



**DALKIA GROUP**  
in the Czech Republic in 2010



# OVERVIEW OF DALKIA'S CORE ACTIVITIES IN THE CZECH REPUBLIC



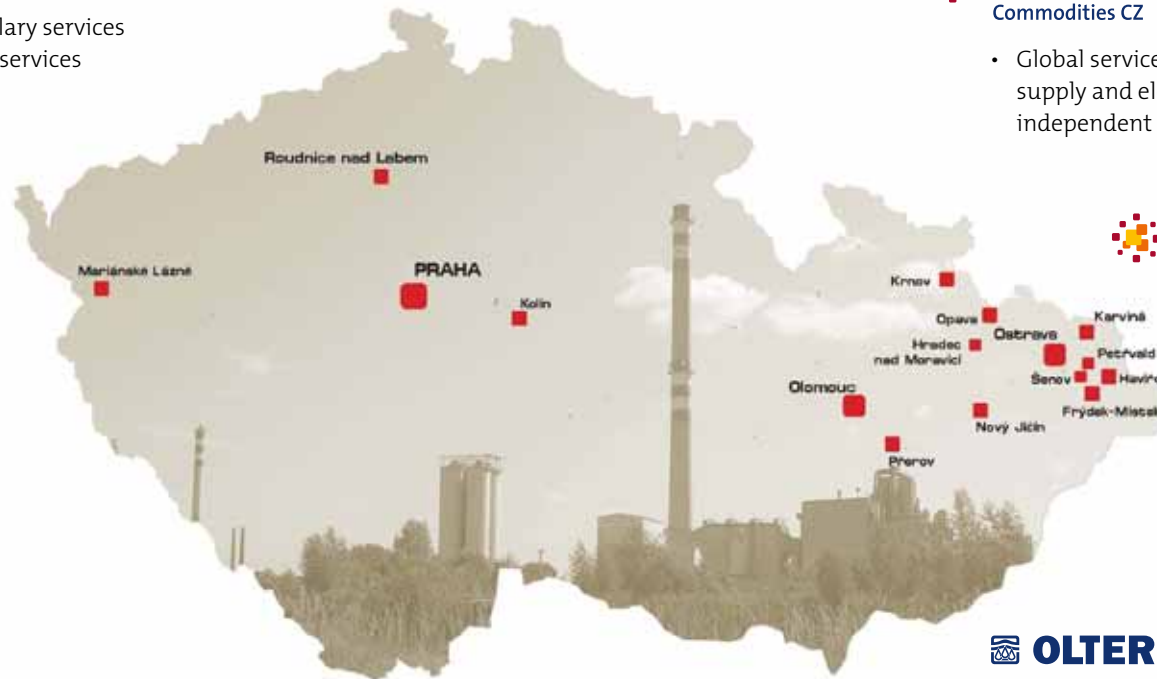
- Production of district heat and electricity
- Supplies of heat, electricity, refrigeration, water, etc.
- Energy management
- Electricity trading and ancillary services
- Multi-technical and energy services



- Production of heat, hot water, and compressed air
- Electricity supplies



- Global services associated with electricity supply and electric power purchase from independent producers



- Purchase and distribution of electricity in Poland



- Repair and installation of energy facilities
- Expert and chemical services



- Heat and power generation and distribution



- Distribution of heat via district heating systems
- Operation of local boiler installations
- Operation of a swimming pool



- Heat and power generation and distribution



OLTERM & TD Olomouc is a joint-venture of Dalkia Česká republika (66%) and the City of Olomouc (34%) and its core business is the production and distribution of heat and hot water in Olomouc and its vicinity. Aside from thermal sources, Olterm has operated the most popular leisure facility in the city – the Plavecký stadion v Olomouci and Aquacentrum Delfínek swimming facilities since 1997.



**Margareta Rapa-Katbeh**  
Director

*A large portion of the positive results in 2010 is attributable to our successful long-term business strategy and favourable weather. The extended range of services offered by Plavecký stadion in Olomouc has brought the expected effects: We succeeded in increasing visitor numbers by offering managed sport activities after five years – we welcomed 306,935 customers in 2010, almost 2,332 more than in 2009. We continue to focus our commercial activities on winning new clients through operating thermal sources for new residential and commercial development. An Integrated Management System, which includes a Quality Management System (under ČSN EN ISO 9001), an Environmental Management System (under ČSN EN ISO 14001) and an Occupational Health and Safety Management System (under ČSN OHSAS 18001), was implemented and certified at Olterm in 2010.*



Dalkia Kolín, which became a member of the Dalkia Group in the Czech Republic in January 2007, supplies thermal energy to the majority of the industrial companies, authorities, schools and residents in the town of Kolín; this energy is supplied mainly in the form of steam, but also in hot water. In addition to heat production and supply, the company's other major line of business is electrical energy generation related to the provision of ancillary services.



**Rostislav Krempaský**  
Executive Director

*We succeeded in maintaining the growth of the bottom line in 2010, thanks to, among other things, the co-firing of biomass instead of fossil fuels and the operation of the new TG8 turbine. Last year, we completed two major investment projects with a positive environmental impact in Kolín with a total value of CZK 100 million – we built new indoor fuel storage and unloading facilities. These projects helped to eliminate dust and noise emitted by the coal storage operation. To enliven the look of the town, we painted our chimney with a coloured butterfly motif designed by a Kolín pupil as part of Dalkia Kolín's project for children from local primary schools. For the years to come, our investments will follow the route of making our operations more environmentally sound in order to reduce permanently the environmental impact of our company's business.*



Dalkia Mariánské Lázně has been a member of Dalkia Group in the Czech Republic since June 2008. It produces and distributes heat and hot water in Mariánské Lázně as well as generating electricity. The company's clients include homes and many customers from the tertiary sector such as the hospital, spa facilities and other entities.



**Pavel Kolář**  
Managing Director

*The year 2010 was a difficult period in terms of weather, and it tested the reliability of our facilities thoroughly. We took over the operation of the secondary systems from the town in February and took several measures to ensure the system's operability immediately. Our new customers on the secondary side got a much better price on heat and our aim is to maintain such prices, which is why we took more steps towards reducing heat losses last year. We are constantly striving to improve the satisfaction of our clients. One of the positive steps to the benefit of our customers was the introduction of a toll-free customer line in early 2010 which clients can use to contact trained operators with various technical requests or billing queries.*



AmpluServis specialises in comprehensive repair, maintenance, retrofit, and installation services in the field of energy facilities across industrial sectors. It also offers expert activities such as process equipment inspections, material diagnostics, vibration diagnostics, thermography, and chemical services with respect to fuels, water, oils, and lubricants.



**František Švrček**  
Chairman of the Board  
of Directors

*The favourable results for last year, the extended accreditation, and newly obtained authorisations show that AmpluServis has managed to develop despite the unfavourable external economic environment and deliver on its customers and business partners' expectations. Last year, we obtained the District Mining Authority's approval for installations, repairs, inspections, and testing of designated electrical equipment, which has allowed us to extend our customer portfolio to include our sister company, Dalkia Industry CZ. We have also strengthened our company's customer focus by obtaining accreditation for our fuel chemical laboratory in Olomouc and expanding the range of accredited analyses in our Ostrava lab.*



Dalkia Industry CZ (formerly NWR Energy) has been a member of Dalkia Group since June 2010. For Dalkia, it is a global mining and industrial reference as it supplies and distributes electricity and produces heat, hot water, and compressed air for coal mining in the mines owned by OKD, the Czech Republic's largest mining company. Dalkia Industry CZ has two subsidiaries, Dalkia Commodities CZ and Dalkia Powerline.



**Laurent Tupinier**  
Director

*Even with the major changes that our company underwent in 2010, we can say the year was successful. We achieved the expected results, in particular thanks to a great deal of work commitment and expertise of our employees. With the new owner, Dalkia Industry CZ is undergoing a major restructuring process on the go, aiming at improving efficiency, deploying modern energy technologies, using top IT technologies, and unifying the process management systems with the parent company. Our goal is to provide quality services to the customers and become a respected and successful company.*



Dalkia Commodities CZ (until 1<sup>st</sup> of August 2011 CZECH-KARBON) operates on the domestic and international wholesale markets, selling electricity to end customers, providing international transmission resources, and trades within energy systems of operators in neighbouring countries.



*The year 2010 can be rated as very successful overall. We supplied the historically highest amount of electricity to end customers – 1.8 TWh, which represents a year-on-year increase of more than 10% over the previous year. For 2011, we will continue expanding our business activities on the Czech energy market.*



**Pavel Luňáček**  
Managing Director



Dalkia Powerline operates in Poland where it purchases and distributes electricity.



*One of the major feats for 2010 was the improved safety and reliability of supplies for hard coal mines receiving electricity from the Pogwizdów 110 kV distribution station, which we were able to achieve thanks to purchasing an electrical source unit with a 100 kVA capacity for emergency power supply for our own distribution station and replacing the compressed air system accessories – the safety and shutting valves installed within the high-pressure system.*



**Szymon Brachazcek**  
Executive Director

# DALKIA GROUP

in the Czech Republic in 2010



Dalkia Česká republika is a traditional heat producer and supplier to cities and their citizens, industrial plants, healthcare and education facilities, public organisations, hotels, shopping and office centres, and other clients. It is also one of the leading players on the Czech electricity market. Electricity is produced primarily by means of co-generation, an environmentally friendly concept. In this regard, our company is No.1 on the Czech market. In addition, Dalkia Česká republika is one of the largest ancillary service providers to the Czech transmission system.

**CZK 13.8 billion**

Turnover

**2,450**

Employees

**18,998 TJ**

Heat sales

**3,525 MWt**

Installed thermal capacity

**2,721 GWh**

Electricity sales

**391 MWe**

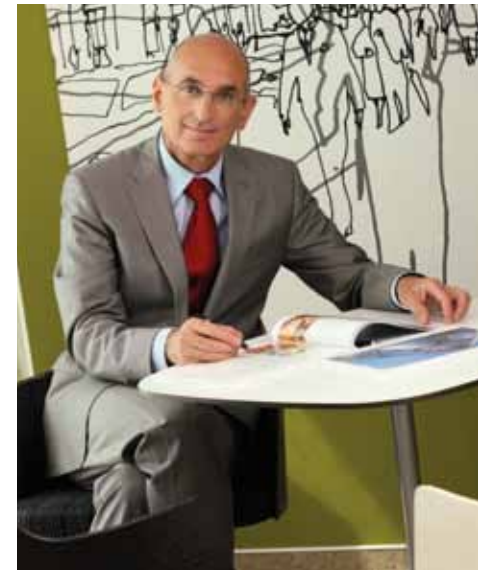
Installed electrical capacity



*The results achieved in 2010 show that, despite the ongoing economic crisis and the spin-out of Teplárna Trmice, Dalkia Česká republika has managed to solidify its position as a leading heat producer and supplier in the country.*

*Strategic partnership with ČEZ was struck up in May 2010 whereby ČEZ acquired 15% of Dalkia Česká republika shares and 85% of the Dalkia Ústí nad Labem subsidiary. The acquisition of NWR Energy was completed in June 2010 and the company was renamed Dalkia Industry CZ. As part of the transaction, we also acquired two subsidiaries – CZECH-KARBON, now Dalkia Commodities CZ, and NWR Energetyka Polska renamed Dalkia Powerline. The end of the year was marked by the execution of an agreement between our majority owner and Energetický a průmyslový holding (EPH) on the sale of 5% of Dalkia Česká republika shares.*

*Dalkia continued to create new lasting jobs in the regions where it operates in 2010. Thanks to the Dalkia Foundation, 150 permanent jobs were created through 129 accepted projects in the year. In total, the Foundation has helped to create about 1,500 jobs through more than 840 projects since its inception in 2000.*



**Laurent Barrieux**  
Chief Executive Officer

# DALKIA GROUP IN THE CZECH REPUBLIC



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\* until 1<sup>st</sup> of August 2011 CZECH-KARBON s.r.o.