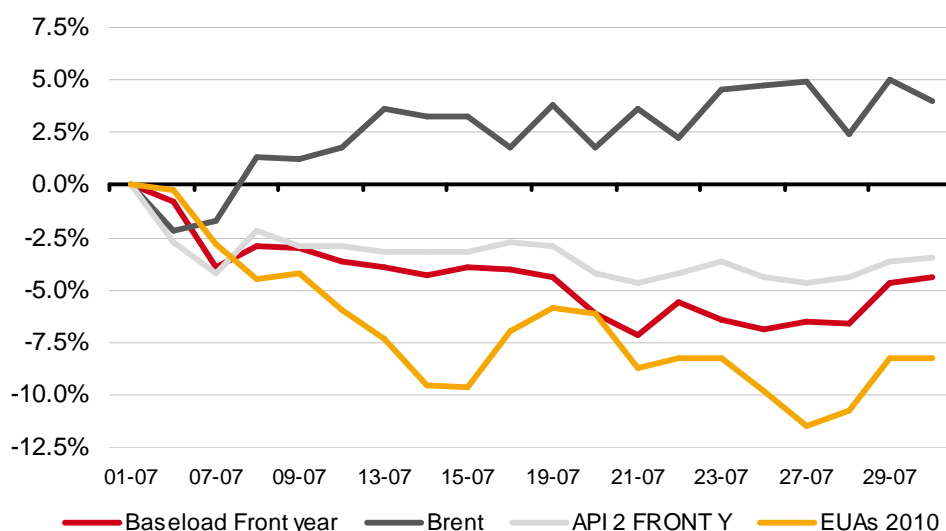


# Market Comment

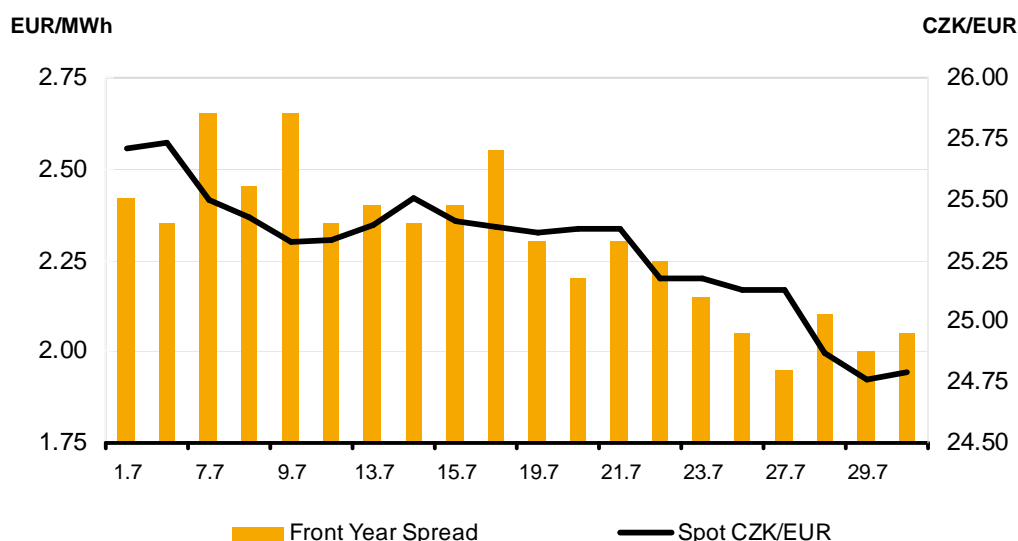
July 2010



During July, prices for next year's power products fell to a multi month low. After hitting this year's high in June, the contracts got locked in a downtrend that sent the price as low as 47.15 EUR/MWh on 21 July on the Czech and Slovak markets and 48.90 EUR/MWh in Hungary. Last time similar levels were seen in mid April 2010. Later towards the end of the month, the Czech/Slovak contracts gained 1.40 EUR to close the month at 48.55 EUR/MWh and the Hungarian front year made a similar development and closed at 50.30 EUR. Other energy commodities (coal, carbon permits, British natural gas) moved in unison with the CAL 11, while oil price movements were immaterial. (see chart below)



German - Czech/Slovak CAL 11 spreads fell from 2.42 EUR/MWh to 2.05 EUR/MWh during July. Various factors came into play as the spread is considered too high by some market participants who draw a parallel to the current year. The yearly auction for 2010 on the German profiles came in at 1.95 EUR/MWh and 2.08 EUR/MWh, but the current 2010 spreads at the short end products like the day ahead market and front months averages approx. 1 EUR. The spread on the German – Hungarian front year was at approx. 30 cents on the month's last trading day.



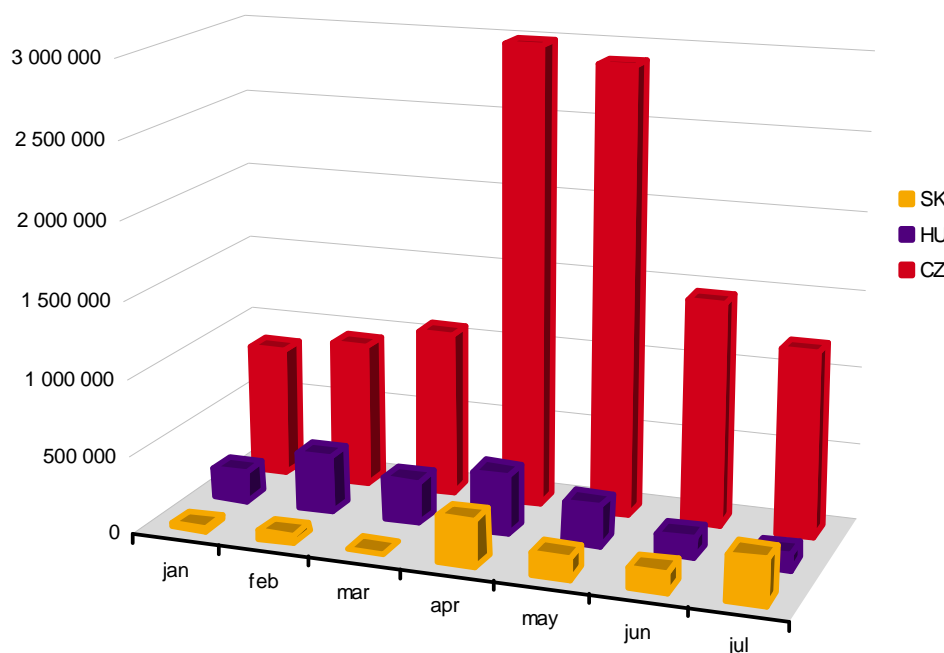
# Market Comment

July 2010



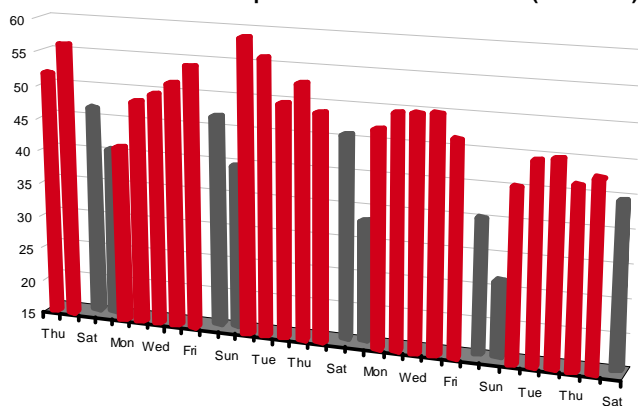
Holiday season weighed in on trading activity leading to a decline in traded volume compared to the previous month. Total volume traded on the PXE was 1 589 384 MWh. Slovak power trading reached for 289 710 MWh out of the total, second most active month this year. On the other hand, volume traded on the Hungarian market fell to 99 625 MWh, this year's low. Czech power trading amounted for the remaining 1 200 049 MWh.

**Total volume by market - 2010 (MWh)**

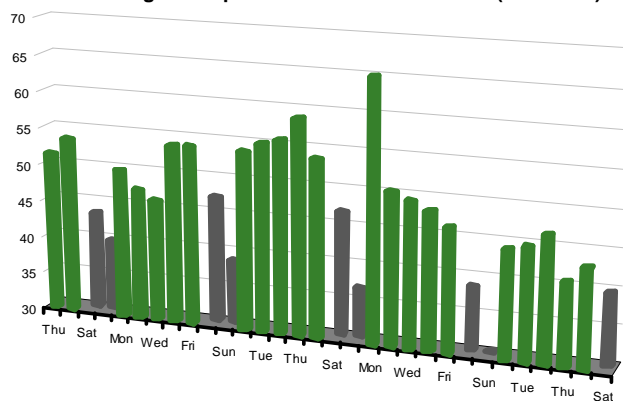


Volume on the joint Hungarian Spot Auction between the PXE and EXAA AG was up month on month at 1 470 MWh that were auctioned of in July. The baseload prices averaged 47.48 EUR while peakload around 54.64 EUR/MWh, which reflect an increase of spot prices in July when compared with May level as temperatures remained above their long term averages for the most part of the month. The Czech Spot Index averaged 46.10 EUR/MWh for the base and 52.84 EUR for the peak.

**Czech + Slovak Spot Market Index Baseload (EUR/MWh)**



**Hungarian Spot Market Index Baseload (EUR/MWh)**



# Market Comment

## July 2010

Good activity continued also on PXE's continuous day ahead trading with 5 460 MWh traded on the Czech market and 600 MWh on the Hungarian market.

MWh - PXE's Continuous Day ahead trading volume

