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29th March 2017, CEZ MH B.V. – Invitation to Holders to Offer to Sell Outstanding EUR 470.2 Million Guaranteed Exchangeable Bonds and Announcement of Equity Placing

CEZ MH B.V. (the "Offeror"), a wholly owned subsidiary of ČEZ, a. s., hereby announces that it is making an invitation to holders of its outstanding EUR 470.2 million Guaranteed Exchangeable Bonds due 2017, exchangeable into ordinary shares of MOL Hungarian Oil and Gas Plc ("MOL")(the "Bonds"), to offer to sell their Bonds to the Offeror for cash(the "Invitation"). The Bonds were issued by the Offeror and guaranteed by ČEZ, a. s. on 4 February 2014.

THE INVITATION

On the terms and subject to the conditions set out in the term sheet dated 29th March 2017 (the "Term Sheet"), the Offeror invites all holders (subject to the offer restrictions set out in the Term Sheet) to offer to sell any or all of their Bonds to the Offeror. The purchase price per EUR 100,000 principal amount of Bonds offered and accepted for sale will be EUR 109,000.

The Invitation is expected to be open until 5.00 p.m. (London time) on 30th 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 Term Sheet.

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.

The Offeror may, in its discretion, extend, re-open, amend, waive any condition of, or terminate the Invitation at any time (subject to applicable law).

The Offeror 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, if 15% or fewer of the original aggregate principal amount of the Bonds remains outstanding after the Settlement Date. The Offeror may also elect to satisfy redemption of the Bonds on the maturity date by the delivery of MOL shares.

EQUITY PLACING

The Offeror hereby also announces an offering of up to 7,651,168 MOL shares (the "Equity Placing"). The number and placing price of the MOL shares sold in the Equity Placing will be determined following a bookbuilding process carried out by the Joint Bookrunners. Allocations of MOL shares in the Equity Placing will be subject to clawback if and to the extent that less than the full principal amount of the Bonds outstanding is tendered pursuant to the Invitation.

Bondholders who have hedged all or part of their exposure to the MOL shares underlying the Bonds and who wish to close out their hedge positions in connection with their participation in the Invitation are invited to submit tender instructions to any of the Joint Dealer Managers prior to 6.00 p.m. (London time) on 29th March 2017. The number of MOL shares that a Bondholder requests to be allocated pursuant to this arrangement will be allocated in full as part of the Equity Placing and will not be subject to the clawback arrangements referred to above.

The Invitation is conditional on the successful completion of the Equity Placing.

FURTHER INFORMATION

Settlement of the Invitation and the Equity Placing is expected to occur on or around 4th April 2017.

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 will act as Settlement Agent.

Requests for information in relation to the terms of the Invitation should be directed to:

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

Fax no.: +44 20 7516 3404
Attention: Equity Syndicate Desk
E-mail: EquitySyndicateOpsLND@barclays.com

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

Fax no.: + 44 (0) 20 3364 2134
Attention: Equity Syndicate Desk
E-mail: emeaecm.notices@citi.com

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Fax no.: +44 20 7541 2761
Attention: Syndicate Desk

Any enquiries relating to the Offeror regarding this announcement should be directed to:

ČEZ, a. s.
Prague 4,
Duhová 2/1444,
Postal Code 140 53,

Fax no.: + 420 211 042 040
Attention: Jan Brozik
E-mail: investor.relations@cez.cz

NO ACTION HAS BEEN TAKEN BY THE OFFEROR, ČEZ, A. S. ("THE GUARANTOR"), THE JOINT DEALER MANAGERS OR ANY OF THEIR RESPECTIVE AFFILIATES THAT WOULD PERMIT THE SALE OF THE MOL SHARES (THE "SHARES") OR POSSESSION OR DISTRIBUTION OF THIS PRESS RELEASE OR ANY INVITATION, PLACING OR PUBLICITY MATERIAL RELATING TO THE BONDS OR THE SHARES (TOGETHER, THE "SECURITIES") IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. PERSONS INTO WHOSE POSSESSION THIS PRESS RELEASE COMES ARE REQUIRED BY THE OFFEROR, THE GUARANTOR AND THE JOINT DEALER MANAGERS TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.

THIS PRESS RELEASE IS NOT A SOLICITATION OF ANY OFFER TO BUY THE SHARES, NOR SHALL THERE BE ANY OFFER OF SHARES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SALE WOULD BE UNLAWFUL. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE "SECURITIES ACT") AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO REGISTRATION OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THERE WILL BE NO PUBLIC OFFER OF SECURITIES OR ANY PUBLIC INVITATION TO OFFER OR SELL SECURITIES IN THE UNITED STATES.

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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 PRESS RELEASE OR THE OFFEROR'S, THE GUARANTOR'S OR MOL'S PUBLICLY AVAILABLE INFORMATION. THE INFORMATION CONTAINED IN THIS PRESS RELEASE IS SUBJECT TO CHANGE IN ITS ENTIRETY WITHOUT NOTICE UP TO THE SETTLEMENT DATES.

EACH PROSPECTIVE INVESTOR IN THE EQUITY PLACING AND PROPSECTIVE 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 AUTOHRITY. 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.

EACH OF THE OFFEROR, THE GUARANTOR, THE JOINT DEALER MANAGERS AND THEIR RESPECTIVE AFFILIATES EXPRESSLY DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO UPDATE, REVIEW OR REVISE ANY STATEMENT CONTAINED IN THIS PRESS RELEASE WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE.