



CONFERENCE CALL ON CEZ GROUP FINANCIAL RESULTS

IN H1 2014

Non-audited consolidated results
prepared in accordance with
the International Financial Reporting Standards (IFRS)
(Quarterly report pursuant to Section 119a(4) of the Capital Markets Act)

Prague, August 12, 2014

AGENDA



CEZ Group Financial Highlights and Key Events in H1 2014

Martin Novák, Chief Financial Officer

Financial Results

Martin Novák, Chief Financial Officer

Trading Position of CEZ Group

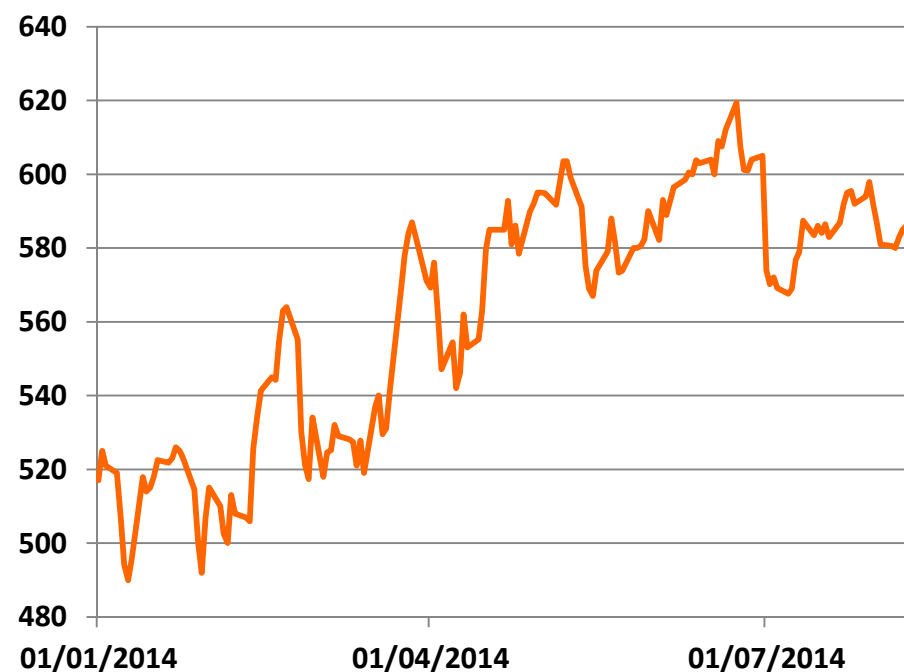
Pavel Cyrani, Chief Sales and Strategy Officer

FINANCIAL HIGHLIGHTS OF H1 2014



- EBITDA **CZK 39.9 bn**
- Operating cash flow **CZK 36.4 bn**
- Net income **CZK 17.2 bn**
- The share price of ČEZ, a. s. has risen by more than **13%** since the beginning of the year, being **CZK 586** on August 8, 2014.

Share prices of ČEZ, a. s., since the beginning of the year (CZK)

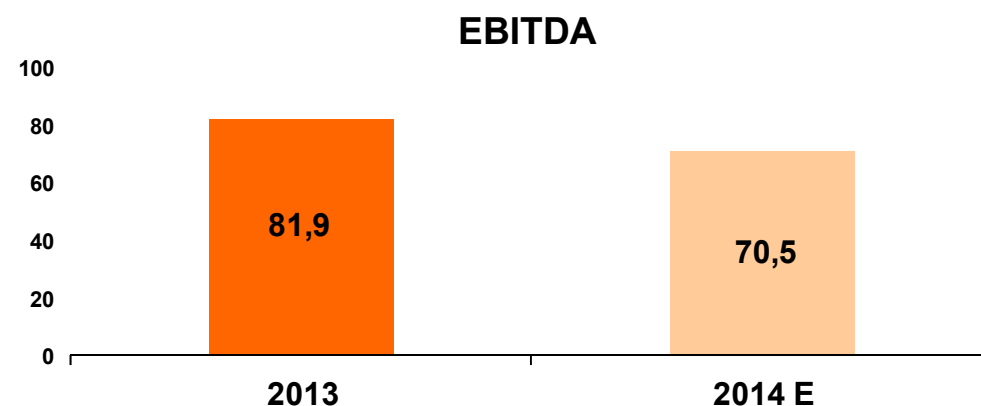


WE EXPECT EBITDA OF CZK 70.5 BN

AND ADJUSTED NET INCOME OF CZK 29.0 BN



CZK bn



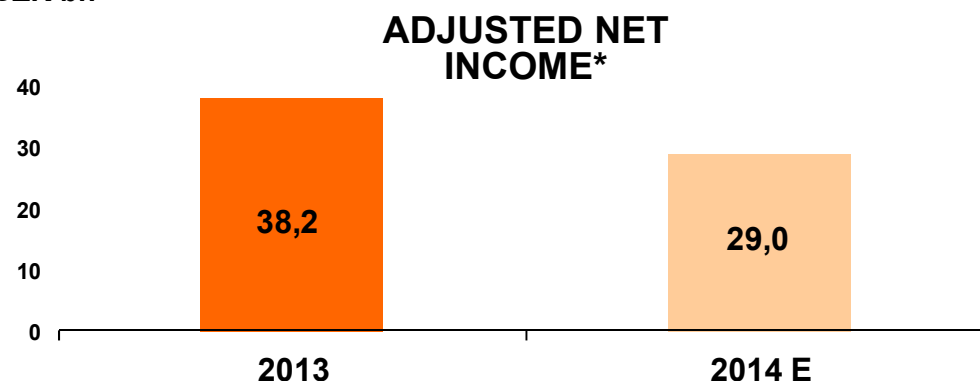
Selected year-on-year negative effects:

- Trend of declining electricity prices
- Worsened national regulatory conditions in Southeast Europe
- Extremely warm and dry winter in 2014
- Extraordinary revenue from trading in emission allowances in 2013 (CER Gate)

Selected year-on-year positive effects:

- Cuts in fixed operating costs

CZK bn



Selected prediction risks:

- Developments in regulatory and legislative conditions for the energy sector in Southeast Europe
- Support of renewable sources and introduction of a capacity payment system in Western Europe

* 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 amortization, extraordinary profit/loss from sale of assets or subsidiaries, or other extraordinary effects). The accounting 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.

WE ARE WORKING ON COMPREHENSIVE COST CUTS, INTENDING TO SAVE 16% OF OVERALL FIXED OPERATING COSTS IN 2015 AND 2016



We are cutting costs planned in the 2014 budget, eliminating the adverse effect of external factors on the yearly EBITDA outlook.

We set ambitious goals for cuts in the next period, namely to save 16% in comparison to the business plan for 2015 and 2016.

- The cuts are directly allocated to individual business segments and corporate divisions and specified at the level of overall fixed operating costs
- Target values of savings **range from 14% to 27%** depending on the structure of each unit's costs
- The benefits of the measures across CEZ Group will be known after the first version of the 2015 business plan and budget is prepared

All economy measures remain conditional on compliance with all safety, legal, and regulatory requirements.

SAFETY OF NUCLEAR POWER PLANTS

OUR MAIN AND CONSTANT PRIORITY



IAEA confirmed successful implementation of recommended measures at Temelín NPP

An IAEA OSART follow-up mission in May reviewed the effectiveness of measures taken in organization and management, operations, maintenance, technical support, feedback, chemistry, radiation protection, and emergency management based on recommendations from 2012.

“Temelín’s results are very good and above the average achieved at other power plants. Out of the 11 recommendations made in 2012, 7 are completely resolved. In some cases, the power plant even went beyond the scope of our requirements”, said Pierre Gest, the French head of the mission, when presenting its main findings.

Dukovany successfully cooperates with Czech safety forces

The **SAFEGUARD Dukovany 2014** exercise was successfully conducted in June, with focus on practicing collaboration between the Czech Army, Czech Police, and ČEZ when ensuring the power plant’s external safety.

The nuclear power plant was also visited by 6 experts from leading Japanese nuclear companies and organizations to **share good practices in the storage of highly radioactive waste.**

CZECH REPUBLIC:

SELECTED EVENTS IN THE PAST QUARTER



We are maximizing the utilization of production facilities in ČEZ's portfolio: for Vršanská uhelná we are going to convert their coal to electricity

The expected revenue from this contract to convert coal to electricity is hundreds of millions of CZK per year. The contract is primarily for 2015, with option to continue with its execution under similar conditions until 2020.

ČEZ successfully upgrades hydro power plants

Almost twenty hydroelectric power plants had their capacity increased and their efficiency improved during the largest upgrade campaign in the history of the Czech hydropower sector. The CZK two-billion investment will provide electricity to another thousands of households and represents savings of tens of thousands of litres of lubricants as well as less environmental load and more reliable and safer operation in general.

Dětmarovice Power Plant gets another environmental upgrade

Technology to reduce emissions of nitrogen oxides has been installed since May. Thanks to investment of around CZK 400 million the necessary nitrogen oxide limits specified by EU legislation will be met even one year earlier, facilitating the extension of the power plant's operation beyond 2020. The power plant already meets the limits for discharges of solids and sulfur oxides applicable from 2016.

Počerady also gets an environmental upgrade

Emissions of nitrogen oxides will drop by up to 60% as a result of an investment project worth around CZK 520 million, implemented at four generating units. The implementation work required shutting down the generating units for more than 50 days.

ABROAD:

SETTLEMENT AGREEMENT SIGNED WITH ALBANIA



A Settlement Agreement was signed with the Albanian state in the presence of a mediator from the Energy Community Secretariat in Vienna, Austria on June 23, 2014.

The total amount of settlement between the parties is EUR 100 m in favour of CEZ Group

CEZ Group will receive EUR 95.5 million in compensation for the settlement of claims and transfer of shares in CEZ Shpërndarje (CEZ Group already received another EUR 4.5 million). The amount will be paid in yearly installments until 2018.

The effect of the agreement is conditional on conditions precedent to be met no later than in October 2014:

- Bank guarantee issued for the Albanian party ✓
- Agreement approval by the Albanian government and its ratification by the Albanian parliament ✓
- Agreement approval by ČEZ Supervisory Board
- First installment payment by the Albanian party

Unless these conditions precedent are met, the agreement will become null and void. Therefore, the arbitration proceedings will not end until the agreement enters into effect, i.e. all the conditions precedent are met.

ABROAD: TURKEY



Generation

- Successfully commissioned all (two gas and one steam) turbines of the Egemer CCGT plant with a total installed capacity of 904 MW
- Based on the ministerial commission's acceptance protocol, commercial deliveries and sales of electricity are already taking place during the power plant testing phase



Distribution

- Distribution company Sedaş opened a new centralised control center
- Company achieved the second lowest level of network losses out of all Turkish distribution companies.
- New customers acquisition from the category of medium-sized and large businesses outside the company's distribution region. The number of such customers reached 555 (compared to 126 at the end of 2013).

ABROAD:

SELECTED EVENTS IN THE PAST QUARTER



ROMANIA

- ČEZ CEO met with the Romanian Prime Minister and Minister of Energy to discuss the restriction of support for renewable sources in the country. The negotiations are leading to an agreement under which certificates would be temporarily assigned on the basis of the Romanian government's ordinance until the European Commission's notification is obtained.
- Starting from June 1, 2014, the Romanian state railways (CFR) are no longer a customer of CEZ Vanzare. Having fulfilled the condition of paying all overdue debts, they took advantage of their eligible customer status and switched suppliers. Considering the company's past payment behavior, we believe this is a positive change.
- Dividends amounting to CZK 0.5 bn were paid in July

BULGARIA

- A new price decision of the regulatory authority SEWRC has been in effect for distribution and sales since July 1, 2014. As a result, the distribution company margin will drop by app. 4% and the one of sales company by app. 33%. We are identifying possible cost cuts to alleviate the negative impacts on the companies' results as much as possible.
- An amendment was signed in June to the investment memorandum with Bulgaria (TPP Varna's commitment to invest EUR 40 m in RES projects), extending the original investment framework to include:
 - projects that improve energy efficiency
 - projects that help improve the environment and reduce the energy sector's impact on the environment
- A decision on paying out dividends amounting to CZK 0.5 bn was made in June.

POLAND

- Contracts were signed with the suppliers of all parts for an upgrade of the TG6 turbine at the Skawina Power Plant. The upgrade is planned to be finished almost two months earlier, i.e. in May 2015
- Dividends amounting to CZK 0.8 bn were paid in July

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Trading Position of CEZ Group
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CEZ GROUP FINANCIAL RESULTS



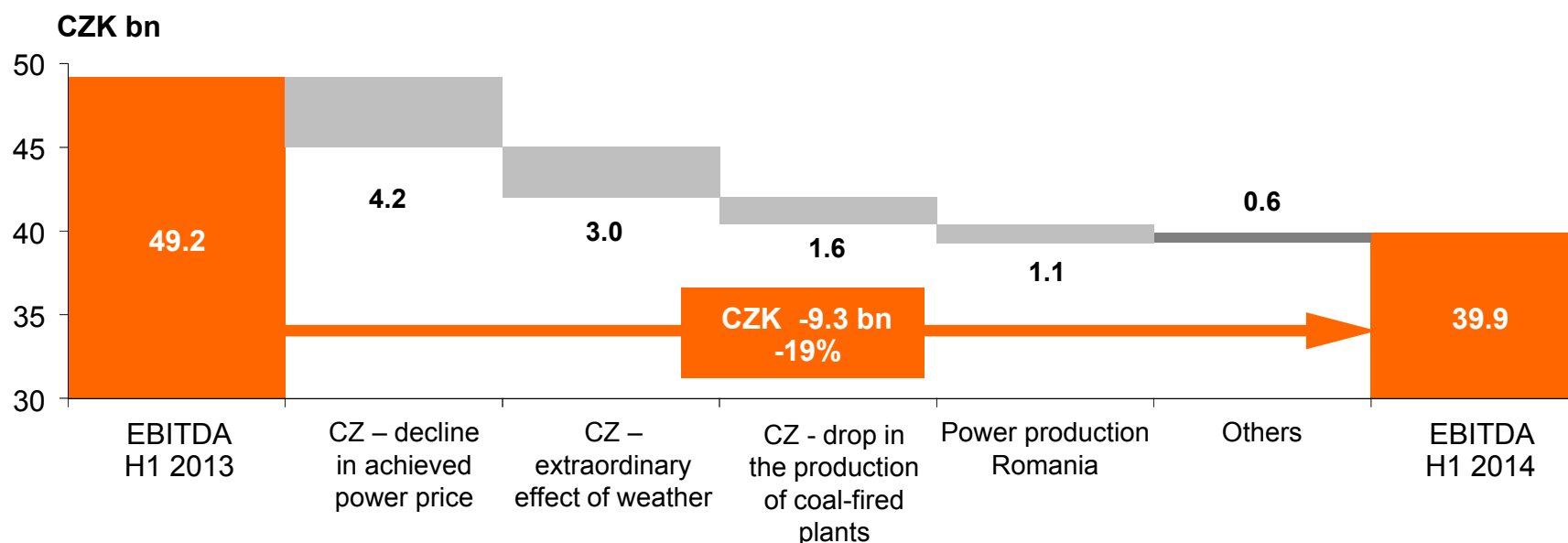
(CZK bn)		Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Revenues		112.9	101.7	-11.2	-10%
EBITDA		49.2	39.9	-9.3	-19%
EBIT		35.1	24.1	-11.0	-31%
Net income		28.6	17.2	-11.3	-40%
<i>Net income - adjusted **</i>		26.8	19.3	-7.5	-28%
Operating CF		29.4	36.4	+7.1	+24%
CAPEX		18.8	13.9	-4.9	-26%
Net debt *		149.5	135.9	-13.6	-9%

		Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Installed capacity *	GW	15.8	15.2	-0.6	-4%
Generation of electricity	TWh	34.3	31.9	-2.4	-7%
Electricity distribution to end customers	TWh	24.6	24.2	-0.4	-2%
Electricity sales to end customers	TWh	18.9	17.8	-1.1	-6%
Sales of natural gas to end customers	TWh	3.3	3.0	-0.3	-9%
Sales of heat	000 TJ	14.6	12.0	-2.6	-18%
Number of employees *	000's	27.0	26.4	-0.6	-2%

* as of the last date of the period

** The values of adjusted net income do not include extraordinary effects that are generally unrelated to ordinary financial performance in a given period (such as impairments to fixed assets and goodwill amortization, extraordinary profit/loss from sale of assets or subsidiaries, or other extraordinary effects). The accounting net income achieved in H1 2013 is adjusted for the positive effect of the exclusion of the Albanian company CEZ Shpërndarje from the consolidated group, the accounting net income achieved in H1 2014 is adjusted for the effect of impairments to fixed assets.

KEY DRIVERS OF YEAR-ON-YEAR CHANGE OF EBITDA



Czech Rep.- Extraordinary effect of weather (CZK -3.0 bn)

- Lower volume of distributed electricity and lower volume of supplied electricity and gas due to above-average temperatures at the beginning of 2014 (CZK -1.3 bn)
- Drop in demand for coal from Severočeské doly and decrease in the volume of delivered heat (CZK -1.0 bn)
- Decrease in production from hydro plants due to exceptionally dry H1 (CZK -0.7 bn)

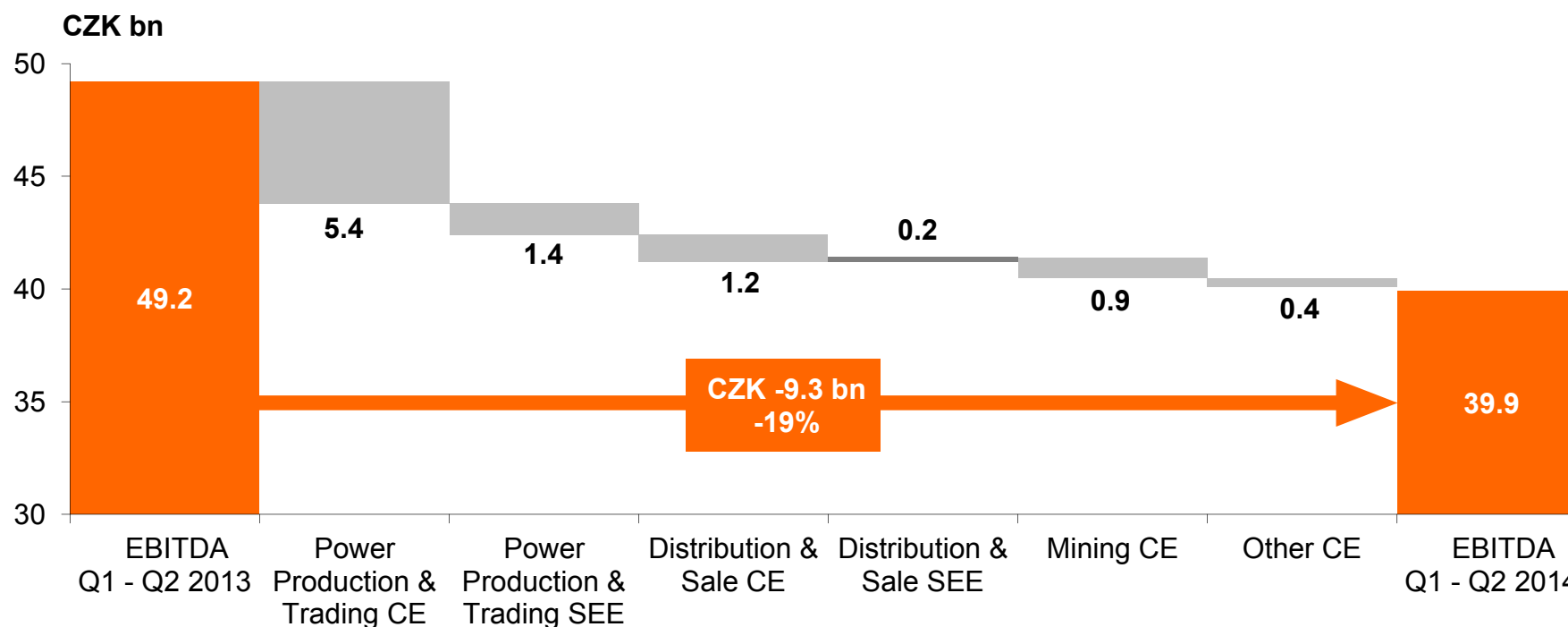
Czech Rep.- Drop in the production of coal-fired plants (CZK -1.6 bn)

- Caused mainly by the sale of the Chvaletice power plant in 2013

Power Production Romania (CZK -1.1 bn)

- Mainly due to suspension of allocation of green certificates for Fântânele Vest and lower market price of green certificates

YEAR-ON-YEAR CHANGE OF EBITDA BY SEGMENT



EBITDA BY SEGMENT: POWER PRODUCTION AND TRADING CENTRAL EUROPE



CZK bn	Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Czech Republic	28.8	23.1	-5.7	-20%
Poland	0.5	0.7	0.3	+60%
Segment EBITDA	29.3	23.8	-5.4	-19%

Czech Republic (CZK -5.7 bn)

- Year-on-year drop in the achieved price of generated electricity (CZK -4.2 bn)
- Lower production volume (CZK -2.3 bn) caused especially by the sale of the Chvaletice power plant in 2013 and lower production at hydro plants due to lower flow rates in 2014
- Higher revenue from commodity trading, especially due to the termination of a long-term deal with CA-CIB (CZK +1.1 bn)

Poland (CZK +0.3 bn)

- Higher revenue from color certificates due to their increased market prices

EBITDA BY SEGMENT: POWER PRODUCTION AND TRADING SOUTHEAST EUROPE



CZK bn	Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Bulgaria	0.1	-0.2	-0.3	-
Romania	1.9	0.8	-1.1	-58%
Segment EBITDA	2.0	0.6	-1.4	-68%

Bulgaria (CZK -0.3 bn)

- Reduced regulated purchase price of quota production and less cold reserve availability sold

Romania (CZK -1.1 bn)

- Effect of the suspension of allocation of the 1st certificate for Fântânele Vest since November 2013 due to delay in the European Commission's notification and lower market price of green certificates (CZK -0.9 bn)
- Lower production due to wind conditions (CZK -0.2 bn)

EBITDA BY SEGMENT:

DISTRIBUTION AND SALE CENTRAL EUROPE



CZK bn	Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Distribution	8.1	7.7	-0.4	-5%
Sale	2.6	1.8	-0.8	-31%
Segment EBITDA	10.7	9.4	-1.2	-11%

Distribution Czech Rep. (CZK -0.4 bn)

- Lower volume distributed at low-voltage level (CZK -1.1 bn)
- Effect of RESs correction factors (CZK +0.3 bn)
- Reduction of costs, especially under the project to create a shared-service center (CZK +0.3 bn)
- Lower costs of repair (CZK +0.2 bn)

Sale (CZK -0.8 bn)

- Lower volumes of electricity supplied due to above-average temperatures at the beginning of 2014 and customer migration (CZK -0.2 bn)
- Lower revenues from electricity supplies to cover losses in the distribution system (CZK -0.2 bn)
- Difference in timing of collection and payment of support for renewable sources (CZK -0.2 bn)
- Reduction in gas list price of 10% since May 1, 2013 and the effect of a warm winter (CZK -0.2 bn)

EBITDA BY SEGMENT:

DISTRIBUTION AND SALE SOUTHEAST EUROPE



CZK bn	Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Bulgaria	0.4	0.3	-0.1	-16%
Romania	0.9	1.3	+0.4	+50%
Albania	0.2	0.0	-0.2	-
Segment EBITDA	1.5	1.6	+0.2	+12%

Bulgaria (CZK -0.1 bn)

- Lower margin on distributed electricity due to a negative price decision from Dec 30, 2013 (CZK -0.1 bn)

Romania (CZK +0.4 bn)

- Extraordinary earnings in 2014 related to payment of debts by Romanian state railways (CZK +0.3 bn)
- Lower costs of losses (CZK +0.2 bn)
- Additional costs associated with newly introduced construction tax (CZK -0.1 bn)

EBITDA BY SEGMENT: MINING CENTRAL EUROPE, OTHER CENTRAL EUROPE AND OTHER SOUTHEAST EUROPE



EBITDA (CZK bn)	Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Mining CE	2.8	1.9	-0.9	-31%
Other CE	2.8	2.4	-0.4	-15%
Other SEE	0.1	0.1	0.0	-2%

Mining Central Europe (CZK -0.9 bn)

- Lower revenues related to worse sales of coal due to above-average temperatures

Other CE (CZK -0.4 bn)

- Especially ČEZ Distribuční služby (CZK -0.3 bn)

OTHER INCOME (EXPENSES)



(CZK bn)	Q1 - Q2 2013	Q1 - Q2 2014	Change	%
Revenues	112.9	101.7	-11.2	-10%
Operating expenses less depreciation and amortization	-63.7	-63.8	-0.1	-0%
EBITDA	49.2	39.9	-9.3	-19%
Depreciation, amortization and impairments	-14.1	-15.8	-1.8	-13%
Financial and other income (expenses)	-0.6	-2.6	-2.0	>200%
Interest income (expenses)	-1.5	-1.6	-0.1	-8%
Interest on nuclear and other provisions	-0.9	-0.9	0.0	-1%
Income (expenses) from investments	2.1	0.8	-1.3	-63%
Other income (expenses)	-0.3	-0.8	-0.6	>200%
Income taxes	-5.9	-4.3	+1.7	+28%
Net income	28.6	17.2	-11.3	-40%
<i>Net income - adjusted</i>	26.8	19.3	-7.5	-28%

Depreciation, amortization, and impairments* (CZK -1.8 bn)

- Impairments of fixed assets in Romania (CZK -2.1 bn)

Income (expenses) from investments (CZK -1.3 bn)

- Extraordinary positive impact of excluding CEZ Shpërndarje from the consolidated group in January 2013 (CZK -1.8 bn)
- Higher dividends received from MOL (CZK +0.4 bn)

Other income (expenses) (CZK -0.6 bn)

- Higher costs associated with early bond buyback (CZK -0.5 bn)

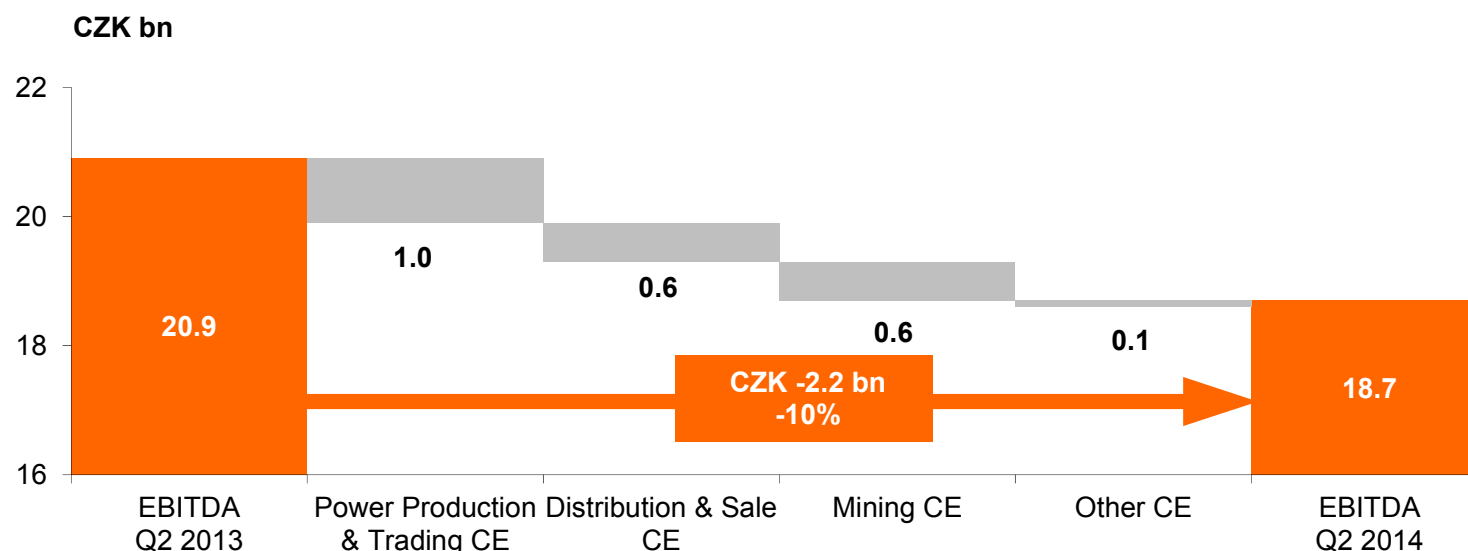
Income tax (CZK +1.7 bn)

- Lower tax reflecting a decrease in income and the effect of divestment of the Chvaletice Power Plant in 2013

Net income adjustment

- In H1 2013, lowered by the extraordinary effect of the exclusion of CEZ Shpërndarje from consolidation
- In H1 2014, increased by the extraordinary effect of impairments of fixed assets

DEVELOPMENT IN Q2



CEZ Group EBITDA (CZK -2.2 bn):

- **Power Production & Trading CE (CZK -1.0 bn):** Drop in electricity achieved price (CZK -2.6 bn), decrease in production volume (CZK -1.2 bn), higher revenue from commodity trading, especially termination of a long-term deal with CA-CIB (CZK +1.6 bn), lower additions to emission allowance provisions than in 2013 (CZK +0.7 bn), other especially lower price of brown coal (CZK +0.3 bn)
- **Distribution & Sale CE (CZK -0.6 bn):** Especially the effect of Sale CE: lower revenues from electricity supplies to cover losses in the distribution system (CZK -0.1 bn), drop in supplied electricity volume and difference in timing of collection and payment of support for renewable sources (CZK -0.1 bn), drop in natural gas deliveries and growth in commodity purchasing costs (CZK -0.1 bn), consolidation adjustments in connection with transfer of trading activities from ČEZ Slovensko (CEZ Slovakia) to ČEZ, a. s. (CZK -0.1 bn)
- **Mining CE (CZK -0.6 bn):** Lower revenue from coal sales due to lower demand for power coal and drop in demand for sorted coal due to high surplus of coal stocks caused by warm winter

DEVELOPMENT IN Q2 - CONTINUED



(CZK bn)	Q2 2013	Q2 2014	Change	%
Revenues	53.1	48.5	-4.5	-9%
Operating expenses less depreciation and amortization	-32.2	-29.8	+2.3	+7%
EBITDA	20.9	18.7	-2.2	-10%
Depreciation, amortization and impairments	-7.1	-9.0	-1.9	-27%
Financial and other income (expenses)	-0.9	-0.6	+0.2	+27%
Income taxes	-2.2	-1.8	+0.5	+21%
Net income	10.7	7.3	-3.4	-32%
<i>Net income - adjusted</i>	<i>10.7</i>	<i>9.4</i>	<i>-1.3</i>	<i>-12%</i>

Depreciation, amortization, and impairments* (CZK -1.9 bn):

- Impairments of fixed assets in Romania (CZK -2.1 bn)

Other financial income/expenses (CZK +0.2 bn):

- Better financial results of associates (CZK +0.6 bn) - especially positive development in the exchange rate of the Turkish lira
- Higher dividends received from MOL (CZK +0.4 bn)
- Revaluation of MOL share option (CZK -0.4 bn)
- Higher financial costs associated with bond buyback (CZK -0.3 bn)

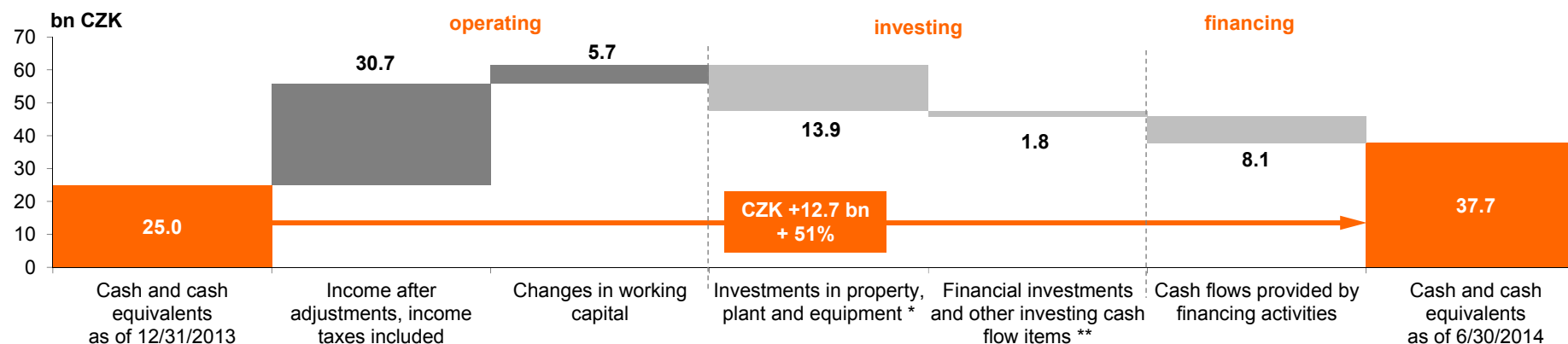
Income tax (CZK +0.5 bn)

- Lower tax reflecting decrease in income

Net income adjustment

- In Q2 2014, increased by the extraordinary effect of impairments of fixed assets

CASH FLOW



Cash flows from operating activities (CZK +36.4 bn)

- Income after adjustments (CZK +30.7 bn): earnings before tax (CZK +21.5 bn); depreciation and amortization of nuclear fuel (CZK +15.5 bn); impairments (CZK -2.1 bn); income tax paid (CZK -3.4 bn); net balance of interest expenses and income excl. capitalization (CZK -2.0 bn); dividends received (CZK +0.7 bn); other (CZK +0.5 bn)
- Changes in working capital (CZK +5.7 bn): reduction in inventories of fossil fuels, materials, and emission allowances (CZK +3.8 bn); drop in balance of payables and receivables from derivatives (CZK +3.2 bn); growth in liquid securities (CZK -0.7 bn); other (CZK -0.6 bn)

Cash flows used in investing activities (CZK -15.7 bn)

- Investments in property, plant and equipment—CAPEX (CZK -13.9 bn), see details in Annex
- Payables from acquisition of fixed assets—pre-investment (CZK -2.2 bn)
- Other (CZK +0.4 bn)

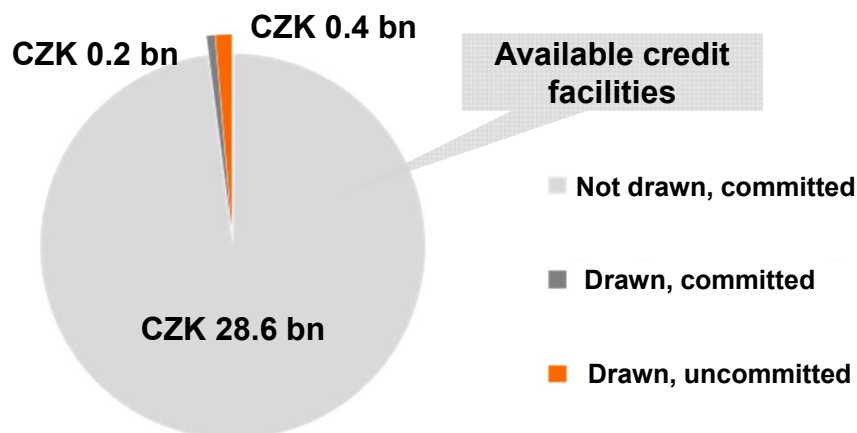
Cash flows provided by financing activities (CZK -8.1 bn)

- Balance of loans and repayments (CZK -8.0 bn); other effects, especially exchange rate differences (CZK -0.1 bn)

CEZ GROUP MAINTAINS A STRONG POSITION OF LIQUIDITY

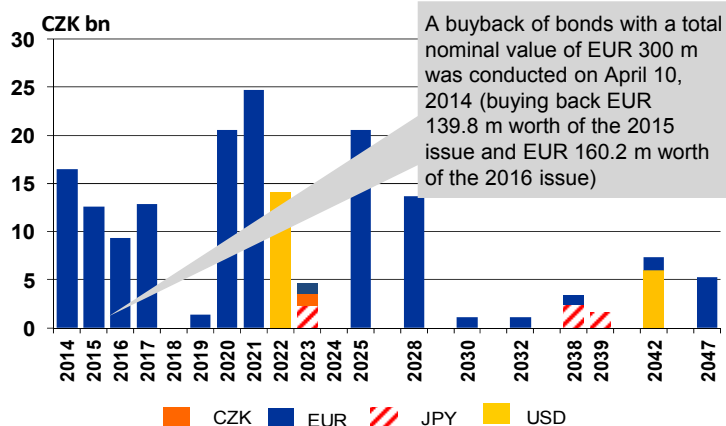


Utilization of Short-Term Lines (as of June 30, 2014)



- CEZ Group has access to CZK 28.8 bn in committed credit facilities, using just CZK 0.2 bn as of June 30, 2014.
- Non-committed credit facilities are used primarily. Committed facilities are kept as a reserve for covering unexpected needs.

Bond Maturity Profile (as of June 30, 2014)



- Payout of dividends for 2013, amounting to CZK 21.4 bn, started on August 1, 2014.
- An already fifth credit contract for up to EUR 200 m was signed with the EIB to finance investment in the upgrades of the distribution network in the Czech Republic.
- The 6th bond issue worth EUR 600 m was duly paid on July 18, 2014.

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Financial Results

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Trading Position of CEZ Group

Pavel Cyrani, Chief Sales and Strategy Officer

ELECTRICITY PRODUCTION AND WHOLESALE MARKET REFLECT THE DEVELOPMENT OF ENERGY REGULATION IN EUROPE



WHOLESALE MARKET

- Wholesale electricity prices in the European market stagnated in the last quarter; at the moment, electricity price at EEX is around EUR 35/MWh (CAL 15—2015 year baseload)
- The price of EUA allowances in the market is around EUR 6/t

ELECTRICITY CONSUMPTION IN THE CZECH REPUBLIC

- According to preliminary data, electricity consumption in the Czech Republic decreased by approx. 1% y-o-y in H1 2014, mostly due to a warm winter; temperature-adjusted electricity consumption shows a slight increase

GENERATION IN THE CZECH REPUBLIC

- We expect nuclear plant generation to be over 30 TWh again and the generation of Czech coal-fired plants to be just slightly below the 2013 level despite the divestment of the Chvaletice Power Plant (amounting to 27.6 TWh)
- Hydro plants will see a significant drop in production due to below-average precipitation this year as opposed to above-average precipitation last year. By contrast, the Dalešice, Dlouhé Stráně I, and Štěchovice II pumped-storage plants generated already 58% of the last year's record-breaking production in H1 thanks to demand for grid stabilization.

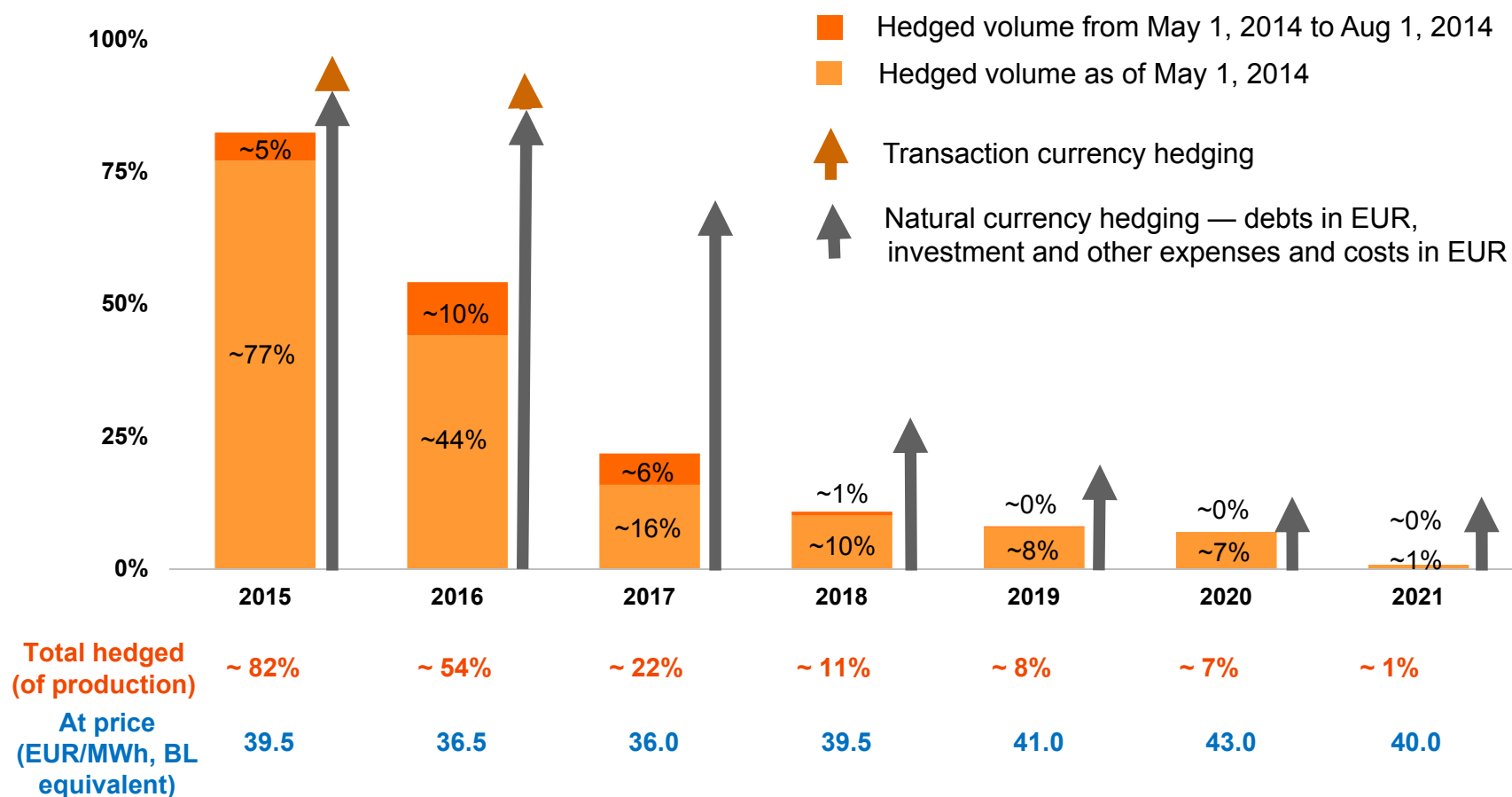
GENERATION ABROAD

- The price of green certificates in Romania remains at the statutory minimum of RON 130. The drop from around RON 200 in Q1 was caused by the Romanian government's decision to decrease the certificate purchase quota for suppliers of electricity for end consumers, resulting in excess supply of the certificates in the market.
- Slight increase in the production of the coal-fired plant in Varna, Bulgaria, mainly due to higher demand for supplies to the regulated market.

CEZ CONTINUES HEDGING ITS REVENUES FROM SALES OF ELECTRICITY IN THE MEDIUM TERM



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



THE EU ETS REFORM UNDER PREPARATION COULD STABILIZE THE ENERGY ENVIRONMENT AND RESULT IN AN INCREASED ELECTRICITY PRICE IN THE LONG TERM



The European Council postponed its decision on 2030 climate and energy targets until its October meeting. It will also make a new decision on the energy efficiency target. Legislative proposals can be expected only in 2015. A rapporteur was appointed for MSR in the new European Parliament, so an adoption can be expected by mid-2015.

In January 2014, the European Commission proposed the introduction of a market stability reserve (MSR) in 2021.

- The goal was to stabilize the EU ETS in the long term and eliminate the current surplus of allowances after 2020

The market stability reserve (MSR) needs to be introduced already in 2017, as it:

- Will prevent possible system collapse in relation to the influx of backloaded allowances in 2019–2022
- Ensure the price stability needed to stimulate investment in the medium term
- Is supported by strong countries (DE, UK, FR), so timely adoption stands a good chance
- Is not opposed by the European Commission, which is an essential prerequisite for legislative feasibility

ČEZ PRODEJ: FOR THE NEXT YEAR WE HAVE ALREADY SOLD OVER 84% OF 2014 ELECTRICITY DELIVERIES VOLUME IN THE CORPORATE CUSTOMER SEGMENT

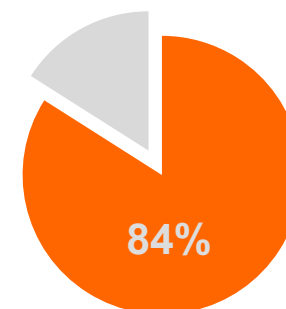


Despite continued fierce competition in the corporate customer segment, ČEZ Prodej managed to stabilize its market share thanks to, in particular:

- Complementing the basic offer of products with energy consulting (consultative selling)
- Innovative offer of energy products responding to our customers' current needs such as:
 - Gradual purchase + SPOT daily/hourly evaluation
 - Gradual purchase + price GUARANTEE

The course of our 2015 sales campaign meets our expectations:

- We have already signed contracts for 2015 amounting to **84%** of the 2014 deliveries volume
- We defended our position of the supplier for 2015 and 2016 under the public tender for the delivery of around 1.2 TWh of electricity to Czech Railways



ČEZ ENERGO, ČEZ ENERGETICKÉ SLUŽBY: COMPANY CUSTOMERS RECEIVE COMPREHENSIVE SERVICES IN RELATION TO ENERGY MANAGEMENT

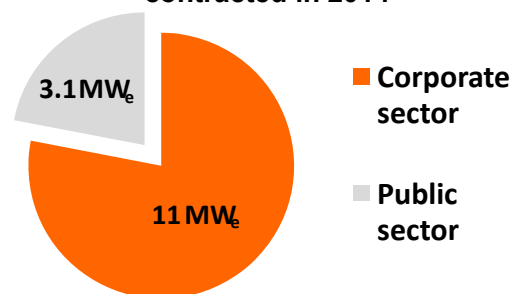


ČEZ Energo

Construction and operation of CHP units as of June 30, 2014:

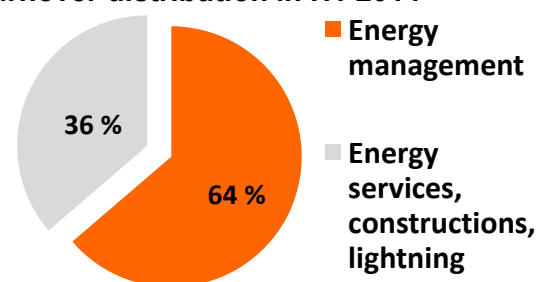
- Operating 39 sites, 82 CHP units, 46.2 MW_e
- Another 16 sites, 19 CHP units, 22.5 MW_e under construction

New projects with over 14.1 MWe already contracted in 2014



ČEZ Energetické služby

Turnover distribution in H1 2014



Selected examples of current ČEZ Energo projects for the industrial sector:

Multinational strategic project Groupe Soufflet

We are expecting the launch of a project for the Nymburk Malting Plant industrial site at the turn of 2015



Instal. CHP capacity: 2x2 MW_e, 2x2.08 MW_t

Project for Heating Plant Vítkovice

Substantial reduction in emissions due to installation of modern CHP units

Building contractor:
ČEZ Energetické služby



Instal. CHP capacity: 2x1.56 MW_e, 2x 1.75 MW_t

ČEZ PRODEJ: WE KEEP STRENGTHENING OUR POSITION OF THE STRONGEST ALTERNATIVE SUPPLIER OF NATURAL GAS IN THE CZECH REPUBLIC



Alternative suppliers*	Connection points as of June 30, 2014	Change in connection points in Q2	Change in connection points since year start
ČEZ Prodej, s.r.o.	329,112	4,408	7,394
BOHEMIA ENERGY entity s.r.o.	191,913	-3,769	-3,855
CENTROPOL ENERGY, a.s.	64,154	1,360	4,430
LAMA energy a.s.	29,944	-108	-518
X Energie, s.r.o.	23,816	679	1,800
COMFORT ENERGY s.r.o.	17,082	1,473	4,669
Europe Easy Energy a.s.	15,641	981	2,594
ARMEX ENERGY, a.s.	15,615	809	1,878
VEMEX Energie a.s.	14,351	2,318	5,967
RIGHT POWER ENERGY, s.r.o.	10,806	-606	-1,226

*Suppliers with more than 10,000 connection points as of June 30, 2014 and excluding the major suppliers, RWE, E.ON, and Pražská plynárenská.

ČEZ PRODEJ: WE ALSO KEEP DEVELOPING THE PRODUCT PORTFOLIO OF MOBILE FROM ČEZ



- Mobile from ČEZ has already registered over 74,000 customers. Most of our customers come to Mobile from ČEZ with their own phone number (approx. 55%).
- The attractive offer of Mobile from ČEZ was expanded on July 1, 2014:
 - Launched advantageous SMS packages
 - Decreased roaming prices
 - Expanded expense tracking options under the Infolimit and ČEZ Online services
- Mobile from ČEZ ranks among the top 4 virtual operators in the Czech Republic in terms of the number of customers and is No. 1 in terms of invoiced services offered.



NEJPRŮHLEDNĚJŠÍ VOLÁNÍ *

ČEZ PRODEJ: WE NEWLY OFFER PAYMENT PROTECTION INSURANCE TO OUR CUSTOMERS



ČEZ Without Worries or Don't Lose Energy in Unexpected Situations!

A complementary service for ČEZ Prodej customers on the basis of payment protection insurance.

- Up to **CZK 30,000** security in case of job loss, sickness, or admission to hospital.
- The **customer receives the benefits** directly **to their account** to be able to pay their expenses in a timely and due manner.
- The **customer decides** what they will use the money for.
- Customers pay the insurance fee of **just CZK 139 per month** within their regular monthly advance payments for energies as they are used to.

With ČEZ Without Worries, the customer eliminates negative financial impacts on their household, receiving **CZK 5,000 per month** from the insurance company in case of long-term **incapacity** or **loss of job** and **CZK 500 per day** spent in hospital in case of **admission to hospital**.

ČEZ Without Worries has been offered by ČEZ Prodej to electricity and gas customers since July 2014.

Find out more at www.cez.cz/cezbezstarosti

CUSTOMER ORIENTATION: WE SIMPLIFY COMMUNICATION



We have launched a simplified version of IVR on the Customer and Emergency Lines.

We have achieved:

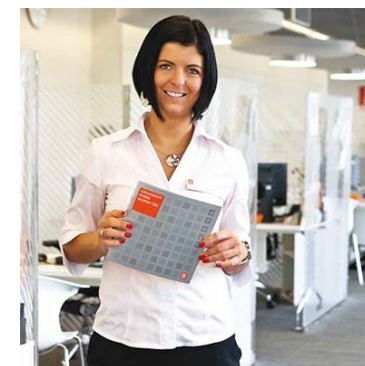
- 50% reduction of the number of abandoned calls
- Over 60% reduction of the time customers spend making their choice

We improve customer experience with requests for connections to the grid, complaints, and grid faults

- We have expanded the customer information section and introduced interactive forms available at www.cezdistribuce.cz
- We have reduced the complexity of the letters and materials we send and the information operators provide during calls to the Emergency Line

We have deployed a dedicated team for repayment plans with an individual approach to each customer

- The motivated internal team actively communicates with customers in debt and is often able to offer them a more flexible, individual approach with the aim to restore a healthy relationship



ANNEXES



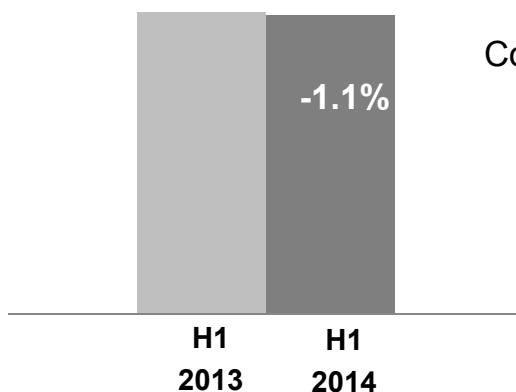
- Electricity consumption in the Czech Republic
- Production in the Czech Republic
- Production abroad
- Coal mining
- Market developments
- Investments in fixed assets
- Balance sheet overview
- Balance of electricity

ELECTRICITY CONSUMPTION IN THE CZECH REP. DROPPED Y-O-Y DUE TO AN EXCEPTIONALLY WARM WINTER IN 2014



Consumption in CZ

TWh 30.07* 29.75**

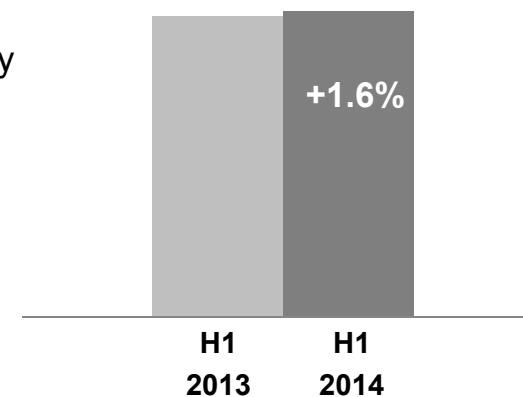


Consumption development (-1.1%) by segment:**

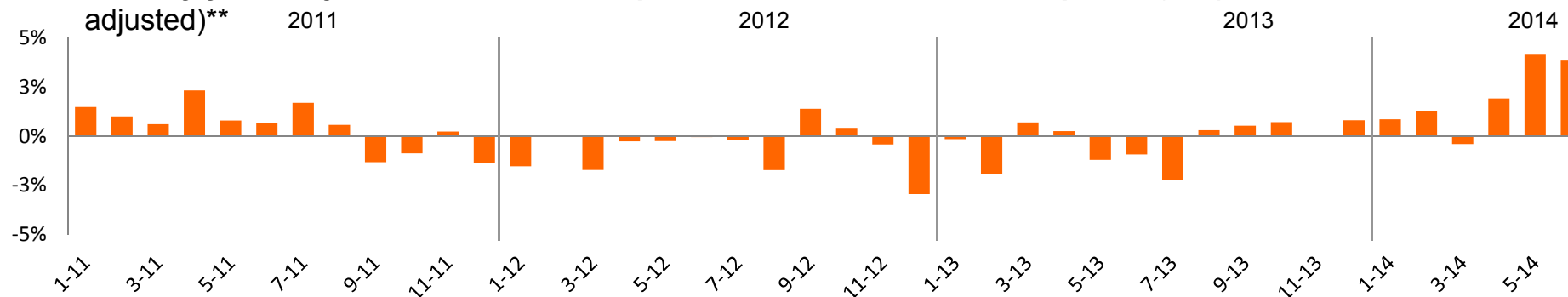
- +8.6% wholesale customers
- -7.2% households
- -8.9% small businesses

Consumption in CZ (temperature adjusted)**

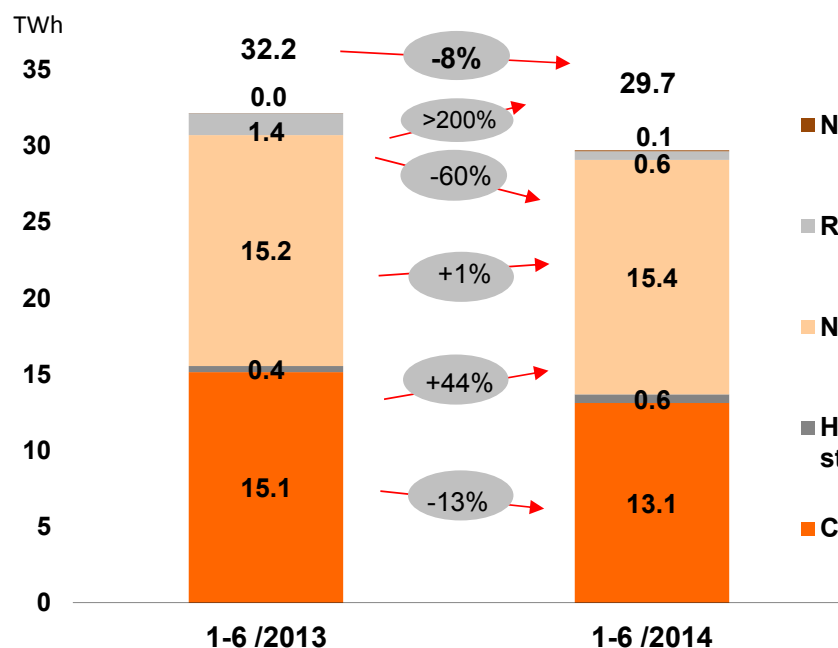
TWh 29.70 30.18



Monthly year-on-year absolute consumption indices for the Czech Republic (temperature and calendar adjusted)**



CZECH REPUBLIC—Y-O-Y DROP IN PRODUCTION REFLECTS THE SALE OF CHVALETICE POWER PLANT



Nuclear power plants (+1%)

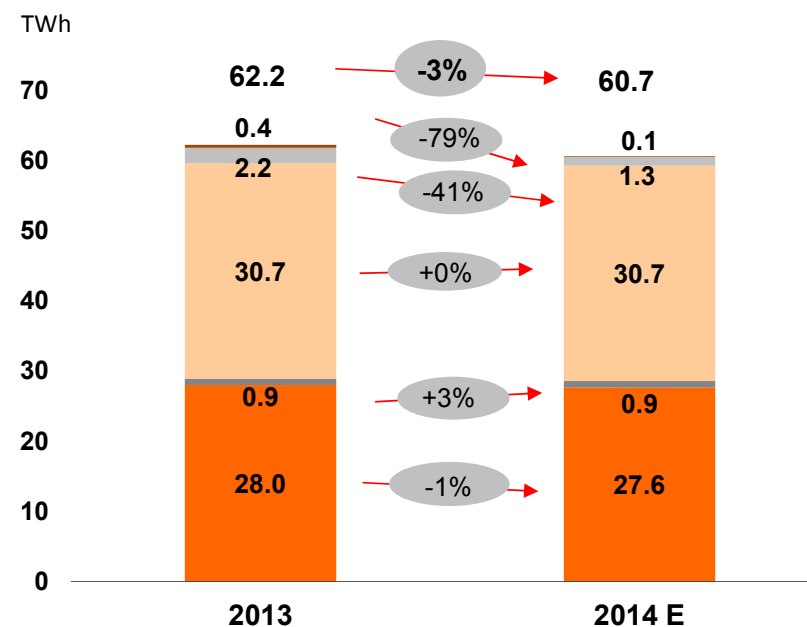
- + Shorter outages and increased capacity of Dukovany NPP
- Longer outages of Temelín NPP

Coal-fired power plants (-13%)

- Sale of Chvaletice Power Plant in September 2013

Renewable sources (-60%)

- 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 (-1%)

- Decommissioning of 2 units of Ledvice 2 Power Plant and sale of Chvaletice Power Plant
- Planned outages at Počerady Power Plant due to environmental upgrades
- + Commissioning of Ledvice 4 Power Plant (new power plant)

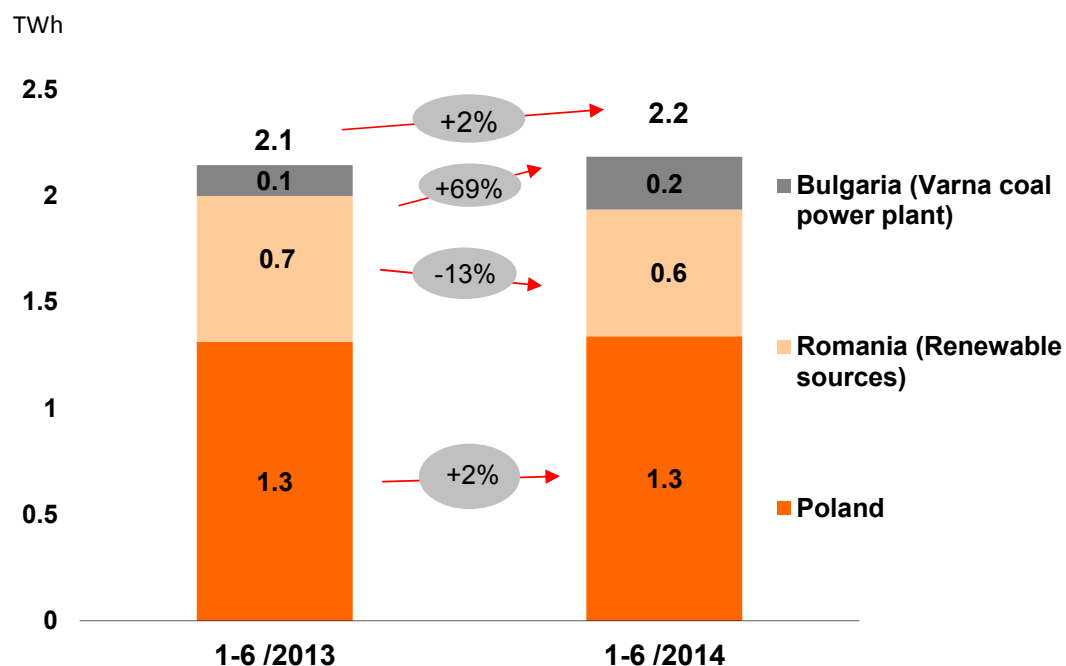
Renewable sources (-41%)

- Lower flow rates at hydro plants (due to hydrometeorologic conditions)

Natural gas (-79%)

- Lower production at Počerady CCGT

ABROAD—WE ARE EXPECTING SLIGHT GROWTH IN PRODUCTION



Bulgaria—coal-fired Varna plant (+69%)

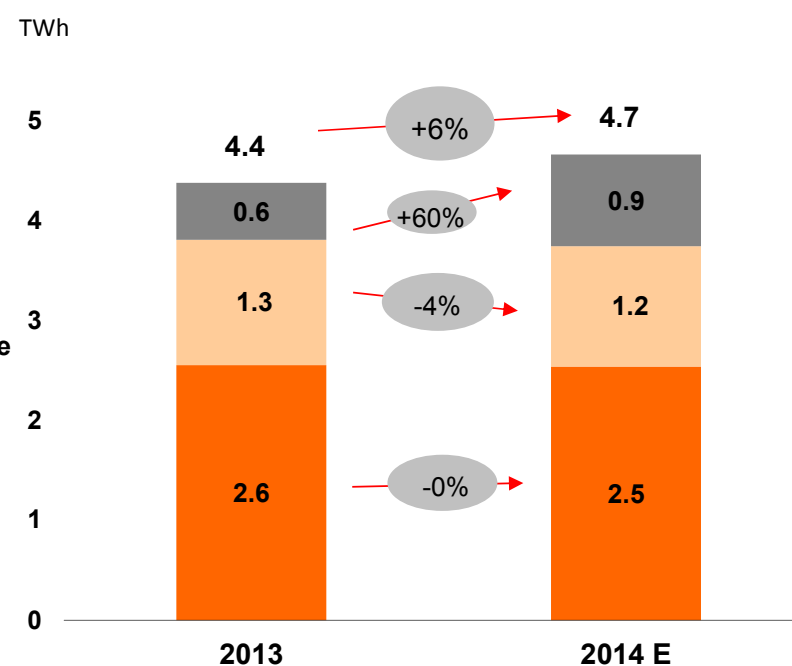
+ Higher demand for deliveries to the regulated market, higher quota production

Romania RES (-13%)

- Lower wind farm production due to worse wind conditions in January and February 2014

Poland (+2%)

+ Increase in electricity generation at the Skawina Power Plant



Bulgaria—coal-fired Varna plant (+60%)

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

Romania RES (-4%)

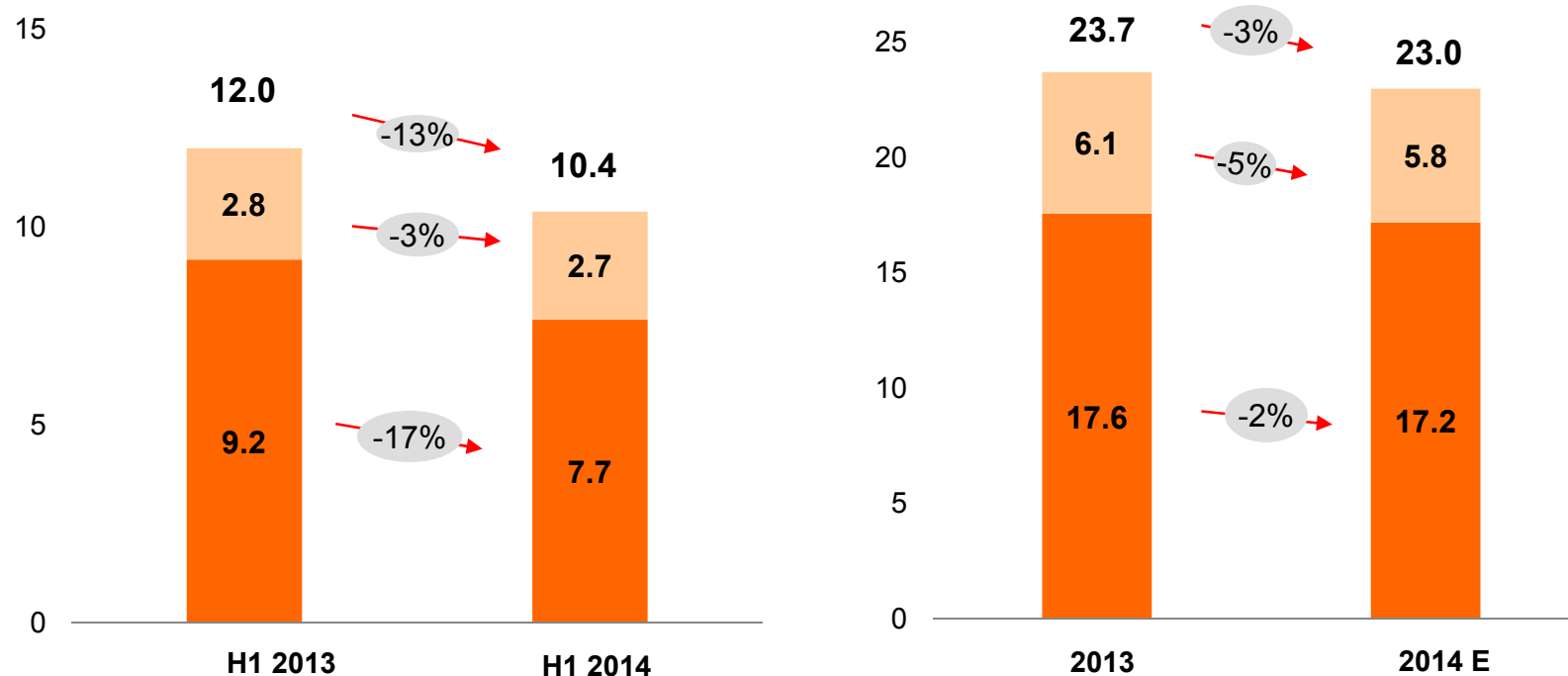
- Lower wind farm production due to worse wind conditions, especially in January and February 2014

SEVEROČESKÉ DOLY - LOWER COAL EXTRACTION REFLECTS DECREASE IN DEMAND



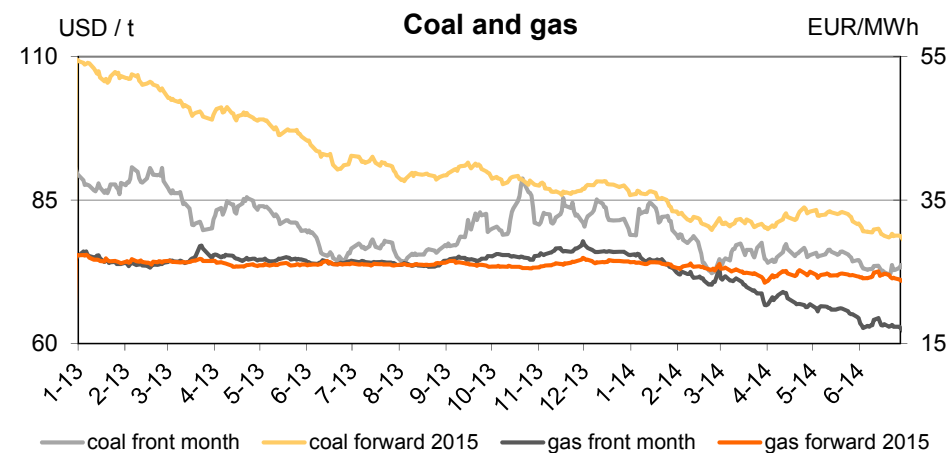
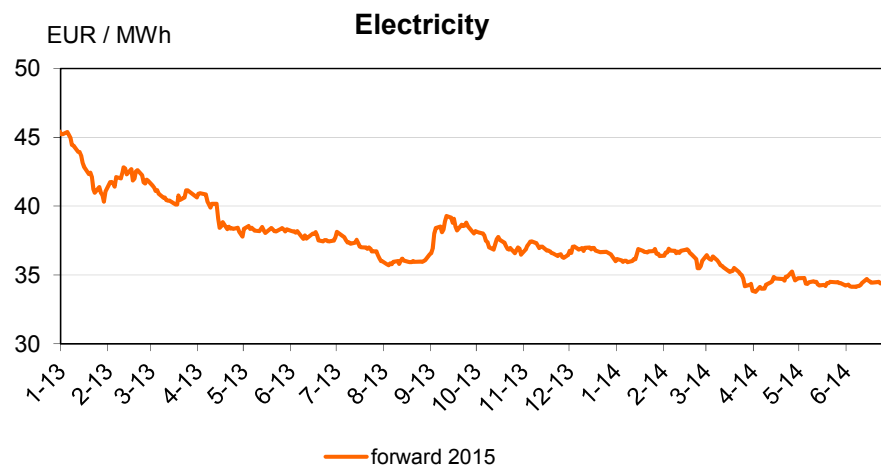
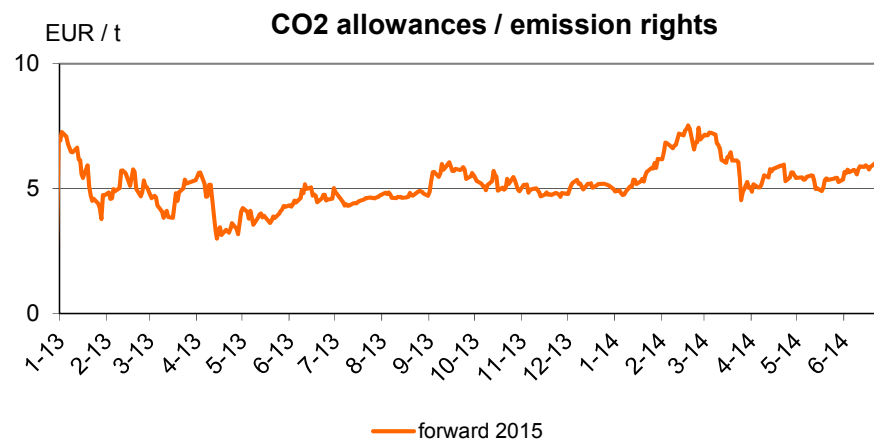
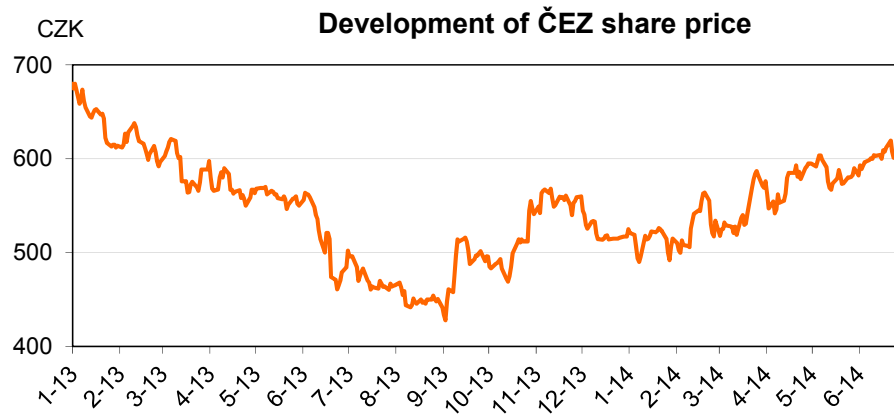
Coal Mining (m tons)

Other customers
ČEZ*



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

MARKET DEVELOPMENTS



INVESTMENTS IN PP&E (CAPEX)



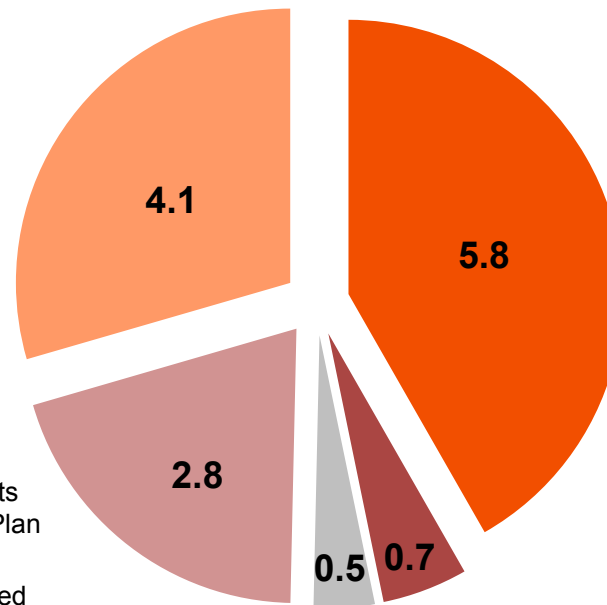
**CZK 13.9 bn in total
(H1 2014)**

Electricity Distribution

- Czech Republic: CZK 3.1 bn
- Romania: CZK 0.7 bn
- Bulgaria: CZK 0.3 bn

Nuclear Facilities:

- Temelín & Dukovany NPPs—Undertaking projects to meet the requirements of the National Action Plan for Safety Enhancement
- Dukovany NPP—Projects in relation to the planned extension of operation beyond 2015
- Temelín NNPP—Preparing activity plans with the aim to preserve and increase value and prepare the project for possible alternative investing and financing arrangements
- Dukovany NNPP—Preparation of supporting documents for the initiation of the EIA process. Preparation of specifications for the technical description of the site for future tender documents.



Conventional Facilities

Mainly investments in:

- New Ledvice plant
- Počerady CCGT plant
- Comprehensive renewal of Prunéřov power plant

Mining

- Renovating and upgrading of equipment, dressing and crushing operations

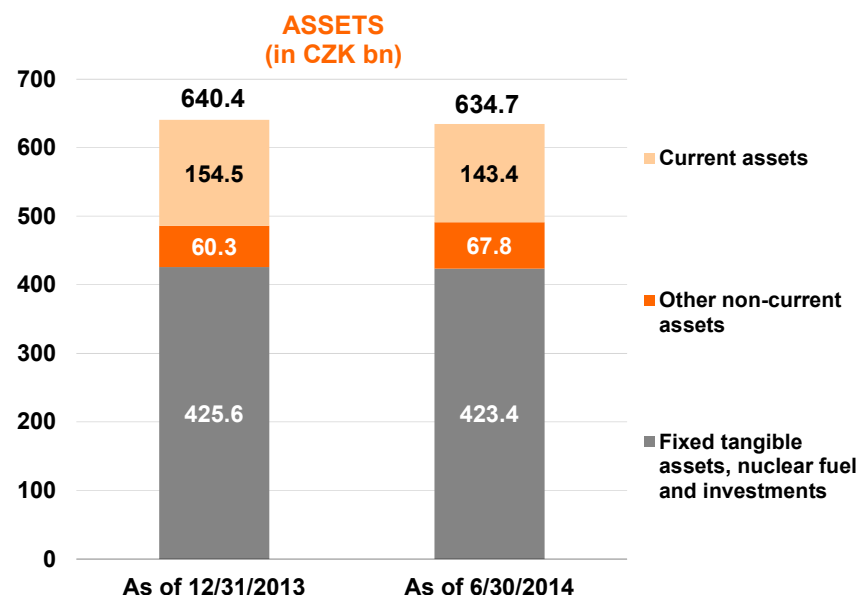
Other

BALANCE SHEET OVERVIEW



Fixed Assets

- Decrease in tangible fixed assets of CZK -2.2 bn due to depreciation, amortization, and impairments, partially compensated by investments in units' renewal and construction
- Increase in other non-current assets of CZK +7.5 bn, especially asset reclassification in relation to investment in MOL of CZK +8.2 bn

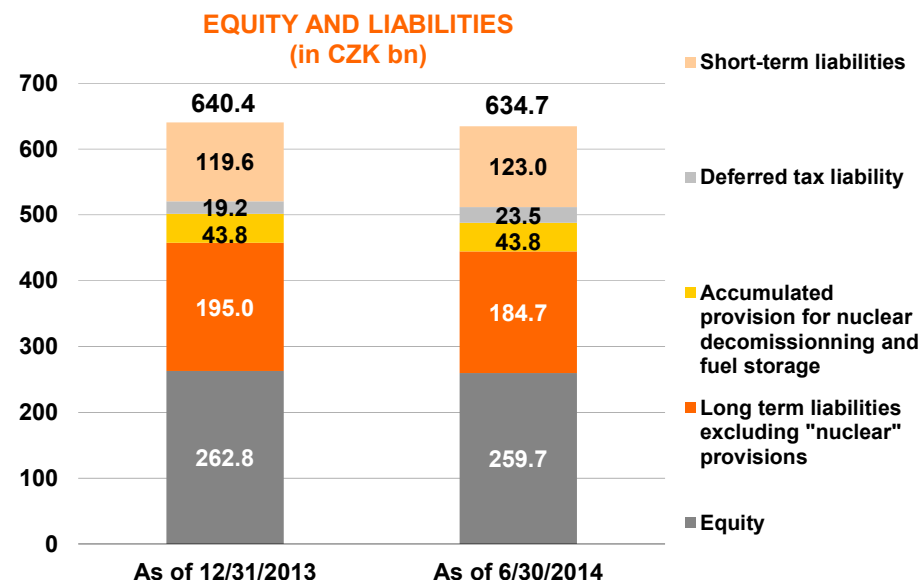


Current Assets

- Decrease in receivables, CZK -25.2 bn net, especially asset reclassification in relation to investment in MOL and decrease in trade receivables
- Increase in cash and cash equivalents of CZK +12.7 bn and highly liquid securities of CZK +0.7 bn

Equity and Long-Term Liabilities

- Decrease in equity of CZK -3.1 bn: approval of dividends of CZK -21.6 bn, growth of net income of CZK +17.2 bn; other comprehensive income of CZK +1.3 bn—especially due to a change in the fair value of financial instruments for cash flow hedging
- Decrease in long-term liabilities of CZK -10.4 bn: especially repayment of issued bonds of CZK -7.8 bn and long-term bank loans of CZK -1.4 bn



Current Liabilities

- Increase in liabilities to shareholders on the ground of approved dividends of CZK +21.5 bn
- Increase in current portion of long-term debt, incl. short-term bank loans of CZK +1.4 bn
- Decrease in trade payables incl. advances of CZK -7.2 bn and unbilled deliveries of CZK -5.0 bn
- Decrease in short-term provisions of CZK -3.6 bn, in particular for emission allowances
- Interest accruals of CZK -1.1 bn

Electricity balance (GWh)

	Q1 - Q2 2013	Q1 - Q2 2014	Index 2014/2013
Electricity procured	31,047	28,608	-8%
Generated in-house (gross)	34,306	31,891	-7%
In-house and other consumption, including pumping in pumped-storage plants	-3,259	-3,283	+1%
Sold to end customers	-18,929	-17,820	-6%
Sold in the wholesale market (net)	-9,481	-8,263	-13%
Sold in the wholesale market	-90,314	-86,712	-4%
Purchased in the wholesale market	80,833	78,449	-3%
Grid losses	-2,637	-2,525	-4%

Electricity generation by source (GWh)

	Q1 - Q2 2013	Q1 - Q2 2014	Index 2014/2013
Nuclear	15,176	15,397	+1%
Coal and lignite	16,447	14,531	-12%
Water	1,641	993	-40%
Biomass	275	279	+2%
Photovoltaic	60	74	+24%
Wind	689	556	-19%
Natural gas	17	60	>200%
Bio gas	1	1	-28%
Total	34,306	31,891	-7%

Sales of electricity to end customers (GWh)

	Q1 - Q2 2013	Q1 - Q2 2014	Index 2014/2013
Households	-7,161	-6,689	-7%
Commercial (low voltage)	-3,344	-3,042	-9%
Commercial and industrial (medium and high -8,425)		-8,089	-4%
Sold to end customers	-18,929	-17,820	-6%
 Distribution of electricity to end customers	 -24,650	 -24,248	 -2%

Electricity balance (GWh)

Q1 - Q2 2014	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	27,790	-8%	0	-	818	-0%	0	-	0	-	28,608	-8%
Generated in-house (gross)	31,047	-7%	0	-	844	+2%	0	-	0	-	31,891	-7%
In-house and other consumption, including pumping in pumped-storage plants	-3,256	+0%	0	-	-26	+154%	0	-	0	-	-3,283	+1%
Sold to end customers	-33	-89%	-11,400	-3%	0	-	-6,387	-7%	0	-	-17,820	-6%
Sold in the wholesale market (net)	-27,757	-7%	12,676	-3%	-818	-0%	7,635	-7%	0	-	-8,263	-13%
Sold in the wholesale market	-98,876	-4%	-1,770	+21%	-818	-0%	-554	+4%	15,306	-4%	-86,712	-4%
Purchased in the wholesale market	71,119	-3%	14,446	-1%	0	-	8,190	-6%	-15,306	-4%	78,449	-3%
Grid losses	0	-	-1,276	-2%	0	-	-1,248	-7%	0	-	-2,525	-4%

Electricity generation by source (GWh)

Q1 - Q2 2014	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	15,397	+1%	0	-	0	-	0	-	0	-	15,397	+1%
Coal and lignite	14,286	-12%	0	-	245	+71%	0	-	0	-	14,531	-12%
Water	947	-42%	0	-	46	-	0	-	0	-	993	-40%
Biomass	279	+2%	0	-	0	-	0	-	0	-	279	+2%
Photovoltaic	71	+26%	0	-	3	-2%	0	-	0	-	74	+24%
Wind	5	+5%	0	-	552	-19%	0	-	0	-	556	-19%
Natural gas	60	>200%	0	-	0	-	0	-	0	-	60	>200%
Bio gas	1	-28%	0	-	0	-	0	-	0	-	1	-28%
Total	31,047	-7%	0	-	844	+2%	0	-	0	-	31,891	-7%

Sales of electricity to end customers (GWh)

Q1 - Q2 2014	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	-3,716	-11%	0	-	-2,973	-0%	0	-	-6,689	-7%
Commercial (low voltage)	-1	+158%	-1,327	-12%	0	-	-1,715	-6%	0	-	-3,042	-9%
Commercial and industrial (medium and high -33		-90%	-6,357	+4%	0	-	-1,699	-16%	0	-	-8,089	-4%
Sold to end customers	-33	-89%	-11,400	-3%	0	-	-6,387	-7%	0	-	-17,820	-6%

Distribution of electricity to end customers	0	-	-16,476	-2%	0	-	-7,773	-1%	0	-	-24,248	-2%
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Electricity balance (GWh)

Q1 - Q2 2014	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	26,609	-8%	1,181	+2%	0	-	228	+69%	589	-14%	0	-	28,608	-8%
Generated in-house (gross)	29,708	-8%	1,339	+2%	0	-	247	+69%	597	-13%	0	-	31,891	-7%
In-house and other consumption, including pumping in pumped-storage plants	-3,098	+0%	-158	-2%	0	-	-19	+81%	-8	-	0	-	-3,283	+1%
Sold to end customers	-9,890	-8%	-203	+3%	-1,341	+14%	-4,783	-6%	-1,604	-8%	0	-	-17,820	-6%
Sold in the wholesale market (net)	-15,443	-9%	-978	+2%	1,341	+14%	5,189	-7%	1,628	-7%	0	-	-8,263	-13%
Sold in the wholesale market	-86,592	-5%	-1,214	+2%	-43	-46%	-369	+53%	-800	-28%	2,304	-27%	-86,712	-4%
Purchased in the wholesale market	71,149	-4%	235	+3%	1,383	+10%	5,558	-5%	2,428	-15%	-2,304	-27%	78,449	-3%
Grid losses	-1,276	-2%	0	-	0	-	-635	-3%	-614	-11%	0	-	-2,525	-4%

Electricity generation by source (GWh)

Q1 - Q2 2014	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	15,397	+1%	0	-	0	-	0	-	0	-	0	-	15,397	+1%
Coal and lignite	13,112	-13%	1,174	+2%	0	-	245	+71%	0	-	0	-	14,531	-12%
Water	942	-42%	5	+45%	0	-	0	-	46	-	0	-	993	-40%
Biomass	120	-1%	160	+4%	0	-	0	-	0	-	0	-	279	+2%
Photovoltaic	71	+26%	0	-	0	-	3	-2%	0	-	0	-	74	+24%
Wind	5	+5%	0	-	0	-	0	-	552	-19%	0	-	556	-19%
Natural gas	60	>200%	0	-	0	-	0	-	0	-	0	-	60	>200%
Bio gas	1	-28%	0	-	0	-	0	-	0	-	0	-	1	-28%
Total	29,708	-8%	1,339	+2%	0	-	247	+69%	597	-13%	0	-	31,891	-7%

Sales of electricity to end customers (GWh)

Q1 - Q2 2014	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-3,648	-11%	0	-	-68	+5%	-2,215	-0%	-759	-1%	0	-	-6,689	-7%
Commercial (low voltage)	-1,295	-12%	0	-	-32	-10%	-1,230	-10%	-485	+5%	0	-	-3,042	-9%
Commercial and industrial (medium and high voltage)	-4,947	-4%	-203	+3%	-1,240	+15%	-1,338	-11%	-360	-30%	0	-	-8,089	-4%
Sold to end customers	-9,890	-8%	-203	+3%	-1,341	+14%	-4,783	-6%	-1,604	-8%	0	-	-17,820	-6%
 Distribution of electricity to end customers	 -16,476	 -2%	 0	 -	 0	 -	 -4,600	 -1%	 -3,173	 -2%	 0	 -	 -24,248	 -2%