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ČEZ has priced its offering of €470.2 million Guaranteed Exchangeable Bonds due 2017 exchangeable for ordinary shares of MOL

28 January 2014

ČEZ, a. s. ("ČEZ" or the "Guarantor") has priced its offering (the "Offering") of €470.2 million guaranteed exchangeable bonds due 2017 (the "Bonds") exchangeable for existing ordinary shares (the "Shares") of MOL Hungarian Oil and Gas Plc ("MOL").

The Bonds will be issued by CEZ MH B.V. (the "Issuer"), a 100% subsidiary of ČEZ incorporated under the laws of the Netherlands. The Issuer's obligations under the Bonds will be guaranteed by ČEZ, which is rated A2 by Moody's and A- by Standard & Poor's. The Bonds have received a preliminary rating of A2 by Moody's and are expected to be rated A- by Standard & Poor's.

The Bonds will be issued in denominations of €100,000 and have been priced with a coupon of 0.00%. The initial exchange price has been set at €61.25 per Share, reflecting a premium of 35% over the volume weighted average price of the Shares on the Budapest Stock Exchange between launch and pricing of the Bonds of HUF13796.40 per Share and based on a EUR-HUF exchange rate of EUR1.0 : HUF304.1.

Bondholders will have the right to exchange the Bonds for Shares from 25 January 2017 to 21 July 2017, subject to the Issuer's right to elect to deliver an equivalent amount in cash for all or part of the Shares.

The Bonds will be issued at 100% of their principal amount and, unless previously exchanged, redeemed or purchased and cancelled, will be redeemed on 4 August 2017 at the Issuer's option in cash or through the delivery of Shares or a combination of Shares and cash.

ČEZ will use the proceeds from the Offering for general corporate purposes.

Settlement of the Bonds is expected to take place on or around 4 February 2014 (the "Settlement Date").

Application will be made to have the Bonds admitted to trading on the Open Market (*Freiverkehr*) of the Frankfurt Stock Exchange, a multilateral trading facility within the meaning of MiFID (2004/39/EC), no later than 90 days following the Settlement Date.

The Offering is being managed by Barclays Bank PLC and Deutsche Bank AG, London Branch acting as Joint Global Coordinators and Joint Bookrunners, and HSBC Bank plc and Société Générale Corporate & Investment Banking acting as Joint Bookrunners.

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Any purchase of Bonds in the proposed Offering should be made solely on the basis of the publicly available information relating to the Issuer or the Guarantor and the information contained in the term sheet to be issued by the Issuer in connection with the Offering. No reliance may or should be placed by any person for any purposes whatsoever on the information contained in this announcement or on its completeness, accuracy or fairness. The information in this announcement is subject to change.

In connection with the Offering, each of the Joint Bookrunners and any of their respective affiliates acting as an investor for their own account may take up Bonds or the underlying shares and in that capacity may retain, purchase or sell for their own account such securities and any securities of the Issuer or the Guarantor or any related investments and may offer or sell such securities or other investments otherwise than in connection with the Offering. Each of the Joint Bookrunners does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

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