

Czech energy company CEZ has conditionally sold its 7.5 % stake in Hungarian oil and gas company MOL for about 498 million dollars.

The statement from CEZ said that the final placing price determined via a bookbuilding process was 60.54 euros per share. The shares were conditionally sold by CEZ subsidiary CEZ MH, which will use the proceeds to fund the invitation to holders of 470.2 million euros of bonds exchangeable for MOL shares to sell their bonds for cash.

CEZ bought the shares in early 2008 to help MOL fight a takeover attempt. The deal was intended to seal a strategic partnership of the two Central European energy companies, but plans to jointly build gas-fired power plants were later shelved.

MOL shares immediately dropped by 2.5 % to 63.78 euros/share. Revaluation of MOL shares has dragged on CEZ' profits, which have fallen for several years due to decreased wholesale electricity prices. CEZ posted a profit of about 540 million euros in 2016, which rose to about 720 million euros after all exceptional items had been cleared. However, both figures are some 29 % lower than those a year earlier.