

MND's Second Reduction in Retail Gas Prices This Year

Prague, 25 August 2016 – From 1 September, the price for Plyn z první ruky will be reduced by further 6 % per MWh for the customers of MND (Moravské naftové doly). MND has reduced its prices for the second time this year after a 7 % cut in March. As a result, gas will be cheaper by 13 % for our customers in the upcoming heating season. Moravské naftové doly delivers on its promise – it watches prices for its customers and adjusts them according to the market price development.

After exactly six months, MND reduces the basic price for gas by 6 %. “From 1 September, MND’s customers will pay 6% less for Plyn z první ruky. After our across-the-board price reduction in March, we will supply Plyn z první ruky 13% cheaper in the upcoming heating season,” said Jan Sýkora, Marketing Director at MND.

“MND watches gas prices for its customers so that they are favourable at the moment when customers decide to come to us, but also in the long term. We extract gas and we know the price for our wholesale customers. We are sure that our offer is good. Therefore, we offer Plyn z první ruky exclusively with an indefinite-term contract and with a guarantee that the five best-known Czech suppliers do not have a better gas heating offer,” explained Jan Sýkora.

MND is the largest gas extractor in the Czech Republic so it can supply gas directly after extraction. Thanks to its long-term favourable prices and conditions, it is the second most favourite gas supplier on the Czech market in 2016 (source: OTE). “Our typical customer saves 22 % per year on average”, added Jan Sýkora.

MND’s pricing is based on the current wholesale market price, but also relies on the advantage of its own extraction, which helps MND keep the price and conditions favourable in the long term. Customers with basic price do not have to do anything for the price reduction as MND will adjust the price automatically.

How much will a typical MND’s customer save on gas heating annually? ¹

1) Basic product – Plyn z první ruky:

MND’s new and existing customers who use the **basic product Plyn z první ruky** will typically save 20 % on the retail part of the price for gas heating after the current 6% reduction compared to the RWE’s Standard product. It amounts to almost CZK 5 000 with consumption of 21 MWh per year. All this with an indefinite-term contract.

2) Premium product – Plyn z první ruky – BONUS:

Customers may get an **extra BONUS package** to complement the basic product Plyn z první ruky. It will reduce their price per MWh by 18 % compared to the basic price, which was valid exactly one year ago on 1 September 2015. All this with an indefinite-term contract. A customer with the premium product will typically save 25 % on the retail part of the price for gas heating compared to the RWE’s Standard product. It amounts to almost CZK 6 000 with consumption of 21 MWh per year.

¹ A comparison of prices for standard products of RWE and MND, which were publicly available on the press release date. See Annex for more information about savings.

Annex: Yearly savings for a typical MND's customer after 6 % gas price reduction

Rok	Dodavatel	Produkt	Obchodní část ceny včetně DPH	Úspora u MND v roce 2016
2016	MND	Plyn z první ruky	19 362 Kč	4 912 Kč / 20,2 %
	RWE	Standard	24 274 Kč	
2016	MND	Plyn z první ruky - BONUS	18 312 Kč	5 962 Kč / 24,6 %
	RWE	Standard	24 274 Kč	

Note: The table compares prices for standard products of RWE and MND, which were publicly available on the press release date, i.e. on 25 August 2016.

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About MND Group

MND a.s. supplies gas (under the brand MND Plyn z první ruky) and electricity to Czech households. It is a member of the MND group, the largest Czech company focused on the exploration and extraction of oil and natural gas, drilling and servicing activities, and storage and trading of natural gas and electricity. In addition to the Czech Republic, MND operates in Ukraine, Germany, Hungary and Italy. For more information, see www.mnd.cz.