

## SUPPLEMENT No. 2 DATED 13 November 2013

ČEZ, a. s.

CZK 30,000,000,000

### 10-Year Bond Offering Program

This Supplement No. 2 (the **Supplement**) to the Base Prospectus dated 24 May 2013 approved by a decision of the CNB on June 6, 2013, Ref. 2013/6617/570, Sp/2013/23/572, which entered into force on June 12, 2013 (the **Base Prospectus**), which comprises a base prospectus as supplemented by Supplement dated 2 October 2013 approved by a decision of the CNB on 7 October 2013, Ref. 2013/11293/570, Sp/2013/40/572, which entered into force on 17 October 2013, constitutes a prospectus supplement for the purposes of Section 36a(2) and Section 36j of Act No. 256/2004 Coll., the Capital Markets Act, as amended (the “**Capital Markets Act**” or “**CMA**”) and is prepared in connection with the CZK 30,000,000,000 10-Year Bond Offering Program established by ČEZ, a. s. (the **Issuer**) was approved by a decision of the CNB on 18 November 2013, Ref. 2013/12695/570, Sp/2013/44/572, which entered into force on 18 November 2013. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and any other supplements to the Base Prospectus issued by the Issuer.

### RISK FACTORS

In the middle of paragraph under the section headed “*The costs and risks associated with increasing our nuclear generation capacity could have a material adverse effect on our business, results of operations and financial condition*” on page 7 of the Base Prospectus behind the sentence:

“The signing of the agreement may have to be postponed until all proceedings arising from a law suit by AREVA NP are finally resolved.”

the new sentence shall be added:

“In October 2013 the Regional Court in Brno issued a preliminary injunction preventing CEZ from signing the agreement.”

### RESPONSIBLE PERSONS

#### Persons Responsible for Information Provided in the Supplement

The person responsible for the accuracy and completeness of information provided in the Supplement, as well as for the accurate execution thereof, is the Issuer, ČEZ, a. s., with its registered seat at Duhová 2/1444, 140 53 Prague 4, Czech Republic, Identification No. 452 74 649, entered in the Commercial Register administered by the Prague Municipal Court, Section B, File No. 1581.

#### Issuer’s Declaration

The Issuer, having made all reasonable enquiries, confirms that the Base Prospectus (as supplemented by this Supplement) contains all information regarding the Issuer, the Issuer and its subsidiaries taken as a whole, the electricity industry in the Czech Republic and the Notes that is (in the context of the issue of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, estimates, or intentions expressed in the Base Prospectus (as supplemented by this Supplement) on the part of the Issuer are honestly held or made and are not misleading in any material respect; that the Base Prospectus (as supplemented by this Supplement) does not omit to state

any material fact necessary to make such information, opinions, estimates or intentions (in such context) not misleading in any material respect; that the Base Prospectus (as supplemented by this Supplement) does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements in the Base Prospectus (as supplemented by this Supplement), in the light of the circumstances under which they were made, not misleading; and that all proper enquiries have been made to ascertain and to verify the foregoing.

Without prejudice to the foregoing, the Issuer accepts responsibility for the information contained in this Supplement. The information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the importance of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

As of the date of the Supplement, in Prague

ČEZ, a. s.

\_\_\_\_\_  
Name: Martin Novák  
Title: Vice-Chairman of the Board of Directors

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Name: Tomáš Pleskač  
Title: Member of the Board of Directors

## DOCUMENTS INCORPORATED BY REFERENCE

On 12 November 2013, the Issuer published (in two separate documents) its consolidated unaudited interim financial statements and its non-consolidated interim unaudited financial statements, in each case as at and for the six month period ended 30 September 2013 (together the **Financial Statements**). The following extracts from the Financial Statements are incorporated by reference each as a separate document.

<u>Consolidated Financial Statements</u>	Page	<u>Non-Consolidated Financial Statements</u>	Page
Balance Sheet	2-3	Balance Sheet	1
Statement of Income	4	Statement of Income	2
Statement of Comprehensive Income	5	Statement of Comprehensive Income	3
Statement of Changes in Equity	6-7	Statement of Changes in Equity	4
Statement of Cash Flows	8-9	Statement of Cash Flows	5
Notes to the Consolidated Financial Statements	10-22		

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of the Issuer and from the specified offices of the Fiscal and Paying Agent for the time being in the Czech Republic. The documents incorporated by reference will also be available on the website of the Issuer ([www.cez.cz](http://www.cez.cz)).

## DESCRIPTION OF THE ISSUER

### Recent Developments

The following sections shall be added at the beginning of part headed „Recent Developments“ on page 75 of the Base Prospectus.

#### ***“The CEZ Group’s earnings in Q1-Q3 2013 reached CZK 31.7 bn***

EBITDA reached CZK 64.3 bn and remained almost unchanged year on year (down by CZK 0.2 bn). Net Income declined by CZK 1.6 bn to CZK 31.7 bn in a y-o-y comparison. The main factor behind this decline were adjustments to assets created due to regulatory and legislative interventions in the European energy sector and also due to the ongoing trend of declining wholesale prices of electricity.

#### ***Martin Roman resigned as ČEZ Supervisory Board Member. Michal Mejstřík and Jan Mareš elected as new members***

The Supervisory Board of ČEZ has on October 25, 2013 acknowledged Martin Roman’s resignation from his offices of member and chairman of the Supervisory Board. Then the Board co-opted Michal Mejstřík and Jan

Mareš as its new members. The Supervisory Board now has all member offices filled. Václav Pačes, its Vice-chairman, is going to chair the Board until a new chairman is elected.

### ***ČEZ offers services of virtual mobile phone network operator***

On October 15, 2013 ČEZ started virtual mobile operator ČEZ Mobile in Telefonica network.”

## **MANAGEMENT**

Martin Roman shall be deleted from the list of Supervisory Board Members under the section headed “*Supervisory Board*” on page 126 of the Base prospectus and two new lines shall be added at the end of the table:

<b>Name</b>	<b>Born</b>	<b>Position</b>	<b>Date of appointment</b>
Michal Mejstřík	1952	Member of the Supervisory Board	October 25, 2013
Jan Mareš	1958	Member of the Supervisory Board	October 25, 2013

New paragraphs shall be added to section headed “*Supervisory Board*” on page 126 of the Base Prospectus:

“*Michal Mejstřík* is a professor of economics at Charles University in Prague, where he lectures on banking and finance. There he also founded and for several years led the prestigious Institute of Economic Studies at the Faculty of Social Sciences of Charles University. Over the past years, he has also worked as external consultant for international organizations (USAID, World Bank, European Commission in Central and Easter Europe and Asia), the Czech government and numerous corporations, whether directly or by means of EEIP, a. s. In 2010, Michal Mejstřík was elected as President of the International Chamber of Commerce of the Czech Republic (ICC-CR). Since March 2011, he has also worked as Chairman of the Supervisory Board of Český aeroholding, a. s.

*Jan Mareš* is presently the Mayor of the Statutory City of Chomutov. Before that he worked as principal of the Secondary Technical School of Power and Civil Engineering in Chomutov. Besides, he is the President of the Chamber of Statutory Cities and Municipalities of the Czech Republic and a Vice-President of the Czech Union of Towns and Municipalities of the Czech Republic. He is also President of the Council of the Association of Energy and Electrical Engineering Education.”

Second paragraph under the section headed “Strategy Committee” on page 130 of the Base Prospectus shall be deleted and replaced by the following wording:

“As of the date of this Supplement, the members of the Strategy Committee were Mr. Václav Pačes (chairman), Mr. Jiří Volf and Mr. Vladimír Hronek.”

## **GENERAL INFORMATION**

The paragraph “*Significant or Material Change*” on page 164 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

“There has been no significant change in the financial or trading position of the Issuer or the Issuer and its subsidiaries since September 30, 2013 and there has been no material adverse change in the financial position or prospects of the Issuer and its subsidiaries since September 30, 2013.”