CONFERENCE CALL ON CEZ GROUP FINANCIAL RESULTS IN H1 2013

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 13, 2013

AGENDA

CEZ Group financial highlights and key events in H1 2013
Martin Novák, Chief Financial Officer

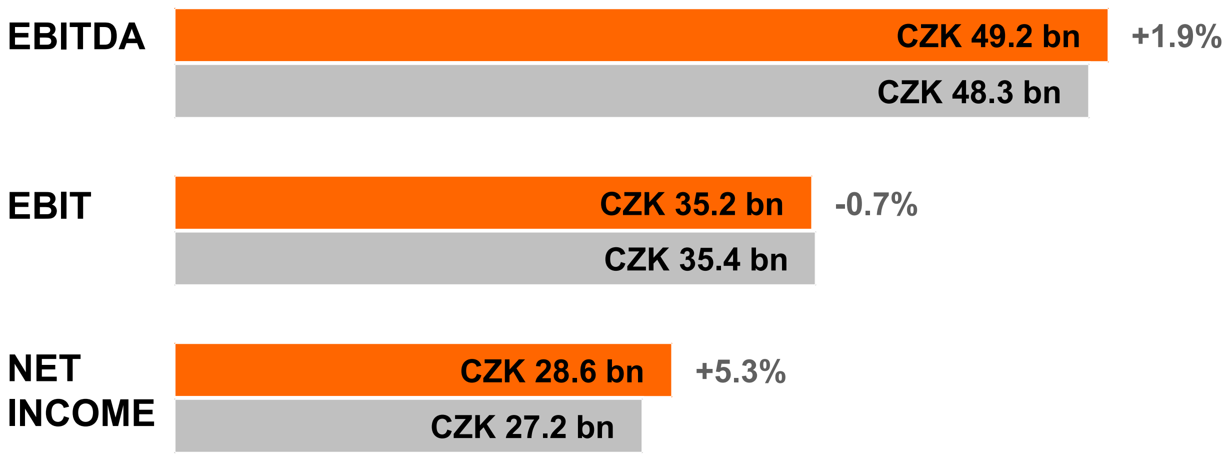
Financial results
Martin Novák, Chief Financial Officer

Trading position of CEZ Group
Alan Svoboda, Executive Director Sales and Trading

FINANCIAL HIGHLIGHTS OF H1 2013

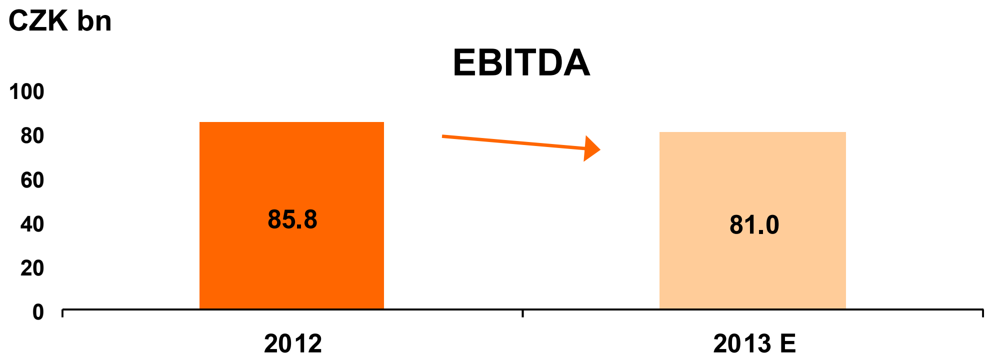
- earnings before interest, taxes, depreciation and amortisation (EBITDA) were **CZK 49.2 bn**
- earnings before interest and taxes (EBIT) **CZK 35.2 bn**
- net income **CZK 28.6 bn**

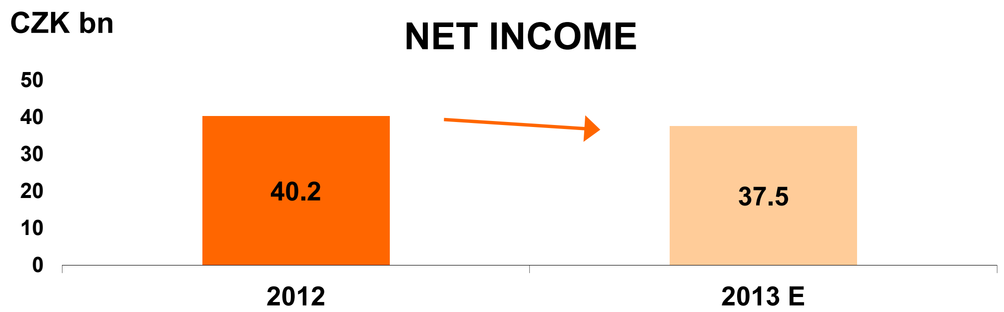
Comparison of H1 2013 vs. H1 2012 results



WE ARE NOT CHANGING THE EXPECTED 2013 RESULTS

EBITDA CZK 81 BN & NET INCOME CZK 37.5 BN





Selected year-on-year negative effects:

- Trend of declining electricity prices
- Lower allocation of emission allowances for power production
- Uncertainty concerning the future of the EU ETS
- Worsened national regulatory conditions in Southeastern Europe

Selected year-on-year positive effects:

- End of operations in Albania
- Correction factors for distribution in the Czech Republic
- Full production in wind farms in Romania
- Allowance trading (CER Gate)

Selected prediction risks:

- Impairments to fixed assets due to the trend of decreasing electricity prices, macroeconomic development and power industry regulation in Europe

CZECH REPUBLIC

TEMELÍN NUCLEAR POWER PLANT

Construction of Temelin NPP Units 3 & 4

EPC Contractor selection procedure continues intensively

- Detailed negotiations with both bidders took place in late July, next rounds will be heldin September and October 2013
- The Czech Office for Competition Protection rejected Areva's remonstrance against its exclusion from the tender

The deadline for final decision on such a major investment will be set only after fullfilment of the following conditions:

  - Concord with the newly approved National Energy Strategy of the Czech Republic is confirmed
  - Basic conditions allowing acceptable return on investment are secured

Decision on EPC contract signature will be therefore delayed compared to the original schedule

Operation of Temelin NPP Units 1 & 2

- On July 12 a planned shutdown started on Unit 1; in line with our goal to gradually increase the utilisation of technologies and performance potential while placing utmost emphasis on safety, the unit's efficiency improvement project will be completed during the shutdown
- Once the shutdown is over, the unit should have a capacity of 1,050 MW, which is approx. 40 MW more than before

EUROPEAN COMMISSION SANCTIONED THE SALE OF CHVALETICE

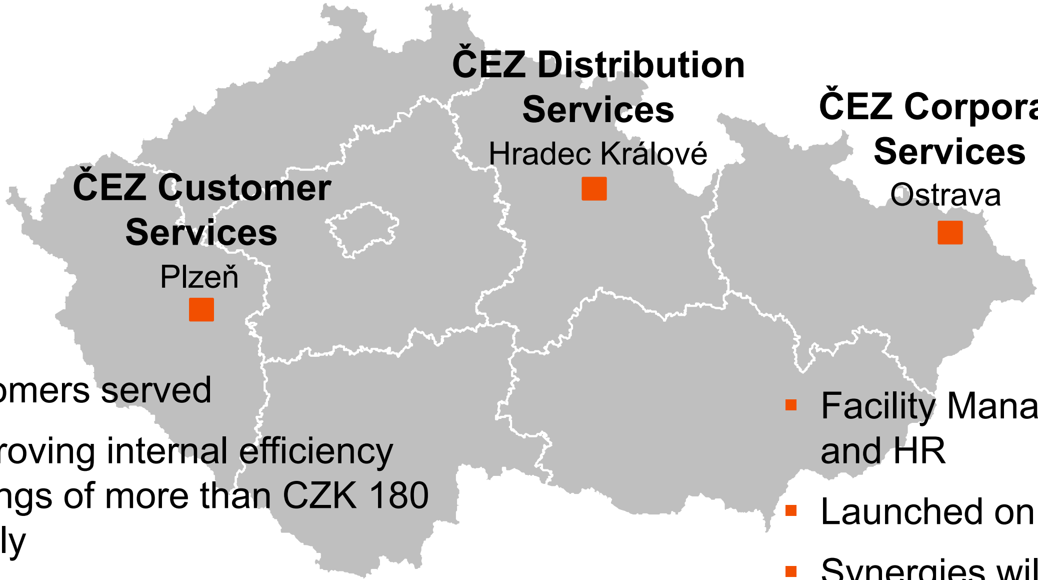
Conditions precedent to the transfer of the Chvaletice Power Plant have been fulfilled

- On August 1, 2013, ČEZ received a letter from the European Commission, in which the Commission approved the sale of the Chvaletice Power Plant to Litvínovská uhelná
- This fulfils the second and last condition precedent to settlement the sale
- Elektrárna Chvaletice, a.s. will be transferred to the new owner on September 2, 2013
- The selling price is CZK 4.12 billion and ČEZ will also annually obtain 90% of the market value of CO_2 emission allowances allocated to the Chvaletice power plant
- This will put a definite end to the European Commission's investigation of ČEZ by means of settlement, under which ČEZ made a commitment to sell one of its coal power plants

SHARED SERVICE CENTRES

WE ARE SUCCESSFUL AT ACHIEVING THE PLANNED COST CUTS AND SIMPLIFYING THE SYSTEM OF SUPPORT SERVICES IN THE CZECH REPUBLIC

- Providing network services
- On July 1, 2013, ČEZ Distribuční služby merged with ČEZ Měření
- Synergies will bring over CZK 190 million annually



- External customers served
- Focus on improving internal efficiency with cost savings of more than CZK 180 million annually
- 60% of the cost savings achieved already in 2013

- Facility Management, Accounting, and HR
- Launched on January 1, 2013
- Synergies will bring over CZK 170 million annually

Overall benefits exceed CZK 0.5 bn annually.

CZECH REPUBLIC
SELECTED EVENTS IN THE PAST QUARTER

Severočeské doly duly honour statutory and regulatory requirements and have been granted another mining license

- A new Mining License for Doly Nástup Tušimice came into force in May this year, valid till 2029. As of January 1, 2013, the coal deposits in this mine were at 461 million tons, which is sufficient to cover the useful life of the upgraded power plants Tušimice and Prunéřov
- In June, the Czech Mining Office completed its General Audit at Doly Nástup Tušimice; this comprehensive audit clearly confirmed that the mining activities are conducted in a safe and expert manner

The Single Operation Control System project was completed for the entire territory of ČEZ Distribuce

- It replaced 5 different distribution grid control systems; its key benefits include uniform data, single operation control system for the entire territory of ČEZ Distribuce, and continuous updating, synchronisation and back-up of data
- The system makes it possible to further optimise distribution grid control and improve cooperation among regions; moreover, it is now possible to take over full control in the case of outages or natural catastrophes

Power production facility portfolio continues to be extended and renewed

- On July 1 a boiler pressure test was successfully completed at the new 660 MW unit of the Ledvice Power Plant
- On July 4 the steam turbine of the CCGT at the Počerady Power Plant was commissioned and tested for the first time; a comprehensive test of the entire power plant followed; the operation is expected to start by the end of 2013

The Dětmarovice Power Plant stays in ČEZ's portfolio

- Gascontrol, with which ČEZ held negotiations in the final phase of sale, backed out of the tender

ABROAD

SELECTED EVENTS IN THE PAST QUARTER

Bulgaria

- On July 29, 2013, the regulator modified price setting methodology and issued its deferred decision on tariffs, effective from August 1, 2013
- Although the decision overall reduces the end prices of electricity, the price reduction is distributed across all market players and, if the statutory purchasing of electricity produced by renewable sources is compensated fairly, it will have a neutral effect on ČEZ businesses in Bulgaria
- There is no conclusion thus far in the license revocation procedure initiated on February 19, 2013. Nevertheless, no grounds have yet been identified that might justify the revocation.

Romania

- On June 4, 2013, the Government approved a decree on promoting renewable sources; for our wind farms it means that the tradability of one of the two allocated green certificates has been postponed till 2018
- As of July 1, 2013, the Romanian regulator announced a 1.3% reduction of the average end user price of electricity for all customer groups with regulated tariffs; however, we expect the impact to be compensated by lower electricity purchase prices

Albania

- On May 16, 2013, ČEZ officially initiated an arbitration against the Government of Albania before an international arbitration panel according to the Energy Charter Treaty

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CEZ GROUP FINANCIAL RESULTS

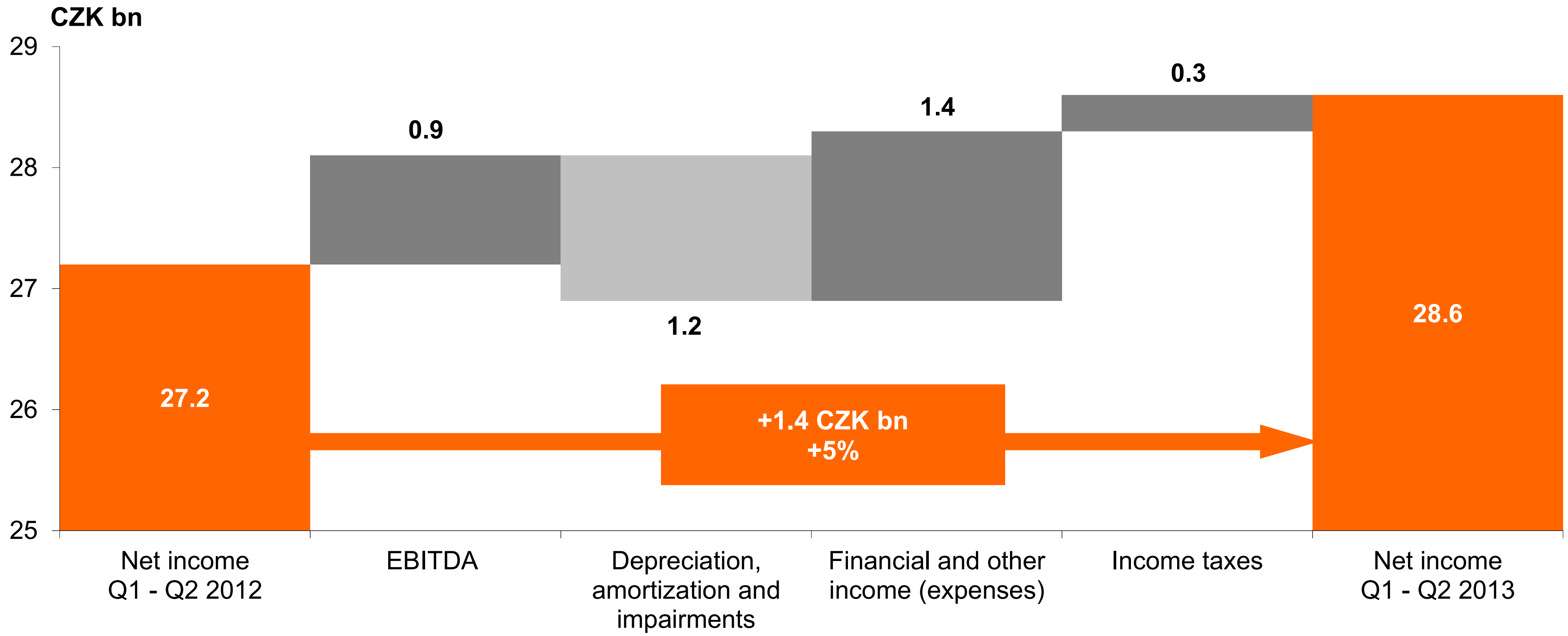
(CZK bn)	Q1 - Q2 2012	Q1 - Q2 2013	Change	%
Revenues	113.0	113.1	+0.1	+0%
EBITDA	48.3	49.2	+0.9	+2%
Net income	27.2	28.6	+1.4	+5%
Operating CF	28.3	29.5	+1.2	+4%
CAPEX	22.9	19.0	-3.9	-17%
Net debt *	143.1	149.5	6.4	+4%

		Q1 - Q2 2012	Q1 - Q2 2013	Change	%
Installed capacity *	GW	15.7	15.8	+0.1	+1%
Generation of electricity	TWh	35.7	34.3	-1.4	-4%
Electricity distribution to end customers	TWh	27.1	24.6	-2.5	-9%
Electricity sales to end customers	TWh	21.5	18.7	-2.8	-13%
Sales of natural gas to end customers	TWh	3.0	3.3	+0.3	+10%
Sales of heat	000´TJ	8.9	14.9	+6.0	+68%
Number of employees *	000´s	31.5	27.0	-4.5	-14%

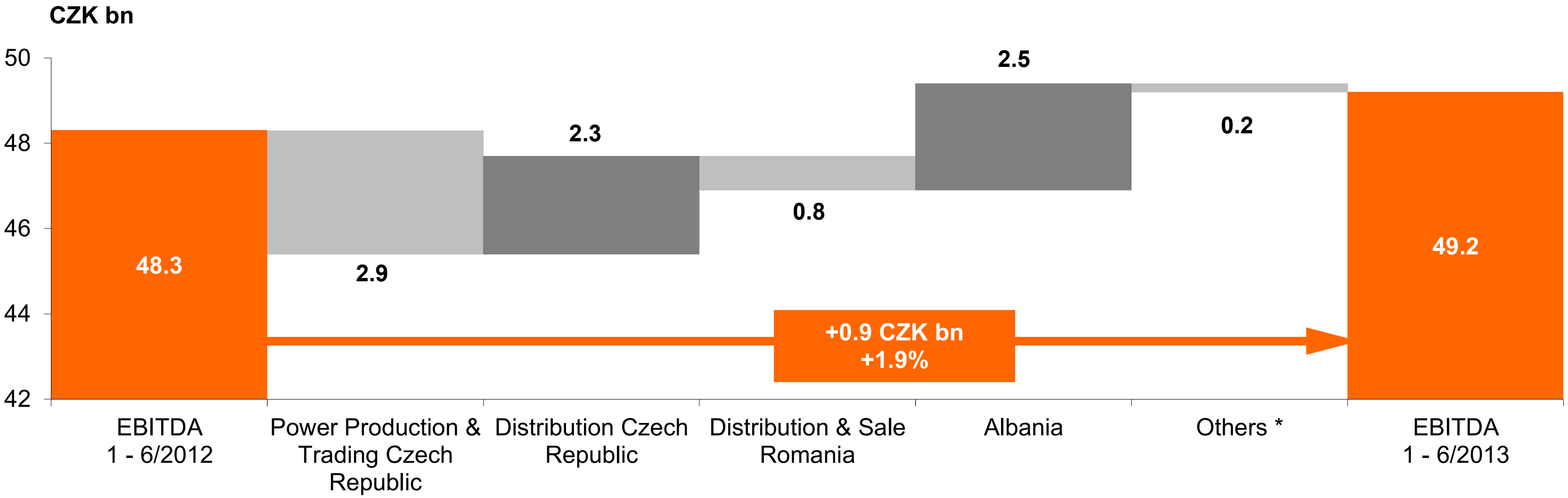
Financial values for 2012 throughout this presentation reflect a change in the method of reporting Sales and adjustments to fixed assets, goodwill, and Financial and other expenses and income, and also current recalculation of previous periods in accordance with the IFRS.

*) as of the last date of the period

DRIVERS OF YEAR-ON-YEAR CHANGE IN NET INCOME



KEY DRIVERS OF YEAR-ON-YEAR CHANGE OF EBITDA



Power Production & Trading Czech Rep. (CZK -2.9 bn):

- In particular declining achieved prices of electricity and reduced production (CZK -3.7 bn)
- Energotrans (CZK +0.8 bn) – effects of its inclusion into the CEZ Group on June 28, 2012

Distribution CZ (CZK +2.3 bn)

- Mostly the effect of takeover of RES & CHP purchase administration by the state-owned OTE (CZK +1.7 bn), higher revenues for reserved capacity (CZK +0.5 bn)

Distribution & Sale Romania (CZK -0.8 bn)

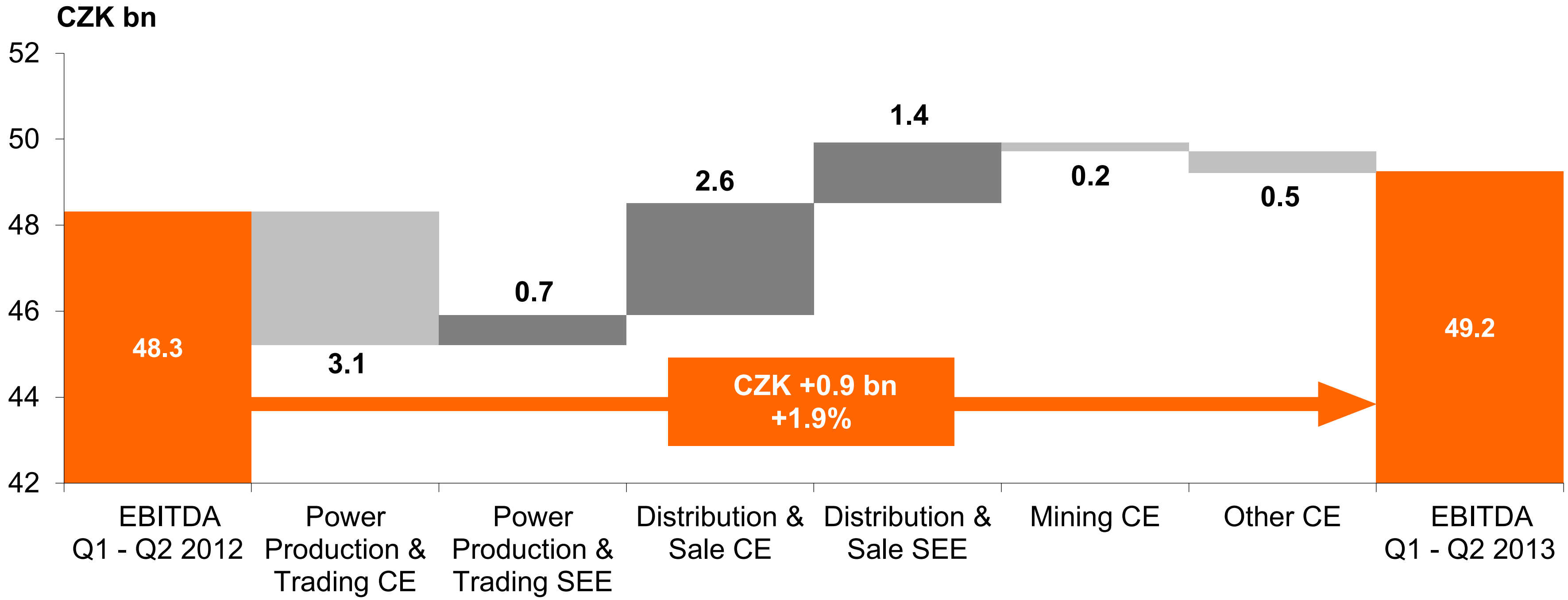
- Extraordinary income in H1 2012 associated with payment of receivables by Romanian state railways (CZK -1.2 bn)
- Higher margin on electricity sales (CZK +0.4 bn)

Albania (CZK +2.5 bn)

- End of accounting of CEZ Shpërndarje’s financial results due to loss of control by ČEZ, a. s. in January 2013

* includes multiple factors below the threshold of significance

YEAR-ON-YEAR CHANGE OF EBITDA BY SEGMENT



 CE – Central Europe SEE – Southeast Europe

EBITDA BY SEGMENT:
POWER PRODUCTION AND TRADING CENTRAL EUROPE

CZK bn	Q1 - Q2 2012	Q1 - Q2 2013	Change	%
Czech Republic	31.7	28.8	-2.9	-11%
Poland	0.7	0.5	-0.2	-39%
Total EBITDA	**32.4**	**29.3**	**-3.1**	**-10%**

Czech Republic (CZK -2.9 bn)

- Year-on-year drop in achieved prices of electricity and lower electricity generation in CEZ* coal-fired power plants (CZK -3.9 bn)
- Positive effect of trading in emission allowances (incl. utilisation of a part of the CER gate) and other CEZ* effects (CZK +0.2 bn)
- Effect of Energotrans' inclusion into CEZ Group as of June 28, 2012 (CZK +0.8 bn)

Poland (CZK -0.2 bn)

- Lower income from colour certificates due to a drop in their market prices

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

EBITDA BY SEGMENT:
POWER PRODUCTION AND TRADING SOUTHEAST EUROPE

CZK bn	Q1 - Q2 2012	Q1 - Q2 2013	Change	%
Bulgaria	0.0	0.1	+0.1	-
Romania	1.3	1.9	+0.6	+41%
Total EBITDA	**1.3**	**2.0**	**+0.7**	**+54%**

Bulgaria (CZK +0.1 bn)

- Higher revenues from availability due to year-on-year lower activation of cold reserve
- Slight increase in regulated sale prices from July 1, 2012

Romania (CZK +0.6 bn)

- Higher production (+0.2 TWh) due year-on-year increase of installed capacity of the Fântânele and Cogealac wind farms
- Benefits of initiation of allocation of the 2nd green certificate for the production at Cogealac in Q4 2012 were partially eliminated by the lower market prices of green certificates, which negatively impacted the sales from both wind farms

EBITDA BY SEGMENT:
DISTRIBUTION AND SALE CENTRAL EUROPE

CZK bn	Q1 - Q2 2012	Q1 - Q2 2013	Change	%
Distribution	5.8	8.1	+2.3	+39%
Sale	2.3	2.6	+0.3	+12%
Total EBITDA	**8.1**	**10.7**	**+2.6**	**+32%**

Distribution (CZK +2.3 bn)

- Mostly the effect of takeover of RES & CHP purchase administration by the state-owned OTE (following a legislation change) from January 1, 2013 combined with a greater effect of RES correction factors from previous years (CZK +1.7 bn)
- Effect of higher revenues for reserved capacity (CZK +0.5 bn)
- Reduced operating expenses (CZK +0.1 bn)

Sale (CZK +0.3 bn)

- A higher gross margin on gas sales due to a growing customer base and higher volumes supplied to collectively served customers (CZK +0.2 bn)
- Higher gross margin on electricity sales (CZK +0.1 bn)

RES – renewable energy sources CHP – combined heat and power generation OTE – electricity market operator

EBITDA BY SEGMENT:
DISTRIBUTION AND SALE SOUTHEAST EUROPE

CZK bn	Q1 - Q2 2012	Q1 - Q2 2013	Change	%
Romania	1.7	0.9	-0.8	-50%
Bulgaria	0.7	0.4	-0.3	-44%
Albania	-2.3	0.2	+2.5	-
Total EBITDA	**0.1**	**1.5**	**+1.4**	**>200%**

Romania (CZK -0.8 bn)

- Extraordinary income in H1 2012 associated with payment of receivables by Romanian state railways (CZK -1.2 bn)
- Higher margin on electricity sales (CZK +0.4 bn)

Bulgaria (CZK -0.3 bn)

- High costs of electricity purchased from renewables, which in H1 2013 were not compensated in the prices charged to end customers (CZK -0.2 bn)
- Greater additions to adjustments for receivables primarily toward the state-owned energy corporation NEK EAD (CZK -0.1 bn)

Albania (CZK +2.5 bn)

- End of accounting of CEZ Shpërndarje’s financial results due to loss of control by ČEZ, a. s. in January 2013

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

EBITDA (CZK bn)	Q1 - Q2 2012	Q1 - Q2 2013	Change	%
Mining CE	**3.0**	**2.8**	**-0.2**	**-6%**
Other CE	**3.3**	**2.8**	**-0.5**	**-16%**
Other SEE	**0.1**	**0.1**	**0.0**	**-21%**

Mining Central Europe (CZK -0.2 bn)

- Reduced volume of coal and industrial mixtures supplied to ČEZ, a. s. was partially compensated by higher quantities delivered to Energotrans

Other CE (CZK -0.5 bn)

- Effects of lower quantities supplied by subsidiaries to the CEZ Group – Severočeské doly (CZK -0.2 bn) and ŠKODA PRAHA Invest (CZK -0.1 bn)
- Other (CZK -0.2 bn) includes in particular a lower margin of ČEZ ICT Services

OTHER INCOME (EXPENSES)

(CZK bn)	Q1 - Q2 2012	Q1 - Q2 2013	Change	%
EBITDA	**48.3**	**49.2**	**+0.9**	**+2%**
Depreciation, amortization and impairments	**-12.9**	**-14.1**	**-1.2**	**-9%**
Financial and other income (expenses)	**-2.0**	**-0.6**	**+1.4**	**+69%**
Interest income (expenses)	-1.0	-1.5	-0.5	-55%
Interest on nuclear and other provisions	-1.0	-0.9	+0.1	+12%
Income (expenses) from investments	1.1	2.1	+1.0	+95%
Other income (expenses)	-1.1	-0.3	+0.8	+76%
Income taxes	**-6.2**	**-5.9**	**+0.3**	**+4%**
Net income	**27.2**	**28.6**	**+1.4**	**+5%**

Depreciation, amortisation and impairments (CZK -1.2 bn)

- Mainly growth in depreciation and amortisation as a result of investments in fixed assets, especially in the Czech Republic

Interest income (expenses) (CZK -0.5 bn)

- Growth in interest expense in particular due to a higher volume of issued bonds and effects of the weaker CZK/EUR exchange rate

Income (expenses) from investments (CZK +1.0 bn)

- Extraordinary one-off impact of excluding CEZ Shpërndarje from the consolidated CEZ Group (CZK +1.8 bn)
- Lower earnings by the Turkish businesses mostly due to exchange rate differences on USD loans (CZK -0.7 bn), other (CZK -0.1 bn)

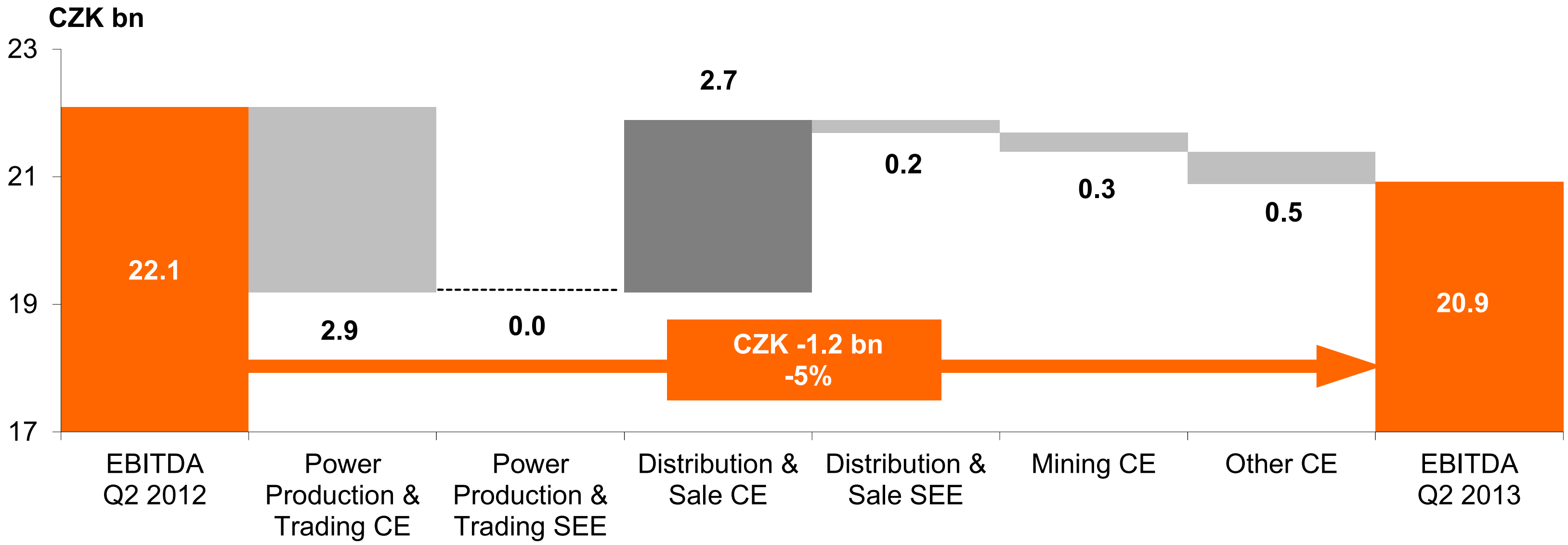
Other income (expenses) (CZK +0.8 bn)

- Lower effects of the gift tax on emission allowances (CZK +0.5 bn)
- Year-on-year difference in revaluation of the MOL option (CZK -0.4 bn)
- Other (CZK +0.7 bn), in particular financial derivatives and exchange rate gains/losses

Income tax (CZK +0.3 bn):

- Year-on-year lower tax due to tax ineffective income and expense items, effects of excluding CEZ Shpërndarje

DEVELOPMENT IN Q2



CEZ Group EBITDA (CZK -1.2 bn):

Power Production & Trading CE (CZK -2.9 bn): Lower achieved price of electricity including the effects of CZK/EUR rate fluctuations (CZK -1.7 bn), lower production volume (CZK -0.8 bn), additions to provisions for emission rights (CZK -0.9 bn), Energotrans joining the CEZ Group (CZK +0.2 bn), other (CZK +0.3 bn)

Distribution & Sale CE (CZK +2.7 bn): Higher gross margin on distribution (CZK +2.6 bn), in particular on RES due to correction factors from previous years and due to the takeover of RES and CHP purchase administration by the state-owned OTE CZK +2.3 bn

Distribution & Sale SEE (CZK -0.2 bn): Albania (CZK +0.7 bn), Romania (CZK -0.7 bn) settlement of receivables by Romanian state railways in 2012; other (CZK -0.2 bn), in particular higher costs of electricity purchased from RES in Bulgaria

Mining CE (CZK -0.3 bn): Lower income and margin on coal sales due to lower demand by ČEZ

Other CE (CZK -0.5 bn): Effects of lower quantities supplied by subsidiaries to CEZ Group (CZK -0.3 bn), in particular subsidiaries of SD; other (CZK -0.2 bn), mainly due to a lower margin of ČEZ ICT Services

DEVELOPMENT IN Q2 – CONTINUED

(CZK bn)	Q2 2012	Q2 2013	Change	%
Revenues	52.2	53.1	+0.9	+2%
Operating expenses less depreciation and amortization	-30.1	-32.2	-2.1	-7%
EBITDA	**22.1**	**20.9**	**-1.2**	**-5%**
Depreciation, amortization and impairments	-6.5	-7.1	-0.6	-9%
Financial and other income (expenses)	-0.2	-0.8	-0.6	>200%
Income taxes	-2.6	-2.2	+0.4	+15%
Net income	**12.8**	**10.8**	**-2.0**	**-16%**

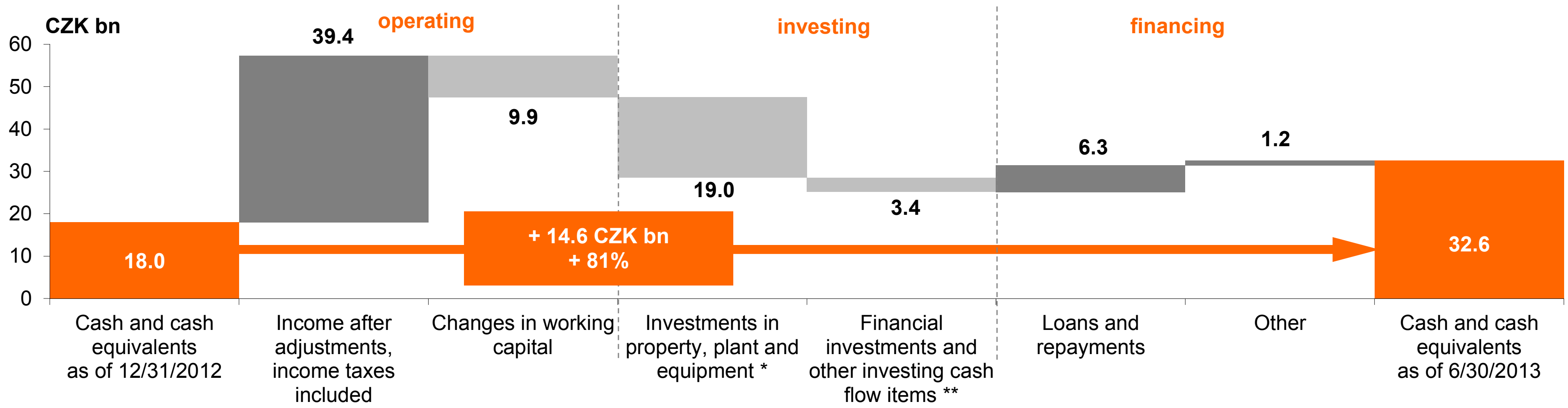
Depreciation, amortisation and impairments (CZK -0.6 bn):

- Higher depreciation and amortisation due to acquisitions, booking of Czech power plants as assets, and investments into technological facilities

Other financial income/expenses (CZK -0.6 bn):

- Lower earnings of our Turkish businesses (CZK -0.7 bn) mostly due to exchange rate losses from loan revaluation
- Net balance of interest income and expense (CZK -0.3 bn) – greater volume of bonds issued, a weakening CZK/EUR exchange rate
- Financial derivatives and exchange rate gains/losses (CZK +0.4 bn)

CASH FLOW



Cash flows from operating activities (CZK +29.5 bn)

- Income after adjustments (CZK +39.4 bn): Earnings before tax (CZK +34.5 bn), income tax paid (CZK -4.9 bn), net interest balance (CZK -1.8 bn), depreciation and amortisation of nuclear fuel (CZK +15.6 bn), exclusion of CEZ Shpërndarje from the consolidated group (CZK -1.8 bn), other (CZK -2.2 bn)
- Changes in working capital (CZK -9.9 bn): Growth in balance of payables and receivables incl. advances and accruals of unbilled electricity (CZK -6.9 bn); growth of liquid securities (CZK -6.5 bn); reduction in inventories of emission allowances, fossil fuels, and materials (CZK +3.5 bn)

Cash flows from investing activities (CZK -22.4 bn)

- Investments in property, plant and equipment – CAPEX (CZK -19.0 bn) – see details in the Annexe; payables for fixed assets purchased (CZK -1.3 bn)
- Other (CZK -2.1 bn): mostly additions to financial investments and investments in subsidiaries, associates and joint-ventures

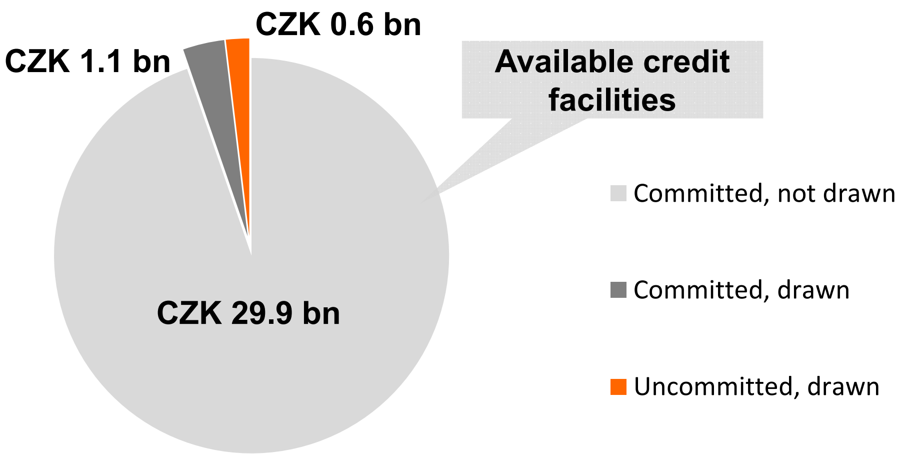
Cash flows from financing activities incl. exchange rate differences (CZK +7.5 bn)

- Balance of loans and repayments (CZK +6.3 bn)
- Growth in other long-term payables (CZK +1.3 bn) – guarantee for coal delivery received from Vršanská uhelná; other (CZK -0.1 bn)

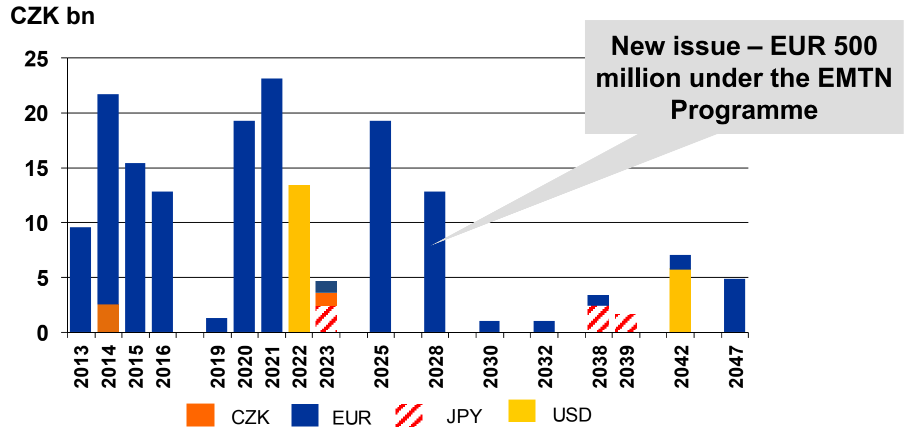
 * investments in fixed assets = CAPEX ** including the balance of loans granted, divestments and change of restricted funds

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilisation of short-term lines (as of June 30, 2013)



Bond maturity profile (as of June 30, 2013)



- CZK 52.5 bn in cash and highly liquid assets (before the payment of approved dividends of CZK 21.4 bn, the payment of which started on August 1, 2013)
- The CEZ Group has access to CZK 31 bn in committed credit facilities, of which it used just CZK 1.1 bn as of June 30, 2013
- In May 2013, a subscription commitment of EUR 80 million was signed with another foreign bank under a domestic bond programme
- A 15 year bond issue worth EUR 500 million was issued in June 2013 with a 3% coupon

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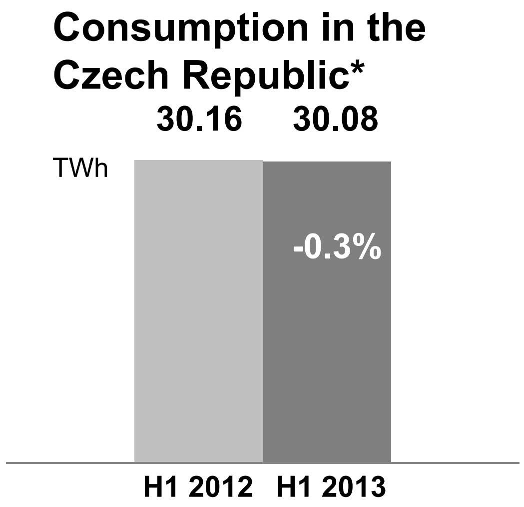
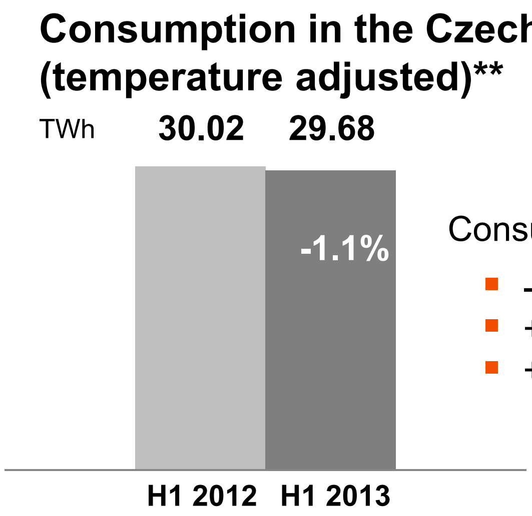
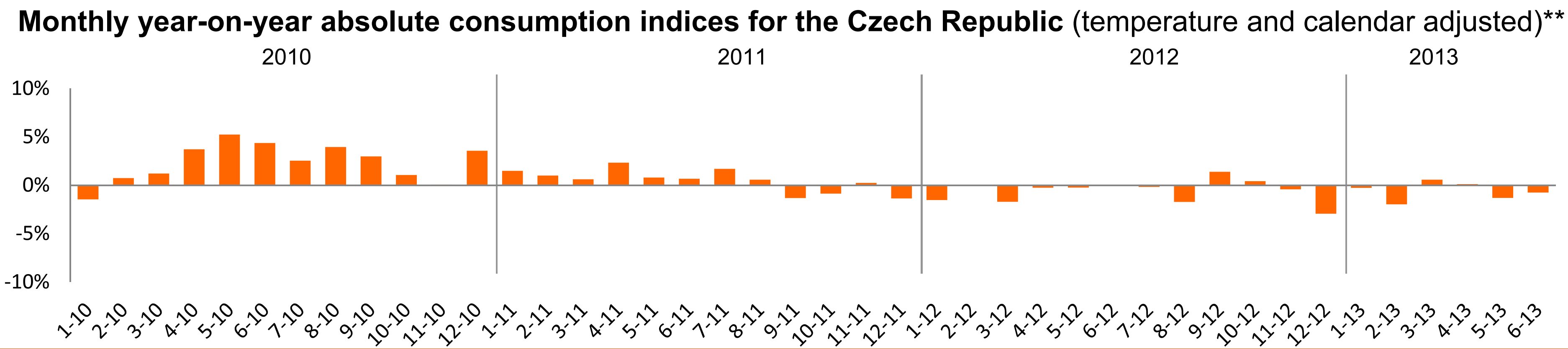
ELECTRICITY CONSUMPTION DROPS YEAR-ON-YEAR IN THE CZECH REPUBLIC





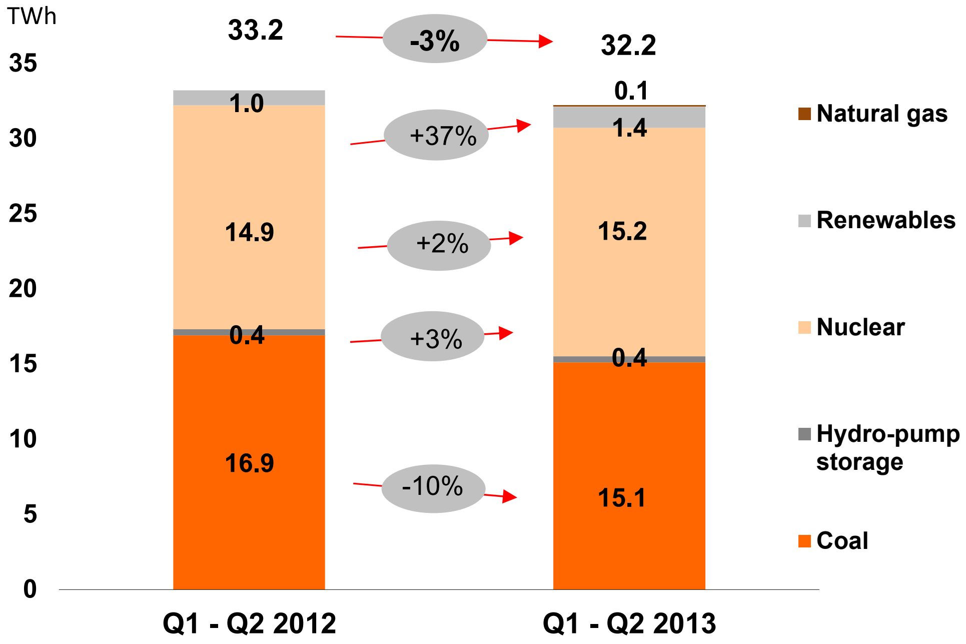
Consumption development by segment:*

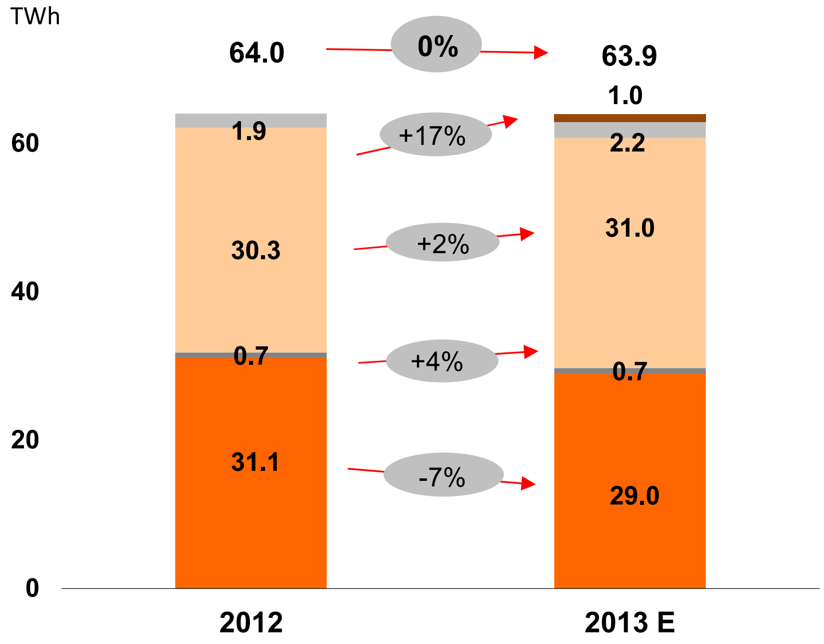
- -2.6% wholesale customers
- +2.7% households
- +2.0% small businesses



* ERO Jan-Jun 2013 ** Conversion based on CEZ´s model

CZ – RELIABLE OPERATION OF NUCLEAR PLANTS PARTIALLY COMPENSATES LOWER PRODUCTION IN COAL-FIRED PLANTS





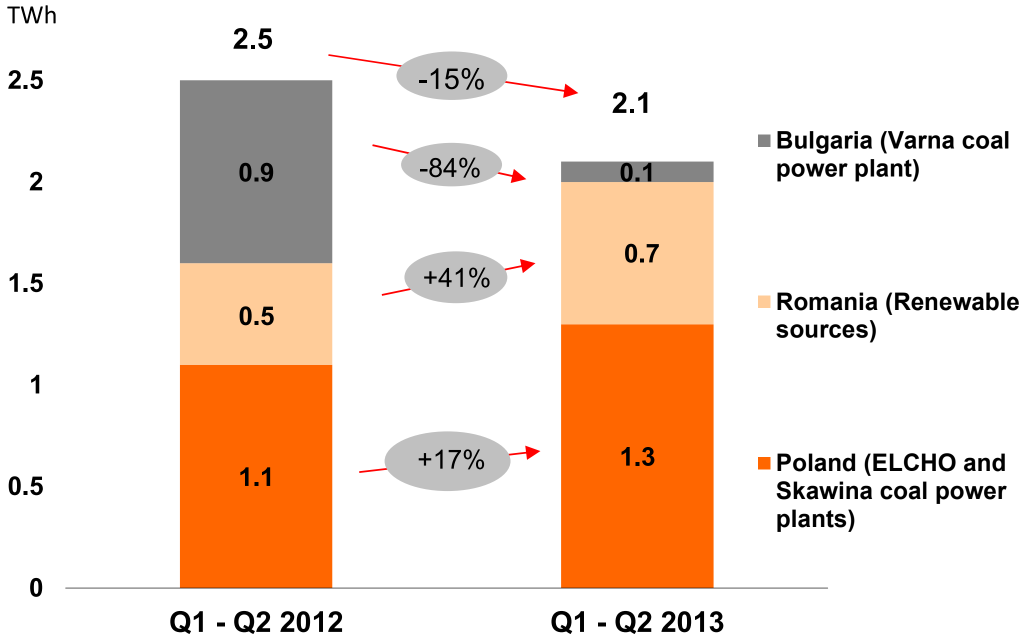
Nuclear power plants (+2%)
+ Shorter shutdown periods and increased achievable capacity of Dukovany Nuclear Power Plant

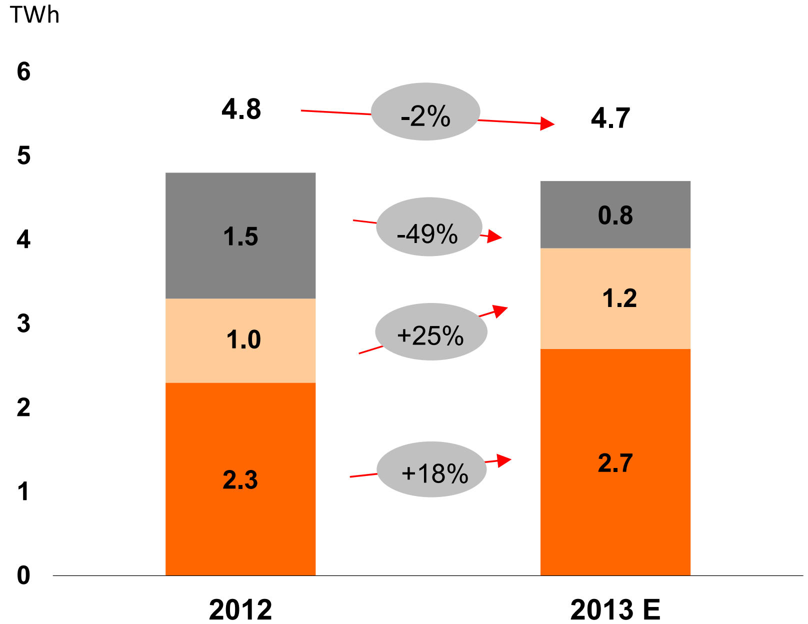
Coal-fired power plants (-10%)
− Influence of the start of comprehensive refurbishment of three units at Prunéřov II Power Plant on Sep 1, 2012
− Lower fuel deliveries and reduced source deployment

Nuclear power plants (+2%)
+ Shorter shutdown periods at Dukovany Nuclear Power Plant
+ Increase of achievable capacity of Temelín Nuclear Power Plant

Coal-fired power plants (-7%)
− Lower fuel deliveries and source deployment
− Year-round comprehensive refurbishment of three units of Prunéřov II Power Plant

ABROAD – REDUCED PRODUCTION IN BULGARIA PARTIALLY COMPENSATED BY GROWTH IN ROMANIA AND POLAND





Bulgaria – coal-fired Varna plant (-84%)
– Lower demand for deliveries to the regulated market, especially lower activation of cold reserve as well as lower quota production

Romanian – RES (+41%)
+ Production running at all 240 wind turbines in Fântânele & Cogealac

Poland – coal-fired ELCHO & Skawina plants (+17%)
+ Higher production at the Skawina Power Plant due to a more favourable contract for coal than in 2012

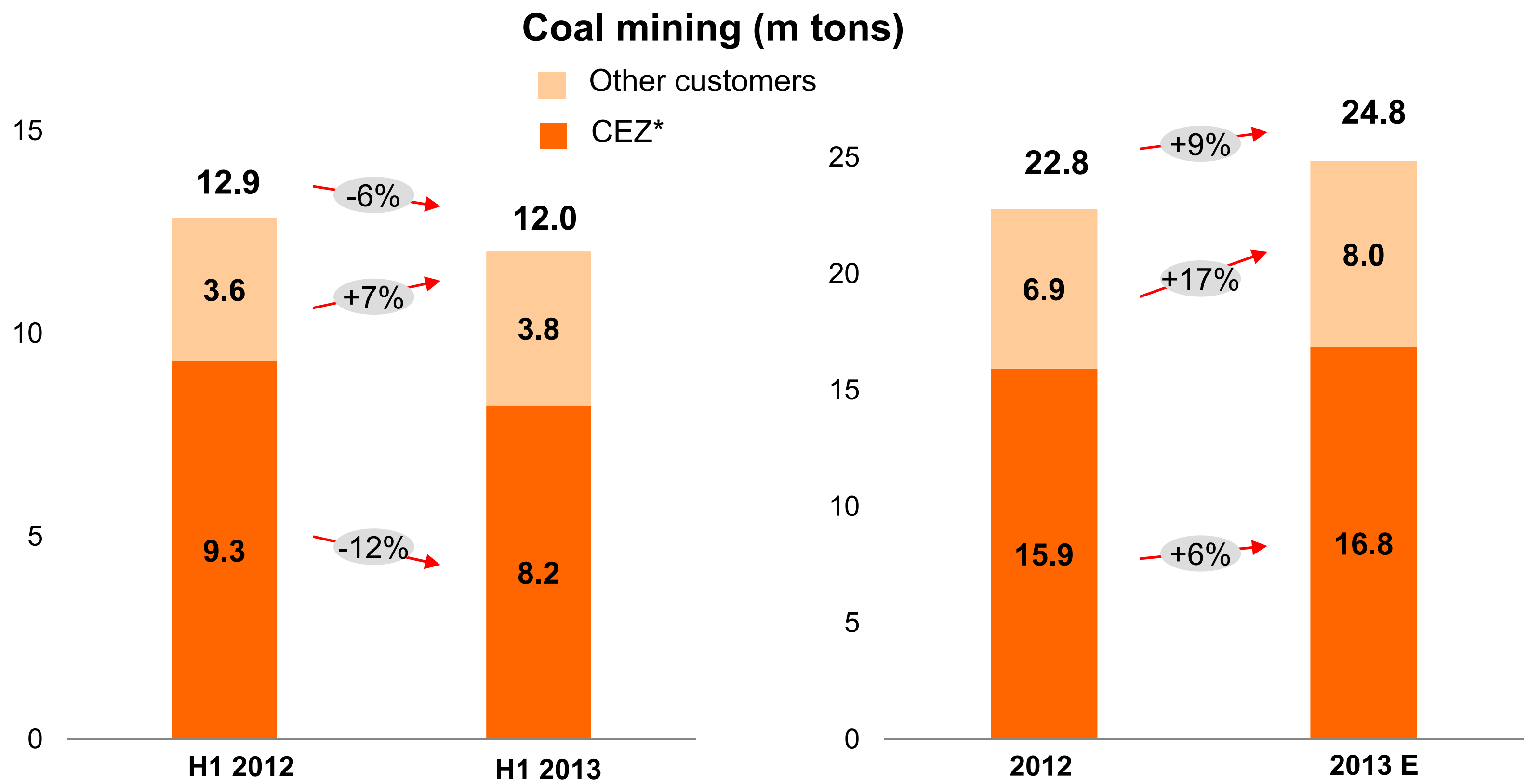
Bulgaria – coal-fired Varna plant (-49%)
– Lower demand for deliveries to the regulated market, especially lower activation of cold reserve

Romania RES (+25%)
+ Production running at all 240 wind turbines in Fântânele & Cogealac

Poland – coal-fired ELCHO & Skawina plants (+18%)
+ Higher production at the Skawina Power Plant due to a more favourable contract for coal than in 2012
+ 2012 production at the ELCHO Power Plant affected by planned boiler repairs
+ Borek small hydroelectric power plant launched in May 2013

SEVEROČESKÉ DOLY

DESPITE THE DECLINE IN H1, WE EXPECT A HIGHER COAL PRODUCTION IN 2013

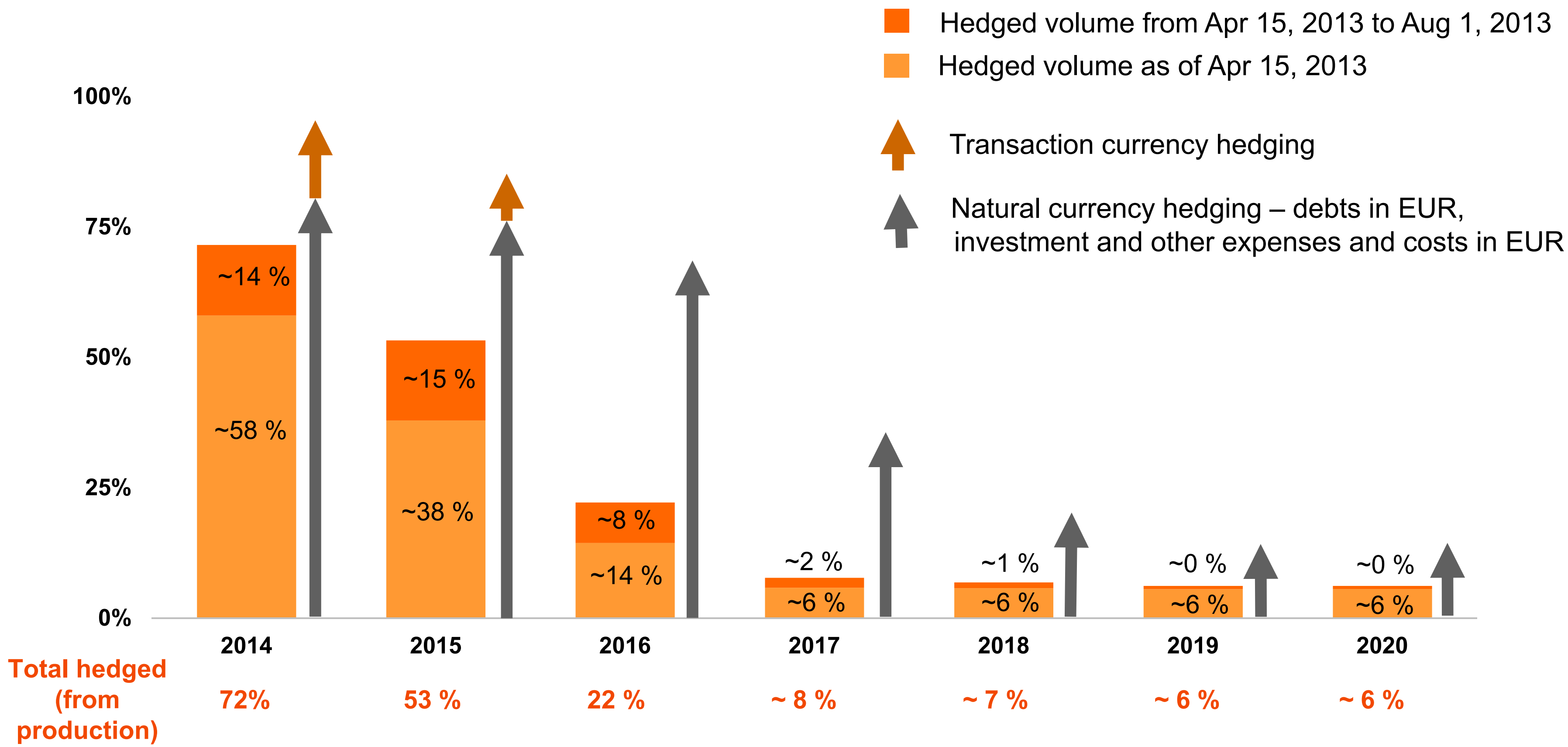


- Lower quantities of coal taken by CEZ* for its power plants partially compensated by higher sales to other customers
- We expect a greater coal mining volume due to both rising deliveries to CEZ* and especially higher demand by other customers

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

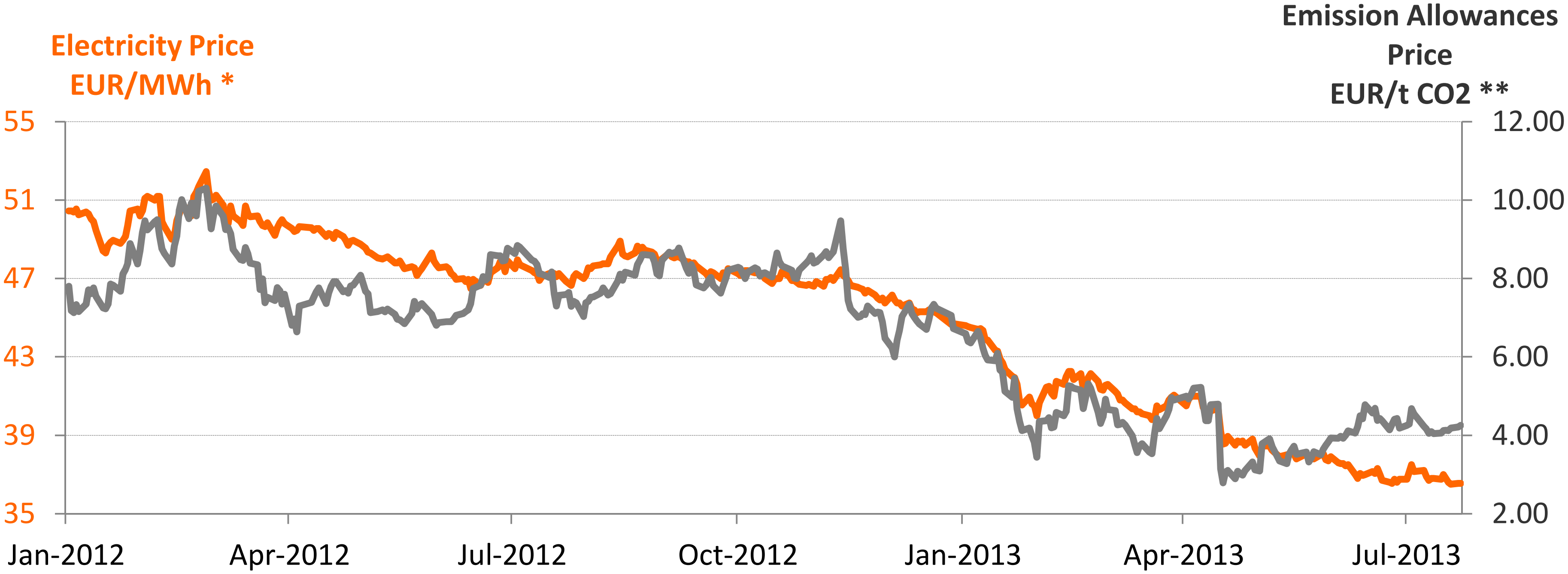
CEZ CONTINUES HEDGING ITS REVENUES FROM SALES OF ELECTRICITY IN THE MEDIUM TERM IN LINE WITH STANDARD POLICY

Share of hedged production from CEZ* power plants
(as of August 1, 2013, 100% corresponds to 55-58 TWh)



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

THE EC RESUMED ITS DISCUSSIONS ON BACKLOADING EMISSION ALLOWANCES FOR 2013-2020;NEVERTHELESS, THE FUTURE OF THE EU ETS SYSTEM REMAINS UNCERTAIN



- Resumed discussions on backloading emission allowances (a compromise proposal approved on July 3 by the European Parliament, to be discussed in a trialogue) have not stopped the trend of declining electricity prices
- Prices of emission allowances are more or less stable around 4 EUR/t. The European Commission is preparing "structural reforms" of the system, yet their form and success still remain uncertain.
- Moreover, electricity prices are pushed down by the ever-growing influence of subsidised renewable resources, declining black coal prices (in particular due to growing imports from the USA) and stagnating European demand for electricity (due to the European economy slowing down)
- The current situation affects primarily modern power plants with clean operations as they incur higher operating expenses than the old, less environmentally friendly power plants (mostly coal-fired ones)

Note: Trialogue – trilateral negotiations among the Council, European Parliament and the European Commission
*) Annual base load PXE 2014 **) EUA EEX forward price with delivery in December 2013

CEZ GEARING UP TO PROVIDE CELL PHONE SERVICES

ČEZ Prodej is going to start offering cell phone services with its own products in autumn 2013 and thus will become the first full-fledged virtual operator

- The cell phone services offered will primarily aim at the households and existing customers of ČEZ Prodej
- Offer will be simple, without customer commitments and hidden charges
- Advantage is in excellent selling and service processes at ČEZ Prodej
- Cooperation agreement with Telefónica Czech Republic has been concluded

MOBIL

- The Czech Telecommunication Office has already issued a licence and allocated the numerical series 705 xxx xxx to the CEZ

ČEZ PRODEJ FORGIVES PEOPLE AFFECTED BY THE FLOODS UP TO THREE MONTHLY ADVANCES FOR ELECTRICITY AND GAS - CEZ GROUP STAFF DONATED CZK 1.4 MILLION

ČEZ Prodej has provided help worth over CZK 30 million

- The flood-related assistance was launched in early June 2013 when ČEZ Prodej reacted to a potential increased demand for electricity due to the need to dry out houses, which would increase energy consumption for their customers from among households and small businesses
- In mid June, the flood assistance offer was extended: If residential or small business facilities were flooded, the affected people could apply for an exemption until the end of July:
  - 3 monthly advance payments for electricity and/or gas if the flood water level exceeded 50 cm
  - 1 monthly advance payment for electricity and/or gas if the flood water level was between 10-50 cm

Other forms of help:

- Over CZK 1.4 million was collected among the employees of CEZ. ČEZ Foundation is going to donate equal amount of funds.
- Cooperation with humanitarian organisations (ADRA and Člověk v tísni)
- Relieving volunteers from among employees to eliminate damage and do cleaning work

IF YOU HAVE TIME OFF, JUICE IT UP OR THE CEZ GROUP'S CUSTOMER LOYALTY PROGRAMME

The Šťáva (Juice) customer loyalty programme was launched on May 1, 2013, offering:

- Discounts on leisure time activities for the whole family
- Tips on how to spend free time in your region

Juice is a **partner programme**

- Members, registered CEZ customers from the household segment, may use the benefits or discounts from over 20 partners in every region
- Over 15,000 customers have registered already

- Our main communication channel is the www.stava.cz web portal
- A secondary communication channel is the Juice printed magazine that was distributed to 2.2 million households in June (70 discount coupons from selected partners all over the Czech Republic were included)

CONTACT CENTER WORLD: THE CEZ GROUP HAS THE BEST CONTACT CENTRES IN EUROPE

"We are convinced that the CEZ Group represents the best you can expect from candidates for the Contact Center World awards. The level of services they provide is really at the top in the industry, and I dare to say that the CEZ Group is a leader in customer care. We in particular appreciate the sophisticated system of training, learning of and feedback from employees. Customers can then rely on proven quality and they will surely always be pleasantly surprised with the service quality."

Raj Wadhwani, President of ContactCenterWorld.com

Recognised areas:

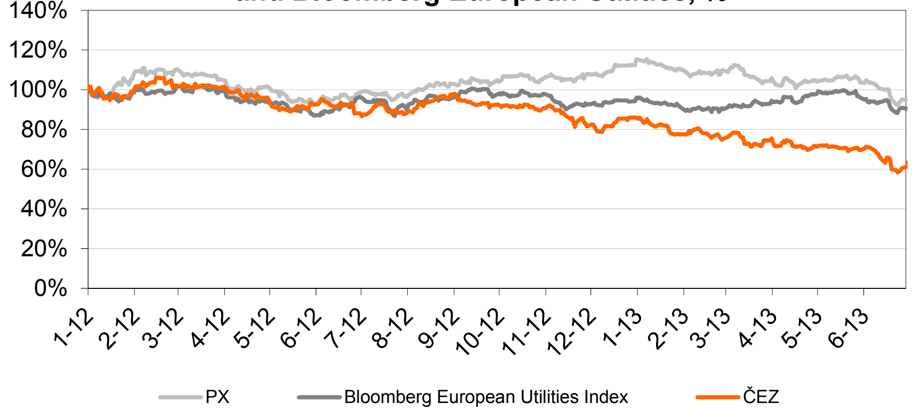
- Broad range of communication
- Plenty of points of contact for conservative customers
- Varied product range
- Professional service across all communication channels

ANNEXES

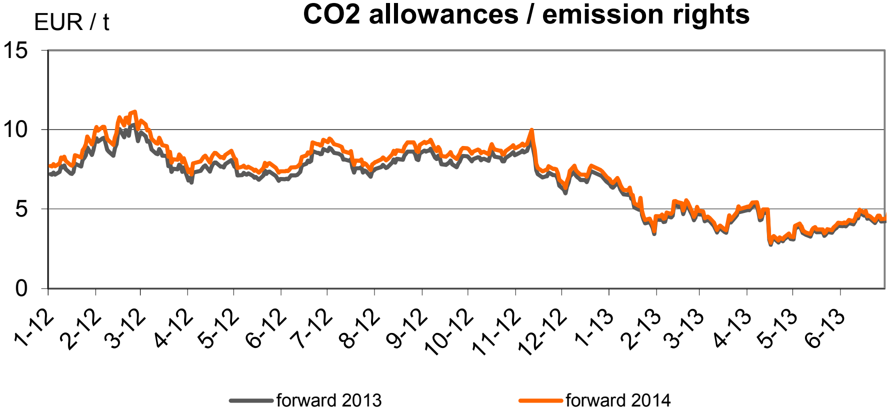
- Market development
- Investments in fixed assets
- Balance sheet overview
- Miscellaneous
- Balance of electricity

MARKET DEVELOPMENT

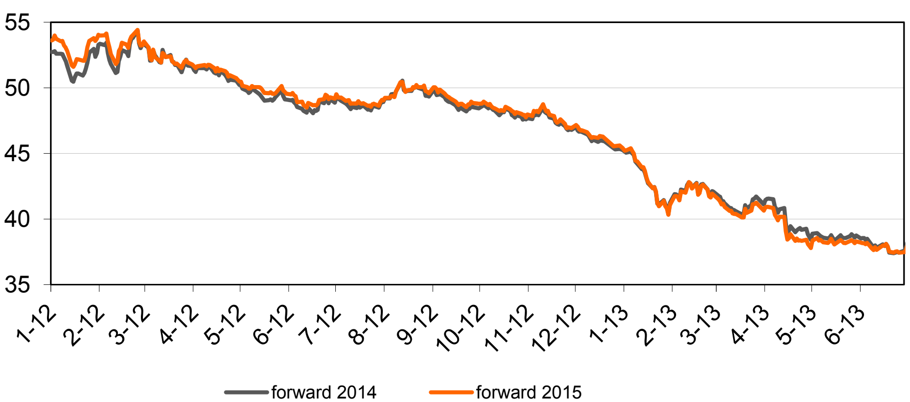
Development of ČEZ share price compared to PX index and Bloomberg European Utilities, %



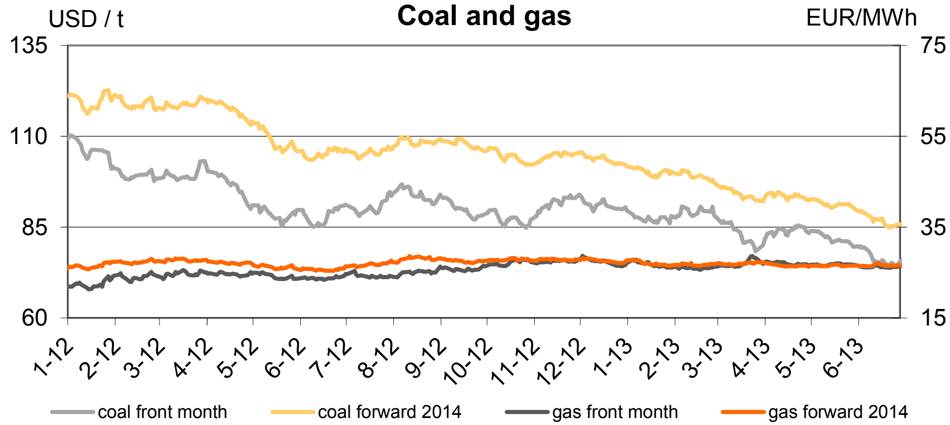
CO2 allowances / emission rights



Electricity



Coal and gas

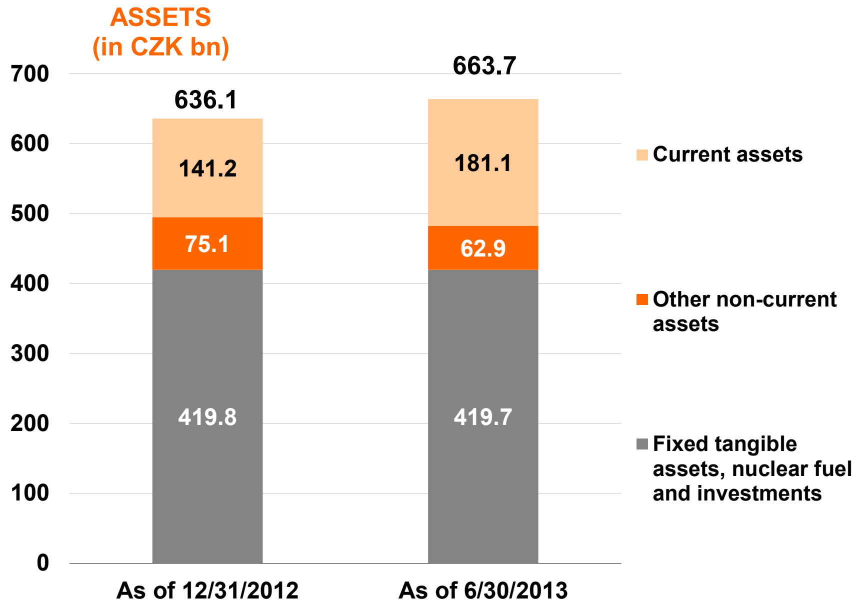


INVESTMENTS IN FIXED ASSETS (CAPEX)

Investments into fixed assets 1 - 6/2013:	**CZK 19.0 bn**
Conventional power plants	**CZK 9.4 bn** Počerady CCGT: the power plant is nearly finished; the steam turbine was commissioned on 4 July 2013; the gas turbines and the K1 and the K2 boilers are undergoing tests in by-pass operation New power plant in Ledvice: the pressure system installation has been completed and pressure tests performed; the installation of critical piping is about to end, with pressure tests to follow Prunéřov II comprehensive overhaul: pressure parts of the steam generators are being installed, desulphurisation absorbers are under construction, and the reconstruction of Cooling Tower 23 will be finished soon
Nuclear power plants	**CZK 3.7 bn** Temelín NPP: a planned shutdown of TNPP Unit 2 for 48 days took placed in H1; during that time a portion of the fuel was replaced and the depleted fuel in the pool was repositioned Dukovany NPP: a planned shutdown of DNPP Unit 2 for 34 days took place in Q2. During that time the steam generator was repaired, where nitrogen was used to locate an inter-circuit leak New units at Temelín: negotiations with bidders for the EPC contract continue; the permission and licensing process is being prepared, and RaII projects (related and induced investments) are under preparation and some are already being implemented New units at Dukovany: source materials are being collected to initiate the process of environmental impact assessment, in particular under the EIA procedure
Electricity distribution	**CZK 4.8 bn** Czech Republic: CZK 3.2 bn Romania: CZK 1.0 bn Bulgaria: CZK 0.6 bn
Mining	**CZK 0.6 bn** Capital expenses go primarily into projects that handle needs arising from the mining procedures at the Tušimice and the Bílina mines. Mining equipment is delivered, reconstructed, and upgraded together with processing and crushing facilities.
Other	**CZK 0.5 bn**

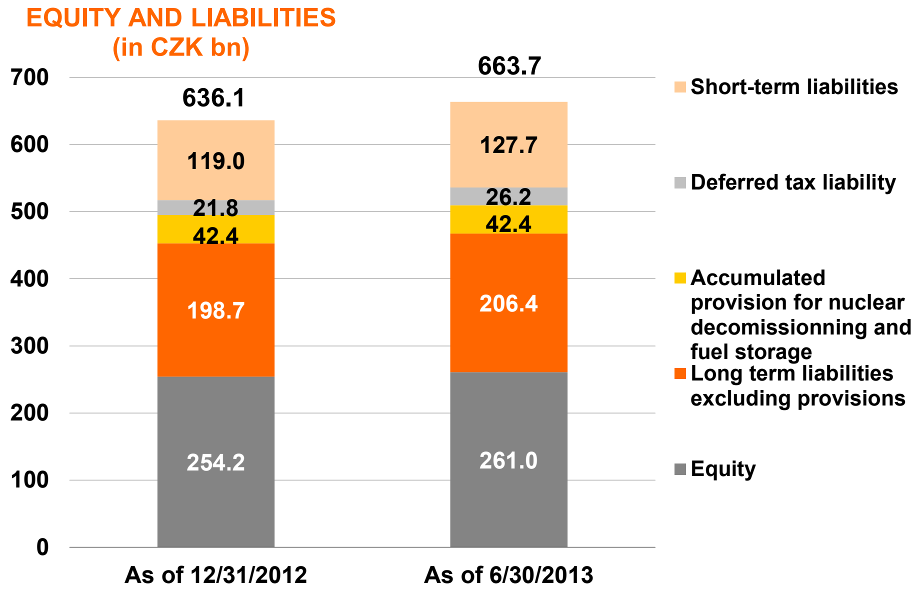
BALANCE SHEET OVERVIEW

Fixed assets
- Decrease in property, plant and equipment CZK -0.1 bn: loss of control over CEZ Shpërndarje and reclassification of assets of the Chvaletice Power Plant as assets held for sale (overall CZK -7.1 bn) exceeded the effects of power plant renewal and construction, in particular in the Czech Rep.
- Decrease of other fixed assets (CZK -12.2 bn) mainly due to the reclassification of a long-term receivable from MOL into current assets (CZK -14.7 bn)



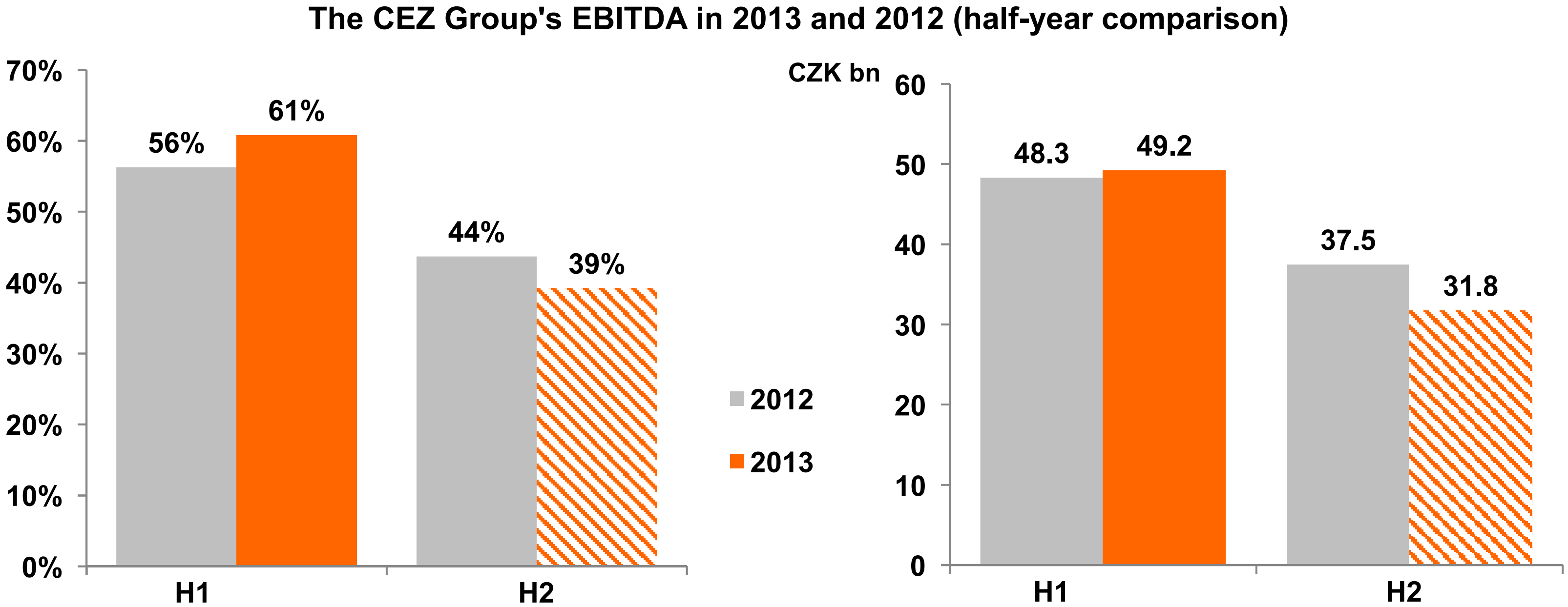
Current assets
- Increase in cash and cash equivalents (CZK +14.6 bn) and highly liquid securities (CZK +6.5 bn) with a view to the approved amount of dividends
- Increase in receivables from derivatives CZK +12.0 bn (compensated in liabilities)
- Growing receivables, net CZK +5.7 bn: reclassification of the long-term receivable from MOL (CZK +14.7 bn) compensated by the reduction of receivables due to the exclusion of CEZ Shpërndarje from the consolidated group and lower receivables of ČEZ, a. s.
- Increase in assets held for sale CZK +1.7 bn (Chvaletice Power Plant)
- Decrease in inventories of fossil fuels and materials CZK -1.8 bn; other effects CZK +1.2 bn

Equity and long-term liabilities
- Increase in equity CZK +6.8 bn: net income CZK +28.6 bn, approved dividends CZK -21.4 bn, other CZK -0.4 bn – especially the effect of exclusion of CEZ Shpërndarje from the consolidated Group
- Increase in long-term liabilities CZK +7.7 bn: Growth of bonds issued CZK +11.1 bn, decrease of long-term bank loans (CZK -3.5 bn), other (CZK +0.1 bn)
- Increase in deferred tax liability CZK +4.4 bn



Current liabilities
- Increase in liabilities due to approved dividends (CZK +21.4 bn)
- Increase in liabilities from derivatives incl. options CZK +10.2 bn
- Increase in current portion of long-term debt incl. short-term bank loans CZK +3.0 bn
- Decrease in trade payables incl. received advances at CZK -16.4 bn: Especially the impact of exclusion of CEZ Shpërndarje from the consolidated group and lower liabilities of ČEZ, a. s.
- Decrease of non-invoiced deliveries (CZK -6.0 bn); other CZK +0.2 bn
- Decrease in provisions CZK -3.8 bn, especially the effect of exclusion of CEZ Shpërndarje from the consolidated group and reversal of emission allowance provisions
- Increase in liabilities linked to assets held for sale CZK +0.5 bn (Chvaletice Power Plant)

THE SHARE OF H1 EBITDA IN THE EXPECTED 2013 RESULTS EXCEEDS THE STANDARD SEASONAL LEVEL OF RESULTS



Selected reasons for a greater share of H1 in the expected 2013 EBITDA

- Standard seasonal fluctuations mostly due to weaker Q3 due to RES and lower electricity prices (approx. CZK 8-11 bn)
- Revaluation of electricity sale contracts with delivery in H2 – effects of declining market prices (approx. CZK 2.5 bn)
- Costs incurred by CEZ* for emission allowances for its H2 production – until now there was mostly free derogation allocation (CZK 1.5-2 bn)
- Higher other levelized product costs of CEZ* (approx. CZK 1 bn)
- Higher CZK/EUR hedging rate for the H1 sales of CEZ* (approx. CZK 1 bn)
- Deferred allocation of the second green certificate for the wind farms in Romania until 2018 (approx. CZK 1 bn)

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

Electricity balance (GWh)

	Q1 - Q2 2012	Q1 - Q2 2013	+/-
Electricity procured	**32,289**	**31,086**	**-4%**
Generated in-house (gross)	35,727	34,347	-4%
In-house and other consumption, including pumping in pumped-storage plants	-3,438	-3,261	-5%
Sold to end customers	**-21,482**	**-18,740**	**-13%**
Sold in the wholesale market (net)	**-6,279**	**-9,709**	**+55%**
Sold in the wholesale market	-114,038	-90,543	-21%
Purchased in the wholesale market	107,759	80,834	-25%
Grid losses	**-4,528**	**-2,637**	**-42%**

Electricity generation by source (GWh)

	Q1 - Q2 2012	Q1 - Q2 2013	+/-
Nuclear	14,862	15,176	+2%
Coal and lignite	18,701	16,447	-12%
Water	1,175	1,642	+40%
Biomass	431	275	-36%
Solar	77	60	-22%
Wind	462	689	+49%
Natural gas	18	58	>200%
Bio gas	1	1	+0%
Total	**35,727**	**34,348**	**-4%**

Sales of electricity to end customers (GWh)

	Q1 - Q2 2012	Q1 - Q2 2013	+/-
Households	-8,443	-7,161	-15%
Commercial (low voltage)	-4,000	-3,344	-16%
Commercial and industrial (medium and high voltage)	-9,039	-8,235	-9%
Sold to end customers	**-21,482**	**-18,740**	**-13%**

Distribution of electricity to end	**-27,059**	**-24,650**	**-9%**

Electricity balance (GWh)

Q1 - Q2 2013	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	**30,267**	**-2%**	**0**	**-**	**821**	**-39%**	**0**	**-**	**0**	**-**	**31,086**	**-4%**
Generated in-house (gross)	33,517	-2%	0	-	831	-41%	0	-	0	-	34,347	-4%
In-house and other consumption, including pumping in pumped-storage plants	-3,250	-3%	0	-	-10	-87%	0	-	0	-	-3,261	-5%
Sold to end customers	**-354**	**+48%**	**-11,782**	**-5%**	**0**	**-**	**-6,605**	**-25%**	**0**	**-**	**-18,740**	**-13%**
Sold in the wholesale market (net)	**-29,913**	**-3%**	**13,079**	**-5%**	**-820**	**-38%**	**7,945**	**-34%**	**0**	**-**	**-9,709**	**+55%**
Sold in the wholesale market	-103,414	-17%	-1,466	-63%	-820	-38%	-762	+77%	15,919	-5%	-90,543	-21%
Purchased in the wholesale market	73,501	-22%	14,545	-18%	0	-	8,707	-30%	-15,919	-5%	80,834	-25%
Grid losses	**0**	**-**	**-1,296**	**+0%**	**0**	**-**	**-1,341**	**-59%**	**0**	**-**	**-2,637**	**-42%**

Electricity generation by source (GWh)

Q1 - Q2 2013	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	15,176	+2%	0	-	0	-	0	-	0	-	15,176	+2%
Coal and lignite	16,304	-8%	0	-	143	-85%	0	-	0	-	16,447	-12%
Water	1,642	+43%	0	-	0	-	0	-	0	-	1,642	+40%
Biomass	275	-36%	0	-	0	-	0	-	0	-	275	-36%
Solar	57	-24%	0	-	3	+50%	0	-	0	-	60	-22%
Wind	5	-17%	0	-	685	+50%	0	-	0	-	689	+49%
Natural gas	58	>200%	0	-	0	-	0	-	0	-	58	>200%
Bio gas	1	+0%	0	-	0	-	0	-	0	-	1	+0%
Total	**33,518**	**-2%**	**0**	**-**	**831**	**-41%**	**0**	**-**	**0**	**-**	**34,348**	**-4%**

Sales of electricity to end customers (GWh)

Q1 - Q2 2013	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	-	-4,175	-3%	0	-	-2,986	-28%	0	-	-7,161	-15%
Commercial (low voltage)	0	-	-1,516	-11%	0	-	-1,828	-20%	0	-	-3,344	-16%
Commercial and industrial (medium and high voltage)	-353	+48%	-6,091	-5%	0	-	-1,791	-25%	0	-	-8,235	-9%
Sold to end customers	**-353**	**+48%**	**-11,782**	**-5%**	**0**	**-**	**-6,605**	**-25%**	**0**	**-**	**-18,740**	**-13%**

Distribution of electricity to end customers	**0**	**-**	**-16,786**	**-1%**	**0**	**-**	**-7,863**	**-23%**	**0**	**-**	**-24,650**	**-9%**

Electricity balance (GWh)

Q1 - Q2 2013	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	**29,114**	**-3%**	**1,152**	**+18%**	**0**	**-**	**136**	**-84%**	**685**	**+43%**	**0**	**-**	**0**	**-**	**31,086**	**-4%**
Generated in-house (gross)	32,203	-3%	1,314	+17%	0	-	146	-84%	685	+42%	0	-	0	-	34,347	-4%
In-house and other consumption, including pumping in pumped-storage plants	-3,089	-4%	-162	+12%	0	-	-10	-86%	0	-	0	-	0	-	-3,261	-5%
Sold to end customers	**-10,759**	**-3%**	**-196**	**+75%**	**-1,181**	**-18%**	**-5,089**	**-4%**	**-1,516**	**-14%**	**0**	**-**	**0**	**-**	**-18,740**	**-13%**
Sold in the wholesale market (net)	**-17,059**	**-3%**	**-957**	**+11%**	**1,181**	**-18%**	**5,604**	**+8%**	**1,521**	**-23%**	**0**	**-**	**0**	**-**	**-9,709**	**+55%**
Sold in the wholesale market	-90,874	-19%	-1,186	+15%	-79	-96%	-242	-77%	-1,338	+88%	0	-	3,174	+15%	-90,543	-21%
Purchased in the wholesale market	73,815	-22%	229	+41%	1,260	-66%	5,846	-6%	2,859	+6%	0	-	-3,174	+14%	80,834	-25%
Grid losses	**-1,296**	**+0%**	**0**	**-**	**0**	**-**	**-651**	**-15%**	**-690**	**-0%**	**0**	**-**	**0**	**-**	**-2,637**	**-42%**

Electricity generation by source (GWh)

Q1 - Q2 2013	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	15,176	+2%	0	-	0	-	0	-	0	-	0	-	0	-	15,176	+2%
Coal and lignite	15,147	-10%	1,157	+31%	0	-	143	-85%	0	-	0	-	0	-	16,447	-12%
Water	1,638	+43%	3	+0%	0	-	0	-	0	-	0	-	0	-	1,642	+40%
Biomass	121	-38%	154	-34%	0	-	0	-	0	-	0	-	0	-	275	-36%
Solar	57	-24%	0	-	0	-	3	+50%	0	-	0	-	0	-	60	-22%
Wind	5	-17%	0	-	0	-	0	-	684	+50%	0	-	0	-	689	+49%
Natural gas	58	>200%	0	-	0	-	0	-	0	-	0	-	0	-	58	>200%
Bio gas	1	+0%	0	-	0	-	0	-	0	-	0	-	0	-	1	+0%
Total	**32,203**	**-3%**	**1,314**	**+17%**	**0**	**-**	**146**	**-84%**	**684**	**+41%**	**0**	**-**	**0**	**-**	**34,348**	**-4%**

Sales of electricity to end customers (GWh)

Q1 - Q2 2013	Czech Republic		Poland		Other Central Europe		Bulgaria		Romania		Albania		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-4,110	-4%	0	-	-65	+38%	-2,218	-5%	-768	-7%	0	-	0	-	-7,161	-15%
Commercial (low voltage)	-1,481	-13%	0	-	-35	>200%	-1,366	-6%	-462	-1%	0	-	0	-	-3,344	-16%
Commercial and industrial (medium and high voltage)	-5,168	+0%	-196	+75%	-1,080	-22%	-1,505	-0%	-286	-39%	0	-	0	-	-8,235	-9%
Sold to end customers	**-10,759**	**-3%**	**-196**	**+75%**	**-1,180**	**-18%**	**-5,089**	**-4%**	**-1,516**	**-14%**	**0**	**-**	**0**	**-**	**-18,740**	**-13%**

Distribution of electricity to end customers	**-16,786**	**-1%**	**0**	**-**	**0**	**-**	**-4,627**	**-4%**	**-3,236**	**-10%**	**0**	**-**	**0**	**-**	**-24,650**	**-9%**