

## **Inside Information**

### **CEZ Group would like to enter Turkish power market**

Today, CEZ Group and Turkish Akenerji have decided on starting exclusive discussions considering the possibility of mutual cooperation on Turkish power market.

“We are now starting discussions about the possible cooperation in the Turkish power sector. We are at the starting point where both sides will have its own preferences and expectation, in next months we would like to meet at one,” said Mr. Vladimir Schmalz, Director Mergers & Acquisitions of CEZ Power Company.

Akenerji is the member of Akkök Group which accommodates more than 6000 employees within more than 20 industrial and commercial companies in Textile, Chemicals, Energy, Marketing, Real Estate Investments, Retail and Service and Insurance Sectors. In the field of energy sector the company of the Group - Akenerji - produces heat and electricity in 12 gas fired power plants with the installed capacity of 541 MW. Akenerji has strong investment pipeline of hydro and wind projects, which should increase its installed capacity to 960MW.

Turkey with its 80 millions people is comparable to the whole Central Europe, 2006 demand for electricity reached around 170 TWh. Moreover Turkish economy and electricity consumption in parallel has been growing rapidly for several years. Electricity consumption is growing about 8 – 9 % annually comparing to the European states with year-on-year growth at about 2 - 3%.

Considering low per capita electricity consumption (at 25 % of EU states average level), fast urbanization, increasing population (moreover Turkish average age of population is only 27.3 in comparison with 38.5 at EU) and increasing economic growth as well, it is expected that the electricity consumption will increase rapidly for the following years. According to the experts' estimation, Turkey will have to build about 50 000 MW of generation capacities till 2020 to meet their fast growing electricity consumption.