

Summary Report Pursuant to Section 118(8) of the Act on Doing Business in the Capital Market

(Dear shareholders,

now I will make you acquainted with the Summary Report pursuant to Section 118(8) of the Act on Doing Business on the Capital Market, on certain aspects of shareholders' equity, which is based on the requirements set forth in Sections 118(5)(a)-(k) of said Act.)

As at December 31, 2009, the Company's stated capital as recorded in the Commercial Register totaled CZK 53,798,975,900. It was composed of 537,989,759 shares, each with a face value of CZK 100. The issue price of all shares had been fully paid in. All the shares were booked to owner, and were listed. The Company's stated capital is allocated exclusively to common shares, with no special rights attached. All of the Company's shares are accepted for trading on the Prague Stock Exchange and the Warsaw Stock Exchange in the Republic of Poland and are negotiable without limitations.

Treasury shares were carried in the amount of CZK 5,150,809,000, which is the price for which they were acquired. Retained earnings and other reserves totaled CZK 128,811,812,000. No other securities issued by ČEZ, a. s. are limited in their negotiability, nor are any special rights attached thereto.

Picture: Structure of Shareholders

As at December 31, 2009, ČEZ, a. s. was aware of three entities with stakes of over 3% of the stated capital. The first of these was the Czech Republic, represented by the Ministry of Finance of the Czech Republic and the Ministry of Labor and Social Affairs of the Czech Republic.

The Czech Republic's equity stake allows it to exercise direct control over ČEZ using conventional means, i.e. in particular by voting at General Meetings. Other shareholders are informed of any negative influence the controlling entity may have on the Company through the Related Parties Report, which is a public document under Czech law and is included in the Annual Report. As an issuer of shares accepted for trading on the Prague and Warsaw Stock Exchanges, ČEZ, a. s. is required to inform the exchanges named of all important events. The reports are made in the Czech, English and Polish languages and are also made available to the public through the Company's website.

The second entity with a stake of over 3% in the stated capital was the asset manager UNICREDIT BANK CZECH REPUBLIC, which managed 43 accounts containing shares representing an aggregate total of 9.885% of the stated capital. UNICREDIT BANK HUNGARY ZRT., in turn, held another 0.010% of the shares of ČEZ, a. s., bringing UNICREDIT's total stake to 9.895% of the stated capital. The third such shareholder was the asset manager Citibank Europe plc, Dublin, which managed 86 accounts containing shares in an aggregate amount of 5.749% of the stated capital of ČEZ, a. s.

These entities hold the rights set forth in Sections 181 and 182 of the Commercial Code. Foreign entities (legal entities and private individuals) held 1.44% of the stated capital of ČEZ, a. s. at year-end 2009, a reduction of 0.06 of a percentage point compared to year-end 2008. ČEZ, a. s. has no way to determine the identities (including domiciles) of the actual shareholders behind shares managed by asset managers.

In terms of restrictions on voting rights associated with certain shares, the following applies: in accordance with Section 161d of the Commercial Code, the voting rights associated with treasury shares acquired by ČEZ on the basis of a General Meeting resolution are not exercised by the Company. As at December 31, 2009, ČEZ, a. s. held 4,555,021 such treasury shares. ČEZ is not aware of any contracts among its shareholders that could result in any limitations on the negotiability of shares or voting rights.

In accordance with the Articles of Association, the Supervisory Board elects members to and removes them from the Board of Directors by a simple majority vote. Amendments to the Articles of Association are decided by the General Meeting by a qualified, two-thirds majority of votes present. As the statutory body, the Board of Directors runs the Company and acts in its name. It decides in all Company matters not reserved for the General Meeting or the Supervisory Board by the Commercial Code or the Articles of Association. Except as described above, the Board of Directors has no other special powers.

ČEZ, a. s. has entered into material contracts that take effect, change, or are voided in the event control over ČEZ changes as a result of a takeover offer. They are: the 5th, 6th, 8th, 11th, 13th, 14th, and 15th Eurobond issues, the 7th and 12th Yen bond issues, the bill of exchange program, a USD 300 million guarantee contract in Turkey, and EUR 200 million and EUR 100 million loan agreement with the EIB. In all of these contracts, should there be a change in the controlling entity of ČEZ, the counterparty would be entitled, but not required, to demand early repayment. In the case of the guarantee contract in Turkey, the counterparty has that right only if it did not grant prior consent with the change in controlling entity. At the same time, however, this right can be exercised only if either Standard & Poor's or Moody's publicly declares or communicates to ČEZ in writing that it has reduced ČEZ's credit rating due in full or in part to the change in controlling entity. A reduction in the existing credit rating is defined as a change from investment to non-investment grade, any rating lower than an originally non-investment-grade rating, or non-determination of investment grade if no rating was assigned at all.

The above reduction would have to take place in the period from the time when the step that could result in the change in controlling entity was made public until 180 days after the notification of the change in controlling entity. The counterparty could not exercise its right to early repayment if, following a factual change in the controlling entity, the rating agency in question re-evaluated its position and, within the period defined above, either returned ČEZ to investment grade or restored the previous non-investment-grade rating. The contractual provisions on a change in control over ČEZ should be seen in the context of ČEZ's credit rating, which in 2009 reached A– from Standard & Poor's and A2 from Moody's, with stable outlook, i.e. 4 and 5 levels, respectively, above the agencies' highest non-investment-grade ratings.

In the case of the EUR 200 million and EUR 100 million loan agreement with EIB mentioned last, above, the above mentioned rating change condition is not applied; only a change in control over ČEZ, a. s.

No contracts have been entered into between ČEZ and members of its Board of Directors and/or employees that would bind ČEZ, a. s. to provide consideration in event they should leave their office and employment in conjunction with a takeover offer. At ČEZ, remuneration of senior executives includes an incentive program that enables these executives to acquire Company shares. Members of the Board of Directors and selected employees were/are entitled to options on the Company's common shares under the conditions set forth in a stock option contract.

Under the rules for granting stock options approved by the General Meeting in May 2008, members of the Board of Directors and selected employees receive options for a certain number of the Company's shares on an annual basis for as long as they remain in office. The purchase price of one share is set as the weighted average of the prices at which trades in the Company's shares took place in a regulated market in the Czech Republic during the month before the annual option granting date. Members of the Board of Directors are entitled to call upon the Company to transfer a number of shares no larger than the given option grant, no earlier than two years and no later than the mid-point of the fourth year after each option grant. The option right is restricted in that the appreciation of the Company's shares may be at most 100% compared to the purchase price and the member of the Board of Directors is obligated to hold on his or her asset account such a number of shares obtained on the basis of a call to transfer that corresponds to the value of 20% of the gain achieved at the date of the call, for as long as the stock option program shall last. Members of the Board of Directors to whom the new option program rules apply and who also participated in the option program under principles that applied prior to May 2008, will be allowed to participate in the revised stock option program provided they fulfill the eligibility criteria and the conditions approved by the General Meeting in May 2008.

In 2009, among employees and members of the Board of Directors there were 13 persons who obtained shares through the stock option program and owned shares during said year. Of this number, three persons exercised their voting rights at the General Meeting and nine persons exercised their right to dividends. According to information submitted to the Company for the purpose of drawing up this report, no beneficiary of the stock options program transferred any separately negotiable right attaching to their shares to any third party.