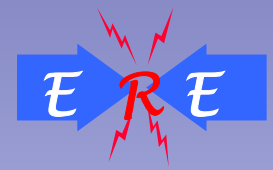
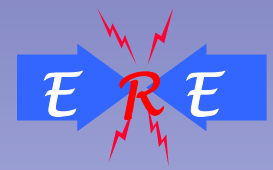


- Continuity of monopoly existence
- The merger of three companies
- Government decisions about privatization of local power-plants
- Establishment of a private operator
- Task force establishment
- Energy policy draft

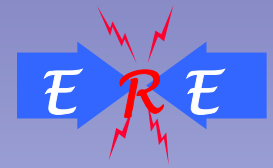


- Further deepening and developing legal reforms
- Improvement of organization and management of existing operators
- Tariffs rationalization
- Privatization

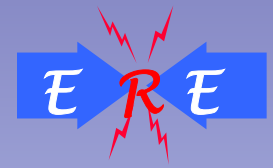


- I. Monopoly creation**
- II. Monopoly transformation from state institution into a private (Ltd.) entity**
- III. The current market situation**
- IV. The vision for the future**

Monopoly Creation

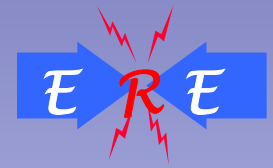


- Organization for period 1957 -1991
- Monopoly creation



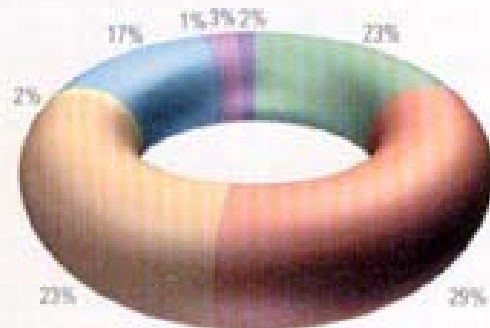
Transformation

- Transformation into a Ltd. entity
- Division
- ERE's creation



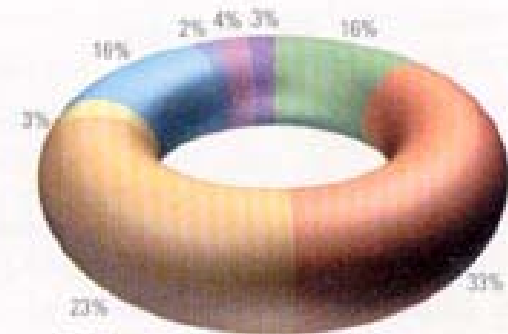
- Energy Draft Card
- Guideline 96\92 EC
- Government decisions:
 - plan of measures to be taken
 - Policy draft document

PARTICIPATION IN TOTAL PRODUCTION IN 2001



* Belgian contribution on chart represents gross production

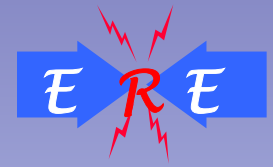
INSTALLED CAPACITY PARTICIPATION



INTERCONNECTION

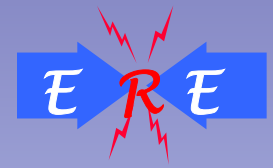
In the 2001 the electric power utilities, which realized parallel operation within the Second UCTE synchronous zone, had total electrical energy production of 191426 GWh, out of which 38816 in hydro power plants and 127634 GWh in

Conditions to participate in the regional market

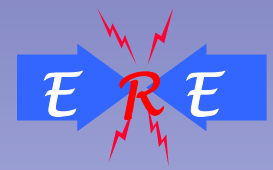


- Harmonization of legislation
- Increase of the transmitting capacities
- Market Liberalization
- Regulator's inclusion

Market Liberalization



- 2002
 - End of KESH' activity division
 - End of local power-plants' privatization
- 2003
 - Inserting IPP into the market
 - Inserting the third parties' access
- 2005
 - Inserting the legal consumer
 - Starting the privatization of the Generating Plant
- 2006
 - End of privatization
 - Integration into the regional market



- 2002
 - Finalization of rules, regulations and procedures
 - Starting the procedures for a new market
- 2003
 - Drafting the Grid-Code
 - Drafting the financial transactions rules by the transmitting operator
- 2004
 - Rules for integration in UCTE
- 2005-2006
 - Permission of the legal consumers
 - Permission of direct contracts
 - Establishing the tariffs according to the marginal cost