

**SUPPLEMENT DATED 14 MAY 2009**

**ČEZ, a. s.**

*(incorporated with limited liability in the Czech Republic)*

**€4,000,000,000**

**Euro Medium Term Note Programme**

This Supplement (the **Supplement**) to the Base Prospectus (the **Base Prospectus**) dated 19 March 2009 (which comprises a base prospectus) constitutes a prospectus supplement for the purposes of article 13 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the **Prospectus Act**) and is prepared in connection with the €4,000,000,000 Euro Medium Term Note Programme established by ČEZ, a. s. (the **Issuer**). 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.

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 which 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 or this Supplement, as the case may be, 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 import of such information.

**Documents Incorporated by Reference**

On 30 April 2009, the Issuer published its 2008 Annual Report, which includes the following information set out at the following pages:

	<u>Consolidated</u>	<u>Non-Consolidated</u>
Balance Sheet.....	page 130	page 176
Statement of Income.....	page 131	page 177
Accounting Principles and Notes	pages 134-174	pages 180-212
Auditor's Report.....	pages 128, 129	pages 128, 175

In addition, on 13 May 2009, the Issuer published (in two separate documents) its consolidated unaudited financial statements and its non-consolidated unaudited financial statements, in each case as at and for the three month period ended 31 March 2009, which include the following information set out at the following pages:

	<u>Consolidated Financial Statements</u>	<u>Non-Consolidated Financial Statements</u>
Balance Sheet.....	page 1	page 1
Statement of Income.....	page 2	page 2

A copy of each of those annual and interim financial statements has been filed with the *Commission de Surveillance du Secteur Financier* and, by virtue of this Supplement, those annual and interim financial statements are incorporated in, and form part of, the Base Prospectus. Any other information not listed above but contained in either of such documents is incorporated by reference for information purposes only. Copies of all documents incorporated by reference in the Base Prospectus and this Supplement can be obtained from the registered office of the Issuer and from the specified offices of the Paying Agents for the time being in London and Luxembourg. Copies of this Supplement, the Base Prospectus and all documents incorporated by reference are also available on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu).

The paragraph "*Significant or Material Change*" on page 127 of the Base Prospectus shall be deemed deleted and replaced with the following paragraph:

"There has been no significant change in the financial position of the Issuer or the Issuer and its subsidiaries since 31 March 2009 and there has been no material adverse change in the financial position or prospects of the Issuer and its subsidiaries since 31 December 2008."

### **Recent Developments**

The following changes/additions shall be made to the Base Prospectus to reflect recent developments.

The following paragraphs shall be added as new paragraphs after the seventh paragraph appearing under "**International Expansion**" on page 71 of the Base Prospectus:

"In March 2009, a new joint venture ENERGO NUCLEAR S.A. was incorporated in Romania as a part of strategic alliance concluded between European energy companies. The joint venture was founded with a goal to develop and operate the 3rd and 4th blocks of the Romanian Cernavoda nuclear power plant. Its registered capital amounts to RON 19 694 500. ČEZ owns a 9.15 % stake. Majority shareholder of the Company is Romanian Societatea Nationala Nuclearelectrica S.A., which holds 51 % of the shares.

In March 2009, ČEZ signed a purchase agreement for 76% share in Albanian distribution company (*OSSH Operatori i Sistemit te Shpernadrjes Sh.A.*) and one month later established a new subsidiary – CEZ Albania Sh. A., which shall focus particularly on support of the activities of CEZ Group in Albania."

The following headings and paragraphs shall be added as new headings and paragraphs after the "Wind and Solar Power Generation" paragraph on page 83 of the Base Prospectus appearing under "**Principal Activities**" section:

#### **"Biomass-Fired Power Generation**

During 2008, more than 347 thousand tons of biomass were burnt in the CEZ GROUP coal-fired power plants in the Czech Republic, all in form of co-burning with brown coal, generating almost 327 thousand MWh of electricity. Within the CEZ GROUP's portfolio of renewable sources, biomass is the second most significant element after water power stations.

In April 2009, CEZ GROUP purchased a pure biomass-fired combined heat and power plant in Jindřichův Hradec, Czech Republic, with turbine output of 5.6 MWe, boiler output of 18.5 MWt, annual electricity production of 32,300 MWh and gross annual heat production of 178.9 TJ. The heat produced is supplied mainly to central distribution system of Jindřichův Hradec and covers approx. 35% of total town's heat consumption.

### **Gas Power Generation**

Compared to coal-fired plants, gas-fired power plants have considerably lower emissions of sulphur and nitrogen oxides and dust. At this moment ČEZ does not own any operational gas power plants, nevertheless, as already mentioned in other sections of the Base Prospectus and compliant with the supply diversification strategy of CEZ GROUP, a number of projects are being considered in the Czech Republic (*Počerady* and *Úžín*) as well as abroad (*Varna* in Bulgaria, *Galati* in Romania and others).

In addition, the management of ČEZ recently approved a plan for construction of a new 800 MW gas-steam power plant in Mělník, Czech Republic. The new plant shall replace output of the current coal-fired plant located in Mělník once it reaches end of its useful life.

The following changes/additions to the “**Significant Foreign Stakes and Investment Opportunities**” shall be made to the Base Prospectus to reflect recent developments.

The following update shall be added above the paragraph titled “*PPC Galati*” on page 105 of the Base Prospectus, under the “*Romania / Cernavoda*” section:

“In March 2009, the new joint venture ENERGO NUCLEAR S.A. was incorporated in Romania. Its registered capital amounts to RON 19 694 500 and is owned by the above mentioned parties.”

The following update shall be added under the “*Ukraine*” section on page 107 of the Base Prospectus:

“In March 2009, the registered capital of ČEZ Ukraine was increased and paid up by UAH 4,380,000, total registered capital after the contribution amounts to UAH 7,075,000.”

The following update shall be added under “*Albania*” section on page 107 of the Base Prospectus:

“In April 2009, a new subsidiary of ČEZ in Albania – CEZ Albania Sh. A. with registered capital of ALL 42,000,000 was established with a primary objective to provide support and managerial services to CEZ GROUP.”

The following update shall be added below first paragraph of the “*MOL*” section on page 108 of the Base Prospectus:

“The joint venture is incorporated in The Netherlands as CM European Power International B.V. and has registered capital of EUR 21,590,000.”

The following shall be added as new heading and paragraphs on page 110 of the Base Prospectus, under the “**Legal Proceedings**” section:

### *“Participation in the insolvency proceedings of Moravia Energo*

On March 5, 2009, bankruptcy of MORAVIA ENERGO, a.s. (“ME”), one of the business counterparties of ČEZ, was declared. All electricity supplied by ČEZ to ME was settled by pre-payments. However, when ME stopped paying, ČEZ was forced to terminate the contracts concluded with ME for the period 2009 – 2011. In accordance with the business rules and the EFET (European Federation of Energy Traders) standards, ČEZ determined the value of the final settlement of prematurely ended deals with ME, based on the prices of electricity, at which ČEZ was able to sell the electricity (to be originally taken-off by ME) in the market as of the date of termination of the contracts between ČEZ and ME. After deduction of the already realised security, the final calculated claim of ČEZ amounted to CZK 1.5 billion and was registered within the insolvency proceeding of ME.

In addition to the outcome of the insolvency proceedings, the final effect of the ME bankruptcy on ČEZ will be dependant on future electricity prices and FX rates and the moment when ČEZ will decide to sell the electricity originally contracted for offtake by ME.

The following headings and paragraphs shall be added as new headings and paragraphs under the last existing entry on page 110 of the Base Prospectus:

#### **“Other Recent Developments**

##### *Private Placement Bond Issues*

On April 20, 2009 ČEZ fixed the terms for a 2 year CZK 1.3 billion issue, which later increased to a CZK 1.4 billion private placement zero coupon bond issued under the EMTN Programme. ČEZ received proceeds of CZK 1.4 billion on May 6, 2009. Société Générale acted as sole agent of the placement.

On May 4, 2009 ČEZ fixed the terms for another 2 year CZK 1.6 billion private placement zero coupon bond issued under the EMTN Programme. Československá obchodní banka, a. s. acts as sole agent and the expected issue date is set on May 19, 2009.

##### *Annual Shareholders Meeting*

On 13 May 2009, ČEZ held its annual shareholders meeting, which approved, amongst other matters, profit distributions, changes to the Articles of Association and the 2008 consolidated and non-financial statements of the Issuer.

The shareholders meeting approved the distribution of profits for 2008 as follows:

1. a payment of dividends to ČEZ's shareholders – gross CZK 50 per share, 26,659,487 thousand CZK in total; and
2. a transfer to retained profits from previous years – 20,458,180 thousand CZK.

Dividends attributable to own shares kept by ČEZ on the reference date shall not be paid, therefore, they are not included in the amount intended for payment of the dividends but it is part of the retained profits from previous years. The amount of the dividend has grown by 10 CZK, compared to the dividend paid out last year when it amounted to 40 CZK/share. The approved dividend is within the announced dividend policy target of a 50%-60% pay out ratio and the dividend pay-out for 2008 is approximately at 56% of consolidated net income.

The shareholders meeting also approved the amended wording of the Articles of Association, including, amongst other amendments, the following major changes:

1. In accordance with the new Act on Auditors (the **Act**), the Articles were supplemented to include regulation of the new mandatory Company Body – an Audit Committee. Obligations arising from this new Act are also projected into other provisions, such as expanding competences of the General Meeting and changes in competences of the Board of Directors and the Supervisory Board.
2. The second area of changes is aimed at simplification and improving the clarity of the Articles. Therefore, redundant provisions that duplicated the text of cogent statutory provisions were omitted and referencing to the statutory regulations was established.

Amendments to the Articles of Association as approved by the shareholders meeting held on May 13, 2009 are available on the web site of the Issuer [http://www.cez.cz/edee/content/file/investors/inside-information/2009-04/cez-034-2009\\_en.pdf](http://www.cez.cz/edee/content/file/investors/inside-information/2009-04/cez-034-2009_en.pdf).

At the annual shareholders meeting ČEZ elected Miloš Kebrdle (1950) and Vlastimil Jiřík (1968) to the Supervisory Board. Miloš Kebrdle and Vlastimil Jiřík replace Tomáš Hüner and Josef Janeček on the Supervisory Board.

The following persons were elected to newly established Audit Committee: Martin Kocourek, Ivan Fuksa, Zdeněk Hrubý, Drahošlav Šimek, Lubomír Klosík."

## **General**

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.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

In accordance with Article 13 paragraph 2 of the Prospectus Act, investors who have agreed to purchase or subscribe for the Notes before the Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances.