

Opening of the electricity and gas markets Figures as at 30 June 2011

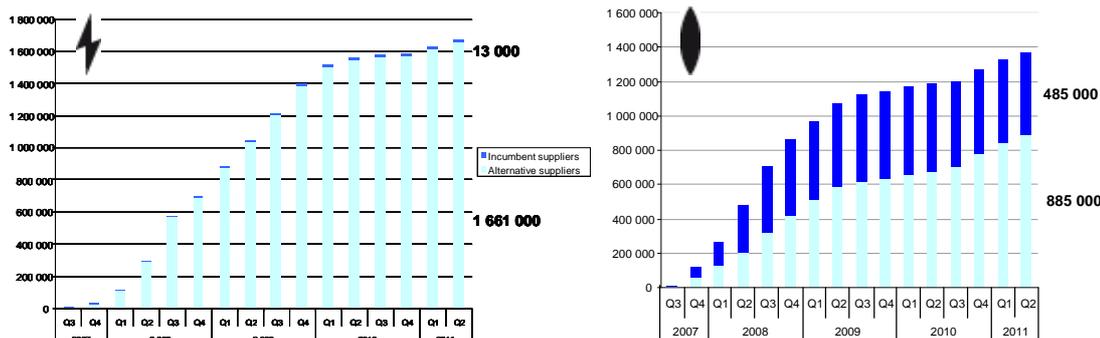
Retail Market

On the residential retail market, the electricity market opening continues its upward trend with 48,000 additional customers (thus +3%) with contracts at market price at the end of the second quarter of 2011 (+41,000 at the end of the first quarter of 2011). On the gas market, competition keeps growing: 43,000 additional customers subscribed to a market-price contract (+3.3%) over the second quarter of 2011 (up from 57,000 over Q1 2011).

As at 30 June 2011, 1,674,000 sites, out of a total 30.3 million, have electricity contracts based on market prices, 1,661,000 of which are with an alternative supplier (99%, unchanged).

On the gas market, 1,370,000 sites, out of a total 10.7 million, have gas contracts based on market prices, 885,000 of which are with an alternative supplier (65%, a 1-point increase from Q1 2011).

Number of residential customers with market-price contracts

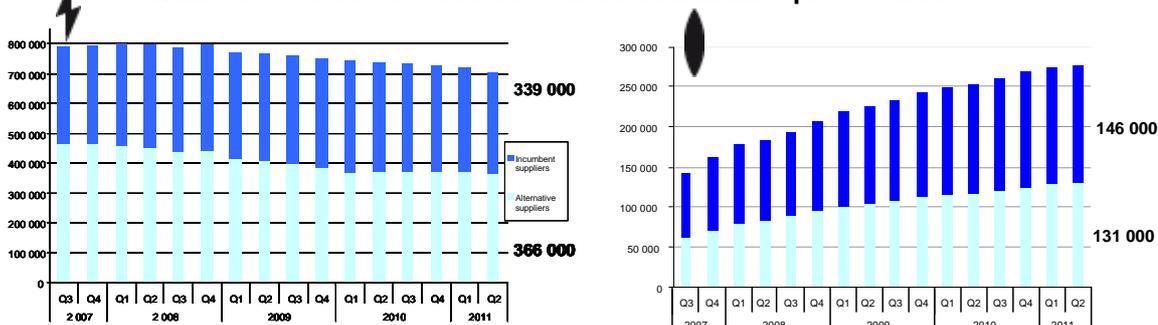


On the non-residential retail market, the number of customers with market-price electricity contracts has decreased by 2.2% compared to the previous quarter and the opening of the gas market slightly picks up from Q1 2011 with 3,200 additional customers with market-price contracts (representing a 1.2% gain) accrued over the second quarter of 2011 (+4,000 during the first quarter of 2011).

As at 30 June 2011, 705,000 sites, out of a total 4.9 million, have electricity contracts based on market prices (7,220 of which under the transitory regulated tariff for market adjustment aka TaRTAM), 366,000 sites are with an alternative supplier (52%, unchanged).

On the gas market, 277,000 sites, out of a total 681,000 sites, have market-price contracts, 131,000 of which are with an alternative supplier (47.3%, unchanged).

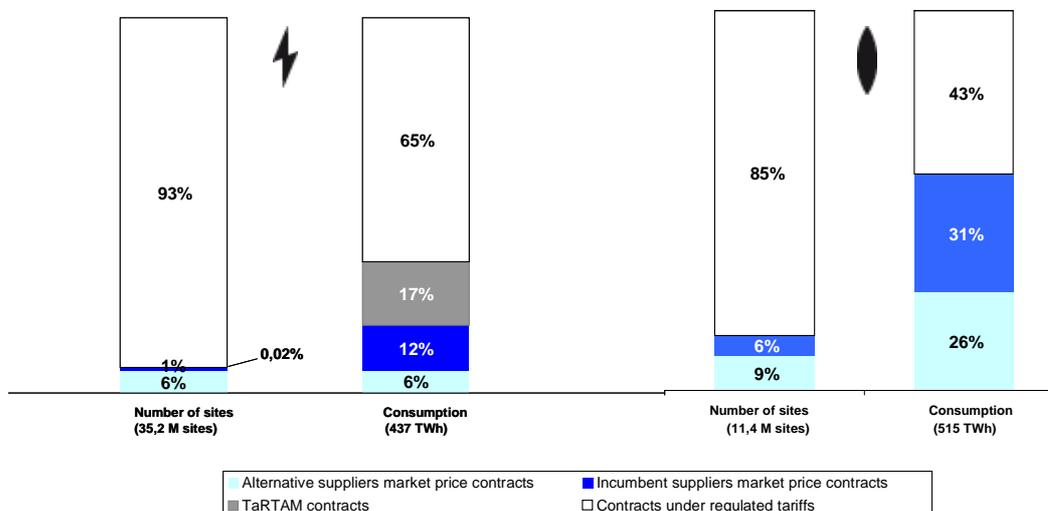
Number of non-residential customers with market-price contracts



Retail market conclusion

The electricity retail market continues to be dominated by regulated tariffs: as at 30 June 2011, 93% of all sites (representing 82% of consumption, TaRTAM included) had electricity contracts based on regulated tariffs. On the gas market, 43% of all gas consumed is furnished through regulated-tariff contracts to 85% of sites.

Breakdown of sites per type of contract as at 30 June 2011



Over the second quarter of 2011, 27% of residential and non-residential consumers opted for an alternative gas supplier and 9% opted for an alternative electricity supplier when connecting their supply after moving house or premises.

All figures shown in this section were provided by network operators and energy suppliers and analyzed by the CRE.

Wholesale Markets

During the second quarter 2011, **gas and electricity wholesale markets** were marked by:

- Geopolitical tensions
- The natural disasters known by Japan that occurred in Japan in March, their consequences on the Japanese nuclear production and the expectations of change in demand of LNG
- The decision of the German Government on 14 March 2011 to suspend for 3 months the agreement extending lifetime of nuclear plants in Germany, leading to unplug 7 plants from the grid (2 plants were already in maintenance). It decreased the availability of the German production park by 5.3 GW, fuelling expectations of increased gas imports in Germany. The 21st May of 2011, the German government confirmed this decision as definitive, and imposed a phase out of the activity of other nuclear units by 2022.

Concerning electricity, the volumes traded on day-ahead market lost 7% from the previous quarter but increased by 17% compared with 2010, due to a sharp decline in volumes traded on the power exchange (-14% compared to Q1 2011) and a sharp rise in volumes traded through OTC and Brokerage platforms (18%). Considering all the futures products, 122 TWh were traded during the quarter, down 18% from the previous quarter and down 10% over the same period the previous year.

The day-ahead baseload prices quoted on EPEX Spot showed an average of € 49.0/MWh on the second quarter 2011, down 8% over the previous quarter and down 16% from the second quarter 2010. The future baseload annual contract (Y+1) in France on EPD averaged € 59.5/MWh, an increase of 8% over the previous quarter. This increase was also observed on the German future baseload price (10%). The changes in wholesale prices for electricity and cross-border exchanges have to be observed in the context mentioned above.

If nuclear production park availability was at its highest in 5 years in Q2 2011, the hydraulic stocks level at end of the quarter was at its lowest in four years for an equivalent period.

The wholesale market for gas is constantly developing with a traded volume of 90 TWh compared to 42 TWh in the second quarter of 2010, an increase of 114%. Trade on the futures market increased by 141% compared to second quarter 2010 and the volume traded on the spot market increased to 25 TWh in the second quarter of 2011 (67%).

On the French market, the day-ahead prices at PEG Nord remained steady on average during the second quarter 2011 compared to the previous, with an average of € 22.87/MWh against € 22.96/MWh in the first quarter. The prices were in decline during the month of April and then on the rise early May, and remain stable almost until the end of the quarter. Compared with the second quarter of 2010, the day-ahead prices rose 38% at PEG Nord.

The level of futures prices rose on average by 8% over the previous quarter in all market places. At PEG Nord, seasonal contracts registered the largest increase.

Definitions

Since the total market opening as of 1st July 2007, consumers can choose from two different types of contracts:

- *Contracts at regulated end-user price: regulated tariffs offered only by incumbent suppliers, and in electricity, the TaRTAM offered by all the suppliers. TaRTAM tariff subscription is based on several conditions.*
- *Contracts at market price are offered by both, incumbent and alternative suppliers, that fix freely their prices.*

The market is divided into two categories of segments:

- *Residential sites, which are the households.*
- *Non residential sites, which regroup all the other consumers: professionals, large industrial sites, administrations, etc.*

Press contact: Anne MONTEIL
Tel: 01.44.50.41.77