



PRESS CONFERENCE ON CEZ GROUP FINANCIAL RESULTS IN 2015

PRELIMINARY NON-AUDITED CONSOLIDATED RESULTS PREPARED
IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING
STANDARDS (IFRS)

Prague, March 15, 2016

YEAR 2015

BALANCING PRESS CONFERENCE OF CEZ GROUP



CEZ Group in the Context of the European Energy Sector

Daniel Beneš, Chief Executive Officer

CEZ Group Financial Results in 2015

Martin Novák, Chief Financial and Operations Officer

Strategic Ambitions of the Operations and Development Teams

Daniel Beneš, Chief Executive Officer

Martin Novák, Chief Financial and Operations Officer

Tomáš Pleskač, Chief Renewables and Development Officer

CEZ Group's Ambitions for 2016

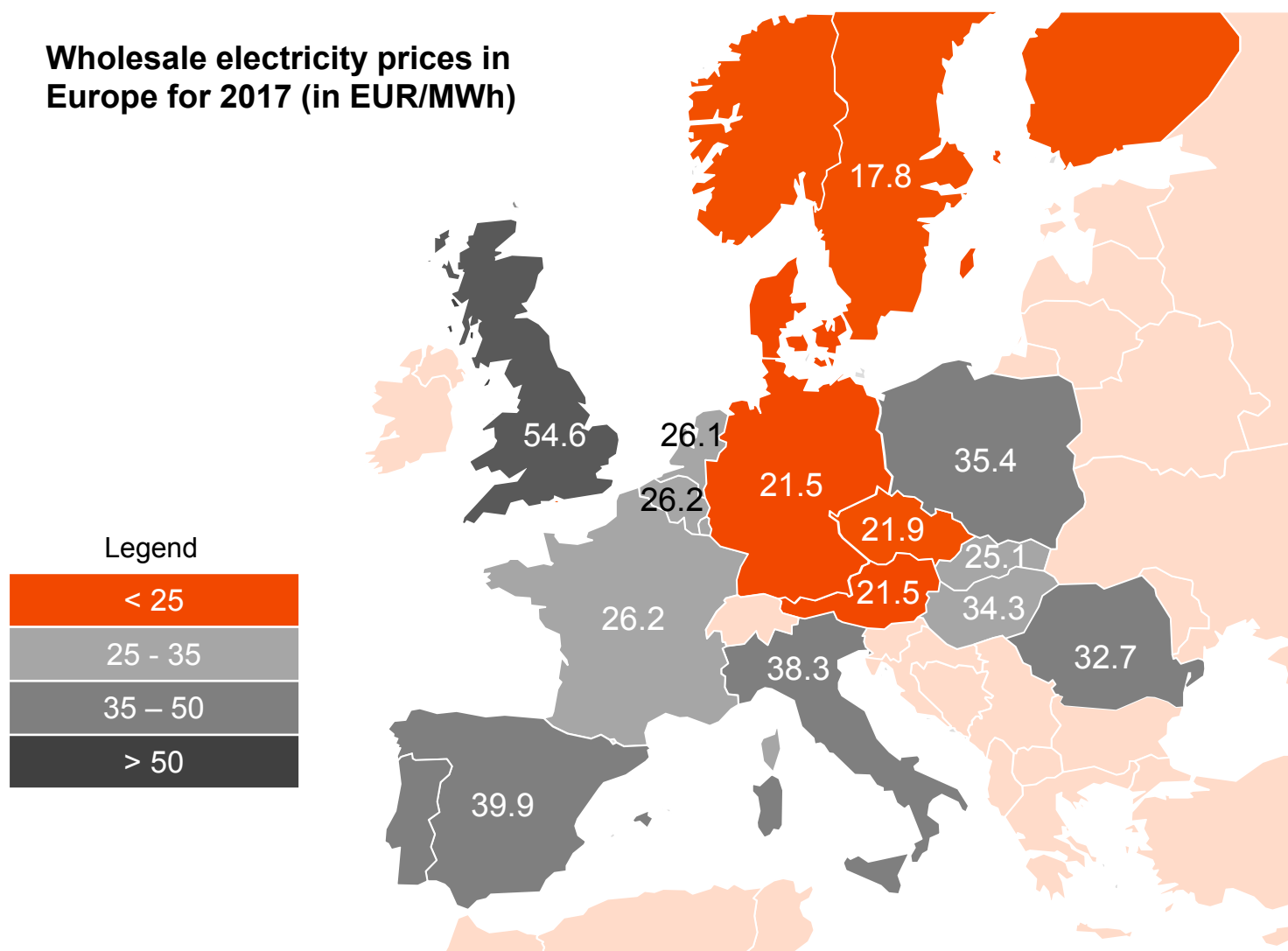
Daniel Beneš, Chief Executive Officer

Martin Novák, Chief Financial and Operations Officer

WHOLESALE ELECTRICITY PRICE IN THE CZECH REPUBLIC IS AMONG THE LOWEST IN EUROPE



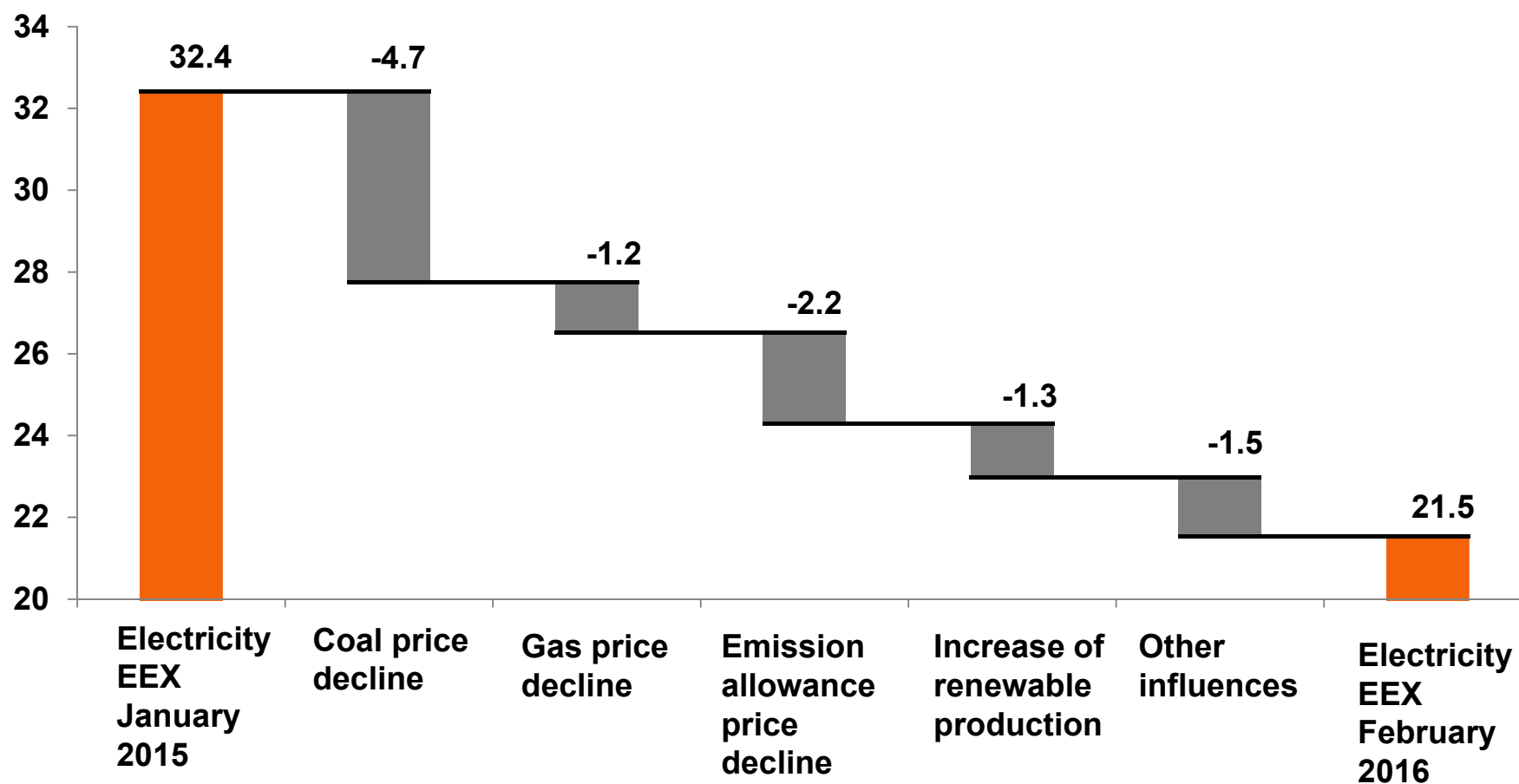
Wholesale electricity prices in Europe for 2017 (in EUR/MWh)



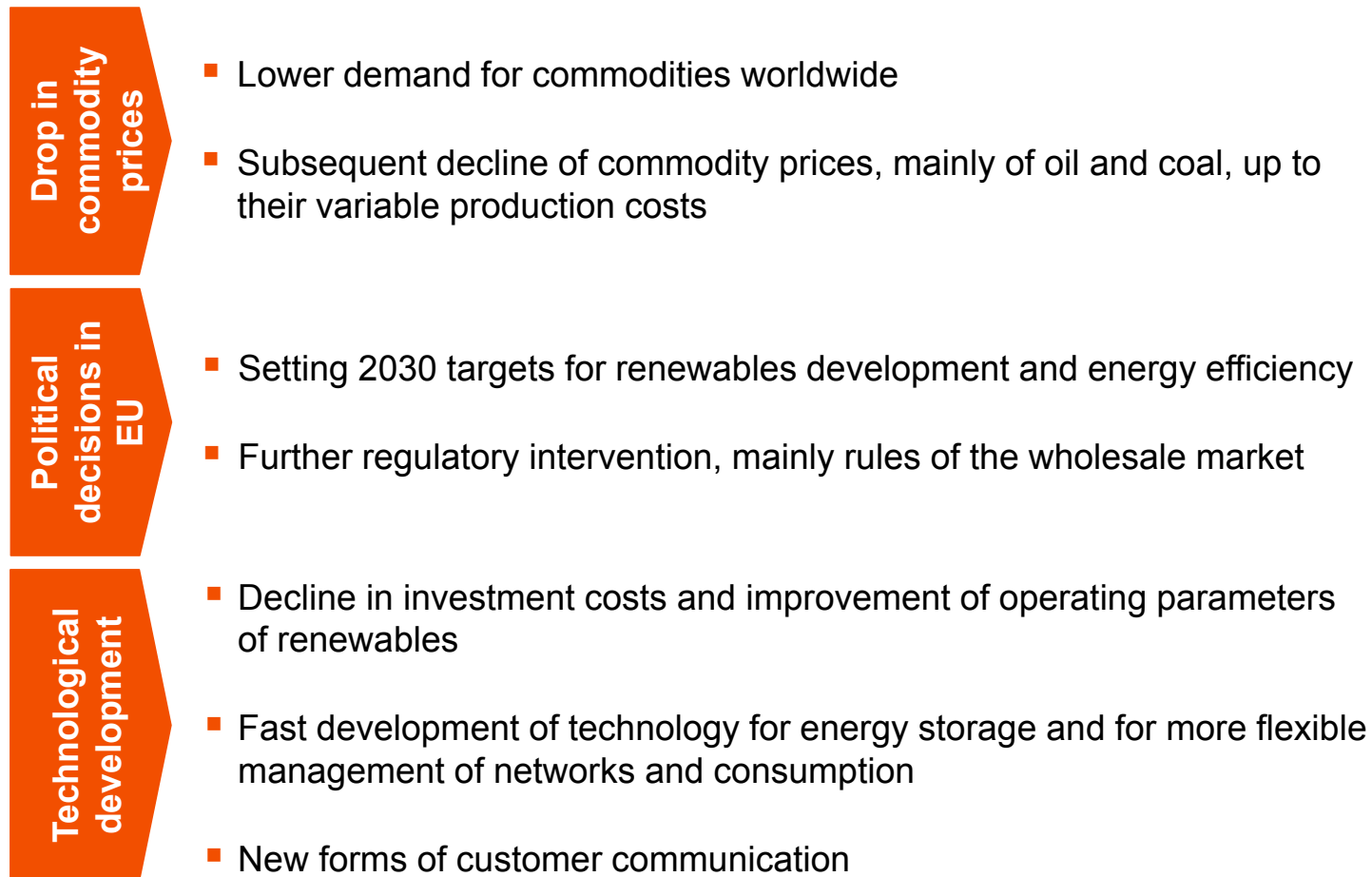
WHOLESALE ELECTRICITY PRICES DECLINED BY ALMOST ADDITIONAL 11 EUR/MWH IN THE LAST YEAR



Breakdown of factors behind decline of wholesale electricity price in the last year
EUR/MWh, base load 2017



DETERMINING FACTORS FOR DEVELOPMENT OF EUROPEAN ENERGY SECTOR





MAIN TRENDS OF EUROPEAN ENERGY SECTOR

Traditional energy sector is stagnating but remains an indispensable part

- Stagnating or declining consumption
- Surplus of capacities, renewables (RES) are displacing conventional sources
- Margin pressure: regulators and also new players

RES and decentralized energy are growing

- RES represent the largest investment opportunity
- Main technologies are achieving efficiency, which allow curtailing subsidies
- Development and consolidation of technology companies (i.e. Tesla or GE)
- Fragmented integrators market

Customers are focusing on complex services related to energy utilization

- B2C: increasing interest in energy, active management of consumption/own production
- B2B: outsourcing of energy and facility management as a whole

DEVELOPMENT IN 2015 FULLY CONFIRMED THAT OUR STRATEGY, UPDATED IN 2014, IS THE RIGHT ONE



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 Europe
<ul style="list-style-type: none">▪ Focus on operational efficiency as a prerequisite for further existence in both traditional and new energy▪ Ensure long-term operation of the Dukovany Nuclear Power Plant▪ Complete the renovation of lignite power plants and gradually phase out older condensing units▪ Develop projects of new nuclear units at Temelín and Dukovany▪ Continually improve distribution grid efficiency to allow a real decrease in distribution tariffs and simultaneously ensure stable cash flow	<ul style="list-style-type: none">▪ Achieve the top level in electricity and gas sales and in customer care▪ Develop additional products and make use of synergies with energy commodities▪ Launch new business models—from equipment deliveries to electricity generation and to supply at the customer's point of consumption▪ Invest in opportunities and technologies at an early stage in order to establish promising positions of CEZ in future energy market▪ Prepare distribution grids for operation under the conditions of growing decentralized generation	<ul style="list-style-type: none">▪ Strive to acquire assets/companies in the Czech Rep and in countries with stable national regulatory environment:<ul style="list-style-type: none">- RES- Distribution companies- Sales companies supplying energy and related products to end customers- Developing new products and services that are auspicious from the point of view of future energy market- Conventional energy▪ Reduce risk profile—optimize capital and ownership structure, including divestment of selected assets

WHAT HAS BEEN ACHIEVED ALREADY

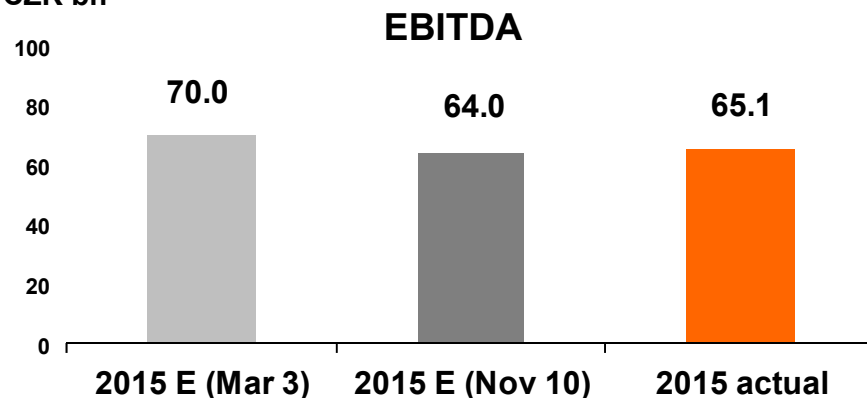


<p>I Be among the best in the operation of conventional electricity generation and proactively respond to the challenges of the 21st century</p>	<p>II Offer a wide range of products and services to customers, which address their energy needs</p>	<p>III Strengthen and consolidate our position in the region of Central Europe</p>
<ul style="list-style-type: none"> ■ 2014 dividend to our shareholders amounting to CZK 21.4 bn ■ We saved CZK 2.9 bn in fixed costs compared to year 2014 ■ Mining limits have been extended for Bílina mine (possibility to extract additional 100 – 150 m tones of lignite) ■ We completed checks of welds on Units I., II. and III. of Dukovany nuclear power plant and submitted an application for operating license extension for Unit I. ■ We set up an SPV company for spinoff of projects of new plants in Temelín and Dukovany 	<ul style="list-style-type: none"> ■ Stabilized portfolio of electricity customers, growing in gas (+36.9 th. connection points) ■ Customer satisfaction grew (mainly with price and with product and service offering) – from 77% to 84 % ■ We are offering roof top PV from CEZ – more than 100 signed contracts, thousands being negotiated ■ We gained majority stake (75%) in ENESA a.s. focused on EPC projects ■ 3 extensive technological „smart grids“ projects are prepared in the Czech Rep. 	<ul style="list-style-type: none"> ■ We reduced financial exposure of CEZ, a. s. abroad by CZK 9.3 bn ■ We completed two investments into German innovative companies Sonnenbatterie and SunFire (fuel cells) ■ Allocation of green certificates restored for Fântânele Vest and Cogealac in Romania ■ We signed a framework agreement for cooperation with German group Aquila Capital, offering investment opportunities to wind farms in Germany (up to 120 MW) ■ On Feb 26, 2016 Standard & Poor's confirmed CEZ rating on the level of A- with stable outlook

ADJUSTED NET INCOME REACHED CZK 27.7 BN AND EXCEEDED CEZ EXPECTATIONS BY CZK 0.7 BN



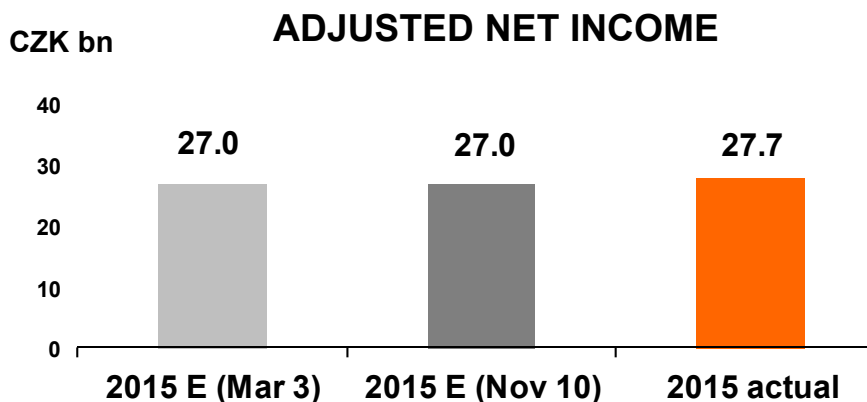
CZK bn



Selected positive effects:

- Higher savings of fixed operating costs
- Partial refund of gift tax on emission allowances from years 2011 and 2012
- Fulfillment of obligations of SŽDC from year 2010

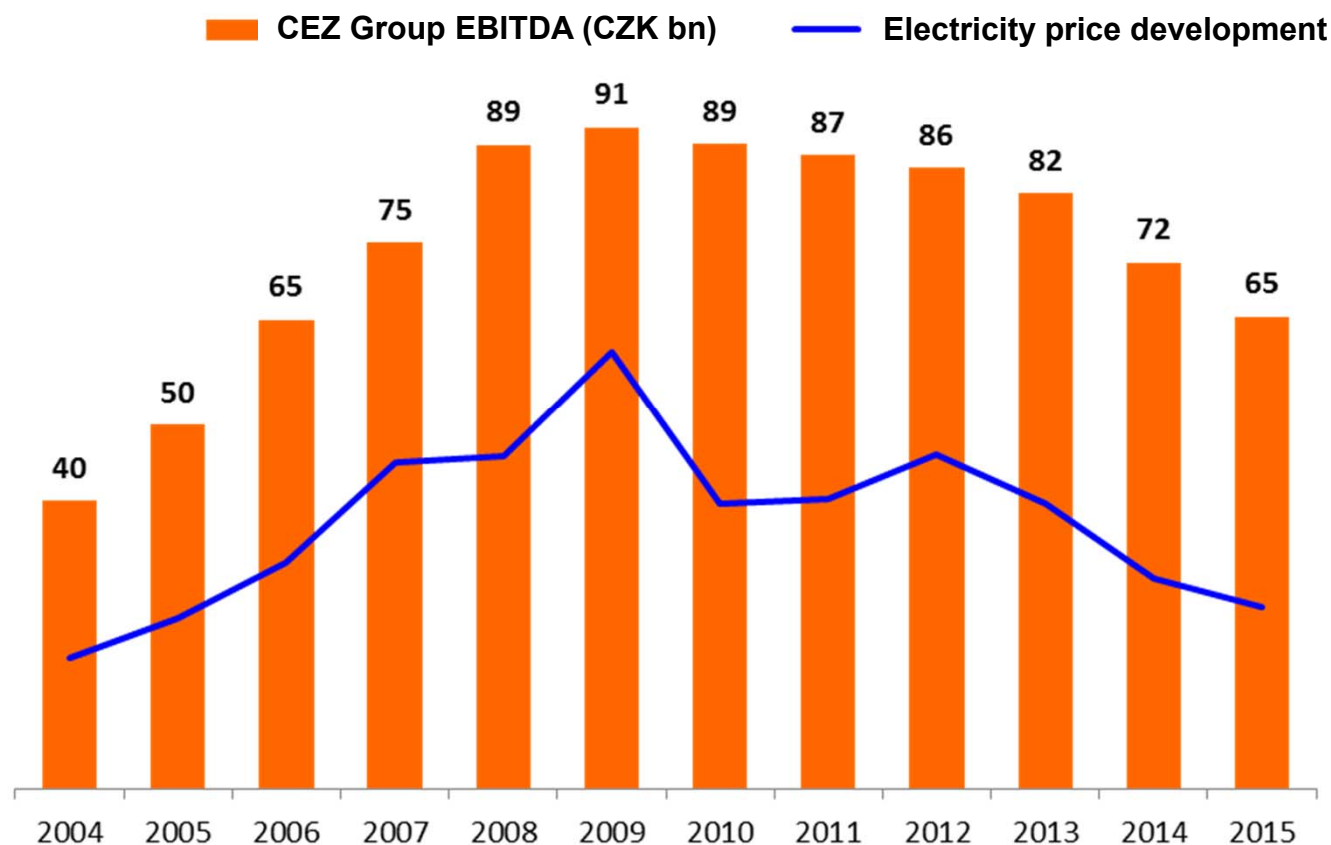
CZK bn



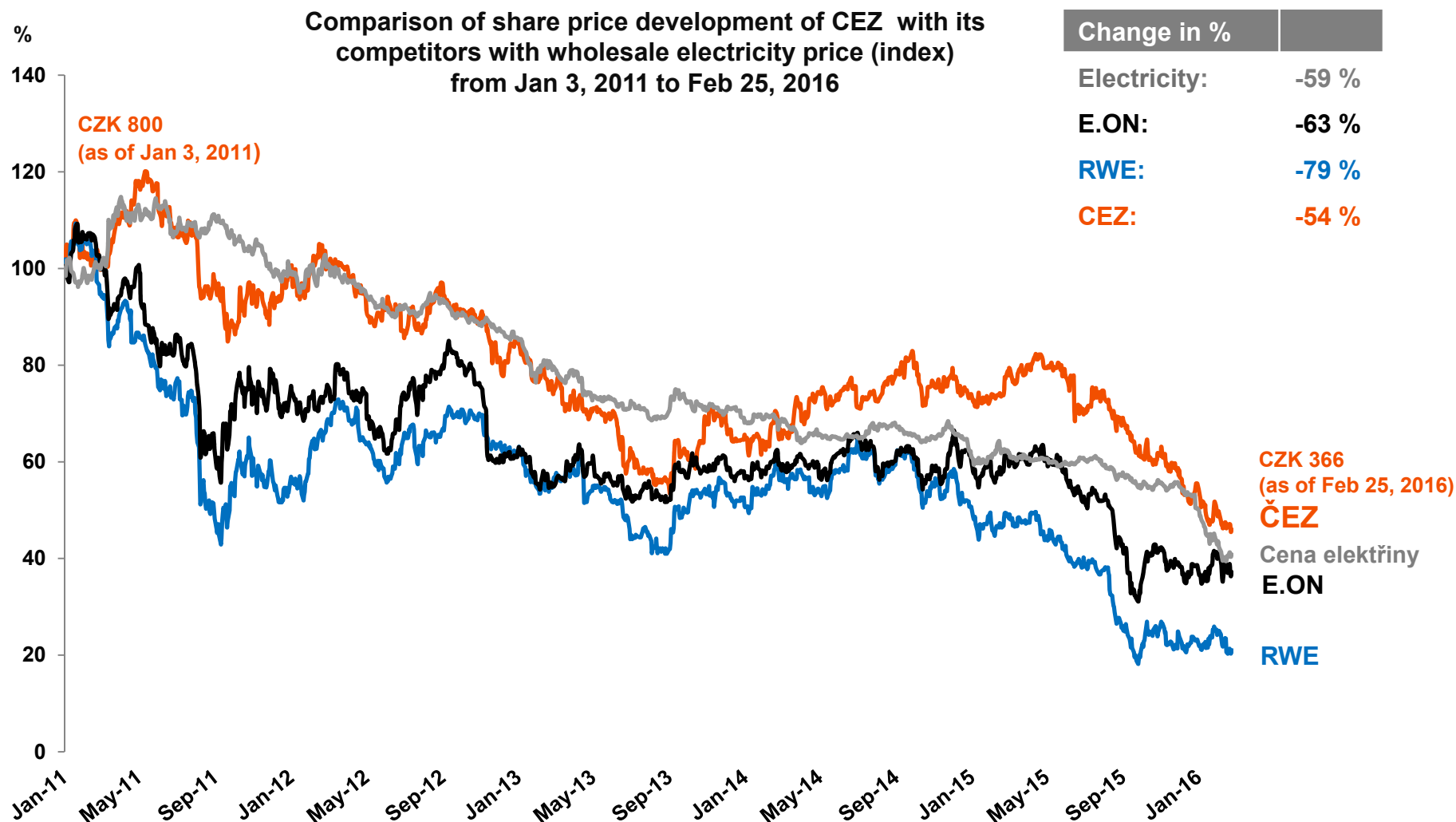
Selected negative effects :

- Lower availability of Dukovany nuclear plant
- Lower availability of Temelín nuclear plant
- Shift in completion of modernization of lignite power plants in the Czech republic (Ledvice and Prunéřov power plants)
- Limiting support for wind parks in Romania
- Lower settlement of volumes of invoiced electricity

IMPACT OF ELECTRICITY PRICE DECLINE ON FINANCIAL RESULTS AND ECONOMIC STABILITY OF CEZ IS MITIGATED AND DELAYED BY ACTIVE MEASURES



....WHICH IS CONFIRMED BY SHARE PRICE DEVELOPMENT



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CEZ GROUP FINANCIAL RESULTS



(CZK bn)	2014	2015	Change	%
Revenues	201.8	210.2	+8.4	+4%
EBITDA	72.5	65.1	-7.4	-10%
EBIT	36.9	29.0	-8.0	-22%
Net income	22.4	20.5	-1.9	-8%
Net income - adjusted *	29.5	27.7	-1.8	-6%
Operating CF	70.7	72.6	+1.9	+3%
CAPEX	34.4	31.5	-2.9	-8%
Net debt **	147.2	131.2	-16.0	-11%

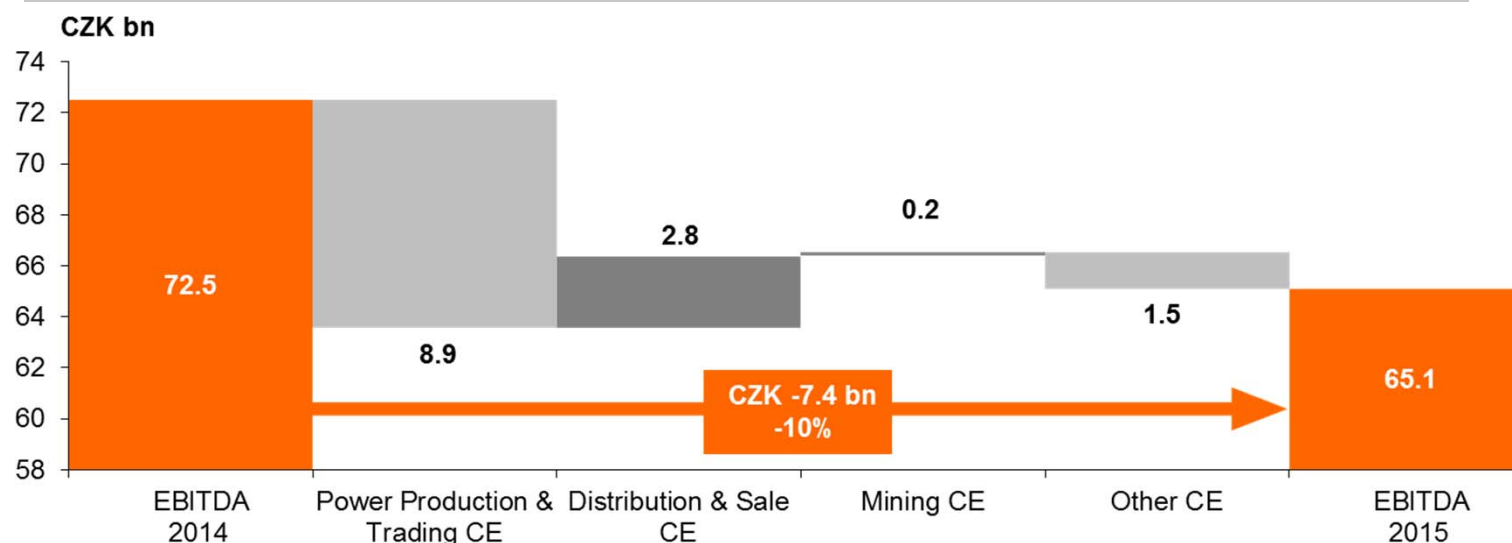
		2014	2015	Change	%
Installed capacity **	GW	16.0	15.9	-0.1	-1%
Generation of electricity	TWh	63.1	60.9	-2.2	-3%
Electricity distribution to end customers	TWh	48.1	49.0	+0.9	+2%
Electricity sales to end customers	TWh	35.1	37.9	+2.8	+8%
Sales of natural gas to end customers	TWh	5.4	6.8	+1.4	+26%
Sales of heat	000 TJ	21.3	22.3	+1.0	+5%
Number of employees **	000's	26.3	25.9	-0.4	-1%

* 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 or profit/loss from sale of assets or subsidiaries).

** As at the last date of the period

YEAR-ON-YEAR CHANGE IN EBITDA

MAIN REASONS BY SEGMENT



Power Production & Trading CE (CZK -8.9bn)

- Lower realization prices of generated electricity in the Czech Rep., including the effects of hedges (CZK -5.6bn)
- Extraordinary earnings in 2014: Settlement agreement with Albania (CZK -2.6bn), termination of deal with CA-CIB (CZK -1.6bn)
- Effect of change in production volume and structure (CZK -2.7bn)
- Effect of provisions and income from sales of emission allowances (CZK +0.9bn)
- Lower fixed operating costs in the Czech Rep. due to economy measures (CZK +2.4bn)

Distribution & Sale CE (CZK +2.8bn)

- Greater settlement of unbilled electricity in the Czech Rep. (CZK +1.4bn)
- Payment of SŽDC liability from 2010 to CEZ Prodej in 2015 (CZK +1.1bn)

Other CE (CZK -1.5bn)—Lower revenue and margin from intra-group services

EBITDA BY SEGMENT:

POWER PRODUCTION AND TRADING CENTRAL EUROPE



CZK bn	2014	2015	Change	%
Czech Republic	38.4	29.0	-9.4	-24%
Poland	1.4	1.9	+0.5	+37%
Segment EBITDA	39.8	30.9	-8.9	-22%

Czech Republic (CZK -9.4bn)

- Lower realization prices of generated electricity, including the effects of hedges (CZK -5.6bn)
- Effect of change in production volume and structure (CZK -2.7bn)
- Effect of the settlement agreement with Albania in 2014 (CZK -2.6bn)
- Effect of the termination of a long-term deal with CA-CIB in 2014 (CZK -1.6bn)
- Lower revenue from ancillary services (CZK -0.7bn)
- Lower fixed operating costs due to economy measures (CZK +2.4bn)
- Effect of provisions and income from sales of emission allowances (CZK +0.9bn)
- Others (CZK +0.5bn)

Poland (CZK +0.5bn)

- Higher revenue from electricity and heat sales—primarily higher production volume (CZK +0.2bn)
- Reversal of provisions at Skawina Power Plant (CZK +0.2bn)

EBITDA BY SEGMENT: POWER PRODUCTION AND TRADING SOUTHEAST EUROPE



CZK bn	2014	2015	Change	%
Bulgaria	-0.8	-0.1	+0.6	+83%
Romania	1.4	0.8	-0.6	-45%
Segment EBITDA	0.6	0.6	0.0	+4%

Bulgaria (CZK +0.6bn)

- Lower operating costs in connection with the suspension of operation of the Varna Power Plant since Jan 1, 2015 (CZK +0.2bn)
- Negative generation margin in 2014 (CZK +0.2bn)
- Effect of additions to provision in 2014 related to the shut-down of the Varna Power Plant (CZK +0.2bn)

Romania (CZK -0.6bn)

- Effect of the suspension of green certificate allocation to the Cogeaalac wind farm from October 2014 to September 2015 (CZK -0.4bn) and positive effect of green certificate allocation to the Fântânele Vest wind farm since September 2015 (CZK +0.1bn)
- Additions to the provision for potential additional tax on wind farm real estate (CZK -0.3bn)
- Lower average price of wholesale electricity and green certificates (CZK -0.1bn)
- Higher volume of electricity production (CZK +0.1bn)

EBITDA BY SEGMENT: DISTRIBUTION AND SALE CENTRAL EUROPE



CZK bn	2014	2015	Change	%
Distribution	15.8	15.6	-0.2	-1%
Sale	3.5	6.4	+3.0	+86%
Segment EBITDA	19.3	22.1	+2.8	+14%

Distribution Czech Rep. (CZK -0.2bn)

- Effect of using up remaining correction factors from RES in 2014 (CZK -2.1bn)
- Higher amount of distributed electricity in 2015 and other positive gross margin effects (CZK +1.2bn)
- Lower fixed operating cost (CZK +0.6bn)

Sale (CZK +3.0bn)

- Greater settlement of unbilled electricity (CZK +1.2bn)
- Payment of SŽDC liabilities from 2010 to CEZ Prodej in 2015 based on a court decision (CZK +1.1bn)
- Growth in gas sales due to higher deliveries to new customers and weather effect (CZK +0.2bn)
- Other (CZK +0.3bn), primarily due to lower average purchase price of electricity

EBITDA BY SEGMENT:

DISTRIBUTION AND SALE SOUTHEAST EUROPE



CZK bn	2014	2015	Change	%
Bulgaria	1.5	1.4	-0.1	-7%
Romania	2.3	2.5	+0.2	+6%
Segment EBITDA	3.9	3.9	0.0	+1%

Bulgaria (CZK -0.1bn)

- Positive effect of debt offset with the state-owned company NEK in 2014 (CZK -0.5bn)
- Higher additions to provision in 2014 and cuts in operating costs in 2015 (CZK +0.2bn)
- Higher margin on distributed electricity due to the price decision from Oct 1, 2014 (CZK +0.1bn)
- Higher margin on electricity sales due to growing average selling price (CZK +0.1bn)

Romania (CZK +0.2bn)

- Higher margin on electricity (CZK +0.3bn) due to higher amount and price of distributed electricity and lower expenses on losses in grids
- Extraordinary income in 2014 arising from repayment agreements with the state postal service and railways (CZK -0.5bn)
- Impact of provisions and the repayment of other receivables (CZK +0.2bn)
- Lower fixed operating cost (CZK +0.2bn)

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



EBITDA (CZK bn)	2014	2015	Change	%
Mining CE	4.2	4.3	+0.2	+4%
Other CE	4.7	3.2	-1.5	-31%
Other SEE	0.1	0.1	0.0	+49%

Mining Central Europe (CZK +0.2bn)

- Cuts in fixed operating costs (CZK +0.5bn)
- Lower revenue (CZK -0.5bn) due to lower consumption of power coal (sorted coal sales were stable in spite of a warm winter)
- Other (CZK +0.2bn), primarily received insurance payments and lower additions to redevelopment and reclamation provisions

Other Central Europe (CZK -1.5bn)

- Lower revenue and margin from intra-group services primarily due to economy measures adopted by customers; especially CEZ Distribuční služby and CEZ ICT Services were affected (CZK -1.0bn)
- Other (CZK -0.5bn), primarily lower revenue from projects executed by Škoda Praha Invest



OTHER INCOME (EXPENSES)

(CZK bn)	2014	2015	Change	%
EBITDA	72.5	65.1	-7.4	-10%
Depreciation, amortization and impairments	-35.6	-36.1	-0.6	-2%
Financial and other income (expenses)	-8.3	-2.1	+6.2	+75%
Interest income (expenses)	-3.0	-2.5	+0.6	+19%
Interest on nuclear and other provisions	-1.8	-1.7	+0.2	+8%
Income (expenses) from investments	-0.2	-0.3	-0.2	-100%
Other income (expenses)	-3.3	2.4	+5.6	-
Income taxes	-6.2	-6.3	-0.1	-2%
Net income	22.4	20.5	-1.9	-8%
Net income - adjusted	29.5	27.7	-1.8	-6%

Depreciation, Amortization, and Impairments* (CZK -0.6bn)

- Increase in depreciation and amortization (CZK -0.9bn) primarily at ČEZ, a. s.
- Lower additions to fixed asset impairments (CZK +0.3bn)

Financial and Other Income/Expenses (CZK +6.2bn)

- Refund of gift tax on emission allowances for 2011 and 2012 (CZK +3.8bn)
- Negative revaluation of MOL stock in 2014 (CZK +1.8bn)
- Foreign exchange gains/losses and derivatives (CZK +1.2bn)
- Effect of decreased debt on interest expenses (CZK +0.8bn)
- Appreciation of funds deposited in restricted accounts and in short-term securities (CZK +0.3bn)
- Overall effect of bond buybacks (CZK -1.2bn)
- Financial results in Turkey (CZK -0.6bn), negative effect of USD/TRY exchange rate on loan revaluation was partially compensated for by a positive change in EBITDA

Net Income Adjustment

- 2014 net income adjusted for the negative effect of fixed asset impairments (CZK +7.0bn)
- 2015 net income adjusted for the negative effect of fixed asset impairments (CZK +7.1bn)

EUROPEAN ENERGY COMPANIES ALREADY HAD TO WRITE OFF SUBSTANTIAL ASSETS AND MOST ARE FACING FURTHER DOWNGRADE OF THEIR CREDIT RATING (I.E. PROBABILITY OF DEBT REPAYMENT)



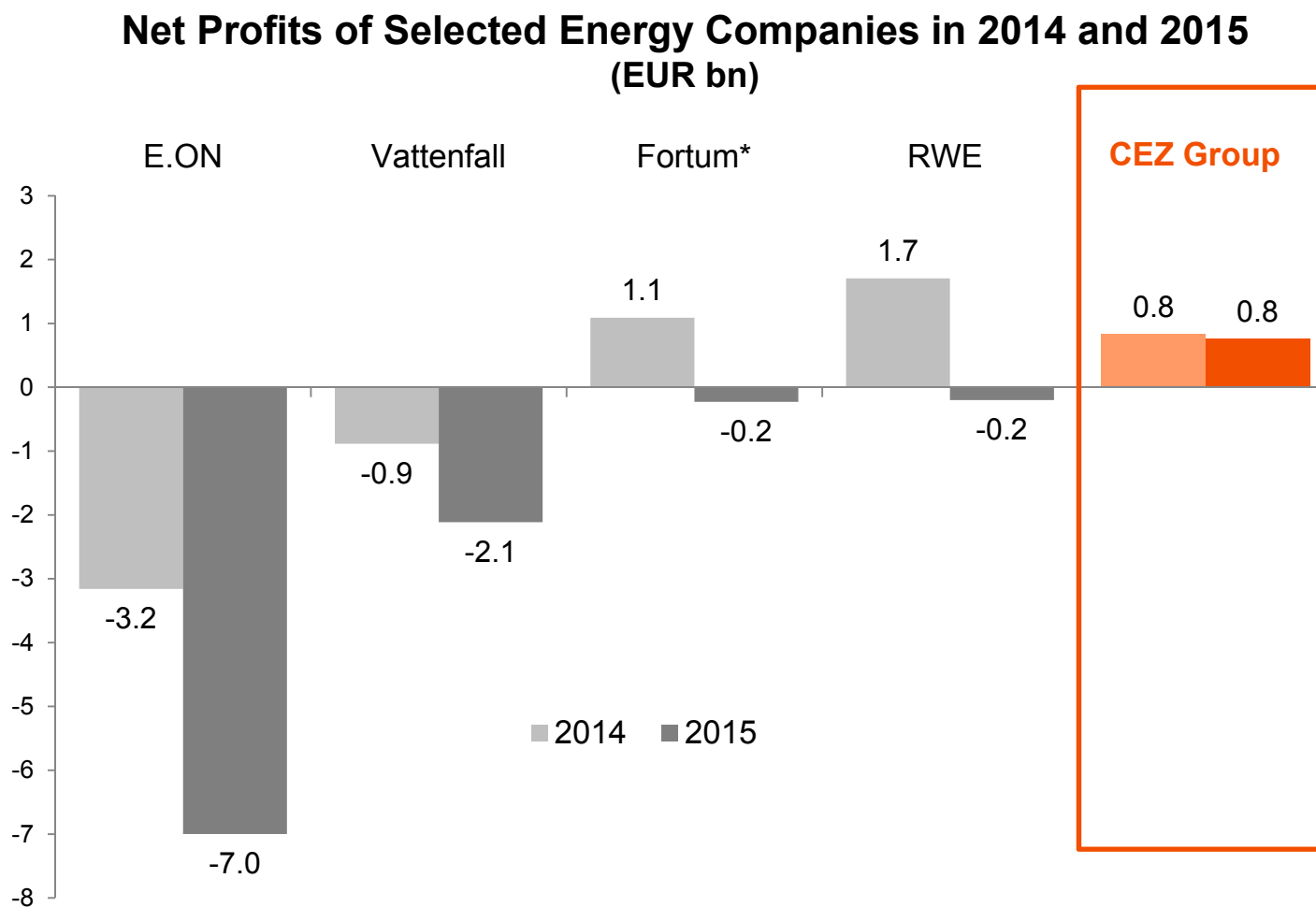
Cumulative Long-Term Assets Impairments of Selected Companies From 2010 to 2015

	As at Q4 2015	
	CZK bn	% of non-current assets
Vattenfall	360	35.6%
E.ON	626	31.5%
RWE	296	21.3%
Verbund	45	15.1%
Enel	314	10.0%
CEZ	29	5.8%

Additional significant impairments can be expected in 2016 due to a quick drop in electricity wholesale prices in the past 3 months (of about 30%). Therefore, credit rating agencies undertook an extraordinary massive revision of ratings in the whole sector.

- Standard & Poor's undertook a massive revision of European energy companies' credit ratings on February 26, 2016 (in connection with a drop in electricity wholesale prices). As part of the revision, companies such as EDF, RWE, EnBW, E.ON, Vattenfall, Verbund, and Engie were placed on "CreditWatch" (for potential rating downgrade).
- **CEZ's existing S&P credit rating was confirmed at A- level with a stable outlook.**

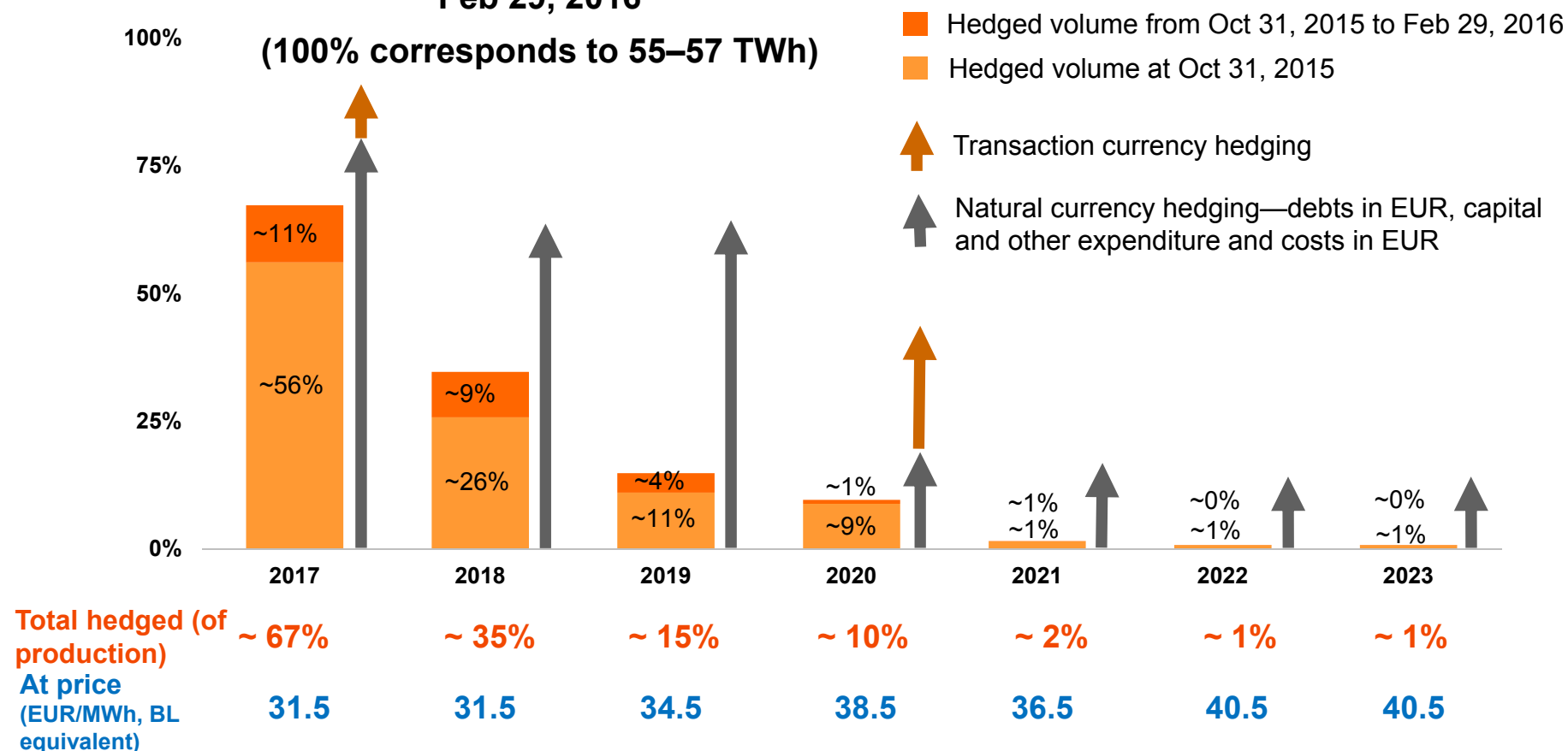
RELATIVE STABILITY OF CEZ PROFITS IS EXCEPTIONAL IN COMPARISON WITH SIMILAR EUROPEAN UTILITIES



THE STABILITY OF CEZ GROUP'S PROFITS IS CONTRIBUTED TO BY ITS POLICY OF ONGOING MEDIUM-TERM HEDGING OF REVENUES FROM SALES OF ELECTRICITY



Share of Hedged Production of CEZ* Facilities as at Feb 29, 2016



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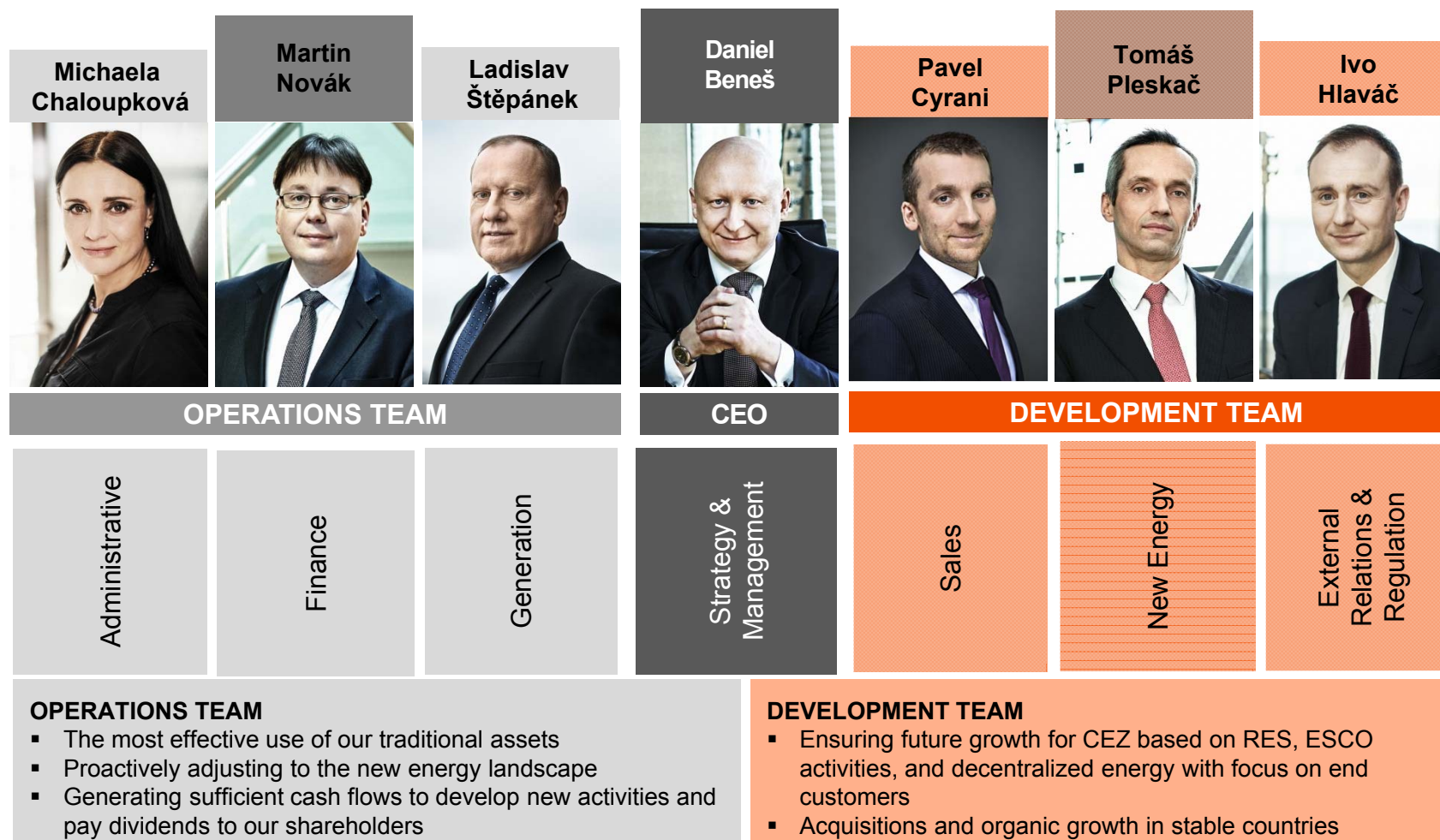
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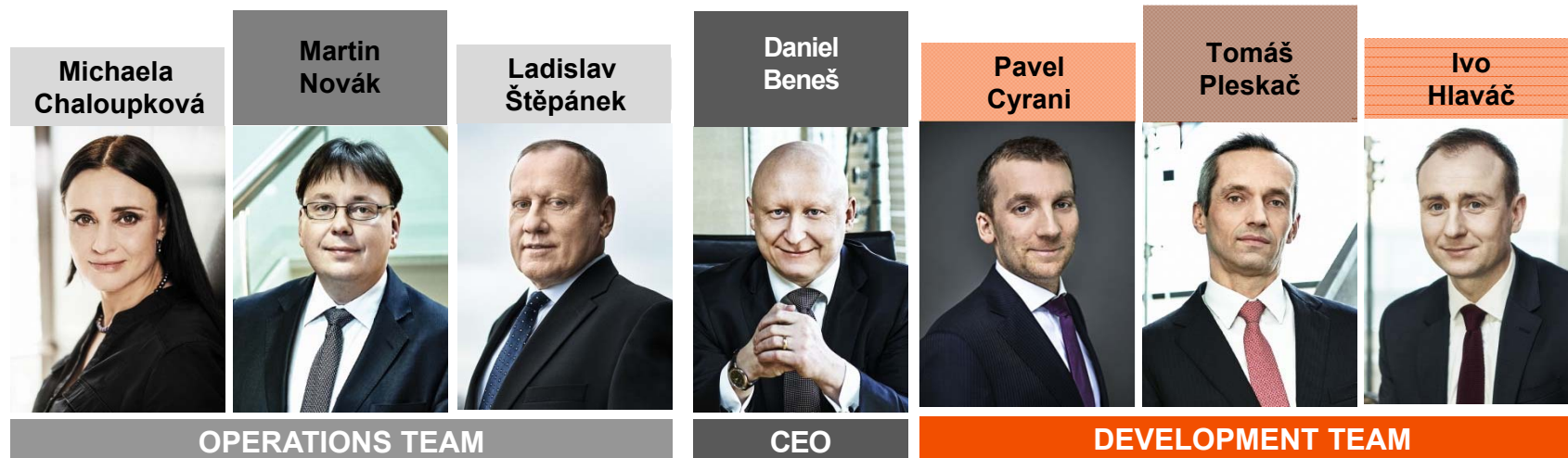
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IN 2015 STRATEGY FULFILLMENT WAS ACCELERATED AND CAPACITIES AND RESOURCES WERE REALIGNED; ACTIVITIES ARE NEWLY ORGANIZED UNDER THE OPERATIONS AND DEVELOPMENT TEAMS



...WE BOLSTERED SEGMENTAL MANAGEMENT AT THE EXPENSE OF REGIONAL MANAGEMENT. GROUP COMPANIES DIVIDED INTO REDEFINED BUSINESS SEGMENTS.



Umbrella team for the following main business segments:

- **Generation—Traditional Energy**
- **Mining**

And for the following ancillary and centralized activities:

- **Finance and administrative / Headquarters activities in general**

Umbrella team for the following main business segments:

- **Generation—New Energy**
- **Distribution**
- **Sales/Trading**

OPERATIONS TEAM

SELECTED EVENTS IN 2015



Mining

- The Czech government decided to change mining environmental limits for Doly Bílina (allowing to extract 100–150 million tons of coal with the limit set to 500 m from municipal built-up areas)
- A contract for a new coal stacker was concluded
- Fixed operating cost adjusted to lower demand (savings of over CZK +0.5bn)



Generation—Traditional Energy

Nuclear Facilities

- Measures resulting from stress tests implemented on schedule (e.g. enhancement of structures' resistance to extreme effects, alternative power supplies, heat rejector at Dukovany, upgrade of NPP simulators)
- Capacity of both Temelín units was increased up to 1,090 MW_e
- Another line for standby power supply built between the Temelín NPP and Hněvkovice hydro power plant
- SÚJB renewed existing authorization for Dukovany Unit 1 until Mar 31, 2016 and the application for renewal of the Unit 1 operating license is currently under review

Coal-Fired Facilities

- Počerady power plant and Energotrans heating plant finished environmental upgrades; production of nitrogen oxides reduced to newly applicable limits
- Start of test operation of the new Ledvice facility and renovated Prunéřov Power Plant units



Finance and Administrative

- We reduced foreign financial exposure of ČEZ, a. s. by CZK 9.3bn (including CZK 4.6bn in Poland and CZK 4.2bn in Romania)
- We updated CEZ's dividend policy (payout ratio of 60–80% of consolidated net income adjusted for extraordinary effects)
- We met our ambitious cost-cutting plan from 2014. CEZ Group's fixed operating costs decreased by CZK 2.9bn y-o-y

OPERATIONS TEAM

STRATEGIC AMBITIONS FOR 2020

Additional *
EBITDA 2020:
+ CZK 3bn



Mining

- Ensure reliability and flexibility of supplies to all customers
- Make the interface between mining and power plants more efficient
- Achieve maximum cost effectiveness in operations
- Optimize investments through “Design-to-Cost”
- Use economically exploitable coal reserves as efficiently as possible



Generation—Traditional Energy

Nuclear Facilities

- Continually improve nuclear safety and the level of maintenance of nuclear facilities
- Maintain high facility availability and maximum utilization of our nuclear assets’ potential
- Obtain a renewed operating license for Dukovany units and ensure long-term operation for the Dukovany NPP

Other Generating Facilities

- Continually improve the operational efficiency and flexibility of new and refurbished facilities
- Optimize the operations of all coal-fired facilities

Heat Sector

- Strengthen our position in the heat market in the Czech Rep. and maximize the operational efficiency and utilization of existing assets to achieve growth and new revenue
- Optimize investments through “Design-to-Cost”

Grow in the heat sector through acquisitions, primarily in Poland



Finance and Administrative

Finance

- Ensure proactive funding of development activities and maintain the Group’s financial stability (Net Debt/EBITDA ratio at 2.5–3.0)
- Optimize the capital and ownership structure of existing foreign assets

Support and Centralized Activities

- Continually improve efficiency and outperform the market in all services provided
- Continually and systematically promote segment initiative and motivation in order to increase the entire Company’s value
- Continually improve the efficiency of purchasing processes and optimize other centralized and support processes to promote growth and increased cost effectiveness

OPERATIONS TEAM

KEY OBJECTIVES FOR 2016



Mining

- Maximize the creation of operating cash flow and maintain an optimum level of mining at both mines
- Efficiently manage investments and maintain the required level of commercial reserves
- Apply for a mining license for underground mining at the Nástup mines



Generation—Traditional Energy

Ensure the optimum availability of all facilities

Nuclear Facilities

- Obtain an operating license for Dukovany Unit 1 and then an operating license for Unit 2 for after 2016
- Fulfill operational safety enhancement programs at both nuclear power plants
- Take systemic measures to improve control over the performance of maintenance and repair

Coal-Fired Facilities

- Complete the test operation of the new supercritical unit in Ledvice (660 MW) and refurbished Prunéřov Power Plant units (3 x 250 MW)
- Adjust investments and coal-fired portfolio operations to developments in electricity prices and regulation

Heat Sector

- Analyze the market and identify growth potential in the Czech Rep. and Poland
- Identify specific acquisition targets and prepare development projects



Finance and Administrative

Finance

- Efficiently manage debt capacity of the Group and ensure proactive funding of development activities
- Optimize the capital and ownership structure of existing foreign assets

Support and Centralized Activities

- Prepare documentation for the procedure of selecting a fuel supplier for Temelín NPP for after 2020
- Implement action plans in purchasing and other centralized and support services in order to promote growth and increased cost effectiveness

DEVELOPMENT TEAM

SELECTED EVENTS IN 2015



Sales & Trading



New Energy



Distribution

Sales—Retail

- Gas delivered to around 384,000 connection points (an increase of almost 37,000 in 2015)
- Electricity delivered to around 2.75 million connection points
- Launched the Rooftop Photovoltaics product for residential customers and established the CEZ WITHOUT WORRIES product (insurance against loss of employment)

Sales—ESCO

- Consolidated an offer of six product categories for a wide range of customers among businesses and municipalities: energy consulting, construction and operation of energy facilities, service and maintenance, lighting, energy savings, and smart city
- Built a sales and implementation team from internal resources and acquisitions of EVČ, ENESA, JUWI

Trading

- Trading's active contribution to alleviating the impact of decrease in electricity wholesale prices in European markets (over CZK 800m)
- Started expansion of trading activities to new markets (e.g. Scandinavia) and strengthening of gas trading activities

Renewables

- Temporary accreditation for the Romanian power plants at Fântânele Vest and Cogealac approved on Sep 2
- In Poland, the effect of a part of the renewables act defining a new auction system for support was postponed by 6 months
- Building permit for the wind farm at Krasin, Poland (35 MW) issued
- A framework agreement on cooperation was made with Aquila Capital to offer opportunities for investment in wind farms in Germany (up to 120 MW)

INVEN CAPITAL

- Reviewed 247 opportunities
- Made investments in German companies Sonnenbatterie (energy storage) and SunFire (fuel cells)

Czech Republic

- Prepared additional investments to promote decentralized energy and smart grids (CZK 6bn in total)

Abroad

- Distribution tariffs for CEZ Distributie in Romania reduced by 11% with effect from Jan 1, 2016.
- Bulgaria's regulator issued a new price decision with effect from Nov 1, 2015.
- On Nov 19, 2015, CEZ Group officially notified the Bulgarian government of its intent to initiate an international arbitration on grounds of failure to protect its investment.
- Successfully completed physical unbundling of a distribution and sales company in Turkey (first companies to meet statutory requirements)

DEVELOPMENT TEAM

STRATEGIC AMBITIONS FOR 2020

Additional *
EBITDA 2020:
+ CZK 6bn



Sales & Trading



Sales—Retail

- Expand the portfolio of innovative products and services according to customers' needs (in the generation, use, and savings of electricity and other kinds of energy) in all markets that we operate in

Sales—ESCO

- Become #1 and a natural choice for businesses, municipalities and the public sector in comprehensive energy services in the Czech Rep. and **new markets in Poland and Germany**

Trading

- Develop trading, active dispatching, and wholesale of commodities



New Energy



- Become a major European player in renewables in terms of installed capacity and profitability
- Invest in wind and solar capacities in the development stage as well as in existing capacities while maintaining the required rate of return
- Efficiently use an optimum mix of internal and external funding for acquisitions

Ambition to grow through acquisitions, primarily in Germany and in countries with a stable regulatory environment

Additional investments expected in 2016–2020: CZK 50–60bn



Distribution

Czech Republic

- Build a leading position in Smart technologies
- Integrate decentralized energy in a cost-effective manner
- Optimize grid renovation and development investments and costs in order to improve the quality of our distribution service without any impact on end-use tariffs
- Increase customer satisfaction

Abroad

- Maximize CF and optimize capital and ownership structure, including divestment of selected assets

Ambition to acquire distribution/transmission assets in countries with a stable regulatory environment

DEVELOPMENT TEAM

KEY OBJECTIVES FOR 2016



Sales & Trading



Sales—Retail

- Introduce new non-commodity products in financing as well as technical areas, and launch profitable commodity products in electricity and gas
- Improve the availability and design of the network of our Customer Care Centers and increase the quality of our customer care

Sales—ESCO

- Finish the transformation of the ESCO group in the Czech Rep.
- Develop the Smart City concept and the Rooftop Photovoltaics product and start installations
- Develop EPC projects aimed to reduce operating energy costs, primarily in public administration
- Enter the energy services market in Poland and Germany

Trading

- Develop trading activities



New Energy



Renewables

- Maximize the value of Ecowind
- Analyze the target markets (Germany, France, United Kingdom, and Poland) and expand relations with local RES market participants
- Gain additional expert competences for offshore projects and auction systems for RES support
- Identify acquisition targets and carry out first acquisitions

INVEN CAPITAL

- Review hundreds of investment opportunities and carry out 2–4 acquisitions



Distribution

Czech Republic

- Optimize expenditure on distribution grid maintenance and care
- Make investments in the preparation of grids for upcoming decentralized energy and smart grids
- Set up new communication channels for customers and maintain the upward trend in customer satisfaction

Abroad

- Protect CEZ Group's investments and rights in Bulgaria and Romania
- Implement the Consolidation Abroad project (change the structure and further reduce financial exposure)

Actively monitoring opportunities for profitable acquisitions of distribution/transmission assets in countries with a stable regulatory environment

YEAR 2015

BALANCING PRESS CONFERENCE OF CEZ GROUP



CEZ Group in the Context of the European Energy Sector

Daniel Beneš, Chief Executive Officer

CEZ Group Financial Results in 2015

Martin Novák, Chief Financial and Operations Officer

Strategic Ambitions of the Operations and Development Teams

Daniel Beneš, Chief Executive Officer

Martin Novák, Chief Financial and Operations Officer

Tomáš Pleskač, Chief Renewables and Development Officer

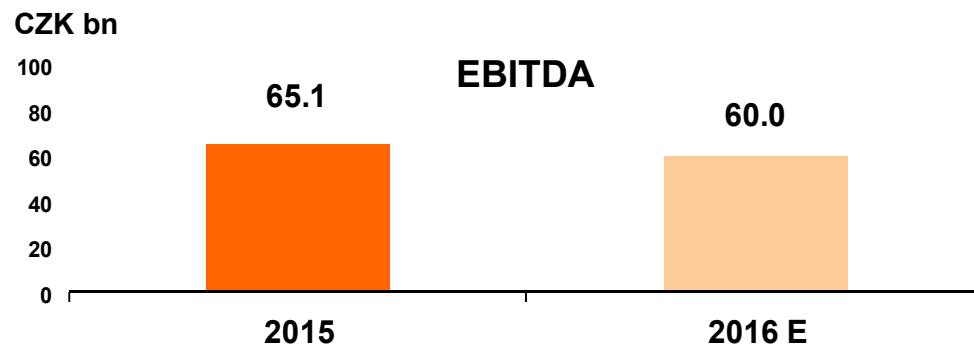


CEZ Group's Ambitions for 2016

Daniel Beneš, Chief Executive Officer

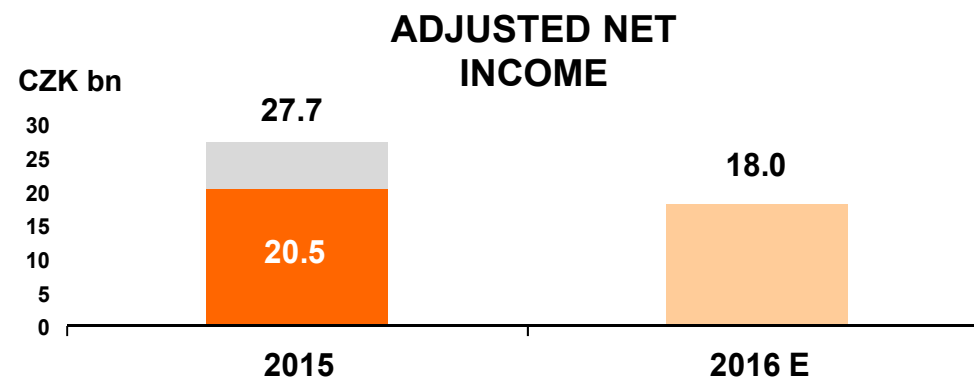
Martin Novák, Chief Financial and Operations Officer

WE EXPECT 2016 EBITDA OF CZK 60BN, ADJUSTED NET INCOME AT THE LEVEL OF CZK 18BN



Selected year-on-year negative effects:

- Trend of declining electricity prices
- Payment of SŽDC liabilities from 2010
- Lower settlement of unbilled electricity in the Czech Rep.



Selected year-on-year positive effects:

- Higher volume of electricity production
- Resumed allocation of green certificates for Fântânele Vest and Cogeaľac

Selected prediction risks:

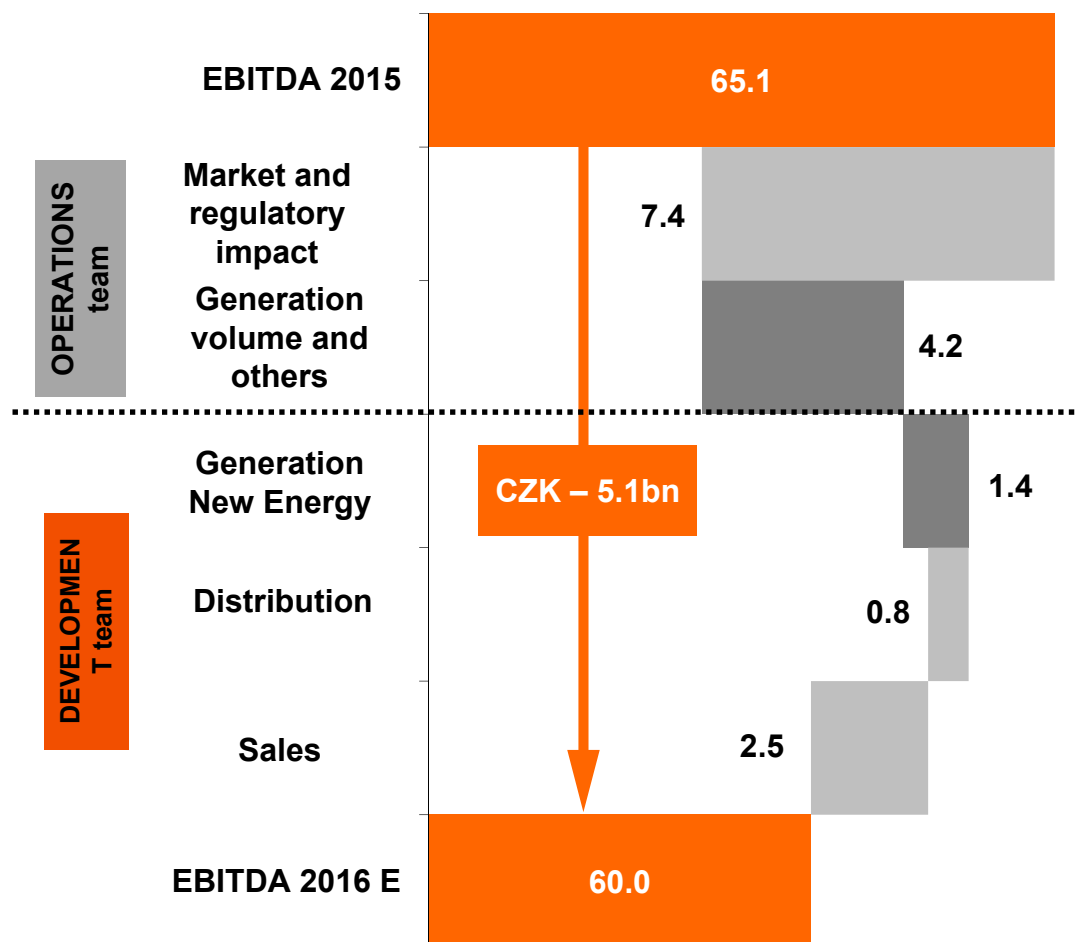
- Availability of generating facilities in the Czech Rep. (especially new and refurbished coal-fired units)
- Developments in regulatory and legislative conditions for the energy sector in Europe

Adjustment of 2015 net income

2015 net income

EXPECTED YEAR-ON-YEAR CHANGE IN EBITDA

MAIN REASONS



Market and regulation effects (on traditional energy)

- Decrease in the realization prices of electricity (-5.7)
- Lower allocation of emission allowances (-0.9)
- Lower revenue from ancillary services in the Czech Rep. (-0.5)
- Revenue from biomass combustion in Poland in 2015 (-0.3)

Level of production and other effects

- Higher production (+4.6)
- Other effects (-0.4)

Generation—New Energy

- Allocation of green certificates for Fântânele Vest and Cogelac for the whole year 2016 (+1.0)
- Higher production

Distribution

- Effect of correction factors (especially in Romania)

Sales

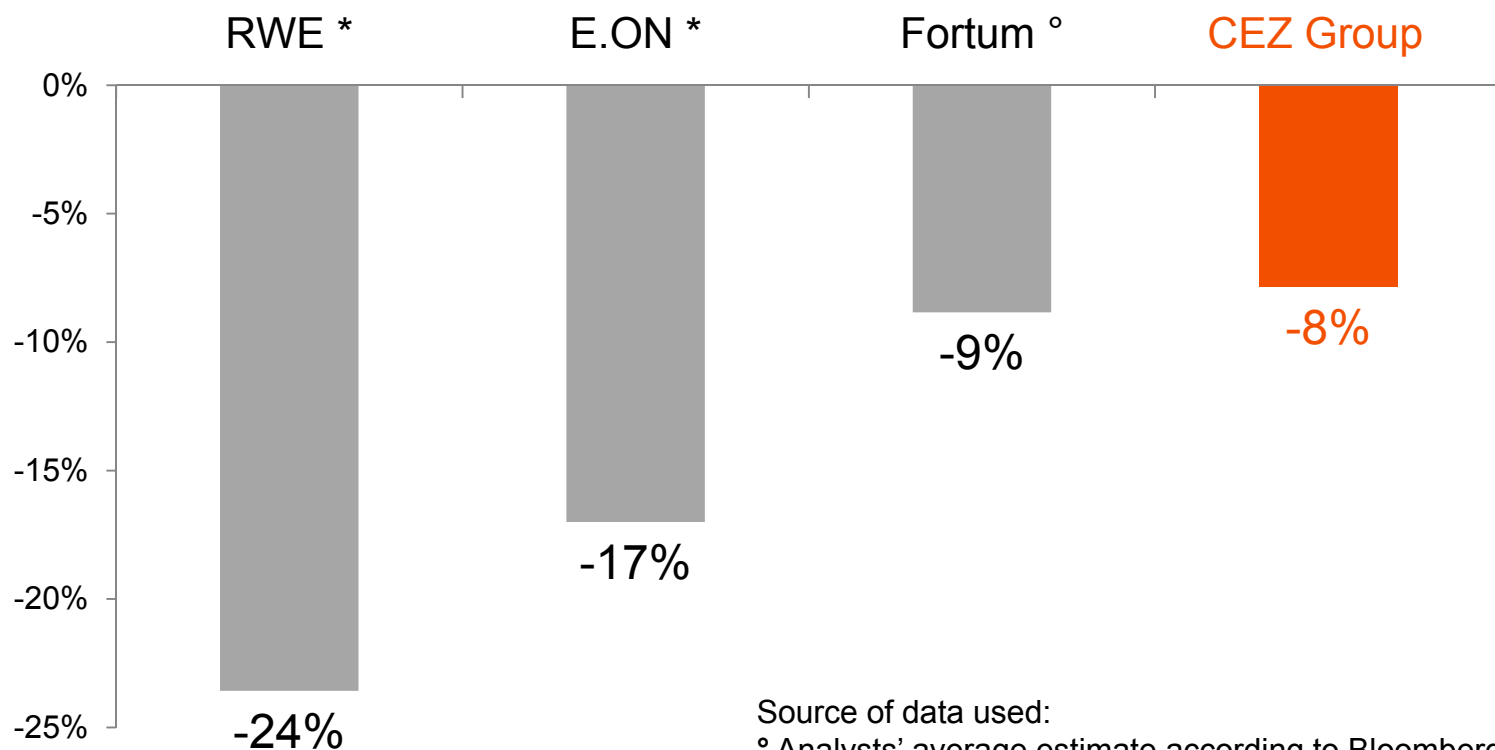
- Repayment of SŽDC debt in 2015 (-1.1)
- Lower settlement of unbilled electricity in the Czech Republic (-0.8)
- Lower margin abroad (-0.3)

CZK bn

THE TREND OF DECREASING WHOLESALE ELECTRICITY PRICES DETERMINES EBITDA DECREASE AT ALL COMPARABLE EUROPEAN ENERGY COMPANIES



Expected decrease in EBITDA for 2016 compared to 2015



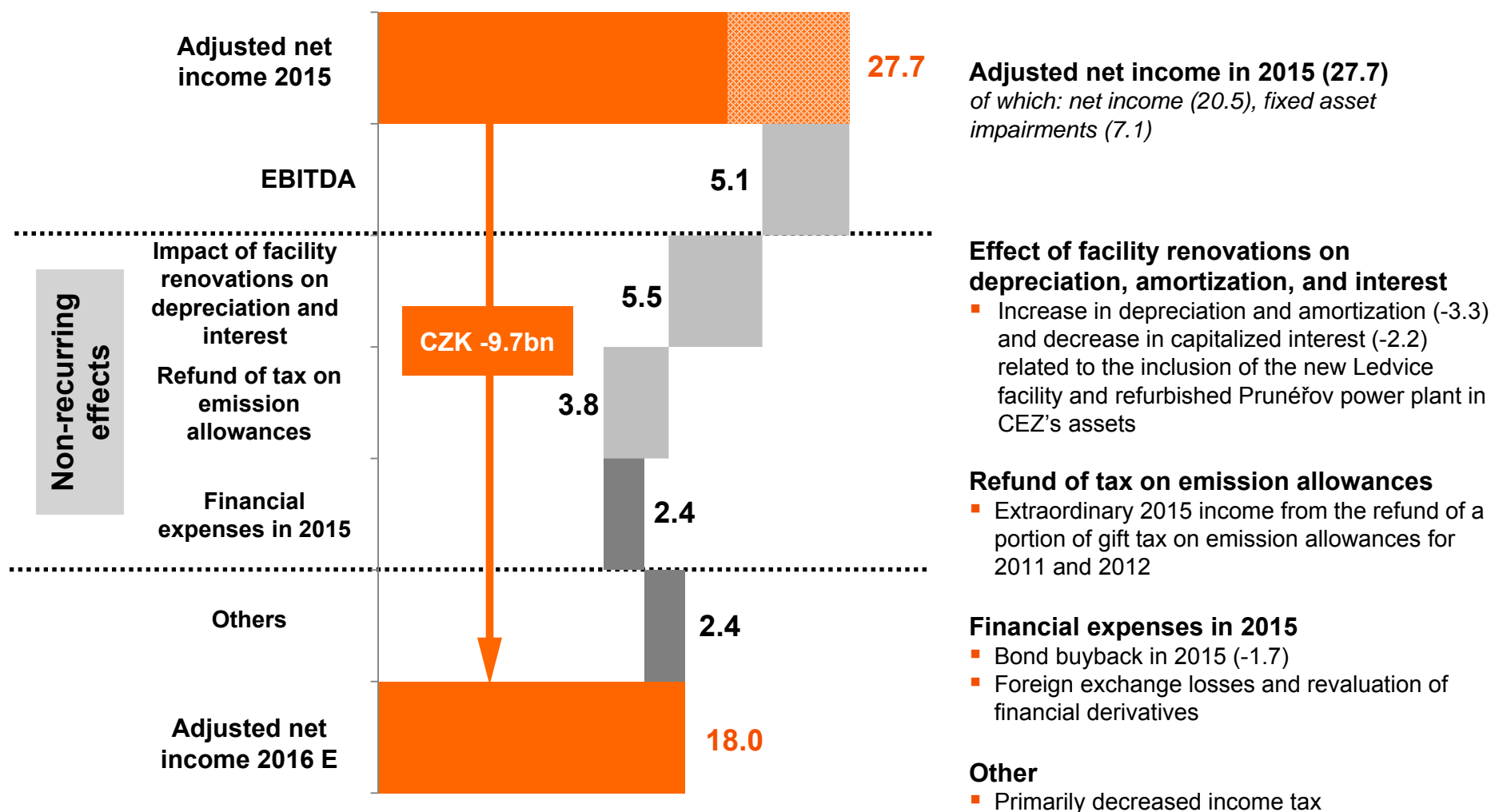
Source of data used:

° Analysts' average estimate according to Bloomberg

* Published estimate of the company shown

EXPECTED YEAR-ON-YEAR CHANGE IN NET INCOME

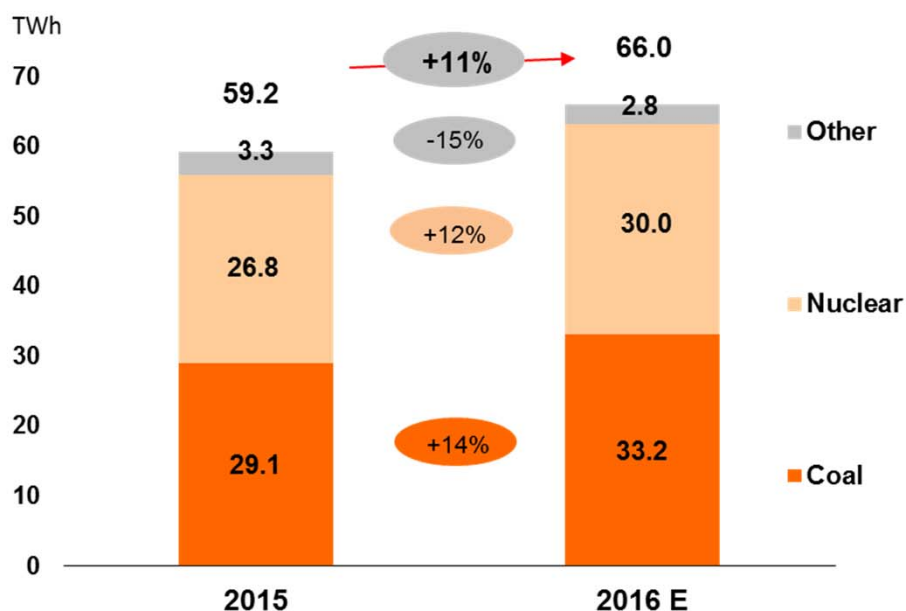
MAIN REASONS



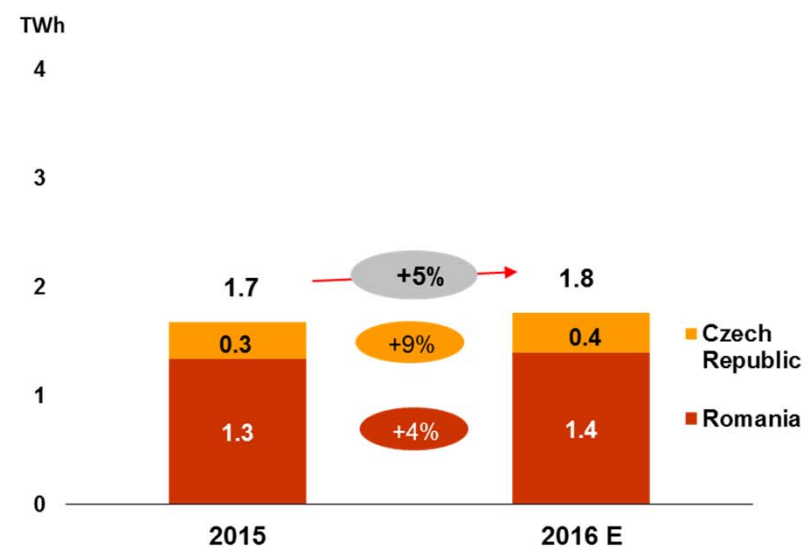
PRECONDITION FOR THE FINANCIAL AMBITION FOR 2016: INCREASED PRODUCTION OF BOTH TRADITIONAL AND NEW ENERGY



Generation—TRADITIONAL Energy



Generation—NEW Energy



KEY 2016 OBJECTIVES

REFLECTING CEZ GROUP STRATEGY



I Be among the best in the operation of conventional power facilities and proactively respond to the challenges of the 21st century	II Offer customers a wide range of products and services addressing their energy needs	III Strengthen and consolidate our position in Central Europe
<ul style="list-style-type: none">▪ Obtain an operating license for Dukovany NPP Unit 1 and an operating license for Dukovany NPP Unit 2 for after 2016▪ Fulfill operational safety enhancement and nuclear facility maintenance programs▪ Complete the test operation of the supercritical unit in Ledvice and refurbished Prunéřov Power Plant units▪ Make investments in the distribution grid in the Czech Rep. aimed at preparation for upcoming decentralized energy and smart grids	<ul style="list-style-type: none">▪ Introduce new non-commodity products in financing as well as technical areas, and launch additional profitable commodity products in electricity and gas▪ Finish the transformation of the ESCO group in the Czech Rep., develop the Rooftop Photovoltaics product and projects aiming to reduce customers' energy costs▪ Analyze the acquisition potential of sales companies in Central Europe and start acquisitions	<ul style="list-style-type: none">▪ Identify attractive acquisition targets and investments in RES, distribution, heat, and Inven Capital▪ Protect CEZ Group's investments and rights in Bulgaria and Romania▪ Ensure financial stability and proactive funding of development activities▪ Implement action plans in purchasing and other centralized and ancillary services in order to promote growth and increased cost effectiveness

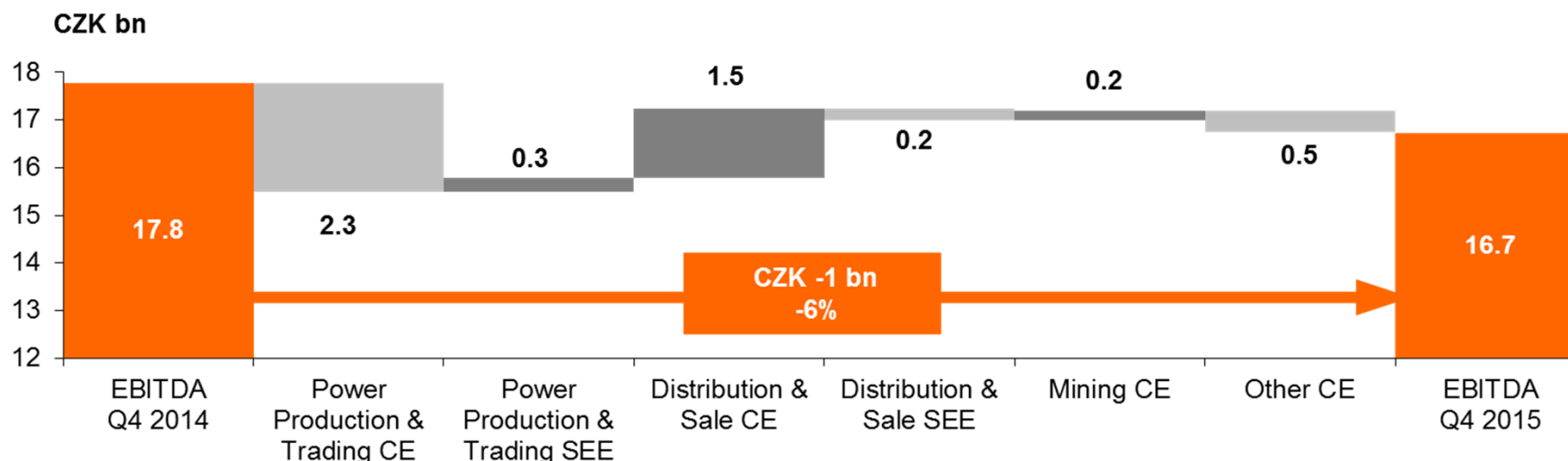


ANNEXES

- Q4 2015 EBITDA (by Segments as in Effect Until the End of 2015)
- Other Income (Expenses) in Q4 2015
- Selected Events in 2015
- Generation in 2015
- Cash Flows in 2015
- Investments in Fixed Assets in 2015
- Credit Facilities and Bonds—at Dec 31, 2015
- Balance Sheet Overview As at Dec 31, 2015
- Electricity Consumption in 2015
- Market Developments in 2014–2015
- EBITDA in 2014 and 2015 (by Segments as in Effect from Jan 1, 2016)
- Generation in 2016
- Mining in 2015 and 2016
- Electricity Balance (by Countries and Segments as Defined Until the End of 2015 and from Jan 1, 2016)

DEVELOPMENT IN Q4 2015

EBITDA



CEZ Group EBITDA (CZK -1.0bn):

- **Power Production & Trading CE (CZK -2.3bn):** Czech Rep.—settlement agreement with Albania in 2014 (CZK -2.6bn), lower volume and changed structure of production (CZK -1.8bn), lower realization prices of generated electricity, including impacts of hedges (CZK -0.3bn), higher revenue from proprietary trading (CZK +0.3bn), effect of provisions and income from sale of emission allowances (CZK +0.5bn) and cuts in fixed operating costs as a result of economy measures (CZK +1.1bn); Poland (CZK +0.3bn) mainly effect of provisions at Skawina Power Plant
- **Power Production & Trading SEE (CZK +0.3 bn):** Effect of 2014 additions to provision for the Varna power plant shut-down
- **Distribution & Sale CE (CZK +1.5bn):** Greater settlement of unbilled electricity (CZK +1.2bn)
- **Distribution & Sale SEE (CZK -0.2bn):** Bulgaria—impact of debt offset with the state-owned company NEK in 2014 (CZK -0.5bn) partially compensated for by the effect of mandatory purchases of customer-owned assets (CZK +0.2bn) and the effect of higher additions to provisions in 2014 (CZK +0.1bn).
- **Mining CE (CZK +0.2bn):** Primarily the effect of economy measures
- **Other CE (CZK -0.5bn):** Primarily lower revenue from projects executed by Škoda Praha Invest

DEVELOPMENT IN Q4 2015: OTHER INCOME (EXPENSES)



(CZK bn)	Q4 2014	Q4 2015	Change	%
EBITDA	17.8	16.7	-1.0	-6%
Depreciation, amortization and impairments*	-9.6	-12.4	-2.7	-29%
Financial and other income (expenses)	-3.9	1.7	+5.5	-
Income taxes	-1.4	-2.1	-0.6	-45%
Net income	2.8	3.9	+1.1	+39%
Net income - adjusted	5.2	9.0	+3.9	+75%

Depreciation, amortization, and impairments* (CZK -2.7bn):

- Higher additions to fixed asset impairments (CZK -2.6bn)
- Increase in depreciation and amortization at CEZ, a. s. (CZK -0.2bn)

Financial and Other Income/Expenses (CZK +5.5bn):

- Refund of a portion of gift tax on emission allowances for 2011 and 2012 (CZK +3.8bn)
- Negative revaluation of MOL stock in 2014 (CZK +1.8bn)
- Positive effect of changes in the USD/TRY exchange rate on the financial results of companies in Turkey (CZK +0.9bn)
- Foreign exchange gains and losses and revaluation of financial derivatives (CZK +0.4bn)
- Effect of decreased debt on interest expenses (CZK +0.3bn)
- Effect of bond buybacks (CZK -1.7bn)

Net income adjustment

- Q4 2014 net income adjusted for the negative effect of fixed asset impairments (CZK +2.3bn)
- Q4 2015 net income adjusted for the negative effect of fixed asset impairments (CZK +5.1bn)



SELECTED EVENTS

(BEYOND THE SCOPE OF EVENTS MENTIONED IN THE PRESENTATION ITSELF)

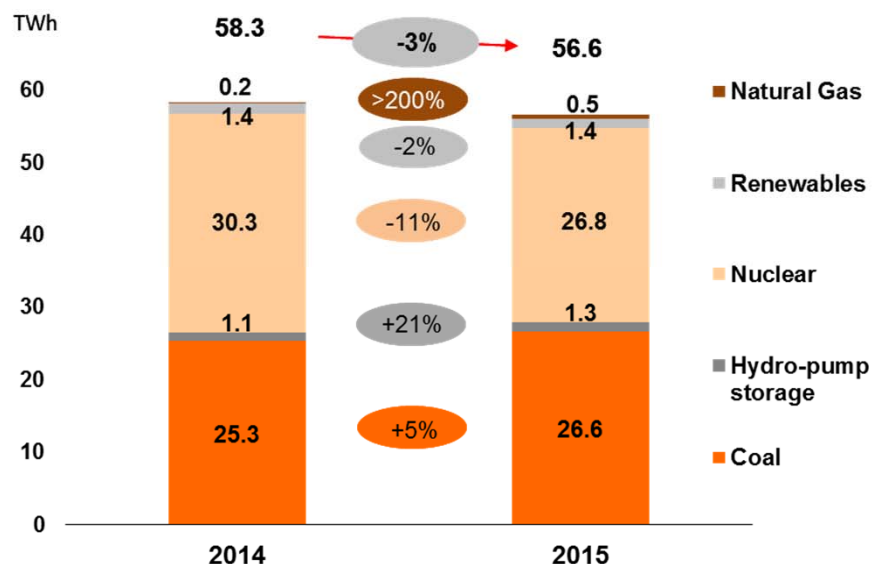
Czech Republic

- Nuclear power plants successfully defended a prestigious environmental certificate (Nov 2015); an environmental audit focusing on water management was carried out by the international audit firm Det Norske Veritas
- Test operation of the new Ledvice Power Plant continues (its full capacity of 660 MWe was attained for the first time on Dec 9, 2015). Unit control adjustments, functional performance testing, and facility pre-certification for the provision of services in the electricity system underway
- In the Prunéřov Power Plant renovation project, installation work was completed and commissioning is underway (complex testing is underway at B23 and B24 units, first synchronization of B25 unit was performed on Dec 19, 2015)

Abroad

- Sale contract for the Akoçak, Turkey hydro power plant signed (Sep 2015)
- Bulgaria's regulator issued a new price decision with effect from Nov 1, 2015 (as a result of commercial customers' pressure to decrease the final price of electricity). The tariff decision represents a price reduction of 2.43% for commercial customers. The decision results in a slight increase of 0.21% in the distribution margin and a decrease of 0.95% in the sales margin.
- Notice of Dispute sent to the government of Bulgaria to officially notify it of the intent to initiate an international investment arbitration on grounds of failure to protect CEZ's investment. This step was taken after a number of interventions of Bulgarian institutions damaging the business of CEZ Group companies in the country and as a result of a long-term not-improving critical situation on the local energy market (Nov 2015).
- We submitted a non-binding offer to buy the German assets of Vattenfall (Dec 2015)

GENERATION IN 2015: 56.6 TWH GENERATED IN THE CZECH REP., 4.3 TWH ABROAD



GENERATION IN THE CZECH REP.

Nuclear Power Plants (-11%)

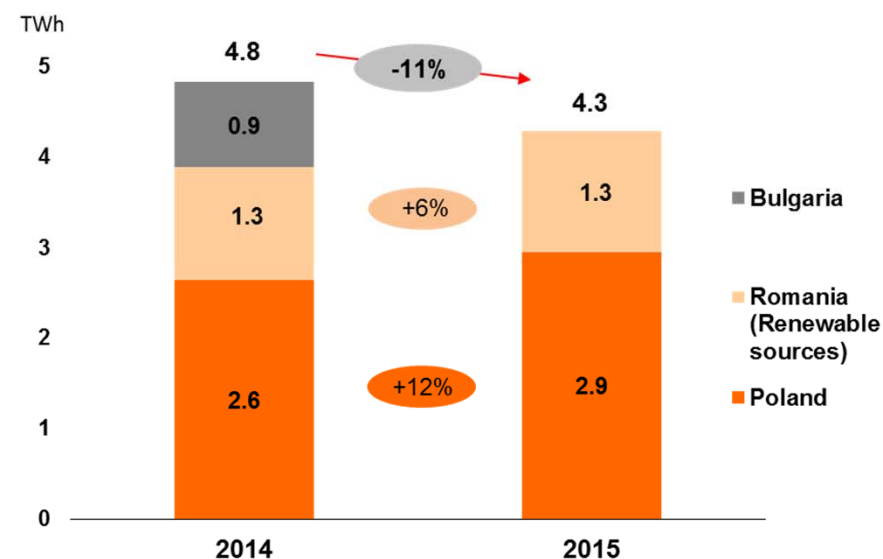
- Extended planned outages and unscheduled outages at Temelín NPP
- Unscheduled outages for weld inspections at Dukovany NPP

Coal-Fired Power Plants (+5%)

- + Increased production at Počerady power plant (agreement on reprocessing with VUAS)
- + Pilot operation of Pruněřov 2 Power Plant after comprehensive renovation

Renewables (-2%)

- Lower flow rates at hydro plants due to hydrometeorologic conditions



GENERATION ABROAD

Bulgaria

- Operation of Varna coal-fired power plant suspended since Jan 1, 2015

Romania (+6%)

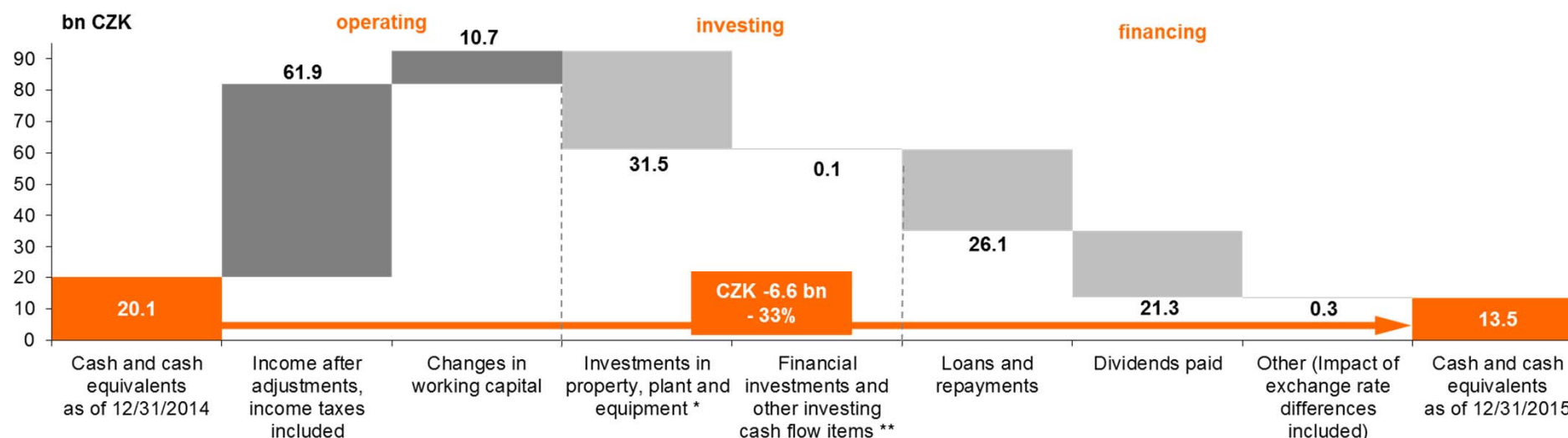
- + Effect of technical optimizations and better weather conditions
- Lower production of hydro plants at Reșița (primarily due to drought)

Poland (+12%)

- + Higher amount of coal burned at both power plants and improved efficiency at the Skawina Power Plant due to turbine upgrade (in operation since Jun 2015)



CASH FLOWS IN 2015



Cash Flows From Operating Activities (CZK +72.6bn)

- Income after adjustments (CZK +61.9bn): earnings before tax (CZK +26.9bn); depreciation and amortization of nuclear fuel (CZK +32.0bn); fixed asset impairments (CZK +7.7bn); loss from associates and joint ventures (CZK +1.7bn); income tax paid (CZK -4.6bn); provisions (CZK -2.4bn)—primarily for emission allowances; other (CZK +0.6bn)
- Changes in working capital (CZK +10.7bn): change in the balance of payables and receivables from derivatives (CZK +5.8bn); decrease in short-term securities and term deposits (CZK +4.7bn); decrease in inventories of emission allowances (CZK +1.6bn); change in the balance of payables and receivables incl. advances and accruals (CZK -3.1bn); other (CZK +1.7bn)

Cash Flows Used in Investing Activities (CZK -31.6bn)

- Investments in fixed assets—CAPEX (CZK -31.5bn); see details in Annex
- Additions to long-term financial assets (CZK -0.6bn), primarily the acquisition of stakes in Sonnenbatterie and SunFire
- Proceeds from sales of fixed assets (CZK +0.4bn)

Cash Flows From Financing Activities (CZK -47.6bn)

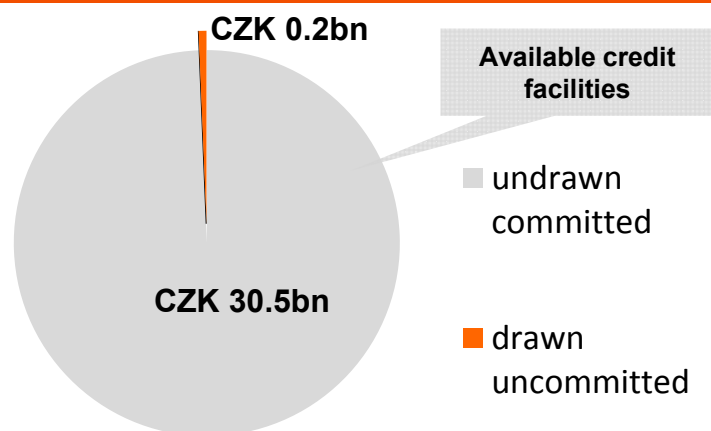
- Balance of loans and repayments (CZK -26.1bn); dividends paid (CZK -21.3bn); net effect of currency translation on cash (CZK -0.2bn)

CREDIT FACILITIES AND BONDS—AT DEC 31, 2015

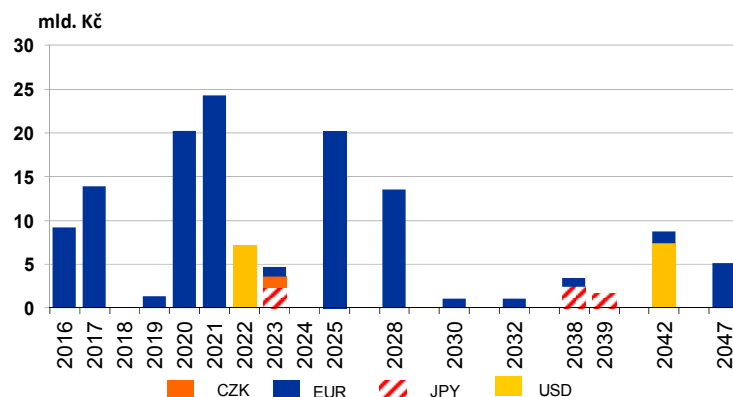
CEZ GROUP MAINTAINS A STRONG LIQUIDITY POSITION



Utilization of Short-Term Lines (as at Dec 31, 2015)



Bond Maturity Profile (as at Dec 31, 2015)



- CEZ Group has access to CZK 30.5bn in committed credit facilities, using almost none as at Dec 31, 2015.
- Committed facilities are kept as a reserve for covering unexpected needs.
- In November 2015, bonds with a total face value of USD 411m maturing in 2022 were bought back and canceled.
- The average maturity of CEZ Group's financial debts still exceeds 8 years.
- Net Debt/EBITDA was 2.0 as at Dec 31, 2015.
- In January 2016, CEZ Distributie took out a loan of RON 600m (approx. CZK 3.6bn) from EBRD and commercial banks.

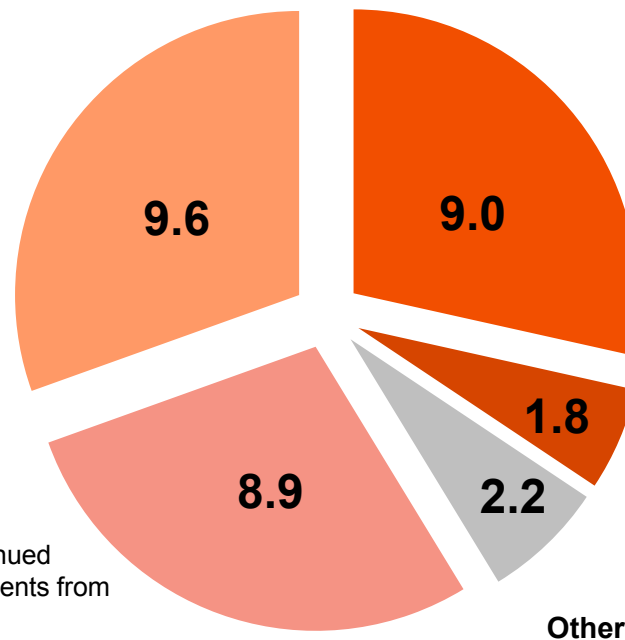
INVESTMENTS IN FIXED ASSETS—2015



**CZK 31.5bn in total
(2015)**

Electricity distribution:

- Czech Republic: CZK 7.6bn
- Abroad: CZK 2.0bn



Conventional power plants Czech Rep.:

- Construction of a new supercritical facility in Ledvice
- Comprehensive renovation of Prunéřov Power Plant
- Other investments

Mining—Projects reacting to the progress of extraction in the two mines (deliveries, renovation, and upgrades of mining equipment and dressing and crushing plants, construction of stabilization measures and water management structures)

Nuclear facilities:

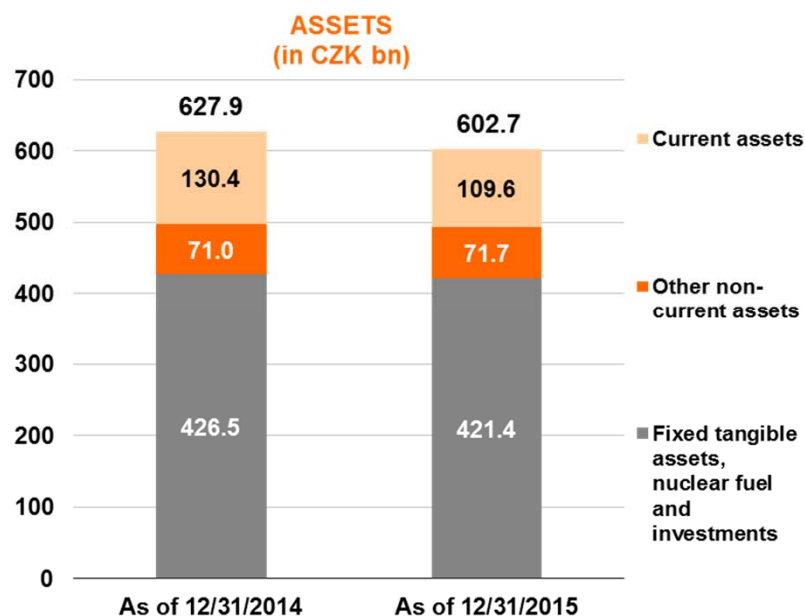
- Existing Temelín & Dukovany NPPs—Continued implementation of projects fulfilling requirements from the National Action Plan for Nuclear Safety Enhancement, worked out following the events at the nuclear power plant accident at Fukushima, Japan
- New nuclear power plants at Temelín & Dukovany—Preparation of projects for the construction of two units at both Temelín and Dukovany continues in accordance with the approved National Action Plan for Nuclear Energy. We expect obtaining building permits for both sites in 2026.



BALANCE SHEET OVERVIEW AS AT DEC 31, 2015

Fixed Assets

- Decrease in tangible fixed assets of -5.2bn due to depreciation and impairments, partially compensated for by investments in the renewal and construction of generating facilities and distribution grids and increase in nuclear fuel inventory
- Increase in other fixed assets of +0.7bn: Primarily due to MOL stock revaluation of +1.6bn, increase in long-term receivables from derivative trading of +1.5bn, and increase in financial assets with limited availability of +0.6bn, partially compensated for by decrease in the value of investment in associates and joint ventures of -3.0bn

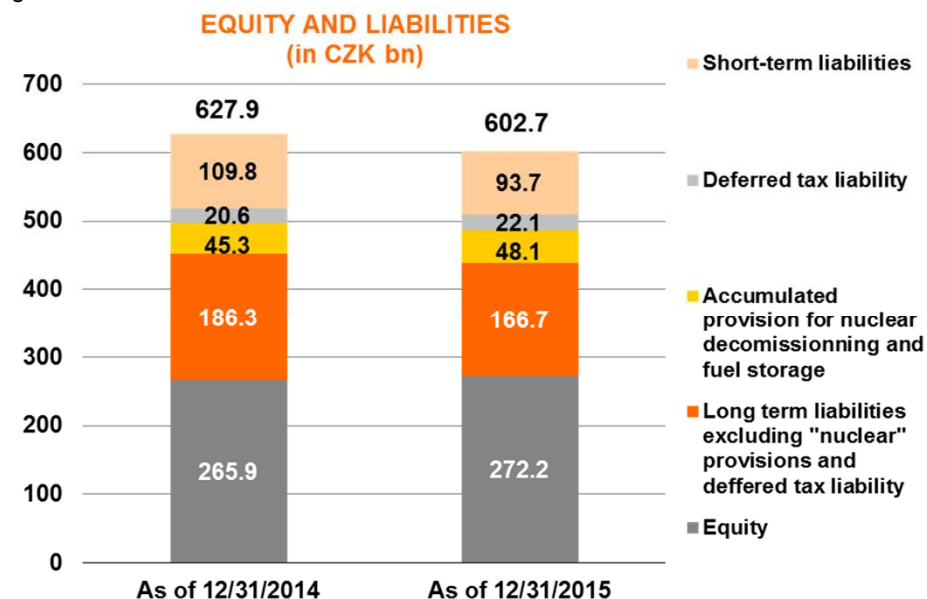


Current Assets

- Decrease in cash and cash equivalents of -6.6bn
- Decrease in net receivables of -4.9bn
- Decrease in liquid securities and short-term deposits of -4.7bn, decrease in receivables from derivatives incl. options of -2.0bn
- Decrease in inventories of emission allowances of -1.6bn and decrease in income tax receivables of -1.2bn

Equity and Long-Term Liabilities

- Increase in equity of +6.3bn: increase in net income of +20.5bn, other comprehensive income of +7.0bn, dividends of -21.3bn, sale of treasury shares of +0.1bn
- Decrease in long-term liabilities excl. nuclear provisions and deferred tax liability of -19.6bn: primarily due to change in issued bonds of -19.5bn and decrease in long-term derivative liabilities of -3.9bn, partially compensated for by increase in long-term bank loans of +4.2bn



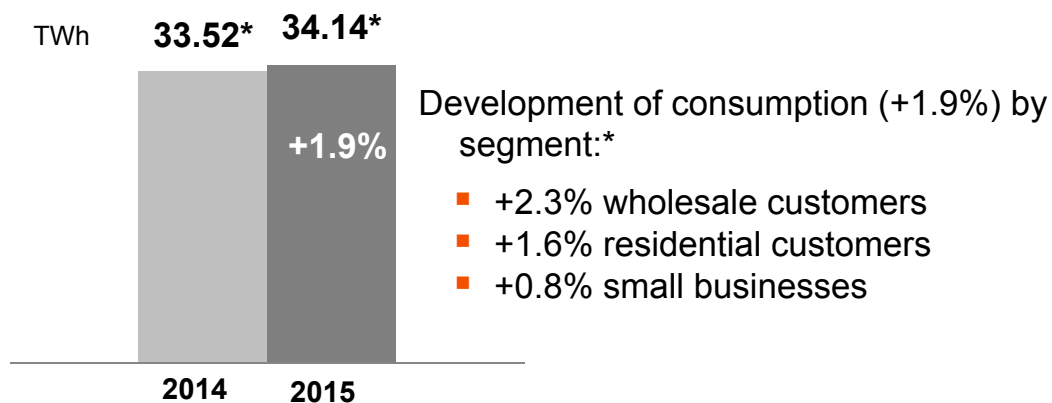
Short-Term Liabilities

- Decrease in current portion of long-term debt incl. short-term bank loans of -11.4bn and unbilled goods and services of -1.3bn, decrease in emission allowance provisions of -1.8bn
- Decrease in trade payables incl. received advances of -3.5bn
- Increase in income tax payables of +0.8bn, increase in short-term payables from derivative trading incl. options of +0.6bn

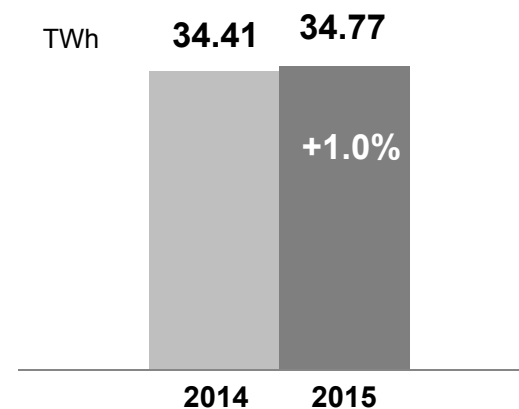
ELECTRICITY CONSUMPTION IN 2015 IN CEZ DISTRIBUCE'S DISTRIBUTION AREA



Consumption in the Distribution Area of CEZ Distribuce



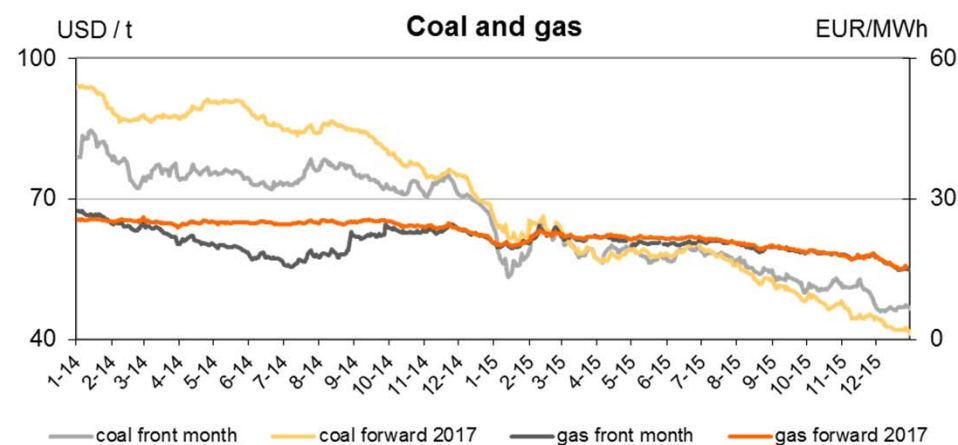
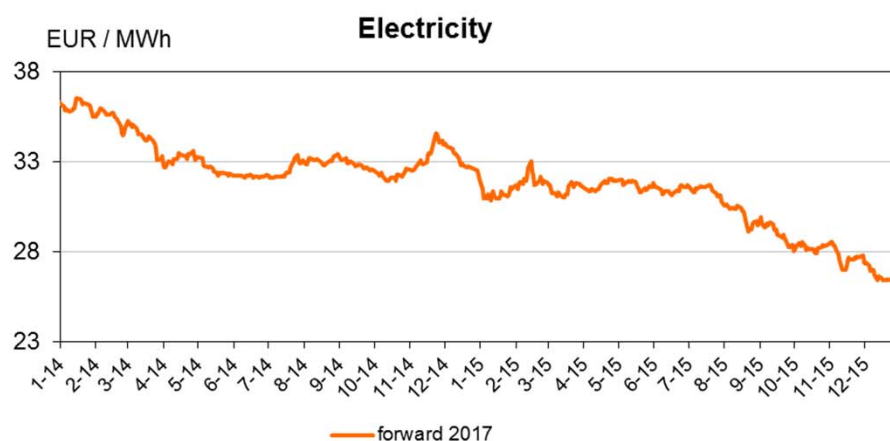
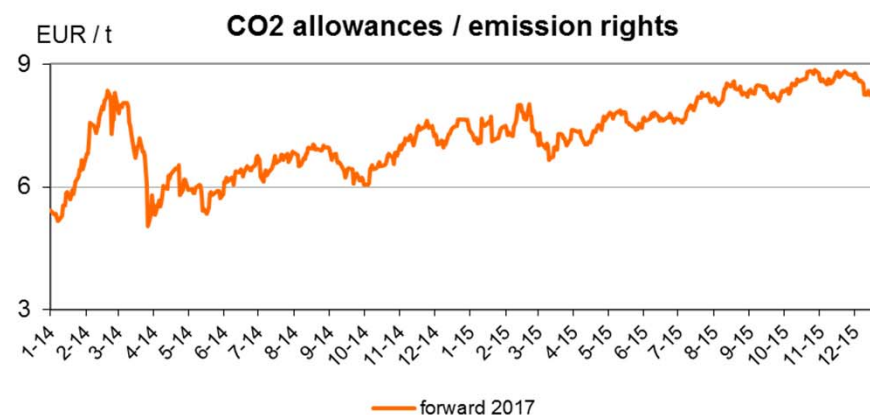
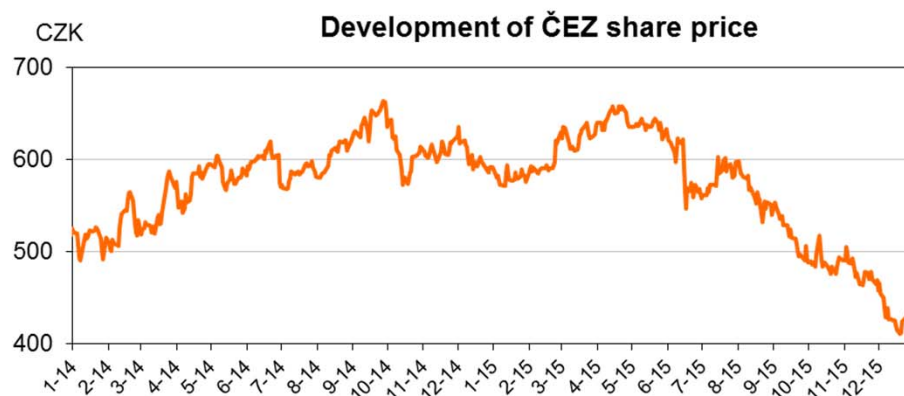
Consumption in the Distribution Area of CEZ Distribuce (temperature- and calendar-adjusted)**



- Analysis based on CEZ Group's internal data.
- The distribution area of CEZ Group covers around 5/8 of the Czech Republic's territory so the data is a good indicator of nationwide consumption trends.



MARKET DEVELOPMENTS IN 2014–2015



EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2016

SEGMENT: GENERATION–TRADITIONAL ENERGY



EBITDA (CZK bn)	2014	2015	Change	%
Czech Republic	36.7	27.2	-9.5	-26%
Poland	1.4	1.9	+0.5	+34%
Romania	0.0	0.0	0.0	+131%
Bulgaria	-0.8	-0.1	+0.6	+85%
Other countries	0.0	0.0	0.0	-
Generation - Traditional Energy	37.4	29.0	-8.4	-22%

Segment companies:

ČEZ, a. s.
 Energotrans, a.s.
 Elektrárna Počerady, a.s.
 ČEZ Teplárenská, a.s.
 Elektrárna Dětmarovice, a.s.
 Elektrárna Tisová, a.s.
 Energetické centrum s.r.o.
 Tepelné hospodářství města Ústí n. Labem
 Areál Třeboradice, a.s.
 Elektrárna Dukovany II, a. s.
 Elektrárna Temelín II, a. s.
 Energocentrum Vítkovice, a. s.
 Elektrárna Mělník III, a. s.

CEZ Chorzów S.A.
 CEZ Skawina S.A.
 CEZ Towarowy Dom Maklerski sp. z o.o.

 CEZ Trade Romania S.R.L.

 TEC Varna EAD

CEZ Srbija d.o.o.
 CM European Power Slovakia s.r.o.*
 JESS Invest, s. r. o. *
 Akenerji Elektrik Üretim A.S. *
 Egemer Elektrik Üretim A.S. *
 Aken. El. Enerjisi İthalat İhracat ve TT *
 Mem Enerji El. Ür. Sanayi ve Ticaret *
 Akenerji Dogal Gaz İthal. İhr.ve TT A.S. *
 AK-EL Yalova Elektrik Üretim A.S. *
 AK-EL Kemah Elektrik Üretim ve Ticaret *
 CEZ Trade Albania Sh.P.K. **
 Akkur Enerji Üretim Ticaret ve Sanayi **

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2016

SEGMENT: GENERATION–NEW ENERGY



EBITDA (CZK bn)	2014	2015	Change	%
Czech Republic	1.6	1.7	0.0	+1%
Poland	0.0	-0.1	-0.1	-
Romania	1.4	0.8	-0.6	-45%
Bulgaria	0.0	0.0	0.0	-
Generation - New Energy	3.0	2.4	-0.6	-21%

Segment companies:

ČEZ OZ uzavřený investiční fond a.s.
 ČEZ Obnovitelné zdroje, s.r.o.
 ČEZ Recyklace, s.r.o.
 ČEZ Energo, s.r.o. *

Eco-Wind Construction S.A.
 Mega Energy sp. z o.o.
 Baltic Green IV sp. z o.o.
 Baltic Green I sp. z o.o.
 Farma Wiatrowa Leśce sp. z o.o.
 Farma Wiatrowa Wilkolaz-Bychawa sp. z o.o.
 Baltic Green V sp. z o.o.
 Baltic Green VIII sp. z o.o.
 Baltic Green VI sp. z o.o.
 Elektrownie Wiatrowe Lubiechowo sp. z o.o.
 Baltic Green III sp. z o.o.
 Baltic Green II sp. z o.o.
 Baltic Green VII sp. z o.o.
 Baltic Green Construction sp. z o.o.
 A.E. Wind sp. z o.o.

Tomis Team S.R.L.
 Ovidiu Development S.R.L.
 M.W. Team Invest S.R.L.
 TMK Hydroenergy Power S.R.L.
 Free Energy Project Oreshets EAD
 Bara Group EOOD

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2016

SEGMENT: DISTRIBUTION



EBITDA (CZK bn)	2014	2015	Change	%
Czech Republic	17.0	16.5	-0.5	-3%
Romania	1.8	2.4	+0.5	+28%
Bulgaria	1.1	1.2	+0.2	+14%
Distribution	19.9	20.0	+0.2	+1%

Segment companies:

ČEZ Distribuce, a. s.
ČEZ Distribuční služby, s.r.o.

CEZ Distributie S.A.

CEZ Razpredelenie Bulgaria AD

Sakarya Elektrik Dagitim A.S. *

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2016

SEGMENT: SALES



EBITDA (CZK bn)	2014	2015	Change	%
Czech Republic	3.5	6.4	+2.9	+83%
Poland	0.0	0.1	0.0	+148%
Romania	0.5	0.1	-0.4	-75%
Bulgaria	0.5	0.2	-0.3	-54%
Other countries	0.1	0.1	0.0	-8%
Sales	4.6	6.9	+2.3	+50%

Segment companies:

ČEZ Prodej, s.r.o.

ČEZ Energetické služby, s.r.o.

ČEZ Zákaznické služby, s.r.o.

EVČ s.r.o.

ČEZ ESCO, a.s.

CEZ Trade Polska Sp. z o.o.

CEZ Vanzare S.A.

CEZ Elektro Bulgaria AD

CEZ Trade Bulgaria EAD

CEZ Hungary Ltd.

CEZ Slovensko, s.r.o.

Sakarya Elektrik Perakende Satis A.S. *

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2016

SEGMENT: MINING



EBITDA (CZK bn)	2014	2015	Change	%
Czech Republic	4.2	4.3	+0.2	+4%
Mining	4.2	4.3	+0.2	+4%

Segment companies:

Severočeské doly a.s.
LOMY MOŘINA spol. s r.o. *

EBITDA BY SEGMENTS AS IN EFFECT FROM JAN 1, 2016

SEGMENT: OTHER



EBITDA (CZK bn)	2014	2015	Change	%
Czech Republic	3.4	2.3	-1.1	-32%
Poland	0.0	0.0	0.0	+6%
Romania	0.0	0.0	0.0	+27%
Bulgaria	0.0	0.1	0.0	+61%
Other countries	-0.1	0.0	0.0	+58%
Other	3.5	2.5	-1.0	-29%

Segment companies:

ČEZ ICT Services, a. s.
Telco Pro Services, a. s.
ČEZ Korporátní služby, s.r.o.

Revitrans, a.s.
SD - Kolejová doprava, a.s.

ÚJV Řež, a. s.
ČEZ Energetické produkty, s.r.o.
PRODECO, a.s.

ŠKODA PRAHA a.s.
ŠKODA PRAHA Invest s.r.o.
ČEZ ENERGOSERVIS spol. s r.o.
MARTIA a.s.

EPG Invest
ČEZ Inženýring, s.r.o.
Centrum výzkumu Řež s.r.o.
ČEZ Bohunice a.s.
ČEZ Nová energetika, a.s.

CEZ Polska Sp. z o.o.
CEZ Produkty Energetyczne Polska

CEZ Romania S.A.

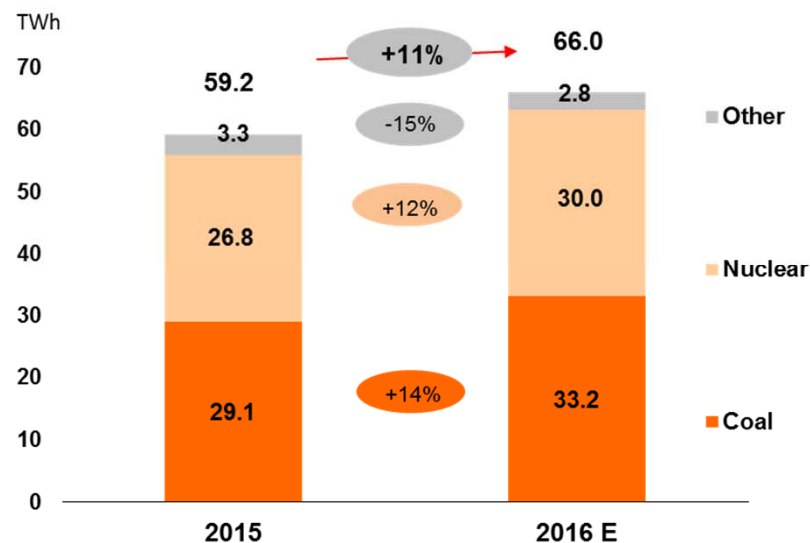
CEZ Bulgaria EAD
CEZ ICT Bulgaria EAD

CEZ Poland Distribution B.V.
CEZ Ukraine LLC
CEZ Finance Ireland Ltd.
Taidana Limited
CEZ Deutschland GmbH
CEZ International Finance Ireland Ltd.
CEZ Silesia B.V.
Shared Services Albania Sh.A.
CEZ MH B.V.
CEZ Chorzow B.V.
CEZ International Finance B.V.
CEZ Bulgarian Investments B.V.
Jadrová energetická spoločnosť Slovenska *
CM European Power International B.V. *
Akcez Enerji A.S. *

GENERATION IN 2016 - WE EXPECT GENERATION TO GROW BY 11% IN TOTAL



Generation—TRADITIONAL Energy



Nuclear Power Plants (+12%)

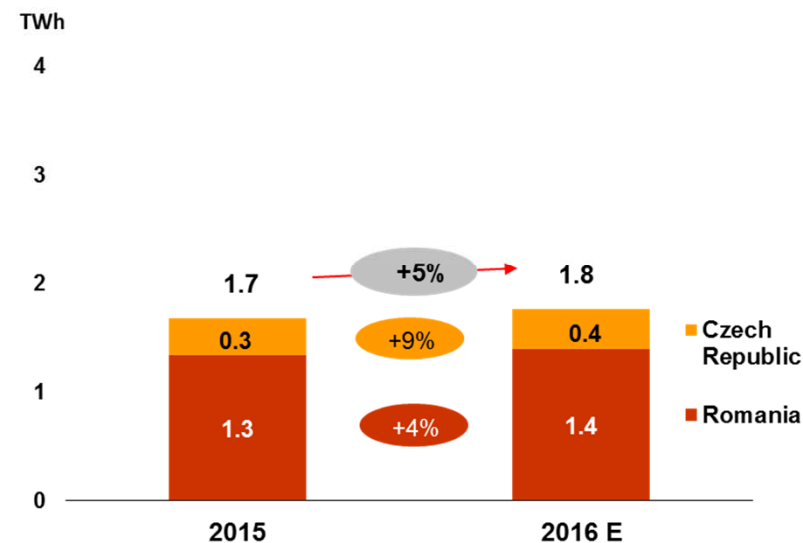
- + Standard operation of Dukovany NPP and Temelín NPP

Coal-Fired Power Plants (+14%)

- + Operation of Ledvice 4 Power Plant (new facility) following construction
- + Operation of Prunéřov 2 Power Plant after comprehensive renovation
- + Higher amount of coal burned at power plants in Poland and improved efficiency at Skawina Power Plant due to turbine upgrade in 2015

This generation prediction for 2016 is primarily facing the risk of delay in the full availability of the new unit at Ledvice and the renovated Prunéřov Power Plant and the risk of availability of nuclear power plants.

Generation—NEW Energy



Czech Republic (+9%)

- + Average hydrometeorologic conditions

Romania (+4%)

- + Generation by hydro plants at Reșița primarily due to better hydrometeorologic conditions
- + Technical optimizations at wind farms

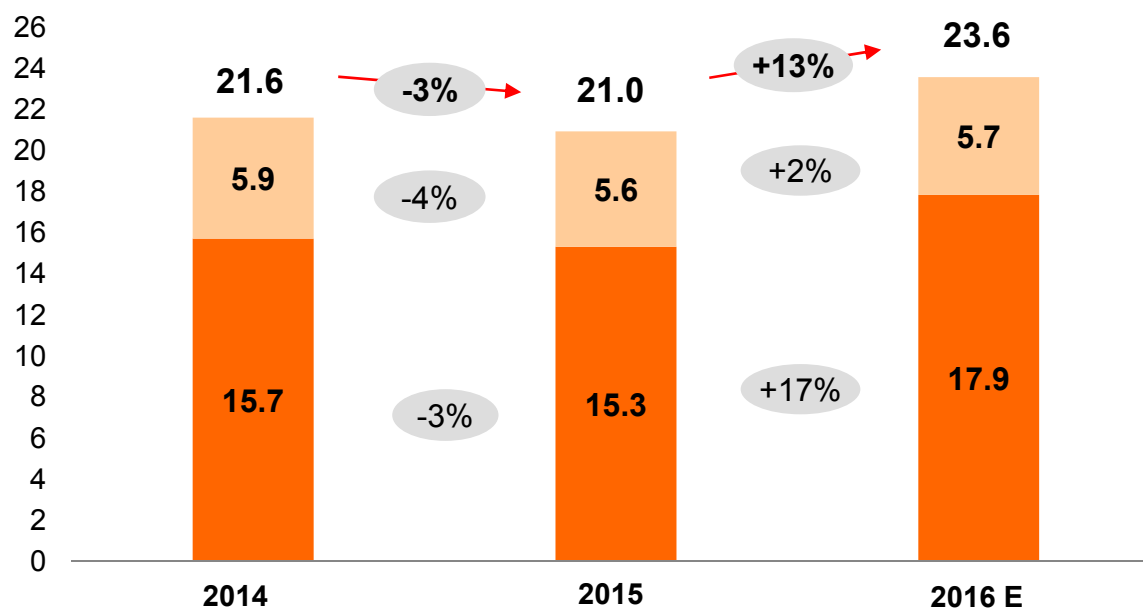
MINING IN 2016

WE EXPECT COAL MINING TO GROW BY 13%



Severočeské doly—Coal Extraction (millions of tons)

Other customers
CEZ*



- The decrease in coal consumption of 0.6 million tons between 2015 and 2014 was due to a decrease in demand for power coal both by CEZ Group's power plants and heating plants and by heating plants outside CEZ Group
- For 2016 we expect a growth in production by 2.6 million tons, primarily of power coal

Electricity balance (GWh)

	2014	2015	Index 2015/2014
Electricity procured	56,754	54,300	-4%
Generated in-house (gross)	63,124	60,917	-3%
In-house and other consumption, including pumping in pumped-storage plants	-6,370	-6,617	+4%
Sold to end customers	-35,139	-37,933	+8%
Sold in the wholesale market (net)	-16,744	-11,557	-31%
Sold in the wholesale market	-184,612	-206,414	+12%
Purchased in the wholesale market	167,869	194,857	+16%
Grid losses	-4,872	-4,810	-1%

Electricity generation by source (GWh)

	2014	2015	Index 2015/2014
Nuclear	30,324	26,840	-11%
Coal and lignite	28,534	29,090	+2%
Water	2,152	2,214	+3%
Biomass	646	791	+23%
Photovoltaic	131	141	+8%
Wind	1,176	1,295	+10%
Natural gas	160	542	>200%
Bio gas	2	3	+29%
Total	63,124	60,917	-3%

Sales of electricity to end customers (GWh)

	2014	2015	Index 2015/2014
Households	-13,058	-13,153	+1%
Commercial (low voltage)	-5,941	-5,525	-7%
Commercial and industrial (medium and high voltage)	-16,140	-19,255	+19%
Sold to end customers	-35,139	-37,933	+8%

Distribution of electricity to end customers	-48,094	-49,000	+2%
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Electricity balance (GWh)

2015	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	52,972	-3%	0	-	1,328	-37%	0	-	0	-	54,300	-4%
Generated in-house (gross)	59,574	-2%	0	-	1,343	-39%	0	-	0	-	60,917	-3%
In-house and other consumption, including pumping in pumped-storage plants	-6,602	+5%	0	-	-15	-82%	0	-	0	-	-6,617	+4%
Sold to end customers	-250	>200%	-24,528	+9%	0	-	-13,155	+5%	0	-	-37,933	+8%
Sold in the wholesale market (net)	-52,722	-3%	27,088	+8%	-1,328	-37%	15,404	+3%	0	+16%	-11,557	-31%
Sold in the wholesale market	-233,060	+11%	-2,730	-24%	-2,118	-0%	-614	-36%	32,108	+2%	-206,414	+12%
Purchased in the wholesale market	180,338	+17%	29,818	+4%	790	>200%	16,019	+1%	-32,108	+2%	194,857	+16%
Grid losses	0	-	-2,560	+2%	0	-	-2,249	-5%	0	-	-4,810	-1%

Electricity generation by source (GWh)

2015	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	26,840	-11%	0	-	0	-	0	-	0	-	26,840	-11%
Coal and lignite	29,090	+5%	0	-	0	-	0	-	0	-	29,090	+2%
Water	2,164	+5%	0	-	50	-45%	0	-	0	-	2,214	+3%
Biomass	791	+23%	0	-	0	-	0	-	0	-	791	+23%
Photovoltaic	135	+7%	0	-	6	+15%	0	-	0	-	141	+8%
Wind	9	-6%	0	-	1,286	+10%	0	-	0	-	1,295	+10%
Natural gas	542	>200%	0	-	0	-	0	-	0	-	542	>200%
Bio gas	3	+29%	0	-	0	-	0	-	0	-	3	+29%
Total	59,574	-2%	0	-	1,343	-39%	0	-	0	-	60,917	-3%

Sales of electricity to end customers (GWh)

2015	Power Production & Trading CE		Distribution & Sale CE		Power Production & Trading SEE		Distribution & Sale SEE		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	-7,223	+0%	0	-	-5,930	+1%	0	-	-13,153	+1%
Commercial (low voltage)	-1	+8%	-2,476	-5%	0	-	-3,047	-8%	0	-	-5,525	-7%
Commercial and industrial (medium and high voltage)	-248	>200%	-14,829	+17%	0	-	-4,178	+24%	0	-	-19,255	+19%
Sold to end customers	-250	>200%	-24,528	+9%	0	-	-13,155	+5%	0	-	-37,933	+8%
 Distribution of electricity to end customers	 0	 -	 -33,310	 +2%	 0	 -	 -15,690	 +2%	 0	 -	 -49,000	 +2%

Electricity balance (GWh)

2015	Power Production - traditional		Power Production - new		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	52,640	-5%	1,660	+4%	0	-	0	-	0	-	54,300	-4%
Generated in-house (gross)	59,236	-4%	1,681	+4%	0	-	0	-	0	-	60,917	-3%
In-house and other consumption, including pumping in pumped-storage plants	-6,595	+4%	-22	+7%	0	-	0	-	0	-	-6,617	+4%
Sold to end customers	-250	>200%	0	-	0	-	-39,614	+7%	1,931	+0%	-37,933	+8%
Sold in the wholesale market (net)	-52,390	-5%	-1,660	+4%	4,810	-1%	39,614	+7%	-1,931	+0%	-11,557	-31%
Sold in the wholesale market	-233,060	+11%	-2,450	+54%	0	-	-3,344	-27%	32,439	+2%	-206,414	+12%
Purchased in the wholesale market	180,669	+17%	790	>200%	4,810	-1%	42,958	+3%	-34,370	+2%	194,857	+16%
Grid losses	0	-	0	-	-4,810	-1%	0	-	0	-	-4,810	-1%

Electricity generation by source (GWh)

2015	Power Production - traditional		Power Production - new		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	26,840	-11%	0	-	0	-	0	-	0	-	26,840	-11%
Coal and lignite	29,090	+2%	0	-	0	-	0	-	0	-	29,090	+2%
Water	1,971	+7%	243	-20%	0	-	0	-	0	-	2,214	+3%
Biomass	791	+23%	0	-	0	-	0	-	0	-	791	+23%
Photovoltaic	0	+25%	141	+8%	0	-	0	-	0	-	141	+8%
Wind	0	-	1,295	+10%	0	-	0	-	0	-	1,295	+10%
Natural gas	542	>200%	0	-	0	-	0	-	0	-	542	>200%
Bio gas	0	-	3	+29%	0	-	0	-	0	-	3	+29%
Total	59,236	-4%	1,681	+4%	0	-	0	-	0	-	60,917	-3%

Sales of electricity to end customers (GWh)

2015	Power Production - traditional		Power Production - new		Distribution		Sale		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	0	-	0	-	0	-	-13,153	+1%	0	-	-13,153	+1%
Commercial (low voltage)	-1	+8%	0	-	0	-	-5,523	-7%	0	-	-5,525	-7%
Commercial and industrial (medium and high voltage)	-248	>200%	0	-	0	-	-20,937	+16%	1,931	+0%	-19,255	+19%
Sold to end customers	-250	>200%	0	-	0	-	-39,614	+7%	1,931	+0%	-37,933	+8%
 Distribution of electricity to end customers	 0	 -	 0	 -	 -49,000	 +2%	 0	 -	 0	 -	 -49,000	 +2%

Electricity balance (GWh)

2015	Czech Republic		Poland		Romania		Bulgaria		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Electricity procured	50,351	-4%	2,621	+13%	1,321	+6%	6	-99%	0	-	0	-	54,300	-4%
Generated in-house (gross)	56,630	-3%	2,944	+12%	1,336	+6%	6	-99%	0	-	0	-	60,917	-3%
In-house and other consumption, including pumping in pumped-storage plants	-6,279	+5%	-323	+5%	-15	+10%	0	-	0	-	0	-	-6,617	+4%
Sold to end customers	-19,833	+2%	-1,612	>200%	-3,470	+10%	-9,685	+3%	-3,332	+24%	0	-	-37,933	+8%
Sold in the wholesale market (net)	-27,958	-8%	-1,009	-47%	3,171	+3%	10,906	+12%	3,332	+24%	0	-	-11,557	-31%
Sold in the wholesale market	-209,393	+13%	-2,957	+22%	-1,959	+28%	-396	-38%	-310	+5%	8,601	+60%	-206,414	+12%
Purchased in the wholesale market	181,436	+17%	1,948	>200%	5,130	+11%	11,302	+9%	3,642	+22%	-8,601	+60%	194,857	+16%
Grid losses	-2,560	+2%	0	-	-1,022	-11%	-1,227	+2%	0	-	0	-	-4,810	-1%

Electricity generation by source (GWh)

2015	Czech Republic		Poland		Romania		Bulgaria		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Nuclear	26,840	-11%	0	-	0	-	0	-	0	-	0	-	26,840	-11%
Coal and lignite	26,579	+5%	2,511	+12%	0	-	0	-	0	-	0	-	29,090	+2%
Water	2,153	+5%	11	+6%	50	-45%	0	-	0	-	0	-	2,214	+3%
Biomass	369	+33%	422	+15%	0	-	0	-	0	-	0	-	791	+23%
Photovoltaic	135	+7%	0	-	0	-	6	+15%	0	-	0	-	141	+8%
Wind	9	-6%	0	-	1,286	+10%	0	-	0	-	0	-	1,295	+10%
Natural gas	542	>200%	0	-	0	-	0	-	0	-	0	-	542	>200%
Bio gas	3	+29%	0	-	0	-	0	-	0	-	0	-	3	+29%
Total	56,630	-3%	2,944	+12%	1,336	+6%	6	-99%	0	-	0	-	60,917	-3%

Sales of electricity to end customers (GWh)

2015	Czech Republic		Poland		Romania		Bulgaria		Others		Eliminations		CEZ Group	
	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-	GWh	+/-
Households	-7,089	+0%	0	-	-1,645	+5%	-4,285	+0%	-133	+1%	0	-	-13,153	+1%
Commercial (low voltage)	-2,384	-6%	0	-	-885	-4%	-2,162	-10%	-93	+33%	0	-	-5,525	-7%
Commercial and industrial (medium and high voltage)	-10,359	+5%	-1,612	>200%	-940	+40%	-3,238	+20%	-3,105	+25%	0	-	-19,255	+19%
Sold to end customers	-19,833	+2%	-1,612	>200%	-3,470	+10%	-9,685	+3%	-3,332	+24%	0	-	-37,933	+8%
Distribution of electricity to end customers	-33,310	+2%	0	-	-6,419	+2%	-9,272	+2%	0	-	0	-	-49,000	+2%