



ANNEX 1:

REPORT ON THE COMPANY'S BUSINESS OPERATIONS AND ASSETS OF ČEZ, A. S. FOR 2014

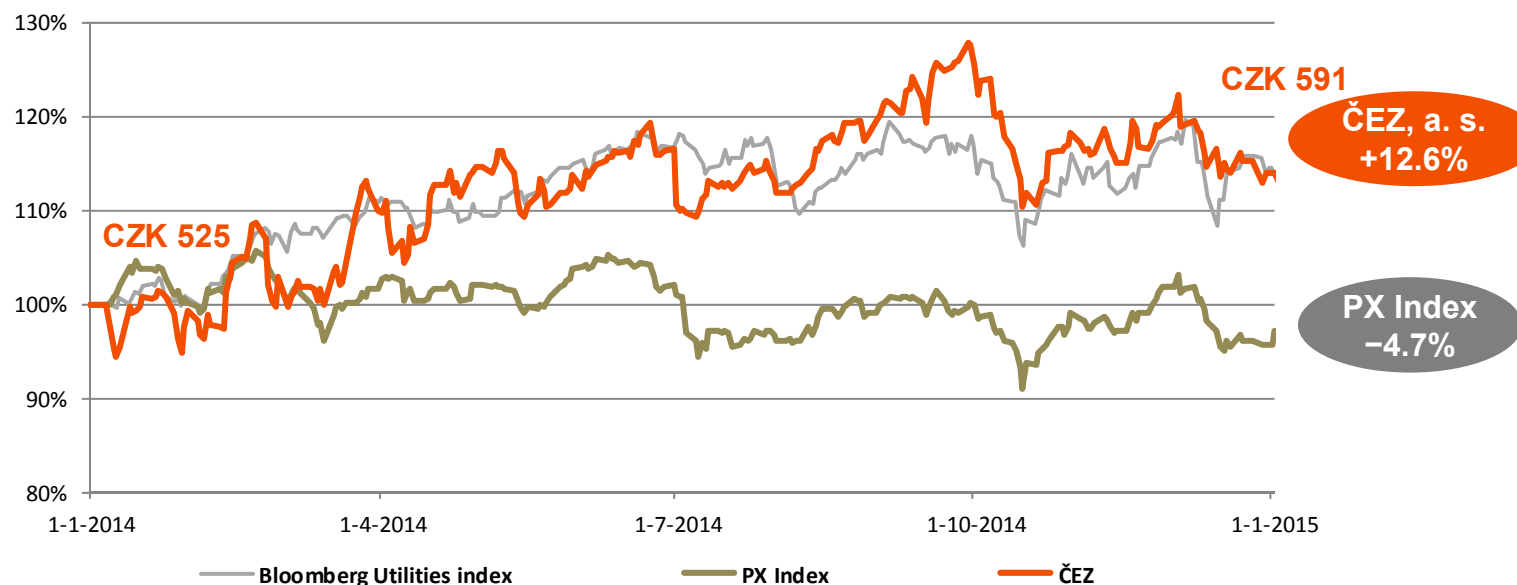
Prague, June 12, 2015

2014 - SUCCESSFUL YEAR DESPITE ONGOING UNCERTAINTY IN EUROPE'S ENERGY SECTOR



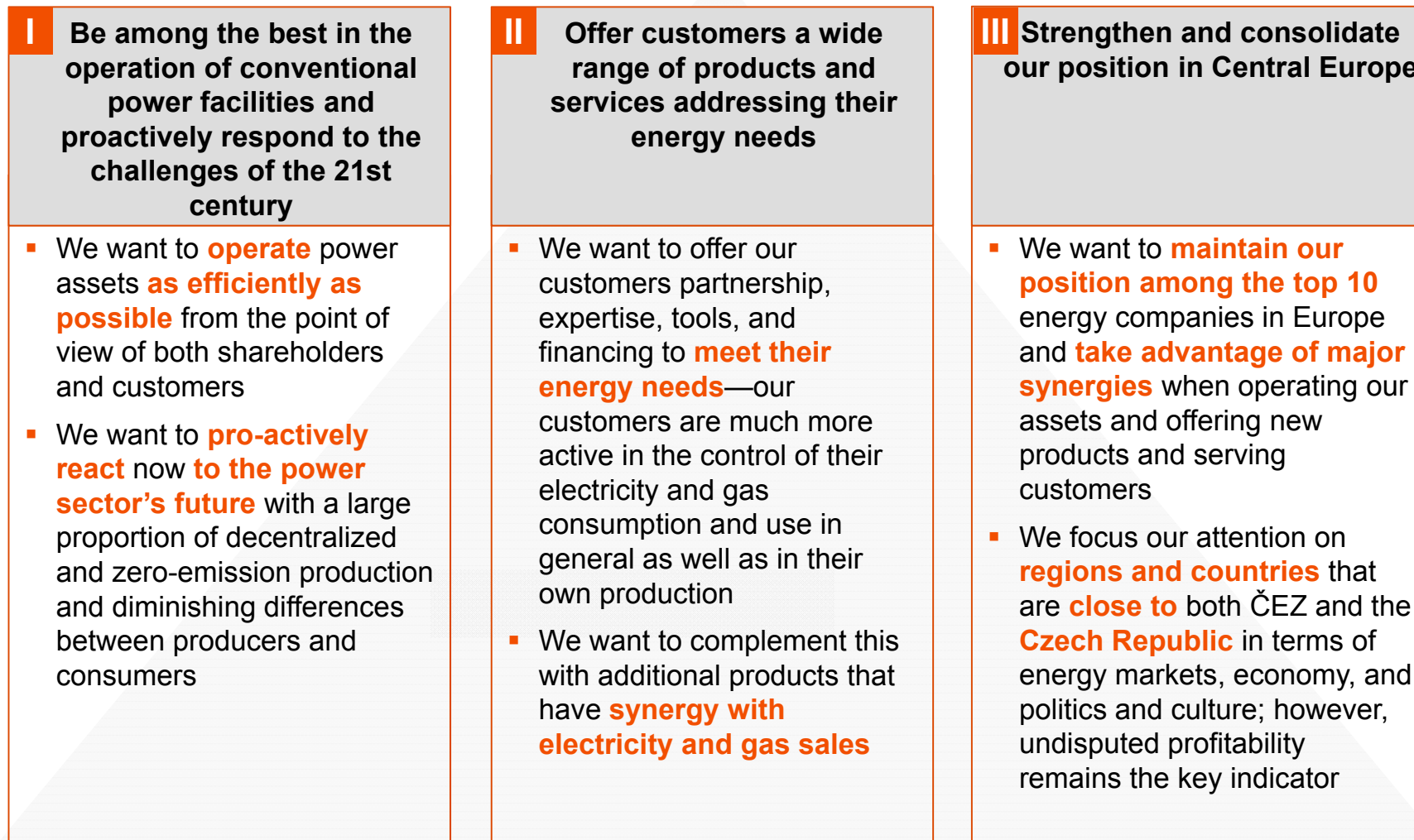
- **EBITDA CZK 72.5bn**
- **Adjusted net income CZK 29.5bn**
- **Market capitalization grew by CZK 35.3bn (to CZK 315.7bn)**

ČEZ, a. s. Share Prices in 2014

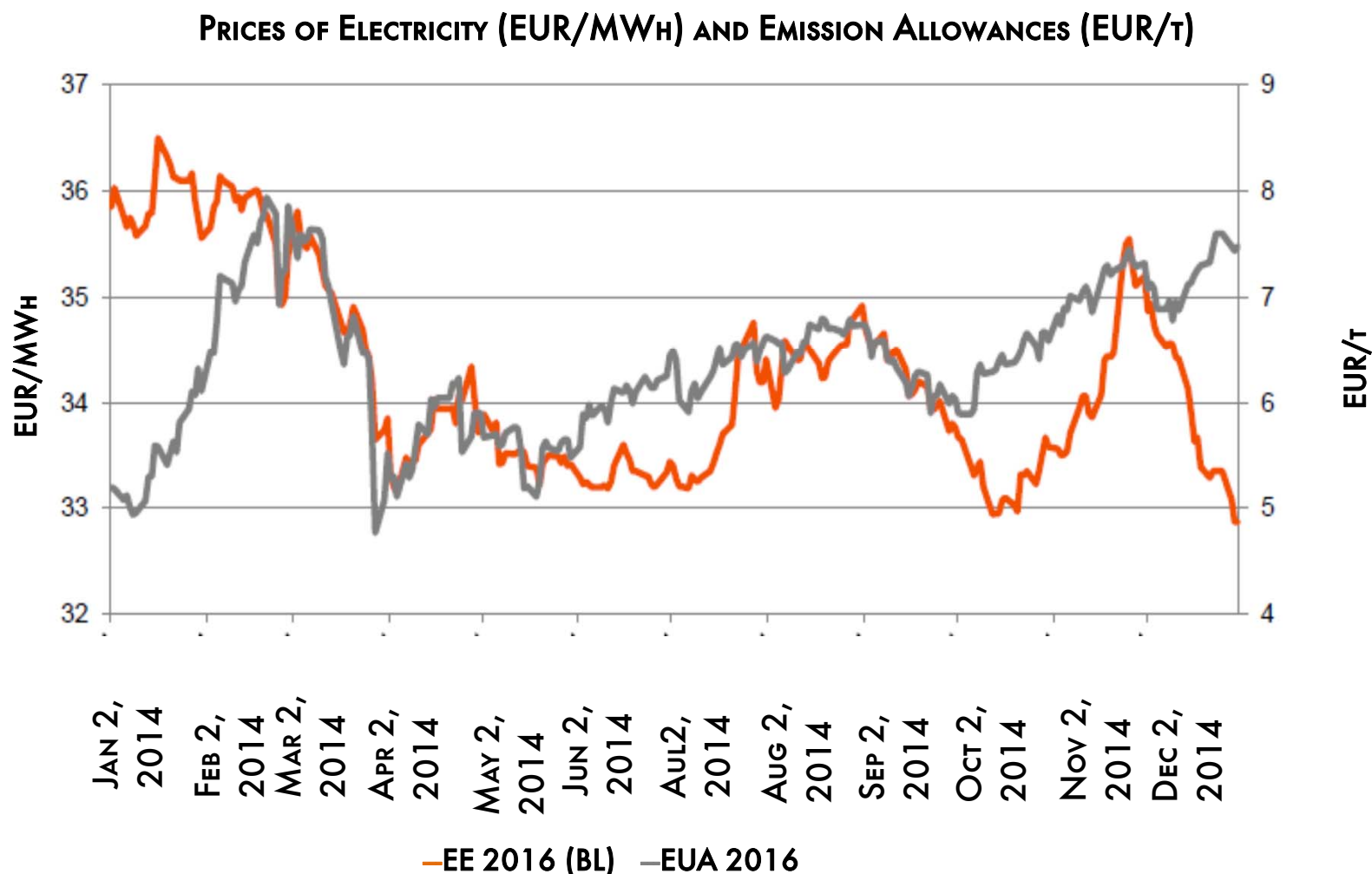


CEZ GROUP'S UPDATED STRATEGY

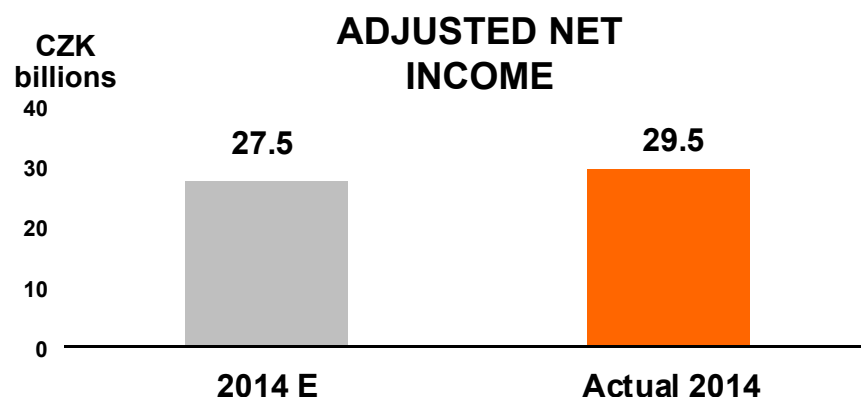
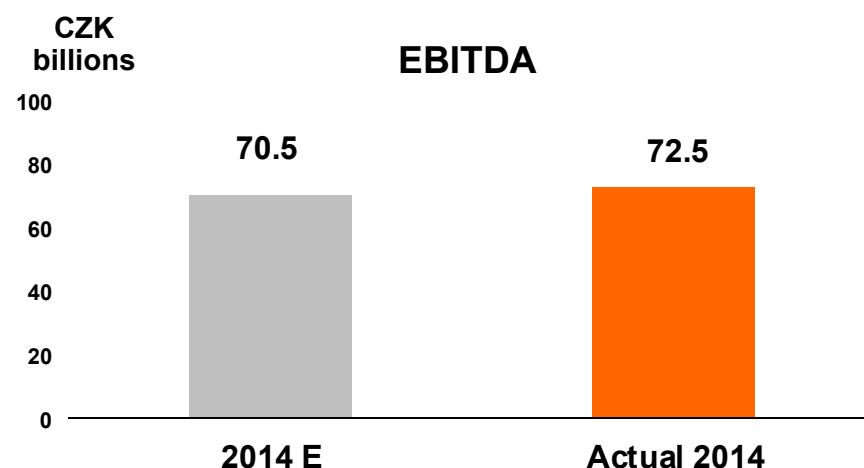
IS BUILT ON THREE PILLARS



**ELECTRICITY PRICES DOWN BY 10% TO 33 EUR/MWH
PRIMARILY DUE TO DROP IN HARD COAL PRICES; PRICES OF
ALLOWANCES UP TO 7.5 EUR/T**



WE EXCEEDED THE INITIAL TARGET BY CZK 2 BILLION DESPITE ADVERSE WEATHER AND REGULATION



Selected positive effects:

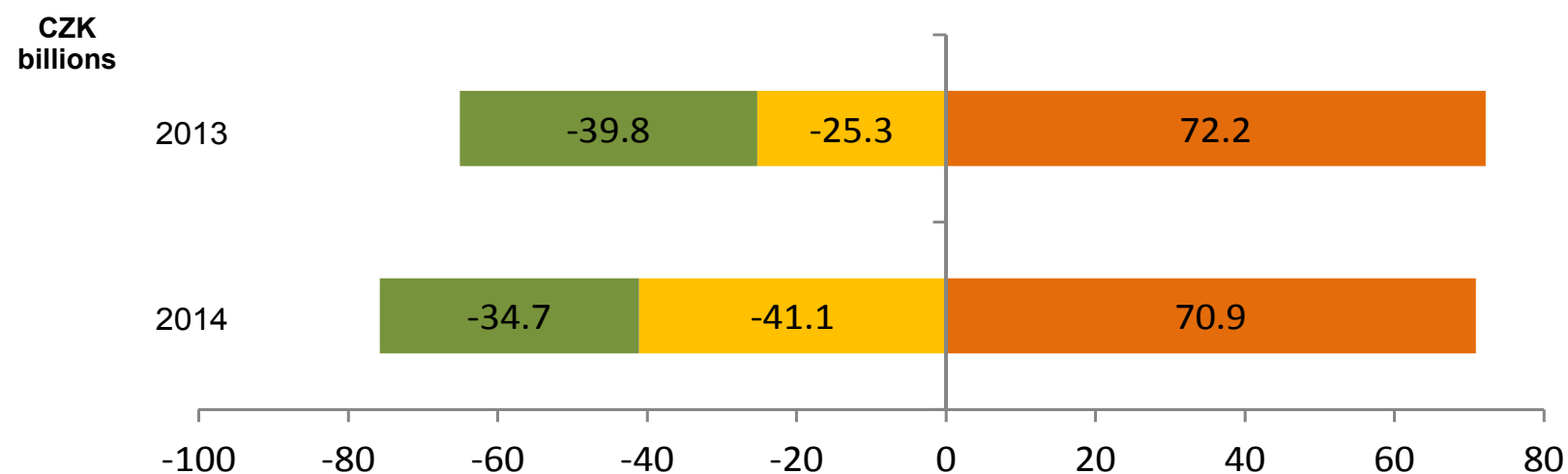
- Settlement agreement with Albania
- Cuts in fixed operating costs
- Claim set-off with Bulgarian state-owned energy company NEK
- Payment of debts by Romanian state railways and postal service

Selected negative effects:

- Extremely warm and dry winter in the Czech Rep.
- Reduced support for wind parks in Romania
- Postponed completion of coal-fired plant renovations and constructions in the Czech Rep.

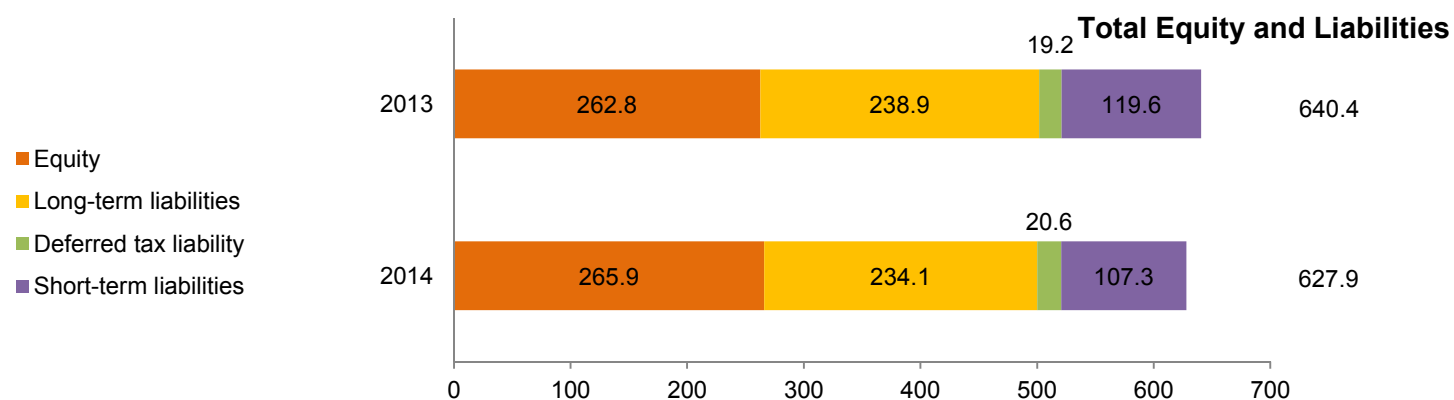
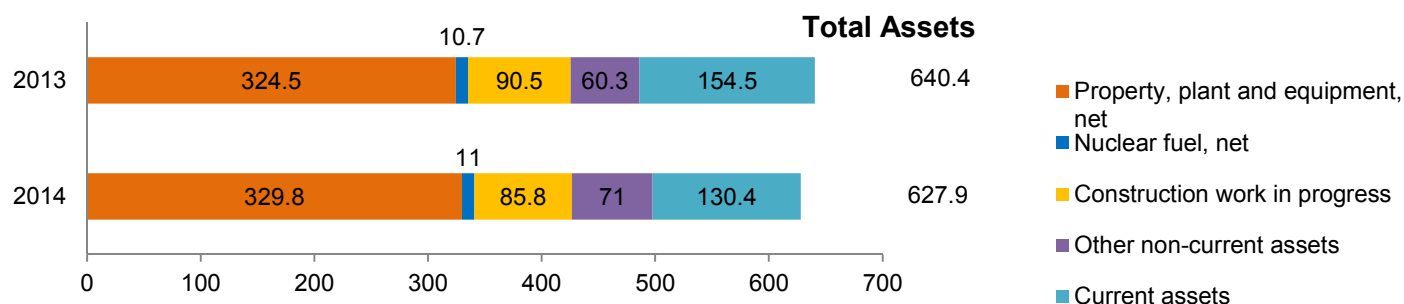
The values of adjusted net income do not include extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill amortization, extraordinary profit/loss from sale of assets or subsidiaries, or other extraordinary effects).

CEZ GROUP CASH FLOWS



- Investing activities
- Financing activities, including net effect of currency translation in cash
- Operating activities

CEZ GROUP ASSETS AND LIABILITIES AT DECEMBER 31

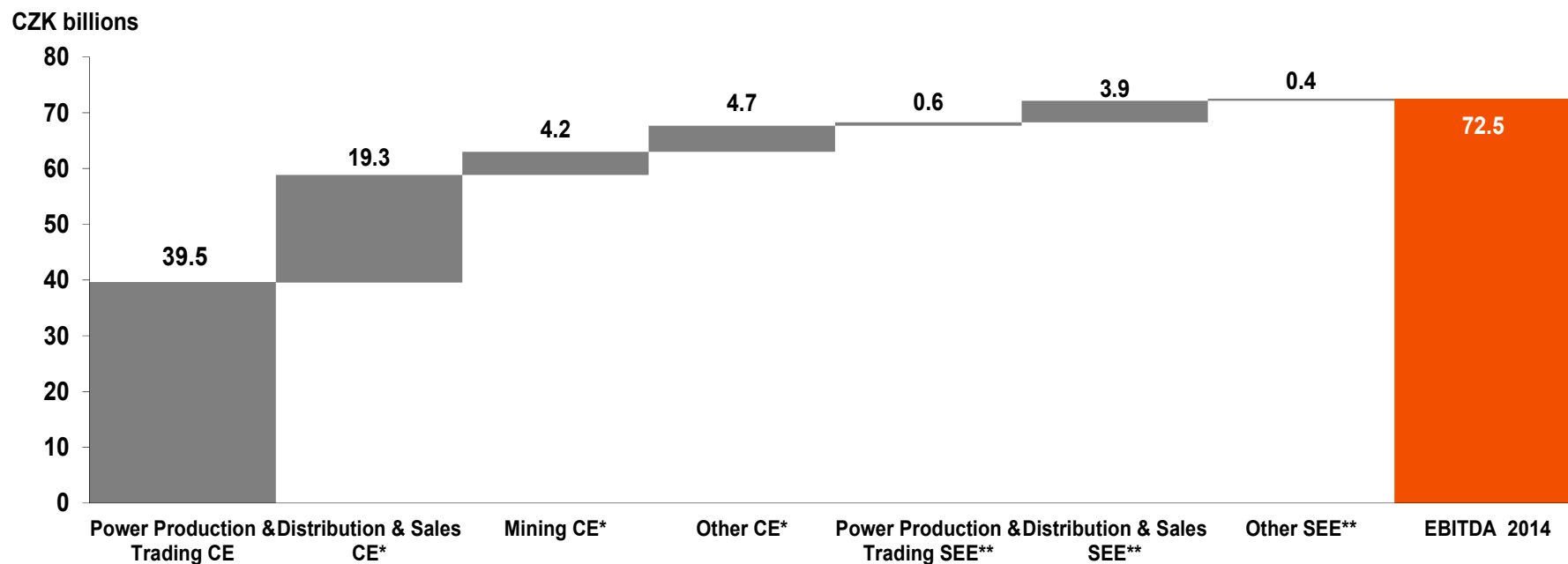


CEZ GROUP FINANCIAL RESULTS



Key data	Unit	Year 2013	Year 2014	14/13 change (%)
Operating revenues	CZK millions	216,988	200,657	-7.5
Operating expenses	CZK millions	171,298	163,711	-4.4
EBITDA	CZK millions	81,994	72,498	-11.6
EBIT	CZK millions	45,690	36,946	-19.1
Net income	CZK millions	35,207	22,432	-36.3
Net income - adjusted	CZK millions	38,178	29,454	-22.9
Total assets	CZK millions	640,394	627,870	-2.0
Long-term tangible and intangible assets*	CZK millions	446,363	447,154	0.2
ROE, net	%	14.1	8.6	-39.0
ROA, net	%	5.7	3.5	-38.2
ROIC	%	7.9	6.3	-20.3

CONTRIBUTION BY SEGMENT TO 2014 EBITDA



2014 vs. 2013 Change in EBITDA

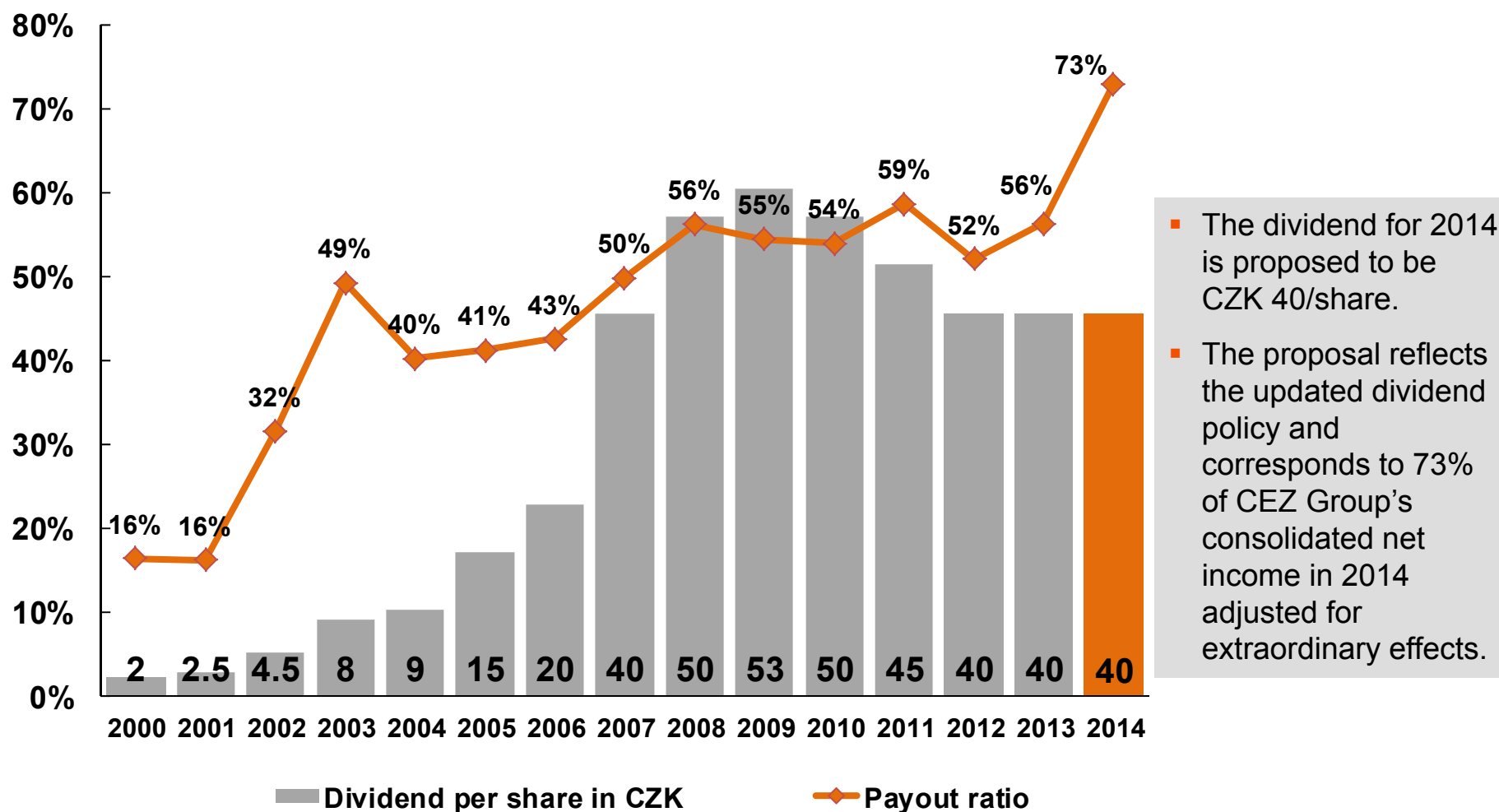
%	-15%	-1%	-18%	-13%	-70%	+30%	-46%	-12%
CZK billions	-7.2	-0.2	-0.9	-0.7	-1.4	+0.9	-0.1	-9.5

ČEZ, A. S. FINANCIAL RESULTS



Key data	Unit	2013	2014	14/13 change (%)
Operating revenues	CZK millions	101,644	84,706	-16.7
Operating expenses	CZK millions	81,549	68,879	-15.5
EBITDA	CZK millions	35,914	29,657	-17.4
EBIT	CZK millions	20,095	15,827	-21.2
Net income	CZK millions	26,373	20,910	-20.7
Total assets	CZK millions	549,257	537,183	-2.2
Long-term tangible and intangible assets*	CZK millions	234,510	241,392	2.9
ROE, net	%	12.7	10.2	-19.7
ROA, net	%	4.8	3.8	-20.8

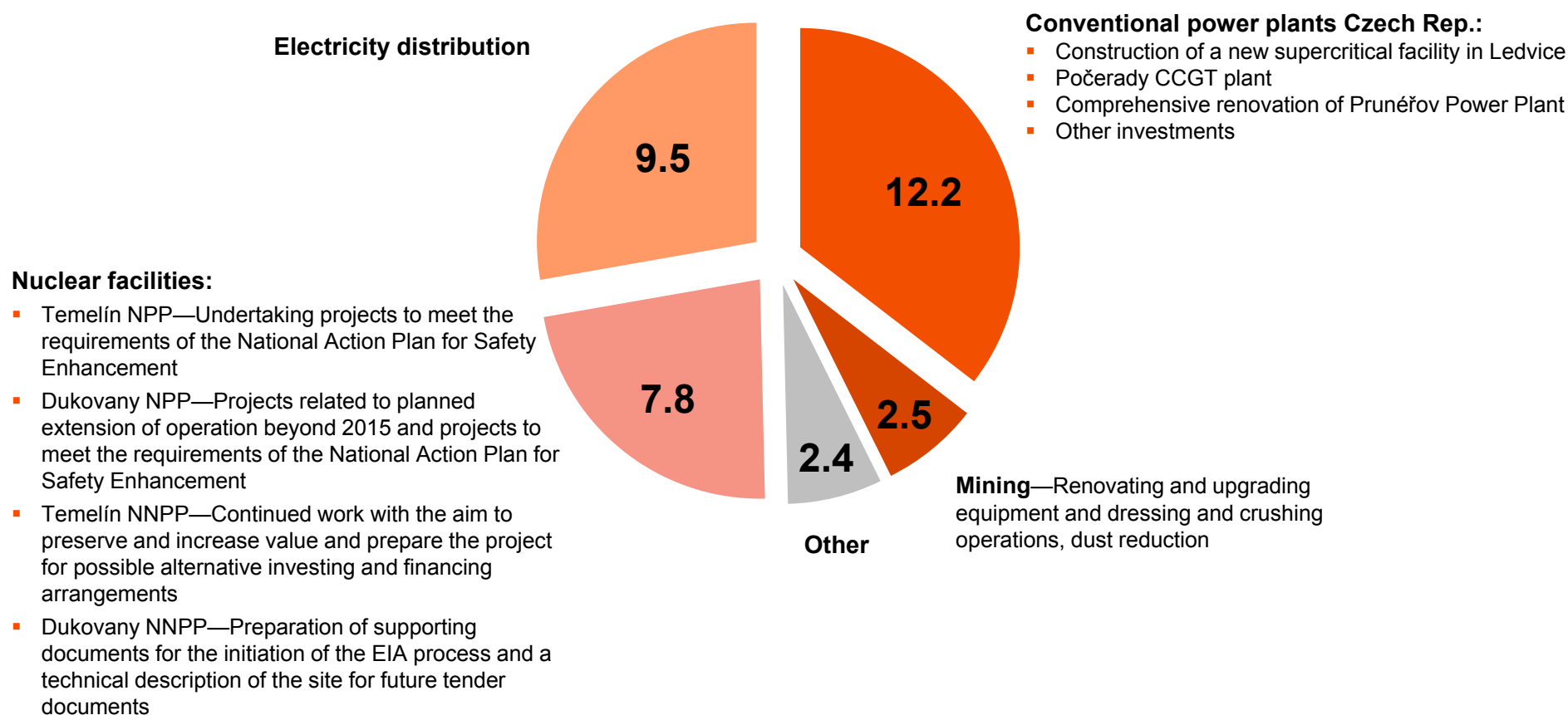
PROPOSED ČEZ, A. S. DIVIDEND FOR 2014



INVESTMENTS IN FIXED ASSETS (CAPEX)



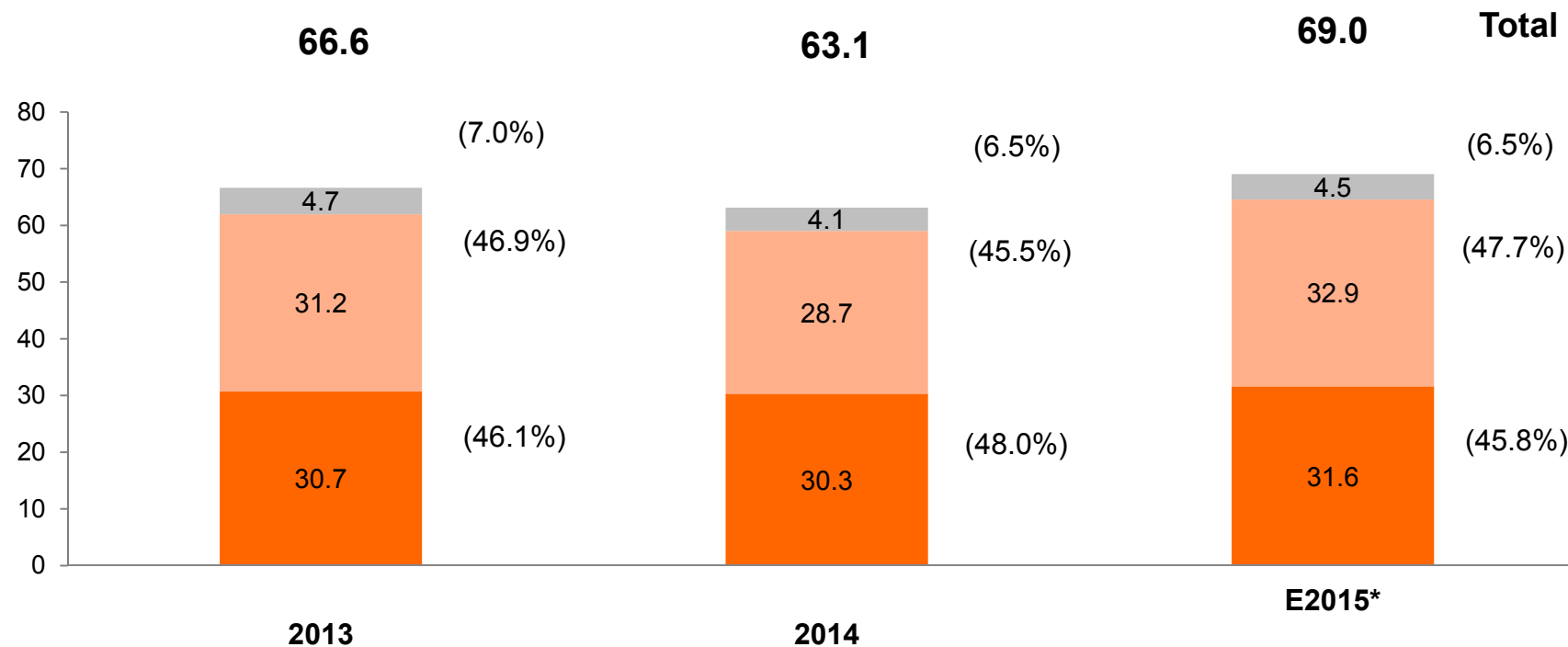
Total: CZK 34.4bn (2014)



CEZ GROUP'S ELECTRICITY GENERATION



TWh



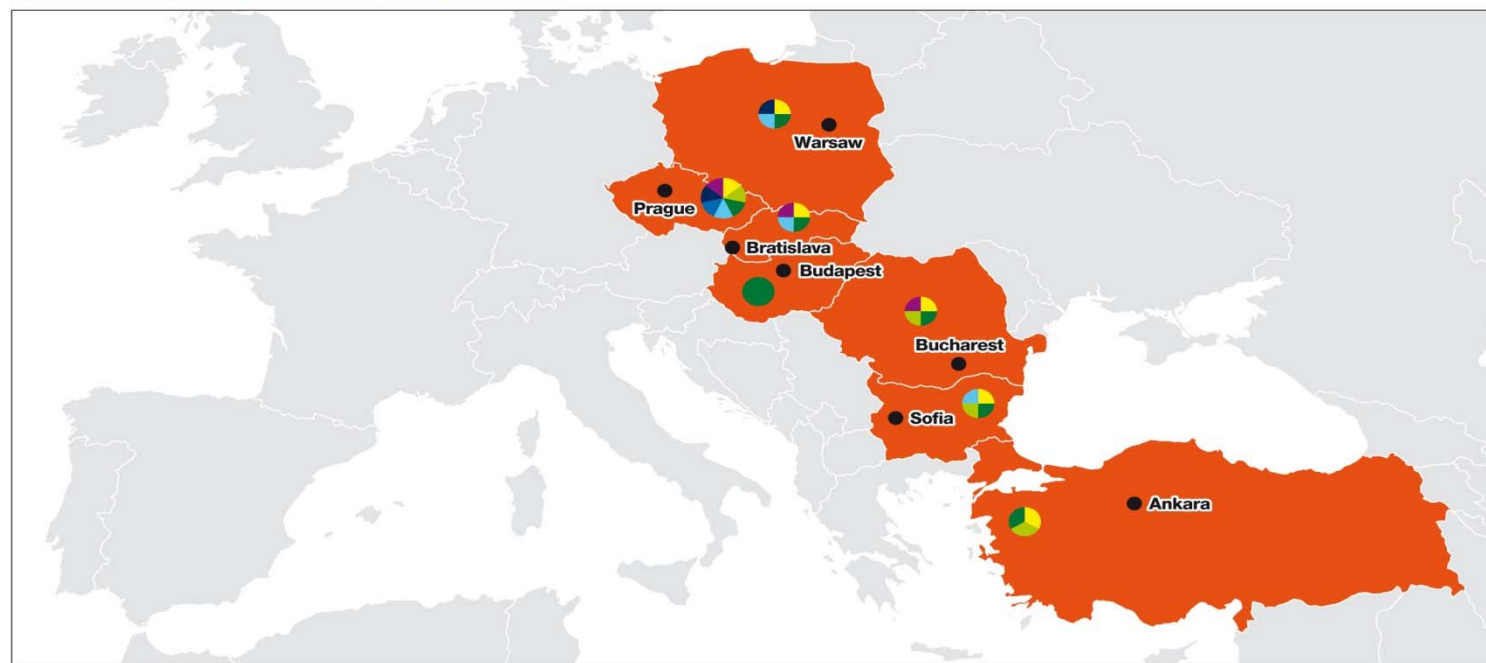
- Hydro, wind, biomass, and solar
- Coal, gas, and CCGT
- Nuclear

CEZ GROUP IN EUROPE

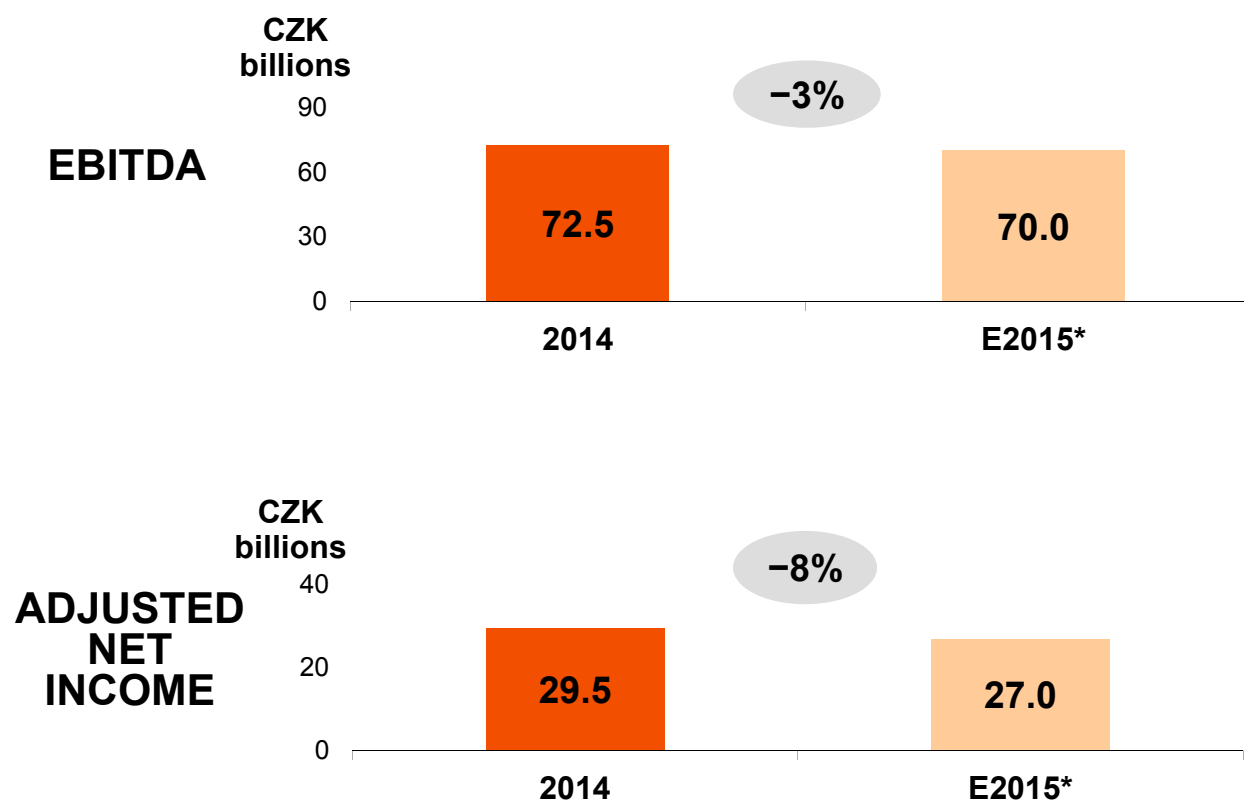


CEZ Group's Presence in the Energy Sector by Territory

CEZ Group's Presence in the Energy Sector by Territory



**IN 2015, WE EXPECT EBITDA OF CZK 70.0BN
AND ADJUSTED NET INCOME OF CZK 27.0BN**



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 fixed asset impairments and goodwill amortization, extraordinary profit/loss from sale of assets or subsidiaries, or other extraordinary effects).