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

Investment story, September 2014

DISCLAIMER

Certain statements in the following presentation regarding CEZ's business operations may constitute "forward looking statements." Such forward-looking statements include, but are not limited to, those related to future earnings, growth and financial and operating performance. Forward-looking statements are not intended to be a guarantee of future results, but instead constitute CEZ's current expectations based on reasonable assumptions. Forecasted financial information is based on certain material assumptions. These assumptions include, but are not limited to continued normal levels of operating performance and electricity demand at our distribution companies and operational performance at our generation businesses consistent with historical levels, as well as achievements of planned productivity improvements and incremental growth from investments at investment levels and rates of return consistent with prior experience. Actual results could differ materially from those projected in our forward-looking statements due to risks, uncertainties and other factors. CEZ undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

In preparation of this document we used certain publicly available data. While the sources we used are generally regarded as reliable we did not verify their content. CEZ does not accept any responsibility for using any such information.

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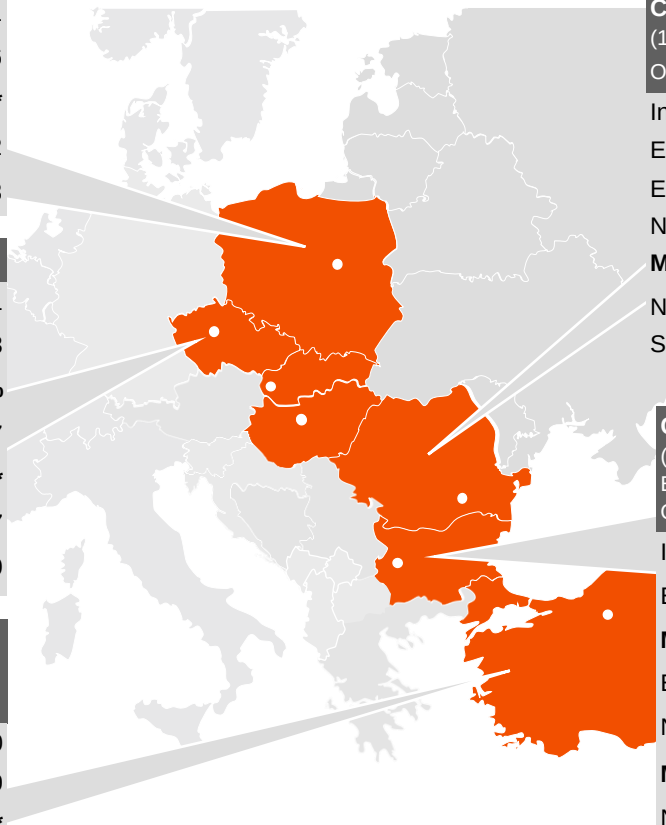
CEZ GROUP IS AN INTERNATIONAL UTILITY WITH A STRONG POSITION IN CEE

Energy Assets *Active subsidiary*



CEZ Group in Poland (100% stake in Skawina, 100% in Elcho)	
Installed capacity (MW)	681
Electricity generation, gross (TWh)	2.6
Generation market share	**1.4%***
Number of employees	322
Sales (EUR million)	153

CEZ Group in the Czech Republic	
Installed capacity (MW)	12,631
Electricity generation, gross (TWh)	62.3
Generation market share	**72%**
Sales of electricity to end customers (TWh)	20.7
Market share	**37%***
Number of employees	20,677
Sales (EUR million)	6,680

CEZ Group in Turkey (50% stake in SEDAS through AkCez, 37.36% stake in Akenerji)	
Installed capacity (MW)	640
Electricity generation, gross (TWh)	1.9
Generation market share	**1.1%***
El. sales to end customers (TWh)	7.8
Number of connection points (million)	1.4*
Market share	**6.5%***

CEZ Group in Romania (100% stakes in CEZ Distributie, CEZ Vanzare, Tomis Team, Ovidiu Development, TMK Hydroenergy Power)	
Installed capacity	622 MW
Electricity generation, gross (TWh)	1.3
El. sales to end customers (TWh)	3.4
Number of connection points (million)	1.4*
Market share	**15%***
Number of employees	1,818
Sales (EUR million)	427

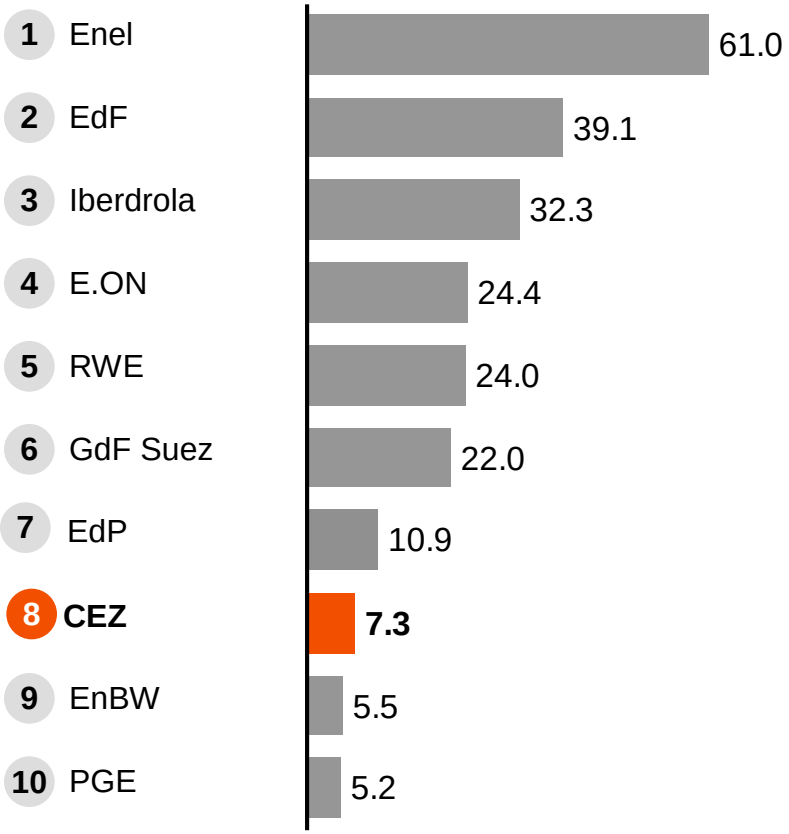
CEZ Group in Bulgaria (67% stake in CEZ Razpredelenie Bulgaria, CEZ Electro Bulgaria, 100% in TPP Varna, 100% in Free Energy Project Oreshets)	
Installed capacity (MW)	1,265
Electricity generation, gross (TWh)	0.6
Market share	**11.9%***
El. sales to end customers (TWh)	9.8
Number of connection points (million)	2.1*
Market share	**42%***
Number of employees	3,714
Sales (EUR million)	853

*Source: Company data, * data for 2012, EUR/CZK=25.974*

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

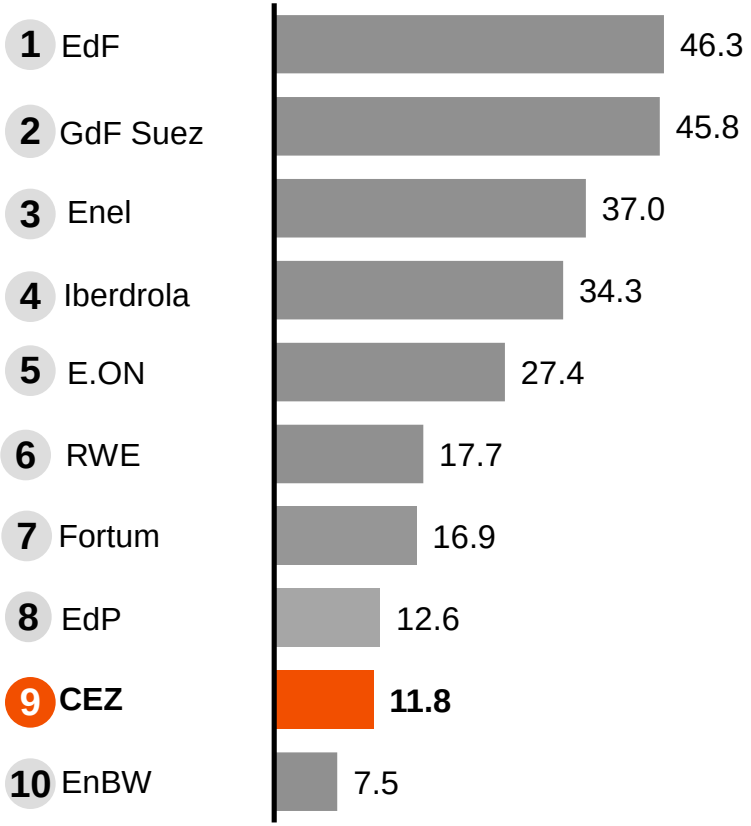
Top 10 European power utilities

Number of customers in 2013, in millions



Top 10 European power utilities

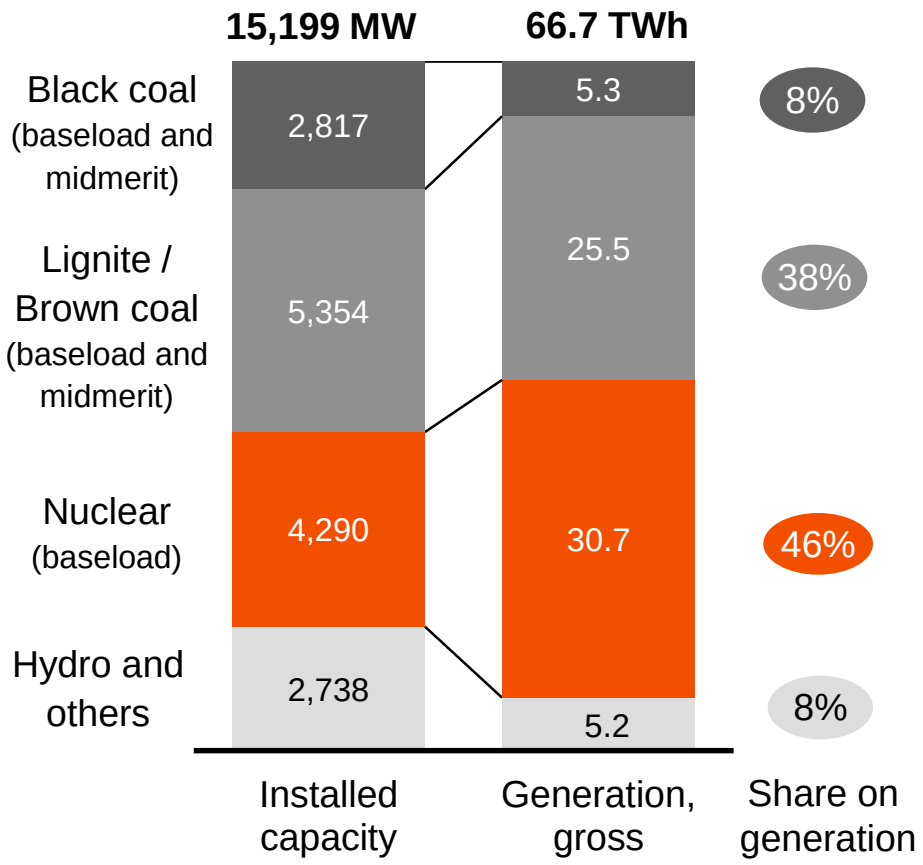
Market capitalization in EUR bn, as of August 15th, 2014



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

CEZ GROUP IS BENEFITING FROM LOW COST GENERATION FLEET

Installed capacity and generation (2013)

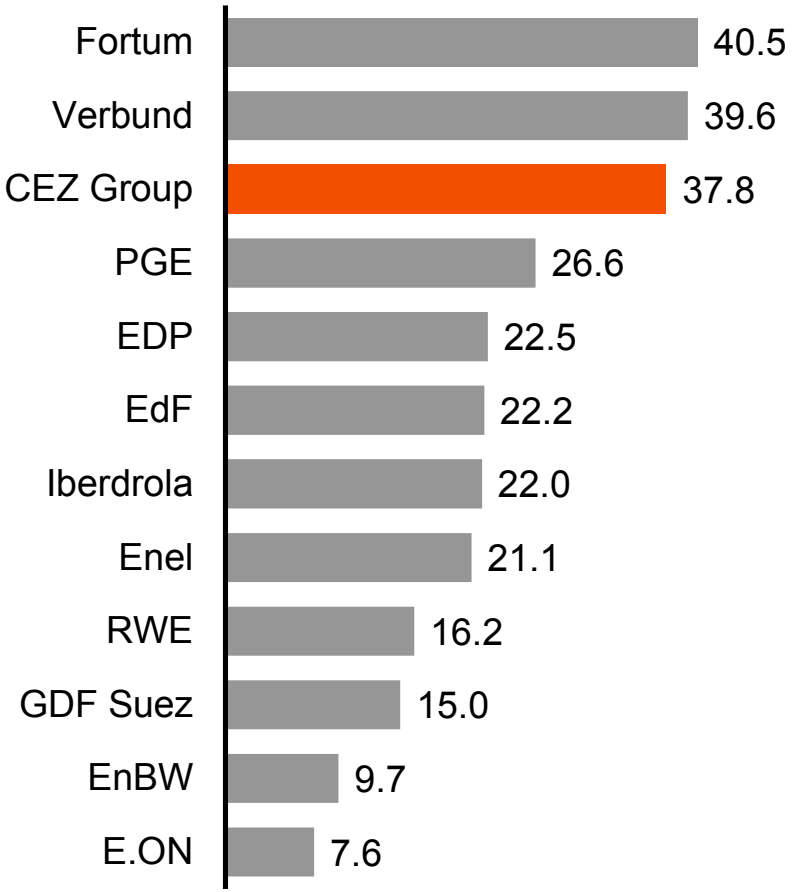


- **Coal power plants are using mostly lignite from CEZ's own mine** (73% of lignite needs sourced internally, remaining volume through long term supply contracts)
- **Nuclear plants have very low operational costs**

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

CEZ GROUP IS ONE OF THE MOST PROFITABLE EUROPEAN UTILITIES

EBITDA* margin, 2013
Percent



Source: company data, * EBITDA as reported by companies

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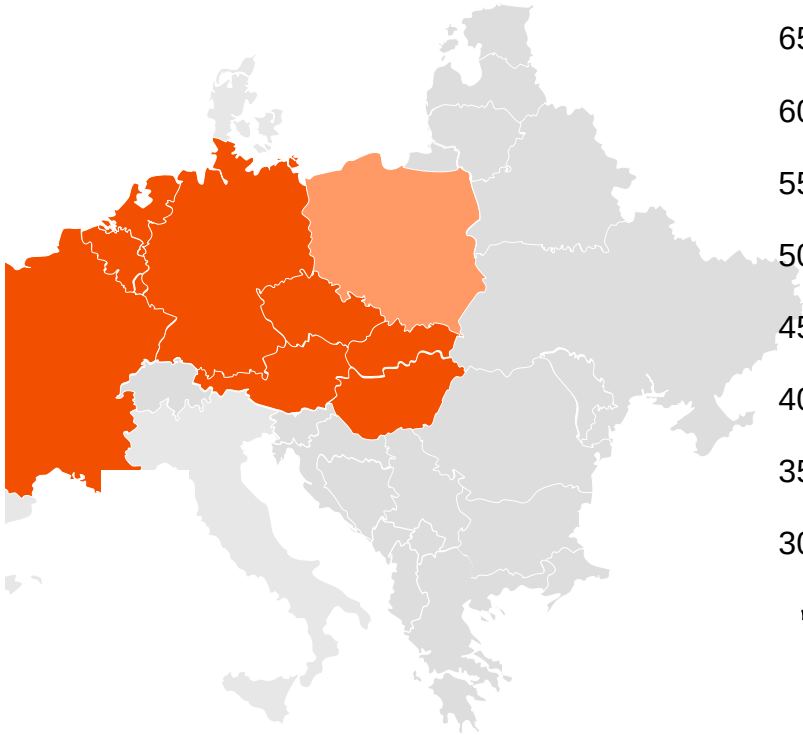
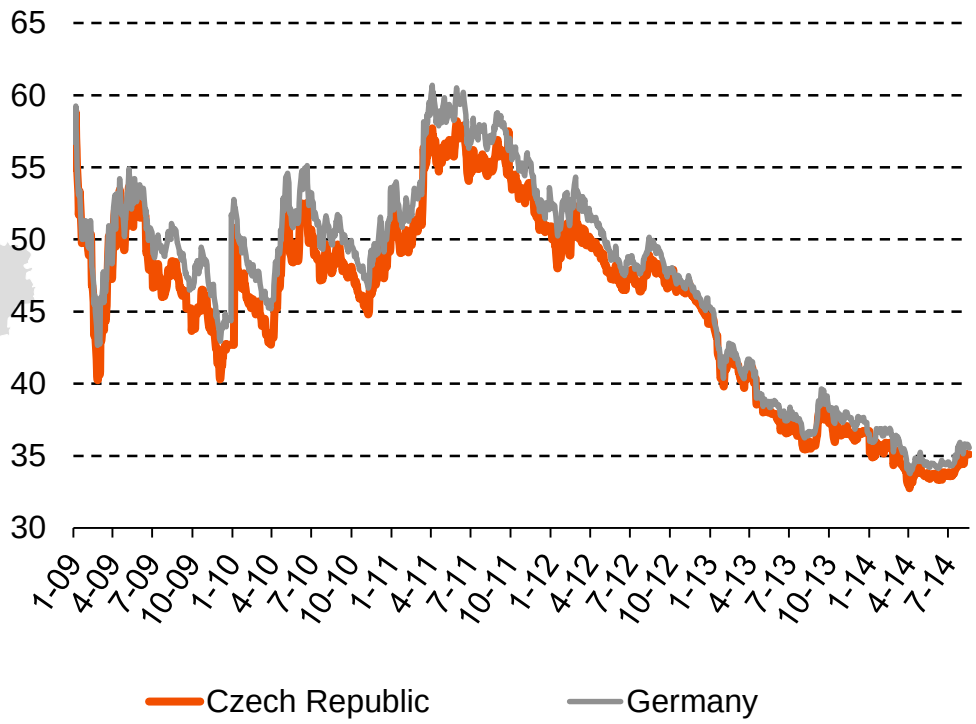
CZECH MARKET IS AN INTEGRAL PART OF WIDER EUROPEAN ELECTRICITY MARKET

- Czech power prices are fully liberalized and are driven by the same fundamentals as German market
- There are no administrative interventions from the side of the government

European electricity market

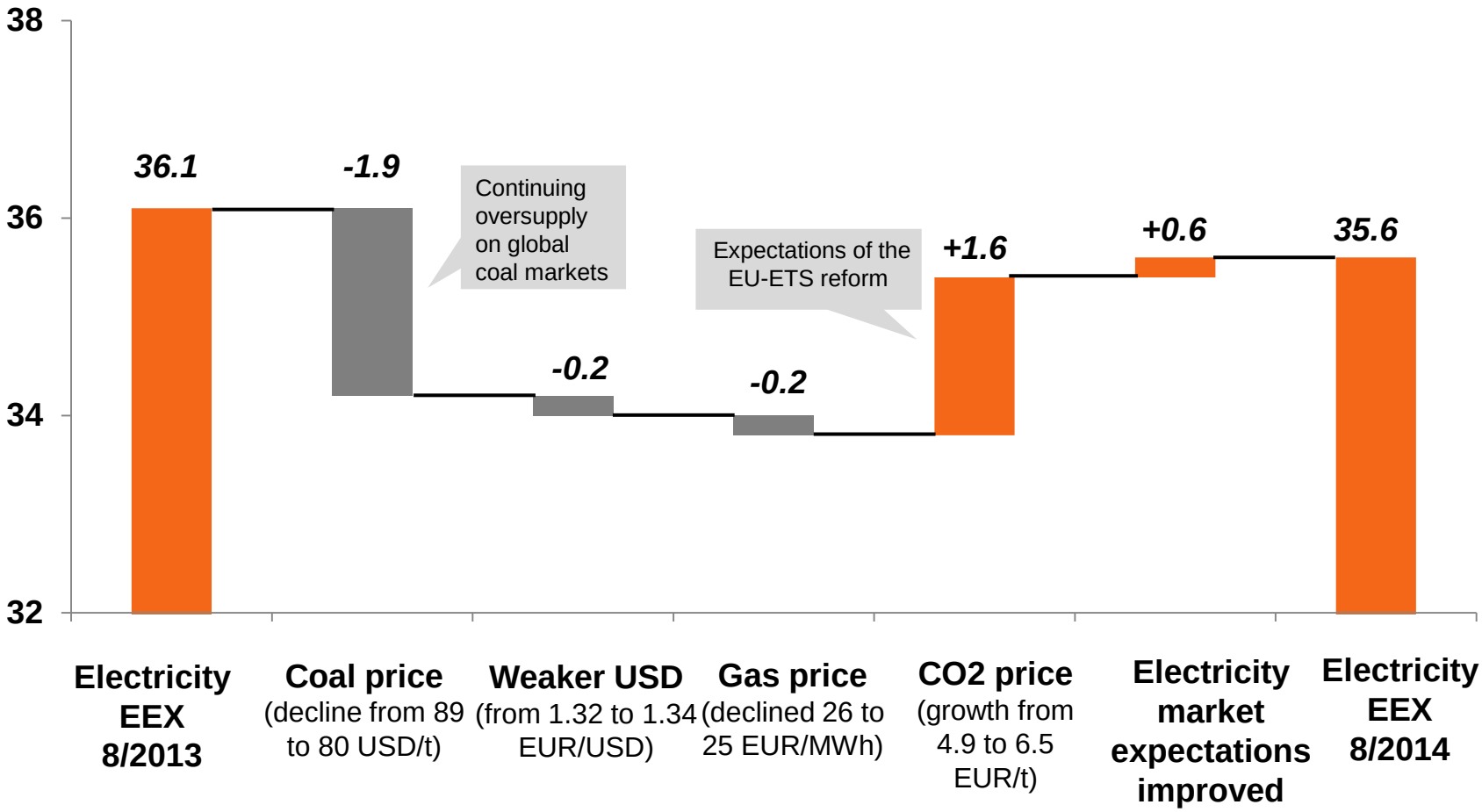


Price of electricity (year-ahead baseload, €/MWh)



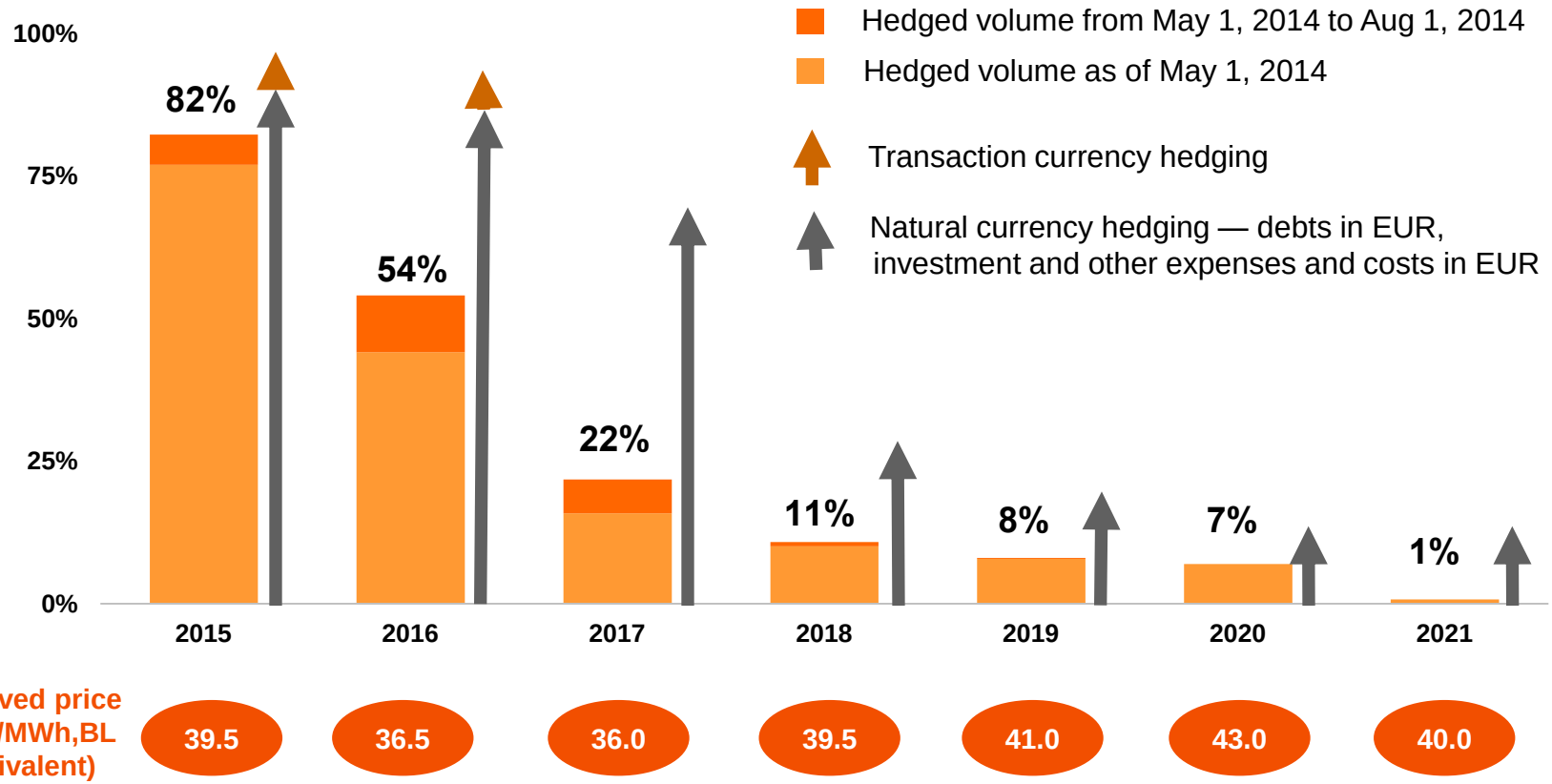
THE ELECTRICITY PRICES ARE NOW CLOSE TO LEVELS THEY HAVE BEEN A YEAR AGO

Electricity price change decomposition (8/2013 – 8/2014)
EUR/MWh, Cal15



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

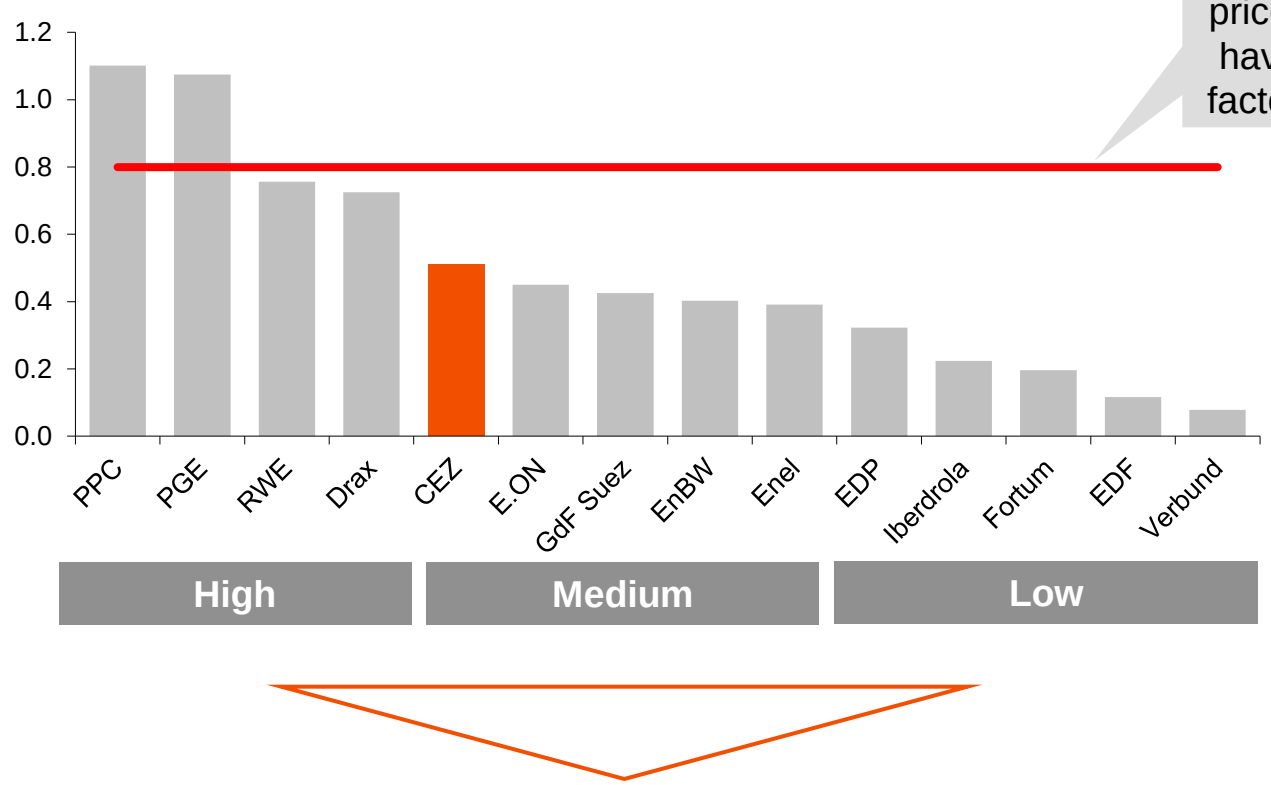
Share of hedged production from ČEZ* facilities as of Aug 1, 2014 (100% corresponds to 57–59 TWh)



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

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

Carbon intensity of selected European utilities
(2013, t/MWh)



Marginal European price setting plants have an emission factor of 0.8 t/MWh

Increase in CO_2 price has a positive impact on CEZ profitability

CEZ GROUP CONTINUES TO RECEIVE PART OF EMISSION ALLOWANCES FOR FREE

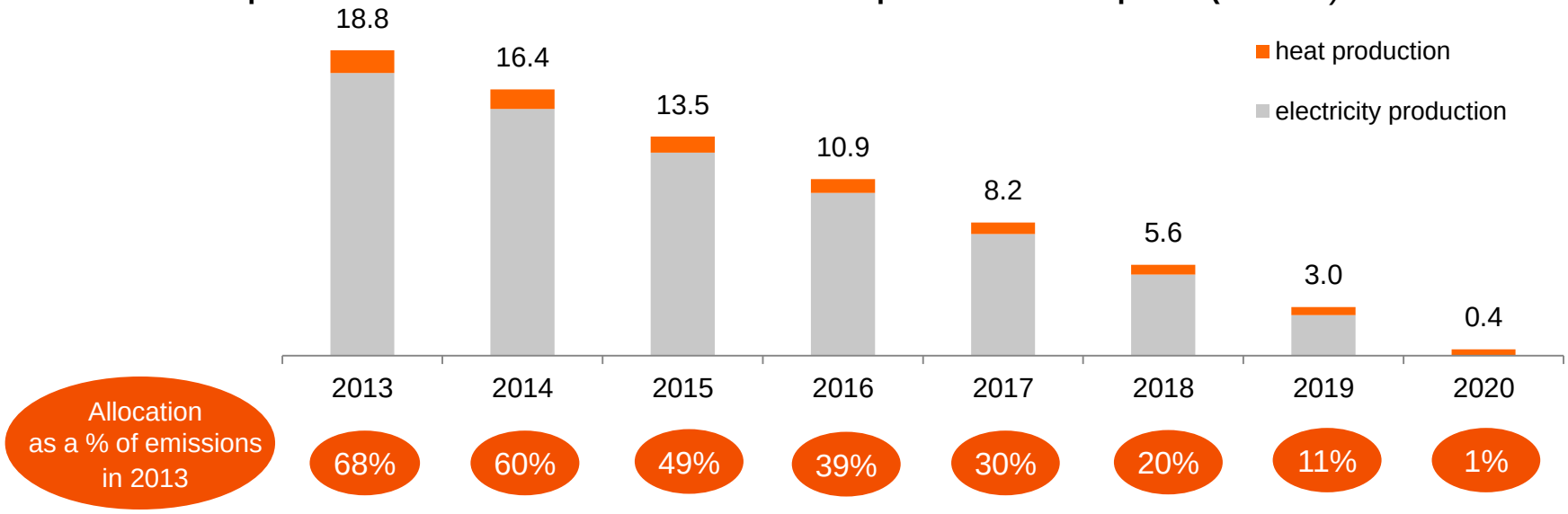
In January 2014 the European Commission made a decision on the 2013 allocation of emission allowances for electricity and heat generation in the Czech Republic

- On Feb 16, 2014, CEZ Group's account was credited with **18.8** million emission allowances for 2013
- So far CEZ Group invested a total of **CZK 26.8 bn** in projects reducing greenhouse gas emissions in the Czech Rep.
- By 2019, CEZ Group plans to invest up to another **CZK 42 bn** in projects reducing greenhouse gas emissions

The Czech Republic's application for emission allowances for electricity production in 2013–2019 was approved by the European Commission as early as December 2012

- In exchange for investments reducing greenhouse gas emissions, Czech energy companies can thus get a total of **107.7 million** emission allowances in 2013–2019*
- CEZ Group can get up to **70.2 million** emission allowances for electricity production in the Czech Republic in 2013–2019*

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



* The volume of allocated allowances decreases over years to zero allocation in 2020

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

The European Council postponed its decision on 2030 climate and energy targets until its meeting in October 2014. It will also make a new decision on the energy efficiency target. Legislative proposals can be expected only in 2015. A rapporteur was appointed for MSR in the new European Parliament, so an adoption can be expected by mid-2015.

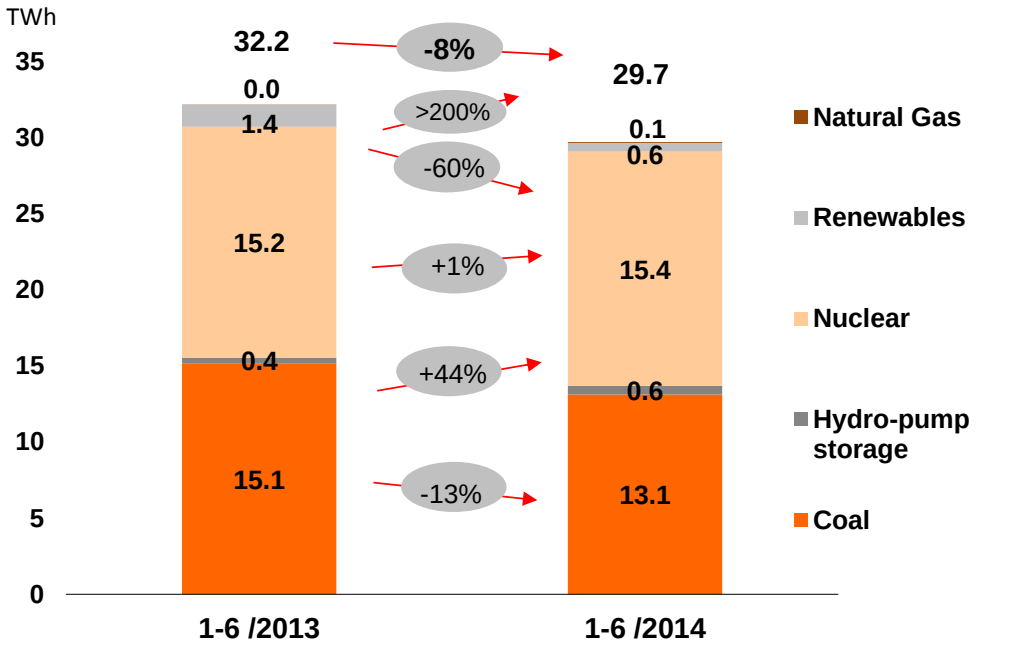
In January 2014, the European Commission proposed the introduction of a market stability reserve (MSR) in 2021.

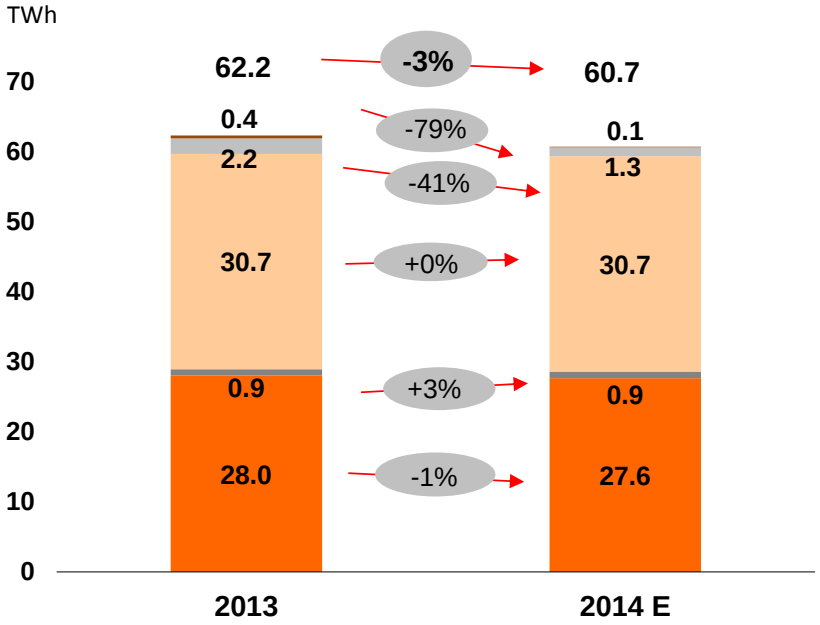
- The goal was to stabilize the EU ETS in the long term and eliminate the current surplus of allowances after 2020

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

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

PRODUCTION IN THE CZECH REPUBLIC IS EXPECTED TO DROP REFLECTING THE SALE OF CHVALETICE PLANT





Nuclear power plants (+1%)
+ Shorter outages and increased capacity of Dukovany NPP
- Longer outages of Temelín NPP

Coal-fired power plants (-13%)
- Sale of Chvaletice Power Plant in September 2013

Renewable sources (-60%)
- Lower flow rates at hydro plants due to hydrometeorologic conditions

Nuclear power plants (0%)
+ Shorter outages of Dukovany NPP and increased capacity of Temelín NPP
- Longer planned outages of Temelín NPP

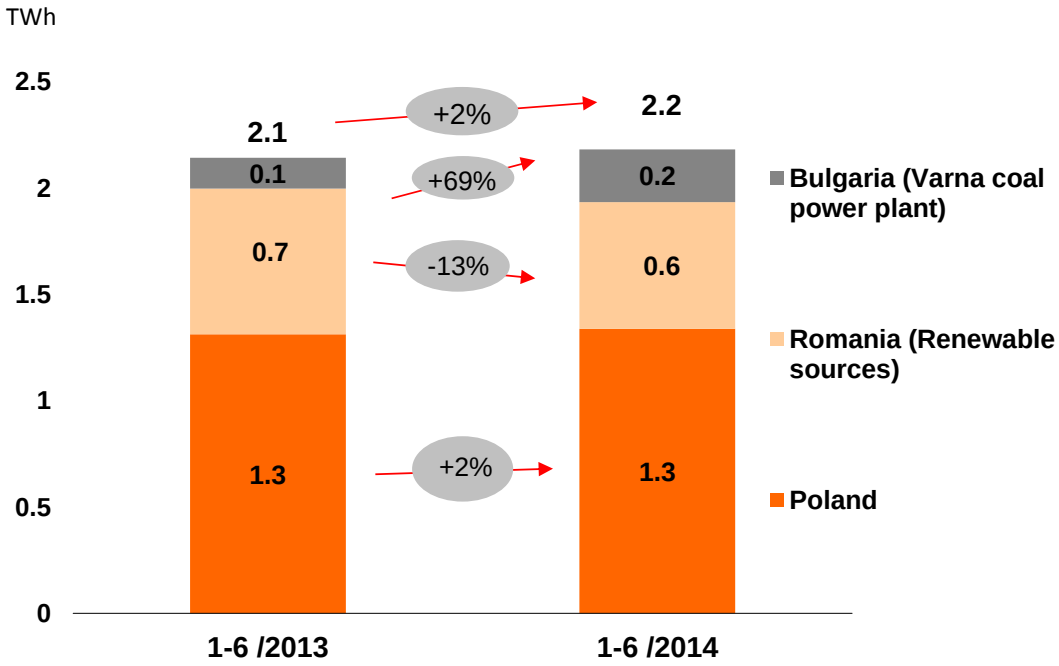
Coal-fired power plants (-1%)
- Decommissioning of 2 units of Ledvice 2 Power Plant and sale of Chvaletice Power Plant
- Planned outages at Počerady Power Plant due to environmental upgrades
+ Commissioning of Ledvice 4 Power Plant (new power plant)

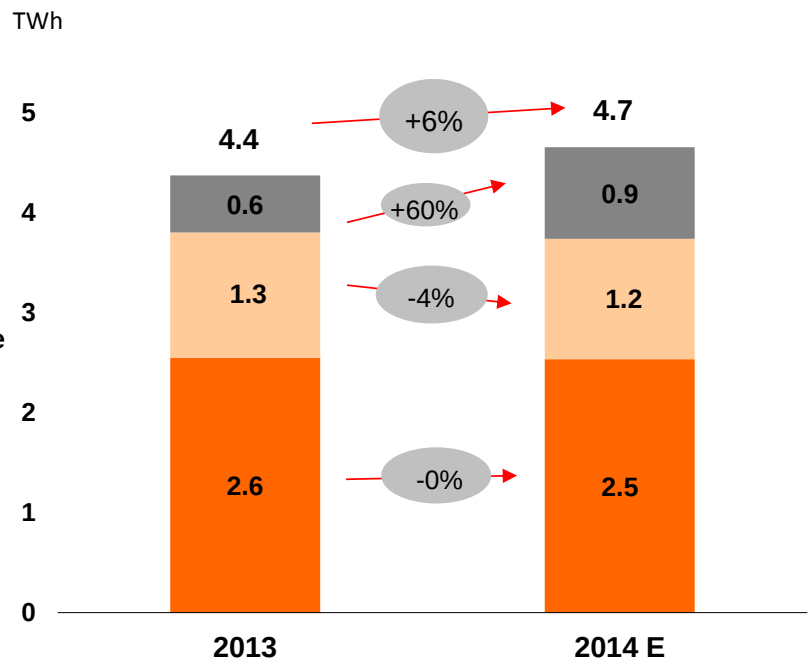
Renewable sources (-41%)
- Lower flow rates at hydro plants (due to hydrometeorologic conditions)

Natural gas (-79%)
- Lower production at Počerady CCGT

CCGT - Combined cycle gas turbine

ABROAD WE EXPECT SLIGHT GROWTH IN PRODUCTION





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

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

Romania RES (-13%)

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

Poland (+2%)

+ Increase in electricity generation at the Skawina Power Plant

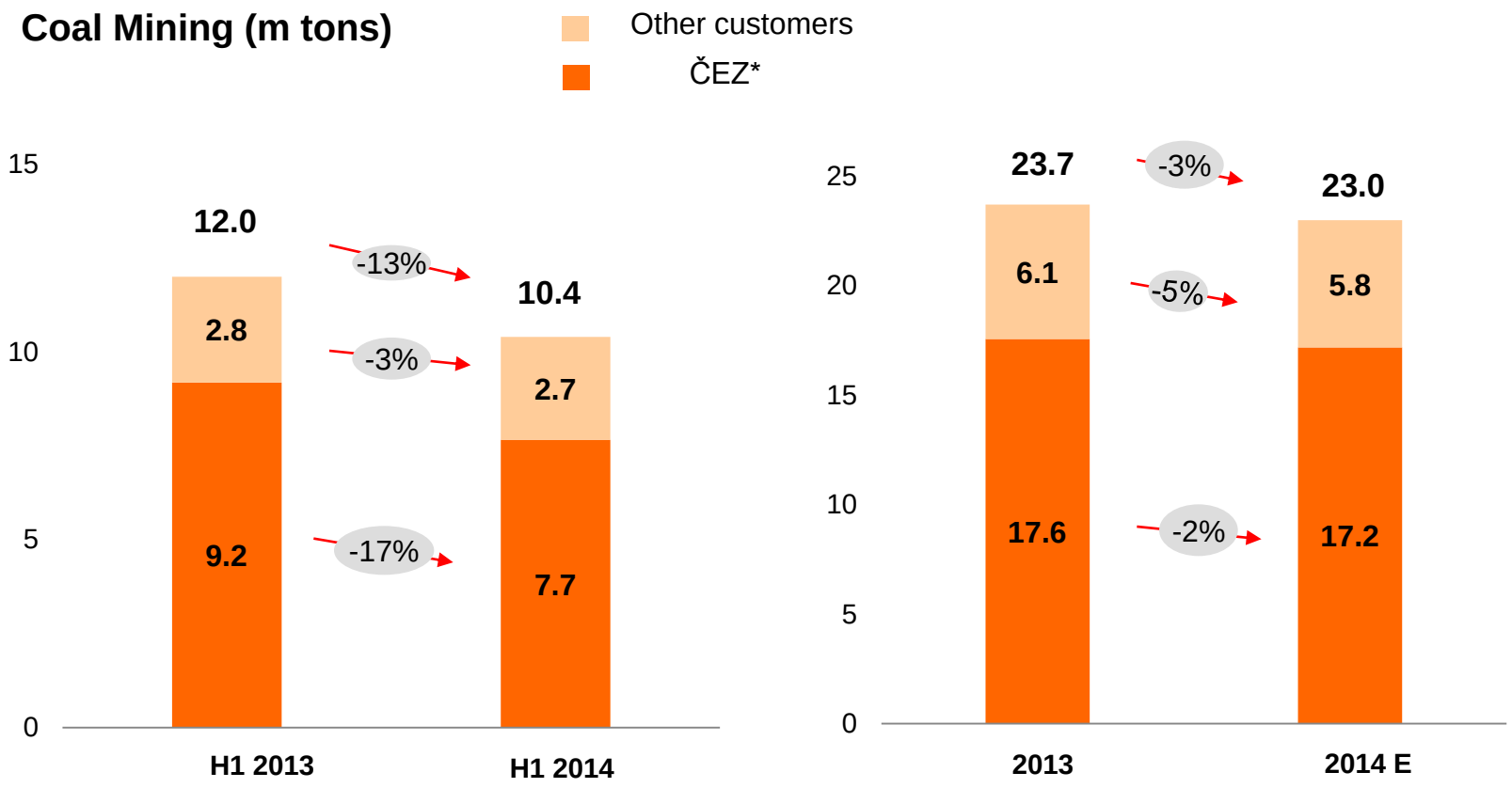
Bulgaria—coal-fired Varna plant (+60%)

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

Romania RES (-4%)

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

SEVEROČESKÉ DOLY: LOWER COAL EXTRACTION REFLECTS DECREASE IN DEMAND

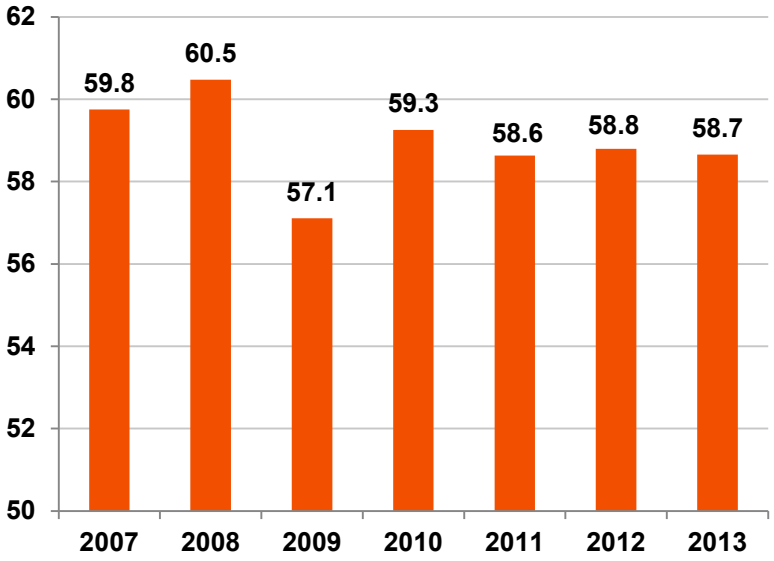


- Drop in demand for sorted coal due to extremely warm winter and lower demand by ČEZ

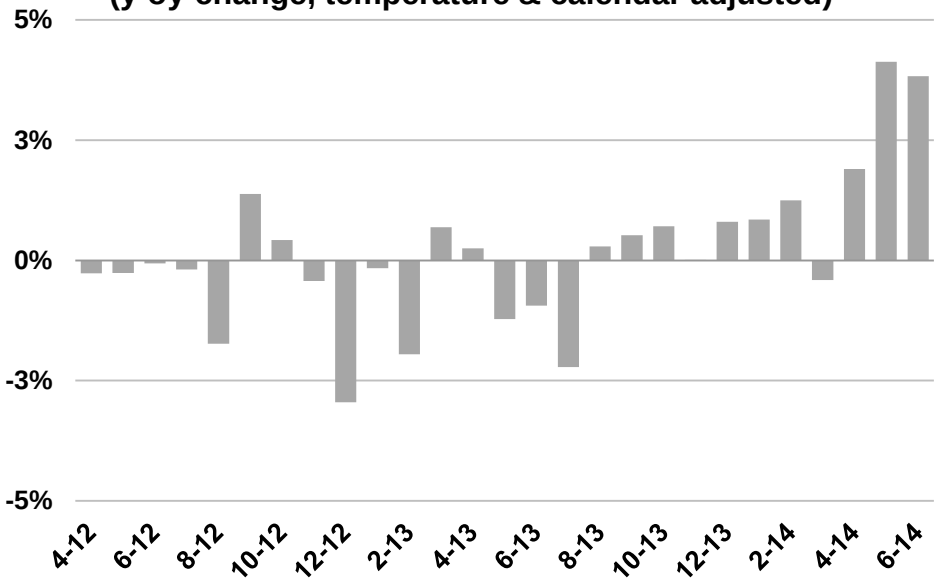
ČEZ* = ČEZ, a. s., incl. Počerady power plant, Energotrans, & Teplárna Trmice; Chvaletice Power Plant only in H1 2013

ELECTRICITY CONSUMPTION IN THE CZECH REPUBLIC HAS STARTED TO IMPROVE

Electricity demand in the Czech Republic (TWh)



Monthly development in Czech electricity (y-oy change, temperature & calendar adjusted)*



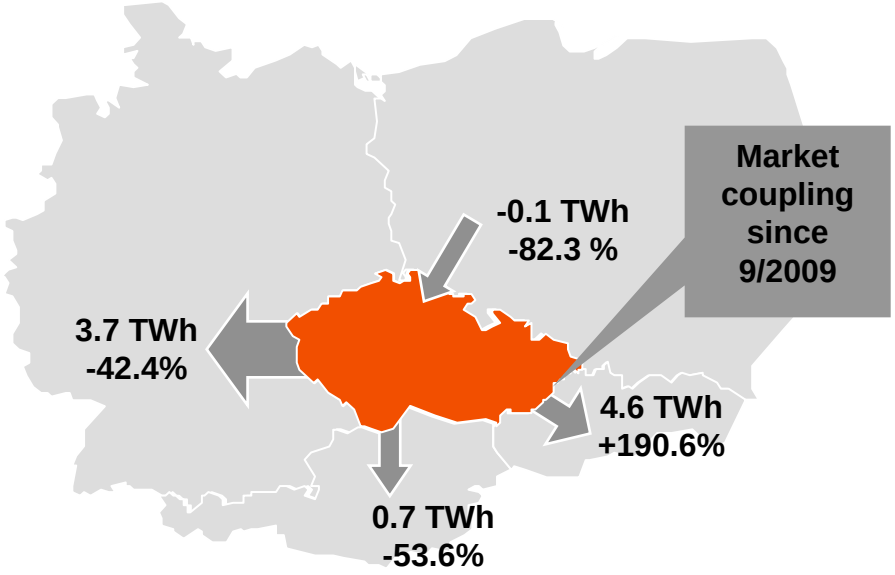
- In recent years electricity consumption was stagnant for several years and in 2013 it was 3% below its 2008 peak.
- In H1 2014 temperature adjusted electricity consumption increased by 1.6% y-o-y in the Czech Republic*
- Unadjusted consumption of individual segments in H1 2014 was as follows* :
  - +8.6% wholesale customers
  - -7.2 % households
  - -8.9% small businesses

Source: CEZ, ERU
* H1 2014 estimate based on CEZ model

CZECH REPUBLIC REMAINS NET EXPORTER OF ELECTRICITY

Balance of cross border trades of the Czech Republic in 1H 2014

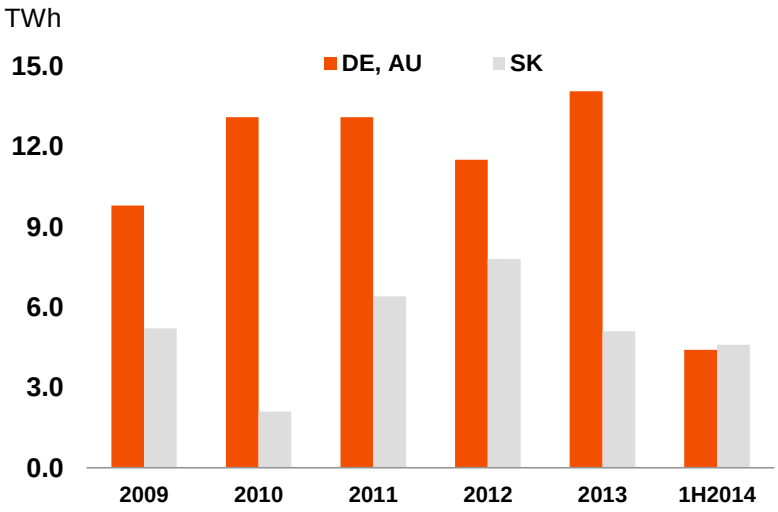
(Net exports in TWh, y-o-y changes in %)



Total net exports: 8.9 TWh, +1.1%

- CEZ is selling electricity on the wholesale market
- Czech Republic remains net exporter of power
- There are no bottlenecks on the borders (except Poland)

Development of balance of cross border trades



TWh	2010	2011	2012	2013	1H2014
DE, AU	13.1	13.1	11.5	14.1	4.4
SK	2.1	6.4	7.8	5.1	4.6
PL	-0.5	-2.1	-1.5	-1.3	-0.1
	14.8	**17.5**	**17.8**	**17.9**	**8.9**

Source: CEPS

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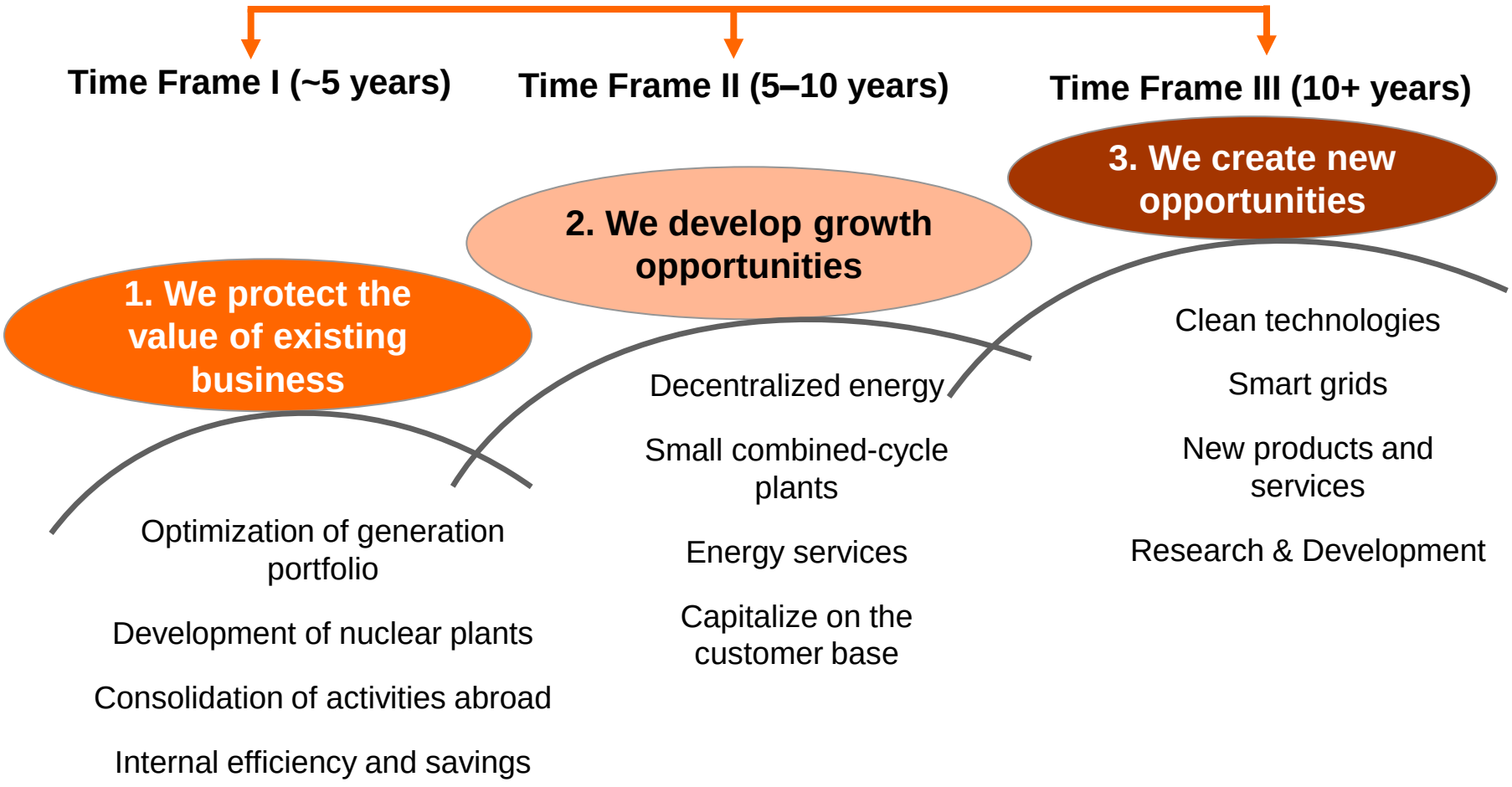
CEZ REACTS TO TURBULENT DEVELOPMENTS IN MARKETS WITH A WELL-BALANCED STRATEGY COVERING THREE TIME FRAMES:



WE GRADUALLY IMPLEMENT OUR ADOPTED STRATEGY THROUGH SEVEN STRATEGIC PROGRAMS:

1. We protect the value of existing business

2. We develop growth opportunities

	Program	Program goals
1	**New nuclear sources**	▪ Ensure conditions for financial feasibility and financing ability of the Temelín Units 3 & 4 project and possibly other nuclear projects
2	**Long-term operation of Dukovany NPP**	▪ Extend operations of the Dukovany Nuclear Power Plant beyond 2025 while ensuring the required rate of return.
3	**Stabilization abroad**	▪ Optimize the capital structure of each company ▪ Reduce exposure on unpromising markets and increase focus on countries with better political and economic stability
4	**Performance and Entrepreneurship**	▪ Enhance entrepreneurship and financial management while achieving sufficient savings ▪ Define a staff development program to improve the Group's performance and value
5	**Renewable sources**	▪ Optimize the existing portfolio by divesting selected projects or shares ▪ Develop, build, and operate a RES portfolio with an attractive IRR
6	**Customer orientation**	▪ Improve customer experience across CEZ Group ▪ Use new products to capitalize on the existing customer base ▪ Improve brand perception
7	**New Energy**	▪ Develop new business activities mainly in distributed and "small" energy while focusing on the end customer

RES – Renewable Energy Sources IRR – Internal Rate of Return

CEZ CANCELED PROCUREMENT PROCEDURE FOR CONSTRUCTION OF TEMELIN NUCLEAR POWER PLANT

The requirements for the project‘s feasibility are not fulfilled at the moment.

- On Apr 9, the Czech government adopted a resolution saying it was not planning to provide any guarantee or stabilization mechanism for the construction of low-carbon facilities at the moment.
- It also declared interest in further development of nuclear energy in the Czech Rep., promising to prepare a comprehensive plan for this area by the end of 2014.
- On April 10, 2014 CEZ canceled the procurement procedure for construction of two new units in the location of Temelin nuclear power plant and sent a relevant notice to participants - consortium of Westinghouse Electric Company LLC and Westinghouse Electric Czech Republic s.r.o., consortium of ŠKODA JS, Atomstroyexport and Gidropress and also earlier excluded AREVA NP. At the same time, it confirmed that preparation of the project as such is going forward.

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

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

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

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

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

RENEWABLE RESOURCES: CONSOLIDATION OF PROJECTS, ONLY PROJECTS WITH ATTRACTIVE IRR BEING DEVELOPED, DIVESTITURE OF SELECTED PROJECTS CONSIDERED

Poland

- CEZ is holding 75% stake in Eco-Wind Construction S.A. with an option for remaining 25%.
- Eco-Wind's portfolio of almost 800 MW projects will undergo optimisation, selected projects to be sold.
- Projects selected for the future development will be funded non-recourse.
- 170 MW at advanced stage of development.
- Uncertainty of the Polish regulation regime persist. Projects to be further developed only after the clearance of the regulatory environment.

Romania

- CEZ is operating Fantanelle (347.5 MW) and Cogealac (252.5 MW) Wind Farms and refurbished small hydro power plants (18 MW) in Romania.

Bulgaria

- Conditions of the investment memorandum concluded in 2006 in connection with acquisition of Varna TPP have been fulfilled – in 2013 CEZ allocated EUR 17 million into biomass projects in Bulgaria. Currently CEZ operates one solar power plant (5 MW) in Bulgaria.

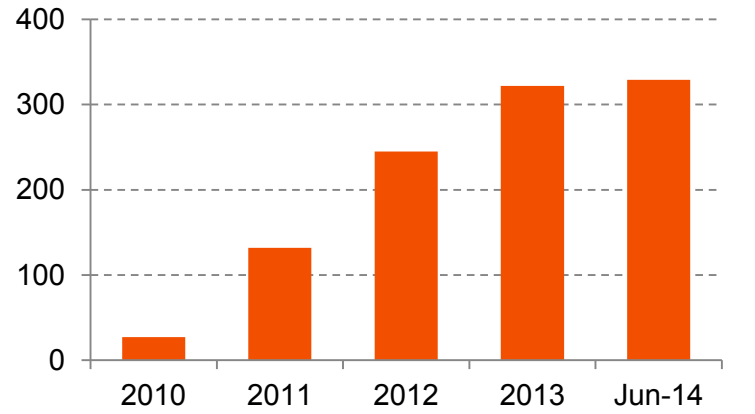
Germany

- CEZ monitors German renewable market and may consider to buy/develop some minor renewable project in Germany.

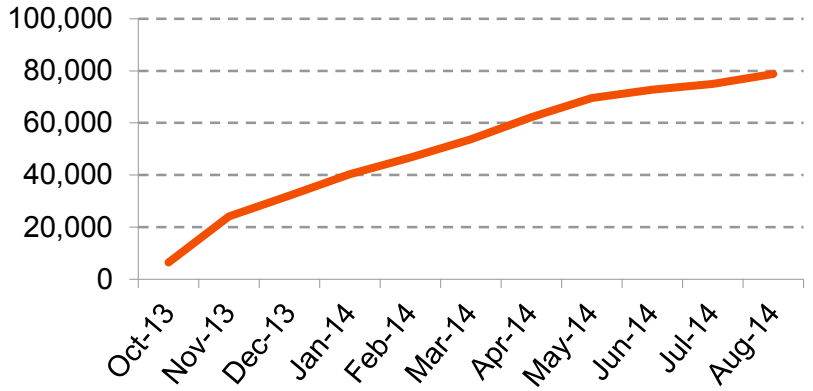
CUSTOMER ORIENTATION: EXPANDING PRODUCT OFFER AND IMPROVING CUSTOMER SERVICE

- **CEZ works on improving customer experience**
  - Simplified version of IVR on the Customer and Emergency Lines reduced number of abandoned calls and shortened the time needed to make a choice.
  - We improve customer experience with requests for connections to the grid, complaints, and grid faults by providing more information online and by simplifying the letters and materials
  - We have deployed a dedicated team for repayment plans with an individual approach to each customer
- **CEZ expands the product offer**
  - We have strengthened our position of the largest alternative gas supplies in the Czech Republic. Number of gas customers reached 329,000 in June 2014.
  - In October 2013 CEZ launched the offer of mobile phone services. We currently have 74,000 customers
  - Since July 2014 CEZ offers to customers an insurance of ability to fulfill financial obligations

Gas - number of connection points (000s)



CEZ MOBILE customers



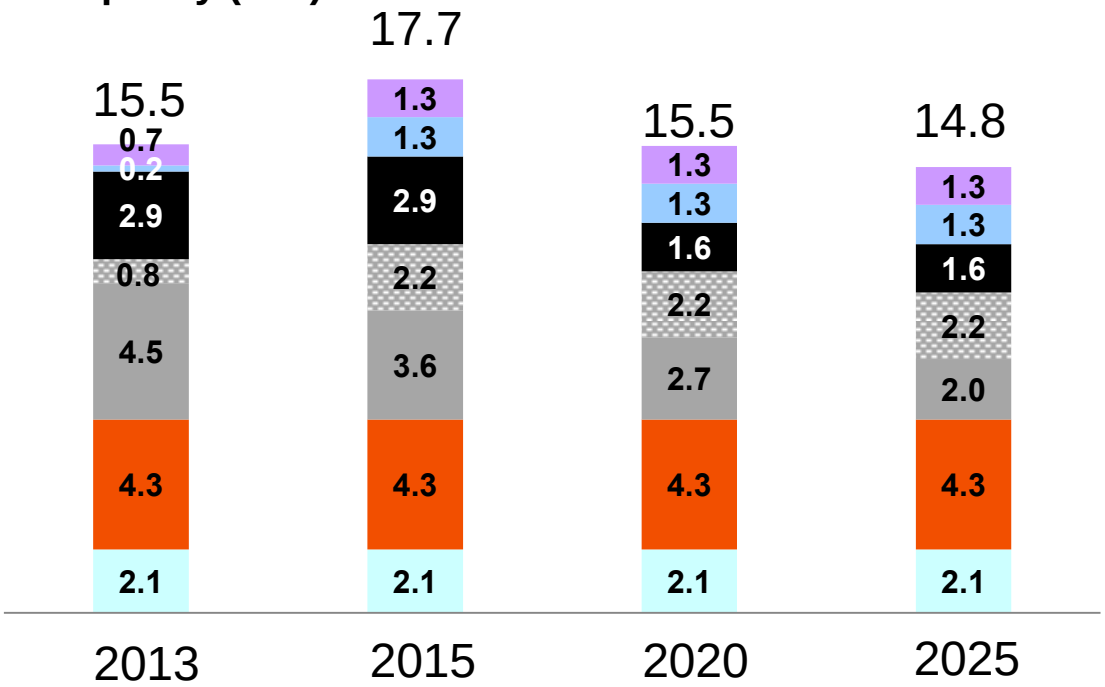
NEW ENERGY: IDENTIFY OPPORTUNITIES AND PICK PROJECTS ADDING VALUE TO THE GROUP

	Theme	Examples of opportunities	CEZ Group´s existing competence
	Services for households and service sector	▪ Services relating to the energy management of buildings ▪ Sale, installation and service of heat pumps, LED lighting, household smart grids.	CEZ Energetické služby – services, audits and consultancy concerning energy management and energy savings
	Professional services for industry and municipalities	▪ Technically demanding services and products such as installation and operation of industry islands or design and installation of local DC grids	CEZ Energetické služby – energy projects and wide range of services for industrial customers
	Regional decentralised energy production	▪ Installation and operation of micro-cogeneration ▪ Construction and operation of regional waste-to-energy plants	CEZ Energo – realised several projects concerning construction and subsequent operation of gas-fired cogeneration units
	Enter to other network industries	• Construction and operation of public lighting	CEZ Energetické služby – operates public lighting in several municipalities

In September 2013 CEZ set up a new company ČEZ Nová energetika (ČEZ New Energy) specialising in finding growth potentials in decentralised energy sector.

INVESTMENT PROGRAM ALLOWS CEZ TO REDUCE THE AVERAGE CARBON EMISSION FACTOR

Expected installed capacity (GW)
(proportionate*)



	2013	2015	2020	2025
Total CO_2 emissions (m t CO_2)	30.8	33.7	29.0	27.8
Emission intensity (t CO_2/MWh supplied)	**0.51**	**0.49**	**0.44**	**0.42**

* includes equity consolidated companies (Akenerji)

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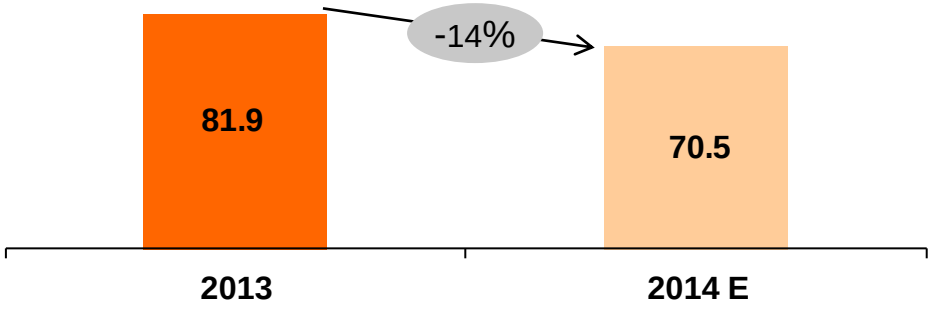
WE EXPECT EBITDA OF CZK 70.5 BN AND ADJUSTED NET INCOME OF CZK 29.0 BN

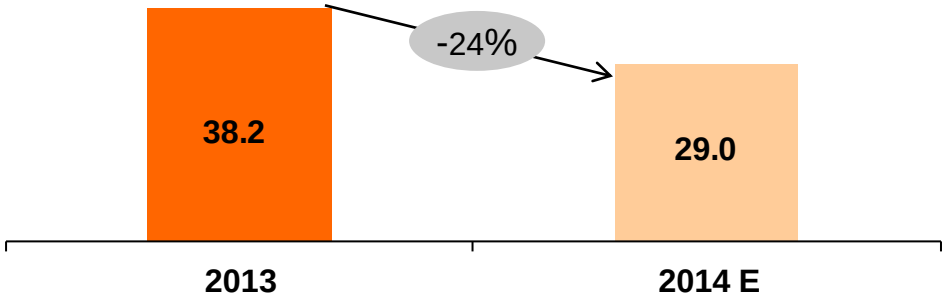
CZK bn

EBITDA



CZK bn

ADJUSTED NET INCOME*



Selected year-on-year negative effects:

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

Selected year-on-year positive effects:

- Cuts in fixed operating costs

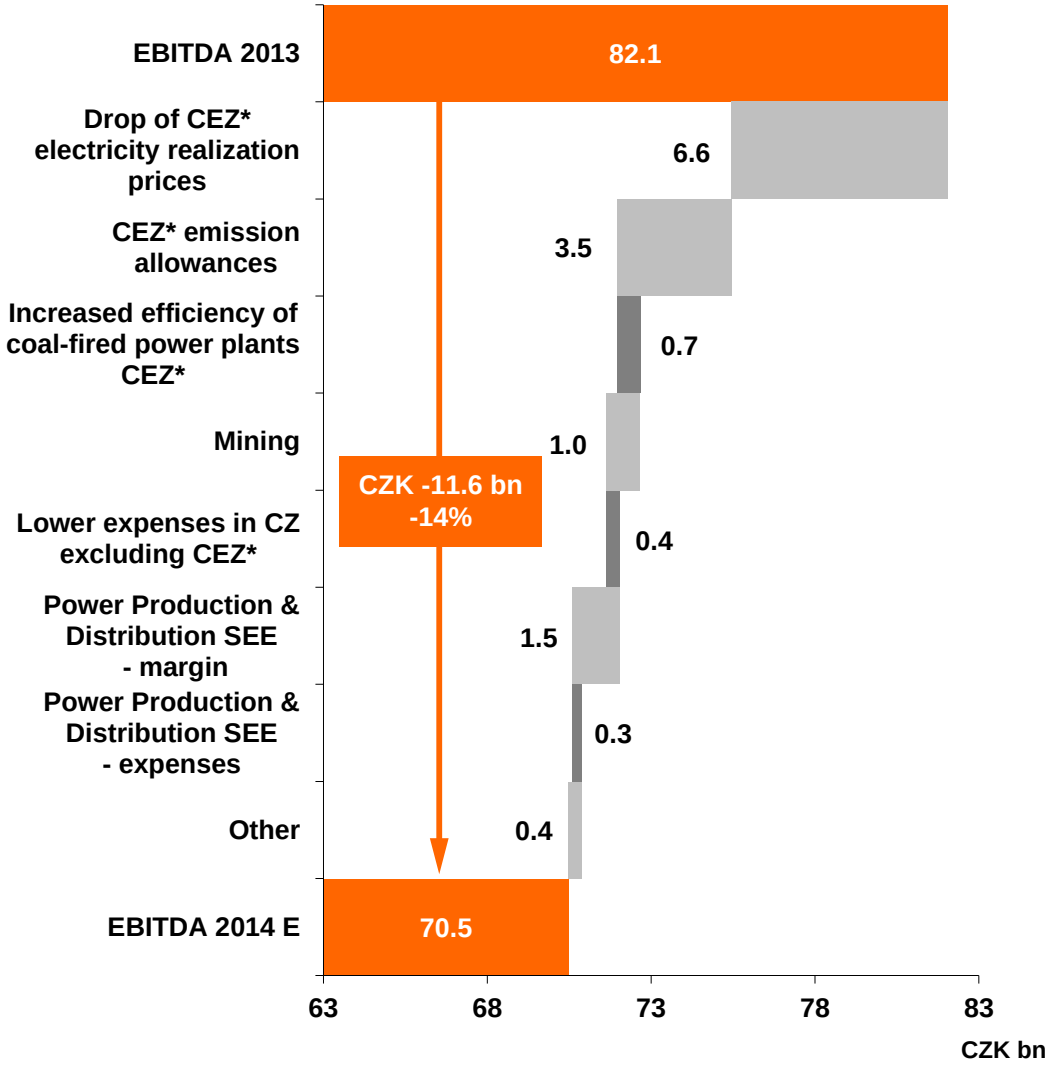
Selected prediction risks:

- Developments in regulatory and legislative conditions for the energy sector in Southeast Europe

* The values of adjusted net income do not include extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as impairments to fixed assets and goodwill amortization, extraordinary profit/loss from sale of assets or subsidiaries, or other extraordinary effects). The accounting net income achieved in 2013, amounting to CZK 35.2 bn, is adjusted for the effect of impairments to fixed assets, the impact of the sale of the Chvaletice Power Plant, and the effect of the exclusion of the Albanian company CEZ Shpërndarje from the consolidated group.

Financial values for 2013 reflect the recalculation of past periods in accordance with the IFRS (especially the reclassification of ČEZ Energo from a subsidiary to a joint venture).

DRIVERS OF EBITDA DECREASE IN 2014



Drop of CEZ* electricity realization prices:
- Decline in wholesale electricity prices
- Decrease in hedging CZK/EUR exchange rate

CEZ* emission allowances:
- Extraordinary revenue from CER Gate trading in 2013
- Reduction in allocation for production in NAP III

Increased efficiency of coal-fired power plants CEZ*
- Higher margin of modernized power plants in the Czech Republic

Mining
- Decrease in margin due to drop in coal prices linked to electricity prices

Lower expenses in Czech Rep. excluding CEZ*
- Savings of external fixed operating expenses

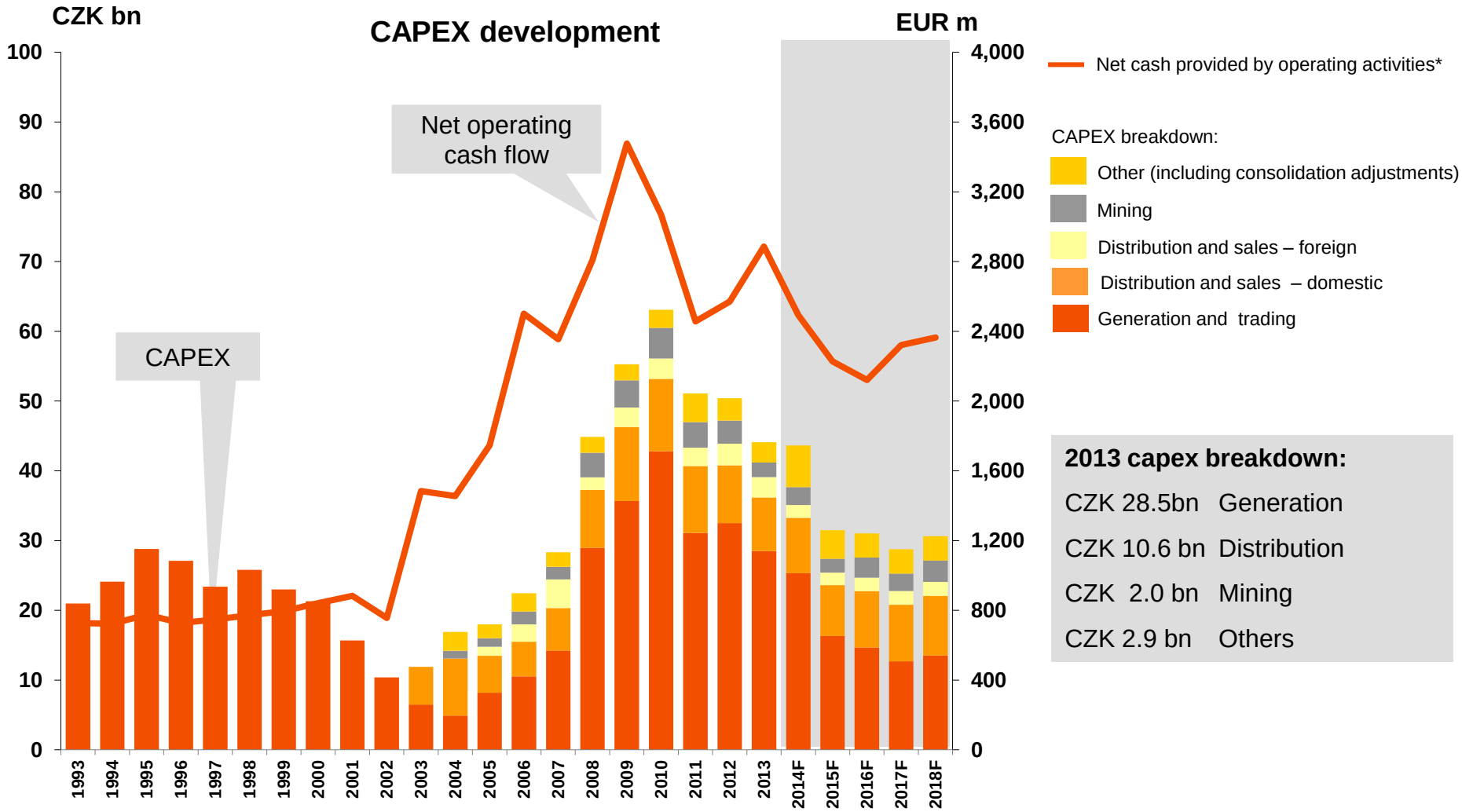
Power Production & Distribution SEE - margin
- Bulgaria – lower regulated tariffs for 2014
- Romania – postponement of allocation of green certificates

Power Production & Distribution SEE - expenses
- Savings of external fixed operating expenses

Other
- Effect of divestment of the Chvaletice power plant on Sep 2, 2013
- Change in the IFRS method - reporting the profit of ČEZ Energo from Jan 1, 2014 (equity method in net income instead of consolidation in EBITDA)

CEZ* = ČEZ, a. s. including spun-off coal-fired power plants in Počerady, Chvaletice (until Sep 2, 2013) and Dětmarovice
NAP – National Allocation Plan

CAPEX PLAN CAN BE FINANCED FROM OPERATING CASH FLOW



2013 capex breakdown:

CZK 28.5bn Generation

CZK 10.6 bn Distribution

CZK 2.0 bn Mining

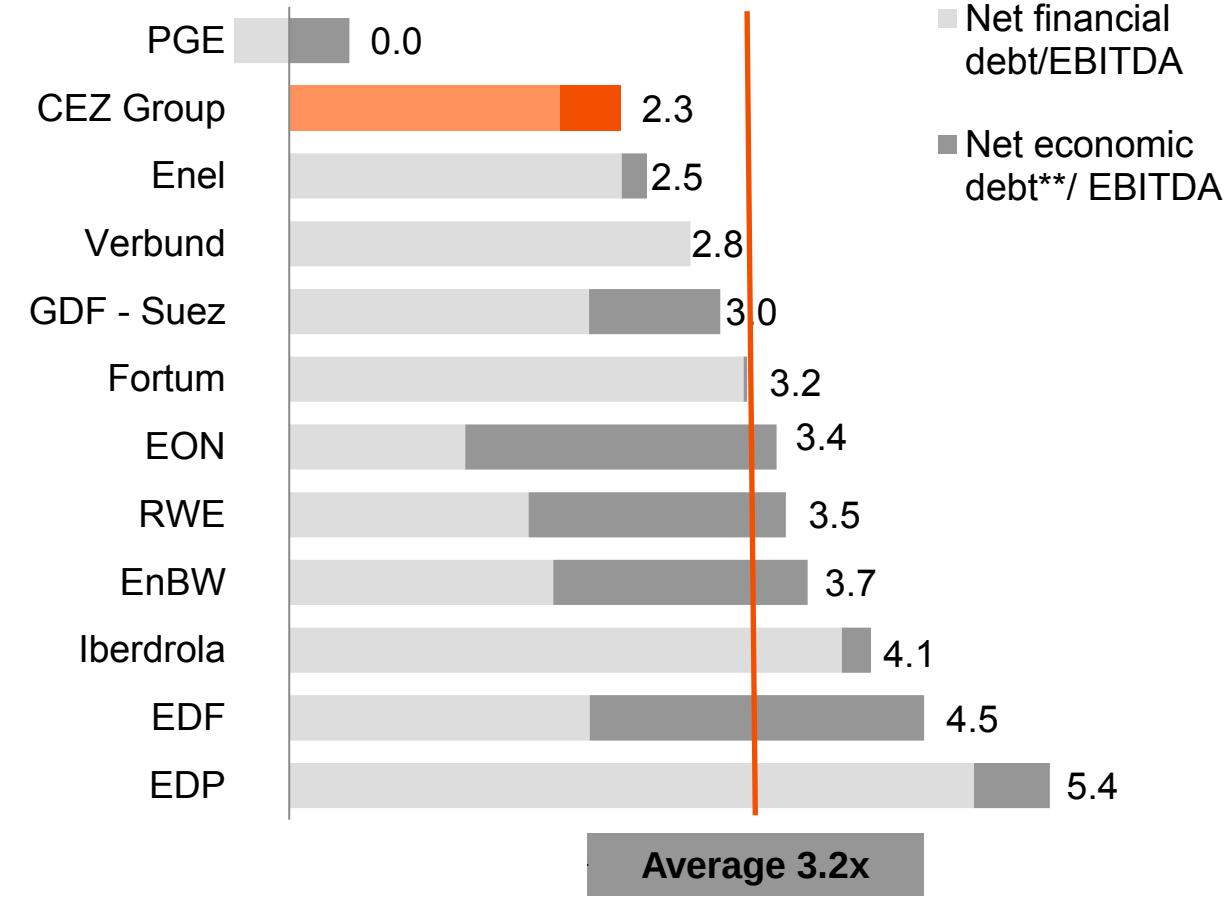
CZK 2.9 bn Others

Note: * based on business plan approved in Dec-13, which uses electricity forwards as of Sep-2013. Exchange rate CZK/EUR = 25.14

OUR CURRENT LEVERAGE IS LOW COMPARED TO INDUSTRY STANDARDS

Net economic debt/ EBITDA*

Multiples, 2013



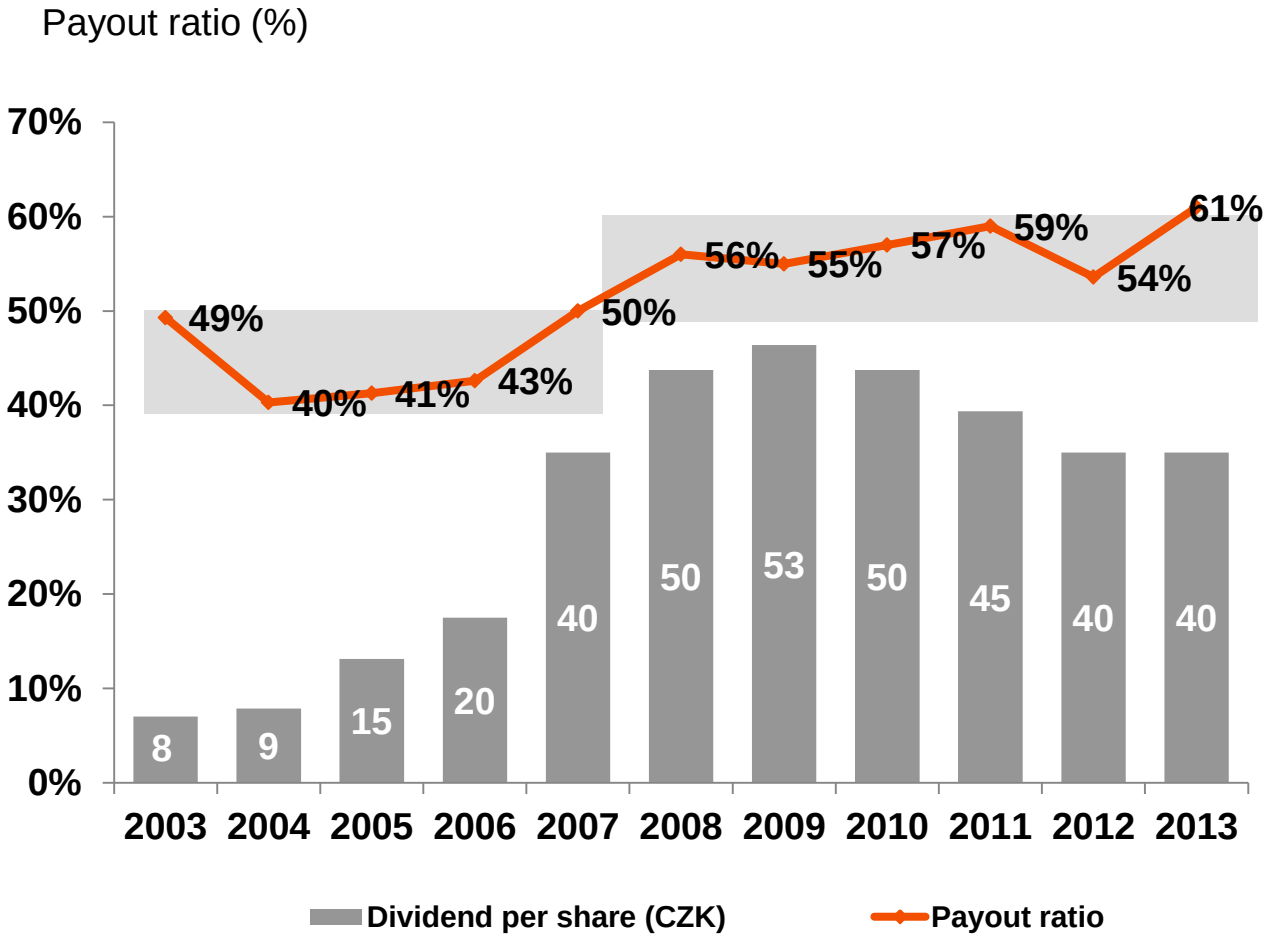
Current level of debt is low, which is a comfortable position in the current environment

Medium-term target leverage remains intact:

- Net debt/EBITDA ratio at 2.0-2.5x
- Consistent with current rating of A-/A2

*EBITDA as reported by companies, ** Net economic debt= net financial net debt + liabilities from nuclear provisions & liabilities from employee pensions & reclamation and other provision

CEZ GROUP IS COMMITTED TO MAINTAIN ITS PAYOUT RATIO OF 50 – 60 % OF NET INCOME



- Dividend policy targets payout ratio in the range of 50% to 60% of the consolidated profit adjusted for extraordinary items.
- On June 27, 2014 shareholders approved the dividend from 2013 profits of CZK 40 per share. Payment started on August 1, 2014.

AGENDA

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- Financial performance 28
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  - Regional power prices 39
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SETTLEMENT AGREEMENT SIGNED WITH ALBANIA IN JUNE 2014

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

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

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

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

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

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

SELECTED EVENTS IN FOREIGN ASSETS

Bulgaria

- Proceedings on revocation of the licenses of sale companies CEZ Electro, Energo-Pro and EVN are ongoing. CEZ Group is convinced there is no reason for license revocation.
- A new price decision of the regulatory authority SEWRC has been in effect for distribution and sales since July 1, 2014. As a result, the distribution company margin will drop by app. 4% and the one of sales company by app. 33%. We are identifying possible cost cuts to alleviate the negative impacts on the companies' results as much as possible.

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.
- Allocation of green certificates to Fântânele Vest wind park (262.5 MW) suspended since November 2013 due to notification delay on the part of the European Commission. Q2 2014 ČEZ CEO met with the Romanian Prime Minister and Minister of Energy to discuss the restriction of support for renewable sources in the country. The negotiations are leading to an agreement under which certificates would be temporarily assigned on the basis of the Romanian government's ordinance until the European Commission's notification is obtained.

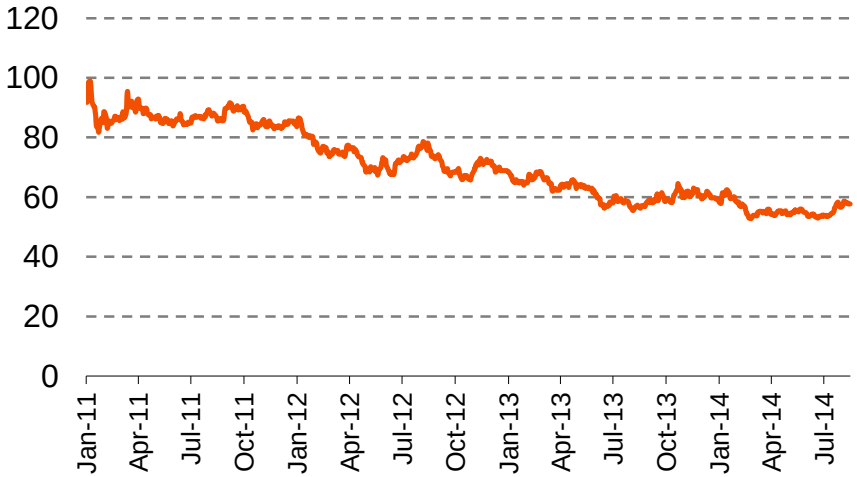
CEZ IS A STRONG AND VERTICALLY INTEGRATED PLAYER IN THE CZECH ELECTRICITY MARKET

	Lignite mining	Generation	Transmission	Distribution	Supply
CEZ	**58**% 23.7 million tons	**72**% 62 TWh	**100**% 52.9 TWh	5 out of 8 distribution regions 64% of customers	**36%** 21 TWh
Others	**42**% 16.9 million tons	**28**% 24.8TWh		36% of customers	64% 37.7 TWh
	▪ CEZ fully owns the largest Czech mining company (SD) covering 73% 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, RWE/EnBW

Source: CEZ, ERU, OTE, companies´ data ; data for 2013

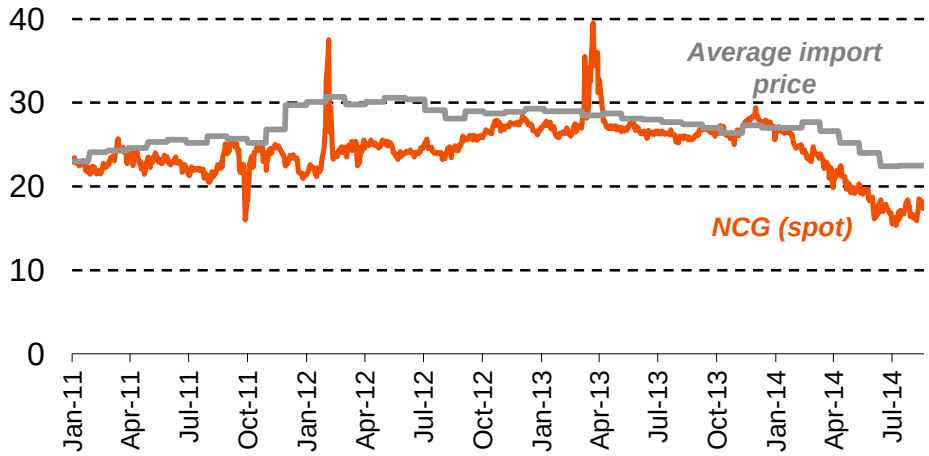
HISTORICAL DEVELOPMENT OF PRICES OF INPUT COMMODITIES

Coal (EUR/t)

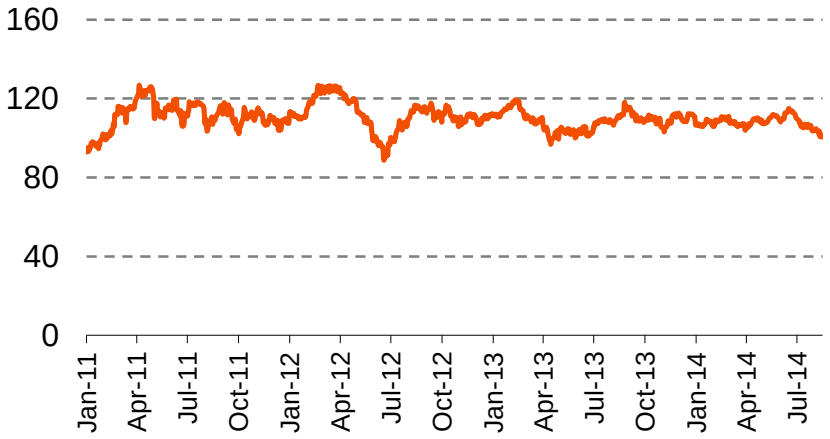


CO_2 allowances (EUR/t)

Gas (EUR/MWh, in Germany)

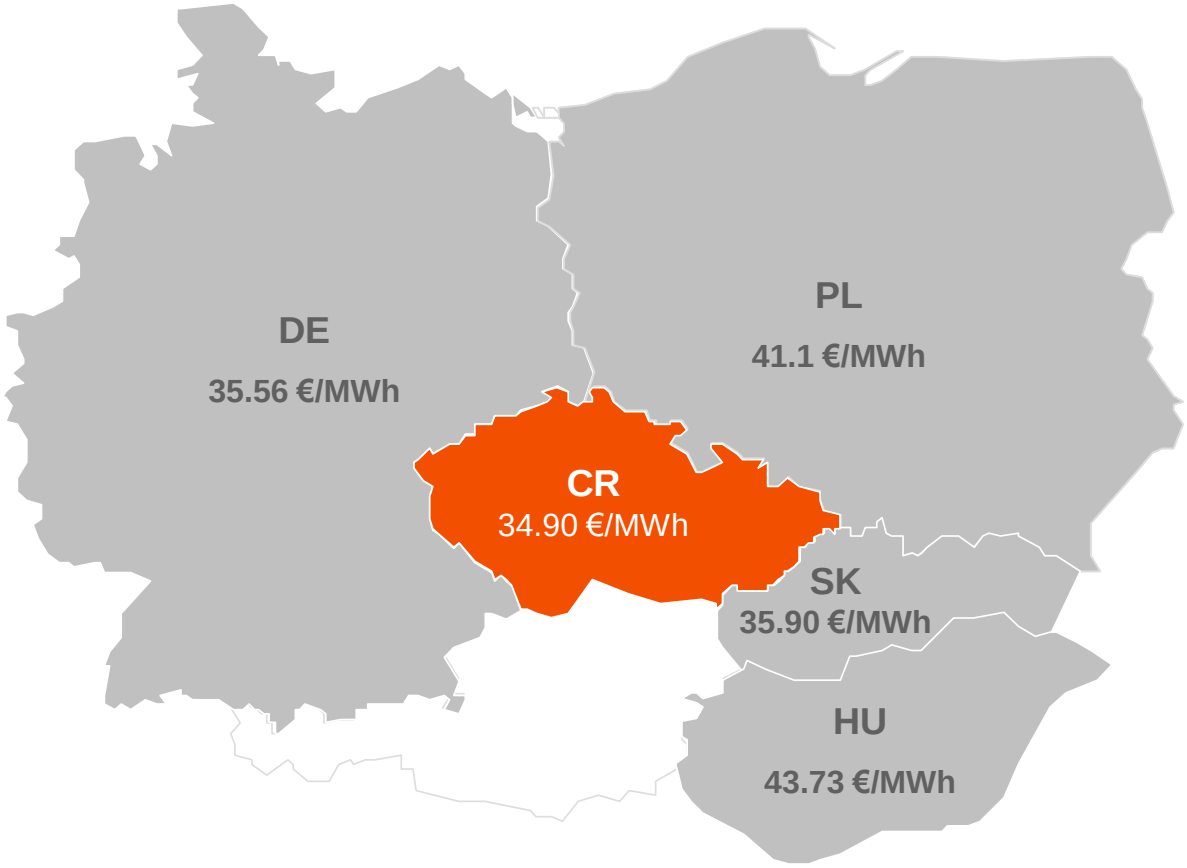


Oil Brent (USD/bl)



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

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



Note: Prices for baseload 2015 as of August 18th, 2014

Source: EEX, PXE; PolPX, Bloomberg

CONSTRUCTION AND MODERNIZATION OF OUR POWER PLANTS IS ALMOST COMPLETED

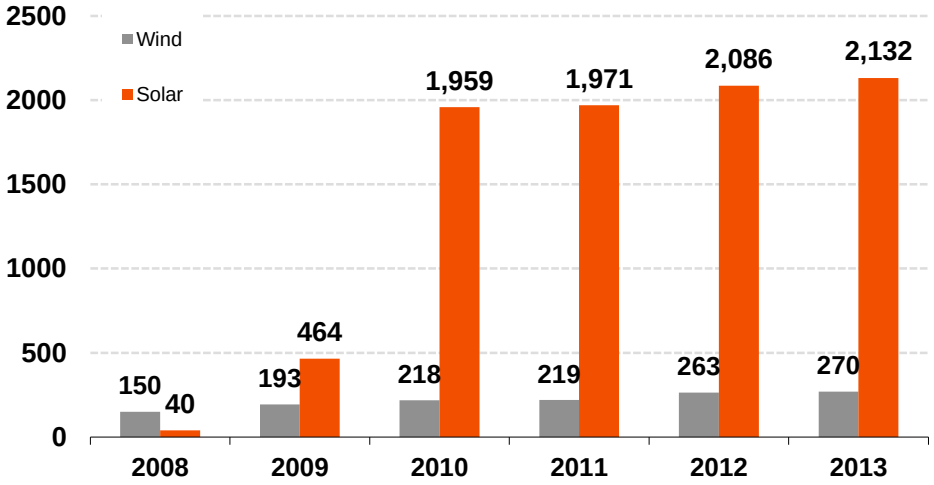
Plant	Capacity (MW)	Efficiency	Construction period
			2009 – 2010 – 2011 – 2012 – 2013 – 2014 – 2015
Tušimice (lignite)	4 x 200	39%	
Ledvice (lignite)	1 x 660	42.5%	
Prunéřov (lignite)	3 x 250	<39%	
CCGT Počerady	841	57.4%	
CCGT Hatay (Egemer)	904	57.8%	
Kemah (hydro)	240		In development stage

August 2014

CZECH REPUBLIC: RENEWABLES SUPPORT

Renewables type (prices for installations put into operation in 2013)	**2013 feed-in tariff (€/MWh)**	**2013 green bonus (€/MWh)**
Solar <30 kW	97-119	75-114
Solar >30 kW	0	0
Wind	84	62
Small hydro	80-151	48-95
Biogas stations	76-141	36-99
Pure biomass burning	82-129	48-90

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

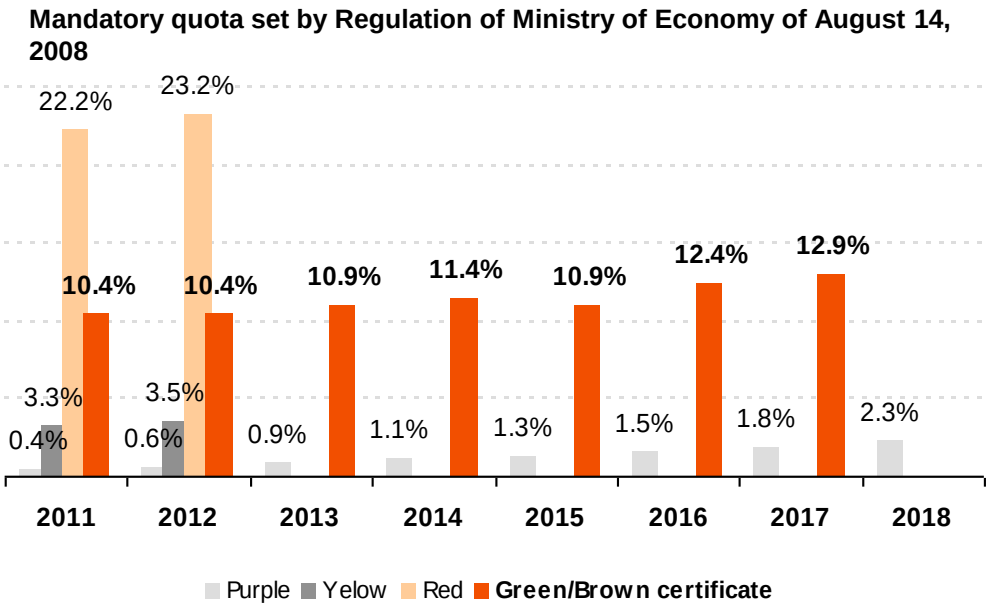


CZK/EUR=25.14

- Support for renewables is given only to installations which were put into operations by Dec 31, 2013.
- 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)
- Fees for renewables are part of regulated distribution tariffs charged to final customers.
- 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 put into operations in 2010 with capacity over 30kWp are obliged to pay 10% tax of revenues.

Source: Energy regulatory office (www.eru.cz)

POLAND: RENEWABLES SUPPORT



	Renewables/ biogas	Co-generation		
Prices in 2013 in EUR/MWh	**Green/Brown**	**Red**	**Yellow**	**Purple**
Substitute fee	71.7	7.2	35.9	14.4
Certificate of origin*	35	0.7	28.5	14.1

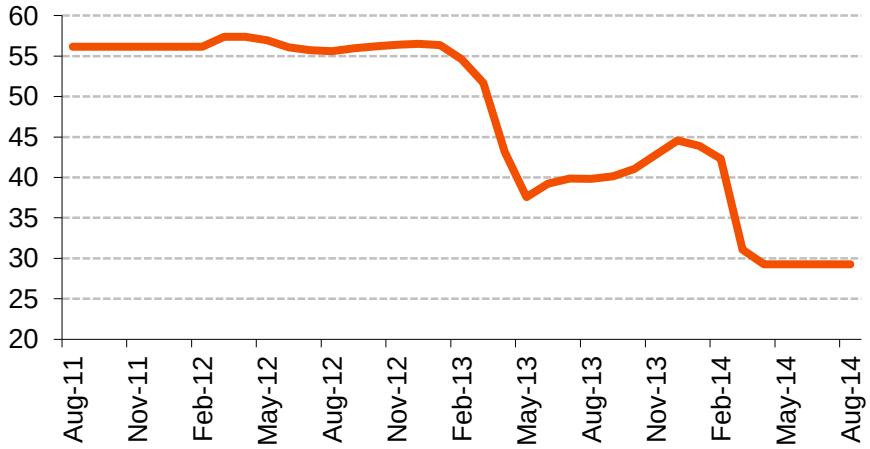
- System based on granting certificates of origin (green certificates for electricity from renewable sources) to producers of electricity from renewable sources (1 certificate/1 MWh produced) on top of electricity price
- Certificates (property rights derived from certificates) are traded on Polish Energy Exchange
- Energy companies delivering electricity to final consumers have to supply a given portion of electricity from renewable sources each year, which can be executed by:
  - a) submitting certificates of origin
  - b) payment of a substitute fee**
- Substitute fee is set by Energy Regulatory Office at the end of March each year, level is adjusted annually for inflation of preceding year
- Guaranteed revenue from wholesale electricity selling for RES producers by possibility of sale to seller default for an average price of preceding year (2012 199 PLN/MWh=47.6 EUR/MWh)
- Financial penalty for failure to meet the obligation: minimum 130% of substitute fee, maximum 15% of company revenues for previous year
- Certificates issued and mandatory quota for suppliers set also for biogas production (brown certificates) and cogeneration (yellow, red, purple certificates)

ex. rate 4.15 EUR/PLN for 2013, 4.18 EUR/PLN for 2012, * average prices from continuous trading in 2013, , ***payment in account of The National Fund of Environment Protection and Water Management

ROMANIA: RENEWABLES SUPPORT

- Two green certificates (GC) obtained by the producer for each MWh supplied from wind to the network until 2017, one GC from 2018 onwards
- In July 2013 Romanian government has approved an emergency decree which defers trading of second green certificate for wind farm producers until 1 Jan 2018.
- Legally set up price for green certificate is 27 to 55 EUR in 2008 – 2025
- GC may be sold to electricity suppliers using bilateral negotiated contracts or on the centralized market of green certificates
- Duration of support – 15 years
- Penalty for suppliers unable to comply with annual mandatory quota – double of the maximum trade value of GC
- New Law 134/2012 on renewables stipulates that existing producers over 125 MW receive GC according to normal supporting scheme for 2 years, with the obligation to individually notify to Brussels for state aid support within following 3 months after accreditation

Green certificates market clearing price (EUR/certificate)



Source: OPCOM

OVERVIEW OF REGULATION OF DISTRIBUTION NETWORKS

	Czech Republic	Bulgaria	Romania
2014 RAB (local currency)	80,586 m	503 m	2,205 m
2014 RAB (€ m)	3,102	257	499
2014 WACC pre-tax	5.6% (nominal)	7% (nominal)	8.52% (real)
Regulatory period	2010-2015	2013-2018	2014-2018

CZK/EUR=25.974, BGN/EUR=1.96, RON/EUR=4.419

CZECH REPUBLIC: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by ERU (Energy Regulatory Office, www.eru.cz)
- The regulatory formula for distribution
  - Revenue cap = Operating expenses + Depreciation + Regulatory return on RAB - Other revenues corrections +/- Quality factor
  - RAB adjusted annually to reflect net investments
  - Regulatory rate of return (WACC nominal, pre-tax) – 5.554% for 2013 (compared to 6.738% in 2012)
  - Operating costs are indexed to CPI + 1% (30% weight) and market services price index (70% weight). They are also adjusted by efficiency factor of 2.031%/year.

Regulatory period

- 2nd regulatory period: January 1, 2005 – December 31, 2009
- 3rd regulatory period: January1, 2010 – December 31, 2015
  (3rd regulatory period was extended by one year and will last 6 years)
- 4th regulatory period: expected to start from January 1, 2016 and end December 31, 2021

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

BULGARIA: REGULATORY FRAMEWORK OF ELECTRICITY DISTRIBUTION

Regulatory Framework

- Regulated by SEWRC (State 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) –7% for 3rd regulatory period
  - RAB set at € 257 m for 1-6 2014
  - CPI adjustment used for part of costs (OPEX) of EUR 55.5 m
  - Technical losses in 3nd regulatory period set by regulator at 8%
  - Efficiency factor introduced in 2nd regulatory period
  - Investment plan – approved by the regulator on yearly basis retrospective

Regulatory period

- 1st regulatory period October 1, 2005 – June 31, 2008
- 2nd regulatory period July 1, 2008 – June 31, 2013
- 3rd regulatory period July 1, 2013 – June 31, 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 is negligible.

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 applicable starting with 2015. Penalty/premium - maxim annual +/- 4% from annual revenues
- Possibility for annual corrections
- Investment plan – approved by ANRE before regulatory period starts
- Regulatory return (WACC pre-tax real terms) equals 8.52% in third regulatory period
- Working capital is regulated remuneration of 1/12 from total OPEX
- Distribution tariff growth capped in real terms at 10% yearly on voltage levels in the third regulatory period

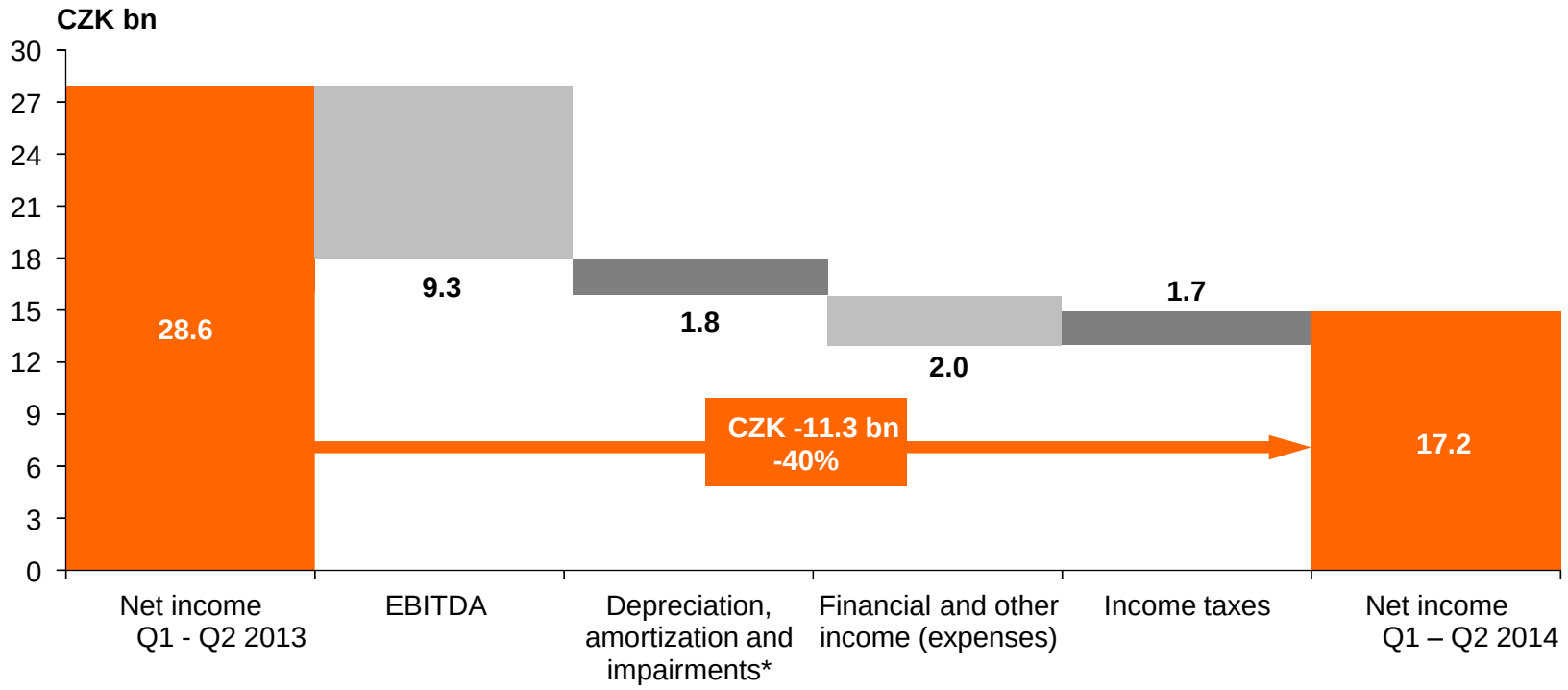
Regulatory periods

- 3rd regulatory period Jan 1, 2014 – Dec 31, 2018
- 2013 was a transitional year with OPEX efficiency -1.5%, CPT targets as in 2012, real pretax WACC of 8.52%

Liberalization

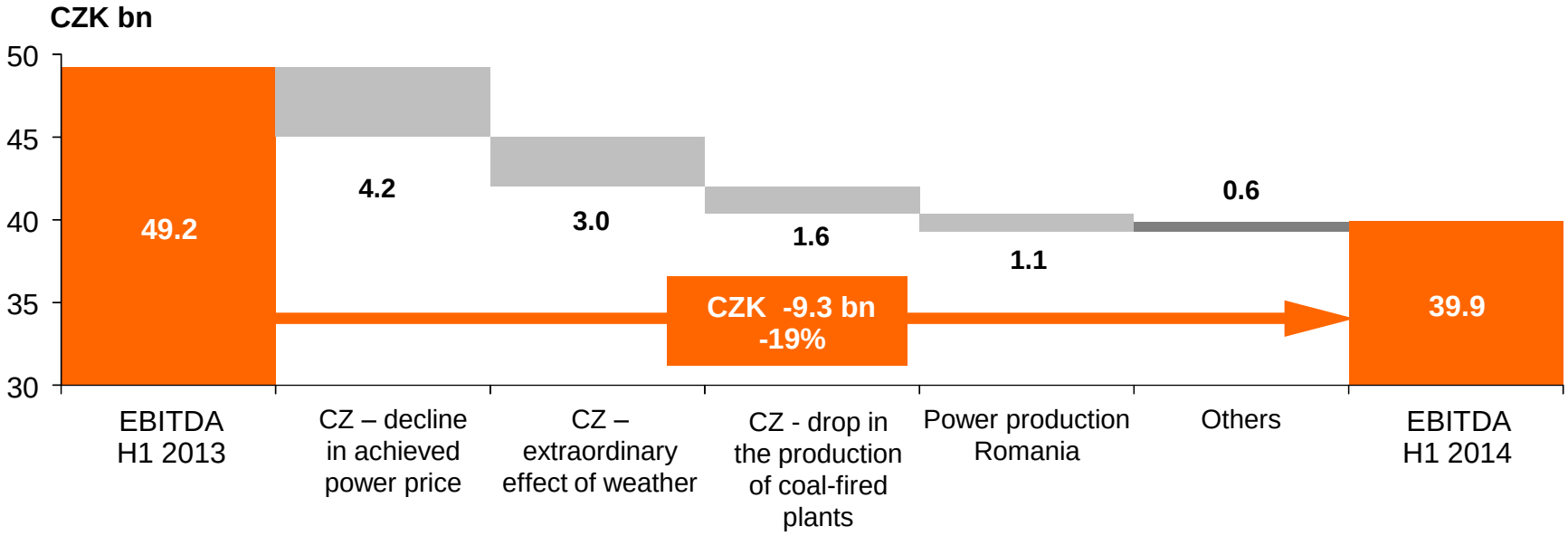
- Complete removal of regulated prices for industrial consumers by end 2013 and for residential consumers by 2017
- Starting January 2014, non-residential customers that benefit of Universal Service (US) are priced with 100% CPC tariff (free market component, endorsed by ANRE). The non-residential customers 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

DRIVERS OF YEAR-ON-YEAR CHANGE IN NET INCOME IN H1 2014



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

KEY DRIVERS OF YEAR-ON-YEAR CHANGE OF EBITDA IN H1 2014



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

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

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

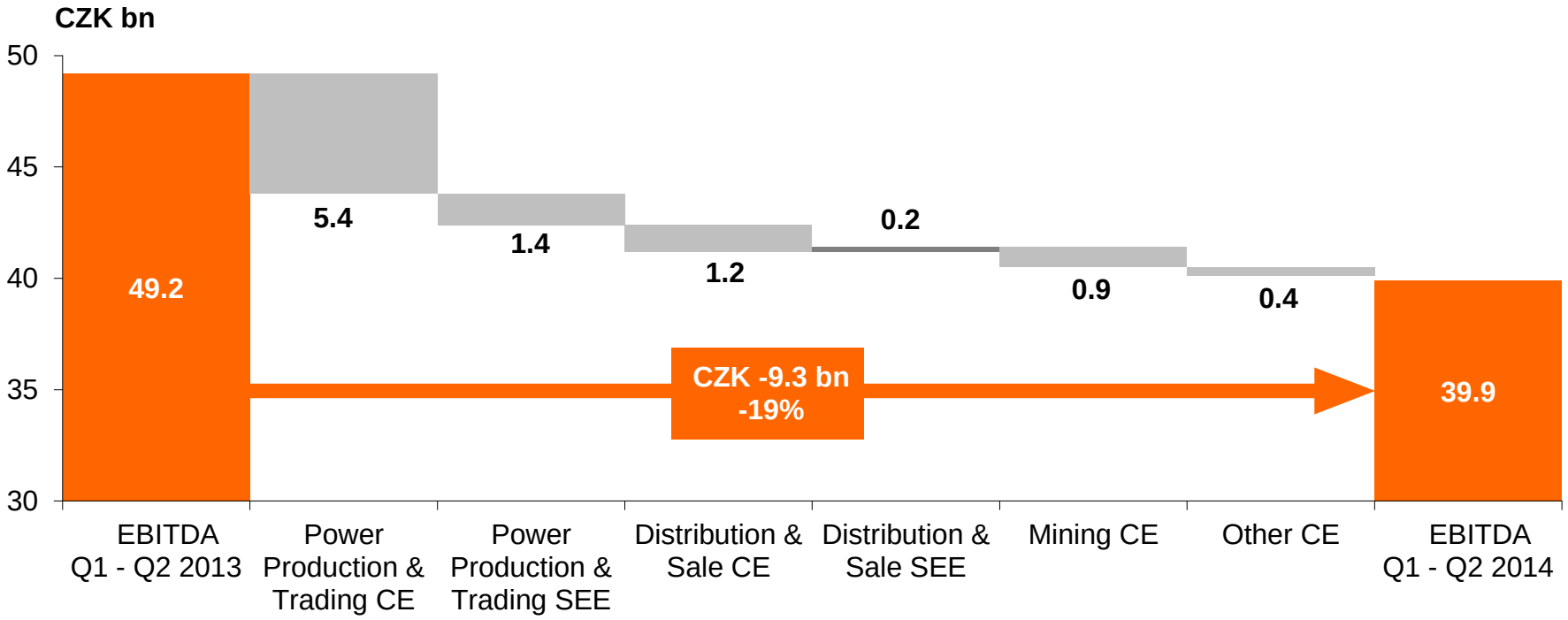
- Caused mainly by the sale of the Chvaletice power plant in 2013

Power Production Romania (CZK -1.1 bn)

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

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

YEAR-ON-YEAR CHANGE OF EBITDA BY SEGMENT IN H1 2014



OTHER INCOME (EXPENSES)

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

Depreciation, amortization, and impairments* (CZK -1.8 bn)
- Impairments of fixed assets in Romania (CZK -2.1 bn)

Income (expenses) from investments (CZK -1.3 bn)
- Extraordinary positive impact of excluding CEZ Shpërndarje from the consolidated group in January 2013 (CZK -1.8 bn)
- Higher dividends received from MOL (CZK +0.4 bn)

Other income (expenses) (CZK -0.6 bn)
- Higher costs associated with early bond buyback (CZK -0.5 bn)

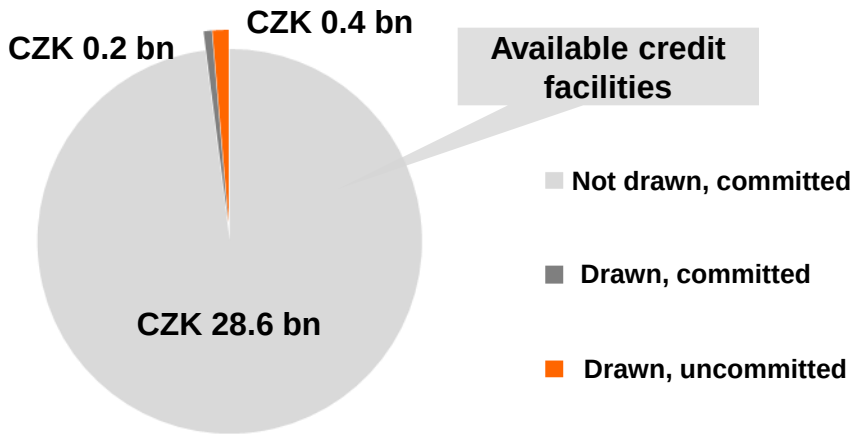
Income tax (CZK +1.7 bn)
- Lower tax reflecting a decrease in income and the effect of divestment of the Chvaletice Power Plant in 2013

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

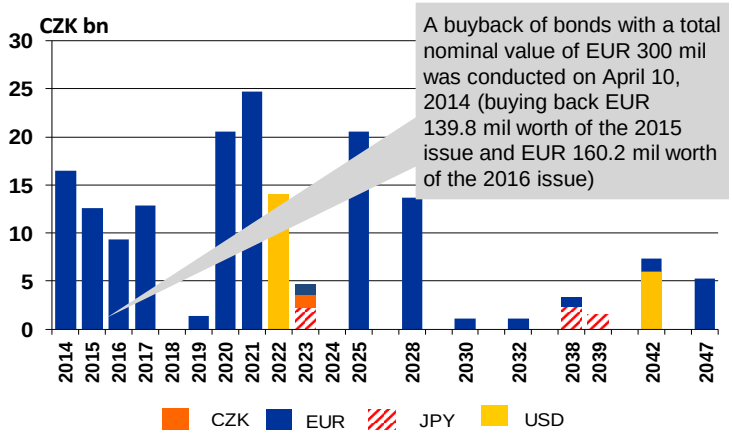
* Including profit/loss from sales of tangible and intangible fixed assets

CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION

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

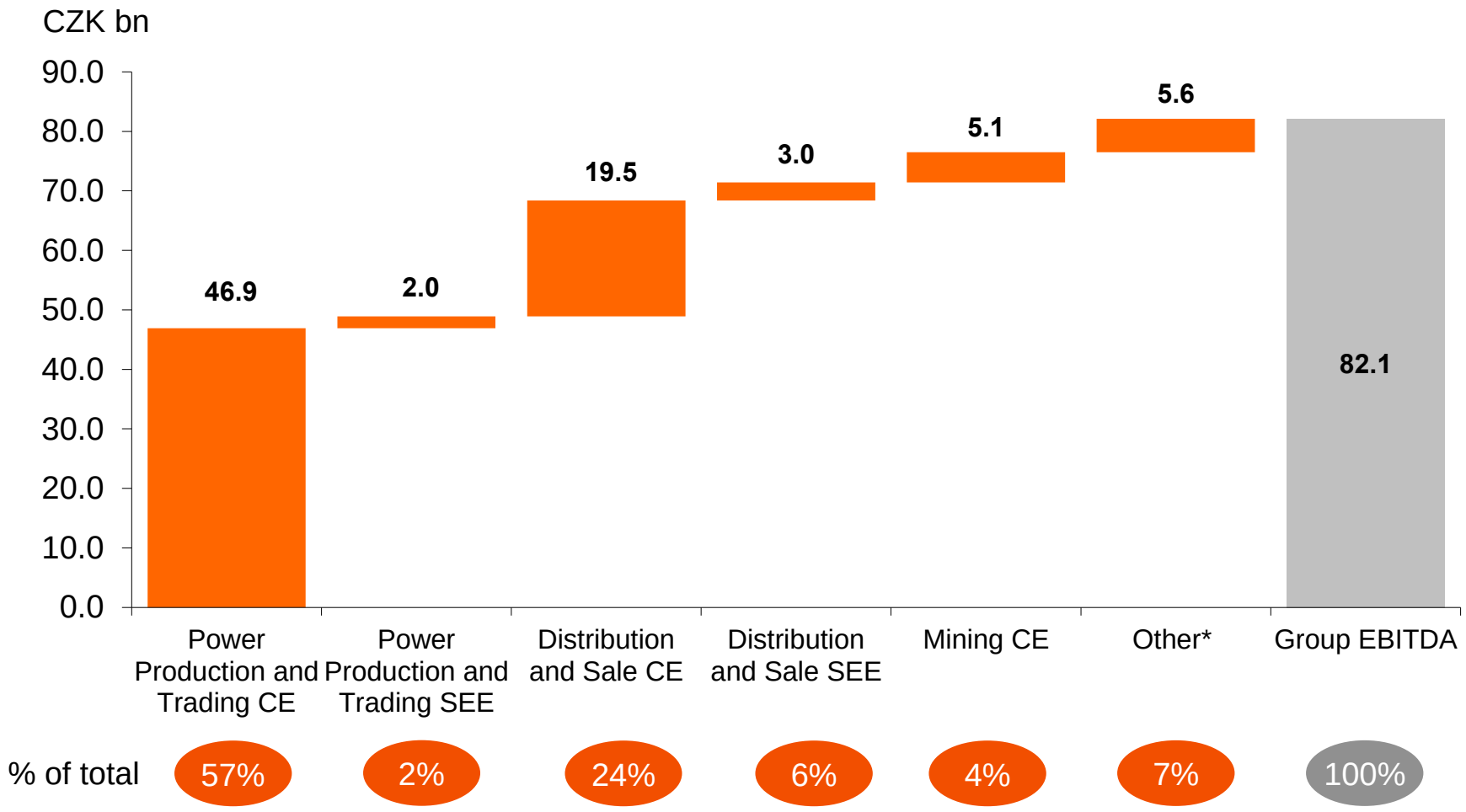


Bond Maturity Profile (as of June 30, 2014)



- CEZ Group has access to CZK 28.8 bn in committed credit facilities, using just CZK 0.2 bn as of June 30, 2014.
- Non-committed credit facilities are used primarily. Committed facilities are kept as a reserve for covering unexpected needs.
- Payout of dividends for 2013, amounting to CZK 21.4 bn, started on August 1, 2014.
- An already fifth credit contract for up to EUR 200 m was signed with the EIB to finance investment in the upgrades of the distribution network in the Czech Republic.
- The 6th bond issue worth EUR 600 mil was duly paid on July 18, 2014.

SEGMENTAL CONTRIBUTIONS TO EBITDA IN 2013



*including eliminations

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

CZK

Profit and loss *CZK bn*	2008	2009	2010	2011	2012	2013
Revenues	184.0	196.4	198.8	209.8	215.1	217.3
Sales of electricity	165.3	173.5	175.3	181.8	186.8	189.7
Heat sales and other revenues	18.6	22.9	23.6	28.0	28.3	27.6
Operating Expenses	95.3	105.3	110.0	122.4	129.3	135.2
Purchased power and related services	41.7	48.2	54.4	65.9	71.7	78.9
Fuel	16.2	15.8	16.9	17.1	15.8	14.1
Salaries and wages	17.0	18.1	18.7	18.1	18.7	18.7
Other	20.5	23.3	20.0	21.3	23.1	23.5
EBITDA	**88.7**	**91.0**	**88.8**	**87.4**	**85.8**	**82.1**
EBITDA margin	*48%*	*46%*	*45%*	*42%*	*40%*	*38%*
Depreciation, amortization, impairments	22.1	26.2	26.9	26.2	28.9	36.4
EBIT	**66.7**	**64.9**	**62.0**	**61.3**	**57.1**	**45.8**
EBIT margin	*36%*	*33%*	*31%*	*29%*	*27%*	*21%*
Net Income	47.4	51.9	46.9	40.8	40.2	35.2
Net income margin	*26%*	*26%*	*24%*	*19%*	*19%*	*16%*

Balance sheet *CZK bn*	2008	2009	2010	2011	2012	2013
Non current assets	346.2	415.0	448.3	467.3	494.9	486.5
Current assets	126.9	115.3	96.1	131.0	141.2	154.6
- out of that cash and cash equivalents	17.3	26.7	22.2	22.1	18.0	25.1
Total Assets	**473.2**	**530.3**	**544.4**	**598.3**	**636.1**	**641.1**
Shareholders equity (excl. minority. int.)	173.3	200.4	221.4	226.8	250.2	258.1
Return on equity	*27%*	*28%*	*22%*	*18%*	*17%*	*14%*
Interest bearing debt	193.5	173.1	158.5	182.0	192.9	183.8
Other liabilities	106.4	156.8	164.4	189.4	192.9	199.2
Total liabilities	**473.2**	**530.3**	**544.4**	**598.3**	**636.1**	**641.1**

SELECTED HISTORICAL FINANCIALS OF CEZ GROUP

EUR

Profit and loss *EUR m*	2008	2009	2010	2011	2012	2013
Revenues	7,082	7,560	7,656	8,076	8,281	8,365
Sales of electricity	6,365	6,680	6,748	6,999	7,192	7,302
Heat sales and other revenues	718	880	907	1,077	1,089	1,063
Operating Expenses	3,668	4,056	4,237	4,713	4,977	5,206
Purchased power and related services	1,604	1,855	2,093	2,536	2,759	3,037
Fuel	623	608	652	660	610	542
Salaries and wages	653	697	721	697	720	721
Other	788	895	771	820	888	906
EBITDA	**3,415**	**3,504**	**3,419**	**3,363**	**3,304**	**3,159**
EBITDA margin	*48%*	*46%*	*45%*	*42%*	*40%*	*38%*
Depreciaiton	851	1,008	1,036	1,010	1,112	1,400
EBIT	**2,567**	**2,500**	**2,386**	**2,358**	**2,198**	**1,762**
EBIT margin	*36%*	*33%*	*31%*	*29%*	*27%*	*21%*
Net Income	1,823	1,996	1,807	1,569	1,546	1,357
Net income margin	*26%*	*26%*	*24%*	*19%*	*19%*	*16%*

Balance sheet *EUR m*	2008	2009	2010	2011	2012	2013
Non current assets	13,330	15,976	17,259	17,991	19,054	18,731
Current assets	4,887	4,439	3,700	5,044	5,435	5,953
- out of that cash and cash equivalents	666	1,029	853	849	691	967
Total Assets	**18,217**	**20,415**	**20,958**	**23,035**	**24,489**	**24,684**
Shareholders equity (excl. minority. int.)	6,670	7,714	8,525	8,733	9,634	9,936
Return on equity	*27%*	*28%*	*22%*	*18%*	*17%*	*14%*
Interest bearing debt	7,451	6,664	6,102	7,008	7,428	7,078
Other liabilities	4,096	6,037	6,331	7,294	7,426	7,670
Total liabilities	**18,217**	**20,415**	**20,958**	**23,035**	**24,489**	**24,684**

Exchange rate used:
25.974 CZK/EUR

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