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Vattenfall acquires Polish electricity company

Vattenfall is to buy the Polish electricity distribution company Górnoslaski Zaklad Elektro-energetyczny S.A. (GZE) from the Polish state.

GZE in southern Poland is the first electricity distribution company to be put up for sale by the Polish state. Vattenfall was given the sole right to negotiate a possible acquisition of the company in October. An agreement has now been signed under which Vattenfall will buy 25 per cent of the shares in the company. Together with a directed new issue of shares this will give Vattenfall a 31.8 per cent holding in the company in the first phase, with the option of becoming the majority shareholder within two years.

"Following more detailed analyses and continued negotiations with the Polish state, we have reached an agreement that both parties are pleased with. This acquisition represents an important step forward in Vattenfall's strategy, which is to become a leading European energy company. We believe that the deal will prove advantageous both for the company's Polish customers and for our owners. It will also reinforce Vattenfall's ability to remain a strong energy player on other markets," says Vattenfall's President and CEO, Lars G Josefsson.

GZE's operations comprise electricity distribution to end customers over regional and local networks, and electricity sales to industrial plants and small customers. The company has 1.12 million customers and sales equivalent to approximately SEK 4 billion. Apart from the parent company, the group consists of 24 subsidiaries (one sales company, 14 regional companies for network and customer service and 9 support companies). The group has a total of 3 146 employees.

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See also www.gze.pl

Vattenfall is one of the largest energy companies in Europe, accounting for 25 percent of total electricity sales in the Nordic region. The total electricity generation is 85 TWh. Vattenfall is a leading operator of regional and local distribution networks. About 2.4 millions customers get their energy solutions or other services from Vattenfall. The Group also conducts operations in the areas of heating and natural gas, as well as transmission services and consulting for the energy sector. Vattenfall's biggest customers are energy companies, industrial enterprises, and retail customers in the Nordic region. Vattenfall is also active in Germany, Poland, the Netherlands, and the Baltic countries.