



华能国际电力股份有限公司
HUANENG POWER INTERNATIONAL, INC.

2007 Interim Results Presentation

Aug 15, 2007 · Hong Kong

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Financial Highlights

	1H07	1H06	Growth rate
Operating Revenue (Billion Yuan)	23.144	19.835	16.68%
Net Profit (Billion Yuan)	2.875	2.167	32.70%
EPS(Yuan)	0.24	0.18	33.33%

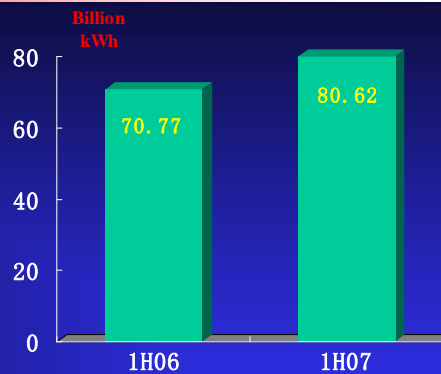
Under IFRS



Business Performance

◆ Power Generation

➤ Total power generation on consolidated basis was **80.618 billion kWh**, up **13.92%** yoy.



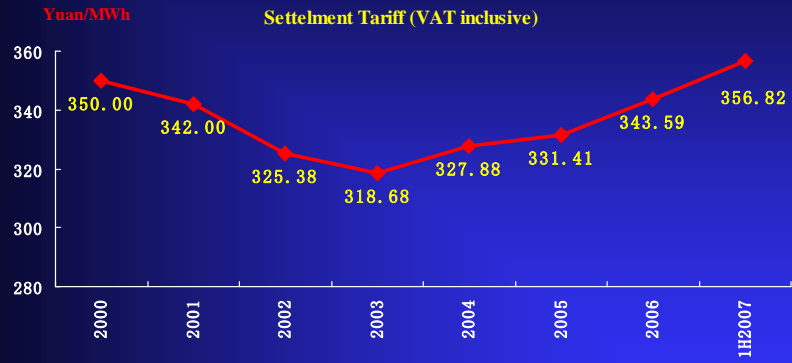
1H06 generation exclusive of Sichuan Hydro-power

➤ Coal-fired units utilization averaged **2,725 hours**, **87 hours** higher than national average and **134 hours** less than that of 1H06.



Business Performance (Cont'd)

◆ Tariff



- Average composite settlement tariff in 1H07 was **356.82 Yuan/MWh**, an increase of **21.58 Yuan/MWh** or **6.44%** yoy.

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Business Performance (Cont'd)

◆ Fuel Cost

- Unit fuel cost up **8.16%** in the 1st half of this year.



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Business Performance (Cont'd)

◆ Performance Indices

	1H2007	1H2006	+/-
Gross Coal Consumption Rate (g/kWh)	313.15	317.09	-3.94
Net Coal Consumption Rate (g/kWh)	332.29	336.28	-3.99



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Business Performance (Cont'd)

◆ FGD Installation and Operation

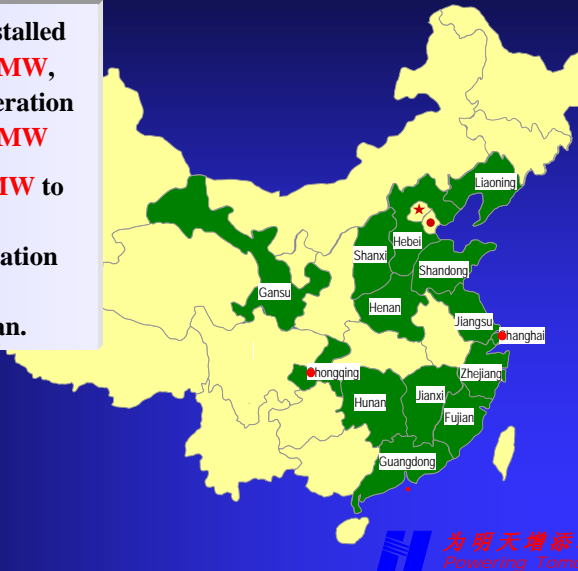
- 8 FGD facilities for new units and existing units representing 3,410MW of capacity commenced operation in 1H07.
- At present, 34 units with combined capacity of 12,440MW have been equipped with FGD facilities, accounting for 41.8% of the Company's controllable installed coal-fired capacity.
- In the 2nd half of the year, the Company will complete FGD renovation on 5 more units.



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Business Performance (Cont'd)

- Attributable installed capacity **28,187MW**, controlling generation capacity **32,224MW**
- Another **2,800MW** to **3,800MW** will commence operation before year end according to plan.



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Business Performance (Cont'd)

◆ Capital Market Operation

- Taking advantage of favorable opportunities in the capital market, the Company conducted market operations on the stocks and stock warrants of China Yangtze Power. Such market operations not only boosted earnings per share in the 1st half, but also allowed the Company to gain more experience in capital market operation.



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Future Outlook

- Power demand will continue to grow steadily and rapidly in the 2nd half, presenting favorable market opportunities for the Company to increase output.
- The promotion of “big replace small” and “energy saving and emission reduction” policies will help the Company to leverage its strengths in having larger, more efficient and broadly located generating units and to enhance competitiveness.
- Contract coal prices rose substantially this year, while spot coal prices continued to hover at high levels. The Company faces significant pressure in fuel cost control.



Conservation & Environment

- All new units have been installed with FGD facilities with desulphurization efficiency exceeding 95%.
- All new units utilize low-NOx burning technology, effectively reducing NOx emission.
- By 2010 the proportion of desulphurized operating units will reach 100% according to plan.
- Gradually renovating burners on existing units to reduce NOx emission.



Conservation & Environment (Cont'd)

➤ Closing down **536MW** small units during 11th Five-year Period, **427MW** to be closing down before year end.

➤ By the end of 2010, all power plants operated by the Company will become environmental friendly and energy efficient.



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Development Strategy

➤ Following the State's Energy Development Plan, execute a regional development strategy of "consolidating presence in the east, enhancing the importance of the central, entering the west, circling the capital and selectively expanding offshore".

➤ In line with the State's policy on renewable energy, optimize unit mix; build and expand high efficiency/ low emission supercritical, ultra-supercritical and cogeneration units.

➤ Earnestly abide by the State's medium to long term development plan on renewable energy; actively promote the utilization and development of renewable energy on the basis of commercial viability.



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Development Strategy (Cont'd)

◆ Construction Projects

	Expected Capacity (MW)	HPI's Interests	Expected Completion Date
Yingkou Phase II	2 × 600	100%	2007
Qinbei Phase II	2 × 600	60%	2007-2008
Yuhuan Phase II	2 × 1000	100%	2007-2008
Shangan Phase III	2 × 600	100%	2008
Haimen Phase I	2 × 1000	100%	2008-2009
Rizhao Phase II	2 × 600	100%	2009

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