SUMMARY REPORT PURSUANT TO SECTION 118(8) OF THE ACT ON CONDUCTING BUSINESS ON THE CAPITAL MARKET, ON CERTAIN ASPECTS OF THE SHAREHOLDERS' EQUITY OF ČEZ, A. S.

Martin Novák, Vice Chairman of the Board of Directors

Dear Shareholders, Ladies and Gentlemen,

I would like to take this opportunity to acquaint you with the Summary Report on certain aspects of the shareholders' equity of ČEZ, a. s.

The Summary Explanatory Report pursuant to Section 118(8) of the Act on Conducting Business on the Capital Market, on Certain Aspects of Shareholders' equity, is based on the requirements set forth in Sections 118(5)(a)-(k) of the said Act.

As of December 31, 2013, the Company's stated capital as recorded in the Commercial Register totalled CZK 53,798,975,900. It consisted of 537,989,759 shares, each with a face value of CZK 100. The issue price of all shares had been paid in full. All the shares were recorded in book form to the 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 Warsaw Stock Exchange in the Republic of Poland, and are negotiable without limitations. No other securities issued by ČEZ, a. s. are limited in their negotiability, nor are any special rights attached thereto.

Treasury shares were reported to the amount of CZK 4,381,867,000 which refers to their historical cost.

Retained earnings and other reserves totalled CZK 155,826,323,000.

As of December 31, 2013, the following entities were recorded as having stakes of at least 1% of the stated capital of ČEZ, a. s.:

- The Czech Republic, represented by the Ministry of Finance of the Czech Republic, the Ministry of Labour and Social Affairs of the Czech Republic and the Office for Government Representation in Property Affairs, with a combined total stake of 69.78% of the stated capital.
  The Czech Republic's equity stake allows for it to exercise direct control over ČEZ using conventional means, 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 attached to the Annual Report.
- Clearstream Banking, s.a., whose stake amounts to 3.39% of the stated capital.
- Chase Nominees Limited, whose stake amounts to 2.46% of the stated capital.
- Brown Brothers Harriman, whose stake amounts to 1.73% of the stated capital.
- Nortrust Nominees Limited, whose stake amounts to 1.09% of the stated capital.

These entities hold the rights set forth in Sections 365 et seq. of the Act on Commercial Corporations.

In terms of restrictions on voting rights associated with certain shares, the following applies: The voting rights associated with treasury shares acquired by ČEZ, a. s. on the basis of a General Meeting resolution are not exercised by the Company. As of December 31, 2013, ČEZ, a. s. held 3,875,021 such treasury shares, i.e. 0.72%.

ČEZ is not aware of any contracts among its shareholders which could result in any limitations on the negotiability of shares or voting rights.

Amendments to the Articles of Association are decided by the General Meeting qualified by a two-thirds majority of votes present.

As the statutory body, the Board of Directors runs the Company and acts on its behalf. In accordance with the Articles of Association, the Supervisory Board elects members to and removes members from the Board of Directors by a simple majority vote. The Board of Directors decides in all Company matters not reserved by law or the Articles of Association for the General Meeting or the Supervisory Board. Except as described above, the Board of Directors exercises no other special powers.

ČEZ, a. s. has entered into material contracts which take effect, change, or are voided in the event control over ČEZ changes as a result of a takeover offer. These are: the 6th, 7th, 8th, 11th, 12th, 13th, 14th, 19th, 20th, 21st, 23rd, 24th and 30th Eurobond issues; the 1st, 2nd, and 4th Namensschuldverschreibung issues; 1st and 2nd US bond issues; convertible bond issues (issued on February 4, 2014); the bill of exchange program; loan agreements with the EIB for EUR 300 million signed in 2009, for EUR 100 million signed in 2010, for EUR 180 million signed in 2011, and for EUR 100 million signed in 2012; and a EUR 200 million loan guarantee agreement with the EIB signed in 2010 for the benefit of a subsidiary in Romania. In all of these contracts, should there be any change to the controlling entity of ČEZ, the counterparty would be entitled, but not required, to demand early repayment.

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 the controlling entity. A reduction to 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 an investment grade if no rating was assigned at all. The above reduction would have to take place in the period when the step which might result in the change to controlling entity was made public until 180 days after notification of the change to the controlling entity. The counterparty would not be able to exercise its right to early repayment if, following a factual change to the controlling entity, the rating agency in question re-evaluated its position and, within the period defined above, either returned ČEZ to an investment grade or restored the previous non-investment-grade rating. The contractual provisions on a change to control over ČEZ should be seen in the context of ČEZ's credit rating, which in 2013 was A- (with a stable outlook) from Standard & Poor's, and A2 (with a negative outlook) from Moody's, i.e. 4 and 5 levels, respectively, above the agencies' non-investment-grade ratings. The change-of-rating condition described above does not apply to the EIB loan agreements, representing a total of EUR 880 million, since for these agreements the counterparty's right has already been fulfilled by the change to control over ČEZ, a. s.

At ČEZ, remuneration of senior executives includes an incentive program which enables these executives to acquire Company shares. Board of Director members and selected managers 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, Board of Directors members and selected managers receive options for a certain number of 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 trading in the Company's shares took place on a regulated market in the Czech Republic during the month prior to date of the annual granting of options. The beneficiary of option rights is entitled to call upon the Company to transfer the 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 granting of options. 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 option beneficiary is obligated to hold on his or her asset account such a number of shares obtained, based on the call to transfer which corresponds to the value of 20% of the profit achieved at the date of the call until the stock option program ends.

In 2013, employees and members of the Board of Directors included six persons who had obtained shares through the stock options program, and also owned shares during that year. Of this number, one person exercised their right to attend the General Meeting of ČEZ, a. s. as a Company shareholder and to require an explanation of matters concerning the CEZ Group. A total of five persons exercised their right to dividends. According to information submitted to the Company for the purpose of drafting this report, no beneficiary of the stock options program transferred any separately negotiable rights attaching to their shares to any third party.