪ The dynamics of the energy market is changing; conventional energy is dissociating from new energy, including different perception by investors ▪ Several major transformations of energy groups were made in Europe

- In September 2017, the Presidium of the Government of the Czech Republic gave task that a ČEZ Transformation variant be worked out as an alternative for ČEZ's future direction in the context of the European energy sector and the SEP and as one of three variants enabling the construction of a new nuclear power plant in the Czech Republic
- CEZ Group analyzed various variants of CEZ Group transformation and assessed, as part of a complex project, whether the possible transformation could increase value for shareholders and how it is realistically possible to implement a project for a new nuclear power plant in the Czech Republic and fulfil Czech Republic's SEP
- **Board of Directors of ČEZ, a. s. has not arrived at any conclusions on this matter yet.**

CONTEMPLATED VARIANTS ARE HEADING TOWARDS SEPARATION OF TRADITIONAL GENERATION FROM DISTRIBUTION, SALES AND NEW ENERGY

Key benefits of the recommended variant for ČEZ‘s SHAREHOLDERS:

1 Significant increase of ČEZ‘s value

- Eliminating uncertainty concerning NNPP construction and coal assets and the related discount on share
- Increasing value by creating investment opportunities sought after by investors

2 Target companies with a clear strategic focus

- Generation company focusing on the state’s energy security and NNPP construction, which will be able to deal better with specific business and regulatory risks
- New company focusing on growth and innovation in the field of new energy

Key benefits of the advisable transformation for the Czech Republic:

A Fulfilment of Czech Republic’s State Energy Policy

- Construction of new nuclear power plants
- Preservation of full control of the Czech state over CEZ Group’s coal reserves

B

Preservation of the Czech state’s shareholding in a New company, i.e. in a liquid and attractive asset, which can be sold off flexibly in the future to obtain financial proceeds for the state

EUROPEAN UNION IS PROGRESSING WITH REFORM OF ITS EMISSION TRADING SCHEME BUT THE MARKET REMAINS STRUCTURALLY OVERSUPPLIED

2013

PHASE 3 – starting with 1,749 mt surplus from phase 2, current surplus on similar level (i.e. cca. 1Y CO2 production/demand)

- The growing surplus of emission allowances – due to oversupply and the economic slowdown – has driven the carbon price well below the levels expected when the ETS was created
- Several measures introduced in order to bring the market into balance – freezing of 900m of allowances; introduction of the MSR from 2019 (withdrawal of 24% of total emission surplus if total surplus is above 833 Mt)
- EU allowances supply (wide cap) 1,969 mt x EU allowances demand (verified total emission) 1,750 mt in 2016
- Cap decreases each year by the linear factor of 1.74% (38 mt)

2019 start of MSR

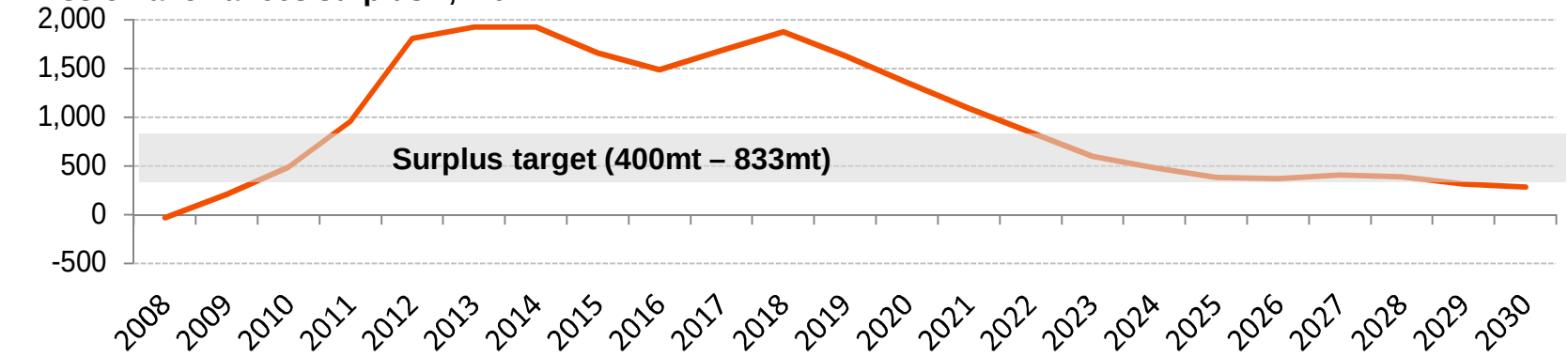
2021

PHASE 4

- Increase in linear factor of cap to 2.2% (48 mt), MSR withdrawal pace of 24% will be in operation till 2023 when the optimal surplus level is expected (after 2023 decrease to 12%), partial cancellation of allowances in the MSR and voluntary option to governments to cancel permits from auctions when coal plants shut down - agreed in trialogue* on November 8th.
- MSR will help to withdraw the unused surplus from the market but whether it will bring balance to the market remains to be seen

2030

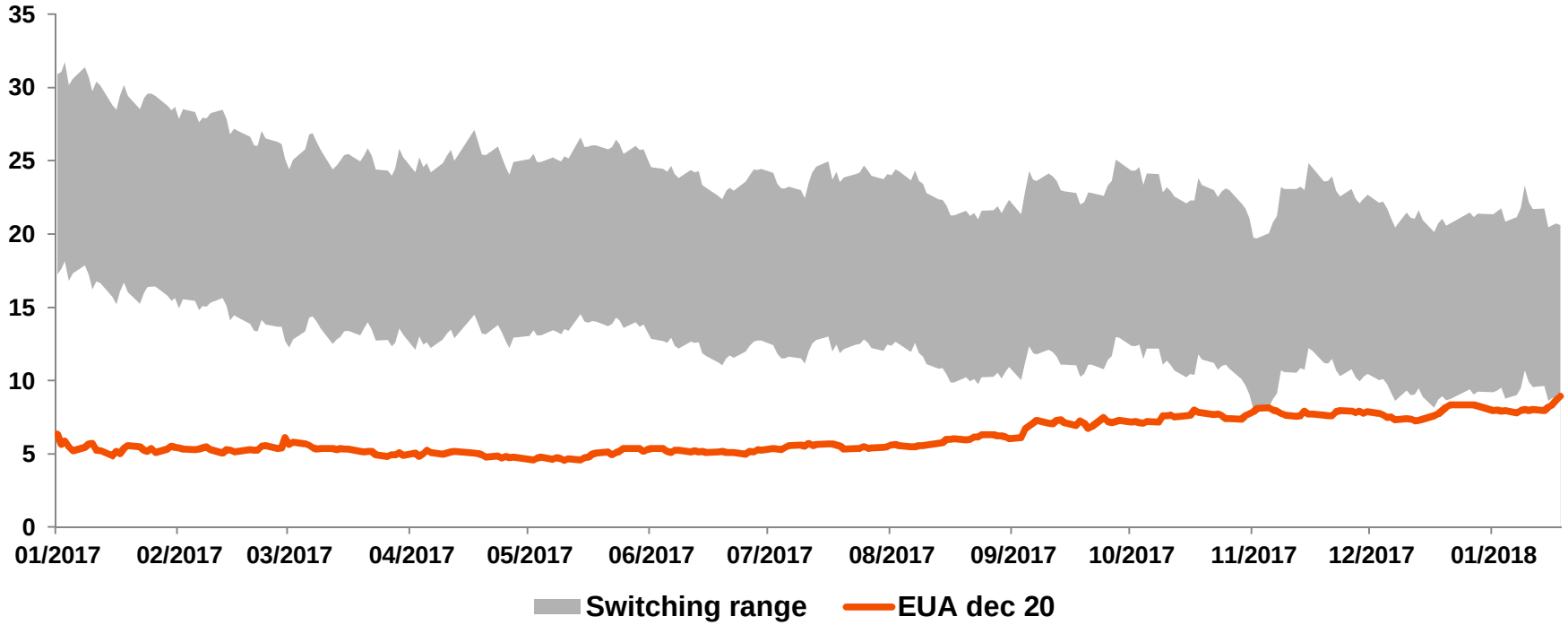
Emission allowances surplus, mt**



 MSR = Market stability reserve *the parliament, European council and European commission, **Assumption of zero emission price

UPSIDE FOR ALLOWANCE PRICE IS LIMITED BY COAL TO GAS SWITCHING

Price needed for Coal to Gas switching, low and average efficient sources*, Emission allowance prices on forward market
EUR/t, Cal 2020



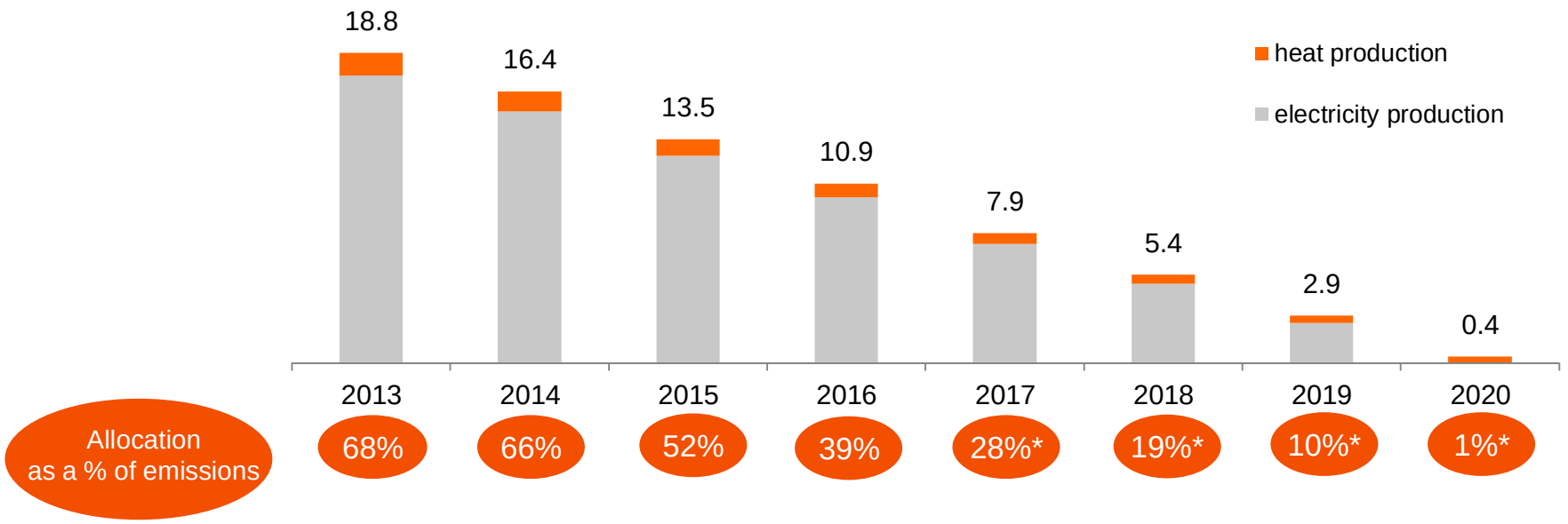
- Current emission certificate price allows to switch part of the generation from the least efficient coal power plants to the most efficient gas power plants
- In case of the substantial growth in EUA price, there is potential of savings amounting 300Mt (with price EUA around 20 EUR/t there will be almost half the potential achieved)
- Lower emission would lead to lower demand for allowances that consequently limit potential growth of EUA

*for coal and gas sources with efficiency between 34% resp. 56% and 36% resp. 50%

CEZ GROUP CONTINUES TO RECEIVE PART OF EMISSION ALLOWANCES FOR FREE

- CEZ Group to receive up to **69.6 million** emission allowances for electricity production in the Czech Republic in 2013–2019 in exchange for investments reducing greenhouse gas emissions.
- Up to 60% of the standard national auction volumes can be freely allocated for the modernization of the energy sector in less developed countries post 2020 (including Czech republic; investments into modernization are limited by carbon intensity of new/renewed source**)

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



 * % of 2016 emissions; ** *0.55 t/MWh*

CZECH REPUBLIC: ELECTRICITY DISTRIBUTION - OVERVIEW OF REGULATORY FRAMEWORK

Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The main components of regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections +/- Quality factor + Market factor
  - RAB adjusted annually to reflect net investments
  - Regulatory rate of return (WACC nominal, pre-tax) – 7.951% for 2016-2020
  - Operating costs are indexed to CPI + 1% (30% weight) and market services price index (70% weight). In IV. Regulatory period efficiency factor set at 1.01%/year.
  - Quality factor – prescribed levels of SAIDI and SAIFI parameters Maximum bonus or penalisation +/- 4% of allowed profit. Currently has neutral impact on CEZ Distribuce.
  - Market factor to reflect unexpected cost which could not had been planned while setting planned values of allowed costs (e.g. new duties coming from new legislation). Never used by ERU in case of CEZ Distribuce.

Regulatory period

- 4th regulatory period from January 1, 2016 till December 31, 2020*,
- Main focus:

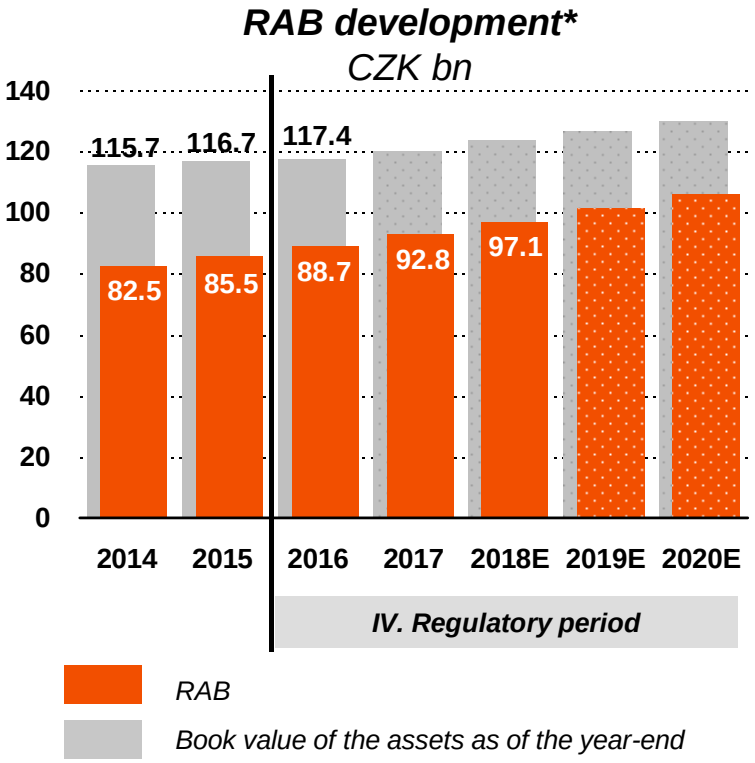
- lowering allowed costs compared to the previous period (reflecting actual costs in the previous regulatory period);
- pressure on quality and security of electricity distribution (prescribed SAIDI and SAIFI parameters);
- renew and develop the networks incentivised by reasonable regulation parameters.

Unbundling & Liberalization

- Since January 1, 2006 all customers can choose their electricity supplier, market is 100% liberalized
- Prices for distribution regulated as per above, prices of commodity is not regulated at all.

** Originally the IV. Regulatory period was scheduled to end at YE 2018 and later was extended by the regulator till YE 2020.*

RAB GROWS AS A RESULT OF POSITIVE NET CAPEX AND BY APPLICATION OF THE REVALUATION COEFFICIENT



- Investments above depreciation lead to growth of the Regulatory Asset Base (RAB)
- Initial value of RAB was set at lower amount than the book value of assets.
- Revaluation coefficient** reduces initial RAB discount to asset book value.

Revaluation coefficient: *allowed depreciation is not fully deducted from RAB.***

Correction factor *to reflect planned and actual CAPEX (usual impact in tens of millions) and to reflect transfer of assets to another company.*

RAB formula:

$$RAB(y) = RAB(y-1) + Investments(y) - Depreciation(y) \times \frac{RAB(y-1)}{NBV(y-1)} + Correction\ factor(y)$$

 ** Actual values for 2014 – 2017, planned values for 2018 – 2020 ** In 2017 the revaluation coefficient was 77%.*

CZECH DISTRIBUTION - WACC COMPONENTS IN IV. REGULATORY PERIOD

- WACC set using CAPM formula:

$$WACC = \left(k_e \times \frac{E}{D+E}\right) + \left[\left(k_d \times \frac{D}{D+E}\right) \times (1\text{-}T)\right]$$

$$k_e = r_f + \beta \times MRP.$$

$$k_d = r_f + credit\ risk\ margin\ (CRM)$$

- Risk free rate (r_f) was derived from median yields of 10-y Czech sovereign bonds for 10 years period

- Credit risk margin set as a difference between BBB rated corporate bonds and 10Y German and French Sovereign bonds*

WACC components	4th regulatory period 2016 – 2020
Risk free rate (r_f)	3.82 %
Market risk premium (MRP)	5 %
ß unlevered	0.536
ß levered (ß)	0.901
Cost of equity (k_e)	**8.32 %**
Credit risk margin (CRM)	1.38 %
FTSE Euro Corporate Bonds BBB	4.53 %
EUR gov 10YEUR	3.15 %
Cost of debt, pre tax (k_d)	**5.19 %**
Tax rate (T)	19 %
Cost of debt, post-tax	**4.21 %**
Debt/(Debt+Equity)	45.75 %
WACC (nominal, before tax)	**7.951%**

* *I13 Euro Benchmarks Curve 10Y*

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
- Possibility for annual corrections
- Investment plan – approved by ANRE before regulatory period starts, revision of investments carried out usually done at the end of the regulatory period.
- Regulatory return (WACC pre-tax real terms) equals to 7.7% starting 2015, it can be revised by ANRE during regulatory period
- Working capital is equal to regulated remuneration of 1/12 from total OPEX
- Distribution tariff growth capped in real terms at 10% yearly on voltage levels and at 7% yearly for average weighted distribution tariff in the third regulatory period

Regulatory periods

- 3rd regulatory period Jan 1, 2014 – Dec 31, 2018

Liberalization

- Complete removal of regulated prices for industrial consumers by end 2013, for residential consumers by end 2017
- Starting January 2018 the market is fully liberalized. Consumers who have not yet chosen their energy supplier in the free market are priced with a Last Resort Supplier tariff (endorsed by ANRE)
- A gradual transfer of household customers from tariffs to liberalised market is expected as the Last Resort Supplier tariffs are usually slightly higher than the end consumer tariffs offered by suppliers in the free market

BULGARIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by EWRC (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) at 7.04 % for 4th regulatory period
  - Average values set for the NBV, depreciation and investments for the whole period
  - RAB set at EUR 279 m for the 4th regulatory period
  - Technological losses in 4th regulatory period set by regulator at 8%
  - Efficiency factor introduced in the 2nd regulatory period, not applied in the 4th regulatory period, yet. EWRC may apply it later.

Regulatory periods

- 3rd regulatory period August 1, 2013 – July 31, 2015
- 4th regulatory period August 1, 2015 – June 30, 2018

Unbundling & Liberalization

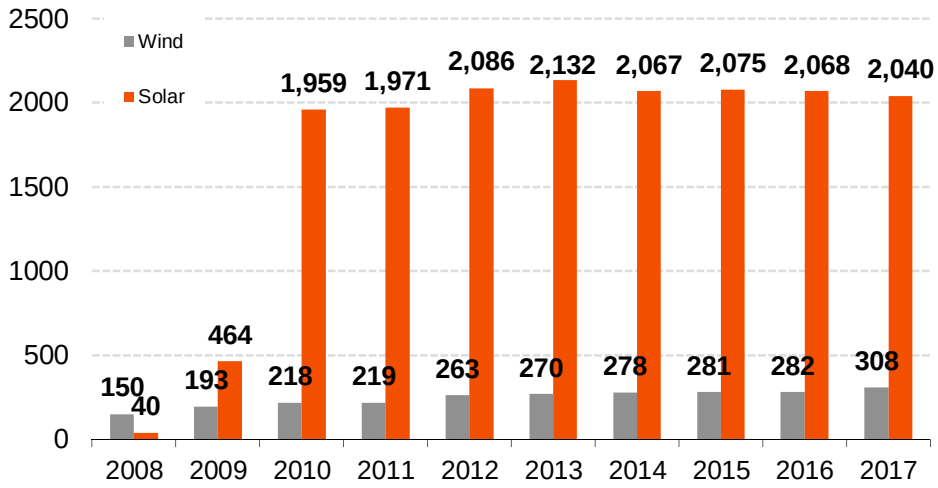
- Unbundling successfully completed by December 31, 2006
- Since July 2007, all consumers have the right to become eligible. Most of the household customers remain in universal service with regulated tariffs though
- Liberalization process and transfer of consumers to free market is restrained due to a limited scale of energy products provided by the Bulgarian energy exchange (IBEX)

CZECH REPUBLIC: RENEWABLES SUPPORT

2018 feed-in-tariffs (EUR per MWh)

	Plants commissioned in 2010	Plants commissioned in 2017
Solar <30 kW	551.2	0
Solar >30 kW	546.8	0
Wind	100,7	75.6

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



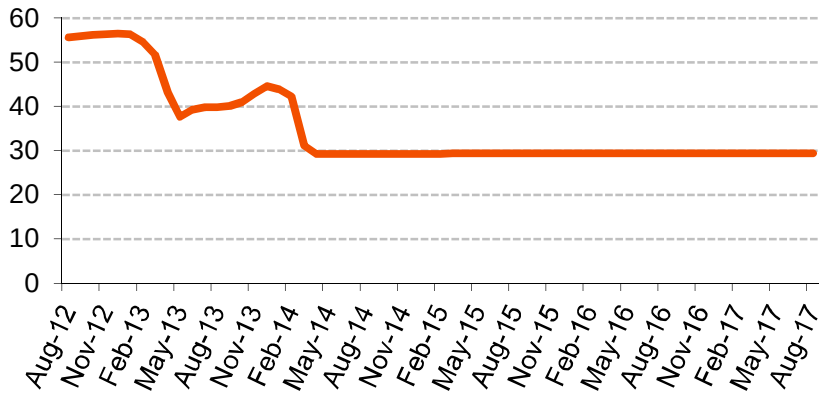
- Operators of renewables can choose from two options of support:
  - Feed-in tariffs (electricity purchased by distributor)
  - Green bonuses (electricity sold on the market, bonuses paid by distributor, level of green bonuses is derived from feed-in tariffs)
- Feed-in tariffs are set by a regulator to ensure 15-year payback period. During operation of a power plant they are escalated 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 commissioned in 2014 or later do not receive any support.
- 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), EUR/CZK = 25.54

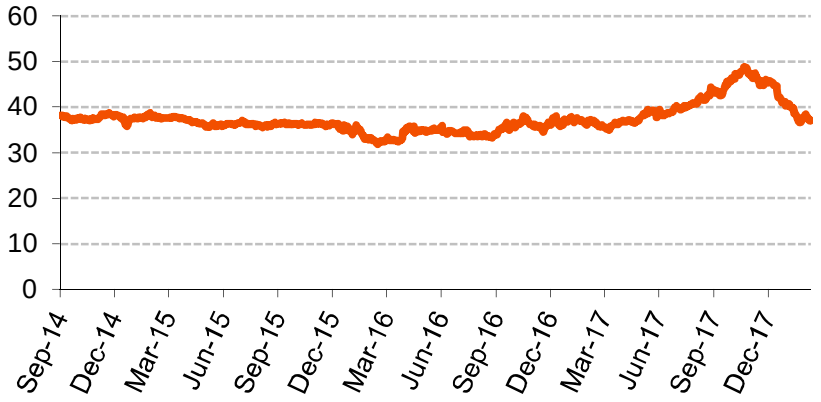
ROMANIA: RENEWABLES SUPPORT
UPDATE OF THE RULES ADOPTED IN 2017 SIGNIGICANTLY IMPROVES VISIBILITY OF FUTURE CASH FLOWS

- Two green certificates (GC) obtained by the producer for each MWh supplied from wind to the network until 2017, one GC from 2018 onwards, duration of support – 15 years.
- Legally set price for green certificate is EUR 29.4 – EUR 35 (adjusted in March 2017 from previous EUR 27 to EUR 55)
- In March 2017 the tradability of green certificates was extended – all certificates issued after 1st April 2017 are tradable until 31st March 2032 (originally the lifespan was limited to 12 months).
- The updated regulatory scheme assumes an obligation to buy a constant annual amount of green certificates for 15 years, starting Apr 1, 2017, so that all green certificates are absorbed at the end of the 15-year periode

Green certificates market clearing price (EUR/certificate)

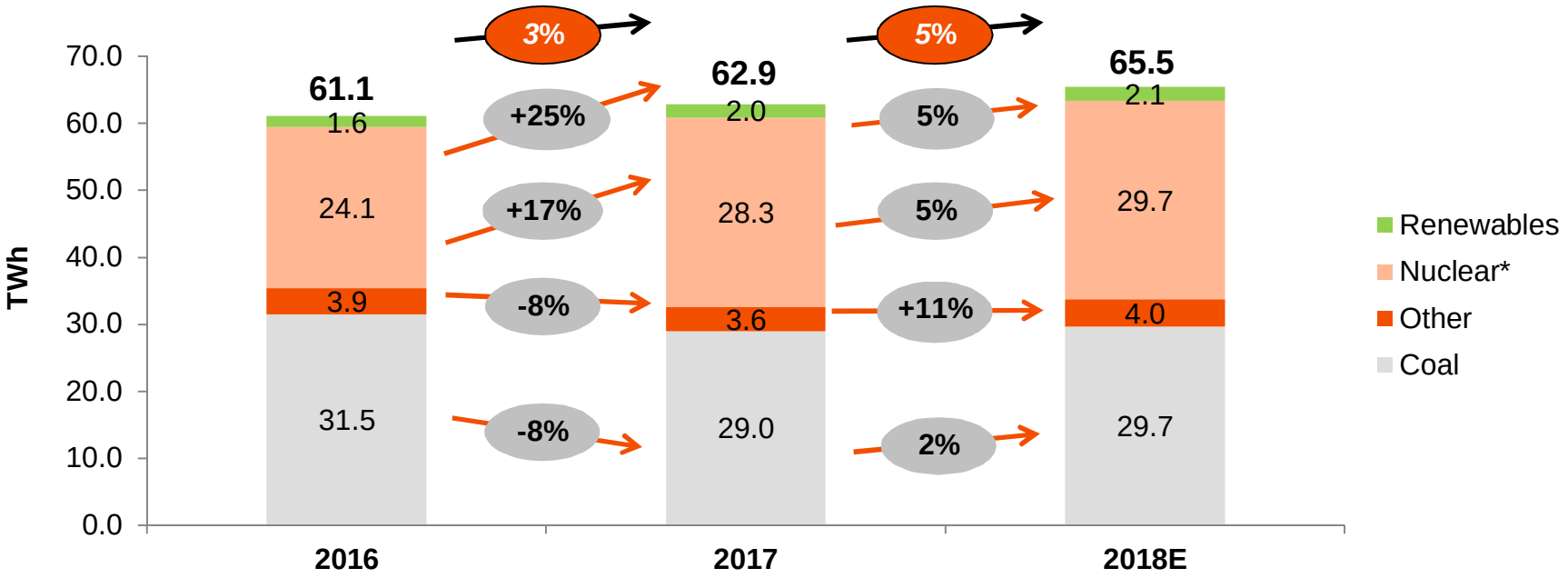


Romanian year ahead electricity price (EUR/MWh)



 Source: OPCOM,PXE

2017 GENERATION VOLUMES AFFECTED BY SHUTDOWNS IN NUCLEAR PLANTS, IN 2017 IMPROVEMENT IN NUCLEAR GENERATION EXPECTED



2017 volume trends

+ Shorter outages, especially at Temelín NPP
+ Operation of renewed Prunéřov 2 Power Plant
+ Operation of new Ledvice 4 Coal Power Plant
- Lower production from Coal Power Plants in Poland
+ Higher production from wind power plants in Romania and Germany

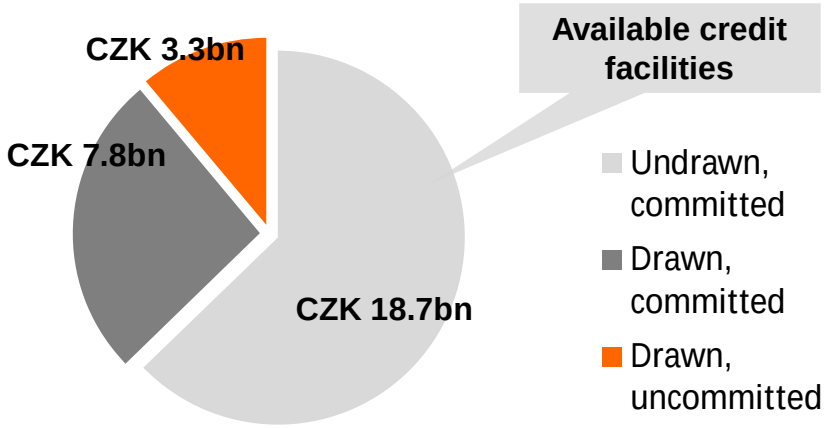
2018 volume trends

+ Shorter outages in Dukovany PP
+ Full operation of new Ledvice 4 Coal Power Plant
- Longer outages in Dětmarovice PP
+ Higher utilization of pumped hydro storage
+ Higher production from Lettweiler Höhe wind power plants in Germany
+ Higher planned production of CCGT Počerady PP

 * Full potential of Nuclear generation is 32 TWh (conditioned by outage cycles in given year).

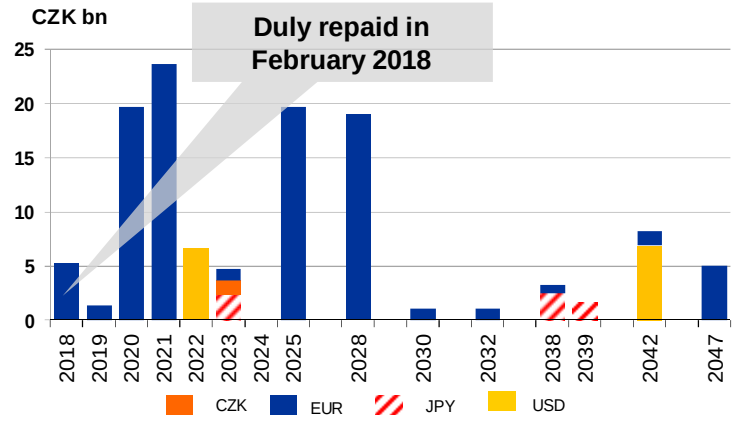
CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilization of Short-Term Lines (as at Dec 31, 2017)



- CEZ Group has access to CZK 26.5bn in committed credit facilities, using CZK 7.8bn as at Dec 31, 2017.
- Committed facilities are kept as a reserve for covering unexpected expenses and to fund short-term financial needs.

Bond Maturity Profile (as at Dec 31, 2017)



- The average maturity of CEZ Group's financial debt was 7 years as at Dec 31, 2017.
- Net debt decreased by CZK 12.5bn to CZK 134.0bn during 2017.
- **Net Debt/EBITDA was 2.48 as at Dec 31, 2017.**

CEZ GROUP FINANCIAL RESULTS

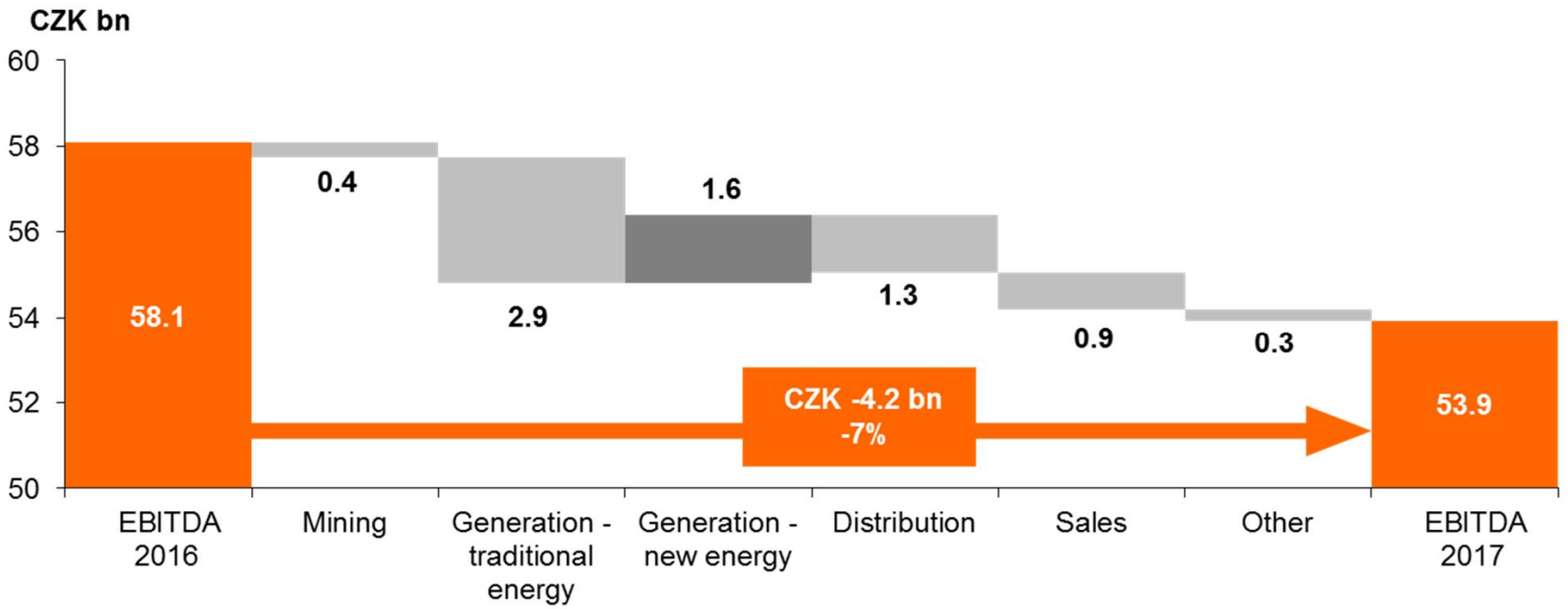
(CZK bn)	2016	2017	Change	%
Revenues	203.7	201.9	-1.8	-1%
EBITDA	58.1	53.9	-4.2	-7%
EBIT	26.1	25.6	-0.5	-2%
Net income	14.6	19.0	+4.4	+30%
Net income - adjusted *	19.6	20.7	+1.1	+5%
Operating CF	49.0	45.8	-3.1	-6%
CAPEX	30.2	29.1	-1.0	-3%
Net debt **	146.5	134.0	-12.5	-9%

		2016	2017	Change	%
Installed capacity **	GW	15.6	14.9	-0.8	-5%
Generation of electricity - traditional energy	TWh	59.5	60.9	+1.4	+2%
Generation of electricity - new energy	TWh	1.6	2.0	+0.4	+25%
Electricity distribution to end customers	TWh	50.6	52.0	+1.4	+3%
Electricity sales to end customers	TWh	37.5	37.0	-0.4	-1%
Sales of natural gas to end customers	TWh	8.2	9.9	+1.7	+21%
Sales of heat	000´TJ	24.0	23.7	-0.4	-2%
Number of employees ** ***	000´s	26.9	29.7	+2.8	+10%

* Adjusted net income – Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill amortization).
** On the last date of the period
*** The increase is primarily related to new acquisitions (in particular, German company Elevion) and insourcing of purchased services in Czechia

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

YEAR-ON-YEAR CHANGE IN EBITDA
BY SEGMENTS



Main drivers of year-on-year change in EBITDA:

- Lower realization prices of generated electricity in Czechia, including the effect of hedges (CZK -4.3bn)
- Settlement of unbilled electricity in Czechia in 2016 and correction factors in Czech distribution (CZK -1.7bn)
- Higher expenses on emission allowances in generation from conventional generating facilities (CZK -0.9bn)
- Effect of new acquisitions in renewables and energy services (CZK +0.7bn)
- Higher production of conventional generating facilities in Czechia (CZK +2.5bn)

OTHER INCOME (EXPENSES)

(CZK bn)	2016	2017	Change	%
EBITDA	58.1	53.9	-4.2	-7%
Depreciation, amortization and impairments*	**-32.0**	**-28.3**	**+3.7**	**+11%**
Other income (expenses)	**-6.8**	**-2.9**	**+3.9**	**+58%**
Interest income (expenses)	-2.5	-3.5	-1.1	-43%
Interest on nuclear and other provisions	-1.5	-1.6	-0.1	-8%
Income (expenses) from investments and securities	-1.8	2.6	+4.3	-
Other	-1.1	-0.3	+0.8	+73%
Income taxes	**-4.8**	**-3.8**	**+1.0**	**+20%**
Net income	14.6	19.0	+4.4	+30%
Net income - adjusted	**19.6**	**20.7**	**+1.1**	**+5%**

Depreciation, Amortization, and Impairments* (CZK +3.7bn)

- Higher additions to fixed asset impairments in 2016 (CZK +1.3bn)
- Reversal of impairments to Počerady CCGT plant in 2017 (CZK +1.6bn)
- Nonrecurring income from sale of property in Prague (CZK +1.1bn)
- Higher depreciation and amortization (CZK -0.3bn), primarily due to inclusion of renovated Prunéřov power plant in assets in July 2016

Other Income (Expenses) (CZK +3.9bn)

- Effect of termination of MOL shareholding (CZK +5.1bn), where the sale of MOL shares and concurrent redemption of exchangeable bonds, incl. related operations, had overall effect of CZK +4.5bn on net income in 2017
- Higher interest expenses (CZK -1.1bn) primarily due to lower interest capitalization after renovation of Prunéřov power plant in 2016
- Interest on nuclear provisions (CZK -0.1bn)

Net Income Adjustment

- The year 2017 is adjusted for the negative effect of fixed asset impairments and goodwill write-off in Turkey (CZK +1.3bn), fixed asset impairments in Bulgaria (CZK +0.9bn), impairments of projects under development in Poland (CZK +0.5bn), impairments of other assets (CZK +0.3bn), and for the positive effect of reversal of impairments of the Počerady CCGT plant (CZK -1.3bn)
- The year 2016 is adjusted for the negative effect of impairments of fixed asset in Romania (CZK +2.5bn), partial goodwill write-off and impairments in Turkey (CZK +1.3bn), impairments of projects under development in Poland (CZK +0.7bn) and impairments of other assets (CZK +0.6bn)

* Including profit/loss from sales of tangible and intangible fixed assets

NUCLEAR AND MINING PROVISIONS AS OF YE 2017

Nuclear and mining provisions as of YE 2017

(discount rate 1.25% p.a. (real), est. Inflation effect 1.25%)

	Provision (CZK bn)	Responsibility of:	Cash cover (CZK)
Interim storage of spent nuclear fuel	7.6 bn	CEZ	0.01 bn
Permanent storage of spent nuclear fuel	33.2 bn	State*, costs paid by CEZ	Fee 55 CZK/MWh generated in NPP to Nuclear Account***
Nuclear Plant decommissioning	20.8 bn	CEZ	12.7 bn
Mining reclamation	7.9 bn	CEZ (SD**)	5.1 bn
Landfills (ash storage)	1.0 bn	CEZ	0.2 bn

*** RAWRA - Radioactive Waste Repository Authority,**

****SD – Severočeské doly**

***** Nuclear Account balance as of YE 2016 CZK 25.4bn**

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

CZK

Profit and loss *CZK bn*	2010	2011	2012	2013	2014	2015	2016	2017
Revenues	198.8	209.8	221.9	216.7	201.8	210.2	203.7	201.9
Sales of electricity	175.3	181.8	186.8	189.4	173.8	182.1	174.9	167.8
Heat sales and other revenues	23.6	28.0	35.1	27.4	27.9	28.1	28.8	30.8
Operating Expenses	110.0	122.4	136.1	134.7	129.3	145.1	145.7	148
Purchased power and related services	54.4	65.9	71.7	79.0	75.8	90.9	88.3	86.9
Fuel	16.9	17.1	15.8	13.8	12.7	13.1	13.2	12.7
Salaries and wages	18.7	18.1	18.7	18.7	18.9	17.8	19.2	22.1
Other	20.0	21.3	29.9	23.2	21.9	23.4	25.1	26.3
EBITDA	**88.8**	**87.4**	**85.8**	**82.0**	**72.5**	**65.1**	**58.1**	**53.9**
EBITDA margin	*45%*	*42%*	*39%*	*38%*	*36%*	*31%*	*29%*	*27%*
Depreciation, amortization, impairments	26.9	26.2	28.9	36.4	35.7	36.3	32.1	29.5
EBIT	**62.0**	**61.3**	**57.0**	**45.7**	**36.9**	**29.0**	**26.1**	**24.4**
EBIT margin	*31%*	*29%*	*26%*	*21%*	*18%*	*14%*	*13%*	*12%*
Net Income	**46.9**	**40.8**	**40.1**	**35.2**	**22.4**	**20.5**	**14.6**	**19**
Net income margin	*24%*	*19%*	*18%*	*16%*	*11%*	*10%*	*7%*	*9%*
Adjusted net income	**49.8**	**41.2**	**41.3**	**43.0**	**29.5**	**27.7**	**19.6**	**20.7**
Adjusted net income margin	*25%*	*20%*	*19%*	*20%*	*15%*	*13%*	*10%*	*10%*

Balance sheet *CZK bn*	2010	2011	2012	2013	2014	2015	2016	2017
Non current assets	448.3	467.3	494.7	485.9	497.5	493.1	489.3	488
Current assets	96.1	131.0	141.1	154.5	130.4	109.6	141.6	138.3
- out of that cash and cash equivalents	22.2	22.1	18.0	25.0	20.1	13.5	11.2	12.6
Total Assets	**544.4**	**598.3**	**635.8**	**640.4**	**627.9**	**602.7**	**630.8**	**626.2**
Shareholders equity (excl. minority. int.)	221.4	226.8	250.2	258.1	261.3	267.9	256.8	250
Return on equity	*22%*	*18%*	*17%*	*14%*	*9%*	*8%*	*6%*	*8%*
Interest bearing debt	158.5	182.0	192.9	199.0	184.1	157.5	167.8	152.2
Other liabilities	164.4	189.4	192.6	183.3	182.4	177.3	206.2	224
Total liabilities	**544.4**	**598.3**	**635.8**	**640.4**	**627.9**	**602.7**	**630.8**	**626.2**

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

EUR

Profit and loss *EUR M*	2010	2011	2012	2013	2014	2015	2016	2017
Revenues	7,796	8,227	8,702	8,498	7,914	8,243	7,988	7,918
Sales of electricity	6,875	7,129	7,325	7,427	6,816	7,141	6,859	6,580
Heat sales and other revenues	925	1,098	1,376	1,075	1,094	1,102	1,129	1,208
Operating Expenses	4,314	4,800	5,337	5,282	5,071	5,690	5,714	5,804
Purchased power and related services	2,133	2,584	2,812	3,098	2,973	3,565	3,463	3,408
Fuel	663	671	620	541	498	514	518	498
Salaries and wages	733	710	733	733	741	698	753	867
Other	784	835	1,173	910	859	918	984	1,031
EBITDA	3,482	3,427	3,365	3,216	2,843	2,553	2,278	2,114
EBITDA margin	*45%*	*42%*	*39%*	*38%*	*36%*	*31%*	*29%*	*27%*
Depreciation, amortization, impairments	1,055	1,027	1,133	1,427	1,400	1,424	1,259	1,157
EBIT	2,431	2,404	2,235	1,792	1,447	1,137	1,024	957
EBIT margin	*31%*	*29%*	*26%*	*21%*	*18%*	*14%*	*13%*	*12%*
Net Income	1,839	1,600	1,573	1,380	878	804	573	745
Net income margin	*24%*	*19%*	*18%*	*16%*	*11%*	*10%*	*7%*	*9%*
Adjusted net income	1,953	1,616	1,620	1,686	1,157	1,086	769	812
Adjusted net income margin	*25%*	*20%*	*19%*	*20%*	*15%*	*13%*	*10%*	*10%*

Balance sheet *EUR M*	2,010	2,011	2,012	2,013	2,014	2,015	2,016	2,017
Non current assets	17,580	18,325	19,400	19,055	19,510	19,337	19,188	19,137
Current assets	3,769	5,137	5,533	6,059	5,114	4,298	5,553	5,424
- out of that cash and cash equivalents	871	867	706	980	788	529	439	494
Total Assets	21,349	23,463	24,933	25,114	24,624	23,635	24,737	24,557
Shareholders equity (excl. minority. int.)	8,682	8,894	9,812	10,122	10,247	10,506	10,071	9,804
Return on equity	*22%*	*18%*	*17%*	*14%*	*9%*	*8%*	*6%*	*8%*
Interest bearing debt	6,216	7,137	7,565	7,804	7,220	6,176	6,580	5,969
Other liabilities	6,447	7,427	7,553	7,188	7,153	6,953	8,086	8,784
Total liabilities	21,349	23,463	24,933	25,114	24,624	23,635	24,737	24,557

Exchange rate used:
25.5 CZK/EUR

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