



Granting Consent to the Contribution of a Part of the Enterprise, “NJZ ETE” (New Nuclear Power Plant Temelín), to the Registered Capital of Elektrárna Temelín II, a. s. and Consent to the Contribution of a Part of the Enterprise, “NJZ EDU” (New Nuclear Power Plant Dukovany), to the Registered Capital of Elektrárna Dukovany II, a. s.

ČEZ, a. s.
2016 General Meeting

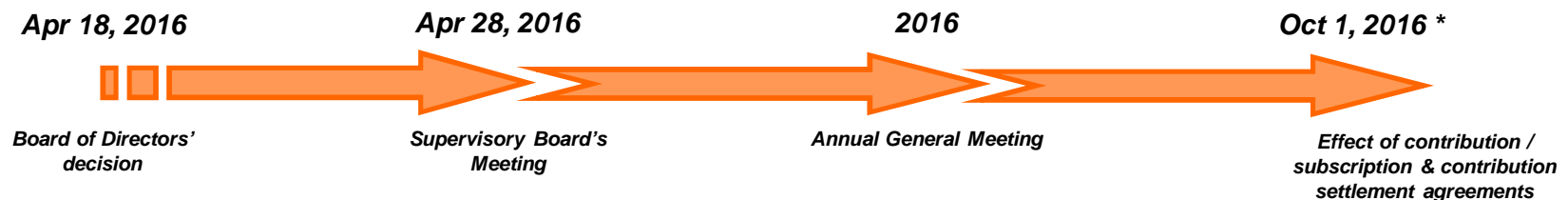
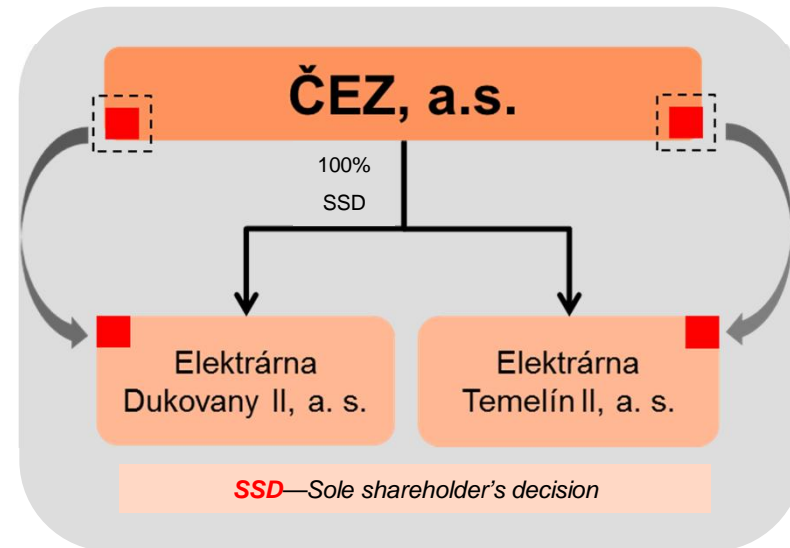
BRIEF SUMMARY



- Spinning off NJZ ETE and NJZ EDU into separate subsidiaries will allow flexibility in the selection and potential later change of the business and investment model for the construction of the two projects while preserving as much of their value as possible.
- The “National Action Plan for the Development of Nuclear Energy” approved by the Czech government anticipates, directly or indirectly, establishing special-purpose vehicles that will acquire all assets and liabilities relating to nuclear unit construction at the Temelín and Dukovany sites.

Procedure for contributing the part of the enterprise of ČEZ:

- ČEZ’s Board of Directors takes a decision on increasing the registered capital of the subsidiaries Elektrárna Temelín II, a. s. and Elektrárna Dukovany II, a. s. in the form of non-cash contribution
- ČEZ’s Supervisory Board grants prior authorization to the contribution of the part of the enterprise
- The contribution of the part of the enterprise is approved by ČEZ’s General Meeting (Sec. 421(2)(m) of the Business Corporations Act)
- New shares of the subsidiaries Elektrárna Temelín II, a. s. and Elektrárna Dukovany II, a. s. are subscribed and the contribution is registered (agreements on the contribution of a part of the enterprise and share subscription are signed and enter into effect)
- Registration in the Commercial Register and Land Register—November 15, 2016*



VALUE OF NJZ ETE TO BE SPUN OFF IS CZK 1,480,340,000 ACCORDING TO EXPERT VALUATION



- The expert valuation was prepared by expert institute ZNALEX, s. r. o. on the basis of publicly available data and information provided by ČEZ, a. s.
- The valuation was prepared as at December 31, 2015 using 2 methods:
 - **Book value** determined on the basis of historical costs: **CZK 1,406,532,000**
 - **Substantial value** determined on the basis of replacement costs: **CZK 1,480,340,000** ⇒ this method was chosen
- The registered capital of Elektrárna Temelín II, a. s. will be increased on the basis of the expert valuation:
 - Current registered capital: CZK 50,000,000 (1 share with a nominal value of CZK 50m)



- Value of non-cash contribution: **CZK 1,480,340,000** = registered capital increase of **CZK 1,480,000,000** + share premium of **CZK 340,000**



- New registered capital: **CZK 1,530,000,000**

VALUE OF NJZ EDU TO BE SPUN OFF IS CZK 642,157,000 ACCORDING TO EXPERT VALUATION



- The expert valuation was prepared by expert institute ZNALEX, s. r. o. on the basis of publicly available data and information provided by ČEZ, a. s.
- The valuation was prepared as at December 31, 2015 using 2 methods:
 - **Book value** determined on the basis of historical costs: **CZK 627,264,000**
 - **Substantial value** determined on the basis of replacement costs: **CZK 642,157,000** ⇒ this method was chosen
- The registered capital of Elektrárna Dukovany II, a. s. will be increased on the basis of the expert valuation:
 - Current registered capital: CZK 50,000,000 (1 share with a nominal value of CZK 50m)



- Value of non-cash contribution: **CZK 642,157,000** = registered capital increase of **CZK 642,000,000** + share premium of **CZK 157,000**



- New registered capital: **CZK 692,000,000**