



*WORLD ENERGY CONGRESS
GME SPECIAL SESSION*

*COMPETITION IN THE EUROPEAN
ENERGY MARKETS*

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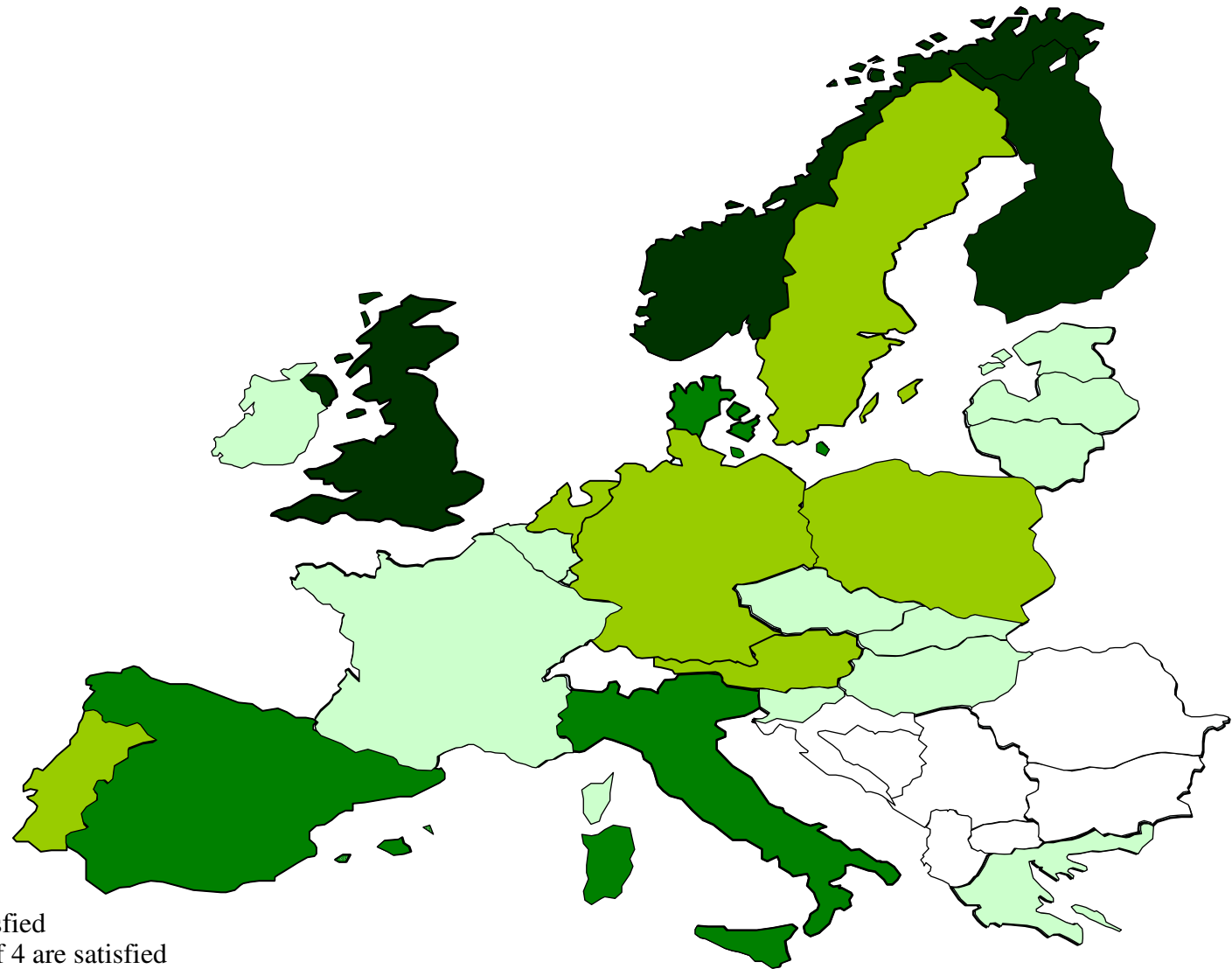
*Rome
November 13, 2007*

Competition and Liberalization Indicators

Slides:

- 1) Full market opening as of October 2006: all customers given the choice of their electricity supplier - source Eurostat;
- 2) Independent TSO (no links with production and supply companies) - GME analysis on European Commission studies;
- 3) Wholesale Markets Concentration Ratio (CR): market share of 3 biggest companies < 65% (electricity: by capacity; gas: by traded volumes) - source ERGEG;
- 4) Retail Markets Concentration Ratio (CR): market share of 3 biggest companies < 65% (households & small commercial customers) – source ERGEG;

European electricity markets degree of liberalization



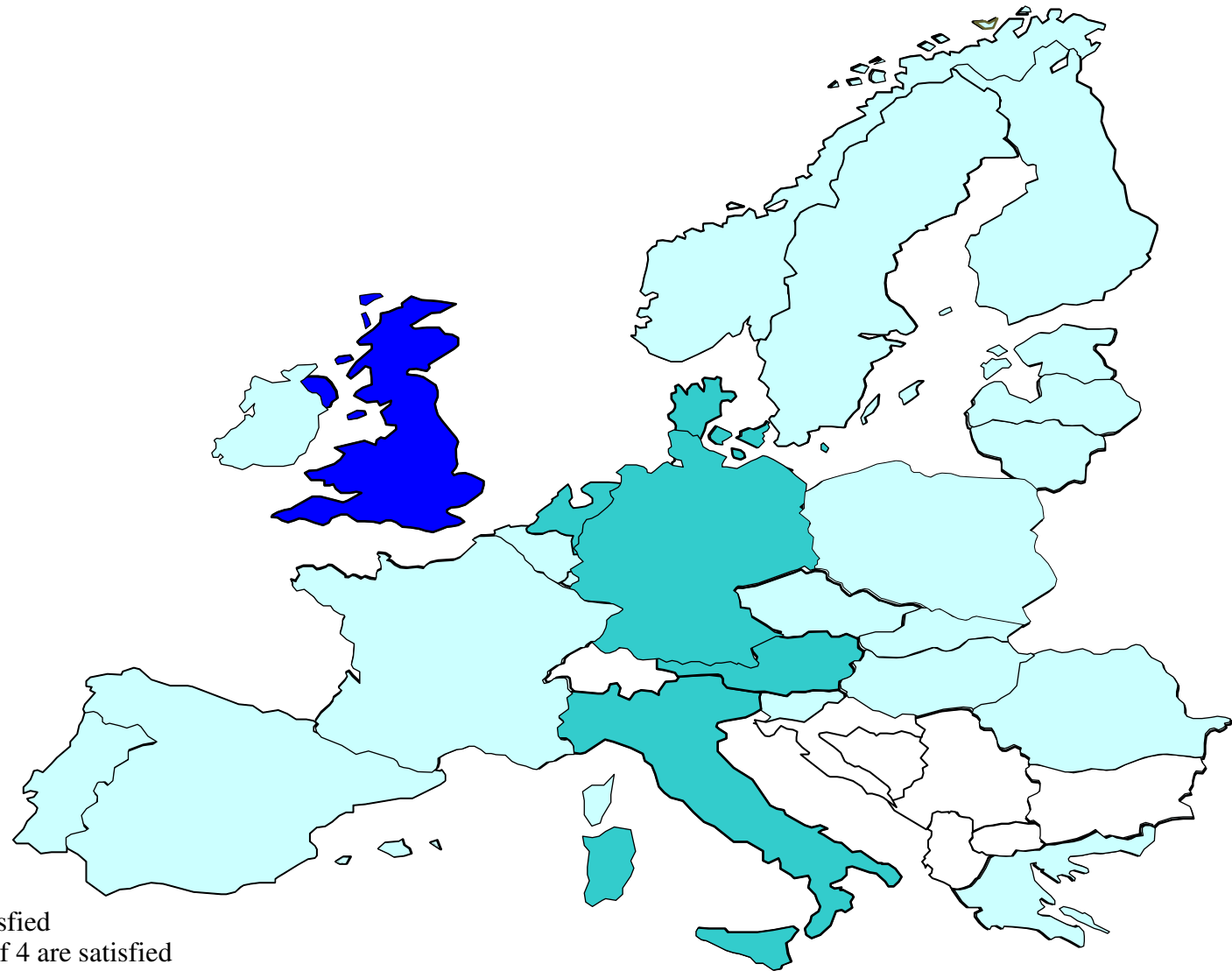
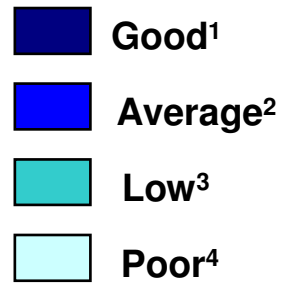
¹ **Good:** all indicators are satisfied

² **Average:** 3 indicators out of 4 are satisfied

³ **Low:** 2 indicators out of 4 are satisfied

⁴ **Poor:** no more than 1 indicator out of 4 is satisfied

European gas markets degree of liberalization



¹ **Good:** all indicators are satisfied

² **Average:** 3 indicators out of 4 are satisfied

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Electricity sector: generation (year 2005)

Country	Market share of the largest generator	# of companies with a market share > 5%
France	89%	1
Germany	28%	4
Italy	39%	4
Spain	35%	4
UK	21%	7

Source: Eurostat

Gas sector: production and import (year 2005)

Country	# of operating companies	# of companies with a market share > 5%
France	13	3
Germany	20	7
Italy	38	3
Spain	15	6
UK	23	7

Source: Eurostat

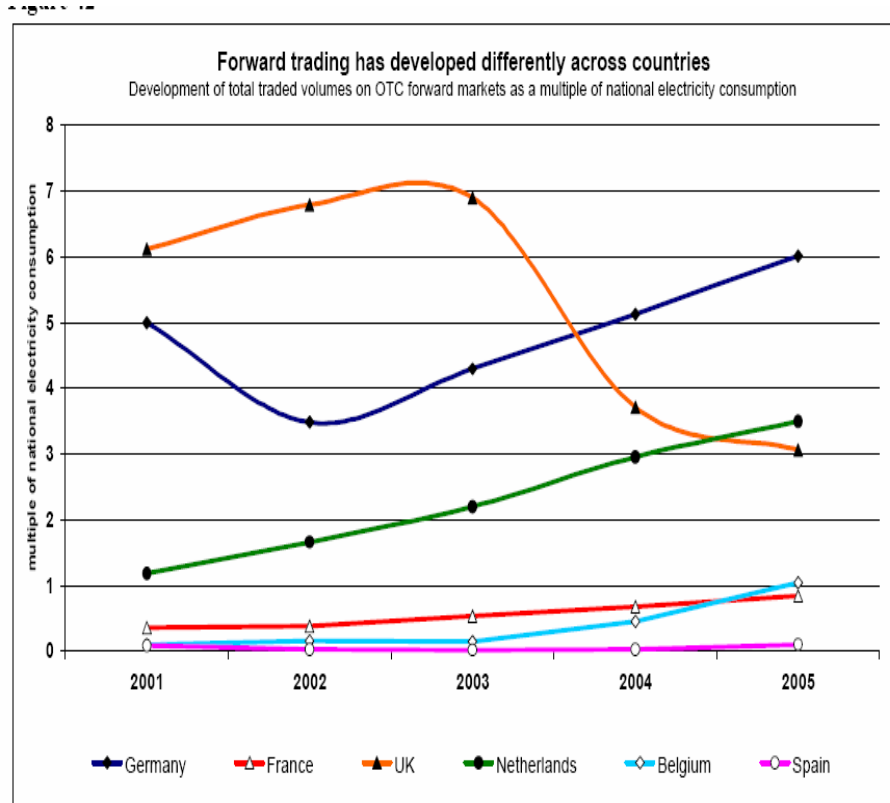
Gas sector: production and import (year 2004)

Incumbent market share for selected countries

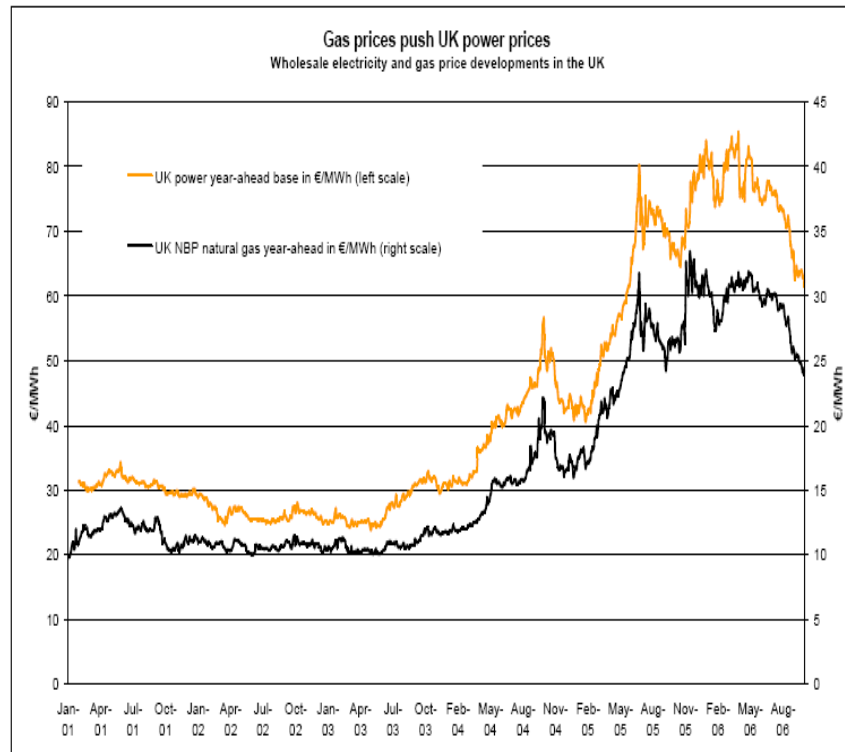
Country	Total imports (in bcm)	Incumbent share of imports	Total domestic production (in bcm)	Incumbent share of domestic production
Austria	9	80-90%	2	-
Belgium	16	90-100%	0	-
Czech Republic	9	90-100%	< 1	-
Denmark	0	-	10	80-90%
France	49	90-100%	1	-
Great Britain	13	20-30%	105	40-50%
Germany	88	90-100%	18	80-90%
Hungary	11	90-100%	3	90-100%
Italy	67	60-70%	13	80-90%
Netherlands	18	50-60%	73	90-100%
Poland	10	90-100%	5	90-100%
Slovakia	7	90-100%	< 1	-

Source: European Commission - DG Competition report on energy sector inquiry

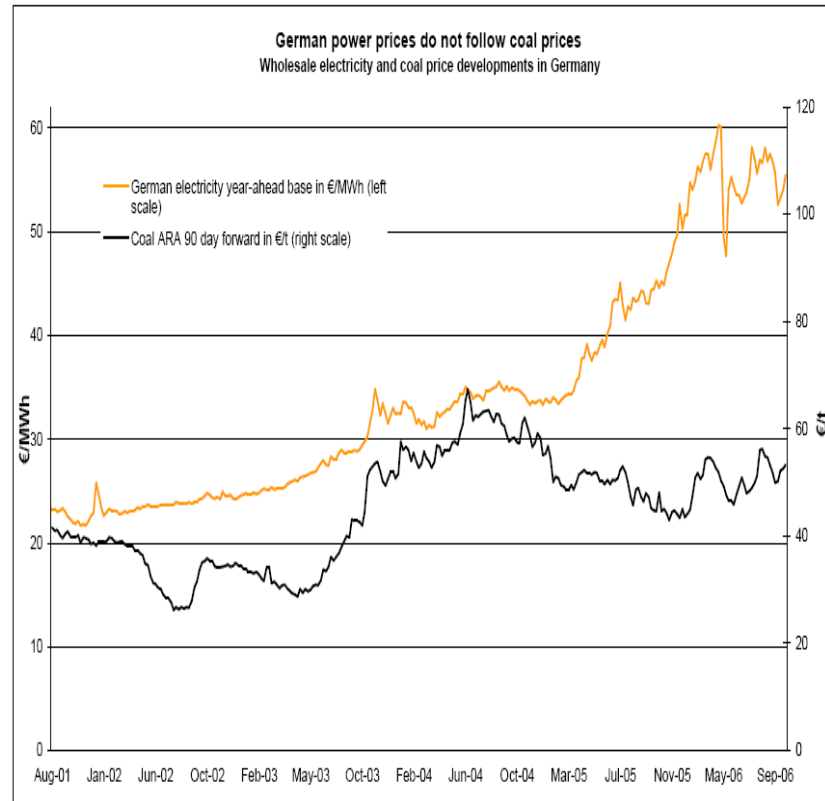
Note: "Total Imports" means gas imported for use in domestic consumption and do not include transit gas or imports that are subsequently exported. Due to differences in countries reporting methodologies percentages are presented in ranges"



Source: Energy Sector Inquiry 2005/2006.



Source: information received within the scope of the Sector Inquiry from Argus Media, and Platts³⁰⁵.



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