

Croatia:HEP group generated net profit of 100MEUR for 1/2Q 2013

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Croatia energy utility company HEP Group generated consolidated net profit of 100.604.903 MEUR in the first half of this year, which is a significant improvement compared to the same period last year, when the group had a loss of 42.232.151 MEUR, this is the data from the consolidated financial statements of HEP group.

HEP Group also published consolidated report for the parent company, Power Utility Company of Croatia (HEP), which had a net profit of 128.148.184 MEUR in the first six months, while in the same period last year, net profit amounted to 12.907.201 MEUR.

From HEP explain the result of HEP Group in the first half of the year with two key factors; they point out the last year's increase in the regulated prices of electricity and heat, which increased sales in the first half of this year, as well as excellent hydrology, which significantly reduced costs production and electricity supply.

In fact, as they stated, very favorable hydrological conditions with large inflows of water, which lasted from the fourth quarter of last year, allowed the record production of electricity in power plants. Production was 5.1 TWh (terawatt hours, or billion kilowatt-hours) of 3.3 TWh more than in a very dry first half of last year, so production in thermal power plants and electricity imports were reduced.

HEP Group business incomes in the first half amounted to 1.016.211.139 billion EUR, which is almost 145.173,020 MEUR or 16 percent more than in the same period last year.

While incomes from electricity sales amounted to 871.038.119MEUR and were higher for 95.695.415MEUR, or 13.1 percent, from HEP explain this by the approved increase in electricity prices for regulated activities from 1st May 2012. and by surplus electricity export produced in hydroelectric power plants.

Also increased incomes from heat sales, for 15.507.118 MEUR due to the approved increase of heating cost from 13th December last year, while incomes from gas sales increased by 2.718.695 MEUR since 1st May 2012. due to the changed price for distribution and introduced a fixed monthly fee, according to the HEP management.

Business expenses of HEP Group amounted to 838.044.252 MEUR and decreased by 62.424.399 MEUR, or 6.9 percent compared to the first half of last year.

Besides from the HEP note that, despite the reduction of electricity production in thermal power plants and lower energy imports and lower coal and electricity prices, costs of energy fuel and electricity purchase reduced by 32.5 percent amount to 329.938.682 MEUR.

As stated, liquidity was satisfactory and all obligations to the suppliers were payable with maturity date. Total debt on 30th June of this year was 752.260.194 MEUR and decreased by 9 per cent since the beginning of the year because short- term loans were repaid, said from the HEP.

According to the published data, HEP Group investments in the first half amounted to 97.582.665 MEUR, which was invested in the replacement, reconstruction, rehabilitation of existing power facilities, construction and preparation for the construction of new energy facilities and consumers connection.

Source; Serbia Energy See desk/HEP