

Internal Information**CEZ Group Earns Almost CZK 9 Billion in Q1**

In the first quarter of 2017, CEZ Group achieved net profit of CZK 8.7 billion, 13% less year-on-year but 15% more than in the year before last. Its EBITDA was CZK 19.0 billion. Decreased realization prices of generated electricity account for a whole 70% of the CZK 1.0 billion year-on-year decrease. CEZ Group increases its estimate of net profit in the whole of this year to CZK 17 billion, primarily due to a successful sale of MOL shares.

Operating revenues in the first quarter were CZK 52.8 billion, growing 2% year-on-year, the same as the amount of electricity generated by conventional power plants. CEZ Group sharply increased its generation of "new" energy, which involves wind turbines, photovoltaic installations, and small hydroelectric power plants. Generation by these facilities increased by 18%, primarily due to an acquisition of wind parks in Germany in late 2016 but also due to increased generation by wind parks in Romania. CEZ Group continues to perform well in the end-use customer sales market. Its sales increased by 26% in natural gas, 3% in electricity, and 2% in heat year-on-year.

"The most important event in the past quarter, in terms of our annual financial performance, was the successful sale of MOL shares and the concurrent redemption of convertible bonds. By taking this step, ČEZ successfully appreciated the long-term investment for shareholders; the total positive cash-flow balance for CEZ Group from 2007 to 2017 was CZK 3.4 billion. As regards 2017 itself, we expect an annual positive impact on CEZ Group's adjusted net book income of CZK 4.5 billion," says Daniel Beneš, Chairman of the Board of Directors and CEO. This is the main reason why CEZ Group increases its estimate of annual adjusted net income to CZK 17 billion.

Electricity consumption in the distribution area of ČEZ Distribuce increased by a significant 5.6% year-on-year in the first quarter; in temperature- and calendar-adjusted figures, this is approximately 5.2%. The increase in electricity consumption reflects the Czech economy's good condition, as the biggest increase of 6.8% was among large businesses. CEZ Group's distribution area covers around 5/8 of Czechia's territory, so the data are a good indicator of nationwide consumption trends.

ČEZ celebrated its 25th anniversary five days ago (on May 6). "Looking back to ČEZ's development in the past quarter of a century, we can see a huge amount of hard work done by all of its former and current employees. During that time, ČEZ has become a strong multinational corporation, one of the top eight energy businesses in Europe. In the 25 years of its existence, ČEZ has transferred to the Czech government a total of CZK 570 billion in dividends, taxes, and donations," remarks Daniel Beneš, Chairman of the Board of Directors and CEO.