

Inside Information

Foreign activities significantly contribute to the economic results of entire CEZ Group

In the first three quarters of 2007, foreign companies of CEZ Group interannually increased their share in the operating profit before interest, tax, depreciation and amortization by 300 million CZK, thus contributing 4.3 billion CZK in total. Now, they comprise 8 % of the CEZ Group economic results.

“Our foreign ‘daughters’ increasingly influence the results attained by CEZ Group. We have bought our foreign companies for fair prices, and never overpaid. At present, we are successful in managing these companies, which has resulted in very good investment return that fulfils or even exceeds our expectations in all the companies. By the end of the third quarter, we were operating 30 foreign companies with more than 9,000 employees in very economical manner only through several tens of Czech employees. If compared to our rivals, our intention is to involve as many local workers as possible, and motivate them to work in CEZ Group,” said Tomáš Pleskač, a member of the Board of Directors and current Director of CEZ Division Distribution who is going to take over the newly-established Division International.

In the first three quarters of the year, the foreign power stations owned by CEZ Group produced more than 5.5 TWh of electricity and distributed almost 3,000 TJ of heat energy. The distribution companies in Bulgaria and Romania sold 8.6 TWh of electricity, and distributed 12.3 TWh of electricity to their end customers.

For comparison's sake, in the same period of time, CEZ Group in the Czech Republic produced 48.7 TWh of electricity and 6,100 TJ of heat energy; CEZ Prodej company sold 20.4 TWh, and CEZ Distribuce company distributed 24 TWh of electric power.

	Electricity production (TWh)	Heat supply (TJ)	Sale of electricity to end customers (TWh)	Distribution of electricity to end customers (TWh)
Foreign countries	5.5	2,973	8.6	12.3
Czech Republic	48.7	6,100	20.4	24
CEZ Group in total	54.2	9,073	29	36.3
The share of foreign companies in the CEZ Group results	10.2 %	32.8 %	29.7 %	33.9 %

CEZ Group started expanding abroad in January 2005, when it won a privatisation tender, and took over majority shares in three Bulgarian distribution companies. In Autumn 2005, CEZ succeeded in the privatisation tender for the purchase of majority share in the largest Romanian distribution company Electrica Oltenia. In 2006, CEZ Group enhanced its foreign portfolio with three production sources, i.e. Polish power stations Elcho and Skawina and Varna in Bulgaria.