

Opening of the electricity and gas markets Figures as at 30 September 2012

Retail Market

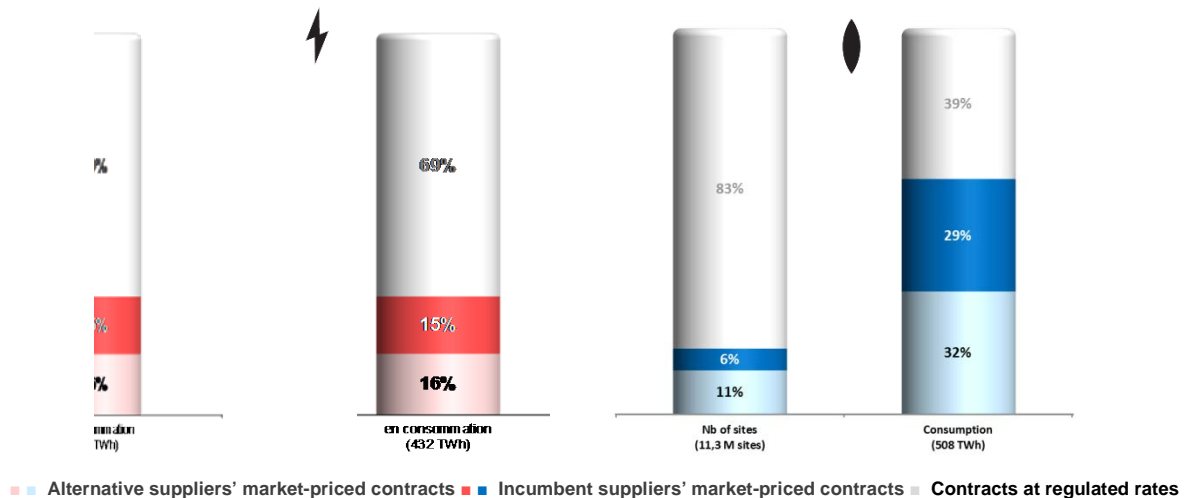
The electricity retail market continues to be dominated by regulated tariffs: as at 30 September 2012, 92% of all sites (representing 69% of consumption) had electricity contracts based on regulated tariffs.

On the gas market, most large consumers switched to market-price tariffs: 61% of all gas consumed is furnished through market-price contracts to 17% of sites.

On the electricity market, the cheapest market-price offer is 4% lower than the regulated tariff for an average client consuming 2 400 KWh in Base as well as for the one consuming 8500 KWh in Peak/OffPeak.

On the gas market, the cheapest market-priced contract (apart from fixed price contracts) is 10% lower as for a customer consuming 17,000kWh and living in Paris.

Breakdown of sites per type of contract as at 31 December 2010



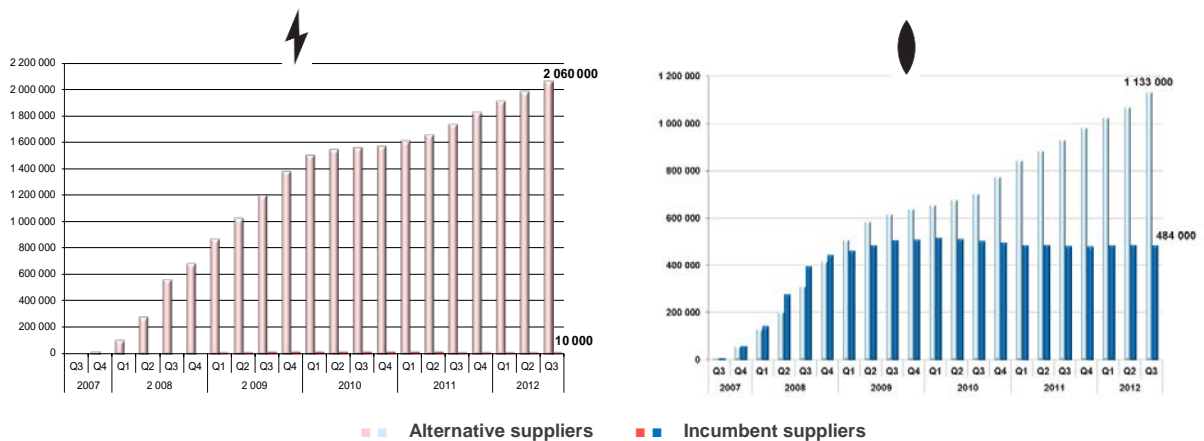
On the residential retail market

The opening rhythm of the electricity market continues with 79, 000 additional customers (thus +4%) with contracts at market price at the end of the third quarter of 2012 (+70, 000 at the end of the second quarter of 2012). The opening of the gas market has been accelerating slightly this quarter with 64,000 additional customers subscribed to a market-price contract (+4 %) over the third quarter of 2012 (up from 47,000 over Q2 2012).

As at 30 September 2012, 2,070, 000 sites (6.7%), out of a total 30.7 million, have electricity contracts based on market prices, 2, 060, 000 of which are with an alternative supplier.

On the gas market, 1,617,000 sites, out of a total 10.6 million, have gas contracts based on market prices, 1,133,000 of which are with an alternative supplier.

Number of residential customers with market-price contracts



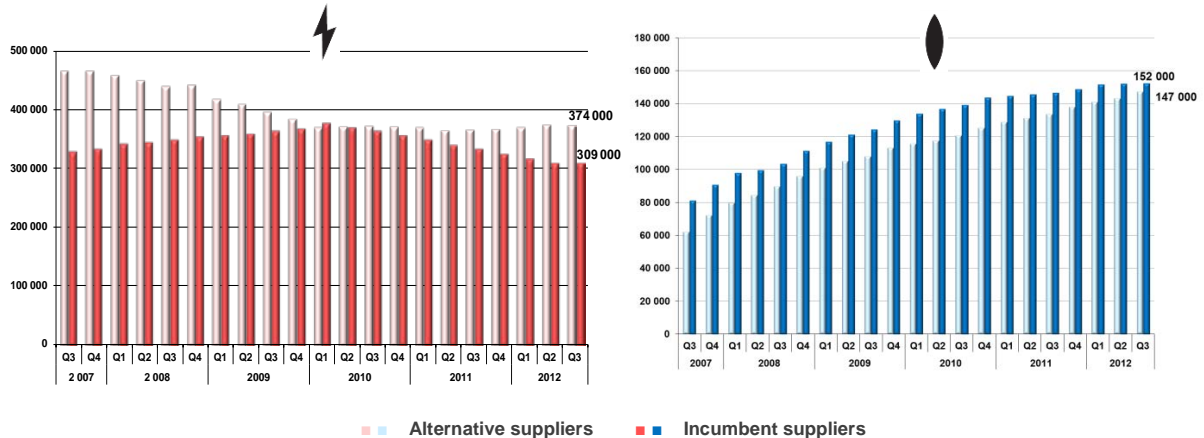
On the non-residential retail market

The number of customers with market-price electricity contracts continues to drop compared to the previous quarter. The opening of the gas market slightly picks up from Q2 2012 with 4,500 additional customers with market-price contracts (representing a 2% gain) accrued over the third quarter of 2012 (+2,400 during the second quarter of 2012).

As at 30 September 2012, 683,000 sites (13.9%), out of a total 4.9 million, have electricity contracts based on market prices, 374,000 sites are with an alternative supplier.

On the gas market, 300,000 sites, out of a total 673,000 sites, have market-price contracts, 147,000 of which are with an alternative supplier.

Number of non-residential customers with market-price contracts



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

Wholesale Markets

On the spot market for electricity (day-ahead and within-day), traded volumes decreased in comparison to both the previous quarter (-13%) and the third quarter of 2011 (-21%). **Regarding the term contracts market, traded volumes increased by 20% compared to the previous quarter to reach 99 TWh. This is however a decline of 34% compared to the third quarter of 2011.** This increase in volumes concerns all maturities (weekly to annual), while being more pronounced for Month and Year contracts. The increase in volumes is mainly due to the rise in trading activity on the brokers platforms which concentrate most of the trading activity on the term products, but the rise was more significant at the power exchange.

The day-ahead baseload prices on EPEX SPOT established on average at €44 /MWh, corresponding to an increase of 7% compared to the previous quarter and of 3% compared to the third quarter of 2011. The spread between French and German prices declined slightly and French prices remained higher throughout the quarter except for two weeks in August. The spreads on calendar contracts have widened between France and Germany: prices remained stable in France and followed a downward trend in Germany during the third quarter of 2012 compared to the previous quarter, and average baseload prices established at €50.6 /MWh in France and €48.7 /MWh in Germany.

The generation rate of nuclear power plant averaged 61.0% in the third quarter of 2012 versus 69.4% at the same period last year, **because of a lower availability rate of nuclear power plants** (65.6% in 2012 versus 73.0% in 2011 over the third quarter). Hydro stocks level decreased from 80% early July to 70% at the end of September, the same level as last year at the same period. Imports remained steady compared to the previous quarter whilst they more than tripled regarding the third quarter of 2011 because of a lower nuclear generation rate. The exports net balance amounted to a volume of 10.8 TWh, which represents a 30% decrease in comparison to the third quarter 2011.

Regarding the French wholesale gas market, intermediated traded volumes established at 77 TWh, a 30%-increase compared to the previous quarter. **This increase was driven by both term contracts and spot contracts markets.** Traded volumes on the spot market went from 22 TWh in the second quarter to 28 TWh in the third quarter 2012, similar to the volumes in the third quarter 2011. 49 TWh of term contracts were traded against 36 TWh in the previous quarter. This increase in volumes concerns mainly monthly and quarterly contracts. The volume is however 12% lower than the volume traded in 2011 at the same period.

Day-ahead prices at the PEG Nord slightly rose to average €25.1/MWh whilst spot prices remained steady across Europe. There was however some volatility over the quarter: after a significant increase early July, spot prices went down to around €24/MWh before rising again over the second half of the quarter. Term contracts prices gained 3% on average compared to the previous quarter but were lower than at the same period last year, M+1 products excepted.

Over the third quarter 2012, the spread between day-ahead prices on the PEG Nord and the PEG Sud remained at a high level, peaking at €/MWh on 23 July. The supply in Zone Sud was tightened by the need to increase storage injections over the summer and capacity reductions on the link between both hubs, in particular in July. The spread narrowed in August due to higher availability of interruptible capacities on the Nord/Sud link, the arrival of LNG cargos and the unavailability of Larrau (interconnection with Spain) at the end of the month. In September, capacity restrictions on the Nord/Sud link have increased again, up to 26% of firm capacities.

As a reminder, CRE opened an investigation into natural gas prices in the south of France¹.

¹ Press Release published on 07/27/2012: <http://www.cre.fr/documents/presse/communiqués-de-presse/la-cre-ouvre-une-enquete-sur-les-prix-de-marche-du-gaz-au-sud-de-la-france-et-consulter-le-communiqué-de-presse>

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