

The International Court of Arbitration has made the final decision in the case of the lawsuit of Romania against the Czech CEZ group, by which a compensation of 81 million euros was demanded for unfulfilled obligations in the process of privatization of the company Electrica Oltenia.

After the decision, Romania will get only several percent of the requested compensation amount. The sources informed about the case claim that certain proceedings can be started at the local level, too. CEZ officials have refused to comment on the court decision.

The officials of the company SAPE, which manages the holding of the former state-owned companies that used to be a part of Electrica, have said that the Court of Arbitration of the International Chamber of Commerce in Paris confirmed the failure of CEZ to fulfil two most important tasks arising from the contractual obligations.

CEZ is obliged to pay to the company SAPE the compensation of 5.7 million euros, plus the interest amounting to 3.1 percent annually (counting from 8th October 2012 to the payment date), as well as 50 percent of the arbitration procedure costs, amounting to 217.500 dollars.

If CEZ made the payment now, the amount obtained by Romania would represent 7.6 percent of the originally requested 81 million euros, i.e. it would amount to around 6.14 million euros.

The court has established that CEZ did not prove the fulfilment of obligation to invest 103.6 million euros in the modernization and development of activities of the company Electrica Oltenia, which had been the obligation stipulated by the privatization contract.

The second violation refers to the failure to achieve the initial business plan. In the statement of SAPE it is said that this plan was the basis for choosing CEZ as the strategic investor.

On the other hand, the representatives of CEZ claim that this is the third victory in the arbitration process, in which the company "has succeeded in protecting its interests abroad". In the procedure, CEZ has proved that the contractual obligations are fulfilled to a significant extent, which has also been confirmed by the court of arbitration. "The court has acknowledged only the minimum requests of the plaintiff, which are not financial in nature", it is said in the company's statement.