

MND's Sales of Goods Grow 40%

Prague, 22 July 2016 – Moravské naftové doly a.s. (MND) has unveiled its 2015 Annual Report. Last year, the company tripled the number of its customers who receive gas supplies under the Firsthand Gas brand. At the end of 2015, MND was supplying gas to 9,000 households. Likewise, the company acquired 2,500 new electricity customers in the residential segment. Earnings after taxes amounted to 517 million Czech crowns.

MND's performance last year was affected by a considerable decrease in crude oil prices on world markets. Thanks to the company's long-term efforts to diversify its activities in crude oil, natural gas, and electricity production and trading, MND's business operations have remained stable and financially sound. The favorable results are underscored by the fact that sales of goods increased to CZK 16.6 billion in the last year, which translates into 40% growth, mainly thanks to gas trading on the wholesale market.

Revenues from the sale of produced crude oil and natural gas are the only item that has decreased, as MND received 1.113 billion and 677 million crowns in proceeds from extracted crude oil and natural gas, respectively.

In contrast, MND registered favorable results in the sale of gas and electricity in the residential segment, where robust growth continued throughout last year. In 2015, more than 6,000 new customers signed up for the Firsthand Gas product, as the the number of residential customers grew to over 9,000 in the reported year. Likewise, the size of the customer portfolio increased substantially in the electricity segment, as the company acquired 2,500 new consumers.

MND made several large investments in the Czech Republic in the year under review, such as building a new gas production plant in Ladná or opening five new crude oil production wells in the Uhřice area and putting them into service.

Throughout 2015, MND developed its corporate social responsibility program, focusing on improving the environmental conditions in the municipalities where the company operates. During the reported year, MND worked together with the Butterfly Paradise civil society organization that conducts activities in the Kyjov and Ždánice regions, the Czech Union for Nature Conservation, the Buchlovice Wildlife Rescue Facility, and other nonprofit organizations. In addition, the company took part in the revitalization of green areas in the municipality of Lužice and the reconstruction of the Olivetská Mountain Park in Mikulov, which was opened in 2015. In the area of sponsorship through grants, MND cofinanced workout facilities in Kyjov and Břeclav. Likewise, MND supported the Proměny Foundation, which helps transform the cityscape of Czech towns in cooperation with local populations. The most notable activities in the support of sports activities included assistance aimed at ensuring the long-term stability of the FK Hodonín z.s. soccer club.



MND a.s. financial results in 2015 (non-consolidated)	
Earnings after taxes	CZK 517 million
Total sales of produced crude oil and natural gas	CZK 1,790 million
Sales of produced crude oil	CZK 1,113 million
Sales of produced natural gas	CZK 677 million
Sales of goods (purchased gas, crude oil, and electricity)	CZK 16,666 million

For additional information, contact:
Dana Dvořáková, Media Spokesperson, MND
Mobile: +420 602 372 834
E-mail: dana.dvorakova@kkcg.com

MND Group

MND a.s. supplies natural gas (under the MND Firsthand Gas brand) and electric power to residential customers in the Czech Republic. The company is a member of the MND Group, the largest Czech corporation that specializes in crude oil and natural gas exploration and production, drilling and support services, natural gas storage and trading, and the supply of natural gas and electric power to residential customers. Apart of the Czech Republic, MND a.s. conducts exploration and production activities in Georgia, Germany, Russia, and Ukraine. The MND Group currently has over 400 employees. For more information, visit www.mnd.cz.