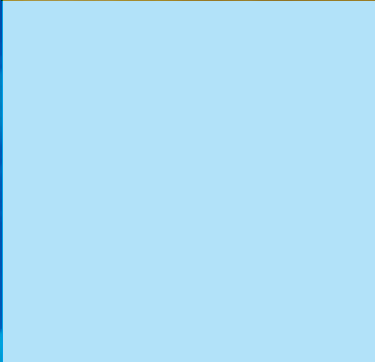
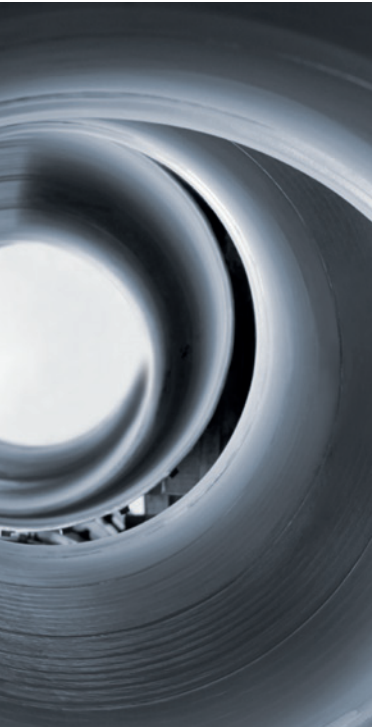
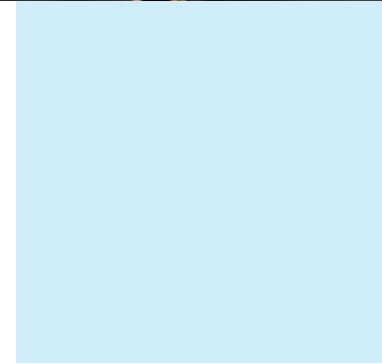
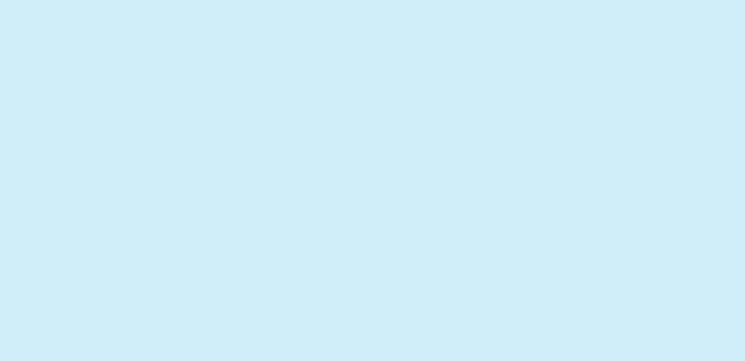
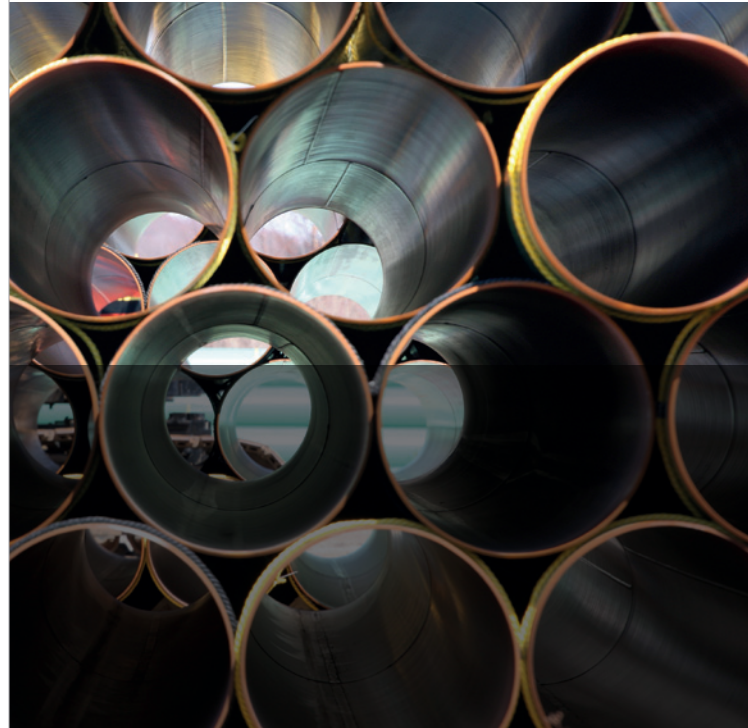


# NET4GAS Company profile



For more than 45 years we have been connecting energy markets, guaranteeing the security and reliability of natural gas transmission.

NET4GAS  
Connecting Markets



# NET4GAS secures

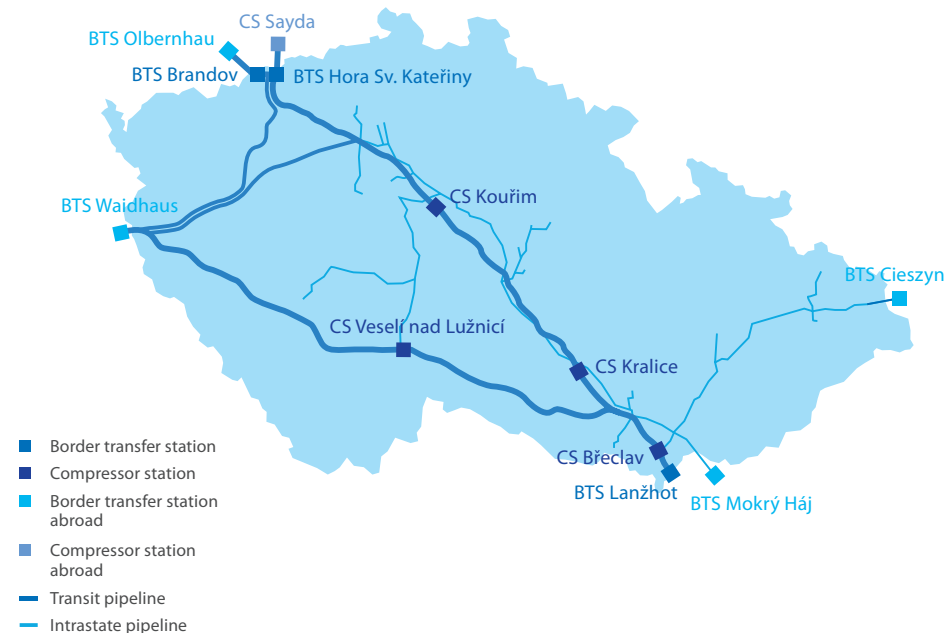
- International transit of natural gas across the Czech Republic
- Domestic transmission of natural gas to partners in the Czech Republic
- Operation of a flexible, demand-oriented transmission system and the provision of associated commercial and technical services



# NET4GAS at a glance

- Holds an exclusive gas Transmission System Operator (TSO) licence in the Czech Republic
- Has sufficient transmission capacities to satisfy both domestic and foreign demand
- Transmits about 45 billion m<sup>3</sup> of natural gas each year (of which around 15 % is for domestic consumption)
- Operates more than 3,800 km of pipelines
- Operates three border transfer stations, four compressor stations, and nearly a hundred transfer stations at the interface with the domestic gas distribution
- Is a member of the Czech Gas Association, the international organisations ENTSO, GIE, EASEE-gas, and the IGU and Marcogaz working groups
- Has more than 500 employees
- Is one of the largest private corporate donors to nature conservation in the Czech Republic
- Is committed to its corporate social responsibility

# Transmission system



NET4GAS operates pipelines for the international transit and national transmission of natural gas with a total length of more than 3,800 km, with nominal diameters ranging from DN 80 to DN 1400 and nominal pressures ranging from 4.0 to 8.4 MPa.

The required gas pressure in the pipelines is provided by compressor stations located at Kralice nad Oslavou, Kouřim, Břeclav and Veselí nad Lužicí. The total installed power of the compressor stations is 243 MW.

Natural gas is accepted and delivered upon the entry into and exit from the Czech Republic, i.e. its volume and quality are

measured at border transfer stations – between the Czech Republic and Slovakia at Lanžhot, between the Czech Republic and Germany at Hora Svaté Kateřiny, Olbernhau, Brandov and Waidhaus. Between the Czech Republic and Poland, gas is measured at Cieszyn on the Polish side.

Natural gas is further transferred from the transmission system via 94 transfer stations to the domestic distribution systems, directly connected customers and underground gas storage facilities. The commercial metering of gas quantities is installed at all transfer stations.

## Our mission

Our mission is to secure economically efficient, safe and reliable gas transmission services for our customers 24 hours a day, 7 days a week and to provide sufficient capacities in all relevant supply situations based on a non-discriminatory and transparent approach.

## Our vision

As a major Central European gas Transmission System Operator, NET4GAS will play an active role in connecting and integrating European gas markets to the benefit of Czech and other European gas customers.

## Our strategy

Highly qualified employees are our company's foundation stone and most valued resource. Their team-oriented work and target-driven approach are major factors in the company's continuous development, which is clearly focused on the three strategic pillars of asset flexibility, operational excellence and new market design.

Along with the range of attractive capacity products we offer our customers, increasing our asset flexibility by building and optimising new and existing cross-border interconnectors allows us to swiftly respond

to changing gas flow patterns in Europe, while strongly supporting further market integration.

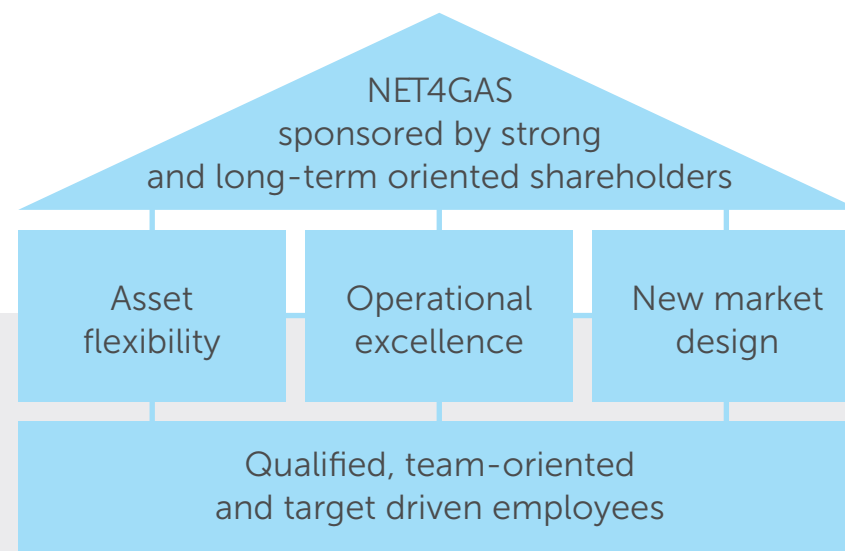
We strive for operational excellence to meet our customers' expectations and to manage the financial and operational demands of increasing regulation and growing competition on energy markets.

We will continue to take a proactive role in the development of the new EU gas market structure guided by the principles of the European Gas Target Model, and by doing so

will contribute to the creation of functioning gas markets, especially in Central and Eastern Europe where we operate.

In achieving our vision and attaining our strategic goals, we receive major sponsorship from our strong and long-term oriented shareholders, who thus safeguard the fulfilment of our company strategy.

We are also fully aware of our corporate social responsibility, and we strictly follow an environmental policy committed to both present and future generations.



We are aware of our social responsibility, and therefore devote ourselves to corporate philanthropy.

## Our social responsibility

### NET4GAS Closer to Nature

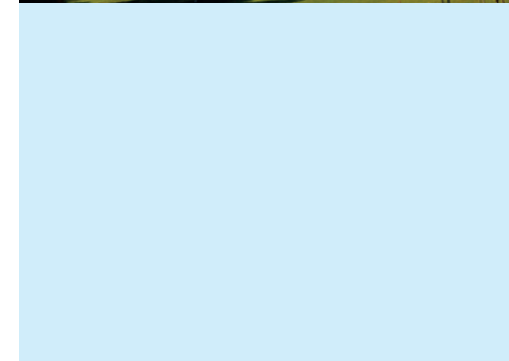
We are a reliable, efficient and safe gas transmission system operator, developing a responsible environmental policy committed to current and future generations. That is why we support nature conservation projects and are one of the largest private corporate donors in this field in the Czech Republic. Come to nature with us at [www.closer tonature.cz](http://www.closer tonature.cz).

### NET4GAS Closer to Knowledge

We focus on operational excellence performed by highly qualified and educated staff. Sustainable development, which represents one of our main priorities, cannot be achieved without high-quality education and research & development, which we therefore support.

### NET4GAS Closer to Regions

We are committed to the operation and further development of the gas transmission system, running through almost all regions of the Czech Republic. As a good neighbour, we target long-term support for local development where we operate.





## Our history

### First thoughts of transit through Czechoslovakia

The first records of the export of Russian natural gas to Central and Western Europe were published in the mid-1960s. The possibility of export was at first rejected by the Russian side due to the objective rationalization of falling production in Ukraine, and later it was confirmed, but only in the amount of 1 billion cubic meters per year for the whole of former Czechoslovakia. Based on this decision, construction of the first international gas pipeline called Bratrství ("Brotherhood") with a nominal diameter of 700 mm and a nominal pressure of 5.5 MPa was started. It was put into operation in 1967, beginning the distribution of Russian natural gas in Czechoslovakia (Slovakia and South Moravia) and consequently the first transit testing of this gas to Austria. This resulted in the transition from coal gas to natural gas in Czechoslovakia.

The further development of Russian gas supplies to Central and Western Europe was considered in several scenarios. After technical and political negotiations, it was decided in 1970 that the gas pipeline for the supplies would lead through Czechoslovakia. After this decision had been made, further progress was unusually quick. And it was Transgas, which contributed to its execution in the following years.

### Foundation and transmission system development in Czechoslovakia

Following the intergovernmental agreement of December 1970, the national enterprise Tranzitní plynovod Praha (operating abroad under the name of Transgas) was founded in April 1971. It was charged with being the direct investor and operator of the future gas transit system. Over the next two years, approximately 1,100 km of DN 1200 and DN 900 gas pipelines and three compressor stations were built and put into operation in order to meet the deadlines of the first gas transmission to Austria (Baumgarten), West Germany (Waidhaus), and East Germany (Hora Svaté Kateřiny).

The oil crisis in 1973 emphasized the importance of natural gas as an alternative clean energy from a new source. After the first phase of the construction of the transit gas pipeline, other phases followed, gradually increasing the performance of the system. This was also connected with the requirements of higher gas pipeline capacities in the former USSR, in the construction of which Transgas also participated.

The growth rate in the transmission capacity of the Czechoslovak natural gas transit

system in the 1980s and 1990s was stunning. Of the original 28.0 billion m<sup>3</sup> per year, which many thought would be the long-term final volume, transport capacity gradually increased during the period to 80.0 billion m<sup>3</sup> per year.

### Separation of Czechoslovakia

As of 1 January 1993, Czechoslovakia was divided into two separate countries – the Czech Republic and the Slovak Republic. The same date was also the date of asset allocation for the Czechoslovak transit system on a territorial basis. The same principle was also used in dividing the transit contracts. Completion of the commercial division of the Czechoslovak transit system took place one year later, on 1 January 1994, when a new border transfer station was put into operation at the Czech-Slovak border at Lanžhot.

### Recent history

In 2001, the Czech government decided to privatize the Czech gas industry and RWE Gas became the new shareholder of the company. As a result of legislative requirements for "legal unbundling", the TSO business was separated and began operations as RWE Transgas Net from 2006.

The 45-year history of NET4GAS is a history of economically efficient, safe and reliable transmission services provided to customers 24 hours a day, 7 days a week. Thanks to its advantageous location in the heart of Europe, Czechoslovakia and later on the Czech Republic has always played an important role on the European gas market.



In 2010, RWE Transgas Net was re-named NET4GAS as part of a continuing process of unbundling gas transmission from gas trading activities, in compliance with the regulatory policy of the European Union, which required the complete separation of branding strategies for transmission activities from the trading activities of vertically integrated gas companies.

In 2013, the RWE Group sold its shares in NET4GAS to a consortium of Allianz Capital Partners and Borealis Infrastructure (today OMERS Infrastructure). Allianz is the Europe's largest insurer and the world's second largest asset manager, investing into alternative assets such as infrastructure and renewables since 1998. OMERS Infrastructure is the infrastructure arm of OMERS, one of Canada's leading pension funds, investing in infrastructure since 1998.

## New connections in Central Europe

Until the late 1990s, the transit corridor through Ukraine, Slovakia and the Czech Republic / Austria was the only export route for Russian natural gas to Europe. In 1999, the YAMAL pipeline through Poland started operation, denoting the starting point for the partial shift of Russian gas export to new routes. This trend continued in

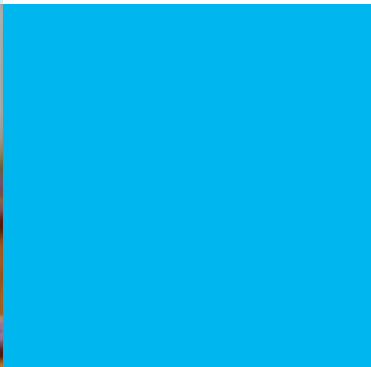
2011/2012 with the implementation of the Nord Stream pipeline project through the Baltic Sea and its connection to the Czech gas transmission system via the OPAL pipeline in Germany. For this purpose, NET4GAS built the GAZELLE pipeline together with the Brandov Border Transfer Station, one of the largest energy infrastructure investments in the Czech Republic in recent years.

In order to further increase the security of energy supplies in Europe, from 2011 to 2015 NET4GAS carried out additional projects aimed at enhancing reverse flow capacities in the West-East direction and improving connections with underground gas storage facilities as well as with neighbouring transmission system operators.

NET4GAS continues to play an active role in connecting and integrating European gas markets, especially through its North-South corridor projects, enabling the connection of the Czech transmission system to new supply routes and sources of natural gas.



Find more information on  
[www.net4gas.cz](http://www.net4gas.cz)



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