

**Ad hoc release: CEZ MH B.V. – Update regarding invitation to holders to offer to sell outstanding EUR 470.2 million guaranteed exchangeable bonds**

Publication of inside information pursuant to Article 17 of the EU regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014 (Market Abuse Regulation)

Prague, 30<sup>th</sup> March 2017, 14:10 CET

Further to the announcements on 29<sup>th</sup> March 2017 and 30<sup>th</sup> March 2017, CEZ MH B.V., a wholly owned subsidiary of ČEZ, a. s. has announced that the joint dealer managers have received irrevocable tender instructions for EUR 405.6 million in aggregate principal amount, which together with the EUR 1.6 million bonds already converted represents approximately 86.6% of its outstanding EUR 470.2 million guaranteed exchangeable bonds due 2017 (ISIN: XS1027633434) (the “Bonds”), exchangeable into ordinary shares of MOL Hungarian Oil and Gas Plc (“MOL”) (ISIN: HU0000068952).

This now exceeds 85% of the original aggregate principal amount of the Bonds. CEZ MH B.V. reserves its right under the Terms and Conditions of the outstanding Bonds to exercise its option to redeem the Bonds at their principal amount, which is less than the purchase price offered, on any aggregate principal amount of the Bonds remaining outstanding after the settlement date. CEZ MH B.V. may also elect to satisfy redemption of the Bonds on the maturity date by the delivery of MOL shares.

As previously announced, the invitation is expected to be open until 5.00 p.m. (London time) on 30<sup>th</sup> March 2017. Announcement of the final aggregate principal amount of the Bonds accepted for purchase pursuant to the invitation will be made as soon as reasonably practicable thereafter. In order to participate in the invitation, holders should submit their tender instructions to a joint dealer manager in the manner described in the related term sheet of 29<sup>th</sup> March 2017.

Tender instructions will be irrevocable, except in the limited circumstances described in the term sheet. Any Bonds that are not successfully offered for sale pursuant to the invitation will remain outstanding.

Holders are advised to read the term sheet in its entirety prior to making a decision on whether or not to participate in the invitation.

CEZ MH B.V. may, in its discretion, extend, re-open, amend, waive any condition of, or terminate the invitation at any time (subject to applicable law).

Barclays Bank PLC, Citigroup Global Markets Limited and Deutsche Bank AG, London Branch are acting as joint dealer managers with respect to the invitation and joint bookrunners with respect to the equity placing. Citigroup Global Markets Limited is acting as settlement agent.

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RELATES IS AVAILABLE ONLY TO (A) RELEVANT PERSONS IN THE UNITED KINGDOM AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS IN THE UNITED KINGDOM AND (B) QUALIFIED INVESTORS IN MEMBER STATES OF THE EEA (OTHER THAN THE UNITED KINGDOM).

ANY DECISION TO SELL ANY OF THE BONDS OR PURCHASE ANY OF THE SHARES SHOULD ONLY BE MADE ON THE BASIS OF AN INDEPENDENT REVIEW BY A PROSPECTIVE INVESTOR OF THE OFFEROR'S, THE GUARANTOR'S AND MOL'S PUBLICLY AVAILABLE INFORMATION. NEITHER THE JOINT DEALER MANAGERS NOR ANY OF THEIR RESPECTIVE AFFILIATES ACCEPT ANY LIABILITY ARISING FROM THE USE OF, OR MAKE ANY REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF, THIS RELEASE OR THE OFFEROR'S, THE GUARANTOR'S OR MOL'S PUBLICLY AVAILABLE INFORMATION. THE INFORMATION CONTAINED IN THIS RELEASE IS SUBJECT TO CHANGE IN ITS ENTIRETY WITHOUT NOTICE UP TO THE SETTLEMENT DATES.

EACH PROSPECTIVE INVESTOR IN THE EQUITY PLACING AND PROSPECTIVE PARTICIPANT IN THE INVITATION SHOULD PROCEED ON THE ASSUMPTION THAT IT MUST BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE SHARES OR PARTICIPATION IN THE INVITATION. NONE OF THE OFFEROR, THE GUARANTOR OR THE JOINT DEALER MANAGERS MAKE ANY REPRESENTATION AS TO (I) THE SUITABILITY OF THE SHARES FOR ANY PARTICULAR INVESTOR, (II) THE APPROPRIATE ACCOUNTING TREATMENT AND POTENTIAL TAX CONSEQUENCES OF INVESTING IN THE SHARES OR PARTICIPATING IN THE INVITATION OR (III) THE FUTURE PERFORMANCE OF THE BONDS OR THE SHARES EITHER IN ABSOLUTE TERMS OR RELATIVE TO COMPETING INVESTMENTS.

DEUTSCHE BANK AG IS AUTHORISED UNDER GERMAN BANKING LAW (COMPETENT AUTHORITY: EUROPEAN CENTRAL BANK) AND, IN THE UNITED KINGDOM, BY THE PRUDENTIAL REGULATION AUTHORITY. IT IS SUBJECT TO SUPERVISION BY THE EUROPEAN CENTRAL BANK AND BY BAFIN, GERMANY'S FEDERAL FINANCIAL SUPERVISORY AUTHORITY, AND IS SUBJECT TO LIMITED REGULATION IN THE UNITED KINGDOM BY THE PRUDENTIAL REGULATION AUTHORITY AND FINANCIAL CONDUCT AUTHORITY. EACH OF BARCLAYS BANK PLC AND CITIGROUP GLOBAL MARKETS LIMITED IS AUTHORISED BY THE PRUDENTIAL REGULATORY AUTHORITY AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY AND PRUDENTIAL REGULATORY AUTHORITY. DETAILS ABOUT THE EXTENT OF THE JOINT DEALER MANAGERS' RESPECTIVE AUTHORISATIONS AND REGULATION ARE AVAILABLE ON REQUEST.

THE JOINT DEALER MANAGERS AND THE JOINT BOOKRUNNERS ARE ACTING ON BEHALF OF THE OFFEROR AND THE GUARANTOR AND NO ONE ELSE IN CONNECTION WITH THE INVITATION AND THE EQUITY PLACING AND WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CLIENTS OF THE JOINT DEALER MANAGERS OR THE JOINT BOOKRUNNERS OR FOR PROVIDING ADVICE IN RELATION TO THE SECURITIES.