

## **Romania: CEZ variable business results, decrease of produced electricity and increased in operating profit**

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Operating profit of CEZ in Romania decreased by 25% in the first quarter, 76.5MEUR .During the reporting period under review last year, operating profit was 100MEUR. The company weakened the result due to the reduction scheme to support renewable energy through green certificates.

CEZ has calculated that the suspension of the allocation of part of the green certificates for the wind farm west Fântânele largest wind farm land in Europe, resulted in a negative impact of 32.8 million euro. Moreover, the low prices for certificates traded decreased by another 7.3 million eur.

Green certificates were traded at 29 eur, 45eur during peaks, after the government doubled suspensions and reductions for manufacturers to purchase the mandatory quota reductions for consumers. Certificates excess led to lower prices to the minimum allowed by law, says CEZ.

The company also produced less electricity, 0.597 TWh, 13% less than in the first half of last year. For this year, CEZ believes that it will produce 1.2 TWh, 4% less than last year's production.

On the distribution and sales, operating profit of CEZ increased by over 40%, from about 47.37 million euros in the first six months of 2014.

According to the report of the company, CEZ booked in the first half and a provision of 76.5 million euros for impairment of properties, production facilities and equipment at wind farms in Romania. This provision was primarily due to special construction tax and lowering the price of green certificates.

At the group level, EBITDA decreased by 19% in the first half, to1.46 billioneur, a decline in revenues of 10% to 3.7 billion euro, while net profit fell 40% to 627 million euros.