



CONTRIBUTION OF A PART OF THE ENTERPRISE, THE TISOVÁ POWER PLANT, TO A SUBSIDIARY

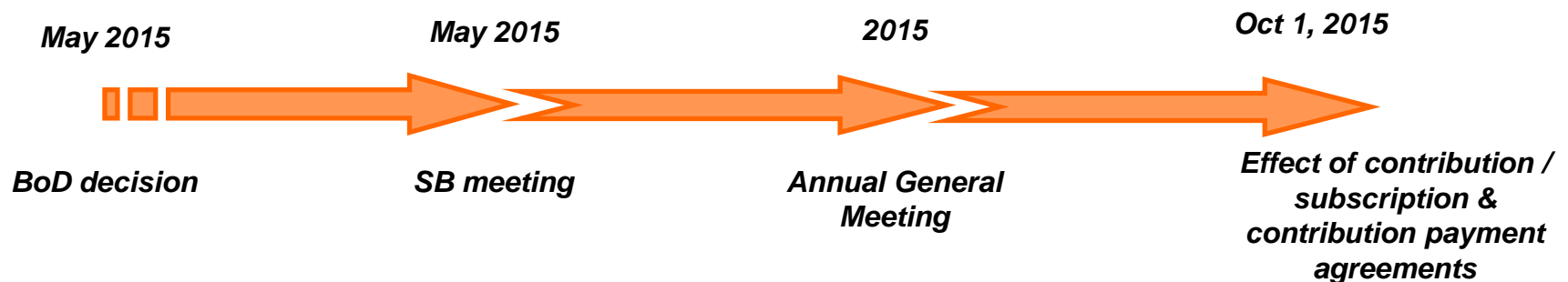
General Meeting of
ČEZ, a. s.

2015

BRIEF SUMMARY





- Without substantial investments in environmental and other upgrades, the power plant can be operated until 2020.
- Spinning off the power plant into a separate company, Elektrárna Tisová, a.s. (“ETIAS”), gives more flexibility in seeking alternative scenarios for the development of the Tisová site.
- Procedure for the contribution of a part of the enterprise:
 - ČEZ’s Board of Directors takes a decision on increasing the registered capital of the subsidiary ETIAS in the form of non-monetary contribution
 - ČEZ’s Supervisory Board grants prior authorization to the contribution of the part of the enterprise
 - Contribution of the part of the enterprise is approved by ČEZ’s General Meeting (Sec. 421(2)(m) of the Business Corporations Act)
 - New shares of the subsidiary ETIAS are subscribed and the contribution is registered (agreements on the contribution of a part of the enterprise and share subscription are signed and enter into effect)



CURRENT VALUE OF TISOVÁ PP IS CZK 619.299M ACCORDING TO EXPERT APPRAISAL



- The expert appraisal was prepared by an expert institute, ZNALEX, s. r. o., on the basis of publicly available data and information provided by ČEZ, a. s.
- The appraisal as at December 31, 2014 was prepared using 2 methods:
 - Value based on discounted earnings: **CZK 619,299,000** \Rightarrow this method was chosen
 - Value based on residual book value: **CZK 967,233,786.68**
- The registered capital of Elektrárna Tisová, a.s. will be increased on the basis of the expert appraisal:
 - Current registered capital: CZK 20,000,000 (20 shares with a par value of CZK 1m)

 - Value of non-monetary contribution: CZK 619,299,000 = registered capital increase of CZK 619,000,000 + share premium of CZK 299,000

 - New registered capital: CZK 639,000,000 (639 shares with a par value of CZK 1m)