



Deposit of a part of the enterprise Power Plant Chvaletice to a subsidiary company

General meeting of ČEZ, a.s.
29 June 2010



BASED ON THE DECISION OF THE BOARD OF DIRECTORS OF THE COMPANY ČEZ, THE PART OF THE ENTERPRISE POWER PLANT CHVALETICE (ECH) SHOULD BE HIVED OFF AS A SUBSIDIARY COMPANY

- **October 2009** – Decision of the board of directors of ČEZ on the commencement of preparations for hiving off ECH as a subsidiary company in the form of deposit of a part of the enterprise ⇒ the aim is an independent subject in terms of running of business, ready for possible sale, exchange of assets, entry of a partner, etc.
 - **May 2010** – Decision of the board of directors of the company ČEZ on deposit of the part of the enterprise Power Plant Chvaletice to basic capital of the subsidiary company Elektrárna Chvaletice a.s.
 - **May 2010** – Granted prior consent of the supervisory board of the company ČEZ to deposit of the part of the enterprise
 - **June 2010** – Holding of the general meeting of the company ČEZ , a.s. – vote on approval of the contract of deposit of a part of the enterprise Power Plant Chvaletice to the subsidiary company Elektrárna Chvaletice a.s.
- ▼
- **If all consents are obtained, deposit of the part of the enterprise may occur as soon as 1 August 2010**

Basic Parameters of Power Plant Chvaletice

⇒ Installed Capacity	4x 200 Mw _e	⇒ Side Energy Products	stored in own premises
⇒ Electricity Production	2,5 – 3,5 TWh/year	⇒ Desulphurization	wet limestone washing
⇒ Heat Supply	~ 60 TJ	⇒ Cooling	towers with natural draught
⇒ Fuel	Lignite	⇒ Effect	32%



POWER PLANT CHVALETICE IS HIVED OFF FOR ECONOMIC REASONS

- Power Plant Chvaletice ranks among the youngest classical power plants of the company ČEZ, a.s., and also among power plants with the highest variable costs
- For economic reasons the power plant is being converted to the regime of “controlled running out”
- In an endeavour to avert this, it was decided to hive off the power plant as a company, independent in terms of running of business and ready for possible sale or entry of an investor

- **Increasing pressure on reduction in emission limits**
- **Expected gradual decrease in allocations of CO₂ emission permits**
- **Expected development in electricity price**

After the year 2012, operation of the power plant in the portfolio of ČEZ will be ineffective from an economic point of view

Hiving off as an independent subsidiary company and searching for a way out from the unfavourable economic situation