

Inside Information

CEZ becomes 100% owner in its Romanian companies

CEZ energy company has concluded negotiations with Romanian company Electrica SA on the purchase of 19% stakes in Romanian companies CEZ Distributie S.A. and CEZ Vanzare S.A. for EUR 145.36 mil.

Negotiations have been led since late June 09 when CEZ applied for a call option, both to Fondul Proprietatea S.A. and Electrica S.A., based on provisions from 2005 privatization deal, when CEZ successfully acquired 51% stake in Electrica Oltenia.

After successful transaction with both Fondul Proprietatea (this transaction was closed last week, CEZ bought 30% stakes in abovementioned companies from this subject) and Electrica, CEZ becomes 100% owner in both Romanian companies.

In March 2007, according to the EU legislation, Electrica Oltenia was the first company in the Romanian electricity market to implement unbundling, i.e. the separation of electricity sales from its distribution, successors being CEZ Distributie and CEZ Vanzare.

CEZ operates in Romania since 2005 when it won a privatization tender for a 51% stake in the largest Romanian electricity distribution company Electrica Oltenia.

CEZ boosted its operations on Romanian market especially last year by winning the tender for strategic partner for modernization of existing plant in Galati and a construction of a new CCGT unit at the same place. CEZ also became a partner with a 9.15 % stake in the JV Company for construction of the 3rd and 4th unit in the nuclear power plant Cernavoda.

In Romania, CEZ Group also builds the largest European wind power plant project – wind farms Fantanele and Cogeaalac with installed capacity that will reach 600 MW. CEZ Group plans to invest EUR 1.1 billion into this project.