

Inside Information

The ČEZ Group has been maintaining very good results this year and that is also the reason why it could help to almost 12 thousand of unemployed people to pay their electricity bills for 3 months within insurance.

For the first three quarters of this year ČEZ, the Power Group achieved a net profit of 44.2 billion CZK which is an interim increase by 6.6 per cent. Especially the sale of electric power for this year already in 2008, before the drop of prices due to the impending recession, contributed to the increase of the net profit. There has been an interim increase of profit despite the overall decrease of electric power consumption due to the continuing economic crises and despite the decrease of spot prices. We still expect the annual net profit to be on the level of 50.2 billion CZK.

Last June ČEZ informed about its intention to start important investments in new technologies enabling to produce, distribute and consume electric power more effectively and carefully in future.

“We covered the above mentioned activity with the “FUTURE/MOTION – The Power of tomorrow“ strategic initiative and we have already been developing first activities within the wide program. Preparations of pilot projects of building a network of charging stations, so called e-pumps, for electric-powered vehicles in Ostrava and Prague culminate. In the area of the Temelín Nuclear Power Plant we have been testing solar panels on the basis of nanofibres from a Czech manufacturer that is also a world pioneer of this technology. In Hrušovany nad Jevišovkou we have commissioned the first large photovoltaic power plant of the ČEZ Group in these days. The installed power of 3.7 MW makes it to be the largest one in the Czech Republic,” said Martin Roman, the Chairman of the Board of Directors and the General Director of ČEZ and he continued: “Due to our profit we were able to help to almost 12 thousand of unemployed people during the crisis period and to pay their electric power bills for 3 months within an insurance. With over 75 million Czech crowns we helped this way to people that suffered a difficult life situation due to the crisis and we enabled postponing of one electric power advance payment to almost 3 thousand of small businesses. ČEZ proves to be the most stable pillar of Czech economic in the difficult period of economic crisis.”

From the beginning of the year the ČEZ Group has invested almost 37 billion CZK in the existing assets, especially in building of new production capacities and in increasing power of nuclear power plants. Complex testing of the first two units of the Tušimice power plant has been in progress, construction works within the project of construction of a new supercritical unit in Ledvice have been also in progress. The project of increase of the installed power of Unit 3 to 500 MW (compared to the original 440 MW) at the Dukovany Nuclear Power Plant was implemented.

The ČEZ Group is successful also abroad – all acquisitions have been permanently reaching the planned returnability despite the continuous crisis. In addition, the ČEZ Group has significantly strengthened its position in Turkey this year, it entered Albania and through the acquisition of MIBRAG, the Mining and Power Company, it extended its activities also in neighbouring Germany. ČEZ also made some steps in the area of an interest in very effective heating industry. Transaction with Dalkia Czech Republic has been the latest one, when ČEZ enters especially the heating area in Ústí nad Labem.

Electric power production from own sources of ČEZ, a. s. suffered an interim drop by 4.5 %. The interim decrease of production in nuclear power plants by 0.1 TWh was caused due to the refuelling outage of Unit 3 of the Dukovany Nuclear Power Plant. The interim decrease of production in coal-burning power plants by 7.9 % was caused by optimisation of production related to lower price of electric power and demand decline. On the contrary production in hydraulic power plants increased by 33 %, especially due to higher flows during summer.

“The economic recession has significantly affected electric power consumption in the Czech Republic in first three quarters of this year, when the consumption decreased by 6.9 % interim, i.e. within the same percentage as in half-year. Consumption at major consumers decreased in connection with damping of development programs by 11.5 %, whilst at households it increased by 0.5 %. At low-volume businesses the consumption decreased slightly – by 0.2 %. No growth and consequent drop of demand after electric power has been dictated by the economic crisis all over Europe already since the end of 2008 and together with development of price of oil it reflects also in prices of electric power on markets in Central and South-East Europe,” said Alan Svoboda, the Director of the Sales Division.

Table: Profit of the ČEZ Group for 1st term of 2009

	(million CZK)	interim change %
Operating revenues	138 601	+ 5.1 %
EBITDA (or Operating profit before depreciations)	71 008	+ 1.5 %
Profit before tax	54 910	+ 4.0 %
Profit after tax	44 185	+6.6 %