



Opérateur d'électricité et de gaz

PRESS RELEASE

Paris, 18 February 2010.

Revenue of €564.7 million in 2009, down 2.2%

- Number of customer sites up 51% in 2009 ahead of an expected stabilisation in 2010, pending the electricity market reform hoped to be in force from January 2011
- Operating loss estimated around €85 million for 2009
- Sale of POWEO Services' heating activities as part of a wider action plan aiming notably at refocusing the Group on core activities

POWEO, the leading independent electricity and gas operator in France, presents its key business indicators for the fourth quarter of 2009 and for the year ended 31 December 2009 (2009 accounts still unaudited):

(€ million)	4 th quarter			Year ended 31 December		
	2009	2008	% change	2009	2008	% change
<i>Electricity sales</i>	139.8	120.2	+16.3%	382.0	441.4	-13.5%
<i>Gas sales</i>	29.3	28.8	+1.7%	102.8	48.0	+114.3%
Supply of energy	169.1	149.0	+13.5%	484.8	489.4	-0.9%
Services	7.2	3.2	+124.1%	21.4	9.9	+117.3%
Transport and taxes	23.6	15.1	+56.6%	71.1	44.3	+60.6%
Revenue excluding Energy Management	199.8	167.2	+19.5%	577.3	543.5	+6.2%
Energy Management	(10.7)	43.3	-124.7%	(12.7)	33.8	-137.5%
Consolidated revenue	189.1	210.5	-10.2%	564.7	577.3	-2.2%

In the fourth quarter of 2009, POWEO posted revenue excluding Energy Management of €199.8 million, compared with €167.2 million in the fourth quarter of 2008. Total revenue for 2009 excluding Energy Management thus came to €577.3 million, up 6.2% from 2008.

Revenue in 2009 from the supply of electricity was buoyed on the one hand by growth in the number of residential customer sites and on the other hand by the commissioning at the end of the third quarter of the Pont-sur-Sambre power plant, which, combined with the existing wind, solar and hydro-electric plants, gives installed capacity at 31 December 2009 of 505 MW. This enabled the company to partly offset the deliberate reduction of sales to large accounts and networks, pending the electricity market reform, as shown in the following table:

Electricity sales by segment (€ million)	4 th quarter			Year ended 31 December		
	2009	2008	% change	2009	2008	% change
<i>Profiled residential customers (1)</i>	11.2	6.3	+79.7%	30.1	8.4	+257.2%
<i>Profiled professional customers (1)</i>	15.7	14.9	+5.3%	55.1	53.3	+3.3%
<i>Remote metering customers (2)</i>	29.9	67.5	-55.7%	113.2	212.6	-46.8%
<i>Networks and other</i>	43.2	28.7	+50.6%	125.6	158.5	-20.7%
<i>Generation (3)</i>	39.8	2.8	+1,331%	58.0	8.5	+579.5%
Electricity sales	139.8	120.2	+16.3%	382.0	441.4	-13.5%

(1) Residential or professional customer sites for which consumption is estimated by reference to standard consumption profiles and corrected periodically by a visual reading of the meter

(2) Professional or industrial customer sites for which consumption is significant and therefore determined on a real-time basis using remote metering

(3) Power generated by POWEO conventional or renewable-energy power stations

Gas sales more than doubled in 2009 to €102.8 million, compared with €48.0 million in 2008.

Gas sales by segment (€ million)	4 th quarter			Year ended 31 December		
	2009	2008 (3)	% change	2009	2008 (3)	% change
<i>Profiled residential customers (1)</i>	13.2	13.3	-0.9%	40.1	18.3	+118.4%
<i>Profiled professional customers (1)</i>	4.8	7.3	-34.6%	18.2	15.4	+17.8%
<i>Remote metering customers (2) and networks</i>	11.3	8.2	+38.1%	44.5	14.2	+213.8%
Gas sales	29.3	28.8	+1.7%	102.8	48.0	+114.3%

(1) Residential or professional customer sites for which consumption is estimated by reference to standard consumption profiles and corrected periodically by a visual reading of the meter

(2) Professional or industrial customer sites for which consumption is significant and therefore determined on a real-time basis using remote metering

(3) Estimated breakdown based on management reports

In the fourth quarter of 2009, the Group made a loss of €10.7 million on its Energy Management business, owing essentially to further falls in electricity prices. This business thus made a negative €12.7 million contribution to the Group's revenue for the year. By way of reminder, POWEO has been recognising since the 4th quarter of 2008 a part of the value of its nuclear power supply capacity (see press release of 11 February 2009), which had generated a positive net contribution of €33.8 million for the year ended 31 December 2008.

Taking into account the Energy Management business, the Group's revenue for the year ended 31 December 2009 came to €564.7 million, down 2.2% year-on-year.

More than 400,000 active sites at 31 December 2009

In 2009, the number of active customer sites increased by 51% to 411,400, and breaks down as follows:

Number of active customer sites	31 December 2009	% change since 31 December 2008	30 June 2009	31 December 2008
Electricity	296,300	+59%	235,600	186,300
o/w Residential	193,600	+82%	151,500	106,200
o/w Professional	102,700	+28%	84,100	80,100
Gas	115,100	+34%	107,400	85,900
o/w Residential	109,100	+38%	100,800	78,900
o/w Professional	6,000	-14%	6,600	7,000
Total	411,400	+51%	343,000	272,200
o/w Residential	302,700	+64%	252,300	185,100
o/w Professional	108,700	+25%	90,700	87,100

The increase in the number of sites in 2009 stems primarily from growth in the residential segment (+64%). The monthly churn rate for residential customers remained within the 3-4% range in the fourth quarter, back, following spikes in the summer, at the levels seen at the beginning of the year. Meanwhile, the professional segment grew by a significant 25% in 2009 thanks to contracts signed with multi-site customers.

Specific adaptation measures pending the electricity market reform

In line with its commitments (see press release of 12 November 2009), POWEO's new management team has drawn up an action plan to equip the Group to face the adverse conditions to which new entrants on the French energy supply market are exposed, due to the regrettable delay of the reform announced by the French government in September 2009.

This plan develops around three complementary axes:

- Refocusing on core activities, namely power generation and energy supply in France: in this respect, POWEO has sold to a sector player the heating business of its subsidiary POWEO Services, with effect on 31 December 2009. POWEO has also proceeded to a review of its industrial portfolio in order to identify non-core projects and assets, which could lead to a few disposals this year ;

- Adaptation of Group structures: POWEO has initiated various measures which relate mainly to its Supply branch and shall be detailed in next March along with the 2009 results. In this process, POWEO will pay a particular attention to preserving branch competences until the actual implementation of the electricity market reform, which POWEO does not expect to take place before January 2011 ;
- Analysis and implementation of optimisation and synergy measures: within the framework of a process called « OPTIM », developed in 14 work streams which cover all critical functions of the Group, POWEO teams are implementing actions which should allow for cost savings, efficiency gains and operational risks mitigation. An intermediary assessment of expected results will be carried out mid-March;

POWEO would like to reiterate that a certain number of measures, already announced and engaged in 2009 (partial amortisation of capitalised customer acquisition costs, additional impairment of bad debts, bringing forward of certain future gas supply costs), will seriously curtail the Group's earnings in 2009, for which it expects to report an operating loss of around €85 million, inclusive of non-recurring adaptation costs.

It should be noted that the POWEO's consolidated gross cash position was exceeding €110 million as at 11 February 2010, not including €28.6 millions of restricted cash (cash deposits for trading activities, debt service reserve accounts for project financings).

Next financial release

POWEO will report its 2009 results on Thursday 18 March 2010 before trading hours, and shall take this opportunity to present its perspectives for 2010.

About POWEO

POWEO, the leading independent electricity and gas operator in France, supplies energy and energy efficiency and environmental services to over 400,000 customer sites. POWEO also develops power generation capacity within the framework of its integrated operator strategy, with the aim of using renewable energies such as wind power, solar, hydroelectricity and biofuels to generate 25% of its production capacity. POWEO currently has over 500 MW in installed capacity, including 412 MW provided by its first natural gas combined-cycle power generation plant in Pont-sur-Sambre (Nord region). POWEO is listed on the Alternext compartment of the Euronext Paris Stock Exchange (ALPWO / FR0004191674). For more information please visit the company's website: www.poweo.com.

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