

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (the United States) OR TO ANY U.S. PERSON (AS DEFINED BELOW).**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached Tender Offer Memorandum (the **Tender Offer Memorandum**) and you are therefore required to read this disclaimer page carefully before accessing, reading or making any other use of the Tender Offer Memorandum. By accessing the Tender Offer Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Banca IMI S.p.A., Citigroup Global Markets Limited and/or Société Générale (together the **Dealer Managers**) and/or Citibank, N.A. (the **Tender Agent**) as a result of such access. Capitalised terms used but not otherwise defined in this disclaimer shall have the meaning given to them in the Tender Offer Memorandum.

THE TENDER OFFER MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE TENDER OFFER MEMORANDUM MAY ONLY BE DISTRIBUTED TO PERSONS TO WHOM IT IS OTHERWISE LAWFUL TO SEND THE TENDER OFFER MEMORANDUM AND, IN PARTICULAR, SHOULD NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE TENDER OFFER MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS.

**Confirmation of your representation:** In order to be eligible to view the Tender Offer Memorandum or make an investment decision with respect to the Offer (as defined below), you must be a non-U.S. person and outside the United States and otherwise able to participate lawfully in the invitation by ČEZ, a. s. (the **Company**) to holders of its outstanding €750,000,000 4.50 per cent. Notes due 2020 (ISIN: XS0521158500; Common Code: 052115850) (the **Notes**) to tender their Notes for purchase by the Company for cash (the **Offer**) on the terms and subject to the conditions set out in the Tender Offer Memorandum including the offer and distribution restrictions set out on pages 6 to 7 (the **Offer and Distribution Restrictions**). The Tender Offer Memorandum was transmitted to you at your request and by accessing the Tender Offer Memorandum you shall be deemed to have represented to the Company, the Dealer Managers and the Tender Agent that:

- (i) you are a holder or a beneficial owner of the Notes;
- (ii) neither the electronic mail address that you have given to us and (if applicable) to which the Tender Offer Memorandum has been delivered nor the location from which you otherwise access the Tender Offer Memorandum is located in the United States;
- (iii) you are a person to whom it is lawful to send the Tender Offer Memorandum or to make an invitation pursuant to the Offer, in accordance with applicable laws, including the Offer and Distribution Restrictions;
- (iv) you are not, and are not acting for the account or benefit of, a U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended); and
- (v) you consent to delivery of the Tender Offer Memorandum by electronic transmission.

The Tender Offer Memorandum has been transmitted to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, the Dealer Managers, the Tender Agent and any person who controls, or is a director, officer, employee, agent or affiliate of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Tender Offer Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Tender Agent.

You are also reminded that the Tender Offer Memorandum has been transmitted to you on the basis that you are a person into whose possession the Tender Offer Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorised to, deliver the Tender Offer Memorandum to any other person.

Any materials relating to the Offer do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and any of the Dealer Managers or any of the Dealer Managers' respective affiliates is such a licensed broker or dealer in that jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Company in such jurisdiction.

The Tender Offer Memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

**Restrictions:** Nothing in this electronic transmission constitutes an offer to buy or the solicitation of an offer to sell securities in the United States or any other jurisdiction in which such offer or solicitation would be unlawful.

**The distribution of the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession the Tender Offer Memorandum comes are required by the Company, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.**

NOT FOR DISTRIBUTION IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA OR TO ANY U.S. PERSON.

TENDER OFFER MEMORANDUM dated 12 November 2015

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION.



Invitation by  
**ČEZ, a. s.**

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

(the Company)

to the holders of its outstanding

**€750,000,000 4.50 per cent. Notes due 2020**

(€500,000,000 of which were issued on 28 June 2010 and a further €250,000,000 of which were issued on 8 December 2010 and consolidated to form a single series with the original issue)

(the Notes)

to tender their Notes for purchase by the Company for cash up to the Maximum Acceptance Amount (as defined herein)

| ISIN /<br>Common Code       | Outstanding<br>Nominal Amount | Benchmark                      | Purchase<br>Spread | Maximum Acceptance<br>Amount  |
|-----------------------------|-------------------------------|--------------------------------|--------------------|---|
| XS0521158500<br>/ 052115850 | €750,000,000                  | Interpolated Mid-<br>Swap Rate | 35 bps             | An aggregate nominal amount of Notes equal to €400,000,000 less the euro equivalent of the aggregate nominal amount of US Notes accepted for purchase pursuant to the US Any and All Tender Offer, as set out herein* |

\* although the Company reserves the right, in its sole discretion and for any reason, to increase or decrease the Maximum Acceptance Amount and/or to accept less than or more than the Maximum Acceptance Amount (or not to accept any Notes) for purchase pursuant to the Offer.

**THE OFFER BEGINS ON THE DATE OF THIS TENDER OFFER MEMORANDUM AND WILL EXPIRE AT 5.00 P.M. (CET) ON 19 NOVEMBER 2015, UNLESS EXTENDED, RE-OPENED OR TERMINATED AS PROVIDED IN THIS TENDER OFFER MEMORANDUM.**

**THE DEADLINES SET BY ANY INTERMEDIARY OR CLEARING SYSTEM WILL BE EARLIER THAN THIS DEADLINE.**

*Dealer Managers*

**BANCA IMI**

**CITIGROUP**

**SOCIÉTÉ GÉNÉRALE  
CORPORATE & INVESTMENT BANKING**

## THE OFFER

This Tender Offer Memorandum contains important information which should be read carefully before any decision is made with respect to the Offer (as defined below). If any Noteholder is in any doubt as to the contents of this Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its broker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Offer. The distribution of this document in certain jurisdictions may be restricted by law (see "*Offer and Distribution Restrictions*"). None of Banca IMI S.p.A., Citigroup Global Markets Limited and Société Générale (together the Dealer Managers), Citibank, N.A. (the Tender Agent) and the Company makes any recommendation as to whether holders of Notes should tender Notes pursuant to the Offer.

The Company invites, subject to the offer restrictions referred to in "*Offer and Distribution Restrictions*", all holders (together the Noteholders) of the Notes to tender their Notes for purchase by the Company for cash (the Offer) on the terms and subject to the conditions set out in this Tender Offer Memorandum.

*Before making a decision whether to tender Notes pursuant to the Offer, Noteholders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the risk factors described in "Risk Factors and Other Considerations".*

Capitalised terms used in this Tender Offer Memorandum have the meaning given in "*Definitions*" and any other definitions of such terms are for ease of reference only and shall not affect their interpretation.

This Tender Offer Memorandum does not constitute an invitation to participate in the Offer in any jurisdiction in which, or to or from any person to or from whom, it is unlawful to make such invitation under applicable securities laws. The Offer is subject to offer restrictions in, amongst other countries, the United States of America, the United Kingdom, France and Italy (see "*Offer and Distribution Restrictions*" below).

### **Rationale for the Offer**

The Offer, together with the US Any and All Tender Offer (as defined below), is being made as part of the Company's liquidity management and is aimed at optimising its liquidity position and its cost of debt.

### **Purchase Price**

The Company will pay for the Notes validly tendered and accepted by it for purchase pursuant to the Offer a purchase price (the **Purchase Price**) to be determined at or around 2.00 p.m. (CET) (the **Pricing Time**) on 20 November 2015 (the **Pricing Date**) in the manner described in this Tender Offer Memorandum by reference to the sum (such sum, the **Purchase Yield**) of (a) a purchase spread of 35 bps (the **Purchase Spread**) and (b) the Interpolated Mid-Swap Rate.

The Purchase Price will be determined in accordance with market convention and expressed as a percentage of the nominal amount of the Notes, and is intended to reflect a yield to maturity of the Notes on the Settlement Date equal to the Purchase Yield. Specifically, the Purchase Price will equal (a) the value of all remaining payments of principal and interest on the Notes up to and including the scheduled maturity date of the Notes, discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) Accrued Interest in respect of the Notes up to (but excluding) the Settlement Date, all calculated in accordance with the formula set out in "*Annex – Formula to Determine the Purchase Price*".

The Interpolated Mid-Swap Rate will be calculated by the Dealer Managers at the Pricing Time on the Pricing Date, by means of linear interpolation of the 4 Year Mid-Swap Rate and the 5 Year Mid-Swap Rate to the maturity date of the Notes as described herein.

### **Accrued Interest**

The Company will also pay accrued and unpaid interest from (and including) the immediately preceding interest payment date for the Notes to (but excluding) the Settlement Date (**Accrued Interest**) in respect of Notes accepted for purchase by the Company pursuant to the Offer.

### **US Any and All Tender Offer and Maximum Acceptance Amount**

The Company has launched, contemporaneously with the launch of the Offer, an offer to purchase for cash (the **US Any and All Tender Offer**) any and all of its US\$700,000,000 4.250 per cent. Notes due 2022 (ISIN: US157214AA57 / XS0764313614) with an aggregate nominal amount outstanding of US\$700,000,000 (the **US Notes**).

The Company proposes to accept valid tenders of Notes for purchase pursuant to the Offer up to an aggregate nominal amount of Notes (the **Maximum Acceptance Amount**) equal to (a) €400,000,000 *less* (b) the Euro Equivalent of the aggregate nominal amount of the US Notes accepted for purchase by the Company pursuant to the US Any and All Tender Offer (such US Notes, the **US Repurchased Notes**). The US Any and All Tender Offer is expected to expire at 5.00 p.m. (New York City time) on 19 November 2015.

As a result, the Maximum Acceptance Amount will be directly affected by the amount of US Notes accepted for purchase pursuant to the US Any and All Tender Offer, and the Maximum Acceptance Amount may be reduced significantly or altogether with respect to this Offer if US Notes are validly tendered pursuant to the US Any and All Tender Offer (although the Company reserves the right, in its sole discretion and for any reason, to increase or decrease the Maximum Acceptance Amount and/or to accept less than or more than the Maximum Acceptance Amount (or not to accept any Notes) for purchase pursuant to the Offer (the final aggregate nominal amount of Notes accepted for purchase pursuant to the Offer being the **Final Acceptance Amount**)).

The **Euro Equivalent of the aggregate nominal amount of the US Repurchased Notes** means an amount in euro equivalent to the aggregate nominal amount in US\$ of the US Repurchased Notes, which shall be calculated at the euro / U.S. dollar exchange rate equal to the ECB EURUSD fixing as of the date on which the Expiration Deadline falls (expected to be 19 November 2015).

The Company will announce the indicative Maximum Acceptance Amount and the indicative Final Acceptance Amount at or around 11.00 a.m. (CET) on the Pricing Date.

### **Scaling**

If the Company accepts any Notes for purchase pursuant to the Offer and the aggregate nominal amount of the Notes validly tendered is greater than the Final Acceptance Amount, the Company intends to accept such validly tendered Notes for purchase on a *pro rata* basis such that the aggregate nominal amount of such Notes accepted for purchase is no greater than the Final Acceptance Amount.

See "*Further Information and Terms and Conditions - Scaling of Tenders*".

### **Tender Instructions**

In order to participate in, and be eligible to receive the Purchase Price and Accrued Interest Payment pursuant to, the Offer, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 5.00 p.m. (CET) on 19 November 2015 (the **Expiration Deadline**). See "*Procedures for Participating in the Offer*".

**Tender Instructions will be irrevocable** except in the limited circumstances described in "*Amendment and Termination*".

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines specified in this Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in this Tender Offer Memorandum.*

Tender Instructions must be submitted in respect of a nominal amount of Notes of no less than €50,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of €1,000 above €50,000. A separate Tender Instruction must be completed on behalf of each beneficial owner.

See "*Procedures for Participating in the Offer*" below for further information.

### **Announcement of results and pricing**

The Company intends to announce, at or around 11.00 a.m. (CET) on the Pricing Date, the aggregate nominal amount of the Notes validly tendered in the Offer, together with a non-binding indication of the levels at which it expects to set the Maximum Acceptance Amount and the Final Acceptance Amount, and indicative details of any scaling of valid tenders of Notes that will be applied, in the event that the Company decides to accept any valid tenders of Notes pursuant to the Offer.

The Company will then announce, as soon as reasonably practicable after the Pricing Time on the Pricing Date, its decision of whether to accept valid tenders of Notes pursuant the Offer and, if so accepted, the Maximum Acceptance Amount, the Final Acceptance Amount, the Interpolated Mid-Swap Rate, the Purchase Yield, the Purchase Price and Accrued Interest (each expressed as a percentage of the nominal amount of the Notes) and the Scaling Factor (if applicable).

See "*Further Information and Terms and Conditions – Announcements*" below.

## **General**

The expected Settlement Date for the Offer is 24 November 2015.

The Company is not under any obligation to accept any tender of Notes for purchase pursuant to the Offer. Tenders of Notes for purchase may be rejected in the sole discretion of the Company for any reason and the Company is not under any obligation to Noteholders to furnish any reason or justification for refusing to accept a tender of Notes for purchase. For example, tenders of Notes for purchase may be rejected if the Offer is terminated, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

The Company may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time (subject to applicable law and as provided in this Tender Offer Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in this Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made. See "*Amendment and Termination*".

For further information on the Offer and the further terms and conditions on which the Offer is made, Noteholders should refer to "*Further Information and Terms and Conditions*".

Questions and requests for assistance in connection with (i) the Offer may be directed to the Dealer Managers, and (ii) the delivery of Tender Instructions may be directed to the Tender Agent, the contact details for each of which are on the last page of this Tender Offer Memorandum.

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## OFFER AND DISTRIBUTION RESTRICTIONS

*This Tender Offer Memorandum does not constitute an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws. The distribution of this Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this Tender Offer Memorandum comes are required by each of the Company, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.*

### United States

The Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a **U.S. Person**)). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Notes may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States or by, or by any person acting for the account or benefit of, a U.S. Person. Accordingly, copies of this Tender Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to any persons located or resident in the United States or to any U.S. Person. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by, or by any person acting for the account or benefit of, a U.S. Person or by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Notes participating in the Offer will represent that it is not a U.S. Person, it is not located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and is not a U.S. Person. For the purposes of this and the above paragraph, **United States** means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

### Italy

None of the Offer, this Tender Offer Memorandum or any other document or materials relating to the Offer have been submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian laws and regulations. The Offer is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Notes that are located in Italy can tender Notes for purchase in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes or the Offer.

### United Kingdom

The communication of this Tender Offer Memorandum and any other documents or materials relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in

Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**) or persons who are within Article 43(2) of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

### **France**

The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). Neither this Tender Offer Memorandum nor any other document or material relating to the Offer has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*, are eligible to participate in the Offer. This Tender Offer Memorandum has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

### **Belgium**

Neither this Tender Offer Memorandum nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor financiële diensten en markten / Autorité des services marchés financiers*) and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this Tender Offer Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account. Insofar as Belgium is concerned, this Tender Offer Memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

### **General**

This Tender Offer Memorandum does not constitute an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and any of the Dealer Managers or any of the Dealer Managers' respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or affiliate, as the case may be, on behalf of the Company in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offer*". Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Company, the Dealer Managers and the Tender Agent reserves the right, in its absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Company determines (for any reason) that such representation is not correct, such tender shall not be accepted.



## GENERAL

The Company accepts responsibility for the information contained in this Tender Offer Memorandum. To the best of the knowledge of the Company (which has taken all reasonable care to ensure that such is the case), the information contained in this Tender Offer Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offer and the Company) and each Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Offer. None of the Dealer Managers and the Tender Agent (or their respective directors, employees or affiliates) makes any representation or recommendation whatsoever regarding this Tender Offer Memorandum or the Offer, and none of the Company, the Dealer Managers or the Tender Agent (or their respective directors, employees or affiliates) makes any recommendation as to whether Noteholders should tender Notes in the Offer. The Tender Agent is the agent of the Company and owes no duty to any Noteholder.

In the ordinary course of their respective businesses, the Dealer Managers and the Tender Agent are entitled to hold positions in the Notes either for their own account or for the account, directly or indirectly, of third parties. In the ordinary course of their respective businesses, they are entitled to continue to hold or dispose of, in any manner they may elect, subject to applicable law, any Notes they may hold as at the date of this Tender Offer Memorandum. No submission or non-submission of Tender Instructions in respect of such Notes by the Dealer Managers or the Tender Agent should be taken by any holder of Notes or any other person as any recommendation or otherwise by the Dealer Managers or the Tender Agent, as the case may be, as to the merits of participating or not participating in the Offer.

Neither the delivery of this Tender Offer Memorandum nor any purchase of Notes shall, under any circumstances, create any implication that the information contained in this Tender Offer Memorandum is current as of any time subsequent to the date of such information or that there has been no change in the information set out in it or the affairs of the Company since the date of this Tender Offer Memorandum.

No person has been authorised to give any information or to make any representation about the Notes, the Company or the Offer other than as contained in this Tender Offer Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Dealer Managers, the Tender Agent or any of their respective agents.

Noteholders who do not participate in the Offer, or whose Notes are not accepted for purchase by the Company, will continue to hold their Notes subject to the terms and conditions of the Notes.

The applicable provisions of the Financial Services and Markets Act 2000 must be complied with in respect of anything done in relation to the Offer in, from or otherwise involving the United Kingdom.

Unless the context otherwise requires, references in this Tender Offer Memorandum to **Noteholders** or **holders of Notes** include:

- (i) each person who is shown in the records of Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg** and, together with Euroclear, the **Clearing Systems** and each a **Clearing System**) as a holder of the Notes (also referred to as **Direct Participants** and each a **Direct Participant**); and
- (ii) each beneficial owner of the Notes holding such Notes, directly or indirectly, in an account in the name of a Direct Participant acting on such beneficial owner's behalf,

except that for the purposes of any payment to a Noteholder pursuant to the Offer of the Purchase Price and the Accrued Interest Payment, to the extent the beneficial owner of the relevant Notes is not a Direct Participant, such payment will only be made by the relevant Clearing System to the relevant Direct Participant and the making of such payment by (i) the Company to such Clearing System will satisfy the obligation of the Company in respect of the purchase of such Notes and (ii) such Clearing System to such Direct Participant will satisfy the obligation of such Clearing System in respect of the purchase of such Notes.

All references in this Tender Offer Memorandum to (a) **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and (b) **US\$** refer to the lawful currency of the United States.

For the avoidance of doubt, the invitation by the Company to Noteholders contained within this Tender Offer Memorandum is an invitation to treat by the Company, and any references to any offer or invitation being made by the Company under or in respect of the Offer shall be construed accordingly.

## EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only.

| <b>Events</b>  | <b>Times and Dates</b>   |
|--|--|
|  | (All times are CET)  |
| <b><i>Commencement of the Offer</i></b><br>Offer announced. Tender Offer Memorandum available from the Tender Agent.   | 12 November 2015   |
| <b><i>Expiration Deadline</i></b><br>Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Noteholders to be able to participate in the Offer.  | 5.00 p.m. on 19 November 2015  |
| <b><i>Announcement of indicative Maximum Acceptance Amount and Final Acceptance Amount and indicative details of scaling</i></b><br>Announcement of (i) the aggregate nominal amount of Notes validly tendered pursuant to the Offer, (ii) a non-binding indication of the levels at which the Company expects to set the Maximum Acceptance Amount and the Final Acceptance Amount and (iii) indicative details of any scaling of valid tenders of Notes for purchase that will be applied, in the event that the Company decides to accept any valid tenders of Notes pursuant to the Offer. | 20 November 2015 at or around 11.00 a.m.                                     |
| <b><i>Pricing Date and Pricing Time</i></b><br>Determination of the Interpolated Mid-Swap Rate, the Purchase Yield and the Purchase Price.   | 20 November 2015 at or around 2.00 p.m.                                      |
| <b><i>Announcement of Results and Pricing</i></b><br>Announcement of (i) the Company's decision of whether to accept valid tenders of Notes pursuant to the Offer and, if so accepted, (ii) the Maximum Acceptance Amount and the Final Acceptance Amount, (iii) the Interpolated Mid-Swap Rate, (iv) the Purchase Yield, (v) the Purchase Price and Accrued Interest (each expressed as a percentage of the nominal amount of the Notes) and (vi) the Scaling Factor (if applicable).   | As soon as reasonably practicable after the Pricing Time on the Pricing Date |
| <b><i>Settlement Date</i></b><br>Expected Settlement Date for the Offer.   | 24 November 2015   |

*The above times and dates are subject to the right of the Company to extend, re-open, amend, and/or terminate the Offer (subject to applicable law and as provided in this Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer before the deadlines specified in this Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above. See "Procedures for Participating in the Offer".*

## DEFINITIONS

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|--|--|
| <b>4 Year Mid-Swap Rate</b>  | The mid-market arithmetic mean, expressed as a percentage and rounded to the nearest 0.001 per cent., of the 4 Year Swap Rates, as determined by the Dealer Managers at the Pricing Time on the Pricing Date.  |
| <b>4 Year Swap Rates</b>   | The "bid" and "ask" swap rates for euro swap transactions with a maturity of 4 years, in each case which appear on the Bloomberg Screen ICAE1 Page at the Pricing Time on the Pricing Date.  |
| <b>5 Year Mid-Swap Rate</b>  | The mid-market arithmetic mean, expressed as a percentage and rounded to the nearest 0.001 per cent., of the 5 Year Swap Rates, as determined by the Dealer Managers at the Pricing Time on the Pricing Date.  |
| <b>5 Year Swap Rates</b>   | The "bid" and "ask" swap rates for euro swap transactions with a maturity of 5 years, in each case which appear on the Bloomberg Screen ICAE1 Page at the Pricing Time on the Pricing Date.  |
| <b>Accrued Interest</b>  | Interest accrued and unpaid on the Notes from (and including) the immediately preceding interest payment date for the Notes to (but excluding) the Settlement Date.  |
| <b>Accrued Interest Payment</b>  | An amount in cash (rounded to the nearest €0.01, with €0.005 rounded upwards) equal to the Accrued Interest on the Notes validly tendered for purchase by a Noteholder and accepted by the Company.  |
| <b>Bloomberg Screen ICAE1 Page</b>   | The display page on the Bloomberg Professional service designated as the "ICAE1" page (or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Dealer Managers for the purpose of displaying the "bid" and "ask" swap rates for the relevant euro swap transactions). |
| <b>bps</b>   | Basis points.  |
| <b>Business Day</b>  | A day other than a Saturday or a Sunday or a public holiday on which commercial banks and foreign exchange markets are open for business in London and Prague.   |
| <b>CET</b>   | Central European Time.   |
| <b>Clearing System Notice</b>  | The "Deadlines and Corporate Events" or similar form of notice to be sent to Direct Participants by each of the Clearing Systems on or about the date of this Tender Offer Memorandum informing Direct Participants of the procedures to be followed in order to participate in the Offer.   |
| <b>Clearing Systems</b>  | Euroclear and Clearstream, Luxembourg.   |
| <b>Clearstream, Luxembourg</b>   | Clearstream Banking, <i>société anonyme</i> .  |
| <b>Company</b>   | ČEZ, a. s.   |
| <b>Dealer Managers</b>   | Banca IMI S.p.A., Citigroup Global Markets Limited and Société Générale.   |
| <b>Direct Participant</b>  | Each person who is shown in the records of the Clearing Systems as a holder of the Notes.  |
| <b>Euro Equivalent of the aggregate nominal amount of the US Repurchased Notes</b> | An amount in euro equivalent to the aggregate nominal amount in US\$ of the US Repurchased Notes, which shall be calculated at the euro / U.S. dollar exchange rate equal to the ECB EURUSD fixing as of the date on which the Expiration Deadline falls (expected to be 19 November 2015).  |
| <b>Euroclear</b>   | Euroclear Bank S.A./N.V.   |
| <b>Expiration Deadline</b>   | 5.00 p.m. (CET) on 19 November 2015 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer).  |
| <b>Final Acceptance Amount</b>   | Such aggregate nominal amount of Notes validly tendered in the Offer that the Company may in its sole discretion accept for purchase pursuant to the Offer. See " <i>The Offer – US Any and All Tender Offer and Maximum Acceptance Amount</i> ".  |

|                                   |   |
|-----------------------------------|---|
| <b>Interpolated Mid-Swap Rate</b> | The rate, expressed as a percentage and rounded to the nearest 0.001 per cent., as determined by the Dealer Managers at the Pricing Time on the Pricing Date, calculated by means of linear interpolation of the 4 Year Mid-Swap Rate and the 5 Year Mid-Swap Rate to the maturity date of the Notes by (a) subtracting the 4 Year Mid-Swap Rate from the 5 Year Mid-Swap Rate and multiplying the result of such subtraction by the Notes Weight (and rounding the result of such multiplication to the nearest 0.001 per cent.), and (b) adding the 4 Year Mid-Swap Rate to the (rounded) final result of (a).  |
| <b>Maximum Acceptance Amount</b>  | An aggregate nominal amount of Notes equal to (a) €400,000,000 <i>less</i> (b) the Euro Equivalent of the aggregate nominal amount of the US Repurchased Notes, although the Company reserves the right, in its sole discretion and for any reason, to increase or decrease the Maximum Acceptance Amount and/or to accept less than or more than the Maximum Acceptance Amount (or not to accept any Notes) for purchase pursuant to the Offer. See " <i>The Offer – US Any and All Tender Offer and Maximum Acceptance Amount</i> ".<br><br>The Company will announce the indicative Maximum Acceptance Amount at or around 11.00 a.m. (CET) on the Pricing Date. |
| <b>Noteholder</b>                 | A holder of Notes (including as further defined in the section " <i>General</i> " on page 8).   |
| <b>Notes</b>                      | The €750,000,000 4.50 per cent Notes due 2020 of the Company (ISIN: XS0521158500; Common Code: 052115850).  |
| <b>Notes Weight</b>               | The amount, expressed as a fraction, calculated by dividing the actual number of days from (and including) the date falling exactly 4 years after the Settlement Date to (but excluding) 29 June 2020 (being the maturity date of the Notes) by 366.  |
| <b>Notifying News Service</b>     | A recognised financial news service or services (e.g. Reuters/Bloomberg) as selected by the Company.  |
| <b>Offer</b>                      | The invitation by the Company, subject to the offer restrictions referred to in " <i>Offer and Distribution Restrictions</i> ", to holders of the Notes to tender their Notes for purchase by the Company for cash, on the terms and subject to the conditions set out in this Tender Offer Memorandum.   |
| <b>Pricing Date</b>               | 20 November 2015 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer).  |
| <b>Pricing Time</b>               | At or around 2.00 p.m. (CET).   |
| <b>Purchase Price</b>             | The price (expressed as a percentage of the nominal amount of the Notes, and rounded to the third decimal place (with 0.0005 being rounded upwards)) payable by the Company for the Notes validly tendered and accepted for purchase by the Company pursuant to the Offer, which is to be determined at the Pricing Time on the Pricing Date in the manner described in " <i>The Offer – Purchase Price</i> ".  |
| <b>Purchase Spread</b>            | 35 bps.   |
| <b>Purchase Yield</b>             | The sum of the Purchase Spread and the Interpolated Mid-Swap Rate.  |
| <b>Scaling Factor</b>             | The factor to be used for any scaling of tenders of Notes pursuant to the Offer, as described in this Tender Offer Memorandum. See " <i>Further Information and Terms and Conditions – Scaling of Tenders</i> ".  |
| <b>Settlement Date</b>            | Expected to be 24 November 2015 (subject to the right of the Company to extend, re-open, amend and/or terminate the Offer).   |
| <b>Tender Agent</b>               | Citibank, N.A.  |

|                                    |  |
|------------------------------------|--|
| <b>Tender Instruction</b>          | The electronic tender and blocking instruction in the form specified in the Clearing System Notice for submission by Direct Participants to the Tender Agent via the relevant Clearing System and in accordance with the requirements of such Clearing System by the relevant deadlines in order for Noteholders to be able to participate in the Offer. |
| <b>US Any and All Tender Offer</b> | The tender offer by the Company, launched contemporaneously with the launch of the Offer, to purchase for cash any and all of the US Notes.  |
| <b>US Notes</b>                    | The US\$700,000,000 4.250 per cent. Notes due 2022 (ISIN: US157214AA57 / XS0764313614) of the Company, with an aggregate nominal amount outstanding of US\$700,000,000.  |
| <b>US Repurchased Notes</b>        | The US Notes accepted for purchase pursuant to the US Any and All Tender Offer.  |

## FURTHER INFORMATION AND TERMS AND CONDITIONS

### Total amount payable to Noteholders

If the Company decides to accept valid tenders of Notes pursuant to the Offer, the total amount that will be paid to each Noteholder on the Settlement Date for the Notes accepted for purchase from such Noteholder will be an amount (rounded to the nearest €0.01, with €0.005 rounded upwards) equal to the sum of:

- (a) the product of (i) the aggregate nominal amount of the Notes of such Noteholder accepted for purchase from such Noteholder pursuant to the Offer and (ii) the Purchase Price; and
- (b) the Accrued Interest Payment on such Notes.

### Scaling of Tenders

In the circumstances described in this Tender Offer Memorandum in which Notes validly tendered pursuant to the Offer are to be accepted on a *pro rata* basis, each such tender of Notes will be scaled by a factor (the **Scaling Factor**) equal to (i) the Final Acceptance Amount divided by (ii) the aggregate nominal amount of the Notes that have been validly tendered (subject to adjustment to allow for the aggregate nominal amount of Notes accepted for purchase, following the rounding of tenders of such Notes described in the next sentence, to equal the Final Acceptance Amount exactly). Each tender of Notes that is scaled in this manner will be rounded down to the nearest €1,000.

In the event of any such scaling, the Company will only accept valid tenders of Notes subject to scaling to the extent such scaling will not result in (a) the relevant Noteholder transferring Notes to the Company in an aggregate nominal amount of less than €50,000, being the minimum denomination of the Notes, or (b) the Company rejecting Notes from such Noteholder in an aggregate nominal amount of less than €50,000.

### Payment

If Notes validly tendered in the Offer are accepted for purchase by the Company, the aggregate amount of the Purchase Price and the Accrued Interest Payments for the Notes in each Clearing System will be paid, in immediately available funds, on the Settlement Date to such Clearing System for payment to the cash accounts of the relevant Noteholders in the Clearing System (see "*Procedures for Participating in the Offer*"). The payment of such aggregate amounts to (i) the Clearing Systems by the Company will discharge the obligation of the Company to all such Noteholders in respect of the payment of the Purchase Price and the Accrued Interest Payments and (ii) the relevant Direct Participants by the Clearing Systems will discharge the obligation of the Clearing Systems to all such Noteholders in respect of the payment of the Purchase Price and the Accrued Interest Payments.

Provided the Company makes, or has made on its behalf, full payment of the Purchase Price and the Accrued Interest Payments for all Notes accepted for purchase pursuant to the Offer to the Clearing Systems on or before the Settlement Date, under no circumstances will any additional interest be payable to a Noteholder because of any delay in the transmission of funds from the relevant Clearing System or any other intermediary with respect to such Notes of that Noteholder.

### General conditions of the Offer

The Company expressly reserves the right, in its sole discretion, to delay acceptance of tenders of Notes pursuant to the Offer in order to comply with applicable laws. In all cases, the purchase of Notes for cash pursuant to the Offer will only be made after the submission of a valid Tender Instruction in accordance with the procedures described in "*Procedures for Participating in the Offer*" including the blocking of the Notes tendered in the relevant account in the relevant Clearing System, from the date the relevant Tender Instruction is submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Offer (including where such Notes are not accepted by the Company for purchase) or on which the Tender Instruction is revoked, in the limited circumstances in which such revocation is permitted. See also "*Risk Factors and Other Considerations*".

The Company will at all times have the discretion to accept for purchase any Notes tendered in the Offer, the tender of which would otherwise be invalid or, in the sole opinion of the Company, may otherwise be invalid.

The Company is not under any obligation to accept any tender of Notes for purchase pursuant to the Offer. Tenders of Notes for purchase may be rejected in the sole discretion of the Company for any reason and the Company is not under any obligation to Noteholders to furnish any reason or justification for refusing to accept a tender of Notes for purchase. For example, tenders of Notes for purchase may be rejected if the Offer is terminated, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

Notes that are not tendered or accepted for purchase pursuant to the Offer will remain outstanding.

Noteholders are advised that the Company may, in its sole discretion, accept tenders of Notes pursuant to the Offer on more than one date if the Offer is extended or re-opened.

The failure of any person to receive a copy of this Tender Offer Memorandum or any announcement made or notice issued in connection with the Offer shall not invalidate any aspect of the Offer. No acknowledgement of receipt of any Tender Instruction and/or other documents will be given by the Company or the Tender Agent.

### **Announcements**

Unless stated otherwise, announcements in connection with the Offer will be made (i) by publication on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu) and (ii) by the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made on the relevant Reuters Insider Screen and/or by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are on the last page of this Tender Offer Memorandum. Significant delays may be experienced where notices are delivered to the Clearing Systems and Noteholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Noteholders may contact the Dealer Managers for information using the contact details on the last page of this Tender Offer Memorandum.

### **Governing law**

The Offer, each Tender Instruction and any purchase of Notes pursuant to the Offer, and any non-contractual obligations arising out of or in connection with the Offer, shall be governed by and construed in accordance with English law. By submitting a Tender Instruction, the relevant Noteholder irrevocably and unconditionally agrees for the benefit of the Company, the Dealer Managers and the Tender Agent that the courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Offer or such Tender Instruction (including any disputes relating to any non-contractual obligations arising out of or in connection with the Offer) and that, accordingly, any suit, action or proceedings arising out of or in connection with the foregoing may be brought in such courts.

## **RISK FACTORS AND OTHER CONSIDERATIONS**

*Before making a decision whether to tender Notes pursuant to the Offer, Noteholders should carefully consider all of the information in this Tender Offer Memorandum and, in particular, the following factors:*

### **Uncertainty as to the trading market for Notes not purchased**

To the extent that the Notes are traded, prices for the Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. To the extent that Notes are tendered and accepted for purchase in the Offer, the Company intends to cancel such accepted Notes on or around the Settlement Date, and accordingly the trading market for the Notes would become more limited. A debt security with a smaller outstanding nominal amount available for trading (a smaller **float**) may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Notes not tendered or not purchased may be affected adversely to the extent that the nominal amount of Notes tendered pursuant to the Offer reduces the float. The reduced float also may tend to make the trading price more volatile. Holders of Notes not tendered or not purchased may attempt to obtain quotations for their Notes from their brokers; however, there can be no assurance that any trading market will exist for the Notes following consummation of the Offer. The extent of the public market for the Notes following consummation of the Offer will depend upon, among other things, the remaining outstanding nominal amount of the Notes after the Offer, the number of holders of the Notes remaining at such time and the interest in maintaining a market in the Notes on the part of securities firms and other factors. The Company does not intend to create or sustain a market for the Notes that remain outstanding following consummation of the Offer.

### **No obligation to accept tenders of Notes for purchase**

The Company is not under any obligation to accept, and shall have no liability to any person for non-acceptance of, any tender of Notes for purchase pursuant to the Offer. Tenders of Notes for purchase may be rejected in the sole discretion of the Company for any reason and the Company is not under any obligation to Noteholders to furnish any reason or justification for refusing to accept a tender of Notes for purchase. For example, tenders of Notes for purchase may be rejected if the Maximum Acceptance Amount is equal to zero, if the Offer is terminated, if the Offer does not comply with the relevant requirements of a particular jurisdiction or for any other reason.

### **Responsibility for complying with the procedures of the Offer**

Noteholders are responsible for complying with all of the procedures for tendering Notes pursuant to the Offer. None of the Company, the Dealer Managers or the Tender Agent assumes any responsibility for informing any Noteholder of irregularities with respect to such Noteholder's participation in the Offer.

### **Completion, termination and amendment**

Until the Company announces whether it has decided to accept valid tenders of Notes pursuant to the Offer, no assurance can be given that the Offer will be completed. In addition, subject to applicable law and as provided in this Tender Offer Memorandum, the Company may, in its sole discretion, extend, re-open, amend or terminate the Offer at any time before such announcement and may, in its sole discretion, waive any of the conditions to the Offer either before or after such announcement. The Company may, for example, decide to exercise its right to extend the Offer should the US Any and All Tender Offer be extended.

### **Tender Instructions irrevocable**

Tender Instructions will be irrevocable except in the limited circumstances described in "*Amendment and Termination*".

### **Compliance with offer and distribution restrictions**

Noteholders are referred to the offer and distribution restrictions in "*Offer and Distribution Restrictions*" and the agreements, acknowledgements, representations, warranties and undertakings in "*Procedures for Participating in the Offer*", which Noteholders will be deemed to make on submission of a Tender Instruction. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

### **Responsibility to consult advisers**

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including relating to the Offer, the Company and the Notes) and each



Noteholder must make its own decision as to whether to tender any or all of its Notes for purchase pursuant to the Offer.

Noteholders should consult their own tax, accounting, financial and legal advisers regarding the suitability to themselves of the consequences of participating in the Offer.

None of the Company, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Company, the Dealer Managers, the Tender Agent, or any director, officer, employee, agent or affiliate of any such person, makes any representation or recommendation whatsoever regarding the Offer, or any recommendation as to whether Noteholders should tender Notes in the Offer.

### **Restrictions on transfer of Notes**

When considering whether to participate in the Offer, Noteholders should take into account that restrictions on the transfer of Notes by Noteholders will apply from the time of submission of Tender Instructions. A Noteholder will, on submitting a Tender Instruction, agree that its Notes will be blocked in the relevant account in the relevant Clearing System from the date the relevant Tender Instruction is submitted until the earlier of (i) the time of settlement on the Settlement Date and (ii) the date of any termination of the Offer (including where such Notes are not accepted by the Company for purchase) or on which the Tender Instruction is revoked, in the limited circumstances in which such revocation is permitted.

### **Other purchases or redemption of the Notes**

Whether or not the Offer is completed, the Company and its affiliates, the Dealer Managers, and the Tender Agent may, to the extent permitted by applicable law, continue to acquire, from time to time during or after the Offer, Notes other than pursuant to the Offer, including through open market purchases and privately negotiated transactions, or otherwise, upon such terms and at such prices as they may determine, which may be more or less than the prices to be paid pursuant to the Offer and could be for cash or other consideration or otherwise on terms more or less favourable than those contemplated in the Offer.

### **Minimum Denominations of the Notes**

The minimum denomination of the Notes is €50,000. A Noteholder whose tender of Notes for purchase pursuant to the Offer is accepted by the Company and who, following purchase of the Notes on the Settlement Date, continues to hold in its account with the relevant Clearing System further Notes in a nominal amount of less than €50,000 would therefore need to purchase a nominal amount of Notes such that its holding amounts to at least €50,000 before such Notes may be traded in the Clearing Systems (although Noteholders should note that, in the event of any scaling of tenders of Notes, the Company will only accept valid tenders of Notes subject to scaling to the extent such scaling will not result in (a) the relevant Noteholder transferring Notes to the Company in an aggregate nominal amount of less than €50,000, or (b) the Company rejecting Notes from such Noteholder in an aggregate nominal amount of less than €50,000).

### **US Any and All Tender Offer and Maximum Acceptance Amount**

The Maximum Acceptance Amount will equal the difference between €400,000,000 and the euro equivalent of the aggregate nominal amount in US\$ of the US Repurchased Notes. As at the date of this Tender Offer Memorandum, the aggregate nominal amount in US\$ of the US Notes which are eligible to be tendered in the US Any and All Tender Offer is US\$700,000,000, and the US Any and All Tender Offer is being conducted on an 'any and all' basis pursuant to which, if the Company accepts any valid tenders of US Notes for purchase, it will accept all US Notes validly tendered for purchase. The US Any and All Tender Offer is expected to expire at 5.00 p.m. (New York City time) on 19 November 2015. As a result, the Maximum Acceptance Amount will be directly affected by the amount of US Notes accepted for purchase pursuant to the US Any and All Tender Offer, and the Maximum Acceptance Amount may be reduced significantly or altogether with respect to this Offer if US Notes are validly tendered pursuant to the Any and All Tender Offer.

## **TAX CONSEQUENCES**

Amounts payable by the Company pursuant to the Offer will be paid without withholding or deduction for any taxes, duties or other charges imposed by the Czech Republic or any political subdivision or authority thereof or therein having power to tax. However, in view of the number of different jurisdictions where tax laws may apply to a Noteholder, this Tender Offer Memorandum does not discuss the tax consequences for Noteholders arising from the purchase of Notes by the Company pursuant to the Offer. Noteholders are urged to consult their own professional advisers regarding these possible tax consequences under the laws of the jurisdictions that apply to them or to the sale of their Notes and the receipt pursuant to the Offer of the Purchase Price and the Accrued Interest Payment. Noteholders are liable for their own taxes and have no recourse to the Company, the Dealer Managers or the Tender Agent with respect to taxes arising in connection with the Offer.

## PROCEDURES FOR PARTICIPATING IN THE OFFER

*Noteholders who need assistance with respect to the procedures for participating in the Offer should contact the Tender Agent, the contact details for which are on the last page of this Tender Offer Memorandum.*

### **Summary of Action to be Taken**

The Company will only accept tenders of Notes for purchase pursuant to the Offer which are made by way of the submission of valid Tender Instructions in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*".

To tender Notes for purchase pursuant to the Offer, a Noteholder should deliver, or arrange to have delivered on its behalf, via the relevant Clearing System and in accordance with the requirements of such Clearing System, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline.

Tender Instructions must be submitted in respect of a nominal amount of Notes of no less than €50,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of €1,000 above €50,000.

*Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer by the deadlines specified in this Tender Offer Memorandum. **The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Tender Instructions will be earlier than the relevant deadlines specified in this Tender Offer Memorandum.***

### **Tender Instructions**

The tendering of Notes in the Offer will be deemed to have occurred upon receipt by the Tender Agent from the relevant Clearing System of a valid Tender Instruction submitted in accordance with the requirements of such Clearing System.

Tender Instructions must be submitted in respect of a nominal amount of Notes of no less than €50,000, being the minimum denomination of the Notes, and may be submitted in integral multiples of €1,000 above €50,000.

The receipt of such Tender Instruction by the relevant Clearing System will be acknowledged in accordance with the standard practices of such Clearing System and will result in the blocking of the relevant Notes in the Noteholder's account with the relevant Clearing System so that no transfers may be effected in relation to such Notes.

Noteholders must take the appropriate steps through the relevant Clearing System so that no transfers may be effected in relation to such blocked Notes at any time after the date of submission of such Tender Instruction, in accordance with the requirements of the relevant Clearing System and the deadlines required by such Clearing System. By blocking such Notes in the relevant Clearing System, each Direct Participant will be deemed to consent to have the relevant Clearing System provide details concerning such Direct Participant's identity to the Tender Agent (and for the Tender Agent to provide such details to the Company, the Dealer Managers and to their respective legal advisers).

**Only Direct Participants may submit Tender Instructions. Each Noteholder that is not a Direct Participant must arrange for the Direct Participant through which such Noteholder holds its Notes to submit a valid Tender Instruction on its behalf to the relevant Clearing System before the deadlines specified by the relevant Clearing System.**

It is a term of the Offer that Tender Instructions are irrevocable except in the limited circumstances described in "*Amendment and Termination*". In such circumstances, Tender Instructions may be revoked by a Noteholder, or the relevant Direct Participant on its behalf, by submitting a valid electronic withdrawal instruction to the relevant Clearing System. To be valid, such instruction must specify the Notes to which the original Tender Instruction related, the securities account to which such Notes are credited and any other information required by the relevant Clearing System.

By submitting a valid Tender Instruction to the relevant Clearing System in accordance with the standard procedures of such Clearing System, a Noteholder and any Direct Participant submitting such Tender Instruction on such Noteholder's behalf shall be deemed to agree, and acknowledge, represent, warrant and undertake, to the Company, the Dealer Managers and the Tender Agent at the Expiration Deadline and the time of settlement on the Settlement Date (if a Noteholder or Direct Participant is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such Noteholder or Direct Participant should contact the Tender Agent immediately) as follows:

- (a) it has received the Tender Offer Memorandum, and has reviewed and accepts the offer and distribution restrictions, terms, conditions, risk factors and other considerations of the Offer, all as described in this Tender Offer Memorandum, and has undertaken an appropriate analysis of the implications of the Offer without reliance on the Company, the Dealer Managers or the Tender Agent;
- (b) by blocking the relevant Notes in the relevant Clearing System, it will be deemed to consent, in the case of a Direct Participant, to have such Clearing System provide details concerning its identity to the Tender Agent (and for the Tender Agent to provide such details to the Company and the Dealer Managers, and their respective legal advisers);
- (c) upon the terms and subject to the conditions of the Offer, it tenders for purchase in the Offer the nominal amount of Notes blocked in its account in the relevant Clearing System and, subject to and effective on such purchase by the Company, it renounces all right, title and interest in and to all such Notes purchased by or at the direction of the Company and waives and releases any rights or claims it may have against the Company with respect to any such Notes and the Offer;
- (d) if the Notes tendered for purchase are accepted by the Company it acknowledges that (i) the Purchase Price and Accrued Interest Payment will be paid in euro, (ii) such cash amounts will be deposited by or on behalf of the Company with the Clearing Systems on the Settlement Date and (iii) on receipt of such cash amounts, the Clearing Systems will make payments promptly to the accounts in the Clearing Systems of the relevant Noteholders;
- (e) it agrees to ratify and confirm each and every act or thing that may be done or effected by the Company, any of its directors or any person nominated by the Company in the proper exercise of his or her powers and/or authority hereunder;
- (f) it agrees to do all such acts and things as shall be necessary and execute any additional documents deemed by the Company to be desirable, in each case to complete the transfer of the relevant Notes to the Company or its nominee against payment to it of the Purchase Price and the Accrued Interest Payment for such Notes and/or to perfect any of the authorities expressed to be given hereunder;
- (g) it has observed the laws of all relevant jurisdictions; obtained all requisite governmental, exchange control or other required consents; complied with all requisite formalities; and paid any issue, transfer or other taxes or requisite payments due from it in each respect in connection with any offer or acceptance in any jurisdiction and that it has not taken or omitted to take any action in breach of the terms of the Offer or which will or may result in the Company, the Dealer Managers, the Tender Agent, or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer;
- (h) all authority conferred or agreed to be conferred pursuant to its acknowledgements, agreements, representations, warranties and undertakings, and all of its obligations shall be binding upon its successors, assigns, heirs, executors, trustees in bankruptcy and legal representatives, and shall not be affected by, and shall survive, its death or incapacity;
- (i) no information has been provided to it by the Company, either Dealer Manager or the Tender Agent, or any of their respective directors or employees, with regard to the tax consequences for Noteholders arising from the purchase of Notes by the Company pursuant to the Offer and the receipt by the Noteholder of the Purchase Price and Accrued Interest Payment, and it acknowledges that it is solely liable for any taxes and similar or related payments imposed on it under the laws of any applicable jurisdiction as a result of its participation in the Offer and agrees that it will not and does not have any right of recourse (whether by way of reimbursement, indemnity or otherwise) against the Company, either Dealer Manager or the Tender Agent, or any of their respective directors or employees, or any other person in respect of such taxes and payments;
- (j) it has had access to such financial and other information concerning the Notes, and has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers, as it deems necessary or appropriate in order to make an informed decision with respect to its tendering of Notes

for purchase in the Offer; it is not relying on any communication (written or oral) made by any party involved in the Offer or any such party's affiliates as constituting a recommendation to tender Notes in the Offer; and it is able to bear the economic risks of participating in the Offer;

- (k) it is not a person to whom it is unlawful to make an invitation pursuant to the Offer under applicable securities laws and it has (before submitting, or arranging for the submission on its behalf, as the case may be, of the Tender Instruction in respect of the Notes it is tendering for purchase) complied with all laws and regulations applicable to it for the purposes of its participation in the Offer;
- (l) either (a) (i) it is the beneficial owner of the Notes being tendered in the Offer and (ii) it is not a U.S. Person, it is located and resident outside the United States and it is participating in the Offer from outside the United States or (b) (i) it is acting on behalf of the beneficial owner of the Notes being tendered in the Offer on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is not a U.S. Person, it is located and resident outside the United States and it is participating in the Offer from outside the United States;
- (m) it is not located in Italy or, if it is located in Italy, it is an authorised person or is tendering Notes through an authorised person (such as an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 58 of 24 February 1998, as amended, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority;
- (n) it is not located or resident in the United Kingdom or, if it is located or resident in the United Kingdom, it is a person falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Promotion Order) or within Article 43(2) of the Financial Promotion Order, or to whom this Tender Offer Memorandum and any other documents or materials relating to the Offer may otherwise lawfully be communicated in accordance with the Financial Promotion Order;
- (o) it is not located or resident in France or, if it is located or resident in France, it is a (i) provider of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investor (*investisseur qualifié*), other than an individual, acting for its own account (all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*);
- (p) it is not located or resident in Belgium or, if it is located or resident in Belgium, it is a qualified investor, in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on its own account;
- (q) it is not (i) a person that is, or is owned or controlled by a person that is, described or designated as a "specially designated national" or "blocked person" in the most current US Treasury Department list of "Specially Designated National and Blocked Persons" or an entity included in the Sectoral Sanctions Identifications List (which can be found at: <http://sdnsearch.ofac.treas.gov/>); or (ii) currently subject to, or in violation of, any sanctions under (x) the laws and regulations that have been officially published and are administered or enforced by the US Government (including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury or the US Department of State), or any enabling legislation or executive order relating thereto; or (y) any equivalent sanctions or measures officially published and imposed by the European Union, any member state of the European Union, Her Majesty's Treasury, the United Nations or any other relevant sanctions authority, including sanctions imposed against certain states, organisations and individuals under the European Union's Common Foreign & Security Policy;
- (r) it has full power and authority to tender the Notes it has tendered in the Offer and, if such Notes are accepted for purchase by the Company such Notes will be transferred to, or to the order of, the Company with full title free from all liens, charges and encumbrances, not subject to any adverse claim and together with all rights attached to such Notes, and it will, upon request, execute and deliver any additional documents and/or do such other things deemed by the Company to be necessary or desirable to complete the transfer and cancellation of such Notes or to evidence such power and authority;
- (s) it holds and will hold, until the time of settlement on the Settlement Date, the Notes blocked in the relevant Clearing System and, in accordance with the requirements of, and by the deadline required by, such Clearing System, it has submitted, or has caused to be submitted, a Tender Instruction to such Clearing System to authorise the blocking of the tendered Notes with effect on and from the date of

such submission so that, at any time pending the transfer of such Notes on the Settlement Date to the Company, or to its agent on its behalf, no transfers of such Notes may be effected;

- (t) the terms and conditions of the Offer shall be deemed to be incorporated in, and form a part of, the Tender Instruction which shall be read and construed accordingly, and that the information given by or on behalf of such Noteholder in the Tender Instruction is true and will be true in all respects at the time of the purchase of the Notes tendered on the Settlement Date; and
- (u) it accepts that the Company is under no obligation to accept tenders of Notes for purchase pursuant to the Offer, and accordingly such tender may be accepted or rejected by the Company in its sole discretion and for any reason.

The receipt of a Tender Instruction by the relevant Clearing System will constitute instructions to debit the securities account of the relevant Direct Participant on the Settlement Date in respect of all of the Notes that the relevant Noteholder has validly tendered in the Offer, upon receipt by such Clearing System of an instruction from the Tender Agent for such Notes to be transferred to the specified account of the Company or its agent on its behalf and against payment by the Company of the Purchase Price and the Accrued Interest Payment for such Notes, subject to the automatic withdrawal of those instructions on the date of any termination of the Offer (including where such Notes are not accepted for purchase (in whole or in part) by the Company) or on the valid revocation of such Tender Instruction, in the limited circumstances in which such revocation is permitted as described in "*Amendment and Termination - Revocation Rights*", and subject to acceptance of the Offer by the Company and all other conditions of the Offer.

## **General**

### ***Separate Tender Instructions***

A separate Tender Instruction must be completed on behalf of each beneficial owner.

### ***Irrevocability***

The submission of a valid Tender Instruction in accordance with the procedures set out in this section "*Procedures for Participating in the Offer*" will be irrevocable (except in the limited circumstances described in "*Amendment and Termination - Revocation Rights*").

### ***Irregularities***

All questions as to the validity, form, eligibility and valid revocation (including times of receipt) of any Tender Instruction will be determined by the Company in its sole discretion, which determination shall be final and binding.

The Company reserves the absolute right to reject any and all Tender Instructions or revocation instructions not in proper form or for which any corresponding agreement by the Company to accept would, in the opinion of the Company and its legal advisers, be unlawful. The Company also reserves the absolute right to waive any defects, irregularities or delay in the submission of any and all Tender Instructions or revocation instructions. The Company also reserves the absolute right to waive any such defect, irregularity or delay in respect of a particular tender of Notes, whether or not the Company elects to waive similar defects, irregularities or any delay in respect of other tenders of Notes.

Any defect, irregularity or delay must be cured within such time as the Company determines, unless waived by it. Tender Instructions will be deemed not to have been made until such defects, irregularities or delays have been cured or waived. None of the Company, the Dealer Managers or the Tender Agent shall be under any duty to give notice to a Noteholder of any defects, irregularities or delays in any Tender Instruction or revocation instruction nor shall any of them incur any liability for failure to give such notice.

## AMENDMENT AND TERMINATION

### Amendment and Termination

Notwithstanding any other provision of the Offer, the Company may, subject to applicable laws, at its option and in its sole discretion, at any time before any acceptance by it of the Notes tendered for purchase in the Offer:

- (a) extend the Expiration Deadline for, or re-open, the Offer (in which case all references in this Tender Offer Memorandum to "Expiration Deadline" shall, unless the context otherwise requires, be to the latest time and date to which the Expiration Deadline has been so extended or the Offer re-opened);
- (b) otherwise extend, re-open or amend the Offer in any respect (including, but not limited to, any increase, decrease, extension, re-opening or amendment, as applicable, in relation to the Expiration Deadline, Settlement Date, Pricing Time, Pricing Date, Purchase Spread and/or the Maximum Acceptance Amount);
- (c) delay the acceptance of Tender Instructions or purchase of Notes validly tendered in the Offer until satisfaction or waiver of the conditions to the Offer, even if the Offer has expired; or
- (d) terminate the Offer, including with respect to Tender Instructions submitted before the time of such termination.

The Company also reserves the right at any time to waive any or all of the conditions of the Offer as set out in this Tender Offer Memorandum.

The Company will ensure Noteholders are notified of any such extension, re-opening, amendment or termination as soon as is reasonably practicable after the relevant decision is made. To the extent a decision is made to waive any condition of the Offer generally, as opposed to in respect of certain tenders of Notes for purchase only, such decision will also be announced as soon as is reasonably practicable after it is made. See "*Further Information and Terms and Conditions – Announcements*".

### Revocation Rights

If, in respect of the Offer, the Company (i) increases the Purchase Spread or (ii) amends the Offer in any other way (including by way of the making of any announcement, or the issue of any supplement or other form of update to this Tender Offer Memorandum, in which any material development is disclosed) that, in the opinion of the Company (in consultation with the Dealer Managers), is materially prejudicial to the interests of Noteholders that have already submitted Tender Instructions in the Offer before the announcement of such amendment (which announcement shall include a statement that in the opinion of the Company such amendment is materially prejudicial to the interests of such Noteholders), then such Tender Instructions may be revoked at any time from the date and time of the announcement of such increase or amendment until 5.00 p.m. (CET) on the second Business Day following such announcement (subject to the earlier deadlines required by the Clearing Systems and any intermediary through which Noteholders hold their Notes).

For the avoidance of doubt, (i) any extension or re-opening of the Offer (including any amendment in relation to the Expiration Deadline and/or Settlement Date) in accordance with the terms of the Offer as described in this section "*Amendment and Termination*" or (ii) a decision by the Company to significantly increase or decrease the Maximum Acceptance Amount and/or to set the Final Acceptance Amount significantly higher or significantly lower than €400,000,000 shall not be considered materially prejudicial to the interests of Noteholders that have submitted Tender Instructions (provided that in the case of (i) above the settlement of the Offer as so extended or re-opened will be completed by the Company by no later than the day falling ten Business Days after the originally scheduled Settlement Date).

Noteholders wishing to exercise any right of revocation as set out above should do so in accordance with the procedures set out in "*Procedures for Participating in the Offer – Tender Instructions*". Beneficial owners of Notes that are held through an intermediary are advised to check with such entity when it needs to receive instructions to revoke a Tender Instruction in order to meet the above deadline. For the avoidance of doubt, any Noteholder who does not exercise any such right of revocation in the circumstances and in the manner specified above, shall be deemed to have waived such right of revocation and its original Tender Instruction will remain effective.

## DEALER MANAGERS AND TENDER AGENT

The Company has retained Banca IMI S.p.A., Citigroup Global Markets Limited and Société Générale to act as Dealer Managers and Citibank, N.A. to act as Tender Agent for the Offer. The Company has entered into a Dealer Manager Agreement with the Dealer Managers and a tender agency agreement with the Tender Agent, each of which contains certain provisions regarding payment of fees, expense reimbursement and indemnity arrangements relating to the Offer.

For the purposes of the settlement of the Offer on the Settlement Date, the Purchase Price and Accrued Interest Payment for each Noteholder in respect of the Notes validly tendered for purchase by such Noteholder and accepted by the Company will be calculated by the Dealer Managers on behalf of the Company. Such calculation will, absent manifest error, be conclusive and binding on the Company and the Noteholders.

The Dealer Managers and their respective affiliates may contact Noteholders regarding the Offer and may request brokerage houses, custodians, nominees, fiduciaries and others to forward this Tender Offer Memorandum and related materials to Noteholders.

The Dealer Managers and their respective affiliates have provided and continue to provide certain investment banking services to the Company for which they have received and will receive compensation that is customary for services of such nature.

None of the Dealer Managers, the Tender Agent and any of their respective directors, employees or affiliates assume any responsibility for the accuracy or completeness of the information concerning the Offer, the Company, any of their respective affiliates or the Notes contained in this Tender Offer Memorandum or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of such information.

Each Dealer Manager may (i) submit Tender Instructions for its own account and (ii) submit Tender Instructions (subject to the offer restrictions set out in "*Offer and Distribution Restrictions*") on behalf of Noteholders.

None of the Company, the Dealer Managers, the Tender Agent, and any director, officer, employee, agent or affiliate of any such person, is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Company, the Dealer Managers, the Tender Agent, or any of their respective directors, officers, employees, agents or affiliates make any representation or recommendation whatsoever regarding the Offer, or any recommendation as to whether Noteholders should tender Notes in the Offer.

The Tender Agent is the agent of the Company and owes no duty to any Noteholder.



## ANNEX – FORMULA TO DETERMINE THE PURCHASE PRICE

The Dealer Managers will calculate the Purchase Price at or around the Pricing Time on the Pricing Date in accordance with the formula below:

$$\text{PurchasePrice} = \left( \sum_{i=1}^N \left[ \frac{\text{CF}_i}{(1 + \text{YLD})^{\left(\frac{D}{366}\right)}} \right] - \text{AccruedInterest} \right)$$

Where:

|                   |   |   |
|-------------------|---|---|
| $\sum_{i=1}^N$    | = | Summate. The term to the right of the summation symbol is separately calculated "N" times (substituting for the "i" in that term each whole number between 1 and N, inclusive) and the separate calculations are then added together.   |
| Accrued Interest  | = | Accrued Interest on the Notes, expressed as a percentage.   |
| Cash Payment Date | = | Each date on which payments of interest and principal (if any) are scheduled to be made in accordance with the terms and conditions of the Notes from (but excluding) the Settlement Date to (and including) the maturity date of the Notes.  |
| $\text{CF}_i$     | = | The aggregate amount of cash, expressed as a percentage of the nominal amount of the Notes, scheduled to be paid on the Notes on the "i <sup>th</sup> " out of the N remaining Cash Payment Dates up to the maturity date of the Notes. Scheduled payments of cash include interest and, on the maturity date, principal. |
| D                 | = | The actual number of days from (and including) the immediately preceding interest payment date under the terms and conditions of the Notes, to (but excluding) the Settlement Date.   |
| N                 | = | The number of remaining Cash Payment Dates from (but excluding) the Settlement Date to (and including) the maturity date of the Notes.  |
| YLD               | = | The relevant Purchase Yield (expressed in the calculation as a decimal and expressed on an annual basis).   |

Calculation of the Interpolated Mid-Swap Rate, the Purchase Yield, the Purchase Price and Accrued Interest in respect of Notes accepted for purchase pursuant to the Offer will, absent manifest error, be conclusive and binding on the Company and the Noteholders.

## THE COMPANY

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## DEALER MANAGERS

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## TENDER AGENT

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