

ONE

GLOBAL

FORCE

Broker Platforms for Electricity Trading

**Executive Program in
Trading Electrical Energy
10th of May 2013, Belgrade**

Who are Tradition

Tradition is one of the world's largest interdealer brokers in over-the-counter financial and commodity related products. Represented in 27 countries, Tradition employs 2,450 people globally. Tradition is owned by Compagnie Financière Tradition (CFT) and listed on the Swiss stock exchange.

For more information visit www.tradition.com and www.tfsbrokers.com

Tradition and TFS

- ◆ Tradition Financial Services (TFS) and Tradition UK until 2008 operated as 2 separate entities under a holding company Compagnie Financiere Tradition which is based in Lausanne.
- ◆ In 2008 the Holding company decided to merge the 2 companies to make the business more efficient, and to strengthen the Tradition Group brand.
- ◆ This is why sometimes you still hear us referred to as TFS in CEE and SEE markets.

Global presence

- ◆ Tradition: 2,450 people in 27 countries
- ◆ Highly diversified global product base

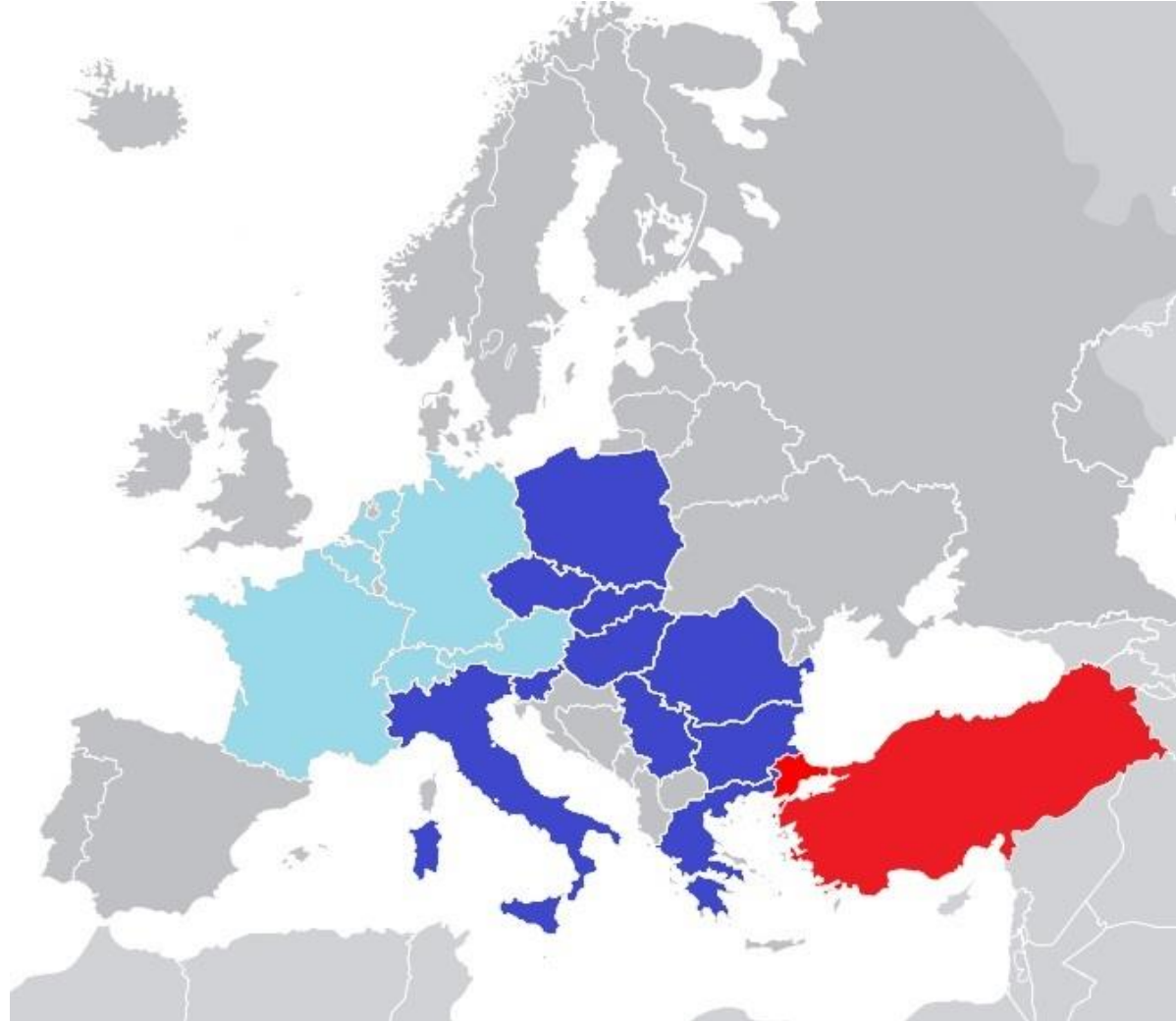


Energy Products Covered

- ◆ Electricity – Europe, US and Australia
- ◆ CO2 – EUA, CDM and JI projects. CO2 options.
- ◆ Fuels -Crude Oil , Fuel Oil, Jet (Kerosene), Naptha, Propane, Gasoil, Petroleum, Crude Oil options.
- ◆ Coal – Swaps against TFS API Indices.
- ◆ Gas – Gaspool (Germany), NCG (Germany),TTF (Netherlands), PEG (France), VTP (Austria), NBP (UK), Zeebrugge (Belgium), Czech Gas (OTE) and Italian PSV Hubs

Tradition Power Markets

- ◆ Tradition European Electricity Markets
- ◆ CEE SEE ITALY and Turkey – Tradition London
- ◆ Western Europe- Tradition London, Dubai and Frankfurt.



What is a Broker

- ◆ An agent not a principal to the transaction.
- ◆ Does not schedule the trade or make or take payment for the deal.
- ◆ Builds a network of business contacts within the market.
- ◆ A Broker seeks to establish firm 2-way (bid and offer) markets for standard products.
- ◆ Transmits price information clearly and concisely.
- ◆ Increases Liquidity.

What is a Broker 2

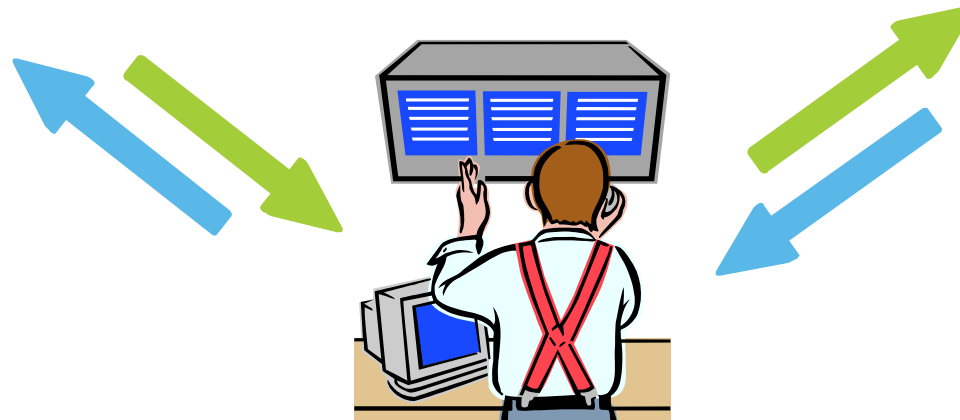
- ◆ Improves Price Transparency for everyone.
- ◆ Can be a member of an exchange and execute trades on behalf of its own customers.(e.g. EEX)
- ◆ Can give up OTC trades for clearing at exchanges clearing facilities.(e.g. PXE and HUPX).

How do Brokers do this ?

- ◆ By phone. Either through fixed line speaker or call by call. (All calls to Tradition offices are recorded.)
- ◆ Via an Internet platform e.g. Tradition Trayport.
- ◆ Internet messaging and Email, which are also recorded.
- ◆ All of the above.

Placing An Order

- ◆ By voice



Placing an Order

◆ By Trayport

GV8://trayport-prod.tradition.int/ - GlobalVision

File Edit View Format Tools Help

TFS Czech Power Phone No: +44 20 7550 1725 Email: trayport@tfsbrokers.com Tradition Financial Services

Trader in Focus: TFSV, TFS Voice Traders (F) Codes Last

Wednesday 16 Mar 11	CZECH BSLD				CZECH PEAK (08-20)				CZECH EXT PEAK (HT)(06-22)				CZECH OFF PEAK (00-08,20-24)				CZECH SHORT OFF PEAK (LT)				CZECH (0-6)				Wednesday 16 Mar 11
	Qty	Bid	Ask	Qty	Qty	Bid	Ask	Qty	Qty	Bid	Ask	Qty	Qty	Bid	Ask	Qty	Qty	Bid	Ask	Qty	Qty	Bid	Ask	Qty	
Thu 17/03/2011	5	56.00	59.15	10			68.25	5	10	66.00															Thu 17/03/2011
Fri 18/03/2011			61.75	10																					Fri 18/03/2011
Sat 19/03/2011																									Sat 19/03/2011
Sun 20/03/2011																									Sun 20/03/2011
Mon 21/03/2011																									Mon 21/03/2011
Tue 22/03/2011																									Tue 22/03/2011
WkEnd 19/3-20/	5	52.30	52.75	10																					WkEnd 19/3-20/
WkEnd 26/3-27/																									WkEnd 26/3-27/
Wk12 21/03/11	10	54.50	64.00	5																					Wk12 21/03/11
Wk13 28/03/11	10	64.25	67.00	25																					Wk13 28/03/11
Wk14 04/04/11			63.75	5																					Wk14 04/04/11
Wk 12-11 (WD)																									Wk 12-11 (WD)
Wk 13-11 (WD)																									Wk 13-11 (WD)
Bal of Month																									Bal of Month
Apr-11	10	61.00	63.00	5	5	71.50	75.00	10	10	54.00			25	43.00	47.00	25									Apr-11
May-11	10	51.50	65.00	10			75.00	15																	May-11
Jun-11	10	56.00	63.50	10	10	56.00																			Jun-11
Jul-11			67.75	10																					Jul-11
Aug-11																									Aug-11
Sep-11																									Sep-11
Q211	5	61.05	63.00	5	5	70.00	57.85	10					10	43.60	50.00	25									Q211
Q311	5	60.00	60.50	10	5	56.35	59.80	5	5	55.00															Q311
Q411	5	62.50	69.50	5	5	64.50	80.00	10	5	61.00															Q411
O112																									O112
Q212																									Q212
Bal Year																									Bal Year
2012	5	57.20	57.58	1	5	62.25	75.00	5																	2012
2013	5	56.95	58.25	5	5	74.00	76.00	10																	2013
2014	5	58.00	59.50	5	5	75.25	77.00	5																	2014

Monthly, Quarterly and Yearly Short offpeaks (LT) are defined as every Monday-Friday 0-6 22-24 and Saturday and Sunday 0-24.
If you wish to trade without weekend base please inform us and we will do this via voice.

WD = Monday - Friday weeks, including National holidays
Balance of Month and Balance of Year products begin on the day 2 business days ahead of today

Default Colour Scheme

- Firm - Tradable
- Firm - Non Tradable
- Calculated - Tradable
- Calculated - Non Tradable
- Withheld

Ready

NUM

Placing Orders

- ◆ When an order is placed, any additional caveats should be mentioned at that point e.g. Validity of order, (subject to time , exclusion of certain customer), Size of order, PnC.

Execution of Order

- ◆ Execution via screen, either clicked by the Buyer/Seller directly (red on screen good name) or clicked by the broker (providing the broker believes a sleeve is possible).
- ◆ By voice over a Direct box or over a dialled up line, in all cases all phone conversations are recorded. Mobiles should be avoided as they are not recorded.
- ◆ By instruction on Yahoo messenger, however this should really be confirmed by phone afterward.

Confirmation of Trade

- ◆ All deals are fed through to a middle system The Blotter.
- ◆ Deals in the blotter are then checked and confirmed and sent either by fax, email or via EFETNET. (This is determined on the customer requirements).

Example of a confirmation

TRADITION FINANCIAL SERVICES LTD
VAT Registered Number 365463927
ELECTRICITY PHYSICAL CONFIRMATION

Beaufort House
15 St. Botolph Street
London EC3A 7QX
Tel: 0207 726 4511
Fax: 0207 796 0373
TFS Ref : 2011348844 / JAC JAC
Billing Ref : 2011348844 / BBB-XX
Trayport : 531835
ID : 15 Mar 2011
Date

Buyer :
AAAAA a.g
Seller :
BBBBB sro

BBBBB sro.
ATTN : Accounts Payable
Address line 1
Address line 2
Town
Country
Postcode

ELECTRICITY-CZECH REPUBLIC-BASELOAD Physical

Trade Date : 15 Mar 2011

Start Date : 01 Jan 2012

End Date : 31 Dec 2012

Duration : 2012

Effective Power : 5 MW

Effective Energy : 43,920 MWh

Price : 54.35 EUR/MWh

Load Shape : firm delivery

Delivery Point : CZECH REPUBLIC

Commission : Zero Brokerage Applied

We have acted as brokers, for your account and risk. For payment of brokerage please refer to our monthly statement.
The time of transaction will be made available upon request. Confirmation queries - telephone (0) 20 7726 4511
Authorised and Regulated by the Financial Services Authority.

Invoicing

- ◆ Invoices are sent on the First day of the following month for the previous month by mail or e-mail.
- ◆ Payment is expected 30 days after the issue of the invoice.

Limits

- ◆ Counterparties are expected to provide regular credit lists to confirm good trading partners.
- ◆ Any changes must be notified immediately to us at credits.power@tradition.com for CEE, SEE and Turkish Power. For German Power tfsscreen.frankfurt@tradition.com
- ◆ For each grid we can provide you with a blank excel mask to fill in and return via e-mail.

Case Study

The Czech Power Market

Case Study

- ◆ Tradition (TFS) Began to broker Czech power in December 2004.
- ◆ Started with just 3 counter-parties, now dealing with nearly 50 on a daily basis.
- ◆ Nearly all domestic counter-parties use Tradition, and there are still more international companies who we are helping to start.
- ◆ Began initially by using voice only broking in combination with email and Yahoo messenger.

Case Study

- ◆ In April 2005 a screen was launched and volumes rapidly increased, however voice negotiation is still very important especially for Long Term. Deals can still be concluded off screen if requested.
(PnC = Private and Confidential)
- ◆ Market convention screen products are Base-load, Peak-load, Off-peaks, HT (06-22) and LT (00-06,22-24) and recently 00-06.
- ◆ Available time periods are days, weeks, weekends, months, quarters and calendar products.
- ◆ Non Standard products (Load shapes) can be dealt off screen.

Broker Screens 1 (Czech)

GVB: //TFS/Menu/CEESEEPower.vwb - GlobalVision

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TFS Czech Power Phone No: +44 20 7550 1725 Email: trayport@tfsbrokers.com **Tradition Financial Services**

Trader in Focus:	TFSW, TFS Voice Traders (Frankfurt)					Codes					Last															
Mon 29/04/2013	CZECH BSLD					CZECH PEAK (08-20)					CZECH EXT PEAK (HT)(06-22)					CZECH OFF PEAK (00-08,20-24)					CZECH SHORT OFF PEAK (LT)(00)					
	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty		
Tue 30/04/2013					35.00					40.50																
Wed 01/05/2013	25	13.00	15.25	25	13.50					13.25																
Thu 02/05/2013	10	34.00																								
Fri 03/05/2013	10	33.00																								
Sat 04/05/2013																										
Sun 05/05/2013																										
WkEnd 4-5-5/	25	22.00	23.00	25																						
WkEnd 11-5-12/																										
Wk19 06-05-13																										
Wk20 13-05-13	10	32.85																								
Wk21 20-05-13																										
Wk 19-13 (WD)																										
Wk 20-13 (WD)																										
Bal of Month																										
May-13	10	31.60	31.95	10	31.90	5	40.50																			
Jun-13	5	32.65	33.45	5																						
Jul-13																										
Aug-13																										
Sep-13																										
Oct-13																										
Q313	5	35.30	36.19	10																						
Q413																										
Q114	5	40.80	42.05	10	42.00																					
Q214																										
Q314																										
Bal Year																										
2014	5	38.65	38.95	5																						
2015	5	37.45	38.05	5																						
2016	5	37.75	38.21	5																						

Mon 29/04/2013	CZECH BSLD					CZECH PEAK (08-20)					CZECH FBI BSLD CLEARED					CZECH PEAK (08-20)-CZECH FBI PEAK CLEA											
	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last		
May-13																											
Jun-13																											
Jul-13																											
Aug-13																											
Sep-13																											
Oct-13																											
Q313																											
Q413																											
Q114																											
Q214																											
2014																											
2015																											
2016																											

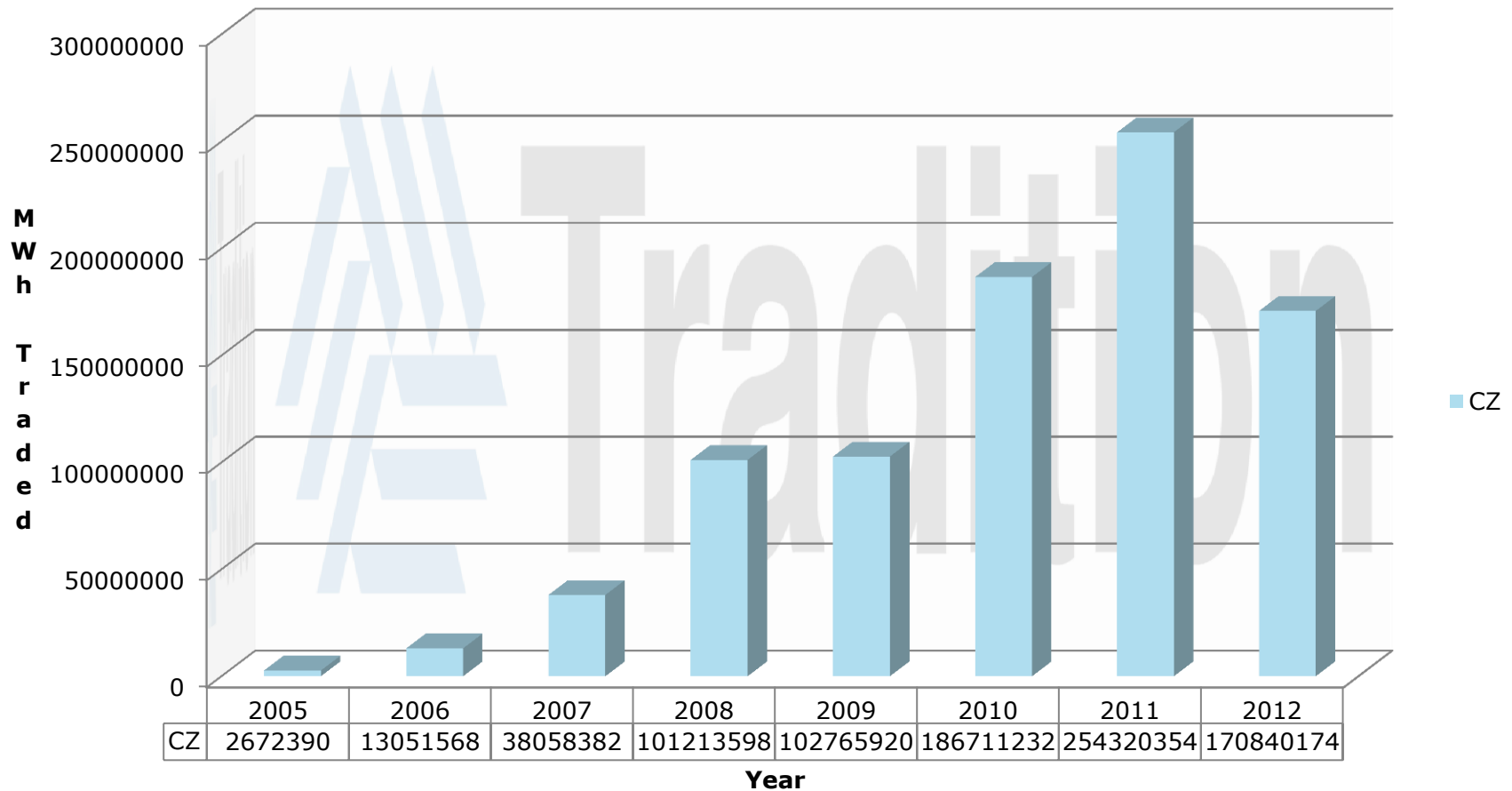
CZECH BSLD					
Qty	Bid	Ask	Qty	Last	
0313 x 0413					

Ready

Greece Turkey Czech Poland Hungary Slovak SEE Power Romania CEE Spreads Central Short Central Long Czech 2 CEE Cleared Czech Gas Bulgarian

CEPS Volumes

Czech Power brokered by Tradition



Conclusions

- ◆ The Czech brokered power market has increased in volumes as companies have grown in confidence to open positions.
- ◆ Trades generate Trades, so the bilateral OTC market has also grown.
- ◆ The process of “sleeving” (generally for free) has put some counter-parties together for the first time. This has led to new limits being established and has increased business.
- ◆ Standard generic products are traded quickly and efficiently via voice and screen, good or bad credit is immediately visible.
- ◆ Other brokers have entered the market, as they have seen the increase in business.

Broker Screens 2 (Central Long)

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	CZECH BSLD					CZECH PEAK (08-20)					CZECH EXT PEAK (HT)(06-22)					CZECH OFF PEAK (00-08,20-24)					CZECH SHORT OFF PEAK (LT)(00-06,22-24)					Wed 24/04/2013
	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	
May-13	5	32.30	32.90	5		5	40.50																			May-13
Jun-13	5*	38.00	34.40	5																						Jun-13
Jul-13																										Jul-13
Aug-13																										Aug-13
Sep-13																										Sep-13
Oct-13																										Oct-13
Q313			36.30	10	36.25 ↑	25	47.50																			Q313
O413	5	40.60	40.80	5																						O413
O114	10	43.00	42.00	5																						O114
O214																										O214
O314																										O314
2014	5	38.25	38.90	6*	38.65 →																					2014
2015	5	38.25	39.10	5																						2015
2016	5	38.25	38.95	5																						2016
2015	5	38.55	38.25	5		10	48.45																			2015
2016	5	38.60	38.25	5	38.00 →	10	49.00																			2016

	Slovak Baseload					Slovak Peak (08-20)					Slovak HT (06-22)					Slovak OffPeak (00-08,20-24)					Slovak LT (00-06,22-24)					Wed 24/04/2013
	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	
May-13	5	32.25																								May-13
Jun-13																										Jun-13
Jul-13																										Jul-13
Q313			37.25	5																						Q313
O413																										O413
O114																										O114
O214																										O214
O314																										O314
2014	5	41.30	41.60	5																						2014
2015																										2015
2016																										2016

	Hungary Baseload					Hungary Peak (08-20)					Hungary HT (06-22)					Hungary OffPeak (00-08,20-24)					Hungary LT (00-06,22-24)					Wed 24/04/2013
	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	
May-13	5	33.50	34.00	5	33.80 →	5	40.50	42.00	10	41.00 →																May-13
Jun-13	5	33.25	34.05	5		10	40.75	41.75	5																	Jun-13
Jul-13	5	36.50	37.50	5	37.00 →	10	44.75	47.00	10																	Jul-13
Aug-13	5	36.20	37.50	5		10	44.50	47.50	10																	Aug-13
Sep-13	10	40.50	43.50	10																						Sep-13
Oct-13	10	42.00	47.00	10																						Oct-13
Q313	5	44.00	44.65	5	44.20 ↑	10	55.00	58.00	10		10	60.30	59.00	10		10	55.00									Q313
O413	10	41.98	46.48	10																						O413
O114	10	47.30	44.60	5																						O114
O214	5	45.60	46.35	5	45.95 ↑																					O214
O314	5	45.00	46.65	5																						O314
2014	5	44.35	44.60	5	44.50 ↓	10	59.50	57.40	5	57.10 ↓	5	56.85	57.90	5												2014
2015	5	43.70	44.65	5		5	56.30																			2015
2016	5	46.00	44.70	5		5	56.30																			2016

Slovak Peak (08-20) O114

Ready NUM

Greece Turkey Czech Poland Hungary Slovak SEE Power CEE Spreads Central Short Central Long Romania Czech 2 CEE Cleared Czech Gas Bulgarian

Broker Screens 3 (Hungary)

GV8://TFS/Menu/CESEEPower.vwb - GlobalVision

TFS Hungarian Power Phone No: +44 20 7550 1725 Email: trayport@tfsbrokers.com Tradition Financial Services

Trader in Focus: TFSV, TFS Voice Traders (Frankfurt) Codes Last

	Hungary BaseLoad				Hungary Peak (08-20)				Hungary HT (06-22)				Hungary OffPeak (00-08,20-24)				Hungary LT (00-06,22-24)				Hungary (0-6)				
	Qty	Bid	Ask	Last	Qty	Bid	Ask	Last	Qty	Bid	Ask	Last	Qty	Bid	Ask	Last	Qty	Bid	Ask	Last	Qty	Bid	Ask	Last	
Thu 02/05/2013																									
Fri 03/05/2013	10	32.00		33.00 ↑				38.60 ↑				39.25 →													
Sat 04/05/2013																									
Sun 05/05/2013			24.00	10																					
Mon 06/05/2013			35.00	10																					
Tue 07/05/2013			37.00	10																					
Wed 08/05/2013																									
WkEnd 4.5-5	10	23.25	24.00	10																					
WkEnd 11.5-12																									
Wk19 06/05/13	10	27.00	27.25	5																					
Wk20 13/05/13	10	31.70	32.25	10	32.00 ↓																				
Wk21 20/05/13	10	29.70																							
Wk 19-13 (WD)																									
Wk 20-13 (WD)																									
Bal of Month																									
Jun-13	10	34.60	35.20	10	5	42.00																			
Jul-13	5	39.60	40.20	5																					
Aug-13	5	38.50																							
Sep-13	10	42.50	47.50	5																					
Oct-13	10	42.50																							
Nov-13																									
Q313	5	42.05	42.90	5	42.85 ↓	10	53.00	58.00	5																
Q413	5	44.75	45.30	5	5	58.75																			
O114	10	46.80	47.10	10																					
Q214																									
O314																									
Bal Year																									
2014	5	43.25	44.10	5	43.70 ↓	5	56.30	57.50	5																
2015	5	42.70	43.55	5																					
2016	5	43.00	44.95	5																					

WD = Monday - Friday weeks, including National Holidays
Balance of Month and Balance of Year products begin on the day 2 business days ahead of today

Default Colour Scheme
Firm - Tradable
Firm - Non Tradable
Calculated - Tradable
Calculated - Non Tradable
Withheld

Hungary BaseLoad				
	Qty	Bid	Ask	Last
Jun-13 x Jul-13	5	-5.60	-4.40	5
Q313 x Q413	5	-3.25	-1.85	5
Q313 x O114				
Q313 x O214				
Q313 x O314				
O413 x O114				
O413 x O214				
O413 x O314				
O114 x O214				
O114 x O314				
2014 x 2015	5	-0.30	1.40	5
2015 x 2016	5	-2.25	0.55	5

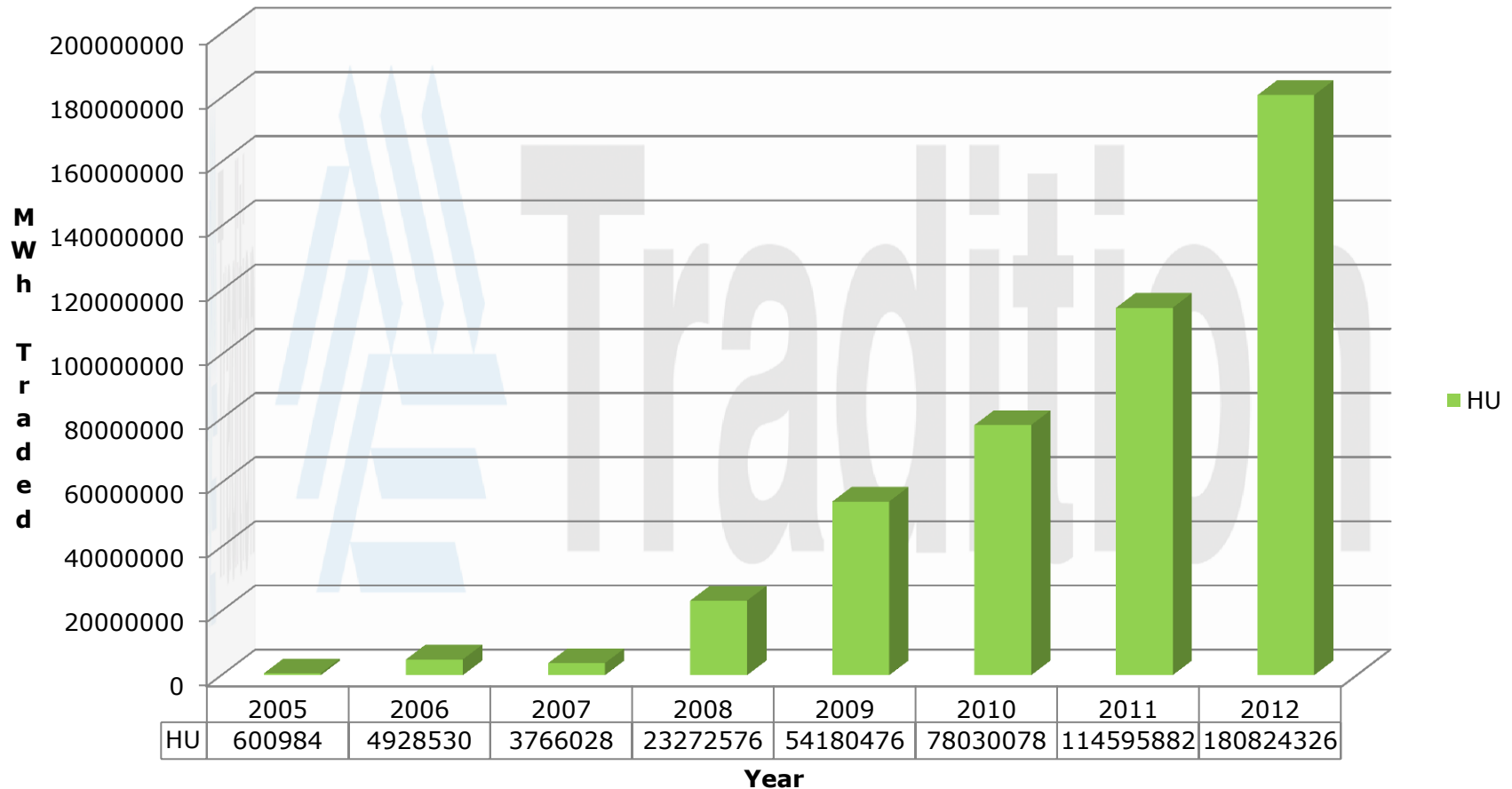
Ready NUM

Hungarian Market

- ◆ First deal – July 2005
- ◆ Country with many borders.
- ◆ Most active market participants are companies from South-Eastern Europe and other international ones.
- ◆ Companies with Hungarian licence are not willing to make sleeves because of Robin Hood tax.
- ◆ Last two years most trades are done against spreads with Germany as a main market. Other market is Czech Republic.
- ◆ Best opportunities out of all CEE countries and one of the busiest markets for Tradition.

Hungarian Volumes

Hungarian Power brokered by Tradition



Broker Screens 4 (Romania)

GV8://TFS/Menu/CEESEPower.vwb - GlobalVision

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Tue 07/05/2013	Romania BSLD RON Financial				Romanian Peaks RON (07-23) Financial				Romanian Off-Peak RON (0-7,23-24) Financi				Tue 07/05/2013		
	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	
Wed 08/05/2013															Wed 08/05/2013
Thu 09/05/2013															Thu 09/05/2013
Fri 10/05/2013															Fri 10/05/2013
WkEnd 11/5-12/															WkEnd 11/5-12/
Wk20 13/05/13															Wk20 13/05/13
Wk21 20/05/13															Wk21 20/05/13
Wk22 27/05/13															Wk22 27/05/13
Bal of Month															Bal of Month
Jun-13	125,00														Jun-13
Jul-13															Jul-13
Aug-13															Aug-13
Sep-13															Sep-13
Oct-13															Oct-13
Nov-13															Nov-13
Dec-13															Dec-13
Q313	175,00	195,00	10				235,00	5							Q313
Q413	180,00	205,00	10												Q413
O114															O114
O214															O214
Q314															Q314
H213															H213
H114															H114
Bal Year															Bal Year
2014	185,00	203,00	5												2014
2015															2015

Tue 07/05/2013	Romania BSLD EUR Financial				Romanian Peaks EUR (07-23) Financial				Romanian Off-Peak EUR (0-7,23-24) Financi				Tue 07/05/2013		
	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	
Wed 08/05/2013															Wed 08/05/2013
Thu 09/05/2013															Thu 09/05/2013
Fri 10/05/2013															Fri 10/05/2013
WkEnd 11/5-12/															WkEnd 11/5-12/
Wk20 13/05/13															Wk20 13/05/13
Wk21 20/05/13															Wk21 20/05/13
Wk22 27/05/13															Wk22 27/05/13
Jun-13															Jun-13
Jul-13															Jul-13
Aug-13															Aug-13
Sep-13															Sep-13
Oct-13															Oct-13
Nov-13															Nov-13
Dec-13															Dec-13
Q313															Q313
Q413															Q413
O114															O114
O214															O214
Q314															Q314

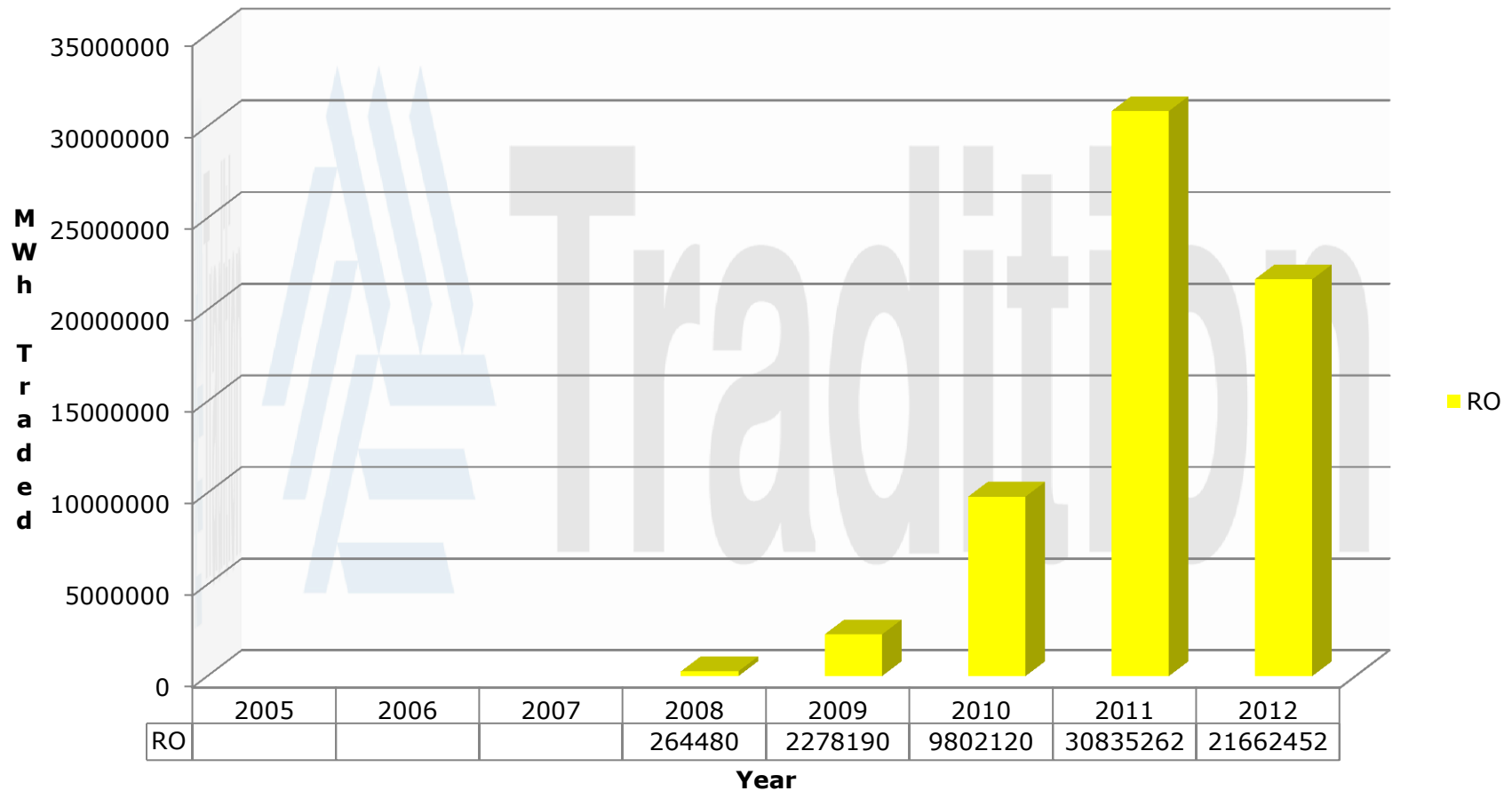
Ready NUM

Romanian Market

- ◆ First deal - July 2008.
- ◆ Best trading years – 2011 and half of 2012.
- ◆ Energy Law amendments introduced in summer 2012, which banned trading outside of the exchange OPCOM.
- ◆ Tradition – looking for new opportunities together with traders and exchange (EEX and ECC).
- ◆ Start of Financial trading – first deal in December 2012.
- ◆ More international companies are in process of joining financial trading and signing ISDA contracts.

Romanian Volumes

Romanian Power brokered by Tradition



Broker screens 5 (Turkey)

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TFS Phone No: +44 20 7550 1725 Email: trayport@tfsbrokers.com **Tradition Financial Services**

Trader in Focus: TFSV, TFS Voice Traders (Frankfurt)

Wed 24/04/2013	Turkey (TRY) BSLD (EET 00-24)					Turkey (TRY) BSLD INDEXED					Turkey (TRY) Domestic Peak (EET 08-20)					Turkey (TRY) Peak (EET 08-24)					Wed 24/04/2013		
	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last			
Thu 25/04/2013																						Thu 25/04/2013	
Fri 26/04/2013																							Fri 26/04/2013
Sat 27/04/2013																							Sat 27/04/2013
WkEnd 27/4-28/																							WkEnd 27/4-28/
Wk18 29/04/13			152.00		5																		Wk18 29/04/13
Wk19 06/05/13			141.00		5																		Wk19 06/05/13
Wk20 13/05/13																							Wk20 13/05/13
Wk21 20/05/13																							Wk21 20/05/13
Wk22 27/05/13																							Wk22 27/05/13
Bal of Month	2	152.00	135.00		10						20	150.00						181.00		5		Bal of Month	
May-13	5	131.00	135.00		5						5	142.00										May-13	
Jun-13	5	146.10	150.50		5						5	150.00										Jun-13	
Jul-13	5	168.00	174.00		5	169.2					10	185.00										Jul-13	
Aug-13	5	165.00	180.00		5	166.0					10	182.00										Aug-13	
Sep-13	5	161.00	175.00		5																	Sep-13	
Oct-13																						Oct-13	
Nov-13																						Nov-13	
Bal of Quarter	5	165.00	165.60		5						5	182.50	193.50	2			2	168.20				Bal of Quarter	
Q313	5	165.50	173.50		5		5	165.00			5	165.00										Q313	
Q413	5	157.00	160.00		5																	Q413	
Q114	5	157.50																				Q114	
Q214																						Q214	
Q314																						Q314	
Q414																						Q414	
Bal of Half Year	5	154.00						160.00	5		10	145.00										Bal of Half Year	
Bal of Season																						Bal of Season	
Win 13-14	5	153.00																				Win 13-14	
H213	5	161.00	165.00		5			173.00	5		10	175.00										H213	
Sum 14																						Sum 14	
H114	5	146.50	160.00		5																	H114	
Q313 - Q114																						Q313 - Q114	
Q413 - Q214	5	155.00					20	153.00														Q413 - Q214	
Bal Year	5	156.00	159.00		3			161.00	3		5	167.00					3	173.00				Bal Year	
May-13 - Apr-14	10	157.00	159.00		5		10	157.00	162.00	5		5	168.00									May-13 - Apr-14	
Jun-13 - May-14	5	155.00	163.00		5		5	158.00			5	172.00										Jun-13 - May-14	
Jul-13 - Jun-14	10	155.50	164.00		5		5	150.00	161.00	5												Jul-13 - Jun-14	
2014	10	164.00	166.00		5		3	153.00			5	166.00										2014	
2015							3	154.00			5	165.00										2015	

Wed 24/04/2013	DAP TR Inc CBTC (EUR) BSLD (CET 00-24)					DAP BG Excl CBTC (EUR) BSLD (CET 00-24)					DAP GR Excl CBTC (EUR) BSLD (CET 00-24)				
	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last	Qty	Bid	Ask	Qty	Last
May-13	5	53.00													

Wed 24/04/2013	Turkey (TRY) BSLD (EET 00-24)				
	Qty	Bid	Ask	Qty	Last
Q313 x Q413	10	12.50	14.00		5
Q313 x Q114					
Q313 x Q214					
Q413 x Q114					
Q413 x Q214					
Q413 x Q314					
Q114 x Q214					
H213 x H114					

NOTES
Peaks include weekends
DAP: Delivery at Point

Default Colour Scheme
Firm Tradeable - Non Clickable
Firm Tradeable - Clickable on Screen

Greece \ Turkey \ Czech \ Poland \ Hungary \ Slovak \ SEE Power \ CEE Spreads \ Central Short \ Central Long \ Romania \ Czech 2 \ CEE Cleared \ Czech Gas \ Bulgarian /

Ready NUM

OTC Deals on Turkish Market

- ◆ 1st deal May 2012.
- ◆ 113 Deals so far with a total of just under 1.5 Tw/h
- ◆ Mostly Months but also some Quarters, Half years BOY and some non standard periods.
- ◆ Mostly done in TRY but sometimes requested in EURO's.
- ◆ All deals have been FIXED non have been concluded as INDEXED so far.
- ◆ Standards evolving at least on monthly and quarterly deals.

OTC Trading:

- ◆ Physical Deals inside Turkey – which are reported to PMUM by participants
- ◆ Physical deals on the border – BG-TR and GR-TR
- ◆ Some prices are being quoted for time spreads within Turkey.
- ◆ Mainly Baseload deals but PEAKS have also gained interest.
0-24 EET or CET if on the borders.
Domestic Peaks 08-20 including weekends.
- ◆ Mostly long term – Months, 3 Months, 6 months and years.
- ◆ Some non standard periods.
- ◆ Market participants have been showing an interest in short term but there are yet to be any standards for how such deals will be concluded. i.e Bank guarantees, payments, contracts – wet signatures ext. All we know is that if the deal is for the day ahead they must be concluded before 11am so that they can be reported to PMUM on time.

OTC Trading some barriers:

- ◆ Bank Guarantees 0.7% - 0.9%
 - ◆ Cost and time it takes to obtain them from the banks.
 - ◆ The costs and time it takes to obtain can differ widely dependant on the size and reputation of the counterparty.
 - ◆ Small companies tend to run out of limits with the bank rather quickly.
 - ◆ Value and validity of bank guarantees.
- ◆ Performance guarantees also known as performance bonds – more costs around 20 kuruş for large companies but can be significantly more for smaller ones.
- ◆ An alternative to physical bank guarantees is DBS – but not very commonly used at the moment. Direct Debit System (DDS)
- ◆ Agreement - Wet signature of contracts is required by Turkish Law.
- ◆ Stamp duty – 0.825%
- ◆ INDEXATION (some times) - Tariffs or Gaz or Both
- ◆ Credit approval procedures (these are internal procedure) – Only a few companies are like Statkraft and Danske are doing this and in most cases they still require Bank guarantees for every deal.

TFS - OTC Trading:

- ◆ Credit:

 - At the moment all names are pink.

 - All can do all providing relevant bank guarantees are provided.

 - No sleeves due to stamp duty and guarantee costs.

- ◆ Payment guarantees

- ◆ Performance guarantees (Performance Bonds)

- ◆ Agreements:

 - Turkish EFET

 - 15 Master EFET agreements signed.

 - Very few have been signed between market players.

 - No sense of urgency.

 - Lengthy legal procedures.

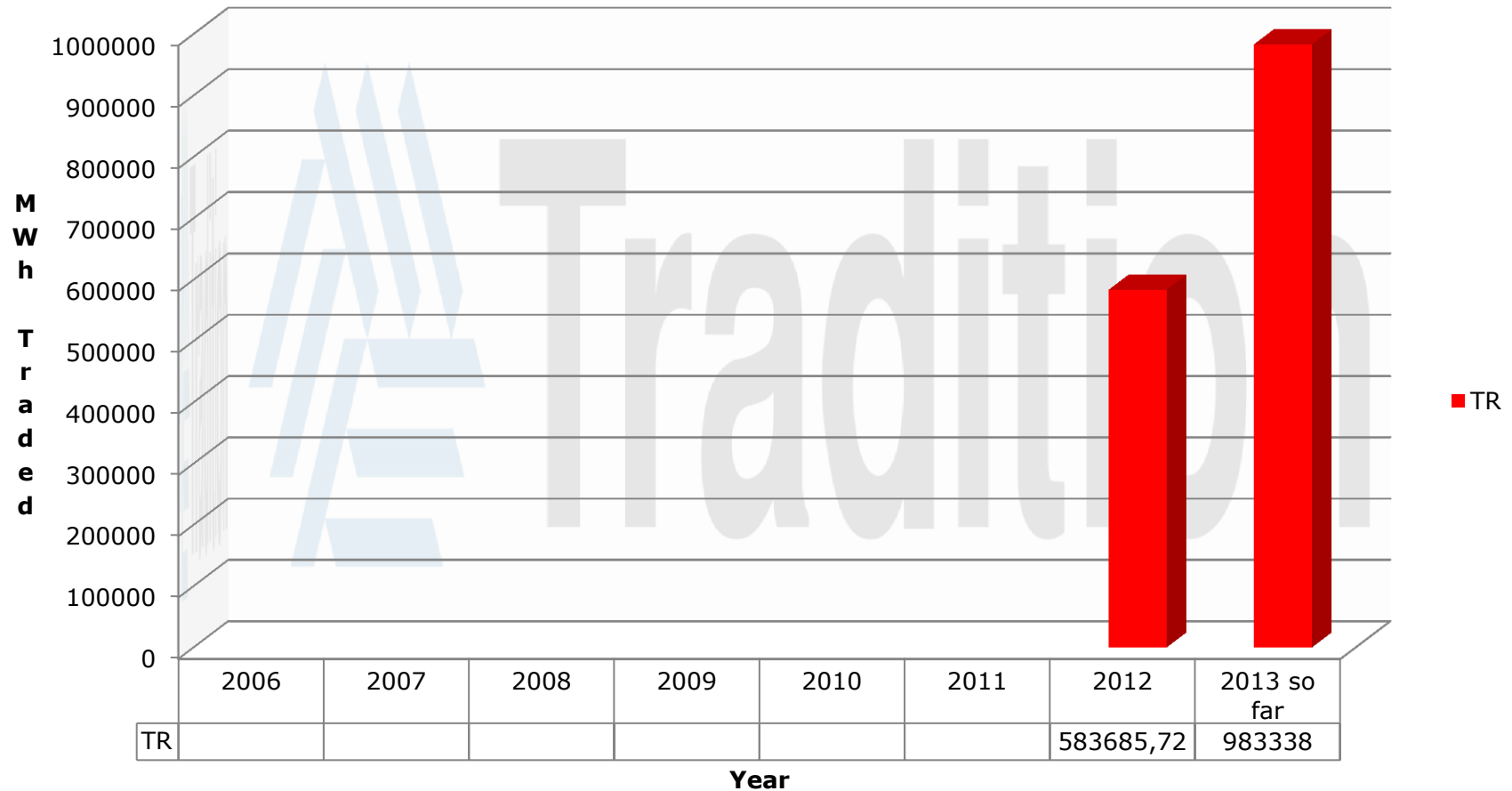
 - Market participants are generally using LFC.

 - Based around EFET

 - Or can be based on the ETDs frame agreement

Turkish Volumes

Turkish Power brokered by Tradition



Broker Screens 6 (SEE Page)

GV8://TFS/Menu/CEESEEPower.vwb - GlobalVision

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Serbian BSLD						Serbian PEAKS (08-20)					Serbian HT (06-22)					Serbian SEE PEAKS (07-24)					Serbian OFF PEAKS (0-8, 20-24)					Serbian LT (0-6, 22-24)							
Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty
Fri 03/05/2013																																	
Sat 04/05/2013																																	
Sun 05/05/2013																																	
WkEnd 4/5-5/	10	21.00																															
Wk19 06/05/13																																	
Wk20 13/05/13																																	
Wk21 20/05/13																																	
Jun-13	5	34.00	35.50	5																													
	10	36.45																															
Jul-13	5	38.00																															
Aug-13																																	
Q313	5	42.50	43.75	5																													
Q413	10	43.00	45.75	5																													
Q114																																	
2014	5	43.50																															

Slovenian BSLD						Slovenian PEAKS (08-20)					Slovenian HT (06-22)					Slovenian OFF PEAKS (0-8, 20-24)					Slovenian LT (0-6, 22-24)												
Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty
Fri 03/05/2013																																	
Sat 04/05/2013																																	
Sun 05/05/2013																																	
WkEnd 4/5-5/																																	
Wk19 06/05/13																																	
Wk20 13/05/13																																	
Jun-13	5	35.00	38.25	5																													
	5	35.75																															
	5	35.75																															
Jul-13	5	38.00	40.25	5																													
Aug-13																																	
Q313	5	44.45	45.00	5																													
Q413																																	
2014																																	

Croatia BSLD						Croatia PEAKS (08-20)					Croatia HT (06-22)					Croatia OFF PEAKS (00-08 & 20-24)					Croatia LT (CET 00-06 & 22-24)												
Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty	Last		Qty	Bid	Ask	Qty
Fri 03/05/2013																																	
Sat 04/05/2013																																	
Sun 05/05/2013																																	
WkEnd 4/5-5/																																	
Wk19 06/05/13																																	
Wk20 13/05/13																																	
Jun-13																																	
Jul-13																																	
Aug-13																																	
Q313																																	
Q413																																	
2014																																	

Ready | Greece | Turkey | Czech | Poland | Hungary | Slovak | SEE Power | CEE Spreads | Central Short | Central Long | Romania | Czech 2 | CEE Cleared | Czech Gas | Bulgarian | NUM

Serbian Market

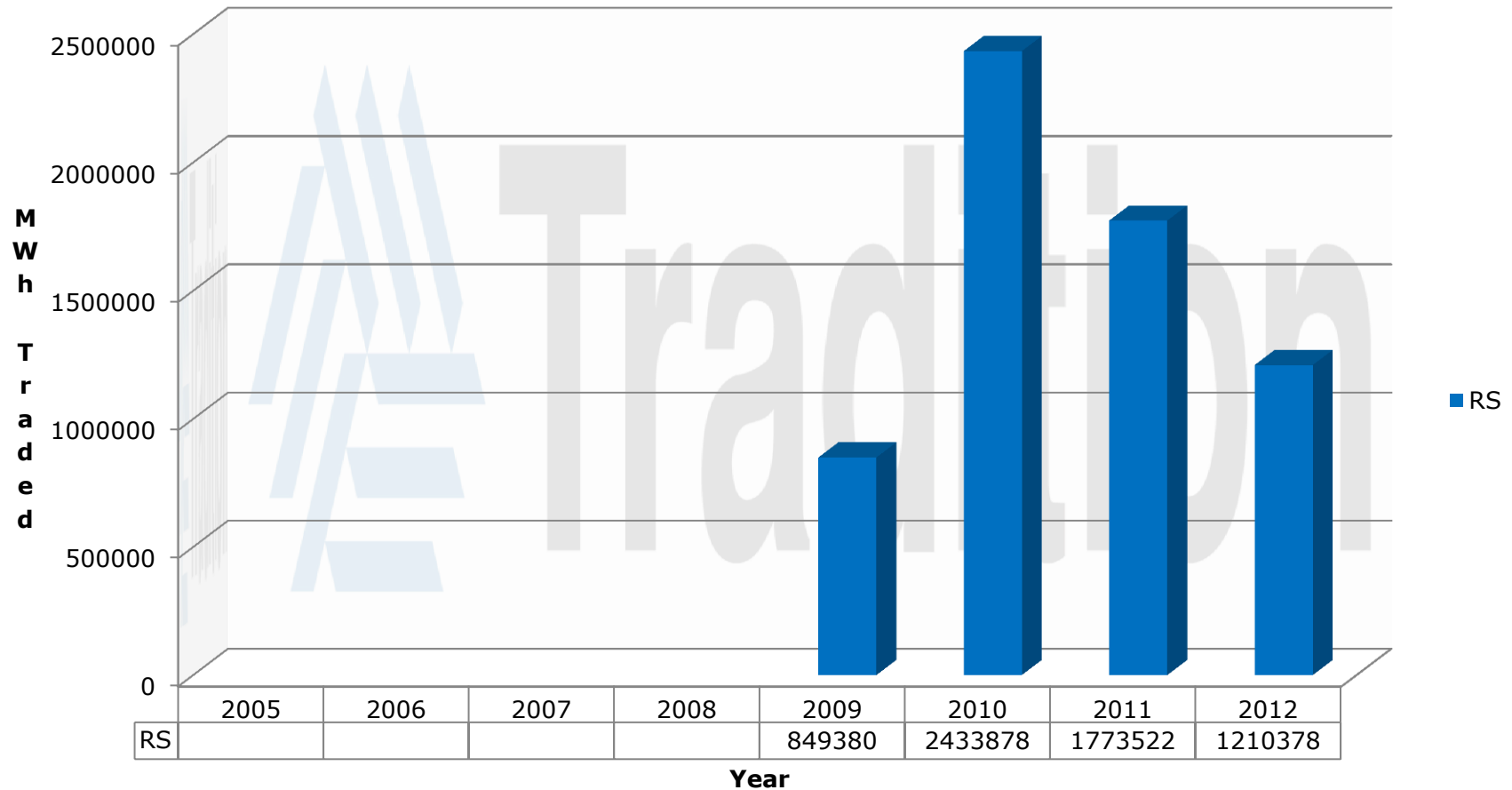
- ◆ First deal – September 2009
- ◆ Market is depending mainly on hydro production and tenders in the region.
- ◆ Market participants are mostly international ones with Serbian entities.
- ◆ Trading in EURO's.
- ◆ Volumes decreased in the last one –two years as better opportunities in Hungarian market or lack of energy in the region.
- ◆ Participants start to have interest in spreads between Serbia and Hungary especially in spot deals and monthly products.

Serbian Products

- ◆ Serbian Baseload (00-24) CET
- ◆ Serbian Peaks (08-20) CET
- ◆ Serbian SEE Peaks (07-24) CET
- ◆ Serbian HT (06-22) CET
- ◆ Serbian Offpeaks (00-08, 20-24) CET
- ◆ Serbian LT (00-06, 22-24) CET
- ◆ Available for 3 days ahead, 1 weekend ahead, 3 weeks forward, 3 months, 3 Quarters and 1 Calendar Product.

Serbian Volumes

Serbian Power brokered by Tradition



Benefits of Electronic Platforms

- ◆ Live tradeable prices.
- ◆ Credit is pre-checked anonymously.
- ◆ Beneficial for price indication.
- ◆ Faster.
- ◆ Trader has control over and responsibility for their prices.
- ◆ Price information is available to all users equally.
- ◆ There is no bias or advantage to any user large or small.

Why use a Broker

- ◆ Greater transparency.
- ◆ Easier price discovery.
- ◆ Creates a visible benchmark for pricing.
- ◆ Unbiased source of Mark to Market pricing.
- ◆ Masking of identity and anonymity during trade negotiation.(Bilateral trading reveals your intention)
- ◆ Improved depth of liquidity making it easier for entry/exit of positions.
- ◆ Gives confidence to open trading positions.

Why use a Broker 2

- ◆ Standardisation of market conventions (Peaks, Off-peaks, HT, LT)
- ◆ Increase in Limits and trade-able counter-parties.
- ◆ Adoption of industry recognised frame agreements e.g. EFET.
- ◆ Time saved by using the brokers knowledge to find potential buyers/sellers of a product.
- ◆ Access to other market information, e.g. Other S.E.E. and C.E.E power prices, German Power prices, EU emission allowances, Coal, Freight and Spark spreads.

Why use a Broker 3

- ◆ Possibility to conclude related products, e.g. Cross Border Transfer Capacity.
- ◆ Brokers can quickly develop and deploy new products and countries for trading.

Main Conclusions

- ◆ Brokers have added depth, facilitated trade, and encouraged the enthusiasm of the companies already active in the CEE and SEE markets.
- ◆ It has also encouraged International companies who may not have considered some CEE Power trading previously to join those markets and to take on risk.
- ◆ Broker platforms provide a confidential secure and user-friendly market place for producers, traders, distributors and consumers of power to transact their business needs.

Tradition Trading Requirements

- ◆ MIFID Declaration signed and returned.
- ◆ Contract signed and 1 copy returned to Tradition.
- ◆ Sufficient counterparties to trade.
- ◆ Credit list completed and returned to Tradition
- ◆ EFETs or other Master agreement or Long Form Confirmations Accepted by counterparties.

Serbian Credit List

Serbia Credit list				
	TFS Code	EFET/ Other General agreement	buy Max Period	sell Max Period
HSE Balkan Energy d.o.o.	HSE			
ACEX DOO BEOGRAD				
Alpiq Energija RS d.o.o. Beograd	ENTR			
EVN Trading DOO Beograd	EVNT			
EFT Trade d.o.o. Beograd	EFT			
EZPADA d.o.o. Beograd	EZPA			
CEZ Srbija d.o.o.	CEZ			
DANSKE COMMODITIES SERBIA D.O.O. BELGRADE	DKCS			
Energy Supply & Trade DOO	ENSU			
E.ON Energy Trading Srbija d.o.o. Beograd	EEON			
AXPO d.o.o. Beograd	EGL			
Privredno druzstvo EPCG doo Beograd	EPCG			
GEN-I d.o.o. Beograd	ISTR			
MVM Partner Serbia doo	MVM			
RUDNAP GROUP a.d. Beograd	RUDN			
VERBUND-Austrian Power Trading SR d.o.o. NOW AS VERBUND Trading Serbia d.o.o. Beograd (VTR SR) Statkraft Western Balkans d.o.o.	APT STED			
REPOWER Srbija d.o.o.	RETR			
Budapest Energy Trading SR d.o.o. Beograd (new name B.E.K. Group s.r.o.) JAS BUDAPEST d.o.o. Subotica	BENK JAS			
Petrol d.o.o. Beograd	PETR			
PLC INTERENERGO d.o.o. Beograd	INTE			
JP ELEKTROPRIVREDA SRBIJE (EPS)	EPS			
SEE POWER D.O.O. BEOGRAD	SEEP			
Virtuse Tesla d.o.o. Beograd	VIRT			

ONE

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Thank you!

**Many Thanks to the Conference
Team for inviting us to speak here**

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Tradition Contacts

www.tradition.com

Tsvetelina Samovolska
Energy Broker SEE
tsvetelina.samovolska@tradition.com

Tradition Ltd
1st Floor Beaufort House
15 St. Botolph Street
London EC3A 7QX
Tel. +44 (0) 20 7550 1725

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