



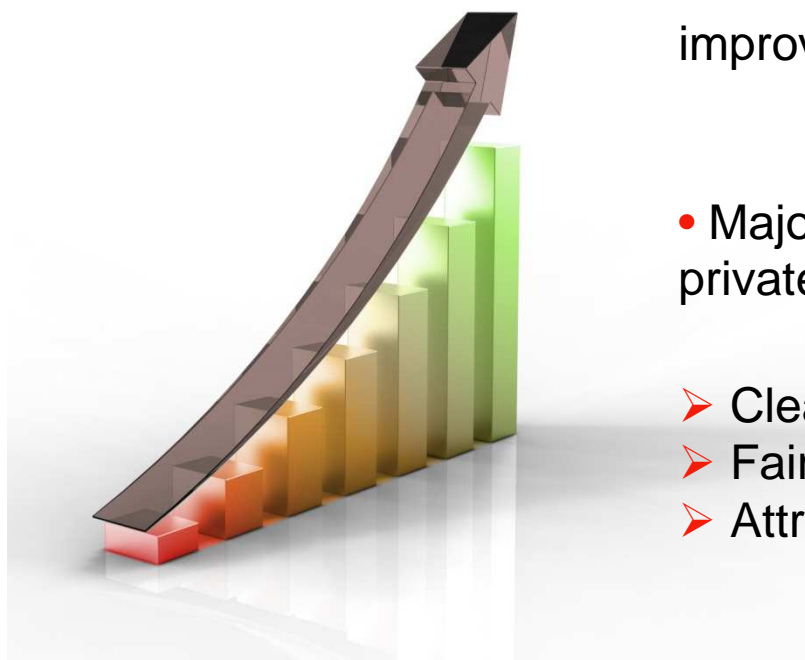
## **Mediafax talks about energy**

**Frank Hajdinjak, CEO E.ON România**

Bucharest, 8<sup>th</sup> of November, 2011

## Romania's economy needs investments of ca. 35 billion Euro until 2020

- Due to current economic conditions, it will be difficult for the Romanian state to ensure such investments but it can improve the framework to attract them;
- Major contribution to these investments could come from private companies, especially energy, it requires:
  - Clear path to a liberalised market;
  - Fair business environment and predictable legislation;
  - Attractive incentives for investors.



## Attracting strategic investors is a priority for Romanian economy



- Adoption support scheme for renewable energy production is a good incentive for investors but must ensure that ANRE will not change the formula in 2014.
- Strategic investors are attracted by privatizations that you take a majority shareholding (> 50%).
- The State may further improve the framework for Public Private Partnerships as an alternative to investment projects blocked due to lack of funding.

## Romanian energy sector needs investment of 40 billion euros by 2035


- Natural gas transportation network is "expired" in proportion of 60%
- Natural gas distribution networks inherited from the former state-owned companies need to be upgraded and modernised
- 31% of hydro power plants need to be replaced
- 65% of the power distribution networks are in a high degree of attrition
- 80% of thermal plants have exceeded useful life



# E.ON:

Integrated energy provider in Romania



 Common area of activity of the E. ON Romania in distribution and supply of natural gas and electricity

## E.ON investments in Romania



- **Over RON 1.8 billion** invested for the rehabilitation, modernization and extension of natural gas distribution and electricity.
- E. ON has **rehabilitated and upgraded approximately 4,100 km of gas network**, more than the total length of Romania's borders, thus exceeding the privatization contract obligations.
- During 2005-2011, investment in electricity distribution have focused on the **modernization of over 100 transformation stations** and **replacement of over 1,000 km of power lines**, i.e. more than twice the distance from Bucharest to Suceava.

*e.on*

Thank you!