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

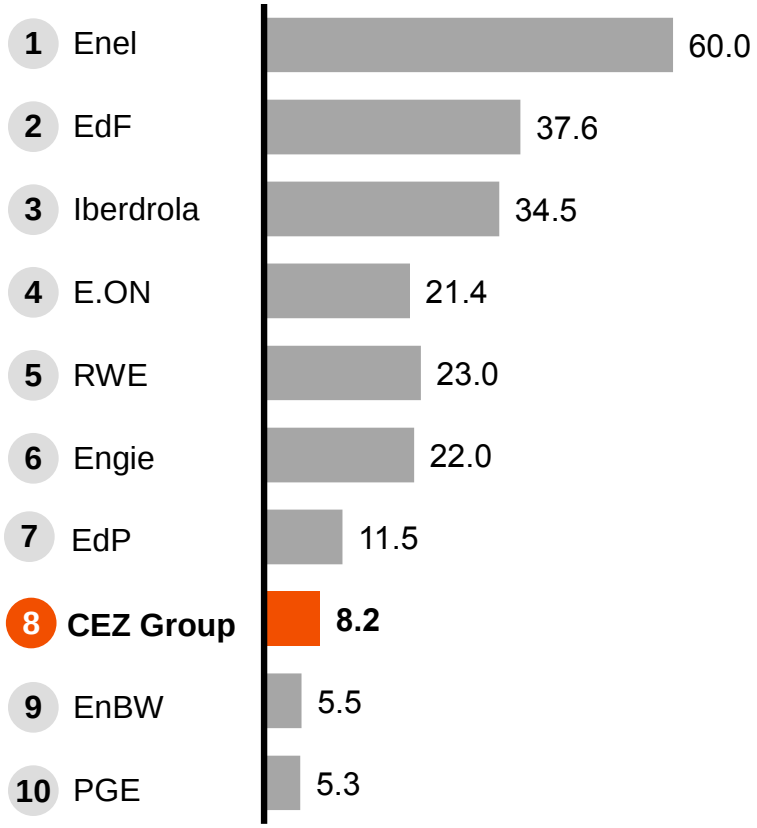
Investment story, November 2017

AGENDA

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

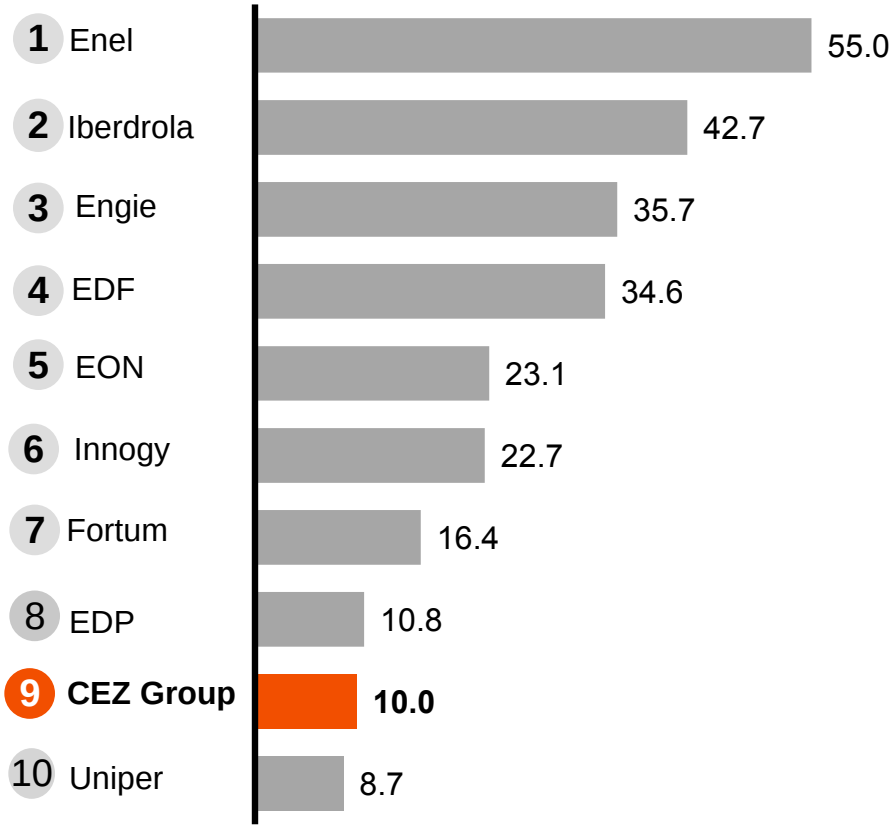
Top 10 European power utilities

Number of customers in 2016, in millions



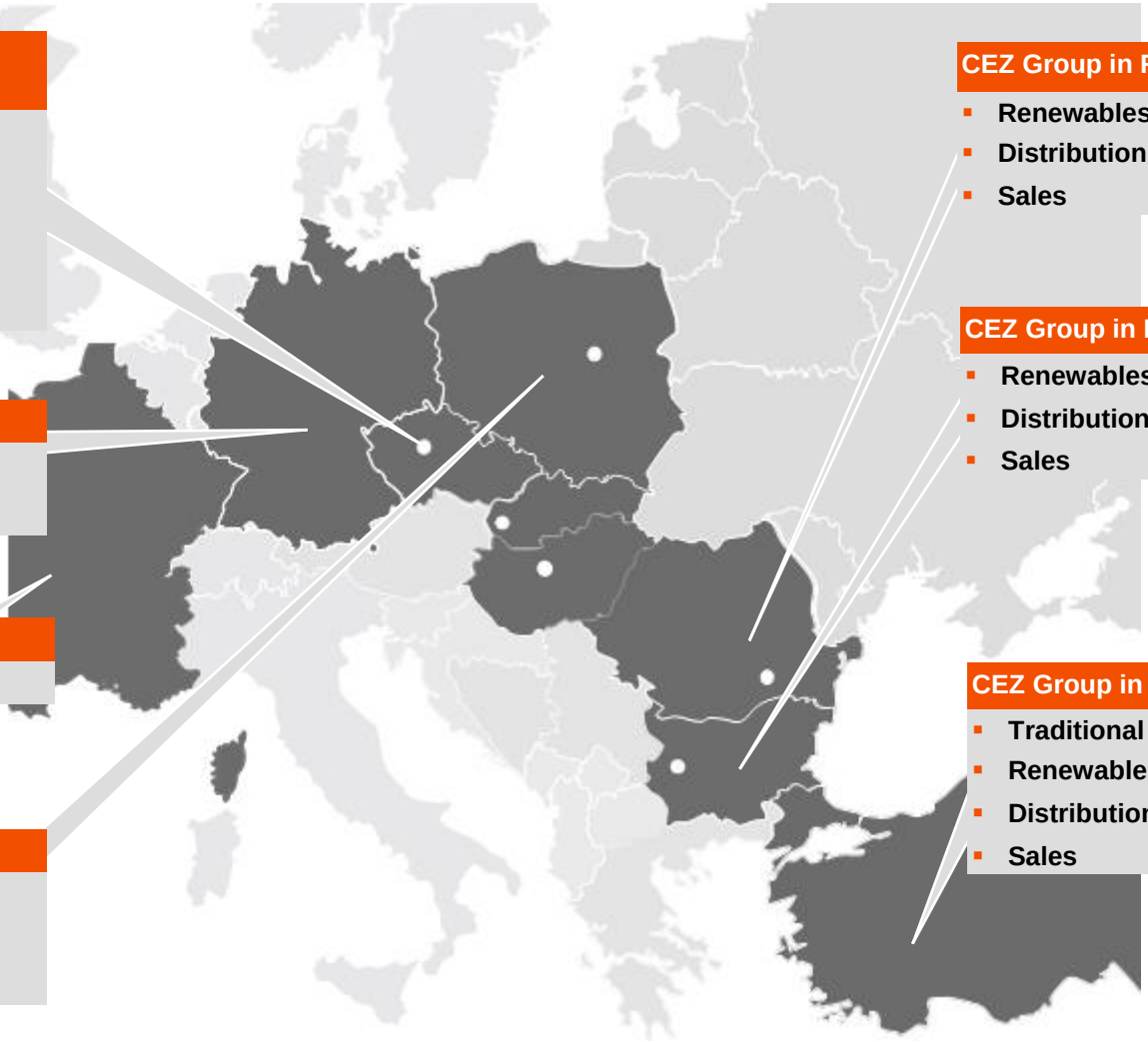
Top 10 European power utilities

Market capitalization in EUR bn, as of November 7, 2017



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

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



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

CEZ Group in Germany
- Renewables
- ESCO, Sales

CEZ Group in France
- Renewables

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

CEZ Group in Romania
- Renewables
- Distribution
- Sales

CEZ Group in Bulgaria
- Renewables
- Distribution
- Sales

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

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

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

	Lignite mining	Generation	Transmission	Distribution	Supply
CEZ	**55%** 21.4 million tons	**68%** 56.9 TWh	**100%** 63.9 TWh	**65%** 35.0 TWh	**32%** 19.6 TWh
Others	**45%** 17.1 million tons	**32%** 26.4 TWh		**35%** 19.2 TWh	**68%** 41.3 TWh

- CEZ fully owns the largest Czech mining company (SD) covering 68% of CEZ' s lignite needs
- Remaining 3 coal mining companies are privately owned

- Other competitors – individual IPPs

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

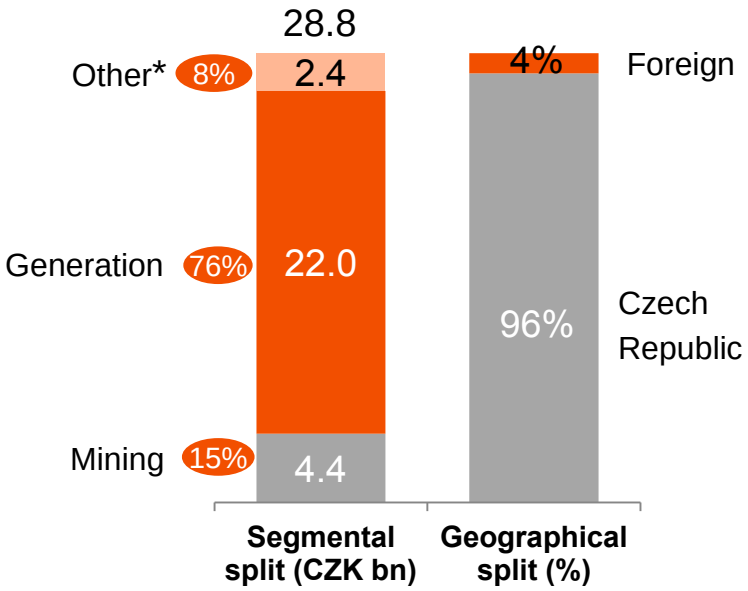
- Other competitors – E.ON, PRE (58% held by EnBW), Bohemia Energy, Innogy, Centropol Energy

Source: CEZ, ERU, MPO, data for 2016

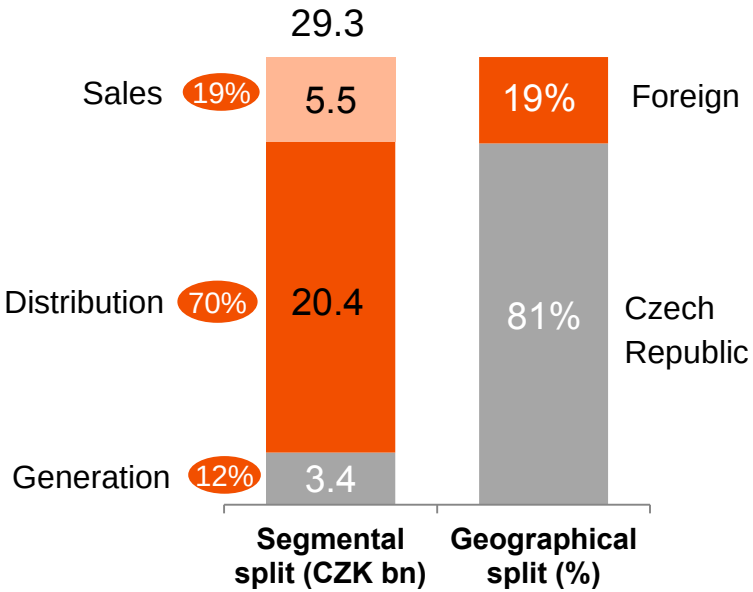
SEGMENTAL AND GEOGRAPHICAL CONTRIBUTIONS TO EBITDA IN 2016

2016 EBITDA CZK 58.1bn

50% **Traditional Generation 2016 EBITDA**



50% **Regulated and New Energy 2016 EBITDA**



OPERATIONS TEAM

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

DEVELOPMENT TEAM

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

*including eliminations

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

THREE PILLARS OF CEZ GROUP'S STRATEGY

I

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

II

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

III

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

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

Operations Team – additional CZK 3 bn EBITDA by 2020*

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

Development Team - additional CZK 6 bn EBITDA by 2020*

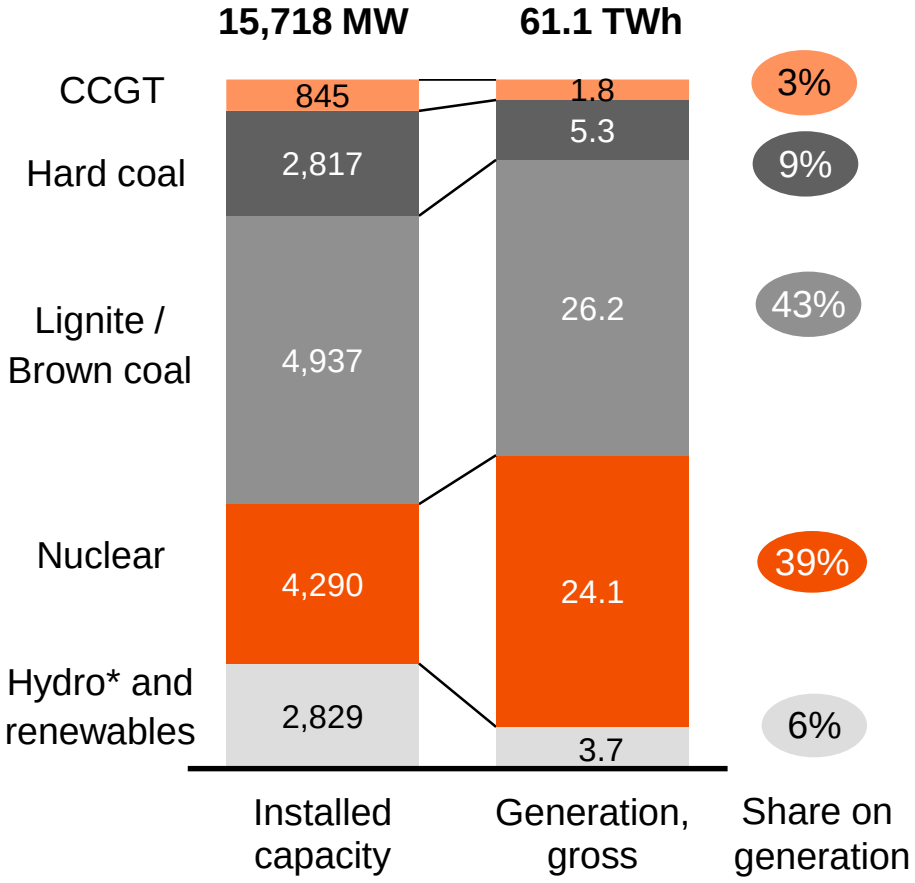
- Acquisitions and Development in Renewable Generation, ESCO and distribution in Western and Central Europe
- Acquisition potential up to CEZ Group´s leverage of 3x Net Debt / EBITDA
- Optimization of Distribution operations and Sales to retail
- Venture-type investments in Energy related areas in Europe

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

AGENDA

CEZ GROUP OPERATES LOW COST GENERATION FLEET

Installed capacity and generation (2016)

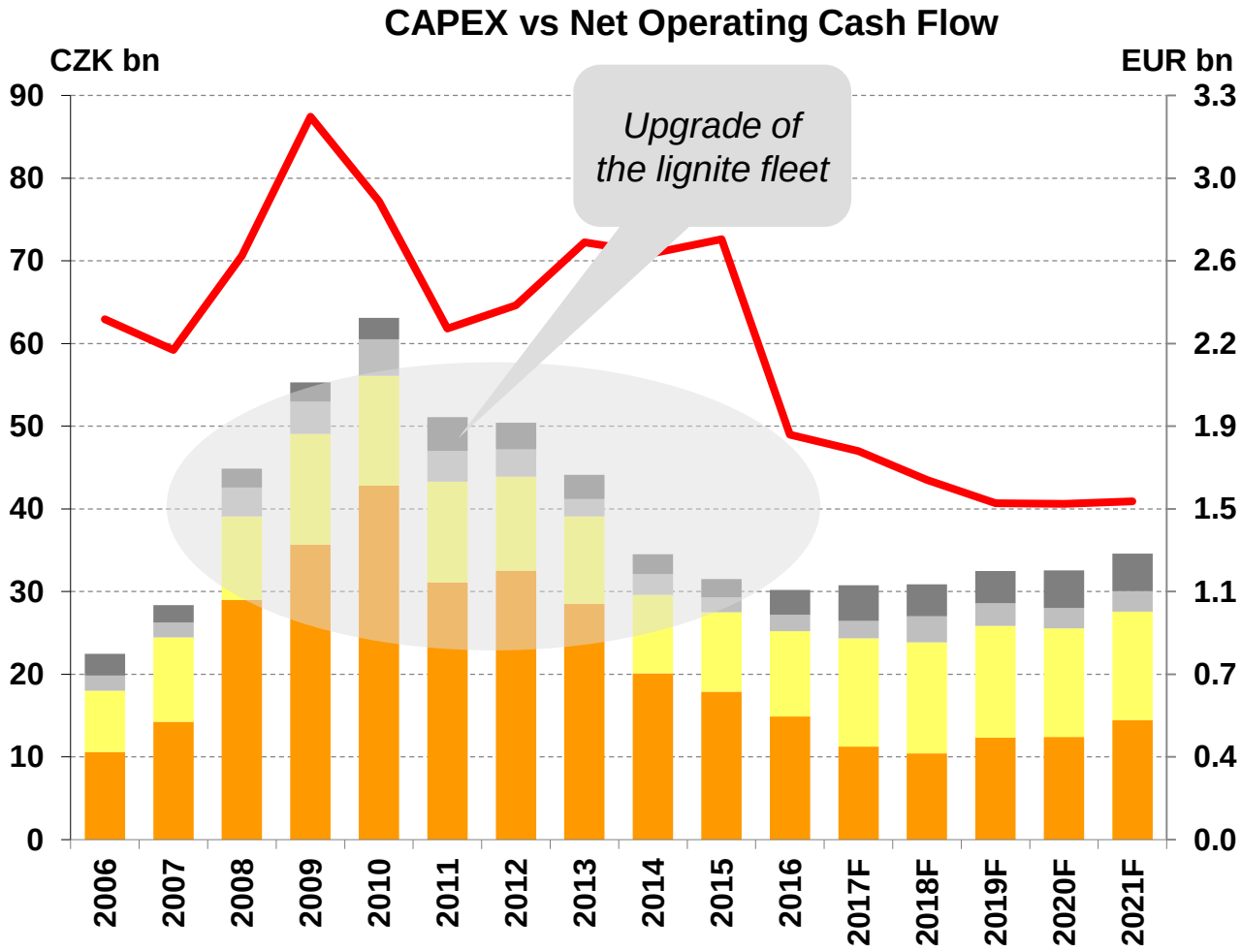


- **Coal power plants are using mostly lignite from CEZ's own mine** (68% of lignite needs sourced internally, remaining volume through long-term supply contracts)
- **Nuclear plants have very low operational costs**

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

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

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



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

Total CAPEX during 2017-2021 (in CZK bn)	
Generation - traditional	57
Generation – new* energy	4
Distribution **	66
Mining	13
Other (including sales)	21

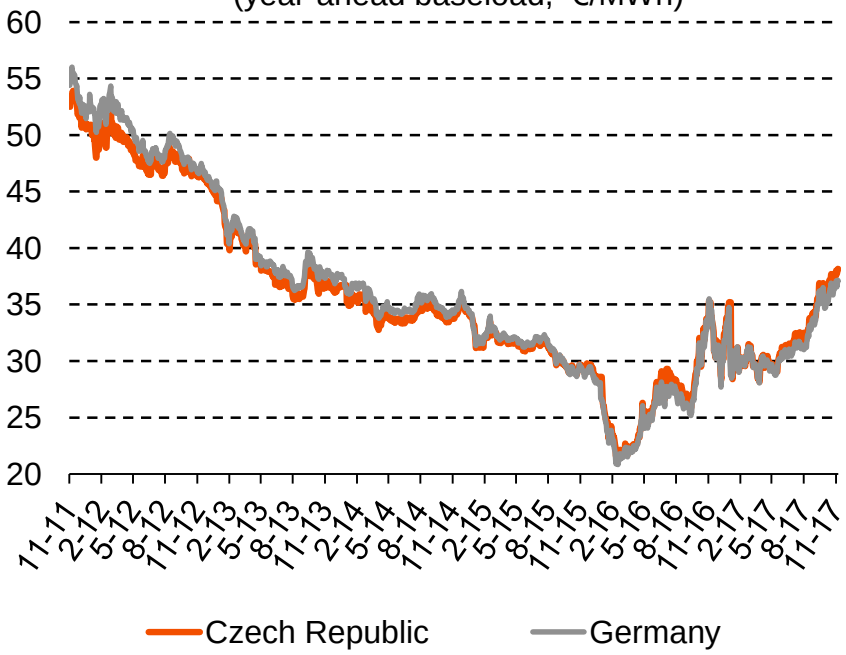
* Primarily Polish wind farms, whose execution is dependent on regulatory developments

** of which CZK 13 bn outside Czech Rep.

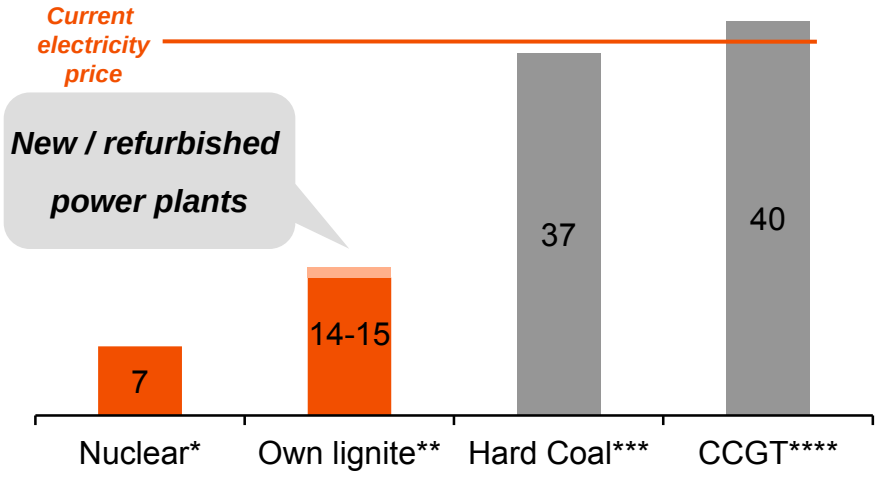
Exchange rate EUR/CZK = 27.025 Net Operating CF is based on the business plan (using prices in Aug/Sep 2016, i.e. around 25 EUR/MWh).

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

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



Fuel costs by technology
(€/MWh)



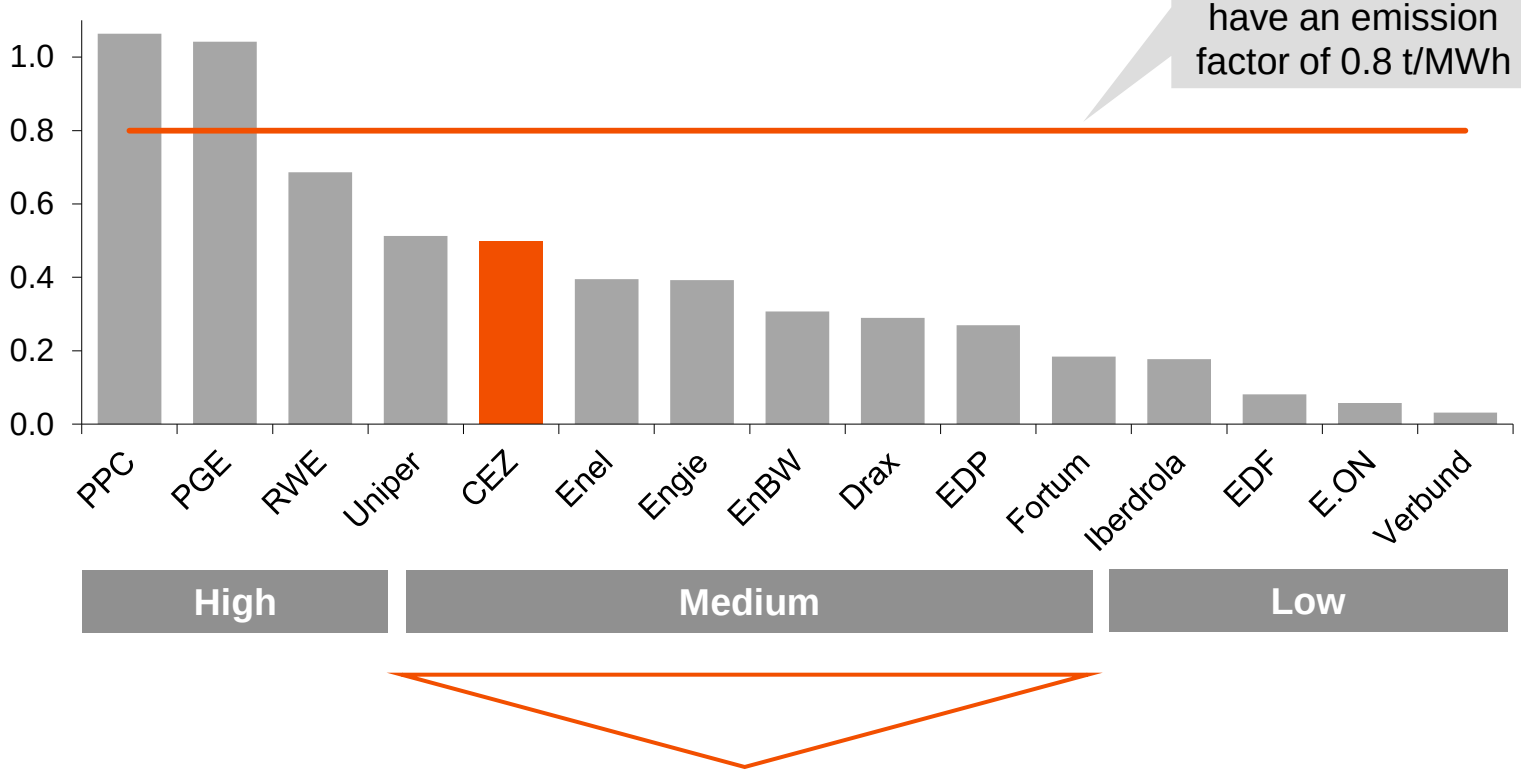
Drivers of electricity price

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

* Nuclear fuel costs + CZK55/MWh payment for fuel storage ** Cash cost of extracting own lignite, 42/39.5% efficiency, 11,5 GJ/t calorific value, carbon at 7.81 EUR/t, 0.96 t/MWh CO2 *** Coal at 93.15 USD/t, 38% efficiency, 0.90 t/MWh CO2 ****Gas19.25 EUR/MWh, 57% efficiency, 0.35 t/MWh CO2

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

Carbon intensity of selected European utilities
(2016, t/MWh)



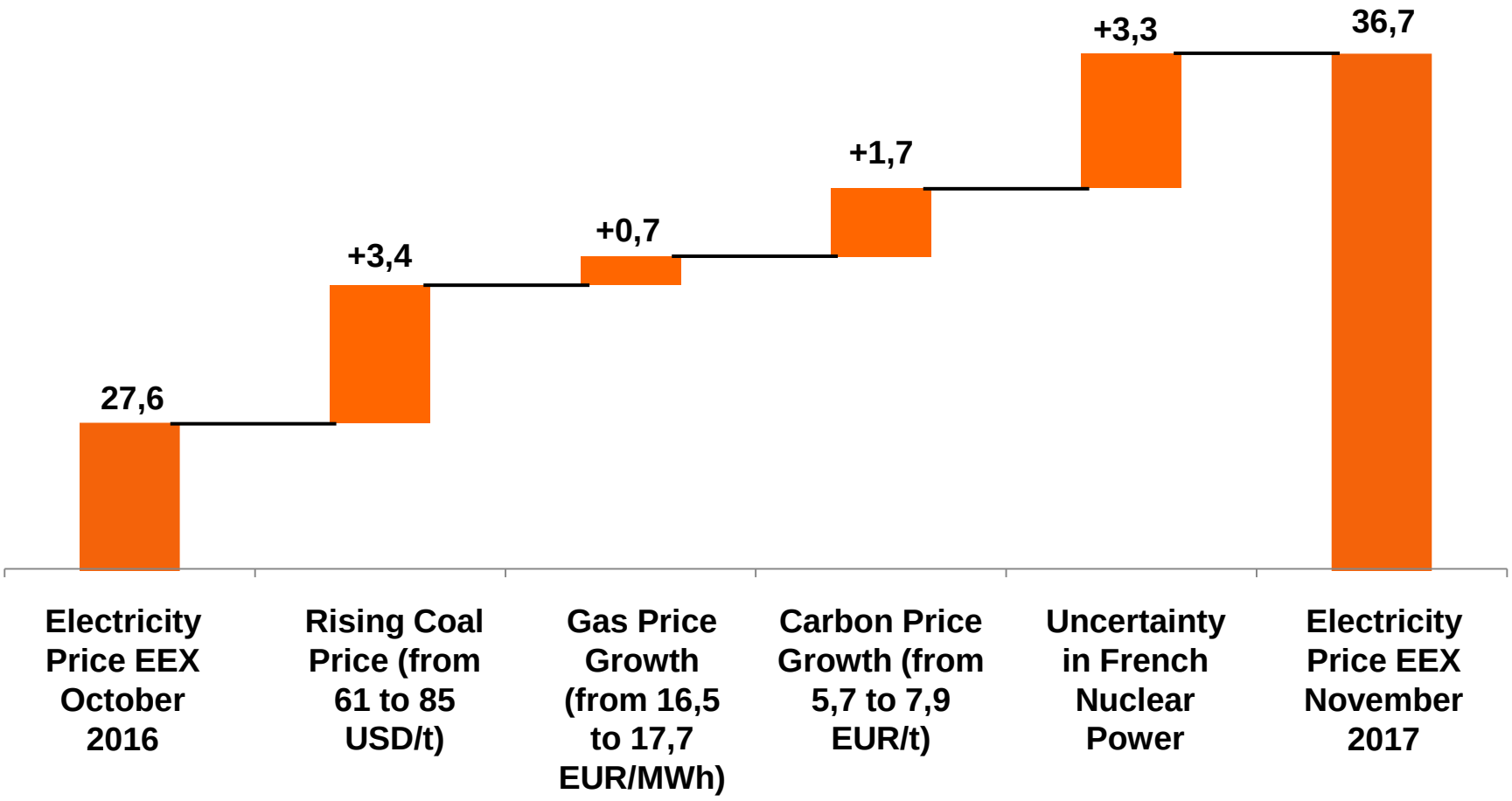
Increase in CO_2 price has a positive impact on CEZ profitability*

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

OVER THE LAST YEAR THE ELECTRICITY PRICES HAVE RISEN MAINLY DUE TO HIGHER COAL PRICES AND UNCERTAINTY IN FRENCH NUCLEAR POWER

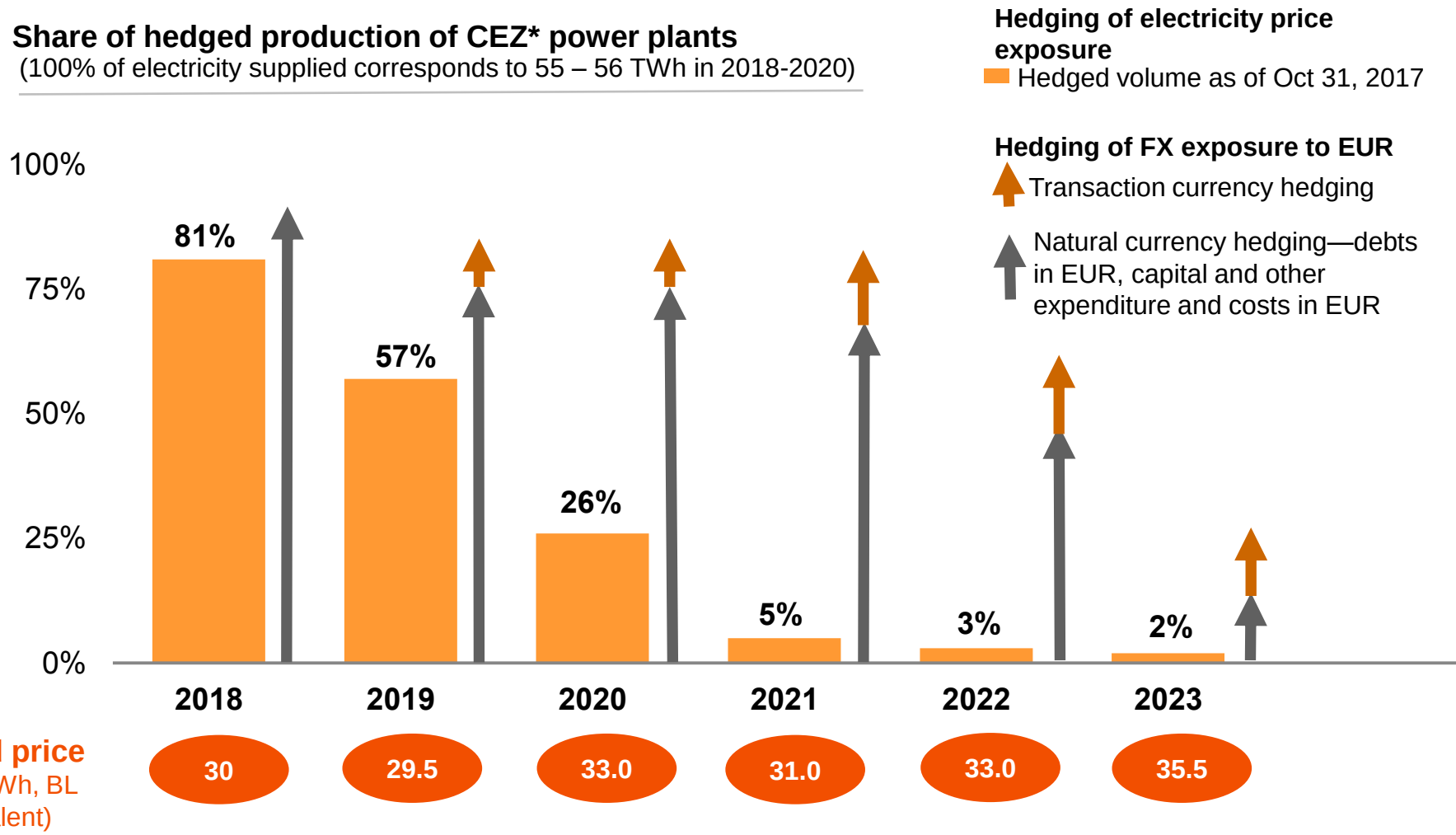
Breakdown of factors influencing change in price of electricity since 10/2016

EUR/MWh (EEX, baseload Cal 2018)



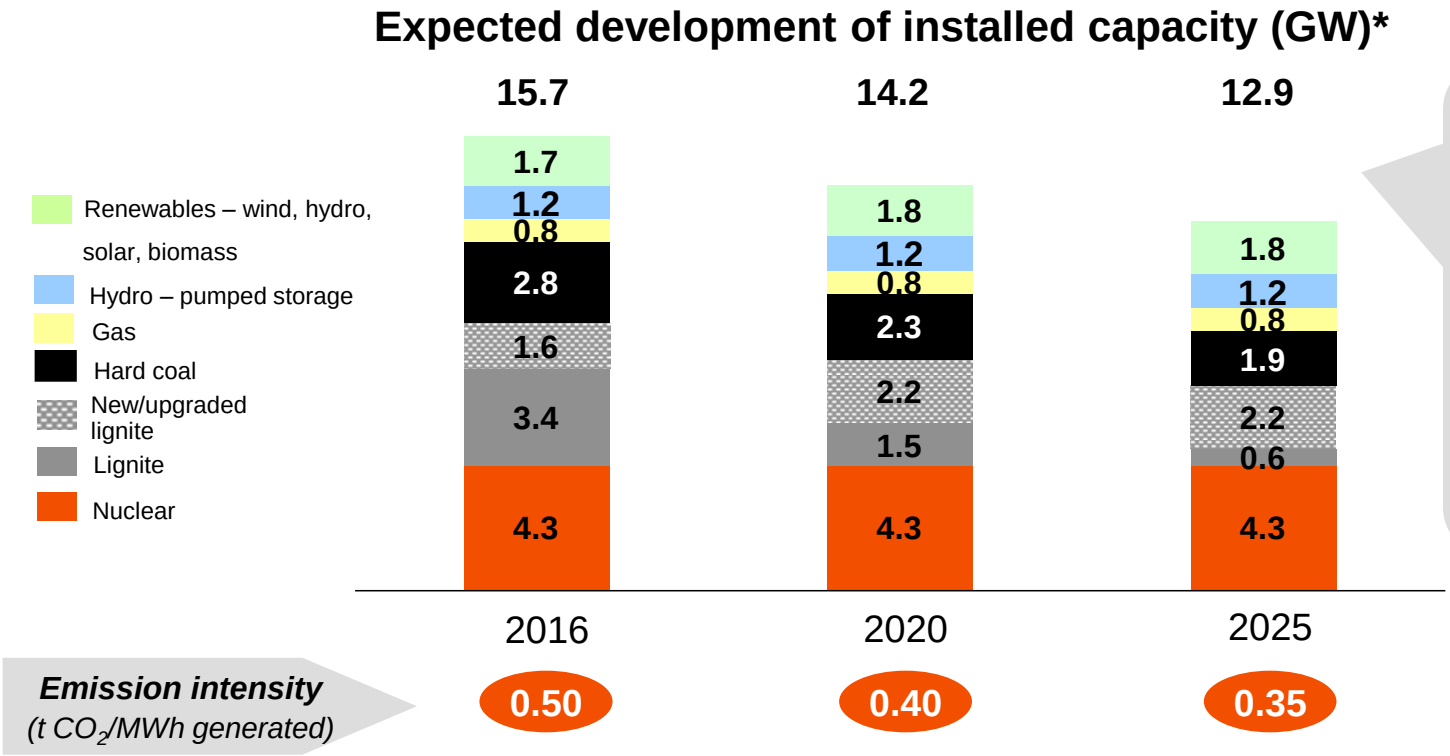
CEZ HEDGES ITS PRODUCTION GRADUALLY WITHIN THE 3-YEAR HORIZON

Share of hedged production of CEZ* power plants
(100% of electricity supplied corresponds to 55 – 56 TWh in 2018-2020)



Source: ČEZ ČEZ*—ČEZ, a. s., Energotrans, Počerady, Dětmarovice, Vítkovice

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



Further development of renewables will (partly) offset the decline in the installed capacity and further decrease CO2 intensity.

- Closures of old lignite and hard coal units not supplied by our own coal , i.e. units with low profit will result in decrease of the total installed capacity.
- CO2 emission intensity to decrease approximately by 30%.
- Varna power plant (1.26GW) sell is subject to approval of the Bulgarian antimonopoly authority (CPC). For the moment part of hard coal installed capacity.

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

OPERATIONS TEAM
STRATEGIC AMBITIONS FOR 2020

Additional CZK 3 bn EBITDA by 2020*

Already implemented / Identified:

- Renewed lignite fleet
- Extension of licenses of Unit 1 and Unit 2 of Dukovany nuclear power plant for indefinite period
- Cost reduction and optimisation in mining and power generation
- Cost reduction and efficiency increase in support services
- Disposal of non-core assets, (e.g. sale of residential property in Prague)

Areas of further focus:

- Extension of licenses for Dukovany nuclear power plant – Unit 3, 4 expected by the end of 2017
- Increasing nuclear output to levels before welding issues discovery (30+ TWh; +25% compared to 2016)
- Full operational availability of new Ledvice power plant (660MW)
- Further optimization of generation fleet performance and Mine-to-Plant interface
- Disposal of non-core assets.
- Cooperation with government in preparation of new nuclear project (within dedicated SPVs)

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

AGENDA

DEVELOPMENT TEAM
STRATEGIC AMBITIONS FOR 2020

Additional CZK 6 bn EBITDA by 2020*

Already implemented / Identified:

DISTRIBUTION

- Prepared conditions for distribution CAPEX projects to make the distribution grid ready for the decentralized generation - Increase of CAPEX in Czech Distribution by 35%**

ESCO

- Acquisition of ESCO leading company Elevion with annual revenues CZK 8bn (Germany)
- Acquisition of other ESCO companies with annual revenues of CZK 2bn mainly in the Czech Republic

RENEWABLES

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

Areas of further focus:

DISTRIBUTION

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

ESCO

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

RENEWABLES

- Renewables in Germany, France, UK (incl. Off-shore)
- integrated player in renewables - development, operation, maintenance and marketing of renewables

OTHER

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

* EBITDA improvement upon the Business plan (from Sept 2015) for 2020 ** avg 2016-2021 vs 2015

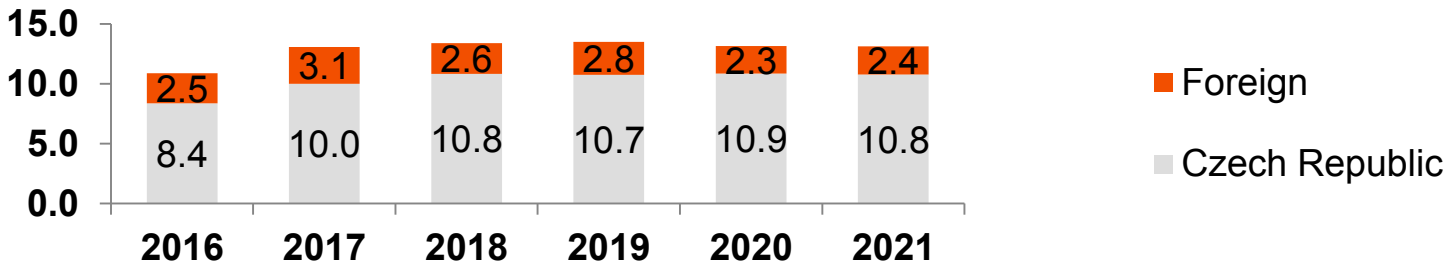
IN 2016 CZECH DISTRIBUTION MADE UP FOR 70 % OF DEVELOPMENT TEAM EBITDA, TRANSPARENT CZECH REGULATION INCENTIVISES HIGHER INVESTMENTS

Overview of 2017 regulation parameters and 2016 EBITDA contribution

	Czech Republic 2017	Bulgaria 2017	Romania 2017
RAB (local currency m)	92,750	544	2,384
RAB (€ m)	3,629	278	518.3
WACC pre-tax	7.951% (nominal)	7.04% (nominal)	7.7% (real)
Regulatory period	2016 – 2018 (2020*)	2015 - 2018	2014 - 2018
2016 EBITDA (CZK bn)	17.5	1.3	1.8

* On 31st August 2017 Energy Regulatory Office published the proposal for extension of 4th regulatory period till 31st December 2020. The proposal will undergo a public consultation process. The final decision is expected to be published at the end of 2017 latest.

CAPEX plan in the distribution segment



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

Having acquired the ELEVION group, CEZ Group more than doubled the number of its experts in ESCO services and already generates annual sales of approx. CZK 13bn today.

Indicative values today*	ČEZ ESCO (Czech Republic)	ELEVION (Germany)	ESCO TOTAL
ANNUAL SALES	**Approx. CZK 5bn**	**Approx. CZK 8bn**	**Approx. CZK 13bn**
Past sales growth (incl. acquisitions)	Almost 60% annually on average in the past 2 years	30% annually on average in the past 5 years	N/A
EBITDA/SALES	**6%–7%**	**5%–6%**	**Over 6%**
ASSETS	**Approx. CZK 5bn**	**Approx. CZK 3bn**	**Approx. CZK 8bn**
EMPLOYEE HEADCOUNT	**Approx. 1,300**	**Over 1,800**	**Over 3,100**

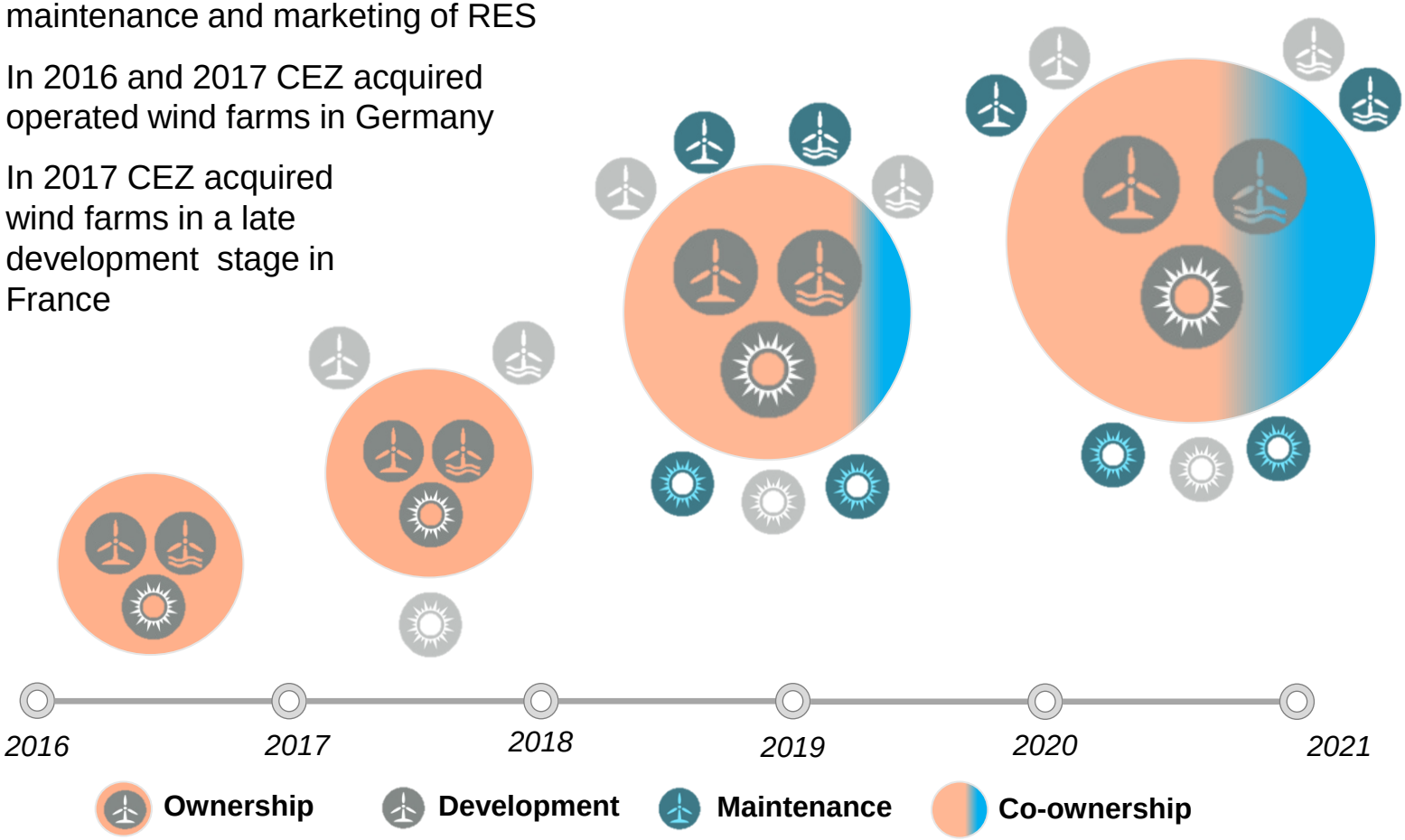
The potential for CEZ Group's dynamic growth in ESCO is amplified by the EU countries' commitment to major energy savings by 2030.

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

* Data for Elevion correspond to actual figures from July 2016 to June 2017, adjusted for specific effects; data for the Czech Republiic correspond to the 2017 estimate. Globally, they are indicative values aimed to illustrate the size of the ESCO portfolio.

CEZ GROUP AIMS TO BECOME AN INTEGRATED PLAYER IN RENEWABLES

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



NEW ACQUISITIONS OF WIND TURBINES IN GERMANY AND PROJECTS IN FRANCE WILL HELP US ACHIEVE OUR STRATEGIC AMBITION FOR 2020

We entered the wind energy market in France

- Acquisition of projects for 9 wind farms in a late development stage in six regions with a target installed capacity of up to 101.8 MW
- All the farms have purchasing prices guaranteed for 15 years
- Possibility to optimize turbine purchases and simultaneously influence construction parameters
- We expect connection to the grid and first revenues in 2019 to 2022
- The seller was ABO wind, a renowned development company

Acquisition of another operated wind farm in Germany

- 14 operated turbines with a total installed capacity of 35.4 MW
- Operating support in the form of a 20-year feed-in tariff
- The wind farm is located in western Germany (Lettweiler Höhe near Rehborn in Rhineland-Palatinate)
- The seller was KGAL, a renowned German RES fund

This is raising CEZ Group's total capacity at wind farms in 2017 to 769.9 MW

- The total **installed capacity of operated German farms is 133.5 MW** (12.8 MW at the Fohren-Linden park, 85.25 MW at parks from wpd's portfolio, and 35.4 MW at the latest acquisition in Rhineland-Palatinate). There are 53 wind turbines in total.
- CEZ acquisitions to date generate CZK 0.85bn EBITDA potential for fulfilling the 2020 strategic financial target for Renewables (achieving additional* 2020 EBITDA of CZK 3bn).

CEZ Group wind installations in Germany:

Germany

- Feed-in tariff – average of 89 EUR/MWh (flat)

France

- Project pipeline up to 102 MW – if successful commissioning expected in 2019-22
- PPA secured – average price of 81 EUR/MWh (escalated)

CEZ INVESTS IN INNOVATIVE ENERGY COMPANIES

INVIEIN CAPITAL
CEZ GROUP

CZK 5bn Committed capital (by CEZ Group), CZK 1.2bn already invested, Investment Period – 5-7 year

sonnen

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

2017 Global Cleantech 100 TOP 100 COMPANY

FT 1000 Europe's Fastest Growing Companies 2017 statista

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

sunfire

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

tado°

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

CLOUD&HEAT

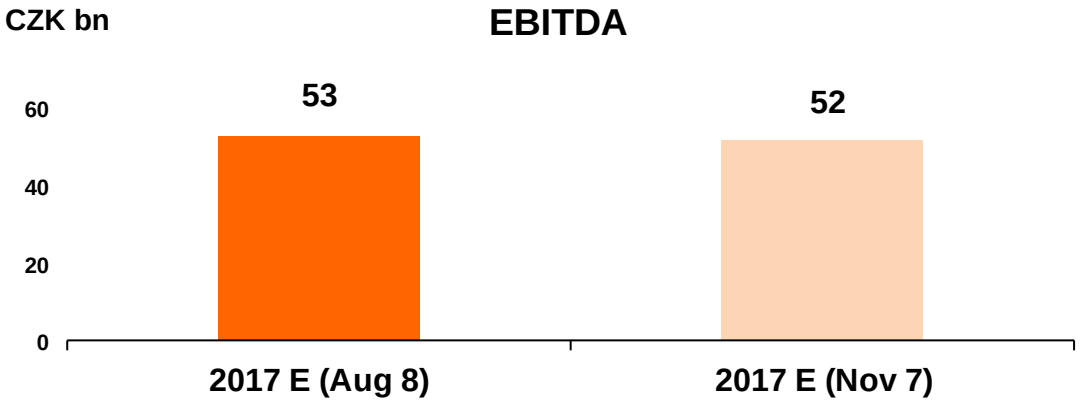
- Cloud & Heat – designs, builds, and operates environmentally friendly, water-cooled, public and private data centers for cloud computing. The solution makes use of heat from servers to heat offices and water in office buildings, up to 50% reduction in operating costs in comparison with conventional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

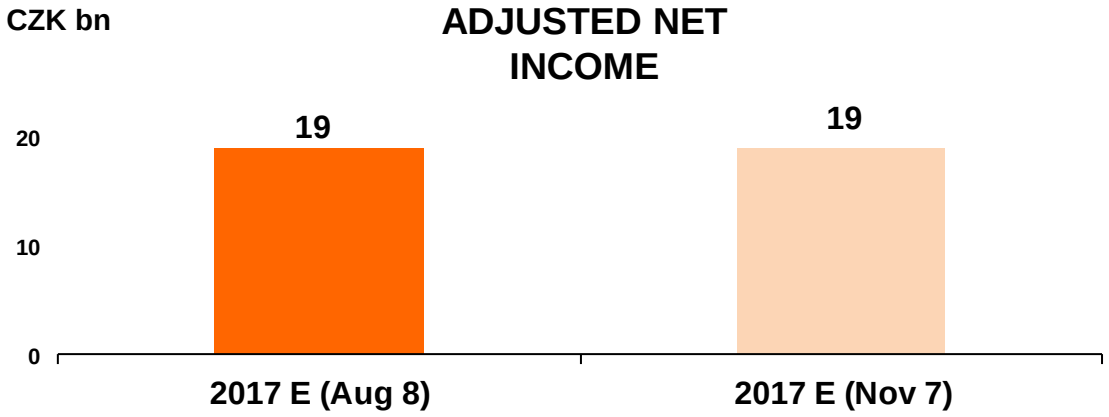
vulog

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

AGENDA

WE EXPECT 2017 EBITDA OF CZK 52BN, ADJUSTED NET INCOME OF CZK 19BN





Selected negative effects as compared to expectation from Aug 8, 2017:

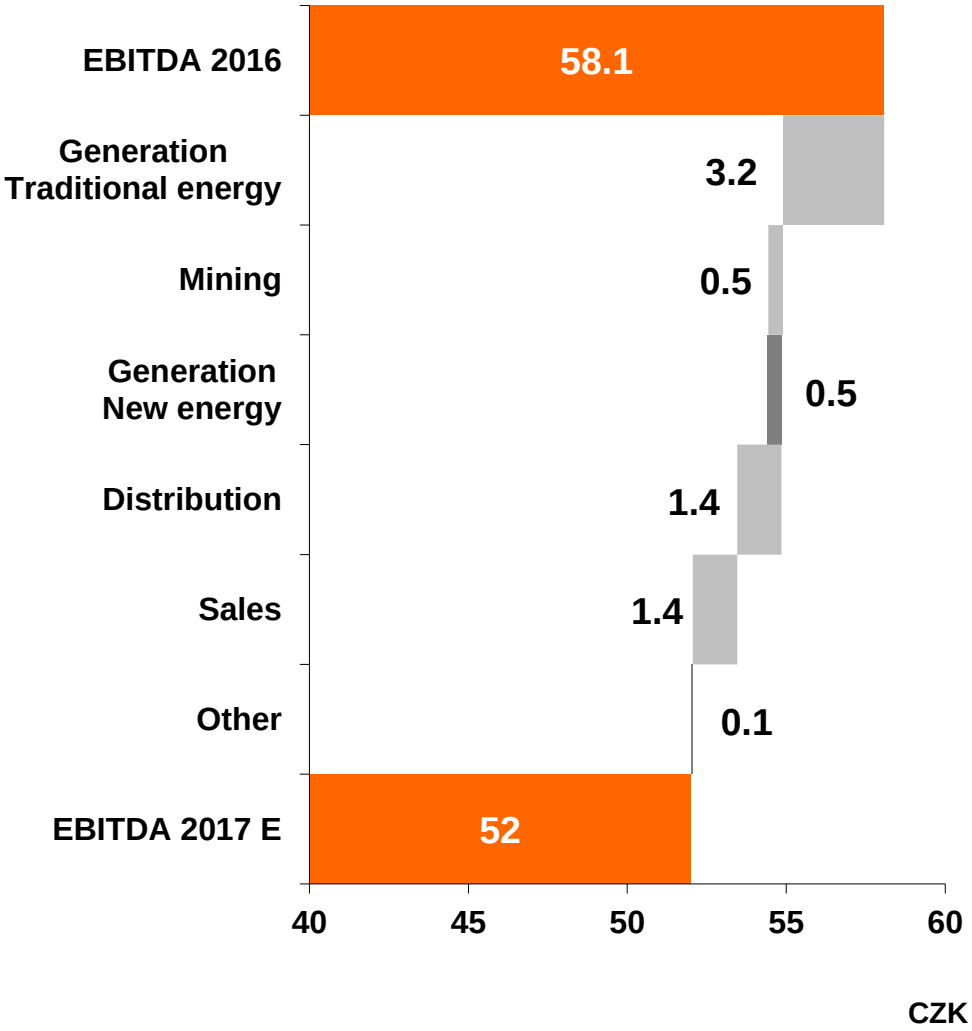
- Expected postponement of court decision concerning the payment of SŽDC debt from 2011 beyond 2017 (total impact, including ancillary, on EBITDA of approx. CZK -1.3bn) in relation to the Supreme Court's decision concerning a dispute over the payment of SŽDC debt from 2010

Selected positive effects as compared to expectation from Aug 8, 2017:

- Lower depreciation and amortization and higher capitalization of interest expenses, primarily due to change in the expected completion date of the new Ledvice unit (approx. CZK +0.8bn in total)

Adjusted net income values exclude extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-offs).

EXPECTED YEAR-ON-YEAR CHANGE IN EBITDA - MAIN CAUSES BY SEGMENT (2017 VS. 2016)



Generation—Traditional Energy

- Decrease in electricity realization prices incl. hedging offset by increased production at nuclear power plants
- Higher expenses on emission allowances
- Higher fixed expenses on safety and long-term operation at nuclear facilities

Mining

- Primarily, increased fee for mined minerals and decreased revenues from coal sales

Generation—New Energy

- Allocation of 2013–2015 certificates for wind farms in Romania in 2016
- Addition to impairments for EWC 2016 projects
- Positive effect of new RES acquisitons from the end of 2016

Distribution

- Positive effect of unbilled electricity settlement in the Czech Republic in 2016
- Effect of correction factors and higher permitted revenues

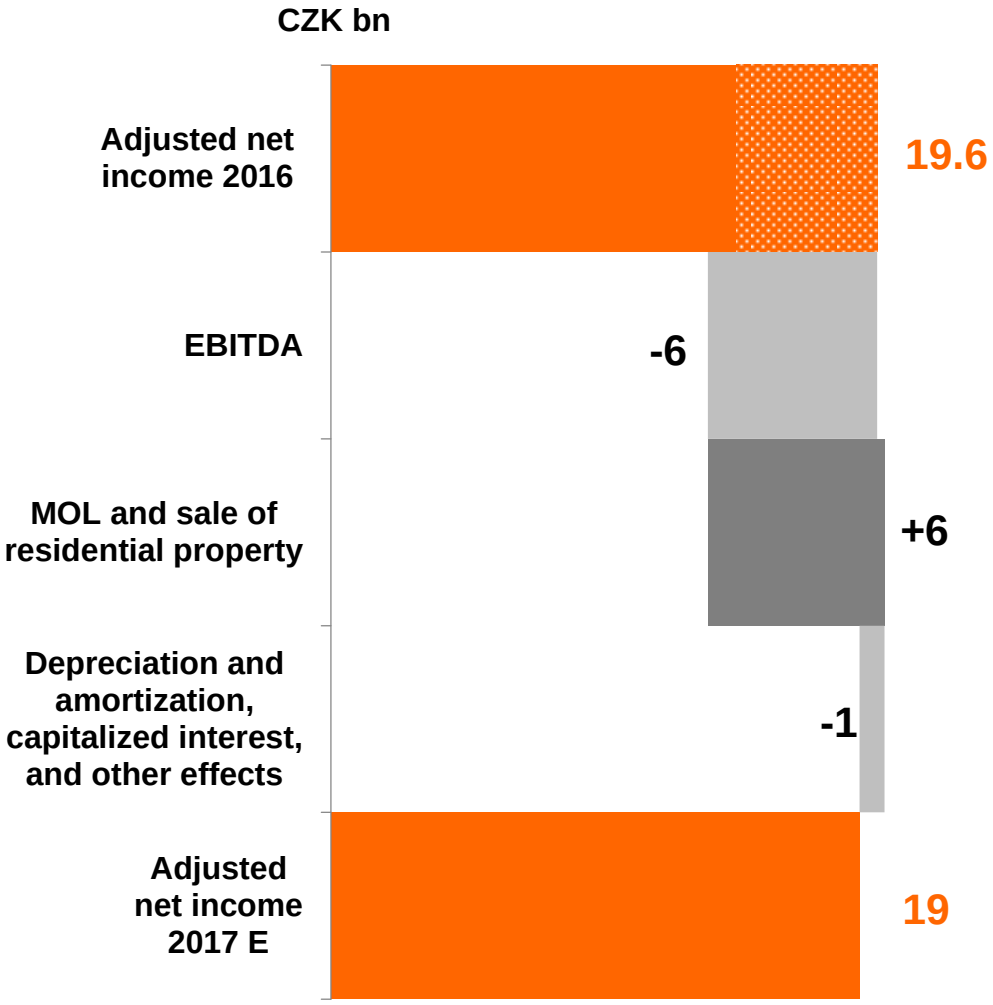
Sales

- Positive effect of unbilled electricity settlement in the Czech Republic in 2016
- Taking up specific market opportunities in electricity and gas sales in 2016 (especially a significant drop in electricity prices)
- Out-of-court settlement agreement between CEZ Elektro BG and NEK in 2017 concerning RES receivables

EWC—Eco-wind Construction; EE—electricity; SŽDC—Správa železniční dopravní cesty (Railway Infrastructure Administration)

EXPECTED YEAR-ON-YEAR CHANGE IN NET INCOME

MAIN CAUSES (2017 VS. 2016)



Main causes of year-on-year change:

EBITDA

- Effect of unbilled electricity settlement in Czechia in 2016 and effect of correction factors (CZK -2.7bn)
- Higher expenses on emission allowances
- Higher fixed expenses on safety at NPPs
- Decrease in electricity realization prices including hedging offset by increased generation

MOL and sale of residential property (CZK +6.4bn in total)

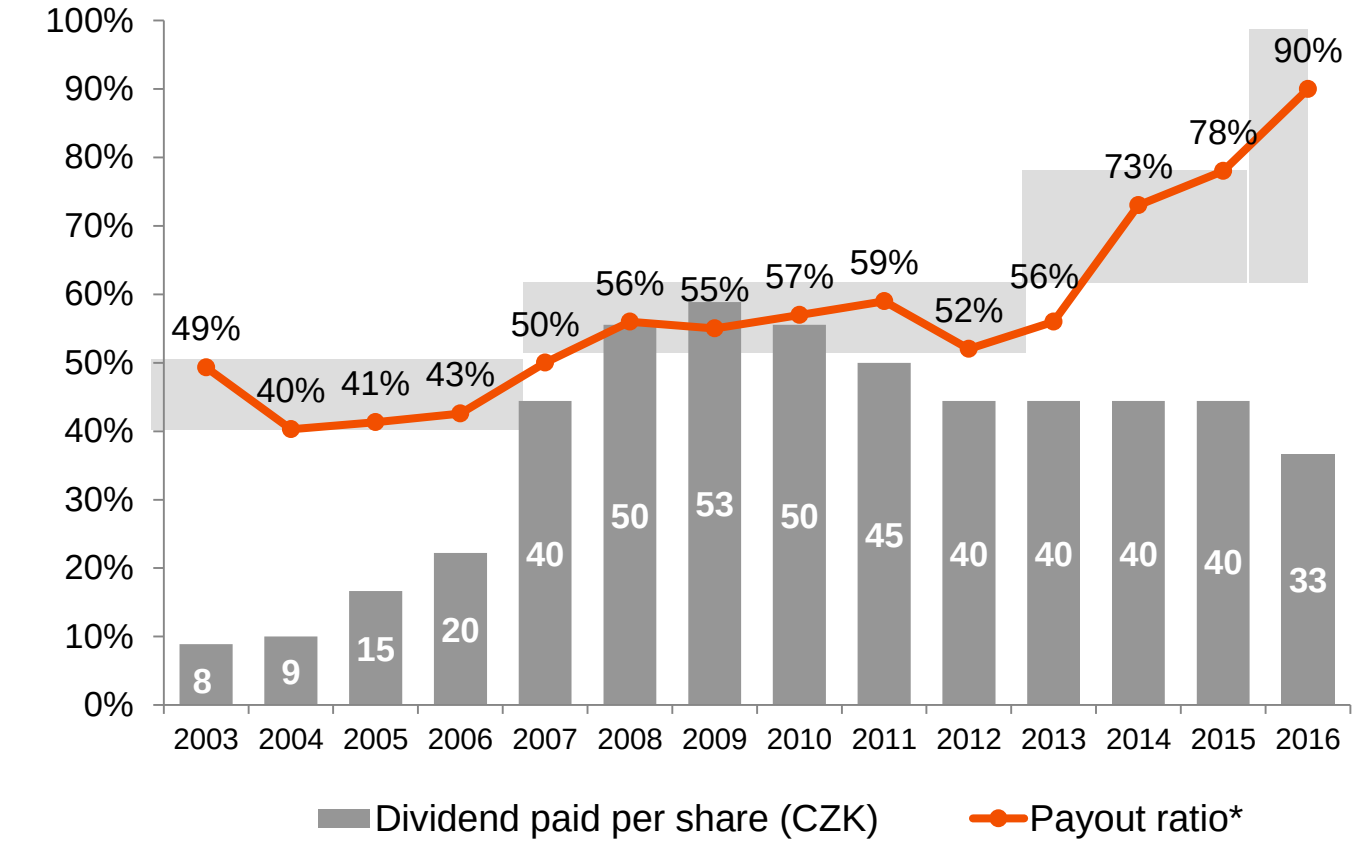
- Total effect of the MOL transaction (CZK +5.3bn), of which positive effect on 2017 income (CZK +4.6bn) and negative effect on 2016 income (CZK -0.8bn)
- Sale of residential property in Prague (CZK +1.1bn)

Other effects

- Increase in depreciation and amortization and lower interest capitalization primarily due to completion of Prunéřov power plant‘s renovation in 2016
- Other effects, primarily of exchange rates and revaluation of derivatives

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

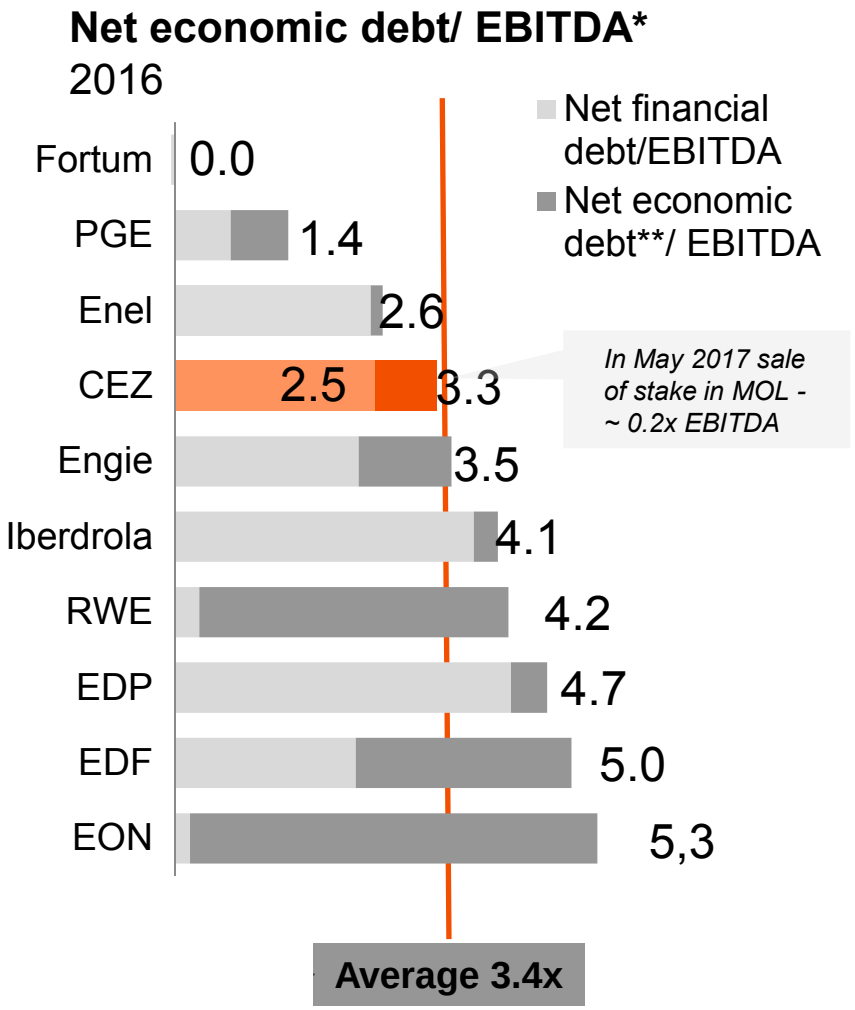
Payout ratio* (%)



- In June 2017 general meeting of CEZ approved management proposal for 2016 dividend CZK 33 per share
- Dividend payment started on 1st August 2017

* As percentage of adjusted net income

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



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

Current credit rating

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

Tolerated leverage

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

AGENDA

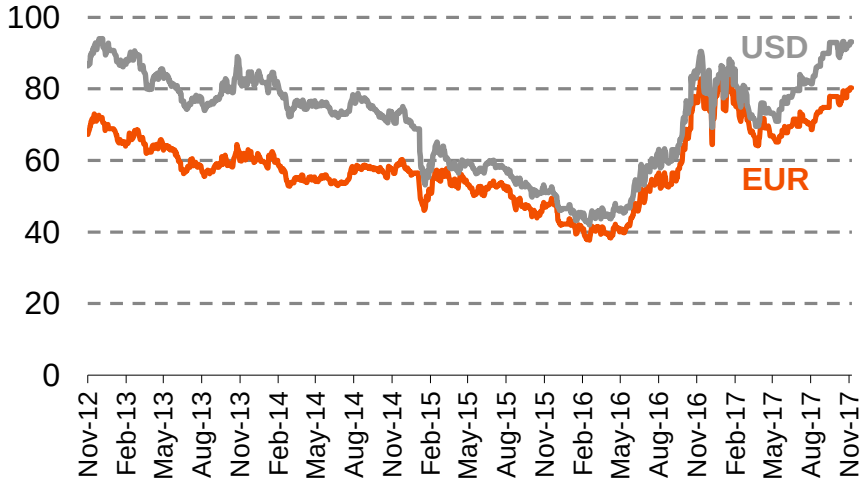
SUMMARY

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

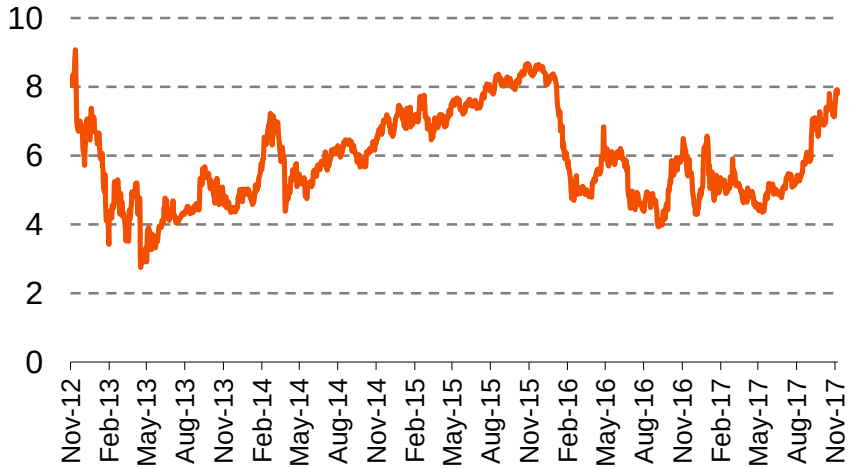
AGENDA

HISTORICAL DEVELOPMENT OF PRICES OF INPUT COMMODITIES

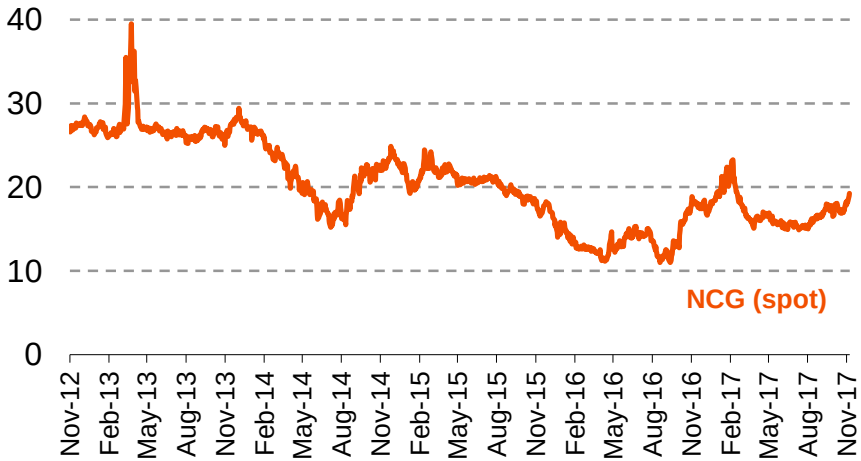
Coal (t)



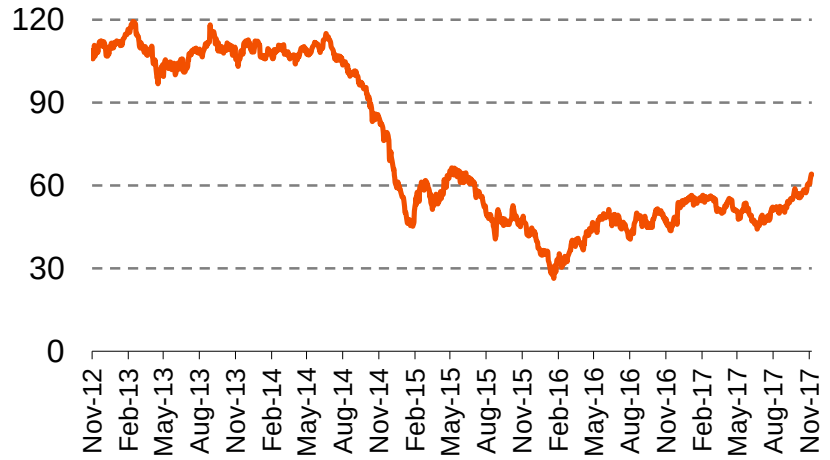
CO_2 allowances (EUR/t)



Gas (EUR/MWh, in Germany)

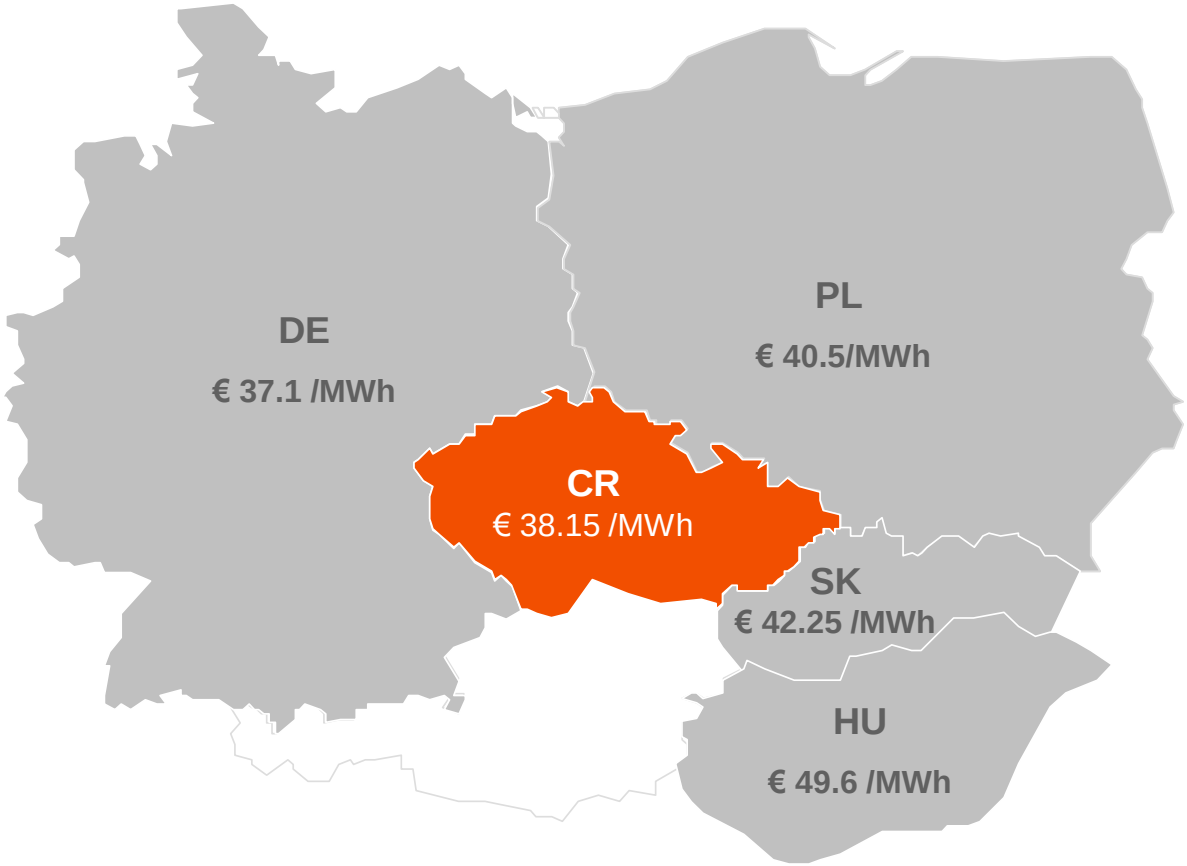


Oil Brent (USD/bl)



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

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

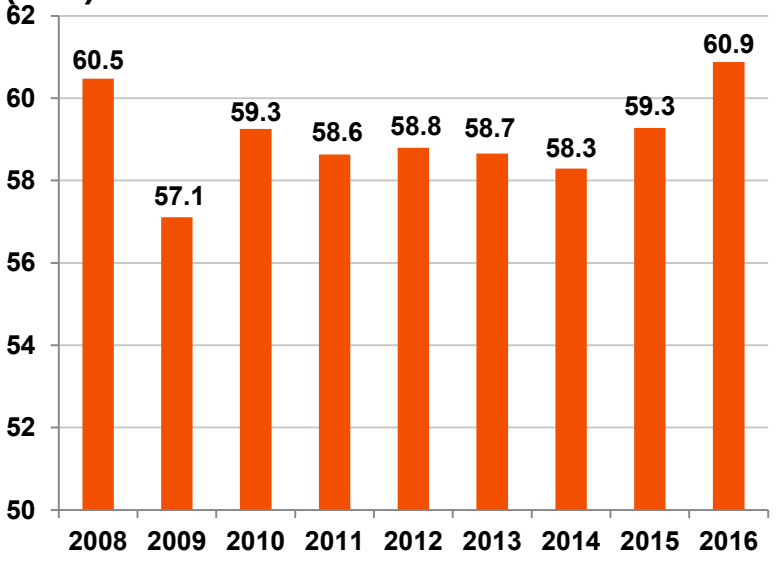


Source: EEX, PXE, TGE

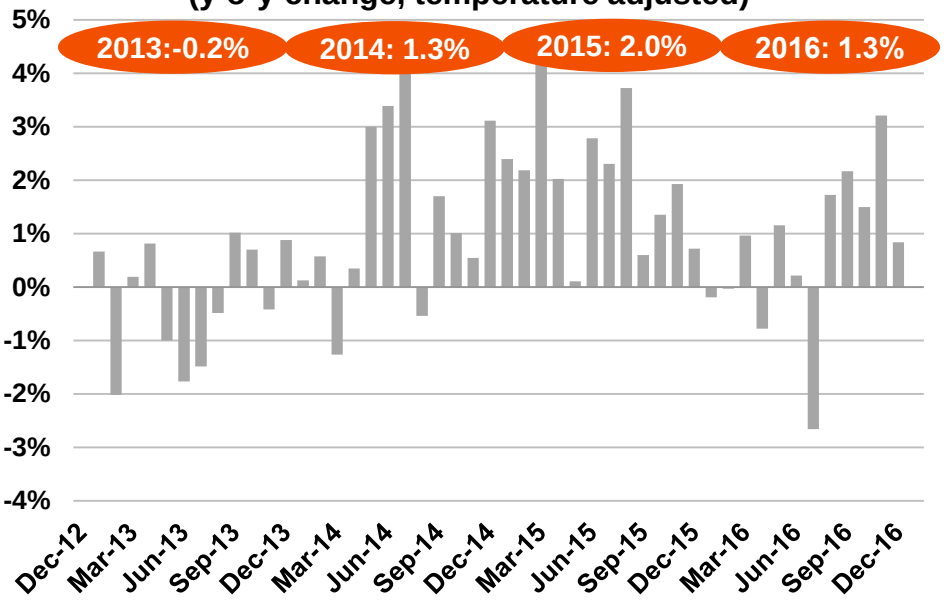
 Note: Prices for 2018 baseload – as of November 7th 2017

TEMPERATURE AND CALENDAR ADJUSTED ELECTRICITY DEMAND GREW BY 1.3% IN 2016

Net electricity consumption in the Czech Republic (TWh)



Monthly development in Czech electricity consumption (y-o-y change, temperature adjusted)*



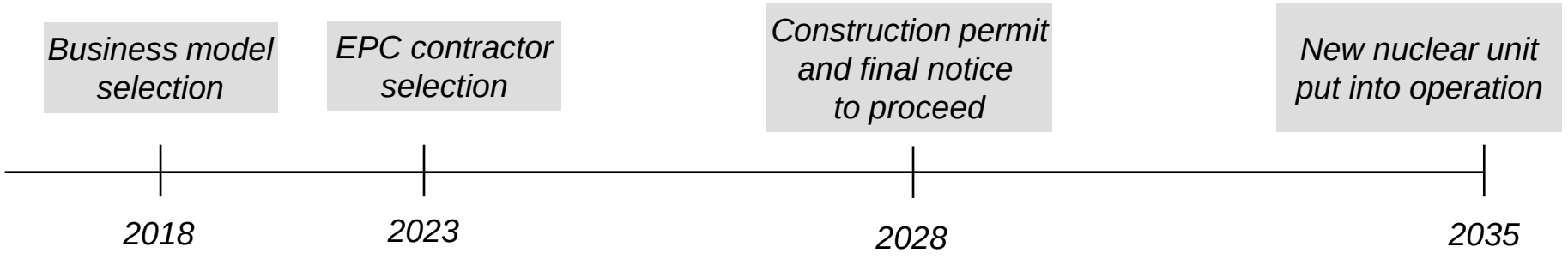
- **Temperature adjusted electricity consumption** in the Czech Republic **grew by 1.3% in 2016**
- **Unadjusted consumption** in the Czech Republic grew **by 2.7% in 2016**, of which:
  - + 2.9% large industrial companies
  - + 3% households
  - + 2.4% small businesses
- **Temperature- and Calendar- Adjusted consumption** in the distribution area of CEZ Distribuce** **grew by 3.6% in Q1–Q3 2017**
- **Unadjusted consumption** in the distribution area of CEZ Distribuce** **grew by 3.7%**
  - + 4.1% large industrial companies
  - + 3.8% households
  - + 1.7% small businesses

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

PROJECT OF NEW NUCLEAR IN THE CZECH REPUBLIC

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

Envisaged timeline of new nuclear project in the Czech Republic



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

2005

PHASE 1 – start of the EU ETS based on the cap and trade principle but the initial excessive allocation of allowances led to the oversupplied market

2008

PHASE 2 – National Allocation Plans of certain EU countries were cut but the beginning of financial crisis resulted in the oversupplied market

2013

PHASE 3 – starting with 1,749 mt surplus from phase 2 (i.e. cca. 1Y CO2 production/demand), EU-wide cap 2,084 mt in 2013

- cap decreases each year by the linear factor of 1.74% (38 mt)
- no free allocation for power production, other than for the modernisation of the power sector in countries meeting certain requirements (derogation)
- several measures introduced in order to bring the market into balance – backloading of 900m of allowances and later decided on their transfer to the reserve; introduction of the MSR from 2019 (withdrawal of 24% surplus above 833 Mt surplus); unutilised allowances from phase 3 to be transferred into the reserve.

2019 start of MSR

2021

PHASE 4

- Increase in linear factor to 2.2% (48 mt), double the withdrawal pace to 24% till 2023 (then 12%), partial cancellation of allowances in the MSR, up to 60% of the standard national auction volumes can be freely allocated for the modernization of the energy sector in less developed countries, and voluntary option to governments to cancel permits from auctions when coal plants shut down agreed in trialogue* on November 8th.
- more ambitious renewables and energy efficiency targets as well as local decarbonisation measures (forced decommissioning of lignite/coal units in Germany and Italy …) bring additional CO2 savings
- MSR will help to withdraw the unused surplus from the market but whether it will bring balance to the market remains to be seen

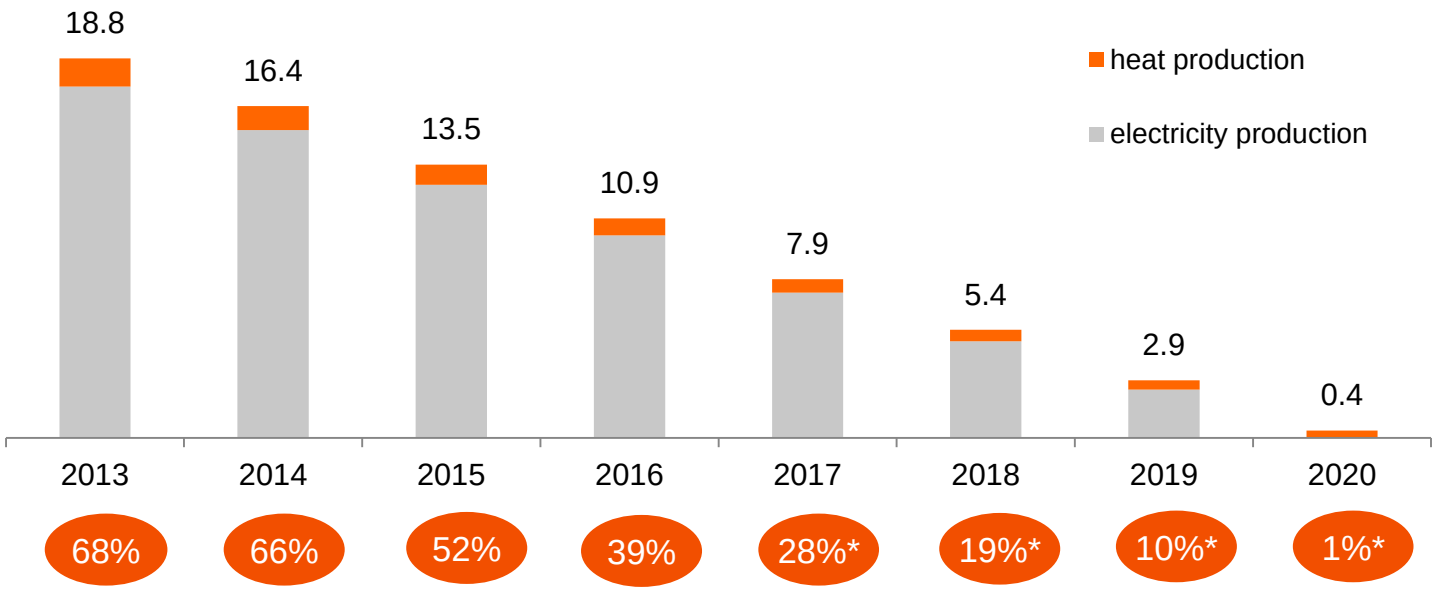
2030

 MSR = Market stability reserve *the parliament, European council and European commission

CEZ GROUP CONTINUES TO RECEIVE PART OF EMISSION ALLOWANCES FOR FREE

- CEZ Group to receive up to **69.6 million** emission allowances for electricity production in the Czech Republic in 2013–2019 in exchange for investments reducing greenhouse gas emissions.
- EC Commission has proposed that free allocation of up to 40% of emission allowances will continue post 2020.

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



* % of 2016 emissions

CZECH REPUBLIC: ELECTRICITY DISTRIBUTION - OVERVIEW OF REGULATORY FRAMEWORK

Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The main components of regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections +/- Quality factor + Market factor
  - RAB adjusted annually to reflect net investments
  - Regulatory rate of return (WACC nominal, pre-tax) – 7.951% for 2016-2018 (2020)
  - Operating costs are indexed to CPI + 1% (30% weight) and market services price index (70% weight). They are also adjusted by efficiency factor of 1.01%/year starting in 2016

Regulatory period

- 4th regulatory period started as of January 1, 2016, 3 years period (2016 – 2018), current proposal of ERU is to extend the regulatory period for another 2 years, i.e. till 2020
- Main focus:

- lowering allowed costs;

- pressure on quality and security of electricity distribution

- increased motivation to renew and develop the networks.

Unbundling & Liberalization

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

On 31st August 2017 ERU published the proposal for extension of 4th regulatory period till 31st December 2020. Final decision is expected to be published at the end of 2017 latest.

BULGARIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by EWRC (Energy and Water Regulatory Commission)
- The regulatory formula for distribution
  - Revenue cap = Costs + Regulatory return on RAB + Depreciation
  - Regulatory rate of return (WACC nominal, pre-tax) at 7.04 % for 4th regulatory period
  - Average values set for the NBV, depreciation and investments for the whole period
  - RAB set at EUR 277.4m for the 4th regulatory period
  - Technological losses in 4th regulatory period set by regulator at 8%
  - Efficiency factor introduced in the 2nd regulatory period, not applied in the 4th regulatory period, yet. EWRC may apply it later.

Regulatory periods

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

Unbundling & Liberalization

- Unbundling successfully completed by December 31, 2006
- Since July 2007, all consumers have the right to become eligible but the effective market degree of liberalized market was approximately 45% at the end of 2014.
- Currently the last phase of liberalization focused on the low voltage customers is in process.

ROMANIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ANRE (Autoritatea Nationala de Reglementare in domeniul Energiei)
- Price cap (tariff basket) methodology
- Revenue = Controllable OPEX + non-controllable OPEX + Depreciation + Purchase of losses + Regulatory return on RAB + Working capital - Revenues from reactive energy - 50% gross profit from other activities
- Efficiency factor of 1.5% applied only to controllable OPEX
- Losses (technical + commercial) reduction program agreed with ANRE on voltage levels
- S (minimum quality) from 2014 in formula, but not yet applied
- Possibility for annual corrections
- Investment plan – approved by ANRE before regulatory period starts
- Regulatory return (WACC pre-tax real terms) equals to 7.7% starting 2015, it can be revised by ANRE during regulatory period
- Working capital is equal to regulated remuneration of 1/12 from total OPEX
- Distribution tariff growth capped in real terms at 10% yearly on voltage levels and at 7% yearly for average weighted distribution tariff in the third regulatory period

Regulatory periods

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

Liberalization

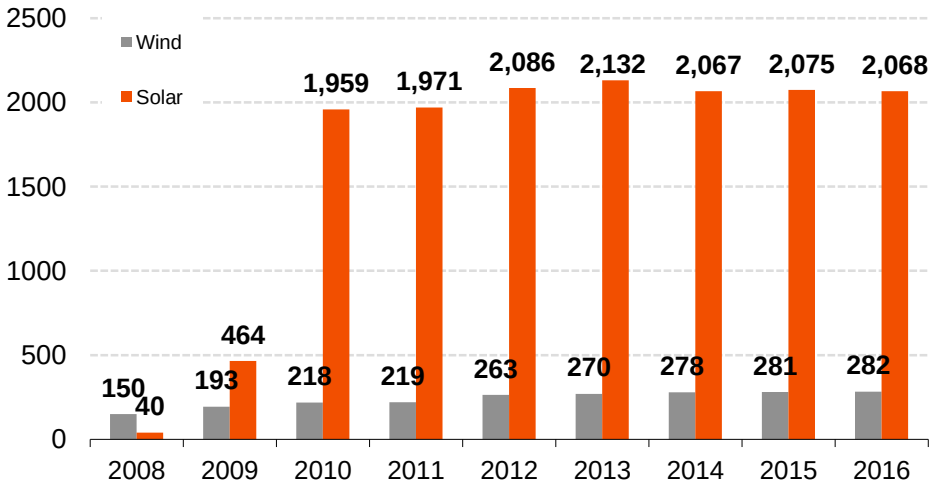
- Complete removal of regulated prices for industrial consumers by end 2013, for residential consumers by end 2017
- Starting January 2014, non-residential customers that benefit of Universal Service (US) are priced with 100% CPC tariff (free market component, endorsed by ANRE). The non-residential customers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

CZECH REPUBLIC: RENEWABLES SUPPORT

2017 feed-in-tariffs (EUR per MWh)

	Plants commissioned in 2010	Plants commissioned in 2016
Solar <30 kW	521.0	0
Solar >30 kW	516.9	0
Wind	95.2	72.9

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



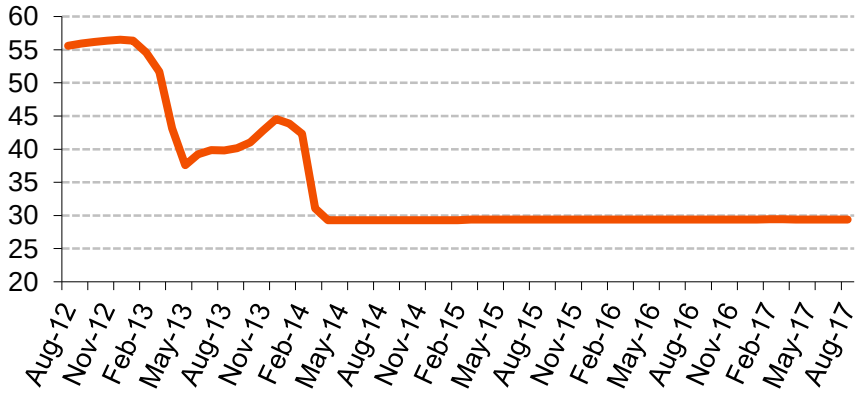
- Operators of renewable energy sources can choose from 2 options of support:
  - Feed-in tariffs (electricity purchased by distributor)
  - Green bonuses (electricity sold on the market, bonuses paid by distributor, level of green bonuses is derived from feed-in tariffs)
- Feed-in tariffs are set by a regulator to ensure 15-year payback period. During operation of a power plant they are increased each year by PPI index or by 2% at minimum and 4% at maximum.
- Support is provided for 20 years to solar, wind, pure biomass and biogas plants and for 30 years to hydro.
- Solar plants commissioned in 2014 or later do not receive support
- Solar plants put into operations in 2010 with capacity over 30kWp are obliged to pay 10% tax of revenues.

 Source: Energy Regulatory Office (www.eru.cz), EUR/CZK = 27.02

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

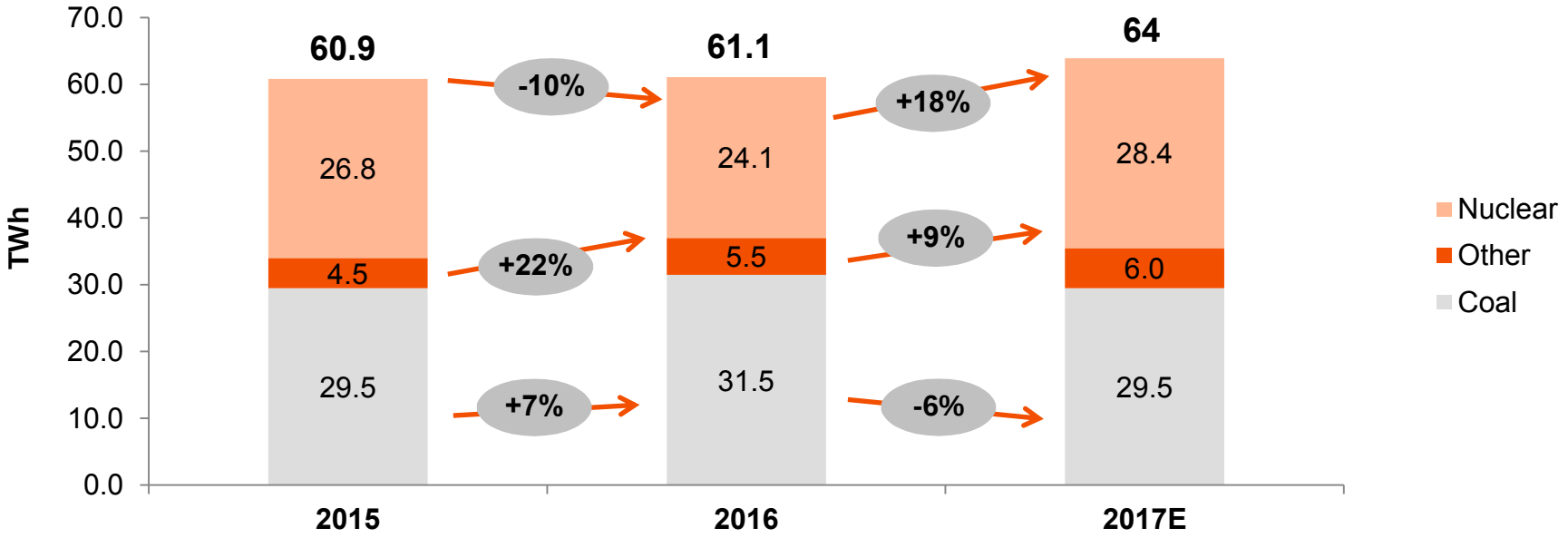
- Two green certificates (GC) obtained by the producer for each MWh supplied from wind to the network until 2017, one GC from 2018 onwards, duration of support – 15 years.
- Legally set price for green certificate is EUR 29.4 – EUR 35 (adjusted in March 2017 from previous EUR 27 to EUR 55)
- In March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

Green certificates market clearing price (EUR/certificate)



 Source: OPCOM

2016 GENERATION VOLUMES AFFECTED BY SHUTDOWNS IN NUCLEAR PLANTS, IN 2017 IMPROVEMENT IN NUCLEAR GENERATION EXPECTED



2016 volume trends

- Extended outages of Dukovany NPP and Temelín NPP primarily due to weld inspections
+ Operation of comprehensively renovated Prunéřov 2 Coal Power Plant
+ Operation of new Ledvice 4 Coal Power Plant (during construction)
+ Increased production at Počerady CCGT plant

2017 volume trends

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

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

EXTENDED OUTAGES IN NUCLEAR PLANTS RELATE TO WELD CHECKS AND LICENCE RENEWAL

- Regular non-destructive testing of welds carried out in nuclear power plants.
- In 2015 irregularities found in testing documentation provided by outsourced supplier in the past.
- All welds are being re-tested to restore order in testing documentation and correct deficiencies.

Dukovany

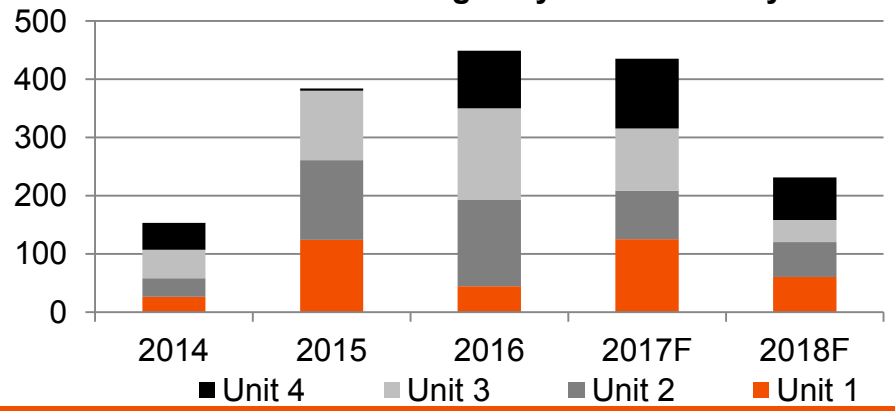
- Licences of Dukovany´s 4 units coming to expiry and need to be renewed – > higher than regular outages.
- Unit 1 and 2 – all deficiencies remedied, new licenses received in March 2016 (Unit 1) and July 2017 (Unit 2)
- Re-testing in Units 3 and 4 in progress till 2017 - increased outages as per the charts below.

- Most of re-testing, mainly in Dukovany, cannot be done during operation – > increased outages
- CEZ internalized significant part of services related to selected tests to minimize risk of problems repetition.
- Testing is pre-emptive. Negative testing result indicates „only“ increased probability of future leakage. Nevertheless any deficiencies result in re-welding as a pre-caution.

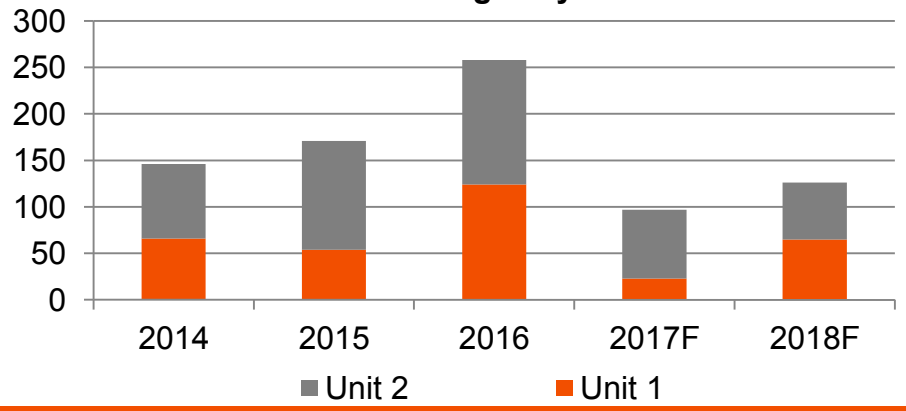
Temelín

- Re-testing is scheduled into 2017. Unlike in Dukovany, some re-testing can be done during unit's operation.
- Unit 1 2016´s unplanned outages - mainly re-testing related.
- Unit 2 2016´s unplanned outages - mainly turbine oil glands fault and replacement, i.e. most of the re-testing to be done in 2017.

Total number of outage days for Dukovany



Total number of outage days for Temelin



 Source: CEZ reporting under REMIT (Regulation on wholesale energy market integrity and transparency), as of October 2017

LARGE RENEWAL OF LIGNITE PLANT PORTFOLIO IS ALMOST FINISHED

	Tušimice	Prunéřov	Ledvice
Installed capacity	4 x 200 MWe	3x250 MWe	660 MWe
Efficiency	39%	40%	42,5%
Operational from	2010 (2 units) and 2011, 2012	mid 2016	**now in test operation, FAC expected in 4Q 2017**
Expected operating life	25 years	25 years	40 years
Reduction of fuel consumption*	14%	18%	27%

 *compared to units existing prior renewal

CEZ GROUP Q1 – Q3 2017 FINANCIAL RESULTS

(CZK bn)	Q1 - Q3 2016	Q1 - Q3 2017	Change	%
Revenues	145.1	146.7	+1.6	+1%
EBITDA	43.8	41.1	-2.7	-6%
EBIT	21.6	19.4	-2.2	-10%
Net income	14.7	16.6	+1.9	+13%
Net income - adjusted *	16.7	17.3	+0.6	+4%
Operating CF	40.5	36.2	-4.3	-11%
CAPEX	21.5	19.2	-2.3	-11%
Net debt **	140.0	137.0	-3.1	-2%

		Q1 - Q3 2016	Q1 - Q3 2017	Change	%
Installed capacity **	GW	16.1	15.5	-0.6	-4%
Generation of electricity - traditional energy	TWh	44.0	44.6	+0.6	+1%
Generation of electricity - new energy	TWh	1.1	1.4	+0.3	+25%
Electricity distribution to end customers	TWh	36.8	38.3	+1.5	+4%
Electricity sales to end customers	TWh	26.8	27.2	+0.3	+1%
Sales of natural gas to end customers	TWh	5.1	6.7	+1.6	+30%
Sales of heat	000´TJ	15.3	15.8	+0.5	+3%
Number of employees **) ***)	000´s	26.6	29.3	+2.7	+10%

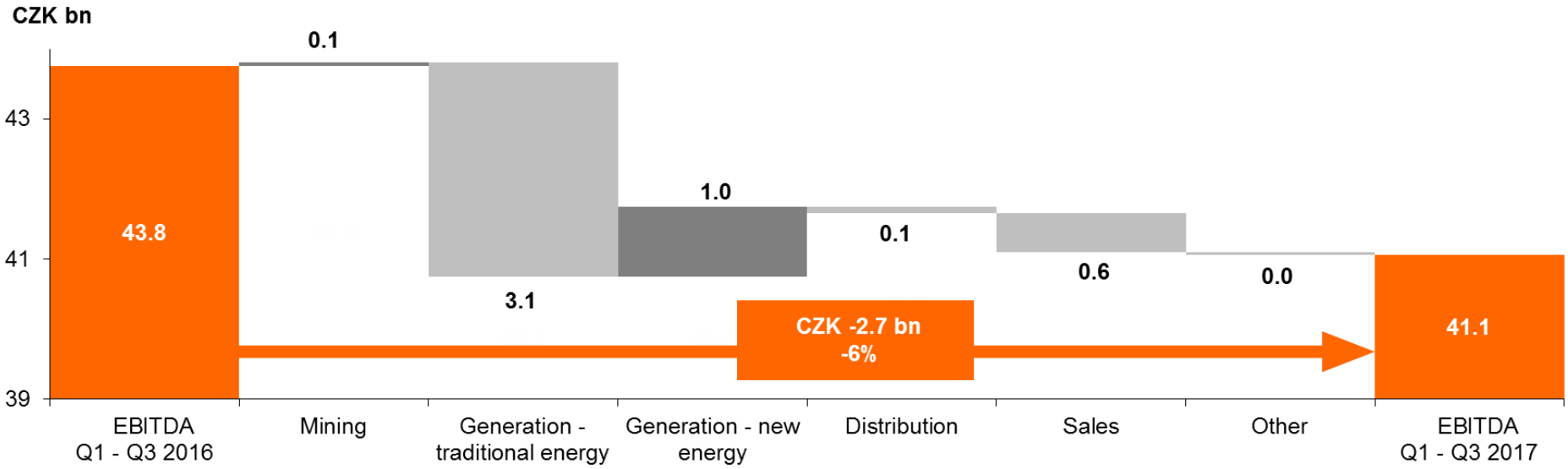
* Adjusted net income = Net income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill write-offs).

** At the last date of the period

*** The increase is primarily related to new acquisitions, in particular of German company Elevion (almost 2,000 employees), and insourcing of purchased services in the Czech Republic

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

YEAR-ON-YEAR CHANGE IN EBITDA BY SEGMENT



Main causes of year-on-year change in Q1–Q3 EBITDA:

Traditional Energy

- Lower realization prices of generated electricity in Czechia, including the effect of hedges (CZK -3.1bn)
- Higher expenses on emission allowances in Czechia (CZK -1.3bn)
- Higher generation at nuclear power plants (CZK +1.2bn)

New Energy—Higher amount of generation due to discontinued generation restrictions by the Romanian transmission system operator and due to the operation of new wind parks in Germany (CZK +0.7bn)

Sales—Lower gross margin on electricity sales in Romania primarily due to higher purchasing costs of electricity (CZK -0.5bn)

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

OTHER INCOME (EXPENSES) Q1 – Q3 2017

(CZK bn)	Q1 - Q3 2016	Q1 - Q3 2017	Change	%
EBITDA	43.8	41.1	-2.7	-6%
Depreciation, amortization and impairments*	**-22.2**	**-21.6**	**+0.5**	**+2%**
Other income (expenses)	**-3.3**	**0.0**	**+3.4**	**-**
Interest income (expenses)	-1.6	-2.5	-0.9	-53%
Interest on nuclear and other provisions	-1.1	-1.2	-0.1	-9%
Income (expenses) from investments and securities	-0.2	3.8	+4.0	-
Other	-0.4	0.0	+0.4	+95%
Income taxes	**-3.6**	**-2.9**	**+0.7**	**+19%**
Net income	14.7	16.6	+1.9	+13%
Net income - adjusted	**16.7**	**17.3**	**+0.6**	**+4%**

Depreciation, Amortization, and Impairments* (CZK +0.5bn)

- Nonrecurrent income from sale of properties in Prague (CZK +1.1bn)
- Higher fixed asset impairments in 2016 (CZK +0.7bn)
- Higher depreciation and amortization (CZK -1.3bn), primarily due to putting renovated Prunéřov power plant into operation in 2016

Other Income (Expenses) (CZK +3.4bn)

- Effect of termination of MOL stockholding (CZK +4.3bn), where overall effect of sale of MOL stock, including related operations, on profits in Q1–Q3 2017 was CZK +4.6bn and total profits in Q1–Q3 2016 were CZK +0.3bn
- Higher interest expenses primarily due to lower interest capitalization after renovation of Prunéřov power plant in 2016 (CZK -0.9bn)
- Share of the profit or loss of associates and joint ventures (CZK -0.4bn)
- Other effects (CZK +0.4bn)

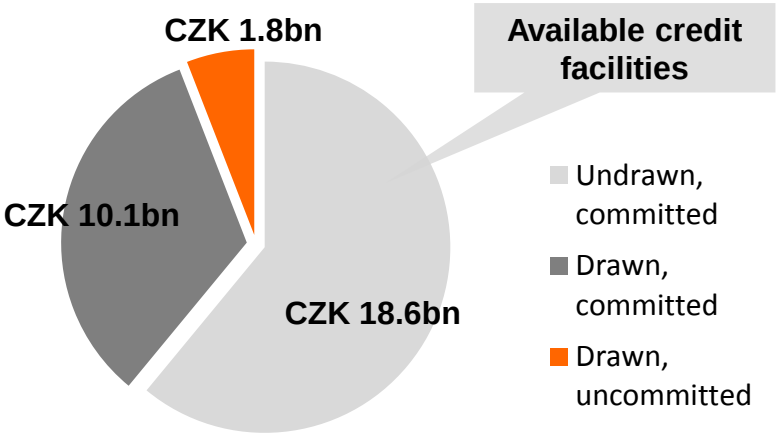
Net Income Adjustment

- *Net income in Q1–Q3 2017 is adjusted for partial goodwill write-off in Turkey (CZK +0.5bn) and for the negative effect of impairment of fixed assets in Poland (CZK +0.2bn)*
- *Net income in Q1–Q3 2016 is adjusted for the negative effect of impairment of fixed asset in Romania (CZK +1.0bn), for partial goodwill write-off in Turkey (CZK +0.7bn), and for the negative effect of impairment of projects under development in Poland (CZK +0.3bn)*

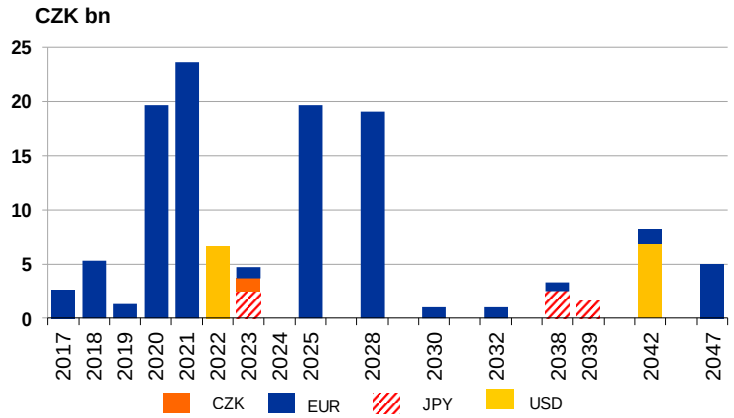
* Including profit/loss from sales of tangible and intangible fixed assets

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

Utilization of Short-Term Lines (as at Sep 30, 2017)



Bond Maturity Profile (as at Sep 30, 2017)



- CEZ Group has access to CZK 28.7bn in committed credit facilities, using CZK 10.1bn as at Sep 30, 2017.
- Committed facilities are kept as a reserve for covering unexpected needs and for funding short-term financial needs.
- The payment of dividends for 2016 (CZK 17.6bn) began on August 1, 2017. 99% of the amount was paid as at Sep 30.
- EUR 225m tap of 2028 bond issue was issued on September 20, 2017. The effective yield of the tap issue is 1.766%.

CEZ GROUP FINANCIAL RESULTS

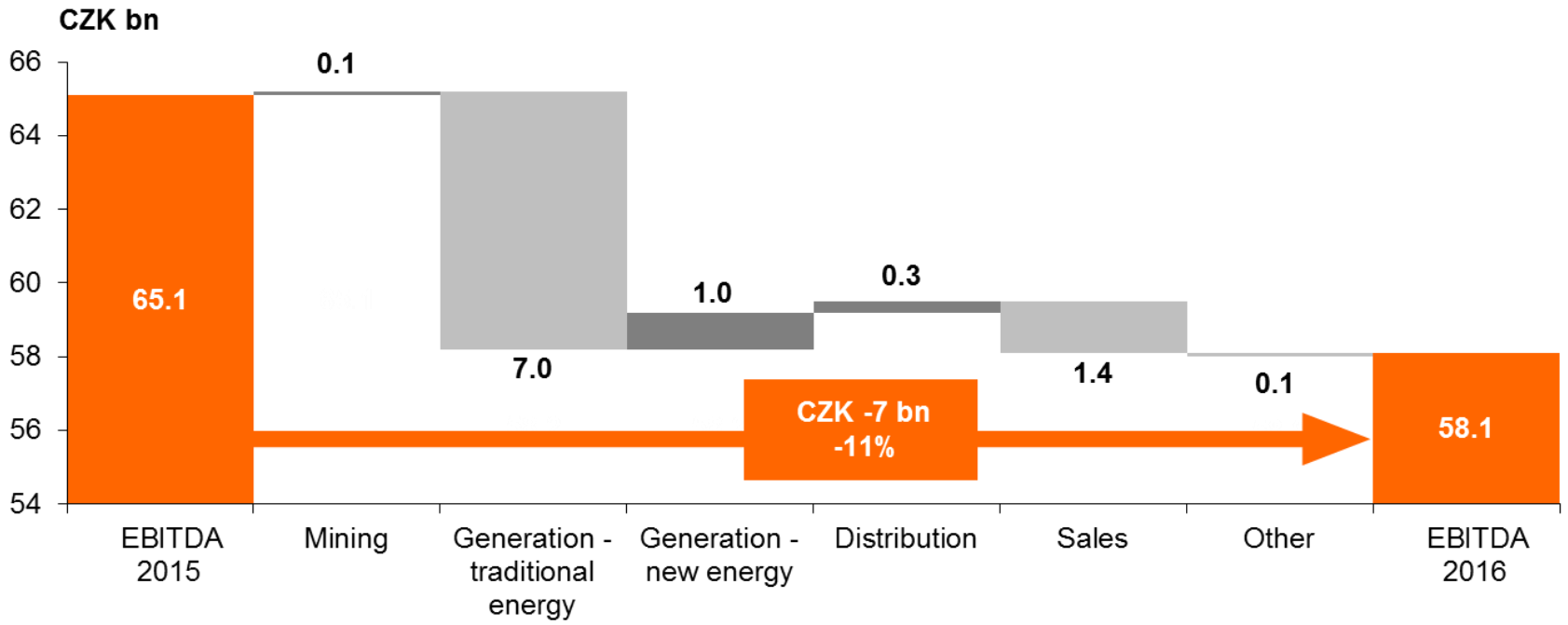
(CZK bn)	2015	2016	Change	%
Revenues	210.2	203.7	-6.4	-3%
EBITDA	65.1	58.1	-7.0	-11%
EBIT	29.0	26.1	-2.8	-10%
Net income	20.5	14.6	-6.0	-29%
Net income - adjusted *	27.7	19.6	-8.0	-29%
Operating CF	72.6	49.0	-23.6	-33%
CAPEX	31.5	30.2	-1.3	-4%
Net debt **	131.2	146.5	+15.2	+12%

		2015	2016	Change	%
Installed capacity **	GW	15.9	15.6	-0.3	-2%
Generation of electricity	TWh	60.9	61.1	+0.2	+0%
Electricity distribution to end customers	TWh	49.8	50.6	+0.8	+2%
Electricity sales to end customers	TWh	37.9	37.5	-0.5	-1%
Sales of natural gas to end customers	TWh	6.8	8.2	+1.3	+20%
Sales of heat	000´TJ	22.3	24.0	+1.8	+8%
Number of employees **	000´s	25.9	26.9	+1.0	+4%

* Adjusted Net Income = Net Income adjusted for extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill amortization). The definition of Adjusted Net Income was refined in Q4 2016.
** At the last day of period
Note: y-o-y change in Operating cash flow (CF) was significantly influenced by changes in assets and liabilities. Operating CF adjusted for these changes amounted to CZK 61.9bn in 2015 and CZK 50.4bn in 2016, i.e. CZK 11.5bn y-o-y decrease or 19% y-o-y decrease.

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

YEAR-ON-YEAR CHANGE IN EBITDA BY SEGMENTS



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

- Lower realization prices of generated electricity in the Czech Republic, including the positive effect of hedges (CZK -6.1bn)
- Payment of Railway Infrastructure Administration debts (from 2010) to ČEZ Prodej in 2015 based on a court decision (CZK -1.1bn)
- Positive effect of certificate allocation to Fântânele Vest and Cogealac wind farms in Romania (CZK +1.7bn)

OTHER INCOME (EXPENSES)

(CZK bn)	2015	2016	Change	%
EBITDA	65.1	58.1	-7.0	-11%
Depreciation, amortization and impairments*	**-36.1**	**-32.0**	**+4.2**	**+12%**
Other income (expenses)	**-2.1**	**-6.8**	**-4.7**	**>200%**
Interest income (expenses)	-2.5	-2.5	+0.0	+0%
Interest on nuclear and other provisions	-1.7	-1.5	+0.2	+11%
Income (expenses) from investments and securities	-0.3	-1.8	-1.5	>200%
Other	2.4	-1.1	-3.5	-
Income taxes	**-6.3**	**-4.8**	**+1.6**	**+25%**
Net income	20.5	14.6	-6.0	-29%
Net income - adjusted	**27.7**	**19.6**	**-8.0**	**-29%**

Depreciation, Amortization, and Impairments* (CZK +4.2bn)

- Lower additions to fixed asset impairments (CZK +4.6bn)
- Higher depreciation and amortization (CZK -0.4bn) primarily due to started depreciation of comprehensively renovated Prunéřov Power Plant

Other Income (Expenses) (CZK -4.7bn)

- Refund of a portion of gift tax on emission allowances for 2011 and 2012 in 2015 (CZK -3.8bn)
- Amortization of a portion of goodwill and additions to impairments at joint ventures in Turkey (CZK -1.3bn)**
- Revaluation of MOL share option (CZK -0.9bn) due to rising share price
- Bond buyback in 2015 (CZK +0.8bn)
- Other (CZK +0.5bn) primarily FX gains

Net income adjustment ***

- *2015 net income adjusted for the negative effect of fixed asset impairments, goodwill amortization, and write-off of abandoned investments (CZK +7.1bn)*
- *2016 net income adjusted for the negative effect of fixed asset impairments, goodwill amortization, and write-off of abandoned investments (CZK +4.4bn)** and for the negative effect of developed project impairments (CZK +0.7bn)*

* Including profit/loss from sales of tangible and intangible fixed assets
** Reported under Income (Expenses) from investments and securities
*** The definition of Adjusted Net Income was refined in Q4 2016

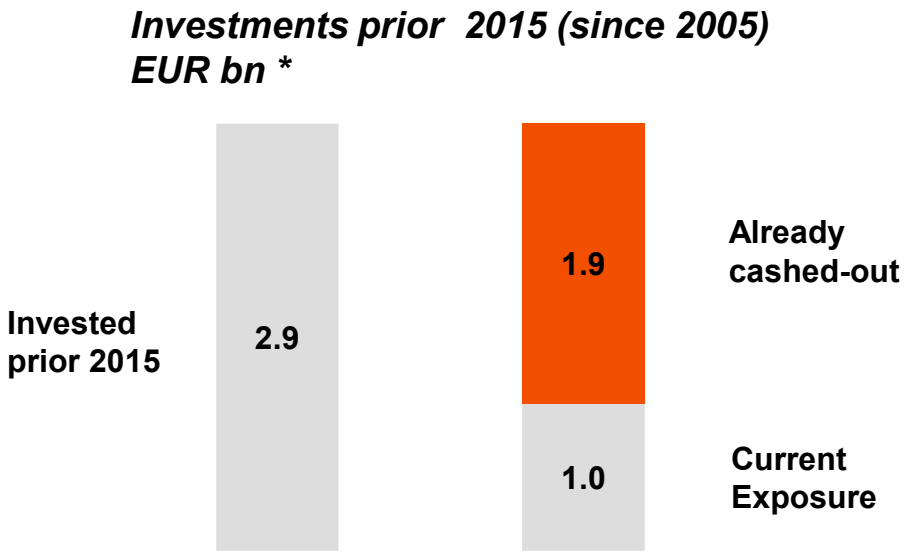
NUCLEAR AND MINING PROVISIONS AS OF YE 2016

Nuclear and mining provisions as of YE 2016
(discount rate 1.5% p.a. (real), est. Inflation effect 1%)

	Provision (CZK bn)	Responsibility of:	Cash cover (CZK)
Interim storage of spent nuclear fuel	7.4 bn	CEZ	0.01 bn
Permanent storage of spent nuclear fuel	29.2 bn	State*, costs paid by CEZ	Fee 55 CZK/MWh generated in NPP to Nuclear Account***
Nuclear Plant decommissioning	18.9 bn	CEZ	13.0 bn
Mining reclamation	7.6 bn	CEZ (SD**)	5.4 bn
Landfills (ash storage)	1.0 bn	CEZ	0.2 bn

*** RAWRA - Radioactive Waste Repository Authority,**
****SD – Severočeské doly**
***** Nuclear Account balance as of YE 2015 CZK 24.8bn**

EXPOSURE TO INVESTMENTS MADE IN BALKANS AND OTHER COUNTRIES PRIOR 2015



- CEZ's Exposure to foreign investments made prior 2015 amounts to EUR 2.9bn
- EUR 1.9bn has already been cashed-out
- Remaining exposure amounts to EUR 1bn
- CEZ is open to any further divestitures in Balkans and SEE

* Excludes recent acquisitions into renewables in Western Europe and Investment into Romanian Wind (approx. EUR 1.1bn); cash flow – not accounting values

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

CZK

Profit and loss

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

Balance sheet

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

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

EUR

Profit and loss *EUR m*	2010	2011	2012	2013	2014	2015	2016
Revenues	7,359	7,763	8,211	8,021	7,467	7,778	7,540
Sales of electricity	6,487	6,728	6,913	7,008	6,433	6,739	6,475
Heat sales and other revenues	872	1,035	1,298	1,013	1,034	1,039	1,066
Operating Expenses	4,073	4,530	5,035	4,987	4,784	5,370	5,391
Purchased power and related services	2,012	2,438	2,652	2,925	2,804	3,364	3,268
Fuel	627	635	586	511	470	483	487
Salaries and wages	693	670	692	692	698	657	709
Other	741	788	1,105	859	812	866	927
EBITDA	**3,286**	**3,233**	**3,176**	**3,035**	**2,683**	**2,408**	**2,150**
EBITDA margin	*45%*	*42%*	*39%*	*38%*	*36%*	*31%*	*29%*
Depreciaiton	996	971	1,069	1,346	1,322	1,344	1,188
EBIT	**2,293**	**2,267**	**2,111**	**1,691**	**1,367**	**1,072**	**966**
EBIT margin	*31%*	*29%*	*26%*	*21%*	*18%*	*14%*	*13%*
Net Income	**1,737**	**1,508**	**1,485**	**1,303**	**830**	**760**	**539**
Net income margin	*24%*	*19%*	*18%*	*16%*	*11%*	*10%*	*7%*
Adjusted net income	**1,844**	**1,525**	**1,528**	**1,591**	**1,090**	**1,024**	**727**
Adjusted net income margin	*25%*	*20%*	*19%*	*20%*	*15%*	*13%*	*10%*

Balance sheet *EUR m*	2010	2011	2012	2013	2014	2015	2016
Non current assets	16,590	17,295	18,310	17,984	18,413	18,248	18,107
Current assets	3,557	4,848	5,222	5,717	4,824	4,057	5,240
- out of that cash and cash equivalents	820	817	665	925	744	499	415
Total Assets	**20,147**	**22,143**	**23,532**	**23,701**	**23,237**	**22,305**	**23,347**
Shareholders equity (excl. minority. int.)	8,195	8,395	9,261	9,551	9,671	9,915	9,505
Return on equity	*22%*	*18%*	*17%*	*14%*	*9%*	*8%*	*6%*
Interest bearing debt	5,866	6,737	7,141	7,366	6,815	5,829	6,211
Other liabilities	6,086	7,011	7,130	6,784	6,752	6,562	7,632
Total liabilities	**20,147**	**22,143**	**23,532**	**23,701**	**23,237**	**22,305**	**23,347**

Exchange rate used:
27.02 CZK/EUR

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