

Internal Information

ČEZ Group achieves a midyear profit of 28.7 billion crowns

The net profit of the energy ČEZ Group in the first half year fell year-on-year by 6.5 billion CZK to 28.7 billion CZK. Its EBITDA fell by 4.6 billion CZK. The fall in electricity prices was the main impact.

“Wholesale price did fall sharply because of the economic recession in 2009, but in view of that fact that we successfully secured electricity sales in a year to three-year advance, the realised prices actually fell by a lesser extent and with delay. The year-on-year comparison shows a positive expansion of ČEZ Group to include the Albanian distribution company OSSh and higher distribution tariffs, and ČEZ Group’s expansion in CHP. Our expansion into Czech CHP is characteristic for the current stage of the company’s development. We are now focusing on investments at home and will consolidate and develop our assets abroad,” stated Martin Roman, ČEZ’s chairman of the board of directors and CEO.

ČEZ Group has invested 23 billion CZK since the start of the year. Investments of 8.2 billion CZK were made in the renovation of sources. Certification tests and a guarantee test were carried out on the first two blocks of the Tušimice II Power Plant (4 x 200 MW). The old technology was dismantled on the remaining two blocks and the generators and turbines began to be installed on the remaining two blocks. Building work is continuing as planned on the building project of the new supercritical block in Ledvice and the first equipment has been installed. The approval has been obtained of the Ústí na Labem Regional Authority for the planning procedure documentation for the building of the CCGT at the Počeradý Power Plant. The investments made in nuclear energy came to 2.5 billion CZK.

Generation of electricity in the first half year of 2010 rose year-on-year by 0.8 TWh (by 2.6 %). The Temelín and Dukovany Nuclear Power Plants generated 1.0 TWh (0.9 %) more than in the same period last year in 2010 from January to June. Generation at the coal-fired power plants was by 0.3 TWh lower year-on-year and achieved the level of 18.1 TWh. Generation from renewable sources rose year-on-year by 0.3 TWh (by 24 %), especially due to the favourable flow rates at the hydraulic plants.

The demand for electricity in the Czech Republic according to preliminary data for the first half year of 2010 rose year-on-year by 4.3 %, after conversion to the temperature normal by 3.2 %. Consumption of large (industrial) customers rose by 5.6 %, consumption of small businesses was 3.2 % higher and consumption of households 1.8 % higher.

“The increase in demand for electricity has been caused due to the recovery of economic growth, whereas household consumption growth was due to higher consumption for heating in this year’s longer heating season. The demand for electricity is a long-term best indicator of the economic situation. It includes the so-called “grey” economy and what applies in the long term is that it is growing at a rate of about 0.6 times the growth of GDP,” stated Svoboda, ČEZ sales division director.

Table: Economic Results of ČEZ Group for the First Half Year of 2010

	(mi. CZK)	yr.-on-yr. change %
Operating expenses	98 683	+1.7 %
EBITDA	47 187	-9.0 %
Pre-tax profit	34 755	-19.5 %
After-tax profit	28 709	-18.5 %